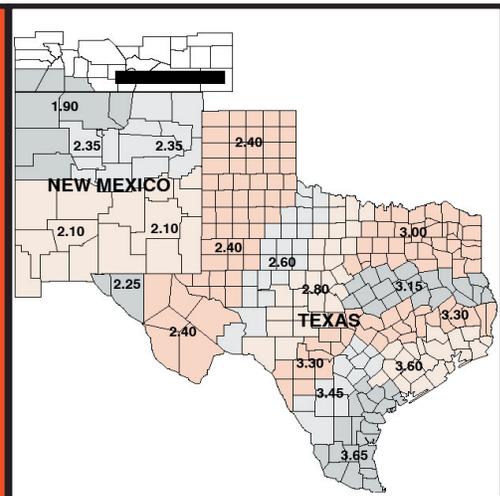


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

**CARY HUNTER**, 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 XXXVI, NO. 4

APRIL 2011

## 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 \$0.93 for March. Butterfat price decreased \$0.0108 per pound from \$2.2967 in February to the level of \$2.2859 in March. Protein price increased \$0.7438 per pound from \$2.5586 in February to \$3.3024 in March. March's Other Solids price increased \$0.0355 per pound from \$0.2310 in February to \$0.2665 in March. The Somatic Cell Count adjustment rate factor for March was 0.00099 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 \$20.33 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 \$1.91 in comparison to the statistical uniform price of \$18.42 in February.

The March Class I price increased \$2.34 from \$18.89 in February to the March level of \$21.23. The Class II price for March of \$18.83 per hundredweight increased \$0.86 from \$17.97 in February. March's Class III price increased \$2.40 from \$17.00 in February to \$19.40 in March. The Class IV price increased \$1.01 from \$18.40 in February to \$19.41 in March.

In March 444 producers delivered a total of 600,507,515 pounds of milk. On a daily basis this represents a decrease of 42.96 percent from the producer receipts level in February and it represents a decrease of 36.18 percent when compared to the producer receipts level of March 2010.

Producer milk classified as Class I during March amounted to 62.85 percent of total producer receipts. This figure is up from 37.26 percent in February and it is up from 39.11 percent in March 2010. The average butterfat test of producer milk pooled during March was 3.721 percent, average protein test was 3.082 percent, average other solids test was 5.774 percent and the average somatic cell count was 220,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 11	Feb 11	Mar 11	Feb 11	Mar 11	Feb 11
Appalachian - FO 5	21.06	19.58	-----	-----	69.38	68.58
Arizona - FO 131	19.70	18.18	-----	-----	29.45	32.43
Central - FO 32	19.21	17.50	(0.19)	0.50	38.87	34.10
Florida - FO 6	22.88	21.38	-----	-----	82.38	84.24
Mideast - FO 33	19.40	17.68	0.00	0.68	40.90	41.50
Northeast - FO 1	20.28	18.75	0.88	1.75	41.40	42.50
Pacific Northwest - FO 124	19.43	17.78	0.03	0.78	28.67	28.89
Southeast - FO 7	21.27	19.60	-----	-----	60.50	65.16
<b>Southwest - FO 126</b>	<b>20.33</b>	<b>18.42</b>	<b>0.93</b>	<b>1.42</b>	<b>62.85</b>	<b>37.26</b>
Upper Midwest - FO 30	19.43	17.23	0.03	0.23	14.20	13.30

## APPOINTMENTS MADE TO NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

Agriculture Secretary Tom Vilsack has announced six appointments to the National Fluid Milk Processor Promotion Board. All appointees will serve 3-year terms.

Newly appointed members are: Scott W. Shehadey, At Large.

Newly reappointed members are: Christopher S. Ross, Region 2; Michael R. Smith, Region 5; Michael A. Bell, Region 8; Steven M. Turner, Region 11; and Jay B. Simon, Region 14.

The Board oversees the collection of the 20-cent per hundredweight mandatory assessment on fluid milk products processed and marketed commercially in the 48 contiguous states and the District of Columbia. Processors who process and market 3 million pounds or less per month, excluding fluid milk products delivered to the residence of a consumer, are exempt from assessments. In addition, the Board develops and administers a coordinated program of promotion, research, and nutrition education.

