

**NATIONAL DAIRY MARKET AT A GLANCE**

At the Chicago Mercantile Exchange Grade AA increased 13 1/2 cents to \$1.1500, Grade A increased 12 cents to \$1.0500, and Grade B increased 11 cents to \$1.0300. At the National Cheese Exchange in Green Bay, barrels are unchanged at \$1.2800 and 40# blocks increased 3/4 of a cent to \$1.3250.

In November, mailbox milk prices reported for selected Federal milk orders averaged \$14.74, \$1.05 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast \$15.15, down \$.61; Southeast \$17.53, down \$.18; Midwes, \$14.31, down \$1.38; and West \$13.82, down \$1.30. The month of November 1996 had both record high Class I prices and a record month-to-month drop in the Class III price. On average, November 1996 mailbox milk prices were \$1.42 per cwt. higher than November 1995. Regional increases over the previous year were: \$1.90 in the Northeast, \$3.59 in the Southeast, \$1.65 in the Midwest, and \$1.16 in the West.

Milk production continues to follow the trends seen during the past week or two. Florida's output is still increasing rather rapidly. Gains in most of the southern part of the country are moderate. Output in Northern states still affected by winter weather is irregular, but starting to increase. Fluid milk supplies are more than excessive for the slow to fair bottled milk demand. Surplus milk volumes are

heaviest in the Southeast where milk is being shipped north to find processing capacity. Supplies and prices of hay are a growing concern to many milk producers. In many areas of the country fat and protein tests are lagging because of weather stress on the animal plus the less than optimal feed rations.

The dry dairy product markets continue a generally firming trend. Nonfat dry milk prices are steady to higher in all regions. Production levels range from heavier in the East to occasionally lower in the West. Plant stocks are light to moderate. Recent DEIP sales have contributed greatly to the generally good to very good demand. Dry buttermilk prices are increasing rather sharply. Demand is good and production levels are light to moderate. Offerings are light. The dry whey market is also firming. Domestic demand is good. Export interest remains good, but a few signs of price resistance are noted on new sales. The WPC market remains very firm and prices continue to move higher.

\*\*\*SPECIAL THIS ISSUE\*\*\*

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**BUTTER MARKETS**

**CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	FEBRUARY 11	FEBRUARY 13	FEBRUARY 14
AA	\$1.0150 - 1.0250 (.0650) (.0650)	\$1.0150 - 1.0250	\$1.0150 - 1.0250
A	\$0.9300 - 0.9400 (.0450) (.0450)	\$0.9300 - 0.9400	\$0.9300 - 0.9400

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** At the Chicago Mercantile Exchange, all butter prices are sharply higher. Strong butter sales continue to occur across the country. Stocks are sufficient for current orders, although lighter than desired for the future. Many buyers continue to seek additional butter stocks for late summer and fall needs. Spot buyers are finding that additional stocks are being held with confidence and, if available, more expensive. Butter production is lighter than past weeks due to stronger cream demand from ice cream producers.

**CHICAGO MERCANTILE EXCHANGE**

Butter Transactions on **FRIDAY, FEBRUARY 14, 1997**  
 (CARLOT UNIT = 40,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	+ .1350	\$1.1500 : SALE 02/14/97
A	+ .1200	\$1.0500 : BID 02/14/97
B	+ .1100	\$1.0300 : BID 02/14/97

SALES: 7 CARS GRADE AA: 2 @ \$1.0850, 1 @ \$1.1200, 1 @ \$1.1225, 1 @ \$1.1350, 1 @ \$1.1400, 1 @ \$1.1500 (LST)

BIDS UNFILED: 36 CARS GRADE AA: 10 @ \$1.0600, 1 @ \$1.0650, 1 @ \$1.0750, 11 @ \$1.0900, 1 @ \$1.1200, 12 @ \$1.1400

4 CARS GRADE A: 1 @ \$1.0000, 1 @ \$1.0200, 1 @ \$1.0300, 1 @ \$1.0500 (LST)

2 CARS GRADE B: 1 @ \$0.9800, 1 @ \$1.0300 (LST)

OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.2000

**CHEESE MARKETS**

**WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	FEBRUARY 10 - 14, 1997
BARRELS*	\$1.2700 - 1.2925 (NOMINAL) (.0200) (.0200)
40# BLOCKS	\$1.3175 - 1.3475 (.0525) (.0425)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is about steady. Prices are unchanged to higher in moderate trading at the National Cheese Exchange. Some buyers are expecting prices to trend higher and are building inventory while others are comfortable with current levels. Natural demand generally remains stronger than process. Current cheese production is trending higher, though some are seeing slightly lower milk intakes. CCC market price invitations are found on page 13 of this report.

**NATIONAL CHEESE EXCHANGE, INC.**

Cheese Transactions on **FRIDAY, FEBRUARY 14 1997**  
 (CARLOT UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	N.C.	\$1.2800 : SALE 02/14/97
40# BLOCKS	+ .0075	\$1.3250 : SALE 02/14/97

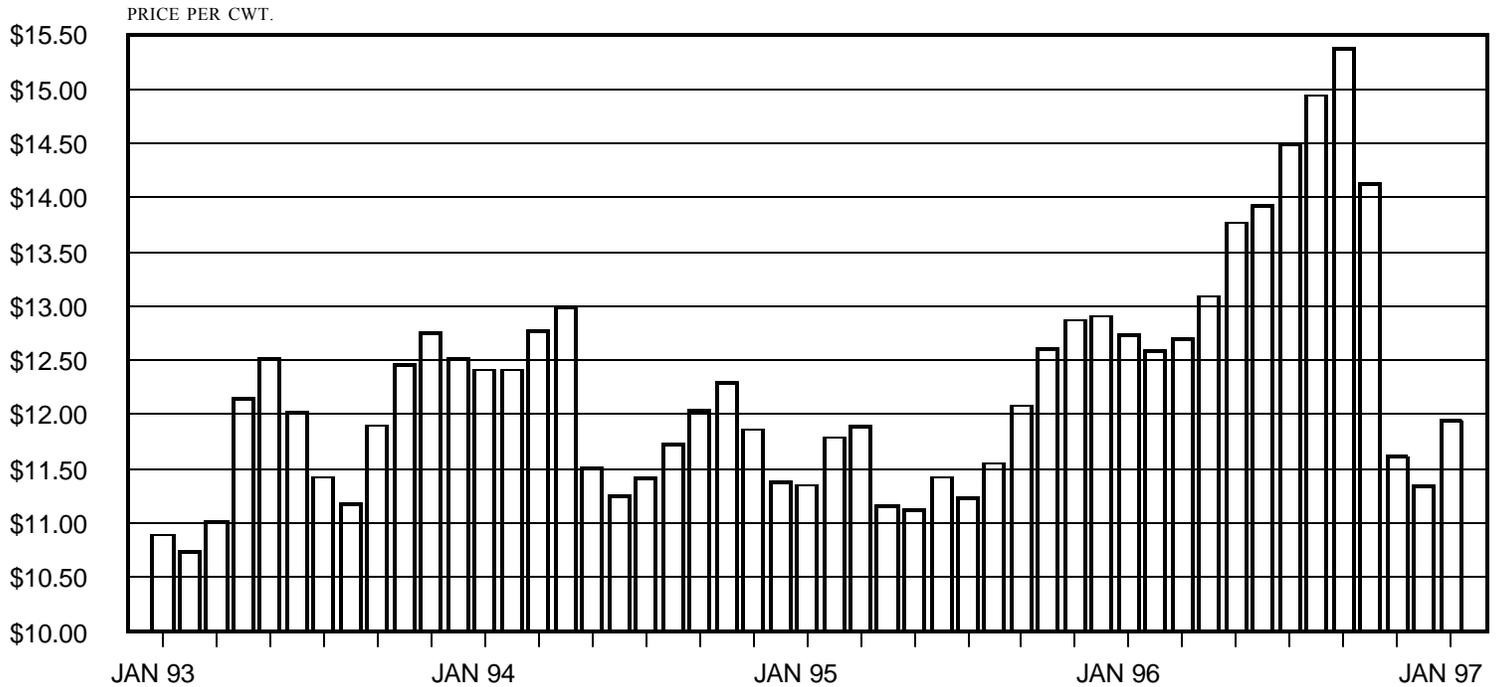
SALES ON BIDS: 3 CARS BARRELS @ \$1.2800 (LST)  
 4 CARS 40# BLOCKS @ \$1.3250 (LST)

