



Market Administrator's Report Southwest Marketing Area Federal Order 126



Cary Hunter, Market Administrator

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MARKET SUMMARY FOR NOVEMBER

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.63 for November. Butterfat price increased \$0.0166 per pound from \$2.5551 in October to the level of \$2.5385 in November. Protein price decreased \$0.3766 per pound from \$1.7185 in October to \$1.3419 in November. The Other Solids price increased \$0.0161 per pound from \$0.2553 in October to \$0.2714 in November. The Somatic Cell Count Adjustment rate factor for November was 0.00072 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 \$16.07 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is decrease of \$0.79 in comparison to the statistical uniform price of \$16.86 in October.

The November Class I price decreased \$0.81 from \$19.33 in October to the November level of \$18.52. The Class II price increased \$0.09 from \$15.54 in October to \$15.63 in November. The Class III price decreased \$1.09 from \$15.53 in October to \$14.44 in November. The Class IV price increased \$0.05 from \$15.01 in October to \$15.06 in November.

In November, 481 producers delivered a total of 1,249,530,018 pounds of milk. On a daily basis, this represents a decrease of 2.54% from the producer receipts level in October and it represents an increase of 79.91% when compared to the producer receipts level of November 2017.

Producer milk classified as Class I during November amounted to 29.99% of total producer receipts. This figure is up from 28.98% in October and is down from 53.82% in November 2017. The average butterfat test of producer milk pooled during November was 4.120%, average protein test was 3.362%, average other solids test was 5.765% and the average somatic cell count was 231,000.

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Federal Order	Statistical Uniform		Statistical Uniform		Class I	
	Nov-18	Oct-18	Nov-18	Oct-18	Utilization	Utilization
Appalachian - F.O. 5	18.12	18.76	N/A	N/A	74.77	74.50
Arizona - F.O. 131	15.69	16.22	N/A	N/A	26.12	25.79
Central - F.O. 32	15.22	16.02	0.78	0.49	29.73	31.95
Florida - F.O. 6	20.12	20.87	N/A	N/A	85.35	84.23
Mideast - F.O. 33	15.68	16.30	1.24	0.77	37.30	35.00
Northeast - F.O. 1	16.62	17.19	2.18	1.66	35.70	34.90
Pacific NW - F.O. 124	15.22	15.77	0.78	0.24	20.69	21.91
California - F.O. 51	15.44	N/A	1.00	N/A	22.50	N/A
Southeast - F.O. 7	18.71	19.39	N/A	N/A	78.39	78.53
Southwest - F.O. 126	16.07	16.86	1.63	1.33	29.99	28.98
Upper Midwest - F.O. 30	14.74	15.75	0.30	0.22	9.20	9.30

TOP TEN TEXAS COUNTIES - NOVEMBER 2018



County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
HARTLEY	16	120,586,410	88,074,450	36.91
CASTRO	13	108,880,907	101,574,536	7.19
PARMER	15	106,353,047	107,262,528	(0.85)
ERATH	52	93,398,971	89,173,747	4.74
MOORE	9	84,663,070	84,179,420	0.57
DEAF SMITH	14	81,209,859	71,430,158	13.69
LAMB	13	72,071,278	67,526,759	6.73
BAILEY	10	48,717,648	48,798,239	(0.17)
HALE	6	45,024,068	42,409,226	6.17
DALLAM	<u>5</u>	<u>44,762,946</u>	<u>50,421,420</u>	<u>(11.22)</u>
Sum	153	805,668,204	750,850,483	7.30
Other Counties	<u>222</u>	<u>214,786,428</u>	<u>219,987,343</u>	<u>(2.36)</u>
Texas Total	375	1,020,454,632	970,837,826	5.11

