

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (2/16):**

BUTTER: Grade AA closed at \$1.4100. The weekly average for Grade AA is \$1.3533 (+.0391).

CHEESE: Barrels closed at \$1.2500 and blocks at \$1.2800. The weekly average for barrels is \$1.2220 (+.0340) and blocks, \$1.2190 (+.0710).

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 tone is firm. Many producers and handlers question storing butter at current cash price levels. Some feel that the cash level is higher than desired for their storage program while others are actively buying cream and building stocks. Current butter demand is slow to fair. For the most part, butter supplies are more than adequate and current churning schedules are exceeding demand, thus inventories are increasing. Weekly CME butter inventory figures indicate that stocks are building on a weekly basis, but are lighter than last year at this time.

CHEESE: The cheese market is firm. Prices for both blocks and barrels at the Chicago Mercantile Exchange cash cheese market increased sharply over the past 2 weeks. Barrels remain tight, bolstered by buyers storing for later use and promotions (mainly fast food) using process cheese. Recent price increases also stimulated natural sales and reduced spot load availability. Trade anticipation of lower U.S. milk production, both currently and later in the year, has also added support to the market. CCC had no cheese activity under the price support program during the week of February 12 - 16.

FLUID MILK: Milk production is continuing recent and most seasonal patterns. Plant intakes are increasing steadily in Florida and nearby Southern states. Florida exports are increasing and manufacturing plants in the region are operating near capacity. Receipts are somewhat irregular in the Northeast and Midwest, ranging from about steady to occasionally lower. In California, receipts are irregular but remain slightly above year ago levels. Snow disrupted transportation patterns in localized California areas. Power related concerns remain an issue though no dairy plants were reported shut down due to loss of power. In New Mexico, fluid receipts are steady to only slightly higher. In the Pacific Northwest, plant milk intakes are increasing. Dry weather conditions in the West remain a concern, from power generation via hydroelectric to adequate crop water supplies.

DRY PRODUCTS: The lactose and WPC markets are steady to firm with export interest continuing. As a food ingredient, WPC remains an attractive alternative to NDM. Some plants continue to have difficulty in keeping up with orders. The NDM market is steady, aided by DEIP and CCC sales. Spot interest remains light. Higher energy costs associated with drying all powders, but particularly NDM, make condensed skim an attractive alternative. Weather related problems also affected drying schedules in California. The buttermilk and whey markets are steady to weak. Current production is generally ample enough to fill needs, though some individual plants are experiencing production problems and lag on orders. Some price resistance to current whey prices is occurring.

CCC: During the week of February 12 - 16, CCC net purchases totaled 12,584,172 pounds of Western nonfortified NDM.

DECEMBER FLUID MILK SALES (AMS, NASS, CA DAIRY INFORMATION BULLETIN): During December, about 4.4 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 1.1% higher than December 1999. On an individual product basis, sales of whole milk and reduced fat (2%) milk increased from December 1999, while sales of low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier. Total fluid milk sales for the January-December 2000 period were 0.4% lower than the same period last year. Data for 1999 have been adjusted for changes in the FMO marketing areas due to order and data for both years have been adjusted for calendar composition.

FEDERAL MILK ORDER PRICE AND POOL 2000 ANNUAL SUMMARY (DAIRY PROGRAMS): During 2000, about 116.9 billion pounds of milk were received from producers. This volume of milk is 11.1% higher than the adjusted 1999 volume. About 46.0 billion pounds of producer milk were used in Class I products, 0.5% higher than the previous year. Percentage changes have been adjusted for the different number of days in the two periods. Class utilizations were: Class I = 39%, Class II = 10%, Class III = 43%, and Class IV = 8%. The weighted average statistical uniform price was \$12.11 per cwt., \$1.98 lower than last year.

WORLD DAIRY SITUATION (FAO): Following a good start to the 2000/01 dairy year, milk production in New Zealand was affected by cold, wet weather in many parts of the country during September and October, which are peak production months. However, since then, many parts of the country have had acceptable weather, suggesting the output of the current dairy year may be 5% above last year's record level - reaching 1,015 to 1,020 million tons of milk solids processed. In the case of Australia, production is projected at around 5% above the 1999/2000 dairy year. In the United States, despite a reduction in the price of milk, favorable feed and weather conditions, increased yields per cow and herd expansion have resulted in milk production continuing to grow. In Eastern Europe, dry conditions during the summer resulted in lower milk output for 2000 in a number of countries, including: Lithuania, Poland, Slovakia and Yugoslavia. Production in a number of other developed countries (the EU, Canada, Japan, Switzerland) is subject to policies which restrict output and, consequently, changes little from year to year. In developing countries, growth in milk output is expected to continue in Asia and Latin America. India's milk production during the 2000/2001 (April/March) marketing year could rise to an estimated 79 million tonnes. For the Cono-Sur countries of South America (Argentina, Chile and Uruguay), the fortunes of milk producers are increasingly linked to the international market, as their domestic markets are not growing sufficiently to absorb increased output. Elsewhere in Latin America, production is expected to rise in Colombia, Costa Rica, Peru and Mexico.

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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 FEBRUARY 12	TUESDAY FEBRUARY 13	WEDNESDAY FEBRUARY 14	THURSDAY FEBRUARY 15	FRIDAY FEBRUARY 16	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2000 (N.C.)	\$1.2025 (+.0025)	\$1.2175 (+.0150)	\$1.2400 (+.0225)	\$1.2500 (+.0100)	(+.0500)	\$1.2220 (+.0340)
40# BLOCKS	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.2250 (+.0650)	\$1.2700 (+.0450)	\$1.2800 (+.0100)	(+.1200)	\$1.2190 (+.0710)
BUTTER GRADE AA	\$1.3200 (N.C.)	----	\$1.3300 (+.0100)	----	\$1.4100 (+.0800)	(+.0900)	\$1.3533 (+.0391)

*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, FEBRUARY 12, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 1 CAR GRADE AA @ \$.2500; OFFERS UNCOVERED: NONE

TUESDAY, FEBRUARY 13, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2025; OFFERS UNCOVERED: NONE

WEDNESDAY, FEBRUARY 14, 2001

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.2100, 1 @ \$1.2250; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2175; 2 CARS 40# BLOCKS: 1 @ \$1.2150, 1 @ \$1.2000; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.2350, 1 @ \$1.2400
 BUTTER — SALES: 1 CAR GRADE AA @ \$1.3300; BIDS UNFILLED: 6 CARS GRADE AA: 2 @ \$1.3200, 1 @ \$1.3175, 1 @ \$1.3000, 1 @ \$1.2800, 1 @ \$1.2600; OFFERS UNCOVERED: NONE

THURSDAY, FEBRUARY 15, 2001

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.2450; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2400; 2 CARS 40# BLOCKS: 1 @ \$1.2700, 1 @ \$1.2375; OFFERS UNCOVERED: NONE

FRIDAY, FEBRUARY 16, 2001

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.2800; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2500; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 4 CARS GRADE AA: 2 @ \$1.4000, 2 @ \$1.4100; BIDS UNFILLED: 24 CARS GRADE AA: 1 @ \$1.4000, 1 @ \$1.3900, 1 @ \$1.3800, 1 @ \$1.3700, 1 @ \$1.3600, 1 @ \$1.3575, 1 @ \$1.3550, 1 @ \$1.3525, 3 @ \$1.3500, 1 @ \$1.3450, 1 @ \$1.3425, 1 @ \$1.3400, 1 @ \$1.3375, 1 @ \$1.3350, 1 @ \$1.3325, 1 @ \$1.3300, 2 @ \$1.3100, 2 @ \$1.2900, 2 @ \$1.2700; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.5000

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

BUTTER MARKETS

NORTHEAST

The market tone remains unsettled. At the CME, the butter price increased during each of last week's trading sessions. This seems a little surprising to some when more cream was available to local and Midwestern churning facilities last week. Eastern producers report heavier output and most of the current production is going into storage for later needs. Butter supplies are adequate to meet the slow to fair demand. An occasional spot load of bulk does get moved, but overall demand is mostly contractual. Packaged butter demand is steady and mostly for replacement volumes. Retail sales are just fair. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 – 6.5 cents over the CME price/average.

