

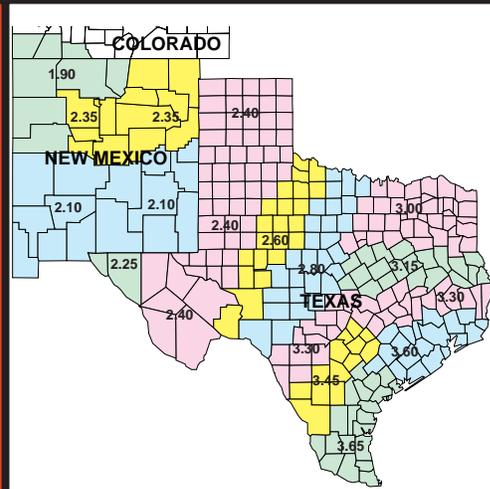
# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR MARCH

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 \$2.76 for March. Butterfat price increased \$0.2194 per pound from \$1.4626 in February to the level of \$1.6820 for March. Protein price increased \$0.1547 cents per pound from \$1.4951 in February to \$1.6498 in March. March's Other Solids price decreased \$0.0160 per pound from the previous month to \$0.1039. The Somatic Cell Count adjustment rate factor for March was .00064 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a March statistical uniform price of \$14.18 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 94 cents in comparison to the statistical blend price of \$13.24 in February.

The March Class I price increased \$1.50 from \$14.94 in February to the March level of \$16.44. The Class II price for March of \$14.17 per hundredweight increased 74 cents from \$13.43 in February. March's Class III price increased \$1.15 from \$10.27 in February to \$11.42 in March. The Class IV price increased 76 cents from \$12.70 in February to \$13.46 in March.

In March 795 producers delivered a total of 682,762,481 pounds of milk. On a daily basis this represents a decrease of 1.91 percent from the producer receipts level in February and it represents a decrease of 16.83 percent when compared to the producer receipts level of March 2000.

Producer milk classified as Class I during March amounted to 50.87 percent of total producer receipts. This figure is up from 49.51 percent in February and it is up from 42.09 percent in March 2000. The average butterfat test of producer milk pooled during March was 3.630 percent, average protein test was 3.057 percent, average other solids test was 5.703 percent and the average somatic cell count was 380,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 01	Feb 01	Mar 01	Feb 01	Mar 01	Feb 01
Appalachian	15.16	14.48	-----	-----	61.56	64.73
Arizona-Las Vegas	13.31	12.48	-----	-----	31.81	31.57
Central	12.74	11.82	1.32	1.55	28.05	30.18
Florida	16.69	15.91	-----	-----	91.30	89.57
Mideast	13.24	12.28	1.82	2.01	44.30	43.40
Northeast	14.50	13.62	3.08	3.35	44.20	43.30
Pacific Northwest	13.34	12.35	1.92	2.08	33.68	31.90
Southeast	14.92	14.15	-----	-----	60.68	61.23
<b>Southwest</b>	<b>14.18</b>	<b>13.24</b>	<b>2.76</b>	<b>2.97</b>	<b>50.87</b>	<b>49.51</b>
Upper Midwest	12.20	11.15	0.78	0.88	20.10	19.70
Western	12.89	11.79	1.47	1.52	29.74	27.65

## TEXAS GRADE A MARKETINGS BY FARM SIZE

The Texas producer count fell below 1,000 producers in March, it last fell below 2,000 producers in June 1993. March typically represents the pinnacle month for Texas production, the last time March's Texas production fell below the 500 million pound level was March 1989. The table located below reflects the number of producers and milk pounds by farm size groupings in Texas for March 1990 and 2001. The size groupings show the changes that have occurred in the average size of Texas dairy farms over the last eleven years.

The small dairy farm, with less than 100,000 pounds of milk per month decreased in the amount of milk marketed. In March 1990, 7.68 percent of total Texas milk marketings came from these smaller farms, which represented 28.54 percent of the total number of producers. During March 2001, the amount of milk marketed in this range declined to 2.41 percent of the total Texas milk marketings, and these farms represented just 19.57 percent of the total number of producers.

