

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (2/23):**

BUTTER: Grade AA closed at \$1.5025. The weekly average for Grade AA is \$1.4663 (+.1130).

CHEESE: Barrels closed at \$1.2700 and blocks at \$1.3000. The weekly average for barrels is \$1.2600 (+.0380) and blocks, \$1.2900 (+.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 remains mixed. Many producers and handlers continue to question if the supply/demand situation warrants such a firm price for this time of the year. In most areas of the country, cream offerings are higher and more surplus is finding its way into butter plants. However, some reports indicate that ice cream production is starting to absorb additional cream offerings. Current butter production is surpassing fair demand, thus additional stocks are entering storage programs. Conversations between producers, handlers, and buyers are occurring for the upcoming Easter/Passover holiday. It is too early to project what type of feature activity will be occurring at that time, although some has already occurred and has cleared good volumes of print butter.

CHEESE: The cheese market is fully steady. Current cash cheese prices at the Chicago Mercantile are well above February 2000, but lagging levels of February 1998 and 1999. Current interest is mixed, though demand is bolstered by buyers speculating on potential additional price increases. The decline in the estimated January 2001 milk production is expected to reflect in lower cheese production. During the week of February 19-23, CCC purchased 79,200 pounds of Midwest process under the price support program.

FLUID MILK: Milk production is showing signs of seasonal increases, especially in areas of the Southeast. Heavier milk volumes coupled with slower Class I sales are encouraging drying facilities to re-open or increase schedules. Adequate water supply is being expressed as a concern for farms in Florida and parts of the Pacific Northwest. Condensed skim movement is good and supplies are tight. Cream prices adjusted higher with increases in the weekly average AA CME butter price. Demand is good with butter plants taking in excess volumes where available. Movement of cream out of the West is slowing due to the higher prices. Production of cream cheese and cottage cheese are increasing as the Lenten season approaches.

DRY PRODUCTS: The NDM market is generally steady and prices are unchanged. As milk production seasonally increases, NDM production is heavier. Offerings to the CCC from Midwestern and Western producers are alleviating excess supplies. High heat interest is good for the limited stocks. Buttermilk markets are unchanged with increased production noted in the West and East. Inventories are generally in balance for the light demand. The market tone for whey is steady to weak. Regional competition is encouraging price fluctuations. While WPC is a cost burden to feed facilities, the product remains

an attractive substitute to NDM at higher prices into food operations. WPC and lactose movement is good into export and domestic markets. Inquiries are increasing on lactose and most producer stocks are in balance, encouraging a firmer undertone.

CCC: During the week of February 19 - 23, CCC net purchases totaled 5,382,806 pounds of nonfortified NDM with 257,937 pounds from the Midwest and 5,124,869 pounds from the West. Process cheese was also purchased from the Midwest. This total was 79,200 pounds.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for March 2001 is \$12.65. This price is derived from the advanced Class IV skim milk pricing factor of \$7.86 and the advanced butterfat pricing factor of \$1.4483 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for February is \$8.56 and the Class II nonfat solids price is \$0.9511 per pound. The following are the two-week product price averages: butter \$1.3026, nonfat dry milk \$1.0135, cheese \$1.1402, and dry whey \$0.2603.

JANUARY MILK PRODUCTION (NASS): Milk production in the 20 major States during January totaled 12.1 billion pounds, 1.5% below production in these same States in January 2000. December revised production, at 11.9 billion pounds was 0.7% below December 1999. The December revision represented a decrease of 0.6% or 77 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,550 pounds for January, 29 pounds below January 2000. The number of cows on farms in the 20 major States was 7.79 million head, up 27,000 head from January 2000 but down 12,000 from December 2000.

COLD STORAGE (USDA, NASS): U.S. cold storage holdings of butter on January 31, 2001, total 65.9 million pounds, nearly triple the total from December 2000, but 20.1% lower than January 2000. Natural American cheese holdings total 508.6 million pounds, a decline of 2.7% from a month ago and down 1.0% from January 2000.

JANUARY FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): Handler reports of receipts and utilization under the Federal milk order system for January have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During January, about 10.0 billion pounds of milk were received from producers. This volume of milk is 2.4% lower than the adjusted January 2000 volume. About 4.0 billion pounds of producer milk were used in Class I products, 1.1% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilizations were; Class I = 40%, Class II = 9%, Class III = 44%, and Class IV = 7%. The weighted average statistical uniform price was \$12.86, \$0.31 higher than last month, and \$1.19 higher than last year.

****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 FEBRUARY 19	TUESDAY FEBRUARY 20	WEDNESDAY FEBRUARY 21	THURSDAY FEBRUARY 22	FRIDAY FEBRUARY 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	NO	\$1.2500 (N.C.)	\$1.2600 (+.0100)	\$1.2600 (N.C.)	\$1.2700 (+.0100)	+ .0200	\$1.2600 (+.0380)
40# BLOCKS	TRADING	\$1.2800 (N.C.)	\$1.2900 (+.0100)	\$1.2900 (N.C.)	\$1.3000 (+.0100)	+ .0200	\$1.2900 (+.0710)
BUTTER GRADE AA	HOLIDAY	----	\$1.4300 (+.0200)	----	\$1.5025 (+.0725)	+ .0925	\$1.4663 (+.1130)

*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 19, 2001

HOLIDAY - NO TRADING

TUESDAY, FEBRUARY 20, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.2800, 1 @ \$1.2900, 1 @ \$1.3000

WEDNESDAY, FEBRUARY 21, 2001

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.2850, 1 @ \$1.2900; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2600; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.2900

BUTTER -- SALES: NONE; BIDS UNFILLED: 13 CARS GRADE AA: 1 @ \$1.4300, 2 @ \$1.4275, 1 @ \$1.4250, 1 @ \$1.4225, 1 @ \$1.4200, 1 @ \$1.4175, 1 @ \$1.4150, 1 @ \$1.4125, 2 @ \$1.4100, 1 @ \$1.4000, 1 @ \$1.3000; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$2.0000

THURSDAY, FEBRUARY 22, 2001

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

FRIDAY, FEBRUARY 23, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2700; 1 CAR 40# BLOCKS @ \$1.3000; OFFERS UNCOVERED: NONE

BUTTER -- SALES: NONE; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.5025, 1 @ \$1.5000, 1 @ \$1.4900, 1 @ \$1.4825, 1 @ \$1.4800, 2 @ \$1.4500, 2 @ \$1.4300; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.6500, 1 @ \$1.9950, 1 @ \$2.0000

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

BUTTER MARKETS

JANUARY MONTHLY COLD STORAGE

According to NASS, January month-end cold storage figures for butter total 65.9 million pounds, 20.1% less than last year but nearly 3 times heavier than December holdings.

