

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (1/12):
BUTTER: Grade AA closed at \$1.2375. The weekly average for Grade AA is \$1.2367 (+.1029).

CHEESE: Barrels closed at \$1.0650 and blocks at \$1.0675. The weekly average for barrels is \$1.0650 (-.0200) and blocks, \$1.0705 (-.0195).

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: The butter market is firm, at least pricewise. Reportedly, some buyers were unable to purchase butter at desired prices and this triggered the current escalation in the CME price. Some contacts wonder, from a supply/demand standpoint, why prices jumped more than 10% Wednesday (1/10). Butter production is steady to heavier. Under the Federal order reforms enacted January 1, there is currently a wide gap between Class III and Class IV butterfat values. At this time, some cream cheese (Class III) makers are not taking as much cream as they were. This leaves more cream to move into churning facilities. Demand for bulk and print butter is just fair. The price jump at midweek could have both positive and negative effects on purchases. Some buyers may see prices increasing and they want to buy before they move higher while others may step back from the market until prices get more in line with what they feel is an appropriate level.

CHEESE: The cheese market is unsettled to weak. At the Chicago Mercantile Exchange, cash cheese prices declined from last week and remain below CCC purchase prices. New orders are typically fair at best. More plant operators are finding they have an extra load or two of cheese in the new year. Cheese production is steady to occasionally lighter. Generally good Class I interest in some parts of the country is helping to limit production at some plants. During the week of January 8 - 12, CCC purchased 128,324 pounds of barrels and 158,400 pounds of process from the Midwest. CCC received cancellations for 142,554 pounds of previously offered Midwestern blocks. On January 5th, the Kansas City Commodity Office announced the purchase of between 3.7 million and 9.4 million pounds of mozzarella for shipment in February through June 2001.

FLUID MILK: Bottlers are getting into more seasonal patterns after the recent holidays and the series of winter storms in parts of the country. Strong Class I sales are continuing to reduce manufacturing milk supplies in the Northeast and Midwest. Higher energy costs are increasing manufacturing costs, particularly in California, where some milk is being diverted from less efficient to more efficient plants. Milk production is showing a steady increase in the South. Plant intakes are steady to slightly lower in the Midwest and Northeast. Rain in California is having only limited impact thus far on local dairies. Snow at higher elevations in California has caused some tankers to be rerouted. Milk receipts are steady in New Mexico though steady to higher in the Northwest.

Cream markets are firmer at least early in the week, though some price confusion continues in the industry.

DRY PRODUCTS: The whey and WPC markets remain firm and prices are generally higher. Current supplies remain tight and production has not increased sufficiently to boost offerings. Some interest is going unsatisfied. The NDM and buttermilk markets are generally steady. Clearances of NDM to CCC continue to help balance inventories. Higher energy costs in the West are shifting some milk supplies and limiting the use of less efficient plants. Buttermilk supplies remain tight and Western producers continue to push condensed rather than to dry due to the increasing costs. Whole milk prices are sharply higher, reflecting the higher Class IV milk price.

CCC: During the week of January 8 - 12, CCC net purchases included: 11,907,372 pounds of nonfortified NDM, 2,479,593 pounds of fortified NDM, 128,324 pounds of barrels, and 158,400 pounds of process cheese. CCC received cancellations for 142,554 pounds of previously offered blocks. During the week ending January 5, CCC reported 380.7 million pounds of uncommitted NDM.

NOVEMBER DAIRY PRODUCTS (NASS): Butter production was 105.8 million pounds in November, 2.2% above November 1999 but 0.3% below October 2000. American type cheese production totaled 290.3 million pounds, 0.7% above November 1999 but 1.7% below October. Total cheese output (excluding cottage cheese) was 681.0 million pounds, 1.1% below last year and 1.5% below the previous month. Nonfat dry milk production, for human food, totaled 100.6 million pounds, 1.8% below last year but virtually unchanged from October. Dry whey production, for human food, was 80.5 million pounds, 6.9% below November 1999 and 7.0% below October.

AUGUST MAILBOX MILK PRICES (DAIRY PROGRAMS): In August 2000, mailbox milk prices reported for selected Federal milk orders averaged \$12.31 per cwt., \$0.08 less than the figure for July. Compared to August 1999, mailbox milk prices decreased \$1.90 per cwt. on average.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during January - October 2000 totals 141.4 billion pounds, up 3.2% from the same months in 1999. Comparing disappearance levels with year earlier levels: butter is up 2.0%; American cheese, an increase of 2.4%; other cheese, up 7.2%; NDM is down 6.9%; and fluid milk product off 0.7%.

CONSUMER PRICE INDEX (BLS): The November 2000 CPI for all food is 168.9, an increase of 2.2% from November 1999. The dairy products index at 161.4, is down 1.9% from a year ago. The following are the year to year changes for selected products: fresh whole milk is 5.4% lower; cheese down 1.7; and butter off 1.3%.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JANUARY 8	TUESDAY JANUARY 9	WEDNESDAY JANUARY 10	THURSDAY JANUARY 11	FRIDAY JANUARY 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.0650 (-.0050)	\$1.0650 (N.C.)	\$1.0650 (N.C.)	\$1.0650 (N.C.)	\$1.0650 (N.C.)	-.0050	\$1.0650 (-.0200)
40# BLOCKS	\$1.0750 (-.0175)	\$1.0700 (-.0050)	\$1.0700 (N.C.)	\$1.0700 (N.C.)	\$1.0675 (-.0025)	-.0250	\$1.0705 (-.0195)
BUTTER							
GRADE AA	\$1.1725 (+.0325)	----	\$1.3000 (+.1275)	----	\$1.2375 (-.0625)	+.0975	\$1.2367 (+.1029)

*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 (NOTE: The NDM daily/weekly prices are no longer reported here. Extra Grade and Grade A prices are \$1.0300. They last changed 9/1999. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, JANUARY 8, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0650; 3 CARS 40# BLOCKS: 1 @ \$1.0750, 1 @ \$1.0900, 1 @ \$1.1025

BUTTER -- SALES: 1 CAR @ \$1.1700; BIDS UNFILLED: 27 CARS: 1 @ \$1.1725, 1 @ \$1.1700, 2 @ \$1.1550, 4 @ \$1.1525, 3 @ \$1.1500, 2 @ \$1.1475, 2 @ \$1.1450, 2 @ \$1.1425, 5 @ \$1.1400, 2 @ \$1.1375, 2 @ \$1.1350, 1 @ \$1.1250; OFFERS UNCOVERED: 2 CARS @ \$1.2500

TUESDAY, JANUARY 9, 2001

CHEESE -- SALES: 1 CAR BARRELS @ \$1.0650; 6 CARS 40# BLOCKS: 1 @ \$1.0650, 1 @ \$1.0600, 1 @ \$1.0850, 1 @ \$1.0825, 1 @ \$1.0700, 1 @ \$1.0800; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.0550; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.0700, 1 @ \$1.0800

WEDNESDAY, JANUARY 10, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 3 CARS: 1 @ \$1.2900, 2 @ \$1.3000; BIDS UNFILLED: 10 CARS: 1 @ \$1.2925, 1 @ \$1.2900, 1 @ \$1.2800, 1 @ \$1.2600, 1 @ \$1.2500, 1 @ \$1.2000, 4 @ \$1.1725; OFFERS UNCOVERED: 3 CARS @ \$1.4000

THURSDAY, JANUARY 11, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.0800

FRIDAY, JANUARY 12, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.0675

BUTTER -- SALES: 3 CARS: 1 @ \$1.1800, 1 @ \$1.1900, 1 @ \$1.2000; BIDS UNFILLED: 6 CARS: 1 @ \$1.2375, 1 @ \$1.2300, 1 @ \$1.1825, 1 @ \$1.1800, 1 @ \$1.1500, 1 @ \$1.1000; OFFERS UNCOVERED: 5 CARS 1 @ \$1.2775, 2 @ \$1.3000, 2 @ \$1.4000

Dairy Market News will resume reporting of CME nonfat dry milk sales, bids, and offers, should trading activity occur.

