



Market Administrator's Report Southwest Marketing Area Federal Order 126



Cary Hunter, Market Administrator

Volume 45, Issue 9

SEPTEMBER 2019

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 \$1.09 for August. Butterfat price decreased \$0.0284 per pound from \$2.6858 in July to the level of \$2.6574 in August. Protein price increased \$0.0421 per pound from \$2.4032 in July to \$2.4453 in August. The Other Solids price increased \$0.0041 per pound from \$0.1689 in July to \$0.1730 in August. The Somatic Cell Count Adjustment rate factor for August was 0.00091 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a August statistical uniform price of \$18.69 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 \$18.47 in July.

The August Class I price increased \$0.71 from \$20.18 in July to the August level of \$20.89. The Class II price decreased \$0.01 from \$17.61 in July to \$17.60 in August. The Class III price increased \$0.05 from \$17.55 in July to \$17.60 in August. The Class IV price decreased \$0.16 from \$16.90 in July to \$16.74 in August.

In August, 521 producers delivered a total of 1,287,239,746 pounds of milk. On a daily basis, this represents an increase of 0.05% from the producer receipts level in July and it represents an increase of 12.57% when compared to the producer receipts level of August 2018.

Producer milk classified as Class I during August amounted to 27.88% of total producer receipts. This figure is down from 27.98% in July and is down from 28.08% in August 2018. The average butterfat test of producer milk pooled during August was 3.835%, average protein test was 3.113%, average other solids test was 5.752 and the average somatic cell count was 224,000.

Inside this issue:

Top Ten Production & Component Averages **2**

Total Texas Production **3**

Total New Mexico Production **4**

Prices **5**

August 2019 PPD **6**

July 2019 Market Summary & Utilization Report **7**

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Aug-19	Jul-19	Aug-19	Jul-19	Aug-19	Jul-19
Appalachian - F.O. 5	20.34	19.84	N/A	N/A	72.88	70.71
Arizona - F.O. 131	18.11	17.88	N/A	N/A	27.88	25.65
Central - F.O. 32	17.85	17.64	0.25	0.09	29.46	26.39
Florida - F.O. 6	22.48	21.75	N/A	N/A	85.79	82.56
Mideast - F.O. 33	18.20	18.02	0.60	0.47	33.30	30.30
Northeast - F.O. 1	18.97	18.83	1.37	1.28	30.40	29.60
Pacific NW - F.O. 124	17.60	17.52	0.00	(0.03)	17.88	17.68
California - F.O. 51	17.84	17.82	0.24	0.27	23.60	21.90
Southeast - F.O. 7	20.85	20.25	N/A	N/A	73.60	69.72
Southwest - F.O. 126	18.69	18.47	1.09	0.92	27.88	27.98
Upper Midwest - F.O. 30	17.75	17.71	0.15	0.16	7.00	7.50

TOP TEN TEXAS COUNTIES - AUGUST 2019



County	# Producers	Pounds 2019	Pounds 2018	% Change 2018/2019
HARTLEY	17	170,675,828	125,042,930	36.49
CASTRO	13	124,074,339	121,581,434	2.05
PARMER	15	123,075,224	125,428,858	(1.88)
DEAF SMITH	14	99,133,053	86,101,981	15.13
ERATH	52	93,616,363	97,014,715	(3.50)
MOORE	9	89,834,480	91,506,079	(1.83)
LAMB	13	82,275,045	76,945,490	6.93
DALLAM	5	54,290,900	50,381,750	7.76
BAILEY	10	52,521,693	53,442,156	(1.72)
HALE	<u>6</u>	<u>49,741,674</u>	<u>51,155,916</u>	<u>(2.76)</u>
Sum	154	939,238,599	878,601,309	6.90
Other Counties	<u>214</u>	<u>208,300,334</u>	<u>219,967,236</u>	<u>(5.30)</u>
Texas Total	368	1,147,538,933	1,098,568,545	4.46

