

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

March 2024

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a February statistical uniform price of \$18.18 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 \$17.73 in February.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.10 for February. The February Class I price decreased \$0.49 from \$21.48 in January to the February level of \$20.99. The Class II price increased \$0.49 from \$20.04 in January to \$20.53 in February. The Class III price increased \$0.91 from \$15.17 in January to \$16.08 in February. The Class IV price increased \$0.46 from \$19.39 in January to \$19.85 in February.

In February, 323 producers delivered a total of 1,020,382,454 pounds of milk. On a daily basis, this represents an increase of 3.92 percent from the producer receipts level in January and a decrease of 10.40 percent when compared to the producer receipts level of February 2023.

Producer milk classified as Class I during February amounted to 30.71 percent of total producer receipts. This figure is down from 32.40 percent in January and up from 26.64 percent in February 2023. The average butterfat test of producer milk pooled during February was 4.284 percent, average protein test was 3.412 percent, average other solids test was 5.785 percent, and the average somatic cell count was 215,000.

The February butterfat price increased \$0.1266 from \$2.9765 in January to the February level of \$3.1031. The protein price increased \$0.0990 from \$1.1265 in January to \$1.2255 in February. The other solids price increased \$0.0321 from \$0.2417 in January to \$0.2738 in February. The somatic cell adjustment rate in February was 0.00080 per cwt.

February 2024 Pool Summary

- ◆ The Statistical Uniform Price for the Southwest Order in February 2024 is \$18.18 with a PPD of \$2.10
- ◆ 1,020 million pounds were pooled in February. This is up 3.92 percent on a daily basis from January 2024
- ◆ 323 producers pooled their milk; this is down from 338 in January
- ◆ Class I milk accounted for 30.71 percent of all receipts, down from 32.40 in January

Classification of Producer Milk

	<i>Price</i>	<i>Pounds</i>	<i>Percent</i>
Class I	20.99	313,382,764	30.71
Class II	20.53	56,277,413	5.52
Class III	16.08	644,579,497	63.17
Class IV	19.85	6,142,780	0.60

Producer Prices

Statistical Uniform Price	\$18.18	/ cwt
Producer Price Differential	\$2.10	/ cwt
Butterfat Price	\$3.1031	/ lb
Protein Price	\$1.2255	/ lb
Other Solids Price	\$0.2738	/ lb
Nonfat Solids Price	\$1.0343	/ lb
Somatic Cell Adjustment Rate	\$0.00080	/ cwt

January 2024 Milk Sales

Total Fluid Products Sales 3.9 billion pounds of packaged fluid milk products were shipped by milk handlers in January 2024. This was 2.4 percent higher than a year earlier. Estimated sales of total conventional fluid milk products increased 2.5 percent from January 2023 and estimated sales of total organic fluid milk products increased 0.2 percent from a year earlier.

Product Name	Sales ^{1 2}		Change from:	
	Jan	Year to Date	Previous Year	Year to Date
Conventional Production Practice	<i>(million pounds)</i>		<i>(percent)</i>	
Whole Milk	1,361	1,361	5.2	5.2
Flavored Whole Milk	62	62	12.2	12.2
Reduced Fat Milk (2%)	1,084	1,084	-1.2	-1.2
Low Fat Milk (1%)	413	413	3.1	3.1
Fat-Free Milk (Skim)	170	170	-12.1	-12.1
Flavored Fat-Reduced Milk	312	312	-4.7	-4.7
Buttermilk	37	37	-4.1	-4.1
Other Fluid Milk Products	177	177	47.3	47.3
Total Fat-Reduced Milk ³	1,980	1,980	-1.9	-1.9
Total Conventional Milk Products	3,618	3,618	2.5	2.5
Organic Production Practice				
Whole Milk	135	135	8.5	8.5
Flavored Whole Milk	1	1	22.7	22.7
Reduced Fat Milk (2%)	81	81	-4.5	-4.5
Low Fat Milk (1%)	24	24	-9.4	-9.4
Fat-Free Milk (Skim)	12	12	-13.2	-13.2
Flavored Fat-Reduced Milk	5	5	-31.1	-31.1
Other Fluid Milk Products	0	0	5.9	5.9
Total Fat-Reduced Milk ³	122	122	-7.8	-7.8
Total Organic Milk Products	259	259	0.2	0.2
Total Fluid Milk Products ²	3,876	3,876	2.4	2.4

¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by extrapolating the remaining 8 percent of sales from the Federal milk order data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk.

