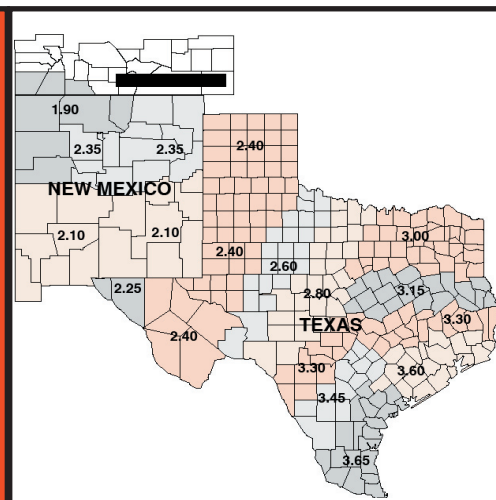


THE MARKET ADMINISTRATOR'S REPORT



SOUTHWEST MARKETING AREA

CARY HUNTER, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
(972) 245-6060 FAX (972) 245-3211
e-mail: sw.order@dallasma.com
WWW: <http://www.dallasma.com>



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JULY 2012

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 \$1.04 for June. Butterfat price increased \$0.0404 per pound from \$1.4462 in May to the level of \$1.4866 in June. Protein price increased \$0.1608 per pound from \$2.7344 in May to \$2.8952 in June. June's Other Solids price decreased \$0.0387 per pound from \$0.3500 in May to \$0.3113 in June. The Somatic Cell Count adjustment rate factor for June was 0.00079 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 \$16.67 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 \$0.17 in comparison to the statistical uniform price of \$16.50 in May.

The June Class I price decreased \$0.61 from \$18.85 in May to the June level of \$18.24. The Class II price for June of \$14.32 per hundredweight decreased \$0.87 from \$15.19 in May. June's Class III price increased \$0.40 from \$15.23 in May to \$15.63 in June. The Class IV price decreased \$0.31 from \$13.55 in May to \$13.24 in June.

In June 408 producers delivered a total of 544,116,446 pounds of milk. On a daily basis this represents a decrease of 49.54 percent from the producer receipts level in May and it represents a decrease of 46.00 percent when compared to the producer receipts level of June 2011.

Producer milk classified as Class I during June amounted to 59.02 percent of total producer receipts. This figure is up from 32.29 percent in May and it is up from 32.31 percent in June 2011. The average butterfat test of producer milk pooled during June was 3.536 percent, average protein test was 3.030 percent, average other solids test was 5.773 percent and the average somatic cell count was 218,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 12	May 12	Jun 12	May 12	Jun 12	May 12
Appalachian - FO 5	17.45	17.69	-----	-----	64.57	63.08
Arizona - FO 131	15.18	15.27	-----	-----	26.92	26.42
Central - FO 32	15.38	15.51	(0.25)	0.28	36.16	28.02
Florida - FO 6	19.73	19.98	-----	-----	81.67	81.76
Mideast - FO 33	15.53	15.74	(0.10)	0.51	32.80	32.10
Northeast - FO 1	16.58	16.79	0.95	1.56	38.10	38.50
Pacific Northwest - FO 124	15.06	15.31	(0.57)	0.08	39.23	25.35
Southeast - FO 7	17.86	18.07	-----	-----	62.83	61.25
Southwest - FO 126	16.67	16.50	1.04	1.27	59.02	32.29
Upper Midwest - FO 30	15.70	15.45	0.07	0.22	11.40	10.50