BUTTER MARKETS

NOVEMBER BUTTER PRODUCTION

During November 2000, butter production in the United States totaled 105.8 million pounds, 2.2% more than November 1999 but 0.3% less than October 2000. The following are percentage changes from November 1999 for various states: CA -1.6%, MN +22.0, NY -26.9%, PA -1.7%, WA +27.7%, and WI -3.5%.

NORTHEAST

The market tone is steady despite prices at the CME having increased in the past two trading sessions. These increases have surprised some contacts while others felt that butter prices would turn upward from year-end levels. Some contacts report that butter is more difficult to find while others report having no problem getting the volumes they want. Churning activity in the East is moderate as excess cream volumes are fairly heavy. In fact, many loads are moving to the Midwest where butter makers are looking for more cream to process. Demand for both bulk and packaged butter is about steady. Speculators are not anxious to buy at current prices and seem to be waiting to see where prices will settle before making large purchases. Retail movement is typically slower following the holidays and this year's sales seem to confirm that pattern. Food service orders are holding about steady. Butter production in the North Atlantic region totaled 13.7 million pounds during November. This is 5.9% less than a year ago and 3.8% below October 2000.

CENTRAL

The cash price at the CME has moved sharply higher since the first of the year. The market tone seems firm, but conversations with some contacts question what supply/demand scenario is driving these price increases. Nationally, butter output

in November was up from a year ago. For the East North Central region November's output was 28.7 million pounds, 0.2% above the same month last year and the West North Central's output totaled 12.0 million pounds, 10.2% more than last November. Stocks are adequate to cover current needs, but some reports show tightness in the market. Reportedly, butter is available in the West, but not at prices Midwestern buyers would like or expect. Higher energy costs are pushing f.o.b. prices higher. Midwestern butter makers are receiving quite a bit of cream from Eastern suppliers and reports indicate that they are actively looking for more. Retail and food service orders are steady to lighter. Bulk butter is available for spot sale with prices ranging from 1 to 3 cents over various pricing bases.

WEST

Print orders are slower as retail demand has declined following the rush of holiday orders. Food service orders are good. Bulk sales are mixed. Buyers don't know if they should start stocking butter at these prices or not. Prices are high compared to last year at this time, but some believe that butter will be tight this year. Future stock and production numbers may help to sort out the situation. Butter production in the Western region in November is up 4% from last year. Cumulative U.S. output through the first eleven months of the year totals 1.19 billion pounds, up 3.0% from the same period in 1999. Weekly CME butter storage figures show an increase of 4.13 million pounds for the most current week. Stocks have increased more than 8 million pounds in the past two weeks, but they do lag last year at this time by a significant margin. Current prices for bulk butter nominally range from 4 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	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
JANUARY 6	1.1274 4,561,023	1.1224 7,141,725	1.0181 12,057,855	1.1071 6,679,101	0.2427 5,901,209

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 moderately lower following a week of higher and lower prices at the CME. Prices for 40# blocks were up and down daily while barrels were steady until Friday's drop. The market tone is weak. Cheese output in the Northeast is steady to lighter now that schools are back in session and more milk is being used for Class I sales. Cheese stocks are more than adequate for the current, fair demand for cheddar. Mozzarella and process sales are holding up. Traditionally, cheese does sell well during the NFL playoffs which is a prime time for snack food consumption. Retail sales are slow to fair while food service orders are holding up nicely. During November, cheddar cheese production in the Atlantic region totaled 10.4 million pounds, 9.8% below last November and 3.9% less than October 2000. Mozzarella output totaled 39.4 million pounds, 13.8% less than November 1999 and 2.9% below October's total.

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

Cheddar 10# Prints	:	1.1325-1.6025
Cheddar Single Daisies	:	1.0900-1.5500
Cheddar 40# Block	:	1.2300-1.4100
Process 5# Loaf	:	1.2950-1.4675
Process 5# Sliced	:	1.3150-1.5700
Muenster	:	1.2925-1.5000
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Cash cheese prices at the Chicago Mercantile Exchange have been declining in recent days and both blocks and barrels are below CCC purchase prices. Spot demand is still generally light. There continues to be complaints about delays/problems with cheese sales to CCC. Demand is generally slow to fair with some government activity filling in production time for some processors/packagers. More producers seem to have an extra load or two of cheese available for sale. Mozzarella supplies are in balance with even an occasional spot load available. Cream cheese producers are passing on increases in prices due to higher cream costs in 2001. Cheese production is fairly steady with recent weeks. The Kansas City Commodity Office announced on January 5th the purchase of between 3.7 million and 9.4 million pounds of mozzarella for shipment in February through June 2001. Estimated November total cheese output in selected Midwestern states compared to November 1999 is: Wisconsin 183.3 million pounds, up 1.5 million pounds (0.8%); Minnesota 52.9 million pounds, down 1.6 million pounds (3.0%); Iowa 23.1 million pounds, up 1.1 million pounds (4.8%); and South Dakota 11.3 million pounds, down 669,000 pounds (5.6%).

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

Process American 5# Loaf	:	1.2850-1.4800
Brick And/Or Muenster 5#	:	1.4700-1.6850
Cheddar 40# Block	:	1.4700-2.1150
Monterey Jack 10#	:	1.6700-2.1150
Blue 5#	:	1.8300-2.0900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4700-2.2150
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	:	JANUARY 8 - 12, 2001
BARRELS*	:	\$1.0650 - 1.0750 (NOMINAL)
	:	(-\$.0250) (-.0300)
40# BLOCKS	:	\$1.0700 - 1.1200 (NOMINAL)
	:	(-\$.0200) (-.0350)

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

WEST

Cheese prices continue to falter following their end of the year strength. Clearances to the government price support program continue, but at very light volumes. Since October, only 10.2 million pounds of blocks, barrels, or process cheese has cleared to CCC. Demand for cheese is surprising some people for January. Interest is from cutters, shredders, and processors. Folks are looking for bargains as well as #1 cheese. Swiss cheese is in good shape. November production of Swiss was 18.2 million pounds, up 2.4% from last year. Total cheese output in November for the U.S. was 681.0 million pounds, down 1.1% from November 1999. Cumulative output is 7.58 billion pounds, up 4.8% from the same 11 months in 1999. Total cheese production in the Western region for November was up only 0.3% compared to a year earlier.

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

Process 5# Loaf	:	1.2375-1.4975
Cheddar 40# Block	:	1.2125-1.3525
Cheddar 10# Cuts	:	1.3925-1.6125
Monterey Jack 10#	:	1.4025-1.5625
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5400

FOREIGN

Domestic prices are moderately lower. The market tone is seasonally weak. However, orders are holding fairly constant in some areas. Stocks of most cheeses are adequate to meet current needs. Importers are getting back into the buying mode, but as the Euro strengthens, the U.S. dollar doesn't go as far as it did last fall.

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	1.4350-2.9300*
Gorgonzola	:	3.2400-5.9400	1.9850-2.4900*
Parmesan (Italy)	:	TFEWR	2.8500-2.8750*
Romano (Italy)	:	2.1000-2.5400	-0-
Provolone (Italy)	:	3.4400-5.5000	1.4425-1.7200*
Romano (Cows Milk)	:	-0-	2.6250-4.8000*
Sardo Romano (Argentina)	:	2.6500-3.2900	-0-
Reggianito (Argentina)	:	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

01/08/01	8,684	:	131,809
01/01/01	7,758	:	133,996
CHANGE	926	:	-2,187
% CHANGE	12	:	-2

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern States

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
Florida	21	0	0	0	0	6
Other Southeast States	0	0	0	0	0	0

