

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (10/5): BUTTER: Grade AA closed at \$1.5000. The weekly average for Grade AA is \$1.6467 (-.1541).

CHEESE: Barrels closed at \$1.4850 and blocks at \$1.5000. The weekly average for barrels is \$1.5855 (-.0610) and blocks, \$1.6120 (-.0960).

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 weak as the cash price at the CME continues to decline. Producers and handlers continue to question how much will the price adjust before stabilizing. Many are indicating that they would desire the price to maintain current levels versus volatility during the final quarter of the year. Often producers and handlers indicate that prices will recover somewhat during the quarter, but probably not to levels attained prior to the downturn. Churning activity is moderate to heavy. For the most part, cream volumes are readily available, although many butter operators are reluctant to take too much additional cream on a weak market. Often, cream buyers are negotiating alternative pricing structures for current deliveries versus typical pricing patterns. Stocks are reported as mixed. Some producers and handlers indicate that they should have balanced supplies (inventories and future production) for fourth quarter needs, while others are not as positive. Overall buying interest is fair. Many buyers are holding off placing large orders on a down market. Retail orders are starting to be discussed for upcoming holiday needs, although major commitments are not occurring yet. Food service orders are lighter as restaurants and eating establishments indicate slower customer traffic.

CHEESE: The cheese market is weak. This week, cheese prices slid 20 cents on 40# blocks and 15.5 cents on barrels. Demand for cheese is slowing, particularly in parts of the East and some cheese makers are curtailing production levels to better reflect their orders. Most do not want to build inventory on a down market. In some parts of the country, more milk is available to cheese makers. Offerings are generally adequate though some tightness is noted on certain current varieties and Swiss. Buyers are trying to keep their inventories as current as possible.

FLUID MILK: Milk production is steady to slightly heavier in much of the country. However, warmer than normal temperatures in California are adversely affecting milk output. Fluid milk supplies are not as tight as several weeks ago and the need for milk in deficit areas (the Southeast) is not as great as it has been. Accordingly, milk-supplying areas had more milk to process. Bottled milk sales are steady to improved. Some scattered retail feature activity is in progress, which helps sales. The fluid cream market is weak and supplies are heavy in most parts of the country. Demand from Class II users is seldom better than fair and this makes more cream available to churning facilities. Condensed skim sales are steady to slower. Producers are raising October's prices, particularly for Class III, and some users are thinking of switching back to NDM as their source of solids.

DRY PRODUCTS: The NDM market is little changed this week. Market activity was just fair and production levels are light to moderate. The dry buttermilk market tone is unsettled. Some buyers are resisting current prices. Production is picking up as the volumes of cream moving to butter plants increases, but stocks are still tight. The dry whey market is cautiously steady. Production levels are steady to lighter. Some cheese plants are curtailing output due to slower demand for cheese. For the most part, producer inventories of dry whey are nicely balanced, but some do have product on hand for spot sales. Traders, however, report a slow to fair spot demand, particularly to the feed side of the market. The Lactose market is firming and prices moved higher as fourth quarter contracts "kick in." The WPC market is steady to weaker. The recent sellback of CCC-owned NDM is increasing protein supplies at some feed operations. Demand from feed makers/users is light, while about steady from edible operations.

CCC: During the week of October 1-5, there were no purchases of dairy products under the price support program.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the September 2001 prices under the Federal Milk Order pricing system with changes from August: Class II \$16.24 (+\$0.26), Class III \$15.90 (+\$0.35); and Class IV \$15.59 (+\$0.53). Product price averages used in computing Class prices are: butter \$2.1198, NDM \$0.9497, cheese \$1.7085, and dry whey \$0.2871. The Class II butterfat price is \$2.4519 and the Class III/IV butterfat price is \$2.4449. Further information may be found at: www.ams.usda.gov/dairy/mib/classprcaacnmt.pdf

SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS):

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2001 advanced 1 point to 124, up 4 points (3.3%) from September 2000. The index of prices received by farmers for dairy products advanced 3 points during the month of September 2001 to 129, up 30 points (30.3%) from September 2000. Prices received by farmers in September with changes from August were: for All Milk, \$16.80, up \$.40; Fluid Grade Milk, \$16.80, up \$.30; and for Manufacturing Grade Milk, \$15.70, up \$.30. The September 2001 milk feed price ratio is 3.71, up from last year's 3.34 and August's 3.62.

AUGUST 2001 DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 76.5 million pounds in August, 8.5% below August 2000 and 4.2% below July 2001. American type cheese production totaled 286.8 million pounds, 1.7% below August 2000 and 3.9% below July 2001. Total cheese output (excluding cottage cheese) was 664.2 million pounds, 2.9% below August 2000 and 2.2% below July 2001. Nonfat dry milk production, for human food, totaled 95.7 million pounds, 9.1% below August 2000 and 18.3% below July 2001. Dry whey production, for human food, was 85.2 million pounds, 7.3% below August 2000 and 7.0% below July 2001.

****SPECIALS THIS ISSUE****

SEPTEMBER MONTHLY AVERAGES AND SUMMARY (PAGES 7-9)

SEPTEMBER DEIP SUMMARY (PAGE 10)

SEPTEMBER AGRICULTURAL PRICE HIGHLIGHTS (PAGE 11)

COW SLAUGHTER UNDER FEDERAL INSPECTION (PAGE 12)

AUGUST DAIRY PRODUCTS HIGHLIGHTS (PAGE 13)

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

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

PRODUCT	MONDAY OCTOBER 1	TUESDAY OCTOBER 2	WEDNESDAY OCTOBER 3	THURSDAY OCTOBER 4	FRIDAY OCTOBER 5	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6400 (N.C.)	\$1.6400 (N.C.)	\$1.6125 (-.0275)	\$1.5500 (-.0625)	\$1.4850 (-.0650)	-.1550	\$1.5855 (-.0610)
40# BLOCKS	\$1.6825 (-.0175)	\$1.6700 (-.0125)	\$1.6375 (-.0325)	\$1.5700 (-.0675)	\$1.5000 (-.0700)	-.2000	\$1.6120 (-.0960)
BUTTER							
GRADE AA	\$1.7400 (-.0100)	---	\$1.7000 (-.0400)	---	\$1.5000 (-.2000)	-.2500	\$1.6467 (-.1541)

*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, OCTOBER 1, 2001

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ \$1.6725, 1 @ \$1.6700, 1 @ \$1.6775, 1 @ \$1.6825; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.6800, 1 @ \$1.6750; OFFERS UNCOVERED: 8 CARS 40# BLOCKS: 2 @ \$1.6825, 6 @ \$1.7000
 BUTTER -- SALES: 10 CAR: 1 @ \$1.6800, 1 @ \$1.6975, 2 @ \$1.6950, 1 @ \$1.7000, 1 @ \$1.7025, 3 @ \$1.7250, 1 @ \$1.7400; BIDS UNFILLED: 2 CARS: 1 @ \$1.6850, 1 @ \$1.5000; OFFERS UNCOVERED: 4 CARS: 1 @ \$1.7400, 1 @ \$1.7540, 1 @ \$1.7575, 1 @ \$1.7600

TUESDAY, OCTOBER 2, 2001

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.6525, 1 @ \$1.6600, 1 @ \$1.6675; BIDS UNFILLED: 4 CARS 40# BLOCKS: 1 @ \$1.6700, 1 @ \$1.6650, 1 @ \$1.6550, 1 @ \$1.6525; OFFERS UNCOVERED: 10 CARS 40# BLOCKS: 3 @ \$1.6725, 1 @ \$1.6800, 6 @ \$1.6825

