

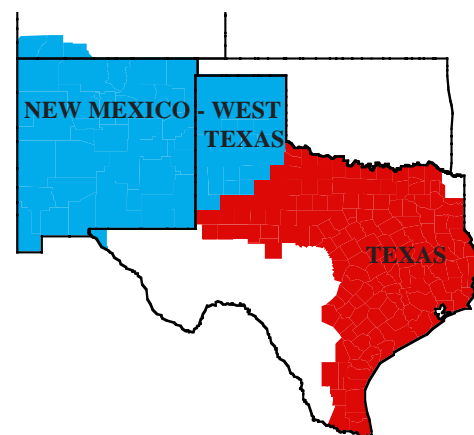
THE MARKET ADMINISTRATOR'S *REPORT*



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR SEPTEMBER

The September Class III price increased 47 cents from the previous month to \$16.26. The Class II price for September of \$13.89 per hundredweight increased \$2.17 from \$11.72 in August. September's Class III-A price decreased 25 cents from August's level to \$12.62.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$15.91 per hundredweight for deliveries of milk containing 3.5% butterfat. The September price was up \$1.94 from August.

Producers delivered a total of 405,509,753 pounds of milk during September. On a daily basis this represents an increase of 3.52 percent from the producer receipts level in August but it represents a decrease of 17.19 percent when compared to the producer receipts level of September 1998.

Producer milk classified as Class I during September amounted to 68.94 percent of total producer receipts. This figure is down from August's 70.72 percent but it is up from 55.05 percent in September 1998. The average butterfat test of producer milk pooled during September 1999 was 3.583 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 \$15.58 per hundredweight for deliveries of milk containing 3.5% butterfat. The September price was up \$1.97 from its August level.

Producers delivered a total of 68,330,785 pounds of milk during September. On a daily basis this represents an increase of 9.05 percent from the producer receipts level in August but it represents a decrease of 40.59 percent when compared to the producer receipts level of September 1998.

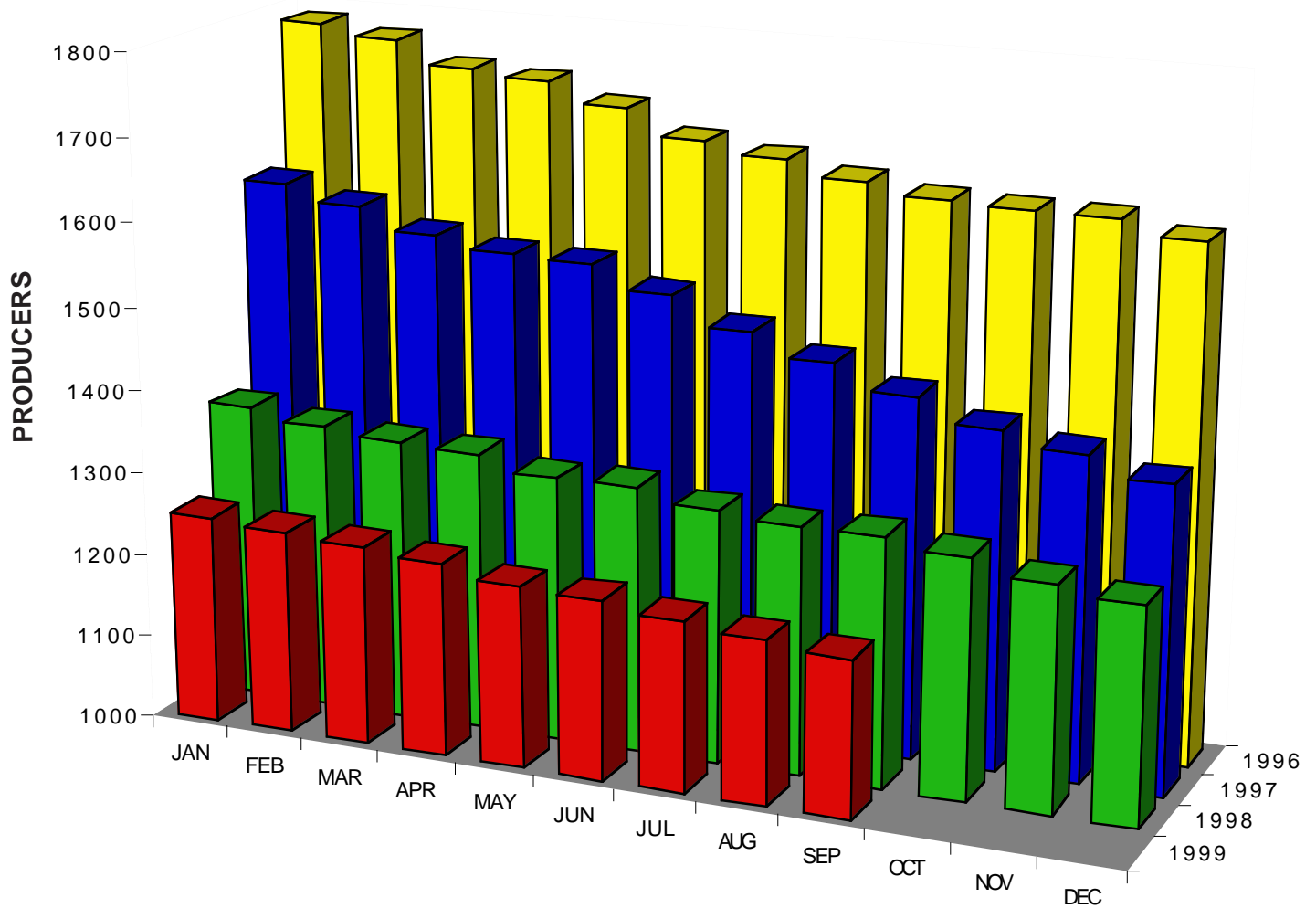
Producer milk classified as Class I during September amounted to 79.61 percent of total producer receipts. This figure is down from 81.77 percent in August but it is up from 46.83 percent in September 1998. The average butterfat test of producer milk pooled during September 1999 was 3.563 percent.

