

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

March 2023

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a February statistical uniform price of \$19.78 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease in comparison to the statistical uniform price of \$21.12 in January.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.00 for February. The February Class I price decreased \$1.63 from \$25.41 in January to the February level of \$23.78. The Class II price decreased \$0.78 from \$21.61 in January to \$20.83 in February. The Class III price decreased \$1.65 from \$19.43 in January to \$17.78 in February. The Class IV price decreased \$1.15 from \$20.01 in January to \$18.86 in February.

In February, 354 producers delivered a total of 1,138,792,251 pounds of milk. On a daily basis, this represents a decrease of 1.56 percent from the producer receipts level in January and an increase of 8.15 percent when compared to the producer receipts level of February 2022.

Producer milk classified as Class I during February amounted to 26.64 percent of total producer receipts. This figure is unchanged from 26.64 percent in January and down from 29.31 percent in February 2022. The average butterfat test of producer milk pooled during February was 4.224 percent, average protein test was 3.393 percent, average other solids test was 5.794 percent, and the average somatic cell count was 211,000.

The February butterfat price decreased \$0.0535 from \$2.7713 in January to the February level of \$2.7178. The protein price increased \$0.4408 from \$2.8058 in January to \$2.3650 in February. The other solids price decreased \$0.0242 from \$0.2343 in January to \$0.2101 in February. The somatic cell adjustment rate in February was 0.00091 per cwt.

February 2023 Pool Summary

- ◆ The Statistical Uniform Price for the Southwest Order in February 2023 is \$21.12 with a PPD of \$2.00
- ◆ 1,139 million pounds were pooled in February. This is down 1.56 percent on a daily basis from January 2023
- ◆ 354 producers pooled their milk; this is down from 367 in January
- ◆ Class I milk accounted for 26.64 percent of all receipts, unchanged from 26.64 in January

Classification of Producer Milk

	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	23.78	303,338,419	26.64
Class II	20.83	67,970,608	5.97
Class III	17.78	711,842,010	62.5
Class IV	18.86	55,641,214	4.89

Producer Prices

Statistical Uniform Price	\$19.78	/ cwt
Producer Price Differential	\$2.00	/ cwt
Butterfat Price	\$2.7178	/ lb
Protein Price	\$2.3650	/ lb
Other Solids Price	\$0.2101	/ lb
Nonfat Solids Price	\$1.0766	/ lb
Somatic Cell Adjustment Rate	\$0.00091	/ cwt

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 3/24/2023 to 3/30/2023

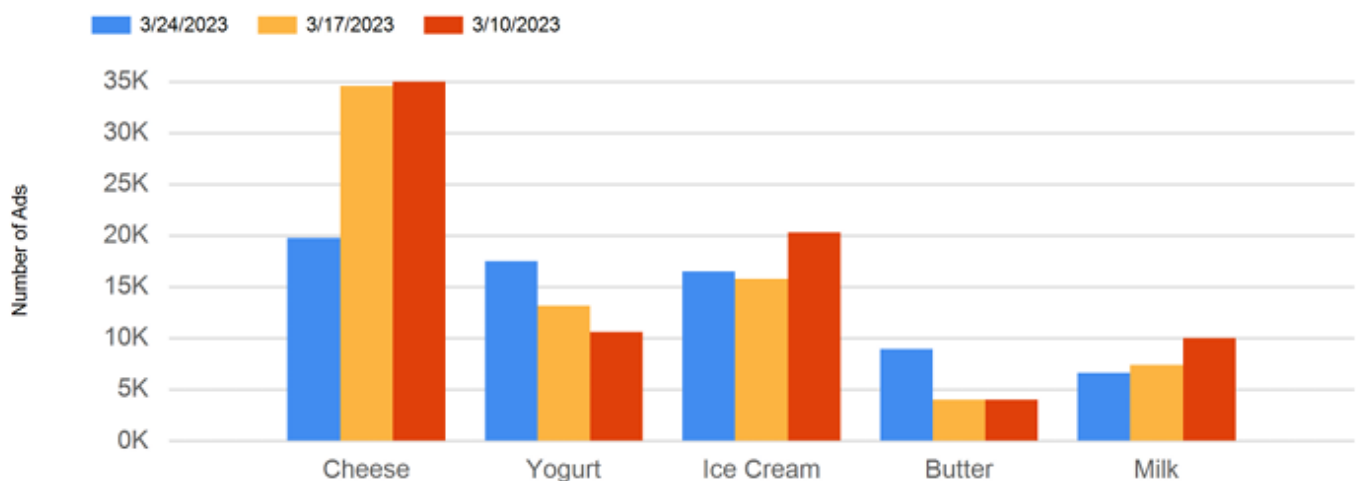
Total conventional dairy advertisements decreased by 10 percent this week, and total organic dairy ads decreased by 12 percent. Ice cream in 48-64 ounce containers was the most advertised dairy product, with a weighted average advertised price of \$3.72, down 23 cents from last week. Gallons of organic milk was the most advertised organic dairy item, with a weighted average advertised price of \$5.37, up 8 cents from last week. Conventional butter in one-pound packages appeared in 175 percent more ads this week, with a weighted average advertised price of \$3.41, down 81 cents from last week.

