

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange, Grade AA butter decreased 13 cents to \$0.9100, Grade A decreased 13 cents to \$0.8000, and Grade B decreased 14 cent to \$0.7800. At the National Cheese Exchange in Green Bay, barrels decreased 4 3/4 cents to \$1.1700 and 40# blocks decreased 5 cents to \$1.2000.

On April 18, 1997, the U.S. Department of Agriculture as part of its Federal milk order reform efforts has released "A Preliminary Report on Alternatives to the Basic Formula Price." A copy of this preliminary report can be obtained from the Dairy Division, AMS/USDA, Room 2968, South Building, P.O. Box 96456, Washington, D.C. 20090-6456 or phone (202) 720-4392. This report can also be obtained from any Market Administrator office and via the Internet at <http://www.usda.gov/ams/dairy.htm> under the "Federal Milk Order Reform" heading.

According to USDA, NASS, milk production in the 20 major states during March totaled 11.5 billion pounds, up 0.3% from March 1996. February revised production, at 10.3 billion pounds, was down 2.3% (unadjusted) from February 1996. Production per cow averaged 1,491 pounds for March, 22 pounds (1.5%) above March 1996. The number of cows on farms was 7.73 million head, 90,000 (1.2%) below March 1996 and 11,000 below February 1997.

During March about 9.3 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 March 1997, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 0.4% more than March 1996, and about 1.7% more than February 1997 on a daily average basis. Milk utilized in Class I products in March was 0.8% less than last year on an adjusted basis. Class I use this year represented 41% of producer milk deliveries compared to 40% in March 1996. The average blend price was \$13.39 per cwt., \$0.28 less than last

year. Changes in class prices from year-earlier levels were: Class I, down \$0.78; Class II, down \$0.79; Class III, down \$0.21; and Class III-A, up \$2.45.

During February, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.3% below 1996 and 1.1% below January 1997 on an adjusted daily average basis. Sales of whole milk items were 2.0% below the previous year; sales of lowfat and skim milk items were 0.6% above the previous year. Total fluid milk sales were higher in the Southeast and Far West, unchanged in the Midwest, and lower in all other regions.

The dry dairy product market remains unsettled and recent trends continue. Nonfat dry milk markets are trending lower in the Central and West. News of DEIP acceptances for more than 10,000 MT of NDM to Mexico did little to stimulate the market. Buttermilk prices are higher in limited activity. Price resistance is developing at the top end of ranges. More buttermilk is being offered. The dry whey market continues to decline in all regions. Producers are lowering prices to keep stocks in balance and remain competitive. WPC prices are lower and the market tone continues weaker.

Milk production is trending seasonally higher in most areas of the country. Winter-like weather conditions have been a negative factor in some areas. Class I needs are fair to good. Cream prices are lower following the drop in butter prices and demand is slow to fair.

SPECIAL THIS ISSUE

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BUTTER MARKETS

CHICAGO WHOLESALE

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

GRADE	APRIL 15	APRIL 17	APRIL 18
AA	\$1.0400 - 1.0500 (-.1100) (-.1100)	\$1.0400 - 1.0500	\$1.0400 - 1.0500
A	\$0.9300 - 0.9400 (-.1300) (-.1300)	\$0.9300 - 0.9400	\$0.9300 - 0.9400

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, prices for all grades of bulk butter are sharply lower. Milk production across the country continues to build seasonally, thus most butter/powder plants are actively processing increasing volumes of surplus milk. Stocks of butter are building in more locations. Buying interest is light, as most buyers are hesitant to place large orders due to the unsettledness of current markets. In regions of heavy production, especially Western areas of the country, larger than desired stocks are hard to clear, even at discounted price levels.

CHICAGO MERCANTILE EXCHANGE

Butter Transactions on **FRIDAY, APRIL 18, 1997**
 (CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	-.1300	\$0.9100 : OFFER 04/18/97
A	-.1300	\$0.8000 : OFFER 04/18/97
B	-.1400	\$0.7800 : OFFER 04/18/97

SALES: NONE

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.000,
 1 @ \$0.9500, 1 @ \$0.9100 (LST)
 1 CAR GRADE A @ \$0.8000 (LST)
 1 CAR GRADE B @ \$0.7800 (LST)

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	APRIL 14 - 18, 1997
BARRELS*	\$1.2075 - 1.2300 (NOMINAL) (-.0325) (-.0300)
40# BLOCKS	\$1.2400 - 1.2750 (NOMINAL) (-.0300) (-.0350)

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

CHEESE HIGHLIGHTS: The cheese market is weak. Prices lower are in light trading at the National Cheese Exchange. Spot cash cheddar cheese trading will move to the Chicago Mercantile Exchange from the National Cheese Exchange. The first trading session is scheduled for Thursday, May 1, at 1:15pm central time. Cheese offerings exceed current spot demand. Many buyers have withheld purchases in anticipation of possible lower prices. Cheese production is irregular, lower where less surplus milk is available from Class I, and higher where local intakes are climbing. A summary of CCC market price cheese invitations is found on page 13 of this report.

NATIONAL CHEESE EXCHANGE, INC.

Cheese Transactions on **FRIDAY, APRIL 18, 1997**
 (CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	-.0475	\$1.1700 : OFFER 04/18/97
40# BLOCKS	-.0500	\$1.2000 : SALE 04/18/97

