

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

July 2022

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a June statistical uniform price of \$26.04 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 \$25.85 in May.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.71 for June. The June Class I price increased \$0.42 from \$28.45 in May to the June level of \$28.87. The Class II price increased \$0.78 from \$25.87 in May to \$26.65 in June. The Class III price decreased \$0.88 from \$25.21 in May to \$24.33 in June. The Class IV price increased \$ 0.84 from \$24.99 in May to \$25.83 in June.

In June, 345 producers delivered a total of 1,091,837,677 pounds of milk. On a daily basis, this represents a decrease of 6.95 percent from the producer receipts level in May and an increase of 12.77 percent when compared to the producer receipts level of June 2021.

Producer milk classified as Class I during June amounted to 26.81 percent of total producer receipts. This figure is up from 25.97 percent in May and down from 29.84 percent in June 2021. The average butterfat test of producer milk pooled during June was 3.981 percent, average protein test was 3.219 percent, average other solids test was 5.805 percent, and the average somatic cell count was 183,000.

The June butterfat price increased \$0.2267 from \$3.1056 in May to the June level of \$3.3323. The protein price decreased \$0.4523 from \$3.8696 in May to \$3.4173 in June. The other solids price decreased \$0.0562 from \$0.4857 in May to \$0.4295 in June. The somatic cell adjustment rate in June was 0.00117 per cwt.

June 2022 Pool Summary

- ✦ The Statistical Uniform Price for the Southwest Order in June 2022 is \$26.04 with a PPD of \$1.71
- ✦ 1,092 million pounds were pooled in June. This is down 1.39 percent on a daily basis from May 2022
- ✦ 345 producers pooled their milk; this is down from 406 in May
- ✦ Class I milk accounted for 26.81 percent of all receipts, up from 25.97 in May

Classification of Producer Milk

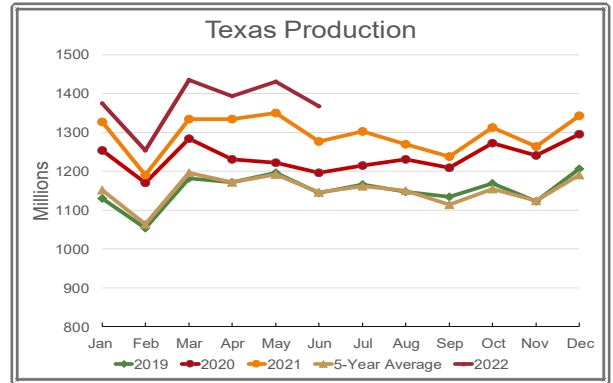
	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	28.87	292,690,959	26.81
Class II	26.65	56,292,671	5.16
Class III	24.33	717,333,235	65.69
Class IV	25.83	25,520,812	2.34

Producer Prices

Statistical Uniform Price	\$26.04	/ cwt
Producer Price Differential	\$1.71	/ cwt
Butterfat Price	\$3.3323	/ lb
Protein Price	\$3.4173	/ lb
Other Solids Price	\$0.4295	/ lb
Nonfat Solids Price	\$1.6313	/ lb
Somatic Cell Adjustment Rate	\$0.00117	/ cwt

Texas Dairy Production

In June, Texas dairy production totaled 1,367 million pounds. This is a 7.01 percent increase relative to June 2021 and a 19.3 percent increase from the June five year average (2017-2021). The June average butterfat for Texas production is 4.12 percent, the average protein is 3.28 percent, and the average other solids at 5.81 percent. The average somatic cell count is at 186,000.



Month	2022 Number of Producers	2022 Pounds (In Thousands)	2021 Pounds (In Thousands)	% Change from 2021/2022	2022 Butterfat	2022 Protein	2022 Other Solids	2022 SCC (In Thousands)
Jan	326	1,374,644	1,327,361	3.56	4.42	3.49	5.78	181
Feb	326	1,253,077	1,203,149	4.15	4.42	3.47	5.79	182
Mar	324	1,434,529	1,343,659	6.76	4.37	3.44	5.78	173
Apr	323	1,392,807	1,333,803	4.42	4.27	3.39	5.79	171
May	321	1,429,818	1,350,465	5.88	4.19	3.32	5.81	173
Jun	319	1,366,949	1,277,426	7.01	4.12	3.28	5.81	186
Jul			1,301,047					
Aug			1,268,705					
Sep			1,236,659					
Oct			1,312,910					
Nov			1,264,214					
Dec			1,341,794					
Total		8,251,824	15,561,192					

