

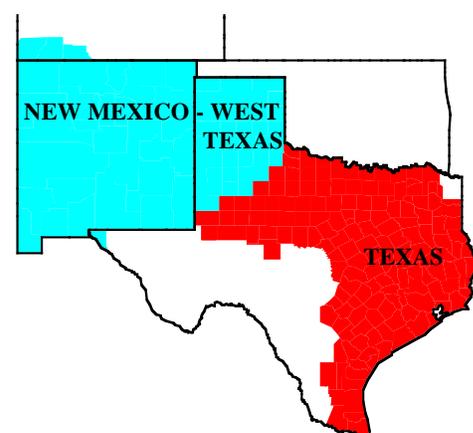
THE MARKET ADMINISTRATOR'S

REPORT



TEXAS MARKETING AREA NEW MEXICO - WEST TEXAS MARKETING AREA

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MARKET SUMMARIES FOR JANUARY

The January Class III price decreased 18 cents from the previous month to \$12.73. The Class II price for January of \$13.17 per hundredweight increased 26 cents from \$12.91 in December. January's Class III-A price decreased 8 cents from December's level to \$11.16

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.32 per hundredweight for deliveries of milk containing 3.5% butterfat. The January price was up 14 cents from December.

Producers delivered a total of 601,294,449 pounds of milk during January. On a daily basis this represents an increase of 7.58 percent from the producer receipts level in December and it represents an increase of 6.03 percent when compared to the producer receipts level of January 1995.

Producer milk classified as Class I during January amounted to 46.55 percent of total producer receipts. This figure is up from December's 44.62 percent but it is down from 49.86 percent in January 1995. The average butterfat test of producer milk pooled during January 1996 was 3.733 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 \$13.33 per hundredweight for deliveries of milk containing 3.5% butterfat. The January price was up 13 cents from its December level.

Producers delivered a total of 171,009,991 pounds of milk during January. On a daily basis this represents a decrease of 7.19 percent from the producer receipts level in December but it represents an in-

crease of 18.08 percent when compared to the producer receipts level of January 1995.

Producer milk classified as Class I during January amounted to 35.13 percent of total producer receipts. This figure is up from 29.49 percent in December but it is down from 41.42 percent in January 1995. The average butterfat test of producer milk pooled during January 1996 was 3.737 percent.

USDA TARGETS MARKETS FOR EXPORT OF DAIRY PRODUCTS

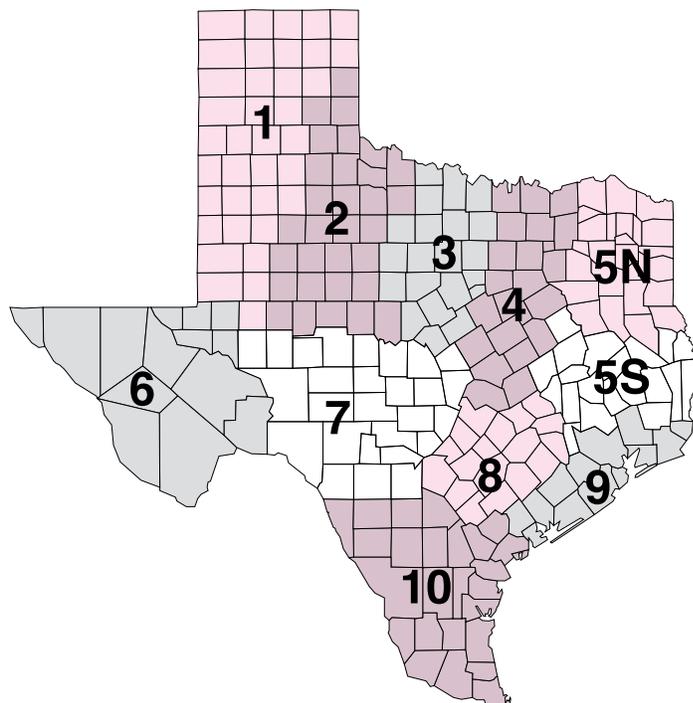
The U.S. Department of Agriculture announced a three-month continuation of the interim allocations under the 1995/1996 Dairy Export Incentive Program (DEIP).

