



# Market Administrator's Report Southwest Marketing Area Federal Order 126



Cary Hunter, Market Administrator

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## MARKET SUMMARY FOR AUGUST

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.01 for August. Butterfat price increased \$0.0722 per pound from \$2.5287 in July to the level of \$2.6009 in August. Protein price increased \$0.1418 per pound from \$1.4827 in July to \$1.6245 in August. The Other Solids price increased \$0.0319 per pound from \$0.1422 in July to \$0.1741 in August. The Somatic Cell Count Adjustment rate factor for August was 0.00078 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an August statistical uniform price of \$15.96 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of \$0.19 in comparison to the statistical uniform price of \$15.77 in July.

The August Class I price decreased \$1.21 from \$18.36 in July to the August level of \$17.15. The Class II price decreased \$0.13 from \$15.20 in July to \$15.07 in August. The Class III price increased \$0.85 from \$14.10 in July to \$14.95 in August. The Class IV price increased \$0.49 from \$14.14 in July to \$14.63 in August.

In August, 489 producers delivered a total of 1,286,538,499 pounds of milk. On a daily basis, this represents an increase of 15.02% from the producer receipts level in July and it represents an increase of 3.71% when compared to the producer receipts level of August 2017.

Producer milk classified as Class I during August amounted to 28.08% of total producer receipts. This figure is down from 28.39% in July and is down from 28.39% in August 2017. The average butterfat test of producer milk pooled during August was 3.786%, average protein test was 3.122%, average other solids test was 5.780% and the average somatic cell count was 225,000.

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Federal Order	Statistical Uniform	Statistical Uniform	PPD		Class I Utilization	
	Aug-18	Jul-18	Aug-18	Jul-18	Aug-18	Jul-18
Appalachian - F.O. 5	17.03	17.52	N/A	N/A	72.47	69.06
Arizona - F.O. 131	15.32	15.03	N/A	N/A	26.47	23.72
Central - F.O. 32	15.09	14.78	0.14	0.68	30.49	23.31
Florida - F.O. 6	18.89	19.57	N/A	N/A	83.55	81.10
Mideast - F.O. 33	15.35	15.22	0.40	1.12	32.40	29.00
Northeast - F.O. 1	16.21	16.14	1.26	2.04	31.10	29.10
Pacific NW - F.O. 124	15.07	14.73	0.12	0.63	23.99	18.77
Southeast - F.O. 7	17.53	18.12	N/A	N/A	75.65	73.31
Southwest - F.O. 126	15.96	15.77	1.01	1.67	28.08	28.39
Upper Midwest - F.O. 30	15.08	14.37	0.13	0.27	8.60	7.20

## TOP TEN TEXAS COUNTIES - AUGUST 2018



County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
HARTLEY	15	125,042,930	92,979,400	34.48
PARMER	15	122,444,823	116,033,366	5.53
CASTRO	13	121,581,434	106,972,393	13.66
ERATH	52	97,014,715	84,407,521	14.94
MOORE	9	91,506,079	87,850,860	4.16
DEAF SMITH	14	86,101,981	79,746,691	7.97
LAMB	12	76,945,490	72,201,767	6.57
BAILEY	10	53,442,156	51,745,922	3.28
HALE	6	51,155,916	47,282,830	8.19
DALLAM	<u>5</u>	<u>50,381,750</u>	<u>53,271,983</u>	<u>(5.43)</u>
Sum	151	875,617,274	792,492,733	10.49
Other Counties	<u>233</u>	<u>219,967,236</u>	<u>209,905,433</u>	<u>4.79</u>
Texas Total	384	1,095,584,510	1,002,398,166	9.30

1/ Revised

## TOP TEN NEW MEXICO COUNTIES - AUGUST 2018

County	# Producers	Pounds 2018	Pounds 2017	% Change 2017/2018
CURRY	26	178,969,306	166,951,563	7.20
CHAVES	30	169,009,722	163,837,200	3.16
ROOSEVELT	32	133,216,234	132,292,917	0.70
LEA	12	68,448,620	63,055,473	8.55
DONA ANA	12	42,884,793	63,803,238	(32.79)
SOCORRO	7	23,173,827	24,069,195	(3.72)
VALENCIA	4	20,459,764	19,404,337	5.44
EDDY	3	16,886,120	16,314,500	3.50
LUNA	<u>3</u>	<u>16,403,446</u>	<u>15,538,980</u>	<u>5.56</u>
Sum	129	669,451,832	665,267,403	0.63
Other Counties	<u>4</u>	<u>14,348,883</u>	<u>14,040,563</u>	<u>2.20</u>
NM Total	133	683,800,715	679,307,966	0.66

