NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/17):
BUTTER: Grade AA closed at $0.9800. The weekly average for Grade AA is $0.9800 (-.0017).
CHEESE: Barrels closed at $1.0925 and blocks at $1.1125. The weekly average for barrels is $1.0915 (-.0055) and blocks, $1.1150 (-.0030).
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 unsettled. Most producers and handlers continue to question the current CME cash price level when looking at increasing butter stocks. Churning activity is lighter than past weeks in many areas of the country now that cream utilization in other products is improving. Due to lighter cream availability, butter demand has been in better balance with production, thus inventories have not been increasing as rapidly as in past weeks. Butter demand ranges from fair to good. Current Lenten/Passover demand is strong as many retail stores are featuring or plan to feature butter in the near term. Food service orders are equally strong. Mild weather conditions in most areas of the country and the upcoming Easter holiday are two factors influencing food service demand.

CHEESE: The cheese market is unsettled to weak. CCC continues to purchase process cheese under the price support program from the Midwest. Cheese offerings remain heavy relative to current demand. Cream cheese output is seasonally active. Some Lenten and/or food service promotions are clearing additional volumes for producers. Cheese production remains seasonally active and well above year ago levels.

FLUID MILK: Milk production continues steady to slightly higher through most of the Eastern half of the country. Production is holding in Florida with exports to manufacturing plants in other states continuing. In the West, recent wet weather has caused some slight receipt declines in California and Arizona. The decline in California receipts has provided processors time for some extra plant maintenance and downtime. Some plants in Idaho and Utah have also had very slight declines associated with wet conditions.

DRY PRODUCTS: The NDM market remains weak and the seasonally heavy production continues to be balanced by DEIP and CCC sales. Good cream cheese interest is also aiding sales of NDM. The buttermilk market is steady with stocks in balance to heavy. Anticipated increases in ice cream production are expected to soon bolster the demand for condensed buttermilk. The whey market is steadier, aided by a reported Japanese tender for U.S. whey for delivery during the next few months. The WPC market remains firm and supplies are tight.

CCC: Net purchases for the week of March 13 - 17, totaled 14,538,041 pounds of nonfortified NDM. From this total, 12,105,993 pounds were purchased from the West, 1,993,618 pounds from the Midwest, and 438,430 pounds from the East. CCC also purchased 910,800 pounds of process cheese from the Midwest.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the new federal milk order reform pricing system, the base price for Class I milk for April 2000 is $10.93. This price is derived from the advanced Class IV skim milk pricing factor of $7.70 and the advanced butterfat pricing factor of $0.9989 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for April is $8.40 and the Class II nonfat solids price is $0.9333 per pound. The two-week product price averages for April are: butter $0.9331, nonfat dry milk $1.0098, cheese $1.1073, and dry whey $0.1771.

MILK SUPPLY AND DEMAND ESTIMATES (WAOB): Milk production in 1999/2000 is forecast 500 million pounds higher this month due to slightly more cows and further gains in milk per cow. Growth in milk production is expected to slow during 1999/2000, but the volume of milk available through most of the year will continue to pressure prices. The BFP/Class III price is projected lower and net CCC removals are increased this month reflecting continuing weakness in product prices.

WORLD DAIRY SITUATION (USDA, AMS): European milk production is approaching the start of their new season, with producers adjusting marketings for the end of the quota season. Tightening world supplies of most dairy products, except for butter, has lead the EU to reduce their export subsidies by 5%, the fourth reduction since October. In Oceania, milk production has had a strong production season. Good sales have cleared much of the extra output this season.

DECEMBER MAILBOX MILK PRICES (AMS): In December 1999, mailbox milk prices reported for selected Federal milk orders averaged $12.00 per cwt., $2.17 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, $12.31, down $2.69; Southeast, $13.66, down $3.48; Midwest, $11.64, down $1.83 and West, $11.52 down $1.77. Compared to December 1998, mailbox milk prices decreased an average of $5.80 per cwt.

FEBRUARY MILK PRODUCTION (NASS): Milk production in the 20 major states during February totaled 11.7 billion pounds, up 888 million pounds (8.2%) from production in these same states in February 1999. However, adjusting production for the additional day due to the leap year causes February milk production to be up 485 million pounds (4.5%) on a per day basis. January revised production, at 12.3 billion pounds was up 577 million pounds (4.9%) from January 1999. Production per cow in the 20 major states averaged 1,453 pounds for February, 49 pounds (3.5%) above February 1999 adjusting to remove the extra day. The number of cows on farms in the 20 major states was 7.77 million head, 72,000 head (0.9%) more than February 1999 and 3,000 head more than January 2000.

****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 MARCH 13	TUESDAY MARCH 14	WEDNESDAY MARCH 15	THURSDAY MARCH 16	FRIDAY MARCH 17	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.0900 (N.C.)	$1.0900 (N.C.)	$1.0900 (N.C.)	$1.0950 (+.0050)	$1.0925 (-.0025)	(+.0025)	$1.0915 (-.0055)
40# BLOCKS	$1.1175 (N.C.)	$1.1150 (-.0025)	$1.1150 (N.C.)	$1.1150 (N.C.)	$1.1125 (-.0025)	(-.0050)	$1.1150 (-.0030)
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	$.9800 (-.0025)	——	$.9800 (N.C.)	——	$.9800 (N.C.)	(-.0025)	$.9800 (-.0017)

*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, MARCH 13, 2000

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ $1.1100, 1 @ $1.1175, 1 @ $1.1125, 1 @ $1.1175; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.0900

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

BUTTER -- SALES: NONE; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ $0.9600, 2 @ $0.9550, 4 @ $0.9500; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ $0.9800, 1 @ $0.9925, 1 @ $1.0000, 1 @ $1.0100, 1 @ $1.0200

TUESDAY, MARCH 14, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.0900; 2 CARS 40# BLOCKS: 1 @ $1.1150, 1 @ $1.1175

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

WEDNESDAY, MARCH 15, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.0900; 2 CARS 40# BLOCKS: 1 @ $1.1150, 1 @ $1.1175

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

BUTTER -- SALES: 1 CAR GRADE AA @ $0.9850; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ $0.9700, 3 @ $0.9600, 3 @ $0.9500; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ $0.9800, 1 @ $1.0100, 1 @ $1.0475, 5 @ $1.0500

THURSDAY, MARCH 16, 2000

CHEESE -- SALES: 4 CARS BARRELS: 3 @ $1.0900, 1 @ $1.0925; 2 CARS 40# BLOCKS: 1 @ $1.1125, 1 @ $1.1150; BIDS UNFILLED: 2 CARS BARRELS: 1 @ $1.0950, 1 @ $1.0800; 1 CAR 40# BLOCKS @ $1.0900; OFFERS UNCOVERED: NONE

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

FRIDAY, MARCH 17, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ $1.0800; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ $1.0925, 1 @ $1.0950; 2 CARS 40# BLOCKS: 1 @ $1.1125, 1 @ $1.1150

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

BUTTER -- SALES: NONE; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ $0.9700, 2 @ $0.9600, 2 @ $0.9500, 2 @ $0.9050; OFFERS UNCOVERED: 1 CAR GRADE AA @ $1.0200

BUTTER MARKETS

NORTHEAST

The market tone remains unsettled. Prices at the CME have held in the high 90's for the past two weeks. Contacts continue to speculate on how long prices can hold at these levels with production and inventories as high as they currently are. Current churning activity is lighter than past weeks now that cream utilization in other products is improving. However, producers are making enough to cover current needs. Demand is seldom better than fair, but some improved orders for Easter are starting to develop. Retail sales are just fair unless featured. Bulk sales are slow and holding in the range of 3-5 cents over the CME price/average.

CENTRAL

The butter market tone remains mixed, although producers and handlers are becoming accustomed to more stable prices. Many still feel that the current cash trading price level is higher than it should be, but at least recent price fluctuations have been minimal. Butter production continues to surpass demand and inventories are building. In recent days, cream supplies have been sufficient to maintain steady production schedules, although additional cream offerings have declined. Due to lighter cream availability, butter demand has been in better balance with production, thus inventories have not been increasing as rapidly as in past weeks. Overall butter demand is reported as good. Current Lenten and Passover demand is strong as many retail stores currently are featuring or plan to feature butter in the near term. Food service orders are also quite good as unseasonably mild, for this time of the year, weather patterns prevail in most Midwestern states.

