

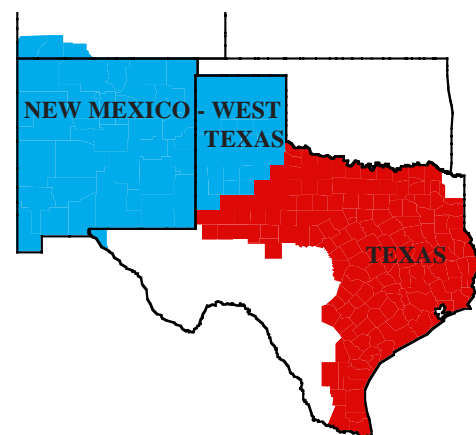
THE MARKET ADMINISTRATOR'S *REPORT*



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR SEPTEMBER

The September Class III price increased 11 cents from the previous month to \$15.10. The Class II price for September of \$15.07 per hundredweight increased \$1.67 from \$13.40 in August. September's Class III-A price increased \$3.29 from August's level to \$19.81.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$16.81 per hundredweight for deliveries of milk containing 3.5% butterfat. The September price was up \$1.31 from August.

Producers delivered a total of 489,660,484 pounds of milk during September. On a daily basis this represents an increase of 32.74 percent from the producer receipts level in August and it represents an increase of 23.21 percent when compared to the producer receipts level of September 1997.

Producer milk classified as Class I during September amounted to 55.05 percent of total producer receipts. This figure is down from August's 72.11 percent and it is down from 69.31 percent in September 1997. The average butterfat test of producer milk pooled during September 1998 was 3.47 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 \$16.09 per hundredweight for deliveries of milk containing 3.5% butterfat. The September price was up \$1.04 from its August level.

Producers delivered a total of 115,013,414 pounds of milk during September. On a daily basis this represents an increase of 10.81 percent from the producer receipts level in August and it represents an increase of .13 percent when compared to the producer receipts level of September 1997.

Producer milk classified as Class I during September amounted to 46.83 percent of total producer receipts. This figure is down from 50.12 percent in

August and it is down from 49.46 percent in September 1997. The average butterfat test of producer milk pooled during September 1998 was 3.40 percent.