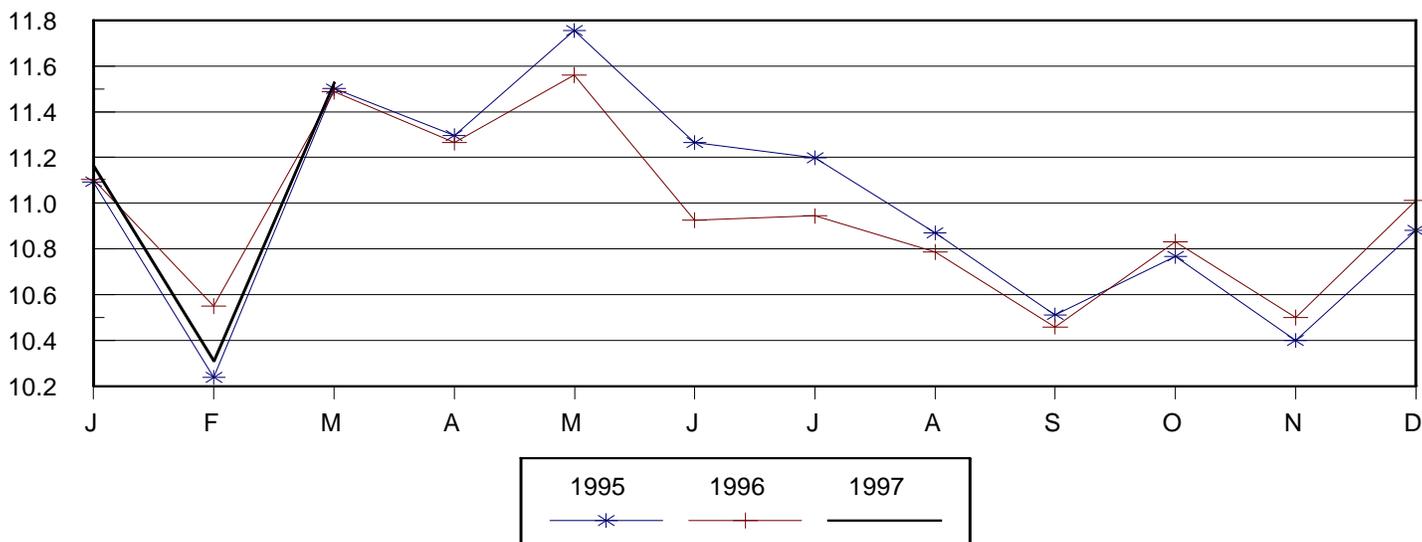
SALES ON OFFERS: 7 CARS 40# BLOCKS:
 1 @ \$1.2100, 6 @ \$1.2000 (LST)

BIDS UNFILLED: 3 CARS 40# BLOCKS @ \$1.2000

OFFERS UNCOVERED: 10 CARS BARRELS:
 3 @ \$1.1975, 4 @ \$1.1775, 3 @ \$1.1700 (LST)

MILK PRODUCTION - TOP 20 STATES

BILLION POUNDS



NASS DATA, GRAPH BY DAIRY MARKET NEWS
 FEB 1996 CONTAINS 29 DAYS

PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Prices are eleven cents lower and the market tone is weak. Following the eleven-cent drop on AA and 13 cent drops on A & B, buyers have temporarily stepped out of the market to wait and see where prices will level off. Many printers, distributors, and chain store buyers are not sure that prices won't fall further and do not want to be caught with inventories. Therefore, most are working off existing inventories and/or taking only normal weekly volumes. Production levels are moderate to heavy. More cream has been offered to local butter makers and multiples are lower and often based on the upcoming butter market. Butter stocks range from balanced to much heavier than needed. Current retail demand is slow unless featured. Food service orders are fair.

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

1/4 LB. PRINTS	:	1.2500-1.4775
1 LB. PRINTS	:	1.1650-1.3475
CHIPS/PATTIES	:	1.2275-1.3975
REDDIES	:	1.3025-1.4975
CONTINENTALS	:	1.3825-1.5575

CENTRAL

Central states print butter markets are weak with prices generally 11 cents lower following trading activity on Grade AA butter at the Chicago Mercantile Exchange April 11. The market undertone remains unsettled and weak. Stocks of butter are sufficient for the unaggressive buyer interest. Most buyers are hesitant to place orders of any size due to the unsettled nature of current markets. As sales lag and production builds, stocks are increasing at a faster rate than current demand is clearing. At this time, most producers are managing increasing stocks with minimal problems. Midwestern buyers that had been purchasing additional bulk butter from Western producers have slowed their buying interest at this time.

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

1/4 LB. PRINTS	:	1.1400-1.5475
1 LB. PRINTS	:	1.1050-1.2675
CHIPS/PATTIES	:	1.1300-1.3400
REDDIES	:	1.2125-1.4500
CONTINENTALS	:	1.3700-1.5600

WEST

Butter prices are generally 11 cents lower following AA butter trading at the Chicago Mercantile Exchange last Friday. Milk production in this part of the country is building significantly when compared to last year at this time. In light of increasing milk volumes, diversions to butter/powder plants are heavy. Stocks of bulk and print butter are building at most producing plants. Overall buying interest is light. Buying interest that is occurring is centered around immediate needs only. Discounting of butter below Chicago Mercantile levels of 5 - 7 cents is receiving minimal activity. In instances, potential buyers are bidding for butter at discounts below upcoming Chicago Mercantile Exchange closing levels.

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

1/4 LB. PRINTS	:	1.3250-1.3725
1 LB. PRINTS	:	1.2425-1.3150
PATTIES	:	1.2950-1.4625
REDDIES	:	1.4125-1.4425

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

1/4 LB. PRINTS	:	1.0300-1.0700
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
 IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER :		CHEESE	
		:	
04/14/97	22,147	:	107,465
04/01/97	18,671	:	105,786
CHANGE	+3,476	:	+ 1,679
% CHANGE	+ 19	:	+ 2

CHEESE MARKETS

NORTHEAST

Prices range from 3 - 3 1/4 cents lower on most natural and process items and are unchanged on Swiss. The market tone is weak. Buyers report no trouble getting cheese they desire. Production levels are increasing as more surplus milk is available in the East. Cheddar stocks are growing at more locations. However, many local cheese makers are putting cheddar away for aging. Italian cheese output is also increasing and offerings are fully adequate for needs. Overall buying interest is slow. With prices/trading levels at the National Cheese Exchange (NCE) dropping, most buyers are taking/ordering only enough to meet normal weekly sales. Some are drawing from existing inventories and hope to replenish those when prices are lower. Retail and food service orders are slow to fair. Contacts are also a little confused or uncertain over the April 25, halting of trading at the NCE and the beginning of a new cash cheese market at the Chicago Mercantile Exchange (CME). Most base purchases or sales on the NCE trading levels. They wonder about the transition to the CME and what, if any, changes will occur in the trading levels.

