

The Market Administrator's BULLETIN

SOUTHWEST MARKETING AREA

Cary Hunter, Market Administrator

October 2024

Federal Order No. 126

Market Overview

Producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a September statistical uniform price of \$22.89 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 \$22.07 in August.

The Producer Price Differential (PPD) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was (\$0.45) for September. The September Class I price increased \$0.28 from \$24.32 in August to the September level of \$24.60. The Class II price increased \$0.35 from \$22.05 in August to \$22.40 in September. The Class III price increased \$2.68 from \$20.66 in August to \$23.34 in September. The Class IV price increased \$0.71 from \$21.58 in August to \$22.29 in September.

In September, 331 producers delivered a total of 810,976,736 pounds of milk. On a daily basis, this represents a decrease of 29.13 percent from the producer receipts level in August and a decrease of 31.72 percent when compared to the producer receipts level of September 2023.

Producer milk classified as Class I during September amounted to 39.77 percent of total producer receipts. This figure is up from 28.07 percent in August and up from 26.84 percent in September 2023. The average butterfat test of producer milk pooled during September was 4.262 percent, average protein test was 3.363 percent, average other solids test was 5.787 percent, and the average somatic cell count was 238,000.

The September butterfat price increased \$0.0482 from \$3.5632 in August to the September level of \$3.6114. The protein price increased \$0.7493 from \$2.1756 in August to \$2.9249 in September. The other solids price increased \$0.0471 from \$0.2959 in August to \$0.3430 in September. The somatic cell adjustment rate in September was 0.00114 per cwt.

September 2024 Pool Summary

- ◆ The Statistical Uniform Price for the Southwest Order in September 2024 is \$22.89 with a PPD of (\$0.45)
- ◆ 811 million pounds were pooled in September. This is down 29.13 percent on a daily basis from August 2024
- ◆ 331 producers pooled their milk; this is down from 357 in August
- ◆ Class I milk accounted for 39.77 percent of all receipts, up from 28.07 in August

Classification of Producer Milk

| | Price | Pounds | Percent |
|-----------|-------|-------------|---------|
| Class I | 24.60 | 322,524,779 | 39.77 |
| Class II | 22.40 | 119,042,713 | 14.68 |
| Class III | 23.34 | 51,233,959 | 6.32 |
| Class IV | 22.29 | 318,175,285 | 39.23 |

Producer Prices

| | | |
|------------------------------|-----------|-------|
| Statistical Uniform Price | \$22.89 | / cwt |
| Producer Price Differential | (\$0.45) | / cwt |
| Butterfat Price | \$3.6114 | / lb |
| Protein Price | \$2.9249 | / lb |
| Other Solids Price | \$0.3430 | / lb |
| Nonfat Solids Price | \$1.1109 | / lb |
| Somatic Cell Adjustment Rate | \$0.00114 | / cwt |



USDA and HPAI

Since the first detection of highly pathogenic avian influenza (HPAI) H5N1 in dairy cattle in March 2024, USDA has worked swiftly and diligently to assess the prevalence of the virus in the U.S. dairy herds and respond accordingly. USDA's Animal and Plant Health Inspection Service (APHIS), working closely with state officials and other federal partners, is leading efforts to prevent further spread, establish herd monitoring, and help producers enhance on-farm biosecurity measures. USDA also provides financial support to off-set costs related to production losses and enhanced biosecurity.

On April 24, USDA issued an *H5N1 Federal Order* mandating testing prior to the interstate movement of lactating dairy cattle and requires reporting of positive test results in livestock. Testing and reporting are crucial for understanding the extent of the virus and reducing further spread.

Enhanced biosecurity procedures are critical in keeping disease off farms and preventing further spread on affected farms. USDA continues to encourage biosecurity measures such as limiting visitors, cleaning and disinfecting milking equipment, avoiding the mixing of species, and monitoring and caring for sick animals.

