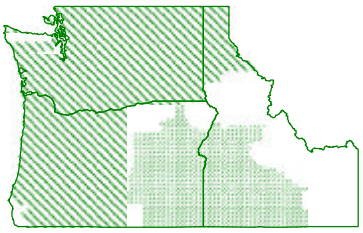
The Market Administrator's Report

Pacific Northwest & Southwestern Idaho-Eastern Oregon Marketing Areas

May 1998



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USDA

MARKET SUMMARIES FOR APRIL

Pacific Northwest

Producers delivered a total of 552.0 million pounds of milk to the market during April, a decrease of 6.6 million pounds from the level of a year ago. Daily deliveries averaged 2.5% above those in the previous month but were 1.2% below the level of a year ago. An estimated 1,157 producers delivered milk to the market during the month, a decline of 98 producers from April, 1997. Daily deliveries per producer averaged 15,904 pounds, an increase of 1,068 pounds or 7.2% from a year ago.

Class I producer milk during April totaled 173.2 million pounds, 31.4% of total producer receipts. Daily usage averaged 0.1% below that in March and 0.7% below the level of a year ago.

Producers will receive $1.7255 per pound of protein, $0.2417 per pound of other solids, and $1.4904 per pound of butterfat in their deliveries of milk. Producers will also receive the market's producer price differential of $1.38 per hundredweight. The market average component tests for the month were: 3.18% protein, 5.53% other solids (solids-not-fat less protein), 8.71% solids-not-fat, and 3.64% butterfat.

Southwestern Idaho-Eastern Oregon

Producers delivered a total of 139.9 million pounds of milk to the market during April, a decrease of 96.9 million pounds from a year ago. Daily deliveries averaged 27.1% above those in the previous month and were 40.9% below the level of a year ago. An estimated 409 producers delivered milk to the market during the month, an increase of 13 producers from a year ago. Daily deliveries per producer averaged an estimated 25,594 pounds, an increase of 5,658 pounds or 28.4% from a year ago. Two handlers elected to not pool eligible producer milk for the month of April. Daily deliveries per producer were estimated based on the best data available at the time of producer price computations and were adjusted to reflect whole month production per producer.

Class I producer milk during April totaled 15.8 million pounds, 11.3% of total producer receipts. Daily usage averaged 5.4% above that recorded last month and was 2.7% above the level of a year ago.

Producers will receive $2.16 per pound of protein and $1.49 per pound of butterfat in their deliveries of milk. Producers will also receive the market's weighted average differential price of $0.40 per hundredweight. The market average component tests for the month were 3.21% protein and 3.56% butterfat. ♦

Estimated Uniform Price (@ 3.5% BF)
April, 1998

Federal Order	Per Cwt.
Pacific Northwest	$13.39
Southwestern Idaho-Eastern Oregon	$12.41

APRIL BFP DECREASES $0.80 FROM $12.81 TO $12.01 PER CWT.

Basic Formula Price - - The April, 1998, Basic Formula Price (BFP) for manufacturing grade milk at 3.50% butterfat decreased $0.80 from March, to $12.01 per hundredweight. April's BFP is $0.57 above the BFP of a year ago, and $2.06 above the support price for milk at 3.50% butterfat. The decrease in the BFP for April primarily resulted from a $0.69 decrease in the product price portion of the BFP between March and April, 1998. The decrease was compounded by a decrease in the base month from $13.18 to $12.70 between February, 1998, and March, 1998. The BFP is calculated as the base month M-W survey price, plus the weighted average change in product prices ($12.70 + -$0.69 = $12.01 per hundredweight). The BFP at test was $12.48 per hundredweight, with 3.83% butterfat, 3.15% protein and 8.59% solids-not-fat. The BFP is the Class III price under the orders and is also used in determining the Class I price, the Class II price, and component prices under the orders.

Commodity Prices - - The NASS survey of cheddar cheese prices showed a net decrease in prices received for 40-pound blocks and a decrease for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 10.87 cents between the April 17 and the May 15 surveys, to $1.1912 per pound. The survey of 500-pound barrels (adjusted to 39% moisture) decreased 6.24 cents to $1.1874 per pound.

