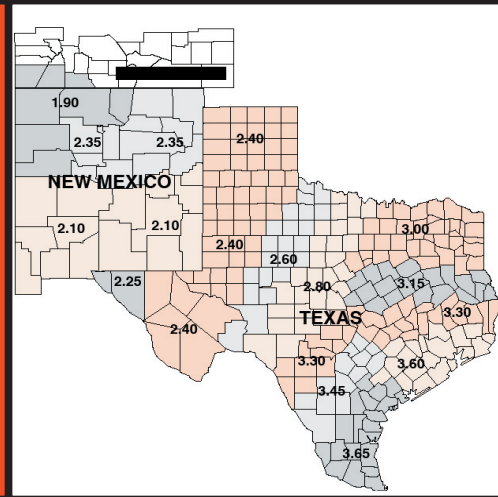


THE MARKET ADMINISTRATOR'S

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 \$1.11 for April. Butterfat price increased \$0.0455 per pound from \$1.1594 in March to the level of \$1.2049 in April. Protein price increased \$0.0036 per pound from \$2.1973 in March to \$2.2009 in April. April's Other Solids price increased \$0.0296 per pound from (\$0.0339) in March to (\$0.0043) in April. The Somatic Cell Count adjustment rate factor for April was 0.00064 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 \$11.89 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 \$0.44 in comparison to the statistical uniform price of \$11.45 in March.

The April Class I price increased \$0.93 from \$12.43 in March to the April level of \$13.36. The Class II price for April of \$10.49 per hundredweight increased \$0.13 from \$10.36 in March. April's Class III price increased \$0.34 from \$10.44 in March to \$10.78 in April. The Class IV price increased \$0.18 from \$9.64 in March to \$9.82 in April.

In April 516 producers delivered a total of 1,035,979,519 pounds of milk. On a daily basis this represents an increase of 55.62 percent from the producer receipts level in March but it represents a decrease of 4.78 percent when compared to the producer receipts level of April 2008.

Producer milk classified as Class I during April amounted to 34.94 percent of total producer receipts. This figure is down from 53.61 percent in March but it is up from 32.66 percent in April 2008. The average butterfat test of producer milk pooled during April was 3.555 percent, average protein test was 3.061 percent, average other solids test was 5.736 percent and the average somatic cell count was 210,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 09	Mar 09	Apr 09	Mar 09	Apr 09	Mar 09
Appalachian	12.97	12.29	-----	-----	68.05	69.60
Arizona	11.06	10.63	-----	-----	32.28	32.00
Central	10.91	10.44	0.13	0.00	31.56	35.10
Florida	15.11	14.19	-----	-----	85.80	83.89
Mideast	11.28	10.73	0.50	0.29	39.60	40.80
Northeast	12.08	11.56	1.30	1.12	41.70	43.10
Pacific Northwest	11.01	10.48	0.23	0.04	33.08	31.07
Southeast	13.14	12.47	-----	-----	61.02	60.71
Southwest	11.89	11.45	1.11	1.01	34.94	53.61
Upper Midwest	10.98	10.57	0.20	0.13	13.30	14.10

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2008 ANNUAL AVERAGES, WITH COMPARISONS

For 2008, mailbox prices for selected reporting areas in Federal milk orders averaged \$18.40 per cwt., \$.76 lower than the all-area average reported for 2007. The component tests of producer milk in 2008 averaged: butterfat, 3.69%; protein, 3.06%; and, other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all areas except in Appalachian States, Southern States, Southern Missouri, and Florida. Florida had the highest average price in 2008, \$22.39; New Mexico had the lowest average, \$16.32. Monthly all-area averages ranged from \$20.70 in January to \$15.78 in December.

Reporting Area ^{1/}	Mailbox Milk Price ^{2/ 3/}		
	2007	2008	Change 2008 from 2007
	Dollars per cwt.		
New England States ^{4/}	20.12	19.16	-0.96
New York	19.38	18.09	-1.29
Eastern Pennsylvania ^{5/}	19.90	18.60	-1.30
Appalachian States ^{6/}	19.83	20.11	0.28
Southeast States ^{7/}	20.25	20.90	0.65
Southern Missouri ^{8/}	18.67	18.80	0.13
Florida	21.50	22.39	0.89
Western Pennsylvania ^{9/}	19.39	18.76	-0.63
Ohio	19.33	18.83	-0.50
Indiana	19.33	18.76	-0.57
Michigan	18.55	18.14	-0.41
Wisconsin	19.12	18.63	-0.49
Minnesota	19.26	18.65	-0.61
Iowa	18.84	18.26	-0.58
Illinois	19.04	18.52	-0.52
Corn Belt States ^{10/}	18.25	17.76	-0.49
Western Texas ^{11/}	18.28	17.19	-1.09
New Mexico	17.58	16.32	-1.26
Northwest States ^{12/}	19.26	17.37	-1.89
All Market Avg. ^{13/}	19.16	18.40	-0.76
California ^{14/}	17.56	16.17	-1.39

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.

