

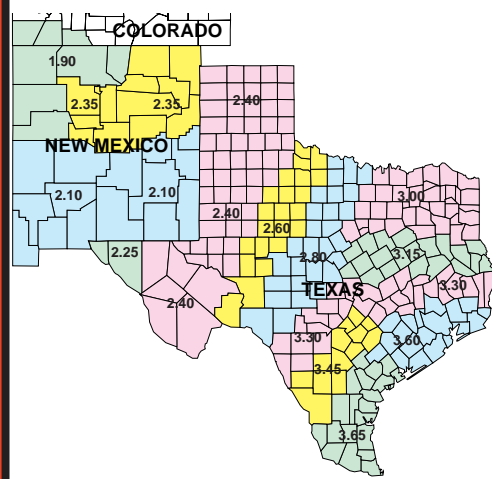
THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JULY 2003

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 \$1.58 for June. Butterfat price increased \$0.0064 per pound from \$1.1512 in May to the level of \$1.1576 in June. Protein price increased \$0.0159 per pound from \$1.9275 in May to \$1.9434 in June. June's Other Solids price decreased \$0.0056 per pound from negative \$0.0144 in May to a negative \$0.0200 in June. The Somatic Cell Count adjustment rate factor for June was .00057 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 \$11.33 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 \$0.03 in comparison to the statistical blend price of \$11.30 in May.

The June Class I price increased \$0.03 cents

from \$12.71 in May to the June level of \$12.74. The Boston Class I price of \$12.99 produced a dairy deficiency payment of \$1.78 for June. The Class II price for June of \$10.46 per hundredweight increased \$0.03 from \$10.43 in May. June's Class III price increased \$0.04 from \$9.71 in May to \$9.75 in June. The Class IV price increased \$0.02 from \$9.74 in May to \$9.76 in June.

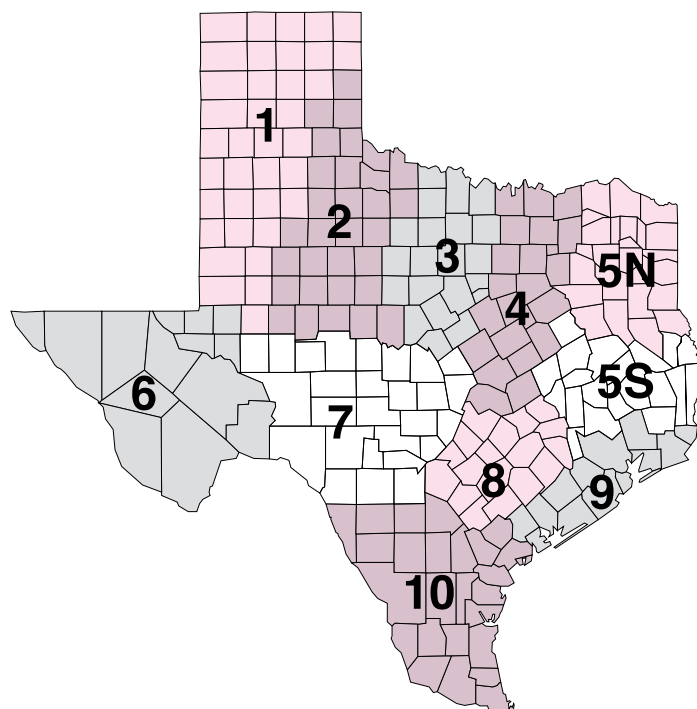
In June 948 producers delivered a total of 884,591,643 pounds of milk. On a daily basis this represents a decrease of 4.12 percent from the producer receipts level in May but it represents an increase of 5.42 percent when compared to the producer receipts level of June 2002.

Producer milk classified as Class I during June amounted to 34.87 percent of total producer receipts. This figure is down from 35.59 percent in May and it is down from 36.00 percent in June 2002. The average butterfat test of producer milk pooled during June was 3.501 percent, average protein test was 2.944 percent, average other solids test was 5.733 percent and the average somatic cell count was 312,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 03	May 03	Jun 03	May 03	Jun 03	May 03
Appalachian	12.04	12.11	-----	-----	62.33	66.40
Arizona-Las Vegas	10.47	10.45	-----	-----	27.61	28.89
Central	10.44	10.41	0.69	0.70	25.38	27.12
Florida	13.02	13.10	-----	-----	77.25	79.13
Mideast	10.63	10.63	0.88	0.92	34.00	36.70
Northeast	11.66	11.60	1.91	1.89	41.30	42.10
Pacific Northwest	10.37	10.38	0.62	0.67	25.87	28.07
Southeast	11.98	11.99	-----	-----	61.57	62.38
Southwest	11.33	11.30	1.58	1.59	34.87	35.59
Upper Midwest	10.13	10.11	0.38	0.40	15.60	17.90
Western	10.24	10.19	0.49	0.48	14.33	14.69

