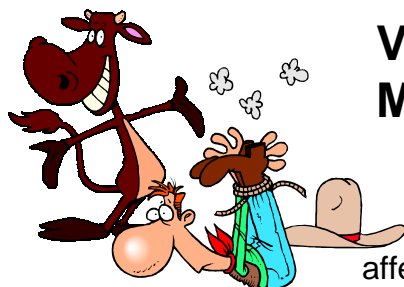
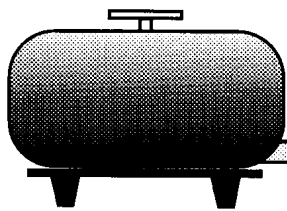


# MARKETING SERVICE

## BULLETIN



### Volatile Prices & Markets May Affect Your Point Of View.....

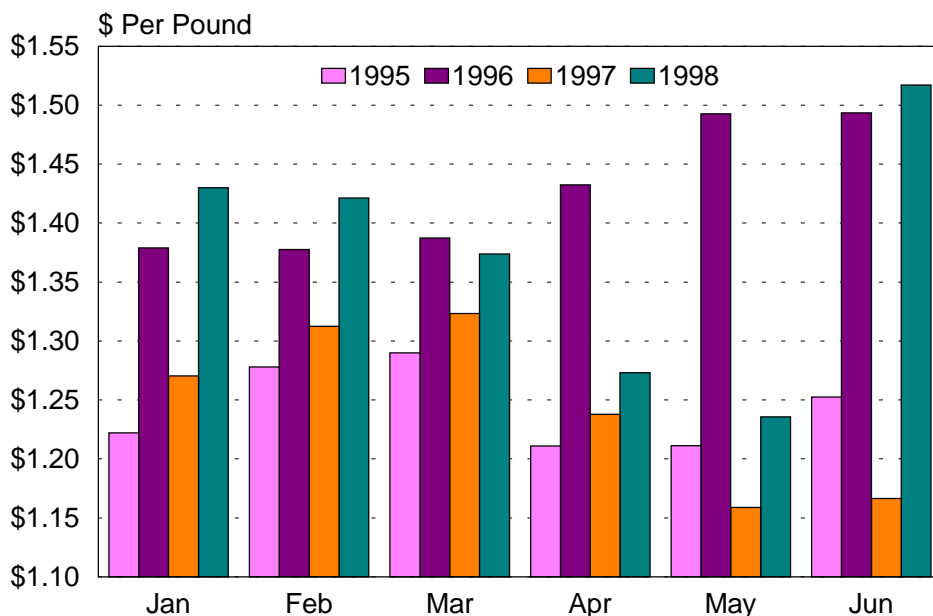
Thirteen graphics have been used in this bulletin for the past two years to illustrate a variety of economic factors affecting dairy farmers. Selected market data have been compiled for first six months of 1995, 1996, 1997, and 1998 to illustrate the sometimes dramatic changes which confront dairy producers.

The July 1996 title "What A Difference A Year Makes" is just as appropriate today as it was then. Dairy producers continue to operate in an environment where many prices which affect business decisions are experiencing volatile movements. In addition, many of these changes are divergent from what might normally be expected and are seemingly at odds with each other.

Cheese prices last year were down from 1996 when they were marching toward record highs (\$1.6950 on 9/96). Now they are again moving up. The June 40# block price at the CME averaged \$1.5169 which was 30 percent above the \$1.1666 average in June 1997. Butter prices have taken their turn in the limelight and are the subject of industry speculation. The June Grade "A" equivalent butter (-continued on last page-)

