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United States Department of Agriculture AGRICULTURE MARKETING SERVICE DAIRY PROGRAMS Milk Market Administrator SOUTHWEST MILK MARKETING AREA Federal Order No. 126

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August 12, 2003

July 2003

Computation of Producer Price Differential

| | | Pounds | Price | Value |
|-------|--|--------------|------------|-----------------|
| Add: | Class I Differential | | | \$337,349.59 |
| | Class I Butterfat 60(a |) 7,902,275 | \$ 1.1890 | \$9,395,804.99 |
| | Class I Skim Per Cwt | 317,226,079 | \$ 8.9200 | \$28,296,566.25 |
| | Class II Butterfat 60(b |) 8,011,898 | \$ 1.2125 | \$9,714,426.35 |
| | Class II Nonfat Solids | 8,404,882 | \$ 0.7356 | \$6,182,631.19 |
| | Class III Butterfat 60(c | 1,435,791 | \$ 1.2055 | \$1,730,846.05 |
| | Class III Protein | 223,513 | \$ 2.5480 | \$569,511.13 |
| | Class III Other Solids | 432,890 | \$ 0.0124- | \$5,367.86- |
| | Class IV Butterfat 60(c | l) 3,617,611 | \$ 1.2055 | \$4,361,030.07 |
| | Class IV Nonfat Solids | 14,044,911 | \$ 0.6605 | \$9,276,663.73 |
| | Class II, III, & IV Somatic Cell Adjustment 60(e | | | \$41,244.80 |
| | Total Producer Milk- Product Pounds and Value | 595,392,320 | | \$69,900,706.29 |
| Add: | Value as for 60(f) thru 60(j) | | | \$75,362.76 |
| Less: | Total Protein Pounds61(b) |) 17,518,389 | \$ 2.5480 | \$44,636,855.19 |
| | Total Other Solids Pounds | 34,081,678 | \$ 0.0124- | \$422,612.80- |
| | Total Butterfat Pounds | 20,967,575 | \$ 1.2055 | \$25,276,411.67 |
| | Total Value of Somatic Cell Adjustment | | | \$39,771.16 |
| | Total Milk and Value | 595,392,320 | | \$445,643.83 |
| Add: | Location Differential Adjustments 61(c | 2) | | \$796,353.92 |
| | Producer - Settlement Fund Reserve 61(c | l) | | \$410,052.58 |
| | Total Product Milk/URSP and Value | 595,477,729 | \$ 0.27743 | \$1,652,050.33 |
| Less: | Producer - Settlement Fund Reserve 61(f |) | \$ 0.04743 | \$282,451.55 |
| | Producer Price Differential (Dallas County) | | \$.23 | \$1,369,598.78 |

Estimated Market Wide Utilization in Class 2, 3, & 4 Skim Percentage 54.00 Butterfat Percentage

69.00

Southwest Marketing Order Price Data

July 2003

| Producer Price Differential | \$.23 |
|---|---------|
| Class III Price | \$11.78 |
| Statistical Uniform Price of Milk (3.5% Butterfat-Dallas) | \$12.01 |

| Producer Milk Utilization Percentages | | | | | | | |
|---------------------------------------|-------------------|---------|---------------------|---------|---------------------|---------|--|
| | Product Pounds | Percent | Butterfat Pounds | Percent | Skim Milk Pounds | Percent | |
| Class I | 325,128,354 | 54.61 | 7,902,275 | 37.69 | 317,226,079 | 55.23 | |
| Class II | 101,485,452 | 17.05 | 8,011,898 | 38.21 | 93,473,554 | 16.27 | |
| Class III | 8,733,642 | 1.46 | 1,435,791 | 6.85 | 7,297,851 | 1.27 | |
| Class IV | 160,044,872 | 26.88 | 3,617,611 | 17.25 | 156,427,261 | 27.23 | |
| Total | 595,392,320 | 100.00 | 20,967,575 | 100.00 | 574,424,745 | 100.00 | |

| Producer Milk Component Utilization Percentages | | | | | | | | |
|---|-------------------|---------|------------------------|---------|-------------------------|---------|--|--|
| | Protein Pounds | Percent | Other Solids Pounds | Percent | Nonfat Solids Pounds | Percent | | |
| Class I | 9,703,119 | 55.39 | 18,790,756 | 55.13 | 28,493,874 | 55.22 | | |
| Class II | 2,857,711 | 16.31 | 5,547,168 | 16.28 | 8,404,882 | 16.29 | | |
| Class III | 223,513 | 1.28 | 432,890 | 1.27 | 656,400 | 1.27 | | |
| Class IV | 4,734,046 | 27.02 | 9,310,864 | 27.32 | 14,044,911 | 27.22 | | |
| Total | 17,518,389 | 100.00 | 34,081,678 | 100.00 | 51,600,067 | 100.00 | | |

| Average Butterfat Test | 3.521% |
|----------------------------|---------|
| Average Protein Test | 2.942% |
| Average Other Solids Test | 5.724% |
| Average Nonfat Solids Test | 8.666% |
| Average Somatic Cell Count | 340,000 |
| Total Number of Producers | 688 |