The following are the December 2000 Class and component prices under the Federal Milk Order pricing system: Class II \$13.97 (up \$.29 from November), Class III \$9.37 (up \$.80); and Class IV \$13.27 (up \$.27). Product price averages used in computing Class prices are: butter \$1.4698, NDM \$1.0158, cheese \$1.0898, and dry whey \$.2172. The Class II butterfat price is \$1.6604 and the Class III/IV butterfat price is \$1.6534. For informational purposes, the December 1999 BFP (Class III) was \$9.63. For the first time in several weeks, no area-wide storm was threatening or plaguing the East. Milk transportation and finished product delivery were back to more normal levels this week. Some bottlers were taking more milk after heavy cancellations late last week. Bottler needs have been seesawing for the past two to three weeks. Suppliers have had trouble getting a handle on logistics and how best to move milk around. Milk production is steady in most parts of the region. Some steady increases have been reported in the Southeast while output in the Northeast is steady to declining. Contacts in the Northeast continue to cite poor quality hay and other feedstuffs plus declining farm numbers as the reason for milk supplies being as tight as they are. Class I needs are being met, but most manufacturing plants seem to be operating below year ago levels. This may be a mixed blessing since the cost of natural gas and fuel oil have risen so much this winter. Bottled milk sales are reported as fair to good. Schools are back in session and Class I milk demand is settling back into a more normal pattern. However, January 15 is a school holiday and a little extra milk could be available during this weekend. Florida handlers had to import some milk this week as Class I orders jumped. The imports were an anomaly in that Florida handlers had already moved some of their regular-source milk to other outlets and had to bring in milk to make up the difference. The condensed skim market is unchanged. Demand and prices for wet solids are little changed. However, there was an increase (54 cents) in December's Class III skim price which may effect Class III condensed skim prices. Class II demand is mostly contractual and prices are unchanged. The fluid cream market is unsettled due mostly to changes in the Federal order system and the uses for butterfat. Contacts are commenting on the differences between prices/multiples for cream moving to Class II/IV and Class III. The price difference is noteworthy, to say the least. Contacts report that cream going into Class III products is often 14 or 15 multiple points (15 - 17 cents per pound butterfat) higher than cream clearing to Class II & IV channels. Contacts note that the cost spread between Class uses will vary depending the rise or fall of butter and cheese prices and the time of year. Some cream cheese (a Class III product) makers are taking little or no extra cream because of the added costs. Ice cream makers are getting back up to speed after being down during the holiday. Demand for cream is fairly good early in the week, but late-week loads are looking for homes. Churning activity is heavier as excess cream continues to clear to local and Midwest butter makers.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3039-1.5420
DELIVERED EQUIVALENT ATLANTA	-	1.3039-1.5645 M 1.4739-1.5420
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4966-1.5533

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	- .7200-1.0100

M I D W E S T

Class I demand remains generally good in the new year. Handlers are active in acquiring extra loads of milk within the region to fill orders with premiums in the \$2.00 - 3.00 area, plus freight. Class I interest continues to be aided by some promotional activity at retail. Manufacturing milk interest remains good

with spot premiums paid and offered in the \$1.50 - 2.25 over class area. A total of 39 loads of Wisconsin milk was reported as shipped to Missouri, 21 loads to Tennessee, and 7 loads to Kentucky and pooled under other Federal Orders. Also, 6 loads of Minnesota milk were shipped to Missouri. Manufacturing schedules are often lighter. Milk supplies are tight and field men remain active in seeking new producers for many operations to replace the sellouts and other "lost" producers. For a few plants in the upper Midwest, actual December milk receipts at the plant were below November on a daily average basis. Overall, milk receipts appear to be doing little in week to week comparisons. For some others, it is still too early to determine if the warmer weather has helped milk production pick up. Cream demand remains good and prices vary greatly by class, with a spot price for Class III about 30 multiple points higher than the reported price range. At least one usual seller is anticipating not to have any spot cream supplies next week due to tight supplies. Recent warmer weather has caused some melting, with the disappearance greater further south in the region. The warmup has melted the snow and ice on roofs and driveways and made manure hauling and other outside chores less challenging.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JANUARY 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.00	\$ 34.00- 39.00
REPLACEMENT HEIFER CALVES	\$230.00-300.00	\$260.00-345.00

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

	JANUARY 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.00- 45.50	\$ 30.00- 41.00

W E S T

Milk production levels are mostly steady in most milk producing areas of California. Heavy, midweek rains in southern California were having only limited effects on local dairies. Snow and ice at elevation cut off milk shipments through the Grapevine for some of Wednesday into Thursday. Alternate routes were used to ship milk. Areas in the Central Valley are receiving much needed rainfall. The rains are not impacting milk cows to any significant extent. There remain huge concerns over electrical and natural gas costs in the state. The increasing costs are leading to higher energy bills. The dilemma is that these costs are not easily passed on to customers. Processors are switching some milk from heavily drying dependent operations, but the extent is not that great. Between energy costs and the lack of anticipated milk, several plants in the state have stopped drying operations. Cream markets are beginning to firm following a few lackluster weeks over the holidays. The increase in the butter price at the CME is causing buyers to reassess where they think the market will trade. The possibility of prices dropping toward \$1.00, thought probable just two weeks ago, now seems highly remote. Butter and ice cream production are increasing. Multiples are nominally 115 to 135 FOB, but are highly variable among classes. New Mexico milk production is mostly static with recent weeks. Indications are that milk output is only slightly above a year ago levels. Producer sentiment is wondering why milk cows are not showing more increases in output. Cow numbers are not changing much at the present time. Assessments of new dairies and expansions are sour because of the low milk price. Milk production in the Northwest ranges from steady to up slightly. Most contacts see this as a normal season. Weather conditions are also becoming more seasonal. Temperatures are cooler and showers are more numerous. Herd liquidations continue, but culling remains light. Prices for different protein sources remain high from a ration point of view. Hay needs are mostly covered, but there continues to be a firm undertone for the Western hay market. Plants in the northern Mountain States region are running at less than capacity levels. Many are looking for additional milk to process. They are having some success, but most would take more milk. Producers continue to leave the business in Utah and many of the cows end up in Idaho. Unconfirmed rumors are that some herds in Idaho are also being liquidated. Snow and cold are common over much of the region. Any moisture is being welcomed in that it will help restore irrigation water for spring needs. Heifer prices remain firm in the West with light culling noted. Hay prices continue to firm. Feeder hay is in the tightest supply.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 01/11/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to lower on a steady market. Sales are slower compared to last week. Premiums offered by some plants are no longer acceptable to buyers, encouraging price adjustments. NDM is again being offered to the government by Midwest producers. Production is generally steady. Some seasonal increases in the milk supply are being noted. However, volumes are less than anticipated for this time of year. High heat demand is strong and supplies are limited. Production of human food, nonfat dry milk during November 2000 totaled 100.6 million pounds, down 1.8% from November 1999 and unchanged from October 2000. Month ending stocks, at 111.4 million pounds, are 9.0% above a year ago but 7.7% lower than a month ago.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0600 MOSTLY: 1.0300 - 1.0350

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower on a mostly steady market. More product is appearing on the market, especially in resale trade. Offers of current resale product are reportedly being made at .9900 to 1.0000 delivered. Sales direct from the manufacturer are generally at the average with some plants unable to fulfill spot interest due to tight supplies. Normally, food buyers toggle between NDM and buttermilk depending upon the cost. However, with NDM and buttermilk prices nearly equal, a cost advantage does not appear possible. Dry buttermilk production during November 2000 totaled 3.6 million pounds, down 14.6% from November 1999 and 3.5% lower than October 2000. Month ending stocks, at 3.1 million pounds, are 54.1% below last year but 3.1% higher than last month.

BUTTERMILK: .9900 - 1.0700

DRY WHEY - CENTRAL

Prices are higher on a firm market. Trading is slower compared to last week yet interest remains generally good. Some European requests are being noted with many plants unable to satisfy current interest. Milk volumes are slowly increasing. However, volumes are not sufficient to impact the tight supply of whey. Food accounts are more accepting of premium pricing than feed accounts. Feed buyers, hoping to gain a discount with off grade product, are often finding that these prices are comparable to the Extra Grade market. Tight supplies are anticipated at least through the end of the month. Production of human food, dry whey during November 2000 totaled 80.5 million pounds, 6.9% less than November 1999 and 7.0% below October 2000. Month ending stocks, at 35.6 million pounds, are 17.3% below a year ago and 5.4% lower than October 2000.

