

THE MARKET ADMINISTRATOR'S

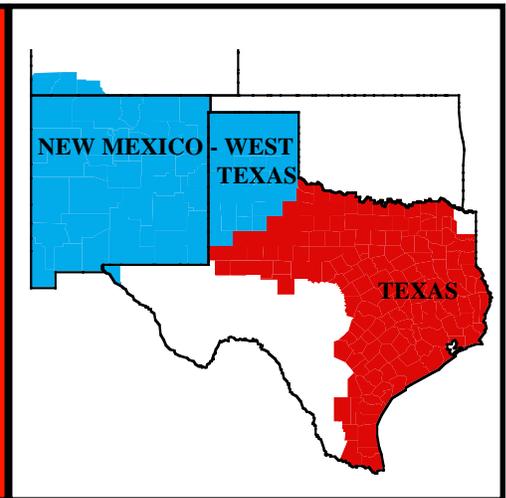
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

RICHARD FLEMING, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
(972) 245-6060 FAX (972) 245-3211
e-mail: MAGeneric_Dallas@USDA.GOV
WWW: <http://members.aol.com/fmmo1126>



VOLUME XXV, NO. 1

JANUARY 1999

MARKET SUMMARIES FOR DECEMBER

The December Class III price increased 50 cents from the previous month to \$17.34. The Class II price for December of \$16.34 per hundredweight increased 94 cents from \$15.40 in November. December's Class III-A price decreased \$1.39 from November's level to \$13.48.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$17.85 per hundredweight for deliveries of milk containing 3.5% butterfat. The December price was up 41 cents from November.

Producers delivered a total of 443,176,856 pounds of milk during December. On a daily basis this represents an increase of 4.57 percent from the producer receipts level in November but it represents a decrease of 12.19 percent when compared to the producer receipts level of December 1997.

Producer milk classified as Class I during December amounted to 62.18 percent of total producer receipts. This figure is down from November's 64.80 percent but it is up from 53.42 percent in December 1997. The average butterfat test of producer milk pooled during December 1998 was 3.701 percent.

New Mexico - West Texas: Producers who delivered milk to handlers located in Zone 1 of the New Mexico - West Texas Milk Market Order received \$17.08 per hundredweight for deliveries of milk containing 3.5% butterfat. The December price was up 19 cents from its November level.

Producers delivered a total of 87,563,560 pounds of milk during December. On a daily basis this represents a decrease of 38.69 percent from the producer receipts level in November and it represents a decrease of 52.79 percent when compared to the producer receipts level of December 1997.

Producer milk classified as Class I during December amounted to 61.23 percent of total producer

receipts. This figure is up from 37.47 percent in November and it is up from 29.23 percent in December 1997. The average butterfat test of producer milk pooled during December 1998 was 3.693 percent.

U.S. EIGHTH CIRCUIT REFUSES CLASS I APPEAL

On November 20, 1998, the full U.S. Eighth Circuit Court of Appeals refused to hear an appeal in the case of the Minnesota Milk Producers Association (MMPA) v. Glickman. MMPA was appealing the August 13 decision of a three-judge panel of the Circuit Court, which found that the Secretary of Agriculture is "within his discretion" to "maintain the current system of pricing Class I milk". A previous District Court decision had declared Class I differentials unenforceable in as many as 18 of 31 Federal milk marketing orders. MMPA now has until February to file an appeal in the U.S. Supreme Court.

