

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (9/7):**

BUTTER: Grade AA closed at \$2.2000. The weekly average for Grade AA is \$2.2100 (+.0017).

CHEESE: Barrels closed at \$1.6800 and blocks at \$1.7200. The weekly average for barrels is \$1.6800 (N.C.) and blocks, \$1.7200 (-.0240).

NONFAT DRY MILK: Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

BUTTER: Butter markets remain firm. The cash price at the CME continues to be more than \$1.00 higher than at this time last year. Most producers and handlers indicate that the cash price is higher than desired, but many feel that the price will firm further before the yearend. Some are indicating that additional butter might be offered on the cash market, which could temporarily lower the price, but the overall tone remains firm. Stocks of butter vary across the country. Churning schedules also vary depending on milk and cream availability. Some butter producers continue to sell their cream versus churning, while others continue to take full advantage of additional offerings. Overall butter demand is fair. Shopping habits are back in the "school-year mode" when home consumption usually improves. However, retail prices are a deterrent to sales. Food service orders are slower as is typical for the post-Labor Day week.

CHEESE: The cheese market is steady. Demand is improving on natural though process is steady at best. Most packagers and processors operated on abbreviated holiday schedules, lessening bulk cheese needs. Some extra milk was available over the holiday weekend as bottling slowed, but the extra volumes disappeared quickly. Supplies of current varieties continue to tighten, as production schedules are light due to milk supplies. Cumulative 7-month cheddar cheese output in 2001 totaled 1.638 billion pounds, down 86.2 million pounds (-5.0%) from 2000 (after adjusting 2000 to the comparable number of days). Cumulative total cheese output has reached 4.777 billion pounds in 2001, down 65.1 million pounds (-1.3%) from the comparable period in 2000.

FLUID MILK: The Labor Day holiday weekend temporarily interrupted Class I demand and inter-regional milk shipments. This allowed additional volumes to clear into manufacturing channels. However, the extra volumes were often lighter than expected and handled with minimal difficulty. With most schools open after the holiday, Class I use is good. In the Northeast and Southeast, milk volumes are steady. In Florida, temperatures remain hot and not very conducive for milk production. Milk imports into the Southeast were lighter during the holiday weekend. Milk receipts are steady to just

slightly higher in the Midwest where some recovery from heat stress continues. In New Mexico, milk receipts are also steady. Though hot temperatures prevailed in Utah and Idaho, little impact was noted on production. In California, favorable weather conditions for milk production are noted. Conditions are good for early fall milk production in the Pacific Northwest.

DRY PRODUCTS: The NDM market is generally steady, with some weakness noted in the East. Offerings to CCC continue light as NDM supply and demand continue to move into better balance. Some additional drying occurred over the holiday weekend as milk volumes needed for Class I were lighter. The whey market is steady. Some extra whey was produced over the weekend, but overall drying was often lighter than anticipated. Domestic interest is fair to good and export interest continues. The buttermilk market is steady to firm though drying remains light. Buttermilk stocks and trading remain limited. Most buttermilk continues to clear as condensed. The WPC market is unsettled. Spot sales are limited as most producers are fully committed. International interest continues. The lactose market is steady to firm. Holiday candy interest is aiding domestic lactose demand though export interest is mixed. Supplies have tightened.

CCC: During the holiday abbreviated week of September 3 - 7, CCC net purchases totaled 127,866 pounds of Western nonfortified NDM.

AUGUST AGRICULTURAL PRICE HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2001 was unchanged at 123. Compared with August 2000, the index is up 4 points (3.4%). The index of prices received by farmers for dairy products advanced 1 point during the month of August 2001 to 125. Compared with August 2000, the index was up 29 points (30.2%). Prices received by farmers in August with changes from July were: for All Milk, \$16.30, up \$.10; Fluid Grade Milk, \$16.40, up \$.10; and for Manufacturing Grade Milk, \$15.20, up \$.20.

JULY DAIRY PRODUCT HIGHLIGHTS (NASS): Butter production was 79.3 million pounds in July, 7.1% below July 2000 and 8.8% below June 2001. American type cheese production totaled 298.9 million pounds, 6.2% below July and 3.0% below last month. Total cheese output (excluding cottage cheese) was 678.4 million pounds, 1.3% below July 2000 and 0.6% lower than a year ago. Nonfat dry milk production, for human food, totaled 117.3 million pounds, 2.9% below July 2000 and 10.7% below June 2001. Dry whey production, for human food, was 90.3 million pounds, 4.1% below July 2000 and 1.9% below June 2001.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

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

PRODUCT	MONDAY SEPTEMBER 3	TUESDAY SEPTEMBER 4	WEDNESDAY SEPTEMBER 5	THURSDAY SEPTEMBER 6	FRIDAY SEPTEMBER 7	WEEKLY CHANGE*	WEEKLY AVERAGE
CHEESE BARRELS	H O L	\$1.6800 (N.C.)	\$1.6800 (N.C.)	\$1.6800 (N.C.)	\$1.6800 (N.C.)	N.C.	\$1.6800 (N.C.)
40# BLOCKS	I	\$1.7200 (N.C.)	\$1.7200 (N.C.)	\$1.7200 (N.C.)	\$1.7200 (N.C.)	N.C.	\$1.7200 (-.0240)
BUTTER GRADE AA	D A Y	----	\$2.2200 (-.0050)	----	\$2.2000 (-.0200)	-.0250	\$2.2100 (+.0017)

*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 \$.9900 and Grade A price is \$1.0000. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, SEPTEMBER 3, 2001
NO TRADING - HOLIDAY

TUESDAY, SEPTEMBER 4, 2001

CHEESE — SALES: 4 CARS 40# BLOCKS: 1 @ \$1.7175, 1 @ \$1.7200, 1 @ \$1.7250, 1 @ \$1.7175; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.7200; OFFERS UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 5, 2001

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.7175; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.7200; OFFERS UNCOVERED: NONE
BUTTER — SALES: 8 CARS GRADE AA: 2 @ \$2.2250, 1 @ \$2.2100, 1 @ \$2.2125, 1 @ \$2.2150, 1 @ \$2.2175, 2 @ \$2.2200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS GRADE AA @ \$2.2250

THURSDAY, SEPTEMBER 6, 2001

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

FRIDAY, SEPTEMBER 7, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER — SALES: 1 CAR GRADE AA @ \$2.2000; BIDS UNFILLED: 1 CAR GRADE AA @ \$2.1900; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.2075, 1 @ \$2.2200

BUTTER MARKETS

JULY BUTTER PRODUCTION

During July 2001, butter production in the United States totaled 79.3 million pounds, 7.1% less than July 2000 and 8.8% less than June 2001. Year to date production is down 7.8% when compared to the first seven months of 2000. The following are percentage changes from July 2000 for various states: CA +2.8, NY + 69.9, PA -33.2%, and WI + 27.0%.

