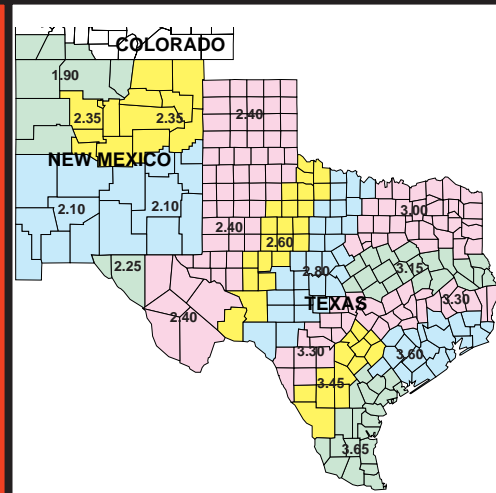


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JULY 2001

MARKET SUMMARY FOR JUNE

The Producer Price Differential (P.P.D.) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$1.83 for June. Butterfat price increased \$0.0898 per pound from \$2.1191 in May to the level of \$2.2089 for June. Protein price increased \$0.2562 cents per pound from \$1.9108 in May to \$2.1670 in June. June's Other Solids price increased \$0.0180 per pound from the previous month to \$0.1409. The Somatic Cell Count adjustment rate factor for June was .00081 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a June statistical uniform price of \$16.85 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of 80 cents in comparison to the statistical blend price of \$16.05 in May.

The June Class I price increased 78 cents from \$17.21 in May to the June level of \$17.99. The Class II price for June of \$16.05 per hundredweight increased 33 cents from \$15.72 in May. June's Class III price increased \$1.19 from \$13.83 in May to \$15.02 in June. The Class IV price increased 29 cents from \$15.04 in May to \$15.33 in June.

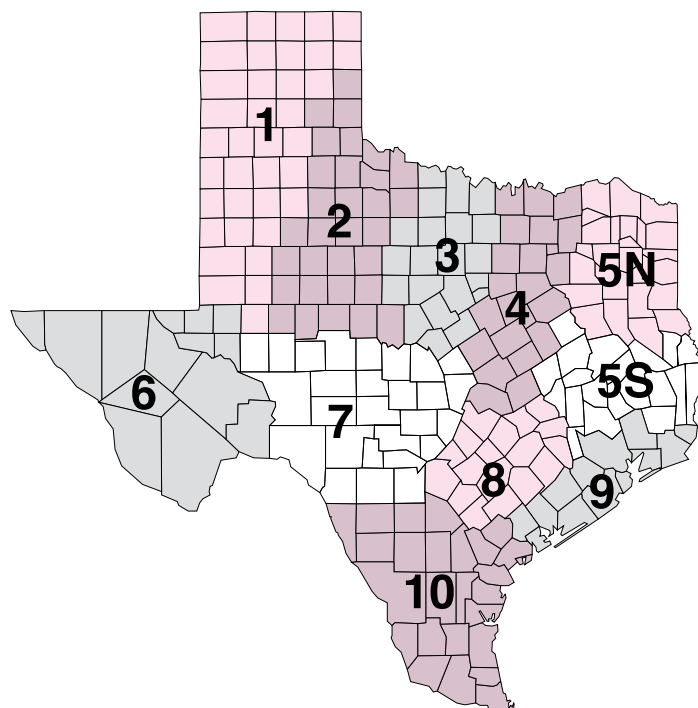
In June 821 producers delivered a total of 753,279,404 pounds of milk. On a daily basis this represents a decrease of 3.41 percent from the producer receipts level in May but it represents an increase of 17.13 percent when compared to the producer receipts level of June 2000.

Producer milk classified as Class I during June amounted to 41.10 percent of total producer receipts. This figure is down slightly from 41.56 percent in May and it is down from 48.81 percent in June 2000. The average butterfat test of producer milk pooled during June was 3.497 percent, average protein test was 2.965 percent, average other solids test was 5.691 percent and the average somatic cell count was 334,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 01	May 01	Jun 01	May 01	Jun 01	May 01
Appalachian	17.33	16.77	-----	-----	58.22	58.01
Arizona-Las Vegas	15.88	15.11	-----	-----	29.04	28.58
Central	15.79	14.80	0.77	0.97	23.90	25.56
Florida	18.89	18.22	-----	-----	91.28	90.40
Mideast	15.97	15.12	0.95	1.29	32.10	37.30
Northeast	17.08	16.32	2.06	2.49	40.70	41.10
Pacific Northwest	15.78	15.12	0.76	1.29	26.62	27.74
Southeast	17.28	16.54	-----	-----	60.27	57.55
Southwest	16.85	16.05	1.83	2.22	41.10	41.56
Upper Midwest	15.52	14.50	0.50	0.67	19.80	20.70
Western	15.67	14.74	0.65	0.91	17.32	22.32