1999 SUPPORT PRICE FOR MILK

The U.S. Department of Agriculture's Commodity Credit Corporation (CCC) announced that the support price for milk will be \$9.90 per hundredweight (cwt) during calendar year 1999, effective January 1, 1999. This is a reduction of 15 cents per cwt from the current support level, and is required by the Federal Agriculture Improvement and Reform Act of 1996 (the Act). The Act authorized the Milk Price Support Program through December 31, 1999, at the following support price levels: \$10.35 per cwt during calendar year 1996, \$10.20 per cwt during calendar year 1997, \$10.05 per cwt during calendar year 1998, and \$9.90 per cwt during calendar year 1999.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED 1998	REPORTED 1997	REPORTED 1996
TOTAL UTILIZATION			
CLASS I	677,825,794	683,609,872	720,232,375
CLASS II	106,102,535	102,252,136	103,822,471
CLASS III	1,361,001,160	1,679,788,504	1,611,430,996
CLOSING INVENTORY (CLASS II AND III) A/	12,739,054	13,919,676	10,356,593
TOTAL UTILIZATION	2,157,668,543	2,479,570,188	2,445,842,435
DAILY CLASS I UTILIZATION	1,857,057	1,872,904	1,967,848
1998-DAILY CLASS I COMPARED TO:		- .85%	- 5.63%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	638,083,804	648,257,140	680,713,124
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	88,519,726	82,386,614	84,515,741
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	1,107,263,987	1,378,663,051	1,355,851,303
TOTAL PRODUCER RECEIPTS	1,833,867,517	2,109,306,805	2,121,080,168
OTHER SOURCE C/	315,174,692	358,921,467	313,950,547
OPENING INVENTORY B/	7,874,563	10,356,593	10,396,648
OVERAGE	751,771	985,323	415,072
TOTAL RECEIPTS	2,157,668,543	2,479,570,188	2,445,842,435
DAILY PRODUCER RECEIPTS	5,024,295	5,778,923	5,795,301
1998-DAILY PRODUCER RECEIPTS COMPARED TO:		- 13.06%	- 13.30%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.542%	3.530%	3.567%
% PRODUCER MILK CLASSIFIED AS CLASS I	34.79%	30.73%	32.09%
NUMBER OF PRODUCERS D/	150	155	233
AVERAGE DAILY DELIVERY PER PRODUCER	33,495	37,283	24,873
NUMBER OF POOL HANDLERS E/	19	25	19

TEXAS MILK MARKET AT A GLANCE

	REPORTED 1998	REPORTED 1997	REPORTED 1996
TOTAL UTILIZATION			
CLASS I	3,341,391,747	3,405,206,050	3,385,303,743
CLASS II	1,361,985,441	1,322,138,821	1,224,648,254
CLASS III	1,737,031,665	2,229,233,798	2,529,536,453
CLOSING INVENTORY (CLASS II AND III) A/	28,977,765	30,864,478	36,418,176
TOTAL UTILIZATION	6,469,386,618	6,987,443,147	7,175,906,626
DAILY CLASS I UTILIZATION	9,154,498	9,329,332	9,249,464
1998-DAILY CLASS I COMPARED TO:		- 1.88%	- 1.03%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	3,215,174,346	3,282,180,680	3,260,065,668
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	1,173,914,487	1,153,992,240	1,097,057,909
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	1,454,023,720	1,933,004,954	2,203,911,171
TOTAL PRODUCER RECEIPTS	5,843,112,553	6,369,177,874	6,561,034,748
OTHER SOURCE C/	594,704,951	581,256,489	577,865,583
OPENING INVENTORY B/	31,148,205	36,418,176	36,424,084
OVERAGE	420,909	590,608	582,211
TOTAL RECEIPTS	6,469,386,618	6,987,443,147	7,175,906,626
DAILY PRODUCER RECEIPTS	16,008,528	17,449,802	17,926,324
1998-DAILY PRODUCER RECEIPTS COMPARED TO:		- 8.26%	- 10.70%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.559%	3.555%	3.573%
% PRODUCER MILK CLASSIFIED AS CLASS I	55.03%	51.53%	49.69%
NUMBER OF PRODUCERS D/	1,444	1,609	1,737
AVERAGE DAILY DELIVERY PER PRODUCER	11,086	10,845	10,320
NUMBER OF POOL HANDLERS E/	38	47	32

