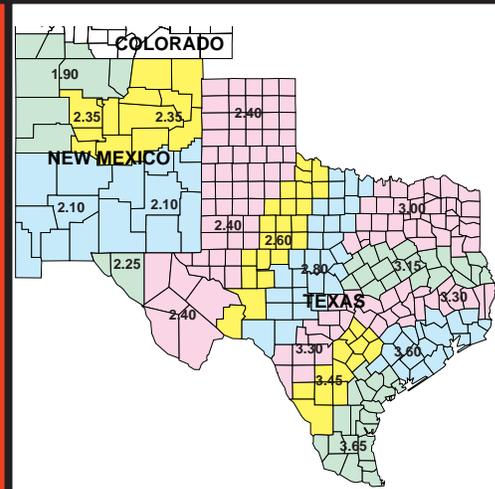


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR AUGUST

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 \$1.45 for August. Butterfat price decreased \$0.2602 per pound from \$2.0543 in July to the level of \$1.7941 in August. Protein price increased \$0.1038 per pound from \$2.3625 in July to \$2.4663 in August. August's Other Solids price decreased \$0.0372 per pound from \$0.1048 in July to \$0.0676 in August. The Somatic Cell Count adjustment rate factor for August was .00076 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an August statistical uniform price of \$15.49 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 \$1.59 in comparison to the statistical blend price of \$17.08 in July.

The August Class I price decreased \$3.33 from \$20.95 in July to the August level of \$17.62. The Class II price for August of \$13.13 per hundred-weight decreased \$0.87 from \$14.00 in July. August's Class III price decreased \$0.81 from \$14.85 in July to \$14.04 in August. The Class IV price decreased \$0.85 from \$13.31 in July to \$12.46 in August.

In August 822 producers delivered a total of 777,939,056 pounds of milk. On a daily basis this represents a decrease of 11.09 percent from the producer receipts level in July but it represents an increase of 39.13 percent when compared to the producer receipts level of August 2003.

Producer milk classified as Class I during August amounted to 45.62 percent of total producer receipts. This figure is up from 37.56 percent in July but it is down from 61.04 percent in August 2003. The average butterfat test of producer milk pooled during August was 3.534 percent, average protein test was 2.996 percent, average other solids test was 5.703 percent and the average somatic cell count was 337,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug 04	Jul 04	Aug 04	Jul 04	Aug 04	Jul 04
Appalachian	16.16	18.94	-----	-----	68.20	67.28
Arizona-Las Vegas	14.56	16.19	-----	-----	37.06	32.39
Central	14.46	16.03	0.42	1.18	29.85	27.08
Florida	17.49	21.01	-----	-----	86.32	87.81
Mideast	14.61	16.55	0.57	1.70	34.50	35.00
Northeast	15.57	17.64	1.53	2.79	45.60	43.40
Pacific Northwest	14.15	15.74	0.11	0.89	28.44	26.74
Southeast	16.17	19.10	-----	-----	67.56	68.71
<b>Southwest</b>	<b>15.49</b>	<b>17.08</b>	<b>1.45</b>	<b>2.23</b>	<b>45.62</b>	<b>37.56</b>
Upper Midwest	14.26	15.57	0.22	0.72	18.00	16.10

## CATTLE OWNERS REMINDED TO TEST HERDS FOR TB

Texas Agriculture Commissioner Susan Combs reminds cattle producers to have their herds tested for cattle tuberculosis by Dec. 31, the first step towards regaining Texas' TB-free status.

Texas' TB plan, developed in 2002 by a joint industry and regulatory working group, originally called for testing at least 2,400 purebred beef and seed stock herds by the end of August, 2004. The U.S. Department of Agriculture recently announced that it was extending the testing deadline until Dec. 31, 2004, to allow for more tests to be completed. If the 2,400 herds are not tested by the end of December, the USDA could revoke a temporary waiver that allows shipments of feeder cattle to go out of the state without restrictions.

"Testing these herds is a vital step towards our long term goal of regaining TB-free status for the Texas cattle industry," said Combs. "Since the deadline does not fall until the end of December, not only can cattle owners test their herds for free, they can take advantage of cooler fall months to work their cattle."

Since 1983, cattle TB has been detected in 19 Texas dairies and eight purebred beef herds. In 2000, Texas attained the TB-free status under the National Tuberculosis Eradication Program, but lost it in 2002, after two newly-infected herds were detected.

A joint industry and regulatory working group developed the Texas TB plan in 2002, agreeing to test 2,400 herds in return for a USDA temporary waiver allowing feeder cattle to move interstate without a test or official identifications.

