

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/6):**

**BUTTER:** Grade AA closed at \$1.6900. The weekly average for Grade AA is \$1.6833 (+.0141).

**CHEESE:** Barrels closed at \$1.3250 and blocks at \$1.3650. The weekly average for barrels is \$1.3200 (+.0260) and blocks, \$1.3605 (+.0175).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** Butter markets remain firm, although the CME cash price declined slightly early in the week, but firmed at weeks end. Producers and handlers continue to report butter stocks to be lighter than desired for this time of the year. Production levels are lower and butter seems to be held with more confidence. Excess cream offerings during the week were lighter. Butter demand was lower this week as most Easter/Passover orders have been placed and shipped. Some last minute fill-in orders are expected to occur, but for the most part, the holiday business has ended. More producers and handlers are commenting that they are planning to put more butter away in the coming months for needs later in the year.

**CHEESE:** The cheese market is fully steady. The supply of uncommitted cheese is surprisingly limited this close to entering the annual peak production period. More plants are reportedly committed for extended periods. Some buyers are still seeking to accumulate inventory for use later in the year. Cheese production continues to lag year ago levels. For the first 2 months of 2001 compared to the same months, and adjusted to the same number of days in 2000, cumulative cheddar cheese production totals 443.4 million pounds, down 42.0 million pounds (-8.6%); and total cheese 1.301 billion pounds, off 31.2 million pounds (-2.3%).

**FLUID MILK:** Milk production is near peak levels in Florida and showing increases through most of the rest of the country with the possible exception of part of the Northeast. Manufacturing milk volumes remain lighter than desired through the Northeast and Midwest as milk receipts generally lag year ago levels. Plants are filling last minute orders of holiday items such as sour cream and dips. Ice cream, churning, and heavy cream production remain seasonally active. Western sources report that because utilities are buying back electricity from farmers in Washington, Oregon, and Idaho over 300,000 acres in the area may go out of crop production this growing season and could impact feed prices and availability.

**DRY PRODUCTS:** The powder markets are steady to firm. NDM prices are steady to occasionally higher. Some milk is being diverted to cheese production in the West, reducing NDM output. All NDM allocations under DEIP have been filled for the GATT year ending June 30. Sales of surplus NDM to CCC continue. Buttermilk prices are firm and supplies light. More buttermilk is being sold as condensed rather than dried. Some producers are holding onto current dry buttermilk supplies in anticipation of higher prices in the future. Export interest in whey, WPC and lactose is increasing as some buyers look to source product elsewhere due to foot and mouth disease concerns in the EU. Whey supplies are tighter in the West and East and in balance in the Midwest. Domestic interest is also improved. The WPC market is firm with prices higher with producer sales light. Lactose prices are being finalized for second quarter contracts and domestic sales into candy and infant formula are good.

**CCC:** During the week of April 2 - 6, CCC net purchases totaled 3,577,679 pounds of nonfortified Western NDM. This is the smallest weekly net NDM purchase since December 1999.

**FMD UPDATE:** The foot and mouth disease (FMD) situation in the EU and other areas of the world continues to hinder dairy product movement. Although the FMD virus has not been confirmed in dairy products, buyers remain cautious and governments of importing countries remain on alert. Many countries are imposing protective measures for dairy products from countries afflicted by FMD or are at risk from it. The protective measures are being imposed for dairy products unless these products are processed and/or certified appropriately against the virus.

**MARCH AGRICULTURAL PRICES HIGHLIGHTS (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2001 was unchanged at 124. Compared with March 2000, the index is up 5 points (4.2%). The index of prices received by farmers for dairy products advanced 4 points during the month of March 2001 to 104. Compared with March 2000, the index was up 13 points (14.3%). Prices received by farmers in March with changes from February were: for All Milk, \$13.60, up \$.60; Fluid Grade Milk, \$13.70, up \$.60; and Manufacturing Grade Milk, \$11.80, up \$.70.

**FEBRUARY 2001 DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 115.2 million pounds in February, 11.6% below February 2000 (unadjusted for Leap Year) and 11.0% below January 2001. American type cheese production totaled 277.5 million pounds, 8.2% below February and 7.8% below January. Total cheese output (excluding cottage cheese) was 636.6 million pounds, 1.4% below February and 7.3% below January. Nonfat dry milk production, for human food, totaled 114.2 million pounds, 14.2% below February and 2.1% below January.

**DAIRY SITUATION AND OUTLOOK (ERS):** Low farm milk prices and forage quality problems have brought the once-mighty expansion in milk production to at least a temporary halt. Milk per cow is projected to move back above a year earlier this spring. However, increases are expected to be relatively small until late 2001, and declines might be more persistent than expected. For all of the year, milk per cow is expected to grow only about 1%. Milk cow numbers are projected to decline steadily during 2001. By yearend, cow numbers are expected to be more than 1% below a year earlier. For the year, milk cows on farms are expected to decrease almost 1%. Milk output is projected to fall slightly this winter, run very close to a year earlier in spring and summer, and post a small increase next autumn. Growth in dairy demand in 2001 may not match the exuberant pace of recent years, as the economic expansion is beginning to show some ragged edges after a long steady run. Values of milk for manufacturing are expected to be stronger than a year earlier, particularly for cheese milk. The value of milk for butter-powder probably will continue to exceed cheese values, although the gap is projected to be slightly narrower this year. However, second-half seasonal Class III price increases might be considerably larger than expected if milk production does not recover or if demand growth stays strong. Average milk prices received by farmers in 2001 are projected to rise about \$1 per cwt from 2000's \$12.34. Retail prices of dairy products are projected to rise 1 to 3% this year, following a fractional increase in 2000.

## \*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

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**NOTICE: THE CME WILL BE CLOSED ON FRIDAY, APRIL 13TH****CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

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

PRODUCT	MONDAY APRIL 2	TUESDAY APRIL 3	WEDNESDAY APRIL 4	THURSDAY APRIL 5	FRIDAY APRIL 6	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3100 (N.C.)	\$1.3200 (+.0100)	\$1.3225 (+.0025)	\$1.3225 (N.C.)	\$1.3250 (+.0025)	+.0150	\$1.3200 (+.0260)
40# BLOCKS	\$1.3550 (N.C.)	\$1.3600 (+.0050)	\$1.3600 (N.C.)	\$1.3625 (+.0025)	\$1.3650 (+.0025)	+.0100	\$1.3605 (+.0175)
BUTTER GRADE AA	\$1.6800 (-.0125)	-----	\$1.6800 (N.C.)	-----	\$1.6900 (+.0100)	-.0025	\$1.6833 (+.0141)

\*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, APRIL 2, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3100; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.3650  
 BUTTER — SALES: 1 CAR GRADE AA @ \$1.6800; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.6700; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.6850, 1 @ \$1.6925

TUESDAY, APRIL 3, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.3200, 1 @ \$1.3100; 1 CAR 40# BLOCKS @ \$1.3600; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 4, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3225; 2 CARS 40# BLOCKS @ \$1.3600; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 3 CARS GRADE AA @ \$1.6825; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.6700; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.6800, 1 @ \$1.6900

THURSDAY, APRIL 5, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.3625, 1 @ \$1.3600; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 6, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.3250, 1 @ \$1.3225; 2 CARS 40# BLOCKS: 1 @ \$1.3650, 1 @ \$1.3625; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: NONE; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ \$1.6900, 1 @ \$1.6825, 2 @ \$1.6800, 1 @ \$1.6750, 2 @ \$1.5500; OFFERS UNCOVERED: NONE

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

BUTTER MARKETS

FEBRUARY BUTTER PRODUCTION

During February 2001, butter production in the United States totaled 115.2 million pounds, 11.6% less than February 2000 (unadjusted for the additional day in 2000) and 11.0% lower than January 2001. The following are percentage changes from February 2000 for various states: CA -8.8%, NY -22.0%, PA -37.5%, WA -3.4%, and WI -5.3%.

NORTHEAST

The market tone remains unsettled, but mostly firm. The butter price at the CME cash market fell slightly during Monday's (4/2) trading. This is the first price decline since a fractional drop on February 26. The price decline may be just an adjustment or it may be that Easter/Passover needs have been shipped and demand is, at least temporarily, easing. Production levels are light and butter seems to be held with more confidence. Contracts are being filled, but new customers' inquiries seem to go unsatisfied. Most producers and distributors feel that they will need to carry quite a bit of butter into the summer. With cream and milk supplies expected to be tight this summer, butter makers and users are trying to position themselves as best they can for anticipated summer needs. Despite the improving demand, producers are not raising prices, mostly due to the fact that they are not making very many spot sales. Retail demand is about steady, but higher prices are having more of an impact on consumption. Food service orders are good, but Easter weekend needs have generally been ordered and shipped. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 - 7.0 cents over the CME price/average.