NONHYGROSCOPIC: .2650 - .2850 MOSTLY: .2650 - .2750

ANIMAL FEED WHEY - CENTRAL

Prices are generally higher on a firm market. Milk replacer supplies are tight. Feed buyers are less resistant to the higher prices and are purchasing spot loads. The roller ground market continues to trend higher with the Extra Grade market. Strong interest in protein domestically and internationally is encouraging higher delactose prices. Feed buyers are struggling with cost increases, especially in the veal industry. Some veal growers are leaving the industry with more expected to follow. Production of animal feed, dry whey during November 2000 totaled 6.3 million pounds, 3.7% more than November 1999 and 0.6% above October 2000. Month ending stocks, at 7.7 million pounds, are 8.1% below a year ago and 28.7% lower than October 2000.

MILK REPLACER: .2000 - .2600
ROLLER GROUND: .2500 - .2750
DELACTOSE (Min. 20% protein): .4000 - .4050

LACTOSE - CENTRAL AND WEST

Prices are unchanged to lower on a steady market. Supplies are mostly in balance with some lower mesh multiple load shipments clearing to resellers at the bottom of the range. Inquiries are increasing from export markets and resellers. Europe, Asia, New Zealand, Mexico and South Africa are some areas expressing interest. Production is unchanged with no increases expected until the whey market weakens. Demand is best on the higher mesh sizes. Feed buyers are looking for discounts on lower mesh or off grade product to alleviate the impact of higher whey prices in their formulas. Most spot trades are clearing readily at the average. Lactose production during November 2000 totaled 42.4 million pounds, up 3.2% from November 1999 but 1.2% lower than October 2000. Month ending stocks, at 27.6 million pounds, are 58.6% higher than a year ago and 4.5% more than last month. Production totals for selected regions with changes from 1999 include: East North Central, 8.2 million pounds, -12.7%; West North Central, 14.2 million pounds, -4.3%; and West, 18.9 million pounds, +18.8%.

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

EDIBLE: .1500 - .2100 MOSTLY: .1625 - .1725

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. As a competitive substitute for NDM on international markets, WPC continues to be attractively priced. Offering prices from brokers are trending higher. Supplies previously imported from the Canadian market are instead being diverted into Europe. Aged and off grade MPC from Europe is being used as a competitive substitute into feed facilities. WPC 80% supplies are tight as interest in isolates expands. Off grade supplies are limited and trading at 1-3 cents under the average. Production of human food WPC during November 2000 totaled 24.5 million pounds, down 17.3% from November 1999 and 6.4% lower than October 2000. Manufacturers' end-of-month stocks totaled 10.5 million pounds, 38.8% lower than a year ago and 4.5% below last month. Production totals for selected states with changes from 1999 include: California, 7.7 million pounds, +1.7%; Minnesota, 3.4 million pounds, -17.1%; and Wisconsin, 4.2 million pounds, -4.7%.

EXTRA GRADE 34% PROTEIN: .7575 - .8075 MOSTLY: .7575 - .7725

NONFAT DRY MILK - WEST

Prices are mixed on the low/medium heat NDM range. The market tone is steady at generally weak levels. Offerings to the CCC continue to be used to balance stocks. There remain concerns about a possible support price tilt that could lower the current NDM support price of \$1.01. Renewed DEIP activity is being mentioned in some trade papers. A major concern would be the small bonuses. Current NDM production levels are mixed. High energy costs are causing shifting of milk and limiting the use of less efficient plants. Stocks remain in excess of trade needs. High heat prices are higher on the top of the range. Supplies are fair to moderate. There is increased seasonal demand. For the week of January 1 - 5, CCC net purchases totaled 10.0 million pounds of nonfortified and 0.3 million pounds of fortified NDM, all from the West. U.S. NDM production in November totaled 100.6 million pounds, down 1.8% from last year but unchanged from October. Unadjusted, cumulative U.S. NDM production through November is 7.3% higher than the same period in 1999. November production in California totaled 54.5 million pounds, down 0.6% from last year, and Washington output totaled 14.2 million pounds, up 30.5% from a year ago. U.S. stocks at the end of November were reported at 111.5 million pounds, up 9.0% from last year but 7.7% lower than last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0300 MOSTLY: 1.0050 - 1.0150
HIGH HEAT: 1.0400 - 1.0800

DRY BUTTERMILK - WEST

Prices and the market tone are steady with recent weeks. Supplies are slightly more available for the fair, at best, demand. There remain concerns about drying costs and processors are pushing condensed buttermilk to avoid drying. Stocks are mostly light. U.S. dry buttermilk production in November totaled 3.6 million pounds, down 14.6% from last year and 3.5% lower than October. Stocks at the end of November were reported at 3.1 million pounds, down 54.1% from a year earlier but 3.1% above October.

BUTTERMILK: .9700 - 1.0300 MOSTLY: .9800 - .9900

DRY WHEY - WEST

Western whey prices range from steady to more than one cent stronger. There continues to be a firm undertone to the market. Whey availability is getting tighter. Buyers are often being told that lead times are increasing before delivery can be assured. Production levels are about steady with few increases noted. The price spread between the West and other regions of the country remains larger than normal. November U.S. whey production is 80.5 million pounds, down 6.9% from 1999. Stocks at the end of the month total 35.6 million pounds, down 17.3% from a year earlier. November Western production totals 26.5 million pounds, down 19.0% from last year.

NONHYGROSCOPIC: .2000 - .2700 MOSTLY: .2125 - .2325

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
January 5	\$1.0122	9,452,883
December 29	\$1.0102	10,839,509

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 in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are about steady and nominal in the Northeast. The market tone is unchanged. Many buyers are getting used to the pricing system put forth by a national marketing agency and there is much discussion about how this plan is affecting the marketplace. Some buyers are looking to producers who are not part of the marketing agency. Some are thinking, albeit incorrectly, that they can purchase CCC-owned powder. CCC-owned NDM is not for sale at this time, it is only listed as uncommitted. Production of NDM in the East is light, but heavier than it has been since condensed skim demand is not as aggressive as it has been. Eastern producers have some powder on hand which is a change from early December. Demand is just fair as some buyers are working off year end stocks and evaluating their position under the new pricing system. Production of human food, nonfat dry milk during November 2000 totaled 100.6 million pounds, down 1.8% from November 1999 and unchanged from October 2000. Month ending stocks, at 111.4 million pounds, are 9.0% above a year ago but 7.7% less than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0850 MOSTLY: 1.0450 - 1.0700
HIGH HEAT: 1.0600 - 1.1200 MOSTLY: 1.0800 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0550 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and nominal. The market tone is steady. Production levels are moderate in those operations that are churning and drying their buttermilk. Liquid or condensed buttermilk sales are fair and product is readily available from local and Midwestern sources. Demand for powder is steady. Dry buttermilk production during November 2000 totaled 3.6 million pounds, down 14.6% from November 1999 and 3.5% less than October 2000. Month ending stocks, at 3.1 million pounds, are 54.1% less than last November but 3.1% more than a month ago.

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

DELVD SOUTHEAST: 1.0100 - 1.1000

DRY WHOLE MILK - NATIONAL

Prices are higher as producers respond to changes in the December Class IV milk price. Also, with butter prices climbing, it is anticipated that Western producers will adjust their dry whole milk prices accordingly. The market tone is little changed. Spot demand is slow to fair as most dry whole milk clears via contracts to the major users. Little extra powder is made unless ordered. Dry whole milk production during November 2000 totaled 6.1 million pounds, down 40.7% from November 1999 and 25.3% below October 2000. Month ending stocks, at 4.5 million pounds, are 21.3% below a year ago but 15.5% more than last month.

F.O.B. PRODUCING PLANT: 1.3000 - 1.4400

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH JANUARY 5, 2001
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.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices continue to increase and the market tone remains strong. Few Eastern producers have dry whey for immediate shipment. Some are not taking new orders in an attempt to catch up on existing orders. Cheese output is moderate and not up to anticipated levels for this time of year. Some producers and traders fear that it will be some time before output and demand are in closer balance. Traders report that they cannot get spot loads direct from producers except on rare occasions. Most spot needs are being filled from resale channels. New, year long contracts are being made and prices/premiums are being "bumped" up to reflect both the increased energy costs to operate the plant and the anticipated lower levels of surplus milk this year. Demand for dry whey is good. Production of human food, dry whey during November 2000 totaled 80.5 million pounds, 6.9% less than November 1999 and 7.0% below October 2000. Month ending stocks, at 35.6 million pounds, are 17.3% below last year and 5.4% less than a month ago. Production of animal feed, dry whey during November totaled 6.3 million pounds, 3.7% more than a year ago and 0.6% more than October 2000.

