

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/22):
BUTTER: Grade AA closed at \$1.7950. The weekly average for Grade AA is \$1.7950 (N.C.).

CHEESE: Barrels closed at \$1.0500 and blocks at \$1.0700. The weekly average for barrels is \$1.0517 (+.0177) and blocks, \$1.0833 (-.0187).

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. Demand for butter remains strong as last minute Thanksgiving orders are shipped. Producers and handlers report that churning schedules continue to be lighter than desired. Cream supplies available to churns are light as demand for cream for other products is very good. Stocks of fresh butter continue to lag demand, thus inventoried stocks are supplementing orders. Within the past few weeks, many producers and handlers indicated that butter inventories have dipped below year ago levels.

CHEESE: The cheese market is unsettled to weak. Cash cheese prices at the Chicago Mercantile Exchange moved both higher and lower during the holiday abbreviated period ending November 22. During the period of November 20 - 21, CCC purchased 774,730 pounds of Midwestern blocks under the price support program, the first blocks purchased since June. CCC also purchased 831,600 pounds of Midwestern process. Manufacturing plants may receive heavier volumes of milk over the long holiday weekend. Cheese yields are seasonally good, reflecting the higher fat and protein tests on incoming milk supplies.

FLUID MILK: Fluid demand was excellent through midweek as bottlers prepare holiday needs. Bottlers in the East, South, and Midwest were forced to import additional supplemental supplies from other states. Most handlers were expecting Class I interest to slow by midweek as schools close for the long holiday weekend. Additional volumes are expected to be diverted to manufacturing channels with few, if any, problems expected by handlers in clearing any extra supplies during the holiday weekend. Heavy lake affect snow in New York was causing problems with distribution in affected areas. Milk receipts were lower in Utah, Idaho and New Mexico, often due to colder weather. Milk production was steady in California as lower production per cow was offset by large cow

numbers. In the Midwest and Northeast, milk receipts were fairly steady with recent weeks.

DRY PRODUCTS: The whey market remains firm and prices are steady to higher. Seasonally reduced milk receipts and whey drying schedules have reduced inventories to the point that some producers are committed through the end of the year. Demand is generally good and buyers are going to other regions to help find supplemental stocks. The NDM and buttermilk markets are mostly steady to firm. Seasonally lower milk supplies in many areas have reduced operating schedules at most plants. The WPC market is generally steady. Some shifting of production from 34% to higher protein derivatives is reducing supplies. Also, stocks are lighter at plants with recent equipment problems. Spot interest is best from the food market.

CCC: During the holiday abbreviated period of November 20 - 21, CCC net purchases totaled 3,811,520 pounds of nonfortified NDM and 3,007,659 pounds of fortified from the West. CCC also purchased 774,730 pounds of blocks and 831,600 pounds of process cheese from the Midwest.

COLD STORAGE (NASS): U.S. cold storage holdings of butter on October 31, 2000 total 57.6 million pounds, down 10.3% from October 1999 and 32.1% lower than September 2000. Natural American cheese holdings for October total 521.0 million pounds, up 13.4% from last year but 7.4% less than a month ago.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): Handler reports of receipts and utilization under the Federal milk order system for October have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During October, about 9.5 billion pounds of milk were received from producers. This volume of milk is 0.3% higher than the adjusted October 1999 volume. About 3.9 billion pounds of producer milk were used in Class I products, 2.9% higher than the previous year. Calendar composition likely had a slight positive impact on milk used in Class I in 2000 as compared to 1999. The all-market average Class utilization were; Class I = 42%, Class II = 10%, Class III = 42%, and Class IV = 6%. The weighted average statistical uniform price was \$12.35, \$0.39 lower than last month, and \$2.51 less than last year.

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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 NOVEMBER 20	TUESDAY NOVEMBER 21	WEDNESDAY NOVEMBER 22	THURSDAY NOVEMBER 23	FRIDAY NOVEMBER 24	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.0650 (+.0050)	\$1.0400 (-.0250)	\$1.0500 (+.0100)	No Trading	No Trading	-.0100	\$1.0517 (+.0177)
40# BLOCKS	\$1.1000 (-.0200)	\$1.0800 (-.0200)	\$1.0700 (-.0100)	No Trading	No Trading	-.0500	\$1.0833 (-.0187)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	No Trading	No Trading	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	No Trading	No Trading	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$1.7950 (N.C.)	---	\$1.7950 (N.C.)	---	No Trading	N.C.	\$1.7950 (N.C.)

*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, NOVEMBER 20, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0650; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0900; 2 CARS 40# BLOCKS: 1 @ \$1.1000, 1 @ \$1.1200
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.2500; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.8500

TUESDAY, NOVEMBER 21, 2000

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.0800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0400; 2 CARS 40# BLOCKS: 1 @ \$1.0800, 1 @ \$1.0850
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, NOVEMBER 22, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.0500; 5 CARS 40# BLOCKS: 1 @ \$1.0800, 1 @ \$1.0750, 1 @ \$1.0725, 1 @ \$1.0700, 1 @ \$1.0800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS 40# BLOCKS: 1 @ \$1.0700, 1 @ \$1.0725, 1 @ \$1.0750, 1 @ \$1.0775, 1 @ \$1.0800
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.2500; OFFERS UNCOVERED: NONE

THURSDAY, NOVEMBER 23, 2000

NO TRADING WAS HELD, EXCHANGE CLOSED

FRIDAY, NOVEMBER 24, 2000

NO TRADING WAS HELD, EXCHANGE CLOSED

BUTTER MARKETS

OCTOBER MONTHLY COLD STORAGE

According to NASS, October month-end cold storage figures for butter total 57.6 million pounds, 10.3% less than last year and 32.1% lower than the September holdings total.

NORTHEAST

The market tone remains firm. The bulk butter price at the CME, was held at \$1.7950 since the November 10 trading. Contacts speculate that the current price could be with us for a couple more weeks. Fresh butter is often short of needs and cream supplies remain tight throughout most of the East. The Thanksgiving week may provide some relief from the tight milk and cream situation, but any relief is expected to be short lived. Printers are very active building inventories for the expected Christmas/New Years' demand. Most of these needs are being filled via microfixing frozen, then tempered butter. Thanksgiving orders have, for the most part, been delivered and are in the stores. Most distributors are busy trying to fill last minute orders before ending the work-week on Wednesday. Retail and food service orders are slow to fair. The high price at the CME is deterring some bulk purchases. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 - 6 cents over the CME price/average.

