

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), Grade AA increased 1/4 of a cent to \$1.3450; Grade A decreased 1/2 cent to \$1.2450; and Grade B decreased 2 cents to \$1.2400. Also at the CME, barrel cheese decreased 2 cents to \$1.3525 and 40# blocks are unchanged at \$1.3850.

In December 1997, mailbox milk prices reported for selected Federal milk orders averaged \$14.44, \$.07 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$14.18, down \$.20; Southeast, \$15.57, down \$.05; Midwest, \$14.60, down \$.04 and West, \$13.76, down \$.04. Compared to December 1996, mailbox milk prices, on average, increased \$.67. Regional changes from the previous year were: +\$.19 in the Northeast, -\$.61 in the Southeast, +\$1.14 in the Midwest, and +\$.84 in the West.

According to ERS and AMS, commercial disappearance of dairy products during 1997 totaled 156.5 billion pounds, 0.9% more than 1996. Comparing disappearance levels with a year ago: butter and NDM were lower, American and other cheese were higher, and fluid milk products were unchanged.

Milk output is mixed this week. Although dryer conditions prevailed in California, muddy lots continued to take their toll on cows. Milk output was up from recent depressed levels, but still well below anticipated levels. Heavy rains in the South created much the

same conditions as California. Muddy lots are stressing the animal and milk production is off accordingly. A large winter storm blanketed much of the Midwest. The sudden cold and blizzard conditions affected transportation schedules and milk pickups. Colder weather has hit the Northeast, but it seems to be having little impact on milk output. Surplus milk supplies are increasing in many areas.

The dry dairy product markets are little changed from the past several weeks. Prices of NDM are steady to lower and the market tone remains weak. Demand is seldom better than fair. Production levels are increasing in most regions of the country. The dry whey market is mixed. Prices are unchanged to lower in the East; unchanged to higher in the West. Demand is, at best, fair. Producer stocks are often higher. Dry buttermilk, WPC, and lactose markets are mostly steady with unchanged prices.

During the week of March 9 - 13, CCC purchased 1,686,683 pounds of Western NDM under the price support program.

\*\*\*\*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 | MARCH 10          | MARCH 12          | MARCH 13          |
|-------|-------------------|-------------------|-------------------|
| AA    | \$1.3325 - 1.3425 | \$1.3325 - 1.3425 | \$1.3325 - 1.3425 |
|       | (-.0075) (-.0075) |                   |                   |
| A     | \$1.2400 - 1.2400 | \$1.2400 - 1.2500 | \$1.2400 - 1.2500 |
|       | (-.0100) (-.0100) |                   |                   |

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** In cash trading at the Chicago Mercantile Exchange, Grade AA butter is slightly higher while Grades A and B are lower. The butter market tone remains mixed. Producers and buyers have varying opinions during this unsettled period. Churning schedules are seasonally active, although producers are cautious about taking on large volumes of additional cream. Buying interest is good as Lenten/Easter orders continue to be placed and shipped.

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 9 - 13, 1998          |
|----------------|-----------------------------|
| BARRELS*       | \$1.3725 - 1.3975 (NOMINAL) |
|                | (-.0025) (-.0125)           |
| 40# BLOCKS     | \$1.3850 - 1.4150 (NOMINAL) |
|                | (.0350) (.0325)             |

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

**CHEESE HIGHLIGHTS:** The cheese market is unsettled to weak. At the Chicago Mercantile Exchange, 40# blocks were unchanged at \$1.3850 but barrels declined 2 cents to \$1.3525 in heavy trading. Recent price declines have buyers limiting purchases to immediate needs. Current offerings are more than adequate for needs. Invitations to sell to CCC a total of 3.0 million pounds of cheese for May delivery are found on page 13 of this report.

CHICAGO MERCANTILE EXCHANGE

BUTTER TRANSACTIONS ON FRIDAY, MARCH 13, 1998

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

| GRADE | PRICE CHANGE | LAST SIGNIFICANT TRANSACTION - LST |
|-------|--------------|------------------------------------|
| AA    | +.0025       | \$1.3450 : SALE 03/13/98           |
| A     | -.0050       | \$1.2450 : BID 03/13/98            |
| B     | -.0200       | \$1.2400 : BID 03/13/98            |

SALES: 27 CARS GRADE AA: 1 @ \$1.2900, 2 @ \$1.2875, 3 @ \$1.3200, 1 @ \$1.3100, 1 @ \$1.3000, 2 @ \$1.3025, 1 @ \$1.3050, 1 @ \$1.3075, 3 @ \$1.3100, 1 @ \$1.3150, 2 @ \$1.3200, 1 @ \$1.3225, 1 @ \$1.3250, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3350, 1 @ \$1.3375, 1 @ \$1.3400, 1 @ \$1.3425, 1 @ \$1.3450 (LST)  
1 CAR GRADE A @ \$1.2000  
1 CAR GRADE B @ \$1.2000  
BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.3325, 1 @ \$1.3075, 1 @ \$1.2500  
3 CARS GRADE A: 1 @ \$1.1700, 1 @ \$1.1800, 1 @ \$1.2450 (LST)  
2 CARS GRADE B: 1 @ \$1.1500, 1 @ \$1.2400 (LST)  
OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.3500

CHEESE TRANSACTIONS ON THURSDAY, MARCH 12, 1998

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

| CHEDDAR STYLES | PRICE CHANGE | LAST SIGNIFICANT TRANSACTION |
|----------------|--------------|------------------------------|
| BARRELS        | -.0200       | \$1.3525 : OFFER 03/12/98    |
| 40# BLOCKS     | N.C.         | \$1.3850 : SALE 03/12/98     |

SALES: 36 CARS BARRELS: 1 @ \$1.3725, 3 @ \$1.3750, 12 @ \$1.3725, 3 @ \$1.3700, 3 @ \$1.3725, 3 @ \$1.3700, 1 @ \$1.3675, 3 @ \$1.3725, 1 @ \$1.3675, 2 @ \$1.3750, 1 @ \$1.3725, 1 @ \$1.3700, 1 @ \$1.3675, 1 @ \$1.3750  
11 CARS 40# BLOCKS: 1 @ \$1.3825, 10 @ \$1.3850 (LST)  
BIDS UNFILLED: 3 CARS 40# BLOCKS: 2 @ \$1.3850, 1 @ \$1.3825  
OFFERS UNCOVERED: 5 CARS BARRELS: 4 @ \$1.3750, 1 @ \$1.3525 (LST)

**COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS--OCTOBER-DECEMBER 1997 AND YEAR-TO-DATE 1996-97 1/**

| Item                           | Oct.-Dec. | Percent   | Oct.-Dec. | Percent   | Jan.-Dec. | Percent   | Jan.-Dec. | Percent   |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                | 1996      | change 4/ | 1997      | change 4/ | 1996      | change 4/ | 1997      | change 4/ |
| Million Pounds                 |           |           |           |           |           |           |           |           |
| <b>MILK</b>                    |           |           |           |           |           |           |           |           |
| Production                     | 38,051    | 0.8       | 38,154    | 0.3       | 154,825   | -0.7      | 156,603   | 1.4       |
| Marketings                     | 37,677    | 0.9       | 37,807    | 0.3       | 153,336   | -0.6      | 155,226   | 1.5       |
| Beginning Commercial Stocks 2/ | 4,936     | 8.3       | 5,914     | 19.8      | 4,099     | -3.8      | 4,704     | 14.8      |
| Imports 2/                     | 1,005     | 7.7       | 882       | -12.2     | 2,912     | -0.9      | 2,696     | -7.4      |
| Total Supply 3/                | 43,618    | 1.8       | 44,603    | 2.3       | 160,347   | -0.7      | 162,626   | 1.7       |
| Ending Commercial Stocks 2/    | 4,704     | 14.8      | 4,869     | 3.5       | 4,704     | 14.8      | 4,869     | 3.5       |
| Net Removals 2/                | 19        | -70.8     | 504       | 2,552.6   | 87        | -95.9     | 1,273     | 1,363.2   |
| Commercial Disappearance 3/    | 38,895    | 0.6       | 39,230    | 0.9       | 155,556   | 0.2       | 156,484   | 0.9       |
| <b>SELECTED PRODUCTS 5/</b>    |           |           |           |           |           |           |           |           |
| Butter                         | 311.2     | 1.2       | 292.0     | -6.2      | 1,179.6   | -0.9      | 1,107.8   | -5.8      |
| American Cheese                | 811.8     | 1.4       | 817.2     | 0.7       | 3,320.1   | 2.3       | 3,266.3   | 1.4       |
| Other Cheese                   | 1,144.9   | 2.2       | 1,196.8   | 4.5       | 4,243.0   | 2.6       | 4,390.4   | 3.7       |
| Nonfat Dry Milk                | 210.2     | -3.9      | 194.3     | -7.6      | 1,009.0   | 8.9       | 884.8     | -12.1     |
| Fluid Milk Products 6/         | 14,136.5  | 1.0       | 14,167.1  | 0.2       | 55,565.0  | 1.0       | 55,386.3  | 0.0       |

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through AutoFAX. To request a document, dial (202) 219-1107 and enter document number 11521 when prompted.