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2001

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	22	7.41	3.49	3.00	5.70	8.70	334
2	15	1.80	3.58	3.10	5.66	8.75	443
3	334	48.96	3.50	3.01	5.67	8.68	400
4	105	6.66	3.54	3.03	5.67	8.70	443
5N	373	22.99	3.47	3.03	5.67	8.70	421
5S	16	0.44	3.59	2.99	5.59	8.59	444
6	13	5.86	3.45	2.93	5.65	8.57	264
7	16	2.29	3.59	3.04	5.63	8.68	365
8	48	2.03	3.71	3.04	5.62	8.66	457
9	4	0.13	3.45	3.04	5.58	8.62	543
10	15	1.43	4.09	3.11	5.67	8.79	351
TOTAL	961	100.00	3.51	3.01	5.67	8.68	397

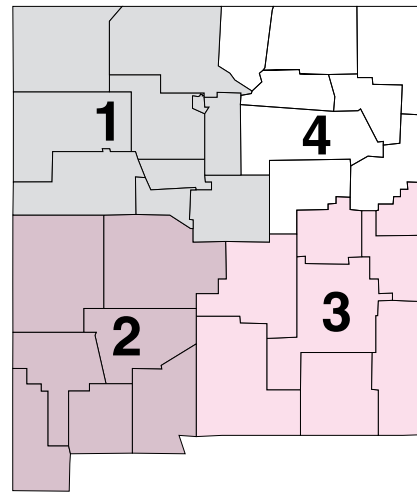
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2001

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	2	4	6	1	3	6	20,617
2	7	4	2	0	0	2	4,996
3	95	91	63	30	18	37	136,149
4	50	35	14	2	2	2	18,511
5N	170	127	60	11	1	4	63,929
5S	14	1	1	0	0	0	1,227
6	1	2	2	0	2	6	16,291
7	7	2	3	1	0	3	6,357
8	30	14	2	2	0	0	5,645
9	2	2	0	0	0	0	372
10	1	10	2	0	2	0	3,980
TOTAL	379	292	155	47	28	60	278,072

*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2001

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	17	4.28	3.54	2.99	5.71	8.70	260
2	35	20.31	3.50	2.96	5.69	8.66	248
3	117	75.41	3.47	2.98	5.68	8.66	311
4	0	0	0	0	0	0	0
TOTAL	169	100.00	3.48	2.98	5.68	8.66	296

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2001

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	7	3	4	1	2	0	10,222
2	2	5	5	16	6	1	48,484
3	16	4	15	47	26	9	180,001
4	0	0	0	0	0	0	0
TOTAL	25	12	24	64	29	10	238,707

*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations

Month	Class Prices & P.P.D.					Component Prices			NASS Product Prices				
	I a/	II	III	IV	P.P.D.a/	BF	Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	Dollars Per Hundred Wt.					Cents Per Pound							
April 2000	13.93	12.10	9.41	11.38	2.64	113.52	4.08	173.99	.00055	104.49	110.11	100.78	17.65
May	14.48	12.63	9.37	11.91	3.06	128.54	4.03	155.14	.00055	116.80	110.22	100.71	17.60
June	14.70	13.08	9.46	12.38	3.29	141.28	4.38	142.78	.00056	127.25	111.37	100.97	17.94
July	15.46	12.58	10.66	11.87	2.70	126.91	5.57	197.26	.00061	115.47	121.89	101.02	19.09
August	14.95	12.56	10.13	11.87	3.03	126.59	5.77	179.52	.00058	115.20	116.60	101.08	19.29
September	14.84	12.58	10.76	11.94	2.52	127.07	5.02	201.37	.00062	115.60	123.15	101.66	18.56
October	14.89	12.54	10.02	11.81	2.87	124.44	4.71	180.28	.00058	113.44	116.02	101.27	18.26
November	14.82	13.68	8.57	13.00	4.02	157.45	5.65	91.49	.00051	140.51	102.45	101.59	19.17
December	15.13	13.97	9.37	13.27	3.54	165.34	8.29	103.78	.00054	146.98	108.98	101.58	21.72
Averages 2000b/	14.55	12.53	9.74	11.83	2.86	125.22	5.09	169.38	.00057	114.08	113.13	101.15	18.63
January 2001	16.99	12.82	9.99	12.13	3.63	128.96	11.20	161.81	.00056	117.25	111.80	101.65	24.84
February	14.94	13.43	10.27	12.70	2.97	146.26	11.99	149.51	.00057	131.43	114.67	101.37	25.61
March	15.65	14.17	11.42	13.46	2.76	168.20	10.39	164.98	.00064	149.42	127.37	101.27	24.06
April	16.44	15.10	12.06	14.41	2.85	194.83	10.81	154.43	.00067	171.26	134.23	101.45	24.46
May	17.21	15.72	13.83	15.04	2.22	211.91	12.29	191.08	.00076	185.27	151.29	101.80	25.90
June	17.99	16.05	15.02	15.33	1.83	220.89	14.09	216.70	.00081	192.63	162.11	101.48	27.64

a/ Subject to location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1999 THROUGH JUNE 2001, WITH PRODUCTION PERCENTAGE COMPARISONS**

