

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

February 2024

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a January statistical uniform price of \$17.73 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 \$18.37 in December.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.56 for January. The January Class I price decreased \$1.28 from \$22.76 in December to the January level of \$21.48. The Class II price increased \$0.16 from \$19.88 in December to \$20.04 in January. The Class III price decreased \$0.87 from \$16.04 in December to \$15.17 in January. The Class IV price increased \$0.16 from \$19.23 in December to \$19.39 in January.

In January, 338 producers delivered a total of 1,087,056,615 pounds of milk. On a daily basis, this represents an increase of 4.02 percent from the producer receipts level in December and a decrease of 15.12 percent when compared to the producer receipts level of January 2023.

Producer milk classified as Class I during January amounted to 32.40 percent of total producer receipts. This figure is up from 30.64 percent in December and up from 26.64 percent in January 2023. The average butterfat test of producer milk pooled during January was 4.383 percent, average protein test was 3.466 percent, average other solids test was 5.781 percent, and the average somatic cell count was 200,000.

The January butterfat price decreased \$0.0013 from \$2.9778 in December to the January level of \$2.9765. The protein price decreased \$0.3234 from \$1.4499 in December to \$1.1265 in January. The other solids price increased \$0.0175 from \$0.2242 in December to \$0.2417 in January. The somatic cell adjustment rate in January was 0.00076 per cwt.

January 2024 Pool Summary

- ✦ The Statistical Uniform Price for the Southwest Order in January 2024 is \$17.73 with a PPD of \$2.56
- ✦ 1,087 million pounds were pooled in January. This is up 4.02 percent on a daily basis from December 2023
- ✦ 338 producers pooled their milk; this is down from 359 in December
- ✦ Class I milk accounted for 32.40 percent of all receipts, up from 30.64 in December

Classification of Producer Milk

	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	21.48	352,216,768	32.40
Class II	20.04	58,268,790	5.36
Class III	15.17	670,006,909	61.64
Class IV	19.39	6,564,148	0.60

Producer Prices

Statistical Uniform Price	\$17.73	/ cwt
Producer Price Differential	\$2.56	/ cwt
Butterfat Price	\$2.9765	/ lb
Protein Price	\$1.1265	/ lb
Other Solids Price	\$0.2417	/ lb
Nonfat Solids Price	\$1.0330	/ lb
Somatic Cell Adjustment Rate	\$0.00076	/ cwt

2023 POOL STATISTICS

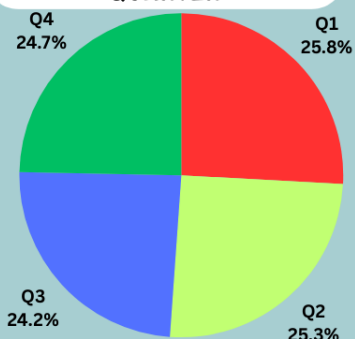
AVERAGE NUMBER OF PRODUCERS POOLED VERSUS 2022



For every ten producers pooled in 2022 on average, nine producers were pooled in 2023 on average