**PRINT BUTTER MARKETS - GRADE AA**

**NORTHEAST**

Prices are fractionally lower and the market tone remains weak. Buyers expected a large drop in butter prices at the March 6 trading at the CME and are, again, ordering only enough butter to get them through the week. Most contacts expect further price deterioration and minimal market interest until prices reach an "acceptable" level. Churning activity is moderate to heavy. Producers are mixed in their desire to make butter. Some want to make butter to fill orders, but others, not wanting to build high-priced inventories, are limiting processing to their own cream. Retail and food service orders are steady to improved as Easter and Passover approach.

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

|                |   |               |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.5525-1.8000 |
| 1 LB. PRINTS   | : | 1.4675-1.6500 |
| CHIPS/PATTIES  | : | 1.5300-1.7375 |
| REDDIES        | : | 1.6050-1.8000 |
| CONTINENTALS   | : | 1.6850-1.8600 |

**CENTRAL**

Print butter prices continue to weaken following March 6 cash trading at the Chicago Mercantile Exchange. The market is mixed, with a weak undertone. Churning schedules are active as producers absorb local volumes of cream, although they are hesitant to take on large volumes of additional cream due to the weak tone of current markets. Current buying interest is quite good. Most orders are being placed for short term needs. The Lenten season and the upcoming Easter holiday are also enhancing current orders. Scheduled retail feature activity is expected to clear additional volumes of print butter during the next month or so. Stocks of print butter are reported to be fully sufficient for near term needs.

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

|                |   |               |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.4425-1.8500 |
| 1 LB. PRINTS   | : | 1.4075-1.5700 |
| CHIPS/PATTIES  | : | 1.4325-1.6425 |
| REDDIES        | : | 1.5175-1.7525 |
| CONTINENTALS   | : | 1.6725-1.8625 |

**WEST**

Western print butter prices continue to weaken. Sales activity is regarded as mostly steady. Some Easter related features are planned, but not of the magnitude of a few years ago. Production levels are somewhat mixed. With the market softening and cream prices still relatively high, many firms are reluctant to do much additional churning at this time. Bulk butter interest is fair, though not as aggressive as a few weeks ago. January U.S. butter production totals 113.5 million pounds, down 8.4% from January 1997. January is often the largest production month of the year. January output in selected Western states compared to last year is as follows: California down 4.5%, Oregon down 5.8%, and Washington down 30.4%.

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

|                |   |               |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.6250-1.6925 |
| 1 LB. PRINTS   | : | 1.5550-1.6200 |
| PATTIES        | : | 1.5975-1.7625 |
| REDDIES        | : | 1.7225-1.7400 |

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

|                |   |               |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.3400-1.3900 |
|----------------|---|---------------|

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

|          |        |   |         |
|----------|--------|---|---------|
|          | BUTTER | : | CHEESE  |
|          |        | : |         |
| 03/09/98 | 9,982  | : | 107,910 |
| 03/01/98 | 10,052 | : | 106,651 |
| CHANGE   | - 70   | : | + 1,259 |
| % CHANGE | - 1    | : | + 1     |

**NASS CHEDDAR CHEESE PRICE SURVEY**

| WEEK ENDING | 40# BLOCKS |           | 640# BLOCKS |           | BARRELS (adjusted to 39% moisture) |            |           |
|-------------|------------|-----------|-------------|-----------|------------------------------------|------------|-----------|
|             | MN/WI      | WEST      | U.S.        | U.S.      | MN/WI                              | OTH STATES | U.S.      |
| MARCH 6     | 1,4108     | 1,3675    | 1,3768      | 1,3877    | 1,3884                             | 1,3687     | 1,3773    |
|             | 906,109    | 4,627,408 | 5,778,066   | 1,781,131 | 3,816,217                          | 4,903,989  | 8,720,206 |

Further data may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

**CHEESE MARKETS**

**NORTHEAST**

Prices are mixed. Process items are lower, natural styles are higher, and Swiss is unchanged. The market tone is unsettled. Contacts were somewhat surprised by the jump in 40# blocks at the CME after dropping so much the week before. This bouncing around has buyers even more uncertain how to proceed and usually when that happens, they purchase only enough for anticipated weekly needs. Overall, purchases are slow at most levels of the market. Cheese production levels are moderate to heavy in the Northeast where surplus milk volumes are heavy. Cheese orders, although slow, are being influenced by Lenten, Easter, and Passover needs.

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

|                             |   |               |
|-----------------------------|---|---------------|
| Cheddar 10# Prints          | : | 1.4450-1.8675 |
| Cheddar Single Daisies      | : | 1.4150-1.8725 |
| Cheddar 40# Block           | : | 1.5225-1.6825 |
| Process 5# Loaf             | : | 1.5825-1.7100 |
| Process 5# Sliced           | : | 1.6025-1.7675 |
| Muenster                    | : | 1.5650-2.0025 |
| Grade A Swiss Cuts 10 - 14# | : | 2.2500-2.5050 |

**MIDWEST**

The cheese market is unsettled with continued nervousness over possible price declines. At the Chicago Mercantile Exchange on March 5, the 40# block price rebounded 3.5 cents to \$1.3850 but barrels declined 1.25 cents to \$1.3725. The spread returned to a narrow, though positive, 1.25 cents. Current demand is generally limited to immediate needs as buyers want low inventories at times when prices could decline. Process movement is steady to slower though recent food service promotions have stimulated extra sales. Current barrels are about in balance. Not surprisingly after recent weeks of tight current supplies, barrels aged two or three months are very short of needs. Current blocks are more than adequate. Swiss interest is spotty, some producers noticing good interest and others report slower sales. Some producers are reallocating milk to better balance supplies with anticipated product demand. Mozzarella sales are mixed, mostly about steady. Recent colder (below normal) temperatures, high winds, and, in instances snow, have tempered milk receipt increases in some areas. The storm also hindered transportation at locations where roads were impassable for various periods of time.

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

|   |   |               |
|---|---|---------------|
| Process American 5# Loaf                    | : | 1.4975-1.7600 |
| Brick And/Or Muenster 5#                    | : | 1.7100-1.8425 |
| Cheddar 40# Block                           | : | 1.6350-1.9150 |
| Monterey Jack 10#                           | : | 1.8350-1.9150 |
| Blue 5#                                     | : | 1.9875-2.2500 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.7600-1.9150 |
| Grade A Swiss Cuts 6 - 9#                   | : | 2.2800-2.4850 |

**WEST**

Western cheese prices are mixed following trading at the CME on March 5. Natural prices range from steady to higher while process prices are lower. The price moves surprised most Western contacts. Demand for processing solids remains very strong. Any downgraded product is clearing very easily. Natural styles are also moving well, but not with quite the aggressiveness. Swiss sales activity is steady to slower. Mozzarella is moving very well with some buyers reporting that availability ranges from tight to short. U.S. American type cheese production for January totaled 283.2 million pounds, up 1.6% from last year. Swiss output was up 8.4% from a year earlier.

