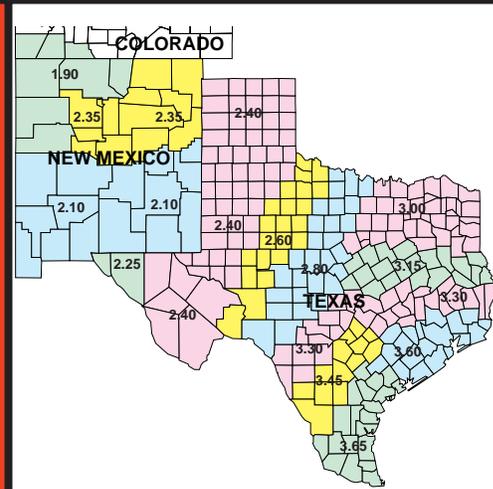


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR JANUARY

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 \$1.68 for January. Butterfat price increased \$0.1290 per pound from \$1.3688 in December to the level of \$1.4978 in January. Protein price decreased \$0.2122 per pound from \$2.2997 in December to \$2.0875 in January. January's Other Solids price decreased \$0.0145 per pound from \$0.0362 in December to \$0.0217 in January. The Somatic Cell Count adjustment rate factor for January was .00065 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a January statistical uniform price of \$13.29 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 \$0.57 in comparison to the statistical blend price of \$13.86 in December.

The January Class I price decreased \$1.99 from

\$16.84 in December to the January level of \$14.85. The Boston Class I price of \$15.10 produced a dairy deficiency payment of \$0.83 for January. The Class II price for January of \$11.67 per hundredweight increased \$0.37 from \$11.30 in December. January's Class III price decreased \$0.26 from \$11.87 in December to \$11.61 in January. The Class IV price increased \$0.45 from \$10.52 in December to \$10.97 in January.

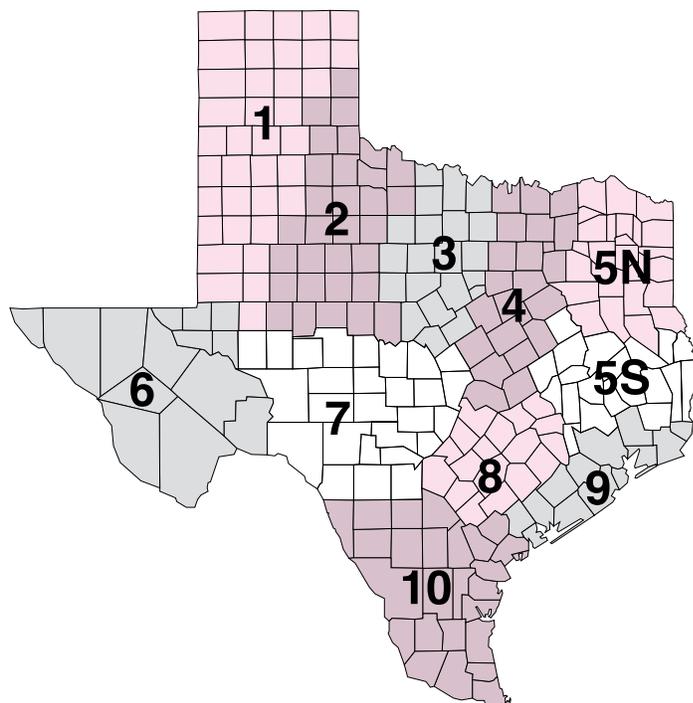
In January 869 producers delivered a total of 798,117,311 pounds of milk. On a daily basis this represents a decrease of 2.70 percent from the producer receipts level in December and it represents a decrease of 4.83 percent when compared to the producer receipts level of January 2003.

