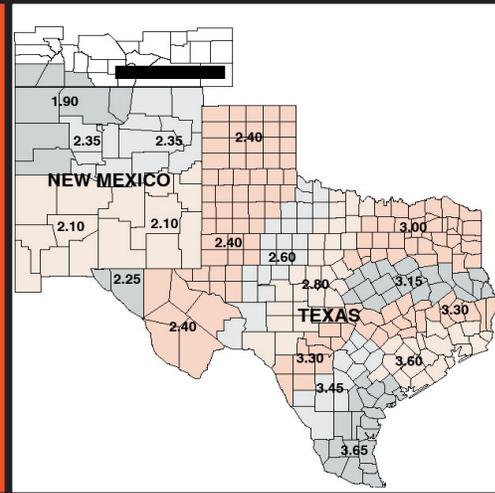


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## 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 \$1.18 for April. Butterfat price increased \$0.0348 per pound from \$1.5297 in March to the level of \$1.5645 in April. Protein price decreased \$0.0003 per pound from \$2.6571 in March to \$2.6568 in April. April's Other Solids price decreased \$0.0191 per pound from \$0.4239 in March to \$0.4048 in April. The Somatic Cell Count adjustment rate factor for April was 0.00077 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$16.90 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 \$0.28 in comparison to the statistical uniform price of \$17.18 in March.

The April Class I price decreased \$0.64 from \$19.30 in March to the April level of \$18.66. The Class II price for April of \$16.20 per hundredweight decreased \$0.39 from \$16.59 in March. April's Class III price remained unchanged from its March level at \$15.72. The Class IV price decreased \$0.55 from \$15.35 in March to \$14.80 in April.

In April 485 producers delivered a total of 1,141,432,678 pounds of milk. On a daily basis this represents an increase of 3.32 percent from the producer receipts level in March and it represents an increase of 8.22 percent when compared to the producer receipts level of April 2011.

Producer milk classified as Class I during April amounted to 30.58 percent of total producer receipts. This figure is down from 32.40 percent in March and it is down from 34.66 percent in April 2011. The average butterfat test of producer milk pooled during April was 3.542 percent, average protein test was 3.069 percent, average other solids test was 5.778 percent and the average somatic cell count was 186,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 12	Mar 12	Apr 12	Mar 12	Apr 12	Mar 12
Appalachian - FO 5	18.10	18.48	-----	-----	62.62	64.44
Arizona - FO 131	16.02	16.40	-----	-----	27.77	27.92
Central - FO 32	16.03	16.22	0.31	0.50	28.81	27.55
Florida - FO 6	20.31	20.83	-----	-----	83.39	86.36
Mideast - FO 33	16.23	16.55	0.51	0.83	32.50	34.30
Northeast - FO 1	17.20	17.64	1.48	1.92	37.00	39.80
Pacific Northwest - FO 124	15.87	16.14	0.15	0.42	27.53	26.60
Southeast - FO 7	18.24	18.62	-----	-----	56.66	58.88
<b>Southwest - FO 126</b>	<b>16.90</b>	<b>17.18</b>	<b>1.18</b>	<b>1.46</b>	<b>30.58</b>	<b>32.40</b>
Upper Midwest - FO 30	15.92	15.98	0.20	0.26	10.60	11.00

## MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2011 ANNUAL AVERAGES, WITH COMPARISONS 1/

For 2011, mailbox milk prices for all selected reporting areas in Federal milk orders averaged \$20.20 per cwt., \$3.91 higher than the all-area average reported for 2010. The component tests of producer milk in 2011 averaged: butterfat, 3.70%; protein 3.08%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices increased for all Federal milk order reporting areas, and ranged from \$23.14 in Florida to \$18.33 in New Mexico.

Reporting Area <sup>2/</sup>	Mailbox Milk Price <sup>3/</sup>		
	2010	2011	Change 2011 from 2010
	Dollars per cwt.		
New England States <sup>4/</sup>	17.48	21.34	3.86
New York	16.33	20.00	3.67
Eastern Pennsylvania <sup>5/</sup>	17.01	20.84	3.83
Appalachian States <sup>6/</sup>	17.98	21.64	3.66
Southeast States <sup>7/</sup>	18.38	22.00	3.62
Southern Missouri <sup>8/</sup>	16.33	20.05	3.72
Florida	19.40	23.14	3.74
Western Pennsylvania <sup>9/</sup>	17.00	20.93	3.93
Ohio	17.18	20.85	3.67
Indiana	16.83	20.42	3.59
Michigan	16.33	20.11	3.78
Wisconsin	15.89	20.06	4.17
Minnesota	15.71	19.95	4.24
Iowa	16.39	20.25	3.86
Illinois	16.49	20.58	4.09
Corn Belt States <sup>10/</sup>	16.03	19.88	3.85
Western Texas <sup>11/</sup>	15.68	19.37	3.69
New Mexico	14.77	18.33	3.56
Northwest States <sup>12/</sup>	15.71	19.90	4.19
All Market Avg. <sup>13/</sup>	16.29	20.20	3.91
California <sup>14/</sup>	14.37	18.14	3.77

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ The counties of

Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fannin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932

## DAIRY PRODUCTS 2011 SUMMARY

**Butter** production in the United States during 2011 totaled 1.81 billion pounds, 15.7 percent above 2010. California accounted for 34.4 percent of the production.