SALES ON OFFERS: 4 CAR BARRELS @ \$1.2800  
 2 CARS 40# BLOCKS @ \$1.3250

BIDS UNFILED: NONE

OFFERS UNCOVERED: 1 CAR 40# BLOCKS (4 MONTHS OLD) @ \$1.7975

MW/BFP PRICE AT 3/5% TEST



PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Prices are generally 6 1/2 cents higher. The market tone, though firm, is unsettled. Contacts are concerned that the recent run-up in prices may hurt the market in the long run. Production levels are steady at moderate to heavy levels. Producers report a slower demand for print butter from retail and food service buyers, but a good to very good call for bulk. There is a continuing trend for printers, traders, users, and speculators to store butter. The users, traders, and printers are trying to protect themselves from a recurrence of last year's tight supply and high prices. Speculators are hoping to take advantage of just such a recurrence, should it occur. Retail and food service orders are mostly for replacement volumes.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.2250-1.4525
1 LB. PRINTS	:	1.1400-1.3225
CHIPS/PATTIES	:	1.2025-1.3725
REDDIES	:	1.2775-1.4725
CONTINENTALS	:	1.3575-1.5325

CENTRAL

Print butter markets are firm following the 6 1/2 cent advance recorded at the Chicago Mercantile Exchange February 7. Producers and handlers have mixed opinions where the market is headed. Stocks of butter are sufficient for current needs with long term stocks in lighter supply than desired. Overall demand remains strong as retail and food service outlets continue to place good orders. As the Lenten season begins, retail outlets are looking toward the Easter holiday and preparing feature activities. Butter demand during this time of the year is not as aggressive as during the year end holidays, but feature activity will stimulate buyer interest.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	:	1.1150-1.5225
1 LB. PRINTS	:	1.0800-1.2425
CHIPS/PATTIES	:	1.1050-1.3150
REDDIES	:	1.1875-1.4250
CONTINENTALS	:	1.3450-1.5350

WEST

Prices continue to increase for Western print butter. Bulk sales activity remains excellent. Butter is being shipped across the country to meet current needs and to go into warehouses for future needs. Print orders are fair. Discussions are taking place concerning feature activity for the Easter holiday. Contacts are concerned that there may not be many programs put together because of the current price volatility. Stores need to have firm prices in hand to place ads and that is not possible at this time. Production ranges from steady to down slightly. More cream is going into ice cream channels to increase stock levels before spring/summer demand starts. Producers feel that they will be better off in the long run to procure cream at this time than to wait until later in the year.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.3000-1.3475
1 LB. PRINTS	:	1.2075-1.2900
PATTIES	:	1.2600-1.4375
REDDIES	:	1.3875-1.4175

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.0250-1.0775
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
02/10/97	13,590	:	107,087
02/01/97	8,816	:	107,036
CHANGE	+4,774	:	+51
% CHANGE	+ 54	:	N.C.

**CHEESE MARKETS**

**NORTHEAST**

Prices are 2 - 4 1/4 cents higher for natural and process items; Swiss is unchanged. The market tone remains quite firm. Cheese production in the Northeast is moderate to heavy. Steady to slightly heavier volumes of surplus milk are available to most cheese producers. Demand for cheese is fair to good. With prices continuing to rise, buyers are trying to purchase some extra volumes to "beat" any future increases. Stocks of Eastern-made cheese are adequate for needs and buyers report little difficulty finding desired volumes from the West and Midwest. Retail and food service orders are mostly steady. American type cheese output during December totaled 284.3 million pounds, 2% more than December 1995. For New York, American type output totaled 7.0 million pounds, 7% below a year ago but 24% heavier than November 1996. In Vermont, output is 2.5 million pounds, 18% lighter than last December and 4% less than November.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3025-1.8000
Cheddar Single Daisies	:	1.2725-1.7950
Cheddar 40# Block	:	1.4550-1.6050
Process 5# Loaf	:	1.4825-1.6300
Process 5# Sliced	:	1.4925-1.6450
Muenster	:	1.4975-1.8600
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

**MIDWEST**

The cheese market is steady to firm. The final transactions on barrels at the National Cheese Exchange on February 7 were 2 cents higher than the previous week at \$1.2800. The Exchange close on 40# blocks was 4.25 cents higher than the previous week at \$1.3175. The current Exchange barrel value is 5.25 cents below the comparable week in 1996. The Exchange block value is 6 cents less than a year ago. Current orders are steady at best, with frequent reports of sales slower than a month ago. In general, packagers/processors do not need overtime in order to fill their orders. Supplies of most traditional cheese varieties are readily available or with normal lead times. Current barrels are at least adequate for most producers. Aged barrels continue to be a problem for some producers/processors. CCC continues to purchase Midwestern process loaf at \$1.1825 per pound under the price support program. Swiss prices are unchanged to higher, reflecting higher milk prices. Milk intakes are irregular, mostly steady to higher.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5500-1.5800
Brick And/Or Muenster 5#	:	1.5900-1.7750
Cheddar 40# Block	:	1.5700-1.9250
Monterey Jack 10#	:	1.7700-1.9250
Blue 5#	:	1.9225-2.1200
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6300-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2400-2.5300

