

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (9/24):**

BUTTER: Grade AA closed at \$1.2900. The weekly average for Grade AA is \$1.3033 (-.0409).

CHEESE: Barrels closed at \$1.4550 and blocks at \$1.5200. The weekly average for barrels is \$1.4775 (-.0185) and blocks, \$1.5435 (-.1170).

NONFAT DRY MILK: Extra Grade closed at \$1.0300 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0500 (N.C.).

BUTTER: The market tone is unsettled. Butter producers report cream volumes to be readily available. Cream is more available due to lighter ice cream production and production of Class II holiday cream based items has not yet increased significantly. Churning schedules are seasonally active. For the most part, both fresh and frozen butter stocks are fully sufficient for current buyer needs. Retail orders are fairly strong for this time of the fall. Food service orders are somewhat stronger following lighter orders of past weeks. Some producers and handlers are reporting that year end/holiday promotional activity is starting to develop.

CHEESE: The cheese market is weak. Some traders hope that prices may start to soon stabilize for the expected strong fall cheese sales period. Demand continues to be impacted by sharp price declines that have occurred during the past month. Natural interest overall continues to be better than process. Cheese sales are being affected in the hard hit storm areas in the East. Cheese production remains seasonally heavy with inventories accumulating at many plants.

FLUID MILK: The impact from Hurricane Floyd and Tropical Storm Harvey continues to disrupt production and use in affected areas. The resulting reduction in shipments from other areas is causing extra milk to enter manufacturing plants. Milk shipments to Florida have rebounded, but because many loads of milk are back hauls for orange juice trucks to New Jersey, trucks are a problem. Florida schools have been open for several weeks, but because of various weather problems, many have yet to have a full week of classes. In most other areas, Class I sales are relatively steady. Milk intakes are little changed from recent weeks through most of the country. Accordingly, manufacturing schedules are running well above year ago levels.

DRY PRODUCTS: The NDM market is mixed. Prices are weaker in the Midwest, but steady to occasionally firm in the East and West. Current drying schedules are seasonally heavy and clearances to CCC continue. The whey market is mixed, generally unchanged to lower. Best demand is from regular accounts and exports. Production and offerings are steady to lower, reflecting some shifting of milk from cheese production over to butter/powder. The WPC market is fully steady. Offerings remain tight in the Midwest with supplemental stocks shipped in from the West.

CCC: During the week of September 20 - 24, CCC net purchases totaled 1,705,536 pounds of nonfortified NDM from the West and East.

JULY FLUID MILK SALES HIGHLIGHTS (USDA, AMS): During July, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.7% above the previous year and 1.7% above June 1999 on an adjusted daily average basis. Sales of whole milk products were 1.7% above the previous year; sales of fat-reduced milk products were 1.6% above the previous year. Total fluid milk sales were higher in all regions. Total fluid milk sales for the January-July 1999 period were 1.0% higher than the same period last year.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During August, about 6.5 billion pounds of milk were marketed under Federal orders. Producer deliveries were 4.8% less than August 1998, and 1.9% less than July 1999 on an estimated daily average basis. Milk utilized in Class I products in August was 2.6% more than last year on an adjusted basis. The average blend price was \$13.89, \$1.33 less than last year. Changes in class prices from year-earlier levels were: Class I, down \$1.68; Class II, down \$1.68; Class III, up \$.80; and Class III-A, down \$3.93.

COLD STORAGE (NASS & FSA): U.S. cold storage holdings of butter on August 31, 1999, total 95.4 million pounds, down 22.8% from July but over 200% more than August 1998. Natural American cheese holdings total 508.8 million pounds, off 6.7% from July and 15.2% more than a year ago. Nonfat dry milk holdings at the end of July total 283 million pounds, 3.7% more than June and 39.4% above a year ago.

****SPECIALS THIS ISSUE****

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JULY FLUID SALES HIGHLIGHTS (PAGE 9)

FEDERAL MILK ORDER MINIMUM ADVANCE PRICES HIGHLIGHTS (PAGE 10)

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS (UNNUMBERED)

**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 SEPTEMBER 20	TUESDAY SEPTEMBER 21	WEDNESDAY SEPTEMBER 22	THURSDAY SEPTEMBER 23	FRIDAY SEPTEMBER 24	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4950 (N.C.)	\$1.4875 (-.0075)	\$1.4775 (-.0100)	\$1.4725 (-.0050)	\$1.4550 (-.0175)	(-.0400)	\$1.4775 (-.0185)
40# BLOCKS	\$1.5750 (-.0250)	\$1.5500 (-.0250)	\$1.5375 (-.0125)	\$1.5350 (-.0025)	\$1.5200 (-.0150)	(-.0800)	\$1.5435 (-.1170)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (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	\$1.3200 (-.0175)	----	\$1.3000 (-.0200)	----	\$1.2900 (-.0100)	(-.0475)	\$1.3033 (-.0409)

*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

MONDAY, SEPTEMBER 20, 1999

CHEESE — SALES: 10 CARS 40# BLOCKS: 6 @ \$1.5850, 2 @ \$1.5800, 1 @ \$1.5775, 1 @ \$1.5750; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS @ \$1.4950; 3 CARS 40# BLOCKS: 1 @ \$1.5800, 2 @ \$1.6000
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 9 CARS GRADE AA: 1 @ \$1.3050, 1 @ \$1.3100, 1 @ \$1.3200, 1 @ \$1.3175, 3 @ \$1.3150, 1 @ \$1.3175, 1 @ \$1.3200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 13 CARS GRADE AA: 1 @ \$1.3200, 1 @ \$1.3225, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3325, 2 @ \$1.3350, 5 @ \$1.3400, 1 @ \$1.3500

TUESDAY, SEPTEMBER 21, 1999

CHEESE — SALES: 8 CARS 40# BLOCKS: 2 @ \$1.5650, 4 @ \$1.5625, 1 @ \$1.5600, 1 @ \$1.5500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.4875, 1 @ \$1.4900, 4 @ \$1.4950; 3 CARS 40# BLOCKS: 1 @ \$1.5500, 2 @ \$1.5750
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 22, 1999

