

THE MARKET ADMINISTRATOR'S

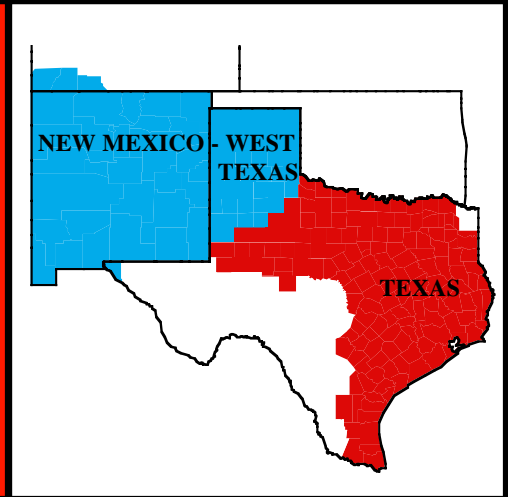
REPORT



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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SOUTHWEST MILK MARKETING CONFERENCE

The 1998 Southwest Milk Marketing Conference will be held at the La Mansion Del Rio, San Antonio, Texas, June 25-26, 1998. Contact Bud Schwart, at the Department of Agricultural Economics, Texas A&M University, 409-845-5284, for details.

MARKET SUMMARIES FOR APRIL

The April Class III price decreased 80 cents from the previous month to \$12.01. The Class II price for April of \$13.62 per hundredweight increased 7 cents from \$13.55 in March. April's Class III-A price increased 21 cents from March's level to \$12.88.

Texas: Producers who delivered milk to handlers located in Zones 1 and 2 of the Texas Milk Market Order received \$14.46 per hundredweight for deliveries of milk containing 3.5% butterfat. The April price was down 16 cents from March.

Producers delivered a total of 598,587,839 pounds of milk during April. On a daily basis this represents a decrease of .68 percent from the producer receipts level in March and it represents a decrease of 8.03 percent when compared to the producer receipts level of April 1997.

Producer milk classified as Class I during April amounted to 44.11 percent of total producer receipts. This figure is up slightly from March's 43.50 percent and it is up from 42.95 percent in April 1997. The average butterfat test of producer milk pooled during April 1998 was 3.523 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 \$13.24 per hundredweight for deliveries of milk containing 3.5% butterfat. The April price was down 43 cents from its March level.

Producers delivered a total of 213,380,307 pounds of milk during April. On a daily basis this represents an increase of 10.91 percent from the producer receipts level in March and it represents an increase of 25.56 percent when compared to the producer receipts level of April 1997.

Producer milk classified as Class I during April amounted to 25.80 percent of total producer receipts. This figure is down from 28.36 percent in March and it is down from 31.22 percent in April 1997. The average butterfat test of producer milk pooled during April 1998 was 3.529 percent.

TOP 10 CHEESE PRODUCING STATES 1997

Rank	State	Million Pounds
1	Wisconsin	2,119.0
2	California	1,173.0
3	Minnesota	642.0
4	New York	616.7
5	Idaho	471.9
6	Pennsylvania	342.8
7	Iowa	234.3
8	New Mexico	189.7
9	Missouri	166.7
10	South Dakota	135.7
	U.S. Total	7,329.0

CALCULATION OF BASIC FORMULA PRICE

Prices and Production

	Mar-98	Apr-98
Minnesota-Wisconsin Base Price at 3.5%	12.70	—
Chicago Mercantile Exchange AA Butter	1.3452	1.3788
Chicago Mercantile Exchange A Butter	1.2505	1.2856
National Agricultural Statistical Service (NASS) U.S. 40# Blocks	1.3793	1.3072
Western States NFDM Low/Medium Heat	1.0309	1.0256
Western States Dry Buttermilk	0.9163	0.9212
American Cheese Production in M/W**	125,844	
NFDM Production in M/W**	1,831	

**Represents most recent preceding period.

Mar-98 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NASS Blocks) + (.238 x CME A Butter)	\$13.9113
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$14.4482

Apr-98 Gross Values of Milk Used To Manufacture

Cheese (9.87 x NASS Blocks) + (.238 x CME A Butter)	\$13.2080
Butter/NFDM (4.27 x CME AA Butter) + (8.07 x WS NFDM L/M) + (.42 x WS DBM)	\$14.5510

Differences in Gross Values

Cheese	(\$0.7033)
Butter/NFDM	\$0.1028

Manufactured Products Production

	Pounds	Milk Equivalent	Percent
Mar-98 Cheese	125,844,000 / 9.87	12,750,152	0.983
Mar-98 Butter/NFDM	1,831,000 / 8.07	226,890	0.017
		12,977,042	1.000

