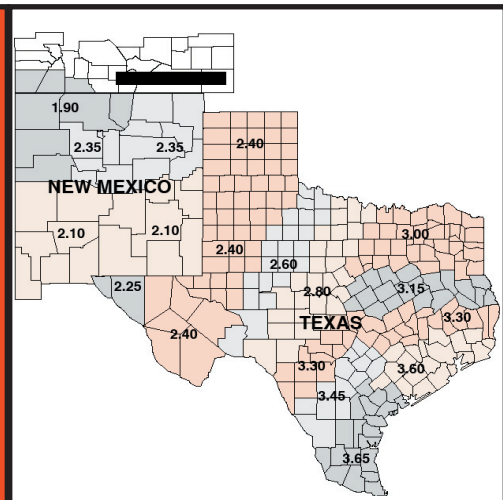


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JULY 2011

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 \$2.39 for June. Butterfat price increased \$0.1205 per pound from \$2.2497 in May to the level of \$2.3702 in June. Protein price increased \$0.6674 per pound from \$2.3133 in May to \$2.9807 in June. June's Other Solids price increased \$0.0313 per pound from \$0.3026 in May to \$0.3339 in June. The Somatic Cell Count adjustment rate factor for June was 0.00095 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 \$21.50 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 \$1.56 in comparison to the statistical uniform price of \$19.94 in May.

The June Class I price increased \$0.57 from \$22.75 in May to the June level of \$23.32. The Class II price for June of \$21.37 per hundredweight increased \$0.74 from \$20.63 in May. June's Class III price increased \$2.59 from \$16.52 in May to \$19.11 in June. The Class IV price increased \$0.76 from \$20.29 in May to \$21.05 in June.

In June 570 producers delivered a total of 1,007,684,901 pounds of milk. On a daily basis this represents a decrease of 0.77 percent from the producer receipts level in May but it represents an increase of 1.18 percent when compared to the producer receipts level of June 2010.

Producer milk classified as Class I during June amounted to 32.31 percent of total producer receipts. This figure is down from 34.41 percent in May and it is down from 32.88 percent in June 2010. The average butterfat test of producer milk pooled during June was 3.522 percent, average protein test was 3.009 percent, average other solids test was 5.737 percent and the average somatic cell count was 181,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 11	May 11	Jun 11	May 11	Jun 11	May 11
Appalachian - FO 5	22.90	22.10	-----	-----	63.54	65.54
Arizona - FO 131	21.02	19.88	-----	-----	28.05	28.05
Central - FO 32	20.36	18.66	1.25	2.14	27.26	29.31
Florida - FO 6	25.04	24.18	-----	-----	82.41	79.95
Mideast - FO 33	20.80	19.34	1.69	2.82	36.30	42.10
Northeast - FO 1	22.09	20.79	2.98	4.27	39.00	37.80
Pacific Northwest - FO 124	20.60	19.02	1.49	2.50	25.14	29.82
Southeast - FO 7	22.93	21.65	-----	-----	61.71	59.91
Southwest - FO 126	21.50	19.94	2.39	3.42	32.31	34.41
Upper Midwest - FO 30	19.58	17.26	0.47	0.74	11.60	11.90