**Total cheese** production, excluding cottage cheeses, was 10.6 billion pounds, 1.5 percent above 2010 production. Wisconsin was the leading State with 24.9 percent of the production, followed by California with 21.2 percent and Idaho with 7.9 percent.

**American type cheese** production was 4.27 billion pounds, 0.5 percent below 2010 and accounted for 40.3 percent of total cheese in 2011. Wisconsin was the leading State with 18.6 percent of production, followed by Idaho with 15.3 percent and California with 13.9 percent.

**Italian varieties**, with 4.56 billion pounds were 3.3 percent above 2010 production and accounted for 43.0 percent of total cheese in 2011. Mozzarella accounted for 78.1 percent of the Italian production followed by Provolone with 7.7 percent and Parmesan with 6.1 percent. California was the leading State in Italian cheese production with 31.0 percent of the production, followed by Wisconsin with 29.6 percent and New York with 8.0 percent.

**Ice cream, Regular** totaled 900 million gallons, down 3.1 percent from 2010. Lowfat ice cream, at 440 million gallons, was up 5.8 percent.

**Nonfat dry milk for human food** totaled 1.51 billion pounds, down 3.1 percent from 2010. California was the leading state with 51.2 percent of the production. Skim milk powders totaled 446 million pounds, up 75.7 percent.

**Dry whey for human food** production, at 951 million pounds, was down 1.0 percent from 2010. Latose, Human and Animal production was 1.00 billion pounds, up 10.1 percent.

**Dairy Plants:** During 2011, there were 1,278 dairy plants in the U.S. manufacturing one or more dairy products, 28 more than in 2010.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Dairy Products 2011 Summary, April 2012.

## TOP TEN TEXAS COUNTIES a/ – APRIL 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Erath	75	96,931,423	- 5.91	7. Bailey	9	43,178,212	- 5.20
2. Castro	13	90,841,639	+ 9.46	8. Comanche	19	41,661,459	- 3.62
3. Parmer	15	89,931,508	+ 16.58	9. Moore	6	40,480,716	+ 15.63
4. Deaf Smith	11	65,036,327	+ 7.42	10. Hale	6	40,477,290	+ 10.95
5. Hartley	11	54,410,820	+ 2.67	Ten County Total	175	616,993,394	+ 5.40
6. Lamb	10	54,044,000	+ 11.59	<u>Other Counties Total</u>	<u>329</u>	<u>222,681,837</u>	<u>- 1.76</u>
				<b>Texas Total</b>	<b>504</b>	<b>839,675,231</b>	<b>+ 3.40</b>

a/ Includes all known Grade "A" milk produced on farms located in Texas.

## 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
February 2011	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
April	3.77	3.56	3.13	3.02	5.78	5.79	8.91	8.81	209	156
May	3.75	3.54	3.12	3.01	5.76	5.76	8.88	8.77	206	148
June	3.68	3.45	3.08	2.98	5.75	5.74	8.83	8.72	214	153
July	3.66	3.43	3.05	2.93	5.72	5.72	8.77	8.65	235	177
August	3.67	3.42	3.05	2.93	5.73	5.74	8.79	8.67	253	196
September	3.73	3.48	3.17	3.07	5.71	5.72	8.88	8.79	246	194
October	3.82	3.58	3.26	3.18	5.73	5.74	8.99	8.92	227	176
November	3.88	3.63	3.31	3.23	5.74	5.75	9.05	8.97	206	159
December	3.93	3.71	3.33	3.25	5.75	5.76	9.08	9.02	249	223
Averages 2011	3.80	3.58	3.17	3.07	5.75	5.75	8.92	8.82	231	178
January 2012	3.87	3.67	3.26	3.18	5.74	5.74	9.00	8.92	247	252
February	3.81	3.58	3.24	3.15	5.77	5.78	9.01	8.93	235	211
March	3.75	3.53	3.18	3.09	5.79	5.81	8.97	8.90	222	184
April	3.69	3.46	3.14	3.04	5.77	5.78	8.91	8.82	213	164

a/ In thousands.