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

Cheddar 10# Prints	:	1.3550-1.7325
Cheddar Single Daisies	:	1.3250-1.7275
Cheddar 40# Block	:	1.3875-1.5375
Process 5# Loaf	:	1.4275-1.5675
Process 5# Sliced	:	1.4475-1.5900
Muenster	:	1.4300-1.9125
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market remains weak. The closing barrel activity at the National Cheese Exchange on April 11 was 3.25 cents lower to \$1.2175. The Exchange block final sales were 3 cents lower to \$1.2500. Blocks have declined a total of 7.5 cents over the past 3 weeks with barrels down 3.75 cents in the same period. Buying interest is irregular, ranging from mostly slow to occasionally improved. A few buyers are rebuilding their working inventory while most are still delaying purchases due to the possibility of even lower prices. Offering discounted prices is doing little to stimulate additional cheddar sales. Some confusion continues over the switch from cash cheddar trading on the National Cheese Exchange over to the Chicago Mercantile Exchange. Processor schedules are steady to slightly heavier though few need overtime to fill orders. Mozzarella sales are also trending lighter for most producers. Flooding remains a problem in certain areas of the Midwest. Ample Western offerings are readily available at attractive prices. Cheese production is steady to lower as surplus fluid offerings from bottlers have declined from the holiday period.

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

Process American 5# Loaf	:	1.5500-1.6525
Brick And/Or Muenster 5#	:	1.6200-1.7075
Cheddar 40# Block	:	1.5025-1.9150
Monterey Jack 10#	:	1.7025-1.9150
Blue 5#	:	1.8550-2.1300
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6250-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2075-2.4850

WEST

Western cheese prices range from steady to sharply lower following trading at the National Cheese Exchange on 4/11. Sales activity is mixed, steady at best. Some buyers have pulled out of the market and are waiting for the possibility of lower prices. Others, with lighter inventories, continue to purchase small volumes of cheese on a regular basis. Stocks are building for all styles and types of cheese. Production is heavier than most plants had anticipated. Uncertainty continues to be the rule in Western cheese markets. The entire market is concerned about how things will function after the National Cheese Exchange closes.

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

Process 5# Loaf	:	1.4075-1.6900
Cheddar 40# Block	:	1.4325-1.7300
Cheddar 10# Cuts	:	1.6675-1.7800
Monterey Jack 10#	:	1.6175-1.7800
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5500

FOREIGN TYPE CHEESE

Prices range from unchanged on imported to three cents lower on domestic styles. The market tone is weak. Domestic demand for many imported varieties is slow. Importers report that the stronger dollar is affecting their purchasing decisions and affecting the prices of cheese in the producing countries. As reported in several trade articles, because of ongoing meetings between the U.S. and the E.C. negotiators, agreements were reached on April 11, for dairy products to be separated from red meat, poultry, and egg products, all of which were denied entry to EU countries effective April 1. This action sets the stage for U.S. dairy products complying with provisions of EU 92/46 to again be exported to the EU-15 countries. The primary points of an industry self-certification program were formulated and will soon be available for distribution to the industry.

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

NEW YORK		
VARIETY	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.5850-2.1525*
Gorgonzola	: 3.2400-5.9400	: 2.2075-2.4900*
Parmesan (Italy)	: 7.1700-8.0000	: 2.9575-3.0325*
Romano (Italy)	: 2.3900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.2575-1.7650*
Romano (Cows Milk)	: -0-	: 2.7875-2.9925*
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 announced March 1997 uniform (blend) prices: Federal Order F.O. 1 is \$13.26; F.O. 2, \$13.02; F.O. 4, \$13.61; F.O. 36, \$13.21; and Western NY Milk Market Area, \$13.10. During March, milk production in the 20 major states totaled 11.5 billion pounds, up 0.3% from last March. The following are the March-to-March changes for selected states: Florida +3.0%, Virginia and Pennsylvania -0.6%, Vermont -2.7%, New York -3.4%, Texas -4.7%, and Kentucky -7.1%. Milk production is holding at near peak levels in Florida and the Southeast; steady to increasing in the Northeast. Fluid milk supplies are still very heavy for overall needs. Bottled milk sales are slower in Florida and other "wintering" spots. Class I demand is good in the Northeast where a large storm is predicted for this weekend and some bottlers are adding to their milk orders in preparation for the panic buying that often occurs prior to storms. Manufacturing plants are running at or near capacity. Florida handlers are shipping 16 - 18 loads of surplus milk daily to processors in the Southeast and Middle Atlantic areas. So far, this milk is being handled within these areas, but many balancing plants are testing their capabilities. In the Northeast, surplus milk volumes are moderate to heavy. The condensed skim market is weaker. Contracted volumes are moving, but spot interest has slowed dramatically. With butter prices dropping, suppliers have had to recalculate (raise) their condensed skim prices to get the same return on the milk. This is forcing some buyers to again look at NDM. The fluid cream market is also weak. Spot prices are sharply lower following the 11 and 13 cent drops in butter prices. Demand for cream is just fair and buyers, who can, are waiting to see if butter will drop further. Fluid cream offerings are more than ample. Excess volumes are being offered to butter makers and, like last week, some want to base prices on the upcoming butter trading levels. However, sellers seem to be more inclined to lower multiples and used the current market. Ice cream production is slow to fair, but increasing along seasonal patterns. Production of sour cream, cream cheese, bottled cream, and cottage cheese are mostly steady despite the price drops.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. Producing Plants: Northeast	-	1.1904 - 1.3392
Delivered Equivalent Atlanta	-	1.1997 - 1.4656 M 1.2090-1.2555
F.O.B. Producing Plants: Upper Midwest	-	1.2462 - 1.3206