CENTRAL

The market tone remains firm and the cash price at the CME is over 50 cents higher than last year at this time. Churning schedules are seasonally active with many producers indicating that they would be churning heavier if cream availability and prices would be more favorable. Cream supplies are sufficient to maintain

steady production schedules at most plants, but additional offerings would be welcomed. Offerings of additional cream in past weeks from Eastern areas have slowed this week. These cream supplies are either being absorbed within the East or are not even available. Stocks of butter in the Midwest are sufficient for current needs. Demand has slowed now that most Easter/Passover orders have been placed and shipped. Producers and handlers anticipate some last minute fill-in orders, but do not foresee any problems with filling those needs. Although cash prices are higher than desired, producers and handlers are inventorying surplus butter stocks for use later this summer and fall. When available for spot sale, butter is being offered in a price range of 3 - 5 cents per pound over various pricing bases.

WEST

The CME butter market declined (-\$.0125) on April 2 for the first drop since February 26 (-\$.0025) and had the biggest decline since February 2 (-\$.0475). There is some unsettledness to the market on the price side for the near term, but longer term towards the fall, there still is optimism. Prices on the CME futures markets were lower for later months, but appear to be more reflective of the current cash markets. Demand remains good for bulk butter. Sales of prints are reported to be steady and most holiday needs have been placed. Food service orders are strong ahead of the holiday needs and a busy "eating out" day on Easter. Butter production is mixed and often being balanced based on the sale of cream. Returns from cream sales remain good. Western butter production in February was 11.0% below a year ago, unadjusted for leap day in 2000. Several producers are commenting that they are planning to put more butter away in the coming months for needs later in the year. Weekly CME butter stocks decline 405,000 pounds last week, the first decline this year, to 53.6 million pounds. This compares to 66.5 million pounds the same week a year ago. 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			
MARCH 31	1,2961 6,324,285	1,2852 9,104,748	1,0135 22,461,702	1,6123 3,779,379	0,2389 11,640,738

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 higher again this week and the market tone remains steady despite the price increases. Prices at the CME were unchanged for four of the five trading sessions last week. Cheese production in the East is steady and surplus milk volumes remain lighter than desired. Most producers are not operating daily. Cheese stocks are fully adequate to cover current needs. Demand for cheddar is holding about steady while mozzarella orders continue to be quite good. Process cheese demand is fair to good at retail, good for food service when most fast food chains are featuring burgers/sandwiches having cheese on them. With Easter and Passover fast approaching, retail sales of cheese are reported as fairly good.

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

Cheddar 10# Prints	:	1.3875-1.8575
Cheddar Single Daisies	:	1.3450-1.8050
Cheddar 40# Block	:	1.4825-1.6650
Process 5# Loaf	:	1.5050-1.6775
Process 5# Sliced	:	1.5250-1.7800
Muenster	:	1.5475-1.7550
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is fully steady. Some traders are concerned that if cash prices at the Chicago Mercantile Exchange continue to increase, prices are more likely to retreat during the spring peak production period. Current sales and production are surprisingly close to in balance. More buyers are becoming aware that cheese supplies could be considerably tighter by fall. Extra cheese, including barrels, is being stored for use later in the year. Food service promotions on process and specialty process such as pepper jack are stimulating some extra sales. Mozzarella remains tight, as are current barrels. Cheese production in the upper Midwest continues to lag year ago levels due to lower milk receipts. February total cheese production in selected states compared to February 2000 (unadjusted for Leap Year) are: Wisconsin 165.18 million pounds, down 8.45 million pounds (-4.9%); Minnesota 53.16 million pounds, off 4.50 million pounds (-7.8%); Iowa 21.77 million pounds, down 22,000 pounds (-0.1%); and South Dakota 10.27 million pounds, down 1.15 million pounds (-10.1%).

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

Process American 5# Loaf	:	1.5150-1.6500
Brick And/Or Muenster 5#	:	1.6200-1.9375
Cheddar 40# Block	:	1.6200-2.1150
Monterey Jack 10#	:	1.8200-2.1150
Blue 5#	:	2.0825-2.2500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6400-2.2150
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	:	APRIL 2 - 6, 2001
BARRELS*	:	\$1.2950 - 1.3325 (NOMINAL)
	:	(\$ .0225) (.0275)
40# BLOCKS	:	\$1.3425 - 1.3800 (NOMINAL)
	:	(\$ .0150) (.0100)

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

Based on the historical relationship of the preliminary U.S. Cold Storage report of Feb. 28, and the selected centers storage report, the expected U.S. holdings as of Apr. 1, are:

Butter 86 million pounds plus or minus 0.88 percent  
Cheese 472 million pounds plus or minus 0.76 percent

**WEST**

Process and natural prices are higher following higher weekly trading levels at the CME. Demand for barrels and undergrades remains strong from process cheese manufacturers. Swiss demand remains quite good and there are offerings of off-grade Swiss. Current block interest is mixed with some suppliers seeing buyers back off following recent orders into holiday channels. Others are seeing good orders continuing at levels above a year ago. Mozzarella sales continue to be good. Competition for milk is active in the region and more milk is entering cheese plants. (The following comparisons are unadjusted for the extra leap year day in February 2000.) U.S. Swiss cheese production during February totaled 18.0 million pounds, up 2.9% from last year. American cheese production was 277.5 million pounds, down 8.2% from February 2000. American output compared to last year in selected Western states is as follows: California up 8.2%, Idaho down 12.8%, Oregon up 1.3%, Utah down 31.9%, and Washington up 1.3%. Total cheese production in the West was 2.3% higher than February 2000.

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

Process 5# Loaf	:	1.4450-1.7050
Cheddar 40# Block	:	1.4650-1.6050
Cheddar 10# Cuts	:	1.6450-1.8650
Monterey Jack 10#	:	1.6550-1.8150
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

**FOREIGN**

Prices are higher on domestic styles while reported as unchanged on imported. There is still concern/confusion regarding government rules about purchasing and importing some cheese types from the EU. Also, there is growing concern about the availability of cheese from some countries where cows have been destroyed due to FMD. It could be quite some time before cow numbers and milk production return to normal for the most-affected countries. Demand for foreign-type cheese is fair as demand generally improves slightly during the Easter/Passover holidays.

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

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.6900-3.1850*
Gorgonzola	:	3.2400-5.9400	: 2.2400-2.4900*
Parmesan (Italy)	:	TFEWR	: 3.1050-3.1300*
Romano (Italy)	:	2.1000-2.5400	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.6975-1.9650*
Romano (Cows Milk)	:	-0-	: 2.8800-5.0600*
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
04/02/01	22,050	:	121,708
03/01/01	21,328	:	131,168
CHANGE	722	:	-9,460
% CHANGE	3	:	-7

## 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	145	0	105	0	124
SOUTHEAST STATES	0	0	0	0	0	0

The following are the March 2001 Class and component prices under the Federal Milk Order pricing system: Class II \$14.17 (up \$.74 from February), Class III \$11.42 (up \$1.15); and Class IV \$13.46 (up \$.76). Product price averages used in computing Class prices are: butter \$1.4942, NDM \$1.0127, cheese \$1.2737, and dry whey \$.2406. The Class II butterfat price is \$1.6890 and the Class III/IV butterfat price is \$1.6820. Milk production may be at the peak in Florida and some other Gulf Coast states as contacts report current plant receipts as steady. Milk output is increasing in the Mid-south and Middle Atlantic areas and is mostly steady in the Northeast. Despite the increasing output, milk supplies are still reported as tight in the Northeast. They are more than sufficient to cover bottled milk sales, but volumes available to manufacturing plants are lighter than desired. Surplus milk volumes are moderate in the Southeast where milk is still being shipped out of Florida. Most of the "Snowbirds" have left and bottled milk sales have dropped. This, coupled with the near peak production, is forcing handlers to export milk to nearby states for processing. The condensed skim market continues to firm. Suppliers are reporting continued good demand and little drying is occurring in the East. Prices for wet solids are unchanged, but there are few spot sales being reported. Most suppliers having some difficulty filling contracts and there is little left for the spot market. The fluid cream market is firm. Suppliers are tighter than noted last week and some suppliers had to purchase extra loads to supplement their normal source of supply. Spot prices are higher as last week's CME butter average jumped more than 5.5 cents from the previous week. Demand for fluid cream is good, but fewer spot sales are being reported. Bottled cream and aerosol whipped cream production is quite heavy as producers are putting up inventories ahead of both higher prices and berry-season demand. Ice cream production is increasing along seasonal patterns, but the high price of butterfat is making some producers look at making other, lower-fat products to help reduce fat costs. Most ice cream producers are anticipating much higher fat costs this summer. Soft serve mix sales are also picking up as the weather starts to improve. Cream cheese maker are taking contract volumes, but spot purchases are not as brisk as they were a month or two ago. Churning activity is light to moderate.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.1365-2.3035
DELIVERED EQUIVALENT ATLANTA	-	2.1366-2.3035 M 2.1700-2.2367
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.1366-2.2868

## 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	- .8600-.9600

## M I D W E S T

A freak accident occurred when an airplane hit, partially burned, and disrupted a bottling plant on Monday (4/2) afternoon near Green Bay, WI. The plant was closed for over a day for inspection and initial repairs. At least partial production resumed on Wednesday. Manufacturing milk demand is spotty, but affected by the accident early in the week as milk was rerouted to other customers. Manufacturing milk demand is still good for the limited supplies. Spot manufacturing milk prices reported ranged from \$1.50 to 2.00 over class delivered.

