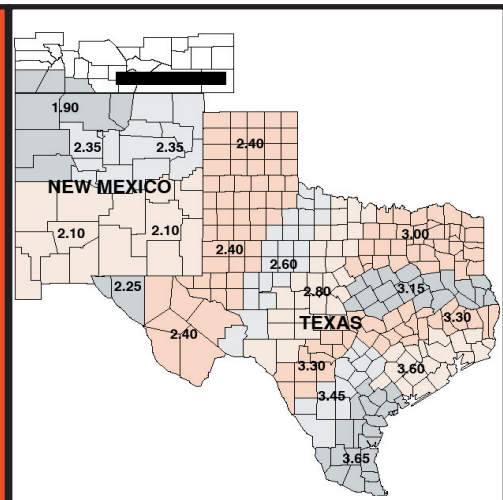


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR APRIL

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 \$0.88 for April. Butterfat price increased \$0.0888 per pound from \$1.3769 in March to the level of \$1.4657 in April. Protein price increased \$0.0883 per pound from \$2.4329 in March to \$2.5212 in April. April's Other Solids price increased \$0.0751 per pound from \$0.5257 in March to \$0.6008 in April. The Somatic Cell Count adjustment rate factor for April was 0.00071 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$16.97 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 \$1.10 in comparison to the statistical blend price of \$15.87 in March.

The April Class I price increased \$0.75 from \$17.25

in March to the April level of \$18.00. The Class II price for April of \$14.51 per hundredweight increased \$0.91 from \$13.60 in March. April's Class III price increased \$1.00 from \$15.09 in March to \$16.09 in April. The Class IV price increased \$2.41 from \$13.71 in March to \$16.12 in April.

In April 777 producers delivered a total of 1,008,653,121 pounds of milk. On a daily basis this represents an increase of 0.36 percent from the producer receipts level in March and it represents an increase of 6.88 percent when compared to the producer receipts level of April 2006.

Producer milk classified as Class I during April amounted to 34.57 percent of total producer receipts. This figure is down from 35.01 percent in March and it is down from 35.55 percent in April 2006. The average butterfat test of producer milk pooled during April was 3.638 percent, average protein test was 3.047 percent, average other solids test was 5.706 percent and the average somatic cell count was 262,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 07	Mar 07	Apr 07	Mar 07	Apr 07	Mar 07
Appalachian	17.41	16.46	-----	-----	66.12	66.89
Arizona	16.43	15.12	-----	-----	33.55	34.49
Central	15.98	14.94	(0.11)	(0.15)	39.08	40.18
Florida	18.35	17.57	-----	-----	75.15	78.19
Mideast	16.09	15.12	0.00	0.03	37.50	41.00
Northeast	17.02	16.08	0.93	0.99	44.30	47.40
Pacific Northwest	16.24	14.84	0.15	(0.25)	32.06	31.80
Southeast	17.36	16.54	-----	-----	55.78	58.78
Southwest	16.97	15.87	0.88	0.78	34.57	35.01
Upper Midwest	16.15	15.14	0.06	0.05	18.90	19.60

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2006 ANNUAL AVERAGES, WITH COMPARISONS

For 2006, mailbox prices for selected reporting areas in Federal milk orders averaged \$12.84 per cwt., \$2.14 lower than the all-area average reported for 2005. The component tests of producer milk in 2006 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased in all areas. Florida had the highest average price in 2006, \$16.03; New Mexico had the lowest average, \$11.08. During the year, mailbox prices peaked in January, generally decreased through July, and generally increased through December. Monthly all-area averages ranged from \$14.42 in January to \$11.66 in July.

Reporting Area ^{1/}	Mailbox Milk Price ^{2/ 3/}		
	2005	2006	Change 2006 from 2005
	Dollars per cwt.		
New England States ^{4/}	15.63	13.44	- 2.19
New York	15.16	13.03	- 2.13
Eastern Pennsylvania ^{5/}	15.50	13.40	- 2.10
Appalachian States ^{6/}	15.27	13.49	- 1.78
Southeast States ^{7/}	15.96	14.43	- 1.53
Southern Missouri ^{8/}	14.67	12.54	- 2.13
Florida	17.58	16.03	- 1.55
Western Pennsylvania ^{9/}	15.21	13.02	- 2.19
Ohio	15.06	13.02	- 2.04
Indiana	15.03	12.94	- 2.09
Michigan	14.78	12.64	- 2.14
Wisconsin	15.35	13.05	- 2.30
Minnesota	15.12	12.77	- 2.35
Iowa	15.07	12.85	- 2.22
Illinois	15.14	12.83	- 2.31
Corn Belt States ^{10/}	14.03	12.14	- 1.89
Western Texas ^{11/}	14.05	11.94	- 2.11
New Mexico	13.23	11.08	- 2.15
Northwest States ^{12/}	14.02	12.15	- 1.87
All Market Avg. ^{13/}	14.98	12.84	- 2.14
California ^{14/}	13.88	11.28	- 2.60

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ All figures, except California, are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective area or group of areas for which the price is reported. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington,

St. Francois, and Perry, and all those to the south of these. 9/ the counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Annual average is the simple average of monthly prices.

