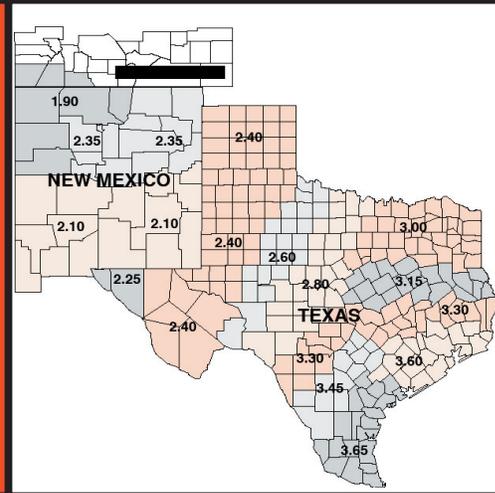


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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JULY 2007

MARKET SUMMARY FOR JUNE

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 \$0.31 for June. Butterfat price increased \$0.0751 per pound from \$1.5706 in May to the level of \$1.6457 in June. Protein price increased \$0.7635 per pound from \$2.9424 in May to \$3.7059 in June. June's Other Solids price increased \$0.0040 per pound from \$0.5791 in May to \$0.5831 in June. The Somatic Cell Count adjustment rate factor for June was 0.00093 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a June statistical uniform price of \$20.48 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of \$1.97 in comparison to the statistical blend price of \$18.51 in May.

The June Class I price increased \$1.92 from \$18.92 in May to the June level of \$20.84. The Class II price for June of \$18.89 per hundredweight increased \$2.27 from \$16.62 in May. June's Class III price increased \$2.57 from \$17.60 in May to \$20.17 in June. The Class IV price increased \$2.28 from \$18.48 in May to \$20.76 in June.

In June 676 producers delivered a total of 434,972,222 pounds of milk. On a daily basis this represents a decrease of 5.42 percent from the producer receipts level in May and it represents a decrease of 56.10 percent when compared to the producer receipts level of June 2006.

Producer milk classified as Class I during June amounted to 73.84 percent of total producer receipts. This figure is up from 73.31 percent in May and it is up from 33.13 percent in June 2006. The average butterfat test of producer milk pooled during June was 3.594 percent, average protein test was 2.996 percent, average other solids test was 5.684 percent and the average somatic cell count was 300,000.

| Federal Order | Statistical Uniform Price | | Producer Price Differential | | Class I Utilization | |
|-------------------|---------------------------|--------------|-----------------------------|-------------|---------------------|--------------|
| | Jun 07 | May 07 | Jun 07 | May 07 | Jun 07 | May 07 |
| Appalachian | 20.70 | 18.82 | ----- | ----- | 73.40 | 73.71 |
| Arizona | 20.30 | 18.07 | ----- | ----- | 33.40 | 34.07 |
| Central | 19.80 | 17.50 | (0.37) | (0.10) | 41.18 | 39.92 |
| Florida | 21.62 | 19.55 | ----- | ----- | 79.18 | 74.78 |
| Mideast | 19.91 | 17.63 | (0.26) | 0.03 | 37.50 | 38.40 |
| Northeast | 20.80 | 18.60 | 0.63 | 1.00 | 44.80 | 44.60 |
| Pacific Northwest | 20.19 | 17.87 | 0.02 | 0.27 | 30.62 | 32.33 |
| Southeast | 20.76 | 18.73 | ----- | ----- | 66.67 | 57.36 |
| Southwest | 20.48 | 18.51 | 0.31 | 0.91 | 73.84 | 73.31 |
| Upper Midwest | 20.12 | 17.65 | (0.05) | 0.05 | 17.30 | 20.30 |

DAIRY OUTLOOK

Higher dairy product prices and anticipated moderating feed prices appear to be ameliorating the expected reduction in dairy herd size. Culling rates have declined, as higher milk prices have kept some cows in the herd despite high feed prices. The herd size is projected to be 9.115 million head for 2007, virtually unchanged from 2006. Production per cow will likely move above the 2006 level to 20,220 pounds. A return to more normal pasture conditions in most of the country could ease alfalfa prices and encourage feeding, but continued drought in most of the southeastern States will continue to plague milk production in that region. Total milk production in 2007 is expected to be about 184.3 billion pounds. In 2008, cow numbers are forecast to rebound slightly to 9.125 million head and production is forecast to increase to 188.4 billion pounds. The milk-feed price ratio is projected to climb into the 2.9 range for this year and could be slightly higher in 2008, and these levels would likely signal expansion.