CHEESE — SALES: 4 CARS BARRELS: 3 @ \$1.4800, 1 @ \$1.4775; 10 CARS 40# BLOCKS: 4 @ \$1.5400, 4 @ \$1.5375, 1 @ \$1.5450, 1 @ \$1.5375; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS BARRELS: 2 @ \$1.4800, 2 @ \$1.4875; 2 CARS 40# BLOCKS @ \$1.5500
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 3 CARS GRADE AA: 1 @ \$1.3150, 1 @ \$1.3100, 1 @ \$1.3000; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.3000, 2 @ \$1.2600; OFFERS UNCOVERED: 12 CARS GRADE AA: 1 @ \$1.3100, 1 @ \$1.3125, 2 @ \$1.3150, 1 @ \$1.3175, 5 @ \$1.3200, 1 @ \$1.3250, 1 @ \$1.3500

THURSDAY, SEPTEMBER 23, 1999

CHEESE — SALES: 4 CARS BARRELS: 2 @ \$1.4750, 2 @ \$1.4725; 2 CARS 40# BLOCKS @ \$1.5350; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS BARRELS: 3 @ \$1.4750, 4 @ \$1.4775; 2 CARS 40# BLOCKS @ \$1.5375
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, SEPTEMBER 24, 1999

CHEESE -- SALES: 5 CARS BARRELS: 3 @ \$1.4600, 2 @ \$1.4550; 10 CARS 40# BLOCKS: 1 @ \$1.5250, 7 @ \$1.5200, 1 @ \$1.5175, 1 @ \$1.5200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS BARRELS: 1 @ \$1.4550, 1 @ \$1.4600, 1 @ \$1.4675, 2 @ \$1.4700, 2 @ \$1.4725; 2 MONTH AGED BARRELS: 1 @ \$1.4300
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.2600, 1 @ \$1.2525, 2 @ \$1.2500, 1 @ \$1.2400; OFFERS UNCOVERED: 10 CARS GRADE AA: 1 @ \$1.2900, 1 @ \$1.2925, 1 @ \$1.2950, 4 @ \$1.3000, 1 @ \$1.3050, 1 @ \$1.3100, 1 @ \$1.3500

BUTTER MARKETS

AUGUST COLD STORAGE

According to NASS, August month-end cold storage figures for butter total 95.4 million pounds, 132.2% higher than last year, but 22.8% less than July 1999.

NORTHEAST

The market tone remains unsettled. At the CME, cash prices have eased lower during the past few trading sessions. Butter production is light, but starting to increase where cream supplies are heavier. Last week, the effects of Hurricane Floyd caused much less milk to move into the Southeast. Therefore, Northeastern butter/powder plants had more milk and cream to process. This may change this week as Southeastern buyers start to refill their pipelines. Early this week, there is a lot of cream available to buyers. Butter stocks are long and readily available for the slow to fair demand. Bulk offerings are more than ample. Print stocks are adequate for current needs. Most suppliers are micro fixing stored bulk to meet print orders. Print orders are lighter. Hurricane Floyd caused extensive flooding in parts of the East Coast and many areas are still inaccessible. All the storm-induced evacuations last week have greatly disrupted retail and food service orders.

CENTRAL

The butter market tone remains unsettled and weak. Churning schedules are seasonally quite active. Cream volumes are readily available to local butter producers. Many producers are taking advantage of the available cream, knowing that cream usually tightens for butter as production of Class II cream based holiday items increases. Butter stocks are reported to be readily available on a fresh and frozen basis. Producers and handlers report that retail and food service orders are

fairly good. Retail sales have been good and occasionally spurred by feature activity. Food service orders are somewhat stronger this week following lighter orders of the past few weeks. Some handlers are indicating that year end/holiday promotional activity is starting to develop. Many feel that lower prices (in comparison to last holiday season) and promotional incentives should encourage strong sales patterns during the final quarter of the year.

WEST

Most contacts are stating that print orders are good for this season of the year. Stocks on hand are viewed as a bit on the heavy side. Fresh butter is clearing very easily. Production is up slightly as more cream becomes available for churning. Some operations are opting to reduce milk volumes going to cheese manufacturing (especially if it is a barrel operation) and move some into butter/powder plants. Prices continue to soften following the CME. Cream is much more readily available than in recent weeks.

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			
SEPTEMBER 18	1.7661 5,031,592	1.5684 8,903,966	1.0192 20,769,928	1.3273 3,481,595	0.1886 5,005,388

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 lower for the fourth consecutive week. The market tone remains weak and, typical of a "down" market, buyers are working off inventories and/or delaying orders as long as they can to reorder. Cheese production was a little heavier last week as less milk moved into the Southeast. The effects of Hurricane Floyd forced the evacuations of many coastal and inland areas from the Carolinas to New England. This greatly affected cheese sales and distributions during much of last week and early this week. It was noted that many urban areas were without electrical power until early this week which does impact on distributors and retailers of dairy and other perishable foods.

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

Cheddar 10# Prints	:	1.6750-2.1650
Cheddar Single Daisies	:	1.6550-2.1650
Cheddar 40# Block	:	1.8075-1.9775
Process 5# Loaf	:	1.7075-1.8650
Process 5# Sliced	:	1.7275-1.9550
Muenster	:	1.8575-2.1600
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Cash prices continue to decline from the record high prices at the Chicago Mercantile Exchange cash market achieved in mid-August of \$1.9725 for blocks and \$1.8850 for barrels. The rapid declines and wide barrel/block spread have been a source of difficulty for cheese manufacturers and sellers. In the decline, sales of good quality product have slowed, but not to the extent of undergrades. Current activity is mixed, some are reporting improved spot interest but others still report most demand centers on immediate needs, mainly LTL volumes. Process movement is steady to often slower, reflecting passed on price increases and the end of some processors' "buy in periods." Food service activity remains fairly good. Milk and current cheese production remains well above year ago levels. Cheese yields are improving seasonally.

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

Process American 5# Loaf	:	1.6750-2.2000
Brick And/Or Muenster 5#	:	2.1275-2.2000
Cheddar 40# Block	:	1.9200-2.2000
Monterey Jack 10#	:	2.1100-2.3800
Blue 5#	:	2.2550-2.7800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9900-2.2700
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.6850

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES	:	SEPTEMBER 20 - 24, 1999
BARRELS*	:	\$1.4775 - 1.5050 (NOMINAL)
	:	(-\$.0075) (-.0225)
40# BLOCKS	:	\$1.5375 - 1.6800 (NOMINAL)
	:	(-\$.1225) (-.0325)

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

WEST

Prices for Western cheese continue to decline following trading at the CME. Prices have fallen for five consecutive weeks. While the barrel/block spread has narrowed, most consider it still too wide and are moving milk out of barrel production. Demand for current blocks remains quite good with interest for cheese for processing much slower. Any cheese with some quality defects is having a tougher time finding a home. August cold storage numbers indicate that American cheese stocks are 6.7% less than last month, but they are 15.2% ahead of a year earlier. Swiss cheese stocks stand at 10.3 million pounds, down 11.1% from August 1998.