F.O.B. NORTHEAST: EXTRA GRADE .2625 - .2750
USPH GRADE A .2650 - .2800
DELVD SOUTHEAST: .2925 - .3200

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Demand is unchanged and typical for this time of year. Production is moderate, but a little lighter than the holiday season when more surplus milk was available. Canned evaporated milk production during November 2000 totaled 45.0 million pounds, 5.9% less than November 1999 but 10.9% more than October 2000. Month ending stocks, at 34.0 million pounds, are 13.0% more than a year ago but 18.4% below last month.

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.

CASEIN - NATIONAL

Casein prices are holding steady following recent increases in quarterly contract prices. The market is characterized as firm for both rennet and acid types. Supplies are tight with most product being used to fill current and past contracts. Trading on the spot market is very limited as supplies are not available to service that market.

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

RENNET: 2.3000 - 2.5000
ACID: 2.4500 - 2.5500

2000 MONTHLY AVERAGES

AREA & PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
DRY PRODUCTS													
NONFAT DRY MILK													
CENTRAL - LOW/MEDIUM HEAT	1.0090	1.0025	1.0009	1.0000	1.0008	1.0122	1.0225	1.0227	1.0244	1.0233	1.0308	1.0429	1.0160
-- MOSTLY	1.0168	1.0068	1.0050	1.0050	1.0050	1.0073	1.0168	1.0192	1.0200	1.0200	1.0230	1.0309	1.0147
WEST - LOW/MEDIUM HEAT	1.0038	1.0024	1.0000	1.0006	1.0022	1.0048	1.0060	1.0104	1.0100	1.0063	1.0094	1.0111	1.0056
-- MOSTLY	1.0050	1.0050	1.0050	1.0050	1.0050	1.0050	1.0050	1.0050	1.0063	1.0075	1.0075	1.0086	1.0058
WEST - HIGH HEAT	1.0300	1.0295	1.0250	1.0244	1.0355	1.0457	1.0520	1.0510	1.0513	1.0504	1.0525	1.0559	1.0419
NORTHEAST - LOW/MEDIUM HEAT	1.0163	1.0128	1.0117	1.0150	1.0155	1.0211	1.0279	1.0342	1.0420	1.0617	1.0650	1.0650	1.0324
-- MOSTLY	1.0098	1.0050	1.0050	1.0100	1.0141	1.0195	1.0249	1.0325	1.0375	1.0492	1.0625	1.0625	1.0277
NORTHEAST - HIGH HEAT	1.0700	1.0673	1.0617	1.0600	1.0611	1.0770	1.0850	1.0870	1.0925	1.0992	1.1080	1.1100	1.0816
-- MOSTLY	1.0500	1.0500	1.0500	1.0500	1.0539	1.0675	1.0754	1.0825	1.0875	1.0992	1.1125	1.1125	1.0743
SOUTHEAST - EXTRA & GRADE A	1.0763	1.0736	1.0720	1.0700	1.0700	1.0700	1.0700	1.0700	1.0713	1.0792	1.0880	1.0994	1.0758
DRY BUTTERMILK													
CENTRAL	0.7318	0.6950	0.6859	0.7694	0.8319	0.9063	0.9881	1.0013	1.0013	1.0051	1.0194	1.0323	0.8890
WEST	0.6750	0.6131	0.6320	0.7138	0.7702	0.8486	0.9116	0.9225	0.9440	0.9655	0.9740	0.9893	0.8300
-- MOSTLY	0.6513	0.6070	0.6267	0.6975	0.7518	0.8495	0.8870	0.8978	0.9318	0.9533	0.9640	0.9755	0.8161
NORTHEAST	0.7724	0.7363	0.7122	0.7400	0.8236	0.8941	0.8900	0.9122	0.9638	0.9717	0.9848	0.9900	0.8659
SOUTHEAST	0.7628	0.7220	0.7157	0.7438	0.8148	0.8932	0.9250	0.9501	0.9788	0.9850	1.0045	1.0230	0.8766
WHEY POWDER													
CENTRAL -	0.1811	0.1751	0.1772	0.1725	0.1755	0.1868	0.1970	0.1804	0.1753	0.1817	0.2109	0.2528	0.1889
-- MOSTLY	0.1799	0.1755	0.1750	0.1750	0.1752	0.1860	0.1968	0.1884	0.1775	0.1792	0.2049	0.2456	0.1883
NORTHEAST - EXTRA GRADE	0.1794	0.1766	0.1800	0.1781	0.1805	0.1924	0.1999	0.1988	0.1889	0.1884	0.2072	0.2429	0.1928
NORTHEAST - USPH GRADE A	0.1964	0.1923	0.1900	0.1900	0.1864	0.1915	0.2037	0.2041	0.1970	0.1967	0.2122	0.2418	0.2002
SOUTHEAST - EXTRA GRADE	0.2087	0.2075	0.2075	0.2075	0.2091	0.2199	0.2300	0.2283	0.2176	0.2186	0.2432	0.2832	0.2234
WEST -	0.1911	0.1799	0.1780	0.1763	0.1758	0.1784	0.1855	0.1873	0.1853	0.1819	0.1913	0.2111	0.1852
-- MOSTLY	0.1909	0.1774	0.1738	0.1722	0.1714	0.1734	0.1806	0.1838	0.1838	0.1838	0.1896	0.2018	0.1819
ANIMAL FEED													
CENTRAL - MILK REPLACER	0.1601	0.1465	0.1479	0.1450	0.1450	0.1581	0.1715	0.1546	0.1419	0.1518	0.1676	0.2062	0.1580
CENTRAL - ROLLER GROUND	0.1769	0.1718	0.1713	0.1709	0.1700	0.1754	0.1884	0.1872	0.1759	0.1730	0.1913	0.2309	0.1819
CENTRAL - DELACTOSE	0.2875	0.2875	0.2978	0.3181	0.3355	0.3559	0.3829	0.3875	0.3875	0.3875	0.3875	0.3875	0.3502
LACTOSE													
CENTRAL AND WEST	0.2156	0.2150	0.2155	0.2175	0.2175	0.2130	0.1932	0.1763	0.1800	0.1775	0.1818	0.1825	0.1988
-- MOSTLY	0.2000	0.2000	0.2000	0.2000	0.2000	0.1938	0.1776	0.1720	0.1675	0.1650	0.1650	0.1650	0.1838
WHEY PROTEIN CONCENTRATE													
CENTRAL AND WEST	0.4371	0.4620	0.5179	0.5994	0.6724	0.7471	0.7820	0.7752	0.7586	0.7328	0.7418	0.7500	0.6647
-- MOSTLY	0.4353	0.4540	0.5173	0.5919	0.6700	0.7359	0.7803	0.7697	0.7513	0.7337	0.7325	0.7399	0.6593
DRY WHOLE MILK PRODUCING PLANT													
	1.1513	1.1600	1.1600	1.1913	1.2183	1.2592	1.2578	1.2615	1.2622	1.2638	1.3155	1.3296	1.2359
CASEIN REWEI EW													
ACID	1.9513	1.9900	2.0533	2.1250	2.1305	2.1464	2.2350	2.2350	2.2763	2.3750	2.3750	2.3750	2.1890
RENNET	1.8855	1.9650	2.0435	2.1000	2.1136	2.1250	2.2200	2.2200	2.2350	2.3024	2.3250	2.3250	2.1550