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 2003

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	32	18.72	3.59	2.96	5.77	8.73	230
2	11	1.72	3.54	2.94	5.73	8.67	289
3	280	41.71	3.53	2.98	5.73	8.71	332
4	92	5.91	3.53	2.99	5.71	8.70	394
5N	329	20.48	3.55	3.00	5.68	8.68	397
5S	9	0.30	3.37	2.99	5.63	8.62	527
6	14	5.76	3.47	2.86	5.69	8.56	285
7	15	2.32	3.45	2.96	5.71	8.67	316
8	43	1.83	3.76	3.07	5.67	8.73	392
9	4	0.12	3.41	2.90	5.56	8.46	529
10	11	1.13	4.17	3.28	5.69	8.97	348
TOTAL	840	100.00	3.55	2.98	5.72	8.70	328

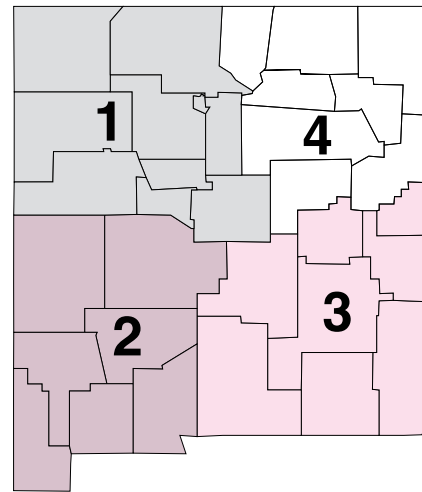
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2003

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	3	2	3	1	3	20	56,156
2	3	3	3	0	0	2	5,153
3	65	85	54	28	12	36	125,125
4	39	31	15	4	2	1	17,742
5N	146	109	51	15	3	5	61,432
5S	5	3	1	0	0	0	908
6	0	3	1	2	2	6	17,269
7	5	4	2	1	0	3	6,962
8	26	11	4	2	0	0	5,481
9	2	2	0	0	0	0	374
10	1	7	0	1	2	0	3,382
TOTAL	295	260	134	54	24	73	299,985

*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 2003

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	15	3.68	3.57	2.95	5.73	8.68	231
2	36	20.26	3.49	2.92	5.78	8.70	217
3	126	76.06	3.48	2.93	5.74	8.67	261
4	0	0	0	0	0	0	0
TOTAL	177	100.00	3.49	2.93	5.75	8.68	251

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2003

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	4	4	4	1	2	0	10,761
2	0	5	5	16	8	2	59,233
3	12	4	16	45	36	13	222,401
4	0	0	0	0	0	0	0
TOTAL	16	13	25	62	46	15	292,395

*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 2002	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48
May	14.26	11.29	10.82	10.57	1.60	114.33	3.71	220.97	.00062	105.25	123.59	89.72	17.59
June	14.03	11.19	10.09	10.52	2.02	112.11	2.47	201.48	.00059	103.43	117.08	90.05	16.39
July	13.62	11.14	9.33	10.45	2.48	109.29	1.50	180.95	.00055	101.12	110.04	90.33	15.45
August	13.48	11.07	9.54	10.41	2.41	107.01	1.77	190.21	.00056	99.25	111.89	90.74	15.71
September	13.46	10.91	9.92	10.22	2.00	100.99	3.67	206.46	.00057	94.31	114.38	90.96	17.55
October	13.15	11.12	10.72	10.50	1.35	107.26	7.55	218.39	.00060	99.45	120.20	91.65	21.31
November	13.60	11.26	9.84	10.58	2.13	109.23	8.50	184.69	.00056	101.07	111.11	91.77	22.23
December	13.52	11.62	9.74	10.49	2.18	119.22	5.84	175.06	.00056	109.26	112.03	86.82	19.65
Averages 2002 b/	14.01	11.55	10.42	10.81	1.97	119.28	5.93	197.35	.00059	109.31	118.55	90.43	19.74
January 2003	13.56	11.29	9.78	10.07	2.10	118.56	3.39	181.64	.00057	108.72	113.70	82.07	17.28
February	13.23	10.66	9.66	9.81	1.76	113.73	2.40	185.38	.00056	104.76	112.99	81.11	16.32
March	12.81	10.54	9.11	9.79	1.99	114.59	2.06	166.48	.00054	105.46	107.80	80.51	15.99
April	12.64	10.44	9.41	9.73	1.78	115.03	- 0.08	180.06	.00055	107.36	109.97	80.30	15.82
May	12.71	10.43	9.71	9.74	1.59	115.12	- 1.44	192.75	.00057	107.43	113.94	80.40	14.50
June	12.74	10.46	9.75	9.76	1.58	115.76	- 2.00	194.34	.00057	107.97	114.64	80.40	13.96

