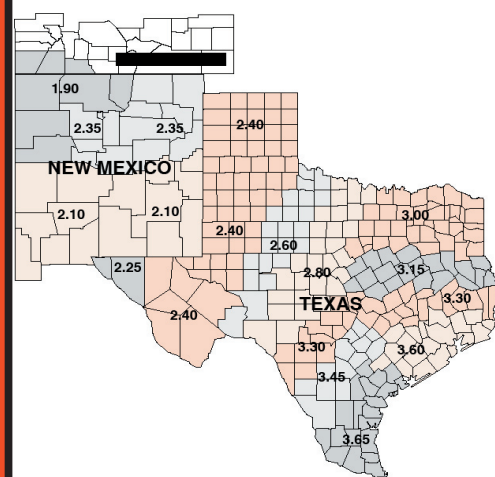


THE MARKET ADMINISTRATOR'S REPORT



SOUTHWEST MARKETING AREA

RICHARD FLEMING, 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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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 \$1.48 for April. Butterfat price decreased \$0.0253 per pound from \$1.2596 in March to the level of \$1.2343 in April. Protein price increased \$0.0402 per pound from \$1.8836 in March to \$1.9238 in April. April's Other Solids price decreased \$0.0366 per pound from \$0.1874 in March to \$0.1508 in April. The Somatic Cell Count adjustment rate factor for April was .00058 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 \$12.41 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 \$0.54 in comparison to the statistical blend price of \$12.95 in March.

The April Class I price decreased \$1.27 from \$15.49 in March to the April level of \$14.22. The Class II price for April of \$11.37 per hundredweight decreased \$0.32 from \$11.69 in March. April's Class III price decreased \$0.18 from \$11.11 in March to \$10.93 in April. The Class IV price decreased \$0.32 from \$10.68 in March to \$10.36 in April.

In April 792 producers delivered a total of 943,740,491 pounds of milk. On a daily basis this represents a decrease of 2.68 percent from the producer receipts level in March and it represents an increase of 31.97 percent when compared to the producer receipts level of April 2005.

Producer milk classified as Class I during April amounted to 35.55 percent of total producer receipts. This figure is down from 36.45 percent in March and it is down from 49.00 percent in April 2005. The average butterfat test of producer milk pooled during April was 3.663 percent, average protein test was 2.989 percent, average other solids test was 5.700 percent and the average somatic cell count was 223,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Apr 06	Mar 06	Apr 06	Mar 06	Mar 06	Feb 06
Appalachian	13.01	14.13	-----	-----	56.25	64.08
Arizona-Las Vegas	11.66	12.21	-----	-----	32.26	32.66
Central	11.49	12.00	0.56	0.89	25.90	28.03
Florida	14.36	15.41	-----	-----	79.12	80.76
Mideast	11.75	12.36	0.82	1.25	34.20	37.90
Northeast	12.64	13.43	1.71	2.32	41.50	45.30
Pacific Northwest	11.35	11.86	0.42	0.75	25.84	27.38
Southeast	12.94	13.77	-----	-----	50.68	54.11
Southwest	12.41	12.95	1.48	1.84	35.55	36.45
Upper Midwest	11.29	11.67	0.36	0.56	16.10	17.50

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS AND CALIFORNIA, 2005 ANNUAL AVERAGES, WITH COMPARISONS

For 2005, mailbox prices for selected reporting areas in Federal milk orders averaged \$14.98 per cwt., \$0.92 lower than the all-area average reported for 2004. The component tests of producer milk in 2005 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased from the record high levels in 2004 in all areas. Florida had the highest average price in 2005, \$17.58; New Mexico had the lowest average, \$13.23. During the year, mailbox prices peaked in January, generally decreased through June, generally increased through October, and then decreased through the end of the year. Monthly all area averages ranged from \$15.89 in January to \$14.13 in June.

