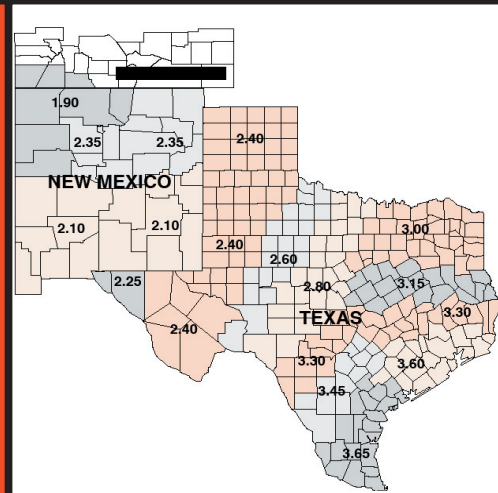


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

CARY HUNTER, 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 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 \$2.00 for May. Butterfat price increased \$0.0599 per pound from \$1.2049 in April to the level of \$1.2648 in May. Protein price decreased \$0.4555 per pound from \$2.2009 in April to \$1.7454 in May. May's Other Solids price increased \$0.0379 per pound from (\$0.0043) in April to \$0.0336 in May. The Somatic Cell Count adjustment rate factor for May was 0.00058 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 \$11.84 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 \$0.05 in comparison to the statistical uniform price of \$11.89 in April.

The May Class I price increased \$0.61 from \$13.36 in April to the May level of \$13.97. The Class II price for May of \$10.71 per hundredweight increased \$0.22 from \$10.49 in April. May's Class III price decreased \$0.94 from \$10.78 in April to \$9.84 in May. The Class IV price increased \$0.32 from \$9.82 in April to \$10.14 in May.

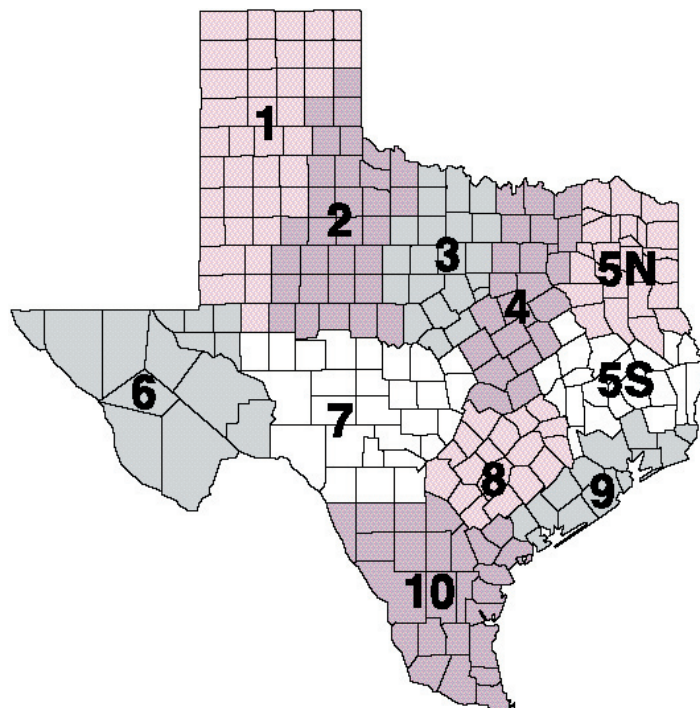
In May 588 producers delivered a total of 1,084,558,556 pounds of milk. On a daily basis this represents an increase of 1.31 percent from the producer receipts level in April and it represents an increase of 54.57 percent when compared to the producer receipts level of May 2008.

Producer milk classified as Class I during May amounted to 32.56 percent of total producer receipts. This figure is down from 34.94 percent in April and it is down from 51.11 percent in May 2008. The average butterfat test of producer milk pooled during May was 3.478 percent, average protein test was 3.005 percent, average other solids test was 5.761 percent and the average somatic cell count was 205,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 09	Apr 09	May 09	Apr 09	May 09	Apr 09
Appalachian	13.28	12.97	-----	-----	64.70	68.05
Arizona	11.15	11.06	-----	-----	30.68	32.28
Central	10.82	10.91	0.98	0.13	26.78	31.56
Florida	15.65	15.11	-----	-----	85.68	85.80
Mideast	11.27	11.28	1.43	0.50	37.70	39.60
Northeast	12.18	12.08	2.34	1.30	39.90	41.70
Pacific Northwest	10.83	11.01	0.99	0.23	26.18	33.08
Southeast	13.21	13.14	-----	-----	57.18	61.02
Southwest	11.84	11.89	2.00	1.11	32.56	34.94
Upper Midwest	10.30	10.98	0.46	0.20	12.40	13.30

