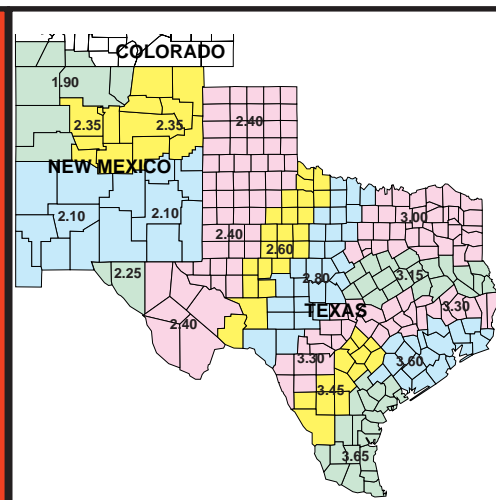


THE MARKET ADMINISTRATOR'S REPORT



SOUTHWEST MARKETING AREA

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JULY 2002

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 \$2.02 for June. Butterfat price decreased \$0.0222 per pound from \$1.1433 in May to the level of \$1.1211 in June. Protein price decreased \$0.1949 per pound from \$2.2097 in May to \$2.0148 in June. June's Other Solids price decreased \$0.0124 per pound from the previous month to \$0.0274. The Somatic Cell Count adjustment rate factor for June was .00059 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 \$12.11 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 \$0.31 in comparison to the statistical blend price of \$12.42 in May.

The June Class I price decreased 23 cents from \$14.26 in May to the June level of \$14.03. The

Boston Class I price of \$14.28 produced a dairy deficiency payment of \$1.20 for June. The Class II price for June of \$11.19 per hundredweight decreased \$0.10 from \$11.29 in May. June's Class III price decreased \$0.73 from \$10.82 in May to \$10.09 in June. The Class IV price decreased \$0.05 from \$10.57 in May to \$10.52 in June.

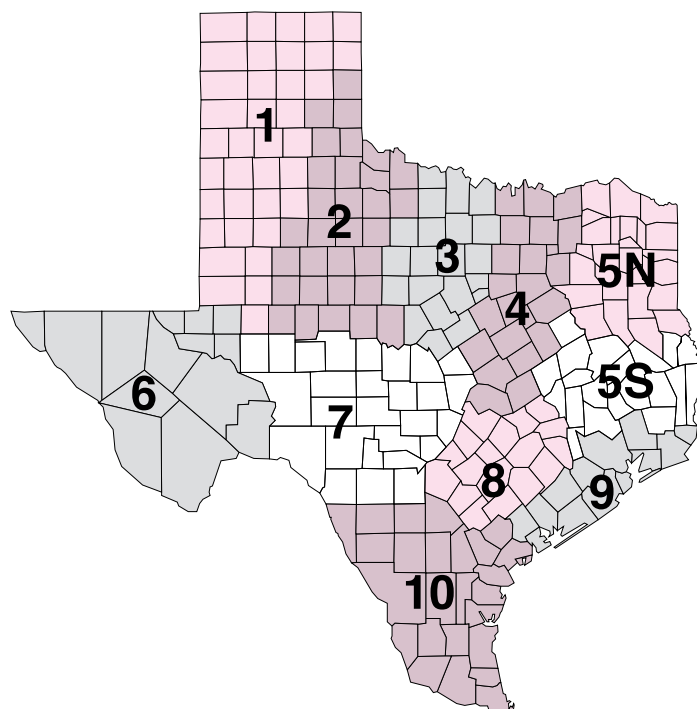
In June 892 producers delivered a total of 839,108,517 pounds of milk. On a daily basis this represents a decrease of 3.39 percent from the producer receipts level in May but it represents an increase of 11.39 percent when compared to the producer receipts level of June 2001.

Producer milk classified as Class I during June amounted to 36.00 percent of total producer receipts. This figure is down from 38.02 percent in May and it is down from 41.10 percent in June 2001. The average butterfat test of producer milk pooled during June was 3.525 percent, average protein test was 2.951 percent, average other solids test was 5.688 percent and the average somatic cell count was 308,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jun 02	May 02	Jun 02	May 02	Jun 02	May 02
Appalachian	12.83	13.09	-----	-----	57.26	61.88
Arizona-Las Vegas	11.22	11.51	-----	-----	28.02	29.94
Central	11.00	11.47	0.91	0.65	22.13	24.73
Florida	14.44	14.55	-----	-----	86.19	87.43
Mideast	11.24	11.63	1.15	0.81	29.20	32.10
Northeast	12.38	12.63	2.29	1.81	38.10	39.80
Pacific Northwest	11.00	11.35	0.91	0.53	22.38	26.91
Southeast	12.69	12.89	-----	-----	54.08	53.37
Southwest	12.11	12.42	2.02	1.60	36.00	38.02
Upper Midwest	10.72	11.30	0.63	0.48	19.10	21.90
Western	10.87	11.31	0.78	0.49	15.96	18.16

