

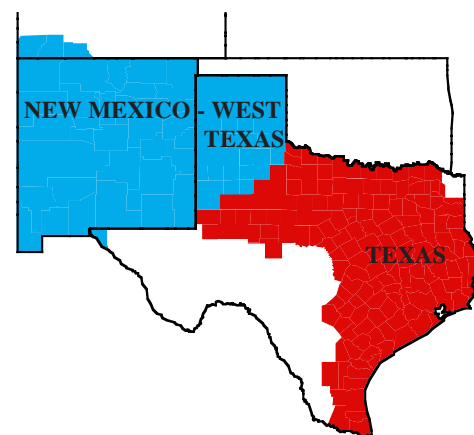
THE MARKET ADMINISTRATOR'S *REPORT*



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR JULY

The July Class III price increased 12 cents from the previous month to \$10.86. The Class II price for July of \$11.00 per hundredweight decreased 74 cents from \$11.74 in June. July's Class III-A price decreased 16 cents from June's level to \$12.06.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$12.73 per hundredweight for deliveries of milk containing 3.5% butterfat. The July price was down 16 cents from June.

Producers delivered a total of 452,984,952 pounds of milk during July. On a daily basis this represents a decrease of 17.89 percent from the producer receipts level in June and it represents a decrease of 12.19 percent when compared to the producer receipts level of July 1996.

Producer milk classified as Class I during July amounted to 57.44 percent of total producer receipts. This figure is up from June's 47.34 percent and it is up from 53.19 percent in July 1996. The average butterfat test of producer milk pooled during July 1997 was 3.408 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 \$11.72 per hundredweight for deliveries of milk containing 3.5% butterfat. The July price was down 18 cents from its June level.

Producers delivered a total of 188,995,483 pounds of milk during July. On a daily basis this represents a decrease of 9.79 percent from the producer receipts level in June but it represents an increase of 10.77 percent when compared to the producer receipts level of July 1996.

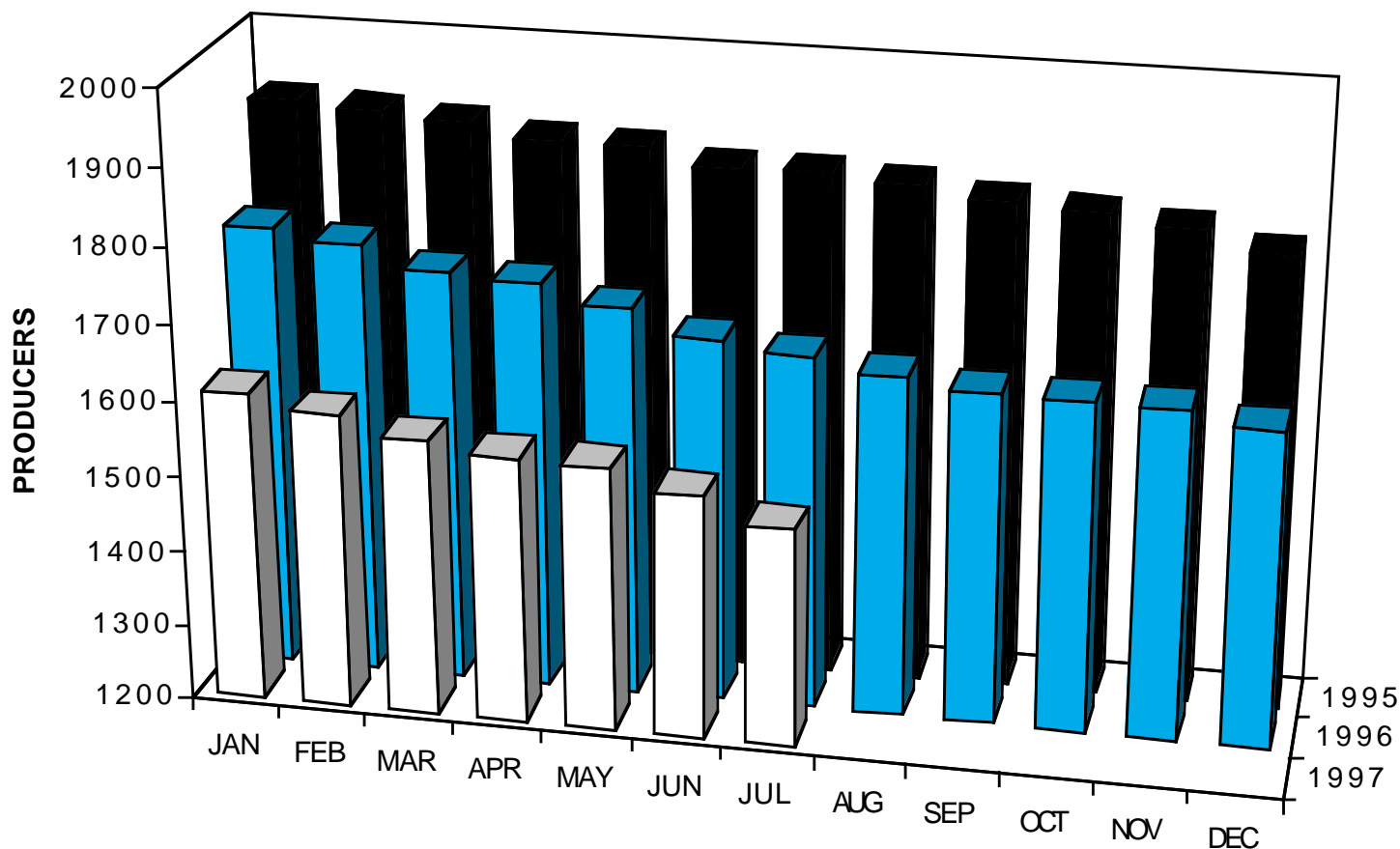
Producer milk classified as Class I during July amounted to 27.75 percent of total producer receipts.