Farms that marketed between 100,000 to 249,999 pounds of milk during the selected month had the largest decrease in the percent of milk marketed. In March 1990 this group represented 30.34 percent of all milk marketed. Milk marketings from this size group fell to 11.21 percent in March 2001. This size group represented 43.73 percent of the total producers in

Texas during March 1990, compared to 32.90 percent for the same month in 2001.

The farm size range of 250,000 to 499,999 pounds also decreased in percentage of total milk marketed, from 27.68 percent in March 1990 to 14.28 percent in March 2001. This size group represented 18.95 percent of the total producers in Texas during March 1990, as compared to 20.29 percent for the same month in 2001.

Dairy farms with monthly milk marketings of between 500,000 and 999,999 pounds showed an increase. In March 1990, farms in this size range marketed 18.69 percent of total Texas milk marketings. In March 2001, marketings from this size group represented 23.86 percent of the state total.

Large dairy farms with monthly milk marketings over 1,000,000 pounds showed the largest increase in percentage of milk marketed. In March 1990, this group marketed 15.61 percent of the state total, while in March 2001 this figure increased to 48.24 percent, almost half of the total milk marketed by Texas producers came from 10.70 percent of its producers.

Overall, the total number of Texas producers declined nearly 54.39 percent from 2,173 producers in March 1990 to 991 producers in March 2001. Texas milk marketings have also decreased 4.64 percent from 511.6 million pounds in March 1990 to 487.9 million pounds in March 2001. However, average marketings per farm have increased from 235,441 pounds in 1990 to 492,306 pounds in 2001, an increase of 109.10 percent.

## TEXAS GRADE A MARKETINGS BY SIZE RANGES MARCH 1990 AND MARCH 2001

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	1990	2001	1990	2001	1990	2001	1990	2001
0-49,999	175	71	5,881,895	2,460,082	1.15	0.50	8.05	7.16
50,000-99,999	445	123	33,538,076	9,255,020	6.53	1.91	20.49	12.41
100,000-149,999	408	127	51,050,394	15,837,216	9.98	3.25	18.78	12.82
150,000-199,999	340	109	58,918,257	18,854,575	11.52	3.86	15.65	11.00
200,000-249,999	202	90	45,206,469	20,015,256	8.84	4.10	9.30	9.08
250,000-299,999	145	63	40,034,518	17,283,104	7.83	3.54	6.67	6.36
300,000-349,999	97	53	31,526,560	17,243,536	6.16	3.53	4.46	5.35
350,000-399,999	75	39	27,893,351	14,589,268	5.45	2.99	3.45	3.94
400,000-449,999	57	26	24,234,249	11,065,720	4.74	2.27	2.62	2.62
450,000-499,999	38	20	17,895,127	9,530,010	3.50	1.95	1.75	2.02
500,000-599,999	49	46	26,739,439	24,985,207	5.23	5.12	2.25	4.64
600,000-699,999	37	37	23,945,791	23,983,010	4.68	4.92	1.70	3.73
700,000-799,999	30	34	22,397,285	25,605,178	4.38	5.25	1.38	3.43
800,000-899,999	13	27	11,081,516	22,637,636	2.17	4.64	0.60	2.72
900,000-999,999	12	20	11,396,614	19,184,924	2.23	3.93	0.55	2.02
OVER-1,000,000	50	106	79,873,943	235,345,936	15.61	48.24	2.30	10.70
<b>TOTAL</b>	2,173	991	511,613,484	487,875,678	100.00	100.00	100.00	100.00

**TOP TEN TEXAS COUNTIES a/ – MARCH 2001**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2000b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2000b/</u>
1. Erath	136	125,389,800	- 16.61	7. Hamilton	18	14,510,454	- 12.39
2. Hopkins	188	52,781,624	- 12.25	8. Lamb	3	13,240,505	+ 18.16
3. Comanche	48	45,779,078	- 10.68	9. Johnson	26	12,818,087	- 27.75
4. El Paso	8	23,565,880	- 4.93	10. Tom Green	9	10,491,376	- 3.86
5. Archer	58	22,108,490	- 14.03	Ten County Total	543	335,209,623	- 13.54 b/
6. Wood	49	14,524,329	- 19.88	<u>Other Counties Total</u>	<u>448</u>	<u>152,666,055</u>	<u>- 19.41</u>
				<b>Texas Total</b>	991	487,875,678	- 15.47

