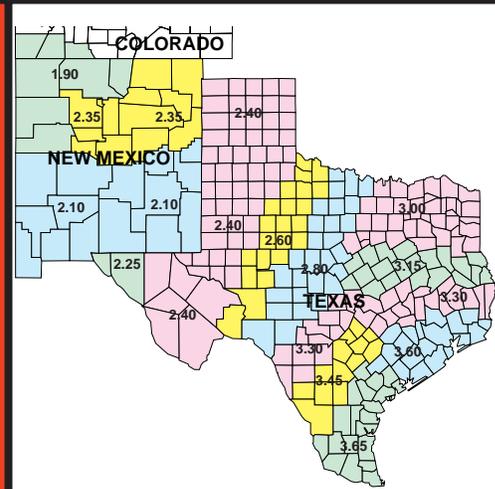


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
 (972) 245-6060 FAX (972) 245-3211
 e-mail: sw.order@dallasma.com
 WWW: <http://www.dallasma.com>

VOLUME XXIV, NO. 1

JANUARY 2003

MARKET SUMMARY FOR DECEMBER

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 \$2.18 for December. Butterfat price increased \$0.0999 per pound from \$1.0923 in November to the level of \$1.1922 in December. Protein price decreased \$0.0963 per pound from \$1.8469 in November to \$1.7506 in December. December's Other Solids price decreased \$0.0266 per pound from the previous month to \$0.0584. The Somatic Cell Count adjustment rate factor for December was .00056 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a December statistical uniform price of \$11.92 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease of \$0.05 in comparison to the statistical blend price of \$11.97 in November.

The December Class I price decreased 8 cents

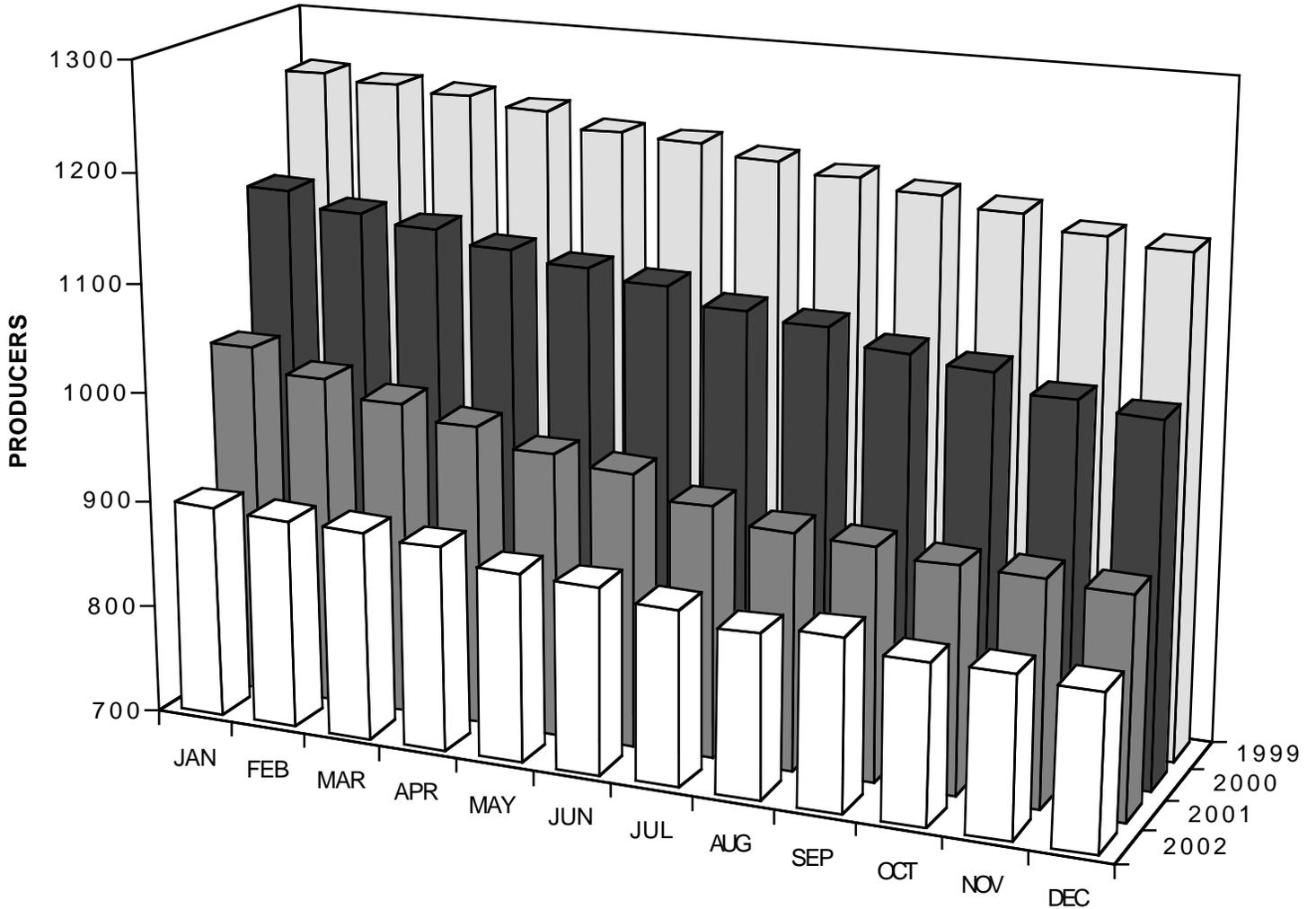
from \$13.60 in November to the December level of \$13.52. The Boston Class I price of \$13.77 produced a dairy deficiency payment of \$1.43 for December. The Class II price for December of \$11.62 per hundredweight increased \$0.36 from \$11.26 in November. December's Class III price decreased \$0.10 from \$9.84 in November to \$9.74 in December. The Class IV price decreased \$0.09 from \$10.58 in November to \$10.49 in December.

