

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS: Grade AA butter, in weekly trading, decreased 38 cents to \$1.7500.

In daily cash cheese trading on Friday, November 13, barrels closed at \$1.8300 and blocks closed at \$1.8600. The weekly average is \$1.8280 for barrels and \$1.8595 for blocks.

In daily cash nonfat dry milk trading, the close on Friday, November 13, is \$1.1550 for Extra Grade and \$1.1650 for Grade A. The weekly average is \$1.1570 for Extra Grade and \$1.1650 for Grade A.

BUTTER: Butter markets remain unsettled and weak. Buyers continue to exercise caution when it comes to placing orders. In most instances, orders are being placed for short term needs due to anticipated lower prices, but on the other hand, orders are fairly strong as retail stores stock shelves for upcoming Thanksgiving needs. Food service orders are also good. Churning schedules are being geared to anticipated short term needs. Cream supplies are readily available to butter operations, but due to a weak market tone, producers do not want to build inventories.

CHEESE: The cheddar cheese market continues to firm as cash prices at the CME closed the week at new record highs for the tenth consecutive week. Current demand remains good. Most plants are still committed and they are trying to catch up with existing orders. Cheese production levels range from steady to slightly higher now that more milk is available in some areas of the country.

FLUID MILK: Milk production is trending seasonally higher in many areas of the country. Milk output continues to rise in much of the Southeast, but lingering rainfall did affect localized areas. Florida is still importing milk to fill local shortages, but volumes are declining. Upper Midwest, Middle Atlantic and Northeastern states are having steady to slight increases in milk

volumes. Production is increasing in most Western states. Levels are moderating in California and other Southwestern states are seeing modest growth. Milk yields are improving in the Northwest and Mountain States. The fluid cream market is weaker. Multiples are being lowered to stimulate interest, but the weak butter market and expectations of lower butter prices have caused demand to remain slow.

DRY PRODUCTS: Dry product prices are mostly steady this week. Nonfat dry milk markets saw little improvement. The USDA announcement last week of a 66.1 million pound concession sale to Russia did not impact the market at all this week. Contacts currently expect no effect. Spot sales of NDM are limited as producers continue to fill contract orders. Shortages are often being filled by CCC sellback purchases. NDM production is trending higher in the West. Dry buttermilk prices are steady to lower. Demand is seasonally fair. Stocks are light to moderate and building as butter churning increases. Dry whey prices are steady in all regions. The market is currently balanced. Contract and export sales are helping producers hold inventories in check. WPC prices are steady to lower with a weaker undertone. Demand is lighter than desired and production is trending higher.

CCC: During the week of November 7 - 13, CCC reported no support price purchases. However, during the week of November 6 - 12, CCC sellbacks totaled 2,400,652 pounds of NDM. Cumulative sellback since October 1, 1998 totals 10,363,472 pounds.

SUPPLY AND USE PROJECTIONS FOR MILK (USDA, WAOB): Milk price forecasts for 1998/99 are increased, reflecting strong product markets. Supply and use estimates are changed only slightly from last month.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-42,000 lbs.

PRODUCT	MONDAY NOV 9	TUESDAY NOV 10	WEDNESDAY NOV 11	THURSDAY NOV 12	FRIDAY NOV 13	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.8250 (N.C.)	\$1.8250 (N.C.)	\$1.8300 (+.0050)	\$1.8300 (N.C.)	\$1.8300 (N.C.)	+.0050	\$1.8280 (+.0050)
40# BLOCKS	\$1.8575 (+.0025)	\$1.8600 (+.0025)	\$1.8600 (N.C.)	\$1.8600 (N.C.)	\$1.8600 (N.C.)	+.0050	\$1.8595 (+.0085)
NONFAT DRY MILK EXTRA GRADE	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1550 (-.0050)	\$1.1550 (N.C.)	\$1.1550 (N.C.)	-.0050	\$1.1570 (-.0030)
GRADE A	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	N.C.	\$1.1650 (N.C.)
BUTTER GRADE AA	----	----	----	----	\$1.7500 (-.3800)	----	----

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

Trading Activity - November 9 - 13, 1998

MONDAY, NOVEMBER 9, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.8575, 1 @ \$1.8550; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR EXTRA GRADE @ \$1.0800; 1 CAR GRADE A @ \$1.1000; OFFERS UNCOVERED: NONE

TUESDAY, NOVEMBER 10, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.8250; 1 CAR 40# BLOCKS @ \$1.8600; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8650

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, NOVEMBER 11, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.8300, 1 @ \$1.8275; 1 CAR 40# BLOCKS @ \$1.8600; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR EXTRA GRADE @ \$1.1550

THURSDAY, NOVEMBER 12, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.8600; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 13, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.8300, 1 CAR 40# BLOCKS @ \$1.8600; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.9000

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 36 CARS: 4 @ \$1.9450, 5 @ \$1.7500, 1 @ \$1.5900, 4 @ \$1.5850, 2 @ \$1.5875, 2 @ \$1.5900, 1 @ \$1.5925, 1 @ \$1.5950, 2 @ \$1.5975, 1 @ \$1.5950, 1 @ \$1.6100, 1 @ \$1.6000, 1 @ \$1.6025, 1 @ \$1.6000, 2 @ \$1.5975, 1 @ \$1.6100, 1 @ \$1.6200, 1 @ \$1.6500, 2 @ \$1.7300, 1 @ \$1.7400, 1 @ \$1.7500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS: 6 @ \$1.7500, 1 @ \$1.8000

BUTTER MARKETS

NORTHEAST

Premium structures are unchanged, but the butter price at the CME dropped for the seventh consecutive week. Contacts expect continued price declines and producers, users, and retailers are doing their best to keep inventory levels to a minimum. Producers are resisting cream purchases and, often, paying very low multiples and basing those multiples on upcoming markets. (In a falling market, basing sales on an upcoming market usually insures lower prices for cream.) Butter stocks are not nearly as tight as they have been and contacts report that anyone who had an inventory is either using it up before buying again or trying to move it before prices drop any further. Even with Thanksgiving fast approaching, retail demand is still quite slow. Some reports note that retail prices have not changed significantly from their high point a month or two ago. Food service demand is about steady.

CENTRAL

Butter markets remain unsettled and weak. Many buyers are holding off placing too large of orders as most feel prices will continue to weaken. Producers and handlers report that stocks are, in most instances, available and they do not have to look too far if additional stocks are needed. In most instances, buyers continue to place orders for very near term needs. Cream volumes are readily available to local churns, although butter producers are cautious to take on additional cream beyond short term needs. Retail orders are reported to be fairly good as grocery stores prepare for the upcoming Thanksgiving holiday and scattered feature activity. Food service orders are also fairly good as restaurants prepared for the upcoming year-end holidays.

