



**UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
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Texas and New Mexico-West Texas Areas**

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September 3, 1999
**ANNOUNCEMENT OF CLASS PRICES
PER HUNDREDWEIGHT FOR 3.5% MILK AND BUTTERFAT DIFFERENTIALS ^{1/}**

CLASS I PRICE	<u>AUG 1999</u>	<u>SEP 1999</u>	<u>OCT 1999</u>
TEXAS ^{2/}	\$ 14.58	\$ 16.75	\$ ^{3/}
PROCESSOR ASSESSMENT ^{4/}	<u>.20</u>	<u>.20</u>	
TOTAL ^{4/}	14.78	16.95	
NEW MEXICO-WEST TEXAS ^{5/}	\$ 13.77	\$ 15.94	\$ ^{3/}
PROCESSOR ASSESSMENT ^{4/}	<u>.20</u>	<u>.20</u>	
TOTAL ^{4/}	13.97	16.14	
CLASS II PRICE	\$ 11.72	\$ 13.89	\$ ^{3/}
CLASS III PRICE	\$ 15.79		
CLASS III-A PRICE	\$ 12.62		
BUTTERFAT DIFFERENTIAL	\$.136		

PRICE QUOTATIONS AND FORMULA PRICES

	<u>AUG 1999</u>	<u>JUL 1999</u>	<u>AUG 1998</u>
BASIC FORMULA PRICE AT 3.5% PER CWT	\$ 15.79	\$ 13.59	\$ 14.99
BASE MONTH PRICE AT TEST PER CWT		13.45	14.91
BASE MONTH PRICE AT 3.5% PER CWT		13.33	14.69
CHANGE IN VALUES PER CWT (ADJ. FROM PREV. TO CUR. MO.)	+2.46	+1.85	+0.70
CHICAGO GRADE A BUTTER OR EQUIVALENT PRICE	1.3063	1.2544	2.0830
NON-FAT DRY MILK AVG (CENTRAL STATES)	1.0384	1.0172	1.0463
40-LB BLOCK CHEESE PER LB. (NASS, U.S. AVERAGE)	1.7213	1.4702	1.6320

REGIONAL MILK PRODUCTION COSTS, JULY AND AUGUST 1999 ^{6/}

<u>REGION</u>	<u>TOTAL CASH EXPENSES</u>		<u>TOTAL ECONOMIC COSTS</u>	
	<u>JUL ^{7/}</u>	<u>AUG</u>	<u>JUL ^{7/}</u>	<u>AUG</u>
NORTHEAST	\$13.32	\$13.49	\$18.61	\$18.82
SOUTHEAST	\$13.94	\$14.11	\$18.41	\$18.64
UPPER MIDWEST	\$12.50	\$12.59	\$17.52	\$17.66
CORN BELT	\$13.54	\$13.65	\$19.92	\$20.08
SOUTHERN PLAINS	\$11.89	\$12.01	\$15.81	\$15.97
PACIFIC	\$9.64	\$9.70	\$11.78	\$11.87

^{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/} 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.

^{3/} For information only, the Class I & II prices for the Texas Order would have been 18.95 and 16.09, respectively, for October 1999. Also, the Class I & II prices for the New Mexico-West Texas Order would have been 18.14 and 16.09, respectively, for October 1999. The October 1999 Class I price and Class II skim milk price for the Southwest Order will be issued on September 17, 1999. However, should Congressional action or legal challenge delay the implementation of the consolidation and reform of the Federal milk order program as required by the 1996 Farm Bill, then the Class I & II prices in the first two sentences of this footnote will be applicable.

^{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 marketing 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 last month due to changes in milk production, producer price indexes, corn market price, and economic indicators for the U.S. economy.