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

|                           |   |               |
|---------------------------|---|---------------|
| Process 5# Loaf           | : | 1.4900-1.7850 |
| Cheddar 40# Block         | : | 1.5675-1.7300 |
| Cheddar 10# Cuts          | : | 1.7500-1.9075 |
| Monterey Jack 10#         | : | 1.7150-1.8700 |
| Grade A Swiss Cuts 6 - 9# | : | 2.3375-2.5600 |

**FOREIGNTYPE**

Domestic prices increased 3.5 cents and imported prices are reported as unchanged. The market tone is steady. Demand is mixed and ranges from fair to poor depending on variety, price, and country of origin. Reports indicate that cheese is readily available in some European countries and stocks are growing faster than desired.

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   | : 1.7200-2.3300* |
| Gorgonzola               | : 3.2400-5.9400   | : 2.3850-2.4950* |
| Parmesan (Italy)         | : TFEWR           | : 3.1300-3.1675* |
| Romano (Italy)           | : 2.0900-2.9000   | : -0-            |
| Provolone (Italy)        | : 3.4400-5.5000   | : 1.3925-1.9200* |
| Romano (Cows Milk)       | : -0-             | : 2.9175-3.1700* |
| 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       | : 2.5900-2.8500   | : -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

EAST

Milk production is steady to heavier in most sections of the East. Florida's milk output is about steady this week and fluid milk supplies are excessive. Handlers shipped more than 35 loads out of state for manufacturing. Heavy rains fell across parts of Louisiana, Mississippi, and Alabama and localized flooding disrupted farm pick-ups and other transportation schedules. The wet, muddy lots are taking their toll on some animals and milk output is being adversely affected. Further north into the Middle Atlantic and New England areas, milk output is steady to slightly heavier. However, winter has reappeared and some areas experienced heavy snow falls and much colder temperatures. Bottled milk sales remain sluggish, but where storms did hit, retail sales increased as a result of pre-storm panic buying. In the Northeast, fluid milk volumes are heavy and there is growing concern about the volumes this spring and plans are being made to find outlets for these anticipated volumes. Currently, surplus milk volumes are heavy, but being handled within the region. Most plants are at or near capacity, but a few do have room to take more milk. The condensed skim market is unchanged. Prices are steady and demand is seldom better than fair. Some suppliers report that if they didn't have contracts for condensed skim, they would be drying it all. The fluid cream market is fairly brisk this week. Demand is fair to good and multiples are occasionally higher. The higher multiples are generally offsetting the one-cent drop on the Grade A butter price. Fluid cream offerings range from balanced to ample. Demand for cream improved slightly from ice cream makers and is quite good from cream cheese makers. Also, there is improved interest from producers of sour cream, dips, and bottled cream as retailers plan on improved demand during the upcoming Easter and Passover season. Butter production is 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                 | - | 1.6500 | - 1.8375                   |
| Delivered Equivalent Atlanta                       | - | 1.6000 | - 1.8861 M 1.6250 - 1.7250 |
| F.O.B. Producing Plants: Upper Midwest             | - | 1.6625 | - 1.7500                   |

|   |   |        |          |
|---|---|--------|----------|
| PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS |   |        |          |
| F.O.B. Producing Plants: Northeast                      | - | 1.0000 | - 1.1875 |

MIDWEST

|                           |       |
|---------------------------|-------|
| WISCONSIN SPOT SHIPMENTS: | LOADS |
| MARCH 6 - 12, 1998        | 0     |
| PREVIOUS WEEK             | 0     |
| COMPARABLE WEEK IN 1997   | 0     |

Winter weather returned to most northern states in the region with several inches of snow affecting some areas with others untouched. Further south in the region, colder temperatures were noted in many areas. Combined with strong winds, travel was difficult in areas receiving the snow and snow mixtures. In limited areas, milk was dumped for a day or so since handlers were unable to get through high (many over 6 feet), and very hard, snowdrifts. The colder, even below normal, temperatures slowed or even stopped milk receipt advances in many areas as cows use more energy in keeping warm. Certainly

thoughts changed from having an early spring back to winter. Class I demand is irregular, ranging from steady to occasionally improved. Manufacturing milk supplies are adequate though the volume appears down in some areas from recent weeks. Manufacturing milk prices range from right around flat class/MCP on weekends to \$0.50 to \$1.00 over at midweek when supplies are tighter. Class II milk interest was spotty but often improved. Some current spot milk interest is going unsatisfied or not as fully satisfied as in recent weeks. Other manufacturers are cutting back on outside purchases where their finished product sales are slower. Manufacturing schedules are steady, though some adjustments are occurring to take best advantage of product returns. Cream prices generally reflect the price decline in the butter price at the Chicago Mercantile Exchange.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

|                           |                 |                 |
|---------------------------|-----------------|-----------------|
|                           | MARCH 5 - 11    | PREVIOUS YEAR   |
| SLAUGHTER COWS            | \$ 33.00- 40.00 | \$ 35.00- 42.00 |
| REPLACEMENT HEIFER CALVES | \$110.00-150.00 | \$ 90.00-135.00 |

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

|                |                 |                 |
|----------------|-----------------|-----------------|
|                | MARCH 5 - 11    | PREVIOUS YEAR   |
| SLAUGHTER COWS | \$ 35.00- 41.00 | \$ 36.50- 44.75 |

WEST

The weather is again the main topic of discussion in California, only this week warm, dry conditions are prevailing over most of the milk producing areas. The effects of recent weeks continue in muddy lots and reduced milk output, but several plants were reporting higher milk intakes from recent depressed levels. The increase in milk cow numbers in the state will likely counter the full effect of the wet conditions on February's milk production estimates. Some industry observers are pegging a 4 to 5% increase over February 1997. Milk per cow is expected to be lower than year ago levels. The NASS Milk Production report will be released March 16. Production in Arizona is showing few changes. Wet conditions have been prevalent over the state this season. New Mexico milk output is improving seasonally due to cow expansions and good feed availability. Fluid cream markets remain unsettled, reflecting the uncertainty of the butter market. Multiples have declined slightly and prices are lower. Butter churners are not aggressive in procuring cream. Ice cream usage is more dependant on producers' stocks and sales. The milk flow continues to increase in the Pacific Northwest supported by the excellent weather patterns. Some cows are out on pasture much earlier than normal. The pastures are very wet, but they need to be grazed off or much of their feed value will be lost. Contacts are anticipating an early spring. Hay offerings continue to increase and prices are declining slightly. Producers are thankful that milk prices are holding up as high as they are for such a long period of time. Milk production and the solids content of the milk is much more variable over the northern Mountain States region. Milk receipts are both higher and lower. The snow and cold of last week are turning again into the warm and mud this week. The real concern by many is how many times this cycle will occur this spring. The cows can only take so much before the stress affects the milk flow and quality.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 03/12/98 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**

The price range is steady, but the mostly is lower. The market tone is weakening as downward pressure continues with powder offerings to the CCC. Late last week, Central producers continued to offer NDM under the price support program. Producer stocks are abundant for the very slow demand. Stocks can be found from the majority of producers and resellers. Some sellers are willing to negotiate lower prices for multi-load deals. Production levels are moderate to heavier.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0200 - 1.0750 MOSTLY: 1.0400 - 1.0450

**DRY BUTTERMILK - CENTRAL**

Prices and the market tone are steady. Buying interest is limited. A few sales are occurring, but overall activity is light. Offerings are available from producers and resellers. Production levels are higher as a result of seasonally active churning schedules. Producer stocks are adequate for needs.

BUTTERMILK: .9325 - .9700

**DRY WHEY - CENTRAL**

Prices moved slightly higher on the range, but the mostly adjusted lower. The market tone is weakening. Demand continues to be limited and market activity is slow to nonexistent. Producer stocks are beginning to build as a result of slower sales and many are negotiable on prices. Discounts are being offered and can be found throughout the marketplace without much effort. Some producers that were quoting premiums are now closer to the market average. A few manufacturers are actively searching for willing buyers to clear product from the floor. Inventories are balanced to heavier than desired. A major South Central whey plant has closed down permanently which is affecting whey production and availability in the area.

