

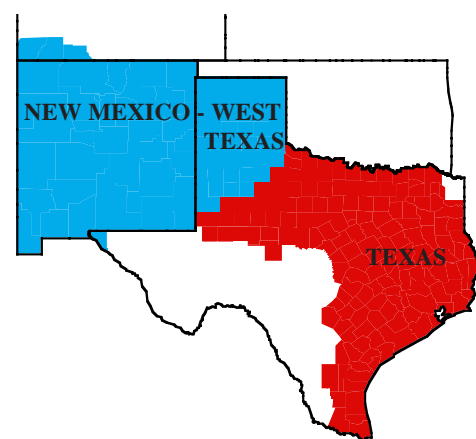
THE MARKET ADMINISTRATOR'S

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



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MARKET SUMMARIES FOR JANUARY

The January Class III price decreased 3 cents from the previous month to \$11.35. The Class II price for January of \$11.02 per hundredweight decreased \$1.22 from \$12.24 in December. January's Class III-A price decreased 11 cents from December's level to \$10.06.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$13.03 per hundredweight for deliveries of milk containing 3.5% butterfat. The January price was down 37 cents from December.

Producers delivered a total of 567,074,041 pounds of milk during January. On a daily basis this represents an increase of 5.03 percent from the producer receipts level in December and it represents an increase of 1.47 percent when compared to the producer receipts level of January 1994.

Producer milk classified as Class I during January amounted to 49.86 percent of total producer receipts. This figure is down from 50.17 percent in December but it is up slightly from 49.80 percent in January 1994. The average butterfat test of producer milk pooled during January 1995 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 \$12.09 per hundredweight for deliveries of milk containing 3.5% butterfat. The January price fell 27 cents from December.

Producers delivered a total of 144,829,787 pounds of milk during January. On a daily basis this represents a decrease of 5.61 percent from the producer receipts level in December and it represents a decrease of 13.83 percent when compared to the producer receipts level of January 1994.

Producer milk classified as Class I during January amounted to 41.42 percent of total producer receipts. This figure is up from 36.80 percent in December and it is up from 35.13 percent in January 1994. The average butterfat test of producer milk pooled during January 1995 was 3.725 percent.

USDA PROVIDES UNIFORM CLASS II MILK PRICING FORMULA

The U. S. Department of Agriculture has changed its formula that is used to compute Class II milk prices each month under 37 Federal milk marketing orders. Under the new formula, Class II milk prices will be computed by adding a fixed differential of 30 cents to the Minnesota-Wisconsin price for the second preceding month. Class II milk prices, like Class I prices, will be announced by the 5th day of each month and apply to Class II milk uses in the following month. The Class II pricing changes are scheduled to take effect on March 1, 1995.

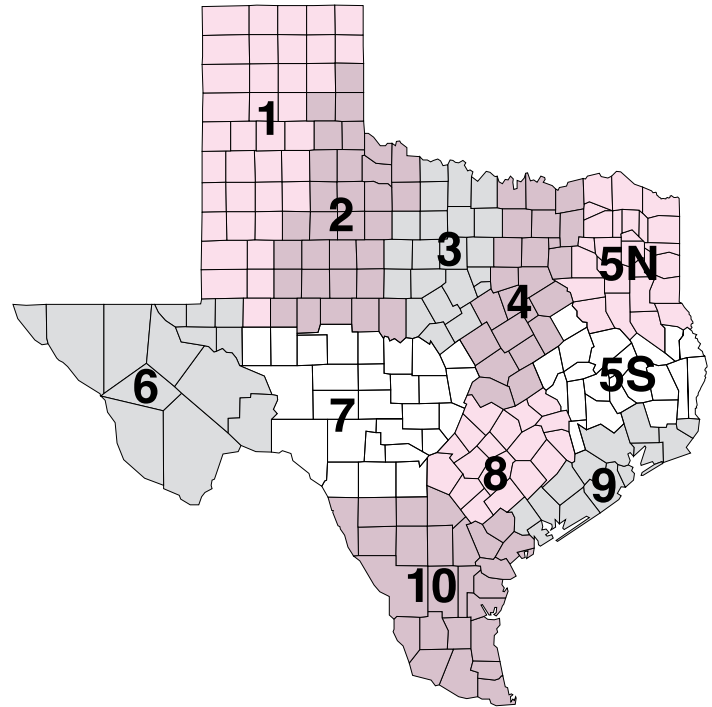
Patricia Jensen, Acting Assistant Secretary for Marketing and Regulatory Programs, said the new pricing formula coordinates the value of producer milk used in the manufacture of Class II dairy products with higher-valued Class I fluid milk prices. Class II milk is used to make "soft" dairy products such as yogurt, cottage cheese and ice cream. About 10 percent of the nation's milk supply is used to manufacture Class II dairy products.

