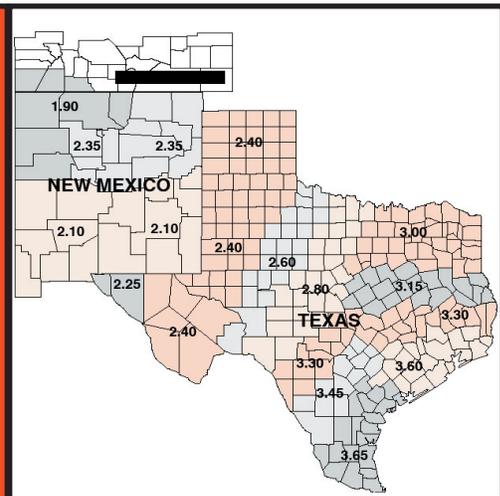


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR MARCH

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 \$1.46 for March. Butterfat price decreased \$0.0442 per pound from \$1.5739 in February to the level of \$1.5297 in March. Protein price decreased \$0.0056 per pound from \$2.6627 in February to \$2.6571 in March. March's Other Solids price decreased \$0.0302 per pound from \$0.4541 in February to \$0.4239 in March. The Somatic Cell Count adjustment rate factor for March was 0.00076 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a March statistical uniform price of \$17.18 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 \$0.40 in comparison to the statistical uniform price of \$17.58 in February.

The March Class I price decreased \$0.73 from \$20.03 in February to the March level of \$19.30. The Class II price for March of \$16.59 per hundredweight decreased \$0.35 from \$16.94 in February. March's Class III price decreased \$0.34 from \$16.06 in February to \$15.72 in March. The Class IV price decreased \$0.57 from \$15.92 in February to \$15.35 in March.

In March 488 producers delivered a total of 1,141,584,899 pounds of milk. On a daily basis this represents a decrease of 1.45 percent from the producer receipts level in February but it represents an increase of 90.10 percent when compared to the producer receipts level of March 2011.

Producer milk classified as Class I during March amounted to 32.40 percent of total producer receipts. This figure is down from 32.54 percent in February and it is down from 62.85 percent in March 2011. The average butterfat test of producer milk pooled during March was 3.611 percent, average protein test was 3.117 percent, average other solids test was 5.807 percent and the average somatic cell count was 202,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 12	Feb 12	Mar 12	Feb 12	Mar 12	Feb 12
Appalachian - FO 5	18.48	19.22	-----	-----	64.44	69.30
Arizona - FO 131	16.40	16.94	-----	-----	27.92	28.28
Central - FO 32	16.22	16.63	0.50	0.57	27.55	28.59
Florida - FO 6	20.83	21.34	-----	-----	86.36	84.50
Mideast - FO 33	16.55	16.98	0.83	0.92	34.30	34.70
Northeast - FO 1	17.64	18.09	1.92	2.03	39.80	39.90
Pacific Northwest - FO 124	16.14	16.64	0.42	0.58	26.60	26.74
Southeast - FO 7	18.62	19.38	-----	-----	58.88	64.45
Southwest - FO 126	17.18	17.58	1.46	1.52	32.40	32.54
Upper Midwest - FO 30	15.98	16.35	0.26	0.29	11.00	11.40

DAIRY MARKET NEWS ANNOUNCES NEW NATIONAL DAIRY RETAIL REPORT

USDA, AMS, Dairy Market News released on March 23rd its first National Dairy Retail Report, a biweekly report containing conventional and organic dairy product retail pricing information. The report lists data for conventional and organic dairy products, divided into four main sections: (1) Narrative and graphs; (2) National tables; (3) Regional tables; and (4) a breakdown between national and store branded products. The report lists a selected market basket of dairy products and will provide summarized data for advertised dairy products. The price information is collected one time every two weeks by the staff of Dairy Market News. Data is summarized, analyzed, and disseminated from the Madison, Wisconsin office.

The National Dairy Retail Report will be attached to the back of the Dairy Market News report on the release week. The current retail report and archived reports will be available at: <http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

MARCH AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$17.40 in March, down \$0.30 from February 2012 and down \$3.00 from March 2011. Alfalfa hay price was \$201.00 in March, up \$59.00 from March 2011. Corn price was \$6.48 in March, up \$0.95 from March 2011. Soybean price was \$13.10 in March, up \$0.40 from March 2011. The milk-feed price ratio was 1.48 in March, down 0.64 from March 2011.