LAWSUIT BLOCKS USDA FEDERAL ORDER REFORM CHANGES

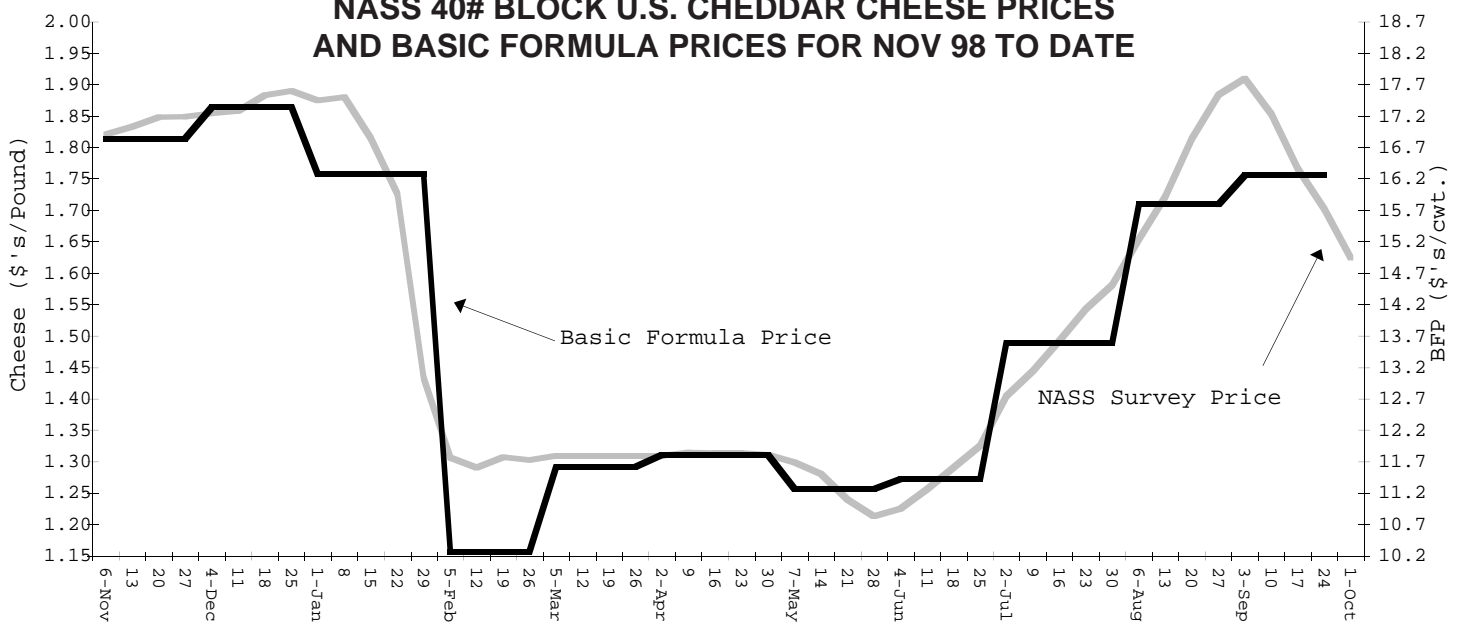
On September 28, 1999, U.S. District Court Judge William Sessions III, District of Vermont issued, on the basis of a civil action before it, a 30-day temporary restraining order enjoining the Secretary of Agriculture from implementing an order consolidating the current 31 Federal milk marketing orders into 11 orders. The Secretary's order would have also reformed the way in which milk was to be priced. Four northeastern cooperatives - AgriMark Dairy, St. Albans and Upstate Farms - had jointly filed a motion in Vermont seeking to block the USDA from implementing its program. The judge has scheduled a preliminary injunction hearing for October 26 on the merits of the case.

