

DAIRY WEEK

DAIRY MARKET PRICE COMMENTARY

(Continued from Page A16)

moisture is now below average.

Drying conditions were accelerated by last week's heat wave and many crops are now being stressed and need significant rain to protect production and grain quality.

The physical butter market remains quiet with enough butter supplies available. Buyers are waiting for prices to fall before they enter the market, and sellers are on the sidelines waiting for higher prices.

A broker said there was ample butter exports to the international market, which could begin to build support under the US market.

Non-fat dry milk prices have begun to slump on rising inventories around the country.

The USDA will announce the July basic formula price (BFP) for its federal milk orders on Aug 5.

FUTURES AND CASH PRICES

CSCE raw milk Aug fu-

tures rose strongly on Wednesday. Aug rose 30 cents to \$14.23/cwt, while Oct rose 32c to \$14.80c.

CSCE BFP milk futures were heavily traded on Wednesday in mixed trading. Jly fell 5c to \$11.10, Aug rose 1c to \$12.09 and Sep fell 5c to \$12.30.

On Wednesday, CSCE BFP milk open interest fell 3 lots to 1,440 as investors liquidate out of the Jly contract which will expire next week.

Jly open interest was down 2 lots at 209 and Aug was strong at 490, unchanged from Tuesday.

Butter open interest fell 4 lots to 172, while raw milk rose 2

lots to 41 in mild trading. Non-fat dry milk was unchanged at 68 lots and cheddar cheese was unchanged at 19 lots.

CSCE Aug nonfat dry milk fell 30 points on Wednesday to 106.00c, while Oct was steady at 107.50c. Cheddar cheese futures traded steady to slightly lower also on rising inventories. Aug fell 50 points to 127.50c, while Oct was steady at 133.00c.

At the Chicago Mercantile Exchange, BFP milk futures were steady to lower on Wednesday. Jly was steady at \$11.08, while Aug fell 7c to \$12.03, after falling gradually in the last week.

CME grade AA butter futures were steady at 110.50c, basis Sep, on Wednesday, while Nov was unchanged at 95.25c.

CME BFP open interest fell 5 lots to 125 on 25 lots of volume. There were still 8 lots of open interest in the Jly contract with 21 lots in Aug.

CME butter open interest was steady at a strong 190 lots.

FEED GRAINS

Producers in many Midwestern regions are holding back on sales in hopes that the forecasts for continued dry conditions will raise corn and soybean values

further.

Forecasts continue to call for lackluster showers and dry conditions in the US Midwest, which have producers believing that if they sit on their product for a little bit longer, their profits may grow.

Some stations reported that farmers are moving wheat out of their bins to make room for the soybean harvest, but no aggressive wheat selling was seen.

With contribution from Cameron Dueck in Chicago By Bridge News, Tel: 212-504-7704

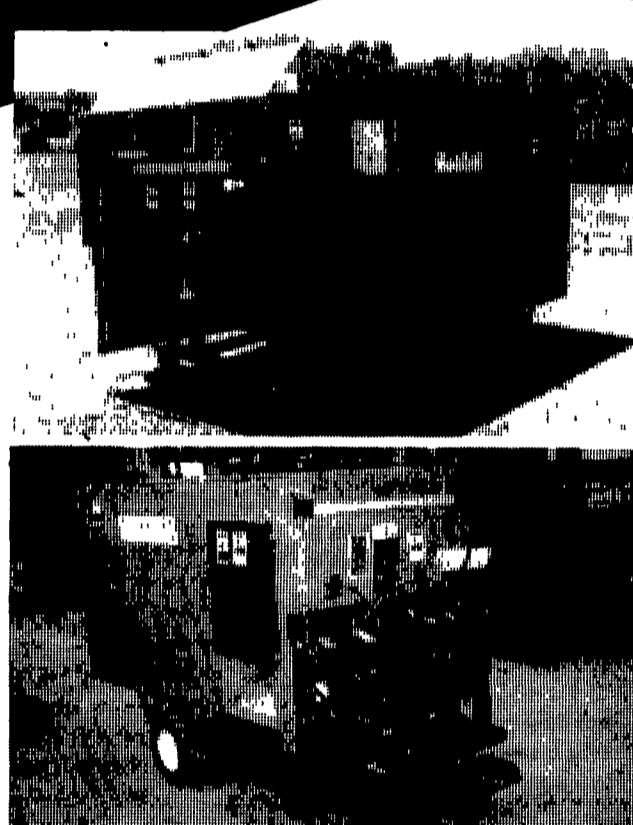
Send comments to Internet address news@bridge.com

Wouldn't You Really Rather Have A RISSLER?



FOR A LIMITED TIME
5% OFF

STATIONARY TMR MIXERS
MIXING FEED CARTS
ROUND BALE FEEDER CARTS



CALL OR VISIT ONE OF OUR AUTHORIZED DEALERS

- | | | | |
|--|---|--|---|
| BADGERS AGRI SERVICE
Dillsburg, PA
717-432-8377 | HOUGHTALINGS GARAGE
Middlebury Center, PA
717-376-2525 | DONALD NISSLEY
Willow Street, PA
717-786-7684 | IVAN ZOOK & SONS
Belleville, Pa
717-935-2158 |
| R.L. BAUGHMAN & SONS
Belleville, PA
717-935-4118 | JOHN JONES
Mechanicsburg, PA
717-766-8582 | PRINGLE FEED STORE
Greenville, PA
412-588-7880 | VALLEY
Belleville, PA
717-935-4118 |
| BIG VALLEY REPAIR
Belleville, PA
717-935-5061 | LANCHESTER SERVICE
Narvon, PA
810-273-9060 | ED RISSLER MFG.
New Enterprise, PA
814-768-2248 | FISHER SURGE SALES
Knox, PA
814-797-5710 |
| CEDAR CREST EQ.
Labaron, PA
717-370-6600 | M & M BARN SALES
Westfield, PA
814-334-5482 | GRAHAM DAIRY SUPPLY
Greensburg, PA
412-334-3182 | HUTTON FARM EQUIPMENT
Manhester, PA
717-341-2100 |
| COLUMBIA CROSSROADS
Belleville, PA
717-935-4118 | MARTIN EQUIP.
Chambersburg, PA
717-263-3806 | WILLIAM ROMBERGER
Pittman, PA
717-341-2100 | HARRY TROOP
Coopersburg, PA
610-261-1100 |
| HESS EQ. SALES & SERVICE
Millersburg, PA
717-966-1120 | MENDENHALL DAIRY SUPPLY
Pottsville, PA
610-261-1100 | | |

RISSLER
- MANUFACTURING

442 Orchard Road
Millstown, PA
19540-9122

717 484-0551



Summer Farm Tire Clearance
on all Galaxy, Fidelity, Firestone, Klabar, McCreary

24 Hour farm tire service
Front Tractor & Wagon Tires.
Exide Batteries Low - Low Prices

Call us first & save
1-800-437-4961

JOE'S BATTERY & TIRE
2225 UNION BLVD.
ALLENTOWN, PA 18103

ATTENTION GROWERS

FREEDOM To CHOOSE.

Those of you currently covered by Catastrophic (CAT) crop insurance through your Farm Service Agency must now select a private crop insurance company for the 1998 crop year. With the FSA no longer selling crop insurance, you must select a local agent soon, or one will be assigned to you.

Maintain your freedom to choose!
Give your Crop Growers agent a call today and find out about the

CROP GROWERS INSURANCE
(800) 422-8339
Ag-Ins Since '71

CROP GROWERS INSURANCE
FARMERS & AGRI-CULTURE