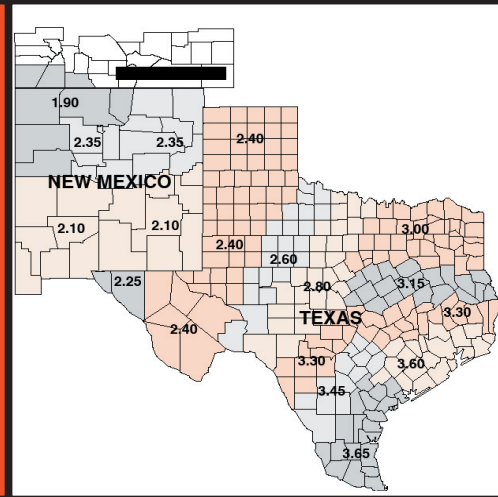


THE MARKET ADMINISTRATOR'S

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 XXXIV, NO. 6

JUNE 2008

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 (\$0.30) for May. Butterfat price increased \$0.0814 per pound from \$1.4748 in April to the level of \$1.5562 in May. Protein price increased \$0.3529 per pound from \$3.7579 in April to \$4.1108 in May. May's Other Solids price increased \$0.0144 per pound from \$0.0622 in April to \$0.0766 in May. The Somatic Cell Count adjustment rate factor for May was 0.00098 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 \$17.88 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 \$0.30 in comparison to the statistical blend price of \$18.18 in April.

The May Class I price decreased \$1.99 from \$21.61 in April to the May level of \$19.62. The Class II price for May of \$15.51 per hundredweight increased \$0.22 from \$15.29 in April. May's Class III price increased \$1.42 from \$16.76 in April to \$18.18 in May. The Class IV price increased \$0.70 from \$14.56 in April to \$15.26 in May.

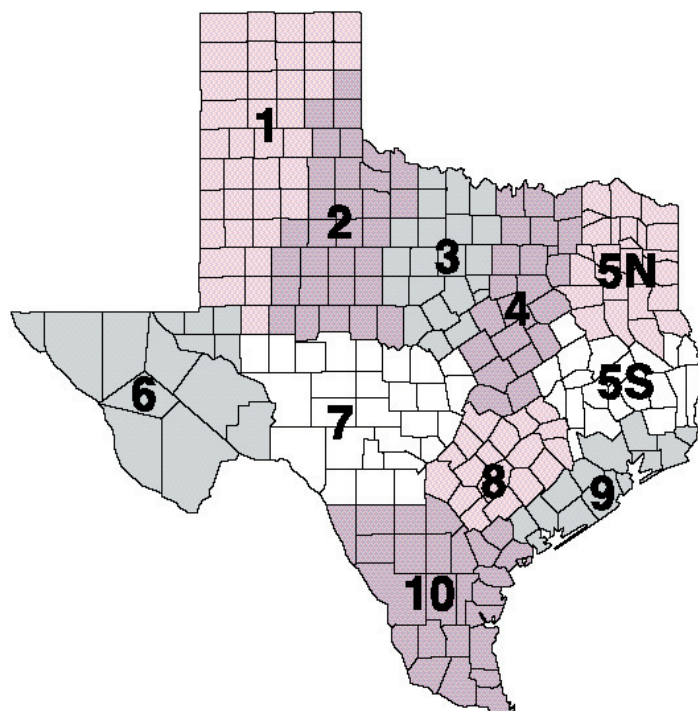
In May 552 producers delivered a total of 701,656,433 pounds of milk. On a daily basis this represents a decrease of 37.59 percent from the producer receipts level in April but it represents an increase of 47.64 percent when compared to the producer receipts level of May 2007.

Producer milk classified as Class I during May amounted to 51.11 percent of total producer receipts. This figure is up from 32.66 percent in April but it is down from 73.31 percent in May 2007. The average butterfat test of producer milk pooled during May was 3.560 percent, average protein test was 3.006 percent, average other solids test was 5.742 percent and the average somatic cell count was 224,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 08	Apr 08	May 08	Apr 08	May 08	Apr 08
Appalachian	19.11	20.21	-----	-----	70.18	70.94
Arizona	17.20	17.28	-----	-----	30.65	31.56
Central	17.08	17.48	(1.10)	0.72	42.77	34.34
Florida	21.38	21.50	-----	-----	84.25	81.14
Mideast	17.53	17.77	(0.65)	1.01	46.00	37.10
Northeast	18.18	18.55	0.00	1.79	42.90	40.10
Pacific Northwest	16.83	16.95	(1.35)	0.19	35.71	29.56
Southeast	19.60	19.97	-----	-----	64.74	63.76
Southwest	17.88	18.18	(0.30)	1.42	51.11	32.66
Upper Midwest	17.99	17.23	(0.19)	0.47	20.30	14.80

