

NATIONAL DAIRY MARKET AT A GLANCE

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/28):**  
**BUTTER:** Grade AA closed at \$1.1100. The weekly average for Grade AA is \$1.0833 (+.0583).

**CHEESE:** Barrels closed at \$1.1000 and blocks at \$1.0975. The weekly average for barrels is \$1.1000 (+.0312) and blocks, \$1.1005 (+.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 are firm. Many butter producers and handlers were quite surprised that the cash market firmed so quickly following the Easter holiday period. Most anticipated that the cash price would have remained lower for a longer time. Churning schedules across the country vary. For the most part, cream supplies were readily available and churning is seasonally active, although ice cream production is building in more areas of the country. Butter stocks are sufficient to meet current needs, although USDA figures indicate that storage volumes are lagging last year at this time.

**CHEESE:** The cheese market is unsettled to weak. Prices at the CME cash market rebounded early and declined later in the week. Process cheese interest is improving seasonally as summer tourist areas prepare for Memorial Day weekend. During the week of April 24 - 28, CCC purchased 544,400 pounds of Midwestern process under the price support program. Revised 1999 U.S. cheddar cheese output totals 2.817 billion pounds, 183.4 million pounds (7.0%) above 1998. Total cheese output in 1999 was 7.944 billion pounds, 451.9 million pounds (6.0%) above 1998.

**FLUID MILK:** Milk production is generally past the seasonal peak across the southern tier of states and steady to higher toward the north. Output is generally higher than year ago levels. In Arizona and New Mexico, production is slightly off seasonal peak levels. California is steady to higher. In the Northwest, output is still increasing. Midwestern production is still showing seasonal increases with higher levels in the north. In the Southeast production is declining. Florida is still shipping out loads of milk for processing at

levels higher than a year ago. In the Middle Atlantic and Northeastern states, production is still increasing seasonally. Cream supplies were heavy following the holiday weekend, but became balanced as the week progressed in most areas. Ice cream producers were taking more loads.

**DRY PRODUCTS:** Nonfat dry milk prices are mostly steady in light trading across all regions. Pricing levels remain centered around the support price of \$1.01 and producers continue to offer heavily to the support program. Production levels are strong seasonally. Spot demand is limited. Buttermilk prices continue to trend higher and are near nominal in some areas. Demand is good for the light offerings. Stock levels are low. Drying schedules are light as processors need drying time for NDM. Dry whey prices are holding mostly steady. Buying interest is slower to the export markets. Domestically, demand has slowed. Lactose prices are more unsettled with some weakness to the market noted. Producers with inventories are having to discount to move product. Other suppliers remain in good shape. Export movement is good. Whey protein concentrate prices continue to trend higher. Some resistance is noted, but buyers have few alternatives and are having to pay the higher prices to secure loads. Supplies at the plant level are tight and resale loads are priced above the spot market.

**CCC:** During the week of April 24 - 28, CCC purchases totaled 18,486,873 net pounds of nonfortified NDM. This is the largest weekly purchase of NDM since January 1988. From this total, 15,767,061 pounds were purchased from the West, 2,830,042 pounds from the Midwest, and -110,230 pounds from the East. CCC also purchased 554,400 pounds of process cheese from the Midwest.

**COLD STORAGE (USDA, NASS):** U.S. cold storage holdings of butter on March 31, 2000, total 97.2 million pounds, up 9.3% from February 29, 2000, but 10.4% lower than March 1999. Natural American cheese holdings total 530.2 million pounds, an increase of 2.9% from a month ago and 13.4% from last March.

\*\*\*\*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 APRIL 24	TUESDAY APRIL 25	WEDNESDAY APRIL 26	THURSDAY APRIL 27	FRIDAY APRIL 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1000 (+.0050)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	(+.0050)	\$1.1000 (+.0312)
40# BLOCKS	\$1.1100 (+.0100)	\$1.1050 (-.0050)	\$1.0925 (-.0125)	\$1.0975 (+.0050)	\$1.0975 (N.C.)	(-.0025)	\$1.1005 (+.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	\$1.0600 (+.0400)	----	\$1.0800 (+.0200)	----	\$1.1100 (+.0300)	(+.0900)	\$1.0833 (+.0583)

\*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, APRIL 24, 2000

CHEESE -- SALES: 5 CARS BARRELS: 4 @ \$1.0950, 1 @ \$1.1000; 2 CARS 40# BLOCKS: 1 @ \$1.1000, 1 @ \$1.1100; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1000; 1 CAR 40# BLOCKS @ \$1.1000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1100; 5 CARS 40# BLOCKS: 1 @ \$1.1200, 1 @ \$1.1250, 1 @ \$1.1300, 1 @ \$1.1350, 1 @ \$1.1400  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.0700, 1 @ \$1.0600, 1 @ \$1.0550; BIDS UNFILLED: 17 CARS GRADE AA: 2 @ \$1.0600, 1 @ \$1.0575, 2 @ \$1.0550, 1 @ \$1.0525, 1 @ \$1.0500, 3 @ \$1.0400, 1 @ \$1.0350, 1 @ \$1.0300, 1 @ \$1.0250, 1 @ \$1.0200, 1 @ \$1.0100, 1 @ \$1.0050, 1 @ \$1.0000; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1000

TUESDAY, APRIL 25, 2000

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.1100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS 40# BLOCKS: 1 @ \$1.1050, 1 @ \$1.1100, 1 @ \$1.1125, 1 @ \$1.1150, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1400  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 26, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0700; OFFERS UNCOVERED: 9 CARS 40# BLOCKS: 1 @ \$1.0925, 1 @ \$1.0950, 1 @ \$1.0975, 1 @ \$1.1000, 2 @ \$1.1025, 3 @ \$1.1050  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$1.0825, 3 @ \$1.0800, 1 @ \$1.0900, 1 @ \$1.0825, 1 @ \$1.0800; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ \$1.0800, 1 @ \$1.0775, 2 @ \$1.0750, 1 @ \$1.0700, 1 @ \$1.0625, 1 @ \$1.0600; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.0900, 2 @ \$1.1000, 1 @ \$1.1400

THURSDAY, APRIL 27, 2000

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.0925, 1 @ \$1.1000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 1 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.1100, 1 @ \$1.1300  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 28, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.1300  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: NONE; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ \$1.1100, 1 @ \$1.1000, 1 @ \$1.0900, 1 @ \$1.0850, 1 @ \$1.0825, 1 @ \$1.0700, 1 @ \$1.0600; OFFERS UNCOVERED: 3 CARS GRADE AA @ \$1.1500

**BUTTER MARKETS**

**MARCH MONTHLY COLD STORAGE**

According to NASS, March month-end cold storage figures for butter total 97.2 million pounds, 10.4% less than last year, but 9.3% higher than February 2000.