1/ Revised

TOP TEN NEW MEXICO COUNTIES - NOVEMBER 2018

County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
CHAVES	30	163,033,351	161,362,101	1.04
CURRY	25	154,937,234	154,208,987	0.47
ROOSEVELT	32	119,899,353	121,303,073	(1.16)
LEA	11	60,847,353	61,017,396	(0.28)
DONA ANA	10	41,602,590	66,720,363	(37.65)
SOCORRO	7	21,336,696	22,326,410	(4.43)
VALENCIA	4	20,666,141	18,383,123	12.42
EDDY	3	15,544,380	16,152,260	(3.76)
LUNA	<u>3</u>	<u>15,477,539</u>	<u>15,710,780</u>	<u>(1.48)</u>
Sum	125	613,344,637	637,184,493	(3.74)
Other Counties	<u>4</u>	<u>12,998,933</u>	<u>14,059,398</u>	<u>(7.54)</u>
NM Total	129	626,343,570	651,243,891	(3.82)

1/ Revised



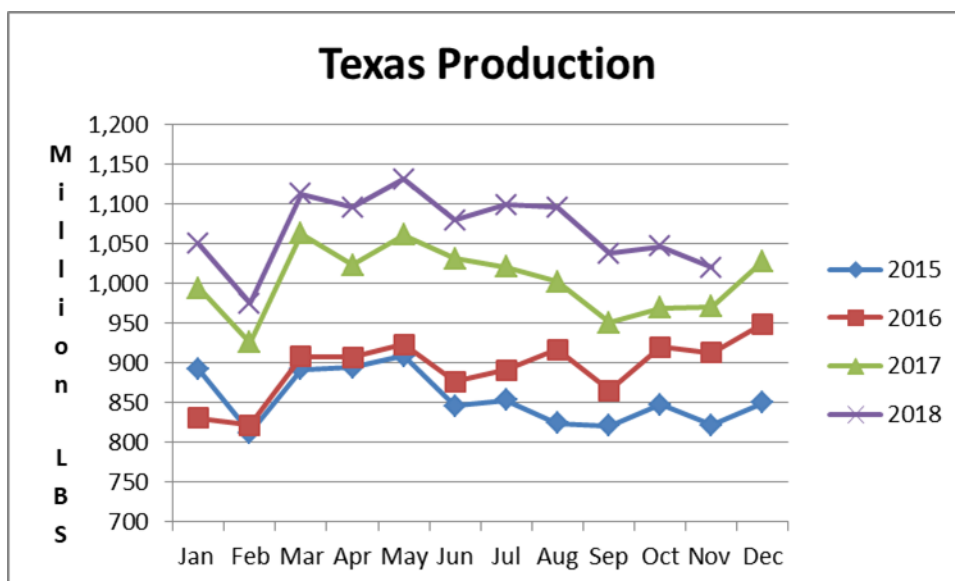
TEXAS & NEW MEXICO COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC (thousands)	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Nov-17	4.19	3.77	3.42	3.24	5.71	5.71	9.13	8.95	222	201
Dec-17	4.21	3.80	3.41	3.24	5.73	5.71	9.14	8.95	207	187
Jan-18	4.24	3.83	3.40	3.22	5.73	5.72	9.13	8.94	209	186
Feb-18	4.20	3.77	3.35	3.15	5.75	5.75	9.10	8.90	209	184
Mar-18	4.11	3.71	3.30	3.11	5.75	5.74	9.05	8.85	191	161
Apr-18	4.07	3.66	3.30	3.09	5.76	5.75	9.05	8.84	184	159
May-18	3.97	3.60	3.23	3.04	5.78	5.76	9.01	8.80	188	163
Jun-18	3.91	3.56	3.18	2.99	5.78	5.77	8.96	8.75	197	176
Jul-18	3.91	3.56	3.17	2.98	5.78	5.77	8.95	8.75	208	192
Aug-18	3.95	3.60	3.21	3.01	5.78	5.76	8.99	8.78	226	223
Sep-18	4.04	3.65	3.26	3.08	5.77	5.76	9.03	8.84	225	223
Oct-18	4.24	3.77	3.38	3.19	5.78	5.77	9.16	8.97	240	240
Nov-18	4.35	3.88	3.47	3.27	5.76	5.75	9.26	9.03	232	229

