

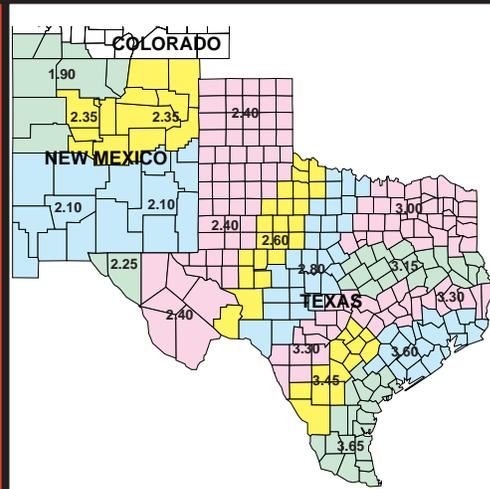
THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR APRIL

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 \$1.86 for April. Butterfat price decreased \$0.0748 per pound from \$1.3638 in March to the level of \$1.2890 in April. Protein price increased \$0.1767 per pound from \$1.8342 in March to \$2.0109 in April. April's Other Solids price decreased \$0.0122 per pound from the previous month to \$0.0566. The Somatic Cell Count adjustment rate factor for April was .00062 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an April statistical uniform price of \$12.71 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is a decrease of \$0.06 in comparison to the statistical blend price of \$12.77 in March.

The April Class I price decreased 15 cent from \$14.62 in March to the April level of \$14.47. The Class II price for April of \$11.88 per hundredweight decreased \$0.31 from \$12.19 in March. April's Class III price increased \$0.20 from \$10.65 in March to \$10.85 in April. The Class IV price decreased \$0.33 from \$11.42 in March to \$11.09 in April.

In April 897 producers delivered a total of 878,244,616 pounds of milk. On a daily basis this represents an increase of 4.82 percent from the producer receipts level in March and it represents an increase of 28.96 percent when compared to the producer receipts level of April 2001.

Producer milk classified as Class I during April amounted to 38.48 percent of total producer receipts. This figure is down from 39.03 percent in March and it is down from 47.38 percent in April 2001. The average butterfat test of producer milk pooled during April was 3.602 percent, average protein test was 3.007 percent, average other solids test was 5.704 percent and the average somatic cell count was 302,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 02	Mar 02	Apr 02	Mar 02	Apr 02	Mar 02
Appalachian	13.43	13.60	-----	-----	60.14	59.11
Arizona-Las Vegas	11.79	11.91	-----	-----	28.09	28.54
Central	11.68	11.66	0.83	1.01	26.22	26.39
Florida	14.93	15.20	-----	-----	87.74	88.35
Mideast	11.92	11.93	1.07	1.28	34.50	34.90
Northeast	12.94	13.05	2.09	2.40	38.90	39.20
Pacific Northwest	11.64	11.73	0.79	1.08	26.56	26.70
Southeast	13.23	13.34	-----	-----	54.79	53.02
Southwest	12.71	12.77	1.86	2.12	38.48	39.03
Upper Midwest	11.35	11.25	0.50	0.60	19.30	18.90
Western	11.54	11.56	0.69	0.91	17.43	23.69

EIGHT ACCEPT DEAL IN ADULTERATED MILK CASE

Just hours prior to the start of trial on April 8, eight Northeast Texans plead "guilty" or "no contest" to federal charges of unlawful adulteration of milk products, according to the U.S. Attorney's office in Fort Worth. The three milk truck drivers and five dairy producers were among nine persons who in the summer of 1999, pled "not guilty" to the federal charges. Several trial continuances, plus an appeal hearing seeking to overturn a judge's order to strike the prosecution's witness list, led to a protracted case.

Out of over 50 individuals indicted on federal milk tampering charges in the late 90's, nine were awaiting their day in court on April 8, but a deal was reached that same day. The nine were the only ones to initially plead "not guilty" in the milk adulteration cases that were first investigated in the early 1990s, and was reported to have cost Associated Milk Producers Inc. about \$2.7 million.