WEST

Butter price differentials are holding about steady in very light bulk trading. Bulk users are working their inventories all the way down before looking at any additional purchases. Butter is available for the Thanksgiving holiday. Store orders are moderate. Cream offerings are extremely heavy. Churns want some help in price protection before they are willing to work out a pricing deal. Churning is relatively heavy in the region with very little cream able to leave the region. Domestic producers and buyers are not seeing much distress from importers concerning their onshore stocks. Some believe they will roll them into the new year and new allocations.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

FIGURES REPRESENT THE RANGE IN PREMIUMS OR DISCOUNTS (CENTS/POUND) FROM THE CME GRADE AA CASH BUTTER CLOSE NOVEMBER 6, 1998 CLOSE = \$2.1300

STYLE	NORTHEAST	CENTRAL	WEST
BULK	+3 TO +5	flat TO +3	-5 TO -2

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
NOVEMBER 7	1.8195 5,178,171	1.7880 7,852,613	1.0670 10,629,051	2.2234 2,378,616	0.2418 7,036,728

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

CHEESE MARKETS

NORTHEAST

Prices are again higher on all types. The market tone is firm, but there is more evidence of caution. Production levels are increasing slightly as more surplus milk is available for processing. Cheese stocks are generally well balanced with current needs. Demand is mostly for replacement needs. With cheese prices at record high levels, contacts at all levels of the market are keeping their inventories as low as possible. However, as the holidays approach, retailers and other end users have to maintain sufficient stock levels. Retail and food service orders have been quite good. Mozzarella sales have been generally good all fall.

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

Cheddar 10# Prints	:	1.8525-2.3375
Cheddar Single Daisies	:	1.8225-2.3375
Cheddar 40# Block	:	1.9900-2.1375
Process 5# Loaf	:	2.0100-2.1625
Process 5# Sliced	:	2.0375-2.2225
Muenster	:	2.0300-2.3450
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

Prices are fractionally higher and the market tone remains firm but cautious. At many plants, output ranges from steady to slightly higher. Lead times on orders have diminished at some plants and availability of product, at least temporarily, is not nearly as short or tight as recent weeks. Some of this increased output and cheese availability change can be attributed to the slowdown in milk shipments into the Southeast and/or slower Class I sales. With cash cheese prices at new record levels at the Chicago Mercantile Exchange, buyers and producers are reluctant to maintain any more than the smallest inventory. Mozzarella offerings, from some producers, have gone from back-ordered to just about caught up.

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

Process American 5# Loaf	:	1.9925-2.1500
Brick And/Or Muenster 5#	:	2.1200-2.3250
Cheddar 40# Block	:	1.9150-2.1400
Monterey Jack 10#	:	1.9150-2.3100
Blue 5#	:	2.4600-2.6800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9150-2.2000
Grade A Swiss Cuts 6 - 9#	:	2.4500-2.5500

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	NOVEMBER 9 - 13, 1998
BARRELS*	:	\$1.8225 - 1.8425
	:	(.0075) (.0075)
40# BLOCKS	:	\$1.8700 - 1.8900
	:	(.0050) (.0050)

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

WEST

Western cheese markets range from steady to fractionally higher. Trading remains quite active. Buyers continue to struggle to find enough barrel cheese for process cheese production. They are short of needs and are looking at some downgraded product to fill in on some production runs. Current blocks are in good balance. Aged is not generally available. Mozzarella is short of needs. The East Coast is looking for additional loads and has not found any for 4-6 weeks. Swiss sales are moving very well seasonally. Production ranges from about steady to slightly heavier.

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

Process 5# Loaf	:	1.9700-2.2325
Cheddar 40# Block	:	1.9600-2.1125
Cheddar 10# Cuts	:	2.1600-2.3725
Monterey Jack 10#	:	2.1800-2.3350
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.5300

FOREIGN TYPE

Prices of domestically made types are higher while imported types are still reported as unchanged. The market tone is unchanged. However, as the holidays approach, distributors expect improved interest for traditional, seasonal table cheeses. Demand for imported processing solids/cheese remains quite good. Despite a recent increase in export refunds for EU cheese moving to Russia or other third world countries, cheese sales to Russia are little changed. It is noted that U.S. importers have surrendered nearly 20,000 mt of 1998 quota year licenses. Importers (license holders) surrender licenses that they cannot use to avoid a penalty (reduced license) for the following year. Nearly 90% of the surrendered licenses are available for reallocation.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
	:		
Roquefort	:	5.5000-6.8900	: -0-
Blue	:	2.6400-3.1400	: 2.1850-2.7950*
Gorgonzola	:	3.2400-5.9400	: 2.4900-2.8800*
Parmesan (Italy)	:	TFEWR	: 3.5950-3.6350*
Romano (Italy)	:	2.0900-2.9000	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.8575-2.3850*
Romano (Cows Milk)	:	-0-	: 3.3625-3.7000*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.1200	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500*
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.

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

	BUTTER	:	CHEESE
11/09/98	7,924	:	96,540
11/01/98	8,149	:	96,049
CHANGE	-225	:	491
% CHANGE	-3	:	1

FLUID MILK AND CREAM

EAST

Following the announcement of the October BFP, Eastern Milk Market Administrators announced changes to their class prices. The October BFP is \$16.04, up \$.94 from September. In all Eastern orders the December Class I & II prices will be \$.94 higher than November. The October Class III prices are \$.94 above September in all orders. The October Class III-A is \$18.19 in orders 1 & 2, \$18.21 in order 4, and \$18.13 in all other Eastern orders. The butterfat differential is \$0.273. Milk production continues to rise in much of the Southeast. This week's gains are reported as more moderate than past weeks because some areas were affected by the lingering effects (rain) of Mitch. In the Middle Atlantic and Northeast, the milk flow is steady. Bottled milk sales are steady to slightly improved in most areas of the region. Surplus milk volumes are still tight and manufacturing schedules are spotty. Some plants in the Northeast are running only a few days a week. Some cheese plants are working hard to stay full and taking extra milk or condensed skim that might have been processed at butter/powder plants. In the Southeast, manufacturing operations are still running on greatly reduced schedules, if they are running at all. Florida handlers have scheduled to import 66 loads of milk this week. This compares to 73 loads last week and 85 loads during the same week last year. Handlers in other Southeastern states imported about 40 loads this week. They also report steady to improved demand for milk. The condensed skim market remains quite firm. Demand is good and prices have moved higher as suppliers are basing prices on a higher Class II milk prices and lower fat values. The fluid cream market is very weak. Some suppliers report little or no interest in cream. Multiples have often dropped below 110 and are seldom over 128, f.o.b. Some Class III buyers are giving flat market and basing it on upcoming CME closes. Ice cream production is generally slower. Few producers are taking any extra loads this week. Cream cheese output is mostly steady as producers prepare for the upcoming holidays. Some producers are starting to put up some egg nog this week. Churning activity is heavier than most producers would care for at this time.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT			
F.O.B. Producing Plants: Northeast	-	2.3004	- 2.7264
Delivered Equivalent Atlanta	-	2.4708	- 2.9255 M 2.5134 - 2.5986
F.O.B. Producing Plants: Upper Midwest	-	2.3430	- 2.7264