This figure is up from 24.98 percent in June but it is down from 31.84 percent in July 1996. The average butterfat test of producer milk pooled during July 1997 was 3.372 percent.

CERTAIN ORDER PROVISIONS SLATED FOR SUSPENSION

On July 29, 1997, Michael Dunn, Assistant Secretary for Marketing and Regulatory Programs, signed a suspension of rule which will suspend certain pooling provisions of the Texas Federal Order No. 126. This action continues, for the months of August 1, 1997 through July 31, 1999, a suspension of portions of the pool plant and producer milk definitions of the Texas order. Specifically, the action continues the suspension of the 60 percent delivery standard for pooling cooperative association plants, the limitation on the types of pool plants at which milk receipts are used to determine the amount of milk that a cooperative may divert to nonpool plants, and the limits on the amount of milk that a pool plant operator may divert to nonpool plants. In addition, the shipping standards for pooling supply plants under the order, and the individual producer performance standards that must be met to be eligible to be diverted to a nonpool plant, also are suspended for August 1, 1997 through July 31, 1999. The continuation of the suspension was requested by Associated Milk Producers, Inc., a cooperative association that represents a substantial proportion of the producers who supply milk to the market. Continuation of the suspension currently in effect is necessary to ensure that dairy farmers who have historically supplied the Texas market will continue to have their milk priced under the Texas order without incurring costly and inefficient movements of milk.

NUMBER OF TEXAS PRODUCERS 1995 - 1997



**Texas Agricultural Cash Receipts by Commodity,
1996**

Rank	Commodity	Receipts 1/ \$1,000	Percent of total
1	Cattle and Calves	5,331,297	40.8
2	Cotton (lint and seed)	1,611,593	12.3
3	Milk (wholesale and retail)	920,798	7.0
4	Greenhouse and Nursery	838,000	6.4
5	Broilers	726,264	5.6
6	Corn	684,348	5.2
7	Sorghum	557,745	4.3
8	Wheat	325,032	2.5
9	Eggs	290,646	2.2
10	Rice	181,264	1.4
11	Peanuts	170,872	1.3
12	Hay	165,559	1.3
13	Hogs	93,663	.7
14	Onions	50,930	.4
15	Watermelons	48,136	.4
	All others	1,066,308	8.2
	TOTAL	13,062,455	100.0

1/ Excludes government payments.

**New Mexico Agricultural Cash Receipts by
Commodity, 1996**

Rank	Commodity	Receipts 1/ \$1,000	Percent of total
1	Cattle and Calves	628,219	36.7
2	Milk (wholesale and retail)	523,279	30.6
3	Hay	154,745	9.0
4	Chile	65,460	3.8
5	Onions	44,744	2.6
6	Cotton (lint and seed)	43,458	2.5
7	Greenhouse and Nursery	39,358	2.3
8	Corn	38,673	2.3
9	Potatoes	19,903	1.2
10	Wheat	18,195	1.1
11	Poultry/Eggs	17,274	1.0
12	Misc. Livestock	16,441	1.0
13	Pecans	16,280	1.0
14	Misc. Vegetables	16,250	1.0
15	Sorghum	15,077	.9
	All others	51,700	3.0
	TOTAL	1,709,056	100.0

1/ Excludes cash receipts for livestock grazing.

