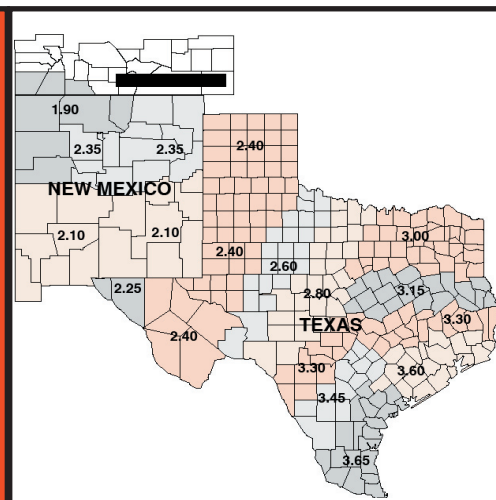


# THE MARKET ADMINISTRATOR'S *REPORT*



## 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 \$2.19 for August. Butterfat price increased \$0.1372 per pound from \$1.8964 in July to the level of \$2.0336 in August. Protein price increased \$0.3273 per pound from \$2.0515 in July to \$2.3788 in August. August's Other Solids price decreased \$0.0053 per pound from \$0.1700 in July to \$0.1647 in August. The Somatic Cell Count adjustment rate factor for August was 0.00080 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 \$17.37 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 \$0.84 in comparison to the statistical uniform price of \$16.53 in July.

The August Class I price increased \$0.11 from \$18.66 in July to the August level of \$18.77. The Class II price for August of \$16.98 per hundredweight decreased \$0.12 from \$17.10 in July. August's Class III price increased \$1.44 from \$13.74 in July to \$15.18 in August. The Class IV price decreased \$0.14 from \$15.75 in July to \$15.61 in August.

In August 577 producers delivered a total of 867,704,830 pounds of milk. On a daily basis this represents a decrease of 13.22 percent from the producer receipts level in July but it represents an increase of 0.14 percent when compared to the producer receipts level of August 2009.

Producer milk classified as Class I during August amounted to 42.17 percent of total producer receipts. This figure is up from 34.23 percent in July and is up from 41.01 percent in August 2009. The average butterfat test of producer milk pooled during August was 3.442 percent, average protein test was 2.946 percent, average other solids test was 5.741 percent and the average somatic cell count was 279,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug 10	Jul 10	Aug 10	Jul 10	Aug 10	Jul 10
Appalachian - FO 5	18.67	18.54	-----	-----	70.72	68.62
Arizona - FO 131	16.60	16.14	-----	-----	36.35	33.14
Central - FO 32	16.40	15.63	1.22	1.89	32.66	31.64
Florida - FO 6	20.74	20.87	-----	-----	86.56	89.51
Mideast - FO 33	16.76	16.12	1.58	2.38	41.60	39.70
Northeast - FO 1	17.74	17.43	2.56	3.69	40.70	40.20
Pacific Northwest - FO 124	16.16	15.67	0.98	1.93	26.13	26.23
Southeast - FO 7	19.02	18.37	-----	-----	73.49	67.30
<b>Southwest - FO 126</b>	<b>17.37</b>	<b>16.53</b>	<b>2.19</b>	<b>2.79</b>	<b>42.17</b>	<b>34.23</b>
Upper Midwest - FO 30	15.65	14.39	0.47	0.65	12.70	12.10

## JUNE FLUID MILK SALES

During June, about 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.0 percent lower than June 2009. After adjusting for calendar composition, sales in June 2010 were 1.8 percent lower than June 2009. On an individual product basis, after adjusting for calendar composition, sales of organic whole milk, low fat milk (1%), flavored fat-reduced milk and organic fat-reduced milk increased from June 2009, while sales of whole milk, flavored whole milk, reduced fat milk (2%), fat-free (skim) milk, and buttermilk decreased from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>

### ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS JUNE 2010, WITH COMPARISONS <sup>1/</sup>

Product Name	Sales		Change from: <sup>2/</sup>	
	June	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,133	7,005	- 8.2	- 5.9
Flavored Whole Milk	43	273	- 6.5	- 5.0
Reduced Fat Milk (2%)	1,468	9,212	- 2.0	0.5
Low Fat Milk (1%)	531	3,522	1.2	3.4
Fat-Free Milk (Skim)	630	4,017	- 3.7	- 1.0
Flavored Fat-Reduced Milk	191	2,028	0.3	1.5
Buttermilk	37	229	- 2.3	- 32.2
Total Conventional Milk Products	4,033	26,321	- 3.8	- 1.6
Organic Whole Milk	34	198	10.6	8.9
Organic Reduced Fat Milk (2%)	36	3/	3/	3/
Organic Low Fat Milk (1%)	30	3/	3/	3/
Organic Fat-Free Milk (Skim)	32	3/	3/	3/
Organic Flavored Milk	12	3/	3/	3/
Organic Fat-Reduced Milk <sup>4/</sup>	111	638	9.7	5.8
Total Organic Milk Products	145	837	9.9	6.5
Total Fluid Milk Products <sup>5/</sup>	4,199	27,178	- 3.0	- 1.3
Total Fluid Milk Products Adjusted <sup>6/</sup>	4,193	27,184	- 1.8	- 1.2

<sup>1/</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. <sup>2/</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see <sup>4/</sup>. <sup>3/</sup> Volume figures are not available for the previous year or earlier months. Percentage changes are based on combined data under Organic Fat-Reduced Milk. <sup>4/</sup> Total of organic reduced fat, lowfat, skim, and flavored combined. <sup>5/</sup> Total fluid milk products include the products listed plus miscellaneous products and eggnog. <sup>6/</sup> Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

### PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, JUNE 2010, WITH COMPARISONS <sup>1/</sup>

Area (Order Number)	Sales		Change from: <sup>2/</sup>	
	June	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Northeast (001)	773	4,625	- 3.5	- 1.7
Appalachian (005)	280	1,799	- 0.3	1.2
Southeast (007)	391	2,517	- 1.1	- 0.6
Florida (006)	220	1,466	- 3.6	- 1.3
Mideast (033)	452	3,048	- 6.0	- 0.8
Upper Midwest (030)	332	2,149	- 0.9	- 0.5
Central (032)	339	2,251	- 5.0	- 3.4
Southwest (126)	339	2,232	- 0.9	0.2
Arizona-Las Vegas (131)	89	590	- 4.2	- 0.8
Pacific Northwest (124)	176	1,103	- 0.8	0.9
California (---)	512	3,225	- 3.7	- 3.7

<sup>1/</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see <sup>3/</sup> above for the products included. <sup>2/</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis; see <sup>2/</sup> above

**SOURCE:** Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and California Dairy Information Bulletin, California Agricultural Statistics Service and Milk Stabilization Branch.

**TOP TEN TEXAS COUNTIES a/ – AUGUST 2010**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>
1. Erath	79	84,316,505	- 11.61	7. Lamb	9	43,594,724	- 6.15
2. Castro	12	71,218,626	+ 20.08	8. Hale	6	34,610,194	+ 8.75
3. Parmer	13	67,548,916	- 0.91	9. Hopkins	97	33,858,469	- 13.41
4. Deaf Smith	13	60,621,367	- 1.84	10. Comanche	19	31,984,806	+ 1.62
5. Hartley	11	49,926,460	+ 13.17	Ten County Total	269	522,394,871	+ 0.83 b/
6. Bailey	10	44,714,804	+ 10.48	<u>Other Counties Total</u>	<u>290</u>	<u>179,607,401</u>	<u>- 3.53</u>
				<b>Texas Total</b>	559	702,002,272	- 0.32

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.

