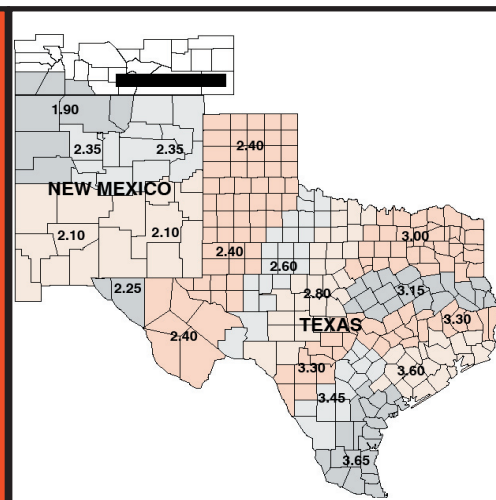


THE MARKET ADMINISTRATOR'S *REPORT*



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR NOVEMBER

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 \$2.36 for November. Butterfat price decreased \$0.0015 per pound from \$1.4092 in October to the level of \$1.4077 in November. Protein price increased \$0.1386 per pound from \$4.1695 in October to \$4.3081 in November. November's Other Solids price increased \$0.0175 per pound from \$0.2286 in October to \$0.2461 in November. The Somatic Cell Count adjustment rate factor for November was 0.00098 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a November statistical uniform price of \$21.58 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 \$0.04 in comparison to the statistical blend price of \$21.62 in October.

The November Class I price decreased \$0.14 from \$24.59 in October to the November level of \$24.45. The Class II price for November of \$22.07 per hundredweight increased \$0.17 from \$21.90 in October. November's Class III price increased \$0.52 from \$18.70 in October to \$19.22 in November. The Class IV price decreased \$0.91 from \$21.31 in October to \$20.40 in November.

In November 842 producers delivered a total of 923,182,334 pounds of milk. On a daily basis this represents an increase of 13.97 percent from the producer receipts level in October but it represents a decrease of 0.45 percent when compared to the producer receipts level of November 2006.

Producer milk classified as Class I during November amounted to 38.40 percent of total producer receipts. This figure is down from 43.86 percent in October but it is up from 38.24 percent in November 2006. The average butterfat test of producer milk pooled during November was 3.729 percent, average protein test was 3.176 percent, average other solids test was 5.715 percent and the average somatic cell count was 233,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Nov 07	Oct 07	Nov 07	Oct 07	Nov 07	Oct 07
Appalachian	23.75	23.75	-----	-----	74.37	74.08
Arizona	21.49	21.57	-----	-----	39.27	39.93
Central	20.79	20.82	1.57	2.12	37.81	39.38
Florida	24.89	24.81	-----	-----	86.87	85.33
Mideast	21.08	21.13	1.86	2.43	45.30	45.60
Northeast	22.31	22.38	3.09	3.68	46.70	46.40
Pacific Northwest	20.82	20.91	1.60	2.21	35.52	35.04
Southeast	23.46	23.36	-----	-----	70.33	70.58
Southwest	21.58	21.62	2.36	2.92	38.40	43.86
Upper Midwest	19.86	19.53	0.64	0.83	16.80	17.10

DAIRY DISASTER AID PROGRAM

Eligible dairy producers can sign up for the Dairy Disaster Assistance Program (DDAP-III) at local U.S. Department of Agriculture Farm Service Agency (FSA) service centers beginning Monday, Dec. 3, 2007.

DDAP-III will help dairy producers recover production losses resulting from a variety of adverse weather conditions in the last few years. The program provides \$16 million in benefits to dairy producers for production losses that occurred between Jan. 1, 2005, and Feb. 28, 2007, because of qualifying natural disasters. It compensates producers for production losses that resulted from lost herds or dumped milk when dairy plants closed or the natural disaster damaged containment equipment. Additionally, power outages, fuel shortages, and infrastructure damage may have temporarily interrupted the flow of dairy products to markets.

