

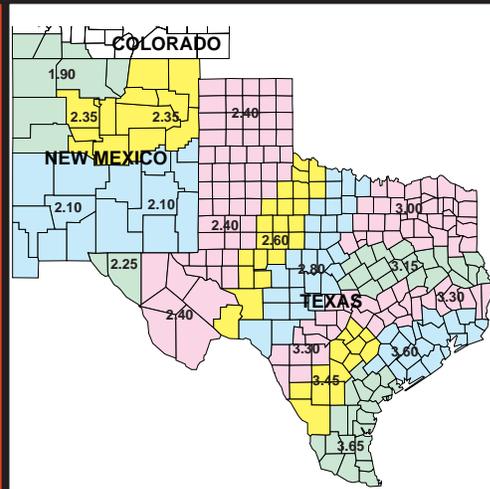
THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR JULY

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 \$2.70 for July. Butterfat price decreased \$0.1437 per pound from \$1.4128 in June to the level of \$1.2691 for July. Protein price increased \$0.5448 cents per pound to \$1.9726 in July from \$1.4278 in June. July's Other Solids price increased \$0.0119 per pound from the previous month to \$0.0557. The Somatic Cell Count adjustment rate factor for July was .00061 per thousand (difference from 350).

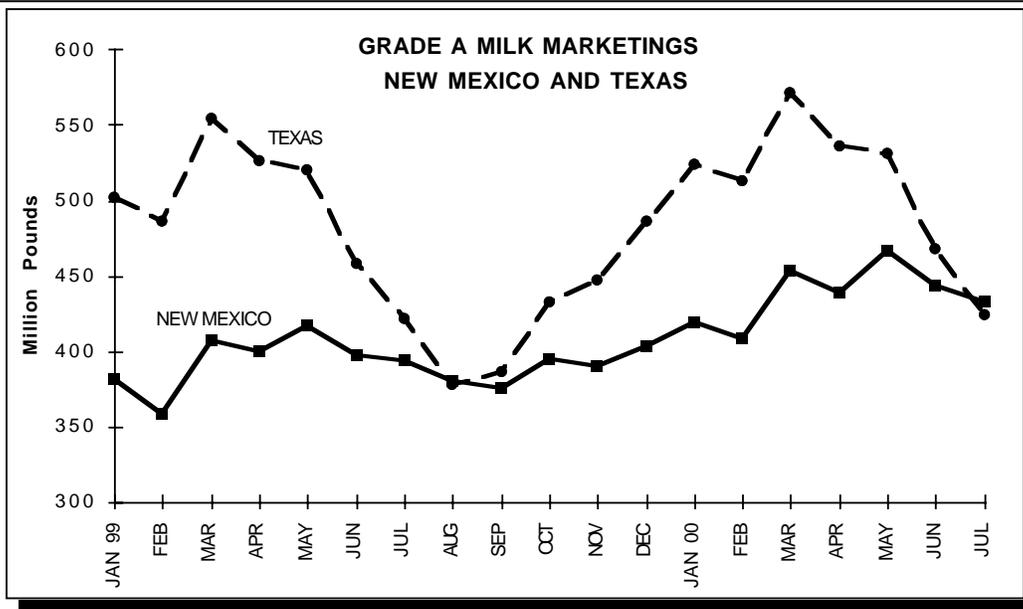
For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received a July statistical uniform price of \$13.36 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of 61 cents in comparison to the statistical blend price of \$12.75 in June.

The July Class I price increased 76 cents from \$14.70 in June to the July level of \$15.46. The Class II price for July of \$12.58 per hundredweight decreased 50 cents from \$13.08 in June. July's Class III price increased \$1.20 from \$9.46 in June to \$10.66 in July. The Class IV price decreased 51 cents from the previous month to \$11.87 in July.

In July 828 producers delivered a total of 727,472,258 pounds of milk during July. On a daily basis this represents an increase of 9.47 percent from the producer receipts level in June and it represents an increase of 45.54 percent when compared to the producer receipts level of July 1999.