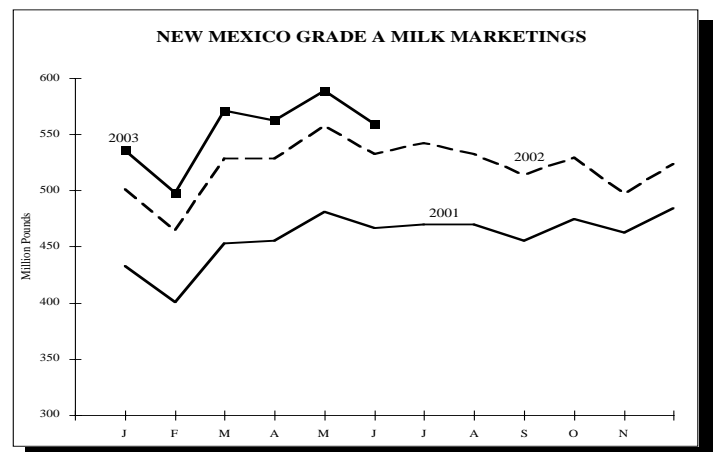
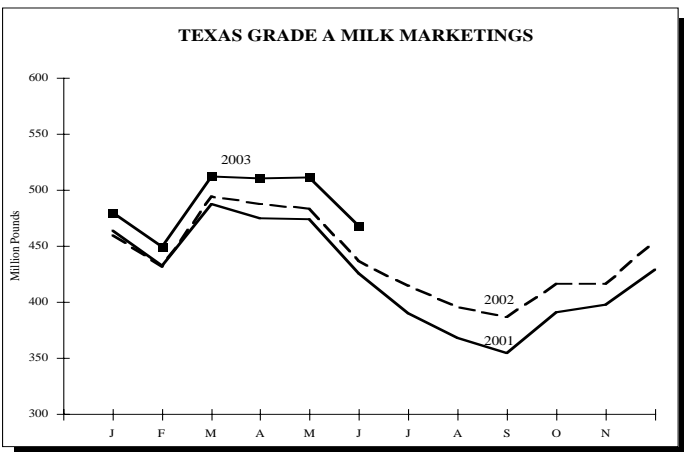
a/ Subject to location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2001 THROUGH JUNE 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	463,431,654	1,026	459,850,238	897	480,011,354	845	-0.77	+ 4.38
February	432,156,106	1,006	431,807,361	894	449,362,000	840	-0.08	+ 4.07
March	487,875,678	991	494,608,931	893	512,243,241	841	+1.38	+ 3.57
April	474,386,881	978	487,475,741	889	510,466,950	838	+2.76	+ 4.72
May	474,236,039	962	482,994,330	875	511,474,552	840	+1.85	+ 5.90
June	425,591,909	954	435,698,971	872	468,387,455	838	+2.37	+ 7.50
July	389,996,462	933	414,700,943	862			+6.33	
August	367,810,615	919	395,468,644	851			+7.52	
September	354,482,882	916	386,732,687	859			+9.10	
October	391,332,224	908	415,984,319	846			+6.30	
November	397,352,762	907	415,537,665	847			+4.58	
December	<u>429,232,267</u>	903	<u>454,863,992</u>	843			<u>+5.97</u>	
Years Total	5,087,885,479		5,275,723,822				+3.69	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2001 THROUGH JUNE 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	432,749,978	166	501,275,998	174	535,741,056	177	+15.84	+ 6.66
February	400,543,634	166	463,667,936	173	498,218,526	176	+15.76	+ 7.45
March	453,232,150	165	528,830,087	175	570,901,632	177	+16.68	+ 7.96
April	454,980,340	167	528,467,048	175	562,338,380	177	+16.15	+ 6.41
May	480,995,372	169	557,746,887	176	589,176,775	177	+15.96	+ 5.64
June	466,640,323	170	532,178,000	178	559,442,259	177	+14.04	+ 5.12
July	469,362,545	171	542,546,821	176			+15.59	
August	469,391,326	174	532,685,705	176			+13.48	
September	455,259,423	173	513,773,496	178			+12.85	
October	474,918,306	173	529,524,800	178			+11.50	
November	462,212,000	173	496,802,059	178			+7.48	
December	<u>484,020,641</u>	173	<u>523,409,272</u>	178			<u>+8.14</u>	
Years Total	5,504,306,038		6,250,908,109				+13.56	



