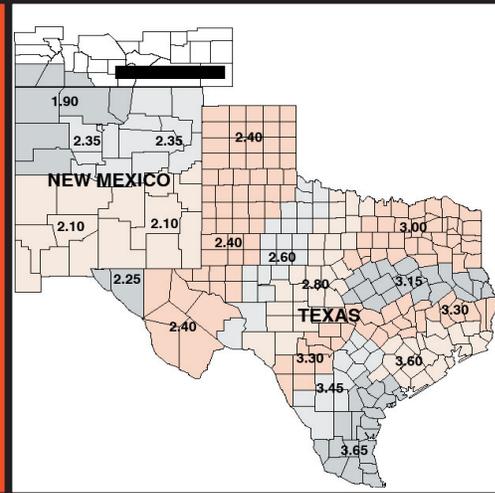


THE MARKET ADMINISTRATOR'S

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 \$1.42 for April. Butterfat price increased \$0.1144 per pound from \$1.3604 in March to the level of \$1.4748 in April. Protein price decreased \$0.5752 per pound from \$4.3331 in March to \$3.7579 in April. April's Other Solids price increased \$0.0129 per pound from \$0.0493 in March to \$0.0622 in April. The Somatic Cell Count adjustment rate factor for April was 0.00091 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 \$18.18 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 \$0.86 in comparison to the statistical blend price of \$17.32 in April.

The April Class I price increased \$1.91 from \$19.70 in March to the April level of \$21.61. The Class II price for April of \$15.29 per hundredweight decreased \$0.34 from \$15.63 in March. April's Class III price decreased \$1.24 from \$18.00 in March to \$16.76 in April. The Class IV price increased \$0.39 from \$14.17 in March to \$14.56 in April.

In April 602 producers delivered a total of 1,087,987,878 pounds of milk. On a daily basis this represents an increase of 66.19 percent from the producer receipts level in March and it represents an increase of 7.87 percent when compared to the producer receipts level of April 2007.

Producer milk classified as Class I during April amounted to 32.66 percent of total producer receipts. This figure is down from 52.01 percent in March and it is down from 34.57 percent in April 2007. The average butterfat test of producer milk pooled during April was 3.594 percent, average protein test was 3.038 percent, average other solids test was 5.727 percent and the average somatic cell count was 210,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 08	Mar 08	Apr 08	Mar 08	Apr 08	Mar 08
Appalachian	20.21	18.63	-----	-----	70.94	67.90
Arizona	17.28	16.86	-----	-----	31.56	31.24
Central	17.48	16.85	0.72	(1.15)	34.34	41.30
Florida	21.50	19.92	-----	-----	81.14	82.32
Mideast	17.77	17.21	1.01	(0.79)	37.10	42.80
Northeast	18.55	17.89	1.79	(0.11)	40.10	40.90
Pacific Northwest	16.95	15.94	0.19	(2.06)	29.56	37.67
Southeast	19.97	18.79	-----	-----	63.76	64.80
Southwest	18.18	17.32	1.42	(0.68)	32.66	52.01
Upper Midwest	17.23	17.75	0.47	(0.25)	14.80	17.60

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2007 ANNUAL AVERAGES, WITH COMPARISONS

For 2007, mailbox prices for selected reporting areas in Federal milk orders averaged \$19.16 per cwt., \$6.32 higher than the all-area average reported for 2006. The "mailbox price" is defined as the net price received by dairy farmers for milk, including all payments received for milk sold and deducting costs associated with marketing the milk. The component tests of producer milk in 2007 averaged: butterfat, 3.682%; protein, 3.056%; and, other solids, 5.709%. On an individual reporting area basis, mailbox prices increased in all areas. Florida had the highest average price in 2007, \$21.50; New Mexico had the lowest average, \$17.58. Monthly all-area averages ranged from a low of \$14.66 in January to a high of \$21.81 in November.

Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ the counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Annual average is the simple average of monthly prices.

2007 MILK PRODUCTION, DISPOSITION, AND INCOME

Milk production increased 2.1% in 2007 to 186 billion pounds. The rate per cow, at 20,267 pounds, was 316 pounds above 2006. The annual average number of milk cows on farms was 9.16 million head, up 46,000 head from 2006. Cash receipts from marketings of milk during 2007, totaled \$35.4 billion, 51.4% higher than 2006. Producer returns averaged \$19.21 per hundredweight, 48.2% above 2006. Marketings totaled 184 billion pounds, 2.1% above 2006. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers. An estimated 1.17 billion pounds of milk were used on farms where produced during 2007, 1.0% more than 2006. Calves were fed 87% of this milk, with the remainder consumed in producer households.