Reporting Area ^{1/}	Mailbox Milk Price ^{2/ 3/}		
	2004	2005	Change 2005 from 2004
	Dollars per cwt.		
Northeast Milk Order	16.29	15.39	- 0.90
Appalachian States ^{4/}	16.21	15.27	- 0.94
Southeast States ^{5/}	16.79	15.96	- 0.83
Southern Missouri ^{6/}	15.69	14.67	- 1.02
Florida	18.28	17.58	- 0.70
Ohio	15.92	15.06	- 0.86
Indiana	16.03	15.03	- 1.00
Michigan	15.58	14.78	- 0.80
Wisconsin	16.57	15.35	- 1.22
Minnesota	16.30	15.12	- 1.18
Iowa	16.06	15.07	- 0.99
Illinois	16.14	15.14	- 1.00
Corn Belt States ^{7/}	14.79	14.03	- 0.76
Western Texas ^{8/}	15.19	14.05	- 1.14
New Mexico	14.11	13.23	- 0.88
Northwest States ^{9/}	14.72	14.02	- 0.70
All Market Avg. ^{10/}	15.90	14.98	- 0.92
California ^{11/}	14.76	13.88	- 0.88

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 Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois,

and Perry, and all those to the south of these. 7/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. 11/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Annual average is the simple average of monthly prices.

USDA ANNOUNCES FINAL RULE TO AMEND ALL FEDERAL MILK ORDERS

The U. S. Department of Agriculture has announced publication of a final rule to amend all federal milk marketing orders. This amendment implements provisions included in the Milk Regulatory Equity Act (S. 2120), signed into law on April 11, that amends the Agricultural Marketing Agreement Act of 1937. In passing the amendments, the congressional intent is to "ensure equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and into certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes.

The amended sections of the orders, which become effective May 1, include:

- Require fluid milk handlers located in federal milk marketing order areas as described on the date of enactment, but not regulated by any federal milk marketing order, to pay federal order minimum prices to the federal order where the handler is physically located for sales of packaged fluid milk into non-federally regulated marketing areas located within one or more states that require handlers to pay minimum prices for milk;
- Partially or fully regulate any producer-handler that has total distribution of Class I products of own-farm production in excess of three-million pounds and distributes fluid milk in the Arizona-Las Vegas marketing order area;
- Remove the state of Nevada from the marketing area definition of any federal order; and
- Remove the regulatory exemption for handlers located in Clark County, Nevada.

For more information contact Gino M. Tosi, Associate Deputy Administrator for Order Formulation and Enforcement, USDA/AMS/Dairy Programs, Stop 0231-Room 2971-S, 1400 Independence Avenue, SW., Washington, DC 20250-0231, (202) 690-1366, e-mail address: gino.tosi@usda.gov.

TOP TEN TEXAS COUNTIES a/ – APRIL 2006

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2005b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2005b/</u>
1. Erath	107	115,480,145	+ 5.16	7. Bailey	8	29,567,298	+ 60.80
2. Hopkins	137	54,562,149	+ 11.55	8. Hale	5	28,342,400	+ 3.78
3. Comanche	29	44,260,580	- 1.64	9. Hartley	5	22,740,000	+ 54.50
4. Deaf Smith	10	40,017,776	+ 129.34	10. Parmer	6	22,210,032	+ 15.47
5. Castro	9	30,987,195	- 0.43	Ten County Total	324	419,124,918	+ 13.90 b/
6. Lamb	8	30,957,343	- 0.36	<u>Other Counties Total</u>	<u>417</u>	<u>213,207,438</u>	<u>+ 8.41</u>
				Texas Total	741	632,332,356	+ 11.99

