

NATIONAL DAIRY MARKET AT A GLANCE

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

According to NASS, milk production in the 20 major states during February totaled 10.4 billion pounds, 2% below production in these same states in February 1996. The monthly decrease is due to 1996 being a leap year with February 1996 having 29 days. On a daily basis, February 1997 production increased 2% versus February 1996. January revised production, at 11.2 billion pounds was 1% above January 1996. Production per cow averaged 1,337 pounds for February, 10 pounds below February 1996. Again, the leap year in 1996 caused the monthly rate decline. The number of cows on farms was 7.75 million head, down 81,000 (1.0%) head from February 1996 and down 10,000 from January 1996. Production in the five leading state in February 1997 with comparisons to 1996 on a daily average basis are: California, 2.072 billion pounds, +7.5%; Wisconsin, 1.685 billion pounds, -2.3%; New York, 875 million pounds, -3.4%; Pennsylvania, 824 million pounds, -2.7%; and Minnesota, 738 million pounds, -0.8%.

During February, about 7.4 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in February 1997, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 0.5% more than February 1996, and about 1.3% more than January 1997 on a daily average basis. Milk utilized in Class I products in February was 0.3% less than last year on an adjusted basis. Class I use this year represented 48% of producer milk deliveries compared to 41% in February 1996. The average blend price was \$13.13 per cwt., \$0.57 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down \$1.57; Class II, down \$1.57; Class III, down \$0.13; and Class III-A, up \$1.99.

The February 1997 Consumer Price Index (CPI) for all food is 156.5, up 3.8% from February 1996. The dairy product index, at 146.2, is up 6.6% from a year ago. The

following are the February to February changes in selected dairy products: fresh whole milk, 5.6%; cheese, +5.5%; and other dairy products (includes butter), +10.2%.

During January, sales of fluid milk products in Federal milk order marketing areas and California were 0.5% below January 1996, and 2.0% above December 1996 on an adjusted daily average basis. Sales of whole milk products were 1.4% lower, while sales of lowfat and skim milk were 0.1% below the previous year. Fluid milk sales were higher in the Southeastern and Far West regions and lower in all the other regions.

Milk production continues to increase in the Western and Southern states. Areas of the Upper Midwest continue to see milk output lag behind year ago levels. The lack of good quality forage, higher priced concentrates, and poor weather conditions, are limiting production increases. Bottlers are beginning to note erratic demand patterns as school orders gyrate due to spring break schedules. Production of sour cream, cream cheese, and bottled cream for Easter needs has peaked, but levels are still moderate to heavy.

Dry product markets are mostly steady with last week. Nonfat dry milk prices are steady to slightly higher. Producers are attempting to raise prices following some modest DEIP awards late last week. Demand is fair, but buyers are resisting higher asking prices. Buttermilk prices continue to increase in limited spot trading. Demand continues to outpace supplies. Whey and WPC markets are steady. Supplies are available from more producers and demand is declining. Lactose prices are unchanged in limited spot trading. Second quarter contract prices are being negotiated at higher levels.

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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	MARCH 18	MARCH 20	MARCH 21
AA	\$1.1600 - 1.1700	\$1.1600 - 1.1700	\$1.1600 - 1.1700
A	\$1.0600 - 1.0700	\$1.0600 - 1.0700	\$1.0600 - 1.0700

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, all grades of bulk butter are unchanged. Butter producers/handlers have mixed opinions on near term market conditions. Some feel once Easter orders have been filled, price levels will decline, while others anticipate a steady market. Butter production is seasonally active, although competition for cream supplies between Class II and III products is aggressive. Stocks range from in balance to short of full needs. Demand for butter is strong as final Easter orders are placed and shipped. Handlers that are short are reaching to Western areas and securing additional bulk at 3 - 4 cents under the Chicago Mercantile AA, F.O.B.

CHICAGO MERCANTILE EXCHANGE

Butter Transactions on **FRIDAY, MARCH 21, 1997**

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	N.C.	\$1.1600 : BID 03/21/97
A	N.C.	\$1.0600 : BID 03/07/97
B	N.C.	\$1.0500 : BID 03/07/97

SALES: 1 CAR GRADE AA @ \$1.1500

BIDS UNFILED: 2 CARS GRADE AA: 1 @ \$1.1500, 1 @ \$1.1600 (LST)

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 17 - 21, 1997
BARRELS*	\$1.2450 - 1.2650 (NOMINAL)
	(-.0150) (-.0150)
40# BLOCKS	\$1.3250 - 1.3550

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

CHEESE HIGHLIGHTS: The cheese market is steady. Prices are unchanged in heavy trading at the National Cheese Exchange. Following recent weakness in barrels, some buyers are withholding purchases in anticipation of possible additional declines. Orders are steady to lighter. Inventories are accumulating at many plants. Cheese production is increasing in the West, and typically steady to slightly higher in most other sections of the country.

NATIONAL CHEESE EXCHANGE, INC.