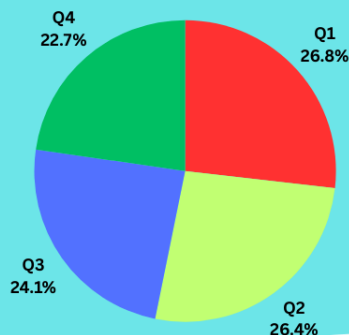
2023 TEXAS PRODUCTION BY QUARTER

Total Texas 2023 Production 16.5 Million Pounds

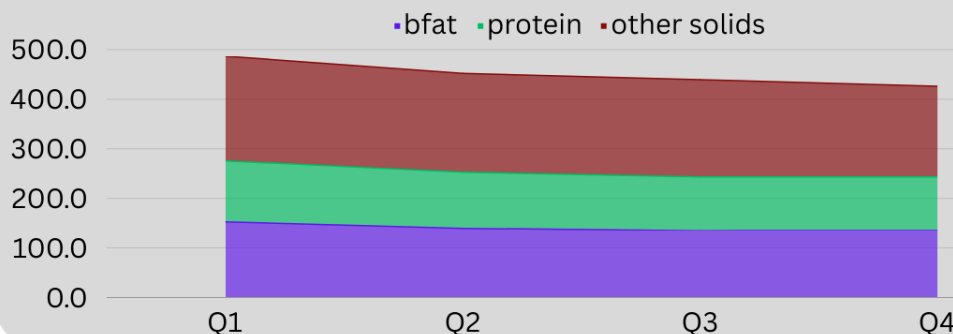


2023 NEW MEXICO PRODUCTION BY QUARTER

Total New Mexico 2023 Production 6.6 Million Pounds

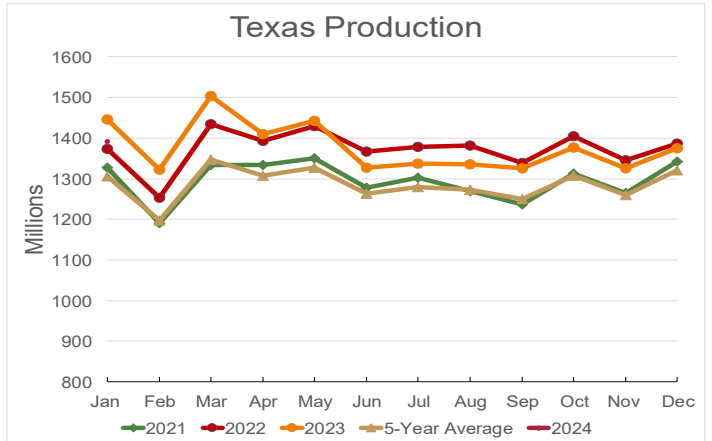


2023 POOL COMPONENT POUNDS BY QUARTER (MILLIONS)



Texas Dairy Production

In January, Texas dairy production totaled 1,391 million pounds. This is a 3.82 percent decrease relative to January 2023 and a 6.5 percent increase from the January five year average (2019-2023). The January average butterfat for Texas production is 4.52 percent, the average protein is 3.51 percent, and the average other solids at 5.78 percent. The average somatic cell count is at 194,000.



Month	2023 Number of Producers	2024 Pounds (In Thousands)	2023 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	292	1,391,167	1,446,413	(3.82)	4.52	3.51	5.78	194
Feb			1,322,088					
Mar			1,502,558					
Apr			1,409,738					
May			1,441,638					
Jun			1,327,677					
Jul			1,337,158					
Aug			1,335,516					
Sep			1,325,897					
Oct			1,377,160					
Nov			1,325,384					
Dec			1,375,228					
Total		1,391,167	16,526,455					

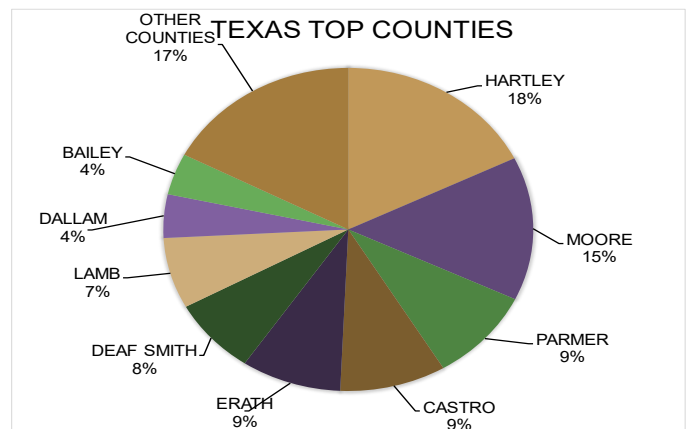
1/ Revised
2/ Simple Average of Total

Top Texas Counties

Hartley County has the largest share of Texas production at 18 percent, followed by Castro and Moore Counties at 15 and 9 percent, respectively. Overall, 292 producers delivered milk in Texas for the month of January.