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

Process 5# Loaf	:	1.6425-1.9025
Cheddar 40# Block	:	1.7800-1.9200
Cheddar 10# Cuts	:	1.9600-2.1800
Monterey Jack 10#	:	1.9700-2.1400
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.5100

FOREIGN

Domestic prices fell again this week. Weekly average prices (the basis for most cheese sales) at the CME have declined for the fourth consecutive week. The foreign type cheese market is steady. As the US prices fall, interest in imported cheese, particularly cheese for further processing, wanes. The demand for table cheese is slowly improving along seasonal patterns, but distribution channels and retail sales were disrupted by effects of Hurricane Floyd late last week and early this week.

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	2.0125-2.6225*
Gorgonzola	:	3.2400-5.9400	2.4900-2.6500*
Parmesan (Italy)	:	TFEWR	3.4225-3.4475*
Romano (Italy)	:	2.1000-2.9000	-0-
Provolone (Italy)	:	3.4400-5.5000	2.0225-2.2975*
Romano (Cows Milk)	:	-0-	3.1925-5.4175*
Sardo Romano (Argentine)	:	2.6500-3.2900	-0-
Reggianito (Argentine)	:	2.6500-3.2900	-0-
Jarlsberg-(Brand)	:	2.7400-3.1200	-0-
Swiss Cuts Switzerland	:	-0-	2.3500-2.5500
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
09/20/99	23,076	: 130,067
09/01/99	11,548	: 122,126
CHANGE	11,528	: 7,941
% CHANGE	100	: 7

FLUID MILK AND CREAM

E A S T

Northeastern Milk Market Administrators announced August 1999 uniform (blend) prices: Federal Order (F.O.) 1 is \$13.64; F.O. 2, \$14.16; F.O. 4, \$13.68; F.O. 36, \$13.53; and Western NY Milk Market Area, \$13.91. During August, milk production in the 20 major states totaled 11.5 billion pounds, up 3.6% from August 1998. The following are the August to August changes for selected states: Texas -8.7%, Kentucky -6.5%, Virginia -4.0%, Pennsylvania +0.1%, Vermont +2.2%, New York +3.0%, and Florida +5.5%. The effects of Hurricane Floyd are still being felt. Flooding is still occurring from New Jersey to the Carolinas. Early this week, Tropical Storm Harvey crossed Florida and brought additional heavy rains to that state as well as other Southeast Coast states. Milk production is mostly steady throughout the region. Last week's evacuations and disruption to milk transportation schedules are not yet back to normal. Milk shipments into Florida and other Southeastern states have rebounded, but not all bottling plants are back on full schedules. Florida schools have been back in session for several weeks, but because of the succession of hurricanes/storms, there has not yet been a full week of classes. This makes assessing milk needs difficult to say the least. Further north, many schools were closed late last week and Monday. Inland and in New England, fluid milk sales were not affected to any great degree. Milk shipments are being hampered by the lack of trucking. Trucks typically ship orange juice north to a New Jersey depot and return with milk. With New Jersey still recovering from the flooding, trucks are not bringing juice north. Florida handlers imported 205 loads this week. Figures for last week are not yet available and, year ago loads were 107. Other Southeast states have 283 loads scheduled this week which compares to less than 200 during the same week a year ago. Surplus milk volumes were not as heavy as expected and easily cleared. The condensed skim market is steady to weaker. Prices are off slightly in response to slower demand and increased offerings. The fluid cream market is weaker this week. Contacts report heavier offerings from local sources and fewer loads coming in from California. Spot prices are often lower due to a slight drop in the CME weekly butter average plus lower multiples. Utilization in ice cream is off seasonally. Cream cheese output is steady to slower. There were reports that a plant was shut down for several days and, at midweek, is not back up to normal operating levels. Churning activity is light to moderate. With prices dropping, producers are not eager to make butter at this time.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6668-1.9088
DELIVERED EQUIVALENT ATLANTA	-	1.6803-1.9088 M 1.7475-1.8550
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7475-1.9356

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.1600-1.2500
NORTHEAST- CLASS III - SPOT PRICES	- 1.3500-1.5000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
SEPTEMBER 17 - 23, 1999	35
PREVIOUS WEEK	41
COMPARABLE WEEK IN 1998	51

Class I milk sales within the region are steady to occasionally improved, depending on the market. The Class I sales levels are typical for later in the month. Besides the milk shipments reported, 24 loads of Wisconsin milk are "direct shipped" to Kentucky, 28 loads to Georgia, and 21 loads to Missouri and are pooled under a Southern federal order. Also, 6 loads of Wisconsin fluid

and 6 loads of Indiana milk were shipped to Ohio for Class II use. An occasional promotion on cottage cheese is stimulating sales in some markets. With prices falling, cheese demand is lighter and, correspondingly, spot cheese milk interest and prices are limited. A large Wisconsin plant was down a couple days for planned maintenance this week and milk was shifted to other users. Ice cream production is slowing seasonally as the big summer push is over for most producers. Manufacturers are also catching up on many back ordered items. Current milk intakes in general are little changed, from down slightly to up slightly. Confusion persists over milk prices because buyers and sellers are unsure whether the new or old system will/should be used. Overall, milk supplies are readily available in the upper tier of states. Current dry conditions have helped harvest conditions but made tillage difficult. Scattered frost in northern and central parts of the upper tier of states early in the workweek ended the growing season in some locations.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	SEP 16 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.50- 38.00	\$ 31.00- 37.00
REPLACEMENT HEIFER CALVES	\$270.00-370.00	\$150.00-200.00

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

	SEP 16 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 31.50- 44.00	\$ 31.00- 37.50

