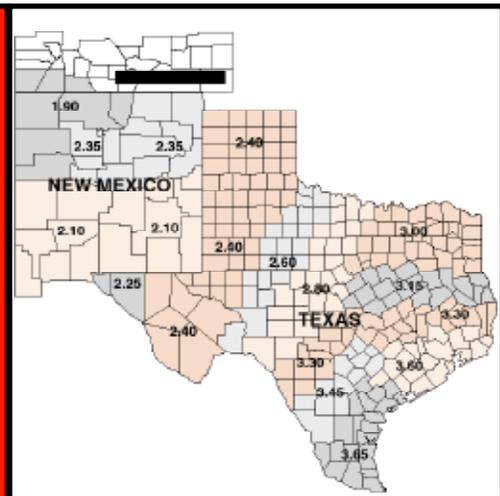


THE MARKET ADMINISTRATOR'S

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
 WWW: <http://www.dallasma.com>

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MARKET SUMMARY FOR OCTOBER

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 \$1.78 for September. Butterfat price increased \$0.1442 per pound from \$1.5196 in September to the level of \$1.6638 in October. Protein price decreased \$0.1312 per pound from \$3.5419 in September to \$3.4107 in October. September's Other Solids price decreased \$0.0062 per pound from \$0.3914 in September to \$0.3852 in October. The Somatic Cell Count adjustment rate factor for October was 0.00090 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a October statistical uniform price of \$20.00 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 \$0.03 in comparison to the statistical uniform price of \$19.97 in September.

The October Class I price increased \$0.04 from \$22.16 in September to the October level of \$22.20. The Class II price for October of \$20.56 per hundredweight increased \$0.78 from \$19.78 in September. October's Class III price increased \$0.08 from \$18.14 in September to \$18.22 in October. The October Class IV price increased \$0.74 from \$19.43 in September to \$20.17 in October.

In October 435 producers delivered a total of 1,051,547,705 pounds of milk. On a daily basis this represents a increase of 2.88 percent from the producer receipts level in September but it represents an increase of 98.54 percent when compared to the producer receipts level of October 2012.

Producer milk classified as Class I during October amounted to 37.04 percent of total producer receipts. This figure is up from 36.02 percent in September but it is down from 72.46 percent in October 2012. The average butterfat test of producer milk pooled during October was 3.726 percent, average protein test was 3.243 percent, average other solids test was 5.749 percent and the average somatic cell count was 197,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 13	Sep 13	Oct 13	Sep 13	Oct 13	Sep 13
Appalachian - FO 5	22.25	21.72	-----	-----	73.12	70.81
Arizona - FO 131	20.24	19.79	-----	-----	31.91	33.44
Central - FO 32	19.25	19.17	1.03	1.03	34.44	32.57
Florida - FO 6	24.28	23.86	-----	-----	87.14	86.50
Mideast - FO 33	19.77	19.56	1.55	1.42	43.40	40.80
Northeast - FO 1	20.88	20.58	2.66	2.44	40.20	38.90
Pacific Northwest - FO 124	19.28	19.13	1.06	0.99	29.89	28.92
Southeast - FO 7	22.58	22.10	-----	-----	72.41	69.72
Southwest - FO 126	20.00	19.97	1.78	1.83	37.04	36.02
Upper Midwest - FO 30	18.60	18.50	0.38	0.36	11.30	10.80

RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2014 through December 2014. The advanced prices and pricing factors will be released at 3:00 p.m. ET no later than the 23rd of the preceding month. If the release date does not fall on the 23rd, the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. ET no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of AMS Prices ^{1/}	Release Date	Time Period of AMS Prices ^{1/}
2014				
January	December 18, 2013	12/7, 14	February 05	1/4, 11, 18, 25, 2/1
February	January 23	1/11, 18	March 05	2/8, 15, 22, 3/1
March	February 20	2/8, 15	April 02	3/8, 15, 22, 29
April	March 19	3/8, 15	April 30	4/5, 12, 19, 26
May	April 23	4/12, 19	June 04	5/3, 10, 17, 24, 31
June	May 21	5/10, 17	July 02	6/7, 14, 21, 28
July	June 18	6/7, 14	July 30	7/5, 12, 19, 26
August	July 23	7/12, 19	September 04	8/2, 9, 16, 23, 30
September	August 20	8/9, 16	October 01	9/6, 13, 20, 27
October	September 17	9/6, 13	November 05	10/4, 11, 18, 25, 11/1
November	October 22	10/11, 18	December 03	11/8, 15, 22, 29
December	November 19	11/8, 15	December 31	12/6, 13, 20, 27

^{1/} Weekly sales periods end on the indicated date and include applicable averages. The National Dairy Products Sales report is normally released on Wednesday of the following week.

