

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (04/27):**

**BUTTER:** Grade AA closed at \$1.9275. The weekly average for Grade AA is \$1.9633 (+.0933).

**CHEESE:** Barrels closed at \$1.5200 and blocks at \$1.5400. The weekly average for barrels is \$1.4735 (+.0845) and blocks, \$1.4905 (+.0775).

**NONFAT DRY MILK:** Extra Grade closed at \$1.0300 and Grade A closed at \$1.0400. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0400 (N.C.).

**BUTTER:** Butter markets remain firm. Cash prices at the CME continue to be much higher than most producers and handlers desire. In most instances, stocks of butter are lighter than desired. Many producers question which direction should they take at this time, generate expensive butter stocks for this time of the year or wait in hopes of lower prices. Producers and handlers that have butter stocks are holding them with confidence. Overall butter demand is fair at best. Increasing cash prices are pushing retail prices to levels, that in the past, consumers have resisted. Orders this week were fair with many buyers still working off stocks acquired for the Easter/Passover holiday period.

**CHEESE:** The cheese market is firm. Current cash cheese prices at the Chicago Mercantile Exchange are the highest since the fall of 1999. Supplies are tight and held with confidence. Many buyers are trying to build inventory under the expectation of tighter supplies later in the year. The Kansas City Commodity Office announced on April 24 a supplemental purchase award for between 435,600 and 792,000 pounds of process cheese for delivery July 1, 2001 – June 30, 2002 at \$2.900 - .3049 over the monthly average Chicago Mercantile Exchange barrel price. Recent declines in milk production are being reflected in lower cheese production.

**FLUID MILK:** Seasonal increases in milk production continue to move northward east of the Rockies. Receipts are steady to lower in Florida and other Gulf Coast states. Milk volumes are sharply below year ago levels in the Northeast and Midwest. Cooler temperatures have perhaps delayed the usual expected increases. Further west, high temperatures in Arizona are impacting receipts. In New Mexico, milk volumes are slightly higher. While not a factor yet, forecasts for warmer temperatures in southern and central California may start to impact milk production. Milk volumes are increasing seasonally in the Northwest. Many industry sources are concerned about milk and product availability later in the year. Bottling demand is being affected by schools on spring break.

**DRY PRODUCTS:** Spot powder activity was generally light with most shipments occurring on contractual volumes. Most powder markets are uncharacteristically tight for this time of year, reflective of lower milk production and thus manufacturing milk volumes. Lactose and buttermilk are firm with spot supplies tight. Dried buttermilk volumes are also affected by seasonally improved liquid buttermilk demand. The whey and WPC markets are steady to firm with international activity a continuing factor in both markets. Current WPC supplies are limited, with spot interest going unsatisfied. The NDM market is steady. Continued discussion by the trade of a possible CCC price support tilt adjustment (increase the butter price and lower the NDM price) is a factor in buttermilk and NDM positioning by some traders. Some Western producers have the plant capacity available

to produce high heat NDM, unusual for this time of year. Clearances to CCC continue to help to balance the NDM market.

**CCC:** During the week of April 23 - 27, CCC net purchases totaled 7,016,145 pounds of nonfortified and 391,585 pounds of fortified Western NDM.

**MARCH COLD STORAGE (NASS):** U.S. cold storage holdings of butter on March 31, 2001, totals 91.5 million pounds, up 12% from February, but 20% below March 2000. Natural American cheese holdings total 493.3 million pounds, down 2% from a month ago and 9% lower than a year ago.

**COMMERCIAL DISAPPEARANCE (ERS, AMS):** Commercial disappearance of dairy products during December 2000 – February 2001 totals 40.1 billion pounds, up 3.8% from the comparable 1999 - 2000 period. Comparing disappearance levels with year earlier levels: butter is up 1.2%; American cheese, 7.6% higher; other cheese, up 5.3%; NDM, up 14.2%; but fluid milk products, off 0.5%

**CONSUMER PRICE INDEX (BLS):** The March CPI for all food is 171.7, up 3.1% from March 2000. The dairy products index, at 163.2, is up 2.6% from a year ago. The following are the March to March changes for selected products: fresh whole milk, up 4.4%; cheese 1.0% higher; and butter, an increase of 13.5%.

**DAIRY SITUATION AND OUTLOOK (ERS):** Wholesale prices of dairy products have risen considerably, and prospects for the rest of 2001 have become very unsettled. Sales apparently have stayed strong, seasonal increases in commercial stocks have been quite limited, and declines in milk production have continued. Although dairy markets are fundamentally tight, recent prices might reflect protection against possible conditions tighter than those considered most likely. Weakness in milk production was the primary cause of the price increases. March output was the weakest yet, down more than 2% from a year earlier. Although milk cow numbers slipped below a year earlier, the main factor was the pronounced drop in milk per cow. Poor forage and less use of bovine somatotropin contributed substantially. Also, the winter weather seemed to be relatively stressful, even though conditions were not extreme. Higher milk prices and modest concentrate prices will stimulate milk per cow in coming months. Once milk production begins to show some recovery, some of the current concerns about second-half conditions should be allayed. Although markets for milkfat or whole milk products probably will stay relatively tight, prices may settle somewhat lower until at least autumn. Imports of milkfat above the tariff-rate quota (TRQ) will add to domestic fat supplies.

**MILK PRODUCTION, DISPOSITION, AND INCOME, 2000 (NASS):** Cash receipts from marketings of milk during 2000, at \$20.6 billion, were 11% below 1999. Producer returns averaged \$12.40 per hundredweight, 14% below 1999. Marketings totaled 166 billion pounds, 3% above 1999. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers. An estimated 1.31 billion pounds of milk were used on farms where produced, 1% less than 1999.

**ERRATA:** In last week's report, the "November Mailbox Milk Prices" contained some incorrect data. The Nov. 2000 prices for Idaho and Utah should have been \$10.63 and \$10.57, respectively.

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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 APRIL 23	TUESDAY APRIL 24	WEDNESDAY APRIL 25	THURSDAY APRIL 26	FRIDAY APRIL 27	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4325 (+.0025)	\$1.4400 (+.0075)	\$1.4850 (+.0450)	\$1.4900 (+.0050)	\$1.5200 (+.0300)	+0.0900	\$1.4735 (+.0845)
40# BLOCKS	\$1.4500 (+.0175)	\$1.4625 (+.0125)	\$1.4850 (+.0225)	\$1.5150 (+.0300)	\$1.5400 (+.0250)	+0.1075	\$1.4905 (+.0775)
BUTTER GRADE AA	\$1.9500 (+.0150)	-----	\$2.0125 (+.0625)	-----	\$1.9275 (-.0850)	-0.0075	\$1.9633 (+.0933)

\*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 reported here when changes occur. The Extra Grade price is \$1.0300 and Grade A price is \$1.0400. NDM information remains available at the above internet address.)