During the interim period, procedures for DEIP are similar to the previous program. Export sales will be facilitated through the payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation (CCC). Sales of nonfat dry milk, whole milk powder, butterfat, and Cheddar, Feta, Gouda, Cream, Mozzarella and processed American cheeses will be made through normal commercial channels at competitive world prices. While recent program activity has been limited, USDA will continue to monitor the prices and actions of our competitors, and fully intends to use the DEIP as appropriate.

Bonuses under the program are available to 97 countries totaling 48,000 metric tons of nonfat dry milk; 84 countries totaling 4,000 metric tons of whole milk powder; 99 countries totaling 15,345 metric tons of butterfat; and 37 countries totaling 1,000 metric tons of Cheddar, Feta, Gouda, Cream, Mozzarella and processed American cheeses.

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSSTIMBERS
4	BLACKLANDS
5N	NORTH EAST
5S	SOUTH EAST
6	TRANS-PECOS
7	EDWARDS PLATEAU
8	SOUTH CENTRAL
9	UPPER COAST
10	SOUTH



TEXAS DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 1995

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	26	2.63	3.85	3.19	4.81	8.71	230
2	22	1.21	3.80	3.29	4.80	8.81	284
3	500	44.38	3.72	3.26	4.80	8.79	286
4	241	9.60	3.81	3.26	4.77	8.76	321
5N	805	30.66	3.71	3.23	4.76	8.71	369
5S	36	0.89	3.68	3.13	4.72	8.57	359
6	13	4.39	3.57	3.05	4.74	8.50	290
7	25	1.42	3.89	3.31	4.76	8.79	260
8	90	3.08	3.90	3.28	4.74	8.74	343
9	6	0.25	3.67	3.30	4.72	8.74	415
10	31	1.50	4.09	3.36	4.76	8.85	378
TOTAL	1,795	100.00	3.74	3.25	4.78	8.75	317

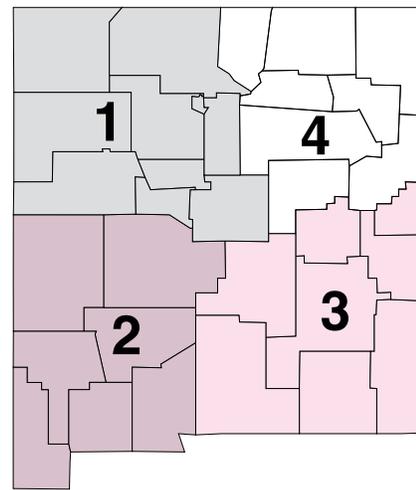
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - DECEMBER 1995

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-100	101-250	251-500	501-750	751-1000	1001->	
1	7	6	9	1	2	1	8,034
2	13	7	0	0	1	1	3,701
3	161	174	94	37	12	22	135,810
4	136	81	20	2	2	0	29,366
5N	460	276	58	8	3	0	93,807
5S	29	5	2	0	0	0	2,737
6	2	2	3	0	1	5	13,419
7	15	5	3	0	2	0	4,351
8	65	16	6	2	0	1	9,431
9	2	4	0	0	0	0	757
10	17	9	2	3	0	0	4,586
TOTAL	907	585	197	53	23	30	305,999

*ESTIMATED BASED ON A 55 LB/DAY/COW AVERAGE

**NEW MEXICO
GEOGRAPHIC REGIONS**

AREA	REGION NAME
1	NORTHWEST
2	SOUTHWEST
3	SOUTHEAST
4	NORTHEAST



NEW MEXICO DAIRY MILK COMPONENTS FOR GEOGRAPHIC REGIONS - DECEMBER 1995

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	24	7.42	3.80	3.18	4.79	8.69	180
2	34	23.30	3.67	3.13	4.83	8.69	212
3	95	69.28	3.71	3.21	4.80	8.72	253
4	0	0	0	0	0	0	0
TOTAL	153	100.00	3.71	3.19	4.81	8.71	237

