

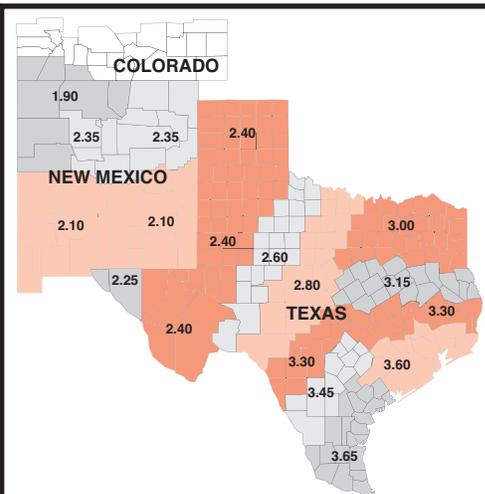
# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

**CARY HUNTER**, MARKET ADMINISTRATOR  
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
 (972) 245-6060 FAX (972) 245-3211  
 email: [sw.order@dallasma.com](mailto:sw.order@dallasma.com)  
 Website: [www.dallasma.com](http://www.dallasma.com)



VOLUME 41, NO. 3

MARCH 2015

## MARKET SUMMARY FOR FEBRUARY

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.18 for February. Butterfat price increased \$0.1441 per pound from \$1.6855 in January to the level of \$1.8296 in February. Protein price decreased \$0.2680 per pound from \$2.6731 in January to \$2.4051 in February. The Other Solids price decreased \$0.0728 per pound from \$0.4001 in January to \$0.3273 in February. The Somatic Cell Count adjustment rate factor for February 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 a February statistical uniform price of \$16.64 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 \$0.84 in comparison to the statistical uniform price of \$17.48 in January.

The February Class I price decreased \$2.34 from

\$21.58 in January to the February level of \$19.24. The Class II price decreased \$1.70 from \$16.18 per hundredweight in January to \$14.48 in February. The Class III price decreased \$0.72 from \$16.18 in January to \$15.46 in February. The Class IV price increased \$0.59 from \$13.23 in January to \$13.82 in February.

In February 541 producers delivered a total of 1,174,492,528 pounds of milk. On a daily basis this represents a decrease of 0.39 percent from the producer receipts level in January and it represents an increase of 83.48 percent when compared to the producer receipts level of February 2014.

Producer milk classified as Class I during February amounted to 28.96 percent of total producer receipts. This figure is down from 30.05 percent in January and is down from 54.90 percent in February 2014. The average butterfat test of producer milk pooled during February was 3.782 percent, average protein test was 3.203 percent, average other solids test was 5.745 percent and the average somatic cell count was 248,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Feb 15	Jan 15	Feb 15	Jan 15	Feb 15	Jan 15
Appalachian - FO 5	18.55	19.60	-----	-----	71.36	71.39
Arizona - FO 131	15.56	16.04	-----	-----	26.44	26.98
Central - FO 32	15.78	16.54	0.32	0.36	30.06	30.53
Florida - FO 6	20.84	22.21	-----	-----	84.80	86.19
Mideast - FO 33	15.77	16.67	0.31	0.49	31.40	33.10
Northeast - FO 1	16.66	17.57	1.20	1.39	34.80	35.90
Pacific Northwest - FO 124	15.42	15.84	-0.04	-0.34	33.42	30.28
Southeast - FO 7	19.24	20.39	-----	-----	76.94	77.12
<b>Southwest - FO 126</b>	<b>16.64</b>	<b>17.48</b>	<b>1.18</b>	<b>1.30</b>	<b>28.96</b>	<b>30.05</b>
Upper Midwest - FO 30	15.64	16.39	0.18	0.21	9.60	10.20

## DAIRY PRODUCTS JANUARY 2015 HIGHLIGHTS

**Total cheese output** (excluding cottage cheese) was 980 million pounds, 2.8 percent above January 2014 but 1.9 percent below December 2014.

**Italian type cheese** production totaled 432 million pounds, 2.8 percent above January 2014 but 1.4 percent below December 2014.

