

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange, all grades of butter are unchanged: Grade AA is \$1.1600, Grade A is \$1.0600, and Grade B is \$1.0500. At the National Cheese Exchange in Green Bay, barrels decreased 1 1/2 cents to \$1.2550 and 40# blocks are unchanged at \$1.3250.

In December, mailbox milk prices reported for selected Federal milk orders averaged \$13.76 per cwt., \$.98 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$13.97, down \$1.18; Southeast, \$16.18, down \$1.35; Midwest, \$13.46, down \$.85; and West, \$12.92, down \$.90. Compared to December 1995, mailbox milk prices increased \$.40 per cwt. on the average. Regional increases over the previous year were: \$.68 in the Northeast, \$2.07 in the Southeast, \$.35 in the West; in the Midwest region, the average mailbox price was \$.17 below the previous year. The average minimum blend price for these orders in December 1996 was \$.14 per cwt. above the price in the previous year.

Milk production patterns across the country are all starting to point to seasonal increases. In Florida and the Southeast, temperatures have moderated and production is rebounding slightly. The milk flow increase in the Northeast is not as noticeable and mostly steady. In the Central part of the U.S., output is stable in the upper Midwest but showing signs of seasonal increases in southern areas of the region. Southwest milk production is jumping quite rapidly, while increasing more gradually in the Pacific Northwest. Temperatures in most areas of the U.S. were quite mild for the early part of March, contributing to favorable early spring conditions. Limited quantities and low quality feed stocks continue to hamper more

positive production increases. Although, if weather conditions remain favorable and mild, milk handlers anticipate a strong start to the seasonal "spring flush." Cream demand remains good. Production of cream cheese, bottled cream, sour cream, and cottage cheese are or have been good during Lent and for the upcoming Easter/Passover holidays. Due to recent increases of cream base prices and multiples, ice cream production and butter output are mixed.

Dry dairy product markets are much the same as they have been during the past few weeks. Nonfat dry milk markets are generally steady, although a weaker undertone is developing. Whey markets are also steady with prices unchanged to slightly lower. The U.S. is slated to get a good portion of the latest whey tender from Japan. Contacts feel that this should be a stabilizing influence on the market. Buttermilk powder markets are firm. Offerings remain limited due to very few producers presently drying buttermilk in part due to good sales of condensed buttermilk. Regular account buyers are able to get most of what they need, but spot availability is very limited.

SPECIAL THIS ISSUE

DAIRY GRAPH (PAGE 2)
 CHEDDAR CHEESE, NDM, FLUID MILK, AND BUTTER FUTURES (PAGE 7)
 INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)
 FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS (PAGES 9 - 10)
 DECEMBER MAILBOX MILK PRICES (PAGE 11)
 MINIMUM ORDER AND ANNOUNCED COOP CLASS 1 PRICES (PAGE 12)

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	MARCH 11	MARCH 13	MARCH 14
AA	\$1.1600 - 1.1700 (.0100)	\$1.1600 - 1.1700 (.0100)	\$1.1600 - 1.1700 (.0100)
A	\$1.0600 - 1.0700 (.0100)	\$1.0600 - 1.0700 (.0100)	\$1.0600 - 1.0700 (.0100)

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, all grades of bulk butter are unchanged. Demand for bulk and print butter remains steady at fairly good levels. Producers are pleased with the level of interest for retail needs. Retail feature activity is occurring, but is lighter than previously anticipated. Many grocery stores are reducing the length of the sale or canceling scheduled features all together. Opinions are mixed on inventorying additional butter stocks at this time. Many handlers do not want to build inventories at current price levels while others are enhancing their stocks.

CHICAGO MERCANTILE EXCHANGE

Butter Transactions on **FRIDAY, MARCH 14, 1997**
 (CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	N.C.	\$1.1600 : SALE 03/14/97
A	N.C.	\$1.0600 : BID 03/07/97
B	N.C.	\$1.0500 : BID 03/07/97

SALES: 2 CARS GRADE AA:
 1 @ \$1.1400, 1 @ \$1.1600 (LST)

BIDS UNFILLED: 1 CAR GRADE AA @ \$1.1600

OFFERS UNCOVERED: NONE

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	MARCH 10 - 14, 1997
BARRELS*	\$1.2600 - 1.2800 (NOMINAL) (-.0100) (-.0100)
40# BLOCKS	\$1.3250 - 1.3550

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

CHEESE HIGHLIGHTS: The cheese market is unsettled. Prices are mixed in moderate trading at the National Cheese Exchange. Current movement is unchanged to often slower, reflecting lackluster sales for many producers and/or marketers. Current cheese supplies are readily available. Cheese production is about steady to increasing slowly, reflecting milk availability. For current CCC market price cheese invitations turn to page 13 of this report.

NATIONAL CHEESE EXCHANGE, INC.

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

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	-.0150	\$1.2550 : OFFER 03/14/97
40# BLOCKS	N.C.	\$1.3250 : SALE 03/14/97

