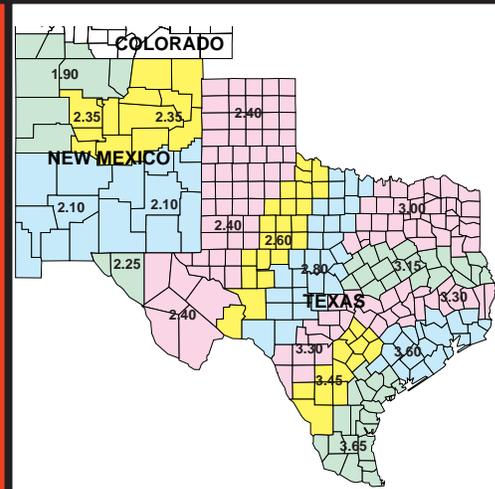


# THE MARKET ADMINISTRATOR'S

# 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](mailto:sw.order@dallasma.com)  
 WWW: <http://www.dallasma.com>

VOLUME XXIV, NO. 5

MAY 2003

## MARKET SUMMARY FOR APRIL

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 \$1.78 for April. Butterfat price increased \$0.0044 per pound from \$1.1459 in March to the level of \$1.1503 in April. Protein price increased \$0.1358 per pound from \$1.6648 in March to \$1.8006 in April. April's Other Solids price decreased \$0.0214 per pound from \$0.206 in March to a negative \$0.0008 in April. The Somatic Cell Count adjustment rate factor for April was .00055 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a April statistical uniform price of \$11.19 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 \$0.09 in comparison to the statistical blend price of \$11.10 in March.

The April Class I price decreased .17 cents from

\$12.81 in March to the April level of \$12.64. The Boston Class I price of \$12.89 produced a dairy deficiency payment of \$1.82 for April. The Class II price for April of \$10.44 per hundredweight decreased \$0.10 from \$10.54 in March. April's Class III price increased \$0.30 from \$9.11 in March to \$9.41 in April. The Class IV price decreased \$0.06 from \$9.79 in March to \$9.73 in April.

In April 955 producers delivered a total of 932,705,902 pounds of milk. On a daily basis this represents an increase of 2.24 percent from the producer receipts level in March and it represents an increase of 6.20 percent when compared to the producer receipts level of April 2002.

Producer milk classified as Class I during April amounted to 36.67 percent of total producer receipts. This figure is up from 35.95 percent in March but it is down from 38.48 percent in April 2002. The average butterfat test of producer milk pooled during April was 3.578 percent, average protein test was 2.987 percent, average other solids test was 5.742 percent and the average somatic cell count was 274,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 03	Mar 03	Apr 03	Mar 03	Apr 03	Mar 03
Appalachian	12.04	12.07	-----	-----	65.89	64.97
Arizona-Las Vegas	10.34	10.29	-----	-----	29.15	29.57
Central	10.22	10.08	0.81	0.97	27.41	27.48
Florida	12.96	13.31	-----	-----	77.76	86.40
Mideast	10.47	10.36	1.06	1.25	36.20	37.40
Northeast	11.45	11.43	2.04	2.32	41.30	41.30
Pacific Northwest	10.21	10.13	0.80	1.02	28.05	27.17
Southeast	11.81	11.91	-----	-----	60.38	62.49
<b>Southwest</b>	<b>11.19</b>	<b>11.10</b>	<b>1.78</b>	<b>1.99</b>	<b>36.67</b>	<b>35.95</b>
Upper Midwest	9.87	9.65	0.46	0.54	18.20	17.50
Western	9.95	9.88	0.54	0.77	16.27	20.39

## TEXAS GRADE A MARKETINGS BY FARM SIZE

The Texas producer count fell below 1,000 producers in March 2001, 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 2001 and 2002. The table located below reflects the number of producers and milk pounds by farm size groupings in Texas for March 1990 and 2003. The size groupings show the changes that have occurred in the average size of Texas dairy farms over the last thirteen 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 2003, the amount of milk marketed in this range declined to 1.76 percent of the total Texas milk marketings, and these farms represented just 17.50 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 8.39 percent in March 2003. This size group represented 43.73 percent of the total producers in Texas during March 1990, compared to 30.43 percent for the same month in 2003.