**TEXAS AND NEW MEXICO MARKET COMPONENT TEST**

<u>Month</u>	<u>Butterfat</u>		<u>Protein</u>		<u>Other Solids</u>		<u>S-N-F</u>		<u>SCC a/</u>	
	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>
June 2009	3.59	3.41	3.03	2.95	5.73	5.76	8.76	8.72	260	191
July	3.58	3.40	3.00	2.91	5.73	5.76	8.73	8.67	297	225
August	3.61	3.43	3.03	2.93	5.71	5.74	8.74	8.67	313	240
September	3.66	3.48	3.13	3.04	5.74	5.77	8.87	8.81	298	226
October	3.79	3.60	3.21	3.13	5.76	5.79	8.97	8.92	280	208
November	3.81	3.66	3.21	3.15	5.74	5.76	8.95	8.91	260	194
December	3.86	3.71	3.22	3.15	5.74	5.76	8.96	8.91	256	213
Averages 2009	3.70	3.53	3.11	3.04	5.73	5.76	8.85	8.80	265	207
January 2010	3.86	3.69	3.17	3.10	5.74	5.76	8.92	8.87	276	227
February	3.88	3.69	3.19	3.11	5.73	5.75	8.92	8.86	336	278
March	3.75	3.56	3.16	3.08	5.75	5.76	8.91	8.85	299	230
April	3.64	3.47	3.11	3.03	5.76	5.77	8.87	8.80	276	208
May	3.61	3.42	3.09	3.00	5.75	5.77	8.84	8.77	274	193
June	3.56	3.37	3.01	2.92	5.75	5.77	8.76	8.69	287	206
July	3.56	3.37	3.04	2.93	5.75	5.77	8.79	8.70	323	243
August	3.59	3.40	3.03	2.92	5.74	5.75	8.77	8.67	326	260

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – AUGUST 2010**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2009b/</u>
1. Chaves	34	159,603,202	- 1.22	7. Eddy	3	15,455,900	- 2.77
2. Curry	27	138,848,211	- 3.79	8. Valencia	5	15,437,649	+ 9.93
3. Roosevelt	38	129,837,860	+ 1.32	9. Luna	3	15,330,480	+ 72.80
4. Dona Ana	21	84,728,539	+ 3.71	10. Bernalillo	4	5,485,516	- 6.04
5. Lea	14	46,742,540	+ 7.51	Ten County Total	157	631,687,807	+ 1.32 b/
6. Socorro	8	20,217,910	+ 3.33	<u>Other Counties Total</u>	<u>2</u>	<u>11,158,240</u>	<u>- 5.64</u>
				<b>New Mexico Total</b>	159	642,846,047	+ 1.19

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 2008 THROUGH AUGUST 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

