

THE MARKET ADMINISTRATOR'S

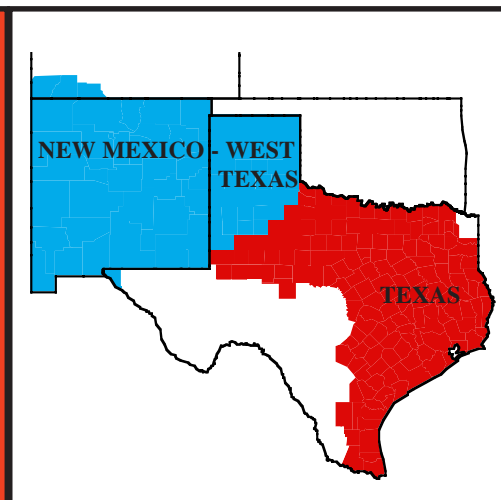
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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VOLUME XXIV, NO. 7

JULY 1998

MARKET SUMMARIES FOR JUNE

The June Class III price increased \$2.22 from the previous month to \$13.10. The Class II price for June of \$12.31 per hundredweight decreased 80 cents from \$13.11 in May. June's Class III-A price increased \$1.42 from May's level to \$15.38.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.11 per hundredweight for deliveries of milk containing 3.5% butterfat. The June price was up 18 cents from May.

Producers delivered a total of 425,266,650 pounds of milk during June. On a daily basis this represents a decrease of 26.77 percent from the producer receipts level in May and it represents a decrease of 20.35 percent when compared to the producer receipts level of June 1997.

Producer milk classified as Class I during June amounted to 59.68 percent of total producer receipts. This figure is up from May's 42.96 percent and it is up from 47.34 percent in June 1997. The average butterfat test of producer milk pooled during June 1998 was 3.430 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 \$13.69 per hundredweight for deliveries of milk containing 3.5% butterfat. The June price was up 89 cents from its May level.

Producers delivered a total of 155,416,252 pounds of milk during June. On a daily basis this represents a decrease of 19.59 percent from the producer receipts level in May and it represents a decrease of 23.35 percent when compared to the producer receipts level of June 1997.

Producer milk classified as Class I during June amounted to 31.98 percent of total producer receipts.

This figure is up from 25.38 percent in May and it is up from 24.98 percent in June 1997. The average butterfat test of producer milk pooled during June 1998 was 3.37 percent.

USDA ANNOUNCES DETERMINATION OF NEW BUTTER PRICE SERIES

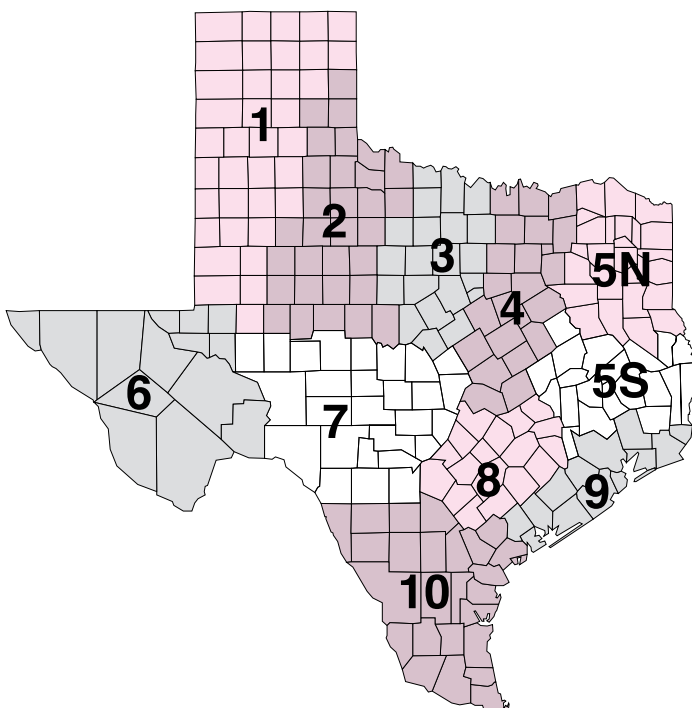
The U. S. Department of Agriculture announced today that, as of June 26, the Chicago Mercantile Exchange (CME) Grade AA Butter Spot Call for the month less 9 cents is being used to calculate the butterfat differential and the Basic Formula Price (BFP) under all federal milk marketing orders.

