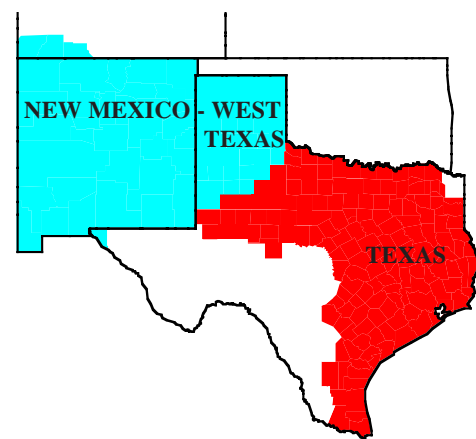


# THE MARKET ADMINISTRATOR'S

# 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](mailto:MAGeneric_Dallas@USDA.GOV)  
 WWW: <http://members.aol.com/fmmo1126>

VOLUME XXIII, NO. 7

JULY 1997

### MARKET SUMMARIES FOR JUNE

The June Class III price increased 4 cents from the previous month to \$10.74. The Class II price for June of \$11.74 per hundredweight decreased \$1.05 from \$12.79 in May. June's Class III-A price increased 66 cents from May's level to \$12.22.

**Texas:** Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$12.89 per hundredweight for deliveries of milk containing 3.5% butterfat. The June price was down 43 cents from May.

Producers delivered a total of 533,906,034 pounds of milk during June. On a daily basis this represents a decrease of 18.94 percent from the producer receipts level in May and it represents a decrease of 4.67 percent when compared to the producer receipts level of June 1996.

Producer milk classified as Class I during June amounted to 47.34 percent of total producer receipts. This figure is up from May's 41.38 percent and it is up from 43.60 percent in June 1996. The average butterfat test of producer milk pooled during June 1997 was 3.409 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 \$11.90 per hundredweight for deliveries of milk containing 3.5% butterfat. The June price was down 58 cents from its May level.

Producers delivered a total of 202,748,986 pounds of milk during June. On a daily basis this represents an increase of 45.99 percent from the producer receipts level in May and it represents an increase of 40.12 percent when compared to the producer receipts level of June 1996.

Producer milk classified as Class I during June amounted to 24.98 percent of total producer receipts. This figure is down from 36.79 percent in May and it is down from 34.22 percent in June 1996. The average butterfat test of producer milk pooled during June 1997 was 3.37 percent.

### DETERMINING CHEESE PRICE AVERAGE FOR USE IN COMPUTING THE BFP

Effective with the May Basic Formula Price (BFP), the Cheddar cheese price series being collected by the National Agricultural Statistical Service (NASS) has been used in the product price formula update portion of the BFP. The NASS price series is collected and released weekly. It covers all transactions during a week, concluding on Friday, and published on Friday of the following week. The information released is the total volume of cheese sold during the week and the average price at which this volume was sold. Since information collected and published in this manner cannot be assembled on a monthly basis, a procedure was developed to determine a "monthly" average price for use in computing the BFP.

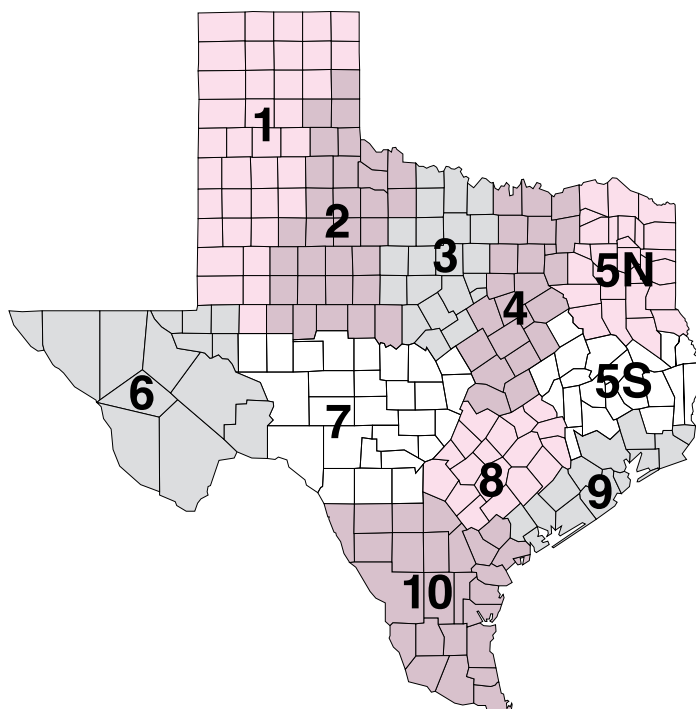
The "monthly" average cheese price for use in computing the BFP will be derived from the weekly information that has been published between the scheduled release dates of the BFP. For example, the May BFP, announced on June 5, will use NASS data for the weeks ending May 2, 9, 16, and 23. Data through the last week of May was not published until June 6, and therefore, not available for use in calculating the May BFP. However, this price will be used to compute the June monthly average cheese price. Once the information for a week has been used to compute a monthly average, that information will not be revised even if NASS issues revised data.