CENTRAL

Butter markets and prices remain firm. Producers and handlers indicate that current inventory conditions and strong demand will probably cause prices to remain firm

into December. Churning schedules are lighter than desired. Surplus cream supplies are limited for churning due to increased demand from other cream based holiday items. Butter producers are anticipating that some additional cream offerings will become available during the upcoming holiday weekend, but will then tighten early in the week. Butter demand continues to outpace production schedules. Producers and handlers are actively filling orders for post Thanksgiving needs. Producers anticipate good butter clearances into December. Retail feature activity is brisk. Due to recent price increases, some retailers are pulling previously scheduled features for the upcoming Christmas holidays. Limited volumes of bulk butter are reported for sale, but when available, producers are receiving 3 - 5 cents a pound above various pricing bases.

WEST

Butter sales activity remains good even with the major price increase of 11/8. Butter manufacturers are struggling to meet their commitments for print butter. Bulk butter sales also continue at good levels. Interest in cream is a little more variable. The higher prices have buyers concerned about clearing end products before the possibility of future price declines. Western butter contacts were pleased and surprised at the major draw down in USDA butter stock levels during October. The decline of 27.2 million pounds averages out to almost a million pounds a day coming out of storage and going into the commercial market. Current prices for bulk butter nominally range from 2 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	40# BLOCKS	CHEESE BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
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NOVEMBER 18

Not available at press time.
 Data will be released 3:00 pm EST, November 24 and available on the Internet.

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

CHEESE MARKETS

NORTHEAST

Prices are sharply higher on natural cheddar items and moderately higher on process. 40# Block prices at the CME have moved 14 cents higher in the past two weeks. During that same period, the barrel price jumped six cents. The market tone is firmer, but unsettled as recent price changes seem to occur counter to the perceived supply/demand situation. Cheese output is steady at light to moderate levels in the East. Most producers expect additional milk during the Thanksgiving week, but not enough to "push" plant capacity. Demand is slow as most Holiday needs have been delivered. Some last minute fill-in orders are being shipped. Food service orders are about steady, but more fast food outlets and other restaurants are receiving volumes for the Christmas shopping season which traditionally begins the day after Thanksgiving. Retail sales are steady to improved.

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

Cheddar 10# Prints	:	1.1425-1.6100
Cheddar Single Daisies	:	1.1000-1.5600
Cheddar 40# Block	:	1.2425-1.4200
Process 5# Loaf	:	1.2425-1.4175
Process 5# Sliced	:	1.2625-1.5200
Muenster	:	1.3025-1.5100
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled. Both blocks and barrels at the Chicago Mercantile Exchange cash cheese market remain below the CCC purchase prices, though the gap has narrowed from a couple weeks ago. Most processors are operating on Thanksgiving holiday abbreviated schedules (a few just 3 - 4 days). This is reducing the need for bulk cheese at these locations. Processors continue to fill in their regular schedules with process cheese produced for offering to CCC. Current natural cutting and shredding demand remains seasonally good with some operations just down one day for the holiday observance. Current cheddar supplies are snug to adequate but offerings are available with a couple of month's age. Mozzarella remains tight. Cheese production continues to be affected by better returns for milk used in the bottle as well as butter/powder (Class IV). Cheese yields are seasonally good. On November 20, CCC purchased Midwestern blocks under the price support program, the first block activity since June.

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

Process American 5# Loaf	:	1.2325-1.5000
Brick And/Or Muenster 5#	:	1.4700-1.6575
Cheddar 40# Block	:	1.4675-2.1150
Monterey Jack 10#	:	1.6700-2.1150
Blue 5#	:	1.8025-2.0900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5000-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0950-2.6850

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES	:	NOVEMBER 20 - 24, 2000
BARRELS*	:	\$1.0350 - 1.0650 (NOMINAL)
	:	(\$.0300) (.0350)
40# BLOCKS	:	\$1.1000 - 1.1525 (NOMINAL)
	:	(\$.0625) (.0325)

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

WEST

Process cheese prices are stronger, natural cheese prices are sharply higher, and Swiss prices held steady. Some contacts are a little surprised at the strength in the market with the current levels of milk and cheese production. Small volumes of block, barrel, and process cheese have been offered to the government price support program in recent weeks. Manufacturing plants are expecting to process some additional volumes of milk over the upcoming holiday and weekend period. Most of the plants are happy to get the additional milk. Weather patterns over much of the West have not been ideal for continued strong milk production in recent weeks. Cheese demand has improved at some locations as buyers take an extra load in anticipation of possible higher prices in the near term. U.S. cold storage stocks of natural American cheese at the end of October total 521.0 million pounds, down 7.4% from last month but up 13.4% from last year at this time. The decline of 41.7 million pounds during the month was the largest monthly decline in more than 20 years. Swiss stocks stand at 8.3 million pounds, up 5.0% from last month but 11.2% less than last year.

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

Process 5# Loaf	:	1.1850-1.4450
Cheddar 40# Block	:	1.2275-1.3675
Cheddar 10# Cuts	:	1.4075-1.6275
Monterey Jack 10#	:	1.4175-1.5775
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5400

FOREIGN

Prices for domestic styles are sharply higher and imported is reported as unchanged. The market tone is seasonally firm as demand for foreign type cheese, particularly table cheeses, is good during the year end holiday time. Stocks are mostly adequate for current demand.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	DOMESTIC
	:		
Roquefort	:	TFEWR	-0-
Blue	:	2.6400-3.1400	1.4450-2.9400*
Gorgonzola	:	3.2400-5.9400	1.9950-2.4900*
Parmesan (Italy)	:	TFEWR	2.8600-2.8850*
Romano (Italy)	:	2.1000-2.5400	-0-
Provolone (Italy)	:	3.4400-5.5000	1.4525-1.7300*
Romano (Cows Milk)	:	-0-	2.6350-4.8100*
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
	11/20/00	7,964	:	130,932
	11/01/00	14,196	:	134,459
	CHANGE	-6,232	:	-3,527
	% CHANGE	-44	:	-3