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS			
F.O.B. Producing Plants: Northeast	-	.9500	- 1.1000

MIDWEST

WISCONSIN SPOT SHIPMENTS:	LOADS
NOVEMBER 06 - 12, 1998	14
PREVIOUS WEEK	17
COMPARABLE WEEK IN 1997	8
DESTINATIONS: KENTUCKY	14

Class I demand is moderate this week, but handlers are bracing themselves for projected heavy demand next week. Bottlers are preparing for the upcoming Thanksgiving holiday. Increased bottling is being scheduled for the next few weeks as shoppers will begin holiday shopping next weekend. Besides the milk shipments to Kentucky, Ohio continues to import about 9 loads on a weekly basis. Spot milk prices are generally holding steady with past weeks and are

running from \$3.00 to around \$3.75 plus freight. Cream prices are lower and volumes are reported to be readily available. Holiday cream-based product production is seasonally active, although additional volumes remain available to local butter operations. For those cream users that can hold off buying additional cream volumes, they are, for they anticipate lower prices in the near term. This past week, extremely high winds, often of hurricane proportion, covered much of the upper Midwest. The day long storm disrupted power sources and trucking logistics, but not significant damage or milk loss was reported. Milk production in the Central part of the country is following patterns of past weeks. The majority of the Midwest continues to enjoy favorable fall weather conditions outside of the far North where winter has arrived with measurable snowfall and low temperatures.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 05 -NOV 11	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 38.00	\$ 29.00- 35.00
REPLACEMENT HEIFER CALVES	\$170.00-220.00	\$110.00-140.00

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

	NOV 05 -NOV 11	PREVIOUS YEAR
SLAUGHTER COWS	\$ 26.00- 37.00	\$ 28.50- 35.75

WEST

California milk production continues to trend slightly higher but on a moderating growth rate. Weather patterns have been good for milk cow comfort. Feed supplies and prices are good, but cull cow prices remain low. This is allowing/forcing producers to hold onto marginal milk cows longer than normal. The availability of cream in the state is in excess of current demand. Pricing is stressing class prices for in state usage and multiples are 110 to 120, but are highly negotiable. Some cream sales are being priced off the upcoming butter market. Additional pressure on the cream market is caused by butter makers not wanting to churn any more butter than necessary. Production of cream cheese, sour cream, and other cream-based holiday items has increased this week. Other southwestern states are seeing modest milk production gains. Plant production schedules are increasing as fluid milk needs in other areas are not as great. Most plants and producers in the Pacific Northwest are commenting positively on the increasing solids and fat on farm milk production. Yields are picking up nicely. Overall milk production is more mixed, but generally on the upswing seasonally. The hay quality and price ratio remains a concern in the region. Less hay is leaving because of export demand, but interest for dairy quality hay from California is increasing rapidly. Heifer availability and prices are limiting the potential for more milk production this winter. Culling rates are greatly reduced because of high milk prices and low cull cattle prices. Feed lot conditions are on the muddy side, not unusual for this time of the fall. Most contacts are calling current weather patterns very normal for this time of year. Storms are coming through the northern Rockies every few days based on the current jet stream. Upper elevations are picking up good amounts of snow with some also down on the valley floors. Milk output is generally stagnant with many operations willing to take on additional supplies, but they are not able to find them. Yields are finally increasing much to the relief of plant managers in the region. Heavy volumes of hay continue to move around and out of the region.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 11/12/98 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

Prices are unchanged and the market tone is steady. Production levels are light to moderate. In some instances, milk is being directed to cheese plants instead of butter/powder plants. Cheese prices have been moving higher while butter is dropping and NDM is steady. Producers report having little to sell as internal use and/or meeting contracts is taking all their output. Demand is mixed, but generally fair. In the past few months, the high prices of NDM have had many Class III users switching to condensed skim because of differences in Class III and III-A milk prices.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .10900 - 1.1525 MOSTLY: 1.0900 - 1.1000

DRY BUTTERMILK - CENTRAL

Prices are mostly unchanged and the market tone is steady. Production levels are light to moderate. Churning activity is about steady to heavier as more cream is available to regional butter makers. Sales of condensed buttermilk are helping keep powder stocks from accumulating. Most producers have little on hand for spot sale. Contracts are clearing most of the powder. Spot interest is just fair.

CORRECTION: Last week's Central price should have been \$.9500 - 1.0700.

BUTTERMILK: .9500 - 1.0700

DRY WHEY - CENTRAL

Prices are unchanged and the market tone is about steady. Production is light to moderate, but more milk is available to regional cheese makers. Many are not taking additional milk unless prices are attractive enough. Producers' stocks remain in the range of well balanced to sold out. A couple weeks ago many producers cleared any extra stocks at discounted prices. With inventories now in better balance, human food whey prices are, for the most part, no longer being discounted. Market activity this week is slow to fair. Traders report it as being "sideways" and little changed.

NONHYGROSCOPIC: .2325 - .2550 MOSTLY: .2400 - .2500

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower. Demand from animal feed makers and users is down as the veal and hog market remain depressed. Some price discounting has been reported for standard and milk replacer whey, but interest is still slow. Stocks of dry whey are readily available for any spot needs. Sales of roller and delactose are basically steady and clearing output.

MILK REPLACER: .1900 - .2175
STANDARD: .1650 - .1900
ROLLER GROUND: .2525 - .2625
DELACTOSE (Min. 20% protein): .3275 - .3600

LACTOSE - CENTRAL AND WEST

Prices and the market tone are unchanged. Contacts report little change in market activity this week. Production levels are unchanged and supplies are readily available to meet the slow to fair spot, domestic demand. Export interest has settled into normal patterns.

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

EDIBLE: .1500 - .2350 MOSTLY: .1700 - .1800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are steady to lower within the ranges. The market tone is weaker as stocks are building and spot demand is seldom better than fair. Production levels are increasing slowly at more plants now that many have more milk to process. Producer offerings range from light to fully adequate for the current, slow demand.

