

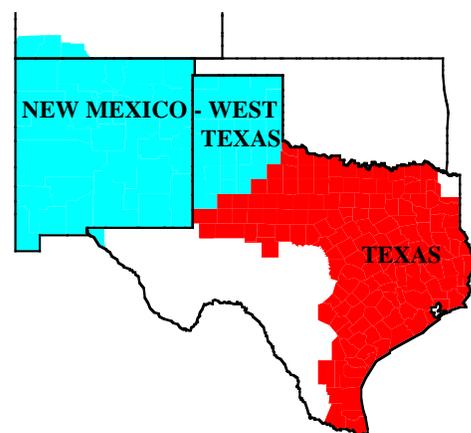
THE MARKET ADMINISTRATOR'S

REPORT



TEXAS MARKETING AREA NEW MEXICO - WEST TEXAS MARKETING AREA

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SOUTHWEST MILK MARKETING CONFERENCE

The 1996 Southwest Milk Marketing Conference will be held at the Hyatt Regency, Albuquerque, New Mexico, June 27-28, 1996. Contact Bud Schwart, at the Department of Agricultural Economics, Texas A&M University, 409-845-5284, for details.

MARKET SUMMARIES FOR MARCH

The March Class III price increased 11 cents from the previous month to \$12.70. The Class II price for March of \$13.03 per hundredweight decreased 18 cents from \$13.21 in February. March's Class III-A price decreased 7 cents from February's level to \$10.32.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$13.75 per hundredweight for deliveries of milk containing 3.5% butterfat. The March price was down 40 cents from February.

Producers delivered a total of 653,281,378 pounds of milk during March. On a daily basis this represents an increase of 4.65 percent from the producer receipts level in February and it represents an increase of 11.57 percent when compared to the producer receipts level of March 1995.

Producer milk classified as Class I during March amounted to 40.70 percent of total producer receipts. This figure is down from February's 44.62 percent and it is down from 47.24 percent in March 1995. The average butterfat test of producer milk pooled during March 1996 was 3.613 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

\$12.80 per hundredweight for deliveries of milk containing 3.5% butterfat. The March price was down 41 cents from its February level.

Producers delivered a total of 185,566,850 pounds of milk during March. On a daily basis this represents an increase of 8.96 percent from the producer receipts level in February but it represents a decrease of .70 percent when compared to the producer receipts level of March 1995.

Producer milk classified as Class I during March amounted to 30.59 percent of total producer receipts. This figure is down from 35.49 percent in February and it is down from 33.54 percent in March 1995. The average butterfat test of producer milk pooled during March 1996 was 3.628 percent.

1996 SOUTHWEST DAIRY FIELD DAY

The Southwest Dairy Field Day will be held May 9 at the Ray Johnston Dairy in Comanche, Texas from 9:00 am to 4:00 pm. Programs will include: heat stress, BST management, parlor equipment evaluation, silage management, ration particle size evaluation and composting dairy waste. Informational exhibits will be displayed throughout the day.

The host operation includes 1,590 cows with a rolling herd average of 25,600 pounds of milk, 818 pounds of protein, and 894 pounds of fat on three milkings per day. Cattle are grouped according to age and production and milk in a double 20 parallel parlor. The herd is on DHIA test. The operation has taken several steps to increase cow comfort in the summer heat, including the addition of misters and fans in the holding area and a freestall barn for high producing cows. The ration base includes corn silage, alfalfa hay and coastal bermudagrass.

Dry cows are managed in groups, with all cows within 30 days of calving being primed for the next lactation. The operation includes 1,000 acres of crop land, with approximately 350 acres in corn, 150 acres in small grain and 570 acres in coastal bermudagrass. Emphasis on the breeding program allows this operation to raise a majority of the herd's replacement heifers, with a few additional animals being purchased. All animals are bred using artificial insemination.

The dairy is located north of Comanche, Texas. From Highway 377 in Comanche, go north on Highway 36 1.5 miles to the first gravel road and turn left to the dairy. Signs will mark the route. Lunch will be provided to all attendees, courtesy of industry sponsors.

PROPER BULK TANK MEASUREMENT

Milk weights for most dairymen are determined by measuring the milk in their farm bulk tank and then converting the milk measurement into pounds. Several factors may affect the accuracy of the weight of the milk recorded for each producer. Some of these are as follows:

(a) **Tank Calibration:** Each farm milk tank is calibrated to give correct milk measurements when properly installed. Tanks may be calibrated at the factory or they may be calibrated in the field. In any event, dairymen should make sure that their farm milk tanks are properly calibrated. When new tanks are initially installed, or if existing tanks are moved, they should be checked for accuracy of milk measurement.

