

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/10):**

**BUTTER:** Grade AA closed at \$0.9075. The weekly average for Grade AA is \$0.9067(-.0141).

**CHEESE:** Barrels closed at \$1.1650 and blocks at \$1.1850. The weekly average for barrels is \$1.1320 (+.0245) and blocks, \$1.1470 (+.0270).

**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 are unsettled. The undertone remains weak. Many producers and handlers questioned the 1/4 cent increase in the cash price at midweek. Reports indicate that both fresh and frozen butter stocks are fully sufficient for current needs. Current churning schedules are seasonally active as cream volumes are readily available to butter operations from local and out of area sources. Butter demand is good. Many retail stores have scheduled or are running very favorably priced butter features. Producers and handlers anticipate this feature activity should clear large volumes of print butter. Food service orders are also good as restaurants and food service outlets meet year end holiday demand.

**CHEESE:** The cheese market is steady to higher with prices on the CME being increased on bids. Producers with cheese available are not anxious to sell product with the market increasing, especially when their year end inventory values also are increasing. Offerings are available for both process and natural cheese. Natural sales are seasonally good for orders into the year-end holiday weeks, but orders are lighter afterwards. Cheese production is active seasonally, reflecting increased milk availability. Stocks range from in balance to heavy. Cumulative U.S. estimated cheddar cheese output through ten months of 1999 totals 2.374 billion pounds, up 185.1 million pounds (8.5%) from the same period in 1998; and total cheese 6.560 billion pounds, up 363.5 million pounds (5.9%).

**FLUID MILK:** Milk production is increasing with the strongest gains appearing in the southern sections of the nation. Class I & II demand is generally good, yet not sufficient to clear excess supplies. Manufacturing intakes are increasing to alleviate some distressed volumes. Reports indicate mixed feelings regarding holiday and Y2K milk movement. Lower Class II condensed skim prices are becoming more competitive with NDM. Class III condensed skim is often a better buy over NDM. Cream supplies are plentiful and demand is mixed as holiday movement subsides and churning activity increases. Prices and

multiples moved lower. Cream supplies are anticipated to become problematic in the weeks to come. Holiday process cheese and eggnog production is strong.

**DRY PRODUCTS:** Dry product prices are generally unchanged to lower. More trades are beginning to appear below the support price on NDM. Production is steady even at higher condensed skim production levels. Inventories are running somewhat heavy and building. Buttermilk is showing seasonal signs of weakness in the West. Other regions of the country remain unchanged. The whey market is mostly steady as producers await the results of the Japanese tender. Demand from milk replacer facilities is increasing with a few resellers entering the trade and selling off stocks. The WPC market is generally steady for the fair demand. The lactose undertone is trending firm into the 1st quarter.

**CCC:** During the week of December 6 - 10, net purchases totaled 5,634,891 pounds of nonfortified and 1,190,050 pounds of fortified NDM, all from the West. The 6,824,941 pounds is the largest total since the week ending July 16, 1999 when purchases were 13,728,323 pounds.

**NOVEMBER AGRICULTURAL PRICES (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 1999 was unchanged at 117. Compared with November 1998, the index is up 3 points (2.6%). The index of prices received by farmers for dairy products declined 5 points during the month of November 1999 to 110. Compared with November 1998, the index was down 26 points (19.1%). On a 3.5% butterfat basis, prices received by farmers in November with changes from October were: for All Milk, \$14.07, down \$.67; Fluid Grade Milk, \$14.08, down \$.67; and for Manufacturing Grade Milk, \$10.81, down \$1.36.

**OCTOBER DAIRY PRODUCTS (NASS):** Butter production was 93.3 million pounds in October, 5.4% above October 1998 and 18.5% above September 1999. American type cheese production totaled 297.8 million pounds, 11.6% above October 1998 and 5.0% above September 1999. Total cheese output (excluding cottage cheese) was 665.0 million pounds, 5.2% above October 1998 and 4.2% above September 1999. Nonfat dry milk production, for human food, totaled 101.6 million pounds, 35.4% above October 1998 and 12.2% above September 1999. Dry whey production, for human food, was 88.5 million pounds, 5.9% above October 1998 but 1.6% below September 1999.

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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 DECEMBER 6	TUESDAY DECEMBER 7	WEDNESDAY DECEMBER 8	THURSDAY DECEMBER 9	FRIDAY DECEMBER 10	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1075 (N.C.)	\$1.1075 (N.C.)	\$1.1300 (+.0225)	\$1.1500 (+.0200)	\$1.1650 (+.0150)	+.0575	\$1.1320 (+.0245)
40# BLOCKS	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1500 (+.0300)	\$1.1600 (+.0100)	\$1.1850 (+.0250)	+.0650	\$1.1470 (+.0270)
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	\$.9050 (N.C.)	-----	\$.9075 (+.0025)	-----	\$.9075 (N.C.)	+.0025	\$.9067 (-.0141)

\*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, DECEMBER 6, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: NONE; BIDS UNFILLED: 2 CARS GRADE AA @ \$.8000; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$.9075

TUESDAY, DECEMBER 7, 1999

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

WEDNESDAY, DECEMBER 8, 1999

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ \$1.1450, 3 @ \$1.1500; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.1300, 2 @ \$1.1200; 2 CARS 40# BLOCKS: 1 @ \$1.1475, 1 @ \$1.1300; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1500  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$.9000; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$.9075, 1 @ \$.9050, 1 @ \$.9025, 1 @ \$.9000, 2 @ \$.8800; OFFERS UNCOVERED: NONE

THURSDAY, DECEMBER 9, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.1500, 1 @ \$1.1075; 3 CARS 40# BLOCKS: 1 @ \$1.1600, 1 @ \$1.1525, 1 @ \$1.1200; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 10, 1999

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.1500, 2 @ \$1.1600; 4 CARS 40# BLOCKS: 1 @ \$1.1600, 1 @ \$1.1575, 1 @ \$1.1950, 1 @ \$1.1850; BIDS UNFILLED: 5 CARS BARRELS: 1 @ \$1.1650, 2 @ \$1.1600, 2 @ \$1.1500; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.1900, 1 @ \$1.1925, 1 @ \$1.1950  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$.9075; BIDS UNFILLED: 2 CARS GRADE AA @ \$.8800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$.9375

**BUTTER MARKETS**

**OCTOBER BUTTER PRODUCTION**

During October, butter production in the United States totaled 93.3 million pounds, 5.4% heavier than last October and 18.5% above September. The following are percentage changes from October 1998: CA -3.3%, MN -12.8%, NY +14.1%, OR -9.7%, PA +55.2%, WA +108.6%, and WI -1.6%. Cumulative production for the first ten month of 1999 totals 960.0 million pounds, 8.5% heavier than the comparable period in 1998.

**NORTHEAST**

The market tone remains weak. More and more contacts feel that butter prices could approach, if not reach, the current support purchase price of \$.6500. Churning activity is moderate. Butter stocks, both fresh and frozen, are more than ample. Demand is slow to fair which is typical for the first week or two following Thanksgiving. Retail sales are slower, but food service orders are holding up quite well.