NORTHEAST

The market tone remains firm and the price continues to advance. Churning activity in the East remains limited due the tighter milk supply and good call for cream. However, most producers have more than enough bulk on hand or available to them to meet print butter orders. Distributors are more active this week due the holiday-shortened workweek. Retail demand is just fair, but shopping habits are back in the "school-year mode" when home consumption usually improves. However, retail prices are a deterrent to sales. Food service orders are slower as is typical for the post-Labor Day week. 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

Butter markets remain firm. Many producers and handlers indicate that prices are higher than desired, but also feel that prices will remain firm and will possibly go higher. Churning schedules in the Midwestern part of the country are mixed. Some producers are maintaining steady schedules and not actively procuring additional cream, while others are taking full advantage of available

cream offerings. Cream offerings during the past holiday weekend were reported to be heavier, although offering prices were higher than some Midwestern butter operations were willing to pay and often stated the price they were willing to pay delivered. Stock opinions are also mixed. Some producers state that they would like to have heavier inventories than they actually have, with others in a comfortable situation. Overall butter demand is fair, although some producers and handlers indicate that orders are heavier. Some speculate that heavier orders might be occurring due to anticipated firmer prices in the near future. Also, some buyers are stating that they are trying to establish a workable inventory earlier than in past years for upcoming fall needs. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing basis.

WEST

Offerings and sales of bulk butter from the Western region are declining seasonally. Print sales are generally unchanged. Contacts note that very few Western manufacturers have much butter on hand because of the current high price levels. They wonder how stocks will reach into the fall season. Production levels are declining seasonally at most Western plants. July butter production in the Western region totals 35.7 million pounds, down 4.2% from a year earlier. July U.S. output was down 7.1% from 2000. Cumulative output for the first seven months of the year totals 722.7 million pounds, down 7.8% from the same period last year(unadjusted). Current prices for bulk butter range from 2.75 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			
SEPTEMBER 1	1.6895 7,291,143	1.6484 6,946,861	0.9465 23,576,396	2.1409 3,836,233	0.2875 10,158,706

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 on both natural cheddar items and process loaves. The market tone is firm following two weeks of price increases at the CME. Cheese production is lighter in the Northeast. In New York, schools reopen this week and the need for more milk in Class I operations is heavier. Cheese stocks are adequate to meet the current, fair demand. Best interest is for process and mozzarella. Food service orders are lighter now that resort-area restaurants are back on their "off season" schedules. Retail movement is just fair and often influenced by feature activity.

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

Cheddar 10# Prints	:	1.7900-2.2600
Cheddar Single Daisies	:	1.7475-2.2075
Cheddar 40# Block	:	1.8850-2.0675
Process 5# Loaf	:	1.8900-2.0500
Process 5# Sliced	:	1.9100-2.1675
Muenster	:	1.9500-2.1575
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled, though with a steady undertone. After the long holiday weekend, most processors and packagers are operating mainly on a 4-day schedule. Many cut and wrap operations are seeing improvement in order size and/or volume. Current cheese supplies of muenster and mozzarella have tightened as demand improves seasonally. Current cheddar supplies are also in better balance. Inventory levels, particularly for aged cheddar, and for those putting cheese into aging programs, remain a concern at current price levels. Reductions in plant operating schedules in recent weeks due to limited manufacturing milk supplies, are also a factor in the tighter current cheese supplies. Cheese yields have recovered from recent low summer levels. Cumulative 7-month cheddar cheese output in 2001 totaled 1.638 billion pounds, down 86.2 million pounds (-5.0%) from 2000 (after adjusting 2000 to the comparable number of days).

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

Process American 5# Loaf	:	1.8975-2.1000
Brick And/Or Muenster 5#	:	2.0600-2.3350
Cheddar 40# Block	:	2.0400-2.1550
Monterey Jack 10#	:	2.1400-2.3675
Blue 5#	:	2.4850-2.7100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0900-2.2175
Grade A Swiss Cuts 6 - 9#	:	2.4550-2.6900

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES	:	SEPTEMBER 3 - 7, 2001
BARRELS*	:	\$1.6800 - 1.6950 (NOMINAL)
	:	(\$.0450) (.0050)
40# BLOCKS	:	\$1.7200 - 1.7850 (NOMINAL)
	:	(-\$.0125) (.0050)

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

WEST

Prices are higher for both natural and process cheese following trading at the CME last week. Natural cheese items are expected to decline in price based on subsequent trading at the Exchange. Good quality current blocks are trading quite well. Process cheese sales are noted to be somewhat slower. Swiss sales are rated as good for this season of the year. Total production of cheese in July reached 678.4 million pounds, down 1.3% from July 2000. American cheese production was down 6.2% at 298.9 million pounds. American cheese production in selected Western States compared to last year is as follows: California -0.2%, Idaho -7.3%, Oregon +3.3%, and Utah -16.0%. Swiss output in July was 20.8 million pounds, 5.8% above last year and 0.8% above June.

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

Process 5# Loaf	:	1.8300-2.0900
Cheddar 40# Block	:	1.8650-2.0275
Cheddar 10# Cuts	:	2.0450-2.2650
Monterey Jack 10#	:	2.0550-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5800

FOREIGN

Prices are unchanged on imported; higher on domestically made styles. The market tone is little changed. Demand is fair to good with best interest on imported cheeses that can be and are used in further processing. With the CME cheese prices as high as they are, some imported varieties are a cost-efficient alternative to domestic cheeses.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	DOMESTIC
	:		
Blue	:	2.6400-3.1400	2.0925-3.5875*
Gorgonzola	:	3.2400-5.9400	2.4900-2.6600*
Parmesan (Italy)	:	TFEWR	3.5075-3.5625*
Romano (Italy)	:	2.1000-2.9900	-0-
Provolone (Italy)	:	3.4400-5.5000	2.1000-2.3200*
Romano (Cows Milk)	:	-0-	3.2825-5.4600*
Sardo Romano (Argentine)	:	2.6500-3.2900	-0-
Reggianito (Argentine)	:	2.6500-3.2900	-0-
Jarlsberg-(Brand)	:	2.7500-3.5900	-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	:	2.1900-2.9500	-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 CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

		BUTTER	: CHEESE
			:
09/03/01	31,213	:	128,050
08/01/01	43,592	:	130,979
CHANGE	-12,379	:	-2,929
% CHANGE	-28	:	-2

FLUID MILK AND CREAM

E A S T

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	97	0	170	0	111	0
SOUTHEAST STATES	141	0	179	0	171	0

The following are the August 2001 Class and component prices under the Federal Milk Order pricing system: Class II \$15.98 (up \$.02 from July), Class III \$15.55 (up \$.09); and Class IV \$15.06 (up \$.25). The following are product price averages used in computing Class prices: butter \$1.9990, NDM \$0.9473, cheese \$1.6693, and dry whey \$.2886. The Class II butterfat price is \$2.3046 and the Class III/IV butterfat price is \$2.2976. Milk production is mostly steady throughout the region. Cooler weather prevailed in the Northeast and that, coupled with the Labor Day weekend, gave a little more surplus milk to processors. In the Southeast and Middle Atlantic areas, the milk output is mostly steady and the weather has moderated. Florida remains hot during the day, but cooler at night and the milk flow is unchanged and heavier than expected. Fluid milk supplies are heavier this week and shipments into Florida and other Southeastern states are down from last week. Contacts feel that the need for milk will pick back up in coming weeks, but sales did drop off this week. In the Northern part of the region, most schools are back in session and the need for Class I milk is improving and may "top out" in the next week or two when the larger, urban-area schools reopen. Surplus milk volumes are heavier, but more contacts feel the volumes will disappear as bottling settles back into normal, school-year patterns. Some processors welcomed the weekend's extra milk as it helped them get caught up with orders. The condensed skim market remains firm, but as the fat price increases, the solids' value may ebb, depending on Class. Demand for wet solids by cheese makers remains good and prices are unchanged. The fluid cream market is weaker and supplies were heavier over the long, holiday weekend. More suppliers lowered multiples to offset the increasing price of butter. Spot buyers remain hesitant to buy too much at these levels. Contract buyers are grumbling, but taking their loads. Cream cheese and sour cream "season" is coming and manufacturers are paying close attention to butterfat prices. Cream cheese makers have been building inventories ahead of the butterfat price increases as best they can within the limits of product date coding. Ice cream output is slowing along seasonal patterns and the high cost of butterfat is also a factor in producers' production decisions. With schools back in session and vacations over, consumption of soft serve and hard ice cream will likely settle back into fall/winter patterns. Churning activity is heavier this week and more excess cream was available during the weekend and early this week. Loads offered to Midwestern butter makers met indifference and lower pay prices.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT		
F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.7162-3.0033
DELIVERED EQUIVALENT ATLANTA	-	2.7383-3.0475 M 2.7825-2.9370
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.9812-3.0916
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0500-1.1100
NORTHEAST- CLASS III - SPOT PRICES	-	1.0000-1.0800