FLUID MILK AND CREAM

E A S T

During October, milk production in the 20 major states totaled 11.9 billion pounds, up 2.9% from October 1999. The following are the October to October changes for selected states: Virginia -4.4%, New York no change, Pennsylvania +1.5%, Vermont +1.8%, Texas +3.0%, Kentucky +4.5%, and Florida +8.8%. Colder weather covered most of the East. Florida contacts reported frost on the ground in Central Florida. Contacts in other Southeastern states also report unseasonably cold temperatures. In the Northeast, a big snow storm paralyzed traffic around western New York. Milk production is mostly steady. The colder weather in the South seems to have slowed milk gains. Fluid milk supplies are still tight and some bottlers are shipping milk from greater distances. Florida handlers imported 59 loads this week. The volumes for this week a year ago are unavailable, but last week they brought in 94 loads. Handlers in other Southeastern states imported only 21 loads which compare to 50 last week and 28 a year ago. Unconfirmed reports have Minnesota and Michigan milk moving to plants in Pennsylvania and New York. Bottled milk demand, following typical Thanksgiving-week patterns, is very good. However, suppliers expect that demand to fall sharply at midweek. School lunch bottlers pretty much finished their runs early in the week and will resume Friday or Saturday. Although the milk was ordered, handlers expect bottlers to cancel quite a bit of their Wednesday-Friday orders. This should provide more surplus milk. Early in the week, manufacturing plants are nearly idle, but they are being prepared for heavy runs on Thursday. Contacts at manufacturing plants report receiving schedules of some hundred-plus loads on Thanksgiving and less than 40 on Friday. The condensed skim market tone and prices are unchanged. Spot sales are limited by the tight supply. Most suppliers are having difficulty meeting contract shipping schedules. The fluid cream market is very firm. With the CME butter price unchanged last week, the weekly average (the basis for most cream sales) increased more than 21 cents. Demand for cream is mixed. People who need it are paying the price while others are waiting for prices to come down. Bottled cream production is lighter than some had expected. Cream cheese and sour cream output is steady to slower now that Thanksgiving orders have been filled. Egg nog production is moderate and most orders have been filled. Producers of egg nog are anxious to see how their product sells at retail this year. Under the reformed Federal Order provisions, egg nog is now a Class I product and priced accordingly. Churning activity is light.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT		
F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.4053-2.6028
DELIVERED EQUIVALENT ATLANTA	-	2.4053-2.6028 M 2.4412-2.4771
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.4233-2.5848
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0700-1.1500
NORTHEAST- CLASS III - SPOT PRICES	-	.8900-1.0100

M I D W E S T

SPOT SHIPMENTS:	LOADS
NOVEMBER 17 - 21, 2000	15
PREVIOUS WEEK	21
COMPARABLE WEEK IN 1999	18

DESTINATIONS: TENNESSEE 15

Milk supplies are tight within the region. Retail fluid feature activity is common in many areas. Premiums for Class I milk in the upper tier of states ranged from just under \$2.00 over class upwards to several loads at \$4.00 over class to secure extra supplies. For at least a couple Midwestern bottlers, last week may have been their largest production week so far this year. Most

handlers were expecting any extra milk available over the holiday weekend after schools close to be absorbed with ease. In fact, at least one bottler was only expecting to make an adjustment only for Thursday (Nov. 23) in the regular schedule. Besides the loads reported above, 35 loads of Wisconsin milk were shipped to Missouri and 10 to Kentucky and pooled under other federal orders. Minnesota and Michigan milk was also still being hauled to Southern and Eastern bottlers. While milk continues to flow south to supplement local supplies, several loads of Tennessee milk were hauled to an upper Midwestern bottler to help fill orders. Manufacturing milk supplies, even over the opening weekend for deer hunting in Wisconsin (Nov. 18 - 19) remained surprisingly tight and some orders were going unsatisfied, even at offered premiums of \$1.00 to \$2.25 over class. Manufacturing schedules are about steady with recent weeks. Operations that can switch milk are operating butter/powder plants longer at the expense of cheese due to the higher prices on the products produced. Plant milk intakes are generally fairly flat with recent weeks. Fat and protein tests on incoming loads are at around annual peak levels. Progress on the remaining harvest and fieldwork beyond manure hauling has been slowed by snow cover in many areas. Many farmers' attention is centered in the fields and forests for the annual deer harvest.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 16 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 34.00- 39.00
REPLACEMENT HEIFER CALVES	\$320.00-380.00	\$250.00-340.00

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

	NOV 16 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 31.00- 44.00	\$ 30.00- 42.50

W E S T

Milk production is mostly steady this week in California. General comments are that output is slightly higher than last year in most areas and that fat and solid's levels are increasing. Conditions are pressing production lower in the northern milkshed. Production in the Central Valley and Southern California are noted as higher. Levels are generally a couple percentage points above a year ago. However, milk per cow output is often lower than at this time last year. The increase in cow numbers is the overriding reason. Retail fluid milk sales are good and expected to remain good for the holiday weekend. However, sales to schools have slowed or halted. Cream supplies are beginning to loosen as the week progresses. Multiples early in the week ranged from 120 to the high 130's FOB, but are expected to be highly negotiable later in the week into the weekend. The call for cream for holiday, cream-based items remained strong early in the week. Retail and food service orders for cream-based items are good. Milk output is noted to be lower than anticipated by producers in New Mexico. Several producers are noting that their cows are making less milk than expected with not a clear explanation. Whether the answer is related to weather, feed, time in lactation, or other reasons is unclear. Colder temperatures have returned to the state. Milk output in the Pacific Northwest ranges from about steady to somewhat higher. Weather conditions remain moderate allowing milk output to maintain itself or grow slightly. The continued financial stress is causing some shifting of cows, but the overall number is holding about steady. Milk output in Utah and Idaho is somewhat lighter due to the early winter weather. Temperatures colder than normal have been around for the better part of three weeks. Cow stress is increasing. Producers are curious if this is a foretaste of the winter ahead. Producers are also looking a bit nervously at the hay situation. Most have projected normal winter needs covered. However, if it is not a normal winter, will they be able to find hay to cover needs at prices that might be considered reasonable with the projected low milk prices? Manufacturing plants that are doing seasonal repairs and update projects are having no problem getting rid of the surplus milk at their plant dock.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 11/21/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are mixed on a steady to firm market. While some plants continue to increase prices, others reduced their offering prices to encourage sales. Supplies are in balance to tight, especially on Grade A stocks. Production is unchanged with extra milk from school recesses being diverted to condensed and cream manufacture. Demand is fair to good into brokerage firms, cheese and blending plants. Product continues to be produced for the CCC. High heat interest is strong with most plants producing on an as needed basis. Premiums on high heat are unchanged to higher.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0600 MOSTLY: 1.0200 - 1.0250

DRY BUTTERMILK - CENTRAL

Prices are unchanged to higher on a firm market. Production remains generally light yet improved compared to the last few months. Movement is best on contractual commitments with spot sales reportedly very light. Some resale product is available within the range. Many buyers continue to operate hand to mouth until prices weaken with increases in holiday milk. However, producers are not anticipating dramatic changes in buttermilk production as excess milk will most likely be diverted into cream and condensed skim markets. Condensed buttermilk production is unchanged for the steady demand.