USDA RECONVENES NATIONAL PUBLIC HEARING

The U.S. Department of Agriculture has announced that it will reconvene a national public hearing to consider proposals seeking to amend the Class III and Class IV product price formulas applicable to all Federal milk marketing orders. The hearing will begin at 1:00 p.m. on July 9 at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, Pa., 15219-1122, telephone: (412) 261-2000.

The public hearing began on Feb. 26, 2007, in Strongsville, Ohio, and initially reconvened on April 9, 2007, in Indianapolis, Ind. The purpose of reconvening this proceeding is to receive additional testimony on proposed amendments 1 through 20 as published in the original hearing notice on Feb. 9, 2007, and the supplemental notice of hearing on Feb. 20, 2007, in the Federal Register.

The reconvened hearing notice was published as a proposed rule in the May 8, 2007 Federal Register. The reconvened hearing notice is available on AMS' web site: www.ams.usda.gov/dairy.

USDA SEEKS NOMINEES FOR NATIONAL DAIRY BOARD

The USDA is asking dairy producer and farm organizations to nominate candidates to serve on the National Dairy Promotion and Research Board. Nominations must be submitted by May 31.

The Secretary of Agriculture will appoint 12 individuals from those nominated to succeed members whose terms expire Oct. 31, 2007. The 12 new members will serve 3-year terms beginning Nov. 1, 2007, and ending Oct. 31, 2010.

USDA will accept nominations from the following regions: Region 1 (Oregon and Washington); Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). USDA will appoint one member per region, with the exception of Region 2 (California) with four appointments.

TOP TEN TEXAS COUNTIES a/ – APRIL 2007

County	Number of Producers	Pounds	% Change From 2006b/	County	Number of Producers	Pounds	% Change From 2006b/
1. Erath	95	105,767,609	- 8.41	7. Lamb	9	34,556,667	+ 11.63
2. Hopkins	133	52,987,220	- 2.89	8. Bailey	9	29,119,235	- 1.52
3. Deaf Smith	13	48,392,342	+ 20.93	9. Hale	6	27,269,426	- 3.79
4. Comanche	28	44,947,149	+ 1.55	10. Hartley	6	25,009,732	+ 9.98
5. Parmer	11	39,587,507	+ 78.24	Ten County Total	320	445,272,304	+ 6.24 b/
6. Castro	10	37,635,417	+ 21.45	Other Counties Total	369	197,172,092	- 7.52
				Texas Total	689	642,444,396	+ 1.60

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-----						
February 2006	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
June	13.75	11.00	11.29	10.22	1.07	124.36	12.55	207.90	.00061	115.13	121.66	82.21	28.08
July	14.34	10.83	10.92	10.21	1.40	122.28	12.57	198.07	.00059	113.40	117.93	83.00	28.10
August	13.97	11.16	11.06	10.64	1.60	130.08	14.16	190.50	.00059	119.90	118.13	84.84	29.65
September	13.85	11.74	12.29	11.10	0.91	141.91	16.49	213.46	.00065	129.76	129.12	85.37	31.91
October	15.42	11.79	12.32	11.51	1.33	141.49	20.26	207.75	.00064	129.41	127.21	90.27	35.57
November	15.40	11.98	12.84	12.11	0.99	138.52	22.76	223.83	.00066	126.93	131.23	98.37	38.00
December	15.43	12.55	13.47	12.30	0.58	134.81	25.64	243.88	.00068	123.84	136.24	102.25	40.79
Averages 2006 b/	14.88	11.76	11.89	11.06	1.27	132.52	17.46	209.12	.00062	121.93	124.70	88.74	32.85
January 2007	16.59	12.85	13.56	12.53	1.21	130.09	31.83	240.53	.00067	119.91	133.66	106.77	46.80
February	16.39	13.08	14.18	12.71	0.80	131.12	41.70	241.25	.00067	121.29	134.54	110.21	60.05
March	17.25	13.60	15.09	13.71	0.78	137.69	52.57	243.29	.00069	126.76	137.32	119.02	70.60
April	18.00	14.51	16.09	16.12	0.88	146.57	60.08	252.12	.00071	134.16	142.96	143.54	77.89

