

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/3):**

**BUTTER:** Grade AA closed at \$0.9050. The weekly average for Grade AA is \$0.9208(-.0892).

**CHEESE:** Barrels closed at \$1.1075 and blocks at \$1.1200. The weekly average for barrels is \$1.1075 (+.0100) and blocks, \$1.1200(N.C.).

**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:** Butter markets remain weak. The CME butter price has now fallen below \$1.00 and most producers and handlers anticipate the price to remain below \$1.00 for quite some time. Reports indicate that Thanksgiving orders and sales were very good. Most producers and handlers have no reason to believe that the upcoming Christmas/New Year holiday period won't be just as strong. Production levels are increasing as milk and cream supplies are starting to increase along seasonal patterns. Butter stocks, both fresh and frozen, are more than ample to meet current needs.

**CHEESE:** The cheese market is steady. Natural orders are seasonally good with a few cutters forced to turn down custom work due to lack of line time. Buyers are stocking up now that prices are down and year end holiday demand is approaching. Some orders of specialty items are being shorted due to lack of product. Cheese production remains strong seasonally with milk intakes generally above year ago levels.

**FLUID MILK:** Milk production is steady to generally increasing through most of the country. The holiday weekend surplus milk supplies generated were handled with a minimum of difficulty. However, along the Oregon Coast, early winter storms caused rain fall amounts of as much as 16 inches. Many main roads remained under water, making farm pickups more difficult. Little milk was lost because of the weather, but truckers were forced to use some alternative routes to pick up and deliver milk.

**DRY PRODUCTS:** Manufacturing schedules were heavier over the extended holiday period and additional NDM and buttermilk were generated. Demand was occasionally slower after the holiday period. The NDM and buttermilk markets are generally steady with interest centering around regular accounts. Whey and WPC markets are mostly steady to occasionally firmer reflecting inventories in better balance, improved feed interest, and some potential export activity.

**CCC:** During the week of November 29 - December 3, net purchases totaled 1,809,626 pounds of nonfortified and 639,282 pounds of fortified NDM, all from the West.

**BASIC FORMULA PRICE (DAIRY PROGRAMS):** The basic formula price (BFP) for November 1999 is \$9.79 per cwt. at 3.5% test. The November BFP is \$1.70 lower than last month, and \$7.05 lower than November 1998. This is the first BFP/MW below \$10.00 since September 1978 and compares to the

dairy support price of \$9.80 per cwt. at 3.5% test. The BFP is the base month M/W price of \$11.99, minus a change of \$2.20, which is the change in the butter/powder/cheese formula from October to November. For November, the NASS average cheese price was \$1.2143. The butterfat differential is \$0.107. Class III-A prices are: for Federal Orders 1 & 2, \$11.63; for Order 4, \$11.65; for Orders 124, 131, & 135, \$11.46; for other affected orders, \$11.57.

The first price announcement under the recently signed legislation allowing Federal Order Reform using Option 1A will be on December 23 for Class I skim milk and butterfat prices and Class II skim milk and nonfat solids prices for January 2000. On February 4, the Class II butterfat, Class II and Class III & IV and component prices for January 2000 will be announced.

**CONSUMER PRICE INDEX (BLS):** The October Consumer Price Index (CPI) for all food is 165.1, up 1.9% from October 1998. The dairy products index at 164.1, is 5.9% higher than a year ago. The October to October changes in selected dairy products are: fresh whole milk up 7.9%, cheese 6.8% higher, and butter down 25.9%.

**COMMERCIAL DISAPPEARANCE (ERS & AMS):** Commercial disappearance of dairy products during the first 9 months of 1999 totals 122.4 billion pounds, 2.4% more than the comparable period in 1999. Comparing disappearance levels with a year ago: butter, American and other cheese, and fluid milk are higher though nonfat dry milk is lower.

**DAIRY SITUATION AND OUTLOOK (ERS):** Surging milk production finally began to overtake strong demand and dropped most wholesale dairy product prices sharply. Mid-November cheese prices were near support purchase prices after plunging almost 45% from the August record. Similarly, butter prices had fallen about 25% from their August peak. Late 1999 and early 2000 milk prices will be down sharply from a year earlier and the lowest in years. Milk cow numbers have drifted higher since the autumn of 1998, moving above a year earlier during the summer. Relatively strong returns during most of 1996-99 have spurred construction of new or greatly expanded operations, as well as reduced pressures on weaker producers to exit. Milk-feed price ratios have strongly supported increased feeding of grain and other concentrates and above-trend rises in milk per cow. Although the milk-feed price ratio will soon slip to less lofty readings, it will remain generally favorable. Commercial use of dairy products posted large gains during August-September, not the conditions normally associated with the beginning of a major price decline. Spurred by brisk economic growth and consumer spending, sales of most major products rose sharply. First-half 2000 prices are expected to be relatively low, even if they recover somewhat after the current product backlog clears. Large production increases probably will outweigh demand growth, and buyers may be more relaxed about ensuring second-half supplies early.

\*\*\*\*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 29	TUESDAY NOVEMBER 30	WEDNESDAY DECEMBER 1	THURSDAY DECEMBER 2	FRIDAY DECEMBER 3	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1075 (+.0100)	\$1.1075 (N.C.)	\$1.1075 (N.C.)	\$1.1075 (N.C.)	\$1.1075 (N.C.)	+.0100	\$1.1075 (+.0100)
40# BLOCKS	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	N.C.	\$1.1200 (N.C.)
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	\$.9475 (-.0325)	----	\$.9100 (-.0375)	----	\$.9050 (-.0050)	-.0750	\$.9208 (-.0892)

\*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 29, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1075; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: NONE; BIDS UNFILLED: 2 CARS GRADE AA @ \$0.7500; OFFERS UNCOVERED: 10 CARS GRADE AA: 1 @ \$0.9475, 1 @ \$0.9500, 1 @ \$0.9600, 1 @ \$0.9650, 1 @ \$0.9750, 2 @ \$0.9800, 1 @ \$0.9900, 1 @ \$1.0000, 1 @ \$1.0300

TUESDAY, NOVEMBER 30, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0975; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1175  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 1, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1075; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0975; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$0.9000, 1 @ \$0.9100; BIDS UNFILLED: 4 CARS GRADE AA: 2 @ \$0.7575, 2 @ \$0.7550; OFFERS UNCOVERED: 14 CARS GRADE AA: 1 @ \$0.9100, 1 @ \$0.9175, 1 @ \$0.9200, 1 @ \$0.9300, 1 @ \$0.9350, 2 @ \$0.9400, 2 @ \$0.9450, 4 @ \$0.9475, 1 @ \$1.0000

THURSDAY, DECEMBER 2, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1300  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 3, 1999

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.1200; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1000; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.1300  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$0.9025, 1 @ \$0.9050; BIDS UNFILLED: 4 CARS GRADE AA: 2 @ \$0.7525, 2 @ \$0.7500; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$0.9100

**BUTTER MARKETS**

**NORTHEAST**

The market tone is weak and prices have moved lower in each of the past seven trading sessions. The price at the CME has dropped below \$1.00 and most trade contacts expect prices to remain below a dollar for quite some time. Butter stocks, both fresh and frozen, are more than ample to meet current needs. Demand has slowed slightly as stores work off pre-Thanksgiving stocks before reordering. However, most Christmas/New Year's needs have been ordered. Production levels are increasing as milk and cream supplies are starting to increase along seasonal patterns. Some microfixing is taking place as printers try to clear some of their inventories. Retail sales are slower after the very good pre-Thanksgiving sales. Food service orders holding up very well.