**WEST**

Prices are mixed for Western cheese. Sales activity remains quite good as buyers feel that prices may continue to increase and they want to cover some needs before prices increase further. Stocks are quite well balanced for the near term. Production is increasing slowly. Undergrade cheese continues to be a drag on the market. More plants are using additional condensed or dry skim to fortify vats.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4725-1.7125
Cheddar 40# Block	:	1.5000-1.7300
Cheddar 10# Cuts	:	1.7400-1.8400
Monterey Jack 10#	:	1.6800-1.8025
Grade A Swiss Cuts 6 - 9#	:	2.3200-2.3525

**FOREIGN TYPE CHEESE**

Domestic prices are mostly 4 1/4 cents higher; imported types are unchanged. The market tone is seasonally weak, but there is some firmness for imported cheese for processing. Because of lower export refunds in the EU, less processing cheese is being exported to the U.S. According to reports, EU cheese exports during the first 30 weeks of the GATT-year have reached more than 60% of the cheese export quota. The pace of EU cheese exports will have to slow if they are to stay within GATT export ceilings.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6525-2.2200*
Gorgonzola	: 3.2400-5.9400	: 2.2750-2.4900*
Parmesan (Italy)	: 7.1700-8.0000	: 3.0250-3.1000*
Romano (Italy)	: 2.3900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.3250-1.8325*
Romano (Cows Milk)	: -0-	: 2.8550-3.0600*
Sardo Romano (Argentine)	: 2.6500-3.2900	: -0-
Reggianito (Argentine)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.7200	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

FLUID MILK AND CREAM

E A S T

Milk production trends continue in most of the East. Florida's output is still increasing rather rapidly. Gains in other Southern states aren't quite so rapid, but milk is increasing. Farther north, milk production is slowly moving higher, but often reported as steady. Bottled milk sales are steady to slightly improved where predicted snow storms are giving a boost to retail sales. However, in some states (particularly NY) where schools will be on vacations next week, bottling schedules are expected to slow late this week. Fluid milk volumes are more than ample for Class I needs. At midweek, Florida was shipping about 15-17 loads of surplus milk a day to out-of-state processing plants. Manufacturing plants in the Southeast are at or near capacity. More northern plants are easily handling the volumes they are receiving. Contacts report that surplus milk volumes in the Northeast are steady to slightly heavier. In New England, a cheese plant is cutting back its operations and quite a bit of milk is being absorbed in other facilities. The condensed skim market is mostly steady. Prices are generally unchanged. Contacts report that interest is suffering slightly now that wet and dry solids' prices are so close. Demand is fair to good; best at the lower end of the range. The fluid cream market is unsettled. Cream buyers/users are concerned about the past three weeks of butter price increases. Most feel that prices are moving up faster than they would like to see and, when possible, some users are delaying purchases. Ice cream makers, who were increasing output early in January, now seem to be slowing. Spot prices are higher because of last Friday's (2/7) butter price changes. However, timing is a factor for both buyers and sellers in availability and prices. The multiples used to determine cream prices are mixed; some higher, some lower. Sour cream, cream cheese, and bottling cream production are steady to higher as producers prepare for Lenten needs. Cottage cheese demand is typically improved during Lent. Churning activity is moderate to heavy. Local butter makers are, however, limiting what they are paying for excess cream. Usually the multiples paid are in the high 120's to low 130's, delivered.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT	
F.O.B. Producing Plants: Northeast	- 1.1625 - 1.3020
Delivered Equivalent Atlanta	- 1.1625 - 1.4309 M 1.1625-1.2276
F.O.B. Producing Plants: Upper Midwest	- 1.1904 - 1.2927

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS	
F.O.B. Producing Plants: Northeast	- 1.1300 - 1.2200

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
FEBRUARY 7 - 13, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I sales are about steady, generally stronger where retail promotions are underway. There were no reports of any fluid shipments out of the upper Midwest region as most feel the "season" is likely over until summer. Overall, milk supplies are about in

balance for bottlers through much of the region, as weekend surplus supplies are minimal and handled with relative ease. Manufacturing milk interest is mixed, slower from some accounts and steady to stronger from others. Reported manufacturing milk spot prices range from \$1.15 - 2.20 over class for the limited offerings. Cream prices are higher, reflecting another increase in the Chicago Mercantile Exchange butter price. Cream demand is mixed, churners are reportedly more cautious about building butter inventory at current price levels. Ice cream and mix production is seasonally strong as many try to build earlier inventories ahead of anticipated higher summer cream prices. Milk intakes are irregular with reports of receipts running the gamut from slightly higher to lower. Some plants continue to report milk receipts below comparable year ago levels. Fat and protein tests are generally trending slightly lower. Tight supplies, and generally more expensive hay continue to be a problem for many producers in various locations around the region.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEBRUARY 6-12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 38.00	\$ 30.00- 36.00
REPLACEMENT HEIFER CALVES	\$ 90.00-150.00	\$ 95.00-135.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	FEBRUARY 6-12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 36.50	\$ 31.00- 36.50

W E S T

Most contacts in California are reporting close to ideal early spring weather patterns. Milk production is responding positively. Areas certainly continue to be impacted by flooding or generally wet conditions, but the overall impact on the total milk supply is minimal. Of more concern is how crops on affected land will fair this growing season. Conditions do not look good at all. High water will remain a problem for many weeks due to the record snow pack in the Sierras. Manufacturing yields are holding up quite well. New crop hay is becoming available from the Imperial Valley at prices around \$135 and delivering to the mid-valley dairy areas at \$155-160. Hay is expected to remain tight at least until more new crop hay becomes available over the entire region. In the Pacific Northwest, signs of early spring are evident with flowers starting to bloom, fruit trees budding, and some early green chopping is occurring on well drained land. The milk flow is beginning to increase seasonally. Surveys show that feeder hay is about all that is left in the region for sale. Stories are appearing concerning hay growers using lower quality hay to fill contracts and selling higher quality hay on the spot market. Reputations are being tested on both sides of trades. Heifer prices remain low, but slaughter cow prices are somewhat higher. The percentage of milk producers that are falling behind on feed bills is increasing on a weekly basis. Product yields on milk entering manufacturing plants are lower than anticipated in the northern Mountain States region. Fat and protein tests are lagging due to problems induced by less than optimal feed rations to try and save money and weather stress. More cows are being culled and showing up in the yards following the mid-January storm. Manufacturing plants in the region believe that they will be able to handle the spring flush in an orderly fashion.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 02/13/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Nonfat dry milk prices are higher with a firmer market tone developing. Most producers' prices are higher than last week. Offerings are light to moderate in the region. Contacts are noting that demand is lighter than in the past two weeks. Condensed skim orders remain good and prices are at levels that producers would rather sell condensed skim than dry NDM. Stocks are light to moderate and balanced at most locations.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1300 - 1.1700 MOSTLY: 1.1400 - 1.1500

**DRY BUTTERMILK - CENTRAL**

Dry buttermilk markets continue to firm in light market trading. Plant offerings are limited and held with confidence. Demand is fair to good and often filled in the resale markets at higher prices. Production in the region is limited as demand for condensed buttermilk remains good.