WEDNESDAY, OCTOBER 3, 2001

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6200; 1 CAR 40# BLOCKS @ \$1.6500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.6125; 12 CARS 40# BLOCKS: 1 @ \$1.6375, 2 @ \$1.6500, 1 @ \$1.6600, 1 @ \$1.6625, 1 @ \$1.6675, 6 @ \$1.6700
 BUTTER -- SALES: 7 CARS: 2 @ \$1.6800, 1 @ \$1.7050, 1 @ \$1.7100, 1 @ \$1.7200, 1 @ \$1.6900, 1 @ \$1.7000; BIDS UNFILLED: 4 CARS: 1 @ \$1.6800, 2 @ \$1.6600, 1 @ \$1.6500; OFFERS UNCOVERED: 11 CARS: 5 @ \$1.7100, 1 @ \$1.7200, 2 @ \$1.7400, 3 @ \$1.7500

THURSDAY, OCTOBER 4, 2001

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.5500, 2 @ \$1.5600; 11 CARS 40# BLOCKS: 1 @ \$1.5700, 1 @ \$1.5975, 1 @ \$1.6000, 1 @ \$1.6050, 1 @ \$1.6200, 1 @ \$1.6350, 5 @ \$1.6375

FRIDAY, OCTOBER 5, 2001

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$1.4850, 3 @ \$1.5050, 1 @ \$1.5475; 13 CARS 40# BLOCKS: 1 @ \$1.5000, 1 @ \$1.5300, 1 @ \$1.5500, 1 @ \$1.5600, 6 @ \$1.5700, 3 @ \$1.5900
 BUTTER -- SALES: 10 CARS: 1 @ \$1.5875, 2 @ \$1.6150, 2 @ \$1.6125, 1 @ \$1.6000, 1 @ \$1.5975, 1 @ \$1.5850, 1 @ \$1.5700, 1 @ \$1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 25 CARS: 1 @ \$1.5100, 1 @ \$1.5200, 1 @ \$1.5300, 2 @ \$1.5400, 1 @ \$1.5475, 1 @ \$1.5500, 1 @ \$1.5800, 1 @ \$1.5850, 2 @ \$1.6700, 10 @ \$1.6800, 1 @ \$1.6975, 3 @ \$1.7000

BUTTER MARKETS

NORTHEAST

The market tone continues weak. Through 10/1, the price at the CME has closed lower for eleven consecutive sessions. In that span, the price has fallen 48.5 cents (33 cents since 9/21). Churning activity remains moderate to heavy in the East. Cream volumes are still heavy and butter makers are reluctantly (if the price is low enough) taking cream from sources outside their normal supply. Butter makers are paying very low premiums/multiples as volumes being offered to them are growing. Butter stocks are readily available to cover the current, slow to fair demand. Fall and year-end holiday orders are being placed. However, buyers are reluctant to order on a "down" market and seem to be waiting for prices to level off before placing orders. Retail sales continue at slow to fair levels. Food service orders are steady to slower. 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 weak as the cash price continues to decline at the CME. Producers and handlers are questioning how much further will prices adjust before the cash price stabilizes. Some feel that the \$1.70 level would be a good level, because they want to see market stability versus price volatility during the final quarter of the year. Some handlers are indicating that they anticipate the cash price to recover somewhat as orders develop for the upcoming holiday season. Stocks of butter are mixed. Some producers and handlers indicate that they have or will have balanced volumes to carry them through the next few months. Churning schedules are mixed, depending on cream availability and

pricing. Currently, cream volumes are available, although prices are higher than many butter operations are willing to pay. Often, cream buyers are taking deliveries, but pricing current shipments on various future prices/averages. Butter demand is fair at best. Producers indicate that orders are gaining momentum in comparison to the past few weeks, although not as brisk as usual for this time of the year. Retail orders are holding steady, with food service orders lighter, but recovering. When available, bulk butter for spot sale is selling in a price range of 3 - 5 cents per pound over various pricing basis.

WEST

CME cash butter prices continue to decline, but contacts wonder if a short run bottom has been put in. Most are commenting that food service and restaurant orders are down compared to earlier this fall and last year. The uncertainty in the economy and the decline in business and vacation travel are all being blamed. Western producers are maintaining only minimal working inventories at this time. Likewise, buyers are only making purchases to cover current sales. Offerings of surplus cream are increasing and prices are falling. Most of it is eventually ending up in a butter churn somewhere. Some contacts believe that the market will again firm up this fall as this lower priced butter is more readily absorbed, but others believe that prices will decline further. The weekly CME butter inventory declined by 1.4 million pounds this past week. Stocks now stand at 45.7 million pounds, virtually the same amount as in 1999 at this point in time and about 7 million pounds less than last year. Current prices for bulk butter range from 5 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 29	1.7129 6,693,980	1.6819 8,282,640	0.9500 21,875,249	1.9403 3,448,537	0.2852 8,664,557

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 lower and the market tone is not as firm as some contacts had predicted. Nationally, milk supplies have not been as tight as anticipated. Eastern cheese output is mostly steady with past weeks, but milk movements to the Southeast aren't as heavy as expected and production is holding in the 5-6 day per week range. Cheese demand is fair, best for process and mozzarella. Packagers are gearing up for fall needs. Orders coming in are just "okay." Supplies of current cheese are sufficient to cover needs and aged cheddar stocks are fully adequate to ample. Retail sales are just fair as prices are relatively high and meeting some consumer resistance. Food service orders are slow as many people are dining out less frequently now that the economy seems to be slowing.

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

Cheddar 10# Prints	:	1.7525-2.2225
Cheddar Single Daisies	:	1.7100-2.1700
Cheddar 40# Block	:	1.8475-2.0300
Process 5# Loaf	:	1.8575-2.0175
Process 5# Sliced	:	1.8775-2.1350
Muenster	:	1.9125-2.1200
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled. Overall, movement remains uneven and generally slower for the usually robust fall sales period. Process movement remains fairly good, bolstered by fast food promotional activity and specialty process items. Some interest has been occurring in spot barrels, particularly those not packaged in steel. Many cutters are limiting bulk cheese purchases to short term needs. Demand is generally best for specialty items. Cheese production is fairly steady as slight declines in milk receipts are offset by seasonal increases in milk protein and fat.

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

Process American 5# Loaf	:	1.8675-2.1000
Brick And/Or Muenster 5#	:	2.0900-2.2975
Cheddar 40# Block	:	2.0600-2.1175
Monterey Jack 10#	:	2.1400-2.3300
Blue 5#	:	2.4475-2.7400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.1100-2.2175
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	:	OCTOBER 1 - 5, 2001
BARRELS*	:	\$1.5975 - 1.6475 (NOMINAL)
	:	(-\$0.0350) (-.0350)
40# BLOCKS	:	\$1.6850 - 1.7275 (NOMINAL)
	:	(-\$0.0150) (-.0150)

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

WEST

Natural and process cheese prices softened last week and are continuing to show signs of weakness during cash trading at the CME. Process cheese seems to be in the best position. Demand centers on current barrels and good quality processing solids. Interest in current blocks is mixed. Many buyers are taking a wait and see attitude as the market weakens and prices move lower. Production levels are often declining seasonally. Manufacturers are happy to see that the solids content on the incoming milk receipts is increasing. Demand for mozzarella cheese is rated as very good because of the increasing interest related to schools restarting for the fall term. Swiss sales are good currently and are expected to improve as we move into the fall season. Stock levels for Swiss are in very good shape. The market seems to have a weaker undertone.

