

**NATIONAL DAIRY MARKET AT A GLANCE**

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/2):**  
**BUTTER:** Grade AA closed at \$1.2875. The weekly average for Grade AA is \$1.2750 (+.0108).

**CHEESE:** Barrels closed at \$1.1675 and blocks at \$1.2050. The weekly average for barrels is \$1.1780 (+.0260) and blocks, \$1.2175 (+.0285).

**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:** The butter market is unsettled. The price at the CME seems to searching for its level. Fractional adjustments seem to be the norm this week. Churning activity is moderate to heavy, but more reports indicate that excess cream volumes are a little lighter than they have been the past few weeks. Butter stocks, bulk and packaged, are fully adequate to meet current needs. Buyers have shown more interest in the past two weeks as they need to have packaged butter on the retail shelves next week for Thanksgiving features. Food service orders are about steady.

**CHEESE:** The cheese market is unsettled to weak. Prices have rebounded somewhat from recent lows. Plant operators are trying to fill current orders, especially those for Thanksgiving. Overall, orders have rebounded from recent levels though the airline/convention/business travel segment remains sluggish. Process demand is mixed, generally steady to lighter at retail and at least moderate for food service, particularly fast food. Mozzarella sales are seasonal. Plant inventories are light. Cheese production is steady at best. Cheese yields are improved to near annual peak levels.

**FLUID MILK:** Milk production across much of the country is steady to slightly higher. Some seasonal declines are being reported in the Upper Midwest and parts of the Pacific Northwest. In the Northwest, and other parts of the West, hay quality is generally below average and more costly. The shortage of quality hay is having an earlier than normal adverse impact on milk output. Fluid milk supplies are about steady, but improved demand in Class I and II products has caused tighter supplies of surplus milk for manufacturing. Florida imported quite a bit more milk this week and handlers have already contacted suppliers about additional purchases next week. The fluid cream market is not as weak as it has been, but excess cream continues to move to butter plants. Cream usage in sour cream, cream cheese, bottled cream, and dips is improving along seasonal patterns.

**DRY PRODUCTS:** The NDM market is mostly steady. Prices are steady to lower and demand is mixed, mostly fair. Some price resistance was noted on powder that easily cleared last week. The USDA, FAS announced that the Dairy Export Incentive Program (DEIP) will be activated on November 2, 2001. The program-year allocation of 68,201 MT is unchanged from the previous program-year. Further information may be found at:

[www.fas.usda.gov/excredits/gsm-511a-50.html](http://www.fas.usda.gov/excredits/gsm-511a-50.html)

The dry whey market is mostly steady despite some price declines in the East and Central regions. Production levels are lighter than desired and some Grade A producers are having difficulty filling contract commitments. The lactose market is steady to firm and prices are unchanged. Domestic demand is fair to good in confectionary and bakery applications while export interest is holding at generally strong levels. The WPC market is steady to weak. Trading activity is light as buyers wait for better prices. Sales into the feed industry are slow as most producers are reluctant to lower prices as far as they need to be to compete with the CCC sellback of NDM.

**CCC:** During the week of October 29 – November 2, adjusted purchases totaled 488,310 pounds of Western NDM under the price support program.

**CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the October 2001 prices under the Federal Milk Order pricing system with changes from September: Class II \$13.53 (-\$2.71), Class III \$14.60 (-\$1.30); and Class IV \$12.77 (-\$2.82). Product price averages used in computing Class prices are: butter \$1.4701, NDM \$0.9441, cheese \$1.5591, and dry whey \$0.2835. The Class II butterfat price is \$1.6596 and the Class III/IV butterfat price is \$1.6526. Further information may be found at: [www.ams.usda.gov/dairy/mib/classprcacnmt.pdf](http://www.ams.usda.gov/dairy/mib/classprcacnmt.pdf)

**NOTICE:** NASS has changed the release time for the Dairy Products Prices report on 11/23/01 to 12:00 noon. As a result, the release time for the December Advance Prices has been changed to 1:00 p.m. (E.T.) on 11/23.

**SEPTEMBER CONSUMER PRICE INDEX (BLS):** The September Consumer Price Index (CPI) for all food is 174.1, up 3.1% from a year ago and the dairy products index is 169.4, up 4.8%. The September-to-September changes in selected dairy products are: fresh whole milk up 5.2%, cheese up 5.3%, and butter up 37.2%.

**COMMERCIAL DISAPPEARANCE (ERS and AMS):** Commercial disappearance of dairy products during the first eight months of 2001 totals 112.3 billion pounds, 1.0% more than the comparable period in 2000. Comparing disappearance levels with a year ago: butter and fluid milk products were lower and cheese and NDM were higher.

**OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2001 was unchanged at 123. This total is up 2 points (1.7%) from October 2000. The index of prices received by farmers for dairy products declined 6 points during the month of October 2001 to 124, up 28 points (29.2%) from October 2000. Prices received by farmers in October with changes from September were: for all milk, \$16.20, down \$.80; for fluid grade milk, \$16.20, down \$.80; and for manufacturing grade milk, \$15.10, down \$1.10. The milk-feed price ratio for October 2001 is 3.69, up from the 3.12 ratio for October 2000, but down from September's 3.76.

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

OCTOBER MONTHLY AVERAGES AND SUMMARY (PAGES 7-9)  
 OCTOBER DEIP SUMMARY & NOTICE OF CURRENT-YEAR ACTIVATION  
 (PAGE 10)

JUNE-AUGUST COMMERCIAL DISAPPEARANCE (PAGE 11)  
 2002 RELEASE DATES FOR MILK PRICE DATA (PAGE 12)  
 OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 13)

SEPTEMBER CONSUMER PRICE INDEX (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

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

PRODUCT	MONDAY OCTOBER 29	TUESDAY OCTOBER 30	WEDNESDAY OCTOBER 31	THURSDAY NOVEMBER 1	FRIDAY NOVEMBER 2	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2150 (+.0700)	\$1.1675 (-.0475)	\$1.1700 (+.0025)	\$1.1700 (N.C.)	\$1.1675 (-.0025)	+.0225	\$1.1780 (+.0260)
40# BLOCKS	\$1.2475 (+.0450)	\$1.2100 (-.0375)	\$1.2100 (N.C.)	\$1.2150 (+.0050)	\$1.2050 (-.0100)	+.0025	\$1.2175 (+.0285)
BUTTER GRADE AA	\$1.2700 (+.0025)	----	\$1.2675 (-.0025)	----	\$1.2875 (+.0200)	+.0200	\$1.2750 (+.0108)

**BUTTER:** 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](http://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 29, 2001

CHEESE — SALES: 3 CARS BARRELS @ \$1.2100; 1 CAR 40# BLOCKS @ \$1.2500; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.2150, 1 @ \$1.1525; 1 CAR 40# BLOCKS @ \$1.2300; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.2475, 1 @ \$1.2600, 1 @ \$1.3000

BUTTER — SALES: 5 CARS: 1 @ \$1.2650, 1 @ \$1.2725, 1 @ \$1.2700, 1 @ \$1.2725, 1 @ \$1.2700; BIDS UNFILLED: 13 CARS: 1 @ \$1.2600, 2 @ \$1.2500, 2 @ \$1.2400, 2 @ \$1.2300, 2 @ \$1.2200, 2 @ \$1.2100, 2 @ \$1.2000; OFFERS UNCOVERED: 3 CARS: 1 @ \$1.2700, 1 @ \$1.2725, 1 @ \$1.2800