Jensen said the new formula simplifies the pricing procedure and assures that Class II milk prices move in the same direction and magnitude as fluid milk prices. This is important, she said, because the Class II product market is closely linked to the same marketing and distribution channels as fluid, Class I milk; and linking the two pricing methods should better reflect and respond to marketing conditions.

Each of the amended orders was approved by producers who were eligible to have their milk pooled during the representative month for voting purposes. Referenda were conducted in six markets and cooperatives were polled in the other markets to determine whether dairy farmers who were eligible to vote favor the issuance of the orders as amended. One order that was included in this proceeding - Paducah, Kentucky -- is not included in this amending order. For the Paducah market, a referendum was held and a sufficient number of producers did not approve the issuance of the proposed amended order.

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 1994

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (100,000)
1	25	2.60	3.76	3.22	4.87	8.81	273
2	21	1.02	3.88	3.30	4.80	8.83	330
3	523	41.35	3.68	3.29	4.81	8.82	369
4	254	9.84	3.76	3.29	4.80	8.81	461
5N	881	33.35	3.60	3.27	4.79	8.78	412
5S	38	0.99	3.62	3.21	4.78	8.71	444
6	13	4.34	3.63	3.08	4.84	8.63	239
7	27	1.43	3.86	3.33	4.83	8.88	341
8	95	3.18	3.81	3.30	4.76	8.78	425
9	7	0.29	3.59	3.27	4.79	8.79	416
10	40	1.59	4.07	3.36	4.74	8.84	485
TOTAL	1,924	100.00	3.68	3.27	4.81	8.80	389

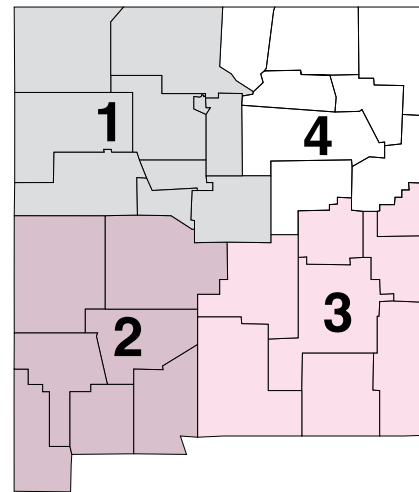
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - DECEMBER 1994

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	8	4	8	3	1	1	7,942
2	11	8	0	1	1	0	3,119
3	175	198	90	30	10	20	126,466
4	152	76	20	5	0	1	30,092
5N	515	291	64	8	3	0	101,990
5S	30	7	1	0	0	0	3,024
6	1	3	2	1	0	6	13,287
7	16	6	3	1	1	0	4,385
8	70	17	7	0	0	1	9,734
9	3	4	0	0	0	0	900
10	25	9	5	1	0	0	4,868
TOTAL	1,006	623	200	50	16	29	305,806

*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 1994

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (100,000)
1	25	8.22	3.78	3.26	4.81	8.78	283
2	36	23.41	3.69	3.18	4.86	8.76	272
3	93	68.37	3.67	3.24	4.81	8.77	238
4	0	0	0	0	0	0	0
TOTAL	154	100.00	3.69	3.23	4.82	8.77	255

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - DECEMBER 1994

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	6	3	0	0	11,738
2	8	5	4	18	1	0	33,449
3	13	14	22	33	9	2	97,685
4	0	0	0	0	0	0	0
TOTAL	34	22	32	54	10	2	142,872

*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	Dollars Per Hundred Wt. -----					B F Diff.	Cents Per Pound-----				
	Class I a/ 126	138	Class II	Class III	Class III-A		Uniform a/ 126	138	Grade A Butter	Block Cheese	Spray Powder
Averages 1993 b/	14.78	13.97	12.00	11.80	10.73	13.36	12.61	6.8	73.42	131.52	111.95
January 1994	15.91	15.10	13.25	12.41	10.22	14.01	13.01	5.2	63.00	130.00	109.76
February	15.67	14.86	12.26	12.41	10.23	13.80	12.59	5.2	63.29	130.49	109.89
March	15.57	14.76	12.61	12.77	10.32	13.64	12.59	5.3	65.00	136.23	110.47
April	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								
March	14.51	13.70	12.20								