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

Process 5# Loaf	:	1.7975-2.0575
Cheddar 40# Block	:	1.8275-1.9900
Cheddar 10# Cuts	:	2.0075-2.2275
Monterey Jack 10#	:	2.0175-2.1775
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5800

FOREIGN TYPE

Prices are steady to lower and the market tone is little changed. Demand for imported or domestically made styles is improving along seasonal patterns, but with the overall economy slowing, some contacts wonder how the consumption patterns of the more expensive, table cheeses will fare. Supplies of most types of cheese are adequate, but some imports are being delayed due to events and losses of Customs Officials on September 11.

CORRECTION: Last week's price range for domestic blue cheese should have been \$2.0550-3.5650.

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	: 2.0550-3.5500*
Gorgonzola	:	3.2400-5.9400	: 2.4900-2.6125*
Parmesan (Italy)	:	TFEWR	: 3.4700-3.5250*
Romano (Italy)	:	2.1000-2.9900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 2.0625-2.2825*
Romano (Cows Milk)	:	-0-	: 3.2450-5.4225*
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
10/01/01	29,328	: 125,498
09/01/01	31,213	: 128,050
CHANGE	-1,885	: -2,552
% CHANGE	-6	: -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	59	0	102	0	84	0
SOUTHEAST STATES	127	0	145	0	89	0

At the time of this report, the New England Compact had not been renewed by the U.S. Congress, which means Congressional consent ran out on September 30. Proponents of the Compact are not totally convinced that it is dead and are hoping for a resurrection in the near future. In the meantime, the Compact Commission has taken action on the disposition of assets and liabilities. Acting on a request from cooperatives and handlers, the Market Administrator in the Northeast Marketing Area, announced a change in the required shipping percentage for pool supply plants. The percentage has been increased to 25% (up 5%) for the months of October and November. Milk production in the East continues to show small gains, particularly in the Southeast. In the Northeast, milk production is picking up and Class I demand is about steady. Surplus milk volumes are heavier this week as many cheese operations have cut back on processing schedules. This is pushing more milk into butter/powder plants. Milk output in the Southeast is increasing seasonally. The need for milk from Northern and Midwestern sources eased this week. Fat and protein tests on the incoming milk are increasing in all regions. Manufacturing plants are still operating on light schedules in the Southeast. The condensed skim market is unsettled. Suppliers are estimating October's Class III skim price to be higher than September. The result is sharply higher Class III condensed skim prices. Buyers are, in all likelihood, going to protest such a big jump. Some suppliers are working to keep costs down, but others expect to "crank up" the dryers. Class II condensed skim prices are relatively unaffected and holding about steady. The fluid cream market remains weak. Offerings are heavy and demand is slow. Spot prices are sharply lower. Last week's CME butter average fell more than 32 cents from the week before. Some Class III & IV buyers continue to purchase at low multiples, based on the CME the date of delivery or based on next week's average. Class II buyers are reluctant to take any spot loads as prices fall and the price range is nominal. Ice cream sales are slowing seasonally. Production of cream cheese and sour cream are lagging normal levels, but should be increasing in the near future. Churning activity is heavier, but butter makers are reluctant to take too much outside cream at this time.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7500-2.4310
DELIVERED EQUIVALENT ATLANTA	-	2.0709-2.3410 M 2.1249-2.1610
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.0709-2.4311

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0700-1.1100
NORTHEAST- CLASS III - SPOT PRICES	-	1.0000-1.1800

M I D W E S T

Milk production patterns in the Central part of the country are reported to be holding fairly steady for this time of the year. Outside of some wet conditions a few weeks ago, overall weather conditions have been quite favorable. Much of the milk herd continues to react to the stress that occurred during late summer with mixed results. Some producers indicate that they have seen some recovery, but many indicate that the heat has taken its toll and cows are not recovering as favorably as in past seasons. Milk receipts at many receiving locations are reported to be steady, with some higher and lower fluctuations being indicated. Overall volumes though, are lighter than many milk handlers would desire. In light of lower milk volumes, some Class I users were looking for additional milk to supply stronger bottled milk demand. Some of this strong demand is being attributed to typical first of the month demand and a retail

bottled milk promotion in the Chicago metro area. Additional volumes of milk for manufacturing were also being sourced. Some of this inquiry was being filled at premiums of \$3.90 - 4.00 over, delivered. The condensed skim market remains much the same as last week at prices ranging \$1.05 - 1.15, depending on class. The fluid cream market is weak as pricing multiple hold steady, although the pricing basis of the CME butter average has dropped sharply. Many buyers of cream remain cautious to procure significant volumes of additional cream in a declining market.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	SEP 27 - OCT 03	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.50	\$ 36.00- 41.50
REPLACEMENT HEIFER CALVES	\$450.00-550.00	\$300.00-380.00

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

	SEP 27 - OCT 03	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 44.00	\$ 35.00- 46.00

W E S T

The September 4a price (butter/powder) in California is \$15.35, up 53 cents from August and \$3.51 higher than last year. The September 4b price (cheese) is \$15.55, up 29 cents from August and \$4.23 higher than last year. August pool receipts of milk in California total 2.802 billion pounds, 6.8% higher than last year. Cumulative pool output through August 2001 totals 22.077 billion pounds, up 4.2% (unadjusted) from 2000. The August blend price, at a fat test of 3.59%, is \$15.66, \$0.38 higher than July and \$3.95 higher than August 2000. The percentage of receipts used in Class I products is 19.67%. The August quota price is \$16.70 and the over quota price is \$15.00. These prices are 35 cents higher than July 2001 and \$3.68 higher than a year ago. Unseasonably hot weather conditions over much of the state of California affected milk production. Processors were noting declines of up to 1 to 2% lower compared to last week. The declines were sometimes welcomed, especially as butter and cheese prices decline nationally and producers do not have to make product at a high inventory value. Fluid milk orders are mostly steady. Some declines are noticed from food service accounts. Alfalfa prices within the state are steady to firmer. Some producers are forward paying for crops and animals for next year. This is working because of the current good pay prices in the state. New Mexico milk production is showing slight increases and handlers are moving milk within the region. Sales to the Southeast or stair-stepped there have diminished. Plants within the state are taking regular orders. Hay prices are steady to firmer and some leveling of cow and heifer prices is noted. Western cream markets are highly unsettled. Multiples are very wide ranging this week, affected by declining butter prices at the CME. The other variable is what price, average, or permutation is used as the basing point. Buyers are more reluctant to make purchases in a declining market. In California, higher fat prices in the state order formulas are placing cream at a competitive disadvantage to move out of state. Western multiples were in a wide range of 100 to 125, FOB. Conditions remain excellent for continued good milk production in the Pacific Northwest. Temperatures have been above normal with little moisture. Surprisingly, some producers have to wait a while before they finish cutting corn silage because the plants are not quite mature enough. Most had thought that this would not be a concern because of the dry, warm fall. Quality levels on incoming hay receipts are not up to expectations. The problem is that there is not really much possibility of doing much negotiating or bargaining because of the tight supply situation. Milk output over much of Utah and Idaho appears to be stronger than anticipated. Demand for heifers remains strong and availability is limiting the amount of expansion possible. Silage and the final hay harvest are being finished up. Any type of forage is in high demand. Growers have to wait to see what they can do with fall seeded small grains. If they don't get any moisture they will have to wait for spring planting, which will impact yields. Growers are studying the possibility of increasing alfalfa ground for next year. They believe the carryover will be minimal and early season prices should be strong.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 10/04/01 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 remain unchanged and nominal on a steady to firm market. Deficient supplies in the Central region are encouraging buyers to seek additional loads from the West. Production is generally unchanged compared to the week prior. Some plants continue to clear product solely from inventories. Demand is good from blenders and cheese operations. Inquiries from brokerage firms persist. Off grade and standard grade interest is strong into feed and edible markets. High heat prices are trending unchanged on steady production schedules.