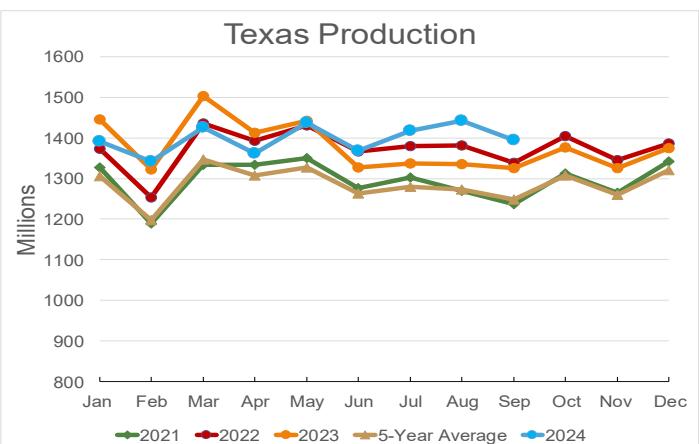
USDA's voluntary H5N1 Dairy Herd Status Pilot Program enables producers to monitor their herds for HPAI via a weekly bulk milk sample. Once testing demonstrates a herd is free of the virus for three consecutive weeks, the program allows shipment of cows without having to test each one, as required under the *H5N1 Federal Order*.

With recognition of the challenges HPAI H5N1 causes for producers, USDA offers financial support to help dairy producers enhance biosecurity and offset costs associated with Influenza A testing, veterinary expenses, personal protective equipment purchases, milk disposal, and milk losses. Producers can contact their [Area Veterinarian in Charge](#) or [State animal health official](#) to enroll.

More details on the *H5N1 Federal Order*, Biosecurity, and participation in the Dairy Herd Status Program and the USDA financial support programs are online at: [HPAI in Livestock | Animal and Plant Health Inspection Service \(usda.gov\)](#)

Texas Dairy Production

In September, Texas dairy production totaled 1,394 million pounds. This is a 5.12 percent increase relative to September 2023 and a 11.6 percent increase from the September five year average (2019-2023). The September average butterfat for Texas production is 4.31 percent, the average protein is 3.37 percent, and the average other solids at 5.81 percent. The average somatic cell count is at 221,000.



| Month | 2024 Number of Producers | 2024 Pounds (In Thousands) | 2023 Pounds (In Thousands) | % Change from 2023/2024 | 2024 Butterfat | 2024 Protein | 2024 Other Solids | 2024 SCC (In Thousands) |
|-------|--------------------------|----------------------------|----------------------------|-------------------------|----------------|--------------|-------------------|-------------------------|
| Jan | 292 | 1,391,167 | 1,446,413 | (3.82) | 4.52 | 3.51 | 5.78 | 194 |
| Feb | 297 | 1,357,324 | 1,322,088 | 1/ 2.67 | 4.42 | 3.46 | 5.79 | 210 |
| Mar | 295 | 1,425,946 | 1,502,558 | (5.10) | 4.35 | 3.45 | 5.78 | 199 |
| Apr | 295 | 1,361,354 | 1,411,850 | 1/ (3.58) | 4.31 | 3.42 | 5.80 | 193 |
| May | 295 | 1,437,250 | 1,442,086 | 1/ (0.34) | 4.28 | 3.39 | 5.80 | 183 |
| Jun | 293 | 1,369,236 | 1,327,677 | 3.13 | 4.22 | 3.31 | 5.81 | 205 |
| Jul | 292 | 1,418,326 | 1,337,158 | 6.07 | 4.19 | 3.29 | 5.80 | 219 |
| Aug | 289 | 1,442,655 | 1,335,516 | 8.02 | 4.22 | 3.29 | 5.80 | 230 |
| Sep | 291 | 1,393,844 | 1,325,897 | 5.12 | 4.31 | 3.37 | 5.81 | 221 |
| Oct | | 1,377,160 | | | | | | |
| Nov | | 1,325,384 | | | | | | |
| Dec | | 1,375,228 | | | | | | |
| Total | | 12,597,102 | 16,529,015 | | | | | |