TOP TEN TEXAS COUNTIES a/ – JULY 1997

County	Number of Producers	Pounds	% Change From 1996*	County	Number of Producers	Pounds	% Change From 1996*
1. Erath	163	108,677,988	-3.96	7. Hamilton	31	13,918,767	-4.18
2. Hopkins	313	50,415,520	-9.59	8. Wood	75	12,949,546	-.37
3. Comanche	56	33,492,954	+3.15	9. Cherokee	38	10,924,211	-5.59
4. El Paso	9	19,985,158	+11.85	10. Van Zandt	32	8,397,616	-2.28
5. Archer	64	17,434,147	+7.57	Ten County Total	829	291,652,284	-2.89 b/
6. Johnson	48	15,456,377	-10.03	Other Counties Total	660	144,124,913	-6.44
				Texas Total	1,489	435,777,197	-4.09

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

	Class I a/		Class II	Class III	Class III-A	Uniform a/		B F Diff.	Grade A	Block	Spray
	126	138				126	138		Butter	Cheese	Powder
Month	----- Dollars Per Hundred Wt. -----							¢/Point	-----Cents Per Pound-----		
June 1996	16.25	15.44	13.39	13.92	15.12	15.03	14.56	14.1	130.63	149.33	129.75
July	16.93	16.12	14.07	14.49	16.01	15.78	15.07	15.9	144.87	156.23	132.57
August	17.08	16.27	14.22	14.94	15.82	16.12	15.37	15.8	145.00	163.58	130.91
September	17.65	16.84	14.79	15.37	15.85	16.65	15.84	15.6	145.00	169.42	131.90
October	18.10	17.29	15.24	14.13	14.94	16.79	15.14	13.1	124.45	157.93	131.55
November	18.53	17.72	15.67	11.61	12.18	16.37	13.43	6.5	71.47	132.45	126.59
December	17.29	16.48	14.43	11.34	11.75	14.89	12.80	6.8	73.02	123.73	120.55
Averages 1996 b/	16.79	15.98	13.93	13.39	13.00	15.20	14.03	10.0	99.82	146.63	122.16
January 1997	14.77	13.96	11.91	11.94	11.50	13.50	12.55	7.8	81.74	127.05	113.94
February	14.50	13.69	11.64	12.46	12.36	13.42	12.79	10.0	98.46	131.24	114.91
March	15.10	14.29	12.24	12.49	12.78	13.66	13.07	11.0	105.81	132.34	115.78
April	15.62	14.81	12.76	11.44	12.10	13.61	12.70	9.4	91.90	123.78	114.40
May	15.65	14.84	12.79	10.70	11.56	13.32	12.48	9.0	87.40	116.64	109.83
June	14.60	13.79	11.74	10.74	12.22	12.89	11.90	11.4	105.00	115.83	107.88
July	13.86	13.05	11.00	10.86	12.06	12.73	11.72	11.0	101.84	117.67	107.65
August	13.90	13.09	11.04								
September	14.02	13.21	11.16								

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

TOP NEW MEXICO COUNTIES a/ – JULY 1997

County	Number of Producers	Pounds	% Change From 1996*	County	Number of Producers	Pounds	% Change From 1996*
1. Chaves	42	120,502,102	+6.52	7. Valencia	13	12,260,433	+10.47
2. Dona Ana	24	65,470,730	+8.51	8. Bernalillo	8	9,708,885	+9.57
3. Roosevelt	30	41,997,243	+3.86	9. Socorro	7	6,839,955	+4.56
4. Curry	11	35,521,355	+16.87				
5. Lea	13	21,582,864	+20.33	Nine County Total	153	331,162,210	+8.61
6. Eddy	5	17,278,643	+6.92	Other Counties Total	6	8,923,916	+3.03
				New Mexico Total	159	340,086,126	+8.46

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 MARKETING BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1995 THROUGH JULY 1997, WITH PERCENTAGE COMPARISONS ****

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	1997/96
January	544,665,125	1,918	549,914,311	1,786	540,921,813	1,610	+0.96	-1.64
February	519,646,630	1,911	536,326,949	1,773	503,177,566	1,591	-0.35	-2.83
March	579,936,046	1,902	590,936,348	1,745	560,823,025	1,566	+1.90	-5.10
April	560,828,983	1,886	575,799,475	1,738	539,258,903	1,553	+2.67	-6.35
May	552,635,192	1,884	567,120,914	1,714	530,457,547	1,550	+2.62	-6.46
June	505,013,242	1,864	490,380,980	1,683	468,546,651	1,523	-2.90	-4.45
July	479,245,070	1,866	454,376,230	1,670	435,777,197	1,489	-5.19	-4.09
August	448,110,385	1,858	448,420,253	1,652			+0.07	
September	437,779,650	1,844	427,623,846	1,639			-2.32	
October	481,136,358	1,837	466,085,603	1,637			-3.13	
November	480,929,263	1,826	474,250,855	1,636			-1.39	
December	524,145,612	1,800	516,304,359	1,620			-1.50	
Years Total	6,114,071,556		6,098,233,434				-0.26	