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

F.O.B. Producing Plants: Northeast	-	1.1000 - 1.1800
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
APRIL 11 - 17, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I sales are generally improved, aided by retail promotional activity in some metro areas. Manufacturing milk interest is about steady and prices have increased as the volumes offered shrink from the holiday period. Some milk continues to move north to the upper Midwest to find manufacturing capacity. Reported prices range from a few loads at \$1.00 under to mostly right around class. Ice cream and cottage cheese production remain seasonally active with extra spot purchases continuing. Cream prices are sharply lower following the

decline in butter prices at the Chicago Mercantile Exchange on April 11. Reported cream multiples are about steady. Milk intakes within the upper part of the region are generally little changed on a week to week basis. Product yields are drifting lower. The initial March estimated milk production in selected Midwestern states compared with 1996 is: Wisconsin 1.897 billion pounds, down 51 million pounds (2.6%); Minnesota 817 million pounds, down 16 million pounds (1.9%); Michigan 465 million pounds, off 12 million pounds (2.5%), Iowa 340 million pounds, up 16 million pounds (4.9%), and Texas 564 million pounds, off 28 million pounds (4.7%). Snow again blanketed parts of Minnesota and Wisconsin over the past weekend though most melted within a few days. Wet and cold fields in most northern sections are keeping fieldwork beyond manure hauling to a minimum, though progress is normal further south. Grass, alfalfa, and winter wheat have greened up, but growth has been minimal in northern areas. Some cattle, mainly beef and young stock, are out on pasture for part of their feed needs.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 10-16	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 45.00	\$ 29.00- 35.00
REPLACEMENT HEIFER CALVES	\$100.00-150.00	\$110.00-150.00

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

	APRIL 10-16	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 45.50	\$ 28.00- 32.50

W E S T

Milk production during March in the 20 major states totaled 11.5 billion pounds, 0.3% higher than production in these same states in March 1996. Of the surveyed states, all 5 of the Western states along with Florida and Iowa, recorded strong production increases (3 - 11%.) while the other 13 states recorded losses when compared to the previous year. March to March production increases are as follows: Washington +3.4%, California +6.1%, New Mexico +6.5, Idaho +9.7%, and Arizona +11.2%. In all 5 Western states, compared to a year ago, production per cow increased from 2.1% in Washington to 4.9% in California. Milk cow numbers also increased in these same surveyed states. As March milk production figures indicate, production is strong and continues so into mid April. Some southern most areas are starting to experience slight reductions from previous highs. Milk handlers are speculating that the "spring flush" might not last as long as previous years, but they are also saying that it has been many years since milk production has been this strong. Temperatures during the day are starting to warm up, but by night, cooler conditions prevail, thus no major negative impact on milk production is currently occurring. Milk volumes are readily available for Class I needs with heavy volumes clearing to local and out of state processing facilities. Milk output is increasing more rapidly in the Pacific Northwest as conditions turn more seasonal. The region remains very wet which is delaying planting, efficient grazing, and alfalfa growth. A number of plants have added a day or two per week to their production schedules to handle the incoming milk. Milk and condensed skim from California have entered this region for processing and also Idaho. The milk movement is expected through much of the spring. Milk production is increasing more rapidly in the northern Mountain States region. Plants are no longer looking for extra supplies of milk. Some are now hoping to efficiently handle their own milk. New crop hay appears to be about 4-5 weeks off. Growing conditions have improved dramatically this week compared to the cold conditions a week ago.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 04/17/97 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 lower in light market trading. A sale of high heat powder slightly increased the top of the range. DEIP acceptances of more than 10,000 MT to Mexico for April - September delivery was big news this week. Historically, DEIP activity has spurred the NDM market. However, in this case, the news is having a negative effect. The main reasons are that the delivery period is so long and, with additional announced purchases from Europe, Mexico will be out of the NDM market - potentially into the last quarter of 1997. Prices from the West and resellers are lower and Central producers are dropping prices to remain competitive. Demand is light at best. Production is mixed, but trending higher to process extra milk. Stocks range from light to moderate and are increasing.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1200 - 1.1700 MOSTLY: 1.1300 - 1.1350

DRY BUTTERMILK - CENTRAL

Prices continue to be pushed higher while remaining nominal in limited trading. The availability of fresh production is often limited, allowing current powder to be priced higher. Buttermilk in the hands of resellers is often priced at the lower end of the range. Contacts are saying it is harder to move powder with age. Buttermilk production is uneven. The cost of cream is declining and usage in cream-based items is increasing. But, with more milk in the region, butter/powder production is trending higher.

BUTTERMILK: 1.0600 - 1.1900

DRY WHEY - CENTRAL

Whey prices continue to erode in limited trading. Volume offerings are bringing bigger discounts. Demand is very lackluster, typical for a declining market. Export interest is also light. Many producers have whey for sale and are matching others' offering prices in an attempt to keep current. Resale loads are available and priced to move. Several buyers have inventories to use and are not active. Interest from the West is developing as the price differential grows. Discussions about where prices will land are common, but inconclusive. Production is mostly trending higher. Milk production is increasing seasonally. Whey stocks are moderate to heavy.

NONHYGROSCOPIC: .1700 - .2025 MOSTLY: .1750 - .1800

ANIMAL FEED WHEY - CENTRAL

Animal feed whey prices continue lower for all types and remain nominal in very light market trading. Off-grade whey is in limited demand, especially with low-priced edible whey on the market. Roller ground demand is mostly fair from accounts. Offering prices are adjusting to keep in line with other whey prices. Delactose demand is limited. Traditionally, buyers do not want to buy delactose as warmer weather approaches.

MILK REPLACER: .1550 - .1750
STANDARD: .1400 - .1700
ROLLER GROUND: .1925 - .2025
DELACTOSE (Min. 20% protein): .3300 - .3700

LACTOSE - CENTRAL AND WEST

No changes were noted to lactose prices. The market tone remains steady to firm. Buying interest is fair to good for the limited plant offerings. Most current sales are linked to some type of contract. Export demand remains good and generally clearing any additional offerings. Production is strong versus year ago levels. Stocks are balanced at mostly light to moderate levels.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2300 - .2900 MOSTLY: .2500 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate prices continue to decline and the market tone remains weak. Producers' offerings range from light to moderate levels. Producers with contracts are indicated to be in better positions than those relying on spot sales. Resellers' offerings are moderate to occasionally heavy and are being discounted to keep current. Demand is mainly limited to fill-in needs as buyers are using contract loads and inventories to meet needs. Plant level stocks are light to moderate and building at various locations.