TUESDAY, OCTOBER 30, 2001

CHEESE — SALES: 8 CARS BARRELS: 1 @ \$1.2175, 1 @ \$1.2050, 1 @ \$1.2000, 1 @ \$1.1925, 1 @ \$1.1825, 1 @ \$1.1725, 1 @ \$1.1625, 1 @ \$1.1725; 7 CARS 40# BLOCKS: 2 @ \$1.2100, 1 @ \$1.1950, 1 @ \$1.2000, 1 @ \$1.1975, 1 @ \$1.2050, 1 @ \$1.2100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1675; 6 CARS 40# BLOCKS: 2 @ \$1.2100, 1 @ \$1.2200, 1 @ \$1.2250, 1 @ \$1.2350, 1 @ \$1.2450

WEDNESDAY, OCTOBER 31, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.1700, 1 @ \$1.1400; OFFERS UNCOVERED: NONE

BUTTER — SALES: 3 CARS: 1 @ \$1.2675, 1 @ \$1.2650, 1 @ \$1.2675; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS: 1 @ \$1.2675, 1 @ \$1.2700, 1 @ \$1.2800

THURSDAY, NOVEMBER 1, 2001

CHEESE — SALES: 8 CARS BARRELS: 3 @ \$1.1950, 1 @ \$1.1800, 1 @ \$1.1775, 1 @ \$1.1800, 1 @ \$1.1825, 1 @ \$1.1700; 4 CARS 40# BLOCKS: 1 @ \$1.2200, 3 @ \$1.2150; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 2, 2001

CHEESE — SALES: 5 CARS BARRELS: 2 @ \$1.1750, 1 @ \$1.1775, 1 @ \$1.1650, 1 @ \$1.1675; 3 CARS 40# BLOCKS: 1 @ \$1.2025, 1 @ \$1.1950, 1 @ \$1.2050; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1900; 3 CARS 40# BLOCKS: 1 @ \$1.2050, 1 @ \$1.2100, 1 @ \$1.2150

BUTTER — SALES: 18 CARS: 1 @ \$1.2875, 2 @ \$1.2900, 1 @ \$1.2875, 1 @ \$1.2850, 1 @ \$1.2875, 1 @ \$1.2900, 1 @ \$1.2925, 1 @ \$1.2950, 1 @ \$1.2900, 1 @ \$1.2875, 1 @ \$1.2900, 1 @ \$1.2925, 1 @ \$1.2950, 1 @ \$1.2900, 1 @ \$1.2875, 1 @ \$1.2900; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS: 1 @ \$1.2875, 2 @ \$1.2925, 1 @ \$1.2950, 1 @ \$1.3000

BUTTER MARKETS

NORTHEAST

The market tone remains weak and unsettled. The price of butter at the CME bounced higher last Wednesday (10/24) and seemed to be unsure of direction in the two subsequent sessions. Producers report improved demand, particularly from "local" retail outlets as they stock up for Thanksgiving. Also, more traders are looking for fresh bulk butter, but most of the fresh production that is going into bulk is being held while producers try to clear some of their older inventory. Currently, churning activity in the East is moderate to heavy and excess cream is readily available to local and Midwestern butter makers. Retail sales are still just fair, but feature activity is becoming more common throughout the region. As the baking season gets under way, sales of various ingredients improve and butter is an often-used ingredient in most home baking recipes. Food service orders are about steady. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

The butter market is unsettled as the price at the CME has bounced around for the past four (through Oct. 31) trading sessions. Reportedly, butter is readily available for those who want it. This was evident during the October 26 CME

trading when 42 loads of butter were sold, a record one-day total since trading moved to three days per week. All but six of those sales were based on offers. Churning activity remains heavy, but improved Class II cream demand is easing the volumes being offered to butter makers. Demand for butter is improving as buyers scramble to get in stores for Thanksgiving features. Food service orders are about steady. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing basis.

WEST

Butter orders for the Thanksgiving holiday period are starting to build at a more rapid pace. Some contacts report that they are above earlier expectations. Retail prices are slowly responding to the declining cash prices at the CME. Churning activity is increasing due to heavier cream offerings. Bulk orders, especially from food service accounts, remain lighter than anticipated. Weekly CME butter stocks declined by 702,000 pounds to 40.8 million pounds this past week. This is the first week this year that stocks exceed the prior year level. The weekly draw down is much slower this year than last. Over the last five weeks stocks have declined 5.0 million pounds compared to 21.7 million pounds for the comparable period last year. Current prices for bulk butter range from 4 cents under to 1 1/2 cents under 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			
OCTOBER 27	1,3981 7,272,247	1,3160 8,917,010	0.9428 15,526,548	1.2662 4,423,788	0.2841 10,172,738

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

**CHEESE MARKETS**

**NORTHEAST**

Prices are moderately lower again this week, but the prices of barrels and 40# blocks at the CME did jump 7 and 4.5 cents, respectively, during Monday's (10/29) trading. This tends to indicate a renewed demand as retailers place orders and get those orders in-store early in November. This price up-tick may be short lived, but it is encouraging to cheese makers. Eastern cheese makers are seeing a little more milk being offered to them, but most are still a little reluctant to take too much extra milk at this time. Stocks of current cheddar are adequate to meet needs, but most of the Northeast's interest for cheddar during the fall is for aged cheddar. Sales of mozzarella are holding up quite well at some plants, but orders are off in others that tended to market their product to specialty shops and/or restaurants in the major urban areas. There has been a marked slow down in dining out, particularly at "higher-end" establishments.

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

Cheddar 10# Prints	:	1.2350-1.7050
Cheddar Single Daisies	:	1.1925-1.6525
Cheddar 40# Block	:	1.3250-1.5125
Process 5# Loaf	:	1.3625-1.5225
Process 5# Sliced	:	1.4825-1.6400
Muenster	:	1.3950-1.6025
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is unsettled. Cash cheese prices at the Chicago Mercantile Exchange (CME) have moved both higher and lower this week. Cash cheese prices last week at the CME on both blocks and barrels closed under \$1.20 for at least one session. These prices, along with the weekly average, are the lowest since late January or early February. Overall cheese movement still lacks normal seasonal strength. Holiday orders need to be working through distribution centers soon in order to be in stock for Thanksgiving. Barrels and other processing solids are tight as process movement is fair to good at fast food accounts with retail varying from slow to moderate. It is still too early for major gift pack shipments. Mozzarella demand is steady to improved. Mozzarella users that had been delaying orders due to price are more comfortable at current levels. Mozzarella supplies are in better balance with orders. Interest is good for made to order products. Aged cheddar demand continues generally light though the real "season" starts in November. Plant cheese inventories are declining. Cheese production is uneven; generally lower plant milk intakes are partially offset by seasonally good cheese yields.

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

Process American 5# Loaf	:	1.3725-2.0000
Brick And/Or Muenster 5#	:	1.7800-1.9900
Cheddar 40# Block	:	1.6000-2.1150
Monterey Jack 10#	:	1.8125-2.1800
Blue 5#	:	1.9700-2.6400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.3175-2.6900

**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 29 - NOVEMBER 2, 2001
BARRELS*	:	\$1.1525 - 1.2250 (NOMINAL)
	:	(\$0.0175) (.0100)
40# BLOCKS	:	\$1.1900 - 1.2475 (NOMINAL)
	:	(\$0.0300) (.0125)

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

**WEST**

Prices for natural and process cheese have fallen for six consecutive weeks following trading at the CME. Market activity over the past week has been both higher and lower. Some contacts believe that a market bottom has been put in, at least temporarily. Buying activity was much improved at the end of last week. Buyers have been operating on reduced inventories for quite some time because of the general decline in the market. Therefore, any indication of a bottom spurred added sales activity. Processors seemed to be leading the buying by first cleaning up lower quality processing solids and then clearing out most of the current barrel production. Demand for current blocks also looked to be increasing quite rapidly. One problem that does cause some concern for producers and buyers is the cheese left on hand that was made just before prices began to drop. It will take a long time to sell this off by cost blending it out. Mozzarella cheese continues to move very well for the fall pizza season. Most Swiss contacts feel that they are positioned well for the fall buying season. Cheese production, in general, is often lighter than most plants had anticipated.

