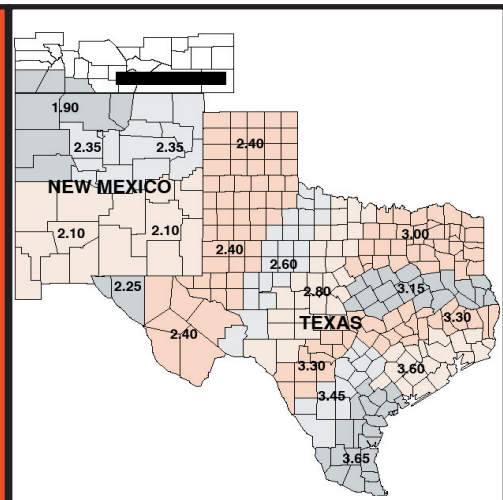


THE MARKET ADMINISTRATOR'S

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>

VOLUME XXXII, NO. 6

JUNE 2006

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 \$1.43 for May. Butterfat price increased \$0.0239 per pound from \$1.2343 in April to the level of \$1.2582 in May. Protein price decreased \$0.0123 per pound from \$1.9238 in April to \$1.9115 in May. May's Other Solids price decreased \$0.0257 per pound from \$0.1508 in April to \$0.1251 in May. The Somatic Cell Count adjustment rate factor for May was .00058 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 \$12.26 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 \$0.15 in comparison to the statistical blend price of \$12.41 in April.

The May Class I price decreased \$0.25 from \$14.22 in April to the May level of \$13.97. The Class II price for May of \$11.13 per hundredweight decreased \$0.24 from \$11.37 in April. May's Class III price decreased \$0.10 from \$10.93 in April to \$10.83 in May. The Class IV price decreased \$0.03 from \$10.36 in April to \$10.33 in May.

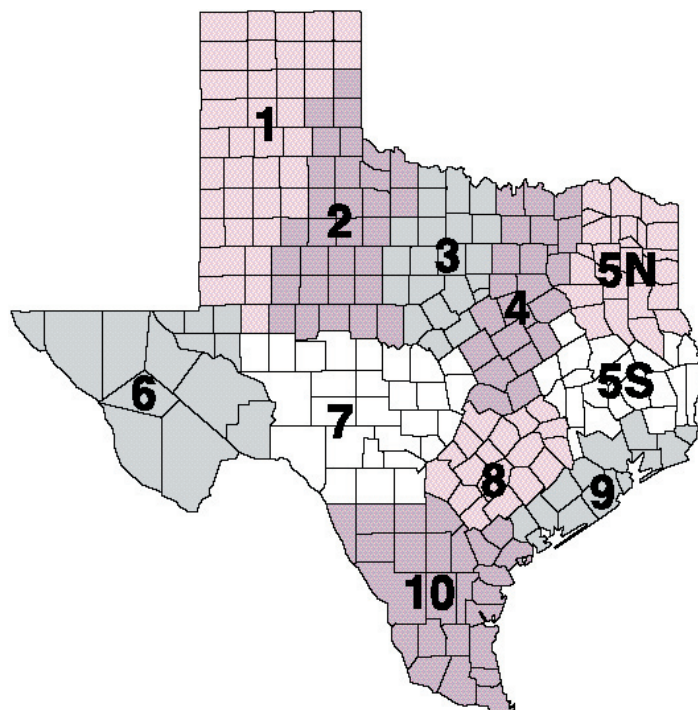
In May 863 producers delivered a total of 1,083,401,146 pounds of milk. On a daily basis this represents an increase of 11.10 percent from the producer receipts level in April and it represents an increase of 28.08 percent when compared to the producer receipts level of May 2005.

Producer milk classified as Class I during May amounted to 33.71 percent of total producer receipts. This figure is down from 35.55 percent in April and it is down from 39.73 percent in May 2005. The average butterfat test of producer milk pooled during May was 3.603 percent, average protein test was 3.002 percent, average other solids test was 5.736 percent and the average somatic cell count was 225,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 06	Apr 06	May 06	Apr 06	May 06	Apr 06
Appalachian	13.05	13.01	-----	-----	60.54	56.25
Arizona-Las Vegas	11.62	11.66	-----	-----	34.27	32.26
Central	11.42	11.49	0.59	0.56	25.81	25.90
Florida	14.28	14.36	-----	-----	80.43	79.12
Mideast	11.65	11.75	0.82	0.82	35.40	34.20
Northeast	12.61	12.64	1.78	1.71	43.20	41.50
Pacific Northwest	11.30	11.35	0.47	0.42	27.04	25.84
Southeast	12.90	12.94	-----	-----	54.48	50.68
Southwest	12.26	12.41	1.43	1.48	33.71	35.55
Upper Midwest	11.21	11.29	0.38	0.36	16.90	16.10