Weighted Change in Values

Cheese	0.983	x	(\$0.7033)	(\$0.6910)
Butter/NFDM	0.017	x	\$0.1028	\$0.0018
Total Change in Value (Update)				(\$0.6892)
Rounded to Nearest Whole Cent				(\$0.69)

Basic Formula Price

Mar-98 Minnesota-Wisconsin Base Price	\$12.70
Update Value	(\$0.69)

April-98 Basic Formula Price

\$12.01

CALCULATION OF BUTTERFAT DIFFERENTIAL April 1998

Date	Butter Price a/	Number of Days Used	Price Weight
3/27	\$1.2500	2	2.5000
4/3	\$1.2500	6	7.5000
4/9	\$1.2500	8	10.0000
4/17	\$1.2525	7	8.7675
4/24	\$1.4000	7	9.8000
TOTAL		30	38.5675

Average Price $38.5675/30 = \$1.2856$

Butterfat Differential

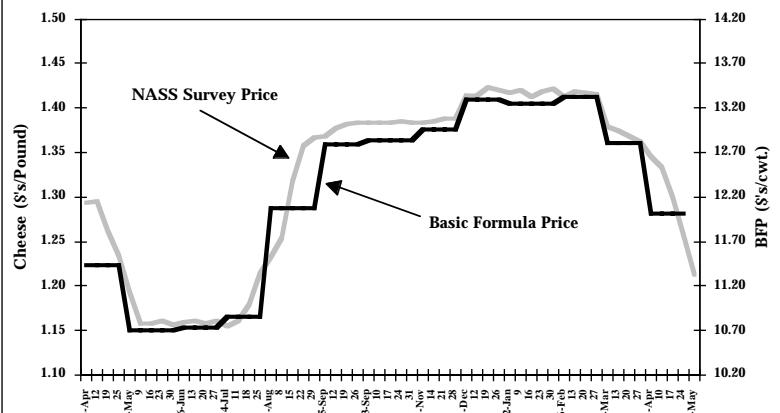
$$= (.138 * \$1.2856) - (.0028 * \$12.48 \text{ b/})$$

$$= \mathbf{\$.142}$$

a/ Weekly Chicago Mercantile Grade A prices

b/ Previous Base Price at test plus current change in value.

NASS 40# Block Cheddar Cheese U.S. Prices and Basic Formula Prices for Apr 97 to Date



TOP TEN TEXAS COUNTIES a/ – APRIL 1998

County	Number of Producers	Pounds	% Change From 1997	County	Number of Producers	Pounds	% Change From 1997
1. Erath	153	131,085,508	+1.82	7. Johnson	46	18,888,288	-2.82
2. Hopkins	272	63,452,952	-7.18	8. Hamilton	30	17,742,194	+7.61
3. Comanche	47	38,898,465	+3.96	9. Cherokee	31	13,712,715	-7.56
4. El Paso	9	23,126,033	+10.38	10. Van Zandt	26	11,877,560	+3.30
5. Archer	61	21,693,038	+3.24	Ten County Total	750	360,328,114	+1.11 b/
6. Wood	75	19,851,361	+12.67	Other Counties Total	586	171,668,992	-6.13
				Texas Total	1,336	531,997,106	-1.35

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

Month	Class I a/					Uniform a/		B F Diff.	Grade A	Block	Spray	
	126	138	Class II	Class III	III-A	126	138		Butter	Cheese	Powder	
	----- Dollars Per Hundred Wt. -----								¢/Point	-----Cents Per Pound-----		
March 1997	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	12.81	12.67	14.62	13.67	13.5	125.05	137.93	104.67	
April	16.48	15.67	13.62	12.01	12.88	14.46	13.24	14.2	128.56	130.72	104.26	
May	15.97	15.16	13.11									
June	15.17	14.36	12.31									

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

TOP NEW MEXICO COUNTIES a/ – APRIL 1998

County	Number of Producers	Pounds	% Change From 1997	County	Number of Producers	Pounds	% Change From 1997
1. Chaves	41	129,999,575	+4.43	7. Valencia	12	10,844,304	-6.10
2. Dona Ana	23	67,633,580	-0.97	8. Bernalillo	8	9,621,241	+0.54
3. Roosevelt	29	44,415,162	+2.27	9. Socorro	7	7,390,329	+11.18
4. Curry	11	40,964,534	+49.11				
5. Lea	13	28,133,021	+34.68	Nine County Total	150	361,620,344	+9.81
6. Eddy	6	22,618,598	+33.19	Other Counties Total	6	8,162,431	-5.40
				New Mexico Total	156	369,782,775	+9.42

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.

