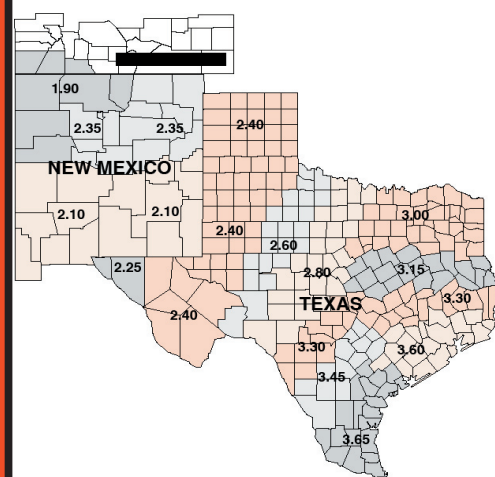


THE MARKET ADMINISTRATOR'S REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR AUGUST

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 \$2.10 for August. Butterfat price increased \$0.0239 per pound from \$1.8007 in July to the level of \$1.8246 in August. Protein price decreased \$0.2939 per pound from \$2.4558 in July to \$2.1619 in August. August's Other Solids price increased \$0.0077 per pound from \$0.1240 in July to \$0.1317 in August. The Somatic Cell Count adjustment rate factor for August was .00072 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an August statistical uniform price of \$15.70 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of \$0.26 in comparison to the statistical blend price of \$15.44 in July.

The August Class I price increased \$0.55 from \$16.89 in July to the August level of \$17.44. The Class II price for August of \$13.95 per hundredweight increased \$0.16 from \$13.79 in July. August's Class III price decreased \$0.75 from \$14.35 in July to \$13.60 in August. The Class IV price increased \$0.27 from \$13.17 in July to \$13.44 in August.

In August 761 producers delivered a total of 820,926,950 pounds of milk. On a daily basis this represents a decrease of 8.05 percent from the producer receipts level in July but it represents an increase of 5.53 percent when compared to the producer receipts level of August 2004.

Producer milk classified as Class I during August amounted to 43.92 percent of total producer receipts. This figure is up from 35.83 percent in July but it is down from 45.62 percent in August 2004. The average butterfat test of producer milk pooled during August was 3.564 percent, average protein test was 2.955 percent, average other solids test was 5.741 percent and the average somatic cell count was 313,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug 05	Jul 05	Aug 05	Jul 05	Aug 05	Jul 05
Appalachian	16.65	16.26	-----	-----	71.41	66.02
Arizona-Las Vegas	14.86	14.89	-----	-----	37.50	32.15
Central	14.49	14.76	0.89	0.41	28.60	25.69
Florida	17.87	17.47	-----	-----	87.63	81.59
Mideast	14.94	14.96	1.34	0.61	39.30	30.00
Northeast	15.84	15.85	2.24	1.50	43.50	40.90
Pacific Northwest	14.38	14.38	0.78	0.03	26.00	24.71
Southeast	16.44	16.18	-----	-----	66.69	61.71
Southwest	15.70	15.44	2.10	1.09	43.92	35.83
Upper Midwest	14.15	14.69	0.55	0.34	17.50	16.80

NATIONAL DAIRY BOARD MEMBERS

Secretary of Agriculture Mike Johanns has announced the appointment of 10 new members and reappointment of two incumbents to the National Dairy Promotion and Research Board. All will serve three year terms beginning Nov. 1, 2005, through Oct. 31, 2008.

Newly appointed were: Ronald L. Koetsier, Visalia, Calif., (region 2); William R. D. Anglin, Bentonville, Ark., (region 4); Donna L. Sharp, Bath, S.D., (region 5); Carl F. VanDen Avond, Green Bay, Wis., (region 6); Bradford A. McCauley, Viola, Wis., (region 6); Douglas D. Nuttelman, Stromsburg, Neb., (region 7); Carl A. Schmitz, Wadesville, Ind., (region 9); Joyce A. Bupp, Seven Valleys, Penn., (region 11); and Ronald R. McCormick, Java Center, N.Y., (region 12); and Debora A. Erb, Landaff, N. H., (region 13)

Reappointed to serve second terms were: Lester E. Hardesty, Windsor, Colo., (region 3) and Michael M. Ferguson, Senatobia, Miss., (region 8).

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. The national program is financed by a mandatory 15 cent per hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers.

TEXAS DAIRY MARKETING SPECIALIST RETIRES

On August 31, 2005, Robert B. "Bud" Schwart, Professor and Extension Specialist in Dairy Marketing in the Department of Agricultural Economics at Texas A&M University retired. He received his B.S. in Agricultural Economics from the University of Illinois, M.S. and Ph.D. in Agricultural Economics from Ohio State University.