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 12.57 percent in March 2003. This size group represented 18.95 percent of the total producers in Texas during March 1990, compared to 22.00 percent for the same month in 2003.

Dairy farms with monthly milk marketings of between 500,000 and 999,999 pounds showed a slight decrease. In March 1990, farms in this size range marketed 18.69 percent of total Texas milk marketings. In March 2003, marketings from this size group represented 17.98 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 2003 this figure increased to 59.30 percent, more than half of the total milk marketed by Texas producers came from 14.98 percent of its producers.

Overall, the total number of Texas producers declined nearly 61.30 percent from 2,173 producers in March 1990 to 841 producers in March 2003. While the number of Texas producers has declined sharply milk marketings have increased a slight 0.12 percent from 511.6 million pounds in March 1990 to 512.2 million pounds in March 2003. Average marketings per farm have increased from 235,441 pounds in 1990 to 609,088 pounds in 2003, an increase of 158.70 percent.

## TEXAS GRADE A MARKETINGS BY SIZE RANGES MARCH 1990 AND MARCH 2003

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	1990	2003	1990	2003	1990	2003	1990	2003
0-49,999	175	49	5,881,895	1,603,866	1.15	0.31	8.05	5.83
50,000-99,999	445	98	33,538,076	7,420,066	6.53	1.45	20.49	11.67
100,000-149,999	408	96	51,050,394	12,120,868	9.98	2.37	18.78	11.41
150,000-199,999	340	97	58,918,257	16,796,058	11.52	3.28	15.65	11.53
200,000-249,999	202	63	45,206,469	14,017,319	8.84	2.74	9.30	7.49
250,000-299,999	145	59	40,034,518	16,267,985	7.83	3.18	6.67	7.02
300,000-349,999	97	47	31,526,560	15,319,268	6.16	2.99	4.46	5.59
350,000-399,999	75	34	27,893,351	12,651,493	5.45	2.47	3.45	4.04
400,000-449,999	57	24	24,234,249	10,196,935	4.74	1.99	2.62	2.85
450,000-499,999	38	21	17,895,127	9,942,001	3.50	1.94	1.75	2.50
500,000-599,999	49	33	26,739,439	18,400,812	5.23	3.59	2.25	3.92
600,000-699,999	37	27	23,945,791	17,382,305	4.68	3.39	1.70	3.21
700,000-799,999	30	27	22,397,285	20,393,994	4.38	3.98	1.38	3.21
800,000-899,999	13	23	11,081,516	19,764,033	2.17	3.86	0.60	2.73
900,000-999,999	12	17	11,396,614	16,181,029	2.23	3.16	0.55	2.02
OVER-1,000,000	50	126	79,873,943	303,785,209	15.61	59.30	2.30	14.98
<b>TOTAL</b>	<b>2,173</b>	<b>841</b>	<b>511,613,484</b>	<b>512,243,241</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## TOP TEN TEXAS COUNTIES a/ – APRIL 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Erath	112	115,169,179	- 7.45	7. Wood	44	14,401,232	+ 7.12
2. Hopkins	162	52,079,098	+ 2.65	8. Deaf Smith	5	14,288,646	+ 62.78
3. Comanche	37	41,733,811	+ 3.39	9. Hamilton	15	13,430,373	+ 1.63
4. Lamb	6	26,930,472	+ 45.33	10. Parmer	4	11,980,102	+ 1816.42
5. El Paso	7	21,100,223	- 7.05	Ten County Total	443	331,519,883	+ 1.16 b/
6. Archer	51	20,406,747	- 4.94	<u>Other Counties Total</u>	<u>395</u>	<u>178,947,067</u>	<u>+ 12.02</u>
				<b>Texas Total</b>	<b>838</b>	<b>510,466,950</b>	<b>+ 4.72</b>

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.					BF	Component Prices			NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/		Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
February 2002	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
January 2003	13.56	11.29	9.78	10.07	2.10	118.56	3.39	181.64	.00057	108.72	113.70	82.07	17.28
February	13.23	10.66	9.66	9.81	1.76	113.73	2.40	185.38	.00056	104.76	112.99	81.11	16.32
March	12.81	10.54	9.11	9.79	1.99	114.59	2.06	166.48	.00054	105.46	107.80	80.51	15.99
April	12.64	10.44	9.41	9.73	1.78	115.03	- 0.08	180.06	.00055	107.36	109.97	80.30	15.82