EXTRA GRADE 34% PROTEIN: .5500 - .6225 MOSTLY: .6075 - .6125

NONFAT DRY MILK - WEST

Low/medium heat prices are unchanged and the market tone is unsettled. The USDA announced on November 6, a Food Aid Package for Russia, which includes a concessional sale under P.L. 480, Title I of 30,000 MT (66.1 million pounds) of NDM. The shipments could start as early as December, but details are currently limited. Plant offerings in the West are light and few have product for spot sales. Production is higher at some plants that need to catch up with contract orders. Sellbacks from the CCC continue. During the week of October 30 - November 5, 6.7 million pounds were sold to the trade from CCC stocks. More sales occurred this week. Plant stocks are mostly light. High heat prices are mostly steady to slightly higher and remain nominal in light trading. Buying interest is limited. Stocks are light to moderate for current needs.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0600 - 1.1600 MOSTLY: 1.1100 - 1.1300
HIGH HEAT: 1.1200 - 1.1750

DRY BUTTERMILK - WEST

Buttermilk prices are steady to lower within the range. The market tone is more unsettled. Demand is often limited, despite some expectations of seasonal increases in needs. Offerings are available from several producers in the region and some are lowering prices to stimulate more interest. Production is generally trending higher as butter churning increases. Stocks are light to moderate.

BUTTERMILK: .9800 - 1.0200 MOSTLY: .9800 - .9900

DRY WHEY - WEST

No price changes are noted again for Western whey powder. Domestic demand is steady. Export sales to the Far East, Mexico, Central and South America, range from fair to good. Sellers are pleased that activity is holding up this well. Edible offerings are lighter as more whey is downgraded. This occurrence is unusual for this time of the year. Discounts are very moderate and this powder seems to be moving fairly well. Overall stock levels seem to be comfortably balanced.

NONHYGROSCOPIC: .2300 - .2750 MOSTLY: .2400 - .2425

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended November 6, on powder sales of 7,580,482 pounds f.o.b. California manufacturing plants was \$1.0811 per pound. This compares to 9,400,150 pounds at \$1.0908 for the previous week ending October 30, 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 and the market tone are unchanged. Prices remain nominal. Production levels are up slightly in some plants as more milk is available. The continued good demand for condensed skim is helping keep drying schedules light. Powder stocks are very light and some producers are having to curtail condensed skim sales so that they can make some NDM to meet their commitments. Demand is little changed from the past few weeks. Traders are reporting a relatively quiet week.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.1000 - 1.1700
 HIGH HEAT: 1.1300 - 1.1900 MOSTLY: 1.1400 - 1.1500

DELVD SOUTHEAST:

ALL HEATS: 1.1300 - 1.1900

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are generally steady. Drying schedules are light. Although churning activity is increasing at several operations, buttermilk drying remains limited. The continued call for condensed is helping keep drying to a minimum. However, there have been some reports by contacts that indicate increased drying is expected. Producer stocks are well balanced with the slow to fair demand.

F.O.B. NORTHEAST: .9800 - 1.0000
 DELVD SOUTHEAST: 1.0200 - 1.0800

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Demand for dry whole milk is slow to fair for both domestic and export sales. No new DEIP bids have been accepted in the past several weeks. Domestic sales are light, but contacts do note that interest from small, mom & pop bakeries is improving. Production levels are light and geared to meeting commitments.

F.O.B. PRODUCING PLANT: 1.5750 - 1.7500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH NOVEMBER 6, 1998
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	35,345	MT (77,921,587 LBS)
CHANGE	--	878	MT (1,935,639 LBS)
WHOLE MILK POWDER	--	2,080	MT (4,585,568 LBS)
CHEESE	--	1,675	MT (3,692,705 LBS)
BUTTERFAT	--	0	MT
REALLOCATED NDM	--	16,357	MT (36,060,642 LBS)

Allocations for the DEIP year beginning July 1, 1998, are:
 Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;
 Cheese - 3,350 MT; Butterfat - 29,854 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are generally unchanged and the market tone is cautiously steady. Production levels are lighter than desired, but cheese output in the East is starting to show more signs of increasing. Producers' stocks of dry whey remain closely balanced to tight. Resellers have powder to offer, but they report little interest and a quiet week. Producers are clearing their output satisfactorily, but demand is still lackluster. There seems to be balanced stocks of Extra Grade and Grade A, but down graded or animal feed powder is in ample supply.

F.O.B. NORTHEAST:	EXTRA GRAD	.2375 - .2500
	USPH GRADE	.2400 - .2625
DELVD SOUTHEAST:		.2600 - .2750

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report. The market tone is weak. Dry whey stocks for animal feed are more than adequate for the sluggish demand. Deeper discounts by some suppliers are attracting little additional interest.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Some producers are reacting to the 94-cent jump in the October BFP price. Buyers' purchases range are taking normal volumes to improved. Seasonally, demand is best at this time of year as retailers feature evaporated milk and other baking ingredients. The Kansas City Commodity office announced the issuance of EVD-1, invitations 510 inviting competitive offers to sell to CCC 2,019,600 pounds of evaporated milk for shipment in January 1999.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$23.62 - 33.00
 Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein prices for both rennet and acid remain unchanged, although the market tone continues to be weak. Buyers report that contracted volumes and, if needed, spot supplies are readily available. The supply outlook for the first quarter of the new year is reported to be favorable and buyers do not anticipate any problems with shipments at that time. Prices are also forecast to remain favorable.

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

RENNET:	2.0000 - 2.1000
ACID:	1.9500 - 2.0500

COFFEE, SUGAR, & COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	10/28	10/29	10/30	11/02	11/03	11/04	11/05	11/06	11/09	11/10	CSCE -
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BFP -- Dollars per cwt.