THE DAIRY OUTLOOK

Dairy cow slaughter surged ahead of year-earlier levels for the third month in a row in February, aided in part by the sixth Cooperatives Working Together (CWT) buyout since 2003, which removed over 50,000 cows from the dairy herd, mostly in the first quarter of 2009. According to recent *Livestock Slaughter* reports, dairy cow slaughter had moved ahead of year-earlier levels for much of 2008. The liquidation has been especially notable in the mountain western states. For the country as a whole, slaughter was 17 percent above year earlier levels in February, 19 percent in January, and 12 percent in December. However, by region, slaughter exceeded year-earlier levels by 46 percent in December and 118 percent in January for region six, which includes New Mexico, Oklahoma, and Texas. Other regions also recorded double-digit increases in cow slaughter. USDA forecasts that the dairy herd will contract to an average 9.2 million cows in 2009, compared with 9.3 million in 2008. The contraction is expected to continue throughout the year; by the fourth quarter of 2009, the number of dairy cows will likely average about 300 thousand fewer than those on hand in the fourth quarter of 2008.

Expected corn and soybean meal prices have been revised upward from earlier forecasts. Higher feed costs will likely continue to pressure producer profits. Milk per cow will climb only incrementally in response to poor producer returns. The yield increase is expected to be less than one-half of 1 percent this year, adjusting for leap-year, continuing the trend toward smaller year-over-year increases that began in 2006. The outcome from these adjustments is a decline in milk production in 2009 to 187.1 billion pounds from 190.0 billion pounds in 2008.

As a result of slightly higher than expected product prices, the prices for Class III and Class IV milk have been raised slightly to \$10.65 to \$11.15 per cwt and \$9.95 to \$10.55 per cwt, respectively, for 2009. The all milk price is expected to average \$11.85 to \$12.35 per cwt in 2009.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-178, April 16, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

TOP TEN TEXAS COUNTIES a/ – APRIL 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Erath	89	110,482,807	+ 4.09	7. Bailey	10	43,374,332	+ 24.25
2. Parmer	12	68,691,130	+ 0.59	8. Hartley	10	43,124,360	+ 11.58
3. Deaf Smith	14	62,719,232	+ 7.65	9. Lamb	9	39,554,987	- 1.60
4. Castro	11	59,701,969	+ 20.21	10. Hale	5	31,619,952	+ 7.17
5. Hopkins	121	51,293,183	+ 3.64	Ten County Total	307	555,878,048	+ 7.11 b/
6. Comanche	26	45,316,096	+ 3.29	Other Counties Total	324	218,917,470	+ 6.44
				Texas Total	631	774,795,518	+ 6.92

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	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
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

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

TOP NEW MEXICO COUNTIES a/ – APRIL 2009

County	Number of Producers	Pounds	% Change From 2008b/	County	Number of Producers	Pounds	% Change From 2008b/
1. Chaves	37	176,107,053	+ 0.06	7. Socorro	8	19,925,608	+ 0.35
2. Curry	27	145,886,235	+ 4.01	8. Valencia	5	14,413,273	+ 8.22
3. Roosevelt	40	139,831,474	+ 3.59	9. Bernalillo	4	5,643,681	+ 8.22
4. Dona Ana	20	90,438,825	- 7.11				
5. Lea	12	45,625,998	+ 6.95	Nine County Total	159	663,911,367	+ 1.45 b/
6. Eddy	6	26,039,220	+ 5.11	Other Counties Total	5	19,663,739	+ 22.84
				New Mexico Total	164	683,575,106	+ 1.96

