

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS: Grade AA butter, in weekly trading, increased 19 1/2 cents to \$1.4125.

In daily cash cheese trading on Friday, December 4, barrels closed at \$1.8600 and blocks closed at \$1.8900. The weekly average is \$1.8545 for barrels and \$1.8870 for blocks.

In daily cash nonfat dry milk trading, the close on Friday, December 4, is \$1.1550 for Extra Grade and \$1.1650 for Grade A. The weekly average is \$1.1550 for Extra Grade and \$1.1665 for Grade A.

BUTTER: Prices were steady to firmer this week. Buyers note that it is very difficult to find extra loads of bulk butter this week. This is a very rapid turn around in the market since 7 - 10 days ago when suppliers were discounting prices to stimulate interest. Producers seem to be holding stocks with a little more confidence. Whether producers are holding stocks, improved demand, or a combination of both, the market tone appears firmer than it has been. Some butter makers are a little more aggressive in their search for cream. Churning activity was heavier over the Thanksgiving weekend when milk and cream supplies were heavy.

CHEESE: The cheddar cheese market is firm as cash prices at the CME closed the week at another record high. Current demand remains good. Spot offerings remain limited, though a few loads of blocks were traded on December 3. Plant operators and many buyers are keeping inventories as low as possible. Some extra milk was available to cheese operations over the long Thanksgiving weekend.

FLUID MILK: Mild weather (record high temperatures) over much of the country is contributing to an increasing milk flow. In the Pacific Northwest, a big storm early in the week and rain later in the week is causing localized flooding and muddy feed lots. These factors caused little disruption to milk production in this region. Elsewhere, the milk flow is steady to increasing. Some of the more noticeable production increases are occurring in the southern parts of the country. Fluid milk supplies are fairly well balanced for overall needs. Class I demand is mixed. It is generally slower at retail, but this was somewhat offset by the refilling of school lunch

pipelines. The fluid cream market is not as weak as it has been. Offerings are in better balance after the holiday weekend and sales multiples are not being discounted as severely as they were last week. Cream usage in cream cheese and other holiday related products is starting to improve.

DRY PRODUCTS: The dry, dairy product markets are little changed from last week. The nonfat dry milk market is a little firmer as production is light and demand improving. With condensed skim prices advancing, users are again looking to NDM as a more cost effective source of solids. Production levels are lighter due to the milk supply situation and more milk is moving to cheese plants. Cheese output currently offers a better financial return than moving milk to butter/powder. The dry whey market is steady. Production is increasing at more plants. However, output and sales are in relatively good balance. Demand is just fair. The dry buttermilk market is showing more signs of weakness. Production is increasing and demand is slow and stocks are building.

CCC: During the period of November 30 - December 4, CCC reported no support price activity. Sellbacks to the trade for the period November 25 - December 3, totaled 588,139 pounds of NDM. The CCC has announced that, effective 12/3, the sellback price has been raised 1/2 cent to \$1.1350. Cumulative sellback since October 1, 1998, totals 13,806,896 pounds.

BASIC FORMULA PRICE (USDA, DAIRY PROGRAMS): The basic formula price (BFP) for November 1998 is \$16.84 per cwt. at 3.5% test. The BFP is 80 cents higher than last month, and \$3.88 higher than November 1997. The BFP is the base month M/W price of \$16.26 plus a change of \$.58, which is the change in the butter/powder/cheese formula from October to November. For November, the NASS average cheese price was \$1.8317. The butterfat differential is \$0.178. Class III-A prices are: for Federal Orders 1 & 2, \$14.93; for Order 4, \$14.95; for Orders 124, 131, & 135, \$14.80; for other affected orders, \$14.87.

****SPECIALS THIS ISSUE****

NOVEMBER MONTHLY SUMMARY AND AVERAGES (PAGES 7 - 9)

NOVEMBER DEIP BID ACCEPTANCES (PAGE 10)

**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 30	TUESDAY DEC 1	WEDNESDAY DEC 2	THURSDAY DEC 3	FRIDAY DEC 4	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.8450 (N.C.)	\$1.8550 (+.0100)	\$1.8550 (N.C.)	\$1.8575 (+.0025)	\$1.8600 (+.0025)	+.0150	\$1.8545 (+.0128)
40# BLOCKS	\$1.8825 (+.0025)	\$1.8850 (+.0025)	\$1.8875 (+.0025)	\$1.8900 (+.0025)	\$1.8900 (N.C.)	+.0100	\$1.8870 (+.0112)
NONFAT DRY MILK EXTRA GRADE	\$1.1550 (N.C.)	\$1.1550 (N.C.)	\$1.1550 (N.C.)	\$1.1550 (N.C.)	\$1.1550 (N.C.)	N.C.	\$1.1550 (N.C.)
GRADE A	\$1.1675 (+.0025)	\$1.1675 (N.C.)	\$1.1675 (N.C.)	\$1.1650 (-.0025)	\$1.1650 (N.C.)	N.C.	\$1.1665 (+.0015)
BUTTER GRADE AA					\$1.4125 (+.1950)	----	----

*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

CORRECTION: In report 46, the closing price for Extra Grade NDM for Monday and Tuesday should have been \$1.1550.

CHICAGO MERCANTILE EXCHANGE

Trading Activity - November 30 - December 4, 1998

MONDAY, NOVEMBER 30, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 3 CARS BARRELS @ \$1.8450; 1 CAR 40# BLOCKS @ \$1.8825; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 2 CARS EXTRA GRADE: 1 @ \$1.1100, 1 @ \$1.1000; 3 CARS GRADE A: 1 @ \$1.1675, 1 @ \$1.1200, 1 @ \$1.1100; OFFERS UNCOVERED: NONE

TUESDAY, DECEMBER 1, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.8550, 1 @ \$1.8500; 2 CARS 40# BLOCKS @ \$1.8850; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR EXTRA GRADE @ \$1.1100; 1 CAR GRADE A @ \$1.1200; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 2, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.8550; 1 CAR 40# BLOCKS @ \$1.8875; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 2 CARS EXTRA GRADE: 1 @ \$1.1300, 1 @ \$1.1100; 2 CARS GRADE A: 1 @ \$1.1500, 1 @ \$1.1300; OFFERS UNCOVERED: NONE

THURSDAY, DECEMBER 3, 1998

CHEESE -- SALES: 4 CARS 40# BLOCKS: 3 @ \$1.8900, 1 @ \$1.8875; BIDS UNFILLED: 1 CAR BARRELS @ \$1.8575; 2 CARS 40# BLOCKS: 1 @ \$1.8900, 1 @ \$1.8875; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR GRADE A @ \$1.1650

