

1997 ANNUAL SUMMARY NOW AVAILABLE

The Agricultural Marketing Service, Dairy Division has compiled the 1997 Annual Summary of *Dairy Market Statistics* and it is now available for purchase by interested parties. The 1997 summary consists of nearly 70 pages of tabular data containing monthly averages for prices reported weekly in *Dairy Market News*. The annual report also includes weekly exchange prices, offers, bids, and sales activity; monthly production data for milk and major manufactured dairy products; fluid milk marketings under federal milk orders; weekly government purchases; storage holdings; and other dairy related information. The 1997 Annual Summary also contains an index designed to identify those *Dairy Market News* reports that contained special information and announcements.

This report is now downloadable free of charge at: www.ams.usda.gov/dairy/mnacs/summary.htm

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NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), Grade A butter advanced 2 cents with Grades AA and B unchanged: Grade AA is \$1.4900, Grade A is \$1.4200, and Grade B is \$1.3800. Also at the CME, barrel cheese is unchanged at \$1.2000 and 40# blocks increased 3 cents to \$1.2100.

Speaking before the Senate Committee on Agriculture May 7, Secretary Glickman stated that we have nearly 30,000 additional tons of dairy products that, while reported to the WTO as exported, in fact have not been under DEIP. USDA will now go ahead and use that additional tonnage to boost dairy exports by at least another \$50 million. Most of the exports will be to Mexico and the Caribbean.

The basic formula price (BFP) for April 1998 is \$12.01 per cwt. at a 3.5% test. The April BFP is 80 cents lower than last month, but 57 cents higher than April 1997. The BFP is the base month M/W price of \$12.70 minus a change of \$.69, which is the change in the butter/powder/cheese formula from March to April. For April, the NASS average 40-lb block cheese price was \$1.3072. The butterfat differential is \$0.142. Class III-A prices are: for Federal Orders 1 & 2, \$12.79; for order 4, \$12.81; for orders 124, 131, & 135, \$12.79; and for other affected orders, \$12.88.

According to the NASS, butter production during March totaled 100.1 million pounds, 5.1% below last March and 2.6% lower than February 1998. Total cheese output (excluding cottage cheese) totaled 644.2 million pounds, 1.0% above last March and 12.2% higher than last month.

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 1998 was unchanged at 116. Compared with April 1997, the index was down 1 point (0.9%). The index of prices received by farmers for dairy products declined 2 points during April to 108. Compared with April 1997, the index was up 7 points (6.9%). On a 3.5% butterfat basis, prices received by farmers in April with changes from March, on a cwt. basis, were: for All Milk, \$13.86, down 24 cents; for Fluid Grade Milk, \$13.96, down 24 cents; and for Manufacturing Grade Milk, \$12.02, down 46 cents.

Milk production patterns across the country are mixed. In the southern

tier of states from Florida across to California, milk receipts are steady to slightly lower, indicating that overall milk output has probably peaked. Further north, weather conditions are nearly ideal for milk making and receipts at plants continue to increase. The recent excessive volumes of milk generated in the Eastern part of the country have moderated somewhat, thus milk is locally more manageable. Manufacturing plants across the country are nearly full. In Florida, production continues to outpace sales and nearly 100 loads of milk were being shipped out of state for processing. Milk output in the Western part of the country continues to build seasonally. In California, production is noted to be slightly higher in many areas, though behind last year at this time. Milk handlers in the Pacific Northwest and the Mountain states regions are indicating milk output to be increasing seasonally. Current high prices for available cream are causing hesitancy on the part of some buyers. Offerings are balanced to long and spot prices are often lower. Ice cream production is being affected by the high cost of fat.

Market conditions for dry dairy products remain much the same as past weeks. Prices are generally steady with slightly lower prices being reported for Central and Northeastern NDM. Production schedules for most dry products are increasing as milk volumes seasonally increase across the country. Overall buying interest is slow and unaggressive.

During the week of May 4 - 8, CCC net purchases totaled 5,976,382 pounds of NDM under the price support program from Western producers. This is the largest net weekly purchase of NDM since May 1991.

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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 | MAY 5 | MAY 7 | MAY 8 |
|-------|-------------------|-------------------|-------------------|
| AA | \$1.4900 - 1.5000 | \$1.4900 - 1.5000 | \$1.4900 - 1.5000 |
| A | \$1.4000 - 1.4100 | \$1.4000 - 1.4100 | \$1.4000 - 1.4100 |

NOTICE: Effective June 1, 1998, USDA and Dairy Market News will discontinue the Chicago Wholesale butter price series.

BUTTER HIGHLIGHTS: In cash trading at the Chicago Mercantile Exchange, Grade A butter advanced 2 cents with AA and B unchanged. Market opinions remain mixed. Churning schedules are seasonally active, although available cream supplies are tightening and becoming more competitive. Recent higher than desired prices and multiples are also limiting cream volumes through churns. Butter stocks vary from in close balance to lighter than desired. Overall buying interest is fair.

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 | MAY 4 - 8, 1998 |
|----------------|-----------------------------|
| BARRELS* | \$1.1900 - 1.2000 (NOMINAL) |
| 40# BLOCKS | \$1.1700 - 1.1800 (NOMINAL) |
| | (-.0150) (-.0150) |

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

CHEESE HIGHLIGHTS: The cheese market is somewhat unsettled. At the Chicago Mercantile Exchange, barrels were unchanged at \$1.2000 and 40 pound blocks increased 3 cents to \$1.2100 in light to moderate trading. After a 2 week absence, the barrel/block spread has returned to a more normal 1 cent. Demand is somewhat improved, aided by buyers taking positions at current prices. Distributors are preparing orders for outlets set to reopen for the summer tourist/travel season that begins with the rapidly nearing Memorial Day weekend. Production remains seasonally heavy.

CHICAGO MERCANTILE EXCHANGE

BUTTER TRANSACTIONS ON FRIDAY, MAY 8, 1998

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

| GRADE | PRICE CHANGE | LAST SIGNIFICANT TRANSACTION - LST |
|-------|--------------|------------------------------------|
| AA | N.C. | \$1.4900 : SALE 05/08/98 |
| A | +0200 | \$1.4200 : BID 05/08/98 |
| B | N.C. | \$1.3800 : BID 04/24/98 |

SALES: 11 CARS GRADE AA: 2 @ \$1.4475, 7 @ \$1.4500
1 @ \$1.5000, 1 @ \$1.4900 (LST)

BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.4500, 1 @ \$1.3500,
2 @ \$1.3000, 2 @ \$1.2500, 2 @ \$1.2000, 2 @ \$1.1500
2 CARS GRADE A: 1 @ \$1.4200 (LST), 1 @ \$1.4100

OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.4900, 1 @ \$1.4925,
1 @ \$1.4950, 1 @ \$1.5000, 1 @ \$1.5200

CHEESE TRANSACTIONS ON THURSDAY, MAY 7, 1998

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

| CHEDDAR STYLES | PRICE CHANGE | LAST SIGNIFICANT TRANSACTION |
|----------------|--------------|------------------------------|
| BARRELS | N.C. | \$1.2000 : SALE 05/07/98 |
| 40# BLOCKS | +0300 | \$1.2100 : BID 05/07/98 |

SALES: 5 CARS BARRELS @ \$1.2000 (LST)
9 CARS 40# BLOCKS: 1 @ \$1.1700, 1 @ \$1.1775,
2 @ \$1.1800, 2 @ \$1.1700, 2 @ \$1.2100, 1 @ \$1.2075

BIDS UNFILLED: 4 CARS BARRELS: 2 @ \$1.1900, 2 @ \$1.1850
1 CAR 40# BLOCKS @ \$1.2100 (LST)

OFFERS UNCOVERED: NONE

PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Prices are unchanged and the market tone remains unsettled. Contacts still think prices are too high for current market conditions and are limiting any spot or extra purchases. Production levels are up in most areas of the country as milk and cream supplies are readily available. However, March production figures show March butter output at 100.1 million pounds, 5.1% less than a year ago and 2.6% less than February 1998. Curiously, butter cold storage holdings on March 31 are 56.2 million pounds, up 11.8% from last March and 27.2% heavier than a month earlier. Distributors report steady to slower demand from retailers. However, with Mother's Day coming up, food service orders have been very good.

