

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (7/2):**

**BUTTER:** Grade AA closed at \$1.3700. The weekly average for Grade AA is \$1.3900 (-.1025).

**CHEESE:** Barrels closed at \$1.4200 and blocks at \$1.5025. The weekly average for barrels is \$1.4355 (-.0065) and blocks, \$1.5005 (+.0160).

**NONFAT DRY MILK:** Extra Grade closed at \$1.0100 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0100 (N.C.) and Grade A is \$1.0500 (N.C.).

**BUTTER:** The market tone is weak. Producers and handlers are questioning how low will cash prices go. Up until cash prices started to weaken, many orders were being filled with inventoried stocks. Now, stocks out of inventory are not as willingly offered. Many handlers were offering butter that was put away earlier this spring at competitive prices, but with lower prices, the profit margins are smaller. Overall butter sales are seasonally active, but typical for this time of the year. Churning schedules remain light.

**CHEESE:** The cheese market is unsettled, generally just steady on blocks, but weak on barrels. The increasing spread between blocks and barrels is a concern to barrel producers competing for milk. Orders were slower in developing as recent shipments to buyers have been heavy. Many buyers have rebuilt inventories and, often increased stocks as a hedge against higher prices, especially after last year. Cheese production is steady to lighter, reflecting milk receipts. Cheese yields are slipping seasonally.

**FLUID MILK:** In many areas of the country, hot and humid summer weather conditions are now negatively affecting milk production. Although milk output is on the downhill side, overall receipts continue to run ahead of last year at this time. Processing plants are being prepared for the upcoming holiday weekend. Most plants will be quite full, although many are trying to schedule milk receipts to allow some down time during the holiday weekend. Cream demand continues to be quite strong. Ice cream production was very active early in the week, but became much lighter as the holiday weekend neared.

**DRY PRODUCTS:** For the most part, dry product markets are much the same as past weeks, although whey prices are firmer. Nonfat dry milk prices and market conditions are stable. The recently announced DEIP allocations for the upcoming 12 months are expected to give renewed buyer interest in powder for export sales. Whey markets are firm. Stock levels are reported to be in close balance with some Eastern producers reporting a sold out position. Many dry product producers anticipate heavier milk offerings during the upcoming holiday weekend, but feel that plant capacities will not be overly taxed as milk production across the country is trending downward.

**CCC:** During the week of June 28 - July 2, CCC net purchases of nonfortified NDM totaled 7,322,910 pounds and fortified totaled 264,414 pounds.

**BASIC FORMULA PRICE (AMS):** The basic formula price (BFP) for June 1999 is \$11.42 per cwt. at 3.5% test. The BFP is \$0.16 higher than last month but \$1.68 lower than June 1998. The BFP is the base month M/W price of \$11.23, plus a change of \$0.19, which is the change in the butter/powder/cheese formula from May to June. For June, the NASS average cheese price was \$1.2747. The butterfat differential is \$0.161. June Class III-A prices are: for Federal Orders 1 & 2, \$13.18; for Order 4, \$13.20; for Orders 124, 131, & 135, \$13.21; for other affected orders, \$13.29.

**1999-2000 DEIP PROGRAM (FAS):** On June 30, Agriculture Secretary Dan Glickman announced one-year allocations under the Dairy Export Incentive Program (DEIP) for the period July 1999 through June 2000. US dairy export sales will be facilitated through the payment of bonuses by USDA's Commodity Credit Corporation (CCC). Sales of nonfat dry milk, whole milk powder, butterfat, and eligible cheeses will be made through normal commercial channels at competitive world prices. New DEIP bonuses are being made available for 76,207 metric tons (MT) of nonfat dry milk, 2,518 MT of whole milk powder, 25,475 MT of butterfat, and 3,190 MT of various cheeses. These DEIP allocations are in addition to balances still available from the quantities announced on May 13, 1999, for nonfat dry milk, whole milk powder, and cheese.

**LOSS ASSISTANCE PROGRAM (USDA):** On June 23, USDA's CCC announced the rate at which dairy farmers are being paid under USDA's Dairy Market Loss Assistance Program. Distribution of payments under the program began June 16 and should be completed by June 30, 1999. Under the program, CCC makes \$200 million in payments to dairy farmers, who are suffering from record low milk prices. The \$200 million, appropriated by the Congress for this purpose, is being divided among dairy operations based on each operation's production of milk in 1997 or 1998. Payments are limited to the first 26,000 cwt. of production in the selected year. The payment rate is 22.47897 cents per cwt. The payment was calculated so as not to dilute assistance available to smaller dairy farmers who may be in the most need of the assistance and to spread the payments more equitably among all dairy operations.

**CONSUMER PRICE INDEX (BLS):** The May Consumer Price Index (CPI) for all food is 163.7, up 2.1% from May 1998. The dairy products index, 156.2, is up 5.5% from a year ago. The May to May changes in selected dairy products are: fresh whole milk +3.4%, cheese +7.6%, and butter +9.5%.

**COMMERCIAL DISAPPEARANCE (ERS):** Commercial disappearance of dairy products during the period of January - April 1999 totals 52.2 billion pounds, 1.6% more than the comparable period in 1998. Comparing disappearance levels with a year ago: American cheese, other cheese, and fluid milk were higher while butter and NDM were lower.

\*\*\*\*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 = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 28	TUESDAY JUNE 29	WEDNESDAY JUNE 30	THURSDAY JULY 1	FRIDAY JULY 2	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4525 (-.0050)	\$1.4475 (-.0050)	\$1.4300 (-.0175)	\$1.4275 (-.0025)	\$1.4200 (-.0075)	-.0375	\$1.4355 (-.0065)
40# BLOCKS	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5025 (+.0025)	+.0025	\$1.5005 (+.0160)
NONFAT DRY MILK EXTRA GRADE	\$1.0100 (N.C.)	\$1.0100 (N.C.)	\$1.0100 (N.C.)	\$1.0100 (N.C.)	\$1.0100 (N.C.)	N.C.	\$1.0100 (N.C.)
GRADE A	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	N.C.	\$1.0500 (N.C.)
BUTTER GRADE AA	\$1.4300 (-.0500)	----	\$1.3700 (-.0600)	----	\$1.3700 (N.C.)	-.1100	\$1.3900 (-.1025)

\*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 - June 28 - July 2, 1999

MONDAY, JUNE 28, 1999

CHEESE -- SALES: 7 CARS BARRELS: 1 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4525; 7 CARS 40# BLOCKS: 4 @ \$1.5000, 2 @ \$1.4975, 1 @ \$1.5000; BIDS UNFILLED: 1 CAR BARRELS @ \$1.4475; OFFERS UNCOVERED: 4 CARS BARRELS: 3 @ \$1.4575, 1 @ \$1.4675; 4 CARS 40# BLOCKS: 2 @ \$1.5000, 1 @ \$1.5050, 1 @ \$1.5100

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

BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.4650, 1 @ \$1.4500, 1 @ \$1.4400, 1 @ \$1.4300; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.3900; OFFERS UNCOVERED: 7 CARS GRADE AA: 1 @ \$1.4300, 1 @ \$1.4400, 1 @ \$1.4500, 1 @ \$1.4600, 1 @ \$1.4700, 2 @ \$1.4800

TUESDAY, JUNE 29, 1999

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4450, 1 @ \$1.4475; 4 CARS 40# BLOCKS: 1 @ \$1.4975, 3 @ \$1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$1.4475, 3 @ \$1.4525, 1 @ \$1.4625

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

WEDNESDAY, JUNE 30, 1999

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.4975, 2 @ \$1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.4300, 1 @ \$1.4450, 3 @ \$1.4475, 1 @ \$1.4575; 2 CARS 40# BLOCKS @ \$1.5000

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

BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$1.3900, 2 @ \$1.3800, 2 @ \$1.3700; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.3700; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.3900, 1 @ \$1.4000, 1 @ \$1.4100, 1 @ \$1.4200, 1 @ \$1.4300

THURSDAY, JULY 1, 1999

CHEESE -- SALES: 6 CARS BARRELS: 2 @ \$1.4225, 3 @ \$1.4300, 1 @ \$1.4275; 2 CARS 40# BLOCKS: 1 @ \$1.4975, 1 @ \$1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS BARRELS: 3 @ \$1.4300, 1 @ \$1.4400; 2 CARS 40# BLOCKS @ \$1.5000

