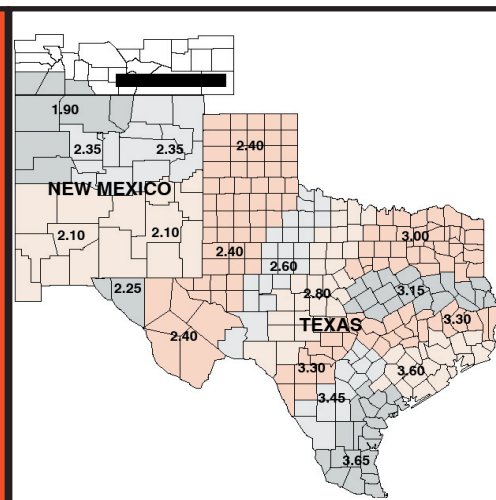


THE MARKET ADMINISTRATOR'S REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR MAY

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 \$1.27 for May. Butterfat price decreased \$0.1183 per pound from \$1.5645 in April to the level of \$1.4462 in May. Protein price increased \$0.0776 per pound from \$2.6568 in April to \$2.7344 in May. May's Other Solids price decreased \$0.0548 per pound from \$0.4048 in April to \$0.3500 in May. The Somatic Cell Count adjustment rate factor for May 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 May statistical uniform price of \$16.50 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 \$0.50 in comparison to the statistical uniform price of \$16.90 in April.

The May Class I price increased \$0.19 from \$18.66 in April to the May level of \$18.85. The Class II price for May of \$15.19 per hundredweight decreased \$1.01 from \$16.20 in April. May's Class III price decreased \$0.49 from \$15.72 in April to \$15.23 in May. The Class IV price decreased \$1.25 from \$14.80 in April to \$13.55 in May.

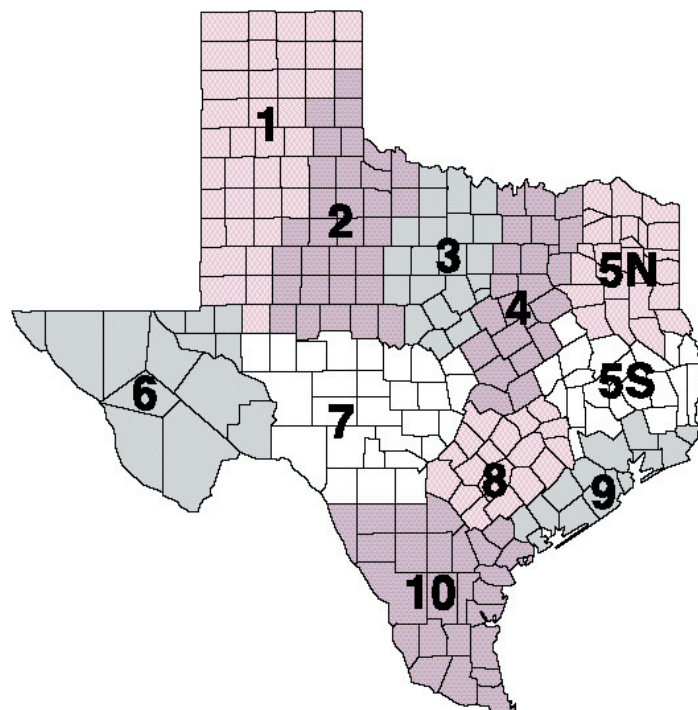
In May 457 producers delivered a total of 1,114,167,318 pounds of milk. On a daily basis this represents a decrease of 5.54 percent from the producer receipts level in April but it represents an increase of 6.18 percent when compared to the producer receipts level of May 2011.

Producer milk classified as Class I during May amounted to 32.29 percent of total producer receipts. This figure is up from 30.58 percent in April but it is down from 34.41 percent in May 2011. The average butterfat test of producer milk pooled during May was 3.563 percent, average protein test was 3.074 percent, average other solids test was 5.782 percent and the average somatic cell count was 191,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	May 12	Apr 12	May 12	Apr 12	May 12	Apr 12
Appalachian - FO 5	17.69	18.10	-----	-----	63.08	62.62
Arizona - FO 131	15.27	16.02	-----	-----	26.42	27.77
Central - FO 32	15.51	16.03	0.28	0.31	28.02	28.81
Florida - FO 6	19.98	20.31	-----	-----	81.76	83.39
Mideast - FO 33	15.74	16.23	0.51	0.51	32.10	32.50
Northeast - FO 1	16.79	17.20	1.56	1.48	38.50	37.00
Pacific Northwest - FO 124	15.31	15.87	0.08	0.15	25.35	27.53
Southeast - FO 7	18.07	18.24	-----	-----	61.25	56.66
Southwest - FO 126	16.50	16.90	1.27	1.18	32.29	30.58
Upper Midwest - FO 30	15.45	15.92	0.22	0.20	10.50	10.60