*Revised figures

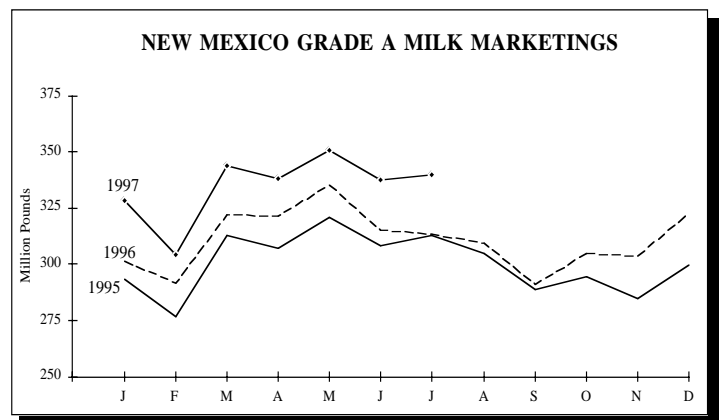
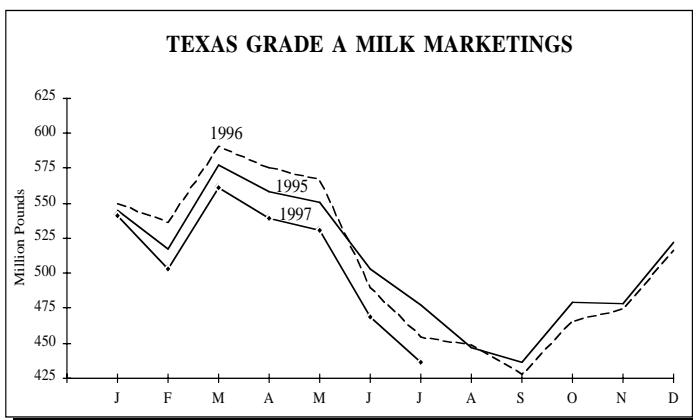
**February figures are based upon average daily production.

**POUNDS OF GRADE A MILK MARKETING BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1995 THROUGH JULY 1997, WITH PERCENTAGE COMPARISONS ****

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	1997/96
January	293,542,014	156	301,646,087	153	328,059,604	156	+2.76	+8.76
February	276,638,548	155	291,741,013	154	303,972,265	156	+1.82	+7.91
March	313,161,171	152	321,854,914	154	343,866,862	157	+2.78	+6.84
April	307,337,393	152	321,032,089	153	337,943,697	157	+4.46	+5.27
May	320,781,400	154	335,537,514	153	350,910,125	158	+4.60	+4.58
June	309,224,349	153	314,856,503	153	337,592,757	158	+1.82	+7.22
July	312,630,262	153	313,553,863	154	340,086,126	159	+0.30	+8.46
August	304,582,850	153	309,399,050	155			+1.58	
September	288,872,854	156	293,390,938	157			+1.56*	
October	294,564,685	154	307,608,027	156			+4.43*	
November	284,775,780	155	303,433,595	157			+6.55	
December	299,367,034	153	322,470,035	157			+7.72	
Years Total	3,605,478,340		3,736,523,628				+3.63	

*Revised figures

**February figures are based upon average daily production.



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
July 1996	3.43	3.40	3.12	3.04	4.75	4.78	8.58	8.52	429	259
August	3.50	3.44	3.20	3.10	4.71	4.75	8.59	8.55	446	272
September	3.60	3.54	3.24	3.17	4.70	4.76	8.64	8.65	455	271
October	3.65	3.58	3.29	3.23	4.72	4.77	8.72	8.70	377	238
November	3.67	3.60	3.29	3.28	4.75	4.78	8.75	8.78	378	224
December	3.66	3.58	3.27	3.25	4.77	4.80	8.75	8.77	378	223
Average 1996	3.58	3.55	3.19	3.14	4.77	4.80	8.67	8.65	358	234
January 1997	3.67	3.62	3.25	3.23	4.79	4.80	8.75	8.74	373	257
February	3.64	3.59	3.24	3.21	4.79	4.81	8.73	8.73	397	280
March	3.57	3.54	3.20	3.16	4.79	4.81	8.70	8.68	400	271
April	3.52	3.50	3.21	3.15	4.79	4.82	8.71	8.69	378	251
May	3.48	3.38	3.19	3.11	4.79	4.82	8.69	8.63	387	250
June	3.46	3.33	3.16	3.08	4.77	4.81	8.64	8.60	436	264
July	3.44	3.33	3.14	3.06	4.74	4.80	8.59	8.57	460	277

