

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/12):**

**BUTTER:** Grade AA closed at \$1.0950. The weekly average for Grade AA is \$1.0983(+.0050).

**CHEESE:** Barrels closed at \$1.0975 and blocks at \$1.1250. The weekly average for barrels is \$1.1085 (-.0845) and blocks, \$1.1170 (-.0980).

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

**BUTTER:** The butter market is weak. Churning schedules across the country are seasonally quite active. Fresh and frozen butter stocks are reported to be readily available for current and projected upcoming holiday needs. In instances, fresh butter stocks are not as readily available as some producers would desire, although overall needs are being filled. Butter producers and handlers are indicating that the upcoming holiday season should clear good volumes of print butter. Scheduled retail features at attractive prices are expected to generate good sales. Food service orders are also stronger as the year end holidays near.

**CHEESE:** The cheese market is weak. Cash cheese prices at the Chicago Mercantile Exchange declined to the CCC block support purchase price of \$1.10 on November 10, but rebounded 2 1/2 cents on the 12th. Barrels closed the week at \$1.0975, above the support price of \$1.07. CCC has not made cheese purchases under the price support program since June 1997. Natural movement is typically good, though getting orders prepared and into stores before Thanksgiving may be difficult. Process sales are steady to somewhat improved. Cheese production remains seasonally heavy. Some producers are having to pay higher prices to buy milk to fill orders.

**FLUID MILK:** Mild temperatures prevailed throughout most of the country this week, thus milk production patterns were generally strong for this time of the season. In many regions, milk volumes are reported to be running heavier than last year. Due to favorable milk output in most areas, demand for additional volumes of milk moving from one region to another is lighter. Milk volumes for manufacturing are increasing to the point that

some down manufacturing plants are preparing to or are already operational to handle surplus milk during the year end holiday period. Many feel that surplus milk volumes will not be too burdensome for the upcoming Thanksgiving holiday, but will be heavy during the Christmas/New Year period. Farmers continue to add replacement heifers to their milking herds, although some are contemplating selling out with the recent drop in milk prices and potential decreases anticipated in the future.

**DRY PRODUCTS:** Dry product market conditions are generally steady to weaker. Seasonally strong milk production, upcoming holidays, Y2K, and inventory reductions are some factors influencing current markets. The skim milk powder market is steady to generally weak. Many producers are trying to clear inventories prior to anticipated heavier production during the upcoming holidays, thus powder prices are below, at, or nearing the support level in all areas. Buttermilk powder markets are generally steady. Trading is light and best on regular commitments. Condensed buttermilk continues to clear well into ice cream and blends. Whey markets are steady to weak with prices unchanged to lower. Demand is generally slow to fair, best on regular commitments and export needs. For the most part, stocks are reported to be in close balance. Some producers are sold out while others are clearing product at a discount.

**CCC:** During the week of November 8-12, net purchases totaled 1,335,188 pounds of NDM Western sources. Purchases included 1,070,652 pounds of nonfortified and 264,536 pounds of fortified NDM.

**OCTOBER AGRICULTURAL PRICE (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 1999 was unchanged at 116. Compared with October 1998, the index was up 2 points (1.8%). The index of prices received by farmers for dairy products declined 2 points during the month of October 1999 to 119. Compared with October 1998, the index was down 17 points (12.5%). On a 3.5% butterfat basis, prices received by farmers in October with changes from September were: for all milk, \$15.26, down \$0.38; for fluid grade milk, \$15.36, down \$0.28; and for manufacturing grade milk, \$13.18, down \$1.72.

## \*\*\*\*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 NOVEMBER 8	TUESDAY NOVEMBER 9	WEDNESDAY NOVEMBER 10	THURSDAY NOVEMBER 11	FRIDAY NOVEMBER 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1375 (-.0175)	\$1.1100 (-.0275)	\$1.1000 (-.0100)	\$1.0975 (-.0025)	\$1.0975 (N.C.)	-0.0575	\$1.1085 (-.0845)
40# BLOCKS	\$1.1450 (-.0150)	\$1.1150 (-.0300)	\$1.1000 (-.0150)	\$1.1000 (N.C.)	\$1.1250 (+.0250)	-0.0350	\$1.1170 (-.0980)
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	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$1.1000 (N.C.)	----	\$1.1000 (N.C.)	----	\$1.0950 (-.0050)	-.0050	\$1.0983 (+.0050)

\*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, NOVEMBER 8, 1999

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.1500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1375; 2 CARS 40# BLOCKS: 1 @ \$1.1450, 1 @ \$1.1700  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$1.0800, 1 @ \$1.0950, 1 @ \$1.0975, 3 @ \$1.1000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1500

TUESDAY, NOVEMBER 9, 1999

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.1200, 2 @ \$1.1050, 1 @ \$1.1100, 1 @ \$1.1050, 1 @ \$1.1100; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1000; 1 CAR 40# BLOCKS @ \$1.0000; OFFERS UNCOVERED: 4 CARS BARRELS: 1 @ \$1.1150, 1 @ \$1.1300, 2 @ \$1.1375; 9 CARS 40# BLOCKS: 2 @ \$1.1150, 1 @ \$1.1325, 1 @ \$1.1375, 1 @ \$1.1425, 4 @ \$1.1450  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, NOVEMBER 10, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1000; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0800; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1100; 4 CARS 40# BLOCKS: 1 @ \$1.1000, 1 @ \$1.1125, 2 @ \$1.1150  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 11 CARS GRADE AA: 2 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0900, 1 @ \$1.1000, 1 @ \$1.0975, 1 @ \$1.0950, 1 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.0975, 1 @ \$1.1000; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.0900; OFFERS UNCOVERED: 9 CARS GRADE AA: 2 @ \$1.1050, 1 @ \$1.1075, 3 @ \$1.1100, 2 @ \$1.1200, 1 @ \$1.1500

THURSDAY, NOVEMBER 11, 1999

CHEESE -- SALES: 2 CARS BARRELS @ \$1.1000; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0950; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.0975, 1 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 12, 1999

CHEESE -- SALES: 2 CARS BARRELS @ \$1.0975; 4 CARS 40# BLOCKS: 1 @ \$1.0975, 1 @ \$1.1100, 1 @ \$1.1200, 1 @ \$1.1250; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0950; OFFERS UNCOVERED: 3 CARS BARRELS: 2 @ \$1.0975, 1 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 13 CARS GRADE AA: 1 @ \$1.1100, 1 @ \$1.1025, 2 @ \$1.1050, 1 @ \$1.0975, 1 @ \$1.0900, 1 @ \$1.0925, 2 @ \$1.0875, 1 @ \$1.0900, 1 @ \$1.0875, 1 @ \$1.0900, 1 @ \$1.0950; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.0700; OFFERS UNCOVERED: 25 CARS GRADE AA: 5 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.1075, 1 @ \$1.1100, 4 @ \$1.1200, 4 @ \$1.1300, 3 @ \$1.1400, 5 @ \$1.1500, 1 @ \$1.1600

**BUTTER MARKETS**

**SEPTEMBER BUTTER PRODUCTION**

During September, butter production in the United States totaled 78.8 million pounds, 15.5% above September 1998 and 19.2% heavier than August. The following are percentage changes from September 1998 for various states: CA +32.6%, MN -32.6%, NY +25.6%, OR -16.4%, PA +66.9%, WA +101.5%, and WI -16.7%. Cumulative production for the first nine month of 1999 totals 866.2 million pounds, 8.8% heavier than the comparable period in 1998.

**NORTHEAST**

Some contacts feel/wonder if the butter market has "found its level" for the holiday season. The market tone is still quite weak as supplies, by most accounts, exceed current demand. Fresh butter is readily available and some companies report that frozen stocks are much heavier than desired. With churning increasing in most sections of the country, frozen stocks may remain heavy into the new year. Some printers are micro-fixing to clear some of their stocks. Holiday orders are improved. However, with retail prices for national brands well above \$3.00 per pound and private label brands usually above \$2.50 butter is not moving off the shelves as quickly as desired. There is a very wide disparity between the CME's current price of \$1.10 for bulk butter and current retail prices.

