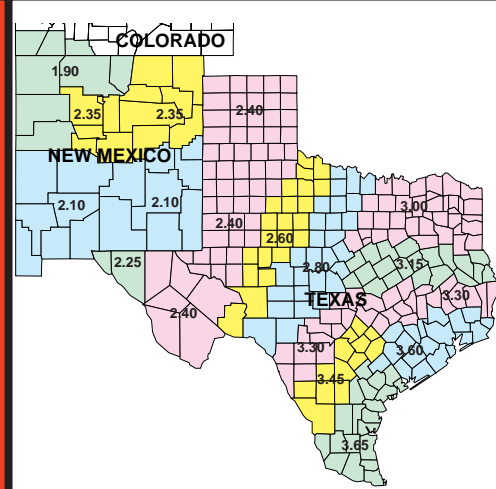


# THE MARKET ADMINISTRATOR'S REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR OCTOBER

The Producer Price Differential (P.P.D.) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.52 for October. Butterfat price decreased \$0.0334 per pound from \$1.9354 in September to the level of \$1.9020 in October. Protein price decreased \$0.1617 per pound from \$2.5431 in September to \$2.3814 in October. October's Other Solids price increased \$0.0088 per pound from \$0.0589 in September to \$0.0677 in October. The Somatic Cell Count adjustment rate factor for October was .00076 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an October statistical uniform price of \$15.68 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease of \$0.07 in comparison to the statistical blend price of \$15.75 in September.

The October Class I price increased \$0.84 from \$16.94 in September to the October level of \$17.78. The Class II price for October of \$13.57 per hundred-weight decreased \$0.09 from \$13.66 in September. October's Class III price decreased \$0.56 from \$14.72 in September to \$14.16 in October. The Class IV price decreased \$0.19 from \$13.00 in September to \$12.81 in October.

In October 838 producers delivered a total of 790,765,169 pounds of milk. On a daily basis this represents an increase of 2.87 percent from the producer receipts level in September and it represents an increase of 41.79 percent when compared to the producer receipts level of October 2003.

Producer milk classified as Class I during October amounted to 45.32 percent of total producer receipts. This figure is down from 47.88 percent in September and it is down from 65.75 percent in October 2003. The average butterfat test of producer milk pooled during October was 3.695 percent, average protein test was 3.116 percent, average other solids test was 5.710 percent and the average somatic cell count was 308,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 04	Sep 04	Oct 04	Sep 04	Oct 04	Sep 04
Appalachian	16.69	16.52	-----	-----	67.69	73.81
Arizona-Las Vegas	15.01	15.18	-----	-----	35.03	37.82
Central	14.70	14.93	0.54	0.21	30.69	48.63
Florida	18.19	17.69	-----	-----	87.52	88.86
Mideast	14.89	15.06	0.73	0.34	35.80	41.60
Northeast	16.07	16.06	1.91	1.34	50.80	51.10
Pacific Northwest	14.40	14.44	0.24	(0.28)	29.95	37.89
Southeast	16.78	16.43	-----	-----	68.94	70.36
<b>Southwest</b>	<b>15.68</b>	<b>15.75</b>	<b>1.52</b>	<b>1.03</b>	<b>45.32</b>	<b>47.88</b>
Upper Midwest	14.47	14.85	0.31	0.13	18.90	29.10

## USDA SEEKS NOMINATIONS FOR NATIONAL FLUID MILK BOARD

The USDA is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Secretary of Agriculture will appoint six individuals from those nominated to succeed members whose terms expire June 30, 2005. Newly appointed or reappointed members will serve 3 year terms from July 1, 2005 through June 30, 2008.

Established by the Fluid Milk Promotion Act of 1990, the National Fluid Milk Processor Promotion Board develops and administers a coordinated program of advertising and education to promote fluid milk products. Of the board's 20 members, 15 represent geographic regions and five are at-large members.

The national fluid milk program is financed by a mandatory 20-cent per cwt assessment on fluid milk processors who process and market commercially in consumer-type packages more than 3,000,000 pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia, excluding those fluid milk products delivered directly to the residence of a consumer.