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, APRIL 23, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.4325; 2 CARS 40# BLOCKS: 1 @ \$1.4500, 1 @ \$1.4400; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 4 CARS GRADE AA: 1 @ \$1.9400, 1 @ \$1.9375, 2 @ \$1.9500; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.9475, 2 @ \$1.9400, 2 @ \$1.9350, 2 @ \$1.9325, 2 @ \$1.9300; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$3.0000

TUESDAY, APRIL 24, 2001

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.4625; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.4400, 1 @ \$1.4325; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 25, 2001

CHEESE — SALES: 4 CARS 40# BLOCKS: 2 @ \$1.4700, 2 @ \$1.4800; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.4850, 1 @ \$1.4725, 1 @ \$1.4450; 6 CARS 40# BLOCKS: 1 @ \$1.4850, 1 @ \$1.4800, 2 @ \$1.4700, 2 @ \$1.4625; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 1 CAR GRADE AA @ \$2.0025; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$2.0125, 1 @ \$2.0100, 1 @ \$2.0025, 1 @ \$2.0000, 1 @ \$1.9800, 2 @ \$1.9500, 2 @ \$1.9450; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$2.1000

THURSDAY, APRIL 26, 2001

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.5000, 1 @ \$1.5150; BIDS UNFILLED: 4 CARS BARRELS: 1 @ \$1.4900, 2 @ \$1.4875, 1 @ \$1.4850; 13 CARS 40# BLOCKS: 1 @ \$1.5150, 1 @ \$1.5125, 2 @ \$1.5100, 2 @ \$1.5050, 1 @ \$1.5025, 3 @ \$1.5000, 1 @ \$1.4950, 1 @ \$1.4900, 1 @ \$1.4850; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 27, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.5200; 8 CARS 40# BLOCKS: 2 @ \$1.5400, 2 @ \$1.5200, 1 @ \$1.5175, 3 @ \$1.5150; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 3 CARS GRADE AA: 2 @ \$1.9500, 1 @ \$1.9300; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.8500; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.9275, 1 @ \$1.9950

Dairy Market News will report CME nonfat dry milk activity only on the sessions when trading actually occurs until activity occurs regularly.

**BUTTER MARKETS**

**MARCH MONTHLY COLD STORAGE**

According to NASS, March month-end cold storage figures for butter total 91.5 million pounds, 19.8% less than last year but 12.5% heavier than February holdings.

**NORTHEAST**

The market tone is firm. The CME butter price continues to advance, with current cash prices the highest since 1998's \$2.00+ per pound. Demand is steady where buyers try to purchase ahead of any additional increase, but producers are holding inventories with confidence. Producers are meeting their commitments, but some seem less willing to sell extra spot loads of bulk at current prices. Print sales are slow to fair as some buyers reconsider purchases at current prices. Production levels are just moderate for this time of year. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

**CENTRAL**

The market tone is firm. The cash price at the CME surpassed the \$2.00 level at midweek. On Wednesday, the cash price increased 6.25 cents per pound to \$2.0125. This is the highest cash prices have been since the fall of 1998 and the highest ever for this time of the year. Production schedules in the Central part of the country are mixed. Producers and handlers have varying opinions as to how to approach the current market situation. Some are hesitant to build inventories at current price levels, while others are willing to build stocks at this time. Demand

for butter has tapered off quite sharply following the recent holiday period. Producers and handlers feel that current price levels will hinder retail sales. Food service orders continue to be placed. For the most part, retail and food service orders that are being placed are for short term or immediate needs. When available for spot sale, butter is being offered in a price range of 3 – 5 cents per pound over various pricing bases. Often producers and handlers that do have butter are holding their stocks with more confidence rather than selling at this time.

**WEST**

Butter prices continue to rise sharply at the CME. Most contacts see the increases occurring because of lower milk production, lower butter production, and declining cold storage stocks. Butter sales activity is good for this time of year. Print orders are coming in at normal levels and bulk continues to move out to other regions of the country. Cream demand is uncertain and much less aggressive. Most manufacturing operations are willing to sell cream at these very high spring prices. Most butter plants don't have much desire to churn added butter at these cream prices. Ice cream plants are very uncertain on how to proceed. They know they need to produce product to meet the increasing demand, but they are not sure whether they will be able to pass on higher costs. CME weekly butter stocks took a healthy jump following the Easter holiday by increasing 1.4 million pounds to 55.0 million pounds. This level does trail last year by about 14 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			
APRIL 21	1.3446 7,685,477	1.3266 9,799,439	1.0139 23,186,789	1.7732 3,012,047	0.2469 8,089,600

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

**CHEESE MARKETS**

**NORTHEAST**

Wholesale prices continue to increase and the market tone is firm. Cheddar supplies are adequate with mozzarella still tight. Process and mozzarella movement remain steady at good levels. Milk supplies in the Northeast are tighter than normally expected at this time of year, reducing the cheese volume produced. Most processors expect that adequate production capacity will be available in the Northeast for extra milk supplies available during the spring flush.

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

Cheddar 10# Prints	:	1.4575-1.9275
Cheddar Single Daisies	:	1.4150-1.8750
Cheddar 40# Block	:	1.5525-1.7350
Process 5# Loaf	:	1.6000-1.7725
Process 5# Sliced	:	1.6200-1.8750
Muenster	:	1.6175-1.8250
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is fully steady to firm. Some plant operators are reluctant to make extra spot sales with cash prices increasing steadily since early March at the Chicago Mercantile Exchange. Continued concerns about future cheese availability and moderate to good cheese retail sales are keeping cheese supplies tight. Reduced milk production estimates and lower cow numbers have more traders conscious of the possibility of higher prices and lower production. Demand generally remains good for most cheese types. Supplies of a number of varieties remain tight. Lead times on specialty cheese orders are steady to increasing. The increased production of non-traditional make mozzarella is reducing the output of other varieties at some plants. Cheese production through most of the region remains below year ago levels. Milk and cheese yields are steady to slightly lower seasonally.

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

Process American 5# Loaf	:	1.6100-1.6800
Brick And/Or Muenster 5#	:	1.6500-2.0075
Cheddar 40# Block	:	1.6500-2.1150
Monterey Jack 10#	:	1.8500-2.1150
Blue 5#	:	2.1525-2.2800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6700-2.2150
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 23 - 27, 2001
BARRELS*	:	\$1.4000 - 1.4850 (NOMINAL)
	:	(\$ .0675) (.0850)
40# BLOCKS	:	\$1.4125 - 1.4850 (NOMINAL)
	:	(\$ .0300) (.0450)

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

**WEST**

Cheese prices continue to increase sharply last week and this week at the CME. The lower milk production report has really given the market some strength. Following on the heels of that report was the Cold Storage report. The report indicates that American cheese stocks at the end of March total 493.3 million pounds, down 8.8% from last year. A decline of this magnitude at this time of year is very supportive of the market. Stocks in the Pacific region declined 12.2%. Buyers are scrambling to find enough cheese for current needs. Most are not worrying about the future at this time. Most operations are not seeing, or expecting to see much of a spring flush in milk production. Demand for mozzarella remains excellent and is often going unfilled or being delayed. Other natural cheese stocks at the end of March (includes a high proportion of Italian type cheese) in the Pacific region are down 36.0%. Swiss sales are good for this time of year. Some age profiles are hard to find. Production is steady at best. Stocks at the end of March total 12.5 million pounds, down 15.5% from last year.

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

Process 5# Loaf	:	1.5400-1.8000
Cheddar 40# Block	:	1.5350-1.6775
Cheddar 10# Cuts	:	1.7150-1.9350
Monterey Jack 10#	:	1.7250-1.8850
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

**FOREIGN**

Prices on domestic varieties are higher with imported unchanged. Current demand is seasonal and generally slower now that the spring holidays are over. Current inventories are held with confidence as few buyers expect significant short-term weakness on domestic varieties.

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	: 1.7600-3.2550*
Gorgonzola	:	3.2400-5.9400	: 2.3100-2.4900*
Parmesan (Italy)	:	TFEWR	: 3.1750-3.2000*
Romano (Italy)	:	2.1000-2.9900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.7675-1.9950*
Romano (Cows Milk)	:	-0-	: 2.9500-5.1300*
Sardo Romano (Argentine)	:	2.6500-3.2900	: -0-
Reggianito (Argentine)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.5900	: -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	:	2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:	:	:
10 Ounce	:	27.8000-31.7000	: -0-

\* = Price change.

**WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTER  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
04/23/01	24,681	:	121,950
04/01/01	22,050	:	121,708
CHANGE	2,631	:	242
% CHANGE	12	:	N.C.