FRIDAY, DECEMBER 4, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.8600, 1 @ \$1.8575, 1 CAR 40# BLOCKS @ \$1.8900; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 10 CARS GRADE A @ \$1.1000; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 36 CARS: 1 @ \$1.4000, 2 @ \$1.3000, 1 @ \$1.3025, 1 @ \$1.3225, 4 @ \$1.3250, 6 @ \$1.4000, 1 @ \$1.3900, 5 @ \$1.4000, 1 @ \$1.3975, 1 @ \$1.3950, 3 @ \$1.3925, 1 @ \$1.3950, 2 @ \$1.3975, 1 @ \$1.3950, 1 @ \$1.3925, 1 @ \$1.3900, 1 @ \$1.3875, 1 @ \$1.3850, 1 @ \$1.3825, 1 @ \$1.4175; BIDS UNFILLED: 29 CARS: 5 @ \$1.4100, 1 @ \$1.3425, 1 @ \$1.3400, 2 @ \$1.3350, 1 @ \$1.3325, 1 @ \$1.3275, 1 @ \$1.3250, 1 @ \$1.3200, 2 @ \$1.3025, 1 @ \$1.3000, 1 @ \$1.2900, 3 @ \$1.2250, 2 @ \$1.2200, 2 @ \$1.2175, 2 @ \$1.2150, 3 @ \$1.1900; OFFERS UNCOVERED: 1 CAR @ \$1.4125

BUTTER MARKETS

NORTHEAST

Premium structures are steady to lower. Some suppliers are trying to keep product moving at the lower end of the range while others are trying to maintain their premiums as best they can. The butter price at the CME dropped for the tenth consecutive week. At the CME's 11/25 trading session, butter closed at \$1.2175, down 10 3/4 cents. Churning activity is increasing as more cream is available. Plants were quite full over the Thanksgiving weekend, but surplus milk volumes were pretty well cleaned up by Tuesday. Demand for fluid cream is less aggressive which forces increased volumes to churns. Bulk and print butter stocks are fully adequate for the slow to fair demand. Typically, retailers and distributors work off pre-holiday inventories before reordering. With prices dropping so sharply, this pattern is being amplified as people do not want to be caught with "high priced" inventories. Retail and food service orders are steady to lighter.

CENTRAL

Premium structures are unchanged. The CME closed lower for the tenth consecutive week. However, contacts, this week, feel that we may be "nearing a plateau" because no cars traded last week at the CME sold below the closing price like they did the previous two - three weeks. Also, Midwest butter makers are looking more aggressively for cream in the Eastern part of the country. Their paying prices are still quite low, but they are showing more interest. Demand for print butter is slow to fair as retailers and distributors work off pre-Thanksgiving inventories. Churning activity was heavier during the Thanksgiving weekend, but cream supplies seem to have tightened early this week. Reports indicate that most of the Thanksgiving weekend milk moved to cheese plants instead of butter/powder operations.

WEST

Western butter price differentials firmed markedly this week. Heavier offerings have been cleared and any butter stocks are being held with more confidence. Demand has increased dramatically in the short run. This is due to lower prices and the need to get butter in position for the normally good holiday demand season. Inventories of butter at trade levels past the original manufacturer are very light. Reorders are coming in from retail outlets at good levels. Demand for cream is sharply higher now that the base price has declined this far and because of the need for butterfat for holiday product production. Some contacts feel that the market may have bottomed out, at least for the time being.

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 25, 1998 CLOSE = \$1.2175

STYLE	NORTHEAST	CENTRAL	WEST
BULK	-4 TO +5	flat TO +3	-7 TO flat

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

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
NOVEMBER 28	1.8529 4,158,594	1.8168 6,303,288	1.0677 8,773,356	1.3553 2,031,672	0.2415 5,903,670

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

CHEESE MARKETS

NORTHEAST

Prices are generally higher again this week and the market tone is firm. Contacts wonder when and where prices will level off. Steadily increasing prices at this time of year are atypical. Producers continue to put out as much cheese as they can to meet existing orders. Traditionally, a large percentage of the Northeast's annual cheddar production is put into aging programs. At current prices, there is a reluctance to store/age cheese. Some producers are limiting the volumes of cheddar they are aging. Demand for cheddar is seasonally good. The call for other cheeses is also good as food service orders are improving in many areas.

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

Cheddar 10# Prints	:	1.8750-2.3625
Cheddar Single Daisies	:	1.8475-2.3625
Cheddar 40# Block	:	2.0150-2.1625
Process 5# Loaf	:	2.0300-2.1825
Process 5# Sliced	:	2.0575-2.2425
Muenster	:	2.0550-2.3700
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market tone is steady to firm. Traders continue to be baffled by the continued slow increase in cheese prices. New record high prices continue to be set on a weekly basis. Spot cheese offerings remain limited with most plants still committed out 2 - 3 weeks with orders. Aged cheddar supplies are especially tight and any remaining stocks are held with confidence. Aging programs are being adversely impacted, at a cheddar price entering storage at around \$2.00 per pound. Process cheese movement remains seasonally fair to good. High cheese prices at fast food accounts are being offset by low meat prices. With most Swiss cheese cut prices well over \$2.00 per pound, some buyer resistance is noted. Inventories are being kept at low levels. Some buyers are using an increased number of smaller orders instead of regular patterns. Some additional milk supplies were available to cheese plants over Thanksgiving weekend, but overall supplies were light. Milk intakes are increasing on a slow, but more consistent basis. Milk fat and protein tests are at some locations, high for this time of year.

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

Process American 5# Loaf	:	2.0125-2.1800
Brick And/Or Muenster 5#	:	2.1400-2.3475
Cheddar 40# Block	:	2.1150-2.1600
Monterey Jack 10#	:	2.1150-2.3300
Blue 5#	:	2.4825-2.7000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.2125-2.2200
Grade A Swiss Cuts 6 - 9#	:	2.4900-2.6850

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 30 - DECEMBER 4, 1998
BARRELS*	:	\$1.8425 - 1.8625 (NOMINAL)
	:	(\$0.100) (.0100)
40# BLOCKS	:	\$1.8950 - 1.9250 (NOMINAL)
	:	(\$0.100) (.0100)

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

WEST

Cheese prices continue to slowly increase based on the continuing strength in the CME cash market. Demand does remain very good with orders often taking a while to fill. Barrel cheese is clearing very easily into process production. Current blocks are finding excellent demand. Producer stocks are minimal. Aged cheese remains in very tight supply. It is likely to remain this way for the near term since plants are reluctant to store cheese for aging purposes when prices are at record levels. Mozzarella demand remains very strong for the fall season. Swiss sales are rated as good to very good for this time of year. Cheese production is up slightly due to additional offerings of milk related to the Thanksgiving holiday freeing up some extra loads. Limited supplies of milk are also entering the cheese vat from butter/powder operations. Buyers remain cautious about having much "extra" cheese on hand if they believe the market could turn in the near future.

