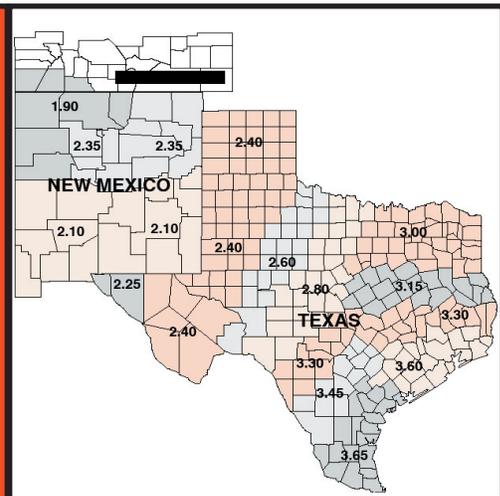


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

CARY HUNTER, 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>

VOLUME XXXVI, NO. 4

APRIL 2010

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 \$2.28 for March. Butterfat price increased \$0.0943 per pound from \$1.4404 in February to the level of \$1.5347 in March. Protein price decreased \$0.5755 per pound from \$2.7066 in February to \$2.1311 in March. March's Other Solids price decreased \$0.0169 per pound from \$0.1992 in February to \$0.1823 in March. The Somatic Cell Count adjustment rate factor for March was 0.00068 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 \$15.06 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 \$0.93 in comparison to the statistical uniform price of \$15.99 in February.

The March Class I price decreased \$0.50 from \$17.84 in February to the March level of \$17.34. The Class II price for March of \$14.46 per hundredweight decreased \$1.19 from \$15.65 in February. March's Class III price decreased \$1.50 from \$14.28 in February to \$12.78 in March. The Class IV price increased \$0.02 from \$12.90 in February to \$12.92 in March.

In March 506 producers delivered a total of 940,881,292 pounds of milk. On a daily basis this represents an increase of 1.46 percent from the producer receipts level in February and it represents an increase of 36.78 percent when compared to the producer receipts level of March 2009.

Producer milk classified as Class I during March amounted to 39.11 percent of total producer receipts. This figure is down from 40.35 percent in February and it is down from 53.61 percent in March 2009. The average butterfat test of producer milk pooled during March was 3.630 percent, average protein test was 3.107 percent, average other solids test was 5.753 percent and the average somatic cell count was 253,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar 10	Feb 10	Mar 10	Feb 10	Mar 10	Feb 10
Appalachian	16.75	17.35	-----	-----	67.49	69.65
Arizona	14.29	14.88	-----	-----	32.44	32.75
Central	14.03	14.79	1.25	0.51	31.99	33.00
Florida	19.13	19.65	-----	-----	87.06	87.75
Mideast	14.52	15.38	1.74	1.10	40.10	43.40
Northeast	15.54	16.30	2.76	2.02	42.60	44.40
Pacific Northwest	13.86	14.63	1.08	0.35	27.28	27.32
Southeast	16.80	17.59	-----	-----	64.02	68.23
Southwest	15.06	15.99	2.28	1.71	39.11	40.35
Upper Midwest	13.32	14.62	0.54	0.34	13.00	13.10

COMMERCIAL DISAPPEARANCE: 2008-2009

Commercial disappearance of dairy products during 2009 totaled 190,355 billion pounds or 1.2 percent below the 2008 figure of 193,145 billion pounds. The total supply of milk fell 0.1 percent from in that same time period.

Comparing disappearance levels of selected products with year earlier levels fluid milk products showed the largest increase in pounds, increasing 429.3 million from 2008 to 2009, while American cheese showed the greatest percentage increase at 2.6 percent. Other cheese increased 88.4 million pounds, or 1.7 percent. Both butter and nonfat dry milk showed decreases in commercial disappearance, at 142.7 million pounds and 85.0 million pounds, respectively.