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 2002

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	26	11.54	3.62	2.96	5.70	8.66	280
2	11	1.91	3.63	3.01	5.64	8.66	343
3	303	46.86	3.57	3.00	5.68	8.67	333
4	98	6.57	3.57	3.01	5.62	8.63	371
5N	338	21.30	3.57	3.06	5.70	8.76	392
5S	11	0.38	3.52	2.99	5.53	8.52	416
6	12	5.48	3.45	2.94	5.67	8.61	281
7	16	2.61	3.53	2.96	5.65	8.61	335
8	44	2.02	3.74	3.11	5.59	8.69	387
9	4	0.14	3.44	2.93	5.50	8.44	518
10	12	1.19	4.19	3.31	5.67	8.98	402
TOTAL	875	100.00	3.58	3.01	5.68	8.69	342

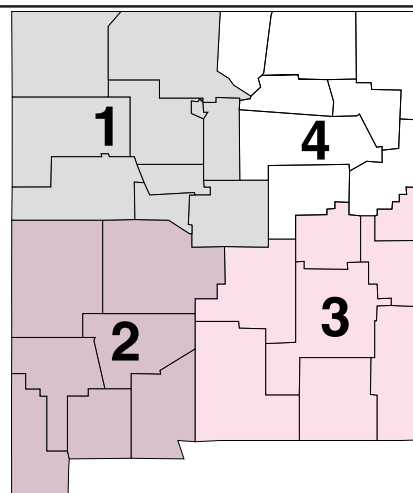
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 2002

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	3	3	3	4	11	32,694
2	4	2	2	1	0	2	5,422
3	79	89	53	32	10	40	132,733
4	46	34	10	4	2	2	18,615
5N	152	117	53	8	3	5	60,345
5S	8	2	1	0	0	0	1,067
6	1	2	1	2	0	6	15,528
7	7	2	3	1	0	3	7,397
8	26	12	4	2	0	0	5,720
9	1	3	0	0	0	0	389
10	1	8	0	1	2	0	3,370
TOTAL	327	274	130	54	21	69	283,280

*ESTIMATED BASED ON A 55 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 2002

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	% TRUE PROTEIN	PERCENT OTHER SOLIDS	PERCENT S-N-F	SCC (1,000)
1	15	3.96	3.59	2.98	5.70	8.68	223
2	36	19.99	3.50	2.95	5.72	8.67	228
3	125	76.05	3.48	2.96	5.68	8.65	265
4	0	0	0	0	0	0	0
TOTAL	176	100.00	3.49	2.96	5.69	8.65	256

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 2002

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	4	4	3	2	2	0	10,966
2	1	5	3	18	8	1	55,338
3	13	5	15	46	35	11	210,494
4	0	0	0	0	0	0	0
TOTAL	18	14	21	66	45	12	276,797

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

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 2001	16.44	15.10	12.06	14.41	2.85	194.83	10.81	154.43	.00067	171.26	134.23	101.45	24.46
May	17.21	15.72	13.83	15.04	2.22	211.91	12.29	191.08	.00076	185.27	151.29	101.80	25.90
June	17.99	16.05	15.02	15.33	1.83	220.89	14.09	216.70	.00081	192.63	162.11	101.48	27.64
July	18.34	15.96	15.46	14.81	1.66	218.83	15.10	231.75	.00083	190.94	165.73	96.34	28.62
August	18.40	15.98	15.55	15.06	1.88	229.76	15.35	221.88	.00083	199.90	166.93	94.73	28.86
September	18.56	16.24	15.90	15.59	1.70	244.49	15.20	216.47	.00085	211.98	170.85	94.97	28.71
October	18.93	13.53	14.60	12.77	1.45	165.26	14.82	266.64	.00078	147.01	155.91	94.41	28.35
November	18.76	12.78	11.31	11.97	3.77	145.00	14.70	180.45	.00062	130.40	123.22	93.49	28.23
December	14.98	12.61	11.80	11.79	1.65	143.22	15.17	197.82	.00064	128.94	127.62	91.99	28.68
Averages 2001b/	17.27	14.53	13.10	13.76	2.36	184.80	13.43	196.13	.00071	163.04	142.64	97.91	27.00
January 2002	14.96	12.69	11.87	11.93	1.79	148.46	13.92	196.60	.00065	133.24	129.22	91.61	27.47
February	14.95	12.28	11.63	11.54	1.65	138.17	9.65	208.84	.00064	124.80	128.95	91.21	23.34
March	14.62	12.19	10.65	11.42	2.12	136.38	6.88	183.42	.00060	123.33	120.87	90.60	20.66
April	14.47	11.88	10.85	11.09	1.86	128.90	5.66	201.09	.00062	117.20	123.23	89.75	19.48
May	14.26	11.29	10.82	10.57	1.60	114.33	3.71	220.97	.00062	105.25	123.59	89.72	17.59
June	14.03	11.19	10.09	10.52	2.02	112.11	2.47	201.48	.00059	103.43	117.08	90.05	16.39