NORTHEAST

The market tone remains unsettled, but prices are climbing. At the CME, the butter prices jumped 9 cents last week. Since January 3, 2001, the CME butter price has increased 28.25 cents, (more than 25%) in just over six weeks. Some contacts wonder if the supply/demand situation warrants such a steady rise. Others feel that coming into 2001 with such low stocks and expected lower milk production means tighter supplies this summer. Currently, cream offerings are higher and more surplus is finding its way into butter plants. Some producers are more aggressive in their search for excess cream. Eastern producers are getting all the cream they want or can handle. Shipments to the Midwest were common last week. Butter supplies are sufficient to cover the current, fair demand. Packaged butter demand is steady and mostly for replacement volumes. Some producers report the additional output is being earmarked for Lenten and Easter needs. 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 firm. Continued cash trading firmness at the CME has many Midwestern butter producers and handlers questioning their inventorying program. Many state that the cash price is higher than expected for this time of

the year, although most are also concerned about having sufficient butter stocks for use later in the year. If possible, many Midwestern butter producers are taking advantage of the additional volumes of cream being offered to them. Current production is surpassing demand, thus stocks at most operations are building. Current demand is fair at best. Most buyers continue to place orders for short term or immediate needs. Conversations between producers, handlers, and buyers are occurring for the upcoming Easter/Passover holiday. It is too early to project what type of feature activity will be occurring at that time, although some has already occurred and has cleared good volumes.

WEST

CME butter prices continue to show strength. The market is generally being bid higher. Some contacts are surprised that the market has reached the 1.40's in February. They have no basis for speculating how much strength is left in the market. Buyers are looking at the upcoming Easter season. They are not sure how to approach any feature activity. No one wants to get caught short, but they also are not sure if they want to own expensive butter. Cream prices are also more expensive. Buyers are a little more cautious in making purchases. More interest is noted from ice cream plants. Weekly CME butter stocks grew by 5.31 million pounds this past week and now stand at 48.8 million pounds. 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 17	1.1054 5,311,497	1.1656 9,282,801	1.0124 19,995,819	1.3070 4,001,266	0.2541 7,086,553

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

CHEESE MARKETS

NORTHEAST

Prices are sharply higher on natural items, moderately higher on process, and unchanged on Swiss. The market tone is firming as indicated by the rising prices at the CME. Cheese output in the Northeast is lighter than desired as surplus milk supplies are light. The recent *Milk Production* report by NASS shows January milk production in the Northeast is below last January in most states. Vermont shows the only increase over a year ago. Cheese stocks are more than adequate for cheddar demand. Mozzarella supplies, reflecting the continued good demand, are light. Retail demand is steady at slow to fair levels. Food service orders are fair to good.

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

Cheddar 10# Prints	:	1.2625-1.7325
Cheddar Single Daisies	:	1.2200-1.6800
Cheddar 40# Block	:	1.3600-1.5400
Process 5# Loaf	:	1.4325-1.6050
Process 5# Sliced	:	1.4525-1.7075
Muenster	:	1.4225-1.6300
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady after the recent cash cheese market increases at the Chicago Mercantile Exchange. Current cash prices at the Chicago Mercantile Exchange are well above February 2000 levels and are at the highest level since September. The recent increases have generated some additional short-term demand. Barrels are tight to adequate as processors continue to have good commercial orders for process and attempt to stockpile extra product for later. Prices for processing solids are firmer as supplies have declined. Mozzarella remains tight, though with planning, supplies are about adequate to meet immediate needs. Milk receipts continue to lag year ago levels through much of the upper Midwest, reducing the volumes available for cheese production. Cheese yields are steady to slightly lower seasonally. Late summer and fall milk supplies are a growing concern for plant operators.

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

Process American 5# Loaf	:	1.4425-1.5200
Brick And/Or Muenster 5#	:	1.4900-1.8150
Cheddar 40# Block	:	1.4900-2.1150
Monterey Jack 10#	:	1.6900-2.1150
Blue 5#	:	1.9600-2.1200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5100-2.2150
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 19 - 23, 2001
BARRELS*	:	\$1.2225 - 1.2600 (NOMINAL)
	:	(\$0.0350) (.0425)
40# BLOCKS	:	\$1.2400 - 1.2900 (NOMINAL)
	:	(\$0.0925) (.0650)

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

WEST

Cheese prices moved sharply higher following trading at the CME last week. Cheese demand is somewhat mixed. On the process side, where buyers have been making heavier purchases for the past few weeks, some buyers are planning to hold off on additional purchases hoping that the market may readjust lower in the short run. Demand for natural cheese has been more for regular account needs; therefore most users may not be able to wait as long to see if prices will adjust lower. In general, demand for cheese is quite strong for this time of year and the lower milk production numbers do, at least partially, reinforce higher cheese prices. Swiss sales activity has slowed somewhat during the first quarter, which is not unusual. Mozzarella sales are very strong with quite a bit of feature activity noted.

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

Process 5# Loaf	:	1.3750-1.6350
Cheddar 40# Block	:	1.3425-1.4825
Cheddar 10# Cuts	:	1.5225-1.7425
Monterey Jack 10#	:	1.5325-1.6925
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

FOREIGN

Prices for domestic styles are sharply higher with imported unchanged. The market tone is unchanged. Supplies of most types of cheese are light to adequate for the current slow to fair demand. Demand for European cheese remains strong, but reportedly, prices have leveled off for the time being. The slightly weaker U.S. Dollar is also having an impact on U.S. importers' purchasing decisions.