USDA will accept nominations for board representation in five geographic regions and for one at-large position. Nominees for all six positions must be active owners or employees of a fluid milk processor. The geographic regions are: Region 2 (New Jersey and New York); Region 5 (Florida); Region 8 (Illinois and Indiana); Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska and Oklahoma); and Region 14 (Northern California). No more than three members shall represent a fluid milk processor on the board. To nomi-

nate an individual, please submit completed nomination background forms by Dec. 3, 2004.

## VENEMAN NAMES MEMBERS TO NATIONAL DAIRY BOARD

Secretary of Agriculture Ann Veneman announced the appointment of seven new members and reappointment of five incumbents to the National Dairy Promotion and Research Board. All will serve three year terms beginning Nov. 1, 2004, through Oct. 31, 2007.

Newly appointed were: Deborah D. Dykstra, Caruthers, Calif., (region 2); Linda P. Macedo, Merced, Calif., (region 2); Harvey S. Moranda, Orland, Calif., (region 2); Grant Kohler, Midway, Utah, (region 3); Jose L. Gonzalez, Mesquite, N.M. (region 4); John M. Larson, Okeechobee, Fla., (region 10); and Paula A. Meabon, Wattsburg, Pa., (region 11).

Reappointed to serve second terms were: Marlin J. Rasmussen, St. Paul, Ore., (region 1); Margaret A. Gambonini, Petaluma, Calif., (Region 2); Rosalie M. Geiger, Reedsville, Wis., (region 6); Alice S. Moore, Frazeysburg, Ohio, (region 9); and David E. Hardie, Lansing, N.Y., (region 12).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the contiguous United States, administers a coordinated program of promotion, research and nutrition education. The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets.

## 2005 RELEASE DATES FOR PRICE DATA

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <sup>1/</sup>	Release Date	Time Period of NASS Prices <sup>1/</sup>
January	December 23, 2004	12/11, 18	February 4, 2005	1/1, 8, 15, 22, 29
February	January 21, 2005	1/8, 15	March 4	2/5, 12, 19, 26
March	February 18	2/5, 12	April 1	3/5, 12, 19, 26
April	March 18	3/5, 12	April 29	4/2, 9, 16, 23
May	April 22	4/9, 16	June 3	4/30, 5/7, 14, 21, 28
June	May 20	5/7, 14	July 1	6/4, 11, 18, 25
July	June 17	6/4, 11	August 5	7/2, 9, 16, 23, 30
August	July 22	7/9, 16	September 2	8/6, 13, 20, 27
September	August 19	8/6, 13	September 30	9/3, 10, 17, 24
October	September 23	9/10, 17	November 4	10/1, 8, 15, 22, 29
November	October 21	10/8, 15	December 2	11/5, 12, 19, 26
December	November 18	11/5, 12	December 30	12/3, 10, 17, 24

<sup>1/</sup> Weekly sales periods, ending on the indicated date, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

## TOP TEN TEXAS COUNTIES a/ – OCTOBER 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Erath	111	97,471,384	+ 1.36	7. Deaf Smith	6	18,149,042	+ 3.07
2. Hopkins	148	38,382,253	- 5.18	8. Archer	53	17,231,361	+ 0.36
3. Comanche	33	37,533,013	+ 4.79	9. Parmer	5	16,419,052	+ 5.50
4. Lamb	8	28,651,373	- 1.86	10. Bailey	7	12,723,238	+ 25.71
5. Hale	4	20,774,644	+ 161.74	Ten County Total	382	306,848,185	+ 5.07 b/
6. Castro	7	19,507,825	+ 87.34	Other Counties Total	415	161,067,224	+ 2.44
				<b>Texas Total</b>	<b>797</b>	<b>467,915,409</b>	<b>+ 4.15</b>

a/ Includes all known Grade "A" milk produced on farms located in Texas.

b/ Compared to top ten counties for the month in the previous year.

## Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations

Class Prices & P.P.D.						Component Prices				NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/	BF	Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
Month	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
August 2003	13.97	10.81	13.80	10.14	- 0.87	125.14	0.26	314.38	.00077	115.78	154.96	81.05	16.15
September	16.71	10.76	14.30	10.05	0.18	122.18	1.70	331.80	.00080	113.32	159.40	81.11	17.55
October	17.27	10.84	14.39	10.16	0.50	125.53	3.11	328.15	.00080	116.11	159.36	81.09	18.92
November	17.37	10.99	13.47	10.30	1.06	128.77	3.68	292.67	.00075	118.81	149.41	81.30	19.47
December	16.84	11.30	11.87	10.52	1.99	136.88	3.62	229.97	.00066	125.57	132.60	80.70	19.41
Averages 2003 b/	14.39	10.76	11.42	10.00	1.16	120.99	1.29	237.70	.00065	111.94	130.31	80.90	16.67
January 2004	14.85	11.67	11.61	10.97	1.68	149.78	2.17	208.75	.00065	136.32	130.23	80.62	18.01
February	14.59	12.90	11.89	12.21	1.78	185.18	0.90	179.11	.00066	165.82	132.60	80.64	16.77
March	14.94	14.79	14.49	14.10	0.73	238.13	2.34	201.33	.00078	209.94	156.80	81.01	18.17
April	16.64	15.21	19.66	14.57	- 3.48	250.13	10.42	344.65	.00103	219.94	205.20	81.71	26.02
May	22.65	15.03	20.58	14.50	- 1.91	242.82	14.44	376.39	.00106	213.85	212.66	83.83	29.92
June	24.13	14.31	17.68	13.72	1.72	217.68	13.39	310.86	.00092	192.90	184.11	84.97	28.90
July	20.95	14.00	14.85	13.31	2.23	205.43	10.48	236.25	.00078	182.69	156.95	85.13	26.07
August	17.62	13.13	14.04	12.46	1.45	179.41	6.76	246.63	.00076	161.01	151.67	85.84	22.46
September	16.94	13.66	14.72	13.00	1.03	193.54	5.89	254.31	.00079	172.78	158.67	86.39	21.62
October	17.78	13.57	14.16	12.81	1.52	190.20	6.77	238.14	.00076	170.00	152.56	85.65	22.47

a/ Subject to location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

## TOP NEW MEXICO COUNTIES a/ – OCTOBER 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Chaves	42	147,318,188	- 0.65	7. Valencia	9	16,373,329	+ 60.91
2. Roosevelt	42	100,629,826	- 2.31	8. Socorro	7	11,146,903	- 34.67
3. Curry	24	100,458,084	+ 4.85	9. Sierra	3	7,628,092	+ 34.34
4. Dona Ana	23	85,278,190	+ 6.21	10. Bernalillo	4	5,142,888	- 4.42
5. Lea	13	31,180,655	- 30.46	Ten County Total	173	531,720,969	- 1.11 b/
6. Eddy	6	26,564,814	- 2.12	Other Counties Total	4	9,305,959	+ 0.77
				<b>New Mexico Total</b>	<b>177</b>	<b>541,026,928</b>	<b>- 1.07</b>

a/ All known Grade "A" milk produced on farms located in New Mexico.

b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2002 THROUGH OCTOBER 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