1/ Revised

TOP TEN NEW MEXICO COUNTIES - AUGUST 2019

County	# Producers	Pounds 2019	Pounds 2018	% Change 2018/2019
CURRY	25	173,765,037	178,969,306	(2.91)
CHAVES	28	155,793,210	169,009,722	(7.82)
ROOSEVELT	35	144,488,482	133,216,234	8.46
LEA	10	65,724,740	68,448,620	(3.98)
DONA ANA	11	41,065,740	42,884,793	(4.24)
SOCORRO	7	24,018,779	23,173,827	3.65
VALENCIA	4	19,986,905	20,459,764	(2.31)
LUNA	3	16,846,560	16,403,446	2.70
EDDY	<u>3</u>	<u>15,158,380</u>	<u>16,886,120</u>	<u>(10.23)</u>
Sum	126	656,847,833	669,451,832	(1.88)
Other Counties	<u>1</u>	<u>15,062,944</u>	<u>14,348,883</u>	<u>4.98</u>
NM Total	127	671,910,777	683,800,715	(1.74)

1/ Revised



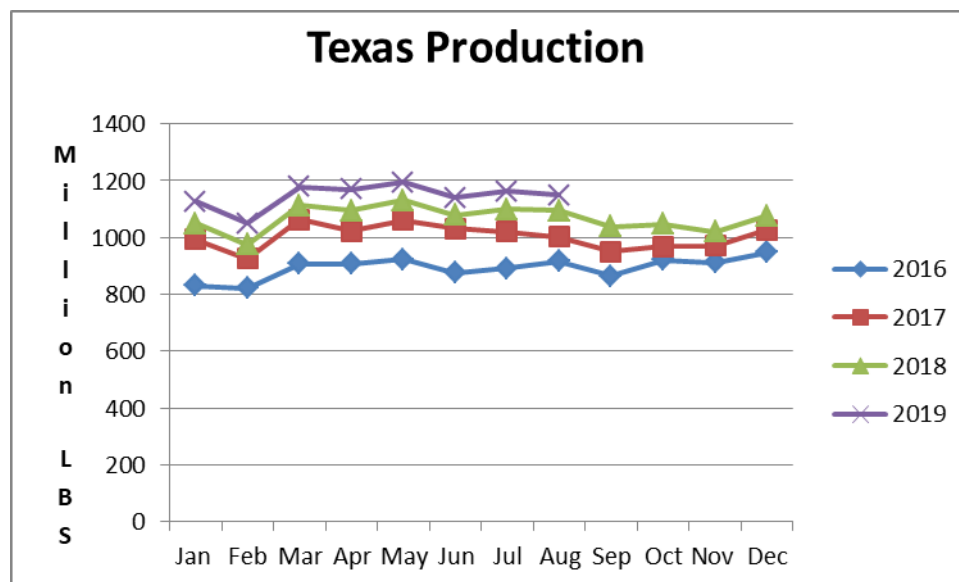
TEXAS & NEW MEXICO COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC (thousands)	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Aug-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
Dec-18	4.32	3.87	3.42	3.24	5.75	5.75	9.16	8.99	220	217
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

TOTAL POUNDS MARKETING BY PRODUCERS LOCATED IN TEXAS

Month	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	2019 Pounds	# of Prod.	Percent 2018/17	Percent 2019/18
Jan	991,393,302 1/	393	1,052,201,061 1/	385 1/	1,129,900,135 1/	372 1/	6.13 1/	7.38 1/
Feb	925,501,542	396	977,229,047 1/	386 1/	1,052,582,261 1/	370 1/	5.59 1/	7.71 1/
Mar	1,062,555,132	394	1,115,625,721 1/	390 1/	1,181,323,064 1/	366 1/	4.99 1/	5.89 1/
Apr	1,022,864,482	395	1,097,988,896 1/	386 1/	1,171,834,552 1/	368 1/	7.34 1/	6.73 1/
May	1,060,879,571	397	1,131,334,519 1/	386 1/	1,196,281,923 1/	365 1/	6.64 1/	5.74 1/
Jun	1,013,033,826	396	1,082,561,021 1/	387 1/	1,144,025,013 1/	365 1/	6.86 1/	5.68 1/
Jul	1,021,251,709	397	1,101,516,896 1/	385 1/	1,165,987,232 1/	365 1/	7.86 1/	5.85 1/
Aug	1,002,398,166	394	1,098,568,545 1/	385 1/	1,147,538,933	368	9.59 1/	4.46 1/
Sep	951,322,807	392	1,040,664,264 1/	383 1/			9.39 1/	
Oct	969,258,889	390	1,049,823,945 1/	380 1/			8.31 1/	
Nov	970,837,826	389	1,022,885,703 1/	376 1/			5.36 1/	
Dec	<u>1,027,758,733</u>	390	<u>1,078,525,443</u> 1/	373 1/			<u>4.94</u> 1/	
Total	12,019,055,985 1/		12,848,925,061		9,189,473,113		6.90 1/	