TOTAL POUNDS MARKETING BY PRODUCERS LOCATED IN TEXAS

Month	2016 Pounds	# of Prod.	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	Percent 2017/16	Percent 2018/17
Jan	831,826,917	1/ 415	991,393,302	1/ 393	1,050,333,161	384	19.18	1/ 5.95
Feb	823,216,789	1/ 416	925,501,542	396	975,309,127	385	1.07	1/ 5.38
Mar	912,132,997	417	1,062,555,132	394	1,113,314,959	389	2.30	4.78
Apr	907,074,105	413	1,022,864,482	395	1,095,736,716	385	1.42	7.12
May	927,443,360	1/ 409	1,060,879,571	397	1,131,334,519	386	2.02	1/ 6.64
Jun	881,853,699	1/ 409	1,013,033,826	396	1,079,879,441	386	4.30	1/ 6.60
Jul	890,944,786	403	1,021,251,709	397	1,098,726,784	384	14.63	7.59
Aug	916,563,875	1/ 401	1,002,398,166	394	1,095,584,510	384	9.36	1/ 9.30
Sep	864,648,546	404	951,322,807	392	1,038,017,944	382	10.02	9.11
Oct	920,432,936	395	969,258,889	390	1,047,071,067	379	5.30	8.03
Nov	913,071,760	393	970,837,826	389	1,020,454,632	375	6.33	5.11
Dec	<u>949,157,928</u>	394	<u>1,027,758,733</u>	390			<u>8.28</u>	
Total	10,738,367,698	1/	12,019,055,985		11,745,762,860		11.93	1/

