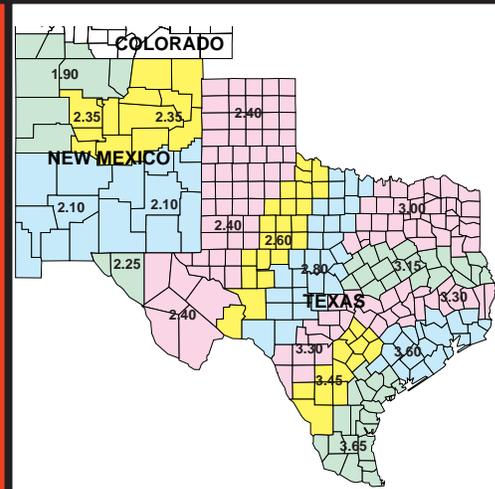


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR MARCH

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 \$1.99 for March. Butterfat price increased \$0.0086 per pound from \$1.1373 in February to the level of \$1.1459 in March. Protein price decreased \$0.1890 per pound from \$1.8538 in February to \$1.6648 in March. March's Other Solids price decreased \$0.0034 per pound from the previous month to \$0.0206. The Somatic Cell Count adjustment rate factor for March was .00054 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a March statistical uniform price of \$11.10 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 \$0.32 in comparison to the statistical blend price of \$11.42 in February.

The March Class I price decreased .42 cents from \$13.23 in February to the March level of \$12.81. The

Boston Class I price of \$13.06 produced a dairy deficiency payment of \$1.75 for March. The Class II price for March of \$10.54 per hundredweight decreased \$0.12 from \$10.66 in February. March's Class III price decreased \$0.55 from \$9.66 in February to \$9.11 in March. The Class IV price decreased \$0.02 from \$9.81 in February to \$9.79 in March.

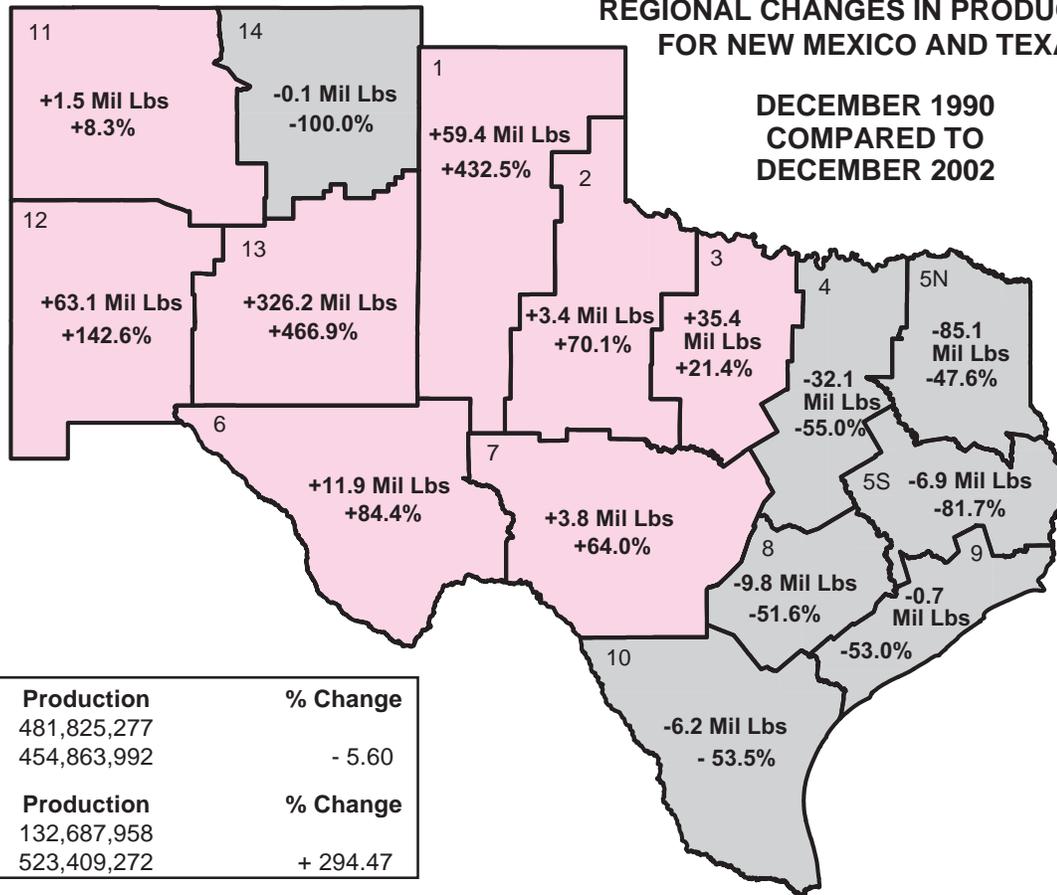
In March 984 producers delivered a total of 942,640,816 pounds of milk. On a daily basis this represents an increase of 3.57 percent from the producer receipts level in February and it represents an increase of 8.87 percent when compared to the producer receipts level of March 2002.

