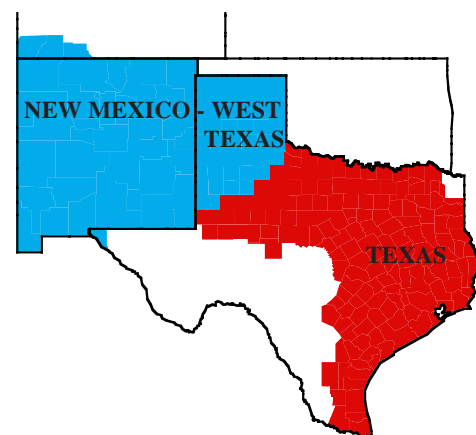


THE MARKET ADMINISTRATOR'S *REPORT*



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 XXI, NO. 6

JUNE 1995

MARKET SUMMARIES FOR MAY

The May Class III price decreased 4 cents from the previous month to \$11.12. The Class II price for May of \$12.19 per hundredweight increased 10 cents from \$12.09 in April. May's Class III-A price decreased 6 cents from April's level to \$10.21.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$12.97 per hundredweight for deliveries of milk containing 3.5% butterfat. The May price was up 27 cents from April.

Producers delivered a total of 565,690,474 pounds of milk during May. On a daily basis this represents a decrease of 4.43 percent from the producer receipts level in April and it represents a decrease of 1.10 percent when compared to the producer receipts level of May 1994.

Producer milk classified as Class I during May amounted to 46.60 percent of total producer receipts. This figure is up from 43.55 percent in April but it is down slightly from 46.97 percent in May 1994. The average butterfat test of producer milk pooled during May 1995 was 3.455 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 \$11.93 per hundredweight for deliveries of milk containing 3.5% butterfat. The May price was up 3 cents from April.

Producers delivered a total of 183,760,664 pounds of milk during May. On a daily basis this represents a decrease of 1.11 percent from the producer receipts level in April but it represents an increase of 7.66 percent when compared to the producer receipts level of May 1994.

Producer milk classified as Class I during May

amounted to 31.82 percent of total producer receipts. This figure is up from 30.19 percent in April but it is down from 32.77 percent in May 1994. The average butterfat test of producer milk pooled during May 1995 was 3.508 percent.

CME AND CSCE SEEK TO TRADE MILK FUTURES

The board of the Coffee, Sugar & Cocoa Exchange, Inc. (CSCE) are seeking designation with the Commodity Futures Trading Commission (CFTC) to trade milk futures and contracts.

The new contracts, which were developed with dairy industry input, will let participants manage milk price risk by hedging with milk futures and options. 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 CSCE plan calls for introduction of milk options contracts following establishment of futures.

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

In addition to the new milk contract that will be offered by the CSCE, the Chicago Mercantile Exchange (CME) has also petitioned the CFTC to approve a new milk futures contract they will be offering as well.

CERTAIN ORDER PROVISIONS PROPOSED FOR SUSPENSION

On May 26, 1995, Lon Hatamiya, Administrator of Agricultural Marketing Service, signed a proposed suspension of rule which would suspend certain pool-

ing provisions of the Texas Federal Order No. 126. This action continues, for the months of August 1995 through July 1997, a suspension of portions of the pool plant and producer milk definitions of the Texas order. Specifically, the action continues the suspension of the 60 percent delivery standard for pooling cooperative association plants, the limitation on the types of pool plants at which milk receipts are used to determine the amount of milk that a cooperative may divert to nonpool plants, and the limits on the amount of milk that a pool plant operator may divert to nonpool plants. In addition, the shipping standards for pooling supply plants under the order, and the individual producer performance standards that must be met to be eligible to be diverted to a nonpool plant, also are suspended for August 1995 through July 1997. The continuation of the suspension was requested by Associated Milk Producers, Inc., a cooperative association that represents a substantial proportion of the producers who supply milk to the market.

GRADE A MARKETINGS BY FARM SIZE

Grade A marketings by farm size are shown in the tables that follow for both Texas and New Mexico for the month of May. The tables report the number of producers and milk pounds by farm size groupings. The two state's milk sheds are quite different in their structure and makeup.

In Texas, the small dairy farm with less than 250,000 pounds of milk marketed per month accounted for 28.54 percent of total milk production. This grouping is comprised of 65.57 percent of the total producers in the state. Farms that produced between 250,000 and 499,999 pounds of milk accounted for another 23.58 percent of all Grade A milk marketed in Texas and are represented by 20.49 percent of the total number of producers. Producers marketing over 500,000 pounds of milk per month account for the state's remaining 47.88 percent of total milk and are represented by 13.94 percent of the total producers in Texas during May 1995. A further breakdown of this last grouping shows that the 4.52 percent of producers that market more than 1,000,000 pounds of milk a month produce 26.19 percent of all milk in the state.