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

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-----							
February 2005	16.79	13.36	14.70	12.74	0.54	177.54	9.15	266.13	.00079	159.45	157.11	89.90	24.78
March	18.43	13.25	14.08	12.66	1.71	172.79	9.51	250.19	.00075	155.49	150.61	90.83	25.13
April	17.13	13.24	14.61	12.61	0.67	169.64	10.20	270.55	.00078	152.87	155.90	91.56	25.80
May	17.80	12.78	13.77	12.20	1.33	154.75	10.43	259.65	.00074	140.46	147.65	92.89	26.03
June	16.62	13.06	13.92	12.33	0.95	159.32	11.39	257.41	.00074	144.27	148.45	92.59	26.96
July	16.89	13.79	14.35	13.17	1.09	180.07	12.40	245.58	.00076	161.56	151.56	93.89	27.94
August	17.44	13.95	13.60	13.44	2.10	182.46	13.17	216.19	.00072	163.55	143.22	96.01	28.69
September	16.70	14.35	14.30	13.75	1.40	188.72	14.11	230.09	.00075	168.77	149.58	97.05	29.60
October	17.27	14.25	14.35	13.61	1.23	182.56	14.91	237.80	.00075	163.63	149.96	97.94	30.38
November	17.56	13.49	13.35	12.90	1.80	161.14	16.06	227.24	.00070	145.78	139.68	98.35	31.49
December	16.57	13.22	13.37	12.57	1.23	150.36	17.02	238.46	.00070	136.80	139.64	98.99	32.42
Averages 2005 b/	17.40	13.48	14.05	12.88	1.33	171.05	12.28	246.02	.00075	154.05	148.75	94.09	27.82
January 2006	16.38	13.25	13.39	12.20	1.11	146.84	18.81	239.94	.00069	133.87	138.95	96.14	34.16
February	16.38	12.62	12.20	11.10	1.53	134.69	19.99	212.20	.00063	123.74	126.37	88.33	35.31
March	15.49	11.69	11.11	10.68	1.84	125.96	18.74	188.36	.00058	116.47	116.12	86.97	34.09
April	14.22	11.37	10.93	10.36	1.48	123.43	15.08	192.38	.00058	114.36	116.54	84.29	30.54

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

TOP NEW MEXICO COUNTIES a/ – APRIL 2006

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2005b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2005b/</u>
1. Chaves	40	176,579,225	+ 16.42	7. Socorro	8	17,068,489	+ 50.33
2. Roosevelt	41	123,226,298	+ 19.09	8. Valencia	7	14,615,651	- 8.83
3. Curry	24	119,677,618	+ 18.43	9. Sierra	3	8,135,133	+ 0.60
4. Dona Ana	24	98,749,402	+ 5.37	10. Bernalillo	4	5,254,614	+ 4.30
5. Lea	14	46,012,758	+ 18.50	Ten County Total	170	635,528,368	+ 14.77 b/
6. Eddy	5	26,209,180	+ 7.09	<u>Other Counties Total</u>	<u>3</u>	<u>12,291,320</u>	<u>+ 19.85</u>
				New Mexico Total	173	647,819,688	+ 14.87