Producer milk classified as Class I during March amounted to 35.95 percent of total producer receipts. This figure is down from 38.65 percent in February and it is down from 39.03 percent in March 2002. The average butterfat test of producer milk pooled during March was 3.668 percent, average protein test was 3.024 percent, average other solids test was 5.722 percent and the average somatic cell count was 305,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 03	Feb 03	Mar 03	Feb 03	Mar 03	Feb 03
Appalachian	12.07	12.52	-----	-----	64.97	71.40
Arizona-Las Vegas	10.29	10.63	-----	-----	29.57	30.80
Central	10.08	10.41	0.97	0.75	27.48	24.72
Florida	13.31	13.65	-----	-----	86.40	87.10
Mideast	10.36	10.72	1.25	1.06	37.40	37.60
Northeast	11.43	11.79	2.32	2.13	41.30	44.80
Pacific Northwest	10.13	10.44	1.02	0.78	27.17	28.83
Southeast	11.91	12.32	-----	-----	62.49	65.22
Southwest	11.10	11.42	1.99	1.76	35.95	38.65
Upper Midwest	9.65	10.13	0.54	0.47	17.50	18.50
Western	9.88	10.29	0.77	0.63	20.39	18.56

REGIONAL CHANGES IN PRODUCTION FOR NEW MEXICO AND TEXAS

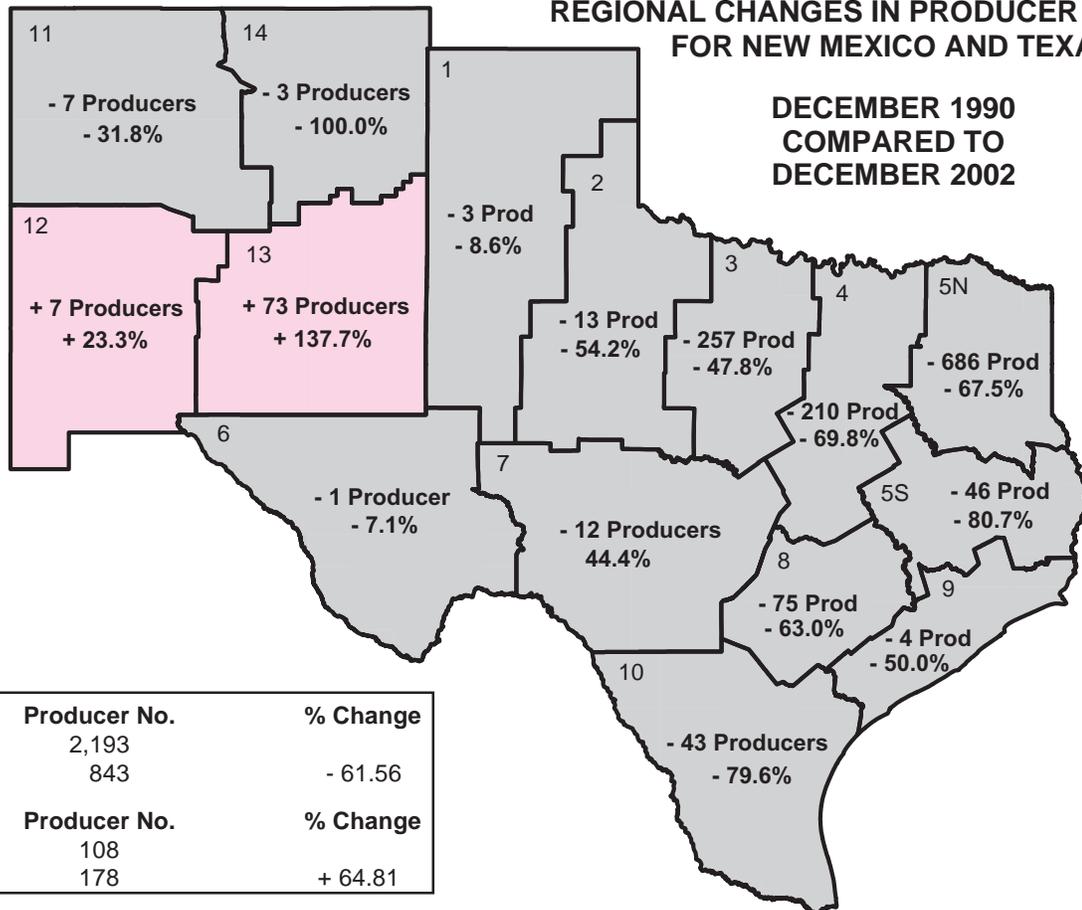
**DECEMBER 1990
COMPARED TO
DECEMBER 2002**