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

Process 5# Loaf	:	1.9900-2.2500
Cheddar 40# Block	:	1.9900-2.1375
Cheddar 10# Cuts	:	2.1800-2.3975
Monterey Jack 10#	:	2.2000-2.3600
Grade A Swiss Cuts 6 - 9#	:	2.4200-2.5400

FOREIGN TYPE

Domestic prices are higher again this week. The market tone is seasonally firm. Demand typically peaks around the year-end holidays and distributors are quite active making deliveries, particularly this, post-Thanksgiving week. According to reports, August cheese production in the EU-15 is estimated at 476,000 MT, down 0.2% from August 1997 and down 5.5% from July 1998. January to August cheese output is estimated at 3,470,400 MT, up 0.5% from the same period last year.

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	2.2100-2.8200*
Gorgonzola	:	3.2400-5.9400	2.4900-2.9050*
Parmesan (Italy)	:	TFEWR	3.6200-3.6600*
Romano (Italy)	:	2.0900-2.9000	-0-
Provolone (Italy)	:	3.4400-5.5000	1.8825-2.4100*
Romano (Cows Milk)	:	-0-	3.3875-5.7250*
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
11/30/98	8,625	:	97,132
11/01/98	8,149	:	96,049
CHANGE	476	:	1,083
% CHANGE	6	:	1

FLUID MILK AND CREAM

E A S T

Milk production is starting to increase more noticeably in the Southeast, but in the far north, milk output is nearing the low point in its annual cycle. Milk production is increasing in most of the Southeast as mild weather has been the rule rather than the exception. In the Northeast, the weather has been unseasonably mild which is helping keep milk output fairly steady. Fluid milk supplies are in better balance after the long, holiday weekend when surplus milk volumes were moderate to heavy. Bottled milk sales are slower than pre-holiday levels, but with school lunch pipelines being refilled, less surplus milk is available. Class I demand and manufacturing schedules settled into more normal levels by midweek. Retail store orders for milk are steady to lighter as most stores work off pre-Thanksgiving inventories. This week, Florida handlers imported only 30 loads of milk. This compares to 68 loads last week and 23 loads the same week last year. Handlers in other Southeastern states imported about 25-30 loads of milk this week. In the Southeast, the Thanksgiving weekend notwithstanding, fluid milk supplies are fairly well balanced. Some manufacturing plants operated during the holiday weekend, but others remained idle. The condensed skim market is firm and prices are sharply higher. The combination of the higher Class II milk price for December and the falling butter prices have forced suppliers to move condensed skim prices higher. Demand is often slower as users start to look at NDM as a less expensive source of solids. Because of the holiday weekend and buyer resistance to the higher prices of condensed skim, more dryers were in operation this week. The fluid cream market is firmer following a very weak weekend. Multiples have risen into the 120's and low 130's as the most recent drop in butter price seems to have generated a little more interest in cream. The lower butter price and higher multiples result in prices that are both higher and lower. Cream offerings appear to be in closer balance with a slightly improved demand. Egg nog output has slowed, but orders for late in December are in place and look quite heavy. Cream cheese producers are taking a little more cream. Bottlers are starting to fill pre-Christmas/New Years orders. Ice cream output is steady, but as butterfat prices drop, some manufacturers are looking for a few extra loads. 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	-	1.3393 - 1.6071
Delivered Equivalent Atlanta	-	1.4366 - 1.6835 M 1.4854 - 1.5584
F.O.B. Producing Plants: Upper Midwest	-	1.4001 - 1.6436

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

F.O.B. Producing Plants: Northeast	-	1.0700 - 1.4800
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
NOVEMBER 25 - DECEMBER 3, 1998	19
PREVIOUS WEEK	17
COMPARABLE WEEK IN 1997	0

DESTINATIONS: KENTUCKY 19

Class I demand is off to a slower start than normal for the first of the month. Class II demand is still good, but not nearly as active as just prior to Thanksgiving. Besides the milk shipments reported, 2 Wisconsin loads were shipped to Ohio. Another 8 loads of Wisconsin milk are "direct shipped" to Missouri and 24 loads to Tennessee and pooled under a Southern Federal Order. Several loads of Michigan surplus were shipped into Wisconsin over the holiday period. Shipments to the Southeast from other upper Midwestern states are also slower, including after the holiday period. Some holiday surplus milk was available within the region but the fairly limited volumes were handled

with relative ease. Holiday surplus prices were generally in from flat Class price to Class plus \$1.00 area, delivered. Cheese manufacturing plant operators are trying to balance milk volumes with orders in order to keep minimal inventories for whenever prices do weaken. Cream prices are lower, reflecting the decline in the Mercantile cash butter price on November 24. Cream demand is improved after the holiday. Cream prices vary by date with the lowest prices noted during the holiday period. Demand has improved for cream after the holiday period. Most, if not all, plants have had their annual low fluid receipt period for the year and have seen the start of increases. Fat and protein tests are seasonally good, providing manufacturing plant operators with good yields. Record setting high temperatures have allowed farmers the opportunity to keep their tailender cows without winter weather accommodations or considerations.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 25 - DEC 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 28.50- 34.50	\$ 31.00- 36.00
REPLACEMENT HEIFER CALVES	\$160.00-215.00	N. A.

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

	NOV 25 - DEC 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 37.00	\$ 30.00- 34.25