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 2008

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	87	51.77	3.64	3.01	5.77	8.77	197
2	7	0.76	3.52	3.02	5.71	8.73	307
3	216	27.12	3.64	3.06	5.73	8.78	259
4	54	2.70	3.67	3.06	5.72	8.78	324
5N	247	13.69	3.65	3.09	5.69	8.79	343
5S	4	0.18	3.30	2.95	5.67	8.61	350
6	5	1.29	3.47	2.97	5.70	8.67	276
7	10	1.41	3.55	3.00	5.71	8.71	257
8	22	0.61	3.72	3.04	5.67	8.71	365
9	4	0.09	3.57	2.98	5.60	8.57	407
10	3	0.39	4.41	3.42	5.74	9.17	435
TOTAL	659	100.00	3.64	3.04	5.74	8.78	247

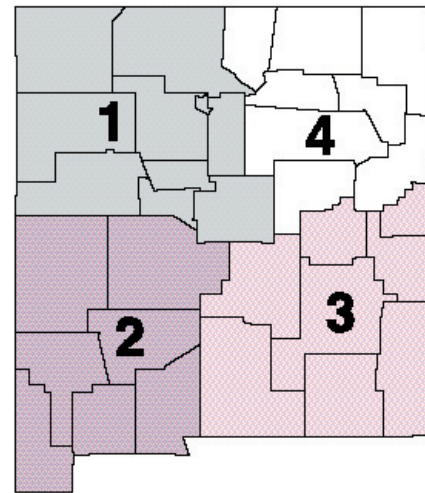
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2008

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	1	6	5	6	5	64	190,222
2	2	2	1	0	1	1	2,803
3	52	65	41	17	11	30	99,662
4	27	13	10	2	2	0	9,906
5N	111	74	43	11	5	3	50,290
5S	3	0	1	0	0	0	647
6	0	0	2	0	1	2	4,727
7	5	0	2	0	0	3	5,168
8	14	7	1	0	0	0	2,256
9	2	2	0	0	0	0	332
10	0	1	0	2	0	0	1,445
TOTAL	217	170	106	38	25	103	367,458

*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 2008

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	9	2.75	3.65	3.00	5.72	8.72	220
2	36	19.93	3.41	2.94	5.74	8.68	179
3	128	77.32	3.51	2.96	5.75	8.71	201
4	0	0	0	0	0	0	0
TOTAL	173	100.00	3.51	2.96	5.75	8.71	197

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2008

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	3	1	2	1	2	0	8,754	
2	1	4	7	10	11	3	63,360	
3	5	3	20	43	36	21	245,862	
4	0	0	0	0	0	0	0	
TOTAL	9	8	29	54	49	24	317,976	

*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.					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-----						
March 2007	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
May	18.92	16.62	17.60	18.48	0.91	157.06	57.91	294.24	.00080	142.90	159.46	166.70	75.78
June	20.84	18.89	20.17	20.76	0.31	164.57	58.31	370.59	.00093	149.16	185.61	190.12	76.17
July	23.91	21.40	21.38	21.64	1.31	161.10	55.34	420.68	.00100	146.27	200.02	201.80	73.29
August	24.76	22.41	19.83	21.87	2.93	158.72	43.68	394.12	.00096	144.29	191.00	205.45	61.97
September	24.91	22.16	20.07	21.61	2.36	151.01	28.90	439.29	.00101	137.86	202.50	205.57	47.62
October	24.59	21.90	18.70	21.31	2.92	140.92	22.86	416.95	.00096	129.45	192.27	206.15	41.75
November	24.45	22.07	19.22	20.40	2.36	140.77	24.61	430.81	.00098	129.33	196.52	195.62	43.45
December	23.04	20.82	20.60	19.18	0.41	143.48	26.37	470.61	.00105	131.59	209.76	180.31	45.16
Averages 2007 b/	21.14	18.36	18.04	18.36	1.43	146.93	42.01	351.21	.00087	134.41	173.80	169.27	60.04
January 2008	23.97	19.75	19.32	16.29	1.38	133.19	20.97	449.94	.00100	123.01	199.98	150.90	39.92
February	22.68	18.46	17.03	14.67	2.25	130.10	8.03	401.80	.00092	120.44	184.03	133.31	27.36
March	19.70	15.63	18.00	14.17	(0.68)	136.04	4.93	433.31	.00098	125.39	195.75	125.12	24.35
April	21.61	15.29	16.76	14.56	1.42	147.48	6.22	375.79	.00091	134.92	181.64	125.06	25.60
May	19.62	15.51	18.18	15.26	(0.30)	155.62	7.66	411.08	.00098	141.70	195.25	129.85	27.00