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

Process 5# Loaf	:	1.3050-1.5650
Cheddar 40# Block	:	1.3100-1.4725
Cheddar 10# Cuts	:	1.4900-1.7100
Monterey Jack 10#	:	1.5000-1.6600
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5800

**FOREIGN**

Prices are steady to moderately lower on domestic styles and types. The market tone is about steady, but the many disruptions to the importation of dairy and other products are still being felt. Demand is slow to fair from the food service part of the market, about steady for home consumption. Stocks are light to adequate depending on type of cheese and country of origin.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.5375-3.0325*
Gorgonzola	:	3.2400-5.9400	: 2.0375-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.9525-3.0075*
Romano (Italy)	:	2.1000-2.9900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.5450-1.7650*
Romano (Cows Milk)	:	-0-	: 2.7250-4.9050*
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
	:	10/29/01	:	26,011
	:	10/01/01	:	29,328
	:	CHANGE	:	-3,317
	:	% CHANGE	:	-11

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	100	0	74	0	26	0
SOUTHEAST STATES	49	0	49	0	54	0

Milk production is steady to slightly higher in most parts of the East. Milder weather is more common in the Southeast and milk output is increasing. In the Northeast, the weather has been nearly ideal for milk output, but typically, November is the low point in the annual milk production cycle. Fat and protein tests (yield) are improving in all sections of the region. Fluid milk supplies are more than ample for Class I needs and surplus milk volumes are increasing, particularly in the Middle Atlantic and Northeast areas. Milk is still tight in Florida and other Southeast states and surplus milk volumes are limited. Imports of milk are up this week in Florida; steady elsewhere. Bottled milk sales are holding at fair to good levels in more areas of the East. Florida contacts are seeing the winter residents returning and milk sales are improving. The influx of winter residents accounted for most of the gain in milk imports by Florida handlers this week. The condensed skim market is about steady, but prices for Class II condensed did move lower this week. Demand for wet solids is holding fairly steady, but price competition from NDM is pulling some users away from the market. The fluid cream market doesn't seem as weak as it has been. Improved demand by cream cheese and sour cream makers and bottlers has left less excess cream to be cleared to butter makers. Some churning facilities did not buy any outside cream this week and chose to process their own cream. Others, who do not have their own supply, did seem willing to pay slightly higher multiples than they have been during the past month or so. Ice cream production and sales are seasonal, but with lower cream prices, some makers have gotten back into the spot market to replenish inventories. However, not everyone is convinced that the current butter price at the CME will hold at current levels and some are. Some producers are making more ice cream now to allow them to be down for longer periods during the upcoming holidays.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT		
F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4918-1.7193
DELIVERED EQUIVALENT ATLANTA	-	1.4918-1.7193 M 1.5170-1.5929
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5170-1.8331
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0000-1.1000
NORTHEAST- CLASS III - SPOT PRICES	-	1.0000-1.1800

M I D W E S T

Class I demand is improved, aided by the usually stronger first of the month sales along with scattered retail feature activity. Milk supplies are much tighter this week. Production of holiday items including such products as eggnog, dips, whipped and sour cream is seasonally active. Next week, some additional milk shipments are scheduled for the Southeast for at least one upper Midwest shipper. Manufacturing milk interest has improved, particularly for milk deliveries on or after November 1. Orders for cheese have also improved as the holiday season rapidly approaches. More manufacturing plant operators were willing to part with any extra fluid supplies during the later part of October. These same operators are less inclined to part with milk in November and spot suppliers have tightened accordingly. Reported spot manufactured milk premiums range from \$1.50 - 1.95 over class. At least one milk handler expects spot milk premiums could increase as

a partial offset to the expected tighter supplies and sharply lower manufacturing milk prices in November. Cream prices are mixed, a lower Chicago Mercantile Exchange weekly butter average is partially offset by steady to occasionally higher multiples. Demand has improved as production of holiday items improve. Condensed skim prices were little changed from last week for October sales, though Class III prices reported are occasionally higher than Class II. Current plant milk receipts continue to decline seasonally with a few operations in upper Midwestern states perhaps at their annual low while others continue to slip. A few other operations are noticing some slight recoveries. Overall in the upper Midwest, milk supplies continue to lag year ago levels. Fat and protein tests are at good seasonal levels. Fall harvest and tillage operations are well underway where field conditions permit.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 25 - 31	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 39.50	\$ 32.00- 40.00
REPLACEMENT HEIFER CALVES	\$390.00-500.00	\$320.00-390.00

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

	OCT 25 - 31	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 44.00	\$ 31.00- 40.00

W E S T

Milk production patterns continue to trend higher at levels above a year ago across most areas of southern and central California. In the north, production is at seasonally low levels, but higher than last year at this time. Conditions continue to be generally favorable for milk cows in the state from feed quality and weather perspectives. Milk is being handled efficiently and not much shifting between products is being done because of finished product prices. Both cheese and butter prices have been equally depressed following recent declines in cash markets. Fluid milk orders in the state were generally flat. New Mexico milk production is mostly steady to slightly higher at levels above last year across most of the state. Alfalfa hay harvesting is winding down for the season and reports indicate that prices are in the \$125 to 145 per ton delivered range for premium quality. Milk is moving to normal accounts and plants are running. Western fluid cream prices remain weak in the range of 100 to 127. California processors continue to trade loads below class prices to keep cream moving. Seasonal production of holiday cream-based items continues to increase each week. Thanksgiving is three weeks away and processors are preparing for current and future orders. Ice cream producers are easing back on demand for cream as they prepare for lower class prices on December 1st. The first extended rain of the fall season fell over much of the Pacific Northwest this week. Good snow amounts accumulated at elevation for future water needs. The timing is good as most cropping activities are done for the season. Temperatures are moderate and milk production is at seasonal levels. Many producers are noting some lower output due to lower quality hay supplies. They are concerned because if they are noticing an impact on milk output in the fall, they are even more concerned what the impact will be when they use up the last of the forage going into the next crop year. Hay prices are generally \$15-30 ahead of last year and remain steady at firm levels. Heifer prices have come down somewhat from peak levels. Cows being sold for herd replacements are averaging \$350-380 higher than last October. Manufacturing plants are generally running efficiently on reduced operating schedules. The heaviest rain since last winter has occurred in northern Utah and southern Idaho. The rain is too late for seeding fall crops or tillage, but it is still very welcome. Manufacturing plants report that milk receipts continue to decline.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 11/01/01 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 lower and nominal on a weak market. While some locations report that they are short on supplies, others are receiving higher milk intakes and are long on stocks. To avoid heavy supplies during the holiday season, some plants are offering at lower prices. West coast product is priced competitively and is deterring sales of Central region NDM. Demand is light to fair with broker, cheese and ice cream facilities expressing interest. High heat prices are trending mostly unchanged with supplies mostly in line with demand. Contract negotiations for 2002 are commencing at some locations.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9550 - .9975 MOSTLY: .9550 - .9975

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to lower and nominal on a mostly steady market. Supplies are mixed. Many locations are tight on buttermilk stocks. However, some occasional buttermilk drying facilities are offering supplies at lower prices in light of higher condensed buttermilk intakes over the last few weeks. Compared to the week prior, cream supplies are in better balance, reducing churning activity and buttermilk output. Buttermilk production is expected to increase as the holiday season nears. Demand is fair to good and best on contractual commitments.