To test a herd, producers should contact an accredited, private veterinary practitioner and make an appointment. Testing is free. The Texas Animal Health Commission main-

tains lists of veterinarians who can conduct the test, and can be contacted at (800) 550-8242 or [www.tahc.state.tx.us](http://www.tahc.state.tx.us) for more information.

## COALE NAMED DEPUTY ADMINISTRATOR OF USDA, AMS, DAIRY PROGRAMS

The U.S. Department of Agriculture's Agricultural Marketing Service has announced the selection of Dana Hamilton Coale as the new deputy administrator of AMS' Dairy Programs.

"I am pleased to announce the appointment of Ms. Coale to head the AMS Dairy Programs," said AMS Administrator A. J. Yates. "Her varied background and proven abilities in various leadership positions makes her an ideal choice for this important post."

As Dairy Programs deputy administrator, Ms. Coale is responsible for overseeing various programs including the Federal milk marketing order program, the standardization program, the inspection and grading program, the market news program, and the dairy producer and fluid milk processor promotion and research programs. In this capacity, Ms. Coale will promote a competitive and efficient marketplace that benefits U.S. dairy farmers, dairy processors, and consumers. Ms. Coale replaces Richard McKee, who retired April 3, 2004. Since December 2001, Ms. Coale has served as the Dairy Programs' associate deputy administrator.

Ms. Coale's previous experience includes serving as an agricultural marketing specialist with the AMS Dairy Programs for 11 years working with the Federal milk marketing order program. Ms. Coale received a bachelor of science in public service and administration and international agriculture from Iowa State University.

### Texas Agricultural Cash Receipts by Commodity, 2003

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	Cattle and Calves	7,872,092	51.3
2	Cotton (lint and seed)	1,339,191	8.7
3	Greenhouse and Nursery	1,324,780	8.6
4	Broilers	1,031,590	6.7
5	Milk (wholesale)	729,430	4.8
6	Hay	396,556	2.6
7	Corn	326,312	2.1
8	Sorghum Grain	324,588	2.1
9	Eggs	310,007	2.0
10	Wheat	257,972	1.7
11	Onions	158,712	1.0
12	Peanuts	149,040	1.0
13	Rice	81,948	0.5
14	Watermelons	67,760	0.4
15	Hogs	64,705	0.4
	All Others	907,278	5.9
	<b>TOTAL</b>	<b>15,341,961</b>	

1/ Excludes government payments.

### New Mexico Agricultural Cash Receipts by Commodity, 2003

Rank	Commodity	Receipts <sup>1/</sup>	Percent of total
		<b>\$1,000</b>	
1	Milk (wholesale)	790,080	36.9
2	Cattle and Calves	757,918	35.4
3	Hay	144,611	6.7
4	Pecans	70,400	3.3
5	Onions	61,408	2.9
6	Greenhouse and Nursery	60,804	2.8
7	Other Field Crops	52,100	2.4
8	Peppers, Chili	37,800	1.8
9	Cotton (lint and seed)	26,989	1.3
10	Misc. Vegetables	25,000	1.2
11	Poultry and Eggs	24,803	1.2
12	Corn	16,936	0.8
13	Misc. Livestock	16,724	0.8
14	Potatoes	14,765	0.7
15	Wheat	12,541	0.6
	All Others	26,711	1.2
	<b>TOTAL</b>	<b>2,139,590</b>	

1/ Excludes cash receipts for livestock grazing.

## TOP TEN TEXAS COUNTIES a/ – AUGUST 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Erath	112	96,002,426	+ 4.19	7. Deaf Smith	6	19,048,498	+ 40.28
2. Hopkins	149	38,032,481	- 1.12	8. Parmer	5	17,417,953	+ 29.75
3. Comanche	32	34,863,994	+ 5.80	9. Archer	53	17,137,877	+ 7.50
4. Lamb	8	30,801,295	+ 10.06	10. Bailey	6	13,450,078	+ 25.98
5. Hale	4	20,048,213	+ 169.42	Ten County Total	382	306,145,983	+ 12.98 b/
6. Castro	7	19,343,168	+ 108.17	<u>Other Counties Total</u>	<u>414</u>	<u>161,281,917</u>	<u>+ 9.84</u>
				<b>Texas Total</b>	<b>796</b>	<b>467,427,900</b>	<b>+ 11.87</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.					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-----							
June 2003	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
February	14.59	12.90	11.89	12.21	1.78	185.18	0.90	179.11	.00066	165.82	132.60	80.64	16.77
March	14.94	14.79	14.49	14.10	0.73	238.13	2.34	201.33	.00078	209.94	156.80	81.01	18.17
April	16.64	15.21	19.66	14.57	- 3.48	250.13	10.42	344.65	.00103	219.94	205.20	81.71	26.02
May	22.65	15.03	20.58	14.50	- 1.91	242.82	14.44	376.39	.00106	213.85	212.66	83.83	29.92
June	24.13	14.31	17.68	13.72	1.72	217.68	13.39	310.86	.00092	192.90	184.11	84.97	28.90
July	20.95	14.00	14.85	13.31	2.23	205.43	10.48	236.25	.00078	182.69	156.95	85.13	26.07
August	27.62	13.13	14.04	12.46	1.45	179.41	6.76	246.63	.00076	161.01	151.67	85.84	22.46