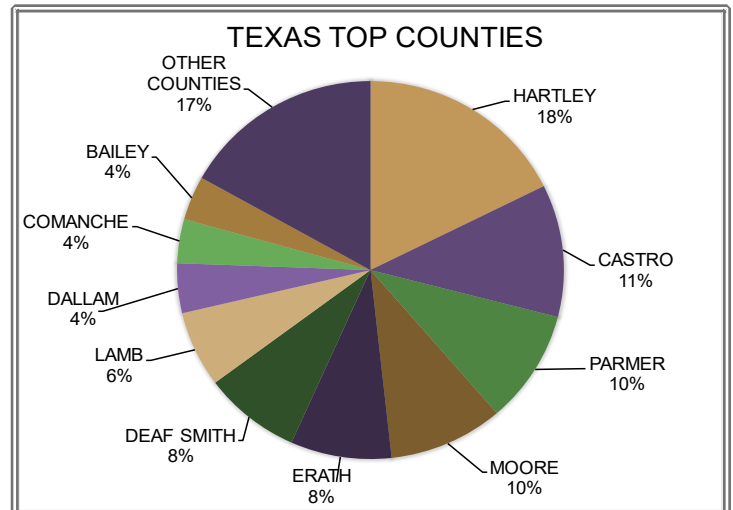
1/ Revised
2/ Simple Average of Total

Top Texas Counties

Hartley County has the largest share of Texas production at 18 percent, followed by Castro and Parmer Counties at 11 and 10 percent, respectively. Overall, 319 producers delivered milk in Texas for the month of June.

County	Number of Producers	May 2022 Pounds	% Change 2021/2022
HARTLEY	19	241,641,239	5.97
CASTRO	15	154,763,651	13.36
PARMER	16	132,151,450	1.34
MOORE	10	131,014,519	23.62
ERATH	47	115,438,369	8.04
DEAF SMITH	14	111,303,322	8.27
LAMB	13	88,758,687	0.04
DALLAM	5	58,026,660	5.08
COMANCHE	14	51,513,603	12.64
BAILEY	10	51,480,786	1.15
SUM	163	1,136,092,286	8.08
OTHER COUNTIES	156	230,856,416	2.04
TEXAS TOTAL	319	1,366,948,702	7.01

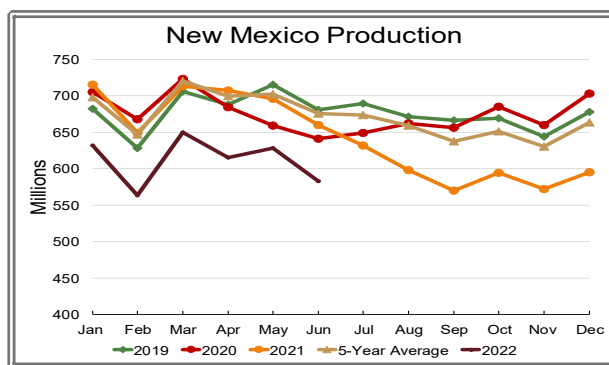
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Click [HERE](#) for more information on Texas Milk Production

New Mexico Dairy Production

In June, New Mexico dairy production totaled 583 million pounds. This is a 11.60 percent decrease relative to June 2021 and a 13.70 percent decrease from the June five year average (2017-2021). The June average butterfat is 3.74 percent, the average protein is 3.12 percent, and the average other solids at 5.81 percent. The average somatic cell count is at 165,000.



Month	2022 Number of Producers	2022 Pounds (In Thousands)	2021 Pounds (In Thousands)	% Change from 2021/2022	2022 Butterfat	2022 Protein	2022 Other Solids	2022 SCC (In Thousands)
Jan	109	632,112	714,908	(11.58)	4.03	3.33	5.79	171
Feb	109	563,156	649,004	(13.23)	4.02	3.31	5.79	175
Mar	109	650,082	712,738	(8.79)	3.94	3.28	5.78	161
Apr	110	614,872	706,687	(12.99)	3.85	3.23	5.78	156
May	107	628,012	696,133	(9.79)	3.78	3.17	5.80	153
Jun	105	583,485	660,067	(11.60)	3.74	3.12	5.81	165
Jul			632,273					
Aug			597,982					
Sep			570,133					
Oct			594,320					
Nov			571,659					
Dec			595,152					
Total		3,671,719	7,701,056					

1/ Revised

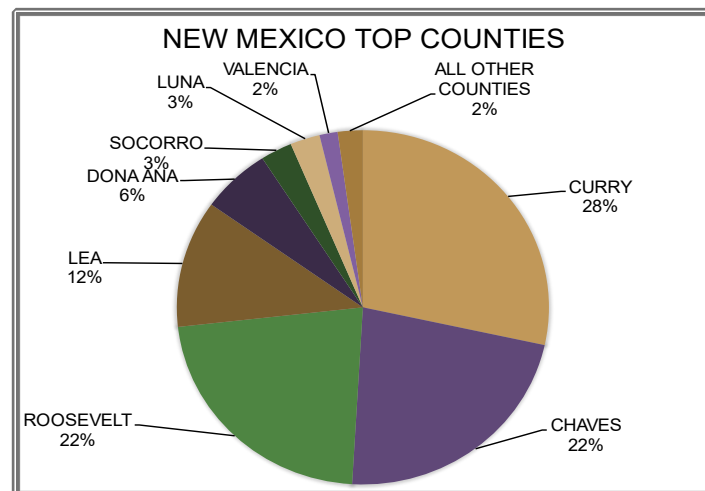
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 28 percent, followed by Chaves and Roosevelt Counties both at 22 percent. Overall, 105 producers delivered milk in New Mexico for the month of June.