To be eligible for DDAP-III, dairy producers must have suffered losses in primary and contiguous counties declared or designated a natural disaster. Also, producers in counties receiving an FSA Administrator's Physical Loss Notice determination are eligible.

Under proposed rules, USDA will calculate payments to eligible producers by multiplying the eligible pounds by the average price received for commercial milk production in the affected areas during the disaster for 2005 and 2006, and for the months of January and February 2007. If the total amount of funding (less any reserve established for disputed

claims) is insufficient to compensate eligible producers for losses, then USDA will pay losses at two levels in an effort to more equitably distribute the limited funds and maximize the effectiveness of the program. USDA provides more information on proposed DDAP-III provisions in a fact sheet posted online at: <http://disaster.fsa.usda.gov>.

2008 PRICE DATA RELEASE DATES

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2008. The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDST no later than the 23rd of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23rd. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDST no later than the 5th of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5th. As noted below, the release time and release dates may differ from this schedule due to the timing of some holidays. Due to the 4th of July holiday, the release date and time for the June Class and Component Prices is Thursday, July 3 at 2:00 p.m. EDST. The release time for the December Class and Component Prices on Friday, January 2, 2009, is 2:00 p.m. EST due to a holiday on the preceding day.

2008 RELEASE DATES FOR 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/}
January	December 21, 2007	12/8, 15	February 1, 2008	1/5, 12, 19, 26
February	January 18, 2008	1/5, 12	February 29	2/2, 9, 16, 23
March	February 22	2/9, 16	April 4	3/1, 8, 15, 22, 29
April	March 21	3/8, 15	May 2	4/5, 12, 19, 26
May	April 18	4/5, 12	May 30	5/3, 10, 17, 24
June	May 23	5/10, 17	July 3	5/31, 6/7, 14, 21, 28
July	June 20	6/7, 14	August 1	7/5, 12, 19, 26
August	July 18	7/5, 12	September 5	8/2, 9, 16, 23, 30
September	August 22	8/9, 16	October 3	9/6, 13, 20, 27
October	September 19	9/6, 13	October 31	10/4, 11, 18, 25
November	October 17	10/4, 11	December 5	11/1, 8, 15, 22, 29
December	November 21	11/8, 15	January 2, 2009	12/6, 13, 20, 27

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

TOP TEN TEXAS COUNTIES a/ – NOVEMBER 2007

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2006b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2006b/</u>
1. Erath	90	93,611,041	- 3.87	7. Lamb	9	35,486,915	+ 6.25
2. Parmer	13	61,391,846	+ 82.31	8. Hartley	8	31,674,125	+ 56.87
3. Deaf Smith	12	47,751,812	+ 13.30	9. Bailey	9	30,610,660	+ 20.65
4. Castro	10	44,077,947	+ 44.31	10. Hale	5	24,951,489	+ 3.69
5. Hopkins	126	39,679,221	- 14.89	Ten County Total	310	446,367,873	+ 13.16 b/
6. Comanche	28	37,132,817	- 9.57	Other Counties Total	350	169,443,003	- 4.71
				Texas Total	660	615,810,876	+ 7.61