EXTRA GRADE 34% PROTEIN: .5750 - .6150 MOSTLY: .5900 - .6000

NONFAT DRY MILK - WEST

The nonfat dry milk market is steady to weaker. Prices are unchanged to generally lower. Surplus milk volumes are very heavy, thus most dryers in the West are operating at capacity. High heat demand remains strong for the limited volumes of available powder. Due to the heavy volumes of surplus milk clearing through butter/powder operations, plant managers are very reluctant to produce high heat unless selling prices are favorable enough to slow total output. The recent Mexican purchase of NDM for immediate shipment through September is having little impact on current markets.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0800 - 1.1300 MOSTLY: 1.0900 - 1.1100
HIGH HEAT: 1.1400 - 1.2000

DRY BUTTERMILK - WEST

Buttermilk powder markets remain firm as prices continue to increase. Prices quoted at the upper end of the reported range are meeting buyer resistance. In instances, previous week quotes are being lowered this week. Although prices remain firm and stocks are in close balance, an occasional load of powder becomes available on a spot basis.

BUTTERMILK: 1.0900 - 1.2000 MOSTLY: 1.1000 - 1.1300

DRY WHEY - WEST

Range prices continue to hold steady for Western whey powder, but the mostly is fractionally lower. Domestic sales activity is slower, while export demand is about steady. Export orders are keeping many plant stock levels in reasonably good shape. Those plants that don't have export contracts are often noticing higher inventories. Many comments were noted concerning the declines on prices in the Central region. Western contacts know that weakness in that region may eventually impact their own marketing strategies. At this time however, the general market undertone ranges from steady to a slight weakening trend.

NONHYGROSCOPIC: .1950 - .2200 MOSTLY: .1950 - .2025

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 11, on powder sales of 8,011,276 pounds f.o.b. California manufacturing plants was \$1.1229 per pound. This compares to 10,664,114 pounds at \$1.1167 for the previous week ending April 04, 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 and some contacts report that volume deals are available below current, reported levels. The market tone is cautiously steady, but weak. Powder is readily available at competitive prices from all regions plus resellers. Demand is lackluster. The recent large-volume DEIP sale to Mexico is expected to have little effect on the Eastern market. Production levels are increasing in the East as surplus milk volumes are very heavy. Plant stocks range from adequate to ample. Some producers are trying to build inventory ahead of anticipated summer milk shortages. Others are trying to clear stocks and making some attractive, large-volume offers.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1300 - 1.1900
DELVD SOUTHEAST:	1.1500 - 1.1750

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged. The market tone is firm, but a little unsettledness is occasionally evident. Production levels are increasing at more plants, but many of the drying facilities have a lot of skim to dry and little time to make buttermilk powder. Demand for condensed buttermilk is improving seasonally and helping ease the pressure on the dryers. Stocks are still tight and offerings do clear rapidly. However, as prices move higher, buyers/users in some areas are looking to NDM as a possible, lower cost substitute.

F.O.B. NORTHEAST:	1.0600 - 1.1200
DELVD SOUTHEAST:	1.0900 - 1.2250

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are mixed. In some operations, output is down because they are making NDM in an effort to clear their milk more quickly. In other plants, output is moderate, but still geared to meeting contracts. Few producers are making dry whole milk just to build an inventory. Spot demand is slow to fair.

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

JULY 1, 1996 THROUGH APRIL 11, 1997
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	39,024	MT (86,032,310 LBS)
CHANGE	--	10,730	MT (23,655,358 LBS)
WHOLE MILK POWDER	--	1,540	MT (3,395,084 LBS)
CHANGE	--	48	MT (105,821 LBS)
CHEESE	--	1,384	MT (3,051,166 LBS)
BUTTERFAT	--	853	MT (1,880,524 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly lower and the market tone is weak. Production levels range from steady to heavier. Producers report growing inventories and little interest from spot buyers. Buyers and resellers report that producers are calling them looking to move product. That, in and of itself, speaks volumes about current market conditions. Domestic demand is often limited to contract sales. Export demand is slow to fair. The stronger U.S. dollar is affecting exporting unless producers are willing to lower prices further.

F.O.B. NORTHEAST:	EXTRA GRADE	.1750 - .1925
	USPH GRADE A	.1775 - .1975
DELVD SOUTHEAST:		.1825 - .2125

ANIMAL FEED WHEY - NORTHEAST

Prices continue to be too few to report. The market tone is unchanged and weak. Offerings of edible powder continue to grow and offerings to the animal feed trade are growing. Extra Grade whey is selling for 16 3/4 cents to animal feed buyers, but others are still waiting to see if prices will move lower.

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

Prices and the market tone are unchanged. Production levels are increasing slightly as more surplus milk is available in many parts of the country. Plant stocks are being replenished. Orders are generally centered on replacement needs.

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

Both casein prices are unchanged. Current buying interest is mainly centered on contract sales. Additional volumes of product are more available for acid casein than for rennet. Caseinate prices are holding steady, but some "bargains" remain. The effects of the declining protein markets and the weaker cheese markets in the U.S. are being assessed. Current offerings are available from many sources.

