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## ANNOUNCEMENT OF CLASS PRICES AND RELATED DATA FOR AUGUST 2001

	Market Class I Differential Rate	Class I Prices <sup>1/</sup>		
		Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
<b>Base Zone</b>	<b>\$ 1.80</b>	<b>\$ 9.70</b>	<b>\$ 2.2392</b>	<b>\$ 17.20</b>
Other Zones	\$ 1.75	\$ 9.65	\$ 2.2387	\$ 17.15
	1.70	9.60	2.2382	17.10
	1.65	9.55	2.2377	17.05
	1.60	9.50	2.2372	17.00
<b>Class II Prices</b>				
	Nonfat Solids		(Per pound)	\$ 0.9111
	Butterfat		(Per pound)	2.3046
	Skim Milk		(Per cwt.)	8.20
	3.50% BF		(Per cwt.)	15.98
<b>Class III Prices</b>				
	Protein		(Per pound)	\$ 2.2188
	Other Solids		(Per pound)	0.1535
	Butterfat		(Per pound)	2.2976
	Skim Milk		(Per cwt.)	7.78
	3.50% BF		(Per cwt.)	15.55
<b>Class IV Prices</b>				
	Nonfat Solids		(Per pound)	\$ 0.8073
	Butterfat		(Per pound)	2.2976
	Skim Milk		(Per cwt.)	7.27
	3.50% BF		(Per cwt.)	15.06
<b>Somatic Cell Adjustment Rate</b>				
			(Per cwt. per 1,000 SCC)	\$ 0.00083

### Factors Used in Prices for August 2001

Advanced Class III Skim Milk Price	(Per cwt.)	\$ 7.90
Advanced Class IV Skim Milk Price	(Per cwt.)	7.50
Class I Skim Milk Price Mover	(Per cwt.)	\$ 7.90
Advanced Butterfat Price	(Per pound)	2.2212

			<u>2-Week Average</u>	<u>Monthly Average</u>
NASS Survey Prices	Butter	(Per pound)	\$ 1.9364	\$ 1.9990
	Cheese	(Per pound)	1.6521	1.6693
	Dry Whey	(Per pound)	0.2874	0.2886
	Nonfat Dry Milk	(Per pound)	0.9730	0.9473
Component Prices	Butterfat	(Per pound)	\$ 2.2212	\$ 2.2976
	Protein	(Per pound)	2.2576	2.2188
	Other Solids	(Per pound)	0.1523	0.1535
	Nonfat Solids	(Per pound)	0.8330	0.8073

**ADVANCED CLASS PRICES AND RELATED DATA  
FOR SEPTEMBER 2001**

	Market Class I Differential	Class I Prices <sup>1/</sup>		
	Rate	Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
<b>Base Zone</b>	<b>\$ 1.80</b>	<b>\$ 9.79</b>	<b>\$ 2.2612</b>	<b>\$ 17.36</b>
Other Zones	\$ 1.75	\$ 9.74	\$ 2.2607	\$ 17.31
	1.70	9.69	2.2602	17.26
	1.65	9.64	2.2597	17.21
	1.60	9.59	2.2592	17.16
<b>Class II Nonfat Solids Price</b>			(Per pound)	\$ 0.8822
<b>Class II Skim Milk Price</b>			(Per cwt.)	\$ 7.94
<b>Factors Used in Prices for September 2001</b>				
Advanced Class III Skim Milk Price			(Per cwt.)	\$ 7.99
Advanced Class IV Skim Milk Price			(Per cwt.)	7.24
Class I Skim Milk Price Mover			(Per cwt.)	\$ 7.99
Advanced Butterfat Price			(Per pound)	2.2432
NASS Survey Prices -- Two-Week Average				
Butter			(Per pound)	\$ 1.9544
Cheese			(Per pound)	1.6696
Dry Whey			(Per pound)	0.2871
Nonfat Dry Milk			(Per pound)	0.9445
Advanced Component Prices				
Butterfat			(Per pound)	\$ 2.2432
Protein			(Per pound)	2.2894
Other Solids			(Per pound)	0.1520
Nonfat Solids			(Per pound)	0.8045

**REGIONAL MILK PRODUCTION COSTS, JULY AND AUGUST 2001 2/**

Region	Total Cash Expenses		Total Economic Costs	
	July 3/ (Per cwt.)	August (Per cwt.)	July 3/ (Per cwt.)	August (Per cwt.)
Northeast	\$ 14.97	\$ 14.55	\$ 19.95	\$ 19.54
Southeast	14.71	14.36	18.37	17.99
Upper Midwest	13.69	13.40	18.39	18.11
Corn Belt	14.59	14.26	20.50	20.18
Southern Plains	12.93	12.64	16.25	15.95
Pacific	9.67	9.48	11.35	11.17

**Estimated Utilization of Producer Milk in Class I**

(Pursuant to § 1030.45(a))

August 2001	Class I Skim Milk	20%	Class I Butterfat	9%
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1/ There is also a \$0.20 per cwt. processor assessment which is an obligation under the Fluid Milk Promotion Order (7 CFR §1160.101 et seq.). The Order requires that all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the contiguous 48 States of the continental United States and the District of Columbia be assessed \$0.20 per cwt. on all marketings of such packaged fluid products during the month.

2/ United States Department of Agriculture, Economic Research Service. For further information, contact Sarah Short, 202-694-5588. Regions are defined as: Northeast--New York, Pennsylvania, and Vermont; Southeast--Florida and Georgia; Upper Midwest--Michigan, Minnesota, and Wisconsin; Corn Belt--Iowa, Missouri, and Ohio; Southern Plains--Texas; Pacific--Arizona, California, and Washington.

3/ Revised.

August 31, 2001

H. Paul Kyburz, Market Administrator

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