CENTRAL

Midwestern butter markets are generally steady. Churning activity in the Midwest is seasonally active. In many instances, Midwestern butter plants are taking advantage of available cream offerings. Some butter operations are actively seeking additional volumes of cream. As in past weeks, current churning activity is outpacing demand, thus surplus butter is entering storage programs. Some producers feel that current cash price levels are higher than they should be for this

time of the year, typically an inventory building period. On the other hand, some producers are willing to build inventories when cream is available at fairly reasonable prices. Current butter demand is fair at best. Most orders are for short term or immediate needs. Bulk butter is available for spot sale with prices ranging from 1 to 3 cents over various pricing bases.

WEST

CME cash butter prices range from steady to slightly higher in light trading. Bulk butter offerings from the Western region are lighter than anticipated. Buyers continue to wonder if this is a good time to store butter for future needs. Many believe that prices are quite high and that a profit on the exercise is far from a sure thing. Print sales are rated as good into retail and food service accounts. More cream is being offered for sale within the West and to other regions of the country. Sales activity is mixed. Weekly CME butter inventories climbed another 3.29 million pounds this past week to reach 43.5 million pounds. This compares to a total of 57.9 million pounds last year at this time. 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			
FEBRUARY 10	1.0850 7,745,467	1.1200 8,657,105	1.0141 22,692,396	1.2972 3,325,984	0.2637 7,494,700

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 to sharply higher. Prices at the CME have been higher or unchanged, mostly higher, since February 1. The market tone is steady. Eastern cheese output is still lighter than expected due to the lack of volumes of surplus milk available in the Northeast. Cheese stocks are well balanced locally, but distributors have no trouble finding the volumes they need. Demand for cheddar is slow to fair while quite good for process and mozzarella. Numerous features by fast food chains are moving quite a bit of process cheese. Retail demand is slow to fair and food service orders are steady.

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

Cheddar 10# Prints	:	1.1925-1.6625
Cheddar Single Daisies	:	1.1500-1.6100
Cheddar 40# Block	:	1.2900-1.4700
Process 5# Loaf	:	1.3975-1.5700
Process 5# Sliced	:	1.4175-1.6725
Muenster	:	1.3525-1.5600
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady. The inverted price relationship between blocks and barrels (barrels higher than blocks) continues at the Chicago Mercantile Exchange. The previous week's (Feb. 9) Chicago Mercantile Exchange weekly average for both blocks and barrels are above the comparable week 2000 levels, (+3.8 cents) and (+10.8 cents) respectively, but lag well behind 1999 price averages. Recent cash price increases generated additional short-term demand. However, as prices stabilized at the Chicago Mercantile Exchange, much of the spot activity disappeared. Barrels remain tight and some milk has been shifted from block production into barrels where plant capacity and commitments allow. Process demand continues to be stimulated by fast food promotions, mainly on cheeseburgers. Blocks are in a better supply/demand position, as sellers were able to clear a few extra loads during the recent price increases. Mozzarella interest remains strong and supplies continue tight. Cheese production is generally little changed from recent week patterns.

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

Process American 5# Loaf	:	1.4075-1.5000
Brick And/Or Muenster 5#	:	1.4300-1.7450
Cheddar 40# Block	:	1.4300-2.1150
Monterey Jack 10#	:	1.6400-2.1150
Blue 5#	:	1.8900-2.0600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4500-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0450-2.6850

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES	:	FEBRUARY 12 - 16, 2001
BARRELS*	:	\$1.1875 - 1.2175 (NOMINAL)
	:	(\$.0475) (.0075)
40# BLOCKS	:	\$1.1475 - 1.2250 (NOMINAL)
	:	(\$.0475) (.0650)

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

WEST

Prices are sharply higher for both natural and process cheese. Swiss prices are holding about steady. Swiss sales are good for this time of year and stocks are in very good balance. Some producers are examining the possibility of increasing production this year. Barrel cheese and processing solids are finding the best interest in the market at this time. Process cheese promotions, especially through fast food outlets, are moving a lot of cheese. Current blocks are clearing reasonably well, but there is quite a bit of aged cheese being offered on the market and not finding much interest. Some of this cheese is getting older and may not hold up much longer. Demand for mozzarella continues to be very good.

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

Process 5# Loaf	:	1.3400-1.6000
Cheddar 40# Block	:	1.2725-1.4125
Cheddar 10# Cuts	:	1.4525-1.6725
Monterey Jack 10#	:	1.4625-1.6225
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

FOREIGN

Prices for domestic styles are sharply (mostly 4.75 cents) higher. The market tone is seasonally slow to fair. Stocks of both imported and domestic styles range from light to fully adequate. Recent reports note that licensed cheese imports for 2000 were 263.6 million pounds, 12.1 million pounds lighter than 1999. The 2000 tariff-rate quota (TRQ) for cheese was 88.4% filled by the end of the year. By comparison, the 1999 TRQ was 6.0 million pounds lighter than 1999 and was 94.5% filled.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.4950-2.9900*
Gorgonzola	: 3.2400-5.9400	: 2.0450-2.4900*
Parmesan (Italy)	: TFEWR	: 2.9100-2.9350*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.5025-1.7800*
Romano (Cows Milk)	: -0-	: 2.6850-4.8600*
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
02/12/01	18,932	130,755
02/01/01	17,132	132,725
CHANGE	1,800	-1,970
% CHANGE	11	-1

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	0	92	0	55	0	50
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is increasing slowly in most of the Southeast, while mostly steady to occasionally lower in the Northeast. Milk output in Florida is starting to show larger gains as we near the traditional seasonal peak in March. Florida remains very dry and rain is needed to boost grass growth. In other Gulf Coast states, the milk flow is showing more noticeable gains, particularly in Louisiana where it has been warm and the rye grass is growing nicely. In the Northeast, the milk flow is seasonally steady. Some handlers do report milk receipts as lower than a year ago due to fewer producers and less milk per cow. Fluid milk supplies are more than ample for the generally fair bottled milk demand. However, surplus milk volumes are tight in the Northeast, increasing in the Southeast. Reports indicate that Florida handlers shipped 92 loads of milk out of state this week. About a third of those loads moved to manufacturing plants. Those manufacturing plants in the Southeast that are operating are nearly full. However, other regional plants have plenty of capacity available. Middle Atlantic and Northeastern manufacturing plants are operating well below capacity, which is causing some concern about costs and plant efficiencies. The condensed skim market tone and prices are unchanged. Sales are fair to good, but there are few spot sales for Class III needs. The fluid cream market has a weak undertone. Supplies are readily available to meet spot needs from Class II buyers. Ice cream production is seasonal, but fat costs are relatively high for this time of year and some makers are waiting to see what prices will do before making further decisions. Cream cheese output is about steady, but some suppliers note that demand from cream cheese makers is not as brisk as they thought it would be following the recent ruling halting the implementation of the calculation of Class III butterfat values under the Federal orders. Prices are steady to lower as last week's average butter prices at the CME did drop 1.66 cents. Churning activity is moderate to a little heavier as more cream was available late last week. This week, Midwest butter makers were a little more aggressively looking for cream.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6033-1.7742
DELIVERED EQUIVALENT ATLANTA	-	1.6033-1.7873 M 1.6296-1.6822
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7085-1.7873