WEST

Interest in bulk butter remains quite strong as buyers continue to look for butter for both immediate needs and for storage. Print orders are coming in well for the upcoming Easter retail trade and for the related food service/eating out trade. Most contacts feel that the fundamentals are in place for a strong holiday season. A good number of Easter promotions are expected. Production remains heavy, but some seasonal interest in cream from the ice cream trade is noted. Current prices for bulk butter range from 4 cents under to flat market based on the CME with various time frames and averages involved. Inventories at CME approved warehouses grew by 2.6 million pounds this week to 66.5 million pounds. These stocks are 9.1% ahead of last year at this time.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
MARCH 11	1.0949	1.0845	1.0106	0.9415	0.1745
	5,900,838	9,555,233	19,742,549	4,736,425	8,401,496

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 mixed and the market tone is steady. Production levels in the Northeast are steady to heavier as surplus milk volumes start to increase seasonally. Volumes are not increasing very rapidly at this time, but local cheese makers are getting as much milk as they want or need. Cheddar stocks are moderate to heavy and, at current prices, quite a bit is being put into aging programs. Mozzarella sales are holding up, but producers note that demand could be much better. Retail movement is just fair and food service sales are steady.

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

Cheddar 10# Prints	:	1.1325-1.6225
Cheddar Single Daisies	:	1.1125-1.5725
Cheddar 40# Block	:	1.2575-1.4350
Process 5# Loaf	:	1.3075-1.4700
Process 5# Sliced	:	1.3275-1.5750
Muenster	:	1.3150-1.6175
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Process cheese continues to clear to CCC under the support program from the Midwest. Cheese offerings continue to increase seasonally. Current cheese supplies are more than adequate. Producers continue to be pressured on cash prices by the large volume of cheese available both locally and from the West. Speculation continues about which other plants may soon start clearing extra cheese to CCC. Natural interest is generally about fair. Buyers have little incentive to increase inventory levels in the short term. Processors are very particular with regard to quality on processing solids as offerings exceed needs. Interest in aged cheddar is fairly light. Cheese output remains seasonally heavy, reflecting milk receipts that are generally above year ago levels.

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

Process American 5# Loaf	:	1.2625-1.4700
Brick And/Or Muenster 5#	:	1.4300-1.6775
Cheddar 40# Block	:	1.4100-2.1150
Monterey Jack 10#	:	1.5900-2.1150
Blue 5#	:	1.8125-2.0100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4800-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.1000-2.6850

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES	:	MARCH 13 - 17, 2000
BARRELS*	:	$1.0700 - 1.1125 (NOMINAL)
	:	(-$.0275) (-.0050)
40# BLOCKS	:	$1.1100 - 1.1475 (NOMINAL)
	:	(.0025)

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

WEST

Natural prices are holding steady and process cheese declined fractionally following trading activity on the CME last week. Swiss prices are holding steady with a very balanced market. Many natural and process cheese buyers are on the sidelines at this time feeling that their inventory levels are sufficient for this time of the year. They also don't see much downside price risk. Some buyers are looking at locking in some cheese for future delivery at fixed prices with limited success. Cheese marketers are spending much more time on the road attempting to stimulate additional sales activity. More cheese seems to be being downgraded because of quality defects. Anecdotally, warehouse space left to store cheese in the region is in very tight supply. Storing cheese locally is becoming less of a good option.

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

Process 5# Loaf	:	1.2500-1.5100
Cheddar 40# Block	:	1.2375-1.3775
Cheddar 10# Cuts	:	1.4175-1.6375
Monterey Jack 10#	:	1.4275-1.5875
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

FOREIGN

Prices for domestic styles are fractionally higher. The market tone is unchanged. According to recent reports, U.S. quota-type cheese imports during 1999 totaled 125,495 MT, 14% more than 1998. EU cheese exports to the U.S. were more than 70,000 MT, an increase of more than 20%. Current demand for foreign type cheese is slow to fair.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.4575-2.9525*
Gorgonzola	3.2400-5.9400	2.0125-2.4900*
Parmesan (Italy)	TFEWR	2.8725-3.3775*
Romano (Italy)	2.1000-2.5400	-0-
Provolone (Italy)	3.4400-5.5000	1.4725-1.7525*
Romano (Cows Milk)	-0-	2.6350-4.8225*
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
03/13/00	20,935	120,394
03/01/00	20,773	122,884
CHANGE	162	-2,490
% CHANGE	1	-2

FLUID MILK AND CREAM

EAST

Regional Milk Market Administrators announced the following statistical uniform prices for February 2000: Northeast $12.21, Mideast $11.52, Southeast $12.74, Florida $14.40, and Western New York (a state order) $12.00 at the base cities/counties in the orders. Milk production is holding in Florida, increasing more noticeably in the Southeast, up slightly in the Middle Atlantic area, and mostly steady in New York and New England. Fluid milk supplies range from in better balance in the Northeast to burdensome in the Southeast. Bottled milk sales in Florida have slowed as spring break is underway and "winter residents" are starting to leave. Local handlers are shipping out about 86 loads (about half and half to manufacturing and Class I) of milk this week and more is expected in coming weeks. Trucking is becoming more of a problem as are rising fuel costs. Southern manufacturing plants are nearly full. Further north, butter/powder plant receipts are often lower as some cheese plants are taking more milk. Class I sales are steady at best. The condensed skim market is little changed. Prices are steady on Class III; steady to lower on Class II. Offerings are moderate to heavy and clearing through regular channels. Some spot interest was noted, but it is scattered. The fluid cream market is firmer in the Northeast. With less surplus milk moving into butter/powder plants, cream offerings have tightened. Cream is more readily available in the Southeast. Spot prices are up as the CME butter price average increased and multiples are quite a bit higher than past weeks. Ice cream output is still lagging expectations, but some producers are making a little more. Cream cheese output remains heavy and should stay this way through mid-April when Easter and Passover needs have been filled. Churning activity is lighter, but still moderate. Some Eastern cream is moving to the Midwest for churning, but volumes are lighter than a few weeks ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.2271-1.3744
DELIVERED EQUIVALENT ATLANTA	-	1.2173-1.3547 M 1.2762-1.3351
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.2664-1.2958

PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9900-1.1000
NORTHEAST- CLASS III - SPOT PRICES	-	.8800-1.0000

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
MARCH 10 - 16, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is steady to occasionally improved where promotional activities are aiding sales. A total of 7 contracted Wisconsin loads were shipped to Missouri. Manufacturing milk interest is generally steady at best. Reported spot milk prices range from flat class delivered to about $1.00 over class for longer hauls within the region. Some milk continues to move northward for processing in upper Midwestern processing plants, especially on weekends. Cream supplies are tighter and prices are slightly higher due to increases in the cash butter prices at the Chicago Mercantile Exchange. Milk intakes are steady to slightly higher. Milk intakes in general remain above year ago levels. Some plant operators continue to have discussions with other handlers trying to secure manufacturing space during the expected increased volumes in the spring. More milk buyers are reluctant to add new producers at this time due to plant capacity concerns. Some fields have been prepared for small grains, but due to frost concerns, corn planting is limited this early in the season. Farmers have hauled manure, remaining wary of soft field conditions. Good quality tested hay (RFV 125-150) sold at tested auctions during the last week ranged from $50.00 - 87.50 per ton compared to $40.00 - 92.00 a couple weeks ago.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	$ 37.00- 44.50	$ 34.00- 39.50
REPLACEMENT HEIFER CALVES	$275.00-325.00	$190.00-235.00

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

	MARCH 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	$ 34.00- 45.50	$ 31.00- 42.50

