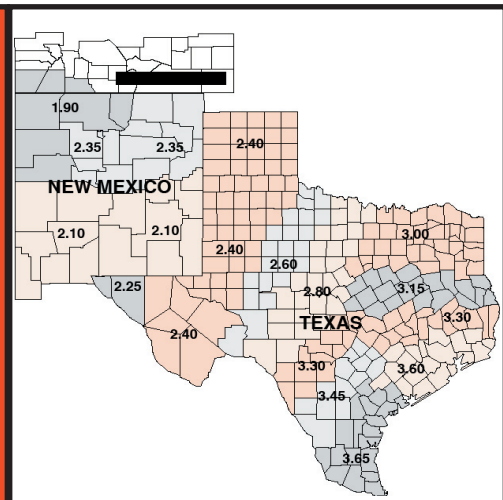


# THE MARKET ADMINISTRATOR'S

# REPORT



## SOUTHWEST MARKETING AREA

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## MARKET SUMMARY FOR MAY

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 \$1.33 for May. Butterfat price decreased \$0.1489 per pound from \$1.6964 in April to the level of \$1.5475 in May. Protein price decreased \$0.1090 per pound from \$2.7055 in April to \$2.5965 in May. May's Other Solids price increased \$0.0023 per pound from \$0.1020 in April to \$0.1043 in May. The Somatic Cell Count adjustment rate factor for May was .00074 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a May statistical uniform price of \$15.10 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease of \$0.18 in comparison to the statistical blend price of \$15.28 in April.

The May Class I price increased \$0.67 from \$17.13 in April to the May level of \$17.80. The Class II price for May of \$12.78 per hundredweight decreased \$0.46 from \$13.24 in April. May's Class III price decreased \$0.84 from \$14.61 in April to \$13.77 in May. The Class IV price decreased \$0.41 from \$12.61 in April to \$12.20 in May.

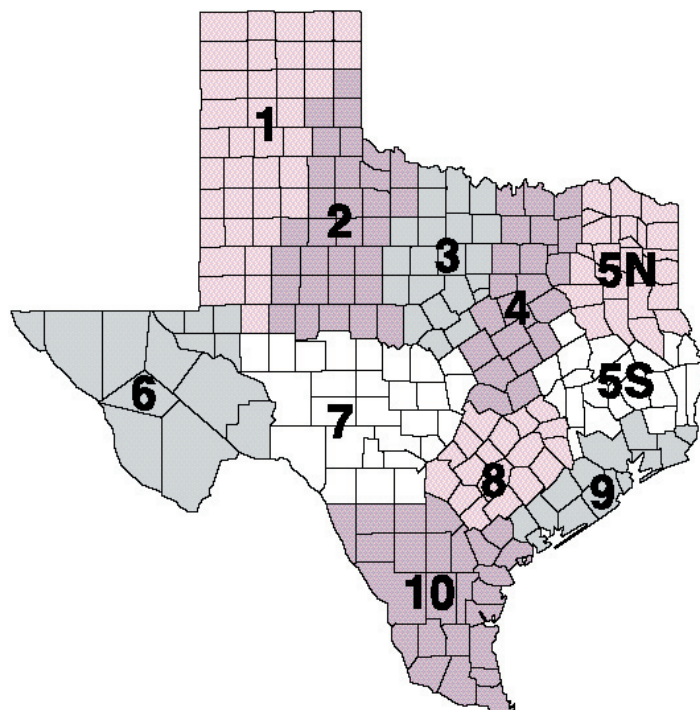
In May 819 producers delivered a total of 845,899,071 pounds of milk. On a daily basis this represents an increase of 14.47 percent from the producer receipts level in April and it represents an increase of 25.88 percent when compared to the producer receipts level of May 2004.

Producer milk classified as Class I during May amounted to 39.73 percent of total producer receipts. This figure is down from 49.00 percent in April and it is down from 47.27 percent in May 2004. The average butterfat test of producer milk pooled during May was 3.565 percent, average protein test was 2.987 percent, average other solids test was 5.725 percent and the average somatic cell count was 269,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 05	Apr 05	May 05	Apr 05	May 05	Apr 05
Appalachian	15.85	15.92	-----	-----	57.52	61.65
Arizona-Las Vegas	14.21	14.59	-----	-----	28.52	30.61
Central	14.21	14.59	0.44	(0.02)	25.79	46.99
Florida	17.28	17.30	-----	-----	73.29	78.93
Mideast	14.40	14.76	0.63	0.15	30.20	36.50
Northeast	15.35	15.52	1.58	0.91	42.10	42.90
Pacific Northwest	13.98	14.12	0.21	(0.49)	28.66	39.01
Southeast	15.73	15.85	-----	-----	52.55	56.55
<b>Southwest</b>	<b>15.10</b>	<b>15.28</b>	<b>1.33</b>	<b>0.67</b>	<b>39.73</b>	<b>49.00</b>
Upper Midwest	14.05	14.65	0.28	0.04	16.10	53.40