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	-	.8100-.9600

M I D W E S T

Class I demand is irregular, lower in some markets, mainly Illinois school accounts for Lincoln's birthday observance, while other schools were unaffected except for weather related problems. Retail feature activity stimulated extra movement for some bottlers. Milk supplies remain seasonally tight and some balancing operations in the region continue to operate on unexpectedly light schedules due to the good call for milk elsewhere. Manufacturing milk demand remains strong on a light test. Reported spot manufacturing milk premiums were \$1.50 - 1.75 over class. Cream demand remains good with stronger churning interest increasing the competition. Ice cream output is steady to higher as producers build inventory for summer. Reported Class II condensed skim prices are \$1.05 - 1.13 with Class III still under \$1.00. Shipments into other orders continue with 23 loads of Wisconsin milk direct shipped to

Missouri along with 5 loads to Kentucky and 21 to Tennessee and pooled under other federal orders. Milk receipts are starting to show more consistent week-to-week increases in the upper tier of states. Further south within the region, milk receipts are showing the usual late winter increases. Fat and protein tests on incoming milk supplies are generally drifting lower seasonally. Most plant operators hope that recent cheese and milk future price increases may have some producers reconsider having a herd sellout. Plant operators are concerned about the size of their milk supply later in the year, expecting the competition for a potentially smaller pool of producers to accelerate.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEBRUARY 8-14	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 47.00	\$ 36.00- 42.00
REPLACEMENT HEIFER CALVES	\$260.00-350.00	\$235.00-300.00

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

	FEBRUARY 8-14	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.50- 50.50	\$ 32.00- 44.00

W E S T

The March Class 1 prices in California range from \$14.43 in the north to \$14.70 in the south. The statewide average Class 1 price based on production is \$14.48. The average is \$0.62 higher than February and \$2.81 higher than March 2000. Wet weather covered much of the state of California this week. Snow was reported at higher elevations. Many areas welcomed the precipitation to bring the total to more normal levels. There are still problems associated with the wet condition. Milk production levels vary, but are generally slightly higher than last year at this time. Processing disruptions were noted in the South and Central Valley due to road closures over the mountains. Milk routes were disrupted, but milk was processed. Milk output in California is mostly steady to slightly higher. Stage 3 power alerts remained in effect this week, although no reports of dairy plants being shut down were reported. Fluid sales remain fair to good. Cream prices are slightly higher with butter price increases and multiples staying mostly steady in the 115 to 130 range FOB, West. The multiples vary between class usage and basing price. Demand is fair to good for in area and out of region sales. New Mexico milk production is steady to only slightly higher. Comments from producers are commonly showing some concern that production per cow is declining or not as strong as expected. Milk is being processed locally. Weather conditions are favorable. Feed prices and availability are still good. Prospective power and water problems continue to worsen in the Pacific Northwest. The snow pack is generally rated at between 40-50% and is not expected to improve substantially this late in the season. Cropping decisions are being discussed and every possible way to conserve energy at the farm and plant levels is being investigated. In the short run, milk production is doing well because weather conditions are good. Temperatures are very moderate and the lack of moisture means that feed lots are generally dry. The quality of hay being used currently is rated as quite good, yielding good milk production. Feed concentrates are generally booked well into summer at favorable prices. Culling rates are picking up as cull cow prices have increased from \$5-8 in the last few weeks. Heifer prices remain firm. Cold weather and snow are more common over Utah and Idaho. Water supplies in Utah are now close to normal levels. Normal crops are anticipated for the upcoming growing season. Idaho lags behind in available water and impacts may take place on cropping decisions. Some discussion is noted from the hydropower companies concerning payments to heavy agricultural power users to cut back on their usage this summer. This may be a very good decision for the individual producer, but the impacts to the local infrastructure are harder to analyze. Plants in this region are often running at less than capacity levels. Some are satisfied with this outcome while others look for additional supplies of milk.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 02/15/01 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 on a mostly steady market. Trading activity is light with most movement occurring on a contractual basis. Production is increasing, yet supplies are less than anticipated for this time of year. Stocks are mixed. Some plants are running long and discounting to clear supplies and remain competitive with the West coast. At other locations, inventories are tight and spot load interest cannot be satisfied. Some DEIP activity is being noted out of the Central region. High heat production is on an as needed basis. Sales are good and premiums are unchanged. Standard grade supplies are limited. Some buyers are looking to the West coast for additional product.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0600 MOSTLY: 1.0225 - 1.0275

DRY BUTTERMILK - CENTRAL

Prices are unchanged and the market tone is steady to weak. Some producers continue to hold prices at the higher side of the range. Most manufacturers cannot market buttermilk at 1.0700 and are opting to move product between .9800 - 1.0000 FOB. Unconfirmed offers are being reported below the bottom of the range. Production is steady to higher as churning activity increases at some plants. Resale product is available at a slight discount. Condensed demand is lighter than in previous weeks. Buyers remain perplexed that the price of buttermilk continues to trend higher than NDM.

BUTTERMILK: .9600 - 1.0700

DRY WHEY - CENTRAL

Prices are lower and the market is unsettled. Supplies remain mixed. While some manufacturers report limited supplies, others are admittedly long. Shortages are being noted at some plants because of production problems. However, offering prices to resellers are generally trending lower. Reseller offering prices are being noted under the average. Some buyers are resisting the current market in anticipation of further market declines. Producers that discounted in the week prior are reportedly in better balance and unable to satisfy spot interest until sometime in March. Condensed supplies vary upon location. Off grade supplies are increasing for the light to fair demand.

NONHYGROSCOPIC: .2200 - .2725 MOSTLY: .2500 - .2600

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower. The market tone is weak on milk replacer and roller ground and steady to firm on delactose. Supplies of milk replacer are increasing as some plants experience plant equipment problems. Traders commonly term February as the low point for feed interest, encouraging light trading activity. Roller ground prices are moving lower with the Extra Grade market. Delactose supplies are tight on steady production schedules. Spot trades are light with most product readily clearing on contracts. Delactose continues to be a good substitute for WPC at the current price level. Hog and veal prices are trending higher.

MILK REPLACER: .1850 - .2525
ROLLER GROUND: .2475 - .2700
DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged and the market tone is steady to firm. More inquiries are being made from the EU and Asia. Some plants are unable to satisfy the increasing interest. However, at other locations, stocks are generally in balance and product is clearing well at the average. Pharmaceutical labs are reportedly increasing intakes on the higher mesh product. Domestic movement into edible markets is generally steady. Lactose is being used as a substitute for whey into some feed facilities. However, interest is less than anticipated as permeate is also an available and attractively priced substitute. Off grade trading and supplies are light.

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

EDIBLE: .1550 - .2150 MOSTLY: .1625 - .1725

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. Increasing interest from the food industry is encouraging higher prices. As a substitute for NDM, WPC remains attractively priced. However, into feed facilities, WPC is a burdensome cost, encouraging users to divert to alternative protein sources such as wheat isolate when possible. Production is mostly steady. Some plants remain behind on orders and do not anticipate adequate supplies in the near term. Inquiries persist from export markets. Most manufacturers are satisfying contractual needs and domestic food and feed interest before moving product export. Off grade supplies are limited for the good interest.