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

RENNET:	2.2000 - 2.4200
ACID:	2.0800 - 2.2000

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES 1/--CORRECTED												
CITY	APR 1995			APR 1996			MAR 1997			APR 1997		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
Dollars Per Hundredweight												
Atlanta, GA	14.87	14.87	0.00	15.67	16.02	0.35	15.02	16.53	1.51	15.54	16.39	0.85
Baltimore, MD	14.82	15.77	0.95	15.62	16.37	0.75	14.97	16.02	1.05	15.49	16.54	1.05
Boston, MA	15.03	15.76	0.73	15.83	16.56	0.73	15.18	16.31	1.13	15.70	16.83	1.13
Carbondale, IL **	13.80	14.76	0.96	14.60	15.85	1.25	13.95	16.07	2.12	14.47	16.59	2.12
Charlotte, NC	14.87	15.17	0.30	15.67	16.32	0.65	15.02	17.26	2.24	15.54	16.85	1.31
Chicago, IL	13.19	15.09	1.90	13.99	15.64	1.65	13.34	15.32	1.98	13.86	16.04	2.18
Cincinnati, OH	13.90	14.45	0.55	14.70	15.35	0.65	14.05	15.55	1.50	14.57	15.92	1.35
Cleveland, OH	13.79	14.26	0.47	14.59	15.10	0.51	13.94	15.24	1.30	14.46	15.66	1.20
Dallas, TX	14.95	15.10	0.15	15.75	15.95	0.20	15.10	15.66	0.56	15.62	15.87	0.25
Denver, CO	14.52	15.23	0.71	15.32	16.03	0.71	14.67	14.82	0.15	15.19	15.34	0.15
Des Moines, IA	13.34	13.94	0.60	14.14	15.29	1.15	13.49	15.01	1.52	14.01	15.53	1.52
Detroit, MI	13.64	14.44	0.80	14.44	15.27	0.83	13.79	14.72	0.93	14.31	15.32	1.01
Hartford, CT	14.93	15.66	0.73	15.73	16.46	0.73	15.08	16.21	1.13	15.60	16.73	1.13
Houston, TX	15.49	15.64	0.15	16.29	16.49	0.20	15.64	16.20	0.56	16.16	16.41	0.25
Indianapolis, IN	13.69	14.57	0.88	14.49	15.52	1.03	13.84	15.56*	1.72*	14.36	16.08	1.72
Kansas City, MO	13.71	14.11	0.40	14.51	15.44	0.93	13.86	15.33	1.47	14.38	15.85	1.47
Little Rock, AR	14.56	14.73	0.17	15.36	15.36	0.00	14.71	15.36	0.65	15.23	15.48	0.25
Louisville, KY	13.90	14.30	0.40	14.70	15.20	0.50	14.05	15.30	1.25	14.57	15.82	1.25
Miami, FL	15.97	16.92	0.95	16.77	18.25	1.48	16.12	18.96	2.84	16.64	18.96	2.32
Milwaukee, WI	13.10	15.00	1.90	13.90	15.55	1.65	13.25	15.23	1.98	13.77	15.95	2.18
Minneapolis, MN	12.99	13.59	0.60	13.79	14.79	1.00	13.14	14.63	1.49	13.66	15.15	1.49
New Orleans, LA	15.64	15.64	0.00	16.24	16.24	0.00	15.59	16.48	0.89	16.11	16.56	0.45
Oklahoma City, OK	14.56	14.73	0.17	15.36	15.53	0.17	14.71	15.60	0.89	15.23	15.48	0.25
Omaha, NE	13.54	14.14	0.60	14.34	15.27	0.93	13.69	15.16	1.47	14.21	15.68	1.47
Philadelphia, PA	14.88	15.88	1.00	15.68	16.38	0.70	15.03	16.03	1.00	15.55	16.55	1.00
Phoenix, AZ	14.31	14.31	0.00	15.11	15.11	0.00	14.46	14.46	0.00	14.98	14.98	0.00
Pittsburgh, PA	13.79	14.74	0.95	14.59	15.09	0.50	13.94	14.74	0.80	14.46	15.26	0.80
St. Louis, MO **	13.80	14.76	0.96	14.60	15.85	1.25	13.95	16.07	2.12	14.47	16.59	2.12
Salt Lake City, UT	13.69	13.84	0.15	14.49	14.64	0.15	13.84	13.99	0.15	14.36	14.51	0.15
Seattle, WA	13.69	14.14	0.45	14.49	14.94	0.45	13.84	14.14	0.30	14.36	14.66	0.30
Spokane, WA	13.69	14.14	0.45	14.49	14.94	0.45	13.84	14.14	0.30	14.36	14.66	0.30
Springfield, MO	13.98	14.38	0.40	14.78	15.18	0.40	14.13	15.08	0.95	14.65	15.60	0.95
Washington, DC	14.82	15.77	0.95	15.62	16.37	0.75	14.97	16.02	1.05	15.49	16.54	1.05
Simple Average	13.41	14.00	0.59	15.02	15.71	0.69	14.37	15.55*	1.18*	14.89	15.95	1.06

Note: Data for April 1995 and April 1996 in last week's report were incorrect.

* Revised **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.

MARCH MILK PRODUCTION

Milk production in the 20 major states during March totaled 11.5 billion pounds, up 0.3 percent from production in these same states in March 1996. February revised production, at 10.3 billion pounds, was down 2.3 percent from February 1996. Production per cow in the 20 major states averaged 1,491 pounds for March, 22 pounds above March 1996. The number of cows on farms in the 20 major states was 7.73 million head, 90,000 head below March 1996 and 11,000 head below February 1997. The January-March quarterly production of milk for the U.S. was 38.8 billion pounds, down 0.6 percent from the January-March period in 1996. The average number of milk cows in the U.S. during January-March quarter was 9.26 million head, 133,000 head less than the same period a year earlier.