The monthly average will be an average of the applicable weekly prices, weighted by sales volume for the week. Each week, the price is multiplied by the weekly sales volume to yield a weekly value of cheese sold. The sum of the weekly values will be divided by the total sales volume over the covered weeks. The May monthly average was computed as follows:

Week Ending	Price	Volume	Value
5/2	\$1.1928	5,243,234	\$6,254,129.5152
5/9	\$1.1583	5,728,391	\$6,635,195.2953
5/16	\$1.1579	6,223,596	\$7,206,301.8084
5/23	\$1.1600	6,020,076	\$6,983,288.1600
Total		23,215,297	\$27,078,914.7789
			$\$27,078,914.7789/23,215,297 = \$1.166426 = \$1.1664$

## 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 - MAY 1997

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	25	3.67	3.52	3.12	4.81	8.65	328
2	19	1.13	3.58	3.17	4.77	8.65	488
3	447	44.92	3.47	3.19	4.80	8.71	383
4	204	9.19	3.53	3.19	4.79	8.70	401
5N	693	29.85	3.42	3.20	4.76	8.68	407
5S	31	0.79	3.43	3.13	4.72	8.56	431
6	13	4.63	3.38	3.04	4.78	8.53	250
7	19	1.44	3.58	3.18	4.78	8.68	430
8	71	2.79	3.77	3.24	4.73	8.69	397
9	6	0.26	3.34	3.19	4.70	8.61	552
10	22	1.33	4.00	3.36	4.73	8.82	414
TOTAL	1,550	100.00	3.48	3.19	4.79	8.69	387

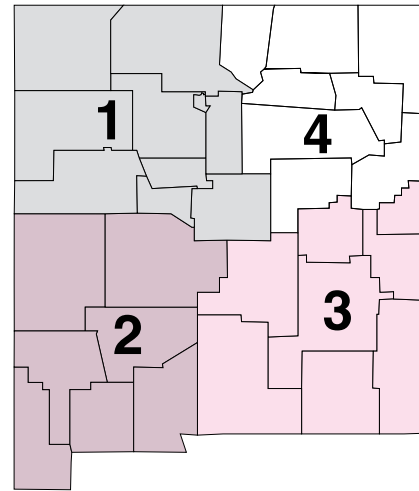
### TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS\* - MAY 1997

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	5	6	6	4	1	3	11,421
2	12	4	1	0	0	2	3,508
3	136	150	81	30	23	27	139,736
4	113	66	18	5	0	2	28,597
5N	357	261	60	8	5	2	92,878
5S	25	4	2	0	0	0	2,468
6	2	1	4	0	0	6	14,394
7	9	5	2	2	0	1	4,494
8	48	14	5	3	1	0	8,676
9	1	5	0	0	0	0	811
10	13	4	1	4	0	0	4,138
TOTAL	721	520	180	56	30	43	311,121

\*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 - MAY 1997**

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	3.56	3.13	4.83	8.68	216
2	33	23.12	3.35	3.10	4.83	8.64	225
3	101	69.46	3.37	3.10	4.80	8.61	265
4	0	0	0	0	0	0	0
TOTAL	158	100.00	3.38	3.11	4.82	8.63	250

**NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS\* - MAY 1997**

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	11	3	7	2	1	0	12,927	
2	2	7	3	18	2	1	40,260	
3	11	10	24	42	12	2	120,962	
4	0	0	0	0	0	0	0	
TOTAL	24	20	34	62	15	3	174,149	