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

| | | |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.7000-1.9475 |
| 1 LB. PRINTS | : | 1.6150-1.7975 |
| CHIPS/PATTIES | : | 1.6775-1.8850 |
| REDDIES | : | 1.7525-1.9475 |
| CONTINENTALS | : | 1.8325-2.0075 |

CENTRAL

Print butter prices are unchanged, although the market tone remains mixed. Most butter producers and handlers have adjusted to the sharply higher prices of two weeks ago, but have mixed opinions about market stability. Some feel that prices will weaken while others anticipate further increases. Churning schedules are active although cream supplies are becoming more competitive as the ice cream production season gains momentum. Stocks of butter are reported to be in balance for current needs. Overall buying interest is seasonally fair. Some buyers are hesitant to place large orders in anticipation of possible weaker prices while others are procuring for regular needs.

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

| | | |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.5900-1.9975 |
| 1 LB. PRINTS | : | 1.5550-1.7175 |
| CHIPS/PATTIES | : | 1.5800-1.7900 |
| REDDIES | : | 1.6650-1.9000 |
| CONTINENTALS | : | 1.8200-2.0100 |

WEST

Print butter prices are holding steady this week. Bulk butter interest has picked up from last week, but it is not back to levels that were common before the major price increase. Print sales are steady for this time of year. Western butter stocks are generally well balanced. March U.S. butter production totaled 100.1 million pounds, down 5.1% from last year. Output for the first three months of the year totals 316.3 million pounds, down 7.4% from the same period in 1997. March output in California was down 19.0%, Oregon was down 0.4%, and Washington was down 25.3%.

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

| | | |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.7725-1.8400 |
| 1 LB. PRINTS | : | 1.6975-1.7675 |
| PATTIES | : | 1.7450-1.9100 |
| REDDIES | : | 1.8700-1.8875 |

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

| | | |
|----------------|---|---------------|
| 1/4 LB. PRINTS | : | 1.4875-1.5375 |
|----------------|---|---------------|

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

| | | | |
|----------|--------|---|---------|
| | BUTTER | : | CHEESE |
| | | : | |
| 05/04/98 | 10,474 | : | 111,564 |
| 05/01/98 | 10,479 | : | 111,493 |
| CHANGE | -5 | : | +71 |
| % CHANGE | N.C. | : | N.C. |

Based on the historical relationship of the preliminary U.S. Cold Storage report of March 31, 1998 and the selected centers storage report, the expected U.S. holdings as of May 1, 1998 are:

| | |
|--------|---|
| Butter | 59 million pounds plus or minus 0.88 percent |
| Cheese | 418 million pounds plus or minus 3.17 percent |

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. | |
| MAY 1 | 1.2442 780,161 | 1.2028 4,441,197 | 1.2126 5,638,401 | 1.2812 666,726 | 1.2381 1,991,877 | 1.2101 6,575,662 | 1.2165 8,567,539 | |

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

Summary of CCC Milk Price Support and Related Program Activities, Second Quarter, 1998 Marketing Year

| Item | Butter | Cheese | NDM/DWM <u>1/</u> | Item | Butter | Cheese | NDM/DWM <u>1/</u> |
|------------------------|-----------------|--------|----------------------|-------------------------------|-----------------|--------|----------------------|
| | Thousand Pounds | | | | Thousand Pounds | | |
| Purchases: | | | | Domestic Donations: <u>4/</u> | | | |
| Price Support | 0 | 0 | 36,369 | Needy | 0 | 0 | 1,968 |
| Market Price <u>2/</u> | 328 | 24,344 | 0 | Schools | 0 | 22,025 | 2,144 |
| DWM | | | 0 | Institutions | 154 | 2,698 | 1,388 |
| Total Purchases | 328 | 24,344 | 36,369 | | | | |
| Domestic Sales: | 0 | 0 | 0 | Foreign Donations: | | | |
| | | | | Food for Progress | 0 | 0 | 0 |
| | | | | DWM | | | 705 |
| Foreign Sales: | | | | Total Utilizations | 867 | 27,217 | 30,180 |
| DEIP <u>3/</u> | 713 | 2,494 | 20,428 | Uncommitted Inventories | 0 | 0 | 0 |
| DWM | | | 3,547 | | | | |

1/ Nonfat dry milk or Dry whole milk. Figures are nonfat dry milk unless otherwise specified. 2/ Cheese includes American -- 18,377 and Mozzarella -- 5,967; purchases are on a delivery basis. 3/ Contract basis. 4/ Based on orders issued for shipment.

SOURCE: Farm Service Agency, U.S. Department of Agriculture. For more information, contact Beverly Sadler (202) 720-1696.

CHEESE MARKETS

NORTHEAST

Prices are unchanged to lower on most natural and process cheddar items; unchanged on Swiss. Some of the larger price drops were on product lines that change prices monthly. The market tone is weak as prices continue to fall and some contacts wonder how much farther prices will drop. As they wait for better prices, buyers are taking only enough to meet immediate needs. For the past few weeks, orders have been up slightly as restaurants order enough to meet anticipated Mother's Day needs. Cheese output is also heavy as volumes of milk are very heavy for this time of year. The low cheese prices and abundance of milk are stimulating producers to put more cheddar in aging programs.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 10# Prints | : | 1.2675-1.2975 |
| Cheddar Single Daisies | : | 1.2675-1.6675 |
| Cheddar 40# Block | : | 1.3175-1.4675 |
| Process 5# Loaf | : | 1.4100-1.5375 |
| Process 5# Sliced | : | 1.4300-1.5950 |
| Muenster | : | 1.3500-1.8550 |
| Grade A Swiss Cuts 10 - 14# | : | 2.2500-2.5050 |

MIDWEST

The cheese market remains weak. At the Chicago Mercantile Exchange on April 30, barrels held at \$1.2000 and 40# blocks declined 1.5 cents to \$1.1800. The inverted spread (barrels priced above blocks) remains a concern. Back in 1994, the inverted spread lasted for four weeks. Movement remains weak as traders are still unsure if markets have hit bottom or if they may near or reach support. Offerings are heavy. Best demand is often for specialty types rather than cheddar and mozzarella. Production remains seasonally heavy though less milk was backed up from bottlers last week.