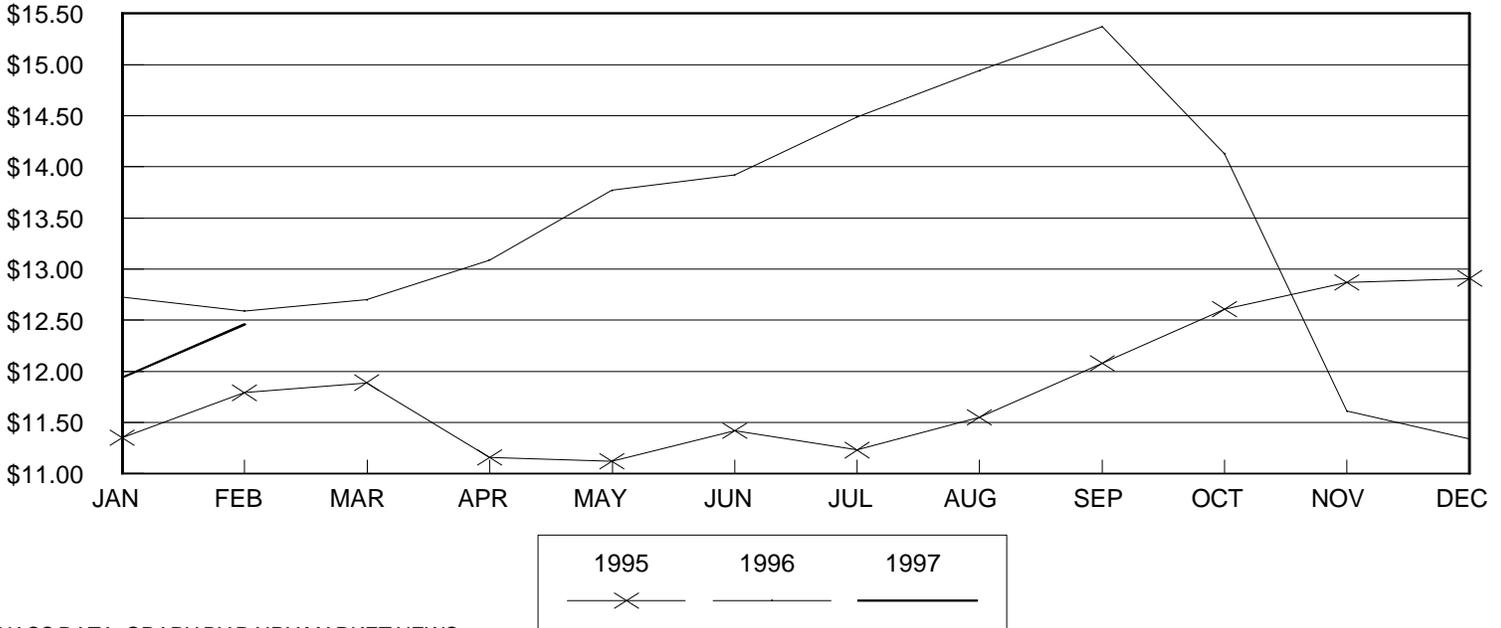
SALES ON OFFERS: 15 CARS BARRELS:
 2 @ \$1.2675, 13 @ \$1.2600
 7 CARS 40# BLOCKS @ \$1.3250 (LST)

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 10 CARS BARRELS:
 5 @ \$1.2675, 2 @ \$1.2600, 3 @ \$1.2550 (LST)

BASIC FORMULA PRICE/M-W

PER CWT. AT 3.5% TEST



NASS DATA, GRAPH BY DAIRY MARKET NEWS

PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Butter prices are 1 cent higher, reflecting the increase in the Grade AA butter price at the Chicago Mercantile Exchange on March 7. Current butter production in the Northeast is moderate. Current stocks remain light as producers do not want to build large inventories at current levels. Demand ranges from steady to slightly slower, overall at fairly good levels. Food service interest remains active for projected holiday needs.

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

1/4 LB. PRINTS	:	1.3700-1.5975
1 LB. PRINTS	:	1.2850-1.4675
CHIPS/PATTIES	:	1.3475-1.5175
REDDIES	:	1.4225-1.6175
CONTINENTALS	:	1.5025-1.6775

CENTRAL

Print butter prices are generally 1 cent higher following trading at the Chicago Mercantile Exchange on March 7. Although the market tone is firm, handlers are unsure of market stability at this level. Buying interest remains seasonally active. Orders continue to be placed and shipped for upcoming Easter needs, but overall sales are lighter than previously anticipated. Scattered retail feature activity is starting to occur, with many grocery stores reducing the length of the sale or canceling scheduled features all together. Stocks of bulk and print butter are readily available for current needs.

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

1/4 LB. PRINTS	:	1.2600-1.6675
1 LB. PRINTS	:	1.2250-1.3875
CHIPS/PATTIES	:	1.2500-1.4600
REDDIES	:	1.3325-1.5700
CONTINENTALS	:	1.4900-1.6800

WEST

Western print butter prices are generally higher. Contacts are pleased with the fair movement into retail channels for the upcoming Easter holiday. Sales are not expected to be great, but probably better than most were expecting. To keep bulk butter clearing, most manufacturers have reduced prices a couple of cents to the base price to try and keep butter moving. Most are relatively successful. Most Western contacts were surprised at the price increase at the Chicago Mercantile Exchange. They still believe that prices will probably soften once Easter orders are covered, but will probably soon rebound again. Production is mixed with more cream heading toward ice cream as the weather warms across the country. Some record high seasonal temperatures have been reached in the Southwest.

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

1/4 LB. PRINTS	:	1.4450-1.4925
1 LB. PRINTS	:	1.3625-1.4350
PATTIES	:	1.4150-1.5825
REDDIES	:	1.5400-1.5625

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

1/4 LB. PRINTS	:	1.1500-1.2000
----------------	---	---------------

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER: CHEESE

	:	
03/10/97	16,859	: 101,142
03/01/97	12,968	: 101,219
CHANGE	+3,891	: - 77
% CHANGE	+ 30	: N. C.

CHEESE MARKETS

NORTHEAST

Natural cheese prices are unchanged, though process prices are steady to mostly lower. The current tone is about steady. Food service operations are gearing up for projected holiday needs. Retail sales are mostly steady. Current cheese production levels are generally unchanged. Producer inventories remain light to adequate. Aged cheddar stocks continue tight.

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

Cheddar 10# Prints	:	1.3450-1.8075
Cheddar Single Daisies	:	1.3150-1.8025
Cheddar 40# Block	:	1.4625-1.6125
Process 5# Loaf	:	1.4800-1.6200
Process 5# Sliced	:	1.5000-1.6450
Muenster	:	1.5050-1.9025
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is steady. The final transaction on barrels at the National Cheese Exchange on March 7 was 1 cent lower than the previous week at \$1.2700. The Exchange close on 40# blocks was unchanged from the previous week at \$1.3250. Discussions continue over the possible replacement(s) as a cash market alternative to the National Cheese Exchange. Demand is steady to generally slower. Current cheese supplies are at least adequate and are accumulating in many quarters. Some extra promotions (deals) are being offered to customers to stimulate sales. Attractively priced Western products continue to displace Midwestern cheese and limits the premium structure. Process and barrel sales are lackluster for most producers. Process sales are expected to improve seasonally as spring, and warmer weather, approaches. Cheese production is steady to slightly higher, reflecting current milk receipts. Cheese and whey returns make paying current manufacturing milk prices and still earn a profit difficult.

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

Process American 5# Loaf	:	1.5775-1.6175
Brick And/Or Muenster 5#	:	1.6200-1.7825
Cheddar 40# Block	:	1.5775-1.9250
Monterey Jack 10#	:	1.7775-1.9250
Blue 5#	:	1.9300-2.1500
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6600-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2400-2.5300

WEST

Cheese prices are somewhat mixed in the Western region. Natural sales are generally reported as good. Barrel cheese demand is somewhat slower with some operations adjusting production schedules accordingly. Mozzarella continues to move very well. Top quality Swiss demand is good, but lower grade cheese is not moving all that well. The subsidy reduction by the EU is expected to help this market. The region is moving some lower quality cheddar into the Midwest market at favorable prices. Production is beginning to increase seasonally.