Total conventional cheese ad numbers decreased 44 percent this week. Shredded cheese in 6-8 ounce packages was the most advertised conventional cheese item this week, with a weighted average advertised price of \$2.76, up 8 cents from last week. Organic 6-8 ounce blocks of cheese was the most advertised organic cheese item this week, with a weighted average advertised price of \$7.34, up 96 cents from last week.

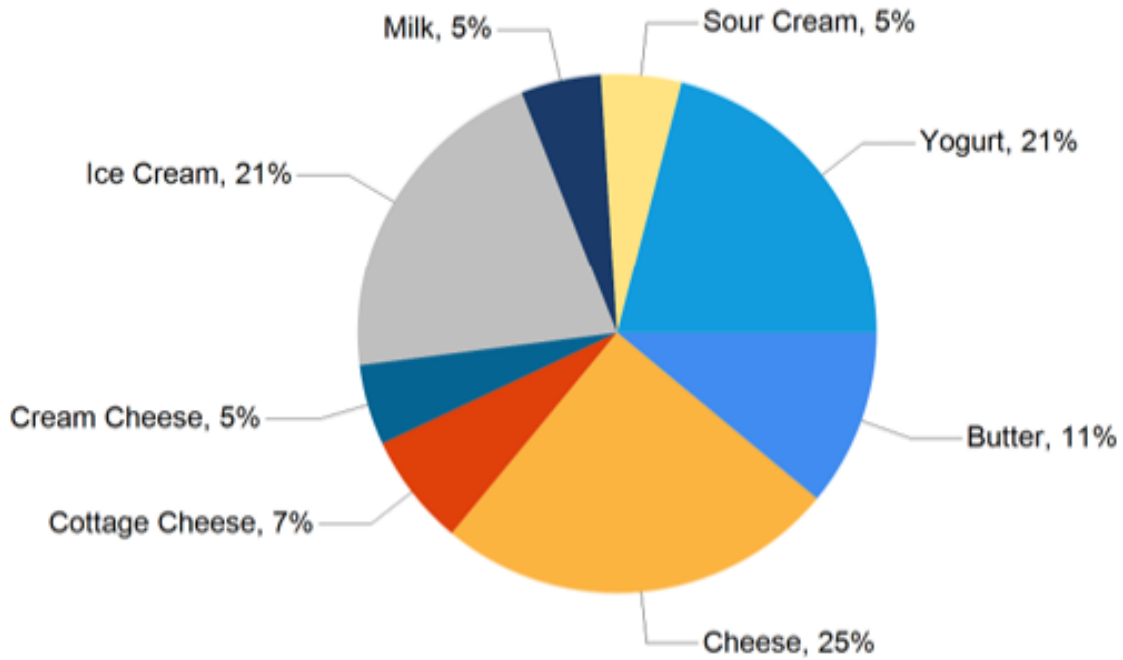
Greek yogurt in 4-6 ounce containers was the most advertised conventional yogurt item, with a weighted average advertised price of \$1.12, up 6 cents from last week. Conventional regular yogurt in 32 ounce containers appeared in 186 percent more ads over last week, with a weighted average advertised price of \$3.16, up 11 cents from the week prior. The most advertised organic yogurt product was regular yogurt in 32 ounce containers, with a weighted average advertised price of \$4.38, down ten cents from the week earlier.