**TEXAS GRADE A MARKETINGS BY SIZE RANGES
MAY 2011 AND MAY 2001**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	2011	2001	2011	2001	2011	2001	2011	2001
0-49,999	27	70	845,530	2,416,384	0.10	0.51	4.96	7.28
50,000-99,999	44	116	3,392,000	8,769,653	0.40	1.85	8.09	12.06
100,000-149,999	50	124	5,990,517	15,399,385	0.72	3.25	9.19	12.89
150,000-199,999	33	129	5,902,102	22,312,942	0.70	4.71	6.07	13.41
200,000-249,999	43	80	9,789,964	17,929,840	1.17	3.78	7.90	8.32
250,000-499,999	94	186	33,433,828	64,799,417	3.99	13.66	17.28	19.33
500,000-749,999	44	98	27,706,301	60,664,632	3.31	12.79	8.09	10.19
750,000-999,999	38	51	32,705,986	44,136,731	3.90	9.31	6.99	5.30
1,000,000-1,249,999	18	18	19,466,508	20,139,562	2.32	4.25	3.31	1.87
1,250,000-1,499,999	12	19	16,656,353	26,056,792	1.99	5.49	2.21	1.98
1,500,000-1,749,999	13	12	20,933,497	19,712,048	2.50	4.16	2.39	1.25
1,750,000-1,999,999	10	10	18,961,994	18,790,655	2.26	3.96	1.84	1.04
2,000,000-2,499,999	14	20	30,576,297	43,858,376	3.65	9.25	2.57	2.08
2,500,000-2,999,999	11	10	30,637,933	26,669,668	3.66	5.62	2.02	1.04
3,000,000-3,499,999	4	6	12,414,958	18,956,863	1.48	4.00	0.74	0.62
3,500,000-3,999,999	10	--	38,064,696	-----	4.54	----	1.84	----
4,000,000-4,499,999	14	5	58,793,463	21,043,580	7.02	4.44	2.57	0.52
4,500,000-4,999,999	12	3	57,045,747	14,007,560	6.81	2.95	2.21	0.31
OVER-5,000,000	53	5	414,282,289	28,571,951	49.46	6.02	9.74	0.52
TOTAL	544	962	837,599,963	474,236,039	100.00	100.00	100.00	100.00

**NEW MEXICO GRADE A MARKETINGS BY SIZE RANGES
MAY 2011 AND MAY 2001**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk		Percent of Total Producers	
	2011	2001	2011	2001	2011	2001	2011	2001
0-49,999	--	3	-----	56,105	----	0.01	----	1.78
50,000-99,999	--	2	-----	160,934	----	0.03	----	1.18
100,000-149,999	2	3	242,039	349,400	0.03	0.07	1.27	1.78
150,000-199,999	--	3	-----	498,989	----	0.10	----	1.78
200,000-249,999	--	5	-----	1,155,055	----	0.24	----	2.96
250,000-499,999	2	9	729,289	3,564,264	0.10	0.74	1.27	5.33
500,000-749,999	1	5	720,000	3,116,801	0.10	0.65	0.64	2.96
750,000-999,999	6	7	5,158,723	6,664,635	0.73	1.39	3.82	4.14
1,000,000-1,249,999	7	8	8,098,567	9,090,468	1.14	1.89	4.46	4.73
1,250,000-1,499,999	5	6	7,061,420	8,388,720	1.00	1.74	3.18	3.55
1,500,000-1,749,999	4	3	6,389,909	4,814,251	0.90	1.00	2.55	1.78
1,750,000-1,999,999	2	6	3,691,833	11,321,259	0.52	2.35	1.27	3.55
2,000,000-2,499,999	9	18	20,308,191	39,502,560	2.86	8.21	5.73	10.65
2,500,000-2,999,999	9	10	24,688,507	27,308,669	3.48	5.68	5.73	5.92
3,000,000-3,499,999	7	18	22,566,522	58,652,355	3.18	12.19	4.46	10.65
3,500,000-3,999,999	14	19	51,969,471	70,336,620	7.33	14.62	8.92	11.24
4,000,000-4,499,999	9	11	38,148,443	47,037,844	5.38	9.78	5.73	6.51
4,500,000-4,999,999	12	14	56,302,066	66,660,811	7.94	13.86	7.64	8.28
OVER-5,000,000	68	19	463,316,521	122,315,632	65.31	25.43	43.31	11.24
TOTAL	157	169	709,391,501	480,995,372	100.00	100.00	100.00	100.00