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 2009

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	90	54.55	3.58	3.07	5.77	8.84	194
2	6	0.95	3.53	2.98	5.73	8.71	248
3	204	25.83	3.64	3.05	5.73	8.79	251
4	48	2.51	3.72	3.07	5.71	8.78	317
5N	238	12.93	3.60	3.08	5.64	8.72	372
5S	4	0.17	3.35	2.94	5.67	8.62	296
6	3	0.83	3.20	2.96	5.75	8.70	258
7	9	1.25	3.57	3.02	5.74	8.75	312
8	21	0.59	3.77	3.06	5.67	8.73	358
9	3	0.07	3.47	2.90	5.60	8.50	308
10	3	0.33	4.33	3.39	5.73	9.13	386
TOTAL	629	100.00	3.60	3.06	5.74	8.81	246

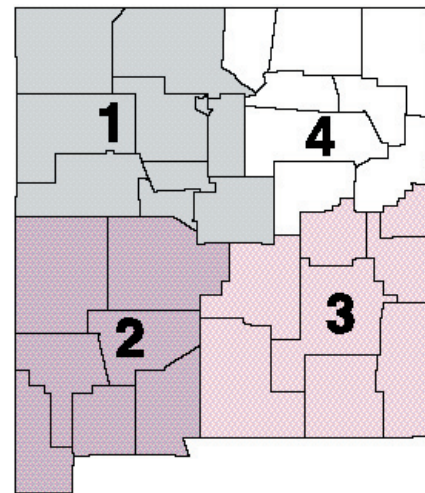
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2009

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	4	2	6	5	72	213,060
2	2	1	1	0	1	1	3,725
3	45	61	42	15	11	30	100,880
4	22	15	7	1	3	0	9,817
5N	102	75	39	12	6	4	50,490
5S	3	0	1	0	0	0	657
6	0	0	0	2	0	1	3,254
7	4	0	2	0	0	3	4,880
8	15	4	2	0	0	0	2,301
9	1	2	0	0	0	0	272
10	0	1	0	2	0	0	1,273
TOTAL	195	163	96	38	26	111	390,609

*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 2009

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	10	3.50	3.61	2.99	5.77	8.76	162
2	32	18.67	3.32	2.92	5.77	8.69	169
3	123	77.82	3.44	3.00	5.77	8.77	189
4	0	0	0	0	0	0	0
TOTAL	165	100.00	3.42	2.99	5.77	8.76	183

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2009

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	1	3	1	1	11,458
2	1	2	4	7	15	3	61,083
3	4	4	15	33	38	29	254,509
4	0	0	0	0	0	0	0
TOTAL	8	7	20	43	54	33	327,130

*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 2008	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
June	21.18	16.19	20.25	15.92	(1.23)	161.60	8.26	471.93	.00108	146.69	216.09	135.08	27.58
July	23.78	16.81	18.24	16.60	1.85	167.74	7.07	400.25	.00098	151.80	195.85	140.53	26.42
August	21.47	17.45	17.32	16.64	2.00	174.13	5.29	364.97	.00093	157.13	186.99	138.40	24.70
September	20.65	17.58	16.28	15.45	2.18	181.96	2.34	326.89	.00089	163.65	177.73	121.31	21.83
October	18.53	16.60	17.06	13.62	0.20	185.07	(0.47)	354.90	.00095	169.97	190.65	99.87	19.45
November	20.33	14.45	15.51	12.25	1.38	177.30	(0.99)	313.01	.00088	163.56	175.11	87.01	18.95
December	18.43	11.21	15.28	10.35	(0.53)	129.98	(2.69)	363.90	.00088	124.48	175.44	84.25	17.30
Averages 2008 b/	21.00	16.24	17.44	14.65	0.83	156.68	5.55	388.98	.00095	143.56	189.54	122.56	25.04
January 2009	18.74	10.41	10.78	9.59	2.72	110.84	(3.04)	236.38	.00065	108.68	129.61	83.18	16.96
February	13.72	10.25	9.31	9.45	2.00	109.41	(4.37)	191.39	.00058	107.50	115.18	82.15	15.67
March	12.43	10.36	10.44	9.64	1.01	115.94	(3.39)	219.73	.00063	112.89	126.11	81.66	16.62
April	13.36	10.49	10.78	9.82	1.11	120.49	(0.43)	220.09	.00064	116.65	127.71	81.95	19.49
May	13.97	10.71	9.84	10.14	2.00	126.48	3.36	174.54	.00058	121.59	115.53	83.18	23.17