**CENTRAL**

Butter markets are generally weak, although the slight increase at mid week has some producers and handlers questioning market strength. Butter stocks continue to be reported as readily available. Strong butter production, coupled with inventories twice the level of last year at this time, has producers and handlers stating that stocks are more than adequate for current and projected near term needs. Of more concern is how much of the current inventories will be carried over

into next year. Current buying interest remains strong as retail outlets and restaurants meet year end holiday demand. Scheduled retail feature activity is expected to clear large volumes of print butter.

**WEST**

Most contacts are rating print sales at the retail level as excellent for the Thanksgiving holiday. Orders from food service accounts were also above expectations. Many accounts are reordering at a brisk pace to fill in depleted inventories. Feature activity is expected to be strong for the Christmas holidays also. Most contacts believe/hope that end of the year sales will be even stronger than for Thanksgiving. Cream supplies are heavy and readily available. Small volumes are leaving the region and heading east. Butter production is above expectations. Contacts are concerned about prospects for sales in the first quarter of 2000. Many manufacturing plants hope to have low inventories to start off 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	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
DECEMBER 4	1.1238 4,697,194	1.0878 8,651,140	1.0115 18,231,451	0.9632 3,852,364	0.1861 6,752,867

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

CHEESE MARKETS

NORTHEAST

Prices are unchanged on most natural items; one-cent higher on process. The market tone is steady, but unsettled. Milk production and surplus volumes are increasing and most Eastern cheese makers are being offered more milk than they would like. Milk pricing is a factor in their decision to take on outside milk. Cheese stocks are more than adequate to meet current needs. Retail movement is a little slower, but food service orders are good as restaurants enjoy the increased traffic normally seen during the Christmas shopping season.

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	:	1.3200-1.4700
Process 5# Sliced	:	1.3400-1.5725
Muenster	:	1.3175-1.6200
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady. Orders for holiday needs are mostly good. Some plant managers are having difficulty in filling some specialty cheese orders with lead times steady to longer. Cutters are operating on extended schedules. Process interest is relatively steady at moderate to good levels. Some interest is expressed about how long it will take for milk receipts to adjust to the sharply lower milk prices (November BFP of \$9.79). Estimated October total cheese output in selected Midwestern states compared to October 1998 are: Wisconsin 182.2 million pounds, down 1.8 million pounds (1.0%); Minnesota 57.7 million pounds, up 12.4 million pounds (27.3%); Iowa 22.0 million pounds, up 1.1 million pounds (5.2%); and Missouri 14.0 million pounds, down 1.5 million pounds (9.9%).

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

Process American 5# Loaf	:	1.2875-1.7300
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	:	DECEMBER 6 - 10, 1999
BARRELS*	:	\$1.1075 - 1.1300 (NOMINAL)
	:	(\$0.100) (.0100)
40# BLOCKS	:	\$1.1200 - 1.1550 (NOMINAL)

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

WEST

Very little price activity is noted for Western cheese this week. Demand is generally lackluster. Orders are being placed on an as needed basis. Some buyers see some urgency in making purchases now that prices are "on the bottom." Overall sales volumes are rated as not all that bad, the problem is that offerings are too heavy. Some manufacturing plants are looking at ways to reduce their milk intakes with little success. The issue of offering cheese to the government price support program is still on the minds of many Western producers. Total cheese production in October stands at 665.0 million pounds, up 5.2% from October 1998. Output for selected Western states compared to last year is as follows: California up 5.2%, Idaho up 11.3%, Utah up 26.6%, and Washington down 17.4%. Cumulative output for the U.S. for the first ten months of the year is 6.56 billion pounds, up 5.9% from the same period in 1998. Swiss cheese production in October is 17.2 million pounds, up 13.2% from last year.

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

Process 5# Loaf	:	1.2625-1.5225
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#	:	2.2700-2.4500

FOREIGN

Prices are mostly unchanged and the market tone is steady. Some importers have increased orders for Roquefort as French suppliers are offering sizeable discounts through the end of the year. Apparently, they have heavier than desired stocks that they are trying to clear. Recently, there were growing concerns in the U.S. about shortages in Roquefort and prices moved sharply higher. Consumption of foreign type cheeses is improving toward its annual peak during the year-end holidays.

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 (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 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	
:			
12/06/99	6,676	:	108,661
12/01/99	6,193	:	110,847
CHANGE	483	:	-2,186
% CHANGE	8	:	-2

Based on the historical relationship of the preliminary U.S. Cold Storage report of October 31, 1999 and the selected centers storage report, the expected U.S. holdings as of December 1, 1999 are:

Butter 21 million pounds plus or minus 4.98 percent  
Cheese 417 million pounds plus or minus 2.52 percent

FLUID MILK AND CREAM

E A S T

Following the announcement of the November BFP, Eastern Milk Market Administrators announced changes to their Class III and III-A prices. The November BFP is \$9.79, down \$1.70 from October. In all Eastern orders, the November Class III prices are \$1.70 lower than October. The November Class III-A is \$11.63 in orders 1 & 2, \$11.65 in order 4, and \$11.57 in all other Eastern orders. The butterfat differential is \$0.107. The first price announcement under the recently signed legislation allowing Federal Order Reform using Option 1A will be on December 23. This will give the January 2000 Class I & II milk prices. Milk production is increasing in the East with the best gains appearing in Southern areas. Florida is not importing any extra loads this week. This compares to 42 loads imported at this time last year. Regular contractual shipments are also down. Good Class I demand is not moving enough milk to clear excess supplies. Manufacturing plants are operating at less than capacity levels with the anticipation of going to full capacity by the end of next week. Holiday milk will begin to appear in the next week as schools are beginning to close as early as December 17. Class II condensed skim prices are unchanged to lower and movement is mixed. Lower priced NDM is competing with some higher priced condensed. Producers at the lower end of the range are clearing product with less difficulty into mostly ice cream facilities. Negotiations are being made for movement during the holidays with some talk of discounts. Class III condensed skim prices are a better bargain compared to NDM. Movement is generally steady and prices are unchanged. Supplies of cream are plentiful for the good holiday demand. Movement is best into ice cream and cream cheese facilities. Supplies are anticipated to become problematic after the holiday demand subsides. Production is generally steady. In addition to a price decline in the weekly CME AA butter average, multiples moved lower resulting in price decreases in cream. Churning activity is seasonally steady. Production of cream cheese, coffee creamer, and egg nog is strong.