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

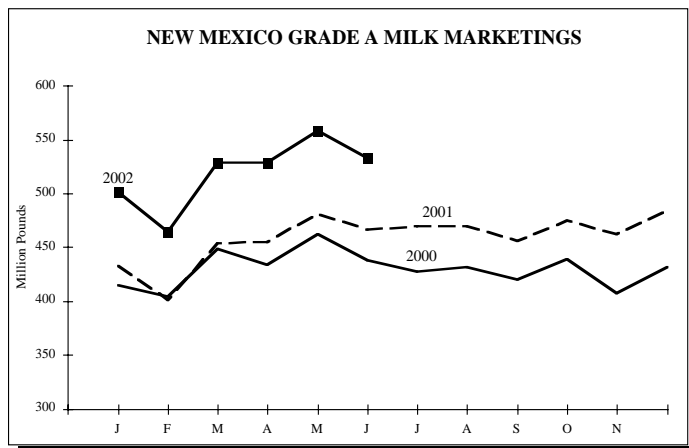
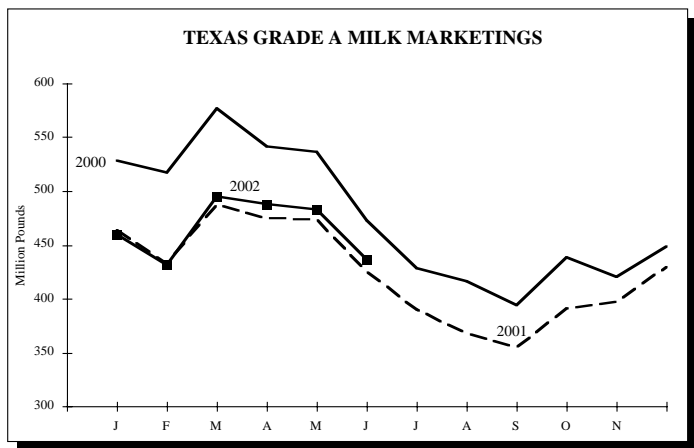
**POUNDS OF GRADE A MILK MARKETING BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2000 THROUGH JUNE 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	528,032,131	1,156	463,431,654	1,026	459,850,238	897	-12.23	-0.77
February	517,023,791	1,141	432,156,106	1,006	431,807,361	894	-13.43	-0.08
March	577,134,609	1,134	487,875,678	991	494,608,931	893	-15.47	+1.38
April	540,903,763	1,121	474,386,881	978	487,475,741	889	-12.30	+2.76
May	536,505,477	1,112	474,236,039	962	482,994,330	875	-11.61	+1.85
June	472,478,168	1,103	425,591,909	954	436,509,302	872	-9.92	+2.57
July	428,683,700	1,089	389,996,462	933			-9.02	
August	415,788,563	1,082	367,810,615	919			-11.54	
September	393,642,034	1,066	354,482,882	916			-9.95	
October	437,963,207	1,058	391,332,224	908			-10.65	
November	420,274,058	1,041	397,352,762	907			-5.45	
December	448,671,268	1,033	429,232,267	903			-4.33	
Years Total	5,717,100,769		5,087,885,479				-10.76	

**POUNDS OF GRADE A MILK MARKETING BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2000 THROUGH JUNE 2002, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2000 POUNDS	Number of Producers	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	PERCENT CHANGE 2001/00	2002/01
January	414,930,653	158	432,749,978	166	501,275,998	174	+4.29	+15.84
February	404,085,655	158	400,543,634	166	463,667,936	173	+2.66	+15.76
March	447,971,781	158	453,232,150	165	528,830,087	175	+1.17	+16.68
April	433,303,618	159	454,980,340	167	528,467,048	175	+5.00	+16.15
May	461,526,991	159	480,995,372	169	557,746,887	176	+4.22	+15.96
June	437,718,050	159	466,640,323	170	532,178,000	178	+6.61	+14.04
July	427,456,503	159	469,362,545	171			+9.80	
August	431,815,797	160	469,391,326	174			+8.70	
September	419,669,872	161	455,259,423	173			+8.48	
October	438,410,599	163	474,918,306	173			+8.33	
November	407,114,759	167	462,212,000	173			+13.53	
December	431,351,678	166	484,020,641	173			+12.21	
Years Total	5,155,355,956		5,504,306,038				+6.74	