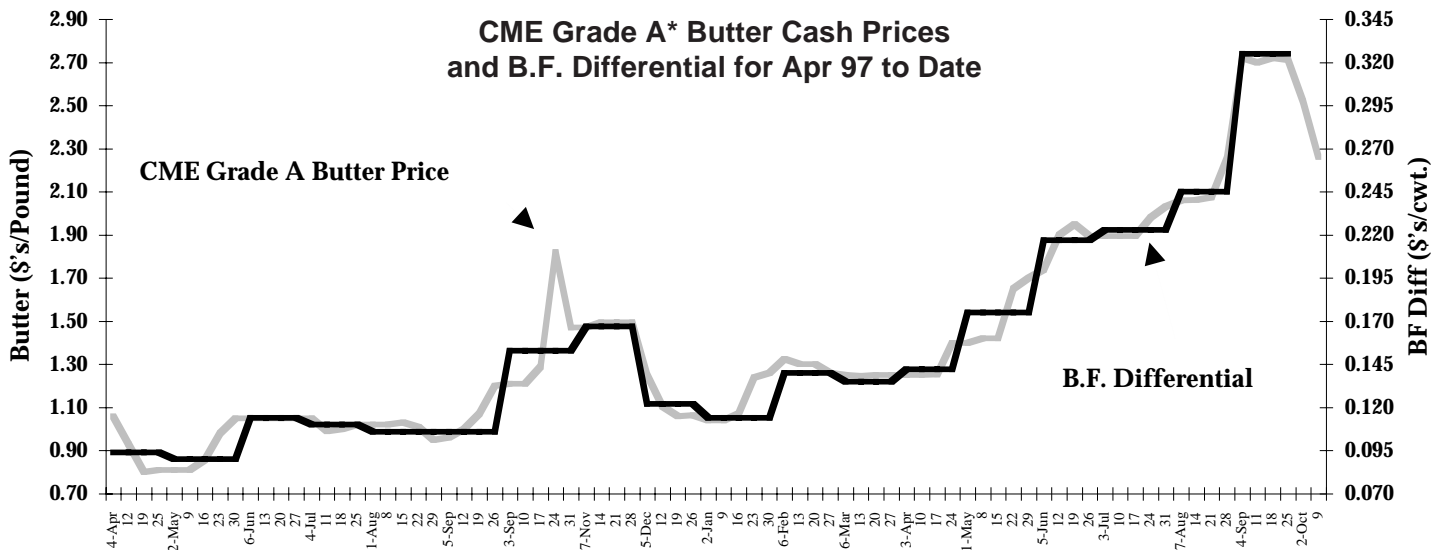
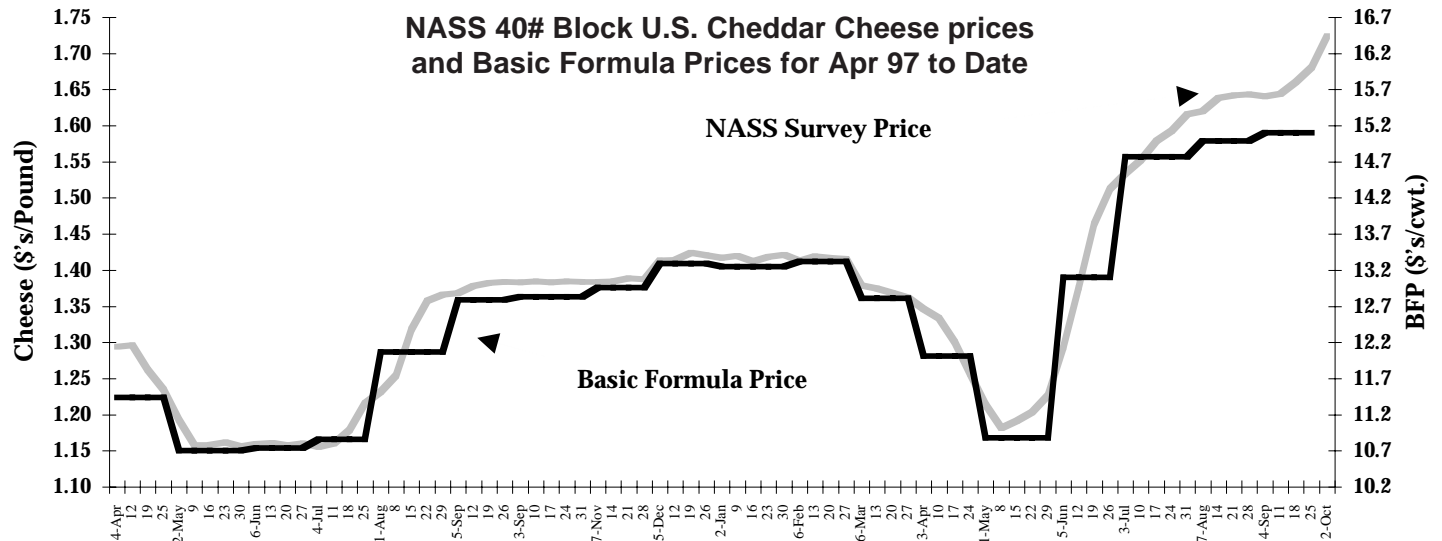
NEW PRODUCT PRICES REPORT

The U.S. Department of Agriculture's National Agricultural Statistical Service (NASS) began publishing weekly prices for butter, nonfat dry milk, and dry whey on October 9, 1998 at 8:30 a.m. (ET). Prices for these three items will be published along with the price for cheddar cheese in a new report entitled "Dairy Products Prices." The new report will provide information on weighted average prices received and aggregated volumes of sales. The October 9 report contained data for the weeks ending September 5 through October 3, 1998. Subsequent weekly reports will have the most recent five weeks of data in each report. The Dairy Products Prices report is based on a survey of manufacturers that sell these specific products on a bulk, wholesale basis. The surveys were begun at the request of the Secretary of Agriculture. The purpose of the report is to provide a statistically defensible price series for cheddar cheese, butter, nonfat dry milk, and dry whey to satisfy industry and USDA needs.