a Southern federal order. At this time, there seems to not be any significant volume of distressed or surplus milk looking for a home. In instances, milk handlers are willing to take advantage of available offerings at fairly good prices. Cheese milk is in good demand as cheese producers continue to meet improved holiday cheese orders. Some milk handlers are already looking forward to the end of the month holiday period with mixed opinions. Some feel that milk will be surplus during this time, but do not anticipate problems in handling the volumes. Others feel that milk volumes will probably not be as heavy as past years due to good bottled milk demand for that final week of the month. Some are stating that retailers anticipate fluid sales to be stronger due to consumers preparing for Y2K. Retailers are stating that consumers react to bad weather forecasts with "panic buying", thus they anticipate the new year period might also generate this type of buying pattern.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 02 - 08	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.50- 42.00	\$ 28.00- 32.00
REPLACEMENT HEIFER CALVES	\$270.00-350.00	\$185.00-220.00

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

	DEC 02 - 08	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 40.50	\$ 30.00- 37.75

W E S T

Milk production across the Southwest continues to outpace year ago levels and conditions remain highly favorable for growth. Weather conditions are not a factor, although seasonal rainfalls across northern California are tempering milk output there. In central and southern milk producing areas of the state, weather conditions are typically dry and temperatures are moderate. Plants are running at high levels to process milk and added capacity coming on line is welcomed. Processors are not expecting plant problems with the year end holidays nor Y2K. The main concern being expressed is that the anticipation of problems may have some processors doing irrational planning or shutdowns. Thus, the expectation of problems would be the problem. Cream demand is limited and cream is most often being directed to local churns for processing. Cream prices are lower, reflecting lower butter prices. Wet weather with cooler temperatures is the rule over the Pacific Northwest. Most of the problems caused by the Thanksgiving flooding are now under control. Due to some extra work by handlers and producers the dairy industry suffered very little disruption. Current conditions are moderate enough to not be causing any problems with milk production. Output remains seasonally strong. Culling rates remain light with heifer prices continuing to be firm. The current very low benchmark milk prices have not had much impact at this point on the decision making process at the dairy producer level. Most feed and hay needs are covered for the winter feeding season. Dairy quality hay supplies are in a much tighter position currently and feed prices have shown some strength in recent weeks. All of these negative factors are expected to eventually bring milk production down somewhat. Parts of Idaho and Utah are finally getting some much needed rain and snow this week. Contacts believe that fall seeded crops are under quite a bit of stress from the continued dry conditions and hope for some moisture before the ground freezes up. Alfalfa stands could also use a shot of rain before dormancy. Milk production is heavier than anticipated over much of the region.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.1786-1.2615
DELIVERED EQUIVALENT ATLANTA	-	1.1694-1.2615 M 1.2155-1.2339
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.1602-1.2431

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0800-1.3400
NORTHEAST- CLASS III - SPOT PRICES	- .9000-1.0000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
DECEMBER 03 - 09, 1999	14
PREVIOUS WEEK	20
COMPARABLE WEEK IN 1998	17

DESTINATIONS: MISSOURI 14

Class I and II demand is reported to be quite good this week. Milk handlers are attributing the stronger demand to favorable and frequent milk features at the retail level and increased egg nog production as the year end holidays near. Besides the reported milk shipments, 19 loads were again direct shipped to Kentucky, 17 loads to Georgia, and 7 loads to Missouri, all being pooled under

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 12/09/99 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 weak market. Unconfirmed trades are being reported below the range. Some producers are having a hard time competing with product being imported from the East and West. Production is mostly steady with anticipated increases as schools close down for the holidays in the weeks to come. Inventories are adequate to heavy and building. Movement is slow with most product clearing on regular commitments. High heat production is minimal as most producers work off of current stocks or produce on an as need basis. Production of human food, nonfat dry milk during October 1999 totaled 101.6 million pounds, up 35.4% from October 1998 and 12.2% above September 1999. Month ending stocks, at 91.6 million pounds, are 94.0% above a year ago and 5.1% more than September 1999.

Includes EXTRA GRADE and GRADE A, low and medium heat  
 NONFAT DRY MILK: 1.0000 - 1.0400 MOSTLY: 1.0200 - 1.0400

**DRY BUTTERMILK - CENTRAL**

Prices continue unchanged on a mostly steady market. Interest in dry buttermilk is very light. Production is consistent with past weeks. Condensed demand is fairly good into ice cream facilities. Inventories are in balance to meet regular commitments. Offers are reported at the lower end of the range. Less than trucklot quantities remain available at good premiums. Dry buttermilk production during October 1999 totaled 3.8 million pounds, up 2.3% from October 1998 and 18.9% higher than September 1999. Month ending stocks, at 5.2 million pounds, are 87.1% above last year and 7.0% higher than last month.

BUTTERMILK: .7700 - .8500

**DRY WHEY - CENTRAL**

Prices are mixed as the market settles to the current level. Discounting is less common with some resellers entering the market at lower end prices. Most producers are in good balance to sold out as the year end approaches. Movement into milk replacer and export markets is good. Feed buyers are unsure as to why the demand is picking up. Some believe that farmers will produce more milk in light of the lower milk price while others think it is quick buying before Y2K. Traders are reporting minimal activity on spot shipments of whey. Condensed whey is reported in good supply. Production of human food, dry whey during October 1999 totaled 88.5 million pounds, 5.9% more than October 1998 but 1.6% below September 1999. Month ending stocks, at 43.6 million pounds, are 34.0% above a year ago yet 11.0% lower than September 1999.

NONHYGROSCOPIC: .1775 - .1900 MOSTLY: .1775 - .1850

**ANIMAL FEED WHEY - CENTRAL**

Prices remain unchanged on a generally steady market. Mixed reports continue on delactose as producers report a strong demand while buyers express wavering thoughts about continuing delactose use in some of their formulas. With off grade WPC available at good discounts, buyers are sometimes finding WPC a better buy. Some off grade delactose remains available for the good interest. Milk replacer movement is steady. Sub-standard product remains available at prices below the range. The veal market is steady. Barrows and gilts continue to trade higher while early weaned pig prices move lower. Production of animal feed dry whey during October 1999 totaled 6.0 million pounds, 15.8% lower than a year ago and 5.7% less than September 1999. Month ending stocks, at 9.3 million pounds, are 93.3% above October 1998 and 4.1% higher than last month.

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. Producers unable to contract prices at the average for the 4th quarter are now trading spot loads at the average and negotiating higher for the 1st quarter. Production remains strong with good movement into Asia and some new interest appearing into Mexico. Freight rates continue to be a competitive factor for some producers as EU suppliers are able to offer lower rates. Movement on the higher mesh sizes is the heaviest as producers cannot meet current demand. Off grade product is tight in supply for the light feed interest. Lactose production during October 1999 totaled 39.0 million pounds, up 5.9% from October 1998 and 1.0% above September 1999. Month ending stocks, at 20.7 million pounds, are 21.7% lower than a year ago yet up 17.4% from last month. Production totals for selected regions with changes from 1998 include: East North Central, 8.9 million pounds, +4.0%; West North Central, 13.9 million pounds, +14.6%; West, 15.1 million pounds, +11.7%.