1/ Revised



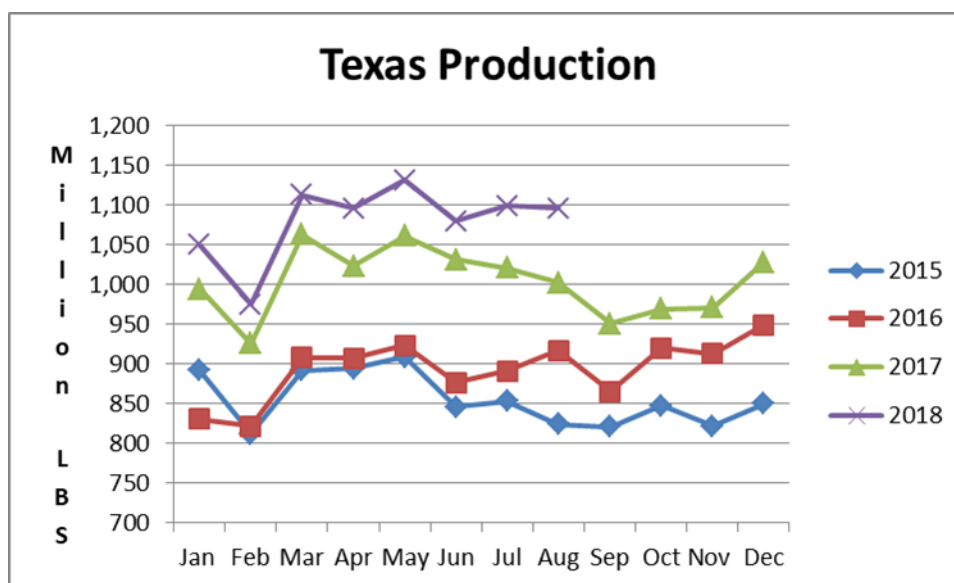
## TEXAS & NEW MEXICO COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC (thousands)	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Aug-17	3.94	3.53	3.24	3.04	5.72	5.71	8.96	8.75	269	256
Sep-17	4.04	3.64	3.32	3.10	5.70	5.69	9.02	8.80	253	239
Oct-17	4.14	3.73	3.40	3.20	5.71	5.70	9.10	8.90	256	241
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

## 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			10.02	
Oct	920,432,936	395	969,258,889	390			5.30	
Nov	913,071,760	393	970,837,826	389			6.33	
Dec	949,157,928	394	1,027,758,733	390			8.28	
Total	10,738,367,698	1/	12,019,055,985		8,640,219,217		11.93	1/

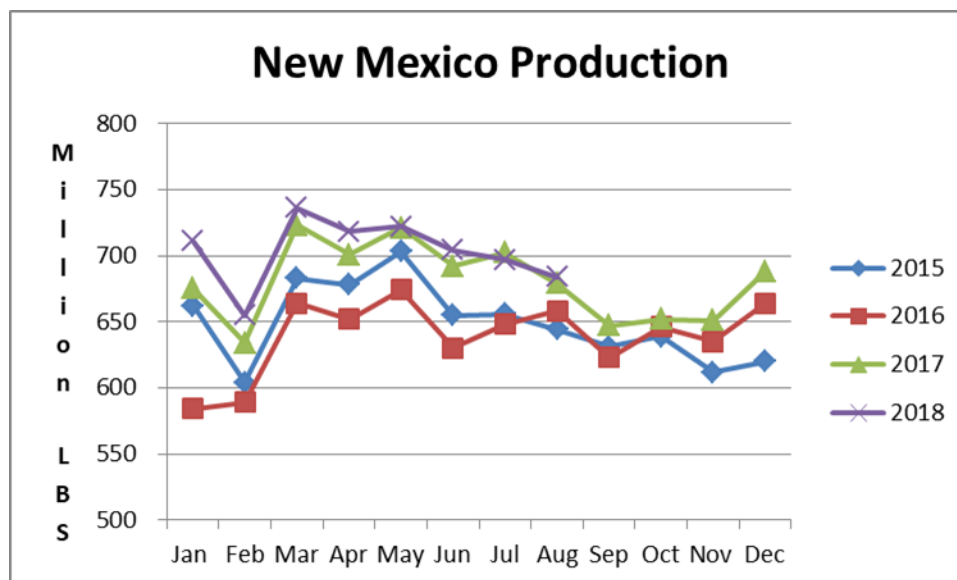
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## TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN NEW MEXICO