In New Mexico, the small dairy farm, with production of less than 250,000 a month is exactly that, a very small proportion of the total. This size group marketed only .34 percent of New Mexico's total milk marketings and represented only 7.89 percent of the state's total producers. Moving up to the next size

grouping of 250,000 to 499,999 pounds of milk a month shows much the same result with this group producing just 2.01 percent of the all production in the state and makeup 11.19 percent of all New Mexico producers. Producers marketing over 500,000 pounds of milk per month account for the state's remaining 97.65 percent of all milk and are represented by 80.92 percent of the total producers in New Mexico during May 1995. Of particular interest, that within this last group, producers marketing over 1,000,000 pounds of milk a month produced 92.68 percent of all milk in the state and account for 67.11 percent of the total producers.

MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN TEXAS MAY 1995

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	118	3,846,515	.70
50,000- 99,999	347	25,908,159	4.70
100,000-149,999	314	39,065,889	7.10
150,000-199,999	263	45,787,488	8.32
200,000-249,999	190	42,497,277	7.72
250,000-299,999	146	39,907,939	7.25
300,000-349,999	92	29,776,364	5.41
350,000-399,999	76	28,236,667	5.13
400,000-449,999	39	16,605,650	3.02
450,000-499,999	32	15,226,631	2.77
500,000-599,999	65	35,650,853	6.48
600,000-699,999	49	31,679,094	5.76
700,000-799,999	30	22,395,653	4.07
800,000-899,999	16	13,544,203	2.46
900,000-999,999	17	16,071,239	2.92
<u>OVER -1,000,000</u>	<u>85</u>	<u>144,101,532</u>	<u>26.19</u>
TOTAL	1,879	550,301,153	100.00

MILK PRODUCTION DATA RELATIVE TO PERCENTAGE OF FARM SIZE IN NEW MEXICO MAY 1995

FARM SIZE POUNDS	PRODUCER NUMBERS	MILK LBS.	% OF TOTAL MILK
0- 49,999	5	121,364	.04
50,000- 99,999	3	236,246	.07
100,000-149,999	2	247,762	.08
150,000-199,999	--	-----	---
200,000-249,999	2	452,875	.15
250,000-299,999	2	572,437	.18
300,000-349,999	6	2,004,741	.64
350,000-399,999	5	1,855,996	.60
400,000-449,999	1	409,977	.13
450,000-499,999	3	1,420,535	.46
500,000-599,999	3	1,589,078	.51
600,000-699,999	6	3,932,745	1.26
700,000-799,999	5	3,732,486	1.20
800,000-899,999	4	3,366,379	1.08
900,000-999,999	3	2,879,845	.92
<u>OVER -1,000,000</u>	<u>102</u>	<u>288,752,874</u>	<u>92.68</u>
TOTAL	152	311,575,340	100.00

TOP TEN TEXAS COUNTIES a/ – MAY 1995

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1994</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1994</u>
1. Erath	200	123,017,333	-4.16	7. Archer	66	18,104,335	-3.33
2. Hopkins	411	79,233,435	-6.72	8. Cherokee	46	17,052,362	-7.42
3. Comanche	55	33,829,478	-.55	9. Hamilton	42	15,513,101	+24.31
4. Johnson	67	20,792,648	-3.67	10. Franklin	63	12,082,016	-6.89
5. Wood	97	19,661,563	-2.19	Ten County Total	1,056	357,942,416	-3.28 b/
6. El Paso	9	18,656,145	+1.00	<u>Other Counties Total</u>	<u>823</u>	<u>192,358,737</u>	<u>-7.54</u>
				Texas Total	1,879	550,301,153	-4.81

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

	Class I a/		Class II	Class III	Class	Uniform a/		B F Diff.	Grade A	Block	Spray
	126	138				126	138				
Month	----- Dollars Per Hundred Wt. -----							¢/Point	-----Cents Per Pound-----		
April 1994	15.57	14.76	13.19	12.99	10.34	13.68	12.64	5.3	64.93	139.28	110.76
May	15.93	15.12	13.88	11.51	10.24	13.59	12.47	5.6	63.90	124.31	108.47
June	16.15	15.34	12.18	11.25	10.09	13.67	12.53	5.8	64.63	119.14	106.06
July	14.67	13.86	10.35	11.41	10.13	12.60	11.92	6.0	66.94	125.53	105.62
August	14.41	13.60	11.84	11.73	10.38	13.15	12.18	6.5	71.00	127.85	106.53
September	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								
July	14.28	13.47	11.42								