OCT 98	15.98 (195) 4	15.95 (195) 0	15.95 (195) 0	16.00 (192) 1	16.03 (192) 0	16.02 (179) 0					
NOV 98	16.18 (173) 0	16.27 (172) 5	16.25 (175) 3	16.42 (174) 3	16.48 (175) 2	16.59 (175) 1	16.60 (169) 6	16.68 (169) 0	16.68 (169) 2	16.65 (171) 6	
DEC 98	14.68 (116) 0	14.80 (116) 6	14.83 (116) 3	14.88 (117) 3	14.86 (118) 1	15.10 (118) 1	15.50 (123) 5	15.73 (122) 0	15.85 (126) 9	16.25 (130) 13	
JAN 99	13.30 (53) 0	13.40 (53) 2	13.30 (54) 1	13.44 (55) 1	13.43 (55) 1	13.60 (56) 2	13.75 (58) 7	13.95 (60) 8	14.20 (65) 7	14.78 (73) 16	
FEB 99	12.59 (33) 0	12.61 (33) 1	12.55 (33) 0	12.58 (33) 1	12.53 (34) 1	12.58 (34) 0	12.65 (34) 2	12.65 (33) 0	13.00 (35) 5	13.43 (36) 3	
MAR 99	12.59 (12) 0	12.47 (12) 0	12.40 (13) 1	12.40 (13) 0	12.40 (13) 0	12.45 (13) 0	12.48 (13) 0	12.55 (13) 0	12.65 (13) 0	12.80 (15) 2	
APR 99	12.33 (57) 0	12.33 (57) 0	12.26 (58) 1	12.28 (58) 0	12.28 (58) 0	12.28 (58) 1	12.28 (58) 0	12.31 (58) 0	12.35 (58) 0	12.43 (59) 1	
MAY 99	12.10 (18) 0	12.06 (18) 0	12.05 (19) 1	12.05 (19) 0	12.03 (19) 0	12.00 (19) 0	12.00 (19) 0	12.07 (19) 0	12.10 (19) 0	12.08 (19) 0	

CME - BUTTER -- Cents per pound

FEB 99	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0	165.00 (5) 0
MAR 99	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0	165.00 (4) 0

CME - BFP -- Dollars per cwt.

OCT 98	15.98 (588) 13	15.96 (594) 13	15.95 (594) 6	16.01 (587) 16	16.01 (587) 4	16.02 (588) 12					
NOV 98	16.22 (543) 32	16.30 (562) 48	16.26 (567) 12	16.43 (564) 23	16.49 (581) 38	16.59 (590) 84	16.61 (565) 73	16.63 (554) 32	16.69(553) 6	16.70 (549) 8	
DEC 98	14.72 (474) 16	14.84 (485) 25	14.84 (485) 16	14.89 (491) 31	14.88 (500) 9	15.09 (522) 73	15.53 (522) 55	15.71 (525) 56	15.85 (555) 41	16.17 (539) 96	
JAN 99	13.26 (164) 3	13.37 (168) 15	13.35 (170) 7	13.47 (172) 14	13.43 (173) 6	13.55 (177) 18	13.76 (192) 35	13.90 (200) 30	14.25 (203) 37	14.80 (225) 62	
FEB 99	12.60 (159) 1	12.58 (162) 10	12.55 (165) 7	12.60 (167) 3	12.57 (167) 0	12.59 (173) 15	12.63 (177) 12	12.69 (189) 17	13.00 (189) 17	13.40 (194) 20	
MAR 99	12.56 (170) 3	12.45 (177) 13	12.43 (184) 11	12.44 (183) 1	12.43 (185) 2	12.50 (191) 6	12.47 (191) 0	12.54 (193) 5	12.60 (206) 20	12.81 (206) 6	
APR 99	12.28 (52) 6	12.27 (54) 3	12.25 (59) 13	12.26 (60) 2	12.26 (65) 15	12.27 (69) 5	12.27 (70) 2	12.30 (74) 4	12.31 (75) 1	12.41 (78) 3	
MAY 99	12.13 (78) 5	12.00 (78) 0	12.06 (78) 1	12.05 (78) 1	11.96 (79) 3	12.00 (85) 6	12.00 (88) 4	12.10 (88) 1	12.10 (88) 0	12.10 (88) 0	

CME - CHEDDAR CHEESE -- Cents per pound

OCT 98	177.75 (1) 0	177.75 (1) 0	179.10 (1) 0	179.10 (1) 0	179.125 (1) 0	179.125 (1) 0	179.50 (1) 0
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1/ At the CSCE Open interest for NDM -- 44,000 pounds per contract, Cheddar Cheese -- 10,500 pounds per contract, Fluid Milk -- 50,000 pounds per contract, BFP -- 100,000 pounds per contract. At the CME Open interest for Cheddar Cheese -- 40,000 pounds per contract and BFP -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 2 - 13, 1998

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: European milk production is nearing seasonal low levels. In many areas, summer grazing has ended and milking herds are being readied for winter housing and feeding. Recent heavy rainfall has also accelerated the removal of the cows from soft pastures. Late season milk volumes are being directed away from cheese production and toward butter/powder. Stock levels of manufactured dairy products range from in good balance to lighter than desired going into the winter months. World demand for dairy products generally remains slow and unaggressive, although there is some buyer interest starting to develop for current shipments and the 1st quarter of 1999. European traders feel that potential interest will probably not be filled from European sources due to prices in other markets more favorable to potential buyers. Some Russian buyer interest is starting. Food aid to Russia in the form of SMP is starting to occur with 30,000mt coming from the U.S. and possibly 50,000mt coming from European intervention stocks.

BUTTER/BUTTEROIL: European butter markets are unsettled and prices are steady to generally lower. Butter/powder production is predominantly absorbing end of the season milk volumes. Buying interest from Russia is slowly starting, especially from Eastern European sources. Traders are unsure as to what extent this buyer interest will develop. Outside of this, European traders do not anticipate much additional buyer activity to develop before the end of the year and into the new year.

82% BUTTERFAT: 1,730 - 1,950
99% BUTTERFAT: 2,350 - 2,600

SKIM MILK POWDER (SMP): Skim milk powder markets are generally weak as prices edge lower. European traders report that prices for skim milk powder are generally too high to be competitive with developing buyer interest. Although several months away, European producers and handlers are looking forward to the end of January when powder can once again be produced for intervention offering on March 1. At current price levels, traders do not foresee much trading activity occurring out of the region in the near term. Traders feel that sourcing countries such as Canada, the U.S. and New Zealand will have sufficient stocks to fill developing buyer needs for the balance of this quarter and early 1999.

1.25% BUTTERFAT: 1,200 - 1,430

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to weak with prices unchanged to lower. Stocks of whole milk powder are limited as most orders are filled with production once orders are placed. Traders report that European prices are higher than potential buyers are willing to pay, thus trading activity is slow. Traders are reporting that the spread in prices between European and other sources is narrower than in other dairy products at this time.

26% BUTTERFAT: 1,500 - 1,800

SWEET WHEY POWDER: Whey prices are mixed, slightly higher to slightly lower. The overall tone is steady. International buying interest remains slow and unaggressive with most market activity centering around domestic demand. Stocks of whey are reported to be in fair balance although cheese production is declining seasonally, thus limiting new whey stocks.

