

THE MARKET ADMINISTRATOR'S

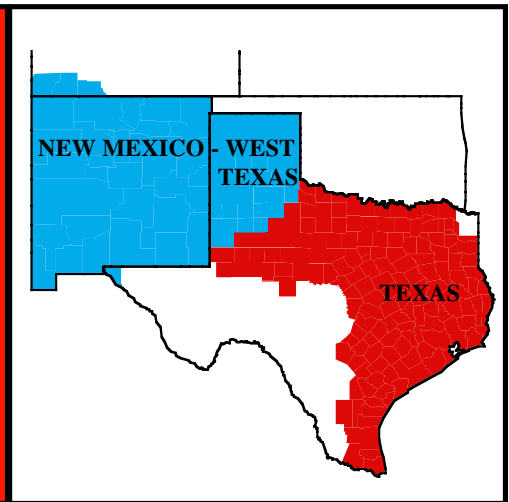
REPORT



TEXAS MARKETING AREA

NEW MEXICO - WEST TEXAS MARKETING AREA

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COMMENT PERIOD EXTENDED, LISTENING SESSIONS ANNOUNCED ON MILK REFORM

Agriculture Secretary Dan Glickman extended the comment period for USDA's proposed rule consolidating and reforming federal milk marketing orders until April 30. The comment period was to have closed March 31. USDA will also hold four public listening sessions to provide an opportunity for dairy producers, processors and other interested parties to discuss the proposed rule.

The proposed federal milk marketing order rule was published in the Jan. 30, 1998, Federal Register. It addresses consolidation of the current 31 orders into 11; replacement of the BFP (currently based in part on the Minnesota-Wisconsin price for grade B milk), with a price that reflects the value of milk components such as protein and butterfat in manufactured dairy products; two options for replacing the way that minimum fluid milk prices are determined, including one option that closely reflects the current program and a preferred market-oriented option for fluid milk prices that could be accompanied by transition assistance for dairy farmers; and other proposed suggestions for streamlining language and provisions in the current order system.

Each listening session will begin with an overview of the proposed rule. Then the session will be opened to receiving input from interested parties. Individuals will be given 5 minutes to present comments on the proposed rule. All input will be recorded by a reporter and included as part of the official record of the Federal order reform proceeding. If you wish to comment during a listening session, please notify the appropriate contact person to schedule your appearance in advance.

Because of the limited time available, it is expected that many of those who have relevant information or wish to provide comments on the proposed rule may choose to participate in writing. As indicated in the proposed rule, written comments (2 copies) can be

submitted to Richard M. McKee, Deputy Administrator, Dairy Programs, USDA/AMS, Room 2968, South Building, P.O. Box 96456, Washington, DC 20090-6456. Comments also may be sent by fax to (202) 690-3410. Additionally, comments may be submitted via E-mail to: Milk_Order_Reform_@usda.gov.

Each session is scheduled to begin at 9:00 a.m. and conclude at approximately 5:00 p.m. at the following locations:

Monday, March 30

- ◆ Four Points Hotel Syracuse, 441 Electronics Parkway, Liverpool, New York. Contact: Jane Hart, (518)452-4410
- ◆ Crowne Plaza Atlanta Airport, 1325 Virginia Avenue, Atlanta, Georgia Contact: Sue L. Mosley, (770)448-1194
- ◆ Hyatt Regency DFW, West Tower, Inside Dallas/Fort Worth Airport, P.O. Box 619014, DFW Airport, Texas Contact: Cary Hunter or Cindy Taylor, (972) 245-6060

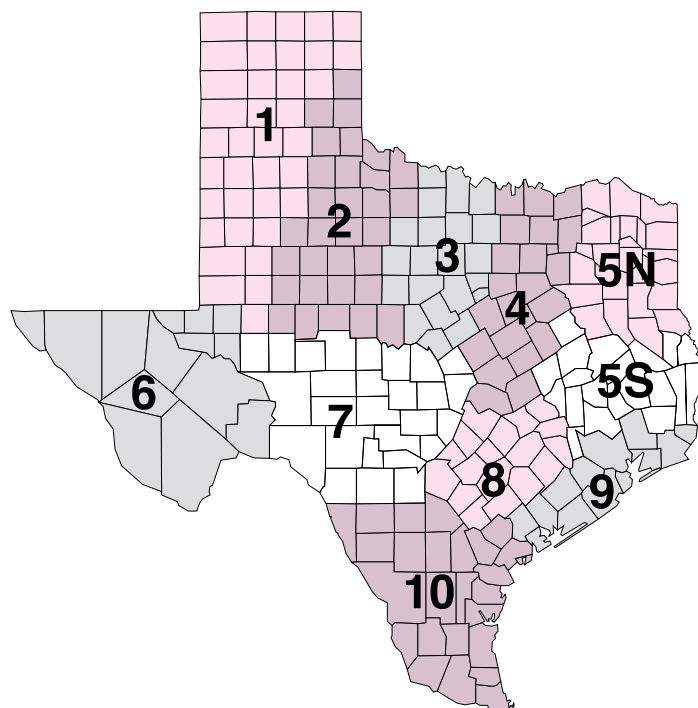
Tuesday, March 31

- ◆ Radisson Inn, 2040 Airport Drive, Green Bay, Wisconsin Contact: Rachel Benocke, (630) 810-9999 ext. 146

All comments should be identified with the docket number DA-97-12. To facilitate the review process, please state the particular topic(s) addressed, from the following list, at the beginning of the comment: consolidation, basic formula price, Class I price structure, other class prices, classification, provisions applicable to all orders, regional issues (please specify: Northeast, Southeast, Midwest, Western), and miscellaneous and administrative. If comments pertain to a specific order, please identify such order.