**NORTHEAST**

On April 24, butter prices at the CME jumped four cents after decreasing for six consecutive trading sessions. This did surprise some contacts particularly following the holiday weekend. Some speculate that this may have been a move to keep milk prices from falling. Others just wonder why, at a time of slow demand, heavy cold storage stocks, and increasing production, are butter prices moving higher. Eastern churning activity was heavier over the long holiday weekend. Also, many schools are closed and more surplus milk is moving into manufacturing plants. Butter stocks are more than ample to cover the slow to fair demand. Retail sales are slower as stores work off existing inventories before restocking. Food service sales are about steady. Bulk butter sales remain in the range of 3-5 cents over the CME price/average.

**CENTRAL**

Butter markets are firm following the 6 cent increase in cash prices at the CME by mid-week. Producers and handlers are questioning the firmness. Many anticipated prices to remain at a lower level following the Easter holiday and were

quite surprised that it rebounded so quickly. Churning schedules are seasonally active, although competition for cream is starting to increase. Ice cream producers are now building inventories as warm temperatures and the summer vacation season are nearly here. Butter inventories are sufficient to meet current needs, but most producers and handlers would desire heavier volumes to carry them through the summer and into the fall. Current butter demand is still fairly good. Orders were better than many anticipated they would be following the Easter holiday. Some producers are stating that they feel some buyers are trying to hedge against higher prices in the near future.

**WEST**

Butter sales continue to be strong even after Easter orders have been completed. Many contacts are pleasantly surprised at this turn of events. Others see the market as not as robust as they would like. Print orders continue to ship on a regular basis. Bulk orders continue to come in from other regions of the country at strong levels. USDA cold storage numbers indicate that stocks have declined in comparison to last year at this time. Contacts are beginning to wonder if the butter market has put in a bottom. They do wonder what fall demand, stocks, and production will look like. Current butter production is about steady. More cream is going into ice cream production, but some are surprised it isn't doing better at this time of the year. Current prices for bulk butter range from 5 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
APRIL 22	1.0960 7,010,152	1.0672 8,937,461	1.0099 16,556,577	1.0122 4,710,438	0.1772 7,499,422

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

**CHEESE MARKETS**

**NORTHEAST**

Prices for process and natural styles are fractionally lower. The market tone is unsettled as prices at the CME moved high late last week and early this week. Contacts are still finding it hard to get a handle on price trends. Most tradespeople thought prices would settle at or slightly below the support purchase price and hold there through the flush. They may still do that, but recent increases are surprising to many. In the East, cheese output is steady at heavy levels. Most operations are running daily with few operating fewer than six days a week. Cheese demand is holding up quite well, but orders are a bit slower following the holiday weekend. Cheddar stocks are adequate to heavy for current spot needs. Mozzarella sales are about steady. Retail movement is slow to fair and food service orders often slower.

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

Cheddar 10#Prints	:	1.1125-1.6025
Cheddar Single Daisies	:	1.0925-1.5525
Cheddar 40#Block	:	1.2375-1.4150
Process 5#Loaf	:	1.2900-1.4125
Process 5#Sliced	:	1.3100-1.5575
Muenster	:	1.2950-1.5975
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is unsettled. Cash cheese prices at the Chicago Mercantile Exchange have rebounded slightly from just below CCC purchase prices last week to slightly above those levels. Process movement is steady to occasionally improved. Food service activity continues to stimulate extra cheese sales, especially process. Processors are preparing Memorial Day weekend orders, the traditional start of the summer travel/tourist season and the reopening of many vacation locations. Cheese supplies remain heavy as is current production. Cheese yields are declining along with fat and protein tests. Buyers continue to have little difficulty in securing additional supplies of basic varieties. Keeping undergrades from accumulating is a problem for some producers while others are having less of a problem. Revised 1999 U.S. cheddar cheese output totals 2.817 billion pounds, 183.4 million pounds (7.0%) above 1998. Total cheese output in 1999 was 7.944 billion pounds, 451.9 million pounds (6.0%) above 1998.

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

Process American 5#Loaf	:	1.2500-1.4500
Brick And/Or Muenster 5#	:	1.4200-1.6575
Cheddar 40#Block	:	1.4000-2.1150
Monterey Jack 10#	:	1.5800-2.1150
Blue 5#	:	1.7925-2.0000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

**MIDWEST COMMODITY CHEDDAR**

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

CHEDDAR STYLES	:	APRIL 24 - 28, 2000
BARRELS*	:	\$1.0500 - 1.1100 (NOMINAL)
	:	(.0250)
40# BLOCKS	:	\$1.0875 - 1.1250 (NOMINAL)
	:	(\$ .0025) (.0025)

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

**WEST**

Prices again weakened for Western cheese following activity at the CME. Contacts did wonder about the gyrations on the CME and if there was any real basis for them. Demand is generally rated as quite good for this season. The real concern is the production side. Output is too heavy for buyers to readily absorb all of the offerings. Because of this, it is becoming more difficult to sell undergrade cheese. Some firms report these stocks are much larger than desired. Output is expected to remain very heavy through the normal spring flush. Cold storage stocks of American cheese at the end of March total 530.2 million pounds, up 13% from the same period last year. Swiss stocks total 10.4 million pounds, down 23% from March 1999.

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

Process 5#Loaf	:	1.2225-1.4825
Cheddar 40#Block	:	1.2200-1.3600
Cheddar 10#Cuts	:	1.4000-1.6200
Monterey Jack 10#	:	1.4100-1.5700
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

**FOREIGN**

Prices are unchanged to fractionally lower. The market tone is unchanged. Demand for imported or foreign-type cheese is fair. Now that domestic styles are holding at relatively low price levels, demand for some types of imported cheese has slowed. Supplies of imported cheese range from light to fully adequate. With the Euro reaching new lows relative to the Dollar, cheese importers are showing more interest in placing orders.

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	: 1.4375-2.9325*
Gorgonzola	: 3.2400-5.9400	: 1.9925-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8525-3.3700*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4525-1.7325*
Romano (Cows Milk)	: -0-	: 2.6175-4.8025*
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
04/24/00	23,102	: 126,291	
04/01/00	25,667	: 126,431	
CHANGE	-2,565	: -140	
% CHANGE	-10	: N.C.	