EXTRA GRADE 34% PROTEIN: .7850 - .8150 MOSTLY: .7850 - .7900

NONFAT DRY MILK - WEST

Low/medium heat prices and the market tone are mostly steady. Spot trading levels are light to fair. Some buyers are mentioning reports of lower priced powder. DEIP orders continue to be filled, but the pace has slowed. New DEIP commitments are limited. Production problems are generally minimal, although roads in/out of Southern California were blocked by winter weather. This caused some producers to adjust schedules. Energy costs continue to be a deciding issue when processing dairy products. Processors would like to avoid drying when possible and sell condensed skim to fluid and cheese producers as much as they can. Drying costs are higher, but these costs are not able to be passed on to customers. This is pinching already tight margins. There have been no reports of plants being shut down for electrical issues in the past few weeks. Blackouts are still a possibility as the state of California continues to have Stage 3 power alerts. High heat prices are mostly steady to higher on the top of the range. Offerings and demand are now in fairly good balance. Stocks are generally light. For the week of February 5 - 9, CCC net purchases totaled 9.9 million pounds of nonfortified NDM, all from the West except for 171,923 pounds from the Midwest.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0250 MOSTLY: 1.0025 - 1.0175
HIGH HEAT: 1.0300 - 1.0850

DRY BUTTERMILK - WEST

Dry buttermilk prices are unchanged, but the market tone remains unsettled to weak. Additional offerings are being made to buyers and most producers are current on past contracted amounts. Reports of offering prices below the range are noted, but not confirmed sales at those levels. Drying is unchanged to higher where more butter is being produced. Demand is seasonally declining. Stocks are light to moderate and growing at a limited pace.

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

DRY WHEY - WEST

Prices for Western whey continue to show some weakness. The market tone ranges from steady to weaker. Offerings are a little heavier and there is additional competition from whey originating in other areas of the country. Stocks are a little higher than desired at some locations, but others report being in good shape. Production ranges from steady to a little lighter than anticipated. Exporters are expecting that sales will begin to pick up after the holiday season. An export tender will be announced the first week in March. Contacts are unsure of the likely country of origin for this whey. They are noting weakening whey prices in Europe.

NONHYGROSCOPIC: .2200 - .2500 MOSTLY: .2250 - .2400

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
February 9	\$1.0076	15,399,911
February 2	\$1.0114	13,274,123*

* Revised total sales for week ending February 2 due to a revision received on CCC sales after it was released.

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 unchanged and remain nominal in the Northeast. The market tone is unchanged. Production is steady to slightly heavier in the Southeast where a little more surplus milk is showing up at some plants. In the Northeast, drying schedules are up slightly, but producer stocks are lighter than desired. Some operations would like to build an inventory, but contract sales are often clearing output as quickly as it is being made. Spot demand is more often limited to resale channels. There is concern about the current tight milk supply in the Northeast and how that may impact the market this summer when Eastern producers may be out of powder. Buyers will, in all likelihood, have to reach to Western plants for their needs. Export interest may be leveling off. Bid acceptances for the DEIP seem to have slowed following the 2-3 weeks following the "restart" of bid acceptances.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0325 - 1.0850 MOSTLY: 1.0350 - 1.0600

HIGH HEAT: 1.0625 - 1.1300 MOSTLY: 1.0675 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0550 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are higher and remain nominal. The market tone ranges from steady to firm. Some Eastern producers have made more dry buttermilk in the past few weeks, but stocks are still closely balanced. Demand is slow to fair, but readily clearing current output. Those operations with an inventory are not overly concerned about the volumes they are currently carrying. Churning activity is increasing in those plants that are making butter and more buttermilk is available to be dried. Demand for condensed buttermilk is seasonally slow to fair.

F.O.B. NORTHEAST: .9900 - 1.0100

DELVD SOUTHEAST: 1.0200 - 1.1000

DRY WHOLE MILK - NATIONAL

Prices are generally unchanged and the market tone is steady. Production levels are light and generally geared to meeting contracts. Milk receipts at Eastern plants are well below expectations and output is very light at some operations. Producer stocks are closely balanced. Nearly all the current production is clearing via contracts as quickly as it is made and tested. Spot demand is slow to fair, mostly slow.

F.O.B. PRODUCING PLANT: 1.2000 - 1.4400

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH FEBRUARY 9, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 32,566 MT (71,795,003 LBS)
CHANGE -- 88 MT (194,005 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 are often lower as Eastern producers tend to base prices off the prices in the Central region. Eastern prices remain nominal as few spot sales are reported. Contracts are clearing most of the current production. The market tone is still quite firm, but prices have to be adjusted to remain competitive. Production levels are steady to lighter. Most Eastern plants are not getting desired volumes of milk and plant operations are being adjusted accordingly. Producers report being sold out for various periods of time ranging from a few weeks to a couple of months. An occasional load does come up for spot sale and is quickly cleared. Domestic spot interest is steady to slower. Buyers feel that prices may begin to slide and they are limiting purchases to current needs. Export interest is steady to a bit slower, but interest is still quite high. Reports indicate that dry whey is being offered from Midwestern producers at competitive prices.

F.O.B. NORTHEAST: EXTRA GRADE .2650 - .2750

USPH GRADE A .2725 - .2775

DELVD SOUTHEAST: .2975 - .3075

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Production levels are unchanged to lighter as milk supplies East of the Rockies are lighter than expected. Demand is slow to fair and mostly for replacement needs. Some buyers continue to work off year-end inventories. Plant stocks are being replenished. The Kansas City Commodity office announced the issuance of EVD-1, invitation 660 inviting competitive offers to sell to CCC 4,773,600 pounds of evaporated milk for delivery April - June 2001.

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 markets remain firm at unchanged prices. Some domestic buyers are indicating that they are being offered lower priced product on a spot basis, but are reluctant to take advantage of the offerings. Most are hesitant due to the uncertainty of consistent quality and source. Domestic stocks are reported to be in close balance with need. Most domestic users have contracted their yearly volumes. Some shipments are being delayed due to tight supplies in sourcing countries, but for the most part, shipments are occurring as scheduled.