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.					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
Month	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
September 2006	13.85	11.74	12.29	11.10	0.91	141.91	16.49	213.46	.00065	129.76	129.12	85.37	31.91
October	15.42	11.79	12.32	11.51	1.33	141.49	20.26	207.75	.00064	129.41	127.21	90.27	35.57
November	15.40	11.98	12.84	12.11	0.99	138.52	22.76	223.83	.00066	126.93	131.23	98.37	38.00
December	15.43	12.55	13.47	12.30	0.58	134.81	25.64	243.88	.00068	123.84	136.24	102.25	40.79
Averages 2006 b/	14.88	11.76	11.89	11.06	1.27	132.52	17.46	209.12	.00062	121.93	124.70	88.74	32.85
January 2007	16.59	12.85	13.56	12.53	1.21	130.09	31.83	240.53	.00067	119.91	133.66	106.77	46.80
February	16.39	13.08	14.18	12.71	0.80	131.12	41.70	241.25	.00067	121.29	134.54	110.21	60.05
March	17.25	13.60	15.09	13.71	0.78	137.69	52.57	243.29	.00069	126.76	137.32	119.02	70.60
April	18.00	14.51	16.09	16.12	0.88	146.57	60.08	252.12	.00071	134.16	142.96	143.54	77.89
May	18.92	16.62	17.60	18.48	0.91	157.06	57.91	294.24	.00080	142.90	159.46	166.70	75.78
June	20.84	18.89	20.17	20.76	0.31	164.57	58.31	370.59	.00093	149.16	185.61	190.12	76.17
July	23.91	21.40	21.38	21.64	1.31	161.10	55.34	420.68	.00100	146.27	200.02	201.80	73.29
August	24.76	22.41	19.83	21.87	2.93	158.72	43.68	394.12	.00096	144.29	191.00	205.45	61.97
September	24.91	22.16	20.07	21.61	2.36	151.01	28.90	439.29	.00101	137.86	202.50	205.57	47.62
October	24.59	21.90	18.70	21.31	2.92	140.92	22.86	416.95	.00096	129.45	192.27	206.15	41.75
November	24.45	22.07	19.22	20.40	2.36	140.77	24.61	430.81	.00098	129.33	196.52	195.62	43.45

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

TOP NEW MEXICO COUNTIES a/ – NOVEMBER 2007

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2006b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2006b/</u>
1. Chaves	38	153,809,001	+ 1.42	7. Socorro	8	16,866,001	+ 2.15
2. Curry	27	128,257,084	+ 8.41	8. Valencia	5	12,457,816	- 8.11
3. Roosevelt	40	109,730,592	- 3.15	9. Sierra	3	6,898,734	- 1.24
4. Dona Ana	24	90,049,666	+ 11.37	10. Bernalillo	4	5,197,610	+ 10.12
5. Lea	13	35,291,409	- 14.52	Ten County Total	168	581,101,323	+ 2.16 b/
6. Eddy	6	22,543,410	+ 4.08	Other Counties Total	3	11,443,486	+ 12.98
				New Mexico Total	171	592,544,809	+ 2.34

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 2005 THROUGH NOVEMBER 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