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 2006

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	59	37.82	3.59	2.99	5.75	8.74	192
2	10	1.67	3.59	2.98	5.74	8.72	317
3	249	33.79	3.71	3.04	5.72	8.76	272
4	75	4.04	3.67	3.07	5.71	8.78	338
5N	286	17.49	3.68	3.06	5.73	8.79	360
5S	5	0.23	3.50	3.00	5.64	8.64	400
6	5	1.48	3.43	2.91	5.67	8.58	264
7	12	1.72	3.46	3.00	5.72	8.73	260
8	30	1.06	3.75	3.07	5.68	8.75	342
9	4	0.10	3.56	2.95	5.55	8.50	452
10	4	0.59	4.33	3.41	5.76	9.17	350
TOTAL	739	100.00	3.65	3.02	5.73	8.75	262

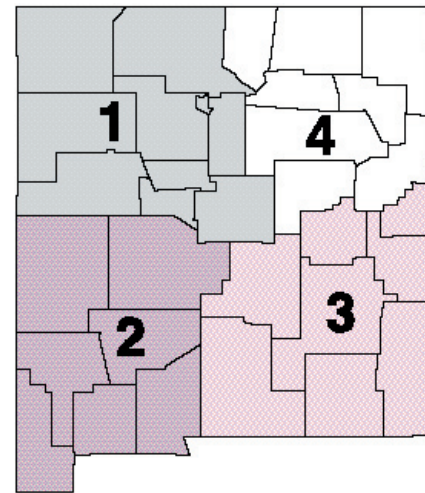
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2006

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	2	3	46	121,717	
2	4	1	2	1	0	2	5,370	
3	66	69	53	20	11	30	108,771	
4	34	25	11	3	2	0	13,019	
5N	127	94	43	10	9	3	56,298	
5S	4	0	1	0	0	0	731	
6	0	2	0	1	0	2	4,778	
7	6	1	2	0	0	3	5,535	
8	21	5	3	1	0	0	3,414	
9	3	1	0	0	0	0	326	
10	0	2	0	0	2	0	1,911	
TOTAL	267	203	118	38	27	86	321,870	

*ESTIMATED BASED ON A 65 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 2006

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	12	3.89	3.56	2.97	5.72	8.69	187
2	37	20.00	3.50	2.92	5.72	8.64	167
3	126	76.11	3.52	2.98	5.74	8.72	205
4	0	0	0	0	0	0	0
TOTAL	175	100.00	3.52	2.97	5.74	8.71	197

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2006

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	1	3	1	2	1	12,453	
2	0	5	6	12	11	3	64,068	
3	8	5	15	40	38	20	243,777	
4	0	0	0	0	0	0	0	
TOTAL	12	11	24	53	51	24	320,298	

*ESTIMATED BASED ON A 70 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 2005	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
June	16.62	13.06	13.92	12.33	0.95	159.32	11.39	257.41	.00074	144.27	148.45	92.59	26.96
July	16.89	13.79	14.35	13.17	1.09	180.07	12.40	245.58	.00076	161.56	151.56	93.89	27.94
August	17.44	13.95	13.60	13.44	2.10	182.46	13.17	216.19	.00072	163.55	143.22	96.01	28.69
September	16.70	14.35	14.30	13.75	1.40	188.72	14.11	230.09	.00075	168.77	149.58	97.05	29.60
October	17.27	14.25	14.35	13.61	1.23	182.56	14.91	237.80	.00075	163.63	149.96	97.94	30.38
November	17.56	13.49	13.35	12.90	1.80	161.14	16.06	227.24	.00070	145.78	139.68	98.35	31.49
December	16.57	13.22	13.37	12.57	1.23	150.36	17.02	238.46	.00070	136.80	139.64	98.99	32.42
Averages 2005 b/	17.40	13.48	14.05	12.88	1.33	171.05	12.28	246.02	.00075	154.05	148.75	94.09	27.82
January 2006	16.38	13.25	13.39	12.20	1.11	146.84	18.81	239.94	.00069	133.87	138.95	96.14	34.16
February	16.38	12.62	12.20	11.10	1.53	134.69	19.99	212.20	.00063	123.74	126.37	88.33	35.31
March	15.49	11.69	11.11	10.68	1.84	125.96	18.74	188.36	.00058	116.47	116.12	86.97	34.09
April	14.22	11.37	10.93	10.36	1.48	123.43	15.08	192.38	.00058	114.36	116.54	84.29	30.54
May	13.97	11.13	10.83	10.33	1.43	125.82	12.51	191.15	.00058	116.35	116.94	82.88	28.05