WEST

Milk output in California remains subdued on account of recent wet conditions in milk producing regions of the state. Levels were down slightly in total with some areas affected more than others. The decline provided some breathing room for processors and allowed for some plant maintenance and downtime. Weather conditions have improved and warmer temperatures are expected to turn milk volumes around. Second cuttings of alfalfa are set to begin in the Imperial Valley. Prices in the $105 to $110 range per ton are being reported. Recent rains in California were welcomed to help moisture levels and water needs for crops in the state. Milk production remains strong and above year ago levels in New Mexico. There is a sentiment that production levels are peaking early in the state. Producers don't expect cows to be able to increase output to any great extent beyond current levels. Indications are that cows are still being added to new facilities and expansions. Feed availability and prices remain favorable. Lower milk prices are a concern. Arizona production was affected somewhat by recent, localized heavy rains. Following the rains, conditions returned to ideal and milk rebounded. Cream supplies are tighter than in recent weeks where milk production dropped. Cream prices are steady to slightly higher. Increased demand from cream cheese and ice cream producers continues. Ongoing wet weather continues to be the major weather factor in the Northwest. Conditions are warming up and many areas of the region are experiencing an early spring. Contacts state that milk output remains strong. Culling rates remain very low. Producers want to keep animals that are at least covering their variable costs. Heifer interest may be slowing slightly. Some producers are contracting feed needs into September 2001. Limited volumes of good quality hay remain available. Prices are up somewhat, but the quality is excellent and the cows are responding with heavier milk production. Milk quality is holding up very well even with the continued rainy spell. Some plants in Idaho and Utah are noticing very slight production declines. Some are also noticing a slightly elevated SCC. Most areas of the region are drying out from previous wet conditions.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/16/00 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. Most plants continue to adequately handle additional milk volumes available. Regular commitments and government programs are clearing product the best. Some producers are more apt to ship to the government than accept any spot interest because of price advantages. Cream cheese production is picking up for the holidays and clearing some spot loads. Traders are buying only on an as need basis. Production is steady and inventories are heavy and building. High heat is available for the light to fair demand and trading at prices just above the average.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0100 MOSTLY: 1.0000 - 1.0100

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a steady market. Some producers are anticipating price increases in the weeks to come as ice cream business picks up in the mild spring weather. Some plants are reducing the amount of dry product produced as condensed sales are increasing. Traders are speculating that any increases in the market will exist only in the short term. Brand specific product continues to move at the higher end of the range with most product trading at 64-65 cents FOB. Resale product is available within the range. Inventories are generally in balance for the moderate demand.

BUTTERMILK: .6300 - .7200

DRY WHEY - CENTRAL

Prices are unchanged to higher on a mostly steady market. Unconfirmed trades below the range are being reported. Overall, the market is in better balance compared to last week. Traders see the market as soft given that producers are willing to contract at current prices into the months to come. Some producers are talking prices higher in conjunction with WPC prices and good export movement occurring on the coasts. Demand is light and best on regular commitments and into feed facilities. Production is heavier compared to last month although generally in line compared to last year. Offerings are adequate to plentiful. Extra wet solids are available from regular suppliers yet running tight on spot markets.

NONHYGROSCOPIC: .1700 - .1850 MOSTLY: .1700 - .1800

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on delactose and unchanged on the balance of items. Milk replacer product is readily available for the light to fair demand. Delactose supplies are tight with good movement into feed and food facilities. Scant supplies of WPC are encouraging higher delactose prices. Some aged Canadian delactose is entering the market at prices just below the range. Roller ground movement is unchanged. Production is steady and inventories are generally in balance. Hog markets are trending higher while veal movement is mostly steady. Notice: Beginning the week of Report 14, the Standard Grade market will no longer be reported due to a lack of participation.

MILK REPLACER:	.1300 - .1675
STANDARD:	TFEWR
ROLLER GROUND:	.1600 - .1825
DELACTOSE (Min. 20% protein):	.2875 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a mixed market. Some producers that increased production of WPC are now finding it difficult to market extra lactose supplies domestically. Some resellers are bidding as low as 17 cents to no avail although some slight discounting is being noted. Other plants remain sold out and are finding it difficult to meet additional interest, especially into export markets. Offerings for second quarter are unchanged to higher with some export second quarter contracts finalized at higher prices . Inquiries on Passover lactose are heavy with most plants unable to satisfy the demand. Some Passover buyers are opting for circle U instead. Lack of kosher supplies in the EU is encouraging some European plants to look for alternative supplies in the US. EU product remains competitive with US supplies on export markets. Off grade product is trading as low as 14 cents FOB.

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

EDIBLE: .1800 - .2500 MOSTLY: .1950 - .2050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Interest remains strong on domestic and export markets. Because of a decline in high protein exports from New Zealand, regular importing countries are now seeking to source product from the US. Some panic buying is being reported as prices continue to climb. Buyers that did not contract for the year are now looking to book product to ensure adequate supplies. Manufacturers are finding it difficult to meet any spot interest with some plants sold out through June. Resellers continue to move product from last summer at prices above the range. Demand is best from ice cream, blend and veal operations. Some buyers still question the higher prices and continue to operate off of current stocks. Condensed movement is good and tight in supply at some locations. Off grade product is clearing well at prices 3-5 cents below the range.

EXTRA GRADE 34% PROTEIN: .4950 - .5300 MOSTLY: .5000 - .5200

NONFAT DRY MILK - WEST

Prices are unchanged for low/medium heat NDM. The market tone remains weak. Slightly lower milk production and better demand for milk from fluid and cheese plants decrease milk volumes moving into NDM production. Demand for NDM remains on the light side. Buying interest from out of area concerns is limited as locally produced powder remains readily available and freight rates increase. Lower prices are being used to stimulate buying interest when stocks build. Stocks are heavy. High heat prices are steady. Production is increasing slightly over recent weeks. Some producers want to have some on the floor for seasonal buyers. During the week of March 6 - 10, CCC net purchases totaled 11.3 million pounds of nonfortified and fortified NDM from Western, Midwestern, and Eastern sources.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.9800 - 1.0200	MOSTLY: 1.0000 - 1.0100
HIGH HEAT:	1.0100 - 1.0400	

DRY BUTTERMILK - WEST

Buttermilk prices are unchanged, but a slightly firmer market tone is being noted. Buying interest is fair to good for the current offerings. Some producers who raised prices are having no current sales. Concerns remain that inventories have just switched positions between producers and others - brokers, end users and speculators. As production rises during the spring, buttermilk should remain available. Producer stocks are balanced to heavy.

BUTTERMILK: .5700 - .6400 MOSTLY: .6000 - .6100

DRY WHEY - WEST

Western whey prices again held steady. It appears that the U.S. will be the source for the majority of the whey for the current Japanese tender that delivers from April to June. Eastern Europe will likely be the source for the balance of the shipments. FOB pricing will be toward the lower end of the range. Volumes should total around six million pounds for the three-month period. Domestic sales activity is rated as mostly steady. Production remains heavy across the region, but inventories are generally stable.

NONHYGROSCOPIC: .1650 - .1900 MOSTLY: .1700 - .1775

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
March 10	$1.0072	14,996,098
March 3	$1.0065	13,359,585

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

The market tone is little changed. Prices are unchanged to lower. Some large-volume sales were made below a dollar. A stipulation of the sale was that the powder had to be picked up before the end of the month to make room for new production. Sales of Eastern NDM to CCC continue. Production levels are increasing at some plants, steady at others. Sales of condensed skim are fairly good and helping ease the pressure on dryers. Domestic demand is slow to fair and export interest is slowing as few new DEIP bids have been accepted in the past two weeks. Producers are fairly busy filling DEIP contracts.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:	
LOW/MEDIUM HEAT:	.9900 - 1.0300 MOSTLY: 1.0000 - 1.0100
HIGH HEAT:	1.0350 - 1.0900 MOSTLY: 1.0400 - 1.0600
DELVD SOUTHEAST:	
ALL HEATS:	1.0300 - 1.1150

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is steady. Production levels are declining as churning activity is slowing slightly. More cream is moving into cream cheese and Class II products which is leaving less excess cream for butter makers. Producers' stocks are quite well balanced. Demand has been and is fairly good.