## TOP NEW MEXICO COUNTIES a/ – APRIL 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Chaves	37	180,045,609	+ 1.94	7. Eddy	3	18,186,120	+ 0.10
2. Curry	26	154,827,436	+ 8.44	8. Luna	3	17,820,066	+ 7.34
3. Roosevelt	37	141,272,923	+ 6.01	9. Valencia	5	16,723,003	+ 5.09
4. Dona Ana	21	90,258,752	- 6.09	10. Bernalillo	3	5,126,754	- 8.78
5. Lea	13	56,516,600	+ 9.60	Ten County Total	156	702,642,692	+ 3.79
6. Socorro	8	21,765,429	+ 7.34	<u>Other Counties Total</u>	<u>2</u>	<u>11,334,959</u>	<u>- 3.61</u>
				<b>New Mexico Total</b>	<b>158</b>	<b>713,977,651</b>	<b>+ 3.67</b>

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

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2010 THROUGH APRIL 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

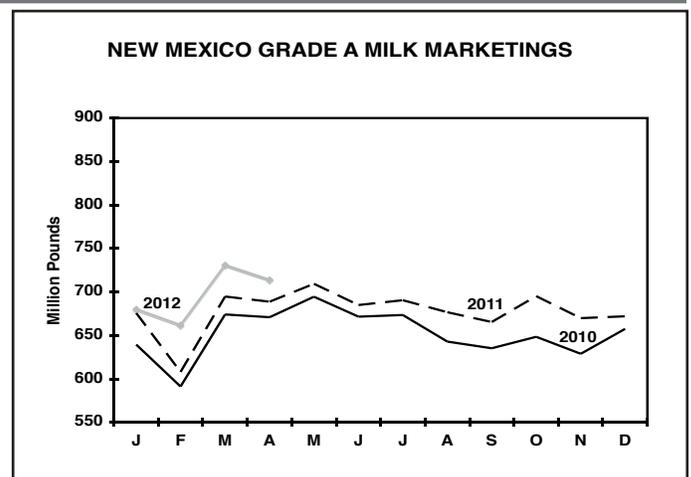
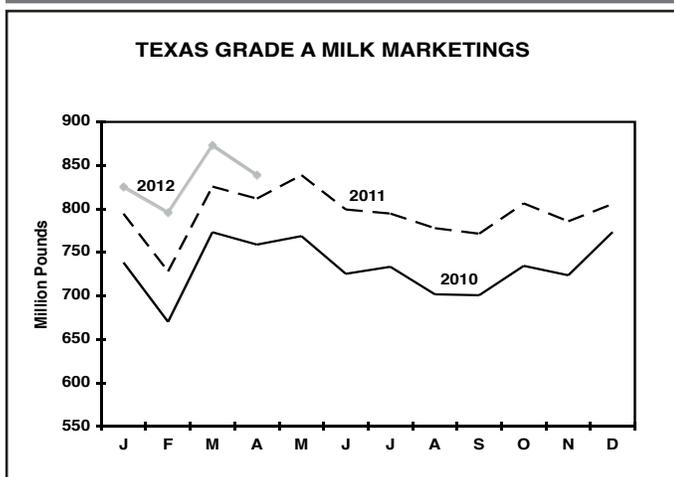
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62*
March	773,286,159	577	831,714,685	552	873,809,464	515	+ 7.49	+ 5.06
April	759,203,798	576	812,060,148	549	839,675,231	504	+ 6.96	+ 3.40
May	768,833,368	571	837,599,963	544			+ 8.94	
June	725,500,766	565	799,434,977	543			+ 10.19	
July	733,719,075	568	794,768,069	541			+ 8.32	
August	702,002,272	559	779,356,886	540			+ 11.02	
September	701,066,340	558	771,537,770	538			+ 10.05	
October	738,609,251	554	811,052,943	536			+ 9.81	
November	723,908,057	555	785,855,360	533			+ 8.56	
December	<u>773,415,328</u>	557	<u>805,829,180</u>	531			<u>+ 4.19</u>	
Years Total	8,810,251,800		9,552,010,884				+ 8.42	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2010 THROUGH APRIL 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	639,771,307	157	675,834,553	157	680,195,569	157	+ 5.64	+ 0.65
February	591,156,278	158	608,071,702	159	661,854,191	156	+ 2.86	+ 5.09*
March	674,287,000	159	694,817,453	159	730,980,867	156	+ 3.04	+ 5.20
April	670,976,253	159	688,673,031	158	713,977,651	158	+ 2.64	+ 3.67
May	694,638,948	160	709,391,501	157			+ 2.12	
June	671,649,637	159	684,767,801	157			+ 1.95	
July	676,898,057	159	690,350,883	157			+ 1.99	
August	642,846,047	159	676,720,593	158			+ 5.27	
September	635,203,468	156	666,022,373	159			+ 4.85	
October	648,369,979	156	695,365,627	157			+ 7.25	
November	628,936,968	156	669,926,275	157			+ 6.52	
December	<u>657,677,525</u>	156	<u>671,984,702</u>	158			<u>+ 2.18</u>	
Years Total	7,832,411,467		8,131,926,494				+ 3.82	

\* Based on average daily deliveries.