<http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

USDA Announces National Dairy Board Appointments

WASHINGTON, Nov. 1, 2013 – Agriculture Secretary Tom Vilsack announced the appointment of 14 members to the National Dairy Promotion and Research Board. Thirteen appointees will serve 3-year terms and one will serve a 2-year term. "These appointees represent a cross section of the dairy industry and I am confident that the industry will be well served by them" said Secretary Vilsack.

Newly appointed members are: Carol L. Ahlem, Hilmar, Calif. (Region 2); Christopher J. Brazil, Escalon, Calif. (Region 2); Brian O. Medeiros, Hanford, Calif. (Region 2); Lisa Vander Eyk, Pixley, Calif. (Region 2); Eddie S. Schaap, Clovis, N.M. (Region 4); Sarah E. Lloyd, Wisconsin Dells, Wis. (Region 6); Cheryl L. Chapin, Remus, Mich. (Region 9); and Joseph M. Kelsay (term ending on October 31, 2015), Whiteland, Ind. (Region 9).

Reappointed to serve second terms were: Renae A. De Jager, Chowchilla, Calif. (Region 2); Jeffrey A. Hardy, Brigham City, Utah (Region 3); Zachary H. Myers, Jonesville, N.C. (Region 10); David P. Crowl, Forest Hill, Md. (Region 11); Sanford Stauffer, Nicholville, N. Y. (Region 12); and Susan M. Troy, Wilmette, Ill. (Importer).

The Dairy Board was established under the Dairy Production Stabilization Act of 1983, as amended, to develop and administer a coordinated program of promotion, research, and nutrition education. The 38-member Dairy Board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The program is financed by a mandatory assessment on all milk marketed commercially and an assessment on milk and dairy products imported into the United States. The Secretary selected the appointees from nominations submitted by eligible producer organizations, general farm organizations, and qualified dairy products promotion, research or nutrition education programs. USDA's Agricultural Marketing Service monitors the operation of the Dairy Board.

Research and promotion programs are industry-funded, authorized by Congress, and date back to 1966, when Congress passed the Cotton Research and Promotion Act. Since then, Congress has authorized the establishment of 20 research and promotion boards. They empower farmers and ranchers to leverage their own resources to develop new markets, strengthen existing markets, and conduct important research and promotion activities. AMS provides oversight, paid for by industry assessments, which ensures fiscal responsibility, program efficiency and fair treatment of participating stakeholders.

TOP TEN TEXAS COUNTIES a/ – OCTOBER 2013

County	Number of Producers		% Change From 2012	County	Number of Producers		% Change From 2012
	Pounds				Pounds		
1. Castro	13	93,740,295	+ 7.91	7. Hartley	11	55,161,098	+ 8.87
2. Parmer	14	81,310,226	- 9.01	8. Hale	6	45,601,114	+ 21.20
3. Erath	59	79,751,875	-2.65	9. Bailey	9	42,509,573	+ 1.79
4. Deaf Smith	12	65,778,779	+ 2.95	10. Comanche	17	37,217,773	+ 4.98
5. Lamb	10	57,947,565	+ 9.69	Ten County Total	160	616,302,563	+ 4.40
6. Moore	9	57,284,265	+ 14.66	<u>Other Counties Total</u>	<u>285</u>	<u>181,663,734</u>	<u>+1.87</u>
				Texas Total	445	797,966,297	+ 3.81

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
August 2012	3.72	3.51	3.11	2.98	5.71	5.74	8.82	8.72	239	199
September	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

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – OCTOBER 2013

County	Number of Producers		% Change From 2012	County	Number of Producers		% Change From 2012
	Pounds				Pounds		
1. Chaves	33	162,751,589	+ 2.48	7. Luna	3	16,124,689	+ 2.09
2. Curry	27	142,101,209	- 1.99	8. Valencia	5	15,545,782	- 5.22
3. Roosevelt	32	125,878,836	- 0.60				
4. Dona Ana	19	81,389,536	- 2.31				
5. Lea	13	57,411,733	+ 8.13	Top County Total	140	622,298,213	+ 0.27
6. Socorro	8	21,094,839	- 2.24	<u>Other Counties Total</u>	<u>7</u>	<u>25,313,220</u>	<u>- 19.48</u>
				New Mexico Total	147	647,611,433	- 0.68