Commercial Disappearance: Total Milk And Selected Dairy Products: 2008-2009 1/				
Item	2008	% Chg. 2/	2009	% Chg. 2/
MILK	- Million Pounds -			
Milk Production	189,992	2.1	189,320	(0.1)
Marketings	188,918	2.1	188,240	(0.1)
Beginning Commercial Stocks 3/	10,355	8.9	10,045	(3.0)
Imports 3/	3,941	(15.2)	4,057	3.2
Total Supply 4/	203,214	1.8	202,342	0.0
Ending Commercial Stocks 3/	10,045	(3.0)	11,284	12.3
Net Removals 3/	24	100.0	703	2,829.2
Commercial Disappearance 4/	193,145	2.3	190,355	(1.2)
SELECTED PRODUCTS				
Butter	1,710.1	12.3	1,567.4	(8.1)
American Cheese	4,064.1	2.6	4,159.0	2.6
Other Cheese	6080.4	(2.0)	6,168.8	1.7
Nonfat Dry Milk	1,378.0	13.2	1,293.0	(5.9)
Fluid Milk Products 6/	55,056.6	(0.2)	55,485.9	1.1

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports.

2/ From year earlier on a daily average basis.

3/ Milk-equivalent, milkfat basis.

4/ Totals may not add because of rounding.

5/ Commercial disappearance in product pounds.

6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

SOURCE: Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

NATIONAL DAIRY BOARD APPOINTMENTS ANNOUNCED

Agriculture Secretary Tom Vilsack has announced the appointment of 12 members to the National Dairy Promotion and Research Board. All appointees will serve 3-year terms beginning immediately.

"These appointees represent a cross section of the dairy industry and I am confident that dairy pro-

ducers will be well served by them," said Vilsack.

Dairy production is vital to the United States agriculture industry. In 2008, according to USDA statistics, 190 billion pounds of milk were produced in the United States. The 36-member board is authorized by the Dairy Production Stabilization Act of 1983. The Secretary selected the appointees from nominations submitted by eligible producer organizations, general farm organizations, and qualified State or regional dairy products promotion, research or nutrition education programs.

The board's goal is to strengthen the position of dairy in the marketplace and to maintain and expand domestic and foreign markets and uses for dairy and dairy products. The mandatory program is funded at the rate of 15 cents per hundredweight of milk produced in the 48 contiguous States and marketed commercially. USDA's Agricultural Marketing Service has oversight of the board.

Newly appointed are: George E. Marsh, Oregon (Region 1); Ray S. Prock, California (Region 2); Arlene J. Vander Eyk, California (Region 2); Brian W. Esplin, Idaho (Region 3); Neil A. Hoff, Texas (Region 4); Paul A. Fritsche, Minnesota (Region 5); Patricia M. Boettcher, Wisconsin (Region 6); Mark E. Erdman, Illinois (Region 7); Susan D. K. Troyer, Indiana (Region 9); and Ronald R. McCormick, New York (Region 12).

Reappointed to serve second terms were: Randy G. Roecker, Wisconsin (Region 6); and Rita P. Kennedy, Pennsylvania (Region 11).

MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2010 was unchanged at 184. Compared with March 2009, the index was up 4 points (2.2 percent). The index of prices received by farmers for dairy products declined 6 points during the month of March 2010 to 116. Compared with March 2009, the index was up 26 points (28.9 percent).

Prices received by farmers in March with changes from February were: for All Milk, \$15.10 per hundredweight (cwt.), down \$.80; for Fluid Grade Milk, \$15.10 per cwt., down \$.80; and for Manufacturing Grade Milk, \$13.80 per cwt., down \$.70.

TOP TEN TEXAS COUNTIES a/ – MARCH 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Erath	83	108,884,923	- 4.14	7. Hopkins	104	45,399,633	- 14.20
2. Castro	12	70,568,877	+ 18.36	8. Bailey	10	43,283,639	- 3.99
3. Parmer	12	67,022,376	- 6.23	9. Comanche	19	40,584,763	- 15.04
4. Deaf Smith	13	60,171,482	- 6.38	10. Hale	6	32,544,964	+ 2.30
5. Hartley	10	46,778,860	+ 11.27	Ten County Total	278	560,663,888	- 1.60 b/
6. Lamb	9	45,424,371	+ 10.18	Other Counties Total	299	212,622,271	- 5.16
				Texas Total	577	773,286,159	- 2.61