The eight who pled: Austeen Keith, Larry Don Keith, Dale Keith, Kenneth Rydeen, Glenn Wilcox, Jimmy Dale Sullivan, Mark Garrett, and Michael Woodard - did so under a deal for an "agreed sentence" of 36 months probation. After their pleas were entered they were all found guilty and convicted of a felony. The eight who pled guilty April 8 will face sentencing on July 15. In addition to the guaranteed 36 months probation, the judge could impose each a fine and or restitution.

The ninth person who entered a "not guilty" plea that summer of 1999, dairy farmer Steven Finklea decided against taking the April 8 offer, according to U.S. Assistant Attorney David Jarvis.

The milk adulteration cases began developing in 1994 following investigation by the Milk Market Administrator's Office and the USDA Office of Inspector General due to indications of production shrinkage at the Associated Milk Producers, Inc. plant in Sulphur Springs, Texas. Federal officials alleged collusion between some dairy producers and the drivers who picked up the milk at their farms.

The criminal activity included the collusion with and payment of monies to milk tanker truck drivers to add water and sometimes salt to the milk these drivers collected from these dairy farms. The illicit addition of water and salt to the raw milk increased the weight and bulk of the milk, fraudulently inflating the true value of the milk. The charges filed were mail

fraud and milk adulteration. Most of the more than 50 persons who were indicted over the course of the investigations entered guilty pleas without advent of trial, some receiving jail time and most all were fined or ordered to pay restitution.

2001 MILK PRODUCTION, DISPOSITION, AND INCOME

Milk production decreased 1 percent in 2001 to 165 billion pounds. Milk per cow, at 18,139 pounds, was 62 pounds below 2000. The annual average number of milk cows on farms, at 9.12 million head, was 91,000 head less than in 2000. An estimated 1.26 billion pounds of milk were used on farms where produced, 3 percent less than 2000. Calves were fed 86 percent of this milk with the remainder consumed in producer households.

Cash receipts from marketings of milk during 2001, at \$24.7 billion, was 20 percent above 2000. Producer returns averaged \$15.05 per hundredweight, 21 percent above 2000. Marketings totaled 164 billion pounds, 1 percent below 2000. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers.

Source: "Milk Production, Disposition and Income, 2001 Summary" Da 1-2(02), National Agricultural Statistics Service, USDA.

WINN-DIXIE EXITS TEXAS AND OKLAHOMA

On May 6, 2002, Winn-Dixie stores Inc., the 13th largest U.S. grocer, announced its plans to close all 76 of its stores in Texas and Oklahoma. Winn-Dixie operates 71 stores in Texas and five in Oklahoma. The company also has a distribution center and dairy processing plant in Fort Worth, Texas.

Winn-Dixie is one of the nation's largest retail food chains, operating about 1,150 stores in the Sunbelt with about 120,000 workers. Approximately 5,300 workers will be affected by the decision to close the stores in the two states. At the time of the announcement the company said that it was in final negotiations to sell the dairy plant and a majority of the stores to various buyers. The company added though, that if buyers could not be found the facilities would be closed. Continued losses and a reduction of market share forced the decision, the company said.

TOP TEN TEXAS COUNTIES a/ – APRIL 2002

County	Number of Producers	Pounds	% Change From 2001b/	County	Number of Producers	Pounds	% Change From 2001b/
1. Erath	128	124,436,568	+ 0.97	7. Wood	44	13,443,825	- 2.51
2. Hopkins	170	50,733,149	+ 0.15	8. Hamilton	18	13,214,937	- 4.24
3. Comanche	38	40,366,418	- 10.35	9. Tom Green	9	11,529,728	+ 18.52
4. El Paso	7	22,700,366	- 0.53	10. Johnson	20	11,306,366	- 5.29
5. Archer	54	21,467,352	- 0.77	Ten County Total	492	327,728,929	+ 0.24 b/
6. Lamb	4	18,530,220	+ 37.66	<u>Other Counties Total</u>	<u>397</u>	<u>159,746,812</u>	<u>+ 8.34</u>
				Texas Total	889	487,475,741	+ 2.76

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.

Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations

Month	Class Prices & P.P.D.					Component Prices				NASS Product Prices			
	I a/	II	III	IV	P.P.D.a/	BF	Other Solids	True Protein	SCC c/ Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
February 2001	14.94	13.43	10.27	12.70	2.97	146.26	11.99	149.51	.00057	131.43	114.67	101.37	25.61
March	15.65	14.17	11.42	13.46	2.76	168.20	10.39	164.98	.00064	149.42	127.37	101.27	24.06
April	16.44	15.10	12.06	14.41	2.85	194.83	10.81	154.43	.00067	171.26	134.23	101.45	24.46
May	17.21	15.72	13.83	15.04	2.22	211.91	12.29	191.08	.00076	185.27	151.29	101.80	25.90
June	17.99	16.05	15.02	15.33	1.83	220.89	14.09	216.70	.00081	192.63	162.11	101.48	27.64
July	18.34	15.96	15.46	14.81	1.66	218.83	15.10	231.75	.00083	190.94	165.73	96.34	28.62
August	18.40	15.98	15.55	15.06	1.88	229.76	15.35	221.88	.00083	199.90	166.93	94.73	28.86
September	18.56	16.24	15.90	15.59	1.70	244.49	15.20	216.47	.00085	211.98	170.85	94.97	28.71
October	18.93	13.53	14.60	12.77	1.45	165.26	14.82	266.64	.00078	147.01	155.91	94.41	28.35
November	18.76	12.78	11.31	11.97	3.77	145.00	14.70	180.45	.00062	130.40	123.22	93.49	28.23
December	14.98	12.61	11.80	11.79	1.65	143.22	15.17	197.82	.00064	128.94	127.62	91.99	28.68
Averages 2001b/	17.27	14.53	13.10	13.76	2.36	184.80	13.43	196.13	.00071	163.04	142.64	97.91	27.00
January 2002	14.96	12.69	11.87	11.93	1.79	148.46	13.92	196.60	.00065	133.24	129.22	91.61	27.47
February	14.95	12.28	11.63	11.54	1.65	138.17	9.65	208.84	.00064	124.80	128.95	91.21	23.34
March	14.62	12.19	10.65	11.42	2.12	136.38	6.88	183.42	.00060	123.33	120.87	90.60	20.66
April	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48

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

TOP NEW MEXICO COUNTIES a/ – APRIL 2002

County	Number of Producers	Pounds	% Change From 2001b/	County	Number of Producers	Pounds	% Change From 2001b/
1. Chaves	39	154,794,147	+ 5.88	7. Socorro	8	15,646,556	+ 43.63
2. Roosevelt	41	89,914,239	+ 29.49	8. Valencia	9	10,105,221	+ 0.12
3. Curry	20	86,601,709	+ 30.70	9. Bernalillo	5	5,950,510	+ 4.04
4. Dona Ana	25	82,141,151	+ 7.93				
5. Lea	16	42,138,065	+ 17.28	Nine County Total	170	515,715,943	+ 15.89 b/
6. Eddy	7	28,424,345	+ 16.61	<u>Other Counties Total</u>	<u>5</u>	<u>12,751,105</u>	<u>+ 27.82</u>
				New Mexico Total	175	528,467,048	+ 16.15

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.

