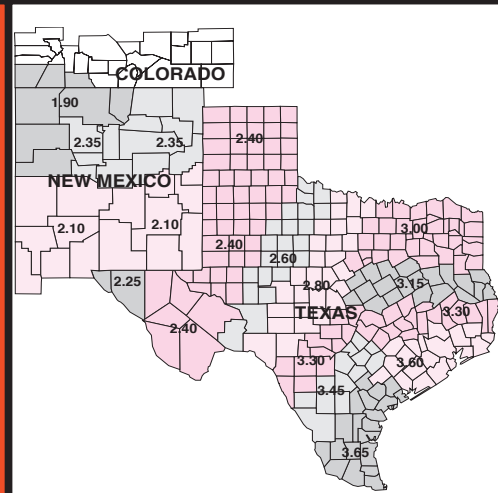


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR
 P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
 (972) 245-6060 FAX (972) 245-3211
 e-mail: sw.order@dallasma.com
 WWW: <http://www.dallasma.com>

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MARKET SUMMARY FOR MARCH

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 \$1.71 for March. Butterfat price decreased \$0.0475 per pound from \$1.7754 in February to the level of \$1.7279 in March. Protein price decreased \$0.1594 per pound from \$2.6613 in February to \$2.5019 in March. March's Other Solids price increased \$0.0036 per pound from \$0.0915 in February to \$0.0951 in March. The Somatic Cell Count adjustment rate factor for March was .00075 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a March statistical uniform price of \$15.79 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 \$0.55 in comparison to the statistical blend price of \$15.24 in February.

The March Class I price increased \$1.64 from

\$16.79 in February to the March level of \$18.43. The Class II price for March of \$13.25 per hundredweight decreased \$0.11 from \$13.36 in February. March's Class III price decreased \$0.62 from \$14.70 in February to \$14.08 in March. The Class IV price decreased \$0.08 from \$12.74 in February to \$12.66 in March.

In March 800 producers delivered a total of 784,379,610 pounds of milk. On a daily basis this represents an increase of 25.99 percent from the producer receipts level in February and it represents an increase of 30.42 percent when compared to the producer receipts level of March 2004.

Producer milk classified as Class I during March amounted to 43.91 percent of total producer receipts. This figure is down from 57.54 percent in February and it is down from 58.74 percent in March 2004. The average butterfat test of producer milk pooled during March was 3.674 percent, average protein test was 3.058 percent, average other solids test was 5.729 percent and the average somatic cell count was 296,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 05	Feb 05	Mar 05	Feb 05	Mar 05	Feb 05
Appalachian	16.74	15.90	-----	-----	61.77	67.30
Arizona-Las Vegas	14.86	14.73	-----	-----	31.28	33.85
Central	14.73	14.50	0.65	(0.20)	28.04	46.85
Florida	18.15	17.08	-----	-----	77.10	79.12
Mideast	14.95	14.71	0.87	0.01	32.90	43.00
Northeast	16.04	15.51	1.96	0.81	44.80	46.40
Pacific Northwest	14.59	14.04	0.51	(0.66)	32.96	41.72
Southeast	16.63	15.80	-----	-----	59.28	61.00
Southwest	15.79	15.24	1.71	.054	43.91	57.54
Upper Midwest	14.49	14.52	0.41	(0.18)	17.70	56.00

USDA SETS HEARING ON PROPOSED AMENDMENTS TO ALL FEDERAL MILK ORDERS

The U. S. Department of Agriculture has announced that it will hold a national public hearing to consider proposals seeking to amend the Class I fluid milk product definition in all Federal milk marketing orders. The hearing will begin at 8:00 a.m. on June 20, 2005, at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, Pa. 15219-1122.

The hearing was requested by Dairy Farmers of America Inc. (DFA), who asked USDA to reconsider which dairy products should be classified as Class I products. DFA contends that many fluid consumable milk products are currently classified as Class II products because of the current formulation standard.

The hearing notice will be published as a proposed rule in the April 12 Federal Register. The hearing notice is available on AMS' Web site at: www.ams.usda.gov/dairy.

USDA ANNOUNCES A RECOMMENDED DECISION TO AMEND THE PRODUCER HANDLER DEFINITION IN CERTAIN ORDERS

The U. S. Department of Agriculture has announced a decision that recommends amendments to the current provisions of the Pacific Northwest and Arizona-Las Vegas Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held at Tempe, Ariz., beginning on Sept. 23, 2003; reconvened and continuing at Seattle, Wash. on Nov. 17, 2003, and reconvened and concluding at Alexandria, Va., on Jan. 23, 2004.

The decision recommends establishing a three million pound per month route disposition limit, which if exceeded, would make a producer-handler subject to the pooling and pricing provisions of the Pacific Northwest and the Arizona-Las Vegas milk marketing orders.