## USDA ANNOUNCES FINAL RULE ON THE ESTABLISHMENT OF A DAIRY IMPORT ASSESSMENT

The U.S. Department of Agriculture has announced a final rule that will amend the National Dairy Promotion and Research Order and establishes a dairy import assessment program as required by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

Additionally, the term "United States" is amended in the Dairy Production Stabilization Act of 1983 (Act) to mean all states, the District of Columbia and the Commonwealth of Puerto Rico. All provisions are effective April 1, 2011, except those provisions regarding dairy importer assessments in Section 1150.152(b) of the Dairy Order. These provisions are effective August 1, 2011.

The 2002 Farm Bill mandates that the Dairy Order be amended to implement an assessment on imported dairy products to fund promotion and research. The 2008 Farm Bill specifies that importers of dairy products be assessed a rate of 7.5 cents per hundredweight, or the equivalent thereof.

The 2002 Farm Bill authorizes two importer representatives to the current 36 member National Dairy Promotion and Research Board. Thereafter, importer representation on the Dairy Board will be adjusted at least once every three years if necessary to reflect the volume of imports relative to domestic markets. The Dairy Board was established under the Act to develop and administer a coordinated program of promotion, research and nutrition education.

Producers in the United States, including the added areas of Alaska, Hawaii and the Commonwealth of Puerto Rico are assessed 15 cents per hundredweight of milk produced and marketed. The new areas are added to the regions of closest geographic proximity.

## COMMERCIAL DISAPPEARANCE: 2009-2010

Commercial disappearance of dairy products during January through December 2010 totals 195.3 billion pounds, 2.5% above the January through December 2009.

Comparing disappearance levels with year earlier levels: butter is + 3.9%; American cheese is + 1.7%; other cheese is + 4.1%; NDM is + 14.9%; and fluid milk product is - 1.4%

Commercial Disappearance: Total Milk And Selected Dairy Products: 2009-2010 1/				
Item	2009	% Chg. 2/	2010	% Chg. 2/
<b>MILK</b>				
- Million Pounds -				
Milk Production	189,320	(0.1)	192,819	1.8
Marketings	188,308	(0.1)	191,863	1.9
Beginning Commercial Stocks 3/	10,045	(3.0)	11,334	12.8
Imports 3/	4,057	3.2	3,098	(23.6)
Total Supply 4/	202,410	0.0	206,295	1.9
Ending Commercial Stocks 3/	11,284	12.3	10,927	(3.2)
Net Removals 3/	703	2,829.2	112	(84.1)
Commercial Disappearance 4/	190,423	(1.2)	195,256	2.5
<b>SELECTED PRODUCTS 5/</b>				
Butter	1,567.6	(8.1)	1,629.0	3.9
American Cheese	4,193.4	3.4	4,264.4	1.7
Other Cheese	6,138.9	1.2	6,388.9	4.1
Nonfat Dry Milk	1,346.2	(2.0)	1,546.9	14.9
Fluid Milk Products 6/	55,445.0	1.0	54,673.1	(1.4)

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports.

2/ From year earlier on a daily average basis.

3/ Milk-equivalent, milkfat basis.

4/ Totals may not add because of rounding.

5/ Commercial disappearance in product pounds.

6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

SOURCE: Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

**TOP TEN TEXAS COUNTIES a/ – MARCH 2011**

County	Number of Producers	Pounds	% Change From 2010b/	County	Number of Producers	Pounds	% Change From 2010b/
1. Erath	81	108,624,173	+ 5.24	7. Comanche	19	46,102,860	+ 13.60
2. Castro	13	83,821,824	+ 18.78	8. Hopkins	89	43,139,060	- 4.98
3. Parmer	14	76,539,975	+ 14.20	9. Bailey	10	39,079,475	- 9.71
4. Deaf Smith	11	60,136,375	- 0.06	10. Hale	6	36,613,214	+ 12.50
5. Hartley	11	54,637,140	+ 4.17	Ten County Total	264	599,192,050	+ 6.87 b/
6. Lamb	10	50,497,954	+ 11.17	<u>Other Counties Total</u>	<u>288</u>	<u>226,558,755</u>	<u>+ 6.55</u>
				<b>Texas Total</b>	<b>552</b>	<b>825,750,805</b>	<b>+ 6.78</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.