Producer milk classified as Class I during July amounted to 42.02 percent of total producer receipts. This figure is down from 48.81 percent in June and it is down from 64.05 percent in July 1999. The average butterfat test of producer milk pooled during July was 3.471 percent, average protein test was 2.952 percent, average other solids test was 5.628 percent and the average somatic cell count was 336,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Jul 00	Jun 00	Jul 00	Jun 00	Jul 00	Jun 00
Appalachian	14.46	14.01	-----	-----	69.29	62.29
Arizona-Las Vegas	12.32	12.10	-----	-----	29.04	29.46
Central	11.95	11.16	1.29	1.70	26.50	27.45
Florida	15.78	15.57	-----	-----	88.51	88.74
Mideast	12.68	12.38	2.02	2.92	42.40	46.80
Northeast	13.52	13.25	2.86	3.79	40.50	42.10
Pacific Northwest	12.19	11.91	1.53	2.45	26.40	34.99
Southeast	14.23	13.78	-----	-----	65.58	64.26
Southwest	13.36	12.75	2.70	3.29	42.02	48.81
Upper Midwest	11.36	10.43	0.70	0.97	16.40	16.90
Western	11.73	11.01	1.07	1.55	20.12	21.47



NEW MEXICO MILK PRODUCTION EXCEEDS THAT OF TEXAS

For the second time in just less than a year New Mexico milk production topped out above that of Texas. In July, New Mexico milk production amounted to 432,409,023 pounds of milk in contrast to the 423,731,180 pounds produced in Texas for the same month, amounting to 2 percent more milk than Texas produced. New Mexico milk production surpassed that of Texas one other time in the past year, August 1999. In that month, August 1999, New Mexico marketed 380,628,318 pounds of milk, or 3.2 million pounds more milk, than that of Texas' 377,392,147 pounds.

New Mexico has seen tremendous growth in its dairy industry in the past decade. Annual milk production for the state in 1993 amounted to 2.749 billion pounds compared to more than 4.696 billion pounds in 1999, an increase of 70.83 percent. While there has been great strides made in milk production over this time period, it has come about by just a modest increase in the number of milk producers. In December 1993, there were 146 milk producers marketing milk in the state and by December 1999 the figure had climbed to a modest 158 producers for just a 8.22 percent gain in producer numbers.

Texas Agricultural Cash Receipts by Commodity, 1999

New Mexico Agricultural Cash Receipts by Commodity, 1999

Rank	Commodity	Receipts 1/ \$1,000	Percent of total
1	Cattle and Calves	6,124,290	46.8
2	Cotton (lint and seed)	1,279,672	9.8
3	Greenhouse and Nursery	1,162,006	8.9
4	Broilers	883,227	6.8
5	Milk (wholesale and retail)	839,400	6.4
6	Corn	419,820	3.2
7	Wheat	272,203	2.1
8	Sorghum Grain	271,145	2.1
9	Eggs	240,509	1.8
10	Hay	198,656	1.5
11	Peanuts	190,921	1.5
12	Rice	129,581	1.0
13	Onions	93,788	.7
14	Hogs	70,456	.5
15	Pecans	68,050	.5
	All others	833,181	6.4
	TOTAL	13,076,905	100.0

Rank	Commodity	Receipts 1/ \$1,000	Percent of total
1	Cattle and Calves	736,610	37.7
2	Milk (wholesale and retail)	657,440	33.7
3	Hay	154,735	7.9
4	Pecans	62,400	3.2
5	Greenhouse and Nursery	58,008	3.0
6	Onions	51,120	2.6
7	Chile	31,115	1.6
8	Cotton Lint	28,149	1.4
9	Corn	25,287	1.3
10	Wheat	23,373	1.2
11	Potatoes	19,387	1.0
12	Misc. Vegetables	18,000	.9
13	Peanuts	16,878	.9
14	Other Livestock	13,601	.7
15	Other Poultry	12,000	.6
	All others	45,283	2.3
	TOTAL	1,953,386	100.0

1/ Excludes government payments.

1/ Excludes cash receipts for livestock grazing.

