

## THE MARKET ADMINISTRATOR'S

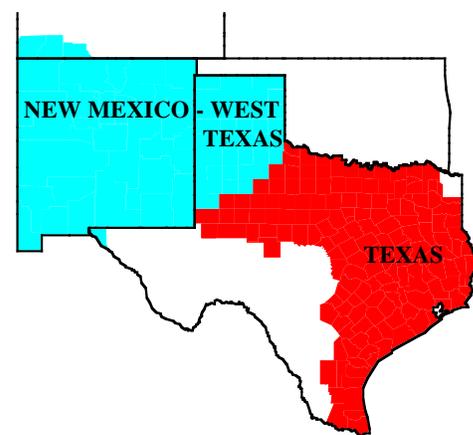
# REPORT



### TEXAS MARKETING AREA

### NEW MEXICO - WEST TEXAS MARKETING AREA

*RICHARD FLEMING*, MARKET ADMINISTRATOR  
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
(214) 245-6060 FAX(214) 245-3211



VOLUME XXII, NO. 3

MARCH 1996

### MARKET SUMMARIES FOR FEBRUARY

The February Class III price decreased 14 cents from the previous month to \$12.59. The Class II price for February of \$13.21 per hundredweight increased 4 cents from \$13.17 in January. February's Class III-A price decreased 77 cents from January's level to \$10.39.

**Texas:** Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.15 per hundredweight for deliveries of milk containing 3.5% butterfat. The February price was down 17 cents from January.

Producers delivered a total of 583,981,481 pounds of milk during February. On a daily basis this represents an increase of 3.82 percent from the producer receipts level in January and it represents an increase of 4.38 percent when compared to the producer receipts level of February 1995.

Producer milk classified as Class I during February amounted to 44.62 percent of total producer receipts. This figure is down from January's 46.55 percent and it is down from 46.63 percent in February 1995. The average butterfat test of producer milk pooled during February 1996 was 3.664 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 \$13.21 per hundredweight for deliveries of milk containing 3.5% butterfat. The February price was down 12 cents from its January level.

Producers delivered a total of 159,323,078 pounds of milk during February. On a daily basis this represents a decrease of .41 percent from the producer receipts level in January but it represents an increase of 7.57 percent when compared to the producer receipts level of February 1995.

Producer milk classified as Class I during February amounted to 35.49 percent of total producer receipts. This figure is up slightly from 35.13 percent in January but it is down from 37.71 percent in February 1995. The average butterfat test of producer milk pooled during February 1996 was 3.656 percent.

### MILK PRODUCTION TO RISE SLIGHTLY

The lowest milk-feed price ratios since the mid-seventies will limit growth in milk production this year by trimming expansion in milk per cow. Farmers will be conservative about increases in concentrate feeding, and growth in the number of cows receiving bovine somatotropin (bST) will slow. Milk per cow is projected to increase less than 2 percent in 1996, about the same as 1995's weather-limited rise. Milk cow numbers are expected to decline about 1 percent in 1996, slightly more than in 1995.

The 1 percent rise in milk production is expected to be easily absorbed by expansion in commercial use. Sales of milkfat and skim solids are expected to increase 1 to 2 percent in 1996. Butter exports are expected to absorb the available butter, and domestic cheese sales are expected to grow.

The 1996 surplus of skim solids will be small, while the milkfat surplus could be very small. Removals of skim solids are projected to be equivalent to 2 to 4 billion pounds of milk.

Tight markets are expected to generate higher milk prices, particularly during the first half. The 1996 average milk price is projected to rise 3 to 6 percent from 1995's \$12.78 per hundredweight, to possibly the highest since 1990. Prices will be particularly sensitive to domestic demand for skim solids, variations in milk production, and international butter prices.