Includes EXTRA GRADE and GRADE A, low and medium heat
 NONFAT DRY MILK: .9600 - 1.0275 MOSTLY: .9600 - 1.0275

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a mostly steady market. Cream availability is encouraging butter production and heavier condensed buttermilk supplies. Ice cream demand for condensed buttermilk is good in the South Central area and lighter in the Upper Midwest. Dryer schedules are increasing at some locations yet dry buttermilk supplies continue to be relatively tight. While producers are holding prices steady, some buyers are anticipating an increase in dry buttermilk stocks and are thereby purchasing only on an as needed basis. Buttermilk product remains available for the light to fair interest.

BUTTERMILK: 1.0500 - 1.1150

DRY WHEY - CENTRAL

Prices are unchanged to lower on a cautiously steady market. Supplies are mixed with some plants reporting tight supplies and others offering readily available stocks. Production is mostly steady. Some plants continue to report price resistance from feed and export markets. Trading activity is very light. Some contractual buyers are adding on additional loads. Otherwise, most purchases are generally hand to mouth as some buyers seek cheaper alternatives in permeate or lactose. Condensed whey supplies are in balance to instances tight with good demand noted into WPC/lactose facilities.

NONHYGROSCOPIC: .2875 - .2975 MOSTLY: .2900 - .2975

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a generally steady market. Milk replacer supplies are lower compared to the week prior. Some plants are noting price resistance on milk replacer with light spot activity. Roller ground movement is slowing with price resistance also being reported. Contractual movement is unchanged. Off grade delactose is occasionally available at a discount with supplies of Extra Grade remaining tight. Demand into process cheese is increasing, encouraging producers to divert available stocks to higher paying edible customers. Production continues unchanged for the strong feed interest. Early weaned pig and North Central veal markets are steady on light offerings.

MILK REPLACER: .2300 - .2750
 ROLLER GROUND: .2750 - .3000
 DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are higher on a firm market. While most fourth quarter contracts have been finalized, a few plants continue to negotiate, especially into Asia. Competition from other countries into export markets is light. Japan, China and Taiwan are reportedly short of supplies. Production is generally steady with some plants operating at capacity. Lower mesh sizes are tending to generate higher premiums than higher mesh sizes. Domestic Extra Grade demand is good into candy and baking facilities. Inquiries are being noted from the feed industry. Extra Grade prices are often too high for feed buyer needs, encouraging interest in off grade supplies. Off grade supplies are light yet prices are trending well below the range. Permeate remains an attractive substitute to lactose.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
 EDIBLE: .2000 - .2700 MOSTLY: .2050 - .2300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged and the market tone is mostly steady. Awards from the CCC sell back are increasing protein supplies at some feed operations. Feed buyers continue to seek a release from their contracts or delays in shipment. Most producers are enforcing contract delivery and denying such requests. Some feed producers are selling excess WPC supplies on the market at a discount. Direct manufacture trading is very light. Price resistance is noted by feed facilities while edible operations acquiesce to the current market and premium pricing. Production is unchanged to somewhat lower as more plants shift production away from 34% and into 80% and isolates. Some producers and buyers are expressing a desire for an 80% market in the wake of expected and continued production changes. Off grade interest is strong with a wide variety of product available, including 34%, 60% and 80%. Contract negotiations for 2002 are expected to start early with some activity arising in the next few weeks.

EXTRA GRADE 34% PROTEIN: .7500 - .7950 MOSTLY: .7650 - .7950

NONFAT DRY MILK - WEST

Prices are marginally higher for the low/medium heat price series. Marketing pricing plans move up only slightly over September levels. Supplies of NDM are in balance at the present time, but there are indications that direct export orders are slower than anticipated. There were no offerings to the CCC under the price support program last week and so far this week. No NDM activity has occurred under the present DEIP year program. Drying schedules were lower this week, reflecting lower milk receipts in California and other parts of the region. High heat interest is mostly steady to occasionally higher. Pricing levels are slightly higher on the tope end of the range.

Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9200 - 1.0250 MOSTLY: .9300 - .9600
 HIGH HEAT: .9700 - 1.0400

DRY BUTTERMILK - WEST

Dry buttermilk prices are mostly steady in generally limited spot trading. Activity continues to be more geared towards filling contract orders and catching up on past orders. Some seasonal dry buttermilk customers are coming into the market for supplemental loads. There is more churning activity in the region as more cream is available to butter makers. Interest in condensed buttermilk is only fair. Drying schedules are trending higher. There is dryer capacity available to handle added product. Stock levels at plants are generally light and only limited quantities are held in the resale channels.

BUTTERMILK: 1.0300 - 1.0750 MOSTLY: 1.0400 - 1.0500

DRY WHEY - WEST

Prices range from steady to fractionally higher on both the price range and mostly. Some domestic buyers have to pay more to get the loads they need from certain producers. Overall stock levels are in good shape. Some buyers indicate that they believe that some manufacturers are building inventories at a faster pace. Regular export sales continue to take place, but new activity is slow to develop. The case of BSE found in Japan has, so far, not had an impact on dairy product markets in the Far East. Production levels are down seasonally at many Western plants.

NONHYGROSCOPIC: .2600 - .2975 MOSTLY: .2675 - .2800

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
September 28	\$.9444	10,770,578
September 21	\$.9467	12,466,528

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 and the market tone are little changed. The basing prices for the national marketing agency increased about 1/10 of a cent from the previous month's base. Eastern prices remain nominal as few spot sales are being reported. Most Eastern producers have very little on hand to fill any spot orders. Production levels are up slightly at more drying facilities. October's Class III condensed skim price is estimated to be sharply higher and buyers are balking at the increase. Some are turning back to NDM. The slower demand is forcing more condensed through dryers and some plants that had not dried during the past month or two are having to "crank up" their dryer(s). Demand is mostly contractual and most spot needs are being filled via the resale market. Many spot purchases are for immediate needs as buyers want to stay a current as they can.

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 are unchanged to lower and nominal in the Northeast. The market tone is mostly steady. Production levels are increasing slightly as most Eastern butter makers are having more cream offered to them. Some are taking advantage of all the low-priced cream while others are content to process only their own cream. Producer stocks are still light, but this recent jump in output may provide an increase in inventory. Demand is holding at just fair levels. Sales of condensed buttermilk are steady to lighter.

F.O.B. NORTHEAST: 1.0400 - 1.0600

DELVD SOUTHEAST: 1.0650 - 1.0950

DRY WHOLE MILK - NATIONAL

Prices are unchanged and nominal. The market tone is steady. Production levels remain light and geared to meetings orders. Producer stocks remain light. Spot demand is slow to fair.