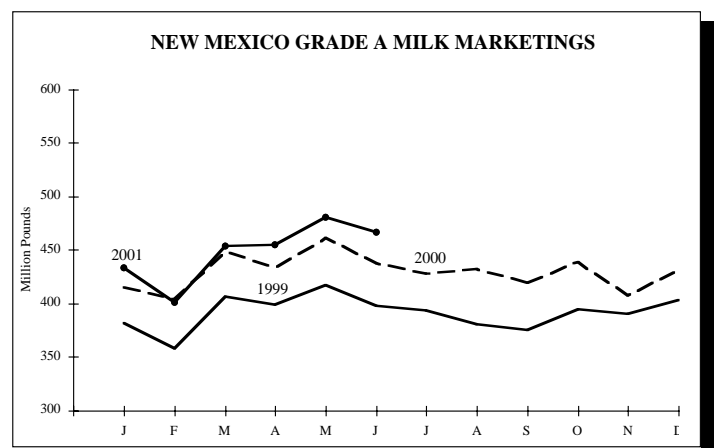
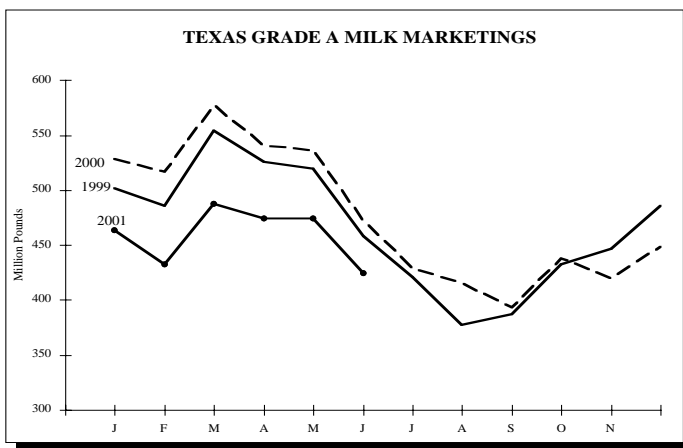
MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	PERCENT CHANGE 2001/00
January	501,754,729	1,251	528,032,131	1,156	463,431,654	1,026	+5.24	-12.23
February	486,044,271	1,245	517,023,791	1,141	432,156,106	1,006	+6.37	-13.43*
March	553,983,640	1,241	577,134,609	1,134	487,875,678	991	+4.18	-15.47
April	525,773,380	1,233	540,903,763	1,121	474,386,881	978	+2.88	-12.30
May	519,613,189	1,219	536,505,477	1,112	474,113,159	961	+3.25	-11.63
June	458,247,406	1,216	472,478,168	1,103	424,655,275	953	+3.11	-10.12
July	421,397,795	1,206	428,683,700	1,089			+1.73	
August	377,392,147	1,197	415,788,563	1,082			+10.17	
September	386,931,407	1,189	393,642,034	1,066			+1.73	
October	432,175,585	1,181	437,963,207	1,058			+1.34	
November	447,062,545	1,166	420,274,058	1,041			-5.99	
December	<u>485,682,323</u>	1,160	<u>448,671,268</u>	1,033			<u>-7.62</u>	
Years Total	5,596,058,417		5,717,100,769				+2.16	

*Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1999 THROUGH JUNE 2001, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	PERCENT CHANGE 2000/99	PERCENT CHANGE 2001/00
January	381,115,401	156	414,930,653	158	432,749,978	166	+8.87	+4.29
February	358,049,940	157	404,085,655	158	400,543,634	166	+12.86	+2.66*
March	406,789,374	156	447,971,781	158	453,232,150	165	+10.12	+1.17
April	399,229,362	157	433,303,618	159	454,980,340	167	+8.54	+5.00
May	416,852,251	157	461,526,991	159	480,995,372	169	+10.72	+4.22
June	397,483,877	159	437,718,050	159	466,640,323	170	+10.12	+6.61
July	393,796,366	158	427,456,503	159			+8.55	
August	380,628,318	158	431,815,797	160			+13.45	
September	374,886,452	160	419,669,872	161			+11.95	
October	394,366,657	162	438,410,599	163			+11.17	
November	389,857,074	159	407,114,759	167			+4.43	
December	<u>403,101,846</u>	158	<u>431,351,678</u>	166			<u>+7.01</u>	
Years Total	4,696,156,918		5,155,355,956				+9.78	

*Based on average daily delivery.