Cheese Transactions on **FRIDAY, MARCH 21, 1997**

(CARLOT UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	N.C.	\$1.2550 : SALE 03/21/97
40# BLOCKS	N.C.	\$1.3250 : SALE 03/21/97

SALES ON OFFERS: 20 CARS BARRELS @ \$1.2500
15 CARS 40# BLOCKS @ \$1.3250 (LST)

SALES ON BIDS: 2 CARS BARRELS @ \$1.2550 (LST)

BIDS UNFILED: NONE

OFFERS UNCOVERED: NONE

*****Trading at both the Chicago Mercantile Exchange and the National Cheese Exchange will be on Thursday, March 27, 1997.*****

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Other Dairy Products		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
DEC 1996	156.3	4.3	148.6	10.1	148.3	10.9	150.1	8.0	136.2	12.2	150.0	5.6
JAN 1997	156.5	3.6	147.8	8.4	146.7	8.2	149.3	7.0	133.4	10.7	149.6	4.8
FEB 1997	156.5	3.8	146.2	6.6	144.0	5.6	148.8	5.5	133.5	10.2	148.8	4.5
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Lowfat Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}	
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
Dollars												
DECEMBER	2.727	2.518	2.526	2.310	2.173	1.733	3.592	3.150	3.085	3.390	2.940	2.675
	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
JANUARY	2.677	2.546	2.517	2.324	2.092	1.740	3.536	3.107	3.102	3.383	2.947	2.665
FEBRUARY	2.632	2.541	2.481	2.314	2.056	1.680	3.471	3.227	3.500	3.403	2.928	2.673

NA = Not available. ^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Prices are unchanged and the market tone a little unsettled. Contacts are unsure how to proceed with regard to buying butter and/or building inventories. Most expect price drops just before or after Easter, but none are totally convinced that such a drop will occur. Therefore, buyers, traders, and printers are proceeding with caution. Producers are still clearing current output though some are building a little inventory. However, stock accumulations are being tempered by thoughts of lower prices. Demand for cream from Class II product producers is improving. This is leaving only moderate volumes of excess cream for churning. Retail movement is fair to improved when featured. Food service orders are a little better as Easter approaches. Easter Sunday is a big day for the restaurant trade.

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 markets are steady at unchanged prices. The market tone remains unsettled, although more handlers are feeling that price levels will hold or decline slightly once Easter orders have been filled. Buying interest is good as final orders for the upcoming Easter holiday are placed and shipped. Stocks of butter range from in close balance to short of current needs. Although churning schedules are seasonally active, cream supplies are not sufficient enough to fully meet butter demand. Due to strong demand and lower production, some handlers are reaching to Western areas of the country to secure additional butter stocks for immediate 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 markets are generally steady at unchanged prices. The stability of current price levels is uncertain. Some producers/handlers feel that the market will remain at current levels following Easter while others anticipate prices to decline. Stocks of Western butter range from in good balance to heavier. Some producers are clearing additional bulk butter to Midwestern and Eastern buyers at 3 - 4 cents under the Chicago Mercantile AA F.O.B. Western buying interest is seasonally active. Production is brisk, although strong cream demand from other cream-based products is limiting volumes available to local churns.

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

	BUTTER :	CHEESE	:	
			:	
03/17/97	17,066		:	101,994
03/01/97	12,968		:	101,219
CHANGE	+4,098		:	+ 775
% CHANGE	+ 32		:	+ 1

CHEESE MARKETS

NORTHEAST

Prices of natural cheddar items and Swiss are unchanged; process items are generally 1½ cents lower. The market tone is steady to weak. Contacts state that barrel cheese supplies are more than ample for current needs and prices are moving lower. Stocks of 40# blocks are in closer balance. In the Northeast, cheese output is steady to a little heavier where surplus milk volumes are increasing. Aged cheddar is still in the tightest supply position. Most other types of cheese are readily available for current delivery. Demand for cheese is fair to good. Spring break for many colleges is affecting pizza/mozzarella sales, but these should rebound in a couple weeks. Retail movement is slow to fair unless featured. Food service orders are up slightly as restaurateurs prepared for Easter.

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	:	1.4650-1.6050
Process 5# Sliced	:	1.4850-1.6300
Muenster	:	1.5050-1.9025
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is unsettled. The closing barrel activity at the National Cheese Exchange on March 14 was 1.5 cents below the previous week at \$1.2550. The block Exchange activity was unchanged at \$1.3250. Current Exchange levels remain several cents below the comparable week in 1996. Current demand continues to slow for most producers as buyers delay purchases in the hopes of possible price declines. The widening spread between blocks and barrels (currently 7 cents) concerns barrel producers competing for milk. The usual spring "warm up" in process sales has yet to occur. Plant inventories are accumulating at most barrel plants unless discounted. Barrel spot sales are slow. Process movement is mostly slow to fair. Natural orders are continuing to trend lighter. Western cheddar offerings continue to pressure Midwestern prices. Milk intakes remain below year ago levels for most plants in the upper Midwest.

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	:	1.5775-1.9150
Monterey Jack 10#	:	1.7775-1.9150
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#	:	2.2400-2.4850

WEST

Prices for process cheese are declining while most other styles and varieties are steady. Process cheese sales have slowed dramatically these past two weeks. Buyers are looking at producer inventories and at the declining prices and deciding not to order any extra cheese and to actually reduce their own inventory holdings. Current cheddar sales have also slowed, but not at the same rate at all. Mozzarella sales are likewise softer, mostly related to school vacations. Sales of Swiss cheese are steady at best. Cheese production is beginning to increase seasonally. Western contacts are taking a wait and see position until they are able to figure out which direction the market may move in the near term.

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

Process 5# Loaf	:	1.4450-1.6900
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 mostly unchanged, but importers are concerned over recent changes in Europe that will affect (increase) purchase prices of many cheeses. In the U.S., stocks of imported and foreign type cheese range from light to adequate. Demand for traditional table cheeses is up slightly and following the normal pattern associated with the Easter and Passover holidays.