Growth in commercial use of all products will continue to outpace production growth in 2007, with production increases catching up in 2008. Continued strong demand for dairy products, especially dry products, is having an impact throughout the dairy complex. Cheese prices have risen through May, but cheese stocks at the end of April were higher year-over-year, with most of the rise in other than American style cheeses. Some of the stock building may be in anticipation of even higher prices later in the year. High prices for nonfat dry milk (NDM) may be increasing costs for Italian-type cheese manufacturers. Prices for cheese are expected to range from \$1.605 to \$1.645 per pound in 2007. Some pullback is expected in 2008, with prices forecast from \$1.485 to \$1.585 per pound.

Tight global supplies for dry milk products are ex-

pected to keep domestic prices for NDM high through 2007. European Union stocks are low and milk production there is moving into cheese. Australian production has been significantly reduced because of drought and is not expected to recover this year. The average NDM price is expected to range from \$1.610 to \$1.650 per pound in 2007. Some easing could come toward the end of 2008; however, prices will remain high by historic standards. The 2008 forecast is for the average NDM price to be \$1.560 to \$1.630 per pound.

Domestic butter prices are forecast above historic norms due to continued strength in demand and limited production growth. In 2007, the average butter price is expected to average from \$1.370 to \$1.440 per pound. For 2008, the forecast range is \$1.350 to \$1.480 per pound. Whey prices, which have also risen, will likely plateau at new higher levels, averaging 68.5 to 70.5 cents a pound in 2007 and remaining close to 2007 prices at 65.0 to 68.0 cents a pound in 2008.

The tight supply situation in the butter-powder market will push the average annual Class IV price to the \$17.85 to \$18.35 per cwt range in 2007, as Class IV prices are expected to continue to rise throughout the year. The product market this year presents the unusual situation that the Class IV price is the driver for Class I prices. The Class III price is projected to rise to an average \$17.30 to \$17.70 per cwt for the year. The reported all milk price is expected to be sharply higher in 2007 and will likely average \$18.55 to \$18.95 per cwt for the year. Strong milk prices will likely continue into 2008. The Class IV price is forecast to average \$17.25 to \$18.35 per cwt, and the Class III prices \$15.95 to \$16.95 per cwt. The all milk price is forecast to average \$17.90 to \$18.90 per cwt for 2008, a slight decline.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-156, June 19, 2007, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN TEXAS
JUNE 2007**

| FARM SIZE POUNDS | PRODUCER NUMBERS | MILK LBS. | % OF TOTAL MILK |
|------------------------|---------------------|--------------------|--------------------|
| 0- 49,999 | 40 | 1,164,458 | 0.19 |
| 50,000- 99,999 | 74 | 5,892,114 | 0.97 |
| 100,000-149,999 | 73 | 9,004,444 | 1.49 |
| 150,000-199,999 | 59 | 10,265,950 | 1.70 |
| 200,000-249,999 | 50 | 11,202,779 | 1.86 |
| 250,000-299,999 | 30 | 8,202,078 | 1.36 |
| 300,000-349,999 | 31 | 10,083,756 | 1.67 |
| 350,000-399,999 | 29 | 10,840,391 | 1.80 |
| 400,000-449,999 | 12 | 5,127,783 | 0.85 |
| 450,000-499,999 | 13 | 6,214,806 | 1.03 |
| 500,000-599,999 | 29 | 15,945,544 | 2.64 |
| 600,000-699,999 | 25 | 16,162,609 | 2.68 |
| 700,000-799,999 | 27 | 20,238,481 | 3.35 |
| 800,000-899,999 | 18 | 15,262,561 | 2.53 |
| 900,000-999,999 | 11 | 10,353,591 | 1.72 |
| OVER -1,000,000 | 149 | 447,567,563 | 74.16 |
| TOTAL | 670 | 603,528,908 | 100.00 |