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 2006 THROUGH MAY 2008, WITH PRODUCTION PERCENTAGE COMPARISONS**

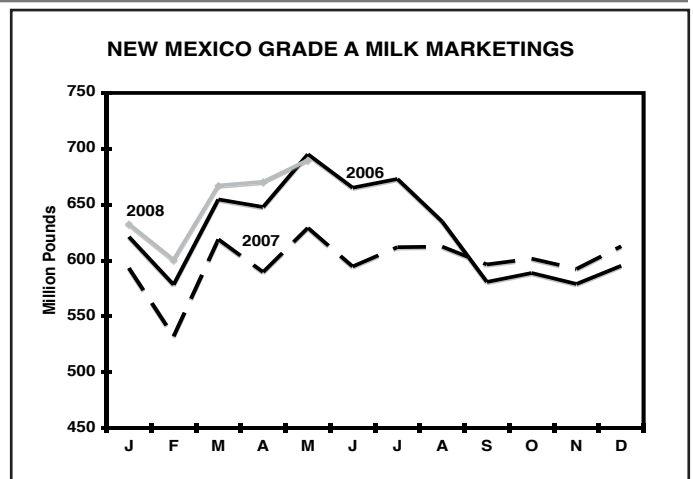
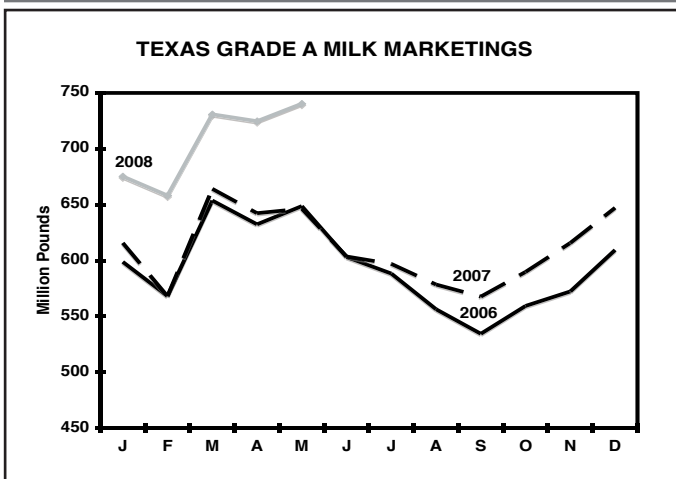
MONTH	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	PERCENT 2007/06	CHANGE 2008/07
January	598,770,671	746	615,854,742	697	675,265,283	654	+ 2.85	+ 9.65
February	568,127,819	740	567,905,237	692	658,108,461	658	- 0.04	+ 11.89*
March	653,677,865	740	664,126,490	694	730,859,173	659	+ 1.60	+ 10.05
April	632,332,356	741	642,444,396	689	724,651,306	659	+ 1.60	+ 12.80
May	648,575,970	739	646,347,511	676	740,427,008	659	- 0.34	+ 14.56
June	603,059,138	733	603,528,908	670			+ 0.08	
July	588,198,398	726	596,923,443	656			+ 1.48	
August	556,266,201	723	578,369,166	656			+ 3.97	
September	534,330,715	712	569,217,018	661			+ 6.53	
October	559,390,201	710	607,239,216	664			+ 8.55	
November	572,262,884	701	615,810,876	660			+ 7.61	
December	<u>609,404,039</u>	695	<u>647,114,088</u>	655			<u>+ 6.19</u>	
Years Total	7,124,396,257		7,354,881,091				+ 3.23	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2006 THROUGH MAY 2008, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	PERCENT 2007/06	CHANGE 2008/07
January	621,161,722	173	593,437,434	171	632,699,151	173	- 4.46	+ 6.62
February	578,266,056	172	531,955,021	170	600,488,935	169	- 8.01	+ 8.99*
March	654,702,022	172	618,854,728	171	667,225,545	170	- 5.48	+ 7.82
April	647,819,688	173	593,858,997	168	670,437,294	170	- 8.33	+ 12.90
May	695,061,878	175	629,220,180	166	690,007,674	173	- 9.47	+ 9.66
June	665,063,549	175	598,890,379	166			- 9.95	
July	672,988,089	174	611,908,294	167			- 9.08	
August	634,876,790	172	612,444,830	169			- 3.53	
September	580,816,517	173	596,639,214	173			+ 2.72	
October	588,810,710	171	614,972,057	172			+ 4.44	
November	578,970,652	173	592,544,809	171			+ 2.34	
December	<u>595,163,099</u>	175	<u>612,751,685</u>	172			<u>+ 2.96</u>	
Years Total	7,513,700,772		7,207,477,628				- 4.08	

* Based on average daily deliveries.