STATE	MILK COWS <u>1/</u> <u>2/</u>				MILK PRODUCTION <u>1/</u> <u>3/</u>			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	1996	1997	1996	1997	1997	% CHANGE FROM 1996	1997	% CHANGE FROM 1996
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	32	31	--	--	115	-9.4
AK	--	--	0.8	0.9	--	--	3.47	11.9
AZ	119	126	118	124	259	11.2	709	8.6
AR	--	--	59	56	--	--	176	-5.4
CA	1,260	1,274	1,260	1,272	2,306	6.1	6,519	3.8
CO	--	--	83	85	--	--	420	6.1
CT	--	--	31	29	--	--	123	-7.5
DE	--	--	9.7	10.5	--	--	41	9.6
FL	156	160	155	159	237	3.0	705	5.9
GA	--	--	97	97	--	--	412	0.0
HI	--	--	9.6	9.5	--	--	31.7	-5.1
ID	247	264	246	266	407	9.7	1,171	9.1
IL	157	148	157	149	201	-2.9	582	-4.6
IN	140	140	140	140	183	-5.2	533	-3.1
IA	249	248	250	249	340	4.9	960	2.8
KS	--	--	85	82	--	--	330	6.5
KY	156	147	157	149	156	-7.1	461	-4.9
LA	--	--	78	78	--	--	223	-4.3
ME	--	--	40	39	--	--	162	0.6
MD	--	--	89	86	--	--	340	0.6
MA	--	--	27	26	--	--	108	-2.7
MI	321	306	323	309	465	-2.5	1,350	-2.2
MN	595	590	598	592	817	-1.9	2,361	-2.4
MS	--	--	53	48	--	--	183	0.5
MO	183	174	184	174	206	-9.6	600	-7.8
MT	--	--	20	19	--	--	74	-1.3
NE	--	--	69	69	--	--	265	-1.1
NV	--	--	24	26	--	--	117	9.3
NH	--	--	20	18	--	--	82	-3.5
NJ	--	--	23	21	--	--	75	-3.8
NM	193	199	193	198	344	6.5	980	6.6
NY	700	700	700	700	987	-3.4	2,835	-3.6
NC	--	--	83	77	--	--	325	-5.5
ND	--	--	63	59	--	--	183	-12.0
OH	285	283	285	284	385	-2.0	1,124	-1.3
OK	--	--	97	97	--	--	325	0.0
OR	--	--	94	92	--	--	386	-2.0
PA	645	639	646	640	939	-0.6	2,651	-2.6
RI	--	--	2.1	2	--	--	8.2	2.5
SC	--	--	26	26	--	--	107	1.9
SD	--	--	113	106	--	--	339	-9.6
TN	--	--	119	113	--	--	400	-7.6
TX	400	390	400	390	564	-4.7	1,611	-4.2
UT	--	--	90	92	--	--	373	4.2
VT	157	155	157	155	218	-2.7	633	-2.6
VA	127	124	127	124	160	-0.6	465	-0.4
WA	262	265	263	266	456	3.4	1,301	1.8
WV	--	--	21	19	--	--	65	-4.4
WI	1,470	1,400	1,472	1,404	1,897	-2.6	5,448	-3.4
WY	--	--	6	6.1	--	--	20.7	1.5
22 STATE TOTAL	7,822	7,732	--	--	11,527	0.3	--	--
U.S. <u>4/</u> <u>5/</u>	--	--	9,397	9,264	--	--	38,812	-0.6

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (4-97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEBRUARY FLUID MILK SALES HIGHLIGHTS

During February, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.3 percent below 1996 and 1.1 percent below January 1997 on an adjusted daily average basis. Sales of whole milk items were 2.0 percent below the previous year; sales of lowfat and skim milk items were 0.6 percent above the previous year. Total fluid milk sales were higher in the Southeastern and Far West regions, unchanged in the Midwest region, and lower in all 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, FEBRUARY 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:	
	Feb.	Year to date	Prev. year 5/	Year to date 5/	Feb.	Year to date	Prev. year 5/	Year to date 5/	Feb.	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	327	695	-3.3	-3.7	422	893	-1.4	-1.6	748	1,588	-2.2	-2.5
Southeastern	331	712	-0.1	0.3	464	983	2.6	2.3	795	1,695	1.5	1.5
Midwest	242	521	-1.3	-2.1	890	1,895	0.3	-0.6	1,132	2,416	0	-1.0
Southwest	156	338	-4.2	2.4	198	422	0.4	0.4	353	759	-1.7	-0.8
Far West	308	653	-2.0	-0.8	639	1,348	1.2	1.2	946	2,002	0.1	0.5
All Areas Combined 6/	1,363	2,919	-2.0	-1.6	2,612	5,541	0.6	0.2	3,974	8,460	-0.3	-0.4

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents 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. 64, report #13. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition. See DMN Vol. 59, report #13.

PACKAGED SALES OF FLUID MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA JANUARY 1997, WITH COMPARISONS 1/

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole milk 2/	1,556	-1.4	-1.4
2% Lowfat Milk	1,448	-3.6	-3.6
1% Lowfat Milk 3/	682	4.7	4.7
Skim Milk	733	3.0	3.0
Buttermilk	52	-4.4	-4.4
Total Fluid Milk Products 4/	4,486	-0.5	-0.5

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Black Hills market, which was terminated October 1, 1996, 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.

GRADE A/B MANUFACTURING PRICE

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

Year and month	Grade A/B manufacturing price	Milkfat test	Grade A/B manufacturing price at 3.5% milkfat ^{1/}	Protein test	Hauling subsidy
	\$/cwt.	Pct.	\$/cwt.	Pct.	\$/cwt.
1996					
JAN	13.76	3.85	13.53	3.21	.29
FEB	13.59	3.84	13.41	3.20	.33
MAR	13.82	3.84	13.64	3.19	.31
APR	14.19	3.82	14.00	3.17	.35
MAY	14.78	3.78	14.54	3.14	.32
JUN	14.89	3.67	14.65	3.12	.33
JUL	15.42	3.61	15.25	3.08	.31
AUG	16.04	3.61	15.87	3.11	.34
SEP	16.65	3.71	16.32	3.17	.36
OCT	15.37	3.83	14.94	3.27	.37
NOV	12.79	3.90	12.53	3.26	.37
DEC	12.44	3.87	12.19	3.24	.36