*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 2001	3.54	3.47	3.01	2.94	5.68	5.70	8.68	8.63	400	295
July	3.57	3.47	3.00	2.91	5.64	5.65	8.63	8.56	430	315
August	3.59	3.45	3.05	2.95	5.61	5.63	8.65	8.58	454	335
September	3.68	3.52	3.11	3.01	5.63	5.66	8.73	8.68	447	328
October	3.76	3.61	3.18	3.09	5.65	5.67	8.83	8.76	385	284
November	3.76	3.67	3.15	3.12	5.67	5.67	8.82	8.78	364	285
December	3.79	3.73	3.14	3.14	5.68	5.68	8.82	8.81	377	306
Averages 2001	3.66	3.58	3.08	3.03	5.67	5.67	8.74	8.70	408	321
January 2002	3.78	3.71	3.12	3.09	5.69	5.69	8.81	8.78	364	322
February	3.77	3.71	3.09	3.06	5.70	5.69	8.79	8.75	371	327
March	3.72	3.66	3.08	3.03	5.71	5.70	8.79	8.73	335	294
April	3.63	3.56	3.03	2.98	5.70	5.71	8.73	8.68	342	275
May	3.58	3.49	3.01	2.96	5.68	5.69	8.68	8.65	342	256
June	3.58	3.47	2.99	2.92	5.69	5.69	8.67	8.61	366	263

a/ In thousands.

JUNE 2002 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$346,803.52
Class I Butterfat	60(a)	7,327,375	\$1.1877	\$8,702,723.33
Class I Skim Per Cwt		294,781,023	\$10.2300	\$3,015,609.67
Class II Butterfat	60(b)	6,820,990	\$1.1281	\$7,694,758.82
Class II Nonfat Solids		7,906,920	\$0.8333	\$6,588,836.44
Class III Butterfat	60(c)	10,310,473	\$1.1211	\$11,559,071.32
Class III Protein		8,774,351	\$2.0148	\$17,678,562.37
Class III Other Solids		17,021,391	\$0.0247	\$420,428.35
Class IV Butterfat	60(d)	5,116,568	\$1.1211	\$5,736,184.40
Class IV Nonfat Solids		12,316,532	\$0.7605	\$9,366,722.59
Class II, III & IV Somatic Cell Adj.	60(e)			\$177,366.58
Total Producer Milk-Product Lbs & Value		839,108,517		\$98,427,556.39
Add: Value as for 60(f) Thru 60(j)				\$20,807.40
Less: Total Protein Pounds	61(b)	24,765,203	\$2.0148	\$49,896,931.03
Total Other Solids Pounds		47,730,122	\$0.0247	\$1,178,934.02
Total Butterfat Pounds		29,575,406	\$1.1211	\$33,156,987.66
Total Value of Somatic Cell Adjustment				\$208,439.59
Total Milk and Value		839,108,517		\$14,007,071.49
Add: Location Differential Adjustments	61(c)			\$2,969,993.19
Producer-Settlement Fund	61(d)			\$354,150.39
Total Producer Milk/URSP and Value		839,108,517	\$2.06543	\$17,331,215.07
Less: Producer-Settlement Fund	61(f)		\$0.04543	\$381,223.03
Producer Price Differential (Dallas County)			\$2.02	\$16,949,992.04

THE MARKET ADMINISTRATOR'S *REPORT*

SOUTHWEST MARKETING AREA

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JUNE 2002 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	302,108,398	36.00	7,327,375	24.78	294,781,023	36.41
Class II	94,421,398	11.25	6,820,990	23.06	87,600,408	10.82
Class III	299,826,336	35.74	10,310,473	34.86	289,515,863	35.77
Class IV	142,752,385	17.01	5,116,568	17.30	137,635,817	17.00
Total	839,108,517	100.00	29,575,406	100.00	809,533,111	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,079,815	36.67	17,396,318	36.45	26,476,133	36.52
Class II	2,722,614	10.99	5,184,303	10.86	7,906,920	10.91
Class III	8,774,351	35.43	17,021,391	35.66	25,795,740	35.58
Class IV	4,188,423	16.91	8,128,110	17.03	12,316,532	16.99
Total	24,765,203	100.00	47,730,122	100.00	72,495,325	100.00