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United States Department of Agriculture AGRICULTURE MARKETING SERVICE DAIRY PROGRAMS Milk Market Administrator SOUTHWEST MILK MARKETING AREA Federal Order No. 126

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May 11, 2004

April 2004

Computation of Producer Price Differential

| | | | Pounds | Price | Value |
|-------|---|-------|-------------|------------|--------------------|
| Add: | Class I Differential | f | | | \$236,925.97 |
| | Class I Butterfat | 60(a) | 8,068,248 | \$ 2.2825 | \$18,415,776.09 |
| | Class I Skim Per Cwt | Γ | 342,201,411 | \$ 8.9600 | \$30,661,246.43 |
| | Class II Butterfat | 60(b) | 8,781,003 | \$ 2.5083 | \$22,025,389.85 |
| | Class II Nonfat Solids | | 9,993,222 | \$ 0.7400 | \$7,394,984.28 |
| | Class III Butterfat | 60(c) | 1,371,157 | \$ 2.5013 | \$3,429,675.03 |
| | Class III Protein | | 464,116 | | \$1,599,575.81 |
| | Class III Other Solids | | 868,366 | \$ 0.1042 | \$90,483.73 |
| | Class IV Butterfat | 60(d) | 4,714,469 | \$ 2.5013 | \$11,792,301.29 |
| | Class IV Nonfat Solids | | 13,177,921 | \$ 0.6703 | \$8,833,160.44 |
| | Class II, III, & IV Somatic Cell Adjustment | 60(e) | | | \$141,767.52 |
| | Total Producer Milk- Product Pounds and Value | | 634,095,739 | | \$104,621,286.44 |
| Add: | Value as for 60(f) thru 60(j) | | | | \$188,205.66 |
| Less: | Total Protein Pounds | 61(b) | 19,223,106 | \$ 3.4465 | \$66,252,434.87 |
| | Total Other Solids Pounds | | 36,384,778 | \$ 0.1042 | \$3,791,293.89 |
| | Total Butterfat Pounds | | 22,934,877 | \$ 2.5013 | \$57,367,007.85 |
| | Total Value of Somatic Cell Adjustment | | | | \$343,273.65 |
| | Total Milk and Value | | 634,095,739 | | \$22,944,518.16- |
| Add: | Location Differential Adjustments | 61(c) | | | \$857,347.36 |
| | | 61(d) | | | \$282,869.49 |
| | Total Product Milk/URSP and Value | [| 634,095,739 | \$ 3.43864 | - \$21,804,301.31- |
| Less: | Producer - Settlement Fund Reserve | 61(f) | | \$ 0.04135 | \$262,230.41 |
| | Producer Price Differential (Dallas County) | | | \$3.48- | \$22,066,531.72- |

Estimated Market Wide Utilization in Class 2, 3, & 4 Skim Percentage 41.00 Butterfat Percentage

63.00

Southwest Marketing Order Price Data

April 2004

| Producer Price Differential | \$3.48- |
|---|---------|
| Class III Price | \$19.66 |
| Statistical Uniform Price of Milk (3.5% Butterfat-Dallas) | \$16.18 |

| Producer Milk Utilization Percentages | | | | | | |
|---------------------------------------|-------------------|---------|---------------------|---------|---------------------|---------|
| | Product Pounds | Percent | Butterfat Pounds | Percent | Skim Milk Pounds | Percent |
| Class I | 350,269,659 | 55.24 | 8,068,248 | 35.18 | 342,201,411 | 55.99 |
| Class II | 118,391,383 | 18.67 | 8,781,003 | 38.29 | 109,610,380 | 17.93 |
| Class III | 16,004,018 | 2.52 | 1,371,157 | 5.97 | 14,632,861 | 2.40 |
| Class IV | 149,430,679 | 23.57 | 4,714,469 | 20.56 | 144,716,210 | 23.68 |
| Total | 634,095,739 | 100.00 | 22,934,877 | 100.00 | 611,160,862 | 100.00 |

| Producer Milk Component Utilization Percentages | | | | | | | |
|---|-------------------|--------|------------|---------|-------------------------|---------|--|
| | Protein Pounds | | | Percent | Nonfat Solids Pounds | Percent | |
| Class I | 10,751,820 | 55.94 | 20,352,436 | 55.93 | 31,104,261 | 55.93 | |
| Class II | 3,470,140 | 18.05 | 6,523,083 | 17.93 | 9,993,222 | 17.97 | |
| Class III | 464,116 | 2.41 | 868,366 | 2.39 | 1,332,480 | 2.40 | |
| Class IV | 4,537,030 | 23.60 | 8,640,893 | 23.75 | 13,177,921 | 23.70 | |
| Total | 19,223,106 | 100.00 | 36,384,778 | 100.00 | 55,607,884 | 100.00 | |

| Average Butterfat Test | 3.616% |
|----------------------------|---------|
| Average Protein Test | 3.031% |
| Average Other Solids Test | 5.738% |
| Average Nonfat Solids Test | 8.769% |
| Average Somatic Cell Count | 297,000 |
| Total Number of Producers | 855 |

