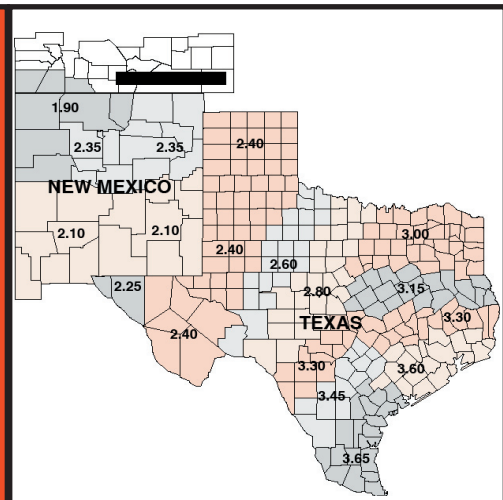


THE MARKET ADMINISTRATOR'S

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>

VOLUME XXXVI, NO. 7

JULY 2010

MARKET SUMMARY FOR JUNE

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 \$2.54 for June. Butterfat price increased \$0.0176 per pound from \$1.7058 in May to the level of \$1.7234 in June. Protein price increased \$0.0517 per pound from \$2.1523 in May to \$2.2040 in June. June's Other Solids price increased \$0.0044 per pound from \$0.1704 in May to \$0.1748 in June. The Somatic Cell Count adjustment rate factor for June was 0.00072 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a June statistical uniform price of \$16.16 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 \$0.71 in comparison to the statistical uniform price of \$15.45 in May.

The June Class I price increased \$1.48 from \$16.80 in May to the June level of \$18.28. The Class II price for June of \$16.01 per hundredweight increased \$1.11 from \$14.90 in May. June's Class III price increased \$0.24 from \$13.38 in May to \$13.62 in June. The Class IV price increased \$0.16 from \$15.29 in May to \$15.45 in June.

In June 529 producers delivered a total of 995,890,038 pounds of milk. On a daily basis this represents a decrease of 2.23 percent from the producer receipts level in May but it represents an increase of 0.32 percent when compared to the producer receipts level of June 2009.

Producer milk classified as Class I during June amounted to 32.88 percent of total producer receipts. This figure is virtually the same as the 32.96 percent in May and 32.91 percent in June 2009. The average butterfat test of producer milk pooled during June was 3.427 percent, average protein test was 2.949 percent, average other solids test was 5.761 percent and the average somatic cell count was 235,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 10	May 10	Jun 10	May 10	Jun 10	May 10
Appalachian - FO 5	17.68	16.64	-----	-----	63.42	64.85
Arizona - FO 131	15.68	15.03	-----	-----	29.28	30.20
Central - FO 32	15.18	14.46	1.56	1.08	30.75	31.58
Florida - FO 6	19.85	18.73	-----	-----	83.72	84.93
Mideast - FO 33	15.60	14.76	1.98	1.38	36.30	37.20
Northeast - FO 1	16.73	15.91	3.11	2.53	38.60	39.70
Pacific Northwest - FO 124	15.18	14.60	1.56	1.22	26.84	27.20
Southeast - FO 7	17.64	16.59	-----	-----	62.13	59.89
Southwest - FO 126	16.16	15.45	2.54	2.07	32.88	32.96
Upper Midwest - FO 30	14.14	13.77	0.52	0.39	11.50	11.90