BUTTERMILK: 1.0050 - 1.0500

DRY WHEY - CENTRAL

Prices are higher on a firm market. Price incentives to produce less cheese and more WPC are decreasing the availability of dry whey. However, with holiday week, some end users are decreasing their intake of condensed whey and increasing the availability of solids on the market. Demand is generally good. Producer inventories are in balance to sold out with some plants committed through the end of the year. Some producers are negotiating contracts for next year at prices above the average. Off grade product is short of buyer interest at higher prices.

NONHYGROSCOPIC: .2000 - .2350 MOSTLY: .2100 - .2200

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on a steady to firm market. As Extra Grade whey prices trend higher, milk replacer and roller ground prices are also moving higher. Milk replacer supplies are generally in balance with prices becoming too expensive for some feed buyers. Interest in delactose is increasing. Feed buyers are looking to contract delactose as a cheaper substitute for WPC. Food buyers are seasonally increasing their intake of delactose for holiday process cheese production. Early weaned pig prices are trending higher while lean hog, barrow, gilt and veal markets are weakening.

MILK REPLACER: .1650 - .1700
 ROLLER GROUND: .1850 - .2050
 DELACTOSE (Min. 20% protein): .3750 - .4000

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a mostly steady market. Supplies are generally in balance with less trading noted at the lower end of the range. Domestic demand is slow with most movement occurring on regular shipments. Some candy companies are looking to negotiate extra loads and contract for 2001. Export interest is steady to higher. The level of EU supplies available to Asia will most likely determine US market prices in 2001. The EU lactose market is reportedly firming due to the weak Euro. US production is unchanged to slightly lower as milk is diverted away from cheese. Demand for higher mesh product is good with some producers unable to satisfy spot interest. Off grade supplies are mostly in balance with current interest with some producers trading supplies within the range.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1550 - .2100 MOSTLY: .1600 - .1700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a generally steady market. Production is unchanged to slightly lower as milk is diverted away from cheese. Some supplies are also reduced due to production shifts from 34% to higher protein derivatives for the changing edible demand. Spot movement is best into food markets and contractual commitments. Additional load requests from contractual buyers are generally being satisfied with some shortages noted at plants that previously experienced equipment problems. Feed interest is steady with some buyers continuing to operate hand to mouth in an effort to reduce the cost of supplies that are nearly twice the market prices reported last year. Condensed WPC demand is strong into process cheese, feed and high protein facilities. Off grade supplies are light for the good interest.

EXTRA GRADE 34% PROTEIN: .7225 - .7625 MOSTLY: .7275 - .7375

NONFAT DRY MILK - WEST

Nonfat dry milk markets are holding mostly steady with prior weeks. Low/medium heat prices are unchanged. Buying activity is rated as slow for the holiday-shortened week. Expectations are that dryers will be more active over the weekend to balance surplus milk supplies. Contacts expect no problems handling the expected surplus volumes. Direct exporting of NDM continues at current prices. Many players in the trade would like to see the DEIP program volumes fully utilized, but the extent of future acceptances is unclear. No changes were reported for high heat prices in a light test. Some renewed seasonal interest has developed. Stocks are in close balance. For the week of November 13 - 17, net CCC purchases totaled 7.3 million pounds of nonfortified NDM and 0.8 million pounds of fortified NDM from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0000 - 1.0200 MOSTLY: 1.0000 - 1.0150
 HIGH HEAT: 1.0300 - 1.0750

DRY BUTTERMILK - WEST

Dry buttermilk prices are slightly higher and the market tone is steady to firm. Trading activity is light for the holiday week. Some additional drying is expected over the weekend for producers who will be churning butter out of extra cream supplies. Demand is fair to good for the limited offerings. Many suppliers are catching up on late contract commitments, while others remain behind. Overall, stock levels are light.

BUTTERMILK: .9500 - 1.0100 MOSTLY: .9600 - .9800

DRY WHEY - WEST

Western whey prices moved both higher and lower in fairly active trading. Most manufacturers are quite balanced in their stock levels. Those that are not are using price as one tool to stimulate some additional interest. Exporters are showing some concern about normal, end of year distractions in the market including all the holidays celebrated around the world. Domestically, buyers from the rest of the country are looking at making some additional purchases in the West to fill in short falls from normal supplies.

NONHYGROSCOPIC: .1725 - .2150 MOSTLY: .1800 - .2000

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
November 17	Information not available at press time	
November 10	\$1.0118	13,744,624

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 for domestic and export sales packaged 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 are unchanged and nominal. Most Eastern producers report little or no powder on hand. Most are hoping for extra milk during the holiday weekend. However, surplus milk volumes remain tight. One contact noted that Thursday's plant receipts are about 100 loads, but Friday's projected loads total under 40. Continued good demand for condensed skim is keeping drying to a minimum. Local producers are bringing in NDM from the West and, to a lesser degree, the Midwest. Traders are searching for bargains and also reaching out of the region for powder. Resales delineate the extent of spot activity as Eastern producers are barely able to cover regular account needs.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0500 - 1.0800 MOSTLY: 1.0600 - 1.0650

HIGH HEAT: 1.1000 - 1.1150 MOSTLY: 1.1100 - 1.1150

DELVD SOUTHEAST:

ALL HEATS: 1.0400 - 1.1350

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are higher and nominal. The market tone is firm. Eastern prices, particularly Extra Grade, are moving higher in response to changes in the Midwest market. Grade A producers are holding prices fairly steady as few have offered any product on the spot market. Eastern cheese and dry whey production is light, but expected to "bump up" this week if more milk finds its way into cheese plants. Unfortunately, surplus milk volumes are expected to drop back to early-November levels after the Thanksgiving weekend. Most plant contacts report good demand, but no product to fill any inquiries. Producers and trades alike report getting a lot of calls from "long lost friends" looking for whey powder. Animal feed inventories are dwindling and attracting more interest. Product is moving at prices just below those reported for edible/food quality whey.

F.O.B. NORTHEAST: EXTRA GRADE .2050 - .2150

USPH GRADE A .2125 - .2250

DELVD SOUTHEAST: .2275 - .2650

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and remain nominal. Production is limited and producer stocks are often short of needs. Few spot sales are being reported. There is some difficulty for producers to meet contract shipping schedules. Demand is mostly steady and any spot activity is in the resale market. The holiday shortened week also sees most of the shipping and receiving before Wednesday.