F.O.B. PRODUCING PLANT: 1.4325 - 1.5750

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH SEPTEMBER 28, 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

Prices and the market tone are unchanged. Dry whey output in the East is moderate, occasionally lighter. Reports of cheese makers cutting back on operations have been noted. In instances, cheese orders are slower and producers have reduced operations by a day or two each week. This is pushing more milk into butter/powder plants. Dry whey stocks remain light in the East. Occasionally, spot loads are available and clearing satisfactorily. There has been some export interest, but prices would have to be lower than they currently are to make these sales "work." However, most producers are pretty well sold out through the balance of the year. Condensed whey remains tight. Demand for dry whey is mixed. Contracts are keeping most producers sold out, but traders indicate a slow to fair demand. Buyers/users are staying as current as they can. Some sales of Extra Grade quality product to animal feed buyers have been noted at a slight discount.

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

USPH GRADE A .2900 - .3100

DELVD SOUTHEAST: .3175 - .3325

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. The market continues to be highly competitive. Production levels are about steady, but surplus milk volumes are increasing in more areas of the country. Producer stocks are moderate to heavy as most producers built stocks through the early part of the year to be able to fill the generally good fall orders. Demand is fair to improved. Some retail features are starting, which helps consumption.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are basically steady although prices are steady to lower. Fourth quarter contracts are now in place and, for the most part, are much the same as they were previously. Stocks of rennet and acid are mixed. Acid is reported to be more available than rennet, thus acid prices are slightly lower. Milk production in Europe is realizing a stronger than anticipated finish to the season, thus some casein producers are taking advantage of the additional volumes and generating additional stock for later use, especially for early next year. Oceania stocks continue to be reported as on track with previous projections.

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: 2.4500 - 2.6500

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

COMMODITY	REPORT NUMBER				2001		2000	
	36	37	38	39	Average	Average	Average	Average

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrels	:: 1.6800 - 1.6950	:: 1.6800 - 1.6950	:: 1.6800 - 1.6950	:: 1.6325 - 1.6825	::	:: 1.6796	:: 1.2544
-- Cheddar 40# Blocks	:: 1.7200 - 1.7850	:: 1.7200 - 1.7600	:: 1.7200 - 1.7700	:: 1.7000 - 1.7425	::	:: 1.7390	:: 1.3341

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.8975 - 2.1000	:: 1.8975 - 2.1000	:: 1.8975 - 2.1000	:: 1.9025 - 2.1000	::	:: 1.9994	:: 1.5169
-- Brick And/Or Muenster 5#	:: 2.0600 - 2.3350	:: 2.0600 - 2.3100	:: 2.0600 - 2.3100	:: 2.0900 - 2.3125	::	:: 2.1919	:: 1.7483
-- Cheddar 40# Block	:: 2.0400 - 2.1550	:: 2.0400 - 2.1300	:: 2.0400 - 2.1300	:: 2.0600 - 2.1325	::	:: 2.0906	:: 1.8675
-- Monterey Jack 10#	:: 2.1400 - 2.3675	:: 2.1400 - 2.3425	:: 2.1400 - 2.3425	:: 2.1400 - 2.3450	::	:: 2.2442	:: 1.9675
-- Blue 5#	:: 2.4850 - 2.7100	:: 2.4600 - 2.7100	:: 2.4600 - 2.7100	:: 2.4625 - 2.7400	::	:: 2.5919	:: 2.1008
-- Mozzarella 5 - 6#	:: 2.0900 - 2.2175	:: 2.0900 - 2.2175	:: 2.0900 - 2.2175	:: 2.1100 - 2.2175	::	:: 2.1564	:: 1.9275
-- Grade A Swiss Cuts 6 - 9#	:: 2.4550 - 2.6900	:: 2.4550 - 2.6900	:: 2.4550 - 2.6900	:: 2.4550 - 2.6900	::	:: 2.5725	:: 2.3425

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.7900 - 2.2600	:: 1.7650 - 2.2350	:: 1.7650 - 2.2350	:: 1.7675 - 2.2375	::	:: 2.0059	:: 1.5854
-- Cheddar Single Daisies	:: 1.7475 - 2.2075	:: 1.7225 - 2.1825	:: 1.7225 - 2.1825	:: 1.7250 - 2.1850	::	:: 1.9584	:: 1.5391
-- Cheddar 40# Block	:: 1.8850 - 2.0675	:: 1.8600 - 2.0425	:: 1.8600 - 2.0425	:: 1.8625 - 2.0450	::	:: 1.9572	:: 1.5404
-- Process 5# Loaf	:: 1.8900 - 2.0500	:: 1.8900 - 2.0500	:: 1.8900 - 2.0500	:: 1.8925 - 2.0525	::	:: 1.9707	:: 1.5413
-- Process 5# Sliced	:: 1.9100 - 2.1675	:: 1.9100 - 2.1675	:: 1.9100 - 2.1675	:: 1.9125 - 2.1700	::	:: 2.0394	:: 1.6025
-- Muenster	:: 1.9500 - 2.1575	:: 1.9250 - 2.1325	:: 1.9250 - 2.1325	:: 1.9275 - 2.1350	::	:: 2.0347	:: 1.6154
-- Grade A Swiss Cuts 10 - 14#	:: 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	:: 1.8300 - 2.0900	:: 1.8300 - 2.0900	:: 1.8300 - 2.0900	:: 1.8300 - 2.0900	::	:: 1.9600	:: 1.5263
-- Cheddar 40# Block	:: 1.8650 - 2.0275	:: 1.8400 - 2.0025	:: 1.8400 - 2.0025	:: 1.8400 - 2.0025	::	:: 1.9265	:: 1.5098
-- Cheddar 10# Cuts	:: 2.0450 - 2.2650	:: 2.0200 - 2.2400	:: 2.0200 - 2.2400	:: 2.0200 - 2.2400	::	:: 2.1353	:: 1.7298
-- Monterey Jack 10#	:: 2.0550 - 2.2150	:: 2.0300 - 2.1900	:: 2.0300 - 2.1900	:: 2.0300 - 2.1900	::	:: 2.1153	:: 1.7098
-- Grade A Swiss Cuts 6 - 9#	:: 2.3600 - 2.5800	:: 2.3600 - 2.5800	:: 2.3600 - 2.5800	:: 2.3600 - 2.5800	::	:: 2.4700	:: 2.3678

FLUID AND DRY PRODUCTS

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

-- Northeast - f.o.b	:: 2.7162 - 3.0033	:: 2.8288 - 3.0277	:: 2.7297 - 2.9481	:: 1.7500 - 2.8889	::	:: 2.7301	:: 1.6034
-- Atlanta - dlvd. equiv.	:: 2.7383 - 3.0475	:: 2.7846 - 3.0498	:: 2.7516 - 3.0136	:: 2.1850 - 2.7615	::	:: 2.7862	:: 1.6046
-- Upper Midwest - f.o.b	:: 2.9812 - 3.0916	:: 2.8730 - 3.0719	:: 2.8389 - 3.0355	:: 2.4428 - 2.8677	::	:: 2.8932	:: 1.6585

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 1.0500 - 1.1100	:: 1.0500 - 1.1100	:: 1.0500 - 1.1100	:: 1.0500 - 1.1100	::	:: 1.0800	:: 1.0888
-- Class III	:: 1.0000 - 1.0800	:: 1.0000 - 1.0800	:: 1.0000 - 1.0800	:: 1.0000 - 1.0800	::	:: 1.0400	:: 0.9450

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	:: 22.0000 - 33.0000	:: 19.5000 - 33.0000	:: 19.5000 - 33.0000	:: 19.5000 - 33.0000	::	:: 26.5132	:: 26.5000