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

FRIDAY, JULY 2, 1999

CHEESE -- SALES: 18 CARS BARRELS: 1 @ \$1.4200, 1 @ \$1.4250, 3 @ \$1.4275, 1 @ \$1.4250, 1 @ \$1.4275, 1 @ \$1.4250, 1 @ \$1.4275, 1 @ \$1.4250, 1 @ \$1.4225, 1 @ \$1.4200, 1 @ \$1.4175, 1 @ \$1.4275, 1 @ \$1.4200, 1 @ \$1.4175, 1 @ \$1.4150, 1 @ \$1.4200; 5 CARS 40# BLOCKS: 3 @ \$1.5000, 1 @ \$1.5050, 1 @ \$1.5025; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.5025; OFFERS UNCOVERED: 7 CARS BARRELS: 2 @ \$1.4200, 4 @ \$1.4275, 1 @ \$1.4375

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

BUTTER -- SALES: NONE; BIDS UNFILLED: 7 CARS GRADE AA: 2 @ \$1.3000, 1 @ \$1.2900, 1 @ \$1.2800, 1 @ \$1.2700, 1 @ \$1.2600, 1 @ \$1.2500; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.3700

**BUTTER MARKETS**

**NORTHEAST**

At the date of this report (6/29), closing prices at the CME declined for three consecutive sessions. Since reaching \$1.50, bulk offerings have increased as speculators/traders, and some producers, appear to be clearing some of their inventories. Coupled with the recent cold storage report, these increased offerings have prices on a downward trend. Demand seems to be less aggressive for bulk, but spot bulk sales continue in the range of 3 - 5 1/2 cents over the CME weekly average. Retail sales of quarters and one-pound prints are steady. Food service orders are holding up quite well. Churning activity is lighter as more cream is moving into seasonal Class II products. Fresh butter stocks are light, but frozen inventories are more than ample to meet current needs.

**CENTRAL**

The butter market is weak as cash trading values at the CME continue to decline. At midweek, the slide has totaled 13 cents over the past 4 trading sessions. Producers and handlers anticipated a weaker market, but now the question is, how low will the market go? Up to this point, butter stocks were coming out of inventory to fill needs, but now that prices are lower, inventory clearances have slowed. Sales are reported to be mixed. Some producers/handlers report that sales are typical for this time of they year while others report slower orders. Cream continues to clear to Class II operations with lighter volumes available to the churn. Some butter producers feel that cream will become somewhat more available after the upcoming 4th of July holiday.

**WEST**

Western traders are concerned about the four consecutive trading days that the price has declined at the CME. Bulk sales are not quite as aggressive as a few weeks ago, but cream sales remain seasonally very strong. The ice cream season was slow to develop because of some spring weather problems, but now it is progressing at least at normal levels. Print orders are heavier than many manufacturers had anticipated. Therefore, a number of operations are concentrating on filling print orders and selling cream profitably at the expense of bulk churning. The cheese market strength is tending to draw some additional milk that has an option of where to go.

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

\*\*\*DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.\*\*\*

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

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
JUNE 26	1.3254 5,430,868	1.3032 12,277,450	1.0011 17,297,521	1.4854 1,935,505	0.1685 6,254,429

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

**CHEESE MARKETS**

**NORTHEAST**

Prices for process and natural types are 6-8.25 cents higher and Swiss is unchanged. The market tone appears less firm than it was. The recent cold storage figures seemed to temper the June's run-up in prices at the CME. Current cheese stocks are still tight, but high prices appear to have had an adverse effect on sales. Also, June Dairy Month promotions are winding down and retail sales are a bit slower as outlets work off inventories before reordering. Process sales are seasonally good. Production levels are easing as milk supplies are now past the peak. However, schools in the Northeast are now on summer recess and a surge in surplus milk did occur during the past week or two.

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

Cheddar 10# Prints	:	1.5025-1.9900
Cheddar Single Daisies	:	1.4750-1.9900
Cheddar 40# Block	:	1.6075-1.7925
Process 5# Loaf	:	1.6350-1.7925
Process 5# Sliced	:	1.6550-1.9125
Muenster	:	1.6825-1.9850
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is about steady, though a little weakness is noted on barrels from recent weeks. Recent price increases and the associated demand stimulation seem to have "run the course," now that shipments are starting to catch up with orders. Buyers are not cutting back on their commitments, but new orders are slower in developing and calls searching for product are less frequent. Many cutters/processors have been operating on extended schedules in recent weeks in order to close an extra day or two for the long holiday weekend observance. Many users have rebuilt, and in instances, increased inventory positions from good working levels. Cheese production is mostly lower as cheese yields have declined. Milk intakes are also trending lower but not enough yet to make major reductions in plant operating schedules.

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

Process American 5# Loaf	:	1.6225-1.7300
Brick And/Or Muenster 5#	:	1.7300-1.9525
Cheddar 40# Block	:	1.7300-2.1150
Monterey Jack 10#	:	1.9100-2.1150
Blue 5#	:	2.0800-2.3100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8000-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.3400-2.6850

**MIDWEST COMMODITY CHEDDAR**

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

CHEDDAR STYLES	:	JUNE 28 - JULY 2, 1999
BARRELS*	:	\$1.4425 - 1.4625 (NOMINAL)
	:	(\$0.0800) (.0150)
40# BLOCKS	:	\$1.4850 - 1.5200 (NOMINAL)
	:	(\$0.0675) (.0100)

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

**WEST**

Cheese prices continue to increase in the Western region following the strength at the CME. Some contacts are noting the slight weakness in barrel cheese at the CME and are wondering if that indicates a change in direction of the market. Current barrels and processing solids continue to move very well. Processors are looking for any processing solids that they can find. Current blocks are short of trade needs and some buyers are going to the exchange looking for supplies. Aging programs continue to lag behind optimal volumes. Swiss production is up seasonally and sales are clearing good volumes of product. Mozzarella continues to be in a very tight position. Western contacts are unsure how the cheese market will play out this summer and into the fall. They are able to develop scenarios that suggest the market may move higher or that the market is currently overvalued and is set for a decline. Therefore, they are feeling quite a bit of uncertainty.

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

Process 5# Loaf	:	1.5900-1.8500
Cheddar 40# Block	:	1.6050-1.7450
Cheddar 10# Cuts	:	1.7950-2.0050
Monterey Jack 10#	:	1.8150-1.9675
Grade A Swiss Cuts 6 - 9#	:	2.2900-2.4200

**FOREIGN**

Domestic cheese prices are higher again as prices at the CME increased for most of June's trading days. Imported styles are unchanged. The market tone is typical for summer, but with the U.S. prices so high, imported cheeses used in processing are in better demand. The recent dioxin crisis has had some impact on imports of some cheeses, but for the most part, imports continue at typical levels. Sales of imported cheeses have also been affected by consumers' concerns over product safety. Also, legislators are taking this opportunity to introduce bills that address quality and country of origin for perishable food products.

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

			NEW YORK	
VARIETY	:	IMPORTED	:	DOMESTIC
	:		:	
Roquefort	:	5.5000-6.8900	:	-0-
Blue	:	2.6400-3.1400	:	1.8375-2.4475*
Gorgonzola	:	3.2400-5.9400	:	2.4900-2.5325*
Parmesan (Italy)	:	TFEWR	:	3.2475-3.2775*
Romano (Italy)	:	2.1000-2.9000	:	-0-
Provolone (Italy)	:	3.4400-5.5000	:	1.8375-2.1225*
Romano (Cows Milk)	:	-0-	:	3.0175-5.2425*
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
06/28/99	14,917	:	118,965
06/01/99	17,004	:	121,236
CHANGE	-2,087	:	-2,271
% CHANGE	-12	:	-2

FLUID MILK AND CREAM

E A S T

Milk production continues its seasonal decline in most sections of the East. The record high temperatures in New England are starting to take their toll on the cows and milk output is falling a little faster than anticipated. Hot, humid weather is occurring in most of the East and affecting output. In the Middle Atlantic area, drought conditions still exist and pasture/alfalfa growth and quality are substandard. In the Southeast, many areas have been receiving heavy rainfall along with the high temperatures. Some localized flooding has caused damage, power outages, and transportation problems. Some areas received their normal monthly rainfall in a matter of hours. Milk output is falling in Florida, but still running ahead of last year's receipts. A year ago Florida suffered through brutally hot weather which really knocked milk production way down and imports started early. This week, Florida handlers are not exporting any surplus milk nor are they importing milk from outside of normal pool supply sources. They are bringing in about 64 - 70 loads from regular pool sources in South Georgia. Throughout the region, bottled milk sales are generally poor. Milk is not the beverage of choice during the very hot, humid weather and/or July Fourth celebrations. Surplus milk volumes range from lighter to heavy. Milk volumes are falling, but scattered plant problems are causing milk to temporarily find alternate outlets. Some Northeast milk is moving to other areas for processing as manufacturers try to draw down their supplies before the upcoming holiday weekend. The condensed skim market is little changed. Class II condensed skim prices could move lower as the July Class II milk price is 55 cents lower than June. The fluid cream market is mixed, but mostly steady. Stocks were tight early in the week, but as the week progressed, demand eased and offerings increased. Many users will be down for an extra day or two during the Independence Day weekend and late-week deliveries are noticeably slower. Orders for next Tuesday are quite heavy as operations restart. Spot prices are off slightly because of the change in the CME weekly butter average. Multiples are generally unchanged. Ice cream and soft serve mix production and sales have been seasonally strong. Bottled cream output is slowing slightly. Cream cheese output is mostly steady, but some plants will be down this weekend. Churning activity is light as more cream has been moving into Class II channels.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT	
F.O.B. Producing Plants: Northeast	- 1.9403-2.1194
Delivered Equivalent Atlanta	- 1.9403-2.0895 M 1.9701-2.0597
F.O.B. Producing Plants: Upper Midwest	- 1.9403-2.0746
PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS	
F.O.B. Producing Plants: Northeast	- .9000-1.1000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 25 - JULY 1, 1999	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1998	0