TEXAS GEOGRAPHIC REGIONS

AREA	REGION NAME
1	HIGH PLAINS
2	LOW PLAINS
3	CROSTIMBERS
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 1997

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	21	3.76	3.93	3.26	4.83	8.81	353
2	16	1.34	3.93	3.27	4.82	8.81	377
3	400	46.49	3.79	3.31	4.81	8.83	365
4	177	8.82	3.86	3.32	4.80	8.84	406
5N	604	27.95	3.76	3.29	4.76	8.77	406
5S	29	0.74	3.69	3.21	4.72	8.65	446
6	12	5.09	3.65	3.12	4.77	8.61	298
7	19	1.54	4.02	3.33	4.77	8.82	379
8	68	2.75	3.85	3.31	4.75	8.78	377
9	5	0.20	3.65	3.22	4.69	8.63	534
10	17	1.34	4.34	3.54	4.72	9.00	392
TOTAL	1,368	100.00	3.80	3.30	4.80	8.80	378

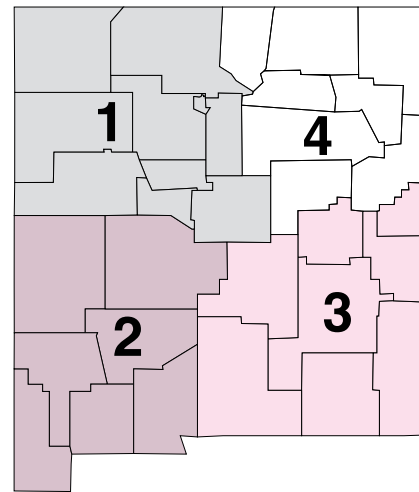
TEXAS DAIRY MILKING HERD SIZE ARRAY FOR GEOGRAPHIC REGIONS* - DECEMBER 1997

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	3	4	8	2	2	2	10,371
2	9	4	1	0	0	2	3,712
3	117	134	71	32	20	26	128,368
4	100	54	16	5	0	2	24,349
5N	335	202	56	7	2	2	77,173
5S	25	2	2	0	0	0	2,036
6	2	2	2	0	0	6	14,043
7	11	3	3	0	1	1	4,258
8	47	14	6	0	1	0	7,584
9	2	3	0	0	0	0	542
10	6	6	2	3	0	0	3,695
TOTAL	657	428	167	49	26	41	276,131

*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 1997

REGION	NUMBER OF PRODUCER'S	% OF MILK MARKETED	PERCENT BUTTERFAT	PERCENT PROTEIN	PERCENT LACTOSE	PERCENT S-N-F	SCC (1,000)
1	23	7.06	3.82	3.29	4.80	8.82	284
2	33	21.60	3.73	3.25	4.81	8.78	259
3	101	71.34	3.74	3.28	4.80	8.81	303
4	0	0	0	0	0	0	0
TOTAL	157	100.00	3.74	3.28	4.81	8.81	290

NEW MEXICO DAIRY MILKING HERD SIZE FOR GEOGRAPHIC REGIONS* - DECEMBER 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	12	2	6	2	1	0	11,774
2	3	6	6	17	1	0	36,028
3	11	11	22	45	11	1	119,005
4	0	0	0	0	0	0	0
TOTAL	26	19	34	64	13	1	166,808

*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					
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	10.86	12.06	12.73	11.72	11.0	101.84	117.67	107.65
August	13.90	13.09	11.04	12.07	11.88	13.03	12.42	10.6	101.32	130.24	107.18
September	14.02	13.21	11.16	12.79	11.87	13.18	12.95	10.6	103.37	137.82	107.11
October	15.23	14.42	12.37	12.83	13.50	14.21	13.56	15.3	137.35	138.35	106.91
November	15.95	15.14	13.09	12.96	14.01	14.70	13.73	16.7	148.42	138.52	107.13
December	15.99	15.18	13.13	13.29	12.46	14.80	13.81	12.2	116.97	141.63	107.40
Averages 1997	14.93	14.12	12.07	12.05	12.36	13.59	12.81	11.3	106.63	129.26	110.01
January 1998	16.12	15.31	13.26	13.25	12.04	14.97	13.68	11.4	110.61	141.65	105.93
February	16.45	15.64	13.59	13.32	12.89	15.00	13.88	14.0	129.63	141.63	105.21
March	16.41	15.60	13.55								
April	16.48	15.67	13.62								

