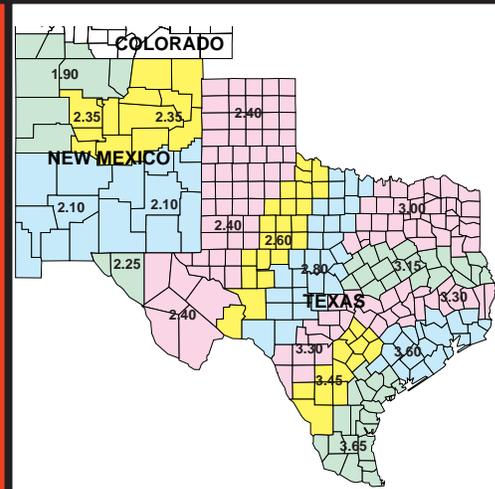


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR NOVEMBER

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 \$1.06 for November. Butterfat price increased \$0.0324 per pound from \$1.2553 in October to the level of \$1.2877 in November. Protein price decreased \$0.3548 per pound from \$3.2815 in October to \$2.9267 in November. November's Other Solids price increased \$0.0057 per pound from \$0.0311 in October to \$0.0368 in November. The Somatic Cell Count adjustment rate factor for November was .00075 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$14.53 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 \$0.36 in comparison to the statistical blend price of \$14.89 in October.

The November Class I price increased \$0.10 cents

from \$17.27 in October to the November level of \$17.37. The Boston Class I price of \$17.62 produced no dairy deficiency payment for November. The Class II price for November of \$10.99 per hundredweight increased \$0.15 from \$10.84 in October. November's Class III price decreased \$0.92 from \$14.39 in October to \$13.47 in November. The Class IV price increased \$0.14 from \$10.16 in October to \$10.30 in November.

In November 804 producers delivered a total of 736,684,307 pounds of milk. On a daily basis this represents an increase of 36.50 percent from the producer receipts level in October but it represents a decrease of 0.20 percent when compared to the producer receipts level of November 2002.

Producer milk classified as Class I during November amounted to 44.54 percent of total producer receipts. This figure is down from 65.75 percent in October and it is down from 46.59 percent in November 2002. The average butterfat test of producer milk pooled during November was 3.698 percent, average protein test was 3.128 percent, average other solids test was 5.710 percent and the average somatic cell count was 281,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 03	Oct 03	Nov 03	Oct 03	Nov 03	Oct 03
Appalachian	15.76	16.09	-----	-----	68.90	73.91
Arizona-Las Vegas	13.74	14.31	-----	-----	32.29	36.67
Central	13.67	14.23	0.20	(0.16)	30.98	53.62
Florida	17.47	17.67	-----	-----	86.65	90.33
Mideast	13.93	14.25	0.46	(0.14)	37.50	54.20
Northeast	14.95	15.21	1.48	0.82	47.30	49.70
Pacific Northwest	12.95	13.05	(0.52)	(1.34)	41.19	49.84
Southeast	15.72	16.07	-----	-----	63.57	67.35
Southwest	14.53	14.89	1.06	0.50	44.54	65.75
Upper Midwest	13.40	13.51	(0.07)	(0.88)	35.60	55.20
Western	13.41	13.76	(0.06)	(0.63)	42.01	57.54

CWT'S THIRD PROGRAM, EXPORT ASSISTANCE, TO BEGIN SHORTLY

Cooperatives Working Together (CWT), the farmer-funded milk reduction effort managed by NMPF, will soon implement an export assistance program, the third element of its multidimensional plan to strengthen and stabilize farmers' milk prices.

CWT's goal is to export approximately 30 million pounds of cheese during the next six months, and about 10 million pounds of butter, using a budget of \$20 million. Those volumes represent about 500 million pounds of milk equivalent on a butterfat basis. Exports will occur as overseas buyers are found for the products, and as CWT's members bid to be compensated for selling cheese and butter to those importers.