LIST OF HANDLERS ON SOUTHWEST ORDER 126 April 2004

| NAME | LOCATION | POOL PLANT | 1000.9(c) MILK |
|-------------------------------------|---------------------|---------------|-------------------|
| Creamland Dairies | Albuquerque, NM | Х | |
| DairiConcepts, L.P. | Portales, NM | X a/ | |
| Dairy Farmers of America, Inc. | El Paso, TX | X a/ | |
| Dairy Farmers of America, Inc. | Grapevine, TX | 2 x u/ | Х |
| Dairy Farmers of America, Inc. | Knoxville, TN | | X |
| Dairy Farmers of America, Inc. | Salt Lake City, UT | | X |
| Dairy Farmers of America, Inc. | Sulphur Springs, TX | X a/ | |
| David's Supermarket, Inc. | Grandview, TX | X | |
| Farmers Dairies | El Paso, TX | X | |
| Gandy's Dairy Products | Lubbock, TX | X | |
| H. E. Butts Grocery Co. | San Antonio, TX | X | |
| H. E. Butts - H. R. S. C. | Houston, TX | Х | |
| Just Jersey Cooperative, Inc. | Artesia, NM | | Х |
| Lilly Dairy Products, Inc. | Bryan, TX | Х | |
| Lone Star Milk Producers, L.C. East | Windthorst, TX | | Х |
| Lone Star Milk Producers, L.C. West | Windthorst, TX | | Х |
| Milk Products, L.P. | Austin, TX | Х | |
| Milk Products, L.P. | Conroe, TX | Х | |
| Milk Products, L.P. | Dallas, TX | Х | |
| Morningstar Specialty Foods | Sulphur Springs, TX | Х | |
| Oak Farms Dairy | b/ Dallas, TX | Х | |
| Oak Farms Dairy | Houston, TX | Х | |
| Oak Farms Dairy | San Antonio, TX | Х | |
| Oak Farms Dairy | Waco, TX | Х | |
| Plains Dairy Products | Amarillo, TX | Х | |
| Price's Creameries | El Paso, TX | Х | |
| Promised Land Dairy | Floresville, TX | Х | |
| Schepps Dairy | Dallas, TX | Х | |
| Select Milk Producers, Inc. | Artesia, NM | | Х |
| Southwest Dairy | Tyler, TX | Х | |
| United Dairymen of Arizona | Tempe, AZ | | Х |
| Vandervoort's | Ft. Worth, TX | Х | |
| Western Quality Foods | Cedar City, UT | Х | |
| Zia Milk Producers, Inc. | Roswell, NM | | Х |

PARTIALLY REGULATED PLANTS AND PRODUCER-HANDLERS WITH DISTRIBUTION IN THE SOUTHWEST MARKETING AREA

| NAME | LOCATION | PARTIALLY REGULATED | PRODUCER HANDLER | EXEMPT HANDLER |
|-----------------------------------|----------------------|------------------------|---------------------|-------------------|
| Alta Dena Dairy | City of Industry, CA | Х | | |
| Braums Ice Cream | Tuttle, OK | | Х | |
| Cacique Inc. | City of Industry, CA | Х | | |
| Dannon | Ft. Worth, TX | Х | | |
| Jasper Products, L.L.C. | Joplin, MO | Х | | |
| Kohler Mix Specialties | Sulphur Springs, TX | Х | | |
| Lane's Dairy | El Paso, TX | | Х | |
| Mickey's Drive-In Dairy | Albuquerque, NM | | Х | |
| Mountain Gold Dairy | Carrizozo, NM | | | Х |
| Nature's Dairy | Roswell, NM | | Х | |
| Rasband Dairy | Albuquerque, NM | | Х | |
| Select No. 5 | Dexter, NM | Х | | |
| Stremick's Heritage Foods, L.L.C. | Santa Ana, CA | Х | | |
| | | | | |

a/ Designated plant pursuant to Section 1126.7(d).b/ Handler failed to submit its report on time pursuant to Section 1126.30.