Class I demand is about steady with typical summer levels. A total of 20 loads of Wisconsin milk are direct shipped to Missouri and pooled under a Southern federal order to supplement local offerings. Some deals are being made with upper Midwest milk handlers to supply supplemental loads into the Southeast for summer and fall needs. Manufacturing milk interest remains strong with prices steady to

higher. Handlers were trying to find a home for surplus holiday milk supplies prior to the weekend. Reported surplus milk prices were about steady in the \$1.40 to \$1.70 over class area. Cream demand remains good but ice cream producers are not having a problem in finding an extra load or two. Many ice cream producers will be closed for an extra day or two over the holiday weekend so extra cream may back into butter channels. Cream multiples have been fairly steady and the slightly lower cash butter prices at the Chicago Mercantile Exchange are moving reported cream prices lower. Cooler weather has helped to steady milk receipts, but the general downward trend continues. Scattered precipitation in dry areas has helped crop conditions in many areas. Some second cutting hay/haylage is already in storage. Most early planted corn fields will not have a problem making "knee high by the fourth of July," but many later planted fields are definitely lagging.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 42.00	\$ 36.00- 41.25
REPLACEMENT HEIFER CALVES	\$225.00-270.00	\$120.00-165.00

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

	JUNE 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 45.25	\$ 36.00- 39.75

W E S T

May pool milk production in California totals 2.60 billion pounds, up 12.2% from last year. Cumulative output for the first five months of the year totals 12.27 billion pounds, up 11.2% from the same period in 1998. The May blend price is \$12.08 compared to \$12.94 last year. For May, 20.52% of receipts were used in Class 1 products. This is the lowest monthly percentage on record used for Class 1 products. The May quota price is \$13.11, down 15 cents from last month and down 80 cents from last year. Base and overbase prices are both \$11.41. These prices are the lowest since July of 1997. Hot weather is moving across more areas in California this week. This is really the first extended period of warm weather of the season. Nights are still relatively cool so that milk production is not being impacted all that much at this time. Hay and concentrate prices are both positive for strong milk production. Producers continue to hold onto cows that at some times might have been culled by now and they continue to search for heifers. They are having little luck in finding "reasonably priced" heifers. Warm weather has been around for a much longer period of time in Arizona and New Mexico. Milk output is definitely past the peak in that part of the Southwest. Cool weather continues to be the norm over the Pacific Northwest and the cows are enjoying it by producing very good volumes of milk. Crops are struggling to make up for some lost time with marginal success. Many areas are finished with the first cutting of hay with some mixed results. Yields were down because of the cool weather this spring, but quality was generally good unless the hay was caught in a stray shower. Hay growing areas at higher elevations are just starting to work on the second cutting of alfalfa. At lower elevations and further south some are starting on the second cutting. More dairy producers are aggressively contracting for fall and winter concentrate feed needs. Temperatures are closer to normal in the northern Mountain States region. Valleys have touched the 90's and higher elevations are in the 80's most days. Most areas are done with a good first cutting of hay. Much of the corn crop is about a foot tall. A number of contacts feel that milk has not yet reached a seasonal peak. Plants are able to efficiently handle the current level of milk receipts.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 07/01/99 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 on a weak market. Milk intakes are steady to lower as milk production seasonally declines. Some plants are expecting an increase in milk receipts due to the Fourth of July holiday. Production is heavy as stocks continue to build. High heat and Grade A product are clearing fairly well. Demand for low heat product is light with no real improvements anticipated in the near future. Less than trucklot purchases occasionally move at a premium depending upon location. Allocations for the new DEIP year are now available. Improvements in the market are not anticipated due to the new option.

Includes EXTRA GRADE and GRADE A, low and medium heat  
NONFAT DRY MILK: .9900 - 1.0300 MOSTLY: 1.0100 - 1.0150

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher on a mostly steady market. Supplies of buttermilk are mixed. Some producer inventories are adequate to tight while others are long. Interest has improved over last week with movement into ice cream and process cheese. New interest from export markets has also appeared. Overall demand is mostly slow to fair as the bulk of product continues to clear as condensed. Less than trucklot volumes are easily traded at a premium. Production is steady and drying schedules are normal.

BUTTERMILK: .6800 - .7500

**DRY WHEY - CENTRAL**

Prices are unchanged to generally higher on a steady to fully steady market. Condensed product remains plentiful and generally free to the taker. Producers report production at full capacity allowing no further intakes of fluid product. Dry whey inventories are mostly in balance as some producers prepare for anticipated production delays and contract orders. Traders are reporting minimal spot movement at the higher prices as buyers resist market change. Edible product moving into feed channels is slowing as livestock markets weaken. Export demand is fair to good. With some foreign milk supplies falling, cheaper U.S. product is becoming more attractive. Movement is best on contracts and Grade A product.

NONHYGROSCOPIC: .1700 - .1900 MOSTLY: .1700 - .1800

**ANIMAL FEED WHEY - CENTRAL**

Prices remain unchanged on all feed items on a steady to weak market. Traders are reporting a limited amount of activity. Delactose is clearing well into calf milk replacers and edible products. The roller ground market is steady. Product clears best on contracts. Producer inventories are adequate to ample and building. Hog inventory and farrowing numbers dropped by 3% compared to last year in the latest USDA report. The decline however is not sufficient to offset last year's over production. Hog prices are trending lower. May veal production totaled 17.0 million pounds, 10% below the previous record low for May set a year ago. Calf slaughter totaled 89 thousand head, down 12% from May 1998. The average live weight was 9 pounds above last year, at 311 pounds.

MILK REPLACER: .1400 - .1675  
STANDARD: TFEWR  
ROLLER GROUND: .1675 - .1825  
DELACTOSE (Min. 20% protein): .2600 - .3150

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged to higher on a steady to firm market. Most producers are tight on supplies and find it difficult to meet spot interest. Domestic and export demand remain good with export trades generating a premium over domestic prices which are usually at the average. Domestic movement is best into infant formula. Inquiries remain plentiful. A few producers are hesitant to commit to third quarter contracts as they are not sure how high the market will go. Some traders anticipate feed buyers to drop out of the market as off grade product is not getting much of a discount. Production problems have been noted, but overall output remains strong.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.  
EDIBLE: .1675 - .2300 MOSTLY: .1700 - .1800

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices and the market tone are mixed. A lack of interest from feed markets is deterring edible movement. Imports of high protein WPC are also competing for domestic markets. Condensed WPC is moving well into feed channels with some producers sold out on their supplies. Dryers often find it difficult to purchase condensed. Producers in the West are having a hard time moving product even at the bottom of the range. Producers in the Midwest are better off as sales tend to be reported at the average or the upper end of the range. Export and domestic drink mix demand clear product the best. Supplies are mixed. Some producers are running long on product while others are sold out. Movement through traders is minimal. Offerings are most often available below the average. Plenty of off grade product is also available at a good discount.

EXTRA GRADE 34% PROTEIN: .4000 - .4800 MOSTLY: .4450 - .4700

**NONFAT DRY MILK - WEST**

Prices have firmed up slightly for low/medium heat powder. Less discounting is taking place at this time. Clearances to the CCC are serving to more closely balance supply and demand. The new DEIP year program was announced on June 30. The NDM portion of the program calls for an allocation of 76,207 MT compared to 84,212 MT last DEIP year. This is a decline of 9.5%. The trade generally does not expect any real impact on the market because of the announcement. Production of NDM is declining seasonally due to less milk production and slightly higher sales of condensed. CCC activity for the week of June 21 - 25 totals 9.6 million pounds, the vast majority of the offerings were from the West. Clearances from October 1 have reached 138.0 million pounds, up 34.0% from the previous year. Interest in high heat powder at this time of year is very light. Many are making this type of powder only to order.

Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .9700 - 1.0300 MOSTLY: .9800 - 1.0100  
HIGH HEAT: 1.0200 - 1.0400

**DRY BUTTERMILK - WEST**

Prices for Western buttermilk powder continue to firm slowly. Powder production is declining seasonally as butter output is diminished and more condensed buttermilk powder is being sold. More contacts are reporting that they are in a much more comfortable inventory position. Surprise is still being registered that prices have not moved somewhat closer to NDM price levels. The ice cream production season is now in full swing over most of the country and that is certainly increasing demand for buttermilk.

BUTTERMILK: .6600 - .7000 MOSTLY: .6600 - .6700

**DRY WHEY - WEST**

The Western mostly price series held steady while the range increased in price. Stock levels are in better shape in the Western region. Contacts are stating that inventories in the Central region are also more closely balanced and therefore there is not quite as much competition from that region. Export sales are getting a boost from the EU dioxin problems at least psychologically. Domestic demand ranges from fair to good. Western production of cheese has come off peak levels at a number of manufacturing plants and therefore, whey production is also down slightly. A firmer undertone is developing for this market.

NONHYGROSCOPIC: .1625 - .1900 MOSTLY: .1650 - .1725

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended June 25, on powder sales of 9,748,446 pounds f.o.b. California manufacturing plants was \$1.0014 per pound. This compares to 11,151,594 pounds at \$1.0049 for the previous week ending June 18, 1999. 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 steady. Surplus milk volumes are reported as heavy, but more manageable, in the Northeast. Some plant contacts expect a surge of surplus milk during the July Fourth weekend and are gearing their operations accordingly. In the Southeast, milk supplies are lighter and manufacturing schedules are limited to weekends and a couple days during the week. Hot weather is starting to affect milk output and manufacturers feel that surplus milk volumes will start to drop off in early July. Domestic demand for NDM is unchanged. However, exporters are making purchases to fill DEIP contracts. The new DEIP-year allocations were announced on June 30. The program total for NDM is 76,207 MT, down 8,005 MT from last year's program. This volume is in addition to the balances still available from the quantities announced on May 13, 1999.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0625 MOSTLY: 1.0100 - 1.0300  
 HIGH HEAT: 1.0400 - 1.1100 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1300

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged. Drying schedules are lighter as churning activity slows and demand for condensed/liquid buttermilk improves. Producer stocks are lighter, but about adequate for current, fair spot demand. Some contacts note that sales are "decent" but not yet strong enough to move prices higher.

F.O.B. NORTHEAST: .6900 - .7300  
 DELVD SOUTHEAST: .7100 - .7650

**DRY WHOLE MILK - NATIONAL**

Prices are often higher as some Western producers adjust prices. Other dryers are waiting to see where the June Class III milk price ends up before adjusting their prices. The fluctuating butter market is also having an impact on prices. Spot demand is slow. The new DEIP-year allocations for dry whole milk were announced at 2,518 MT, down 2,485 MT from last year's allocation. There are some allocation balances still available from the quantities announced on May 13, 1999.

F.O.B. PRODUCING PLANT: 1.2600 - 1.4100

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1998 THROUGH JUNE 30, 1999  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 129,810 MT# (286,179,126 LBS)  
 WHOLE MILK POWDER -- 5,344 MT\* (11,781,382 LBS)  
 CHEESE -- 3,122 MT (6,882,761 LBS)  
 BUTTERFAT -- 395 MT (870,817 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; Reallocated nonfat dry milk - 26,258 MT\* and 20,000 MT; Reallocated whole milk powder -7,500 MT; Reallocated cheese - 1,270 MT.

\* Current program-year allocations and reallocations have been filled.  
 # FAS has combined NDM current program and reallocated tons. The three nonfat dry milk components total 130,470 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are steady to higher with Grade A nominal. The market tone is mixed, mostly firm. Demand is still slow to fair for Extra Grade; good for Grade A. Producer stocks/offers of Grade A are tight and most producers are sold out for the next several weeks. Many producers are not taking orders from new account and trying to fulfill contracts and regular account needs. Resale loads of Grade A are reported in the mid-20 cent area. Extra Grade whey stocks are not as tight as Grade A, but they are in close balance. Demand for Extra Grade Whey is not very aggressive. Production levels are moderate to heavy as most Northeastern cheese plants are operating at seven days a week.

F.O.B. NORTHEAST: EXTRA GRADE .1750 - .1850  
 USPH GRADE A .2100 - .2250  
 DELVD SOUTHEAST: .1975 - .2175

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report, but prices have moved higher in past weeks. Dry whey offerings have tightened slightly and suppliers are trying to move prices fractionally higher. Demand, however, continues lackluster and there is little spot interest from animal feed users or makers.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are moderate to heavy as some extra milk is expected during the long, holiday weekend. Most producers are trying to replenish inventories before milk prices start their historic summer increases. Demand is steady and typical for this time of year.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00  
 Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

The casein market and prices are generally steady, although the undertone remains unaggressive and weak. Domestic buyers continue to report that supplies are readily available under contract and on a spot basis. Most buyers continue to contract for their needs, but at times, are able to take advantage of favorably priced spot offerings. As the third quarter of the year begins, buyers report that conditions are much the same as they have been during the first half of the year.

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

RENNET: 1.8500 - 1.9500  
 ACID: 1.8400 - 1.9500

MONTHLY SUMMARY AND AVERAGES FOR JUNE 1999 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 22	REPORT NUMBER 23	REPORT NUMBER 24	REPORT NUMBER 25	REPORT NUMBER 26	1999	1998
	:-----:-----:-----:-----:-----:-----:-----:-----					Average	Average
	JUN 01 - 04	JUN 07 - 11	JUN 14 - 18	JUN 21 - 25	JUN 28 - 30	or Total	or Total

BUTTER

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

Due to a lack of consensus on the part of producers and buyers about the basing point for bulk butter sales, (previous Friday's close, previous week's average, date of sale, date of shipment, etc), Dairy Market News is temporarily suspending the reporting of premiums or discounts.

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrel s	:: 1.2375 - 1.2975	:: 1.2775 - 1.3075	:: 1.2825 - 1.3350	:: 1.3625 - 1.4475	:: 1.4425 - 1.4625	:: 1.3390	: 1.4632
-- Cheddar 40# Blocks	:: 1.2900 - 1.3300	:: 1.2875 - 1.3300	:: 1.3300 - 1.3750	:: 1.4175 - 1.5100	:: 1.4850 - 1.5200	:: 1.3806	: 1.5127

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.4175 - 1.6200	:: 1.4625 - 1.6200	:: 1.4725 - 1.6600	:: 1.5225 - 1.6900	:: 1.6225 - 1.7300	:: 1.5760	: 1.6323
-- Brick And/Or Muenster 5#	:: 1.6200 - 1.7325	:: 1.6200 - 1.7625	:: 1.6600 - 1.7975	:: 1.6900 - 1.8650	:: 1.7300 - 1.9525	:: 1.7371	: 1.8427
-- Cheddar 40# Block	:: 1.5250 - 2.1150	:: 1.5575 - 2.1150	:: 1.5900 - 2.1150	:: 1.6575 - 2.1150	:: 1.7300 - 2.1150	:: 1.8601	: 1.8196
-- Monterey Jack 10#	:: 1.7150 - 2.1150	:: 1.7475 - 2.1150	:: 1.7800 - 2.1150	:: 1.8475 - 2.1150	:: 1.9100 - 2.1150	:: 1.9544	: 1.9270
-- Blue 5#	:: 1.8600 - 2.2000	:: 1.8925 - 2.2000	:: 1.9225 - 2.2400	:: 1.9925 - 2.2700	:: 2.0800 - 2.3100	:: 2.0909	: 2.1786
-- Mozzarella 5 - 6#	:: 1.5925 - 2.2150	:: 1.6250 - 2.2150	:: 1.6575 - 2.2150	:: 1.7250 - 2.2150	:: 1.8000 - 2.2150	:: 1.9440	: 1.8564
-- Grade A Swiss Cuts 6 - 9#	:: 2.3400 - 2.6850	:: 2.3400 - 2.6850	:: 2.3400 - 2.6850	:: 2.3400 - 2.6850	:: 2.3400 - 2.6850	:: 2.5125	: 2.3425

