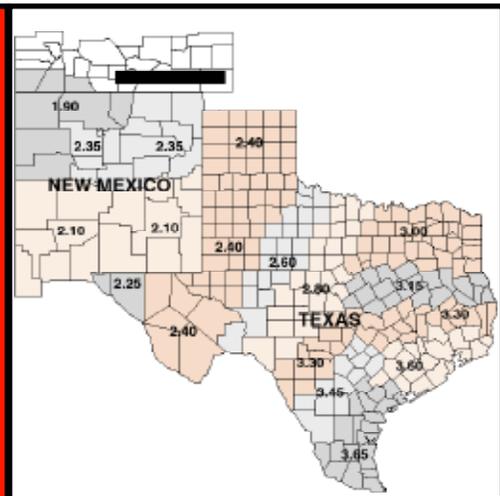


# THE MARKET ADMINISTRATOR'S

# 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>

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## MARKET SUMMARY FOR NOVEMBER

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 \$1.67 for November. Butterfat price decreased \$0.0302 per pound from \$1.6638 in October to the level of \$1.6336 in November. Protein price increased \$0.2209 per pound from \$3.4107 in October to \$3.6316 in November. November's Other Solids price increased \$0.0103 per pound from \$0.3852 in October to \$0.3955 in November. The Somatic Cell Count adjustment rate factor for November was 0.00093 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$20.50 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 \$0.50 in comparison to the statistical uniform price of \$20.00 in October.

The November Class I price increased \$1.00 from \$22.20 in October to the November level of \$23.20. The Class II price for November of \$20.76 per hundredweight increased \$0.20 from \$20.56 in October. November's Class III price increased \$0.61 from \$18.22 in October to \$18.83 in November. The November Class IV price increased \$0.35 from \$20.17 in October to \$20.52 in November.

In November 476 producers delivered a total of 1,018,690,977 pounds of milk. On a daily basis this represents a decrease of 3.12 percent from the producer receipts level in October but it represents an increase of 84.76 percent when compared to the producer receipts level of November 2012.

Producer milk classified as Class I during November amounted to 36.60 percent of total producer receipts. This figure is down from 37.04 percent in October and also down from 67.24 percent in November 2012. The average butterfat test of producer milk pooled during November was 3.806 percent, average protein test was 3.299 percent, average other solids test was 5.764 percent and the average somatic cell count was 210,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 13	Oct 13	Nov 13	Oct 13	Nov 13	Oct 13
Appalachian - FO 5	22.72	22.25	-----	-----	72.01	73.12
Arizona - FO 131	20.70	20.24	-----	-----	31.71	31.91
Central - FO 32	19.68	19.25	0.85	1.03	34.02	34.44
Florida - FO 6	24.92	24.28	-----	-----	87.38	87.14
Mideast - FO 33	20.12	19.77	1.29	1.55	42.60	43.40
Northeast - FO 1	21.28	20.88	2.45	2.66	41.00	40.20
Pacific Northwest - FO 124	19.77	19.28	0.94	1.06	26.55	29.89
Southeast - FO 7	23.36	22.58	-----	-----	77.13	72.41
<b>Southwest - FO 126</b>	<b>20.50</b>	<b>20.00</b>	<b>1.67</b>	<b>1.78</b>	<b>36.60</b>	<b>37.04</b>
Upper Midwest - FO 30	19.16	18.60	0.33	0.38	11.50	11.30

## OCTOBER 2013 HIGHLIGHTS

**Total cheese** output (excluding cottage cheese) was 950 million pounds, 2.1 percent above October 2012 and 6.7 percent above September 2013.

**Italian type cheese** production totaled 411 million pounds, 5.7 percent above October 2012 and 6.9 percent above September 2013.

**American type cheese** production totaled 368 million pounds, 0.6 percent below October 2012 but 6.4 percent above September 2013.