F.O.B. NORTHEAST: .9800 - 1.0000

DELVD SOUTHEAST: 1.0000 - 1.0300

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production is steady but may increase slightly later this week when some extra milk is expected to be available. Demand is steady to slower. Most buyers/retailers have an idea of what they will need for the year end holidays, but they like to assess their post-Thanksgiving inventories before placing final orders. The Kansas City Commodity office announced the award of indefinite quantity contracts for evaporated milk under EVD-1, invitation 650 for delivery January 1 - March 31, 2001. The award is for a minimum of 5,104,080 pounds and a maximum of 6,242,400 pounds at prices ranging \$0.4196-\$0.5666 per pound.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S.

CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

DRY WHOLE MILK - NATIONAL

The market tone is steady. Prices are steady to slightly higher as the butter prices at the CME have held at current levels since November 10. Production levels are light and often geared to filling contracts. Eastern producers have less milk coming into their plants and output is down quite a bit. Producer stocks are closely balanced to short. Demand is fair and usually to fill contracts. Spot sales are infrequent.

F.O.B. PRODUCING PLANT: 1.2275 - 1.4550

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH NOVEMBER 17, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 12,750 MT (28,108,650 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year's allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

CASEIN - NATIONAL

Casein markets remain firm with prices holding basically steady. Stocks of rennet and acid vary, but for the most part are in close balance. In most instances, domestic buyers are getting only what they had previously contracted for with virtually no casein available on a spot basis. Deliveries of some of the contracted volumes are being delayed due to availability in sourcing countries, especially Europe.

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

RENNET: 2.2500 - 2.4000

ACID: 2.3000 - 2.4500

CHICAGO MERCANTILE EXCHANGE AND NEW YORK BOARD OF TRADE FUTURES

Selected settling prices, (open interest), and volume ^{1/}

Month	11/08	11/09	11/10	11/13	11/14	11/15	11/16	11/17	11/20
CME - (CLASS III) MILK FUTURES -- Dollars per cwt.									
NOV 00	8.70 (1264) 2	8.76 (1275) 12	8.75 (1277) 9	8.75 (1278) 0	8.75 (1263) 22	8.80 (1263) 18	8.80 (1281) 8	8.76 (1280) 23	8.76
DEC 00	9.07 (1157) 14	9.26 (1004) 73	9.45 (1016) 55	9.47 (1016) 12	9.50 (994) 70	9.57 (1026) 60	9.60 (1062) 61	9.62 (1055) 86	9.54
JAN 01	9.58 (735) 7	9.65 (726) 29	9.80 (725) 15	9.83 (713) 12	9.86 (710) 30	9.85 (721) 22	9.90 (727) 7	9.92 (747) 38	9.65
FEB 01	9.56 (712) 2	9.60 (716) 29	9.75 (716) 10	9.80 (712) 4	9.80 (716) 17	9.81 (715) 4	9.85 (720) 7	9.95 (726) 10	9.85
MAR 01	9.68 (563) 2	9.72 (570) 32	9.80 (579) 22	9.80 (579) 0	9.80 (580) 1	9.90 (582) 2	9.91 (595) 19	10.00 (597) 7	9.95
APR 01	9.85 (477) 2	9.85 (478) 7	9.90 (481) 5	9.90 (481) 0	9.90 (491) 10	10.00 (517) 28	10.04 (519) 3	10.14 (530) 20	9.98
MAY 01	9.90 (579) 2	9.92 (579) 1	9.95 (585) 9	9.96 (584) 15	10.01 (592) 8	10.06 (592) 2	10.11 (596) 4	10.24 (611) 21	10.00
JUN 01	10.25 (311) 1	10.25 (320) 17	10.30 (319) 18	10.33 (324) 8	10.38 (330) 23	10.45 (330) 5	10.48 (339) 27	10.58 (341) 4	10.55

CME - CLASS IV MILK FUTURES - Dollars per cwt.

NOV 00	12.60 (312) 7	12.25 (311) 1	12.55 (314) 4	12.65 (323) 38	12.85 (323) 0	12.75 (304) 23	12.60 (304) 10	12.90 (302) 2	12.90
DEC 00	12.04 (337) 25	11.70 (341) 8	12.05 (342) 8	12.38 (359) 34	12.60 (359) 5	12.50 (362) 11	12.30 (309) 66	12.51 (311) 9	12.55
JAN 01	11.35 (92) 0	11.35 (92) 1	11.40 (92) 0	11.40 (96) 17	11.75 (96) 2	11.65 (96) 0	11.60 (93) 3	11.70 (93) 0	11.69
FEB 01	11.30 (92) 2	11.29 (95) 3	11.30 (95) 0	11.30 (102) 7	11.50 (102) 0	11.50 (102) 0	11.50 (102) 0	11.50 (103) 3	11.53
MAR 01	11.15 (90) 0	11.20 (90) 0	11.20 (90) 0	11.25 (92) 3	11.50 (92) 0	11.50 (92) 0	11.50 (92) 0	11.50 (93) 4	11.52
APR 01	11.25 (75) 0	11.25 (75) 0	11.25 (75) 0	11.25 (76) 1	11.40 (76) 0	11.40 (78) 2	11.40 (78) 0	11.40 (79) 5	11.52
MAY 01	11.25 (131) 0	11.25 (131) 0	11.25 (131) 0	11.25 (131) 1	11.45 (133) 2	11.45 (133) 0	11.45 (133) 0	11.45 (133) 5	11.52
JUN 01	11.48 (96) 3	11.50 (101) 5	11.50 (101) 0	11.50 (103) 2	11.65 (103) 0	11.65 (103) 0	11.65 (103) 0	11.65 (103) 0	11.65
JUL 01	11.75 (108) 0	11.75 (108) 0	11.75 (108) 0	11.75 (108) 1	11.90 (108) 0	11.90 (108) 0	11.90 (108) 0	11.90 (108) 0	11.90

CME - BUTTER FUTURES -- Cents per pound

MAR 01	108.00 (34) 0	108.00 (34) 0	108.00 (35) 2	108.00 (35) 0	108.00 (42) 7	105.00 (42) 0	105.50 (42) 0	105.50 (42) 0	106.50
MAY 01	108.00 (5) 0	108.00 (5) 0	108.00 (5) 0	108.00 (5) 0	109.00 (5) 0	109.00 (5) 0	109.00 (5) 0	109.00 (5) 0	109.00
JUL 01	113.00 (8) 0	113.00 (8) 0	113.00 (8) 0	113.00 (8) 0	113.50 (10) 2	113.00 (10) 0	113.00 (10) 0	113.00 (10) 0	113.00

NYBOT - MILK INDEX -- Dollars per cwt.