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

Process 5# Loaf	:	1.4600-1.7025
Cheddar 40# Block	:	1.5075-1.7300
Cheddar 10# Cuts	:	1.7425-1.8475
Monterey Jack 10#	:	1.6925-1.8100
Grade A Swiss Cuts 6 - 9#	:	2.3200-2.3525

FOREIGN TYPE CHEESE

Prices are unchanged and the market tone is steady. The E.C. cut export refunds on cheese exports to the U.S. by 30% a couple of weeks ago. Reportedly, cheese originating from Austria, Italy, and Finland could be the most affected by the reduction. Current cheese inventories are light to adequate.

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	: 1.6600-2.2275
Gorgonzola	: 3.2400-5.9400	: 2.2825-2.4900
Parmesan (Italy)	: 7.1700-8.0000	: 3.0325-3.1075
Romano (Italy)	: 2.3900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.3325-1.8400
Romano (Cows Milk)	: -0-	: 2.8625-3.0675
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 ranges from steady to slightly higher in most areas of the East. Florida's output rebounded slightly when temperatures moderated. In the Northeast, the milk flow is mostly steady. Fluid milk supplies are more than ample for a slow to fair bottled milk demand. A very good tourist season is being cited as the reason for the very good bottled milk sales in Florida and other Deep South states. Farther north, Class I milk sales are being termed as just fair. Surplus milk supplies are mixed. This week, some Florida milk was shipped out of state; this follows last week's need to import milk. However, this week, handlers think Florida's milk supply is very nearly balanced. Manufacturing plants are operating at steady to slightly lower levels. The condensed skim market is about steady. However, with last Friday's price increase for butter some suppliers think the wet solids' prices may ease lower. So far, prices are mostly steady and demand fair. Offerings are adequate to meet Class II needs. The fluid cream market is firm though unsettled. Last Friday's increase in butter, prices have some suppliers and buyers confused. Demand for cream is good. Production of cream cheese, bottled cream, sour cream, and cottage cheese are or have been good during Lent and, the upcoming, Easter/Passover holidays. Prices for cream have increased because of the change in the butter price and an overall increase in the multiples used to determine cream prices. Ice cream production is spotty. Some producers are starting to increase schedules while others continue to make lowfat products and are waiting for lower fat/cream prices. Churning activity is moderate. This week's good demand for cream is leaving less excess cream for butter production.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT			
F.O.B. Producing Plants: Northeast	-	1.4310 - 1.5158	
Delivered Equivalent Atlanta	-	1.4310 - 1.6324	M 1.4310-1.4840
F.O.B. Producing Plants: Upper Midwest	-	1.4628 - 1.5052	
PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS			
F.O.B. Producing Plants: Northeast	-	1.1000 - 1.1500	

M I D W E S T

SPOT SHIPMENTS:	LOADS
MARCH 07 - 13, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I demand is steady to slower, noticeably lighter where retail promotions moved a sizeable extra volume of milk last week. At least one bottler buying outside fluid supplies late last week was selling extra milk back to manufacturing channels this week. Manufacturing milk interest is typically softer and prices trended lower. Reported spot manufacturing milk prices ranged from \$0.75-1.50, mostly at the low end of the range, over class. Class II milk demand remains fairly good with spot prices reported at \$2.00 over class. Limited volumes of Southern milk are reported clearing to upper Midwestern plants for processing. Cream is tight to available. Current prices on spot offerings have tempered some ice cream makers appetite for spot supplies. Cream

interest is mixed, ranging from slow to good. Some ice cream/mix producers continue to build inventory for warmer weather banking on the expectation of higher butter/cream prices and tighter supplies. Milk receipts are irregularly unchanged to slightly higher. Production in lower sections of the region is showing more substantial increases than more northern sections. Concern over high priced hay and soybean meal has made feed expensive for spot purchases. A storm Thursday (March 13) dumped heavy snow/mixed precipitation on many central and northern sections of Minnesota and Wisconsin, slowing traffic and closing some schools for another day.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)		
	MAR 6 - 12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.50- 43.00	\$ 31.00- 36.50
REPLACEMENT HEIFER CALVES	\$ 90.00-165.00	\$ 90.00-145.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)		
	MAR 6 - 12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 45.00	\$ 31.00- 36.00

W E S T

Early season record setting high temperatures have been common over the Southwest. Milk production is jumping quite rapidly. Most manufacturing operations are happy with the additional milk supplies. Plants are expecting more of a flush this year because of the low quality hay that has been fed through the winter that has held down production. When good quality new crop hay becomes widely available, a higher milk production response is anticipated. Tests are just starting on a new dryer in California (thought to be the largest dryer in the U.S.) that is expected to be fully on line by the May flush season. Production increases compared to last years on the same producer base range from 3-10%. Milk output is beginning to also increase in the Pacific Northwest, but at a much slower rate. Temperatures are moderate with moisture plentiful. Pastures continue to grow quite rapidly and are likely to get ahead of what cattle can efficiently graze in a timely fashion. Cattle are out on pasture for only a few days per week. Some very limited green chopping is beginning to take place. Any available stocks of hay that are left are just barely able to be called feeder hay with prices still very high. Hay producers are able to clear out some very old stocks of old stemmy hay. Slaughter prices have rebounded slightly, but heifer prices are not doing much. Some areas of the northern Mountain States region got very close to 70 degrees this week. Temperatures have now dropped back below normal seasonal levels. Cycling temperatures are probably the best to bring the record snow fall out of the mountains in an orderly fashion. Some flooding is anticipated nevertheless. Low tests on incoming milk are causing some concern for producers and plants. They hope that when new crop hay is available in a couple of months that the tests will return to more normal levels.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/13/97 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 mostly unchanged and the market tone is steady with weak undertones. High heat demand is fair to good for the limited offerings in the region. However, resale loads and offerings from the West are often more competitive than local prices. Milk output is increasing in more areas. Last week's drop in barrel cheese prices is causing trepidation among several contacts. Many wonder if milk will move away from cheese plants and whether demand for NDM and condensed skim will decline as less is used for standardization/fortification. Stocks are light to moderate in the region.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1350 - 1.1875 MOSTLY: 1.1400 - 1.1500

DRY BUTTERMILK - CENTRAL

Prices continue to increase in continued light spot trading. The market tone is firm. Offerings remain limited due to very few producers presently drying buttermilk in part due to good sales of condensed buttermilk. Dry stocks are limited and held with confidence.