M I D W E S T

The Labor Day holiday caused some interruptions in recent milk shipment patterns and reduced shipment volumes out of area. By Sunday or Monday, milk shipments had returned to "regular" patterns. Handlers also feel that many bottlers have determined how much milk they really need, cutting down on the "optimistic speculative loads". Milk supplies remain tight to short and many plant operators continue to search for additional volumes to help fill orders. Plant milk receipts are about steady to occasionally slightly higher from recent weeks. Many operations regained about half to two-thirds of the heat stressed loss of last month. Condensed skim interest is also good, particularly from

many cheese operations. Milk premiums remain seasonally high as buyers need to put up to acquire additional volumes when available. Spot manufacturing premiums on a light test, range from \$3.00 to 4.00 over class. A number of plants were able to manufacture a little extra product over the holiday weekend as bottler use was lower though others remained on regular abbreviated schedules. Cream demand remains good and supplies tight even though a few ice cream operations have slowed a bit as the peak sales season winds down. At this time of year, ice cream operations are usually content to just match production to orders and further reduce inventory. Soybeans are turning yellow and are dropping leaves in early planted fields. For farmers intending to retain the alfalfa field for next year, the usual early September alfalfa "cutting moratorium" is again in place until the first killing frost to allow the plant time to replenish root reserves.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	AUG 30 - SEP 5	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 45.50	\$ 36.00- 41.50
REPLACEMENT HEIFER CALVES	\$300.00-540.00	\$350.00-435.00

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

	AUG 30 - SEP 5	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.50- 44.50	\$ 36.00- 45.50

W E S T

The August 4a price (butter/powder) in California is \$14.82, up 44 cents from July and \$2.96 higher than last year. This compares to the Federal Order Class IV price for August at \$15.06. The August 4b price (cheese) is \$15.26, up 30 cents from July and \$4.69 higher than last year. This compares to the Federal Order Class III price for August at \$15.55. California milk production is noted to be in the 1 to 5% higher range versus a year ago in the state. Most processors are comfortable with the current milk receipts. Problems were generally minimal for handling surplus milk supplies over the Labor Day weekend. There continues to be some movement of milk away from cheese plants to help balance cheese inventories. More milk is moving towards fluid channels to fill in for school needs as most schools in the state are now in session. Weather conditions are mostly favorable for milk cows in the state. Some hot conditions have occurred, but not at durations to adversely affect the cows. Prices for alfalfa hay continue to increase, but the additional costs are being offset by higher milk prices. New Mexico milk production is showing little changes from recent weeks. There have been some showers lately over the state, but not at levels to affect milk output. Processing plants are running and some additional milk is moving to other areas that need supplemental milk. Milk was handled as expected over the holiday weekend. Hay cuttings continue in the state and are expected to continue as long as the weather permits. Western cream multiples were lower over the holiday weekend but saw recovery this week. Demand is unsettled. Cream buyers are in a tough spot with the current high butter price affecting the total cost of their cream purchases. Processors are weighing whether to make products now to meet later needs or to wait and see if the market will be lower and make product then. Western multiples were in a wide range of 112 to 135, FOB. Finding available tankers remains a challenge. Milk production continues to look good going into the fall season in the Pacific Northwest. Weather conditions have been moderate all summer in relation to cow comfort. The main issues for the upcoming winter are feed costs, and hay quality and price. Generally cooler temperatures in the hay growing areas of the region means that hay quality is increasing on the current harvest. Hay stocks are tight and expected to remain that way or worsen. Some hay buyers that are not booked up are scrambling to find some stocks. Hay quality tests are not as good as expected on some of the current deliveries. Nationally, hay prices are up more than 20% in August compared to last year. Temperatures were hot again over the weekend in Utah and Idaho. There wasn't much additional cow stress, but crops continue to be hurt by the hot and dry conditions. No extra milk showed up over the Labor Day weekend and this was not a surprise to most handlers. Heifer prices are firm in the region. A major monthly regional sale will be held late this week for dairy heifers and results will be reported next week.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 09/06/01 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 and nominal on a steady to firm market. With the holiday weekend, less milk was moved into bottling for school lunch and more supplies were then available for NDM production. However, production only increased slightly as spot supplies remain light to short of buyer interest. Some brokers are attempting to contract supplies for next year with a few plants willingly contracting at flat prices. High heat production is steady. Spot sales are light with most product readily clearing into contracts. Production of human food, nonfat dry milk during July 2001 totaled 117.3 million pounds, down 2.9% from July 2000 and 10.7% below June 2001. Month ending stocks, at 161.1 million pounds, are 22.7% below a year ago and 2.9% lower than June 2001.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9600 - 1.0250 MOSTLY: .9600 - .9750

DRY BUTTERMILK - CENTRAL

Prices are unchanged to higher and nominal on a steady to firm market. Increased milk supplies over the holiday weekend did not affect buttermilk production. Churning activity continues light. Most buttermilk continues to clear in the condensed form. Dry buttermilk stocks are light with some plants unable to offer any supplies on a spot basis. Dry buttermilk production during July 2001 totaled 2.9 million pounds, down 21.6% from July 2000 and 19.5% lower than June 2001. Month ending stocks, at 4.2 million pounds, are 12.7% below last year and 5.7% lower than last month.

BUTTERMILK: 1.0400 - 1.1000

DRY WHEY - CENTRAL

Prices are unchanged to higher and nominal on a mostly steady market. At some locations, heavier milk supplies are filtering into cheese and whey production. However, influxes of milk in response to the cooler temperatures and holiday weekend are less than seasonally expected. Domestic demand is fair to good into blending and candy operations. Export movement is light as buyers are resistant to the current prices. Production of human food, dry whey during July 2001 totaled 90.3 million pounds, 4.1% less than July 2000 and 1.9% below June 2001. Month ending stocks, at 33.9 million pounds, are 30.8% below a year ago but 4.1% more than June 2001.

NONHYGROSCOPIC: .2800 - .3025 MOSTLY: .2900 - .2975

ANIMAL FEED WHEY - CENTRAL

Prices are mixed and nominal on a generally steady market. Prices on milk replacer supplies vary with the quality. Stocks are in good balance for the light to fair demand. Some roller ground prices moved lower due to buyer resistance. The market is generally steady, especially as feed interest improves in the cooler weather. Delatose supplies remain tight and short of buyer interest. Some buyers are attempting to negotiate contracts for 2002 in order to secure adequate supplies. Production of animal feed dry whey during July 2001 totaled 7.0 million pounds, 18.9% lower than a year ago but 6.9% more than June 2001. Month ending stocks, at 4.9 million pounds, are 47.7% below a year ago and 8.9% lower than last month. The July 2001 U.S. pig crop at 8.50 million head, was 1% less than the previous year. Sows farrowing during this period totaled 955 thousand head, 2% below last year.