In December 935 producers delivered a total of 794,377,102 pounds of milk. On a daily basis this represents an increase of 4.15 percent from the producer receipts level in November and it represents an increase of 3.60 percent when compared to the producer receipts level of December 2001.

Producer milk classified as Class I during December amounted to 42.26 percent of total producer receipts. This figure is down from 46.59 percent in November and it is down from 43.29 percent in December 2001. The average butterfat test of producer milk pooled during December was 3.772 percent, average protein test was 3.129 percent, average other solids test was 5.690 percent and the average somatic cell count was 326,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Dec 02	Nov 02	Dec 02	Nov 02	Dec 02	Nov 02
Appalachian	12.96	13.06	-----	-----	67.20	71.63
Arizona-Las Vegas	11.07	11.14	-----	-----	32.53	34.52
Central	10.67	10.74	0.93	0.90	25.33	27.39
Florida	14.15	14.32	-----	-----	84.62	90.42
Mideast	11.12	11.17	1.38	1.33	40.40	43.00
Northeast	12.24	12.31	2.50	2.47	44.60	47.20
Pacific Northwest	10.81	10.84	1.07	1.00	27.45	29.98
Southeast	12.76	12.84	-----	-----	64.98	67.58
Southwest	11.92	11.97	2.18	2.13	42.26	46.59
Upper Midwest	10.33	10.43	0.59	0.59	18.80	20.90
Western	10.50	10.65	0.76	0.81	22.94	24.24

**NUMBER OF TEXAS DAIRY PRODUCERS
1999 - 2002**



**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN TEXAS
DECEMBER 2002**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	61	2,032,218	.45
50,000- 99,999	114	8,519,132	1.87
100,000-149,999	115	14,517,198	3.19
150,000-199,999	99	17,033,015	3.74
200,000-249,999	49	10,955,481	2.41
250,000-299,999	61	16,574,741	3.64
300,000-349,999	47	15,178,761	3.34
350,000-399,999	30	11,331,728	2.49
400,000-449,999	17	7,158,725	1.57
450,000-499,999	18	8,557,716	1.88
500,000-599,999	38	20,997,846	4.62
600,000-699,999	24	15,674,446	3.45
700,000-799,999	27	20,179,779	4.44
800,000-899,999	20	17,064,990	3.75
900,000-999,999	15	14,110,791	3.10
<u>OVER -1,000,000</u>	<u>108</u>	<u>254,986,425</u>	<u>56.06</u>
TOTAL	843	454,986,425	100.00

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN NEW MEXICO
DECEMBER 2002**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	3	34,197	.01
50,000- 99,999	1	94,901	.01
100,000-149,999	1	145,269	.03
150,000-199,999	4	690,728	.13
200,000-249,999	5	1,116,134	.21
250,000-299,999	1	276,403	.05
300,000-349,999	2	658,388	.13
350,000-399,999	--	-----	---
400,000-449,999	--	-----	---
450,000-499,999	2	986,442	.19
500,000-599,999	2	1,097,402	.21
600,000-699,999	4	2,574,546	.49
700,000-799,999	3	2,287,269	.44
800,000-899,999	4	3,434,477	.66
900,000-999,999	4	3,809,546	.73
<u>OVER -1,000,000</u>	<u>142</u>	<u>506,203,570</u>	<u>96.71</u>
TOTAL	178	523,409,272	100.00