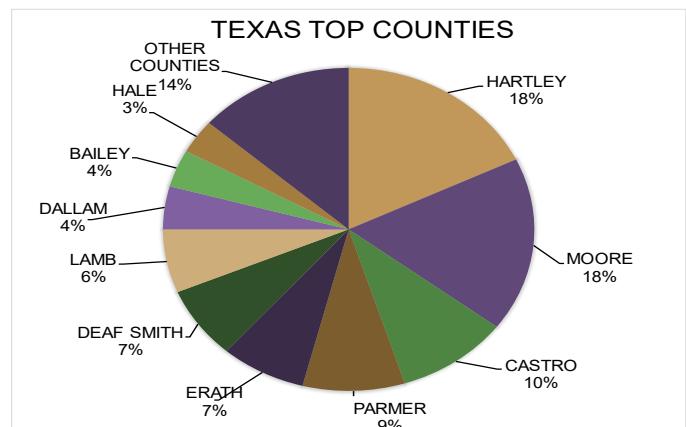
1/ Revised
2/ Simple Average of Total

Top Texas Counties

Hartley and Moore Counties have the largest share of Texas production at 18 percent, followed by Castro Counties at 10 percent, respectively. Overall, 291 producers delivered milk in Texas for the month of September.

| County | Number of Producers | September 2024 Pounds | % Change 2023/2024 |
|----------------|---------------------|-----------------------|--------------------|
| HARTLEY | 19 | 249,151,376 | (0.13) |
| MOORE | 15 | 243,042,905 | 27.45 |
| CASTRO | 15 | 136,545,322 | 23.68 |
| PARMER | 15 | 123,971,604 | 2.53 |
| ERATH | 38 | 103,509,760 | 2.97 |
| DEAF SMITH | 14 | 100,702,759 | (2.05) |
| LAMB | 14 | 88,522,198 | (4.31) |
| DALLAM | 5 | 59,852,776 | 0.28 |
| BAILEY | 10 | 52,302,584 | (0.71) |
| HALE | 6 | 47,428,831 | 0.61 |
| SUM | <u>151</u> | <u>1,205,030,115</u> | <u>6.94</u> |
| OTHER COUNTIES | 140 | 188,814,121 | (5.14) |
| TEXAS TOTAL | 291 | 1,393,844,236 | 5.12 |

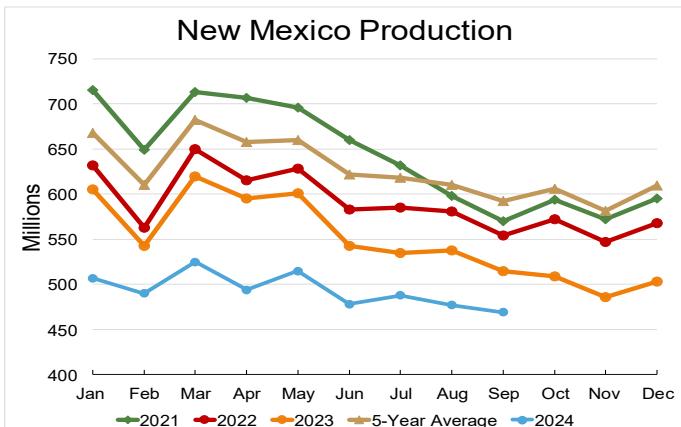
1/ Revised



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

New Mexico Dairy Production

In September, New Mexico dairy production totaled 469 million pounds. This is a 9.00 percent decrease relative to September 2023 and a 20.8 percent decrease from the September five year average (2019-2023). The September average butterfat is 3.93 percent, the average protein is 3.26 percent, and the average other solids at 5.78 percent. The average somatic cell count is at 230,000.



| Month | 2024 Number of Producers | 2024 Pounds (In Thousands) | 2023 Pounds (In Thousands) | % Change from 2023/2024 | 2024 Butterfat | 2024 Protein | 2024 Other Solids | 2024 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 | 88 | 524,580 | 619,727 | (15.35) | 4.07 | 3.34 | 5.78 | 175 |
| Apr | 87 | 494,369 | 594,879 | 1/ (16.90) | 4.01 | 3.31 | 5.79 | 183 |
| May | 84 | 514,805 | 600,823 | (14.32) | 3.91 | 3.27 | 5.80 | 161 |
| Jun | 87 | 477,822 | 542,909 | (11.99) | 3.88 | 3.18 | 5.80 | 191 |
| Jul | 84 | 488,071 | 534,915 | (8.76) | 3.86 | 3.15 | 5.78 | 221 |
| Aug | 84 | 477,493 | 537,872 | 1/ (11.23) | 3.88 | 3.16 | 5.77 | 237 |
| Sep | 84 | 468,617 | 514,957 | 1/ (9.00) | 3.93 | 3.26 | 5.78 | 230 |
| Oct | | 508,697 | | | | | | |
| Nov | | 485,809 | | | | | | |
| Dec | | 503,352 | | | | | | |
| Total | | 4,443,087 | 6,591,949 | | | | | |