**American type cheese** production totaled 393 million pounds, 3.4 percent above January 2014 and 0.9 percent above December 2014.

**Butter production** was 179 million pounds, 1.6 percent below January 2014 but 7.1 percent above December 2014.

**Dry milk powders** (comparisons with January 2014) Nonfat dry milk, human - 166 million pounds, up 19.4 percent. Skim milk powders - 41.2 million pounds, down 30.0 percent.

**Whey products** (comparisons with January 2014) Dry whey, total - 76.5 million pounds, up 9.3 percent. Lactose, human and animal - 89.5 million pounds, down 7.7 percent. Whey protein concentrate, total - 47.1 million pounds, up 0.1 percent.

**Frozen products** (comparisons with January 2014) Ice cream, regular (hard) - 54.8 million gallons, down 1.1 percent. Ice cream, lowfat (total) - 26.7 million gallons, up 4.5 percent.

Sherbet (hard) - 3.00 million gallons, up 2.9 percent. Frozen yogurt (total) - 3.75 million gallons, down 17.1 percent.

*Released March 4, 2015, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).*

## PROPOSAL FOR A FEDERAL MILK MARKETING ORDER FOR CALIFORNIA

On February 5, 2015, USDA received a formal hearing request from California Dairies Inc., Land O Lakes Inc., and Dairy Farmers of America Inc., to establish a Federal milk marketing order for the State of California.

After conducting an internal analysis of the proposal, USDA will decide whether a hearing will be held.

USDA is requesting additional proposals regarding a potential Federal milk order for California.

Proposals must be received by April 10, 2015.

The request to establish a Federal milk marketing order in the State of California along with instructions for submitting additional proposals can be found at the following website.

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

*For questions concerning the above documents, please contact William Francis, Order Formulation and Enforcement Division, 202-720-7183 or [William.Francis@ams.usda.gov](mailto:William.Francis@ams.usda.gov).*

**TOP TEN TEXAS COUNTIES a/ – FEBRUARY 2015**

Rank	County	Number of Producers	Pounds 2015	Pounds 2014	Percent Change 2014/2015
1.	Parmer	16	87,298,711	75,905,327	+ 15.01
2.	Erath	55	85,109,445	79,276,563	+ 7.36
3.	Castro	13	84,065,799	90,373,279	- 6.98
4.	Moore	9	68,266,214	51,625,040	+ 32.23
5.	Deaf Smith	11	59,674,669	61,994,052	- 3.74
6.	Lamb	10	55,637,743	54,158,814	+ 2.73
7.	Hartley	11	53,928,964	52,646,610	+ 2.44
8.	Bailey	10	41,796,724	39,851,416	+ 4.88
9.	Hale	6	40,946,475	41,913,281	- 2.31
10.	Comanche	16	40,600,712	40,589,054	+ 0.03
Ten County Total		157	617,325,456	588,333,436	+ 4.93
Other Counties		273	192,274,939	190,065,507	+ 1.16
<b>Texas Total</b>		<b>430</b>	<b>809,600,395</b>	<b>778,398,943</b>	<b>+ 4.01</b>

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

**TOP NEW MEXICO COUNTIES a/ – FEBRUARY 2015**

Rank	County	Number of Producers	Pounds 2015	Pounds 2014	Percent Change 2014/2015
1.	Curry	28	141,678,861	134,484,161	+ 5.35
2.	Chaves	31	139,531,355	152,753,765	- 8.66
3.	Roosevelt	32	116,573,481	124,315,194	- 6.23
4.	Dona Ana	19	75,595,755	79,441,136	- 4.84
5.	Lea	13	50,987,709	54,762,012	- 6.89
6.	Socorro	8	20,284,361	20,489,817	- 1.00
7.	Valencia	5	15,730,652	14,877,696	+ 5.73
8.	Luna	3	15,639,556	16,137,635	- 3.09
9.	Eddy	3	14,663,940	16,097,600	- 8.91
Top County Total		142	590,685,670	613,359,016	- 3.70
Other Counties		4	13,064,971	13,793,686	- 5.28
<b>New Mexico Total</b>		<b>146</b>	<b>603,750,641</b>	<b>627,152,702</b>	<b>- 3.73</b>