BUTTERMILK: 1.0400 - 1.1150

**DRY WHEY - CENTRAL**

Prices are unchanged to higher on a cautiously steady market. With the recent price decreases, buyers are skeptical of producer stocks. Price resistance is most notable from feed and export markets with EU stocks reportedly trading at lower prices compared to the US. Producers are reporting tight supplies and are generally unable to satisfy spot interest. Most movement is occurring on a contractual basis. Production is steady. Some plants are beginning to negotiate contracts for 2002. Market volatility is expected to encourage more quarterly contract arrangements versus traditional yearly contracts. Condensed supplies are less available than the week prior.

NONHYGROSCOPIC: .2850 - .2975 MOSTLY: .2850 - .2900

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to lower on a generally steady market. Many feed buyers are resisting the current Extra Grade whey spot market and are thereby searching for cheaper alternatives. Some plants adjusted their roller ground prices in line with the Extra Grade market while others are clearing supplies with confidence at steady prices. Delactose supplies remain short of demand. Changes in the WPC market are not having any impact on buyer interest in delactose. Some plants suggest that WPC would have to drop nearly a dime before delactose would begin to lose its value in comparison to WPC. The September 2001 U.S. pig crop at 8.56 million head, was slightly less than the previous year. Early weaned pig prices are trending lower. The North Central veal market is untested.

MILK REPLACER: .2300 - .2650  
ROLLER GROUND: .2725 - .2900  
DELACTOSE (Min. 20% protein): .4150 - .4300

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a steady to firm market. Domestically, confectionary and bakery blend operations are generating the best interest. Export demand from Asian nations remains strong yet some areas are also expressing price resistance on the spot market. Spot sales are generally light due to a lack of available supplies. Some buyers are requesting contracts for 2002 in order to secure supplies. Most producers are not yet ready to negotiate yet many anticipate higher prices into the first quarter. Feed interest is good. Supplies of off grade are often difficult to find, encouraging some feed buyers to purchase Extra Grade supplies where available. Production is steady to somewhat lower as some plants lose access to permeate supplies. Demand for permeate as a substitute to lactose is good yet supplies are trending tight on this commodity as well.

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

EDIBLE: .2000 - .2675 MOSTLY: .2050 - .2300

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a steady to weak market. Trading is very light. Buyers are generally awaiting further price declines before making additional purchases. Producers are hesitant to sell, especially into the feed industry, due to the substantial discounts requested. CCC NDM is being resold by brokers at prices ranging .7000 - .7200 FOB. Some WPC end-users are long on protein due to successful bids on CCC NDM. Consequently, interested feed buyers are able to purchase end-user stocks through brokers at prices .7300 - .7400 FOB. Production is mostly steady with some decreases expected in the months to come as more WPC condensed is diverted into higher protein production. Inventories are mixed. Some brand specific plants that do not cater to the feed industry are short on supplies and unable to satisfy spot demand. However, at other locations, stocks are building yet offering prices are generally trending unchanged.

EXTRA GRADE 34% PROTEIN: .7325 - .7700 MOSTLY: .7325 - .7700

**NONFAT DRY MILK - WEST**

Prices dropped within the low/medium heat range and are reflected in the mostly series. Producers were lowering prices for both spot and contract loads. Sales activity is slower, especially into cheese production. Producers are concerned about the possibility of a support price change and are preparing production for that potential. The U.S. Department of Agriculture announced on October 31st that the 68,201-metric-ton nonfat dry milk allocation under the Dairy Export Incentive Program (DEIP) will be activated on Friday, November 2, 2001. The trade had been anticipating this announcement. There is debate about any impact this will have on near term pricing. Any movement under DEIP would normally preclude offerings to the CCC under the support program. Drying schedules are mixed and depend on milk intakes and milk allocations. During the week of October 22 - 26, Western producers offered adjusted purchases of 89,066 pounds of NDM to the CCC. High heat prices are holding mostly steady in established trading patterns. Seasonal accounts continue to draw their allocations. Supplies are adequate for trade needs.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9000 - 1.0250 MOSTLY: .9200 - .9450  
HIGH HEAT: .9650 - 1.0400

**DRY BUTTERMILK - WEST**

Dry buttermilk prices and the market tone are holding fully steady. Market conditions have changed little from recent weeks. The weakness in the fluid cream markets still is placing more cream into butter plants and more buttermilk is being dried. Several producers are behind on past orders and are using the loads to play catch-up. Seasonal demand is evident in the marketplace and offerings are readily clearing. Pricing levels do not seem to be a big issue, despite the gap between buttermilk and NDM prices. Stocks are fairly balanced.

BUTTERMILK: 1.0300 - 1.0750 MOSTLY: 1.0400 - 1.0500

**DRY WHEY - WEST**

Western whey prices range from steady to fractionally higher. Offerings of whey from the producer level continue to be in close balance with demand. Producer stocks are rated as balanced to short of full trade needs. Domestic sales are clearing good volumes of powder. Export sales that are on the books continue to ship, but new sales are very slow to develop. The Far East indicates that they need and want powder and that there are very few alternatives to the US, but they feel that they cannot afford to pay these prices at this time.

NONHYGROSCOPIC: .2650 - .2950 MOSTLY: .2675 - .2800

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
October 26	\$.9305	10,623,880
October 19	\$.9290	12,256,907

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

## NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

## NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and remain nominal in the Northeast. The lower prices are a result of the national marketing agency's base prices losing about a half cent from last month. The market tone is steady. However, producers indicate that powder that was easily clearing just under a dollar a week or two ago, is now meeting resistance. Production levels are steady to heavier as milk supplies slowly increase and condensed skim sales ease. Eastern producers report a continued tightness of supply. Few makers have much inventory on hand and some are working to catch up with existing orders. Demand is fair to good, mostly fair. The USDA, FAS announced that the Dairy Export Incentive Program (DEIP) will be activated on November 2, 2001. The program-year allocation for NDM is 68,201 metric tons, unchanged from the previous program.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9625 - 1.0050 MOSTLY: .9625 - .9775  
HIGH HEAT: 1.0000 - 1.0200 MOSTLY: 1.0000 - 1.0200

DELVD SOUTHEAST:

ALL HEATS: .9900 - 1.0300

## DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are nominal and often lower. The market tone is steady. Production levels are holding at light to moderate levels. Churning activity is moderate to heavy in the East. Buttermilk is clearing satisfactorily as condensed and/or powder. The demand for liquid buttermilk is about steady, but showing more signs of slowing along seasonal patterns. Dry buttermilk stocks are closely balanced and clear with little difficulty.

F.O.B. NORTHEAST: 1.0000 - 1.0500

DELVD SOUTHEAST: 1.0650 - 1.0950

## DRY WHOLE MILK - NATIONAL

Prices are about steady and nominal. Some unconfirmed reports note sharply lower offering prices for dry whole milk. At the time of this report, there have been no spot sales reported at the lower prices. The market tone is unchanged to weak. There is little spot demand. Producers are making dry whole milk on an as needed basis. Demand is fair at best.

