

THE MARKET ADMINISTRATOR'S

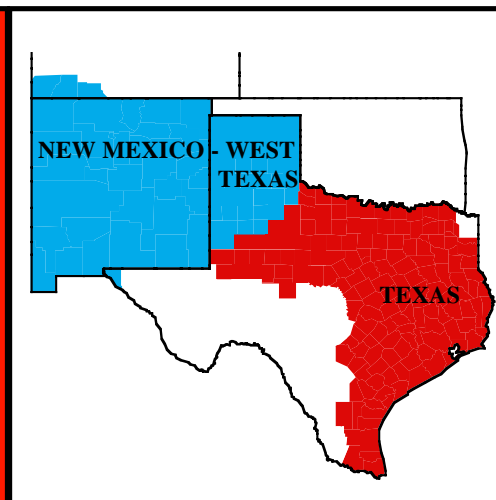
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR DECEMBER

The December Class III price increased 33 cents from the previous month to \$13.29. The Class II price for December of \$13.13 per hundredweight increased 4 cents from \$13.09 in November. December's Class III-A price decreased \$1.55 from November's level to \$12.46.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.80 per hundredweight for deliveries of milk containing 3.5% butterfat. The December price was up 10 cents from November.

Producers delivered a total of 504,713,380 pounds of milk during December. On a daily basis this represents an increase of .64 percent from the producer receipts level in November but it represents a decrease of 3.64 percent when compared to the producer receipts level of December 1996.

Producer milk classified as Class I during December amounted to 53.42 percent of total producer receipts. This figure is virtually unchanged from November's 53.59 percent but it is up from 50.70 percent in December 1996. The average butterfat test of producer milk pooled during December 1997 was 3.792 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 \$13.81 per hundredweight for deliveries of milk containing 3.5% butterfat. The December price was up 8 cents from its November level.

Producers delivered a total of 185,487,739 pounds of milk during December. On a daily basis this represents an increase of 9.96 percent from the producer receipts level in November but it represents a decrease of 16.50 percent when compared to the producer receipts level of December 1996.

Producer milk classified as Class I during Decem-

ber amounted to 29.23 percent of total producer receipts. This figure is down from 31.58 percent in November but it is up from 23.91 percent in December 1996. The average butterfat test of producer milk pooled during December 1997 was 3.770 percent.

1998 SUPPORT PRICES FOR MILK AND MILK PRODUCTS

The U.S. Department of Agriculture's Commodity Credit Corporation (CCC) announced that the support price for milk will be \$10.05 per hundredweight (cwt) during calendar year 1998, effective January 1, 1998. 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.

This announced price is for milk with an annual butterfat content of 3.67 percent. In order to carry out the new support level, CCC will decrease the price it pays for nonfat dry milk by 1.9 cents per pound to \$1.0280 and decrease the price for block Cheddar and barrel cheese by 1.5 cents per pound to \$1.1150 and \$1.0850 per pound, respectively. The purchase price for butter will remain at \$0.6500 per pound. The support price adjusted to a butterfat content of 3.5 percent by use of the Federal Milk Marketing Order butterfat differential formula is \$9.95 per cwt.

There are currently no uncommitted CCC inventories of butter, cheese, or nonfat dry milk. If the government does acquire such inventories, CCC may sell any commodity owned or controlled by the Corporation at any price the Secretary determines will maximize the return to the Corporation.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>1997</u>	REPORTED <u>1996</u>	REPORTED <u>1995</u>
TOTAL UTILIZATION			
CLASS I	683,609,872	720,232,375	737,084,200
CLASS II	102,252,136	103,822,471	155,660,940
CLASS III	1,679,788,504	1,611,430,996	1,267,348,083
CLOSING INVENTORY (CLASS II AND III) A/	13,919,676	10,356,593	10,396,648
TOTAL UTILIZATION	2,479,570,188	2,445,842,435	2,170,489,871
DAILY CLASS I UTILIZATION	1,872,904	1,967,848	2,019,409
1997-DAILY CLASS I COMPARED TO:		- 4.83%	- 7.26%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	648,257,140	680,713,124	692,960,858
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	82,386,614	84,515,741	135,874,699
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	1,378,663,051	1,355,851,303	1,032,794,105
TOTAL PRODUCER RECEIPTS	2,109,306,805	2,121,080,168	1,861,629,662
OTHER SOURCE C/	358,921,467	313,950,547	296,248,546
OPENING INVENTORY B/	10,356,593	10,396,648	12,301,500
OVERAGE	985,323	415,072	310,163
TOTAL RECEIPTS	2,479,570,188	2,445,842,435	2,170,489,871
DAILY PRODUCER RECEIPTS	5,778,923	5,795,301	5,100,355
1997-DAILY PRODUCER RECEIPTS COMPARED TO:		- .28%	+ 13.30%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.530%	3.567%	3.605%
% PRODUCER MILK CLASSIFIED AS CLASS I	30.73%	32.09%	37.22%
NUMBER OF PRODUCERS D/	155	233	179
AVERAGE DAILY DELIVERY PER PRODUCER	37,283	24,873	28,494
NUMBER OF POOL HANDLERS E/	25	19	17

TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>1997</u>	REPORTED <u>1996</u>	REPORTED <u>1995</u>
TOTAL UTILIZATION			
CLASS I	3,405,206,050	3,385,303,743	3,242,426,777
CLASS II	1,322,138,821	1,224,648,254	1,193,633,809
CLASS III	2,229,233,798	2,529,536,453	2,653,824,594
CLOSING INVENTORY (CLASS II AND III) A/	30,864,478	36,418,176	36,424,084
TOTAL UTILIZATION	6,987,443,147	7,175,906,626	7,126,309,264
DAILY CLASS I UTILIZATION	9,329,332	9,249,464	8,883,361
1997-DAILY CLASS I COMPARED TO:		+ .86%	+ 5.02%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	3,282,180,680	3,260,065,668	3,117,941,936
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	1,153,992,240	1,097,057,909	1,077,360,593
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	1,933,004,954	2,203,911,171	2,370,171,396
TOTAL PRODUCER RECEIPTS	6,369,177,874	6,561,034,748	6,565,473,925
OTHER SOURCE C/	581,256,489	577,865,583	531,139,541
OPENING INVENTORY B/	36,418,176	36,424,084	27,904,392
OVERAGE	590,608	582,211	1,791,406
TOTAL RECEIPTS	6,987,443,147	7,175,906,626	7,126,309,264
DAILY PRODUCER RECEIPTS	17,449,802	17,926,324	17,987,600
1997-DAILY PRODUCER RECEIPTS COMPARED TO:		- 2.66%	- 2.99%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.555%	3.573%	3.556%
% PRODUCER MILK CLASSIFIED AS CLASS I	51.53%	49.69%	47.49%
NUMBER OF PRODUCERS D/	1,609	1,737	2,071
AVERAGE DAILY DELIVERY PER PRODUCER	10,845	10,320	8,685
NUMBER OF POOL HANDLERS E/	47	32	38

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 1997

County	Number of Producers	Pounds	% Change From 1996*	County	Number of Producers	Pounds	% Change From 1996*
1. Erath	153	116,404,376	-5.19	7. Hamilton	29	15,770,002	-2.99
2. Hopkins	281	54,344,236	-15.14	8. Wood	75	15,655,034	-.87
3. Comanche	47	34,981,898	-7.94	9. Cherokee	34	12,318,428	-14.93
4. El Paso	9	21,346,238	+6.60	10. Van Zandt	25	9,555,792	-13.72
5. Archer	62	20,022,658	+1.06	Ten County Total	760	316,932,614	-7.03 b/
6. Johnson	45	16,533,952	-11.30	Other Counties Total	608	153,870,426	-12.28
				Texas Total	1,368	470,803,040	-8.81

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-----
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	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									
February	16.45	15.64	13.59									

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

TOP NEW MEXICO COUNTIES a/ – DECEMBER 1997

County	Number of Producers	Pounds	% Change From 1996*	County	Number of Producers	Pounds	% Change From 1996*
1. Chaves	42	119,505,162	+1.01	7. Valencia	12	10,710,897	-4.08
2. Dona Ana	24	61,572,038	-5.61	8. Bernalillo	8	9,222,425	+1.83
3. Roosevelt	28	41,166,390	-.01	9. Socorro	7	6,712,878	-6.36
4. Curry	11	37,530,972	+39.38				
5. Lea	13	21,679,464	+19.72	Nine County Total	151	327,999,302	+4.56
6. Eddy	6	19,899,076	+20.27	Other Counties Total	6	8,118,041	-7.57
				New Mexico Total	157	336,117,343	+4.23