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

## TOP NEW MEXICO COUNTIES a/ – APRIL 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Chaves	39	155,546,466	+ 0.49	7. Socorro	8	16,366,635	+ 4.60
2. Roosevelt	43	102,242,799	+ 13.71	8. Valencia	9	10,301,910	+ 1.95
3. Curry	20	94,776,025	+ 9.44	9. Bernalillo	5	5,760,024	- 3.20
4. Dona Ana	24	85,416,392	+ 3.99				
5. Lea	16	45,889,595	+ 8.90	Nine County Total	171	546,368,665	+ 5.94 b/
6. Eddy	7	30,068,819	+ 5.79	<u>Other Counties Total</u>	<u>6</u>	<u>15,969,715</u>	<u>+ 25.24</u>
				<b>New Mexico Total</b>	<b>177</b>	<b>562,338,380</b>	<b>+ 6.41</b>

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

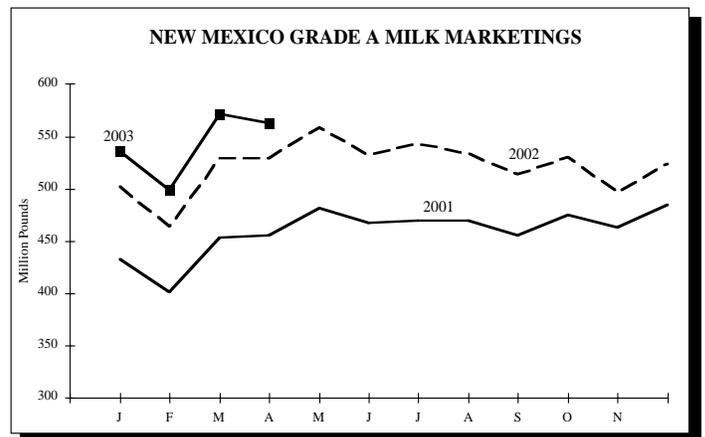
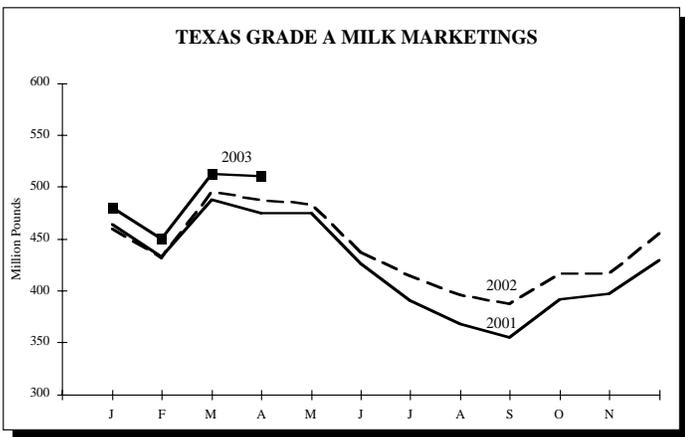
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2001 THROUGH APRIL 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	463,431,654	1,026	459,850,238	897	480,011,354	845	-0.77	+ 4.38
February	432,156,106	1,006	431,807,361	894	449,362,000	840	-0.08	+ 4.07
March	487,875,678	991	494,608,931	893	512,243,241	841	+1.38	+ 3.57
April	474,386,881	978	487,475,741	889	510,466,950	838	+2.76	+ 4.72
May	474,236,039	962	482,994,330	875			+1.85	
June	425,591,909	954	435,698,971	872			+2.37	
July	389,996,462	933	414,700,943	862			+6.33	
August	367,810,615	919	395,468,644	851			+7.52	
September	354,482,882	916	386,732,687	859			+9.10	
October	391,332,224	908	415,984,319	846			+6.30	
November	397,352,762	907	415,537,665	847			+4.58	
December	<u>429,232,267</u>	903	<u>454,863,992</u>	843			<u>+5.97</u>	
Years Total	5,087,885,479		5,275,723,822				+3.69	

