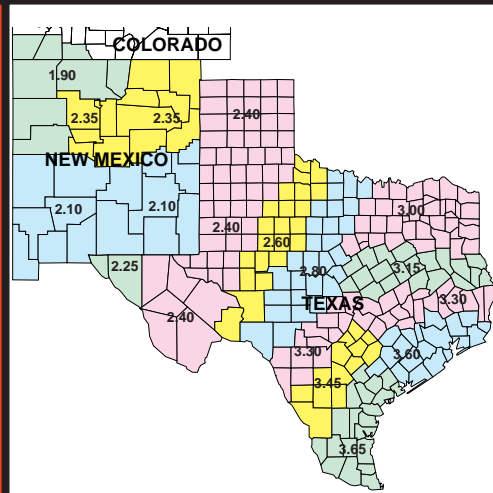


THE MARKET ADMINISTRATOR'S

REPORT



SOUTHWEST MARKETING AREA

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MARKET SUMMARY FOR SEPTEMBER

The Producer Price Differential (P.P.D.) for milk delivered to handlers located in Dallas/Tarrant counties (TX) of the Southwest Milk Market Order was \$2.52 for September. Butterfat price increased \$0.0048 per pound from \$1.2659 in August to the level of \$1.2707 for September. Protein price increased \$0.2185 cents per pound to \$2.0137 in September from \$1.7952 in August. September's Other Solids price decreased \$0.0075 per pound from the previous month to \$0.0502. The Somatic Cell Count adjustment rate factor for September was .00062 per thousand (difference from 350).

For comparison in hundredweights, producers who delivered milk to handlers located in Dallas/Tarrant counties (TX) received an September statistical uniform price of \$13.28 per hundredweight for milk testing 3.5% butterfat, 2.99% true protein, 5.69% other solids and 350,000 SCC. This is an increase of 12 cents in comparison to the statistical blend price of \$13.16 in August.

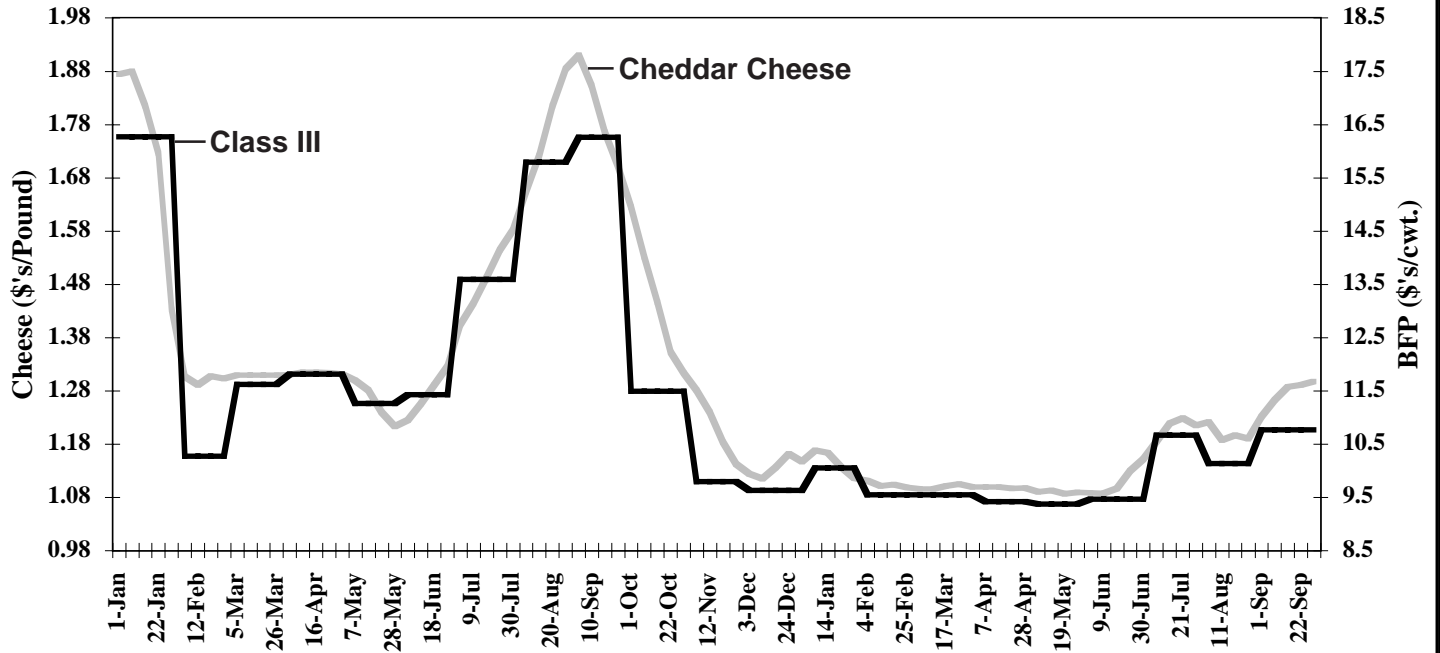
The September Class I price decreased 11 cents from \$14.95 in August to the September level of \$14.84. The Class II price for September of \$12.58 per hundredweight increased 2 cents from \$12.56 in August. September's Class III price increased 63 cents from \$10.13 in August to \$10.76 in September. The Class IV price increased 7 cents from \$11.87 in August to \$11.94 in September.