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

Northeastern Milk Market Administrators announce February 1997 uniform (blend) prices: Federal Order (F.O.) 1 is \$12.85; F.O. 2, \$12.70; F.O. 4, \$13.22; F.O. 36, \$12.90; and Western NY Milk Market Area, \$12.77. (In F.O. 36, producers are now paid on a multiple component system and the uniform price is for informational purposes only.) During February, milk production in the 20 major states totaled 10.4 billion pounds, down 1.7% from February 1996. The following are the February-to-February changes for selected states: Florida +9.5%, Virginia +2.1%, Vermont +2.0%, Pennsylvania -3.4%, Texas and New York -2.7%. (The above percentage comparisons have been adjusted for leap year day in 1996.) Milk production is increasing in the Deep South where weather conditions have been nearly ideal. However, heavy rains covered an area from Louisiana to the Middle Atlantic area and flooding has returned to many parts of Kentucky. Milk output in the more northern areas of the region is reported as steady to slightly higher. Fluid milk supplies are more than ample for the seldom better than slow Class I demand. Surplus milk volumes moving to manufacturing plants are heavy and most operations are running at or near capacity. Florida handlers report higher milk production, steady bottled milk sales, and heavy milk supplies. They are shipping 8-10 loads a day out of state for processing. The condensed skim market is mostly steady at unchanged prices. The fluid cream market is firm. Offerings are tighter, demand remains good, and spot prices are often higher. Ice cream production is starting to pick up along seasonal patterns. Despite the high butter/cream prices, freezers have to be stocked for anticipated summer needs. Production of sour cream, cream cheese, and bottled cream for Easter needs has peaked, but they are still moderate to heavy. Churning activity ranges from moderate to heavy.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.4416 - 1.5264
Delivered Equivalent Atlanta	-	1.4310 - 1.6324 M 1.4416-1.4840
F.O.B. Producing Plants: Upper Midwest	-	1.3992 - 1.5052

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.1000 - 1.1500
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M I D W E S T

SPOT SHIPMENTS:

	LOADS
MARCH 14 - 20, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I sales are steady to slightly slower. Retail promotional activity is strengthening sales in a couple markets. Bottling usage is expected to be more erratic over the next couple of weeks as schools close for different periods for spring break. Manufacturing milk interest is typically lighter, reflecting recent price weakness and uncertainty. However, interest from specialty cheese makers is steady. Handlers are having more difficulty in moving surplus loads and reported spot prices range from \$.50 to \$1.50 over class, with the most activity in the middle of the range. Limited volumes of Southern/Mid-South milk continues to clear to upper Midwestern manufacturing plants for processing. The pool of spot offerings is expect to increase during the holiday period. Cottage cheese interest was steady to improved.

Cream interest is holding with most activity toward the upper end of the range. Milk intakes are little changed week to week. Overall, local plant receipts remain below year ago levels. The initial estimated February milk production in selected Midwestern states compared with February 1996, adjusted to remove February 29, is: Wisconsin 1.685 billion pounds, down 39 million pounds (2.3%); Minnesota 738 million pounds, down 6 million pounds (0.8%); Michigan 425 million pounds, unchanged, and Iowa 295 million pounds, up 10 million pounds (3.5%). After a winter with a lot of snow (and mixed precipitation) in some areas of the region, concern continues over flooding and/or the possibility of delayed planting.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAR 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 41.50	\$ 31.00- 36.00
REPLACEMENT HEIFER CALVES	\$110.00-150.00	\$100.00-140.00

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

	MAR 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.50- 40.00	\$ 31.00- 36.00

W E S T

February 1997 milk production in the U.S. totaled 10.4 billion pounds, 1.8% below output in the same 20 states in February 1996. Due to 1996 being leap year and February having 29 days, comparable production, on an adjusted daily basis, has 1997 milk output being up 1.7%. On a daily adjusted basis, Arizona's output was up 15.2%, California's +7.5%, Idaho's +12.9%, New Mexico's +9.5%, and Washington's +4.1%. Current milk production patterns in the Southwest are increasing at a strong/steady pace. Temperatures throughout the region are very favorable for early spring. Rainfall is usually common during the months of February and March, but this year, moisture has not been as plentiful. In instances, milk handlers are stating that conditions are even dry in comparison to other years at this time. Quality feed stocks remain limited and costly. New crop hay from the Imperial Valley is becoming available, but higher priced than in past years. Water levels in the Central Valley, following the flooding of January, have returned to manageable levels. Flooded cropland is being reconditioned for productive agriculture. Conditions are wet and warm in the Pacific Northwest. An early spring flush is starting to show up in the bulk tank. Pastures remain too wet for much grazing and the grass is getting ahead of what cows can efficiently graze. With the current hay situation, this is not good. Threats of major flooding are more numerous on both the west and east sides of the Cascades. Both heifer and cull prices are increasing. Some milk is shifting around within the region to get the milk into plants for processing that yield the highest return. Temperatures into the mid-70's are common over much of the northern Mountain States region. Cow lots are generally drying out very rapidly so that muddy conditions are not much of a problem. Grass is beginning to green up and buds are just beginning to show on trees. Producers are anticipating that the warmer conditions will reduce hay consumption which may allow them to get through the winter feeding season to new crop hay without buying any additional hay. Any hay that is left is being categorized as junk and it is very expensive.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/20/97 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

Prices are mostly steady, but lower on the top end of the range. Most producers were holding asking prices steady. Offerings are light to moderate and competing with resale loads and NDM from other regions. Demand remains fair to good for high heat powder. Interest is lighter for low heat NDM. Production is mostly steady to higher. Some contacts are noting that condensed skim orders are slow. Recent DEIP contracts are providing some outlets for local production. NDM stocks range from light to moderate in the region.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1350 - 1.1800 MOSTLY: 1.1400 - 1.1500

DRY BUTTERMILK - CENTRAL

Dry buttermilk prices are higher and nominal in light spot trading. Buyer interest is fair to good for the current limited plant offerings. Buyers are also finding few supplies from the resale channels and are sometimes using buttermilk product to supplement needs. Several contacts expect prices to begin to moderate as they approach NDM pricing levels. Condensed buttermilk orders continue to be good and often the choice for end users. Buttermilk stocks at are light at the plant level.