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.4975-1.6600 |
| Brick And/Or Muenster 5# | : | 1.6000-1.6525 |
| Cheddar 40# Block | : | 1.4450-1.9150 |
| Monterey Jack 10# | : | 1.6450-1.9150 |
| Blue 5# | : | 1.7875-2.1400 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.5600-1.9150 |
| Grade A Swiss Cuts 6 - 9# | : | 2.2500-2.4850 |

WEST

Process and Swiss prices are steady, but natural prices continue to fall. Western contacts are concerned about how long the inverse price spread between barrels and blocks will exist. Most contacts do state that barrels are clearing a little better than blocks. Some firms are running at near capacity levels. Swiss sales remain slow with Mozzarella in good shape. U.S. American cheese production in March totaled 284.3 million pounds, down 0.4% from last year. Swiss output, at 17.4 million pounds, was up 2.9%. Mozzarella production was 205.3 million pounds, up 3.8% from March 1997. Total cheese production for selected Western States compared to last year is as follows: California up 8.7%, Idaho up 10.1%, New Mexico up 12.7%, Utah down 32.8%, and Washington up 51.0%.

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.3950-1.6400 |
| Cheddar 40# Block | : | 1.3625-1.6000 |
| Cheddar 10# Cuts | : | 1.6025-1.7250 |
| Monterey Jack 10# | : | 1.5575-1.7050 |
| Grade A Swiss Cuts 6 - 9# | : | 2.2800-2.3700 |

FOREIGNTYPE

Domestic prices are again lower. The market tone is mostly unchanged. Availability from local distributors/importers is about adequate for the generally slow to fair demand. Reports that Denmark is in the second week of a national strike by union workers are cause for concern. The strike is having ripple effects on all segments of their economy. Exports of agricultural products have come to a standstill.

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 | : 1.5150-2.1250* |
| Gorgonzola | : 3.2400-5.9400 | : 2.1700-2.4950* |
| Parmesan (Italy) | : TFEWR | : 2.9250-2.9650* |
| Romano (Italy) | : 2.0900-2.9000 | : -0- |
| Provolone (Italy) | : 3.4400-5.5000 | : 1.1875-1.7150* |
| Romano (Cows Milk) | : -0- | : 2.7125-2.9650* |
| 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

E A S T

Following the announcement of the April BFP, Eastern Milk Market Administrators announced changes to their class prices. The April BFP is \$12.01, down \$0.80 from March. In all Eastern orders the June Class I & II prices are down 80 cents. The April Class III prices are 84 cents below March in orders 1, 2, and 4; 80 cents lower in other orders. The March Class III-A is \$12.79 in orders 1 & 2, \$12.81 in order 4, and \$12.88 in all other Eastern orders. The butterfat differential is \$0.142. Milk production ranges from steady to higher in the Northeast, mostly steady in the Middle Atlantic area, steady to slightly lower in the Southeast. Fluid milk volumes are excessive, but more manageable than the past couple weeks. Florida handlers, reporting steady output and slow retail sales, are exporting 99 loads of surplus milk this week. The milk appears to be handled/processed through regular channels. Bottled milk sales are generally lackluster, but some first-of-the-month improvement has been noted. Manufacturing plants are nearly full and some who were shipping excess milk last week are handling their own milk this week. In the Southeast, one plant was being shut down after midweek. Contacts wonder if the flush hit early this year. Hot weather is starting to hit Texas, but nearly ideal milk making temperatures continue in Florida and other Southeastern states. The condensed skim market remains weak. Spot prices are often lower because of the change in Class II milk prices from April to May. Also, the abundance of product and high butter prices are forcing spot prices lower. Also a factor, the April Class III-A milk price (for making NDM) is quite a bit higher (87 cents) than the April Class III. The fluid cream market is steady to weaker. Offerings are balanced to long and spot prices are often lower. Multiples used to determine most spot prices are generally lower this week. Ice cream production is being affected by the high costs of fat. Many are making less ice cream and more ices or sherbets. Cream cheese makers are also curtailing output during this time of high fat prices and abundant cream supplies. Churning activity 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 | - | 1.7920 - 1.9880 | |
| Delivered Equivalent Atlanta | - | 1.7920 - 2.0615 | M 1.7920 - 1.8760 |
| F.O.B. Producing Plants: Upper Midwest | - | 1.7159 - 1.7786 | |

| | |
|---|------------------|
| PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS | |
| F.O.B. Producing Plants: Northeast | - .9000 - 1.1000 |

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

| | |
|-------------------------|-------|
| SPOT SHIPMENTS: | LOADS |
| MAY 1 - 7, 1998 | 0 |
| PREVIOUS WEEK | 0 |
| COMPARABLE WEEK IN 1997 | 0 |

The April BFP was announced at \$12.01 at 3.5% test, down \$0.80 from March, but \$0.57 above last April. Class I sales are steady to generally improved, bolstered by the usually stronger first of the month demand boost. Manufacturing milk offerings were generally lighter than last week and well below volumes of a few weeks ago. With the reduced offerings, the real low spot prices for manufacturing milk, (\$8.00) were not reported. Most reported spot manufacturing milk prices this week were right around \$1.00 below class/MCP. More manufacturing plants again have plant capacity and would take some "cheap" outside milk. Most plant operators increased manufacturing schedules (where

possible) in recent weeks and this week outside offerings are down. Milk receipts are generally increasing seasonally through the upper tier of Midwestern states. However, in at least part of lower Missouri, milk receipt declines on incoming loads are appearing with some regularity. Most upper tier locations are noting receipts above year ago levels overall. Progress continues on spring planting and fieldwork, but conditions vary from very dry in Minnesota where progress is well ahead of normal and northern Wisconsin. Conditions range from about normal to very wet in parts of southern Wisconsin, and some areas to the east. Grass, alfalfa, and pasture growth has been rapid, at least where precipitation has been heavy. In Wisconsin, alfalfa winterkill was generally minimal.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

| | | |
|---------------------------|-----------------|-----------------|
| | APR 30 - MAY 6 | PREVIOUS YEAR |
| SLAUGHTER COWS | \$ 36.00- 40.00 | \$ 37.00- 43.50 |
| REPLACEMENT HEIFER CALVES | \$120.00-150.00 | \$100.00-145.00 |

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

| | | |
|----------------|-----------------|-----------------|
| | APR 30 - MAY 6 | PREVIOUS YEAR |
| SLAUGHTER COWS | \$ 36.50- 41.00 | \$ 38.50- 46.00 |