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
April 1997	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
March	3.64	3.60	3.24	3.20	4.82	4.82	8.75	8.74	372	305
April	3.52	3.52	3.21	3.17	4.84	4.84	8.73	8.71	336	274

* In thousands.

NEW MEXICO - WEST TEXAS MILK MARKET AT A GLANCE

	REPORTED APR. 1998	REPORTED MAR. 1998	REPORTED APR. 1997
TOTAL UTILIZATION			
CLASS I	55,957,254	57,961,003	54,541,227
CLASS II	7,686,214	7,659,725	6,631,857
CLASS III/III-A	188,711,717	169,398,175	149,249,730
CLOSING INVENTORY (CLASS I, II AND III)	11,617,160	11,442,199	11,886,050
TOTAL UTILIZATION	263,972,345	246,461,102	222,308,864
DAILY CLASS I UTILIZATION	1,865,242	1,869,710	1,818,041
APR. -DAILY CLASS I COMPARED TO:			
CLASS I YEAR TO DATE (IN THOUSANDS)	222,301	166,344	222,883
% CHANGE FROM PREVIOUS YEAR	-.26%	-1.19%	-6.46%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	55,047,603	56,383,187	53,056,327
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	6,214,236	6,533,455	5,467,523
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	152,118,468	135,888,995	111,419,522
TOTAL PRODUCER RECEIPTS	213,380,307	198,805,637	169,943,372
OTHER SOURCE A/	38,531,991	36,025,436	41,351,004
OPENING INVENTORY	12,060,047	11,630,029	11,014,147
OVERAGE			341
TOTAL RECEIPTS	263,972,345	246,461,102	222,308,864
DAILY PRODUCER RECEIPTS	7,112,677	6,413,085	5,664,779
APR. -DAILY PRODUCER RECEIPTS COMPARED TO:			
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	830,368	616,987	809,165
% CHANGE FROM PREVIOUS YEAR	+2.62%	-3.48%	+26.36%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.529%	3.622%	3.525%
% PRODUCER MILK CLASSIFIED AS CLASS I	25.80%	28.36%	31.22%
NUMBER OF PRODUCERS	166	181	159
AVERAGE DAILY DELIVERY PER PRODUCER	42,847	35,431	35,628
NUMBER OF POOL HANDLERS	14	14	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 APR. 1998	REPORTED MAR. 1998	REPORTED APR. 1997
TOTAL UTILIZATION			
CLASS I	264,828,878	270,955,712	282,419,617
CLASS II	120,130,519	123,178,281	112,627,479
CLASS III/III-A	235,338,891	246,321,202	283,499,807
CLOSING INVENTORY (CLASS I, II AND III)	30,868,531	31,995,717	30,085,090
TOTAL UTILIZATION	651,166,819	672,450,912	708,631,993
DAILY CLASS I UTILIZATION	8,827,629	8,740,507	9,413,987
APR.-DAILY CLASS I COMPARED TO:		+ 1.00%	- 6.23%
CLASS I YEAR TO DATE (IN THOUSANDS)	1,072,000	807,171	1,126,735
% CHANGE FROM PREVIOUS YEAR	- 4.86%	- 4.40%	+ 4.66%
TOTAL RECEIPTS			
PRODUCER RECEIPTS CLASSIFIED AS CLASS I	264,054,906	270,866,859	279,543,929
PRODUCER RECEIPTS CLASSIFIED AS CLASS II	110,333,310	115,869,120	99,786,368
PRODUCER RECEIPTS CLASSIFIED AS CLASS III/III-A	224,199,623	236,004,359	271,509,745
TOTAL PRODUCER RECEIPTS	598,587,839	622,740,338	650,840,042
OTHER SOURCE A/	20,563,963	21,534,475	19,424,837
OPENING INVENTORY	32,015,017	28,176,098	38,361,374
OVERAGE		1	5,740
TOTAL RECEIPTS	651,166,819	672,450,912	708,631,993
DAILY PRODUCER RECEIPTS	19,952,928	20,088,398	21,694,668
APR.-DAILY PRODUCER RECEIPTS COMPARED TO:		- .68%	- 8.03%
PRODUCER RECEIPTS YEAR TO DATE (IN THOUSANDS)	2,209,226	1,610,638	2,354,425
% CHANGE FROM PREVIOUS YEAR	- 6.17%	- 5.46%	- 5.82%
AVERAGE BUTTERFAT TEST OF PRODUCER RECEIPTS	3.523%	3.626%	3.510%
% PRODUCER MILK CLASSIFIED AS CLASS I	44.11%	43.50%	42.95%
NUMBER OF PRODUCERS	1,359	1,496	1,819
AVERAGE DAILY DELIVERY PER PRODUCER	14,682	13,428	11,927
NUMBER OF POOL HANDLERS	31	32	32

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