NOV 00	8.70 (33) 0	8.70 (33) 0	8.80 (33) 0	8.75 (33) 0	8.70 (33) 0	8.75 (33) 0	8.75 (33) 0	8.80 (33) 0	8.80
DEC 00	9.10 (17) 0	9.10 (17) 0	8.45 (17) 0	9.45 (17) 0	9.45 (17) 0	9.55 (17) 0	9.55 (17) 0	9.60 (17) 0	9.60
JAN 01	9.60 (3) 0	9.60 (3) 0	9.80 (3) 0	9.80 (3) 0	9.80 (3) 0	9.85 (3) 0	9.85 (3) 0	9.90 (3) 0	9.90

^{1/} At the CME open interest for milk -- 200,000 pounds per contract. At the NYBOT open interest for milk -- 100,000 pounds per contract.
For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered Novemebr 13 - 24, 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: Milk production in most areas of Europe continues to follow trends of past weeks. For the most part, production is holding at seasonal low levels, although some areas are experiencing slight increases. Stocks of manufactured dairy products remain very limited. As has been the case all year, most of the stock was committed early on in the milk production season, thus producers and handlers are now trying to fill late season commitments. In many instances, scheduled deliveries are being altered due to limited volumes. Cheese demand remains quite active for internal and international needs, although stock availability is not excessive. In recent weeks when possible, late season milk supplies had been directed toward cheese production, but now are being diverted to other products. Internal demand for manufactured dairy products for the upcoming year-end holidays is increasing, thus producers and handlers are filling those needs. European producers and handlers continue to be questioned about product availability during the upcoming milk production season. Some buyers are trying to negotiate at least a source of product during the next year with price still open. Some producers have already committed some of their projected output, but for the most part, many are not committing at this time.

BUTTER/BUTTEROIL: European butter markets are basically steady at unchanged prices. Stocks of butter are reported to be sufficient to meet internal needs with some available for other needs. At this time, international buyer interest is light. Some small lot volumes are clearing to Russia, but most producers and handlers do not anticipate this to increase during the upcoming winter months.

82% BUTTERFAT: 1,450 - 1,560
99% BUTTERFAT: 1,450 - 1,650

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady at unchanged prices. Privately held and intervention stocks are basically gone. In most instances, producers and handlers are scurrying around trying to fill season end commitments. Often producers are having to delay shipments with some even reaching into next year. Producers and handlers continue to report that some buyers, knowing what the supply situation was this season, are trying to get commitments from producers for next season. Some of this buyer interest is being acknowledged, but most is not.

1.25% BUTTERFAT: 2,100 - 2,350

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to firm. Stocks of whole milk powder in Europe are seasonally low, although the demand remains aggressive for available spot volumes, if and when they become available. Many buyers, knowing that European skim powder stocks are limited and more expensive, are looking to whole milk. Some buyers are looking to producers for 2001 commitments, but many of these inquiries are going unfilled.

26% BUTTERFAT: 1,900 - 2,200

SWEET WHEY POWDER: European whey markets remain firm with prices unchanged to higher. Demand for whey powder continues strong from animal feed buyers. Many are looking toward whey powder as an alternative now that skim milk intervention stocks are depleted. European whey stocks are reported to be limited, although late season cheese production remains active.

NONHYGROSCOPIC: 550 - 640

OVERVIEW: EASTERN EUROPE: Winter weather conditions and colder temperatures are being reported in many areas of Eastern Europe. Milk production is at seasonally low levels and is not expected to gain momentum for a few months. Stocks of manufactured dairy products from this area have been limited all season, thus minimal volumes, if any at all, are available for buyer interest. Most of the available stock has been previously committed with producers and handlers questioning if this will be sufficient for those needs.

OCEANIA

OVERVIEW: Milk production patterns in both Australia and New Zealand are much the same as recent weeks. In both countries, milk output is basically at seasonal high levels. Milk production up to this point has been positive in both Oceania countries. In New Zealand, milk output is ahead of last year, although not as strong as the past few years. Recent cool and wet conditions are projected to limit sustained production at seasonal high levels. Production in Australia varies depending on where you are in the milk producing areas. Most areas of Australia are reporting favorable milk production trends, while some northern areas got off to a slow start and have not fully recovered. Overall milk output is reported to be running about 5% above last season as a whole. Stocks of Oceania manufactured dairy products are reported to be in close balance. In many instances, stocks had been committed early on in the production season thus, at this time, no significant volumes are available on a spot basis. International buying interest, to regular customers, is active for immediate shipment, but not a lot of new sales activity is occurring at this time. The upcoming Ramadan and Christmas holidays are causing buyers to try to locate and delivery of sufficient product to carry them through the holiday period.

BUTTER: Butter markets are steady to firm with prices unchanged to slightly higher. Producers and handlers indicate that Oceania stock levels are in close balance with minimal volumes available for spot sale. Overall buying interest is fair. Most sales are occurring through ongoing customers as most international buyers are aware of Oceania's limited supply situation. No significant new buyer interest is being reported. Russian buyer interest is not developing as it has in past years.

82% BUTTERFAT: 1,350 - 1,400

CHEDDAR CHEESE: Oceania cheese markets are steady to firm, with prices unchanged to higher. Stocks of cheese are reported to be in close balance for current needs with minimal volumes available for spot sale. Overall demand is seasonally fair as most sales continue to center around regular/ongoing needs.

39% MAXIMUM MOISTURE: 1,950 - 2,000

SKIM MILK POWDER (SMP): Skim milk powder prices and the market tone are basically steady. Milk powder, both skim and whole, are reported to be in tight supply. In many instances, much of the seasons production was earmarked early on, thus very limited volumes, if any at all, are available for spot sale. The Oceania milk production season is reported to be varying on both sides of the seasonal peak. Manufacturers are actively clearing milk volumes through the plants, although this is not generating any significant additional uncommitted inventories.

1.25% BUTTERFAT: 2,150 - 2,250

WHOLE MILK POWDER (WMP): Whole milk powder markets and prices are firm. Powder stocks are reported to be tight with basically no additional volumes available for spot sales. Scheduled deliveries are reported to be occurring on a regular basis. Although milk production is running above last year levels and peak output is at hand, Oceania producers are not overly optimistic about additional powder volumes as the new year approaches.

