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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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February 10, 2006

January 2006

Computation of Producer Price Differential

| | | Pounds | Price | Value |
|-------|--|-------------|------------|------------------|
| Add: | Class I Differential | | | \$311,511.21 |
| | Class I Butterfat 60(a) | 8,085,270 | \$ 1.5316 | \$12,383,399.55 |
| | Class I Skim Per Cwt | 358,676,111 | \$11.4200 | \$40,960,811.89 |
| | Class II Butterfat 60(b) | 8,485,937 | \$ 1.4754 | \$12,520,151.46 |
| | Class II Nonfat Solids | 8,684,018 | \$ 0.9311 | \$8,085,689.16 |
| | Class III Butterfat 60(c) | | | \$12,372,324.32 |
| | Class III Protein | 7,252,160 | | \$17,400,832.72 |
| | Class III Other Solids | 13,331,191 | \$ 0.1881 | \$2,507,597.04 |
| | Class IV Butterfat 60(d) | 9,316,728 | \$ 1.4684 | \$13,680,683.44 |
| | Class IV Nonfat Solids | 17,258,628 | \$ 0.8132 | \$14,034,716.31 |
| | Class II, III, & IV Somatic Cell Adjustment 60(e) | | | \$423,222.84 |
| | Total Producer Milk- Product Pounds and Value | 900,435,766 | | \$134,680,939.94 |
| Add: | Value as for 60(f) thru 60(j) | | | \$150,906.22 |
| Less: | Total Protein Pounds 61(b) | 27,933,717 | \$ 2.3994 | \$67,024,160.57 |
| | Total Other Solids Pounds | 51,436,319 | \$ 0.1881 | \$9,675,171.61 |
| | Total Butterfat Pounds | 34,313,653 | \$ 1.4684 | \$50,386,168.09 |
| | Total Value of Somatic Cell Adjustment | | | \$695,505.53 |
| | Total Milk and Value | 900,435,766 | | \$7,050,840.36 |
| Add: | Location Differential Adjustments 61(c) | | | \$3,103,339.35 |
| | Producer - Settlement Fund Reserve 61(d) | | | \$209,166.66 |
| | (4) | | | ,, |
| | Total Product Milk/URSP and Value | 900,435,766 | \$ 1.15092 | \$10,363,346.37 |
| Less: | Producer - Settlement Fund Reserve 61(f) | | \$ 0.04092 | \$368,509.37 |
| | Producer Price Differential (Dallas County) | | \$1.11 | \$9,994,837.00 |

Estimated Market Wide Utilization in Class 2, 3, & 4

Skim Percentage 57.00 Butterfat Percentage 74.00

Southwest Marketing Order Price Data

January 2006

| Producer Price Differential | \$1.11 | |
|---|---------|--|
| Class III Price | \$13.39 | |
| Statistical Uniform Price of Milk (3.5% Butterfat-Dallas) | \$14.50 | |

| Producer Milk Utilization Percentages | | | | | | | |
|---------------------------------------|-------------------|---------|---------------------|---------|---------------------|---------|--|
| | Product Pounds | Percent | Butterfat Pounds | Percent | Skim Milk Pounds | Percent | |
| Class I | 366,761,381 | 40.73 | 8,085,270 | 23.56 | 358,676,111 | 41.41 | |
| Class II | 103,178,363 | 11.46 | 8,485,937 | 24.73 | 94,692,426 | 10.93 | |
| Class III | 232,945,511 | 25.87 | 8,425,718 | 24.56 | 224,519,793 | 25.93 | |
| Class IV | 197,550,511 | 21.94 | 9,316,728 | 27.15 | 188,233,783 | 21.73 | |
| Total | 900,435,766 | 100.00 | 34,313,653 | 100.00 | 866,122,113 | 100.00 | |

| Producer Milk Component Utilization Percentages | | | | | | | |
|---|--|--------|------------|------------------------------|------------|---------|--|
| | Protein Other Solids Pounds Percent Pounds | | | Percent Nonfat Solids Pounds | | Percent | |
| Class I | 11,558,669 | 41.38 | 21,285,370 | 41.38 | 32,844,040 | 41.39 | |
| Class II | 3,063,791 | 10.97 | 5,620,227 | 10.93 | 8,684,018 | 10.94 | |
| Class III | 7,252,160 | 25.96 | 13,331,191 | 25.92 | 20,583,350 | 25.93 | |
| Class IV | 6,059,097 | 21.69 | 11,199,531 | 21.77 | 17,258,628 | 21.74 | |
| Total | 27,933,717 | 100.00 | 51,436,319 | 100.00 | 79,370,036 | 100.00 | |

| Average Butterfat Test | 3.810% |
|----------------------------|---------|
| Average Protein Test | 3.102% |
| Average Other Solids Test | 5.712% |
| Average Nonfat Solids Test | 8.814% |
| Average Somatic Cell Count | 238,000 |
| Total Number of Producers | 835 |

LIST OF HANDLERS ON SOUTHWEST ORDER 126 January 2006

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

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

| NAME | LOCATION | PARTIALLY REGULATED | PRODUCER HANDLER | EXEMPT HANDLER |
|-----------------------------------|----------------------|------------------------|---------------------|-------------------|
| Alta Dena Dairy | City of Industry, CA | X | | |
| Aurora Organic Dairy | Platteville, CO | | X | |
| Braums Ice Cream | Tuttle, OK | | X | |
| Cacique Inc. | City of Industry, CA | X | | |
| Dannon | Ft. Worth, TX | X | | |
| Dannon | West Jordan, UT | X | | |
| Gossner Foods | Logan, UT | X | | |
| Jasper Products, L.L.C. | Joplin, MO | X | | |
| Kohler Mix Specialties | White Bear, MN | X | | |
| Lane's Dairy | El Paso, TX | | X | |
| Mickey's Drive-In Dairy | Albuquerque, NM | | X | |
| Morningstar Specialty Foods | Sulphur Springs, TX | X | | |
| Mountain Gold Dairy | Carrizozo, NM | | | X |
| Nature's Dairy | Roswell, NM | | X | |
| Rasband Dairy | Albuquerque, NM | | X | |
| Select No. 5 | Dexter, NM | X | | |
| Straus Family Creamery | Marshall, CA | X | | |
| Stremick's Heritage Foods, L.L.C. | Santa Ana, CA | X | | |
| WestFarm Foods | Boise, ID | X | | |

a/ Designated plant pursuant to Section 1126.7(d). b/ Handler failed to submit its report on time pursuant to Section 1126.30.