NONHYGROSCOPIC: .2300 - .2550 MOSTLY: .2400 - .2450

**ANIMAL FEED WHEY - CENTRAL**

All animal feed whey prices are unchanged and nominal. Buying interest is light and trading activity is slow. Contacts commented that feed buyers are sitting on the sidelines waiting to see if prices will drop. The majority of purchases are for reduced volumes to fill immediate needs. Production levels are heavy. Roller ground producers continue to fill contracts and availability for spot sales is limited. The delactose market is steady. Supply and demand are reported to be in balance. Production schedules are active.

MILK REPLACER: .1900 - .2400  
STANDARD: .1800 - .2200  
ROLLER GROUND: .2500 - .2550  
DELACTOSE (Min. 20% protein): .3400 - .3675

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged and the market tone is steady. Demand is fair. Availability of spot product varies according to the source. Many producers' inventories are insufficient to fill spot orders. The majority of customers are looking to the resale market to fill needs. Contacts also noted a recent flush in downgraded offerings. Production levels are moderate to higher.

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

EDIBLE: .1800 - .2600 MOSTLY: .2150 - .2250

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices and the market tone are steady. Demand is fair to often slower. Contacts noted a slight increase in interest this week, but the majority of activity is limited to contracted accounts. Although not reported in the edible extra grade series, availability of feed quality WPC is limited with many sources sold out. Production levels are moderate.

EXTRA GRADE 34% PROTEIN: .5750 - .6275 MOSTLY: .6025 - .6075

**NONFAT DRY MILK - WEST**

The low/medium heat mostly range declined and the market tone remains weak. Demand is limited and is being impacted by lower prices in other regions of the country. Midwestern buyers are finding better bargains and freight costs procuring from the Northeast. Medium heat prices are dropping to remain competitive and to secure sales. DEIP demand is limited with few orders being filled. High heat prices are unchanged. Demand is fair, but most current sales are limited to contracts. Stocks remain in excess of current needs. CCC adjusted NDM purchases under the price support program during the week of March 2 - 6 totaled 3.1 million pounds. Purchases continued this week and are expected to remain a factor in helping producers keep stocks better managed.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0175 - 1.0500 MOSTLY: 1.0200 - 1.0300  
HIGH HEAT: 1.0450 - 1.0600

**DRY BUTTERMILK - WEST**

Buttermilk prices are unchanged in limited spot trading activity. The market tone is steady. Producer offerings and buyer demand are in quite close balance. Drying schedules are light to moderate with sales of condensed buttermilk active. Stocks are generally limited and not burdensome to any producer.

BUTTERMILK: .9000 - .9325 MOSTLY: .9100 - .9200

**DRY WHEY - WEST**

Range prices moved both higher and lower for Western whey and the mostly increased fractionally. Western producer stocks are generally in good balance. Powder is available for immediate shipment, but sellers are satisfied with current levels of demand. Production levels range from both higher and lower depending on milk offerings into cheese operations. New orders are being placed for export powder and previous orders continue to be shipped. Domestic buyers continue to order powder on a regular basis. A new tender for exports to the Far East is being finalized this week. Reportedly, the U.S. got a large portion of the tender, but most contacts feel that not all the powder has been acquired by the sellers as of yet.

NONHYGROSCOPIC: .2100 - .2225 MOSTLY: .2125 - .2200

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended March 6, on powder sales of 7,323,745 pounds f.o.b. California manufacturing plants was \$1.0311 per pound. This compares to 10,593,635 pounds at \$1.0302 for the previous week ending February 27, 1998. 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 generally unchanged although some fractional adjustments within the range have been noted. The market tone remains weak. Production is heavy and usually outpacing demand. There is some concern and planning for the volumes of milk during spring. With surplus milk volumes heavy now, contacts feel that the problems of handling all the milk will only intensify during the "flush." Demand for NDM is steady. Contracted volumes continue to clear satisfactorily, but spot interest is slow. Lower offering prices are doing little to stimulate additional interest. Buyers/users see little down side risk in waiting to purchase and are buying on an as needed basis. Some large volume (five+ loads) sales have been noted at the low end of the range. Unconfirmed reports have a few sales slightly below the low end of the range.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST: 1.0200 - 1.1100 MOSTLY 1.0300 - 1.0500  
 DELVD SOUTHEAST: 1.0550 - 1.0900

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are generally unchanged. Production levels are steady to lighter where the increasing volumes of surplus milk are taking up the majority of dryer capacity. Some buttermilk continues to be moved in liquid form to help ease drying time. Producer stocks are closely balanced, but a few operations report slight accumulations. Demand is, at best, fair. Often, sales are LTL quantities.

F.O.B. NORTHEAST: .9400 - .9700  
 DELVD SOUTHEAST: .9400 - 1.0025

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are unchanged. Some adjustments to prices within the range were noted as producers respond to the seven-cent change in the February BFP. Production levels are light to moderate and generally geared to filling existing orders. Demand is slow to fair, best where producers are finishing/filling DEIP contracts. The Kansas City Commodity Office announced the purchase of 320 MT (705,472 pounds) of dry whole milk, packed in 25 KG bags at \$1.4062 per pound for export donation and delivery in late March and early April 1998. The Commodity Credit Corp. (CCC) invites offers, subject to terms and conditions of each applicable announcement, to sell to CCC, under WME-1 approximately 500 MT of dry whole milk for export, packed in 25 KG bags for export programs.

F.O.B. PRODUCING PLANT: 1.3000 - 1.3700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1997 THROUGH MARCH 6, 1998  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 84,719 MT (187,182,554 LBS)  
 CHANGE -- 386 MT (850,976 LBS)  
 WHOLE MILK POWDER -- 7,487 MT (16,505,840 LBS)  
 Program allocations filled  
 CHEESE -- 2,907 MT (6,408,772 LBS)  
 BUTTERFAT -- 15,610 MT (34,413,806 LBS)

Allocations for the DEIP year beginning July 1, 1997, are:  
 Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;  
 Cheese - 3,510 MT; Butterfat - 34,232 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are steady to lower. The market tone is steady to weak. Demand for dry whey is unaggressive and some producers' stocks are building. Some producers who continue to clear a large percentage of their output through contracts report inventories as closely balanced. Buyers seem to be waiting for further developments before making any sizeable spot purchases. Some suppliers are offering lower prices to stimulate both export and domestic interest. Export sales are rumored to be well below domestic prices. Suppliers are willing to lower prices to get powder out of the country and off the market. However, the current world market for dry whey is not very strong and buyers appear unwilling to pay current U.S. prices. Production levels are increasing as most Eastern cheese plants are operating at or near capacity.

F.O.B. NORTHEAST: EXTRA GRADE .2275 - .2500  
 USPH GRADE A .2500 - .2600  
 DELVD SOUTHEAST: .2600 - .2850

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. The market tone is weak. Contacts state that animal feed users and makers are not aggressively looking for more powder. Some end users have cut back on purchases because of the poor livestock markets and they are not feeding as many animals as they were several weeks or months ago. Dry whey offerings are readily available to meet current spot demand. Also, buyers are waiting for lower prices before committing to larger purchases.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are steady to heavier. Demand is seasonally fair. The Easter/Passover period often sees a slight jump in retail sales, but for the most part, demand is for replacement needs. Plant stocks are building. The Kansas City Commodity office announced the issuance of EVD-1, invitation 430, inviting competitive offers to sell to CCC 1,907,360 pounds of evaporated milk for shipment in May 1998.

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**

The casein markets remain steady at unchanged prices. Stocks of both rennet and acid are reported to be fully sufficient from sourcing countries. Buyers continue to place orders on a contracted basis with minimal spot buying interest occurring at this time. Domestic users do not foresee any major disruptions in shipments or adjustments in prices as the second quarter of the year approaches.