NONHYGROSCOPIC: 640 - 670

OVERVIEW EASTERN EUROPE: Milk production is nearing seasonal low levels. Favorable pasture conditions are nearing a seasonal end, thus cows are being prepared for the winter season. Some buyer interest is being filled from Russia which traders hope will continue into the winter months. Stock levels are in fairly good balance for both domestic and potential world buyer interest.

OCEANIA

OVERVIEW: The seasonal milk production cycle in the Oceania region varies from continued growth in Australia to lower in New Zealand. In Australia, favorable weather has enhanced a positive production start and continues so, as milk output nears a seasonal peak. Although conditions are good, milk handlers are concerned about later in the summer. At this point, sub-soil moisture levels are lower than desired and if sufficient moisture does not fall, milk output could decline quickly in the coming months. New Zealand's output is reported to be basically past the peak. Heavy rainfall is contributing to the decline in overall milk production. Yearly production projections for New Zealand are running from flat to slightly higher than last year. Sales activity out of the region remains slow. One viewpoint on current sales activity is that at least things have not gotten worse. Strong milk production in the Oceania region is causing manufacturing facilities to be running at or very near capacity levels. Stocks are reported to be in a comfortable position with producers not overly concerned at this time.

BUTTER: Butter prices are steady to lower. Production schedules are seasonally active as milk volumes remain heavy to local manufacturing facilities. Butter Stocks are reported to be fully sufficient for light buyer interest. Butter handlers are currently not overly concerned with building inventories in relationship to slow sales. Handlers do not anticipate improved international buyer interest before the first of the year.

82% BUTTERFAT: 1,700 - 1,750

CHEDDAR CHEESE: Cheese markets remain generally steady with prices unchanged to slightly lower. Japanese markets continue to absorb good volumes of cheese from the Oceania region. Stock levels are building seasonally, but not to the point that has cheese producers overly concerned. Production schedules are seasonally active as heavy milk volumes continue to clear to local manufacturing facilities.

39% MAXIMUM MOISTURE: 1,750 - 1,875

SKIM MILK POWDER (SMP): Skim milk powder prices are generally lower. Powder production in both Australia and New Zealand is seasonally active and is at or very near capacity in most facilities. Stock levels are reported to be building. Ongoing contracts and near term projected sales are clearing stocks to the point that producers are not overly concerned with building inventories. Some potential buyer interest is starting to develop for first quarter 1999.

1.25% BUTTERFAT: 1,275 - 1,300

WHOLE MILK POWDER (WMP): Whole milk powder prices in the Oceania region are steady to slightly lower. Lower prices for most manufactured dairy products are occurring in hopes of stimulating some buyer interest rather than meeting competition from other countries for potential sales. At this time, overall international sales are light and unaggressive. Continued financial unsettledness in Southeast Asia and now Russia, both typically strong markets, is the reason for slower sales activity out of the this part of the world.

26% BUTTERFAT: 1,600 - 1,650

Exchange rates for selected foreign currencies: November 09, 1998

.5256 Dutch Guilder	.5923 German Mark
.1767 French Franc	.5367 New Zealand Dollar
.1002 Mexican Peso	.6367 Australian Dollar
1.6633 British Pound	.0082 Japanese Yen
.2906 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1002) = 9.9800. That is 1 US Dollar equals 9.9800 Mexican Pesos.

Source: "Wall Street Journal"

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

BASIC FORMULA PRICE. The Basic Formula Price for October 1998 is \$16.04 per hundredweight at 3.5 percent butterfat. The October Basic Formula Price is the September base month Minnesota-Wisconsin (M-W) price of \$15.18 at 3.5 percent plus a change of \$0.86, which is the change in the butter/powder/cheese formula from September to October 1998. The October 1998 Basic Formula Price is \$0.94 more than last month and \$3.21 more than the October 1997 Basic Formula Price. This Basic Formula Price is the Class III price for October 1998 and is to be used in December 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 27.3 cents. **MILK COMPONENT CONTENTS.** For the September 1998 base month M-W price, the butterfat content was 3.68 percent, protein 3.20 percent, and solids-not-fat 8.58 percent. For the October 1998 Basic Formula Price, the butterfat content was 3.82 percent, protein 3.29 percent, and solids-not-fat 8.67 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/																
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	OCTOBER								NOVEMBER			DECEMBER			
		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/	18.23	15.31	15.29	12.37	16.10	12.89	18.19	13.56	18.34	16.03	15.40	19.28	16.34		
New York/New Jersey (NY City)	2 4/	18.13	15.21	15.37	12.45	16.18	12.97	18.27	13.64	18.24	15.93	15.48	19.18	16.42		
Middle Atlantic (Philadelphia/Baltimore/Washington, DC)	4 5/	18.02	15.10	15.29	12.37	16.12	12.91	18.21	13.58	18.13	15.82	15.40	19.07	16.34		
Carolina (Charlotte)	5	18.07	15.15	15.29	12.37	16.04	12.83	18.13	13.50	18.18	15.87	15.40	19.12	16.34		
Southeast (Atlanta/Birmingham)	7	18.07	15.15	15.29	12.37	16.04	12.83	18.13	13.50	18.18	15.87	15.40	19.12	16.34		
Upper Florida (Jacksonville/Tallahassee)	6	18.57	15.65	15.29	12.37	16.04	12.83	---	---	18.68	16.37	15.40	19.62	16.34		
Tampa Bay	12	18.87	15.95	15.29	12.37	16.04	12.83	---	---	18.98	16.67	15.40	19.92	16.34		
Southeastern Florida (Miami)	13	19.17	16.25	15.29	12.37	16.04	12.83	---	---	19.28	16.97	15.40	20.22	16.34		
Michigan Upper Peninsula (Marquette)	44	16.34	13.42	15.29	12.37	16.04	12.83	18.13	13.50	16.45	14.14	15.40	17.39	16.34		
Southern Michigan (Detroit)	40 6/	16.74	13.82	15.29	12.37	16.04	12.83	18.13	13.50	16.85	14.54	15.40	17.79	16.34		
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	16.99	14.07	15.29	12.37	16.04	12.83	18.13	13.50	17.10	14.79	15.40	18.04	16.34		
Ohio Valley (Columbus)	33	17.03	14.11	15.29	12.37	16.04	12.83	18.13	13.50	17.14	14.83	15.40	18.08	16.34		

