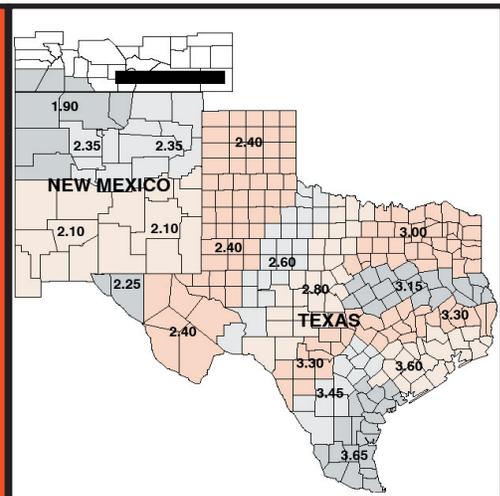


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR OCTOBER

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 \$1.23 for October. Butterfat price decreased \$0.0616 per pound from \$1.8872 in September to the level of \$1.8256 in October. Protein price increased \$0.0771 per pound from \$2.3009 in September to \$2.3780 in October. October's Other Solids price increased \$0.0080 per pound from \$0.1411 in September to \$0.1491 in October. The Somatic Cell Count adjustment rate factor for October was .00075 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a October statistical uniform price of \$15.58 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of \$0.12 in comparison to the statistical blend price of \$15.70 in September.

The October Class I price increased \$0.57 from \$16.70 in September to the October level of \$17.27. The Class II price for October of \$14.25 per hundred-weight decreased \$0.10 from \$14.35 in September. October's Class III price increased \$0.05 from \$14.30 in September to \$14.35 in October. The Class IV price decreased \$0.14 from \$13.75 in September to \$13.61 in October.

In October 856 producers delivered a total of 852,497,979 pounds of milk. On a daily basis this represents an increase of 7.59 percent from the producer receipts level in September and it represents an increase of 7.81 percent when compared to the producer receipts level of October 2004.

Producer milk classified as Class I during October amounted to 42.75 percent of total producer receipts. This figure is down from 46.97 percent in September but it is down from 45.32 percent in October 2004. The average butterfat test of producer milk pooled during October was 3.699 percent, average protein test was 3.097 percent, average other solids test was 5.720 percent and the average somatic cell count was 290,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Oct 05	Sep 05	Oct 05	Sep 05	Oct 05	Sep 05
Appalachian	16.48	16.37	-----	-----	69.30	72.46
Arizona-Las Vegas	15.03	15.02	-----	-----	35.45	39.64
Central	14.70	14.75	0.35	0.45	29.61	31.04
Florida	17.69	17.47	-----	-----	87.17	88.67
Mideast	14.91	14.94	0.56	0.64	38.90	40.30
Northeast	15.88	15.92	1.53	1.62	48.20	49.50
Pacific Northwest	14.46	14.50	0.11	0.20	28.34	29.38
Southeast	16.49	16.32	-----	-----	68.28	69.87
Southwest	15.58	15.70	1.23	1.40	42.75	46.97
Upper Midwest	14.59	14.59	0.24	0.29	17.90	18.90

USDA SEEKS NOMINATIONS FOR NATIONAL FLUID MILK BOARD

The U.S. Department of Agriculture is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board.

The Secretary of Agriculture will appoint seven individuals from those nominated to succeed members whose terms expire June 30, 2006. Newly appointed or reappointed members will serve 3-year terms from July 1, 2006 through June 30, 2009.

The National Fluid Milk Processor Promotion Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and education to promote fluid milk products. Of the board's 20 members, 15 represent geographic regions and five are at-large members. The at-large members must include at least three fluid milk processors and at least one member from the general public. Currently, there is one member from the general public serving on the board.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who process and market commercially in consumer-type packages more than 3,000,000 pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia, excluding those fluid milk products delivered directly to the residence of a consumer.

USDA will accept nominations for board representation in five geographic regions and two at-large positions. Nominees for the five regional and one at-large processor positions must be active owners

or employees of a fluid milk processor. One at-large position must be from the general public. The geographic regions are: Region 3 (Delaware, District of Columbia, Maryland, Pennsylvania, and Virginia); Region 6 (Ohio and West Virginia); Region 9 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee); Region 12 (Arizona, Colorado, New Mexico, Nevada, and Utah); and Region 15 (Southern California). No fluid milk processor shall be represented on the board by more than three members.