TOP TEN TEXAS COUNTIES a/ – JULY 2000

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Erath	143	113,227,952	+2.22	7. Wood	58	12,618,954	-4.00
2. Hopkins	207	41,133,908	+2.32	8. Hamilton	18	12,243,347	-22.99
3. Comanche	47	39,800,523	+5.89	9. Lamb	4	11,920,931	+22.38
4. Archer	58	20,653,471	+16.98	10. Tom Green	9	9,168,458	+29.22
5. El Paso	8	18,601,883	-14.33	Ten County Total	586	292,368,366	+1.42 b/
6. Johnson	34	12,998,939	-4.23	Other Counties Total	502	131,362,814	-1.33
				Texas Total	1,088	423,731,180	+0.55

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	II	III	IV	P.P.D.	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-----							
June 1999	14.97	12.11	11.42	13.29		164.26	3.52	169.92	.00064	146.09	127.86	100.46	17.11
July	14.42	11.56	13.59	12.37		154.30	3.66	244.31	.00073	137.93	145.83	100.54	17.24
August	14.58	11.72	15.79	12.62		152.96	4.55	334.21	.00086	136.83	171.54	100.89	18.10
September	16.75	13.89	16.26	12.37		147.71	5.39	338.53	.00085	132.52	170.84	101.74	18.92
October	18.95	16.09	11.49	11.78		123.57	5.93	261.38	.00070	112.73	139.34	101.83	19.44
November	19.42	16.56	9.79	11.57		115.82	5.65	206.96	.00060	106.37	120.58	101.68	19.17
December	14.65	11.79	9.63	10.69		98.04	5.39	206.15	.00057	91.79	113.71	101.11	18.92
Averages 1999b/	16.82	13.96	12.43	12.14		136.02	5.15	247.16	.00070	122.94	139.84	101.78	18.69
January 2000	13.90	11.43	10.05	10.73	1.96	93.66	5.03	216.77	.00058	88.20	115.17	101.15	18.57
February	13.71	11.51	9.54	10.80	2.28	95.88	4.32	198.49	.00055	90.02	110.67	101.06	17.88
March	13.84	11.71	9.54	11.00	2.36	101.91	4.24	191.66	.00055	94.97	110.93	100.94	17.80
April	13.93	12.10	9.41	11.38	2.64	113.52	4.08	173.99	.00055	104.49	110.11	100.78	17.65
May	14.48	12.63	9.37	11.91	3.06	128.54	4.03	155.14	.00055	116.80	110.22	100.71	17.60
June	14.70	13.08	9.46	12.38	3.29	141.28	4.38	142.78	.00056	127.25	111.37	100.97	17.94
July	15.46	12.58	10.66	11.87	2.70	126.91	5.57	197.26	.00061	115.47	121.89	101.02	19.09

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

TOP NEW MEXICO COUNTIES a/ – JULY 2000

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Chaves	41	142,809,009	+7.45	7. Socorro	7	10,610,100	+10.60
2. Dona Ana	25	69,804,359	+8.02	8. Valencia	10	9,781,953	-0.99
3. Curry	14	62,406,285	+11.04	9. Bernalillo	6	6,141,508	-4.39
4. Roosevelt	32	61,241,634	+21.96				
5. Lea	14	35,369,279	+10.19	Nine County Total	155	422,079,443	+9.87 b/
6. Eddy	6	23,915,316	+7.64	Other Counties Total	5	10,329,580	+7.13
				New Mexico Total	160	432,409,023	+9.81

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.