Producer milk classified as Class I during January amounted to 45.26 percent of total producer receipts. This figure is up from 41.68 percent in December and it is up from 44.31 percent in January 2003. The average butterfat test of producer milk pooled during January was 3.719 percent, average protein test was 3.087 percent, average other solids test was 5.724 percent and the average somatic cell count was 270,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jan 04	Dec 03	Jan 04	Dec 03	Jan 04	Dec 03
Appalachian	14.25	15.48	-----	-----	69.07	69.19
Arizona-Las Vegas	12.39	12.98	-----	-----	32.19	32.96
Central	12.30	12.91	0.69	1.04	30.35	30.37
Florida	15.54	17.16	-----	-----	86.61	86.78
Mideast	12.51	13.26	0.90	1.39	38.60	38.60
Northeast	13.58	14.39	1.97	2.52	47.40	46.60
Pacific Northwest	12.07	12.47	0.46	0.60	30.15	29.66
Southeast	14.02	15.33	-----	-----	62.89	64.66
<b>Southwest</b>	<b>13.29</b>	<b>13.86</b>	<b>1.68</b>	<b>1.99</b>	<b>45.26</b>	<b>41.68</b>
Upper Midwest	11.98	12.41	0.37	0.54	17.80	18.10
Western	12.13	12.65	0.52	0.78	20.72	22.12

## TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



### TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2003

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	40	24.45	3.71	3.10	5.74	8.84	248
2	12	1.83	3.76	3.16	5.74	8.90	311
3	273	39.53	3.80	3.16	5.72	8.88	294
4	90	5.21	3.87	3.20	5.70	8.90	342
5N	316	18.92	3.84	3.19	5.69	8.88	382
5S	7	0.24	3.74	3.17	5.63	8.80	431
6	10	5.20	3.63	3.01	5.71	8.72	252
7	14	2.06	3.77	3.14	5.68	8.83	351
8	40	1.43	3.80	3.13	5.67	8.80	405
9	4	0.12	3.62	2.97	5.61	8.58	517
10	9	1.00	4.55	3.49	5.74	9.23	406
TOTAL	815	100.00	3.78	3.15	5.72	8.86	305

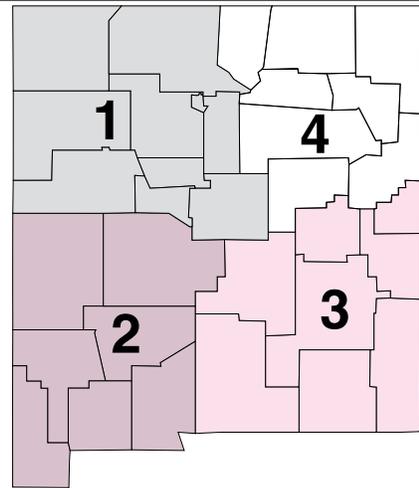
### TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS\* - DECEMBER 2003

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	1	3	3	1	5	27	71,374
2	4	3	3	0	0	2	5,351
3	76	76	52	24	12	33	115,395
4	39	35	10	4	1	1	15,209
5N	153	104	43	9	3	4	55,232
5S	5	1	1	0	0	0	707
6	1	0	1	1	1	6	15,186
7	6	2	3	0	0	3	5,999
8	27	10	3	0	0	0	4,188
9	3	1	0	0	0	0	356
10	3	3	0	1	2	0	2,921
TOTAL	318	238	119	40	24	76	291,917

\*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

**NEW MEXICO  
GEOGRAPHIC REGIONS**

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



**NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 2003**

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	12	3.53	3.61	3.13	5.73	8.86	257
2	37	20.03	3.71	3.08	5.75	8.82	214
3	130	76.44	3.67	3.10	5.72	8.82	254
4	0	0	0	0	0	0	0
TOTAL	179	100.00	3.68	3.10	5.72	8.83	246

**NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS\* - DECEMBER 2003**

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	2	4	3	1	2	0	9,690
2	1	6	5	14	9	2	54,993
3	17	5	16	44	37	11	209,894
4	0	0	0	0	0	0	0
TOTAL	20	17	24	59	48	13	274,577

\*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

**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-----							
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
May	12.71	10.43	9.71	9.74	1.59	115.12	- 1.44	192.75	.00057	107.43	113.94	80.40	14.50
June	12.74	10.46	9.75	9.76	1.58	115.76	- 2.00	194.34	.00057	107.97	114.64	80.40	13.96
July	12.77	10.63	11.78	9.95	0.23	120.55	- 1.24	254.80	.00067	111.96	134.97	80.72	14.70
August	13.97	10.81	13.80	10.14	- 0.87	125.14	0.26	314.38	.00077	115.78	154.96	81.05	16.15
September	16.71	10.76	14.30	10.05	0.18	122.18	1.70	331.80	.00080	113.32	159.40	81.11	17.55
October	17.27	10.84	14.39	10.16	0.50	125.53	3.11	328.15	.00080	116.11	159.36	81.09	18.92
November	17.37	10.99	13.47	10.30	1.06	128.77	3.68	292.67	.00075	118.81	149.41	81.30	19.47
December	16.84	11.30	11.87	10.52	1.99	136.88	3.62	229.97	.00066	125.57	132.60	80.70	19.41
Averages 2003 b/	14.39	10.76	11.42	10.00	1.16	120.99	1.29	237.70	.00065	111.94	130.31	80.90	16.67
January 2004	14.85	11.67	11.61	10.97	1.68	149.78	2.17	208.75	.00065	136.32	130.23	80.62	18.01