The Mercantile Exchange Grade A butter price increased 39.75 cents between April 17 and May 22 from $1.2525 per pound to $1.6500 per pound. The average wholesale price for nonfat dry milk (low, medium and high heat combined) in the Western States production area showed no change since mid-April at $1.0325 per pound. The average price for western nonhygroscopic whey showed a net decrease of 0.12 cents since mid-April to $0.2288 per pound. ♦

PER CAPITA IN-AREA ROUTE DISPOSITION OF FLUID MILK PRODUCTS

In a previous issue of the Market Administrator's Report, quarterly total route disposition within the marketing area defined by each order for 1997 was compared to 1996. While that analysis provides important information on absolute levels of route disposition (i.e. packaged fluid milk sales), an analysis of route disposition on a per capita basis reveals the relative change in disposition given changes in the population of the marketing area. Between 1996 and 1997, population estimates for both marketing areas increased. The estimated population for the Pacific Northwest marketing area increased 205,216 (+2.35%) from 8,715,822 to 8,921,038. The estimated population for the Southwestern Idaho-Eastern Oregon marketing area increased 11,794 (+1.70%) from 694,535 to 706,329. Population numbers are based on Census Bureau estimates compiled by Dairy Programs of the Agricultural Marketing Service. Special note: Population numbers are affected by census estimation procedures and proximity to the census year.

Pacific Northwest

For 1997, disposition of fluid milk products in the marketing area of the Pacific Northwest Order totaled 2,239.2 million pounds, up 0.3% from 1996. However, on a per capita basis, total disposition was down 2.0% from 256.8 pounds to 251.0 pounds (See table below). The decrease was moderated by increases in per capita disposition of Skim fluid milk products. All other categories showed declines on a per capita basis from 1996. The trend toward milk products with lower fat content is a nationwide phenomena and is evident in the data for both of the northwest orders. A history of per capita disposition can be found on page 3 for the period 1987 through 1997.

Pacific Northwest *

Product	1996	1997	Percent Change 4/
	- pounds per capita -		
Whole Milk Products			
Whole Milk	40.2	39.0	-2.60%
Flavored Milk	2.2	2.0	-8.54%
Total Whole Milk 3/	42.4	41.1	-2.91%
Lowfat Milk Products			
2%	119.0	114.2	-3.81%
1%	35.5	35.0	-0.91%
Skim	44.4	45.6	2.93%
Flavored Lowfat/Skim	9.2	9.0	-1.76%
Buttermilk and Other 2/	6.3	6.1	-3.09%
Total Lowfat Milk 3/	214.4	209.9	-1.83%
Combined Total	256.8	251.0	-2.01%

* footnotes for this table can be found below the table for Southwestern Idaho-Eastern Oregon on page 3.

Southwestern Idaho-Eastern Oregon

For 1997, disposition of fluid milk products in the marketing area of the Southwestern Idaho-Eastern Oregon Order totaled 176.4 million pounds, down 0.14% from 1996. On a per capita basis, total in-area disposition was down 1.81% from 255.1 pounds in 1996 to 249.8 pounds in 1997 (See table below). The decline in disposition was moderated by increases in 1%, flavored lowfat and skim, and buttermilk and other fluid milk products. A history of per capita disposition can be found below for the period 1987 through 1997. ♦

Southwestern Idaho-Eastern Oregon

Product	1996	1997	Percent Change 4/
	- pounds per capita -		
Whole Milk Products			
Whole Milk	43.7	42.2	-3.21%
Flavored Milk	4.6	2.9	-37.64%
Total Whole Milk 3/	48.4	45.1	-6.51%
Lowfat Milk Products			
2%	117.8	113.7	-3.24%
1%	43.0	46.5	8.41%
Skim	32.6	31.0	-4.89%
Flavored Lowfat/Skim	11.1	11.3	2.34%
Buttermilk and Other 2/	2.2	2.2	2.86%
Total Lowfat Milk 3/	206.7	204.7	-0.71%
Combined Total	255.1	249.8	-1.81%

1/ Based on total in-area route disposition as reported by handlers, handlers regulated by other Federal orders, partially regulated handlers, and producer-handlers. Data not adjusted for calendar composition. 2/ May include small amounts of miscellaneous products. 3/ May not add due to rounding. 4/ % Change is based on unrounded data. Percentage changes adjusted for leap year.