County	Number of Producers	May 2022 Pounds	% Change 2021/2022
CURRY	23	165,840,184	(2.31)
CHAVES	22	131,287,126	(9.07)
ROOSEVELT	30	130,196,749	(11.60)
LEA	10	67,796,720	(2.92)
DONA ANA	7	35,354,330	(14.97)
SOCORRO	4	16,058,307	(30.93)
LUNA	3	15,085,960	(2.88)
VALENCIA	3	9,195,825	(52.85)
SUM	102	570,815,201	(9.56)
OTHER COUNTIES	3	12,669,860	(56.22)
NM TOTAL	105	583,485,061	(11.60)

1/ Revised



Click [HERE](#) for more information on New Mexico Milk Production

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

June 2022

		Pounds	Price	Value
Add: Class I Differential				\$462,743.27
Class I Butterfat	60(a)	7,410,117	\$ 3.1028	\$22,992,111.02
Class I Skim Per Cwt		285,280,842	\$18.6600	\$53,233,405.14
Class II Butterfat	60(b)	6,538,290	\$ 3.3393	\$21,833,311.83
Class II Nonfat Solids		4,643,812	\$ 1.7222	\$7,997,573.02
Class III Butterfat	60(c)	28,218,190	\$ 3.3323	\$94,031,474.57
Class III Protein		23,212,073	\$ 3.4173	\$79,322,617.08
Class III Other Solids		41,687,606	\$ 0.4295	\$17,904,826.78
Class IV Butterfat	60(d)	1,308,235	\$ 3.3323	\$4,359,431.49
Class IV Nonfat Solids		2,334,767	\$ 1.6313	\$3,808,705.40
Class II, III, & IV Somatic Cell Adjustment	60(e)			\$1,680,341.08
Total Producer Milk- Product Pounds and Value		1,091,837,677		\$307,553,449.01
Add: Value as for 60(f) thru 60(j)				\$165,377.47
Less: Total Protein Pounds	61(b)	35,156,420	\$ 3.4173	\$120,140,034.09
Total Other Solids Pounds		63,386,357	\$ 0.4295	\$27,224,440.38
Total Butterfat Pounds		43,474,832	\$ 3.3323	\$144,871,182.69
Total Value of Somatic Cell Adjustment				\$2,132,091.92
Total Milk and Value		1,091,837,677		\$13,351,077.40
Add: Location Differential Adjustments	61(c)			\$5,320,229.23
Producer - Settlement Fund Reserve	61(d)			\$453,170.64
Total Product Milk/URSP and Value		1,091,837,677	\$ 1.75158	\$19,124,477.27
Less: Producer - Settlement Fund Reserve	61(f)		\$ 0.04158	\$454,052.99
Producer Price Differential (Dallas County)			\$1.71	\$18,670,424.28

PPD per cwt

Value of Milk in Pool after Producer Milk Value of \$294,367,749.083 is removed

Remaining value from which PPD per cwt is calculated

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	292,690,959	26.81	7,410,117	17.04	285,280,842	27.21
Class II	56,292,671	5.16	6,538,290	15.04	49,754,381	4.75
Class III	717,333,235	65.69	28,218,190	64.91	689,115,045	65.73
Class IV	25,520,812	2.34	1,308,235	3.01	24,212,577	2.31
Total	1,091,837,677	100.00	43,474,832	100.00	1,048,362,845	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	43,474,832	35,156,420	63,386,357	98,542,777
Average Test	3.981%	3.219%	5.805%	9.025%

Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	<u>Jun-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>May-22</u>
Appalachian - F.O. 5	28.52	27.79	N/A	N/A	66.43	65.59
Arizona - F.O. 131	26.22	25.83	N/A	N/A	24.69	23.43
Central - F.O. 32	25.37	25.22	1.04	0.01	26.19	25.66
Florida - F.O. 6	30.60	29.76	N/A	N/A	81.14	78.54
Mideast - F.O. 33	24.33	25.59	1.45	0.38	34.90	30.10
Northeast - F.O. 1	26.98	26.58	2.65	1.37	27.50	28.70
Pacific NW - F.O. 124	25.39	25.12	1.06	(0.09)	20.52	23.30
California - F.O. 51	25.59	25.43	1.26	0.22	22.60	22.50
Southeast - F.O. 7	28.74	28.07	N/A	N/A	62.24	63.09
Southwest - F.O. 126	26.04	25.85	1.71	0.64	26.81	25.97
Upper Midwest - F.O. 30	24.63	25.34	0.30	0.13	6.60	9.50

Useful links:

Agricultural Marketing Service (AMS) Dairy Website: <https://www.ams.usda.gov/rules-regulations/moa/dairy>

Federal Order Websites: <https://www.ams.usda.gov/rules-regulations/moa/dairy/mmadmin>

Dairy Market News: <https://www.ams.usda.gov/market-news/dairy-market-news-weekly-printed-reports>

National Agriculture Statistics Service (NASS): <https://www.nass.usda.gov/>

Economic Research Service: <https://www.ers.usda.gov/>



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