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

**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
Averages 2013	3.83	3.56	3.23	3.11	5.76	5.78	8.99	8.88	216	176
January 2014	3.94	3.63	3.31	3.19	5.75	5.77	9.06	8.96	202	167
February	3.91	3.58	3.29	3.15	5.74	5.76	9.03	8.91	192	156
March	3.86	3.55	3.25	3.11	5.76	5.78	9.01	8.89	196	162
April	3.79	3.50	3.21	3.08	5.80	5.82	9.01	8.90	192	160
May	3.73	3.45	3.19	3.07	5.77	5.78	8.96	8.85	186	151
June	3.69	3.40	3.14	3.01	5.78	5.79	8.92	8.80	214	173
July	3.69	3.40	3.13	2.99	5.77	5.77	8.89	8.76	236	192
August	3.72	3.44	3.15	3.02	5.74	5.74	8.88	8.76	247	210
September	3.79	3.54	3.20	3.07	5.74	5.75	8.94	8.82	250	217
October	3.88	3.64	3.27	3.14	5.63	5.73	8.99	8.87	233	210
November	3.95	3.73	3.36	3.22	5.76	5.77	9.12	8.99	221	197
December	3.83	3.70	3.25	3.20	5.76	5.76	9.01	8.95	208	190
Averages 2014	3.81	3.55	3.23	3.10	5.75	5.77	8.98	8.87	215	182
January 2015	4.03	3.75	3.33	3.19	5.75	5.75	9.07	8.94	256	253
February	3.94	3.67	3.28	3.14	5.74	5.74	9.03	8.88	250	238

a/ In thousands.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 2013 THROUGH FEBRUARY 2015, WITH PRODUCTION PERCENTAGE COMPARISONS**

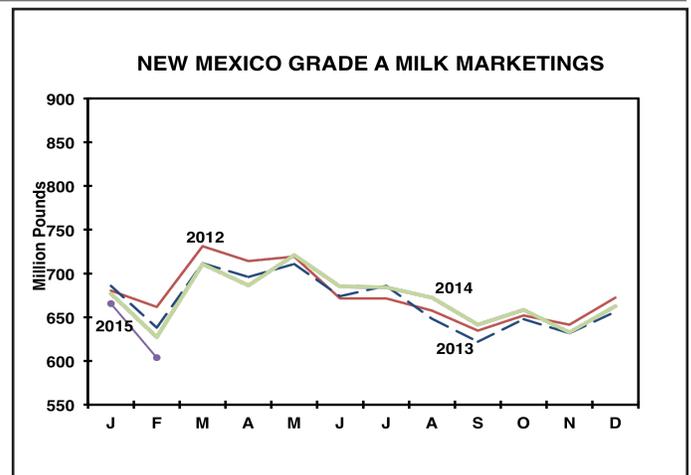
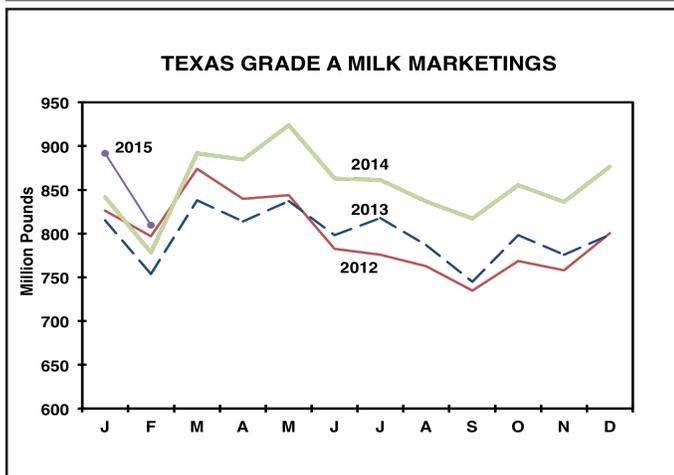
MONTH	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	2015 POUNDS	Number of Producers	PERCENT 2014/13	CHANGE 2015/14
January	815,186,323	468	841,887,929	440	891,539,549	428	+ 3.28	+ 5.90
February	751,853,093	465	778,398,943	443	809,600,395	430	+ 3.53 *	+ 4.01
March	837,918,903	461	891,680,232	444			+ 6.42	
April	813,654,074	456	884,645,957	442			+ 8.73	
May	837,276,897	457	923,706,643	443			+ 10.32	
June	798,423,916	456	862,889,592	442			+ 8.07	
July	817,848,775	452	861,256,938	439			+ 5.31	
August	786,930,152	448	836,712,405	439			+ 6.33	
September	744,663,679	446	817,209,349	437			+ 9.74	
October	797,966,297	445	855,185,736	437 <sup>u</sup>			+ 7.17 <sup>u</sup>	
November	775,927,149	444	836,209,943	436			+ 7.77	
December	<u>798,498,206</u>	441	<u>876,526,320</u>	435			<u>+9.77</u>	
Years Total	9,576,147,464		10,301,778,107				+ 7.58	