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	: 1.5650-3.0600*
Gorgonzola	: 3.2400-5.9400	: 2.1150-2.4900*
Parmesan (Italy)	: TFEWR	: 2.9800-3.0050*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.5725-1.8500*
Romano (Cows Milk)	: -0-	: 2.7550-4.9300*
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

	:	:
02/19/01	:	20,367 : 134,134
02/01/01	:	17,132 : 132,725
CHANGE	:	3,235 : 1,409
% CHANGE	:	19 : 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	120	0	92	0	41
SOUTHEAST STATES	0	0	0	0	0	0

Regional Milk Market Administrators announced the following, January 2001 uniform prices: Northeast \$13.76 (at Boston), Mideast \$12.54, Southeast \$14.73, Florida \$16.75, and Western New York (a state order) \$13.57 at the base cities/counties in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.) During January, milk production in the 20 major states totaled 12.1 billion pounds, down 1.5% from January 2000. The following are the January to January changes for selected states: Texas-12.1%, Virginia-5.8%, New York-5.6%, Pennsylvania -1.6%, Kentucky-3.3%, Florida-3.1%, and Vermont+0.4%. During January, milk cow numbers were lower in all these states except Kentucky (unchanged). Milk per cow was unchanged to lower in all the above states except Vermont. This week, milk production ranges from steady in the Northeast to dramatically higher in the Southeast. Milk output in Florida ranges from about steady to slightly higher, but gains in Georgia and Louisiana were heavier than expected. More farm pick-up trucks were put on line to handle the extra milk. This extra milk, coupled with slower Class I sales added to the volumes of surplus milk. Florida handlers exported 120 loads of surplus milk to nearby states for processing. This milk plus the additional output in other states has more Southeastern manufacturing operating this week. Several plants are or near capacity levels. These volumes of surplus milk are about normal for this time of year as the peak production season usually "hits" the Southeast early in March. However, Florida is still very dry and in dire need of rain. In the Northeast, bottled milk sale are steady to slower as some states' schools are on vacation this week. This slow down in Class I sales is providing some extra milk to local processing plants. Most manufacturing plant contacts in the Middle Atlantic and Northeast regions report below normal milk receipts and there is concern about milk supplies later in the year. The condensed skim market is little changed. Demand is good, but little product is available for spot sale on both Class II & III. The fluid cream market is steady, but prices are higher following last week's increase at the CME. Demand for cream is fairly good, but moderate to heavy volumes continue to clear to local and Midwestern butter plants. Ice cream output is seasonal and producers are concerned about fat prices after the spring flush. With the CME butter price this high this early in the year, cream buyers are concerned where fat/butter prices might be this summer. Cream cheese production is about steady to higher. Typically, consumption of cream cheese, cottage cheese, and some other dairy products increase during Lent. Bottled cream orders are steady. Churning activity is moderate and often heavier.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT	
F.O.B. PRODUCING PLANTS: NORTHEAST	- 1.6646-1.8270
DELIVERED EQUIVALENT ATLANTA	- 1.6646-1.8405 M 1.6916-1.7322
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	- 1.7593-1.8270
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 sluggish, affected at many institutional accounts by the closing of schools for the President's Day holiday on Feb. 19. Milk supplies remain seasonally tight, limiting plant operating schedules more than usual for late February. Manufacturing milk demand is improved for the limited supplies. Spot manufacturing milk prices are fairly steady at \$1.50 to about \$2.50 over class. Condensed skim prices on a limited test for Class II are in the \$1.05 to \$1.1250 area. Shipments into other orders were lower with 21

loads of Wisconsin milk direct shipped to Missouri and 21 to Tennessee and pooled under other federal orders. Cream demand remains good seasonally. Cream prices continue higher. Estimated January milk production in selected Midwestern states compared with January 2000 is: Wisconsin 1.919 billion pounds, down 43 million pounds (-2.2%); Minnesota 796 million pounds, off 38 million pounds (-4.6%); Michigan 477 million pounds, up 3 million pounds (0.6%), and Iowa 328 million pounds, down 6 million pounds (-1.8%). For calendar year 2000 compared to 1999 - not adjusted for February 29, Wisconsin milk production totaled 23.3 billion pounds, up 188 billion pounds (0.8%); Minnesota 9.5 billion pounds, up 15 million pounds (0.2%); Michigan 5.7 billion pounds, an increase of 250 million pounds (4.6%), and Iowa 3.9 billion pounds, up 132 million pounds (3.5%). Current milk intakes are irregularly about steady though showing the gamut from down slightly to up slightly. Fat and protein tests on incoming milk supplies are steady to lower seasonally.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEB 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.50- 48.00	\$ 36.00- 41.00
REPLACEMENT HEIFER CALVES	\$275.00-375.00	\$220.00-305.00

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

	FEB 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 53.50	\$ 32.00- 43.50

W E S T

U.S. milk production for calendar 2000 has been revised lower to an increase of 3.0% from the previous year. Output for selected states compared to 1999 is as follows: Arizona +2.9%, California +5.8%, Colorado +11.3%, Idaho +11.9%, New Mexico +10.8%, Oregon +1.8%, Utah +4.3%, and Washington +1.0%. U.S. milk production in the 20 states surveyed totaled 12.1 billion pounds in January, 1.5% lower than January 2000. Production levels were lower in 14 of the 20 states. Cow numbers in January were 7.79 million head, up 27,000 (+0.3%) from a year ago. Milk per cow was 1.8% lower. January 2001 output in the five Western states surveyed compared to 2000 is: Arizona, -4.9%; California, +1.5%; Idaho, +7.3%, New Mexico, +3.8%; and Washington, -0.9%. Milk production levels are holding mostly steady across California but are lower in localized areas where weather conditions have been wet and cool recently. The impact of the wet feedlot conditions has been only slightly felt and receipts are showing minimal drops. Weather patterns have been more favorable this week in the Central Valley and South. Class I demand and usage are fairly stable. Transportation issues of recent weeks are not a factor now. Higher cream prices are reported as the butter price increases at the CME and overages/multiples hold steady. Demand for out-of-region shipments showed some decline due mainly to price considerations. New Mexico milk is showing limited signs of increasing. Levels are often below a year ago on a per cow basis. Weather and lot conditions have been good in recent weeks. Arizona milk production is said to be stable but beginning to show some increases. Weather patterns are improving and temperatures are favorable for milk cows. Normal processing schedules are reported. Milk production in the Pacific Northwest ranges from steady to up very slightly. Local conditions remain very good for milk production in the short run. The concern remains the short water supply for this summer from both irrigation and power points of view. Contacts wonder what cropping decisions will change and what impact those decisions will have on the dairy herd. Hay prices are firming in the region again after remaining steady for quite a period of time. More export interest is noted from Japan. Heifer prices are very firm in the region with demand remaining strong. Cull cow prices continue to increase and numbers being culled are also increasing. Producers continue to lock up feed needs for the upcoming year. Snow and generally wet weather are common over much of Utah. Idaho has been dryer all year and remains that way. Temperatures have warmed into the 50's some days so that all the low snow is gone. Water concerns are increasing daily as the winter season passes with the prospect of moisture decreasing day by day. Most contacts believe that alfalfa and corn silage will be the crops hurt most by dry conditions and high irrigation power costs. Milk is not quite up to expectations in the region.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 02/22/01 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. Supplies are mixed. Grade A stocks are limited with Extra Grade product in balance to somewhat long. Movement into the CCC continues. Production is generally steady to slightly higher as some locations experience seasonal milk volume increases. Demand is fair and best into cheese and blending operations. High heat is being produced on an as needed basis. Some plants are having difficulty in satisfying high heat interest due to limited milk volumes or limited dryer time due to low heat production.