Gallons of conventional milk appeared in 25 percent fewer ads, with a weighted average advertised price of \$3.18, down 30 cents from the week before. As aforementioned, gallons of organic milk had a weighted average advertised price of \$5.37, resulting in an organic premium of \$2.19.

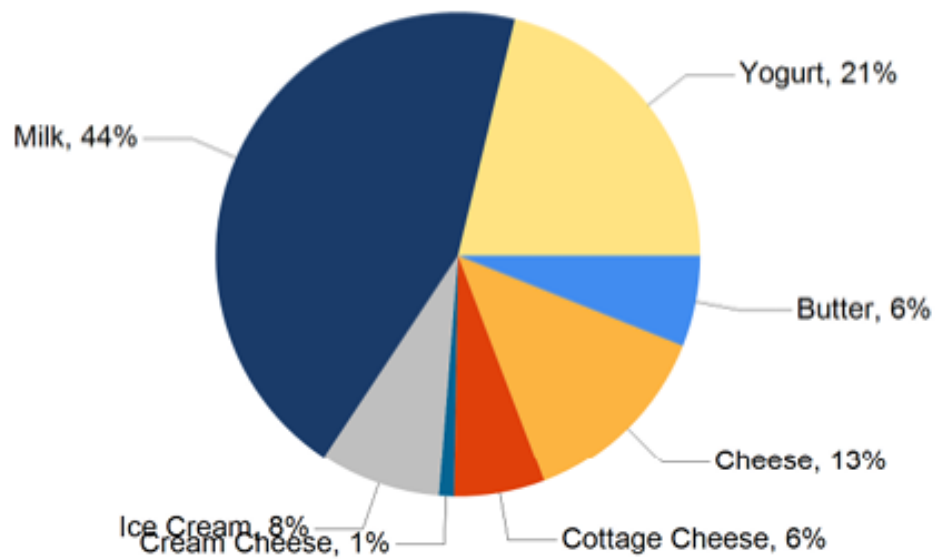
Top 5 Commodities Featured This Week



Percentage of Total Conventional Ads by Commodity

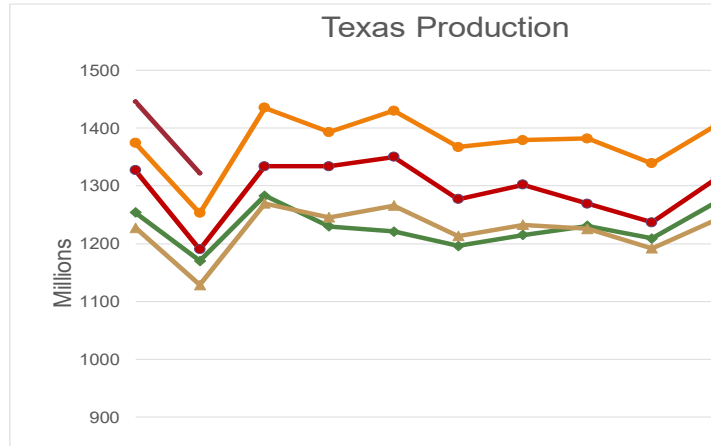


Percentage of Total Organic Ads by Commodity



Texas Dairy Production

In February, Texas dairy production totaled 1,322 million pounds. This is a 5.51 percent increase relative to February 2022 and a 17.1 percent increase from the February five year average (2018-2022). The February average butterfat for Texas production is 4.35 percent, the average protein is 3.44 percent, and the average other solids at 5.80 percent. The average somatic cell count is at 201,000.