**CENTRAL**

During the past week, butter prices have been the most stable they have been in quite some time. The Grade AA trading level at the CME fluctuated minimally in comparison to previous trading sessions. Churning schedules remain quite active. Cream supplies are reported to be readily available for butter producers. In most

instances, butter producers are taking advantage of current offerings. Butter stocks, both frozen and fresh, are fully sufficient for current needs. Some last minute fill in orders are being place for the upcoming Thanksgiving holiday, but for the most part, Thanksgiving orders have been placed, shipped, and ready for consumers. Butter handlers continue to report that scheduled retail feature activity during the year-end holiday period should stimulate good butter sales.

**WEST**

Most contacts believe that butter orders for the Thanksgiving holiday period are at least as good as expected. Some lower priced features are beginning to show up in the retail dairy case. With the economy remaining strong, butter is expected to move off the shelf at a good pace. Churning remains very strong because of all the cream that is available. Orders are being handled very easily. Stocks remain large enough to handle any unforeseen developments. The most current weekly movement of butter out of CME surveyed storage facilities is the largest in more than three years. Overall, the market seems to have a positive undertone, but few are expecting much of a price rebound this fall. Demand for cream going into the churn is being supplanted by seasonal demand from cream cheese, egg nog, and other high fat holiday items.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCK-LOAD 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			
NOVEMBER 6	*	*	*	*	*

\*Prices and sales were not available at press time. Updates can be found at <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

**CHEESE MARKETS**

**NORTHEAST**

Prices continue to fall and the market tone remains weak. Buyers, sensing further price declines continue their practice of purchasing only for immediate needs. Buyers seem to be leaving inventories in the hands of the producers when and where they can. Production levels are steady to slightly higher as more surplus milk is available. However, with the falling cheese prices, producers are not taking any extra milk unless prices are discounted. Holiday orders for cheese are coming in which is giving a little boost to sales, particularly gift pack items. Overall, retail movement remains slow to fair. Food service orders are improving as restaurants prepare for the start of the shopping season and increased business. Stocks of cheddar, mozzarella, and other cheeses are more than adequate to meet current needs.

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

Cheddar 10# Prints	:	1.2300-1.7200
Cheddar Single Daisies	:	1.2100-1.6700
Cheddar 40# Block	:	1.3550-1.5325
Process 5# Loaf	:	1.4050-1.5650
Process 5# Sliced	:	1.4250-1.6575
Muenster	:	1.4125-1.7150
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is weak. Cash prices continue to slip on the CME cash market and are fast approaching the CCC purchase price of \$1.10 for blocks and \$1.07 for barrels. Current prices have alerted producers to the possibility of CCC sales and the need for acceptable packaging materials and the other associated costs (USDA grader, etc.). Current natural interest is steady to improved. Current cutting operations are typically running on good schedules, but few if any are consistently operating full out. Process movement is generally fair to occasionally good, bolstered by food service promotional activity. Swiss prices are generally unchanged but prices are expected to decline by early next year. Good quality medium and aged cheddar supplies have tightened seasonally. Cheese production remains seasonally heavy though a few plants are finding some difficulty in securing extra milk. Some plants are already being contacted concerning their anticipated capacity for surplus milk during the year end holiday period. Estimated September total cheese output in selected states compared to September 1998 are: Wisconsin 177.7 million pounds, up 4.4 million pounds (2.5%); Minnesota 55.0 million pounds, an increase of 15.2 million pounds (38.3%); Iowa 21.0 million pounds, up 1.2 million pounds (5.8%); and Missouri 12.7 million pounds, off 613,000 pounds (4.6%).

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

Process American 5# Loaf	:	1.3725-1.8300
Brick And/Or Muenster 5#	:	1.7300-1.7750
Cheddar 40# Block	:	1.5750-2.1150
Monterey Jack 10#	:	1.7650-2.1150
Blue 5#	:	1.9100-2.3100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6450-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.5500-2.6850

**MIDWEST COMMODITY CHEDDAR**

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

CHEDDAR STYLES	:	NOVEMBER 8 - 12, 1999
BARRELS*	:	\$1.1000 - 1.2025 (NOMINAL)
	:	(-\$0.0975) (-.0450)
40# BLOCKS	:	\$1.1000 - 1.2450 (NOMINAL)
	:	(-\$0.1275) (-.0475)

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

**WEST**

Cheese prices again moved lower this week. Buyers continue to take cheese on an as needed basis, but they see no need to buy ahead at all on this type of a market. Offerings are heavy and they are not all able to clear on a timely basis. Cheese with any defects is having to be discounted heavily to secure any buyer interest. Demand this fall is rated as fair to good. The real problem is on the supply side. September total cheese production was up 9.5%, cheddar was up 17.7%, and mozzarella was up 9.3%. Looking at American cheese production in selected Western states compared to last year: California up 20.8%, Idaho up 10.2%, Oregon up 12.5%, Utah up 23.6%, and Washington down 4.5%. Swiss production in September, at 17.3 million pounds, was up 5.5% from last year for the U.S.

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

Process 5# Loaf	:	1.3475-1.6075
Cheddar 40# Block	:	1.3350-1.4750
Cheddar 10# Cuts	:	1.5150-1.7350
Monterey Jack 10#	:	1.5250-1.6950
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.5100

**FOREIGN**

Prices are lower on domestic varieties. A couple adjustments on imported styles were also noted. The market tone is steady, but improving along seasonal patterns. Lower domestic cheese prices are helping demand, but most orders are for replacement needs as buyers wait to see where prices will settle out. Reports indicate the EU subsidized exports of cheese during the first quarter of the WTO trading year (Jul-Sep) were approximately 25% of the annual rate. Rumors indicate that a possible settlement/deal is near on the US vs. EU beef hormone dispute. If settled, this could lead to lower tariff rates for Roquefort and other products.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.5675-2.1775*
Gorgonzola	:	3.2400-5.9400	: 2.1175-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.9775-3.0025*
Romano (Italy)	:	2.1000-2.5400*	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.5775-1.8525*
Romano (Cows Milk)	:	-0-	: 2.7675-4.9525*
Sardo Romano (Argentine)	:	2.6500-3.2900	: -0-
Reggianito (Argentine)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.3100*	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:	:	:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.0900	: -0-
Gouda, Large	:	2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:	:
10 Ounce	:	27.8000-31.7000	: -0-

\* = Price change.

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

BUTTER	:	CHEESE
11/08/99	:	8,448 : 120,311
11/01/99	:	17,566 : 121,459
CHANGE	:	-9,118 : -1,148
% CHANGE	:	-52 : -1

FLUID MILK AND CREAM

E A S T

Following the announcement of the October BFP, Eastern Milk Market Administrators announced changes to their class prices. The October BFP is \$11.49, down \$4.77 from September. In all Eastern orders the December Class II prices will be \$4.77 lower than November. In orders 1, 2, 4, and 36, October Class III and III-A prices are respectively \$4.77 and \$0.59 lower than September prices. The October Class III-A is \$11.84 in orders 1 & 2, \$11.86 in order 4, and \$11.78 in all other Eastern orders. The butterfat differential is \$0.110. Mild weather in the East is encouraging production. Volumes are showing the most substantial gains in the Southern states of FL, TX, GA, VA, and LA. Northeastern producers continue to operate on seasonally low volumes that remain higher than production levels last year. Florida imported 16 loads from Northern sources this week. This compares to 70 loads last week and 81 loads last year. Farmers continue to add replacement heifers to their herds. Some are also contemplating selling out with the recent drop in the milk price and potential decreases anticipated in the future. A few regional dry manufacturing facilities are expected to open next week with the increases in the milk supply. However, handlers do not see any major fluctuations occurring until the Christmas holiday. Class I demand is steady to somewhat improved as tourists begin to move South. Condensed skim demand remains light on Class II product as prices move higher with the new Class II price. Some producers are hoping that lower Class III prices will encourage Class III condensed skim sales. Cream movement is steady to improved as processors prepare for seasonal holiday demand. Prices again moved higher with increases in the CME AA weekly average price. Multiples are mostly unchanged to slightly higher on the low end of the range. Churning activity remains steady to seasonally higher.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3994-1.5416
DELIVERED EQUIVALENT ATLANTA	-	1.3776-1.5525 M 1.4650-1.4869
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3666-1.4541
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.2500-1.6500
NORTHEAST- CLASS III - SPOT PRICES	-	.9800-1.1800