"We are encouraged by the fact that there are buyers out there already inquiring about when this program will commence," said Jerry Kozak, President and CEO of NMPF.

CWT will operate the export assistance program during those periods when the U.S. price of cheese is \$1.30 per pound or lower for cheese, or \$1.10/lb. or lower for butter. Only CWT member organizations will be eligible to participate in the export program. CWT will accept offers from those organizations to export cheese and butter, and will award export bonuses based on the lowest bid prices.

"We expect that the appropriate timing and judicious use of the export assistance program will help reduce domestic butter and cheese stocks, and provide some additional lift for farm-level milk prices, which ultimately are tied to the wholesale price of these products," said Jerry Kozak. "Because we are not paying for the full cost of the product, just that incentive necessary to ensure the export of the product, we will operate this program as cost-effectively as possible for the benefit of our dairy producers."

Kozak said that the export assistance program will have some operational aspects that are similar to the U.S. Department of Agriculture's Dairy Export Incentive Program, which also provides bonuses to business entities that export dairy commodities. CWT's initiative "is intended to complement, not replace, the USDA's DEIP program," Kozak said. "We are still urging that the USDA maximize the use of the DEIP in the future – both programs are sorely needed."

"More importantly, we expect that CWT's export assistance program will be operated in a farmer-friendly manner, in stark contrast to the DEIP, which of late has missed opportunities to sell commodities that could have helped out U.S. farmers," Kozak said.

Cooperatives Working Together is being funded by

dairy cooperatives and individual dairy farmers, who are contributing 5 cents per hundredweight assessment on their milk production from July 2003 through June 2004. The money raised by CWT's assessment – estimated at \$54 million over 12 months – is being apportioned among three supply reduction programs to improve the national all milk price by a target of 36 cents per hundredweight.

The first two dairy-farmer oriented programs, the Herd Retirement program and the Reduced Production Marketings program, are already underway. The combination of those two programs is reducing U.S. milk supplies by approximately 700 million pounds

USDA LAUNCHES WEB SITE FEATURING STATE MARKETING PROFILES

The U.S. Department of Agriculture has announced the launch of a new Internet Web site that provides marketing profiles for all 50 states.

The site includes in-depth statistical information on farms, including size, market value, cropland, livestock inventories and commodities. There also are demographic and food consumption statistics for the major metropolitan areas in each State.

Developed by USDA's Agricultural Marketing Service, the site provides location and contact information for farmers markets, descriptions of AMS marketing projects and grants, and information on how to find organic certifying agents and organic contacts in each state department of agriculture. There is also a brief marketing summary of each state.

The site is aimed at market developers, state departments of agriculture, academics and other data collectors, as well as consumers interested in marketing activities in their state.

The site can be accessed at www.ams.usda.gov/statesummaries.



TOP TEN TEXAS COUNTIES a/ – NOVEMBER 2003

County	Number of Producers	Pounds	% Change From 2002b/	County	Number of Producers	Pounds	% Change From 2002b/
1. Erath	117	96,411,311	- 0.48	7. Parmer	5	16,757,164	+ 223.26
2. Hopkins	160	40,469,672	+ 1.37	8. El Paso	5	15,963,141	- 16.13
3. Comanche	34	34,562,585	- 3.59	9. Castro	6	12,694,958	+ 157.20
4. Lamb	8	28,492,991	+ 30.50	10. Wood	44	12,332,140	+ 15.45
5. Deaf Smith	6	17,625,746	+ 49.20	Ten County Total	437	292,292,987	+ 6.39 b/
6. Archer	52	16,983,279	- 4.53	Other Counties Total	389	161,300,362	+ 14.57
				Texas Total	826	453,593,349	+ 9.16