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 1995 THROUGH DECEMBER 1997, WITH PERCENTAGE COMPARISONS ****

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	PERCENT CHANGE 1997/96
January	544,665,125	1,918	549,914,311	1,786	540,918,023	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	417,271,524	1,463	+0.07	-6.95
September	437,779,650	1,844	427,623,846	1,639	405,563,476	1,435	-2.32	-5.08
October	481,136,358	1,837	466,085,603	1,637	436,528,559	1,408	-3.13	-6.34
November	480,929,263	1,826	474,250,855	1,636	436,607,225	1,391	-1.39	-7.94
December	<u>524,145,612</u>	1,800	<u>516,304,359</u>	1,620	<u>470,803,040</u>	1,368	<u>-1.50</u>	<u>-8.81</u>
Years Total	6,114,071,556		6,098,233,434		5,745,732,736		-0.26	-5.78

*Revised figures

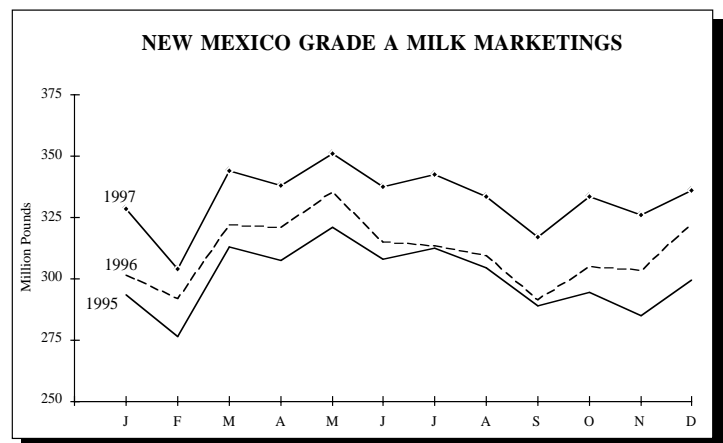
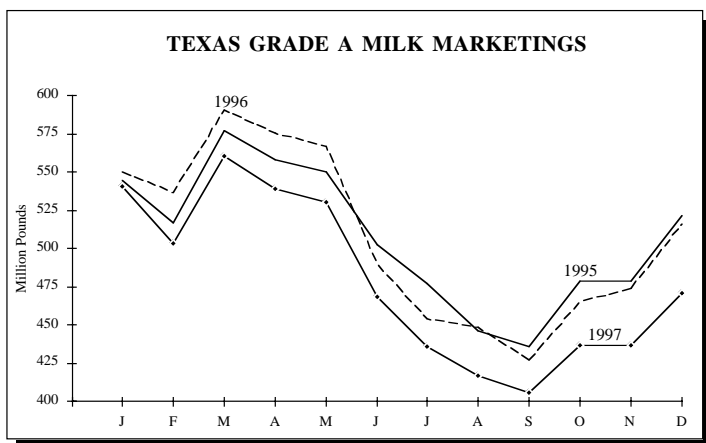
**February figures are based upon average daily production.

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

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	PERCENT CHANGE 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	342,391,766	159	+0.30	+9.20*
August	304,582,850	153	309,399,050	155	333,406,557	156	+1.58	+7.76
September	288,872,854	156	293,390,938	157	317,181,279	159	+1.56	+8.11*
October	294,564,685	154	307,608,027	156	333,587,208	158	+4.43	+8.45
November	284,775,780	155	303,433,595	157	326,212,021	158	+6.55	+7.51
December	<u>299,367,034</u>	153	<u>322,470,035</u>	157	<u>336,117,343</u>	157	<u>+7.72</u>	<u>+4.23</u>
Years Total	3,605,478,340		3,736,523,628		3,991,241,484		+3.63	+6.82

*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
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
August	3.42	3.37	3.17	3.07	4.70	4.78	8.58	8.56	484	301
September	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	3.58	3.50	3.22	3.17	4.77	4.80	8.70	8.68	409	269