F.O.B. PRODUCING PLANT: 1.3700 - 1.5325

## DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH OCTOBER 26, 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.

SEE THE DEIP ANNOUNCEMENT ON PAGE 10 IN THIS REPORT.

## DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to slightly lower as many Eastern producers follow the price trends of Central producers. The Eastern dry market remains firm, particularly the Grade A market. Some export deals were put together for Extra Grade powder at the lower end of the price range. This drop in price is not an indication of a weaker market. Producers are struggling to meet commitments and in some cases, contracts were cut and/or delayed due to the lighter than expected output. Extra Grade stocks range from light to barely adequate. Some plants have a few extra loads to sell, while others are sold out. Dry whey production is lighter than expected at most plants as milk supplies have not met projected volumes. Most cheese plants are operating only 4-6 days a week. Demand for dry whey is good at the plant level, but just fair at the resale level. Most buyers/users, not wanting to build too much inventory at this time of year, are staying as current as they can.

F.O.B. NORTHEAST: EXTRA GRADE .2750 - .2975

USPH GRADE A .2900 - .3100

DELVD SOUTHEAST: .3175 - .3200

## EVAPORATED MILK - NATIONAL

Prices are unchanged to lower on some private label brands. The market tone is steady and highly competitive. Retail features are commonplace, particularly for national brands. Holiday needs are being filled. Typically, producers "draw down" inventories at this time of year when they fill the seasonally good demand. Currently, production of canned evaporated milk is light to moderate as milk prices are still high and inventories sufficient to meet needs.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 33.00

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

## CASEIN - NATIONAL

Acid and rennet prices are unchanged. The market tone for both is mostly steady. Current supplies in the U.S. are adequate to fill contract and spot needs. The Commodity Credit Corporation (USDA, FSA) announced last week that they are seeking requests from companies to participate in a field test for converting up to three truckloads (approximately 120,000 pounds total) of NDM per company into edible dry casein or edible dry caseinate. The NDM will be sold "in store" for \$0.10 per pound and the age dates of NDM to be used in this field test will be between 18 and 30 months old. The established suppliers in the trade are assessing what this will mean in the near term, including how competitive the converted casein/caseinate will be depends on the price the converter can get the NDM. Trade issues will no doubt be raised, including defining what will be considered a subsidy in this and future NDM sales arrangements.

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

RENNET: 2.4000 - 2.7300

ACID: 2.4500 - 2.6500

MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 2001\_1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 40	REPORT NUMBER 41	REPORT NUMBER 42	REPORT NUMBER 43	REPORT NUMBER 44	2001	2000
						Average	Average
	OCT 01 - 05	OCT 08 - 12	OCT 15 - 19	OCT 22 - 26	OCT 29 - 31	or Total	or Total
<b>CHEESE</b>							
<b>MIDWEST COMMODITY CHEDDAR</b>							
-- Cheddar Barrels	1.5975 - 1.6475	1.3500 - 1.5950	1.2200 - 1.3425	1.1350 - 1.2150	1.1525 - 1.2250	1.3568	1.0286
-- Cheddar 40# Blocks	1.6850 - 1.7275	1.4000 - 1.6125	1.2425 - 1.3700	1.1600 - 1.2350	1.1900 - 1.2475	1.3969	1.0942
<b>WISCONSIN (WSP, Delivered, LTL)</b>							
-- Process American 5# Loaf	1.8675 - 2.1000	1.8050 - 2.1000	1.5625 - 2.0500	1.4250 - 2.0500	1.3725 - 2.0000	1.8412	1.4205
-- Brick And/Or Muenster 5#	2.0900 - 2.2975	2.0900 - 2.2025	1.9600 - 2.0400	1.8275 - 2.0400	1.7800 - 1.9900	2.0399	1.6382
-- Cheddar 40# Block	2.0600 - 2.1175	2.0225 - 2.1150	1.7800 - 2.1150	1.6475 - 2.1150	1.6000 - 2.1150	1.9743	1.7857
-- Monterey Jack 10#	2.1400 - 2.3300	2.1150 - 2.2800	1.9975 - 2.2300	1.8600 - 2.2300	1.8125 - 2.1800	2.1249	1.8944
-- Blue 5#	2.4475 - 2.7400	2.3525 - 2.7400	2.1500 - 2.6900	2.0175 - 2.6900	1.9700 - 2.6400	2.4517	1.9957
-- Mozzarella 5 - 6#	2.1100 - 2.2175	2.0850 - 2.2150	1.8400 - 2.2150	1.7075 - 2.2150	1.6600 - 2.2150	2.0534	1.8682
-- Grade A Swiss Cuts 6 - 9#	2.4550 - 2.6900	2.4550 - 2.6900	2.4550 - 2.6900	2.3175 - 2.6900	2.3175 - 2.6900	2.5475	2.3425
<b>NORTHEAST (WSP, Delivered, LTL)</b>							
-- Cheddar 10# Prints	1.7525 - 2.2225	1.6575 - 2.1275	1.4150 - 1.8850	1.2825 - 1.7525	1.2350 - 1.7050	1.7161	1.3651
-- Cheddar Single Daisies	1.7100 - 2.1700	1.6150 - 2.0750	1.3725 - 1.8325	1.2400 - 1.7000	1.1925 - 1.6525	1.6686	1.3188
-- Cheddar 40# Block	1.8475 - 2.0300	1.7525 - 1.9350	1.5100 - 1.6925	1.3750 - 1.5600	1.3250 - 1.5125	1.6668	1.3201
-- Process 5# Loaf	1.8575 - 2.0175	1.7975 - 1.9575	1.5525 - 1.7150	1.4150 - 1.5750	1.3625 - 1.5225	1.6895	1.3386
-- Process 5# Sliced	1.8775 - 2.1350	1.8175 - 2.0750	1.5725 - 1.8325	1.4350 - 1.6925	1.4825 - 1.6400	1.7651	1.3998
-- Muenster	1.9125 - 2.1200	1.8175 - 2.0250	1.5750 - 1.7825	1.4425 - 1.6500	1.3950 - 1.6025	1.7449	1.3951
-- 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
<b>WEST COAST (WSP, Delivered, LTL)</b>							
-- Process 5# Loaf	1.7975 - 2.0575	1.7375 - 1.9975	1.4950 - 1.7550	1.3575 - 1.6175	1.3050 - 1.5650	1.6807	1.3236
-- Cheddar 40# Block	1.8275 - 1.9900	1.7325 - 1.8950	1.4900 - 1.6525	1.3550 - 1.5175	1.3100 - 1.4725	1.6368	1.2863
-- Cheddar 10# Cuts	2.0075 - 2.2275	1.9125 - 2.1325	1.6700 - 1.8900	1.5350 - 1.7550	1.4900 - 1.7100	1.8456	1.5063
-- Monterey Jack 10#	2.0175 - 2.1775	1.9225 - 2.0825	1.7150 - 1.8400	1.5450 - 1.7050	1.5000 - 1.6600	1.8295	1.4863
-- Grade A Swiss Cuts 6 - 9#	2.3600 - 2.5800	2.3600 - 2.5800	2.3600 - 2.5800	2.3600 - 2.5800	2.3600 - 2.5800	2.4700	2.4081
<b>FLUID AND DRY PRODUCTS</b>							
<b>SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)</b>							
-- Northeast - f. o. b	1.7500 - 2.4310	1.9760 - 2.2395	1.7058 - 2.0173	1.5247 - 1.8031	1.4918 - 1.7193	1.8785	1.5552
-- Atlanta - dlvd. equiv.	2.0709 - 2.3410	1.8937 - 2.1572	1.7058 - 1.9283	1.5247 - 1.7768	1.4918 - 1.7193	1.8767	1.5569
-- Upper Midwest - f. o. b	2.0709 - 2.4311	1.8937 - 2.1242	1.8690 - 1.9283	1.5910 - 1.8163	1.5170 - 1.8331	1.9240	1.5794
<b>PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f. o. b.</b>							
-- Class II	1.0700 - 1.1100	1.0700 - 1.1100	1.0700 - 1.1100	1.0700 - 1.1100	1.0000 - 1.1000	1.0845	1.1067
-- Class III	1.0000 - 1.1800	1.0000 - 1.1800	1.0000 - 1.1800	1.0000 - 1.1800	1.0000 - 1.1800	1.0900	0.9490
<b>NATIONAL EVAPORATED MILK (\$ per Case)</b>							
<b>(Case - 48 - 12 fluid oz cans)</b>							
-- Delivered Major U.S. Cities	19.5000 - 33.0000	19.5000 - 33.0000	19.5000 - 33.0000	19.5000 - 33.0000	19.0000 - 33.0000	26.2159	26.5000