W E S T

The April 4a price (butter/powder) in California is \$12.89, up 17 cents from March 1998 and 70 cents higher than last year. The April 4b price (cheese) is \$11.12, 86 cents lower than last month but 47 cents higher than last year. The April BFP price is \$12.01, down 80 cents from March but 57 cents higher than April 1997. Milk production is noted to be slightly higher in many areas of California. Levels continue to be lower than 1997 for many producers. Contacts are expecting milk production estimates to be revised lower for March and that both March and April numbers will be below 1997 levels. Rains during the week are expected to have an adverse effect on production and have hampered hay harvesting. Quality of first and second cuttings is often disappointing. Some producers are still buying hay from the Northwest to supplement supplies. Milk is being shipped from southern areas of the state to find processing capacity. Also, milk is coming into the state to find processing capacity. Production is declining from seasonal peak flush levels in Arizona and parts of New Mexico. Arizona milk production is still several percentage points below 1997 levels. Warmer weather conditions are having some impact on milk output. Condensed skim prices are as much as 20 cents lower than comparable NDM prices. The situation has increased the demand for condensed and lowered interest for NDM. Cream demand is still fair to good but a little pressure is being applied to cream multiples which range this week in the 130 to 138 range. Cream offerings were higher over the weekend but tightened by mid week. Milk production continues to increase seasonally in the Pacific Northwest. Conditions are ideal for a strong milk flow. Pastures are in great shape, a lot of corn is in the ground and some has emerged, and hay is being harvested in the Columbia Basin. With milk prices declining, producers are being selective in their hay purchases related to cost and feed value. Many manufacturing plants are running seven days at this time. Temperatures have moderated in the Mountain States region to more normal levels. Milk is increasing across the region. Spring crop conditions are a few weeks ahead of normal. The hay crop looks good and harvesting is really expected to begin in earnest in about two weeks. Plants are concerned about capacity to handle all the milk this spring. Most contacts feel that they will be able to handle things this year, but next year is a real concern.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 05/07/98 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 lower, but the mostly is steady. Buyer interest is limited. Sales for low heat powder are occurring sporadically. Several producers reported that plants are running at full capacity with the heavy manufacturing milk volumes available. U.S. production of human food NDM during March totaled 105.1 million pounds, down 7.9% from last year but up 8.3% from February. (Combined MN and WI production during March totaled 1,831,000 pounds.) Manufacturers' stocks at the end of March totaled 95.3 million pounds, 18.6% higher than last year but 9.5% less than last month.

NOTICE: Due to changes in market structure and the declining number of spot trades, Dairy Market News will discontinue reporting high heat NDM in the Central NDM price range after the week ending May 22.

Includes EXTRA GRADE and GRADE A, all heat treatments
NONFAT DRY MILK: 1.0200 - 1.0525 MOSTLY: 1.0275 - 1.0375

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal. Spot sales are limited. Many producers are filling contracted accounts with ice cream manufacturers as peak ice cream season approaches. Production levels are higher with increased churning activity. During March, dry buttermilk production totaled 4.9 million pounds, up 11.5% from last year but 2.7% less than February. End-of-month stocks totaled 4.5 million pounds, up 46.1% from a year earlier and 14.9% higher than last month.

BUTTERMILK: .9325 - .9675

DRY WHEY - CENTRAL

Prices and the market tone are unchanged. Demand remains limited and is steady, at best. Western buyers continue to purchase Central powder with the current price advantage it offers over Western prices. Some major Midwest producers have tighter stocks and are now sold out. Therefore, manufacturer offerings are often limited and the majority of sales are occurring in the resale market. Many contacts commented that large volumes of condensed whey are circulating the marketplace. Producer stocks' are balanced to tighter depending on the source. U.S. production of human food whey during March totaled 91.3 million pounds, 0.2% less than last year but and 3.3% higher than last month. End-of-March stocks, at 32.1 million pounds, are 0.2% lower than last year and down 6.6% from February. Production in March with changes from 1997 are: Wisconsin, 23.7 million pounds, down 11.1% and Minnesota, 9.4 million pounds, down 1.6%.

NONHYGROSCOPIC: .2150 - .2400 MOSTLY: .2200 - .2250

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged and nominal on all animal feed products. The market tone is quiet. Demand is light and sales on milk replacer and standard are seasonally slow. Many veal feeders are hesitant to build stocks with the expensive replacement calf prices. The majority of customers are in relatively balanced inventory positions. Small animal feed manufacturers report stronger sales and are increasing contract volumes. Roller ground accounts are taking volumes on a timely basis. Delactose production and sales are higher. Stocks are adequate for current needs. March U.S. animal feed, dry whey production totaled 6.0 million pounds, 16.2% higher than last year and 15.2% more than February. Month-ending stocks were 3.0 million pounds, 29.3% less than last year and 0.9% lower than last month. Animal feed, reduced lactose and minerals whey production during March totaled 2.7 million pounds, 6.5% more than last year and 4.6% higher than February; while all stocks (animal and human), at 7.4 million pounds, were 42.4% less than last year.

MILK REPLACER: .1850 - .2100
STANDARD: .1700 - .2000
ROLLER GROUND: .2400 - .2450
DELACTOSE (Min. 20% protein): .3400 - .3675

LACTOSE - CENTRAL AND WEST

Prices are steady and the market tone is quiet. Domestic and export demand are softening. A few producers normally committed to contracts are now offering surpluses onto the market, but are having trouble finding buyers. Sources report Japan and Asia are considering cutting back contract volumes as the recession continues and current inventories are adequate for needs. Domestic stocks are moderate to higher and production levels are strong. U.S. lactose production during March totaled 38.5 million pounds, up 9.3% from last year and 15.4% more than February. End-of-March stocks, at 24.2 million pounds, are 23.8% higher than last year and 17.9% above last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
EDIBLE: .1800 - .2600 MOSTLY: .2100 - .2200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged and the market undertone remains weak. Contract accounts are continuing to move on a timely basis, but interest in the spot market is limited. Few changes were reported in edible prices, however, increasing amounts and discounts of offgrade product continue to spread. U.S. production of human food WPC during March totaled 18.0 million pounds, a 9.7% decrease from last year but a 7.2% increase from the previous month. Manufacturers' stocks at the end of March totaled 11.0 million pounds, 25.8% higher than last year and 6.4% above last month.

EXTRA GRADE 34% PROTEIN: .5700 - .6200 MOSTLY: .6000 - .6050

NONFAT DRY MILK - WEST

Prices are steady to lower and the market tone remains weak. Unconfirmed prices around the \$1.00 mark are being reported. Pricing levels in other regions are limiting sales from the West to those areas. In addition, condensed skim sales are higher due to lower priced condensed skim in California. Demand continues to be limited to fill-in needs and producers' offerings continue to the CCC. Production levels are often mixed. Milk volumes are increasing and surplus milk is moving among plants in the region, but are offset by sales of condensed. Stocks remain in excess of current needs. During the week of April 27 - May 1, Western and Central producers offered 4,407,870 pounds of NDM to the CCC under the support program. U.S. NDM production in March totaled 105.1 million pounds, down 7.9% from last year. Stocks at the end of the month were reported at 95.3 million pounds, up 18.6% from last year. March production in California totaled 42.1 million pounds, down 11.2% from last year, and Washington output totaled 12.5 million pounds, down 18.5% from a year ago.

Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0100 - 1.0400 MOSTLY: 1.0200 - 1.0300
HIGH HEAT: 1.0450 - 1.0550

DRY BUTTERMILK - WEST

Buttermilk prices are unchanged and the market tone remains steady. Buying interest is seldom better than light and buyers are purchasing little beyond immediate needs. Currently, sales to ice cream producers remain light. Stocks are limited to moderate. Condensed buttermilk markets are steady and demand is fair to good. U.S. buttermilk powder production in March totaled 4.9 million pounds, up 11.5% from last year. Stocks at the end of the month were reported at 4.5 million pounds, up 46.1% from a year earlier.