Texas	Production	% Change
1990	481,825,277	
2002	454,863,992	- 5.60
New Mexico	Production	% Change
1990	132,687,958	
2002	523,409,272	+ 294.47

REGIONAL CHANGES IN PRODUCER NUMBERS FOR NEW MEXICO AND TEXAS

**DECEMBER 1990
COMPARED TO
DECEMBER 2002**



Texas	Producer No.	% Change
1990	2,193	
2002	843	- 61.56
New Mexico	Producer No.	% Change
1990	108	
2002	178	+ 64.81

TOP TEN TEXAS COUNTIES a/ – MARCH 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Erath	112	115,171,669	- 10.79	7. Wood	45	14,499,780	+ 6.89
2. Hopkins	161	52,161,952	+ 2.66	8. Deaf Smith	5	13,975,432	+ 141.69
3. Comanche	37	42,360,794	- 1.44	9. Hamilton	15	13,661,681	+ 1.17
4. Lamb	6	26,970,572	+ 44.62	10. Parmer	4	11,438,871	+ 1752.26
5. El Paso	7	21,967,968	- 4.55	Ten County Total	443	332,668,378	- 1.11 b/
6. Archer	51	20,459,659	- 6.29	<u>Other Counties Total</u>	<u>398</u>	<u>179,574,863</u>	<u>+ 13.51</u>
				Texas Total	841	512,243,241	+ 3.57

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

Month	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
	----- Dollars Per Hundred Wt. -----					-----Cents Per Pound-----							
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
July	13.62	11.14	9.33	10.45	2.48	109.29	1.50	180.95	.00055	101.12	110.04	90.33	15.45
August	13.48	11.07	9.54	10.41	2.41	107.01	1.77	190.21	.00056	99.25	111.89	90.74	15.71
September	13.46	10.91	9.92	10.22	2.00	100.99	3.67	206.46	.00057	94.31	114.38	90.96	17.55
October	13.15	11.12	10.72	10.50	1.35	107.26	7.55	218.39	.00060	99.45	120.20	91.65	21.31
November	13.60	11.26	9.84	10.58	2.13	109.23	8.50	184.69	.00056	101.07	111.11	91.77	22.23
December	13.52	11.62	9.74	10.49	2.18	119.22	5.84	175.06	.00056	109.26	112.03	86.82	19.65
Averages 2002 b/	14.01	11.55	10.42	10.81	1.97	119.28	5.93	197.35	.00059	109.31	118.55	90.43	19.74
January 2003	13.56	11.29	9.78	10.07	2.10	118.56	3.39	181.64	.00057	108.72	113.70	82.07	17.28
February	13.23	10.66	9.66	9.81	1.76	113.73	2.40	185.38	.00056	104.76	112.99	81.11	16.32
March	12.81	10.54	9.11	9.79	1.99	114.59	2.06	166.48	.00054	105.46	107.80	80.51	15.99