## 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	82	0	140	0	139
SOUTHEAST STATES	0	0	0	0	0	0

The base price for Class I milk for May 2001 is \$14.21 per cwt., up \$0.77 from April 2001. 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 May is \$8.58, up two cents from April. Milk production information was a little difficult to obtain this week as most contacts were attending the ADPI meetings in Chicago. However, information that is available does indicate that milk output is steady in Florida and mid-South states, steady to lower in other Gulf Coast states, and increasing in the Middle Atlantic and Northeast areas. The rates of increase are slight in the Northeast. However, with some schools still on spring vacations, the need for bottled milk remains spotty. Demand for bottled milk in Florida is holding up quite well, but just fair in other areas of the Southeast. Surplus milk volumes are lighter at some locations; steady at others. Most manufacturers do have plant capacity should it be needed. Some Northeastern plants have little milk to process and, in some instances, the volumes are so light that employees have been laid off. Milk is still long in Florida and surplus volumes continue to be shipped to plants in nearby states for processing. The condensed skim market is steady and prices are unchanged. The announced Class II skim price for May did not change enough to change prices of Class II condensed skim. Demand for wet solids is holding about steady. The fluid cream market is firm as prices move sharply higher. The CME weekly average increased more than 16.25 cents last week and many spot buyers are taking a hard look at any additional purchases. Supplies range from adequate to ample in the East. Ice cream season is fast approaching and some plants, like years past when cream/butterfat prices got so high, are turning to making more sorbets, sherbets, and ices. Churning activity is moderate and steady.

Correction: In last week's East fluid milk comment, it was erroneously reported that cow numbers were for February. The cow numbers reported were, in fact, for March. We are sorry for any inconvenience this may have caused.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.3936-2.5806
DELIVERED EQUIVALENT ATLANTA	-	2.3749-2.6180 M 2.4123-2.5058
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.4123-2.5245

## 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	- .8500-.9600

## M I D W E S T

Class I demand is about steady, though with the usual spring fluctuations in school milk caused by the spring breaks. Retail promotional activity was aiding sales for others. Manufacturing milk demand is still good for the limited supplies. Demand is strong for any spot offerings and milk supplies, in general, remain unseasonably tight. Reported spot premiums for manufacturing grade milk, on a limited test, range from \$1.50 - 2.75, with one "got to have it" load at \$2.90 over class. This compares to premiums of \$0.50 - 0.75 over just a year ago. Condensed skim prices are steady with producers looking at price adjustments in May. Condensed interest remains good. Cream

demand is strong as users, including ice cream, build inventories seasonally. Cream users are trying to keep higher finished product prices in line with recent advances in cream prices. The butter price during the April 25 session broke the \$2.00 mark at the Chicago Mercantile Exchange cash market for the first time since 1998. With the sharp rise in the cash butter price average at the Chicago Mercantile Exchange in recent weeks, cream multiples are little changed. Milk intakes are increasing in Missouri and nearby states, though declining in the southern-most states within the region. In the upper tier of Midwestern states, the annual seasonal increase continues to be slow to develop, with intakes generally well below year ago levels. Spring fieldwork is becoming more active as the ground dries out. Most planting activity thus far in the upper tier states has been with drills rather than corn planters, often a week or two later than 2000. Fields have also been slow to warm up due to recent cool temperatures.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 19 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 43.50- 49.00	\$ 40.00- 45.00
REPLACEMENT HEIFER CALVES	\$350.00-430.00	\$270.00-360.00

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

	APRIL 19 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 44.00- 55.50	\$ 36.50- 50.50

## W E S T

Milk production is mostly steady with recent weeks, but warmer temperature patterns are beginning to develop. Milk output is steady to slightly higher in Southern and Central California. Energy concerns continue and levels are being watched as energy consumption increases with the warmer weather. Many processing plants are putting backup generating plans and equipment in place in advance of expected blackouts this summer. Hot weather conditions are invading Arizona this week with the first temperature readings above 100 degrees recorded. This is expected to put the cap on the seasonal peak. Peak levels have been below what had been anticipated and being blamed on poor winter weather conditions. Conditions are better this week in New Mexico and milk output is responding slightly higher. The weather is less windy and warmer. Contacts think the state may be at or very close to peak production levels. Per cow production still lags expectations. More new hay is coming on the market. Higher butter prices at the CME continue to impact cream prices higher. California cream is moving to ice cream producers who are buying in earnest as the current (bimonthly) class pricing has not been impacted by the higher butter prices. California cream marketers are also making good returns at these levels. Western cream multiples range from 114 to 135 FOB and vary on usage. Milk output continues to increase slowly in the Pacific Northwest along normal seasonal lines. Contacts continue to be concerned about production for later in the year. The problems continue to be power and water and, as time goes on, the likelihood of any real relief is diminishing. Early pasture growth looks good for now. Warmer temperatures are bringing the alfalfa crop along. Carry over stocks of hay are minimal. Fieldwork activity in the region is picking up. Heifer prices remain strong and offerings are very light. Culling rates are elevated because of the very strong cull cow market and because some animals had been held in the herd longer than normal. Temperatures in the 80's are now occurring in the northern Mountain states region. Some counties in Idaho are being declared to be part of a drought emergency. Water meetings are being held and many are reporting that they will have less than half the water needed for full crop needs. Hay carry over is likely to be at an all time record low. Producers continue to search for replacement heifers and are not having all that much luck. Prices, of course, continue to increase.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/26/01 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 steady to firm market. Most movement is occurring on contractual commitments. Spot trading is light and supplies are generally in balance with the current interest. Most producers are anticipating tighter supplies as seasonal increases in the milk supply remain less than anticipated. Rumors of a change in the tilt are being squelched by government representatives who report that no such actions are presently taking place. Conversations of the like are encouraging some producers to take a closer look at their stocks. Production of low heat is steady to slightly higher while high heat output is slow to nil. High heat demand is strong with supplies often short of buyer demand. Off grade supplies are tight and trading is light.

Includes EXTRA GRADE and GRADE A, low and medium heat  
NONFAT DRY MILK: 1.0250 - 1.0600 MOSTLY: 1.0250 - 1.0450

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a firm market. While buyers ponder the price differential between NDM and buttermilk, trades continue to occur on the high side of the range. Some manufacturers are also expressing a concern over the price spread between NDM and buttermilk, especially in the midst of the recent tilt conversations. However, most producers are confident in holding any excess supplies in anticipation of higher prices. Movement is slow and supplies are tight. Most buttermilk is clearing in the condensed form into ice cream plants, deferring expensive producer dryer cost. With the limited growth in milk volumes, the undertone on buttermilk is unsettled.

BUTTERMILK: 1.0500 - 1.1200

**DRY WHEY - CENTRAL**

Prices are unchanged on a steady to firm market. Due to trade attendance at the ADPI conference, trading activity is light. Increased interest from export markets is encouraging contractual movement and the current tight supply of whey into food accounts. However, most feed buyers report that their needs are satiated and when possible are offering excess supplies back on the market. Production is mostly steady as milk supply increases are less than anticipated for this time of year. Movement of condensed is steady, especially into high protein facilities. Off grade supplies are tight for the good interest.

NONHYGROSCOPIC: .2475 - .2625 MOSTLY: .2475 - .2575

**ANIMAL FEED WHEY - CENTRAL**

Prices are higher on roller ground and unchanged on the balance. The market tone is firm. While milk replacer prices are unchanged, supplies are tight and trading is limited due in part to trade attendance at the ADPI conference. Roller ground prices adjusted higher with changes in the Extra Grade market. Both roller ground and delactose are clearing well on a contractual basis. Delactose supplies are tight with most producers unable to satisfy additional spot interest. March veal production totaled 16 million pounds, 17% below the previous March record low set last year. Calf slaughter totaled 84,000 head, down 18% from March 2000. Pork production totaled 1.63 billion pounds, down 5% from the previous year. The early weaned pig market is steady to weak and the North Central veal market is steady.