Month	2023 Number of Producers	2023 Pounds (In Thousands)	2022 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	315	1,446,413	1,374,644	5.22	4.36	3.45	5.80	208
Feb	312	1,322,088	1,253,077	5.51	4.35	3.44	5.80	201
Mar			1,434,529					
Apr			1,392,807					
May			1,429,818					
Jun			1,366,949					
Jul			1,379,074					
Aug			1,381,607					
Sep			1,338,655					
Oct			1,404,680					
Nov			1,345,384					
Dec			1,385,860					
Total		2,768,501	16,487,084					

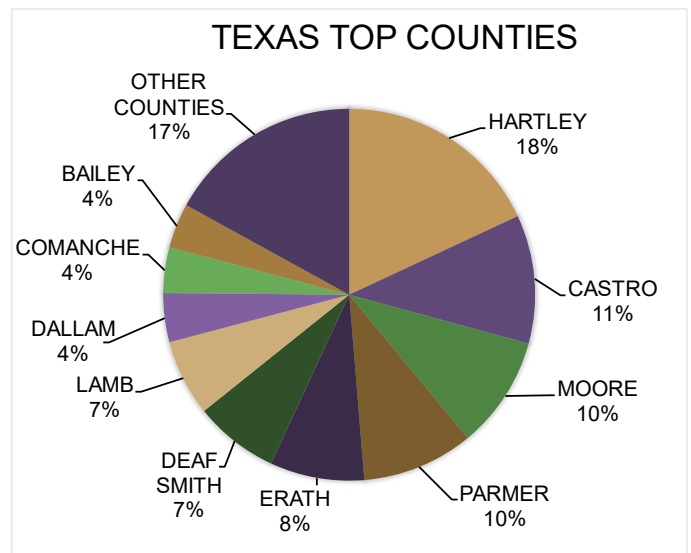
1/ Revised
2/ Simple Average of Total

Top Texas Counties

Hartley County has the largest share of Texas production at 18 percent, followed by Castro and Parmer Counties at 11 and 10 percent, respectively. Overall, 312 producers delivered milk in Texas for the month of February.

County	Number of Producers	February 2023 Pounds	% Change 2022/2023
HARTLEY	19	239,091,672	8.50
CASTRO	15	147,912,932	11.41
PARMER	16	129,360,155	7.69
MOORE	10	127,740,032	12.96
ERATH	43	105,230,473	(5.39)
DEAF SMITH	14	96,418,973	2.11
LAMB	13	88,207,402	7.96
DALLAM	5	57,339,096	11.45
COMANCHE	14	51,525,794	0.23
BAILEY	10	50,027,506	10.04
SUM	159	1,092,854,035	6.93
OTHER COUNTIES	153	229,234,373	(0.80)
TEXAS TOTAL	312	1,322,088,408	5.51