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

COMMODITY	REPORT NUMBER 40	REPORT NUMBER 41	REPORT NUMBER 42	REPORT NUMBER 43	REPORT NUMBER 44	2001	2000
	OCT 01 - 05	OCT 08 - 12	OCT 15 - 19	OCT 22 - 26	OCT 29 - 31	or Total	or Total
<b>DRY PRODUCTS</b>							
<b>NONFAT DRY MILK</b>							
-- Central (f. o. b.)							
-- Low/Medium Heat	:: 0.9600 - 1.0275	:: 0.9600 - 1.0275	:: 0.9600 - 1.0175	:: 0.9600 - 1.0100	:: 0.9550 - 0.9975	:: 0.9882	:: 1.0233
-- Mostly	:: 0.9600 - 1.0275	:: 0.9600 - 1.0275	:: 0.9600 - 1.0175	:: 0.9600 - 1.0100	:: 0.9550 - 0.9975	:: 0.9882	:: 1.0200
-- West (f. o. b.)							
-- Low/Medium Heat	:: 0.9200 - 1.0250	:: 0.8950 - 1.0250	:: 0.9000 - 1.0225	:: 0.9000 - 1.0225	:: 0.9000 - 1.0250	:: 0.9638	:: 1.0063
-- Mostly	:: 0.9300 - 0.9600	:: 0.9300 - 0.9600	:: 0.9300 - 0.9600	:: 0.9300 - 0.9600	:: 0.9200 - 0.9450	:: 0.9433	:: 1.0075
-- High Heat	:: 0.9700 - 1.0400	:: 0.9700 - 1.0400	:: 0.9700 - 1.0400	:: 0.9700 - 1.0400	:: 0.9650 - 1.0400	:: 1.0047	:: 1.0504
-- Northeast (f. o. b.)							
-- Low/Medium Heat	:: 0.9675 - 1.0050	:: 0.9675 - 1.0050	:: 0.9675 - 1.0050	:: 0.9675 - 1.0050	:: 0.9625 - 1.0050	:: 0.9859	:: 1.0617
-- Mostly	:: 0.9700 - 0.9775	:: 0.9700 - 0.9775	:: 0.9700 - 0.9775	:: 0.9700 - 0.9775	:: 0.9625 - 0.9775	:: 0.9732	:: 1.0492
-- High Heat	:: 1.0000 - 1.0250	:: 1.0000 - 1.0250	:: 1.0000 - 1.0250	:: 1.0000 - 1.0250	:: 1.0000 - 1.0200	:: 1.0122	:: 1.0992
-- Mostly	:: 1.0050 - 1.0200	:: 1.0050 - 1.0200	:: 1.0050 - 1.0200	:: 1.0050 - 1.0200	:: 1.0000 - 1.0200	:: 1.0122	:: 1.0992
-- Southeast (Delvd)							
-- Extra & Grade A	:: 0.9900 - 1.0600	:: 0.9900 - 1.0600	:: 0.9900 - 1.0500	:: 0.9900 - 1.0500	:: 0.9900 - 1.0300	:: 1.0207	:: 1.0792
<b>WHEY POWDER (Nonhygroscopic)</b>							
-- Central (f. o. b.)	:: 0.2875 - 0.2975	:: 0.2850 - 0.2950	:: 0.2850 - 0.2925	:: 0.2850 - 0.2900	:: 0.2850 - 0.2975	:: 0.2899	:: 0.1817
-- Mostly	:: 0.2900 - 0.2975	:: 0.2900 - 0.2950	:: 0.2875 - 0.2925	:: 0.2850 - 0.2900	:: 0.2850 - 0.2900	:: 0.2904	:: 0.1792
-- West (f. o. b.)	:: 0.2600 - 0.2975	:: 0.2600 - 0.2975	:: 0.2600 - 0.2950	:: 0.2600 - 0.2950	:: 0.2650 - 0.2950	:: 0.2784	:: 0.1819
-- Mostly	:: 0.2675 - 0.2800	:: 0.2675 - 0.2800	:: 0.2675 - 0.2800	:: 0.2675 - 0.2800	:: 0.2675 - 0.2800	:: 0.2738	:: 0.1838
-- Northeast Extra Grade (f. o. b.)	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2925 - 0.3000	:: 0.2750 - 0.2975	:: 0.2957	:: 0.1884
-- Northeast Usph Grade A(f. o. b.)	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.2900 - 0.3100	:: 0.3000	:: 0.1967
-- Southeast Extra Grade (Delvd)	:: 0.3175 - 0.3325	:: 0.3175 - 0.3300	:: 0.3175 - 0.3225	:: 0.3175 - 0.3225	:: 0.3175 - 0.3200	:: 0.3216	:: 0.2186
<b>WHEY PROTEIN CONCENTRATE</b>							
-- Central And West (f. o. b.)							
-- Extra Grade 34% Protein	:: 0.7500 - 0.7950	:: 0.7000 - 0.7950	:: 0.7000 - 0.7900	:: 0.7325 - 0.7800	:: 0.7325 - 0.7700	:: 0.7551	:: 0.7328
-- Mostly	:: 0.7650 - 0.7950	:: 0.7650 - 0.7825	:: 0.7650 - 0.7775	:: 0.7325 - 0.7775	:: 0.7325 - 0.7700	:: 0.7673	:: 0.7337
<b>ANIMAL FEED - WHEY</b>							
-- Central (f. o. b.)							
-- Milk Replacer	:: 0.2300 - 0.2750	:: 0.2300 - 0.2675	:: 0.2300 - 0.2675	:: 0.2300 - 0.2675	:: 0.2300 - 0.2650	:: 0.2494	:: 0.1518
-- Roller Ground	:: 0.2750 - 0.3000	:: 0.2750 - 0.3000	:: 0.2750 - 0.3000	:: 0.2750 - 0.2900	:: 0.2725 - 0.2900	:: 0.2855	:: 0.1730
-- Delactose	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4225	:: 0.3875
<b>BUTTERMILK (Min. 30% protein)</b>							
-- Central (f. o. b.)	:: 1.0500 - 1.1150	:: 1.0500 - 1.1150	:: 1.0500 - 1.1150	:: 1.0500 - 1.1150	:: 1.0400 - 1.1150	:: 1.0818	:: 1.0051
-- West (f. o. b.)	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0525	:: 0.9655
-- Mostly	:: 1.0400 - 1.0500	:: 1.0400 - 1.0500	:: 1.0400 - 1.0500	:: 1.0400 - 1.0500	:: 1.0400 - 1.0500	:: 1.0450	:: 0.9533
-- Northeast (f. o. b.)	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0400 - 1.0600	:: 1.0000 - 1.0500	:: 1.0466	:: 0.9717
-- Southeast (Delvd)	:: 1.0650 - 1.0950	:: 1.0650 - 1.0950	:: 1.0650 - 1.0950	:: 1.0650 - 1.0950	:: 1.0650 - 1.0950	:: 1.0800	:: 0.9850
<b>WHOLE MILK POWDER</b>							
-- National							
-- National (f. o. b.)	:: 1.4325 - 1.5750	:: 1.3800 - 1.5325	:: 1.3700 - 1.5325	:: 1.3700 - 1.5325	:: 1.3700 - 1.5325	:: 1.4641	:: 1.2638
<b>LACTOSE</b>							
-- Central And West (f. o. b.)	:: 0.2000 - 0.2700	:: 0.2000 - 0.2375	:: 0.2000 - 0.2675	:: 0.2000 - 0.2675	:: 0.2000 - 0.2675	:: 0.2313	:: 0.1775
-- Mostly	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2175	:: 0.1650
<b>CASEIN - Edible - National (f. o. b.)</b>							
-- Nonrestricted - Rennet	:: 2.5000 - 2.7300	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.5764	:: 2.3024
-- Nonrestricted - Acid	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.5500	:: 2.3750