FLUID MILK AND CREAM

E A S T

The base price for Class I milk for May 2000 is \$11.48 per cwt., up 55 cents from April. 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 May is \$8.40, unchanged from April. Milk production is easing lower in Louisiana and Texas; steady to heavier in most other states. The weather is warming up in the Deep South. Combined with the reports that this year's rye grass didn't seem to have the positive impact on the milk flow that it usually does, milk production is easing lower. Further north, milk output is holding at near peak levels and milk is still increasing toward the peak in the Middle Atlantic and Northeastern states. Fluid milk supplies are still more than ample for overall needs, but with more schools back in session, surplus volumes are not as burdensome. Some schools are still on vacation all or part of this week. This week, Florida handlers shipped 134 loads of milk out of state for processing. This compares to 130 loads last week and 83 a year ago. Bottled milk sales range from improved where schools are back in session to slow. Manufacturing plants in the Southeast are operating at or very near capacity while plants in the Northeast have a little more "breathing room" now that some schools are again taking milk. The condensed skim market is unchanged. Prices, demand, and availability are about steady. The fluid cream market is a bit firmer. A few distressed loads were moved during the holiday weekend, but early-week demand improved and by midweek, suppliers were looking for additional loads to fill orders. Some reports of tight supply were noted. Demand from bottlers and cream cheese makers is holding up quite well. Spot prices are mixed as last week's CME butter price average is down, but sales based on the most current price are higher. Multiples are about steady. Churning activity is occasionally lighter, but still mostly moderate.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANK LOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT		
F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.2608-1.5000
DELIVERED EQUIVALENT ATLANTA	-	1.2710-1.4350 M 1.3325-1.3940
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3018-1.4076
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	-	.8700-1.0000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:	LOADS
APRIL 21 - 27, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Weather conditions in the Midwestern part of the country have been very seasonal. Much needed moisture ended late last week, thus conditions are very conducive to fieldwork this week. More instances of corn planting are occurring in more northern areas. Milk production continues to improve in most areas. Reports indicate that these increases are gradual with no spikes being reported yet. Class I demand has basically returned to regular schedules following the Easter holiday. Although some schools are still out this week, or at least part of the week, most bottling schedules returned to pre-holiday levels. Some milk continues to clear to manufacturing at \$.50 - .75 over class delivered. Cream markets are steady to slightly improved. Ice cream production is now starting to seasonally increase on more of a steady basis. Up to this point, ice cream output was spotty, but now with less than one month left before the start of the summer vacation season, ice cream producers are gearing up output. Other cream based product production has tapered off somewhat now that the

Easter holiday has past. At this point, milk handlers do not foresee any problems with handling milk volumes as the spring flush season develops.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APR 20 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 45.00	\$ 34.00- 39.00
REPLACEMENT HEIFER CALVES	\$270.00-360.00	\$195.00-260.00

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

	APR 20 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 50.50	\$ 30.00- 41.00

W E S T

March pool receipts of milk in California total 2.684 billion pounds, 5.0% higher than last year. Cumulative pool output through the first three months of this year totals 7.837 billion pounds (February unadjusted), up 9.6% (+8.4% adjusted) from the comparable period in 1999. The March blend price is \$11.11, 58 cents higher than February, at a fat test of 3.76%. The percentage of receipts used in Class 1 products is 20.98%. The March quota price is \$11.73 and the base and overbase prices are \$10.03. These prices are 8 cents higher than last month but \$3.13 lower than March 1999. Milk production is mostly steady at seasonally high levels across most of the state of California. Local areas are seeing small changes, but not to any great extent. The areas that had rains last week were not affected much. Weather conditions remain at near ideal levels across most of the state. Milk is being brought into the state from other areas for processing. Local plants are running at high levels, but are able to handle all milk in the system. Feed conditions remain good. New crop hay is entering the market at mostly steady prices. The quality is good to excellent. Daytime high temperatures in Arizona have topped the 100-degree mark for the first time this year. Milk production has remained at seasonally high levels, but sustained hot weather would decrease milk supplies. Milk is being handled locally. New Mexico milk production remains at levels higher than a year ago. Cow numbers are increasing as more dairies and expansions are filled. Heifer prices remain high. Temperatures in the 90's are beginning to slightly stress milk cows. Production per cow is declining. Some heat abatement measures have begun. Cream prices are often lower this week in the Southwest. California offerings were higher following the holiday weekend and overages and multiples were dropped to keep cream moving. In other areas, processors were finding cream sales a better option than making products. Milk production in the Pacific Northwest continues to increase seasonally. Output is expected to remain strong as more producers are facing additional financial stress due to low milk prices and feel they need to keep milk volumes as high as possible. Some producers are beginning to fall behind on some of their ongoing feed bills. Cull cow prices are continuing to show some signs of strength and volumes are still light. If these prices continue to firm, more producers will have to make decisions as to which alternative will help their bottom line the most. Some alfalfa fields are being cut this week along the Columbia Basin, which is about two weeks ahead of normal. The hay harvest is expected to increase dramatically next week, if the weather cooperates. Asking prices are higher as stocks are very light. Some contacts are commenting that they have not seen hay inventories this light in years. Exporters are in the market also looking for first cutting hay. Milk output in northern Utah and southern Idaho is increasing seasonally. Herds that are expanding continue to bid up heifer prices. Some parts of the region are much dryer than normal. Irrigation companies are scrambling to get water into distribution canals much earlier than normal. Some hay growers will need to put water on the alfalfa to get a decent first cutting. This is unusual to need water this early. Most believe that irrigation water supplies look sufficient at this time for a normal cropping year.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/27/00 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 on a weak market. Heavy milk volumes are difficult to clear. Plants are generally operating at capacity and producing very little high heat because of the additional dryer time required. Some spot interest is occurring into baking and blending plants. Overall demand is slow with government purchases clearing the bulk of the heavy supplies. Inventories are in balance to long. High heat supplies are tight with prices trending unchanged to higher. Off grade product is readily available for the light feed interest.

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 higher on a firm market. Some plants are no longer selling dry buttermilk. Supplies are instead used internally or cleared in the condensed form. Buying interest is light to fair, best on regular commitments and into ice cream facilities. Traders are becoming more resistant to price increases, especially with the price spread growing between Central and Western regions. Production is seasonally unchanged to lower and inventories are tight. Off grade and buttermilk product supplies are available and often short of buyer interest.

BUTTERMILK: .7750 - .8400

**DRY WHEY - CENTRAL**

Prices are unchanged to higher on a mostly steady market. Less discounting is noted as some plants delay operations due to plant upgrades and maintenance. Most plants are in better balance compared to last week. Movement is slow with some spot interest into bakery and feed facilities. Buyers are generally purchasing on an as needed basis. Some inquiries are being reported from export markets. Inventories are in balance to long. Production is running full at most plants with increases in the amount of off grade produced at some plants. Off grade supplies remain plentiful for the light interest.

NONHYGROSCOPIC: .1600 - .1850 MOSTLY: .1700 - .1800

**ANIMAL FEED WHEY - CENTRAL**

Milk replacer prices are unchanged and the market tone is steady to weak. Product is difficult to move and production is sometimes higher due to the excessive volumes being run through dryers. Demand is slow and offers are plentiful. Roller ground movement is slowing. Producers are discounting product to clear heavy inventories. Production is generally unchanged. Delactose supplies are in balance to tight. Some off grade product is being produced and clearing well just below the average. Prices are higher and demand is strong into both food and feed facilities. Delactose remains an attractive substitute for plants that are able to interchange delactose and WPC. Hog prices are higher and North Central veal prices are trending lower.