J  
U  
L  
Y  
  
1  
9  
9  
8

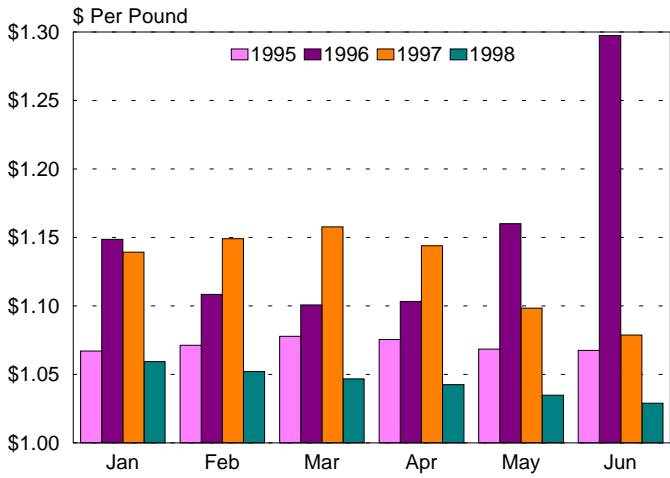
### 40# Block Cheddar Cheese



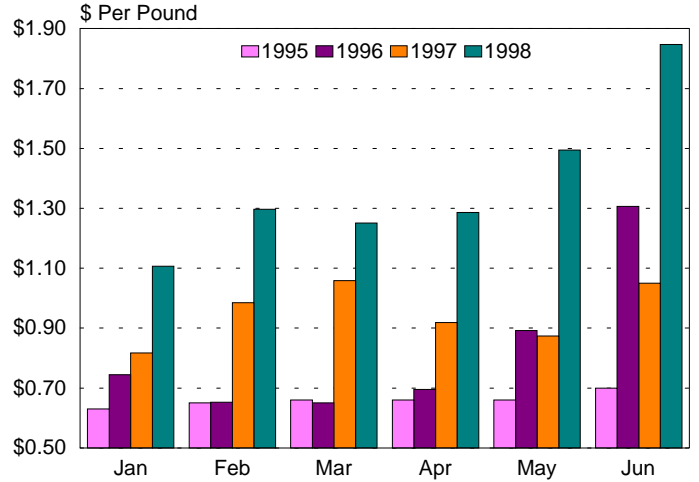
@ National Cheese Exchange Prior To May 1997 Then Chicago Mercantile Exchange



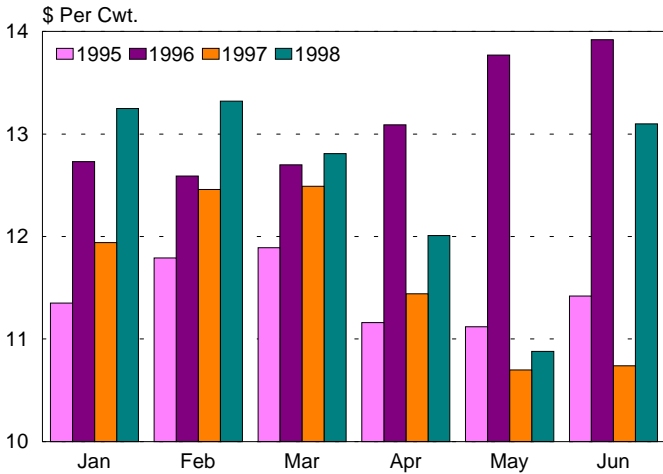
NFDM - Central States



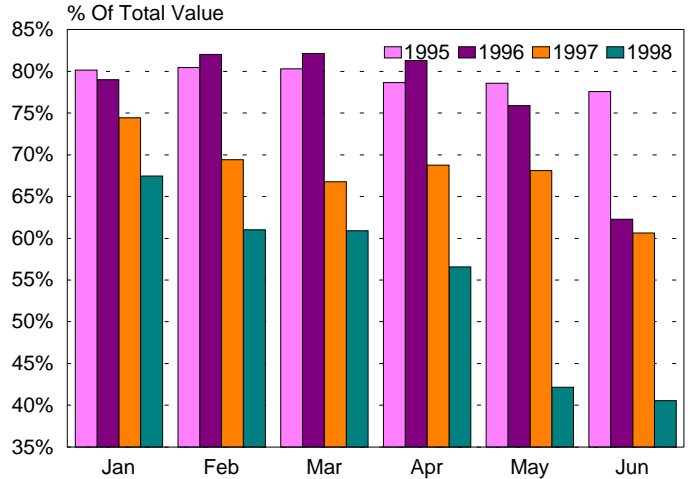
Grade 'A' Butter @ Chicago Merc. Exchange



