



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

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ANNOUNCEMENT OF CLASS PRICES

PER HUNDREDWEIGHT FOR 3.5% MILK AND BUTTERFAT DIFFERENTIALS ^{1/}

CLASS I PRICE	<u>SEP 1999</u>	<u>OCT 1999</u>	<u>NOV 1999</u>
TEXAS ^{2/}	\$ 16.75	\$ 18.95	\$ 19.42 ^{3/}
PROCESSOR ASSESSMENT ^{4/}	_____ .20	_____ .20	_____ .20
TOTAL ^{4/}	16.95	19.15	19.62
NEW MEXICO-WEST TEXAS ^{5/}	\$ 15.94	\$ 18.14	\$ 18.61 ^{3/}
PROCESSOR ASSESSMENT ^{4/}	_____ .20	_____ .20	_____ .20
TOTAL ^{4/}	16.14	18.34	18.81
CLASS II PRICE	\$ 13.89	\$ 16.09	\$ 16.56 ^{3/}
CLASS III PRICE	\$ 16.26		
CLASS III-A PRICE	\$ 12.37		
BUTTERFAT DIFFERENTIAL	\$.126		

PRICE QUOTATIONS AND FORMULA PRICES

	<u>SEP 1999</u>	<u>AUG 1999</u>	<u>SEP 1998</u>
BASIC FORMULA PRICE AT 3.5% PER CWT	\$ 16.26	\$ 15.79	\$ 15.10
BASE MONTH PRICE AT TEST PER CWT		15.66	15.76
BASE MONTH PRICE AT 3.5% PER CWT		15.48	15.18
CHANGE IN VALUES PER CWT (ADJ. FROM PREV. TO CUR. MO.)	+0.78	+2.46	+0.41
CHICAGO GRADE A BUTTER OR EQUIVALENT PRICE	1.2493	1.3063	2.6666
NON-FAT DRY MILK AVG (CENTRAL STATES)	1.0486	1.0384	1.1007
40-LB BLOCK CHEESE PER LB. (NASS, U.S. AVERAGE)	1.8023	1.7213	1.6556

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

<u>REGION</u>	<u>TOTAL CASH EXPENSES</u>		<u>TOTAL ECONOMIC COSTS</u>	
	<u>AUG ^{7/}</u>	<u>SEP</u>	<u>AUG ^{7/}</u>	<u>SEP</u>
NORTHEAST	\$13.57	\$13.79	\$18.87	\$19.10
SOUTHEAST	\$14.17	\$14.35	\$18.66	\$18.85
UPPER MIDWEST	\$12.68	\$12.82	\$17.71	\$17.87
CORN BELT	\$13.75	\$13.92	\$20.15	\$20.34
SOUTHERN PLAINS	\$12.08	\$12.23	\$16.01	\$16.17
PACIFIC	\$9.77	\$9.90	\$11.93	\$12.05

- ^{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/} Note, price may be affected by legislative or judicial action.
- ^{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.

Richard Fleming
Market Administrator