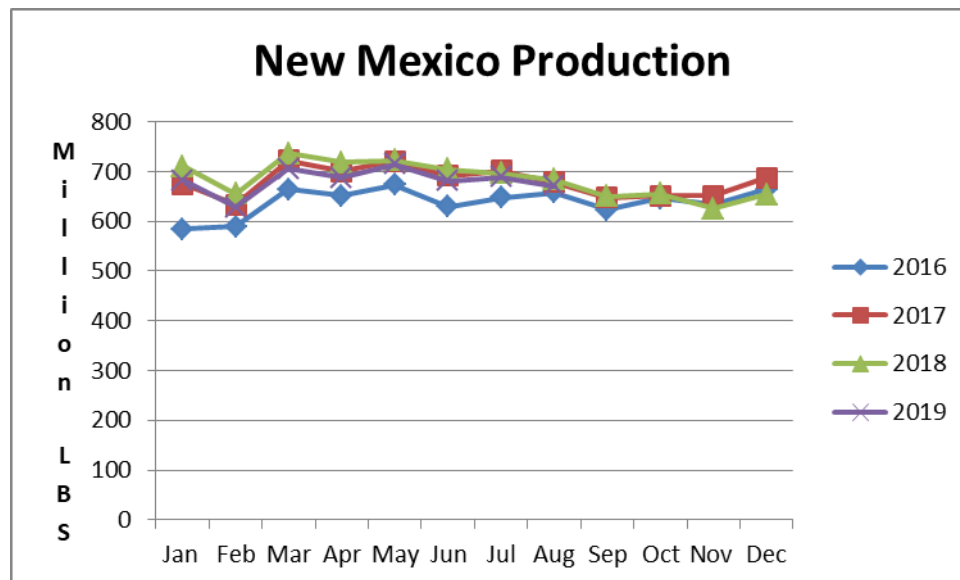
1/ Revised



TOTAL POUNDS MARKETED BY PRODUCERS LOCATED IN NEW MEXICO

Month	2017 Pounds	# of Prod.	2018 Pounds	# of Prod.	2019 Pounds	# of Prod.	Percent 2018/17	Percent 2019/18
Jan	675,205,449	141	710,727,459	138	682,255,618	128	5.26	(4.01)
Feb	633,852,861	140	655,095,625	139	628,175,162	129	3.35	(4.11)
Mar	723,267,029	140	736,163,840	138	705,613,310	126	1.78	(4.15)
Apr	700,674,724	139	718,394,667	138	688,396,543	127	2.53	(4.18)
May	721,744,106	138	721,582,856	137	715,286,768	128	(0.02)	(0.87)
Jun	692,450,722	138	703,914,227	135	681,022,429	128	1.66	(3.25)
Jul	701,503,956	137	697,176,017	136	688,638,763	129	(0.62)	(1.22)
Aug	679,307,966	138	683,800,715	133	671,910,777	127	0.66	(1.74)
Sep	646,682,645	138	650,328,792	131			0.56	
Oct	652,346,472	138	654,847,113	131			0.38	
Nov	651,243,891	138	626,343,570	129			(3.82)	
Dec	<u>687,961,902</u>	138	<u>662,238,624</u>	130			<u>(3.74)</u>	
Total	8,166,241,723	1/	8,220,613,505		5,461,299,370		0.67	

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-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
Dec-18	18.05	15.67	13.78	15.09	1.75	15.53
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

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
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
Dec-18	2.5080	1.1417	0.2775	0.00069	2.2425	1.3742	0.9020	0.4685
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

