

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE DAIRY PROGRAMS

Office Address: 1404 Carroll Carrollton, TX 75006-7245 Phone: (972) 245-6060 Fax: (972) 245-3211

Lab Fax: (972) 389-0823

Milk Market Administrator SOUTHWEST MILK MARKETING AREA Federal Order No. 126

Mailing Address: P O Box 110939 Carrollton, TX 75011-0939

Home page: www.dallasma.com **E-mail**: sw.order@dallasma.com

October 31, 2008

ANNOUNCEMENT OF CLASS II, III, IV AND COMPONENT PRICES 1/2/

| | Octo | ober 2008 |
|--|------|-----------|
| CLASS II PRICE ^{3/} | \$ | 16.60 |
| Nonfat Solids Price, per lb. | \$ | 1.1622 |
| Butterfat Price, per lb. ^{4/} | | 1.8577 |
| CLASS III PRICE ^{3/} | \$ | 17.06 |
| Skim Milk Price | \$ | 10.97 |
| Protein Price, per lb. | \$ | 3.5490 |
| Other Solids Price, per lb. | \$ | -0.0047 |
| Butterfat Price, per lb. | \$ | 1.8507 |
| CLASS IV PRICE ^{3/} | \$ | 13.62 |
| Skim Milk Price | \$ | 7.40 |
| Nonfat Solids Price, per lb. | \$ | 0.8226 |
| Butterfat Price, per lb. | \$ | 1.8507 |
| SOMATIC CELL ADJ. RATE, per 1,000 SCC | \$ | 0.00095 |

DAIRY PRODUCT AVERAGE PRICE QUOTATIONS

| | OCT 2008 | SEP 2008 | OCT 2007 |
|--|------------------|------------------|------------------|
| NASS WEIGHTED AVERAGE PRICES – FULL MONTH | | | |
| CHEDDAR CHEESE, per lb. | \$ 1.9065 | \$ 1.7773 | \$ 1.9227 |
| BUTTER, per lb. | 1.6997 | 1.6365 | 1.2945 |
| NONFAT DRY MILK, per lb. | 0.9987 | 1.2131 | 2.0615 |
| DRY WHEY, per lb. | 0.1945 | 0.2183 | 0.4175 |
| CHEDDAR CHEESE, per lb. BUTTER, per lb. NONFAT DRY MILK, per lb. | 1.6997 0.9987 | 1.6365 1.2131 | 1.2945 2.0615 |

CLASS I PRICE ADJUSTMENTS FROM BASE DIFFERENTIAL - DALLAS COUNTY

| Albuquerque | -\$0.65 | Floresville | +\$0.45 | Sulphur Springs, Winnsboro | \$0.00 |
|-------------|---------|-----------------|---------|----------------------------|---------|
| Amarillo | -\$0.60 | Houston, Conroe | +\$0.60 | Tyler | \$0.00 |
| Austin | +\$0.30 | Lubbock | -\$0.60 | Waco | +\$0.15 |
| El Paso | -\$0.75 | San Antonio | +\$0.45 | | |

^{1/} United States Department of Agriculture, Agricultural Marketing Service. For further information contact Howard McDowell, 202/720-7461. Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.

Richard Fleming Market Administrator

The manufacturing allowances and butterfat yield factor used to compute the Class II, Class III, Class IV, and component prices in this announcement, as well as future computations of Class II, Class III, Class IV, and component prices factors, and Federal order minimum prices will use the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617).

^{3/} The Class price announced is per hundredweight at 3.5% butterfat.

^{4/} The Class II butterfat price for the Southwest Marketing Area is the butterfat price plus \$0.007 (\$0.70 divided by 100).