A/ DECEMBER CLOSING INVENTORY

B/ JANUARY OPENING INVENTORY

C/ INCLUDES MILK, SKIM MILK, CREAM AND SKIM EQUIVALENT OF CONCENTRATED SKIM MILK PRODUCTS

D/ AVERAGE NUMBER OF PRODUCERS HAVING DELIVERIES DURING THE YEAR

E/ NUMBER OF HANDLERS POOLED ONE OR MORE TIMES DURING THE YEAR

TOP TEN TEXAS COUNTIES a/ – DECEMBER 1998

County	Number of Producers	Pounds	% Change From 1997b/	County	Number of Producers	Pounds	% Change From 1997b/
1. Erath	150	123,375,098	+5.99	7. Wood	72	16,827,077	+7.49
2. Hopkins	246	49,959,069	-8.07	8. Johnson	44	15,106,768	-8.63
3. Comanche	45	38,144,127	+9.04	9. Cherokee	27	10,502,792	-14.74
4. El Paso	9	22,959,082	+7.56	10. Van Zandt	27	10,073,753	+5.42
5. Archer	58	19,958,641	-.32	Ten County Total	706	323,984,004	+2.22 b/
6. Hamilton	28	17,077,597	+8.29	Other Counties Total	554	150,589,743	-2.13
				Texas Total	1,260	474,573,747	+8.0

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.

Minimum Prices at 3.5%, for Federal Orders 126 and 138 (Zone 1) Formula Prices (3.5%) and Price Quotations

Month	Class I a/		Class II	Class III	Class III-A	Uniform a/		B F Diff.	Grade A Butter	Block Cheese	Spray Powder
	126	138				126	138				
	----- Dollars Per Hundred Wt. -----							¢/Point	-----Cents Per Pound-----		
November 1997	15.95	15.14	13.09	12.96	14.01	14.70	13.73	16.7	148.42	138.52	107.13
December	15.99	15.18	13.13	13.29	12.46	14.80	13.81	12.2	116.97	141.63	107.40
Averages 1997b/	14.93	14.12	12.07	12.05	12.36	13.59	12.81	11.3	106.63	129.26	110.01
January 1998	16.12	15.31	13.26	13.25	12.04	14.97	13.68	11.4	110.61	141.65	105.93
February	16.45	15.64	13.59	13.32	12.89	15.00	13.88	14.0	129.63	141.63	105.21
March	16.41	15.60	13.55	12.81	12.67	14.62	13.67	13.5	125.05	137.93	104.67
April	16.48	15.67	13.62	12.01	12.88	14.46	13.24	14.2	128.56	130.72	104.26
May	15.97	15.16	13.11	10.88	13.96	13.93	12.80	17.5	149.45	120.34	103.48
June	15.17	14.36	12.31	13.10	15.38	14.11	13.69	21.7	184.68	140.38	102.89
July	14.04	13.23	11.18	14.77	15.59	13.22	13.04	22.3	191.85	156.56	102.97
August	16.26	15.45	13.40	14.99	16.52	15.50	15.05	24.5	208.30	163.20	104.63
September	17.93	17.12	15.07	15.10	19.81	16.81	16.09	32.5	266.66	165.56	110.07
October	18.15	17.34	15.29	16.04	18.13	17.29	16.63	27.3	231.89	175.34	111.80
November	18.26	17.45	15.40	16.84	14.87	17.44	16.89	17.8	165.47	183.17	112.50
December	19.20	18.39	16.34	17.34	13.48	17.85	17.08	13.2	132.31	187.07	114.90
Averages 1998b/	16.70	15.89	13.84	14.20	14.85	15.43	14.65	19.2	168.71	153.63	106.94
January 1999	20.00	19.19	17.14								
February	20.50	19.69	17.64								

a/ Subject to zone and location adjustments. b/ Simple averages

TOP NEW MEXICO COUNTIES a/ – DECEMBER 1998

County	Number of Producers	Pounds	% Change From 1997b/	County	Number of Producers	Pounds	% Change From 1997b/
1. Chaves	41	128,185,231	+7.26	7. Bernalillo	8	10,344,941	+12.17
2. Dona Ana	22	61,043,621	-.86	8. Valencia	11	9,348,877	-12.72
3. Curry	12	47,293,773	+26.01	9. Socorro	8	9,231,324	+37.52
4. Roosevelt	32	47,113,649	+14.45				
5. Lea	13	31,378,610	+44.74	Nine County Total	153	366,743,299	+11.81
6. Eddy	6	22,803,273	+14.59	Other Counties Total	4	5,151,033	-36.55
				New Mexico Total	157	371,894,332	+10.64