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

TOP NEW MEXICO COUNTIES a/ – MARCH 2003

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 2002b/</u>
1. Chaves	39	159,449,514	+ 1.62	7. Socorro	8	16,753,065	+ 5.13
2. Roosevelt	43	102,202,066	+ 14.88	8. Valencia	9	10,518,180	+ 1.42
3. Curry	20	95,889,823	+ 13.22	9. Bernalillo	5	5,884,700	- 2.37
4. Dona Ana	24	86,749,789	+ 6.09				
5. Lea	16	46,746,133	+ 9.94	Nine County Total	171	555,152,407	+ 7.54 b/
6. Eddy	7	30,959,137	+ 6.60	<u>Other Counties Total</u>	<u>6</u>	<u>15,749,225</u>	<u>+ 25.08</u>
				New Mexico Total	177	570,901,632	+ 7.96

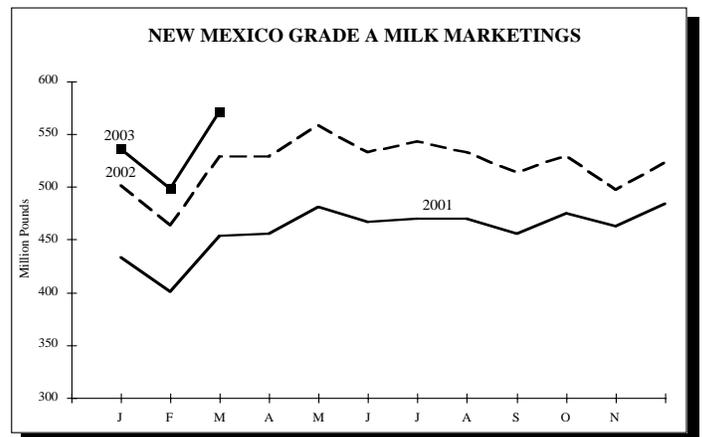
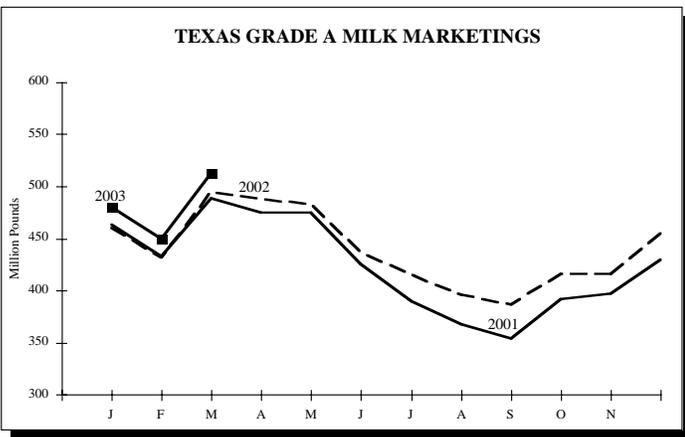
a/ All known Grade "A" milk produced on farms located in New Mexico.
 b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 2001 THROUGH MARCH 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	463,431,654	1,026	459,850,238	897	480,011,354	845	-0.77	+ 4.38
February	432,156,106	1,006	431,807,361	894	449,362,000	840	-0.08	+ 4.07
March	487,875,678	991	494,608,931	893	512,243,241	841	+1.38	+ 3.57
April	474,386,881	978	487,475,741	889			+2.76	
May	474,236,039	962	482,994,330	875			+1.85	
June	425,591,909	954	435,698,971	872			+2.37	
July	389,996,462	933	414,700,943	862			+6.33	
August	367,810,615	919	395,468,644	851			+7.52	
September	354,482,882	916	386,732,687	859			+9.10	
October	391,332,224	908	415,984,319	846			+6.30	
November	397,352,762	907	415,537,665	847			+4.58	
December	<u>429,232,267</u>	903	<u>454,863,992</u>	843			<u>+5.97</u>	
Years Total	5,087,885,479		5,275,723,822				+3.69	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2001 THROUGH MARCH 2003, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2001 POUNDS	Number of Producers	2002 POUNDS	Number of Producers	2003 POUNDS	Number of Producers	PERCENT CHANGE 2002/01	2003/02
January	432,749,978	166	501,275,998	174	535,741,056	177	+15.84	+ 6.66
February	400,543,634	166	463,667,936	173	498,218,526	176	+15.76	+ 7.45
March	453,232,150	165	528,830,087	175	570,901,632	177	+16.68	+ 7.96
April	454,980,340	167	528,467,048	175			+16.15	
May	480,995,372	169	557,746,887	176			+15.96	
June	466,640,323	170	532,178,000	178			+14.04	
July	469,362,545	171	542,546,821	176			+15.59	
August	469,391,326	174	532,685,705	176			+13.48	
September	455,259,423	173	513,773,496	178			+12.85	
October	474,918,306	173	529,524,800	178			+11.50	
November	462,212,000	173	496,802,059	178			+7.48	
December	<u>484,020,641</u>	173	<u>523,409,272</u>	178			<u>+8.14</u>	
Years Total	5,504,306,038		6,250,908,109				+13.56	