BUTTERMILK: 1.0400 - 1.1000

DRY WHEY - CENTRAL

Dry whey prices are unchanged to lower within the range. Some producers are reducing prices to stimulate buying interest. Resellers are offering whey at lower prices in attempts to better balance their positions. Overall, offerings are in excess of current needs. Demand is weaker as buyers are taking a wait-and-see attitude toward current market prices. Export interest is light for Mexico, steady for other regular export outlets. Production is steady to slightly higher. Producers' stocks are light to moderate and building at more locations.

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

ANIMAL FEED WHEY - CENTRAL

Prices are mostly unchanged and nominal with roller ground prices marginally lower. Buying interest is light for all types with buyers not actively seeking whey from any source. Contacts are stating that more "off-grade" whey is being offered, typically reflecting the weaker edible whey market. The delactose market tone remains weak with supplies excessive for current demand. Roller ground interest is fair to good, but prices were adjusted to keep in line with edible whey offerings.

MILK REPLACER:	.1850 - .2075
STANDARD:	.1825 - .1975
ROLLER GROUND:	.2150 - .2250
DELACTOSE (Min. 20% protein):	.3600 - .3900

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged, but the market tone remains firm to strong. Contract negotiations continue for the second quarter. While the majority of prices have not been finalized, contacts expect prices to be higher. Some buyers are resisting, but the sellers have other outlets. Export interest remains good and expected to take the majority of sales in the coming quarter. Sales to feed accounts are expected to be lower because of high prices. Lactose stocks are light and held with continued confidence.

Including spot sales and up to 3 month contracts.

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

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate prices are unchanged and the market tone is steady. Suppliers remain mixed on the direction of the market. Those in tighter positions are more inclined to talk the market up than those with additional inventories or slower sales. Demand from the animal feed buyers is light with interest from food buyers fair. Most contract sales are being delivered on time. Production is mainly steady with recent weeks. Producers' stocks range from light to moderate.

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

NONFAT DRY MILK - WEST

Nonfat dry milk powder markets are generally steady, although prices are higher and lower. Stocks of powder range from fully committed and not available for immediate delivery to comfortable. Some producers continue to push their offering prices slightly higher with mixed results. Buyers are reluctant to pay the higher prices, but some, depending on their supply/demand situation, are paying the higher prices. High heat powder demand is strong and, in instances, producers are behind on shipments.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.1000 - 1.1500 MOSTLY: 1.1150 - 1.1250
HIGH HEAT: 1.1200 - 1.1700

DRY BUTTERMILK - WEST

Buttermilk powder markets remain firm as prices continue to increase. Stocks available for spot sale are limited with contractual commitments difficult to fill on a timely basis. Although stocks are limited, some offerings are becoming available at the upper end of the reported range. Buyers are resistant to these higher prices, especially as they near current NDM prices. Some producers and handlers feel that prices are nearing a point when buyers will no longer pursue buttermilk powder.

BUTTERMILK: 1.0300 - 1.1000 MOSTLY: 1.0300 - 1.0500

DRY WHEY - WEST

Western whey prices are generally steady, but the market undertone is perhaps softening. Demand is fair at best from domestic buyers and very little new export interest is developing. Stocks are beginning to build at some producer warehouses. Therefore, more sellers are considering reducing prices to keep powder moving. So far, this seems to be in the discussion stage. Production is beginning to increase at more locations as an early spring flush is noted over parts of the Western region.

NONHYGROSCOPIC: .2025 - .2150 MOSTLY: .2025 - .2050

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry ilk for the seven day period ended March 14, on powder sales of 7,365,846 pounds f.o.b. California manufacturing plants was 1.1179 per pound. This compares to 7,905,448 pounds at \$1.1100 for the previous week ending March 07, 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 steady to lower. The market tone is about steady. Production levels are quite heavy as surplus milk volumes are reported to be increasing. Some extra milk from Southern States is moving north to find processing capacity. Plant stocks range from light to adequate. Some operations are trying to build a little inventory to help carry them through the summer months when milk supplies are usually the lightest. Demand is fair. Producers and traders report fewer inquiries this week and there is some price resistance at the upper ends of the ranges.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1400 - 1.1900
DELVD SOUTHEAST:	1.1550 - 1.2050

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are sharply higher in the Northeast; moderately higher in the Southeast. The market tone remains firm. Production levels are light to moderate. Improved demand for condensed buttermilk is reducing drying schedules and, therefore, the volumes of dry buttermilk available for sale. Most producers have very little powder on hand and what they do have is being held with more confidence. Contacts report increased activity in the resale market. Traders are also holding any extra loads/volumes they may have with confidence. Resale loads are selling at or above the high end of the ranges. Although powder is clearing well, some contacts feel that inquiries seemed slower than last week.