TOP TEN TEXAS COUNTIES a/ – JUNE 2011

County	Number of Producers	Pounds	% Change From 2010b/	County	Number of Producers	Pounds	% Change From 2010b/
1. Erath	79	94,476,343	+ 4.28	7. Bailey	10	46,430,173	+ 5.04
2. Castro	13	85,954,510	+ 20.29	8. Comanche	20	38,510,123	+ 12.02
3. Parmer	14	82,275,952	+ 24.80	9. Hale	6	38,005,035	+ 13.65
4. Deaf Smith	11	64,440,218	+ 8.92	10. Moore	5	37,785,040	+ 22.70
5. Hartley	11	52,565,230	+ 1.59	Ten County Total	179	590,586,655	+ 12.30 b/
6. Lamb	10	50,144,031	+ 13.40	<u>Other Counties Total</u>	<u>364</u>	<u>208,848,322</u>	<u>+ 4.64</u>
				Texas Total	543	799,434,977	+ 10.19

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 2010	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
July	3.56	3.37	3.04	2.93	5.75	5.77	8.79	8.70	323	243
August	3.59	3.40	3.03	2.92	5.74	5.75	8.77	8.67	326	260
September	3.67	3.48	3.10	2.99	5.74	5.76	8.85	8.75	297	229
October	3.80	3.60	3.21	3.10	5.77	5.77	8.98	8.88	262	205
November	3.92	3.74	3.26	3.16	5.78	5.79	9.03	8.96	237	184
December	3.96	3.78	3.25	3.14	5.75	5.75	9.00	8.90	226	172
Averages 2010	3.73	3.55	3.14	3.04	5.75	5.76	8.89	8.81	285	220
January 2011	3.96	3.78	3.22	3.12	5.75	5.76	8.99	8.89	223	165
February	3.95	3.76	3.19	3.08	5.75	5.77	8.94	8.85	269	206
March	3.82	3.63	3.15	3.03	5.77	5.78	8.91	8.81	239	179
April	3.77	3.56	3.13	3.02	5.78	5.79	8.91	8.81	209	156
May	3.75	3.54	3.12	3.01	5.76	5.76	8.88	8.77	206	148
June	3.68	3.45	3.08	2.98	5.75	5.74	8.83	8.72	214	153

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – JUNE 2011

County	Number of Producers	Pounds	% Change From 2010b/	County	Number of Producers	Pounds	% Change From 2010b/
1. Chaves	35	169,891,270	+ 3.92	7. Luna	3	17,531,484	+ 12.92
2. Curry	25	148,047,524	+ 0.44	8. Eddy	3	16,988,970	+ 6.40
3. Roosevelt	37	136,219,209	+ 0.65	9. Valencia	5	16,031,884	+ 5.94
4. Dona Ana	22	91,264,984	- 1.75	10. Bernalillo	4	5,654,024	+ 0.48
5. Lea	13	49,927,921	+ 2.88	Ten County Total	155	672,327,361	+ 1.75 b/
6. Socorro	8	20,770,091	- 0.50	<u>Other Counties Total</u>	<u>2</u>	<u>12,440,440</u>	<u>+ 14.42</u>
				New Mexico Total	157	684,767,801	+ 1.95

a/ All known Grade "A" milk produced on farms located in New Mexico.