The butterfat differential and the BFP serve as the basis for establishing minimum prices for milk under the federal orders. The Grade A Butter price reported on the CME was used in the calculation of these prices. However, the CME announced that trading of Grade A and Grade B butter in the Butter Spot Call contract would be suspended effective June 26. The new butter price series is essential to the continuing operation of the Federal order program. Under existing federal milk marketing order regulations, if a price used to administer the orders is no longer available, the secretary is authorized to adopt a suitable and equivalent replacement.

Details of the equivalent price determination will be published as a notice in the June 30 Federal Register. Additional information or copies of the decision may be obtained from local federal milk order market administrator offices or from Dairy Programs, P. O. Box 96456, Room 2971-S, Washington, D.C. 20090-6456; telephone (202) 720-7183. The determination also will be available on the Agricultural Marketing Service home page at <http://www.ams.usda.gov/dairy>.

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSTIMBERS
4	BLACKLANDS
5N	NORTH EAST
5S	SOUTH EAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 1998

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	22	3.75	3.49	3.15	4.80	8.67	298
2	15	1.37	3.52	3.20	4.78	8.70	357
3	388	46.94	3.44	3.18	4.80	8.69	345
4	169	8.72	3.51	3.19	4.78	8.69	361
5N	572	27.36	3.45	3.15	4.80	8.67	345
5S	28	0.77	3.39	3.12	4.69	8.53	382
6	12	5.22	3.30	3.07	4.81	8.59	263
7	20	1.56	3.46	3.19	4.78	8.68	280
8	68	2.77	3.68	3.20	4.73	8.65	336
9	4	0.14	3.40	3.19	4.66	8.56	502
10	16	1.41	4.02	3.40	4.75	8.87	310
TOTAL	1,314	100.00	3.46	3.17	4.79	8.68	339

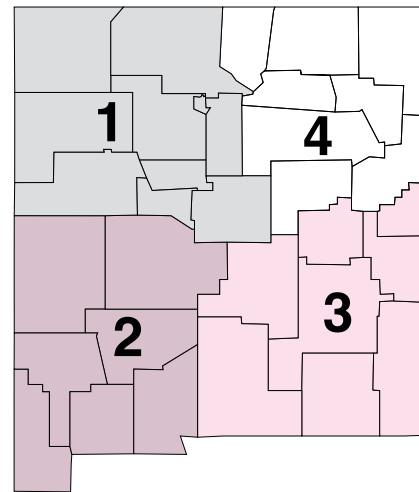
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - MAY 1998

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	4	3	8	3	2	2	11,491
2	8	4	1	0	0	2	4,195
3	92	135	80	26	20	35	143,922
4	86	55	20	6	0	2	26,744
5N	278	213	63	12	3	3	83,878
5S	23	3	2	0	0	0	2,357
6	2	1	2	1	0	6	16,003
7	12	3	2	1	1	1	4,771
8	49	10	5	3	1	0	8,498
9	2	2	0	0	0	0	442
10	4	7	1	2	2	0	4,314
TOTAL	560	436	184	54	29	51	306,615

*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

NEW MEXICO GEOGRAPHIC REGIONS

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - MAY 1998

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	21	6.13	3.57	3.13	4.82	8.66	220
2	32	21.26	3.42	3.13	4.82	8.67	221
3	102	72.61	3.39	3.12	4.83	8.66	272
4	0	0	0	0	0	0	0
TOTAL	155	100.00	3.41	3.13	4.83	8.67	256

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - MAY 1998

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	10	2	6	2	1	0	11,806
2	2	6	3	18	2	1	40,969
3	11	9	20	41	15	6	139,934
4	0	0	0	0	0	0	0
TOTAL	23	17	29	61	18	7	192,709

