

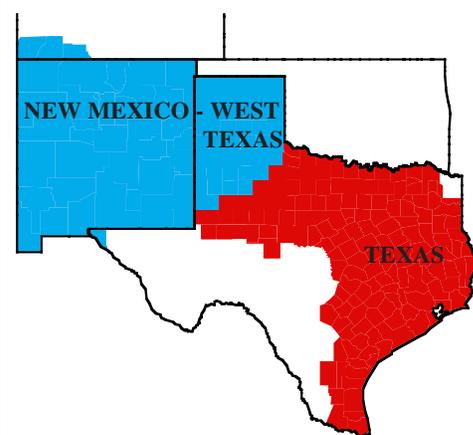
## THE MARKET ADMINISTRATOR'S

# REPORT



### TEXAS MARKETING AREA NEW MEXICO - WEST TEXAS MARKETING AREA

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### MARKET SUMMARIES FOR OCTOBER

The October Class III price increased 53 cents from the previous month to \$12.61. The Class II price for October of \$11.85 per hundredweight increased 32 cents from \$11.53 in September. October's Class III-A price increased 76 cents from September's level to \$11.66.

**Texas:** Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$13.62 per hundredweight for deliveries of milk containing 3.5% butterfat. The October price was up 36 cents from September.

Producers delivered a total of 537,738,839 pounds of milk during October. On a daily basis this represents an increase of 4.02 percent from the producer receipts level in September but it represents a decrease of 4.72 percent when compared to the producer receipts level of October 1994.

Producer milk classified as Class I during October amounted to 49.78 percent of total producer receipts. This figure is down from September's 52.46 percent but it is up slightly from 49.62 percent in October 1994. The average butterfat test of producer milk pooled during October 1995 was 3.627 percent.

**New Mexico - West Texas:** Producers who delivered milk to handlers located in Zone 1 of the New Mexico - West Texas Milk Market Order received \$13.03 per hundredweight for deliveries of milk containing 3.5% butterfat. The October price was up 31 cents from its September level.

Producers delivered a total of 142,493,352 pounds of milk during October. On a daily basis this represents an increase of 14.62 percent from the producer receipts level in September and it represents an increase of 23.69 percent when compared to the

producer receipts level of October 1994.

Producer milk classified as Class I during October amounted to 41.93 percent of total producer receipts. This figure is down from 49.14 percent in September and it is down from 49.63 percent in October 1994. The average butterfat test of producer milk pooled during October 1995 was 3.678 percent.

### CFTC APPROVES MILK FUTURES CONTRACT

The Commodity Futures Trading Commission has approved the Coffee, Sugar & Cocoa Exchange, Inc. (CSCE) request to trade futures and options contracts for milk. CSCE expects to begin offering milk futures and options on January 23, 1996.

The new contracts, which were developed with dairy industry input, will let participants manage milk price risk by hedging with milk futures and options. Some of those who helped develop the milk contracts included NMPF member cooperative employees Paul Christ, Land O'Lakes Inc.; Curtis Kurth, Foremost Farms USA; and Jim Box, Associated Milk Producers, Inc.

The milk futures contract calls for delivery of one tankload (50,000 pounds) of Grade A raw milk with 3.5 percent butterfat at Interstate Milk Shippers' certified plants in southern Wisconsin and northern Illinois. The contracts will trade in dollars per hundredweight. The exchange will trade milk contracts daily between 9:15 a.m. and 2:00 p.m., Eastern time.

CSCE launched the first dairy futures and options contracts in 1993 with the introduction of Cheddar cheese and nonfat dry milk futures and options.

The Exchange plans to host a series of education seminars prior to launching trade in early January. For more information, call 1-800-HEDGE-IT.

## LARGE DEIP SALE SPARKS OPTIMISM

Several large awards under the Dairy Export Incentive Program (DEIP) are getting fourth quarter sales off on an optimistic note. Since the 101.8 million pounds of new three-month DEIP allocations were announced in October, USDA has accepted bids for sale of 9.7 million pounds of dairy products, nearly 10 percent of total DEIP allocations.

The largest bid accepted has been for 6.6 million pounds of nonfat dry milk to North Africa, the Middle East and Persian Gulf — the total DEIP allocation for that region. The DEIP bonus was nine cents per pound. In addition, South America exhausted its allocation for whole milk powder and cheese. South America has made two purchases of whole milk powder totaling 2.1 million pounds and has purchased 551,250 pounds of American cheese.

Asia, which exhausted DEIP allocations only days after being announced by USDA in January and July, has made two purchases of nonfat dry milk totaling 562,275 pounds.