TOP TEN TEXAS COUNTIES a/ – DECEMBER 2002

County	Number of Producers	Pounds	% Change From 2001b/	County	Number of Producers	Pounds	% Change From 2001b/
1. Erath	113	105,657,127	- 8.39	7. Hamilton	15	12,974,541	+ 10.32
2. Hopkins	161	44,251,829	+ 2.29	8. Deaf Smith	4	12,258,269	+ 435.28
3. Comanche	37	38,451,683	+ 2.65	9. Wood	45	12,128,931	+ 4.80
4. Lamb	6	24,251,154	+ 36.85	10. Van Zandt	15	10,031,985	+ 7.04
5. El Paso	7	20,499,361	- 2.66	Ten County Total	456	300,486,379	+ 1.40 b/
6. Archer	55	19,981,499	+ 6.89	<u>Other Counties Total</u>	<u>387</u>	<u>154,377,613</u>	<u>+ 16.17</u>
				Texas Total	843	454,863,992	+ 5.97

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-----							
November	18.76	12.78	11.31	11.97	3.77	145.00	14.70	180.45	.00062	130.40	123.22	93.49	28.23
December	14.98	12.61	11.80	11.79	1.65	143.22	15.17	197.82	.00064	128.94	127.62	91.99	28.68
Averages 2001b/	17.27	14.53	13.10	13.76	2.36	184.80	13.43	196.13	.00071	163.04	142.64	97.91	27.00
January 2002	14.96	12.69	11.87	11.93	1.79	148.46	13.92	196.60	.00065	133.24	129.22	91.61	27.47
February	14.95	12.28	11.63	11.54	1.65	138.17	9.65	208.84	.00064	124.80	128.95	91.21	23.34
March	14.62	12.19	10.65	11.42	2.12	136.38	6.88	183.42	.00060	123.33	120.87	90.60	20.66
April	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48
May	14.26	11.29	10.82	10.57	1.60	114.33	3.71	220.97	.00062	105.25	123.59	89.72	17.59
June	14.03	11.19	10.09	10.52	2.02	112.11	2.47	201.48	.00059	103.43	117.08	90.05	16.39
July	13.62	11.14	9.33	10.45	2.48	109.29	1.50	180.95	.00055	101.12	110.04	90.33	15.45
August	13.48	11.07	9.54	10.41	2.41	107.01	1.77	190.21	.00056	99.25	111.89	90.74	15.71
September	13.46	10.91	9.92	10.22	2.00	100.99	3.67	206.46	.00057	94.31	114.38	90.96	17.55
October	13.15	11.12	10.72	10.50	1.35	107.26	7.55	218.39	.00060	99.45	120.20	91.65	21.31
November	13.60	11.26	9.84	10.58	2.13	109.23	8.50	184.69	.00056	101.07	111.11	91.77	22.23
December	13.52	11.62	9.74	10.49	2.18	119.22	5.84	175.06	.00056	109.26	112.03	86.82	19.65
Averages 2002 b/	14.01	11.55	10.42	10.81	1.97	119.28	5.93	197.35	.00059	109.31	118.55	90.43	19.74

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

TOP NEW MEXICO COUNTIES a/ – DECEMBER 2002

County	Number of Producers	Pounds	% Change From 2001b/	County	Number of Producers	Pounds	% Change From 2001b/
1. Chaves	39	144,684,512	+ 1.04	7. Socorro	8	15,745,670	+ 6.91
2. Roosevelt	43	92,119,808	+ 11.93	8. Valencia	9	9,807,990	+ 2.37
3. Curry	20	89,795,900	+ 16.94	9. Bernalillo	5	5,601,882	- 2.04
4. Dona Ana	25	81,919,746	+ 9.07				
5. Lea	16	42,081,489	+ 7.60	Nine County Total	172	508,838,978	+ 7.52 b/
6. Eddy	7	27,351,981	+ 2.36	<u>Other Counties Total</u>	<u>6</u>	<u>14,570,294</u>	<u>+ 35.24</u>
				New Mexico Total	178	523,409,272	+ 8.14

a/ All known Grade "A" milk produced on farms located in New Mexico.