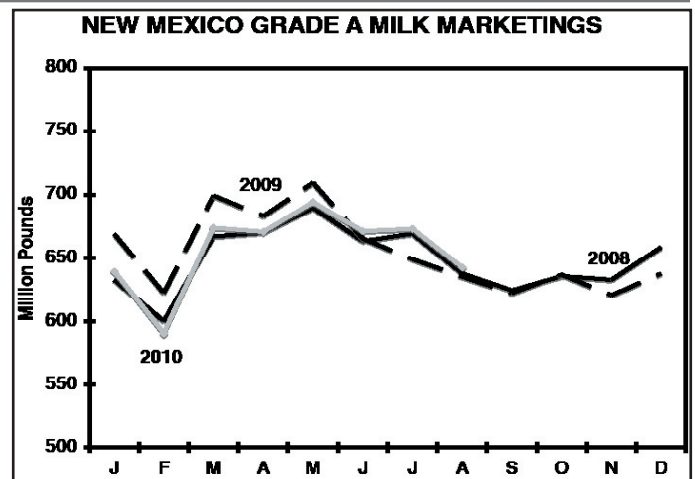
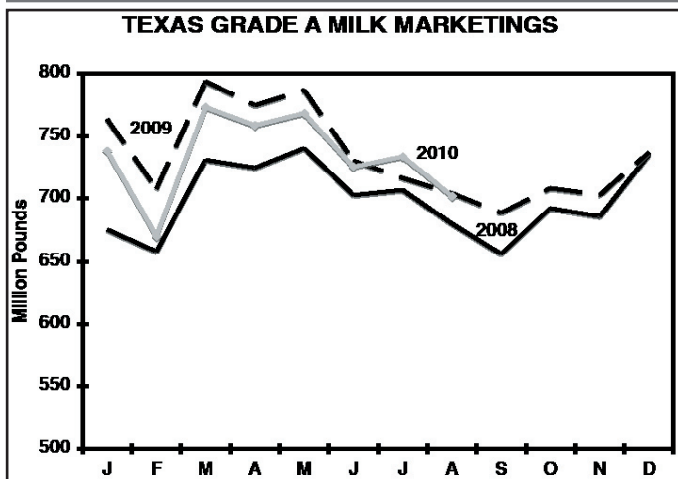
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	635	773,286,159	577	+ 8.64	- 2.61
April	724,651,306	659	774,795,518	631	759,108,028	575	+ 6.92	- 2.02
May	740,427,008	659	787,077,681	629	768,833,368	571	+ 6.30	- 2.32
June	702,946,861	656	730,380,337	622	725,500,766	565	+ 3.90	- .067
July	706,911,758	657	716,344,326	598	733,719,075	568	+ 1.33	+ 2.43
August	679,996,118	654	704,267,950	597	702,002,272	559	+ 3.57	- 0.32
September	656,032,884	646	688,737,418	593			+ 4.99	
October	692,397,097	648	708,312,372	590			+ 2.30	
November	685,894,611	646	703,046,885	591			+ 2.50	
December	<u>735,262,255</u>	640	<u>737,072,970</u>	581			<u>+ 0.25</u>	
Years Total	8,388,752,815		8,815,876,602				+ 5.09	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2008 THROUGH AUGUST 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	632,699,151	173	669,161,661	170	639,455,640	157	+ 5.76	- 4.44
February	600,488,935	169	622,538,938	167	591,156,278	158	+ 7.37*	- 5.04
March	667,225,545	170	699,808,110	168	674,164,265	159	+ 4.88	- 3.66
April	670,437,294	170	683,575,106	164	670,976,253	159	+ 1.96	- 1.84
May	690,007,674	173	709,872,347	165	694,638,948	160	+ 2.88	- 2.15
June	663,052,878	172	665,627,017	166	671,649,637	159	+ 0.39	+ 0.90
July	669,450,030	172	649,187,109	158	673,350,559	159	- 3.03	+ 3.72
August	637,877,538	172	635,258,249	157	642,846,047	159	- 0.41	+ 1.19
September	624,527,568	172	622,278,128	158			- 0.36	
October	635,779,456	174	636,944,152	157			+ 0.18	
November	632,916,136	175	620,605,564	157			- 1.95	
December	<u>658,804,868</u>	173	<u>641,902,168</u>	156			<u>- 2.57</u>	
Years Total	7,783,267,073		7,856,758,549				+ 0.94	

\* Based on average daily deliveries.



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**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 2009	13.08	10.79	9.97	10.22	1.67	125.44	7.23	172.83	.00057	120.73	114.66	84.61	26.93
July	13.26	10.87	9.97	10.15	1.80	124.38	9.49	169.70	.00057	119.86	113.34	84.22	29.12
August	13.04	10.86	11.20	10.38	1.14	124.91	9.62	210.09	.00063	120.30	126.05	86.66	29.25
September	13.93	11.01	12.11	11.15	0.91	122.26	10.18	242.43	.00068	118.11	135.22	96.64	29.79
October	15.35	11.93	12.82	11.86	1.23	127.52	12.28	255.84	.00071	122.45	141.10	102.70	31.83
November	15.86	13.24	14.08	13.25	0.95	146.56	15.24	269.91	.00076	138.17	151.69	111.20	34.71
December	16.99	14.25	14.98	15.01	1.02	154.33	17.27	287.51	.00080	144.59	159.69	128.58	36.68
Averages 2009 b/	14.48	11.26	11.36	10.89	1.46	125.71	6.12	220.87	.00065	120.96	129.66	92.23	25.85
January 2010	18.03	15.22	14.50	13.85	1.60	144.05	19.46	279.16	.00077	136.10	153.74	119.29	38.80
February	17.84	15.65	14.28	12.90	1.71	144.04	19.92	270.66	.00076	136.09	151.10	108.12	39.25
March	17.34	14.46	12.78	12.92	2.28	153.47	18.23	213.11	.00068	143.88	136.32	104.54	37.61
April	16.22	13.78	12.92	13.73	1.84	158.13	17.02	214.49	.00069	147.73	138.27	112.08	36.43
May	16.80	14.90	13.38	15.29	2.07	170.58	17.04	215.23	.00071	158.01	142.57	125.20	36.45
June	18.28	16.01	13.62	15.45	2.54	172.34	17.48	220.40	.00072	159.46	144.75	126.31	36.88
July	18.66	17.10	13.74	15.75	2.79	189.64	17.00	205.15	.00073	173.75	145.67	122.77	36.41
August	18.77	16.98	15.18	15.61	2.19	203.36	16.47	237.88	.00080	185.08	160.31	115.57	35.90