Fourth quarter DEIP allocations were 20 percent less than the amount allocated during the third quarter. Allocations for Asia were increased 66 percent to 19 million pounds and to Mexico by 26 percent to 33.1 million pounds.

However, allocations to Algeria, a traditional U.S. DEIP customer, were decreased 39 percent from 37 million pounds in the third quarter to 22.7 million in the fourth quarter. Third quarter DEIP sales amounted to 53.5 million pounds, or about 33 percent of the total 162.2-million-pound allocation.

### INTERIM 1995 DEIP BID ACCEPTANCE SUMMARY

**JULY 1, 1995 THROUGH NOVEMBER 3, 1995  
WITH CHANGES FROM PREVIOUS WEEK**

NONFAT DRY MILK- CHANGE	25,214 MT (55,586,784 LBS.) 137 MT (302,030 LBS.)
WHOLE MILK POWDER-	2,875 MT (6,338,225 LBS.)
CHEESE- CHANGE	1,400 MT (3,086,440 LBS.) 233 MT (513,672 LBS.)

### IN-AREA DISPOSITION OF FLUID MILK PRODUCTS

Both of the Texas and New Mexico - West Texas orders showed net increases of in-area route disposi-

tions for the period January through September, 1995, compared to a year earlier. The trend toward milk products with lower fat content, a nationwide trend, is apparent in the data for both orders.

#### Texas

For the first three quarters of 1995, disposition of fluid milk products in the Texas Order totaled 2,342.2 million pounds, up .57 percent compared to the same period in 1994. The increase was due to the relatively strong showing of the lowfat milk products, with the exception of 2 percent milk. All whole milk products showed declines from 1994 levels.

#### New Mexico - West Texas

For the first three quarters of 1995, disposition of fluid milk products in the New Mexico - West Texas Order totaled 490.5 million pounds, up 2.68 percent compared to the same period in 1994. The increase came from both the whole milk products as well as the lowfat milk products, with the exception of 1% and flavored lowfat milk products.

TEXAS			
Product	January - September		% Change
	1994	1995	
<u>Whole Milk Products</u>			
Million Pounds			
Whole	1,087.8	1,074.6	-1.21
Flavored	52.6	51.9	-1.33
<b>Total Whole Milk</b>	<b>1,140.4</b>	<b>1,126.5</b>	<b>-1.22</b>
<u>Lowfat Milk Products</u>			
2%	641.7	627.5	-2.21
1%	221.4	222.1	+0.32
Skim	204.3	237.7	+16.35
Flavored Lowfat	75.4	80.4	+6.63
Buttermilk and Other	45.8	48.0	+4.80
<b>Total Lowfat Milk</b>	<b>1,188.6</b>	<b>1,215.7</b>	<b>+2.28</b>
<b>Combined Total</b>	<b>2,329.0</b>	<b>2,342.2</b>	<b>+0.57</b>

NEW MEXICO - WEST TEXAS			
Product	January - September		% Change
	1994	1995	
<u>Whole Milk Products</u>			
Million Pounds			
Whole	277.6	278.2	+0.22
Flavored	6.7	7.1	+5.97
<b>Total Whole Milk</b>	<b>284.3</b>	<b>285.3</b>	<b>+0.35</b>
<u>Lowfat Milk Products</u>			
2%	115.0	121.5	+5.65
1%	30.6	20.6	-32.68
Skim	22.3	36.1	+61.89
Flavored Lowfat	18.2	18.1	-0.55
Buttermilk and Other	7.3	8.9	+21.92
<b>Total Lowfat Milk</b>	<b>193.4</b>	<b>205.2</b>	<b>+6.10</b>
<b>Combined Total</b>	<b>477.7</b>	<b>490.5</b>	<b>+2.68</b>

## TOP TEN TEXAS COUNTIES a/ – OCTOBER 1995

County	Number of Producers	Pounds	% Change From 1994	County	Number of Producers	Pounds	% Change From 1994
1. Erath	195	112,993,447	+4.8	7. Archer	65	16,023,733	-6.43
2. Hopkins	393	61,730,455	-7.02	8. Hamilton	41	15,428,900	+24.02
3. Comanche	55	32,530,577	+7.94	9. Cherokee	44	13,758,361	-1.50
4. El Paso	9	19,221,016	+1.2	10. Franklin	62	9,505,999	-2.37
5. Johnson	67	18,290,052	-5.10	Ten County Total	1,026	315,615,828	-.49 b/
6. Wood	95	16,133,288	-1.83	<u>Other Counties Total</u>	<u>806</u>	<u>163,411,309</u>	<u>-3.61</u>
				<b>Texas Total</b>	<b>1,832</b>	<b>479,027,137</b>	<b>-1.58</b>