PACKAGING STUDY

Each November of odd years, the Market Administrator collects data on the size of packaged milk products and the material used in packaging. This data is compiled below for the Pacific Northwest and Southwestern Idaho-Eastern Oregon marketing areas for November 1989, 1991, 1993, 1995, and 1997.

The data in this article are based on pounds of route disposition by handlers regulated under the Pacific Northwest and Southwestern Idaho-Eastern Oregon Orders. The table below shows the pounds of route disposition by Federal order for November of the years of the survey.

Total Route Disposition for November of Selected Years

	Pacific Northwest	Southwestern Idaho-Eastern Oregon
	- - - - - - Pounds - - - - - -	
1989	165,220,582	12,164,043
1991	171,453,981	14,148,218
1993	175,160,584	14,762,198
1995	176,876,782	14,460,330
1997	171,924,431	14,873,067

PACKAGING MATERIALS

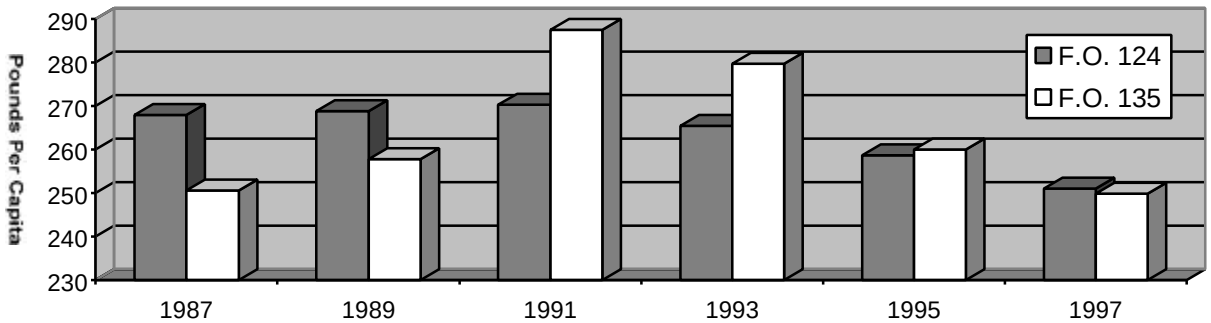
The materials used in packaging milk products have changed significantly since 1989. Between 1989 and 1997, plastic has become increasingly dominant as the primary material used in packaging fluid milk products.

Pacific Northwest Order

In 1989, fluid milk packaged in plastic containers represented 63.87% of the total pounds of route

(Continued on Page 4)

In-Area Per Capita Disposition of Fluid Milk Products for Pacific NW (FO 124) and SW Idaho-E Oregon (FO 135): 1987-1997



(Continued From Page 3)

disposition. Since 1989, the percentage of route disposition in plastic containers has risen steadily to 74.43%. Fluid milk packaged in paper containers has steadily declined since 1989, at which time it represented 35.60% of route disposition. By 1997, paper containers represented only 25.57% of total route disposition. In 1989, 0.53% of route disposition was marketed in glass containers. For the 1993, 1995, and 1997 surveys, no route disposition of fully regulated handlers was identified as having been marketed in glass containers. It is known, however, that some producer-handlers still market milk in glass containers (See table below).

Materials Used For Packaging Fluid Milk by Handlers Regulated Under the Pacific Northwest Order: November, 1989, 1991, 1993, 1995 and 1997

	Plastic	Paper	Glass	Plastic	Paper	Glass
Year	- Million Pounds -			- % of Total Disposition -		
1989	105.5	58.8	0.9	63.87	35.60	0.53
1991	118.7	52.7	0.1	69.23	30.74	0.03
1993	123.8	51.4	0.0	70.66	29.34	0.00
1995	128.3	48.5	0.0	72.56	27.44	0.00
1997	127.1	43.7	0.0	74.43	25.57	0.00

Southwestern Idaho-Eastern Oregon Order

In 1989, fluid milk packaged in plastic containers represented 37.07% of the total pounds of route disposition. Since 1989, the percentage of route disposition in plastic containers has risen steadily to 72.46%. Fluid milk packaged in paper containers has steadily declined since 1989, at which time it represented 62.55% of route disposition. By 1997, paper containers represented only 27.19% of total route disposition. In 1989, 0.38% of route disposition was marketed in glass containers. Route disposition in glass containers showed a net decrease between 1989 and 1997 to 0.36% of route disposition (See table below).