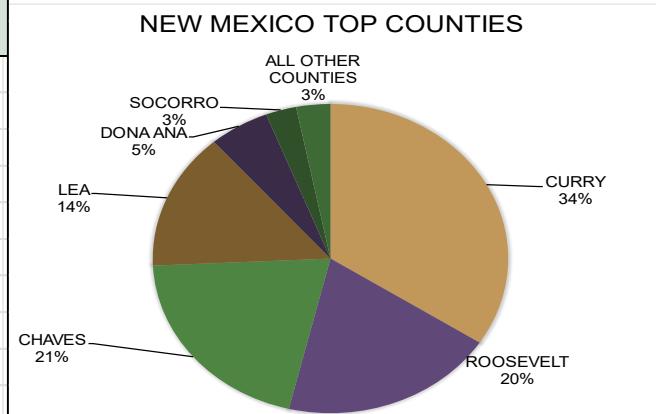
1/ Revised
2/ Simple Average of Total

Top New Mexico Counties

Curry County has the largest share of New Mexico production at 34 percent, followed by Chaves and Roosevelt Counties at 21 and 20 percent, respectively. Overall, 84 producers delivered milk in New Mexico for the month of September.

| County | Number of Producers | September 2024 Pounds | % Change 2023/2024 |
|----------------|---------------------|-----------------------|--------------------|
| CURRY | 23 | 160,035,780 | (1.32) |
| CHAVES | 16 | 96,104,262 | (15.49) |
| ROOSEVELT | 22 | 91,910,050 | (12.17) |
| LEA | 9 | 67,230,121 | (1.67) |
| DONA ANA | 7 | 25,730,180 | (8.59) |
| SOCORRO | 3 | 13,053,918 | (2.71) |
| SUM | 80 | <u>454,064,311</u> | (7.43) |
| OTHER COUNTIES | 4 | 14,552,534 | (40.53) |
| NM TOTAL | 84 | 468,616,845 | (9.00) |

1/ Revised



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

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

September 2024

| | Pounds | Price | Value |
|----------------------------------------------------|------------------|------------|------------------|
| Add: Class I Differential | | | \$259,526.46 |
| Class I Butterfat | 60(a) 7,439,218 | \$ 3.5838 | \$26,660,669.48 |
| Class I Skim Per Cwt | 315,085,561 | \$12.4900 | \$39,354,186.60 |
| Class II Butterfat | 60(b) 12,327,675 | \$ 3.6184 | \$44,606,459.21 |
| Class II Nonfat Solids | 10,119,108 | \$ 1.1211 | \$11,344,532.01 |
| Class III Butterfat | 60(c) 3,899,979 | \$ 3.6114 | \$14,084,384.17 |
| Class III Protein | 1,645,549 | \$ 2.9249 | \$4,813,066.29 |
| Class III Other Solids | 2,852,920 | \$ 0.3430 | \$978,551.55 |
| Class IV Butterfat | 60(d) 10,903,329 | \$ 3.6114 | \$39,376,282.34 |
| Class IV Nonfat Solids | 29,709,042 | \$ 1.1109 | \$33,003,774.76 |
| Class II, III, & IV Somatic Cell Adjustment | 60(e) | | \$704,046.78 |
| Total Producer Milk- Product Pounds and Value | 810,976,736 | | \$215,185,479.65 |
| Add: Value as for 60(f) thru 60(j) | | | \$80,888.09 |
| Less: Total Protein Pounds | 61(b) 27,275,283 | \$ 2.9249 | \$79,777,475.29 |
| Total Other Solids Pounds | 46,937,094 | \$ 0.3430 | \$16,099,423.25 |
| Total Butterfat Pounds | 34,570,201 | \$ 3.6114 | \$124,846,823.89 |
| Total Value of Somatic Cell Adjustment | | | \$1,034,854.79 |
| Total Milk and Value | 810,976,736 | | \$6,492,209.48 |
| Add: Location Differential Adjustments | 61(c) | | \$2,790,970.33 |
| Producer - Settlement Fund Reserve | 61(d) | | \$389,699.35 |
| Total Producer Milk/URSP and Value | 810,976,736 | \$ 0.40834 | \$3,311,539.80 |
| Less: Producer - Settlement Fund Reserve | 61(f) | \$ 0.04166 | \$337,855.51 |
| Producer Price Differential (Dallas County) | | \$.45- | \$3,649,395.31- |