\* Based on average daily deliveries. <sup>u</sup> Correction/ Revised

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 2013 THROUGH FEBRUARY 2015, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2013 POUNDS	Number of Producers	2014 POUNDS	Number of Producers	2015 POUNDS	Number of Producers	PERCENT 2014/13	CHANGE 2015/14
January	685,707,875	<sup>u</sup> 148	677,107,907	147	665,532,562	146	- 1.25	- 1.71
February	637,945,230	<sup>u</sup> 148	627,152,702	<sup>u</sup> 147 <sup>u</sup>	603,750,641	146	- 1.69 <sup>*u</sup>	- 3.73
March	711,813,501	<sup>u</sup> 149	711,010,066	146			- 0.11	
April	695,977,148	150	686,163,267	145			- 1.41	
May	710,709,847	150	721,131,107	147			+ 1.47	
June	674,240,675	149	685,138,590	147			+ 1.62	
July	685,672,220	149	684,168,540	144			- 0.22	
August	648,098,565	148	672,501,235	147			+ 3.77	
September	621,748,466	147	641,424,320	148			+ 3.16	
October	647,611,433	147	658,497,505	145 <sup>u</sup>			+ 1.68 <sup>u</sup>	
November	631,922,577	147	632,669,687	146			+ 0.12	
December	<u>656,050,459</u>	148	<u>662,539,938</u>	147			<u>+0.99</u>	
Years Total	8,007,497,996		8,064,117,057				+ 0.71	

\* Based on average daily deliveries. <sup>u</sup> Revised



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, audiotope, 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 Order 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
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
Averages 2013 <i>d/</i>	21.84	19.42	17.99	19.05	1.64	166.34	40.29	330.10	.00088	154.50	176.83	170.66	59.02
January 2014	24.48	22.21	21.15	22.29	1.25	178.74	41.55	418.70	.00104	164.75	208.38	203.35	60.25
February	25.02	23.73	23.35	23.46	0.67	201.09	44.53	460.44	.00114	183.20	228.64	207.83	63.14
March	26.64	24.22	23.33	23.66	1.19	204.02	47.00	451.72	.00113	185.62	226.89	208.97	65.54
April	26.65	24.74	24.31	23.34	0.81	212.07	49.26	470.89	.00118	192.27	235.47	201.91	67.74
May	27.47	24.44	22.57	22.65	1.86	227.21	48.97	395.53	.00109	204.77	217.03	187.68	67.45
June	25.86	23.94	21.36	23.13	1.91	244.13	49.42	334.37	.00102	218.74	203.58	186.33	67.89
July	26.02	24.41	21.60	23.78	1.95	263.49	50.46	317.98	.00102	234.73	204.82	186.17	68.90
August	26.87	25.34	22.25	23.89	2.04	284.48	50.36	314.96	.00105	252.06	210.74	178.87	68.80
September	26.63	26.11	24.60	22.58	1.20	324.67	48.76	349.91	.00117	285.25	234.72	147.18	67.25
October	27.19	21.93	23.82	21.35	0.68	285.07	46.70	373.62	.00115	252.55	229.14	149.00	65.25
November	27.06	19.91	21.94	18.21	0.34	220.11	45.05	390.18	.00107	198.91	213.05	139.02	63.65
December	25.53	19.09	17.82	16.70	2.32	209.91	39.96	273.87	.00087	190.49	173.62	125.54	58.71
Averages 2014 <i>d/</i>	26.29	23.34	22.34	22.09	1.35	237.92	46.84	379.35	.00108	213.61	215.51	176.82	65.38
January 2015	21.58	16.18	16.18	13.23	1.30	168.55	40.01	267.31	.00079	156.33	158.07	102.02	58.75
February	19.24	14.48	15.46	13.82	1.18	182.96	32.73	240.51	.00077	168.23	154.46	103.08	51.69