BUTTERMILK: .9700 - 1.0300

**DRY WHEY - CENTRAL**

Whey prices are higher and remain firm in light market trading. Spot offerings from plants are limited. The recent increases in prices are affecting demand, but other fundamental factors are behind the renewed interest. Domestic demand is good and buyers are having to reach to resale channels to fill all orders. Export interest is fair to good, but the recent strength of the US Dollar coupled with higher prices may restrict additional exports. Production is steady, but below seasonal expectations in many parts of the Upper Midwest. Plants' stocks are light and currently held with confidence.

NONHYGROSCOPIC: .1950 - .2125 MOSTLY: .2000 - .2050

**ANIMAL FEED WHEY - CENTRAL**

Prices are higher and nominal for all animal types. Very limited offerings of milk replacer and standard whey are available and both markets are nearly too few to report. The increasing edible whey market, coupled with some plants drying other products are further limiting the availability of downgraded whey products. Delactose demand is fair to good. Offerings are available from several plants and stocks are in balance. Roller ground demand is seasonally fair. Offerings are available for all needs.

MILK REPLACER: .1800 - .1975  
STANDARD: .1750 - .1950  
ROLLER GROUND: .2000 - .2150  
DELACTOSE (Min. 20% protein): .3600 - .3800

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged, reflecting the majority of current producers' sales being only contracts. Many producers are behind on orders. Spot trades are occurring at premiums to the market. Demand continues to outpace current offerings. Resale loads are trading at prices at the top end of the range. The higher lactose prices have more buyers looking for dry whey permeate to fill lactose needs. More plants are drying whey permeate and the product is a viable option for some lactose applications.

Including spot sales and up to 3 month contracts.

EDIBLE: .2000 - .2700 MOSTLY: .2300 - .2500

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate prices are higher and the market tone is firm. More producers are attaching premiums to prices. Demand remains fair to good for the current light offerings. Inventory positions are tighter due to good sales over the past few weeks. Demand from food accounts remains better than from feed accounts. Seasonally slow animal feed demand is sometimes improved where buyers are making purchases ahead of price increases.

EXTRA GRADE 34% PROTEIN: .5850 - .6350 MOSTLY: .6050 - .6200

**NONFAT DRY MILK - WEST**

Demand for Western high heat powder is rated as excellent. Many plants are operating at capacity levels. Low/medium prices continue to show strength. DEIP orders have contributed to the market improvement, but domestic demand is also improving. Cheese plants are ordering both more condensed and dry powder for fortifying cheese vats. This demand is related to the price relationship between powder and cheese and the anticipated relationship in the future. Powder production ranges from steady to lower. Stocks are in close balance at most plants.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0950 - 1.1350 MOSTLY: 1.1200 - 1.1300  
HIGH HEAT: 1.1300 - 1.1500

**DRY BUTTERMILK - WEST**

Buttermilk powder prices continue to strengthen in the Western region. Demand has improved dramatically over the last four weeks for powder. Buyers are now often not able to find the powder they need. Butter production is down and condensed sales of buttermilk are increasing. Stocks are very tight and held with confidence. All this tightness is occurring before the normal buttermilk powder season.

BUTTERMILK: .9000 - .9800 MOSTLY: .9600 - .9750

**DRY WHEY - WEST**

Prices continue to show strength for Western whey powder. Domestic demand is rated as fair to good. Export sales have slowed to parts of the Far East because of the Chinese New Year. Contacts wonder how much was purchased ahead of the holiday and how long it will be before buyers return to the market. More comments are noted from foreign buyers about prices getting high enough so that they will need to investigate if they can continue to buy whey from the U.S. Production is up slightly. Stocks are in good balance, but powder is available for sale.

NONHYGROSCOPIC: .1950 - .2150 MOSTLY: .2000 - .2050

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended February 07, on powder sales of 10,982,638 pounds f.o.b. California manufacturing plants was \$1.1035 per pound. This compares to 11,416,712 pounds at \$1.1057 for the previous week ending February 03, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**Editor's Note:** The reporting period for this series was changed. This accounts for the overlap of days for this report only.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady to slightly higher. The market tone is about steady. Production levels are increasing as more surplus milk is available throughout much of the region. Producer stocks range from light to adequate. Some do have inventories accumulating, but they are not alarmed by the stock build up. Most feel that it will clear, if offered, or that it will be needed later in the year when milk supplies tighten. Demand for NDM appears a little less aggressive, but some large-volume deals are still being put together and clearing quite a bit of powder. Traders and producers both reported market activity, as compared to the past couple weeks, as relatively quiet. Export interest continues as several small-volume DEIP bids were accepted. This follows last week's acceptance of more than 5,000 MT of NDM.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1400-1.1900
DELVD SOUTHEAST:	1.1450-1.2200

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are generally higher and the market tone is very firm. Contacts report very good demand. More producers are quoting much higher prices for next week's sales. This week, there have been reports of resale powder moving as high as \$1.08. Offers from producers and traders, for next week's shipment, at \$1.05-1.06 were common. Production levels are lighter, but still moderate. Producer stocks are light. Any extra powder, at any level of the market, is being held with growing confidence.

F.O.B. NORTHEAST:	.9500-1.0100
DELVD SOUTHEAST:	.9850-1.0400

**DRY WHOLE MILK - NATIONAL**

Prices are steady to higher and the market tone is firm. Production levels are light to moderate and often determined by orders-in-hand. Spot interest is fair to occasionally good. Contract sales are steady. Plant stocks range from light to closely balanced.

F.O.B. PRODUCING PLANT:	1.2500-1.2900
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**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1996 THROUGH FEBRUARY 7, 1997  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	-	18,933	MT (41,739,691 LBS)
CHANGE	-	1,157	MT (2,550,722 LBS)
WHOLE MILK POWDER	-	1,040	MT (2,248,692 LBS)
CHANGE	-	20	MT (44,092 LBS)
CHEESE	-	951	MT (2,098,779 LBS)
CHANGE	-	138	MT (304,235 LBS)
BUTTERFAT	-	781	MT (1,721,793 LBS)
CHANGE	-	110	MT (242,506 LBS)

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are fractionally higher and the market tone is firm. Production levels are moderate in the Northeast. Most cheese makers have all the milk they want, but there is a little more capacity at some plants. Dry whey stocks are light and held with growing confidence. Contacts report continued good market activity. Demand is good, but the increasing prices are starting to near the point where export interest wanes. Most producers report good interest and powder is clearing satisfactorily. Resale loads are being noted at competitive prices.