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

TOP NEW MEXICO COUNTIES a/ – APRIL 2007

County	Number of Producers	Pounds	% Change From 2006b/	County	Number of Producers	Pounds	% Change From 2006b/
1. Chaves	36	155,573,289	- 11.90	7. Socorro	8	17,344,609	+ 1.62
2. Curry	24	114,744,096	- 4.12	8. Valencia	6	12,983,791	- 11.17
3. Roosevelt	40	108,955,730	- 11.58	9. Sierra	3	7,972,070	- 2.00
4. Dona Ana	24	91,790,058	- 7.05	10. Bernalillo	4	4,824,987	- 8.18
5. Lea	14	39,839,264	- 13.42	Ten County Total	164	577,822,824	- 9.08 b/
6. Eddy	5	23,794,930	- 9.21	Other Counties Total	3	11,824,133	- 3.80
				New Mexico Total	167	589,646,957	- 8.98

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 2005 THROUGH APRIL 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

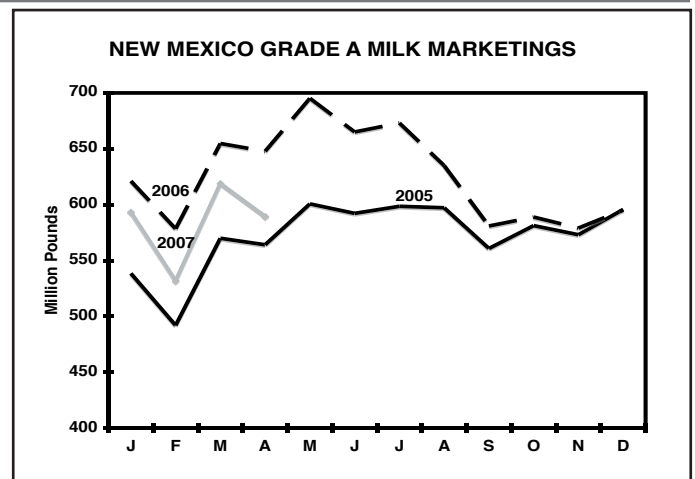
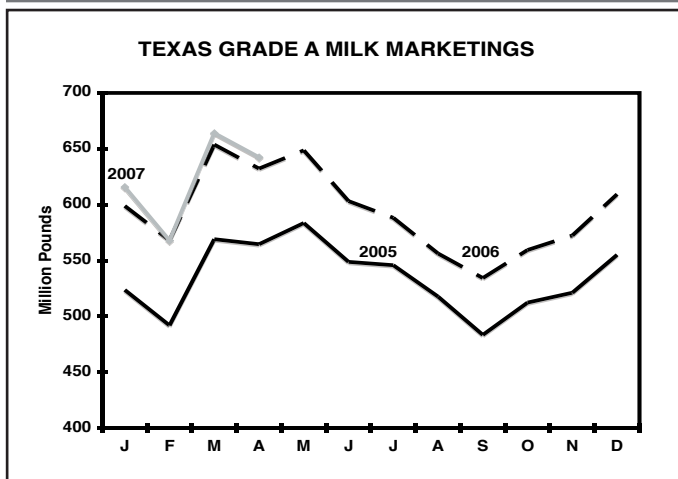
MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	523,680,970	778	598,770,671	746	615,842,075	697	+ 14.34	+ 2.85
February	491,841,542	767	568,127,819	740	567,905,237	692	+ 15.51	- 0.04
March	569,021,475	771	653,677,865	740	664,126,490	694	+ 14.88	+ 1.60
April	564,647,522	776	632,332,356	741	642,444,396	689	+ 11.99	+ 1.60
May	583,519,880	774	648,575,970	739			+ 11.15	
June	548,798,029	772	603,059,138	733			+ 9.89	
July	545,665,957	774	588,198,398	726			+ 7.79	
August	517,675,814	767	556,266,201	723			+ 7.45	
September	483,172,492	772	534,330,715	712			+ 10.59	
October	512,618,370	770	559,390,201	710			+ 9.12	
November	521,233,872	758	572,262,884	701			+ 9.79	
December	<u>555,024,482</u>	743	<u>609,404,039</u>	695			<u>+ 9.80</u>	
Years Total	6,416,900,405		7,124,396,257				+ 11.03	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2005 THROUGH APRIL 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	538,413,955	168	621,161,722	173	593,282,897	171	+ 15.37	- 4.49
February	491,753,468	170	578,266,056	172	531,955,021	170	+ 17.59	- 8.01
March	567,325,607	169	654,702,022	172	618,854,728	171	+ 15.40	- 5.48
April	563,980,078	168	647,819,688	173	589,646,957	167	+ 14.87	- 8.98
May	600,707,138	170	695,061,878	175			+ 15.71	
June	592,086,292	172	665,063,549	175			+ 12.33	
July	598,502,673	171	672,988,089	174			+ 12.45	
August	597,055,615	172	634,876,790	172			+ 6.33	
September	560,680,297	176	580,816,517	173			+ 3.59	
October	581,203,811	174	588,810,710	171			+ 1.31	
November	573,043,775	173	578,970,652	173			+ 1.03	
December	<u>595,644,281</u>	171	<u>595,163,099</u>	175			<u>- 0.08</u>	
Years Total	6,860,396,990		7,513,700,772				+ 9.52	