BUTTERMILK: 1.0300 - 1.0800

DRY WHEY - CENTRAL

Dry whey prices are mostly steady to instances lower within the range. A couple of producers dropped asking prices this week in an attempt to keep sales current. Producers' offerings are increasing from more locations. Some brands are in tighter supply than others. Whey is available from resellers at often better prices than from the plants. Demand has backed off as buyers assess inventory positions and short term needs. Production is increasing as moderately warmer temperatures are stimulating milk output, especially in the southern and middle parts of the region. Stocks are steady to higher at several locations.

NONHYGROSCOPIC: .2050 - .2200 MOSTLY: .2100 - .2150

ANIMAL FEED WHEY - CENTRAL

Roller ground and milk replacer whey prices are slightly higher and remain nominal. Standard and delactose prices are unchanged and nominal. Market activity is light, but additional loads of off-grade are being offered. Demand has declined. Delactose availability is the highest of all types with loads available from many producers. Stocks are in excess of current needs.

MILK REPLACER: .1850 - .2075
STANDARD: .1825 - .1975
ROLLER GROUND: .2150 - .2300
DELACTOSE (Min. 20% protein): .3600 - .3900

LACTOSE - CENTRAL AND WEST

Lactose prices are higher, reflecting additional spot trading and the influence of higher second quarter contract prices being negotiated. Early indications are that contract prices will be 5 to 10% percent higher for the second quarter. Producers are not willing to sell current spot loads for less than they could get in a few weeks. The market tone is firm. Production is steady to seasonally higher. Competition for solids is good with permeate production increasing. Stocks are in balance at most locations and held with confidence.

Including spot sales and up to 3 month contracts.

EDIBLE: .2000 - .2700 MOSTLY: .2300 - .2600

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are beginning to level off and the market tone is steadier. There are still producers who are commanding and receiving premiums to current market prices for their WPC. However, as a whole, offerings are increasing from the producer level. In addition, resale offerings are higher and prices are declining compared to recent weeks. Production is steady to seasonally increasing. Stocks are light to moderate and are in balance at many plants.

EXTRA GRADE 34% PROTEIN: .6000 - .6500 MOSTLY: .6150 - .6300

NONFAT DRY MILK - WEST

High heat powder prices are holding steady. Production is relatively light and clearing very easily. Low/medium sales are steady. Stock levels are in close balance. Prices may be edging lower, but the undertone remains cautiously steady. DEIP sales activity continues to help a number of producers maintain a generally sold out position. Powder production is increasing.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.1000 - 1.1500 MOSTLY: 1.1100 - 1.1200

HIGH HEAT: 1.1300 - 1.1700

DRY BUTTERMILK - WEST

Prices for Western buttermilk powder continue to increase. Demand is excellent and often going unsatisfied. Regular account buyers are able to get most of what they need. Users that are only in the market on and off again are not having much success finding the powder that they need. Buttermilk production is barely steady. Sales of condensed buttermilk are increasing seasonally. Orders for ice cream are increasing rapidly in the Southwestern region of the U.S.

BUTTERMILK: 1.0200 - 1.0600 MOSTLY: 1.0300 - 1.0400

DRY WHEY - WEST

Prices continue to hold steady for Western whey powder. The market is in close balance. Domestic demand is steady at good levels. Buyers are able to get what they need in a timely fashion. Export demand is barely steady. More price resistance is noted. The U.S. is slated to get a good portion of the latest whey tender from Japan. Contacts feel that this should be a stabilizing influence on the market. Both domestic buyers and sellers seem to be quite satisfied with the current market conditions. Powder production is holding about steady.

NONHYGROSCOPIC: .2000 - .2175 MOSTLY: .2025 - .2050

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended March 07, on powder sales of 7,905,448 pounds f.o.b. California manufacturing plants was \$1.1100 per pound. This compares to 9,624,919 pounds at \$1.1045 for the previous week ending February 28, 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.

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 mostly steady and the market tone is unchanged. However, some of the buyers' aggressiveness is waning. Demand is basically fair, but there are more reports of price resistance. Spot demand ranges from slow to fair, at best. Traders and producers report limited interest and relatively little activity this week. Production levels are steady too heavier. Some plants were getting extra milk from Southern handlers. Plant stocks are light to moderate and, in some cases, accumulating.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1450 - 1.1900
DELVD SOUTHEAST:	1.1550 - 1.2050

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are generally higher and the market tone remains firm. Production levels are lighter now that ice cream makers are starting to take more liquid or condensed buttermilk. Butter production is also lighter as the good demand for cream from Class II product makers is very good. Producers' stocks are closely balanced; often limited. Demand is good and easily clears any offerings. Some resale sales have been noted at and above the top of the ranges.

F.O.B. NORTHEAST:	1.0000 - 1.0600
DELVD SOUTHEAST:	1.0550 - 1.1150

DRY WHOLE MILK - NATIONAL

Prices are steady to higher following the change in February's Class III milk price. Production levels range from light to moderate. Some plants are making more NDM to (1) clear milk more quickly and (2) have more cream to sell. Those plants that are making the most whole milk powder, generally have contracts to fill. Spot interest is fair to good, but often for LTL volumes.

F.O.B. PRODUCING PLANT:	1.2500 - 1.3100
-------------------------	-----------------

DEIP BID ACCEPTANCE SUMMARY

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

NONFAT DRY MILK	--	22,254	MT (49,061,168 LBS)
CHANGE	--	2,484	MT (5,476,226 LBS)
WHOLE MILK POWDER	--	1,060	MT (2,336,876 LBS)
CHEESE	--	1,324	MT (2,918,890 LBS)
CHANGE	--	79	MT (174,163 LBS)
BUTTERFAT	--	829	MT (1,827,613 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to fractionally higher. The market tone is mostly steady. Production levels are mostly steady. Plant stocks range from tight on Grade A to fully adequate on Extra Grade. Demand is starting to show some signs of slowing, particularly in the export sector of the market. Powder continues to be exported, but new interest is a little slow to develop at current prices. Domestic demand is about steady. Dry whey offerings from other regions are increasing and, coupled with a slower demand, helping to keep prices from increasing further.