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**

Month	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
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
January 2000	13.90	11.43	10.05	10.73	1.96	93.66	5.03	216.77	.00058	88.20	115.17	101.15	18.57
February	13.71	11.51	9.54	10.80	2.28	95.88	4.32	198.49	.00055	90.02	110.67	101.06	17.88
March	13.84	11.71	9.54	11.00	2.36	101.91	4.24	191.66	.00055	94.97	110.93	100.94	17.80
April	13.93	12.10	9.41	11.38	2.64	113.52	4.08	173.99	.00055	104.49	110.11	100.78	17.65
May	14.48	12.63	9.37	11.91	3.06	128.54	4.03	155.14	.00055	116.80	110.22	100.71	17.60
June	14.70	13.08	9.46	12.38	3.29	141.28	4.38	142.78	.00056	127.25	111.37	100.97	17.94
July	15.46	12.58	10.66	11.87	2.70	126.91	5.57	197.26	.00061	115.47	121.89	101.02	19.09
August	14.95	12.56	10.13	11.87	3.03	126.59	5.77	179.52	.00058	115.20	116.60	101.08	19.29
September	14.84	12.58	10.76	11.94	2.52	127.07	5.02	201.37	.00062	115.60	123.15	101.66	18.56
October	14.89	12.54	10.02	11.81	2.87	124.44	4.71	180.28	.00058	113.44	116.02	101.27	18.26
November	14.82	13.68	8.57	13.00	4.02	157.45	5.65	91.49	.00051	140.51	102.45	101.59	19.17
December	15.13	13.97	9.37	13.27	3.54	165.34	8.29	103.78	.00054	146.98	108.98	101.58	21.72
Averages 2000b/	14.55	12.53	9.74	11.83	2.86	125.22	5.09	169.38	.00057	114.08	113.13	101.15	18.63
January 2001	16.99	12.82	9.99	12.13	3.63	128.96	11.20	161.81	.00056	117.25	111.80	101.65	24.84
February	14.94	13.43	10.27	12.70	2.97	146.26	11.99	149.51	.00057	131.43	114.67	101.37	25.61
March	16.44	14.17	11.42	13.46	2.76	168.20	10.39	164.98	.00064	149.42	127.37	101.27	24.06

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

**TOP NEW MEXICO COUNTIES a/ – MARCH 2001**

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2000b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2000b/</u>
1. Chaves	40	145,778,540	- 3.04	7. Socorro	7	10,527,847	- 1.93
2. Dona Ana	25	77,848,918	+ 2.86	8. Valencia	10	9,650,288	- 4.55
3. Roosevelt	36	66,963,876	+ 14.74	9. Bernalillo	5	5,651,968	- 6.57
4. Curry	17	64,555,770	+ 4.99				
5. Lea	14	36,752,535	- 3.63	Nine County Total	160	442,798,532	+ 1.26 b/
6. Eddy	6	25,068,790	- 4.97	<u>Other Counties Total</u>	<u>5</u>	<u>10,433,618</u>	<u>- 2.26</u>
				<b>New Mexico Total</b>	165	453,232,150	+ 1.17

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.