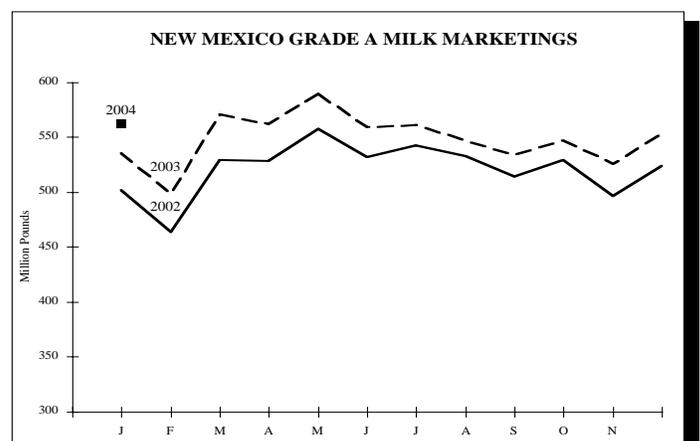
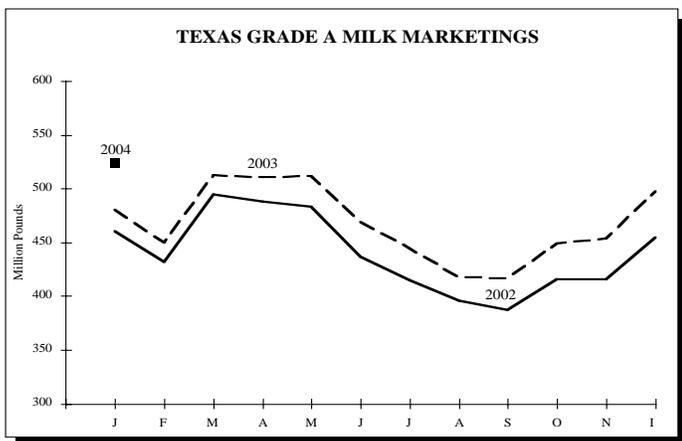
a/ Subject to location adjustments.    b/ Simple averages    c/ SCC adjustment rate is per 1,000 difference.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2002 THROUGH JANUARY 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	459,850,238	897	480,011,354	845	523,723,796	816	+ 4.38	+ 9.11
February	431,807,361	894	449,362,000	840			+ 4.07	
March	494,608,931	893	512,243,241	841			+ 3.57	
April	487,475,741	889	510,466,950	838			+ 4.72	
May	482,994,330	875	511,474,552	840			+ 5.90	
June	435,698,971	872	468,387,455	838			+ 7.50	
July	414,700,943	862	444,115,237	834			+ 7.09	
August	395,468,644	851	417,817,794	833			+ 5.65	
September	386,732,687	859	416,649,423	836			+ 7.74	
October	415,984,319	846	449,267,689	835			+ 8.00	
November	415,537,665	847	453,593,349	826			+ 9.16	
December	<u>454,863,992</u>	843	<u>497,718,548</u>	815			<u>+ 9.42</u>	
Years Total	5,275,723,822		5,611,107,592				+ 6.36	

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2002 THROUGH JANUARY 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	501,275,998	174	535,741,056	177	562,516,031	178	+ 6.66	+ 5.00
February	463,667,936	173	498,218,526	176			+ 7.45	
March	528,830,087	175	570,901,632	177			+ 7.96	
April	528,467,048	175	562,338,380	177			+ 6.41	
May	557,746,887	176	589,176,775	177			+ 5.64	
June	532,178,000	178	559,442,259	177			+ 5.12	
July	542,546,821	176	560,883,275	178			+ 3.38	
August	532,685,705	176	547,114,145	178			+ 2.71	
September	513,773,496	178	533,648,709	180			+ 3.87	
October	529,524,800	178	546,904,202	178			+ 3.28	
November	496,802,059	178	526,000,891	176			+ 5.88	
December	<u>523,409,272</u>	178	<u>553,271,605</u>	179			<u>+ 5.71</u>	
Years Total	6,250,908,109		6,583,641,455				+ 5.32	



