

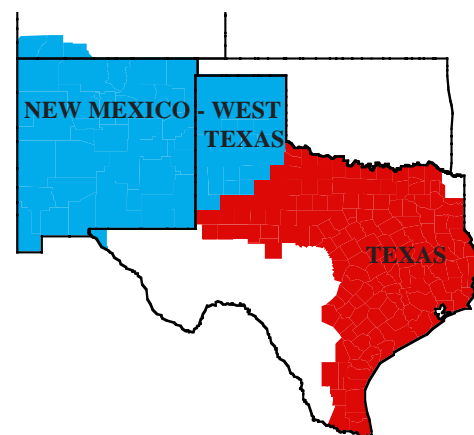
# THE MARKET ADMINISTRATOR'S *REPORT*



## TEXAS MARKETING AREA

### NEW MEXICO - WEST TEXAS MARKETING AREA

**RICHARD FLEMING**, MARKET ADMINISTRATOR  
P.O. BOX 110939, CARROLLTON, TEXAS 75011-0939  
(972) 245-6060 FAX (972) 245-3211  
e-mail: MAGeneric\_Dallas@USDA.GOV  
WWW: <http://members.aol.com/fmmo1126>



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## MARKET SUMMARIES FOR OCTOBER

The October Class III price decreased \$4.77 from the previous month to \$11.49. The Class II price for October of \$16.09 per hundredweight increased \$2.20 from \$13.89 in September. October's Class III-A price decreased 59 cents from September's level to \$11.78.

**Texas:** Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$16.01 per hundredweight for deliveries of milk containing 3.5% butterfat. The October price was up 10 cents from September.

Producers delivered a total of 562,652,856 pounds of milk during October. On a daily basis this represents an increase of 34.28 percent from the producer receipts level in September and it represents an increase of 13.84 percent when compared to the producer receipts level of October 1998.

Producer milk classified as Class I during October amounted to 50.11 percent of total producer receipts. This figure is down from September's 68.94 percent and it is down from 57.08 percent in October 1998. The average butterfat test of producer milk pooled during October 1999 was 3.675 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 \$14.53 per hundredweight for deliveries of milk containing 3.5% butterfat. The October price was down \$1.05 from its September level.

Producers delivered a total of 129,377,295 pounds of milk during October. On a daily basis this represents an increase of 83.23 percent from the producer receipts level in September but it represents a decrease of 5.73 percent when compared to the producer receipts level of October 1998.

Producer milk classified as Class I during October amounted to 41.00 percent of total producer receipts.

This figure is down from 79.61 percent in September but it is up from 40.90 percent in October 1998. The average butterfat test of producer milk pooled during October 1999 was 3.624 percent.

## ORDER PROVISIONS SUSPENDED

On November 3, 1999, F. Tracy Schonrock, Acting Deputy Administrator of Dairy Programs, signed two suspensions of rule which will suspend certain pooling provisions of the Texas Order 126 and the New Mexico - West Texas Order 138. This action continues for an indefinite period (until implementation of Federal order reform), a suspension of portions of the pool plant and producer milk definitions of the two orders.

Specifically, on the Texas order, 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.

The New Mexico - West Texas suspension is an interim final rule with request for comments, with the comment period lasting 60 days. Specifically, the action continues the suspension of the 35 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.

### CALCULATION OF BASIC FORMULA PRICE

#### Prices and Production

	Sep-99	Oct-99
Minnesota-Wisconsin Base Price at 3.5%	15.09	—
Chicago Mercantile Exchange AA Butter	1.3393	1.1248
Chicago Mercantile Exchange A Butter	1.2493	1.0348
National Agricultural Statistical Service (NASS) U.S. 40# Blocks	1.8023	1.4388
Western States NFDM Low/Medium Heat	1.0183	1.0175
Western States Dry Buttermilk	0.7474	0.7500

American Cheese Production in M/W**	128,967
NFDM Production in M/W**	1,448

\*\*Represents most recent preceding period.