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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
March 2002	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
July	3.59	3.45	3.00	2.91	5.67	5.69	8.66	8.60	407	290
August	3.58	3.47	3.02	2.93	5.65	5.68	8.67	8.61	414	303
September	3.62	3.55	3.09	3.00	5.64	5.67	8.72	8.67	393	297
October	3.76	3.67	3.15	3.08	5.66	5.68	8.81	8.76	376	281
November	3.87	3.76	3.19	3.13	5.68	5.68	8.86	8.80	368	296
December	3.80	3.74	3.15	3.10	5.69	5.69	8.84	8.79	356	306
Averages 2002	3.69	3.60	3.08	3.02	5.68	5.69	8.75	8.70	370	293
January 2003	3.77	3.72	3.11	3.05	5.70	5.68	8.80	8.73	338	313
February	3.74	3.68	3.08	3.01	5.71	5.69	8.78	8.70	331	289
March	3.70	3.63	3.05	2.99	5.71	5.73	8.76	8.72	343	277

a/ In thousands.

MARCH 2003
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$383,437.14
Class I Butterfat	60(a)	7,875,947	\$1.1674	\$9,194,380.56
Class I Skim Per Cwt		330,988,023	\$9.0400	\$29,921,317.30
Class II Butterfat	60(b)	8,430,765	\$1.1529	\$9,719,829.00
Class II Nonfat Solids		9,754,725	\$0.7489	\$7,305,313.56
Class III Butterfat	60(c)	8,936,978	\$1.1459	\$10,240,883.10
Class III Protein		8,219,024	\$1.6648	\$13,683,031.17
Class III Other Solids		15,624,873	\$0.0206	\$321,872.40
Class IV Butterfat	60(d)	9,332,865	\$1.1459	\$10,694,530.01
Class IV Nonfat Solids		18,692,619	\$0.6651	\$12,432,460.94
Class II, III & IV Somatic Cell Adj.	60(e)			\$166,601.93
Total Producer Milk-Product Lbs & Value		942,640,816		\$104,063,657.11
Add: Value as for 60(f) Thru 60(j)				\$23,070.43
Less: Total Protein Pounds	61(b)	28,507,093	\$1.6648	\$47,458,608.43
Total Other Solids Pounds		53,934,435	\$0.0206	\$1,111,049.38
Total Butterfat Pounds		34,576,555	\$1.1459	\$39,621,274.38
Total Value of Somatic Cell Adjustment				\$231,172.52
Total Milk and Value		942,640,816		\$15,664,622.83
Add: Location Differential Adjustments	61(c)			\$3,164,209.29
Producer-Settlement Fund	61(d)			\$359,263.87
Total Producer Milk/URSP and Value		942,640,816	\$2.03556	\$19,188,095.99
Less: Producer-Settlement Fund	61(f)		\$0.04556	\$429,543.75
Producer Price Differential (Dallas County)			\$1.99	\$18,758,552.24

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MARCH 2003
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	338,863,970	35.95	7,875,947	22.78	330,988,023	36.45
Class II	115,801,689	12.28	8,430,765	24.38	107,370,924	11.82
Class III	272,516,453	28.91	8,936,978	25.85	263,579,475	29.03
Class IV	215,458,704	22.86	9,332,865	26.99	206,125,839	22.70
Total	942,640,816	100.00	34,576,555	100.00	908,064,261	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,479,693	36.76	19,670,599	36.47	30,150,286	36.58
Class II	3,383,581	11.87	6,371,142	11.81	9,754,725	11.83
Class III	8,219,024	28.83	15,624,873	28.97	23,843,898	28.92
Class IV	6,424,795	22.54	12,267,821	22.75	18,692,619	22.67
Total	28,507,093	100.00	53,934,435	100.00	82,441,528	100.00