LIST OF HANDLERS ON SOUTHWEST ORDER 126 July 2003

| NAME | LOCATION | POOL PLANT | 1000.9(c) MILK |
|-------------------------------------|---------------------|---------------|-------------------|
| | Localition | | WILLIX |
| Creamland Dairies | Albuquerque, NM | Х | |
| DairiConcepts, L.P. | Portales, NM | X a/ | |
| Dairy Farmers of America, Inc. | El Paso, TX | X a/ | |
| Dairy Farmers of America, Inc. | Grapevine, TX | | Х |
| Dairy Farmers of America, Inc. | Knoxville, TN | | Х |
| Dairy Farmers of America, Inc. | Sulphur Springs, TX | X a/ | |
| David's Supermarket, Inc. | Grandview, TX | Х | |
| Farmers Dairies | El Paso, TX | Х | |
| Gandy s Dairy Products | Lubbock, TX | Х | |
| H. E. Butts Grocery Co. | San Antonio, TX | Х | |
| H. E. Butts - H. R. S. C. | Houston, TX | Х | |
| Just Jersey Cooperative, Inc. | Artesia, NM | | Х |
| Lilly Dairy Products, Inc. | Bryan, TX | Х | |
| Lone Star Milk Producers, L.C. | Como, TX | X a/ | |
| Lone Star Milk Producers, L.C. East | Windthorst, TX | | Х |
| Lone Star Milk Producers, L.C. West | Windthorst, TX | | Х |
| Milk Products, L.P. | Austin, TX | Х | |
| Milk Products, L.P. | Conroe, TX | Х | |
| Milk Products, L.P. | Dallas, TX | Х | |
| Morningstar Specialty Foods | Sulphur Springs, TX | Х | |
| Oak Farms Dairy | Dallas, TX | Х | |
| Oak Farms Dairy | Houston, TX | Х | |
| Oak Farms Dairy | San Antonio, TX | Х | |
| Oak Farms Dairy | Waco, TX | Х | |
| Plains Dairy Products | Amarillo, TX | Х | |
| Price s Creameries | El Paso, TX | Х | |
| Promised Land Dairy | Floresville, TX | Х | |
| Schepps Dairy | Dallas, TX | Х | |
| Select Milk Producers, Inc. | Artesia, NM | | Х |
| Southwest Dairy | Tyler, TX | Х | |
| Vandervoort's | Ft. Worth, TX | Х | |
| Zia Milk Producers, Inc. | Roswell, NM | | Х |

PARTIALLY REGULATED PLANTS AND PRODUCER-HANDLERS WITH DISTRIBUTION IN THE SOUTHWEST MARKETING AREA

| | boo min bor min | | | |
|-----------------------------------|----------------------|------------------------|---------------------|-------------------|
| NAME | LOCATION | PARTIALLY REGULATED | PRODUCER HANDLER | EXEMPT HANDLER |
| | LOCATION | REGOLATED | IIMOLLIK | IIANDLLK |
| Alta Dena Dairy | City of Industry, CA | Х | | |
| Braums Ice Cream | Tuttle, OK | | Х | |
| Cacique Inc. | City of Industry, CA | Х | | |
| Dannon | Ft. Worth, TX | Х | | |
| Jasper Products, L.L.C. | Joplin, MO | Х | | |
| Jersey Gold | Bosque, NM | | Х | |
| Kohler Mix Specialties | Sulphur Springs, TX | Х | | |
| Lane's Dairy | El Paso, TX | | Х | |
| Lifeway Foods | Norton, IL | Х | | |
| Los Lunas Dairy | Los Lunas, NM | | | Х |
| Mickey's Drive-In Dairy | Albuquerque, NM | | Х | |
| Mountain Gold Dairy | Carrizozo, NM | | | Х |
| Nature's Dairy | Roswell, NM | | Х | |
| Rasband Dairy | Albuquerque, NM | | Х | |
| Select No. 5 | Dexter, NM | Х | | |
| Stremick s Heritage Foods, L.L.C. | Santa Ana, CA | Х | | |

a/ Designated plant pursuant to Section 1126.7(d).