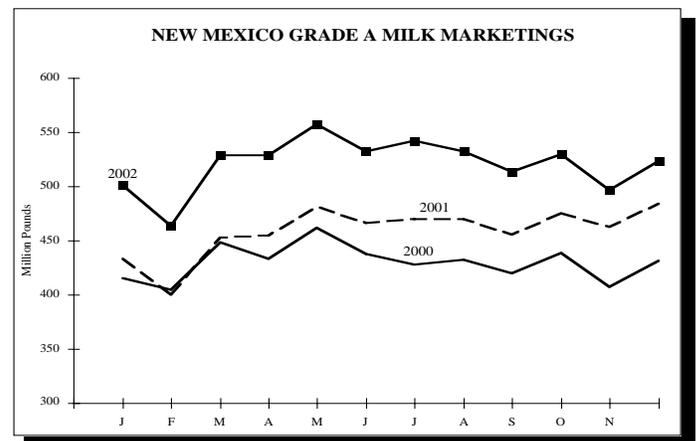
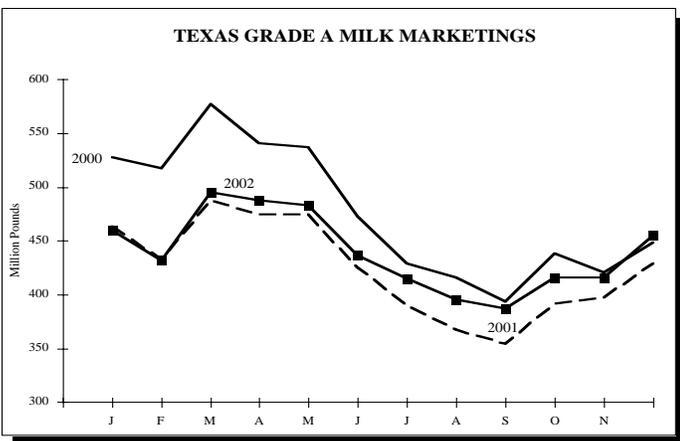
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2000 THROUGH DECEMBER 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	528,032,131	1,156	463,431,654	1,026	459,850,238	897	-12.23	-0.77
February	517,023,791	1,141	432,156,106	1,006	431,807,361	894	-13.43	-0.08
March	577,134,609	1,134	487,875,678	991	494,608,931	893	-15.47	+1.38
April	540,903,763	1,121	474,386,881	978	487,475,741	889	-12.30	+2.76
May	536,505,477	1,112	474,236,039	962	482,994,330	875	-11.61	+1.85
June	472,478,168	1,103	425,591,909	954	435,698,971	872	-9.92	+2.37
July	428,683,700	1,089	389,996,462	933	414,700,943	862	-9.02	+6.33
August	415,788,563	1,082	367,810,615	919	395,468,644	851	-11.54	+7.52
September	393,642,034	1,066	354,482,882	916	386,732,687	859	-9.95	+9.10
October	437,963,207	1,058	391,332,224	908	415,984,319	846	-10.65	+6.30
November	420,274,058	1,041	397,352,762	907	415,537,665	847	-5.45	+4.58
December	<u>448,671,268</u>	1,033	<u>429,232,267</u>	903	<u>454,863,992</u>	843	<u>-4.33</u>	<u>+5.97</u>
Years Total	5,717,100,769		5,087,885,479		5,275,723,822		-10.76	+3.69

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2000 THROUGH DECEMBER 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	414,930,653	158	432,749,978	166	501,275,998	174	+4.29	+15.84
February	404,085,655	158	400,543,634	166	463,667,936	173	+2.66	+15.76
March	447,971,781	158	453,232,150	165	528,830,087	175	+1.17	+16.68
April	433,303,618	159	454,980,340	167	528,467,048	175	+5.00	+16.15
May	461,526,991	159	480,995,372	169	557,746,887	176	+4.22	+15.96
June	437,718,050	159	466,640,323	170	532,178,000	178	+6.61	+14.04
July	427,456,503	159	469,362,545	171	542,546,821	176	+9.80	+15.59
August	431,815,797	160	469,391,326	174	532,685,705	176	+8.70	+13.48
September	419,669,872	161	455,259,423	173	513,773,496	178	+8.48	+12.85
October	438,410,599	163	474,918,306	173	529,524,800	178	+8.33	+11.50
November	407,114,759	167	462,212,000	173	496,802,059	178	+13.53	+7.48
December	<u>431,351,678</u>	166	<u>484,020,641</u>	173	<u>523,409,272</u>	178	<u>+12.21</u>	<u>+8.14</u>
Years Total	5,155,355,956		5,504,306,038		6,250,908,109		+6.74	+13.56



The United States Department of Agriculture (USDA) prohibits discrimination in all its programs on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD).