MILK REPLACER: .1300 - .1600  
 ROLLER GROUND: .1600 - .1800  
 DELACTOSE (Min. 20% protein): .3175 - .3375

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged. The market tone remains steady with weaker undertones. Inventories are mixed. Some plants are running long and discounting to clear heavy supplies. Others are behind on regular shipments due to previous plant delays or oversold commitments. Trading is light. Off grade supplies continue to be plentiful and thereby deter feed buying interest in Extra Grade. Permeate is also being used as a substitute into some feed facilities. Some new domestic inquiries are being noted from confectionary plants. Export movement is good. While freight rates are increasing and the Euro remains competitive with the dollar, US lactose sales are generally not slowing.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.  
 EDIBLE: .1800 - .2550 MOSTLY: .1950 - .2050

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices continue to move higher on a firm market. Buyers are a little more price resistant at the higher prices, yet many are finding no alternatives and need to buy. Some producers are concerned that higher prices may have a limit, especially when WPC is used a substitute to NDM. Demand continues strong into nutraceuticals, ice cream, cheese and feed items. Spot movement is light as supplies are very tight. Some producers remain behind on regular shipments. Production is steady to higher compared to last week with some plants still unable to reach capacity due to equipment problems. High protein supplies are noted as tight. Inquiries from export markets are heavy. Some resale product is available and being offered at 3-5 cents over the average. Off grade supplies are readily available with some better quality product trading at the average.

EXTRA GRADE 34% PROTEIN: .6025 - .6600 MOSTLY: .6125 - .6325

**NONFAT DRY MILK - WEST**

Nonfat dry milk markets are fully steady. Prices are slightly changed for both series. Low/medium heat prices are lower on the bottom end of the range, but continue to be centered around the support price of \$1.01. Production levels remain high in the region to process seasonally heavy milk production. Plants are running at high levels, but processors are pleased that milk volumes are not more than they currently are. Generally, milk is being processed within the region. Demand is light for spot loads and new DEIP orders are minimal. High heat prices are slightly higher on the top end of the range. High heat production is light as milk volumes need to be processed and processors don't want to slow down the process. Demand for high heat is light to moderate on a seasonal basis. During the week of April 17 - 21, CCC net purchases of nonfortified NDM totaled 12.7 million pounds of which 11.6 million pounds came from Western producers.

Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9800 - 1.0150 MOSTLY: 1.0000 - 1.0100  
 HIGH HEAT: 1.0150 - 1.0400

**DRY BUTTERMILK - WEST**

Buttermilk prices are higher in a steady to firmer market. However, buying interest is often light. Drying times are limited as buttermilk drying is secondary to NDM in a period of heavy milk production in the region. Producer offerings are limited and the spot market is less than fully tested. There are a lot of offerings of condensed buttermilk at prices all across the board. The situation is interesting in that while powder is tight, condensed is in excess, but most condensed is priced off the increasing dry buttermilk price series. Stocks are light to moderate and generally held with confidence.

BUTTERMILK: .7000 - .7800 MOSTLY: .7000 - .7400

**DRY WHEY - WEST**

Western whey prices are being reported as steady this week. Inventory levels are in a better position than in the recent past. Buying activity is rated as somewhat improved for domestic needs. Export sales remain on the slow side into those areas impacted by the outbreak of hoof and mouth disease. Exports into other areas of the Far East and Mexico are reported as steady. Whey production levels are seasonally heavy.

NONHYGROSCOPIC: .1600 - .1900 MOSTLY: .1675 - .1750

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
April 21	\$1.0079	12,495,939
April 14	\$1.0072	13,432,648

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 and the market tone are generally steady. Low heat prices have settled into a relatively narrow range and are holding there. High heat prices are mostly unchanged. Production levels are lighter this week as some schools are back in session and bottling has picked up. This improved Class I demand provided some manufacturing plants with a breather from all the milk late last week. Producer stocks are quite well balanced. Demand is just fair. Quite a few large-volume deals were put together a few weeks ago and buyers are still drawing on those and are not very active in the spot market. No Eastern NDM was offered to CCC this week, but contacts feel that offerings will resume in the near future.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0300 MOSTLY: 1.0000 - 1.0200

HIGH HEAT: 1.0400 - 1.0800 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1100

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices range from steady to higher and, more often, nominal. More producers are reporting fewer spot sales. Contracts and improving sales of condensed buttermilk are keeping stocks of powder quite tight. The market tone is firm. Some producers are asking as much as 80 cents for truckload volumes as a way to discourage new business. Some 80+ cent LTL sales have been noted. Current output is moderate and barely keeping pace with contracted volumes. Few Eastern producers have loads on the floor for immediate shipment and those that do, have moved prices to the upper end of the range.

F.O.B. NORTHEAST: .7400 - .7800

DELVD SOUTHEAST: .7500 - .8000

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged to higher. The market tone is steady. Production is generally geared to meeting orders. Demand is mostly contractual with slow to fair spot interest. Export interest is slowly developing, but during the weekend April 21, 540 MT of dry whole milk was accepted under DEIP. This is the first DEIP acceptance since the most recent reallocation announcement.

F.O.B. PRODUCING PLANT: 1.1375 - 1.2500

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH APRIL 21, 2000  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	88,758 MT (195,675,887 LBS)
CHANGE	--	1,336 MT (2,945,346 LBS)
WHOLE MILK POWDER	--	10,217 MT (22,524,398 LBS)
CHANGE	--	540 MT (1,190,484 LBS)
CHEESE	--	1,757 MT (3,873,482 LBS)
CHANGE	--	19 MT (41,887 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. March 31, 2000: USDA announced an that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices and the market tone are steady. Contacts report a very quiet market this week. This is not unusual for the week or two prior to the annual ADPI meetings held next week in Chicago. Dry whey production is heavy as most Eastern cheese plants are operating seven days a week. Eastern suppliers report stocks in a range of light to sold out. Some producers are taking orders for shipment in late May. Spot demand is not all that aggressive which is keeping prices from moving much higher. Contract and export sales are keeping most producers from building inventories. However, new export sales are slow to develop.

F.O.B. NORTHEAST: EXTRA GRADE .1700 - .1850

USPH GRADE A .1850 - .1950

DELVD SOUTHEAST: .1950 - .2200

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are unchanged and moderate. Surplus milk volumes available to producers across the country are growing. Producer stocks are moderate and at desired levels. However, with relatively inexpensive milk available, some producers are replenishing and building inventories. Demand is slow to fair and mostly for replacement needs.

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.