#### Sep-99 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NASS Blocks) + (.238 x CME A Butter)	\$18.0860
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$14.2504

#### Oct-99 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NASS Blocks) + (.238 x CME A Butter)	\$14.4472
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$13.3291

#### Differences in Gross Values

Cheese	(\$3.6388)
Butter/NFDM	(\$0.9213)

#### Manufactured Products Production

	Pounds	Milk Equivalent	Percent
Sep-99 Cheese	128,967,000 / 9.87	13,066,565	0.986
Sep-99 Butter/NFDM	1,448,000 / 8.07	179,430	0.014
		13,245,995	1.000

#### Weighted Change in Values

Cheese	0.986	x	(\$3.6388)	(\$3.5895)
Butter/NFDM	0.014	x	(\$0.9213)	(\$0.0125)
Total Change in Value (Update)				(\$3.6020)
Rounded to Nearest Whole Cent				(\$3.60)

#### Basic Formula Price

Sep-99 Minnesota-Wisconsin Base Price	\$15.09
Update Value	(\$3.60)

#### Oct-99 Basic Formula Price

**\$11.49**

### CALCULATION OF BUTTERFAT DIFFERENTIAL October 1999

Week End Date	Butter Price a/	Number of Days Used	Price Weight
9/24	\$1.2133	1	1.2133
10/1	\$1.1433	7	8.0031
10/8	\$1.0583	7	7.4081
10/15	\$0.9950	7	6.9650
10/22	\$0.9333	7	6.5331
10/29	\$0.9775	2	1.9550
<b>TOTAL</b>		<b>31</b>	<b>32.0776</b>

Average Price 32.0776/31 = \$1.0348

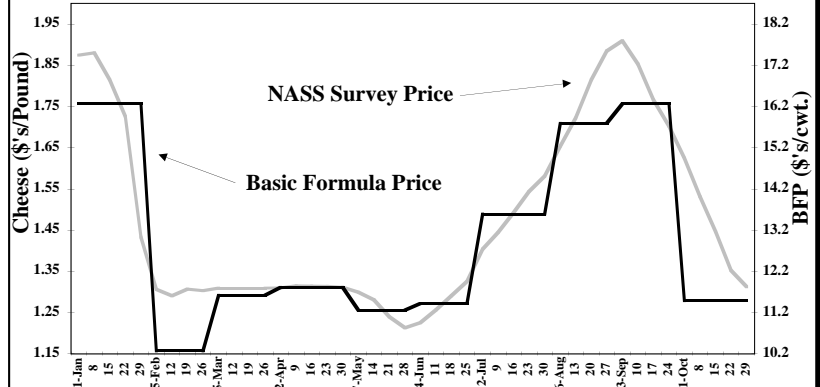
#### Butterfat Differential

$$= (.138 * \$1.0348) - (.0028 * \$11.83 \text{ b/})$$

$$= \mathbf{\$ .110}$$

a/ Weekly Chicago Mercantile Grade AA price minus 9 cents.  
b/ Previous Base Price at test plus current change in value.

### NASS 40# Block Cheddar Cheese U.S. Prices and Basic Formula Prices for Jan 99 to Date



## TOP TEN TEXAS COUNTIES a/ – OCTOBER 1999

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>
1. Erath	152	116,377,505	+3.18	7. Wood	63	13,453,740	-5.54
2. Hopkins	228	40,595,487	-12.14	8. Johnson	39	12,720,089	-8.30
3. Comanche	46	39,626,322	+12.84	9. Lamb	3	9,939,617	+73.37
4. El Paso	8	21,657,930	+2.58	10. Cherokee	25	8,309,930	-19.38
5. Archer	58	19,629,706	+10.04	Ten County Total	645	297,018,429	+ .81 b/
6. Hamilton	23	14,708,103	-7.23	Other Counties Total	536	135,157,156	+ .30
				Texas Total	1,181	432,175,585	+ .65