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
Averages 2001	3.66	3.58	3.08	3.03	5.67	5.67	8.74	8.70	408	321
January 2002	3.78	3.71	3.12	3.09	5.69	5.69	8.81	8.78	364	322
February	3.77	3.71	3.09	3.06	5.70	5.69	8.79	8.75	371	327
March	3.72	3.66	3.08	3.03	5.71	5.70	8.79	8.73	335	294
April	3.63	3.56	3.03	2.98	5.70	5.71	8.73	8.68	342	275
May	3.58	3.49	3.01	2.96	5.68	5.69	8.68	8.65	342	256
June	3.58	3.47	2.99	2.92	5.69	5.69	8.67	8.61	366	263
July	3.59	3.45	3.00	2.91	5.67	5.69	8.66	8.60	407	290
August	3.58	3.47	3.02	2.93	5.65	5.68	8.67	8.61	414	303
September	3.62	3.55	3.09	3.00	5.64	5.67	8.72	8.67	393	297
October	3.76	3.67	3.15	3.08	5.66	5.68	8.81	8.76	376	281
November	3.87	3.76	3.19	3.13	5.68	5.68	8.86	8.80	368	296
December	3.80	3.74	3.15	3.10	5.69	5.69	8.84	8.79	356	306
Averages	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293

a/ In thousands.

**DECEMBER 2002
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$368,458.28
Class I Butterfat	60(a)	8,207,356	\$1.1082	\$9,095,391.93
Class I Skim Per Cwt		327,526,705	\$9.9900	\$32,719,917.86
Class II Butterfat	60(b)	7,131,954	\$1.1992	\$8,552,639.24
Class II Nonfat Solids		8,536,166	\$0.8544	\$7,293,300.23
Class III Butterfat	60(c)	8,568,976	\$1.1922	\$10,215,933.18
Class III Protein		7,802,263	\$1.7506	\$13,658,641.60
Class III Other Solids		14,263,040	\$0.0584	\$832,961.53
Class IV Butterfat	60(d)	6,053,670	\$1.1922	\$7,217,185.38
Class IV Nonfat Solids		9,402,082	\$0.7282	\$6,846,596.12
Class II, III & IV Somatic Cell Adj.	60(e)			\$66,238.45
Total Producer Milk-Product Lbs & Value		794,377,102		\$96,867,263.80
Add: Value as for 60(f) Thru 60(j)				\$46,313.97
Less: Total Protein Pounds	61(b)	24,855,768	\$1.7506	\$43,512,507.48
Total Other Solids Pounds		45,198,987	\$0.0584	\$2,639,620.85
Total Butterfat Pounds		29,961,956	\$1.1922	\$35,720,643.96
Total Value of Somatic Cell Adjustment				\$104,752.15
Total Milk and Value		794,377,102		\$14,936,053.33
Add: Location Differential Adjustments	61(c)			\$2,351,531.83
Producer-Settlement Fund	61(d)			\$350,109.53
Total Producer Milk/URSP and Value		794,377,102	\$2.22031	\$17,637,694.69
Less: Producer-Settlement Fund	61(f)		\$0.04031	\$320,273.87
Producer Price Differential (Dallas County)			\$2.18	\$17,317,420.82

THE MARKET ADMINISTRATOR'S
REPORT

SOUTHWEST MARKETING AREA
 RICHARD FLEMING, MARKET ADMINISTRATOR
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
 (972) 245-6060 FAX(972) 245-3211

PRSRT STD
 U.S. POSTAGE
 P A I D
 Carrollton, TX
 Permit No. 343

RETURN SERVICE REQUESTED

DECEMBER 2002
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	335,734,061	42.26	8,207,356	27.39	327,526,705	42.85
Class II	100,078,903	12.60	7,131,954	23.80	92,946,949	12.16
Class III	250,072,588	31.48	8,568,976	28.61	241,503,612	31.59
Class IV	108,491,550	13.66	6,053,670	20.20	102,437,880	13.40
Total	794,377,102	100.00	29,961,956	100.00	764,415,146	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,690,790	43.01	19,360,409	42.83	30,051,203	42.90
Class II	3,034,830	12.21	5,501,338	12.17	8,536,166	12.18
Class III	7,802,263	31.39	14,263,040	31.56	22,065,304	31.50
Class IV	3,327,885	13.39	6,074,200	13.44	9,402,082	13.42
Total	24,855,768	100.00	45,198,987	100.00	70,054,755	100.00