F.O.B. NORTHEAST:	EXTRA GRADE	.1975-.2050
	USPH GRADE A	.1975-.2050
DELVD SOUTHEAST:		.2075-.2350

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. However, the few prices reported were in the 17-19 cent range. Some contacts report steady interest while others note good interest from some veal growers. Offerings of Extra Grade powder are tighter and milk replacer supplies are limited.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
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**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are moderate, but increasing at some locations. Plant stocks are light and most producers are trying to rebuild their stocks before milk prices increase too much further. Demand is seasonally slow to fair. The Kansas City Commodity office announced the purchase of 831,360 pounds of canned evaporated milk under EVD-1, electronic invitation 291, at prices ranging \$.5500 - .5925 per pound for delivery in March 1997.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES	\$22.50 - 33.00
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Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Rennet casein prices are lower and the market tone is unsettled in mostly contracted trading. Spot interest is very limited. The increasing natural cheese market is expected to begin to allow additional imitation cheese blends to be more popular. Acid casein prices are trending lower on the bottom end of the range. Additional supplies are pressuring prices lower. Declining caseinate prices are putting additional pressure on the market.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.3000-2.4700
ACID:	2.1000-2.2500

COFFEE, SUGAR, & COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

MONTH	01/30	01/31	02/03	02/04	02/05	02/06	02/07	02/10	02/11	02/12
<b>CSCE - CHEDDAR CHEESE</b> -- Cents per pound										
FEB 97	131.00 (39) 0	131.00 (39) 0	131.50 (39) 0	133.50 (39) 0	132.00 (39) 0	133.00 (39) 0	130.00 (39) 6	134.50 (33) 2	136.00 (27) 4	135.70 (32) 7
APR 97	138.50 (16) 0	139.00 (16) 1	137.50 (16) 0	137.00 (16) 2	137.00 (16) 1	138.50 (16) 0	138.00 (18) 6	138.50 (18) 0	138.80 (18) 0	138.50 (18) 0
JUN 97	138.50 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	139.00 (9) 0	138.70 (9) 1
<b>CSCE - NONFAT DRY MILK</b> -- Cents per pound										
FEB 97	113.80 (46) 0	113.00 (46) 0	113.80 (30) 16	111.80 (22) 9	112.00 (23) 0	111.50 (22) 1	111.50 (22) 0	108.80 (22) 0	112.80 (22) 0	112.50 (10) 16
MAR 97	113.80 (9) 0	113.00 (9) 0	113.80 (9) 0	111.80 (9) 0	112.00 (9) 0	111.50 (9) 0	111.50 (9) 0	108.80 (9) 0	112.80 (9) 0	112.50 (9) 0
<b>CSCE - FLUID MILK</b> -- Dollars per cwt.										
FEB 97	12.83 (44) 0	12.88 (44) 4	12.88 (42) 2	13.05 (42) 2	13.10 (41) 2	13.15 (40) 0	13.65 (39) 1	13.60 (39) 5	13.48 (39) 0	13.73 (35) 4
JUN 97	14.65 (31) 3	14.85 (32) 0	14.90 (32) 0	14.85 (32) 0	15.10 (32) 0	15.00 (32) 5	15.00 (35) 0	14.85 (35) 0	14.55 (35) 0	14.75 (35) 0
AUG 97	15.20 (20) 1	15.40 (20) 0	15.45 (22) 2	15.40 (22) 0	15.50 (22) 4	15.50 (24) 4	15.55 (27) 2	15.55 (29) 1	15.55 (30) 0	15.63 (30) 0
<b>CSCE - BUTTER</b> -- Dollars per cwt.										
FEB 97	96.80 (8) 2	95.80 (8) 0	97.90 (8) 0	100.50 (8) 0	100.80 (8) 0	103.50 (8) 0	104.00 (8) 0	105.30 (8) 0	107.40 (8) 0	107.00 (8) 0
JUN 97	103.50 (16) 2	104.50 (14) 0	104.00 (16) 2	105.30 (14) 0	105.60 (14) 2	107.30 (14) 2	107.80 (14) 0	109.10 (14) 0	111.80 (12) 0	110.80 (12) 0
AUG 97	104.00 (28) 0	106.00 (28) 4	106.00 (31) 3	108.00 (28) 0	110.00 (28) 0	111.70 (28) 2	110.00 (28) 4	111.30 (24) 0	114.00 (24) 0	113.00 (24) 0
<b>CME - FLUID MILK</b> -- Dollars per cwt.										
FEB 97	13.000 (16) 0	13.000 (16) 0	13.000 (16) 0	13.000 (16) 0	13.000 (16) 0	13.000 (16) 0	13.150 (16) 0	13.500 (16) 0	13.500 (16) 0	14.000 (15) 2
APR 97	13.900 (1) 0	14.000 (1) 0	14.000 (1) 0	14.150 (1) 0	14.150 (2) 1	14.150 (2) 0				
<b>CME - BUTTER</b> -- Cents per pound										
FEB 97	96.250 (67) 0	96.500 (66) 1	97.850 (66) 4	100.350 (63) 3	101.750 (62) 1	104.250 (62) 0	108.000 (64) 6	108.250 (63) 4	110.750 (61) 5	112.000 (38) 30
APR 97	98.000 (3) 0	98.000 (3) 0	99.750 (6) 3	102.250 (6) 0	104.500 (6) 1	105.000 (6) 0	108.500 (6) 1	108.000 (9) 4	111.500 (9) 0	113.000 (9) 0
JLY 97	101.900 (41) 2	102.00 (40) 1	102.00 (40) 0	104.000 (40) 0	104.500 (40) 0	106.500 (40) 0	109.000 (42) 2	109.000 (42) 0	111.500 (42) 0	115.000 (42) 0

1/ Open Interest for NDM and cheddar -- 4 contracts equal 40,000 pounds. Open Interest for Fluid Milk (at both exchanges) -- 1 contract equals 50,000 pounds. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's automated hotline at 212-938-2847, or the CME at 312-930-8282.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered February 3 - 14, 1997

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** A strong U.S. dollar continues to cause European dairy product prices to adjust. During the past few weeks, the dollar has increased about 5 - 6%. Overall market conditions are much the same as previously. The commitment of European skim milk powder to Mexico and a new commitment to Japan is causing some producers to scramble for sufficient stocks, especially for immediate shipment. Although spring is officially a month away, indications of warmer temperatures are starting to develop. In southern Ireland, cows are back on pasture with Northern areas not far behind. On the European mainland, conditions are more late winter, but spring is not far away. Overall milk production is seasonally low, but will begin to increase within four - six weeks.

**BUTTER/BUTTEROIL:** Russia continues to seek large volumes of European butter. Stocks of butter are in lighter and becoming tighter as the winter season draws to a close. The strong Russian interest is expected to continue well into March and April. Due to continued strong buyer interest, butter stocks clearing to private storage are expected to be lighter and later than past years and will probably not build much until the new production season is here.

82% BUTTERFAT: 1,700 - 1,800  
99% BUTTERFAT: 1,900 - 2,000

**SKIM MILK POWDER (SMP):** European skim milk powder markets are steady to firm. Sizable SMP commitments to Mexico and a recent smaller commitment to Japan are causing tightness in European markets, especially for immediate shipment. Due to the heavy volume of powder that will be leaving Europe during the near future, additional stocks are reported to be in limited supply. Handlers feel that some powder destined for Mexico and Japan may have to come from new powder which will not become available for at least a month. Handlers feel that initially, minimal stocks will be clearing to intervention which will resume soon.