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/ 126 138		Class II	Class III	Class III-A	Uniform a/ 126 138		B F Diff.	Grade A Butter	Block Cheese	Spray Powder
Month	----- Dollars Per Hundred Wt. -----								¢/Point	-----Cents Per Pound-----	
September	17.93	17.12	15.07	15.10	19.81	16.81	16.09	32.5	266.66	165.56	110.07
October	18.15	17.34	15.29	16.04	18.13	17.29	16.63	27.3	231.89	175.34	111.80
November	18.26	17.45	15.40	16.84	14.87	17.44	16.89	17.8	165.47	183.17	112.50
December	19.20	18.39	16.34	17.34	13.48	17.85	17.08	13.2	132.31	187.07	114.90
Averages 1998b/	16.70	15.89	13.84	14.20	14.85	15.43	14.65	19.2	168.71	153.63	106.94
January 1999	20.00	19.19	17.14	16.27	13.12	18.03	16.68	13.7	133.22	175.95	108.93
February	20.50	19.69	17.64	10.27	12.78	16.27	19.03	13.9	122.53	130.10	104.37
March	19.43	18.62	16.57	11.62	12.36	15.76	14.49	13.2	120.27	130.92	102.39
April	13.43	12.62	10.57	11.81	11.06	12.33	12.03	9.5	93.98	131.31	102.28
May	14.78	13.97	11.92	11.26	11.62	12.97	12.43	11.1	103.89	126.61	102.28
June	14.97	14.16	12.11	11.42	13.29	13.37	12.84	16.1	140.31	127.47	101.39
July	14.42	13.61	11.56	13.59	12.37	13.57	13.39	13.4	125.44	147.02	101.72
August	14.58	13.77	11.72	15.79	12.62	13.97	13.61	13.6	130.63	172.13	103.84
September	16.75	15.94	13.89	16.26	12.37	15.91	15.58	12.6	124.93	180.23	104.86
October	18.95	18.14	16.09	11.49	11.78	16.01	14.53	11.0	103.48	143.88	104.51
November	19.42	18.61	16.56								
December	14.65	13.84	11.79								

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

## TOP NEW MEXICO COUNTIES a/ – OCTOBER 1999

<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>	<u>County</u>	<u>Number of Producers</u>	<u>Pounds</u>	<u>% Change From 1998b/</u>
1. Chaves	40	135,494,590	+7.57	7. Bernalillo	8	11,139,906	+4.35
2. Dona Ana	25	64,061,655	+5.62	8. Socorro	8	9,624,493	+12.94
3. Curry	13	55,767,921	+20.92	9. Valencia	10	9,131,358	-6.13
4. Roosevelt	35	48,864,198	+6.07				
5. Lea	13	32,517,444	+3.47	Nine County Total	158	389,426,231	+7.90
6. Eddy	6	22,824,666	+4.83	Other Counties Total	4	4,940,426	+8.62

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.

New Mexico Total 162 394,366,657 +7.91

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 1997 THROUGH OCTOBER 1999, WITH PERCENTAGE COMPARISONS**

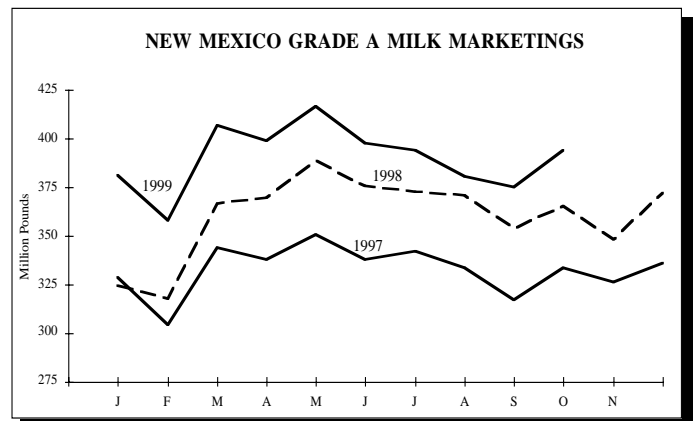
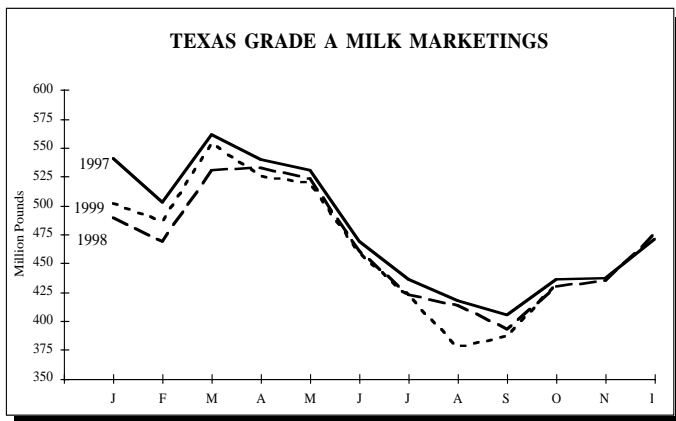
MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	540,918,023	1,610	491,168,340	1,359	501,754,729	1,251	-9.20	+2.16
February	503,177,566	1,591	469,305,849	1,347	486,044,271	1,245	-6.73	+3.57
March	560,823,025	1,566	532,588,272	1,339	553,983,640	1,241	-5.03	+4.02
April	539,258,903	1,553	532,823,237	1,336	525,773,380	1,233	-1.19	-1.32
May	530,457,547	1,550	524,523,430	1,319	519,613,189	1,219	-1.12	-.94
June	468,546,651	1,523	464,057,905	1,321	458,247,406	1,216	-.96	-1.25
July	435,777,197	1,489	422,973,696	1,305	421,340,140	1,206	-2.94	-.39
August	417,271,524	1,463	413,296,879	1,298	377,392,147	1,197	-.95	-8.69
September	405,563,476	1,435	392,427,802	1,300	386,931,407	1,189	-3.24	-1.40
October	436,528,559	1,408	429,372,951	1,289	432,175,585	1,181	-1.64	+.65
November	436,607,225	1,391	435,572,798	1,271			-.27	
December	470,803,040	1,368	474,573,747	1,260			+.80	
Years Total	5,745,732,736		5,582,684,906				-2.84	