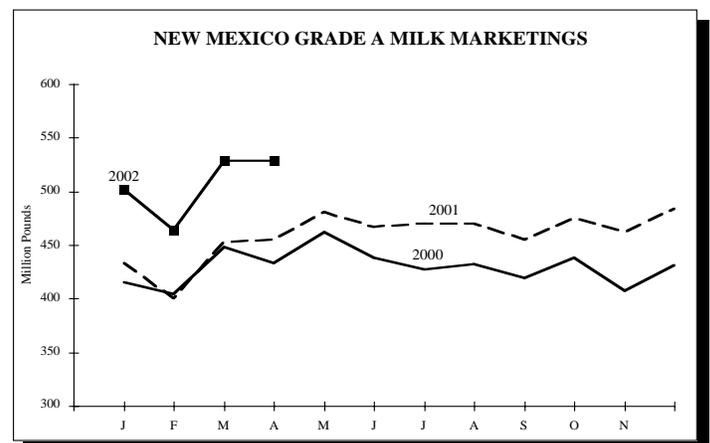
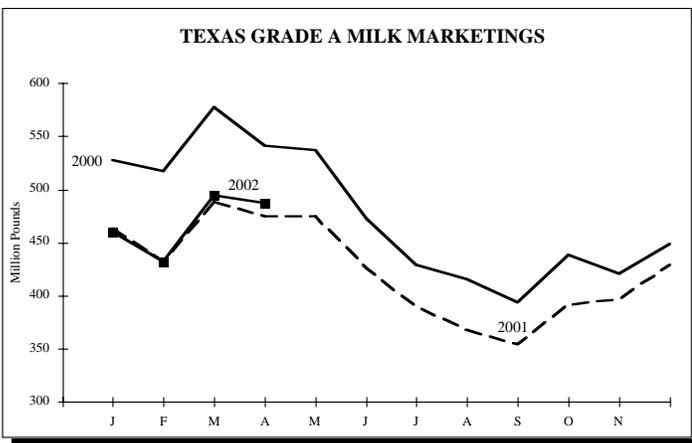
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2000 THROUGH APRIL 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	528,032,131	1,156	463,431,654	1,026	459,850,238	897	-12.23	-0.77
February	517,023,791	1,141	432,156,106	1,006	431,807,361	894	-13.43	-0.08
March	577,134,609	1,134	487,875,678	991	494,608,931	893	-15.47	+1.38
April	540,903,763	1,121	474,386,881	978	487,475,741	889	-12.30	+2.76
May	536,505,477	1,112	474,236,039	962			-11.61	
June	472,478,168	1,103	425,591,909	954			-9.92	
July	428,683,700	1,089	389,996,462	933			-9.02	
August	415,788,563	1,082	367,810,615	919			-11.54	
September	393,642,034	1,066	354,482,882	916			-9.95	
October	437,963,207	1,058	391,332,224	908			-10.65	
November	420,274,058	1,041	397,352,762	907			-5.45	
December	<u>448,671,268</u>	1,033	<u>429,232,267</u>	903			<u>-4.33</u>	
Years Total	5,717,100,769		5,087,885,479				-10.76	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2000 THROUGH APRIL 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	414,930,653	158	432,749,978	166	501,275,998	174	+4.29	+15.84
February	404,085,655	158	400,543,634	166	463,667,936	173	+2.66	+15.76
March	447,971,781	158	453,232,150	165	528,830,087	175	+1.17	+16.68
April	433,303,618	159	454,980,340	167	528,467,048	175	+5.00	+16.15
May	461,526,991	159	480,995,372	169			+4.22	
June	437,718,050	159	466,640,323	170			+6.61	
July	427,456,503	159	469,362,545	171			+9.80	
August	431,815,797	160	469,391,326	174			+8.70	
September	419,669,872	161	455,259,423	173			+8.48	
October	438,410,599	163	474,918,306	173			+8.33	
November	407,114,759	167	462,212,000	173			+13.53	
December	<u>431,351,678</u>	166	<u>484,020,641</u>	173			<u>+12.21</u>	
Years Total	5,155,355,956		5,504,306,038				+6.74	

*Based on average daily delivery.