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

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
Average 1993	3.54	3.58	3.20	3.15	4.78	4.82	8.70	8.68	384	232
January 1994	3.68	3.71	3.27	3.22	4.76	4.76	8.74	8.70	346	239
February	3.64	3.69	3.22	3.18	4.79	4.78	8.71	8.68	348	241
March	3.52	3.63	3.18	3.13	4.79	4.79	8.69	8.64	338	238
April	3.45	3.58	3.17	3.11	4.80	4.80	8.68	8.63	335	229
May	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

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED JAN. 1995	REPORTED DEC. 1994	REPORTED JAN. 1994
TOTAL UTILIZATION			
CLASS I	58,719,178	57,786,736	60,017,011
CLASS II	11,390,793	12,579,730	13,049,734
CLASS III/III-A	95,187,760	84,371,453	106,373,539
CLOSING INVENTORY (CLASS I, II AND III)	11,298,175	17,702,331	9,058,136
TOTAL UTILIZATION	176,595,906	172,440,250	188,498,420
DAILY CLASS I UTILIZATION	1,894,167	1,864,088	1,936,033
JAN. -DAILY CLASS I COMPARED TO:		+1.61%	-2.16%
CLASS I YEAR TO DATE (IN THOUSANDS)	58,719	685,739	60,017
% CHANGE FROM PREVIOUS YEAR	-2.16%	-3.18%	+2.04%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	59,987,636	56,466,320	59,053,375
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	9,756,338	10,632,021	12,661,409
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	75,085,813	86,331,183	96,365,769
TOTAL PRODUCER RECEIPTS	144,829,787	153,429,524	168,080,553
OTHER SOURCE A/	19,442,675	9,452,807	12,543,558
OPENING INVENTORY	12,301,500	8,874,553	7,874,309
OVERAGE	21,944	683,366	
TOTAL RECEIPTS	176,595,906	172,440,250	188,498,420
DAILY PRODUCER RECEIPTS	4,671,929	4,949,339	5,421,953
JAN. -DAILY PRODUCER RECEIPTS COMPARED TO:		-5.61%	-13.83%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	144,830	1,717,372	168,081
% CHANGE FROM PREVIOUS YEAR	-13.83%	-14.14%	-3.77%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.725%	3.713%	3.711%
% PRODUCER MILK CLASSIFIED AS CLASS I	41.42%	36.80%	35.13%
NUMBER OF PRODUCERS	139	135	155
AVERAGE DAILY DELIVERY PER PRODUCER	33,611	36,662	34,980
NUMBER OF POOL HANDLERS	17	17	17

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

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TEXAS MILK MARKET AT A GLANCE

	REPORTED <u>JAN. 1995</u>	REPORTED <u>DEC. 1994</u>	AUDITED <u>JAN. 1994</u>
TOTAL UTILIZATION			
CLASS I	282,289,670	273,780,065	279,816,691
CLASS II	89,332,978	76,571,149	75,862,027
CLASS III/III-A	211,415,254	212,213,743	212,573,996
CLOSING INVENTORY (CLASS I, II AND III)	29,268,183	27,904,392	30,378,674
TOTAL UTILIZATION	612,306,085	590,469,349	598,631,388
DAILY CLASS I UTILIZATION	9,106,118	8,831,615	9,026,345
JAN. -DAILY CLASS I COMPARED TO:		+3.11%	+ .88%
CLASS I YEAR TO DATE (IN THOUSANDS)	282,290	3,277,527	279,817
% CHANGE FROM PREVIOUS YEAR	+ .88%	+4.01%	+2.76%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	282,760,581	270,873,336	278,309,396
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	83,244,891	68,132,817	68,369,472
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	201,068,569	200,901,740	212,176,274
TOTAL PRODUCER RECEIPTS	567,074,041	539,907,893	558,855,142
OTHER SOURCE A/	17,274,251	19,450,263	14,766,766
OPENING INVENTORY	27,904,392	31,063,756	25,007,594
OVERAGE	53,401	47,437	1,886
TOTAL RECEIPTS	612,306,085	590,469,349	598,631,388
DAILY PRODUCER RECEIPTS	18,292,711	17,416,384	18,027,585
JAN. -DAILY PRODUCER RECEIPTS COMPARED TO:		+5.03%	+1.47%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	567,074	6,619,520	558,855
% CHANGE FROM PREVIOUS YEAR	+1.47%	+9.53%	+9.24%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.675%	3.674%	3.679%
% PRODUCER MILK CLASSIFIED AS CLASS I	49.86%	50.17%	49.80%
NUMBER OF PRODUCERS	2,275	2,262	2,491
AVERAGE DAILY DELIVERY PER PRODUCER	8,041	7,700	7,237
NUMBER OF POOL HANDLERS	37	36	32

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