In September 838 producers delivered a total of 681,901,783 pounds of milk. On a daily basis this represents a decrease of 2.49 percent from the producer receipts level in August but it represents an increase of 43.91 percent when compared to the producer receipts level of September 1999.

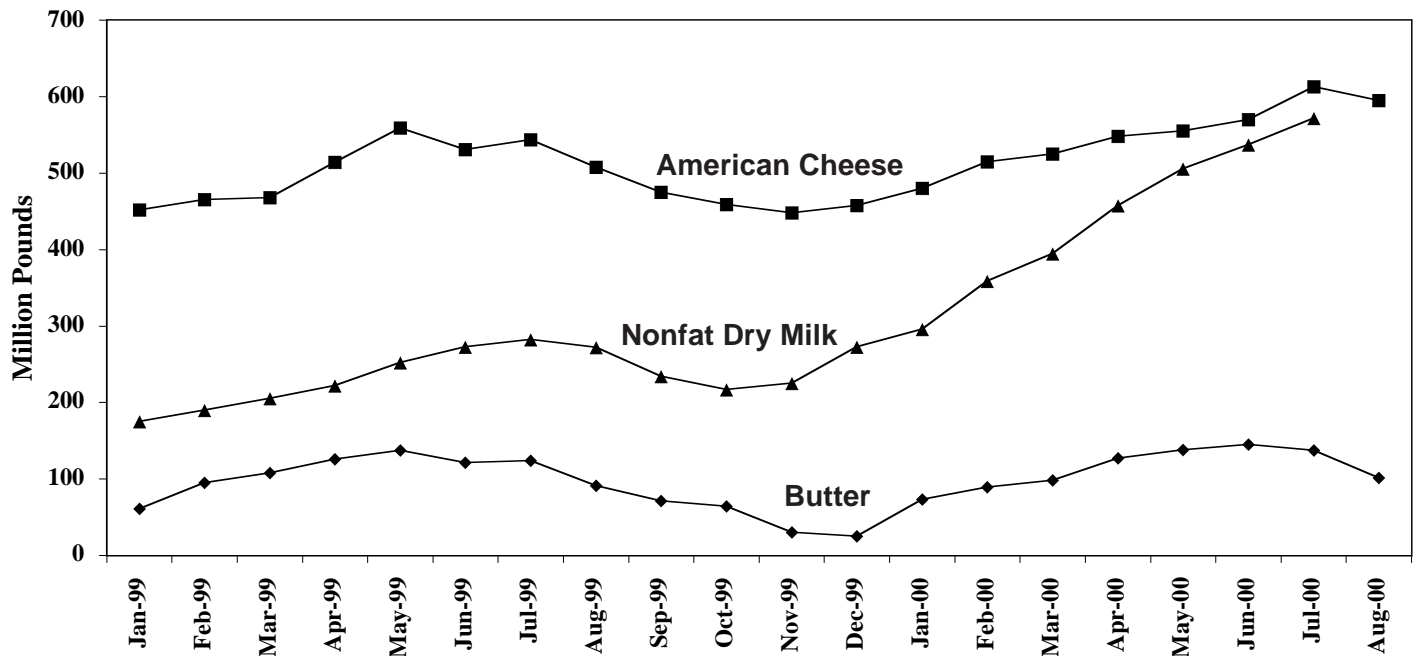
Producer milk classified as Class I during September amounted to 49.12 percent of total producer receipts. This figure is up from 48.42 percent in August but it is down from 70.28 percent in September 1999. The average butterfat test of producer milk pooled during September was 3.520 percent, average protein test was 3.046 percent, average other solids test was 5.614 percent and the average somatic cell count was 329,000.