## 1995 MAILBOX MILK PRICE COMPARISON 1/

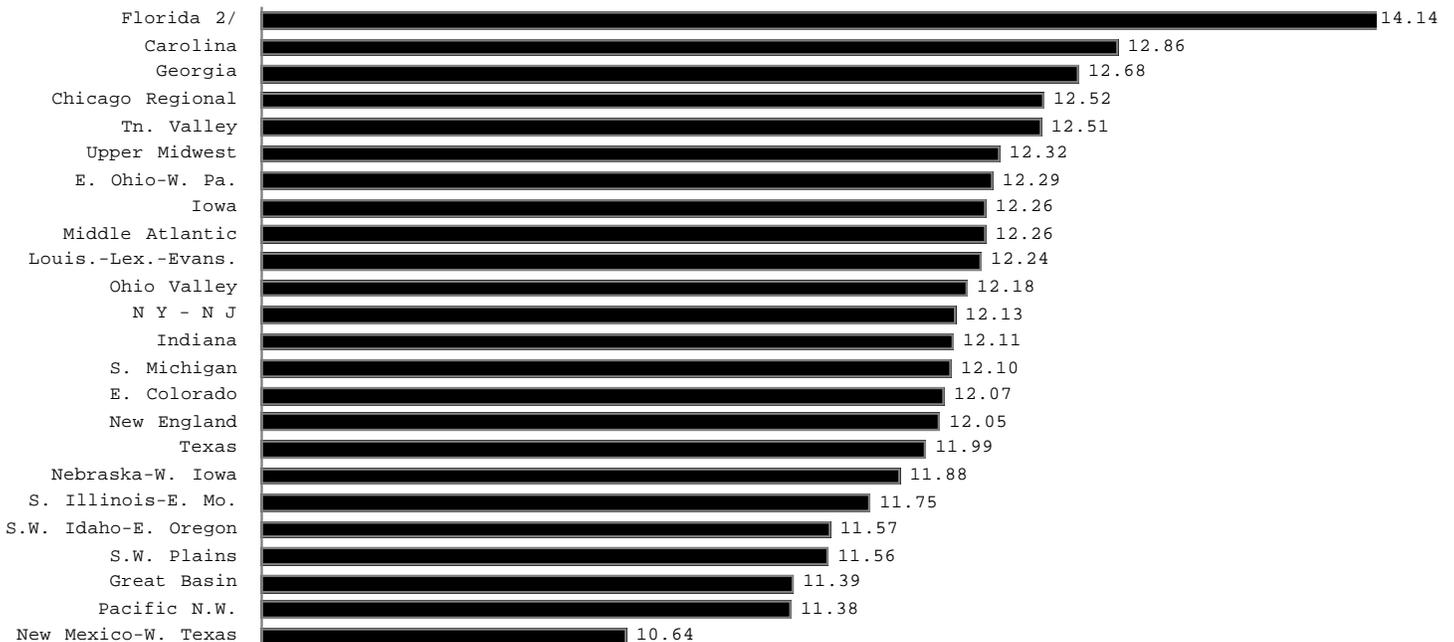
FEDERAL ORDER	AVG	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
New Mexico-W. Texas	<b>10.64</b>	10.39	10.32	10.35	10.10	10.10	9.99	10.06	10.75	10.82	11.35	11.80	11.69
Pacific N.W.	<b>11.38</b>	11.23	11.21	11.20	11.11	11.04	10.81	10.84	11.21	11.38	11.92	12.47	12.19
Great Basin	<b>11.39</b>	11.25	11.33	11.31	10.99	10.90	10.82	10.67	11.23	11.53	11.90	12.35	12.44
S.W. Plains	<b>11.56</b>	11.44	11.34	11.45	11.25	11.03	10.83	10.80	11.35	11.56	12.13	12.72	12.78
S.W. Idaho-E. Oregon	<b>11.57</b>	11.24	11.56	11.79	11.15	10.84	10.92	10.83	11.13	11.72	12.27	12.74	12.60
S. Illinois-E. Mo.	<b>11.75</b>	11.73	11.61	11.63	11.62	11.53	11.18	11.03	11.37	11.49	12.05	12.74	12.96
Nebraska-W. Iowa	<b>11.88</b>	11.64	11.73	11.86	11.46	11.35	11.19	11.11	11.41	11.85	12.63	13.24	13.05
Texas	<b>11.99</b>	11.99	11.88	11.87	11.52	11.66	11.35	11.23	11.86	11.95	12.48	13.04	13.02
New England	<b>12.05</b>	11.83	11.86	11.98	11.93	11.92	11.39	11.35	11.71	11.88	12.42	13.14	13.20
E. Colorado	<b>12.07</b>	12.05	12.08	12.11	11.45	11.82	11.54	11.30	11.83	11.97	12.53	13.01	13.14
S. Michigan	<b>12.10</b>	12.07	11.98	12.02	11.94	11.86	11.39	11.34	11.74	11.96	12.47	13.23	13.23
Indiana	<b>12.11</b>	12.29	11.93	12.02	12.08	11.93	11.24	11.22	11.66	11.89	12.42	13.25	13.40