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 - 2.6000

CHICAGO MERCANTILE EXCHANGE AND NEW YORK BOARD OF TRADE FUTURES

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

Month	01/31	02/01	02/02	02/05	02/06	02/07	02/08	02/09	02/12	02/13
CME - (CLASS III) MILK FUTURES -- Dollars per cwt.										
JAN 01	9.90 (876) 22	9.94 (820) 0	9.99 (820) 0							
FEB 01	9.96 (923) 9	10.02 (922) 28	10.10 (898) 36	10.20 (900) 41	10.24 (915) 24	10.25 (924) 55	10.28 (940) 22	10.20 (938) 3	10.21 (940) 2	10.21 (950) 14
MAR 01	10.26 (874) 9	10.27 (893) 36	10.34 (887) 17	10.42 (896) 68	10.52 (914) 94	10.70 (910) 75	10.83 (935) 49	10.74 (953) 32	10.70 (953) 13	10.79 (964) 30
APR 01	10.42 (821) 16	10.47 (839) 32	10.49 (842) 20	10.52 (858) 23	10.60 (872) 74	10.73 (883) 45	10.86 (916) 70	10.75 (915) 7	10.70 (916) 10	10.78 (939) 56
MAY 01	10.55 (891) 15	10.60 (903) 29	10.63 (908) 7	10.70 (907) 20	10.78 (927) 59	10.92 (946) 65	11.05 (961) 23	10.80 (979) 33	10.77 (980) 19	10.85 (968) 54
JUN 01	11.06 (879) 24	11.10 (893) 33	11.14 (896) 9	11.19 (912) 51	11.27 (945) 107	11.40 (968) 52	11.45 (995) 43	11.34 (984) 38	11.35 (985) 18	11.45 (1013) 54
JUL 01	11.85 (889) 49	11.95 (895) 23	11.97 (903) 28	12.03 (915) 21	12.06 (956) 131	12.19 (982) 68	12.14 (1020) 86	11.94 (1013) 46	11.90 (1029) 28	12.00 (1070) 83
AUG 01	12.00 (868) 17	12.05 (882) 31	12.09 (908) 40	12.15 (931) 40	12.21 (953) 86	12.35 (971) 58	12.35 (1002) 55	12.15 (1005) 40	12.14 (1017) 15	12.20 (1065) 74
SEP 01	11.96 (765) 11	12.01 (777) 36	12.15 (794) 19	12.20 (813) 30	12.23 (842) 45	12.40 (876) 42	12.38 (899) 46	12.15 (942) 47	12.15 (957) 20	12.20 (989) 65
OCT 01	11.98 (737) 21	12.05 (735) 25	12.15 (755) 29	12.20 (763) 19	12.20 (792) 68	12.35 (822) 47	12.33 (856) 45	12.15 (891) 43	12.13 (910) 30	12.20 (933) 71
NOV 01	11.54 (568) 22	11.57 (567) 37	11.64 (572) 10	11.65 (591) 26	11.69 (612) 42	11.80 (639) 53	11.79 (677) 59	11.79 (681) 11	11.76 (691) 12	11.84 (727) 46
DEC 01	11.39 (421) 21	11.42 (424) 18	11.47 (426) 4	11.47 (433) 12	11.48 (451) 25	11.55 (480) 37	11.58 (502) 26	11.52 (513) 21	11.52 (533) 20	11.58 (564) 31

CME - CLASS IV MILK FUTURES - Dollars per cwt.

JAN 01	12.08 (224) 0	12.08 (213) 0	12.13 (213) 0							
FEB 01	12.70 (229) 0	12.70 (234) 5	12.59 (226) 10	12.50 (226) 0	12.50 (226) 0	12.55 (226) 0	12.61 (226) 0	12.61 (226) 0	12.61 (226) 0	12.61 (226) 0
MAR 01	12.71 (228) 0	12.71 (228) 0	12.71 (228) 0	12.71 (228) 10	13.00 (255) 30	13.00 (255) 0	12.89 (255) 16	12.89 (255) 0	12.89 (255) 0	12.89 (256) 1
APR 01	12.70 (189) 5	12.85 (189) 0	12.80 (189) 0	12.80 (189) 0	12.80 (219) 30	12.80 (219) 0	12.80 (220) 11	12.78 (220) 0	12.78 (220) 0	12.78 (220) 0
MAY 01	12.69 (192) 0	12.69 (192) 0	12.69 (192) 0	12.69 (192) 0	12.80 (222) 30	12.80 (222) 0	12.80 (222) 6	12.80 (222) 0	12.80 (222) 0	12.80 (222) 0
JUN 01	12.90 (164) 0	12.90 (165) 2	12.90 (165) 0	12.90 (165) 0	12.90 (194) 30	12.90 (194) 0	12.90 (194) 0	12.90 (194) 0	12.90 (194) 0	12.90 (194) 0
JUL 01	13.00 (184) 3	13.05 (184) 2	13.07 (184) 4	13.05 (184) 0	13.05 (214) 30	13.05 (214) 0	13.05 (214) 0	13.05 (214) 0	13.05 (214) 0	13.05 (214) 0
AUG 01	13.05 (116) 0	13.05 (116) 5	13.15 (116) 0	13.15 (116) 0	13.19 (146) 30	13.23 (146) 0	13.24 (146) 0	13.26 (146) 0	13.26 (146) 0	13.30 (146) 0
SEP 01	13.10 (134) 1	13.10 (134) 0	13.10 (134) 0	13.10 (134) 0	13.13 (134) 0	13.15 (134) 0	13.15 (134) 0	13.20 (134) 0	13.20 (134) 0	13.22 (134) 0
OCT 01	13.10 (139) 0	13.10 (139) 5	13.15 (139) 0	13.15 (139) 0	13.15 (139) 0	13.15 (139) 0	13.15 (139) 0	13.20 (139) 0	13.20 (139) 0	13.20 (139) 0
NOV 01	13.10 (154) 0	13.10 (154) 4	13.15 (154) 0	13.15 (154) 0	13.15 (154) 0	13.15 (154) 0	13.15 (154) 0	13.20 (154) 0	13.20 (154) 0	13.20 (154) 0
DEC 01	12.40 (6) 0	12.40 (6) 0	12.40 (6) 1	12.60 (6) 0	12.60 (16) 15	12.75 (26) 20	12.65 (26) 0	12.65 (26) 0	12.65 (26) 0	12.65 (26) 0

CME - BUTTER FUTURES -- Cents per pound

MAR 01	137.00 (112) 15	137.00 (118) 7	134.00 (118) 0	135.00 (118) 0	136.50 (118) 0	136.50 (118) 0	137.00 (100) 18	137.00 (100) 0	137.00 (98) 4	137.00 (89) 11
MAY 01	140.00 (31) 3	140.00 (37) 8	138.00 (38) 1	138.00 (38) 0	140.00 (38) 1	139.00 (38) 0	139.00 (52) 18	139.00 (54) 2	139.00 (54) 0	139.00 (54) 0
JUL 01	141.52 (42) 0	141.52 (49) 9	140.00 (49) 0	140.00 (49) 0	142.00 (49) 2	141.00 (49) 0	141.00 (51) 3	141.00 (51) 0	141.00 (51) 0	141.00 (53) 11
SEP 01	143.00 (39) 0	143.00 (39) 0	143.00 (39) 0	143.00 (41) 2	145.00 (42) 2	145.00 (42) 0	145.00 (42) 0	145.00 (42) 0	145.00 (42) 0	145.00 (42) 0
OCT 01	139.50 (5) 0	139.50 (5) 0	139.50 (6) 1	143.00 (6) 0	143.00 (6) 0	143.00 (6) 0	143.00 (6) 0	143.00 (6) 0	143.00 (6) 0	143.00 (6) 0

NYBOT - MILK INDEX -- Dollars per cwt.

JAN 01	9.80 (3) 0	9.80(3) 0
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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 February 5 - 16, 2001

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 throughout most areas of Europe continues to build seasonally, although early reports indicate that output is trailing last year at this time. Producers and handlers have mixed opinions as to how the current milk quota year will end. Some replacement heifers that originally would have been shipped out of Europe are remaining due to the reluctance of potential buyers to purchase European cattle due to the recent BSE situation. In light of this, some of these animals are freshening and that unexpected production is enhancing milk volumes late in the current quota year. International buyer interest for manufactured dairy products is fair at best. Some buyers are hesitant to place new orders in hopes of weaker prices down the road. The recent BSE situation is also causing some buyer reluctance for European produced dairy products, although there has been no correlation between BSE and dairy products. For the most part, this is not having a significant impact on dairy product sales. The overall price structure of European produced dairy products is steady to weaker. A weaker market tone prevails. Stocks of manufactured dairy products are sufficient to maintain timely shipments of previously placed orders. With six weeks left of the current quarter, producers and handler indicate that most available product has been committed, with second quarter commitments not as heavy.