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 on a mostly steady market. Prices on the high side of the range continue to puzzle traders and some buyers, especially with NDM trading at lower prices than buttermilk and resellers offering supplies at .9600 - .9800 FOB. Most first receiver sales continue to occur between .9800 - 1.0000 FOB. Production is mostly steady with some declines anticipated as ice cream buyers seasonally increase their intakes of condensed. Stocks are generally in balance with some plants holding a few extra loads. Demand is light with most movement occurring on a contractual basis.

BUTTERMILK: .9600 - 1.0700

DRY WHEY - CENTRAL

Prices are unchanged to lower and the market remains unsettled. Supplies are mixed. Some plants are sold out and unable to satisfy spot interest while others are running long and moving product at a discount. Demand is fair, best into food facilities and brokerage firms. Export inquiries are being reported with some movement noted into Asia and Mexico. Offering prices to traders are generally lower while offers to end-users are mostly steady. Feed buyers are taking supplies hand to mouth in anticipation of further price declines. Condensed supplies vary depending upon location.

NONHYGROSCOPIC: .2200 - .2600 MOSTLY: .2450 - .2550

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a steady to weak market. Supplies of milk replacer are in balance to somewhat long. Trading activity is generally light. Buyers are opting to wait for further price declines while manufacturers are attempting to hold their prices steady. Roller ground prices are lower and supplies are steady to higher. The delactose market is unchanged. Supplies are tight, limiting spot trade activity. Some plants are reportedly sold out for the rest of the year. Most movement is occurring on a contractual basis. The early weaned pig trade is steady while lean hog, barrow and gilt prices trend higher. The North Central veal market is steady to firm.

MILK REPLACER: .1850 - .2300

ROLLER GROUND: .2375 - .2650

DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged and the market tone is firm. Supplies are mixed. Most plants are generally in good balance to somewhat tight while at other locations, stocks are long. Inquiries from the EU, Asia and Mexico are increasing. While US prices are trending below the reported EU market, freight charges are a competitive burden at some locations. Some manufacturers are starting second quarter negotiations and offering out at higher prices. Domestic demand is fair to good. Inquiries are being noted from facilities that manufacture candies, infant formula and bakery items. Movement is best on 100-200 mesh sizes. Pharmaceutical grade is in tight supply. Adequate stocks of permeate are deterring some feed interest in lactose. Off grade trade is light and supplies are limited.

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. Most plants are short on their contractual agreements. Some canceled supplies from veal operations are temporarily increasing condensed availability. However, excess product is being readily consumed by other feed and high protein facilities. Movement is steady into Mexico and Asia with some EU inquiries noted on high protein product. WPC remains an attractively priced substitute for NDM on export markets. Domestic movement into nutraceutical and yogurt facilities is strong. Some ice cream plants are picking up additional supplies in preparation for seasonal production schedules. Traders are having difficulty in locating supplies for buyers and are diverting their efforts to other markets to more efficiently utilize their time. Off grade supplies are tight for the strong interest.

EXTRA GRADE 34% PROTEIN: .7875 - .8200 MOSTLY: .7875 - .7925

NONFAT DRY MILK - WEST

No price changes are noted in both price series. The market tone for the low/medium heat series is mostly steady. There remains moderate to heavy weekly offering to the CCC to move surplus NDM. Production levels are generally showing little changes, but do reflect changing milk production conditions in localized areas. Condensed orders moving to Class 1 markets are flat, while some increased interest is noted in other classes. Higher cheese prices are conducive to use NDM or condensed to standardize/fortify cheese vats. Energy prices are the biggest concern in the region. Prices for electricity and natural gas remain high and continue to affect operating margins. The high heat market remains in good balance. Supplies are limited and volumes beyond contracted amounts are not often readily available. For the week of February 12 - 16, CCC net purchases totaled 12.6 million pounds of nonfortified NDM, all from the West.

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 showing no changes, but there are more offerings on the market this week. Butter churning and drying schedules are noted to be higher, creating more offerings. Most producers are caught up on past shortages and some are even building limited stocks. Overall, current stock levels are light and any extra loads are not causing concerns. Holders are looking to upcoming demand from ice cream manufacturers.

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

DRY WHEY - WEST

Prices are generally steady for Western whey powder this week. There continues to be a weaker undertone to the market. Offerings are increasing and stocks are higher at some locations. Competition from powder out of other regions of the country is increasing. Current production levels are about steady.

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

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
February 16	\$1.0069	14,568,758
February 9	\$1.0076	15,399,846*

* Revised total sales for week ending February 9 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 steady. Production is heavier as plants are receiving more milk. In the Southeast, most drying facilities are now operating as surplus milk volumes increase along seasonal patterns. In the Northeast, milk receipts at butter/powder plants are up slightly. Some states' schools are on break this week. This loss of the Class I demand forced more milk into manufacturing channels. In most cases, the additional milk was welcomed by the processors. The demand for condensed skim remains good. Producer stocks of NDM are lighter than desired. Demand for NDM is about steady and few spot sales are reported at the plant level. Most spot needs, particularly the one or two loads purchases, are filled in the resale market.