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
NOVEMBER 5 - 10, 1999	18
PREVIOUS WEEK	35*
COMPARABLE WEEK IN 1998	14

\*REVISED

DESTINATIONS: MISSOURI 18

Class I milk sales within the region are about steady with BST-free milk generally in the tightest position. Production of holiday items such as dips, sour cream, and egg nog is also seasonally active. Besides the milk shipments reported, 19 loads of Wisconsin milk are "direct shipped" to Kentucky, 17 loads to Georgia, and 21 loads to Missouri and are pooled under a southern federal order. The shipment total for last week was revised to include 21 loads sent to Missouri. Overall milk

shipments to the Southeast are slowing seasonally and handlers are expecting the volume to drop further in future weeks. The lighter shipments are causing additional milk to back up into manufacturing channels. On a limited test, spot manufacturing milk premiums are generally higher, ranging from \$1.75 to 2.00 over class, with supplies often tighter than in recent weeks. Manufacturing milk demand is generally improved as orders increase before the holiday. Milk intakes are generally little changed from recent weeks. Unseasonably warm temperatures for November, setting record highs at over 70 degrees in Wisconsin, occurred early in the workweek. Dry conditions cover parts of the upper tier of states to the point of potential bans on burning due to the fire hazard. Most fieldwork has been accomplished for the year though late season tillage is hampered by dry and hard conditions.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOVEMBER 4 - 9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.50- 40.00	\$ 30.00- 38.00
REPLACEMENT HEIFER CALVES	\$270.00-335.00	\$170.00-220.00

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

	NOVEMBER 4 - 9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 42.25	\$ 26.00- 37.00

W E S T

On November 4, a California judge reinstated a stay halting the California Department of Food and Agriculture's (CDFA) recent decision to change the method used to establish the state's farm prices for fluid milk. CDFA must revert to its previous bimonthly system. Milk production remains strong in the Southwest. Output has been little affected by rains in parts of California. Milk volumes at the farm level continue to outpace year ago levels. Temperatures remain moderate and are forecast to continue. Production plants are actively running in the state with many at capacity. Newer capacity is being opened and is welcomed. Milk output is good in New Mexico and Arizona. Feed prices remain affordable for hay and grains. Cream prices in the region are steady with increased demand coming from producers of seasonal cream-based items. Butter churning is active as holiday needs are being filled. Weather patterns have changed and some much needed fall rains have started in the Pacific Northwest. Many areas experienced more than an inch of rain and more is in the forecast. The timing is excellent with the fall harvest and fieldwork done. Conditions remain relatively warm so that snow is common only at the highest elevations. Milk production remains strong in the region. Most plants are reporting receipts above seasonal expectations. Heifer prices continue at high levels and offerings are not sufficient to meet current needs. Culling rates continue at lighter than historically normal levels. Feeding rates are heavy as prices remain positive for continued profitability. Most manufacturing plants report strong holiday related demand. Warm and dry conditions continue to prevail over Idaho and Utah. Milk output is strong. Most dairymen have hay needs covered for the winter feeding season. Expansion plans continue in place for many producers in the region. They continue to scour the Northwest for close up heifers. Many rumors are rampant in the region concerning new plants planned for the next two years. There seems to be some urgency in the discussions because no one wants to be the last plant in.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 11/10/99 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 steady to weak market. Some producers are clearing inventories at reduced prices to prepare for production increases during the holiday season. Others remain comfortable with supplies and report steady prices. Production is generally higher than last year. Milk intake is at its low point for the year yet increasing with good weather conditions. Demand is slow, best on regular commitments and discounted product. Lack of available trucks is hindering some movement. Inventories are in balance to instances long. Production of human food, nonfat dry milk during September 1999 totaled 88.9 million pounds, up 42.7% from September 1998 but 10.6% below August 1999. Month ending stocks, at 88.0 million pounds, are 36.6% above a year ago but 13.2% less than August 1999.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .10150 - 1.0650 MOSTLY: 1.0200 - 1.0450

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a steady market. Trading is light and best on regular commitments. Fresh product is often difficult to find with some aged product available at prices slightly below the range. Condensed product continues to clear well into ice cream and blends. Producers are indicating that seasonal trends in buttermilk are changing. Ice cream is no longer just a summer sales item as current demand remains fairly good. Inventories are in balance to instances tight. Dry buttermilk production during September 1999 totaled 3.2 million pounds, up 23.0% from September 1998 and 15.4% higher than August 1999. Month ending stocks, at 4.6 million pounds, are 95.1% above last year but 3.6% lower than last month.

BUTTERMILK: .7700 - .8500

**DRY WHEY - CENTRAL**

Prices are lower on a weak market. Multiple load shipments are reportedly being sold at the lower end of the range into South and Central America. Many producers report prices unchanged with standard premiums. Buyers' responses are mixed. Some report prices at the average while others obtain product at good discounts or anticipate lower prices. Demand is light to fair and best on multiple load shipments. Production is steady to lower as less cheese is being produced at some regional plants. Production of human food, dry whey during September 1999 totaled 88.6 million pounds, 6.6% more than September 1998 and 4.0% above August 1999. Month ending stocks, at 48.8 million pounds, are 34.0% above a year ago and 7.4% higher than August 1999.

NONHYGROSCOPIC: .1700 - .1900 MOSTLY: .1725 - .1825

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to lower on a steady to weak market. To keep in line with lower Extra Grade prices, producers reduced milk replacer prices. Roller ground and delactose movement is slow to fair for the very light livestock demand. Production of animal feed dry whey during September 1999 totaled 7.9 million pounds, 22.1% higher than a year ago yet 8.6% less than August 1999. Month ending stocks, at 8.5 million pounds, are 131.6% above September 1998 and 1.7% higher than last month.

MILK REPLACER: .1350 - .1700  
 STANDARD: TFEWR  
 ROLLER GROUND: .1700 - .1950  
 DELACTOSE (Min. 20% protein): .2600 - .3150

**LACTOSE - CENTRAL AND WEST**

Prices remain unchanged on a steady to firm market. Spot sales are moving mostly at the average with some premiums reported on brand specific product. Most facilities remain in full production despite normal seasonal slow downs at this time of year. Demand is good into export and domestic markets. Inquiries are increasing as some buyers prefer to build inventories before Y2K. Producers are having difficulty in meeting any surplus requests. Producer stocks are in balance to instances tight. Off grade and feed quality products are limited for the light demand. Lactose production during September 1999 totaled 44.1 million pounds, up 20.0% from September 1998 and 3.6% above August 1999. Month ending stocks, at 18.3 million pounds, are 35.2% lower than a year ago and down 5.4% from last month. Production totals for selected regions with changes from 1998 include: East North Central, 9.2 million pounds, +12.7%; West North Central, 12.8 million pounds, -12.2%; West, 20.9 million pounds, +74.5%.

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

EDIBLE: .1700 - .2450 MOSTLY: .1900 - .2000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a steady to weak market. While there are some reports of improved interest on WPC, the market is not improving. Lackluster feed markets are deterring some movement with inventories the heaviest on the West Coast. Imports of high protein product continue to compete with 34% WPC. Condensed product is tight yet less of an issue than in week's past. Demand is fair, best on regular commitments and some export trade. Production of human food WPC during September totaled 25.7 million pounds, up 29.9% from September 1998 yet 8.5% lower than last month. Manufacturers' end-of-month stocks totaled 17.7 million pounds, 61.3% higher than a year ago but 1.9% below August 1999.

