



Market Administrator's Report Southwest Marketing Area Federal Order 126



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MARKET SUMMARY FOR JANUARY

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.22 for January. Butterfat price decreased \$0.0835 per pound from \$2.1952 in December to the level of \$2.1117 in January. Protein price decreased \$0.6909 per pound from \$3.6515 in December to \$2.9606 in January. The Other Solids price increased \$0.0076 per pound from \$0.1341 in December to \$0.1417 in January. The Somatic Cell Count Adjustment rate factor for January 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 January statistical uniform price of \$18.27 for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase in comparison to the statistical uniform price of \$18.22 in December.

The January Class I price decreased \$0.32 from \$22.33 in December to the January level of \$22.01. The Class II price increased \$0.24 from \$16.81 in December to \$17.05 in January. The Class III price decreased \$2.32 from \$19.37 in December to \$17.05 in January. The Class IV price decreased \$0.05 from \$16.70 in December to \$16.65 in January.

In January, 472 producers delivered a total of 1,311,163,505 pounds of milk. On a daily basis, this represents an increase of 50.48% from the producer receipts level in December and it represents an increase of 10.96% when compared to the producer receipts level of January 2018.

Producer milk classified as Class I during January amounted to 28.55% of total producer receipts. This figure is down from 40.48% in December and is up from 32.65% in January 2019. The average butterfat test of producer milk pooled during January was 4.139%, average protein test was 3.320%, average other solids test was 5.777 and the average somatic cell count was 204,000.

Inside this issue:

Top Ten Production & Component Averages **2**

Total Texas Production **3**

Total New Mexico Production **4**

Prices **5**

January 2020 PPD **6**

Mailbox Milk Prices October 2019 **7**

Federal Order	Statistical Uniform Jan-20	Statistical Uniform Dec-19	PPD Jan-20	PPD Dec-19	Class I Utilization Jan-20	Class I Utilization Dec-19
Appalachian - F.O. 5	21.03	21.11	N/A	N/A	73.99	70.07
Arizona - F.O. 131	17.92	18.71	N/A	N/A	24.46	27.81
Central - F.O. 32	17.63	18.08	0.58	(1.29)	32.12	37.62
Florida - F.O. 6	23.33	23.18	N/A	N/A	85.55	80.37
Mideast - F.O. 33	17.94	18.44	0.89	(0.93)	33.30	37.30
Northeast - F.O. 1	18.78	19.28	1.73	(0.09)	31.10	31.80
Pacific NW - F.O. 124	17.33	17.77	0.28	(1.60)	19.39	22.94
California - F.O. 51	17.56	17.60	0.51	(1.77)	19.40	24.30
Southeast - F.O. 7	21.32	21.63	N/A	N/A	71.33	72.72
Southwest - F.O. 126	18.27	18.22	1.22	(1.15)	28.55	40.48
Upper Midwest - F.O. 30	17.33	18.97	0.28	(0.40)	10.70	12.90

TOP TEN TEXAS COUNTIES – JANUARY 2020



County	# Producers	Pounds 2020	Pounds 2019	% Change 2020/2019
HARTLEY	17	212,832,603	136,218,301	56.24
PARMER	14	121,879,787	121,389,078	0.40
CASTRO	14	118,951,182	117,528,066	1.21
ERATH	49	113,151,254	105,549,556	7.20
DEAF SMITH	14	100,832,467	89,017,685	13.27
LAMB	11	78,185,208	77,845,802	0.44
MOORE	8	74,298,950	84,341,580	(11.91)
COMANCHE	14	60,537,346	51,706,199	17.08
BAILEY	10	54,388,544	55,047,871	(1.20)
HALE	6	51,871,513	48,308,869	7.37
Sum	157	986,928,854	886,953,007	11.27
Other Counties	190	229,224,014	242,947,128	(5.65)
Texas Total	347	1,216,152,868	1,129,900,135	7.63

1/ Revised

TOP TEN NEW MEXICO COUNTIES – JANUARY 2020

County	# Producers	Pounds 2020	Pounds 2019	% Change 2020/2019
CURRY	25	174,659,729	171,239,755	2.00
CHAVES	27	170,710,215	174,929,497	(2.41)
ROOSEVELT	36	151,847,420	133,734,242	13.54
LEA	10	70,306,820	66,857,022	5.16
DONA ANA	11	48,389,840	45,424,740	6.53
SOCORRO	7	22,528,635	22,121,067	1.84
VALENCIA	3	20,549,922	20,745,057	(0.94)
EDDY	3	16,639,880	15,830,680	5.11
LUNA	3	14,647,940	16,783,330	(12.72)
Sum	125	690,280,401	667,665,390	3.39
Other Counties	4	14,832,182	14,590,228	1.66
NM Total	129	705,112,583	682,255,618	3.35