Experience has shown that farm tank measuring accuracy should be checked at least once every three years. If it is observed that the floor on which the tank is located has cracked or shifted in any way, the tank needs to be checked immediately. Many milking barns were erected years ago and designed for much smaller tanks than are currently being used. This fact, along with the foundation stresses caused by extreme weather conditions has caused foundation shifts in many dairy barns. A small change in the position of a farm milk tank can cause sizable differences in milk measurements. So, the first thing that dairy farmers can do to assure themselves of accurate milk weights is to always have their farm tanks properly calibrated and installed, to yield accurate milk measurements.

Producers that are members of cooperatives should contact their coops for calibration checks. The Market Administrator's office checks farm tank calibration accuracy for nonmember, or independent

producers. When requested by cooperatives and when time permits, we check the tanks of cooperative members.

(b) **Accurate Calibration Charts:** On occasion incorrect charts have been found to be in use on some farms. Usually this is due to the wrong chart being placed in a barn for use with a tank. The serial number of the chart and tank should always match. Other incorrect charts were caused by errors in preparation or typing of the charts. Many such errors can be detected by carefully scanning the numbers on the chart to see that the pounds per unit change in rod measurements are occurring in a fairly constant and gradual manner.

Many charts have been in use for long periods of time and have become difficult to read. Producers having incorrect charts, or charts that need to be replaced because of wear, should contact the Market Administrator's office or the cooperative that is marketing their milk.

(c) **Dip Stick Readings:** Most farm milk tanks are equipped with stainless steel measuring rods. In order to obtain a correct measurement of the milk in a tank, certain precautions must be taken at the time of each milk measurement.

(1) The milk in the tank must be settled; that is, the surface of the milk must not be moving at the time the measurement is made.

(2) The dip stick should be heated using hot water in the milk room and then cleaned thoroughly. The dip stick then should be dried and slowly inserted into the tank to measure the milk. The milk level line will be registered on the stick in a clear, sharply defined line which can be read easily.

(3) Most of the larger tanks today are equipped with outside gauge rods. To obtain correct readings from this type of gauge, the tube should be clean and free of water. Also, the tubes should be clear in appearance and constructed from a Pyrex-type material. Milk hoses will sag and become discolored, making it very difficult to see the milk line.

This measuring procedure is required pursuant to regulations issued by both State and Federal authorities.

Dairy farmers are in a position to assure themselves of accurate weights by: (1) making sure that their tanks are properly calibrated, (2) that they have accurate and readable conversion charts, and (3) that their milk haulers properly read the dip sticks or outside gauge rods and record the milk weights properly.

Very few agricultural enterprises have the ability to know how much of their production is being marketed daily as do dairy farmers.

TOP TEN TEXAS COUNTIES a/ – MARCH 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Erath	188	137,098,149	+9.86	7. Wood	87	19,284,203	-10.28
2. Hopkins	362	77,398,392	-8.87	8. Hamilton	38	18,272,854	+20.38
3. Comanche	56	39,259,382	+10.66	9. Cherokee	43	17,324,216	-7.63
4. Johnson	64	23,348,308	+7.32	10. Van Zandt	36	12,693,524	+13.47
5. El Paso	9	20,784,964	+4.35	Ten County Total	948	386,246,354	+3.13 b/
6. Archer	65	20,782,362	+6.69	Other Counties Total	797	204,689,994	+8.86
				Texas Total	1,745	590,936,348	+2.34

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 II	Class III	Class III-A	Uniform a/		B F Diff.	Grade A Butter	Block Cheese	Spray Powder
	126	138				126	138				
	----- Dollars Per Hundred Wt. -----							¢/Point	-----Cents Per Pound-----		
February 1995	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	12.87	12.40	14.07	13.46	10.5	103.00	142.25	113.40
December	15.77	14.96	12.91	12.91	11.24	14.18	13.20	6.1	71.83	141.91	117.61
Averages 1995 b/	14.78	13.97	11.84	11.83	10.74	13.18	12.41	7.0	75.13	130.44	108.58
January 1996	16.03	15.22	13.17	12.73	11.16	14.32	13.33	6.6	74.40	137.88	114.85
February	16.07	15.26	13.21	12.59	10.39	14.15	13.21	5.4	65.21	137.75	110.84
March	15.89	15.08	13.03	12.70	10.32	13.75	12.80	5.4	65.00	138.74	110.08
April	15.75	14.94	12.89								
May	15.86	15.05	13.00								

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

TOP NEW MEXICO COUNTIES a/ – MARCH 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Chaves	40	118,728,291	-1.69	7. Valencia	12	11,053,114	-6.66
2. Dona Ana	24	63,599,131	+4.09	8. Bernalillo	8	8,660,555	-12.74
3. Roosevelt	29	39,800,579	+4.93	9. Socorro	8	6,711,603	+12.94
4. Curry	9	28,951,637	+17.95				
5. Lea	13	17,617,337	+3.92	Nine County Total	148	312,728,947	+2.12
6. Eddy	5	17,606,700	-1.82	Other Counties Total	6	9,125,967	+31.70
				New Mexico Total	154	321,854,914	+2.78

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.

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
March 1995	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
November	3.73	3.68	3.28	3.20	4.78	4.81	8.78	8.72	330	210
December	3.74	3.71	3.25	3.19	4.79	4.81	8.76	8.71	317	237
Average 1995	3.57	3.56	3.21	3.15	4.77	4.81	8.70	8.67	390	248
January 1996	3.73	3.74	3.21	3.17	4.81	4.83	8.74	8.71	312	238
February	3.67	3.65	3.18	3.14	4.80	4.81	8.71	8.66	312	238
March	3.61	3.62	3.18	3.14	4.80	4.81	8.70	8.66	296	216

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED MAR. 1996	REPORTED FEB. 1996	REPORTED MAR. 1995
TOTAL UTILIZATION			
CLASS I	58,595,730	57,452,661	63,850,626
CLASS II	8,535,612	9,124,509	13,546,811
CLASS III/III-A	133,667,328	105,632,068	132,357,053
CLOSING INVENTORY (CLASS I, II AND III)	14,242,141	9,115,274	9,773,345
TOTAL UTILIZATION	215,040,811	181,324,512	219,527,835
DAILY CLASS I UTILIZATION	1,890,185	1,981,126	2,059,698
MAR. -DAILY CLASS I COMPARED TO:		-4.59%	-8.23%
CLASS I YEAR TO DATE (IN THOUSANDS)	177,792	119,196	177,623
% CHANGE FROM PREVIOUS YEAR	+1.10%	+4.77%	+1.48%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	56,759,311	56,536,687	62,682,917
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	7,262,989	7,461,235	12,018,642
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	121,544,550	95,325,156	112,177,700
TOTAL PRODUCER RECEIPTS	185,566,850	159,323,078	186,879,259
OTHER SOURCE A/	20,151,789	12,771,905	19,900,740
OPENING INVENTORY	9,115,274	9,229,529	12,747,836
OVERAGE	206,898		
TOTAL RECEIPTS	215,040,811	181,324,512	219,527,835
DAILY PRODUCER RECEIPTS	5,986,027	5,493,899	6,028,363
MAR. -DAILY PRODUCER RECEIPTS COMPARED TO:		+8.96%	-.70%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	515,900	330,333	474,708
% CHANGE FROM PREVIOUS YEAR	+8.68%	+14.77%	-8.24%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.628%	3.656%	3.647%
% PRODUCER MILK CLASSIFIED AS CLASS I	30.59%	35.49%	33.54%
NUMBER OF PRODUCERS	312	309	132
AVERAGE DAILY DELIVERY PER PRODUCER	19,186	17,780	45,669
NUMBER OF POOL HANDLERS	15	15	15

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 MAR. 1996	REPORTED FEB. 1996	REPORTED MAR. 1995
TOTAL UTILIZATION			
CLASS I	267,015,115	261,255,273	277,409,251
CLASS II	100,686,883	89,934,904	97,649,085
CLASS III/III-A	299,066,846	252,623,072	233,948,689
CLOSING INVENTORY (CLASS I, II AND III)	33,116,547	30,493,463	27,570,812
TOTAL UTILIZATION	699,885,391	634,606,712	636,577,837
DAILY CLASS I UTILIZATION	8,613,391	9,019,147	8,948,686
MAR. -DAILY CLASS I COMPARED TO:		-4.50%	-3.75%
CLASS I YEAR TO DATE (IN THOUSANDS)	808,582	541,567	813,518
% CHANGE FROM PREVIOUS YEAR	-61%	+1.02%	+10%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	265,892,822	260,547,989	276,624,489
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	92,309,131	81,538,605	87,992,229
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	295,079,425	241,894,887	220,910,153
TOTAL PRODUCER RECEIPTS	653,281,378	583,981,481	585,526,871
OTHER SOURCE A/	16,039,995	16,559,455	17,346,176
OPENING INVENTORY	30,517,579	33,995,392	33,222,525
OVERAGE	46,439	70,384	482,265
TOTAL RECEIPTS	699,885,391	634,606,712	636,577,837
DAILY PRODUCER RECEIPTS	21,073,593	20,137,292	18,887,964
MAR. -DAILY PRODUCER RECEIPTS COMPARED TO:		+4.65%	+11.57%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,838,557	1,185,276	1,692,810
% CHANGE FROM PREVIOUS YEAR	+8.61%	+7.04%	+3.56%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.613%	3.664%	3.582%
% PRODUCER MILK CLASSIFIED AS CLASS I	40.70%	44.62%	47.24%
NUMBER OF PRODUCERS	1,823	1,819	2,113
AVERAGE DAILY DELIVERY PER PRODUCER	11,560	11,071	8,939
NUMBER OF POOL HANDLERS	32	31	35

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