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 2007	3.66	3.53	3.03	2.99	5.69	5.71	8.73	8.70	292	228
June	3.64	3.51	3.02	2.96	5.69	5.70	8.71	8.67	321	240
July	3.62	3.47	3.02	2.94	5.69	5.70	8.71	8.64	350	264
August	3.63	3.52	3.01	2.93	5.69	5.70	8.70	8.64	353	278
September	3.66	3.55	3.08	3.01	5.68	5.70	8.76	8.71	346	273
October	3.71	3.59	3.15	3.08	5.70	5.70	8.84	8.79	285	228
November	3.82	3.70	3.21	3.15	5.72	5.72	8.92	8.87	263	214
December	3.89	3.76	3.23	3.17	5.71	5.70	8.93	8.87	270	231
Averages 2007	3.73	3.62	3.10	3.05	5.69	5.70	8.80	8.75	315	256
January 2008	3.87	3.74	3.19	3.13	5.72	5.71	8.90	8.84	274	240
February	3.79	3.67	3.13	3.06	5.71	5.71	8.84	8.77	260	220
March	3.76	3.63	3.10	3.02	5.72	5.72	8.82	8.75	244	202
April	3.69	3.56	3.08	3.00	5.72	5.73	8.80	8.73	241	193
May	3.64	3.51	3.04	2.96	5.74	5.75	8.78	8.71	247	197

a/ In thousands.

MAY 2008
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$351,670.34
Class I Butterfat	60(a)	7,891,169	\$1.4963	\$11,807,556.19
Class I Skim Per Cwt		350,710,015	\$14.9000	\$52,255,792.25
Class II Butterfat	60(b)	8,836,263	\$1.5632	\$13,812,846.34
Class II Nonfat Solids		8,638,764	\$1.1556	\$9,982,955.70
Class III Butterfat	60(c)	1,594,696	\$1.5562	\$2,481,665.92
Class III Protein		381,079	\$4.1108	\$1,566,539.56
Class III Other Solids		741,017	\$0.0766	\$56,761.90
Class IV Butterfat	60(d)	6,659,833	\$1.5562	\$10,364,032.10
Class IV Nonfat Solids		19,802,538	\$1.1301	\$22,378,848.22
Class II, III & IV Somatic Cell Adj.	60(e)			\$433,116.49
Total Producer Milk-Product Lbs & Value		701,656,433		\$125,491,785.01
Add: Value as for 60(f) Thru 60(j)				\$196,245.73
Less: Total Protein Pounds	61(b)	21,097,700	\$4.1108	\$86,728,425.16
Total Other Solids Pounds		40,295,386	\$0.0766	\$3,086,626.56
Total Butterfat Pounds		24,981,961	\$1.5562	\$38,876,927.74
Total Value of Somatic Cell Adjustment				\$885,539.07
Total Milk and Value		701,656,433		(\$3,889,487.79)
Add: Location Differential Adjustments	61(c)			\$1,691,790.58
Producer-Settlement Fund	61(d)			\$393,537.82
Total Producer Milk/URSP and Value		701,656,433	(\$0.25712)	(\$1,804,159.39)
Less: Producer-Settlement Fund	61(f)		\$0.04287	\$300,809.91
Producer Price Differential (Dallas County)			(\$0.30)	(\$2,104,969.30)

THE MARKET ADMINISTRATOR'S

REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

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

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

RETURN SERVICE REQUESTED

MAY 2008

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	358,601,184	51.11	7,891,169	31.59	350,710,015	51.83
Class II	104,109,134	14.84	8,836,263	35.37	95,272,871	14.08
Class III	14,016,918	1.99	1,594,696	6.38	12,422,222	1.83
Class IV	224,929,197	32.06	6,659,833	26.66	218,269,364	32.26
Total	701,656,433	100.00	24,981,961	100.00	676,674,472	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,951,597	51.91	20,878,090	51.81	31,829,690	51.84
Class II	2,970,751	14.08	5,668,016	14.07	8,638,764	14.07
Class III	381,079	1.81	741,017	1.84	1,122,094	1.83
Class IV	6,794,273	32.20	13,008,263	32.28	19,802,538	32.26
Total	21,097,700	100.00	40,295,386	100.00	61,393,086	100.00