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

COMMODITY	: : REPORT NUMBER 36 : : REPORT NUMBER 37 : : REPORT NUMBER 38 : : REPORT NUMBER 39 : :				2001	2000
	: : SEP 03 - 07 : : SEP 10 - 14 : : SEP 17 - 21 : : SEP 24 - 28 : :				Average	Average
	: : or Total : :				or Total	or Total
DRY PRODUCTS						
NONFAT DRY MILK						
-- Central (f. o. b.)						
-- Low/Medium Heat	:: 0.9600	- 1.0250	:: 0.9600	- 1.0250	:: 0.9600	- 1.0275
-- Mostly	:: 0.9600	- 0.9750	:: 0.9600	- 1.0250	:: 0.9600	- 1.0275
-- West (f. o. b.)						
-- Low/Medium Heat	:: 0.9000	- 1.0225	:: 0.9300	- 1.0225	:: 0.9200	- 1.0225
-- Mostly	:: 0.9300	- 0.9500	:: 0.9300	- 0.9500	:: 0.9300	- 0.9600
-- High Heat	:: 0.9700	- 1.0100	:: 0.9700	- 1.0100	:: 0.9700	- 1.0200
-- Northeast (f. o. b.)						
-- Low/Medium Heat	:: 0.9675	- 1.0050	:: 0.9675	- 1.0050	:: 0.9675	- 1.0050
-- Mostly	:: 0.9700	- 0.9775	:: 0.9700	- 0.9775	:: 0.9700	- 0.9775
-- High Heat	:: 1.0000	- 1.0250	:: 1.0000	- 1.0250	:: 1.0000	- 1.0250
-- Mostly	:: 1.0050	- 1.0200	:: 1.0050	- 1.0200	:: 1.0050	- 1.0200
-- Southeast (Delvd)						
-- Extra & Grade A	:: 0.9900	- 1.0600	:: 0.9900	- 1.0600	:: 0.9900	- 1.0600
WHEY POWDER (Nonhygroscopic)						
-- Central (f. o. b.)	:: 0.2800	- 0.3025	:: 0.2850	- 0.3000	:: 0.2600	- 0.3250
-- Mostly	:: 0.2900	- 0.2975	:: 0.2900	- 0.2975	:: 0.2900	- 0.2975
-- West (f. o. b.)	:: 0.2600	- 0.2900	:: 0.2600	- 0.2900	:: 0.2600	- 0.2900
-- Mostly	:: 0.2650	- 0.2800	:: 0.2650	- 0.2800	:: 0.2650	- 0.2800
-- Northeast Extra Grade (f. o. b.)	:: 0.2950	- 0.3000	:: 0.2950	- 0.3000	:: 0.2950	- 0.3000
-- Northeast Usph Grade A(f. o. b.)	:: 0.2900	- 0.3100	:: 0.2900	- 0.3100	:: 0.2900	- 0.3100
-- Southeast Extra Grade (Delvd)	:: 0.3175	- 0.3375	:: 0.3175	- 0.3375	:: 0.3175	- 0.3375
WHEY PROTEIN CONCENTRATE						
-- Central And West (f. o. b.)						
-- Extra Grade 34% Protein	:: 0.7400	- 0.8000	:: 0.7400	- 0.8000	:: 0.7500	- 0.7950
-- Mostly	:: 0.7650	- 0.7950	:: 0.7650	- 0.7950	:: 0.7650	- 0.7950
ANIMAL FEED - WHEY						
-- Central (f. o. b.)						
-- Milk Replacer	:: 0.2300	- 0.2700	:: 0.2300	- 0.2700	:: 0.2000	- 0.2700
-- Roller Ground	:: 0.2750	- 0.3000	:: 0.2750	- 0.3000	:: 0.2750	- 0.3000
-- Delactose	:: 0.4150	- 0.4300	:: 0.4150	- 0.4300	:: 0.4150	- 0.4300
BUTTERMILK (Min. 30% protein)						
-- Central (f. o. b.)	:: 1.0400	- 1.1000	:: 1.0400	- 1.1000	:: 1.0500	- 1.0900
-- West (f. o. b.)	:: 1.0000	- 1.0600	:: 1.0000	- 1.0600	:: 1.0200	- 1.0600
-- Mostly	:: 1.0300	- 1.0400	:: 1.0400	- 1.0500	:: 1.0400	- 1.0500
-- Northeast (f. o. b.)	:: 1.0450	- 1.0600	:: 1.0450	- 1.0600	:: 1.0450	- 1.0600
-- Southeast (Delvd)	:: 1.0700	- 1.0950	:: 1.0700	- 1.0950	:: 1.0700	- 1.0950
WHOLE MILK POWDER						
-- National						
-- National (f. o. b.)	:: 1.4100	- 1.5900	:: 1.4325	- 1.5900	:: 1.4325	- 1.5750
LACTOSE						
-- Central And West (f. o. b.)	:: 0.1800	- 0.2700	:: 0.1800	- 0.2700	:: 0.1800	- 0.2700
-- Mostly	:: 0.1950	- 0.2200	:: 0.1950	- 0.2200	:: 0.1950	- 0.2200
CASEIN - Edible - National (f. o. b.)						
-- Nonrestricted - Rennet	:: 2.5000	- 2.7300	:: 2.5000	- 2.7300	:: 2.5000	- 2.7300
-- Nonrestricted - Acid	:: 2.5500	- 2.6500	:: 2.5500	- 2.6500	:: 2.5500	- 2.6500

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 SEPTEMBER 2001

COMMODITY	: REPORT NUMBER 36 : REPORT NUMBER 37 : REPORT NUMBER 38 : REPORT NUMBER 39 :				: 2001 * : 2000 *	
	: SEP 4 - 7	: SEP 10 - 14	: SEP 17 - 21	: SEP 24 - 28	: Monthly Average	: Monthly Average
BUTTER*						
-- GRADE AA						
-- Monday	:: #	:: 2.1975	:: 2.1675	:: 1.9000	::	::
-- Tuesday	::	::	::	::	::	::
-- Wednesday	:: 2.2200	:: @	:: 2.1350	:: 1.7525	::	::
-- Thursday	::	::	::	::	::	::
-- Friday	:: 2.2000	:: 2.1700	:: 2.0700	:: 1.7500	:: 2.0563	:: 1.1727
-- Weekly Average**	:: 2.2100	:: 2.1838	:: 2.1242	:: 1.8008	::	::
CHEESE*						
-- BARRELS						
-- Monday	:: #	:: 1.6800	:: 1.6800	:: 1.6700	::	::
-- Tuesday	:: 1.6800	:: @	:: 1.6825	:: 1.6600	::	::
-- Wednesday	:: 1.6800	:: @	:: 1.6825	:: 1.6325	::	::
-- Thursday	:: 1.6800	:: 1.6800	:: 1.6825	:: 1.6300	::	::
-- Friday	:: 1.6800	:: 1.6800	:: 1.6825	:: 1.6400	:: 1.6707	:: 1.2360
-- Weekly Average**	:: 1.6800	:: 1.6800	:: 1.6820	:: 1.6465	::	::
-- 40# BLOCKS						
-- Monday	:: #	:: 1.7200	:: 1.7200	:: 1.7100	::	::
-- Tuesday	:: 1.7200	:: @	:: 1.7225	:: 1.7100	::	::
-- Wednesday	:: 1.7200	:: @	:: 1.7225	:: 1.7100	::	::
-- Thursday	:: 1.7200	:: 1.7200	:: 1.7250	:: 1.7100	::	::
-- Friday	:: 1.7200	:: 1.7200	:: 1.7250	:: 1.7000	:: 1.7174	:: 1.2953
-- Weekly Average**	:: 1.7200	:: 1.7200	:: 1.7230	:: 1.7080	::	::
NONFAT DRY MLK*						
-- EXTRA GRADE						
-- Monday	:: #	:: 0.9900	:: 0.9900	:: 0.9900	::	::
-- Tuesday	:: 0.9900	:: @	:: 0.9900	:: 0.9900	::	::
-- Wednesday	:: 0.9900	:: @	:: 0.9900	:: 0.9900	::	::
-- Thursday	:: 0.9900	:: 0.9900	:: 0.9900	:: 0.9900	::	::
-- Friday	:: 0.9900	:: 0.9900	:: 0.9900	:: 0.9900	:: 0.9900	:: 1.0300
-- Weekly Average**	:: 0.9900	:: 0.9900	:: 0.9900	:: 0.9900	::	::
-- GRADE A						
-- Monday	:: #	:: 1.0000	:: 1.0000	:: 1.0000	::	::
-- Tuesday	:: 1.0000	:: @	:: 1.0000	:: 1.0000	::	::
-- Wednesday	:: 1.0000	:: @	:: 1.0000	:: 1.0000	::	::
-- Thursday	:: 1.0000	:: 1.0000	:: 1.0000	:: 1.0000	::	::
-- Friday	:: 1.0000	:: 1.0000	:: 1.0000	:: 1.0000	:: 1.0000	:: 1.0300
-- Weekly Average**	:: 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.

Labor Day, CME closed. @ The CME was closed due the events of September 11.

S E P T E M B E R 2001 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY - AUGUST 2001		0		
SEPTEMBER 1 - 30, 2001		0		
CHEESE				
JULY - AUGUST 2001		3,030		
SEPTEMBER 1 - 30, 2001		0		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY - AUGUST 2001		0		
SEPTEMBER 1 - 30, 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

SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2001 advanced 1 point to 124. Compared with September 2000, the index is up 4 points (3.3 percent). The index of prices received by farmers for dairy products advanced 3 points during the month of September 2001 to 129. Compared with September 2000, the index was up 30 points (30.3 percent).

Prices received by farmers in September with changes from August were: for All Milk, \$16.80 per hundredweight (cwt.), up \$.40; Fluid Grade Milk, \$16.80 per cwt., up \$.30; and for Manufacturing Grade Milk, \$15.70 per cwt., up \$.30.

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

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	AUGUST		SEPTEMBER		SEPTEMBER		SEPTEMBER		SEPTEMBER	
	2001 2/	2000 2/	2001 4/	2000 2/	2001	2000	2001 7/	2000 8/	2001	2000
CA	15.51	11.91	15.80	12.31			39.00	35.00	113.00	87.00
ID	15.00	10.60	15.20	11.30			39.00	35.80	119.00	97.00
MI	16.60	13.10	17.00	13.20		PRICES	43.00	37.50	72.00	63.00
MN	16.30	12.30	16.40	12.80		PUBLISHED	43.50	39.40	56.00	51.00
NY	17.40	13.20	17.60	13.60		JANUARY,	---	---	94.00	104.00
OH	16.70	12.60	16.70	13.00		APRIL,	40.00	36.80	92.00	89.00
PA	17.80	13.80	18.00	14.20		JULY AND	42.30	37.80	109.00	106.00
TX	17.40	13.50	17.90	13.70		OCTOBER	41.10	33.50	78.00	83.00
WA	16.70	12.80	17.00	13.00			---	---	118.00	102.00
WI	16.20	11.80	16.70	12.50			42.70	38.50	62.00	40.00
U.S.	16.40	12.50	16.80	12.90			41.60	37.20	98.60	83.00

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., SEPTEMBER 2001 WITH COMPARISONS

ITEM	SEPTEMBER 2000	AUGUST 2001 1/	SEPTEMBER 2001 2/
PRICES RECEIVED BY FARMERS, dol. per cwt., at reported butterfat test:			
All milk	12.90	16.40	16.80
Fluid grade milk	13.00	16.50	16.80
Manufacturing grade milk	11.40	15.40	15.70
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	97	109	106
Prices received by farmers for dairy products	99	126	129
Prices paid by farmers for commodities and services, interest taxes, and wage rates	120	123	124
Prices paid by farmers for production items	116	120	120
Prices paid by farmers for feed	99	111	113
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	3.34	3.62	3.71

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 (9/01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, 1999 TO 2001
(THOUSAND HEAD)

1999			2000			2001		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 2	90.6	40.9	Jan 1	89.9	44.3	Jan 6	108.1	55.3
9	119.0	54.5	8	115.7	57.7	13	134.0	65.6
16	128.8	56.1	15	115.5	56.8	20	117.2	57.7
23	122.4	56.6	22	111.1	52.9	27	115.4	57.8
30	112.6	54.3	29	104.6	51.2	Feb 3	112.5	57.0
Feb 6	109.4	54.7	Feb 5	102.5	51.9	10	110.1	55.1
13	111.6	54.0	12	107.2	54.0	17	110.7	54.5
20	105.1	52.5	19	103.8	51.5	24	111.4	54.2
27	104.8	50.4	26	102.8	53.7	Mar 3	110.3	55.7
Mar 6	107.4	51.2	Mar 4	101.8	55.6	10	111.5	55.7
13	102.9	49.1	11	102.2	55.1	17	110.8	55.3
20	103.5	49.3	18	99.5	53.9	24	109.7	54.6
27	113.5	52.3	25	101.7	54.6	31	109.6	52.8
Apr 3	102.3	47.7	Apr 1	100.0	52.3	Apr 7	102.2	50.8
10	99.1	47.6	8	97.5	48.8	14	95.0	47.0
17	104.3	48.2	15	99.3	48.8	21	102.6	47.7
24	105.2	47.1	22	97.9	47.8	28	110.7	49.3
May 1	103.1	47.2	29	98.1	46.7	May 5	107.9	47.1
8	103.2	44.3	May 6	101.3	47.2	12	106.4	47.2
15	108.7	46.2	13	103.1	46.8	19	105.8	44.8
22	112.5	47.3	20	104.0	46.5	26	109.6	46.3
29	111.8	45.0	27	108.3	47.7	Jun 2	95.0	41.3
Jun 5	87.2	39.4	Jun 3	90.7	41.3	9	107.1	46.1
12	99.9	43.4	10	105.0	46.4	16	97.6	41.8
19	99.3	43.9	17	101.6	45.2	23	99.0	41.8
26	99.8	44.0	24	102.8	47.3	30	109.7	45.8
Jul 3	101.0	46.0	Jul 1	104.7	47.4	Jul 7	88.6	37.5
10	84.7	38.9	8	75.4	37.0	14	104.1	47.4
17	102.2	45.9	15	103.7	48.6	21	105.6	45.6
24	101.8	47.6	22	99.1	48.1	28	100.3	41.8
31	95.2	46.6	29	92.0	45.9	Aug 4	101.2	42.4
Aug 7	97.7	46.0	Aug 5	93.8	46.1	11	98.2	43.4
14	107.7	51.2	12	92.8	45.8	18	106.4	46.7
21	108.2	52.3	19	95.3	46.2	25	110.6	48.9
28	107.3	51.0	26	103.4	50.4	Sep 1	107.4	47.4
Sep 4	108.3	49.8	Sep 2	108.7	52.1	8	91.5	43.3
11	92.8	44.5	9	89.6	45.4	15	105.3	47.4
18	107.3	49.5	16	106.9	50.5	22		
25	112.0	52.6	23	107.8	51.0	29		
Oct 2	111.5	51.3	30	107.1	54.2	Oct 6		
9	114.2	51.3	Oct 7	109.6	52.2	13		
16	116.5	51.5	14	108.0	51.3	20		
23	119.3	51.9	21	116.3	54.6	27		
30	124.9	55.4	28	118.2	55.0	Nov 3		
Nov 6	125.2	54.0	Nov 4	118.5	56.1	10		
13	127.2	55.8	11	118.0	57.7	17		
20	125.3	55.3	18	120.9	59.0	24		
27	100.7	45.3	25	99.8	49.3	Dec 1		
Dec 4	122.0	55.5	Dec 2	126.8	62.7	8		
11	118.2	55.5	9	125.1	61.4	15		
18	112.4	53.4	16	108.5	54.0	22		
25	88.2	42.9	23	108.3	55.0	29		
			30	88.6	45.1			