**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
January 2010	3.86	3.69	3.17	3.10	5.74	5.76	8.92	8.87	276	227
February	3.88	3.69	3.19	3.11	5.73	5.75	8.92	8.86	336	278
March	3.75	3.56	3.16	3.08	5.75	5.76	8.91	8.85	299	230
April	3.64	3.47	3.11	3.03	5.76	5.77	8.87	8.80	276	208
May	3.61	3.42	3.09	3.00	5.75	5.77	8.84	8.77	274	193
June	3.56	3.37	3.01	2.92	5.75	5.77	8.76	8.69	287	206
July	3.56	3.37	3.04	2.93	5.75	5.77	8.79	8.70	323	243
August	3.59	3.40	3.03	2.92	5.74	5.75	8.77	8.67	326	260
September	3.67	3.48	3.10	2.99	5.74	5.76	8.85	8.75	297	229
October	3.80	3.60	3.21	3.10	5.77	5.77	8.98	8.88	262	205
November	3.92	3.74	3.26	3.16	5.78	5.79	9.03	8.96	237	184
December	3.96	3.78	3.25	3.14	5.75	5.75	9.00	8.90	226	172
Averages 2010	3.73	3.55	3.14	3.04	5.75	5.76	8.89	8.81	285	220
January 2011	3.96	3.78	3.22	3.12	5.75	5.76	8.99	8.89	223	165
February	3.95	3.76	3.19	3.08	5.75	5.77	8.94	8.85	269	206
March	3.82	3.63	3.15	3.03	5.77	5.78	8.91	8.81	239	179

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – MARCH 2011**

County	Number of Producers	Pounds	% Change From 2010b/	County	Number of Producers	Pounds	% Change From 2010b/
1. Chaves	35	180,539,097	+ 6.81	7. Eddy	3	18,263,960	+ 3.93
2. Curry	26	140,654,497	- 4.50	8. Luna	3	17,097,987	+ 24.47
3. Roosevelt	37	131,862,410	+ 1.06	9. Valencia	5	16,234,556	+ 6.41
4. Dona Ana	22	98,343,765	+ 3.27	10. Bernalillo	5	5,622,878	+ 5.38
5. Lea	13	54,582,397	+ 8.33	Ten County Total	157	683,103,168	+ 2.83 b/
6. Socorro	8	19,901,621	- 0.56	<u>Other Counties Total</u>	<u>2</u>	<u>11,714,285</u>	<u>+ 17.40</u>
				<b>New Mexico Total</b>	<b>159</b>	<b>694,817,453</b>	<b>+ 3.04</b>