BUTTERMILK: .9000 - .9400 MOSTLY: .9100 - .9300

DRY WHEY - WEST

Some price declines are noted within the price range, but the mostly held steady. The market undertone ranges from steady to slightly weaker. Some contacts are noting that stocks are building at a few locations as some buyers look to the Midwest for competitive prices. Other producers are in better shape and are basically cleaned out for May. Production is increasing seasonally in the Western region overall. March edible whey production in California was down 15.4% from last year, Utah was down 26.5%, while Washington was up 72.1%.

NONHYGROSCOPIC: .2200 - .2400 MOSTLY: .2250 - .2325

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended May 1, on powder sales of 10,025,114 pounds f.o.b. California manufacturing plants was \$1.0364 per pound. This compares to 7,561,315 pounds at \$1.0382 for the previous week ending April 24, 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 unchanged to lower within the ranges and the market tone remains weak. Reports of low priced "aged" or imported powder continue to surface and they are a concern to many suppliers. Demand for NDM is dull and unaggressive. Even low priced, block sales are garnering little interest. With the April Class III-A milk price well above the Class III price, producers are caught between the burdensome milk volume rock and the growing inventory/little demand wall. There has been an occasional mention of CCC in discussions this week. Drying schedules are very heavy as surplus milk volumes remain unseasonably heavy for late April - early May. Production of human food, nonfat dry milk during March 1998 totaled 105.1 million pounds, down 7.9% from March 1997 but 8.3% more than February 1998. Month ending stocks, at 95.3 million pounds, are 18.6% above a year ago but 9.5% less than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments
 F.O.B. NORTHEAST: 1.0200 - 1.1000 MOSTLY 1.0300 - 1.0500
 DELVD SOUTHEAST: 1.0550 - 1.0825

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. However, production levels have been curtailed by the jump in volumes of skim to be dried. More producers can't take the time to dry buttermilk and they are shipping it to end users or to out of region processors. Demand is fair to good as this product is a relatively inexpensive source of fat. Plant stocks are well balanced with needs. Dry buttermilk production during March 1998 totaled 4.9 million pounds, up 11.5% from March 1997 but down 2.7% from February 1998. Month ending stocks, at 4.5 million pounds, are 46.1% more than a year ago and 14.9% more than last month.

F.O.B. NORTHEAST: .9400 - .9600
 DELVD SOUTHEAST: .9400 - 1.0025

DRY WHOLE MILK - NATIONAL

Prices are steady to lower. Following the 80-cent decline in April's BFP, some producers lowered their asking prices for dry whole milk. Others, however, are maintaining current pricing. Production is occasionally heavier. Even though plants have burdensome volumes of milk to process, some producers have to fill contracts and are having to make dry whole milk. Spot demand is light, but contract and DEIP shipments are about steady. Dry whole milk production during March 1998 totaled 11.8 million pounds, up 17.1% from March 1997 and 15.7% above February 1998. Month ending stocks, at 6.8 million pounds, are 31.3% above a year ago and 2.1% above last month.

F.O.B. PRODUCING PLANT: 1.2075 - 1.3800

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1997 THROUGH MAY 1, 1998
 WITH CHANGES FROM PREVIOUS REPORT

| | | |
|----------------------------|----|-----------------------------|
| NONFAT DRY MILK | -- | 92,216 MT (203,371,441 LBS) |
| WHOLE MILK POWDER | -- | 7,487 MT (16,505,840 LBS) |
| Program allocations filled | | |
| CHEESE | -- | 3,373 MT (7,436,116 LBS) |
| CHANGE | -- | 46 MT (101,412 LBS) |
| BUTTERFAT | -- | 15,648 MT (34,497,580 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 and the market tone are mostly steady. Contacts report that offerings are in a little better balance this week. Despite the heavy volumes of milk, some producers report that whey output is little changed and offerings are in better balance. Suppliers are now offering fewer or no discounts nor are many asking for or getting premiums. Demand is mostly steady. Production of human food, dry whey during March 1998 totaled 91.3 million pounds, 0.2% less than March 1997 but 3.3% more than February 1998. Month ending stocks, at 32.1 million pounds, are 0.2% below a year ago and 6.6% below a month ago.

F.O.B. NORTHEAST: EXTRA GRADE .2175 - .2275
 USPH GRADE A .2325 - .2450
 DELVD SOUTHEAST: .2400 - .2600

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. The market tone has shown a few scattered signs of improvement. Offerings of dry whey are reported to be in better balance this week, but demand is still seldom better than slow. Production of animal feed, dry whey during March totaled 6.0 million pounds, 16.2% more than last March and 15.2% more than February 1998.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are up as surplus milk availability is at or near peak volumes. Demand for evaporated milk is slow to fair and mostly for replacement volumes. Canned evaporated milk production during March 1998 totaled 36.2 million pounds, 32.9% less than March 1997 but 23.1% more than February 1998. Month ending stocks, at 39.6 million pounds, are 58.9% more than a year ago and 8.8% above last month.

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

Casein markets remain weak with prices unchanged to lower. Buyer interest is seasonally steady. Stocks of both acid and rennet are readily available to the point that some suppliers are more aggressive in trying to move product. In most instances, buyers are comfortable with current market conditions and procuring for near term needs only. Most of the domestic casein users foresee favorable prices and sufficient stocks during the upcoming months.

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

RENNET: 2.0800 - 2.1600
 ACID: 2.0000 - 2.1000

APRIL AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 1998 was unchanged at 116. Compared with April 1997, the index was down 1 point (0.9 percent). The index of prices received by farmers for dairy products declined 2 points during the month of April 1998 to 108. Compared with April 1997, the index was up 7 points (6.9 percent).

On a 3.5 percent butterfat basis, prices received by farmers in April with changes from March were: for All Milk, \$13.86 per hundredweight (cwt.), down 24 cents; for Fluid Grade Milk, \$13.96 per cwt., down 24 cents; and for Manufacturing Grade Milk, \$12.02 per cwt., down 46 cents.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., APRIL 1998 WITH COMPARISONS

| STATE | All-milk price <u>1/</u> <u>3/</u> | | | | Milk cows <u>5/</u> | | Cows <u>6/</u> | | All hay baled <u>7/</u> | |
|-------|------------------------------------|----------------|------------------|----------------|---------------------|-------|------------------|----------------|-------------------------|--------|
| | Dollars per cwt. | | Dollars per cwt. | | Dollars per head | | Dollars per cwt. | | Dollars per ton | |
| | MARCH | | APRIL | | APRIL | | APRIL | | APRIL | |
| | 1998 | 1997 <u>2/</u> | 1998 <u>4/</u> | 1997 <u>2/</u> | 1998 | 1997 | 1998 <u>7/</u> | 1997 <u>8/</u> | 1998 | 1997 |
| CA | 13.18 | 12.17 | 13.04 | 12.39 | 1,260 | 1,250 | 35.00 | 35.00 | 115.00 | 134.00 |
| ID | 12.91 | 12.49 | 12.67 | 12.02 | 1,170 | 1,140 | 32.50 | 37.50 | 89.00 | 113.00 |
| MI | 14.53 | 13.48 | 14.40 | 13.45 | 1,110 | 1,100 | 37.50 | 38.20 | 99.00 | 117.00 |
| MN | 13.91 | 13.08 | 13.09 | 12.39 | 1,050 | 1,010 | 36.50 | 38.00 | 79.00 | 101.00 |
| NY | 14.19 | 13.37 | 14.00 | 13.12 | 1,000 | 1,000 | --- | --- | 109.00 | 91.00 |
| OH | 14.54 | 13.44 | 14.37 | 13.51 | 1,000 | 1,070 | 35.00 | 35.60 | 120.00 | 162.00 |
| PA | 15.12 | 14.09 | 15.06 | 14.06 | 1,080 | 1,120 | 36.40 | 36.10 | 148.00 | 123.00 |
| TX | 14.51 | 13.72 | 14.47 | 13.58 | 1,110 | 1,140 | 35.30 | 38.30 | 64.00 | 77.00 |
| WA | 14.30 | 13.39 | 14.24 | 13.07 | 1,170 | 1,220 | --- | --- | 113.00 | 119.00 |
| WI | 13.92 | 13.42 | 13.00 | 12.52 | 1,060 | 1,090 | 37.40 | 40.20 | 104.00 | 106.00 |
| U.S. | 14.10 | 13.28 | 13.86 | 13.26 | 1,110 | 1,110 | 36.50 | 38.20 | 101.00 | 117.00 |