NOVEMBER 2000 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 105.8 million pounds in November, 2.2 percent above November 1999 but 0.3 percent below October 2000. **AMERICAN TYPE CHEESE** production totaled 290.3 million pounds, 0.7 percent above November 1999 but 1.7 percent below October 2000. **TOTAL CHEESE** output (excluding cottage cheese) was 681.0 million pounds, 1.1 percent below November 1999 and 1.5 percent below October 2000. **NONFAT DRY MILK** production, for human food, totaled 100.6 million pounds, 1.8 percent below November 1999 but virtually unchanged from October 2000. **DRY WHEY** production, for human food, was 80.5 million pounds, 6.9 percent below November 1999 and 7.0 percent below October 2000. **ICE CREAM** (hard) production totaled 58.3 million gallons, 1.3 percent below November 1999 and 16.6 percent below October 2000.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	NOV 2000	PERCENT CHANGE FROM:			PRODUCT	NOV 2000	PERCENT CHANGE FROM:		
	1,000 LBS.	NOV 1999	OCT 2000	YEAR TO DATE 1/		1,000 LBS.	NOV 1999	OCT 2000	YEAR TO DATE 1/
BUTTER	105,828	2.2	-0.3	3.0	YOGURT (PLAIN AND FLAVORED)	132,364	3.5	-9.7	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	290,257	0.7	-1.7	3.6	SWEET-TYPE, HUMAN FOOD	8,080	-9.0	19.7	---
CHEDDAR	223,552	2.3	-3.0	3.2	SWEET-TYPE, ANIMAL FEED	1,140	9.5	0.5	---
SWISS	18,150	2.4	-5.5	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,796	-2.0	-4.6	---	DRY WHEY, HUMAN FOOD	80,518	-6.9	-7.0	---
CREAM & NEUFCHATEL	72,787	11.4	1.7	---	DRY WHEY, ANIMAL FEED	6,286	3.7	0.6	---
HISPANIC	7,864	7.8	-3.6	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	213,130	-5.7	-2.3	5.1	HUMAN FOOD	5,159	-32.7	22.8	---
OTHER ITALIAN TYPES	54,009	-9.9	5.9	6.6	ANIMAL FEED	2,964	-0.8	-12.3	---
TOTAL ITALIAN TYPES	267,139	-6.6	-0.7	5.4	LACTOSE, HUMAN FOOD & ANIMAL FEED	42,357	3.2	-1.2	---
ALL OTHER TYPES	16,985	6.3	-15.1	---	WHEY PROTEIN CONCENTRATE				
TOTAL	680,978	-1.1	-1.5	4.8	HUMAN FOOD	24,512	-17.3	-6.4	---
COTTAGE CHEESE, CURD 3/	35,918	-14.9	-7.1	---	ANIMAL FEED	4,016	4.1	7.2	---
COTTAGE CHEESE, CREAM 4/	29,942	3.3	-3.4	-0.1					
COTTAGE CHEESE, LOWFAT 5/	28,241	4.4	-7.2	-0.1					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS			
WHOLE MILK	45,017	-5.9	10.9	---	ICE CREAM (HARD)	58,250	-1.3	-16.6	0.8
DRY WHOLE MILK	6,078	-40.7	-25.3	---	ICE CREAM, LOWFAT (HARD)	6,498	0.4	-9.7	---
NONFAT DRY MILK, HUMAN FOOD	100,557	-1.8		7.3	ICE CREAM, LOWFAT (SOFT)	18,914	-0.8	-15.4	---
DRY SKIM MILK, ANIMAL FEED	356	-7.5	13.7	---	ICE CREAM, LOWFAT (TOTAL)	25,412	-0.5	-14.0	-2.0
DRY BUTTERMILK	3,589	-14.6	-3.5		SHERBET (HARD)	3,132	-9.1	-12.4	-2.6
					YOGURT (TOTAL)	5,552	-1.9	-19.1	-7.0

MANUFACTURERS' STOCKS, END OF MONTH 7/							
PRODUCT	NOV 2000	PERCENT OF:		PRODUCT	NOV 2000	PERCENT OF:	
	1,000 LBS.	NOV 1999	OCT 2000		1,000 LBS.	NOV 1999	OCT 2000
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	35,641	-17.3	-5.4	HUMAN FOOD	10,542	-38.8	-4.5
DRY WHEY, ANIMAL FEED	7,670	-8.1	-28.7	ANIMAL FEED	1,843	11.7	-9.7
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	6,582	-36.6	-25.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	33,959	13.0	-18.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	27,592	58.6	4.5	DRY WHOLE MILK	4,548	-21.3	15.5
DRY BUTTERMILK, TOTAL	3,110	-54.1	3.1	NONFAT DRY MILK FOR HUMAN FOOD	111,447	9.0	-7.7
				DRY SKIM MILK FOR ANIMAL FEED	700	-29.2	-2.5

1/ 2000 cumulative as percent change of 1999 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (1-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
SEPT 2000	168.9	2.6	161.6	1.8	158.7	3.9	162.9	-1.0	136.9	-5.5	156.9	5.2
OCT 2000	169.1	2.4	161.9	-1.3	159.0	-2.3	163.8	-2.2	135.2	-6.0	156.8	5.1
NOV 2000	168.9	2.2	161.4	-1.9	156.7	-5.4	162.9	-1.7	133.8	-1.3	155.5	3.3
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Lowfat Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Dollars											
SEPTEMBER	2.809	2.794	2.697	2.725	2.595	2.628	3.650	3.884	3.876	3.808	3.586	3.280
OCTOBER	2.805	2.964	2.720	2.892	2.627	2.858	3.640	3.858	3.930	4.007	3.620	3.380
NOVEMBER	2.753	2.981	2.633	2.942	2.483	2.449	3.639	3.789	3.862	3.918	3.320	3.338

NA = Not available. ^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-AUGUST-OCTOBER AND YEAR-TO-DATE 1999-2000 ^{1/}

Item	Aug.-Oct. 1999	Percent change ^{4/}	Aug.-Oct. 2000	Percent change ^{4/}	Jan.-Oct. 1999	Percent change ^{4/}	Jan.-Oct. 2000	Percent change ^{4/}
	Million Pounds							
MILK								
Production	39,739	3.8	40,883	2.9	135,723	3.3	140,815	3.4
Marketings	39,395	3.9	40,549	2.9	134,584	3.4	139,706	3.5
Beginning Commercial Stocks ^{2/}	9,436	43.7	10,541	11.7	5,274	7.9	6,135	16.3
Imports ^{2/}	1,379	-9.5	1,102	-20.1	3,971	4.5	3,711	-6.5
Total Supply ^{3/}	50,210	9.1	52,192	3.9	143,829	3.6	149,552	3.7
Ending Commercial Stocks ^{2/}	7,016	29.2	7,438	6.0	7,016	29.2	7,438	6.0
Net Removals ^{2/}	77	79.1	118	53.2	248	-25.1	708	185.5
Commercial Disappearance ^{3/}	43,117	6.4	44,636	3.5	136,565	2.6	141,406	3.2
SELECTED PRODUCTS ^{5/}								
Butter	343.4	16.5	368.8	7.4	1,047.2	5.3	1,071.6	2.0
American Cheese	972.2	15.9	982.7	1.1	2,974.1	7.2	3,053.4	2.4
Other Cheese	1,238.6	8.6	1,301.4	5.1	3,807.0	4.9	4,091.7	7.2
Nonfat Dry Milk	237.0	7.9	229.9	-3.0	685.5	-5.2	639.8	-6.9
Fluid Milk Products ^{6/}	14,043.1	-0.5	14,071.5	0.2	46,194.4	0.5	46,041.7	-0.7

NA = Not available.