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.3000 - 1.7875	:: 1.3325 - 1.8200	:: 1.3650 - 1.8525	:: 1.4325 - 1.9200	:: 1.5025 - 1.9900	:: 1.6236	: 1.6286
-- Brick And/Or Muenster 5#	:: 1.2725 - 1.7875	:: 1.3050 - 1.8200	:: 1.3375 - 1.8525	:: 1.4050 - 1.9200	:: 1.4750 - 1.9900	:: 1.6099	: 1.6161
-- Cheddar 40# Block	:: 1.4425 - 1.5875	:: 1.4750 - 1.6200	:: 1.5075 - 1.6525	:: 1.5375 - 1.7225	:: 1.6075 - 1.7925	:: 1.5885	: 1.7035
-- Process 5# Loaf	:: 1.4550 - 1.6050	:: 1.5000 - 1.6500	:: 1.5100 - 1.6600	:: 1.5525 - 1.7100	:: 1.6350 - 1.7925	:: 1.6008	: 1.7226
-- Process 5# Sliced	:: 1.4750 - 1.7450	:: 1.5200 - 1.7700	:: 1.5300 - 1.7800	:: 1.5725 - 1.8300	:: 1.6550 - 1.9125	:: 1.6726	: 1.7609
-- Muenster	:: 1.4800 - 1.7825	:: 1.5125 - 1.8150	:: 1.5450 - 1.8475	:: 1.6125 - 1.9150	:: 1.6825 - 1.9850	:: 1.7111	: 1.8235
-- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	: 2.3775

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.3900 - 1.6450	:: 1.4350 - 1.6900	:: 1.4450 - 1.7000	:: 1.4950 - 1.7500	:: 1.5900 - 1.8500	:: 1.5917	: 1.7522
-- Cheddar 40# Block	:: 1.3850 - 1.5250	:: 1.4175 - 1.5575	:: 1.4500 - 1.5900	:: 1.5175 - 1.6575	:: 1.6050 - 1.7450	:: 1.5373	: 1.7184
-- Cheddar 10# Cuts	:: 1.5750 - 1.7850	:: 1.6075 - 1.8175	:: 1.6400 - 1.8500	:: 1.7075 - 1.9175	:: 1.7950 - 2.0050	:: 1.7623	: 1.9525
-- Monterey Jack 10#	:: 1.5950 - 1.7475	:: 1.6275 - 1.7800	:: 1.6600 - 1.8125	:: 1.7275 - 1.8800	:: 1.8150 - 1.9675	:: 1.7535	: 1.9164
-- Grade A Swiss Cuts 6 - 9#	:: 2.2900 - 2.4200	:: 2.2900 - 2.4200	:: 2.2900 - 2.4200	:: 2.2900 - 2.4200	:: 2.2900 - 2.4200	:: 2.3550	: 2.3439

FLUID AND DRY PRODUCTS

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

Delivered Equivalent:							
-- Northeast	:: 1.8850 - 2.0300	:: 1.9533 - 2.1035	:: 1.9522 - 2.1024	:: 1.9500 - 2.1300	:: 1.9403 - 2.1194	:: 2.0181	: 2.5086
-- Atlanta	:: 1.8560 - 2.0300	:: 1.9232 - 2.1035	:: 1.9522 - 2.1024	:: 1.9500 - 2.1000	:: 1.9403 - 2.0895	:: 2.0066	: 2.4404
-- Upper Midwest	:: 1.9140 - 2.0155	:: 1.9833 - 2.0885	:: 1.9522 - 2.0874	:: 1.9500 - 2.0850	:: 1.9403 - 2.0746	:: 2.0112	: 2.4713

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

Delivered Equivalent:							
-- Northeast	:: 0.9000 - 1.1000	:: 0.9000 - 1.1000	:: 0.9000 - 1.1000	:: 0.9000 - 1.1000	:: 0.9000 - 1.1000	:: 1.0000	: 0.8977

WISCONSIN FLUID MILK SHIPMENTS

-- Loads Shipped from Wisconsin Shipping Points	:: 0	:: 0	:: 0	:: 0	:: 0	:: 0	: 0
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NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 Fluid oz cans)							
-- Delivered Major U.S. Cities	:: 22.0000 - 33.0000	:: 22.0000 - 33.0000	:: 22.0000 - 33.0000	:: 22.0000 - 33.0000	:: 22.0000 - 33.0000	:: 27.5000	: 27.7500

MONTHLY SUMMARY AND AVERAGES FOR JUNE 1999 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 22	REPORT NUMBER 23	REPORT NUMBER 24	REPORT NUMBER 25	REPORT NUMBER 26	1999	1998
	JUN 01 - 04	JUN 07 - 11	JUN 14 - 18	JUN 21 - 25	JUN 28 - 30	or Total	or Total
<b>NONFAT DRY MILK</b>							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 1.0000 - 1.0375	:: 1.0000 - 1.0300	:: 1.0000 - 1.0300	:: 0.9900 - 1.0300	:: 0.9900 - 1.0300	:: 1.0139	:: 1.0289
-- Mostly	:: 1.0100 - 1.0150	:: 1.0100 - 1.0150	:: 1.0100 - 1.0150	:: 1.0100 - 1.0150	:: 1.0100 - 1.0150	:: 1.0125	:: 1.0300
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.9700 - 1.0400	:: 0.9750 - 1.0200	:: 0.9700 - 1.0350	:: 0.9700 - 1.0200	:: 0.9700 - 1.0300	:: 0.9998	:: 1.0200
-- Mostly	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9950	:: 1.0250
-- High Heat	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0300	:: 1.0500
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 1.0000 - 1.0400	:: 1.0000 - 1.0400	:: 1.0000 - 1.0400	:: 1.0000 - 1.0625	:: 1.0000 - 1.0625	:: 1.0241	:: 1.0361
-- Mostly	:: 1.0100 - 1.0300	:: 1.0100 - 1.0300	:: 1.0100 - 1.0300	:: 1.0100 - 1.0300	:: 1.0100 - 1.0300	:: 1.0200	:: TFEWR
-- High Heat	:: 1.0400 - 1.1100	:: 1.0400 - 1.1100	:: 1.0400 - 1.1100	:: 1.0400 - 1.1100	:: 1.0400 - 1.1100	:: 1.0750	:: 1.0819
-- Mostly	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0500	:: 1.0750
-- Southeast (Del vd)							
-- Extra & Grade A	:: 1.0300 - 1.1300	:: 1.0300 - 1.1300	:: 1.0300 - 1.1300	:: 1.0300 - 1.1300	:: 1.0300 - 1.1300	:: 1.0800	:: 1.0701
<b>WHEY POWDER (Nonhygroscopic)</b>							
-- Central (f.o.b.)	:: 0.1500 - 0.1875	:: 0.1550 - 0.1875	:: 0.1600 - 0.1875	:: 0.1600 - 0.1925	:: 0.1700 - 0.1900	:: 0.1737	:: 0.2580
-- Mostly	:: 0.1675 - 0.1775	:: 0.1675 - 0.1775	:: 0.1675 - 0.1775	:: 0.1675 - 0.1775	:: 0.1700 - 0.1800	:: 0.1728	:: 0.2556
-- West (f.o.b.)	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1625 - 0.1900	:: 0.1709	:: 0.2274
-- Mostly	:: 0.1650 - 0.1700	:: 0.1650 - 0.1700	:: 0.1650 - 0.1700	:: 0.1650 - 0.1725	:: 0.1650 - 0.1725	:: 0.1680	:: 0.2278
-- Northeast Extra Grade (f.o.b.)	:: 0.1650 - 0.1700	:: 0.1675 - 0.1750	:: 0.1675 - 0.1750	:: 0.1700 - 0.1775	:: 0.1750 - 0.1850	:: 0.1723	:: 0.2507
-- Northeast Usph Grade A (f.o.b.)	:: 0.1850 - 0.2050	:: 0.1850 - 0.2050	:: 0.1850 - 0.2050	:: 0.1925 - 0.2250	:: 0.2100 - 0.2250	:: 0.2012	:: 0.2562
-- Southeast Extra Grade (Del vd)	:: 0.1700 - 0.2100	:: 0.1750 - 0.2100	:: 0.1750 - 0.2100	:: 0.1850 - 0.2125	:: 0.1975 - 0.2175	:: 0.1955	:: 0.2807
<b>WHEY PROTEIN CONCENTRATE</b>							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.3800 - 0.4800	:: 0.3800 - 0.4800	:: 0.3800 - 0.4800	:: 0.4000 - 0.4800	:: 0.4000 - 0.4800	:: 0.4336	:: 0.5584
-- Mostly	:: 0.4500 - 0.4700	:: 0.4500 - 0.4700	:: 0.4500 - 0.4700	:: 0.4500 - 0.4700	:: 0.4450 - 0.4700	:: 0.4597	:: 0.5655
<b>ANIMAL FEED - WHEY</b>							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.1400 - 0.1675	:: 0.1400 - 0.1675	:: 0.1400 - 0.1675	:: 0.1400 - 0.1675	:: 0.1400 - 0.1675	:: 0.1538	:: 0.2278
-- Standard	:: TFEWR	:: TFEWR	:: 0.2127				
-- Roller Ground	:: 0.1675 - 0.1825	:: 0.1675 - 0.1825	:: 0.1675 - 0.1825	:: 0.1675 - 0.1825	:: 0.1675 - 0.1825	:: 0.1750	:: 0.2572
-- Delactose	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2875	:: 0.3503
-- Northeast (f.o.b.)							
-- Milk Replacer	:: TFEWR	:: TFEWR	:: TFEWR				
<b>BUTTERMILK (Min. 30% protein)</b>							
-- Central (f.o.b.)	:: 0.6800 - 0.7400	:: 0.6800 - 0.7400	:: 0.6800 - 0.7400	:: 0.6800 - 0.7400	:: 0.6800 - 0.7500	:: 0.7107	:: 0.9495
-- West (f.o.b.)	:: 0.6300 - 0.7000	:: 0.6300 - 0.7000	:: 0.6400 - 0.7000	:: 0.6500 - 0.7000	:: 0.6600 - 0.7000	:: 0.6705	:: 0.9200
-- Mostly	:: 0.6400 - 0.6600	:: 0.6400 - 0.6600	:: 0.6400 - 0.6650	:: 0.6500 - 0.6700	:: 0.6600 - 0.6700	:: 0.6549	:: 0.9200
-- Northeast (f.o.b.)	:: 0.6800 - 0.7300	:: 0.6800 - 0.7300	:: 0.6800 - 0.7300	:: 0.6900 - 0.7300	:: 0.6900 - 0.7300	:: 0.7068	:: 0.9480
-- Southeast (Del vd)	:: 0.7100 - 0.7650	:: 0.7100 - 0.7650	:: 0.7100 - 0.7650	:: 0.7100 - 0.7650	:: 0.7100 - 0.7650	:: 0.7375	:: 0.9763
<b>WHOLE MILK POWDER</b>							
-- National							
-- National (f.o.b.)	:: 1.2000 - 1.3600	:: 1.2000 - 1.4500	:: 1.2000 - 1.4500	:: 1.2000 - 1.4100	:: 1.2600 - 1.4100	:: 1.3136	:: 1.3139
<b>LACTOSE</b>							
-- Central And West (f.o.b.)	:: 0.1500 - 0.2300	:: 0.1600 - 0.2300	:: 0.1600 - 0.2300	:: 0.1600 - 0.2300	:: 0.1675 - 0.2300	:: 0.1946	:: 0.2195
-- Mostly	:: 0.1650 - 0.1700	:: 0.1675 - 0.1775	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1731	:: 0.1964
<b>CASEIN - Edible - National (f.o.b.)</b>							
-- Nonrestricted - Rennet	:: 1.8600 - 1.9500	:: 1.8600 - 1.9500	:: 1.8600 - 1.9500	:: 1.8500 - 1.9500	:: 1.8500 - 1.9500	:: 1.9032	:: 2.1050
-- Nonrestricted - Acid	:: 1.8400 - 1.9500	:: 1.8400 - 1.9500	:: 1.8400 - 1.9500	:: 1.8400 - 1.9500	:: 1.8400 - 1.9500	:: 1.8950	:: 2.0500