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
February 1997	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
July	3.44	3.33	3.14	3.06	4.74	4.80	8.59	8.57	460	277
August	3.42	3.37	3.17	3.07	4.70	4.78	8.58	8.56	484	301
September	3.50	3.41	3.21	3.13	4.74	4.80	8.65	8.64	443	291
October	3.62	3.53	3.28	3.23	4.75	4.81	8.75	8.75	410	256
November	3.78	3.67	3.32	3.27	4.74	4.78	8.76	8.76	366	238
December	3.80	3.74	3.30	3.28	4.80	4.81	8.80	8.81	378	290
Average 1997	3.58	3.50	3.22	3.17	4.77	4.80	8.70	8.68	409	269
January 1998	3.74	3.75	3.25	3.24	4.80	4.80	8.76	8.76	409	408
February	3.66	3.63	3.22	3.21	4.81	4.82	8.74	8.75	379	325

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED FEB. 1998	REPORTED JAN. 1998	REPORTED FEB. 1997
TOTAL UTILIZATION			
CLASS I	51,298,906	57,083,893	52,850,978
CLASS II	5,762,928	6,003,187	6,808,565
CLASS III/III-A	157,824,567	150,266,624	183,958,599
CLOSING INVENTORY (CLASS I, II AND III)	11,631,529	10,516,497	7,776,521
TOTAL UTILIZATION	226,517,930	223,870,201	251,394,663
DAILY CLASS I UTILIZATION	1,832,104	1,841,416	1,887,535
FEB. -DAILY CLASS I COMPARED TO:		- .51%	- 2.94%
CLASS I YEAR TO DATE (IN THOUSANDS)	108,383	57,084	112,682
% CHANGE FROM PREVIOUS YEAR	- 3.82%	- 4.59%	- 5.47%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	49,906,308	55,837,240	51,541,106
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	4,817,754	5,081,499	6,593,697
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	152,823,376	149,715,645	156,966,333
TOTAL PRODUCER RECEIPTS	207,547,438	210,634,384	215,101,136
OTHER SOURCE A/	8,261,842	5,361,112	25,973,658
OPENING INVENTORY	10,516,497	7,874,563	10,319,531
OVERAGE	192,153	142	338
TOTAL RECEIPTS	226,517,930	223,870,201	251,394,663
DAILY PRODUCER RECEIPTS	7,412,409	6,794,658	7,682,183
FEB. -DAILY PRODUCER RECEIPTS COMPARED TO:		+ 9.09%	- 3.51%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	418,182	210,634	437,699
% CHANGE FROM PREVIOUS YEAR	- 4.46%	- 5.38%	+ 32.50%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.640%	3.739%	3.604%
% PRODUCER MILK CLASSIFIED AS CLASS I	24.05%	26.51%	23.96%
NUMBER OF PRODUCERS	135	145	175
AVERAGE DAILY DELIVERY PER PRODUCER	54,907	46,860	43,898
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
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TEXAS MILK MARKET AT A GLANCE

	REPORTED FEB. 1998	REPORTED JAN. 1998	REPORTED FEB. 1997
TOTAL UTILIZATION			
CLASS I	251,513,691	284,701,898	268,269,440
CLASS II	100,066,762	99,410,071	93,363,507
CLASS III/III-A	164,764,965	135,600,615	170,808,629
CLOSING INVENTORY (CLASS I, II AND III)	28,166,454	28,695,719	26,305,197
TOTAL UTILIZATION	544,511,872	548,408,303	558,746,773
DAILY CLASS I UTILIZATION	8,982,632	9,183,932	9,581,051
FEB.-DAILY CLASS I COMPARED TO:		- 2.19%	- 6.25%
CLASS I YEAR TO DATE (IN THOUSANDS)	536,216	284,702	568,636
% CHANGE FROM PREVIOUS YEAR	- 5.70%	- 5.22%	+ 5.00%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	250,561,831	281,900,444	266,573,484
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	91,440,871	82,997,385	83,703,186
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	154,937,837	126,059,258	163,522,128
TOTAL PRODUCER RECEIPTS	496,940,539	490,957,087	513,798,798
OTHER SOURCE A/	18,875,614	26,301,965	17,627,140
OPENING INVENTORY	28,695,719	31,148,205	27,206,145
OVERAGE		1,046	114,690
TOTAL RECEIPTS	544,511,872	548,408,303	558,746,773
DAILY PRODUCER RECEIPTS	17,747,876	15,837,325	18,349,957
FEB.-DAILY PRODUCER RECEIPTS COMPARED TO:		+ 12.06%	- 3.28%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	987,898	490,957	1,066,030
% CHANGE FROM PREVIOUS YEAR	- 7.33%	- 11.10%	- 10.06%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.650%	3.742%	3.639%
% PRODUCER MILK CLASSIFIED AS CLASS I	50.42%	57.42%	51.88%
NUMBER OF PRODUCERS	1,512	1,408	1,688
AVERAGE DAILY DELIVERY PER PRODUCER	11,738	11,248	10,871
NUMBER OF POOL HANDLERS	33	34	30

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