**TEXAS GRADE A MARKETINGS BY SIZE RANGES
MAY 2012 AND MAY 2002**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk*		Percent of Total Producers*	
	2012	2002	2012	2002	2012	2002	2012	2002
0-49,999	22	56	718,975	2,010,526	0.09	0.42	4.43	6.40
50,000-99,999	41	107	3,258,550	8,007,549	0.39	1.66	8.25	12.23
100,000-149,999	47	118	5,826,037	14,882,290	0.69	3.08	9.46	13.49
150,000-199,999	34	94	6,070,793	16,366,887	0.72	3.39	6.84	10.74
200,000-249,999	38	90	8,546,796	20,217,741	1.01	4.19	7.65	10.29
250,000-499,999	78	161	28,051,371	57,192,863	3.32	11.84	15.69	18.40
500,000-749,999	38	80	23,318,011	49,091,442	2.76	10.16	7.65	9.14
750,000-999,999	28	52	24,369,308	45,357,069	2.89	9.39	5.63	5.94
1,000,000-1,249,999	18	24	19,595,170	26,583,142	2.32	5.50	3.62	2.74
1,250,000-1,499,999	12	15	16,854,930	20,655,381	2.00	4.28	2.41	1.71
1,500,000-1,749,999	9	12	14,603,938	19,587,470	1.73	4.06	1.81	1.37
1,750,000-1,999,999	11	9	20,707,657	16,890,231	2.45	3.50	2.21	1.03
2,000,000-2,499,999	14	19	31,310,820	42,773,479	3.71	8.86	2.82	2.17
2,500,000-2,999,999	13	13	35,734,344	36,147,628	4.23	7.48	2.62	1.49
3,000,000-3,499,999	6	6	19,179,580	19,407,038	2.27	4.02	1.21	0.69
3,500,000-3,999,999	7	6	26,579,904	21,925,733	3.15	4.54	1.41	0.69
4,000,000-4,499,999	10	3	43,186,626	12,849,720	5.12	2.66	2.01	0.34
4,500,000-4,999,999	9	6	42,962,747	28,502,529	5.09	5.90	1.81	0.69
OVER-5,000,000	60	4	473,107,640	24,545,612	56.06	5.08	12.07	0.46
TOTAL	495	875	843,983,197	482,994,330	100.00	100.00	100.00	100.00

* Totals may not add due to rounding.

**NEW MEXICO GRADE A MARKETINGS BY SIZE RANGES
MAY 2012 AND MAY 2002**

Farm Size Pounds	Number of Producers		Milk Pounds		Percent of Total Milk*		Percent of Total Producers*	
	2012	2002	2012	2002	2012	2002	2012	2002
0-49,999	1	2	19,860	36,354	0.00	0.01	0.65	1.14
50,000-99,999	--	1	-----	75,941	----	0.01	----	0.57
100,000-149,999	--	4	-----	474,438	----	0.09	----	2.27
150,000-199,999	--	2	-----	360,127	----	0.06	----	1.14
200,000-249,999	1	2	230,738	428,564	0.03	0.08	0.65	1.14
250,000-499,999	2	7	724,001	2,230,871	0.10	0.40	1.31	3.98
500,000-749,999	1	8	540,100	4,872,629	0.08	0.87	0.65	4.55
750,000-999,999	4	6	3,467,920	5,331,029	0.48	0.96	2.61	3.41
1,000,000-1,249,999	3	5	3,303,275	5,545,605	0.46	0.99	1.96	2.84
1,250,000-1,499,999	6	5	8,427,868	6,931,885	1.17	1.24	3.92	2.84
1,500,000-1,749,999	3	6	4,924,102	10,184,246	0.68	1.83	1.96	3.41
1,750,000-1,999,999	5	5	9,308,524	9,382,404	1.29	1.68	3.27	2.84
2,000,000-2,499,999	9	16	20,321,164	36,584,128	2.83	6.56	5.88	9.09
2,500,000-2,999,999	8	17	22,202,907	46,230,236	3.09	8.29	5.23	9.66
3,000,000-3,499,999	7	15	22,729,893	49,097,091	3.16	8.80	4.58	8.52
3,500,000-3,999,999	13	15	48,193,091	56,384,801	6.70	10.11	8.50	8.52
4,000,000-4,499,999	7	13	30,092,318	54,577,767	4.18	9.79	4.58	7.39
4,500,000-4,999,999	11	15	52,325,278	70,871,325	7.28	12.71	7.19	8.52
OVER-5,000,000	72	32	492,256,016	198,147,446	68.46	35.53	47.06	18.18
TOTAL	153	176	719,067,055	557,746,887	100.00	100.00	100.00	100.00

* Totals may not add due to rounding.