Federal Order	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep 00	Aug 00	Sep 00	Aug 00	Sep 00	Aug 00
Appalachian	14.41	14.40	-----	-----	76.31	75.36
Arizona-Las Vegas	12.32	12.20	-----	-----	34.69	35.39
Central	11.97	11.61	1.21	1.48	31.39	29.37
Florida	15.59	15.68	-----	-----	91.66	91.91
Midwest	12.53	12.49	1.77	2.36	45.90	48.90
Northeast	13.63	13.39	2.87	3.26	49.30	45.20
Pacific Northwest	12.11	11.94	1.35	1.81	30.21	28.49
Southeast	14.16	14.15	-----	-----	71.94	73.32
Southwest	13.28	13.16	2.52	3.03	49.12	48.42
Upper Midwest	11.46	10.97	0.70	0.84	20.20	18.60
Western	11.94	11.53	1.18	1.40	29.37	27.70

NASS 40# Block Cheddar Cheese U.S. Prices and Class III Prices for Jan 99 to Sep 00



Total Dairy Product Storage Holdings Jan 99 - Aug 00



TOP TEN TEXAS COUNTIES a/ – SEPTEMBER 2000

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Erath	143	104,449,182	-0.42	7. Hamilton	19	11,904,850	-23.64
2. Comanche	48	38,355,451	+8.04	8. Wood	55	11,108,637	-4.72
3. Hopkins	203	36,070,469	-1.92	9. Johnson	30	10,984,737	-3.22
4. Archer	58	18,866,805	+9.72	10. Tom Green	9	9,369,198	+33.12
5. El Paso	8	18,348,694	-2.79	Ten County Total	576	271,758,189	+2.05 b/
6. Lamb	3	12,300,166	+33.82	Other Counties Total	489	116,984,085	-3.03
				Texas Total	1,065	388,742,274	+0.47

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.