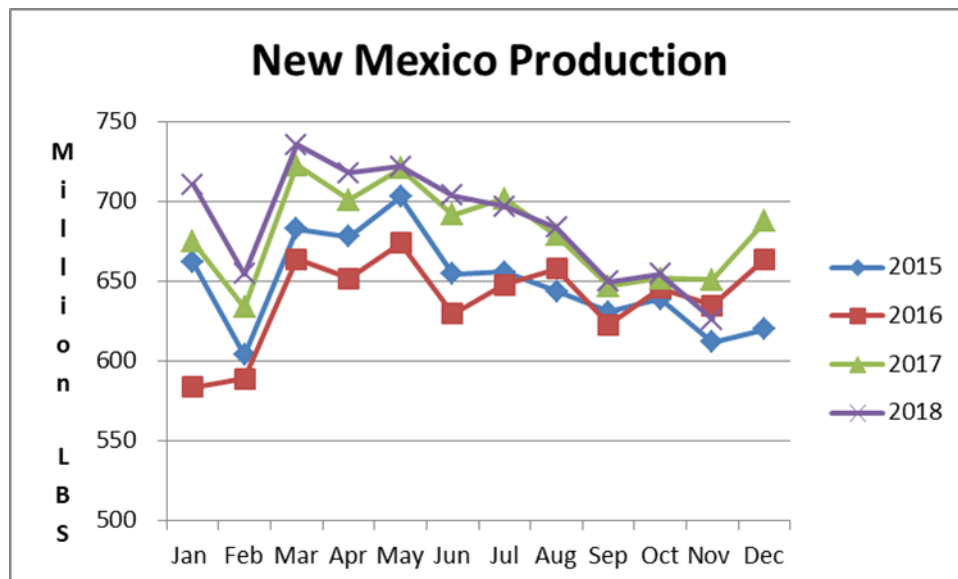
1/ Revised



TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN NEW MEXICO

Month	2016 Pounds	# of Prod.	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	Percent 2017/16	Percent 2018/17
Jan	584,313,578	142	675,205,449	141	710,727,459	138	15.56	5.26
Feb	589,020,838	144	633,852,861	140	655,095,625	139	7.61	3.35
Mar	664,061,407	142	723,267,029	140	736,163,840	138	8.92	1.78
Apr	652,104,207	142	700,674,724	139	718,394,667	138	7.45	2.53
May	674,389,481	142	721,744,106	138	721,582,856	137	7.02	(0.02)
Jun	630,271,746	141	692,450,722	138	703,914,227	135	9.87	1.66
Jul	647,966,702	141	701,503,956	137	697,176,017	136	8.26	(0.62)
Aug	657,570,904	142	679,307,966	138	683,800,715	133	3.31	0.66
Sep	622,702,058	141	646,682,645	138	650,328,792	131	3.85	0.56
Oct	645,565,024	140	652,346,472	138	654,847,113	131	1.05	0.38
Nov	634,952,134	140	651,243,891	138	626,343,570	129	2.57	(3.82)
Dec	<u>663,632,934</u>	140	<u>687,961,902</u>	138			<u>3.67</u>	
Total	7,666,551,013	1/	8,166,241,723		7,558,374,881		6.52	

1/ Revised



CLASS PRICES & PRODUCER PRICE DIFFERENTIAL

Month	CLASS I PRICE a/	CLASS II PRICE	CLASS III PRICE	CLASS IV PRICE	PPD a/	Statistical Uniform
Nov-17	19.41	15.32	16.88	13.99	(0.12)	16.76
Dec-17	19.88	14.49	15.44	13.51	0.92	16.36
Jan-18	18.44	14.11	14.00	13.13	1.35	15.35
Feb-18	17.25	13.44	13.40	12.87	1.20	14.60
Mar-18	16.36	13.88	14.22	13.04	0.57	14.79
Apr-18	17.10	14.03	14.47	13.48	0.77	15.24
May-18	17.44	14.47	15.18	14.57	0.84	16.02
Jun-18	18.25	15.48	15.21	14.91	1.22	16.43
Jul-18	18.36	15.20	14.10	14.14	1.67	15.77
Aug-18	17.15	15.07	14.95	14.63	1.01	15.96
Sep-18	17.85	15.13	16.09	14.81	0.22	16.31
Oct-18	19.33	15.54	15.53	15.01	1.33	16.86
Nov-18	18.52	15.63	14.44	15.06	1.63	16.07

a/ Subject to location adjustments

COMPONENT PRICES & AMS PRODUCT PRICES

COMPONENT PRICES**					AMS PRODUCT PRICES**			
Month	BUTTER- FAT	TRUE PROTEIN	OTHER SOLIDS	SCC ADJ RATE	GRADE AA BUTTER	CHEDDAR CHEESE	NFDM POWDER	DRY WHEY
Nov-17	2.5546	2.3412	0.1644	0.00088	2.2810	1.7617	0.7553	0.3587
Dec-17	2.4951	2.0378	0.1070	0.00082	2.2319	1.6481	0.7237	0.3030
Jan-18	2.4531	1.6612	0.0787	0.00076	2.1972	1.5175	0.6966	0.2755
Feb-18	2.3490	1.6265	0.0550	0.00074	2.1112	1.4727	0.7084	0.2525
Mar-18	2.4273	1.8066	0.0556	0.00078	2.1759	1.5542	0.6963	0.2531
Apr-18	2.5113	1.7810	0.0619	0.00079	2.2452	1.5737	0.7134	0.2592
May-18	2.6239	1.8609	0.0742	0.00082	2.3382	1.6353	0.7937	0.2711
Jun-18	2.6692	1.7478	0.1128	0.00081	2.3756	1.6150	0.8150	0.3086
Jul-18	2.5287	1.4827	0.1422	0.00074	2.2596	1.4868	0.7824	0.3372
Aug-18	2.6009	1.6245	0.1741	0.00078	2.3192	1.5544	0.8111	0.3681
Sep-18	2.5442	2.0029	0.2098	0.00083	2.2724	1.6533	0.8548	0.4028
Oct-18	2.5551	1.7185	0.2553	0.00078	2.2814	1.5686	0.8739	0.4470
Nov-18	2.5385	1.3419	0.2714	0.00072	2.2677	1.4463	0.8860	0.4626