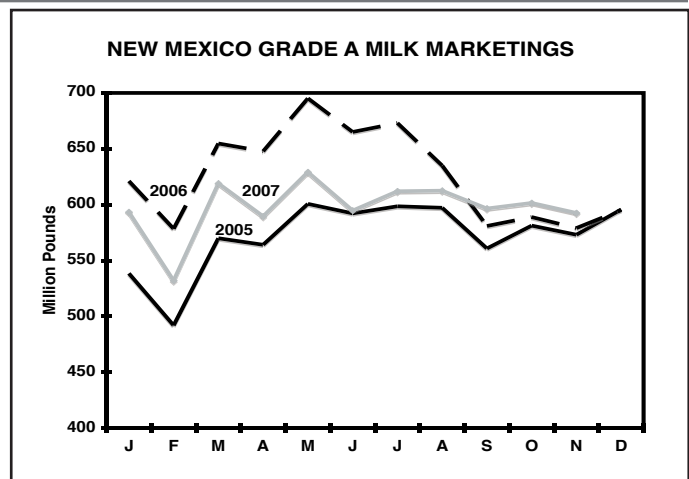
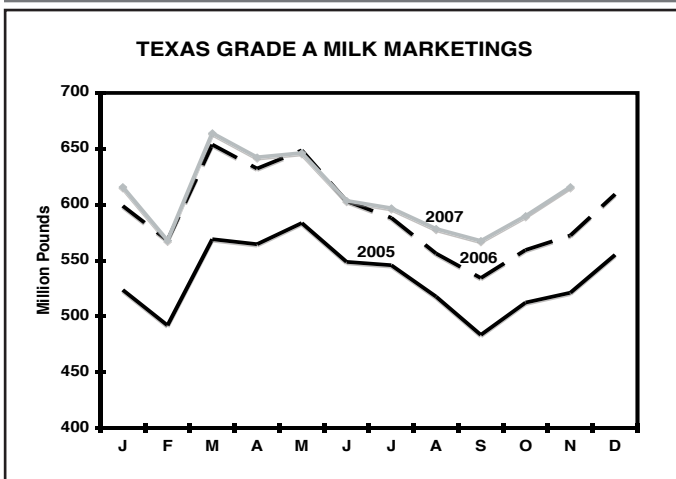
MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	523,680,970	778	598,770,671	746	615,842,075	697	+ 14.34	+ 2.85
February	491,841,542	767	568,127,819	740	567,905,237	692	+ 15.51	- 0.04
March	569,021,475	771	653,677,865	740	664,126,490	694	+ 14.88	+ 1.60
April	564,647,522	776	632,332,356	741	642,444,396	689	+ 11.99	+ 1.60
May	583,519,880	774	648,575,970	739	646,347,511	676	+ 11.15	- 0.34
June	548,798,029	772	603,059,138	733	603,528,908	670	+ 9.89	+ 0.08
July	545,665,957	774	588,198,398	726	596,923,443	656	+ 7.79	+ 1.48
August	517,675,814	767	556,266,201	723	578,369,166	656	+ 7.45	+ 3.97
September	483,172,492	772	534,330,715	712	569,217,018	661	+ 10.59	+ 6.53*
October	512,618,370	770	559,390,201	710	607,239,216	664	+ 9.12	+ 8.55*
November	521,233,872	758	572,262,884	701	615,810,876	660	+ 9.79	+ 7.61
December	<u>555,024,482</u>	743	<u>609,404,039</u>	695			<u>+ 9.80</u>	
Years Total	6,416,900,405		7,124,396,257				+ 11.03	

* Revised

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2005 THROUGH NOVEMBER 2007, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2005 POUNDS	Number of Producers	2006 POUNDS	Number of Producers	2007 POUNDS	Number of Producers	PERCENT 2006/05	CHANGE 2007/06
January	538,413,955	168	621,161,722	173	593,282,897	171	+ 15.37	- 4.49
February	491,753,468	170	578,266,056	172	531,955,021	170	+ 17.59	- 8.01
March	567,325,607	169	654,702,022	172	618,854,728	171	+ 15.40	- 5.48
April	563,980,078	168	647,819,688	173	589,646,957	167	+ 14.87	- 8.98
May	600,707,138	170	695,061,878	175	629,220,180	166	+ 15.71	- 9.47
June	592,086,292	172	665,063,549	175	598,890,379	166	+ 12.33	- 9.95
July	598,502,673	171	672,988,089	174	611,908,294	167	+ 12.45	- 9.08
August	597,055,615	172	634,876,790	172	612,444,830	169	+ 6.33	- 3.53
September	560,680,297	176	580,816,517	173	596,639,214	173	+ 3.59	+ 2.72*
October	581,203,811	174	588,810,710	171	614,972,057	172	+ 1.31	+ 4.44*
November	573,043,775	173	578,970,652	173	592,544,809	171	+ 1.03	+ 2.34
December	<u>595,644,281</u>	171	<u>595,163,099</u>	175			<u>- 0.08</u>	
Years Total	6,860,396,990		7,513,700,772				+ 9.52	