**CENTRAL**

Butter markets remain weak. The Grade AA trading level at the CME continues to decline during each trading session. Churning schedules in the Midwest are quite active. Cream volumes are readily available from both local and out of area cream sources. Reports indicate that stocks are more than twice the level of last year at this time. Couple these stocks with current production, producers and handlers feel that they will have fully sufficient volumes of butter to meet upcoming year-end holiday needs. Of more concern to producers and handlers than availability is the value of inventoried stocks, especially for stocks that were put away earlier this year at much higher values. Current orders are good as buyers are now replenishing depleted Thanksgiving stocks and preparing for the Christmas/New Year sales

period. Reports indicate that retail sales during the Thanksgiving holiday were very good, spurred by favorable feature activity. Retailers anticipate that scheduled features during the next few weeks will also generate strong sales.

**WEST**

Butter sales for the Thanksgiving holiday are rated as excellent. Reorders to replenish depleted supplies are coming in at a good rate. Most retail sources have no reason to believe that Christmas won't be just as strong as wholesale prices continue to adjust lower following the CME. Prices at the CME have not been this low since April of 1997. Churning remains very heavy across the region. Cream offerings are ample to, in instances, burdensome. Little cream is leaving the region because demand from other regions of the country is light at this time. Food service orders are surprisingly strong in many instances. Contacts are concerned about sales activity for the new year.

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	40# BLOCKS	CHEESE		NDM	BUTTER	DRY WHEY
		BARRELS 39% MOISTURE				
NOVEMBER 27	1.1426 3,284,756	1.0966 6,737,172		1.0136 13,096,259	1.0341 2,592,217	0.1875 4,640,086

**CHEESE MARKETS**

**NORTHEAST**

Prices are steady to fractionally lower and the market tone remains weak. Prices at the CME have been relatively steady since mid-November. Cheese production in the Northeast is unchanged and holding at moderate levels. Some extra milk was available over Thanksgiving and cleared with little or no difficulty. Cheese stocks are adequate to meet current needs. Typically, demand is a bit slower following a holiday as retailers work off inventories before reordering. However, most outlets have already ordered anticipated needs for year end holidays. Retail sales are slower, but food service orders are holding up very well now that the Christmas shopping season is underway.

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

Cheddar 10# Prints	:	1.1350-1.6250
Cheddar Single Daisies	:	1.1150-1.5750
Cheddar 40# Block	:	1.2600-1.4375
Process 5# Loaf	:	1.3100-1.4600
Process 5# Sliced	:	1.3300-1.5625
Muenster	:	1.3175-1.6200
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is steady with a firmer undertone. Current movement is seasonally good to very good on most natural varieties and moderate to good on process. Holiday specialty cheese orders, including aged cheddar, remain good and calls for fill-in needs continue to move additional product. Many natural cut lines were only down one day last week for Thanksgiving due to current demand. Some orders are being shorted and/or delayed as the necessary milk, cheese, and plant line time are not always available. Blue cheese orders, both wheel and crumbled, are items shorted to some customers. Traders continue to anticipate cheese may start being offered to CCC under the price support program before year end, but expect the cheese to originate in the West. Seasonal increases in milk receipts are increasing cheese output in some areas but remain flat in others. Spot milk supplies remain difficult to acquire in some locations at "reasonable" premiums. Cheese yields are good seasonally, reflecting the normally strong late year fat and protein tests.

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

Process American 5# Loaf	:	1.2775-1.7300
Brick And/Or Muenster 5#	:	1.6300-1.6800
Cheddar 40# Block	:	1.4800-2.1150
Monterey Jack 10#	:	1.6650-2.1150
Blue 5#	:	1.8150-2.2100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5500-2.2150
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 29 - DECEMBER 3, 1999
BARRELS*	:	\$1.0975 - 1.1200 (NOMINAL)
	:	(\$0.0100) (.0125)
40# BLOCKS	:	\$1.1200 - 1.1550 (NOMINAL)
	:	(.0025)

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

**WEST**

Cheese prices are generally steady this week though Swiss prices are starting to decline because of price resistance. Buyers are noting the weakness in barrels and blocks and are expecting a similar response to happen for Swiss. Sellers, of course, counter this with the explanation that prices need to hold because of the expensive milk that went into current cheese inventories. Swiss sales activity is excellent for the holiday season. Working stocks are declining. Natural and process sales are rated as good for this time of the year. Demand is not the problem. Production and stock levels are causing most of the weakness in cheese prices. Contacts continue to discuss the possibility that a Western producer may offer cheese into the government price support program. A concern is the possible rejection rate by graders that would cause marketing problems for the rejected cheese. Producers are not sure they want to deal with this further complication.

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

Process 5# Loaf	:	1.2525-1.5125
Cheddar 40# Block	:	1.2425-1.3825
Cheddar 10# Cuts	:	1.4225-1.6425
Monterey Jack 10#	:	1.4325-1.6025
Grade A Swiss Cuts 6 - 9#	:	2.3100-2.4500

**FOREIGN**

Prices are steady to fractionally lower on domestic styles. Demand is improving along seasonal patterns. Foreign type table-cheese consumption usually improves at this time of year. Supplies range from tight to adequate. Distributors are a little more active as they get caught up after the holiday shortened week.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.4700-2.0700*
Gorgonzola	: 3.2400-5.9400	: 2.0200-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8800-2.9050*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4800-1.7600*
Romano (Cows Milk)	: -0-	: 2.6700-4.8550*
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
11/29/99	5,871	: 112,304
11/01/99	17,566	: 121,459
CHANGE	-11,695	: -9,155
% CHANGE	-67	: -8

FLUID MILK AND CREAM

E A S T

Milk production is increasing in most of the East. Couple this with the Thanksgiving weekend, and you have increased milk supplies moving into manufacturing channels. In Florida, milk output is up rather noticeably and local handler needs for out-of-state milk dropped to zero. Some imports may trickle in over the next few weeks, but Florida's need for outside milk historically ends in early or mid December. Other Southeastern handlers are taking only committed volumes and not bringing in any extra loads. This compares to 36 loads during this week last year. They continue to get 28 loads (under contract for the next couple weeks) plus some Northern milk pooled under Southern orders. This compares to 20-30 imported loads during this week last year. Milk output in the Southeast is increasing in more locales. In the Middle Atlantic region, milk production is steady to heavier and the milk flow in the more northern areas is moving up from its annual low points. Contacts report that quite a bit of milk was available during the holiday weekend, but there was plenty of capacity to handle it all. In the Southeast, not all manufacturing plants were opened and those that did process milk were not hard pressed. Bottled milk sales are improved as bottlers refilled school lunch pipelines over the weekend and first of the month sales look to be fairly good. The condensed skim market is mixed. Prices for Class II wet solids are in a very wide range because of December beginning at midweek. Some improved interest is expected, but prices will, in all likelihood, still be above NDM prices. Interest in Class III condensed is slow to fair and prices were forced a little lower as more became available last week. With butter prices falling, some suppliers are not able to move their wet solids prices as low as they need to move them. Most contacts expect sharply lower Class III milk prices for November which should impact condensed skim prices. The fluid cream market is reported as decent for this time of year. Some excess cream was moved at distressed prices late last week, but cream supplies are not as long as many had expected. Multiples are unchanged to higher, but the CME butter price average is dropping and could easily be below a dollar this time next week. Production of egg nog has slowed temporarily and will restart next week. Ice cream production is quite brisk for this time of year, but some producers are stepping up their output to fill their freezers before closing for a couple weeks in mid-December. Sour cream, cream cheese, and bottled cream sales are all moderate to heavy, but most year end holiday needs have been filled and ready to ship, if it has not already been moved to the buyers. Churning activity is moderate now, but was heavy over the holiday weekend.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT			
F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.2928-1.4140	
DELIVERED EQUIVALENT ATLANTA	-	1.2827-1.4140	M 1.3130-1.3736
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.2726-1.3433	
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS			
F.O.B. PRODUCING PLANTS:			
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0800-1.6000	
NORTHEAST- CLASS III - SPOT PRICES	-	.9000-1.1000	