\*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 III-A					Uniform a/ 126 138		B F Diff.	Grade A Butter	Block Cheese	Spray Powder
	Dollars Per Hundred Wt. -----					¢/Point					
May 1996	15.86	15.05	13.00	13.77	11.90	14.43	13.82	8.4	89.16	149.25	116.00
June	16.25	15.44	13.39	13.92	15.12	15.03	14.56	14.1	130.63	149.33	129.75
July	16.93	16.12	14.07	14.49	16.01	15.78	15.07	15.9	144.87	156.23	132.57
August	17.08	16.27	14.22	14.94	15.82	16.12	15.37	15.8	145.00	163.58	130.91
September	17.65	16.84	14.79	15.37	15.85	16.65	15.84	15.6	145.00	169.42	131.90
October	18.10	17.29	15.24	14.13	14.94	16.79	15.14	13.1	124.45	157.93	131.55
November	18.53	17.72	15.67	11.61	12.18	16.37	13.43	6.5	71.47	132.45	126.59
December	17.29	16.48	14.43	11.34	11.75	14.89	12.80	6.8	73.02	123.73	120.55
Averages 1996 b/	16.79	15.98	13.93	13.39	13.00	15.20	14.03	10.0	99.82	146.63	122.16
January 1997	14.77	13.96	11.91	11.94	11.50	13.50	12.55	7.8	81.74	127.05	113.94
February	14.50	13.69	11.64	12.46	12.36	13.42	12.79	10.0	98.46	131.24	114.91
March	15.10	14.29	12.24	12.49	12.78	13.66	13.07	11.0	105.81	132.34	115.78
April	15.62	14.81	12.76	11.44	12.10	13.61	12.70	9.4	91.90	123.78	114.40
May	15.65	14.84	12.79	10.70	11.56	13.32	12.48	9.0	87.40	116.64	109.83
June	14.60	13.79	11.74	10.74	12.22	12.89	11.90	11.4	105.00	115.83	107.88
July	13.86	13.05	11.00								
August	13.90	13.09	11.04								

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

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN TEXAS BY MONTHS:  
JANUARY 1995 THROUGH JUNE 1997, WITH PERCENTAGE COMPARISONS \*\***

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	1997/96
January	544,665,125	1,918	549,914,311	1,786	540,921,813	1,610	+0.96	-1.64
February	519,646,630	1,911	536,326,949	1,773	503,177,566	1,591	-0.35	-2.83
March	579,936,046	1,902	590,936,348	1,745	560,823,025	1,566	+1.90	-5.10
April	560,828,983	1,886	575,799,475	1,738	539,258,903	1,553	+2.67	-6.35
May	552,635,192	1,884	567,120,914	1,714	530,457,547	1,550	+2.62	-6.46
June	505,013,242	1,864	490,380,980	1,683	468,546,651	1,523	-2.90	-4.45
July	479,245,070	1,866	454,376,230	1,670			-5.19	
August	448,110,385	1,858	448,420,253	1,652			+0.07	
September	437,779,650	1,844	427,623,846	1,639			-2.32	
October	481,136,358	1,837	466,085,603	1,637			-3.13	
November	480,929,263	1,826	474,250,855	1,636			-1.39	
December	<u>524,145,612</u>	1,800	<u>516,304,359</u>	1,620			<u>-1.50</u>	
Years Total	6,114,071,556		6,098,233,434				-0.26	