**TEXAS GRADE A MARKETINGS BY SIZE RANGES
MAY 2010 AND MAY 2000**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	2010	2000	2010	2000	2010	2000	2010	2000
0-49,999	30	71	1,072,159	2,441,605	0.14	0.46	5.24	6.36
50,000-99,999	45	152	3,554,008	11,712,337	0.46	2.18	7.87	13.62
100,000-149,999	64	145	8,067,777	18,248,653	1.05	3.40	11.19	12.99
150,000-199,999	42	118	7,537,551	20,532,474	0.98	3.83	7.34	10.57
200,000-249,999	36	109	8,056,059	24,429,682	1.05	4.55	6.29	9.77
250,000-499,999	109	229	38,728,424	80,567,527	5.04	15.02	19.06	20.52
500,000-749,999	47	109	29,973,985	67,830,625	3.90	12.64	8.22	9.77
750,000-999,999	33	56	28,435,495	48,506,409	3.70	9.04	5.77	5.02
1,000,000-1,249,999	18	24	20,011,725	26,800,516	2.60	5.00	3.15	2.15
1,250,000-1,499,999	11	21	15,074,607	28,956,805	1.96	5.40	1.92	1.88
1,500,000-1,749,999	20	15	32,649,061	24,239,310	4.25	4.52	3.50	1.34
1,750,000-1,999,999	7	7	12,869,725	13,157,181	1.67	2.45	1.22	0.63
2,000,000-2,499,999	12	27	26,820,996	60,018,089	3.49	11.19	2.10	2.42
2,500,000-2,999,999	9	12	24,289,878	33,081,988	3.16	6.17	1.57	1.08
3,000,000-3,499,999	12	4	38,316,310	13,081,457	4.98	2.44	2.10	0.36
3,500,000-3,999,999	10	2	37,406,726	7,540,664	4.87	1.41	1.75	0.18
4,000,000-4,499,999	7	3	29,183,683	12,645,588	3.80	2.36	1.22	0.27
4,500,000-4,999,999	10	4	47,852,772	18,820,400	6.22	3.51	1.75	0.36
OVER-5,000,000	49	4	358,932,427	23,894,167	46.69	4.45	8.57	0.36
TOTAL	571	1,112	768,833,368	536,505,477	100.00	100.00	100.00	100.00

**NEW MEXICO GRADE A MARKETINGS BY SIZE RANGES
MAY 2010 AND MAY 2000**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	2010	2000	2010	2000	2010	2000	2010	2000
0-49,999	--	3	-----	53,531	----	0.01	----	1.88
50,000-99,999	1	--	99,127	-----	0.01	----	0.62	----
100,000-149,999	1	3	133,893	360,312	0.02	0.08	0.62	1.88
150,000-199,999	--	5	-----	909,762	----	0.20	----	3.12
200,000-249,999	1	3	212,262	717,926	0.03	0.16	0.62	1.88
250,000-499,999	2	7	632,747	2,243,137	0.09	0.49	1.25	4.38
500,000-749,999	2	6	1,156,606	3,701,421	0.17	0.80	1.25	3.75
750,000-999,999	6	9	5,356,813	7,941,081	0.77	1.72	3.75	5.62
1,000,000-1,249,999	7	5	7,851,059	5,560,635	1.13	1.20	4.38	3.12
1,250,000-1,499,999	1	3	1,377,660	4,427,036	0.20	0.96	0.62	1.88
1,500,000-1,749,999	7	8	11,442,727	13,210,402	1.65	2.86	4.38	5.00
1,750,000-1,999,999	4	8	7,726,023	14,978,401	1.11	3.25	2.50	5.00
2,000,000-2,499,999	12	12	27,422,248	26,901,491	3.95	5.83	7.50	7.50
2,500,000-2,999,999	7	10	19,399,385	27,599,482	2.79	5.98	4.38	6.25
3,000,000-3,499,999	10	14	32,496,821	44,794,496	4.68	9.71	6.25	8.75
3,500,000-3,999,999	7	19	26,572,175	70,843,746	3.83	15.35	4.38	11.88
4,000,000-4,499,999	10	9	42,685,680	37,538,765	6.15	8.13	6.25	5.62
4,500,000-4,999,999	11	14	51,885,405	66,392,741	7.47	14.39	6.88	8.75
OVER-5,000,000	71	21	458,188,317	133,352,626	65.96	28.89	44.38	13.12
TOTAL	160	159	694,638,948	461,526,991	100.00	100.00	100.00	100.00