EXTRA GRADE 34% PROTEIN: .4050 - .4650 MOSTLY: .4250 - .4450

**NONFAT DRY MILK - WEST**

Low/medium heat prices are trending lower in a weaker market. Contacts are finding spot sales harder to secure and more talk of prices being negotiable is reentering the market. Production is active and strong seasonally. Demand is fair at best for spot buying. DEIP orders are still being filled, keeping some producers in better balance. Others are lowering prices or offering to the support program to move NDM. High heat prices are unchanged and the market tone is on the firm side. Seasonal demand is in the market. During the week of November 1 - 5, CCC net purchases totaled 1.1 million pounds of NDM. U.S. NDM production in September totaled 88.9 million pounds, up 42.7% from last year but 10.6% less than last month. Cumulative output through nine months of 1999 totals 1.04 billion pounds, up 19.1% from 1998. Stocks at the end of September were reported at 88.0 million pounds, up 36.6% from last year but 13.2% lower than last month. September production in California totaled 48.2 million pounds, up 41.1% from last year, and Washington output totaled 16.0 million pounds, up 42.6% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0000 - 1.0250 MOSTLY: 1.0075 - 1.0175  
 HIGH HEAT: 1.0200 - 1.0450

**DRY BUTTERMILK - WEST**

Buttermilk prices are unchanged and the market tone is rather lackluster. Some additional seasonal interest is developing from bakery buyers, but overall demand is limited to contract sales. Production is trending higher as the butter churns are active. U.S. buttermilk powder production in September totaled 3.2 million pounds, up 23.0% from last year and 15.4% higher than August. Stocks at the end of the month were reported at 4.6 million pounds, up 95.1% from a year earlier but 3.6% below August.

BUTTERMILK: .7000 - .8000 MOSTLY: .7200 - .7400

**DRY WHEY - WEST**

Prices are again holding steady for Western whey powder. Sales activity is sufficient to keep powder stocks from accumulating. Some contacts are stating that they are seeing some pre-buying from both domestic and export people related to Y2K and the Chinese New Year. The net result may be a quieter first quarter than is normal. The problem is that the first quarter is normally slow anyway. Production is a bit heavier than anticipated. U.S. whey production in September totals 88.6 million pounds, up 6.6% from last year. California output for September was up 25.6% from last year with the Western region up 14.7%.

NONHYGROSCOPIC: .1850 - .2200 MOSTLY: .1975 - .2050

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
November 5	\$1.0134	9,705,629
October 29	\$1.0119	12,226,279

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 lower on a steady to weak market. Offers are available at \$1.01 on low heat product. Some producers are reducing prices to clear inventories before the holiday season begins. Milk intake is mostly steady. Some plants reduced intake with better Class I sales while others continue to take in excess volumes diverted from condensed skim plants. Demand is generally slow. Production of human food, nonfat dry milk during September 1999 totaled 88.9 million pounds, up 42.7% from September 1998 but 10.6% below August 1999. Month ending stocks, at 88.0 million pounds, are 36.6% above a year ago but 13.2% less than August 1999. Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:  
 LOW/MEDIUM HEAT: 1.0150 - 1.0600 MOSTLY: 1.0200 - 1.0400  
 HIGH HEAT: 1.0700 - 1.1100 MOSTLY: 1.0700 - 1.0900  
 DELVD SOUTHEAST:  
 ALL HEATS: 1.0500 - 1.1300

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged on a steady market. Movement is slow to fair for the moderate supplies. Some producers are trying to clear inventories before the holiday season begins. Condensed is clearing well into ice cream facilities. Dry buttermilk production during September 1999 totaled 3.2 million pounds, up 23.0% from September 1998 and 15.4% higher than August 1999. Month ending stocks, at 4.6 million pounds, are 95.1% above last year but 3.6% lower than last month.

F.O.B. NORTHEAST: .8100 - .8400  
 DELVD SOUTHEAST: .8200 - .8450

**DRY WHOLE MILK - NATIONAL**

Prices are lower on a steady to weak market. A decline in the Class III milk price was the impetus for producers to lower whole milk prices. Production is light to somewhat improved due to holiday sales into bakery and candy facilities. Inventories are mostly in balance with current interest. Production of whole milk during September 1999 totaled 8.6 million pounds, 24.7% less than September 1998 and 18.3% lower than August 1999. Month ending stocks, at 6.0 million pounds, are 10.2% above a year ago but 5.9% lower than August 1999.

F.O.B. PRODUCING PLANT: 1.2200 - 1.4750

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH NOVEMBER 5, 1999  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	57,079	MT (125,836,363 LBS)
CHANGE	--	757	MT (1,668,882 LBS)
WHOLE MILK POWDER	--	2,796	MT (6,164,062 LBS)
CHANGE	--	140	MT (308,644 LBS)
CHEESE	--	1,087	MT (2,396,400 LBS)
CHANGE	--	133	MT (293,212 LBS)
BUTTERFAT	--	2,006	MT (4,422,428 LBS)

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.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are lower on Extra Grade product and unchanged on Grade A. Some producers are sold out while others are clearing product at a discount. An increase in ricotta cheese production is clearing some supplies. Demand is generally slow to fair, best on regular commitments and exports. Lackluster sales into feed channels are encouraging lower prices. Production of human food, dry whey during September 1999 totaled 88.6 million pounds, 6.6% more than September 1998 and 4.0% above August 1999. Month ending stocks, at 48.8 million pounds, are 34.0% above a year ago and 7.4% higher than August 1999.

F.O.B. NORTHEAST: EXTRA GRADE .1725 - .1825  
 USPH GRADE A .1925 - .2225  
 DELVD SOUTHEAST: .1925 - .2225

**ANIMAL FEED WHEY - NORTHEAST**

Prices are too few to report on a steady to weak market. Feed grade product is reportedly available at prices just below the bottom of the Extra grade range. Movement is slow to fair, best on regular commitments and into hog feed facilities. Inventories are mostly in balance and continue to build.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices remain unchanged on a steady market. Production continues to improve with the lower Class III price. Inventories are generally in balance with current demand. The Kansas City Commodity office announced the issuance of EVD-1, invitations 610 inviting competitive offers to sell to CCC 1,432,080 pounds of evaporated milk for delivery in January 2000. Canned evaporated milk production during September 1999 totaled 36.4 million pounds, 14.1% more than September 1998 but 15.0% less than August 1999. Month ending stocks, at 44.4 million pounds, are 28.6% less than a year ago and 3.5% below last month.

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

**CASEIN - NATIONAL**

Prices are unchanged for both acid and rennet, although the market tone is firm. The recent European subsidy cut has caused suppliers to increase offering prices and they are attempting to pass through the increases. For the most part, U.S. buyers are protected due to previous contract commitments, although buyers anticipate that new contract negotiations will reflect higher prices. European casein stocks are tightening due to low milk production and limited skim milk powder stocks.

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

COFFEE, SUGAR & COCOA EXCHANGE (A subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

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

Month	10/27	10/28	10/29	11/01	11/02	11/03	11/04	11/05	11/08	11/09
<b>CSCE/NYBT - BFP -- Dollars per cwt.</b>										
OCT 99	12.21 (261) 4	12.20 (263) 2	12.20 (262) 1	11.80 (260) 2	11.80 (260) 0	11.80 (260) 0	11.80			
NOV 99	11.40 (175) 2	11.50 (175) 0	11.50 (175) 0	11.00 (175) 1	11.00 (174) 1	11.08 (174) 0	11.00 (176) 2	10.60 (175) 1	10.65 (175) 0	10.60 (177) 2
DEC 99	11.55 (133) 2	11.55 (133) 0	11.65 (133) 0	11.35 (134) 9	11.35 (134) 0	11.50 (134) 0	11.40 (135) 1	11.35 (135) 0	11.30 (135) 0	11.13 (135) 0
JAN 00	11.80 (51) 2	11.75 (51) 0	11.85 (51) 0	11.75 (52) 1	11.73 (52) 0	11.78 (52) 0	11.75 (52) 0	11.63 (52) 0	11.63 (52) 0	11.53 (54) 2
FEB 00	11.60 (29) 2	11.60 (29) 0	11.65 (29) 0	11.65 (30) 1	11.65 (30) 0	11.80 (30) 0	11.75 (30) 0	11.70 (30) 0	11.63 (30) 0	11.53 (30) 0
MAR 00	11.70 (12) 1	11.65 (13) 1	11.65 (13) 0	11.63 (14) 1	11.80 (14) 0	11.80 (14) 0	11.70 (15) 1	11.70 (17) 2	11.70 (17) 0	11.62 (18) 1
APR 00	11.70 (9) 0	11.60 (9) 0	11.65 (9) 0	11.60 (9) 0	11.63 (9) 0	11.65 (9) 0	11.65 (10) 1	11.60 (11) 1	11.60 (11) 0	11.60 (11) 0
MAY 00	11.70 (11) 0	11.60 (11) 0	11.60 (11) 0	11.60 (11) 0	11.60 (11) 0	11.70 (11) 0	11.70 (11) 0	11.60 (12) 1	11.60 (12) 0	11.60 (12) 0
JUN 00	11.90 (4) 0	11.80 (4) 0	11.80 (4) 0	11.80 (4) 0	11.80 (4) 0	11.80 (4) 0	11.73 (5) 1	11.73 (5) 0	11.80 (5) 0	11.85 (6) 1
JUL 00	12.40 (3) 0	12.40 (3) 0	12.40 (3) 0	12.40 (3) 0	12.40 (3) 0	12.40 (3) 0	12.50 (3) 0	12.50 (3) 0	12.48 (3) 0	12.48 (3) 0