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 2004 THROUGH MAY 2006, WITH PRODUCTION PERCENTAGE COMPARISONS**

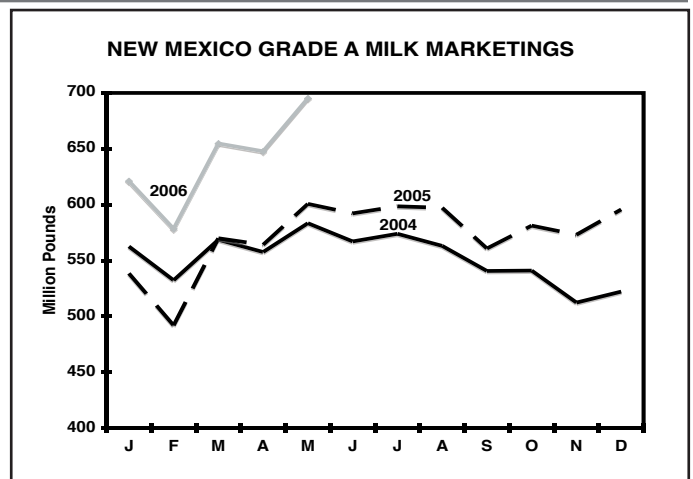
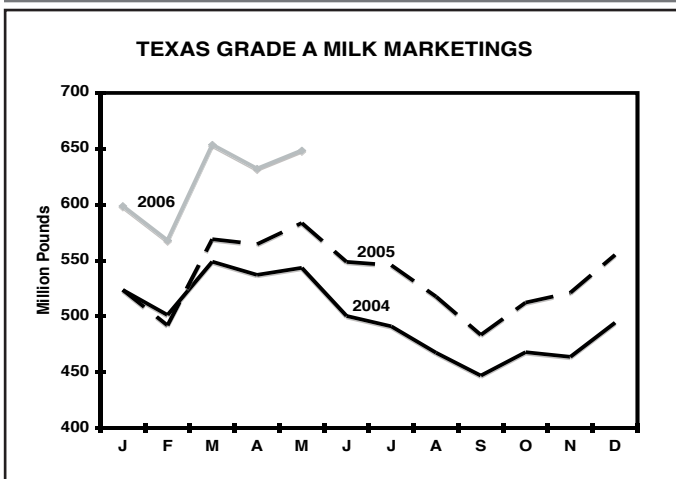
MONTH	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	PERCENT 2005/04	CHANGE 2006/05
January	523,723,796	816	523,680,970	778	598,770,671	746	- 0.01	+ 14.34
February	501,204,456	819	491,841,542	767	568,127,819	740	+ 1.64*	+ 15.51
March	548,941,459	814	569,021,475	771	653,677,865	740	+ 3.66	+ 14.88
April	537,141,283	803	564,647,522	776	632,332,356	741	+ 5.12	+ 11.99
May	543,408,997	801	583,519,880	774	648,575,970	739	+ 7.38	+ 11.15
June	500,319,580	803	548,798,029	772			+ 9.69	
July	491,018,134	799	545,665,957	774			+ 11.13	
August	467,427,900	796	517,675,814	767			+ 10.75	
September	447,166,094	796	483,172,492	772			+ 8.05	
October	467,915,409	797	512,618,370	770			+ 9.49	
November	463,696,745	793	521,233,872	758			+ 12.41	
December	<u>494,282,753</u>	793	<u>555,024,482</u>	743			<u>+ 12.29</u>	
Years Total	5,986,246,606		6,416,900,405				+ 7.19	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2004 THROUGH MAY 2006, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	PERCENT 2005/04	CHANGE 2006/05
January	560,391,851	178	538,413,955	168	621,161,722	173	- 3.92	+ 15.37
February	530,422,715	176	491,753,468	170	578,266,056	172	- 3.98*	+ 17.59
March	566,717,019	178	567,325,607	169	654,702,022	172	+ 0.09	+ 15.40
April	555,546,336	176	563,980,078	168	647,819,688	173	+ 1.52	+ 14.87
May	581,190,763	177	600,707,138	170	695,061,878	175	+ 3.36	+ 15.71
June	565,063,945	177	592,086,292	172			+ 4.78	
July	571,734,951	181	598,502,673	171			+ 4.68	
August	563,099,040	177	597,055,615	172			+ 6.03	
September	540,636,857	179	560,680,297	176			+ 3.71	
October	541,026,928	177	581,203,811	174			+ 7.43	
November	512,342,849	176	573,043,775	173			+ 11.85	
December	<u>522,218,762</u>	174	<u>595,644,281</u>	171			<u>+ 14.06</u>	
Years Total	6,610,392,016		6,860,396,990				+ 3.78	

* Based on average daily delivery.