Class I demand is about steady to slightly lower, depending on locations with or without spring breaks and early month retail promotional activity. Production of holiday items is active, with deliveries were working through distribution channels by midweek. Milk supplies remain unseasonably tight through much of the upper tier of states, reducing manufacturing schedules below desired levels at many plants. Condensed skim prices are higher in the new month, ranging from \$1.07 - 1.15 with Class III still below \$1.00. Some extra Class III condensed skim demand was noted from Eastern buyers to operations on the eastern part of the region. Cream demand is seasonally strong as demand, including ice cream, builds seasonally and supplies tighten. Cream prices continue to increase. Current plant milk receipts are generally just slightly higher. Further south within the region, increases in milk receipts are more pronounced. Warmer temperatures are starting to build in the region. However, snowfall, enough to cover the ground, blanketed the ground in some areas. Fieldwork in the upper tier of states hasn't started due to wet, cool conditions. Lawns and pastures have been slow to green due to cool temperatures and the lack of April showers.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAR 29 - APR 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 44.00	\$ 37.00- 42.00
REPLACEMENT HEIFER CALVES	\$320.00-400.00	\$260.00-350.00

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

	MAR 29 - APR 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.50- 50.50	\$ 35.00- 45.25

## W E S T

The March 4a price (butter/powder) in California is \$13.31, up 75 cents from February and \$2.26 higher than last year. This compares to the Federal Order Class IV price for March at \$13.46. The March 4b price (cheese) is \$11.34, up \$1.29 from February and \$2.00 higher than last year. This compares to the Federal Order Class III price for March at \$11.42. Production patterns in the Southwest continue to be favorable for milk production. Milk output is trending towards seasonal peaks in Southern California, but there is debate as to what level and when the peak will be. Milk supplies are being handled efficiently within normal marketing channels. There is more competition for milk noted, especially from cheese producers. Haying is moving further north in the state and conditions are favorable for drying. Heifer and replacement cow prices remain high. New Mexico milk production continues to trend higher seasonally. Conditions remain good for milk cows. Feedlots are in good shape and feed is available and favorably priced. Western cream prices are starting to level off, reflecting the steadying of the butter price at the CME. Demand for cream is still good and more cream is moving to ice cream production. Butter churning remains active. Multiples continue in the 115 to 133 range FOB West. Milk production continues to trend higher in the Pacific Northwest. Rainfall was occurring in the region. While welcomed, this will not solve the long-term affects of the drought conditions. Contacts are talking about the impacts of utilities buying back electricity from farmers. Across Washington, Oregon and Idaho, over 300,000 acres could be out of production. The return per acre could be in the \$400 to \$450 range. Farmers would see better returns than producing on these acres. The cropping impact would reach the dairies, but the impact on feed prices is a big concern. Cow and heifer prices remain high. There is high competition for the number being offered. More low-end cows are being culled to take advantage of higher cull prices. In the Mountain States milk production is still reaching towards seasonal peak levels. Like other areas in the West, producers do not expect to see the pronounced peaks of past years.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/05/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK – CENTRAL**

Prices are unchanged to higher on a steady to firm market. Milk production is steady to slightly higher, increasing production of high and low heat at some plants. Demand on low heat is fair to good. Inquiries from brokers and Class II users are increasing. Inventories are generally in balance with some shortages noted in the Grade A market. Producers are resistant to forward contract as prices are anticipated to increase. High heat demand continues strong at prices 6 – 10 cents over the average. Standard supplies are tight and trading is light. Unadjusted production of human food, nonfat dry milk during February 2001 totaled 114.2 million pounds, down 14.2% from February 2000 and 2.1% below January 2001. Month ending stocks, at 145.5 million pounds, are 16.1% below a year ago but unchanged from January 2001.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0250 - 1.0600 MOSTLY: 1.0250 - 1.0350

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher on a firm market. Trading remains light and supplies are scant. Tight milk supplies are reducing cream availability and subsequent butter and buttermilk output. Supplies of buttermilk produced are generally clearing in the condensed form, alleviating expensive dryer costs and deterring dry buttermilk production. Some plants are opting not to sell extra loads in anticipation of higher prices. Off grade product is available for the good demand. Unadjusted dry buttermilk production during February 2001 totaled 4.6 million pounds, down 15.1% from February 2000 and 14.5% lower than January 2001. Month ending stocks, at 7.0 million pounds, are 24.0% below last year but 6.6% above last month.

BUTTERMILK: 1.0250 - 1.0825

**DRY WHEY - CENTRAL**

Prices are unchanged to higher on a mostly steady market. While trading activity is improved over last week, product is generally clearing around the average. Domestic demand is fair with some contracted buyers adding on additional loads with ease. Export inquiries are increasing. Producers indicate that export sales are good, partly due to FMD problems in the EU. However, producers are cautious of the implications of this short-term windfall and thereby hesitant to indicate price trends in the months to come. Production is generally steady and inventories are in balance. Unadjusted production of human food, dry whey during February 2001 totaled 84.9 million pounds, 11.2% less than February 2000 and 5.3% below January 2001. Month ending stocks, at 34.7 million pounds, are 13.9% below a year ago and 6.3% less than January 2001.

NONHYGROSCOPIC: .2325 - .2500 MOSTLY: .2400 - .2450

**ANIMAL FEED WHEY – CENTRAL**

Prices are mostly unchanged to higher on a steady market. Export inquiries are increasing on animal feed items. Milk replacer offers are trending as high as 1/4 under the Extra Grade average but sales trend within the reported range. Most feed buyers are comfortable with their stocks. Roller ground movement is generally unchanged. Inventories are in better balance than in many months past. Delactose supplies are tight with most trade occurring on regular contracted shipments. U.S. inventory of all hogs and pigs on March 1, 2001, was 58.8 million head, 2% above March 2000, but 1% below December 1, 2000. Unadjusted production of animal feed dry whey during February 2001 totaled 5.3 million pounds, 25.5% lower than a year ago and 6.0% less than January 2001. Month ending stocks, at 5.6 million pounds, are 20.9% below a year ago and 3.8% lower than last month.

MILK REPLACER: .1850 - .2300

ROLLER GROUND: .2275 - .2575

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

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Second quarter contracts continue to be finalized. Higher prices are not deterring inquiries from export markets with some firms offering higher. Some EU companies are looking to gain relations with US firms in case EU supplies diminish due to the FMD outbreak. Asian demand is increasing as buyers attempt to divert purchases away from EU countries. New Zealand is short of supplies, seeking additional product on export markets. Domestic movement is good into candy and infant formula operations. Permeate supplies are tight, hampering production in some areas. Demand for 200 mesh is strong with some producers looking to other suppliers for extra product. Unadjusted lactose production during February 2001 totaled 43.2 million pounds, up 9.5% from February 2000 but 6.2% below January 2001. Month ending stocks, at 27.4 million pounds, are 23.8% higher than a year ago but 12.0% below last month. Production totals for selected regions with changes from 2000 include: East North Central, 9.0 million pounds, +3.5%; West North Central, 14.2 million pounds, -5.0%; West, 19.1 million pounds, +26.8%.

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

EDIBLE: .1675 - .2150 MOSTLY: .1675 - .1875

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a steady to firm market. Direct manufacturer sales are light yet improved over the week prior. Some product is being moved to the EU to satisfy infant formula demands. Asian buyers are seeking additional loads to regular shipments. Domestic movement is mostly steady. Some feed buyers are cutting back on their intake while others are increasing intakes and looking for spot loads. Australian and New Zealand feed grade 80% WPC is being offered at prices below the range on per pound equivalent basis. Excess supplies from end users are no longer being offered while resellers trade at the high end of the range. Condensed supplies vary yet appear readily available to feed and high protein facilities. Unadjusted production of human food WPC during February 2001 totaled 23.0 million pounds, down 18.5% from February 2000 and 11.2% below January 2001. Manufacturers end-of-month stocks totaled 8.8 million pounds, 42.1% lower than a year ago and 8.8% below last month. Production totals for selected states with changes from 2000 include: California, 7.3 million pounds, -6.8%; Minnesota, 4.1 million pounds, -11.0%; and Wisconsin, 3.1 million pounds, -23.9%.