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 1996 THROUGH DECEMBER 1998, WITH PERCENTAGE COMPARISONS**

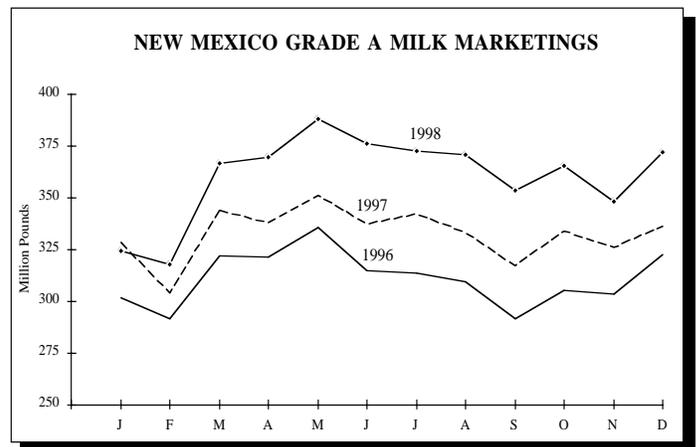
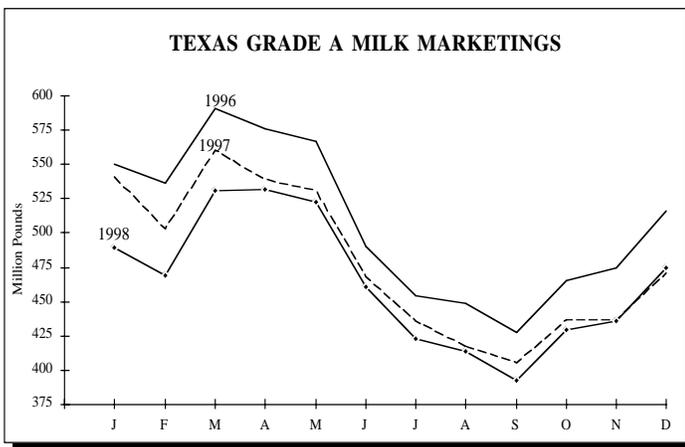
MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	PERCENT CHANGE 1998/97
January	549,914,311	1,786	540,918,023	1,610	491,168,340	1,359	-1.64	-9.20
February	536,326,949	1,773	503,177,566	1,591	469,305,849	1,347	-2.83	-6.73
March	590,936,348	1,745	560,823,025	1,566	532,588,272	1,339	-5.10	-5.03*
April	575,799,475	1,738	539,258,903	1,553	532,823,237	1,336	-6.35	-1.19*
May	567,120,914	1,714	530,457,547	1,550	524,523,430	1,319	-6.46	-1.12*
June	490,380,980	1,683	468,546,651	1,523	464,057,905	1,321	-4.45	-.96*
July	454,376,230	1,670	435,777,197	1,489	422,973,696	1,305	-4.09	-2.94
August	448,420,253	1,652	417,271,524	1,463	413,296,879	1,298	-6.95	-.95
September	427,623,846	1,639	405,563,476	1,435	392,427,802	1,300	-5.08	-3.24
October	466,085,603	1,637	436,528,559	1,408	429,372,951	1,289	-6.34	-1.64
November	474,250,855	1,636	436,607,225	1,391	435,572,798	1,271	-7.94	-.27*
December	<u>516,304,359</u>	1,620	<u>470,803,040</u>	1,368	<u>474,573,747</u>	1,260	<u>-8.81</u>	<u>+8.80</u>
Years Total	6,098,233,434		5,745,732,736		5,582,684,906		-5.78	-2.84