** Prices shown in dollars per hundred pounds (cwt)

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL NOVEMBER 2018

		Pounds	Price	Value
Add: Class I Differential				\$394,802.08
Class I Butterfat	60(a)	8,434,331	\$ 2.5878	\$21,826,361.77
Class I Skim Per Cwt		366,292,665	\$ 9.8100	\$35,933,310.44
Class II Butterfat	60(b)	11,804,197	\$ 2.5455	\$30,047,583.49
Class II Nonfat Solids		7,699,446	\$ 0.7733	\$5,953,981.61
Class III Butterfat	60(c)	28,272,886	\$ 2.5385	\$71,770,721.14
Class III Protein		22,815,713	\$ 1.3419	\$30,616,405.29
Class III Other Solids		39,042,807	\$ 0.2714	\$10,596,217.83
Class IV Butterfat	60(d)	2,978,513	\$ 2.5385	\$7,560,955.27
Class IV Nonfat Solids		9,723,074	\$ 0.7110	\$6,913,105.62
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$797,154.04
Total Producer Milk- Product Pounds and Value		1,249,530,018		\$222,410,598.58
Add: Value as for 60(f) thru 60(j)				\$2,532.91-
Less: Total Protein Pounds	61(b)	42,010,864	\$ 1.3419	\$56,374,378.41
Total Other Solids Pounds		72,043,882	\$ 0.2714	\$19,552,709.61
Total Butterfat Pounds		51,489,927	\$ 2.5385	\$130,707,179.70
Total Value of Somatic Cell Adjustment				\$1,067,493.67
Total Milk and Value		1,249,530,018		\$14,706,304.28
Add: Location Differential Adjustments	61(c)			\$5,768,956.32
Producer - Settlement Fund Reserve	61(d)			\$489,759.96
Total Product Milk/URSP and Value		1,249,530,018	\$ 1.67783	\$20,965,020.56
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04783	\$597,681.27
Producer Price Differential (Dallas County)			\$1.63	\$20,367,339.29

Average Somatic Cell Count	231,000
Total Number of Producers	481

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	374,726,996	29.99	8,434,331	16.38	366,292,665	30.57
Class II	93,014,518	7.44	11,804,197	22.93	81,210,321	6.78
Class III	676,697,167	54.16	28,272,886	54.91	648,424,281	54.13
Class IV	105,091,337	8.41	2,978,513	5.78	102,112,824	8.52
Total	1,249,530,018	100.00	51,489,927	100.00	1,198,040,091	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	51,489,927	42,010,864	72,043,882	114,054,746
Average Test	4.120%	3.362%	5.765%	9.127%

DAIRY AMERICA SETTLEMENT INFORMATION

After obtaining approval from handlers to release their data, USDA provided Rust Consulting with the producer pounds of milk pooled on FMMO's that was available during the settlement period, January 2002 through April 2007. As instructed on the claim forms that producers have begun receiving, if producers have records indicating a different amount of pooled pounds, copies of those documents can be provided to Rust Consulting. In either case, producers are reminded that signed claimed forms must be postmarked by January 28, 2019. Visit www.Milkpowdercase.com or call the Claims Administrator @1-866-680-1707 for more information.

October Agricultural Prices Highlights

The All Milk price received by farmers was \$17.40 in October, down \$.70 from October 2017. Milk Cows price was \$1,230 in October, down \$380 from October 2017. Alfalfa hay price was \$178.00 in October, up \$25.00 from October 2017. Corn price was \$3.41 in October, up \$.15 from October 2017. Soybean price was \$8.58 in October, down \$.60 from October 2017. The milk-feed price ratio was 2.20 in October, down 0.27 from October 2017.