N Y-N J	<b>12.13</b>	12.00	12.02	12.14	11.88	11.82	11.45	11.39	11.74	12.01	12.61	13.17	13.31
Ohio Valley	<b>12.18</b>	12.13	12.04	12.16	12.09	12.04	11.37	11.32	11.89	12.17	12.48	12.83	13.63
Louis.-Lex.-Evans.	<b>12.24</b>	12.30	12.04	12.02	11.97	12.17	11.66	11.58	12.02	12.01	12.56	13.21	13.35
Middle Atlantic	<b>12.26</b>	12.15	12.07	12.06	11.83	11.86	11.50	11.60	12.14	12.26	12.82	13.50	13.32
Iowa	<b>12.26</b>	12.01	12.15	12.19	11.78	11.65	11.44	11.28	11.62	12.31	13.22	13.82	13.68
E. Ohio-W. Pa	<b>12.29</b>	12.20	12.20	12.26	12.17	12.09	11.61	11.50	11.83	12.11	12.60	13.37	13.56
Upper Midwest	<b>12.32</b>	11.97	12.24	12.23	11.67	11.52	11.49	11.35	11.73	12.55	13.41	13.94	13.75
Tn. Valley	<b>12.51</b>	12.63	12.39	12.37	12.16	12.41	11.87	11.79	12.41	12.17	12.71	13.53	13.70
Chicago Regional	<b>12.52</b>	12.20	12.44	12.46	11.96	11.80	11.75	11.52	11.87	12.69	13.57	14.08	13.92
Georgia	<b>12.68</b>	12.92	12.58	12.41	12.47	12.65	12.25	12.08	12.40	12.39	12.89	13.53	13.55
Carolina	<b>12.86</b>	12.81	12.41	12.59	12.39	12.77	12.40	12.28	12.69	12.70	13.20	13.95	14.10
Florida 2/	<b>14.14</b>	13.98	13.60	13.68	13.77	13.92	14.04	13.77	14.29	14.09	14.20	14.96	15.43
Average	<b>12.12</b>	12.02	11.96	12.01	11.78	11.78	11.48	11.39	11.83	12.06	12.62	13.23	13.29