F.O.B. NORTHEAST:	EXTRA GRADE	.2125 - .2175
	USPH GRADE A	.2125 - .2200
DELVD SOUTHEAST:		.2225 - .2550

ANIMAL FEED WHEY - NORTHEAST

Prices continue to be too few to report. Offerings are generally tight for animal feed quality powder. However, some contacts report that Extra Grade powder is readily available in other regions of the country. Demand is fair to good.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
-------------------	---------------	-------

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are spotty ranging from lighter at some locations to heavier at others. Most producers are trying to build a little inventory. There is some uncertainty on the part of producers on how much inventory to build, but most started the year with very light stocks and are trying to replenish them plus fill current demand. As milk prices move higher, suppliers are offering fewer allowances. Retail feature activity is also lighter, but some retailers are featuring for Easter.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES	\$22.50 - 33.00
---	-----------------

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

No price changes were reported for either casein type. Recent trends in the market continue. Contacts are noting that the cheaper industrial caseins are not as available as they were several months ago. Demand remains light to fair. Rennet casein supplies are in better balance than acid.

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	02/27	02/28	03/03	03/04	03/05	03/06	03/07	03/10	03/11	03/12
CSCE - CHEDDAR CHEESE -- Cents per pound										
MAR 97	122.00 (0) 0	121.00 (0) 0	119.50 (0) 0	122.50 (0) 0	122.50 (0) 0	124.00 (0) 0	125.00 (0) 0	123.50 (0) 0	123.50 (0) 0	123.50 (0) 0
APR 97	133.50 (17) 0	132.50 (16) 4	131.00 (16) 0	134.00 (16) 0	134.00 (15) 0	135.50 (15) 0	136.50 (15) 3	135.00 (15) 0	135.00 (15) 0	135.00 (15) 0
JUN 97	136.00 (11) 0	135.00 (11) 0	132.50 (11) 0	136.50 (11) 0	138.00 (11) 0	136.30 (11) 0	135.50 (11) 0	136.50 (11) 0	136.50 (11) 0	136.50 (11) 0
CSCE - NONFAT DRY MILK -- Cents per pound										
MAR 97	109.20 (0) 0	111.30 (0) 0	111.50 (0) 0	111.60 (0) 0	111.30 (0) 0	113.00 (0) 0	113.00 (0) 0	113.00 (0) 0	113.00 (0) 0	114.50 (0) 0
APR 97	110.20 (24) 0	112.30 (24) 0	112.50 (24) 0	112.60 (24) 0	112.30 (24) 4	114.00 (22) 0	114.00 (22) 0	114.00 (20) 8	114.00 (20) 0	115.50 (20) 0
CSCE - FLUID MILK -- Dollars per cwt.										
MAR 97	13.83 (0) 0	13.83 (0) 0	13.93 (0) 0	13.93 (0) 0	13.93 (0) 0	13.63 (0) 0	13.63 (0) 0	13.63 (0) 0	13.76 (0) 0	13.63 (0) 0
JUN 97	14.05 (36) 0	14.15 (36) 0	14.30 (36) 0	14.30 (36) 0	14.30 (36) 5	14.45 (36) 0	14.45 (36) 0	14.60 (36) 0	14.63 (36) 0	14.63 (36) 0
AUG 97	14.56 (27) 0	14.55 (27) 0	14.95 (27) 3	14.95 (28) 0	15.40 (28) 0	15.50 (28) 4	15.50 (37) 10	15.43 (35) 0	15.43 (35) 0	15.30 (35) 0
CSCE - BUTTER -- Dollars per cwt.										
MAR 97	110.60 (0) 0	109.60 (0) 0	110.30 (0) 0	109.30 (0) 0	108.80 (0) 0	107.00 (0) 0	109.80 (0) 0	107.50 (0) 0	107.50 (0) 0	109.20 (0) 0
JUN 97	115.80 (10) 0	114.80 (10) 2	115.00 (10) 0	113.50 (10) 0	113.00 (10) 0	111.20 (10) 0	114.00 (10) 0	111.70 (10) 0	113.30 (10) 0	115.00 (10) 0
AUG 97	116.00 (25) 0	117.50 (25) 0	115.00 (25) 8	117.00 (29) 0	117.50 (29) 0	115.70 (29) 0	118.50 (29) 0	116.20 (29) 0	117.80 (29) 0	119.40 (29) 0
CME - FLUID MILK -- Dollars per cwt.										
Apr 97	14.000 (2) 0	13.900 (2) 0	13.900 (2) 0	13.900 (2) 0	13.900 (2) 0	14.000 (2) 0	14.000 (2) 2	14.000 (2) 0	14.000 (2) 0	14.000 (2) 0
CME - BUTTER -- Cents per pound										
APR 97	116.500 (16) 1	116.500 (16) 0	116.500 (16) 0	116.500 (16) 0	116.500 (16) 0	115.500 (16) 0	116.000 (16) 1	116.000 (20) 8	116.000 (16) 4	116.000 (16) 0
JUN 97	118.000 (7) 0	117.500 (7) 0	117.000 (7) 0	117.000 (8) 3	117.000 (8) 0	117.000 (8) 0				
JLY 97	118.500 (48) 0	118.500 (48) 0	118.000 (48) 0	118.500 (48) 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 March 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 influence European dairy product sales. Milk production patterns in many areas of the region are showing signs of an early spring. As the milk quota year end nears, producers are closely monitoring production and marketings. In strong milk production areas of Europe, milk marketings are expected to be lighter during the next few weeks as producers hold milk until April to not incur substantial penalties. The EU Commission's cut in export refunds on cheese exports to the U.S. are meeting with mixed reactions. Generally, the reaction is not favorable, especially for those countries that rely heavily on U.S. markets. Many cheese producers feel that this may just be the beginning of future adjustments.

BUTTER/BUTTEROIL: At this time, butter production is lighter due to milk clearing to whole milk powder production versus butter. Once April arrives and the new milk quota year begins, butter production is expected to resume. Russian buying interest has slowed considerably. Most traders feel that they have covered Russian needs. Overall stocks of butter are in close balance, with limited volumes clearing to private storage. Butter oil interest is also on the quiet side. Stocks are sufficient for local and export needs.