1/ Prices for all products reported once a week 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.

CHI CAGO MERCANTILE EXCHANGE AVERAGES FOR JUNE 1999

COMMODITY	REPORT NUMBER 22: JUN 1 - 4	REPORT NUMBER 23: JUN 7 - 11	REPORT NUMBER 24: JUN 14 - 18	REPORT NUMBER 25: JUN 21 - 25	REPORT NUMBER 26: JUN 28 - 30	1999 * Average	1998 * Monthly Average
<b>BUTTER*</b>							
-- GRADE AA							
--Monday		1.4950	1.5000	1.5000	1.4300		
--Tuesday							
--Wednesday	1.5100	1.5100	1.5000	1.4975	1.3700		
--Thursday							
--Friday	1.4950	1.5000	1.5000	1.4800		#	N.A.
--Weekly Average**	1.5025	1.5017	1.5000	1.4925	---		
<b>CHEESE*</b>							
-- BARRELS							
--Monday		1.2775	1.3250	1.4100	1.4525		
--Tuesday	1.2950	1.2775	1.3350	1.4375	1.4475		
--Wednesday	1.2800	1.2900	1.3225	1.4475	1.4300		
--Thursday	1.2800	1.3075	1.3575	1.4575			
--Friday	1.2800	1.3150	1.3750	1.4575		1.3572	1.4773
--Weekly Average**	1.2838	1.2935	1.3430	1.4420	---		
-- 40# BLOCKS							
--Monday		1.2975	1.3650	1.4525	1.5000		
--Tuesday	1.3000	1.3100	1.3750	1.4800	1.5000		
--Wednesday	1.2925	1.3325	1.4000	1.4900	1.5000		
--Thursday	1.2975	1.3525	1.4150	1.5000			
--Friday	1.2975	1.3550	1.4300	1.5000		1.3974	1.5169
--Weekly Average**	1.2969	1.3295	1.3970	1.4845	---		
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday		1.0100	1.0100	1.0100	1.0100		
--Tuesday	1.0100	1.0100	1.0100	1.0100	1.0100		
--Wednesday	1.0100	1.0100	1.0100	1.0100	1.0100		
--Thursday	1.0100	1.0100	1.0100	1.0100			
--Friday	1.0100	1.0100	1.0100	1.0100		1.0100	N.A.
--Weekly Average**	1.0100	1.0100	1.0100	1.0100	---		
-- GRADE A							
--Monday		1.0500	1.0500	1.0500	1.0500		
--Tuesday	1.0500	1.0500	1.0500	1.0500	1.0500		
--Wednesday	1.0500	1.0500	1.0500	1.0500	1.0500		
--Thursday	1.0500	1.0500	1.0500	1.0500			
--Friday	1.0500	1.0500	1.0500	1.0500		1.0500	N.A.
--Weekly Average**	1.0500	1.0500	1.0500	1.0500	---		

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

\*\* 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.

# No monthly average calculated to avoid confusion with the average used in Federal orders.

**JUNE 1999 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY 1998 - MAY 1999 PROGRAM TO DATE		84,212*		
REALLOCATED**				
06/01	AFRICA & MIDDLE EAST	200	JUL-SEP	\$1,145
06/04	AFRICA & MIDDLE EAST	505	JUN-NOV	\$1,149.85
06/07	CARIBBEAN, CENT & S. AM	500	SEP-NOV	\$1,065
06/08	AFRICA & MIDDLE EAST	340	JUN-SEP	\$1,150
06/10	AFRICA & MIDDLE EAST	5	JUN-JUL	\$1,150
06/11	CARIBBEAN, CENT & S. AM	70	JUN-AUG	\$1,100
06/14	CARIBBEAN, CENT & S. AM	1,035	JUL-DEC	\$1,100
06/15	CARIBBEAN, CENT & S. AM	417	JUN-OCT	\$1,100
06/15	AFRICA & MIDDLE EAST	504	JUN-AUG	\$1,150
06/16	AFRICA & MIDDLE EAST	508	JUN-DEC	\$1,150
06/16	CARIBBEAN, CENT & S. AM	580	JUN-SEP	\$1,099.40
06/17	AFRICA & MIDDLE EAST	210	JUN-SEP	\$1,147.50
06/18	CARIBBEAN, CENT & S. AM	18	AUG-DEC	\$1,100
06/18	AFRICA & MIDDLE EAST	405	JUN-OCT	\$1,150
JUNE 1 - 30, 1999		<u>5,297</u>		
REALLOCATED - TOTAL		46,258#		
<b>WHOLE MILK POWDER</b>				
JULY 1998 - MAY 1999 PROGRAM TO DATE		5,003*		
REALLOCATED**				
06/16	CARIBBEAN, CENT & S. AM	20	JUN-JUL	\$1,450
JUNE 1 - 30, 1999		<u>20</u>		
REALLOCATED - TOTAL		341		
<b>CHEESE</b>				
JULY 1998 - MAY 1999 PROGRAM TO DATE		3,011		
REALLOCATED**				
06/07-M	AFRICA & MIDDLE EAST	44	JUN-SEP	\$990
06/10-M	AFRICA & MIDDLE EAST	44	JUN-OCT	\$1,015
06/15-MJ	AFRICA & MIDDLE EAST	3	JUN-JUL	\$1,050
REALLOCATED - TOTAL		111		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ - MONTEREY JACK, V - VARIETAL				
<b>BUTTEROIL/ANHYDROUS MILKFAT</b>				
JULY 1998 - MAY 1999 PROGRAM TO DATE		395		
A-ANHYDROUS MILKFAT, B-BUTTER				
PROGRAM-TO-DATE				
TOTAL MT				138,671
TOTAL BONUS VALUE				\$144,029,000

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**

\* Program allocations have been filled. # Total includes 660 MT accepted prior to July 1998.