The index of prices received by farmers for dairy products during the month of October 2018 was up 3.5 to 86.6. Compared to October 2017, the index was down 3.4 points (-3.8 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2018 was up 0.5 to 109.4. Compared with October 2017, the index was up 2.6 points (+2.4 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., October 2018 with Comparisons										
State	All-Milk price ^{1,2}		Milk cows ³		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Oct		Oct		Oct		Oct		Oct	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	<i>(dollars per cwt)</i>		<i>(dollars per head)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	17.10	16.80	1,700	1,450	160.00	190.00	(D)	(D)	---	---
CA	17.37	16.46	1,600	1,200	185.00	200.00	(D)	(D)	---	---
CO	18.60	18.20	1,750	1,350	165.00	215.00	3.39	3.67	---	---
ID	18.20	16.80	1,650	1,350	135.00	155.00	4.48	4.38	---	---
IN	17.60	17.20	1,520	1,100	185.00	185.00	3.38	3.44	9.42	8.64
IA	18.60	17.90	1,580	1,170	106.00	135.00	3.23	3.39	9.15	8.71
MI	16.30	16.50	1,650	1,200	165.00	155.00	3.28	3.50	9.21	8.73
MN	18.60	17.90	1,560	1,050	108.00	138.00	3.02	3.22	9.06	8.59
NM	16.80	15.80	1,700	1,450	180.00	230.00	(D)	(D)	---	---
NY	18.20	18.10	1,500	1,100	219.00	175.00	3.99	4.04	---	---
OH	18.30	17.50	1,520	1,050	180.00	175.00	3.44	3.47	9.39	8.65
PA	18.80	18.10	1,530	1,150	176.00	202.00	3.64	3.85	---	---
TX	19.10	17.50	1,700	1,450	168.00	198.00	3.76	4.15	---	---
WA	18.40	18.30	1,700	1,300	150.00	185.00	(S)	(D)	---	---
WI	18.50	17.60	1,610	1,180	121.00	165.00	3.26	3.38	9.22	8.70
U.S.	18.10	17.40	1,610	1,230	153.00	178.00	3.26	3.41	9.18	8.58

¹Prices are shown at reported butterfat test. ²Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

³Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.



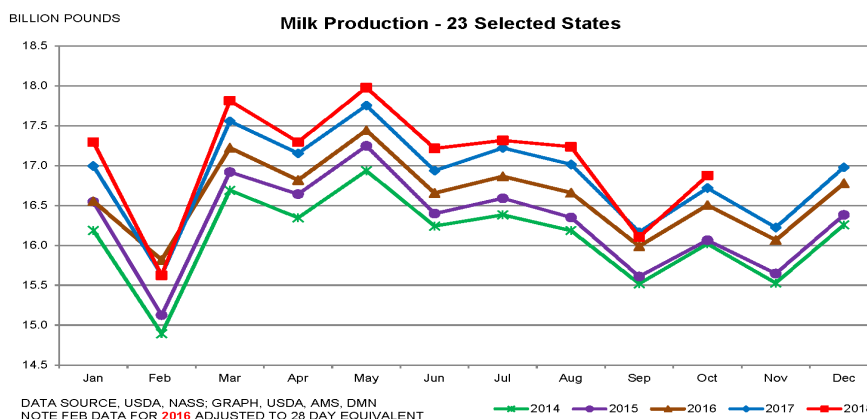
October Milk Production

Milk production in the 23 major States during October totaled 16.9 billion pounds, up 1.0 percent from October 2017. September revised production, at 16.4 billion pounds, was up 1.5 percent from September 2017. The September revision represented a decrease of 2 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,934 pounds for October, 20 pounds above October 2017. This is the highest production per cow for the month of October since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.72 million head, 8,000 head less than October 2017, and 1,000 head less than September 2018.

Source: Dairy Market News, November 19-23, 2018, Volume 85, Report 47



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