Materials Used For Packaging Fluid Milk by Handlers Regulated Under the Southwestern Idaho-Eastern Oregon Order: November, 1989-1997

	Plastic	Paper	Glass	Plastic	Paper	Glass
Year	- Million Pounds -			- % of Total Disposition -		
1989	4.5	7.6	*	37.07	62.55	0.38
1991	6.6	7.5	*	46.40	53.30	0.30
1993	8.6	6.1	*	58.27	41.40	0.32
1995	9.6	4.8	**	66.58	33.04	0.38
1997	10.7	4.0	**	72.46	27.19	0.36

* Less than 50,000 pounds. ** Greater than 50,000 pounds but less than 100,000 pounds.

CONTAINER SIZE

The November surveys identify the size of containers used by regulated handlers. The categories used are: gallon, half-gallon, quart, pint, 1/3 quart, 10-ounce, half-pint, 6-gallon, 5-gallon, 2.5-gallon, and all other. Since 1989, there has been a shift away from half-gallon containers towards gallon containers, the latter representing over 60% of all disposition in 1997. No other container sizes showed any significant trend.

Pacific Northwest

The dominant container size has been the gallon since 1989 (See table below). The gallon-sized container represented 61.34% of route disposition in 1989 and increased steadily to 71.94% of route disposition by 1997. Half-gallons have been the second most predominant container size, representing 24.32% in 1989 and decreasing steadily to 16.04% by 1997. The remaining categories of containers have remained somewhat more stable since 1989. As of 1997, in rank order, these containers consist of: half-pints (5.38%); quarts (3.40%); 5-Gallon (1.51%); pints (1.31%); 6-Gallon (0.22%); and all other containers (0.21%).

Package Sizes of Fluid Milk Used by Handlers Regulated Under the Pacific Northwest Order: November, 1989, 1991, 1993, 1995 and 1997

Container	1989	1991	1993	1995	1997
	- % of Total Route Disposition -				
Gallon	61.34	66.37	67.78	69.61	71.94
Half-Gallon	24.32	20.14	18.86	17.31	16.04
Half-Pint	5.99	5.52	5.67	5.50	5.38
Quart	4.17	3.84	3.73	3.73	3.40
Pint	1.61	1.44	1.40	1.36	1.31
6-Gallon	1.56	1.03	1.26	0.79	0.22
5-Gallon	0.51	1.26	0.34	0.73	1.51
Other *	0.50	0.40	0.96	0.97	0.21

* "Other" consists of 10-ounce, 2.5-gallon, and all other containers sizes.

Southwestern Idaho-Eastern Oregon

The dominant container size has been the gallon since 1989 (See table on page 5). The gallon-sized container represented 42.90% of route disposition in 1989 and increased steadily to 69.67% of route disposition by 1997. Half-gallons have been the second most predominant container size, representing 37.71% in 1989 and decreasing steadily to 12.58% by 1997. The remaining categories of containers have remained somewhat more stable since 1989. As of 1997, in rank order, these containers consist of: Half-Pints (7.17%); Quarts (3.38%); Pints (3.14%); and all other containers (4.06%).

Package Sizes of Fluid Milk Used by Handlers Regulated Under the Southwestern Idaho-Eastern Oregon Order: November, 1989, 1991, 1993, 1995 and 1997

Container	1989	1991	1993	1995	1997
		- % of Total Route Disposition -			
Gallon	42.90	43.56	55.14	64.26	69.67
Half-Gallon	37.71	36.60	24.42	16.77	12.58
Half-Pint	8.65	8.83	8.11	7.60	7.17
Quart	3.79	3.94	2.99	3.96	3.38
Pint	1.37	1.91	3.36	3.66	3.14
10-Ounce	3.63	2.78	4.56	2.74	**
Other *	1.94	2.37	1.42	1.00	4.06

* "Other" consists of 6-gallon, 5-gallon, and all other containers sizes. ** Included with "Other" in 1997.

PACKAGING MATERIALS BY SIZE OF CONTAINER

The data from the November surveys has been compiled to show the predominant packaging materials used by the sizes of containers.