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., APRIL 1998 WITH COMPARISONS 1/

| ITEM | APRIL 1997 | MARCH 1997 <u>2/</u> | APRIL 1998 <u>3/</u> |
|---|---------------------|----------------------|----------------------|
| PRICES (converted to 3.5 percent butterfat) received by farmers for: | | | |
| All milk | Dol. per cwt. 13.05 | 14.10 | 13.86 |
| Fluid grade milk | Dol. per cwt. 13.06 | 14.20 | 13.96 |
| Manufacturing grade milk | Dol. per cwt. 11.33 | 12.48 | 12.02 |
| INDEX NUMBERS for: | | | |
| Prices received by farmers for dairy products (1990-92 = 100) | Index 101 | 110 | 108 |
| Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100) | Index 117 | 116 | 116 |
| PARITY PRICE for all milk | Dol. per cwt. 29.70 | 28.90 | 29.30 |
| PARITY EQUIVALENT price for manufacturing grade milk | Dol. per cwt. 26.97 | 26.27 | 26.63 |
| MILK FEED PRICE RATIO: Pounds of concentrate ration fed to milk cows equal in value to one pound of milk <u>4/</u> | 1.52 | 1.70 | 1.69 |

1/ Parity prices are based on data for the current month. Parity price equivalent during 1998 is 90.9% of the parity price of all milk sold to plants, compared with 90.8 percent in 1997. 2/ Partially revised. 3/ Preliminary. 4/ Computed by Dairy Division, AMS, USDA; based on concentrate ration value as reported quarterly in "Milk Production", NASS, USDA.

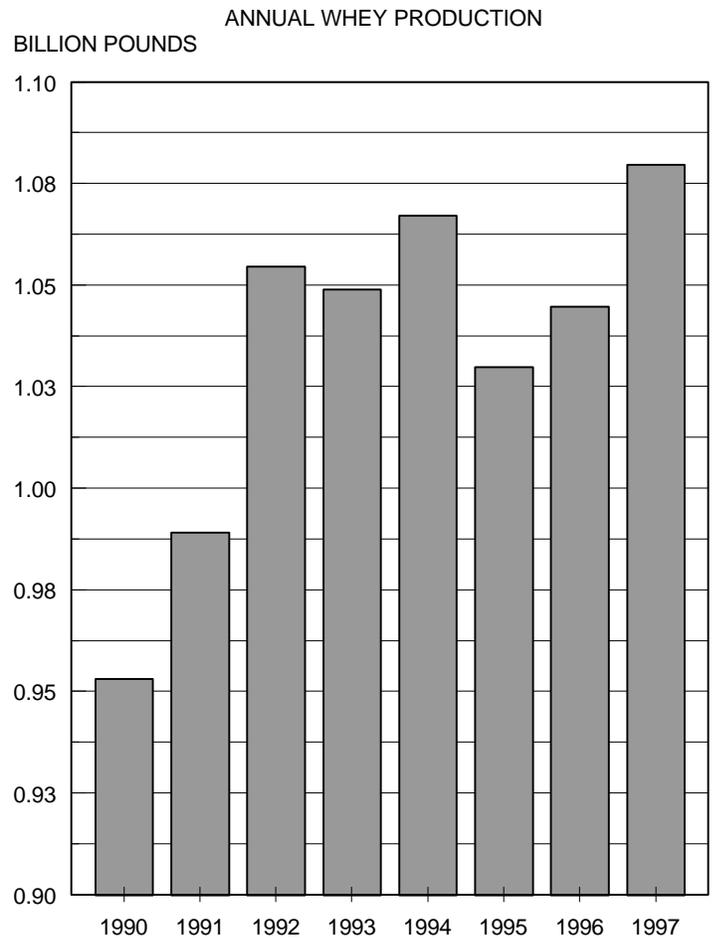
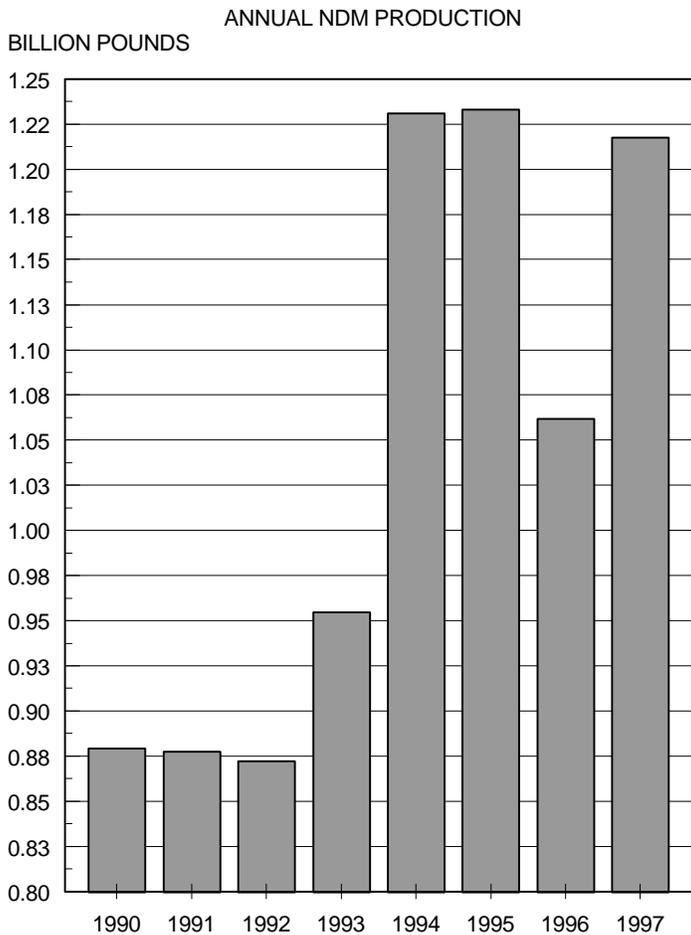
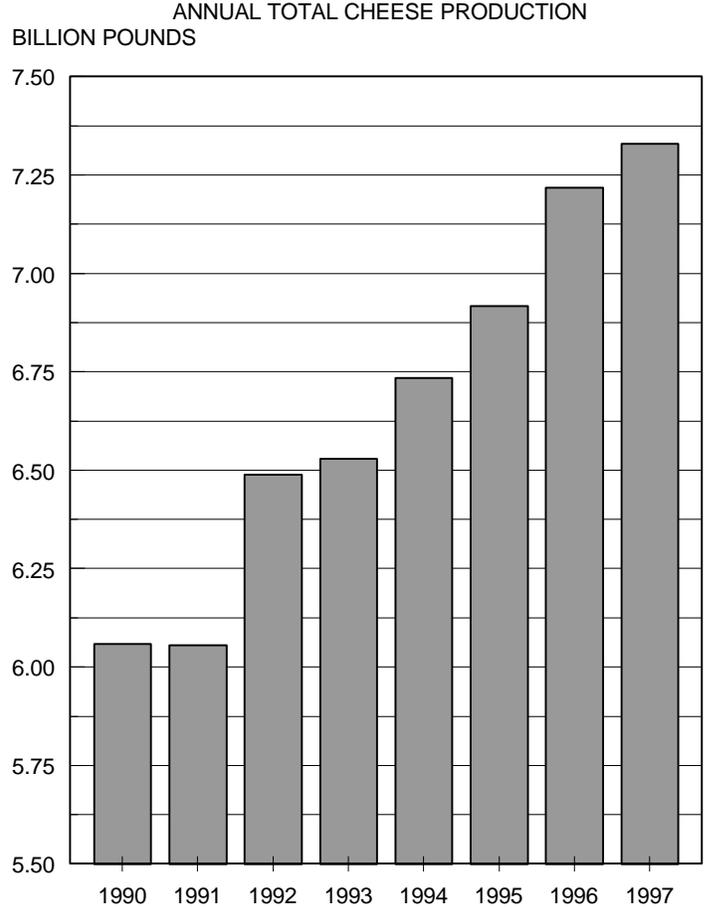
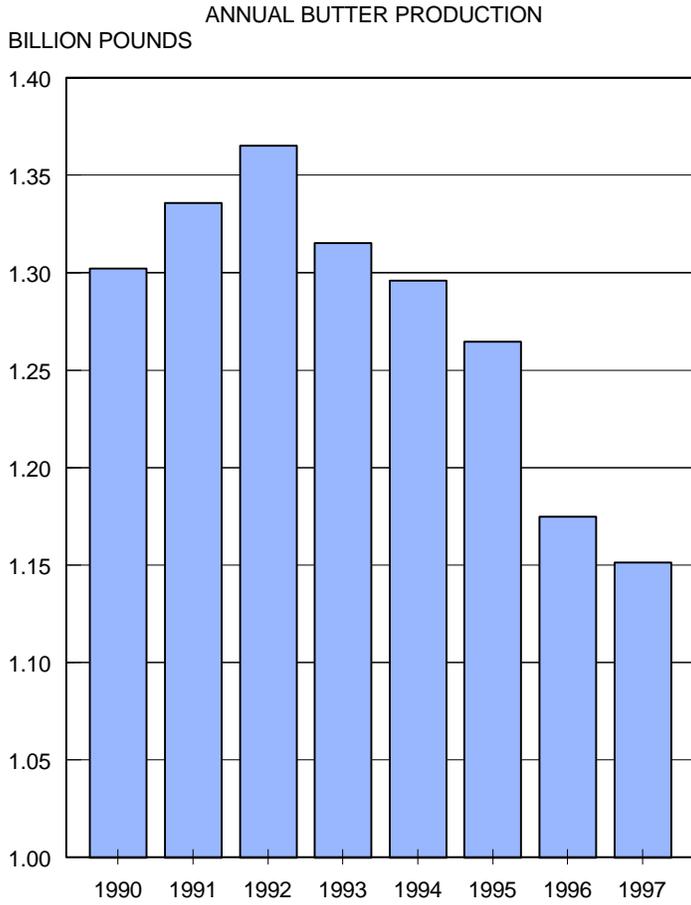
SOURCE: "Agricultural Prices," Pr 1 (4/98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