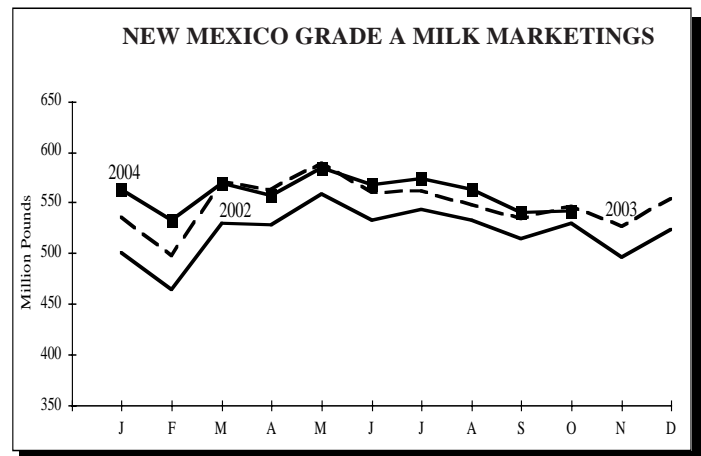
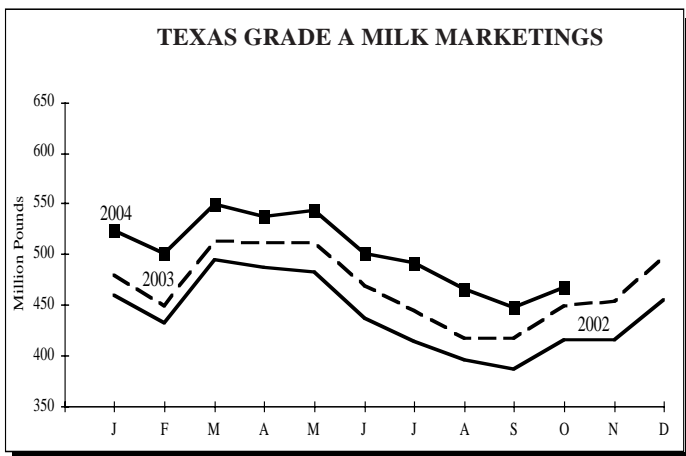
MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	459,850,238	897	480,011,354	845	523,723,796	816	+ 4.38	+ 9.11
February	431,807,361	894	449,362,000	840	501,204,456	819	+ 4.07	+ 7.69*
March	494,608,931	893	512,243,241	841	548,941,459	814	+ 3.57	+ 7.16
April	487,475,741	889	510,466,950	838	537,141,283	803	+ 4.72	+ 5.23
May	482,994,330	875	511,474,552	840	543,408,997	801	+ 5.90	+ 6.24
June	435,698,971	872	468,387,455	838	500,319,580	803	+ 7.50	+ 6.82
July	414,700,943	862	444,115,237	834	491,018,134	799	+ 7.09	+ 10.56
August	395,468,644	851	417,817,794	833	467,427,900	796	+ 5.65	+ 11.87
September	386,732,687	859	416,649,423	836	447,166,094	796	+ 7.74	+ 7.32
October	415,984,319	846	449,267,689	835	467,915,409	797	+ 8.00	+ 4.15
November	415,537,665	847	453,593,349	826			+ 9.16	
December	<u>454,863,992</u>	843	<u>497,718,548</u>	815			<u>+ 9.42</u>	
Years Total	5,275,723,822		5,611,107,592				+ 6.36	

\* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2002 THROUGH OCTOBER 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	501,275,998	174	535,741,056	177	562,516,031	178	+ 6.66	+ 5.00
February	463,667,936	173	498,218,526	176	532,156,355	176	+ 7.45	+ 3.13*
March	528,830,087	175	570,901,632	177	568,504,219	178	+ 7.96	- 0.42
April	528,467,048	175	562,338,380	177	557,482,116	176	+ 6.41	- 0.86
May	557,746,887	176	589,176,775	177	583,379,003	177	+ 5.64	- 0.98
June	532,178,000	178	559,442,259	177	567,036,025	177	+ 5.12	+ 1.36
July	542,546,821	176	560,883,275	178	573,899,551	181	+ 3.38	+ 2.32
August	532,685,705	176	547,114,145	178	563,099,040	177	+ 2.71	+ 2.92
September	513,773,496	178	533,648,709	180	540,636,857	179	+ 3.87	+ 1.31
October	529,524,800	178	546,904,202	178	541,026,928	177	+ 3.28	- 1.07
November	496,802,059	178	526,000,891	176			+ 5.88	
December	<u>523,409,272</u>	178	<u>553,271,605</u>	179			<u>+ 5.71</u>	
Years Total	6,250,908,109		6,583,641,455				+ 5.32	

\* Based on average daily delivery.