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 2004 THROUGH APRIL 2006, WITH PRODUCTION PERCENTAGE COMPARISONS**

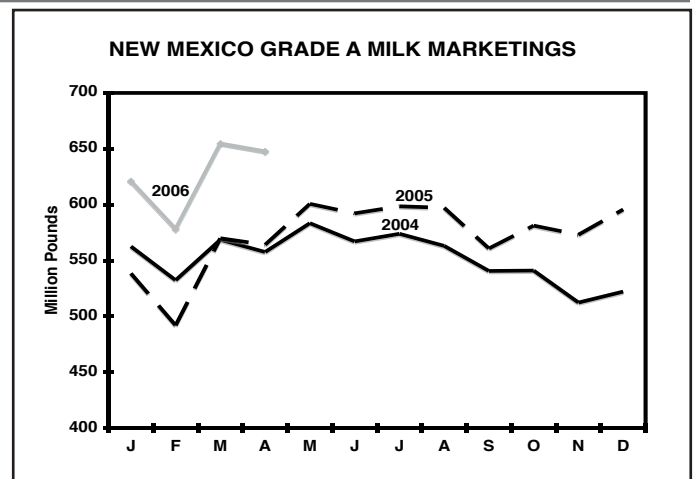
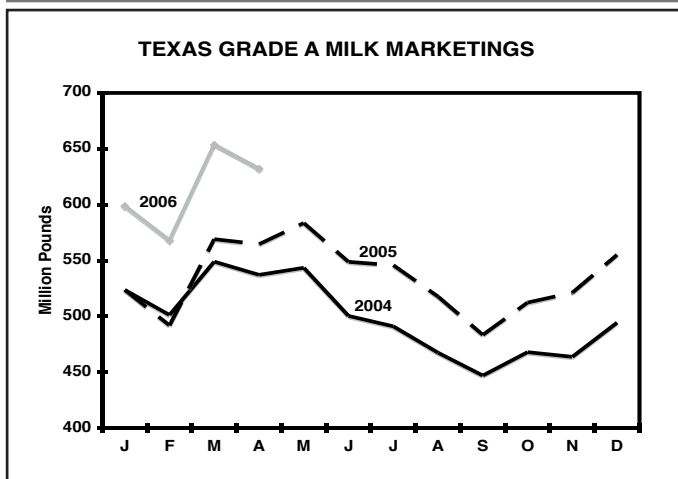
MONTH	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	PERCENT 2005/04	CHANGE 2006/05
January	523,723,796	816	523,680,970	778	598,770,671	746	- 0.01	+ 14.34
February	501,204,456	819	491,841,542	767	568,127,819	740	+ 1.64*	+ 15.51
March	548,941,459	814	569,021,475	771	653,677,865	740	+ 3.66	+ 14.88
April	537,141,283	803	564,647,522	776	632,332,356	741	+ 5.12	+ 11.99
May	543,408,997	801	583,519,880	774			+ 7.38	
June	500,319,580	803	548,798,029	772			+ 9.69	
July	491,018,134	799	545,665,957	774			+ 11.13	
August	467,427,900	796	517,675,814	767			+ 10.75	
September	447,166,094	796	483,172,492	772			+ 8.05	
October	467,915,409	797	512,618,370	770			+ 9.49	
November	463,696,745	793	521,233,872	758			+ 12.41	
December	<u>494,282,753</u>	793	<u>555,024,482</u>	743			<u>+ 12.29</u>	
Years Total	5,986,246,606		6,416,900,405				+ 7.19	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2004 THROUGH APRIL 2006, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	PERCENT 2005/04	CHANGE 2006/05
January	560,391,851	178	538,413,955	168	621,161,722	173	- 3.92	+ 15.37
February	530,422,715	176	491,753,468	170	578,266,056	172	- 3.98*	+ 17.59
March	566,717,019	178	567,325,607	169	654,702,022	172	+ 0.09	+ 15.40
April	555,546,336	176	563,980,078	168	647,819,688	173	+ 1.52	+ 14.87
May	581,190,763	177	600,707,138	170			+ 3.36	
June	565,063,945	177	592,086,292	172			+ 4.78	
July	571,734,951	181	598,502,673	171			+ 4.68	
August	563,099,040	177	597,055,615	172			+ 6.03	
September	540,636,857	179	560,680,297	176			+ 3.71	
October	541,026,928	177	581,203,811	174			+ 7.43	
November	512,342,849	176	573,043,775	173			+ 11.85	
December	<u>522,218,762</u>	174	<u>595,644,281</u>	171			<u>+ 14.06</u>	
Years Total	6,610,392,016		6,860,396,990				+ 3.78	