F.O.B. NORTHEAST:	.6800 - .7400
DELVD SOUTHEAST:	.6700 - .7625

DRY WHOLE MILK - NATIONAL

Prices and the market tone are steady. Production levels are mixed depending on availability of surplus milk volumes and orders in hand for dry whole milk. Domestic, spot demand is slow to fair, but contract sales are clearing a large percentage of current output. Producer inventories are light.

F.O.B. PRODUCING PLANT:	1.0700 - 1.2500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH MARCH 10, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	86,214	MT (190,067,384 LBS)
CHANGE	--	182	MT (401,237 LBS)
WHOLE MILK POWDER	--	9,677	MT (21,333,914 LBS)
PROGRAM ALLOCATION FILLED			
CHEESE	--	1,623	MT (3,578,066 LBS)
BUTTERFAT	--	5,263	MT (11,602,809 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 steady to higher within the range and the market tone is steady to firm in the East. Most Eastern producers report being sold out or committed through late April. Little powder is available for immediate shipment from the producers. However, contacts report that dry whey is available in the Midwest. Domestic demand ranges from steady to improved. Some producers hypothesize that users' who took on extra loads before the end of 1999 are now coming back into the market. Conversely, other contacts continue to report a slow to fair domestic demand. Export interest is good and clearing a good portion of current output.

F.O.B. NORTHEAST:	EXTRA GRADE	.1750 - .1850
	USPH GRADE A	.1850 - .1950
DELVD SOUTHEAST:		.1950 - .2200

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report and the market tone is unchanged. Offerings are in better balance, but some plants still have more than desired on hand. Spot demand is fair.

NOTICE: Because animal feed, dry whey prices have been TFEWR for more than a year, we are discontinuing this price series and animal feed comments will be incorporated into the Eastern whey report. This change will go into effect the week of April 3-7, Report Number 14.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are moderate. Surplus milk volumes are increasing seasonally in more areas of the country. Producer stocks are growing particularly where more surplus milk is available at attractive prices. Retail sales are fair to improved.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $21.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

The casein market tone remains firm, although prices are unchanged. Supplies of casein continue to be reported as tight. Domestic buyers are stating that shipments of contracted volumes are often lighter than anticipated and delayed. Suppliers of rennet and acid are indicating that stocks in sourcing countries vary, but for the most part, are limited. In the Oceania region, casein supplies are lighter than desired and fully committed. In Europe, casein stocks are at seasonally low levels with producers trying to meet existing commitments. European sources indicate that additional supplies will not become available until milk production increases seasonally.

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

RENNET:	1.9000 - 2.1000
ACID:	1.9000 - 2.1500

NEW YORK BOARD OF TRADE AND CHICAGO MERCANTILE EXCHANGE FUTURES

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

Month	03/01	03/02	03/03	03/06	03/07	03/08	03/09	03/10	03/13	03/14
NYB0T - MILK INDEX -- Dollars per cwt.										
FEB 00	9.65 (47) 0	9.63 (47) 0								
MAR 00	9.90 (48) 4	9.83 (48) 0	9.83 (48) 2	9.80 (48) 0	9.80 (49) 1	9.73 (51) 2	9.68 (51) 0	9.70 (51) 0	9.65 (51) 3	9.63 (51) 0
APR 00	10.10 (51) 0	10.13 (51) 0	10.05 (51) 0	9.88 (51) 0	9.90 (51) 0	9.93 (52) 1	9.93 (52) 0	9.90 (52) 0	9.68 (52) 0	9.70 (52) 0
MAY 00	10.60 (46) 1	10.50 (46) 0	10.43 (46) 0	10.33 (47) 1	10.35 (46) 0	10.35 (48) 2	10.40 (48) 0	10.35 (48) 0	10.15 (48) 0	10.15 (48) 0
JUN 00	11.30 (52) 0	11.30 (53) 2	11.15 (53) 1	11.03 (53) 0	11.10 (53) 0	11.10 (54) 1	11.10 (54) 0	11.10 (54) 0	11.05 (54) 0	11.05 (54) 0
JUL 00	12.20 (45) 0	12.20 (46) 1	12.05 (46) 0	11.81 (46) 0	11.90 (47) 1	11.90 (49) 2	11.95 (49) 0	11.90 (49) 0	11.80 (49) 1	11.80 (49) 0
AUG 00	12.45 (30) 2	12.55 (32) 2	12.40 (32) 1	12.33 (33) 1	12.33 (32) 0	12.40 (34) 2	12.43 (34) 0	12.38 (34) 0	12.15 (34) 0	12.15 (34) 0
SEP 00	12.70 (34) 0	12.70 (35) 1	12.58 (35) 0	12.45 (35) 0	12.38 (35) 0	12.38 (38) 3	12.53 (39) 1	12.50 (39) 0	12.48 (39) 0	12.48 (40) 1
OCT 00	12.60 (15) 1	12.63 (15) 0	12.70 (17) 2	12.65 (19) 2	12.65 (21) 2	12.65 (22) 1	12.68 (22) 0	12.63 (22) 1	12.63 (21) 0	12.63 (21) 0
NOV 00	12.25 (7) 0	12.15 (7) 0	12.10 (7) 0	12.00 (8) 1	12.00 (8) 0	12.05 (9) 1	12.03 (9) 0	12.00 (9) 0	11.95 (10) 1	11.95 (11) 1
DEC 00	12.05 (2) 0	12.00 (2) 0	12.00 (2) 0	11.93 (3) 1	11.95 (3) 0	11.90 (3) 0	11.90 (3) 0	11.96 (3) 0	11.95 (3) 0	11.95 (3) 0
JAN 01	11.40 (0) 0	11.40 (0) 0	11.33 (0) 0	11.25 (1) 1	11.33 (1) 0	11.33 (1) 0	11.35 (1) 0	11.35 (1) 0	11.35 (1) 0	11.35 (1) 0
CME - BUTTER -- Cents per pound										
MAR 00	97.00 (177) 1	102.00 (157) 21	98.95 (137) 48	99.00 (143) 6	99.00 (114) 6	99.00 (101) 4	99.00 (92) 0	99.00 (88) 1	99.00 (84) 4	99.00 (80) 0
MAY 00	100.00 (130) 0	105.00 (127) 14	101.975 (121) 1	101.975 (121) 0	101.975 (121) 0	101.975 (122) 1	101.975 (122) 0	102.00 (122) 3	102.00 (122) 0	102.00 (122) 0
JUL 00	102.525 (405) 0	107.525 (405) 5	105.00 (397) 4	105.00 (397) 5	105.00 (367) 0	105.00 (367) 0	105.00 (367) 0	105.00 (367) 0	105.00 (367) 0	105.00 (367) 0
SEP 00	105.275 (446) 0	108.275 (446) 0	106.00 (433) 3	106.00 (433) 5	106.00 (438) 6	106.00 (438) 0	107.00 (438) 0	108.00 (438) 2	108.00 (440) 4	108.00 (440) 0
OCT 00	105.275 (231) 0	110.275 (231) 0	107.025 (219) 1	107.05 (219) 0	107.050 (219) 0	107.050 (219) 0	109.00 (219) 2	109.00 (219) 0	109.025 (225) 7	109.025 (225) 0
CME - MILK FUTURES -- Dollars per cwt.										
FEB 00	9.56 (891) 0	9.55								
MAR 00	9.95 (736) 9	9.85 (744) 32	9.78 (744) 4	9.80 (744) 7	9.80 (742) 0	9.77 (742) 3	9.62 (742) 3	9.62 (742) 1	9.58 (710) 46	9.58 (712) 5
APR 00	10.15 (577) 5	10.15 (587) 25	9.91 (603) 22	9.95 (603) 10	9.95 (603) 0	10.00 (613) 11	9.91 (613) 2	9.85 (628) 43	9.70 (655) 56	9.70 (655) 0
MAY 00	10.60 (568) 8	10.45 (596) 52	10.37 (595) 4	10.35 (606) 31	10.39 (607) 10	10.36 (612) 6	10.36 (617) 5	10.26 (635) 32	10.05 (674) 83	10.05 (680) 9
JUN 00	11.30 (772) 26	11.25 (798) 43	11.15 (800) 25	11.05 (808) 19	11.14 (816) 24	11.15 (818) 5	11.15 (824) 7	11.05 (855) 42	10.92 (883) 52	10.95 (890) 39
JUL 00	12.16 (1100) 52	12.15 (1128) 88	11.97 (1158) 69	11.89 (1175) 37	11.89 (1180) 17	11.89 (1185) 9	11.90 (1190) 5	11.86 (1201) 39	11.71 (1247) 81	11.72 (1249) 33
AUG 00	12.62 (975) 20	12.60 (1006) 80	12.42 (1028) 69	12.40 (1050) 26	12.40 (1056) 47	12.40 (1061) 12	12.40 (1061) 0	12.32 (1087) 45	12.15 (1118) 57	12.25 (1127) 24
SEP 00	12.66 (701) 19	12.74 (740) 71	12.54 (752) 53	12.50 (766) 45	12.48 (766) 14	12.49 (767) 2	12.57 (767) 0	12.48 (779) 59	12.38 (815) 76	12.45 (853) 50
OCT 00	12.70 (569) 11	12.70 (622) 108	12.71 (653) 58	12.65 (673) 32	12.69 (672) 7	12.71 (675) 6	12.71 (675) 0	12.67 (704) 41	12.60 (741) 76	12.62 (756) 21
NOV 00	12.20 (358) 8	12.12 (374) 21	12.03 (375) 10	12.03 (396) 23	12.04 (404) 8	12.05 (405) 3	12.05 (405) 0	12.00 (423) 33	11.92 (473) 67	11.97 (485) 27
DEC 00	12.05 (288) 9	11.99 (312) 23	11.93 (314) 12	11.93 (342) 47	11.94 (344) 5	11.94 (348) 5	11.94 (348) 0	11.87 (364) 16	11.70 (414) 56	11.81 (428) 16
JAN 01	11.39 (19) 10	11.39 (29) 3	11.39 (29) 0	11.39 (29) 0	11.39 (29) 0	11.39 (29) 0	11.39 (29) 0	11.39 (29) 0	11.34 (29) 1	11.34 (29) 0