* 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 ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
April 2006	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
June	3.60	3.47	3.00	2.93	5.72	5.73	8.72	8.66	272	205
July	3.62	3.48	3.00	2.92	5.69	5.71	8.69	8.63	290	226
August	3.65	3.53	3.02	2.95	5.68	5.71	8.70	8.66	323	288
September	3.74	3.61	3.11	3.04	5.70	5.73	8.81	8.77	341	302
October	3.79	3.65	3.17	3.11	5.66	5.68	8.84	8.80	302	271
November	3.83	3.70	3.22	3.17	5.66	5.67	8.88	8.83	268	231
December	3.85	3.76	3.20	3.16	5.68	5.68	8.88	8.84	284	242
Averages 2006	3.74	3.61	3.09	3.03	5.70	5.71	8.78	8.74	279	231
January 2007	3.89	3.79	3.19	3.16	5.69	5.68	8.87	8.83	349	309
February	3.87	3.75	3.15	3.10	5.69	5.69	8.84	8.79	348	316
March	3.72	3.63	3.08	3.04	5.68	5.68	8.77	8.72	306	262
April	3.70	3.58	3.07	3.02	5.70	5.71	8.78	8.73	293	230

a/ In thousands.

APRIL 2007
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$301,794.68
Class I Butterfat	60(a)	7,667,087	\$1.4196	\$10,884,196.69
Class I Skim Per Cwt		341,030,152	\$13.5000	\$46,039,070.59
Class II Butterfat	60(b)	9,463,027	\$1.4727	\$13,936,199.88
Class II Nonfat Solids		10,295,664	\$1.0767	\$11,085,341.46
Class III Butterfat	60(c)	13,714,115	\$1.4657	\$20,100,778.35
Class III Protein		11,411,445	\$2.5212	\$28,770,535.13
Class III Other Solids		21,512,197	\$0.6008	\$12,924,527.97
Class IV Butterfat	60(d)	5,856,073	\$1.4657	\$8,583,246.17
Class IV Nonfat Solids		14,087,447	\$1.2656	\$17,829,072.92
Class II, III & IV Somatic Cell Adj.	60(e)			\$443,577.20
Total Producer Milk-Product Lbs & Value		1,008,653,121		\$170,898,341.04
Add: Value as for 60(f) Thru 60(j)				\$111,186.43
Less: Total Protein Pounds	61(b)	30,743,466	\$2.5212	\$77,510,426.46
Total Other Solids Pounds		57,555,882	\$0.6008	\$34,579,573.93
Total Butterfat Pounds		36,700,302	\$1.4657	\$53,791,632.64
Total Value of Somatic Cell Adjustment				\$628,389.88
Total Milk and Value		1,008,653,121		\$4,499,504.56
Add: Location Differential Adjustments	61(c)			\$4,467,378.35
Producer-Settlement Fund	61(d)			\$395,240.34
Total Producer Milk/URSP and Value		1,008,653,121	\$0.92818	\$9,362,123.25
Less: Producer-Settlement Fund	61(f)		\$0.04818	\$485,975.79
Producer Price Differential (Dallas County)			\$0.88	\$8,876,147.46

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REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

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APRIL 2007

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	348,697,239	34.57	7,667,087	20.89	341,030,152	35.09
Class II	122,615,175	12.16	9,463,027	25.78	113,152,148	11.64
Class III	377,226,852	37.40	13,714,115	37.37	363,512,737	37.40
Class IV	160,113,855	15.87	5,856,073	15.96	154,257,782	15.87
Total	1,008,653,121	100.00	36,700,302	100.00	971,952,819	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,799,941	35.13	20,192,654	35.08	30,992,597	35.10
Class II	3,597,665	11.70	6,697,997	11.64	10,295,664	11.66
Class III	11,411,445	37.12	21,512,197	37.38	32,923,640	37.29
Class IV	4,934,415	16.05	9,153,034	15.90	14,087,447	15.95
Total	30,743,466	100.00	57,555,882	100.00	88,299,348	100.00