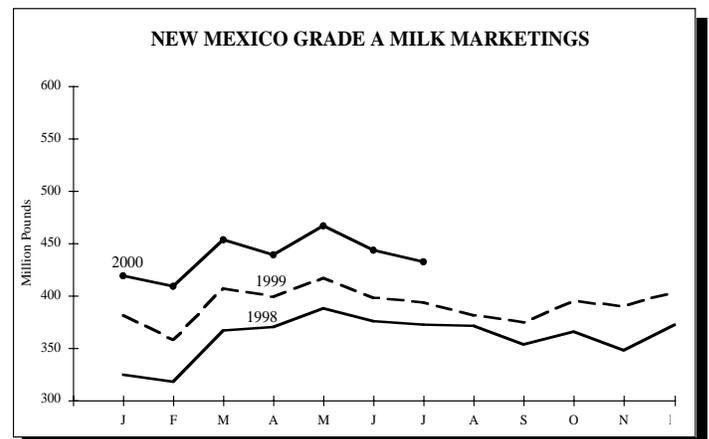
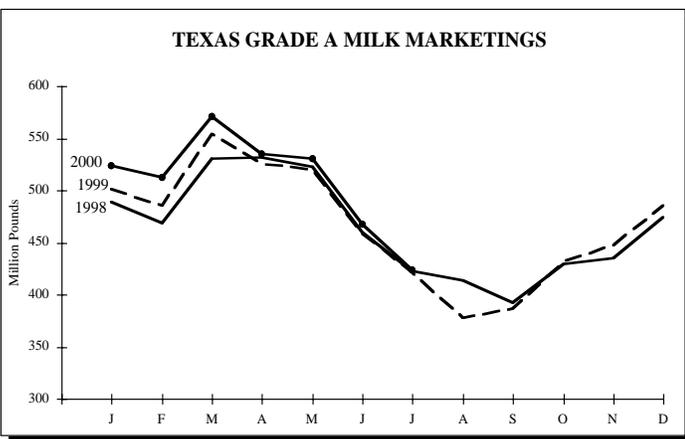
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1998 THROUGH JULY 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	491,168,340	1,359	501,754,729	1,251	523,604,151	1,155	+2.16	+4.35
February	469,305,849	1,347	486,044,271	1,245	512,511,151	1,140	+3.57	+5.44
March	532,588,272	1,339	553,983,640	1,241	571,648,589	1,133	+4.02	+3.19
April	532,823,237	1,336	525,773,380	1,233	535,711,103	1,120	-1.32	+1.89
May	524,523,430	1,319	519,613,189	1,219	530,923,617	1,111	-0.94	+2.18
June	464,057,905	1,321	458,247,406	1,216	467,345,348	1,102	-1.25	+1.99
July	422,973,696	1,305	421,397,795	1,206	423,731,180	1,088	-0.39	+0.55
August	413,296,879	1,298	377,392,147	1,197			-8.69	
September	392,427,802	1,300	386,931,407	1,189			-1.40	
October	429,372,951	1,289	432,175,585	1,181			+0.65	
November	435,572,798	1,271	447,062,545	1,166			+2.64	
December	<u>474,573,747</u>	1,260	<u>485,682,323</u>	1,160			<u>+2.34</u>	
Years Total	5,582,684,906		5,596,058,417				+0.24	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1998 THROUGH JULY 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	324,314,276	158	381,115,401	156	419,358,633	159	+17.51	+10.03
February	317,500,751	156	358,049,940	157	408,598,295	159	+12.77	+14.12
March	366,656,779	157	406,789,374	156	453,457,801	159	+10.95	+11.47*
April	369,782,775	156	399,229,362	157	438,496,278	160	+7.96	+9.84
May	388,308,155	155	416,852,251	157	467,108,851	160	+7.35	+12.06
June	378,569,203	159	397,483,877	159	442,850,870	160	+5.00	+11.41
July	372,803,402	157	393,796,366	158	432,409,023	160	+5.63	+9.81
August	370,668,016	156	380,628,318	158			+2.69	
September	353,457,040	155	374,886,452	160			+6.06	
October	365,469,264	159	394,366,657	162			+7.91	
November	348,126,652	158	389,857,074	159			+11.99	
December	<u>371,894,332</u>	157	<u>403,101,846</u>	158			<u>+8.39</u>	
Years Total	4,327,550,645		4,696,156,918				+8.52	