W E S T

Milk production levels continue to clip along at a pace of double digits higher and beyond versus a year ago across most of the milk producing areas of California. While some areas are seeing seasonal declines, others are seeing milk production stronger than they would like. Plants are being run at or near capacity to handle the milk volume. Milk is keeping balancing plants busy and the production of NDM and butter are more active than desired with current pricing conditions. Some milk is being moved from barrel plants to blocks or to other outlets to better their positions and try to lessen the effects of the gap between barrel and block cheese prices. Production is seasonally strong in Arizona. The effects of rains from a tropical storm were still being assessed in the dairy regions. Milk output is increasing at a slower pace in New Mexico. Levels are generally only slightly above year ago levels and often higher because the number of cows being milked is higher. Obviously, yields per cow are lower and herds are still recovering from recent heat, humidity, and rains. Additional cows are being added. Hay prices in the state remain steady in light sales. Fourth and fifth cuttings progressed. Milk shipments toward the Southeast continue after some disruptions occurred following weather related problems last week affected milk needs and bottling schedules. Cream is more available in the Southwest. Movements to other regions have slowed as milk production and fat tests increase in other areas and cream demand for seasonal items is slow. Butter churning has increased locally to handle cream and prepare for upcoming butter needs. Temperatures remain above seasonal norms in both the Pacific Northwest and the northern Mountain States regions. These conditions are having no real impact on current milk production. Temperatures are not hot enough to stress the milking herd much and at this time of year it always cools off substantially in the evenings. The weather is helping to bring crops along to maturity. Many areas are cutting corn silage and the yields are very heavy. Some milk producers are commenting that they are not sure where they are going to store all the feed. Final cuttings of hay are also nearing completion. Quality in general is much better than last year. Some increased export activity is becoming more common. Dairy quality hay prices are firming slightly with feeder hay remaining plentiful and very reasonably priced. Some milk, especially if it has normally gone to a barrel plant, is likely being moved to other options to improve short run returns. With the total amount of milk in the system, this is not an option for every manufacturer.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 09/23/99 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 to lower on a mixed market. Some producers are lowering prices in order to reduce heavy stocks. Others are holding lighter stocks and moving product at the upper end of the range. Production is light in operating plants. Non-Kosher product is readily available for the light demand. Product is clearing best into seasonal cheese and ice cream production. High heat supplies are tight and moving at prices well above the range.

Includes EXTRA GRADE and GRADE A, low and medium heat
 NONFAT DRY MILK: 1.0250 - 1.0700 MOSTLY: 1.0350 - 1.0550

DRY BUTTERMILK - CENTRAL

Prices are unchanged to higher on a steady to firm market. Prices are again driven by a lack of supply. Demand is light for the limited production. Unconfirmed sales in the Midwest have been noted below the range. Dry product is clearing well into bakeries while condensed remains a good mover into ice cream. Producer inventories are light with aged product the most available.

BUTTERMILK: .7900 - .8300

DRY WHEY - CENTRAL

Prices are unchanged to lower and the market tone is generally steady. Some producers are unable to obtain the premium prices of weeks past. Feed buyers are showing more interest as their inventories run low. Production is steady for the fair to good demand. Dry product is clearing best on regular commitments with some movement into exports. Condensed product is available and somewhat reduced in supply. Producer stocks are generally in balance for the current interest.

NONHYGROSCOPIC: .2000 - .2125 MOSTLY: .2000 - .2050

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on a steady market. Production is steady and inventories are generally in balance. Plenty of off grade/defective product is available well below the range. Interest has increased on delactose. Until the WPC market improves, delactose is anticipated to remain unchanged. The North Central veal market is firm with prices trending higher on light offerings. Early weaned pigs are steady to \$2.00 higher and in good demand.

MILK REPLACER: .1475 - .1975
 STANDARD: TFEWR
 ROLLER GROUND: .1775 - .2125
 DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are generally unchanged on a steady to firm market. Prices are anticipated to move higher in the 4th quarter. Some producers are holding out on contracts in the hopes of gaining better prices. Competition from the EU has taken away some of the US market share on 200 mesh exports. Production is mostly unchanged to seasonally lower. Inventories are in balance to tight for the fair to good edible demand. Feed trade is mixed as some buyers divert their interest to whey while others continue to pick up extra loads. Off grade product is available at 1-4 cents below the average.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
 EDIBLE: .1800 - .2300 MOSTLY: .1875 - .1925

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a steady market. Western inventories are in better balance allowing some manufacturers to increase prices. Inventories in the Midwest remain tight. Some Western suppliers are shipping to the Midwest to compensate for shortages in the area. Demand from Mexico remains strong with some movement into Canadian markets for feed use. Off grade product is available and trading 2-8 cents below the average. Condensed WPC remains tight at prices 3-6 cents below the average. Condensed movement is strong into process cheese and feed production. Some feed buyers are beginning to build inventories on high protein product for spring lamb production.

EXTRA GRADE 34% PROTEIN: .4050 - .4850 MOSTLY: .4300 - .4600

NONFAT DRY MILK - WEST

Low/medium heat prices are unchanged. The market tone is holding mostly steady. Some steam has been released from this market following recent price increases. Buyers are resisting higher prices being asked by producers and are quick to point out that prices should not be running very much higher when producers are still selling to the support program. New DEIP orders are being filled at prices within the range. Current production schedules are at high levels. Sustained milk production in the region is putting more milk into NDM for processing. Stocks are adequate to fill spot, contract, DEIP, and other needs. During the week of September 13 - 17, CCC net purchases were 1.4 million pounds of nonfortified NDM from Western producers. High heat prices are steady. Demand has eased somewhat and buyer interest is lighter this week. Production is steady to slightly higher.

Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.0050 - 1.0325 MOSTLY: 1.0100 - 1.0250
 HIGH HEAT: 1.0400 - 1.0450

DRY BUTTERMILK - WEST

Prices are higher on the top end of the range, but the mostly range is holding fully steady. Demand is seldom better than fair and being met with light, but increasing offerings. Drying schedules have increased over the last several weeks, most often reflecting additional churning. Buttermilk stocks are light to moderate and growing at several locations.

BUTTERMILK: .7100 - .7900 MOSTLY: .7200 - .7600

DRY WHEY - WEST

Western whey range and mostly prices are fractionally higher. The Western market is somewhat mixed at this point. Some buyers report that stocks are tight with plants sold out for a few weeks. Other buyers do not see that much strength and see offerings as adequate for current needs. Export demand is generally rated as steady at this point. Some manufacturers are reporting less whey production as they move milk around to maximize returns. Western buyers are noticing that the Central market, which was leading the Western market higher for the past few weeks, has now stabilized. A number of contacts commented that it would surely be nice if animal feed demand increased in the near future from its present depressed state. Few give that possibility much chance of happening.