2007 ANNUAL DAIRY PRODUCTS

Butter production in the United States during 2007 totaled 1.53 billion pounds, 5.8% above 2006. California accounted for 32.5% of the production, followed by Wisconsin with 24.3%. Total cheese production, excluding cottage cheeses, was 9.70 billion pounds, 1.8% above 2006 production. Wisconsin was the leading State with 25.3% of the production, followed by California with 23.6% and Idaho with 8.1%. Nonfat dry milk for human food totaled 1.30 billion pounds, up 4.4%. California was the leading state with 55.8% of the production. Skim milk powders totaled 202 million pounds, down 25.1%. Dry whey for human food production, at 1.07 billion pounds, was up 0.8%. Lactose, Human and Animal production was 756 million pounds, up 2.3%. During 2007, there were 1,109 dairy plants in the U.S. manufacturing one or more dairy products, 15 more than in 2006.

Reporting Area ^{1/}	Mailbox Milk Price ^{2/ 3/}		
	2006	2007	Change 2007 from 2006
	Dollars per cwt.		
New England States ^{4/}	13.44	20.12	6.68
New York	13.03	19.38	6.35
Eastern Pennsylvania ^{5/}	13.40	19.90	6.50
Appalachian States ^{6/}	13.49	19.83	6.34
Southeast States ^{7/}	14.43	20.25	5.82
Southern Missouri ^{8/}	12.54	18.67	6.13
Florida	16.03	21.50	5.47
Western Pennsylvania ^{9/}	13.02	19.39	6.37
Ohio	13.02	19.33	6.31
Indiana	12.94	19.33	6.39
Michigan	12.64	18.55	5.91
Wisconsin	13.05	19.12	6.07
Minnesota	12.77	19.26	6.49
Iowa	12.85	18.84	5.99
Illinois	12.83	19.04	6.21
Corn Belt States ^{10/}	12.14	18.25	6.11
Western Texas ^{11/}	11.94	18.28	6.34
New Mexico	11.08	17.58	6.50
Northwest States ^{12/}	12.15	19.26	7.11
All Market Avg. ^{13/}	12.84	19.16	6.32
California ^{14/}	11.28	17.56	6.28

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ All figures, except California, are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective area or group of areas for which the price is reported. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South

TOP TEN TEXAS COUNTIES a/ – APRIL 2008

County	Number of Producers	Pounds	% Change From 2007b/	County	Number of Producers	Pounds	% Change From 2007b/
1. Erath	92	106,142,769	+ 0.35	7. Lamb	9	40,198,702	+ 16.33
2. Parmer	13	68,286,460	+ 72.49	8. Hartley	9	38,647,777	+ 54.53
3. Deaf Smith	15	58,260,783	+ 20.39	9. Bailey	9	34,908,424	+ 19.88
4. Castro	10	49,666,445	+ 31.97	10. Hale	5	29,503,353	+ 8.19
5. Hopkins	124	49,491,275	- 6.60	Ten County Total	314	518,979,572	+ 16.55 b/
6. Comanche	28	43,873,584	- 2.39	Other Counties Total	345	205,671,734	+ 4.31
				Texas Total	659	724,651,306	+ 12.80

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-----						
February 2007	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
July	23.91	21.40	21.38	21.64	1.31	161.10	55.34	420.68	.00100	146.27	200.02	201.80	73.29
August	24.76	22.41	19.83	21.87	2.93	158.72	43.68	394.12	.00096	144.29	191.00	205.45	61.97
September	24.91	22.16	20.07	21.61	2.36	151.01	28.90	439.29	.00101	137.86	202.50	205.57	47.62
October	24.59	21.90	18.70	21.31	2.92	140.92	22.86	416.95	.00096	129.45	192.27	206.15	41.75
November	24.45	22.07	19.22	20.40	2.36	140.77	24.61	430.81	.00098	129.33	196.52	195.62	43.45
December	23.04	20.82	20.60	19.18	0.41	143.48	26.37	470.61	.00105	131.59	209.76	180.31	45.16
Averages 2007 b/	21.14	18.36	18.04	18.36	1.43	146.93	42.01	351.21	.00087	134.41	173.80	169.27	60.04
January 2008	23.97	19.75	19.32	16.29	1.38	133.19	20.97	449.94	.00100	123.01	199.98	150.90	39.92
February	22.68	18.46	17.03	14.67	2.25	130.10	8.03	401.80	.00092	120.44	184.03	133.31	27.36
March	19.70	15.63	18.00	14.17	(0.68)	136.04	4.93	433.31	.00098	125.39	195.75	125.12	24.35
April	21.61	15.29	16.76	14.56	1.42	147.48	6.22	375.79	.00091	134.92	181.64	125.06	25.60