1/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders.

Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test.

2/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

### MAILBOX MILK PRICE COMPARISON AVERAGE OF JANUARY THROUGH DECEMBER 1995



## TOP TEN TEXAS COUNTIES a/ – FEBRUARY 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Erath	189	123,457,207	+5.41	7. Wood	89	17,832,215	-7.66
2. Hopkins	369	69,905,486	-9.79	8. Hamilton	39	16,465,797	+20.50
3. Comanche	56	35,006,865	+3.29	9. Cherokee	43	15,552,640	-8.68
4. Johnson	65	20,525,677	-.44	10. Van Zandt	37	11,580,2664	+16.11
5. El Paso	9	19,427,706	+3.25	Ten County Total	961	348,694,389	+1.15 b/
6. Archer	65	18,940,530	+1.31	Other Counties Total	812	187,595,350	-.06
				<b>Texas Total</b>	<b>1,773</b>	<b>536,289,739</b>	<b>+0.7</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 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-----	
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	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								
April	15.75	14.94	12.89								

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

## TOP NEW MEXICO COUNTIES a/ – FEBRUARY 1996

County	Number of Producers	Pounds	% Change From 1995	County	Number of Producers	Pounds	% Change From 1995
1. Chaves	40	107,969,160	-.76	7. Valencia	12	10,088,187	+7.75
2. Dona Ana	24	57,663,427	+3.34	8. Bernalillo	9	8,116,966	-19.48
3. Roosevelt	29	36,193,392	+3.65	9. Socorro	8	6,057,772	+11.77
4. Curry	9	25,662,357	+13.84				
5. Lea	12	15,944,543	+0.08	Nine County Total	148	283,587,783	+1.22
6. Eddy	5	15,891,979	-4.62	Other Counties Total	6	8,153,230	+28.28
				<b>New Mexico Total</b>	<b>154</b>	<b>291,741,013</b>	<b>+1.82</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 1994 THROUGH FEBRUARY 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			-2.22	
April	588,890,115	1,963	558,387,965	1,881			-5.18*	
May	578,186,307	1,956	550,303,073	1,879			-4.81*	
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

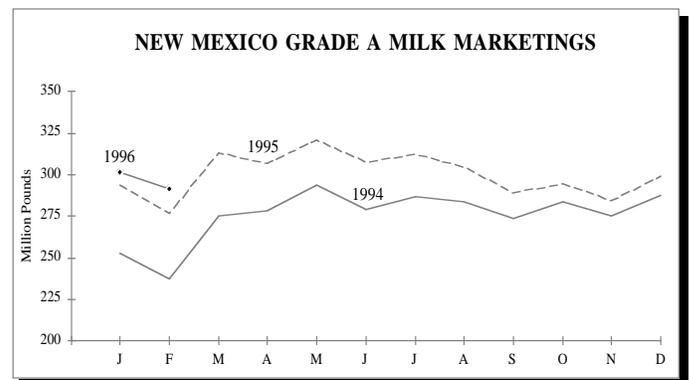
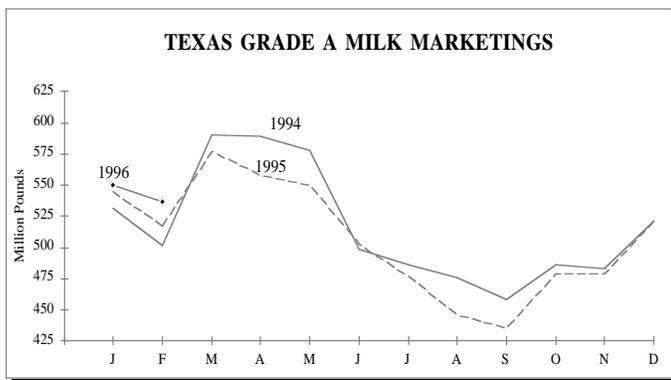
\*\*February figures are based upon average daily production.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1994 THROUGH FEBRUARY 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			+13.81	
April	278,682,898	149	307,337,393	152			+10.28*	
May	293,746,832	149	320,781,400	154			+9.20*	
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
February 1995	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
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

\* In thousands.