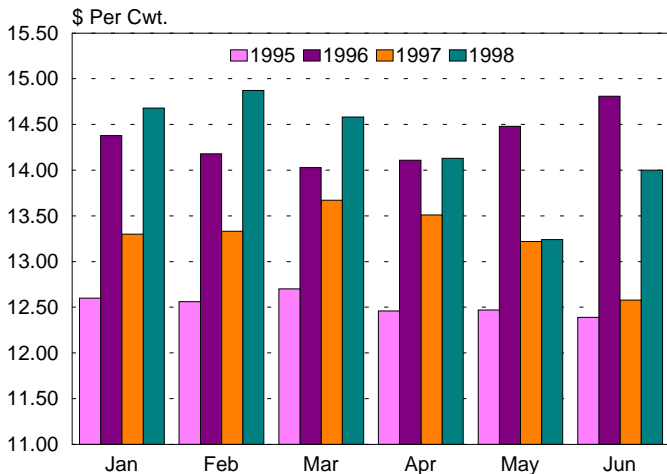
Federal Order Class III Price



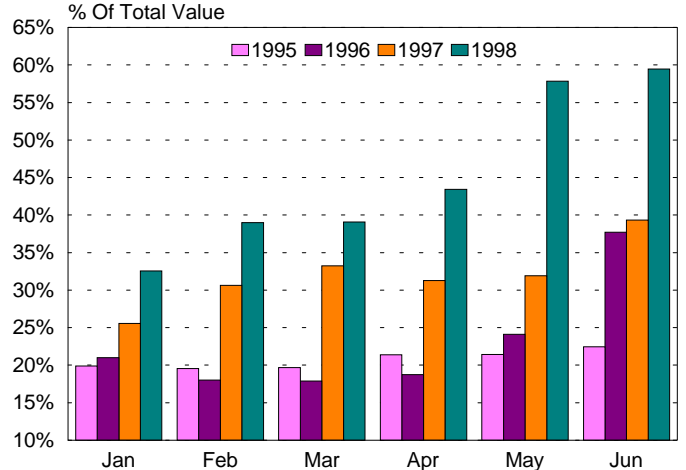
Skim Values - 3.5% BF Milk @ Class III Price



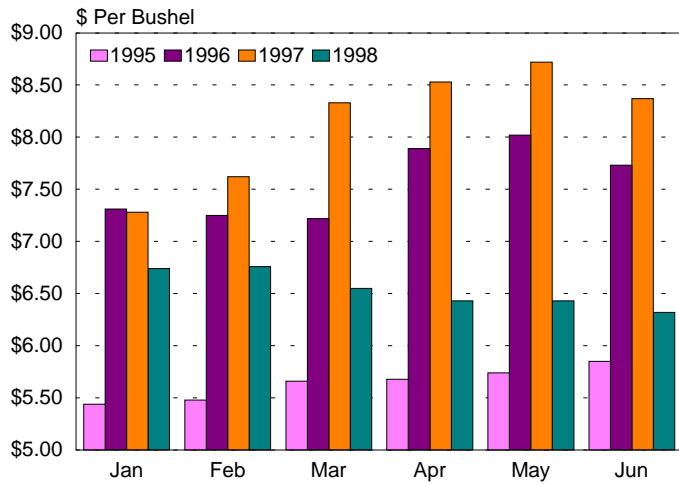
Southwest Plains Blend Price



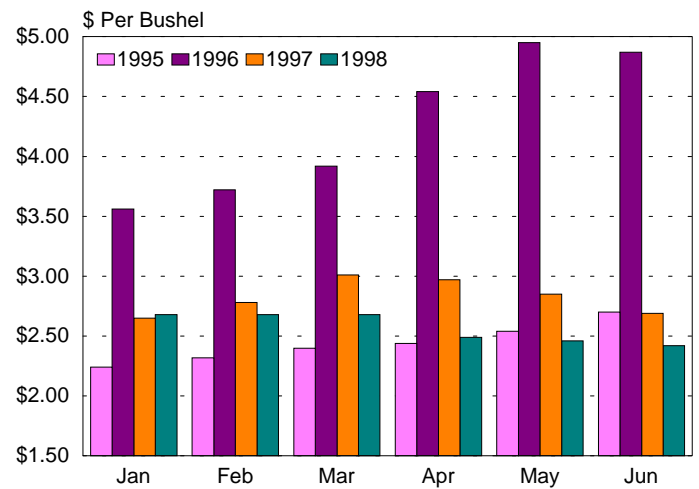
Butterfat Values - 3.5% BF Milk @ Class III Price