TOP TEN TEXAS COUNTIES a/ – JUNE 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Erath	83	90,597,718	- 7.77	7. Bailey	10	44,204,060	+ 21.44
2. Castro	12	71,456,471	+ 21.88	8. Hopkins	102	38,641,462	- 12.54
3. Parmer	12	65,925,598	- 5.83	9. Comanche	19	34,376,901	- 7.98
4. Deaf Smith	13	59,164,782	- 6.05	10. Hale	6	33,441,530	+ 7.40
5. Hartley	11	51,740,190	+ 21.99	Ten County Total	277	533,767,483	+ 0.85 b/
6. Lamb	9	44,218,771	- 7.76	Other Counties Total	288	191,733,283	- 4.67
				Texas Total	565	725,500,766	- 0.67

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.

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 2009	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
June	3.59	3.41	3.03	2.95	5.73	5.76	8.76	8.72	260	191
July	3.58	3.40	3.00	2.91	5.73	5.76	8.73	8.67	297	225
August	3.61	3.43	3.03	2.93	5.71	5.74	8.74	8.67	313	240
September	3.66	3.48	3.13	3.04	5.74	5.77	8.87	8.81	298	226
October	3.79	3.60	3.21	3.13	5.76	5.79	8.97	8.92	280	208
November	3.81	3.66	3.21	3.15	5.74	5.76	8.95	8.91	260	194
December	3.86	3.71	3.22	3.15	5.74	5.76	8.96	8.91	256	213
Averages 2009	3.70	3.53	3.11	3.04	5.73	5.76	8.85	8.80	265	207
January 2010	3.86	3.69	3.17	3.10	5.74	5.76	8.92	8.87	276	227
February	3.88	3.69	3.19	3.11	5.73	5.75	8.92	8.86	336	278
March	3.75	3.56	3.16	3.08	5.75	5.76	8.91	8.85	299	230
April	3.64	3.47	3.11	3.03	5.76	5.77	8.87	8.80	276	208
May	3.61	3.42	3.09	3.00	5.75	5.77	8.84	8.77	274	193
June	3.56	3.37	3.01	2.92	5.75	5.77	8.76	8.69	287	206

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – JUNE 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Chaves	34	163,486,435	- 2.82	7. Eddy	3	15,967,520	- 12.14
2. Curry	27	147,398,369	- 1.58	8. Luna	3	15,526,180	+ 68.96
3. Roosevelt	38	135,339,756	- 1.54	9. Valencia	5	15,133,661	+ 4.40
4. Dona Ana	21	92,891,869	+ 7.02	10. Bernalillo	4	5,627,069	+ 0.23
5. Lea	14	48,531,259	+ 9.67	Ten County Total	157	660,776,857	+ 1.01 b/
6. Socorro	8	20,874,739	+ 3.35	Other Counties Total	2	10,872,780	- 5.05
				New Mexico Total	159	671,649,637	+ 0.90

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 2008 THROUGH JUNE 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