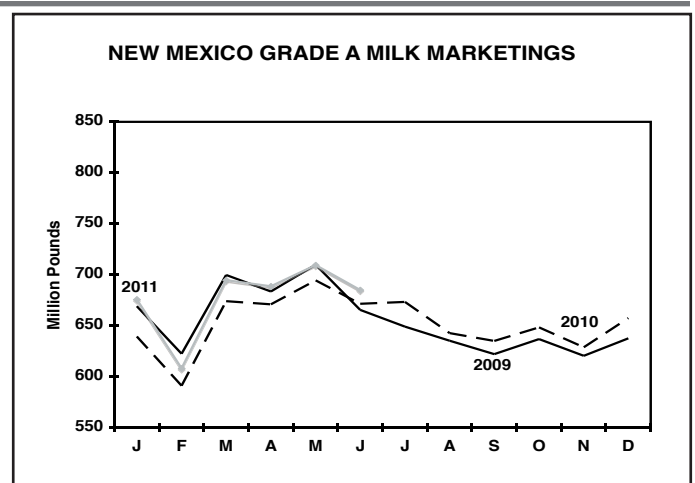
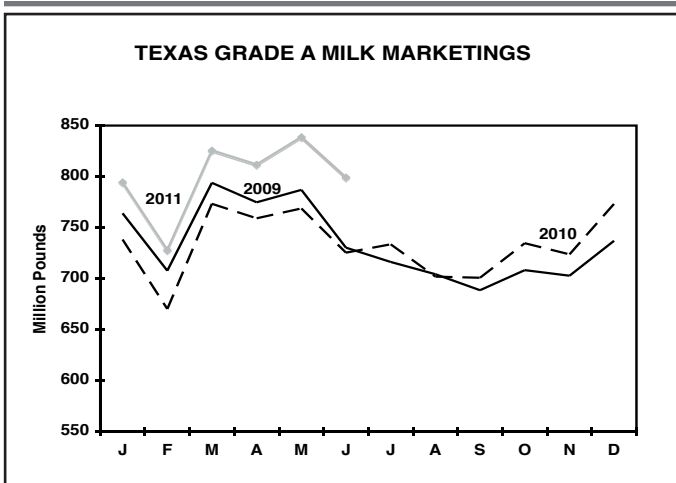
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2009 THROUGH JUNE 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	764,064,476	636	738,538,899	582	794,574,299	555	- 3.34	+ 7.59
February	707,786,943	631	672,168,487	578	728,226,604	554	- 5.03	+ 8.34
March	793,989,726	635	773,286,159	577	825,750,805	552	- 2.61	+ 6.78
April	774,795,518	631	759,203,798	576	812,060,148	549	- 2.01	+ 6.96
May	787,077,681	629	768,833,368	571	837,599,963	544	- 2.32	+ 8.94
June	730,380,337	622	725,500,766	565	799,434,977	543	- .067	+ 10.19
July	716,344,326	598	733,719,075	568			+ 2.43	
August	704,267,950	597	702,002,272	559			- 0.32	
September	688,737,418	593	701,066,340	558			+ 1.79	
October	708,312,372	590	738,609,251	554			+ 4.28	
November	703,046,885	591	723,908,057	555			+ 2.97	
December	<u>737,072,970</u>	581	<u>773,415,328</u>	557			<u>+ 4.93</u>	
Years Total	8,815,876,602		8,810,251,800				- 0.06	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2009 THROUGH JUNE 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	PERCENT 2010/09	CHANGE 2011/10
January	669,161,661	170	639,771,307	157	675,834,553	157	- 4.39	+ 5.64
February	622,538,938	167	591,156,278	158	608,071,702	159	- 5.04	+ 2.86
March	699,808,110	168	674,287,000	159	694,817,453	159	- 3.65	+ 3.04
April	683,575,106	164	670,976,253	159	688,673,031	158	- 1.84	+ 2.64
May	709,872,347	165	694,638,948	160	709,391,501	157	- 2.15	+ 2.12
June	665,627,017	166	671,649,637	159	684,767,801	157	+ 0.90	+ 1.95
July	649,187,109	158	676,898,057	159			+ 4.27	
August	635,258,249	157	642,846,047	159			+ 1.19	
September	622,278,128	158	635,203,468	156			+ 2.08	
October	636,944,152	157	648,369,979	156			+ 1.79	
November	620,605,564	157	628,936,968	156			+ 1.34	
December	<u>641,902,168</u>	156	<u>657,677,525</u>	156			<u>+ 2.46</u>	
Years Total	7,856,758,549		7,832,411,467				- 0.31	