EXTRA GRADE 34% PROTEIN: .7900 - .8400 MOSTLY: .7900 - .8000

**NONFAT DRY MILK - WEST**

Prices for low/medium heat NDM are unchanged. The market tone is mostly steady with some firmness noted. Clearances to the CCC under the support program were lighter this week with less than 2 million pounds shipped during the first three days. All allocations under the DEIP program year have now been committed. Production is noted to be strong, but lower where more milk is moving towards cheese. There remains capacity in the region. During the week of March 26 - 30, CCC net purchases totaled 11.8 million pounds of Western NDM. (The following production comparisons are unadjusted for the extra leap year day in February 2000.) U.S. NDM production in February totaled 114.2 million pounds, down 14.2% from last year and down 2.1% from January. February production in California totaled 54.6 million pounds, down 9.3 from last year, and Washington output totaled 14.0 million pounds, up 0.9% from a year ago. U.S. stocks at the end of February were reported at 145.5 million pounds, down 16.1% from last year but unchanged from last month.

Includes EXTRA GRADE and GRADE A

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

HIGH HEAT: 1.0300 - 1.0700

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are mostly steady, but higher on the top end of the range. Offerings are generally tight, although some producers do have a few extra loads. Resale activity is limited. Production is mixed, but the sense is that output is lower. Stock levels are limited. (The following comparisons are unadjusted for the extra leap year day in February 2000.) U.S. dry buttermilk production in February totaled 4.6 million pounds, down 15.1% from last year and 14.5% lower than January. Stocks at the end of February were reported at 7.0 million pounds, down 24.0% from a year earlier but 6.6% above January.

BUTTERMILK: .9700 - 1.0400 MOSTLY: .9800 - .9900

**DRY WHEY - WEST**

Dry whey prices are slightly higher following increases last week. The market tone is trending firmer as supplies in the region are tight. Domestic and export demand are good and clearing current offerings. Some suppliers are behind on contract orders following recent production problems. Whey solids are higher seasonally, but not always being sold as powder. Stocks are held with confidence. During February, Western produced human whey production was 24.2% lower (unadjusted) than a year earlier.

NONHYGROSCOPIC: .2200 - .2600 MOSTLY: .2400 - .2550

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
March 30	\$1.0078	14,313,267
March 23	\$1.0054	13,878,590

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**

The prices are steady to lower as the basing point for most of the current sales fell nearly a quarter of a cent. Northeastern prices remain nominal. Few spot sales are being reported. Production levels are light in the East, moderate in the Southeast where more surplus milk is being processed. The continued good call for condensed skim is keeping Northeastern manufacturers' dryers relatively quiet. When operating, dryers are often making high heat NDM. There is a concern about the availability of both low heat and high heat powder this summer. Producers are already cautioning buyers that they may need to source powder from other regions. This is a potential problem for users that want/need plant-specific NDM. As of Monday, April 2, the NDM DEIP allocation (68,201 MT) has been filled. Production of human food, nonfat dry milk (unadjusted for leap year day) during February 2001 totaled 114.2 million pounds, down 14.2% from February 2000 and 2.1% below January 2001. Month ending stocks, at 145.5 million pounds, are 16.1% below a year ago but unchanged from a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0275 - 1.0825 MOSTLY: 1.0275 - 1.0600  
HIGH HEAT: 1.0550 - 1.1100 MOSTLY: 1.0550 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0525 - 1.1400

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged to higher and nominal. The market tone is steady to slightly firmer. The warmer weather is sparking increased ice cream production and the use of condensed buttermilk. Drying schedules are light and plant stocks are closely balanced. Demand is steady and generally contractual. Few spot sales have been reported. Dry buttermilk production (unadjusted for leap year day) during February 2001 totaled 4.6 million pounds, down 15.1% from February 2000 and 14.5% less than January 2001. Month ending stocks, at 7.0 million pounds, are 24.0% less than last year but 6.6% more than a month ago.

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

**DRY WHOLE MILK - NATIONAL**

The market is little changed and prices are higher following the dollar-plus increase in the Class III milk price and the recent gains in the butter price at the CME. Production levels are light. Spot demand is slow. Dry whole milk production (unadjusted for leap year day) during February 2001 totaled 4.6 million pounds, down 60.1% from February 2000 and 9.4% below January 2001. Month ending stocks, at 3.0 million pounds, are 57.0% below a year ago and 26.0% less than last month.

F.O.B. PRODUCING PLANT: 1.3000 - 1.4700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH MARCH 30, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 68,093 MT (150,117,827 LBS)  
CHANGE -- 6,657 MT (14,676,022 LBS)  
CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year 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 mostly steady and nominal. The market tone in the East is steady and firm. Few spot sales are reported. Most producers are having varying degrees of difficulty meeting contract shipping dates. Most are sold out through April and into May. After a couple weeks of increased inquiries, producers and traders report an easing of calls. This may be a result of no product being available and buyers taking a "why call if it isn't available" attitude. Production levels are light. Demand for condensed or liquid whey is also good. Production of human food, dry whey during February 2001 (unadjusted for leap year day) totaled 84.9 million pounds, 11.2% less than February 2000 and 5.3% below January 2001. Month ending stocks, at 34.7 million pounds, are 13.9% below last year and 6.3% less than a month ago. Production of animal feed, dry whey during February totaled 5.3 million pounds, 25.5% less than a year ago and 6.0% below last month.

F.O.B. NORTHEAST: EXTRA GRADE .2425 - .2550  
USPH GRADE A .2600 - .2675  
DELVD SOUTHEAST: .2725 - .2850

**EVAPORATED MILK - NATIONAL**

Prices are unchanged, but many producers are trying to increase prices. The higher prices for milk and the increasing cost of production are forcing producers to pass along some of these costs on to buyers. Demand is slow to fair, but the idea of higher prices does have some buyers taking a look at additional supplies before prices move much higher. Canned evaporated milk production during February 2001 (unadjusted for leap year day) totaled 29.7 million pounds, 0.3% less than February 2000 and 6.3% less than January 2001. Month ending stocks, at 43.3 million pounds, are 15.3% more than a year ago and 9.8% above last month.

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 generally higher. Stocks of rennet and acid continue to be reported as tight. Domestic buyers indicate that previously accumulated stocks of rennet are very low and arrival of new stocks are not as timely as projected, especially from Europe. Stocks arriving from the Oceania region are basically as scheduled. Acid supplies are in somewhat better shape, although lighter than desired. Buyers are very concerned about stock availability during the upcoming European milk production season. Some European suppliers are equally concerned about having sufficient casein stocks for potential customer needs, while others feel that they should be OK. The casein market situation is very unsettled for both buyers and sellers. Both sides state that current animal health issues in Europe will be a major concern during upcoming months.

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

RENNET: 2.4500 - 2.6500  
ACID: 2.4500 - 2.6500

MONTHLY SUMMARY AND AVERAGES FOR MARCH 2001 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:REPORT NUMBER 9	:REPORT NUMBER 10	:REPORT NUMBER 11	:REPORT NUMBER 12	:REPORT NUMBER 13	: 2001	: 2000
	:-----:-----:-----:-----:-----:					Average	Average
	: MAR 01 - 02	: MAR 05 - 09	: MAR 12 - 16	: MAR 19 - 23	: MAR 26 - 30	: or Total	: or Total

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrels	:: 1.2600 - 1.3000	:: 1.2600 - 1.2950	:: 1.2675 - 1.2925	:: 1.2675 - 1.2925	:: 1.2725 - 1.3050	:: 1.2814	: 1.0961
-- Cheddar 40# Blocks	:: 1.2900 - 1.3300	:: 1.2600 - 1.3375	:: 1.2800 - 1.3200	:: 1.3125 - 1.3500	:: 1.3275 - 1.3700	:: 1.3188	: 1.1218

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.4800 - 1.5600	:: 1.5050 - 1.5600	:: 1.4875 - 1.5600	:: 1.4900 - 1.5600	:: 1.4925 - 1.5600	:: 1.5263	: 1.3661
-- Brick And/Or Muenster 5#	:: 1.5300 - 1.8850	:: 1.5300 - 1.9125	:: 1.5300 - 1.8750	:: 1.5300 - 1.9075	:: 1.5300 - 1.9225	:: 1.7163	: 1.5513
-- Cheddar 40# Block	:: 1.5300 - 2.1150	:: 1.5300 - 2.1150	:: 1.5300 - 2.1150	:: 1.5300 - 2.1150	:: 1.5300 - 2.1150	:: 1.8225	: 1.7625
-- Monterey Jack 10#	:: 1.7300 - 2.1150	:: 1.7300 - 2.1150	:: 1.7300 - 2.1150	:: 1.7300 - 2.1150	:: 1.7300 - 2.1150	:: 1.9225	: 1.8525
-- Blue 5#	:: 2.0300 - 2.1600	:: 2.0575 - 2.1600	:: 2.0200 - 2.1600	:: 2.0525 - 2.1600	:: 2.0675 - 2.1600	:: 2.1038	: 1.9088
-- Mozzarella 5 - 6#	:: 1.5400 - 2.2150	:: 1.5400 - 2.2150	:: 1.5400 - 2.2150	:: 1.5400 - 2.2150	:: 1.5400 - 2.2150	:: 1.8775	: 1.8475
-- Grade A Swiss Cuts 6 - 9#	:: 2.0450 - 2.6850	:: 2.0450 - 2.6850	:: 2.0450 - 2.6850	:: 2.0450 - 2.6850	:: 2.0450 - 2.6850	:: 2.3650	: 2.3925