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 steady and remain nominal. The market tone is mostly unchanged. However, additional volumes of surplus milk were available this week and some butter/powder plants did make a little more powder. Reports indicate that more cream is also available to butter makers in other regions. Locally, producers have little on hand for spot sale, but their limited stocks are growing slightly. Demand is clearing output satisfactorily, but mostly via contracts. Spot interest is just fair.

F.O.B. NORTHEAST: .9900 - 1.0100
 DELVD SOUTHEAST: 1.0200 - 1.1000

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher within the range. The market tone is steady. Price increases are generally a result of the increasing butter price at the CME. Production levels are light, but sufficient to meet contract shipping schedules. Although surplus milk volumes are up slightly this week, most dryers report continued light drying. Producer stocks remain closely balanced. Spot demand is slow to fair at best.

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

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH FEBRUARY 16, 2001
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 32,722 MT (72,138,921 LBS)
 CHANGE -- 156 MT (343,918 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 and the market tone is a little weaker. Eastern producers still report being sold out for the next several weeks, but prices are moving lower to remain competitive with Midwestern producers. Production levels are steady to slightly heavier this week as a little more milk was available to cheese makers. Demand for dry whey is fair. As prices have been falling the past few weeks, spot buyers seem to be taking only enough for immediate needs. Contracts are clearing producer output, but traders report slow spot, resale demand. Most contacts have reported market activity as slow this week.

F.O.B. NORTHEAST: EXTRA GRADE .2600 - .2675
 USPH GRADE A .2725 - .2775
 DELVD SOUTHEAST: .2950 - .3025

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Production levels are about steady. However, some additional milk was available to producers this week. Demand remains slow to fair and mostly for replacement needs.

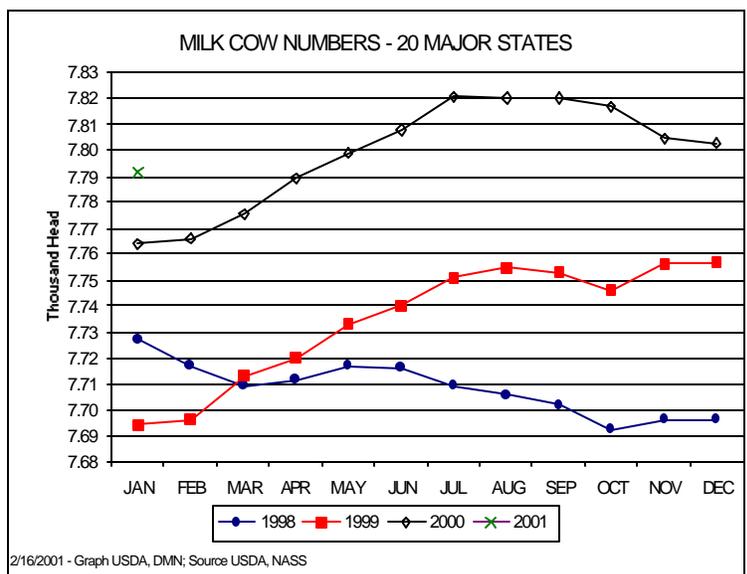
DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00
 Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain firm with prices unchanged to slightly higher. Stocks of casein are reported to be in close balance with some deliveries being delayed and, in instances, cancelled. Some European producers are concerned about a potential subsidy adjustment. They indicate that a lower subsidy will only cause prices to firm. Production in Oceania is geared to commitments with no significant volumes available for spot buyer needs. European production is just starting to increase with upcoming production still unclear.

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

RENNET: 2.3500 - 2.5000
 ACID: 2.4500 - 2.6000



2/16/2001 - Graph USDA, DMN; Source USDA, NASS

JANUARY MILK PRODUCTION

Milk production in the 20 major States during January totaled 12.1 billion pounds, 1.5 percent below production in these same States in January 2000. December revised production, at 11.9 billion pounds was 0.7 percent below December 1999. The December revision represented a decrease of 0.6 percent or 77 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,550 pounds for January, 29 pounds below January 2000.

The number of cows on farms in the 20 major States was 7.79 million head, up 27,000 head from January 2000 but down 12,000 from December 2000.

JANUARY 2001 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2000	2001	2000	2001	2000	2001	% CHANGE FROM 2000
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	137	140	1,925	1,795	264	251	-4.9
CA	1,492	1,562	1,815	1,760	2,708	2,749	1.5
FL	156	155	1,450	1,415	226	219	-3.1
ID	332	354	1,730	1,740	574	616	7.3
IL	120	118	1,500	1,470	180	173	-3.9
IN	139	151	1,400	1,395	195	211	8.2
IA	215	215	1,555	1,525	334	328	-1.8
KY	130	130	1,155	1,115	150	145	-3.3
MI	298	301	1,590	1,585	474	477	0.6
MN	540	520	1,545	1,530	834	796	-4.6
MO	158	149	1,240	1,150	196	171	-12.8
NM	237	261	1,780	1,680	422	438	3.8
NY	700	670	1,450	1,430	1,015	958	-5.6
OH	259	264	1,470	1,400	381	370	-2.9
PA	617	607	1,520	1,520	938	923	-1.6
TX	350	343	1,515	1,360	530	466	-12.1
VT	160	158	1,485	1,510	238	239	0.4
VA	120	118	1,425	1,365	171	161	-5.8
WA	246	247	1,900	1,875	467	463	-0.9
WI	1,358	1,328	1,445	1,445	1,962	1,919	2.2
20 STATE TOTAL	7,764	7,791	1,579	1,550	12,259	12,073	-1.5

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (2-01), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