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 March 6 - 17, 2000

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: Financial advantages continue to allow European dairy products to be competitive internationally, although lack of supply is limiting sales. Milk production is on the eve of seasonal increases. At this time, most producers are closely monitoring their milk marketings as the milk quota year-end nears. Reports indicate that, for the most part, no country or region will have to significantly adjust month end marketings to remain within quota guidelines, although the UK, Western Germany and Ireland are reported to be very close. Once April arrives, milk handlers anticipate milk deliveries to increase on a steady basis. At this point, stocks of manufactured dairy products, other than butter, remain limited. Skim milk powder continues to enter the calf feed industry from intervention stocks. Butter sales are slow, thus butter is being offered to intervention. At this time, butter intervention is open in 12 of 15 European Union countries. Whole milk powder markets are also steady at firm levels. Stocks are tight, but expected to once again become available as the new milk production season resumes. European traders feel that many buyers are focusing on Europe as a significant source for their needs during the upcoming milk flush season.

BUTTER/BUTTEROIL: European butter markets are generally weak with prices unchanged to lower. Butter production is seasonally active and heavier than domestic demand can absorb. In 12 of 15 countries in the European Union, intervention for butter has opened and clearances are occurring. There is virtually no international butter interest at this time, thus European traders anticipate intervention offerings to remain active for quite some time.

82% BUTTERFAT:	1,175 - 1,300
99% BUTTERFAT:	1,400 - 1,550

SKIM MILK POWDER (SMP): Skim milk powder markets in Europe are much the same as they have been for the past few months. Stocks are limited and prices are firm. Traders report that demand for immediate shipment is very difficult to fill with April-May-June deliveries more manageable. Although the second quarter of the year is when European milk production increases, many producers and handlers are not overly confident about product availability at that time.

1.25% BUTTERFAT:	1,470 - 1,550

WHOLE MILK POWDER (WMP): Whole milk powder markets are also steady at firm levels. Stocks are tight, but expected to once again become available as the new milk production season resumes. International buyer interest is slow. Most buyers are aware of Europe's supply situation and are not active at trying to locate possible supplies for immediate shipment. Inquiries are starting to develop for second quarter deliveries
.

26% BUTTERFAT:	1,520 - 1,630

SWEET WHEY POWDER: The European whey market is weak with prices steady to lower. Stocks of whey are reported to be sufficient should buyer interest develop. Some European traders are reporting that a portion of a recent Japanese whey tender will possibly be filled by Eastern European sources with delivery scheduled for second quarter 2000.

NONHYGROSCOPIC:	410 - 500

OVERVIEW: EASTERN EUROPE: Milk production in Eastern Europe is reported to be showing signs of seasonal increases. Milk production, especially in Poland, was limited last season and hopes are that dry conditions do not occur for a second consecutive year. Due to lower milk output last season, manufactured dairy product stocks were also lighter than desired. This year, traders are hoping that weather and marketing conditions will be more favorable and provide a better opportunity for trading internationally. Recent sales activity in Eastern Europe has basically centered around internal use or small lot international sales. Although not fully detailed, reports suggest that a portion of a recent Japanese whey tender may be filled by Eastern European sources with delivery scheduled for second quarter 2000. Most producers and handlers are looking toward the second quarter as a period of rebuilding. Milk production will hopefully be on a positive increase, thus a time for low inventory levels to build and workable levels once again to be re-established.

OCEANIA

OVERVIEW: Milk production trends in Oceania continue to follow those of past weeks, although milk output is declining on a seasonal basis. Reports indicate that milk production in New Zealand is running well ahead of last year and more comparable, but heavier, than two years ago. Australia's milk output is also stronger than last season. In both countries, milk volumes have been fully sufficient during the season to maintain strong manufacturing schedules, although stocks are not excessive and, in most instances, limited. During the current season in New Zealand, stock levels were once again being replenished following very low levels of last season. Re-establishing workable inventories and meeting ongoing/regular customer needs has absorbed much of New Zealand's current production, thus very little, if any is available for new buyer interest. In Australia, beginning inventories were not as low as New Zealand's, thus they did not have as far to go to once again have workable inventories. A strong production season did generate good volumes of manufactured dairy products, but good sales have cleared much of this output, thus late season stocks are also limited for additional buyer interest. Oceania traders indicate that international buyers are aware of the Oceania supply situation, thus buyer inquiries are occurring, but much lighter than usual for this time of their production season.

BUTTER: Oceania butter markets are generally weak, although prices are unchanged. Stocks are not heavy, but for the most part, butter is the most available manufactured dairy product at this time. Ongoing regular customer needs are being filled with additional volumes available for buyer interest. Butter is more available at this time due to lighter than expected international sales during the past few months, especially to Russia, where sales did not develop at all to levels of past years.

82% BUTTERFAT:	1,200 - 1,225

CHEDDAR CHEESE: Cheese markets are generally steady at unchanged prices. Higher offering prices continue to be reported, but are not confirmed. Demand for cheese to regular customers has been steady and good. For the most part, stocks have been sufficient to fill buyer needs with minimal additional volumes available for new buyer interest.

39% MAXIMUM MOISTURE:	1,700 - 1,775

SKIM MILK POWDER (SMP): Skim milk powder markets are steady to firm, although prices are unchanged. The Oceania supply situation has not improved any since two weeks ago. For the most part, skim milk powder is fully committed to regular/ongoing needs with no powder available for new international sales. Oceania traders report that they do not foresee any supply improvement before the next milk production season.

1.25% BUTTERFAT:	1,550 - 1,600

WHOLE MILK POWDER (WMP): Whole milk powder markets are firm at unchanged prices. As with skim milk powder, dry whole milk stocks are equally as tight. Stocks are reported to be in balance for ongoing/regular needs with virtually no additional volumes available for spot or new buyer interest.