Bud began his tenure with Texas A&M University in the Fall of 1979. As an Economist of Dairy Marketing for the Texas Agricultural Extension Service his responsibility was to educate clientele groups in the areas of milk marketing and dairy policy. Besides meeting with individuals and groups he disseminated information through newsletters, Extension releases and publications, magazines, newspapers and electronic media interviews.

Bud has been involved over the years in various research projects and data collection projects supported by the dairy industry and the Federal Order program. Some of those projects have included the exploration of trade with Mexico and dairy waste management issues. He was also involved in a dairy policy impact study where he helped develop data sets for this analysis. This involved collecting farm level data for typical dairies. Raw farm level data was collected through a panel interview process that is still being collected and updated to this day.

Texas Agricultural Cash Receipts by Commodity, 2004

Rank	Commodity	Receipts ^{1/}	Percent of total
		\$1,000	
1	Cattle and Calves	7,989,786	48.4
2	Cotton (lint and seed)	1,546,320	9.4
3	Broilers	1,424,520	8.6
4	Greenhouse and Nursery	1,388,443	8.4
5	Milk (wholesale)	975,718	5.9
6	Corn	406,299	2.5
7	Hay	355,498	2.2
8	Wheat	325,893	2.0
9	Eggs	306,388	1.9
10	Sorghum Grain	299,581	1.8
11	Peanuts	156,651	0.9
12	Rice	124,197	0.8
13	Onions	112,543	0.7
14	Hogs	88,675	0.5
15	Potatoes	67,453	0.4
	All Others	930,855	5.6
	TOTAL	16,498,820	

1/ Excludes government payments.

New Mexico Agricultural Cash Receipts by Commodity, 2004

Rank	Commodity	Receipts ^{1/}	Percent of total
		\$1,000	
1	Milk (wholesale)	1,000,224	39.0
2	Cattle and Calves	948,659	37.0
3	Hay	127,680	5.0
4	Pecans	88,920	3.5
5	Greenhouse and Nursery	59,873	2.3
6	Corn for Silage	49,500	1.9
7	Chile	46,003	1.8
8	Onions	44,615	1.7
9	Cotton	32,908	1.3
10	Poultry and Eggs	25,930	1.0
11	Misc. Vegetables	25,000	1.0
12	Wheat	23,776	0.9
13	Corn for Grain	18,493	0.7
14	Other Livestock	16,429	0.6
15	Peanuts	14,280	0.6
	All Others	42,572	1.7
	TOTAL	2,564,862	

1/ Excludes cash receipts for livestock grazing.

TOP TEN TEXAS COUNTIES a/ – AUGUST 2005

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>
1. Erath	106	95,842,622	- 0.17	7. Bailey	7	22,547,684	+ 67.64
2. Hopkins	144	41,312,623	+ 8.62	8. Hartley	4	21,601,875	+ 115.11
3. Comanche	35	38,265,591	+ 9.76	9. Parmer	6	21,496,784	+ 23.42
4. Lamb	8	34,394,500	+ 11.67	10. Deaf Smith	5	19,898,689	+ 4.46
5. Castro	8	29,336,499	+ 51.66	Ten County Total	328	352,678,737	+ 15.20 b/
6. Hale	5	27,981,870	+ 39.57	<u>Other Counties Total</u>	<u>439</u>	<u>164,997,077</u>	<u>+ 2.30</u>
				Texas Total	767	517,675,814	+ 10.75

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-----							
June 2004	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
November	17.29	14.09	14.89	13.34	0.99	204.89	8.00	242.97	.00079	182.24	158.86	85.70	23.67
December	17.43	13.98	16.14	13.42	- 0.47	203.66	8.58	284.86	.00086	181.22	171.46	87.13	24.23
Averages 2004 b/	17.98	13.86	15.39	13.20	0.61	205.07	7.51	260.35	.00082	182.39	164.31	84.05	23.19
January 2005	19.65	13.04	14.14	12.52	1.90	173.30	8.99	253.00	.00076	155.92	151.65	89.06	24.63
February	16.79	13.36	14.70	12.74	0.54	177.54	9.15	266.13	.00079	159.45	157.11	89.90	24.78
March	18.43	13.25	14.08	12.66	1.71	172.79	9.51	250.19	.00075	155.49	150.61	90.83	25.13
April	17.13	13.24	14.61	12.61	0.67	169.64	10.20	270.55	.00078	152.87	155.90	91.56	25.80
May	17.80	12.78	13.77	12.20	1.33	154.75	10.43	259.65	.00074	140.46	147.65	92.89	26.03
June	16.62	13.06	13.92	12.33	0.95	159.32	11.39	257.41	.00074	144.27	148.45	92.59	26.96
July	16.89	13.79	14.35	13.17	1.09	180.07	12.40	245.58	.00076	161.56	151.56	93.89	27.94
August	17.44	13.95	13.60	13.44	2.10	182.46	13.17	216.19	.00072	163.55	143.22	96.01	28.69