TOP TEN TEXAS COUNTIES a/ – JUNE 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Parmer	15	89,823,869	+ 9.17	7. Moore	7	44,921,401	+ 18.89
2. Castro	13	88,946,934	+ 3.48	8. Bailey	9	41,174,200	- 11.32
3. Erath	68	81,284,082	- 13.96	9. Hale	6	38,892,473	+ 2.34
4. Deaf Smith	12	62,552,298	- 2.93	10. Comanche	17	36,120,142	- 6.21
5. Hartley	11	52,937,260	+ 0.71	Ten County Total	168	589,572,478	- 0.17
6. Lamb	10	52,919,819	+ 5.54	Other Counties Total	323	192,762,042	- 7.70
				Texas Total	491	782,334,520	- 2.14

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
April 2011	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
April	3.69	3.46	3.14	3.04	5.77	5.78	8.91	8.82	213	164
May	3.70	3.45	3.14	3.03	5.77	5.79	8.91	8.82	218	166
June	3.69	3.46	3.12	2.99	5.77	5.79	8.89	8.79	227	171

a/ In thousands.

TOP NEW MEXICO COUNTIES a/ – JUNE 2012

County	Number of Producers	Pounds	% Change From 2011	County	Number of Producers	Pounds	% Change From 2011
1. Chaves	36	160,541,088	- 5.50	7. Luna	3	17,365,970	- 0.94
2. Curry	26	150,785,016	+ 1.85	8. Valencia	5	16,281,632	+ 1.56
3. Roosevelt	34	135,814,674	- 0.30	9. Eddy	3	16,151,700	- 4.93
4. Dona Ana	19	83,194,358	- 8.84	10. Bernalillo	3	5,348,576	- 5.40
5. Lea	13	52,573,755	+ 5.30	Ten County Total	150	660,271,710	- 1.79
6. Socorro	8	22,214,941	+ 6.96	Other Counties Total	2	11,290,008	- 9.25
				New Mexico Total	152	671,561,718	- 1.93

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

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

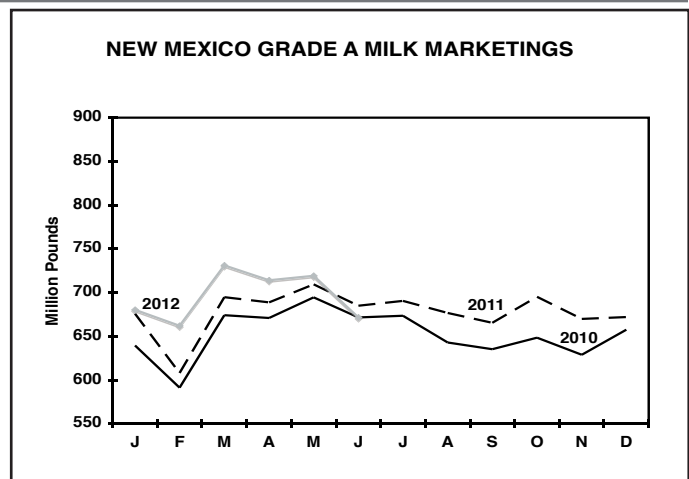
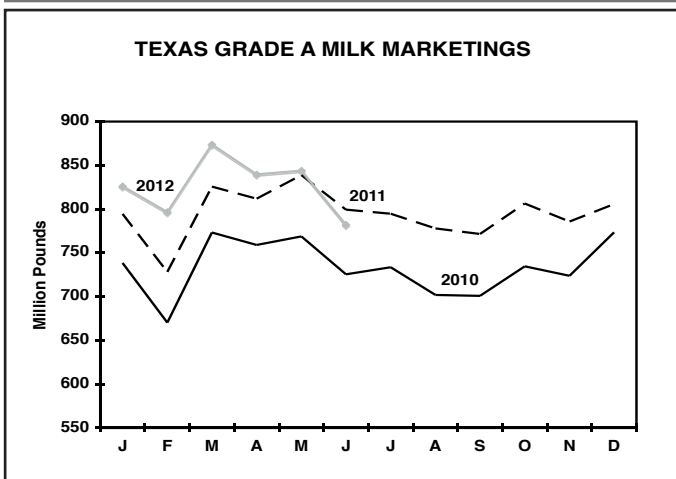
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62*
March	773,286,159	577	831,714,685	552	873,809,464	515	+ 7.49	+ 5.06
April	759,203,798	576	812,060,148	549	839,675,231	504	+ 6.96	+ 3.40
May	768,833,368	571	837,599,963	544	843,983,197	495	+ 8.94	+ 0.76
June	725,500,766	565	799,434,977	543	782,334,520	491	+ 10.19	- 2.14
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 MARKETING BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2010 THROUGH JUNE 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	713,977,651	158	+ 2.64	+ 3.67
May	694,638,948	160	709,391,501	157	719,067,055	153	+ 2.12	+ 1.36
June	671,649,637	159	684,767,801	157	671,561,718	152	+ 1.95	- 1.93
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