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
NOVEMBER 25 - DECEMBER 2, 1999	20
PREVIOUS WEEK	18
COMPARABLE WEEK IN 1998	19

DESTINATIONS: MISSOURI 20

Class I and II interest was generally sluggish, particularly early in the week when the higher Class prices were still in effect. Even at midweek, Class I and II users were backing off somewhat on orders, perhaps a leftover from the holiday period. Some extra milk was generated in some more Central/Southern markets, but overall the weekend was handled fairly easily. Besides the milk shipments reported, 19 loads of Wisconsin milk are "direct shipped" to Kentucky, 17 loads to Georgia, and 7 loads to Missouri and are pooled under a Southern federal order. Even these loads are expected to disappear in a few weeks. Spot manufacturing milk prices were generally right around class to upwards of a \$1.00 over during the holiday weekend. After the weekend, prices firmed up to generally between \$1.00 to \$2.00 over class/MCP. Cheese milk

interest is generally improved as cheese demand for the holiday has improved. Cream interest is steady to quieter this week. Cream prices are lower, reflecting declines in both the multiples and the Chicago Mercantile cash butter prices. Plant milk intakes are starting to show some small, but consistent increases in milk receipts on a week to week basis. Intakes generally remain over year ago levels in most upper Midwestern states. Most manufacturing plants are operating on seasonally active schedules. More seasonal temperatures covered the region, making sheltering cows for longer periods in the day more important. Some metro areas have reported record breaking late arriving first snow, for both measurable and trace amounts.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 24 - DEC 1	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 38.50	\$ 28.50- 34.50
REPLACEMENT HEIFER CALVES	\$250.00-350.00	\$160.00-215.00

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

	NOV 24 - DEC 1	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 40.00	\$ 30.00- 37.00

W E S T

On November 29, 1999, the Kern County Superior Court ruled in favor of the California Department of Food and Agriculture (CDFA) in a lawsuit filed by Milk Producers Council challenging CDFA's decision to amend the Class 1 minimum farm pricing formulas. The Court's ruling dissolved the previously issued temporary restraining order, which had stayed implementation of those amendments. The December 1999 Class 1 prices in California range from \$13.70 in the north to \$13.97 in the south. These prices are \$5.78 lower than November. The January 2000 Class 1 prices in California range from \$11.92 in the north to \$12.19 in the south. The November 4a price (butter/powder) in California is \$11.42, down 20 cents from October 1999 and \$3.32 lower than last year. The 4b price (cheese) is \$9.88, \$1.78 lower than last month and \$6.93 cents lower than last year. (The November BFP used in federal orders will be released on December 3 and is expected to be below \$10.00.) October pool receipts of milk in California total 2.546 billion pounds, up 10.3% from last year. Cumulative pool output through ten months of 1999 totals 24.7 billion pounds, up 11.3% from the same period in 1998. The October blend price is \$13.56, at a fat test of 3.67%, which is 48 cents lower than September. The percentage of receipts used in Class 1 products is 21.32%. Milk output remains strong in the Southwest. All indications are that milk was handled effectively over the extended holiday weekend. There were some problems, but cooperation and creativity prevailed to handle the milk supply. The milk flow is strong in California, most often to the extent of double digit increases over a year ago. Continued good weather conditions across most of the major milk producing region were the norm. Rains in the north seemed to have little effect on production. Production remains good in Arizona and New Mexico. Output per cow is increasing seasonally and weather conditions are ideal. Demand for Western cream is minimal as buyer take a cautious approach to the falling butter prices. The concern that butter prices will drop further continues to erode confidence. With butter churners not wanting to take extra cream, the multiples for cream are lowered further to stimulate demand. Early winter storms disrupted milk procurement along the Oregon Coast over the Thanksgiving holiday period. Some areas received as much as 16 inches of rain in 48 hours. Main roads were under water for 12-24 hours with many back roads out of commission for a much longer period of time. Little milk was lost, but trucks had to be diverted to other receiving plants and had to take very circuitous routes at all times of the day to make farm pick ups. Farm damage and livestock losses were minimal. The reasons for the low damage estimates include much better preparation since the last major flooding and the fact that the water went up and down so fast. Some herds did miss a milking and this fact may mean lower production down the road and herd health issues. Generally, milk output in the Pacific Northwest remains seasonally very strong. Culling rates remain low, heifer prices are high, and feed prices in general continue to fall. Light precipitation has begun to fall in northern Utah and southern Idaho in the form of rain or snow. Any moisture is welcome in the region because of the extreme dryness since mid-summer. Contacts report plant milk receipts above trend, above expectations, and above desired levels. Many report very little decline from peak levels. Some plants are scrambling to increase capacity by the upcoming spring flush. Hay stocks are declining more rapidly than was expected at the end of the summer. Much of the decent feeder hay is gone and dairy hay stocks are disappearing rapidly.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 12/02/99 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 as the market stabilizes around the support level. Block loads are available at the lower end of the range with little to no interest. Demand is best on regular commitments and into baking and Class II facilities. Production is steady to lower. Manufacturers were able to clear holiday milk over the weekend without any problems. Milk intake during the week decreased as volumes into fluid channels increased. Offers are plentiful. Inventories are in balance to instances long. High heat product is clearing well at prices just above the average.

Includes EXTRA GRADE and GRADE A, low and medium heat  
 NONFAT DRY MILK: 1.0100 - 1.0400 MOSTLY: 1.0200 - 1.0400

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a mostly steady market. Production remains light as condensed product continues to clear well into ice cream. Demand is light to fair, best for producers of baked goods and seasonings. Offers are light and variable with prices reported above and below the range. Less than trucklot loads are generally moving at good premiums. Inventories are adequate to instances tight.

BUTTERMILK: .7700 - .8500

**DRY WHEY - CENTRAL**

Prices are unchanged to higher on a mostly steady market. Some producers are reporting higher prices while buyers are generally at the average or lower. Producer inventories are in balance to instances tight. Most producers feel that they are in a better position than in weeks' past. Some aged product is beginning to appear on the market at slight discounts. Increases in demand have been noted on export markets and into some domestic feed channels as buyers react to lower prices and potential Y2K problems. Offers are available below the average in some areas of the Central region. Production is mostly steady to instances lower. Milk intake into some cheese plants is lower as milk output declined and fluid use increased during the week.

NONHYGROSCOPIC: .1725 - .2000 MOSTLY: .1750 - .1850

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged on a generally steady market. Plenty of sub-standard milk replacer product is available for the light interest. Delactose demand is strong into feed and food facilities with some producers gaining premiums over the average. Off grade delactose is available and clearing well at substantial discounts. Roller ground movement is generally steady as feeder pigs trade higher and barrow and gilt prices move lower. North Central veal prices are steady to lower on light offerings.