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

TOP NEW MEXICO COUNTIES a/ – AUGUST 2005

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>
1. Chaves	40	162,664,917	+ 5.76	7. Valencia	8	15,859,774	- 3.17
2. Roosevelt	40	113,603,253	+ 7.44	8. Socorro	8	14,641,180	+ 28.86
3. Curry	22	109,823,629	+ 2.11	9. Sierra	3	7,895,700	+ 1.60
4. Dona Ana	24	89,941,650	+ 5.11	10. Bernalillo	4	5,411,936	- 2.66
5. Lea	14	41,531,891	+ 31.91	Ten County Total	168	585,685,200	+ 5.83 b/
6. Eddy	5	24,311,270	- 13.71	<u>Other Counties Total</u>	<u>4</u>	<u>11,370,415</u>	<u>+ 17.34</u>
				New Mexico Total	172	597,055,615	+ 6.03

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 MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2003 THROUGH AUGUST 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

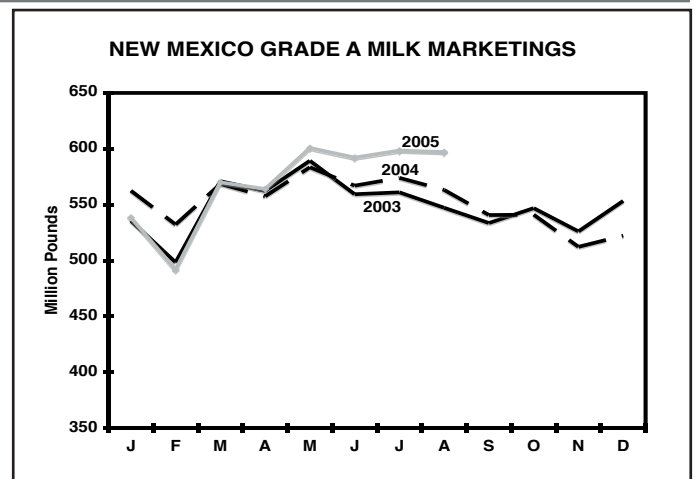
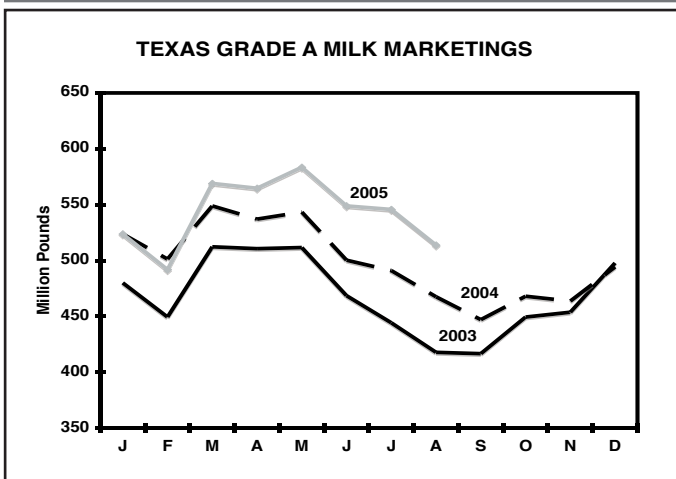
MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	480,011,354	845	523,723,796	816	523,680,970	778	+ 9.11	- 0.01
February	449,362,000	840	501,204,456	819	491,841,542	767	+ 7.69*	+ 1.64*
March	512,243,241	841	548,941,459	814	569,021,475	771	+7.16	+ 3.66
April	510,466,950	838	537,141,283	803	564,647,522	776	+ 5.23	+ 5.12
May	511,474,552	840	543,408,997	801	583,519,880	774	+ 6.24	+ 7.38
June	468,387,455	838	500,319,580	803	548,798,029	772	+ 6.82	+ 9.69
July	444,115,237	834	491,018,134	799	545,665,957	774	+ 10.56	+ 11.13
August	417,817,794	833	467,427,900	796	517,675,814	767	+ 11.87	+ 10.75
September	416,649,423	836	447,166,094	796			+ 7.32	
October	449,267,689	835	467,915,409	797			+ 4.15	
November	453,593,349	826	463,696,745	793			+ 2.23	
December	497,718,548	815	494,282,753	793			- 0.69	
Years Total	5,611,107,592		5,986,246,606				+ 6.69	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2003 THROUGH AUGUST 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	535,741,056	177	562,516,031	178	538,413,955	168	+ 5.00	- 4.28
February	498,218,526	176	532,156,355	176	491,753,468	170	+ 3.13*	- 4.29*
March	570,901,632	177	568,504,219	178	569,909,167	169	- 0.42	+ 0.25
April	562,338,380	177	557,482,116	176	563,980,078	168	- 0.86	+ 1.17
May	589,176,775	177	583,379,003	177	600,707,138	170	- 0.98	+ 2.97
June	559,442,259	177	567,036,025	177	592,086,292	172	+ 1.36	+ 4.42
July	560,883,275	178	571,734,951	181	598,502,673	171	+ 2.32	+ 4.68
August	547,114,145	178	563,099,040	177	597,055,615	172	+ 2.92	+ 6.03
September	533,648,709	180	540,636,857	179			+ 1.31	
October	546,904,202	178	541,026,928	177			- 1.07	
November	526,000,891	176	512,342,849	176			- 2.60	
December	553,271,605	179	522,218,762	174			- 5.61	
Years Total	6,583,641,455		6,624,297,736				+ 0.62	