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/															
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	OCTOBER								NOVEMBER			DECEMBER		
		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	16.89	13.97	15.29	12.37	16.04	12.83	18.13	13.50	17.00	14.69	15.40	17.94	16.34	
Chicago Regional	30	16.39	13.47	15.29	12.37	16.04	12.83	18.13	13.50	16.50	14.19	15.40	17.44	16.34	
Central Illinois (Peoria)	50	16.60	13.68	15.29	12.37	16.04	12.83	---	---	16.71	14.40	15.40	17.65	16.34	
S. Illinois/E. Missouri (Alton)	32	16.91	13.99	15.29	12.37	16.04	12.83	---	---	17.02	14.71	15.40	17.96	16.34	
Louisville/Lexington/Evansville	46	17.10	14.18	15.29	12.37	16.04	12.83	18.13	13.50	17.21	14.90	15.40	18.15	16.34	
Upper Midwest (Minneapolis)	68	16.19	13.27	15.29	12.37	16.04	12.83	18.13	13.50	16.30	13.99	15.40	17.24	16.34	
E. South Dakota (Sioux Falls)	76	16.49	13.57	15.29	12.37	16.04	12.83	---	---	16.60	14.29	15.40	17.54	16.34	
Iowa (Des Moines)	79	16.54	13.62	15.29	12.37	16.04	12.83	18.13	13.50	16.65	14.34	15.40	17.59	16.34	
Nebraska/W. IA. (Omaha/Sioux City)	65	16.74	13.82	15.29	12.37	16.04	12.83	18.13	13.50	16.85	14.54	15.40	17.79	16.34	
Greater Kansas City	64	16.91	13.99	15.29	12.37	16.04	12.83	---	---	17.02	14.71	15.40	17.96	16.34	
Southwest Plains (Oklahoma City)	106	17.76	14.84	15.29	12.37	16.04	12.83	18.13	13.50	17.87	15.56	15.40	18.81	16.34	
Texas (Dallas)	126	18.15	15.23	15.29	12.37	16.04	12.83	18.13	13.50	18.26	15.95	15.40	19.20	16.34	
Eastern Colorado (Denver)	137	17.72	14.80	15.29	12.37	16.04	12.83	---	---	17.83	15.52	15.40	18.77	16.34	
Western Colorado (Grand Junction)	134	16.99	14.07	15.29	12.37	16.04	12.83	---	---	17.10	14.79	15.40	18.04	16.34	
SW Idaho/Eastern Oregon (Boise)	135	16.49	13.57	15.29	12.37	16.04	12.83	18.12	13.38	16.60	14.29	15.40	17.54	16.34	
Great Basin (Salt Lake City)	139	16.89	13.97	15.29	12.37	16.04	12.83	---	---	17.00	14.69	15.40	17.94	16.34	
Central Arizona (Phoenix)	131	17.51	14.59	15.29	12.37	16.04	12.83	18.12	13.38	17.62	15.31	15.40	18.56	16.34	
New Mexico/West Texas (Albuquerque)	138	17.34	14.42	15.29	12.37	16.04	12.83	18.13	13.50	17.45	15.14	15.40	18.39	16.34	
Pacific Northwest (Seattle/Portland)	124	16.89	13.97	15.29	12.37	16.04	12.83	18.12	13.38	17.00	14.69	15.40	17.94	16.34	
SIMPLE AVERAGE	---	17.31	14.39	15.29	12.37	16.05	12.84	18.14	13.50	17.42	15.11	15.40	18.36	16.34	

* 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 December 1998 is \$19.28 per 100 pounds or \$1.66 per gallon (\$19.28 divided by 11.63 equals \$1.6578).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 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.

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES 1/												
CITY	NOV 1996			NOV 1997			OCT 1998			NOV 1998		
	Federal Order	Coop.	Difference									
Dollars Per Hundredweight												
Atlanta, GA	18.45	19.72	1.27	15.87	17.07	1.20	18.07	19.22	1.15	18.18	19.33	1.15
Baltimore, MD	18.40	19.45	1.05	15.82	17.27	1.45	18.02	19.07	1.05	18.13	18.88	0.75
Boston, MA	18.61	19.34	0.73	16.03	16.66	0.63	18.23	18.71	0.48	18.34*	18.82	0.48
Carbondale, IL	17.38	19.08	1.70	14.80	16.79	1.99	17.00	18.36	1.36	17.11	18.47	1.36
Charlotte, NC	18.45	20.08	1.63	15.87	17.07	1.20	18.07	19.22	1.15	18.18	19.33	1.15
Chicago, IL	16.77	18.87	2.10	14.19	16.35	2.16	16.39	17.98	1.59	16.50	18.43	1.93
Cincinnati, OH	17.48	18.73	1.25	14.90	16.80	1.90	17.10	18.85	1.75	17.21	18.96	1.75
Cleveland, OH	17.37	18.44	1.07	14.79	16.69	1.90	16.99	18.49	1.50	17.10	18.60	1.50
Dallas, TX	18.53	19.08	0.55	15.95	16.92	0.97	18.15	18.40	0.25	18.26	18.51	0.25
Denver, CO	18.10	18.25	0.15	15.52	15.67	0.15	17.72	17.97	0.25	17.83	18.08	0.25
Des Moines, IA	16.92	18.52	1.60	14.34	15.90	1.56	16.54	17.39	0.85	16.65	17.50	0.85
Detroit, MI	17.22	18.21	0.99	14.64	15.39	0.75	16.84	17.81	0.97	16.95	17.95	1.00
Hartford, CT	18.51	19.24	0.73	15.93	16.56	0.63	18.13	18.61	0.48	18.24*	18.72	0.48
Houston, TX	19.07	19.62	0.55	16.49	17.46	0.97	18.69	18.94	0.25	18.80	19.05	0.25
Indianapolis, IN	17.27	18.59	1.32	14.69	16.53	1.84	16.89	18.44	1.55	17.00	18.55	1.55
Kansas City, MO	17.29	18.54	1.25	14.71	16.22	1.51	16.91	17.66	0.75	17.02	17.77	0.75
Little Rock, AR	18.14	18.21	0.07	15.56	16.56	1.00	17.76	18.56	0.80	17.87	18.67	0.80
Louisville, KY	17.48	18.38	0.90	14.90	15.80	0.90	17.10	18.20	1.10	17.21	18.31	1.10
Miami, FL	19.55	22.13	2.58	16.97	19.88	2.91	19.17	21.99	2.82	19.28	21.99	2.71
Milwaukee, WI	16.68	18.78	2.10	14.10	16.26	2.16	16.30	17.89	1.59	16.41	18.34	1.93
Minneapolis, MN	16.57	18.14	1.57	13.99	15.49	1.50	16.19	17.02	0.83	16.30	17.13	0.83
New Orleans, LA	19.02	19.24	0.22	16.44	17.44	1.00	18.64	18.99	0.35	18.75	19.20	0.45
Oklahoma City, OK	18.14	18.69	0.55	15.56	16.56	1.00	17.76	18.41	0.65	17.87	18.62	0.75
Omaha, NE	17.12	18.37	1.25	14.54	16.05	1.51	16.74	17.49	0.75	16.85	17.60	0.75
Philadelphia, PA	18.46	19.46	1.00	15.88	17.30	1.42	18.08	19.10	1.02	18.19	18.91	0.72
Phoenix, AZ	17.89	17.89	0.00	15.31	15.31	0.00	17.51	17.51	0.00	17.62	17.62	0.00
Pittsburgh, PA	17.37	18.17	0.80	14.79	15.99	1.20	16.99	17.79	0.80	17.10	17.60	0.50
St. Louis, MO	17.38	19.08	1.70	14.80	16.79	1.99	17.00	18.36	1.36	17.11	18.47	1.36
Salt Lake City, UT	17.27	17.42	0.15	14.69	14.84	0.15	16.89	17.14	0.25	17.00	17.25	0.25
Seattle, WA	17.27	17.57	0.30	14.69	15.07	0.38	16.89	17.27	0.38	17.00	17.38	0.38
Spokane, WA	17.27	17.57	0.30	14.69	15.07	0.38	16.89	17.27	0.38	17.00	17.38	0.38
Springfield, MO	17.56	18.11	0.55	14.98	15.98	1.00	17.18	17.83	0.65	17.29	18.04	0.75
Washington, DC	18.40	19.45	1.05	15.82	17.27	1.45	18.02	19.07	1.05	18.13	18.88	0.75
Simple Average	17.80	18.80	1.00	15.22	16.45	1.23	17.42	18.33	0.91	17.53	18.43	0.90