Similar suits were also filed by dairy farmer organizations in federal courts in the District of Columbia, Fort Worth, Texas and New Orleans, Louisiana. District Judge Terry Means, Fort Worth, Texas transferred a lawsuit filed on behalf of Texas and New Mexico producers to the District of Columbia court. The Southwest case has been combined with a lawsuit filed by Southeast and Arizona producers. A hearing on the merits of these lawsuits has been scheduled for November 23.

NUMBER OF TEXAS DAIRIES 1996 - 1999



NASS 40# BLOCK U.S. CHEDDAR CHEESE PRICES AND BASIC FORMULA PRICES FOR NOV 98 TO DATE



TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 1999

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>
1. Erath	152	104,887,202	+1.88	7. Wood	63	11,658,797	-7.38
2. Hopkins	230	36,776,213	-12.95	8. Johnson	39	11,350,564	-10.17
3. Comanche	46	35,500,852	+9.56	9. Lamb	3	9,191,290	+72.33
4. El Paso	8	18,874,806	-6.85	10. Cherokee	25	7,272,481	-20.16
5. Archer	58	17,195,297	+7.94	Ten County Total	648	266,297,133	-.92 b/
6. Hamilton	24	13,589,631	-6.86	Other Counties Total	541	120,634,274	-2.45
				Texas Total	1,189	386,931,407	-1.40

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/ 126 138		Class II	Class III	Class III-A	Uniform a/ 126 138			Grade A Butter	Block Cheese	Spray Powder
Month	----- Dollars Per Hundred Wt. -----								¢/Point	-----Cents Per Pound-----	
August 1998	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	16.27	13.12	18.03	16.68	13.7	133.22	175.95	108.93
February	20.50	19.69	17.64	10.27	12.78	16.27	19.03	13.9	122.53	130.10	104.37
March	19.43	18.62	16.57	11.62	12.36	15.76	14.49	13.2	120.27	130.92	102.39
April	13.43	12.62	10.57	11.81	11.06	12.33	12.03	9.5	93.98	131.31	102.28
May	14.78	13.97	11.92	11.26	11.62	12.97	12.43	11.1	103.89	126.61	102.28
June	14.97	14.16	12.11	11.42	13.29	13.37	12.84	16.1	140.31	127.47	101.39
July	14.42	13.61	11.56	13.59	12.37	13.57	13.39	13.4	125.44	147.02	101.72
August	14.58	13.77	11.72	15.79	12.62	13.97	13.61	13.6	130.63	172.13	103.84
September	16.75	15.94	13.89	16.26	12.37	15.91	15.58	12.6	124.93	180.23	104.86
October	18.95	18.14	16.09								
November	19.42	18.61	16.56								

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

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 1999

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>
1. Chaves	40	129,601,360	+5.35	7. Bernalillo	8	10,509,233	+1.17
2. Dona Ana	23	59,577,213	+2.09	8. Valencia	10	9,030,362	-5.32
3. Curry	13	53,545,101	+18.96	9. Socorro	8	8,975,215	+9.03
4. Roosevelt	34	46,550,288	+4.92				
5. Lea	13	30,829,726	+5.00	Nine County Total	155	370,399,406	+6.04
6. Eddy	6	21,780,908	+3.59	Other Counties Total	5	4,487,046	+8.10
				New Mexico Total	160	374,886,452	+6.06