NONHYGROSCOPIC: .1800 - .2050 MOSTLY: .1850 - .1900

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
September 17	\$1.0146	11,475,547
September 10	\$1.0102	9,911,318

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to higher on high heat powder. The market tone is mostly steady to a little firmer. As condensed skim prices hold at current levels, users are showing more interest in NDM. The slower call for wet solids does cause an increase in drying activity and producers have a little more powder to offer. Spot sales of NDM are improved and some new DEIP bids are being filled. An offering of Eastern NDM was made to CCC for the purposes of package approval and should not be interpreted as weakness in the marketplace. Hurricane Floyd did impact the region's milk production, processing, and hauling, but things are getting back to normal this week.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:			
LOW/MEDIUM HEAT:	1.0400 - 1.0700	MOSTLY:	1.0500 - 1.0600
HIGH HEAT:	1.0800 - 1.1100	MOSTLY:	1.0800 - 1.0900
DELVD SOUTHEAST:			
ALL HEATS:	1.0650 - 1.1300		

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to higher and the market tone is firm. Production levels are light to moderate as churning activity is up slightly from past weeks. This week, cream supplies were not as tight and some excess cream did clear to churning facilities. Sales of condensed buttermilk remain quite good, but ice cream output is slowing seasonally. Demand for dry buttermilk is improving and producer stocks are closely balanced.

F.O.B. NORTHEAST:	.7800 - .8400
DELVD SOUTHEAST:	.7800 - .8450

DRY WHOLE MILK - NATIONAL

Prices are mixed as some California producers adjust prices to reflect the drop in butter prices. Elsewhere, producer prices are unchanged to higher. Production is moderate and geared to meet existing orders. Spot interest is just fair.

F.O.B. PRODUCING PLANT:	1.3800 - 1.7100
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DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH SEPTEMBER 17, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	36,622	MT (80,736,861 LBS)
CHANGE	--	5,962	MT (13,143,825 LBS)
WHOLE MILK POWDER	--	28	MT (61,729 LBS)
CHEESE	--	708	MT (1,560,857 LBS)
CHANGE	--	340	MT (749,564 LBS)
BUTTERFAT	--	0	MT

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is unsettled. Grade A whey stocks are still tight and prices are nominal, but premiums have eased. Extra Grade, dry whey stocks are fairly well balanced for the generally slow spot demand. Some resellers are offering lower prices to remain competitive and keep inventories from building. Domestic demand is seldom better than fair and export interest is slower, depending on price. Production levels are often slower as some producers report that condensed whey offerings are lighter. Also, cheese makers are reluctant to take on additional milk volumes at a time when cheese prices have been falling daily for more than a week.

F.O.B. NORTHEAST:	EXTRA GRADE	.1900 - .2125
	USPH GRADE A	.2125 - .2500
DELVD SOUTHEAST:		.2200 - .2425

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report. The market tone is unchanged and weak. Traders and producers, alike, report continued slow demand for finished feed and ingredients. Offerings of off-quality dry whey are heavy and more than ample for current needs.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
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EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are light to moderate. Some producers have slowed output now that milk prices are estimated to be at their annual high point. Producer stocks are adequate. Demand is seasonally fair as buyers prepare for the typically good, fall/winter retail sales. The Kansas City Commodity office announced the issuance of EVD-1, invitations 600 and 601 inviting competitive offers to sell to CCC 1,578,960 and 1,138,320 pounds, respectively, of evaporated milk for delivery in November and December 1999.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES	\$24.68 - 33.00
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Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets and prices are weak. Domestic buyers report that availability and offerings from sourcing countries are fully sufficient. Buyers do not foresee problems securing needed volumes for the balance of the calendar year at current or possibly lower prices. Oceania milk production is building, thus their casein stocks will be increasing. Europe's milk output is nearing seasonal low levels, although casein stocks are reported to be sufficient to meet upcoming winter needs.

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

RENNET:	1.7500 - 1.9000
ACID:	1.7800 - 1.9000

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated.

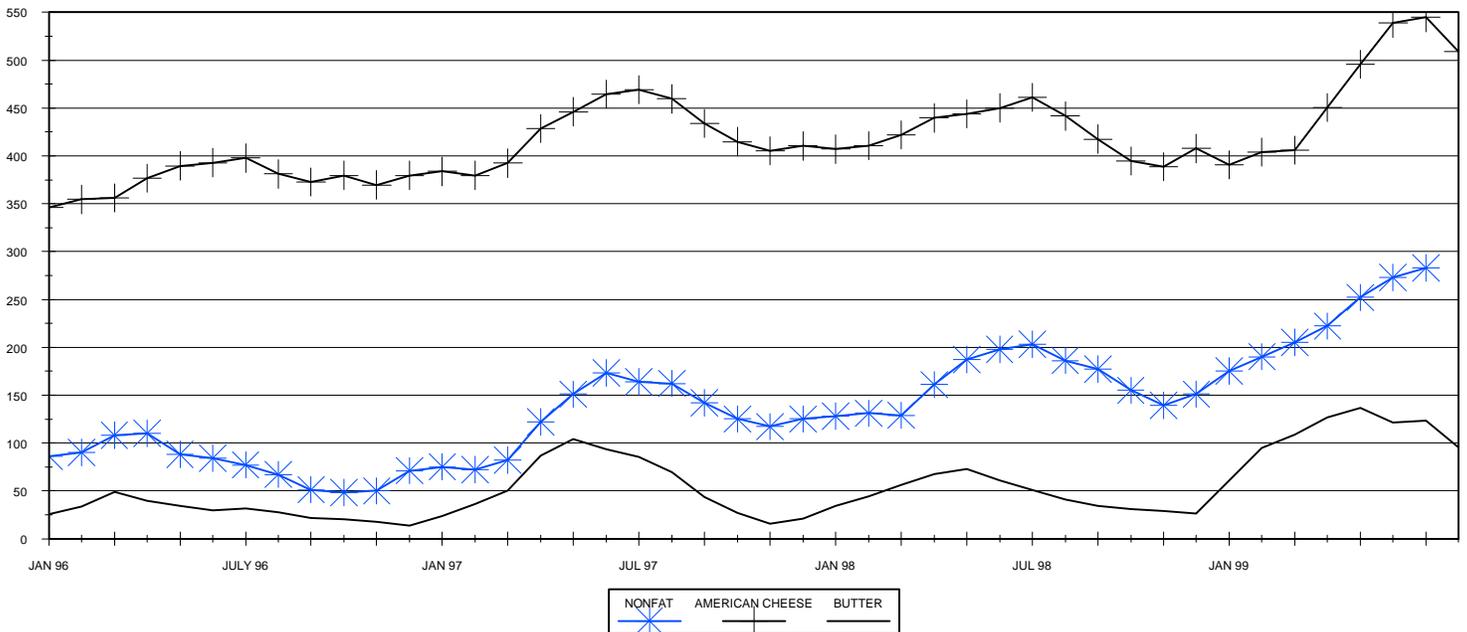
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JUL 31, 1997	JUL 31, 1998	REVISED JUL 31, 1999	AUG 31, 1997	AUG 31, 1998	AUG 31, 1999
Cream	---	---	---	---	---	---
Butter	85,582	50,979	123,552	69,468	41,070	95,384
Evap. & Cond. Milk	---	---	---	---	---	---
Cheese, Natural American	469,008	461,123	545,023	459,450	441,605	508,752
Cheese, Swiss	11,516	10,823	10,698	11,507	11,560	10,280
Cheese, Other Natural	124,372	123,875	194,573	111,313	123,603	174,043
GOVERNMENT OWNED COLD STORAGE HOLDINGS FOR THE U.S.						
Butter	661	285	334	563	216	257
Natural American Cheese	47	288	48	285	209	31