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/		B F Diff.	Grade A		
	126	138	Class II	Class III	III-A	126	138	Butter	Cheese		Spray Powder		
	----- Dollars Per Hundred Wt. -----								¢/Point	-----Cents Per Pound-----			
September 1994	14.57	13.76	12.95	12.04	10.35	13.47	12.71	6.4	71.00	131.39	106.59		
October	14.89	14.08	12.15	12.29	10.36	13.47	12.71	6.3	71.00	132.69	107.04		
November	15.20	14.39	12.53	11.86	10.40	13.60	12.74	6.4	71.00	126.56	107.10		
December	15.45	14.64	12.24	11.38	10.17	13.40	12.36	5.8	65.52	120.91	106.86		
Averages 1994 b/	15.33	14.52	12.45	12.00	10.27	13.51	12.54	5.8	66.77	128.70	107.93		
January 1995	15.02	14.21	11.02	11.35	10.06	13.03	12.09	5.5	63.00	122.20	106.71		
February	14.54	13.73	11.35	11.79	10.12	12.92	12.05	5.6	65.04	127.80	107.11		
March	14.51	13.70	12.20	11.89	10.22	12.93	12.07	5.7	66.00	129.00	107.77		
April	14.95	14.14	12.09	11.16	10.27	12.70	11.90	5.9	66.00	121.10	107.56		
May	15.05	14.24	12.19	11.12	10.21	12.97	11.93	5.9	66.00	121.13	106.84		
June	14.32	13.51	11.46	11.42	10.37	12.71	11.80	6.4	70.00	125.26	106.75		
July	14.28	13.47	11.42	11.23	10.61	12.59	12.00	7.1	74.65	125.03	106.69		
August	14.58	13.77	11.72	11.55	10.82	13.22	12.72	7.7	79.00	130.37	106.69		
September	14.39	13.58	11.53	12.08	10.90	13.26	12.72	7.8	81.33	137.74	107.18		
October	14.71	13.90	11.85	12.61	11.66	13.62	13.03	9.6	95.74	141.48	108.64		
November	15.24	14.43	12.38										
December	15.77	14.96	12.91										

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

## TOP NEW MEXICO COUNTIES a/ – OCTOBER 1995

County	Number of Producers	Pounds	% Change From 1994	County	Number of Producers	Pounds	% Change From 1994
1. Chaves	40	107,870,573	+3.35	7. Valencia	13	10,442,989	-1.08
2. Dona Ana	24	57,190,435	-.29	8. Bernalillo	9	8,953,275	-13.52
3. Roosevelt	28	39,163,041	+8.18	9. Socorro	8	6,322,004	+20.13
4. Curry	9	25,705,168	+21.31				
5. Eddy	5	16,185,465	-3.96	Nine County Total	148	287,554,154	+3.64
6. Lea	12	15,721,204	+2.72	<u>Other Counties Total</u>	<u>6</u>	<u>7,010,531</u>	<u>+14.12</u>
				<b>New Mexico Total</b>	<b>154</b>	<b>294,564,685</b>	<b>+3.87</b>