MILK REPLACER: .2300 - .2700

ROLLER GROUND: .2750 - .3000

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

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a mostly steady to firm market. Supplies are generally tighter than in prior weeks. Domestic movement is good as candy companies prepare for the holiday season. Export interest is mixed. Some firms currently being shorted by US suppliers are actively seeking to contract supplies for fourth quarter and into 2002. However, from the reseller perspective, lactose is often difficult to move into export markets due to buyer price resistance. Manufacturer offering prices for fourth quarter are higher. Lactose production during July 2001 totaled 46.8 million pounds, up 13.1% from July 2000 but 2.3% below June 2001. Month ending stocks, at 28.3 million pounds, are 3.7% higher than a year ago and 0.7% above last month. Production totals for selected regions with changes from 2000 include: East North Central, 9.3 million pounds, N.A.; West North Central, 14.6 million pounds, -1.2%; West, 20.6 million pounds, +17.4%.

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

EDIBLE: .1800 - .2700 MOSTLY: .1950 - .2200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower and nominal on an unsettled market. Inquiries are being noted from Japan and Mexico. Many plants are unable to fill any spot interest due to fully contracted supplies. Buyers from the veal industry continue to operate with a surplus of WPC and are pushing back loads. The common undertone is that in 2002, WPC buyers will contract less and operate more on a spot basis using both CCC NDM and WPC. Resellers are mostly sold out on their recent CCC NDM purchases. Off grade WPC demand is good. Production of human food WPC during July 2001 totaled 24.6 million pounds, down 1.6% from July 2000 and 3.2% below June 2001. Manufacturers end-of-month stocks totaled 14.5 million pounds, 14.6% lower than a year ago but 4.7% above last month. Production totals for selected states with changes from 2000 include: California, 8.7 million pounds, +13.0%; Minnesota, 3.7 million pounds, -2.3%; and Wisconsin, 4.4 million pounds, -8.1%.

EXTRA GRADE 34% PROTEIN: .7400 - .8000 MOSTLY: .7650 - .7950

NONFAT DRY MILK - WEST

Low/medium heat NDM prices showed little changes this week. There were some price movements lower as monthly price changes went into effect. Most of this was already reflected in trading tendencies in the last few weeks. Sales to the CCC have slowed and are expected to cease in the coming month if milk supplies and demand continue to cooperate. Production schedules were a little heavier over the holiday weekend into midweek to balance milk supplies. Stock levels vary among plants, but product is available from suppliers and resellers. During the week of August 27 - 31, CCC net purchases totaled -0.1 million pounds. High heat prices are unchanged in light activity. Contacts were mixed on their reviews of buyer activity. Some were seeing better seasonal interest, while others were noting less activity. Expectations are that buying activity will increase in the fall. U.S. NDM production in July totaled 117.3 million pounds, down 2.9% from last year and 10.7% lower than June. July production in the West region totaled 88.6 million pounds, down 1.7% from last year. California totaled 57.2 million pounds, down 2.6% from last year. U.S. stocks at the end of July were reported at 161.1 million pounds, down 22.7% from last year and down 2.9% from last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9000 - 1.0225 MOSTLY: .9300 - .9500

HIGH HEAT: .9700 - 1.0100

DRY BUTTERMILK - WEST

Dry buttermilk prices are mostly steady, although some producers are raising prices within the range. There is very limited trading in the spot market. Sales are mainly linked to prior commitments and contracts. Buyers have to wait or look to other channels to meet their demand. Production levels remain light and reflect less butter output. Stocks are light. U.S. dry buttermilk production in July totaled 2.9 million pounds, down 21.6% from last year and 19.5% lower than June. Stocks at the end of July were reported at 4.2 million pounds, down 12.7% from a year earlier and 5.7% below June.

BUTTERMILK: 1.0000 - 1.0600 MOSTLY: 1.0300 - 1.0400

DRY WHEY - WEST

Prices held steady this week for Western whey powder. Many manufacturers continue to report that they are in a sold out position. Domestic sales range from steady to good. Regular export sales continue to occur. A number of export tenders are in the works and contacts feel that some of the product will be sourced from the U.S. Production is declining seasonally at a number of Western manufacturing plants. July whey production in the Western region was down 4.1% from last year. This is the same relationship as noted for the entire U.S. Cumulative output of total dry whey for the first seven months of the year has reached 679.1 million pounds, down 6.1% from the same period last year.

NONHYGROSCOPIC: .2600 - .2900 MOSTLY: .2650 - .2800

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
August 31	\$.9335	13,431,762
August 24	\$.9420	16,076,601

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 often lower as the basing point for the national marketing agency's sales did drop about 1.5 cents from August. The lower prices are attracting some additional interest, but overall demand is just fair. Some cheese makers are taking renewed interest in NDM now that condensed skim prices are moving above powder. Production levels were a little heavier during the Labor Day weekend and early this week when surplus milk supplies increased. Plant stocks are light to moderate. Production of human food, nonfat dry milk during July 2001 totaled 117.3 million pounds, down 2.9% from July 2000 and 10.7% below June 2001. Month ending stocks, at 161.1 million pounds, are 22.7% below a year ago and 2.9% less than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9675 - 1.0050 MOSTLY: .9700 - .9775

HIGH HEAT: 1.0000 - 1.0250 MOSTLY: 1.0050 - 1.0200

DELVD SOUTHEAST:

ALL HEATS: .9900 - 1.0600

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Churning activity increased during the Labor Day weekend and a little more buttermilk was generated. Some drying did take place, but producer stocks remain closely balanced. Demand for dry buttermilk is about steady and not overly aggressive. Dry buttermilk production during July 2001 totaled 2.9 million pounds, down 21.6% from July 2000 and 19.5% less than June 2001. Month ending stocks, at 4.2 million pounds, are 12.7% less than last year and 5.7% less than a month ago.

F.O.B. NORTHEAST: 1.0450 - 1.0600

DELVD SOUTHEAST: 1.0700 - 1.0950

DRY WHOLE MILK - NATIONAL

Prices are steady to higher within the range. Western producers increased prices in response to the recent jumps in the butter price at the CME. Production levels are light and still geared to filling orders. Spot demand is slow to fair at best. Dry whole milk production during July 2001 totaled 3.1 million pounds, down 65.1% from July 2000 but 22.6% above June 2001. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.4100 - 1.5900

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH AUGUST 31, 2001
WITH CHANGES FROM PREVIOUS REPORT

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

There is little change in the dry whey market. Producers continue to report being sold out with only an occasional load to offer on the spot market. The extra milk they had this weekend was welcomed as it helped them get caught up on some orders. Traders, however, report relatively little market activity. Some instances of improved interest were noted. Some buyers do have to come back in to the market for spot needs, but for the most part, they continue to wait to see where the market tone and prices are headed. Production of human food, dry whey during July 2001 totaled 90.3 million pounds, 4.1% less than July 2000 and 1.9% below June 2001. Month ending stocks, at 33.9 million pounds, are 30.8% below last year but 4.1% more than a month ago. Production of animal feed, dry whey during July totaled 7.0 million pounds, 18.9% less than a year ago but 6.9% above last month.