Pacific Northwest

Plastic is the dominant form of packaging used by handlers regulated under the Pacific Northwest Order. The share each container size represents in plastic containers has remained stable since the November, 1989, survey. Gallon containers comprised 96.65% of all disposition in plastic in November, 1997; Half-Gallon containers comprised 0.94%; 6- and 5-gallon containers comprised 2.33%; and all other containers comprised 0.08% of route disposition in plastic.

In order of importance, paper is the dominant form of packaging for Half-Gallon, Half-Pint, Quart, Pint, and 10-Ounce containers. Half-gallons have lost share to half-pint and quart containers since 1989. In 1989, Half-Gallons represented 64.84% of route disposition in paper and by 1997 represented only 60.02%. In the same time period, Half-Pint containers gained share, increasing from 16.83% of routes in paper to 21.05%; and Quarts gained share, increasing from 11.69% in paper to 13.26%. Paper Gallon containers had a 0.98% share of routes in paper in 1989. Decreases in route disposition in paper gallons over the period of the surveys finally led to a zero share in 1995.

Southwestern Idaho-Eastern Oregon

Plastic is also the dominant form of packaging used by handlers regulated under the Southwestern Idaho-Eastern Oregon Order. The share that plastic containers represent has increased slightly since 1989, from 94.76% to 96.15% in 1997. Half-Gallon containers comprised 2.29% and 6- and 5-gallon containers comprised 1.56%.

In order of importance, paper is the dominant form of packaging for Half-Gallon, Half-Pint, Quart, and Pint. Half-Gallons have lost share to Half-Pint and Quart containers. In 1989, Half-Gallons represented 59.70% of route disposition in paper and by 1997 represented only 38.88%. In the same time period, Half-Pint containers gained share, increasing from 13.83% of routes in paper to 26.37%; and Quarts gained share, increasing from 6.05% in paper to 12.40%. Paper Gallon containers had a 12.42% share of routes in paper in 1989. Decreases in route disposition in paper gallons over the period of the surveys finally led to a zero share by 1993.

Route disposition in glass was primarily marketed in Half-Gallon containers, representing 97.38% of all route disposition in glass. Gallon and Quart containers had approximately equal shares which decreased between 1989 (1.6%) and 1997 (1.3%). ♦

FEDERAL ORDER REFORM IMPACT ON FOOD AND NUTRITION SERVICE PROGRAMS

A *"Report on the Impacts of the Federal Milk Marketing Order Reform Proposals on Food and Nutrition Service Programs, Participants, and Administering Institutions"* was issued by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture. The report analyzes the potential impacts of the milk order reform pricing proposals contained in the proposed Federal milk marketing order rule, issued January 21, 1998, on the Food Stamp Program; the Women, Infant and Children Program (WIC); and the National School Lunch and Breakfast Programs. The report focuses on the impacts of the proposed Class I pricing options on these programs from 1999 through 2004.

A copy of the report can be obtained from Dairy Programs, USDA/AMS, Room 2968, South Building, P.O. Box 96456, Washington, D.C. 20090-6456, (202) 720-4392. This report may also be obtained from any Market Administrator office or via the Internet at http://www.ams.usda.gov/dairy/reform under the heading "Resource Materials". Questions regarding the FNS impact report should be directed to Dawn Aldridge, Office of Analysis and Evaluation, Food and Nutrition Services, at (703) 305-2133. ♦