**CME - BUTTER -- Cents per pound**

FEB 00	101.15 (21) 1	101.25 (25) 4	102.00 (27) 2	102.00 (31) 4	102.00 (33) 2	101.40 (35) 2	102.00 (37) 2	101.00 (37) 0	101.00 (37) 0	101.25 (42) 5
MAR 00	102.00 (22) 3	101.775 (24) 3	101.80 (24) 0	101.80 (24) 0	103.00 (24) 0	102.00 (24) 0	102.50 (24) 0	102.00 (24) 0	102.025 (25) 1	102.50 (25) 0
MAY 00	106.00 (18) 1	106.00 (18) 0	106.00 (18) 0	106.00 (18) 0	106.00 (18) 0	106.00 (18) 0	107.50 (20) 2	107.00 (23) 3	107.00 (23) 0	108.00 (27) 4
JUL 00	111.10 (13) 0	109.00 (14) 1	109.00 (14) 0	109.00 (14) 0	109.00 (14) 0	109.00 (14) 0	110.50 (16) 2	110.50 (22) 6	110.50 (22) 0	111.00 (22) 0

**CME - BFP -- Dollars per cwt.**

OCT 99	12.27 (1185) 51	12.20 (1191) 21	12.20 (1189) 16	11.83 (1191) 35	11.84 (1191) 2	11.83 (1172) 4	11.83			
NOV 99	11.45 (1007) 33	11.60 (1008) 7	11.50 (1013) 23	11.00 (1041) 96	11.00 (1043) 5	11.10 (1068) 59	11.09 (1089) 50	10.50 (1078) 70	10.53 (1078) 6	10.50 (1074) 16
DEC 99	11.52 (860) 3	11.60 (859) 12	11.56 (854) 8	11.35 (863) 11	11.35 (866) 17	11.55 (831) 61	11.45 (841) 12	11.28 (880) 63	11.25 (890) 35	11.10 (900) 35
JAN 00	11.75 (505) 30	11.65 (516) 7	11.80 (514) 5	11.67 (515) 4	11.65 (519) 12	11.75 (527) 20	11.70 (554) 37	11.60 (597) 62	11.58 (608) 25	11.50 (639) 48
FEB 00	11.61 (286) 10	11.57 (314) 30	11.65 (311) 7	11.60 (311) 1	11.64 (316) 11	11.75 (331) 36	11.75 (357) 34	11.68 (379) 32	11.55 (401) 29	11.50 (427) 35
MAR 00	11.75 (236) 20	11.61 (257) 16	11.65 (256) 3	11.65 (256) 0	11.75 (260) 7	11.75 (270) 13	11.75 (305) 35	11.65 (339) 45	11.63 (345) 8	11.68 (354) 10
APR 00	11.70 (182) 18	11.57 (201) 14	11.70 (202) 2	11.70 (204) 5	11.70 (205) 10	11.75 (210) 5	11.70 (234) 28	11.65 (254) 25	11.69 (260) 9	11.69 (270) 13
MAY 00	11.61 (145) 16	11.59 (155) 6	11.60 (157) 7	11.61 (157) 7	11.60 (164) 7	11.70 (185) 21	11.70 (201) 16	11.60 (202) 2	11.65 (208) 6	11.65 (219) 13
JUN 00	11.85 (101) 4	11.80 (114) 12	11.85 (114) 2	11.80 (115) 1	11.80 (123) 8	11.80 (126) 3	11.75 (148) 29	11.75 (149) 1	11.80 (149) 1	11.86 (150) 4
JUL 00	12.40 (44) 0	12.40 (44) 0	12.45 (44) 0	12.40 (48) 4	12.42 (54) 7	12.42 (63) 9	12.50 (66) 4	12.50 (72) 6	12.50 (77) 5	12.50 (81) 4

**CME - CHEDDAR CHEESE -- Cents per pound**

DEC 99	154.00 (0) 0	154.00 (0) 0	154.00 (0) 0	154.00 (0) 0	154.00 (0) 0	151.50 (0) 0	151.50 (0) 0	149.00 (0) 0	144.00 (0) 0	139.00 (0) 0
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1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

**NOTE:** The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 1 - 12, 1999

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

**WESTERN AND EASTERN EUROPE**

**OVERVIEW: WESTERN EUROPE:** Milk production throughout most areas of Western Europe is reported to be at the low point of seasonal production. For the most part, milk supplies are generally comparable to last year at this time. Milk volumes are tight, and due to limited fresh manufactured dairy product supplies, competition for available milk is aggressive. Stock levels are reported to be limited with little available for immediate shipment. The recent subsidy adjustment has further slowed already limited international sales. International sales are occurring, but most market activity is centering around domestic needs. Deliveries of previously placed orders are in question with some shipments not being honored in a timely manner. Russian buying interest for butter is slow and unaggressive with butter handlers still reporting an unclear demand picture for the upcoming winter months. Many feel that demand will continue, but will not develop into levels of two years ago. On the other hand, cheese demand is quite strong from Russia. European cheese stocks are lighter than desired. Thus, if possible, milk is being directed toward cheese production at this time.

**BUTTER/BUTTEROIL:** Private storage stocks are heavy, although fresh butter is limited. Current churning schedules are light as milk is limited for skim powder production, thus cream is also tight. International buying interest is slow. Some small lot volumes of butter continue to clear to Russia. Traders do not anticipate this demand to be any where near the level of two years ago. For the most part, current butter demand is centering around domestic year end and new millennium needs. Some traders are reporting that orders are somewhat heavier than usual for this time of the year and they are attributing this to the acquisition of additional stocks for the start of the new year.

82% BUTTERFAT: 1,450 - 1,650  
99% BUTTERFAT: 1,650 - 1,900

**SKIM MILK POWDER (SMP):** Skim milk powder markets are generally steady at unchanged prices. For the most part, prices are nominal. Stocks of powder are reported to be limited. Seasonally low milk production is not providing sufficient volumes of milk for dry product production with most milk clearing to cheese operations at this time. Producers anticipate and hope that the supply situation will be more favorable early in 2000. Sales, or at least shipments of previously placed orders continue to clear available stocks. Some reports indicate that shipments might not be as timely as previously anticipated.

1.25% BUTTERFAT: 1,400 - 1,450

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady at nominal unchanged prices. Stocks are reported to be limited as late season milk production is not providing much milk for dry product production. Some international buyer interest is surfacing, but for the most part, European stocks are not available to facilitate a transaction. Producers and traders feel that stocks will be limited for the balance of the year and are more optimistic for the first quarter of 2000.

26% BUTTERFAT: 1,550 - 1,650

**SWEET WHEY POWDER:** Prices within the range are higher and lower, but the overall tone is unchanged. European whey stocks are generally in good supply as cheese production remains active late in the milk production season. Overall whey demand is steady to lighter, especially where asking prices are higher than buyers are willing to pay.

NONHYGROSCOPIC: 500 - 580

**OCEANIA**

**OVERVIEW:** Milk production is most likely just past the peak in both Australia and New Zealand. The peak in the region usually occurs during the last week of October - first week of November. Conditions for milk production are very good and prospects for sizeable increases over the previous season remain good. Timely rain and reasonable temperatures have provided continued good conditions for milk production. Manufacturing plant capacity continues to be tested. For the new production season through September, New Zealand intakes are up 11.3% and Australia's main milk producing province, Victoria, up 12.3%. The reduction in the EU export subsidies on powders, plus the EU seasonal declines in milk and powder production have helped to firm up powder prices. Asian demand is improving but has yet to return to pre-financial crisis levels at the current time.

**BUTTER:** The butter market and prices are steady. Russian interest is still limited. The increase in production and expectations on whole milk powder is helping to limit butter/butteroil output and supplies. Adequate supplies are available. Production remains seasonally active.