F.O.B. NORTHEAST: EXTRA GRADE .2950 - .3000

USPH GRADE A .2900 - .3100

DELVD SOUTHEAST: .3175 - .3375

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. There was relatively little change in the August Class III milk price (it did increase 9 cents per cwt.), but some producers continue to offer low prices to garner market share. Producer stocks are more than adequate to meet current needs. Demand is fair, but fourth-quarter needs are being assessed. Canned evaporated milk production during July 2001 totaled 38.7 million pounds, 24.0% more than July 2000 but 11.5% less than June 2001. Month ending stocks, at 78.2 million pounds, are 30.9% more than a year ago and 4.2% 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 at unchanged prices. Many domestic buyers report that shipments are arriving on basically a steady basis, although for the most part, not as previously scheduled. Inventories are lighter than desired with most buyers clearing deliveries rather than building some inventory. European sources report that they will be able to meet domestic needs during the upcoming winter months, although most feel that they will not have significant additional casein for spot buyer interest. The Oceania milk production season is just getting underway. At this point, Oceania producers anticipate no disruption to their overall production and availability plan for the coming months.

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

RENNET: 2.5000 - 2.7300

ACID: 2.5500 - 2.6500

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

COMMODITY	REPORT NUMBER 31	REPORT NUMBER 32	REPORT NUMBER 33	REPORT NUMBER 34	REPORT NUMBER 35	2001	2000
	AUG 01- 03	AUG 06 - 10	AUG 13 - 17	AUG 20 - 24	AUG 27 - 31	or Total	or Total
CHEESE							
MIDWEST COMMODITY CHEDDAR							
-- Cheddar Barrels	1.6325 - 1.6500	1.5975 - 1.6450	1.6275 - 1.6500	1.6225 - 1.6550	1.6350 - 1.6900	1.6404	1.1103
-- Cheddar 40# Blocks	1.6700 - 1.7000	1.6700 - 1.7050	1.7000 - 1.7200	1.7200 - 1.7550	1.7325 - 1.7800	1.7179	1.2551
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.8525 - 2.0400	1.8500 - 2.0400	1.8375 - 2.0400	1.8575 - 2.0800	1.8525 - 2.0800	1.9536	1.4424
-- Brick And/Or Muenster 5#	1.9900 - 2.2650	1.9900 - 2.2650	1.9900 - 2.2750	2.0400 - 2.3100	2.0400 - 2.3225	2.1506	1.6782
-- Cheddar 40# Block	1.9800 - 2.1150	1.9800 - 2.1150	1.9800 - 2.1150	2.0200 - 2.1300	2.0200 - 2.1425	2.0608	1.8314
-- Monterey Jack 10#	2.1400 - 2.2925	2.1400 - 2.2925	2.1400 - 2.3025	2.1400 - 2.3425	2.1400 - 2.3550	2.2296	1.9333
-- Blue 5#	2.4100 - 2.6300	2.4100 - 2.6300	2.4200 - 2.6300	2.4600 - 2.6900	2.4725 - 2.6900	2.5464	2.0307
-- Mozzarella 1/2 - 6#	2.0200 - 2.2150	2.0200 - 2.2150	2.0200 - 2.2150	2.0700 - 2.2150	2.0700 - 2.2150	2.1284	1.8960
-- Grade A Swiss Cuts 6 - 9#	2.4300 - 2.6850	2.4300 - 2.6850	2.4300 - 2.6850	2.4550 - 2.6850	2.4550 - 2.6850	2.5629	2.3425
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.7150 - 2.1850	1.7150 - 2.1850	1.7250 - 2.1950	1.7650 - 2.2350	1.7775 - 2.2475	1.9766	1.5092
-- Cheddar Single Daisies	1.6725 - 2.1325	1.6725 - 2.1325	1.6825 - 2.1425	1.7225 - 2.1825	1.7350 - 2.1950	1.9291	1.4629
-- Cheddar 40# Block	1.8100 - 1.9925	1.8100 - 1.9925	1.8200 - 2.0025	1.8600 - 2.0425	1.8725 - 2.0550	1.9279	1.4644
-- Process 5# Loaf	1.8425 - 2.0050	1.8400 - 2.0025	1.8275 - 1.9900	1.8575 - 2.0100	1.8525 - 2.0050	1.9232	1.3976
-- Process 5# Sliced	1.8625 - 2.1225	1.8600 - 2.1200	1.8475 - 2.1075	1.8775 - 2.1275	1.8725 - 2.1225	1.9920	1.4589
-- Muenster	1.8750 - 2.0825	1.8750 - 2.0825	1.8850 - 2.0925	1.9250 - 2.1325	1.9375 - 2.1450	2.0054	1.5578
-- 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	1.7825 - 2.0425	1.7825 - 2.0425	1.7700 - 2.0300	1.7900 - 2.0500	1.7850 - 2.0450	1.9120	1.3826
-- Cheddar 40# Block	1.7900 - 1.9525	1.7900 - 1.9525	1.8000 - 1.9625	1.8400 - 2.0025	1.8525 - 2.0150	1.8979	1.4320
-- Cheddar 10# Cuts	1.9700 - 2.1900	1.9700 - 2.1900	1.9800 - 2.2000	2.0200 - 2.2400	2.0325 - 2.2525	2.1066	1.6520
-- Monterey Jack 10#	1.9800 - 2.1400	1.9800 - 2.1400	1.9900 - 2.1500	2.0300 - 2.1900	2.0425 - 2.2025	2.0866	1.6314
-- Grade A Swiss Cuts 6 - 9#	2.3500 - 2.5400	2.3500 - 2.5400	2.3500 - 2.5400	2.3500 - 2.5400	2.3600 - 2.5800	2.4504	2.3250
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	2.5372 - 2.6543	2.5665 - 2.6849	2.6087 - 2.7692	2.7236 - 2.8680	2.8435 - 2.9728	2.7339	1.6385
-- Atlanta - dlvd. equiv.	2.5177 - 2.6443	2.5467 - 2.7244	2.5886 - 2.7692	2.7236 - 2.8886	2.8434 - 3.0159	2.7389	1.6206
-- Upper Midwest - f.o.b	2.6055 - 2.6933	2.6257 - 2.7244	2.6689 - 2.7692	2.6823 - 2.8886	2.8005 - 3.0159	2.7560	1.6778
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	1.0500 - 1.1400	1.0500 - 1.1400	1.0500 - 1.1100	1.0500 - 1.1100	1.0500 - 1.1100	1.0852	1.0820
-- Class III	0.9400 - 1.0300	0.9800 - 1.0300	1.0000 - 1.0800	1.0000 - 1.0800	1.0000 - 1.0800	1.0252	0.9239
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	22.0000 - 33.0000	22.0000 - 33.0000	22.0000 - 33.0000	22.0000 - 33.0000	22.0000 - 33.0000	27.5000	26.5000