\*Revised figures

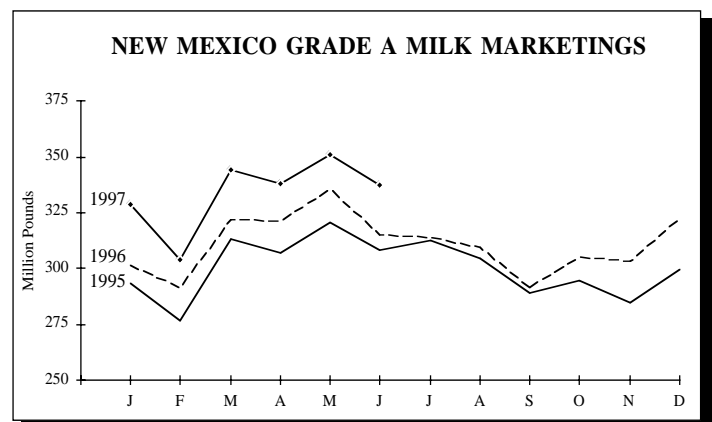
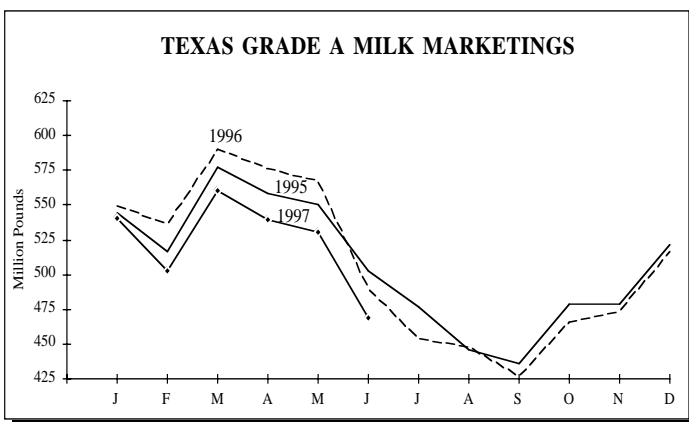
\*\*February figures are based upon average daily production.

**POUNDS OF GRADE A MILK MARKETED BY  
PRODUCERS LOCATED IN NEW MEXICO BY MONTHS:  
JANUARY 1995 THROUGH JUNE 1997, WITH PERCENTAGE COMPARISONS \*\***

MONTH	1995 POUNDS	Number of Producers	1996 POUNDS	Number of Producers	1997 POUNDS	Number of Producers	PERCENT CHANGE 1996/95*	1997/96
January	293,542,014	156	301,646,087	153	328,059,604	156	+2.76	+8.76
February	276,638,548	155	291,741,013	154	303,972,265	156	+1.82	+7.91
March	313,161,171	152	321,854,914	154	343,866,862	157	+2.78	+6.84
April	307,337,393	152	321,032,089	153	337,943,697	157	+4.46	+5.27
May	320,781,400	154	335,537,514	153	350,910,125	158	+4.60	+4.58
June	309,224,349	153	314,856,503	153	337,592,757	158	+1.82	+7.22
July	312,630,262	153	313,553,863	154			+0.30	
August	304,582,850	153	309,399,050	155			+1.58	
September	288,872,854	156	293,390,938	157			+1.56*	
October	294,564,685	154	307,608,027	156			+4.43*	
November	284,775,780	155	303,433,595	157			+6.55	
December	<u>299,367,034</u>	153	<u>322,470,035</u>	157			<u>+7.72</u>	
Years Total	3,605,478,340		3,736,523,628				+3.63	

\*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
June 1996	3.41	3.40	3.07	3.03	4.79	4.81	8.57	8.55	343	224
July	3.43	3.40	3.12	3.04	4.75	4.78	8.58	8.52	429	259
August	3.50	3.44	3.20	3.10	4.71	4.75	8.59	8.55	446	272
September	3.60	3.54	3.24	3.17	4.70	4.76	8.64	8.65	455	271
October	3.65	3.58	3.29	3.23	4.72	4.77	8.72	8.70	377	238
November	3.67	3.60	3.29	3.28	4.75	4.78	8.75	8.78	378	224
December	3.66	3.58	3.27	3.25	4.77	4.80	8.75	8.77	378	223
Average 1996	3.58	3.55	3.19	3.14	4.77	4.80	8.67	8.65	358	234
January 1997	3.67	3.62	3.25	3.23	4.79	4.80	8.75	8.74	373	257
February	3.64	3.59	3.24	3.21	4.79	4.81	8.73	8.73	397	280
March	3.57	3.54	3.20	3.16	4.79	4.81	8.70	8.68	400	271
April	3.52	3.50	3.21	3.15	4.79	4.82	8.71	8.69	378	251
May	3.48	3.38	3.19	3.11	4.79	4.82	8.69	8.63	387	250
June	3.46	3.33	3.16	3.08	4.77	4.81	8.64	8.60	436	264

\* In thousands.

