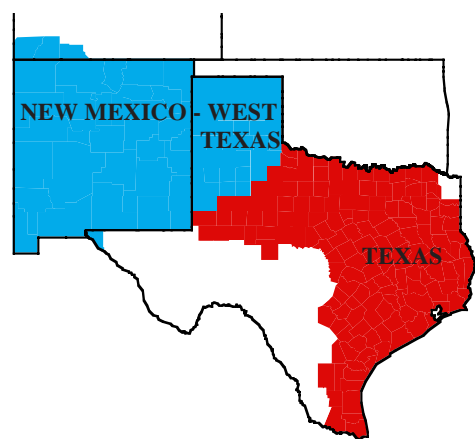


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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FEDERAL MILK ORDER REFORM EFFECTIVE JANUARY 1, 2000

In response to President Clinton's signing of the Consolidated Appropriations Act 2000, the former 31 Federal milk marketing orders will be consolidated into 11 orders, and several other important reforms, including the minimum pricing of Class I (drinking) milk, will be implemented January 1, 2000.

The act requires that the federal order reform final rule be implemented as published in the **Federal Register** on September 1, 1999, with changes made to the Class I price structure. The act mandates that Class I milk be priced utilizing the Option IA-Location Specific Class I Differentials contained in the proposed rule published on January 30, 1998, as corrected and modified through April 2, 1999.

The legislation further requires USDA to conduct a hearing to reconsider the Class III and Class IV milk prices, with the resulting pricing formulas being implemented by January 1, 2001. It also requires that the USDA establish a dairy forward pricing pilot program within 90 days of enactment of the legislation. In addition, the act also extended the Northeast Interstate Dairy Compact through September 30, 2001.

The Federal Milk Marketing Order reform process lasted more than three years and involved the dairy industry, the general public, and academia. The process included detailed regulatory impact, small business, and civil rights analyses and extensive efforts to collect public views. USDA received more than 8,000 comments during the process.

RELEASE DATES FOR PRICE DATA

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices ^{1/}	Release Date	Time Period of NASS Prices ^{1/}
January	December 23	12/11, 18	February 4	1/1, 8, 15, 22, 29
February	January 21	1/8, 15	March 3	2/5, 12, 19, 26
March	February 18	2/5, 12	March 31	3/4, 11, 18, 25
April	March 17	3/4, 11	May 5	4/1, 8, 15, 22, 29
May	April 21	4/8, 15	June 2	5/6, 13, 20, 27
June	May 19	5/6, 13	June 30	6/3, 10, 17, 24
July	June 23	6/10, 17	August 4	7/1, 8, 15, 22, 29
August	July 21	7/8, 15	September 1	8/5, 12, 19, 26
September	August 18	8/5, 12	September 29	9/2, 9, 16, 23
October	September 22	9/9, 16	November 3	9/30, 10/7, 14, 21, 28
November	October 20	10/7, 14	December 1	11/4, 11, 18, 25
December	November 17	11/4, 11	January 5	12/2, 9, 16, 23, 30

^{1/} Weekly sales periods, ending on the indicated date, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED 1999	REPORTED 1998	REPORTED 1997
TOTAL UTILIZATION			
CLASS I	673,483,792	677,825,794	683,609,872
CLASS II	118,262,452	106,102,535	102,252,136
CLASS III	740,353,599	1,361,001,160	1,679,788,504
CLOSING INVENTORY (CLASS II AND III) A/	3,503,704	12,739,054	13,919,676
TOTAL UTILIZATION	1,535,603,547	2,157,668,543	2,479,570,188
DAILY CLASS I UTILIZATION	1,845,161	1,857,057	1,872,904
1999-DAILY CLASS I COMPARED TO:		- .64%	- 1.48%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	624,973,084	638,083,804	648,257,140
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	94,795,737	88,519,726	82,386,614
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	621,824,077	1,107,263,987	1,378,663,051
TOTAL PRODUCER RECEIPTS	1,341,592,898	1,833,867,517	2,109,306,805
OTHER SOURCE C/	180,026,944	315,174,692	358,921,467
OPENING INVENTORY B/	13,964,372	7,874,563	10,356,593
OVERAGE	19,333	751,771	985,323
TOTAL RECEIPTS	1,535,603,547	2,157,668,543	2,479,570,188
DAILY PRODUCER RECEIPTS	3,675,597	5,024,295	5,778,923
1999-DAILY PRODUCER RECEIPTS COMPARED TO:		- 26.84%	- 36.40%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.598%	3.542%	3.530%
% PRODUCER MILK CLASSIFIED AS CLASS I	46.58%	34.79%	30.73%
NUMBER OF PRODUCERS D/	92	150	155
AVERAGE DAILY DELIVERY PER PRODUCER	39,952	33,495	37,283
NUMBER OF POOL HANDLERS E/	12	19	25