AUGUST COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter			Other Natural Cheese		
	1997	1998	1999	1997	1998	1999*	1997	1998	1999
New England	24,178	23,683	28,314	8,326	---	---	175	330	661
Middle Atlantic	42,972	39,251	45,344	4,279	---	---	18,116	13,193	13,285
East North Central	243,561	238,919	244,505	32,384	---	---	76,028	101,188	89,715
West North Central	78,901	68,042	116,396	7,640	---	---	5,223	1,261	59,450
South Atlantic	226	617	398	470	---	---	5,080	550	1,374
East South Central	264	223	0	151	---	---	2,956	2,026	179
West South Central	2,387	306	304	653	---	---	172	310	206
Mountain	20,830	14,867	11,146	349	---	---	1,011	980	825
Pacific	46,131	55,697	62,345	15,216	---	---	2,552	3,765	8,348
TOTAL	459,450	441,605	508,752	69,468	41,070	95,384	111,313	123,603	174,043

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COLD STORAGE HOLDINGS 1996 TO DATE
COMBINED GOVERNMENT AND COMMERCIAL

MILLION POUNDS



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1998 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Million Pounds						Million Pounds						Million Pounds					
January	61	34	61	34	<u>3/</u>	<u>3/</u>	391	407	391	407	<u>3/</u>	<u>3/</u>	175	128	82	104	93	24
February	95	44	95	44	<u>3/</u>	<u>3/</u>	404	411	404	411	<u>3/</u>	<u>3/</u>	190	131	108	105	82	26
March	109	56	109	56	<u>3/</u>	<u>3/</u>	406	422	406	422	<u>3/</u>	<u>3/</u>	205	129	123	93	83	36
April	126	67	126	67	<u>3/</u>	<u>3/</u>	451	440	451	440	<u>3/</u>	<u>3/</u>	222	161	136	113	86	48
May	137	73	136	72	<u>3/</u>	<u>3/</u>	496	444	496	444	<u>3/</u>	<u>3/</u>	252	187	164	132	88	55
June	121	61	121	60	<u>3/</u>	<u>3/</u>	539	450	539	450	<u>3/</u>	<u>3/</u>	273	198	158	129	114	69
July	124	51	123	51	<u>3/</u>	<u>3/</u>	545	461	545	461	<u>3/</u>	<u>3/</u>	283	203	142	112	141	91
August	95	41	95	41	<u>3/</u>	<u>3/</u>	509	442	509	441	<u>3/</u>	<u>3/</u>		186		78		108
September		34		34		<u>3/</u>		417		417		<u>3/</u>		177		64		112
October		31		31		<u>3/</u>		395		394		<u>3/</u>		155		46		109
November		29		29		<u>3/</u>		389		389		<u>3/</u>		139		42		97
December		26		26		<u>3/</u>		408		408		<u>3/</u>		151		56		95

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Jul 31, 1997	Jul 31, 1998	Jul 31, 1999	Aug 31, 1997	Aug 31, 1998	Aug 31, 1999
	Thousand Pounds					
Butter	84,921	50,694	123,218	68,905	40,854	95,127
Natural American Cheese	468,961	460,835	544,975	459,165	441,396	508,721

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (9-99) and "Dairy Products," Da 2-6 (9-99), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Agricultural Stabilization and Conservation Service.

JULY FLUID MILK SALES HIGHLIGHTS

During July, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.7 percent above the previous year and 1.7 percent above June 1999 on an adjusted daily average basis. Sales of whole milk products were 1.7 percent above the previous year; sales of fat-reduced milk products were 1.6 percent above the previous year. Total fluid milk sales were higher in all regions. Total fluid milk sales for the January-July 1999 period were 1.0 percent higher than the same period last year.

SUMMARY OF PACKAGED SALES OF WHOLE MILK PRODUCTS, FAT-REDUCED MILK PRODUCTS, AND TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, JULY 1999 WITH COMPARISONS 1/

Region 4/	Whole Milk Products 2/				Fat-reduced Milk Products 3/				Total Fluid Products			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	July	Year to date	Prev. year 5/	Year to date 5/	July	Year to date	Prev. year 5/	Year to date 5/	July	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	334	2,341	-1.5	-0.9	440	3,148	1.8	0.5	774	5,489	0.4	-0.1
Southeastern	353	2,382	1.9	3.3	419	3,052	1.9	0.3	772	5,435	2.0	1.6
Midwest	268	1,806	3.6	3.0	865	6,234	2.7	1.1	1,133	8,040	3.0	1.5
Southwest	181	1,202	3.6	3.1	189	1,423	-0.6	1.1	371	2,625	1.4	2.0
Far West	347	2,330	2.4	1.1	652	4,681	0.4	0.3	999	7,011	1.1	0.6
All Areas Combined	1,483	10,062	1.7	1.7	2,565	18,538	1.6	0.7	4,048	28,600	1.7	1.0

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 89 percent of total fluid milk sales in the U.S. 2/ Whole milk products include plain, flavored, and miscellaneous whole milk products. 3/ Fat-reduced milk products include plain, solids added, flavored, and miscellaneous reduced fat, low fat, and fat-free products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 66, report #15. Midwest excludes Nebraska-Western Iowa. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND FAT-REDUCED MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, JUNE 1999, WITH COMPARISONS 1/

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole Milk 2/	1,406	1.4	1.7
Reduced Fat Milk (2%)	1,238	0.9	0.8
Low Fat Milk (1%) 3/	524	2.2	2.2
Fat-Free Milk (Skim)	644	-3.0	-1.5
Buttermilk	46	-2.1	-2.9
Total Fluid Milk Products 4/	3,871	0.6	0.9

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Nebraska-Western Iowa market, which is a non-comparable market, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

2/ Includes flavored whole milk. 3/ Includes flavored fat-reduced milk.