APRIL 1998 DEIP BID ACCEPTANCE

| ACCEPTANCE DATE | DESTINATION | QUANTITY (MT) | DEL. PERIOD | BONUS/MT |
|---|-------------------------|---------------|-------------|-----------------|
| NONFAT DRY MILK | | | | |
| JULY 1997 - MARCH 1998 | | 89,326 | | |
| 04/01 | CARIBBEAN, CENT & S. AM | 424 | APR-OCT | \$922.48 |
| 04/03 | CARIBBEAN, CENT & S. AM | 850 | APR-AUG | \$915.64 |
| 04/07 | CARIBBEAN, CENT & S. AM | 909 | APR-AUG | \$909 |
| 04/08 | CARIBBEAN, CENT & S. AM | 707 | APR-SEP | \$905.70 |
| APRIL 1 - 30, 1998 | | <u>2,890</u> | | |
| PROGRAM TO DATE | | 92,216 | | |
| WHOLE MILK POWDER | | | | |
| JULY 1997 - MARCH 1998 | | 7,487 | | |
| APRIL 1 - 30, 1998 | | <u>0</u> | | |
| PROGRAM TO DATE | | 7,487 | | |
| CHEESE | | | | |
| JULY 1997 - MARCH 1998 | | 3,062 | | |
| 04/09-P | ASIA & FSU | 23 | APR-JUN | \$790 |
| 04/03-CC | AFRICA & MIDDLE EAST | 8 | APR-JUN | \$925 |
| 04/07-M | AFRICA & MIDDLE EAST | 21 | MAY-JUN | \$1,035 |
| 04/09-P | AFRICA & MIDDLE EAST | 22 | APR-JUL | \$687 |
| 04/21-P | CARIBBEAN, CENT & S. AM | 51 | MAY-JUL | \$583 |
| 04/22-P | CARIBBEAN, CENT & S. AM | 112 | APR-JUL | \$583 |
| 04/23-M | AFRICA & MIDDLE EAST | 10 | APR-MAY | \$760 |
| 04/23-C | AFRICA & MIDDLE EAST | 18 | APR-MAY | \$300 |
| 04/30-P | CARIBBEAN, CENT & S. AM | 35 | APR-JUN | \$459.69 |
| APRIL 1 - 30, 1998 | | <u>300</u> | | |
| PROGRAM TO DATE | | 3,362 | | |
| C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE | | | | |
| BUTTEROIL/ANHYDROUS MILKFAT | | | | |
| JULY 1997 - MARCH 1998 | | 15,630* | | |
| 04/02-B | ASIA & FSU | 18 | APR-DEC | \$1,275 |
| APRIL 1-30, 1998 | | <u>18*</u> | | |
| PROGRAM TO DATE | | 15,648* | | |
| A-ANHYDROUS, O-BUTTEROIL, B-BUTTER | | | | |
| *TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS /BUTTEROIL TO BUTTER EQUIVALENT | | | | |
| | | | | PROGRAM-TO-DATE |
| TOTAL MT | | | | 118,713 |
| TOTAL BONUS VALUE | | | | \$106,752,000 |