Fluid milk processors and interested parties may submit nominations for regions in which they are located or market fluid milk and for at-large members.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by Dec. 5, 2005, to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. To obtain forms or additional information, call (202) 720-6909. Blank forms are available on the Dairy Promotion and Research Branch's website at <http://www.ams.usda.gov/dairy/dairypr.htm>.

2006 PRICE DATA RELEASE DATES

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2006. The advance pricing factors will be released on the Friday before the 23rd of the preceding month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5th of the following month unless this date is a Friday. The release time for all release dates is 10:00 a.m. EST/EDST.

2006 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 23, 2005	12/10, 17	February 3, 2006	12/31, 1/7, 14, 21, 28
February	January 20, 2006	1/7, 14	March 3	2/4, 11, 18, 25
March	February 17	2/4, 11	March 31	3/4, 11, 18, 25
April	March 17	3/4, 11	May 5	4/1, 8, 15, 22, 29
May	April 21	4/8, 15	June 2	5/6, 13, 20, 27
June	May 19	5/6, 13	June 30	6/3, 10, 17, 24
July	June 23	6/10, 17	August 4	7/1, 8, 15, 22, 29
August	July 21	7/8, 15	September 1	8/5, 12, 19, 26
September	August 18	8/5, 12	September 29	9/2, 9, 16, 23
October	September 22	9/9, 16	November 3	9/30, 10/7, 14, 21, 28
November	October 20	10/7, 14	December 1	11/4, 11, 18, 25
December	November 17	11/4, 11	January 5, 2007	12/2, 9, 16, 23, 30

^{1/} Weekly sales periods, ending on the indicated date, which 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/ – OCTOBER 2005

County	Number of Producers	Pounds	% Change From 2004b/	County	Number of Producers	Pounds	% Change From 2004b/
1. Erath	108	94,034,534	- 3.53	7. Deaf Smith	8	26,504,996	+ 46.04
2. Hopkins	142	41,374,050	+ 7.79	8. Bailey	7	21,301,996	+ 67.36
3. Comanche	35	38,158,269	+ 1.67	9. Parmer	6	20,653,929	+ 25.79
4. Lamb	8	33,610,069	+ 17.31	10. Hartley	5	19,720,909	+ 95.70
5. Castro	8	27,660,300	+ 41.79	Ten County Total	332	349,862,566	+ 14.02 b/
6. Hale	5	26,843,514	+ 29.21	Other Counties Total	438	162,476,505	+ 0.87
				Texas Total	770	512,339,071	+ 9.49

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.					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
	----- Dollars Per Hundred Wt. -----						-----Cents Per Pound-----						
August 2004	17.62	13.13	14.04	12.46	1.45	179.41	6.76	246.63	.00076	161.01	151.67	85.84	22.46
September	16.94	13.66	14.72	13.00	1.03	193.54	5.89	254.31	.00079	172.78	158.67	86.39	21.62
October	17.78	13.57	14.16	12.81	1.52	190.20	6.77	238.14	.00076	170.00	152.56	85.65	22.47
November	17.29	14.09	14.89	13.34	0.99	204.89	8.00	242.97	.00079	182.24	158.86	85.70	23.67
December	17.43	13.98	16.14	13.42	- 0.47	203.66	8.58	284.86	.00086	181.22	171.46	87.13	24.23
Averages 2004 b/	17.98	13.86	15.39	13.20	0.61	205.07	7.51	260.35	.00082	182.39	164.31	84.05	23.19
January 2005	19.65	13.04	14.14	12.52	1.90	173.30	8.99	253.00	.00076	155.92	151.65	89.06	24.63
February	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

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

TOP NEW MEXICO COUNTIES a/ – OCTOBER 2005

County	Number of Producers	Pounds	% Change From 2004b/	County	Number of Producers	Pounds	% Change From 2004b/
1. Chaves	40	158,429,944	+ 7.54	7. Valencia	8	15,170,346	- 7.35
2. Roosevelt	40	109,062,803	+ 8.38	8. Socorro	8	14,026,072	+ 25.83
3. Curry	24	109,014,069	+ 8.52	9. Sierra	3	7,302,191	- 4.27
4. Dona Ana	24	88,233,038	+ 3.46	10. Bernalillo	4	5,205,886	+ 1.22
5. Lea	14	40,865,257	+ 31.06	Ten County Total	170	570,561,486	+ 7.30 b/
6. Eddy	5	23,251,880	- 12.47	Other Counties Total	4	10,642,325	+ 14.36
				New Mexico Total	174	581,203,811	+ 7.43