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

TOP NEW MEXICO COUNTIES a/ – MAY 1995

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1994</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1994</u>
1. Chaves	39	115,829,158	+3.42	7. Valencia	13	11,701,098	+0.06
2. Dona Ana	24	61,030,409	+1.08	8. Bernalillo	8	10,376,563	-9.90
3. Roosevelt	28	40,955,184	+17.80	9. Socorro	9	5,974,458	+2.35
4. Curry	9	24,133,606	+23.55				
5. Eddy	5	17,639,810	+50.06	Nine County Total	146	304,598,163	+8.18
6. Lea	11	16,957,877	+20.38	<u>Other Counties Total</u>	<u>6</u>	<u>6,977,177</u>	<u>-42.72</u>
				New Mexico Total	152	311,575,340	+6.07

a/ All known Grade "A" milk produced on farms located in New Mexico.

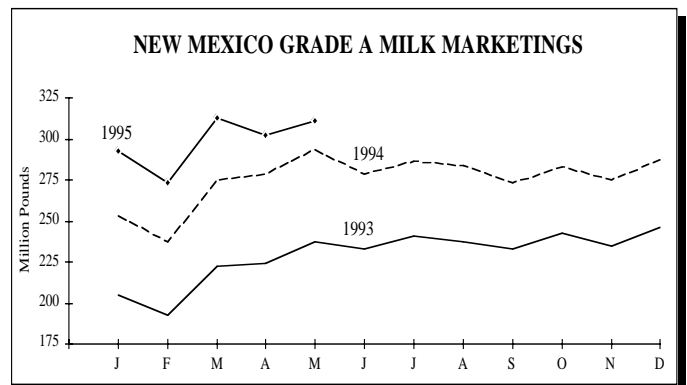
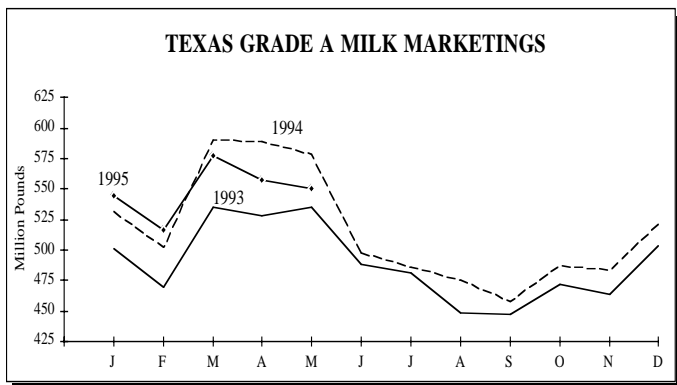
b/ Compared to top counties for the month in the previous year.

**POUNDS OF GRADE A MILK MARKETING BY
PRODUCERS LOCATED IN TEXAS BY MONTHS:
JANUARY 1993 THROUGH MAY 1995, WITH PERCENTAGE COMPARISONS**

MONTH	1993 POUNDS	Number of Producers	1994 POUNDS	Number of Producers	1995 POUNDS	Number of Producers	PERCENT CHANGE 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	557,887,785	1,881	+11.48	-5.26
May	535,272,595	2,001	578,120,136	1,956	550,301,153	1,879	+8.00	-4.81
June	488,469,601	1,995	498,149,578	1,969			+1.98	
July	481,029,804	1,985	486,029,589	1,955			+1.04	
August	448,948,355	1,974	475,739,415	1,953			+5.97	
September	447,343,829	1,976	458,143,784	1,948			+2.41	
October	471,379,110	1,973	486,705,004	1,944			+3.25	
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	

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

MONTH	1993 POUNDS	Number of Producers	1994 POUNDS	Number of Producers	1995 POUNDS	Number of Producers	PERCENT CHANGE 1994/93	1995/94
January	204,707,796	139	253,218,001	147	293,138,194	156	+23.69	+15.76
February	192,335,243	140	237,211,785	148	273,530,768	155	+23.33	+15.31
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	302,304,913	152	+24.17	+8.48
May	237,473,164	143	293,746,832	149	311,575,340	152	+23.70	+6.07
June	232,947,016	142	278,940,461	150			+17.44	
July	240,574,076	145	286,825,906	149			+19.23	
August	237,512,245	146	283,870,810	150			+19.52	
September	232,833,573	146	273,359,295	151			+17.41	
October	242,443,358	148	283,588,806	152			+16.97	
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	