26% BUTTERFAT:	1,550 - 1,650

Exchange rates for selected foreign currencies: March 13, 2000

.4378 Dutch Guilder	.4933 German Mark
.1471 French Franc	.4944 New Zealand Dollar
.1073 Mexican Peso	.6164 Australian Dollar
1.5797 British Pound	.0095 Japanese Yen
.2438 Polish Zloty	.9648 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1073) = 9.3197 That is 1 US Dollar equals 9.3197 Mexican Pesos.

Source: "Wall Street Journal"

MILK SUPPLY AND DEMAND ESTIMATES*

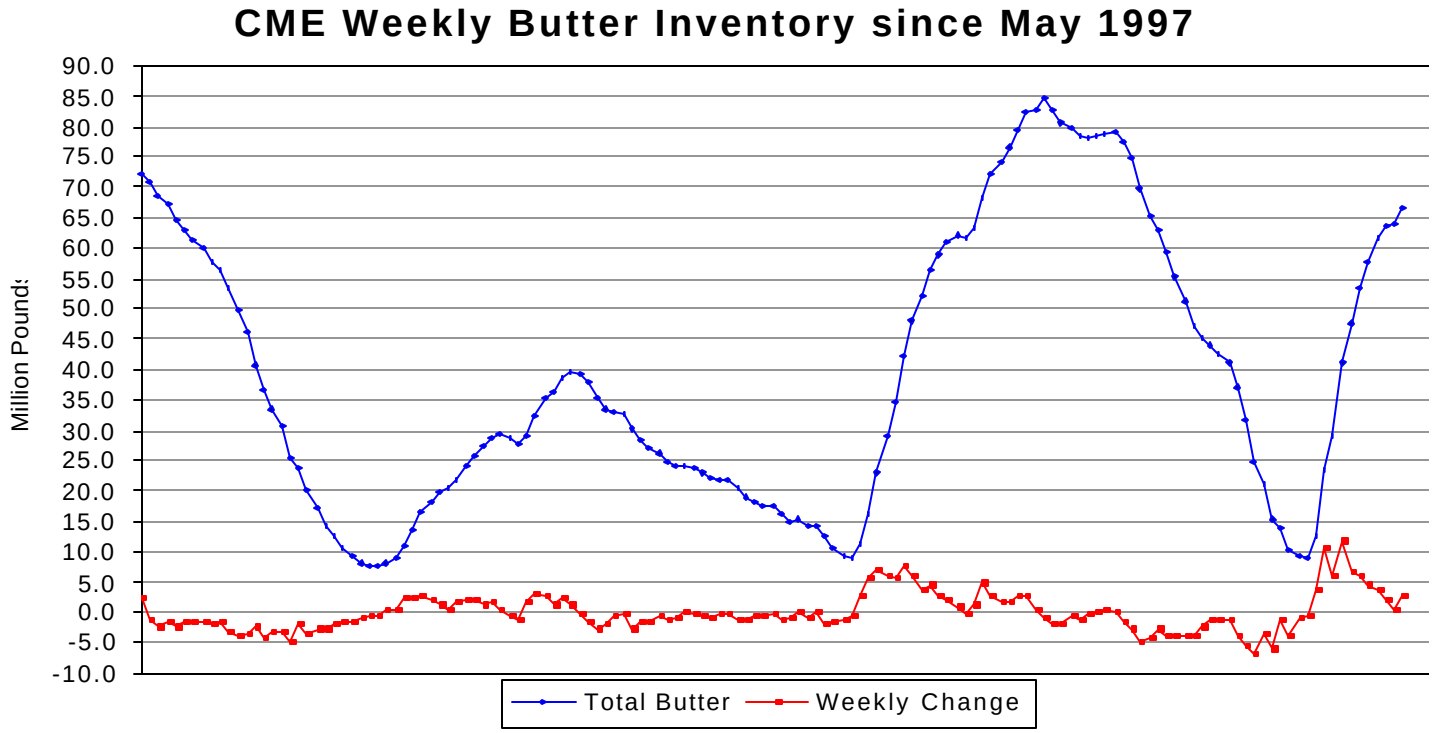
Milk production in 1999/2000 is forecast 500 million pounds higher this month due to slightly more cows and further gains in milk per cow. Growth in milk production is expected to slow during 1999/2000, but the volume of milk available through most of the year will continue to pressure prices. The BFP/Class III price is projected lower and net CCC removals are increased this month reflecting continuing weakness in product prices.

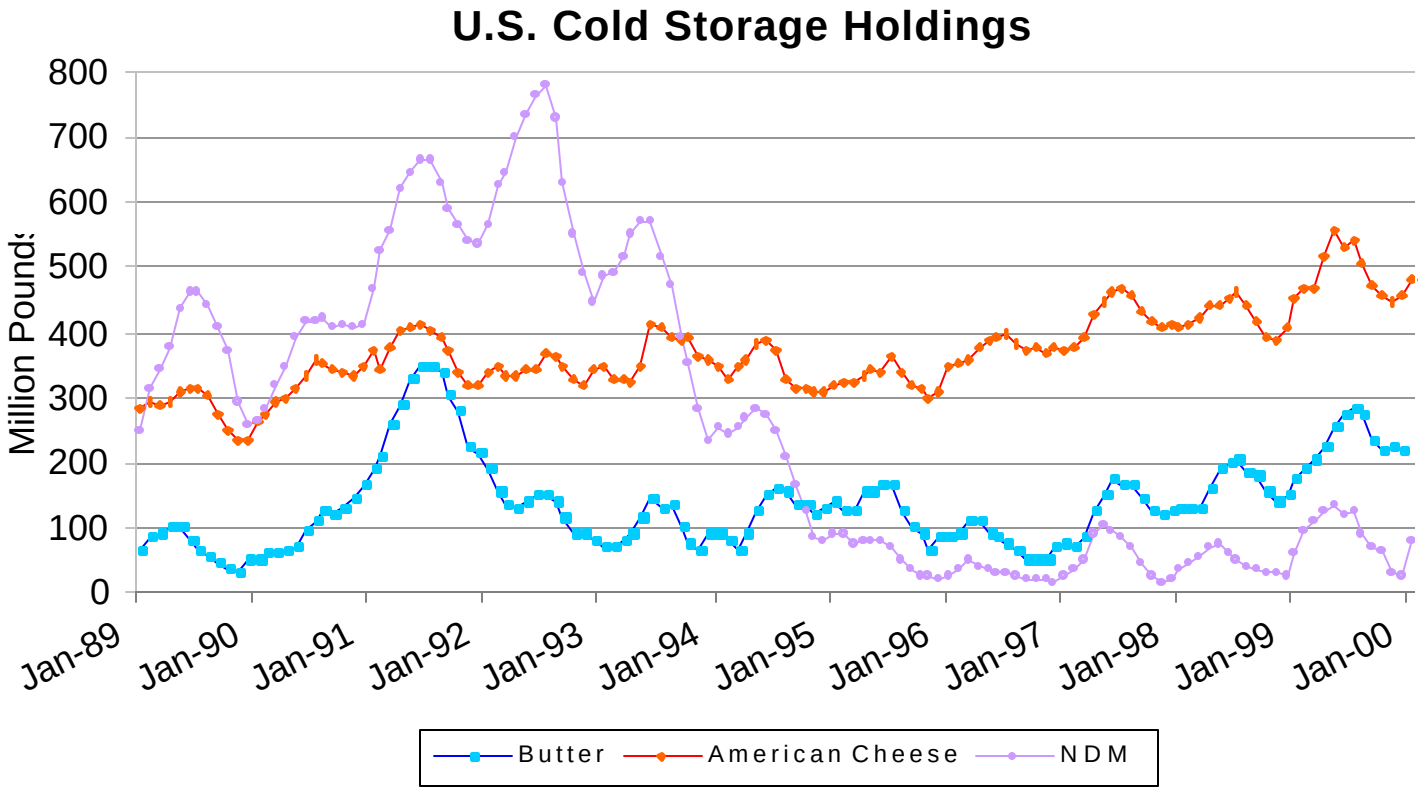
Item	1997/98 1/	1998/99 Estimated 1/		1999/00 Projection 1/	
		February	March	February	March
SUPPLY			**BILLION POUNDS**		
BEGINNING COMMERCIAL STOCKS 2/	5.9	5.8	5.8	7.5	7.4
PRODUCTION	156.5	161.2	161.2	165.4	165.9
FARM USE	1.4	1.3	1.3	1.3	1.3
MARKETINGS	155.1	159.9	159.9	164.2	164.6
IMPORTS 2/	4.1	4.8	4.8	4.1	4.1
TOTAL COMMERCIAL SUPPLY 2/	165.2	170.5	170.5	175.7	176.1
USE					
COMMERCIAL USE 2/ 3/	158.7	162.8	162.8	168.2	168.6
ENDING COMMERCIAL STOCKS 2/	5.8	7.5	7.4	6.9	6.9
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.7	0.3	0.3	0.6	0.7
SKIM SOLIDS BASIS 4/	4.5	5.4	5.4	6.7	7.2
			DOLLARS PER CWT.		
MILK PRICES 5/					
BASIC FORMULA/CLASS III PRICE 6/	13.28	14.04	14.04	10.10-10.60	10.05-10.45
ALL MILK 7/	14.60	15.37	15.37	12.20-12.70	12.30-12.70
			MILLION POUNDS		
CCC PRODUCT NET REMOVALS 4/					
BUTTER	21	1	1	15	15
CHEESE	8	6	6	6	6
NONFAT DRY MILK	368	449	449	560	600