\*Revised figures

**POUNDS OF GRADE A MILK MARKETING BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1997 THROUGH OCTOBER 1999, WITH PERCENTAGE COMPARISONS**

MONTH	1997 POUNDS	Number of Producers	1998 POUNDS	Number of Producers	1999 POUNDS	Number of Producers	PERCENT CHANGE 1998/97	1999/98
January	328,059,604	156	324,314,276	158	381,115,401	156	-1.14	+17.51
February	303,972,265	156	317,500,751	156	358,049,940	157	+4.45	+12.77
March	343,866,862	157	366,656,779	157	406,789,374	156	+6.63	+10.95
April	337,943,697	157	369,782,775	156	399,229,362	157	+9.42	+7.96
May	350,910,125	158	388,308,155	155	416,852,251	157	+10.66	+7.35
June	337,592,757	158	378,569,203	159	397,483,877	159	+12.14	+5.00
July	342,391,766	159	372,803,402	157	393,796,366	158	+8.88	+5.63
August	333,406,557	156	370,668,016	156	380,628,318	158	+11.18	+2.69
September	317,181,279	159	353,457,040	155	374,886,452	160	+11.44	+6.06
October	333,587,208	158	365,469,264	159	394,366,657	162	+9.56	+7.91
November	326,212,021	158	348,126,652	158			+6.75	
December	336,117,343	157	371,894,332	157			+10.64	
Years Total	3,991,241,484		4,327,550,645				+8.43	

\*Revised figures



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**TEXAS AND NEW MEXICO MARKET COMPONENT TEST**

Month	Butterfat		Protein		Lactose		S-N-F		SCC*	
	<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>
October	3.58	3.50	3.30	3.28	4.74	4.78	8.74	8.76	403	255
November	3.71	3.65	3.33	3.32	4.78	4.78	8.81	8.79	387	271
December	3.71	3.67	3.34	3.32	4.78	4.77	8.81	8.80	378	263
Average 1998	3.57	3.52	3.23	3.20	4.77	4.80	8.71	8.70	388	285
January 1999	3.67	3.64	3.30	3.26	4.78	4.78	8.78	8.75	375	261
February	3.59	3.60	3.25	3.24	4.78	4.77	8.74	8.72	351	267
March	3.59	3.57	3.26	3.22	4.81	4.78	8.76	8.71	346	255
April	3.50	3.52	3.23	3.20	4.81	4.79	8.74	8.69	342	242
May	3.52	3.48	3.19	3.16	4.80	4.79	8.70	8.66	348	240
June	3.53	3.45	3.19	3.14	4.76	4.79	8.66	8.63	395	265
July	3.52	3.40	3.20	3.11	4.72	4.74	8.64	8.57	408	290
August	3.54	3.43	3.21	3.14	4.70	4.74	8.63	8.60	429	310
September	3.60	3.50	3.29	3.20	4.70	4.75	8.71	8.67	420	305
October	3.70	3.61	3.34	3.28	4.72	4.75	8.78	8.74	357	273

\* In thousands.