TEXAS MILK MARKET AT A GLANCE

	REPORTED 1999	REPORTED 1998	REPORTED 1997
TOTAL UTILIZATION			
CLASS I	3,412,466,848	3,341,391,747	3,405,206,050
CLASS II	1,216,068,163	1,361,985,441	1,322,138,821
CLASS III	2,660,790,936	1,737,031,665	2,229,233,798
CLOSING INVENTORY (CLASS II AND III) A/	44,511,129	28,977,765	30,864,478
TOTAL UTILIZATION	7,333,837,076	6,469,386,618	6,987,443,147
DAILY CLASS I UTILIZATION	9,349,224	9,154,498	9,329,332
1999-DAILY CLASS I COMPARED TO:		+ 2.13%	+ .21%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	3,308,077,619	3,215,174,346	3,282,180,680
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	1,031,399,793	1,173,914,487	1,153,992,240
PRODUCER RECEIPTS CLASSIFIED AS CLASS III	2,295,302,099	1,454,023,720	1,933,004,954
TOTAL PRODUCER RECEIPTS	6,634,779,511	5,843,112,553	6,369,177,874
OTHER SOURCE C/	669,335,983	594,704,951	581,256,489
OPENING INVENTORY B/	28,977,765	31,148,205	36,418,176
OVERAGE	743,817	420,909	590,608
TOTAL RECEIPTS	7,333,837,076	6,469,386,618	6,987,443,147
DAILY PRODUCER RECEIPTS	18,177,478	16,008,528	17,449,802
1999-DAILY PRODUCER RECEIPTS COMPARED TO:		+ 13.55%	+ 4.17%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.597%	3.559%	3.555%
% PRODUCER MILK CLASSIFIED AS CLASS I	49.86%	55.03%	51.53%
NUMBER OF PRODUCERS D/	1,328	1,444	1,609
AVERAGE DAILY DELIVERY PER PRODUCER	13,688	11,086	10,845
NUMBER OF POOL HANDLERS E/	37	38	47

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 1999

County	Number of Producers	Pounds	% Change From 1998b/	County	Number of Producers	Pounds	% Change From 1998b/
1. Erath	148	126,741,319	+2.73	7. Johnson	38	14,400,755	-4.67
2. Hopkins	220	48,697,094	-2.53	8. Hamilton	21	14,015,167	-17.93
3. Comanche	47	43,997,353	+15.35	9. Lamb	3	10,170,958	+64.70
4. Archer	58	22,722,734	+13.85	10. Cherokee	24	9,829,028	-6.42
5. El Paso	8	22,616,051	-1.49	Ten County Total	628	328,551,626	+1.41 b/
6. Wood	61	15,361,167	-8.71	Other Counties Total	532	157,130,697	+4.34
				Texas Total	1,160	485,682,323	+2.34

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		Uniform a/		Grade A	Block	Spray
	126	138	Class II	Class III	III-A	126	138	B F Diff.	Butter	Cheese	Powder	
	----- Dollars Per Hundred Wt. -----								¢/Point	-----Cents Per Pound-----		
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	11.49	11.78	16.01	14.53	11.0	103.48	143.88	104.51	
November	19.42	18.61	16.56	9.79	11.57	15.62	14.05	10.7	98.25	121.43	103.43	
December	14.65	13.84	11.79	9.63	10.69	12.69	11.75	8.6	82.63	113.19	101.68	
Averages 1999b/	16.82	16.01	13.96	12.43	12.14	14.71	14.20	12.3	114.96	141.69	103.47	