*Revised



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TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein ^{b/}		Other Solids ^{b/}		S-N-F		SCC ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
July 1999	3.52	3.40	3.01	2.92	5.63	5.65	8.64	8.57	408	290
August	3.54	3.43	3.02	2.95	5.61	5.65	8.63	8.60	429	310
September	3.60	3.50	3.10	3.01	5.61	5.66	8.71	8.67	420	305
October	3.70	3.61	3.15	3.09	5.63	5.65	8.78	8.74	357	273
November	3.71	3.67	3.13	3.10	5.65	5.65	8.78	8.75	333	244
December	3.75	3.72	3.13	3.13	5.66	5.68	8.79	8.81	324	248
Averages 1999	3.60	3.55	3.07	3.02	5.66	5.67	8.73	8.69	369	267
January 2000	3.71	3.68	3.08	3.08	5.69	5.68	8.77	8.77	313	257
February	3.68	3.62	3.06	3.06	5.70	5.69	8.76	8.75	318	252
March	3.62	3.59	3.05	3.04	5.71	5.70	8.76	8.74	318	253
April	3.59	3.55	3.06	3.03	5.71	5.70	8.76	8.73	343	257
May	3.56	3.49	3.03	2.99	5.69	5.70	8.72	8.70	369	253
June	3.55	3.44	3.03	2.96	5.67	5.67	8.70	8.63	415	272
July	3.54	3.42	3.01	2.91	5.62	5.63	8.63	8.54	419	287

a/ In thousands. b/ Estimated for 1999: True Protein = Crude Protein - .19 and Other Solids = SNF - True Protein

JULY 2000
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

		Pounds	Price	Value
Add: Class I Differential				\$357,950.72
Class I Butterfat	60(a)	7,362,069	\$1.4655	\$10,789,112.14
Class I Skim Per Cwt		298,354,041	\$10.7100	\$31,953,717.81
Class II Butterfat	60(b)	7,217,509	\$1.2761	\$9,210,263.21
Class II Nonfat Solids		7,639,829	\$0.9344	\$7,138,656.20
Class III Butterfat	60(c)	8,637,576	\$1.2691	\$10,961,947.72
Class III Protein		7,586,167	\$1.9726	\$14,964,473.04
Class III Other Solids		14,528,311	\$0.0557	\$809,226.98
Class IV Butterfat	60(d)	2,036,337	\$1.2691	\$2,584,315.31
Class IV Nonfat Solids		6,048,247	\$0.8561	\$5,177,904.25
Class II, III & IV Somatic Cell Adj.	60(e)			\$85,750.74
Total Producer Milk-Product Lbs & Value		727,472,258		\$94,033,318.12
Add: Value as for 60(f) Thru 60(j)				\$43,486.49
Less: Total Protein Pounds	61(b)	21,474,130	\$1.9726	\$42,359,868.84
Total Other Solids Pounds		40,939,504	\$0.0557	\$2,280,330.42
Total Butterfat Pounds		25,253,491	\$1.2691	\$32,049,205.46
Total Value of Somatic Cell Adjustment				\$61,565.93
Total Milk and Value		727,472,258		\$17,325,833.96
Add: Location Differential Adjustments	61(c)			\$2,270,476.40
Producer-Settlement Fund	61(d)			\$385,676.56
Total Producer Milk/URSP and Value		727,805,169	\$2.74551	\$19,981,986.92
Less: Producer-Settlement Fund	61(f)		\$0.04551	\$331,247.36
Producer Price Differential (Dallas County)			\$2.70	\$19,650,739.56

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JULY 2000
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	305,716,110	42.02	7,362,069	29.15	298,354,041	42.49
Class II	93,107,182	12.80	7,217,509	28.58	85,889,673	12.23
Class III	258,507,551	35.54	8,637,576	34.20	249,869,975	35.58
Class IV	70,141,415	9.64	2,036,337	8.07	68,105,078	9.70
Total	727,472,258	100.00	25,253,491	100.00	702,218,767	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	9,204,183	42.86	17,406,900	42.51	26,611,079	42.64
Class II	2,621,820	12.21	5,018,009	12.26	7,639,829	12.24
Class III	7,586,166	35.33	14,528,311	35.49	22,114,479	35.43
Class IV	2,061,961	9.60	3,986,284	9.74	6,048,247	9.69
Total	21,474,130	100.00	40,939,504	100.00	62,413,634	100.00