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

RENNET: 2.1600 - 2.2000  
 ACID: 2.0000 - 2.1500

ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1997

| Federal Milk Order Marketing Area | Class I Price per Hundredweight 1/ |                  | Blend Price per Hundredweight 1/ |                  | Total Producer Deliveries |                     | Producer Deliveries used in Class I |                     | Class I Utilization Percentage |      |
|-----------------------------------|------------------------------------|------------------|----------------------------------|------------------|---------------------------|---------------------|-------------------------------------|---------------------|--------------------------------|------|
|                                   | 1997                               | Change from 1996 | 1997                             | Change from 1996 | 1997                      | Change from 1996 2/ | 1997                                | Change from 1996 2/ | 1997                           | 1996 |
|                                   | Dollars                            |                  |                                  |                  | Mil. lbs.                 | Percent             | Mil. lbs.                           | Percent             | Percent                        |      |
| <b>NORTH ATLANTIC</b>             |                                    |                  |                                  |                  |                           |                     |                                     |                     |                                |      |
| New England                       | 15.03                              | -1.85            | 13.74                            | -1.58            | 5,452                     | 1.6                 | 2,600                               | 0.7                 | 47.7                           | 48.1 |
| New York-New Jersey               | 14.92                              | -1.83            | 13.47                            | -1.63            | 11,772                    | 0.7                 | 4,716                               | -1.2                | 40.1                           | 40.8 |
| Middle Atlantic                   | 14.81                              | -1.92            | 13.40                            | -1.57            | 6,481                     | 6.7                 | 2,950                               | 1.9                 | 45.5                           | 47.7 |
| Regional Av. or Total             | 14.92                              | -1.86            | 13.51                            | -1.61            | 23,706                    | 2.5                 | 10,265                              | 0.2                 | 43.3                           | 44.3 |
| <b>SOUTH ATLANTIC</b>             |                                    |                  |                                  |                  |                           |                     |                                     |                     |                                |      |
| Carolina                          | 14.87                              | -1.83            | 14.34                            | -1.81            | 2,798                     | 7.0                 | 2,231                               | 3.3                 | 79.7                           | 82.5 |
| Tennessee Valley 3/               | 14.29                              | ---              | 13.80                            | ---              | 1,061                     | ---                 | 824                                 | ---                 | 77.7                           | 78.6 |
| Southeast                         | 14.89                              | -1.81            | 14.27                            | -1.72            | 5,651                     | 10.9                | 4,273                               | 4.0                 | 75.6                           | 80.7 |
| Florida Markets 4/                | 15.68                              | -1.78            | 15.05                            | -1.82            | 2,909                     | 5.0                 | 2,460                               | 1.1                 | 84.6                           | 87.8 |
| Regional Av. or Total 5/ 6/       | 15.68                              | -1.78            | 15.05                            | -1.82            | 2,909                     | 5.0                 | 2,460                               | 1.1                 | 84.6                           | 87.8 |
| <b>EAST NORTH CENTRAL</b>         |                                    |                  |                                  |                  |                           |                     |                                     |                     |                                |      |
| Mich Upper Peninsula              | 13.12                              | -1.88            | 12.85                            | -1.76            | 66                        | 3.4                 | 51                                  | 2.0                 | 77.2                           | 78.3 |
| Southern Michigan*                | 13.53                              | -1.85            | 12.75                            | -1.59            | 4,382                     | -1.8                | 2,050                               | -0.7                | 46.8                           | 46.3 |
| East. Ohio-West. Pa.              | 13.79                              | -1.84            | 12.94                            | -1.70            | 3,318                     | 1.4                 | 1,731                               | -1.0                | 52.2                           | 53.5 |
| Ohio Valley*                      | 13.82                              | -1.86            | 13.05                            | -1.74            | 3,036                     | 2.2                 | 1,655                               | -1.1                | 54.5                           | 56.4 |
| Indiana*                          | 13.69                              | -1.85            | 13.11                            | -1.69            | 1,960                     | 2.5                 | 1,215                               | 2.5                 | 62.0                           | 62.0 |
| Chicago Regional*                 | 13.17                              | -1.87            | 12.25                            | -1.39            | 12,799                    | 2.5                 | 2,747                               | 7.9                 | 21.5                           | 20.4 |
| Central Illinois                  | 13.39                              | -1.85            | 13.11                            | -1.81            | 186                       | 6.8                 | 148                                 | 4.5                 | 79.5                           | 81.2 |
| S. Ill.-E. Missouri*              | 13.70                              | -1.82            | 12.94                            | -1.77            | 1,952                     | 1.3                 | 1,034                               | -6.0                | 53.0                           | 57.1 |
| Louis. -Lex. -Evans.              | 13.93                              | -1.78            | 13.52                            | -1.69            | 1,189                     | 14.5                | 912                                 | 12.7                | 76.7                           | 77.9 |
| Regional Av. or Total 6/          | 13.55                              | -1.87            | 12.61                            | -1.56            | 27,699                    | 1.6*                | 10,632                              | 1.1                 | 38.4                           | 38.6 |
| <b>WEST NORTH CENTRAL</b>         |                                    |                  |                                  |                  |                           |                     |                                     |                     |                                |      |
| Upper Midwest*                    | 12.98                              | -1.88            | 12.16                            | -1.34            | 8,612                     | 2.8                 | 1,609                               | -2.0                | 18.7                           | 19.6 |
| Iowa* 7/                          | ---                                | ---              | 12.54                            | -1.41            | 2,732                     | 1.7                 | ---                                 | ---                 | ---                            | 36.1 |
| Nebraska-Western Iowa*            | 13.53                              | -1.86            | 12.59                            | -1.40            | 1,619                     | 9.0                 | 612                                 | 0.5                 | 37.8                           | 41.0 |
| G. K. C.-E. S. D.-B. H.* 8/       | ---                                | ---              | 13.54                            | -1.53            | 495                       | -23.2               | ---                                 | ---                 | ---                            | 50.9 |
| Regional Av. Or Total 6/          | 13.14                              | -1.87            | 12.22                            | -1.35            | 10,231                    | 3.7*                | 2,221                               | -1.3                | 21.7                           | 22.8 |

Continued

ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1997

| Federal Milk Order Marketing Area      | Class I Price per Hundredweight <u>1/</u> |                  | Blend Price per Hundredweight <u>1/</u> |                  | Total Producer Deliveries |                            | Producer Deliveries used in Class I |                            | Class I Utilization Percentage |      |
|--|---|------------------|---|------------------|---------------------------|----------------------------|-------------------------------------|----------------------------|--------------------------------|------|
|  | 1997                                      | Change from 1996 | 1997                                    | Change from 1996 | 1997                      | Change from 1996 <u>2/</u> | 1997                                | Change from 1996 <u>2/</u> | 1997                           | 1996 |
|  | Dollars                                   |                  |   |                  | Mil. lbs.                 | Percent                    | Mil. lbs.                           | Percent                    | Percent                        |      |
| <b>WEST SOUTH CENTRAL</b>              |   |                  |   |                  |                           |                            |                                     |                            |                                |      |
| Southwest Plains*                      | 14.53                                     | -1.89            | 13.38                                   | -1.56            | 3,079                     | -12.2                      | 1,466                               | -2.2                       | 47.6                           | 42.8 |
| Texas*                                 | 14.94                                     | -1.87            | 13.60                                   | -1.45            | 6,369                     | -2.7                       | 3,282                               | 1.0                        | 51.5                           | 49.7 |
| Regional Av. or Total                  | 14.81                                     | -1.87            | 13.53                                   | -1.49            | 9,448                     | -6.0                       | 4,748                               | 0                          | 50.3                           | 47.3 |
| <b>MOUNTAIN</b>                        |   |                  |   |                  |                           |                            |                                     |                            |                                |      |
| Eastern Colorado <u>9/</u>             | 14.51                                     | -1.86            | 13.20                                   | -1.62            | 1,759                     | -1.1                       | 813                                 | 0.5                        | 46.2                           | 45.5 |
| S.W. Idaho-E. Oregon*                  | 13.27                                     | -1.87            | 11.89                                   | -1.68            | 2,220                     | -15.1                      | 183                                 | 1.9                        | 8.3                            | 6.9  |
| Great Basin                            | 13.67                                     | -1.87            | 12.71                                   | -1.62            | 2,360                     | -6.8                       | 880                                 | 0.6                        | 37.3                           | 34.5 |
| Central Arizona*                       | 14.30                                     | -1.84            | 13.03                                   | -1.43            | 2,436                     | 2.5                        | 1,019                               | -0.8                       | 41.8                           | 43.3 |
| New Mexico-West Texas*                 | 14.12                                     | -1.85            | 12.77                                   | -1.30            | 2,109                     | -0.3                       | 648                                 | -4.5                       | 30.7                           | 32.1 |
| Regional Av. or Total <u>5/</u>        | 14.10                                     | -1.86            | 12.70                                   | -1.51            | 10,884                    | -4.7*                      | 3,544                               | -0.8                       | 32.6                           | 31.3 |
| <b>PACIFIC</b>                         |   |                  |   |                  |                           |                            |                                     |                            |                                |      |
| Pacific Northwest*                     | 13.68                                     | -1.86            | 12.66                                   | -1.30            | 6,417                     | 2.7                        | 2,134                               | 0.5                        | 33.3                           | 34.0 |
| Regional Av. or Total                  | 13.68                                     | -1.86            | 12.66                                   | -1.30            | 6,417                     | 2.7*                       | 2,134                               | 0.5                        | 33.3                           | 34.0 |
| 25-Market Av. or Total <u>5/ 6/ 7/</u> | 14.29                                     | -1.86            | 12.99                                   | -1.52            | 91,294                    | 0.6*                       | 36,005                              | 0.3                        | 39.4                           | 39.5 |
| All-Market Av. or Total <u>5/ 7/</u>   | 14.36                                     | -1.83            | 13.10                                   | -1.54            | 105,221                   | 1.0                        | 44,916                              | -0.9                       | 42.7                           | 43.5 |