82% BUTTERFAT: 1,200 - 1,250

**CHEDDAR CHEESE:** The cheese market is steady at best. Supplies are available. Production remains seasonally active. International interest is not as good as for other products. Some better interest is noted for mozzarella at this time.

39% MAXIMUM MOISTURE: 1,650 - 1,750

**SKIM MILK POWDER (SMP):** The skim milk market is steady to firm. Prices are mostly higher. Production remains seasonally heavy. Improved international interest, at least for the short term, is making this a more attractive product. Current supplies are in good balance and are being held with confidence.

1.25% BUTTERFAT: 1,400 - 1,450

**WHOLE MILK POWDER (WMP):** The whole milk market is firm and prices are generally higher. Production is seasonally strong with interest generally good as competition from other suppliers is seasonally light. Stocks are held with confidence.

26% BUTTERFAT: 1,475 - 1,500

Exchange rates for selected foreign currencies: November 08, 1999

.4715 Dutch Guilder	.5313 German Mark
.1584 French Franc	.5102 New Zealand Dollar
.1064 Mexican Peso	.6375 Australian Dollar
1.6197 British Pound	.0095 Japanese Yen
.2356 Polish Zloty	1.0392 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1064) = 9.3985$ . That is 1 US Dollar equals 9.3985 Mexican Pesos.

Source: "Wall Street Journal"

**OVERVIEW: EASTERN EUROPE:** Milk production in Eastern Europe is also at seasonally low levels. In some areas, milk output during the past production season is reported to be lower than last year. The overall supply situation is limited. For the most part, stock levels are in balance to maintain ongoing domestic and already committed international sales, but producers and traders question to what extent they will be able to compete should international buyer interest improve. Russian buyer interest continues to clear small volumes of butter with cheese being in stronger demand.

## OCTOBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 1999 was unchanged at 116. Compared with October 1998, the index was up 2 points (1.8 percent). The index of prices received by farmers for dairy products declined 2 points during the month of October 1999 to 119. Compared with October 1998, the index was down 17 points (12.5 percent).

On a 3.5 percent butterfat basis, prices received by farmers in October with changes from September were: for All Milk, \$15.26 per hundredweight (cwt.), down \$0.38; for Fluid Grade Milk, \$15.36 per cwt., down \$0.28; and for Manufacturing Grade Milk, \$13.18 per cwt., down \$1.72.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., OCTOBER 1999 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	SEPTEMBER		OCTOBER		OCTOBER		OCTOBER		OCTOBER	
	1999	1998 <u>2/</u>	1999 <u>4/</u>	1998 <u>2/</u>	1999	1998	1999 <u>7/</u>	1998 <u>8/</u>	1999	1998
CA	14.37	16.58	13.58	17.59	1,470	1,310	33.50	30.00	78.00	97.00
ID	15.32	15.34	12.39	16.21	1,450	1,180	33.00	28.10	84.00	85.00
MI	15.75	16.30	17.03	16.77	1,400	1,190	37.00	31.00	78.00	92.00
MN	16.31	16.31	13.42	17.25	1,360	1,110	36.00	32.30	62.00	55.00
NY	15.46	16.31	16.36	16.90	1,250	1,050	---	---	120.00	94.00
OH	15.79	16.11	17.53	16.57	1,300	1,200	36.00	27.90	114.00	97.00
PA	15.81	16.97	17.89	17.40	1,380	1,180	35.50	31.30	137.00	112.00
TX	16.49	17.17	17.00	17.38	1,430	1,200	33.00	29.30	68.00	87.00
WA	15.00	17.18	14.31	17.17	1,400	1,250	---	---	97.00	96.00
WI	16.33	16.19	13.54	17.14	1,420	1,140	36.50	31.10	47.00	76.00
U.S.	15.64	16.47	15.26	17.10	1,380	1,180	34.50	30.50	73.70	85.20

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

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., OCTOBER 1999 WITH COMPARISONS

ITEM	OCTOBER 1998	SEPTEMBER 1999 <u>2/</u>	OCTOBER 1999 <u>3/</u>
<b>PRICES RECEIVED BY FARMERS, dol. per cwt., 3.5 percent butterfat:</b>			
All milk	17.10	15.64	15.26
Fluid grade milk	17.23	15.64	15.36
Manufacturing grade milk	15.74	14.90	13.18
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for all farm products	99	97	92
Prices received by farmers for dairy products	136	121	119
Prices paid by farmers for commodities and services, interest taxes, and wage rates	114	116	116
Prices paid by farmers for production items	110	112	113
Prices paid by farmers for feed	99	98	98
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	4.20	4.17	4.23

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (10-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

SEPTEMBER 1999 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 78.8 million pounds in September, 15.5 percent above September 1998 and 19.2 percent above August 1999. **AMERICAN TYPE CHEESE** production totaled 283.7 million pounds, 15.8 percent above September 1998 but 3.7 percent below August 1999. **TOTAL CHEESE** output (excluding cottage cheese) was 639.7 million pounds, 9.5 percent above September 1998 but 1.8 percent below August 1999. **NONFAT DRY MILK** production, for human food, totaled 88.9 million pounds, 42.7 percent above September 1998 but 10.6 percent below August 1999. **DRY WHEY** production, for human food, was 88.6 million pounds, 6.6 percent above September 1998 and 4.0 percent above August 1999. **ICE CREAM** (hard) production totaled 71.3 million gallons, 2.1 percent below September 1998 and 11.5 percent below August 1999.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	SEP 1999	PERCENT CHANGE FROM:			PRODUCT	SEP 1999	PERCENT CHANGE FROM:		
	1,000 LBS.	SEP 1998	AUG 1999	YEAR TO DATE 1/		1,000 LBS.	SEP 1998	AUG 1999	YEAR TO DATE 1/
BUTTER	78,773	15.5	19.2	8.8	DRY BUTTERMILK	3,155	23.0	15.4	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	152,295	1.4	4.2	---
AMERICAN TYPES 2/	* 283,651	15.8	-3.7	8.3	CONDENSED WHEY, SOLIDS CONTENT 7/				
CHEDDAR	223,100	17.7	-2.0	7.9	SWEET-TYPE, HUMAN FOOD	7,560	7.5	-11.2	---
SWISS	17,307	5.5	-0.2	---	SWEET-TYPE, ANIMAL FEED	1,406	-21.1	-4.9	---
BRICK & MUENSTER	6,922	-9.5	-0.2	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	57,305	-4.5	9.3	---	DRY WHEY, HUMAN FOOD	88,553	6.6	4.0	---
BLUE	4,368	10.4	-0.7	---	DRY WHEY, ANIMAL FEED	7,879	22.1	-8.6	---
HISPANIC	7,741	23.0	6.8	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	202,509	9.3	-3.3	7.3	HUMAN FOOD	6,086	1.9	-4.6	---
OTHER ITALIAN TYPES	48,181	-0.3	2.3	-4.4	ANIMAL FEED	2,925	9.1	8.4	---
TOTAL ITALIAN TYPES	250,690	7.3	-2.2	4.8	LACTOSE, HUMAN FOOD & ANIMAL FEED	44,089	20.0	3.6	---
ALL OTHER TYPES	11,693	2.9	-2.9	---	WHEY PROTEIN CONCENTRATE				
TOTAL	639,677	9.5	-1.8	6.0	HUMAN FOOD	25,731	29.9	-8.5	---
COTTAGE CHEESE, CURD 3/	39,983	-2.5	0.5	---	ANIMAL FEED	3,578	26.9	2.8	---
COTTAGE CHEESE, CREAM 4/	31,246	-1.9	-3.0	-2.8					
COTTAGE CHEESE, LOWFAT 5/	31,472	-4.3	-1.9	-0.3	FROZEN PRODUCTS	1,000 GALLONS			PERCENT CHANGE FROM:
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	71,345	-2.1	-11.5	-2.9
WHOLE MILK	36,375	14.1	-15.0	---	ICE CREAM, LOWFAT (HARD)	8,293	-5.3	0.2	---
DRY WHOLE MILK	8,576	-24.7	-18.3	---	ICE CREAM, LOWFAT (SOFT)	24,160	-6.5	-24.6	---
NONFAT DRY MILK, HUMAN FOOD	6/ 88,922	42.7	-10.6	19.1	ICE CREAM, LOWFAT (TOTAL)	32,453	-6.2	-19.5	-6.4
DRY SKIM MILK, ANIMAL FEED	389	21.2	0.5	---	SHERBET (HARD)	4,301	7.2	-15.4	1.0
					YOGURT, TOTAL	5,510	12.3	-37.1	2.7