The index of prices received by farmers for dairy products during the month of March 2012 was down 3 points to 133. Compared with March 2011, the index was down 23 points (14.7 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2012 was up 1 point to 210. Compared with March 2011, the index was up 9 points (4.5 percent).

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. Agricultural Prices, March 2012.

RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2012 through March 2013. As of April 18, 2012, the advanced prices and pricing factors will be released at 3:00 p.m. EST/EDST no later than the 23rd of the preceding month. If the release date does not fall on the 23rd the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. EST/EDST no later than the 5th of the following month. If the release date does not fall on the 5th the most current release preceding the 5th will be used in the price calculation.

RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices ^{1/}	Release Date	Time Period of NASS Prices ^{1/}
2012				
April			May 2	3/31, 4/7, 14, 21, 28
May	April 18	4/7, 14	May 31	5/5, 12, 19, 26
June	May 23	5/12, 19	July 5	6/2, 9, 16, 23, 30
July	June 20	6/9, 16	August 1	7/7, 14, 21, 28
August	July 18	7/7, 14	August 29	8/4, 11, 18, 25
September	August 22	8/11, 18	October 3	9/1, 8, 15, 22, 29
October	September 19	9/8, 15	October 31	10/6, 13, 20, 27
November	October 17	10/6, 13	December 5	11/3, 10, 17, 24, 12/1
December	November 21	11/10, 17	January 3, 2013	12/8, 15, 22, 29
2013				
January	December 19	12/8, 15	January 30	1/5, 12, 19, 26
February	January 16, 2013	1/5, 12	February 27	2/2, 9, 16, 23
March	February 21	2/9, 16	April 3	3/2, 9, 16, 23, 30

^{1/} Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by AMS on Wednesday of the following week.

TOP TEN TEXAS COUNTIES a/ – MARCH 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Erath	77	103,267,889	- 4.93	7. Comanche	19	44,709,962	- 3.02
2. Castro	13	93,794,127	+ 11.90	8. Bailey	9	44,582,443	- 1.02
3. Parmer	16	89,020,689	+ 16.31	9. Moore	6	44,021,410	+ 32.63
4. Deaf Smith	11	66,397,329	+ 10.41	10. Hale	6	40,935,614	+ 11.81
5. Lamb	10	54,608,477	+ 8.14	Ten County Total	178	635,435,820	+ 6.76 b/
6. Hartley	11	54,097,880	- 0.99	Other Counties Total	337	238,373,644	+ 0.79
				Texas Total	515	873,809,464	+ 5.06

a/ Includes all known Grade "A" milk produced on farms located in Texas.

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
January 2011	3.96	3.78	3.22	3.12	5.75	5.76	8.99	8.89	223	165
February	3.95	3.76	3.19	3.08	5.75	5.77	8.94	8.85	269	206
March	3.82	3.63	3.15	3.03	5.77	5.78	8.91	8.81	239	179
April	3.77	3.56	3.13	3.02	5.78	5.79	8.91	8.81	209	156
May	3.75	3.54	3.12	3.01	5.76	5.76	8.88	8.77	206	148
June	3.68	3.45	3.08	2.98	5.75	5.74	8.83	8.72	214	153
July	3.66	3.43	3.05	2.93	5.72	5.72	8.77	8.65	235	177
August	3.67	3.42	3.05	2.93	5.73	5.74	8.79	8.67	253	196
September	3.73	3.48	3.17	3.07	5.71	5.72	8.88	8.79	246	194
October	3.82	3.58	3.26	3.18	5.73	5.74	8.99	8.92	227	176
November	3.88	3.63	3.31	3.23	5.74	5.75	9.05	8.97	206	159
December	3.93	3.71	3.33	3.25	5.75	5.76	9.08	9.02	249	223
Averages 2011	3.80	3.58	3.17	3.07	5.75	5.75	8.92	8.82	231	178
January 2012	3.87	3.67	3.26	3.18	5.74	5.74	9.00	8.92	247	252
February	3.81	3.58	3.24	3.15	5.77	5.78	9.01	8.93	235	211
March	3.75	3.53	3.18	3.09	5.79	5.81	8.97	8.90	222	184

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – MARCH 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Chaves	35	183,554,954	+ 1.67	7. Eddy	3	18,428,020	+ 0.90
2. Curry	26	156,740,607	+ 11.44	8. Luna	3	17,307,376	+ 1.22
3. Roosevelt	37	148,912,985	+ 12.93	9. Valencia	5	16,942,114	+ 4.36
4. Dona Ana	21	91,578,900	- 6.88	10. Bernalillo	3	5,224,729	- 7.08
5. Lea	13	58,661,898	+ 7.47	Ten County Total	154	719,486,587	+ 5.33 b/
6. Socorro	8	22,135,004	+ 11.22	Other Counties Total	2	11,494,280	- 1.88
				New Mexico Total	156	730,980,867	+ 5.20