*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

**FEBRUARY 2015  
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value	
Add:	Class I Differential			\$426,898.32	
	Class I Butterfat	60(a)	6,982,000	\$1.7019	\$11,882,665.83
	Class I Skim Per Cwt		333,194,123	\$13.7600	\$45,847,511.33
	Class II Butterfat	60(b)	9,256,571	\$1.8366	\$17,000,618.34
	Class II Nonfat Solids		8,448,045	\$0.9267	\$7,828,803.34
	Class III Butterfat	60(c)	22,855,344	\$1.8296	\$41,816,137.38
	Class III Protein		19,359,264	\$2.4051	\$46,560,965.86
	Class III Other Solids		34,679,895	\$0.3273	\$11,350,729.66
	Class IV Butterfat	60(d)	5,334,023	\$1.8296	\$9,759,128.47
	Class IV Nonfat Solids		11,564,639	\$0.8544	\$9,880,827.57
	Class II, III, & IV Somatic Cell Adjustment	60(e)			\$639,921.65
	Total Producer Milk- Product Pounds and Value		1,174,492,528		\$202,994,207.75
Add:	Value as for 60(f) thru 60(j)				\$193,500.12
Less:	Total Protein Pounds	61(b)	37,627,839	<b>\$2.4051</b>	\$90,498,715.57
	Total Other Solids Pounds		67,474,594	<b>\$0.3273</b>	\$22,084,434.62
	Total Butterfat Pounds		44,427,938	<b>\$1.8296</b>	\$81,285,355.38
	Total Value of Somatic Cell Adjustment				\$922,481.48
	<b>Total Milk and Value</b>		1,174,492,528		\$8,396,720.82
Add:	Location Differential Adjustments	61(c)			\$5,490,282.88
	Producer - Settlement Fund Reserve	61(d)			\$510,366.72
	<b>Total Producer Milk/URSP and Value</b>		1,174,492,528	\$1.22583	\$14,397,370.42
Less:	Producer - Settlement Fund Reserve	61(f)		\$0.04583	\$538,358.59
	<b>Producer Price Differential (Dallas County)</b>			<b>\$1.18</b>	<b>\$13,859,011.83</b>

**THE MARKET ADMINISTRATOR'S****REPORT****SOUTHWEST MARKETING AREA****CARY HUNTER, MARKET ADMINISTRATOR****P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939****FEBRUARY 2015****PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	340,176,123	28.96	6,982,000	15.72	333,194,123	29.48
Class II	100,279,144	8.54	9,256,571	20.84	91,022,573	8.05
Class III	603,881,804	51.42	22,855,344	51.43	581,026,460	51.42
Class IV	130,155,457	11.08	5,334,023	12.01	124,821,434	11.05
Total	1,174,492,528	100.00	44,427,938	100.00	1,130,064,590	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	44,427,938	37,627,839	67,474,594	105,102,433
Percentage	3.782%	3.203%	5.745%	8.948%

Average Somatic Cell Count	248,000
Total Number of Pooled Producers	541