F.O.B. NORTHEAST:	1.0300 - 1.1025
DELVD SOUTHEAST:	1.0550 - 1.1250

DRY WHOLE MILK - NATIONAL

Prices are mostly steady and the market tone is unchanged. Production levels are moderate, but sufficient to meet current demand. Plant stocks are closely balanced. Demand is often contractual with only fair spot interest. Export demand is slow to fair. There have been a few, small to medium-volume DEIP bid awards in the past week or two.

F.O.B. PRODUCING PLANT:	1.2500 - 1.3100
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DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1996 THROUGH MARCH 14, 1997
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	26,684	MT (58,827,546 LBS)
CHANGE	--	4,430	MT (9,766,378 LBS)
WHOLE MILK POWDER	--	1,460	MT (3,218,716 LBS)
CHANGE	--	400	MT (881,840 LBS)
CHEESE	--	1,362	MT (3,002,665 LBS)
CHANGE	--	38	MT (83,775 LBS)
BUTTERFAT	--	829	MT (1,827,613 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to fractionally lower. The market tone is definitely showing more signs of weakness. Demand is slower and some producers have lowered prices to stimulate additional interest. As is typical when prices start to turn lower, buyers have adopted a wait and see posture. Export interest is slower as our prices move above 20-21 cents plus the current currency exchange rates are working against export sales. Production levels are steady at moderate to heavy levels. Plant stocks range from adequate to tight. Grade A powder is in tightest supply, but loads are available.

F.O.B. NORTHEAST:	EXTRA GRADE	.2075 - .2175
	USPH GRADE A	.2125 - .2200
DELVD SOUTHEAST:		.2175 - .2500

ANIMAL FEED WHEY - NORTHEAST

Prices continue to be too few to report. Offerings are increasing. There have been more instances of edible powder being offered from traders' inventories. Demand is slow to fair as buyers, knowing that prices are trending lower, are waiting further developments.

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

Prices and the market tone are unchanged. Production levels are steady to heavier at those plants where the milk flow is increasing. Plant stocks are light to moderate and growing as producers try to replenish inventories to carry them through the summer months when milk supplies are tight. Demand is slow to fair and generally for replacement volumes. The Kansas City Commodity office announced the issuance of EVD-1, invitations 310 and 311, inviting competitive offers to sell to CCC 4,537,840 pounds (2,494,080 lbs. for invit. #310 and 2,043,760 lbs. for #311) of evaporated milk for shipment in May and June 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

Prices are lower for acid casein, unchanged for rennet. The market tone for acid is weaker than rennet, but contacts are quoting declines for both as the first quarter ends. Demand is fair to good. Offerings are available from most sources. Supplies from Eastern Europe are in tighter supplies, in big part because this is the start of their production season. Oceania production is available. Information suggests they are coming off a good production year. Caseinate prices continue to be depressed and not commanding usual differentials over the casein markets.

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:	2.0800 - 2.2500

FEBRUARY MILK PRODUCTION

Milk production in the 20 major States during February totaled 10.4 billion pounds, 2 percent below production in these same States in February 1996. The monthly decrease is due to 1996 being a leap year with February 1996 having 29 days. On a daily basis, February 1997 production increased 2 percent versus February 1996. January revised production, at 11.2 billion pounds was 1 percent above January 1996.

Production per cow in the 20 major States averaged 1,337 pounds for February, 10 pounds below February 1996. Again, the leap year in 1996 caused the monthly rate decline.

The number of cows on farms in the 20 major States was 7.75 million head, down 81,000 head from February 1996 and down 10,000 from January 1996.

FEBRUARY 1997 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1996	1997	1996	1997	1996	1997	1997 AS % OF 1996
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	118	124	1,735	1,840	205	228	111
CA	1,260	1,271	1,585	1,630	1,997	2,072	104
FL	155	159	1,405	1,445	218	230	106
ID	246	268	1,370	1,370	337	367	109
IL	157	149	1,260	1,270	198	189	95
IN	140	140	1,260	1,180	176	165	94
IA	250	250	1,180	1,180	295	295	100
KY	157	150	980	965	154	145	94
MI	322	310	1,365	1,370	440	425	97
MN	600	590	1,285	1,250	771	738	96
MO	183	175	1,125	1,080	206	189	92
NM	193	197	1,520	1,575	293	310	106
NY	700	700	1,340	1,250	938	875	93
OH	285	285	1,290	1,260	368	359	98
PA	645	639	1,345	1,290	868	824	95
TX	400	390	1,345	1,295	538	505	94
VT	157	156	1,320	1,305	207	204	99
VA	127	124	1,165	1,180	148	146	99
WA	263	266	1,530	1,520	402	404	100
WI	1,470	1,404	1,215	1,200	1,786	1,685	94
20 STATE TOTAL	7,828	7,747	1,347	1,337	10,545	10,355	98

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (3-97), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