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**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 2011	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
April	22.43	19.66	16.87	19.78	3.02	221.13	29.02	249.84	.00085	199.75	169.83	156.80	48.08
May	22.75	20.63	16.52	20.29	3.42	224.97	30.26	231.33	.00083	202.92	165.34	161.20	49.29
June	23.32	21.37	19.11	21.05	2.39	237.02	33.39	298.07	.00095	212.87	189.99	165.20	52.33
July	24.03	21.29	21.39	20.33	1.17	225.11	36.08	382.92	.00106	203.04	212.43	161.59	54.94
August	24.43	21.55	21.67	20.14	1.39	229.85	38.11	383.05	.00107	206.95	214.02	157.39	56.91
September	24.78	20.55	19.07	19.53	2.59	220.05	40.53	302.82	.00093	198.86	185.92	154.39	59.26
October	22.56	19.41	18.03	18.41	1.82	195.92	42.86	292.11	.00087	178.93	174.71	151.09	61.52
November	21.45	19.26	19.07	17.87	0.82	195.08	45.21	323.41	.00092	178.24	184.15	145.22	63.80
December	21.47	18.08	18.77	16.87	0.48	174.43	46.83	334.04	.00090	161.19	180.70	142.01	65.38
Averages 2011 b/	22.13	19.62	18.37	19.04	1.85	215.35	34.34	296.63	.00091	194.98	182.46	150.58	53.25
January 2012	21.80	17.67	17.05	16.56	1.83	171.78	50.32	273.26	.00080	159.00	160.97	139.42	68.76
February	20.03	16.94	16.06	15.92	1.52	157.39	45.41	266.27	.00077	147.12	154.10	137.92	64.00
March	19.30	16.59	15.72	15.35	1.46	152.97	42.39	265.71	.00076	143.47	152.48	133.10	61.07
April	18.66	16.20	15.72	14.80	1.18	156.45	40.48	265.68	.00077	146.34	153.61	125.14	59.21

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

**APRIL 2012  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$358,164.46
Class I Butterfat	60(a)	6,873,311	\$1.5539	\$10,680,437.98
Class I Skim Per Cwt		342,132,141	\$13.7000	\$46,872,103.32
Class II Butterfat	60(b)	7,734,906	\$1.5715	\$12,155,404.84
Class II Nonfat Solids		8,855,478	\$1.2322	\$10,911,719.98
Class III Butterfat	60(c)	18,578,063	\$1.5645	\$29,065,379.57
Class III Protein		15,474,289	\$2.6568	\$41,112,091.02
Class III Other Solids		29,097,863	\$0.4048	\$11,778,814.94
Class IV Butterfat	60(d)	7,249,730	\$1.5645	\$11,342,202.62
Class IV Nonfat Solids		16,190,275	\$1.0728	\$17,368,927.02
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,070,611.98
Total Producer Milk-Product Lbs & Value		1,141,432,678		\$192,715,857.73
Add: Value as for 60(f) Thru 60(j)				\$32,240.27
Less: Total Protein Pounds	61(b)	35,038,017	<b>\$2.6568</b>	\$93,089,003.58
Total Other Solids Pounds		65,954,428	<b>\$0.4048</b>	\$26,698,352.47
Total Butterfat Pounds		40,436,010	<b>\$1.5645</b>	\$63,262,137.66
Total Value of Somatic Cell Adjustment				\$1,436,875.26
<b>Total Milk and Value</b>		1,141,432,678		\$8,261,729.03
Add: Location Differential Adjustments	61(c)			\$5,328,478.53
Producer-Settlement Fund	61(d)			\$417,220.83
<b>Total Producer Milk/URSP and Value</b>		1,141,432,678	\$1.22718	\$14,007,428.39
Less: Producer-Settlement Fund	61(f)		\$0.04718	\$538,522.79
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.18</b>	<b>\$13,468,905.60</b>

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

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

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**APRIL 2012**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	349,005,452	30.58	6,873,311	17.00	342,132,141	31.07
Class II	104,347,622	9.14	7,734,906	19.13	96,612,716	8.78
Class III	504,085,175	44.16	18,578,063	45.94	485,507,112	44.10
Class IV	183,994,429	16.12	7,249,730	17.93	176,744,699	16.05
Total	1,141,432,678	100.00	40,436,010	100.00	1,100,996,668	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	40,436,010	35,038,017	65,954,428	100,992,445
Percentage	3.542	3.069	5.778	8.847

Average Somatic Cell Count	186,000
Total Number of Pooled Producers	485