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 1997 THROUGH SEPTEMBER 1999, WITH PERCENTAGE COMPARISONS**

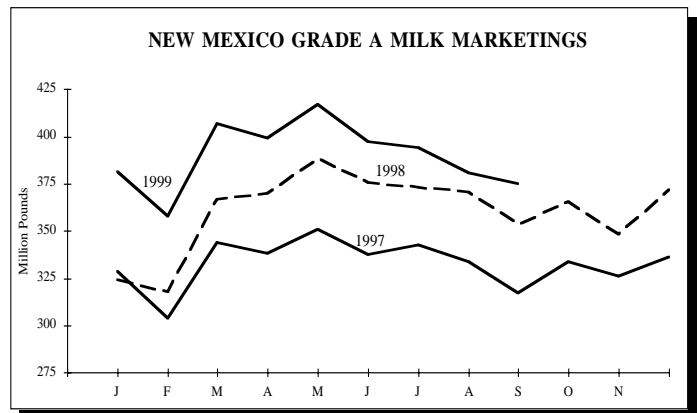
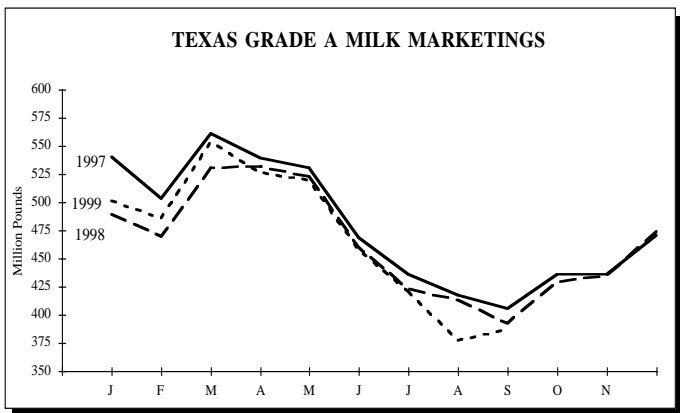
MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	540,918,023	1,610	491,168,340	1,359	501,754,729	1,251	-9.20	+2.16
February	503,177,566	1,591	469,305,849	1,347	486,044,271	1,245	-6.73	+3.57
March	560,823,025	1,566	532,588,272	1,339	553,983,640	1,241	-5.03	+4.02
April	539,258,903	1,553	532,823,237	1,336	525,773,380	1,233	-1.19	-1.32
May	530,457,547	1,550	524,523,430	1,319	519,613,189	1,219	-1.12	-.94
June	468,546,651	1,523	464,057,905	1,321	458,247,406	1,216	-.96	-1.25
July	435,777,197	1,489	422,973,696	1,305	421,340,140	1,206	-2.94	-.39
August	417,271,524	1,463	413,296,879	1,298	377,392,147	1,197	-.95	-8.69
September	405,563,476	1,435	392,427,802	1,300	386,931,407	1,189	-3.24	-1.40
October	436,528,559	1,408	429,372,951	1,289			-1.64	
November	436,607,225	1,391	435,572,798	1,271			-.27	
December	470,803,040	1,368	474,573,747	1,260			+8.0	
Years Total	5,745,732,736		5,582,684,906				-2.84	

*Revised figures

**POUNDS OF GRADE A MILK MARKETING BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1997 THROUGH SEPTEMBER 1999, WITH PERCENTAGE COMPARISONS**

MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	328,059,604	156	324,314,276	158	381,115,401	156	-1.14	+17.51
February	303,972,265	156	317,500,751	156	358,049,940	157	+4.45	+12.77
March	343,866,862	157	366,656,779	157	406,789,374	156	+6.63	+10.95
April	337,943,697	157	369,782,775	156	399,229,362	157	+9.42	+7.96
May	350,910,125	158	388,308,155	155	416,852,251	157	+10.66	+7.35
June	337,592,757	158	378,569,203	159	397,483,877	159	+12.14	+5.00
July	342,391,766	159	372,803,402	157	393,796,366	158	+8.88	+5.63
August	333,406,557	156	370,668,016	156	380,628,318	158	+11.18	+2.69
September	317,181,279	159	353,457,040	155	374,886,452	160	+11.44	+6.06
October	333,587,208	158	365,469,264	159			+9.56	
November	326,212,021	158	348,126,652	158			+6.75	
December	336,117,343	157	371,894,332	157			+10.64	
Years Total	3,991,241,484		4,327,550,645				+8.43	

*Revised figures



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TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein		Lactose		S-N-F		SCC*	
	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>
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
January 1999	3.67	3.64	3.30	3.26	4.78	4.78	8.78	8.75	375	261
February	3.59	3.60	3.25	3.24	4.78	4.77	8.74	8.72	351	267
March	3.59	3.57	3.26	3.22	4.81	4.78	8.76	8.71	346	255
April	3.50	3.52	3.23	3.20	4.81	4.79	8.74	8.69	342	242
May	3.52	3.48	3.19	3.16	4.80	4.79	8.70	8.66	348	240
June	3.53	3.45	3.19	3.14	4.76	4.79	8.66	8.63	395	265
July	3.52	3.40	3.20	3.11	4.72	4.74	8.64	8.57	408	290
August	3.54	3.43	3.21	3.14	4.70	4.74	8.63	8.60	429	310
September	3.60	3.50	3.29	3.20	4.70	4.75	8.71	8.67	420	305