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

	<u>REPORTED OCT. 1999</u>	<u>REPORTED SEPT. 1999</u>	<u>REPORTED OCT. 1998</u>
<b>TOTAL UTILIZATION</b>			
CLASS I	55,881,661	56,561,382	57,601,819
CLASS II	9,352,213	9,262,362	7,862,623
CLASS III/III-A	67,528,776	7,047,661	75,589,811
CLOSING INVENTORY (CLASS I, II AND III)	6,903,767	6,049,288	5,578,668
TOTAL UTILIZATION	139,666,417	78,920,693	146,632,921
<b>DAILY CLASS I UTILIZATION</b>	1,802,634	1,885,379	1,858,123
OCT. -DAILY CLASS I COMPARED TO:		- 4.39%	- 2.99%
CLASS I YEAR TO DATE (IN THOUSANDS)	542,585	486,703	547,385
% CHANGE FROM PREVIOUS YEAR	- .88%	- .63%	- 1.37%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	53,042,918	554,397,424	56,126,183
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	8,289,384	8,055,469	6,628,391
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	68,044,993	5,877,892	74,484,237
TOTAL PRODUCER RECEIPTS	129,377,295	68,330,785	137,238,811
OTHER SOURCE A/	4,289,976	4,191,943	3,606,567
OPENING INVENTORY	5,995,888	6,397,926	5,787,537
OVERAGE	3,258	39	6
TOTAL RECEIPTS	139,666,417	78,920,693	146,632,921
<b>DAILY PRODUCER RECEIPTS</b>	4,173,461	2,277,693	4,427,058
OCT. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 83.23%	- 5.73%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,072,015	942,637	1,608,084
% CHANGE FROM PREVIOUS YEAR	- 33.34%	- 35.91%	- 8.66%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.624%	3.563%	3.518%
% PRODUCER MILK CLASSIFIED AS CLASS I	41.00%	79.61%	40.90%
NUMBER OF PRODUCERS	90	83	175
AVERAGE DAILY DELIVERY PER PRODUCER	46,372	27,442	25,297
NUMBER OF POOL HANDLERS	9	9	11

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

(972) 245-6060 FAX(972) 245-3211

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## TEXAS MILK MARKET AT A GLANCE

	REPORTED OCT. 1999	REPORTED SEPT. 1999	REPORTED OCT. 1998
<b>TOTAL UTILIZATION</b>			
CLASS I	283,295,221	282,727,198	288,093,204
CLASS II	77,733,969	114,310,676	107,405,481
CLASS III/III-A	211,261,695	31,914,786	126,895,902
CLOSING INVENTORY (CLASS I, II AND III)	37,555,082	30,708,353	27,027,698
TOTAL UTILIZATION	609,845,967	459,661,013	549,422,285
<b>DAILY CLASS I UTILIZATION</b>	9,138,556	9,424,240	9,293,329
OCT. -DAILY CLASS I COMPARED TO:		- 3.03%	-1.67%
CLASS I YEAR TO DATE (IN THOUSANDS)	2,763,685	2,480,390	2,693,426
% CHANGE FROM PREVIOUS YEAR	+ 2.61%	+ 3.12%	- 2.54%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	281,939,882	279,558,959	282,121,595
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	65,507,782	101,886,888	87,474,515
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	215,205,192	24,063,906	124,673,051
TOTAL PRODUCER RECEIPTS	562,652,856	405,509,753	494,269,161
OTHER SOURCE A/	17,234,204	20,580,445	28,517,502
OPENING INVENTORY	29,957,657	33,458,139	26,635,090
OVERAGE	1,250	112,676	532
TOTAL RECEIPTS	609,845,967	459,661,013	549,422,285
<b>DAILY PRODUCER RECEIPTS</b>	18,150,092	13,516,992	15,944,166
OCT. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 34.28%	+ 13.84%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	5,494,695	4,932,042	4,989,809
% CHANGE FROM PREVIOUS YEAR	+ 10.12%	+ 9.71%	- 7.24%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.675%	3.583%	3.549%
% PRODUCER MILK CLASSIFIED AS CLASS I	50.11%	68.94%	57.08%
NUMBER OF PRODUCERS	1,330	1,322	1,476
AVERAGE DAILY DELIVERY PER PRODUCER	13,647	10,225	10,802
NUMBER OF POOL HANDLERS	30	32	28

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