MILK REPLACER: .1300 - .1700  
 STANDARD: TFEWR  
 ROLLER GROUND: .1675 - .1900  
 DELACTOSE (Min. 20% protein): .2600 - .3150

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a steady to firm market. Negotiations for the first quarter continue with some producers able to gain a premium over fourth quarter contracts on export markets. Product availability has tightened compared to the last few weeks. Higher mesh sizes are clearing well with the 80 and 200 mesh sizes in the tightest position. Substantial premiums are being asked on 200 mesh for the first quarter. Export inquiries from Asia on 30-100 mesh continue with some producers unable to fill additional requests. Demand is strong into candies, infant formula, and pharmaceutical goods. Most facilities are operating at or near capacity levels. Off grade product is limited in supply for the light demand. Feed trade continues to wane as more interest is diverted to permeates.

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 higher on a generally steady market. The condensed market is tight and difficult to find for some producers wanting to dry WPC. Spot movement is light. Some producers are able to gain a premium based on their location and brand name. Others discounted product to clear heavy inventories before the year end. Demand is best into veal and calf milk replacer facilities. Interest is increasing on export markets as lower WPC prices are becoming competitive with higher NDM prices. Contracts for next year are generally unchanged to higher compared to this year although some buyers are preferring to commit to lesser amounts. Off grade product is plentiful for the light demand at prices just below the range. Importers are very competitive with domestic suppliers on high protein product with some delivered prices reported at just under \$1. Grade A product is tight and generating premiums 3-5 cents over the average.

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

**NONFAT DRY MILK - WEST**

Prices are unchanged for low/medium heat NDM. The market tone remains weak. Trading was slow to redevelop following the holiday. Reports indicate production was high to process milk volumes, but was manageable. Buying interest is fair at best. Contracted loads are moving but spot demand is slower. Additional pressure on the market could develop as DEIP orders subside and weaker cheese prices may result in less NDM used in cheese production. Stocks levels vary, but supplies are ample to meet current needs. High heat prices are unchanged, but lower demand is prevalent as seasonal interests weaken. During the week of November 22 - 26, CCC net purchases totaled 1.6 million pounds of NDM from Western sources.

Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0150  
 HIGH HEAT: 1.0200 - 1.0450

**DRY BUTTERMILK - WEST**

Prices are holding mostly steady with most trades at the lower end of the range. Demand and supplies are in fair balance currently, but production is expected to increase seasonally as churning activity increases. Additional drying took place over the holiday period when demand for condensed buttermilk was limited. Inventory levels are light to moderate.

BUTTERMILK: .7000 - .8000 MOSTLY: .7100 - .7300

**DRY WHEY - WEST**

Western whey range prices firmed again this week with the mostly holding steady. Sales activity remains good both domestically and for export needs. A regular sale to the Far East will be announced in the near future and firms are positioning product to deliver before the start of the Chinese New Year. Some buyers also want product on hand prior to the possible Y2K issue time. Feed whey is also moving better at this time. Production is heavier than anticipated for December. Stock levels are generally rated as in balance for current trade needs.

NONHYGROSCOPIC: .2000 - .2225 MOSTLY: .2000 - .2050

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
November 26	\$1.0109	8,762,765
November 19	\$1.0139	12,430,532

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 steady to lower and the market tone is unchanged to weaker. Now that December is here, suppliers expect lower Class III milk and condensed skim prices. This could ease the pressure on dryers as interest for wet solids improve now that prices are more in line with NDM. However, with more producers offering NDM at the support purchase price of \$1.01, f.o.b., users may stay with powder unless condensed prices are below that figure. Plant stocks are quite well balanced as dryers try to keep stocks very current as we enter the end of the year holiday period. Demand is just fair as buyers are often purchasing replacement volumes. Exporting through DEIP is clearing quite a bit of product and new DEIP bids are being accepted at a growing pace. For the weekending November 26, DEIP bid acceptances (not counting the reallocated volumes) amount to 48,616 MT, 63.8% of the program's total.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0100 - 1.0500 MOSTLY: 1.0150 - 1.0300  
 HIGH HEAT: 1.0450 - 1.1100 MOSTLY: 1.0700 - 1.0850

DELVD SOUTHEAST:

ALL HEATS: 1.0450 - 1.1300

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged to lower. Production levels are increasing as more cream was available to Eastern churns over the holiday weekend. Also, condensed buttermilk sales are slowing seasonally which creates more pressure on dryers. Producer stocks are quite well balanced and most producers are comfortable with their current supply/demand situation.

F.O.B. NORTHEAST: .8000 - .8500  
 DELVD SOUTHEAST: .8200 - .8500

**DRY WHOLE MILK - NATIONAL**

Prices are steady to lower within the range and the market tone is little changed. Price declines are often predicated on the lower butter price at the CME and the projected drop in November Class III milk prices. Production levels are lighter as more surplus milk was available last week. Producer stocks are closely balanced with the slow to fair spot demand. DEIP interest is improved as a new, large-volume bid was accepted this week.

F.O.B. PRODUCING PLANT: 1.2200 - 1.3525

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH NOVEMBER 26, 1999  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	61,209	MT (134,941,361 LBS)
CHANGE	--	1,291	MT (2,846,139 LBS)
WHOLE MILK POWDER	--	3,175	MT (6,999,605 LBS)
CHANGE	--	148	MT (326,281 LBS)
CHEESE	--	1,087	MT (2,396,400 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. 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 mixed, mostly steady to slightly higher. The market tone is little changed. Domestic, spot demand is still quite slow, but at current prices, export interest is improved. Some sales are already being made for delivery in the first quarter of next year. Production levels are increasing as more milk is available in many areas of the country. Plant stocks are balanced.

F.O.B. NORTHEAST:	EXTRA GRADE	.1800 - .1900
	USPH GRADE A	.1900 - .2075
DELVD SOUTHEAST:		.1925 - .2200

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. The market is little changed for past weeks. Offerings of "off spec" are heavy and demand is still slow. As prices moved lower early in November, some renewed interest was evident. However, with availability not a problem, buyers generally have enough product under contract and are not very active in the spot market.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Post-Thanksgiving orders are off slightly as retailers assess their stocks before ordering for the year end holidays. However, most retailers had filled their anticipated needs earlier when prices were a little more attractive. With milk prices expected to move lower, producers expect to begin replenishing their inventories when holiday milk is most abundant. Retail feature activity is very active in most parts of the country.

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**

Casein markets remain firm, although prices are basically holding steady. European stocks are reported to be limited, while Oceania stocks are available, but not excessive. Most U.S. buyers are under contract for volume, thus are reluctantly having to pay higher prices. Buyers indicated that prices will probably remain firm until European milk production resumes and casein stocks become more available.