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	<u>REPORTED SEPT. 1999</u>	<u>REPORTED AUG. 1999</u>	<u>REPORTED SEPT. 1998</u>
TOTAL UTILIZATION			
CLASS I	56,561,382	55,526,756	54,977,071
CLASS II	9,262,362	14,944,873	7,632,892
CLASS III/III-A	7,047,661	4,459,918	66,521,352
CLOSING INVENTORY (CLASS I, II AND III)	6,049,288	6,834,848	5,787,537
TOTAL UTILIZATION	78,920,693	81,766,395	134,918,852
DAILY CLASS I UTILIZATION	1,885,379	1,791,186	1,832,569
SEPT. -DAILY CLASS I COMPARED TO:		+ 5.26%	+ 2.88%
CLASS I YEAR TO DATE (IN THOUSANDS)	486,703	430,142	489,784
% CHANGE FROM PREVIOUS YEAR	- .63%	- 1.07%	- 1.19%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	54,397,424	52,944,722	53,858,518
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	8,055,469	8,023,067	6,539,865
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	5,877,892	3,783,365	54,615,031
TOTAL PRODUCER RECEIPTS	68,330,785	64,751,154	115,013,414
OTHER SOURCE A/	4,191,943	10,268,241	14,320,893
OPENING INVENTORY	6,397,926	6,743,484	5,584,545
OVERAGE	39	3,516	
TOTAL RECEIPTS	78,920,693	81,766,395	134,918,852
DAILY PRODUCER RECEIPTS	2,277,693	2,088,747	3,833,780
AUG. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 9.05%	- 40.59%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	942,637	874,307	1,470,846
% CHANGE FROM PREVIOUS YEAR	- 35.91%	- 35.52%	- 9.67%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.563%	3.494%	3.403%
% PRODUCER MILK CLASSIFIED AS CLASS I	79.61%	81.77%	46.83%
NUMBER OF PRODUCERS	83	85	139
AVERAGE DAILY DELIVERY PER PRODUCER	27,442	24,573	27,581
NUMBER OF POOL HANDLERS	9	9	11

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 SEPT. 1999	REPORTED AUG. 1999	REPORTED SEPT. 1998
TOTAL UTILIZATION			
CLASS I	282,727,198	285,263,903	273,349,569
CLASS II	114,310,676	121,990,299	110,353,916
CLASS III/III-A	31,914,786	18,429,608	136,685,764
CLOSING INVENTORY (CLASS I, II AND III)	30,708,353	33,041,397	27,102,425
TOTAL UTILIZATION	459,661,013	458,725,207	547,491,674
DAILY CLASS I UTILIZATION	9,424,240	9,202,061	9,111,652
SEPT. -DAILY CLASS I COMPARED TO:		+ 2.41%	+ 3.43%
CLASS I YEAR TO DATE (IN THOUSANDS)	2,480,390	2,197,663	2,405,332
% CHANGE FROM PREVIOUS YEAR	+ 3.12%	+ 3.08%	- 2.79%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	279,558,959	286,266,265	269,555,073
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	101,886,888	97,564,968	88,215,058
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	24,063,906	20,935,653	131,890,353
TOTAL PRODUCER RECEIPTS	405,509,753	404,766,886	489,660,484
OTHER SOURCE A/	20,580,445	29,417,846	30,957,632
OPENING INVENTORY	33,458,139	24,038,654	26,873,558
OVERAGE	112,676	501,821	
TOTAL RECEIPTS	459,661,013	458,725,207	547,491,674
DAILY PRODUCER RECEIPTS	13,516,992	13,056,996	16,322,016
SEPT. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 3.52%	- 17.19%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	4,932,042	4,526,532	4,495,540
% CHANGE FROM PREVIOUS YEAR	+ 9.71%	+ 13.00%	- 7.53%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.583%	3.531%	3.465%
% PRODUCER MILK CLASSIFIED AS CLASS I	68.94%	70.72%	55.05%
NUMBER OF PRODUCERS	1,322	1,373	1,502
AVERAGE DAILY DELIVERY PER PRODUCER	10,225	9,510	10,867
NUMBER OF POOL HANDLERS	32	29	29

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