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-----							
September 2002	13.46	10.91	9.92	10.22	2.00	100.99	3.67	206.46	.00057	94.31	114.38	90.96	17.55
October	13.15	11.12	10.72	10.50	1.35	107.26	7.55	218.39	.00060	99.45	120.20	91.65	21.31
November	13.60	11.26	9.84	10.58	2.13	109.23	8.50	184.69	.00056	101.07	111.11	91.77	22.23
December	13.52	11.62	9.74	10.49	2.18	119.22	5.84	175.06	.00056	109.26	112.03	86.82	19.65
Averages 2002 b/	14.01	11.55	10.42	10.81	1.97	119.28	5.93	197.35	.00059	109.31	118.55	90.43	19.74
January 2003	13.56	11.29	9.78	10.07	2.10	118.56	3.39	181.64	.00057	108.72	113.70	82.07	17.28
February	13.23	10.66	9.66	9.81	1.76	113.73	2.40	185.38	.00056	104.76	112.99	81.11	16.32
March	12.81	10.54	9.11	9.79	1.99	114.59	2.06	166.48	.00054	105.46	107.80	80.51	15.99
April	12.64	10.44	9.41	9.73	1.78	115.03	- 0.08	180.06	.00055	107.36	109.97	80.30	15.82
May	12.71	10.43	9.71	9.74	1.59	115.12	- 1.44	192.75	.00057	107.43	113.94	80.40	14.50
June	12.74	10.46	9.75	9.76	1.58	115.76	- 2.00	194.34	.00057	107.97	114.64	80.40	13.96
July	12.77	10.63	11.78	9.95	0.23	120.55	- 1.24	254.80	.00067	111.96	134.97	80.72	14.70
August	13.97	10.81	13.80	10.14	- 0.87	125.14	0.26	314.38	.00077	115.78	154.96	81.05	16.15
September	16.71	10.76	14.30	10.05	0.18	122.18	1.70	331.80	.00080	113.32	159.40	81.11	17.55
October	17.27	10.84	14.39	10.16	0.50	125.53	3.11	328.15	.00080	116.11	159.36	81.09	18.92
November	17.37	10.99	13.47	10.30	1.06	128.77	3.68	292.67	.00075	118.81	149.41	81.30	19.47

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

TOP NEW MEXICO COUNTIES a/ – NOVEMBER 2003

County	Number of Producers	Pounds	% Change From 2002b/	County	Number of Producers	Pounds	% Change From 2002b/
1. Chaves	39	144,902,271	+ 6.03	7. Socorro	9	16,410,166	+ 10.73
2. Roosevelt	44	98,357,279	+ 12.63	8. Valencia	7	9,495,613	+ 2.68
3. Curry	20	90,784,227	+ 5.24	9. Sierra	3	5,831,093	+ 9.80
4. Dona Ana	23	76,663,789	- 1.60	10. Bernalillo	4	5,078,809	- 6.37
5. Lea	16	42,951,605	+ 10.49	Ten County Total	172	517,257,709	+ 5.99 b/
6. Eddy	7	26,782,857	+ 2.26	Other Counties Total	4	8,743,182	- 0.35
				New Mexico Total	176	526,000,891	+ 5.88

a/ All known Grade "A" milk produced on farms located in New Mexico.

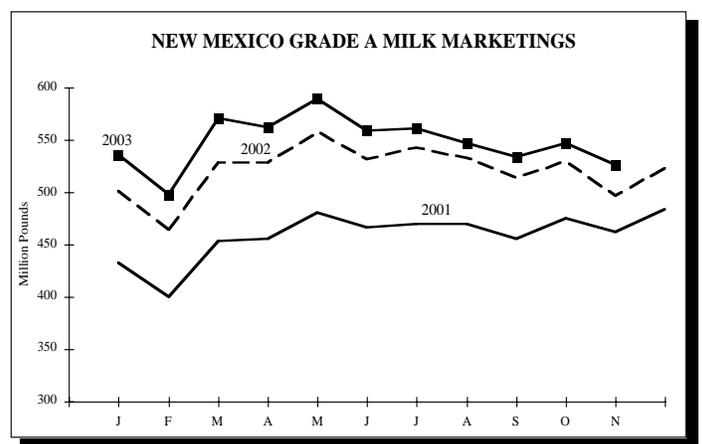
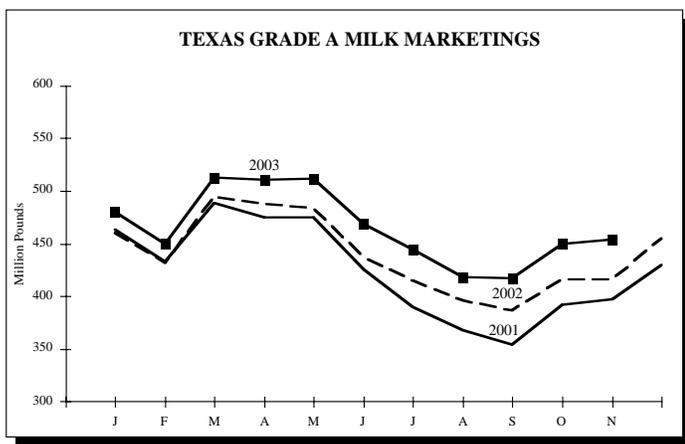
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2001 THROUGH NOVEMBER 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	463,431,654	1,026	459,850,238	897	480,011,354	845	-0.77	+ 4.38
February	432,156,106	1,006	431,807,361	894	449,362,000	840	-0.08	+ 4.07
March	487,875,678	991	494,608,931	893	512,243,241	841	+1.38	+ 3.57
April	474,386,881	978	487,475,741	889	510,466,950	838	+2.76	+ 4.72
May	474,236,039	962	482,994,330	875	511,474,552	840	+1.85	+ 5.90
June	425,591,909	954	435,698,971	872	468,387,455	838	+2.37	+ 7.50
July	389,996,462	933	414,700,943	862	444,115,237	834	+6.33	+ 7.09
August	367,810,615	919	395,468,644	851	417,817,794	833	+7.52	+ 5.65
September	354,482,882	916	386,732,687	859	416,649,423	836	+9.10	+ 7.74
October	391,332,224	908	415,984,319	846	449,267,689	835	+6.30	+ 8.00
November	397,352,762	907	415,537,665	847	453,593,349	826	+4.58	+ 9.16
December	<u>429,232,267</u>	903	<u>454,863,992</u>	843			<u>+5.97</u>	
Years Total	5,087,885,479		5,275,723,822				+3.69	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2001 THROUGH NOVEMBER 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	432,749,978	166	501,275,998	174	535,741,056	177	+15.84	+ 6.66
February	400,543,634	166	463,667,936	173	498,218,526	176	+15.76	+ 7.45
March	453,232,150	165	528,830,087	175	570,901,632	177	+16.68	+ 7.96
April	454,980,340	167	528,467,048	175	562,338,380	177	+16.15	+ 6.41
May	480,995,372	169	557,746,887	176	589,176,775	177	+15.96	+ 5.64
June	466,640,323	170	532,178,000	178	559,442,259	177	+14.04	+ 5.12
July	469,362,545	171	542,546,821	176	560,883,275	178	+15.59	+ 3.38
August	469,391,326	174	532,685,705	176	547,114,145	178	+13.48	+ 2.71
September	455,259,423	173	513,773,496	178	533,648,709	180	+12.85	+ 3.87
October	474,918,306	173	529,524,800	178	546,904,202	178	+11.50	+ 3.28
November	462,212,000	173	496,802,059	178	526,000,891	176	+7.48	+ 5.88
December	<u>484,020,641</u>	173	<u>523,409,272</u>	178			<u>+8.14</u>	
Years Total	5,504,306,038		6,250,908,109				+13.56	