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			3.85	
Oct	645,565,024	140	652,346,472	138			1.05	
Nov	634,952,134	140	651,243,891	138			2.57	
Dec	663,632,934	140	687,961,902	138			3.67	
<b>Total</b>	<b>7,666,551,013</b>	<b>1/</b>	<b>8,166,241,723</b>		<b>5,626,855,406</b>		<b>6.52</b>	

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
Aug-17	19.72	17.56	16.57	16.61	1.41	17.98
Sep-17	19.71	16.80	16.36	15.86	1.22	17.58
Oct-17	19.44	15.95	16.69	14.85	0.47	17.16
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

a/ Subject to location adjustments

## COMPONENT PRICES & AMS PRODUCT PRICES

Month	COMPONENT PRICES**				AMS PRODUCT PRICES**			
	BUTTER- FAT	TRUE PROTEIN	OTHER SOLIDS	SCC ADJ RATE	GRADE AA BUTTER	CHEDDAR CHEESE	NFDM POWDER	DRY WHEY
Aug-17	3.0109	1.5536	0.2425	0.00083	2.6578	1.6664	0.8733	0.4345
Sep-17	2.8559	1.6988	0.2241	0.00083	2.5298	1.6608	0.8499	0.4167
Oct-17	2.6646	2.1084	0.1853	0.00086	2.3718	1.7254	0.8099	0.3790
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

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

## COMPUTATION OF PRODUCER PRICE DIFFERENTIAL AUGUST 2018

		Pounds	Price	Value
Add: Class I Differential				\$419,737.43
Class I Butterfat	60(a)	8,006,896	\$ 2.5663	\$20,548,097.22
Class I Skim Per Cwt		353,273,559	\$ 8.4600	\$29,886,943.09
Class II Butterfat	60(b)	11,262,870	\$ 2.6079	\$29,372,438.68
Class II Nonfat Solids		8,290,058	\$ 0.6844	\$5,673,715.70
Class III Butterfat	60(c)	26,676,379	\$ 2.6009	\$69,382,594.17
Class III Protein		21,768,764	\$ 1.6245	\$35,363,357.11
Class III Other Solids		40,188,081	\$ 0.1741	\$6,996,744.93
Class IV Butterfat	60(d)	2,764,007	\$ 2.6009	\$7,188,905.81
Class IV Nonfat Solids		11,667,723	\$ 0.6369	\$7,431,172.79
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$963,217.69
Total Producer Milk- Product Pounds and Value		1,286,538,499		\$213,226,924.62
Add: Value as for 60(f) thru 60(j)				\$92,931.97
Less: Total Protein Pounds	61(b)	40,174,554	\$ 1.6245	\$65,263,563.02
Total Other Solids Pounds		74,365,558	\$ 0.1741	\$12,947,043.68
Total Butterfat Pounds		48,710,152	\$ 2.6009	\$126,690,234.40
Total Value of Somatic Cell Adjustment				\$1,249,919.04
<b>Total Milk and Value</b>		1,286,538,499		\$7,169,096.45
Add: Location Differential Adjustments	61(c)			\$5,958,280.12
Producer - Settlement Fund Reserve	61(d)			\$481,728.35
<b>Total Product Milk/URSP and Value</b>		1,286,538,499	\$ 1.05780	\$13,609,104.92
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04780	\$615,066.08
<b>Producer Price Differential (Dallas County)</b>			<b>\$1.01</b>	<b>\$12,994,038.84</b>