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 OCTOBER 2001

COMMODITY	: REPORT NUMBER 40 :		: REPORT NUMBER 41 :		: REPORT NUMBER 42 :		: REPORT NUMBER 43 :		: REPORT NUMBER 44 :		2001 *	2000 *
	OCT 1 - 5	OCT 8 - 12	OCT 15 - 19	OCT 22 - 26	OCT 29 - 31	Average	Average	Monthly	Monthly			
<b>BUTTER*</b>												
-- GRADE AA												
-- Monday	1.7400	1.5000	1.3975	1.2500	1.2700							
-- Tuesday												
-- Wednesday	1.7000	1.5000	1.3300	1.2750	1.2675							
-- Thursday												
-- Friday	1.5000	1.4500	1.2500	1.2675				1.4070	1.1462			
-- Weekly Average**	1.6467	1.4833	1.3258	1.2642								
<b>CHEESE*</b>												
-- BARRELS												
-- Monday	1.6400	1.4650	1.2225	1.1700	1.2150							
-- Tuesday	1.6400	1.3950	1.2200	1.1650	1.1675							
-- Wednesday	1.6125	1.3350	1.2175	1.1350	1.1700							
-- Thursday	1.5500	1.2800	1.1950	1.1450								
-- Friday	1.4850	1.2425	1.1700	1.1450				1.3036	1.0052			
-- Weekly Average**	1.5855	1.3435	1.2050	1.1520								
-- 40# BLOCKS												
-- Monday	1.6825	1.4800	1.2550	1.1950	1.2475							
-- Tuesday	1.6700	1.4000	1.2525	1.1950	1.2100							
-- Wednesday	1.6375	1.3500	1.2450	1.1600	1.2100							
-- Thursday	1.5700	1.3150	1.2275	1.1925								
-- Friday	1.5000	1.2700	1.1975	1.2025				1.3346	1.0463			
-- Weekly Average**	1.6120	1.3690	1.2355	1.1890								
<b>NONFAT DRY MILK*</b>												
-- EXTRA GRADE												
-- Monday	0.9900	0.9900	0.9900	0.9900	0.9900							
-- Tuesday	0.9900	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								
-- 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	1.0000	1.0000							
-- Tuesday	1.0000	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								
-- 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.

**OCTOBER 2001 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY – SEPTEMBER 2001		0		
OCTOBER 1 – 31, 2001		0		
<b>CHEESE</b>				
JULY - SEPTEMBER 2001		3,030*		
OCTOBER 1 – 31, 2001		0		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
<b>BUTTERFAT</b>				
JULY – SEPTEMBER 2001		0		
OCTOBER 1 – 31, 2001		0		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				3,030
				\$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

**USDA TO ACTIVATE NONFAT DRY MILK ALLOCATION UNDER DEIP FOR 2001/2002**

WASHINGTON, Oct. 31, 2001–The U.S. Department of Agriculture today announced that the 68,201-metric-ton nonfat dry milk allocation under the Dairy Export Incentive Program (DEIP) will be activated on Friday, Nov. 2, 2001.

Individual product/country allocations are specified in the Invitations for Offers. Country/region quantities may be limited by the applicable invitation.

Information about DEIP, including Invitations for Offers when issued, is available on the FAS website at [www.fas.usda.gov](http://www.fas.usda.gov) or by calling the Operations Division, Foreign Agricultural Service, at (202) 720-6211.

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

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
JUL 2001	173.5	3.2	168.3	4.9	168.3	5.9	168.6	4.5	186.3	35.2	162.3	4.2
AUG 2001	173.9	3.1	168.9	4.9	167.6	5.6	169.5	4.1	185.5	33.9	162.4	3.6
SEP 2001	174.1	3.1	169.4	4.8	167.0	5.2	171.6	5.3	187.8	37.2	162.4	3.5
U.S. City Average Retail Prices												
Month	Whole Milk <sup>4/</sup>		Lowfat Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Dollars												
JULY	2.933	2.781	2.697	2.666	3.549	2.718	3.928	3.628	4.064	3.823	3.720	3.461
AUGUST	2.890	2.807	2.691	2.696	3.616	2.686	3.918	3.649	4.100	3.947	3.841	3.542
SEPTEMBER	2.941	2.809	2.653	2.697	3.697	2.595	3.984	3.650	4.143	3.876	3.815	3.586

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

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

Item	Jun.-Aug. 2000	Percent change <sup>2/</sup>	Jun.-Aug. 2001	Percent change <sup>2/</sup>	Jan.-Aug. 2000	Percent change <sup>2/</sup>	Jan.-Aug. 2001	Percent change <sup>2/</sup>
	Million Pounds							
<u>MILK</u>								
Production	41,923	3.7	41,443	-1.1	113,739	3.6	111,463	-1.6
Marketings	41,594	3.7	41,122	-1.1	112,865	3.7	110,615	-1.6
Beginning Commercial Stocks <sup>3/</sup>	10,356	7.1	9,299	-10.2	6,143	16.5	6,839	11.3
Imports <sup>3/</sup>	1,330	5.8	1,929	45.0	3,052	-0.5	3,966	29.9
Total Supply <sup>4/</sup>	53,280	4.4	52,350	-1.7	122,060	4.1	121,420	-0.1
Ending Commercial Stocks <sup>3/</sup>	9,799	18.5	8,971	-8.4	9,799	18.5	8,971	-8.4
Net Removals <sup>3/</sup>	179	184.1	35	-80.4	636	233.0	125	-80.3
Commercial Disappearance <sup>4/</sup>	43,302	1.4	43,344	0.1	111,625	2.6	112,324	1.0
<u>SELECTED PRODUCTS <sup>5/</sup></u>								
Butter	312.1	-2.1	303.5	-2.8	810.1	-1.9	775.2	-3.9
American Cheese	898.7	-3.2	909.0	1.1	2,360.7	2.3	2,428.1	3.3
Other Cheese	1,239.3	6.6	1,224.9	-1.2	3,213.0	7.5	3,254.5	1.7
Nonfat Dry Milk	247.4	42.9	264.5	6.9	506.8	0.1	630.5	24.8
Fluid Milk Products <sup>6/</sup>	13,391.5	-0.9	13,325.8	-0.5	36,606.5	-0.8	36,371.5	-0.2