	QUARTERLY 8/			ANNUAL 8/	
	2000 I	2000 II	2000 III	1999	2000
			BILLION POUNDS		
MILK PRODUCTION	42.0	43.0	40.5	162.7	166.0
			DOLLARS PER CWT.		
ALL MILK PRICE 5/ 7/	11.70-11.90	11.40-11.90	12.20-13.10	14.38	12.30-12.90
BASIC FORMUL PRICE/CLASS III PRICE 5/ 6/	9.55-9.75	9.60-11.10	10.80-11.60	12.43	10.55-11.15

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 8/ Calendar year basis projection.
* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-360, World Agricultural Outlook Board, USDA, March 14, 2000.





Graph USDA, DMN, Source: USDA, NASS

MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS, DECEMBER 1999, WITH COMPARISONS

In December 1999, mailbox milk prices reported for selected Federal milk orders averaged $12.00 per cwt., $2.17 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, $12.31, down $2.69; Southeast, $13.66, down $3.48; Midwest, $11.64, down $1.83 and West, $11.52 down $1.77. Compared to December 1998, mailbox milk prices decreased $5.80 per cwt. on the average. Regional changes from the previous year were: -$5.01 in the Northeast, -$5.05 in the Southeast, -$6.53 in the Midwest, and -$5.43 in the West.

Federal milk order 1/	Mailbox Milk Price 2/		
	December 1998	November 1999	December 1999
	Dollars per hundredweight		
New England	17.01	15.02	13.19
New York-New Jersey	17.58	14.82	11.93
Middle Atlantic	17.08	15.36	12.04
Northeast Average 3/	17.32	15.00	12.31
Carolina	18.57	17.56	13.90
Southeast	18.06	16.20	12.70
Florida 4/	20.14	18.72	15.59
Southeast Average 3/	18.71	17.14	13.66
Southern Michigan	17.30	15.53	12.16
Eastern Ohio-Western Pa.	17.85	15.65	12.27
Ohio Valley	17.82	16.18	12.58
Indiana	17.64	16.27	12.70
Chicago Regional 5/	18.40	12.43	11.28
S. Illinois-E. Missouri	17.63	16.47	12.56
Louis.-Lex.-Evans.	17.90	17.23	13.29
Upper Midwest 5/	18.54	12.09	11.32
Nebraska-Western Iowa	17.98	13.21	11.37
Iowa	18.07	12.84	11.23
Midwest Average 3/	18.17	13.47	11.64
Texas	17.39	14.78	12.65
Southwest Plains	17.02	14.14	11.43
Eastern Colorado	17.42	15.01	11.74
S.W. Idaho-E. Oregon	17.55	10.47	10.13
Great Basin	17.00	12.33	10.79
New Mexico-West Texas	16.72	13.60	11.74
Pacific Northwest	16.41	13.46	11.45
West Average 3/	16.95	13.29	11.52
All-Market Average 3/	17.80	14.17	12.00

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. 3/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 4/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders. 5/ May include payments for milk that, while normally associated with the market, was not pooled due to disadvantageous price relationships.

FEBRUARY MILK PRODUCTION

Milk production in the 20 major States during February totaled 11.7 billion pounds, 8.2 percent above production in these same States in February 1999. However, adjusting production for the additional day due to the leap year causes February milk production to be up 4.5 percent on a per day basis. January revised production, at 12.3 billion pounds was 4.9 percent above January 1999. The January revision represented an increase of 0.2 percent or 24 million pounds from last months preliminary production estimate.

Production per cow in the 20 major States averaged 1,505 pounds for February, 101 pounds above February 1999 without adjusting for the extra day.

The number of cows on farms in the 20 major States was 7.77 million head, up 72,000 head from February 1999 and up 3,000 from January 2000.

FEBRUARY 2000 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1999	2000	1999	2000	1999	2000	% CHANGE FROM 1999
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	132	137	1,835	1,935	242	265	9.5
CA	1,447	1,496	1,555	1,710	2,250	2,558	13.7
FL	158	157	1,365	1,425	216	224	3.7
ID	306	332	1,490	1,620	456	538	18.0
IL	125	120	1,310	1,480	164	178	8.5
IN	136	141	1,300	1,380	177	195	10.2
IA	219	215	1,380	1,500	302	323	7.0
KY	135	130	985	1,070	133	139	4.5
MI	292	298	1,405	1,510	410	450	9.8
MN	545	540	1,385	1,475	755	797	5.6
MO	162	157	1,140	1,220	185	192	3.8
NM	223	238	1,615	1,730	360	412	14.4
NY	702	700	1,320	1,370	927	959	3.5
OH	260	259	1,310	1,400	341	363	6.5
PA	615	617	1,375	1,475	846	910	7.6
TX	341	350	1,430	1,470	488	515	5.5
VT	162	159	1,290	1,365	209	217	3.8
VA	122	120	1,205	1,330	147	160	8.8
WA	248	246	1,695	1,785	420	439	4.5
WI	1,366	1,356	1,300	1,370	1,776	1,858	4.6
20 STATE TOTAL	7,696	7,768	1,404	1,505	10,804	11,692	8.2

1/ Includes dry cows. Excludes heifers not yet fresh.
2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (3-00), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1999