CME APPROVES NEW FUTURES AND OPTIONS

On October 9 the U.S. Commodity Futures Trading Commission (CFTC) approved the Chicago Mercantile Exchange's (CME) request to trade futures and options contracts based on the value of nonfat dry milk and dry whey. The CME had not set a launch date for the contracts as of October 9.

The dairy contracts will reflect the value of 44,000 pounds of each underlying commodity based on weekly cash prices as calculated by the U.S. Department of Agriculture.



* Footnote: Since June 26, 1998 the Grade A Equivalent Price is Grade AA minus 9 cents.

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN TEXAS
SEPTEMBER 1998**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	140	4,356,816	1.11
50,000- 99,999	275	20,899,684	5.31
100,000-149,999	212	26,523,098	6.76
150,000-199,999	171	29,658,783	7.56
200,000-249,999	110	24,945,552	6.36
250,000-299,999	73	20,043,483	5.11
300,000-349,999	42	13,788,361	3.51
350,000-399,999	31	11,681,412	2.98
400,000-449,999	28	11,880,188	3.03
450,000-499,999	34	16,178,986	4.12
500,000-599,999	43	23,268,399	5.93
600,000-699,999	23	15,054,289	3.84
700,000-799,999	21	15,506,049	3.95
800,000-899,999	6	5,104,408	1.30
900,000-999,999	15	14,310,154	3.65
<u>OVER -1,000,000</u>	<u>76</u>	<u>139,228,140</u>	<u>35.48</u>
TOTAL	1,300	392,427,802	100.00

**MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN NEW MEXICO
SEPTEMBER 1998**

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	4	91,856	.03
50,000- 99,999	1	69,293	.01
100,000-149,999	3	378,119	.11
150,000-199,999	2	352,846	.10
200,000-249,999	4	942,221	.27
250,000-299,999	3	827,070	.23
300,000-349,999	3	933,401	.26
350,000-399,999	2	765,857	.22
400,000-449,999	1	407,617	.12
450,000-499,999	4	1,926,928	.55
500,000-599,999	1	529,201	.15
600,000-699,999	4	2,681,137	.76
700,000-799,999	4	3,119,428	.88
800,000-899,999	2	1,709,032	.48
900,000-999,999	5	4,750,508	1.34
<u>OVER -1,000,000</u>	<u>112</u>	<u>333,972,526</u>	<u>94.49</u>
TOTAL	155	353,457,040	100.00

TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 1998

County	Number of Producers	Pounds	% Change From 1997	County	Number of Producers	Pounds	% Change From 1997
1. Erath	153	102,950,523	-1.88	7. Johnson	45	12,634,935	-12.86
2. Hopkins	262	42,245,136	-8.84	8. Wood	74	12,588,367	-.31
3. Comanche	46	32,402,612	+4.00	9. Cherokee	31	9,108,949	-12.74
4. El Paso	9	20,261,882	+8.34	10. Van Zandt	26	6,043,083	-5.55
5. Archer	59	15,930,949	-2.29	Ten County Total	732	268,757,549	-2.48 b/
6. Hamilton	27	14,591,113	+5.84	Other Counties Total	568	123,670,253	-4.84
				Texas Total	1,300	392,427,802	-3.24

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-----		
August 1997	13.90	13.09	11.04	12.07	11.88	13.03	12.42	10.6	101.32	130.24	107.18
September	14.02	13.21	11.16	12.79	11.87	13.18	12.95	10.6	103.37	137.82	107.11
October	15.23	14.42	12.37	12.83	13.50	14.21	13.56	15.3	137.35	138.35	106.91
November	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 1997	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								
November	18.26	17.65	15.40								