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## 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
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
May	3.55	3.49	2.98	2.93	5.72	5.75	8.70	8.68	328	251
June	3.57	3.45	2.98	2.92	5.71	5.74	8.69	8.65	368	273
July	3.56	3.44	2.98	2.90	5.69	5.73	8.67	8.63	395	290
August	3.58	3.44	3.01	2.92	5.67	5.70	8.67	8.62	406	306
September	3.65	3.50	3.09	3.01	5.68	5.72	8.77	8.72	389	278
October	3.73	3.58	3.13	3.07	5.67	5.70	8.81	8.78	366	272
November	3.75	3.64	3.15	3.11	5.69	5.71	8.83	8.82	333	248
December	3.78	3.68	3.15	3.10	5.72	5.72	8.87	8.83	305	246
Averages 2003	3.66	3.57	3.06	3.00	5.70	5.72	8.76	8.72	351	275
January 2004	3.77	3.66	3.11	3.06	5.72	5.72	8.83	8.78	300	253

a/ In thousands.

**JANUARY 2004**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$387,413.26
Class I Butterfat	60(a)	8,286,581	\$1.3583	\$11,255,662.97
Class I Skim Per Cwt		352,901,633	\$10.4600	\$36,913,510.84
Class II Butterfat	60(b)	8,064,845	\$1.5048	\$12,135,978.76
Class II Nonfat Solids		8,303,909	\$0.7378	\$6,126,624.07
Class III Butterfat	60(c)	7,777,142	\$1.4978	\$11,648,603.29
Class III Protein		6,718,030	\$2.0875	\$14,023,887.63
Class III Other Solids		12,518,666	\$0.0217	\$271,655.05
Class IV Butterfat	60(d)	5,557,165	\$1.4978	\$8,323,521.73
Class IV Nonfat Solids		10,419,153	\$0.6595	\$6,871,431.41
Class II, III & IV Somatic Cell Adj.	60(e)			\$239,934.20
Total Producer Milk-Product Lbs & Value		798,117,311		\$108,198,223.21
Add: Value as for 60(f) Thru 60(j)				\$69,586.47
Less: Total Protein Pounds	61(b)	24,645,329	<b>\$2.0875</b>	\$51,447,124.29
Total Other Solids Pounds		45,685,994	<b>\$0.0217</b>	\$991,386.06
Total Butterfat Pounds		29,685,733	<b>\$1.4978</b>	\$44,463,290.89
Total Value of Somatic Cell Adjustment				\$415,272.47
<b>Total Milk and Value</b>		798,117,311		\$10,950,735.97
Add: Location Differential Adjustments	61(c)			\$2,522,593.56
Producer-Settlement Fund	61(d)			\$273,402.34
<b>Total Producer Milk/URSP and Value</b>		798,117,311	\$1.72239	\$13,746,731.87
Less: Producer-Settlement Fund	61(f)		\$0.04239	\$338,361.05
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.68</b>	\$13,408,370.82

**THE MARKET ADMINISTRATOR'S**  
***REPORT***

**SOUTHWEST MARKETING AREA**

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**JANUARY 2004**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	361,188,214	45.26	8,286,581	27.91	352,901,633	45.92
Class II	98,844,051	12.38	8,064,845	27.17	90,779,206	11.81
Class III	218,715,955	27.40	7,777,142	26.20	210,938,813	27.46
Class IV	119,369,091	14.96	5,557,165	18.72	113,811,926	14.81
Total	798,117,311	100.00	29,685,733	100.00	768,431,578	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,365,983	46.12	21,005,586	45.98	32,371,568	46.03
Class II	2,915,081	11.83	5,388,826	11.80	8,303,909	11.81
Class III	6,718,030	27.26	12,518,666	27.40	19,236,693	27.35
Class IV	3,646,235	14.79	6,772,916	14.82	10,419,153	14.81
Total	24,645,329	100.00	45,685,994	100.00	70,331,323	100.00