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

## TOP NEW MEXICO COUNTIES a/ – AUGUST 2004

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2003b/</u>
1. Chaves	42	153,812,276	+ 4.65	7. Valencia	9	16,379,695	+ 55.54
2. Curry	23	107,558,593	+ 8.51	8. Socorro	7	11,361,968	- 34.09
3. Roosevelt	41	105,738,306	- 1.15	9. Sierra	3	7,771,428	+ 40.60
4. Dona Ana	23	85,566,385	+ 15.97	10. Bernalillo	4	5,559,970	- 7.69
5. Lea	14	31,485,189	- 30.48	Ten County Total	173	553,409,058	+ 2.94 b/
6. Eddy	7	28,175,248	+ 7.88	<u>Other Counties Total</u>	<u>4</u>	<u>9,689,982</u>	<u>+ 1.78</u>
				<b>New Mexico Total</b>	<b>177</b>	<b>563,099,040</b>	<b>+ 2.92</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 2002 THROUGH AUGUST 2004, WITH PRODUCTION PERCENTAGE COMPARISONS**

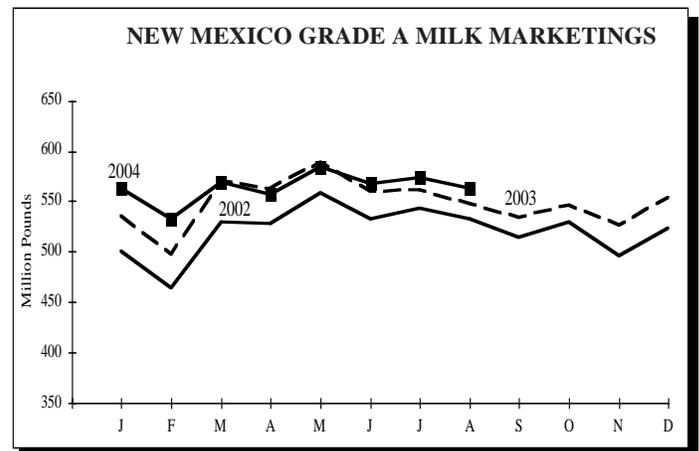
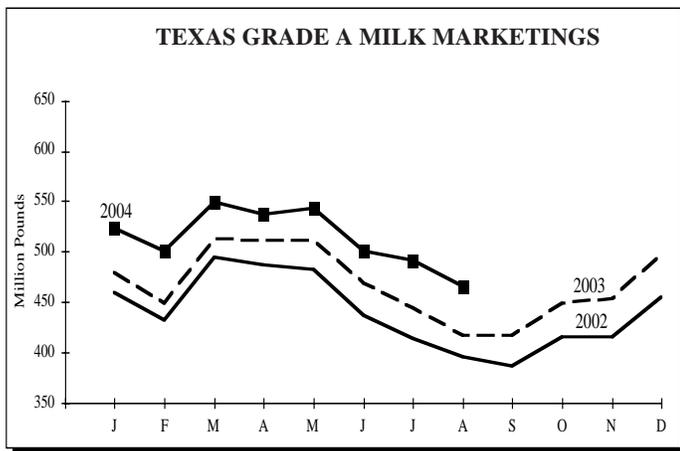
MONTH	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	PERCENT CHANGE 2003/02	2004/03
January	459,850,238	897	480,011,354	845	523,723,796	816	+ 4.38	+ 9.11
February	431,807,361	894	449,362,000	840	501,204,456	819	+ 4.07	+ 7.69*
March	494,608,931	893	512,243,241	841	548,941,459	814	+ 3.57	+ 7.16
April	487,475,741	889	510,466,950	838	537,141,283	803	+ 4.72	+ 5.23
May	482,994,330	875	511,474,552	840	543,408,997	801	+ 5.90	+ 6.24
June	435,698,971	872	468,387,455	838	500,319,580	803	+ 7.50	+ 6.82
July	414,700,943	862	444,115,237	834	491,018,134	799	+ 7.09	+ 10.56
August	395,468,644	851	417,817,794	833	467,427,900	796	+ 5.65	+11.87
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	

\* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2002 THROUGH AUGUST 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	532,156,355	176	+ 7.45	+ 3.13*
March	528,830,087	175	570,901,632	177	568,504,219	178	+ 7.96	- 0.42
April	528,467,048	175	562,338,380	177	557,482,116	176	+ 6.41	- 0.86
May	557,746,887	176	589,176,775	177	583,379,003	177	+ 5.64	- 0.98
June	532,178,000	178	559,442,259	177	567,036,025	177	+ 5.12	+ 1.36
July	542,546,821	176	560,883,275	178	573,899,551	181	+ 3.38	+ 2.32
August	532,685,705	176	547,114,145	178	563,099,040	177	+ 2.71	+ 2.92
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	

\* Based on average daily delivery.



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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
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
February	3.76	3.64	3.11	3.05	5.73	5.74	8.84	8.79	302	262
March	3.68	3.58	3.06	3.02	5.72	5.72	8.78	8.74	318	280
April	3.64	3.53	3.05	2.99	5.73	5.74	8.77	8.73	311	292
May	3.59	3.43	3.02	2.94	5.70	5.71	8.72	8.66	316	262
June	3.57	3.40	3.00	2.92	5.70	5.72	8.70	8.64	326	247
July	3.59	3.43	3.01	2.91	5.69	5.73	8.71	8.63	377	286
August	3.62	3.46	3.05	2.95	5.69	5.71	8.74	8.66	389	300

a/ In thousands.

**AUGUST 2004**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$240,255.64
Class I Butterfat	60(a)	8,144,978	\$2.1252	\$17,309,707.26
Class I Skim Per Cwt		346,775,651	\$10.5500	\$36,584,831.20
Class II Butterfat	60(b)	9,538,636	\$1.8011	\$17,180,037.33
Class II Nonfat Solids		9,106,177	\$0.7856	\$7,153,812.67
Class III Butterfat	60(c)	8,075,220	\$1.7941	\$14,487,752.21
Class III Protein		6,045,705	\$2.4663	\$14,910,522.25
Class III Other Solids		11,654,738	\$0.0676	\$787,860.30
Class IV Butterfat	60(d)	1,738,407	\$1.7941	\$3,118,875.99
Class IV Nonfat Solids		9,517,880	\$0.7112	\$6,769,116.28
Class II, III & IV Somatic Cell Adj.	60(e)			\$81,660.81
Total Producer Milk-Product Lbs & Value		777,939,056		\$118,624,431.94
Add: Value as for 60(f) Thru 60(j)				\$19,581.04
Less: Total Protein Pounds	61(b)	23,311,809	<b>\$2.4663</b>	\$57,493,914.58
Total Other Solids Pounds		44,370,223	<b>\$0.0676</b>	\$2,999,427.10
Total Butterfat Pounds		27,497,241	<b>\$1.7941</b>	\$49,332,800.13
Total Value of Somatic Cell Adjustment				\$73,984.08
<b>Total Milk and Value</b>		777,939,056		\$8,743,887.09
Add: Location Differential Adjustments	61(c)			\$2,482,324.22
Producer-Settlement Fund	61(d)			\$399,978.37
<b>Total Producer Milk/URSP and Value</b>		777,939,056	\$1.49448	\$11,626,189.68
Less: Producer-Settlement Fund	61(f)		\$0.04448	\$346,073.37
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.45</b>	\$11,280,116.31

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

**SOUTHWEST MARKETING AREA**

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 Permit No. 343

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	354,920,629	45.62	8,144,978	29.62	346,775,651	46.21
Class II	110,290,758	14.18	9,538,636	34.69	100,752,122	13.43
Class III	205,559,453	26.42	8,075,220	29.37	197,484,233	26.31
Class IV	107,168,216	13.78	1,738,407	6.32	105,429,809	14.05
<b>Total</b>	<b>777,939,056</b>	<b>100.00</b>	<b>27,497,241</b>	<b>100.00</b>	<b>750,441,815</b>	<b>100.00</b>

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,861,265	46.60	20,496,264	46.19	31,357,529	46.34
Class II	3,143,544	13.48	5,962,635	13.44	9,106,177	13.45
Class III	6,045,705	25.93	11,654,738	26.27	17,700,446	26.15
Class IV	3,261,295	13.99	6,256,586	14.10	9,517,880	14.06
<b>Total</b>	<b>23,311,809</b>	<b>100.00</b>	<b>44,370,223</b>	<b>100.00</b>	<b>67,682,032</b>	<b>100.00</b>