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

RENNET:	1.8000 - 1.9000
ACID:	1.8500 - 2.0000

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

COMMODITY	REPORT NUMBER 44	REPORT NUMBER 45	REPORT NUMBER 46	REPORT NUMBER 47	REPORT NUMBER 48	1999	1998
	NOV 01 - 05	NOV 08 - 12	NOV 15 - 19	NOV 22 - 26	NOV 29 - 30	Average	Average

BUTTER

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

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

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrel s	:: 1.1975 - 1.2475	:: 1.1000 - 1.2025	:: 1.0975 - 1.1175	:: 1.0875 - 1.1075	:: 1.0975 - 1.1200	:: 1.1431	:: 1.8350
-- Cheddar 40# Blocks	:: 1.2275 - 1.2925	:: 1.1000 - 1.2450	:: 1.1225 - 1.1375	:: 1.1200 - 1.1525	:: 1.1200 - 1.1550	:: 1.1730	:: 1.8871

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.4175 - 1.8800	:: 1.3725 - 1.8300	:: 1.2875 - 1.8300	:: 1.2775 - 1.7300	:: 1.2775 - 1.7300	:: 1.5733	:: 2.0733
-- Brick And/Or Muenster 5#	:: 1.8225 - 1.8300	:: 1.7300 - 1.7750	:: 1.6775 - 1.7300	:: 1.6300 - 1.6825	:: 1.6300 - 1.6800	:: 1.7298	:: 2.2253
-- Cheddar 40# Block	:: 1.6225 - 2.1150	:: 1.5750 - 2.1150	:: 1.4775 - 2.1150	:: 1.4825 - 2.1150	:: 1.4800 - 2.1150	:: 1.8248	:: 2.0333
-- Monterey Jack 10#	:: 1.8125 - 2.1150	:: 1.7650 - 2.1150	:: 1.6625 - 2.1150	:: 1.6675 - 2.1150	:: 1.6650 - 2.1150	:: 1.9184	:: 2.1200
-- Blue 5#	:: 1.9575 - 2.4100	:: 1.9100 - 2.3100	:: 1.8125 - 2.3100	:: 1.8175 - 2.2100	:: 1.8150 - 2.2100	:: 2.0873	:: 2.5728
-- Mozzarella 5 - 6#	:: 1.6925 - 2.2150	:: 1.6450 - 2.2150	:: 1.5475 - 2.2150	:: 1.5525 - 2.2150	:: 1.5500 - 2.2150	:: 1.9098	:: 2.0661
-- Grade A Swiss Cuts 6 - 9#	:: 2.5500 - 2.6850	:: 2.5500 - 2.6850	:: 2.5500 - 2.6850	:: 2.5500 - 2.6850	:: 2.5500 - 2.6850	:: 2.6175	:: 2.5283

NORTHEAST (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.2800 - 1.7700	:: 1.2300 - 1.7200	:: 1.1325 - 1.6225	:: 1.1375 - 1.6275	:: 1.1350 - 1.6250	:: 1.4351	:: 2.1001
-- Cheddar Single Dai sies	:: 1.2600 - 1.7200	:: 1.2100 - 1.6700	:: 1.1125 - 1.5725	:: 1.1175 - 1.5775	:: 1.1150 - 1.5750	:: 1.4001	:: 2.0851
-- Cheddar 40# Block	:: 1.4050 - 1.5825	:: 1.3550 - 1.5325	:: 1.2575 - 1.4350	:: 1.2625 - 1.4400	:: 1.2600 - 1.4375	:: 1.4039	:: 2.0689
-- Process 5# Loaf	:: 1.4500 - 1.6100	:: 1.4050 - 1.5650	:: 1.3200 - 1.4700	:: 1.3100 - 1.4600	:: 1.3100 - 1.4600	:: 1.4438	:: 2.0888
-- Process 5# Sliced	:: 1.4700 - 1.7025	:: 1.4250 - 1.6575	:: 1.3400 - 1.5725	:: 1.3300 - 1.5625	:: 1.3300 - 1.5625	:: 1.5028	:: 2.1325
-- Muenster	:: 1.4625 - 1.7650	:: 1.4125 - 1.7150	:: 1.3150 - 1.6175	:: 1.3200 - 1.6225	:: 1.3175 - 1.6200	:: 1.5239	:: 2.1926
-- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	:: 2.4309

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.3925 - 1.6525	:: 1.3475 - 1.6075	:: 1.2625 - 1.5225	:: 1.2525 - 1.5125	:: 1.2525 - 1.5125	:: 1.4390	:: 2.1051
-- Cheddar 40# Block	:: 1.3825 - 1.5225	:: 1.3350 - 1.4750	:: 1.2375 - 1.3775	:: 1.2425 - 1.3825	:: 1.2425 - 1.3825	:: 1.3648	:: 2.0428
-- Cheddar 10# Cuts	:: 1.5625 - 1.7825	:: 1.5150 - 1.7350	:: 1.4175 - 1.6375	:: 1.4225 - 1.6425	:: 1.4225 - 1.6425	:: 1.5848	:: 2.2714
-- Monterey Jack 10#	:: 1.5725 - 1.7425	:: 1.5250 - 1.6950	:: 1.4275 - 1.5975	:: 1.4325 - 1.6025	:: 1.4325 - 1.6025	:: 1.5698	:: 2.2627
-- Grade A Swiss Cuts 6 - 9#	:: 2.3800 - 2.5100	:: 2.3800 - 2.5100	:: 2.3800 - 2.5100	:: 2.3800 - 2.5100	:: 2.3100 - 2.4500	:: 2.4385	:: 2.4658

FLUID AND DRY PRODUCTS

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

-- Northeast - f.o.b	:: 1.3451 - 1.5052	:: 1.3994 - 1.5416	:: 1.4058 - 1.5816	:: 1.3632 - 1.4697	:: 1.2928 - 1.4140	:: 1.4424	:: 2.1910
-- Atlanta - dlvd. equiv.	:: 1.3451 - 1.5159	:: 1.3776 - 1.5525	:: 1.3948 - 1.5596	:: 1.3526 - 1.4910	:: 1.2827 - 1.4140	:: 1.4391	:: 2.3382
-- Upper Midwest - f.o.b	:: 1.3237 - 1.4198	:: 1.3666 - 1.4541	:: 1.4278 - 1.4937	:: 1.3739 - 1.4378	:: 1.2726 - 1.3433	:: 1.4022	:: 2.2698

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

-- Northeast - f.o.b	:: 1.2500 - 1.6300	:: 1.2500 - 1.6500	:: 1.2500 - 1.6500	:: 1.2500 - 1.6500	:: 1.0800 - 1.6000	:: 1.4365	:: 1.0408
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SPOT PRICES OF CLASS III CONDENSED SKIM (\$ per lb. wet solids)

-- Northeast - f.o.b	:: 1.0500 - 1.1800	:: 0.9800 - 1.1800	:: 0.9500 - 1.1800	:: 0.9500 - 1.1800	:: 0.9000 - 1.1000	:: 1.0740	:: N.A.
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WISCONSIN FLUID MILK SHIPMENTS

-- Loads Shipped from Wisconsin Shipping Points	:: 35	:: 18	:: 24	:: 18	:: 20	:: 115	:: 104
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NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	:: 24.6800 - 33.0000	:: 24.6800 - 33.0000	:: 24.6800 - 33.0000	:: 24.6800 - 33.0000	:: 24.6800 - 33.0000	:: 28.8400	:: 28.3100