*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

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-----	
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	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								
August	16.26	15.45	13.40								

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

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1996 THROUGH JUNE 1998, WITH PERCENTAGE COMPARISONS**

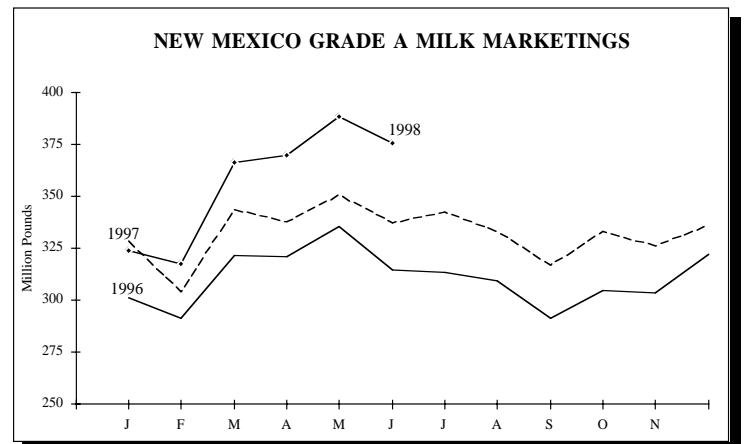
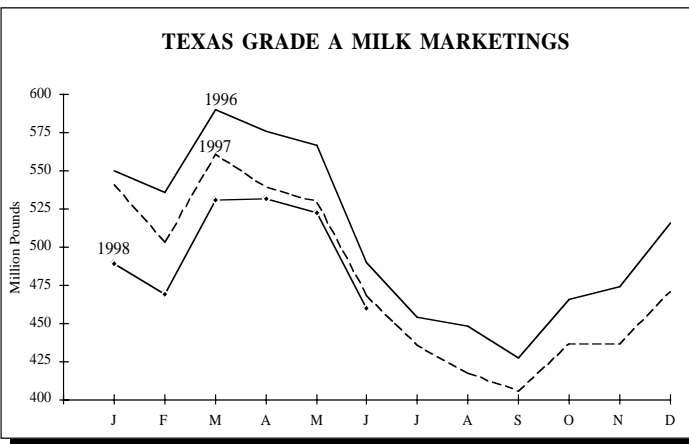
MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	PERCENT CHANGE 1998/97
January	549,914,311	1,786	540,918,023	1,610	491,168,340	1,359	-1.64	-9.20
February	536,326,949	1,773	503,177,566	1,591	469,305,849	1,347	-2.83	-6.73
March	590,936,348	1,745	560,823,025	1,566	530,615,413	1,337	-5.10	-5.39
April	575,799,475	1,738	539,258,903	1,553	531,997,106	1,336	-6.35	-1.35
May	567,120,914	1,714	530,457,547	1,550	522,776,290	1,314	-6.46	-1.45
June	490,380,980	1,683	468,546,651	1,523	460,288,361	1,317	-4.45	-1.76
July	454,376,230	1,670	435,777,197	1,489			-4.09	
August	448,420,253	1,652	417,271,524	1,463			-6.95	
September	427,623,846	1,639	405,563,476	1,435			-5.08	
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 MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1996 THROUGH JUNE 1998, WITH PERCENTAGE COMPARISONS**