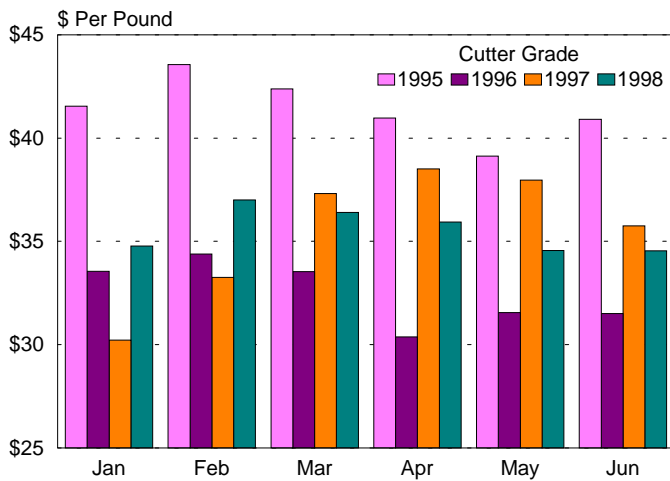
### Cash Soybeans - Chicago



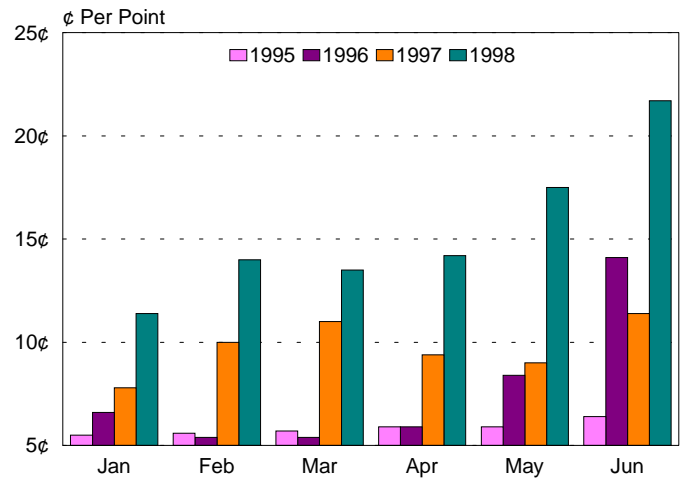
### Cash Corn - Chicago



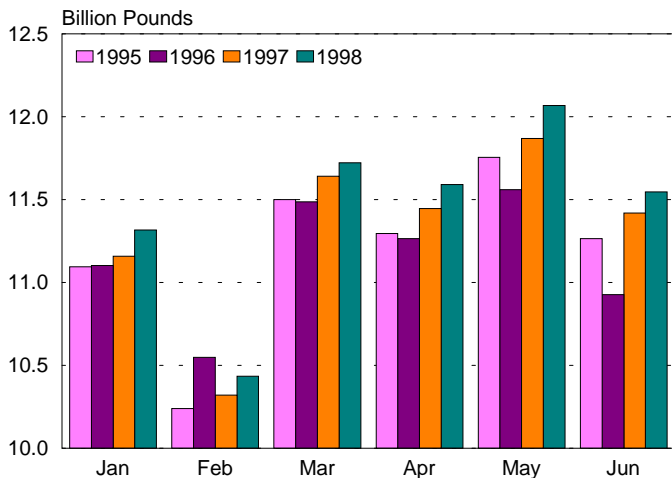
### Slaughter Cow Prices @ OK City Monthly Averages



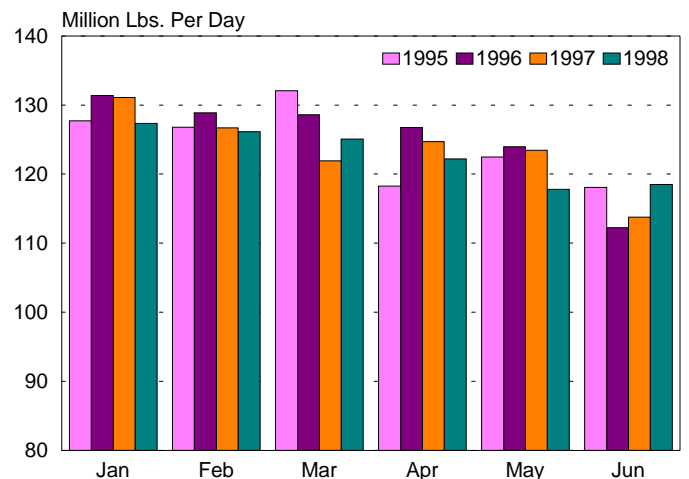
### Butterfat Differential



### Milk Production 20 Selected States (NASS)



### Class I Producer Receipts All Federal Milk Orders



<b>A comparison of Blend Prices for milk of 3.5% butterfat content is provided for selected Federal milk marketing orders:</b>		<b>June 1998</b>	<b>May 1998</b>	<b>June 1997</b>
	Southeast (Zone 7)	\$14.73	\$15.04	\$13.72
	Chicago Regional (Zone I)	13.23	11.68	11.28
	Greater Kansas City	13.79	14.07	12.85
	Indiana	13.41	13.82	12.64
	Iowa (Zone I)	13.47	12.08	11.60
	Southwest Plains (Zone I)	14.00	13.24	12.58
	Central Illinois (Zone I)	13.47	13.40	12.35
	Southern Illinois - Eastern Missouri (Base Zone)	13.46	13.15	12.20

price averaged \$1.8468 which was 76 percent higher than the June 1997 average price. The Federal milk order butterfat differential reached a record high \$0.217 per point during June 1997. As illustrated by the graphic on page three, the butterfat differential during the first six months of 1998 remains significantly above the same months of the previous three years.

These 13 graphics are provided for individual review and interpretation.

---

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC 20250, or call 1-800-245-6340 (voice) or (202) 720-1127 (TDD). USDA is an equal employment opportunity employer.

---



<p>FIRST CLASS U.S. POSTAGE PAID TULSA, OK PERMIT NO. 784</p>
---

**FEDERAL MILK MARKET ADMINISTRATOR**  
P.O. BOX 701440  
TULSA, OKLAHOMA 74170-1440  
  
ADDRESS SERVICE REQUESTED

**FIRST CLASS**