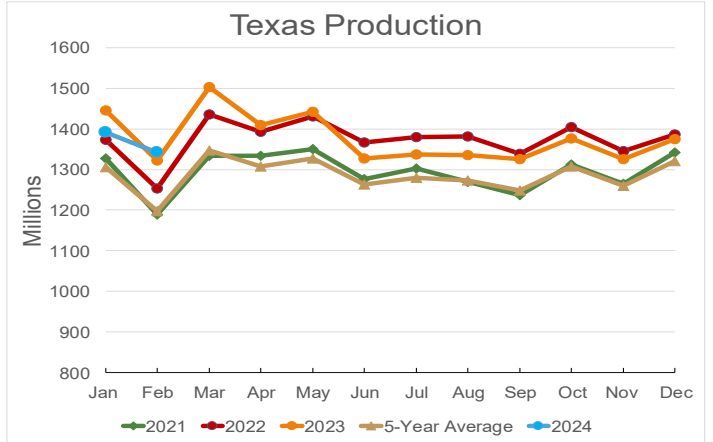
Package Sales of Total Fluid Milk Products in Federal Milk Orders, January 2024, with Comparisons ¹

Marketing Area	Order Number	Sales ²		Change from:	
		Jan	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	598	598	1.3	1.3
Appalachian	005	287	287	0.8	0.8
Florida	006	239	239	1.4	1.4
Southeast	007	324	324	1.7	1.7
Upper Midwest	030	257	257	3.1	3.1
Central	032	340	340	3.9	3.9
Mideast	033	474	474	3.4	3.4
California	051	419	419	-1.1	-1.1
Pacific Northwest	124	143	143	0.3	0.3
Southwest	126	387	387	6.9	6.9
Arizona	131	99	99	9.0	9.0
All Areas (Totals) ¹		3,566	3,566	2.4	2.4

¹ These figures are representative of the consumption of total fluid milk products in the respective area. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding.

Texas Dairy Production

In February, Texas dairy production totaled 1,342 million pounds. This is a 1.51 percent increase relative to February 2023 and a 12.1 percent increase from the February five year average (2019-2023). The February average butterfat for Texas production is 4.42 percent, the average protein is 3.46 percent, and the average other solids at 5.79 percent. The average somatic cell count is at 210,000.



Month	2023 Number of Producers	2024 Pounds (In Thousands)	2023 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	292	1,391,167	1,446,413	(3.82)	4.52	3.51	5.78	194
Feb	293	1,342,045	1,322,088	1.51	4.42	3.46	5.79	210
Mar			1,502,558					
Apr			1,409,738					
May			1,441,638					
Jun			1,327,677					
Jul			1,337,158					
Aug			1,335,516					
Sep			1,325,897					
Oct			1,377,160					
Nov			1,325,384					
Dec			1,375,228					
Total		2,733,212	16,526,455					

1/ Revised

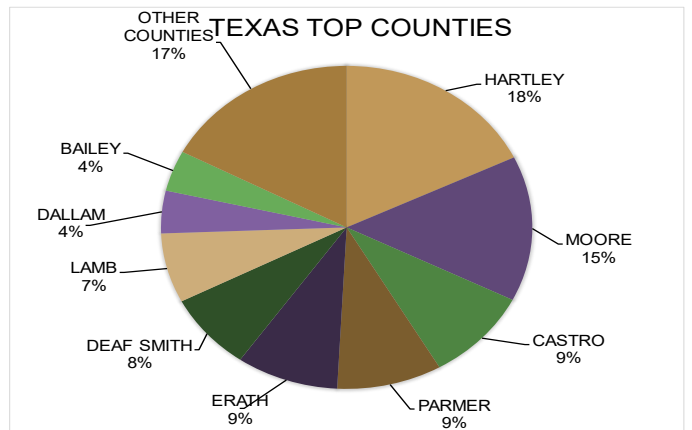
2/ Simple Average of Total

Top Texas Counties

Hartley County has the largest share of Texas production at 18 percent, followed by Moore and Castro Counties at 15 and 9 percent, respectively. Overall, 293 producers delivered milk in Texas for the month of February.