MILK REPLACER: 2000 - 2300  
ROLLER GROUND: .2425 - .2725  
DELACTOSE (Min. 20% protein): .4150 - .4300

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Trading is mostly on a contractual basis due in part to trade attendance at ADPI this week. Prices are anticipated to firm as the demand into infant formula operations continues strong on domestic and export markets. Supplies are tight to in balance with some producers unable to satisfy any spot interest. Production is mostly steady as plants are generally operating at capacity. Inquiries persist from New Zealand, Asia and Mexico. Pharmaceutical interest is good on the higher mesh sizes. Off grade supplies are in balance to somewhat short of buyer interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.  
EDIBLE: .1675 - .2150 MOSTLY: .1700 - .1875

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged on a steady to firm market. Most plants are tight on supplies and unable to satisfy spot interests without shorting current contractual commitments. However, because some feed accounts are canceling their commitments, plants catering to feed accounts are occasionally long and seeking to move excess loads. Some feed buyers are expressing an interest to buy the excess loads, but only at prices below the average. High protein product from the Oceania region is reportedly being offered through resellers to domestic feed buyers. Reports of excess protein and short lactose supplies in Oceania are being met with mixed interpretations. Off grade supplies remain tight for the good interest at prices near the average.

EXTRA GRADE 34% PROTEIN: .7900 - .8250 MOSTLY: .7900 - .8000

**NONFAT DRY MILK - WEST**

Low/medium heat NDM prices are unchanged. Market conditions are mostly steady with recent weeks. DEIP orders contracted earlier are being filled. Direct export sales outside of DEIP have stopped because of declining world prices. Prospects of a butter/powder tilt continue to resurface in trade papers. Production levels are steady to lower. Competition for milk remains high with cheese manufacturers, especially as cheese prices increase. High heat prices remain steady. Seasonal interest is increasing. Processors have room to make high heat, which in past years has not been the case at this time of the year. During the week of April 16-20, CCC net purchases totaled 5.8 million pounds of Western NDM.

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**

Prices for dry buttermilk are unchanged but the market tone remains firm. Demand is good for the currently limited spot supplies. Buyers are not always able to get current needs met. Some suppliers are behind on contracts. The high butter price at the Chicago Mercantile Exchange is not increasing the supplies of dry buttermilk. Sales of cream are good and butter churning is often lower. Stocks remain light.

BUTTERMILK: .9800 - 1.0700 MOSTLY: 1.0000 - 1.0400

**DRY WHEY - WEST**

Whey prices are holding steady in the Western region. Domestic sales are rated as good for this season of the year. Exports are steady at this time. Contacts speculate what impact, if any, the various herd health issues in other countries will have. Stocks are generally well balanced in the region. Production levels at some plants are not up to expectations.

NONHYGROSCOPIC: .2200 - .2650 MOSTLY: .2450 - .2600

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
April 20	\$1.0077	16,056,561
April 13	\$1.0089	11,823,785

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 steady and nominal in the Northeast. This week, many contacts were attending the American Dairy Product Institute (ADPI) meeting in Chicago and unavailable for comment. Production levels remain light in the Northeast, moderate in the Southeast where milk output is at its peak. Powder stocks are tight in the East and there were many comments at the ADPI meetings regarding how little NDM there is going to be this summer in the East and Midwest. Demand is fair to good and often for inventory build-up rather than immediate use. Condensed skim demand is holding about steady.

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 - 1.1500

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

The market tone is firming. Prices are unchanged and nominal. There is more conversation regarding production and availability later this summer. Also, more contacts feel that prices will jump as the CME butter price increases (already above \$2.00 per pound). At the current price for butter, dry buttermilk is an inexpensive source of butterfat. More traders report difficulty finding extra loads at this time. Producers are making light to moderate amounts and have little on hand. Demand for condensed buttermilk is improving along seasonal patterns.

F.O.B. NORTHEAST: 1.0000 - 1.0300  
 DELVD SOUTHEAST: 1.0300 - 1.1550

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are steady. Production levels are light and often geared to meeting contracts. Some contacts note that if it were not for contracts, they would not be making any dry whole milk at this time. Under current market conditions, most would prefer to separate the milk and sell the cream and solids separately. Spot demand for dry whole milk is limited.

F.O.B. PRODUCING PLANT: 1.3200 - 1.5000

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH APRIL 20, 2001  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 68,201 MT (150,355,925 LBS)  
 This program-year allocation is filled.

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 higher and nominal in the East. The market tone remains firm. Production levels are lighter than desired and most producers are sold out through most of May. Some are not taking any new orders until they get a little more caught up with orders already on the books. Production levels are light and vary as milk supplies rise and fall because of school vacations and changes to bottled milk needs. Demand is good, but spot inquiries are often unsatisfied. At the ADPI meetings, there was quite a bit of discussion regarding how little condensed/liquid whey there is being offered.

F.O.B. NORTHEAST: EXTRA GRADE .2550 - .2625  
 USPH GRADE A .2650 - .2700  
 DELVD SOUTHEAST: .2825 - .2925

**EVAPORATED MILK - NATIONAL**

Prices are unchanged and the market tone is seasonal. Demand remains slow to fair. Demand is centered around replacement needs, but the prospect of higher prices does have some buyers picking up as much as they can before prices do actually increase. Fewer allowances are being offered by producers as most try to stick to their list prices. Production levels are about steady.

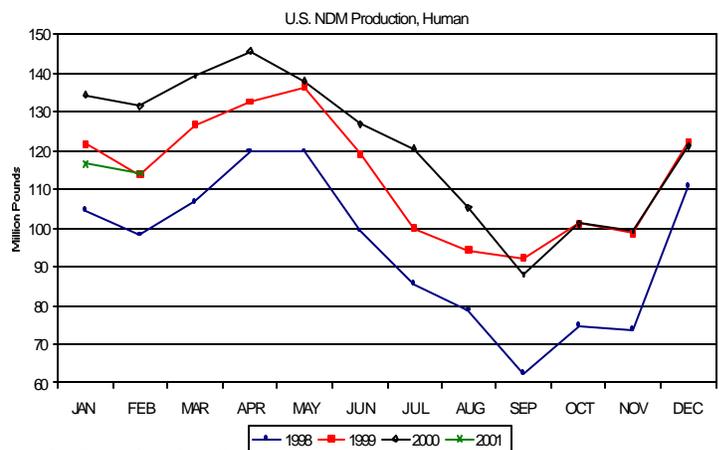
DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00  
 Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets are generally unchanged. Prices remain firm with product availability limited. Domestic buyers continue to report arrivals to be mixed, depending on sourcing country. From the Oceania region, shipments are basically on time, although additional stocks, above contracted volumes, are limited. The European foot and mouth situation continues to impact imports into the U.S. Although stocks are entering the U.S., some producers are altering delivery schedules due to lighter than anticipate supplies. The new milk production season in Europe is just getting underway, thus uncertainty persists as to full casein availability during the 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



**CHICAGO MERCANTILE EXCHANGE FUTURES**  
 Selected settling prices, (open interest), and volume 1/

Month	04/12	04/13	04/16	04/17	04/18	04/19	04/20	04/23	04/24
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**CME - (CLASS III) MILK FUTURES -- Dollars per cwt.**