	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
Month	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
April 2011	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
April	18.66	16.20	15.72	14.80	1.18	156.45	40.48	265.68	.00077	146.34	153.61	125.14	59.21
May	18.85	15.19	15.23	13.55	1.27	144.62	35.00	273.44	.00076	136.57	152.15	115.51	53.89
June	18.24	14.32	15.63	13.24	1.04	148.66	31.13	289.52	.00079	139.91	158.46	110.23	50.13

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

JUNE 2012 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$302,918.07
Class I Butterfat	60(a)	7,081,719	\$1.4579	\$10,324,438.14
Class I Skim Per Cwt		314,072,024	\$13.6100	\$42,745,202.48
Class II Butterfat	60(b)	7,989,238	\$1.4936	\$11,932,725.90
Class II Nonfat Solids		8,398,371	\$1.0467	\$8,790,574.90
Class III Butterfat	60(c)	2,338,083	\$1.4866	\$3,475,794.18
Class III Protein		954,528	\$2.8952	\$2,763,549.46
Class III Other Solids		1,811,784	\$0.3113	\$564,008.39
Class IV Butterfat	60(d)	1,832,098	\$1.4866	\$2,723,596.92
Class IV Nonfat Solids		8,071,669	\$0.9252	\$7,467,908.17
Class II, III & IV Somatic Cell Adj.	60(e)			\$244,029.84
Total Producer Milk-Product Lbs & Value		544,116,446		\$91,334,746.45
Add: Value as for 60(f) Thru 60(j)				\$115,908.72
Less: Total Protein Pounds	61(b)	16,488,376	\$2.8952	\$47,737,146.22
Total Other Solids Pounds		31,415,156	\$0.3113	\$9,779,538.04
Total Butterfat Pounds		19,241,138	\$1.4866	\$28,603,875.77
Total Value of Somatic Cell Adjustment				\$564,968.05
Total Milk and Value		544,116,446		\$4,765,127.09
Add: Location Differential Adjustments	61(c)			\$629,887.75
Producer-Settlement Fund	61(d)			\$486,398.68
Total Producer Milk/URSP and Value		544,116,446	\$1.08091	\$5,881,413.52
Less: Producer-Settlement Fund	61(f)		\$0.04091	\$222,602.48
Producer Price Differential (Dallas County)			\$1.04	\$5,658,811.04

THE MARKET ADMINISTRATOR'S***REPORT*****SOUTHWEST MARKETING AREA****CARY HUNTER, MARKET ADMINISTRATOR****P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939**

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JUNE 2012**PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	321,153,743	59.02	7,081,719	36.81	314,072,024	59.84
Class II	100,027,203	18.38	7,989,238	41.52	92,037,965	17.54
Class III	32,577,996	5.99	2,338,083	12.15	30,239,913	5.75
Class IV	90,357,504	16.61	1,832,098	9.52	88,525,406	16.87
Total	544,116,446	100.00	19,241,138	100.00	524,875,308	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	19,241,138	16,488,376	31,415,156	47,903,532
Percentage	3.536	3.030	5.773	8.803

Average Somatic Cell Count	218,000
Total Number of Pooled Producers	408