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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
May 2005	3.61	3.48	3.02	2.94	5.71	5.74	8.73	8.68	300	244
June	3.57	3.41	2.97	2.90	5.72	5.75	8.69	8.65	332	248
July	3.59	3.43	2.98	2.88	5.70	5.74	8.68	8.62	347	252
August	3.63	3.47	3.01	2.91	5.71	5.75	8.73	8.66	365	275
September	3.69	3.52	3.07	2.97	5.68	5.72	8.75	8.69	366	270
October	3.76	3.60	3.14	3.06	5.70	5.73	8.84	8.79	337	254
November	3.87	3.70	3.18	3.11	5.70	5.72	8.88	8.84	293	228
December	3.93	3.76	3.18	3.12	5.71	5.73	8.89	8.84	269	212
Averages 2005	3.71	3.57	3.08	3.00	5.70	5.73	8.78	8.73	325	262
January 2006	3.85	3.72	3.12	3.07	5.70	5.72	8.82	8.78	257	209
February	3.84	3.68	3.10	3.06	5.72	5.71	8.82	8.76	246	201
March	3.77	3.63	3.06	3.03	5.71	5.69	8.76	8.72	249	198
April	3.70	3.57	3.00	2.97	5.70	5.70	8.70	8.66	254	202
May	3.65	3.52	3.02	2.97	5.73	5.74	8.76	8.71	262	196

a/ In thousands.

MAY 2006
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Pounds	Price	Value
Add: Class I Differential			\$98,948.80
Class I Butterfat	60(a) 8,078,071	\$1.2631	\$10,203,411.50
Class I Skim Per Cwt	357,119,117	\$9.9000	\$35,354,792.60
Class II Butterfat	60(b) 10,578,943	\$1.2652	\$13,384,478.68
Class II Nonfat Solids	10,853,653	\$0.7711	\$8,369,251.86
Class III Butterfat	60(c) 13,318,641	\$1.2582	\$16,757,514.13
Class III Protein	11,339,453	\$1.9115	\$21,675,364.41
Class III Other Solids	21,766,662	\$0.1251	\$2,723,009.43
Class IV Butterfat	60(d) 7,059,658	\$1.2582	\$8,882,461.69
Class IV Nonfat Solids	18,314,559	\$0.6819	\$12,488,697.82
Class II, III & IV Somatic Cell Adj.	60(e)		\$581,794.40
Total Producer Milk-Product Lbs & Value	1,083,401,146		\$130,519,725.32
Add: Value as for 60(f) Thru 60(j)			\$99,131.81
Less: Total Protein Pounds	61(b) 32,529,374	\$1.9115	\$62,179,898.46
Total Other Solids Pounds	62,149,736	\$0.1251	\$7,774,932.00
Total Butterfat Pounds	39,035,313	\$1.2582	\$49,114,230.85
Total Value of Somatic Cell Adjustment			\$788,566.34
Total Milk and Value	1,083,401,146		\$10,761,229.48
Add: Location Differential Adjustments	61(c)		\$4,936,804.88
Producer-Settlement Fund	61(d)		\$314,676.34
Total Producer Milk/URSP and Value	1,083,401,146	\$1.47800	\$16,012,710.70
Less: Producer-Settlement Fund	61(f)	\$0.04800	\$520,074.31
Producer Price Differential (Dallas County)		\$1.43	\$15,492,636.39

THE MARKET ADMINISTRATOR'S

REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

PRSRT STD
U.S. POSTAGE
PAID
Carrollton, TX
Permit No. 343

RETURN SERVICE REQUESTED

MAY 2006

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	365,197,188	33.71	8,078,071	20.69	357,119,117	34.19
Class II	130,279,715	12.03	10,578,943	27.10	119,700,772	11.46
Class III	378,870,363	34.96	13,318,641	34.12	365,551,722	35.01
Class IV	209,053,880	19.30	7,059,658	18.09	201,994,222	19.34
Total	1,083,401,146	100.00	39,035,313	100.00	1,044,365,833	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,187,554	34.39	21,217,225	34.14	32,404,780	34.23
Class II	3,730,296	11.47	7,123,360	11.46	10,853,653	11.46
Class III	11,339,453	34.86	21,766,662	35.02	33,106,118	34.97
Class IV	6,272,071	19.28	12,042,489	19.38	18,314,559	19.34
Total	32,529,374	100.00	62,149,736	100.00	94,679,110	100.00