APR 01	11.94 (1423) 36	NO TRADING	12.00 (1415) 38	12.03 (1416) 17	12.04 (1408) 18	12.06 (1406) 26	12.06 (1415) 33	12.10 (1421) 14	12.08 (1427) 14
MAY 01	12.33 (1484) 60		12.40 (1486) 47	12.53 (1495) 115	12.73 (1499) 28	12.68 (1498) 27	12.85 (1520) 53	13.25 (1522) 29	13.22 (1535) 35
JUN 01	12.85 (1722) 75		12.88 (1728) 70	12.93 (1749) 85	13.09 (1750) 31	12.98 (1769) 54	13.20 (1786) 30	13.50 (1805) 29	13.48 (1843) 65
JUL 01	13.50 (1901) 92		13.45 (1915) 59	13.49 (1925) 108	13.59 (1929) 35	13.59 (1953) 53	13.65 (1971) 55	13.84 (1991) 44	13.83 (2011) 120
AUG 01	13.58 (1902) 137		13.56 (1910) 58	13.58 (1919) 70	13.66 (1916) 60	13.62 (1942) 62	13.75 (1964) 60	13.99 (1984) 53	13.97 (2033) 79
SEP 01	13.60 (1804) 109		13.61 (1809) 59	13.67 (1820) 63	13.77 (1824) 59	13.72 (1849) 44	13.85 (1887) 62	14.07 (1896) 56	14.06 (1927) 45
OCT 01	13.45 (1660) 97		13.43 (1676) 62	13.48 (1692) 73	13.60 (1697) 45	13.55 (1730) 46	13.65 (1749) 22	13.87 (1755) 30	13.85 (1780) 32
NOV 01	12.73 (1208) 62		12.74 (1219) 46	12.80 (1227) 47	12.90 (1227) 26	12.90 (1265) 48	13.10 (1280) 36	13.24 (1291) 32	13.20 (1316) 27
DEC 01	12.21 (978) 44		12.20 (981) 30	12.31 (990) 41	12.43 (988) 36	12.43 (1012) 54	12.69 (1022) 17	12.90 (1033) 13	12.85 (1044) 11
JAN 02	11.70 (171) 5		11.75 (171) 9	11.80 (186) 40	11.95 (186) 10	12.17 (213) 34	12.20 (221) 17	12.30 (226) 10	12.27 (234) 10
FEB 02	11.46 (80) 15		11.52 (82) 16	11.65 (93) 25	11.85 (96) 11	12.05 (117) 25	12.06 (149) 32	12.20 (153) 4	12.16 (162) 11
MAR 02	11.38 (41) 11		11.41 (38) 8	11.60 (39) 5	11.75 (42) 4	11.96 (45) 5	12.06 (71) 26	12.18 (72) 2	12.17 (81) 11
APR 02	11.56 (6) 2		11.55 (6) 0	11.56 (6) 0	11.73 (6) 0	11.73 (6) 1	11.80 (7) 0	12.09 (7) 3	12.00 (8) 1
MAY 02	11.70 (4) 0		11.71 (4) 0	11.71 (4) 0	11.71 (4) 0	11.71 (4) 0	12.00 (8) 8	12.25 (6) 7	12.00 (6) 0
AUG 02	12.99 (1) 0		12.98 (1) 0	12.98 (1) 0	12.98 (1) 0	12.98 (1) 0	12.98 (1) 0	12.98 (1) 0	12.95 (1) 0

**CME - CLASS IV MILK FUTURES - Dollars per cwt.**

APR 01	14.25 (233) 0	NO TRADING	14.25 (233) 0	14.25 (233) 0	14.25 (236) 10	14.52 (231) 5	14.50 (242) 21	14.53 (242) 0	14.48 (242) 12
MAY 01	14.50 (313) 0		14.60 (313) 14	14.69 (314) 14	15.00 (314) 2	15.30 (313) 9	15.87 (313) 0	15.87 (312) 1	15.87 (312) 0
JUN 01	14.50 (281) 10		14.50 (285) 9	14.75 (285) 0	15.00 (287) 2	15.30 (271) 16	15.69 (272) 7	15.65 (272) 6	15.65 (272) 0
JUL 01	14.50 (294) 10		14.55 (291) 9	14.75 (294) 3	15.10 (294) 15	15.35 (281) 18	15.74 (282) 11	15.74 (282) 2	15.75 (282) 0
AUG 01	14.45 (244) 10		14.45 (249) 9	14.65 (249) 4	15.00 (250) 1	15.10 (249) 3	15.75 (252) 12	16.00 (252) 0	16.00 (252) 0
SEP 01	14.45 (217) 12		14.50 (218) 8	14.70 (220) 3	15.00 (220) 1	15.10 (221) 3	15.60 (222) 4	16.00 (222) 0	15.95 (222) 0
OCT 01	14.45 (285) 10		14.45 (290) 8	14.65 (290) 1	14.70 (291) 2	14.70 (292) 4	15.09 (292) 3	15.00 (293) 1	14.95 (293) 0
NOV 01	14.60 (249) 10		14.60 (251) 2	14.75 (251) 0	14.85 (251) 0	14.85 (253) 2	15.00 (253) 3	15.00 (253) 0	15.00 (255) 2
DEC 01	13.95 (95) 11		14.00 (95) 0	14.00 (96) 1	14.09 (96) 0	14.09 (97) 1	14.10 (95) 4	14.10 (92) 4	14.15 (92) 0
JAN 02	13.20 (1) 0		13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0

**CME - BUTTER FUTURES -- Cents per pound**

MAY 01	174.00 (54) 0	NO TRADING	176.00 (51) 3	176.00 (51) 0	181.00 (44) 8	188.00 (44) 0	193.00 (45) 2	197.50 (47) 2	202.50 (47) 0
JUL 01	179.00 (71) 0		181.00 (72) 3	181.00 (72) 0	186.00 (74) 6	196.00 (75) 1	201.00 (75) 6	210.00 (78) 3	212.00 (78) 0
SEP 01	180.00 (43) 0		182.00 (43) 0	182.00 (43) 0	187.00 (41) 5	197.00 (41) 1	201.00 (41) 0	206.00 (42) 3	211.00 (42) 0
OCT 01	177.00 (6) 0		179.00 (6) 0	179.00 (6) 0	184.00 (6) 0	184.00 (6) 1	184.00 (6) 0	184.00 (6) 0	184.00 (6) 0
DEC 01	160.00 (1) 0		160.00 (1) 0	160.00 (1) 0	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0

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

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 16 - 27, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** The foot and mouth (FMD) situation in Europe continues to impact dairy product sales, although the frenzy of past weeks is reported to be calmer. Producers and handlers indicate that buyer reluctance continues to occur, but with proper food safety certification, buyer/consumer and country confidence is once again being restored. Some slight price firmness is starting to occur for European produced dairy products. Stocks are reported to be available for immediate shipment. Some producers and handlers are reporting buyer interest for June/July deliveries. Outside of the UK, where the foot and mouth disease continues to have devastating effects on the agriculture industry, no significant new incidents are being reported. Many contacts state that current conditions seem to be under control and maintained, although most feel that the situation is not over. Weather patterns in Europe are cool and wet, and reportedly, this virus survives best in these conditions. Milk production throughout Europe is building slowly this season. Cool and wet conditions are limiting pasture growth, thus most herds are still in winter quarters. Another reason causing herds to remain in barns is the fact that pastured dairy animals often come in contact with sheep herds.

**BUTTER/BUTTEROIL:** European butter markets are generally steady, although a firmer undertone is developing. Butter production remains seasonally light with PSA offerings lower than anticipated. International sales are reported to be light, although some buyer interest is being reported from the U.S. Some sales, especially for product sourced from Eastern Europe, are being reported. Demand is also being reported from Russia. Some of this buyer interest is also being filled from Eastern European sources.

82% BUTTERFAT: 1,300 - 1,500  
99% BUTTERFAT: 1,400 - 1,600

**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to firm. Prices are unchanged to higher. Some renewed buyer interest is starting to develop. With the disease situation becoming more controlled and maintained, traders feel that buyer confidence is returning to the marketplace. With proper product certification and governmental guidelines of importing countries now basically in line, trading is reported to be occurring with less hesitancy. Powder is available for immediate shipment with additional volumes anticipated to become available as the new milk production season gets underway.

1.25% BUTTERFAT: 2,000 - 2,100

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to firm. An overall firmer tone to European markets is starting to occur. Producers and handlers feel that buyer confidence is returning to the marketplace. Stocks of powder are reported to be available for immediate shipment with more to come as the milk production season resumes.