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.3350 - 1.8050	:: 1.3625 - 1.8325	:: 1.3250 - 1.7950	:: 1.3575 - 1.8275	:: 1.3725 - 1.8425	:: 1.5876	: 1.3726
-- Cheddar Single Daisies	:: 1.2925 - 1.7525	:: 1.3200 - 1.7800	:: 1.2825 - 1.7425	:: 1.3150 - 1.7750	:: 1.3300 - 1.7900	:: 1.5401	: 1.3376
-- Cheddar 40# Block	:: 1.4325 - 1.6125	:: 1.4600 - 1.6400	:: 1.4225 - 1.6025	:: 1.4525 - 1.6350	:: 1.4675 - 1.6500	:: 1.5395	: 1.3414
-- Process 5# Loaf	:: 1.4700 - 1.6425	:: 1.4950 - 1.6675	:: 1.4775 - 1.6500	:: 1.4800 - 1.6525	:: 1.4825 - 1.6550	:: 1.5688	: 1.3923
-- Process 5# Sliced	:: 1.4900 - 1.7450	:: 1.5150 - 1.7700	:: 1.4975 - 1.7525	:: 1.5000 - 1.7550	:: 1.5025 - 1.7575	:: 1.6300	: 1.4548
-- Muenster	:: 1.4950 - 1.7025	:: 1.5225 - 1.7300	:: 1.4850 - 1.6925	:: 1.5175 - 1.7250	:: 1.5325 - 1.7400	:: 1.6164	: 1.4614
-- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	: 2.4500

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.4125 - 1.6725	:: 1.4375 - 1.6975	:: 1.4200 - 1.6800	:: 1.4225 - 1.6825	:: 1.4225 - 1.6825	:: 1.5544	: 1.3796
-- Cheddar 40# Block	:: 1.4125 - 1.5525	:: 1.4400 - 1.5800	:: 1.4025 - 1.5425	:: 1.4350 - 1.5750	:: 1.4500 - 1.5900	:: 1.5001	: 1.3046
-- Cheddar 10# Cuts	:: 1.5925 - 1.8125	:: 1.6200 - 1.8400	:: 1.5825 - 1.8025	:: 1.6150 - 1.8350	:: 1.6300 - 1.8500	:: 1.7201	: 1.5246
-- Monterey Jack 10#	:: 1.6025 - 1.7175	:: 1.6300 - 1.7900	:: 1.5925 - 1.7525	:: 1.6250 - 1.7850	:: 1.6400 - 1.8000	:: 1.6981	: 1.5046
-- Grade A Swiss Cuts 6 - 9#	:: 2.3000 - 2.5100	:: 2.3000 - 2.5100	:: 2.3000 - 2.5100	:: 2.3000 - 2.5100	:: 2.3000 - 2.5100	:: 2.4050	: 2.2750

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 1.8329 - 1.9795	:: 1.8760 - 2.0261	:: 1.9264 - 2.1070	:: 1.9434 - 2.1256	:: 2.0650 - 2.2586	:: 2.0288	: 1.2970
-- Atlanta - divd. equiv.	:: 1.8329 - 1.9942	:: 1.8760 - 2.0411	:: 1.9264 - 2.1221	:: 1.9434 - 2.1408	:: 2.0650 - 2.2586	:: 2.0346	: 1.2725
-- Upper Midwest - f.o.b	:: 1.9062 - 1.9795	:: 1.9285 - 2.0261	:: 1.9339 - 2.0468	:: 1.9510 - 2.0497	:: 2.0731 - 2.1941	:: 2.0179	: 1.3099

PRICES OF CLASS II CONDENSED SKIM (\$ per lb. wet solids)

-- Northeast - f.o.b	:: 1.0900 - 1.1500	:: 1.0900 - 1.1500	:: 1.0900 - 1.1500	:: 1.0900 - 1.1500	:: 1.0900 - 1.1500	:: 1.1200	: 1.0504
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SPOT PRICES OF CLASS III CONDENSED SKIM (\$ per lb. wet solids)

-- Northeast - f.o.b	:: 0.8100 - 0.9600	:: 0.8600 - 0.9600	:: 0.8600 - 0.9600	:: 0.8600 - 0.9600	:: 0.8600 - 0.9600	:: 0.9077	: 0.9413
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NATIONAL EVAPORATED MILK (\$ per Case)

(Case = 48 - 12 fluid oz cans)