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 2003 THROUGH OCTOBER 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

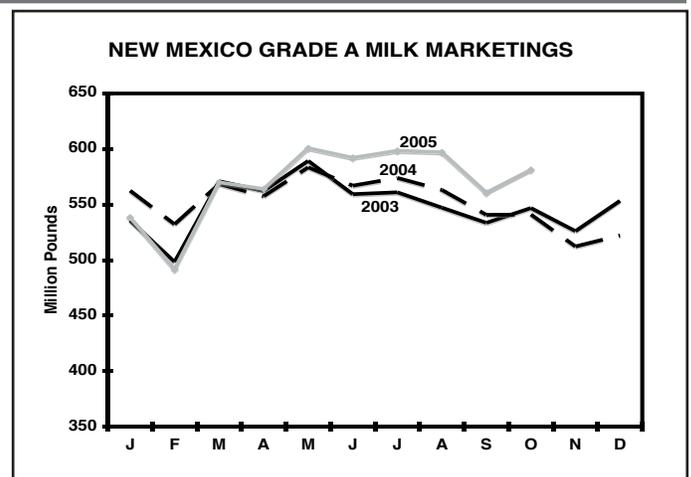
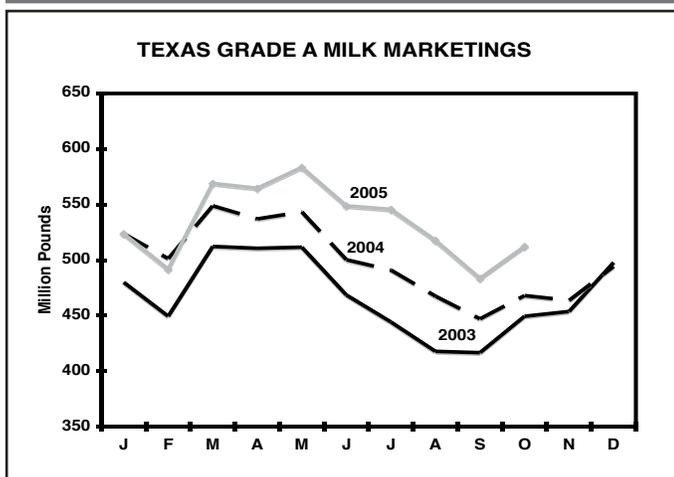
MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	480,011,354	845	523,723,796	816	523,680,970	778	+ 9.11	- 0.01
February	449,362,000	840	501,204,456	819	491,841,542	767	+ 7.69*	+ 1.64*
March	512,243,241	841	548,941,459	814	569,021,475	771	+7.16	+ 3.66
April	510,466,950	838	537,141,283	803	564,647,522	776	+ 5.23	+ 5.12
May	511,474,552	840	543,408,997	801	583,519,880	774	+ 6.24	+ 7.38
June	468,387,455	838	500,319,580	803	548,798,029	772	+ 6.82	+ 9.69
July	444,115,237	834	491,018,134	799	545,665,957	774	+ 10.56	+ 11.13
August	417,817,794	833	467,427,900	796	517,675,814	767	+ 11.87	+ 10.75
September	416,649,423	836	447,166,094	796	483,172,492	772	+ 7.32	+ 8.05
October	449,267,689	835	467,915,409	797	512,339,071	770	+ 4.15	+ 9.49
November	453,593,349	826	463,696,745	793			+ 2.23	
December	497,718,548	815	494,282,753	793			- 0.69	
Years Total	5,611,107,592		5,986,246,606				+ 6.69	