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 OCTOBER 2013, WITH PRODUCTION PERCENTAGE COMPARISONS**

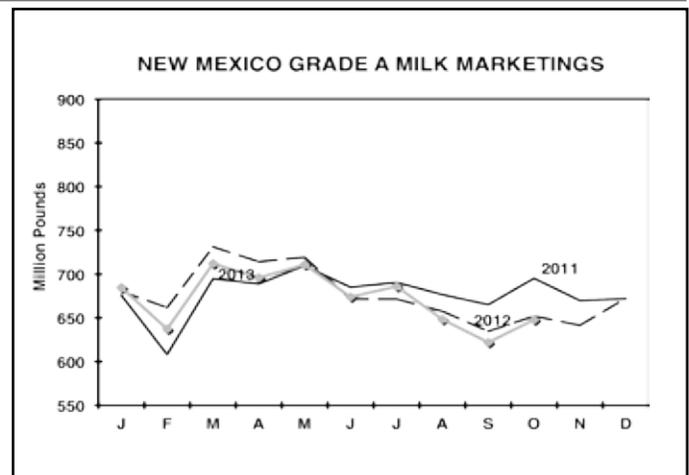
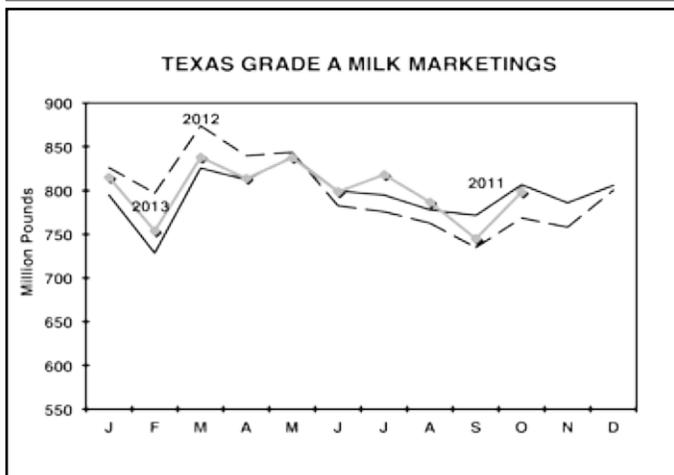
MONTH	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	2013 POUNDS	Number of Producers	PERCENT 2012/11	CHANGE 2013/12
January	794,574,299	555	826,060,689	525	815,186,323	468	+ 3.96	- 1.32
February	728,226,604	554	796,799,428	514	751,853,093	465	+ 5.62	- 2.27 *
March	831,714,685	552	873,809,464	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			- 3.56	
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 OCTOBER 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			- 4.30	
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
August 2012	19.55	15.64	17.73	15.76	0.81	183.39	34.62	312.11	.00088	168.59	176.82	125.43	53.52
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

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

**OCTOBER 2013
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add:	Class I Differential			\$472,332.93
	Class I Butterfat	60(a)	7,918,720	\$1.5027
	Class I Skim Per Cwt		381,616,681	\$17.5500
	Class II Butterfat	60(b)	6,267,744	\$1.6708
	Class II Nonfat Solids		4,073,344	\$1.6944
	Class III Butterfat	60(c)	23,545,202	\$1.6638
	Class III Protein		19,709,793	\$3.4107
	Class III Other Solids		34,804,591	\$0.3852
	Class IV Butterfat	60(d)	1,454,676	\$1.6638
	Class IV Nonfat Solids		465,281	\$1.6521
	Class II, III, & IV Somatic Cell Adjustment	60(e)		\$950,627.26
	Total Producer Milk- Product Pounds and Value		1,051,547,705	\$220,664,576.28
Add:	Value as for 60(f) thru 60(j)			\$72,191.92
Less:	Total Protein Pounds	61(b)	34,108,603	\$3.4107
	Total Other Solids Pounds		60,460,482	\$0.3852
	Total Butterfat Pounds		39,186,342	\$1.6638
	Total Value of Somatic Cell Adjustment			\$1,449,013.39
	Total Milk and Value		1,051,547,705	\$14,465,928.99
Add:	Location Differential Adjustments	61(c)		\$4,314,368.18
	Producer - Settlement Fund Reserve	61(d)		\$427,946.14
	Total Producer Milk/URSP and Value		1,051,547,705	\$1.8267
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04666
	Producer Price Differential (Dallas County)			\$1.78
				\$18,717,549.15

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	389,535,401	37.04	7,918,720	20.21	381,616,681	37.70
Class II	50,012,208	4.76	6,267,744	15.99	43,744,464	4.32
Class III	605,518,282	57.58	23,545,202	60.09	581,973,080	57.48
Class IV	6,481,814	0.62	1,454,676	3.71	5,027,138	0.50
Total	1,051,547,705	100	39,186,342	100	1,012,361,363	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	39,186,342	34,108,603	60,460,482	94,569,085
Percentage	3.73%	3.24%	5.75%	8.99%

Average Somatic Cell Count	197,000
Total Number of Pooled Producers	435