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> From year earlier on a daily average basis. <sup>3/</sup> Milk-equivalent, milkfat basis. <sup>4/</sup> Totals may not add because of rounding. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

**RELEASE DATES FOR PRICE DATA**

Listed below are the release dates for price data applicable to January through December 2002, for the Federal milk order pricing system. The advance pricing factors will be released on the Friday before the 23<sup>rd</sup> of the month unless this date is a Friday. Likewise, the price information to be released by the 5<sup>th</sup> of the month will be released on the Friday before this date unless this date is a Friday. The release time for all release dates, except July 5 and November 29, is 10:00 a.m. EST/EDST. Due to national holidays occurring on the Thursday before 7/5 and 11/29, the release time for these dates is 3:00 p.m. EDST/EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	December 21	12/8, 15	February 1	1/5, 12, 19, 26
February	January 18	1/5, 12	March 1	2/2, 9, 16, 23
March	February 22	2/9, 16	April 5	3/2, 9, 16, 23, 30
April	March 22	3/9, 16	May 3	4/6, 13, 20, 27
May	April 19	4/6, 13	May 31	5/4, 11, 18, 25
June	May 17	5/4, 11	July 5	6/1, 8, 15, 22, 29
July	June 21	6/8, 15	August 2	7/16, 13, 20, 27
August	July 19	7/6, 13	August 30	8/3, 10, 17, 24
September	August 23	8/10, 17	October 4	8/31, 9/7, 14, 21, 28
October	September 20	9/7, 14	November 1	10/5, 12, 19, 26
November	October 18	10/5, 12	November 29	11/2, 9, 16, 23
December	November 22	11/9, 16	January 3	11/30, 12/7, 14, 21, 28

1/ Weekly sales periods, ending on the indicated date, which are included in the average. Information for the week is released by NASS on Friday of the following week.

## OCTOBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2001 was unchanged at 123. Compared with October 2000, the index was up 2 points (1.7 percent). The index of prices received by farmers for dairy products declined 6 points during the month of October 2001 to 124. Compared with October 2000, the index was up 28 points (29.2 percent).

Prices received by farmers in October with changes from September were: for All Milk, \$16.20 per hundredweight (cwt.), down \$.80; for Fluid Grade Milk, \$16.20 per cwt., down \$.80; and for Manufacturing Grade Milk, \$15.10 per cwt., down \$1.10.

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

STATE	All-milk price <sup>1/</sup> <sup>3/</sup>				Milk cows <sup>5/</sup>		Cows <sup>6/</sup>		All hay baled <sup>7/</sup>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	SEPTEMBER		OCTOBER		OCTOBER		OCTOBER		OCTOBER	
	2001	2000 <sup>2/</sup>	2001 <sup>4/</sup>	2000 <sup>2/</sup>	2001 <sup>4/</sup>	2000 <sup>2/</sup>	2001 <sup>7/</sup>	2000 <sup>8/</sup>	2001	2000
CA	15.81	12.31	14.20	11.40	1,850	1,480	36.50	33.50	122.00	93.00
ID	15.70	11.30	15.30	10.50	1,790	1,420	37.90	33.70	124.00	99.00
MI	17.20	13.20	16.90	12.90	1,650	1,370	40.00	36.50	72.00	63.00
MN	16.90	12.80	16.30	12.30	1,590	1,260	42.00	37.60	57.00	53.00
NY	17.80	13.60	17.40	13.50	1,600	1,250	---	---	100.00	108.00
OH	17.20	13.00	16.80	12.90	1,620	1,340	38.00	35.90	87.00	85.00
PA	18.50	14.20	18.10	14.30	1,680	1,350	39.20	37.10	116.00	104.00
TX	18.10	13.70	17.80	13.80	1,750	1,400	36.90	33.60	68.00	73.00
WA	17.10	13.00	15.60	12.80	1,760	1,380	---	---	114.00	99.00
WI	17.00	12.50	16.00	12.20	1,630	1,270	39.40	37.20	56.00	40.00
U.S.	17.00	12.90	16.20	12.50	1,700	1,350	38.50	36.20	99.40	84.90

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

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., OCTOBER 2001 WITH COMPARISONS

ITEM	OCTOBER 2000	SEPTEMBER 2001 <sup>2/</sup>	OCTOBER 2001 <sup>3/</sup>
<b>PRICES RECEIVED BY FARMERS, dol. per cwt., at reported butterfat test:</b>			
All milk	12.50	17.00	16.20
Fluid grade milk	12.60	17.00	16.20
Manufacturing grade milk	10.60	16.20	15.10
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for all farm products	93	105	95
Prices received by farmers for dairy products	96	130	124
Prices paid by farmers for commodities and services, interest taxes, and wage rates	121	123	123
Prices paid by farmers for production items	117	119	119
Prices paid by farmers for feed	101	110	109
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <sup>3/</sup>	3.12	3.76	3.69

<sup>1/</sup> Partially revised. <sup>2/</sup> Preliminary. <sup>3/</sup> 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 (10-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

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

	FOR THE WEEK OF OCTOBER 29 - NOVEMBER 2			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 10/26/01	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	396,000	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	396,000	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	845,418	357,108	488,310	5,168,395	37,238,069	605,125,000	-0-
Fortified	-0-	-0-	-0-	-0-	7,431,075	38,227,000	-0-
<b>TOTAL</b>	845,418	357,108	488,310	5,168,395	44,669,144	643,352,000	-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 29 - NOVEMBER 2 =	0.1	5.7	COMPARABLE WEEK IN 2000 =	1.9	101.5
CUMULATIVE SINCE OCTOBER 1, 2001 =	1.1	60.2	CUMULATIVE SAME PERIOD LAST YEAR =	13.5	523.8
CUMULATIVE JANUARY 1 - NOVEMBER 2, 2001 =	74.6	3,330.4	COMPARABLE CALENDAR YEAR 2000 =	174.2	5,702.9

\* 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 OCTOBER 29 - NOVEMBER 2, 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-	488,310	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 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-	396,000	-0-	955,886	-0-	28.7
WEST	-0-	-0-	-0-	-0-	5,168,395	43,713,258	100.0	71.3
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0
<b>TOTAL</b>	-0-	-0-	-0-	396,000	5,168,395	44,669,144	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 10/13/01 & Comparable Week 2000

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2001-Dairy	0.2	0.7	5.8	5.1	18.6	2.3	0.5	0.9	12.4	2.3	48.8	2,015.7	43.5	46.0
2000-Dairy	0.2	0.8	6.8	4.5	20.9	2.3	1.1	0.7	11.6	2.5	51.5	2,034.0	47.5	48.7
2001-All cows	0.2	0.9	8.1	14.3	28.2	16.5	15.2	4.9	15.9	8.1	112.1	4,383.1		
2000-All cows	0.2	1.0	9.2	13.8	28.9	15.8	14.0	4.6	14.1	6.7	108.5	4,176.3		

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	15.76	
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24			
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90			
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59			

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