26% BUTTERFAT: 1,900 - 2,100

**SWEET WHEY POWDER:** Whey markets are generally steady pricewise, although the market is being referred to as mixed. International buyer interest remains quiet. Stocks of whey powder are building due to stronger cheese production and unaggressive demand. International buyer interest for European sourced dairy products continues to impact sales activity, although recent consumer/buyer reluctance is not as apparent as past weeks.

NONHYGROSCOPIC: 450 - 500

**OVERVIEW: EASTERN EUROPE:** Milk production patterns in Eastern Europe are much the same as in Western Europe, slow to develop. Cool and wet conditions are limiting pasture growth and in many areas, the fields are too soft. Stocks of manufactured dairy products remain low with producers and handlers optimistic about the upcoming milk production season. Many hope to once again reestablish workable inventories and favorable sales patterns.

## OCEANIA

**OVERVIEW:** Milk production continues to seasonally decline in both Australia and New Zealand. Previous annual estimates for overall production continue to hold. In New Zealand, milk output is estimated to be about 6 - 7% ahead of last season. In Australia, milk output is projected to lag last season's output by about 3.5 - 4%. Recent rainfall in some of Australia's milk production regions will enhance the moisture levels going into the winter season. As the season winds down, milk handlers continue to enhance their inventory situation for the upcoming winter months. Most of this additional production is or has been fully committed. Producers and handlers in both Australia and New Zealand continue to report that international buyer interest is slow and unaggressive. Much of this inactivity is due to the known lack of available product for spot sales, although some buyers continue to question the availability. Some spot butter sales to the U.S. are being reported from this region. Some producers state that spot butter demand is surpassing available stocks.

**BUTTER:** Oceania butter markets are generally steady at unchanged prices. Stocks of butter are sufficient to meet contractual commitments. Many producers and handlers report that stocks are limited for spot sale, although some spot sales are being reported with the butter destined for the United States. Oceania producers indicate that spot butter demand is surpassing available stocks.

82% BUTTERFAT: 1,225 - 1,350

**CHEDDAR CHEESE:** Oceania cheese markets are generally steady at unchanged prices. Milk production is declining seasonally, thus is cheese output. For the most part, stocks of cheese are sufficient to maintain timely shipments to regular buyers. Oceania producers report that supplies are limited and, for the most part, fully committed.

39% MAXIMUM MOISTURE: 2,025 - 2,200

**SKIM MILK POWDER (SMP):** Skim milk powder markets are generally steady. Sales and shipments to regular and ongoing customers continue to be reported as scheduled. Stocks are in balance to fill this buyer need with minimal volumes available for spot buyer interest. Additional buyer interest has been reported by Oceania producers and handlers from buyers that usually were filling their needs from Europe. Due to the recent foot and mouth disease situation in Europe, some buyers are hesitant to procure dairy products from this area and are looking elsewhere. For the most part, this buyer interest went unfilled.

1.25% BUTTERFAT: 2,075 - 2,200

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady. Stocks are sufficient to maintain timely shipments of committed volumes. Milk production is declining seasonally in Australia and New Zealand. Thus, end of season milk volumes are being directed toward product of most need. For the most part, whole milk powder stocks are fully committed with very little, if any, available for spot buyer interest.

26% BUTTERFAT: 2,025 - 2,100

Exchange rates for selected foreign currencies: APRIL 23, 2001

.4077 Dutch Guilder	.4594 German Mark
.1370 French Franc	.4104 New Zealand Dollar
.1068 Mexican Peso	.5053 Australian Dollar
1.4412 British Pound	.0082 Japanese Yen
.2463 Polish Zloty	.8985 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1068) = 9.3633$   
That is 1 US Dollar equals 9.3633 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

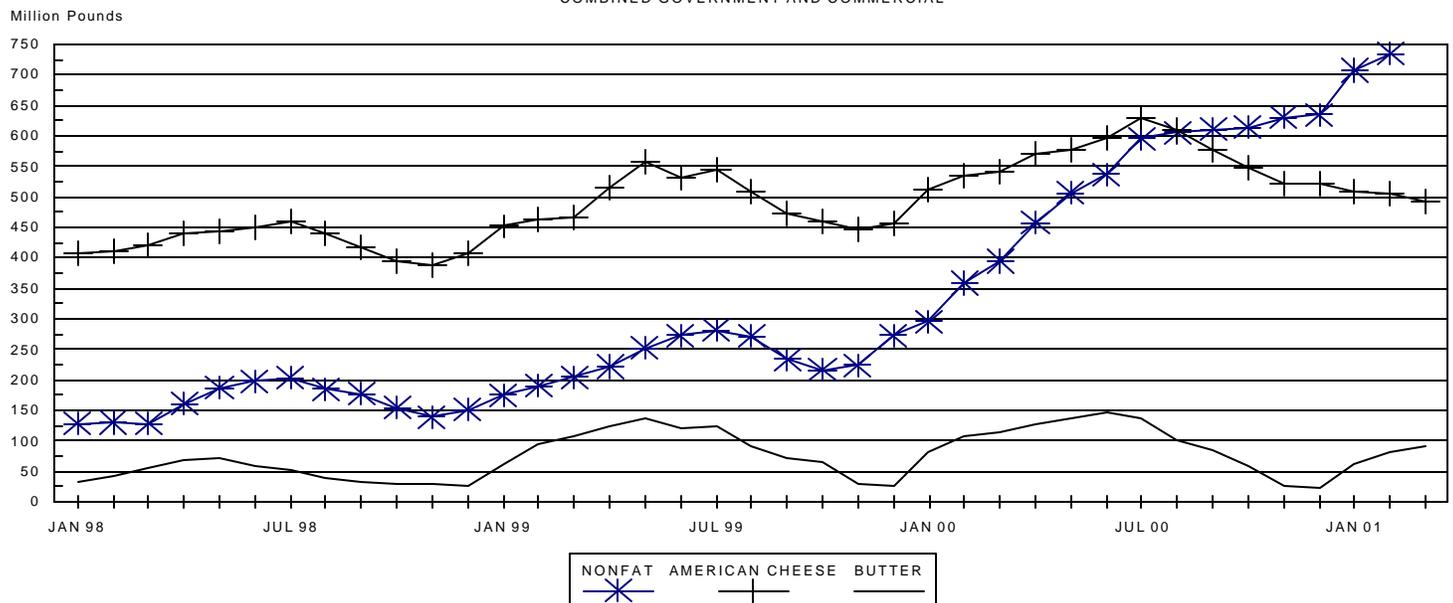
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	FEB 28, 1999	FEB 29, 2000	REVISED FEB 28, 2001	MAR 31, 1999	MAR 31, 2000	MAR 31, 2001
Butter	94,971	107,847	81,315	108,441	114,037	91,476
Cheese, Natural American	464,724	536,165	504,909	467,663	540,625	493,254
Cheese, Swiss	12,054	15,377	13,007	13,538	14,786	12,491
Cheese, Other Natural	159,095	205,691	205,084	163,850	209,709	210,324
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	281	383	279	181	339	717
Natural American Cheese	36	67	1,806	35	57	1,955

MARCH COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
New England	24,109	19,168	22,068	---	---	---	279	599	379
Middle Atlantic	45,176	42,822	48,366	---	---	---	7,101	14,331	18,053
East North Central	208,743	253,148	237,053	---	---	---	81,984	100,079	110,079
West North Central	122,857	113,653	85,160	---	---	---	65,498	71,514	64,093
South Atlantic	332	4,199	5,455	---	---	---	646	356	219
East South Central	200	0	0	---	---	---	320	182	155
West South Central	254	679	583	---	---	---	293	552	517
Mountain	12,638	11,959	11,151	---	---	---	755	5,220	6,024
Pacific	53,354	94,997	83,418	---	---	---	6,974	16,876	10,805
TOTAL	467,663	540,625	493,254	108,441	114,037	91,476	163,850	209,709	210,324