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

COMMODITY	REPORT NUMBER 31	REPORT NUMBER 32	REPORT NUMBER 33	REPORT NUMBER 34	REPORT NUMBER 35	2001	2000
	AUG 01- 03	AUG 06 - 10	AUG 13 - 17	AUG 20 - 24	AUG 27 - 31	Average	Average
						or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 0.9000 - 1.0350	:: 0.9600 - 1.0350	:: 0.9600 - 1.0250	:: 0.9600 - 1.0250	:: 0.9600 - 1.0250	:: 0.9903	:: 1.0227
-- Mostly	:: 0.9600 - 0.9750	:: 0.9600 - 0.9750	:: 0.9600 - 0.9750	:: 0.9600 - 0.9750	:: 0.9600 - 0.9750	:: 0.9675	:: 1.0192
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.8950 - 1.0250	:: 0.9000 - 1.0250	:: 0.9000 - 1.0250	:: 0.9000 - 1.0225	:: 0.9000 - 1.0225	:: 0.9616	:: 1.0104
-- Mostly	:: 0.9300 - 0.9500	:: 0.9400 - 0.9500	:: 0.9400 - 0.9500	:: 0.9300 - 0.9500	:: 0.9300 - 0.9500	:: 0.9422	:: 1.0050
-- High Heat	:: 0.9400 - 1.0500	:: 0.9700 - 1.0300	:: 0.9700 - 1.0300	:: 0.9700 - 1.0100	:: 0.9700 - 1.0100	:: 0.9950	:: 1.0510
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 0.9825 - 1.0900	:: 0.9825 - 1.0200	:: 0.9825 - 1.0200	:: 0.9800 - 1.0200	:: 0.9800 - 1.0200	:: 1.0053	:: 1.0342
-- Mostly	:: 0.9850 - 1.0000	:: 0.9850 - 1.0000	:: 0.9850 - 1.0000	:: 0.9850 - 1.0000	:: 0.9850 - 1.0000	:: 0.9925	:: 1.0325
-- High Heat	:: 1.0125 - 1.1100	:: 1.0000 - 1.0350	:: 1.0000 - 1.0350	:: 1.0000 - 1.0350	:: 1.0000 - 1.0350	:: 1.0232	:: 1.0870
-- Mostly	:: 1.0150 - 1.0600	:: 1.0150 - 1.0300	:: 1.0150 - 1.0300	:: 1.0150 - 1.0300	:: 1.0150 - 1.0300	:: 1.0245	:: 1.0825
-- Southeast (Delvd)							
-- Extra & Grade A	:: 0.9900 - 1.0900	:: 0.9900 - 1.0900	:: 0.9900 - 1.0900	:: 0.9900 - 1.0900	:: 0.9900 - 1.0900	:: 1.0400	:: 1.0700
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)							
-- Mostly	:: 0.2850 - 0.3000	:: 0.2750 - 0.2975	:: 0.2400 - 0.3125	:: 0.2400 - 0.2975	:: 0.2500 - 0.3000	:: 0.2786	:: 0.1804
-- West (f.o.b.)							
-- Mostly	:: 0.2925 - 0.2975	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2939	:: 0.1884
-- Northeast Extra Grade (f.o.b.)							
-- Mostly	:: 0.2650 - 0.2850	:: 0.2550 - 0.2850	:: 0.2500 - 0.2900	:: 0.2500 - 0.2900	:: 0.2600 - 0.2900	:: 0.2717	:: 0.1873
-- Northeast Usph Grade A(f.o.b.)							
-- Mostly	:: 0.2675 - 0.2800	:: 0.2700 - 0.2750	:: 0.2700 - 0.2750	:: 0.2700 - 0.2750	:: 0.2650 - 0.2800	:: 0.2727	:: 0.1838
-- Southeast Extra Grade (Delvd)							
-- Mostly	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2975	:: 0.1988
-- Mostly	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.3000	:: 0.2041
-- Mostly	:: 0.3175 - 0.3375	:: 0.3175 - 0.3375	:: 0.3175 - 0.3375	:: 0.3175 - 0.3375	:: 0.3175 - 0.3375	:: 0.3275	:: 0.2283
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.7600 - 0.8250	:: 0.7550 - 0.8050	:: 0.7400 - 0.8200	:: 0.7400 - 0.8200	:: 0.7400 - 0.8100	:: 0.7805	:: 0.7752
-- Mostly	:: 0.7700 - 0.8000	:: 0.7650 - 0.7950	:: 0.7650 - 0.7950	:: 0.7650 - 0.7950	:: 0.7650 - 0.7950	:: 0.7807	:: 0.7697
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2425 - 0.2650	:: 0.2300 - 0.2500	:: 0.2300 - 0.2500	:: 0.2300 - 0.2500	:: 0.2300 - 0.2500	:: 0.2418	:: 0.1546
-- Roller Ground	:: 0.2800 - 0.3000	:: 0.2800 - 0.3000	:: 0.2800 - 0.3000	:: 0.2800 - 0.3000	:: 0.2800 - 0.3000	:: 0.2900	:: 0.1872
-- Dextrose	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4225	:: 0.3875
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)							
-- West (f.o.b.)							
-- Mostly	:: 1.0350 - 1.1400	:: 1.0350 - 1.0875	:: 1.0200 - 1.0875	:: 1.0400 - 1.0875	:: 1.0400 - 1.0875	:: 1.0641	:: 1.0013
-- Northeast (f.o.b.)							
-- Mostly	:: 1.0200 - 1.1000	:: 1.0000 - 1.0600	:: 1.0000 - 1.0600	:: 1.0000 - 1.0600	:: 1.0000 - 1.0600	:: 1.0339	:: 0.9225
-- Southeast (Delvd)							
-- Mostly	:: 1.0300 - 1.0600	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0363	:: 0.8978
-- Mostly	:: 1.0450 - 1.0600	:: 1.0450 - 1.0600	:: 1.0450 - 1.0600	:: 1.0450 - 1.0600	:: 1.0450 - 1.0600	:: 1.0525	:: 0.9122
-- Mostly	:: 1.0850 - 1.1550	:: 1.0700 - 1.0950	:: 1.0700 - 1.0950	:: 1.0700 - 1.0950	:: 1.0700 - 1.0950	:: 1.0874	:: 0.9501
WHOLE MILK POWDER							
-- National							
-- National (f.o.b.)	:: 1.4650 - 1.6000	:: 1.4100 - 1.6000	:: 1.4100 - 1.5900	:: 1.4100 - 1.5900	:: 1.4100 - 1.5900	:: 1.5053	:: 1.2615
LACTOSE							
-- Central And West (f.o.b.)							
-- Mostly	:: 0.1750 - 0.2700	:: 0.1800 - 0.2700	:: 0.1800 - 0.2700	:: 0.1800 - 0.2700	:: 0.1800 - 0.2700	:: 0.2247	:: 0.1763
-- Mostly	:: 0.1950 - 0.2200	:: 0.1950 - 0.2200	:: 0.1950 - 0.2200	:: 0.1950 - 0.2200	:: 0.1950 - 0.2200	:: 0.2075	:: 0.1720
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 2.5000 - 2.7300	:: 2.5000 - 2.7300	:: 2.5000 - 2.7300	:: 2.5000 - 2.7300	:: 2.5000 - 2.7300	:: 2.6150	:: 2.2200
-- Nonrestricted - Acid	:: 2.5500 - 2.6500	:: 2.5500 - 2.6500	:: 2.5500 - 2.6500	:: 2.5500 - 2.6500	:: 2.5500 - 2.6500	:: 2.6000	:: 2.2350

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.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR AUGUST 2001