**Butter** production was 146 million pounds, 1.2 percent above October 2012 and 10.2 percent above September 2013.

**Dry milk powders** (comparisons with October 2012) Nonfat dry milk, human - 85.5 million pounds, down 10.1 percent. Skim milk powders - 62.4 million pounds, up 36.7 percent.

**Whey products** (comparisons with October 2012) Dry whey, total - 72.7 million pounds, down 5.7 percent. Lactose, human and animal - 88.8 million pounds, up 8.0 percent. Whey protein concentrate, total - 44.7 million pounds, up 20.9 percent.

**Frozen products** (comparisons with October 2012) Ice cream, regular (hard) - 64.7 million gallons, down 0.9 percent. Ice cream, lowfat (total) - 28.2 million gallons, down 21.1 percent. Sherbet (hard) - 3.25 million gallons, up 11.6 percent. Frozen yogurt (total) - 5.39 million gallons, down 0.4 percent.

*Released December 3, 2013, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).*

## RELEASE OF 2012 CENSUS OF AGRICULTURE DATA DELAYED

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) will delay publication of the 2012 Census of Agriculture from February 4, 2014 as a result of the work stoppage caused by the recent lapse in federal funding.

A new release date has not been set. NASS is working to set a new schedule that ensures the highest quality data.

*Issued October 23, 2013 by the Agricultural Statistics Board of the U.S. Department of Agriculture, National Agricultural Statistics Service. For more information contact Sue King at (202) 690-8122 or sue.king@nass.usda.gov.*

## NET FARM INCOME FORECAST TO INCREASE 15 PERCENT IN 2013

Net farm income is forecast to be \$131 billion in 2013, up 15.1 percent from 2012's estimate of \$113.8 billion. After adjusting for inflation, 2013's net farm income is expected to be the highest since 1973. Substantial year-end crop inventories are expected as a result of the record corn harvest. Net cash income—which measures the difference between cash expenses and the combination of commodities sold during the calendar year plus other sources of farm income—is forecast at \$129.7 billion, down just over 3 percent from 2012. Even so, 2013's forecast would be the fourth time net cash income, after adjusting for inflation, has exceeded \$100 billion since 1973.

The projected \$10.9-billion increase in total expenses in 2013, to \$352 billion, continues a string of year-to-year increases (except for 2009) that have taken place since 2002. In both nominal and inflation-adjusted dollars, 2013 production expenses are expected to be the highest on record. Labor and rent are the expense items expected to increase the most in 2013, while producers are expected to pay less for fuel and fertilizer.

Farm sector assets, debt, and equity are all forecast to increase in 2013. As in the last several years, increases in farm asset value are expected to exceed increases in farm debt, with farm real estate the main driving force. Confirming the strength of the farm sector's solvency, both the debt-to-asset ratio and debt-to-equity ratio are expected to reach historic lows.

*Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of November 26, 2013.*

**TOP TEN TEXAS COUNTIES a/ – NOVEMBER 2013**

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Castro	13	90,451,888	+ 3.82	7. Hartley	11	52,991,075	+ 5.53
2. Parmer	14	78,887,840	+ 1.17	8. Hale	6	43,335,200	+ 15.27
3. Erath	59	78,764,637	- 3.79	9. Bailey	9	40,609,409	+ 1.22
4. Deaf Smith	12	62,494,992	- 0.73	10. Comanche	17	37,048,410	+ 1.86
5. Lamb	10	56,127,860	+ 8.36	Ten County Total	160	595,668,101	+ 3.89
6. Moore	9	54,956,790	+ 16.14	<u>Other Counties Total</u>	<u>284</u>	<u>180,259,048</u>	<u>- 2.31</u>
				<b>Texas Total</b>	<b>444</b>	<b>775,927,149</b>	<b>+ 2.38</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 <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
September 2012	3.80	3.60	3.20	3.08	5.73	5.75	8.92	8.83	225	185
October	3.89	3.70	3.29	3.18	5.75	5.76	9.03	8.95	214	173
November	3.93	3.73	3.30	3.21	5.75	5.76	9.05	8.97	197	157
December	3.95	3.73	3.29	3.20	5.77	5.78	9.06	8.98	202	162
Averages 2012	3.79	3.57	3.20	3.09	5.76	5.77	8.95	8.86	223	185
January 2013	3.97	3.74	3.29	3.18	5.77	5.80	9.06	8.98	224	174
February	3.90	3.67	3.25	3.14	5.79	5.81	9.03	8.94	209	164
March	3.87	3.62	3.23	3.10	5.77	5.79	9.01	8.90	204	160
April	3.80	3.54	3.21	3.08	5.77	5.78	8.99	8.86	196	150
May	3.75	3.47	3.18	3.05	5.78	5.78	8.95	8.83	182	138
June	3.67	3.39	3.11	2.99	5.78	5.78	8.89	8.77	197	152
July	3.66	3.38	3.11	2.99	5.78	5.78	8.89	8.76	227	190
August	3.72	3.45	3.13	3.01	5.74	5.75	8.88	8.75	242	204
September	3.76	3.49	3.18	3.06	5.73	5.74	8.91	8.80	233	206
October	3.89	3.59	3.30	3.20	5.74	5.75	9.04	8.95	215	182
November	3.95	3.66	3.36	3.24	5.76	5.77	9.12	9.01	223	192

a/ In thousands.

**TOP NEW MEXICO COUNTIES a/ – NOVEMBER 2013**

County	Number of Producers	Pounds	% Change From 2012	County	Number of Producers	Pounds	% Change From 2012
1. Chaves	32	159,696,689	+ 0.14	7. Luna	3	16,002,853	+ 5.43
2. Curry	27	138,151,445	- 1.91	8. Valencia	5	14,717,688	- 6.93
3. Roosevelt	32	122,421,851	+ 0.13				
4. Dona Ana	20	77,962,665	- 5.68				
5. Lea	13	57,055,319	+ 7.95	Top County Total	140	607,061,348	- 0.48
6. Socorro	8	21,052,838	+ 0.56	<u>Other Counties Total</u>	<u>7</u>	<u>24,861,229</u>	<u>- 20.16</u>
				<b>New Mexico Total</b>	<b>147</b>	<b>631,922,577</b>	<b>- 1.44</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 2011 THROUGH NOVEMBER 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