1/ Revised



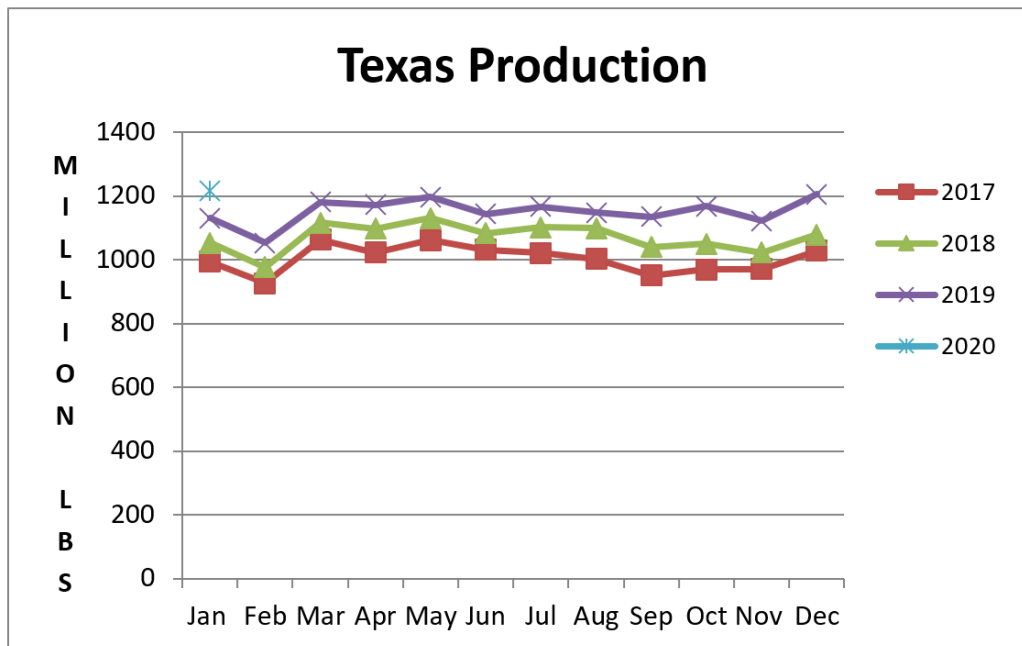
TEXAS & NEW MEXICO COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC (thousands)	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Jan-19	4.28	3.84	3.39	3.21	5.76	5.76	9.15	8.97	218	218
Feb-19	4.25	3.80	3.36	3.18	5.76	5.76	9.12	8.94	201	189
Mar-19	4.21	3.78	3.35	3.17	5.78	5.78	9.13	8.94	197	182
Apr-19	4.12	3.71	3.29	3.11	5.79	5.78	9.08	8.89	189	171
May-19	4.09	3.69	3.27	3.09	5.79	5.78	9.06	8.86	204	177
Jun-19	4.04	3.65	3.22	3.04	5.80	5.79	9.02	8.83	210	189
Jul-19	3.99	3.63	3.18	3.00	5.79	5.78	8.97	8.78	222	205
Aug-19	4.02	3.64	3.20	3.01	5.77	5.75	8.97	8.75	223	222
Sep-19	4.06	3.69	3.26	3.07	5.77	5.75	9.03	8.82	226	222
Oct-19	4.25	3.85	3.40	3.20	5.77	5.76	9.17	8.97	221	224
Nov-19	4.41	4.02	3.49	3.30	5.76	5.77	9.25	9.06	203	197
Dec-19	4.35	4.00	3.44	3.25	5.77	5.77	9.20	9.03	211	215
Jan-20	4.32	3.94	3.40	3.21	5.78	5.78	9.18	8.99	205	204

TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN TEXAS

Month	2018 Pounds	# of Prod.	2019 Pounds	# of Prod.	2020 Pounds	# of Prod.	Percent 2019/18	Percent 2020/19
Jan	1,052,201,061 1/	385 1/	1,129,900,135 1/	372 1/	1,216,152,868	347	7.38 1/	7.63
Feb	977,229,047 1/	386 1/	1,052,582,261 1/	370 1/			7.71 1/	
Mar	1,115,625,721 1/	390 1/	1,181,323,064 1/	366 1/			5.89 1/	
Apr	1,097,988,896 1/	386 1/	1,171,834,552 1/	368 1/			6.73 1/	
May	1,131,334,519 1/	386 1/	1,196,281,923 1/	365 1/			5.74 1/	
Jun	1,082,561,021 1/	387 1/	1,144,025,013 1/	365 1/			5.68 1/	
Jul	1,101,516,896 1/	385 1/	1,165,987,232 1/	365 1/			5.85 1/	
Aug	1,098,568,545 1/	385 1/	1,147,538,933 1/	368 1/			4.46 1/	
Sep	1,040,664,264 1/	383 1/	1,134,549,853 1/	364 1/			9.02 1/	
Oct	1,049,823,945 1/	380 1/	1,168,307,599 1/	364 1/			11.29 1/	
Nov	1,022,885,703 1/	376 1/	1,121,844,678 1/	358 1/			9.67 1/	
Dec	<u>1,078,525,443</u> 1/	373 1/	<u>1,205,888,695</u> 1/	363 1/			11.81 1/	
Total	12,848,925,061 1/		13,820,063,938 1/		1,216,152,868 1/		7.56 1/	

1/ Revised

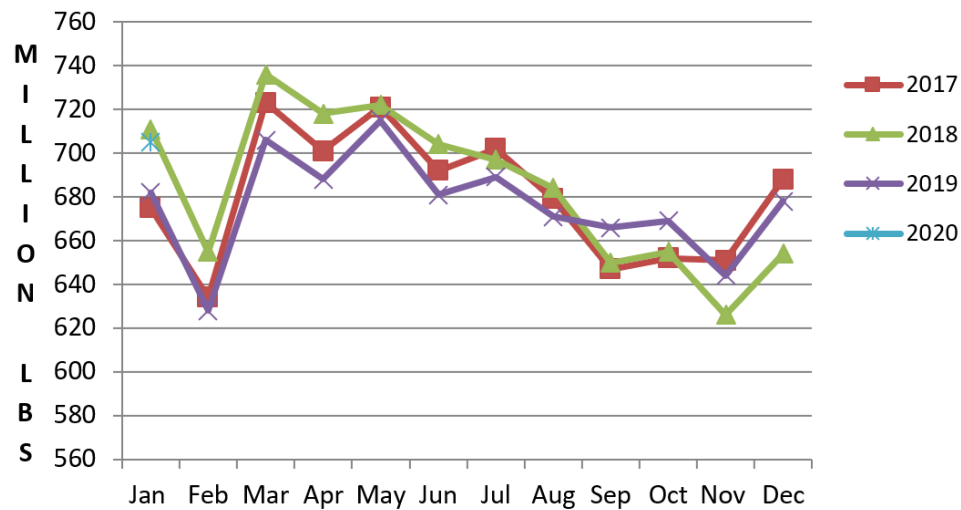


TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN NEW MEXICO

Month	2018 Pounds	# of Prod.	2019 Pounds	# of Prod.	2020 Pounds	# of Prod.	Percent 2019/18	Percent 2020/19
Jan	710,727,459	138	682,255,618	128	705,112,583	129	(4.01)	3.35
Feb	655,095,625	139	628,175,162	129			(4.11)	
Mar	736,163,840	138	705,613,310	126			(4.15)	
Apr	718,394,667	138	688,396,543	127			(4.18)	
May	721,582,856	137	715,286,768	128			(0.87)	
Jun	703,914,227	135	681,022,429	128			(3.25)	
Jul	697,176,017	136	688,638,763	129			(1.22)	
Aug	683,800,715	133	671,910,777	127			(1.74)	
Sep	650,328,792	131	665,700,571	131			2.36	
Oct	654,847,113	131	668,762,074	132			2.12	
Nov	626,343,570	129	644,760,108	131			2.94	
Dec	<u>662,238,624</u>	130	<u>678,192,689</u>	131			2.41	
Total	8,220,613,505		8,118,714,812		705,112,583		(1.24)	

1/ Revised

New Mexico Production



CLASS PRICES & PRODUCER PRICE DIFFERENTIAL

Month	CLASS I PRICE a/	CLASS II PRICE	CLASS III PRICE	CLASS IV PRICE	PPD a/	Statistical Uniform
Jan-19	18.12	15.74	13.96	15.48	1.76	15.72
Feb-19	18.30	16.13	13.89	15.86	1.83	15.72
Mar-19	18.98	16.61	15.04	15.71	1.54	16.58
Apr-19	18.76	16.38	15.96	15.72	1.04	17.00
May-19	19.42	16.48	16.38	16.29	1.13	17.51
Jun-19	20.07	17.30	16.27	16.83	1.61	17.88
Jul-19	20.18	17.61	17.55	16.90	0.92	18.47
Aug-19	20.89	17.60	17.60	16.74	1.09	18.69
Sep-19	20.85	16.93	18.31	16.35	(0.10)	18.21
Oct-19	20.84	16.68	18.72	16.39	(0.85)	17.87
Nov-19	21.14	16.85	20.45	16.60	(2.97)	17.48
Dec-19	22.33	16.81	19.37	16.70	(1.15)	18.22
Jan-20	22.01	17.05	17.05	16.65	1.22	18.27