The recommended decision will be published in the April 13 Federal Register. Interested persons have 60 days to file comments in response to the recommended decision.

FLUID MILK PROMOTION ORDER AMENDED

The USDA announced that it is amending the terms of membership of the Fluid Milk Promotion Order. The change will provide more equitable representation on

the National Fluid Milk Processor Promotion Board.

Under the amendment, any change in a fluid milk processor board member's employer or change in ownership of the fluid milk processor who the board member represents would disqualify that member. The member would be allowed to remain on the board for up to six months or until a successor was appointed. A similar process also would apply to a public member of the board who changes employment or ceases to continue in the same business.

TOP 10 MILK PRODUCING STATES 2004

Rank		State	Million Pounds
2003	2004		
1	1	California	36,465
2	2	Wisconsin	22,085
3	3	New York	11,650
4	4	Pennsylvania	10,062
5	5	Idaho	9,093
6	6	Minnesota	8,102
7	7	New Mexico	6,710
8	8	Michigan	6,315
9	9	Texas	6,009
10	10	Washington	5,416
U.S. Total			170,805

TOP 10 MILK PER COW STATES 2004

Rank		State	Pounds
2003	2004		
1	1	Washington	22,852
2	2	Arizona	22,788
4	3	Idaho	21,446
3	4	Colorado	21,412
7	5	California	21,139
5	6	Michigan	20,842
6	7	New Mexico	20,583
9	8	Nevada	20,360
13	9	Iowa	19,222
8	10	Indiana	19,063
U.S. Average			18,957

TOP TEN TEXAS COUNTIES a/ – MARCH 2005

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>
1. Erath	104	115,534,763	+ 0.13	7. Archer	52	20,572,244	+ 0.97
2. Hopkins	145	49,332,849	+ 0.22	8. Bailey	7	17,782,590	+ 77.83
3. Comanche	35	46,249,886	+ 10.18	9. Deaf Smith	5	17,411,759	- 6.69
4. Lamb	8	30,769,754	+ 0.37	10. Parmer	6	17,387,887	- 10.73
5. Castro	8	28,905,966	+ 50.90	Ten County Total	374	370,781,746	+ 5.89 b/
6. Hale	4	26,834,048	+ 49.90	<u>Other Counties Total</u>	<u>397</u>	<u>198,239,729</u>	<u>- 0.27</u>
				Texas Total	771	569,021,475	+ 3.66

a/ Includes all known Grade "A" milk produced on farms located in Texas.
 b/ Compared to top ten counties for the month in the previous year.

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

Month	Class Prices & P.P.D.					BF	Component Prices			NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/		Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
January 2004	14.85	11.67	11.61	10.97	1.68	149.78	2.17	208.75	.00065	136.32	130.23	80.62	18.01
February	14.59	12.90	11.89	12.21	1.78	185.18	0.90	179.11	.00066	165.82	132.60	80.64	16.77
March	14.94	14.79	14.49	14.10	0.73	238.13	2.34	201.33	.00078	209.94	156.80	81.01	18.17
April	16.64	15.21	19.66	14.57	- 3.48	250.13	10.42	344.65	.00103	219.94	205.20	81.71	26.02
May	22.65	15.03	20.58	14.50	- 1.91	242.82	14.44	376.39	.00106	213.85	212.66	83.83	29.92
June	24.13	14.31	17.68	13.72	1.72	217.68	13.39	310.86	.00092	192.90	184.11	84.97	28.90
July	20.95	14.00	14.85	13.31	2.23	205.43	10.48	236.25	.00078	182.69	156.95	85.13	26.07
August	17.62	13.13	14.04	12.46	1.45	179.41	6.76	246.63	.00076	161.01	151.67	85.84	22.46
September	16.94	13.66	14.72	13.00	1.03	193.54	5.89	254.31	.00079	172.78	158.67	86.39	21.62
October	17.78	13.57	14.16	12.81	1.52	190.20	6.77	238.14	.00076	170.00	152.56	85.65	22.47
November	17.29	14.09	14.89	13.34	0.99	204.89	8.00	242.97	.00079	182.24	158.86	85.70	23.67
December	17.43	13.98	16.14	13.42	- 0.47	203.66	8.58	284.86	.00086	181.22	171.46	87.13	24.23
Averages 2004 b/	17.98	13.86	15.39	13.20	0.61	205.07	7.51	260.35	.00082	182.39	164.31	84.05	23.19
January 2005	19.65	13.04	14.14	12.52	1.90	173.30	8.99	253.00	.00076	155.92	151.65	89.06	24.63
February	16.79	13.36	14.70	12.74	0.54	177.54	9.15	266.13	.00079	159.45	157.11	89.90	24.78
March	18.43	13.25	14.08	12.66	1.71	172.79	9.51	250.19	.00075	155.49	150.61	90.83	25.13