W E S T

California milk production is holding mostly steady to slightly higher. Some localized areas are seeing output levels fluctuate. Rainy conditions are not affecting production to any great extent up to this point. The mild weather that is accompanying the rain is welcomed and providing good cow comfort. Alfalfa supplies are fair for good dairy quality hay, but supplies of lesser quality hay are more abundant. Milk production in Arizona and New Mexico continues to trend steady to higher. Weather conditions remain favorable for milk cows. Fat and solid's levels in milk continue to increase. Feed availability and costs remain favorable. Fluid milk orders resumed for schools that were on holiday break. Western cream supplies are in better shape than before the holiday weekend. Offerings are not being severely discounted and cream multiples are indicated to be in the mid 110 to mid 120 range. Out of region shipments are slow to resume. Demand from ice cream producers is limited as several plants are closed or have reduced production schedules. Holiday cream-based products are being made or scheduled for year end needs. Food service orders are good. A heavy storm hit the Pacific Northwest coast during the early part of the week. Wind speeds were clocked at 60-85 mph and heavy rain accompanied the storm. There was localized flooding, landslides, and scattered power outages. The disruptions did not impact the overall milk supply. Mud in feed lots is becoming more of an issue both west and east of the mountains. Cow stress is increasing and cell counts are up. Rain continued later in the week after the severe storm had passed. Those herds under cover are facing less stress and continue to see increasing milk supplies. Tests continue to increase across the region. With current milk prices and slaughter cow prices, culling is reserved only for cows with health problems that don't easily respond to treatment. Low production is only a minor factor in the decision at this time. Much more moderate weather is common over Utah and Idaho. Fall weather patterns have generally been mild and dry. The current storm tracks have not done much to change this. Feed lots are in good shape with mud being only a minor concern at this time. Less dairy quality hay is available in the region and prices are holding steady. Feeder hay stocks are very heavy. Very little surplus milk was available related to the Thanksgiving holiday and that is exactly what was expected. Milk production growth along with manufacturing plant expansion and new siting both continue to be occurring in the Idaho region.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 12/03/98 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 nominal and often higher. The market tone is firm. Current production levels are lighter as surplus milk, for the most part, is clearing to cheese operations instead of butter/powder plants. Dryers noted that there was little additional milk available to them over the holiday weekend. Producers' stocks are light and many buyers are looking to the resale market to find powder or to CCC. However, since CCC's sellback price moved to its current level, interest has eased. Demand is often improved. Because of rising prices, condensed skim buyers are again looking to NDM as a less expensive source of solids. There has been a remarkable jump in DEIP bid acceptances in the past two weeks and exporters are out looking for powder to fill some of these contracts. On some contracts, shipping dates are well into 1999 and exporters seem to be counting on lower prices, by then, to make their deals.

Includes EXTRA GRADE and GRADE A, low and medium heat
NONFAT DRY MILK: 1.1300 - 1.1650 MOSTLY: 1.1300 - 1.1400

DRY BUTTERMILK - CENTRAL

Prices are sharply lower and the market tone is weak. Production levels are increasing as more cream moved to butter plants during the Thanksgiving weekend. Producers' stocks are balanced to heavy. Reports indicate that the block of powder that has been offered the past several weeks is still being offered and finding little interest. Spot demand is seldom better than fair. Contracted volumes are moving on a timely basis.

BUTTERMILK: .9300 - 1.0100

DRY WHEY - CENTRAL

Prices are mixed, generally unchanged and the market tone is steady. Production levels seem to be increasing as cheese output remains strong. Most suppliers report balanced to tight stocks. Spot demand is often stated as slow to fair. Contracted loads are clearing satisfactorily. Traders continue to report that it is a quiet period and somewhat typical for this time of year. Contacts also speculate that buyers/users are starting to work off existing inventories to get year end stocks down to acceptable levels.

NONHYGROSCOPIC: .2425 - .2575 MOSTLY: .2450 - .2500

ANIMAL FEED WHEY - CENTRAL

Prices are often nominal and unchanged on milk replacer, standard, and delactose; steady to lower on roller. Demand from animal feed makers and users remains slow. Offerings of dry whey for use in animal feed is more than ample to meet current demand. There is little spot interest for animal feed quality whey.

MILK REPLACER: .1800 - .2100
STANDARD: .1600 - .1800
ROLLER GROUND: .2500 - .2625
DELACTOSE (Min. 20% protein): .3275 - .3575

LACTOSE - CENTRAL AND WEST

Prices are mostly unchanged and the market tone is about steady. First quarter export contract negotiations are in varying states of progress. A few are complete at unchanged prices while others are just getting under way with prices to be determined. Some contacts note decent interest, but few deals have been made. Production levels are steady to heavier and plant stocks range from light to readily available.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
EDIBLE: .1400 - .2350 MOSTLY: .1700 - .1800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are steady to lower. The market tone continues to show signs of weakness. Production levels are steady to heavier over the Thanksgiving weekend, but are slowing slightly as surplus milk supplies return to more normal levels. Producers' stocks range from light to fully adequate. Spot buying interest is slow, particularly from the animal feed sector. Some buyers are starting to contract for 1999 needs.

EXTRA GRADE 34% PROTEIN: .5400 - .6225 MOSTLY: .5900 - .6000

NONFAT DRY MILK - WEST

Low/medium heat NDM prices are unchanged, but the market tone is showing firmness in the near term. Factors influencing the firmness in the market include: current tight supplies of NDM, drop in CCC sellback stocks for supplemental needs, producers committed production for past DEIP orders, and additional DEIP orders being contracted for new deals. Factors that could stifle any firmness include: expected surplus powder after the first of the year, the loss of NDM and condensed skim usage in cheese production once cheese makers become concerned about future pricing, milk production increases in California and other major milk producing states, lowering of the support price January 1 due to the Farm Bill mandate, and possible further drop in support price if a tilt between butter and powder is adjusted. Current production is steady to instances higher over the holiday weekend. Contacts noted no problems handling additional milk supplies. High heat NDM prices are nominal and spot trades are limited. Producers are often behind on orders and have little uncommitted powder. Buyers are having to work harder to source product. Stocks are light.

Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0600 - 1.1600 MOSTLY: 1.1100 - 1.1300
HIGH HEAT: 1.1300 - 1.1750

DRY BUTTERMILK - WEST

Prices for dry buttermilk are lower and the market tone remains weak. Several producers are commenting that they are unable to move any buttermilk on spot sales. Buying interest is very light. Production continues to trend higher as churning increases and sales of condensed buttermilk are slow to redevelop. Stocks are moderate to heavy and are growing.

BUTTERMILK: .9200 - 1.0100 MOSTLY: .9500 - .9700

DRY WHEY - WEST

No price changes are noted for Western extra grade whey powder. Domestic demand remains steady and able to clear offerings on a regular basis. Export sales to normal account buyers continue to take place. Price negotiating has taken place, but ended up with no change noted. Overall whey powder production is slightly higher. It is noted that quite a bit of down graded powder is available from a number of suppliers. Some of this powder is priced a few cents less than edible and is traveling quite a ways to reach its final destination.

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 27, on powder sales of 7,083,733 pounds f.o.b. California manufacturing plants was \$1.0527 per pound. This compares to 9,634,702 pounds at \$1.0642 for the previous week ending November 20, 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 steady to higher and the market tone is firm. Some increased production occurred during the Thanksgiving weekend, but most of that output went to fill existing orders. Most Eastern producers have little or no powder for immediate, spot sale. They would like to get caught up, but at the same time they are beginning to think about year-end stock scenarios. Demand is good, but not overly aggressive. However, unconfirmed reports late in the week noted that a brand-specific, must-have load was "found" and did sell at a premium price. With condensed skim prices increasing rather substantially, users are looking to make the move back to NDM for their solids' needs. Also, there has been a significant increase in DEIP bid acceptances in the past two - three weeks. Some Eastern producers have taken on some DEIP-filling contracts, but many others are not committing to additional DEIP sales until they get caught up with existing contracts.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.1200 - 1.1900
 HIGH HEAT: 1.1400 - 1.2000 MOSTLY: 1.1400 - 1.1600

DELVD SOUTHEAST:

ALL HEATS: 1.1500 - 1.2000

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and the market tone is unchanged. However, with increased churning over the Thanksgiving weekend, buttermilk drying increased. Producers report balanced to adequate stocks and little spot interest. Demand is lackluster. If it wasn't for contracts, some suppliers wouldn't have any deliveries to make this week. Resellers also report slow demand and readily available offerings from both local and out of region sources.