\* 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 in 1997, about 7.8 billion pounds, and in 1996, about 7.9 billion pounds of milk that normally would have been pooled under these orders. The majority of this milk would have been pooled in the East North Central, West North Central, and Pacific regions. 1/ Prices are for milk of 3.5 percent butterfat content and for the major city in the marketing area. All averages are weighted. 2/ Percentages changes have been adjusted for the different number of days in 1996 and 1997. 3/ Effective October 1, 1997, the order regulating the marketing area was terminated. Figures for 1997 are for January-September. 4/ The price data are for Tampa Bay: The remaining data are for the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas which have been combined in order to mask restricted data. 5/ Regional and total market price averages exclude where applicable; Upper Florida, Southeastern Florida, and Western Colorado. Total market price averages also exclude Eastern South Dakota and Black Hills (for 1996). Some of the data used to weight the monthly prices are restricted. 6/ Figures are based on the same group of comparable markets--markets where the orders were in effect the entire period 1996-97, and for which the data were not affected by marketing area changes; excludes Tennessee Valley, Carolina, Southeast, and Louisville-Lexington-Evansville, where applicable. The termination of the Tennessee Valley order affected significantly the comparability of the data for these neighboring marketing areas; see 3/. Figures also exclude Iowa, Greater Kansas City, Eastern South Dakota, and Black Hills, where applicable. See 7/ and 8/. 7/ The data for 1997 are for January through July only. Class I receipts and utilization data for the Iowa order were restricted for some of 1997, and are excluded from total market figures. 8/ The price data are for Greater Kansas City; the remaining data are for the Greater Kansas City, Eastern South Dakota, and Black Hills (for 1996) marketing areas which have been combined in order to mask restricted data. Effective October 1996, the order regulating the Black Hills marketing area was terminated. 9/ The price data are for Eastern Colorado; the remaining data are for the Eastern Colorado and Western Colorado marketing areas which have been combined in order to mask restricted data.

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for February 1998 is \$13.32 per hundredweight at 3.5 percent butterfat. The February Basic Formula Price is the January base month Minnesota-Wisconsin (M-W) price of \$13.26 at 3.5 percent plus a change of \$+0.06, which is the change in the butter/powder/cheese formula from January to February 1998. The February 1998 Basic Formula Price is \$0.07 more than last month and \$0.86 more than the February 1997 Basic Formula Price. This Basic Formula Price is the Class III price for February 1998 and is to be used in April 1998 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 14.0 cents. **MILK COMPONENT CONTENTS.** For the January 1998 base month M-W price, the butterfat content was 3.89 percent, protein 3.24 percent, and solids-not-fat 8.64 percent. For the February 1998 Basic Formula Price, the butterfat content was 3.85 percent, protein 3.21 percent, and solids-not-fat 8.61 percent.

| FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/ |              |                      |       |          |       |           |       |             |       |         |       |                      |         |          |  |  |
|--|--------------|----------------------|-------|----------|-------|-----------|-------|-------------|-------|---------|-------|----------------------|---------|----------|--|--|
| FEDERAL MILK ORDER MARKETING AREAS 2/  | ORDER NUMBER | FEBRUARY             |       |          |       |           |       |             |       | MARCH   |       | APRIL                |         |          |  |  |
|  |              | PRICE PER 100 POUNDS |       |          |       |           |       |             |       |         |       | PRICE PER 100 POUNDS |         |          |  |  |
|  |              | CLASS I              |       | CLASS II |       | CLASS III |       | CLASS III-A |       | CLASS I |       | CLASS II             | CLASS I | CLASS II |  |  |
|  |              | 1998                 | 1997  | 1998     | 1997  | 1998      | 1997  | 1998        | 1997  | 1998    | 1997  | 1998                 | 1998    | 1998     |  |  |
|  |              | DOLLARS              |       |          |       |           |       |             |       |         |       | DOLLARS              |         |          |  |  |
| New England (Boston)   | 1 3/         | 16.53                | 14.58 | 13.59    | 11.64 | 13.34     | 12.48 | 12.91       | 12.38 | 16.49   | 15.18 | 13.55                | 16.56   | 13.62    |  |  |
| New York/New Jersey (NY City)  | 2 4/         | 16.43                | 14.48 | 13.67    | 11.72 | 13.42     | 12.56 | 12.99       | 12.46 | 16.39   | 15.08 | 13.63                | 16.46   | 13.70    |  |  |
| Middle Atlantic (Philadelphia/Baltimore/Washington, DC)                      | 4 5/         | 16.32                | 14.37 | 13.59    | 11.64 | 13.36     | 12.50 | 12.93       | 12.40 | 16.28   | 14.97 | 13.55                | 16.35   | 13.62    |  |  |
| Carolina (Charlotte)   | 5            | 16.37                | 14.42 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 16.33   | 15.02 | 13.55                | 16.40   | 13.62    |  |  |
| Southeast (Atlanta/Birmingham)   | 7            | 16.37                | 14.42 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 16.33   | 15.02 | 13.55                | 16.40   | 13.62    |  |  |
| Upper Florida (Jacksonville/Tallahassee)                                     | 6            | 16.87                | 14.92 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 16.83   | 15.52 | 13.55                | 16.90   | 13.62    |  |  |
| Tampa Bay  | 12           | 17.17                | 15.22 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 17.13   | 15.82 | 13.55                | 17.20   | 13.62    |  |  |
| Southeastern Florida (Miami)   | 13           | 17.47                | 15.52 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 17.43   | 16.12 | 13.55                | 17.50   | 13.62    |  |  |
| Michigan Upper Peninsula (Marquette)   | 44           | 14.64                | 12.69 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 14.60   | 13.29 | 13.55                | 14.67   | 13.62    |  |  |
| Southern Michigan (Detroit)  | 40 6/        | 15.04                | 13.09 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.00   | 13.69 | 13.55                | 15.07   | 13.62    |  |  |
| E. Ohio/W. PA. (Cleveland/Pittsburgh)  | 36           | 15.29                | 13.34 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.25   | 13.94 | 13.55                | 15.32   | 13.62    |  |  |
| Ohio Valley (Columbus)   | 33           | 15.33                | 13.38 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.29   | 13.98 | 13.55                | 15.36   | 13.62    |  |  |

| FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/ |              |                      |       |          |       |           |       |             |       |         |       |                      |         |          |  |
|--|--------------|----------------------|-------|----------|-------|-----------|-------|-------------|-------|---------|-------|----------------------|---------|----------|--|
| FEDERAL MILK ORDER MARKETING AREAS 2/  | ORDER NUMBER | FEBRUARY             |       |          |       |           |       |             |       | MARCH   |       |                      | APRIL   |          |  |
|  |              | PRICE PER 100 POUNDS |       |          |       |           |       |             |       |         |       | PRICE PER 100 POUNDS |         |          |  |
|  |              | CLASS I              |       | CLASS II |       | CLASS III |       | CLASS III-A |       | CLASS I |       | CLASS II             | CLASS I | CLASS II |  |
|  |              | 1998                 | 1997  | 1998     | 1997  | 1998      | 1997  | 1998        | 1997  | 1998    | 1997  | 1998                 | 1998    | 1998     |  |
| DOLLARS  |              |                      |       |          |       |           |       |             |       | DOLLARS |       |                      |         |          |  |
| Indiana (Indianapolis)   | 49           | 15.19                | 13.24 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.15   | 13.84 | 13.55                | 15.22   | 13.62    |  |
| Chicago Regional   | 30           | 14.69                | 12.74 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 14.65   | 13.34 | 13.55                | 14.72   | 13.62    |  |
| Central Illinois (Peoria)  | 50           | 14.90                | 12.95 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 14.86   | 13.55 | 13.55                | 14.93   | 13.62    |  |
| S. Illinois/E. Missouri (Alton)  | 32           | 15.21                | 13.26 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 15.17   | 13.86 | 13.55                | 15.24   | 13.62    |  |
| Louisville/Lexington/Evansville  | 46           | 15.40                | 13.45 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.36   | 14.05 | 13.55                | 15.43   | 13.62    |  |
| Upper Midwest (Minneapolis)  | 68           | 14.49                | 12.54 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 14.45   | 13.14 | 13.55                | 14.52   | 13.62    |  |
| E. South Dakota (Sioux Falls)  | 76           | 14.79                | 12.84 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 14.75   | 13.44 | 13.55                | 14.82   | 13.62    |  |
| Iowa (Des Moines)  | 79           | 14.84                | 12.89 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 14.80   | 13.49 | 13.55                | 14.87   | 13.62    |  |
| Nebraska/W. IA. (Omaha/Sioux City)   | 65           | 15.04                | 13.09 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.00   | 13.69 | 13.55                | 15.07   | 13.62    |  |
| Greater Kansas City  | 64           | 15.21                | 13.26 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 15.17   | 13.86 | 13.55                | 15.24   | 13.62    |  |
| Southwest Plains (Oklahoma City)   | 106          | 16.06                | 14.11 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 16.02   | 14.71 | 13.55                | 16.09   | 13.62    |  |
| Texas (Dallas)   | 126          | 16.45                | 14.50 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 16.41   | 15.10 | 13.55                | 16.48   | 13.62    |  |
| Eastern Colorado (Denver)  | 137          | 16.02                | 14.07 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 15.98   | 14.67 | 13.55                | 16.05   | 13.62    |  |
| Western Colorado (Grand Junction)  | 134          | 15.29                | 13.34 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 15.25   | 13.94 | 13.55                | 15.32   | 13.62    |  |
| SW Idaho/Eastern Oregon (Boise)  | 135          | 14.79                | 12.84 | 13.59    | 11.64 | 13.32     | 12.46 | 12.80       | 12.14 | 14.75   | 13.44 | 13.55                | 14.82   | 13.62    |  |
| Great Basin (Salt Lake City)   | 139          | 15.19                | 13.24 | 13.59    | 11.64 | 13.32     | 12.46 | ---         | ---   | 15.15   | 13.84 | 13.55                | 15.22   | 13.62    |  |
| Central Arizona (Phoenix)  | 131          | 15.81                | 13.86 | 13.59    | 11.64 | 13.32     | 12.46 | 12.80       | 12.14 | 15.77   | 14.46 | 13.55                | 15.84   | 13.62    |  |
| New Mexico/West Texas (Albuquerque)  | 138          | 15.64                | 13.69 | 13.59    | 11.64 | 13.32     | 12.46 | 12.89       | 12.36 | 15.60   | 14.29 | 13.55                | 15.67   | 13.62    |  |
| Pacific Northwest (Seattle/Portland)   | 124          | 15.19                | 13.24 | 13.59    | 11.64 | 13.32     | 12.46 | 12.80       | 12.14 | 15.15   | 13.84 | 13.55                | 15.22   | 13.62    |  |
| SIMPLE AVERAGE   | ---          | 15.61                | 13.66 | 13.59    | 11.64 | 13.33     | 12.47 | 12.88       | 12.34 | 15.57   | 14.26 | 13.55                | 15.64   | 13.62    |  |

\* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in April 1998 is \$16.56 per 100 pounds or \$1.42 per gallon (\$16.56 divided by 11.63 equals \$1.4239).

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

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

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

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

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

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

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,  
DECEMBER 1997, WITH COMPARISONS**

In December 1997, mailbox milk prices reported for selected Federal milk orders averaged \$14.44 per cwt., \$.07 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$14.18, down \$.20; Southeast, \$15.57, down \$.05; Midwest, \$14.60, down \$.04 and West, \$13.76, down \$.04. Note, beginning in October data for the Tennessee Valley order no longer are available; this order has been terminated. Compared to December 1996, mailbox milk prices increased \$.67 per cwt. on the average. Regional changes from the previous year were: +\$.19 in the Northeast, -\$.61 in the Southeast, +\$1.14 in the Midwest, and +\$.84 in the West. The average minimum blend price in December 1997 was \$.45 above the price in the previous year.

| Federal milk order <u>1/</u> | Mailbox Milk Price <u>2/</u>     |                 |                 |
|------------------------------|----------------------------------|-----------------|-----------------|
|                              | December 1996                    | November 1997   | December 1997   |
|                              | <u>Dollars per hundredweight</u> |                 |                 |
| New England                  | 14.12                            | 14.51 <u>3/</u> | 14.08 <u>3/</u> |
| New York-New Jersey          | 13.75                            | 14.21*          | 14.15           |
| Middle Atlantic              | 14.30                            | 14.62           | 14.38           |
| Northeast Average <u>4/</u>  | 13.99                            | 14.38*          | 14.18           |
| Carolina                     | 16.36                            | 15.43           | 15.33           |
| Tennessee Valley <u>1/</u>   | 15.28                            | ---             | ---             |
| Southeast                    | 15.13                            | 14.80           | 14.81           |
| Florida <u>5/</u>            | 18.39                            | 17.36           | 17.21           |
| Southeast Average <u>4/</u>  | 16.18                            | 15.62           | 15.57           |
| Southern Michigan            | 14.08                            | 14.48           | 14.29           |
| Eastern Ohio-Western Pa.     | 14.22                            | 14.58           | 14.48           |
| Ohio Valley                  | 14.77                            | 14.67           | 14.49           |
| Indiana                      | 14.54                            | 14.59           | 14.48           |
| Chicago Regional             | 13.08                            | 14.76           | 14.75           |
| S. Illinois-E. Missouri      | 14.14                            | 14.47           | 14.32           |
| Louis.-Lex.-Evans.           | 15.18                            | 14.52           | 14.46           |
| Upper Midwest                | 12.85                            | 14.57           | 14.68           |
| Nebraska-Western Iowa        | 13.26                            | 14.56           | 14.40           |
| Iowa                         | 13.12                            | 14.65           | 14.50           |
| Midwest Average <u>4/</u>    | 13.46                            | 14.64           | 14.60           |
| Texas                        | 13.85                            | 14.52           | 14.59           |
| Southwest Plains             | 13.30                            | 13.75           | 13.84           |
| Eastern Colorado             | 13.12                            | 13.33           | 13.47           |
| S.W. Idaho-E. Oregon         | 11.71                            | 13.38           | 13.57           |
| Great Basin                  | 12.33                            | 12.88           | 12.99           |
| New Mexico-West Texas        | 12.00                            | 13.39           | 13.54           |
| Pacific Northwest            | 12.91                            | 13.87           | 13.48           |
| West Average <u>4/</u>       | 12.92                            | 13.80           | 13.76           |
| All-Market Average <u>4/</u> | 13.77                            | 14.51*          | 14.44           |