26% BUTTERFAT: 1,950 - 2,150

Exchange rates for selected foreign currencies: NOVEMBER 20, 2000

.3865 Dutch Guilder	.4355 German Mark
.1299 French Franc	.3968 New Zealand Dollar
.1063 Mexican Peso	.5146 Australian Dollar
1.4234 British Pound	.0091 Japanese Yen
.2182 Polish Zloty	.8519 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1063= 9.4073 That is 1 US Dollar equals 9.4073 Mexican Pesos.
Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

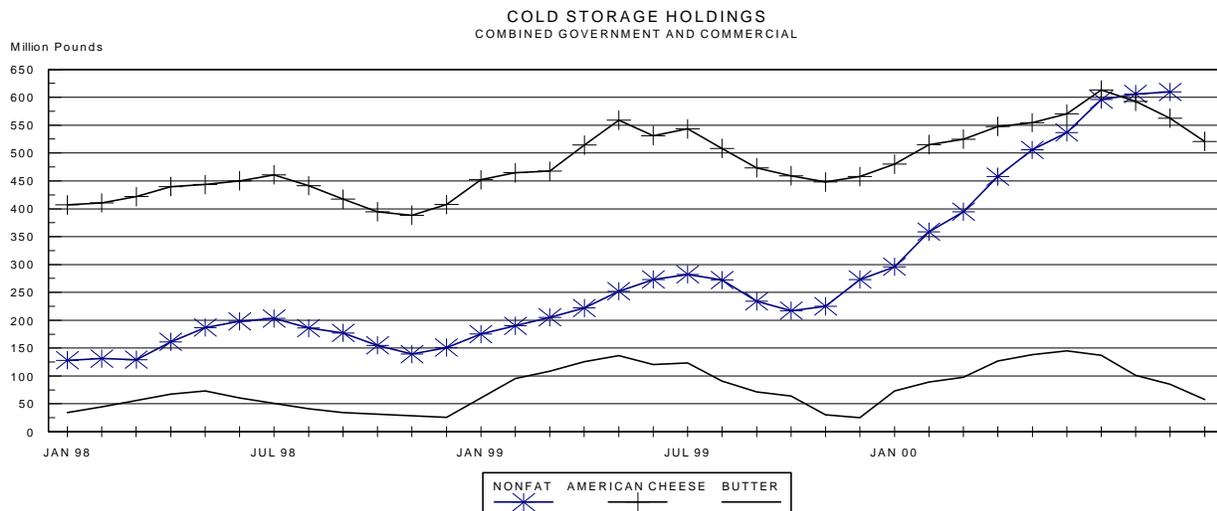
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under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

All stocks in thousand pounds except where otherwise indicated.

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	SEP 30, 1998	SEP 30, 1999	REVISED SEP 30, 2000	OCT 31, 1998	OCT 31, 1999	OCT 31, 2000
Butter	34,077	71,473	84,850	31,164	64,226	57,614
Cheese, Natural American	417,489	473,639	562,713	394,692	459,404	520,953
Cheese, Swiss	12,741	10,483	7,929	12,362	9,372	8,325
Cheese, Other Natural	122,765	167,148	173,913	115,658	153,233	149,335
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	169	214	375	8	391	330
Natural American Cheese	172	9	607	216	67	505

OCTOBER COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter*			Other Natural Cheese		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
New England	22,456	22,685	19,251	---	---	---	256	602	388
Middle Atlantic	39,855	41,401	49,982	---	---	---	9,387	9,947	7,227
East North Central	202,911	222,287	262,546	---	---	---	94,224	87,498	68,972
West North Central	59,332	94,155	99,910	---	---	---	2,638	45,291	59,763
South Atlantic	561	667	8,365	---	---	---	742	1,111	611
East South Central	305	0	0	---	---	---	1,809	150	152
West South Central	353	350	375	---	---	---	318	163	735
Mountain	15,238	11,178	10,540	---	---	---	1,152	250	849
Pacific	53,681	66,681	69,984	---	---	---	5,132	8,221	10,638
TOTAL	394,692	459,404	520,953	31,164	64,226	57,614	115,658	153,233	149,335

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



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>	359	190	173	108	186	82
March	98	108	97	108	<u>3/</u>	<u>3/</u>	525	468	525	468	<u>3/</u>	<u>3/</u>	395	205	168	123	227	83
April	127	126	127	125	<u>3/</u>	<u>3/</u>	548	514	548	514	<u>3/</u>	<u>3/</u>	458	222	197	136	260	86
May	138	137	138	136	<u>3/</u>	<u>3/</u>	555	559	555	559	<u>3/</u>	<u>3/</u>	506	252	197	164	309	88
June	145	121	144	120	<u>3/</u>	<u>3/</u>	570	531	570	531	<u>3/</u>	<u>3/</u>	537	273	171	158	366	114
July	137	124	136	123	<u>3/</u>	<u>3/</u>	613	544	613	544	<u>3/</u>	<u>3/</u>	596	282	190	141	406	141
August	101	91	101	90	<u>3/</u>	<u>3/</u>	593	508	592	508	<u>3/</u>	<u>3/</u>	606	272	152	101	454	171
September	85	71	84	71	<u>3/</u>	<u>3/</u>	563	474	562	474	1	<u>3/</u>	610	234	129	87	481	147
October	58	64	57	64	<u>3/</u>	<u>3/</u>	521	459	520	459	1	<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	Sep 30, 1998	Sep 30, 1999	Sep 30, 2000	Oct 31, 1998	Oct 31, 1999	Oct 31, 2000
	Thousand Pounds					
Butter	33,908	71,259	84,475	31,156	63,835	57,284
Natural American Cheese	417,317	473,630	562,106	394,476	459,337	520,448

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

SOURCE: "Cold Storage," Co St 1 (11-00) and "Dairy Products," Da 2-6 (11-00), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER ADVANCE PRICES, DECEMBER

Class I Base Price: Under the Federal milk order pricing system, the Class I base price for December 2000 is \$12.13 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.75 and the advanced butterfat pricing factor of \$1.3283. 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 \$7.75. Thus, the Class II skim milk price for December is \$8.45 per cwt., and the Class II nonfat solids price is \$0.9389. **Product Price Averages:** The two-week product price averages for December are: butter \$1.2032, nonfat dry milk \$1.0157, cheese \$1.0259, and dry whey \$0.1881.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/} / _{2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	December 2000		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) ^{4/}	001	15.38	11.00	1.3608
Appalachian (Charlotte) ^{5/}	005	15.23	10.85	1.3593
Southeast (Atlanta) ^{6/}	007	15.23	10.85	1.3593
Florida (Tampa) ^{7/}	006	16.13	11.75	1.3683
Mideast (Cleveland) ^{8/}	033	14.13	9.75	1.3483
Upper Midwest (Chicago) ^{9/}	030	13.93	9.55	1.3463
Central (Kansas City) ^{10/}	032	14.13	9.75	1.3483
Southwest (Dallas) ^{11/}	126	15.13	10.75	1.3583
Arizona-Las Vegas (Phoenix) ^{12/}	131	14.48	10.10	1.3518
Western (Salt Lake City) ^{13/}	135	14.03	9.65	1.3473
Pacific Northwest (Seattle) ^{14/}	124	14.03	9.65	1.3473
All-Market Average		14.71	10.33	1.3541