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	SEP 1999	PERCENT OF:		PRODUCT	SEP 1999	PERCENT OF:	
	1,000 LBS.	SEP 1998	AUG 1999		1,000 LBS.	SEP 1998	AUG 1999
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	48,818	34.0	7.4	HUMAN FOOD	17,645	61.3	-1.9
DRY WHEY, ANIMAL FEED	8,527	131.6	1.7	ANIMAL FEED	1,088	8.8	-18.7
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	12,709	4.3	-0.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	44,396	-28.6	-3.5
LACTOSE, HUMAN FOOD & ANIMAL FEED	18,279	-35.2	-5.4	DRY WHOLE MILK	6,027	10.2	-5.9
DRY BUTTERMILK, TOTAL	4,572	95.1	-3.6	NONFAT DRY MILK FOR HUMAN FOOD	88,004	36.6	-13.2
				DRY SKIM MILK FOR ANIMAL FEED	1,707	21.0	-20.2

1/ 1999 cumulative as percent change of 1998 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Includes combined Minnesota and Wisconsin production of 1,448,000 lbs. 7/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 128,967,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (11-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

**Federal Milk Order Reform Final Decision: Product Price Averages**

The National Agricultural Statistics Service (NASS) began collecting, in September 1998, weekly prices and volume traded for butter, nonfat dry milk and dry whey. Monthly and two-week averages of these new price series, along with those already collected for cheese, will be used in the Federal milk order Final Decision pricing formulas. Listed below are these averages for the time period September 1998 to date. This table will be updated on a monthly basis as the data become available.

Year and Time Period	Product Price Averages <sup>1/</sup> For:									
	Class I/II					Class III/IV				
	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey
	<u>Dollars per pound</u>					<u>Dollars per pound</u>				
<u>1998</u>										
Sep	9/4,11	2.5918	1.5842	1.0466	0.2624	9/4,11,18,25	2.6726	1.6260	1.0518	0.2637
Oct	10/9,16	2.4828	1.7597	1.0705	0.2563	10/2,9,16,23	2.5081	1.7607	1.0732	0.2544
Nov	11/6,13	2.0889	1.8269	1.0745	0.2426	10/30,11/6,13,20,27	1.9260	1.8278	1.0745	0.2425
Dec	12/4,11	1.3049	1.8552	1.0834	0.2450	12/4,11,18,25	1.3563	1.8643	1.0864	0.2436
<u>1999</u>										
Jan	1/9,16	1.4165	1.8198	1.0715	0.2213	1/2,9,16,23,30	1.4154	1.7225	1.0637	0.2137
Feb	2/6,13	1.2957	1.2824	1.0411	0.1909	2/6,13,20,27	1.2984	1.2925	1.0359	0.1897
Mar	3/6,13	1.3437	1.3056	1.0180	0.1913	3/6,13,20,27	1.3019	1.3064	1.0169	0.1917
Apr	4/10,17	1.0032	1.3154	1.0056	0.1842	4/3,10,17,24	1.0160	1.3126	1.0071	0.1845
May	5/8,15	0.9960	1.2639	1.0055	0.1748	5/1,8,15,22,29	1.0781	1.2499	1.0069	0.1739
Jun	6/5,12	1.4352	1.2422	1.0067	0.1717	6/5,12,19,26	1.4609	1.2786	1.0046	0.1711
Jul	7/10,17	1.3705	1.4548	1.0058	0.1724	7/3,10,17,24	1.3793	1.4583	1.0054	0.1724
Aug	8/7,14	1.4208	1.6849	1.0087	0.1773	7/31,8/7,14,21,28	1.3683	1.7154	1.0089	0.1810
Sep	9/4,11	1.3324	1.8008	1.0155	0.1872	9/4,11,18,25	1.3252	1.7084	1.0174	0.1892
Oct	10/9,16	1.1439	1.4359	1.0188	0.1920	10/2,9,16,23,30	1.1273	1.3934	1.0183	0.1944

<sup>1/</sup> These averages are the average of the applicable weekly prices weighted by the sales volume for the week. See the columns labeled “weeks ending” for applicable weeks. The most recently released information for the week will be used. Once an average price has been computed, it will not be revised even if NASS issues revised data for a week used to compute the average. However, for the period September–December 1998, as NASS was developing the three new price series, these averages were changed to include revisions issued after the average’s scheduled computation date.

**Federal Milk Order Reform Final Decision: Comparison of Class I Base Price and Class Prices to Current Pricing Provisions**

The Federal milk order reform Final Decision carried a table that compared class prices calculated under the current pricing provisions to those computed using the formulas in the Final Decision for the period January 1994 through December 1998. Listed below is this table updated for January 1999 to date. Please note that the Class I price mover section has been changed as described in the footnote. Also, as it was stated in the Final Decision, this price information is shown for informational purposes only and should not be interpreted as the actual prices that would have occurred had the new pricing provisions been in effect.

Year and Month	Class I Mover (Current) <u>1/</u>	Class I Base Price (Final) <u>1/</u>	Class II Price		Class III Price		Class III-A/IV Price	
			Current	Final	Current	Final	Current	Final
1999	<u>Dollars per cwt.</u>							
January	16.84	17.44	17.14	14.31	16.27	15.85	13.12	13.45
February	17.34	16.90	17.64	13.72	10.27	11.35	12.78	12.71
March	16.27	12.74	16.57	13.47	11.62	11.51	12.36	12.56
April	10.27	12.75	10.57	12.05	11.81	11.64	11.06	11.26
May	11.62	11.67	11.92	12.21	11.26	10.91	11.62	11.53
June	11.81	11.16	12.11	13.84	11.42	11.04	13.29	13.14
July	11.26	13.04	11.56	13.50	13.59	12.92	12.37	12.79
August	11.42	12.88	11.72	13.46	15.79	15.61	12.62	12.77
September	13.59	15.26	13.89	13.29	16.26	15.60	12.37	12.67
October	15.79	16.54	16.09	12.50	11.49	12.48	11.78	11.83
November	16.26	12.90						

1/ In the Final Decision, these figures were shown for the month which contained the prices used to compute the applicable price mover; that is, for December 1998, the figures of \$17.34 and \$17.44 were derived from December product price information. However, because of advance pricing, the figures for December 1998 do not set the Class I prices for December 1998. On this table, the figures are shown for the month for which the Class I price is set. The Class I mover for January 1999 is the Basic Formula Price for November 1998. The Class I base price for January 1999 is the figure computed using December 1998 data.

**Federal Milk Order Reform Final Decision: Producer Component Prices and Somatic Cell Adjustment**

Year and Month	Butterfat	Protein	Other Solids	Somatic Cell Adjustment
	<u>Dollars per pound</u>			<u>Rate</u>
January	1.5871	3.2928	0.0792	.00086
February	1.4444	2.0006	0.0544	.00065
March	1.4487	2.0428	0.0565	.00065
April	1.1000	2.5104	0.0491	.00066
May	1.1757	2.1984	0.0381	.00062
June	1.6426	1.6992	0.0352	.00064
July	1.5430	2.4431	0.0366	.00073
August	1.5296	3.3421	0.0455	.00086
September	1.4771	3.3853	0.0539	.00085
October	1.2357	2.6138	0.0593	.00070