BUTTER/BUTTEROIL: Butter markets are generally steady, although the market tone is weak. Starting February 16, butter eligible for PSA can be produced. Butter can be churned 4 weeks prior to being offered. PSA opens mid March. Stocks of butter are fully sufficient to meet current needs with butter entering intervention where open. International buyer interest is light and unaggressive.

82% BUTTERFAT: 1,250 - 1,300
99% BUTTERFAT: 1,400 - 1,600

SKIM MILK POWDER (SMP): Skim milk powder markets are steady to generally weaker. Prices are trending lower, although still above intervention levels. Some prices are reported to be 10% lower than just last week. Although prices are lower, most producers and handlers do not anticipate the current trend to develop into significant price declines. Stocks of powder are available for immediate shipment, although producers and handlers feel that buyers are hesitant to place orders in hopes further price weakness.

1.25% BUTTERFAT: 2,100 - 2,175

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to weaker. Prices have weakened over the past few weeks, although most producers and handlers do not anticipate a significant decline. Stocks of powder are reported to be available for immediate shipment, although buyer interest is slow. Most traders feel that buyers are holding off placing orders until prices weaken further.

26% BUTTERFAT: 2,000 - 2,100

SWEET WHEY POWDER: European whey markets are weak with prices sharply lower. Stocks of whey are fully sufficient to meet current needs. Recent strong demand from the calf feed industry has weakened due to veal grows not buying calves. Much of this down turn in demand is occurring from the recent BSE situation. Future needs of whey and/or skim milk powder for the calf feed industry are uncertain.

NONHYGROSCOPIC: 450 - 500

OVERVIEW: EASTERN EUROPE: Milk production patterns in Eastern Europe continue to build seasonally. Early reports indicate that output in Poland is slightly ahead of last year at this time. This increased production is being welcomed by manufacturers due to the less than desirable past few seasons. Stocks of dairy products are light but sufficient to meet internal buyer needs. It is too early to project how active Eastern Europe will be in future international markets.

OCEANIA

OVERVIEW: The tone to the Oceania dairy markets is much the same as it has been for most of the current milk production season. Milk production in both Australia and New Zealand has not developed as positively as previously projected. In New Zealand, milk production through December recorded a 7% increase over the previous year, although the most recent 6 weeks have not been as strong and the annual estimate is being lowered to around 4%. In Australia, milk output is also not as strong as previously projected. A wet spring and deregulation of the Australian dairy industry are two factors producers and handlers are pointing to for lighter output. Milk volumes are sufficient to generate adequate stocks of manufactured dairy products for commitments, with minimal, if any, available for spot interest. International demand is basically quiet. Oceania traders indicate that they feel buyers are holding off placing orders in hopes of lower prices, although in most instances, Oceania sources will not be able to acknowledge any of this new buyer interest due to limited stocks.

BUTTER: Oceania butter markets are generally steady. Prices are basically unchanged, although a slightly lower price was reported. Stocks of butter are in close balance for current needs with virtually no additional available for spot buyer interest. Current trading activity centers around regular and ongoing customers.

82% BUTTERFAT: 1,225 - 1,350

CHEDDAR CHEESE: Oceania cheese markets are generally steady with slight price adjustments being reported. Although the pricing range declined slightly on the low end, the overall tone is firm. Demand for cheese remains quite strong not only from regular customers, but also from new buyers. Demand is strong for European cheese, although their supplies are not that plentiful, thus buyers are looking to the Oceania region. In most instances, this improved buyer interest is going unfilled as most Oceania produced cheese has been previously committed.

39% MAXIMUM MOISTURE: 1,975 - 2,200

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady. Outside of regular/contracted shipments, demand is slow and unaggressive. For the most part, current season production has been fully committed to regular/ongoing customer needs. Producers and handlers feel that new buyers are hesitant in placing orders in hopes of weaker prices. When new buyer interest develops, available Oceania stocks will be limited, thus this region of the world may not be a significant source at any price.

1.25% BUTTERFAT: 2,200 - 2,250

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady, although prices are unchanged to slightly lower. Producers and handlers do not foresee further weakness in Oceania prices for the balance of the season. Stocks are basically fully committed. Milk production in both New Zealand and Australia is finishing the season at lower levels than previously projected with milk being directed toward products of most need.

26% BUTTERFAT: 2,000 - 2,050

Exchange rates for selected foreign currencies: FEBRUARY 13, 2001

.4228 Dutch Guilder	.4764 German Mark
.1420 French Franc	.4379 New Zealand Dollar
.1030 Mexican Peso	.5393 Australian Dollar
1.4529 British Pound	.0085 Japanese Yen
.2462 Polish Zloty	.9318 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1030)= 9.7087
That is 1 US Dollar equals 9.7087 Mexican Pesos.

Source: "Wall Street Journal"

The Milk Report – Basic Foodstuffs Service – Commodities & Trade Division – FAO, Rome
Volume 1, Number 5 – December 2000/January 2001

FAO World Dairy Situation & Price Outlook Report

From mid-2000, international prices for milk powder have risen sharply. For example, skimmed milk powder (SMP) rose from \$1600/tonne in April to \$2225/tonne in January 2001: over the same period, whole milk powder (WMP) prices increased from \$1650/tonne to \$2050/tonne. Casein prices also increased substantially. Following on from this upward trend, cheese prices also rose, although to a lesser degree. The main factors behind this were strong demand in importing countries and limited supplies in exporting countries. Taking the case of skimmed milk powder, Oceania began the 2000/01 dairy year with low levels of stocks, as a result of strong export sales. Also, the other major exporter of milk powder, the European Union, had exhausted its intervention stocks of SMP by the end of the European summer. In contrast, publicly funded stocks of SMP grew in the United States; however, high domestic support prices, and limitations of the use of export subsidies under the WTO Uruguay Round, prevented substantial volumes being exported. The price of butter did not increase markedly during 2000, this product continues to suffer from weak, and at times erratic, international demand.

Small rise in milk production expected

Global milk output is estimated to have risen by 2% during 2000 with production increasing in most countries. Following a good start to the 2000/01 dairy year, milk production in New Zealand was affected by cold, wet weather in many parts of the country during September and October, which are peak production months. However, since then, many parts of the country have had acceptable weather, suggesting the output of the current dairy year may be 5% above last year's record level – reaching 1,015 to 1,020 million tons of milk solids processed. In the case of Australia, production is projected at around 5 percent above the 1999/2000 dairy year. As both countries have mature domestic markets, any increase in milk output will be largely destined for the production of dairy products for export. In both countries, the devaluation of their national currencies against the US dollar for most of 2000 meant that the increase in international prices, which are quoted in US dollars, magnified local currency payments to farmers. Consequently, especially in New Zealand, dairying has become a very attractive option and a number of farms are converting from other activities. The growth in milk production in New Zealand, especially in the South Island where many farm conversions are taking place, has necessitated investment in expanding processing capacity. Again in New Zealand, higher returns from dairying are leading to more farmers, especially in South Island, using grain for supplementary feeding

In the United States, despite a reduction in the price of milk, favorable feed and weather conditions, increased yields per cow and herd expansion have resulted in milk production continuing to grow. In 2000, milk production is expected to rise by 3%. After many years of decline, the US herd size increased in both 1999 and 2000. Herd expansion has been concentrated in the western States – Arizona, California, Idaho and New Mexico – which are characterized by large, low-cost farms. Milk production in the United States has grown as much in 1999 and 2000 combined, as it did in the previous seven years. Further expansion is predicted for 2001 as a result of a favorable feed/milk price ratio and continued herd expansion, which could persist until at least mid-2001. The surge in milk output has led to a build up of commercial and government funded stocks of dairy products and has resulted in lower domestic prices for cheese and butter.