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - DECEMBER 1995

REGION	NUMBER OF FARMS PER HERD SIZE GROUP (MILKING COW NUMBERS)						Total # Milking Cows
	0-250	251-500	501-1000	1001-2000	2001-3000	3001->	
1	13	3	5	2	1	0	11,023
2	4	6	6	17	1	0	34,624
3	11	11	24	43	4	2	102,922
4	0	0	0	0	0	0	0
TOTAL	28	20	35	62	6	2	148,569

*ESTIMATED BASED ON A 65 LB/DAY/COW AVERAGE

Minimum Prices at 3.5%, for Federal Orders 126 and 138 (Zone 1) Formula Prices (3.5%) and Price Quotations

Month	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
	Dollars Per Hundred Wt. -----						¢/Point				
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	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								
March	15.89	15.08	13.03								

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

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

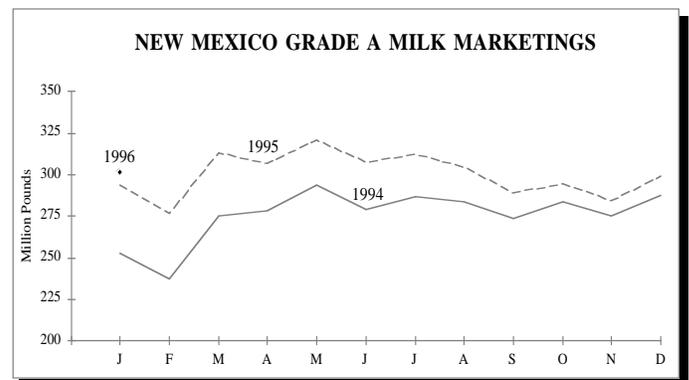
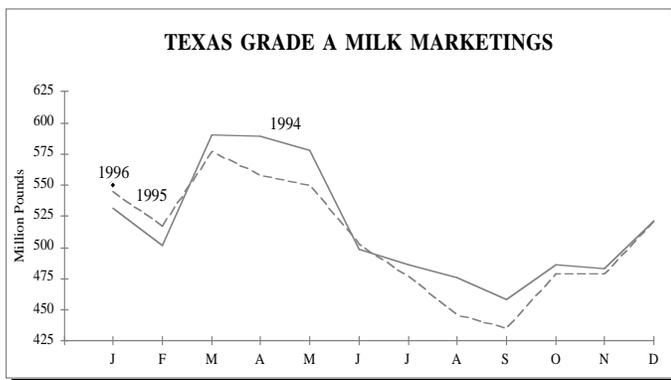
MONTH	1994 POUNDS	Number of Producers	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	PERCENT CHANGE 1995/94	1996/95
January	531,658,454	1,960	544,665,125	1,918	549,914,311	1,786	+2.45	+ .96
February	502,048,659	1,961	517,418,721	1,906			+3.06	
March	590,563,277	1,957	577,449,222	1,897			-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>+0.06</u>	
Years Total	6,200,845,698		6,090,263,496				-1.78	

*Revised figures

**POUNDS OF GRADE A MILK MARKETED BY
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:
JANUARY 1994 THROUGH JANUARY 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			+16.62	
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