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

SOURCE: FOREIGN AGRICULTURAL SERVICE



FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

BASIC FORMULA PRICE. The Basic Formula Price for April 1998 is \$12.01 per hundredweight at 3.5 percent butterfat. The March Basic Formula Price is the February base month Minnesota-Wisconsin (M-W) price of \$12.70 at 3.5 percent minus a change of \$0.69, which is the change in the butter/powder/cheese formula from March to April 1998. The April 1998 Basic Formula Price is \$0.80 less than last month and \$0.57 more than the April 1997 Basic Formula Price. This Basic Formula Price is the Class III price for April 1998 and is to be used in June 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 14.2 cents. **MILK COMPONENT CONTENTS.** For the March 1998 base month M-W price, the butterfat content was 3.85 percent, protein 3.18 percent, and solids-not-fat 8.60 percent. For the April 1998 Basic Formula Price, the butterfat content was 3.83 percent, protein 3.15 percent, and solids-not-fat 8.59 percent.

| FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/ | | | | | | | | | | | | | | |
|--|--------------|----------------------|-------|----------|-------|-----------|-------|-------------|-------|----------------------|-------|----------|---------|----------|
| FEDERAL MILK ORDER MARKETING AREAS 2/ | ORDER NUMBER | APRIL | | | | | | | | MAY | | JUNE | | |
| | | 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/ | 16.56 | 15.70 | 13.62 | 12.76 | 11.92 | 11.35 | 12.79 | 12.01 | 16.05 | 15.73 | 13.11 | 15.25 | 12.31 |
| New York/New Jersey (NY City) | 2 4/ | 16.46 | 15.60 | 13.70 | 12.84 | 12.00 | 11.43 | 12.87 | 12.09 | 15.95 | 15.63 | 13.19 | 15.15 | 12.39 |
| Middle Atlantic (Philadelphia/Baltimore/Washington, DC) | 4 5/ | 16.35 | 15.49 | 13.62 | 12.76 | 11.94 | 11.37 | 12.81 | 12.03 | 15.84 | 15.52 | 13.11 | 15.04 | 12.31 |
| Carolina (Charlotte) | 5 | 16.40 | 15.54 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 15.89 | 15.57 | 13.11 | 15.09 | 12.31 |
| Southeast (Atlanta/Birmingham) | 7 | 16.40 | 15.54 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 15.89 | 15.57 | 13.11 | 15.09 | 12.31 |
| Upper Florida (Jacksonville/Tallahassee) | 6 | 16.90 | 16.04 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 16.39 | 16.07 | 13.11 | 15.59 | 12.31 |
| Tampa Bay | 12 | 17.20 | 16.34 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 16.69 | 16.37 | 13.11 | 15.89 | 12.31 |
| Southeastern Florida (Miami) | 13 | 17.50 | 16.64 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 16.99 | 16.67 | 13.11 | 16.19 | 12.31 |
| Michigan Upper Peninsula (Marquette) | 44 | 14.67 | 13.81 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.16 | 13.84 | 13.11 | 13.36 | 12.31 |
| Southern Michigan (Detroit) | 40 6/ | 15.07 | 14.21 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.56 | 14.24 | 13.11 | 13.76 | 12.31 |
| E. Ohio/W. PA. (Cleveland/Pittsburgh) | 36 | 15.32 | 14.46 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.81 | 14.49 | 13.11 | 14.01 | 12.31 |
| Ohio Valley (Columbus) | 33 | 15.36 | 14.50 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.85 | 14.53 | 13.11 | 14.05 | 12.31 |

| FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/ | | | | | | | | | | | | | | |
|--|--------------|----------------------|-------|----------|-------|-----------|-------|-------------|-------|----------------------|-------|----------|---------|----------|
| FEDERAL MILK ORDER MARKETING AREAS 2/ | ORDER NUMBER | APRIL | | | | | | | | MAY | | | JUNE | |
| | | 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 | 15.22 | 14.36 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.71 | 14.39 | 13.11 | 13.91 | 12.31 |
| Chicago Regional | 30 | 14.72 | 13.86 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.21 | 13.89 | 13.11 | 13.41 | 12.31 |
| Central Illinois (Peoria) | 50 | 14.93 | 14.07 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.42 | 14.10 | 13.11 | 13.62 | 12.31 |
| S. Illinois/E. Missouri (Alton) | 32 | 15.24 | 14.38 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.73 | 14.41 | 13.11 | 13.93 | 12.31 |
| Louisville/Lexington/Evansville | 46 | 15.43 | 14.57 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.92 | 14.60 | 13.11 | 14.12 | 12.31 |
| Upper Midwest (Minneapolis) | 68 | 14.52 | 13.66 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.01 | 13.69 | 13.11 | 13.21 | 12.31 |
| E. South Dakota (Sioux Falls) | 76 | 14.82 | 13.96 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.31 | 13.99 | 13.11 | 13.51 | 12.31 |
| Iowa (Des Moines) | 79 | 14.87 | 14.01 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.36 | 14.04 | 13.11 | 13.56 | 12.31 |
| Nebraska/W. IA. (Omaha/Sioux City) | 65 | 15.07 | 14.21 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 14.56 | 14.24 | 13.11 | 13.76 | 12.31 |
| Greater Kansas City | 64 | 15.24 | 14.38 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.73 | 14.41 | 13.11 | 13.93 | 12.31 |
| Southwest Plains (Oklahoma City) | 106 | 16.09 | 15.23 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 15.58 | 15.26 | 13.11 | 14.78 | 12.31 |
| Texas (Dallas) | 126 | 16.48 | 15.62 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 15.97 | 15.65 | 13.11 | 15.17 | 12.31 |
| Eastern Colorado (Denver) | 137 | 16.05 | 15.19 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 15.54 | 15.22 | 13.11 | 14.74 | 12.31 |
| Western Colorado (Grand Junction) | 134 | 15.32 | 14.46 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.81 | 14.49 | 13.11 | 14.01 | 12.31 |
| SW Idaho/Eastern Oregon (Boise) | 135 | 14.82 | 13.96 | 13.62 | 12.76 | 12.01 | 11.44 | 12.79 | 12.01 | 14.31 | 13.99 | 13.11 | 13.51 | 12.31 |
| Great Basin (Salt Lake City) | 139 | 15.22 | 14.36 | 13.62 | 12.76 | 12.01 | 11.44 | --- | --- | 14.71 | 14.39 | 13.11 | 13.91 | 12.31 |
| Central Arizona (Phoenix) | 131 | 15.84 | 14.98 | 13.62 | 12.76 | 12.01 | 11.44 | 12.79 | 12.01 | 15.33 | 15.01 | 13.11 | 14.53 | 12.31 |
| New Mexico/West Texas (Albuquerque) | 138 | 15.67 | 14.81 | 13.62 | 12.76 | 12.01 | 11.44 | 12.88 | 12.10 | 15.16 | 14.84 | 13.11 | 14.36 | 12.31 |
| Pacific Northwest (Seattle/Portland) | 124 | 15.22 | 14.36 | 13.62 | 12.76 | 12.01 | 11.44 | 12.79 | 12.01 | 14.71 | 14.39 | 13.11 | 13.91 | 12.31 |
| SIMPLE AVERAGE | --- | 15.64 | 14.78 | 13.62 | 12.76 | 12.00 | 11.43 | 12.86 | 12.08 | 15.13 | 14.81 | 13.11 | 14.33 | 12.31 |

* 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 June 1998 is \$15.25 per 100 pounds or \$1.31 per gallon (\$15.25 divided by 11.63 equals \$1.3113).

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.