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

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 1998

County	Number of Producers	Pounds	% Change From 1997	County	Number of Producers	Pounds	% Change From 1997
1. Chaves	40	123,025,598	+10.31	7. Bernalillo	8	10,387,464	+16.82
2. Dona Ana	23	58,357,023	-.29	8. Valencia	11	9,537,641	-11.85
3. Curry	12	45,011,509	+24.04	9. Socorro	8	8,231,907	+26.83
4. Roosevelt	29	44,367,992	+14.27				
5. Lea	13	29,361,634	+45.66	Nine County Total	150	349,306,188	+12.85
6. Eddy	6	21,025,420	+16.77	Other Counties Total	5	4,150,852	-45.66
				New Mexico Total	155	353,457,040	+11.44

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 1996 THROUGH SEPTEMBER 1998, WITH PERCENTAGE COMPARISONS**

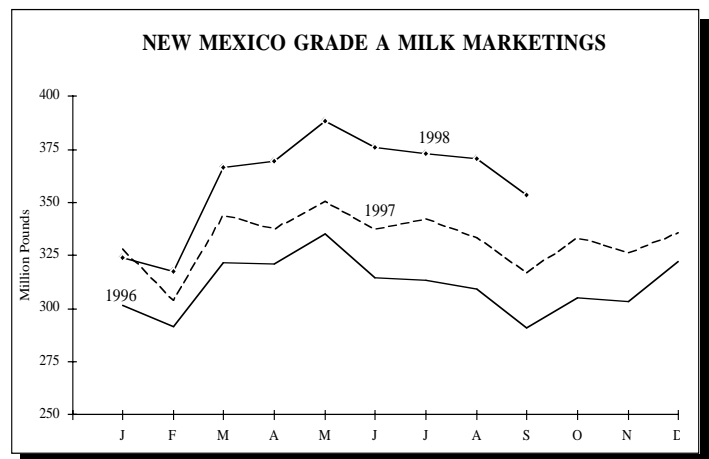
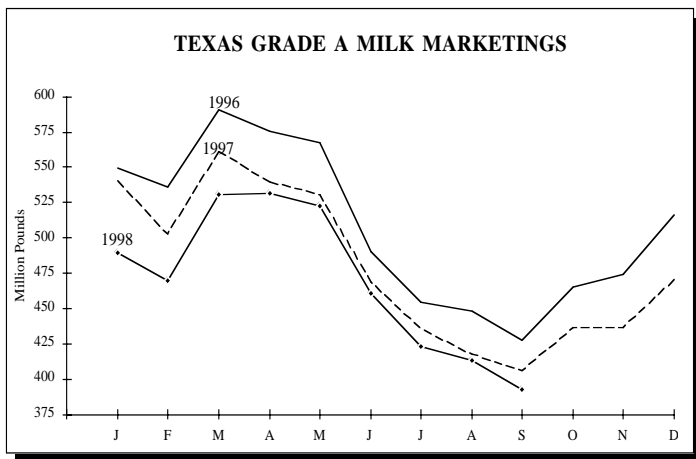
MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	1998/97
January	549,914,311	1,786	540,918,023	1,610	491,168,340	1,359	-1.64	-9.20
February	536,326,949	1,773	503,177,566	1,591	469,305,849	1,347	-2.83	-6.73
March	590,936,348	1,745	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			-6.34	
November	474,250,855	1,636	436,607,225	1,391			-7.94	
December	<u>516,304,359</u>	1,620	<u>470,803,040</u>	1,368			<u>-8.81</u>	
Years Total	6,098,233,434		5,745,732,736				-5.78	

*Revised figures

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

MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	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			+8.45	
November	303,433,595	157	326,212,021	158			+7.51	
December	<u>322,470,035</u>	157	<u>336,117,343</u>	157			<u>+4.23</u>	
Years Total	3,736,523,628		3,991,241,484				+6.82	