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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
November 2002	3.87	3.76	3.19	3.13	5.68	5.68	8.86	8.80	368	296
December	3.80	3.74	3.15	3.10	5.69	5.69	8.84	8.79	356	306
Averages 2002	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293
January 2003	3.77	3.72	3.11	3.05	5.70	5.68	8.80	8.73	338	313
February	3.74	3.68	3.08	3.01	5.71	5.69	8.78	8.70	331	289
March	3.70	3.63	3.05	2.99	5.71	5.73	8.76	8.72	343	277
April	3.59	3.56	3.02	2.96	5.73	5.75	8.75	8.70	306	252
May	3.55	3.49	2.98	2.93	5.72	5.75	8.70	8.68	328	251
June	3.57	3.45	2.98	2.92	5.71	5.74	8.69	8.65	368	273
July	3.56	3.44	2.98	2.90	5.69	5.73	8.67	8.63	395	290
August	3.58	3.44	3.01	2.92	5.67	5.70	8.67	8.62	406	306
September	3.65	3.50	3.09	3.01	5.68	5.72	8.77	8.72	389	278
October	3.73	3.58	3.13	3.07	5.67	5.70	8.81	8.78	366	272
November	3.75	3.64	3.15	3.11	5.69	5.71	8.83	8.82	333	248

a/ In thousands.

**NOVEMBER 2003
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$356,918.68
Class I Butterfat	60(a)	7,734,069	\$1.2863	\$9,948,332.97
Class I Skim Per Cwt		320,400,371	\$13.3300	\$42,709,369.46
Class II Butterfat	60(b)	8,510,122	\$1.2947	\$11,018,054.93
Class II Nonfat Solids		7,443,899	\$0.7433	\$5,533,050.17
Class III Butterfat	60(c)	8,088,331	\$1.2877	\$10,415,343.85
Class III Protein		6,525,950	\$2.9267	\$19,099,497.88
Class III Other Solids		11,980,786	\$0.0368	\$440,892.94
Class IV Butterfat	60(d)	2,912,137	\$1.2877	\$3,749,958.83
Class IV Nonfat Solids		9,715,071	\$0.6663	\$6,473,151.83
Class II, III & IV Somatic Cell Adj.	60(e)			\$255,568.35
Total Producer Milk-Product Lbs & Value		736,684,307		\$110,000,139.89
Add: Value as for 60(f) Thru 60(j)				\$100,125.22
Less: Total Protein Pounds	61(b)	23,048,777	\$2.9267	\$67,456,855.66
Total Other Solids Pounds		42,069,116	\$0.0368	\$1,548,143.49
Total Butterfat Pounds		27,244,659	\$1.2877	\$35,082,947.41
Total Value of Somatic Cell Adjustment				\$384,971.62
Total Milk and Value		736,684,307		\$5,627,346.93
Add: Location Differential Adjustments	61(c)			\$2,265,464.38
Producer-Settlement Fund	61(d)			\$239,961.11
Total Producer Milk/URSP and Value		736,684,307	\$1.10397	\$8,132,772.42
Less: Producer-Settlement Fund	61(f)		\$0.04397	\$323,918.77
Producer Price Differential (Dallas County)			\$1.06	\$7,808,853.65

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NOVEMBER 2003
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	328,134,440	44.54	7,734,069	28.39	320,400,371	45.16
Class II	89,533,675	12.15	8,510,122	31.24	81,023,553	11.42
Class III	210,453,410	28.57	8,088,331	29.68	202,365,079	28.53
Class IV	108,562,782	14.74	2,912,137	10.69	105,650,645	14.89
Total	736,684,307	100.00	27,244,659	100.00	709,439,648	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,444,836	45.32	19,007,354	45.18	29,542,185	45.23
Class II	2,638,440	11.45	4,805,458	11.42	7,443,899	11.43
Class III	6,525,950	28.31	11,980,786	28.48	18,506,738	28.42
Class IV	3,439,551	14.92	6,275,518	14.92	9,715,071	14.92
Total	23,048,777	100.00	42,069,116	100.00	65,117,893	100.00