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

COMMODITY	REPORT NUMBER 44 NOV 01 - 05	REPORT NUMBER 45 NOV 08 - 12	REPORT NUMBER 46 NOV 15 - 19	REPORT NUMBER 47 NOV 22 - 26	REPORT NUMBER 48 NOV 29 - 30	1999 Average or Total	1998 Average or Total
<b>DRY PRODUCTS</b>							
<b>NONFAT DRY MILK</b>							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 1.0200 - 1.0650	:: 1.0150 - 1.0650	:: 1.0200 - 1.0450	:: 1.0100 - 1.0400	:: 1.0100 - 1.0400	:: 1.0343	:: 1.1250
-- Mostly	:: 1.0300 - 1.0550	:: 1.0200 - 1.0450	:: 1.0200 - 1.0450	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0343	:: 1.1137
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.0000 - 1.0300	:: 1.0000 - 1.0250	:: 1.0000 - 1.0250	:: 0.9900 - 1.0200	:: 0.9900 - 1.0200	:: 1.0109	:: 1.1100
-- Mostly	:: 1.0100 - 1.0250	:: 1.0075 - 1.0175	:: 1.0050 - 1.0150	:: 1.0000 - 1.0150	:: 1.0000 - 1.0150	:: 1.0116	:: 1.1200
-- High Heat	:: 1.0200 - 1.0450	:: 1.0200 - 1.0450	:: 1.0200 - 1.0450	:: 1.0200 - 1.0450	:: 1.0200 - 1.0450	:: 1.0325	:: 1.1495
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 1.0150 - 1.0600	:: 1.0150 - 1.0600	:: 1.0150 - 1.0600	:: 1.0150 - 1.0600	:: 1.0100 - 1.0500	:: 1.0368	:: 1.1382
-- Mostly	:: 1.0300 - 1.0400	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0200 - 1.0400	:: 1.0150 - 1.0300	:: 1.0305	TFEWR
-- High Heat	:: 1.0800 - 1.1100	:: 1.0700 - 1.1100	:: 1.0600 - 1.1100	:: 1.0600 - 1.1100	:: 1.0450 - 1.1100	:: 1.0878	:: 1.1616
-- Mostly	:: 1.0800 - 1.0900	:: 1.0700 - 1.0900	:: 1.0700 - 1.0900	:: 1.0700 - 1.0900	:: 1.0700 - 1.0850	:: 1.0810	:: 1.1453
-- Southeast (Del vd)							
-- Extra & Grade A	:: 1.0500 - 1.1300	:: 1.0500 - 1.1300	:: 1.0450 - 1.1300	:: 1.0450 - 1.1300	:: 1.0450 - 1.1300	:: 1.0886	:: 1.1618
<b>WHEY POWDER (Nonhygroscopic)</b>							
-- Central (f.o.b.)							
-- Mostly	:: 0.1725 - 0.1925	:: 0.1700 - 0.1900	:: 0.1725 - 0.2025	:: 0.1725 - 0.1900	:: 0.1725 - 0.2000	:: 0.1834	:: 0.2470
-- West (f.o.b.)							
-- Mostly	:: 0.1800 - 0.1850	:: 0.1725 - 0.1825	:: 0.1750 - 0.1850	:: 0.1750 - 0.1850	:: 0.1750 - 0.1850	:: 0.1801	:: 0.2463
-- Mostly	:: 0.1850 - 0.2200	:: 0.1850 - 0.2200	:: 0.1850 - 0.2200	:: 0.1925 - 0.2200	:: 0.2000 - 0.2225	:: 0.2041	:: 0.2525
-- Mostly	:: 0.1975 - 0.2050	:: 0.1975 - 0.2050	:: 0.1975 - 0.2050	:: 0.2000 - 0.2050	:: 0.2000 - 0.2050	:: 0.2016	:: 0.2413
-- Northeast Extra Grade (f.o.b.)	:: 0.1850 - 0.1950	:: 0.1725 - 0.1825	:: 0.1725 - 0.1850	:: 0.1725 - 0.1850	:: 0.1800 - 0.1900	:: 0.1819	:: 0.2459
-- Northeast Usph Grade A(f.o.b.)	:: 0.1925 - 0.2225	:: 0.1925 - 0.2225	:: 0.1925 - 0.2125	:: 0.1925 - 0.2075	:: 0.1900 - 0.2075	:: 0.2039	:: 0.2539
-- Southeast Extra Grade (Del vd)	:: 0.2050 - 0.2350	:: 0.1925 - 0.2225	:: 0.1925 - 0.2175	:: 0.1925 - 0.2175	:: 0.1925 - 0.2200	:: 0.2094	:: 0.2678
<b>WHEY PROTEIN CONCENTRATE</b>							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.4050 - 0.4850	:: 0.4050 - 0.4650	:: 0.4050 - 0.4550	:: 0.4050 - 0.4550	:: 0.4050 - 0.4650	:: 0.4353	:: 0.5836
-- Mostly	:: 0.4300 - 0.4600	:: 0.4250 - 0.4450	:: 0.4250 - 0.4450	:: 0.4250 - 0.4450	:: 0.4250 - 0.4450	:: 0.4375	:: 0.6068
<b>ANIMAL FEED - WHEY</b>							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.1350 - 0.1775	:: 0.1350 - 0.1700	:: 0.1300 - 0.1700	:: 0.1300 - 0.1700	:: 0.1300 - 0.1700	:: 0.1521	:: 0.2005
-- Standard	:: TFEWR	:: TFEWR	:: 0.1736				
-- Roller Ground	:: 0.1700 - 0.1950	:: 0.1700 - 0.1950	:: 0.1700 - 0.1950	:: 0.1675 - 0.1900	:: 0.1675 - 0.1900	:: 0.1814	:: 0.2574
-- Dextrose	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2600 - 0.3150	:: 0.2875	:: 0.3434
-- Northeast (f.o.b.)							
-- Milk Replacer	:: TFEWR	:: TFEWR	TFEWR				
<b>BUTTERMILK (Min. 30% protein)</b>							
-- Central (f.o.b.)							
-- West (f.o.b.)							
-- Mostly	:: 0.7200 - 0.7400	:: 0.7200 - 0.7400	:: 0.7100 - 0.7300	:: 0.7100 - 0.7300	:: 0.7100 - 0.7300	:: 0.7245	:: 0.9842
-- Northeast (f.o.b.)							
-- Southeast (Del vd)	:: 0.8100 - 0.8400	:: 0.8100 - 0.8400	:: 0.8100 - 0.8500	:: 0.8100 - 0.8500	:: 0.8000 - 0.8500	:: 0.8273	:: 0.9887
-- Mostly	:: 0.8200 - 0.8450	:: 0.8200 - 0.8450	:: 0.8200 - 0.8500	:: 0.8200 - 0.8500	:: 0.8200 - 0.8500	:: 0.8339	:: 1.0484
<b>WHOLE MILK POWDER</b>							
-- National							
-- National (f.o.b.)	:: 1.2500 - 1.7450	:: 1.2200 - 1.4750	:: 1.2200 - 1.3525	:: 1.2200 - 1.3525	:: 1.2200 - 1.3525	:: 1.3513	:: 1.6507
<b>LACTOSE</b>							
-- Central And West (f.o.b.)							
-- Mostly	:: 0.1900 - 0.2000	:: 0.1900 - 0.2000	:: 0.1900 - 0.2000	:: 0.1900 - 0.2000	:: 0.1900 - 0.2000	:: 0.1950	:: 0.1750
<b>CASEIN - Edible - National (f.o.b.)</b>							
-- Nonrestricted - Rennet	:: 1.7500 - 1.9000	:: 1.7500 - 1.9000	:: 1.8000 - 1.9000	:: 1.8000 - 1.9000	:: 1.8000 - 1.9000	:: 1.8388	:: 2.0434
-- Nonrestricted - Acid	:: 1.7800 - 1.9000	:: 1.7800 - 1.9000	:: 1.8500 - 2.0000	:: 1.8500 - 2.0000	:: 1.8500 - 2.0000	:: 1.8868	:: 1.9934