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			SW IDAHO - E OREGON		
	Apr 1998	Mar 1998	Apr 1997	Apr 1998	Mar 1998	Apr 1997
TOTAL PRODUCER MILK	552,026,888	556,505,847	558,586,867	139,940,779	113,740,784	236,834,977
RECEIPTS FROM OTHER SOURCES	10,138,970	9,925,268	9,356,838	1,902,095	1,500,751	2,265,586
OPENING INVENTORY	22,257,034	19,060,140	22,231,443	2,438,835	2,003,253	2,245,126
TOTAL TO BE ACCOUNTED FOR	584,422,892	585,491,255	590,175,148	144,281,709	117,244,788	241,345,689
UTILIZATION OF RECEIPTS						
Whole milk	24,339,432	25,177,823	23,237,126	2,298,320	2,337,997	2,226,895
Flavored milk & milk drinks	8,179,359	8,270,766	7,962,902	953,367	874,904	911,090
2% milk	75,049,885	77,788,698	78,791,172	6,153,856	6,282,772	5,951,008
1% milk	26,187,785	25,010,414	23,154,384	2,485,545	2,421,493	2,600,535
Skim milk	29,371,821	32,591,431	30,296,074	1,811,123	1,872,716	1,783,071
Buttermilk	1,634,914	1,726,063	1,627,670	125,523	125,913	107,879
CLASS I ROUTE DISP. IN AREA	164,763,196	170,565,195	165,069,328	13,827,734	13,915,795	13,580,478
Class I dispositions out of area	7,822,364	7,682,741	8,560,022	1,534,676	1,623,663	1,838,712
Other Class I usage	14,047,931	14,054,508	12,534,107	2,277,003	1,730,999	1,573,529
TOTAL CLASS I USE	186,633,491	192,302,444	186,163,457	17,639,413	17,270,457	16,992,719
Mixtures (1/2 & 1/2)	3,152,019	3,087,263	2,834,428	161,647	200,807	161,586
Whipping Cream	1,531,021	1,398,015	1,224,055	83,332	111,315	71,788
Sour Cream	3,436,706	3,685,855	3,365,355	1/	1/	1/
Yogurt	6,462,044	6,787,711	5,897,376	0	0	0
Other Class II Usage	41,930,894	41,121,110	41,011,923	8,450,158	8,449,088	8,907,343
TOTAL CLASS II USE	56,512,684	56,079,954	54,333,137	8,695,137	8,761,210	9,140,717
TOTAL CLASS III USE *	341,276,717	337,108,857	349,678,554	117,947,159	91,213,121	215,212,253
TOTAL ACCOUNTED FOR	584,422,892	585,491,255	590,175,148	144,281,709	117,244,788	241,345,689
CLASSIFICATION OF RECEIPTS						
Producer milk: Class I	173,189,063	179,216,198	174,485,195	15,772,985	15,459,399	15,365,631
Class II	48,434,126	47,768,971	46,207,175	7,011,952	7,420,983	7,098,506
Class III *	330,403,699	329,520,678	337,894,497	117,155,842	90,860,402	214,370,840
Other receipts: Class I	13,444,428	13,086,246	11,678,262	1,866,428	1,811,058	1,627,088
Class II	8,078,558	8,310,983	8,125,962	1,683,185	1,340,227	2,042,211
Class III *	10,873,018	7,588,179	11,784,057	791,317	352,719	841,413
Avg. daily producer receipts	18,400,896	17,951,802	18,619,562	4,664,693	3,669,058	7,894,499
Change from previous year	- 1.17%	- 1.63%	12.53%	- 40.91%	- 53.24%	23.82%
Avg. daily Class I use	6,221,116	6,203,305	6,205,449	587,980	557,112	566,424
Change from previous year	.25%	.91%	- 1.14%	3.81%	1.64%	3.76%

* Includes Class III-A milk. 1/ Restricted - Included with other Class II usage.

MONTHLY SELECTED STATISTICS

Formula Prices	Apr 1998	Mar 1998	Apr 1997
Basic Formula (Minn-Wisc Price Series)	$ 12.01	$ 12.81	$ 11.44
Butter, Grade A, Chicago Mercantile Exchange	1.2856	1.2505	0.9190
Nonfat Dry Milk, Grade A - Western	1.0328	1.0367	1.1336
Cheese, 40 lb. blocks, NASS	1.3072	1.3793	1.2378