In Eastern Europe, dry conditions during the summer resulted in lower milk output for 2000 in a number of countries, including: Lithuania, Poland, Slovakia and Yugoslavia. Additionally, in some countries in the region, for example Poland and Slovakia, the introduction of more stringent milk quality standards have resulted in reduced deliveries of milk to dairies. For some countries in this region, anticipated access into the European Union during the coming years may act as an incentive for farmers to increase output, with the aim of gaining entitlement to production quotas, once membership to the EU is achieved. Production in a number of other developed countries (the EU, Canada, Japan, Switzerland) is subject to policies which restrict output and, consequently, changes little from year to year. In the two largest producing countries of the CIS, the Russian Federation and the Ukraine, a continued decline in output is projected for 2000, as milk production is unprofitable in many holdings. Additionally, a shortage of feed-grain during the coming winter is expected to impact negatively on production. However, for the Russian Federation, although the size of the herd continues to decline, yield per cow appears to be stabilising, perhaps indicating that the continuous fall in milk production which has taken place since 1990 could be bottoming out.

In developing countries, growth in milk output is expected to continue in Asia and Latin America. India's milk production during the 2000/2001 (April/March) marketing year could rise to an estimated 79 million tonnes: because milk production is concentrated in small units with only 10% of national milk production passing through the formal milk processing sector, exact figures for India's milk output are not available. Production growth in India is increasing through improved yields per animal rather than through growth in animal numbers. Also, in China, where a moderate growth in total milk output is expected, milk production growth has focused on improved yields rather than expansion of the dairy herd since the start of the 1990's. For the Cono-Sur countries of South America (Argentina, Chile and Uruguay), the fortunes of milk producers are increasingly linked to the international market, as their domestic markets are not growing sufficiently to absorb increased output (Chile will shortly start a promotional campaign which hopes to raise domestic consumption by 10%). As in many other parts of the world, the more competitive environment within which farmers in the Cono-Sur must operate is leading to smaller, less efficient producers leaving the industry. For example, in Argentina, the number of farmers supplying milk to dairies in October 2000 was 10% less than the same month in 1999. As a consequence of this process, the amount of milk processed by Argentine dairies also fell - by 8 percent during the first ten months of 2000. This would imply that milk output in Argentina for 2000 would be in the region of 9.3 million tonnes, as opposed to just over 10 million tonnes in 1999. Production in Uruguay was also lower in 2000, a drop of 10%, due to exceptionally dry conditions at key points during the year. Elsewhere in Latin America, production is expected to rise in Colombia, Costa Rica, Peru and Mexico.

Price outlook

Assuming normal weather conditions in the southern hemisphere; limited export supplies in many exporting countries and sustained import demand from a number of importing countries are expected to lead to continued high prices for most dairy products during the first-half of 2001.

DAIRY MARKET NEWS REPORT RELEASE TIMES

<u>CODE</u>	<u>REPORT</u>	<u>DAY (S)</u>	<u>Available on Web*</u>
MD_DA100	European Dairy Market Overview	R - biweekly	9:30 a.m.
MD_DA104	Butter/Butteroil - Western Europe		9:30 a.m.
MD_DA105	Whey - Western Europe		9:30 a.m.
MD_DA106	Skim Milk Powder - Western Europe		9:30 a.m.
MD_DA107	Whole Milk Powder - Western Europe		9:30 a.m.
MD_DA120	Oceania Dairy Market Overview		9:30 a.m.
MD_DA124	Butter - Oceania		9:30 a.m.
MD_DA126	Skim Milk Powder - Oceania		9:30 a.m.
MD_DA127	Whole Milk Powder - Oceania		9:30 a.m.
MD_DA128	Cheddar Cheese - Oceania		9:30 a.m.
MD_DA210	East Fluid Milk and Cream Review	W	1:00 p.m.
MD_DA230	Central Fluid Milk and Cream Review	R	11:00 a.m.
MD_DA240	West Fluid Milk	W	11:00 a.m.
MD_DA330	Dry Buttermilk - Central	R	11:00 a.m.
MD_DA340	Dry Buttermilk - West	R	11:00 a.m.
MD_DA360	Dry Buttermilk - Northeast and Southeast	R	11:00 a.m.
MD_DA400	Chicago Mercantile Exchange Butter <u>1/</u>	M W F	11:30 a.m.
MD_DA401	Chicago Mercantile Exchange Butter - Weekly Recap <u>1/</u>	F	12:30 p.m.
MD_DA410	Northeast Butter	T	11:00 a.m.
MD_DA431	Central Butter	W	3:30 p.m.
MD_DA440	West Butter	W	3:30 p.m.
MD_DA451	Butter Highlights	F	12:30 p.m.
MD_DA530	Dry Whey - Central	R	11:00 a.m.
MD_DA540	Dry Whey - West	R	11:00 a.m.
MD_DA560	Dry Whey - Northeast and Southeast	R	11:00 a.m.
MD_DA600	Chicago Mercantile Exchange Nonfat Dry Milk <u>1/</u>	M T W R F	11:30 a.m.
MD_DA601	Chicago Mercantile Exchange Nonfat Dry Milk - Weekly Recap <u>1/</u>	F	12:30 a.m.
MD_DA630	Nonfat Dry Milk - Central	R	11:00 a.m.
MD_DA640	Nonfat Dry Milk - West	R	11:00 a.m.
MD_DA641	California Manufacturing Plants - Nonfat Dry Milk	R	11:00 a.m.
MD_DA660	Nonfat Dry Milk - Northeast and Southeast	R	11:00 a.m.
MD_DA710	Dry Whole Milk - National	R	11:00 a.m.
MD_DA730	Animal Feed Whey - Central	R	11:00 a.m.
MD_DA750	Evaporated Milk - National	R	11:00 a.m.
MD_DA751	Casein - National	R	11:00 a.m.
MD_DA770	Lactose - Central and West	R	11:00 a.m.
MD_DA771	Whey Protein Concentrate - Central and West	R	11:00 a.m.
MD_DA800	Chicago Mercantile Exchange Cheese <u>1/</u>	M T W R F	11:30 a.m.
MD_DA801	Chicago Mercantile Exchange Cheese - Weekly Recap <u>1/</u>	F	12:30 p.m.
MD_DA810	Northeast Cheese	T	11:00 a.m.
MD_DA811	Foreign Cheese	T	11:00 a.m.
MD_DA830	Midwest Cheese	W	1:00 p.m.
MD_DA831	Midwest Commodity Cheddar	W	1:00 p.m.
MD_DA840	West Cheese	W	3:30 p.m.
MD_DA851	Cheese Highlights	F	12:30 p.m.
MD_DA950	National Dairy Market at a Glance	F	12:30 p.m.
MD_DA953	Weekly Cold Storage Holdings	W	1:00 p.m.
MD_DA955	CCC Purchases	T W R F	11:00 a.m.
MD_DA998	Chicago Mercantile Exchange - Weekly Recap and Trading <u>1/</u>	F	12:30 p.m.
MD_DA999	Chicago Mercantile Exchange - Weekly Recap <u>1/</u>	F	12:30 p.m.

*Release days and times may change when weekly schedules are disrupted due to holidays, etc. 1/ CME cash exchange times are approximate. All times are C.T.

EDITOR'S NOTE: The above listing is for Dairy Market News reports and approximate times they are available on the web (www.ams.usda.gov/dairy/mncls/indiv.htm) and our automated recorded system (608-224-5088).