\*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	64	82	63	82	<u>3/</u>	<u>3/</u>	510	512	508	512	2	<u>3/</u>	708	296	145	146	563	150
February	81	108	81	107	<u>3/</u>	<u>3/</u>	505	536	503	536	2	<u>3/</u>	734	359	145	173	589	186
March	91	114	91	114	1	<u>3/</u>	493	541	491	541	2	<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.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Feb 28, 1999	Feb 29, 2000	Feb 28, 2001	Mar 31, 1999	Mar 31, 2000	Mar 31, 2001
	Thousand Pounds					
Butter	94,690	107,464	81,036	108,260	113,698	90,759
Natural American Cheese	464,688	536,098	503,103	467,628	540,568	491,299

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

SOURCE: "Cold Storage," Co St 1 (4-01) and "Dairy Products," Da 2-6 (4-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER ADVANCE PRICES, MAY

**Class I Base Price** -- Under the Federal milk order pricing system, the Class I base price for May 2001 is \$14.21 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.88 and the advanced butterfat pricing factor of \$1.8887. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Class II Price Information** -- The advanced Class IV skim milk pricing factor is \$7.88. Thus, the Class II skim milk price for May is \$8.58 per cwt., and the Class II nonfat solids price is \$0.9533. **Product Price Averages** -- The two-week product price averages for May are: butter \$1.6637, nonfat dry milk \$1.0154, cheese \$1.3326, and dry whey \$0.2434.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	May 2001		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <u>4/</u>	001	17.46	11.13	1.9212
Appalachian (Charlotte) <u>5/</u>	005	17.31	10.98	1.9197
Southeast (Atlanta) <u>6/</u>	007	17.31	10.98	1.9197
Florida (Tampa) <u>7/</u>	006	18.21	11.88	1.9287
Mideast (Cleveland) <u>8/</u>	033	16.21	9.88	1.9087
Upper Midwest (Chicago) <u>9/</u>	030	16.01	9.68	1.9067
Central (Kansas City) <u>10/</u>	032	16.21	9.88	1.9087
Southwest (Dallas) <u>11/</u>	126	17.21	10.88	1.9187
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	16.56	10.23	1.9122
Western (Salt Lake City) <u>13/</u>	135	16.11	9.78	1.9077
Pacific Northwest (Seattle) <u>14/</u>	124	16.11	9.78	1.9077
All-Market Average		16.79	10.46	1.9145

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ 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. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ 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. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ 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. 11/ 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. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
JAN 2000	170.9	2.9	163.6	2.0	163.1	5.2	161.7	-1.5	156.3	12.8	158.0	5.2
FEB 2001	171.3	3.0	163.6	1.7	163.5	5.6	163.7	-0.7	154.9	22.3	159.5	5.4
MAR 2001	171.7	3.1	163.2	2.6	159.8	4.4	164.0	1.0	152.3	13.5	160.1	5.1
U.S. City Average Retail Prices												
Month	Whole Milk <sup>4/</sup>		Lowfat Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Dollars											
JANUARY	2.852	2.785	2.705	2.717	2.971	2.425	3.674	3.843	3.871	3.839	3.673	3.324
FEBRUARY	2.847	2.777	2.672	2.693	2.979	2.293	3.693	3.731	3.862	3.821	3.609	3.340
MARCH	2.760	2.748	2.677	2.681	2.970	2.408	3.723	3.845	3.846	3.810	3.660	3.275

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

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-DECEMBER-FEBRUARY 1999/2000-2000/2001 AND YEAR-TO-DATE 1999-2000 <sup>1/</sup>

Item	Dec.-Feb. 1999/00	Percent change <sup>4/</sup>	Dec.-Feb. 2000/01	Percent change <sup>4/</sup>	Jan.-Dec. 1999	Percent change <sup>4/</sup>	Jan.-Dec. 2000	Percent change <sup>4/</sup>
	Million Pounds							
<u>MILK</u>								
Production	41,729	5.4	40,676	-1.4	162,716	3.4	167,658	2.7
Marketings	41,395	5.5	40,358	-1.4	161,349	3.5	166,328	2.8
Beginning Commercial Stocks <sup>2/</sup>	5,992	16.6	6,830	14.0	5,274	7.9	6,135	16.3
Imports <sup>2/</sup>	1,012	-14.3	1,166	15.2	4,772	4.0	4,446	-6.8
Total Supply <sup>3/</sup>	48,399	6.2	48,354	0.9	171,395	3.6	176,909	2.9
Ending Commercial Stocks <sup>2/</sup>	9,116	16.9	8,190	-10.2	6,135	16.3	6,863	11.9
Net Removals <sup>2/</sup>	242	272.3	103	-57.4	343	-6.3	841	145.2
Commercial Disappearance <sup>3/</sup>	39,041	3.5	40,061	3.8	164,917	3.2	169,205	2.3
<u>SELECTED PRODUCTS <sup>5/</sup></u>								
Butter	312.4	2.2	312.5	1.2	1,308.8	7.0	1,329.4	1.3
American Cheese	851.3	4.8	905.3	7.6	3,586.4	7.4	3,632.1	1.0
Other Cheese	1,118.3	7.1	1,164.5	5.3	4,677.8	5.1	4,928.1	5.1
Nonfat Dry Milk	131.1	-33.9	148.0	14.2	791.1	-8.7	770.6	-2.8
Fluid Milk Products <sup>6/</sup>	14,090.1	0.4	13,864.9	-0.5	55,712.2	0.7	55,496.2	-0.7

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

## THE DAIRY SITUATION AND OUTLOOK

### Dairy Product Prices Sharply Higher

Wholesale prices of dairy products have risen considerably, and prospects for the rest of 2001 have become very unsettled. Sales apparently have stayed strong, seasonal increases in commercial stocks have been quite limited, and declines in milk production have continued. Although dairy markets are fundamentally tight, recent prices might reflect protection against possible conditions tighter than those considered most likely.

Since early February, exchange prices of cheese have jumped about 35 cents per pound, while butter prices soared about 70 cents. Even some nonfat dry milk prices edged higher. Current cheese prices are the highest since early autumn 1999, while butter prices are the highest since the wild markets of 1998.

Weakness in milk production was the primary cause of the price increases. March output was the weakest yet, down more than 2 percent from a year earlier. Although milk cow numbers slipped below a year earlier, the main factor was the pronounced drop in milk per cow. Poor forage and less use of bovine somatotropin contributed substantially. Also, the winter weather seemed to be relatively stressful, even though conditions were not extreme. Higher milk prices and modest concentrate prices will stimulate milk per cow in coming months. However, the apparent winter damage to the cows and the forage quality problems until new crop supplies arrive may delay full recovery.

Once milk production begins to show some recovery, some of the current concerns about second-half conditions should be allayed. Although markets for milkfat or whole milk products probably will stay relatively tight, prices may settle somewhat lower until at least autumn. Imports of milkfat above the tariff-rate quota (TRQ) will add to domestic fat supplies. With warnings having been given to potential suppliers as early as February, current prices could result in large imports beyond TRQ's.

### DAIRY FORECASTS

	2001				
	I	II	III	IV	ANNUAL
Milk cows (thous.)	9,155	9,140	9,110	9,080	9,125
Milk per cow (pounds)	4,514	4,725	4,500	4,535	18,310
<b>Milk production (bil. pounds)</b>	41.3	43.2	41.0	41.2	166.7
<b>Commercial use (bil. pounds)</b>					
milkfat basis	40.3	42.6	43.9	43.6	170.4
skim solids basis	39.3	41.5	42.5	42.0	165.3
<b>Net removals (bil. pounds)</b>					
milkfat basis	0.1	0.0	0.1	0.1	0.2
skim solids basis	2.2	1.4	0.8	1.1	5.5
<b>Prices (dol./cwt.)</b>					
All milk	13.27	13.65-14.05	14.00-14.70	14.45-15.45	13.85-14.35

**Source:** *ALivestock, Dairy, and Poultry Situation and Outlook*, LDP-M-82, April 25, 2001, Economic Research Service, USDA, Washington, DC. For more information, contact James J. Miller, (202) 694-5184.

