

THE MARKET ADMINISTRATOR'S

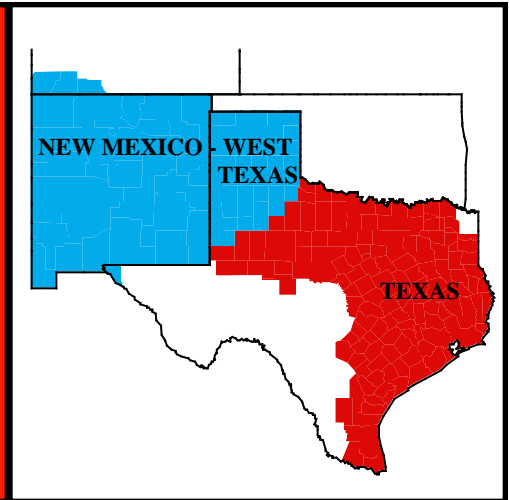
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR MARCH

The March Class III price increased \$1.35 from the previous month to \$11.62. The Class II price for March of \$16.57 per hundredweight decreased \$1.07 from \$17.64 in February. March's Class III-A price decreased 42 cents from February's level to \$12.36.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$15.76 per hundredweight for deliveries of milk containing 3.5% butterfat. The March price was down 51 cents from February.

Producers delivered a total of 678,970,658 pounds of milk during March. On a daily basis this represents an increase of 18.91 percent from the producer receipts level in February and it represents an increase of 9.03 percent when compared to the producer receipts level of March 1998.

Producer milk classified as Class I during March amounted to 41.52 percent of total producer receipts. This figure is down from February's 48.81 percent and it is down from 43.50 percent in March 1998. The average butterfat test of producer milk pooled during March 1999 was 3.587 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 \$14.49 per hundredweight for deliveries of milk containing 3.5% butterfat. The March price was down \$4.54 from its February level.

Producers delivered a total of 157,836,331 pounds of milk during March. On a daily basis this represents an increase of 55.33 percent from the producer receipts level in February but it represents a decrease of 20.61 percent when compared to the producer receipts level of March 1998.

Producer milk classified as Class I during March amounted to 34.89 percent of total producer receipts. This figure is down from 86.00 percent in February but it is up from 28.36 percent in March 1998. The average butterfat test of producer milk pooled during March 1999 was 3.589 percent.

FINAL ORDER REFORM ISSUED

Agriculture Secretary Dan Glickman announced March 31, 1999, a major overhaul of the 60-year old federal milk marketing order program that will reform the nation's wholesale milk pricing system. The milk marketing order program ensures the fair marketing and pricing of milk. It is not a dairy support program. The current dairy support program expires on December 31, 1999, unless Congress chooses to extend it. Milk marketing orders classify milk by use, set minimum prices that handlers must pay for each class of milk, and provide for paying average prices to all dairy farmers who supply a particular region.

The reforms announced included:

- Consolidating the current 31 federal milk marketing orders into 11.
- Replacing the basic formula price (BFP), which is currently used to establish minimum prices for milk used in nearly all dairy products, with a Class III price for cheese and a Class IV price for butter and dry milk products. These new prices will be determined monthly and will be the same in all markets. This change better reflects the value of milk components (protein, butterfat, nonfat solids) used in manufactured dairy products.
- Setting monthly prices for drinking milk (Class I) by using either the Class III or IV price (whichever is higher) plus a differential that varies by location.
- Adopting a national system of Class I prices that is based, in part, on market distribution costs.
- Determining monthly prices for milk used for soft products (Class II), such as yogurt and ice cream, by adding 70 cents to the Class IV price.
- Standardizing and consolidating certain details in the orders to provide consistent definitions of key terms and reporting requirements.

The newly consolidated orders must be approved by either two-thirds of producers in a marketing area or by producers who supply two-thirds of the milk in a marketing area. USDA will conduct producer referendums later this year. If approved by referendum, the changes will take effect on October 1, 1999.