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 on a generally steady market. Trader interest in WPC is minimal. Demand from milk replacer facilities is improving with the best movement being reported on regular commitments and export markets. Plenty of off grade product is available and competitive with the Extra Grade market. Condensed supplies have loosened some with prices reported at 4-6 cents under the average. Condensed movement continues good into process cheese and feed facilities. Inventories are adequate to tight with some Midwest producers sold out of product. Production of human food WPC during October totaled 27.5 million pounds, up 31.5% from October 1998 and 7.0% higher than last month. Manufacturers' end-of-month stocks totaled 17.5 million pounds, 36.1% higher than a year ago and 2.7% above September 1999.

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

**NONFAT DRY MILK - WEST**

Prices are lower on the bottom of the range for low/medium heat NDM. Producers with inventory concerns are lowering prices to move stocks. Sales below \$1.01 are a little disconcerting for producers who are offering to the CCC with their concern that the support price should be a floor price. Production is active with high milk production in the region. Demand has slowed both from domestic and DEIP accounts. More condensed skim is being used in cheese production, replacing NDM. Stocks are growing. High heat prices are unchanged with little changes noted in market conditions. During the week of November 29 - December 3, CCC net purchases totaled 2.4 million pounds of NDM from Western sources. U.S. NDM production in October totaled 101.6 million pounds, up 35.4% from last year and 12.2% more than last month. Cumulative output through ten months of 1999 totals 1.15 billion pounds, up 20.6% from 1998. Stocks at the end of October were reported at 91.6 million pounds, up 94.0% from last year and 5.1% higher than last month. October production in California totaled 49.4 million pounds, up 18.9% from last year, and Washington output totaled 15.1 million pounds, up 42.7% from a year ago.

Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9800 - 1.0200 MOSTLY: 1.0000 - 1.0150  
 HIGH HEAT: 1.0200 - 1.0450

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are lower and the market tone weaker. Supplies are in excess of current demand. Producers are lowering prices to stimulate interest and keep stocks moving. Production remains active following heavy churning schedules in the regions. Stocks are light to moderate and available at most plants. U.S. buttermilk powder production in October totaled 3.8 million pounds, up 2.3% from last year and 18.9% higher than September. Stocks at the end of the month were reported at 5.2 million pounds, up 87.1% from a year earlier and 7.0% above September.

BUTTERMILK: .6700 - .8000 MOSTLY: .7000 - .7200

**DRY WHEY - WEST**

Western whey prices range from steady to lower. Higher inventory levels at some locations are causing offering prices to decline to spur sales. Other locations report good activity and steady prices. Production does continue to be higher than expected. A tender for export sales to the Far East is due in at the end of this week. There are differences of opinion about how successful the U.S. will be in getting any of the tender. U.S. edible whey production in October totals 88.5 million pounds, up 5.9% from last year. Output for selected Western states compared to last year is as follows: California up 12.0%, Utah up 116.9% and Washington up 8.9%.

NONHYGROSCOPIC: .1900 - .2225 MOSTLY: .2000 - .2050

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
December 3	\$1.0125	12,692,841
November 26	\$1.0109	8,762,765

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 on a weak market. Unconfirmed trades below the range are being reported. Production is mixed. In some areas of the North, production is down as lower condensed skim prices divert milk away from NDM and into condensed skim facilities. In the South, excess milk supplies are being diverted to NDM facilities. Inventories are mostly in balance to instances long. Movement is best on regular commitments with minimal spot activity. DEIP bids continue to clear some of the excess supply. High heat demand is light with most producers making the product on an as need basis. Production of human food, nonfat dry milk during October 1999 totaled 101.6 million pounds, up 35.4% from October 1998 and 12.2% above September 1999. Month ending stocks, at 91.6 million pounds, are 94.0% above a year ago and 5.1% more than a month ago.

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 on a steady market. Traders continue to await seasonal increases in dry buttermilk production. Condensed movement is good with supplies a little more available than in past weeks. Inventories of dry product are in good balance to meet regular commitments. Spot interest is very light. Dry buttermilk production during October 1999 totaled 3.8 million pounds, up 2.3% from October 1998 and 18.9% more than September 1999. Month ending stocks, at 5.2 million pounds, are 87.1% more than a year ago and 7.0% above last month.

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

**DRY WHOLE MILK - NATIONAL**

Prices are lower as the market adjusts to the decrease in the November BFP and the weekly CME AA butter average. Contract negotiations for next year are beginning to wind down with some buyer resistance noted because of the upcoming changes in federal orders. Movement is slow although improved over last month. Some buyers were awaiting price changes before making additional purchases. DEIP interest continues to keep inventories in balance. Dry whole milk production during October 1999 totaled 11.2 million pounds, down 19.2% from October 1998 but 40.4% above September 1999. Month ending stocks, at 5.5 million pounds, are 7.2% above a year ago but 9.6% less than last month.

F.O.B. PRODUCING PLANT: 1.0800 - 1.2700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH DECEMBER 3, 1999  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	66,190	MT (145,922,474 LBS)
CHANGE	--	4,981	MT (10,981,112 LBS)
WHOLE MILK POWDER	--	4,181	MT (9,217,433 LBS)
CHANGE	--	1,006	MT (2,217,828 LBS)
CHEESE	--	1,150	MT (2,535,290 LBS)
CHANGE	--	63	MT (138,890 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 unchanged on a generally steady market. Some unconfirmed Grade A bulk trades are being reported below the range. Extra Grade stocks are in balance to occasionally tight. Movement is best into export markets and feed facilities. Production is generally steady with good supplies of condensed available for the light interest. Production of human food, dry whey during October 1999 totaled 88.5 million pounds, 5.9% more than October 1998 but 1.6% below the revised figure for September 1999. Month ending stocks, at 43.6 million pounds, are 34.0% above last year but 11.0% less than a month ago.

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

**ANIMAL FEED WHEY - NORTHEAST**

Prices are too few to report on a mostly steady market. Plenty of milk replacer quality product is available for the fair demand and moving at good discounts. Inventories are mostly in balance to instances long as producers work to clear stocks before the year end. Production of animal feed dry whey during October 1999 totaled 6.0 million pounds, 15.8% lower than a year ago and 5.7% less than September 1999. Month ending stocks, at 9.3 million pounds, are 93.3% above October 1998 and 4.1% higher than last month.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. A good supply of milk and lower milk prices are encouraging steady production. Last year producers were concerned over the escalating milk price. Demand is fair and best on regular commitments. Canned evaporated milk production during October 1999 totaled 43.9 million pounds, 0.1% more than October 1998 and 20.6% more than September 1999. Month ending stocks, at 40.0 million pounds, are 17.6% less than a year ago and 30.6% 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**

Casein prices are generally unchanged, although the market tone is firm. Supplies in Europe are reported to be limited with Oceania stocks also on the tighter side. Overall, prices are higher from international sources. Domestic buyers are reluctant to be paying higher prices, but feel that prices should moderate once seasonal milk production in Europe resumes during the first quarter of the new year.