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN NEW MEXICO
JUNE 2007**

| FARM SIZE POUNDS | PRODUCER NUMBERS | MILK LBS. | % OF TOTAL MILK |
|------------------------|---------------------|--------------------|--------------------|
| 0- 49,999 | -- | ----- | 0.00 |
| 50,000- 99,999 | 1 | 70,102 | 0.00 |
| 100,000-149,999 | 1 | 112,060 | 0.02 |
| 150,000-199,999 | 1 | 177,244 | 0.03 |
| 200,000-249,999 | 3 | 631,175 | 0.11 |
| 250,000-299,999 | 1 | 292,529 | 0.05 |
| 300,000-349,999 | -- | ----- | 0.00 |
| 350,000-399,999 | 1 | 385,786 | 0.06 |
| 400,000-449,999 | 1 | 449,510 | 0.08 |
| 450,000-499,999 | -- | ----- | 0.00 |
| 500,000-599,999 | 1 | 512,413 | 0.09 |
| 600,000-699,999 | -- | ----- | 0.00 |
| 700,000-799,999 | 3 | 2,217,155 | 0.37 |
| 800,000-899,999 | 3 | 2,524,678 | 0.42 |
| 900,000-999,999 | 2 | 1,909,754 | 0.32 |
| OVER -1,000,000 | 148 | 589,607,973 | 98.45 |
| TOTAL | 166 | 598,890,379 | 100.00 |

TOP TEN TEXAS COUNTIES a/ – JUNE 2007

| County | Number of Producers | Pounds | % Change From 2006b/ | County | Number of Producers | Pounds | % Change From 2006b/ |
|---------------|---------------------|------------|----------------------|----------------------|---------------------|--------------------|----------------------|
| 1. Erath | 94 | 96,055,454 | - 8.84 | 7. Lamb | 9 | 33,946,637 | + 5.40 |
| 2. Deaf Smith | 13 | 50,354,249 | + 14.07 | 8. Bailey | 9 | 29,817,679 | - 2.77 |
| 3. Hopkins | 129 | 45,791,577 | - 6.32 | 9. Hale | 6 | 27,887,511 | - 5.46 |
| 4. Parmer | 12 | 42,807,776 | + 88.34 | 10. Hartley | 6 | 24,565,785 | + 5.07 |
| 5. Castro | 10 | 42,160,090 | + 27.21 | Ten County Total | 316 | 432,157,731 | + 5.14 b/ |
| 6. Comanche | 28 | 38,770,973 | - 5.44 | Other Counties Total | 354 | 171,371,177 | - 10.77 |
| | | | | Texas Total | 670 | 603,528,908 | + 0.08 |