	PACIFIC NORTHWEST, F.O. #124			SW IDAHO-E OREGON, F.O. #135		
Handler Prices (3.5% B.F.)	Apr 1998	Mar 1998	Apr 1997	Apr 1998	Mar 1998	Apr 1997
Class I Milk	15.22	15.15	14.36	$14.82	$14.75	$13.96
Class II Milk	13.62	13.55	12.76	13.62	13.55	12.76
Class III Milk	12.01	12.81	11.44	12.01	12.81	11.44
Class III-A Milk	12.79	12.57	12.01	12.79	12.57	12.01
1/ Other Solids	0.2417	0.361	0.4836	+	+	+
1/ Protein	1.7255	1.8207	1.6339	2.16	2.45	2.49
Producer Prices						
WAD/PPD 2/	1.38	0.80	1.24	$0.40	$0.32	$0.20
1/ Other Solids	0.2417	0.3610	0.4836	+	+	+
1/ Protein	1.7255	1.8207	1.6339	2.16	2.44	2.49
Est. Uniform Price	13.39 ***	13.61 ***	12.68 ***	12.41 ***	13.13 ***	11.64 ***
1/ Butterfat Price	1.4904	1.4309	1.0215	1.49	1.43	1.02
Producer Data						
Number of Producers	1,157 *	1,156	1,255	409 *	388	396
Avg. Daily Production (lbs.)	15,904 *	15,529	14,836	25,594 *	24,501	19,937
Number of Handlers						
Pool Handlers	26	26	28	11	11	11
Producer-Handlers	14	14	14	0	0	0
Other Plants w/ Class I Use	4	4	4	5	5	4
Producer Milk Ratios						
Class I	31.37%	32.21%	31.24%	11.27%	13.59%	6.49%
Class II	8.78%	8.58%	8.27%	5.01%	6.53%	3.00%
Class III	59.85%	59.21%	60.49%	83.72%	79.88%	90.51%
Class III-A	**	**	**	+	+	+

+ Not Applicable. * Preliminary. ** Restricted Included with Class III. *** Estimated. 1/ Per Pound.
2/ Producer Price Differential (PPD) for FO 124 and Weighted Average Differential (WAD) for FO 135.

MONTHLY SUPPLEMENTAL STATISTICS

	PACIFIC NORTHWEST, F.O. #124			SW IDAHO-E OREGON, F.O. #135		
Producer-Handler Data	Mar 1998	Feb 1998	Mar 1997	Mar 1998	Feb 1998	Mar 1997
(Thousand lbs.)						
Production	22,390 *	20,256 *	22,438 *	0	0	0
Class I Use	18,708 *	16,514 *	19,299 *	0	0	0
% Class I Use	83.56%	81.53%	86.01%	0	0	0
Class I Route Disposition In Area						
(Thousand lbs.)						
By Pool Plants	170,565	156,847	171,397	13,916	13,284	13,719
By Producer-Handlers	17,845 *	15,658 *	18,463 *	0	0	0
By Other Plants	888	958	572	763	719	697
Total **	189,298	173,462	190,432	14,678	14,004	14,416

* Partially Estimated. ** May not add due to rounding.

HIGHLIGHTS THIS ISSUE:

- **BFP for April, Down 80 Cents to $12.01 per Hundredweight.**
- **1997 Per Capita In-Area Route Disposition of Fluid Milk Products: Small Decreases Continue**
- **Summary of 1997 Packaging Study: Gallon-size Plastic Containers Continue to Increase Share**
- **Food and Nutrition Service Programs Releases Order Reform Impact Study**
- **Domestic Dairy Product Prices Average $0.30 per Pound Higher than International Prices in 1997.**

A COMPARISON OF SELECTED INTERNATIONAL AND DOMESTIC DAIRY PRICES

Below is a table that summarizes the 1997 average prices for selected international and domestic dairy products. For all the major commodities, butter, cheese, and nonfat dry milk, the domestic price of the dairy product was more than 30 cents per pound over the respective international prices. Western Europe's nonhygroscopic whey averaged two cents over the Western U.S. nonhygroscopic whey price for 1997.

♦

Comparison of Selected International and Domestic Dairy Commodity Prices: 1997 Simple Averages in US Dollars

	U.S. 1/	Western Europe 2/	Oceania 2/
Butter	1.0663	0.8357	0.6872
Cheddar Cheese	1.3102	N/A	0.9691
Nonfat Dry Milk	1.0830	0.7917	0.7955
Nonhygroscopic Whey	0.2260	0.2447	N/A

N/A Not Available. 1/ U.S. Butter price is for Chicago Mercantile Exchange (CME) Grade A (92 score) butter. U.S. Cheddar Cheese prices are for CME/National Cheese Exchange 40-Lb. Blocks. Dry milk products are based on surveys by Dairy Market News. Nonfat dry milk is Western Grade A and Extra Grade. Nonhygroscopic whey price is the Western average. 2/ International price are F.O.B. port. Prices reflect set exchange rates, are not adjusted for inflation and are announced every other week by Dairy Market News.

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