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

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	11/24	11/25	11/26	11/29	11/30	12/01	12/02	12/03	12/06	12/07
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**CSCE/NYBT - BFP -- Dollars per cwt.**

NOV 99	10.10 (178) 0	NO TRADING	NO TRADING	10.08 (179) 1	10.10 (178) 1	9.90 (178) 0	9.85 (178) 0			
DEC 99	10.33 (136) 1			10.40 (136) 0	10.28 (138) 2	10.00 (140) 3	10.00 (140) 1	9.85 (141) 3	9.70 (141) 0	9.70 (141) 3
JAN 00	10.90 (57) 1			10.90 (57) 0	10.90 (57) 0	10.85 (57) 1	10.85 (57) 0	10.85 (57) 0	10.65 (58) 1	10.55 (59) 1
FEB 00	10.85 (33) 0			10.98 (34) 0	10.90 (34) 0	10.88 (34) 0	10.90 (35) 1	10.90 (36) 1	10.63 (39) 3	10.63 (39) 0
MAR 00	11.15 (24) 0			11.20 (24) 0	11.15 (24) 1	11.15 (25) 1	11.15 (25) 0	11.15 (26) 1	11.05 (28) 2	10.90 (29) 1
APR 00	11.35 (17) 0			11.35 (17) 0	11.25 (17) 0	11.25 (17) 0	11.25 (18) 1	11.25 (20) 2	11.20 (21) 1	11.03 (22) 1
MAY 00	11.43 (14) 1			11.43 (14) 0	11.40 (15) 1	11.40 (15) 0	11.40 (16) 1	11.25 (17) 1	11.25 (19) 2	11.20 (20) 1
JUN 00	11.80 (9) 0			11.80 (9) 0	11.80 (9) 0	11.75 (10) 1	11.75 (11) 1	11.70 (12) 1	11.70 (13) 1	11.70 (14) 1
JUL 00	12.55 (6) 0			12.55 (6) 0	12.55 (6) 0	12.55 (8) 2	12.55 (8) 0	12.55 (8) 0	12.48 (9) 1	12.48 (10) 1

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

FEB 00	102.60 (47) 0	NO TRADING	102.60 (47) 0	102.00 (47) 0	99.00 (64) 24	97.50 (79) 20	97.50 (79) 0	96.50 (100) 23	98.00 (100) 0	98.00 (100) 0
MAR 00	104.00 (41) 2		104.00 (41) 0	102.750 (53) 14	100.00 (64) 12	98.50 (82) 30	99.50 (82) 0	100.00 (84) 2	100.00 (84) 0	101.00 (84) 1
MAY 00	109.00 (50) 4		108.00 (50) 0	106.50 (58) 9	105.00 (62) 10	103.50 (65) 11	103.525 (65) 0	102.00 (71) 6	102.00 (71) 0	102.00 (71) 0
JUL 00	113.00 (38) 6		112.00 (39) 1	110.50 (48) 14	109.250 (62) 14	107.475 (79) 21	107.50 (81) 2	107.00 (88) 7	107.075 (96) 8	107.075 (96) 0

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

NOV 99	10.12 (1092) 10	NO TRADING	10.12 (1092) 3	10.10 (1082) 38	10.05 (1101) 54	9.85 (1098) 22	9.85			
DEC 99	10.40 (929) 4		10.40 (939) 10	10.35 (927) 23	10.25 (928) 17	9.98 (942) 54	9.96 (939) 42	9.90 (958) 15	9.69 (969) 74	9.67 (979) 13
JAN 00	10.78 (754) 14		10.78 (754) 0	10.89 (754) 2	10.85 (754) 8	10.77 (765) 13	10.80 (765) 5	10.75 (763) 21	10.60 (763) 10	10.47 (768) 14
FEB 00	10.85 (569) 9		10.85 (569) 1	10.85 (581) 12	10.77 (588) 9	10.81 (594) 17	10.85 (594) 4	10.75 (594) 11	10.60 (602) 19	10.56 (602) 3
MAR 00	11.18 (498) 15		11.18 (498) 0	11.16 (500) 5	11.07 (508) 11	11.07 (510) 4	11.12 (509) 1	11.07 (510) 6	10.93 (530) 28	10.85 (539) 18
APR 00	11.46 (356) 8		11.46 (356) 0	11.45 (357) 8	11.30 (368) 11	11.34 (373) 11	11.34 (374) 1	11.25 (383) 13	11.22 (395) 16	11.05 (392) 13
MAY 00	11.47 (290) 6		11.47 (290) 0	11.41 (301) 26	11.40 (308) 16	11.41 (315) 9	11.43 (315) 4	11.30 (330) 27	11.25 (333) 14	11.15 (341) 16
JUN 00	11.78 (189) 0		11.78 (189) 0	11.75 (188) 2	11.70 (192) 7	11.70 (196) 9	11.70 (197) 1	11.67 (211) 21	11.65 (224) 23	11.65 (258) 48
JUL 00	12.55 (125) 1		12.55 (125) 0	12.55 (126) 3	12.54 (148) 25	12.54 (150) 2	12.55 (151) 5	12.55 (164) 13	12.52 (192) 35	12.45 (229) 87

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

DEC 99	128.00 (0) 0	NO TRADING	128.00 (0) 0	128.00 (0) 0	128.00 (0) 0	128.00 (0) 0	128.00 (0) 0	128.00 (0) 0	128.00 (0) 0	125.50 (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 29 - December 10, 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:** Weather and market conditions in Europe are much the same as they have been for the past month or so. Early winter weather conditions are occurring in many areas, although not having any significant negative impact on dairy markets. Milk production is at the seasonal low level. Stocks of European produced dairy products are limited, thus traders and handlers indicate that they can not be competitive at this time. This is the major negative factor currently. Dry conditions during the summer, heavier cheese production versus other manufactured dairy products, and heavy intervention offerings are three factors that traders and producers say are contributing to the lack of supply at this time. For the most part, internal markets are setting the tone, with international trading limited, although traders feel that there is buyer interest. International sales are not occurring from Europe due to limited available stocks. The recent near parity level for the Euro and a strong dollar are not helping European sales either. Stocks of intervention skim powder continue to re-enter the European market. Much of the powder is entering animal feed channels with some also clearing as food aid to Russia.

**BUTTER/BUTTEROIL:** European butter markets are generally steady at unchanged prices. As with most European manufactured dairy products, stocks of butter are also tight. Current sales activity is centering around local or domestic needs. Producers feel that milk volumes might become more available to butter/powder operations at the end of the month, thus generating some fresh butter for current needs. Small lot shipments continue to clear to Russia.

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

**SKIM MILK POWDER (SMP):** Skim powder markets are steady at unchanged prices. Stocks are reported to be tight for new buyer interest. For the most part, shipments are occurring on contracted volumes, with some producers/traders having difficulty in filling these commitments. Powder is re-entering the market from intervention. The majority of this powder is clearing into animal feed channels with some destined to Russia as food aid. Some powder producers anticipate that milk may be directed toward them during the upcoming year-end holiday period which would generate some fresh product which should easily clear the market.