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
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
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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED JAN. 1996	REPORTED DEC. 1995	REPORTED JAN. 1995
TOTAL UTILIZATION			
CLASS I	61,743,740	55,331,205	58,719,178
CLASS II	8,626,168	9,671,490	11,390,793
CLASS III/III-A	114,659,802	120,453,619	95,187,760
CLOSING INVENTORY (CLASS I, II AND III)	9,229,529	10,396,648	11,298,175
TOTAL UTILIZATION	194,259,239	195,852,962	176,595,906
DAILY CLASS I UTILIZATION	1,991,734	1,784,878	1,894,167
JAN. -DAILY CLASS I COMPARED TO:		+11.59%	+5.15%
CLASS I YEAR TO DATE (IN THOUSANDS)	61,744	704,849	58,719
% CHANGE FROM PREVIOUS YEAR	+5.15%	+2.79%	-2.16%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	60,073,926	54,345,701	59,987,636
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	6,470,122	9,036,392	9,756,338
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	104,465,943	120,879,444	75,085,813
TOTAL PRODUCER RECEIPTS	171,009,991	184,261,537	144,829,787
OTHER SOURCE A/	12,835,425	4,952,478	19,442,675
OPENING INVENTORY	10,396,648	6,638,535	12,301,500
OVERAGE	17,175	412	21,944
TOTAL RECEIPTS	194,259,239	195,852,962	176,595,906
DAILY PRODUCER RECEIPTS	5,516,451	5,943,921	4,671,929
JAN. -DAILY PRODUCER RECEIPTS COMPARED TO:		-7.19%	+18.08%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	171,010	1,861,630	144,830
% CHANGE FROM PREVIOUS YEAR	+18.08%	+8.40%	-13.83%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.737%	3.719%	3.725%
% PRODUCER MILK CLASSIFIED AS CLASS I	35.13%	29.49%	41.42%
NUMBER OF PRODUCERS	342	358	139
AVERAGE DAILY DELIVERY PER PRODUCER	16,130	16,603	33,611
NUMBER OF POOL HANDLERS	15	14	17

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

THE MARKET ADMINISTRATOR'S *REPORT*

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NEW MEXICO - WEST TEXAS MARKETING AREA**
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Address Corrections Requested

TEXAS MILK MARKET AT A GLANCE

	REPORTED JAN. 1996	REPORTED DEC. 1995	REPORTED JAN. 1995
TOTAL UTILIZATION			
CLASS I	280,012,040	252,094,709	282,289,670
CLASS II	86,534,040	82,312,555	89,332,978
CLASS III/III-A	253,867,433	245,476,616	211,415,254
CLOSING INVENTORY (CLASS I, II AND III)	33,062,838	36,424,084	29,268,183
TOTAL UTILIZATION	653,476,351	616,307,964	612,306,085
DAILY CLASS I UTILIZATION	9,032,646	8,132,087	9,106,118
JAN. -DAILY CLASS I COMPARED TO:		+11.07%	-.81%
CLASS I YEAR TO DATE (IN THOUSANDS)	280,012	3,127,048	282,290
% CHANGE FROM PREVIOUS YEAR	-.81%	-4.62%	+ .88%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	279,916,171	249,389,152	282,760,581
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	78,117,747	75,400,505	83,244,891
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	243,269,531	234,119,146	201,068,569
TOTAL PRODUCER RECEIPTS	601,294,449	558,908,803	567,074,041
OTHER SOURCE A/	15,757,818	28,277,742	17,274,251
OPENING INVENTORY	36,424,084	28,981,124	27,904,392
OVERAGE		140,295	53,401
TOTAL RECEIPTS	653,476,351	616,307,964	612,306,085
DAILY PRODUCER RECEIPTS	19,396,595	18,029,316	18,292,711
JAN. -DAILY PRODUCER RECEIPTS COMPARED TO:		+7.58%	+6.03%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	601,294	6,565,474	567,074
% CHANGE FROM PREVIOUS YEAR	+6.03%	-.82%	+1.48%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.733%	3.735%	3.675%
% PRODUCER MILK CLASSIFIED AS CLASS I	46.55%	44.62%	49.86%
NUMBER OF PRODUCERS	1,852	1,903	2,275
AVERAGE DAILY DELIVERY PER PRODUCER	10,473	9,474	8,041
NUMBER OF POOL HANDLERS	30	30	37

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