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TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein ^{b/}		Other Solids ^{b/}		S-N-F		SCC ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
June 2000	3.55	3.44	3.03	2.96	5.67	5.67	8.70	8.63	415	272
July	3.54	3.42	3.01	2.91	5.62	5.63	8.63	8.54	419	287
August	3.55	3.44	3.05	2.95	5.60	5.62	8.65	8.57	420	287
September	3.59	3.48	3.10	3.01	5.61	5.63	8.71	8.64	419	278
October	3.72	3.59	3.16	3.10	5.67	5.67	8.82	8.77	369	258
November	3.81	3.73	3.19	3.15	5.69	5.68	8.87	8.83	406	313
December	3.84	3.73	3.21	3.14	5.68	5.65	8.88	8.79	378	312
Averages 2000	3.65	3.56	3.09	3.04	5.67	5.67	8.75	8.71	374	273
January 2001	3.81	3.72	3.13	3.10	5.69	5.67	8.81	8.76	422	366
February	3.72	3.69	3.08	3.06	5.69	5.68	8.76	8.74	421	388
March	3.64	3.61	3.07	3.04	5.71	5.70	8.78	8.74	414	348
April	3.54	3.54	3.04	3.01	5.68	5.68	8.72	8.69	383	302
May	3.51	3.48	3.02	2.98	5.67	5.69	8.68	8.66	397	296
June	3.54	3.47	3.01	2.94	5.68	5.70	8.68	8.63	400	295

a/ In thousands. b/ Estimated for 1999: True Protein = Crude Protein - .19 and Other Solids = SNF - True Protein

**JUNE 2001
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$361,787.22
Class I Butterfat	60(a)	7,509,490	\$2.1333	\$16,019,995.03
Class I Skim Per Cwt		302,109,181	\$10.9000	\$32,929,900.77
Class II Butterfat	60(b)	5,916,180	\$2.2159	\$13,109,663.28
Class II Nonfat Solids		6,390,777	\$0.9556	\$6,107,026.49
Class III Butterfat	60(c)	9,534,213	\$2.2089	\$21,060,123.08
Class III Protein		8,333,755	\$2.1670	\$18,059,247.12
Class III Other Solids		16,082,441	\$0.1409	\$2,266,015.99
Class IV Butterfat	60(d)	3,382,252	\$2.2089	\$7,471,056.46
Class IV Nonfat Solids		7,232,376	\$0.8748	\$6,326,882.55
Class II, III & IV Somatic Cell Adj.	60(e)			\$119,720.12
Total Producer Milk-Product Lbs & Value		753,279,404		\$123,831,418.11
Add: Value as for 60(f) Thru 60(j)				\$93,773.16
Less: Total Protein Pounds	61(b)	22,332,610	\$2.1670	\$48,394,765.90
Total Other Solids Pounds		42,866,896	\$0.1409	\$6,039,945.66
Total Butterfat Pounds		26,342,135	\$2.2089	\$58,187,142.02
Total Value of Somatic Cell Adjustment				\$99,130.61
Total Milk and Value		753,279,404		\$11,204,207.08
Add: Location Differential Adjustments	61(c)			\$2,572,529.49
Producer-Settlement Fund	61(d)			\$331,646.29
Total Producer Milk/URSP and Value		753,902,663	\$1.87138	\$14,108,382.86
Less: Producer-Settlement Fund	61(f)		\$0.04138	\$311,964.13
Producer Price Differential (Dallas County)			\$1.83	\$13,796,418.73

THE MARKET ADMINISTRATOR'S
REPORT

SOUTHWEST MARKETING AREA
 RICHARD FLEMING, MARKET ADMINISTRATOR
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JUNE 2001
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	309,618,671	41.10	7,509,490	28.51	302,109,181	41.56
Class II	77,158,608	10.24	5,916,180	22.46	71,242,428	9.80
Class III	282,372,352	37.49	9,534,213	36.19	272,838,139	37.53
Class IV	84,129,773	11.17	3,382,252	12.84	80,747,521	11.11
Total	753,279,404	100.00	26,342,135	100.00	726,937,269	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,350,106	41.87	17,810,049	41.55	27,160,161	41.66
Class II	2,189,073	9.80	4,201,708	9.80	6,390,777	9.80
Class III	8,333,755	37.32	16,082,441	37.52	24,416,192	37.45
Class IV	2,459,676	11.01	4,772,698	11.13	7,232,376	11.09
Total	22,332,610	100.00	42,866,896	100.00	65,199,506	100.00