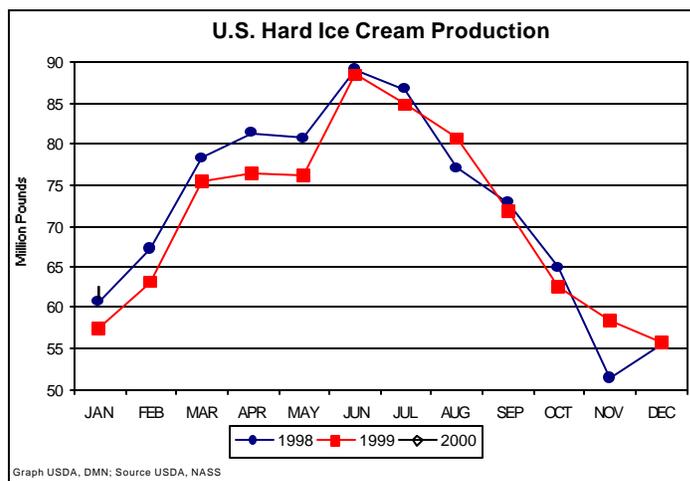
**CASEIN - NATIONAL**

Casein markets remain firm. For the most part, domestic buyers continue to report limited casein supplies. Oceania sources report that stocks are fully committed and spot availability is limited. European sources indicate that their production season is just starting and it would be at least another month or so before new production could potentially arrive on U.S. shores. In Europe, reports are indicating that early season milk volumes are being directed towards cheese production, thus limiting milk availability for other manufactured dairy products. Reports of improved demand within Europe are also being stated, thus limiting stocks for export.

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

RENNET: 2.0000 - 2.2000

ACID: 2.0500 - 2.2000



**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	04/12	04/13	04/14	04/17	04/18	04/19	04/20	04/21	04/24	04/25	
<b>CSCE/NYBT - BFP -- Dollars per cwt.</b>											
APR 00	9.50 (57) 1	9.50 (58) 1	9.45 (58) 0	9.45 (58) 0	9.45 (58) 0	9.45 (58) 0	9.45 (58) 0	9.45 (58) 0	NO TRADING	9.45 (58) 0	9.45 (58) 0
MAY 00	9.70 (51) 0	9.60 (51) 0	9.60 (51) 0	9.60 (51) 0	9.60 (51) 0	9.60 (51) 0	9.60 (51) 0	9.83 (51) 0		10.00 (51) 0	9.80 (51) 0
JUN 00	10.70 (59) 1	10.60 (60) 1	10.40 (60) 1	10.35 (60) 1	10.20 (60) 0	10.03 (60) 0	10.03 (60) 0	10.45 (60) 0		10.78 (60) 0	10.73 (61) 1
JUL 00	11.66 (55) 0	11.64 (55) 0	11.56 (57) 2	11.45 (57) 2	11.24 (57) 0	11.08 (57) 4	11.08 (57) 4	11.43 (57) 0		11.68 (57) 0	11.73 (57) 0
AUG 00	12.18 (42) 0	12.18 (43) 1	12.18 (44) 1	12.10 (44) 1	12.03 (45) 1	11.93 (45) 0	11.93 (45) 0	12.20 (45) 0		12.25 (47) 2	12.20 (48) 4
SEP 00	12.45 (52) 2	12.45 (52) 0	12.45 (53) 1	12.40 (53) 1	12.35 (53) 0	12.25 (54) 1	12.25 (54) 1	12.45 (54) 0		12.58 (56) 2	12.53 (56) 0
OCT 00	12.58 (27) 1	12.50 (28) 1	12.50 (29) 1	12.38 (29) 1	12.38 (29) 0	12.33 (29) 0	12.33 (29) 0	12.45 (30) 1		12.48 (30) 0	12.40 (33) 3
NOV 00	11.95 (17) 1	11.95 (17) 0	11.95 (17) 0	11.90 (18) 1	11.90 (18) 0	11.90 (18) 0	11.90 (18) 0	11.90 (18) 0		11.90 (18) 0	11.90 (19) 1
DEC 00	11.75 (8) 1	11.75 (8) 0	11.75 (8) 0	11.75 (8) 0	11.65 (8) 0	11.65 (8) 0	11.65 (8) 0	11.65 (8) 0		11.65 (8) 0	11.63 (8) 0
JAN 01	11.05 (4) 1	11.05 (4) 0	11.05 (3) 0	11.00 (3) 0	11.00 (3) 0	10.90 (3) 0	11.03 (3) 0	11.03 (3) 0		11.03 (3) 0	11.03 (3) 0
FEB 01	10.75 (0) 0	10.75 (0) 0	10.75 (0) 0	10.58 (0) 0	10.60 (0) 0	10.60 (0) 0	10.53 (0) 0			10.53 (0) 0	10.55 (0) 0
<b>CME - BUTTER -- Cents per pound</b>											
MAY 00	106.00 (131) 11	105.00 (132) 3	106.00 (132) 0	106.00 (132) 0	106.00 (136) 4	105.00 (140) 7	105.00 (139) 22	105.00 (139) 22	NO TRADING	109.00 (124) 16	113.00 (124) 0
JUL 00	109.25 (409) 16	108.25 (416) 10	110.00 (416) 0	110.00 (417) 3	109.00 (416) 1	108.92 (419) 6	109.00 (428) 9	109.00 (428) 9		112.00 (433) 23	116.50 (433) 0
SEP 00	112.50 (477) 19	111.75 (478) 3	112.02 (478) 2	112.05 (478) 0	112.05 (480) 2	112.05 (480) 6	113.00 (480) 3	113.00 (480) 3		116.00 (480) 0	116.00 (480) 0
OCT 00	114.00 (320) 9	113.00 (323) 5	113.75 (326) 9	114.00 (326) 0	114.00 (331) 5	113.50 (331) 1	114.00 (332) 1	114.00 (332) 1		116.50 (332) 0	117.50 (332) 0
<b>CME - BFP -- Dollars per cwt.</b>											
APR 00	9.51 (615) 10	9.45 (597) 13	9.43 (597) 9	9.44 (593) 8	9.47 (593) 1	9.46 (593) 4	9.47 (593) 0	9.47 (593) 0	NO TRADING	9.47 (593) 2	9.47 (588) 2
MAY 00	9.60 (825) 20	9.58 (821) 8	9.58 (823) 7	9.57 (822) 9	9.58 (821) 4	9.55 (817) 11	9.80 (819) 7	9.80 (819) 7		9.80 (810) 36	9.82 (801) 14
JUN 00	10.57 (1163) 71	10.40 (1194) 82	10.30 (1193) 16	10.23 (1220) 45	10.12 (1234) 31	10.06 (1240) 45	10.40 (1246) 25	10.40 (1246) 25		10.75 (1216) 127	10.65 (1233) 38
JUL 00	11.64 (1328) 47	11.60 (1365) 87	11.50 (1396) 62	11.45 (1467) 128	11.18 (1494) 130	11.10 (1492) 52	11.36 (1494) 38	11.36 (1494) 38		11.75 (1467) 165	11.80 (1489) 56
AUG 00	12.16 (1240) 8	12.15 (1250) 20	12.13 (1250) 8	12.11 (1263) 36	12.00 (1314) 97	11.95 (1352) 106	12.25 (1370) 61	12.25 (1370) 61		12.50 (1358) 61	12.30 (1388) 56
SEP 00	12.42 (984) 9	12.41 (990) 15	12.41 (996) 10	12.35 (1023) 40	12.29 (1034) 43	12.25 (1050) 40	12.40 (1073) 24	12.40 (1073) 24		12.54 (1094) 51	12.40 (1096) 17
OCT 00	12.60 (916) 4	12.50 (919) 11	12.46 (923) 4	12.45 (943) 27	12.40 (984) 54	12.35 (1003) 26	12.43 (1020) 50	12.43 (1020) 50		12.60 (1012) 23	12.50 (1027) 19
NOV 00	11.91 (562) 2	11.90 (565) 3	11.88 (570) 7	11.85 (600) 39	11.85 (620) 23	11.82 (629) 13	11.91 (633) 6	11.91 (633) 6		12.00 (638) 11	11.85 (646) 11
DEC 00	11.73 (518) 2	11.73 (526) 13	11.72 (527) 6	11.65 (555) 34	11.60 (572) 26	11.50 (552) 9	11.50 (555) 4	11.50 (555) 4		11.47 (557) 3	11.55 (562) 6
JAN 01	11.10 (36) 0	11.10 (39) 3	11.01 (47) 12	11.00 (45) 3	10.95 (45) 0	10.95 (48) 6	10.94 (48) 0	10.94 (48) 0		10.85 (48) 1	10.85 (48) 0
FEB 01	10.80 (8) 0	10.80 (9) 1	10.70 (9) 0	10.70 (9) 0	10.70 (10) 1	10.65 (10) 1	10.65 (11) 1	10.65 (11) 1		10.65 (11) 0	10.65 (11) 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 April 17 - 28, 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:** European milk production is increasing seasonally in all countries. Weather conditions in most countries have been nearly ideal for early spring. Warm temperatures during the day, cool at night, and good volumes of rainfall are all contributing to a good start to the production season. Milk volumes are readily being absorbed by manufacturing facilities throughout Europe. Carryover stocks of manufactured dairy products from last season are quite limited, thus current production is being used to fill orders already on the books. A strong international buying interest and lighter than desired levels of inventories elsewhere in the world, are causing many producers to commit themselves into the future. European producers feel that they will be the source for most manufactured dairy product needs during the next few months or at least until milk production resumes in the Oceania region later this summer. At this point, immediate shipment availability of manufactured dairy products is limited. Most of the product that is currently being delivered is for orders placed earlier and reports indicate that no significant additional volumes are available for new buyer interest. Traders indicate that they could sell more products if they had it. A strong U.S. dollar and a weak Euro is also putting pricing pressure on European dairy products. Early in the week, the Euro reached a new record low. Speculation within the dairy industry indicates that another possible subsidy adjustment might soon occur.

