

Office Address: 1404 Carroll Carrollton, TX 75006-7245 Phone: (972) 245-6060 Fax: (972) 245-3211 Lab Fax: (972) 389-0823 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 2007

Computation of Producer Price Differential

| | | | Pounds | Price | Value |
|-------|-----------------------------------------------|-------|-------------|------------|------------------|
| Add: | Class I Differential | | | | \$290,566.18 |
| | Class I Butterfat | 60(a) | 7,076,384 | \$ 1.3206 | \$9,345,072.69 |
| | Class I Skim Per Cwt | | 318,468,226 | \$12.1900 | \$38,821,276.77 |
| | Class II Butterfat | 60(b) | 8,072,419 | \$ 1.3182 | \$10,641,062.73 |
| | Class II Nonfat Solids | | 8,587,723 | \$ 0.9744 | \$8,367,877.31 |
| | Class III Butterfat | 60(c) | | | \$17,297,739.84 |
| | Class III Protein | | 10,870,947 | \$ 2.4125 | \$26,226,159.64 |
| | Class III Other Solids | | 19,817,382 | \$ 0.4170 | \$8,263,848.29 |
| | Class IV Butterfat | 60(d) | 5,155,778 | \$ 1.3112 | \$6,760,256.12 |
| | Class IV Nonfat Solids | | 8,943,680 | \$ 0.9356 | \$8,367,707.01 |
| | Class II, III, & IV Somatic Cell Adjustment | 60(e) | | | \$28,031.21 |
| | Total Producer Milk- Product Pounds and Value | | 878,087,315 | | \$134,409,597.79 |
| Add: | Value as for 60(f) thru 60(j) | | | | \$188,232.68 |
| Less: | Total Protein Pounds | 61(b) | 27,470,752 | \$ 2.4125 | \$66,273,189.23 |
| | Total Other Solids Pounds | | 49,956,594 | \$ 0.4170 | \$20,831,899.70 |
| | Total Butterfat Pounds | | 33,496,878 | \$ 1.3112 | \$43,921,106.46 |
| | Total Value of Somatic Cell Adjustment | | | | \$72,412.57 |
| | Total Milk and Value | | 878,087,315 | | \$3,499,222.51 |
| Add: | Location Differential Adjustments | 61(c) | | | \$3,559,903.73 |
| | 5 | 61(d) | | | \$344,998.03 |
| | Total Product Milk/URSP and Value | | 878,087,315 | \$ 0.84321 | \$7,404,124.27 |
| Less: | Producer - Settlement Fund Reserve | 61(f) | | \$ 0.04321 | \$379,425.75 |
| | Producer Price Differential (Dallas County) | | | \$.80 | \$7,024,698.52 |

Estimated Market Wide Utilization in Class 2, 3, & 4 Skim Percentage 61.00 Butterfat Percentage

79.00

Southwest Marketing Order Price Data

February 2007

| Producer Price Differential | \$.80 |
|-----------------------------------------------------------|---------|
| Class III Price | \$14.18 |
| Statistical Uniform Price of Milk (3.5% Butterfat-Dallas) | \$14.98 |

| Producer Milk Utilization Percentages | | | | | | | |
|---------------------------------------|-------------------|---------|---------------------|---------|---------------------|---------|--|
| | Product Pounds | Percent | Butterfat Pounds | Percent | Skim Milk Pounds | Percent | |
| Class I | 325,544,610 | 37.07 | 7,076,384 | 21.13 | 318,468,226 | 37.71 | |
| Class II | 101,596,500 | 11.57 | 8,072,419 | 24.10 | 93,524,081 | 11.07 | |
| Class III | 348,455,871 | 39.69 | 13,192,297 | 39.38 | 335,263,574 | 39.70 | |
| Class IV | 102,490,334 | 11.67 | 5,155,778 | 15.39 | 97,334,556 | 11.52 | |
| Total | 878,087,315 | 100.00 | 33,496,878 | 100.00 | 844,590,437 | 100.00 | |

| Producer Milk Component Utilization Percentages | | | | | | | |
|-------------------------------------------------|-------------------|---------|------------------------|---------|-------------------------|---------|--|
| | Protein Pounds | Percent | Other Solids Pounds | Percent | Nonfat Solids Pounds | Percent | |
| Class I | 10,364,301 | 37.74 | 18,843,314 | 37.72 | 29,207,617 | 37.73 | |
| Class II | 3,055,836 | 11.12 | 5,531,885 | 11.07 | 8,587,723 | 11.09 | |
| Class III | 10,870,947 | 39.57 | 19,817,382 | 39.67 | 30,688,327 | 39.63 | |
| Class IV | 3,179,668 | 11.57 | 5,764,013 | 11.54 | 8,943,679 | 11.55 | |
| Total | 27,470,752 | 100.00 | 49,956,594 | 100.00 | 77,427,346 | 100.00 | |

| Average Butterfat Test | 3.814% |
|----------------------------|---------|
| Average Protein Test | 3.128% |
| Average Other Solids Test | 5.689% |
| Average Nonfat Solids Test | 8.817% |
| Average Somatic Cell Count | 338,000 |
| Total Number of Producers | 835 |

LIST OF HANDLERS ON SOUTHWEST ORDER 126 February 2007

| NAME | LOCATION | POOL PLANT | 1000.9(c) MILK |
|-------------------------------------|---------------------|---------------|-------------------|
| Arkansas Dairy Coop Association | Damascus, AR | | Х |
| Creamland Dairies | Albuquerque, NM | Х | |
| DairiConcepts, L.P. | Portales, NM | X a/ | |
| Dairy Farmers of America, Inc. | Grapevine, TX | | Х |
| Dairy Farmers of America, Inc. | Knoxville, TN | | Х |
| Dairy Farmers of America, Inc. | Lovington, NM | X a/ | |
| Dairy Farmers of America, Inc. | Salt Lake City, UT | | Х |
| Dairy Farmers of America, Inc. | Sulphur Springs, TX | X a/ | |
| David's Supermarket, Inc. | Grandview, TX | Х | |
| Gandy's Dairy Products | Lubbock, TX | Х | |
| H. E. Butts - H. R. S. C. | Houston, TX | Х | |
| H. E. Butts Grocery Co. | San Antonio, TX | Х | |
| Just Jersey Cooperative, Inc. | Artesia, NM | | Х |
| 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 | |
| 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 | |
| Western Quality Foods | Cedar City, UT | Х | |
| Zia Milk Producers, Inc. | Roswell, NM | | Х |

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 | Х | | |
| Aurora Organic Dairy | Platteville, CO | | Х | |
| Braums Ice Cream | Tuttle, OK | | Х | |
| Cacique Inc. | City of Industry, CA | Х | | |
| Dannon | Ft. Worth, TX | Х | | |
| Darigold Inc | Boise, ID | Х | | |
| Gossner Foods | Logan, UT | Х | | |
| Mickey's Drive-In Dairy | Albuquerque, NM | | Х | |
| Morningstar Specialty Foods | Sulphur Springs, TX | Х | | |
| Nature's Dairy | Roswell, NM | | Х | |
| Rasband Dairy | Albuquerque, NM | | Х | |
| Select No. 5 | Dexter, NM | Х | | |
| Straus Family Creamery | Marshall, CA | Х | | |
| Stremick's Heritage Foods, L.L.C. | Santa Ana, CA | Х | | |
| WhiteWave Foods | City of Industry, CA | Х | | |

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