Average Somatic Cell Count	225,000
Total Number of Producers	489

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
<b>Class I</b>	361,280,455	28.08	8,006,896	16.44	353,273,559	28.54
<b>Class II</b>	101,186,211	7.86	11,262,870	23.12	89,923,341	7.26
<b>Class III</b>	694,734,842	54.01	26,676,379	54.77	668,058,463	53.97
<b>Class IV</b>	129,336,991	10.05	2,764,007	5.67	126,572,984	10.23
<b>Total</b>	1,286,538,499	100.00	48,710,152	100.00	1,237,828,347	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
<b>Total Pounds</b>	48,710,152	40,174,554	74,365,558	114,540,112
<b>Average Test</b>	3.786%	3.122%	5.780%	8.902%

# Market Administrator's Report

## July 2018 Dairy Products Highlights

**Butter** production was 136 million pounds, 0.5 percent above July 2017, but 4.4 percent below June 2018. **American type cheese** production totaled 440 million pounds, 6.1 percent above July 2017, and 2.3 percent above June 2018. **Total cheese** output (excluding cottage cheese) was 1.09 billion pounds, 3.7 percent above July 2017, and 2.7 percent above June 2018. **Nonfat dry milk** production, for human food, totaled 147 million pounds, 3.4 percent below July 2017 and 0.1 percent below June 2018. **Dry whey** production, for human food, was 89.7 million pounds, 9.1 percent below July 2017, but 4.1 percent above June 2018. **Ice cream, regular hard** production totaled 68.7 million gallons, 1.0 percent below July 2017, and 4.3 percent below June 2018.

Production of Dairy Products									
Product	July 2018  <i>(1,000 lbs)</i>	Change from		Product	July 2018  <i>(1,000 lbs)</i>	Change from			
		July 2017	June 2018			July 2017	June 2018		
		<i>(percent)</i>							
			Year to Date <sup>1</sup>				Year to Date <sup>1</sup>		
Butter	136,240	0.5	-4.4	3.6	Yogurt (plain and flavored)	353,986	1.3	-3.9	-2.5
Cheese	439,827	6.1	2.3	2.2	Dry whey, human food	89,735	-9.1	4.1	---
American types <sup>2</sup>	326,395	9.4	4.2	0.5	Dry whey, animal feed	1,658	-4.1	5.4	---
Cheddar	113,432	-2.4	-2.7	---	Dry whey, total <sup>8</sup>	91,393	-9.0	4.1	2.9
Other American	16,965	-3.8	2.7	---	Reduced lactose & minerals	---	---	---	---
Brick & Münster	78,202	-0.5	7.7	---	Human food	2,001	-22.9	11.9	---
Cream & Neufchâtel	24,343	6.1	-4.7	---	Animal feed	3,172	5.7	21.6	---
Hispanic	463,512	2.6	3.2	2.4	Lactose, human food & animal feed	95,043	-3.1	3.5	-0.3
Total Italian types	364,909	3.7	3.1	2.8	Whey protein concentrate	---	---	---	---
Mozzarella	98,603	-1.3	3.4	---	Human food <sup>9</sup>	39,977	-0.2	1.1	---
Other Italian	28,531	6.7	4.6	---	Animal feed <sup>9</sup>	367	-67.4	11.6	---
Swiss	39,432	0.1	-4.9	---	Total <sup>9</sup>	40,344	-2.1	1.2	2.4
All other types	1,090,812	3.7	2.7	2.4	25.0-49.9 percent <sup>10</sup>	16,238	9.0	15.3	---
Total	33,967	2.1	0.6	---	50.0-89.9 percent <sup>10</sup>	24,106	-8.3	-6.5	---
Cottage cheese, curd <sup>3</sup>	30,126	7.6	-3.0	8.3	Whey protein isolates <sup>11</sup>	10,226	3.0	1.2	---
Cottage cheese, cream <sup>4</sup>	29,329	3.1	3.0	-0.2	(1,000 gal)	(percent)	(percent)	(percent)	(percent)
Cottage cheese, lowfat <sup>5</sup>	7,803	-1.3	1.7	---	Frozen products	---	---	---	---
Dry whole milk	8,133	-16.5	-27.4	---	Ice cream, regular hard	68,671	-1.0	-4.3	-6.4
Milk protein conc. (MPC), total <sup>6</sup>	9,284	-20.8	-47.2	---	Ice cream, lowfat, hard	19,186	3.9	-13.1	---
Nonfat dry milk (NDM), human	146,719	-3.4	-0.1	0.1	Ice cream, lowfat, soft	23,080	-5.1	-4.7	---
Skim milk powders (SMP) <sup>7</sup>	47,579	-0.5	-19.3	-1.9	Ice cream, lowfat, total	42,266	-1.2	-8.7	-3.4
Sour cream	110,095	2.5	-4.0	0.8	Sherbet, hard	3,135	-5.5	-8.0	-6.6
					Frozen yogurt, total	4,823	-7.1	-12.8	-8.6
Manufacturers' Stocks, End of Month <sup>12</sup>									
Product	July 2018	July 2017	June 2018	Product	July 2018	July 2017	June 2018		