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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL AUGUST 2019

		Pounds	Price	Value
Add: Class I Differential				\$340,259.90
Class I Butterfat	60(a)	8,123,783	\$ 2.7130	\$22,039,823.32
Class I Skim Per Cwt		350,742,675	\$11.8100	\$41,422,709.95
Class II Butterfat	60(b)	12,210,170	\$ 2.6644	\$32,532,776.96
Class II Nonfat Solids		9,111,982	\$ 0.9522	\$8,676,429.28
Class III Butterfat	60(c)	20,923,138	\$ 2.6574	\$55,601,146.92
Class III Protein		16,902,860	\$ 2.4453	\$41,332,563.56
Class III Other Solids		31,536,205	\$ 0.1730	\$5,455,763.45
Class IV Butterfat	60(d)	8,108,818	\$ 2.6574	\$21,548,372.95
Class IV Nonfat Solids		24,234,228	\$ 0.8570	\$20,768,733.41
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$1,121,526.09
Total Producer Milk- Product Pounds and Value		1,287,239,746		\$250,840,105.79
Add: Value as for 60(f) thru 60(j)				\$39,108.89
Less: Total Protein Pounds	61(b)	40,072,492	\$ 2.4453	\$97,989,264.70
Total Other Solids Pounds		74,042,127	\$ 0.1730	\$12,809,287.98
Total Butterfat Pounds		49,365,909	\$ 2.6574	\$131,184,966.60
Total Value of Somatic Cell Adjustment				\$1,472,499.94
Total Milk and Value		1,287,239,746		\$7,423,195.46
Add: Location Differential Adjustments	61(c)			\$6,641,005.63
Producer - Settlement Fund Reserve	61(d)			\$488,169.29
Total Product Milk/URSP and Value		1,287,239,746	\$ 1.13051	\$14,552,370.38
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04051	\$521,457.15
Producer Price Differential (Dallas County)			\$1.09	\$14,030,913.23

Average Somatic Cell Count	224,000
Total Number of Producers	521

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	358,866,458	27.88	8,123,783	16.46	350,742,675	28.33
Class II	111,794,033	8.68	12,210,170	24.73	99,583,863	8.04
Class III	547,787,137	42.56	20,923,138	42.38	526,863,999	42.57
Class IV	268,792,118	20.88	8,108,818	16.43	260,683,300	21.06
Total	1,287,239,746	100.00	49,365,909	100.00	1,237,873,837	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	49,365,909	40,072,492	74,042,127	114,114,619
Average Test	3.835%	3.113%	5.752%	8.865%

Market Summary and Utilization Report, July 2019

Highlights: During July 13.5 billion pounds of milk were received from Federally pooled producers. This volume of milk is 11.3 percent higher than the July 2018 volume. Regulated handlers pooled 3.5 billion pounds of producer milk as Class I products, up 13.2 percent when compared to the previous year. Class I utilization decreased from last year in 7 Federal Milk Order Marketing areas and increased in 3 Federal Milk Order Marketing areas (not counting California). The all-market average Class utilization percentages were: Class I = 26%, Class II = 12%, Class III = 40%, and Class IV = 22%. The weighted average statistical uniform price was \$18.20 per cwt, \$0.75 higher than last month and \$2.83 higher than last year.

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I	
		Total	Change from Prev. Year	Total	Change from Prev. Year
		(million lbs)	(percent)	(million lbs)	(percent)
Northeast (Boston)	001	2,239.9	-3.1	662.6	-1.4
Appalachian (Charlotte)	005	411.4	-7.9	290.9	-5.7
Florida (Tampa)	006	198.8	0.5	164.1	2.3
Southeast (Atlanta)	007	401.7	1.7	280.1	-3.3
Upper Midwest (Chicago)	030	2,896.8	-10.9	216.0	-7.6
Central (Kansas City)	032	1,335.1	-15.0	352.3	-3.8
Mideast (Cleveland)	033	1,700.2	2.1	515.7	6.9
California (Los Angeles) ³	051	2,004.7	NA	439.0	NA
Pacific Northwest (Seattle)	124	795.4	3.4	140.7	-2.5
Southwest (Dallas)	126	1,143.5	2.2	320.0	0.8
Arizona (Phoenix)	131	390.8	-8.6	100.2	-1.2
All Market Total or Average ²		13,518.3	11.3 ⁴	3,481.7	13.2 ⁴