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

	REPORTED FEB. 1996	REPORTED JAN. 1996	REPORTED FEB. 1995
<b>TOTAL UTILIZATION</b>			
CLASS I	57452,661	61,743,740	55,053,235
CLASS II	9,124,509	8,626,168	8,840,109
CLASS III/III-A	105,632,068	114,659,802	102,295,805
CLOSING INVENTORY (CLASS I, II AND III)	9,115,274	9,229,529	12,747,836
TOTAL UTILIZATION	181,324,512	194,259,239	178,936,985
DAILY CLASS I UTILIZATION	1,981,126	1,991,734	1,966,187
FEB. -DAILY CLASS I COMPARED TO:		-53%	+76%
CLASS I YEAR TO DATE (IN THOUSANDS)	119,196	61,744	113,772
% CHANGE FROM PREVIOUS YEAR	+4.77%	+5.15%	-1.98%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	56,536,687	60,073,926	53,926,628
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	7,461,235	6,470,122	7,836,245
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	95,325,156	104,465,943	81,236,021
TOTAL PRODUCER RECEIPTS	159,323,078	171,009,991	142,998,894
OTHER SOURCE A/	12,771,905	12,835,425	24,639,916
OPENING INVENTORY	9,229,529	10,396,648	11,298,175
OVERAGE		17,175	
TOTAL RECEIPTS	181,324,512	194,259,239	178,936,985
<b>DAILY PRODUCER RECEIPTS</b>	5,493,899	5,516,451	5,107,103
FEB. -DAILY PRODUCER RECEIPTS COMPARED TO:		-41%	+7.57%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	330,333	171,010	287,829
% CHANGE FROM PREVIOUS YEAR	+14.77%	+18.08%	-14.17%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.656%	3.737%	3.671%
% PRODUCER MILK CLASSIFIED AS CLASS I	35.49%	35.13%	37.71%
NUMBER OF PRODUCERS	309	342	126
AVERAGE DAILY DELIVERY PER PRODUCER	17,780	16,130	40,533
NUMBER OF POOL HANDLERS	15	15	16

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**  
RICHARD FLEMING, MARKET ADMINISTRATOR  
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
(214) 245-6060 FAX(214) 245-3211

BULK RATE  
U.S. POSTAGE  
PAID  
Carrollton, TX  
Permit No. 343

Address Corrections Requested

## TEXAS MILK MARKET AT A GLANCE

	REPORTED FEB. 1996	REPORTED JAN. 1996	REPORTED FEB. 1995
<b>TOTAL UTILIZATION</b>			
CLASS I	261,555,273	280,012,040	253,818,831
CLASS II	89,934,904	86,534,040	92,587,753
CLASS III/III-A	252,623,072	253,867,433	207,033,798
CLOSING INVENTORY (CLASS I, II AND III)	30,493,463	33,062,838	33,993,348
TOTAL UTILIZATION	634,606,712	653,476,351	587,433,730
DAILY CLASS I UTILIZATION	9,019,147	9,032,646	9,064,958
FEB. -DAILY CLASS I COMPARED TO:		- .15%	- .51%
CLASS I YEAR TO DATE (IN THOUSANDS)	541,567	280,012	536,109
% CHANGE FROM PREVIOUS YEAR	+1.02%	- .81%	+ .42%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	260,547,989	279,916,171	251,895,840
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	81,538,605	78,117,747	87,094,251
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	241,894,887	243,260,531	201,219,037
TOTAL PRODUCER RECEIPTS	583,981,481	601,294,449	540,209,128
OTHER SOURCE A/	16,559,455	15,757,818	17,043,982
OPENING INVENTORY	33,995,392	36,424,084	29,296,991
OVERAGE	70,384		883,629
TOTAL RECEIPTS	634,606,712	653,476,351	587,433,730
<b>DAILY PRODUCER RECEIPTS</b>	20,137,292	19,396,595	19,293,183
FEB. -DAILY PRODUCER RECEIPTS COMPARED TO:		+3.82%	+4.38%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,185,276	601,294	1,107,283
% CHANGE FROM PREVIOUS YEAR	+7.04%	+6.03%	+5.08%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.664%	3.733%	3.588%
% PRODUCER MILK CLASSIFIED AS CLASS I	44.62%	46.55%	46.63%
NUMBER OF PRODUCERS	1,819	1,852	2,140
AVERAGE DAILY DELIVERY PER PRODUCER	11,071	10,473	9,016
NUMBER OF POOL HANDLERS	31	30	36

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