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTHEAST
5S	SOUTHEAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2012

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1&2	97	66.92	3.72	3.17	5.78	8.95	181
3	162	20.20	3.63	3.06	5.76	8.82	277
4	37	1.97	3.74	3.13	5.73	8.86	332
5N	167	8.93	3.67	3.11	5.69	8.80	309
5S	4	0.12	3.49	2.93	5.65	8.59	363
6	3	0.62	3.16	3.03	5.77	8.80	305
7	6	0.58	3.66	3.07	5.68	8.75	445
8	14	0.37	3.84	3.08	5.74	8.81	374
9&10	5	0.30	4.47	3.48	5.71	9.19	335
TOTAL/AVG.	495	100.00	3.70	3.14	5.77	8.91	218

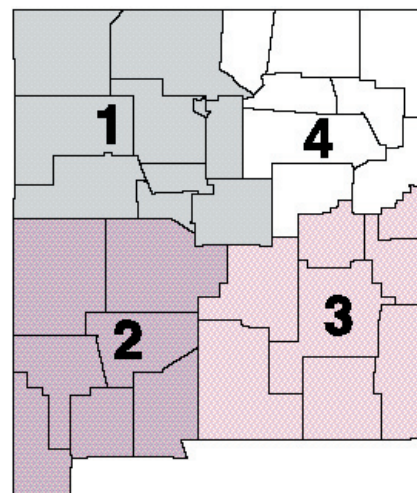
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2012

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1&2	0	1	3	5	2	86	280,272
3	40	44	31	14	8	25	84,610
4	19	7	6	1	3	1	8,239
5N	68	60	21	7	6	5	37,416
5S	3	0	1	0	0	0	507
6	1	0	0	1	0	1	2,580
7	3	0	1	0	1	1	2,413
8	10	3	1	0	0	0	1,569
9&10	2	1	1	1	0	0	1,245
TOTAL	146	116	65	29	20	119	418,851

*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 2012

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	9	3.80	3.53	3.03	5.77	8.80	189
2	32	19.41	3.43	2.99	5.81	8.81	159
3	112	76.79	3.45	3.04	5.79	8.83	168
4	0	0	0	0	0	0	0
TOTAL/AVG.	153	100.00	3.45	3.03	5.79	8.82	166

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2012

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	2	0	3	1	2	1	12,604
2	1	2	5	8	10	6	64,321
3	2	3	12	28	37	30	254,442
4	0	0	0	0	0	0	0
TOTAL	5	5	20	37	49	37	331,367

*ESTIMATED BASED ON A 70 LB/DAY/COW AVERAGE

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
March 2011	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
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

a/ In thousands.