1.25% BUTTERFAT: 1,400 - 1,450

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady at unchanged prices. Stocks are limited to the point that available supplies are destined for local/regional needs only. Late season milk volumes are being directed toward cheese output, thus limiting any new whole milk powder production. For the most part, European trader feel that they are out of the market until the new milk production season resumes.

26% BUTTERFAT: 1,550 - 1,650

**SWEET WHEY POWDER:** European whey markets are steady to firm. Prices are basically unchanged, although slightly higher on the lower end of the reported range. Cheese production in Europe is seasonally strong as cheese demand remains aggressive and supplies are less than fully available. Of European dairy product stocks, whey is reported to be the most available, although higher prices than buyers are willing to pay are limiting new sales activity.

NONHYGROSCOPIC: 520 - 580

**OVERVIEW: EASTERN EUROPE:** Eastern European milk production is also at seasonal low levels. As in Western Europe, lack of manufactured dairy product stocks is the leading concern at this time. Most stocks are clearing to local markets with minimal or basically nothing available for international demand. Producers and traders do not foresee much improvement in supplies until the new milk production season resumes in the spring.

**OCEANIA**

**OVERVIEW:** Milk production in both New Zealand and Australia is now on the downward side of seasonal output in all areas. Milk output in both countries remains strong when compared to last production season. In New Zealand, very early reports are indicating that possibly the milk decline in that country is occurring somewhat faster than anticipated, although milk volumes continue to be fully sufficient at this time. Overall stocks of manufactured dairy products from the Oceania region are reported to be in balance with current needs and, for the most part, committed into the first quarter of 2000. Ongoing international sales keep stocks moving with producers and handlers comfortable with their inventories at this time. Oceania traders report that overall sales activity is fairly steady, although some feel that sales will probably slow during the next few weeks as the year end holidays and the new year approaches. Traders report that there seems to be hesitancy on the part of some buyers to place orders for late in the month, thus current orders and shipments are somewhat heavier. In Victoria, the major milk producing region of Australia, producers are now voting on deregulation. If approved, deregulation of the Australian dairy industry will begin July 1, 2000.

**BUTTER:** Oceania butter markets are reported to be steady at unchanged prices. Traders report that ongoing sales are clearing stocks to the point that they are comfortable with supplies in relationship with demand. For the most part, reports indicate that butter stocks are fully committed and are in close balance. Butter handlers anticipate near term demand to slow until after January 1. Outside of regular butter customers, overall international buyer interest is slow. Russian buyer interest has not developed at all to the level of past seasons.

82% BUTTERFAT: 1,200 - 1,250

**CHEDDAR CHEESE:** Oceania cheese markets are generally steady with prices unchanged to slightly higher on the lower end of the reported range. Cheese production is edging lower as milk production declines seasonally. For the most part, cheese stocks are sufficient to maintain ongoing shipments to regular customers, although reports indicate that stock levels are not that heavy. Oceania traders remain comfortable with inventory levels in relationship to current and projected orders.

39% MAXIMUM MOISTURE: 1,675 - 1,750

**SKIM MILK POWDER (SMP):** The skim milk powder market is basically steady at unchanged prices. Stocks of Oceania skim powder are in close balance to short of full trade needs. Traders attribute their limited supply to ongoing steady orders and limited stocks in Europe. Milk production is seasonally declining in both New Zealand and Australia, thus most producers do not anticipate much relief until later in the first quarter.

1.25% BUTTERFAT: 1,400 - 1,450

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady at unchanged prices. Reports indicate that stocks are basically fully committed and in close balance, but sufficient to maintain ongoing regular customer sales activity. New international buyer interest is light with Oceania traders indicating that they would be hard pressed to acknowledge immediate or near term shipments.

26% BUTTERFAT: 1,475 - 1,500

Exchange rates for selected foreign currencies: December 6, 1999

.4641 Dutch Guilder	.5228 German Mark
.1559 French Franc	.5075 New Zealand Dollar
.1056 Mexican Peso	.6354 Australian Dollar
1.6203 British Pound	.0097 Japanese Yen
.2391 Polish Zloty	1.0227 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1056) = 9.4697$ . That is 1 US Dollar equals 9.4697 Mexican Pesos.

Source: "Wall Street Journal"

**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
Nov	11/6,13	1.0695	1.2521	1.0184	0.1901	11/6,13,20,27	1.0637	1.2058	1.0168	0.1917

<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	16.56	12.26	9.79	10.57	11.57	11.54
December	11.49	11.59						

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
November	1.1582	2.0696	0.0565	.00060

## NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 1999 was unchanged at 117. Compared with November 1998, the index up 3 points (2.6 percent). The index of prices received by farmers for dairy products declined 5 points during the month of November 1999 to 110. Compared with November 1998, the index was down 26 points (19.1 percent).

On a 3.5 percent butterfat basis, prices received by farmers in November with changes from October were: for All Milk, \$14.07 per hundredweight (cwt.), down \$.67; Fluid Grade Milk, \$14.08 per cwt., down \$.67; and for Manufacturing Grade Milk, \$10.81 per cwt., down \$1.36.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., NOVEMBER 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	
	OCTOBER		NOVEMBER		NOVEMBER		NOVEMBER		NOVEMBER	
	1999 <u>2/</u>	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	14.31	17.59	13.73	16.88			33.00	29.50	80.00	86.00
ID	12.42	16.21	10.75	17.29			30.70	27.70	84.00	86.00
MI	15.99	16.77	16.00	17.01			34.50	29.80	64.00	97.00
MN	13.39	17.25	11.51	18.05			35.00	31.00	64.00	68.00
NY	15.26	16.90	15.29	17.17			---	---	114.00	92.00
OH	15.96	16.57	16.08	16.96			33.00	28.70	114.00	99.00
PA	16.23	17.40	16.58	17.45			35.10	31.30	138.00	114.00
TX	16.28	17.38	16.39	17.53			30.40	28.40	71.00	82.00
WA	14.28	17.17	12.23	16.84			---	---	103.00	96.00
WI	13.27	17.14	11.56	17.78			35.60	30.40	47.00	79.00
U.S.	14.74	17.10	14.07	17.30			33.00	29.70	74.00	81.40

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., NOVEMBER 1999 WITH COMPARISONS

ITEM	NOVEMBER 1998	OCTOBER 1999 <u>1/</u>	NOVEMBER 1999 <u>2/</u>
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., 3.5 percent butterfat:			
All milk	17.30	14.74	14.07
Fluid grade milk	17.30	14.75	14.08
Manufacturing grade milk	16.48	12.17	10.81
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	99	91	93
Prices received by farmers for dairy products	136	115	110
Prices paid by farmers for commodities and services, interest taxes, and wage rates	114	117	117
Prices paid by farmers for production items	110	113	114
Prices paid by farmers for feed	102	99	101
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	4.23	4.06	3.86

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 (11/99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