Class Prices at 3.5%, for Federal Orders 126 Formula Prices and Price Quotations

Month	Class Prices & P.P.D.					Component Prices				NASS Product Prices			
	I	II	III	IV	P.P.D.	BF	Other Solids	True Protein	SCC ^{c/} Adj Rate	Grade AA Butter	Cheddar Cheese	NFDM Powder	Dry Whey
	Dollars Per Hundred Wt. -----					Cents Per Pound-----							
August 1999	14.58	11.72	15.79	12.62		152.96	4.55	334.21	.00086	136.83	171.54	100.89	18.10
September	16.75	13.89	16.26	12.37		147.71	5.39	338.53	.00085	132.52	170.84	101.74	18.92
October	18.95	16.09	11.49	11.78		123.57	5.93	261.38	.00070	112.73	139.34	101.83	19.44
November	19.42	16.56	9.79	11.57		115.82	5.65	206.96	.00060	106.37	120.58	101.68	19.17
December	14.65	11.79	9.63	10.69		98.04	5.39	206.15	.00057	91.79	113.71	101.11	18.92
Averages 1999b/	16.82	13.96	12.43	12.14		136.02	5.15	247.16	.00070	122.94	139.84	101.78	18.69
January 2000	13.90	11.43	10.05	10.73	1.96	93.66	5.03	216.77	.00058	88.20	115.17	101.15	18.57
February	13.71	11.51	9.54	10.80	2.28	95.88	4.32	198.49	.00055	90.02	110.67	101.06	17.88
March	13.84	11.71	9.54	11.00	2.36	101.91	4.24	191.66	.00055	94.97	110.93	100.94	17.80
April	13.93	12.10	9.41	11.38	2.64	113.52	4.08	173.99	.00055	104.49	110.11	100.78	17.65
May	14.48	12.63	9.37	11.91	3.06	128.54	4.03	155.14	.00055	116.80	110.22	100.71	17.60
June	14.70	13.08	9.46	12.38	3.29	141.28	4.38	142.78	.00056	127.25	111.37	100.97	17.94
July	15.46	12.58	10.66	11.87	2.70	126.91	5.57	197.26	.00061	115.47	121.89	101.02	19.09
August	14.95	12.56	10.13	11.87	3.03	126.59	5.77	179.52	.00058	115.20	116.60	101.08	19.29
September	14.84	12.58	10.76	11.94	2.52	127.07	5.02	201.37	.00062	115.60	123.15	101.66	18.56

a/ Subject to zone and location adjustments. b/ Simple averages c/ SCC adjustment rate is per 1,000 difference.

TOP NEW MEXICO COUNTIES a/ – SEPTEMBER 2000

County	Number of Producers	Pounds	% Change From 1999b/	County	Number of Producers	Pounds	% Change From 1999b/
1. Chaves	41	141,756,771	+9.38	7. Socorro	7	10,085,694	+12.37
2. Dona Ana	25	67,391,201	+13.12	8. Valencia	10	9,493,241	+5.13
3. Roosevelt	34	62,681,174	+34.65	9. Bernalillo	5	5,583,997	-5.60
4. Curry	14	60,609,060	+13.19				
5. Lea	14	34,263,998	+11.14	Nine County Total	156	415,207,300	+13.43 b/
6. Eddy	6	23,342,164	+7.17	Other Counties Total	6	9,362,332	+5.97
				New Mexico Total	162	424,569,632	+13.25

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.