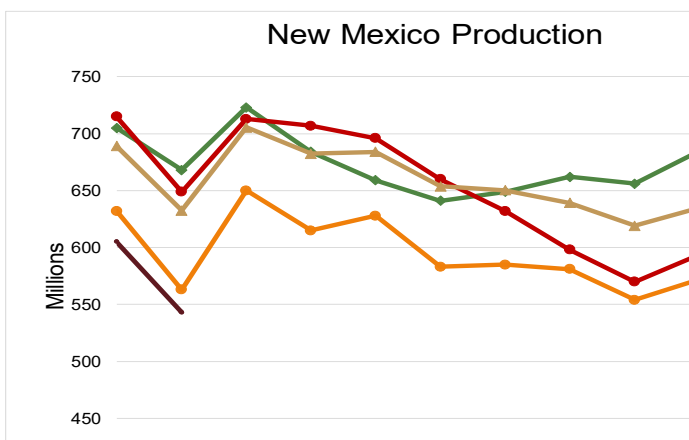
1/ Revised



Click [HERE](#) for more information on Texas Milk Production

New Mexico Dairy Production

In February, New Mexico dairy production totaled 543 million pounds. This is a 3.57 percent decrease relative to February 2022 and a 14.2 percent decrease from the February five year average (2018-2022). The February average butterfat is 4.04 percent, the average protein is 3.32 percent, and the average other solids at 5.79 percent. The average somatic cell count is at 220,000.



Month	2023 Number of Producers	2023 Pounds (In Thousands)	2022 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	103	604,966	632,112	(4.29)	4.06	3.34	5.79	223
Feb	105	543,043	563,156	(3.57)	4.04	3.32	5.79	220
Mar			650,082					
Apr			614,872					
May			628,012					
Jun			583,485					
Jul			584,911					
Aug			581,278					
Sep			553,579					
Oct			571,628					
Nov			546,924					
Dec			567,701					
Total		1,148,009	7,077,740					

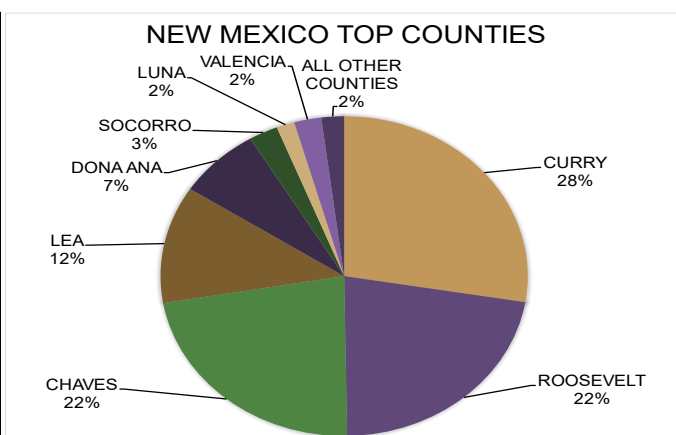
1/ Revised
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 28 percent, followed by Roosevelt and Chaves Counties both at 22 percent. Overall, 105 producers delivered milk in New Mexico for the month of February.

County	Number of Producers	February 2023 Pounds	% Change 2022/2023
CURRY	22	149,929,320	1.17
CHAVES	22	122,473,398	(10.84)
ROOSEVELT	30	120,205,648	(1.51)
LEA	10	64,485,965	4.95
DONA ANA	8	39,582,840	0.70
SOCORRO	5	13,899,954	6.36
LUNA	3	8,624,873	(31.34)
VALENCIA	3	13,016,530	(8.11)
SUM	103	532,218,528	(2.91)
OTHER COUNTIES	2	10,824,460	(27.84)
NM TOTAL	105	543,042,988	(3.57)