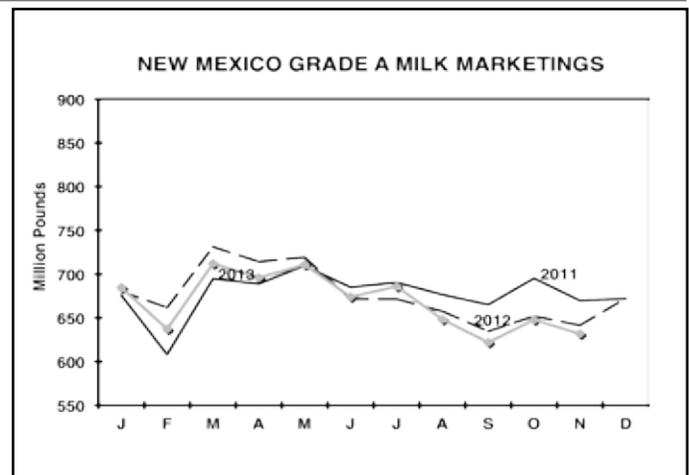
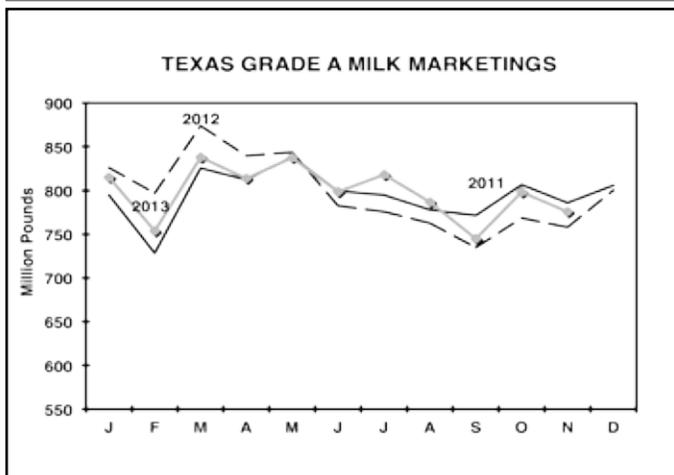
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27 *
March	831,714,685	552	873,809,464	515	837,918,903	461	+ 5.06	- 4.11
April	812,060,148	549	839,675,231	504	813,654,074	456	+ 3.40	- 3.10
May	837,599,963	544	843,983,197	495	837,276,897	457	+ 0.76	- 0.79
June	799,434,977	543	782,384,320	491	798,423,916	456	- 2.13	+ 2.05
July	794,768,069	541	775,879,468	483	817,848,775	452	- 2.38	+ 5.41
August	779,356,886	540	762,801,472	481	786,930,152	448	- 2.12	+ 3.16
September	771,537,770	538	734,843,900	481	744,663,679	446	- 4.76	+ 1.34
October	811,052,943	536	768,680,316	473	797,966,297	445	- 5.26	+ 3.81
November	785,855,360	533	757,867,560	471	775,927,149	444	- 3.56	+ 2.38
December	805,829,180	531	800,171,636	470			- 0.70	
Years Total	9,552,010,884		9,562,956,681				+ 0.11	

\* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2011 THROUGH NOVEMBER 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	675,834,553	157	680,195,569	157	684,936,342	148	+ 0.65	+ 0.70
February	608,071,702	159	661,854,191	156	637,099,822	148	+ 5.09	- 0.30 *
March	694,817,453	159	730,980,867	156	711,862,101	149	+ 5.20	- 2.62
April	688,673,031	158	713,977,651	158	695,977,148	150	+ 3.67	- 2.52
May	709,391,501	157	719,067,055	153	710,709,847	150	+ 1.36	- 1.16
June	684,767,801	157	666,236,294	152	674,240,675	149	- 2.71	+ 1.20
July	690,350,883	157	671,552,652	149	685,672,220	149	- 2.72	+ 2.10
August	676,720,593	158	657,573,314	149	648,098,565	148	- 2.83	- 1.44
September	666,022,373	159	634,558,129	148	621,748,466	147	- 4.72	- 2.02
October	695,365,627	157	652,048,912	149	647,611,433	147	- 6.23	- 0.68
November	669,926,275	157	641,151,756	148	631,922,577	147	- 4.30	- 1.44
December	671,984,702	158	672,437,705	148			+ 0.04	
Years Total	8,131,926,494		8,101,634,095				- 0.37	