-- Delivered Major U.S. Cities	:::20.0000 -33.0000	:::20.0000 -33.0000	:::20.0000 -33.0000	:::20.0000 -33.0000	:::20.0000 -33.0000	:::20.0000 -33.0000	:::26.5000	: 27.0000
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MONTHLY SUMMARY AND AVERAGES FOR MARCH 2001 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 9 MAR 01 - 02	REPORT NUMBER 10 MAR 05 - 09	REPORT NUMBER 11 MAR 12 - 16	REPORT NUMBER 12 MAR 19 - 23	REPORT NUMBER 13 MAR 26 - 30	2001 Average or Total	2000 Average or Total
<b>DRY PRODUCTS</b>							
<b>NONFAT DRY MILK</b>							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 1.0025 - 1.0600	:: 1.0025 - 1.0600	:: 1.0025 - 1.0600	:: 1.0025 - 1.0600	:: 1.0025 - 1.0600	:: 1.0313	:: 1.0009
-- Mostly	:: 1.0225 - 1.0275	:: 1.0225 - 1.0275	:: 1.0225 - 1.0275	:: 1.0225 - 1.0275	:: 1.0225 - 1.0275	:: 1.0250	:: 1.0050
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.9950 - 1.0250	:: 0.9950 - 1.0250	:: 0.9950 - 1.0300	:: 0.9950 - 1.0300	:: 0.9950 - 1.0300	:: 1.0117	:: 1.0000
-- Mostly	:: 1.0025 - 1.0175	:: 1.0025 - 1.0175	:: 1.0025 - 1.0175	:: 1.0025 - 1.0175	:: 1.0025 - 1.0175	:: 1.0100	:: 1.0050
-- High Heat	:: 1.0300 - 1.0800	:: 1.0300 - 1.0800	:: 1.0300 - 1.0900	:: 1.0300 - 1.0700	:: 1.0300 - 1.0700	:: 1.0539	:: 1.0250
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 1.0300 - 1.0850	:: 1.0300 - 1.0800	:: 1.0300 - 1.0825	:: 1.0300 - 1.0825	:: 1.0300 - 1.0825	:: 1.0561	:: 1.0117
-- Mostly	:: 1.0300 - 1.0600	:: 1.0300 - 1.0600	:: 1.0300 - 1.0600	:: 1.0300 - 1.0600	:: 1.0300 - 1.0600	:: 1.0450	:: 1.0050
-- High Heat	:: 1.0575 - 1.1300	:: 1.0575 - 1.1200	:: 1.0575 - 1.1200	:: 1.0575 - 1.1200	:: 1.0575 - 1.1200	:: 1.0892	:: 1.0617
-- Mostly	:: 1.0600 - 1.1000	:: 1.0600 - 1.1000	:: 1.0600 - 1.1000	:: 1.0600 - 1.1000	:: 1.0600 - 1.1000	:: 1.0800	:: 1.0500
-- Southeast (Delvd)							
-- Extra & Grade A	:: 1.0525 - 1.1500	:: 1.0525 - 1.1400	:: 1.0525 - 1.1400	:: 1.0525 - 1.1400	:: 1.0525 - 1.1400	:: 1.0967	:: 1.0720
<b>WHEY POWDER (Nonhygroscopic)</b>							
-- Central (f.o.b.)	:: 0.2250 - 0.2500	:: 0.2250 - 0.2500	:: 0.2325 - 0.2500	:: 0.2325 - 0.2500	:: 0.2225 - 0.2500	:: 0.2389	:: 0.1772
-- Mostly	:: 0.2450 - 0.2500	:: 0.2400 - 0.2450	:: 0.2400 - 0.2450	:: 0.2400 - 0.2450	:: 0.2400 - 0.2450	:: 0.2430	:: 0.1750
-- West (f.o.b.)	:: 0.2200 - 0.2450	:: 0.2200 - 0.2575	:: 0.2200 - 0.2500	:: 0.2200 - 0.2500	:: 0.2200 - 0.2550	:: 0.2362	:: 0.1780
-- Mostly	:: 0.2250 - 0.2425	:: 0.2300 - 0.2425	:: 0.2350 - 0.2450	:: 0.2350 - 0.2450	:: 0.2400 - 0.2500	:: 0.2397	:: 0.1738
-- Northeast (F.O.B.)							
-- Extra Grade	:: 0.2575 - 0.2625	:: 0.2475 - 0.2600	:: 0.2425 - 0.2550	:: 0.2425 - 0.2550	:: 0.2425 - 0.2550	:: 0.2509	:: 0.1800
-- Northeast USPH - Grade A	:: 0.2650 - 0.2725	:: 0.2600 - 0.2675	:: 0.2600 - 0.2675	:: 0.2600 - 0.2675	:: 0.2600 - 0.2675	:: 0.2642	:: 0.1900
-- Southeast Extra Grade(Delvd)	:: 0.2800 - 0.3000	:: 0.2650 - 0.2850	:: 0.2725 - 0.2850	:: 0.2725 - 0.2850	:: 0.2725 - 0.2850	:: 0.2789	:: 0.2075
<b>WHEY PROTEIN CONCENTRATE</b>							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.7875 - 0.8200	:: 0.7875 - 0.8200	:: 0.7875 - 0.8200	:: 0.7875 - 0.8200	:: 0.7875 - 0.8200	:: 0.8038	:: 0.5179
-- Mostly	:: 0.7875 - 0.7925	:: 0.7875 - 0.7925	:: 0.7875 - 0.7925	:: 0.7875 - 0.7925	:: 0.7875 - 0.7925	:: 0.7900	:: 0.5173
<b>ANIMAL FEED - WHEY</b>							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.1800 - 0.2125	:: 0.1800 - 0.2050	:: 0.1800 - 0.2100	:: 0.1800 - 0.2100	:: 0.1800 - 0.2100	:: 0.1945	:: 0.1479
-- Roller Ground	:: 0.2350 - 0.2600	:: 0.2325 - 0.2575	:: 0.2275 - 0.2575	:: 0.2275 - 0.2575	:: 0.2275 - 0.2575	:: 0.2435*	:: 0.1713
-- Delactose	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4225	:: 0.2978
<b>BUTTERMILK (Min. 30% protein)</b>							
-- Central (f.o.b.)	:: 0.9600 - 1.0700	:: 0.9800 - 1.0700	:: 1.0000 - 1.0700	:: 1.0000 - 1.0700	:: 1.0250 - 1.0700	:: 1.0338	:: 0.6859
-- West (f.o.b.)	:: 0.9600 - 1.0300	:: 0.9600 - 1.0300	:: 0.9700 - 1.0300	:: 0.9700 - 1.0300	:: 0.9700 - 1.0300	:: 0.9984	:: 0.6320
-- Mostly	:: 0.9700 - 0.9900	:: 0.9700 - 0.9900	:: 0.9800 - 0.9900	:: 0.9800 - 0.9900	:: 0.9800 - 0.9900	:: 0.9834	:: 0.6267
-- Northeast (f.o.b.)	:: 0.9900 - 1.0100	:: 0.9900 - 1.0100	:: 0.9900 - 1.0100	:: 0.9900 - 1.0100	:: 0.9900 - 1.0100	:: 1.0000	:: 0.7122
-- Southeast (Delvd)	:: 1.0200 - 1.1000	:: 1.0200 - 1.1000	:: 1.0200 - 1.1000	:: 1.0200 - 1.1000	:: 1.0200 - 1.1000	:: 1.0600	:: 0.7157
<b>WHOLE MILK POWDER</b>							
-- National							
-- National (f.o.b.)	:: 1.2000 - 1.4400	:: 1.2750 - 1.3900	:: 1.2750 - 1.4125	:: 1.2750 - 1.4125	:: 1.2750 - 1.4200	:: 1.3399	:: 1.1600
<b>LACTOSE</b>							
-- Central And West (f.o.b.)	:: 0.1550 - 0.2150	:: 0.1550 - 0.2150	:: 0.1550 - 0.2150	:: 0.1550 - 0.2150	:: 0.1675 - 0.2150	:: 0.1864	:: 0.2155
-- Mostly	:: 0.1625 - 0.1725	:: 0.1625 - 0.1725	:: 0.1625 - 0.1725	:: 0.1625 - 0.1725	:: 0.1675 - 0.1875	:: 0.1698	:: 0.2000
<b>CASEIN - Edible - National (f.o.b.)</b>							
-- Nonrestricted - Rennet	:: 2.3500 - 2.5000	:: 2.3500 - 2.5000	:: 2.3500 - 2.5000	:: 2.3500 - 2.5000	:: 2.3500 - 2.5000	:: 2.4250	:: 2.0435
-- Nonrestricted - Acid	:: 2.4500 - 2.6000	:: 2.4500 - 2.6000	:: 2.4500 - 2.6000	:: 2.4500 - 2.6000	:: 2.4500 - 2.6000	:: 2.5250	:: 2.0533

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. \* CORRECTION - February's Roller Ground average should have been .2586.

## CHICAGO MERCANTILE EXCHANGE AVERAGES FOR MARCH 2001

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2001 *	2000 *	
	MAR 1 - 2	MAR 5 - 9	MAR 12 - 16	MAR 19 - 23	MAR 26 - 30	Monthly	Monthly	
							Average	Average
<b>BUTTER*</b>								
-- GRADE AA								
--Monday		1.5050	1.5050	1.5650	1.6450			
--Tuesday								
--Wednesday		1.5050	1.5200	1.6300	1.6700			
--Thursday								
--Friday	1.5025	1.5050	1.5300	1.6450	1.6925	1.5708	1.0200	
--Weekly Average**	1.5008	1.5050	1.5183	1.6133	1.6692			
<b>CHEESE*</b>								
-- BARRELS								
--Monday		1.2800	1.2700	1.2675	1.2900			
--Tuesday		1.2600	1.2700	1.2675	1.2900			
--Wednesday		1.2600	1.2800	1.2675	1.2900			
--Thursday	1.2850	1.2600	1.2675	1.2700	1.2900			
--Friday	1.2800	1.2825	1.2675	1.2900	1.3100	1.2770	1.0936	
--Weekly Average**	1.2850	1.2685	1.2710	1.2725	1.2940			
-- 40# BLOCKS								
--Monday		1.3200	1.3000	1.3200	1.3400			
--Tuesday		1.2600	1.3000	1.3200	1.3400			
--Wednesday		1.2600	1.3200	1.3200	1.3400			
--Thursday	1.3200	1.2600	1.3200	1.3400	1.3400			
--Friday	1.3200	1.3000	1.3200	1.3400	1.3550	1.3161	1.1139	
--Weekly Average**	1.3180	1.2800	1.3120	1.3280	1.3430			
<b>NONFAT DRY MILK*</b>								
-- EXTRA GRADE								
--Monday		1.0300	1.0300	1.0300	1.0300			
--Tuesday		1.0300	1.0300	1.0300	1.0300			
--Wednesday		1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	
--Weekly Average**	1.0300	1.0300	1.0300	1.0300	1.0300			
-- GRADE A								
--Monday		1.0300	1.0300	1.0300	1.0300			
--Tuesday		1.0300	1.0300	1.0300	1.0300			
--Wednesday		1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	
--Weekly Average**	1.0300	1.0300	1.0300	1.0300	1.0300			

Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.  
 \*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