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 2007 THROUGH MAY 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

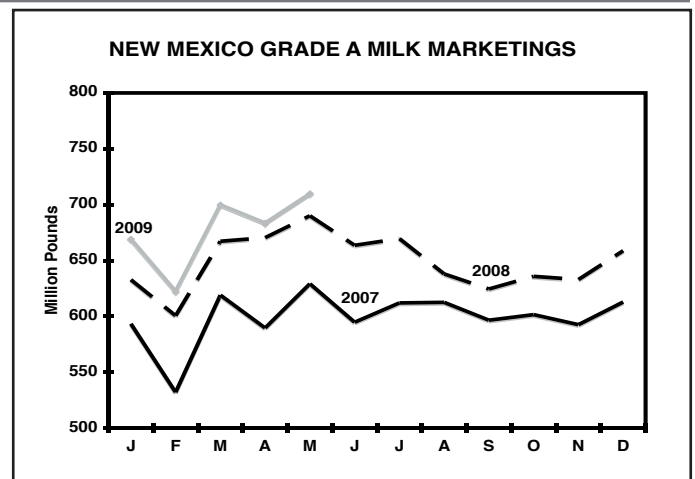
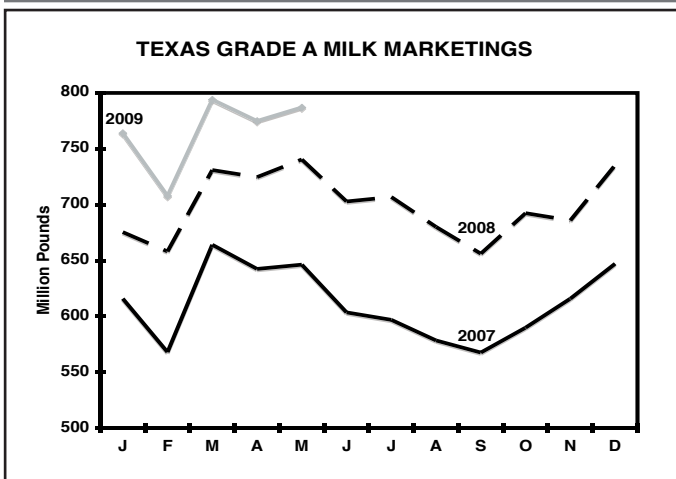
MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	615,854,742	697	675,265,283	654	764,064,476	636	+ 9.65	+ 13.15
February	567,905,237	692	658,108,461	658	707,786,943	631	+ 11.89*	+ 11.39*
March	664,126,490	694	730,859,173	659	793,989,726	635	+ 10.05	+ 8.64
April	642,444,396	689	724,651,306	659	774,795,518	631	+ 12.80	+ 6.92
May	646,347,511	676	740,427,008	659	787,077,681	629	+ 14.56	+ 6.30
June	603,528,908	670	702,946,861	656			+ 16.47	
July	596,923,443	656	706,911,758	657			+ 18.43	
August	578,369,166	656	679,996,118	654			+ 17.57	
September	569,217,018	661	656,032,884	646			+ 15.25	
October	607,239,216	664	692,397,097	648			+ 14.02	
November	615,810,876	660	685,894,611	646			+ 11.38	
December	<u>647,114,088</u>	655	<u>735,262,255</u>	640			<u>+ 13.62</u>	
Years Total	7,354,881,091		8,388,752,815				+ 14.06	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2007 THROUGH MAY 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	593,437,434	171	632,699,151	173	669,161,661	170	+ 6.62	+ 5.76
February	531,955,021	170	600,488,935	169	622,538,938	167	+ 8.99*	+ 7.37*
March	618,854,728	171	667,225,545	170	699,808,110	168	+ 7.82	+ 4.88
April	593,858,997	168	670,437,294	170	683,575,106	164	+ 12.90	+ 1.96
May	629,220,180	166	690,007,674	173	709,872,347	165	+ 9.66	+ 2.88
June	598,890,379	166	663,052,878	172			+ 10.79	
July	611,908,294	167	669,450,030	172			+ 9.40	
August	612,444,830	169	637,877,538	172			+ 4.15	
September	596,639,214	173	624,527,568	172			+ 4.67	
October	614,972,057	172	635,779,456	174			+ 3.38	
November	592,544,809	171	632,916,136	175			+ 6.81	
December	<u>612,751,685</u>	172	<u>658,804,868</u>	173			<u>+ 7.52</u>	
Years Total	7,207,477,628		7,783,267,073				+ 7.99	

* Based on average daily deliveries.