MEASURES OF GROWTH IN FEDERAL MILK ORDER MARKETS, SELECTED YEARS, 1947-96

Year	Number of markets <u>1/</u>	Population of Federal milk marketing areas <u>2/</u>	Number of handlers <u>1/</u>	Number of producers <u>3/</u>	Producer deliveries	Producer deliveries used in Class I	Percentage of producer deliveries used in Class I	Prices at 3.5% butterfat content <u>4/</u>		Receipts as percentage of milk sold to plants and dealers		Daily deliveries per producer	Gross value at blend price adjusted for butterfat content	
								Class I	Blend	Fluid grade <u>5/</u>	All milk		Per producer	All producers
	Number	1,000	Number	Number	Million pounds		Percent	Dol. per 100 lb.		Percent		Pounds	Dollars	1,000 dol.
1947	29	*	991	135,830	14,980	9,808	65.5	4.65	4.34	*	21	302	5,024	682,407
1950	39	*	1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106	57.9	9.36	8.64	78	63	1,532	49,233	6,097,768
1976	50	157,295	1,305	122,675	74,586	40,985	54.9	10.70	9.75	79	65	1,661	60,277	7,394,486
1977	47	159,504	1,260	122,755	77,947	41,125	52.8	10.59	9.69	80	66	1,740	62,692	7,695,764
1978	47	161,224	1,189	119,326	78,091	41,143	52.7	11.40	10.57	80	67	1,793	70,528	8,415,787
1979	47	163,053	1,127	116,447	79,436	41,011	51.6	12.88	11.97	80	67	1,870	83,262	9,695,637
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77	12.86	80	67	1,954	93,685	11,007,001
1981	48	166,663	1,058	119,323	87,989	40,746	46.3	14.69	13.63	80	68	2,021	102,354	12,213,199
1982	49	172,775	1,010	120,743	91,611	40,807	44.5	14.63	13.53	81	69	2,079	104,573	12,626,510
1983	46	175,624	958	121,052	95,757	41,091	42.9	14.69	13.53	82	70	2,168	109,142	13,211,805
1984	45	177,524	912	119,033	91,676	41,517	45.3	14.41	13.33	81	70	2,104	104,935	12,490,729
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1986	44	177,992	849	112,322	98,791	42,725	43.2	13.60	12.38	80	71	2,413	111,581	12,515,451
1987	43	180,374	797	105,882	98,182	42,876	43.7	13.90	12.51	80	71	2,542	118,402	12,529,800
1988	42	184,180	776	104,141	100,066	43,141	43.1	13.42	12.14	<u>5/</u> 79	71	2,627	119,261	12,419,974
1989	41	185,919	748	100,291	95,871	43,367	45.2	14.51	13.30	<u>5/</u> 75	68	2,614	129,744	13,012,796
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	<u>5/</u> 77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	<u>5/</u> 76	71	2,821	121,479	12,180,354
1992	40	200,530	698	97,803	107,947	44,914	41.6	14.57	13.12	<u>5/</u> 77	73	3,017	146,452	14,323,698
1993	38	199,604	675	92,934	103,979	44,805	43.1	14.19	12.89	<u>5/</u> 73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866	41.6	14.75	13.16	<u>5/</u> 75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,004	41.5	14.19	12.79	<u>5/</u> 75	71	3,350	157,891	14,007,635
1996	<u>6/</u> 32	209,274	560	83,074	104,501	45,490	43.5	16.19	14.64	<u>5/</u> 75	71	3,437	184,160	15,298,903

*Data not available. 1/ End of year. (Date on which pricing provisions became effective.) 2/ End of year. 1955, 1960-70, 1971, 1980, and 1990 according to 1950, 1960, 1980, and 1990 U.S. census, respectively. 1972-1979, 1981-1989 and 1991 to date are estimated. 3/ Average for year. The figures in recent years are understated due to the situation described in 5/. 4/ Prices are simple averages for 1947-61 and weighted averages for 1962 to date. 5/ The decrease in these percentages from 1988 to date results from handlers electing, because of unusual price relationships and qualification circumstances, not to pool milk that normally would have been pooled under Federal milk orders. The estimated volume of milk not pooled in 1996 was 7.8 billion pounds. 6/ Data for 1996 are estimated.

ESTIMATED U.S. SUPPLY AND USE PROJECTIONS FOR MILK*

Small changes are made to the 1996/97 milk supply and use forecasts this month. The changes primarily reflect slight downward revisions that NASS made to milk production estimates for 1995 and 1996 in their annual review of the estimates.

U.S. MILK SUPPLY AND USE

Item	1994/95 1/	1995/96 Estimate 1/		1996/97 Projection 1/		
		February	March	February	March	
BILLION POUNDS						
SUPPLY						
BEGINNING COMMERCIAL STOCKS 2/ 23/	4.6	4.6	4.6	4.8	4.9	
PRODUCTION	155.6	154.4	154.1	155.0	154.6	
FARM USE	1.6	1.5	1.5	1.3	1.3	
MARKETINGS	154.0	153.0	152.6	153.7	153.3	
IMPORTS 2/	2.8	2.9	2.8	3.3	3.3	
TOTAL COMMERCIAL SUPPLY 2/	161.5	160.4	160.0	161.8	161.5	
USE						
COMMERCIAL USE 2/	154.0	155.5	154.9	155.9	155.7	
ENDING COMMERCIAL STOCKS 2/	4.6	4.8	4.9	5.3	5.3	
CCC NET REMOVALS:						
MILKFAT BASIS 3/	2.9	0.1	0.1	0.5	0.5	
SKIM SOLIDS BASIS 3/	4.9	1.1	1.1	1.4	1.5	
DOLLARS PER CWT.						
PRICES RECEIVED BY FARMERS 4/						
BASIC FORMULA (BFP)	11.59	13.50	13.50	12.15-12.75	12.30-12.70	
ALL MILK 5/	12.54	14.42	14.42	13.50-14.10	13.65-14.05	
MILLION POUNDS						
CCC PRODUCT NET REMOVALS 3/						
BUTTER	110	1	1	15	15	
CHEESE	8	5	5	8	8	
NONFAT DRY MILK	384	84	84	105	115	
		QUARTERLY 6/			ANNUAL 6/	
		1997 I	1997 II	1997 III	1996	1997
BILLION POUNDS						
MILK PRODUCTION	38.5	40.2	38.0	154.3	154.8	
DOLLARS PER CWT.						
ALL MILK PRICE 4/ 5/	13.10-13.30	13.15-13.65	13.25-14.05	14.74	13.45-14.05	
BASIC FORMULA PRICE 4/	12.20-12.40	12.20-12.70	12.40-13.20	13.39	12.50-13.10	