82% BUTTERFAT: 1,550 - 1,800
99% BUTTERFAT: 1,945 - 2,050

SKIM MILK POWDER (SMP): Skim milk powder supplies are quite limited at this time for immediate shipment. Production is expected to remain light during the next few weeks as available milk is generally clearing to whole milk production. Once April 1 arrives, producers anticipate heavy production and fully sufficient stocks for demand. Prompt delivery buyer interest is hard to fill, but will ease once the new milk quota year arrives.

1.25% BUTTERFAT: 1,750 - 1,850

WHOLE MILK POWDER (WMP): Whole milk powder markets are weaker as prices edge lower. Powder production is slightly stronger. Output of manufactured dairy products during the next few weeks will be mixed due to the uncertainty of milk marketings during the final weeks of the milk quota year. Commitments of whole milk powder to export during the first half of the year will limit some European countries from future sales.

26% BUTTERFAT: 1,770 - 1,880

SWEET WHEY POWDER: European whey markets are steady to weaker with prices unchanged to slightly lower. Overall buying interest is quiet for this time of the year. Stocks are sufficient for the unaggressive demand.

NONHYGROSCOPIC: 490 - 540

EASTERN EUROPE: Milk production in Eastern Europe is at seasonal low levels with small indications of seasonal increases occurring at this time. As Eastern Europe prepares for seasonal milk production increases, some areas are expecting output to exceed previous year levels to the point that new/additional markets will need to be sought for their manufactured dairy products. Demand for most dairy products is slow and unaggressive. Buyers knowing that stocks are low is another reason of limited sales activity. Butter destined for Russia continues at light levels. Basically all of their needs have been filled and some traders feel that purchases may have exceeded demand.

OCEANIA

OVERVIEW: Weather conditions in the Oceania region are much the same as they have been. Hot temperatures in Australia for this late in the season are causing milk production patterns to decline quite rapidly, especially in the dairying state of Victoria. With the late season heat spell, yearly milk production estimates continue to be adjusted, but overall output will still be above last year. In New Zealand, conditions are milder and production continues to run about 8 - 10% above a year ago. The reduction of export refunds for cheese to the U.S. by the EU Commission is having limited impact on Oceania markets as of yet. Overall trading activity is quiet. Stocks are generally sufficient to meet contractual commitments with minimal new business developing.

BUTTER: Butter prices in the Oceania market are generally unchanged. Russian demand continues, but is slower. Some handlers are unsure about Russia's continued interest considering the time of the season and the volumes that have cleared to them. Butter/powder production continues to compete for milk volumes from whole milk and cheese producers as the milk production season ends. Stocks of butter are sufficient for current and contractual interest.

82% BUTTERFAT: 1,400 - 1,450

CHEDDAR CHEESE: Cheese markets are basically steady at unchanged prices. Overall trading is steady but quiet. It is still early to feel what impact the EU's reduction of export refunds for cheese to the U.S. will have on this market. Much of the Oceania market for cheese centers on Asian and Japanese markets. Competition continues to occur between Australia and New Zealand to establish cheddar markets in Asia and Japan.

39% MAXIMUM MOISTURE: 2,100 - 2,300

SKIM MILK POWDER (SMP): Skim milk powder markets are mixed with prices holding steady to slightly lower. Buying interest for Oceania powder will depend on EU availability. As the milk production season comes to a close, production of powder is lower. Stocks are tightening and basically fully committed until mid year.

1.25% BUTTERFAT: 1,780 - 1,900

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to weaker as prices edge lower. As the production season comes to a close, producers are closely monitoring available stocks. Recent sizable sales of whole milk powder to export are further tightening already limited stocks. The overall supply/demand situation is in balance. Most market activity centers around previous commitments with minimal new orders occurring.

26% BUTTERFAT: 1,780 - 1,900

Exchange rates for selected foreign currencies: March 10, 1997

.5222 Dutch Guilder	.5877 German Mark
.1742 French Franc	.7005 New Zealand Dollar
.1257 Mexican Peso	.7890 Australian Dollar
1.6037 British Pound	.0082 Japanese Yen
.3243 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1257) = 7.9554$. That is 1 US Dollar equals 7.9554 Mexican Pesos.

Source: *Wall Street Journal*

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

BASIC FORMULA PRICE. The Basic Formula Price for February 1997 is \$12.46 per hundredweight at 3.5 percent butterfat. The February Basic Formula Price is the January base month Minnesota-Wisconsin (M-W) price of \$12.00 at 3.5 percent plus a change of \$0.46, which is the change in the butter/powder/cheese formula from January 1997 to February 1997. The February 1997 Basic Formula Price is \$0.52 more than last month and \$0.13 less than the February 1996 Basic Formula Price. This Basic Formula Price is the Class III price for February 1997 and is to be used in April 1997 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 10.0 cents. **MILK COMPONENT CONTENTS.** For the January 1997 base month M-W price, the butterfat content was 3.93 percent, protein 3.32 percent, and solids-not-fat 8.63 percent. For the February 1997 Basic Formula Price, the butterfat content was 3.89 percent, protein 3.29 percent, and solids-not-fat 8.60 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	FEBRUARY								MARCH		APRIL		
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I	CLASS II	CLASS I	CLASS II	
		1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1997	
		DOLLARS								DOLLARS				
New England (Boston)	1 3/	14.58	16.15	11.64	13.21	12.48	12.61	12.38	10.41	15.18	15.97	12.24	15.70	12.76
New York/New Jersey (NY City)	2 4/	14.48	16.05	11.72	13.29	12.56	12.69	12.46	10.49	15.08	15.87	12.32	15.60	12.84
Middle Atlantic (Philadelphia/Baltimore/Washington, DC)	4 5/	14.37	15.94	11.64	13.21	12.50	12.63	12.40	10.43	14.97	15.76	12.24	15.49	12.76
Carolina (Charlotte)	5	14.42	15.99	11.64	13.21	12.46	12.59	12.36	10.39	15.02	15.81	12.24	15.54	12.76
Tennessee Valley (Knox/Chat)	11	14.11	15.68	11.64	13.21	12.46	12.59	12.36	10.39	14.71	15.50	12.24	15.23	12.76
Southeast (Atlanta/Birmingham)	7	14.42	15.99	11.64	13.21	12.46	12.59	12.36	10.39	15.02	15.81	12.24	15.54	12.76
Upper Florida (Jacksonville/Tallahassee)	6	14.92	16.49	11.64	13.21	12.46	12.59	---	---	15.52	16.31	12.24	16.04	12.76
Tampa Bay	12	15.22	16.79	11.64	13.21	12.46	12.59	---	---	15.82	16.61	12.24	16.34	12.76
Southeastern Florida (Miami)	13	15.52	17.09	11.64	13.21	12.46	12.59	---	---	16.12	16.91	12.24	16.64	12.76
Michigan Upper Peninsula (Marquette)	44	12.69	14.26	11.64	13.21	12.46	12.59	12.36	10.39	13.29	14.08	12.24	13.81	12.76
Southern Michigan (Detroit)	40 6/	13.09	14.66	11.64	13.21	12.46	12.59	12.36	10.39	13.69	14.48	12.24	14.21	12.76
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	13.34	14.91	11.64	13.21	12.46	12.59	12.36	10.39	13.94	14.73	12.24	14.46	12.76
Ohio Valley (Columbus)	33	13.38	14.95	11.64	13.21	12.46	12.59	12.36	10.39	13.98	14.77	12.24	14.50	12.76