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

TOP NEW MEXICO COUNTIES a/ – MARCH 2005

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2004b/</u>
1. Chaves	38	159,458,688	- 0.39	7. Valencia	9	16,034,001	+ 0.11
2. Roosevelt	39	104,199,656	- 0.97	8. Socorro	7	11,386,477	- 1.92
3. Curry	22	101,401,292	+ 3.55	9. Sierra	3	7,916,682	+ 6.78
4. Dona Ana	24	91,309,099	+ 3.01	10. Bernalillo	4	5,036,092	+ 2.00
5. Lea	14	38,334,979	+ 4.28	Ten County Total	165	559,731,906	+ 0.17 b/
6. Eddy	5	24,654,940	- 18.22	<u>Other Counties Total</u>	<u>4</u>	<u>10,177,261</u>	<u>+ 4.43</u>
				New Mexico Total	169	569,909,167	+ 0.25

a/ All known Grade "A" milk produced on farms located in New Mexico.
 b/ Compared to top counties for the month in the previous year.

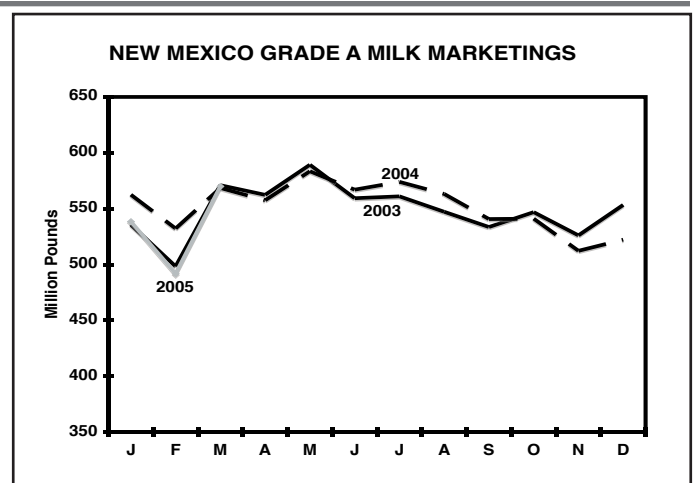
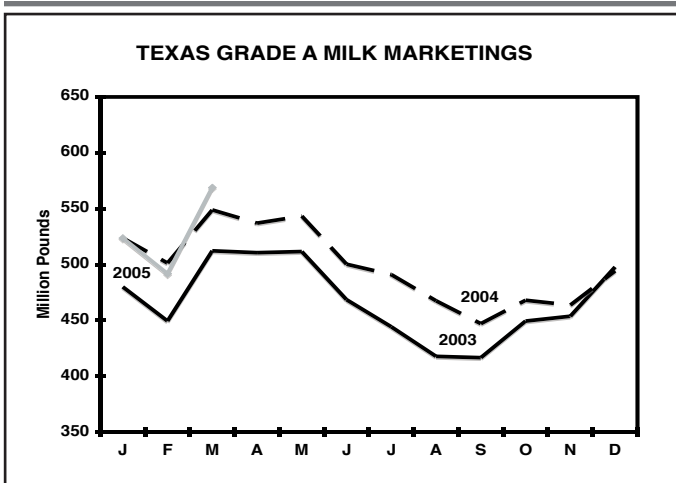
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2003 THROUGH APRIL 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	480,011,354	845	523,723,796	816	523,680,970	778	+ 9.11	- 0.01
February	449,362,000	840	501,204,456	819	491,841,542	767	+ 7.69*	+ 1.64*
March	512,243,241	841	548,941,459	814	569,021,475	771	+7.16	+ 3.66
April	510,466,950	838	537,141,283	803			+ 5.23	
May	511,474,552	840	543,408,997	801			+ 6.24	
June	468,387,455	838	500,319,580	803			+ 6.82	
July	444,115,237	834	491,018,134	799			+ 10.56	
August	417,817,794	833	467,427,900	796			+ 11.87	
September	416,649,423	836	447,166,094	796			+ 7.32	
October	449,267,689	835	467,915,409	797			+ 4.15	
November	453,593,349	826	463,696,745	793			+ 2.23	
December	497,718,548	815	494,282,753	793			- 0.69	
Years Total	5,611,107,592		5,986,246,606				+ 6.69	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2003 THROUGH APRIL 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2003 Number of POUNDS	Number of PERCENT Producers	2004 CHANGE POUNDS	Number of Producers	2005 POUNDS	Number of Producers	2004/03	2005/04
January	535,741,056	177	562,516,031	178	538,413,955	168	+ 5.00	- 4.28
February	498,218,526	176	532,156,355	176	491,753,468	170	+ 3.13*	- 4.29*
March	570,901,632	177	568,504,219	178	569,909,167	169	- 0.42	+ 0.25
April	562,338,380	177	557,482,116	176			- 0.86	
May	589,176,775	177	583,379,003	177			- 0.98	
June	559,442,259	177	567,036,025	177			+ 1.36	
July	560,883,275	178	573,899,551	181			+ 2.32	
August	547,114,145	178	563,099,040	177			+ 2.92	
September	533,648,709	180	540,636,857	179			+ 1.31	
October	546,904,202	178	541,026,928	177			- 1.07	
November	526,000,891	176	512,342,849	176			- 2.60	
December	553,271,605	179	522,218,762	174			- 5.61	
Years Total	6,583,641,455		6,624,297,736				+ 0.62	