DECEMBER FLUID MILK SALES

During December, about 4.4 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 1.1 percent higher than December 1999. On an individual product basis, sales of whole milk and reduced fat (2%) milk increased from December 1999, while sales of low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier. Total fluid milk sales for the January-December 2000 period were 0.4 percent lower than the same period last year. Data for 1999 have been adjusted for changes in the FMO marketing areas due to order consolidation (see 2/ below) and data for both years have been adjusted for calendar composition.

Editor's Note: For some individual marketing areas, the data for 1999 are largely estimated due to Federal milk order consolidation. See www.ams.usda.gov/dairy/mmms.htm for this data for January-December.

**PACKAGED SALES OF FLUID MILK PRODUCTS IN MARKETING AREAS DEFINED BY
FEDERAL MILK ORDERS AND CALIFORNIA, DECEMBER 2000, WITH COMPARISONS 1/**

Product Name/ Marketing Area (Order Number) <u>2/</u>	Sales		Change from: <u>3/</u>	
	Dec	Year to date	Previous Year	Year to Date
	Mil.lbs		Percent	
Whole Milk <u>4/</u>	1,621	18,491	4.8	1.8
Reduced Fat Milk (2%)	1,417	16,307	0.8	-0.4
Low Fat Milk (1%) <u>5/</u>	676	8,230	-1.1	0.3
Fat-Free Milk (Skim)	655	7,907	-3.7	-4.9
Buttermilk	50	587	-3.3	-1.3
Total Fluid Milk Products <u>2/</u>	4,426	51,611	1.1	-0.4
Northeast (001)	871	9,802	3.9	0.3
Appalachian (005)	308	3,590	-3.9	-2.4
Southeast (007)	411	4,934	1.0	-0.1
Florida (006)	236	2,792	5.7	1.9
Mideast (033)	575	6,619	-0.3	-1.0
Upper Midwest (030)	378	4,380	1.4	1.4
Central (032)	407	4,642	0.9	-1.8
Southwest (126)	347	4,150	4.6	0.3
Ariz.-Las Vegas/Western (131/135) <u>6/</u>	172	2,094	-4.3	-0.7
Pacific Northwest (124)	180	2,172	-2.2	-1.2
California (---)	541	6,436	1.7	0.7

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, and represent approximately 93 percent of total fluid milk sales in the United States. 2/ Sales by product are for all marketing areas combined. Individual marketing area data is for total fluid milk products. Total fluid milk products include plain, flavored, and miscellaneous whole milk products, plain, flavored, and miscellaneous reduced fat, low fat, and fat-free milk products, and buttermilk. 3/ For all marketing areas combined, data for 1999 have been estimated based on the change in population within Federal milk order marketing areas that has occurred as a result of the new consolidated marketing areas that came into effect in January 2000. For individual marketing areas, 1999 data 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 marketing area changes, mainly based on population. Percent changes are based on this estimated 1999 data. Percent changes also have been adjusted for calendar composition, including the extra day in February 2000. 4/ Includes flavored whole milk. 5/ Includes flavored fat-reduced milk. 6/ The data for these markets have been combined for reporting purposes.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER PRICE AND POOL 2000 ANNUAL SUMMARY

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for 2000 have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During 2000, about 116.9 billion pounds of milk were received from producers. This volume of milk is 11.1 percent higher than the adjusted 1999 volume. About 46.0 billion pounds of producer milk were used in Class I products, 0.5 percent higher than the previous year. Percentage changes have been adjusted for the different number of days in the two periods. Class utilization percentages were: Class I = 39%, Class II = 10%, Class III = 43%, and Class IV = 8%. The weighted average statistical uniform price was \$12.11 per cwt., \$1.98 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE YEAR 2000										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>3/</u>
		TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001 <u>4/</u>	23,969	-1.3	10,513	2.4	44	17	29	10	13.02
Appalachian (Charlotte)	005	6,318	4.7	4,343	-5.9	69	14	6	11	13.95
Southeast (Atlanta)	007 <u>4/</u>	7,487	9.5	4,867	-0.2	65	11	16	8	13.59
Florida (Tampa)	006	2,867	1.6	2,526	2.0	88	7	2	3	15.22
Mideast (Cleveland)	033 <u>4/</u>	14,181	13.1	6,716	-1.6	47	15	32	6	12.09
Upper Midwest (Chicago)	030 <u>4/</u>	24,415	10.9	4,092	-6.4	17	4	78	1	10.55
Central (Kansas City)	032 <u>4/</u>	16,037	59.4	4,875	14.8	30	7	59	4	11.28
Southwest (Dallas)	126 <u>4/</u>	8,712	8.9	3,970	-0.7	46	9	38	7	12.57
Arizona-Las Vegas (Phoenix)	131 <u>4/</u>	3,110	11.8	973	-0.6	31	5	36	28	11.81
Western (Salt Lake City)	135 <u>4/</u>	4,048	-5.7	1,014	-4.8	25	9	57	9	11.17
Pacific Northwest (Seattle)	124 <u>4/</u>	6,776	5.1	2,100	0.0	31	7	35	27	11.70
ALL MARKET AVERAGE OR TOTAL		116,919	11.1	45,990	0.5	39	10	43	8	12.11

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 WEEK OF FEBRUARY 12 - 16, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	PERIOD ENDING 02/09/01	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-	-0-	-0-	3,050,083	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,762,000	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	10,837,359	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	12,584,172	-0-	12,584,172	179,202,999	116,338,300	407,461,000	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-
TOTAL	12,584,172	-0-	12,584,172	206,070,068	121,651,647	444,800,000	-0-

#Although 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 FEBRUARY 12 - 16, 2001 =	2.8	146.5	COMPARABLE WEEK IN 2000 =	2.6	135.0
CUMULATIVE SINCE OCTOBER 1, 2000 =	145.4	2,505.9	CUMULATIVE SAME PERIOD LAST YEAR =	26.8	1,416.0
CUMULATIVE JANUARY 1 - FEBRUARY 16, 2001 =	28.8	1,023.3	COMPARABLE CALENDAR YEAR 2000 =	15.6	822.9

* 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 FEBRUARY 12 - 16, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	12,584,172	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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-	5,757,840	-0-	2,589,324	8,853,405	37.0	7.3
WEST	-0-	-0-	5,039,919	-0-	203,480,744	112,710,058	62.8	92.6
EAST	-0-	-0-	39,600	-0-	-0-	88,184	0.2	0.1
TOTAL	-0-	-0-	10,837,359	-0-	206,070,068	121,651,647	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

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

DOLLARS PER POUND

BUTTER: Bulk \$.6549; 1# Prints \$.6849

CHEESE: 40 & 60# Blocks \$1.1314; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process American 2# \$1.2239

NONFAT DRY MILK: Nonfortified \$1.0032; Fortified \$1.0132; Instant \$1.1607

Dairy & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 01/27/01 & Comparable Week 2000

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		
2001-Dairy cows HD (000)	0.2	0.7	6.4	4.4	23.0	3.6	2.2	1.1	12.9	3.3	57.8	236.4	50.1	49.8
2000-Dairy cows HD (000)	0.3	0.9	6.1	4.6	20.3	2.5	1.1	0.8	11.1	3.6	51.2	218.6	48.9	48.9
2001-All cows HD (000)	0.3	0.8	8.7	14.1	32.2	14.6	18.7	5.2	14.2	6.7	115.4	474.7		
2000-All cows HD (000)	0.3	1.1	8.4	11.0	29.8	13.9	15.0	5.0	12.9	7.3	104.6	446.9		

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 1/2	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	11.94
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	12.82	
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	9.99	
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	12.13	

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