Federal Milk Order Marketing Area	Class I Price per Hundredweight 1/		Blend Price per Hundredweight 1/		Total Producer Deliveries		Producer Deliveries used in Class I		Class I Utilization Percentage	
	1999	Change from 1998	1999	Change from 1998	1999	Change from 1998	1999	Change from 1998	1999	1998
	Dollars				Mil. lbs.	Percent	Mil. lbs.	Percent	Percent	
NORTH ATLANTIC										
New England 2/	16.88	0.07	14.91	-0.70	6,063	4.9	2,816	4.4	46.4	46.6
New York-New Jersey	16.82	0.10	14.70	-0.70	11,661	-2.0	4,669	-3.6	40.0	40.7
Middle Atlantic 3/	16.69	0 09	14.38	-0.79	6,497	3.2	2,755	1.3	42.4	43.2
Regional Av. or Total	16.80	0.09	14.67	-0.72	24,221	1.0	10,240	-0.2	42.3	42.8
SOUTH ATLANTIC										
Carolina	16.72	0.09	15.89	-0.25	3,329	11.4	2,533	4.4	76.1	81.2
Southeast 3/	16.74	0.09	16.05	-0.08	5,910	0.5	4,759	1.4	80.5	79.8
Florida Markets 4/	17.57	0.16	16.94	0.12	2,814	0.3	2,470	1.2	87.8	87.0
Regional Av. or Total 5/	16.95	0.11	16.21	-0.09	12,053	3.2	9,762	2.1	81.0	81.9
EAST NORTH CENTRAL										
Mich Upper Peninsula 2/ 3/	15.03	0.13	14.55	-0.11	63	0.3	53	1.6	81.9	81.9
Southern Michigan 2/ 3/	15.41	0.07	14.07	-0.55	4,343	0.4	2,070	-1.1	47.7	48.4
East. Ohio-West. Pa. 2/ 3/	15.69	0.09	14.19	-0.63	3,222	-2.4	1,843	6.3	57.2	52.5
Ohio Valley 2/ 3/	15.69	0.08	14.46	-0.31	2,910	-2.2	1,685	2.7	57.9	55.1
Indiana 2/ 3/	15.58	0.13	14.49	-0.33	1,961	1.5	1,153	-3.9	58.8	62.1
Chicago Regional 2/ 3/	15.02	0.09	12.66	-1.19	12,473	-14.5	2,745	1.8	22.0	24.8
Central Illinois 2/ 3/	15.37	0.14	14.57	-0.37	208	4.5	155	2.1	74.7	79.7
S. Ill.-E. Missouri 2/ 3/	15.60	0.13	14.50	-0.16	1,717	-4.6	992	-2.1	57.8	56.3
Louis. -Lex. -Evans.	15.76	0.13	15.13	-0.10	1,371	2.9	1,035	-0.8	75.5	78.3
Regional Av. or Total	15.46	0.09	13.61	-0.79	28,269	-5.4	11,731	0.9	41.5	43.4
WEST NORTH CENTRAL										
Upper Midwest 2/ 3/	14.88	0.06	12.34	-1.23	8,581	20.6	1,614	-1.6	18.8	23.0
Iowa 2/ 3/	15.40	0.09	12.88	-1.19	3,286	24.1	966	4.3	29.4	35.0
Nebraska-Western Iowa 2/ 3/	15.44	0.13	13.21	-0.96	1,688	9.3	576	-7.2	34.1	40.2
Grtr. K. C.-E. S. Dak. 2/ 3/ 6/ 7/	---	---	15.46	0.06	551	1.3	---	---	---	---
Regional Av. Or Total 5/ 8/	15.14	0.08	12.69	-1.15	14,106	19.0	3,156	-1.0	22.4	26.9

Continued

ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1999

Federal Milk Order Marketing Area	Class I Price per Hundredweight 1/		Blend Price per Hundredweight 1/		Total Producer Deliveries		Producer Deliveries used in Class I		Class I Utilization Percentage	
	1999	Change from 1998	1999	Change from 1998	1999	Change from 1998	1999	Change from 1998	1999	1998
	Dollars				Mil. lbs.	Percent	Mil. lbs.	Percent	Percent	
WEST SOUTH CENTRAL										
Southwest Plains 2/ 3/	16.45	0.09	14.54	-0.69	2,840	-3.4	1,407	-2.7	49.5	49.2
Texas 2/ 3/	16.81	0.09	14.68	-0.69	6,635	13.5	3,308	2.9	49.9	55.0
Regional Av. or Total	16.70	0.09	14.64	-0.69	9,475	7.9	4,715	1.2	49.8	53.1
MOUNTAIN										
E. Colo.-W. Colo. 2/ 3/ 9/	16.39	0.08	14.57	-0.59	1,528	-6.7	853	2.3	55.9	50.9
S.W. Idaho-E. Oregon 2/ 3/	15.16	0.09	11.66	-1.81	2,420	68.2	192	4.1	7.9	12.8
Great Basin 2/ 3/	15.46	-0.02	13.69	-1.01	1,860	-8.3	871	-2.9	46.8	44.2
Central Arizona 2/ 3/	16.23	0.14	13.69	-1.21	2,773	9.0	976	-2.3	35.2	39.3
New Mexico-West Texas 2/ 3/	16.04	0.13	14.02	-0.29	1,342	-26.8	625	-2.1	46.6	34.8
Regional Av. or Total 5/	15.99	0.09	13.37	-1.20	9,923	4.6	3,517	-1.0	35.4	37.5
PACIFIC										
Pacific Northwest 3/	15.57	0.10	13.42	-1.33	6,432	-2.9	2,094	-0.8	32.6	31.9
Regional Av. or Total	15.57	0.10	13.42	-1.33	6,432	-2.9	2,094	-0.8	32.6	31.9
All-Market Av. Or Total 5/ 8/ 10/	16.24	0.10	14.09	-0.83	104,479	-5.3	45,216	0.6	43.3	45.3

1/ Prices are for milk of 3.5 percent butterfat content and for the major city in the marketing area. All averages are weighted. 2/ Due to disadvantageous pricing situations in 1998, handlers elected not to pool milk that normally would have been associated with the market. 3/ Due to disadvantageous pricing situations in 1999, handlers elected not to pool milk that normally would have been associated with the market. 4/ The price data are for Tampa Bay; the remaining data are for the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas which have been combined in order to mask restricted data. 5/ Price averages exclude, where applicable; Upper Florida, Southeastern Florida, Eastern South Dakota, and Western Colorado. Some of the data used to weight the monthly prices are restricted. 6/ The price data are for Greater Kansas City; the remaining data are for the Greater Kansas City and Eastern South Dakota marketing areas which have been combined in order to mask restricted data. 7/ Class I receipts and utilization data for the Greater Kansas City-Eastern South Dakota area for the entire 1998-99 period were restricted. 8/ Figures exclude Class I price data for Greater Kansas City and Class I receipts and utilization data for Greater Kansas City-Eastern South Dakota; see 7/. 9/ The price data are for Eastern Colorado; the remaining data are for the Eastern Colorado and Western Colorado marketing areas which have been combined in order to mask restricted data. 10/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 13.8 billion pounds in 1999, and 16.0 billion pounds in 1998.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF MARCH 13 - 17, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 03/10/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	910,800	-0-	910,800	1,702,800	-0-	-0-	-0-
TOTAL	910,800	-0-	910,800	1,702,800	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	14,538,041	-0-	14,538,041	165,759,043	27,681,426	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
TOTAL	14,538,041	-0-	14,538,041	171,072,390	27,681,426	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MARCH 13 - 17, 2000 =	11.6	178.2	COMPARABLE WEEK IN 1999 =	1.4	73.2
CUMULATIVE SINCE OCTOBER 1, 1999 =	53.4	2,008.1	CUMULATIVE SAME PERIOD LAST YEAR =	6.1	322.0
CUMULATIVE JANUARY 1 - MARCH 17, 2000 =	42.1	1,415.0	COMPARABLE CALENDAR YEAR 1999 =	6.1	321.0

* 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 MARCH 13 - 17, 2000 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	910,800	1,993,618	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	12,105,993	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	438,430	-0-

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

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	1,702,800	-0-	17,141,425	-0-	36.5	0.0
WEST	-0-	-0-	-0-	-0-	152,533,611	27,681,426	62.9	100.0
EAST	-0-	-0-	-0-	-0-	1,397,354	-0-	0.6	0.0
TOTAL	-0-	-0-	1,702,800	-0-	171,072,390	27,681,426	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

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 02/26/00 & Comparable Week 1999 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK	U.S. TOTAL SINCE JAN 1	% DAIRY OF ALL WEEK	% DAIRY OF ALL SINCE JAN 1
2000-Dairy cows HD (000)	0.3	1.0	6.7	6.2	19.8	2.5	0.9	0.8	12.1	3.5	53.7	474.0	52.3	49.7
1999-Dairy cows HD (000)	0.2	1.0	5.9	5.7	17.8	2.5	3.1	0.6	10.2	3.3	50.4	474.0	48.1	47.2
2000-All cows HD (000)	0.3	1.2	9.1	13.5	28.5	12.5	13.7	4.8	13.1	5.9	102.7	953.1		
1999-All cows HD (000)	0.2	1.0	8.0	15.1	25.6	14.4	17.2	4.3	11.5	7.3	104.8	1,004.3		

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.

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93								
Class II	11.43	11.51										
Class III	10.05	9.54										
Class IV	10.73	10.80										

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm