

MARKETING SERVICE

BULLETIN



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

Thirteen graphics have been used in this bulletin for the past three years to illustrate a variety of economic factors affecting dairy farmers. Selected market data have been compiled for first six months of 1995 through 1999 to illustrate the sometimes dramatic changes which confront dairy producers.

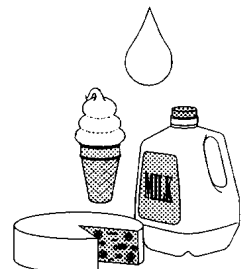
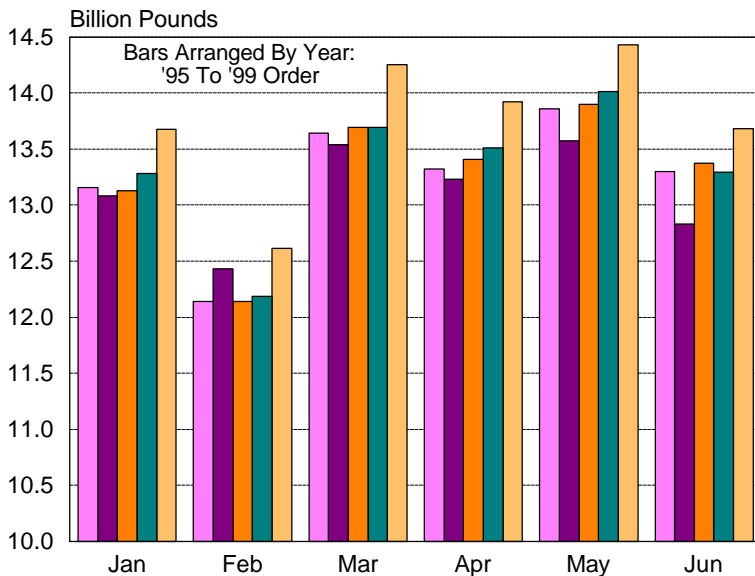
The July 1996 title "What A Difference A Year Makes" is as appropriate today as it was then. Dairy producers continue to operate in an environment where many prices which affect business decisions are experiencing volatile movements. In addition, many of these changes are divergent from what might normally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

Monthly United States milk production during the first six months of 1999 is above each of the corresponding months for the previous four years. Milk production for the first half of 1999 totaled 82.574 billion pounds - up 3.2 percent from 1998. The elevated level of butterfat prices most noteworthy during 1998 have fallen during 1999. However, the 1999 butterfat differential still exceeds January through June levels for the three years prior to 1998 as does the Grade 'A' butter price on the Chicago Mercantile Exchange. --Continued On Back Page--

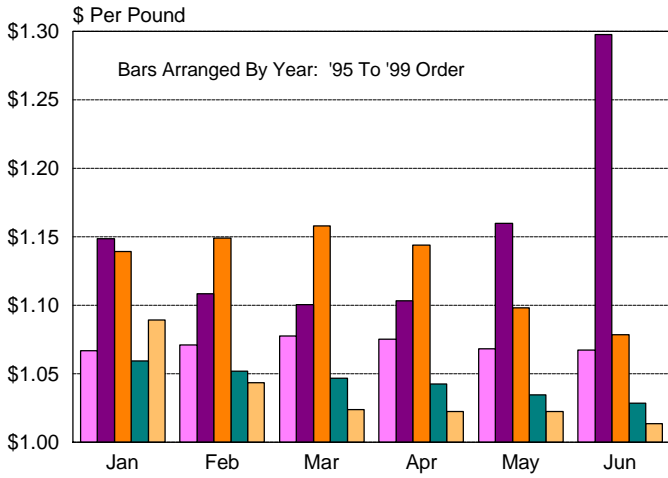
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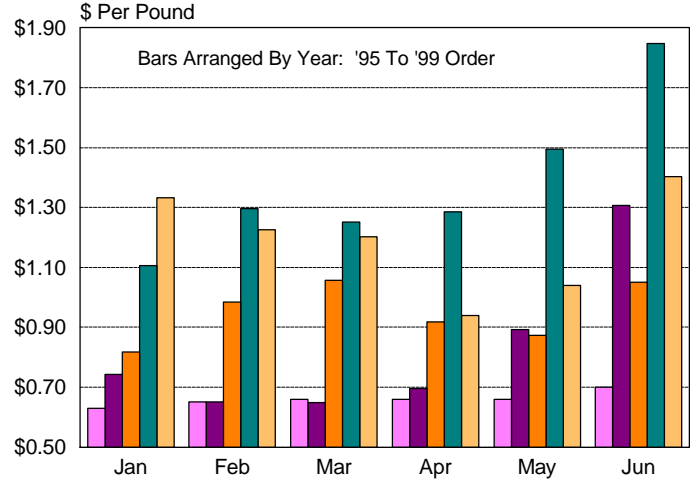
Estimated U.S. Milk Production



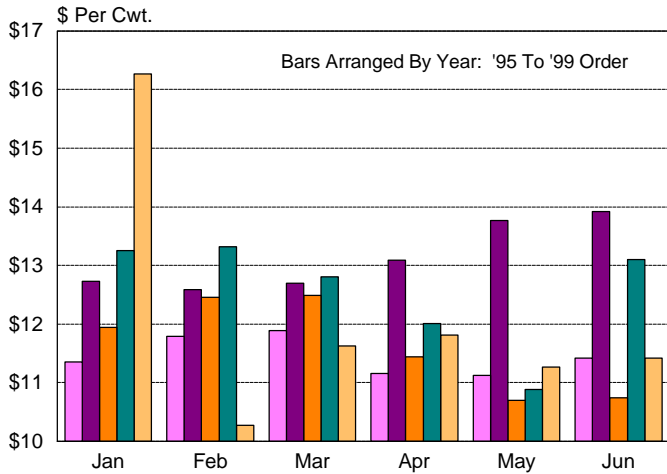
NFDM - Central States



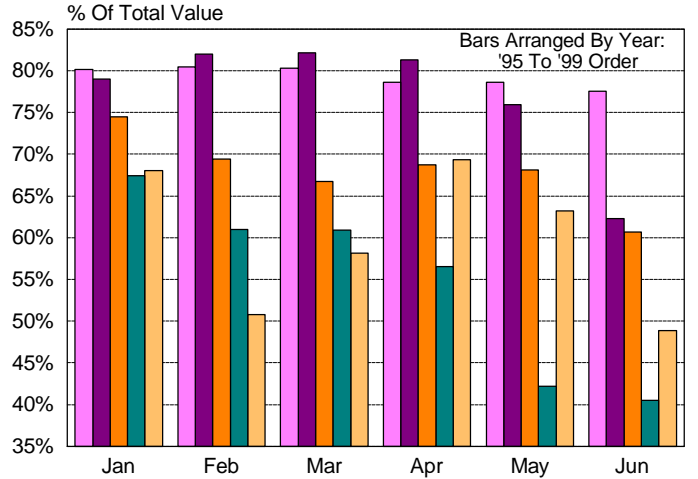
Grade 'A' Butter Equivalent Price
Chicago Merc. Exchange



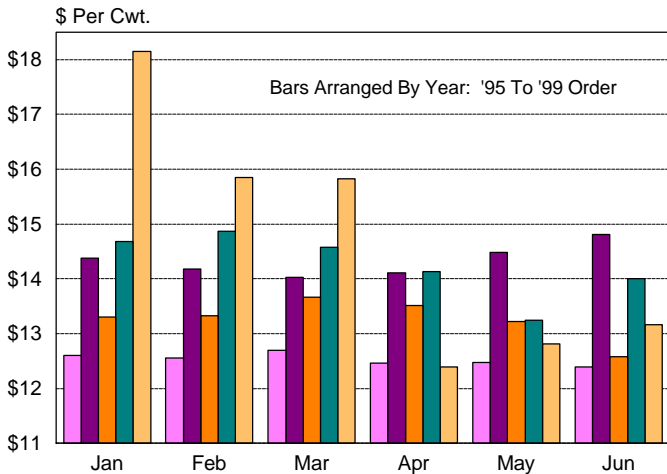
Federal Order Class III Price



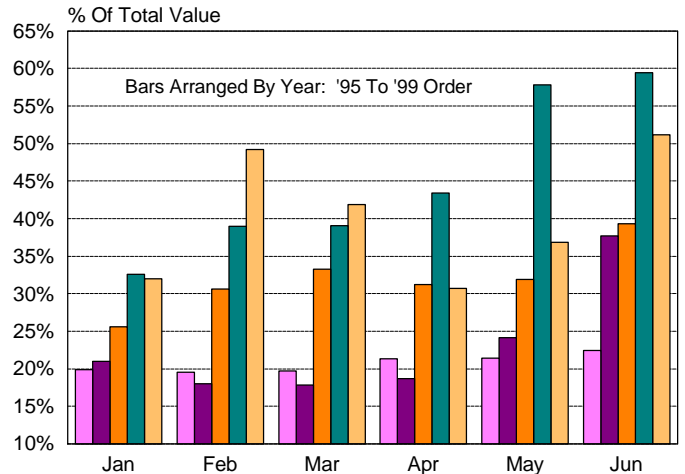
Skim Values - 3.5% BF Milk
@ Class III Price



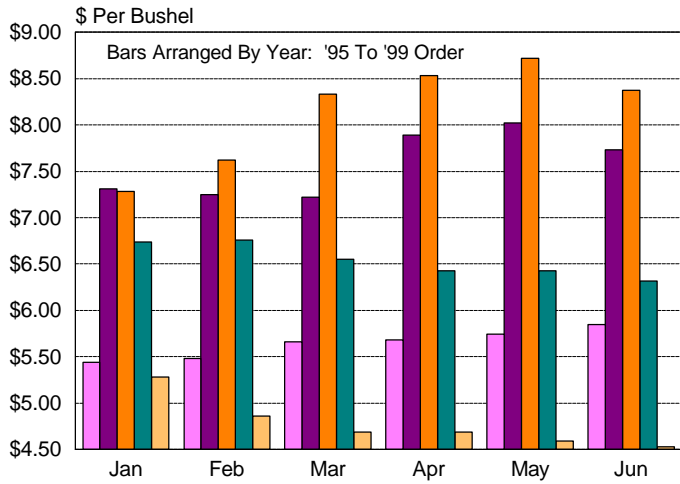
Southwest Plains Blend Price



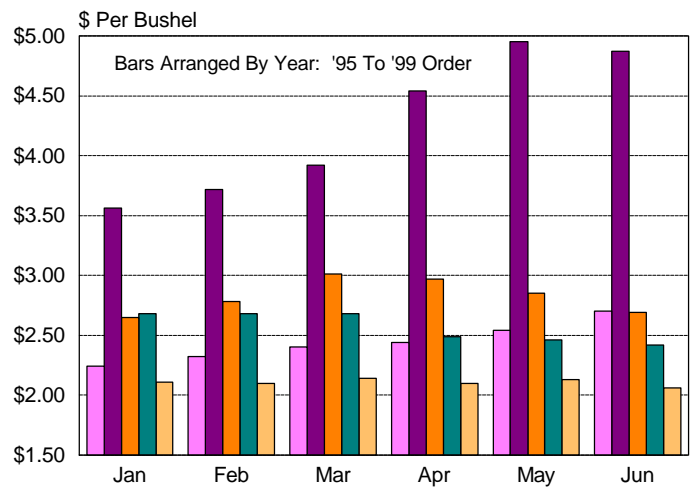
Butterfat Values - 3.5% BF Milk
@ Class III Price



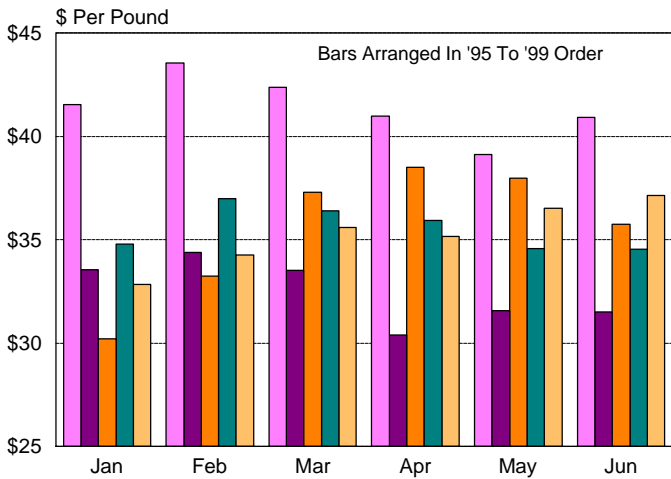
Cash Soybeans - Chicago



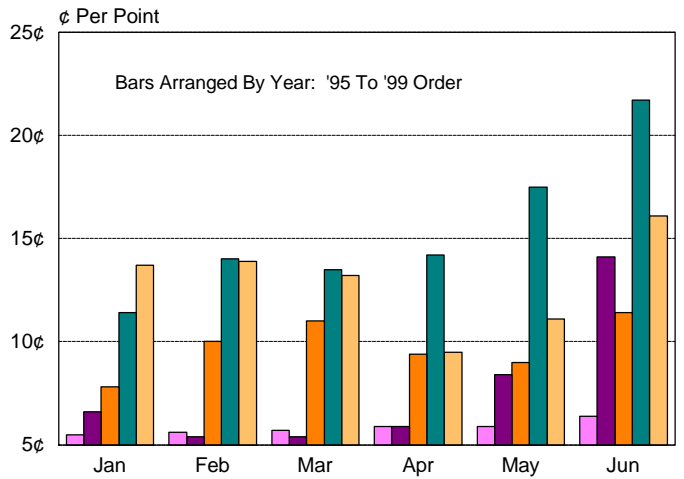
Cash Corn - Chicago



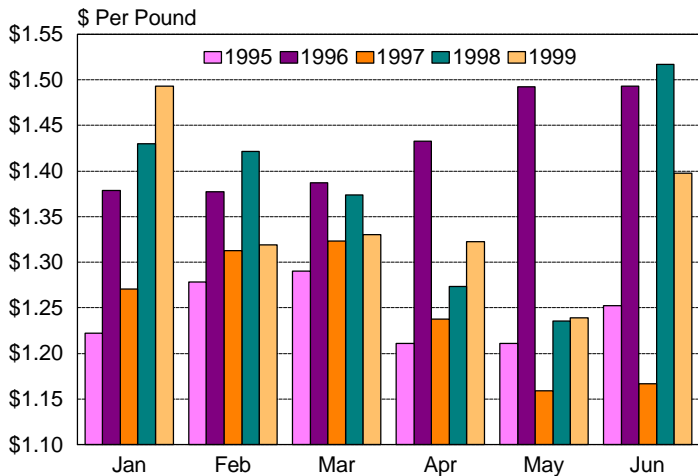
Slaughter Cow Prices @ OK City Monthly Averages



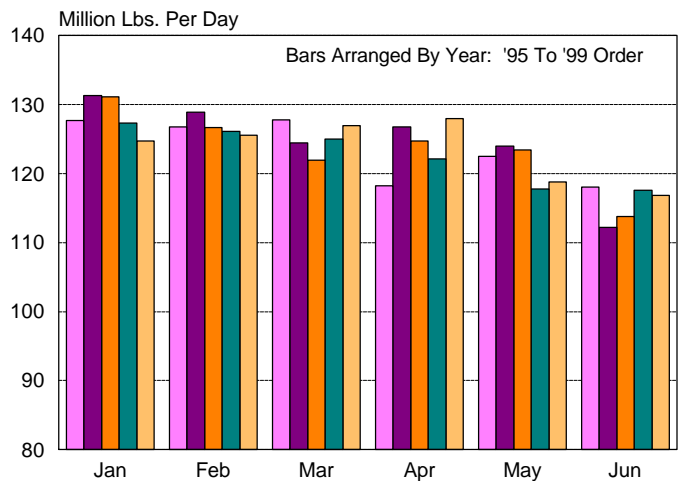
Butterfat Differential



40# Block Cheddar Cheese



Class I Producer Receipts All Federal Milk Orders



A comparison of Blend Prices for milk of 3.5% butterfat content is provided for selected Federal milk marketing orders:		June 1999	May 1999	June 1998
	Southeast (Zone 7)	\$14.47	\$14.03	\$14.73
Chicago Regional (Zone I)	11.94	11.75	13.23	
Greater Kansas City	12.89	13.25	13.79	
Indiana	13.02	12.74	13.41	
Iowa (Zone I)	12.17	11.91	13.47	
Southwest Plains (Zone I)	13.16	12.81	14.00	
Central Illinois (Zone I)	12.74	12.79	13.47	
Southern Illinois - Eastern Missouri (Base Zone)	12.85	12.67	13.46	

1999 cash corn and soybean prices are substantially lower than they have been during the previous four years.

Cheese prices during the first 6 months of 1999 remain relatively strong. Higher than '95 and '97 each month; higher than all four years during January. The 1999 first six-month price average was \$1.3501 versus \$1.3752, \$1.2449, \$1.4270, and \$1.2442 for '98, '97, '96, and '95, respectively.

These 13 graphics are provided for individual review and interpretation.

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