

**AGRICULTURAL MARKETING SERVICE
DAIRY DIVISION**

TEXAS MILK MARKETING AREA
Federal Order No. 126

Office Address: NEW MEXICO-WEST TEXAS MARKETING AREA
Federal Order No. 138

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ANNOUNCEMENT OF CLASS PRICES FOR 3.5% MILK AND BUTTERFAT DIFFERENTIALS

| | <u>AUG 1996</u> | <u>SEP 1996</u> | <u>OCT 1996</u> |
|-------------------------------------|-----------------|-----------------|-----------------|
| CLASS I PRICE | | | |
| TEXAS ^{1/} | 17.08 | 17.65 | 18.10 |
| PROCESSOR ASSESSMENT ^{2/} | .20 | .20 | .20 |
| TOTAL ^{2/} | 17.28 | 17.85 | 18.30 |
| | | | |
| NEW MEXICO-WEST TEXAS ^{3/} | 16.27 | 16.84 | 17.29 |
| PROCESSOR ASSESSMENT ^{2/} | .20 | .20 | .20 |
| TOTAL ^{2/} | 16.47 | 17.04 | 17.49 |
| | | | |
| CLASS II PRICE | 14.22 | 14.79 | 15.24 |
| | | | |
| CLASS III PRICE | 14.94 | | |
| | | | |
| CLASS III-A PRICE | 15.82 | | |
| | | | |
| BUTTERFAT DIFFERENTIAL | .158 | | |

PRICE QUOTATIONS AND FORMULA PRICES

| | <u>AUG 1996</u> | <u>JUL 1996</u> | <u>AUG 1995</u> |
|--|-----------------|-----------------|-----------------|
| BASIC FORMULA PRICE AT 3.5% | 14.94 | 14.49 | 11.55 |
| BASE MONTH PRICE AT TEST | | 14.45 | 11.45 |
| BASE MONTH PRICE AT 3.5% | | 14.26 | 11.39 |
| CHANGE IN VALUES (ADJ. FROM PREV. TO CUR. MO.) | +0.68 | +0.72 | +0.50 |
| CHICAGO 92-SCORE BUTTER (MERC. EXCH.) | 1.4500 | 1.4487 | .7900 |
| NON-FAT DRY MILK AVG (CENTRAL STATES) | 1.3091 | 1.3257 | 1.0669 |
| 40-LB BLOCK CHEESE (NAT'L CHEESE EXCHANGE) | 1.6358 | 1.5623 | 1.3037 |

^{1/} The Class I price is the basic formula price for the second preceding month plus \$3.16, subject to the zone adjustment below:

| | | | | | |
|--------|-----------|----------------------|---------|-----------|------------------|
| ZONE 1 | 0 Cents | (DFW, Sulphur Spgs.) | ZONE 7 | +30 Cents | (Austin) |
| ZONE 2 | 0 Cents | (Tyler) | ZONE 8 | +54 Cents | (Conroe-Houston) |
| ZONE 3 | +15 Cents | (Stephenville, Waco) | ZONE 9 | +42 Cents | (San Antonio) |
| ZONE 4 | +18 Cents | (Lufkin) | ZONE 11 | +66 Cents | (Corpus Christi) |
| ZONE 5 | +20 Cents | (Bryan) | ZONE 12 | +75 Cents | (Harlingen) |

^{2/} The processor assessment is an obligation under the Fluid Milk Promotion Order (7 CFR § 1160.101 *et seq.*). The Order requires that all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the contiguous 48 States of the continental United States and the District of Columbia be assessed 20 cents per hundredweight on all marketings of such packaged fluid milk products during the month.

^{3/} The Class I price is the basic formula price for the second preceding month plus \$2.35, subject to the zone adjustment below:

| | | |
|--------|-----------|----------------------------------|
| ZONE 1 | 0 Cents | (El Paso, Albuquerque, Portales) |
| ZONE 2 | -15 Cents | (Roswell, Hobbs) |
| ZONE 3 | +14 Cents | (Amarillo, Lubbock) |

Richard Fleming
Market Administrator