\*Revised

1/ Federal milk orders for which information could be released; the Tennessee Valley order was terminated 10/1/97. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Includes Northeast Dairy Compact Over Order Producer Price. 4/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 5/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

| MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES 1/ |               |       |            |               |       |            |               |       |            |               |       |            |
|--|---------------|-------|------------|---------------|-------|------------|---------------|-------|------------|---------------|-------|------------|
| CITY   | MAR 1996      |       |            | MAR 1997      |       |            | FEB 1998      |       |            | MAR 1998      |       |            |
|  | Federal Order | Coop. | Difference |
| Dollars Per Hundredweight  |               |       |            |               |       |            |               |       |            |               |       |            |
| Atlanta, GA  | 15.81         | 16.16 | 0.35       | 15.02         | 16.53 | 1.51       | 16.37         | 17.57 | 1.20       | 16.33         | 17.33 | 1.00       |
| Baltimore, MD  | 15.76         | 16.51 | 0.75       | 14.97         | 16.02 | 1.05       | 16.32         | 17.77 | 1.45       | 16.28         | 17.73 | 1.45       |
| Boston, MA   | 15.97         | 16.70 | 0.73       | 15.18         | 16.31 | 1.13       | 16.53         | 17.16 | 0.63       | 16.49*        | 17.12 | 0.63       |
| Carbondale, IL   | 14.74         | 15.85 | 1.11       | 13.95         | 16.07 | 2.12       | 15.30         | 17.16 | 1.86       | 15.26         | 17.16 | 1.90       |
| Charlotte, NC  | 15.81         | 16.46 | 0.65       | 15.02         | 17.26 | 2.24       | 16.37         | 17.57 | 1.20       | 16.33         | 17.33 | 1.00       |
| Chicago, IL  | 14.13         | 15.74 | 1.61       | 13.34         | 15.32 | 1.98       | 14.69         | 16.68 | 1.99       | 14.65         | 16.68 | 2.03       |
| Cincinnati, OH   | 14.84         | 15.44 | 0.60       | 14.05         | 15.55 | 1.50       | 15.40         | 17.15 | 1.75       | 15.36         | 17.11 | 1.75       |
| Cleveland, OH  | 14.73         | 15.25 | 0.52       | 13.94         | 15.24 | 1.30       | 15.29         | 17.04 | 1.75       | 15.25         | 17.00 | 1.75       |
| Dallas, TX   | 15.89         | 16.09 | 0.20       | 15.10         | 15.66 | 0.56       | 16.45         | 16.70 | 0.25       | 16.41         | 16.66 | 0.25       |
| Denver, CO   | 15.46         | 16.17 | 0.71       | 14.67         | 14.82 | 0.15       | 16.02         | 16.17 | 0.15       | 15.98         | 16.13 | 0.15       |
| Des Moines, IA   | 14.28         | 15.28 | 1.00       | 13.49         | 15.01 | 1.52       | 14.84         | 16.23 | 1.39       | 14.80         | 16.23 | 1.43       |
| Detroit, MI  | 14.58         | 15.41 | 0.83       | 13.79         | 14.52 | 0.73       | 15.14         | 15.93 | 0.79       | 15.10         | 15.90 | 0.80       |
| Hartford, CT   | 15.87         | 16.60 | 0.73       | 15.08         | 16.21 | 1.13       | 16.43         | 17.06 | 0.63       | 16.39*        | 17.02 | 0.63       |
| Houston, TX  | 16.43         | 16.63 | 0.20       | 15.64         | 16.20 | 0.56       | 16.99         | 17.24 | 0.25       | 16.95         | 17.20 | 0.25       |
| Indianapolis, IN   | 14.63         | 15.66 | 1.03       | 13.84         | 15.56 | 1.72       | 15.19         | 17.03 | 1.84       | 15.15         | 16.99 | 1.84       |
| Kansas City, MO  | 14.65         | 15.58 | 0.93       | 13.86         | 15.33 | 1.47       | 15.21         | 16.55 | 1.34       | 15.17         | 16.55 | 1.38       |
| Little Rock, AR  | 15.50         | 15.50 | 0.00       | 14.71         | 15.36 | 0.65       | 16.06         | 17.06 | 1.00       | 16.02         | 17.02 | 1.00       |
| Louisville, KY   | 14.84         | 15.34 | 0.50       | 14.05         | 15.30 | 1.25       | 15.40         | 16.30 | 0.90       | 15.36         | 16.26 | 0.90       |
| Miami, FL  | 16.91         | 18.39 | 1.48       | 16.12         | 18.96 | 2.84       | 17.47         | 19.89 | 2.42       | 17.43         | 19.89 | 2.46       |
| Milwaukee, WI  | 14.04         | 15.65 | 1.61       | 13.25         | 15.23 | 1.98       | 14.60         | 16.59 | 1.99       | 14.56         | 16.59 | 2.03       |
| Minneapolis, MN  | 13.93         | 14.86 | 0.93       | 13.14         | 14.63 | 1.49       | 14.49         | 15.82 | 1.33       | 14.45         | 15.82 | 1.37       |
| New Orleans, LA  | 16.38         | 16.53 | 0.15       | 15.59         | 16.48 | 0.89       | 16.94         | 17.94 | 1.00       | 16.90         | 17.25 | 0.35       |
| Oklahoma City, OK  | 15.50         | 15.67 | 0.17       | 14.71         | 15.60 | 0.89       | 16.06         | 16.81 | 0.75       | 16.02         | 16.77 | 0.75       |
| Omaha, NE  | 14.48         | 15.41 | 0.93       | 13.69         | 15.16 | 1.47       | 15.04         | 16.38 | 1.34       | 15.00         | 16.38 | 1.38       |
| Philadelphia, PA   | 15.82         | 16.52 | 0.70       | 15.03         | 16.03 | 1.00       | 16.38         | 17.80 | 1.42       | 16.34         | 17.76 | 1.42       |
| Phoenix, AZ  | 15.25         | 15.25 | 0.00       | 14.46         | 14.46 | 0.00       | 15.81         | 15.81 | 0.00       | 15.77         | 15.77 | 0.00       |
| Pittsburgh, PA   | 14.73         | 15.23 | 0.50       | 13.94         | 14.74 | 0.80       | 15.29         | 16.49 | 1.20       | 15.25         | 16.45 | 1.20       |
| St. Louis, MO  | 14.74         | 15.85 | 1.11       | 13.95         | 16.07 | 2.12       | 15.30         | 17.16 | 1.86       | 15.26         | 17.16 | 1.90       |
| Salt Lake City, UT   | 14.63         | 14.78 | 0.15       | 13.84         | 13.99 | 0.15       | 15.19         | 15.34 | 0.15       | 15.15         | 15.30 | 0.15       |
| Seattle, WA  | 14.63         | 15.08 | 0.45       | 13.84         | 14.14 | 0.30       | 15.19         | 15.59 | 0.40       | 15.15         | 15.58 | 0.43       |
| Spokane, WA  | 14.63         | 15.08 | 0.45       | 13.84         | 14.14 | 0.30       | 15.19         | 15.59 | 0.40       | 15.15         | 15.58 | 0.43       |
| Springfield, MO  | 14.92         | 15.32 | 0.40       | 14.13         | 15.08 | 0.95       | 15.48         | 16.48 | 1.00       | 15.44         | 16.44 | 1.00       |
| Washington, DC   | 15.76         | 16.51 | 0.75       | 14.97         | 16.02 | 1.05       | 16.32         | 17.77 | 1.45       | 16.28         | 17.73 | 1.45       |
| Simple Average   | 15.16         | 15.83 | 0.67       | 14.37         | 15.55 | 1.18       | 15.72         | 16.84 | 1.12       | 15.68         | 16.78 | 1.10       |

\*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94 for the period July 1997 to date. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference".

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.