**BUTTER/BUTTEROIL:** Butter markets are generally steady at unchanged prices. As milk production increases, so is competition for available milk supplies. International buyer interest for butter is not overly aggressive, thus more of current production is entering inventory programs versus clearing the market. Offerings to intervention have slowed and more surplus butter is clearing to PSA.

82% BUTTERFAT: 1,200 - 1,300  
99% BUTTERFAT: 1,400 - 1,550

**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to firm. Limited supply is giving strength to current prices. In many instances, producers are fully committed into June and have very little, if any at all, available for spot buyer interest. International buying interest is quite active and some buyers are not able to locate desired volumes. European producers and handlers do not foresee much improvement before early summer and are not committing themselves beyond that point at this time.

1.25% BUTTERFAT: 1,500 - 1,600

**WHOLE MILK POWDER (WMP):** European whole milk powder markets are steady to firm, although prices are basically unchanged. The firm undertone prevails due to the limited volume of powder that is available in comparison to the strong international buyer interest. Milk production is building throughout most countries, but current powder output is quickly clearing the market by previously made commitments.

26% BUTTERFAT: 1,575 - 1,700

**SWEET WHEY POWDER:** Whey markets are generally steady at unchanged prices. Whey demand is not overly aggressive at this time. Most trading activity that is occurring is from previously made commitments. Stocks are sufficient to meet current demand.

NONHYGROSCOPIC: 410 - 500

**OVERVIEW: EASTERN EUROPE:** Milk production in Eastern Europe is building seasonally. Reports indicate that production projections for the upcoming season are lower. Milk production during last season was not strong and is anticipated to be lighter this year. Stocks of manufactured dairy products are quite limited. International trading activity out of Eastern Europe was lighter last season than the previous year and it is still too early to project this years potential.

**OCEANIA**

**OVERVIEW:** Milk production trends in the Oceania region remain much the same as in past weeks and continue to wind down seasonally. In Australia, milk output is slightly lower than previously projected, but continues to be more than 7% above last season on a cumulative basis. In New Zealand, milk production is nearing the seasonal end and cumulatively is running more than 10% above a year ago. Late season production in New Zealand is declining more rapidly than anticipated, thus total milk output figures are being adjusted lower than previously projected. In both of these countries, milk volumes during the current production season, especially the additional volumes, have been directed towards manufactured dairy products. Stocks were quite low at the start of the season, thus the additional volumes of milk were welcomed. Replenishing low stocks and a strong demand for dairy products absorbed all available product. Oceania traders indicate that stock availability for new buyer inquiries is quite limited, and for the most part, manufactured dairy product stocks are fully committed. Traders do not foresee much improvement for the near term and anticipate the supply situation to remain tight until the start of the new production season in August/September. Although international buyer interest is quite active, Oceania traders report that most potential buyers are not even inquiring with Oceania sources, already knowing their supply situation. In some instances, this new buyer interest is having difficulty locating potential supplies elsewhere in the world. Europe is just getting started with their new production season and reports indicate that many manufacturers have already committed themselves into early summer. At this time, most of these producers are hesitant to extend themselves beyond June until they get a better view as to how the milk production season is developing.

**BUTTER:** Butter markets and prices are much the same as they have been over the past few weeks. Stocks are reported to be sufficient to meet regular/ongoing buyer needs. New buyer interest is not aggressive, thus some butter is available should the need arise. Oceania traders anticipate this market to remain at current levels for the next few months.

82% BUTTERFAT: 1,100 - 1,200

**CHEDDAR CHEESE:** Cheese markets and stocks in the region are generally steady at unchanged prices. Milk production in the Oceania region is declining quite rapidly, thus cheese production is also lower. For the most part, cheese stocks are fully committed to regular/ongoing buyers with basically no additional stocks available for spot needs.

39% MAXIMUM MOISTURE: 1,750 - 1,850

**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to firm. Stocks are in close balance for ongoing buyer needs and fully committed should new buyer interest develop. For the most part, international buyers are fully aware of Oceania's supply situation and are not even bothering to inquire. Recent spot sales cleaned up the additional powder that was available.