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

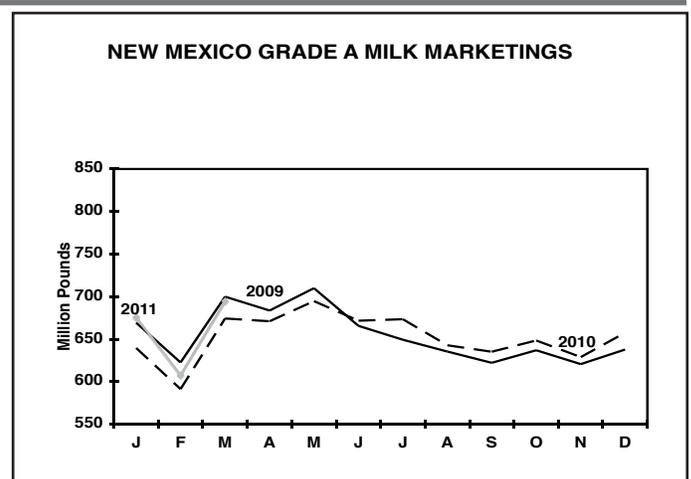
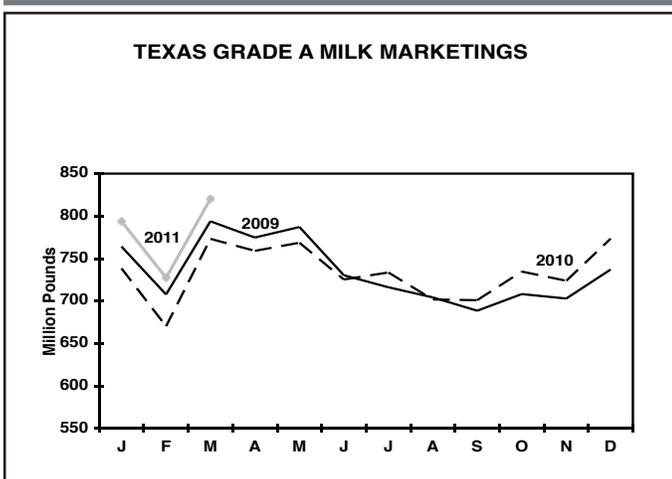
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2009 THROUGH MARCH 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	764,064,476	636	738,538,899	582	794,574,299	555	- 3.34	+ 7.59
February	707,786,943	631	672,168,487	578	728,226,604	554	- 5.03	+ 8.34
March	793,989,726	635	773,286,159	577	825,750,805	552	- 2.61	+ 6.78
April	774,795,518	631	759,203,798	576			- 2.01	
May	787,077,681	629	768,833,368	571			- 2.32	
June	730,380,337	622	725,500,766	565			- .067	
July	716,344,326	598	733,719,075	568			+ 2.43	
August	704,267,950	597	702,002,272	559			- 0.32	
September	688,737,418	593	701,066,340	558			+ 1.79	
October	708,312,372	590	738,609,251	554			+ 4.28	
November	703,046,885	591	723,908,057	555			+ 2.97	
December	<u>737,072,970</u>	581	<u>773,415,328</u>	557			<u>+ 4.93</u>	
Years Total	8,815,876,602		8,810,251,800				- 0.06	

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2009 THROUGH MARCH 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	669,161,661	170	639,771,307	157	675,834,553	157	- 4.39	+ 5.64
February	622,538,938	167	591,156,278	158	608,071,702	159	- 5.04	+ 2.86
March	699,808,110	168	674,287,000	159	694,817,453	159	- 3.65	+ 3.04
April	683,575,106	164	670,976,253	159			- 1.84	
May	709,872,347	165	694,638,948	160			- 2.15	
June	665,627,017	166	671,649,637	159			+ 0.90	
July	649,187,109	158	676,898,057	159			+ 4.27	
August	635,258,249	157	642,846,047	159			+ 1.19	
September	622,278,128	158	635,203,468	156			+ 2.08	
October	636,944,152	157	648,369,979	156			+ 1.79	
November	620,605,564	157	628,936,968	156			+ 1.34	
December	<u>641,902,168</u>	156	<u>657,677,525</u>	156			<u>+ 2.46</u>	
Years Total	7,856,758,549		7,832,411,467				- 0.31	