\*\* On May 13, 1999, Sec. Glickman reallocated an additional 20,000 MT of NDM, 7,500 MT of Whole Milk Powder & 1,270 MT of Cheese for the current program year.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>
MAR 1999	163.3	2.3	161.5	8.8	162.9	10.8	161.9	7.9	149.3	15.4	146.8	-0.3
APR 1999	163.4	2.3	156.1	5.1	149.6	2.3	159.9	6.7	145.6	16.5	146.7	0.3
MAY 1999	163.7	2.1	156.2	5.5	150.6	3.4	160.7	7.6	139.6	9.5	146.7	0.3
U.S. City Average Retail Prices												
Month	Whole Milk <u>4/</u>		Lowfat Milk <u>4/</u>		Butter <u>5/</u>		Process Cheese <u>6/</u>		Natural Cheese <u>7/</u>		Ice Cream <u>8/</u>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
Dollars												
MARCH	3.003	2.658	2.881	2.589	2.739	2.421	3.878	3.572	3.714	3.477	3.231	2.969
APRIL	2.707	2.668	2.686	2.589	2.703	2.336	3.748	3.535	3.694	3.499	3.266	3.060
MAY	2.716	2.666	2.651	2.591	2.546	2.484	3.806	3.539	3.721	3.448	3.195	2.995

NA = Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

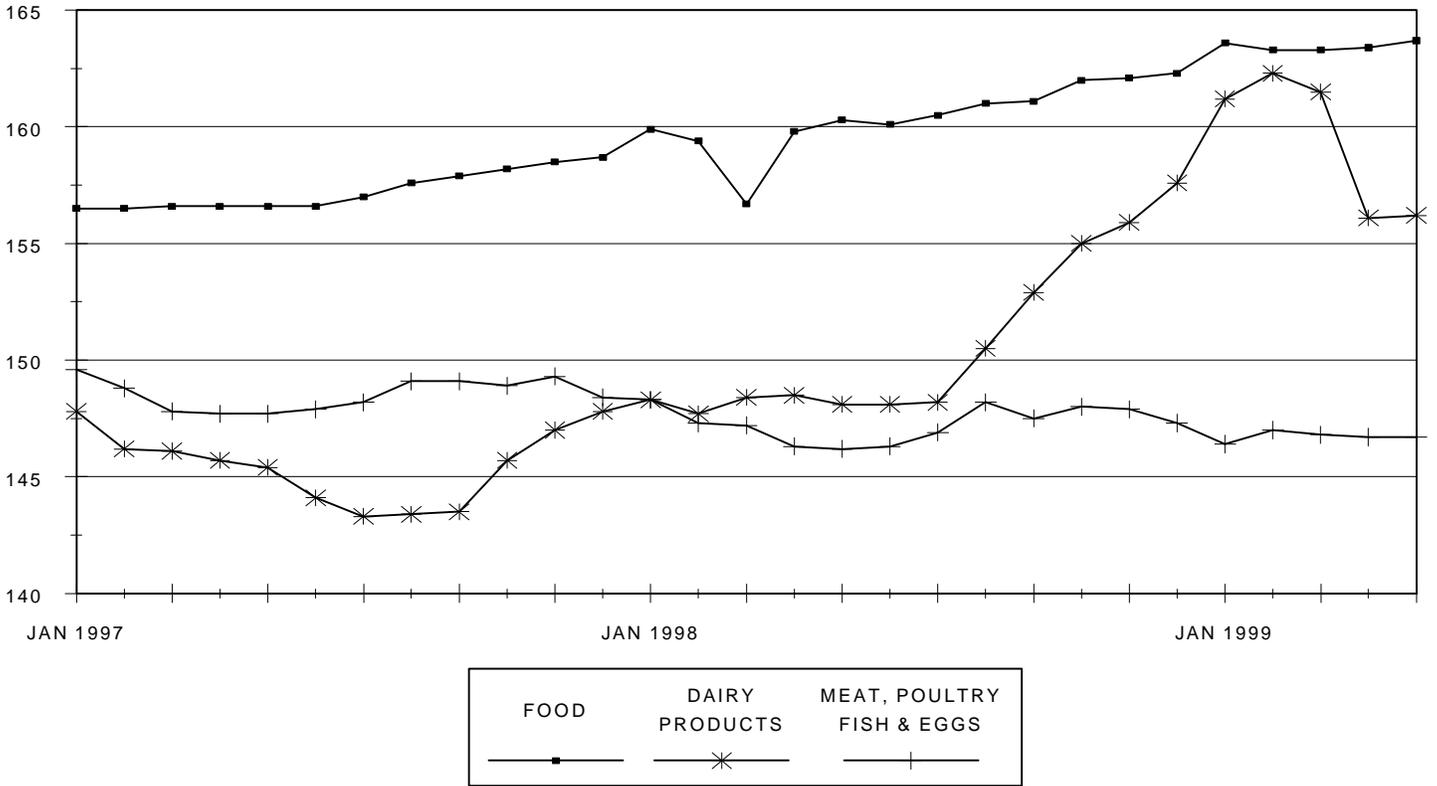
COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—FEBRUARY-APRIL AND YEAR-TO-DATE 1998-99 1/

Item	Feb.-Apr. 1998	Percent change <u>4/</u>	Feb.-Apr. 1999	Percent change <u>4/</u>	Jan.-Apr. 1998	Percent change <u>4/</u>	Jan.-Apr. 1999	Percent change <u>4/</u>
	Million Pounds							
<b>MILK</b>								
Production	39,392	0.7	40,783	3.5	52,679	0.8	54,460	3.4
Marketings	39,060	0.7	40,466	3.6	52,231	0.9	54,033	3.5
Beginning Commercial Stocks <u>2/</u>	5,416	7.4	5,893	8.8	4,889	3.9	5,279	7.9
Imports <u>2/</u>	804	38.9	955	18.8	1,000	33.2	1,317	31.7
Total Supply <u>3/</u>	45,280	2.0	47,314	4.5	58,120	1.5	60,624	4.3
Ending Commercial Stocks <u>2/</u>	6,554	-6.4	8,362	27.6	6,554	-6.4	8,362	27.6
Net Removals <u>2/</u>	128	4.1	81	-36.7	235	56.7	102	-56.6
Commercial Disappearance <u>3/</u>	38,598	3.5	38,871	0.7	51,331	2.5	52,160	1.6
<b>SELECTED PRODUCTS <u>5/</u></b>								
Butter	287.2	8.1	268.8	-6.4	389.8	1.3	358.1	-8.1
American Cheese	806.2	1.9	858.2	6.5	1,093.8	2.6	1,166.7	6.7
Other Cheese	1,071.7	3.7	1,070.7	-0.1	1,388.9	2.3	1,443.2	3.9
Nonfat Dry Milk	234.0	-2.7	223.3	-4.6	300.5	-8.4	295.4	-1.7
Fluid Milk Products <u>6/</u>	13,606.8	-0.5	13,862.7	1.9	18,233.9	-0.8	18,412.0	1.0