NA - Not available; California Federal Milk Order began operating in November 2018. ¹ Each name in parentheses is the major city in the principal pricing point of the market. ² Averages are the weighted average percent change. ³ The California Federal Milk Order became effective November 1, 2018. ⁴ Percent changes from previous year include the addition of the California Federal Milk Order. The percent changes excluding California Federal Milk Order data from 2019 would be -4.5. and -1.0, respectively.

Federal Milk Order Marketing Area ¹	Order Number	Utilization of Producer Milk in All Classes ²				Uniform Price ³
		Class I	Class II	Class III	Class IV	
		(percent) ²				(\$ per cwt)
Northeast (Boston)	001	30	25	27	18	18.83
Appalachian (Charlotte)	005	71	17	6	6	19.84
Florida (Tampa)	006	83	14	2	2	21.75
Southeast (Atlanta)	007	70	17	7	6	20.25
Upper Midwest (Chicago)	030	7	3	85	4	17.71
Central (Kansas City)	032	26	10	40	23	17.64
Mideast (Cleveland)	033	30	20	36	13	18.02
California (Los Angeles) ⁴	051	22	7	16	56	17.82
Pacific Northwest (Seattle)	124	18	6	41	36	17.52
Southwest (Dallas)	126	28	11	33	29	18.47
Arizona (Phoenix)	131	26	9	33	33	17.88
All Market Total or Average		26	12	40	22	18.20

¹ Each name in parentheses is the major city in the principal pricing point of the market. ² Totals may not add to 100 percent due to rounding. Averages are weighted averages. ³ Statistical uniform prices for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5. ⁴ The California Federal Milk Order became effective November 1, 2018.

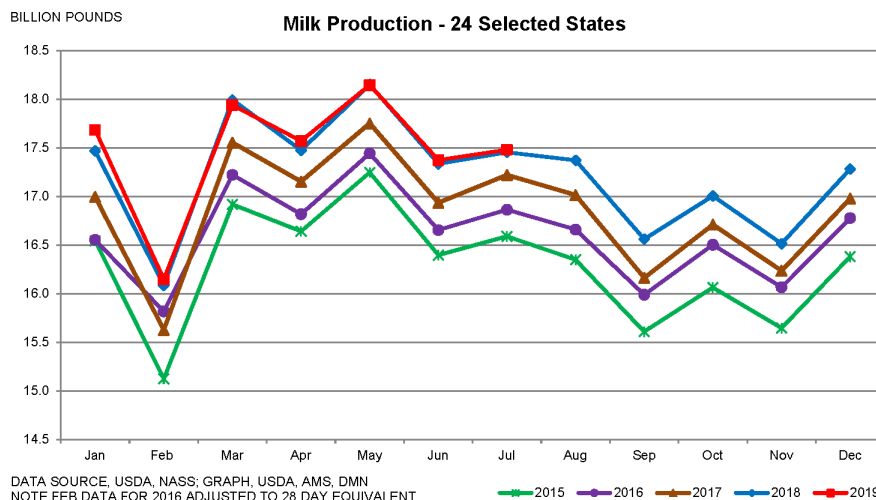


July Milk Production

Milk production in the 23 major States during July totaled 17.5 billion pounds, up 0.1 percent from July 2018. June revised production, at 17.4 billion pounds, was up 0.2 percent from June 2018. The June revision represented an increase of 26 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,993 pounds for July, 16 pounds above July 2018.

The number of milk cows on farms in the 24 major States was 8.77 million head, 60,000 head less than July 2018, and 8,000 head less than June 2019.



Source: Dairy Market News, August 19-23, 2019, Volume 86, Report 34



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, audiotape, 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.

P.O. Box 110939
Carrollton, TX 75011-0939
(972) 245-6060
(972) 245-3211 Fax
www.dallasma.com
Email:
sw.order@dallasma.com