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 2007 THROUGH APRIL 2009, WITH PRODUCTION PERCENTAGE COMPARISONS**

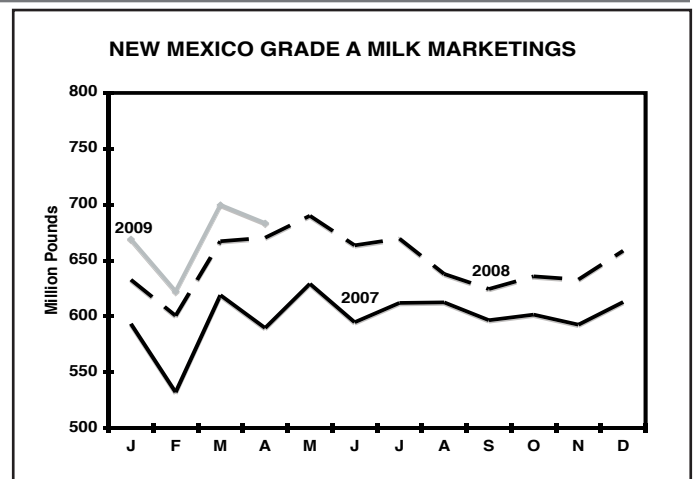
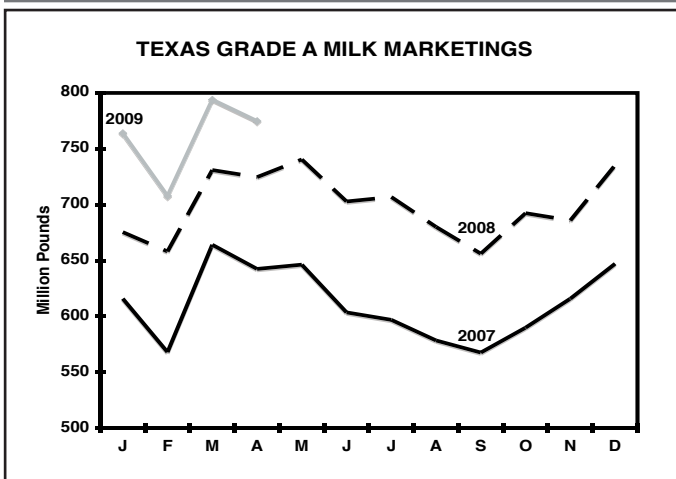
MONTH	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	PERCENT 2008/07	CHANGE 2009/08
January	615,854,742	697	675,265,283	654	764,064,476	636	+ 9.65	+ 13.15
February	567,905,237	692	658,108,461	658	707,786,943	631	+ 11.89*	+ 11.39*
March	664,126,490	694	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			+ 14.56	
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 APRIL 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			+ 9.66	
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
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
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

a/ In thousands.

APRIL 2009
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Pounds	Price	Value
Add: Class I Differential			\$425,905.64
Class I Butterfat	60(a)	7,859,267	\$1.1800
Class I Skim Per Cwt		354,092,188	\$9.5600
Class II Butterfat	60(b)	8,130,201	\$1.2119
Class II Nonfat Solids		7,860,106	\$0.7189
Class III Butterfat	60(c)	13,540,701	\$1.2049
Class III Protein		11,855,754	\$2.2009
Class III Other Solids		22,384,435	(\$0.0043)
Class IV Butterfat	60(d)	7,306,986	\$1.2049
Class IV Nonfat Solids		16,718,258	\$0.6452
Class II, III & IV Somatic Cell Adj.	60(e)		\$623,980.81
Total Producer Milk-Product Lbs & Value		1,035,979,519	\$121,581,729.59
Add: Value as for 60(f) Thru 60(j)			\$124,919.32
Less: Total Protein Pounds	61(b)	31,718,321	\$2.2009
Total Other Solids Pounds		59,431,492	(\$0.0043)
Total Butterfat Pounds		36,837,155	\$1.2049
Total Value of Somatic Cell Adjustment			\$929,478.34
Total Milk and Value		1,035,979,519	\$6,838,785.25
Add: Location Differential Adjustments	61(c)		\$4,703,867.20
Producer-Settlement Fund	61(d)		\$412,065.62
Total Producer Milk/URSP and Value		1,035,979,519	\$1.15395
Less: Producer-Settlement Fund	61(f)		\$0.04395
Producer Price Differential (Dallas County)			\$1.11
			\$11,499,372.66

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	361,951,455	34.94	7,859,267	21.34	354,092,188	35.44
Class II	94,229,843	9.10	8,130,201	22.07	86,099,642	8.62
Class III	389,829,123	37.62	13,540,701	36.75	376,288,422	37.66
Class IV	189,969,098	18.34	7,306,986	19.84	182,662,112	18.28
Total	1,035,979,519	100.00	59,431,492	100.00	999,142,364	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,263,966	35.51	21,067,292	35.46	32,331,260	35.48
Class II	2,740,605	8.64	5,119,502	8.61	7,860,106	8.62
Class III	11,855,754	37.38	22,384,435	37.66	34,240,189	37.56
Class IV	5,857,996	18.47	10,860,263	18.27	16,718,258	18.34
Total	31,718,321	100.00	39,625,841	100.00	91,149,813	100.00