**M A R C H 2001 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY 2000 – FEBRUARY 2001		32,740		
03/02/01	CARIBBEAN, CENT & S. AM.	69	MAR-JUN	\$175
03/05/01	CARIBBEAN, CENT & S. AM	800	MAR-JUN	\$150
03/06/01	ASIA & FSU	1,000	APR-SEP	\$175
03/06/01	CARIBBEAN, CENT & S. AM	3,000	MAR-DEC	\$175
03/07/01	AFRICA & MIDDLE EAST	40	MAR-JUN	\$200
03/08/01	CARIBBEAN, CENT & S. AM	18	MAR-JUN	\$175
03/09/01	CARIBBEAN, CENT & S. AM	18	MAR-MAY	\$175
03/09/01	ASIA & FSU	18	MAR-APR	\$175
03/12/01	CARIBBEAN, CENT & S. AM	40	MAR-JUN	\$175
03/13/01	AFRICA & MIDDLE EAST	55	MAR-JUN	\$200
03/14/01	CARIBBEAN, CENT & S. AM	20	MAR-MAY	\$175
03/15/01	ASIA & FSU	20	MAR-APR	\$175
03/16/01	CARIBBEAN, CENT & S. AM	104	MAR-JUL	\$125
03/16/01	CARIBBEAN, CENT & S. AM	145	MAR-JUN	\$175
03/16/01	AFRICA & MIDDLE EAST	600	MAR-DEC	\$200
03/19/01	CARIBBEAN, CENT & S. AM	500	MAR-DEC	\$150
03/20/01	CARIBBEAN, CENT & S. AM	50	MAR-APR	\$175
03/20/01	ASIA & FSU	18	MAR-JUL	\$175
03/21/01	CARIBBEAN, CENT & S. AM	2,500	MAR-DEC	\$160
03/22/01	AFRICA & MIDDLE EAST	20	MAR-AUG	\$200
03/22/01	ASIA & FSU	4,325	MAR-DEC	\$175
03/22/01	CARIBBEAN, CENT & S. AM	1,550	MAR-DEC	\$150
03/23/01	ASIA & FSU	6,786	MAR-DEC	\$175
03/23/01	CARIBBEAN, CENT & S. AM	7,000	MAR-DEC	\$159
03/27/01	CARIBBEAN, CENT & S. AM	157	APR-JUN	\$98
03/28/01	CARIBBEAN, CENT & S. AM	6,500	MAR-DEC	\$110
MARCH 1 – 31, 2001		<u>35,353</u>		
<b>CHEESE</b>				
JULY 2000 – FEBRUARY 2001		3,030*		
MARCH 1 – 31, 2001		<u>0</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
<b>BUTTERFAT</b>				
JULY 2000 – FEBRUARY 2001		0		
MARCH 1 – 31, 2001		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
PROGRAM TO DATE				
TOTAL MT				71,123
TOTAL BONUS VALUE				\$12,413,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture’s Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211.

Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

\* Program year allocations are filled

**MARCH AGRICULTURAL PRICES HIGHLIGHTS**

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2001 was unchanged at 124. Compared with March 2000, the index is up 5 points (4.2 percent). The index of prices received by farmers for dairy products advanced 4 points during the month of March 2001 to 104. Compared with March 2000, the index was up 13 points (14.3 percent).

Prices received by farmers in March with changes from February were: for All Milk, \$13.60 per hundredweight (cwt.), up \$.60; Fluid Grade Milk, \$13.70 per cwt., up \$.60; and for Manufacturing Grade Milk, \$11.80 per cwt., up \$.70.

**SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MARCH 2001 WITH COMPARISONS**

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	2001 2/	2000 2/	2001 4/	2000 2/	2001	2000	2001 7/	2000 8/	2001	2000
CA	11.90	11.00	12.50	10.90			42.00	36.50	103.00	91.00
ID	11.60	10.40	12.10	10.60			42.30	37.30	89.00	86.00
MI	13.20	12.40	14.20	12.60		PRICES	43.00	40.50	69.00	67.00
MN	13.10	11.22	13.80	11.43		PUBLISHED	43.00	40.40	64.00	56.00
NY	14.10	12.70	14.90	12.80		JANUARY,	---	---	106.00	118.00
OH	13.00	12.30	13.40	12.30		APRIL,	41.00	38.10	82.00	109.00
PA	14.60	12.90	14.80	13.30		JULY AND	43.40	38.80	96.00	133.00
TX	13.80	13.20	14.00	13.30		OCTOBER	43.50	38.40	69.00	66.00
WA	13.10	11.70	13.70	12.40			---	---	109.00	101.00
WI	12.70	11.20	13.70	11.20			43.00	39.40	49.00	43.00
U.S.	13.00	11.80	13.60	11.90			43.20	39.00	87.20	74.80

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

**MILK AND OTHER GENERAL PRICE MEASURES, U.S., MARCH 2001 WITH COMPARISONS**

ITEM	MARCH 2000	FEBRUARY 2001 1/	MARCH 2001 2/
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., at reported butterfat test:			
All milk	11.90	13.00	13.60
Fluid grade milk	12.00	13.10	13.70
Manufacturing grade milk	10.10	11.10	11.80
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	96	100	104
Prices received by farmers for dairy products	91	100	104
Prices paid by farmers for commodities and services, interest taxes, and wage rates	119	124	124
Prices paid by farmers for production items	115	120	120
Prices paid by farmers for feed	102	106	102
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	2.91	3.02	3.21

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

**SOURCE:** "Agricultural Prices," Pr 1 (3/01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## THE DAIRY SITUATION AND OUTLOOK

**Weaker Milk Production Tightens Dairy Markets** -- Low farm milk prices and forage quality problems have brought the once-mighty expansion in milk production to at least a temporary halt. Weaker output and respectable winter sales boosted wholesale prices of butter and cheese from early January lows. However, large stocks, possible recovery in milk output, demand uncertainties, and the time of year have limited the price reaction. Milk per cow in the 20 selected States fell well below a year earlier during November-February, the first such drops since 1996. Although part of the explanation lay simply in the very strong levels of a year earlier, milk per cow was weakened by a number of factors. An unusually large share of the cow herd may have been at the end of their lactation or dry, the result of bunched freshenings as farms were expanded in late 1999 and early 2000. Also, use of bovine somatotropin may have been limited because of lower returns to milk production. Autumn and winter weather reportedly was somewhat stressful to cows in many areas. Forage quality problems may be more severe than earlier thought. Milk per cow is projected to move back above a year earlier this spring. However, increases are expected to be relatively small until late 2001, and declines might be more persistent than expected. For all of the year, milk per cow is expected to grow only about 1 percent. Milk cow numbers are projected to decline steadily during 2001. By yearend, cow numbers are expected to be more than 1 percent below a year earlier. For the year, milk cows on farms are expected to decrease almost 1 percent. Milk output is projected to fall slightly this winter, run very close to a year earlier in spring and summer, and post a small increase next autumn. The 2001 total is expected to be near 2000's 167.7 billion pounds.

**Slower Dairy Demand Increases Seen** -- Growth in dairy demand in 2001 may not match the exuberant pace of recent years, as the economic expansion is beginning to show some ragged edges after a long steady run. Even so, dairy demand is projected to remain fairly good through at least most of the year because rapid economic deterioration does not seem likely. Demand for cheese, butter, and cream probably will continue to show the most strength. The general economy is still predicted to grow this year and probably will continue to bolster dairy demand. However, slower overall growth, some layoffs, higher energy costs, slippage in stock values, and media attention to signs of economic softening may reduce consumer confidence and make them more cautious about spending. Consumer retrenchment probably will affect the array of dairy products unevenly but will have a dampening effect overall.

**Dairy Prices Recover Modestly** -- Two key factors probably served to moderate recent Exchange price increases for butter and cheese. Demand uncertainty related to the general economy probably has been important. Even modest slowing in economic growth might dampen the extraordinary strength in dairy demand during recent years. Secondly, the duration of the production slump is very uncertain since some of the key factors are short-run or price-sensitive. The winter seasonal surplus, combined with relatively large stocks, gave users the luxury of time for further assessment before actions had to be taken for the tight season. Values of milk for manufacturing are expected to be stronger than a year earlier, particularly for cheese milk. The value of milk for butter-powder probably will continue to exceed cheese values, although the gap is projected to be slightly narrower this year. However, second-half seasonal Class III price increases might be considerably larger than expected if milk production does not recover or if demand growth stays strong. Average milk prices received by farmers in 2001 are projected to rise about \$1 per cwt from 2000's \$12.34. This increase would leave milk prices well below the levels of 1996, 1998, and 1999 but close to 1997. Retail prices of dairy products are projected to rise 1 to 3 percent this year, following a fractional increase in 2000. The farm-retail price spread is projected to be fairly steady, following 2 years of relatively large increases.

**SOURCE:** "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-81, March 28, 2001, Economic Research Service, USDA. For more information on the LDP report, contact James J. Miller, (202) 694-5184. Also, please note that this summary has been condensed from the original by the Market Information Branch, Dairy Programs, AMS.

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MARCH

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for March 2001 is \$1.6820 per pound. Thus, the Class II butterfat price is \$1.6890. The protein and other solids prices for March are \$1.6498 and \$0.1039 per pound, respectively. These component prices set the Class III skim milk price at \$5.73 per cwt. The February Class IV skim milk price is \$7.85 which is derived from the nonfat solids price of \$0.8727 per pound. **Product Price Averages:** The product price averages for March are; butter \$1.4942, nonfat dry milk \$1.0127, cheese \$1.2737, and dry whey \$0.2406.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/</sup> <sub>2/</sub>						
FEDERAL MILK ORDER MARKETING AREAS <sup>3/</sup>	ORDER NUMBER	MARCH 2001				APRIL 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
DOLLARS PER 100 POUNDS						
Northeast (Boston) <sup>4/</sup>	001	15.90	14.17	11.42	13.46	16.69
Appalachian (Charlotte) <sup>5/</sup>	005	15.75	14.17	11.42	13.46	16.54
Southeast (Atlanta) <sup>6/</sup>	007	15.75	14.17	11.42	13.46	16.54
Florida (Tampa) <sup>7/</sup>	006	16.65	14.17	11.42	13.46	17.44
Midwest (Cleveland) <sup>8/</sup>	033	14.65	14.17	11.42	13.46	15.44
Upper Midwest (Chicago) <sup>9/</sup>	030	14.45	14.17	11.42	13.46	15.24
Central (Kansas City) <sup>10/</sup>	032	14.65	14.17	11.42	13.46	15.44
Southwest (Dallas) <sup>11/</sup>	126	15.65	14.17	11.42	13.46	16.44
Arizona-Las Vegas (Phoenix) <sup>12/</sup>	131	15.00	14.17	11.42	13.46	15.79
Western (Salt Lake City) <sup>13/</sup>	135	14.55	14.17	11.42	13.46	15.34
Pacific Northwest (Seattle) <sup>14/</sup>	124	14.55	14.17	11.42	13.46	15.34
All-Market Average	---	15.23	14.17	11.42	13.46	16.02

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

<sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

<sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the market.

<sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

<sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

<sup>6/</sup> Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

<sup>7/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

<sup>8/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

<sup>9/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

<sup>10/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

<sup>11/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

<sup>12/</sup> Class I price at Las Vegas is minus \$0.35.

<sup>13/</sup> Class I price at Boise is minus \$0.30.

<sup>14/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

**FEBRUARY 2001 DAIRY PRODUCTS HIGHLIGHTS**

**BUTTER** production was 115.2 million pounds in February, 11.6 percent below February 2000 and 11.0 percent below January 2001. **AMERICAN TYPE CHEESE** production totaled 277.5 million pounds, 8.2 percent below February 2000 and 7.8 percent below January 2001. **TOTAL CHEESE** output (excluding cottage cheese) was 636.6 million pounds, 1.4 percent below February 2000 and 7.3 percent below January 2001. **NONFAT DRY MILK** production, for human food, totaled 114.2 million pounds, 14.2 percent below February 2000 and 2.1 below January 2001. **DRY WHEY** production, for human food, was 84.9 million pounds, 11.2 percent below February 2000 and 5.3 percent below January 2001. **ICE CREAM** (hard) production totaled 67.1 million gallons, 0.9 percent below February 2000 but 6.6 percent above January 2001.

**PRODUCTION OF DAIRY PRODUCTS**

PRODUCT	FEB 2001	PERCENT CHANGE FROM:			PRODUCT	FEB 2001	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2000	JAN 2001	YEAR TO DATE 1/		1,000 LBS.	FEB 2000	JAN 2001	YEAR TO DATE 1/
BUTTER	115,167	-11.6	-11.0	-10.3	YOGURT (PLAIN AND FLAVORED)	154,511	4.1	10.2	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	277,547	-8.2	-7.8	-6.5	SWEET -TYPE, HUMAN FOOD	9,157	14.0	-13.3	---
CHEDDAR	216,003	-8.6	-8.0	-7.1	SWEET -TYPE, ANIMAL FEED	1,210	9.3	3.4	---
SWISS	18,000	2.9	-4.4	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	6,766	-3.0	-4.6	---	DRY WHEY, HUMAN FOOD	84,944	-11.2	-5.3	---
CREAM & NEUFCHATEL	42,757	10.3	-8.6	---	DRY WHEY, ANIMAL FEED	5,318	-25.5	-6.0	---
HISPANIC	7,264	-0.1	-3.7	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	216,254	5.5	-6.6	6.6	HUMAN FOOD	6,748	-7.5	-2.8	---
OTHER ITALIAN TYPES	53,378	-0.4	-7.4	-3.6	ANIMAL FEED	3,063	2.8	-6.7	---
TOTAL ITALIAN TYPES	269,632	4.3	-6.8	4.4	LACTOSE, HUMAN FOOD & ANIMAL FEED	43,220	9.5	-6.2	---
ALL OTHER TYPES	14,642	2.9	-8.7	---	WHEY PROTEIN CONCENTRATE				
TOTAL	636,608	-1.4	-7.3	-0.7	HUMAN FOOD	23,013	-18.5	-11.2	---
COTTAGE CHEESE, CURD 3/	34,761	-6.6	-3.7	---	ANIMAL FEED	3,907	15.2	-6.2	---
COTTAGE CHEESE, CREAM 4/	28,823	2.1	-5.5	6.2					
COTTAGE CHEESE, LOWFAT 5/	28,799	-2.0	-3.1	1.6					
CANNED EVAPORATED & CONDENSED					<b>FROZEN PRODUCTS</b>	<b>1,000 GALLONS</b>	<b>PERCENT CHANGE FROM:</b>		
WHOLE MILK	29,747	-0.3	-6.3	---	ICE CREAM (HARD)	67,124	-0.9	6.6	1.8
DRY WHOLE MILK	4,615	-60.1	-9.4	---	ICE CREAM, LOWFAT (HARD)	6,544	1.2	-4.6	---
NONFAT DRY MILK, HUMAN FOOD	114,188	-14.2	-2.1	-13.4	ICE CREAM, LOWFAT (SOFT)	19,944	-3.7	14.7	---
DRY SKIM MILK, ANIMAL FEED	337	-8.2	-4.8	---	ICE CREAM, LOWFAT (TOTAL)	26,488	-2.5	9.2	6.5
DRY BUTTERMILK	4,564	-15.1	-14.5	---	SHERBET (HARD)	3,834	4.7	9.4	5.2
					YOGURT (TOTAL)	6,429	-6.2	2.2	3.3

**MANUFACTURERS' STOCKS, END OF MONTH 7/**

PRODUCT	FEB 2001	PERCENT OF:		PRODUCT	FEB 2001	PERCENT OF:	
	1,000 LBS.	FEB 2000	JAN 2001		1,000 LBS.	FEB 2000	JAN 2001
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	34,705	-13.9	-6.3	HUMAN FOOD	8,792	-42.1	-8.8
DRY WHEY, ANIMAL FEED	5,556	-20.9	-3.8	ANIMAL FEED	1,652	16.3	3.0
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	6,425	-41.0	4.6	CANNED EVAPORATED & CONDENSED WHOLE MILK	43,272	15.3	9.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	27,398	23.8	-12.0	DRY WHOLE MILK	2,984	-57.0	-26.0
DRY BUTTERMILK, TOTAL	6,977	-24.0	6.6	NONFAT DRY MILK FOR HUMAN FOOD	145,452	-16.1	---
				DRY SKIM MILK FOR ANIMAL FEED	675	-43.8	0.9

1/ 2001 cumulative as percent change of 2000 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (4-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.



**CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)**

	FOR THE WEEK OF APRIL 2 - 6, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 03/30/01	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	3,050,083	40,022	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	1,782,000	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	11,074,959	1,822,022	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	3,819,995	242,316	3,577,679	247,334,822	210,761,171	484,857,000	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-
<b>TOTAL</b>	3,819,995	242,316	3,577,679	274,201,891	216,074,518	522,196,000	-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, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)**

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 2 - 6, 2001 =	0.8	41.6	COMPARABLE WEEK IN 2000 =	3.1
CUMULATIVE SINCE OCTOBER 1, 2000 =	162.5	3,301.4	CUMULATIVE SAME PERIOD LAST YEAR =	64.4
CUMULATIVE JANUARY 1 - APRIL 6, 2001 =	46.0	1,818.7	COMPARABLE CALENDAR YEAR 2000 =	53.1

\* Factors used for Fat 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 APRIL 2 - 6, 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-	3,577,679	-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-	5,995,440	1,822,022	3,105,246	20,179,220	34.5	33.0
WEST	-0-	-0-	5,039,919	-0-	271,096,645	193,164,316	65.3	66.1
EAST	-0-	-0-	39,600	-0-	-0-	2,730,982	0.2	0.9
<b>TOTAL</b>	-0-	-0-	11,074,959	1,822,022	274,201,891	216,074,518	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

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

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

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

**U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/17/01 & Comparable Week 2000**

Regions* (000 HEAD):											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	0.2	0.6	5.9	5.1	21.8	2.7	2.7	1.1	12.6	2.7	55.3	623.9	49.9	49.8
2000-Dairy	0.2	1.0	6.3	5.5	20.3	2.5	0.9	0.7	12.9	3.5	53.9	594.3	54.2	50.9
2001-All cows	0.2	0.8	8.0	14.4	31.2	12.5	18.7	5.4	13.8	5.8	110.8	1,252.0		
2000-All cows	0.2	1.2	8.6	14.7	29.3	11.8	9.0	4.4	14.0	6.2	99.5	1,166.7		

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.

**CLASS III (2000) AND BFP (1998-99) MILK PRICES, (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)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44								
II	12.82	13.43	14.17									
III	9.99	10.27	11.42									
IV	12.13	12.70	13.46									

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mlb/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mlb/class_prod_milk_comp_pr.htm)