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

TOP NEW MEXICO COUNTIES a/ – DECEMBER 1999

County	Number of Producers	Pounds	% Change From 1998b/	County	Number of Producers	Pounds	% Change From 1998b/
1. Chaves	40	136,945,026	+6.83	7. Bernalillo	8	10,991,494	+6.25
2. Dona Ana	25	67,253,904	+10.17	8. Socorro	8	9,956,610	+7.86
3. Curry	13	56,958,372	+20.44	9. Valencia	10	9,427,061	+8.84
4. Roosevelt	31	49,347,703	+4.74				
5. Lea	13	34,063,177	+8.56	Nine County Total	154	397,945,552	+8.51
6. Eddy	6	23,002,205	+8.87	Other Counties Total	4	5,156,294	+1.10
				New Mexico Total	158	403,101,846	+8.39

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 DECEMBER 1999, WITH PERCENTAGE COMPARISONS**

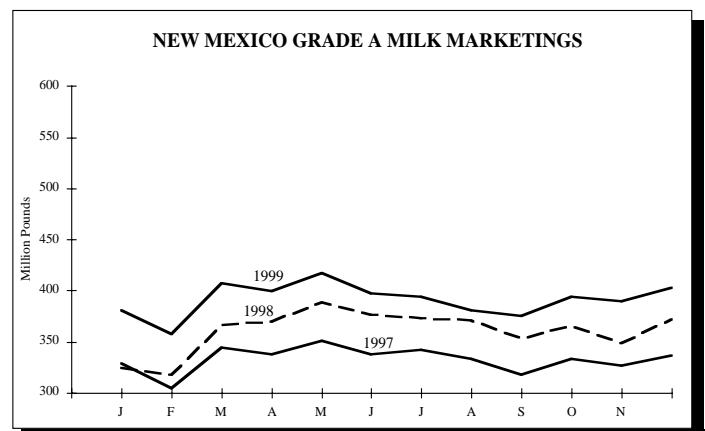
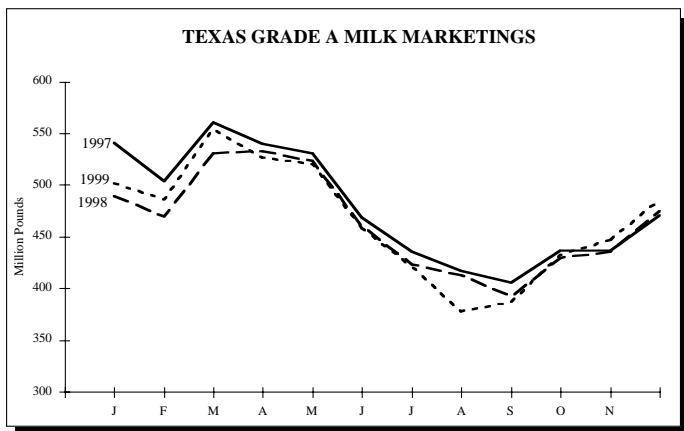
MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	540,918,023	1,610	491,168,340	1,359	501,754,729	1,251	-9.20	+2.16
February	503,177,566	1,591	469,305,849	1,347	486,044,271	1,245	-6.73	+3.57
March	560,823,025	1,566	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	421,397,795	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	432,175,585	1,181	-1.64	+6.65
November	436,607,225	1,391	435,572,798	1,271	447,062,545	1,166	-.27	+2.64
December	<u>470,803,040</u>	1,368	<u>474,573,747</u>	1,260	<u>485,682,323</u>	1,160	<u>+8.00</u>	<u>+2.34</u>
Years Total	5,745,732,736		5,582,684,906		5,596,058,417		-2.84	+ .24

*Revised figures

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1997 THROUGH DECEMBER 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	394,366,657	162	+9.56	+7.91
November	326,212,021	158	348,126,652	158	389,857,074	159	+6.75	+11.99
December	<u>336,117,343</u>	157	<u>371,894,332</u>	157	<u>403,101,846</u>	158	<u>+10.64</u>	<u>+8.39</u>
Years Total	3,991,241,484		4,327,550,645		4,696,156,918		+8.43	+8.52

*Revised figures



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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

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 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
October	3.70	3.61	3.34	3.28	4.72	4.75	8.78	8.74	357	273
November	3.71	3.67	3.32	3.29	4.74	4.74	8.78	8.75	333	244
December	3.75	3.72	3.32	3.32	4.76	4.77	8.79	8.81	324	248
Average 1999	3.60	3.55	3.26	3.21	4.76	4.77	8.73	8.69	369	267