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

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2010 THROUGH MARCH 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

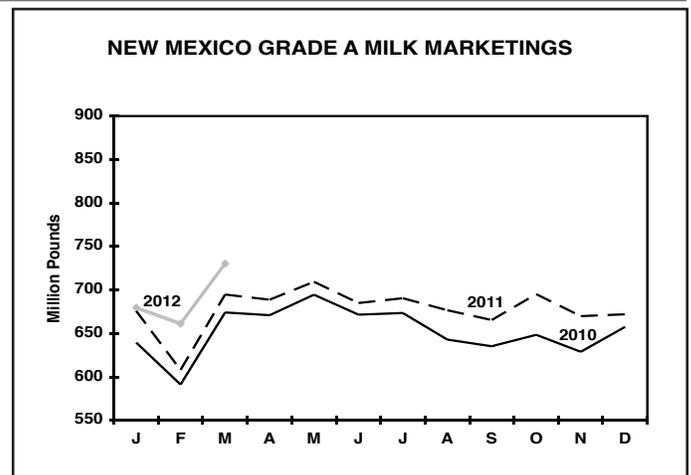
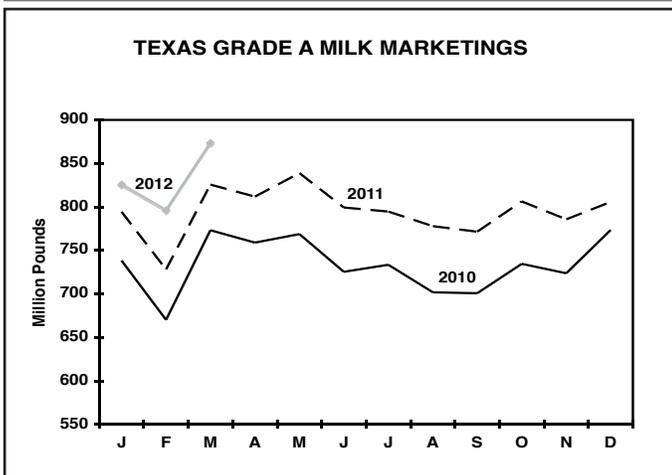
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62*
March	773,286,159	577	831,714,685	552	873,809,464	515	+ 7.49	+ 5.06
April	759,203,798	576	812,060,148	549			+ 6.96	
May	768,833,368	571	837,599,963	544			+ 8.94	
June	725,500,766	565	799,434,977	543			+ 10.19	
July	733,719,075	568	794,768,069	541			+ 8.32	
August	702,002,272	559	779,356,886	540			+ 11.02	
September	701,066,340	558	771,537,770	538			+ 10.05	
October	738,609,251	554	811,052,943	536			+ 9.81	
November	723,908,057	555	785,855,360	533			+ 8.56	
December	<u>773,415,328</u>	557	<u>805,829,180</u>	531			<u>+ 4.19</u>	
Years Total	8,810,251,800		9,552,010,884				+ 8.42	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2010 THROUGH MARCH 2012, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	639,771,307	157	675,834,553	157	680,195,569	157	+ 5.64	+ 0.65
February	591,156,278	158	608,071,702	159	661,854,191	156	+ 2.86	+ 5.09*
March	674,287,000	159	694,817,453	159	730,980,867	156	+ 3.04	+ 5.20
April	670,976,253	159	688,673,031	158			+ 2.64	
May	694,638,948	160	709,391,501	157			+ 2.12	
June	671,649,637	159	684,767,801	157			+ 1.95	
July	676,898,057	159	690,350,883	157			+ 1.99	
August	642,846,047	159	676,720,593	158			+ 5.27	
September	635,203,468	156	666,022,373	159			+ 4.85	
October	648,369,979	156	695,365,627	157			+ 7.25	
November	628,936,968	156	669,926,275	157			+ 6.52	
December	<u>657,677,525</u>	156	<u>671,984,702</u>	158			<u>+ 2.18</u>	
Years Total	7,832,411,467		8,131,926,494				+ 3.82	

* Based on average daily deliveries.