1.25% BUTTERFAT: 1,525 - 1,600

**WHOLE MILK POWDER (WMP):** Whole milk powder markets and prices are steady to slightly firmer. Stocks are reported to be quite limited for potential new buyer interest and, for the most part, fully committed. Oceania traders indicate that stocks should be sufficient for regular needs. Traders feel that the Oceania region will be out of the international market until the start of their new milk production season in August/September.

26% BUTTERFAT: 1,600 - 1,750

Exchange rates for selected foreign currencies: April 24, 2000

.4254 Dutch Guilder	.4793 German Mark
.1429 French Franc	.4956 New Zealand Dollar
.1060 Mexican Peso	.5952 Australian Dollar
1.5779 British Pound	.0095 Japanese Yen
.2330 Polish Zloty	.9375 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1060) = 9.4340$   
That is 1 US Dollar equals 9.4340 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

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

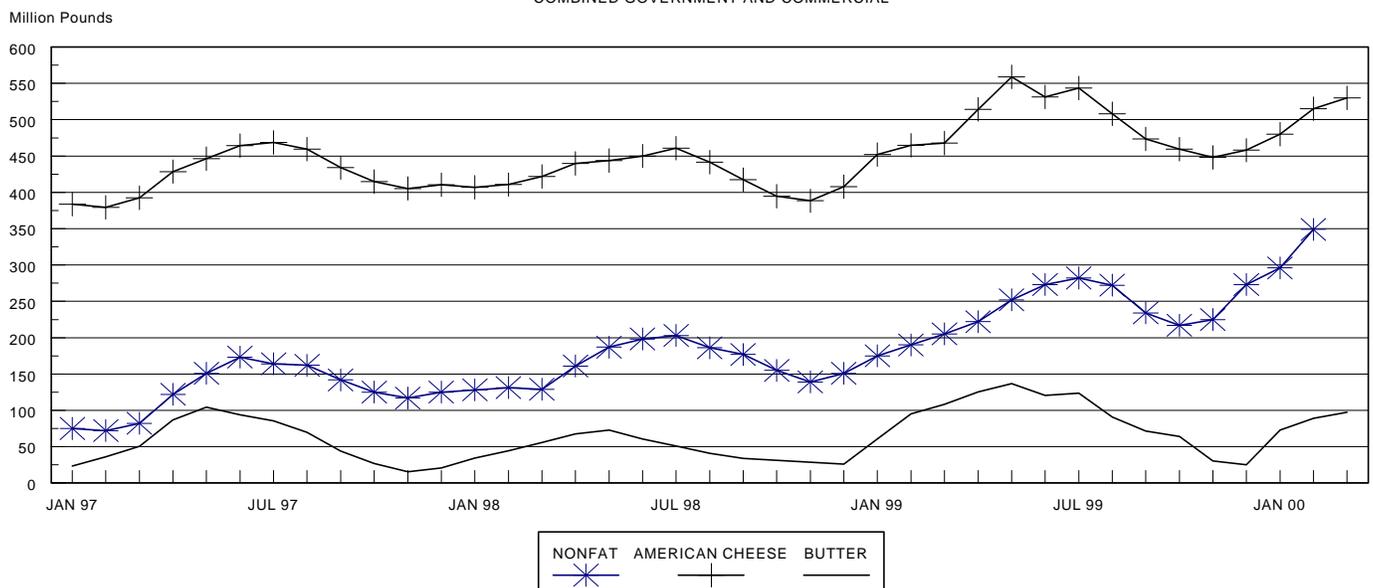
All stocks in thousand pounds except where otherwise indicated.

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	FEB 28, 1998	FEB 28, 1999	REVISED FEB 29, 2000	MAR 31, 1998	MAR 31, 1999	MAR 31, 2000
Butter	44,199	94,971	88,899	55,919	108,441	97,206
Cheese, Natural American	410,717	464,724	515,338	421,979	467,663	530,151
Cheese, Swiss	15,441	12,054	10,487	13,571	13,538	10,365
Cheese, Other Natural	95,350	159,095	182,525	97,553	163,850	186,740
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	127	281	383	256	181	339
Natural American Cheese	180	36	67	199	35	57

MARCH COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter			Other Natural Cheese		
	1998	1999	2000	1998	1999	2000*	1998	1999	2000
New England	22,126	24,109	19,702	---	---	---	115	279	598
Middle Atlantic	42,405	45,176	43,085	---	---	---	9,664	7,101	8,509
East North Central	234,869	208,743	254,509	---	---	---	79,892	81,984	100,749
West North Central	64,441	122,857	113,730	---	---	---	1,616	65,498	64,915
South Atlantic	243	332	4,212	---	---	---	522	646	354
East South Central	200	200	0	---	---	---	1,614	320	178
West South Central	293	254	687	---	---	---	146	293	548
Mountain	10,433	12,638	10,172	---	---	---	510	755	142
Pacific	46,969	53,354	84,054	---	---	---	3,474	6,974	10,747
<b>TOTAL</b>	<b>421,979</b>	<b>467,663</b>	<b>530,151</b>	<b>55,919</b>	<b>108,441</b>	<b>97,206</b>	<b>97,553</b>	<b>163,850</b>	<b>186,740</b>

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

COLD STORAGE HOLDINGS  
COMBINED GOVERNMENT AND COMMERCIAL



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1999 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Million Pounds						Million Pounds						Million Pounds					
January	73	61	73	61	<u>3/</u>	<u>3/</u>	480	452	480	452	<u>3/</u>	<u>3/</u>	296	175	146	82	150	93
February	89	95	89	95	<u>3/</u>	<u>3/</u>	515	465	515	465	<u>3/</u>	<u>3/</u>	349	190	163	108	186	82
March	97	108	97	108	<u>3/</u>	<u>3/</u>	530	468	530	468	<u>3/</u>	<u>3/</u>		205		123		83
April		126		126		<u>3/</u>		451		451		<u>3/</u>		222		136		86
May		137		136		<u>3/</u>		496		496		<u>3/</u>		252		164		88
June		121		121		<u>3/</u>		539		539		<u>3/</u>		273		158		114
July		124		123		<u>3/</u>		545		545		<u>3/</u>		282		141		141
August		95		95		<u>3/</u>		511		511		<u>3/</u>		272		101		171
September		71		71		<u>3/</u>		475		475		<u>3/</u>		234		87		147
October		64		64		<u>3/</u>		459		459		<u>3/</u>		217		84		133
November		30		30		<u>3/</u>		448		448		<u>3/</u>		225		87		138
December		25		25		<u>3/</u>		458		458		<u>3/</u>		273		139		134