COMMODITY	: REPORT NUMBER 31 :		: REPORT NUMBER 32 :		: REPORT NUMBER 33 :		: REPORT NUMBER 34 :		: REPORT NUMBER 35 :		2001 *	2000 *
	AUG 1 - 3	AUG 6 - 10	AUG 13 - 17	AUG 20 - 24	AUG 27 - 31	Average	Average	Monthly	Monthly			
BUTTER*												
-- GRADE AA												
-- Monday		2.0000	2.0500	2.1550	2.1750							
-- Tuesday												
-- Wednesday	1.9800	2.0100	2.0500	2.1550	2.2250							
-- Thursday												
-- Friday	1.9550	2.0100	2.0900	2.1525	2.2250	2.0880	1.1933					
-- Weekly Average**	1.9742	2.0067	2.0633	2.1542	2.2083							
CHEESE*												
-- BARRELS												
-- Monday		1.6275	1.6500	1.6275	1.6800							
-- Tuesday		1.6200	1.6400	1.6225	1.6800							
-- Wednesday	1.6325	1.5975	1.6400	1.6225	1.6800							
-- Thursday	1.6300	1.5975	1.6375	1.6225	1.6800							
-- Friday	1.6275	1.6500	1.6300	1.6800	1.6800	1.6415	1.1049					
-- Weekly Average**	1.6310	1.6185	1.6395	1.6350	1.6800							
-- 40# BLOCKS												
-- Monday		1.6700	1.7200	1.7200	1.7800							
-- Tuesday		1.6700	1.7200	1.7200	1.7800							
-- Wednesday	1.6700	1.6700	1.7200	1.7200	1.7200							
-- Thursday	1.6700	1.6700	1.7200	1.7200	1.7200							
-- Friday	1.6700	1.7200	1.7200	1.7800	1.7200	1.7126	1.2460					
-- Weekly Average**	1.6700	1.6800	1.7200	1.7320	1.7440							
NONFAT DRY MILK*												
-- EXTRA GRADE												
-- Monday		0.9900	0.9900	0.9900	0.9900							
-- Tuesday		0.9900	0.9900	0.9900	0.9900							
-- Wednesday	0.9900	0.9900	0.9900	0.9900	0.9900							
-- Thursday	0.9900	0.9900	0.9900	0.9900	0.9900							
-- Friday	0.9900	0.9900	0.9900	0.9900	0.9900	0.9900	1.0300					
-- Weekly Average**	0.9900	0.9900	0.9900	0.9900	0.9900							
-- GRADE A												
-- Monday		1.0000	1.0000	1.0000	1.0000							
-- Tuesday		1.0000	1.0000	1.0000	1.0000							
-- Wednesday	1.0000	1.0000	1.0000	1.0000	1.0000							
-- Thursday	1.0000	1.0000	1.0000	1.0000	1.0000							
-- Friday	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0300					
-- Weekly Average**	1.0000	1.0000	1.0000	1.0000	1.0000							

* 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.

AUGUST 2001 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 2001		0		
AUGUST 1 - 31, 2001		0		
CHEESE				
JULY 2001		0		
08/13/01-M	CARIBBEAN, CENT & S. AM	2,230	AUG-MAR	\$590
08/13/01-MJ	CARIBBEAN, CENT & S. AM	500	AUG-MAR	\$590
08/16/01-V	CARIBBEAN, CENT & S. AM	300	SEP-MAR	\$500
		<u>3,030</u>		
AUGUST 1 - 31, 2001		0		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY 2001		0		
AUGUST 1 - 31, 2001		0		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				3,034
				\$1,761,000

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

AUGUST AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2001 was unchanged at 123. Compared with August 2000, the index is up 4 points (3.4 percent). The index of prices received by farmers for dairy products advanced 1 point during the month of August 2001 to 125. Compared with August 2000, the index was up 29 points (30.2 percent).

Prices received by farmers in August with changes from July were: for All Milk, \$16.30 per hundredweight (cwt.), up \$.10; Fluid Grade Milk, \$16.40 per cwt., up \$.10; and for Manufacturing Grade Milk, \$15.20 per cwt., up \$.20.

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

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	JULY		AUGUST		AUGUST		AUGUST		AUGUST	
	2001 <u>2/</u>	2000 <u>2/</u>	2001 <u>4/</u>	2000 <u>2/</u>	2001	2000	2001 <u>7/</u>	2000 <u>8/</u>	2001	2000
CA	15.20	11.85	15.50	11.91			42.50	37.50	110.00	76.00
ID	14.80	11.00	14.90	10.60			40.90	37.50	124.00	91.00
MI	16.40	13.20	16.40	13.10		PRICES	44.00	37.50	72.00	57.00
MN	16.30	12.40	16.40	12.30		PUBLISHED	45.00	41.60	58.00	55.00
NY	17.00	13.20	17.10	13.20		JANUARY,	---	---	104.00	104.00
OH	16.50	12.90	16.60	12.60		APRIL,	43.00	37.90	93.00	94.00
PA	17.60	13.90	17.60	13.80		JULY AND	44.50	39.10	105.00	115.00
TX	17.20	13.50	17.40	13.50		OCTOBER	42.10	35.80	84.00	78.00
WA	16.50	13.00	16.50	12.80			---	---	118.00	105.00
WI	16.00	12.00	16.00	11.80			44.10	39.90	50.00	35.00
U.S.	16.20	12.60	16.30	12.50			43.40	39.00	97.70	80.50

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., AUGUST 2001 WITH COMPARISONS

ITEM	AUGUST 2000	JULY 2001 <u>1/</u>	AUGUST 2001 <u>2/</u>
PRICES RECEIVED BY FARMERS, dol. per cwt., at reported butterfat test:			
All milk	12.50	16.20	16.30
Fluid grade milk	12.50	16.30	16.40
Manufacturing grade milk	10.70	15.00	15.20
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	96	107	109
Prices received by farmers for dairy products	96	124	125
Prices paid by farmers for commodities and services, interest taxes, and wage rates	119	123	123
Prices paid by farmers for production items	115	120	119
Prices paid by farmers for feed	96	108	110
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	3.38	3.60	3.57

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 (8/01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

JULY 2001 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 79.3 million pounds in July, 7.1 percent below July 2000 and 8.8 percent below June 2001. **AMERICAN TYPE CHEESE** production totaled 298.9 million pounds, 6.2 percent below July 2000 and 3.0 percent below June 2001. **TOTAL CHEESE** output (excluding cottage cheese) was 678.4 million pounds, 1.3 percent below July 2000 and 0.6 percent below June 2001. **NONFAT DRY MILK** production, for human food, totaled 117.3 million pounds, 2.9 percent below July 2000 and 10.7 below June 2001. **DRY WHEY** production, for human food, was 90.3 million pounds, 4.1 percent below July 2000 and 1.9 percent below June 2001. **ICE CREAM** (hard) production totaled 81.9 million gallons, 1.8 percent below July 2000 and 2.2 percent below June 2001.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JUL 2001	PERCENT CHANGE FROM:			PRODUCT	JUL 2001	PERCENT CHANGE FROM:		
	1,000 LBS.	JUL 2000	JUN 2001	YEAR TO DATE 1/		1,000 LBS.	JUL 2000	JUN 2001	YEAR TO DATE 1/
BUTTER	79,271	-7.1	-8.8	-7.8	YOGURT (PLAIN AND FLAVORED)	162,841	14.1	-8.1	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	298,935	-6.2	-3.0	-5.1	SWEET -TYPE, HUMAN FOOD	13,325	32.3	2.4	---
CHEDDAR	235,142	-4.8	-3.1	-5.5	SWEET -TYPE, ANIMAL FEED	888	-23.0	-2.6	---
SWISS	20,788	5.8	0.8	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,527	-3.2	-0.7	---	DRY WHEY, HUMAN FOOD	90,315	-4.1	-1.9	---
CREAM & NEUFCHATEL	52,281	-1.2	4.2	---	DRY WHEY, ANIMAL FEED	7,047	-18.9	6.9	---
HISPANIC	8,190	-5.4	8.7	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	224,839	4.7	0.7	1.8	HUMAN FOOD	7,560	23.8	-8.2	---
OTHER ITALIAN TYPES	49,921	3.0	5.9	-2.4	ANIMAL FEED	3,462	10.9	2.8	---
TOTAL ITALIAN TYPES	274,760	4.3	1.6	1.0	LACTOSE, HUMAN FOOD & ANIMAL FEED	46,805	13.1	-2.3	---
ALL OTHER TYPES	15,907	-3.2	-11.7	---	WHEY PROTEIN CONCENTRATE				
TOTAL	678,388	-1.3	-0.6	-1.8	HUMAN FOOD	24,607	-1.6	-3.2	---
COTTAGE CHEESE, CURD 3/	37,728	-0.8	1.0	---	ANIMAL FEED	3,854	9.0	-10.5	---
COTTAGE CHEESE, CREAM 4/	32,509	3.6	3.7	1.3					
COTTAGE CHEESE, LOWFAT 5/	31,507	5.2	3.6	1.0					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	38,709	24.0	-11.4	---	ICE CREAM (HARD)	81,947	-1.8	-2.2	-3.7
DRY WHOLE MILK	3,135	-65.1	22.6	---	ICE CREAM, LOWFAT (HARD)	7,842	-2.8	-16.6	---
NONFAT DRY MILK, HUMAN FOOD	117,276	-2.9	-10.7	-5.0	ICE CREAM, LOWFAT (SOFT)	32,989	5.2	-0.9	---
DRY SKIM MILK, ANIMAL FEED	466	-21.9	-32.3	---	ICE CREAM, LOWFAT (TOTAL)	40,831	3.6	-4.3	3.0
DRY BUTTERMILK	2,873	-21.6	-19.5	---	SHERBET (HARD)	5,040	10.0	-5.0	-0.7
					YOGURT (TOTAL)	8,085	1.5	0.8	-3.4

MANUFACTURERS' STOCKS, END OF MONTH 7/							
PRODUCT	JUL 2001	PERCENT OF:		PRODUCT	JUL 2001	PERCENT OF:	
	1,000 LBS.	JUL 2000	JUN 2001		1,000 LBS.	JUL 2000	JUN 2001
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	33,879	-30.8	4.1	HUMAN FOOD	14,517	-14.6	4.7
DRY WHEY, ANIMAL FEED	4,916	-47.7	-8.9	ANIMAL FEED	2,033	50.1	7.3
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	7,495	-37.5	16.5	CANNED EVAPORATED & CONDENSED WHOLE MILK	78,214	30.9	4.2
LACTOSE, HUMAN FOOD & ANIMAL FEED	28,306	3.7	0.7	DRY WHOLE MILK 9/	---	---	---
DRY BUTTERMILK, TOTAL	4,227	-12.7	-5.7	NONFAT DRY MILK FOR HUMAN FOOD	161,075	-22.7	-2.9
				DRY SKIM MILK FOR ANIMAL FEED 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. 9/ Information for these products was not shown in current report.

SOURCE: "Dairy Products," Da 2-6 (9-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, AUGUST

Component Price Information: Under the Federal milk order pricing system, the butterfat price for August 2001 is \$2.2976 per pound. Thus, the Class II butterfat price is \$2.3046. The protein and other solids prices for August are \$2.2188 and \$0.1535 per pound, respectively. These component prices set the Class III skim milk price at \$7.78 per cwt. The August Class IV skim milk price is \$7.27, which is derived from the nonfat solids price of \$0.8073 per pound. **Product Price Averages:** The product price averages for August are; butter \$1.9990, nonfat dry milk \$0.9473, cheese \$1.6693, and dry whey \$0.2886.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	AUGUST 2001				SEPTEMBER 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
DOLLARS PER 100 POUNDS						
Northeast (Boston) <u>4/</u>	001	18.65	15.98	15.55	15.06	18.81
Appalachian (Charlotte) <u>5/</u>	005	18.50	15.98	15.55	15.06	18.66
Southeast (Atlanta) <u>6/</u>	007	18.50	15.98	15.55	15.06	18.66
Florida (Tampa) <u>7/</u>	006	19.40	15.98	15.55	15.06	19.56
Mideast (Cleveland) <u>8/</u>	033	17.40	15.98	15.55	15.06	17.56
Upper Midwest (Chicago) <u>9/</u>	030	17.20	15.98	15.55	15.06	17.36
Central (Kansas City) <u>10/</u>	032	17.40	15.98	15.55	15.06	17.56
Southwest (Dallas) <u>11/</u>	126	18.40	15.98	15.55	15.06	18.56
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	17.75	15.98	15.55	15.06	17.91
Western (Salt Lake City) <u>13/</u>	135	17.30	15.98	15.55	15.06	17.46
Pacific Northwest (Seattle) <u>14/</u>	124	17.30	15.98	15.55	15.06	17.46
All-Market Average	---	17.98	15.98	15.55	15.06	18.14

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63—the approximate number of gallons in 100 pounds of milk.
2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.
3/ Names in parentheses are the major city in the principal pricing point of the market.
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.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF SEPTEMBER 3 - 7, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 08/31/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	3,050,083	1,162,919	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	5,781,600	-0-	-0-
TOTAL	-0-	-0-	-0-	11,074,959	6,944,519	-0-	-0-
NONFAT DRY MILK							
Nonfortified	357,144	229,278	127,866	371,227,779	454,114,763	601,417,000	-0-
Fortified	-0-	-0-	-0-	28,151,091	13,951,036	38,227,000	-0-
TOTAL	357,144	229,278	127,866	399,378,870	468,065,799	639,644,000	-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 SEPTEMBER 3 - 7, 2001 =	0.0	1.5	COMPARABLE WEEK IN 2000 =	2.2	115.7
CUMULATIVE SINCE OCTOBER 1, 2000 =	190.1	4,758.4	CUMULATIVE SAME PERIOD LAST YEAR =	167.1	5,517.0
CUMULATIVE JANUARY 1 - SEPTEMBER 7, 2001 =	73.5	3,275.8	COMPARABLE CALENDAR YEAR 2000 =	155.9	4,923.9

* 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 SEPTEMBER 3 - 7, 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-	127,866	-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	6,863,991	6,677,037	45,666,511	29.9	43.9
WEST	-0-	-0-	5,039,919	80,528	392,701,833	417,459,028	69.9	55.4
EAST	-0-	-0-	39,600	-0-	-0-	4,940,260	0.2	0.7
TOTAL	-0-	-0-	11,074,959	6,944,519	399,378,870	468,065,799	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

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

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848
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 \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 08/18/01 & 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	0.2	0.8	5.2	4.9	18.7	2.9	0.5	0.9	10.3	2.3	46.7	1,633.1	43.9	46.3
2000-Dairy	0.2	0.9	5.7	4.6	18.5	2.3	0.9	0.7	10.1	2.4	46.2	1,626.8	48.5	48.8
2001-All cows	0.2	0.9	7.0	14.0	28.0	16.2	15.9	4.8	13.4	6.2	106.4	3,524.3		
2000-All cows	0.2	1.1	7.1	13.5	26.4	13.9	11.7	3.5	12.3	5.5	95.3	3,334.8		

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

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	14.99	15.34	15.40	15.56			
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98				
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55				
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06				

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