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes products exported under Dairy Export Incentive Program. 4/ Projections indicate a range of the average for the quarter or year. 5/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 6/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: James E. Nix, Chairman, WAOB; Arthur Coffing, FAS; John Mengel, FSA; Robert R. Miller, AMS; and James Miller, ERS.

SOURCE: "World Agricultural Supply and Demand Estimates," WAOB, USDA, March 11, 1997.

JANUARY FLUID MILK SALES HIGHLIGHTS

During January, sales of fluid milk products in Federal milk order marketing areas and California were 0.5 percent below January 1996, and 2.0 percent above December 1996 on an adjusted daily average basis. Sales of whole milk products were 1.4 percent below the previous year, while sales of lowfat and skim milk were 0.1 percent below the previous year. Fluid milk sales were higher in the Southeastern and Far West regions and lower in all the other regions.

SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, LOWFAT AND SKIM MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, JANUARY 1997, WITH COMPARISONS 1/

Region 4/	Whole Milk Items 2/		Lowfat And Skim Milk Items 3/		Total Fluid Items	
	Sales	Change from:	Sales	Change from:	Sales	Change from:
	January	Prev. year 5/	January	Prev. year 5/	January	Prev. year 5/
	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Northeast	370	-4.3	470	-1.6	840	-2.8
Southeastern	381	0.6	520	2.1	900	1.5
Midwest	279	-2.7	1,005	-1.3	1,284	-1.9
Southwest	182	-0.7	224	0.4	406	-0.1
Far West	346	0.4	709	1.1	1,055	0.9
All Areas Combined	1,558	-1.4	2,928	-0.1	4,486	-0.5

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represent approximately 91 percent of total fluid milk sales in the U.S. 2/ Whole milk items include plain, flavored, and miscellaneous whole milk products. 3/ Lowfat and skim milk items include plain, solids added, flavored, and miscellaneous lowfat and skim milk products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol 62, report #12. Southeastern excludes Paducah. Midwest excludes Black Hills. Far West includes California. 5/ Monthly and year-to-date percent change are based on sales figures adjusted for calendar composition. See DMN Vol. 59, report #13. 6/ Includes the Southeastern marketing area; some of the data for this market have been estimated

PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND LOWFAT AND SKIM MILK PRODUCTS, AND CREAM ITEMS IN SELECTED MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS, DECEMBER 1996, WITH COMPARISONS 1/

Product Name	Change from:		
	Sales	Previous Year	Year to Date
	Mil. lbs.	Percent	
Whole milk	1,490	-1.1	0.1
2% Lowfat Milk	1,369	-2.8	-1.6
1% Lowfat Milk	595	2.3	2.0
Skim Milk	670	2.3	5.6
Buttermilk	54	-5.6	-3.8
Total Fluid Milk Products 2/	4,193	-0.8	0.6

1/ These sales volumes and percent changes include preliminary data from the New York-New Jersey milk order marketing area and some estimated data for the new Southeast Federal milk order marketing area, and preliminary data from the California State milk order. However, data for the Paducah and Black Hills markets, which were terminated November 1, 1995, and October 1, 1996, respectively, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition. 2/ Includes flavored whole milk. 3/ Includes flavored lowfat and skim milk. 4/ Includes miscellaneous products.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information* Bulletin, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR FEBRUARY 1997. During February about 7.4 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in February 1997, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 0.5 percent more than February 1996, and about 1.3 percent more than January 1997 on a daily average basis. Milk utilized in Class I products in February was 0.3 percent less than last year on an adjusted basis. Class I use this year represented 48 percent of producer milk deliveries compared to 41 percent in February 1996. The average blend price was \$13.13 per cwt., \$0.57 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down \$1.57; Class II, down \$1.57; Class III, down \$0.13; and Class III-A, up \$1.99.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 1997										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997	1996	1997	1996	1997
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	409.5	-4.3	198.9	-2.1	49	47	13.57	14.35	10.0
New York/New Jersey (NY City)	2	882.3	-5.2	351.5	-7.8	40	41	13.42	14.31	10.0
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	531.0	12.8	235.4	11.3	44	45	13.22	13.87	---
NORTHEAST REGION		1,822.8	-0.4	785.8	-1.3	43	43	13.40	14.21	10.0
Carolina (Charlotte)	5	219.9	6.2	171.4	-1.7	78	84	13.92	15.54	10.0
Tennessee Valley (Knoxville/Chattanooga)	11	109.2	6.7	87.0	2.2	80	83	13.76	15.23	10.0
Southeast (Atlanta/Birmingham)	7	442.5	6.3	318.3	-4.6	72	80	13.86	15.26	10.0
Florida Markets (Tampa/Jacksonville/Tallahassee/Miami)	12 <u>5/</u>	260.0	6.7	211.5	0.1	81	87	14.63	16.11	10.0
SOUTHEASTERN REGION		1,031.7	6.4	788.2	-2.0	76	83	14.06	15.53	10.0
Michigan Upper Peninsula (Marquette)	44	4.6	-3.5	4.0	8.0	86	77	12.64	13.87	10.0
Southern Michigan (Detroit)	40*	336.5	-4.7	155.5	-4.4	46	46	12.60	13.40	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36	258.9	0	139.3	-1.5	54	55	12.90	13.90	---
Ohio Valley (Columbus)	33	237.1	2.4	136.4	3.2	58	57	12.84	14.09	---
Indiana (Indianapolis)	49*	151.8	-0.1	97.6	2.8	64	62	12.82	14.09	---
Chicago Regional	30*	421.8	-68.0	231.9	17.9	55	15	12.39	13.03	---
Central Illinois (Peoria)	50*	13.4	-5.3	11.9	4.1	89	81	12.90	14.20	10.0
S. Illinois-E. Missouri (Alton)	32*	152.0	-12.6	82.7	-7.9	54	52	12.77	14.02	10.0
Louisville-Lexington-Evansville	46	87.5	-2.8	64.1	-5.3	73	75	13.10	14.45	10.0
Upper Midwest (Minneapolis)	68*	344.3	-59.4	124.4	-1.1	36	15	12.47	12.80	---
Iowa (Des Moines)	79*	144.3	-38.1	51.1	-33.8	35	33	12.70	13.07	---
Nebraska/W. Iowa (Omaha/Sioux City)	65*	118.9	-7.3	47.7	-0.4	40	37	12.64	13.08	---
Greater Kansas City/E. S. Dakota	64 <u>6/7/</u>	39.4	---	---	---	---	72	13.13	14.43	10.0
MIDWEST REGION	8/	2,271.1	-40.3	1,146.7	-0.4	50	30	12.66	13.27	10.0