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/															
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	FEBRUARY								MARCH			APRIL		
		PRICE PER 100 POUNDS										PRICE PER 100 POUNDS			
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II	
		1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1997	1997	1997
		DOLLARS										DOLLARS			
Indiana (Indianapolis)	49	13.24	14.81	11.64	13.21	12.46	12.59	12.36	10.39	13.84	14.63	12.24	14.36	12.76	
Chicago Regional	30	12.74	14.31	11.64	13.21	12.46	12.59	12.36	10.39	13.34	14.13	12.24	13.86	12.76	
Central Illinois (Peoria)	50	12.95	14.52	11.64	13.21	12.46	12.59	---	---	13.55	14.34	12.24	14.07	12.76	
S. Illinois/E. Missouri (Alton)	32	13.26	14.83	11.64	13.21	12.46	12.59	---	---	13.86	14.65	12.24	14.38	12.76	
Louisville/Lexington/Evansville	46	13.45	15.02	11.64	13.21	12.46	12.59	12.36	10.39	14.05	14.84	12.24	14.57	12.76	
Upper Midwest (Minneapolis)	68	12.54	14.11	11.64	13.21	12.46	12.59	12.36	10.39	13.14	13.93	12.24	13.66	12.76	
E. South Dakota (Sioux Falls)	76	12.84	14.41	11.64	13.21	12.46	12.59	---	---	13.44	14.23	12.24	13.96	12.76	
Iowa (Des Moines)	79	12.89	14.46	11.64	13.21	12.46	12.59	12.36	10.39	13.49	14.28	12.24	14.01	12.76	
Nebraska/W. IA. (Omaha/Sioux City)	65	13.09	14.66	11.64	13.21	12.46	12.59	12.36	10.39	13.69	14.48	12.24	14.21	12.76	
Greater Kansas City	64	13.26	14.83	11.64	13.21	12.46	12.59	---	---	13.86	14.65	12.24	14.38	12.76	
Southwest Plains (Oklahoma City)	106	14.11	15.68	11.64	13.21	12.46	12.59	12.36	10.39	14.71	15.50	12.24	15.23	12.76	
Texas (Dallas)	126	14.50	16.07	11.64	13.21	12.46	12.59	12.36	10.39	15.10	15.89	12.24	15.62	12.76	
Eastern Colorado (Denver)	137	14.07	15.64	11.64	13.21	12.46	12.59	---	---	14.67	15.46	12.24	15.19	12.76	
Western Colorado (Grand Junction)	134	13.34	14.91	11.64	13.21	12.46	12.59	---	---	13.94	14.73	12.24	14.46	12.76	
SW Idaho/Eastern Oregon (Boise)	135	12.84	14.41	11.64	13.21	12.46	12.59	12.14	10.22	13.44	14.23	12.24	13.96	12.76	
Great Basin (Salt Lake City)	139	13.24	14.81	11.64	13.21	12.46	12.59	---	---	13.84	14.63	12.24	14.36	12.76	
Central Arizona (Phoenix)	131	13.86	15.43	11.64	13.21	12.46	12.59	12.14	10.22	14.46	15.25	12.24	14.98	12.76	
New Mexico/West Texas (Albuquerque)	138	13.69	15.26	11.64	13.21	12.46	12.59	12.36	10.39	14.29	15.08	12.24	14.81	12.76	
Pacific Northwest (Seattle/Portland)	124	13.24	14.81	11.64	13.21	12.46	12.59	12.14	10.22	13.84	14.63	12.24	14.36	12.76	
SIMPLE AVERAGE	---	13.68	15.25	11.64	13.21	12.46	12.59	12.36	10.37	14.28	15.06	12.24	14.80	12.76	

* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in April 1997 is \$15.70 per 100 pounds or \$1.35 per gallon (\$15.70 divided by 11.63 equals \$1.3500).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order resumed effective June 1, 1996. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

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

In December, mailbox milk prices reported for selected Federal milk orders averaged \$13.76 per cwt., \$.98 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$13.97, down \$1.18; Southeast, \$16.18, down \$1.35; Midwest, \$13.46, down \$.85; and West, \$12.92, down \$.90. Compared to December 1995, mailbox milk prices increased \$.40 per cwt. on the average. Regional increases over the previous year were: \$.68 in the Northeast, \$2.07 in the Southeast, \$.35 in the West; in the Midwest region, the average mailbox price was \$.17 below the previous year. The average minimum blend price for these orders in December 1996 was \$.14 per cwt. above the price in the previous year.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>					
	July	August	September	October	November	December
	<u>Dollars per hundredweight</u>					
New England	14.77	15.00	15.55	15.83	15.37	14.12
New York-New Jersey	14.82	15.05	15.68	15.68	14.82	13.72
Middle Atlantic	15.07	15.49	16.05	15.84	15.55	14.30
Northeast Average <u>3/</u>	14.87	15.16	15.75	15.76	15.15	13.97
Carolina	16.39	16.69	17.44	17.95	17.78	16.36
Tennessee Valley	15.73	15.95	16.59	17.05	16.78	15.28
Southeast	15.60	15.90	16.52	16.94	16.49	15.13
Florida <u>4/</u>	17.77	18.59	18.87	19.34	19.64	18.39
Southeast Average <u>3/</u>	16.31	16.69	17.23	17.71	17.53	16.18
Southern Michigan	14.69	14.90	15.62	15.77	15.18	14.08
Eastern Ohio-Western Pa.	14.74	14.98	15.62	15.88	15.50	14.22
Ohio Valley	14.79	15.02	15.72	16.11	15.93	14.77
Indiana	14.66	14.89	15.70	16.08	15.86	14.54
Chicago Regional	15.36	15.88	16.52	15.72	13.69	13.08
S. Illinois-E. Missouri	14.23	14.61	15.35	15.77	15.42	14.14
Louis.-Lex.-Evans.	15.20	15.37	15.90	16.48	16.55	15.18
Upper Midwest	15.09	15.73	16.26	15.32	13.51	12.85
Nebraska-Western Iowa	14.58	15.00	15.66	15.45	14.14	13.26
Iowa	14.88	15.43	16.17	15.59	14.02	13.12
Midwest Average <u>3/</u>	14.98	15.34	16.04	15.69	14.31	13.46
Texas	14.87	15.23	15.72	15.87	15.20	13.85
Southwest Plains	14.16	14.57	15.15	15.19	14.36	13.30
Eastern Colorado	14.41	14.50	15.51	15.64	14.32	13.12
S.W. Idaho-E. Oregon	14.07	14.74	15.20	14.29	12.01	11.71
Great Basin	13.52	14.30	14.93	14.55	13.04	12.33
New Mexico-West Texas	13.72	14.14	14.92	14.48	12.86	12.00
Pacific Northwest	14.59	14.85	15.48	15.14	13.69	12.91
West Average <u>3/</u>	14.34	14.73	15.34	15.12	13.82	12.92
All-Market Average <u>3/</u>	14.94	15.28	15.92	15.79	14.74	13.76