ANNUAL MILK COWS AND MILK PRODUCTION, 1999 AND 2000

STATE	MILK COWS <u>1/</u>		MILK PER COW <u>2/</u>		MILK PRODUCTION <u>2/</u>		
	1999	2000	1999	2000	1999	2000	CHANGE FROM 1999
	1,000 HEAD		POUNDS		MILLION POUNDS		PERCENT
AL	27	25	13,926	13,920	376	348	-7.4
AK	1.0	0.9	13,580	14,500	13.58	13.05	-3.9
AZ	134	139	21,873	21,705	2,931	3,017	2.9
AR	42	42	12,381	12,476	520	524	0.8
CA	1,466	1,523	20,777	21,169	30,459	32,240	5.8
CO	83	89	20,819	21,618	1,728	1,924	11.3
CT	29	26	17,931	18,385	520	478	-8.1
DE	11	10	15,545	14,910	171	149.1	-12.8
FL	158	157	15,177	15,675	2,398	2,461	2.6
GA	89	87	16,281	16,471	1,449	1,433	-1.1
HI	8.6	8.1	13,919	14,358	119.7	116.3	-2.8
ID	318	347	20,292	20,816	6,453	7,223	11.9
IL	123	120	16,496	17,450	2,029	2,094	3.2
IN	136	145	16,066	16,310	2,185	2,365	8.2
IA	217	215	17,521	18,298	3,802	3,934	3.5
KS	86	91	16,337	16,703	1,405	1,520	8.2
KY	133	132	12,414	12,803	1,651	1,690	2.4
LA	61	58	11,656	12,155	711	705	-0.8
ME	41	40	16,805	16,725	689	669	-2.9
MD	85	84	16,059	16,083	1,365	1,351	-1.0
MA	25	23	16,800	17,043	420	392	-6.7
MI	299	300	18,244	19,017	5,455	5,705	4.6
MN	545	534	17,391	17,777	9,478	9,493	0.2
MS	38	36	14,526	15,111	552	544	-1.4
MO	159	154	14,069	14,662	2,237	2,258	0.9
MT	18	18	16,833	17,500	303	315	4.0
NE	74	77	15,392	16,260	1,139	1,252	9.9
NV	25	25	18,240	19,040	456	476	4.4
NH	19	18	16,895	17,222	321	310	-3.4
NJ	17	16	16,471	16,625	280	266	-5.0
NM	232	250	20,362	20,944	4,724	5,236	10.8
NY	701	686	17,235	17,376	12,082	11,920	-1.3
NC	73	71	16,658	16,746	1,216	1,189	-2.2
ND	49	49	14,061	14,306	689	701	1.7
OH	260	262	17,077	17,027	4,440	4,461	0.5
OK	92	91	13,576	14,231	1,249	1,295	3.7
OR	89	90	18,708	18,833	1,665	1,695	1.8
PA	616	617	17,745	18,081	10,931	11,156	2.1
RI	2.0	1.8	15,500	15,667	31	28.2	-9.0
SC	24	23	15,375	16,043	369	369	---
SD	102	102	14,775	16,020	1,507	1,634	8.4
TN	97	95	14,608	14,789	1,417	1,405	-0.8
TX	345	348	16,284	16,480	5,618	5,735	2.1
UT	92	96	17,587	17,573	1,618	1,687	4.3
VT	160	159	16,938	17,528	2,710	2,787	2.8
VA	121	120	15,479	15,842	1,873	1,901	1.5
WA	247	247	22,409	22,644	5,535	5,593	1.0
WV	18	17	15,278	15,588	275	265	-3.6
WI	1,365	1,344	16,902	17,306	23,071	23,259	0.8
WY	6.0	5.6	13,300	13,571	79.8	76.0	-4.8
U.S. <u>3/</u>	9,156	9,210	17,772	18,204	162,716	167,658	3.0

1/ Average number during year, excluding heifers not yet fresh. 2/ Excludes milk sucked by calves. 3/ Will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (2-01), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

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

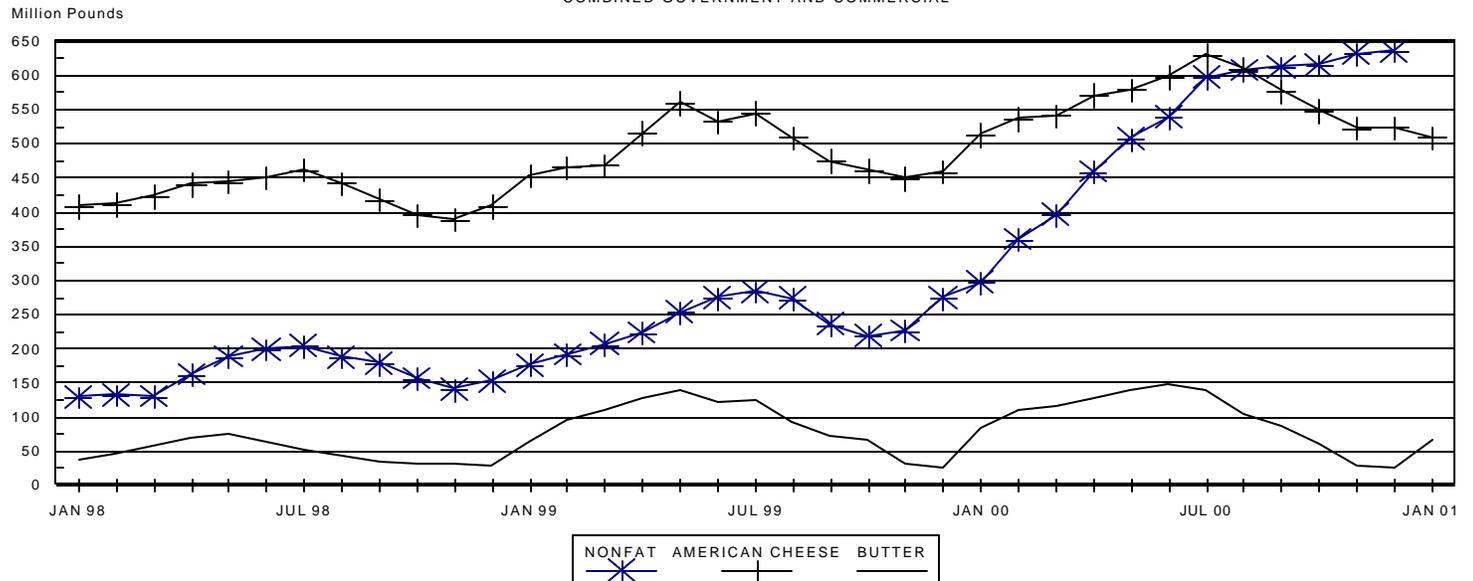
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	DEC 31, 1998	DEC 31, 1999	REVISED DEC 31, 2000	JAN 31, 1999	JAN 31, 2000	JAN 31, 2001
Butter	25,910	25,082	24,115	60,757	82,446	65,912
Cheese, Natural American	407,692	457,990	522,625	452,205	511,627	508,642
Cheese, Swiss	11,838	8,381	14,186	10,993	14,799	15,755
Cheese, Other Natural	97,685	154,890	171,000	159,239	201,626	188,394
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	4	223	142	247	288	367
Natural American Cheese	120	18	1,494	30	70	2,270