County	Number of Producers	January 2024 Pounds	% Change 2023/2024
HARTLEY	18	237,914,211	(8.90)
MOORE	14	192,739,728	36.49
PARMER	15	124,785,181	(11.16)
CASTRO	14	124,581,058	(22.93)
ERATH	38	117,505,355	(0.84)
DEAF SMITH	13	101,938,385	(4.16)
LAMB	13	95,147,580	(0.94)
DALLAM	5	58,367,886	(5.12)
BAILEY	10	55,655,783	(1.18)
COMANCHE	14	49,897,460	(12.99)
SUM	154	1,158,532,627	(3.50)
OTHER COUNTIES	138	232,634,512	(5.37)
TEXAS TOTAL	292	1,391,167,139	(3.82)

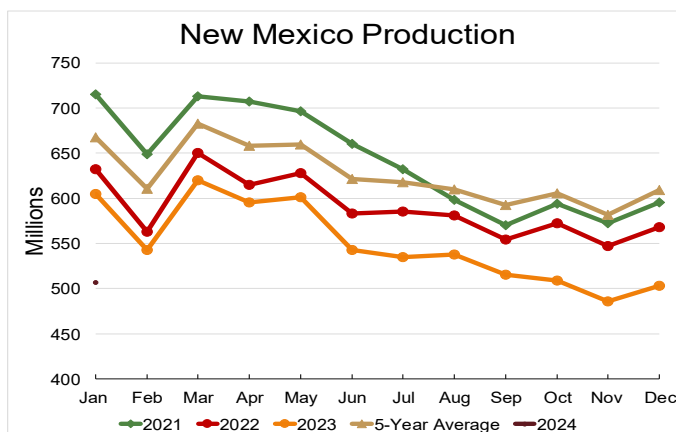
1/ Revised



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

New Mexico Dairy Production

In January, New Mexico dairy production totaled 507 million pounds. This is a 16.22 percent decrease relative to January 2023 and a 24.1 percent decrease from the January five year average (2019-2023). The January average butterfat is 4.22 percent, the average protein is 3.41 percent, and the average other solids at 5.77 percent. The average somatic cell count is at 194,000.



Month	2024 Number of Producers	2024 Pounds (In Thousands)	2023 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	88	506,838	604,966	(16.22)	4.22	3.41	5.77	194
Feb			543,043					
Mar			619,727					
Apr			594,879					
May			600,823					
Jun			542,909					
Jul			534,915					
Aug			537,864					
Sep			514,961					
Oct			508,697					
Nov			485,809					
Dec			503,352					
Total		506,838	6,591,945					

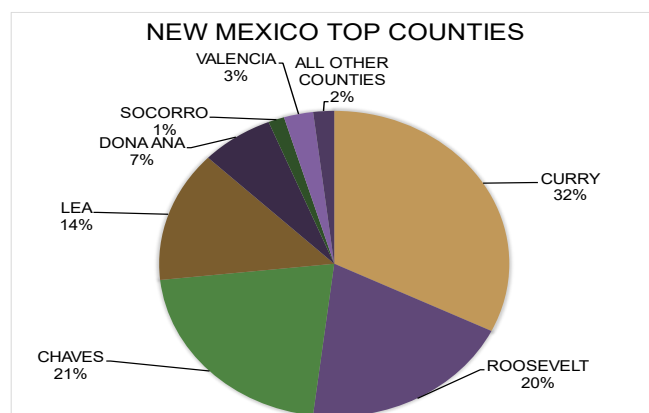
1/ Revised
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 32 percent, followed by Chaves and Roosevelt Counties at 21 and 20 percent, respectively. Overall, 88 producers delivered milk in New Mexico for the month of January.