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

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 2009	18.74	10.41	10.78	9.59	2.72	110.84	(3.04)	236.38	.00065	108.68	129.61	83.18	16.96
February	13.72	10.25	9.31	9.45	2.00	109.41	(4.37)	191.39	.00058	107.50	115.18	82.15	15.67
March	12.43	10.36	10.44	9.64	1.01	115.94	(3.39)	219.73	.00063	112.89	126.11	81.66	16.62
April	13.36	10.49	10.78	9.82	1.11	120.49	(0.43)	220.09	.00064	116.65	127.71	81.95	19.49
May	13.97	10.71	9.84	10.14	2.00	126.48	3.36	174.54	.00058	121.59	115.53	83.18	23.17
June	13.08	10.79	9.97	10.22	1.67	125.44	7.23	172.83	.00057	120.73	114.66	84.61	26.93
July	13.26	10.87	9.97	10.15	1.80	124.38	9.49	169.70	.00057	119.86	113.34	84.22	29.12
August	13.04	10.86	11.20	10.38	1.14	124.91	9.62	210.09	.00063	120.30	126.05	86.66	29.25
September	13.93	11.01	12.11	11.15	0.91	122.26	10.18	242.43	.00068	118.11	135.22	96.64	29.79
October	15.35	11.93	12.82	11.86	1.23	127.52	12.28	255.84	.00071	122.45	141.10	102.70	31.83
November	15.86	13.24	14.08	13.25	0.95	146.56	15.24	269.91	.00076	138.17	151.69	111.20	34.71
December	16.99	14.25	14.98	15.01	1.02	154.33	17.27	287.51	.00080	144.59	159.69	128.58	36.68
Averages 2009 b/	14.48	11.26	11.36	10.89	1.46	125.71	6.12	220.87	.00065	120.96	129.66	92.23	25.85
January 2010	18.03	15.22	14.50	13.85	1.60	144.05	19.46	279.16	.00077	136.10	153.74	119.29	38.80
February	17.84	15.65	14.28	12.90	1.71	144.04	19.92	270.66	.00076	136.09	151.10	108.12	39.25
March	17.34	14.46	12.78	12.92	2.28	153.47	18.23	213.11	.00068	143.88	136.32	104.54	37.61

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

TOP NEW MEXICO COUNTIES a/ – MARCH 2010

County	Number of Producers	Pounds	% Change From 2009b/	County	Number of Producers	Pounds	% Change From 2009b/
1. Chaves	34	169,022,396	- 6.85	7. Eddy	3	17,573,240	- 34.65
2. Curry	27	147,281,061	- 0.74	8. Valencia	5	15,256,219	+ 5.87
3. Roosevelt	38	130,476,886	- 8.15	9. Luna	3	13,736,380	+ 50.80
4. Dona Ana	21	95,226,939	+ 1.97	10. Bernalillo	4	5,213,264	- 6.51
5. Lea	14	50,385,947	+ 5.39	Ten County Total	157	664,186,125	- 3.59 b/
6. Socorro	8	20,013,793	+ 0.70	Other Counties Total	2	9,978,140	- 8.12
				New Mexico Total	159	674,164,265	- 3.66

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 2008 THROUGH MARCH 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