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED DEC. 1999	REPORTED NOV. 1999	REPORTED DEC. 1998
TOTAL UTILIZATION			
CLASS I	56,978,293	54,917,091	55,645,195
CLASS II	17,341,903	12,038,458	8,384,333
CLASS III/III-A	71,382,177	69,767,256	65,405,668
CLOSING INVENTORY (CLASS I, II AND III)	3,503,704	6,554,594	12,739,054
TOTAL UTILIZATION	149,206,077	143,277,399	142,174,250
DAILY CLASS I UTILIZATION	1,838,009	1,830,570	1,795,006
DEC. -DAILY CLASS I COMPARED TO:		+ .41%	+ 2.40%
CLASS I YEAR TO DATE (IN THOUSANDS)	654,480	597,502	656,688
% CHANGE FROM PREVIOUS YEAR	-.34%	-.59%	-.08%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	54,266,539	53,082,853	53,615,238
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	15,232,890	10,298,273	6,537,240
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	68,350,090	68,347,531	27,411,082
TOTAL PRODUCER RECEIPTS	137,849,519	131,728,657	87,563,560
OTHER SOURCE A/	4,795,813	4,644,975	44,498,946
OPENING INVENTORY	6,554,594	6,903,767	10,109,906
OVERAGE	6,151		1,838
TOTAL RECEIPTS	149,206,077	143,277,399	142,174,250
DAILY PRODUCER RECEIPTS	4,446,759	4,390,955	2,824,631
DEC. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 1.27%	+ 57.43%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,341,593	1,203,743	1,833,868
% CHANGE FROM PREVIOUS YEAR	- 26.84%	- 31.07%	- 13.06%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.747%	3.698%	3.693%
% PRODUCER MILK CLASSIFIED AS CLASS I	39.37%	40.30%	61.23%
NUMBER OF PRODUCERS	102	89	132
AVERAGE DAILY DELIVERY PER PRODUCER	43,596	49,337	21,399
NUMBER OF POOL HANDLERS	9	9	12

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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BULK RATE
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 Carrollton, TX
 Permit No. 343

RETURN SERVICE REQUESTED

TEXAS MILK MARKET AT A GLANCE

	<u>REPORTED</u> <u>DEC. 1999</u>	<u>REPORTED</u> <u>NOV. 1999</u>	<u>REPORTED</u> <u>DEC. 1998</u>
TOTAL UTILIZATION			
CLASS I	263,651,570	277,250,236	276,406,746
CLASS II	92,085,689	72,528,496	88,510,639
CLASS III/III-A	285,677,113	252,378,378	105,232,565
CLOSING INVENTORY (CLASS I, II AND III)	44,511,129	35,769,183	28,977,765
TOTAL UTILIZATION	685,925,501	637,926,293	499,127,715
DAILY CLASS I UTILIZATION	8,504,889	9,241,675	8,916,347
DEC. -DAILY CLASS I COMPARED TO:		- 7.97%	- 4.62%
CLASS I YEAR TO DATE (IN THOUSANDS)	3,304,587	3,040,936	3,236,211
% CHANGE FROM PREVIOUS YEAR	+ 2.11%	+ 2.74%	- 1.79%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	282,207,703	277,150,885	275,546,362
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	67,523,728	52,025,664	78,270,784
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	233,600,981	227,575,860	89,359,710
TOTAL PRODUCER RECEIPTS	583,332,412	556,752,409	443,176,856
OTHER SOURCE A/	66,772,306	42,787,414	21,766,885
OPENING INVENTORY	35,820,078	38,296,784	34,164,137
OVERAGE	705	89,686	19,837
TOTAL RECEIPTS	685,925,501	637,926,293	499,127,715
DAILY PRODUCER RECEIPTS	18,817,175	18,558,414	14,296,028
DEC. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 1.39%	+ 31.63%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	6,634,780	6,051,447	5,843,113
% CHANGE FROM PREVIOUS YEAR	+ 13.55%	+ 12.07%	- 8.26%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.749%	3.703%	3.701%
% PRODUCER MILK CLASSIFIED AS CLASS I	48.38%	49.78%	62.18%
NUMBER OF PRODUCERS	1,155	1,155	1,501
AVERAGE DAILY DELIVERY PER PRODUCER	16,292	16,068	9,524
NUMBER OF POOL HANDLERS	31	31	32

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