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2001 THROUGH APRIL 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	432,749,978	166	501,275,998	174	535,741,056	177	+15.84	+ 6.66
February	400,543,634	166	463,667,936	173	498,218,526	176	+15.76	+ 7.45
March	453,232,150	165	528,830,087	175	570,901,632	177	+16.68	+ 7.96
April	454,980,340	167	528,467,048	175	562,338,380	177	+16.15	+ 6.41
May	480,995,372	169	557,746,887	176			+15.96	
June	466,640,323	170	532,178,000	178			+14.04	
July	469,362,545	171	542,546,821	176			+15.59	
August	469,391,326	174	532,685,705	176			+13.48	
September	455,259,423	173	513,773,496	178			+12.85	
October	474,918,306	173	529,524,800	178			+11.50	
November	462,212,000	173	496,802,059	178			+7.48	
December	<u>484,020,641</u>	173	<u>523,409,272</u>	178			<u>+8.14</u>	
Years Total	5,504,306,038		6,250,908,109				+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 <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
April 2002	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 2002	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293
January 2003	3.77	3.72	3.11	3.05	5.70	5.68	8.80	8.73	338	313
February	3.74	3.68	3.08	3.01	5.71	5.69	8.78	8.70	331	289
March	3.70	3.63	3.05	2.99	5.71	5.73	8.76	8.72	343	277
April	3.59	3.56	3.02	2.96	5.73	5.75	8.75	8.70	306	252

a/ In thousands.

**APRIL 2003**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$359,416.36
Class I Butterfat	60(a)	7,902,675	\$1.1527	\$9,109,413.49
Class I Skim Per Cwt		334,144,772	\$8.9200	\$29,805,713.68
Class II Butterfat	60(b)	8,816,291	\$1.1573	\$10,203,093.60
Class II Nonfat Solids		10,468,112	\$0.7356	\$7,700,343.20
Class III Butterfat	60(c)	8,261,368	\$1.1503	\$9,503,051.61
Class III Protein		7,826,014	\$1.8006	\$14,091,520.81
Class III Other Solids		15,122,723	-\$0.0008	(\$12,098.19)
Class IV Butterfat	60(d)	8,395,177	\$1.1503	\$9,656,972.13
Class IV Nonfat Solids		17,655,480	\$0.6564	\$11,589,057.07
Class II, III & IV Somatic Cell Adj.	60(e)			\$263,854.71
Total Producer Milk-Product Lbs & Value		932,705,902		\$102,270,338.47
Add: Value as for 60(f) Thru 60(j)				\$53,366.93
Less: Total Protein Pounds	61(b)	27,859,444	<b>\$1.8006</b>	\$50,163,714.89
Total Other Solids Pounds		53,552,318	<b>-\$0.0008</b>	(\$42,841.86)
Total Butterfat Pounds		33,375,511	<b>\$1.1503</b>	\$38,391,850.31
Total Value of Somatic Cell Adjustment				\$393,718.23
<b>Total Milk and Value</b>		932,705,902		\$13,417,263.83
Add: Location Differential Adjustments	61(c)			\$3,251,141.81
Producer-Settlement Fund	61(d)			\$391,292.80
<b>Total Producer Milk/URSP and Value</b>		932,705,902	\$1.82905	\$17,059,698.44
Less: Producer-Settlement Fund	61(f)		\$0.04905	\$457,533.38
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.78</b>	\$16,602,165.06

**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

**APRIL 2003**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	342,047,447	36.67	7,902,675	23.68	334,144,772	37.15
Class II	124,395,749	13.34	8,816,291	26.42	115,579,458	12.85
Class III	262,768,523	28.17	8,261,368	24.75	254,507,155	28.31
Class IV	203,494,183	21.82	8,395,177	25.15	195,099,006	21.69
Total	932,705,902	100.00	33,375,511	100.00	899,330,391	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,431,276	37.45	19,908,154	37.18	30,339,438	37.26
Class II	3,594,991	12.90	6,873,124	12.83	10,468,112	12.86
Class III	7,826,014	28.09	15,122,723	28.24	22,948,732	28.19
Class IV	6,007,163	21.56	11,648,317	21.75	17,655,480	21.69
Total	27,859,444	100.00	53,552,318	100.00	81,411,762	100.00