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

CONSUMER PRICE INDEX

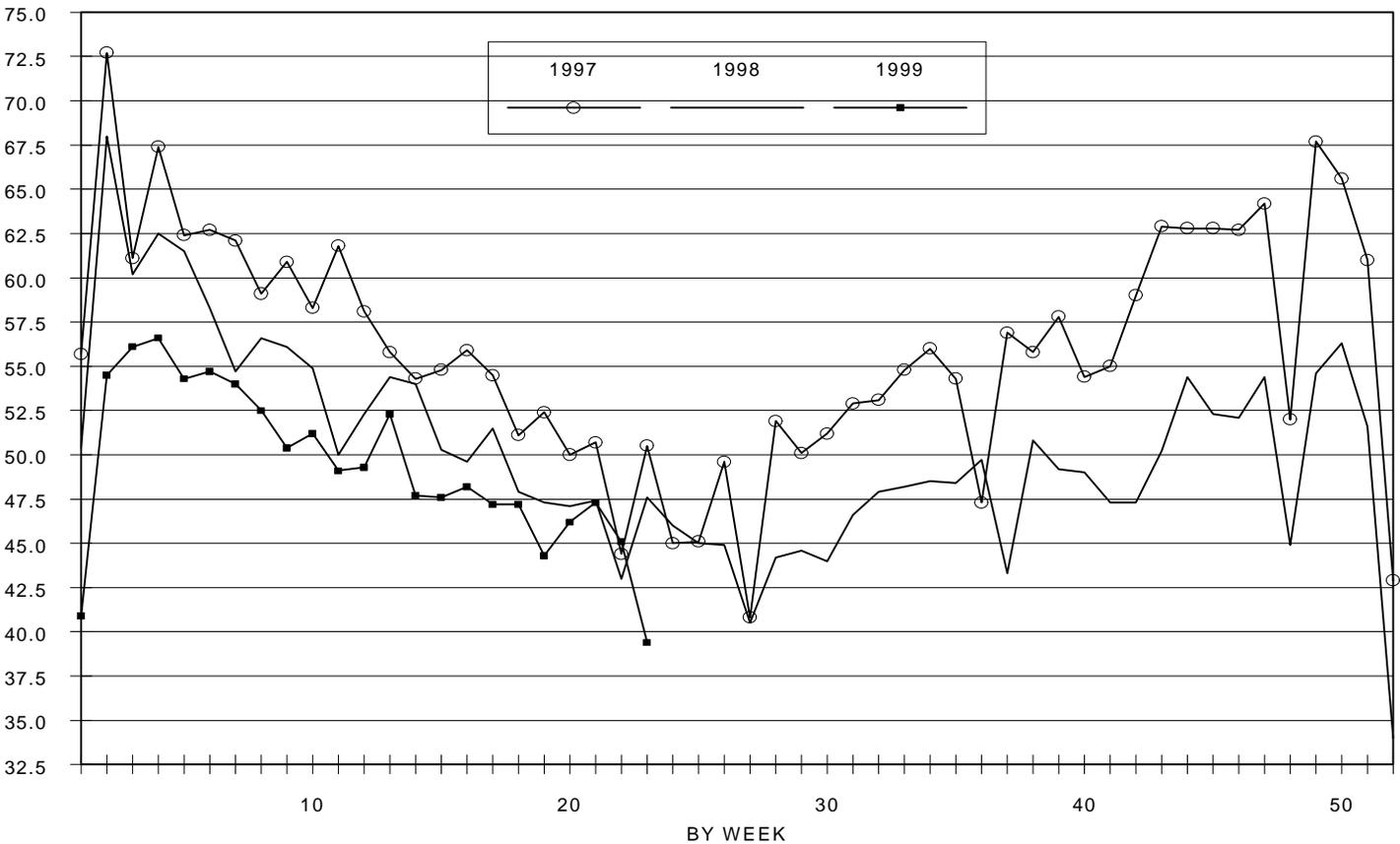
PERCENT



FROM: U.S. DEPT OF LABOR, BLS "PRODUCER PRICE INDEX"  
1982-1984=100

WEEKLY DAIRY COW SLAUGHTER UNDER FEDERAL INSPECTION

THOUSAND HEAD



DATA FROM AMS, FSIS, AND NASS

**USDA ANNOUNCES ALLOCATIONS UNDER THE DAIRY EXPORT INCENTIVE PROGRAM**

WASHINGTON, June 30, 1999--Agriculture Secretary Dan Glickman announced one-year allocations under the Dairy Export Incentive Program (DEIP) for July 1999 through June 2000.

"Today, we are announcing DEIP allocations for a range of dairy products to assist American producers and exporters facing unfair trading practices in these sectors," Glickman said. "Although we are announcing only those allocations being made operational on July 1, we reserve the right to make additional allocations if conditions warrant to counter unfair trading practices and expand markets."

U.S. dairy export sales will be facilitated through the payment of bonuses by USDA's Commodity Credit Corporation. Sales of nonfat dry milk, whole milk powder, butterfat, and eligible cheeses will be made through normal commercial channels at competitive world prices.

New DEIP bonuses are being made available for 76,207 metric tons of nonfat dry milk, 2,518 metric tons of whole milk powder, 25,475 metric tons of butterfat, and 3,190 metric tons of various cheeses. These DEIP allocations are in addition to balances still available from the quantities announced on May 13, 1999, for nonfat dry milk, whole milk powder, and cheese.

Country/region quantities may be further limited by the applicable invitation. For more information, call the CCC Operations Division at (202) 720-5540 or (202) 720-6211.

Announced allocations for individual products and countries follow.

**Quantities and Destinations for U.S. Nonfat Dry Milk Eligible for Bonus Awards under DEIP**

**REGION/COUNTRY**

**METRIC TONS**  
Global Total 76,207\*

Africa and Middle East:

Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe

Caribbean, Central and South America:

Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela

Asia and Former Soviet Union:

Armenia, Azerbaijan, Bangladesh, Belarus, China, Georgia, Hong Kong, India, Indonesia, Kazakstan, South Korea, Kyrgyzstan, Malaysia, Moldova, Pakistan, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan, Vietnam

\*Asia and Former Soviet Union region limited to 25,157 metric tons

**Quantities and Destinations for U.S. Dry Whole Milk Eligible for Bonus Awards under DEIP**

REGION/COUNTRY	METRIC TONS
----------------	-------------

Global Total 2,518

## Africa, Middle East and Former Soviet Union:

Algeria, Angola, Armenia, Azerbaijan, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Belarus, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Georgia, Ghana, Guinea, Israel, Jordan, Kazakstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Moldova, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Russia, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tajikistan, Tanzania, Togo, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, Uzbekistan, Yemen, Zambia, Zimbabwe

## Caribbean, Central and South America:

Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela

**Quantities and Destinations for U.S. Butterfat Eligible for Bonus Awards under DEIP**

REGION/COUNTRY	METRIC TONS
----------------	-------------

## Africa and Middle East:

2,000

Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe

## Asia and Former Soviet Union:

10,000

Armenia, Azerbaijan, Bangladesh, Belarus, China, Georgia, Hong Kong, India, Indonesia, Kazakstan, South Korea, Kyrgyzstan, Malaysia, Moldova, Pakistan, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan, Vietnam

## Caribbean, Central and South America:

13,475

Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela

**Quantities and Destinations for Cheeses Eligible for Bonus Awards under DEIP**

REGION/COUNTRY	METRIC TONS
----------------	-------------

Global total 3,190

## Africa and Middle East:

Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe

## Asia and Former Soviet Union:

Armenia, Azerbaijan, Bangladesh, Belarus, China, Georgia, Hong Kong, India, Indonesia, Kazakstan, Kyrgyzstan, Malaysia, Moldova, Pakistan, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan

## Caribbean, Central and South America:

Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 28 - JULY 2, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 06/25/99	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	9,481,263	2,158,353	7,322,910	145,181,088	110,826,100	-0-	-0-
Fortified	264,414	-0-	264,414	382,871	-0-	-0-	-0-
<b>TOTAL</b>	9,745,677	2,158,353	7,587,324	145,563,959	110,826,100	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 28 - JULY 2, 1999 =	1.7	88.3	COMPARABLE WEEK IN 1998 =	1.7
CUMULATIVE SINCE OCTOBER 1, 1998 =	32.0	1,694.4	CUMULATIVE SAME PERIOD LAST YEAR =	24.4
CUMULATIVE JANUARY 1 - JULY 2, 1999 =	32.0	1,693.2	COMPARABLE CALENDAR YEAR 1998 =	22.7

\* 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 FOR THE WEEK OF JUNE 28 - JULY 2, 1999 (POUNDS)

REGION	BUTTER				CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED	
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,310,512	264,414	
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	

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
MI DWEST	-0-	-0-	-0-	-0-	12,995,119	9,021,760	8.9	8.1
WEST	-0-	-0-	-0-	-0-	132,568,840	101,517,797	91.1	91.6
EAST	-0-	-0-	-0-	-0-	-0-	286,543	0.0	0.3
<b>TOTAL</b>	-0-	-0-	-0-	-0-	145,563,959	110,826,100	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

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

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 06/12/99 & Comparable Week 1998 1/2/

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10				
1999-Dairy cows HD (000)	0.3	1.1	5.4	6.2	15.9	1.8	2.4	0.6	8.3	2.4	44.4	1,126.8	42.2	43.7
1998-Dairy cows HD (000)	0.2	1.4	5.5	4.0	18.0	1.7	2.6	1.1	8.5	3.1	46.0	1,271.4	42.4	47.3
1999-All cows HD (000)	0.3	1.1	7.4	18.8	23.1	14.1	17.1	3.9	11.8	7.6	105.2	2,574.1		
1998-All cows HD (000)	0.2	1.5	8.2	14.5	25.3	17.0	17.0	6.5	11.2	7.3	108.6	2,689.2		

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 INVITATION 6/22 AND 6/30

CHEDDAR BARRELS	INVITATION FOR JULY/AUGUST DELIVERY		OFFERS ARE DUE JUNE 30. PUBLIC RELEASE IS SCHEDULED FOR 4:00 P.M. JULY 2.
	JULY 680,000	AUGUST 80,000	

MOZZARELLA	INVITATION FOR AUGUST 1 - NOVEMBER 30 DELIVERY		OFFERS ARE DUE JULY 12. PUBLIC RELEASE IS SCHEDULED FOR 4:00 P.M. JULY 16.
	MINIMUM/MAXIMUM		
LMPS	3,500,000/5,100,000		
LMPS SHREDDED	200,000/300,000		
MOZZARELLA LI TE SHREDDED	200,000/300,000		

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	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26							