4/ Includes miscellaneous products.

Federal Milk Order Minimum Advance Prices Highlights

Base Price for Class I. Under the new Federal milk order reform pricing system, the base price for Class I for October 1999 is \$16.54 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$11.75 and the advanced butterfat pricing factor of \$1.4859. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$7.75. Thus, the Class II skim milk price for October is \$8.45 per cwt. and the Class II nonfat solids price is \$0.9389. **Product Price Averages.** The two-week product price averages for September are; butter \$1.3324, nonfat dry milk \$1.0155, cheese \$1.8008, and dry whey \$0.1872.

FEDERAL MILK ORDER MINIMUM CLASS I PRICE INFORMATION 1/ 2/				
Federal Milk Order Marketing Area 3/	October 1999			
	Order Number	Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) 4/	001	19.29	14.50	1.5134
Appalachian (Charlotte) 5/	005	19.09	14.30	1.5114
Southeast (Atlanta) 6/	007	19.44	14.65	1.5149
Florida (Tampa) 7/	006	20.74	15.95	1.5279
Mideast (Cleveland) 8/	033	18.54	13.75	1.5059
Upper Midwest (Chicago) 9/	030	18.49	13.70	1.5054
Central (Kansas City) 10/	032	18.44	13.65	1.5049
Southwest (Dallas) 11/	126	18.64	13.85	1.5069
Arizona-Las Vegas (Phoenix) 12/	131	18.09	13.30	1.5014
Western (Salt Lake City) 13/	135	18.04	13.25	1.5009
Pacific Northwest (Seattle) 14/	124	17.99	13.20	1.5004

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63-- the approximate number of gallons in 100 pounds of milk.

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

3/ Name in parentheses is principal pricing point of market.

4/ Class I price at other points is: New York City, minus \$0.25; Philadelphia, minus \$0.55; Baltimore, minus \$0.70; and Washington, DC, minus \$0.70.

5/ Class I price at other points is: Knoxville, minus \$0.30 and Louisville, minus \$0.60.

6/ Class I price at other points is: New Orleans, plus \$0.15; Memphis, minus \$0.05; Nashville, minus \$0.85; and Springfield, Mo., minus \$1.20.

7/ Class I price at other points is: Miami, plus \$0.55; Orlando, same; and Jacksonville, minus \$0.40.

8/ Class I price at other points is: Cincinnati, plus \$0.05; Indianapolis, same; Pittsburgh, minus \$0.05; and Detroit, minus \$0.15.

9/ Class I price at other points is: Milwaukee, same; and Minneapolis, minus, \$0.35.

10/ Class I price at other points is: St. Louis, plus \$0.20; Des Moines, same; Omaha, same; Oklahoma City, same; and Denver, minus \$0.35.

11/ Class I price at other points is: Houston, plus \$0.85; San Antonio, plus \$0.55; Albuquerque, same; and El Paso, minus \$0.35.

12/ Class I price at Las Vegas is plus \$0.70.

13/ Class I price at Boise is minus \$0.15.

14/ Class I price at other points is: Portland, same; and Spokane, minus \$0.10.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR AUGUST 1999. During August, about 6.5 billion pounds of milk were marketed under Federal orders. (Significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in August 1999 and 1998.) Producer deliveries were about 4.8 percent less than August 1998, and about 1.9 percent less than July 1999 on a daily average basis. Milk utilized in Class I products in August was 2.6 percent more than last year on an adjusted basis. Class I use this year represented 59 percent of producer milk deliveries compared to 54 percent in August 1998. The average blend price was \$13.89 per cwt., \$1.33 less than last year. Changes in class prices from year-earlier levels were as follows:

Class I, down \$1.68; Class II, down \$1.68, Class III, up \$0.80; and Class III-A, down \$3.93.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF AUGUST 1999										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	514.1	4.9	241.5	7.0	47	46	14.36	15.72	13.6
New York/New Jersey (NY City)	2	976.3	-1.4	375.0	-3.2	38	39	14.88	15.60	13.6
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4 <u>4/</u>	483.7	-3.7	241.7	5.4	50	46	13.68	15.33	---
NORTHEAST REGION		1,974.1	-0.4	858.3	1.9	43	42	14.45	15.56	13.6
Carolina (Charlotte)	5	276.1	9.8	215.1	6.8	78	80	14.03	15.77	13.6
Southeast (Atlanta/Birmingham)	7 <u>4/</u>	461.4	-0.8	398.9	3.4	86	83	14.42	15.86	13.6
Florida Markets (Tampa/Jacksonville/Tallahassee/Miami)	12 <u>5/</u>	205.2	1.1	182.0	1.5	89	88	14.97	16.51	13.6
SOUTHEASTERN REGION		942.6	2.5	796.0	3.9	84	83	14.43	15.98	13.6
Michigan Upper Peninsula (Marquette)	44 <u>4/ 6/</u>	5.1	3.0	4.5	3.2	88	87	13.00	14.45	13.6
Southern Michigan (Detroit)	40 <u>4/ 6/</u>	348.0	-4.3	181.6	1.0	52	49	13.39	14.54	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36 <u>4/ 6/</u>	197.8	-22.7	150.9	8.4	76	54	13.53	14.88	---
Ohio Valley (Columbus)	33 <u>4/ 6/</u>	215.7	1.2	145.8	7.8	68	63	13.09	14.64	---
Indiana (Indianapolis)	49 <u>4/ 6/</u>	149.8	-0.4	92.8	-6.3	62	66	12.94	14.58	---
Chicago Regional	33 <u>4/ 6/</u>	463.8	-20.5	260.6	5.8	56	42	13.26	14.47	---
Central Illinois (Peoria)	50 <u>4/ 6/</u>	14.5	-6.9	11.9	-4.6	82	80	13.19	14.66	13.6
S. Illinois-E. Missouri (Alton)	32 <u>4/ 6/</u>	117.3	-7.2	80.8	-4.4	69	67	13.11	14.60	13.6
Louisville-Lexington-Evansville	46	106.0	1.3	84.4	2.4	80	79	13.28	14.92	13.6
Upper Midwest (Minneapolis)	68 <u>4/ 6/</u>	208.0	-2.9	137.5	4.7	66	61	12.84	14.34	---
Iowa (Des Moines)	79 <u>4/ 6/</u>	73.7	-4.9	56.7	11.6	77	66	12.91	14.63	---
Nebraska/W. Iowa (Omaha/Sioux City)	65 <u>4/ 6/</u>	73.4	3.3	49.6	3.1	68	68	12.74	14.62	---
Greater Kansas City/E. S. Dakota	64 <u>4/ 6/ 7/ 8/</u>	37.6	-9.8	---	---	---	---	13.54	14.94	13.6
MIDWEST REGION	<u>9/</u>	1,973.1	-9.5	1,257.1	3.6	64	56	13.18	14.58	13.6