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

	REPORTED JUN. 1997	REPORTED MAY 1997	REPORTED JUN. 1996
<b>TOTAL UTILIZATION</b>			
CLASS I	51,701,386	54,390,476	51,516,838
CLASS II	10,240,907	7,117,531	7,371,897
CLASS III/III-A	155,342,040	151,749,235	97,014,144
CLOSING INVENTORY (CLASS I, II AND III)	11,662,522	11,029,372	9,531,363
TOTAL UTILIZATION	228,946,855	224,286,614	165,434,242
DAILY CLASS I UTILIZATION	1,723,380	1,754,531	1,717,228
JUN. -DAILY CLASS I COMPARED TO:		- 1.78%	+ .36%
CLASS I YEAR TO DATE (IN THOUSANDS)	328,975	277,273	349,194
% CHANGE FROM PREVIOUS YEAR	- 5.79%	- 6.86%	- .19%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	50,649,677	52,801,518	49,510,329
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	9,227,947	5,488,689	6,231,691
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	142,871,362	85,216,699	88,957,976
TOTAL PRODUCER RECEIPTS	202,748,986	143,506,906	144,699,996
OTHER SOURCE A/	15,116,014	68,859,535	14,546,307
OPENING INVENTORY	11,079,823	11,916,978	6,187,420
OVERAGE	2,032	3,195	519
TOTAL RECEIPTS	228,946,855	224,286,614	165,434,242
<b>DAILY PRODUCER RECEIPTS</b>	6,758,300	4,629,255	4,823,333
JUN. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 45.99%	+ 40.12%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	1,155,420	952,671	896,351
% CHANGE FROM PREVIOUS YEAR	+ 28.90%	+ 26.74%	- 11.18%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.365%	3.442%	3.417%
% PRODUCER MILK CLASSIFIED AS CLASS I	24.98%	36.79%	34.22%
NUMBER OF PRODUCERS	149	127	189
AVERAGE DAILY DELIVERY PER PRODUCER	45,358	36,451	25,520
NUMBER OF POOL HANDLERS	17	16	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  
 (972) 245-6060 FAX(972) 245-3211

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**TEXAS MILK MARKET AT A GLANCE**

	REPORTED JUN. 1997	REPORTED MAY 1997	REPORTED JUN. 1996
<b>TOTAL UTILIZATION</b>			
CLASS I	253,372,542	282,505,162	247,539,012
CLASS II	124,034,042	120,137,187	113,722,109
CLASS III/III-A	174,016,661	308,058,733	203,582,856
CLOSING INVENTORY (CLASS I, II AND III)	30,701,416	25,096,359	33,396,315
TOTAL UTILIZATION	582,124,661	735,797,441	598,240,292
<b>DAILY CLASS I UTILIZATION</b>	8,445,751	9,113,070	8,251,300
JUN.-DAILY CLASS I COMPARED TO:		- 7.32%	+ 2.36%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,662,613	1,409,240	1,593,149
% CHANGE FROM PREVIOUS YEAR	+ 4.36%	+ 4.73%	+ .54%
<b>TOTAL RECEIPTS</b>			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	252,775,892	281,614,825	244,160,854
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	110,883,182	103,076,350	107,029,434
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	170,246,960	295,937,488	208,859,584
TOTAL PRODUCER RECEIPTS	533,906,034	680,628,663	560,049,872
OTHER SOURCE A/	22,805,955	25,099,331	15,524,942
OPENING INVENTORY	25,096,359	30,034,093	22,649,000
OVERAGE	316,313	35,354	16,478
TOTAL RECEIPTS	582,124,661	735,797,441	598,240,292
<b>DAILY PRODUCER RECEIPTS</b>	17,796,868	21,955,763	18,668,329
JUN.-DAILY PRODUCER RECEIPTS COMPARED TO:		- 18.94%	- 4.67%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	3,568,959	3,035,053	3,697,881
% CHANGE FROM PREVIOUS YEAR	- 3.49%	- 3.28%	+ 9.52%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.409%	3.438%	3.411%
% PRODUCER MILK CLASSIFIED AS CLASS I	47.34%	41.35%	43.60%
NUMBER OF PRODUCERS	1,690	1,846	1,771
AVERAGE DAILY DELIVERY PER PRODUCER	10,531	11,894	10,541
NUMBER OF POOL HANDLERS	32	35	31

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