*Revised figures

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1996 THROUGH DECEMBER 1998, WITH PERCENTAGE COMPARISONS**

MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	PERCENT CHANGE 1998/97
January	301,646,087	153	328,059,604	156	324,314,276	158	+8.76	-1.14
February	291,741,013	154	303,972,265	156	317,500,751	156	+7.91	+4.45
March	321,854,914	154	343,866,862	157	366,656,779	157	+6.84	+6.63
April	321,032,089	153	337,943,697	157	369,782,775	156	+5.27	+9.42
May	335,537,514	153	350,910,125	158	388,308,155	155	+4.58	+10.66
June	314,856,503	153	337,592,757	158	378,569,203	159	+7.22	+12.14*
July	313,553,863	154	342,391,766	159	372,803,402	157	+9.20	+8.88
August	309,399,050	155	333,406,557	156	370,668,016	156	+7.76	+11.18
September	293,390,938	157	317,181,279	159	353,457,040	155	+8.11	+11.44
October	307,608,027	156	333,587,208	158	365,469,264	159	+8.45	+9.56
November	303,433,595	157	326,212,021	158	348,126,652	158	+7.51	+6.75
December	<u>322,470,035</u>	157	<u>336,117,343</u>	157	<u>371,894,332</u>	157	<u>+4.23</u>	<u>+10.64</u>
Years Total	3,736,523,628		3,991,241,484		4,327,550,645		+6.82	+8.43

*Revised figures



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		Lactose		S-N-F		SCC*	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
Average 1997	3.58	3.50	3.22	3.17	4.77	4.80	8.70	8.68	409	269
January 1998	3.74	3.75	3.25	3.24	4.80	4.80	8.76	8.76	409	408
February	3.66	3.63	3.22	3.21	4.81	4.82	8.74	8.75	379	325
March	3.64	3.60	3.24	3.20	4.80	4.82	8.75	8.74	372	305
April	3.52	3.52	3.21	3.17	4.81	4.84	8.73	8.71	336	274
May	3.46	3.41	3.17	3.13	4.79	4.83	8.68	8.67	339	256
June	3.43	3.37	3.15	3.11	4.77	4.83	8.63	8.63	385	254
July	3.41	3.33	3.14	3.08	4.75	4.81	8.59	8.57	417	273
August	3.44	3.37	3.17	3.11	4.73	4.79	8.60	8.60	424	272
September	3.51	3.40	3.22	3.17	4.72	4.77	8.64	8.65	431	262
October	3.58	3.50	3.30	3.28	4.74	4.78	8.74	8.76	403	255
November	3.71	3.65	3.33	3.32	4.78	4.78	8.81	8.79	387	271
December	3.71	3.67	3.34	3.32	4.78	4.77	8.81	8.80	378	263
Average 1998	3.57	3.52	3.23	3.20	4.77	4.80	8.71	8.70	388	285