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. ^{3/} Totals may not add because of rounding. ^{4/} From year earlier on a daily average basis. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, DECEMBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for December 2000 is \$1.6534 per pound. Thus, the Class II butterfat price is \$1.6604. The protein and other solids prices for December are \$1.0378 and \$0.0829 per pound, respectively. These component prices set the Class III skim milk price at \$3.71 per cwt. The December Class IV skim milk price is \$7.75 which is derived from the nonfat solids price of \$0.8616 per pound. **Product Price Averages:** The product price averages for December are; butter \$1.4698, nonfat dry milk \$1.0158, cheese \$1.0898, and dry whey \$0.2172.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	DECEMBER 2000				JANUARY 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
DOLLARS PER 100 POUNDS						
Northeast (Boston) 4/	001	15.38	13.97	9.37	13.27	17.24
Appalachian (Charlotte) 5/	005	15.23	13.97	9.37	13.27	17.09
Southeast (Atlanta) 6/	007	15.23	13.97	9.37	13.27	17.09
Florida (Tampa) 7/	006	16.13	13.97	9.37	13.27	17.99
Mideast (Cleveland) 8/	033	14.13	13.97	9.37	13.27	15.99
Upper Midwest (Chicago) 9/	030	13.93	13.97	9.37	13.27	15.79
Central (Kansas City) 10/	032	14.13	13.97	9.37	13.27	15.99
Southwest (Dallas) 11/	126	15.13	13.97	9.37	13.27	16.99
Arizona-Las Vegas (Phoenix) 12/	131	14.48	13.97	9.37	13.27	16.34
Western (Salt Lake City) 13/	135	14.03	13.97	9.37	13.27	15.89
Pacific Northwest (Seattle) 14/	124	14.03	13.97	9.37	13.27	15.89
All-Market Average	---	14.71	13.97	9.37	13.27	16.57

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 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.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, JANUARY 2001, WITH COMPARISONS 1/												
CITY	JAN 1999			JAN 2000			DEC 2000			JAN 2001		
	Coop.	Federal Order	Differ-ence									
Dollars Per Hundredweight												
Atlanta, GA	21.07	19.92	1.15	15.75	14.00	1.75	16.31	15.23	1.08	18.17	17.09	1.08
Baltimore, MD	20.62	19.87	0.75	15.35	13.90	1.45	16.68	15.13	1.55	18.74	16.99	1.75
Boston, MA *	20.56	20.08	0.48	14.63	14.15	0.48	15.86	15.38	0.48	17.72	17.24	0.48
Carbondale, IL	20.21	18.85	1.36	14.81	13.10	1.71	16.04	14.33	1.71	17.90	16.19	1.71
Charlotte, NC	21.07	19.92	1.15	15.75	14.00	1.75	16.31	15.23	1.08	18.17	17.09	1.08
Chicago, IL	20.17	18.24	1.93	14.69	12.70	1.99	15.63	13.93	1.70	17.89	15.79	2.10
Cincinnati, OH	20.70	18.95	1.75	14.80	13.10	1.70	16.21	14.33	1.88	17.97	16.19	1.78
Cleveland, OH	20.34	18.84	1.50	14.30	12.90	1.40	16.01	14.13	1.88	17.77	15.99	1.78
Dallas, TX	20.25	20.00	0.25	15.20	13.90	1.30	15.68	15.13	0.55	16.99	16.99	0.00
Denver, CO	19.82	19.57	0.25	14.15	13.45	0.70	15.38	14.68	0.70	17.24	16.54	0.70
Des Moines, IA	19.24	18.39	0.85	14.10	12.70	1.40	14.99	13.93	1.06	16.85	15.79	1.06
Detroit, MI	19.61	18.69	0.92	13.95	12.70	1.25	14.93	13.93	1.00	16.79	15.79	1.00
Hartford, CT *	20.46	19.98	0.48	14.53	14.05	0.48	15.76	15.28	0.48	17.62	17.14	0.48
Houston, TX	20.79	20.54	0.25	15.80	14.50	1.30	16.28	15.73	0.55	17.59	17.59	0.00
Indianapolis, IN	20.29	18.74	1.55	14.45	12.90	1.55	16.01	14.13	1.88	17.77	15.99	1.78
Kansas City, MO	19.51	18.76	0.75	14.55	12.90	1.65	15.09	14.13	0.96	16.95	15.99	0.96
Louisville, KY	20.05	18.95	1.10	14.50	13.10	1.40	15.33	14.33	1.00	17.19	16.19	1.00
Memphis, TN	20.41	19.61	0.80	15.05	13.70	1.35	15.61	14.93	0.68	17.47	16.79	0.68
Miami, FL	23.39	21.02	2.37	18.32	15.20	3.12	18.82	16.43	2.39	20.68	18.29	2.39
Milwaukee, WI	20.08	18.15	1.93	14.60	12.65	1.95	15.58	13.88	1.70	17.84	15.74	2.10
Minneapolis, MN	18.87	18.04	0.83	13.95	12.60	1.35	14.79	13.83	0.96	17.05	15.69	1.36
New Orleans, LA	20.94	20.49	0.45	15.90	14.50	1.40	16.45	15.73	0.72	18.32	17.59	0.73
Oklahoma City, OK	20.36	19.61	0.75	14.90	13.50	1.40	15.53	14.73	0.80	17.39	16.59	0.80
Omaha, NE	19.34	18.59	0.75	14.00	12.75	1.25	15.04	13.98	1.06	16.90	15.84	1.06
Philadelphia, PA	20.65	19.93	0.72	15.37	13.95	1.42	16.85	15.18	1.67	18.91	17.04	1.87
Phoenix, AZ	19.36	19.36	0.00	13.85	13.25	0.60	14.63	14.48	0.15	16.49	16.34	0.15
Pittsburgh, PA	19.34	18.84	0.50	14.20	13.00	1.20	16.23	14.23	2.00	18.29	16.09	2.20
St. Louis, MO	20.21	18.85	1.36	14.61	12.90	1.71	15.84	14.13	1.71	17.70	15.99	1.71
Salt Lake City, UT	18.99	18.74	0.25	13.05	12.80	0.25	14.28	14.03	0.25	16.14	15.89	0.25
Seattle, WA	19.12	18.74	0.38	14.93	12.80	2.13	14.66	14.03	0.63	16.27	15.89	0.38
Spokane, WA	19.12	18.74	0.38	14.93	12.80	2.13	14.66	14.03	0.63	16.27	15.89	0.38
Springfield, MO	19.78	19.03	0.75	14.65	13.10	1.55	15.13	14.33	0.80	16.99	16.19	0.80
Washington, DC	20.62	19.87	0.75	15.35	13.90	1.45	16.68	15.13	1.55	18.74	16.99	1.75
Simple Average	20.16	19.27	0.89	14.82	13.38	1.44	15.74	14.61	1.13	17.60	16.47	1.13

*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS AND CALIFORNIA,
AUGUST 2000, WITH COMPARISONS**

In August 2000, mailbox milk prices reported for selected Federal milk orders averaged \$12.31 per cwt., \$0.08 less than the figure for the previous month. Compared to August 1999, mailbox milk prices decreased \$1.90 per cwt. on the average.

Editor's Note: The release of mailbox prices for sub-order areas is scheduled for October 2000 data.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	August 1999	July 2000	August 2000
	<u>Dollars per hundredweight</u>		
Northeast <u>3/</u>	13.85	12.72	12.71
Mideast	13.22	12.36	12.25
Appalachian	13.80	13.99	14.10
Southeast	13.35	13.23	13.21
Florida	16.22	16.10	16.25
Southeastern Average <u>4/</u>	14.09	14.02	14.10
Upper Midwest	16.12	11.97	11.76
Central	13.62	11.75	11.56
Southwest	13.89	12.01	12.03
Western	13.72	10.80	10.70
Pacific Northwest	13.19	11.92	11.85
Mountain Average <u>4/</u>	13.31	11.49	11.47
All-Market Average <u>4/</u>	14.21	12.39	12.31
California <u>5/</u>	15.02	11.85	11.93