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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 2001	3.54	3.54	3.04	3.01	5.68	5.68	8.72	8.69	383	302
May	3.51	3.48	3.02	2.98	5.67	5.69	8.68	8.66	397	296
June	3.54	3.47	3.01	2.94	5.68	5.70	8.68	8.63	400	295
July	3.57	3.47	3.00	2.91	5.64	5.65	8.63	8.56	430	315
August	3.59	3.45	3.05	2.95	5.61	5.63	8.65	8.58	454	335
September	3.68	3.52	3.11	3.01	5.63	5.66	8.73	8.68	447	328
October	3.76	3.61	3.18	3.09	5.65	5.67	8.83	8.76	385	284
November	3.76	3.67	3.15	3.12	5.67	5.67	8.82	8.78	364	285
December	3.79	3.73	3.14	3.14	5.68	5.68	8.82	8.81	377	306
Averages 2001	3.66	3.58	3.08	3.03	5.67	5.67	8.74	8.70	408	321
January 2002	3.78	3.71	3.12	3.09	5.69	5.69	8.81	8.78	364	322
February	3.77	3.71	3.09	3.06	5.70	5.69	8.79	8.75	371	327
March	3.72	3.66	3.08	3.03	5.71	5.70	8.79	8.73	335	294
April	3.63	3.56	3.03	2.98	5.70	5.71	8.73	8.68	342	275

a/ In thousands.

**APRIL 2002
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$381,603.19
Class I Butterfat	60(a)	7,749,895	\$1.4033	\$10,875,427.66
Class I Skim Per Cwt		330,227,310	\$9.9100	\$32,725,526.44
Class II Butterfat	60(b)	6,976,743	\$1.2960	\$9,041,858.93
Class II Nonfat Solids		7,891,620	\$0.8456	\$6,673,153.90
Class III Butterfat	60(c)	10,131,150	\$1.2890	\$13,059,052.35
Class III Protein		8,973,851	\$2.0109	\$18,045,516.99
Class III Other Solids		17,118,210	\$0.0566	\$968,890.68
Class IV Butterfat	60(d)	6,780,381	\$1.2890	\$8,739,911.12
Class IV Nonfat Solids		12,604,510	\$0.7575	\$9,547,916.34
Class II, III & IV Somatic Cell Adj.	60(e)			\$200,538.64
Total Producer Milk-Product Lbs & Value		878,244,616		\$110,259,396.24
Add: Value as for 60(f) Thru 60(j)				\$22,473.32
Less: Total Protein Pounds	61(b)	26,409,755	\$2.0109	\$53,107,376.36
Total Other Solids Pounds		50,091,406	\$0.0566	\$2,835,173.58
Total Butterfat Pounds		31,638,169	\$1.2890	\$40,781,599.86
Total Value of Somatic Cell Adjustment				\$263,775.05
Total Milk and Value		878,244,616		\$13,293,944.71
Add: Location Differential Adjustments	61(c)			\$3,082,022.69
Producer-Settlement Fund	61(d)			\$358,358.31
Total Producer Milk/URSP and Value		878,244,616	\$1.90542	\$16,734,325.71
Less: Producer-Settlement Fund	61(f)		\$0.04542	\$398,975.85
Producer Price Differential (Dallas County)			\$1.86	\$16,335,349.86

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APRIL 2002
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	337,977,205	38.48	7,749,895	24.50	330,227,310	39.01
Class II	93,801,241	10.68	6,976,743	22.05	86,824,498	10.26
Class III	300,184,570	34.18	10,131,150	32.02	290,053,420	34.25
Class IV	146,281,600	16.66	6,780,381	21.43	139,501,219	16.48
Total	878,244,616	100.00	31,638,169	100.00	846,606,447	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,364,156	39.24	19,548,817	39.03	29,912,970	39.09
Class II	2,742,859	10.39	5,148,760	10.28	7,891,620	10.32
Class III	8,973,851	33.98	17,118,210	34.17	26,092,062	34.11
Class IV	4,328,889	16.39	8,275,619	16.52	12,604,509	16.48
Total	26,409,755	100.00	50,091,406	100.00	76,501,161	100.00