* 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
April 2005	3.64	3.53	3.04	2.98	5.70	5.72	8.75	8.70	298	251
May	3.61	3.48	3.02	2.94	5.71	5.74	8.73	8.68	300	244
June	3.57	3.41	2.97	2.90	5.72	5.75	8.69	8.65	332	248
July	3.59	3.43	2.98	2.88	5.70	5.74	8.68	8.62	347	252
August	3.63	3.47	3.01	2.91	5.71	5.75	8.73	8.66	365	275
September	3.69	3.52	3.07	2.97	5.68	5.72	8.75	8.69	366	270
October	3.76	3.60	3.14	3.06	5.70	5.73	8.84	8.79	337	254
November	3.87	3.70	3.18	3.11	5.70	5.72	8.88	8.84	293	228
December	3.93	3.76	3.18	3.12	5.71	5.73	8.89	8.84	269	212
Averages 2005	3.71	3.57	3.08	3.00	5.70	5.73	8.78	8.73	325	262
January 2006	3.85	3.72	3.12	3.07	5.70	5.72	8.82	8.78	257	209
February	3.84	3.68	3.10	3.06	5.72	5.71	8.82	8.76	246	201
March	3.77	3.63	3.06	3.03	5.71	5.69	8.76	8.72	249	198
April	3.70	3.57	3.00	2.97	5.70	5.70	8.70	8.66	254	202

a/ In thousands.

APRIL 2006
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$331,742.23
Class I Butterfat	60(a)	7,324,765	\$1.3015	\$9,533,181.65
Class I Skim Per Cwt		328,128,229	\$10.0200	\$32,878,448.58
Class II Butterfat	60(b)	9,045,781	\$1.2413	\$11,228,527.97
Class II Nonfat Solids		9,043,060	\$0.8089	\$7,314,931.26
Class III Butterfat	60(c)	11,212,606	\$1.2343	\$13,839,719.58
Class III Protein		9,159,386	\$1.9238	\$17,620,826.81
Class III Other Solids		17,506,166	\$0.1508	\$2,639,929.85
Class IV Butterfat	60(d)	6,994,708	\$1.2343	\$8,633,568.09
Class IV Nonfat Solids		16,698,286	\$0.6959	\$11,620,337.24
Class II, III & IV Somatic Cell Adj.	60(e)			\$473,049.53
Total Producer Milk-Product Lbs & Value		943,740,491		\$116,114,262.79
Add: Value as for 60(f) Thru 60(j)				\$44,230.16
Less: Total Protein Pounds	61(b)	28,211,294	\$1.9238	\$54,272,887.42
Total Other Solids Pounds		53,799,223	\$0.1508	\$8,112,922.86
Total Butterfat Pounds		34,577,860	\$1.2343	\$42,679,452.62
Total Value of Somatic Cell Adjustment				\$695,642.66
Total Milk and Value		943,740,491		\$10,397,587.39
Add: Location Differential Adjustments	61(c)			\$3,656,536.76
Producer-Settlement Fund	61(d)			\$294,419.69
Total Producer Milk/URSP and Value		943,740,491	\$1.52039	\$14,348,543.84
Less: Producer-Settlement Fund	61(f)		\$0.04039	\$381,184.57
Producer Price Differential (Dallas County)			\$1.48	\$13,967,359.27

THE MARKET ADMINISTRATOR'S

REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

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APRIL 2006

PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	335,452,994	35.55	7,324,765	21.18	328,128,229	36.09
Class II	109,334,731	11.59	9,045,781	26.16	100,288,950	11.03
Class III	307,083,648	32.53	11,212,606	32.43	295,871,042	32.55
Class IV	191,869,118	20.33	6,994,708	20.23	184,874,410	20.33
Total	943,740,491	100.00	34,577,860	100.00	909,162,631	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,198,445	36.15	19,405,171	36.07	29,603,619	36.10
Class II	3,109,787	11.02	5,933,276	11.03	9,043,060	11.03
Class III	9,159,386	32.47	17,506,166	32.54	26,665,552	32.51
Class IV	5,743,676	20.36	10,954,610	20.36	16,698,286	20.36
Total	28,211,294	100.00	53,799,223	100.00	82,010,517	100.00