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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 2010	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
July	18.66	17.10	13.74	15.75	2.79	189.64	17.00	205.15	.00073	173.75	145.67	122.77	36.41
August	18.77	16.98	15.18	15.61	2.19	203.36	16.47	237.88	.00080	185.08	160.31	115.57	35.90
September	18.50	17.60	16.26	16.76	1.69	240.44	16.73	230.57	.00085	215.70	170.16	113.83	36.15
October	19.58	17.57	16.94	17.15	1.38	244.36	17.36	247.39	.00088	218.93	176.66	116.74	36.76
November	20.24	17.21	15.44	16.68	2.25	224.22	17.97	219.81	.00081	202.30	161.52	119.53	37.36
December	19.96	15.77	13.83	15.03	2.56	179.52	18.52	217.06	.00073	165.39	146.06	118.48	37.89
Averages 2010 b/	18.35	16.02	14.41	15.09	2.08	185.35	17.77	230.91	.00076	170.20	152.26	116.87	37.16
January 2011	18.20	16.79	13.48	16.42	2.76	202.39	20.02	175.90	.00070	184.28	140.76	125.30	39.35
February	18.89	17.97	17.00	18.40	1.42	229.67	23.10	255.86	.00087	206.80	174.49	137.28	42.34
March	21.23	18.83	19.40	19.41	0.93	228.59	26.65	330.24	.00099	205.91	197.22	149.45	45.78
April	22.43	19.66	16.87	19.78	3.02	221.13	29.02	249.84	.00085	199.75	169.83	156.80	48.08
May	22.75	20.63	16.52	20.29	3.42	224.97	30.26	231.33	.00083	202.92	165.34	161.20	49.29
June	23.32	21.37	19.11	21.05	2.39	237.02	33.39	298.07	.00095	212.87	189.99	165.20	52.33

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

**JUNE 2011
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	Pounds	Price	Value
Add: Class I Differential			\$332,062.18
Class I Butterfat	60(a) 7,448,333	\$2.3000	\$17,131,165.90
Class I Skim Per Cwt	318,138,248	\$15.8200	\$50,329,470.86
Class II Butterfat	60(b) 6,971,638	\$2.3772	\$16,572,977.85
Class II Nonfat Solids	7,756,478	\$1.5022	\$11,651,781.28
Class III Butterfat	60(c) 14,114,873	\$2.3702	\$33,455,072.00
Class III Protein	12,267,345	\$2.9807	\$36,565,275.24
Class III Other Solids	23,644,887	\$0.3339	\$7,895,027.79
Class IV Butterfat	60(d) 6,962,461	\$2.3702	\$16,502,425.07
Class IV Nonfat Solids	15,514,207	\$1.4694	\$22,796,575.77
Class II, III & IV Somatic Cell Adj.	60(e)		\$1,195,096.02
Total Producer Milk-Product Lbs & Value	1,007,684,901		\$214,426,929.96
Add: Value as for 60(f) Thru 60(j)			\$89,251.66
Less: Total Protein Pounds	61(b) 30,323,612	\$2.9807	\$90,385,590.27
Total Other Solids Pounds	57,811,056	\$0.3339	\$19,303,111.62
Total Butterfat Pounds	35,497,305	\$2.3702	\$84,135,712.33
Total Value of Somatic Cell Adjustment			\$1,618,981.57
Total Milk and Value	1,007,684,901		\$19,072,785.83
Add: Location Differential Adjustments	61(c)		\$5,001,696.08
Producer-Settlement Fund	61(d)		\$414,523.61
Total Producer Milk/URSP and Value	1,007,684,901	\$2.43022	\$24,489,005.52
Less: Producer-Settlement Fund	61(f)	\$0.04022	\$405,336.39
Producer Price Differential (Dallas County)		\$2.39	\$24,083,669.13

**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 2011
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	325,586,581	32.31	7,448,333	20.98	318,138,248	32.72
Class II	92,441,362	9.17	6,971,638	19.64	85,469,724	8.79
Class III	411,790,140	40.87	14,114,873	39.77	397,675,267	40.91
Class IV	177,866,818	17.65	6,962,461	19.61	170,904,357	17.58
Total	1,007,684,901	100.00	35,497,305	100.00	972,187,596	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	35,497,305	30,323,612	57,811,056	88,134,668
Percentage	3.522	3.009	5.737	8.746

Average Somatic Cell Count	181,000
Total Number of Pooled Producers	570