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for October 1999 is \$11.49 per hundredweight at 3.5 percent butterfat. The October Formula Price is the September base month Minnesota-Wisconsin (M-W) price of \$15.09 at 3.5 percent minus a change of \$3.60, which is the change in the butter/powder/cheese formula from September to October 1999. The October 1999 Basic Formula Price is \$4.77 less than last month and \$4.55 less than the October 1998 Basic Formula Price. This Basic Formula Price is the Class III price for October 1999 and is to be used in December 1999 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders, unless legislative or judicial action mandates a change in the computation of December Class I and Class II prices. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price.) For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 11.0 cents. **MILK COMPONENT CONTENTS.** For the September 1999 base month M-W price, the butterfat content was 3.77 percent, protein 3.27 percent, and solids-not-fat 8.61 percent. For the October 1999 Basic Formula Price, the butterfat content was 3.91 percent, protein 3.36 percent, and solids-not-fat 8.70 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/																
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	OCTOBER								NOVEMBER			DECEMBER			
		PRICE PER 100 POUNDS										PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II		
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999		
		DOLLARS										DOLLARS				
New England (Boston)	1 3/	19.03	18.23	16.09	15.29	11.55	16.10	11.84	18.19	19.50	18.34	16.56	14.73	11.79		
New York/New Jersey (NY City)	2 4/	18.93	18.13	16.17	15.37	11.63	16.18	11.92	18.27	19.40	18.24	16.64	14.63	11.87		
Middle Atlantic (Philadelphia/Baltimore/Washington, DC)	4 5/	18.82	18.02	16.09	15.29	11.57	16.12	11.86	18.21	19.29	18.13	16.56	14.52	11.79		
Carolina (Charlotte)	5	18.87	18.07	16.09	15.29	11.49	16.04	11.78	18.13	19.34	18.18	16.56	14.57	11.79		
Southeast (Atlanta/Birmingham)	7	18.87	18.07	16.09	15.29	11.49	16.04	11.78	18.13	19.34	18.18	16.56	14.57	11.79		
Upper Florida (Jacksonville/Tallahassee)	6	19.37	18.57	16.09	15.29	11.49	16.04	---	---	19.84	18.68	16.56	15.07	11.79		
Tampa Bay	12	19.67	18.87	16.09	15.29	11.49	16.04	---	---	20.14	18.98	16.56	15.37	11.79		
Southeastern Florida (Miami)	13	19.97	19.17	16.09	15.29	11.49	16.04	---	---	20.44	19.28	16.56	15.67	11.79		
Michigan Upper Peninsula (Marquette)	44	17.14	16.34	16.09	15.29	11.49	16.04	11.78	18.13	17.61	16.45	16.56	12.84	11.79		
Southern Michigan (Detroit)	40 6/	17.54	16.74	16.09	15.29	11.49	16.04	11.78	18.13	18.01	16.85	16.56	13.24	11.79		
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	17.79	16.99	16.09	15.29	11.49	16.04	11.78	18.13	18.26	17.10	16.56	13.49	11.79		
Ohio Valley (Columbus)	33	17.83	17.03	16.09	15.29	11.49	16.04	11.78	18.13	18.30	17.14	16.56	13.53	11.79		

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/															
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	OCTOBER								NOVEMBER			DECEMBER		
		PRICE PER 100 POUNDS										PRICE PER 100 POUNDS			
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II	
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999
		DOLLARS								DOLLARS					
Indiana (Indianapolis)	49	17.69	16.89	16.09	15.29	11.49	16.04	11.78	18.13	18.16	17.00	16.56	13.39	11.79	
Chicago Regional	30	17.19	16.39	16.09	15.29	11.49	16.04	11.78	18.13	17.66	16.50	16.56	12.89	11.79	
Central Illinois (Peoria)	50	17.40	16.60	16.09	15.29	11.49	16.04	---	---	17.87	16.71	16.56	13.10	11.79	
S. Illinois/E. Missouri (Alton)	32	17.71	16.91	16.09	15.29	11.49	16.04	---	---	18.18	17.02	16.56	13.41	11.79	
Louisville/Lexington/Evansville	46	17.90	17.10	16.09	15.29	11.49	16.04	11.78	18.13	18.37	17.21	16.56	13.60	11.79	
Upper Midwest (Minneapolis)	68	16.99	16.19	16.09	15.29	11.49	16.04	11.78	18.13	17.46	16.30	16.56	12.69	11.79	
E. South Dakota (Sioux Falls)	76	17.29	16.49	16.09	15.29	11.49	16.04	---	---	17.76	16.60	16.56	12.99	11.79	
Iowa (Des Moines)	79	17.34	16.54	16.09	15.29	11.49	16.04	11.78	18.13	17.81	16.65	16.56	13.04	11.79	
Nebraska/W. IA. (Omaha/Sioux City)	65	17.54	16.74	16.09	15.29	11.49	16.04	11.78	18.13	18.01	16.85	16.56	13.24	11.79	
Greater Kansas City	64	17.71	16.91	16.09	15.29	11.49	16.04	---	---	18.18	17.02	16.56	13.41	11.79	
Southwest Plains (Oklahoma City)	106	18.56	17.76	16.09	15.29	11.49	16.04	11.78	18.13	19.03	17.87	16.56	14.26	11.79	
Texas (Dallas)	126	18.95	18.15	16.09	15.29	11.49	16.04	11.78	18.13	19.42	18.26	16.56	14.65	11.79	
Eastern Colorado (Denver)	137	18.52	17.72	16.09	15.29	11.49	16.04	---	---	18.99	17.83	16.56	14.22	11.79	
Western Colorado (Grand Junction)	134	17.79	16.99	16.09	15.29	11.49	16.04	---	---	18.26	17.10	16.56	13.49	11.79	
SW Idaho/Eastern Oregon (Boise)	135	17.29	16.49	16.09	15.29	11.49	16.04	11.61	18.12	17.76	16.60	16.56	12.99	11.79	
Great Basin (Salt Lake City)	139	17.69	16.89	16.09	15.29	11.49	16.04	---	---	18.16	17.00	16.56	13.39	11.79	
Central Arizona (Phoenix)	131	18.31	17.51	16.09	15.29	11.49	16.04	11.61	18.12	18.78	17.62	16.56	14.01	11.79	
New Mexico/West Texas (Albuquerque)	138	18.14	17.34	16.09	15.29	11.49	16.04	11.78	18.13	18.61	17.45	16.56	13.84	11.79	
Pacific Northwest (Seattle/Portland)	124	17.69	16.89	16.09	15.29	11.49	16.04	11.61	18.12	18.16	17.00	16.56	13.39	11.79	
<b>SIMPLE AVERAGE</b>	---	18.11	17.31	16.09	15.29	11.50	16.05	11.77	18.14	18.58	17.42	16.56	13.81	11.79	

\* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in December 1999 is \$14.73 per 100 pounds or \$1.27 per gallon (\$14.73 divided by 11.63 equals \$1.2666).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF NOVEMBER 8 - 12, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 11/05/99	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	1,427,796	357,144	1,070,652	6,842,173	103,384	-0-	34,290,000
Fortified	264,536	-0-	264,536	909,269	-0-	-0-	-0-
<b>TOTAL</b>	1,692,332	357,144	1,335,188	7,751,442	103,384	-0-	34,290,000

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 8 - 12, 1999 =	0.3	15.5	COMPARABLE WEEK IN 1998 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1999 =	1.7	90.2	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	1.2
CUMULATIVE JANUARY 1 - NOVEMBER 12, 1999 =	42.6	2,254.8	COMPARABLE CALENDAR YEAR 1998 =	25.0	1,321.4

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

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

CCC ADJUSTED PURCHASES FOR THE WEEK OF NOVEMBER 8 - 12, 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-	1,070,652	264,536	
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	7,751,442	103,384	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
<b>TOTAL</b>	-0-	-0-	-0-	-0-	7,751,442	103,384	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 10/23/99 & Comparable Week 1998 1/2/

Regions*	U.S. TOTAL										WEEK SINCE JAN 1	% DAIRY OF ALL	WEEK SINCE JAN 1	
	1	2	3	4	5	6	7	8	9	10				
1999-Dairy cows HD (000)	0.2	1.0	6.3	5.4	19.4	2.4	3.0	0.8	11.0	2.5	51.9	2,096.3	43.5	46.0
1998-Dairy cows HD (000)	0.3	1.5	6.5	6.2	17.4	2.2	3.2	0.8	9.4	2.7	50.2	2,161.4	42.3	45.3
1999-All cows HD (000)	0.2	1.2	8.7	14.6	27.2	20.2	20.4	4.3	14.5	8.0	119.3	4,559.8		
1998-All cows HD (000)	0.3	1.5	9.0	17.9	24.6	19.8	19.9	5.5	12.4	7.9	118.7	4,773.3		

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	16.26	11.49		