## 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 2005

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	49	31.76	3.56	2.97	5.74	8.71	246
2	12	1.76	3.54	2.98	5.72	8.70	383
3	259	36.70	3.64	3.02	5.71	8.73	302
4	85	4.55	3.62	3.03	5.72	8.74	321
5N	300	18.83	3.62	3.08	5.68	8.76	360
5S	5	0.24	3.43	3.09	5.65	8.74	411
6	6	2.45	3.47	3.09	5.74	8.83	304
7	13	1.69	3.47	3.01	5.71	8.71	356
8	35	1.19	3.74	3.04	5.66	8.70	385
9	4	0.12	3.45	3.01	5.54	8.55	498
10	6	0.70	4.29	3.38	5.70	9.08	386
TOTAL	774	100.00	3.61	3.02	5.71	8.73	300

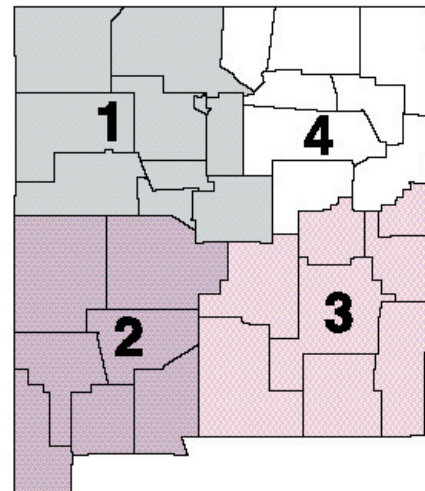
### TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS\* - MAY 2005

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	3	3	1	3	37	108,678
2	4	2	2	2	0	2	6,031
3	54	78	49	28	17	33	125,611
4	38	30	11	4	1	1	15,562
5N	118	107	49	13	7	6	64,450
5S	3	1	0	1	0	0	837
6	1	0	0	0	1	4	8,385
7	6	2	2	0	0	3	5,791
8	23	8	3	1	0	0	4,087
9	2	2	0	0	0	0	399
10	0	4	0	0	2	0	2,411
TOTAL	251	237	119	50	31	86	342,242

\*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 2005

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	14	4.47	3.53	2.97	5.73	8.70	226
2	36	20.62	3.44	2.90	5.75	8.65	223
3	120	74.92	3.48	2.96	5.73	8.69	251
4	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>170</b>	<b>100.00</b>	<b>3.48</b>	<b>2.94</b>	<b>5.74</b>	<b>8.68</b>	<b>244</b>

### NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS\* - MAY 2005

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	2	4	1	2	1	13,318
2	0	4	5	14	10	3	61,464
3	8	6	15	39	36	16	223,334
4	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>54</b>	<b>48</b>	<b>20</b>	<b>298,116</b>

\*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-----							
March 2004	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
April	17.13	13.24	14.61	12.61	0.67	169.64	10.20	270.55	.00078	152.87	155.90	91.56	25.80
May	17.80	12.78	13.77	12.20	1.33	154.75	10.43	259.65	.00074	140.46	147.65	92.89	26.03

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 2003 THROUGH MAY 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

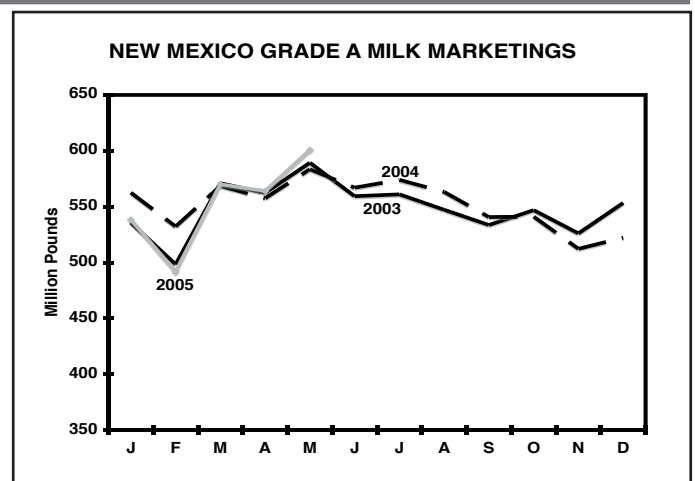
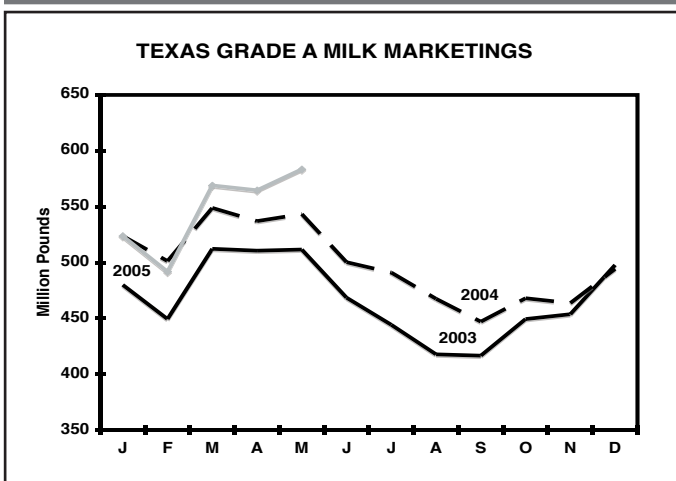
MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	480,011,354	845	523,723,796	816	523,680,970	778	+ 9.11	- 0.01
February	449,362,000	840	501,204,456	819	491,841,542	767	+ 7.69*	+ 1.64*
March	512,243,241	841	548,941,459	814	569,021,475	771	+7.16	+ 3.66
April	510,466,950	838	537,141,283	803	564,647,522	776	+ 5.23	+ 5.12
May	511,474,552	840	543,408,997	801	583,519,880	774	+ 6.24	+ 7.38
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 MAY 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	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	563,980,078	168	- 0.86	+ 1.17
May	589,176,775	177	583,379,003	177	600,707,138	170	- 0.98	+ 2.97
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	