1.25% BUTTERFAT: 1,850 - 1,950

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are following trends of SMP markets. Production is mixed with some producers reporting slight increases while others report lower output. Milk production is low, thus available milk is ending up in products of greatest demand and financial return. Stocks of whole milk powder are generally tight and fully committed.

26% BUTTERFAT: 1,850 - 1,940

**SWEET WHEY POWDER:** European whey markets are much the same as in the past few weeks. Minimal international trading is occurring in the whey market. Current buyer interest is slow and centers around domestic needs. Cheese production remains seasonally light, thus whey solids are also limited.

NONHYGROSCOPIC: 500 - 600

**EASTERNEUROPE:** Eastern European markets are much the same as Western Europe. Overall stocks are limited for new buyer interest with most activity centered around previous commitments. Russia continues to seek butter. Buyer interest is indicating that this will continue well into March and probably April. Stocks for Russian interest are becoming tighter each week. Some suppliers feel that continued interest will result in delayed shipments.

## OCEANIA

**OVERVIEW:** Conditions in the Oceania market are much the same as past weeks. Milk production continues to seasonally wind down. Overall weather conditions have been dry, but areas of Australia have received rain. Hot days in some regions should decrease output at a more rapid rate, although it is too early to report the full effect. Milk production throughout the Oceania region has been strong all season (4 - 9% higher), but due to negative weather conditions late in the season, many milk handlers are adjusting their production estimates slightly lower.

**BUTTER:** As in Europe, much of the Oceania butter market involves shipments to Russia. Buying interest from this region remains strong due to tighter supplies of butter in Eastern and Western Europe. Stocks of Oceania butter should be sufficient to meet demand this buying season. Handlers are quite surprised to see that buyer interest might continue for another six to eight weeks.

82% BUTTERFAT: 1,400 - 1,450

**CHEDDAR CHEESE:** Cheese production in the Oceania market is declining as milk production also declines seasonally. Demand from established markets remains good. Orders are strong for deliveries into June. Overall stocks of cheese are in reasonably good balance for current and future buyer interest.

39% MAXIMUM MOISTURE: 2,100 - 2,250

**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady in the Oceania market. A large percentage of the recent Japanese SMP tender is being sourced from this region. Shipment of the powder is for near term. With this commitment and other contractual orders, stocks of powder range from in close balance to fully committed until July or August.

1.25% BUTTERFAT: 1,850 - 2,000

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to firm. Stocks of powder are generally fully committed to previous buyers and regular customers. The recent 16,000 MT commitment to Mexico is further tightening already limited supplies.

26% BUTTERFAT: 1,900 - 2,050

Exchange rates for selected foreign currencies: February 10, 1997

.5379 Dutch Guilder	.6041 German Mark
.1789 French Franc	.6846 New Zealand Dollar
.1283 Mexican Peso	.7583 Australian Dollar
1.6412 British Pound	.0082 Japanese Yen
.3331 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1283) = 7.7942$ . That is 1 US Dollar equals 7.7942 Mexican Pesos.

Source: *Wall Street Journal*

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS 1 PRICES IN SELECTED CITIES 1/												
CITY	FEB 1995			FEB 1996			JAN 1997			FEB 1997		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
	Dollars Per Hundredweight											
Atlanta, GA	14.46	14.76	0.30	15.99	16.34	0.35	14.69	16.70	2.01	14.42	16.53	2.11
Baltimore, MD	14.41	15.36	0.95	15.94	16.69	0.75	14.64	15.69	1.05	14.37	15.42	1.05
Boston, MA	14.62	15.35	0.73	16.15	16.88	0.73	14.85	15.98	1.13	14.58	15.71	1.13
Carbondale, IL **	13.39	14.35	0.96	14.92	16.03	1.11	13.62	16.04	2.42	13.35	15.77	2.42
Charlotte, NC	14.46	14.76	0.30	15.99	16.64	0.65	14.69	17.21	2.52	14.42	17.26	2.84
Chicago, IL	12.78	14.75	1.97	14.31	15.92	1.61	13.01	15.44	2.43	12.74	15.17	2.43
Cincinnati, OH	13.49	14.04	0.55	15.02	15.62	0.60	13.72	15.24	1.52	13.45	14.95	1.50
Cleveland, OH	13.38	13.85	0.47	14.91	15.42	0.51	13.61	14.93	1.32	13.34	14.64	1.30
Dallas, TX	14.54	14.72	0.18	16.07	16.27	0.20	14.77	15.66	0.89	14.50	15.39	0.89
Denver, CO	14.11	14.82	0.71	15.64	16.35	0.71	14.34	14.49	0.15	14.07	14.22	0.15
Des Moines, IA	12.93	13.53	0.60	14.46	15.21	0.75	13.16	15.28	2.12	12.89	15.01	2.12
Detroit, MI	13.23	14.23	1.00	14.76	15.58	0.82	13.46	15.32*	1.86*	13.19	14.74*	1.55*
Hartford, CT	14.52	15.25	0.73	16.05	16.78	0.73	14.75	15.88	1.13	14.48	15.61	1.13
Houston, TX	15.08	15.26	0.18	16.61	16.81	0.20	15.31	16.20	0.89	15.04	15.93	0.89
Indianapolis, IN	13.28	14.16	0.88	14.81	15.84	1.03	13.51	14.83	1.32	13.24	14.56	1.32
Kansas City, MO	13.30	13.70	0.40	14.83	15.38	0.55	13.53	15.30	1.77	13.26	15.03	1.77
Little Rock, AR	14.15	14.32	0.17	15.68	16.03	0.35	14.38	15.12	0.74	14.11	14.90	0.79
Louisville, KY	13.49	13.89	0.40	15.02	15.52	0.50	13.72	15.02	1.30	13.45	14.70	1.25
Miami, FL	15.56	16.51	0.95	17.09	18.57	1.48	15.79	19.26	3.47	15.52	19.26	3.74
Milwaukee, WI	12.69	14.66	1.97	14.22	15.83	1.61	12.92	15.35	2.43	12.65	15.08	2.43
Minneapolis, MN	12.58	13.18	0.60	14.11	14.86	0.75	12.81	14.90	2.09	12.54	14.63	2.09
New Orleans, LA	15.23	15.23	0.00	16.56	16.91	0.35	15.26	16.50	1.24	14.99	16.38	1.39
Oklahoma City, OK	14.15	14.32	0.17	15.68	15.85	0.17	14.38	15.27	0.89	14.11	15.00	0.89
Omaha, NE	13.13	13.73	0.60	14.66	15.41	0.75	13.36	15.13	1.77	13.09	14.86	1.77
Philadelphia, PA	14.47	15.47	1.00	16.00	16.70	0.70	14.70	15.70	1.00	14.43	15.43	1.00
Phoenix, AZ	13.90	13.90	0.00	15.43	15.43	0.00	14.13	14.13	0.00	13.86	13.86	0.00
Pittsburgh, PA	13.38	14.33	0.95	14.91	15.41	0.50	13.61	14.41	0.80	13.34	14.14	0.80
St. Louis, MO **	13.39	14.35	0.96	14.92	16.03	1.11	13.62	16.04	2.42	13.35	15.77	2.42
Salt Lake City, UT	13.28	13.43	0.15	14.81	14.96	0.15	13.51	13.66	0.15	13.24	13.39	0.15
Seattle, WA	13.28	13.73	0.45	14.81	15.26	0.45	13.51	13.81	0.30	13.24	13.54	0.30
Spokane, WA	13.28	13.73	0.45	14.81	15.26	0.45	13.51	13.81	0.30	13.24	13.54	0.30
Springfield, MO	13.57	13.97	0.40	15.10	15.50	0.40	13.80	14.45	0.65	13.53	14.48	0.95
Washington, DC	14.41	15.36	0.95	15.94	16.69	0.75	14.64	15.69	1.05	14.37	15.42	1.05
Simple Average	13.76	14.39	0.63	15.34	16.00	0.66	14.04	15.41	1.37	13.77	15.16*	1.39*