### Milk Production, Disposition, and Income 2000

**Milk production** increased 3 percent in 2000 to 168 billion pounds. The rate per cow, at 18,204 pounds, was 432 pounds above 1999. The annual average number of milk cows on farms, at 9.21 million head, was 54,000 head more than 1999.

**Cash receipts from marketings** of milk during 2000, at \$20.6 billion, was 11 percent below 1999. Producer returns averaged \$12.40 per hundredweight, 14 percent below 1999. Marketings totaled 166 billion pounds, 3 percent above 1999. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers.

An estimated 1.31 billion pounds of milk were used on farms where produced, 1 percent less than 1999. Calves were fed 84 percent of this milk with the remainder consumed in producer households.

#### Quantity of Milk Used and Marketed by Producers: United States, 1998-2000 <sup>1/</sup>

Year	Milk Used Where Produced			Milk Marketed by Producers	
	Fed to Calves <sup>2/</sup>	Used for Milk Cream and Butter	Total	Total <sup>3/</sup>	Fluid Grade <sup>4/</sup>
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Percent
1998	1,162	244	1,406	155,943	97
1999	1,109	219	1,328	161,387	98
2000	1,101	211	1,312	166,346	98

<sup>1/</sup> May not add due to rounding. <sup>2/</sup> Excludes milk sucked by calves. <sup>3/</sup> Milk sold to plants and dealer's as whole milk and equivalent amounts of milk for cream. Also includes milk produced by institutional herds. <sup>4/</sup> Percentage of milk sold that is eligible for fluid use (grade A for fluid use in most States). Includes fluid-grade milk used in manufacturing dairy products.

#### Marketings, Income, and Value of Milk Production: United States, 1998-2000 <sup>1/</sup>

Year	Combined Marketings of Milk and Cream		
	Milk Utilized	Average Returns <sup>2/</sup>	Cash Receipts from Marketings
		Per 100 Pounds of Milk	
	Mil. lbs.	Dollars	1,000 Dollars
1998	155,943	15.46	24,114,036
1999	161,387	14.38	23,207,099
2000	166,346	12.40	20,621,983

<sup>1/</sup> May not add due to rounding. <sup>2/</sup> Cash receipts divided by milk marketings.

**Source:** "Milk Production, Disposition and Income, 2000 Summary" Da 1-2(01), National Agricultural Statistics Service, USDA.

**ANNUAL MILK MARKETINGS BY PRODUCERS AND CASH RECEIPTS FROM MARKETINGS,  
BY STATE, 2000**

State	Milk Marketed by Producers		Cash Receipts from Marketings	
	Quantity <u>1/</u>	Fluid Grade <u>2/</u>	Total	Average Return <u>3/</u>
	Mil. lbs.	Percent	1,000 Dollars	\$/cwt.
AL	345	100	48,990	14.20
AK	12.25	100	2,487	20.30
AZ	3,003	100	357,357	11.90
AR	504	100	68,544	13.60
CA	32,208	99	3,703,920	11.50
CO	1,892	100	223,256	11.80
CT	473	100	67,166	14.20
DE	148	100	19,980	13.50
FL	2,459	100	383,604	15.60
GA	1,420	100	183,180	12.90
HI	114.7	100	28,102	24.50
ID	7,189	98	762,034	10.60
IL	2,074	98	255,102	12.30
IN	2,338	95	301,602	12.90
IA	3,891	96	455,247	11.70
KS	1,508	99	174,928	11.60
KY	1,660	99	229,080	13.80
LA	692	100	96,188	13.90
ME	662	100	96,652	14.60
MD	1,341	100	181,035	13.50
MA	385	100	54,670	14.20
MI	5,655	99	729,495	12.90
MN	9,388	95	1,126,560	12.00
MS	540	100	75,060	13.90
MO	2,229	95	269,709	12.10
MT	302	100	38,656	12.80
NE	1,239	96	144,963	11.70
NV	470	100	51,700	11.00
NH	305	100	43,310	14.20
NJ	263	100	33,401	12.70
NM	5,192	100	643,808	12.40
NY	11,785	100	1,543,835	13.10
NC	1,171	100	174,479	14.90
ND	690	71	77,970	11.30
OH	4,436	92	558,936	12.60
OK	1,281	100	174,216	13.60
OR	1,669	99	213,632	12.80
PA	11,098	99	1,520,426	13.70
RI	27.8	100	3,975	14.30
SC	366	100	51,606	14.10
SD	1,620	93	207,360	12.80
TN	1,400	99	193,200	13.80
TX	5,717	100	766,078	13.40
UT	1,661	94	186,032	11.20
VT	2,757	100	377,709	13.70
VA	1,884	100	278,832	14.80
WA	5,556	100	711,168	12.80
WV	262	100	34,846	13.30
WI	22,989	94	2,689,713	11.70
WY	74.4	80	8,184	11.00
US <u>4/</u>	166,346	98	20,621,983	12.40

1/ Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and small amounts sold directly to consumers. Also includes milk produced by institutional herds. 2/ Percentage of milk sold that is eligible for fluid use (grade A for fluid use in most States). Includes fluid-grade milk used in manufacturing dairy products. 3/ Cash receipts divided by milk marketings. 4/ May not add due to rounding.

**Source:** "Milk Production, Disposition and Income, 2000 Summary," Da 1-2(01), National Agricultural Statistics Service, USDA.

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

	FOR THE WEEK OF APRIL 23 - 27, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 04/20/01	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	81,766	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	3,603,600	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	11,074,959	3,685,366	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfort	7,533,766	517,621	7,016,145	273,143,084	256,028,396	507,226,000	-0-
Fortified	391,585	-0-	391,585	27,258,654	5,313,347	37,339,000	-0-
<b>TOTAL</b>	7,925,351	517,621	7,407,730	300,401,738	261,341,743	544,565,000	-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 23 - 27, 2001 =	1.6	86.2	COMPARABLE WEEK IN 2000 =	9.2	220.7
CUMULATIVE SINCE OCTOBER 1, 2000 =	168.3	3,606.3	CUMULATIVE SAME PERIOD LAST YEAR =	91.5	3,078.5
CUMULATIVE JANUARY 1 - APRIL 27, 2001 =	51.8	2,123.7	COMPARABLE CALENDAR YEAR 2000 =	80.3	2,485.4

\* 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 23 - 27, 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-	7,016,145	391,585
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	3,685,366	3,105,246	27,904,185	33.3	43.9
WEST	-0-	-0-	5,039,919	-0-	297,296,492	230,997,561	66.5	55.5
EAST	-0-	-0-	39,600	-0-	-0-	2,439,997	0.2	0.6
<b>TOTAL</b>	-0-	-0-	11,074,959	3,685,366	300,401,738	261,341,743	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 04/07/01 & 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			
2001-Dairy	0.3	0.6	5.9	4.6	20.5	2.6	1.8	1.1	10.5	3.0	50.8	782.1	49.7	49.7
2000-Dairy	0.2	0.9	6.1	4.6	19.1	2.9	0.8	0.8	10.4	3.0	48.8	750.0	50.1	51.2
2001-All cows	0.3	0.7	8.0	13.0	29.0	11.6	16.7	4.7	12.5	5.8	102.2	1,573.5		
2000-All cows	0.2	1.1	8.2	12.7	27.4	11.9	13.8	4.0	12.3	5.8	97.5	1,465.9		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

**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	14.21							
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/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)