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

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Feb 28, 1998	Feb 28, 1999	Feb 29, 2000	Mar 31, 1998	Mar 31, 1999	Mar 31, 2000
	Thousand Pounds					
Butter	44,072	94,690	88,516	55,663	108,260	96,867
Natural American Cheese	410,537	464,688	515,271	421,780	467,628	530,094

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (4-00) and "Dairy Products," Da 2-6 (4-00), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

## FEDERAL MILK ORDER ADVANCE PRICES, MAY

**Class I Base Price:** Under the Federal milk order pricing system, the Class I base price for May 2000 is \$11.48 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.70 and the advanced butterfat pricing factor of \$1.1559. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information:** The advanced Class IV skim milk pricing factor is \$7.70. Thus, the Class II skim milk price for March is \$8.40 per cwt., and the Class II nonfat solids price is \$0.9333. **Product Price Averages:** The two-week product price averages for April are; butter \$1.0618, nonfat dry milk \$1.0096, cheese \$1.1035, and dry whey \$0.1774.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	May 2000		
		Class I Price (3.5 %) \$ per cwt.	Class I Skim Milk Price \$ per cwt.	Class I Butterfat Price \$ per pound
Northeast (Boston) <u>4/</u>	001	14.73	10.95	1.1884
Appalachian (Charlotte) <u>5/</u>	005	14.58	10.80	1.1869
Southeast (Atlanta) <u>6/</u>	007	14.58	10.80	1.1869
Florida (Tampa) <u>7/</u>	006	15.48	11.70	1.1959
Mideast (Cleveland) <u>8/</u>	033	13.48	9.70	1.1759
Upper Midwest (Chicago) <u>9/</u>	030	13.28	9.50	1.1739
Central (Kansas City) <u>10/</u>	032	13.48	9.70	1.1759
Southwest (Dallas) <u>11/</u>	126	14.48	10.70	1.1859
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	13.83	10.05	1.1794
Western (Salt Lake City) <u>13/</u>	135	13.38	9.60	1.1749
Pacific Northwest (Seattle) <u>14/</u>	124	13.38	9.60	1.1749
All-Market Average		14.06	10.28	1.1817

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.

**MILK MARKETED BY PRODUCERS, AND PERCENT FLUID GRADE, BY  
STATE, 1998 AND 1999 <sup>1/</sup>**

State	1998		1999	
	Quantity	Fluid grade <sup>2/</sup>	Quantity	Fluid grade <sup>2/</sup>
	Mil. lbs.	Percent	Mil. lbs.	Percent
AL	382	100	371	100
AK	13.43	100	12.68	100
AZ	2,668	100	2,918	100
AR	527	100	500	100
CA	27,586	99	30,408	99
CO	1,655	100	1,688	100
CT	523	100	514	100
DE	162.0	100	170.0	100
FL	2,332	100	2,393	100
GA	1,425	100	1,435	100
HI	126.3	100	118.0	100
ID	5,718	97	6,416	97
IL	2,100	97	2,013	98
IN	2,150	95	2,155	93
IA	3,774	94	3,763	96
KS	1,302	98	1,383	99
KY	1,671	98	1,613	99
LA	738	100	699	100
ME	671	100	685	100
MD	1,331	100	1,355	100
MA	432	100	413	100
MI	5,320	99	5,415	99
MN	9,170	93	9,373	94
MS	575	100	548	100
MO	2,337	95	2,189	94
MT	280	100	290	100
NE	1,025	94	1,115	95
NV	497	100	492	100
NH	327	100	316	100
NJ	288	100	277	100
NM	4,335	100	4,696	100
NY	11,603	100	11,897	100
NC	1,231	99	1,197	99
ND	690	65	676	69
OH	4,376	93	4,411	92
OK	1,220	100	1,235	100
OR	1,558	99	1,640	99
PA	10,771	99	10,865	99
RI	32.3	100	30.6	100
SC	371	100	366	100
SD	1,421	93	1,493	93
TN	1,490	99	1,410	99
TX	5,583	100	5,596	100
UT	1,501	91	1,593	92
VT	2,617	100	2,682	100
VA	1,828	99	1,864	100
WA	5,299	100	5,505	100
WV	275	100	272	100
WI	22,558	94	22,799	94
WY	77.9	80	78.2	80
U.S.	155,943	97	161,343	97

<sup>1/</sup> Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and small amounts sold directly to consumers. Also includes milk produced by institutional herds. <sup>2/</sup> Percentage of milk sold that is eligible for fluid use (grade A for fluid in most States). Includes fluid-grade milk used in manufacturing dairy products.

**SOURCE:** "Milk Production, Disposition, and Income, 1999 Summary" DA 1-2(00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF APRIL 24 - 28, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 04/21/00	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	81,766	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	554,400	-0-	554,400	3,603,600	-0-	-0-	-0-
<b>TOTAL</b>	554,400	-0-	554,400	3,685,366	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	20,234,029	1,747,156	18,486,873	256,028,396	68,457,859	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
<b>TOTAL</b>	20,234,029	1,747,156	18,486,873	261,341,743	68,457,859	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 24 - 28, 2000 =	9.2	220.7	COMPARABLE WEEK IN 1999 =	1.5
CUMULATIVE SINCE OCTOBER 1, 1999 =	91.5	3,078.5	CUMULATIVE SAME PERIOD LAST YEAR =	15.1
CUMULATIVE JANUARY 1 - APRIL 28, 2000 =	80.3	2,485.4	COMPARABLE CALENDAR YEAR 1999 =	15.0

\* 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 APRIL 24 - 28, 2000 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	554,400	2,830,042	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	15,767,061	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-110,230	-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-	3,685,366	-0-	27,904,185	4,159,725	43.9	6.1
WEST	-0-	-0-	-0-	-0-	230,997,561	64,298,134	55.5	93.9
EAST	-0-	-0-	-0-	-0-	2,439,997	-0-	0.6	0.0
<b>TOTAL</b>	-0-	-0-	3,685,366	-0-	261,341,743	68,457,859	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# Barrel \$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 04/08/00 & Comparable Week 1999 1/ 2/

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10				
2000-Dairy cows HD (000)	0.2	0.9	6.1	4.6	19.1	2.9	0.8	0.8	10.4	3.0	48.8	794.3	50.1	51.1
1999-Dairy cows HD (000)	0.2	1.0	5.2	6.2	17.2	2.0	2.3	0.7	9.9	2.8	47.6	771.2	48.0	47.2
2000-All cows HD (000)	0.2	1.1	8.2	12.7	27.4	11.9	13.8	4.0	12.3	5.8	97.5	1,555.8		
1999-All cows HD (000)	0.3	1.0	7.2	16.9	24.2	11.1	16.3	4.2	11.9	6.1	99.1	1,633.0		

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.

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	11.48							
Class II	11.43	11.51	11.71									
Class III	10.05	9.54	9.54									
Class IV	10.73	10.80	11.00									

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/fmor\\_announce.htm](http://www.ams.usda.gov/dairy/fmor_announce.htm)