County	Number of Producers	January 2024 Pounds	% Change 2023/2024
CURRY	22	163,456,937	(2.17)
CHAVES	17	108,298,938	(18.89)
ROOSEVELT	23	99,787,237	(28.48)
LEA	10	70,386,948	(2.12)
DONA ANA	7	33,904,500	(19.31)
VALENCIA	4	13,732,697	45.89
SOCORRO	3	7,511,400	(51.76)
SUM	86	497,078,657	(14.15)
OTHER COUNTIES	2	9,759,280	(62.36)
NM TOTAL	88	506,837,937	(16.22)

1/ Revised



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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

JANUARY 2024

		Pounds	Price	Value
Add: Class I Differential				\$437,829.80
Class I Butterfat	60(a)	8,228,348	\$ 3.0391	\$25,006,772.40
Class I Skim Per Cwt		343,988,420	\$11.2400	\$38,664,298.43
Class II Butterfat	60(b)	7,387,101	\$ 2.9835	\$22,039,415.84
Class II Nonfat Solids		4,910,556	\$ 1.1056	\$5,429,110.73
Class III Butterfat	60(c)	29,458,991	\$ 2.9765	\$87,684,686.74
Class III Protein		23,294,594	\$ 1.1265	\$26,241,360.13
Class III Other Solids		38,713,887	\$ 0.2417	\$9,357,146.49
Class IV Butterfat	60(d)	2,580,935	\$ 2.9765	\$7,682,153.04
Class IV Nonfat Solids		387,245	\$ 1.0330	\$400,024.09
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$881,152.87
Total Producer Milk- Product Pounds and Value		1,087,056,615		\$223,823,950.56
Add: Value as for 60(f) thru 60(j)				\$166,155.99
Less: Total Protein Pounds	61(b)	37,683,417	\$ 1.1265	\$42,450,369.26
Total Other Solids Pounds		62,846,895	\$ 0.2417	\$15,190,094.55
Total Butterfat Pounds		47,655,375	\$ 2.9765	\$141,846,223.72
Total Value of Somatic Cell Adjustment				\$1,236,996.72
Total Milk and Value		1,087,056,615		\$22,934,110.32
Add: Location Differential Adjustments	61(c)			\$4,862,683.37
Producer - Settlement Fund Reserve	61(d)			\$504,532.37
Total Producer Milk/URSP and Value		1,087,056,615	\$ 2.60348	\$28,301,326.06
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04348	\$472,676.72
Producer Price Differential (Dallas County)			\$2.56	\$27,828,649.34

PPD per cwt

Producer Price Differential	\$2.56
Class III Price	\$15.17
Statistical Uniform Price of Milk (3.5% Butterfat-Dallas)	\$17.73

Remaining value from which PPD per cwt is calculated

Average Somatic Cell Count	200,000
Total Number of Producers	338

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	352,216,768	32.40	8,228,348	17.27	343,988,420	33.09
Class II	58,268,790	5.36	7,387,101	15.50	50,881,689	4.90
Class III	670,006,909	61.64	29,458,991	61.81	640,547,918	61.63
Class IV	6,564,148	.60	2,580,935	5.42	3,983,213	.38
Total	1,087,056,615	100.00	47,655,375	100.00	1,039,401,240	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	47,655,375	37,683,417	62,846,895	100,530,312
Average Test	4.383%	3.466%	5.781%	9.247%

Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Jan-24	Dec-23	Jan-24	Dec-23	Jan-24	Dec-23
Appalachian - F.O. 5	21.10	21.39	N/A	N/A	72.5	67.63
Arizona - F.O. 131	18.81	19.10	N/A	N/A	28.2	26.65
Central - F.O. 32	17.24	17.79	2.07	1.75	31.17	29.22
Florida - F.O. 6	23.05	23.62	N/A	N/A	82.52	83.17
Mideast - F.O. 33	17.90	18.20	2.73	2.16	42.04	40.46
Northeast - F.O. 1	19.31	19.71	4.14	3.67	30.7	30.3
Pacific NW - F.O. 124	17.39	17.94	2.22	1.9	22.02	21.3
California - F.O. 51	16.81	17.55	1.64	1.51	20.1	20.1
Southeast - F.O. 7	21.61	22.01	N/A	N/A	76.37	72.55
Southwest - F.O. 126	17.73	18.37	2.56	2.33	32.40	30.64
Upper Midwest - F.O. 30	15.59	16.40	0.42	0.36	6.5	6.1

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/>



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