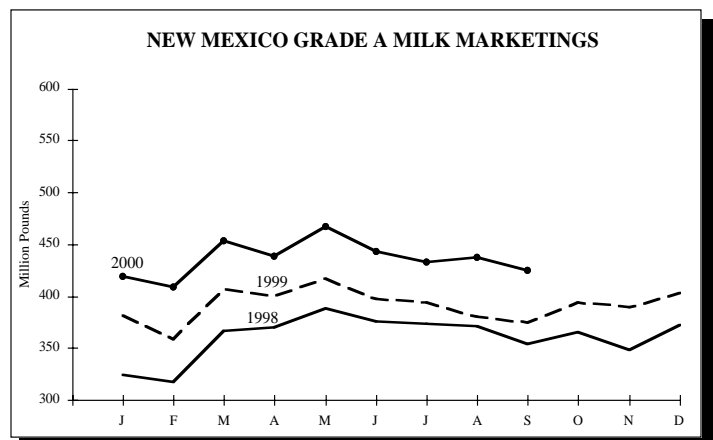
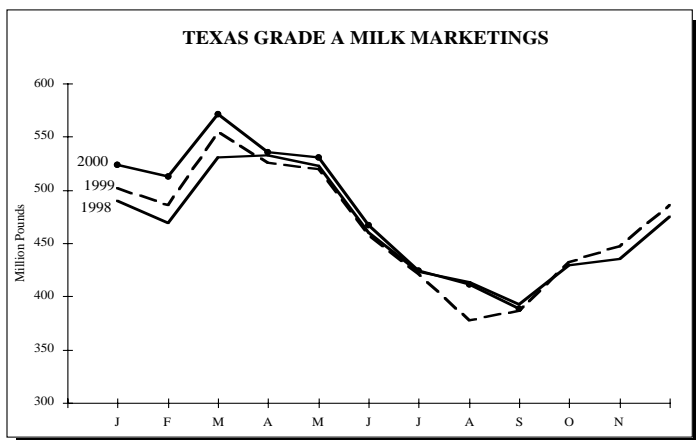
**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1998 THROUGH SEPTEMBER 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	491,168,340	1,359	501,754,729	1,251	523,604,151	1,155	+2.16	+4.35
February	469,305,849	1,347	486,044,271	1,245	512,511,151	1,140	+3.57	+5.44
March	532,588,272	1,339	553,983,640	1,241	571,648,589	1,133	+4.02	+3.19
April	532,823,237	1,336	525,773,380	1,233	535,711,103	1,120	-1.32	+1.89
May	524,523,430	1,319	519,613,189	1,219	530,923,617	1,111	-0.94	+2.18
June	464,057,905	1,321	458,247,406	1,216	467,345,348	1,102	-1.25	+1.99
July	422,973,696	1,305	421,397,795	1,206	423,731,180	1,088	-0.39	+0.55
August	413,296,879	1,298	377,392,147	1,197	410,841,983	1,081	-8.69	+8.86
September	392,427,802	1,300	386,931,407	1,189	388,742,274	1,065	-1.40	+0.47
October	429,372,951	1,289	432,175,585	1,181			+0.65	
November	435,572,798	1,271	447,062,545	1,166			+2.64	
December	<u>474,573,747</u>	1,260	<u>485,682,323</u>	1,160			<u>+2.34</u>	
Years Total	5,582,684,906		5,596,058,417				+0.24	

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1998 THROUGH SEPTEMBER 2000, WITH PERCENTAGE COMPARISONS**

MONTH	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	2000 POUNDS	Number of Producers	PERCENT CHANGE 1999/98	PERCENT CHANGE 2000/99
January	324,314,276	158	381,115,401	156	419,358,633	159	+17.51	+10.03
February	317,500,751	156	358,049,940	157	408,598,295	159	+12.77	+14.12
March	366,656,779	157	406,789,374	156	453,457,801	159	+10.95	+11.47*
April	369,782,775	156	399,229,362	157	438,496,278	160	+7.96	+9.84
May	388,308,155	155	416,852,251	157	467,108,851	160	+7.35	+12.06
June	378,569,203	159	397,483,877	159	442,850,870	160	+5.00	+11.41
July	372,803,402	157	393,796,366	158	432,409,023	160	+5.63	+9.81
August	370,668,016	156	380,628,318	158	436,762,377	161	+2.69	+14.75
September	353,457,040	155	374,886,452	160	424,569,632	162	+6.06	+13.25
October	365,469,264	159	394,366,657	162			+7.91	
November	348,126,652	158	389,857,074	159			+11.99	
December	<u>371,894,332</u>	157	<u>403,101,846</u>	158			<u>+8.39</u>	
Years Total	4,327,550,645		4,696,156,918				+8.52	

*Revised



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TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	Butterfat		Protein ^{b/}		Other Solids ^{b/}		S-N-F		SCC ^{a/}	
	TX	NM	TX	NM	TX	NM	TX	NM	TX	NM
September 1999	3.60	3.50	3.10	3.01	5.61	5.66	8.71	8.67	420	305
October	3.70	3.61	3.15	3.09	5.63	5.65	8.78	8.74	357	273
November	3.71	3.67	3.13	3.10	5.65	5.65	8.78	8.75	333	244
December	3.75	3.72	3.13	3.13	5.66	5.68	8.79	8.81	324	248
Averages 1999	3.60	3.55	3.07	3.02	5.66	5.67	8.73	8.69	369	267
January 2000	3.71	3.68	3.08	3.08	5.69	5.68	8.77	8.77	313	257
February	3.68	3.62	3.06	3.06	5.70	5.69	8.76	8.75	318	252
March	3.62	3.59	3.05	3.04	5.71	5.70	8.76	8.74	318	253
April	3.59	3.55	3.06	3.03	5.71	5.70	8.76	8.73	343	257
May	3.56	3.49	3.03	2.99	5.69	5.70	8.72	8.70	369	253
June	3.55	3.44	3.03	2.96	5.67	5.67	8.70	8.63	415	272
July	3.54	3.42	3.01	2.91	5.62	5.63	8.63	8.54	419	287
August	3.55	3.44	3.05	2.95	5.60	5.62	8.65	8.57	420	287
September	3.59	3.48	3.10	3.01	5.61	5.63	8.71	8.64	419	278