\*Revised

\*\*Current month price is estimated.

**GRADE A/B MANUFACTURING PRICE**

At the request of the Agricultural Marketing Service of the U.S. Department of Agriculture (USDA), the National Agricultural Statistics Service of USDA has been collecting a competitive manufacturing pay price series representing prices paid for milk used in the manufacture of dairy products, regardless of grade. This new price series first appeared in the USDA report, "Study of Alternatives to the Minnesota-Wisconsin Price," which was issued in September 1991. The Grade A/B manufacturing price is the average price paid in Minnesota and Wisconsin for milk delivered to a plant for manufacturing use, before hauling costs and producer assessments are deducted. The price includes quantity, quality, protein and other premiums paid to producers, but excludes hauling subsidies and the Federal order "pool draw." Listed below is this price series for January-October 1996. (Information for earlier time periods is available upon request at 202-720-7461.)

Year and month	Grade A/B manufacturing price	Milkfat test	Grade A/B manufacturing price at 3.5% milkfat <sup>1/</sup>	Protein test	Hauling subsidy
	\$/cwt.	Pct.	\$/cwt.	Pct.	\$/cwt.
<b>1996</b>					
JAN	13.76	3.85	13.53	3.21	.29
FEB	13.59	3.84	13.41	3.20	.33
MAR	13.82	3.84	13.64	3.19	.31
APR	14.19	3.82	14.00	3.17	.35
MAY	14.78	3.78	14.54	3.14	.32
JUN	14.89	3.67	14.65	3.12	.33
JUL	15.42	3.61	15.25	3.08	.32
AUG	16.04	3.61	15.87	3.11	.34
SEP	16.65	3.71	16.32	3.17	.36
OCT	15.37	3.83	14.94	3.27	.37

<sup>1/</sup> Adjusted to 3.5 percent butterfat using the butterfat differential used to adjust the Federal milk order Basic Formula Price.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,  
JULY - NOVEMBER 1996\***

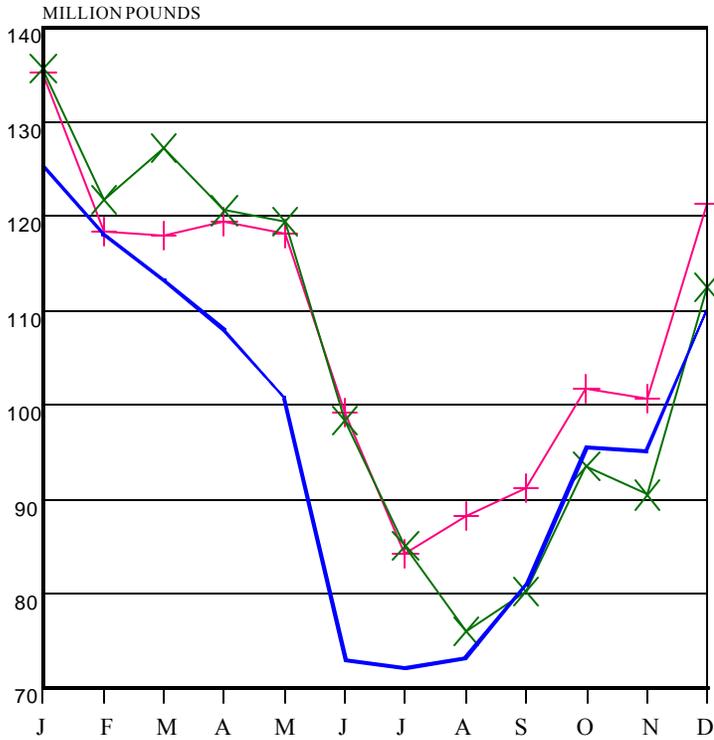
In November, mailbox milk prices reported for selected Federal milk orders averaged \$14.74 per cwt., \$1.05 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$15.15, down \$.61; Southeast, \$17.53, down \$.18; Midwest, \$14.31, down \$1.38; and West, \$13.82, down \$1.30. The month of Nov. 1996 had both record high Class I prices and a record month-to-month drop in the Class III price. Those orders with higher than average Class III use, had larger month-to-month decreases in minimum blend prices and thus larger decreases in mailbox prices. Compared to November 1995, mailbox milk prices increased \$1.42 per cwt. on the average. Regional increases over the previous year were: \$1.90 in the Northeast, \$3.59 in the Southeast, \$1.65 in the Midwest, and \$1.16 in the West. The average minimum blend price for these orders in November 1996 was \$1.18 per cwt. above the price in the previous year.

Federal milk order 1/	Mailbox Milk Price 2/				
	July	August	September	October	November
	<u>Dollars per hundredweight</u>				
New England	14.77	15.00	15.55	15.83	15.37
New York-New Jersey	14.82	15.05	15.68	15.68	14.82
Middle Atlantic	15.07	15.49	16.05	15.84	15.55
Northeast Average 3/	14.87	15.16	15.75	15.76	15.15
Carolina	16.39	16.69	17.44	17.95	17.78
Tennessee Valley	15.73	15.95	16.59	17.05	16.78
Southeast	15.60	15.90	16.52	16.94	16.49
Florida 4/	17.77	18.59	18.87	19.34	19.64
Southeast Average 3/	16.31	16.69	17.23	17.71	17.53
Southern Michigan	14.69	14.90	15.62	15.77	15.18
Eastern Ohio-Western Pa.	14.74	14.98	15.62	15.88	15.50
Ohio Valley	14.79	15.02	15.72	16.11	15.93
Indiana	14.66	14.89	15.70	16.08	15.86
Chicago Regional	15.36	15.88	16.52	15.72	13.69
S. Illinois-E. Missouri	14.23	14.61	15.35	15.77	15.42
Louis.-Lex.-Evans.	15.20	15.37	15.90	16.48	16.55
Upper Midwest	15.09	15.73	16.26	15.32	13.51
Nebraska-Western Iowa	14.58	15.00	15.66	15.45	14.14
Iowa	14.88	15.43	16.17	15.59	14.02
Midwest Average 3/	14.98	15.34	16.04	15.69	14.31
Texas	14.87	15.23	15.72	15.87	15.20
Southwest Plains	14.16	14.57	15.15	15.19	14.36
Eastern Colorado	14.41	14.50	15.51	15.64	14.32
S.W. Idaho-E. Oregon	14.07	14.74	15.20	14.29	12.01
Great Basin	13.52	14.30	14.93	14.55	13.04
New Mexico-West Texas	13.72	14.14	14.92	14.48	12.86
Pacific Northwest	14.59	14.85	15.48	15.14	13.69
West Average 3/	14.34	14.73	15.34	15.12	13.82
All-Market Average 3/	14.94	15.28	15.92	15.79	14.74