TOP TEN TEXAS COUNTIES a/ – MARCH 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	151	141,859,465	+9.17	7. Hamilton	28	20,029,133	+15.08
2. Hopkins	241	59,035,838	-5.59	8. Johnson	42	17,872,442	-5.49
3. Comanche	45	42,991,791	+9.80	9. Cherokee	24	12,058,918	-13.02
4. El Paso	9	25,728,228	+9.30	10. Van Zandt	24	11,624,070	-2.63
5. Archer	58	22,530,214	+3.96	Ten County Total	691	374,017,100	+4.31 b/
6. Wood	69	20,287,001	+3.36	<u>Other Counties Total</u>	<u>550</u>	<u>179,966,540</u>	<u>+3.42</u>
				Texas Total	1,241	553,983,640	+4.02

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-----	
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	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 1998 b/	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								
May	14.78	13.97	11.92								

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

TOP NEW MEXICO COUNTIES a/ – MARCH 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	142,097,885	+11.25	7. Bernalillo	8	10,935,856	+13.32
2. Dona Ana	22	68,310,397	+7.3	8. Socorro	8	9,932,421	+34.65
3. Roosevelt	33	51,694,017	+18.45	9. Valencia	10	9,689,069	-14.29
4. Curry	12	50,201,450	+23.27				
5. Lea	13	33,033,432	+22.02	Nine County Total	152	400,849,086	+11.95
6. Eddy	6	24,954,559	+9.77	<u>Other Counties Total</u>	<u>4</u>	<u>5,940,288</u>	<u>-31.02</u>
				New Mexico Total	156	406,789,374	+10.95

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 1997 THROUGH MARCH 1999, WITH PERCENTAGE COMPARISONS**

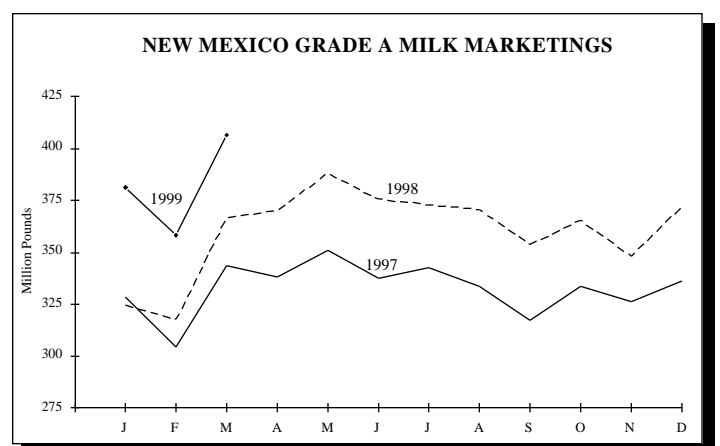
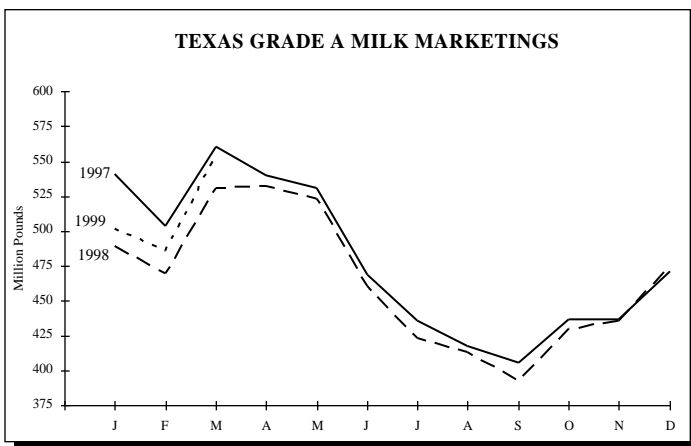
MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	540,918,023	1,610	491,168,340	1,359	501,754,729	1,251	-9.20	+2.16
February	503,177,566	1,591	469,305,849	1,347	486,044,271	1,245	-6.73	+3.57
March	560,823,025	1,566	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			-1.19	
May	530,457,547	1,550	524,523,430	1,319			-1.12	
June	468,546,651	1,523	464,057,905	1,321			-.96	
July	435,777,197	1,489	422,973,696	1,305			-2.94	
August	417,271,524	1,463	413,296,879	1,298			-.95	
September	405,563,476	1,435	392,427,802	1,300			-3.24	
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	<u>470,803,040</u>	1,368	<u>474,573,747</u>	1,260			<u>+8.0</u>	
Years Total	5,745,732,736		5,582,684,906				-2.84	