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TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
June 2002	3.58	3.47	2.99	2.92	5.69	5.69	8.67	8.61	366	263
July	3.59	3.45	3.00	2.91	5.67	5.69	8.66	8.60	407	290
August	3.58	3.47	3.02	2.93	5.65	5.68	8.67	8.61	414	303
September	3.62	3.55	3.09	3.00	5.64	5.67	8.72	8.67	393	297
October	3.76	3.67	3.15	3.08	5.66	5.68	8.81	8.76	376	281
November	3.87	3.76	3.19	3.13	5.68	5.68	8.86	8.80	368	296
December	3.80	3.74	3.15	3.10	5.69	5.69	8.84	8.79	356	306
Averages 2002	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293
January 2003	3.77	3.72	3.11	3.05	5.70	5.68	8.80	8.73	338	313
February	3.74	3.68	3.08	3.01	5.71	5.69	8.78	8.70	331	289
March	3.70	3.63	3.05	2.99	5.71	5.73	8.76	8.72	343	277
April	3.59	3.56	3.02	2.96	5.73	5.75	8.75	8.70	306	252
May	3.55	3.49	2.98	2.93	5.72	5.75	8.70	8.68	328	251
June	3.57	3.45	2.98	2.92	5.71	5.74	8.69	8.65	368	273

a/ In thousands.

JUNE 2003
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$321,642.83
Class I Butterfat	60(a)	7,448,598	\$1.1800	\$8,789,345.64
Class I Skim Per Cwt		300,972,131	\$8.9200	\$26,846,714.11
Class II Butterfat	60(b)	9,897,401	\$1.1646	\$11,526,513.23
Class II Nonfat Solids		10,708,091	\$0.7356	\$7,876,871.77
Class III Butterfat	60(c)	9,157,118	\$1.1576	\$10,600,279.83
Class III Protein		7,440,551	\$1.9434	\$14,459,966.84
Class III Other Solids		14,570,990	-\$0.0200	(\$291,419.80)
Class IV Butterfat	60(d)	4,474,398	\$1.1576	\$5,179,563.11
Class IV Nonfat Solids		16,920,158	\$0.6574	\$11,123,311.89
Class II, III & IV Somatic Cell Adj.	60(e)			\$173,052.76
Total Producer Milk-Product Lbs & Value		884,591,643		\$96,605,842.21
Add: Value as for 60(f) Thru 60(j)				\$45,729.40
Less: Total Protein Pounds	61(b)	26,045,706	\$1.9434	\$50,617,225.05
Total Other Solids Pounds		50,722,077	-\$0.0200	(\$1,014,441.54)
Total Butterfat Pounds		30,977,515	\$1.1576	\$35,859,571.38
Total Value of Somatic Cell Adjustment				\$193,881.29
Total Milk and Value		884,591,643		\$10,995,335.43
Add: Location Differential Adjustments	61(c)			\$3,032,052.08
Producer-Settlement Fund	61(d)			\$378,410.54
Total Producer Milk/URSP and Value		884,591,643	\$1.62852	\$14,405,798.05
Less: Producer-Settlement Fund	61(f)		\$0.04852	\$429,250.09
Producer Price Differential (Dallas County)			\$1.58	\$13,976,547.96

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JUNE 2003
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	308,420,729	34.87	7,448,598	24.05	300,972,131	35.26
Class II	128,847,752	14.57	9,897,401	31.95	118,950,351	13.93
Class III	254,608,813	28.77	9,157,118	29.56	245,451,695	28.76
Class IV	192,714,349	21.79	4,474,398	14.44	188,239,951	22.05
Total	884,591,643	100.00	30,977,515	100.00	853,614,128	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,252,368	35.52	17,875,630	35.24	27,127,995	35.34
Class II	3,648,274	14.01	7,059,814	13.92	10,708,091	13.95
Class III	7,440,551	28.57	14,570,990	28.73	22,011,539	28.67
Class IV	5,704,513	21.90	11,215,643	22.11	16,920,158	22.04
Total	26,045,706	100.00	50,722,077	100.00	76,767,783	100.00