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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

## TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
October 2003	3.73	3.58	3.13	3.07	5.67	5.70	8.81	8.78	366	272
November	3.75	3.64	3.15	3.11	5.69	5.71	8.83	8.82	333	248
December	3.78	3.68	3.15	3.10	5.72	5.72	8.87	8.83	305	246
Averages 2003	3.66	3.57	3.06	3.00	5.70	5.72	8.76	8.72	351	275
January 2004	3.77	3.66	3.11	3.06	5.72	5.72	8.83	8.78	300	253
February	3.76	3.64	3.11	3.05	5.73	5.74	8.84	8.79	302	262
March	3.68	3.58	3.06	3.02	5.72	5.72	8.78	8.74	318	280
April	3.64	3.53	3.05	2.99	5.73	5.74	8.77	8.73	311	292
May	3.59	3.43	3.02	2.94	5.70	5.71	8.72	8.66	316	262
June	3.57	3.40	3.00	2.92	5.70	5.72	8.70	8.64	326	247
July	3.59	3.43	3.01	2.91	5.69	5.73	8.71	8.63	377	286
August	3.62	3.46	3.05	2.95	5.69	5.71	8.74	8.66	389	300
September	3.67	3.53	3.11	3.03	5.68	5.70	8.79	8.73	356	274
October	3.76	3.63	3.15	3.09	5.69	5.72	8.84	8.81	346	285

a/ In thousands.

### OCTOBER 2004 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$260,321.37
Class I Butterfat	60(a)	8,206,175	\$1.9015	\$15,604,041.76
Class I Skim Per Cwt		350,133,137	\$11.5300	\$40,370,350.70
Class II Butterfat	60(b)	8,672,670	\$1.9090	\$16,556,127.03
Class II Nonfat Solids		7,706,820	\$0.7933	\$6,113,820.31
Class III Butterfat	60(c)	8,824,767	\$1.9020	\$16,784,706.82
Class III Protein		6,340,021	\$2.3814	\$15,098,126.01
Class III Other Solids		11,668,884	\$0.0677	\$789,983.45
Class IV Butterfat	60(d)	3,516,740	\$1.9020	\$6,688,839.50
Class IV Nonfat Solids		11,977,317	\$0.7093	\$8,495,510.98
Class II, III & IV Somatic Cell Adj.	60(e)			\$149,570.49
Total Producer Milk-Product Lbs & Value		790,765,169		\$126,911,398.42
Add: Value as for 60(f) Thru 60(j)				\$102,037.27
Less: Total Protein Pounds	61(b)	24,647,045	<b>\$2.3814</b>	\$58,694,472.99
Total Other Solids Pounds		45,159,616	<b>\$0.0677</b>	\$3,057,306.03
Total Butterfat Pounds		29,220,352	<b>\$1.9020</b>	\$55,577,109.48
Total Value of Somatic Cell Adjustment				\$249,670.74
<b>Total Milk and Value</b>		790,765,169		\$9,434,876.45
Add: Location Differential Adjustments	61(c)			\$2,612,651.23
Producer-Settlement Fund	61(d)			\$324,356.61
<b>Total Producer Milk/URSP and Value</b>		790,765,169	\$1.56454	\$12,371,884.29
Less: Producer-Settlement Fund	61(f)		\$0.04454	\$352,253.72
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.52</b>	\$12,019,630.57



# THE MARKET ADMINISTRATOR'S *REPORT*

## **SOUTHWEST MARKETING AREA**

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## **OCTOBER 2004 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	358,339,312	45.32	8,206,175	28.08	350,133,137	45.98
Class II	92,548,411	11.70	8,672,670	29.68	83,875,741	11.01
Class III	205,879,307	26.03	8,824,767	30.20	197,054,540	25.88
Class IV	133,998,139	16.95	3,516,740	12.04	130,481,399	17.13
Total	790,765,169	100.00	29,220,352	100.00	761,544,817	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,354,713	46.07	20,758,907	45.96	32,113,617	46.00
Class II	2,732,387	11.09	4,974,433	11.02	7,706,820	11.04
Class III	6,340,021	25.72	11,668,884	25.84	18,008,907	25.80
Class IV	4,219,924	17.12	7,757,392	17.18	11,977,317	17.16
Total	24,647,045	100.00	45,159,616	100.00	69,806,661	100.00