*Revised figures



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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
September 1997	3.50	3.41	3.21	3.13	4.74	4.80	8.65	8.64	443	291
October	3.62	3.53	3.28	3.23	4.75	4.81	8.75	8.75	410	256
November	3.78	3.67	3.32	3.27	4.74	4.78	8.76	8.76	366	238
December	3.80	3.74	3.30	3.28	4.80	4.81	8.80	8.81	378	290
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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED SEP. 1998	REPORTED AUG. 1998	REPORTED SEP. 1997
TOTAL UTILIZATION			
CLASS I	54,977,071	54,551,963	57,410,017
CLASS II	7,632,892	13,737,456	9,079,710
CLASS III/III-A	66,521,352	40,667,505	54,598,687
CLOSING INVENTORY (CLASS I, II AND III)	5,787,537	5,584,545	7,885,009
TOTAL UTILIZATION	134,918,852	114,541,469	128,973,423
DAILY CLASS I UTILIZATION	1,832,569	1,759,741	1,913,667
SEP. -DAILY CLASS I COMPARED TO:		+ 4.14%	- 4.24%
CLASS I YEAR TO DATE (IN THOUSANDS)	489,784	434,806	495,653
% CHANGE FROM PREVIOUS YEAR	- 1.19%	- .79%	- 5.15%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	53,858,518	53,753,893	56,811,385
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	6,539,865	12,589,949	7,662,501
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	54,615,031	40,911,085	50,392,672
TOTAL PRODUCER RECEIPTS	115,013,414	107,254,927	114,866,558
OTHER SOURCE A/	14,320,893	3,169,465	3,233,312
OPENING INVENTORY	5,584,545	4,117,077	10,704,978
OVERAGE			168,575
TOTAL RECEIPTS	134,918,852	114,541,469	128,973,423
DAILY PRODUCER RECEIPTS	3,833,780	3,459,836	3,828,885
SEP. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 10.81%	+ .13%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,470,846	1,355,832	1,628,274
% CHANGE FROM PREVIOUS YEAR	- 9.67%	- 10.41%	+ 10.41%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.403%	3.350%	3.410%
% PRODUCER MILK CLASSIFIED AS CLASS I	46.83%	50.12%	49.46%
NUMBER OF PRODUCERS	139	111	128
AVERAGE DAILY DELIVERY PER PRODUCER	27,581	31,170	29,913
NUMBER OF POOL HANDLERS	11	10	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

RICHARD FLEMING, MARKET ADMINISTRATOR

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TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>SEP. 1998</u>	REPORTED <u>AUG. 1998</u>	REPORTED <u>SEP. 1997</u>
TOTAL UTILIZATION			
CLASS I	273,349,569	277,039,106	274,733,070
CLASS II	110,353,916	116,422,884	117,746,266
CLASS III/III-A	136,685,764	16,060,307	26,033,120
CLOSING INVENTORY (CLASS I, II AND III)	27,102,425	27,178,231	32,387,164
TOTAL UTILIZATION	547,491,674	436,700,528	450,899,620
 DAILY CLASS I UTILIZATION	 9,111,652	 8,936,745	 9,157,769
SEP. -DAILY CLASS I COMPARED TO:		+ 1.96%	- .50%
CLASS I YEAR TO DATE (IN THOUSANDS)	2,405,332	2,131,983	2,474,338
% CHANGE FROM PREVIOUS YEAR	- 2.79%	- 3.08%	+ 1.24%
 TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	269,555,073	274,873,239	275,446,795
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	88,215,058	90,244,633	105,187,338
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	131,890,353	16,051,988	16,799,876
TOTAL PRODUCER RECEIPTS	489,660,484	381,169,860	397,434,009
OTHER SOURCE A/	30,957,632	29,519,471	16,996,594
OPENING INVENTORY	26,873,558	25,669,934	36,468,749
OVERAGE		341,263	268
TOTAL RECEIPTS	547,491,674	436,700,528	450,899,620
 DAILY PRODUCER RECEIPTS	 16,322,016	 12,295,802	 13,247,800
SEP. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 32.74%	+23.21%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	4,495,540	4,005,879	4,861,561
% CHANGE FROM PREVIOUS YEAR	- 7.53%	- 10.27%	- 4.85%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.465%	3.435%	3.489%
% PRODUCER MILK CLASSIFIED AS CLASS I	55.05%	72.11%	69.31%
NUMBER OF PRODUCERS	1,502	1,453	1,440
AVERAGE DAILY DELIVERY PER PRODUCER	10,867	8,462	9,200
NUMBER OF POOL HANDLERS	29	29	30

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