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR NOVEMBER 1999

COMMODITY	REPORT NUMBER 44: NOV 1 - 5	REPORT NUMBER 45: NOV 8 - 12	REPORT NUMBER 46: NOV 15 - 19	REPORT NUMBER 47: NOV 22 - 24	REPORT NUMBER 48: NOV 29 - 30	1999 * Average	1998 * Average
BUTTER*							
-- GRADE AA							
--Monday	1.0900	1.1000	1.0750	1.0400	0.9475		
--Tuesday							
--Wednesday	1.0900	1.1000	1.0650	0.9800			
--Thursday							
--Friday	1.1000	1.0950	1.0550	#		##	
--Weekly Average**	1.0933	1.0983	1.0650	1.0100	---		
CHEESE*							
-- BARRELS							
--Monday	1.2200	1.1375	1.0975	1.0975	1.1075		
--Tuesday	1.2125	1.1100	1.0975	1.0975	1.1075		
--Wednesday	1.1975	1.1000	1.0975	1.0975			
--Thursday	1.1800	1.0975	1.0975	#			
--Friday	1.1550	1.0975	1.0975	#		1.1251	1.8311
--Weekly Average**	1.1930	1.1085	1.0975	1.0975	---		
-- 40# BLOCKS							
--Monday	1.2500	1.1450	1.1225	1.1200	1.1200		
--Tuesday	1.2400	1.1150	1.1225	1.1200	1.1200		
--Wednesday	1.2275	1.1000	1.1225	1.1200			
--Thursday	1.1975	1.1000	1.1225	#			
--Friday	1.1600	1.1250	1.1200	#		1.1435	1.8628
--Weekly Average**	1.2150	1.1170	1.1220	1.1200	---		
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Tuesday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Wednesday	1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	#			
--Friday	1.0300	1.0300	1.0300	#		1.0300	1.1568
--Weekly Average**	1.0300	1.0300	1.0300	1.0300	---		
-- GRADE A							
--Monday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Tuesday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Wednesday	1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	#			
--Friday	1.0300	1.0300	1.0300	#		1.0300	1.1651
--Weekly Average**	1.0300	1.0300	1.0300	1.0300	---		

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

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

# CME closed.

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

**NOVEMBER 1999 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY - OCTOBER 1999		56,322		
11/01	AFRICA & MIDDLE EAST	500	NOV-APR	\$885
11/01	CARIBBEAN, CENT & S. AM	53	NOV-JAN	\$870
11/02	CARIBBEAN, CENT & S. AM	18	NOV-DEC	\$870
11/03	CARIBBEAN, CENT & S. AM	80	NOV-FEB	\$840
11/04	CARIBBEAN, CENT & S. AM	18	NOV-DEC	\$870
11/05	CARIBBEAN, CENT & S. AM	35	NOV-DEC	\$870
11/05	ASIA & FSU	53	NOV-JUN	\$870
11/08	ASIA & FSU	1,000	NOV-MAR	\$870
11/08	AFRICA & MIDDLE EAST	17	NOV-DEC	\$885
11/12	CARIBBEAN, CENT & S. AM	1,000	DEC-JAN	\$845
11/15	CARIBBEAN, CENT & S. AM	113	NOV-FEB	\$856.67
11/16	CARIBBEAN, CENT & S. AM	19	NOV-DEC	\$845
11/17	CARIBBEAN, CENT & S. AM	241	NOV-JUN	\$850.46
11/17	ASIA & FSU	40	NOV-FEB	\$870
11/17	AFRICA & MIDDLE EAST	100	NOV-JAN	\$885
11/18	CARIBBEAN, CENT & S. AM	145	NOV-FEB	\$863.10
11/19	ASIA & FSU	164	DEC-JAN	\$870
11/22	CARIBBEAN, CENT & S. AM	327	NOV-DEC	\$849.33
11/23	CARIBBEAN, CENT & S. AM	97	DEC-FEB	\$850.15
11/23	AFRICA & MIDDLE EAST	832	NOV-MAY	\$885
11/24	CARIBBEAN, CENT & S. AM	10	DEC-JAN	\$845
11/24	ASIA & FSU	25	DEC-JAN	\$870
11/29	ASIA & FSU	9	NOV-DEC	\$870
11/29	CARIBBEAN, CENT & S. AM	2,000	JAN-JUN	\$845
11/30	CARIBBEAN, CENT & S. AM	1,410	DEC-JUN	\$851.56
11/30	AFRICA & MIDDLE EAST	162	DEC-JAN	\$885
11/30	ASIA & FSU	1,000	JAN-JUN	\$860
NOVEMBER 1 - 30, 1999		<u>9,378</u>		
<b>WHOLE MILK POWDER</b>				
JULY - OCTOBER 1999		2,656		
11/04	CARIBBEAN, CENT & S. AM	140	NOV-FEB	\$1,400
11/10	CARIBBEAN, CENT & S. AM	31	NOV-JUN	\$1,400
11/12	CARIBBEAN, CENT & S. AM	140	NOV-MAY	\$1,400
11/18	CARIBBEAN, CENT & S. AM	60	JAN-APR	\$1,350
11/22	CARIBBEAN, CENT & S. AM	33	NOV-DEC	\$1,350
11/24	CARIBBEAN, CENT & S. AM	75	DEC-JAN	\$1,340
11/26	CARIBBEAN, CENT & S. AM	40	NOV-DEC	\$1,325
11/29	CARIBBEAN, CENT & S. AM	6	NOV-DEC	\$1,325
NOVEMBER 1 - 30, 1999		<u>525</u>		
<b>CHEESE</b>				
JULY - OCTOBER 1999		954		
11/01-P	CARIBBEAN, CENT & S. AM	114	NOV-DEC	\$965
11/03-P	CARIBBEAN, CENT & S. AM	19	NOV-DEC	\$935
11/30-P	CARIBBEAN, CENT & S. AM	6	DEC-JAN	\$219
NOVEMBER 1 - 30, 1999		<u>139</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V - VARIETAL				
<b>BUTTERFAT</b>				
JULY - OCTOBER, 1999		2,006		
NOVEMBER 1 - 30, 1999		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
PROGRAM TO DATE				
TOTAL MT				72,070
TOTAL BONUS VALUE				\$73,562,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**  
 \*\* On May 13, 1999, Sec. Glickman reallocated an additional 20,000 MT of NDM, 7,500 MT of Whole Milk Powder & 1,270 MT of Cheese for the current program year.

## THE DAIRY SITUATION AND OUTLOOK\*

Surging milk production finally began to overtake strong demand and dropped most wholesale dairy product prices sharply. Mid-November cheese prices were near support purchase prices after plunging almost 45 percent from the August record. Similarly, butter prices had fallen about 25 percent from their August peak. Late 1999 and early 2000 milk prices will be down sharply from a year earlier and the lowest in 5 years.

Milk cow numbers have drifted higher since the autumn of 1998, moving above a year earlier during the summer. Relatively strong returns during most of 1996-99 have spurred construction of new or greatly expanded operations, as well as reduced pressures on weaker producers to exit. Expansion was most pronounced in the West, where easing of the very tight forage situation of 1997-98 removed a constraint on dairy herd expansion. Lower milk prices are expected to lead to resumption of the long downtrend in milk cow numbers, but cow numbers might stay above a year earlier through much of 2000. The number of exiting farmers probably will pick up, as recent returns have done little to alter the long-run position of weaker producers. On the other hand, significant numbers of individual herds are likely to expand. Normally, a well-established expansion process is not halted quickly by lower returns, particularly by returns within the range experienced relatively recently. Some newly expanded facilities reportedly were not filled completely because of not enough available replacements. These herds will undoubtedly expand in 2000.