* Based on average daily delivery.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2003 THROUGH OCTOBER 2005, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2003 POUNDS	Number of Producers	2004 POUNDS	Number of Producers	2005 POUNDS	Number of Producers	PERCENT 2004/03	CHANGE 2005/04
January	535,741,056	177	562,516,031	178	538,413,955	168	+ 5.00	- 4.28
February	498,218,526	176	532,156,355	176	491,753,468	170	+ 3.13*	- 4.29*
March	570,901,632	177	568,504,219	178	569,909,167	169	- 0.42	+ 0.25
April	562,338,380	177	557,482,116	176	563,980,078	168	- 0.86	+ 1.17
May	589,176,775	177	583,379,003	177	600,707,138	170	- 0.98	+ 2.97
June	559,442,259	177	567,036,025	177	592,086,292	172	+ 1.36	+ 4.42
July	560,883,275	178	571,734,951	181	598,502,673	171	+ 2.32	+ 4.68
August	547,114,145	178	563,099,040	177	597,055,615	172	+ 2.92	+ 6.03
September	533,648,709	180	540,636,857	179	560,680,297	176	+ 1.31	+ 3.71
October	546,904,202	178	541,026,928	177	581,203,811	174	- 1.07	+ 7.43
November	526,000,891	176	512,342,849	176			- 2.60	
December	553,271,605	179	522,218,762	174			- 5.61	
Years Total	6,583,641,455		6,624,297,736				+ 0.62	

* Based on average daily delivery.



The United States Department of Agriculture (USDA) prohibits discrimination in all its programs on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

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
October 2004	3.76	3.63	3.15	3.09	5.69	5.72	8.84	8.81	346	285
November	3.84	3.72	3.18	3.14	5.70	5.73	8.88	8.87	372	298
December	3.85	3.74	3.19	3.15	5.70	5.70	8.89	8.84	359	323
Averages 2004	3.70	3.56	3.09	3.02	5.70	5.72	8.79	8.74	339	280
January 2005	3.77	3.68	3.13	3.09	5.69	5.69	8.82	8.77	346	324
February	3.75	3.65	3.10	3.06	5.71	5.70	8.81	8.77	329	306
March	3.70	3.59	3.08	3.02	5.72	5.72	8.80	8.75	322	283
April	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

a/ In thousands.

OCTOBER 2005
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$348,799.55
Class I Butterfat	60(a)	8,208,264	\$1.9118	\$15,692,559.14
Class I Skim Per Cwt		356,226,879	\$10.9600	\$39,042,465.95
Class II Butterfat	60(b)	10,670,445	\$1.8326	\$19,554,657.50
Class II Nonfat Solids		10,845,408	\$0.9022	\$9,784,727.10
Class III Butterfat	60(c)	7,673,012	\$1.8256	\$14,007,850.72
Class III Protein		6,585,692	\$2.3780	\$15,660,775.57
Class III Other Solids		12,236,651	\$0.1491	\$1,824,484.67
Class IV Butterfat	60(d)	4,985,873	\$1.8256	\$9,102,209.75
Class IV Nonfat Solids		12,886,205	\$0.8310	\$10,708,436.37
Class II, III & IV Somatic Cell Adj.	60(e)			\$262,095.09
Total Producer Milk-Product Lbs & Value		852,497,979		\$135,989,061.41
Add: Value as for 60(f) Thru 60(j)				\$32,830.44
Less: Total Protein Pounds	61(b)	26,402,896	\$2.3780	\$62,786,086.67
Total Other Solids Pounds		48,762,944	\$0.1491	\$7,270,554.97
Total Butterfat Pounds		31,537,594	\$1.8256	\$57,575,031.61
Total Value of Somatic Cell Adjustment				\$390,280.38
Total Milk and Value		852,497,979		\$7,999,938.22
Add: Location Differential Adjustments	61(c)			\$2,508,986.96
Producer-Settlement Fund	61(d)			\$328,659.69
Total Producer Milk/URSP and Value		852,497,979	\$1.27127	\$10,837,584.87
Less: Producer-Settlement Fund	61(f)		\$0.04127	\$351,859.73
Producer Price Differential (Dallas County)			\$1.23	\$10,485,725.14

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REPORT

SOUTHWEST MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR

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OCTOBER 2005 PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	364,435,143	42.75	8,208,264	26.03	356,226,879	43.39
Class II	128,822,718	15.11	10,670,445	33.83	118,152,273	14.39
Class III	213,651,236	25.06	7,673,012	24.33	205,978,224	25.09
Class IV	145,588,882	17.08	4,985,873	15.81	140,603,009	17.13
Total	852,497,979	100.00	31,537,594	100.00	820,960,385	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,473,570	43.46	21,138,306	43.36	32,611,882	43.39
Class II	3,826,332	14.49	7,019,077	14.39	10,845,407	14.43
Class III	6,585,692	24.94	12,236,651	25.09	18,822,346	25.04
Class IV	4,517,302	17.11	8,368,910	17.16	12,886,205	17.14
Total	26,402,896	100.00	48,762,944	100.00	75,165,840	100.00