1/ Revised



COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

February 2023

		Pounds	Price	Value
Add: Class I Differential				\$423,173.16
Class I Butterfat	60(a)	6,963,804	\$ 2.8290	\$19,700,601.52
Class I Skim Per Cwt		296,374,615	\$14.3800	\$42,618,669.63
Class II Butterfat	60(b)	7,911,247	\$ 2.7248	\$21,556,565.83
Class II Nonfat Solids		5,738,181	\$ 1.3000	\$7,459,635.30
Class III Butterfat	60(c)	29,371,541	\$ 2.7178	\$79,825,974.15
Class III Protein		24,280,122	\$ 2.3650	\$57,422,488.58
Class III Other Solids		41,320,106	\$ 0.2101	\$8,681,354.29
Class IV Butterfat	60(d)	3,863,860	\$ 2.7178	\$10,501,198.72
Class IV Nonfat Solids		4,920,866	\$ 1.0766	\$5,297,804.36
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$1,121,873.97
Total Producer Milk- Product Pounds and Value		1,138,792,251		\$254,609,339.51
Add: Value as for 60(f) thru 60(j)				\$126,830.01
Less: Total Protein Pounds	61(b)	38,641,086	\$ 2.3650	\$91,386,168.45
Total Other Solids Pounds		65,984,512	\$ 0.2101	\$13,863,346.02
Total Butterfat Pounds		48,110,452	\$ 2.7178	\$130,754,586.45
Total Value of Somatic Cell Adjustment				\$1,440,937.25
Total Milk and Value		1,138,792,251		\$17,291,131.35
Add: Location Differential Adjustments	61(c)			\$5,476,665.06
Producer - Settlement Fund Reserve	61(d)			\$538,939.63
Total Product Milk/URSP and Value		1,138,792,251	\$ 2.04661	\$23,306,736.04
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04661	\$530,891.02
Producer Price Differential (Dallas County)			\$2.00	\$22,775,845.02

PPD per cwt

Remaining value from which PPD per cwt is calculated

Producer Price Differential	\$2.00
Class III Price	\$17.78
Statistical Uniform Price of Milk (3.5% Butterfat-Dallas)	\$19.78

Average Somatic Cell Count	211,000
Total Number of Producers	354

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	303,338,419	26.64	6,963,804	14.47	296,374,615	27.17
Class II	67,970,608	5.97	7,911,247	16.44	60,059,361	5.51
Class III	711,842,010	62.50	29,371,541	61.06	682,470,469	62.57
Class IV	55,641,214	4.89	3,863,860	8.03	51,777,354	4.75
Total	1,138,792,251	100.00	48,110,452	100.00	1,090,681,799	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	48,110,452	38,641,086	65,984,512	104,625,598
Average Test	4.224%	3.393%	5.794%	9.187%

Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Feb-23	Jan-23	Feb-23	Jan-23	Feb-23	Jan-23
Appalachian - F.O. 5	22.89	23.90	N/A	N/A	70.57	71.55
Arizona - F.O. 131	19.99	21.15	N/A	N/A	26.95	27.09
Central - F.O. 32	18.99	20.23	1.21	0.8	25.69	26.52
Florida - F.O. 6	25.12	26.07	N/A	N/A	83.44	82.93
Mideast - F.O. 33	19.52	20.82	1.74	1.39	34.7	37.1
Northeast - F.O. 1	20.75	21.86	2.97	2.43	29.2	29.9
Pacific NW - F.O. 124	18.92	20.18	1.14	0.75	18.97	20.29
California - F.O. 51	19.10	20.50	1.32	1.07	16.2	18.1
Southeast - F.O. 7	23.32	24.49	N/A	N/A	69.18	73.84
Southwest - F.O. 126	19.78	21.12	2.00	1.69	26.64	26.64
Upper Midwest - F.O. 30	18.09	19.68	0.31	0.25	5.7	5.6

Useful links:

Agricultural Marketing Service (AMS) Dairy Website: <https://www.ams.usda.gov/rules-regulations/moa/dairy>

Federal Order Websites: <https://www.ams.usda.gov/rules-regulations/moa/dairy/mmadmin>

Dairy Market News: <https://www.ams.usda.gov/market-news/dairy-market-news-weekly-printed-reports>

National Agriculture Statistics Service (NASS): <https://www.nass.usda.gov/>

Economic Research Service: <https://www.ers.usda.gov/>



Milk Market Administrator

P.O. Box 110939

Carrollton, TX 75011-0939

(972) 245-6060 (Phone)

(972) 245-3211 (Fax)

sw.order@dallasma.com (Email)

For more information, visit our website: www.dallasma.com

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