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. | | | | | BF | Component Prices | | | NASS Product Prices | | | |
|------------------|-------------------------------------|-------|-------|-------|----------|--------|---------------------------|--------------|-----------------|---------------------|----------------|-------------|----------|
| | I a/ | II | III | IV | P.P.D.a/ | | Other Solids | True Protein | SCC c/ Adj Rate | Grade AA Butter | Cheddar Cheese | NFDM Powder | Dry Whey |
| | ----- Dollars Per Hundred Wt. ----- | | | | | | -----Cents Per Pound----- | | | | | | |
| April 2006 | 14.22 | 11.37 | 10.93 | 10.36 | 1.48 | 123.43 | 15.08 | 192.38 | .00058 | 114.36 | 116.54 | 84.29 | 30.54 |
| May | 13.97 | 11.13 | 10.83 | 10.33 | 1.43 | 125.82 | 12.51 | 191.15 | .00058 | 116.35 | 116.94 | 82.88 | 28.05 |
| June | 13.75 | 11.00 | 11.29 | 10.22 | 1.07 | 124.36 | 12.55 | 207.90 | .00061 | 115.13 | 121.66 | 82.21 | 28.08 |
| July | 14.34 | 10.83 | 10.92 | 10.21 | 1.40 | 122.28 | 12.57 | 198.07 | .00059 | 113.40 | 117.93 | 83.00 | 28.10 |
| August | 13.97 | 11.16 | 11.06 | 10.64 | 1.60 | 130.08 | 14.16 | 190.50 | .00059 | 119.90 | 118.13 | 84.84 | 29.65 |
| September | 13.85 | 11.74 | 12.29 | 11.10 | 0.91 | 141.91 | 16.49 | 213.46 | .00065 | 129.76 | 129.12 | 85.37 | 31.91 |
| October | 15.42 | 11.79 | 12.32 | 11.51 | 1.33 | 141.49 | 20.26 | 207.75 | .00064 | 129.41 | 127.21 | 90.27 | 35.57 |
| November | 15.40 | 11.98 | 12.84 | 12.11 | 0.99 | 138.52 | 22.76 | 223.83 | .00066 | 126.93 | 131.23 | 98.37 | 38.00 |
| December | 15.43 | 12.55 | 13.47 | 12.30 | 0.58 | 134.81 | 25.64 | 243.88 | .00068 | 123.84 | 136.24 | 102.25 | 40.79 |
| Averages 2006 b/ | 14.88 | 11.76 | 11.89 | 11.06 | 1.27 | 132.52 | 17.46 | 209.12 | .00062 | 121.93 | 124.70 | 88.74 | 32.85 |
| January 2007 | 16.59 | 12.85 | 13.56 | 12.53 | 1.21 | 130.09 | 31.83 | 240.53 | .00067 | 119.91 | 133.66 | 106.77 | 46.80 |
| February | 16.39 | 13.08 | 14.18 | 12.71 | 0.80 | 131.12 | 41.70 | 241.25 | .00067 | 121.29 | 134.54 | 110.21 | 60.05 |
| March | 17.25 | 13.60 | 15.09 | 13.71 | 0.78 | 137.69 | 52.57 | 243.29 | .00069 | 126.76 | 137.32 | 119.02 | 70.60 |
| April | 18.00 | 14.51 | 16.09 | 16.12 | 0.88 | 146.57 | 60.08 | 252.12 | .00071 | 134.16 | 142.96 | 143.54 | 77.89 |
| May | 18.92 | 16.62 | 17.60 | 18.48 | 0.91 | 157.06 | 57.91 | 294.24 | .00080 | 142.90 | 159.46 | 166.70 | 75.78 |
| June | 20.84 | 18.89 | 20.17 | 20.76 | 0.31 | 164.57 | 58.31 | 370.59 | .00093 | 149.16 | 185.61 | 190.12 | 76.17 |

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

TOP NEW MEXICO COUNTIES a/ – JUNE 2007

| County | Number of Producers | Pounds | % Change From 2006b/ | County | Number of Producers | Pounds | % Change From 2006b/ |
|--------------|---------------------|-------------|----------------------|-------------------------|---------------------|--------------------|----------------------|
| 1. Chaves | 37 | 157,471,371 | - 9.47 | 7. Socorro | 8 | 17,464,719 | - 1.04 |
| 2. Curry | 24 | 120,818,065 | - 5.80 | 8. Valencia | 6 | 13,238,319 | - 10.95 |
| 3. Roosevelt | 40 | 115,377,518 | - 13.50 | 9. Sierra | 3 | 8,167,238 | + 1.82 |
| 4. Dona Ana | 24 | 90,248,283 | - 7.44 | 10. Bernalillo | 4 | 5,318,792 | - 4.98 |
| 5. Lea | 12 | 36,439,649 | - 24.06 | Ten County Total | 163 | 587,165,824 | - 9.99 b/ |
| 6. Eddy | 5 | 22,621,870 | - 9.92 | Other Counties Total | 3 | 11,724,555 | - 8.09 |
| | | | | New Mexico Total | 166 | 598,890,379 | - 9.95 |

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 2005 THROUGH JUNE 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

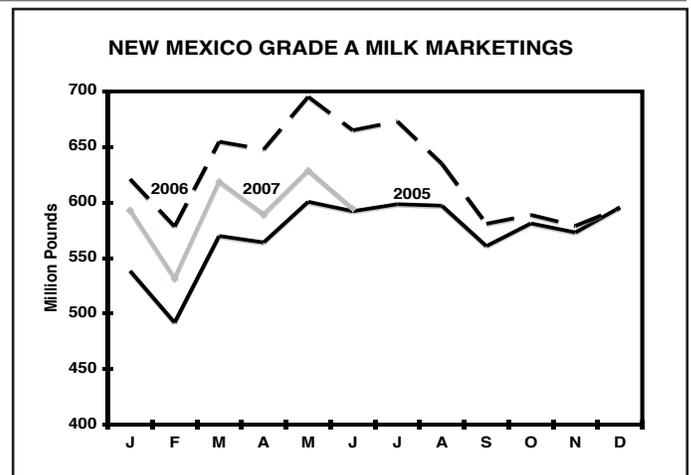
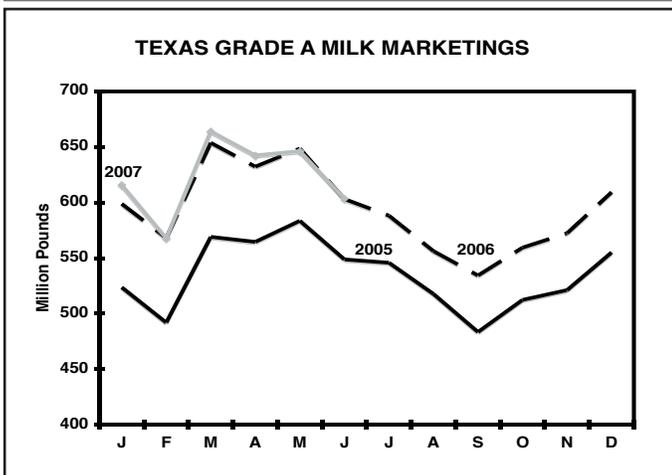
| MONTH | 2005 POUNDS | Number of Producers | 2006 POUNDS | Number of Producers | 2007 POUNDS | Number of Producers | PERCENT 2006/05 | CHANGE 2007/06 |
|-------------|--------------------|------------------------|--------------------|------------------------|----------------|------------------------|--------------------|-------------------|
| January | 523,680,970 | 778 | 598,770,671 | 746 | 615,842,075 | 697 | + 14.34 | + 2.85 |
| February | 491,841,542 | 767 | 568,127,819 | 740 | 567,905,237 | 692 | + 15.51 | - 0.04 |
| March | 569,021,475 | 771 | 653,677,865 | 740 | 664,126,490 | 694 | + 14.88 | + 1.60 |
| April | 564,647,522 | 776 | 632,332,356 | 741 | 642,444,396 | 689 | + 11.99 | + 1.60 |
| May | 583,519,880 | 774 | 648,575,970 | 739 | 646,347,511 | 676 | + 11.15 | - 0.34 |
| June | 548,798,029 | 772 | 603,059,138 | 733 | 603,528,908 | 670 | + 9.89 | + 0.08 |
| July | 545,665,957 | 774 | 588,198,398 | 726 | | | + 7.79 | |
| August | 517,675,814 | 767 | 556,266,201 | 723 | | | + 7.45 | |
| September | 483,172,492 | 772 | 534,330,715 | 712 | | | + 10.59 | |
| October | 512,618,370 | 770 | 559,390,201 | 710 | | | + 9.12 | |
| November | 521,233,872 | 758 | 572,262,884 | 701 | | | + 9.79 | |
| December | <u>555,024,482</u> | 743 | <u>609,404,039</u> | 695 | | | <u>+ 9.80</u> | |
| Years Total | 6,416,900,405 | | 7,124,396,257 | | | | + 11.03 | |