^{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.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, OCTOBER

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for October have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During October, about 9.5 billion pounds of milk were received from producers. This volume of milk is 0.3 percent higher than the adjusted October 1999 volume. About 3.9 billion pounds of producer milk were used in Class I products, 2.9 percent higher than the previous year. Calendar composition likely had a slight positive impact on milk used in Class I in 2000 as compared to 1999. The all-market average Class utilization were; Class I = 42%, Class II = 10%, Class III = 42%, and Class IV = 6%. The weighted average statistical uniform price was \$12.35, \$0.39 lower than last month, and \$2.51 less than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF OCTOBER 2000										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{3/}
		TOTAL	CHANGE FROM PREV. YEAR ^{2/}	TOTAL	CHANGE FROM PREV. YEAR ^{2/}	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			
Northeast (Boston)	001	1,894.9	-4.0	919.3	4.0	49	20	27	4	13.32
Appalachian (Charlotte)	005	504.0	0.3	366.3	-4.9	73	16	4	7	14.27
Southeast (Atlanta)	007	626.0	13.3	415.5	2.0	66	12	15	7	13.89
Florida (Tampa)	006	221.3	6.2	198.7	6.4	90	6	2	2	15.48
Mideast (Cleveland)	033 ^{4/}	1,313.3	24.8	569.0	-0.6	43	12	39	6	12.04
Upper Midwest (Chicago)	030 ^{4/}	1,637.7	-25.8	342.8	-4.9	21	3	75	1	10.88
Central (Kansas City)	032 ^{4/}	1,454.1	52.0	430.8	16.9	30	6	61	3	11.40
Southwest (Dallas)	126 ^{4/}	728.3	5.2	346.1	3.3	48	8	36	8	12.89
Arizona-Las Vegas (Phoenix)	131	238.3	6.6	87.5	5.9	37	5	44	14	11.99
Western (Salt Lake City)	135 ^{4/}	295.1	-46.0	87.3	15.1	30	11	58	1	11.49
Pacific Northwest (Seattle)	124	604.8	5.1	182.8	3.8	30	6	35	29	11.79
ALL MARKET AVERAGE OR TOTAL		9,517.8	0.3	3,946.2	2.9	42	10	42	6	12.35

^{1/} Names in parentheses are principal pricing points of markets.

^{2/} Previous year figures are the simple summation of the data for the orders that were consolidated. For those orders that also include partial marketing area changes or the addition of unregulated area, the figures for the previous year were adjusted for these changes; in some cases these adjustments are based on estimated data. No adjustments to previous year figures were made for handler regulation shifts that result from other than marketing area changes.

^{3/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{4/} Due to a disadvantageous relationship between class prices and location adjusted statistical uniform (blend) price in some markets, handlers elected not to pool milk that normally would have been associated with these markets.

CCC PURCHASES OF DAIRY PRODUCTS

FOR THE PERIOD OF NOVEMBER 20 - 21, 2000				CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	PERIOD ENDING 11/17/00	SAME PERIOD LAST YEAR	
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	774,730	-0-	774,730	774,730	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	233,938	-0-	-0-	-0-
Process	831,600	-0-	831,600	1,782,000	-0-	-0-	-0-
TOTAL	1,606,330	-0-	1,606,330	2,790,668	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	4,419,463	607,943	3,811,520	56,759,442	11,531,777	-0-	-0-
Fortified	3,007,659	-0-	3,007,659	11,474,212	909,269	-0-	-0-
TOTAL	7,427,122	607,943	6,819,179	68,233,654	12,441,046	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS	COMPARABLE WEEK IN 1999 =	MILKFAT* BASIS	SKIM** SOLIDS	COMPARABLE WEEK IN 1999 =
PERIOD OF NOVEMBER 20 - 21, 2000 =	16.3	95.3	0.4	19.0	144.8	2.7
CUMULATIVE SINCE OCTOBER 1, 2000 =	40.8	821.9	43.6	2,309.4		
CUMULATIVE JANUARY 1 - NOVEMBER 21, 2000 =	201.5	6,000.9				

&The barrels purchased last week were all 233,938 pounds

* 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 PERIOD OF NOVEMBER 20 - 21, 2000 (POUNDS)

REGION	BUTTER		CHEESE		NONFAT DRY MILK	
	BULK	PACKAGED	UNSALED	BLOCK	BARREL	PROCESS
MIDWEST	-0-	-0-	-0-	774,730	-0-	831,600
WEST	-0-	-0-	-0-	-0-	-0-	3,811,520
EAST	-0-	-0-	-0-	-0-	-0-	3,007,659

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	2,556,730	-0-	1,299,802	1,101,429	58.6	8.9
WEST	-0-	-0-	233,938	-0-	66,933,852	11,339,617	41.4	91.1
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	2,790,668	-0-	68,233,654	12,441,046	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JULY 31, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6680; 1# Prints \$.6980

CHEESE: 40 & 60# Blocks \$1.1220; 500# Barrels \$1.0920; Process American 5# \$1.1745; Process American 2# \$1.2145

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 11/04/00 & Comparable Week 1999

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2000-Dairy cows HD (000)	0.2	0.9	6.1	5.5	22.4	2.4	3.1	0.8	11.9	2.6	56.1	2,243.7	47.3	48.6
1999-Dairy cows HD (000)	0.2	0.9	6.9	5.2	21.2	2.1	2.9	0.8	10.9	3.0	54.0	2,204.5	43.1	45.9
2000-All cows HD (000)	0.2	1.1	8.3	15.5	30.9	15.1	17.8	6.4	15.2	8.1	118.5	4,618.8		
1999-All cows HD (000)	0.3	1.1	9.7	14.9	29.6	19.4	21.4	4.9	14.5	9.4	125.2	4,804.8		

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.

BASIC FORMULA PRICE (BFP), (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63

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	11.70	12.46	11.95	11.84	11.89	11.82	12.13
Class II	11.43	11.51	11.71	12.10	12.63	13.08	12.58	12.56	12.58	12.54		
Class III	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02		
Class IV	10.73	10.80	11.00	11.38	11.91	12.38	11.87	11.87	11.94	11.81		

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm