

THE MARKET ADMINISTRATOR'S

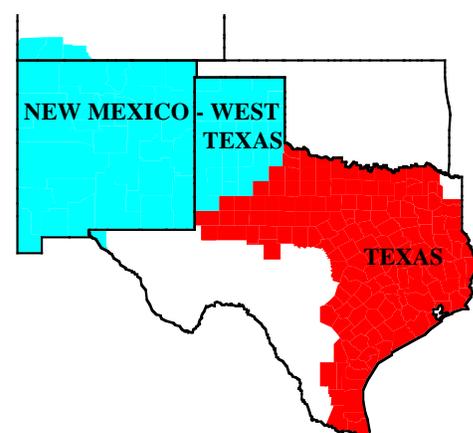
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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VOLUME XXII, NO. 6

JUNE 1996

MARKET SUMMARIES FOR MAY

The May Class III price increased 68 cents from the previous month to \$13.77. The Class II price for May of \$13.00 per hundredweight increased 11 cents from \$12.89 in April. March's Class III-A price increased \$1.38 from April's level to \$11.90.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.43 per hundredweight for deliveries of milk containing 3.5% butterfat. The May price was up 37 cents from April.

Producers delivered a total of 637,846,059 pounds of milk during May. On a daily basis this represents a decrease of 6.68 percent from the producer receipts level in April but it represents an increase of 12.76 percent when compared to the producer receipts level of May 1995.

Producer milk classified as Class I during May amounted to 42.30 percent of total producer receipts. This figure is up from April's 40.42 percent but it is down from 47.24 percent in May 1995. The average butterfat test of producer milk pooled during May 1996 was 3.458 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 \$13.82 per hundredweight for deliveries of milk containing 3.5% butterfat. The May price was up 83 cents from its April level.

Producers delivered a total of 111,299,352 pounds of milk during May. On a daily basis this represents a decrease of 13.45 percent from the producer receipts level in April and it represents a decrease of 39.43 percent when compared to the producer receipts level of May 1995.

Producer milk classified as Class I during May amounted to 52.11 percent of total producer receipts. This figure is up from 48.03 percent in April and it is up from

31.82 percent in May 1995. The average butterfat test of producer milk pooled during May 1996 was 3.527 percent.

USDA REFUNDS DAIRY FARMERS \$81.9 MILLION FOR REDUCED 1995 MARKETINGS

The U.S. Department of Agriculture has announced refunds of \$81.9 million to milk producers who reduced or did not increase their 1995 milk marketings compared with 1994. The law provides that any producer who did not market more milk in a refund-year than was marketed in the previous year is eligible for a refund of the entire amount assessed during the refund-year.

As required by section 204 of the Agricultural Act of 1949, as amended by the Omnibus Budget Reconciliation Act of 1990, producers paid an assessment on all milk they marketed during calendar year 1995. The rate of assessment from January through April 30 was 11.25 cents per hundredweight and from May 1 through December 31 was 18.23 cents per hundredweight.

Eligible producers filed 37,896 applications and claimed refunds of \$81.9 million based upon reduced marketings of 52.0 billion pounds. In Texas, 935 eligible producers filed claims for \$4.423 billion based upon reduced milk marketings of 2.838 billion pounds. In New Mexico, 54 eligible producers filed claims for \$2.192 billion based upon reduced milk marketings of 1.385 billion pounds. Producers must have met the eligibility requirements and claimed the refund by March 15.

Editor's Note:

For the 1991 refund-year, eligible producers filed 47,805 applications and claimed refunds of \$23.164 billion based upon reduced marketings of 46.4 billion pounds. For the 1992, 1993, and 1994 refund-years, the comparable figures were: 38,595, \$50.733 billion, and 39.6 billion pounds; and 54,403, \$80.325 billion, and 56.1 billion pounds; and 47,956, \$72.778 billion, and 44.4 billion pounds, respectively.

CALCULATION OF BASIC FORMULA PRICE

Prices and Production

	Apr-96	May-96
Minnesota-Wisconsin Base Price at 3.5%	13.09	—
Chicago Mercantile Exchange AA Butter	0.7620	.9490
Chicago Mercantile Exchange A Butter	0.6957	0.8916
National Cheese Exchange 40# Blocks	1.4325	1.4925
Western States NFDM Low/Medium Heat	1.0794	1.1360
Western States Dry Buttermilk	0.9148	1.0099
American Cheese Production in M/W**	134,260	
NFDM Production in M/W**	6,942	

**Represents most recent preceding period.

Apr-96 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NCE Blocks) + (.238 x CME A Butter)	\$14.3044
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$12.3487

May-96 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NCE Blocks) + (.238 x CME A Butter)	\$14.9432
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$13.6439

Differences in Gross Values

Cheese	\$0.6388
Butter/NFDM	\$1.2952

Manufactured Products Production

	Pounds	Milk Equivalent	Percent
Apr-96 Cheese	134,260,000 / 9.87	13,602,837	0.941
Apr-96 Butter/NFDM	6,942,000 / 8.07	860,223	0.059
		14,463,060	1.000

Weighted Change in Values

Cheese	0.941	x	\$0.6388		\$0.6008
Butter/NFDM	0.059	x	\$1.2952		\$0.0770
Total Change in Value (Update)					\$0.6778
Rounded to Nearest Whole Cent					\$0.68

Basic Formula Price

Apr-96 Minnesota-Wisconsin Base Price	\$13.09
Update Value	\$0.68

May-96 Basic Formula Price

\$13.77

CALCULATION OF BUTTERFAT DIFFERENTIAL May 1996

Date	Butter Price a/	Number of Days Used	Price Weight
4/26	\$.7700	2	1.5400
5/3	\$.7900	7	5.5300
5/10	\$.7900	7	5.5300
5/17	\$.9400	7	6.5800
5/24	\$1.0400	7	7.2800
5/31	\$1.1800	1	1.1800
TOTAL		31	27.6400
Average Price		27.6400/31 =	\$.8916

Butterfat Differential

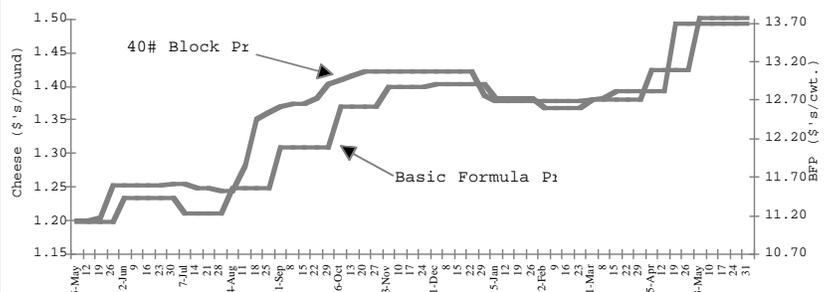
$$= (.138 * \$.8916) - (.0028 * \$13.98 \text{ b/})$$

$$= \mathbf{\$.084}$$

a/ Weekly Chicago Mercantile Grade A prices

b/ Previous Base Price at test plus current change in value.

National Cheese Exchange Block F
and Basic Formula Prices for May 95



TOP TEN TEXAS COUNTIES a/ – MAY 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Erath	186	136,589,119	+11.03	7. Hamilton	38	17,910,469	+15.45
2. Hopkins	360	72,317,007	-8.73	8. Wood	84	17,514,254	-10.92
3. Comanche	58	39,339,427	+16.29	9. Cherokee	43	15,632,452	-8.33
4. Johnson	60	21,495,740	+3.38	10. Van Zandt	36	11,935,808	+13.23
5. Archer	65	20,541,293	+13.46	Ten County Total	939	373,387,671	+4.31 b/
6. El Paso	9	20,112,102	+7.79	Other Counties Total	775	193,733,243	+7.1
				Texas Total	1,714	567,120,914	+3.06

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-----	
April 1995	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	13.09	10.52	14.06	12.99	5.9	69.57	143.25	110.32
May	15.86	15.05	13.00	13.77	11.90	14.43	13.82	8.4	89.16	149.25	116.00
June	16.25	15.44	13.39								
July	16.93	16.12	14.07								

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

TOP NEW MEXICO COUNTIES a/ – MAY 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Chaves	40	123,657,868	+3.1	7. Valencia	12	11,562,877	-1.18
2. Dona Ana	24	64,899,691	+6.34	8. Bernalillo	8	9,189,492	-11.44
3. Roosevelt	29	42,156,556	+2.93	9. Socorro	8	6,974,792	+16.74
4. Curry	9	31,481,876	+21.60				
5. Lea	12	18,439,378	+8.74	Nine County Total	147	326,304,382	+3.98
6. Eddy	5	17,941,852	+1.71	Other Counties Total	6	9,233,132	+32.33
				New Mexico Total	153	335,537,514	+4.60

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 1994 THROUGH MAY 1996, WITH PERCENTAGE COMPARISONS ****

MONTH	1994 POUNDS	Number of Producers	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	PERCENT CHANGE 1995/94	1996/95
January	531,658,454	1,960	544,665,125	1,918	549,914,311	1,786	+2.45	+ .96
February	502,048,659	1,961	517,418,721	1,906	536,289,739	1,773	+3.06	+ .07
March	590,563,277	1,957	577,449,222	1,897	590,936,348	1,745	-2.22	+2.34
April	588,890,115	1,963	558,387,965	1,881	575,799,475	1,738	-5.18*	+3.12
May	578,186,307	1,956	550,303,073	1,879	567,120,914	1,714	-4.81*	+3.06
June	498,233,850	1,969	502,909,961	1,859			+ .96	
July	486,029,589	1,955	477,220,938	1,861			-1.81	
August	475,739,415	1,953	446,351,445	1,853			-6.18	
September	458,143,784	1,948	436,091,164	1,839			-4.81	
October	486,705,004	1,944	479,027,137	1,832			-1.58	
November	483,247,718	1,936	478,710,017	1,821			-.94*	
December	<u>521,399,526</u>	1,924	<u>521,728,728</u>	1,795			<u>+ .06</u>	
Years Total	6,200,845,698		6,090,263,496				-1.78	

*Revised figures

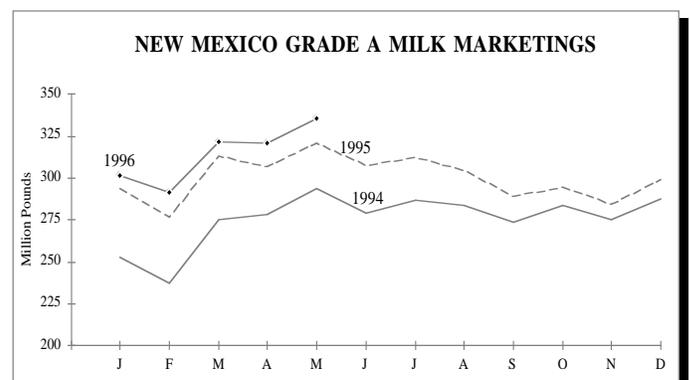
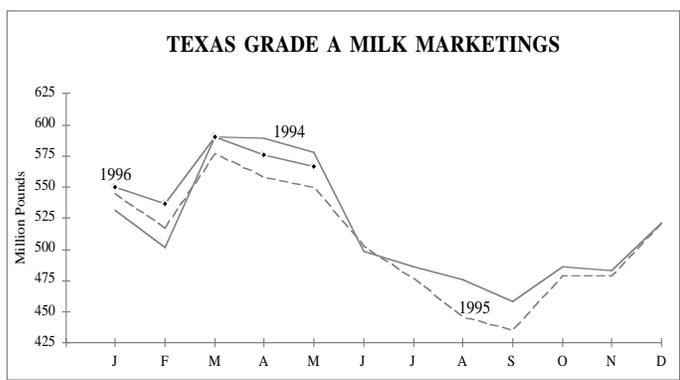
**February figures are based upon average daily production.

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1994 THROUGH MAY 1996, WITH PERCENTAGE COMPARISONS ****

MONTH	1994 POUNDS	Number of Producers	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	PERCENT CHANGE 1995/94	1996/95
January	253,218,001	147	293,542,014	156	301,646,087	153	+15.92*	+2.76
February	237,211,785	148	276,638,548	155	291,741,013	154	+16.62*	+1.82
March	275,165,335	145	313,161,171	152	321,854,914	154	+13.81	+2.78
April	278,682,898	149	307,337,393	152	321,032,089	153	+10.28*	+4.46
May	293,746,832	149	320,781,400	154	335,537,514	153	+9.20*	+4.60
June	278,940,461	150	309,224,349	153			+10.86	
July	286,825,906	149	312,630,262	153			+9.00	
August	283,870,810	150	304,582,850	153			+7.30	
September	273,359,295	151	288,872,854	156			+5.68	
October	283,588,806	152	294,564,685	154			+3.87	
November	275,359,100	152	284,775,780	155			+3.42	
December	<u>287,886,379</u>	154	<u>299,367,034</u>	153			<u>+3.99</u>	
Years Total	3,307,855,608		3,605,478,340				+9.00	