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2005 THROUGH JUNE 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

| MONTH | 2005 POUNDS | Number of Producers | 2006 POUNDS | Number of Producers | 2007 POUNDS | Number of Producers | PERCENT 2006/05 | CHANGE 2007/06 |
|-------------|--------------------|------------------------|--------------------|------------------------|----------------|------------------------|--------------------|-------------------|
| January | 538,413,955 | 168 | 621,161,722 | 173 | 593,282,897 | 171 | + 15.37 | - 4.49 |
| February | 491,753,468 | 170 | 578,266,056 | 172 | 531,955,021 | 170 | + 17.59 | - 8.01 |
| March | 567,325,607 | 169 | 654,702,022 | 172 | 618,854,728 | 171 | + 15.40 | - 5.48 |
| April | 563,980,078 | 168 | 647,819,688 | 173 | 589,646,957 | 167 | + 14.87 | - 8.98 |
| May | 600,707,138 | 170 | 695,061,878 | 175 | 629,220,180 | 166 | + 15.71 | - 9.47 |
| June | 592,086,292 | 172 | 665,063,549 | 175 | 598,890,379 | 166 | + 12.33 | - 9.95 |
| July | 598,502,673 | 171 | 672,988,089 | 174 | | | + 12.45 | |
| August | 597,055,615 | 172 | 634,876,790 | 172 | | | + 6.33 | |
| September | 560,680,297 | 176 | 580,816,517 | 173 | | | + 3.59 | |
| October | 581,203,811 | 174 | 588,810,710 | 171 | | | + 1.31 | |
| November | 573,043,775 | 173 | 578,970,652 | 173 | | | + 1.03 | |
| December | <u>595,644,281</u> | 171 | <u>595,163,099</u> | 175 | | | <u>- 0.08</u> | |
| Years Total | 6,860,396,990 | | 7,513,700,772 | | | | + 9.52 | |

* 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 |
| June 2006 | 3.60 | 3.47 | 3.00 | 2.93 | 5.72 | 5.73 | 8.72 | 8.66 | 272 | 205 |
| July | 3.62 | 3.48 | 3.00 | 2.92 | 5.69 | 5.71 | 8.69 | 8.63 | 290 | 226 |
| August | 3.65 | 3.53 | 3.02 | 2.95 | 5.68 | 5.71 | 8.70 | 8.66 | 323 | 288 |
| September | 3.74 | 3.61 | 3.11 | 3.04 | 5.70 | 5.73 | 8.81 | 8.77 | 341 | 302 |
| October | 3.79 | 3.65 | 3.17 | 3.11 | 5.66 | 5.68 | 8.84 | 8.80 | 302 | 271 |
| November | 3.83 | 3.70 | 3.22 | 3.17 | 5.66 | 5.67 | 8.88 | 8.83 | 268 | 231 |
| December | 3.85 | 3.76 | 3.20 | 3.16 | 5.68 | 5.68 | 8.88 | 8.84 | 284 | 242 |
| Averages 2006 | 3.74 | 3.61 | 3.09 | 3.03 | 5.70 | 5.71 | 8.78 | 8.74 | 279 | 231 |
| January 2007 | 3.89 | 3.79 | 3.19 | 3.16 | 5.69 | 5.68 | 8.87 | 8.83 | 349 | 309 |
| February | 3.87 | 3.75 | 3.15 | 3.10 | 5.69 | 5.69 | 8.84 | 8.79 | 348 | 316 |
| March | 3.72 | 3.63 | 3.08 | 3.04 | 5.68 | 5.68 | 8.77 | 8.72 | 306 | 262 |
| April | 3.70 | 3.58 | 3.07 | 3.02 | 5.70 | 5.71 | 8.78 | 8.73 | 293 | 230 |
| May | 3.66 | 3.53 | 3.03 | 2.99 | 5.69 | 5.71 | 8.73 | 8.70 | 292 | 228 |
| June | 3.64 | 3.51 | 3.02 | 2.96 | 5.69 | 5.70 | 8.71 | 8.67 | 321 | 240 |

a/ In thousands.