F.O.B. NORTHEAST: .9800 - .9900
 DELVD SOUTHEAST: .9900 - 1.0500

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. With butter prices sharply lower, some producers did lower prices within the range. Spot demand is slow to fair and often for last minute or fill-in needs. Contract volumes are moving well. Production levels are light and often geared to meeting existing orders. There have been no new DEIP bids accepted this week.

F.O.B. PRODUCING PLANT: 1.5800 - 1.7000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH NOVEMBER 27, 1998
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	52,473	MT (115,681,975 LBS)
CHANGE	--	15,267	MT (33,657,628 LBS)
WHOLE MILK POWDER	--	2,080	MT (4,585,568 LBS)
CHEESE	--	1,959	MT (4,318,811 LBS)
BUTTERFAT	--	0	MT
REALLOCATED NDM	--	19,357	MT (42,674,442 LBS)
CHANGE	--	3,000	MT (6,613,800 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 and the market tone are generally steady. Production levels are starting to increase slightly as more fluid milk is available to Eastern cheese producers. Most producers' stocks are very well balanced with needs. Some have a load to or two to move while others are sold out. Demand is steady at slow to fair levels and lacks any real aggressiveness. Resellers report another relatively inactive week. They also cite users' year end stock considerations as a possible factor in this market.

F.O.B. NORTHEAST:	EXTRA GRAD	.2475 - .2525
	USPH GRADE	.2500 - .2625
DELVD SOUTHEAST:		.2650 - .2825

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. Offerings of dry whey to animal feed buyers/makers are increasing and the few sales being reported are in the 16 - 20 cent area for milk replacer. Some recent plant problems caused a sharp increase in the output of "off grade" powder. This, in turn, created growing supplies at a time when the market for veal and hogs hit bottom. Therefore, increased availability is running smack into very slow demand. Some producers/suppliers are trying to move as much as they can while others are thinking about holding their product and hoping for renewed interest in the near future.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Thanksgiving sales were fairly good. Some note that the mild weather covering much of the country could be affecting baking and/or cooking which, in turn affects evaporated milk usage. Current demand is centered on the year end holiday season and orders are being shipped. Orders are often limited to replacement volumes. November Class II milk prices are expected to be up again which could affect demand.

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

No price changes are noted for either casein range. The market undertone continues to show weakness. Supplies of casein are adequate to long both in the US and in supplying countries. Production is noted to be higher in many producing countries, although some European countries have ceased producing casein for the season. Supplies of lower quality casein are available for industrial usage. Rennet casein demand is noted to be improved as more analog/imitation cheese is being manufactured. Record high natural cheese prices have created more opportunities for substitution and increased usage of blends.

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

RENNET:	1.9500 - 2.1000
ACID:	1.9000 - 2.0500

MONTHLY SUMMARY AND AVERAGES FOR NOVEMBER 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 44	REPORT NUMBER 45	REPORT NUMBER 46	REPORT NUMBER 47	REPORT NUMBER 48	1998	1997
	NOV 02 - 06	NOV 09 - 13	NOV 16 - 20	NOV 23 - 27	NOV 30	Average	Average
						or Total	or Total

BUTTER

CHICAGO MERCANTILE EXCHANGE 2/ - CASH TRADING							
-- Grade AA	2.1300	1.7500	1.3250	1.2175		1.7447	1.5892

WHOLESALE SELLING DIFFERENTIALS, F.O.B. - BULK - TRUCKLOAD QUANTITIES *

-- Grade AA							
Northeast	+3.00 - +5.00	+3.00 - +5.00	0.00 - +5.00	0.00 - +5.00	-4.00 - +5.00	N.A.	N.A.
Central	0.00 - +3.00	0.00 - +3.00	0.00 - +3.00	0.00 - +3.00	0.00 - +3.00	N.A.	N.A.
West	-5.00 - -2.00	-5.00 - -2.00	-10.00 - -3.00	-10.00 - -4.00	-7.00 - 0.00	N.A.	N.A.

CHEESE

MIDWEST COMMODITY CHeddar

-- Cheddar Barrels	1.8150 - 1.8350	1.8225 - 1.8425	1.8275 - 1.8475	1.8325 - 1.8525	1.8425 - 1.8625	1.8350	TFEWR
-- Cheddar 40# Blocks	1.8650 - 1.8850	1.8700 - 1.8900	1.8700 - 1.9100	1.8850 - 1.9150	1.8950 - 1.9250	1.8871	TFEWR

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	1.9850 - 2.1500	1.9925 - 2.1500	1.9975 - 2.1500	2.0025 - 2.1500	2.0125 - 2.1800	2.0733	1.5838
-- Brick And/Or Muenster 5#	2.1200 - 2.3200	2.1200 - 2.3250	2.1200 - 2.3325	2.1200 - 2.3375	2.1400 - 2.3475	2.2253	1.7703
-- Cheddar 40# Block	1.9150 - 2.1400	1.9150 - 2.1400	1.9150 - 2.1400	1.9150 - 2.1400	2.1150 - 2.1600	2.0333	1.7866
-- Monterey Jack 10#	1.9150 - 2.3100	1.9150 - 2.3100	1.9150 - 2.3150	1.9150 - 2.3200	2.1150 - 2.3300	2.1200	1.8866
-- Blue 5#	2.4550 - 2.6800	2.4600 - 2.6800	2.4675 - 2.6800	2.4725 - 2.6800	2.4825 - 2.7000	2.5728	2.1128
-- Mozzarella 5 - 6#	1.9150 - 2.2000	1.9150 - 2.2000	1.9150 - 2.2000	1.9150 - 2.2025	2.2125 - 2.2200	2.0661	1.8350
-- Grade A Swiss Cuts 6 - 9#	2.4500 - 2.5500	2.4500 - 2.5500	2.4500 - 2.6500	2.4500 - 2.6500	2.4900 - 2.6850	2.5283	2.3681