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 1993 THROUGH OCTOBER 1995, WITH PERCENTAGE COMPARISONS**

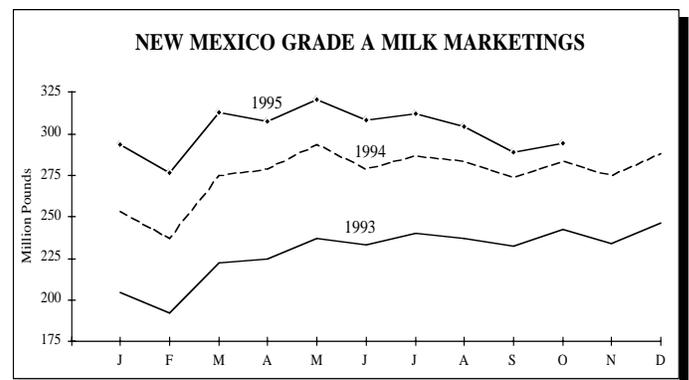
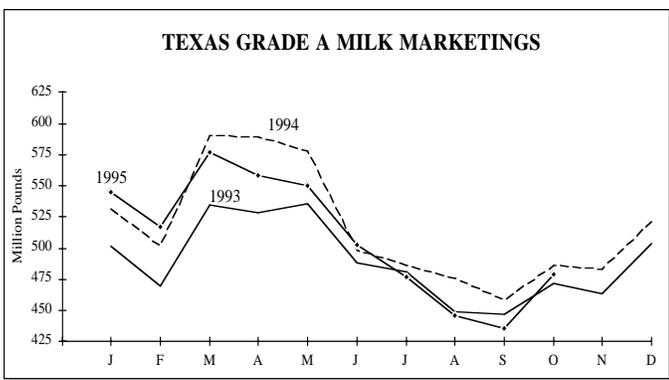
MONTH	1993	Number of Producers	1994	Number of Producers	1995	Number of Producers	PERCENT CHANGE	
	POUNDS		POUNDS		POUNDS		1994/93	1995/94
January	501,212,264	2,039	531,658,454	1,960	544,665,125	1,918	+6.07	+2.45
February	469,421,940	2,036	502,048,659	1,961	517,418,721	1,906	+6.95	+3.06
March	534,985,958	2,023	590,563,277	1,957	577,449,222	1,897	+10.39	-2.22
April	528,234,691	2,011	588,890,115	1,963	558,387,965	1,881	+11.48	-5.18*
May	535,272,595	2,001	578,120,136	1,956	550,303,073	1,879	+8.00	-4.81*
June	488,469,601	1,995	498,149,578	1,969	502,909,961	1,859	+1.98	+0.96
July	481,029,804	1,985	486,029,589	1,955	477,220,938	1,861	+1.04	-1.81
August	448,948,355	1,974	475,739,415	1,953	446,351,445	1,853	+5.97	-6.18
September	447,343,829	1,976	458,143,784	1,948	436,091,164	1,839	+2.41	-4.81
October	471,379,110	1,973	486,705,004	1,944	479,027,137	1,832	+3.25	-1.58
November	463,334,474	1,960	483,247,718	1,936			+4.30	
December	<u>503,356,197</u>	1,965	<u>521,399,526</u>	1,924			<u>+3.58</u>	
Years Total	5,872,988,818		6,200,845,698				+5.58	

\*Revised figures

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1993 THROUGH OCTOBER 1995, WITH PERCENTAGE COMPARISONS**

MONTH	1993	Number of Producers	1994	Number of Producers	1995	Number of Producers	PERCENT CHANGE	
	POUNDS		POUNDS		POUNDS		1994/93	1995/94
January	204,707,796	139	253,218,001	147	293,542,014	156	+23.69	+15.92*
February	192,335,243	140	237,211,785	148	276,638,548	155	+23.33	+16.62*
March	222,849,739	140	275,165,335	145	313,161,171	152	+23.48	+13.81
April	224,429,460	141	278,682,898	149	307,337,393	152	+24.17	+10.28*
May	237,473,164	143	293,746,832	149	320,781,400	154	+23.70	+9.20*
June	232,947,016	142	278,940,461	150	309,224,349	153	+17.44	+10.86
July	240,574,076	145	286,825,906	149	312,630,262	153	+19.23	+9.00
August	237,512,245	146	283,870,810	150	304,582,850	153	+19.52	+7.30
September	232,833,573	146	273,359,295	151	288,872,854	156	+17.41	+5.68
October	242,443,358	148	283,588,806	152	294,564,685	154	+16.97	+3.87
November	234,445,273	149	275,359,100	152			+17.45	
December	<u>246,724,079</u>	148	<u>287,886,379</u>	154			<u>+16.68</u>	
Years Total	2,749,275,022		3,307,855,608				+20.32	

\*Revised figures



## 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
October 1994	3.63	3.61	3.27	3.21	4.80	4.82	8.78	8.76	405	252
November	3.70	3.69	3.30	3.25	4.78	4.82	8.80	8.80	397	250
December	3.68	3.69	3.27	3.23	4.81	4.82	8.80	8.77	389	255
Average 1994	3.54	3.56	3.20	3.14	4.78	4.80	8.69	8.66	393	247
January 1995	3.69	3.70	3.25	3.21	4.79	4.81	8.75	8.75	385	272
February	3.60	3.64	3.21	3.17	4.83	4.86	8.76	8.74	364	253
March	3.60	3.61	3.22	3.17	4.83	4.84	8.77	8.74	377	254
April	3.50	3.56	3.21	3.14	4.78	4.81	8.73	8.69	368	235
May	3.47	3.47	3.17	3.11	4.77	4.81	8.67	8.65	377	225
June	3.46	3.40	3.16	3.10	4.74	4.79	8.63	8.62	410	232
July	3.44	3.40	3.12	3.06	4.75	4.81	8.59	8.58	432	255
August	3.45	3.43	3.14	3.07	4.72	4.71	8.57	8.43	477	295
September	3.52	3.51	3.21	3.13	4.74	4.80	8.66	8.65	465	269
October	3.64	3.62	3.26	3.20	4.77	4.82	8.75	8.74	381	239

\* In thousands.

## NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED OCT. 1995	REPORTED SEP. 1995	REPORTED OCT. 1994
<b>TOTAL UTILIZATION</b>			
CLASS I	60,688,168	60,681,953	58,504,633
CLASS II	10,792,675	10,788,610	11,426,095
CLASS III/III-A	78,011,587	58,275,150	54,906,544
CLOSING INVENTORY (CLASS I, II AND III)	8,581,728	8,491,080	10,898,490
TOTAL UTILIZATION	158,074,158	138,236,793	135,735,762
DAILY CLASS I UTILIZATION	1,957,683	2,022,732	1,887,246
OCT. -DAILY CLASS I COMPARED TO:		-3.22%	+3.73%
CLASS I YEAR TO DATE (IN THOUSANDS)	590,102	529,413	569,470
% CHANGE FROM PREVIOUS YEAR	+3.62%	+3.61%	-3.95%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	59,745,144	59,120,145	57,177,822
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	8,984,175	10,006,443	10,190,390
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	73,764,033	51,179,523	47,831,785
TOTAL PRODUCER RECEIPTS	142,493,352	120,306,111	115,199,997
OTHER SOURCE A/	7,005,675	10,146,208	13,048,186
OPENING INVENTORY	8,491,080	7,784,410	7,487,579
OVERAGE	84,051	64	
TOTAL RECEIPTS	158,074,158	138,236,793	135,735,762
<b>DAILY PRODUCER RECEIPTS</b>	4,596,560	4,010,204	3,716,129
OCT. -DAILY PRODUCER RECEIPTS COMPARED TO:		+14.62%	+23.69%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,533,673	1,391,180	1,447,370
% CHANGE FROM PREVIOUS YEAR	+5.96%	+4.43%	-13.96%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.678%	3.612%	3.647%
% PRODUCER MILK CLASSIFIED AS CLASS I	41.93%	49.14%	49.63%
NUMBER OF PRODUCERS	302	145	129
AVERAGE DAILY DELIVERY PER PRODUCER	15,220	27,657	28,807
NUMBER OF POOL HANDLERS	15	15	17

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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## TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>OCT. 1995</u>	REPORTED <u>SEP. 1995</u>	REPORTED <u>OCT. 1994</u>
<b>TOTAL UTILIZATION</b>			
CLASS I	268,599,681	264,180,172	283,484,199
CLASS II	95,714,463	98,129,894	92,632,347
CLASS III/III-A	185,913,638	152,701,393	211,764,339
CLOSING INVENTORY (CLASS I, II AND III)	31,233,417	26,399,485	31,374,603
TOTAL UTILIZATION	581,461,199	541,410,944	619,255,488
DAILY CLASS I UTILIZATION	8,664,506	8,806,006	9,144,652
OCT. -DAILY CLASS I COMPARED TO:		-1.61%	-5.25%
CLASS I YEAR TO DATE (IN THOUSANDS)	2,613,302	2,344,702	2,728,686
% CHANGE FROM PREVIOUS YEAR	-4.23%	-4.11%	+4.45%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	267,688,126	262,461,762	280,050,263
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	87,204,872	91,644,464	84,512,345
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	182,845,841	146,155,187	199,832,422
TOTAL PRODUCER RECEIPTS	537,738,839	500,261,413	564,395,030
OTHER SOURCE A/	17,244,433	16,392,432	24,677,954
OPENING INVENTORY	26,399,485	24,707,295	30,154,218
OVERAGE	78,442	49,804	28,286
TOTAL RECEIPTS	581,461,199	541,410,944	619,255,488
<b>DAILY PRODUCER RECEIPTS</b>	17,346,414	16,675,380	18,206,291
OCT. -DAILY PRODUCER RECEIPTS COMPARED TO:		+4.02%	-4.72%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	5,479,754	4,942,016	5,543,212
% CHANGE FROM PREVIOUS YEAR	-1.15%	-.74%	+10.61%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.627%	3.504%	3.613%
% PRODUCER MILK CLASSIFIED AS CLASS I	49.78%	52.46%	49.62%
NUMBER OF PRODUCERS	1,986	1,949	2,409
AVERAGE DAILY DELIVERY PER PRODUCER	8,734	8,556	7,558
NUMBER OF POOL HANDLERS	30	30	35

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