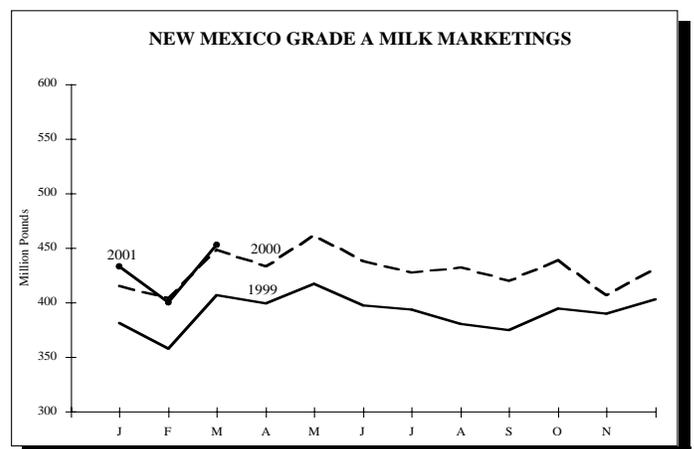
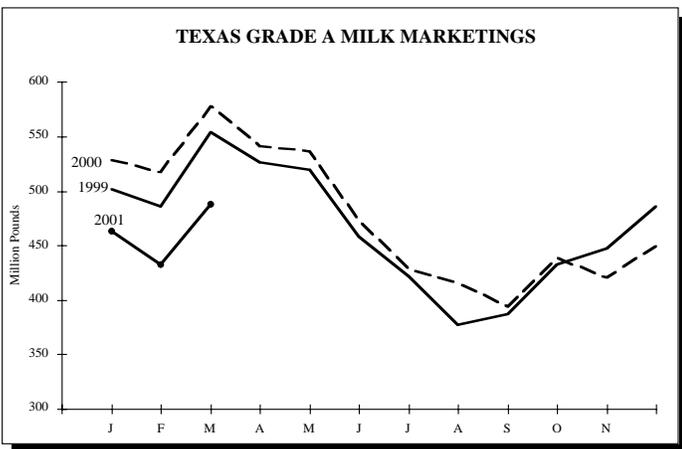
**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 1999 THROUGH MARCH 2001, WITH PERCENTAGE COMPARISONS**

MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	PERCENT CHANGE 2001/00
January	501,754,729	1,251	528,032,131	1,156	463,431,654	1,026	+5.24	-12.23
February	486,044,271	1,245	517,023,791	1,141	432,156,106	1,006	+6.37	-13.43*
March	553,983,640	1,241	577,134,609	1,134	487,875,678	991	+4.18	-15.47
April	525,773,380	1,233	540,903,763	1,121			+2.88	
May	519,613,189	1,219	536,505,477	1,112			+3.25	
June	458,247,406	1,216	472,478,168	1,103			+3.11	
July	421,397,795	1,206	428,683,700	1,089			+1.73	
August	377,392,147	1,197	415,788,563	1,082			+10.17	
September	386,931,407	1,189	393,642,034	1,066			+1.73	
October	432,175,585	1,181	437,963,207	1,058			+1.34	
November	447,062,545	1,166	420,274,058	1,041			-5.99	
December	<u>485,682,323</u>	1,160	<u>448,671,268</u>	1,033			<u>-7.62</u>	
Years Total	5,596,058,417		5,717,100,769				+2.16	

\*Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1999 THROUGH MARCH 2001, WITH PERCENTAGE COMPARISONS**

MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	PERCENT CHANGE 2001/00
January	381,115,401	156	414,930,653	158	432,749,978	166	+8.87	+4.29
February	358,049,940	157	404,085,655	158	400,543,634	166	+12.86	+2.66*
March	406,789,374	156	447,971,781	158	453,232,150	165	+10.12	+1.17
April	399,229,362	157	433,303,618	159			+8.54	
May	416,852,251	157	461,526,991	159			+10.72	
June	397,483,877	159	437,718,050	159			+10.12	
July	393,796,366	158	427,456,503	159			+8.55	
August	380,628,318	158	431,815,797	160			+13.45	
September	374,886,452	160	419,669,872	161			+11.95	
October	394,366,657	162	438,410,599	163			+11.17	
November	389,857,074	159	407,114,759	167			+4.43	
December	<u>403,101,846</u>	158	<u>431,351,678</u>	166			<u>+7.01</u>	
Years Total	4,696,156,918		5,155,355,956				+9.78	