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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
May	3.64	3.51	3.04	2.96	5.74	5.75	8.78	8.71	247	197
June	3.58	3.48	2.99	2.89	5.74	5.75	8.72	8.64	261	205
July	3.59	3.48	3.00	2.90	5.71	5.73	8.71	8.63	305	262
August	3.63	3.51	3.01	2.92	5.73	5.75	8.74	8.67	327	268
September	3.70	3.55	3.08	3.00	5.72	5.74	8.80	8.74	341	281
October	3.77	3.62	3.15	3.08	5.72	5.74	8.87	8.82	313	257
November	3.81	3.62	3.18	3.13	5.73	5.74	8.91	8.87	277	226
December	3.83	3.64	3.19	3.12	5.74	5.74	8.93	8.86	268	222
Averages 2008	3.72	3.58	3.10	3.02	5.73	5.73	8.82	8.75	280	231
January 2009	3.81	3.63	3.16	3.11	5.72	5.72	8.87	8.83	252	211
February	3.75	3.58	3.12	3.08	5.73	5.74	8.84	8.82	247	204
March	3.69	3.51	3.09	3.04	5.74	5.78	8.83	8.81	236	192
April	3.67	3.50	3.09	3.03	5.72	5.75	8.81	8.78	238	193
May	3.60	3.42	3.06	2.99	5.74	5.77	8.81	8.76	246	183

a/ In thousands.

MAY 2009
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Pounds	Price	Value
Add: Class I Differential			\$418,138.76
Class I Butterfat	60(a)	7,774,117	\$1.2319
Class I Skim Per Cwt		345,389,045	\$10.0100
Class II Butterfat	60(b)	7,996,282	\$1.2718
Class II Nonfat Solids		9,484,417	\$0.7211
Class III Butterfat	60(c)	14,642,453	\$1.2648
Class III Protein		12,552,186	\$1.7454
Class III Other Solids		24,253,986	\$0.0336
Class IV Butterfat	60(d)	7,314,451	\$1.2648
Class IV Nonfat Solids		17,392,900	\$0.6574
Class II, III & IV Somatic Cell Adj.	60(e)		\$646,257.98
Total Producer Milk-Product Lbs & Value		1,084,558,556	\$124,152,363.55
Add: Value as for 60(f) Thru 60(j)			\$95,775.09
Less: Total Protein Pounds	61(b)	32,593,634	\$1.7454
Total Other Solids Pounds		62,483,112	\$0.0336
Total Butterfat Pounds		37,727,303	\$1.2648
Total Value of Somatic Cell Adjustment			\$911,311.73
Total Milk and Value		1,084,558,556	\$16,630,972.66
Add: Location Differential Adjustments	61(c)		\$5,036,385.51
Producer-Settlement Fund	61(d)		\$500,583.76
Total Producer Milk/URSP and Value		1,084,558,556	\$22,167,941.93
Less: Producer-Settlement Fund	61(f)		\$0.04396
Producer Price Differential (Dallas County)		\$2.00	\$21,691,171.12

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REPORT**

SOUTHWEST MARKETING AREA
CARY HUNTER, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

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**MAY 2009
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	353,163,162	32.56	7,774,117	20.61	345,389,045	32.99
Class II	112,345,371	10.36	7,996,282	21.19	104,349,089	9.97
Class III	420,843,106	38.80	14,642,453	38.81	406,200,653	38.80
Class IV	198,206,917	18.28	7,314,451	19.39	190,892,466	18.24
Total	1,084,558,556	100.00	37,727,303	100.00	1,046,831,253	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,789,529	33.11	20,603,726	32.97	31,393,255	33.02
Class II	3,260,227	10.00	6,224,193	9.96	9,484,417	9.98
Class III	12,552,186	38.51	24,253,986	38.82	36,806,174	38.71
Class IV	5,991,692	18.38	11,401,207	18.25	17,392,900	18.29
Total	32,593,634	100.00	62,483,112	100.00	95,076,746	100.00