\* 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			AMS Product Prices <i>c/</i>			
	I <i>a/</i>	II	III	IV	P.P.D. <i>a/</i>		Other Solids	True Protein	SCC <i>b/</i> Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
September	20.59	17.04	19.00	17.41	0.38	200.47	39.71	325.21	.00093	182.69	186.47	137.68	58.46
October	21.88	18.44	21.02	18.54	(0.67)	211.36	43.40	372.78	.00102	191.68	204.79	146.36	62.05
November	23.70	18.81	20.83	18.66	0.54	202.18	46.24	371.72	.00101	184.10	201.46	151.43	64.80
December	24.39	18.30	18.66	17.83	1.56	172.76	47.58	331.13	.00090	159.81	179.25	153.84	66.10
Averages 2012 <i>d/</i>	20.46	16.64	17.44	16.01	0.95	172.30	40.63	304.26	.00085	159.43	170.76	132.79	59.35
January 2013	21.97	18.19	18.14	17.63	1.23	161.68	46.47	328.62	.00087	150.66	174.85	156.01	65.03
February	21.21	18.49	17.25	17.75	1.61	166.19	45.34	296.09	.00083	154.38	166.23	155.59	63.93
March	20.80	18.82	16.93	17.75	1.71	174.76	41.79	282.04	.00082	161.46	164.67	152.08	60.48
April	20.66	18.73	17.59	18.10	1.45	182.27	38.63	301.30	.00087	167.66	173.10	153.12	57.41
May	20.76	18.43	18.52	18.89	1.02	178.84	38.87	335.97	.00091	164.83	182.74	163.74	57.65
June	21.93	19.14	18.02	18.88	1.69	165.99	38.59	334.55	.00089	154.22	178.10	168.78	57.38
July	21.91	19.22	17.38	18.90	2.02	156.93	39.27	322.57	.00086	146.74	171.42	172.72	58.04
August	21.88	19.27	17.91	19.07	1.83	151.04	39.01	347.75	.00089	141.78	177.31	177.06	57.78
September	22.16	19.78	18.14	19.43	1.83	151.96	39.14	354.19	.00090	142.63	179.61	180.85	57.91
October	22.20	20.56	18.22	20.17	1.78	166.38	38.52	341.07	.00090	154.54	180.25	183.66	57.31
November	23.20	20.76	18.83	20.52	1.67	163.36	39.55	363.16	.00093	152.05	186.12	188.92	58.31

*a/* Subject to location adjustments. *b/* SCC adjustment rate is per 1,000 difference. *c/* Prior to April 2012 NASS product prices were used. *d/* Simple averages

**NOVEMBER 2013  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$448,007.41
	Class I Butterfat	60(a)	7,850,245	\$1.7055
	Class I Skim Per Cwt		364,989,926	\$17.8600
	Class II Butterfat	60(b)	7,008,413	\$1.6406
	Class II Nonfat Solids		6,162,230	\$1.7289
	Class III Butterfat	60(c)	22,232,849	\$1.6336
	Class III Protein		18,773,064	\$3.6316
	Class III Other Solids		32,660,259	\$0.3955
	Class IV Butterfat	60(d)	1,686,198	\$1.6336
	Class IV Nonfat Solids		440,338	\$1.7042
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$883,118.45
	Total Producer Milk- Product Pounds and Value		1,018,690,977	\$222,976,772.25
Add:	Value as for 60(f) thru 60(j)			\$51,234.13-
Less:	Total Protein Pounds	61(b)	33,609,496	\$3.6316
	Total Other Solids Pounds		58,719,449	\$0.3955
	Total Butterfat Pounds		38,777,705	\$1.6336
	Total Value of Somatic Cell Adjustment			\$1,331,956.59
	<b>Total Milk and Value</b>		1,018,690,977	\$12,966,534.78
Add:	Location Differential Adjustments	61(c)		\$4,042,971.79
	Producer - Settlement Fund Reserve	61(d)		\$441,500.82
	<b>Total Producer Milk/URSP and Value</b>		1,018,690,977	\$17,451,007.39
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04308
	<b>Producer Price Differential (Dallas County)</b>			\$1.67
				\$17,012,139.32

**THE MARKET ADMINISTRATOR'S  
REPORT**

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

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**NOVEMBER 2013  
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	372,840,171	36.60	7,850,245	20.24	364,989,926	37.25
Class II	72,585,432	7.13	7,008,413	18.07	65,577,019	6.69
Class III	566,878,090	55.64	22,232,849	57.34	544,645,241	55.58
Class IV	6,387,284	0.63	1,686,198	4.35	4,701,086	0.48
Total	1,018,690,977	100.00	38,777,705	100.00	979,913,272	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	38,777,705	33,609,496	58,719,449	92,328,945
Percentage	3.81%	3.30%	5.76%	9.06%

Average Somatic Cell Count	210,000
Total Number of Pooled Producers	476