MONTH	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	PERCENT CHANGE 1997/96	PERCENT CHANGE 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	375,887,810	157	+7.22	+11.34
July	313,553,863	154	342,391,766	159			+9.20	
August	309,399,050	155	333,406,557	156			+7.76	
September	293,390,938	157	317,181,279	159			+8.11	
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
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 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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED JUN. 1998	REPORTED MAY 1998	REPORTED JUN. 1997
TOTAL UTILIZATION			
CLASS I	51,861,173	52,641,389	51,701,386
CLASS II	9,873,157	9,187,218	10,240,907
CLASS III/III-A	98,764,133	176,989,668	155,342,040
CLOSING INVENTORY (CLASS I, II AND III)	5,725,408	15,642,145	11,662,522
TOTAL UTILIZATION	166,223,871	254,460,420	228,946,855
DAILY CLASS I UTILIZATION	1,728,706	1,698,109	1,723,380
JUN. -DAILY CLASS I COMPARED TO:		+ 1.80%	+ .31%
CLASS I YEAR TO DATE (IN THOUSANDS)	326,804	274,942	328,975
% CHANGE FROM PREVIOUS YEAR	-.66%	-.84%	-5.79%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	49,698,705	50,685,321	50,649,677
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	8,473,430	7,945,661	9,227,947
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	97,244,117	141,097,512	142,871,362
TOTAL PRODUCER RECEIPTS	155,416,252	199,728,494	202,748,986
OTHER SOURCE A/	3,541,109	43,150,579	15,116,014
OPENING INVENTORY	6,732,898	11,567,300	11,079,823
OVERAGE	533,612	14,047	2,032
TOTAL RECEIPTS	166,223,871	254,460,420	228,946,855
DAILY PRODUCER RECEIPTS	5,180,542	6,442,855	6,758,300
JUN. -DAILY PRODUCER RECEIPTS COMPARED TO:		- 19.59%	- 23.35%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,185,513	1,030,096	1,155,420
% CHANGE FROM PREVIOUS YEAR	+ 2.60%	+ 8.13%	+ 28.90%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.370%	3.433%	3.365%
% PRODUCER MILK CLASSIFIED AS CLASS I	31.98%	25.38%	24.98%
NUMBER OF PRODUCERS	120	207	149
AVERAGE DAILY DELIVERY PER PRODUCER	43,171	31,125	45,358
NUMBER OF POOL HANDLERS	12	15	17

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

THE MARKET ADMINISTRATOR'S
REPORT

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NEW MEXICO - WEST TEXAS MARKETING AREA
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TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>JUN. 1998</u>	REPORTED <u>MAY 1998</u>	REPORTED <u>JUN. 1997</u>
TOTAL UTILIZATION			
CLASS I	252,695,102	261,757,200	253,372,542
CLASS II	131,889,335	123,994,324	124,034,042
CLASS III/III-A	54,837,424	235,260,086	174,016,661
CLOSING INVENTORY (CLASS I, II AND III)	25,580,960	31,447,353	30,701,416
TOTAL UTILIZATION	465,002,821	652,458,963	582,124,661
 DAILY CLASS I UTILIZATION	 8,423,170	 8,443,781	 8,445,751
JUN. -DAILY CLASS I COMPARED TO:		- .25%	- .27%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,586,452	1,333,757	1,662,613
% CHANGE FROM PREVIOUS YEAR	- 4.58%	- 5.36%	+ 4.36%
 TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	253,781,188	257,834,274	252,775,892
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	122,186,913	115,547,831	110,883,182
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	49,298,549	226,731,409	170,246,960
TOTAL PRODUCER RECEIPTS	425,266,650	600,113,514	533,906,034
OTHER SOURCE A/	10,056,401	21,469,912	22,805,955
OPENING INVENTORY	29,679,770	30,875,537	25,096,359
OVERAGE			316,313
TOTAL RECEIPTS	465,002,821	652,458,963	582,124,661
 DAILY PRODUCER RECEIPTS	 14,175,555	 19,358,500	 17,796,868
JUN. -DAILY PRODUCER RECEIPTS COMPARED TO:		- 26.77%	- 20.35%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	3,234,606	2,809,339	3,568,959
% CHANGE FROM PREVIOUS YEAR	- 9.37%	- 7.44%	- 3.49%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.430%	3.447%	3.409%
% PRODUCER MILK CLASSIFIED AS CLASS I	59.68%	42.96%	47.34%
NUMBER OF PRODUCERS	1,390	1,282	1,690
AVERAGE DAILY DELIVERY PER PRODUCER	10,198	15,100	10,531
NUMBER OF POOL HANDLERS	32	32	32

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