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

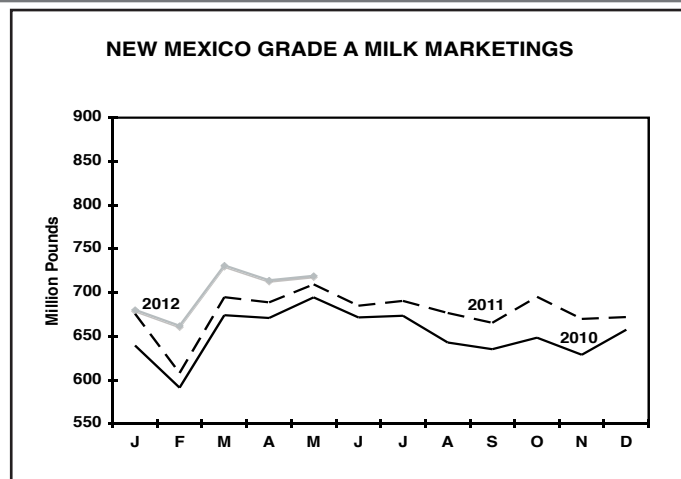
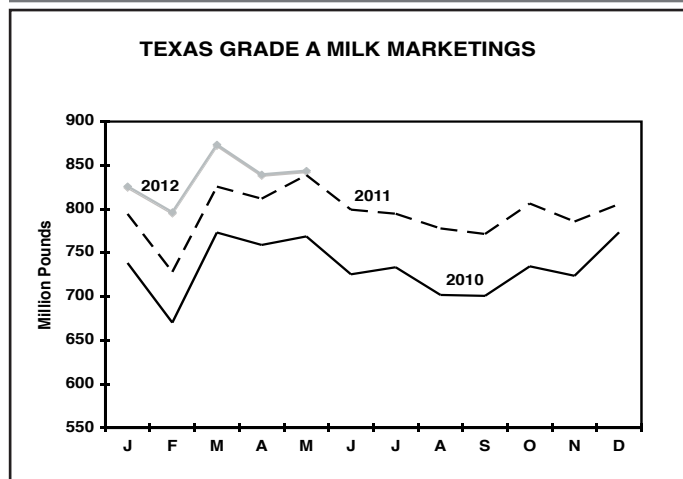
MONTH	2010 POUNDS	Number of Producers	2011 POUNDS	Number of Producers	2012 POUNDS	Number of Producers	PERCENT 2011/10	CHANGE 2012/11
January	738,538,899	582	794,574,299	555	826,060,239	525	+ 7.59	+ 3.96
February	672,168,487	578	728,226,604	554	796,585,464	514	+ 8.34	+ 5.62*
March	773,286,159	577	831,714,685	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			+ 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	773,415,328	557	805,829,180	531			+ 4.19	
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 MAY 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			+ 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	657,677,525	156	671,984,702	158			+ 2.18	
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-----							
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
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

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

**MAY 2012
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$386,061.69
Class I Butterfat	60(a)	7,342,799	\$1.5933	\$11,699,281.66
Class I Skim Per Cwt		352,466,935	\$13.7600	\$48,499,450.27
Class II Butterfat	60(b)	8,125,984	\$1.4532	\$11,808,679.94
Class II Nonfat Solids		8,782,398	\$1.1633	\$10,216,563.59
Class III Butterfat	60(c)	18,580,860	\$1.4462	\$26,871,639.74
Class III Protein		15,524,100	\$2.7344	\$42,449,099.06
Class III Other Solids		28,987,822	\$0.3500	\$10,145,737.70
Class IV Butterfat	60(d)	5,650,549	\$1.4462	\$8,171,823.97
Class IV Nonfat Solids		13,089,989	\$0.9774	\$12,794,155.26
Class II, III & IV Somatic Cell Adj.	60(e)			\$981,587.80
Total Producer Milk-Product Lbs & Value		1,114,167,318		\$184,024,080.68
Add: Value as for 60(f) Thru 60(j)				\$59,127.49
Less: Total Protein Pounds	61(b)	34,257,829	\$2.7344	\$93,674,607.62
Total Other Solids Pounds		64,424,927	\$0.3500	\$22,548,724.45
Total Butterfat Pounds		39,700,192	\$1.4462	\$57,414,417.69
Total Value of Somatic Cell Adjustment				\$1,347,157.24
Total Milk and Value		1,114,167,318		\$9,098,301.17
Add: Location Differential Adjustments	61(c)			\$5,036,284.41
Producer-Settlement Fund	61(d)			\$488,021.35
Total Producer Milk/URSP and Value		1,114,167,318	\$1.31242	\$14,622,606.93
Less: Producer-Settlement Fund	61(f)		\$0.04242	\$472,681.99
Producer Price Differential (Dallas County)			\$1.27	\$14,149,924.94

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

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

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	359,809,734	32.29	7,342,799	18.50	352,466,935	32.80
Class II	103,971,587	9.33	8,125,984	20.47	95,845,603	8.92
Class III	501,694,522	45.03	18,580,860	46.80	483,113,662	44.97
Class IV	148,691,475	13.35	5,650,549	14.23	143,040,926	13.31
Total	1,114,167,318	100.00	39,700,192	100.00	1,074,467,126	100.00

Producer Milk Components				
	Butterfat	Protein	Other Solids	Nonfat Solids
Total Pounds	39,700,192	34,257,829	64,424,927	98,682,756
Percentage	3.563	3.074	5.782	8.857

Average Somatic Cell Count	191,000
Total Number of Pooled Producers	457