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
Jan-19	2.4981	1.1927	0.2898	0.00069	2.2343	1.3868	0.9513	0.4805
Feb-19	2.5345	1.1776	0.2631	0.00070	2.2644	1.3940	0.9800	0.4545
Mar-19	2.5461	1.6303	0.2200	0.00077	2.2740	1.5383	0.9589	0.4127
Apr-19	2.5375	1.9890	0.1990	0.00082	2.2669	1.6468	0.9641	0.3923
May-19	2.5718	2.1159	0.1847	0.00085	2.2952	1.6974	1.0149	0.3784
Jun-19	2.6579	2.0046	0.1702	0.00085	2.3663	1.6910	1.0431	0.3643
Jul-19	2.6858	2.4032	0.1689	0.00091	2.3893	1.8238	1.0393	0.3631
Aug-19	2.6574	2.4453	0.1730	0.00091	2.3659	1.8276	1.0335	0.3671
Sep-19	2.4982	2.8633	0.1758	0.00095	2.2344	1.9053	1.0519	0.3698
Oct-19	2.4031	3.1700	0.1447	0.00098	2.1559	1.9694	1.0957	0.3396
Nov-19	2.3195	3.9118	0.1112	0.00109	2.0869	2.1723	1.1540	0.3071
Dec-19	2.1952	3.6515	0.1341	0.00103	1.9842	2.0509	1.2161	0.3293
Jan-20	2.1117	2.9606	0.1417	0.00090	1.9153	1.8092	1.2451	0.3367

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL JANUARY 2020

		Pounds	Price	Value
Add: Class I Differential				\$392,797.52
Class I Butterfat	60(a)	8,007,047	\$ 2.2315	\$17,867,725.38
Class I Skim Per Cwt		366,292,166	\$14.7100	\$53,881,577.66
Class II Butterfat	60(b)	12,811,287	\$ 2.1187	\$27,143,273.79
Class II Nonfat Solids		10,197,999	\$ 1.1089	\$11,308,561.11
Class III Butterfat	60(c)	16,390,847	\$ 2.1117	\$34,612,551.61
Class III Protein		12,797,255	\$ 2.9606	\$37,887,553.18
Class III Other Solids		22,309,855	\$ 0.1417	\$3,161,306.47
Class IV Butterfat	60(d)	17,059,291	\$ 2.1117	\$36,024,104.81
Class IV Nonfat Solids		39,322,887	\$ 1.0665	\$41,937,859.03
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$1,271,526.49
Total Producer Milk- Product Pounds and Value		1,311,163,505		\$265,488,837.05
Add: Value as for 60(f) thru 60(j)				\$20,867.52
Less: Total Protein Pounds	61(b)	43,534,145	\$ 2.9606	\$128,887,189.72
Total Other Solids Pounds		75,750,199	\$ 0.1417	\$10,733,803.23
Total Butterfat Pounds		54,268,472	\$ 2.1117	\$114,598,732.31
Total Value of Somatic Cell Adjustment				\$1,725,496.48
Total Milk and Value		1,311,163,505		\$9,564,482.83
Add: Location Differential Adjustments	61(c)			\$6,639,161.98
Producer - Settlement Fund Reserve	61(d)			\$377,977.62
Total Product Milk/URSP and Value		1,311,163,505	\$ 1.26464	\$16,581,622.43
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04464	\$585,427.67
Producer Price Differential (Dallas County)			\$1.22	\$15,996,194.76

Average Somatic Cell Count	204,000
Total Number of Producers	472

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	374,299,213	28.55	8,007,047	14.75	366,292,166	29.14
Class II	120,776,703	9.21	12,811,287	23.61	107,965,416	8.59
Class III	386,537,891	29.48	16,390,847	30.21	370,147,044	29.45
Class IV	429,549,698	32.76	17,059,291	31.43	412,490,407	32.82
Total	1,311,163,505	100.00	54,268,472	100.00	1,256,895,033	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	54,268,472	43,534,145	75,750,199	119,284,344
Average Test	4.138%	3.320%	5.777%	9.097%

Market Administrator's Report

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders, October 2019, With Comparisons

In October 2019, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$19.38 per cwt, up \$0.80 from the September 2019 average and up \$2.41 from the October 2018 average (without California). The component tests of producer milk in October 2019 were: butterfat, 3.95%; protein, 3.22%; and other solids, 5.75%. 2019 monthly mailbox statistics are not yet available for the California Order (see footnote 12).