JANUARY COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1998	2000	2001	1999	2000	2001	1999	2000	2001
New England	22,274	19,873	20,021	---	---	---	297	587	437
Middle Atlantic	42,702	39,968	45,666	---	---	---	6,733	14,156	13,085
East North Central	202,463	235,372	264,351	---	---	---	80,557	100,716	92,012
West North Central	117,499	104,964	81,519	---	---	---	63,605	62,993	59,864
South Atlantic	807	787	6,772	---	---	---	597	1,874	323
East South Central	196	0	0	---	---	---	286	160	169
West South Central	498	472	401	---	---	---	223	234	521
Mountain	11,463	14,221	11,754	---	---	---	611	5,267	8,407
Pacific	54,303	95,970	78,158	---	---	---	6,330	15,639	13,576
TOTAL	452,205	511,627	508,642	60,757	82,446	65,912	159,239	201,626	188,394

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

COLD STORAGE HOLDINGS
COMBINED GOVERNMENT AND COMMERCIAL



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2000 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Million Pounds						Million Pounds						Million Pounds					
January	66	82	66	82	<u>3/</u>	<u>3/</u>	509	512	506	512	2	<u>3/</u>	NA	296	NA	146	NA	150
February		108		107		<u>3/</u>		536		536		<u>3/</u>		359		173		186
March		114		114		<u>3/</u>		541		541		<u>3/</u>		395		168		227
April		127		127		<u>3/</u>		570		570		<u>3/</u>		458		197		260
May		138		138		<u>3/</u>		578		578		<u>3/</u>		506		197		309
June		146		145		<u>3/</u>		597		597		<u>3/</u>		537		171		366
July		137		137		<u>3/</u>		628		628		<u>3/</u>		596		190		406
August		101		101		<u>3/</u>		610		609		<u>3/</u>		606		152		454
September		85		85		<u>3/</u>		577		576		1		611		130		481
October		58		58		<u>3/</u>		547		546		1		614		121		493
November		27		27		<u>3/</u>		523		522		1		631		110		521
December		24		24		<u>3/</u>		523		521		1		635		119		516

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Dec 31, 1998	Dec 31, 1999	Dec 31, 2000	Jan 31, 1999	Jan 31, 2000	Jan 31, 2001
	Thousand Pounds					
Butter	25,906	24,859	23,973	60,510	82,158	65,545
Natural American Cheese	407,572	457,972	521,131	452,175	511,557	506,372

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

SOURCE: "Cold Storage," Co St 1 (2-01) and "Dairy Products," Da 2-6 (2-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

**PERCENT OF OPERATIONS WITH MILK COWS AND PERCENT OF MILK PRODUCTION, BY SIZE GROUP
OF OPERATION, SELECTED STATES, AND U.S., 2000 ^{1/}**

State	Size group of operation:												Total Operations
	1-29 Head		30-49 Head		50-99 Head		100-199 Head		200-499 Head		500+ Head		
	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	
PERCENT													
AZ	48.0	0.1	---	---	4.0	0.3	4.0	0.6	8.0	4.0	36.0	95.0	250
CA	12.0	0.1	2.8	0.1	2.8	0.4	9.2	2.4	29.2	19.0	44.0	78.0	2,500
CO	70.9	1.0	1.7	0.5	4.7	1.5	7.6	7.0	9.3	27.0	5.8	63.0	860
FL	55.8	0.2	1.0	0.1	4.8	1.0	6.7	2.7	12.5	13.0	19.2	83.0	520
GA	45.7	0.5	2.5	0.5	13.6	8.0	22.2	27.0	12.3	30.0	3.7	34.0	810
ID	22.7	0.2	9.1	0.8	20.0	3.5	17.3	6.5	16.4	15.0	14.5	74.0	1,100
IL	23.3	2.9	21.0	10.0	39.1	41.0	13.3	28.0	3.1	15.0	0.2	3.1	2,100
IN	51.6	8.0	18.1	15.0	18.7	28.0	9.3	28.0	1.8	11.0	0.5	10.0	3,100
IA	25.0	4.0	26.3	14.0	34.2	38.0	11.8	27.0	2.4	12.0	0.3	5.0	3,800
KY	43.3	5.0	18.0	14.0	29.0	43.0	8.0	26.0	1.5	10.0	0.2	2.0	3,000
MD	17.0	1.5	15.5	5.5	40.0	31.0	21.0	33.0	5.5	17.0	1.0	12.0	1,000
MI	28.6	3.0	18.0	6.0	25.7	19.0	20.0	30.0	6.1	22.0	1.6	20.0	3,500
MN	15.3	3.5	35.3	19.0	37.7	37.0	8.2	16.0	2.9	16.0	0.6	8.5	8,500
MO	43.6	2.7	19.0	16.0	23.1	31.0	13.1	38.0	1.1	8.5	0.1	3.8	3,900
NM	68.0	0.1	---	---	1.0	0.1	2.0	0.4	3.0	1.4	26.0	98.0	500
NY	17.7	1.5	19.0	7.5	38.0	25.0	17.7	29.0	6.1	21.0	1.5	16.0	7,900
NC	49.5	0.4	4.2	1.6	18.9	17.0	17.9	33.0	7.9	30.0	1.6	18.0	950
OH	47.3	6.5	15.8	12.0	23.6	31.0	10.9	31.0	2.1	14.0	0.3	5.5	5,500
OK	63.2	2.0	7.4	5.0	14.7	20.0	11.6	30.0	2.6	15.0	0.5	28.0	1,900
OR	47.1	0.4	3.5	1.0	10.6	5.6	21.2	19.0	12.9	32.0	4.7	42.0	850
PA	18.7	3.0	35.5	23.0	34.6	37.0	8.6	22.0	2.4	12.0	0.2	3.0	10,700
SD	43.7	3.0	15.6	8.0	24.4	23.0	12.5	27.0	2.5	13.0	1.3	26.0	1,600
TN	43.8	1.5	9.4	4.5	25.0	28.0	15.9	36.0	5.3	22.0	0.6	8.0	1,600
TX	44.0	0.4	5.6	1.0	13.2	5.6	16.0	15.0	14.4	31.0	6.8	47.0	2,500
UT	36.1	0.6	6.6	1.7	18.1	9.7	21.7	24.0	13.3	33.0	4.2	31.0	830
VT	7.6	0.3	16.5	6.7	48.2	28.0	18.2	26.0	7.7	23.0	1.8	16.0	1,700
VA	35.0	3.0	8.8	3.5	28.1	25.0	20.0	35.0	7.5	27.0	0.6	6.5	1,600
WA	32.7	0.1	3.7	0.3	10.9	2.6	19.1	10.0	20.9	29.0	12.7	58.0	1,100
WI	18.6	3.0	28.6	16.0	39.5	37.0	9.5	19.0	3.1	16.0	0.7	9.0	21,000
OTHER STS	44.6	1.5	11.9	5.5	23.8	23.0	13.9	29.5	4.9	22.5	0.9	18.0	10,080
U.S.	30.9	1.8	20.4	7.7	29.2	19.4	12.0	17.3	5.0	18.0	2.5	35.8	107,250