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

TOP NEW MEXICO COUNTIES a/ – APRIL 2008

County	Number of Producers	Pounds	% Change From 2007b/	County	Number of Producers	Pounds	% Change From 2007b/
1. Chaves	38	175,994,331	+ 10.14	7. Socorro	8	19,855,723	+ 14.48
2. Curry	27	140,264,859	+ 22.24	8. Valencia	5	13,318,822	+ 2.58
3. Roosevelt	42	134,986,874	+ 23.89	9. Sierra	3	7,880,091	- 1.15
4. Dona Ana	22	97,358,426	+ 6.07	10. Bernalillo	4	5,215,136	+ 8.09
5. Lea	13	42,662,498	+ 7.09	Ten County Total	168	662,310,323	+ 13.79 b/
6. Eddy	6	24,773,563	+ 4.11	Other Counties Total	2	8,126,971	- 31.27
				New Mexico Total	170	670,437,294	+ 12.90

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 2006 THROUGH APRIL 2008, WITH PRODUCTION PERCENTAGE COMPARISONS**

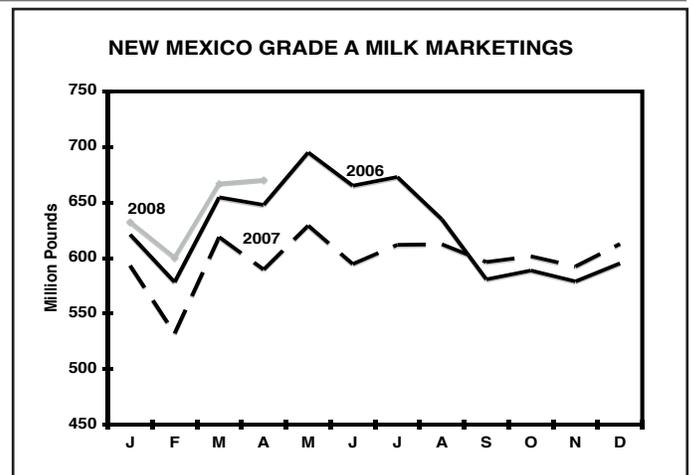
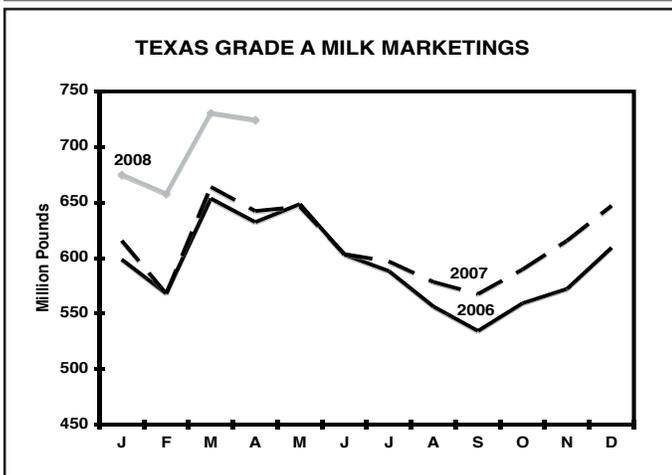
MONTH	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	PERCENT 2007/06	CHANGE 2008/07
January	598,770,671	746	615,854,742	697	675,265,283	654	+ 2.85	+ 9.65
February	568,127,819	740	567,905,237	692	658,108,461	658	- 0.04	+ 11.89*
March	653,677,865	740	664,126,490	694	730,859,173	659	+ 1.60	+ 10.05
April	632,332,356	741	642,444,396	689	724,651,306	659	+ 1.60	+ 12.80
May	648,575,970	739	646,347,511	676			- 0.34	
June	603,059,138	733	603,528,908	670			+ 0.08	
July	588,198,398	726	596,923,443	656			+ 1.48	
August	556,266,201	723	578,369,166	656			+ 3.97	
September	534,330,715	712	569,217,018	661			+ 6.53	
October	559,390,201	710	607,239,216	664			+ 8.55	
November	572,262,884	701	615,810,876	660			+ 7.61	
December	<u>609,404,039</u>	695	<u>647,114,088</u>	655			<u>+ 6.19</u>	
Years Total	7,124,396,257		7,354,881,091				+ 3.23	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2006 THROUGH APRIL 2008, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	2008 POUNDS	Number of Producers	PERCENT 2007/06	CHANGE 2008/07
January	621,161,722	173	593,437,434	171	632,699,151	173	- 4.46	+ 6.62
February	578,266,056	172	531,955,021	170	600,488,935	169	- 8.01	+ 8.99*
March	654,702,022	172	618,854,728	171	667,225,545	170	- 5.48	+ 7.82
April	647,819,688	173	593,858,997	168	670,437,294	170	- 8.33	+ 12.90
May	695,061,878	175	629,220,180	166			- 9.47	
June	665,063,549	175	598,890,379	166			- 9.95	
July	672,988,089	174	611,908,294	167			- 9.08	
August	634,876,790	172	612,444,830	169			- 3.53	
September	580,816,517	173	596,639,214	173			+ 2.72	
October	588,810,710	171	614,972,057	172			+ 4.44	
November	578,970,652	173	592,544,809	171			+ 2.34	
December	<u>595,163,099</u>	175	<u>612,751,685</u>	172			<u>+ 2.96</u>	
Years Total	7,513,700,772		7,207,477,628				- 4.08	