* 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.

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES 1/												
CITY	MAR 1995			MAR 1996			FEB 1997			MAR 1997		
	Federal Order	Coop.	Difference									
Dollars Per Hundredweight												
Atlanta, GA	14.43	14.43	0.00	15.81	16.16	0.35	14.42	16.53	2.11	15.02	16.53	1.51
Baltimore, MD	14.38	15.33	0.95	15.76	16.51	0.75	14.37	15.42	1.05	14.97	16.02	1.05
Boston, MA	14.59	15.32	0.73	15.97	16.70	0.73	14.58	15.71	1.13	15.18	16.31	1.13
Carbondale, IL **	13.36	14.32	0.96	14.74	15.85	1.11	13.35	15.77	2.42	13.95	16.07	2.12
Charlotte, NC	14.43	14.73	0.30	15.81	16.46	0.65	14.42	17.26	2.84	15.02	17.26	2.24
Chicago, IL	12.75	14.67	1.92	14.13	15.74	1.61	12.74	15.17	2.43	13.34	15.32	1.98
Cincinnati, OH	13.46	14.01	0.55	14.84	15.44	0.60	13.45	14.95	1.50	14.05	15.55	1.50
Cleveland, OH	13.35	13.82	0.47	14.73	15.25	0.52	13.34	14.64	1.30	13.94	15.24	1.30
Dallas, TX	14.51	14.71	0.20	15.89	16.09	0.20	14.50	15.39	0.89	15.10	15.66	0.56
Denver, CO	14.08	14.79	0.71	15.46	16.17	0.71	14.07	14.22	0.15	14.67	14.82	0.15
Des Moines, IA	12.90	13.50	0.60	14.28	15.28	1.00	12.89	15.01	2.12	13.49	15.01	1.52
Detroit, MI	13.20	14.13	0.93	14.58	15.41	0.83	13.19	14.74	1.55	13.79	14.72	0.93
Hartford, CT	14.49	15.22	0.73	15.87	16.60	0.73	14.48	15.61	1.13	15.08	16.21	1.13
Houston, TX	15.05	15.25	0.20	16.43	16.63	0.20	15.04	15.93	0.89	15.64	16.20	0.56
Indianapolis, IN	13.25	14.28	1.03	14.63	15.66	1.03	13.24	14.56	1.32	13.84	15.16	1.32
Kansas City, MO	13.27	13.67	0.40	14.65	15.58	0.93	13.26	15.03	1.77	13.86	15.33	1.47
Little Rock, AR	14.12	14.29	0.17	15.50	15.50	0.00	14.11	14.90	0.79	14.71	15.36	0.65
Louisville, KY	13.46	13.86	0.40	14.84	15.34	0.50	13.45	14.70	1.25	14.05	15.30	1.25
Miami, FL	15.53	16.48	0.95	16.91	18.39	1.48	15.52	19.26	3.74	16.12	18.96	2.84
Milwaukee, WI	12.66	14.58	1.92	14.04	15.65	1.61	12.65	15.08	2.43	13.25	15.23	1.98
Minneapolis, MN	12.55	13.15	0.60	13.93	14.86	0.93	12.54	14.63	2.09	13.14	14.63	1.49
New Orleans, LA	15.20	15.20	0.00	16.38	16.53	0.15	14.99	16.38	1.39	15.59	16.48	0.89
Oklahoma City, OK	14.12	14.29	0.17	15.50	15.67	0.17	14.11	15.00	0.89	14.71	15.60	0.89
Omaha, NE	13.10	13.70	0.60	14.48	15.41	0.93	13.09	14.86	1.77	13.69	15.16	1.47
Philadelphia, PA	14.44	15.44	1.00	15.82	16.52	0.70	14.43	15.43	1.00	15.03	16.03	1.00
Phoenix, AZ	13.87	13.87	0.00	15.25	15.25	0.00	13.86	13.86	0.00	14.46	14.46	0.00
Pittsburgh, PA	13.35	14.30	0.95	14.73	15.23	0.50	13.34	14.14	0.80	13.94	14.74	0.80
St. Louis, MO **	13.36	14.32	0.96	14.74	15.85	1.11	13.35	15.77	2.42	13.95	16.07	2.12
Salt Lake City, UT	13.25	13.40	0.15	14.63	14.78	0.15	13.24	13.39	0.15	13.84	13.99	0.15
Seattle, WA	13.25	13.70	0.45	14.63	15.08	0.45	13.24	13.54	0.30	13.84	14.14	0.30
Spokane, WA	13.25	13.70	0.45	14.63	15.08	0.45	13.24	13.54	0.30	13.84	14.14	0.30
Springfield, MO	13.54	13.94	0.40	14.92	15.32	0.40	13.53	14.48	0.95	14.13	15.08	0.95
Washington, DC	14.38	15.33	0.95	15.76	16.51	0.75	14.37	15.42	1.05	14.97	16.02	1.05
Simple Average	13.73	14.36	0.63	15.16	15.83	0.67	13.77	15.16	1.39	14.37	15.54	1.17

**Current month price is estimated.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