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	1.8475 - 2.3325	1.8525 - 2.3375	1.8600 - 2.3450	1.8675 - 2.3525	1.8750 - 2.3625	2.1001	1.6535
-- Cheddar Single Daisies	1.8175 - 2.3325	1.8225 - 2.3375	1.8300 - 2.3450	1.8375 - 2.3525	1.8475 - 2.3625	2.0851	1.6410
-- Cheddar 40# Block	1.9850 - 2.1325	1.9900 - 2.1375	1.9975 - 2.1450	2.0050 - 2.1525	2.0150 - 2.1625	2.0689	1.6207
-- Process 5# Loaf	2.0025 - 2.1550	2.0100 - 2.1625	2.0150 - 2.1675	2.0200 - 2.1725	2.0300 - 2.1825	2.0888	1.6225
-- Process 5# Sliced	2.0300 - 2.2150	2.0375 - 2.2225	2.0425 - 2.2275	2.0475 - 2.2325	2.0575 - 2.2425	2.1325	1.6500
-- Muenster	2.0250 - 2.3400	2.0300 - 2.3450	2.0375 - 2.3525	2.0450 - 2.3600	2.0550 - 2.3700	2.1926	1.7810
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.4309	2.3775

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	1.9700 - 2.2250	1.9700 - 2.2325	1.9700 - 2.2375	1.9900 - 2.2425	1.9900 - 2.2500	2.1051	1.6388
-- Cheddar 40# Block	1.9600 - 2.1075	1.9600 - 2.1125	1.9600 - 2.1200	1.9900 - 2.1275	1.9900 - 2.1375	2.0428	1.6603
-- Cheddar 10# Cuts	2.1600 - 2.3675	2.1600 - 2.3725	2.1600 - 2.3800	2.1800 - 2.3875	2.1800 - 2.3975	2.2714	1.8403
-- Monterey Jack 10#	2.1800 - 2.3300	2.1800 - 2.3350	2.1800 - 2.3425	2.2000 - 2.3500	2.2000 - 2.3600	2.2627	1.8041
-- Grade A Swiss Cuts 6 - 9#	2.4000 - 2.5300	2.4000 - 2.5300	2.4000 - 2.5300	2.4000 - 2.5300	2.4200 - 2.5400	2.4658	2.4488

FLUID AND DRY PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

Delivered Equivalent:							
-- Northeast	2.5425 - 2.9475	2.3004 - 2.7264	1.9250 - 2.1875	1.4575 - 1.5900	1.3393 - 1.6071	2.1910	2.0967
-- Atlanta	2.6550 - 3.0875	2.4708 - 2.9255	1.9950 - 2.4125	1.5105 - 1.8388	1.4366 - 1.6835	2.3382	2.1393
-- Upper Midwest	2.6550 - 3.0600	2.3430 - 2.7264	1.9250 - 2.2750	1.5900 - 1.7490	1.4001 - 1.6436	2.2698	2.0298

SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)

Delivered Equivalent:							
-- Northeast	0.8500 - 1.0500	0.9500 - 1.1000	0.9500 - 1.1500	0.9500 - 1.2500	1.0700 - 1.4800	1.0408	1.0203

WISCONSIN FLUID MILK SHIPMENTS

-- Loads Shipped from Wisconsin Shipping Points	17	14	37	17	19	104	12
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NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	23.6200 - 33.0000	23.6200 - 33.0000	23.6200 - 33.0000	23.6200 - 33.0000	23.6200 - 33.0000	28.3100	27.7500

* Following report number 23, Dairy Market News discontinued print butter price reporting. Therefore, no monthly averages were computed