*Revised figures

**February figures are based upon average daily production.



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
May 1995	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
April	3.57	3.57	3.17	3.11	4.82	4.83	8.68	8.65	287	205
May	3.47	3.46	3.11	3.06	4.81	4.82	8.63	8.58	288	203

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED MAY 1996	REPORTED APR. 1996	REPORTED MAY 1995
TOTAL UTILIZATION			
CLASS I	59,404,568	60,480,828	59,462,601
CLASS II	9,394,093	10,433,696	16,321,711
CLASS III/III-A	96,245,638	93,123,947	124,916,356
CLOSING INVENTORY (CLASS I, II AND III)	8,818,049	9,837,179	12,497,919
TOTAL UTILIZATION	173,862,348	173,875,650	213,198,587
DAILY CLASS I UTILIZATION	1,916,276	2,016,028	1,918,148
MAY -DAILY CLASS I COMPARED TO:		-4.95%	-.10%
CLASS I YEAR TO DATE (IN THOUSANDS)	297,678	238,273	293,365
% CHANGE FROM PREVIOUS YEAR	+1.47%	+1.87%	+2.30%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	58,000,577	59,777,913	58,480,520
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	9,211,051	8,449,026	14,856,899
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	44,087,724	56,224,929	110,423,245
TOTAL PRODUCER RECEIPTS	111,299,352	124,451,868	183,760,664
OTHER SOURCE A/	52,725,817	35,180,721	18,893,116
OPENING INVENTORY	9,837,179	14,242,141	10,427,160
OVERAGE		920	117,647
TOTAL RECEIPTS	173,862,348	173,875,650	213,198,587
DAILY PRODUCER RECEIPTS	3,590,302	4,148,396	5,927,763
MAY -DAILY PRODUCER RECEIPTS COMPARED TO:		-13.45%	-39.43%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	751,651	640,352	838,294
% CHANGE FROM PREVIOUS YEAR	-10.34%	-2.17%	+0.02%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.527%	3.589%	3.508%
% PRODUCER MILK CLASSIFIED AS CLASS I	52.11%	48.03%	31.82%
NUMBER OF PRODUCERS	235	269	126
AVERAGE DAILY DELIVERY PER PRODUCER	25,830	15,422	47,046
NUMBER OF POOL HANDLERS	14	14	15

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

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Address Corrections Requested

TEXAS MILK MARKET AT A GLANCE

	REPORTED MAY 1996	REPORTED APR. 1996	REPORTED MAY 1995
TOTAL UTILIZATION			
CLASS I	269,061,583	267,966,034	265,633,832
CLASS II	111,989,021	107,129,949	103,396,546
CLASS III/III-A	282,801,290	308,647,562	218,956,991
CLOSING INVENTORY (CLASS I, II AND III)	22,975,207	31,175,805	27,940,366
TOTAL UTILIZATION	686,827,101	714,919,350	615,927,735
DAILY CLASS I UTILIZATION	8,679,406	8,932,201	8,568,833
MAY -DAILY CLASS I COMPARED TO:		-2.83%	+1.29%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,345,610	1,076,548	1,331,094
% CHANGE FROM PREVIOUS YEAR	+1.09%	+1.04%	-1.42%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	268,078,739	267,376,505	263,606,698
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	101,681,447	96,558,381	93,514,559
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	268,085,873	297,493,111	208,569,217
TOTAL PRODUCER RECEIPTS	637,846,059	661,427,997	565,690,474
OTHER SOURCE A/	17,924,511	20,370,173	15,891,090
OPENING INVENTORY	31,001,390	33,116,547	34,308,972
OVERAGE	55,141	4,633	37,199
TOTAL RECEIPTS	686,827,101	714,919,350	615,927,735
DAILY PRODUCER RECEIPTS	20,575,679	22,047,600	18,248,080
MAY -DAILY PRODUCER RECEIPTS COMPARED TO:		-6.68%	+12.76%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	3,137,831	2,499,985	2,831,337
% CHANGE FROM PREVIOUS YEAR	+10.83%	+10.34%	+2.11%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.458%	3.566%	3.455%
% PRODUCER MILK CLASSIFIED AS CLASS I	42.03%	40.42%	46.60%
NUMBER OF PRODUCERS	1,740	1,775	2,101
AVERAGE DAILY DELIVERY PER PRODUCER	11,825	12,421	8,685
NUMBER OF POOL HANDLERS	32	32	35

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