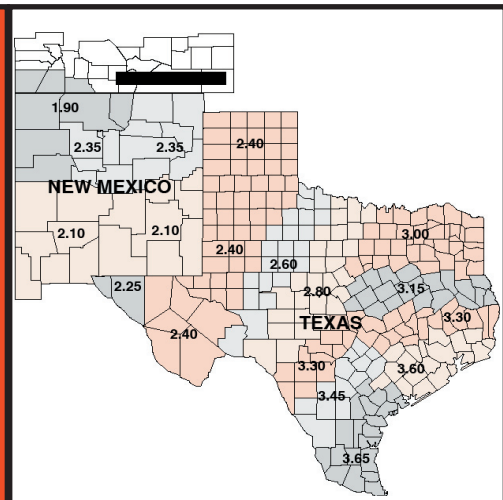


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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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 \$3.42 for April. Butterfat price increased \$0.0384 per pound from \$2.2113 in April to the level of \$2.2497 in May. Protein price decreased \$0.1851 per pound from \$2.4984 in April to \$2.3133 in May. May's Other Solids price increased \$0.0124 per pound from \$0.2902 in April to \$0.3026 in May. The Somatic Cell Count adjustment rate factor for May was 0.00083 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 \$19.94 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 \$0.05 in comparison to the statistical uniform price of \$19.89 in April.

The May Class I price increased \$0.32 from \$22.43 in April to the May level of \$22.75. The Class II price for May of \$20.63 per hundredweight increased \$0.97 from \$19.66 in April. May's Class III price decreased \$0.35 from \$16.87 in April to \$16.52 in May. The Class IV price increased \$0.51 from \$19.78 in April to \$20.29 in May.

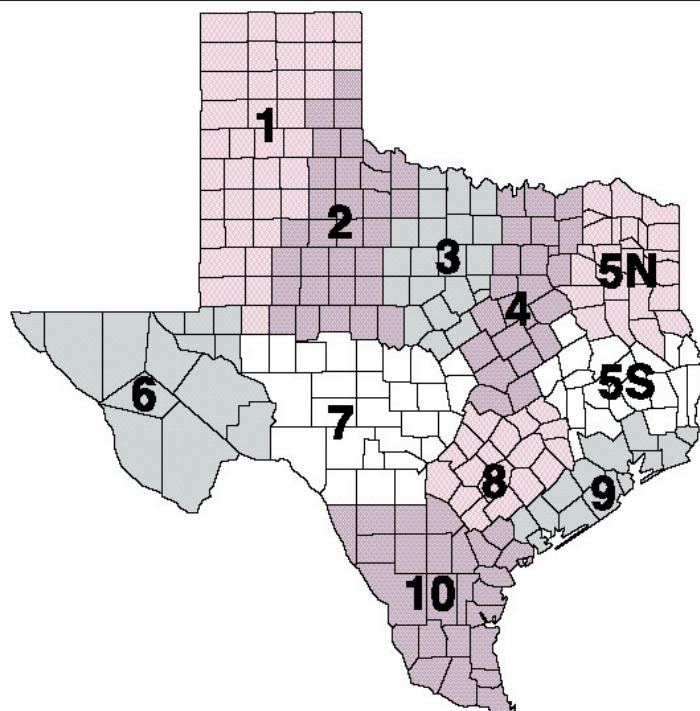
In May 501 producers delivered a total of 1,049,323,877 pounds of milk. On a daily basis this represents a decrease of 3.72 percent from the producer receipts level in April and it represents a decrease of 0.31 percent when compared to the producer receipts level of May 2010.

Producer milk classified as Class I during May amounted to 34.41 percent of total producer receipts. This figure is down from 34.66 percent in April but it is up from 32.96 percent in May 2010. The average butterfat test of producer milk pooled during May was 3.604 percent, average protein test was 3.047 percent, average other solids test was 5.755 percent and the average somatic cell count was 170,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 11	Apr 11	May 11	Apr 11	May 11	Apr 11
Appalachian - FO 5	22.10	21.74	-----	-----	65.54	67.80
Arizona - FO 131	19.88	19.56	-----	-----	28.05	28.49
Central - FO 32	18.66	18.71	2.14	1.84	29.31	32.38
Florida - FO 6	24.18	23.88	-----	-----	79.95	83.21
Mideast - FO 33	19.34	19.19	2.82	2.32	42.10	40.50
Northeast - FO 1	20.79	20.38	4.27	3.51	37.80	38.30
Pacific Northwest - FO 124	19.02	18.95	2.50	2.08	29.82	26.86
Southeast - FO 7	21.65	21.35	-----	-----	59.91	57.24
Southwest - FO 126	19.94	19.89	3.42	3.02	34.41	34.66
Upper Midwest - FO 30	17.26	17.51	0.74	0.64	11.90	13.00

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 2011

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1&2	98	62.75	3.75	3.07	5.76	8.82	161
3	178	22.67	3.75	3.10	5.75	8.86	240
4	46	2.32	3.82	3.12	5.74	8.86	317
5N	184	9.80	3.74	3.14	5.72	8.86	304
5S	4	0.15	3.51	2.92	5.70	8.63	309
6	4	0.82	3.43	3.01	5.69	8.71	266
7	7	0.71	3.69	3.07	5.69	8.75	268
8	18	0.43	3.76	3.10	5.72	8.82	324
9&10	5	0.33	4.36	3.51	5.70	9.21	372
TOTAL/AVG.	544	100.00	3.75	3.12	5.76	8.88	206