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED DEC. 1998	REPORTED NOV. 1998	REPORTED DEC. 1997
TOTAL UTILIZATION			
CLASS I	55,645,195	53,657,949	49,070,142
CLASS II	8,384,333	8,698,529	7,791,415
CLASS III/III-A	65,405,668	93,089,186	133,360,965
CLOSING INVENTORY (CLASS I, II AND III)	12,739,054	10,108,906	13,919,676
TOTAL UTILIZATION	142,174,250	165,554,570	204,142,198
DAILY CLASS I UTILIZATION	1,795,006	1,788,598	1,582,908
DEC. -DAILY CLASS I COMPARED TO:		+ .36%	+ 13.40%
CLASS I YEAR TO DATE (IN THOUSANDS)	656,688	601,043	657,212
% CHANGE FROM PREVIOUS YEAR	-.08%	- 1.17%	- 5.43%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	53,615,238	51,786,903	54,214,574
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	6,537,240	7,090,151	4,893,987
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	27,411,082	79,342,550	126,379,178
TOTAL PRODUCER RECEIPTS	87,563,560	138,219,604	185,487,739
OTHER SOURCE A/	44,498,946	18,433,218	7,437,527
OPENING INVENTORY	10,109,906	8,891,775	10,695,113
OVERAGE	1,838	9,973	521,819
TOTAL RECEIPTS	142,174,250	165,554,570	204,142,198
DAILY PRODUCER RECEIPTS	2,824,631	4,607,320	5,983,475
DEC. -DAILY PRODUCER RECEIPTS COMPARED TO:		- 38.69%	- 52.79%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,833,868	1,746,304	2,109,307
% CHANGE FROM PREVIOUS YEAR	- 13.06%	- 9.23%	- .56%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.693%	3.664%	3.770%
% PRODUCER MILK CLASSIFIED AS CLASS I	61.23%	37.47%	29.23%
NUMBER OF PRODUCERS	132	221	180
AVERAGE DAILY DELIVERY PER PRODUCER	21,399	20,848	33,242
NUMBER OF POOL HANDLERS	12	15	19

A/ INCLUDES MILK, SKIM MILK, CREAM AND SKIM EQUIVALENT OF CONCENTRATED SKIM MILK PRODUCTS

THE MARKET ADMINISTRATOR'S *REPORT*

**TEXAS MARKETING AREA
NEW MEXICO - WEST TEXAS MARKETING AREA**
RICHARD FLEMING, MARKET ADMINISTRATOR
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939
(972) 245-6060 FAX(972) 245-3211

BULK RATE
U.S. POSTAGE
PAID
Carrollton, TX
Permit No. 343

RETURN SERVICE REQUESTED

TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>DEC. 1998</u>	REPORTED <u>NOV. 1998</u>	REPORTED <u>DEC. 1997</u>
TOTAL UTILIZATION			
CLASS I	276,406,746	266,378,306	268,710,900
CLASS II	88,510,639	99,507,403	89,085,062
CLASS III/III-A	105,232,565	63,025,844	174,663,780
CLOSING INVENTORY (CLASS I, II AND III)	28,977,765	33,927,585	30,864,478
TOTAL UTILIZATION	499,127,715	462,839,138	563,324,220
DAILY CLASS I UTILIZATION	8,916,347	8,879,277	8,668,094
DEC. -DAILY CLASS I COMPARED TO:		+ .42%	+ 2.86%
CLASS I YEAR TO DATE (IN THOUSANDS)	3,236,211	2,959,804	3,295,189
% CHANGE FROM PREVIOUS YEAR	- 1.79%	- 2.20%	+ .43%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	275,546,362	265,759,203	269,629,279
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	78,270,784	81,683,971	78,675,365
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	89,359,710	62,683,383	156,408,736
TOTAL PRODUCER RECEIPTS	443,176,856	410,126,557	504,713,380
OTHER SOURCE A/	21,766,885	25,173,077	22,625,176
OPENING INVENTORY	34,164,137	27,481,274	35,985,664
OVERAGE	19,837	58,230	
TOTAL RECEIPTS	499,127,715	462,839,138	563,324,220
DAILY PRODUCER RECEIPTS	14,296,028	13,670,885	16,281,077
DEC. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 4.57%	- 12.19%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	5,843,113	5,399,936	6,369,178
% CHANGE FROM PREVIOUS YEAR	- 8.26%	- 7.92%	- 2.93%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.701%	3.697%	3.792%
% PRODUCER MILK CLASSIFIED AS CLASS I	62.18%	64.80%	53.42%
NUMBER OF PRODUCERS	1,501	1,429	1,493
AVERAGE DAILY DELIVERY PER PRODUCER	9,524	9,567	10,905
NUMBER OF POOL HANDLERS	32	31	34

A/ INCLUDES MILK, SKIM MILK, CREAM AND SKIM EQUIVALENT OF CONCENTRATED SKIM MILK PRODUCTS.