Reporting Area ¹	Mailbox Milk Price ²		
	Oct 2018	Sep 2019	Oct 2019
	<i>(dollars per hundredweight)</i>		
New England States ³	18.35	19.39	19.71
New York	17.21	18.43	18.89
Eastern Pennsylvania ⁴	16.82	18.28	18.79
Appalachian States ⁵	17.71	18.85	19.03
Southeast States ⁶	17.16	19.12	19.37
Southern Missouri ⁷	17.11	19.16	19.86
Florida	19.03	19.81	20.08
Western Pennsylvania ⁸	16.91	18.72	20.25
Ohio	16.83	18.34	19.90
Indiana	16.71	18.35	19.38
Michigan	15.66	17.15	18.35
Wisconsin	*17.39	19.60	20.37
Minnesota	*17.20	20.21	21.16
Iowa	*17.57	19.15	19.71
Illinois	*17.74	19.21	19.85
Corn Belt States ⁹	16.17	17.57	18.45
Western Texas ¹⁰	16.67	17.88	19.61
New Mexico	14.79	16.59	17.57
Northwest States ¹¹	17.53	19.11	20.10
California ¹²	16.37	NA	NA
All Federal Order Areas ¹³	*16.97	18.58	19.38

* Revised. ¹ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. ² Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. ³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. ⁴ Includes all counties to the east of those listed in ⁸. ⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. ⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. ⁷ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. ⁸ Includes the counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. ⁹ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in ⁷. ¹⁰ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. ¹¹ Includes Oregon and Washington. ¹² The California Federal Milk Marketing Order became effective on November 1, 2018. Prior to November 2018, the CA mailbox price was calculated by the California Department of Food and Agriculture. 2019 monthly mailbox data are not yet available for the California Federal Milk Marketing Order. ¹³ Weighted average of prices for all reporting areas (excluding California).

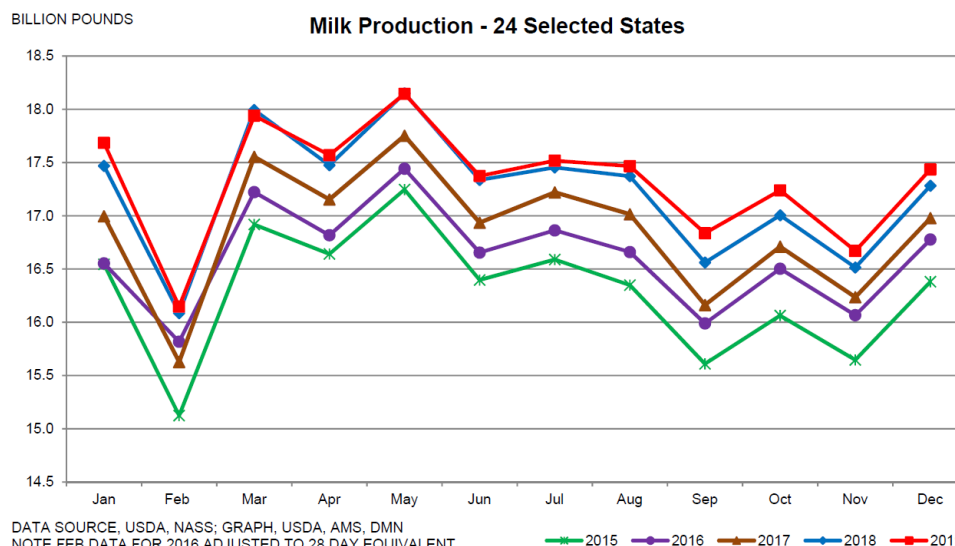


December Milk Production

Milk production in the 24 major States during December totaled 17.4 billion pounds, up 0.9 percent from December 2018. November revised production at 16.7 billion pounds, was up 0.9 percent from November 2018. The November revision represented an increase of 4 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,978 pounds for December, 14 pounds above December 2018.

The number of milk cows on farms in the 24 major States was 8.81 million head, 16,000 head more than December 2018, but unchanged from November 2019.



Source: Dairy Market News, January 20-24, 2020, Volume 87, Report 4



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