OCTOBER 1999 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 93.3 million pounds in October, 5.4 percent above October 1998 and 18.5 percent above September 1999. **AMERICAN TYPE CHEESE** production totaled 297.8 million pounds, 11.6 percent above October 1998 and 5.0 percent above September 1999. **TOTAL CHEESE** output (excluding cottage cheese) was 665.0 million pounds, 5.2 percent above October 1998 and 4.2 percent above September 1999. **NONFAT DRY MILK** production, for human food, totaled 101.6 million pounds, 35.4 percent above October 1998 and 12.2 percent above September 1999. **DRY WHEY** production, for human food, was 88.5 million pounds, 5.9 percent above October 1998 but 1.6 percent below September 1999. **ICE CREAM** (hard) production totaled 62.5 million gallons, 3.6 percent below October 1998 and 12.9 percent below September 1999.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	OCT 1999	PERCENT CHANGE FROM:			PRODUCT	OCT 1999	PERCENT CHANGE FROM:		
	1,000 LBS.	OCT 1998	SEP 1999	YEAR TO DATE 1/		1,000 LBS.	OCT 1998	SEP 1999	YEAR TO DATE 1/
BUTTER	93,312	5.4	18.5	8.5	DRY BUTTERMILK	3,751	2.3	18.9	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	133,970	2.4	-12.0	---
AMERICAN TYPES 2/	* 297,798	11.6	5.0	8.6	CONDENSED WHEY, SOLIDS CONTENT 7/				
CHEDDAR	234,182	14.0	5.0	8.5	SWEET-TYPE, HUMAN FOOD	5,755	-14.4	-32.8	---
SWISS	17,188	13.2	-0.7	---	SWEET-TYPE, ANIMAL FEED	1,047	-22.8	-25.5	---
BRICK & MUENSTER	6,530	-29.2	-5.7	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	64,533	2.9	12.6	---	DRY WHEY, HUMAN FOOD	88,509	5.9	-1.6	---
BLUE	4,752	5.3	8.8	---	DRY WHEY, ANIMAL FEED	6,041	-15.8	-5.7	---
HISPANIC	7,249	11.2	-5.2	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	205,024	2.4	1.5	6.8	HUMAN FOOD	6,174	8.0	1.4	---
OTHER ITALIAN TYPES	51,490	-7.2	6.1	-4.7	ANIMAL FEED	3,027	10.3	3.5	---
TOTAL ITALIAN TYPES	256,514	0.3	2.4	4.3	LACTOSE, HUMAN FOOD & ANIMAL FEED	38,999	5.9	1.0	---
ALL OTHER TYPES	10,395	-8.9	-2.6	---	WHEY PROTEIN CONCENTRATE				
TOTAL	664,959	5.2	4.2	5.9	HUMAN FOOD	27,544	31.5	7.0	---
COTTAGE CHEESE, CURD 3/	37,541	-4.1	-6.1	---	ANIMAL FEED	3,496	4.9	-2.3	---
COTTAGE CHEESE, CREAM 4/	29,149	-4.2	-6.7	-3.0	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
COTTAGE CHEESE, LOWFAT 5/	29,251	-3.3	-7.1	-0.6	ICE CREAM (HARD)	62,528	-3.6	-12.9	-2.9
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	7,766	1.0	-6.2	---
WHOLE MILK	43,858	0.1	20.6	---	ICE CREAM, LOWFAT (SOFT)	19,921	-6.8	-17.7	---
DRY WHOLE MILK	11,218	-19.2	40.4	---	ICE CREAM, LOWFAT (TOTAL)	27,687	-4.7	-14.8	-6.2
NONFAT DRY MILK, HUMAN FOOD	6/ 101,600	35.4	12.2	20.6	SHERBET (HARD)	3,396	-4.3	-20.5	0.6
DRY SKIM MILK, ANIMAL FEED	406	44.5	9.4	---	YOGURT, TOTAL	5,592	-17.6	-20.0	0.8

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	OCT 1999	PERCENT OF:		PRODUCT	OCT 1999	PERCENT OF:	
	1,000 LBS.	OCT 1998	SEP 1999		1,000 LBS.	OCT 1998	SEP 1999
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	43,569	34.0	-11.0	HUMAN FOOD	17,523	36.1	2.7
DRY WHEY, ANIMAL FEED	9,283	93.3	4.1	ANIMAL FEED	1,480	3.6	36.5
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	10,672	2.7	-16.0	CANNED EVAPORATED & CONDENSED WHOLE MILK	40,032	-17.6	-30.6
LACTOSE, HUMAN FOOD & ANIMAL FEED	20,650	-21.7	17.4	DRY WHOLE MILK	5,450	7.2	-9.6
DRY BUTTERMILK, TOTAL	5,206	87.1	7.0	NONFAT DRY MILK FOR HUMAN FOOD	91,642	94.0	5.1
				DRY SKIM MILK FOR ANIMAL FEED	1,662	59.2	-2.7

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 1,372,000 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 134,184,000 lbs.

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

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for November 1999 is \$9.79 per hundredweight at 3.5 percent butterfat. The November Basic Formula Price is the October base month Minnesota-Wisconsin (M-W) price of \$11.99 at 3.5 percent minus a change of \$2.20, which is the change in the butter/powder/cheese formula from October to November 1999. The November 1999 Basic Formula Price is \$1.70 less than last month and \$7.05 less than the November 1998 Basic Formula Price. This Basic Formula Price is the Class III price for November 1999. Class I and Class II milk prices for January 2000 will be announced on December 23, 1999, under the new Federal milk order reform pricing provisions. However, should judicial action delay Federal milk order reform, the November 1999 Basic Formula Price will be used to determine January 2000 Class I and Class II prices under current Federal milk order provisions; these prices are shown in the table below for informational purposes only. 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 10.7 cents. **MILK COMPONENT CONTENTS.** For the October 1999 base month M-W price, the butterfat content was 3.94 percent, protein 3.35 percent, and solids-not-fat 8.71 percent. For the November 1999 Basic Formula Price, the butterfat content was 4.00 percent, protein 3.33 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	NOVEMBER								DECEMBER			JANUARY 3/		
		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	2000	2000	
		DOLLARS								DOLLARS					
New England (Boston)	1 4/	19.50	18.34	16.56	15.40	9.85	16.90	11.63	14.93	14.73	19.28	11.79	13.03	10.09	
New York/New Jersey (NY City)	2 5/	19.40	18.24	16.64	15.48	9.93	16.98	11.71	15.01	14.63	19.18	11.87	12.93	10.17	
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 6/	19.29	18.13	16.56	15.40	9.87	16.92	11.65	14.95	14.52	19.07	11.79	12.82	10.09	
Carolina (Charlotte)	5	19.34	18.18	16.56	15.40	9.79	16.84	11.57	14.87	14.57	19.12	11.79	12.87	10.09	
Southeast (Atlanta/Birmingham)	7	19.34	18.18	16.56	15.40	9.79	16.84	11.57	14.87	14.57	19.12	11.79	12.87	10.09	
Upper Florida (Jacksonville/Tallahassee)	6	19.84	18.68	16.56	15.40	9.79	16.84	---	---	15.07	19.62	11.79	13.37	10.09	
Tampa Bay	12	20.14	18.98	16.56	15.40	9.79	16.84	---	---	15.37	19.92	11.79	13.67	10.09	
Southeastern Florida (Miami)	13	20.44	19.28	16.56	15.40	9.79	16.84	---	---	15.67	20.22	11.79	13.97	10.09	
Michigan Upper Peninsula (Marquette)	44	17.61	16.45	16.56	15.40	9.79	16.84	11.57	14.87	12.84	17.39	11.79	11.14	10.09	
Southern Michigan (Detroit)	40 7/	18.01	16.85	16.56	15.40	9.79	16.84	11.57	14.87	13.24	17.79	11.79	11.54	10.09	
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	18.26	17.10	16.56	15.40	9.79	16.84	11.57	14.87	13.49	18.04	11.79	11.79	10.09	
Ohio Valley (Columbus)	33	18.30	17.14	16.56	15.40	9.79	16.84	11.57	14.87	13.53	18.08	11.79	11.83	10.09	