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.

AUGUST 2001 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 76.5 million pounds in August, 8.5 percent below August 2000 and 4.2 percent below July 2001. **AMERICAN TYPE CHEESE** production totaled 286.8 million pounds, 1.7 percent below August 2000 and 3.9 percent below July 2001. **TOTAL CHEESE** output (excluding cottage cheese) was 664.2 million pounds, 2.9 percent below August 2000 and 2.2 percent below July 2001. **NONFAT DRY MILK** production, for human food, totaled 95.7 million pounds, 9.1 percent below August 2000 and 18.3 below July 2001. **DRY WHEY** production, for human food, was 85.2 million pounds, 7.3 percent below August 2000 and 7.0 percent below July 2001. **ICE CREAM** (hard) production totaled 79.9 million gallons, 0.6 percent below August 2000 and 2.5 percent below July 2001.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	AUG 2001	PERCENT CHANGE FROM:			PRODUCT	AUG 2001	PERCENT CHANGE FROM:		
	1,000 LBS.	AUG 2000	JUL 2001	YEAR TO DATE 1/		1,000 LBS.	AUG 2000	JUL 2001	YEAR TO DATE 1/
BUTTER	76,527	-8.5	-4.2	-7.8	YOGURT (PLAIN AND FLAVORED)	165,307	5.4	1.2	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	286,810	-1.7	-3.9	-4.7	SWEET -TYPE, HUMAN FOOD	9,953	20.5	-23.6	---
CHEDDAR	222,129	-1.0	-6.1	-4.9	SWEET -TYPE, ANIMAL FEED	956	-18.2	7.7	---
SWISS	20,115	5.8	-3.8	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,817	0.9	1.0	---	DRY WHEY, HUMAN FOOD	85,183	-7.3	-7.0	---
CREAM & NEUFCHATEL	57,531	-9.5	9.0	---	DRY WHEY, ANIMAL FEED	5,209	-29.8	-29.9	---
HISPANIC	8,515	-0.9	4.0	?	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	211,242	-2.4	-6.0	1.3	HUMAN FOOD	7,165	60.0	-5.2	---
OTHER ITALIAN TYPES	55,366	-4.6	9.8	-2.6	ANIMAL FEED	2,960	-5.1	-14.5	---
TOTAL ITALIAN TYPES	266,608	-2.9	-3.1	0.5	LACTOSE, HUMAN FOOD & ANIMAL FEED	45,621	5.2	-2.3	---
ALL OTHER TYPES	16,823	-8.7	6.2	---	WHEY PROTEIN CONCENTRATE				
TOTAL	664,219	-2.9	-2.2	-1.9	HUMAN FOOD	24,156	4.0	-1.7	---
COTTAGE CHEESE, CURD 3/	40,419	-2.8	7.3	---	ANIMAL FEED	3,986	2.9	3.4	---
COTTAGE CHEESE, CREAM 4/	33,148	-3.0	1.7	0.8					
COTTAGE CHEESE, LOWFAT 5/	34,838	7.2	11.6	1.7					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	41,262	14.1	9.5	---	ICE CREAM (HARD)	79,866	-0.6	-2.5	-3.3
DRY WHOLE MILK	3,543	-55.9	15.6	---	ICE CREAM, LOWFAT (HARD)	8,578	10.4	9.9	---
NONFAT DRY MILK, HUMAN FOOD	95,718	-9.1	-18.3	-5.4	ICE CREAM, LOWFAT (SOFT)	31,496	5.7	-4.9	---
DRY SKIM MILK, ANIMAL FEED	624	1.5	22.4	---	ICE CREAM, LOWFAT (TOTAL)	40,074	6.6	-2.1	3.5
DRY BUTTERMILK	2,317	-31.8	-18.8	---	SHERBET (HARD)	4,739	0.3	-7.0	-0.5
					YOGURT (TOTAL)	7,934	-11.0	-3.2	-4.3

MANUFACTURERS' STOCKS, END OF MONTH 7/							
PRODUCT	AUG 2001	PERCENT OF:		PRODUCT	AUG 2001	PERCENT OF:	
	1,000 LBS.	AUG 2000	JUL 2001		1,000 LBS.	AUG 2000	JUL 2001
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD				HUMAN FOOD	13,593	-1.2	-8.7
DRY WHEY, ANIMAL FEED	30,288	-30.4	-14.8	ANIMAL FEED	1,082	18.4	-13.9
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	4,373	-58.0	-16.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	79,532	21.8	1.7
LACTOSE, HUMAN FOOD & ANIMAL FEED	6,181	-42.3	-17.9	DRY WHOLE MILK 9/	---	---	---
DRY BUTTERMILK, TOTAL	22,153	-22.7	-21.2	NONFAT DRY MILK FOR HUMAN FOOD	126,559	-29.3	-13.9
	4,031	18.0	-12.4	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 (10-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF OCTOBER 1 - 5, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 09/28/01	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-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	-0-	7,318,694	600,531,000	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	38,227,000	-0-
TOTAL	-0-	-0-	-0-	-0-	7,318,694	638,758,000	-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 OCTOBER 1 - 5, 2001 =	0.0	0.0	COMPARABLE WEEK IN 2000 =	1.6	85.2
CUMULATIVE SINCE OCTOBER 1, 20010 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	1.6	85.2
CUMULATIVE JANUARY 1 - SEPTEMBER 28, 2001 =	73.5	3,270.3	COMPARABLE CALENDAR YEAR 2000 =	162.3	5,264.2

* 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 OCTOBER 1 - 5, 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-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/01/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	257,897	0.0
WEST	-0-	-0-	-0-	-0-	-0-	-0-	7,060,797	0.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	7,318,694	0.0

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 09/15/01 & 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	5.0	4.9	17.8	2.8	0.5	0.9	12.1	2.4	47.4	1,820.1	45.0	46.2
2000-Dairy	0.2	1.0	5.9	4.6	21.2	2.7	1.0	0.8	10.7	2.4	50.5	1,825.2	47.2	48.8
2001-All cows	0.2	0.8	6.9	13.7	27.2	15.1	14.8	4.5	15.2	6.9	105.3	3,939.1		
2000-All cows	0.2	1.2	7.9	13.4	29.2	17.9	13.6	4.6	13.2	5.7	106.9	3,743.4		

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

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	15.93		
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