County	Number of Producers	February 2024 Pounds	% Change 2023/2024
HARTLEY	18	230,962,639	(3.40)
MOORE	14	187,976,401	47.16
CASTRO	14	119,701,880	(19.07)
PARMER	15	118,239,766	(8.60)
ERATH	39	115,085,985	9.37
DEAF SMITH	13	99,708,519	3.41
LAMB	13	90,081,853	2.13
DALLAM	5	55,050,650	(3.99)
BAILEY	10	52,745,974	5.43
COMANCHE	15	49,403,305	(4.12)
SUM	<u>156</u>	<u>1,118,956,972</u>	<u>2.39</u>
OTHER COUNTIES	137	223,088,074	(2.68)
TEXAS TOTAL	293	1,342,045,046	1.51

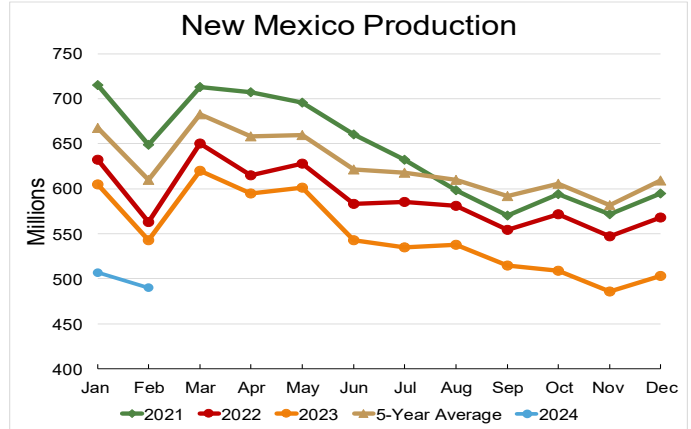
1/ Revised



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

New Mexico Dairy Production

In February, New Mexico dairy production totaled 490 million pounds. This is a 9.68 percent decrease relative to February 2023 and a 19.7 percent decrease from the February five year average (2019-2023). The February average butterfat is 4.15 percent, the average protein is 3.36 percent, and the average other solids at 5.78 percent. The average somatic cell count is at 202,000.



Month	2024 Number of Producers	2024 Pounds (In Thousands)	2023 Pounds (In Thousands)	% Change from 2022/2023	2023 Butterfat	2023 Protein	2023 Other Solids	2023 SCC (In Thousands)
Jan	88	506,838	604,966	(16.22)	4.22	3.41	5.77	194
Feb	87	490,492	543,043	(9.68)	4.15	3.36	5.78	202
Mar			619,727					
Apr			594,879					
May			600,823					
Jun			542,909					
Jul			534,915					
Aug			537,864					
Sep			514,961					
Oct			508,697					
Nov			485,809					
Dec			503,352					
Total		997,330	6,591,945					

1/ Revised

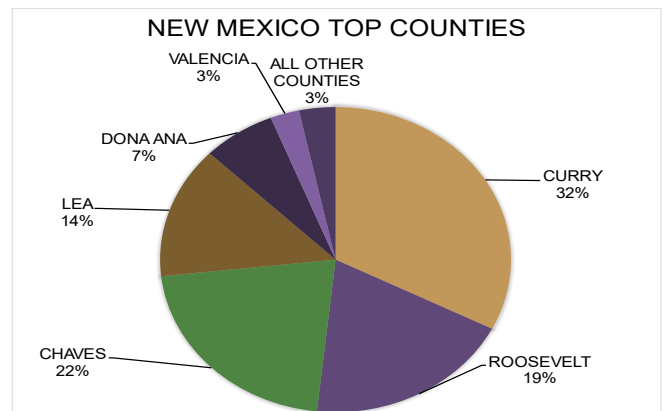
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 32 percent, followed by Chaves and Roosevelt Counties at 22 and 19 percent, respectively. Overall, 87 producers delivered milk in New Mexico for the month of February.