*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". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

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.

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

Milk price forecasts for 1998/99 are increased, reflecting strong product markets. Supply and use estimates are changed only slightly from last month.

U.S. MILK SUPPLY AND USE

Item	1996/97 1/	1997/98 Projection 1/		1998/99 Projection 1/		
		October	November	October	November	
BILLION POUNDS						
SUPPLY						
BEGINNING COMMERCIAL STOCKS 2/ 23/	4.9	5.9	5.9	5.8	5.8	
PRODUCTION	156.4	156.9	157.0	159.2	159.3	
FARM USE	1.4	1.4	1.4	1.3	1.3	
MARKETINGS	155.0	155.6	155.6	157.9	158.0	
IMPORTS 2/	2.8	4.0	4.0	3.8	3.8	
TOTAL COMMERCIAL SUPPLY 2/	162.7	165.5	165.6	167.5	167.5	
USE						
COMMERCIAL USE 2/ 3/	156.1	159.0	159.1	161.2	161.4	
ENDING COMMERCIAL STOCKS 2/	5.9	5.8	5.8	5.8	5.8	
CCC NET REMOVALS:						
MILKFAT BASIS 4/	0.7	0.7	0.7	0.5	0.3	
SKIM SOLIDS BASIS 4/	2.7	4.5	4.5	3.5	3.5	
DOLLARS PER CWT.						
PRICES RECEIVED BY FARMERS 5/						
BASIC FORMULA (BFP)	11.88	13.28	13.28	12.55-13.35	12.80-13.50	
ALL MILK 6/	13.53	14.52	14.56	14.30-15.10	14.55-15.25	
MILLION POUNDS						
CCC PRODUCT NET REMOVALS 4/						
BUTTER	24	20	21	15	5	
CHEESE	10	8	8	7	7	
NONFAT DRY MILK	222	370	368	290	285	
		QUARTERLY 7/			ANNUAL 7/	
		1998 IV	1999 I	1999 II	1998	1999
BILLION POUNDS						
MILK PRODUCTION	38.5	39.8	41.5	157.4	160.1	
DOLLARS PER CWT.						
ALL MILK PRICE 4/ 5/	17.35-17.65	15.30-15.90	12.90-13.80	15.25-15.35	13.70-14.60	
BASIC FORMULA PRICE 4/	15.70-16.00	12.70-13.30	11.30-12.20	13.95-14.05	12.00-12.90	

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 7/ Calendar year basis projection.

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

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-344, World Agricultural Outlook Board, USDA, November 10, 1998.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF NOVEMBER 9 - 13, 1998				CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/98	LAST YEAR	11/06/98	LAST YEAR		
BUTTER									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE									
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK									
Nonfortified	-0-	-0-	-0-	103,384	408,912	34,290,000			-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-			-0-
TOTAL	-0-	-0-	-0-	103,384	408,912	34,290,000			-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 9 - 13, 1998 =	0.0	1.2	0.0	10.4
CUMULATIVE SINCE OCTOBER 1, 1998 =	0.0	1.2	0.1	15.2
CUMULATIVE JANUARY 1 - NOVEMBER 13, 1998 =	25.0	1,321.4	24.7	405.6

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	103,384	408,912	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	-0-	-0-	103,384	408,912	100.0	100.0

SELLBACK TO THE TRADE NONFAT DRY MILK (POUNDS) MILK EQUIVALENT - MILKFAT BASIS* - MILLION POUNDS

WEEK OF NOV. 6 - 12, 1998	2,400,652	0.5
CUMULATIVE SINCE 10/1/98	10,363,472	2.3

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - \$10.05 per cwt.; 3.5% - \$9.95

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1150; 500# Barrels \$1.0850; Process American 5# \$1.1675; Process American 2# \$1.2075

NONFAT DRY MILK: Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 10/24/98 & Comparable Week 1997 1/ 2/

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10				
1998-Dairy cows HD (000)	0.3	1.5	6.5	6.2	17.4	2.3	3.2	0.8	9.4	2.7	50.2	2,161.3	42.3	45.3
1997-Dairy cows HD (000)	0.3	1.9	7.9	6.2	26.5	2.8	3.3	1.1	10.2	2.7	62.9	2,371.0	45.3	45.8
1998-All cows HD (000)	0.3	1.5	9.0	17.9	24.6	19.8	19.9	5.5	12.4	7.9	118.7	4,773.0		
1997-All cows HD (000)	0.3	1.9	11.0	18.9	37.3	22.4	21.7	10.4	14.0	8.4	146.2	5,173.0		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE INVITATIONS 11/6

PROCESS		JANUARY SHIPMENT
2# LOAF		950,400
5# LOAF		1,386,000
SLICED		3,207,600
MOZZARELLA		
LMPS		3,064,320
LITE, SHREDDED		604,800
LITE		80,640
CHEDDAR		
CUTS		119,850
SHREDDED		38,400
BARRELS		280,000
REDUCED FAT		159,800
REDUCED FAT SHREDDED		192,000

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 15,681,621

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04		