* Based on average daily deliveries.



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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	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
July	3.62	3.47	3.02	2.94	5.69	5.70	8.71	8.64	350	264
August	3.63	3.52	3.01	2.93	5.69	5.70	8.70	8.64	353	278
September	3.66	3.55	3.08	3.01	5.68	5.70	8.76	8.71	346	273
October	3.71	3.59	3.15	3.08	5.70	5.70	8.84	8.79	285	228
November	3.82	3.70	3.21	3.15	5.72	5.72	8.92	8.87	263	214
December	3.89	3.76	3.23	3.17	5.71	5.70	8.93	8.87	270	231
Averages 2007	3.73	3.62	3.10	3.05	5.69	5.70	8.80	8.75	315	256
January 2008	3.87	3.74	3.19	3.13	5.72	5.71	8.90	8.84	274	240
February	3.79	3.67	3.13	3.06	5.71	5.71	8.84	8.77	260	220
March	3.76	3.63	3.10	3.02	5.72	5.72	8.82	8.75	244	202
April	3.69	3.56	3.08	3.00	5.72	5.73	8.80	8.73	241	193

a/ In thousands.

APRIL 2008
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$365,532.51
Class I Butterfat	60(a)	7,657,819	\$1.3783	\$10,554,771.95
Class I Skim Per Cwt		347,683,460	\$17.3900	\$60,462,153.69
Class II Butterfat	60(b)	8,979,849	\$1.4818	\$13,306,340.26
Class II Nonfat Solids		8,259,898	\$1.1633	\$9,608,739.36
Class III Butterfat	60(c)	14,691,430	\$1.4748	\$21,666,920.97
Class III Protein		12,025,368	\$3.7579	\$45,190,130.41
Class III Other Solids		22,780,804	\$0.0622	\$1,416,966.02
Class IV Butterfat	60(d)	7,775,804	\$1.4748	\$11,467,755.75
Class IV Nonfat Solids		20,664,452	\$1.0827	\$22,373,402.19
Class II, III & IV Somatic Cell Adj.	60(e)			\$940,695.58
Total Producer Milk-Product Lbs & Value		1,087,987,878		\$197,353,408.69
Add: Value as for 60(f) Thru 60(j)				\$230,249.77
Less: Total Protein Pounds	61(b)	33,054,892	\$3.7579	\$124,216,978.63
Total Other Solids Pounds		62,313,806	\$0.0622	\$3,875,918.76
Total Butterfat Pounds		39,104,902	\$1.4748	\$57,671,909.48
Total Value of Somatic Cell Adjustment				\$1,378,145.51
Total Milk and Value		1,087,987,878		10,440,706.08
Add: Location Differential Adjustments	61(c)			\$5,096,696.69
Producer-Settlement Fund	61(d)			\$353,010.14
Total Producer Milk/URSP and Value		1,087,987,878	\$1.46053	15,890,412.91
Less: Producer-Settlement Fund	61(f)		\$0.04053	\$440,985.04
Producer Price Differential (Dallas County)			\$1.42	15,449,427.87

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SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

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APRIL 2008

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	355,341,279	32.66	7,657,819	19.58	347,683,460	33.15
Class II	99,786,992	9.17	8,979,849	22.96	90,807,143	8.66
Class III	398,001,675	36.58	14,691,430	37.58	383,310,245	36.54
Class IV	234,857,932	21.59	7,775,804	19.88	227,082,128	21.65
Total	1,087,987,878	100.00	39,104,902	100.00	1,048,882,976	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,991,298	33.25	20,646,876	33.13	31,638,178	33.17
Class II	2,868,427	8.68	5,391,471	8.65	8,259,898	8.66
Class III	12,025,368	36.38	22,780,804	36.56	34,806,170	36.50
Class IV	7,169,799	21.69	13,494,655	21.66	20,664,452	21.67
Total	33,054,892	100.00	62,313,806	100.00	95,368,698	100.00