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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-----						
January 2011	18.20	16.79	13.48	16.42	2.76	202.39	20.02	175.90	.00070	184.28	140.76	125.30	39.35
February	18.89	17.97	17.00	18.40	1.42	229.67	23.10	255.86	.00087	206.80	174.49	137.28	42.34
March	21.23	18.83	19.40	19.41	0.93	228.59	26.65	330.24	.00099	205.91	197.22	149.45	45.78
April	22.43	19.66	16.87	19.78	3.02	221.13	29.02	249.84	.00085	199.75	169.83	156.80	48.08
May	22.75	20.63	16.52	20.29	3.42	224.97	30.26	231.33	.00083	202.92	165.34	161.20	49.29
June	23.32	21.37	19.11	21.05	2.39	237.02	33.39	298.07	.00095	212.87	189.99	165.20	52.33
July	24.03	21.29	21.39	20.33	1.17	225.11	36.08	382.92	.00106	203.04	212.43	161.59	54.94
August	24.43	21.55	21.67	20.14	1.39	229.85	38.11	383.05	.00107	206.95	214.02	157.39	56.91
September	24.78	20.55	19.07	19.53	2.59	220.05	40.53	302.82	.00093	198.86	185.92	154.39	59.26
October	22.56	19.41	18.03	18.41	1.82	195.92	42.86	292.11	.00087	178.93	174.71	151.09	61.52
November	21.45	19.26	19.07	17.87	0.82	195.08	45.21	323.41	.00092	178.24	184.15	145.22	63.80
December	21.47	18.08	18.77	16.87	0.48	174.43	46.83	334.04	.00090	161.19	180.70	142.01	65.38
Averages 2011 b/	22.13	19.62	18.37	19.04	1.85	215.35	34.34	296.63	.00091	194.98	182.46	150.58	53.25
January 2012	21.80	17.67	17.05	16.56	1.83	171.78	50.32	273.26	.00080	159.00	160.97	139.42	68.76
February	20.03	16.94	16.06	15.92	1.52	157.39	45.41	266.27	.00077	147.12	154.10	137.92	64.00
March	19.30	16.59	15.72	15.35	1.46	152.97	42.39	265.71	.00076	143.47	152.48	133.10	61.07

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

**MARCH 2012
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$393,597.88
Class I Butterfat	60(a)	7,529,108	\$1.6655	\$12,539,729.38
Class I Skim Per Cwt		362,364,682	\$13.9600	\$50,586,109.62
Class II Butterfat	60(b)	7,517,839	\$1.5367	\$11,552,663.19
Class II Nonfat Solids		8,104,272	\$1.2911	\$10,463,425.60
Class III Butterfat	60(c)	19,278,004	\$1.5297	\$29,489,562.71
Class III Protein		16,188,349	\$2.6571	\$43,014,062.12
Class III Other Solids		30,092,544	\$0.4239	\$12,756,229.42
Class IV Butterfat	60(d)	6,898,352	\$1.5297	\$10,552,409.05
Class IV Nonfat Solids		13,956,751	\$1.1516	\$16,072,594.46
Class II, III & IV Somatic Cell Adj.	60(e)			\$918,455.53
Total Producer Milk-Product Lbs & Value		1,141,584,899		\$198,338,838.96
Add: Value as for 60(f) Thru 60(j)				\$62,349.43
Less: Total Protein Pounds	61(b)	35,589,836	\$2.6571	\$94,565,753.27
Total Other Solids Pounds		66,293,661	\$0.4239	\$28,101,882.91
Total Butterfat Pounds		41,223,303	\$1.5297	\$63,059,286.62
Total Value of Somatic Cell Adjustment				\$1,279,655.52
Total Milk and Value		1,141,584,899		\$11,394,610.07
Add: Location Differential Adjustments	61(c)			\$5,345,266.68
Producer-Settlement Fund	61(d)			\$409,953.32
Total Producer Milk/URSP and Value		1,141,584,899	\$1.50228	\$17,149,830.07
Less: Producer-Settlement Fund	61(f)		\$0.04228	\$482,690.54
Producer Price Differential (Dallas County)			\$1.46	\$16,667,139.53

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MARCH 2012
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	369,893,790	32.40	7,529,108	18.26	362,364,682	32.93
Class II	95,164,501	8.34	7,517,839	18.24	87,646,662	7.97
Class III	518,619,053	45.43	19,278,004	46.77	499,341,049	45.38
Class IV	157,907,555	13.83	6,898,352	16.73	151,009,203	13.72
Total	1,141,584,899	100.00	41,223,303	100.00	1,100,361,596	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	41,223,303	35,589,836	66,293,661	101,883,497
Percentage	3.611	3.117	5.807	8.924

Average Somatic Cell Count	202,000
Total Number of Pooled Producers	488