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED JUL. 1997	REPORTED JUN. 1997	REPORTED JUL. 1996
TOTAL UTILIZATION			
CLASS I	53,725,904	51,701,386	55,285,032
CLASS II	12,419,398	10,240,907	7,228,643
CLASS III/III-A	139,903,814	155,342,040	113,082,035
CLOSING INVENTORY (CLASS I, II AND III)	7,049,144	11,662,522	7,725,789
TOTAL UTILIZATION	213,098,260	228,946,855	183,321,499
DAILY CLASS I UTILIZATION	1,733,094	1,723,380	1,783,388
JUL. -DAILY CLASS I COMPARED TO:		+ .56%	- 2.82%
CLASS I YEAR TO DATE (IN THOUSANDS)	382,701	328,975	404,479
% CHANGE FROM PREVIOUS YEAR	- 5.39%	- 5.79%	- .12%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	52,447,484	50,649,677	54,330,859
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	10,904,907	9,227,947	5,856,169
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	125,643,092	142,871,362	110,426,492
TOTAL PRODUCER RECEIPTS	188,995,483	202,748,986	170,613,520
OTHER SOURCE A/	12,436,888	15,116,014	3,225,632
OPENING INVENTORY	11,662,484	11,079,823	9,479,483
OVERAGE	3,405	2,032	2,864
TOTAL RECEIPTS	213,098,260	228,946,855	183,321,499
DAILY PRODUCER RECEIPTS	6,096,628	6,758,300	5,503,662
JUL. -DAILY PRODUCER RECEIPTS COMPARED TO:		- 9.79%	+ 10.77%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,344,416	1,155,420	1,066,965
% CHANGE FROM PREVIOUS YEAR	+ 26.00%	+ 28.90%	- 6.96%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.372%	3.365%	3.424%
% PRODUCER MILK CLASSIFIED AS CLASS I	27.75%	24.98%	31.84%
NUMBER OF PRODUCERS	147	149	189
AVERAGE DAILY DELIVERY PER PRODUCER	41,474	45,358	29,120
NUMBER OF POOL HANDLERS	17	17	17

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

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NEW MEXICO - WEST TEXAS MARKETING AREA

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TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>JUL. 1997</u>	REPORTED <u>JUN. 1997</u>	REPORTED <u>JUL. 1996</u>
TOTAL UTILIZATION			
CLASS I	260,874,691	253,372,542	273,324,636
CLASS II	114,768,253	124,034,042	117,706,266
CLASS III/III-A	105,457,483	174,016,661	151,608,868
CLOSING INVENTORY (CLASS I, II AND III)	23,243,727	30,701,416	29,968,282
TOTAL UTILIZATION	504,344,154	582,124,661	572,608,052
DAILY CLASS I UTILIZATION	8,415,313	8,445,751	8,816,924
JUL.-DAILY CLASS I COMPARED TO:		- .36%	- 4.56%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,923,488	1,662,613	1,866,474
% CHANGE FROM PREVIOUS YEAR	+ 3.05%	+ 4.36%	+ 2.81%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	260,178,005	252,775,892	274,398,983
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	96,360,585	110,883,182	107,236,573
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	96,446,362	170,246,960	134,214,583
TOTAL PRODUCER RECEIPTS	452,984,952	533,906,034	515,850,139
OTHER SOURCE A/	20,707,279	22,805,955	23,358,805
OPENING INVENTORY	30,645,809	25,096,359	33,399,052
OVERAGE	6,114	316,313	56
TOTAL RECEIPTS	504,344,154	582,124,661	572,608,052
DAILY PRODUCER RECEIPTS	14,612,418	17,796,868	16,640,327
JUL.-DAILY PRODUCER RECEIPTS COMPARED TO:		- 17.89%	- 12.19%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	4,021,944	3,568,959	4,213,731
% CHANGE FROM PREVIOUS YEAR	- 4.55%	- 3.49%	+ 7.54%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.408%	3.409%	3.412%
% PRODUCER MILK CLASSIFIED AS CLASS I	57.44%	47.34%	53.19%
NUMBER OF PRODUCERS	1,529	1,690	1,732
AVERAGE DAILY DELIVERY PER PRODUCER	9,557	10,531	9,608
NUMBER OF POOL HANDLERS	31	32	31

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