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/																
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	NOVEMBER								DECEMBER			JANUARY 3/			
		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	2000	2000
		DOLLARS								DOLLARS						
Indiana (Indianapolis)	49	18.16	17.00	16.56	15.40	9.79	16.84	11.57	14.87	13.39	17.94	11.79	11.69	10.09		
Chicago Regional	30	17.66	16.50	16.56	15.40	9.79	16.84	11.57	14.87	12.89	17.44	11.79	11.19	10.09		
Central Illinois (Peoria)	50	17.87	16.71	16.56	15.40	9.79	16.84	---	---	13.10	17.65	11.79	11.40	10.09		
S. Illinois/E. Missouri (Alton)	32	18.18	17.02	16.56	15.40	9.79	16.84	---	---	13.41	17.96	11.79	11.71	10.09		
Louisville/Lexington/Evansville	46	18.37	17.21	16.56	15.40	9.79	16.84	11.57	14.87	13.60	18.15	11.79	11.90	10.09		
Upper Midwest (Minneapolis)	68	17.46	16.30	16.56	15.40	9.79	16.84	11.57	14.87	12.69	17.24	11.79	10.99	10.09		
E. South Dakota (Sioux Falls)	76	17.76	16.60	16.56	15.40	9.79	16.84	---	---	12.99	17.54	11.79	11.29	10.09		
Iowa (Des Moines)	79	17.81	16.65	16.56	15.40	9.79	16.84	11.57	14.87	13.04	17.59	11.79	11.34	10.09		
Nebraska/W. IA. (Omaha/Sioux City)	65	18.01	16.85	16.56	15.40	9.79	16.84	11.57	14.87	13.24	17.79	11.79	11.54	10.09		
Greater Kansas City	64	18.18	17.02	16.56	15.40	9.79	16.84	---	---	13.41	17.96	11.79	11.71	10.09		
Southwest Plains (Oklahoma City)	106	19.03	17.87	16.56	15.40	9.79	16.84	11.57	14.87	14.26	18.81	11.79	12.56	10.09		
Texas (Dallas)	126	19.42	18.26	16.56	15.40	9.79	16.84	11.57	14.87	14.65	19.20	11.79	12.95	10.09		
Eastern Colorado (Denver)	137	18.99	17.83	16.56	15.40	9.79	16.84	---	---	14.22	18.77	11.79	12.52	10.09		
Western Colorado (Grand Junction)	134	18.26	17.10	16.56	15.40	9.79	16.84	---	---	13.49	18.04	11.79	11.79	10.09		
SW Idaho/Eastern Oregon (Boise)	135	17.76	16.60	16.56	15.40	9.79	16.84	11.46	14.80	12.99	17.54	11.79	11.29	10.09		
Great Basin (Salt Lake City)	139	18.16	17.00	16.56	15.40	9.79	16.84	---	---	13.39	17.94	11.79	11.69	10.09		
Central Arizona (Phoenix)	131	18.78	17.62	16.56	15.40	9.79	16.84	11.46	14.80	14.01	18.56	11.79	12.31	10.09		
New Mexico/West Texas (Albuquerque)	138	18.61	17.45	16.56	15.40	9.79	16.84	11.57	14.87	13.84	18.39	11.79	12.14	10.09		
Pacific Northwest (Seattle/Portland)	124	18.16	17.00	16.56	15.40	9.79	16.84	11.46	14.80	13.39	17.94	11.79	11.69	10.09		
<b>SIMPLE AVERAGE</b>	---	18.58	17.42	16.56	15.40	9.80	16.85	11.57	14.87	13.81	18.36	11.79	12.11	10.09		

\* 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 January 2000 is \$13.03 per 100 pounds or \$1.12 per gallon (\$13.03 divided by 11.63 equals \$1.1204).

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/ **For information only.** These prices will be applicable should judicial action delay the implementation of the consolidation and reform of the Federal milk order program scheduled for January 1, 2000. Class price data for the new consolidated orders for January 2000 will be announced on December 23, 1999 and February 4, 2000.

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

5/ 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.

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

7/ 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 DECEMBER 6 - 10, 1999			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 12/03/99	SAME PERIOD LAST YEAR	
<b>BUTTER</b>								
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>								
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>								
Nonfortified	5,767,025	132,134	5,634,891	18,976,294	103,384	-0-	9,912,000	
Fortified	1,190,050	-0-	1,190,050	2,738,601	-0-	-0-	-0-	
<b>TOTAL</b>	6,957,075	132,134	6,824,941	21,714,895	103,384	-0-	9,912,000	

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

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF DECEMBER 6 - 10, 1999 =	1.5	79.4	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1999 =	4.8	252.7	0.0	1.2
CUMULATIVE JANUARY 1 - DECEMBER 10, 1999 =	45.7	2,417.3	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 DECEMBER 6 - 10, 1999 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	5,634,891	1,190,050
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
MIDWEST	-0-	-0-	-0-	-0-	257,937	-0-	1.1	0.0
WEST	-0-	-0-	-0-	-0-	21,456,958	103,384	98.9	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
<b>TOTAL</b>	-0-	-0-	-0-	-0-	21,714,895	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 11/20/99 & 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	0.9	7.5	5.8	21.8	2.5	2.5	0.7	10.7	3.1	55.6	2,316.9	44.2	45.8
1998-Dairy cows HD (000)	0.3	1.3	7.2	5.9	21.1	2.5	3.3	0.8	9.9	2.3	54.4	2,374.5	41.0	44.9
1999-All cows HD (000)	0.2	1.1	10.4	15.5	29.9	19.0	21.7	4.6	13.4	9.9	125.7	5,062.6		
1998-All cows HD (000)	0.3	1.3	10.0	17.1	30.2	22.0	23.0	7.3	13.2	8.3	132.7	5,286.0		

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	9.79	