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## TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein <sup>b/</sup>		Other Solids <sup>b/</sup>		S-N-F		SCC <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
March 2000	3.62	3.59	3.05	3.04	5.71	5.70	8.76	8.74	318	253
April	3.59	3.55	3.06	3.03	5.71	5.70	8.76	8.73	343	257
May	3.56	3.49	3.03	2.99	5.69	5.70	8.72	8.70	369	253
June	3.55	3.44	3.03	2.96	5.67	5.67	8.70	8.63	415	272
July	3.54	3.42	3.01	2.91	5.62	5.63	8.63	8.54	419	287
August	3.55	3.44	3.05	2.95	5.60	5.62	8.65	8.57	420	287
September	3.59	3.48	3.10	3.01	5.61	5.63	8.71	8.64	419	278
October	3.72	3.59	3.16	3.10	5.67	5.67	8.82	8.77	369	258
November	3.81	3.73	3.19	3.15	5.69	5.68	8.87	8.83	406	313
December	3.84	3.73	3.21	3.14	5.68	5.65	8.88	8.79	378	312
Averages 2000	3.65	3.56	3.09	3.04	5.67	5.67	8.75	8.71	374	273
January 2001	3.81	3.72	3.13	3.10	5.69	5.67	8.81	8.76	422	366
February	3.72	3.69	3.08	3.06	5.69	5.68	8.76	8.74	421	388
March	3.64	3.61	3.07	3.04	5.71	5.70	8.78	8.74	414	348

a/ In thousands. b/ Estimated for 1999: True Protein = Crude Protein - .19 and Other Solids = SNF - True Protein

### MARCH 2001 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$418,448.21
Class I Butterfat	60(a)	8,089,747	\$1.4783	\$11,959,072.99
Class I Skim Per Cwt		339,265,652	\$10.8600	\$36,844,249.83
Class II Butterfat	60(b)	4,356,914	\$1.6890	\$7,358,827.76
Class II Nonfat Solids		3,071,732	\$0.9511	\$2,921,524.33
Class III Butterfat	60(c)	10,327,650	\$1.6820	\$17,371,107.30
Class III Protein		8,872,036	\$1.6498	\$14,637,084.99
Class III Other Solids		16,586,374	\$0.1039	\$1,723,324.28
Class IV Butterfat	60(d)	2,006,969	\$1.6820	\$3,375,721.85
Class IV Nonfat Solids		361,824	\$0.8727	\$315,763.83
Class II, III & IV Somatic Cell Adj.	60(e)			\$42,816.19
Total Producer Milk-Product Lbs & Value		682,762,481		\$96,882,309.18
Add: Value as for 60(f) Thru 60(j)				\$642.65
Less: Total Protein Pounds	61(b)	20,874,507	<b>\$1.6498</b>	\$34,438,761.66
Total Other Solids Pounds		38,935,744	<b>\$0.1039</b>	\$4,045,423.81
Total Butterfat Pounds		24,781,280	<b>\$1.6820</b>	\$41,682,112.96
Total Value of Somatic Cell Adjustment				(\$130,296.12)
<b>Total Milk and Value</b>		682,762,481		\$16,846,949.52
Add: Location Differential Adjustments	61(c)			\$2,007,174.90
Producer-Settlement Fund	61(d)			\$310,055.10
<b>Total Producer Milk/URSP and Value</b>		683,439,501	\$2.80407	\$19,164,179.52
Less: Producer-Settlement Fund	61(f)		\$0.04407	\$301,249.29
<b>Producer Price Differential (Dallas County)</b>			<b>\$2.76</b>	\$18,862,930.23

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***REPORT***

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**MARCH 2001**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	347,355,399	50.87	8,089,747	32.64	339,265,652	51.56
Class II	38,096,127	5.58	4,356,914	17.58	33,739,213	5.13
Class III	291,327,328	42.67	10,327,650	41.68	280,999,678	42.71
Class IV	5,983,627	0.88	2,006,969	8.10	3,976,658	0.60
Total	682,762,481	100.00	24,781,280	100.00	657,981,201	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,804,328	51.76	20,113,956	51.66	30,918,286	51.69
Class II	1,071,647	5.13	2,000,089	5.14	3,071,732	5.14
Class III	8,872,036	42.50	16,586,374	42.60	25,458,409	42.57
Class IV	126,496	0.61	235,325	0.60	361,824	0.60
Total	20,874,507	100.00	38,935,744	100.00	59,810,251	100.00