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**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-----						
January 2010	18.03	15.22	14.50	13.85	1.60	144.05	19.46	279.16	.00077	136.10	153.74	119.29	38.80
February	17.84	15.65	14.28	12.90	1.71	144.04	19.92	270.66	.00076	136.09	151.10	108.12	39.25
March	17.34	14.46	12.78	12.92	2.28	153.47	18.23	213.11	.00068	143.88	136.32	104.54	37.61
April	16.22	13.78	12.92	13.73	1.84	158.13	17.02	214.49	.00069	147.73	138.27	112.08	36.43
May	16.80	14.90	13.38	15.29	2.07	170.58	17.04	215.23	.00071	158.01	142.57	125.20	36.45
June	18.28	16.01	13.62	15.45	2.54	172.34	17.48	220.40	.00072	159.46	144.75	126.31	36.88
July	18.66	17.10	13.74	15.75	2.79	189.64	17.00	205.15	.00073	173.75	145.67	122.77	36.41
August	18.77	16.98	15.18	15.61	2.19	203.36	16.47	237.88	.00080	185.08	160.31	115.57	35.90
September	18.50	17.60	16.26	16.76	1.69	240.44	16.73	230.57	.00085	215.70	170.16	113.83	36.15
October	19.58	17.57	16.94	17.15	1.38	244.36	17.36	247.39	.00088	218.93	176.66	116.74	36.76
November	20.24	17.21	15.44	16.68	2.25	224.22	17.97	219.81	.00081	202.30	161.52	119.53	37.36
December	19.96	15.77	13.83	15.03	2.56	179.52	18.52	217.06	.00073	165.39	146.06	118.48	37.89
Averages 2010 b/	18.35	16.02	14.41	15.09	2.08	185.35	17.77	230.91	.00076	170.20	152.26	116.87	37.16
January 2011	18.20	16.79	13.48	16.42	2.76	202.39	20.02	175.90	.00070	184.28	140.76	125.30	39.35
February	18.89	17.97	17.00	18.40	1.42	229.67	23.10	255.86	.00087	206.80	174.49	137.28	42.34
March	21.23	18.83	19.40	19.41	0.93	228.59	26.65	330.24	.00099	205.91	197.22	149.45	45.78

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

**MARCH 2011  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$422,854.39
Class I Butterfat	60(a)	8,106,686	\$2.3436	\$18,998,829.33
Class I Skim Per Cwt		369,328,921	\$13.5000	\$49,859,404.38
Class II Butterfat	60(b)	7,538,530	\$2.2929	\$17,285,095.46
Class II Nonfat Solids		7,388,141	\$1.2444	\$9,193,802.66
Class III Butterfat	60(c)	1,470,038	\$2.2859	\$3,360,359.86
Class III Protein		556,685	\$3.3024	\$1,838,396.55
Class III Other Solids		1,037,358	\$0.2665	\$276,455.92
Class IV Butterfat	60(d)	5,230,752	\$2.2859	\$11,956,976.01
Class IV Nonfat Solids		10,185,469	\$1.3134	\$13,377,594.97
Class II, III & IV Somatic Cell Adj.	60(e)			\$288,137.45
Total Producer Milk-Product Lbs & Value		600,507,515		\$126,857,906.98
Add: Value as for 60(f) Thru 60(j)				\$109,016.44
Less: Total Protein Pounds	61(b)	18,511,619	<b>\$3.3024</b>	\$61,132,770.59
Total Other Solids Pounds		34,676,836	<b>\$0.2665</b>	\$9,241,376.84
Total Butterfat Pounds		22,346,006	<b>\$2.2859</b>	\$51,080,735.12
Total Value of Somatic Cell Adjustment				\$776,700.37
<b>Total Milk and Value</b>		600,507,515		\$4,735,340.50
Add: Location Differential Adjustments	61(c)			\$695,636.79
Producer-Settlement Fund	61(d)			\$437,727.23
<b>Total Producer Milk/URSP and Value</b>		600,507,515	\$0.97729	\$5,868,703.52
Less: Producer-Settlement Fund	61(f)		\$0.04729	\$283,983.63
<b>Producer Price Differential (Dallas County)</b>			<b>\$0.93</b>	<b>\$5,584,719.89</b>

**THE MARKET ADMINISTRATOR'S  
REPORT**

**SOUTHWEST MARKETING AREA**  
*CARY HUNTER*, MARKET ADMINISTRATOR  
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

PRSRT STD  
U.S. POSTAGE  
PAID  
Carrollton, TX  
Permit No. 343

RETURN SERVICE REQUESTED

**MARCH 2011  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	377,435,607	62.85	8,106,686	36.28	369,328,921	63.88
Class II	87,900,730	14.64	7,538,530	33.74	80,362,200	13.90
Class III	18,839,725	3.14	1,470,038	6.57	17,369,687	3.00
Class IV	116,331,453	19.37	5,230,752	23.41	111,100,701	19.22
Total	600,507,515	100.00	22,346,006	100.00	578,161,509	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	22,346,006	18,511,619	34,676,836	53,188,455
Percentage	3.721	3.082	5.774	8.857

Average Somatic Cell Count	220,000
Total Number of Pooled Producers	444