MONTHLY SUMMARY AND AVERAGES FOR NOVEMBER 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 44	REPORT NUMBER 45	REPORT NUMBER 46	REPORT NUMBER 47	REPORT NUMBER 48	1998	1997	
	NOV 02 - 06	NOV 09 - 13	NOV 16 - 20	NOV 23 - 27	NOV 30	Average	Average	
						or Total	or Total	
NONFAT DRY MILK								
-- Central (f.o.b.)								
-- Low/Medium Heat	:: 1.0900 - 1.1525	:: 1.0900 - 1.1525	:: 1.1000 - 1.1525	:: 1.1000 - 1.1525	:: 1.1300 - 1.1650	:: 1.1250	: N.A.	
-- Mostly	:: 1.0900 - 1.1000	:: 1.0900 - 1.1000	:: 1.1200 - 1.1400	:: 1.1200 - 1.1400	:: 1.1300 - 1.1400	:: 1.1137	: N.A.	
-- West (f.o.b.)								
-- Low/Medium Heat	:: 1.0600 - 1.1600	:: 1.0600 - 1.1600	:: 1.0600 - 1.1600	:: 1.0600 - 1.1600	:: 1.0600 - 1.1600	:: 1.1100	: 1.0475	
-- Mostly	:: 1.1100 - 1.1300	:: 1.1100 - 1.1300	:: 1.1100 - 1.1300	:: 1.1100 - 1.1300	:: 1.1100 - 1.1300	:: 1.1200	: 1.0400	
-- High Heat	:: 1.1200 - 1.1700	:: 1.1200 - 1.1750	:: 1.1300 - 1.1750	:: 1.1300 - 1.1750	:: 1.1300 - 1.1750	:: 1.1495	: 1.0716	
-- Northeast (f.o.b.)								
-- Low/Medium Heat	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	:: 1.1000 - 1.1900	:: 1.1200 - 1.1900	:: 1.1382	: N.A.	
-- High Heat	:: 1.1300 - 1.1900	:: 1.1300 - 1.1900	:: 1.1300 - 1.1900	:: 1.1300 - 1.2000	:: 1.1400 - 1.2000	:: 1.1616	: N.A.	
-- Mostly	:: 1.1400 - 1.1500	:: 1.1400 - 1.1500	:: 1.1400 - 1.1500	:: 1.1400 - 1.1500	:: 1.1400 - 1.1600	:: 1.1453	: N.A.	
-- Southeast (Delvd)								
-- Extra & Grade A	:: 1.1300 - 1.1900	:: 1.1300 - 1.1900	:: 1.1300 - 1.1900	:: 1.1300 - 1.2000	:: 1.1500 - 1.2000	:: 1.1618	: 1.0775	
WHEY POWDER (Nonhygroscopic)								
-- Central (f.o.b.)	:: 0.2325 - 0.2550	:: 0.2325 - 0.2550	:: 0.2400 - 0.2600	:: 0.2400 - 0.2600	:: 0.2425 - 0.2575	:: 0.2470	: 0.3275	
-- Mostly	:: 0.2400 - 0.2500	:: 0.2400 - 0.2500	:: 0.2450 - 0.2500	:: 0.2450 - 0.2500	:: 0.2450 - 0.2500	:: 0.2463	: 0.3205	
-- West (f.o.b.)	:: 0.2300 - 0.2750	:: 0.2300 - 0.2750	:: 0.2300 - 0.2750	:: 0.2300 - 0.2750	:: 0.2300 - 0.2750	:: 0.2525	: 0.2873	
-- Mostly	:: 0.2400 - 0.2425	:: 0.2400 - 0.2425	:: 0.2400 - 0.2425	:: 0.2400 - 0.2425	:: 0.2400 - 0.2425	:: 0.2413	: 0.2835	
-- Northeast Extra Grade (f.o.b.)	:: 0.2375 - 0.2500	:: 0.2375 - 0.2500	:: 0.2450 - 0.2500	:: 0.2450 - 0.2500	:: 0.2475 - 0.2525	:: 0.2459	: 0.3240	
-- Northeast Usph Grade A(f.o.b.)	:: 0.2400 - 0.2625	:: 0.2400 - 0.2625	:: 0.2500 - 0.2625	:: 0.2500 - 0.2625	:: 0.2500 - 0.2625	:: 0.2539	: 0.3506	
-- Southeast Extra Grade (Delvd)	:: 0.2600 - 0.2750	:: 0.2600 - 0.2750	:: 0.2600 - 0.2750	:: 0.2600 - 0.2750	:: 0.2650 - 0.2825	:: 0.2678	: 0.3413	
WHEY PROTEIN CONCENTRATE								
-- Central And West (f.o.b.)								
-- Extra Grade 34% Protein	:: 0.5500 - 0.6225	:: 0.5500 - 0.6225	:: 0.5400 - 0.6225	:: 0.5400 - 0.6225	:: 0.5400 - 0.6225	:: 0.5836	: 0.5928	
-- Mostly	:: 0.6075 - 0.6125	:: 0.6075 - 0.6125	:: 0.6000 - 0.6100	:: 0.6000 - 0.6100	:: 0.5900 - 0.6000	:: 0.6068	: 0.6006	
ANIMAL FEED - WHEY								
-- Central (f.o.b.)								
-- Milk Replacer	:: 0.2000 - 0.2175	:: 0.1900 - 0.2175	:: 0.1800 - 0.2100	:: 0.1800 - 0.2100	:: 0.1800 - 0.2100	:: 0.2005	: 0.3006	
-- Standard	:: 0.1650 - 0.1900	:: 0.1650 - 0.1900	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1736	: TFEWR	
-- Roller Ground	:: 0.2525 - 0.2625	:: 0.2525 - 0.2625	:: 0.2525 - 0.2625	:: 0.2525 - 0.2625	:: 0.2500 - 0.2625	:: 0.2574	: 0.3256	
-- Delactose	:: 0.3275 - 0.3600	:: 0.3275 - 0.3600	:: 0.3275 - 0.3600	:: 0.3275 - 0.3575	:: 0.3275 - 0.3575	:: 0.3434	: 0.3518	
-- Northeast (f.o.b.)								
-- Milk Replacer	::	TFEWR	::	TFEWR	::	TFEWR	::	TFEWR
BUTTERMILK (Min. 30% protein)								
-- Central (f.o.b.)	:: 0.9500 - 1.0700	:: 0.9500 - 1.0700	:: 0.9500 - 1.0700	:: 0.9500 - 1.0700	:: 0.9300 - 1.0100	:: 1.0079	: 0.9683	
-- West (f.o.b.)	:: 0.9800 - 1.0200	:: 0.9800 - 1.0200	:: 0.9800 - 1.0200	:: 0.9700 - 1.0100	:: 0.9200 - 1.0100	:: 0.9961	: 0.9407	
-- Mostly	:: 0.9900 - 1.0000	:: 0.9800 - 0.9900	:: 0.9800 - 0.9900	:: 0.9700 - 0.9800	:: 0.9500 - 0.9700	:: 0.9842	: 0.9357	
-- Northeast (f.o.b.)	:: 0.9800 - 1.0000	:: 0.9800 - 1.0000	:: 0.9800 - 1.0000	:: 0.9800 - 0.9900	:: 0.9800 - 0.9900	:: 0.9887	: 1.0006	
-- Southeast (Delvd)	:: 1.0200 - 1.0800	:: 1.0200 - 1.0800	:: 1.0200 - 1.0800	:: 1.0200 - 1.0800	:: 0.9900 - 1.0500	:: 1.0484	: 1.0031	
WHOLE MILK POWDER								
-- National								
-- F.O.B. Producing Plant	:: 1.5750 - 1.7500	:: 1.5750 - 1.7500	:: 1.5800 - 1.7000	:: 1.5800 - 1.7000	:: 1.5800 - 1.7000	:: 1.6507	: 1.4250	
LACTOSE								
-- Central And West (f.o.b.)	:: 0.1500 - 0.2350	:: 0.1500 - 0.2350	:: 0.1400 - 0.2350	:: 0.1400 - 0.2350	:: 0.1400 - 0.2350	:: 0.1899	: 0.2200	
-- Mostly	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1750	: 0.2100	
CASEIN - Edible - National (f.o.b.)								
-- Nonrestricted - Rennet	:: 2.0000 - 2.1000	:: 2.0000 - 2.1000	:: 2.0000 - 2.1000	:: 1.9500 - 2.1000	:: 1.9500 - 2.1000	:: 2.0434	: 2.2153	
-- Nonrestricted - Acid	:: 1.9500 - 2.0500	:: 1.9500 - 2.0500	:: 1.9500 - 2.0500	:: 1.9000 - 2.0500	:: 1.9000 - 2.0500	:: 1.9934	: 2.0500	

1/ Prices for all products not footnoted 2/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR NOVEMBER 1998

COMMODITY	REPORT NUMBER 44 NOV 2 - 6	REPORT NUMBER 45 NOV 9 - 13	REPORT NUMBER 46 NOV 16 - 20	REPORT NUMBER 47 NOV 23 - 25	REPORT NUMBER 48 NOV 30	1998 * Monthly Average	1997 * Monthly Average
CHEESE*							
-- BARRELS							
--Monday	1.8200	1.8250	1.8300	1.8350	1.8450		
--Tuesday	1.8200	1.8250	1.8300	1.8450			
--Wednesday	1.8250	1.8300	1.8350	1.8450			
--Thursday	1.8250	1.8300	1.8350	#			
--Friday	1.8250	1.8300	1.8350	#		1.8311	1.3304
--Weekly Average**	1.8230	1.8280	1.8330	1.8417	---		
-- 40# BLOCKS							
--Monday	1.8500	1.8575	1.8625	1.8725	1.8825		
--Tuesday	1.8500	1.8600	1.8625	1.8750			
--Wednesday	1.8500	1.8600	1.8650	1.8800			
--Thursday	1.8500	1.8600	1.8700	#			
--Friday	1.8550	1.8600	1.8700	#		1.8628	1.4129
--Weekly Average**	1.8510	1.8595	1.8660	1.8758	---		
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	1.1600	1.1600	1.1550	1.1550	1.1550		
--Tuesday	1.1600	1.1600	1.1550	1.1550			
--Wednesday	1.1600	1.1550	1.1550	1.1550			
--Thursday	1.1600	1.1550	1.1550	#			
--Friday	1.1600	1.1550	1.1550	#		1.1568	N.A.
--Weekly Average**	1.1600	1.1570	1.1550	1.1550	---		
-- GRADE A							
--Monday	1.1650	1.1650	1.1650	1.1650	1.1675		
--Tuesday	1.1650	1.1650	1.1650	1.1650			
--Wednesday	1.1650	1.1650	1.1650	1.1650			
--Thursday	1.1650	1.1650	1.1650	#			
--Friday	1.1650	1.1650	1.1650	#		1.1651	N.A.
--Weekly Average**	1.1650	1.1650	1.1650	1.1650	---		

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations. 1997 averages represent averages for weekly trading and are shown for informational purposes.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

CME cash dairy market closed.