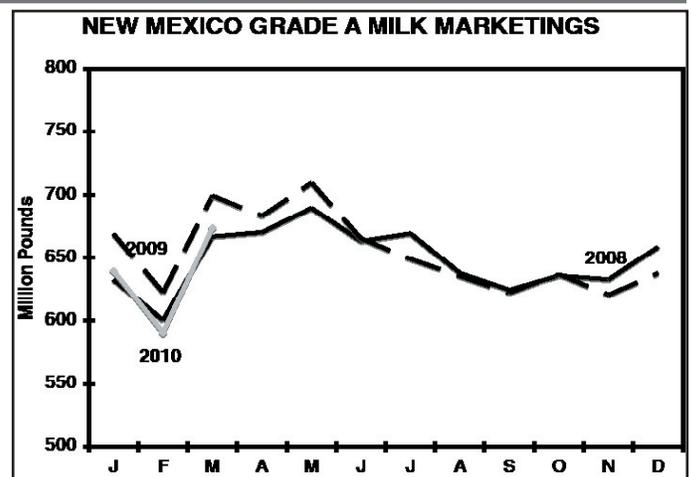
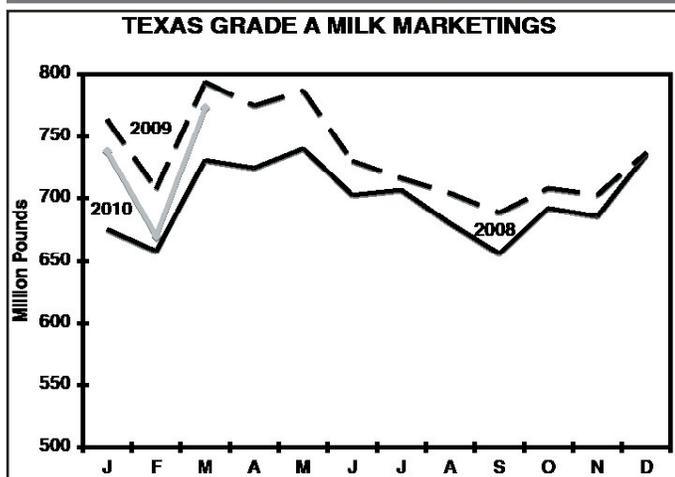
MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	675,265,283	654	764,064,476	636	738,423,690	582	+ 13.15	- 3.36
February	658,108,461	658	707,786,943	631	670,435,107	578	+ 11.39*	- 5.28
March	730,859,173	659	793,989,726	635	773,286,159	577	+ 8.64	- 2.61
April	724,651,306	659	774,795,518	631			+ 6.92	
May	740,427,008	659	787,077,681	629			+ 6.30	
June	702,946,861	656	730,380,337	622			+ 3.90	
July	706,911,758	657	716,344,326	598			+ 1.33	
August	679,996,118	654	704,267,950	597			+ 3.57	
September	656,032,884	646	688,737,418	593			+ 4.99	
October	692,397,097	648	708,312,372	590			+ 2.30	
November	685,894,611	646	703,046,885	591			+ 2.50	
December	<u>735,262,255</u>	640	<u>737,072,970</u>	581			<u>+ 0.25</u>	
Years Total	8,388,752,815		8,815,876,602				+ 5.09	

* Based on average daily deliveries.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 2008 THROUGH MARCH 2010, WITH PRODUCTION PERCENTAGE COMPARISONS**

MONTH	2008 POUNDS	Number of Producers	2009 POUNDS	Number of Producers	2010 POUNDS	Number of Producers	PERCENT 2009/08	CHANGE 2010/09
January	632,699,151	173	669,161,661	170	639,455,640	157	+ 5.76	- 4.44
February	600,488,935	169	622,538,938	167	591,156,278	158	+ 7.37*	- 5.04
March	667,225,545	170	699,808,110	168	674,164,265	159	+ 4.88	- 3.66
April	670,437,294	170	683,575,106	164			+ 1.96	
May	690,007,674	173	709,872,347	165			+ 2.88	
June	663,052,878	172	665,627,017	166			+ 0.39	
July	669,450,030	172	649,187,109	158			- 3.03	
August	637,877,538	172	635,258,249	157			- 0.41	
September	624,527,568	172	622,278,128	158			- 0.36	
October	635,779,456	174	636,944,152	157			+ 0.18	
November	632,916,136	175	620,605,564	157			- 1.95	
December	<u>658,804,868</u>	173	<u>641,902,168</u>	156			<u>- 2.57</u>	
Years Total	7,783,267,073		7,856,758,549				+ 0.94	

* Based on average daily deliveries.



