

**UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS**

TEXAS MARKETING AREA
Federal Order No. 126

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NEW MEXICO-WEST TEXAS MARKETING AREA
Federal Order No. 138

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**ANNOUNCEMENT OF CLASS PRICES
PER HUNDREDWEIGHT FOR 3.5% MILK AND BUTTERFAT DIFFERENTIALS ^{1/}**

	<u>DEC 1998</u>	<u>JAN 1999 ^{2/}</u>	<u>FEB 1999 ^{2/}</u>
CLASS I PRICE			
TEXAS ^{3/}	\$ 19.20	\$ 20.00	\$ 20.50
PROCESSOR ASSESSMENT ^{4/}	_____ .20	_____ .20	_____ .20
TOTAL ^{4/}	19.40	20.20	20.70
NEW MEXICO-WEST TEXAS ^{5/}	\$ 18.39	\$ 19.19	\$ 19.69
PROCESSOR ASSESSMENT ^{4/}	_____ .20	_____ .20	_____ .20
TOTAL ^{4/}	18.59	19.39	19.89
CLASS II PRICE	\$ 16.34	\$ 17.14	\$ 17.64
CLASS III PRICE	\$ 17.34		
CLASS III-A PRICE	\$ 13.48		
BUTTERFAT DIFFERENTIAL	\$.132		

PRICE QUOTATIONS AND FORMULA PRICES

	<u>DEC 1998</u>	<u>NOV 1998</u>	<u>DEC 1997</u>
BASIC FORMULA PRICE AT 3.5% PER CWT	\$ 17.34	\$ 16.84	\$ 13.29
BASE MONTH PRICE AT TEST PER CWT		17.91	13.81
BASE MONTH PRICE AT 3.5%		17.06	13.27
CHANGE IN VALUES PER CWT (ADJ. FROM PREV. TO CUR. MO.)	+0.28	+0.58	+0.21
CHICAGO GRADE A BUTTER OR EQUIVALENT PRICE	1.3231	1.6547	1.1697
NON-FAT DRY MILK AVG (CENTRAL STATES)	1.1490	1.1250	1.0740
40-LB BLOCK CHEESE PER LB. (NASS, U.S. AVERAGE)	1.8707	1.8317	1.4163

REGIONAL MILK PRODUCTION COSTS, NOV AND DEC 1998 ^{6/}

<u>REGION</u>	<u>TOTAL CASH EXPENSES</u>		<u>TOTAL ECONOMIC COSTS</u>	
	<u>NOV ^{7/}</u>	<u>DEC</u>	<u>NOV ^{7/}</u>	<u>DEC</u>
NORTHEAST	\$14.47	\$14.38	\$19.64	\$19.55
SOUTHEAST	\$19.61	\$19.49	\$25.19	\$25.07
UPPER MIDWEST	\$13.64	\$13.58	\$18.49	\$18.43
CORN BELT	\$14.73	\$14.67	\$20.87	\$20.81
SOUTHERN PLAINS	\$15.23	\$15.15	\$19.65	\$19.57
PACIFIC	\$11.27	\$11.23	\$13.42	\$13.37

^{1/} United States Department of Agriculture, Agricultural Marketing Service. For further information contact John Rourke, 202/720-7461. Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.

^{2/} Class I price may be affected by judicial actions.

^{3/} The Class I price for the Texas Marketing Area is the basic formula price for the second preceding month plus \$3.16, subject to the zone adjustment for that location.

^{4/} The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR § 1160.101 *et seq.*). The Order requires that all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the contiguous 48 States of the continental United States and the District of Columbia be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

^{5/} The Class I price for the New Mexico-West Texas Marketing Area is the basic formula price for the second preceding month plus \$2.35, subject to the zone adjustment for that location.

^{6/} United States Department of Agriculture, Economic Research Service. For further information, contact Sara Short, 202/694-5588. Costs are dollars per 100 pounds (cwt.). Regions are defined as: Northeast-New York Pennsylvania, and Vermont; Southeast-Florida and Georgia; Upper Midwest-Michigan, Minnesota, and Wisconsin; Corn Belt-Iowa, Missouri, and Ohio; Southern Plains-Texas; Pacific-Arizona, California, and Washington.

^{7/} Revised from December 4, 1998 announcement.

Richard Fleming
Market Administrator