NOVEMBER 1998 DEIP BID ACCEPTANCE

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
OCTOBER 1998		34,467		
11/02	CARIBBEAN, CENT & S. AM	620	NOV-MAR	\$1,040
11/02	AFRICA & MIDDLE EAST	220	NOV-MAY	\$1,075
11/05	CARIBBEAN, CENT & S. AM	18	NOV	\$1,040
11/06	ASIA & FSU	20	NOV-DEC	\$1,040
11/10	CARIBBEAN, CENT & S. AM	70	DEC-MAY	\$1,040
11/09	CARIBBEAN, CENT & S. AM	50	NOV-DEC	\$1,040
11/12	CARIBBEAN, CENT & S. AM	53	NOV	\$1,040
11/17	CARIBBEAN, CENT & S. AM	98	NOV-DEC	\$1,040
11/18	AFRICA & MIDDLE EAST	140	DEC	\$1,075
11/19	ASIA & FSU	250	DEC-JAN	\$1,060
11/20	CARIBBEAN, CENT & S. AM	1,200	DEC-AUG	\$1,080
11/23	AFRICA & MIDDLE EAST	105	JAN	\$1,115
11/23	ASIA & FSU	316	JAN-JUL	\$1,080
11/23	CARIBBEAN, CENT & S. AM	1,213	NOV-MAR	\$1,080
11/24	CARIBBEAN, CENT & S. AM	3,385	DEC-APR	\$1,080
11/24	AFRICA & MIDDLE EAST	200	DEC-MAR	\$1,115
11/25	AFRICA & MIDDLE EAST	994	DEC-AUG	\$1,115
11/25	CARIBBEAN, CENT & S. AM	2,220	JAN-AUG	\$1,078.50
11/27	AFRICA & MIDDLE EAST	1,108	JAN-AUG	\$1,115
11/27	ASIA & FSU	5,173	JAN-JUN	\$1,080
11/27	CARIBBEAN, CENT & S. AM	553	NOV-JAN	\$1,080
11/30	CARIBBEAN, CENT & S. AM	20	DEC	\$1,080
11/30	ASIA & FSU	2,039	JAN-JUN	\$1,080
NOVEMBER 1 - 30, 1998		<u>20,065</u>		
PROGRAM TO DATE		54,532		
REALLOCATED	CARIBBEAN & MEXICO	3,000	DEC-FEB	\$1,078.50
WHOLE MILK POWDER				
OCTOBER 1998		2,080		
NOVEMBER 1 - 30, 1998		<u>0</u>		
PROGRAM TO DATE		2,080		
CHEESE				
OCTOBER 1998		1,675		
11/10-P	CARIBBEAN, CENT & S. AM	241	NOV-MAY	\$1,525
11/13-P	CARIBBEAN, CENT & S. AM	5	NOV-JAN	\$1,380
11/16-P	CARIBBEAN, CENT & S. AM	38	NOV-JUN	\$1,525
NOVEMBER 1 - 30, 1998		<u>284</u>		
PROGRAM TO DATE		1,959		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ - MONTEREY JACK				
BUTTEROIL/ANHYDROUS MILKFAT				
OCTOBER 1998		0		
NOVEMBER 1 - 30, 1998		<u>0</u>		
PROGRAM TO DATE		0		
TOTAL MT				PROGRAM-TO-DATE
TOTAL BONUS VALUE				58,571
				\$63,691.000

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

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE PERIOD OF NOVEMBER 25 - DECEMBER 4				CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD	
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/98	LAST YEAR	11/27/98	LAST YEAR	
BUTTER								
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
CHEESE								
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
NONFAT DRY MILK								
Nonfortified	-0-	-0-	-0-	103,384	856,393	10,390,000	-0-	
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
TOTAL	-0-	-0-	-0-	103,384	856,393	10,390,000	-0-	

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

	MILKFAT* BASIS	SKIM** SOLIDS	COMPARABLE WEEK IN 1997 =	MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF NOVEMBER 25 - DECEMBER 4, 1998 =	0.0	0.0		0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1998 =	0.0	1.2	CUMULATIVE SAME PERIOD LAST YEAR =	0.2	10.0
CUMULATIVE JANUARY 1 - DECEMBER 4, 1998 =	25.0	1,321.4	COMPARABLE CALENDAR YEAR 1997 =	24.8	400.4

* 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

REGION	CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS)		AND MILK EQUIVALENT AS A PERCENT OF TOTAL	
	BUTTER	CHEESE	NONFAT DRY MILK	MILK EQUIVALENT
	1998/99	1997/98	1998/99	1997/98
MIDWEST	-0-	-0-	-0-	-0-
WEST	-0-	-0-	103,384	746,218
EAST	-0-	-0-	-0-	110,175
TOTAL	-0-	-0-	103,384	856,393

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

PERIOD OF NOV. 25 - DEC. 3	588,139	0.1
CUMULATIVE SINCE 10/1/98	13,806,896	3.0

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 11/14/98 & Comparable Week 1997 1/ 2/

Regions*	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1
1998-Dairy cows HD (000)	0.3	0.9	7.1	6.3	19.5	2.6	3.1	0.6	9.0	2.6	52.1	2,320.1
1997-Dairy cows HD (000)	0.4	1.6	7.9	6.5	26.4	3.1	3.6	0.8	10.0	2.6	62.7	2,559.4
1998-All cows HD (000)	0.3	1.4	9.9	18.5	27.3	20.6	20.9	6.2	11.9	8.5	125.5	5,152.9
1997-All cows HD (000)	0.4	1.7	10.8	18.8	37.7	22.4	23.3	10.6	13.4	7.7	146.8	5,615.9

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 PURCHASES 11/24

PROCESS	JANUARY DELIVERY
PROCESS SLICED	871,200 \$2.2205-2.2609
MOZZARELLA	645,120 \$1.9660-1.9995

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 23,244,091

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		