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (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
March 2009	3.69	3.51	3.09	3.04	5.74	5.78	8.83	8.81	236	192
April	3.67	3.50	3.09	3.03	5.72	5.75	8.81	8.78	238	193
May	3.60	3.42	3.06	2.99	5.74	5.77	8.81	8.76	246	183
June	3.59	3.41	3.03	2.95	5.73	5.76	8.76	8.72	260	191
July	3.58	3.40	3.00	2.91	5.73	5.76	8.73	8.67	297	225
August	3.61	3.43	3.03	2.93	5.71	5.74	8.74	8.67	313	240
September	3.66	3.48	3.13	3.04	5.74	5.77	8.87	8.81	298	226
October	3.79	3.60	3.21	3.13	5.76	5.79	8.97	8.92	280	208
November	3.81	3.66	3.21	3.15	5.74	5.76	8.95	8.91	260	194
December	3.86	3.71	3.22	3.15	5.74	5.76	8.96	8.91	256	213
Averages 2009	3.70	3.53	3.11	3.04	5.73	5.76	8.85	8.80	265	207
January 2010	3.86	3.69	3.17	3.10	5.74	5.76	8.92	8.87	276	227
February	3.88	3.69	3.19	3.11	5.73	5.75	8.92	8.86	336	278
March	3.75	3.56	3.16	3.08	5.75	5.76	8.91	8.85	299	230

a/ In thousands.

MARCH 2010
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$489,963.98
Class I Butterfat	60(a)	7,787,292	\$1.4815	\$11,536,873.13
Class I Skim Per Cwt		360,228,129	\$12.6000	\$45,388,744.26
Class II Butterfat	60(b)	6,774,761	\$1.5417	\$10,444,649.03
Class II Nonfat Solids		4,756,813	\$1.0433	\$4,962,783.02
Class III Butterfat	60(c)	15,869,850	\$1.5347	\$24,355,458.81
Class III Protein		13,280,361	\$2.1311	\$28,301,777.34
Class III Other Solids		24,841,361	\$0.1823	\$4,528,580.11
Class IV Butterfat	60(d)	3,725,382	\$1.5347	\$5,717,343.76
Class IV Nonfat Solids		7,282,567	\$0.8688	\$6,327,094.20
Class II, III & IV Somatic Cell Adj.	60(e)			\$438,803.06
Total Producer Milk-Product Lbs & Value		940,881,292		\$142,492,070.70
Add: Value as for 60(f) Thru 60(j)				\$160,663.04
Less: Total Protein Pounds	61(b)	29,241,431	\$2.1311	\$62,316,413.60
Total Other Solids Pounds		54,135,847	\$0.1823	\$9,868,964.93
Total Butterfat Pounds		34,157,285	\$1.5347	\$52,421,185.32
Total Value of Somatic Cell Adjustment				\$621,752.49
Total Milk and Value		940,881,292		\$17,424,417.40
Add: Location Differential Adjustments	61(c)			\$4,149,587.91
Producer-Settlement Fund	61(d)			\$320,646.72
Total Producer Milk/URSP and Value		940,881,292	\$2.32703	\$21,894,652.03
Less: Producer-Settlement Fund	61(f)		\$0.04703	\$442,558.57
Producer Price Differential (Dallas County)			\$2.28	\$21,452,093.46

**THE MARKET ADMINISTRATOR'S
REPORT**

SOUTHWEST MARKETING AREA
CARY HUNTER, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939

PRSRT STD
U.S. POSTAGE
PAID
Carrollton, TX
Permit No. 343

RETURN SERVICE REQUESTED

**MARCH 2010
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES**

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	368,015,421	39.11	7,787,292	22.80	360,228,129	39.73
Class II	58,439,499	6.21	6,774,761	19.83	51,664,738	5.70
Class III	431,613,252	45.88	15,869,850	46.46	415,743,402	45.85
Class IV	82,813,120	8.80	3,725,382	10.91	79,087,738	8.72
Total	940,881,292	100.00	34,157,285	100.00	906,724,007	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	11,717,257	40.07	21,498,919	39.71	33,216,172	39.84
Class II	1,678,300	5.74	3,078,513	5.69	4,756,813	5.71
Class III	13,280,361	45.42	24,841,361	45.89	38,121,726	45.72
Class IV	2,565,513	8.77	4,717,054	8.71	7,282,567	8.73
Total	29,241,431	100.00	54,135,847	100.00	83,377,278	100.00