* Revised



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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
November 2006off	3.83	3.70	3.22	3.17	5.66	5.67	8.88	8.83	268	231
December	3.85	3.76	3.20	3.16	5.68	5.68	8.88	8.84	284	242
Averages 2006	3.74	3.61	3.09	3.03	5.70	5.71	8.78	8.74	279	231
January 2007	3.89	3.79	3.19	3.16	5.69	5.68	8.87	8.83	349	309
February	3.87	3.75	3.15	3.10	5.69	5.69	8.84	8.79	348	316
March	3.72	3.63	3.08	3.04	5.68	5.68	8.77	8.72	306	262
April	3.70	3.58	3.07	3.02	5.70	5.71	8.78	8.73	293	230
May	3.66	3.53	3.03	2.99	5.69	5.71	8.73	8.70	292	228
June	3.64	3.51	3.02	2.96	5.69	5.70	8.71	8.67	321	240
July	3.62	3.47	3.02	2.94	5.69	5.70	8.71	8.64	350	264
August	3.63	3.52	3.01	2.93	5.69	5.70	8.70	8.64	353	278
September	3.66	3.55	3.08	3.01	5.68	5.70	8.76	8.71	346	273
October	3.71	3.59	3.15	3.08	5.70	5.70	8.84	8.79	285	228
November	3.82	3.70	3.21	3.15	5.72	5.72	8.92	8.87	263	214

a/ In thousands.

NOVEMBER 2007 COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$326,828.67
Class I Butterfat	60(a)	8,099,141	\$1.4618	\$11,839,324.30
Class I Skim Per Cwt		346,410,647	\$20.0400	\$69,420,693.68
Class II Butterfat	60(b)	8,064,004	\$1.4147	\$11,408,146.48
Class II Nonfat Solids		4,725,674	\$1.9711	\$9,314,776.04
Class III Butterfat	60(c)	15,801,414	\$1.4077	\$22,243,650.49
Class III Protein		12,608,260	\$4.3081	\$54,317,644.91
Class III Other Solids		22,753,472	\$0.2461	\$5,599,629.45
Class IV Butterfat	60(d)	2,465,382	\$1.4077	\$3,470,518.27
Class IV Nonfat Solids		9,984,594	\$1.7812	\$17,784,558.84
Class II, III & IV Somatic Cell Adj.	60(e)			\$704,635.24
Total Producer Milk-Product Lbs & Value		923,182,334		\$206,430,406.37
Add: Value as for 60(f) Thru 60(j)				\$138,509.21
Less: Total Protein Pounds	61(b)	29,321,364	\$4.3081	\$126,319,368.28
Total Other Solids Pounds		52,763,767	\$0.2461	\$12,985,163.09
Total Other Solids Pounds		34,429,941	\$1.4077	\$48,467,027.93
Total Value of Somatic Cell Adjustment				\$1,075,058.21
Total Milk and Value		923,182,334		\$17,722,298.07
Add: Location Differential Adjustments	61(c)			\$4,140,440.82
Producer-Settlement Fund	61(d)			\$309,170.38
Total Producer Milk/URSP and Value		923,182,334	\$2.40168	\$22,171,909.27
Less: Producer-Settlement Fund	61(f)		\$0.04168	\$384,806.19
Producer Price Differential (Dallas County)			\$2.36	\$21,787,103.08

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**NOVEMBER 2007
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	354,509,788	38.40	8,099,141	23.52	346,410,647	38.98
Class II	59,083,014	6.40	8,064,004	23.42	51,019,010	5.74
Class III	399,200,482	43.24	15,801,414	45.90	383,399,068	43.14
Class IV	110,389,050	11.96	2,465,382	7.16	107,923,668	12.14
Total	923,182,334	100.00	34,429,941	100.00	888,752,393	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,437,191	39.01	20,575,941	39.00	32,013,129	39.00
Class II	1,700,796	5.80	3,024,877	5.73	4,725,674	5.76
Class III	12,608,260	43.00	22,753,472	43.12	35,361,734	43.08
Class IV	3,575,117	12.19	6,409,477	12.15	9,984,594	12.16
Total	29,321,364	100.00	52,763,767	100.00	82,085,131	100.00