\* Based on average daily delivery.



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## TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein		Other Solids		S-N-F		SCC <sup>a/</sup>	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
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
April	3.64	3.53	3.04	2.98	5.70	5.72	8.75	8.70	298	251
May	3.61	3.48	3.02	2.94	5.71	5.74	8.73	8.68	300	244

a/ In thousands.

**MAY 2005**  
**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	Pounds	Price	Value
Add: Class I Differential			\$318,821.24
Class I Butterfat	60(a) 7,716,834	\$1.7392	\$13,421,117.69
Class I Skim Per Cwt	328,352,770	\$12.1400	\$39,862,026.29
Class II Butterfat	60(b) 8,815,347	\$1.5545	\$13,703,456.91
Class II Nonfat Solids	9,568,656	\$0.8456	\$8,091,255.52
Class III Butterfat	60(c) 6,353,968	\$1.5475	\$9,832,765.50
Class III Protein	5,271,934	\$2.5965	\$13,688,576.66
Class III Other Solids	10,163,932	\$0.1043	\$1,060,098.11
Class IV Butterfat	60(d) 7,275,583	\$1.5475	\$11,258,964.73
Class IV Nonfat Solids	19,004,146	\$0.7810	\$14,842,238.04
Class II, III & IV Somatic Cell Adj.	60(e)		\$332,486.06
Total Producer Milk-Product Lbs & Value	845,899,071		\$126,411,806.75
Add: Value as for 60(f) Thru 60(j)			\$193,511.40
Less: Total Protein Pounds	61(b) 25,267,843	<b>\$2.5965</b>	\$65,607,954.36
Total Other Solids Pounds	48,434,410	<b>\$0.1043</b>	\$5,051,708.99
Total Butterfat Pounds	30,161,732	<b>\$1.5475</b>	\$46,675,280.35
Total Value of Somatic Cell Adjustment			\$505,426.01
<b>Total Milk and Value</b>	845,899,071		\$8,764,948.44
Add: Location Differential Adjustments	61(c)		\$2,559,368.41
Producer-Settlement Fund	61(d)		\$290,861.74
<b>Total Producer Milk/URSP and Value</b>	845,899,071	\$1.37311	\$11,615,178.59
Less: Producer-Settlement Fund	61(f)	\$0.04311	\$364,720.95
<b>Producer Price Differential (Dallas County)</b>		<b>\$1.33</b>	\$11,250,457.64

**THE MARKET ADMINISTRATOR'S**  
**REPORT**

**SOUTHWEST MARKETING AREA**  
 RICHARD FLEMING, MARKET ADMINISTRATOR  
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**MAY 2005**  
**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	336,069,604	39.73	7,716,834	25.58	328,352,770	40.25
Class II	114,524,465	13.54	8,815,347	29.23	105,709,118	12.96
Class III	177,648,288	21.00	6,353,968	21.07	171,294,320	21.00
Class IV	217,656,714	25.73	7,275,583	24.12	210,381,131	25.79
Total	845,899,071	100.00	30,161,732	100.00	815,737,339	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,207,202	40.40	19,486,392	40.24	29,693,581	40.29
Class II	3,296,943	13.05	6,271,711	12.95	9,568,656	12.98
Class III	5,271,933	20.86	10,163,932	20.98	15,435,870	20.94
Class IV	6,491,765	25.69	12,512,375	25.83	19,004,146	25.79
Total	25,267,843	100.00	48,434,410	100.00	73,702,253	100.00