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF AUGUST 1999										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTERFAT DIFF. <u>3/</u>
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106 <u>4/ 6/</u>	189.2	-9.4	122.8	-3.9	65	61	14.19	15.36	13.6
Texas (Dallas)	126 <u>4/ 6/</u>	404.8	6.2	286.3	4.1	71	72	13.97	15.50	13.6
SOUTHWEST REGION		594.0	0.7	409.1	1.6	69	68	14.04	15.45	13.6
E. Colorado/W. Colorado (Denver)	137 <u>4/ 8/</u>	93.1	-32.6	73.6	8.0	79	49	13.68	15.18	13.6
SW. Idaho/E. Oregon (Boise)	135 <u>4/ 6/</u>	28.2	-23.9	16.6	13.4	59	39	13.33	14.60	---
Great Basin (Salt Lake City)	139 <u>4/ 6/</u>	97.8	4.4	77.4	8.3	79	76	13.11	14.70	---
Central Arizona (Phoenix)	131 <u>4/ 6/</u>	189.3	15.9	83.8	2.7	44	50	14.28	15.12	13.6
New Mexico-West Texas (Albuquerque)	138 <u>4/ 6/</u>	64.8	-39.6	52.9	-1.5	82	50	13.61	15.05	13.6
Pacific Northwest (Seattle/Portland)	124 <u>4/</u>	499.6	-12.1	172.2	1.1	34	30	13.42	15.24	---
FAR WEST REGION		972.6	-12.2	476.5	3.6	49	42	13.59	15.13	13.6
ALL-MKT. AVERAGE OR TOTAL	<u>9/ 10/</u>	6,456.4	-4.8	3,797.0	3.0	59	54	13.89	15.22	13.6
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		16,384.9	0.5	6,688.6	-0.4	41	41			
Southeastern Region		8,015.3	1.2	6,480.4	1.4	81	81			
Midwest Region		27,423.7	-0.1	9,770.9	0.9	36	35			
Southwest Region		6,473.4	7.9	3,144.9	2.9	49	51			
Far West Region		10,561.7	-3.9	3,754.1	1.1	36	34			
ALL MARKET AVERAGE OR TOTAL	<u>9/ 11/</u>	68,859.0	0.3	29,838.8	0.9	43	43	14.13	14.02	----

1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$15.04. (4.0 minus 3.5 equals .5; 5 times \$.136 equals \$0.680; \$14.36 plus \$0.680 equals \$15.04.) 4/ Due to a disadvantageous pricing situation in August 1999, handlers elected not to pool milk that normally would have been associated with the market. 5/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1999, \$14.90 1998, \$16.52; and Southeastern Florida: 1999, \$15.47; and 1998, \$17.01. 6/ Due to a disadvantageous pricing situation in August 1998, handlers elected not to pool milk that normally would have been associated with the market. 7/ Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted. 8/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1999, \$12.78; 1998, \$14.86 and Western Colorado: 1999, \$13.41; 1998, \$14.95. 9/ Data for Greater Kansas City/Eastern South Dakota are excluded; some of the data during this period could not be released without revealing individual business operations. See 7/. 10/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 3.0 billion pounds in August 1999, and 2.6 billion pounds in August 1998. 11/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 10.2 billion pounds this year, and 8.8 billion pounds last year.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF SEPTEMBER 20 - 24, 1999				CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 09/17/99	SAME PERIOD LAST YEAR
BUTTER								
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE								
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK								
Nonfortified	1,705,536	-0-	1,705,536	181,395,584	121,272,543	-0-	45,000,000	
Fortified	-0-	-0-	-0-	2,223,406	-0-	-0-	-0-	
TOTAL	1,705,536	-0-	1,705,536	183,618,990	121,272,543	-0-	45,000,000	

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

	MILKFAT* BASIS	SKIM** SOLIDS	COMPARABLE WEEK IN 1998 =	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF SEPTEMBER 20 - 24, 1999 =	0.4	19.9		-0.3	-14.7
CUMULATIVE SINCE OCTOBER 1, 1998 =	40.4	2,137.3	CUMULATIVE SAME PERIOD LAST YEAR =	26.7	1,411.6
CUMULATIVE JANUARY 1 - SEPTEMBER 24, 1999 =	40.4	2,136.1	COMPARABLE CALENDAR YEAR 1998 =	25.0	1,320.2

* 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 SEPTEMBER 20 - 24, 1999 (POUNDS)

REGION	BUTTER		UNSALTED	BLOCK	CHEESE		NONFAT DRY MILK	
	BULK	PACKAGED			BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	1,614,596	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	90,940	-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
MIDWEST	-0-	-0-	-0-	-0-	15,434,971	11,550,729	8.4	9.6
WEST	-0-	-0-	-0-	-0-	168,093,079	109,435,271	91.6	90.2
EAST	-0-	-0-	-0-	-0-	90,940	286,543	0.0	0.2
TOTAL	-0-	-0-	-0-	-0-	183,618,990	121,272,543	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 09/04/99 & Comparable Week 1998 1/ 2/

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1		
1999-Dairy cows HD (000)	0.2	0.9	6.6	5.9	18.2	2.5	2.6	0.6	9.6	2.6	49.8	1,743.7	46.0	46.1
1998-Dairy cows HD (000)	0.3	1.7	5.5	4.8	18.6	2.9	2.8	1.1	9.5	2.6	49.7	1,824.2	43.4	45.7
1999-All cows HD (000)	0.2	1.1	9.1	14.0	25.0	16.4	18.7	4.0	12.6	7.2	108.3	3,786.2		
1998-All cows HD (000)	0.3	1.7	7.9	16.2	25.9	20.5	17.6	5.2	12.2	6.9	114.4	3,994.6		

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.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

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	11.42	13.59	15.79				