JUNE 2007
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

| | | Pounds | Price | Value |
|--|-------|-------------|-----------------|-----------------|
| Add: Class I Differential | | | | \$296,042.47 |
| Class I Butterfat | 60(a) | 7,430,486 | \$1.5766 | \$11,714,904.25 |
| Class I Skim Per Cwt | | 313,768,663 | \$15.8800 | \$49,826,463.69 |
| Class II Butterfat | 60(b) | 7,328,453 | \$1.6527 | \$12,111,734.27 |
| Class II Nonfat Solids | | 8,318,821 | \$1.5089 | \$12,552,269.01 |
| Class III Butterfat | 60(c) | 519,641 | \$1.6457 | \$855,173.20 |
| Class III Protein | | 341,849 | \$3.7059 | \$1,266,858.21 |
| Class III Other Solids | | 647,750 | \$0.5831 | \$377,703.03 |
| Class IV Butterfat | 60(d) | 354,969 | \$1.6457 | \$584,172.49 |
| Class IV Nonfat Solids | | 201,977 | \$1.7268 | \$348,773.90 |
| Class II, III & IV Somatic Cell Adj. | 60(e) | | | \$30,960.02 |
| Total Producer Milk-Product Lbs & Value | | 434,972,222 | | \$89,965,054.54 |
| Add: Value as for 60(f) Thru 60(j) | | | | \$102,300.78 |
| Less: Total Protein Pounds | 61(b) | 13,035,541 | \$3.7059 | \$48,308,411.39 |
| Total Other Solids Pounds | | 24,725,171 | \$0.5831 | \$14,417,247.23 |
| Total Butterfat Pounds | | 15,633,549 | \$1.6457 | \$25,728,131.62 |
| Total Value of Somatic Cell Adjustment | | | | \$201,401.73 |
| Total Milk and Value | | 434,972,222 | | \$1,412,163.35 |
| Add: Location Differential Adjustments | 61(c) | | | (\$203,387.84) |
| Producer-Settlement Fund | 61(d) | | | \$347,628.07 |
| Total Producer Milk/URSP and Value | | 434,972,222 | \$0.35781 | \$1,556,403.58 |
| Less: Producer-Settlement Fund | 61(f) | | \$0.04781 | \$207,989.69 |
| Producer Price Differential (Dallas County) | | | \$0.31 | \$1,348,413.89 |

THE MARKET ADMINISTRATOR'S

REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

PRSRT STD
U.S. POSTAGE
PAID
Carrollton, TX
Permit No. 343

RETURN SERVICE REQUESTED

JUNE 2007

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

| Producer Milk Utilization Percentages | | | | | | |
|---------------------------------------|----------------|---------|------------------|---------|------------------|---------|
| | Product Pounds | Percent | Butterfat Pounds | Percent | Skim Milk Pounds | Percent |
| Class I | 321,199,149 | 73.84 | 7,430,486 | 47.53 | 313,768,663 | 74.82 |
| Class II | 99,627,384 | 22.90 | 7,328,453 | 46.88 | 92,298,931 | 22.01 |
| Class III | 11,532,023 | 2.66 | 519,641 | 3.32 | 11,012,382 | 2.63 |
| Class IV | 2,613,666 | 0.60 | 354,969 | 2.27 | 2,258,697 | 0.54 |
| Total | 434,972,222 | 100.00 | 15,633,549 | 100.00 | 419,338,673 | 100.00 |

| Producer Milk Component Utilization Percentages | | | | | | |
|---|----------------|---------|---------------------|---------|----------------------|---------|
| | Protein Pounds | Percent | Other Solids Pounds | Percent | Nonfat Solids Pounds | Percent |
| Class I | 9,740,698 | 74.73 | 18,509,619 | 74.86 | 28,250,317 | 74.82 |
| Class II | 2,883,972 | 22.12 | 5,434,846 | 21.98 | 8,318,821 | 22.03 |
| Class III | 341,849 | 2.62 | 647,750 | 2.62 | 989,597 | 2.62 |
| Class IV | 69,022 | 0.53 | 132,956 | 0.54 | 201,977 | 0.53 |
| Total | 13,035,541 | 100.00 | 24,725,171 | 100.00 | 37,760,712 | 100.00 |