1/ Federal milk orders for which information could be released. Previous year figures are the weighted average of the prices for the orders that were consolidated. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the market and is reported at the market average butterfat test. 3/ Includes the value of Northeast Dairy Compact over-order payments received by qualified producers. These over-order producer prices were: August 1999, \$0.70; July 2000, \$0.43; August 2000, \$0.91. 4/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 5/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, ANNUAL AVERAGES, 1997-2000 ^{1/}												
CITY	1997			1998			1999			2000		
	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference
	Dollars Per Hundredweight											
Atlanta, GA	16.08	14.85	1.23	17.78	16.62	1.16	17.94	16.74	1.20	16.11	14.65	1.46
Baltimore, MD	15.92	14.80	1.12	17.74	16.57	1.17	17.71	16.69	1.02	16.01	14.55	1.46
Boston, MA ^{2/}	15.96	15.01	0.95	17.30	16.78	0.52	17.38	16.90	0.48	15.28	14.80	0.48
Carbondale, IL	15.89	13.78	2.11	17.18	15.55	1.63	17.36	15.67	1.69	15.47	13.75	1.72
Charlotte, NC	16.32	14.85	1.47	17.78	16.62	1.16	17.94	16.74	1.20	16.11	14.65	1.46
Chicago, IL	15.34	13.17	2.17	16.69	14.94	1.75	16.94	15.06	1.88	15.18	13.35	1.83
Cincinnati, OH	15.53	13.88	1.65	17.40	15.65	1.75	17.53	15.77	1.76	15.56	13.75	1.81
Cleveland, OH	15.34	13.77	1.57	17.17	15.54	1.63	17.18	15.66	1.52	15.25	13.55	1.70
Dallas, TX	15.46	14.93	0.53	16.97	16.70	0.27	17.26	16.82	0.44	15.50	14.55	0.95
Denver, CO	14.65	14.50	0.15	16.48	16.27	0.21	17.72	16.39	1.33	14.76	14.10	0.66
Des Moines, IA	14.95	13.32	1.63	16.00	15.09	0.91	16.43	15.21	1.22	14.55	13.35	1.20
Detroit, MI	14.69	13.62	1.07	16.35	15.39	0.96	16.58	15.51	1.07	14.54	13.35	1.19
Hartford, CT ^{2/}	15.86	14.91	0.95	17.20	16.68	0.52	17.28	16.80	0.48	15.18	14.70	0.48
Houston, TX	16.00	15.47	0.53	17.51	17.24	0.27	17.80	17.36	0.44	16.10	15.15	0.95
Indianapolis, IN	15.45	13.67	1.78	17.09	15.44	1.65	17.13	15.56	1.57	15.35	13.55	1.80
Kansas City, MO	15.22	13.69	1.53	16.30	15.46	0.84	16.62	15.58	1.04	14.89	13.55	1.34
Louisville, KY	14.98	13.88	1.10	16.65	15.65	1.00	16.84	15.77	1.07	14.94	13.75	1.19
Little Rock, AR/Memphis, TN ^{3/}	15.10	14.54	0.56	17.15	16.31	0.84	17.26	16.43	0.83	15.50	14.35	1.15
Miami, FL	18.84	15.95	2.89	20.34	17.72	2.62	20.40	17.84	2.56	18.62	15.85	2.77
Milwaukee, WI	15.25	13.08	2.17	16.60	14.85	1.75	16.85	14.97	1.88	15.13	13.30	1.83
Minneapolis, MN	14.57	12.97	1.60	15.63	14.74	0.89	15.98	14.86	1.12	14.43	13.25	1.18
New Orleans, LA	16.12	15.42	0.70	17.74	17.19	0.55	17.92	17.31	0.61	16.26	15.15	1.11
Oklahoma City, OK	15.16	14.54	0.62	17.00	16.31	0.69	17.46	16.43	1.03	15.33	14.15	1.18
Omaha, NE	15.05	13.52	1.53	16.13	15.29	0.84	16.52	15.41	1.11	14.57	13.40	1.17
Philadelphia, PA	15.94	14.86	1.08	17.77	16.63	1.14	17.79	16.75	1.04	16.15	14.60	1.55
Phoenix, AZ	14.29	14.29	0.00	16.06	16.06	0.00	16.23	16.18	0.05	14.32	13.90	0.42
Pittsburgh, PA	14.61	13.77	0.84	16.43	15.54	0.89	16.40	15.66	0.74	15.10	13.65	1.45
St. Louis, MO	15.25	13.75	1.50	16.77	15.52	1.25	17.36	15.67	1.69	15.26	13.55	1.71
Salt Lake City, UT	13.90	13.67	0.23	15.67	15.44	0.23	15.84	15.56	0.28	13.70	13.45	0.25
Seattle, WA	14.01	13.67	0.34	16.14	15.44	0.70	16.74	15.56	1.18	14.54	13.45	1.09
Spokane, WA	14.30	13.77	0.53	16.34	15.54	0.80	16.74	15.56	1.18	14.54	13.45	1.09
Springfield, MO	15.20	14.24	0.96	16.85	16.01	0.84	16.90	15.85	1.05	14.95	13.75	1.20
Washington, DC	15.69	14.60	1.09	17.54	16.37	1.17	17.71	16.69	1.02	16.01	14.55	1.46
Simple Average	15.36	14.21	1.16	16.96	15.98	0.98	17.20	16.09	1.11	15.31	14.03	1.28

^{1/} These figures are simple averages of monthly prices. The cooperative price represents over-order Class I prices announced for the beginning of the month by cooperative associations in various city markets. The information relates to the major cooperative in each of the city markets and may not apply to all of the Class I sales in these city markets. These data are common market knowledge in the sense that the information represents basic Class I price announcements by the cooperative sent to all handlers who buy milk from them. These announced over-order prices represent charges for various services performed by the cooperative. Announced prices may not include handling or service charges applicable to milk from supply plants. In some instances, the announced over-order prices are not uniform in that competitive credits may be allowed. These prices have not been verified as having been actually paid by handlers. ^{2/} Data do not include the impact of prices established under the Northeast Dairy Compact. ^{3/} Prices reported for Memphis, TN beginning January 1, 1999.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JANUARY 8 - 12, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	PERIOD ENDING 01/05/01	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	-0-	142,554	-142,554	3,050,083	-0-	-0-	-0-
Barrel	128,324	-0-	128,324	3,659,303	-0-	-0-	-0-
Process	158,400	-0-	158,400	3,682,800	-0-	-0-	-0-
TOTAL	286,724	142,554	144,170	10,392,186	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	11,907,372	-0-	11,907,372	121,645,404	67,538,072	348,674,000	-0-
Fortified	2,479,593	-0-	2,479,593	22,042,272	4,416,533	31,984,000	-0-
TOTAL	14,386,965	-0-	14,386,965	143,687,676	71,954,605	380,658,000	-0-

#All though an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

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

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JANUARY 8 - 12, 2001 =	4.5	168.9	COMPARABLE WEEK IN 2000 =	2.6
CUMULATIVE SINCE OCTOBER 1, 2000 =	127.5	1,775.4	CUMULATIVE SAME PERIOD LAST YEAR =	15.8
CUMULATIVE JANUARY 1 - 12, 2001 =	11.0	292.8	COMPARABLE CALENDAR YEAR 2000 =	4.6

* 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 WEEK OF JANUARY 8 - 12, 2001 (POUNDS)

REGION	BUTTER		CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-142,554	128,324	158,400	343,830
WEST	-0-	-0-	-0-	-0-	-0-	-0-	11,563,542
EAST	-0-	-0-	-0-	-0-	-0-	-0-	2,479,593

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-	5,678,640	-0-	1,901,569	1,987,557	41.4	2.7	
WEST	-0-	-0-	4,673,946	-0-	141,786,107	69,878,864	58.3	97.3	
EAST	-0-	-0-	39,600	-0-	-0-	88,184	0.3	-0-	
TOTAL	-0-	-0-	10,392,186	-0-	143,687,676	71,954,605	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 12/23/00 & 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	0.6	6.5	5.2	20.7	2.6	3.0	0.9	11.6	3.7	55.0	2,642.8	50.8	48.7
1999-Dairy cows HD (000)	0.2	1.0	6.5	3.4	17.2	2.3	0.7	0.7	8.4	2.5	42.9	2,568.2	48.6	45.9
2000-All cows HD (000)	0.2	0.8	8.8	13.2	29.2	13.3	15.7	5.8	14.1	7.2	108.3	5,426.2		
1999-All cows HD (000)	0.2	1.0	9.2	10.7	23.3	11.4	12.0	4.0	10.4	6.1	88.2	5,598.8		

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 2000-2001 (3.5% BF)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2001	FEB 2001
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	13.99	
Class II	11.43	11.51	11.71	12.10	12.63	13.08	12.58	12.56	12.58	12.54	13.68	13.97		
Class III	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37		
Class IV	10.73	10.80	11.00	11.38	11.91	12.38	11.87	11.87	11.94	11.81	13.00	13.27		

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