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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
March	3.68	3.58	3.06	3.02	5.72	5.72	8.78	8.74	318	280
April	3.64	3.53	3.05	2.99	5.73	5.74	8.77	8.73	311	292
May	3.59	3.43	3.02	2.94	5.70	5.71	8.72	8.66	316	262
June	3.57	3.40	3.00	2.92	5.70	5.72	8.70	8.64	326	247
July	3.59	3.43	3.01	2.91	5.69	5.73	8.71	8.63	377	286
August	3.62	3.46	3.05	2.95	5.69	5.71	8.74	8.66	389	300
September	3.67	3.53	3.11	3.03	5.68	5.70	8.79	8.73	356	274
October	3.76	3.63	3.15	3.09	5.69	5.72	8.84	8.81	346	285
November	3.84	3.72	3.18	3.14	5.70	5.73	8.88	8.87	372	298
December	3.85	3.74	3.19	3.15	5.70	5.70	8.89	8.84	359	323
Averages 2004	3.70	3.56	3.09	3.02	5.70	5.72	8.79	8.74	339	280
January 2005	3.77	3.68	3.13	3.09	5.69	5.69	8.82	8.77	346	324
February	3.75	3.65	3.10	3.06	5.71	5.70	8.81	8.77	329	306
March	3.70	3.59	3.08	3.02	5.72	5.72	8.80	8.75	322	283

a/ In thousands.

MARCH 2005
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Pounds	Price	Value
Add: Class I Differential			\$329,472.28
Class I Butterfat	60(a)	7,863,724	\$1.7958
Class I Skim Per Cwt		336,584,638	\$12.5900
Class II Butterfat	60(b)	8,597,238	\$1.7349
Class II Nonfat Solids		8,562,588	\$0.8267
Class III Butterfat	60(c)	5,810,048	\$1.7279
Class III Protein		5,248,090	\$2.5019
Class III Other Solids		9,872,044	\$0.0951
Class IV Butterfat	60(d)	6,549,668	\$1.7279
Class IV Nonfat Solids		14,517,468	\$0.7606
Class II, III & IV Somatic Cell Adj.	60(e)		\$194,038.39
Total Producer Milk-Product Lbs & Value		784,379,610	\$125,482,599.16
Add: Value as for 60(f) Thru 60(j)			\$142,913.48
Less: Total Protein Pounds	61(b)	23,987,640	\$2.5019
Total Other Solids Pounds		44,937,166	\$0.0951
Total Butterfat Pounds		28,820,678	\$1.7279
Total Value of Somatic Cell Adjustment			\$319,863.36
Total Milk and Value		784,379,610	\$11,218,198.70
Add: Location Differential Adjustments	61(c)		\$2,291,634.96
Producer-Settlement Fund	61(d)		\$257,329.13
Total Producer Milk/URSP and Value		784,379,610	\$13,767,162.79
Less: Producer-Settlement Fund	61(f)		\$354,271.46
Producer Price Differential (Dallas County)		\$1.71	\$13,412,891.33

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P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
(972) 245-6060 FAX(972) 245-3211

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MARCH 2005
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	344,448,362	43.91	7,863,724	27.29	336,584,638	44.55
Class II	102,128,182	13.02	8,597,238	29.83	93,530,944	12.38
Class III	171,976,924	21.93	5,810,048	20.15	166,166,876	21.99
Class IV	165,826,142	21.14	6,549,668	22.73	159,276,474	21.08
Total	784,379,610	100.00	28,820,678	100.00	755,558,932	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,694,496	44.59	20,030,119	44.57	30,724,615	44.58
Class II	2,999,564	12.50	5,563,023	12.38	8,562,588	12.42
Class III	5,248,090	21.88	9,872,044	21.97	15,120,135	21.94
Class IV	5,045,490	21.03	9,471,980	21.08	14,517,468	21.06
Total	23,987,640	100.00	44,937,166	100.00	68,924,806	100.00