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

**AUGUST 2010  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$380,586.24
Class I Butterfat	60(a)	7,973,035	\$1.9199	\$15,307,429.90
Class I Skim Per Cwt		357,901,280	\$12.4900	\$44,701,869.87
Class II Butterfat	60(b)	6,494,517	\$2.0406	\$13,252,711.40
Class II Nonfat Solids		4,027,313	\$1.1322	\$4,559,723.77
Class III Butterfat	60(c)	14,261,053	\$2.0336	\$29,001,277.39
Class III Protein		12,175,983	\$2.3788	\$28,964,228.36
Class III Other Solids		23,992,602	\$0.1647	\$3,951,581.56
Class IV Butterfat	60(d)	1,137,899	\$2.0336	\$2,314,031.43
Class IV Nonfat Solids		2,855,410	\$0.9780	\$2,792,591.00
Class II, III & IV Somatic Cell Adj.	60(e)			\$332,622.83
Total Producer Milk-Product Lbs & Value		867,704,830		\$145,558,653.75
Add: Value as for 60(f) Thru 60(j)				\$54,647.68
Less: Total Protein Pounds	61(b)	25,565,526	<b>\$2.3788</b>	\$60,815,273.27
Total Other Solids Pounds		49,818,129	<b>\$0.1647</b>	\$8,205,045.88
Total Butterfat Pounds		29,866,504	<b>\$2.0336</b>	\$60,736,522.54
Total Value of Somatic Cell Adjustment				\$493,328.87
<b>Total Milk and Value</b>		867,704,830		\$15,363,130.87
Add: Location Differential Adjustments	61(c)			\$3,528,888.55
Producer-Settlement Fund	61(d)			\$466,557.51
<b>Total Producer Milk/URSP and Value</b>		867,704,830	\$2.23100	\$19,358,576.93
Less: Producer-Settlement Fund	61(f)		\$0.04100	\$355,841.15
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.19</b>	<b>\$19,002,735.78</b>

THE MARKET ADMINISTRATOR'S

# REPORT

SOUTHWEST MARKETING AREA

CARY HUNTER, MARKET ADMINISTRATOR

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## AUGUST 2010 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	365,874,315	42.17	7,973,035	26.70	357,901,280	42.72
Class II	51,165,542	5.90	6,494,517	21.75	44,671,025	5.33
Class III	417,784,484	48.14	14,261,053	47.74	403,523,431	48.16
Class IV	32,880,489	3.79	1,137,899	3.81	31,742,590	3.79
Total	867,704,830	100.00	29,866,504	100.00	837,838,326	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,056,278	43.25	21,276,067	42.71	32,332,350	42.89
Class II	1,371,347	5.36	2,655,963	5.33	4,027,313	5.34
Class III	12,175,983	47.63	23,992,602	48.16	36,168,582	47.98
Class IV	961,918	3.76	1,893,497	3.80	2,855,410	3.79
Total	25,565,526	100.00	49,818,129	100.00	75,383,655	100.00