TEXAS AND NEW MEXICO MARKET COMPONENT TEST

Month	<u>Butterfat</u>		<u>Protein</u>		<u>Lactose</u>		<u>S-N-F</u>		<u>SCC*</u>	
	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>	<u>TX</u>	<u>NM</u>
May 1994	3.43	3.49	3.14	3.08	4.79	4.81	8.65	8.61	383	221
June	3.39	3.44	3.09	3.03	4.78	4.80	8.57	8.54	427	240
July	3.37	3.37	3.12	3.03	4.77	4.79	8.59	8.53	454	260
August	3.44	3.39	3.15	3.06	4.76	4.79	8.61	8.56	444	264
September	3.52	3.46	3.23	3.15	4.74	4.80	8.69	8.68	448	278
October	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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	<u>REPORTED MAY 1995</u>	<u>REPORTED APR. 1995</u>	<u>REPORTED MAY 1994</u>
TOTAL UTILIZATION			
CLASS I	59,462,601	56,279,619	55,031,656
CLASS II	16,321,711	18,732,328	13,681,782
CLASS III/III-A	124,916,356	122,243,067	104,262,414
CLOSING INVENTORY (CLASS I, II AND III)	12,497,919	10,613,726	10,038,920
TOTAL UTILIZATION	213,198,587	207,868,740	183,014,772
DAILY CLASS I UTILIZATION	1,918,148	1,875,987	1,775,215
MAY -DAILY CLASS I COMPARED TO:		+2.25%	+8.05%
CLASS I YEAR TO DATE (IN THOUSANDS)	293,365	233,903	286,761
% CHANGE FROM PREVIOUS YEAR	+2.30%	+9.94%	-3.80%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	58,480,520	54,293,893	55,934,651
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	14,856,899	17,628,229	12,490,265
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	110,423,245	107,903,461	102,255,098
TOTAL PRODUCER RECEIPTS	183,760,664	179,825,583	170,680,014
OTHER SOURCE A/	18,893,116	18,242,344	3,571,827
OPENING INVENTORY	10,427,160	9,773,345	8,756,914
OVERAGE	117,647	27,468	6,017
TOTAL RECEIPTS	213,198,587	207,868,740	183,014,772
DAILY PRODUCER RECEIPTS	5,927,763	5,994,186	5,505,807
MAY -DAILY PRODUCER RECEIPTS COMPARED TO:		-1.11%	+7.66%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	838,294	654,534	838,129
% CHANGE FROM PREVIOUS YEAR	+0.02%	-1.94%	-7.76%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.508%	3.596%	3.507%
% PRODUCER MILK CLASSIFIED AS CLASS I	31.82%	30.19%	32.77%
NUMBER OF PRODUCERS	126	128	166
AVERAGE DAILY DELIVERY PER PRODUCER	47,046	46,830	33,168
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

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 <u>MAY 1995</u>	REPORTED <u>APR. 1995</u>	AUDITED <u>MAY 1994</u>
TOTAL UTILIZATION			
CLASS I	265,633,832	251,942,617	269,152,660
CLASS II	103,396,546	96,041,048	98,799,550
CLASS III/III-A	218,956,991	234,047,776	227,505,491
CLOSING INVENTORY (CLASS I, II AND III)	27,940,366	34,308,972	28,494,574
TOTAL UTILIZATION	615,927,735	616,340,413	623,952,275
DAILY CLASS I UTILIZATION	8,568,833	8,398,087	8,682,344
MAY -DAILY CLASS I COMPARED TO:		+2.03%	-1.31%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,331,094	1,065,460	1,350,263
% CHANGE FROM PREVIOUS YEAR	-1.42%	-1.45%	+3.31%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	263,606,698	249,462,680	268,685,691
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	93,514,559	89,102,225	88,211,261
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	208,569,217	234,272,031	215,095,326
TOTAL PRODUCER RECEIPTS	565,690,474	572,836,936	571,992,278
OTHER SOURCE A/	15,891,090	15,919,778	20,171,716
OPENING INVENTORY	34,308,972	27,570,812	31,749,215
OVERAGE	37,199	12,887	39,066
TOTAL RECEIPTS	615,927,735	616,340,413	623,952,275
DAILY PRODUCER RECEIPTS	18,248,080	19,094,565	18,451,364
MAY -DAILY PRODUCER RECEIPTS COMPARED TO:		-4.43%	-1.10%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	2,831,337	2,265,647	2,772,750
% CHANGE FROM PREVIOUS YEAR	+2.11%	+2.95%	+7.50%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.455%	3.485%	3.434%
% PRODUCER MILK CLASSIFIED AS CLASS I	46.60%	43.55%	46.97%
NUMBER OF PRODUCERS	2,101	2,102	2,252
AVERAGE DAILY DELIVERY PER PRODUCER	8,685	9,084	8,193
NUMBER OF POOL HANDLERS	35	35	33

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