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 1997										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997	1996	1997	1996	1997
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106	241.4	-11.7	114.3	-0.8	47	42	13.33	14.18	10.0
Texas (Dallas)	126	513.8	-8.9	266.6	6.0	52	45	13.42	14.15	10.0
SOUTHWEST REGION		755.2	-9.8	380.9	3.8	50	44	13.39	14.16	10.0
E. Colorado/W. Colorado (Denver)	137 <u>6/</u>	143.5	3.5	63.8	0.1	44	46	13.14	14.11	10.0
SW. Idaho/E. Oregon (Boise)	135	215.7	25.3	14.1	-1.5	7	8	12.48	12.77	---
Great Basin (Salt Lake City)	139	168.2	-10.3	68.2	-0.8	41	37	12.80	13.58	---
Central Arizona (Phoenix)	131	202.9	1.5	81.7	-3.2	40	42	12.92	13.64	10.0
New Mexico-West Texas (Albuquerque)	138	215.1	39.8	51.5	-5.6	24	35	12.79	13.21	10.0
Pacific Northwest (Seattle/Portland)	124	501.5	4.0	165.7	-1.1	33	35	12.61	12.73	---
FAR WEST REGION		1,447.0	8.4	445.0	-1.8	31	34	12.74	13.19	10.0
COMP MKT. AVERAGE OR TOTAL	<u>8/</u>	7,327.7*	-16.5*	3,546.6	-0.7	48	41	13.13	13.70	10.0
ALL-MKT. AVERAGE OR TOTAL	<u>7/</u>	7,367.0	-16.5	3,546.6	-1.7	48	41	13.13	13.71	10.0
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		3,797.1	-1.0	1,686.1	-1.4	44	45			
Southeastern Region		2,151.2	5.3	1,693.1	-0.5	79	83			
Midwest Region	<u>8/</u>	6,163.4*	-22.7*	2,465.7	0.5	40	31			
Southwest Region		1,587.8	-7.6	812.8	4.5	51	45			
Far West Region		3,012.4	7.6	953.4	-0.5	32	34			
COMP MARKET AVERAGE OF TOTAL	<u>8/</u>	16,711.9*	-9.0*	7,611.2	0.1	46	41	13.04	13.76	---
ALL MARKET AVERAGE OR TOTAL	<u>7/</u>	16,796.7	-9.1	7,611.2	-0.9	45	42	13.05	13.77	---

* Because the blend price adjusted for location was at or below the Class III price in certain zones of these markets, handlers elected not to pool an estimated 1.5 billion pounds of milk in February 1997 that normally would have been pooled under these orders. The total estimated amounts not pooled for this reason through the month of February in 1997 is 1.75 billion pounds. If these volumes had been pooled, the following percent changes in producer deliveries would have resulted: for February, Midwest region -1.1, and all-market average +0.5. Year to Date, Midwest region -0.7, and all-market average +0.5. 1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$14.07. (4.0 minus 3.5 equals .5; 5 times \$.100 equals \$.500; \$13.57 plus \$.500 equals \$14.070.) 4/ Percentage changes have been adjusted for the different number of days in the two periods. 5/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1997, \$14.71; 1996, \$16.24; and Southeastern Florida: 1997, \$15.16; and 1996, \$16.85. 6/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1997, \$12.64; 1996, \$13.52; and Western Colorado: 1997, \$13.13; 1996, \$14.78. 7/ The data for 1996 also includes the Black Hills marketing area. Effective October 1, 1996, the order regulating this marketing area was terminated. Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted, effective October 1996, and are excluded from all-market figures. 8/ Figures are based on the same group of comparable markets--markets where orders were in effect the entire period 1996-97 and for which the data were not affected significantly by marketing area changes. Data for Greater Kansas City/Eastern South Dakota are no longer comparable; see 7/.