^{1/} An operation is any place having one or more head of milk cows on hand at any time during the year. Percent of operations was computed by the Agricultural Marketing Service; in some cases, percents have been adjusted to sum to 100. Information reflects average distributions of various probability surveys conducted during the year but are based primarily on beginning-of-year and mid-year surveys.

SOURCE: "Milk Production," Da 1-1 (2-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

EDITOR'S NOTE: This table can be interpreted as follows: Farms with 1-29 milk cows in California account for 12.0 percent of all operations with milk cows in California and 0.1 percent of total milk production in California. Also, for most states, the 1-29 Head size group likely contains many operations that are not commercial dairy farms.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, JANUARY

HIGHLIGHTS -- Handler reports of receipts and utilization under the Federal milk order system for January have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During January, about 10.0 billion pounds of milk were received from producers. This volume of milk is 2.4 percent lower than the adjusted January 2000 volume. About 4.0 billion pounds of producer milk were used in Class I products, 1.1 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilizations were; Class I = 40%, Class II = 9%, Class III = 44%, and Class IV = 7%. The weighted average statistical uniform price was \$12.86 per cwt., \$0.31 higher than last month, and \$1.19 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF JANUARY 2001										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{3/}
		TOTAL	CHANGE FROM PREV. YEAR ^{2/}	TOTAL	CHANGE FROM PREV. YEAR ^{2/}	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,050.7	-4.4	888.3	-1.9	43	16	31	10	13.78
Appalachian (Charlotte)	005	554.7	9.6	378.2	-2.0	68	12	10	10	15.00
Southeast (Atlanta)	007	654.2	-3.8	423.5	-0.6	65	11	15	9	14.73
Florida (Tampa)	006	259.0	1.4	232.9	3.6	90	6	2	2	16.75
Mideast (Cleveland)	033 ^{4/}	1,385.2	23.3	588.1	0.7	42	12	42	4	12.54
Upper Midwest (Chicago)	030 ^{4/}	1,728.7	-28.9	344.4	-2.0	20	2	77	1	11.02
Central (Kansas City)	032 ^{4/}	1,410.9	27.9	434.8	5.6	31	6	60	3	11.85
Southwest (Dallas)	126 ^{4/}	748.0	-7.1	357.7	5.4	48	7	39	6	13.62
Arizona-Las Vegas (Phoenix)	131	264.2	-1.8	83.7	5.9	32	4	39	25	12.37
Western (Salt Lake City)	135 ^{4/}	327.5	1.5	88.5	5.5	27	9	63	1	11.70
Pacific Northwest (Seattle)	124	601.1	3.4	187.7	8.0	31	6	34	29	12.34
ALL MARKET AVERAGE OR TOTAL		9,984.2	-2.4	4,007.9	1.1	40	9	44	7	12.86

^{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 19 - 23, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	PERIOD ENDING 02/16/01	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	79,200	-0-	79,200	3,841,200	-0-	-0-	-0-
TOTAL	79,200	-0-	79,200	10,916,559	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	6,625,815	1,243,009	5,382,806	184,585,805	124,846,826	420,045,000	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-
TOTAL	6,625,815	1,243,009	5,382,806	211,452,874	130,160,173	457,384,000	-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 19 - 23, 2001 =	1.9	63.4	COMPARABLE WEEK IN 2000 =	1.9	99.0
CUMULATIVE SINCE OCTOBER 1, 2000 =	147.3	2,569.4	CUMULATIVE SAME PERIOD LAST YEAR =	28.6	1,515.1
CUMULATIVE JANUARY 1 - FEBRUARY 23, 2001 =	30.7	1,086.8	COMPARABLE CALENDAR YEAR 2000 =	17.4	921.9

* 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 19 - 23, 2001 (POUNDS)

REGION	BUTTER		CHEESE			NONFAT DRY MILK		
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	79,200	257,937	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	5,124,869	-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-	5,837,040	-0-	2,847,261	10,719,571	37.0	8.2
WEST	-0-	-0-	5,039,919	-0-	208,605,613	119,352,418	62.7	91.7
EAST	-0-	-0-	39,600	-0-	-0-	88,184	0.3	0.1
TOTAL	-0-	-0-	10,916,559	-0-	211,452,874	130,160,173	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# Barrel \$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 02/03/01 & Comparable Week 2000

Regions*	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10				
2001-Dairy cows HD (000)	0.2	0.9	6.1	5.3	23.5	3.2	1.9	0.8	12.0	3.0	57.0	293.4	50.7	50.0
2000-Dairy cows HD (000)	0.3	1.0	6.4	5.1	19.6	2.5	1.2	0.7	12.0	3.4	51.9	270.5	50.6	49.2
2001-All cows HD (000)	0.2	0.9	8.3	15.4	32.7	14.2	16.0	5.1	13.5	6.2	112.5	587.2		
2000-All cows HD (000)	0.3	1.2	9.2	13.1	28.4	10.9	14.1	4.6	13.5	7.3	102.5	549.4		

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
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Class I 1/	13.99	11.94	12.65									
Class II	12.82											
Class III	9.99											
Class IV	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