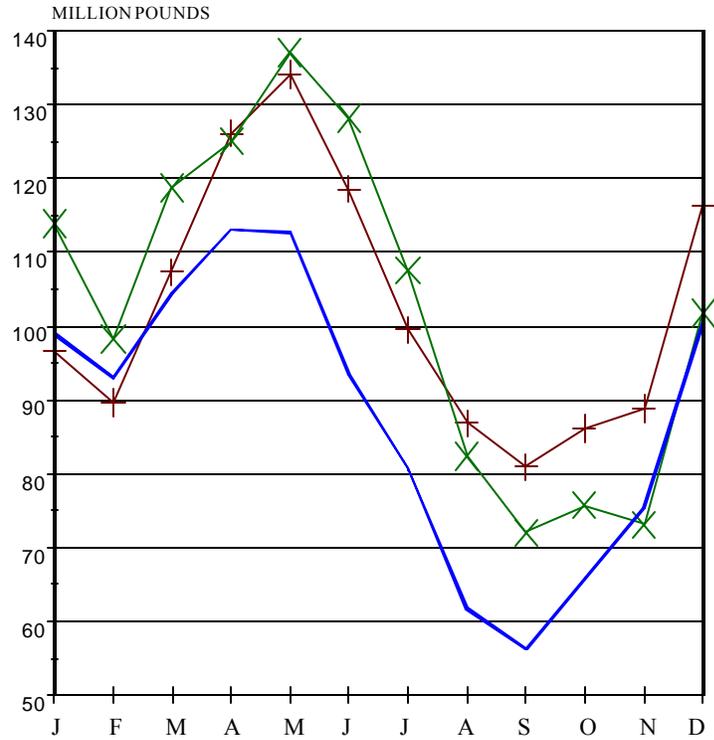
\* For a description of this data series, see "Dairy Market News" Vol.62 Rpt. 23.

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 4/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

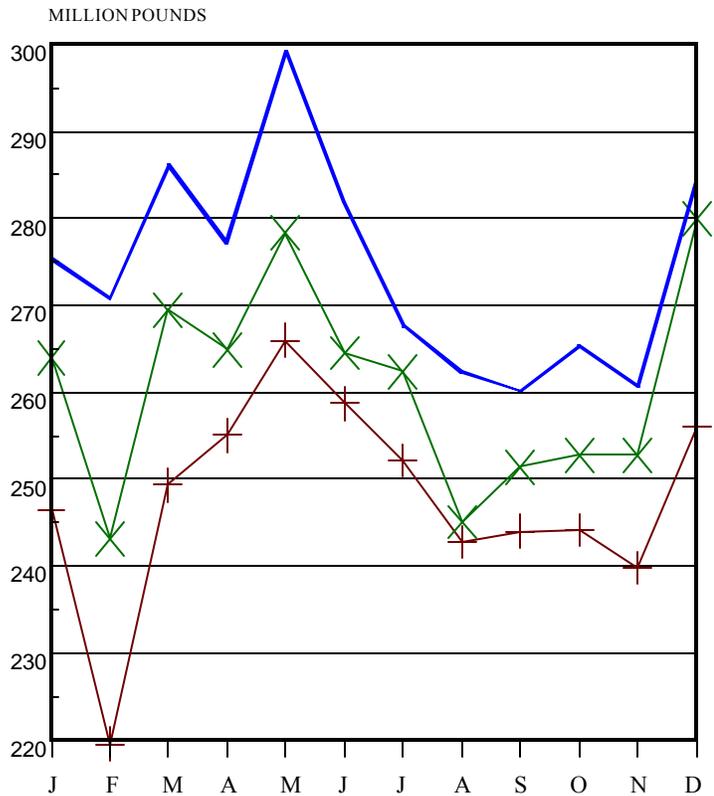
**U.S. BUTTER PRODUCTION**



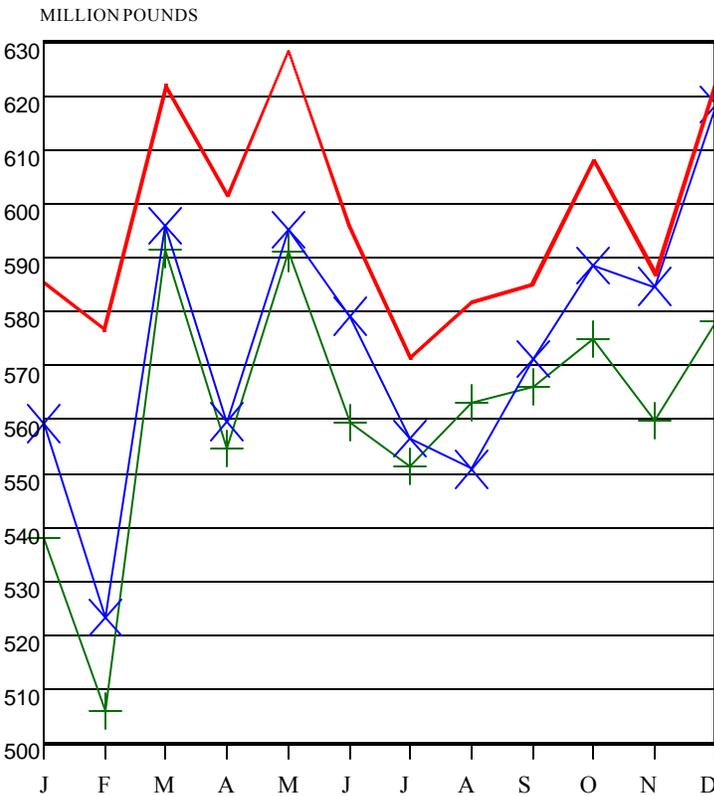
**U.S. NONFAT DRY MILK PRODUCTION**



**U.S. AMERICAN CHEESE PRODUCTION**



**U.S. TOTAL CHEESE PRODUCTION**



1994	1995	1996
—	×	+