<sup>1</sup> 2018 cumulative as percent change of 2017 cumulative. <sup>2</sup> Includes Cheddar, Colby, Monterey and Jack. <sup>3</sup> Mostly used for processing into cream or lowfat cottage cheese. <sup>4</sup> Fat content less than 4 percent. <sup>5</sup> Dry milk protein concentrate, 40-89.9 percent. <sup>6</sup> Includes protein standardized and blends. <sup>7</sup> Excludes all modified dry whey products. <sup>8</sup> Whey protein concentrate, 25.0 to 89.9 percent. <sup>9</sup> Whey protein isolates, 90.0 percent or greater. <sup>10</sup> Stocks held by manufacturers at all points and in transit. <sup>11</sup> Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. <sup>12</sup> U.S. Department of Agriculture, National Agricultural Statistics Service, Agricultural Statistics Board. <sup>13</sup> Dairy Products, September 2018.





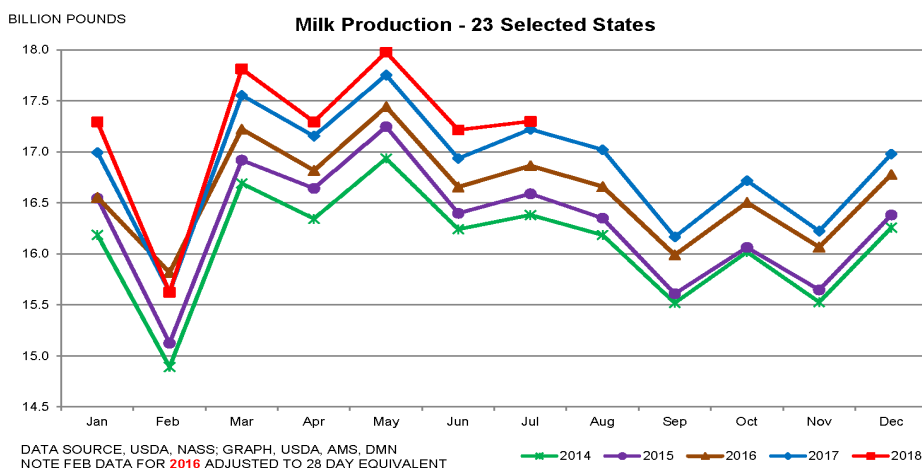
## July Milk Production

**Milk production in the 23 major States** during July totaled 17.3 billion pounds, up 0.4 percent from July 2017. June revised production, at 17.2 billion pounds, was up 1.6 percent from June 2017. The June revision represented an increase of 40 million pounds or 0.2 percent from last month's preliminary production estimate.

**Production per cow in the 23 major States** averaged 1,980 pounds for July, 8 pounds above July 2017. This is the highest production per cow for the month of July since the 23 State series began in 2003.

**The number of milk cows** on farms in the 23 major States was 8.74 million head, 1,000 head more than July 2017, but 8,000 head less than June 2018.

Source: Dairy Market News, August 20-24, 2018, Volume 85, Report 34



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