* 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 ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
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
November	3.84	3.72	3.18	3.14	5.70	5.73	8.88	8.87	372	298
December	3.85	3.74	3.19	3.15	5.70	5.70	8.89	8.84	359	323
Averages 2004	3.70	3.56	3.09	3.02	5.70	5.72	8.79	8.74	339	280
January 2005	3.77	3.68	3.13	3.09	5.69	5.69	8.82	8.77	346	324
February	3.75	3.65	3.10	3.06	5.71	5.70	8.81	8.77	329	306
March	3.70	3.59	3.08	3.02	5.72	5.72	8.80	8.75	322	283
April	3.64	3.53	3.04	2.98	5.70	5.72	8.75	8.70	298	251
May	3.61	3.48	3.02	2.94	5.71	5.74	8.73	8.68	300	244
June	3.57	3.41	2.97	2.90	5.72	5.75	8.69	8.65	332	248
July	3.59	3.43	2.98	2.88	5.70	5.74	8.68	8.62	347	252
August	3.63	3.47	3.01	2.91	5.71	5.75	8.73	8.66	365	275

a/ In thousands.

AUGUST 2005 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$299,003.43
Class I Butterfat	60(a)	8,279,750	\$1.8696	\$15,479,820.58
Class I Skim Per Cwt		352,288,948	\$11.2900	\$39,773,422.22
Class II Butterfat	60(b)	10,708,374	\$1.8316	\$19,613,457.82
Class II Nonfat Solids		9,660,523	\$0.8678	\$8,383,401.86
Class III Butterfat	60(c)	6,100,312	\$1.8246	\$11,130,629.29
Class III Protein		4,365,742	\$2.1619	\$9,438,297.64
Class III Other Solids		8,547,563	\$0.1317	\$1,125,714.05
Class IV Butterfat	60(d)	4,170,239	\$1.8246	\$7,609,018.07
Class IV Nonfat Solids		17,094,277	\$0.8119	\$13,878,843.51
Class II, III & IV Somatic Cell Adj.	60(e)			\$174,478.71
Total Producer Milk-Product Lbs & Value		820,926,950		\$126,906,087.18
Add: Value as for 60(f) Thru 60(j)				\$181,343.46
Less: Total Protein Pounds	61(b)	24,266,478	\$2.1619	\$52,461,698.80
Total Other Solids Pounds		47,137,159	\$0.1317	\$6,207,963.85
Total Butterfat Pounds		29,258,675	\$1.8246	\$53,385,378.42
Total Value of Somatic Cell Adjustment				\$216,282.33
Total Milk and Value		820,926,950		\$14,816,107.24
Add: Location Differential Adjustments	61(c)			\$2,452,350.62
Producer-Settlement Fund	61(d)			\$339,781.16
Total Producer Milk/URSP and Value		820,926,950	\$2.14492	\$17,608,239.02
Less: Producer-Settlement Fund	61(f)		\$0.04492	\$368,773.07
Producer Price Differential (Dallas County)			\$2.10	\$17,239,465.95

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RETURN SERVICE REQUESTED

**AUGUST 2005
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	360,568,698	43.92	8,279,750	28.30	352,288,948	44.50
Class II	117,355,218	14.30	10,708,374	36.60	106,646,844	13.47
Class III	149,645,039	18.23	6,100,312	20.85	143,544,727	18.13
Class IV	193,357,995	23.55	4,170,239	14.25	189,187,756	23.90
Total	820,926,950	100.00	29,258,675	100.00	791,668,275	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,830,223	44.63	20,905,313	44.35	31,735,531	44.45
Class II	3,293,490	13.57	6,367,030	13.51	9,660,523	13.53
Class III	4,365,742	17.99	8,547,563	18.13	12,913,306	18.08
Class IV	5,777,023	23.81	11,317,253	24.01	17,094,277	23.94
Total	24,266,478	100.00	47,137,159	100.00	71,403,637	100.00