*Revised figures

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1997 THROUGH MARCH 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			+9.42	
May	350,910,125	158	388,308,155	155			+10.66	
June	337,592,757	158	378,569,203	159			+12.14	
July	342,391,766	159	372,803,402	157			+8.88	
August	333,406,557	156	370,668,016	156			+11.18	
September	317,181,279	159	353,457,040	155			+11.44	
October	333,587,208	158	365,469,264	159			+9.56	
November	326,212,021	158	348,126,652	158			+6.75	
December	<u>336,117,343</u>	157	<u>371,894,332</u>	157			<u>+10.64</u>	
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*	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
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
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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED MAR. 1999	REPORTED FEB. 1999	REPORTED MAR. 1998
TOTAL UTILIZATION			
CLASS I	57,813,859	50,120,975	57,961,003
CLASS II	7,277,554	5,932,116	7,659,725
CLASS III/III-A	97,649,684	4,622,046	169,398,175
CLOSING INVENTORY (CLASS I, II AND III)	5,685,346	5,665,123	11,442,199
TOTAL UTILIZATION	168,426,443	66,340,260	246,461,102
DAILY CLASS I UTILIZATION	1,864,963	1,790,035	1,869,710
MAR. -DAILY CLASS I COMPARED TO:		+ 4.19%	- .25%
CLASS I YEAR TO DATE (IN THOUSANDS)	163,775	105,962	166,344
% CHANGE FROM PREVIOUS YEAR	- 1.55%	- 2.23%	- 1.19%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	55,064,782	48,016,335	56,383,187
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	6,102,748	4,766,189	6,533,455
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	96,668,801	3,052,930	135,888,995
TOTAL PRODUCER RECEIPTS	157,836,331	55,835,454	198,805,637
OTHER SOURCE A/	4,924,989	3,937,067	36,025,436
OPENING INVENTORY	5,665,123	6,565,849	11,630,029
OVERAGE		1,890	
TOTAL RECEIPTS	168,426,443	66,340,260	246,461,102
DAILY PRODUCER RECEIPTS	5,091,495	1,994,123	6,413,085
MAR. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 55.33%	- 20.61%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	380,417	222,580	616,987
% CHANGE FROM PREVIOUS YEAR	- 38.34%	- 46.78%	- 3.48%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.589%	3.630%	3.622%
% PRODUCER MILK CLASSIFIED AS CLASS I	34.89%	86.00%	28.36%
NUMBER OF PRODUCERS	104	74	181
AVERAGE DAILY DELIVERY PER PRODUCER	48,957	26,948	35,431
NUMBER OF POOL HANDLERS	9	9	14

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

THE MARKET ADMINISTRATOR'S *REPORT*

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

	REPORTED MAR. 1999	REPORTED FEB. 1999	REPORTED MAR. 1998
TOTAL UTILIZATION			
CLASS I	283,856,364	253,724,664	270,955,712
CLASS II	77,142,247	37,720,844	123,178,281
CLASS III/III-A	341,464,443	248,589,125	246,321,202
CLOSING INVENTORY (CLASS I, II AND III)	32,713,465	33,292,592	31,995,717
TOTAL UTILIZATION	735,176,519	573,327,225	672,450,912
DAILY CLASS I UTILIZATION	9,156,657	9,061,595	8,740,507
MAR. -DAILY CLASS I COMPARED TO:		+ 1.05%	+ 4.76%
CLASS I YEAR TO DATE (IN THOUSANDS)	821,827	537,970	807,171
% CHANGE FROM PREVIOUS YEAR	+ 1.82%	+ .33%	- 4.40%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	281,905,180	251,706,715	270,866,859
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	65,441,229	27,250,826	115,869,120
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	331,624,249	236,767,060	236,004,359
TOTAL PRODUCER RECEIPTS	678,970,658	515,724,601	622,740,338
OTHER SOURCE A/	19,473,636	21,197,123	21,534,475
OPENING INVENTORY	36,727,391	36,397,185	28,176,098
OVERAGE	4,834	8,316	1
TOTAL RECEIPTS	735,176,519	573,327,225	672,450,912
DAILY PRODUCER RECEIPTS	21,902,279	18,418,736	20,088,398
MAR. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 18.91%	+ 9.03%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,781,263	1,102,293	1,610,638
% CHANGE FROM PREVIOUS YEAR	+ 10.59%	+ 11.58%	- 5.46%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.587%	3.598%	3.626%
% PRODUCER MILK CLASSIFIED AS CLASS I	41.52%	48.81%	43.50%
NUMBER OF PRODUCERS	1,473	1,340	1,496
AVERAGE DAILY DELIVERY PER PRODUCER	14,869	13,745	13,428
NUMBER OF POOL HANDLERS	35	33	32

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