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED DEC. 1997	REPORTED NOV. 1997	REPORTED DEC. 1996
TOTAL UTILIZATION			
CLASS I	49,070,142	53,186,097	54,148,435
CLASS II	7,791,415	6,968,714	9,173,725
CLASS III/III-A	133,360,965	102,099,417	204,460,656
CLOSING INVENTORY (CLASS I, II AND III)	13,919,676	10,631,997	10,356,593
TOTAL UTILIZATION	204,142,198	172,886,225	278,139,409
DAILY CLASS I UTILIZATION	1,582,908	1,772,870	1,746,724
DEC. -DAILY CLASS I COMPARED TO:		- 10.72%	- 9.38%
CLASS I YEAR TO DATE (IN THOUSANDS)	657,212	608,142	694,970
% CHANGE FROM PREVIOUS YEAR	- 5.43%	- 5.10%	- 1.40%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	54,214,574	51,549,326	53,119,534
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	4,893,987	5,523,597	7,661,519
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	126,379,178	106,168,223	161,354,613
TOTAL PRODUCER RECEIPTS	185,487,739	163,241,146	222,135,666
OTHER SOURCE A/	7,437,527	3,412,505	46,384,017
OPENING INVENTORY	10,695,113	6,152,564	9,619,726
OVERAGE	521,819	80,010	
TOTAL RECEIPTS	204,142,198	172,886,225	278,139,409
DAILY PRODUCER RECEIPTS	5,983,475	5,441,372	7,165,667
DEC. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 9.96%	- 16.50%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	2,107,783	1,922,295	2,121,080
% CHANGE FROM PREVIOUS YEAR	- .63%	+ 1.23%	+ 13.94%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.770%	3.690%	3.581%
% PRODUCER MILK CLASSIFIED AS CLASS I	29.23%	31.58%	23.91%
NUMBER OF PRODUCERS	180	140	172
AVERAGE DAILY DELIVERY PER PRODUCER	33,242	38,867	41,661
NUMBER OF POOL HANDLERS	19	19	17

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

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REPORT

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TEXAS MILK MARKET AT A GLANCE

	<u>REPORTED</u> <u>DEC. 1997</u>	<u>REPORTED</u> <u>NOV. 1997</u>	<u>REPORTED</u> <u>DEC. 1996</u>
TOTAL UTILIZATION			
CLASS I	268,710,900	262,994,792	266,384,673
CLASS II	89,085,062	95,878,740	87,929,310
CLASS III/III-A	174,663,780	133,126,987	183,026,867
CLOSING INVENTORY (CLASS I, II AND III)	30,864,478	36,942,935	36,418,176
TOTAL UTILIZATION	563,324,220	528,943,454	573,759,026
DAILY CLASS I UTILIZATION	8,668,094	8,766,493	8,593,054
DEC.-DAILY CLASS I COMPARED TO:		- 1.12%	+ .87%
CLASS I YEAR TO DATE (IN THOUSANDS)	3,295,189	3,026,479	3,280,938
% CHANGE FROM PREVIOUS YEAR	+ .43%	+ .40%	+ 4.92%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	269,629,279	260,099,769	265,543,803
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	78,675,365	87,934,261	75,624,881
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	156,408,736	137,301,743	182,585,087
TOTAL PRODUCER RECEIPTS	504,713,380	485,335,773	523,753,771
OTHER SOURCE A/	22,625,176	15,125,538	22,294,036
OPENING INVENTORY	35,985,664	28,480,379	27,710,807
OVERAGE		1,764	412
TOTAL RECEIPTS	563,324,220	528,943,454	573,759,026
DAILY PRODUCER RECEIPTS	16,281,077	16,177,859	16,895,283
DEC.-DAILY PRODUCER RECEIPTS COMPARED TO:		+ .64%	- 3.64%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	6,369,178	5,864,464	6,561,035
% CHANGE FROM PREVIOUS YEAR	- 2.93%	- 2.86%	- .07%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.792%	3.756%	3.652%
% PRODUCER MILK CLASSIFIED AS CLASS I	53.42%	53.59%	50.70%
NUMBER OF PRODUCERS	1,493	1,399	1,666
AVERAGE DAILY DELIVERY PER PRODUCER	10,905	11,564	10,141
NUMBER OF POOL HANDLERS	34	33	30

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