^{1/} Adjusted to 3.5 percent butterfat using the butterfat differential used to adjust the Federal milk order Basic Formula Price.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR MARCH 1997. During March about 9.3 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 March 1997, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 0.4 percent more than March 1996, and about 1.7 percent more than February 1997 on a daily average basis. Milk utilized in Class I products in March was 0.8 percent less than last year on an adjusted basis. Class I use this year represented 41 percent of producer milk deliveries compared to 40 percent in March 1996. The average blend price was \$13.39 per cwt., \$0.28 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down \$0.78; Class II, down \$0.79; Class III, down \$0.21; and Class III-A, up \$2.45.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 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	458.3	-4.8	219.6	-1.2	48	46	13.98	14.27	11.0
New York/New Jersey (NY City)	2	998.3	-5.0	392.0	-6.7	39	40	13.74	14.20	11.0
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	605.8	12.5	252.5	13.2	42	41	13.61	13.49	---
NORTHEAST REGION		2,062.3	-0.4	864.0	-0.1	42	42	13.76	14.03	11.0
Carolina (Charlotte)	5	254.0	4.9	180.4	-3.8	71	77	14.31	15.13	11.0
Tennessee Valley (Knoxville/Chattanooga)	11	125.6	6.5	93.2	1.9	74	77	14.17	14.87	11.0
Southeast (Atlanta/Birmingham)	7	500.7	6.7	338.5	-4.5	68	76	14.26	14.97	11.0
Florida Markets (Tampa/Jacksonville/Tallahassee/Miami)	12 <u>5/</u>	277.6	3.4	225.0	-1.8	81	85	15.12	15.92	11.0
SOUTHEASTERN REGION		1,158.0	5.5	837.2	-2.9	72	79	14.47	15.23	11.0
Michigan Upper Peninsula (Marquette)	44	5.6	7.1	4.1	-0.1	72	78	13.20	13.73	11.0
Southern Michigan (Detroit)	40*	379.1	-3.8	167.1	-3.3	44	44	12.98	13.24	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36	292.9	0.3	146.4	-3.4	50	52	13.21	13.77	---
Ohio Valley (Columbus)	33	267.4	0.8	140.6	1.0	53	53	13.25	13.86	---
Indiana (Indianapolis)	49	169.7	-0.1	101.3	-0.6	60	60	13.31	13.85	---
Chicago Regional	30*	1,021.9	-14.5	242.7	14.7	24	18	12.81	13.07	---
Central Illinois (Peoria)	50	16.4	3.7	12.6	0.9	76	79	13.35	14.05	11.0
S. Illinois-E. Missouri (Alton)	32	184.2	-7.3	88.4	-9.2	48	49	13.20	13.88	11.0
Louisville-Lexington-Evansville	46	95.3	-2.2	71.5	-0.5	75	74	13.68	14.26	11.0
Upper Midwest (Minneapolis)	68*	814.0	-12.3	131.8	-1.4	16	14	12.62	12.84	---
Iowa (Des Moines)	79*	220.2	-16.0	55.3	-33.5	25	32	12.87	13.02	---
Nebraska/W. Iowa (Omaha/Sioux City)	65*	128.8	-10.9	50.9	-0.2	40	35	13.02	12.88	---
Greater Kansas City/E. S. Dakota	64 <u>6/7/</u>	44.0	---	---	---	---	71	13.68	14.30	11.0
MIDWEST REGION	8/	3,595.6	-9.4	1,212.6	-1.5	34	31	12.93	13.24	11.0

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 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	268.6	-11.1	121.6	2.0	45	39	13.67	14.03	11.0
Texas (Dallas)	126	637.6	-2.4	273.7	3.0	43	41	13.66	13.75	11.0
SOUTHWEST REGION		906.1	-5.2	395.4	2.7	44	40	13.66	13.84	11.0
E. Colorado/W. Colorado (Denver)	137 <u>6/</u>	159.9	5.8	67.1	0.2	42	44	13.43	13.99	11.0
SW. Idaho/E. Oregon (Boise)	135	243.2	23.0	15.0	0.9	6	8	12.54	12.83	---
Great Basin (Salt Lake City)	139	193.4	-2.5	71.4	0.3	37	36	13.08	13.48	---
Central Arizona (Phoenix)	131	235.6	2.0	85.7	-6.2	36	40	13.23	13.45	11.0
New Mexico-West Texas (Albuquerque)	138	201.5	8.6	53.9	-5.0	27	31	13.07	12.80	11.0
Pacific Northwest (Seattle/Portland)	124	565.7	11.3	176.6	1.3	31	34	12.97	12.59	---
FAR WEST REGION		1,599.3	8.6	469.9	-1.2	29	32	13.01	13.05	11.0
COMP MKT. AVERAGE OR TOTAL	<u>8/</u>	9,321.4*	-2.5*	3,779.0	-1.1	41	40	13.39	13.67	11.0
ALL-MKT. AVERAGE OR TOTAL	<u>7/</u>	9,365.4	-2.6	3,779.0	-2.0	40	40	13.39	13.67	11.0
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		5,859.5	-0.8	2,550.2	-0.6	44	43			
Southeastern Region		3,309.2	5.4	2,530.3	-1.3	76	82			
Midwest Region	<u>8/</u>	9,759.0*	-18.3*	3,678.3	-0.2	38	31			
Southwest Region		2,493.9	-6.7	1,208.2	3.9	48	44			
Far West Region		4,611.7	8.0	1,423.4	-0.8	31	34			
COMP MARKET AVERAGE OF TOTAL	<u>8/</u>	26,033.3*	-6.8*	11,390.3	-0.2	44	41	13.17	13.79	----
ALL MARKET AVERAGE OR TOTAL	<u>7/</u>	26,162.1	-6.9	11,390.3	-1.2	44	41	13.17	13.79	----

* 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 610 million and 327 million pounds of milk in March 1997 and 1996, respectively, that normally would have been pooled under these orders. The total estimated amounts not pooled for this reason through the month of March are: for 1997, 2.4 billion pounds; and for 1996, 327 million pounds. If these volumes had been pooled, the following percent changes in producer deliveries would have resulted: for March, Midwest region -1.2, Far West region +5.8, and all-market average +0.4. Year to Date, Midwest region -0.9, Far West region +7.0, 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 \$14.53. (4.0 minus 3.5 equals .5; 5 times \$.110 equals \$.550; \$13.98 plus \$.550 equals \$14.530.) 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, \$15.19; 1996, \$16.17; and Southeastern Florida: 1997, \$15.70; and 1996, \$16.52. 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, \$12.93; 1996, \$13.41; and Western Colorado: 1997, \$13.61; 1996, \$14.51. 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/.