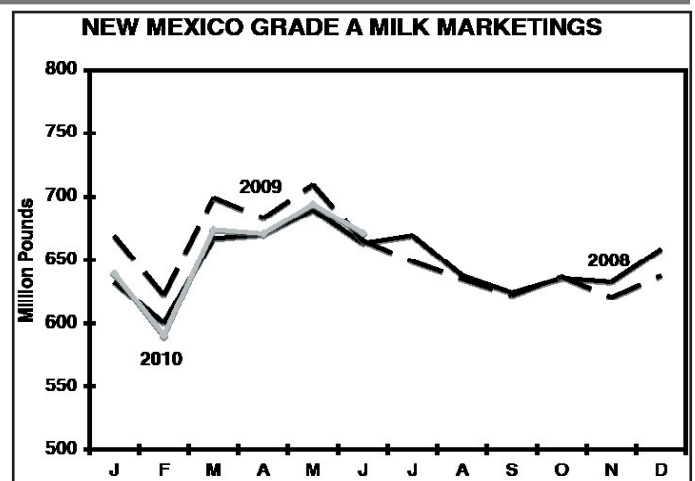
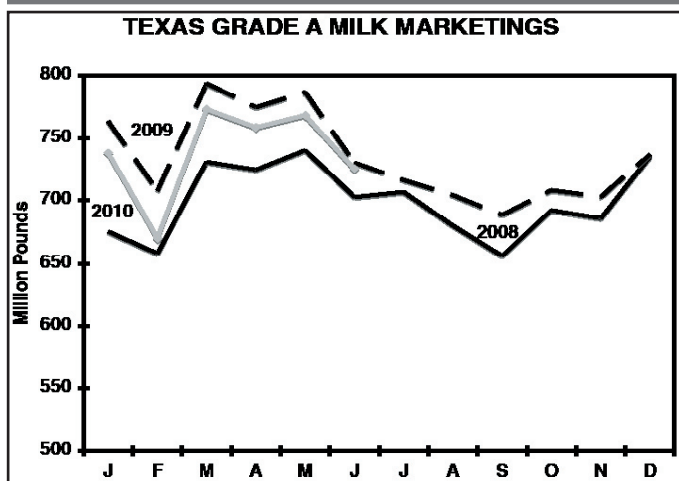
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	635	773,286,159	577	+ 8.64	- 2.61
April	724,651,306	659	774,795,518	631	759,108,028	575	+ 6.92	- 2.02
May	740,427,008	659	787,077,681	629	768,833,368	571	+ 6.30	- 2.32
June	702,946,861	656	730,380,337	622	725,500,766	565	+ 3.90	- .067
July	706,911,758	657	716,344,326	598			+ 1.33	
August	679,996,118	654	704,267,950	597			+ 3.57	
September	656,032,884	646	688,737,418	593			+ 4.99	
October	692,397,097	648	708,312,372	590			+ 2.30	
November	685,894,611	646	703,046,885	591			+ 2.50	
December	<u>735,262,255</u>	640	<u>737,072,970</u>	581			<u>+ 0.25</u>	
Years Total	8,388,752,815		8,815,876,602				+ 5.09	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2008 THROUGH JUNE 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	632,699,151	173	669,161,661	170	639,455,640	157	+ 5.76	- 4.44
February	600,488,935	169	622,538,938	167	591,156,278	158	+ 7.37*	- 5.04
March	667,225,545	170	699,808,110	168	674,164,265	159	+ 4.88	- 3.66
April	670,437,294	170	683,575,106	164	670,976,253	159	+ 1.96	- 1.84
May	690,007,674	173	709,872,347	165	694,638,948	160	+ 2.88	- 2.15
June	663,052,878	172	665,627,017	166	671,649,637	159	+ 0.39	+ 0.90
July	669,450,030	172	649,187,109	158			- 3.03	
August	637,877,538	172	635,258,249	157			- 0.41	
September	624,527,568	172	622,278,128	158			- 0.36	
October	635,779,456	174	636,944,152	157			+ 0.18	
November	632,916,136	175	620,605,564	157			- 1.95	
December	<u>658,804,868</u>	173	<u>641,902,168</u>	156			<u>- 2.57</u>	
Years Total	7,783,267,073		7,856,758,549				+ 0.94	

* 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.