Milk per cow grew briskly in summer and early autumn as most key factors were positive. Milk-feed price ratios have strongly supported increased feeding of grain and other concentrates and above-trend rises in milk per cow. Although the milk-feed price ratio will soon slip to less lofty readings, it will remain generally favorable. The forage situation is mixed but somewhat positive. Supplies of top quality alfalfa stay tight, but mediocre alfalfa hay is ample and much lower priced. This year's corn silage was not as uniformly good across the North as in the last 2 years, but quantities appear adequate and any deficiencies in grain content can be inexpensively overcome. Substantial growth in milk per cow should continue in 2000 unless major weather problems develop. Gains in milk per cow and about unchanged cow numbers are expected to lift milk production about 2 percent in 2000, following this year's 3-percent rise. Increases from a year earlier probably will be significant throughout 2000 but may diminish slowly as the year progresses.

Commercial use of dairy products posted large gains during August-September, not the conditions normally associated with the beginning of a major price decline. Spurred by brisk economic growth and consumer spending, sales of most major products rose sharply. The surge in use pulled down warehouse stocks rapidly, although holdings remained relatively large. Sales increases were very large for cheese and butter and modest for fluid milk, while soft product sales were the only weak spot. The strength of late summer sales probably was misleading. Early autumn pipeline holdings probably were very swollen, as final sales did not absorb the surge in product production and pull down warehouse stocks as sharply as feared earlier in the summer. Working down these pipeline stocks probably will provide some fourth-quarter weakness in commercial disappearance. In general, demand for dairy products is expected to stay strong through 2000. Economic prospects remain bright. Even if demand has now fully caught up with the economic expansion (something that appeared not to be the case until at least this year), demand should grow significantly in 2000, maybe particularly for skim solids.

Increases in milk production and dairy product demand have actually been relatively steady in 1999, with rises in output tending to surpass demand growth. The sharp swings in dairy prices resulted from uncertainty about the relative sizes of the production and use increases and some abrupt reactions by traders to even minor variations in market conditions. First-half 2000 prices are expected to be relatively low, even if they recover somewhat after the current product backlog clears. Large production increases probably will outweigh demand growth, and buyers may be more relaxed about ensuring second-half supplies early. Seasonal price increases during the second half of 2000 may be substantial, particularly if output rises ease. The annual average milk price is projected to be around \$13.00 per cwt., down from about \$14.40 in 1999.

\* This summary was derived from the "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-65, November 23, 1999, Economic Research Service, USDA. (Some text was deleted to fit this space.) For more information on the LDP report, contact James J. Miller, (202) 694-5184.

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

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
AUG 1999	164.2	2.0	156.5	4.0	149.5	1.3	162.7	6.5	148.7	-7.1	148.5	0.2
SEP 1999	164.6	2.2	158.7	3.8	152.8	1.3	164.6	6.8	144.9	-17.9	149.2	1.2
OCT 1999	165.1	1.9	164.1	5.9	162.8	7.9	167.4	6.8	143.9	-25.9	149.2	0.8
U.S. City Average Retail Prices												
Month	Whole Milk <sup>4/</sup>		Lowfat Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
Dollars												
AUGUST	2.719	2.717	2.624	2.569	2.722	2.985	3.866	3.479	3.763	3.575	3.250	3.147
SEPTEMBER	2.794	2.757	2.725	2.622	2.628	3.387	3.884	3.617	3.808	3.587	3.280	3.184
OCTOBER	2.964	2.785	2.892	2.658	2.858	3.802	3.858	3.630	4.007	3.671	3.380	3.272

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

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—JULY-SEPTEMBER AND YEAR-TO-DATE 1998-99 <sup>1/</sup>

Item	Jul.-Sep. 1998	Percent change <sup>4/</sup>	Jul.-Sep. 1999	Percent change <sup>4/</sup>	Jan.-Sep. 1998	Percent change <sup>4/</sup>	Jan.-Sep. 1999	Percent change <sup>4/</sup>
	Million Pounds							
<b>MILK</b>								
Production	38,519	-0.3	39,763	3.2	118,504	0.4	122,283	3.2
Marketings	38,176	-0.3	39,435	3.3	117,486	0.4	121,311	3.3
Beginning Commercial Stocks <sup>2/</sup>	6,641	-11.8	9,264	39.5	4,889	3.9	5,274	7.9
Imports <sup>2/</sup>	1,515	128.9	1,365	-9.9	3,247	79.0	3,470	6.9
Total Supply <sup>3/</sup>	46,332	-0.3	50,064	8.1	125,622	1.7	130,055	3.5
Ending Commercial Stocks <sup>2/</sup>	5,793	-2.5	7,426	28.2	5,793	-2.5	7,426	28.2
Net Removals <sup>2/</sup>	45	-86.4	70	55.6	317	-54.6	221	-30.3
Commercial Disappearance <sup>3/</sup>	40,494	0.7	42,568	5.1	119,512	2.2	122,408	2.4
<b>SELECTED PRODUCTS <sup>5/</sup></b>								
Butter	255.3	-4.0	284.5	11.4	828.0	0.8	851.5	2.8
American Cheese	820.5	-2.4	960.1	17.0	2,495.4	1.7	2,666.6	6.9
Other Cheese	1,090.2	-1.9	1,178.3	8.1	3,218.9	1.2	3,386.9	5.2
Nonfat Dry Milk	198.2	-12.7	230.0	16.0	646.3	-7.6	619.1	-4.2
Fluid Milk Products <sup>6/</sup>	13,680.2	-0.4	13,864.0	1.3	41,038.7	-0.6	41,449.9	1.0

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

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF NOVEMBER 29 - DECEMBER 3			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 11/26/99	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	3,684,791	1,875,165	1,809,626	13,341,403	103,384	-0-	10,390,000
Fortified	639,282	-0-	639,282	1,548,551	-0-	-0-	-0-
<b>TOTAL</b>	<b>4,324,073</b>	<b>1,875,165</b>	<b>2,448,908</b>	<b>14,889,954</b>	<b>103,384</b>	<b>-0-</b>	<b>10,390,000</b>

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 29 - DECEMBER 3, 1999 =	0.5	28.5	COMPARABLE WEEK IN 1998 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1999 =	3.3	173.3	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	1.2
CUMULATIVE JANUARY 1 - DECEMBER 3, 1999 =	44.2	2,337.9	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 29 - DECEMBER 3, 1999 (POUNDS)

REGION	BUTTER		CHEESE				NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	-843,492	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	2,653,118	639,282
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-	257,937	-0-	1.7	0.0
WEST	-0-	-0-	-0-	-0-	14,632,017	103,384	99.3	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>14,889,954</b>	<b>103,384</b>	<b>100.0</b>	<b>100.0</b>

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 11/13/99 & 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:	WEEK SINCE JAN 1		
1999-Dairy cows HD (000)	0.2	1.0	7.1	6.3	21.5	2.4	2.9	0.6	10.9	2.8	55.6	2,261.3	43.8	45.8
1998-Dairy cows HD (000)	0.3	0.9	7.1	6.3	19.5	2.6	3.1	0.6	9.1	2.6	52.1	2,320.1	41.5	45.0
1999-All cows HD (000)	0.2	1.2	9.9	15.6	29.6	19.8	21.8	4.4	15.0	9.4	127.0	4,936.9		
1998-All cows HD (000)	0.3	1.4	9.9	18.5	27.3	20.6	20.9	6.2	12.0	8.5	125.6	5,153.3		

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		