PPD per cwt

Remaining value from which PPD per cwt is calculated

| | |
|-----------------------------------------------------------|---------|
| Producer Price Differential | \$.45- |
| Class III Price | \$23.34 |
| Statistical Uniform Price of Milk (3.5% Butterfat-Dallas) | \$22.89 |
| Average Somatic Cell Count | 238,000 |
| Total Number of Producers | 331 |

| Producer Milk Utilization Percentages | | | | | | |
|---------------------------------------|-------------|---------|------------|---------|-------------|---------|
| | Product | | Butterfat | | Skim Milk | |
| | Pounds | Percent | Pounds | Percent | Pounds | Percent |
| Class I | 322,524,779 | 39.77 | 7,439,218 | 21.52 | 315,085,561 | 40.58 |
| Class II | 119,042,713 | 14.68 | 12,327,675 | 35.66 | 106,715,038 | 13.74 |
| Class III | 51,233,959 | 6.32 | 3,899,979 | 11.28 | 47,333,980 | 6.10 |
| Class IV | 318,175,285 | 39.23 | 10,903,329 | 31.54 | 307,271,956 | 39.58 |
| Total | 810,976,736 | 100.00 | 34,570,201 | 100.00 | 776,406,535 | 100.00 |

| Producer Milk Components | | | | |
|--------------------------|------------|------------|--------------|---------------|
| | Butterfat | Protein | Other Solids | Nonfat Solids |
| Total Pounds | 34,570,201 | 27,275,283 | 46,937,094 | 74,212,377 |
| Average Test | 4.262% | 3.363% | 5.787% | 9.150% |

Federal Order Prices

| Federal Order | Statistical Uniform | Statistical Uniform | PPD | PPD | Class I Utilization | Class I Utilization |
|-------------------------|---------------------|---------------------|---------------|---------------|---------------------|---------------------|
| | <u>Sep-24</u> | <u>Aug-24</u> | <u>Sep-24</u> | <u>Aug-24</u> | <u>Sep-24</u> | <u>Aug-24</u> |
| Appalachian - F.O. 5 | 24.48 | 23.98 | N/A | N/A | 71.39 | 72.99 |
| Arizona - F.O. 131 | 22.94 | 22.14 | N/A | N/A | 32.75 | 35.04 |
| Central - F.O. 32 | 22.41 | 21.34 | (0.93) | 0.68 | 32.4 | 29.62 |
| Florida - F.O. 6 | 26.19 | 25.81 | N/A | N/A | 81.01 | 82.09 |
| Mideast - F.O. 33 | 22.72 | 21.72 | (0.62) | 1.06 | 35.28 | 37.18 |
| Northeast - F.O. 1 | 23.57 | 22.64 | 0.23 | 1.98 | 29.4 | 28.1 |
| Pacific NW - F.O. 124 | 22.59 | 21.37 | (0.75) | 0.71 | 21.96 | 20.47 |
| California - F.O. 51 | 22.45 | 21.50 | (0.89) | 0.84 | 24.1 | 18 |
| Southeast - F.O. 7 | 25.01 | 24.57 | N/A | N/A | 79.22 | 79.24 |
| Southwest - F.O. 126 | 22.89 | 22.07 | (0.45) | 1.41 | 39.77 | 28.07 |
| Upper Midwest - F.O. 30 | 23.10 | 20.86 | (0.24) | 0.20 | 9.6 | 6.2 |

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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