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-----						
April 2009	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
June	13.08	10.79	9.97	10.22	1.67	125.44	7.23	172.83	.00057	120.73	114.66	84.61	26.93
July	13.26	10.87	9.97	10.15	1.80	124.38	9.49	169.70	.00057	119.86	113.34	84.22	29.12
August	13.04	10.86	11.20	10.38	1.14	124.91	9.62	210.09	.00063	120.30	126.05	86.66	29.25
September	13.93	11.01	12.11	11.15	0.91	122.26	10.18	242.43	.00068	118.11	135.22	96.64	29.79
October	15.35	11.93	12.82	11.86	1.23	127.52	12.28	255.84	.00071	122.45	141.10	102.70	31.83
November	15.86	13.24	14.08	13.25	0.95	146.56	15.24	269.91	.00076	138.17	151.69	111.20	34.71
December	16.99	14.25	14.98	15.01	1.02	154.33	17.27	287.51	.00080	144.59	159.69	128.58	36.68
Averages 2009 b/	14.48	11.26	11.36	10.89	1.46	125.71	6.12	220.87	.00065	120.96	129.66	92.23	25.85
January 2010	18.03	15.22	14.50	13.85	1.60	144.05	19.46	279.16	.00077	136.10	153.74	119.29	38.80
February	17.84	15.65	14.28	12.90	1.71	144.04	19.92	270.66	.00076	136.09	151.10	108.12	39.25
March	17.34	14.46	12.78	12.92	2.28	153.47	18.23	213.11	.00068	143.88	136.32	104.54	37.61
April	16.22	13.78	12.92	13.73	1.84	158.13	17.02	214.49	.00069	147.73	138.27	112.08	36.43
May	16.80	14.90	13.38	15.29	2.07	170.58	17.04	215.23	.00071	158.01	142.57	125.20	36.45
June	18.28	16.01	13.62	15.45	2.54	172.34	17.48	220.40	.00072	159.46	144.75	126.31	36.88

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

**JUNE 2010
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$350,737.36
Class I Butterfat	60(a)	7,457,641	\$1.7455	\$13,017,312.39
Class I Skim Per Cwt		320,011,461	\$12.6100	\$40,353,445.25
Class II Butterfat	60(b)	6,618,979	\$1.7304	\$11,453,481.27
Class II Nonfat Solids		4,770,018	\$1.1456	\$5,464,532.65
Class III Butterfat	60(c)	15,761,969	\$1.7234	\$27,164,177.37
Class III Protein		13,041,338	\$2.2040	\$28,743,108.97
Class III Other Solids		25,733,699	\$0.1748	\$4,498,250.60
Class IV Butterfat	60(d)	4,290,991	\$1.7234	\$7,395,093.89
Class IV Nonfat Solids		14,260,356	\$1.0843	\$15,462,504.01
Class II, III & IV Somatic Cell Adj.	60(e)			\$616,067.54
Total Producer Milk-Product Lbs & Value		995,890,038		\$154,518,711.30
Add: Value as for 60(f) Thru 60(j)				\$64,233.74
Less: Total Protein Pounds	61(b)	29,369,875	\$2.2040	\$64,731,204.48
Total Other Solids Pounds		57,375,469	\$0.1748	\$10,029,232.01
Total Butterfat Pounds		34,129,580	\$1.7234	\$58,818,918.17
Total Value of Somatic Cell Adjustment				\$826,536.03
Total Milk and Value		995,890,038		\$20,177,054.35
Add: Location Differential Adjustments	61(c)			\$5,091,042.81
Producer-Settlement Fund	61(d)			\$517,725.70
Total Producer Milk/URSP and Value		995,890,038	\$2.58922	\$25,785,822.86
Less: Producer-Settlement Fund	61(f)		\$0.04922	\$490,215.89
Producer Price Differential (Dallas County)			\$2.54	\$25,295,606.97

**THE MARKET ADMINISTRATOR'S
REPORT**

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

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

RETURN SERVICE REQUESTED

**JUNE 2010
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	327,469,102	32.88	7,457,641	21.85	320,011,461	33.27
Class II	59,404,812	5.96	6,618,979	19.39	52,785,833	5.49
Class III	447,060,526	44.90	15,761,969	46.19	431,298,557	44.85
Class IV	161,955,598	16.26	4,290,991	12.57	157,664,607	16.39
Total	995,890,038	100.00	34,129,580	100.00	961,760,458	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,885,979	33.67	19,053,956	33.21	28,939,925	33.36
Class II	1,621,815	5.52	3,148,201	5.49	4,770,018	5.50
Class III	13,041,338	44.40	25,733,699	44.85	38,775,045	44.70
Class IV	4,820,743	16.41	9,439,613	16.45	14,260,356	16.44
Total	29,369,875	100.00	57,375,469	100.00	86,745,344	100.00