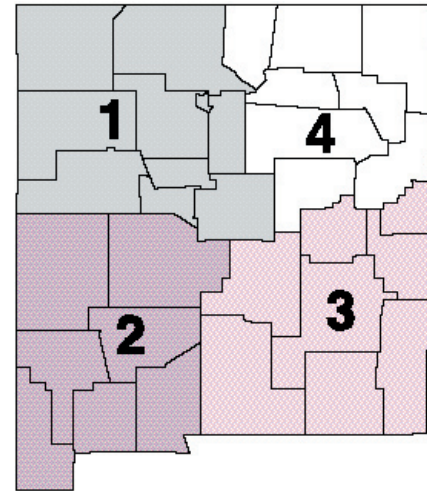
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2011

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&2	0	2	7	4	4	81	260,858
3	41	50	35	14	12	26	94,229
4	24	9	8	1	3	1	9,645
5N	70	69	29	6	4	6	40,757
5S	3	0	1	0	0	0	624
6	0	1	0	1	1	1	3,425
7	3	1	1	0	1	1	2,952
8	12	4	2	0	0	0	1,804
9&10	2	1	0	2	0	0	1,388
TOTAL	155	137	83	28	25	116	415,682

*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 2011

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	10	3.89	3.78	3.04	5.76	8.79	164
2	34	19.98	3.49	3.01	5.75	8.76	140
3	113	76.13	3.53	2.99	5.76	8.75	150
4	0	0	0	0	0	0	0
TOTAL/AVG.	157	100.00	3.54	3.01	5.76	8.77	148

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2011

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	0	4	0	2	1	12,726
2	0	3	4	12	11	4	65,321
3	1	4	14	29	37	28	248,861
4	0	0	0	0	0	0	0
TOTAL	4	7	22	41	50	33	326,908

*ESTIMATED BASED ON A 70 LB/DAY/COW AVERAGE

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
March 2010	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
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

a/ In thousands.

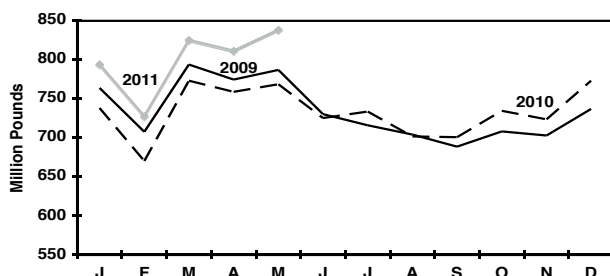
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2009 THROUGH MAY 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

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			- .067	
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	

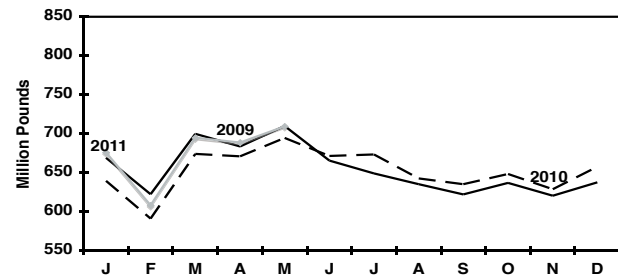
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2009 THROUGH MAY 2011, WITH PRODUCTION PERCENTAGE COMPARISONS**

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			+ 0.90	
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	

TEXAS GRADE A MILK MARKETINGS



NEW MEXICO GRADE A MILK MARKETINGS



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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-----						
March 2010	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
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

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

**MAY 2011
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$388,818.52
Class I Butterfat	60(a)	7,535,069	\$2.2284	\$16,791,147.76
Class I Skim Per Cwt		353,507,624	\$15.4900	\$54,758,330.96
Class II Butterfat	60(b)	6,622,119	\$2.2567	\$14,944,135.93
Class II Nonfat Solids		5,710,760	\$1.4656	\$8,369,689.84
Class III Butterfat	60(c)	16,405,741	\$2.2497	\$36,907,995.54
Class III Protein		13,786,456	\$2.3133	\$31,892,208.68
Class III Other Solids		26,282,682	\$0.3026	\$7,953,139.62
Class IV Butterfat	60(d)	7,258,502	\$2.2497	\$16,329,451.95
Class IV Nonfat Solids		14,182,585	\$1.4298	\$20,278,260.03
Class II, III & IV Somatic Cell Adj.	60(e)			\$1,112,149.00
Total Producer Milk-Product Lbs & Value		1,049,323,877		\$209,725,327.83
Add: Value as for 60(f) Thru 60(j)				(\$63,053.27)
Less: Total Protein Pounds	61(b)	31,974,388	\$2.3133	\$73,966,351.76
Total Other Solids Pounds		60,395,326	\$0.3026	\$18,275,625.65
Total Butterfat Pounds		37,821,431	\$2.2497	\$85,086,873.34
Total Value of Somatic Cell Adjustment				\$1,563,293.02
Total Milk and Value		1,049,323,877		\$30,770,130.79
Add: Location Differential Adjustments	61(c)			\$5,140,965.94
Producer-Settlement Fund	61(d)			\$417,290.64
Total Producer Milk/URSP and Value		1,049,323,877	\$3.46207	\$36,328,387.37
Less: Producer-Settlement Fund	61(f)		\$0.04207	\$441,510.78
Producer Price Differential (Dallas County)			\$3.42	\$35,886,876.59

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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 2011
 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	361,042,693	34.41	7,535,069	19.92	353,507,624	34.95
Class II	69,018,904	6.58	6,622,119	17.51	62,396,785	6.17
Class III	456,870,051	43.53	16,405,741	43.38	440,464,310	43.54
Class IV	162,392,229	15.48	7,258,502	19.19	155,133,727	15.34
Total	1,049,323,877	100.00	37,821,431	100.00	1,011,502,446	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	37,821,431	31,974,388	60,395,326	92,369,714
Percentage	3.604	3.047	5.755	8.802

Average Somatic Cell Count	170,000
Total Number of Pooled Producers	501