County	Number of Producers	February 2024 Pounds	% Change 2023/2024
CURRY	22	159,317,729	6.26
CHAVES	17	105,803,568	(13.61)
ROOSEVELT	23	94,246,245	(21.60)
LEA	10	68,620,673	6.41
DONA ANA	7	33,010,020	(16.61)
VALENCIA	4	13,066,283	51.77
SUM	83	474,064,518	(6.18)
OTHER COUNTIES	4	16,427,181	(56.47)
NM TOTAL	87	490,491,699	(9.67)

1/ Revised



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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Pounds	Price	Value
Add: Class I Differential			\$375,314.54
Class I Butterfat	7,302,725	\$ 3.0335	\$22,152,816.31
Class I Skim Per Cwt	306,080,039	\$10.7500	\$32,903,604.22
Class II Butterfat	7,355,409	\$ 3.1101	\$22,876,057.54
Class II Nonfat Solids	4,682,478	\$ 1.1100	\$5,197,550.58
Class III Butterfat	27,292,687	\$ 3.1031	\$84,691,937.04
Class III Protein	22,102,448	\$ 1.2255	\$27,086,550.05
Class III Other Solids	37,318,123	\$ 0.2738	\$10,217,702.08
Class IV Butterfat	1,766,501	\$ 3.1031	\$5,481,629.26
Class IV Nonfat Solids	422,884	\$ 1.0343	\$437,388.92
Class II, III, & IV Somatic Cell Adjustment			\$814,063.39
Total Producer Milk- Product Pounds and Value	1,020,382,454		\$212,234,613.93
Add: Value as for 60(f) thru 60(j)			\$15,602.44
Less: Total Protein Pounds	34,818,611	\$ 1.2255	\$42,670,207.79
Total Other Solids Pounds	59,032,217	\$ 0.2738	\$16,163,021.02
Total Butterfat Pounds	43,717,322	\$ 3.1031	\$135,659,221.90
Total Value of Somatic Cell Adjustment			\$1,102,411.63
Total Milk and Value	1,020,382,454		\$16,655,354.03
Add: Location Differential Adjustments			\$4,697,373.64
Producer - Settlement Fund Reserve			\$489,906.95
Total Producer Milk/URSP and Value	1,020,382,454	\$ 2.14063	\$21,842,634.62
Less: Producer - Settlement Fund Reserve		\$ 0.04063	\$414,603.09
Producer Price Differential (Dallas County)		\$2.10	\$21,428,031.53

PPD per cwt

Remaining value from which PPD per cwt is calculated

Producer Price Differential	\$2.10
Class III Price	\$16.08
Statistical Uniform Price of Milk (3.5% Butterfat-Dallas)	\$18.18
Average Somatic Cell Count	215,000
Total Number of Producers	323

Producer Milk Utilization Percentages						
	Product		Butterfat		Skim Milk	
	Pounds	Percent	Pounds	Percent	Pounds	Percent
Class I	313,382,764	30.71	7,302,725	16.70	306,080,039	31.34
Class II	56,277,413	5.52	7,355,409	16.82	48,922,004	5.01
Class III	644,579,497	63.17	27,292,687	62.44	617,286,810	63.20
Class IV	6,142,780	.60	1,766,501	4.04	4,376,279	.45
Total	1,020,382,454	100.00	43,717,322	100.00	976,665,132	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	43,717,322	34,818,611	59,032,217	93,850,828
Average Test	4.284%	3.412%	5.785%	9.197%

Federal Order Prices

Federal Order	Statistical Uniform	Statistical Uniform	PPD	PPD	Class I Utilization	Class I Utilization
	Feb-24	Jan-24	Feb-24	Jan-24	Feb-24	Jan-24
Appalachian - F.O. 5	21.00	21.10	N/A	N/A	71.87	72.5
Arizona - F.O. 131	19.04	18.81	N/A	N/A	28.5	28.2
Central - F.O. 32	17.67	17.24	1.59	2.07	30.18	31.17
Florida - F.O. 6	22.88	23.05	N/A	N/A	81.45	82.52
Mideast - F.O. 33	17.96	17.90	1.88	2.73	40.62	42.04
Northeast - F.O. 1	19.69	19.31	3.61	4.14	29.8	30.7
Pacific NW - F.O. 124	17.96	17.39	1.88	2.22	21.36	22.02
California - F.O. 51	17.41	16.81	1.33	1.64	19.4	20.1
Southeast - F.O. 7	21.51	21.61	N/A	N/A	78.58	76.37
Southwest - F.O. 126	18.18	17.73	2.10	2.56	30.71	32.40
Upper Midwest - F.O. 30	16.40	15.59	0.32	0.42	6	6.5

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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