a/ In thousands. b/ Estimated for 1999: True Protein = Crude Protein - .19 and Other Solids = SNF - True Protein

**SEPTEMBER 2000
COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

		Pounds	Price	Value
Add: Class I Differential				\$400,443.10
Class I Butterfat	60(a)	7,650,886	\$1.2891	\$9,862,757.17
Class I Skim Per Cwt		327,303,238	\$10.7000	\$35,021,446.51
Class II Butterfat	60(b)	5,601,922	\$1.2777	\$7,157,575.77
Class II Nonfat Solids		5,676,852	\$0.9333	\$5,298,205.99
Class III Butterfat	60(c)	8,167,784	\$1.2707	\$10,378,803.16
Class III Protein		7,239,565	\$2.0137	\$14,578,312.06
Class III Other Solids		13,407,539	\$0.0502	\$673,058.48
Class IV Butterfat	60(d)	2,584,411	\$1.2707	\$3,284,011.10
Class IV Nonfat Solids		3,286,736	\$0.8624	\$2,834,481.15
Class II, III & IV Somatic Cell Adj.	60(e)			\$93,385.78
Total Producer Milk-Product Lbs & Value		681,901,783		\$89,582,480.27
Add: Value as for 60(f) Thru 60(j)				\$92,009.38
Less: Total Protein Pounds	61(b)	20,769,457	\$2.0137	\$41,823,455.56
Total Other Solids Pounds		38,279,775	\$0.0502	\$1,921,644.71
Total Butterfat Pounds		24,005,003	\$1.2707	\$30,503,157.30
Total Value of Somatic Cell Adjustment				\$88,266.84
Total Milk and Value		681,901,783		\$15,337,965.24
Add: Location Differential Adjustments	61(c)			\$1,826,623.50
Producer-Settlement Fund	61(d)			\$346,334.53
Total Producer Milk/URSP and Value		682,216,864	\$2.56676	\$17,510,923.27
Less: Producer-Settlement Fund	61(f)		\$0.04676	\$319,058.30
Producer Price Differential (Dallas County)			\$2.52	\$17,191,864.97

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SEPTEMBER 2000
PRODUCER MILK AND COMPONENT UTILIZATION PERCENTAGES

Producer Milk Utilization Percentages						
	Product Pounds	Percent	Butterfat Pounds	Percent	Skim Milk Pounds	Percent
Class I	334,954,124	49.12	7,650,886	31.87	327,303,238	49.75
Class II	68,846,835	10.10	5,601,922	23.34	63,244,913	9.61
Class III	238,879,236	35.03	8,167,784	34.02	230,711,452	35.07
Class IV	39,221,588	5.75	2,584,411	10.77	36,637,177	5.57
Total	681,901,783	100.00	24,005,003	100.00	657,896,780	100.00

Producer Milk Component Utilization Percentages						
	Protein Pounds	Percent	Other Solids Pounds	Percent	Nonfat Solids Pounds	Percent
Class I	10,392,450	50.03	10,046,083	49.75	29,438,539	49.85
Class II	1,992,983	9.60	3,683,876	9.62	5,676,852	9.61
Class III	7,239,565	34.86	13,407,539	35.03	20,647,105	34.97
Class IV	1,144,459	5.51	2,142,277	5.60	3,286,736	5.57
Total	20,769,457	100.00	38,279,775	100.00	59,049,232	100.00