



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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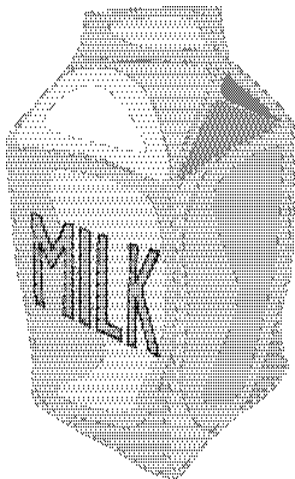
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2001 Dairy Outlook *

The following is a summary of the presentation by James J. Miller of the USDA Economic Research Service at USDA's annual Agricultural Outlook Forum on February 23, 2001.

Demand Uncertainty Grows

Growth in dairy demand in 2001 may not match the exuberant pace of recent years, as the economic expansion is beginning to show some ragged edges after a long steady run. Even so, dairy demand is projected to remain fairly good through at least most of the year because a major economic slowdown does not seem likely. Demand for cheese, butter, and cream probably will continue to show the most strength.

The general economy is predicted to grow this year and probably will continue to bolster dairy demand. However,

Demand for cheese, butter and cream will show the most strength.

slower overall growth, some layoffs, higher energy costs, slippage in stock values, and media attention to signs of economic softening may reduce consumer confidence and make them more cautious about spending. Consumer retrenching probably will affect different dairy products unevenly, but will have a dampening effect overall.

Production Spurt Easing

The dark side of surging demand is that its resulting strong milk prices usually unleash a rapid expansion in milk production. Growth in output clearly overwhelmed demand during late 1999 and 2000. However, the crest of the production expansion has passed, and milk prices may

start to recover by the second half of 2001.

This year, milk per cow is projected to increase about 1 percent, putting it about on trend from the 5-year average. Although milk-feed price ratios might argue for slightly above-trend gains, forage problems likely will trim the rise.

Returns over concentrate costs are projected to remain relatively low through at least most of 2001. At these returns, cow numbers are expected to erode steadily

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during the year and average 0.5 to 1 percent below a year earlier. Even so, the slowing of expansion and the increase in exits probably will continue to develop somewhat gradually.

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Pool Summary

- In February, 15,843 producers delivered to the market with an average daily delivery of 3,637 pounds.
- Producer milk totaled 1.58 billion pounds, up 1% on a daily basis from January.
- Class I utilization totaled 312

million pounds, up fractionally on a daily basis from January.

- Class I usage accounted for 19.7% of producer milk.
- The February Producer Price Differential is \$0.88 per cwt.
- The Statistical Uniform Price is \$11.15 per cwt., up \$0.13 from January and \$1.05 above February 2000.
- Market statistics for February are shown on Pages 4 and 5.

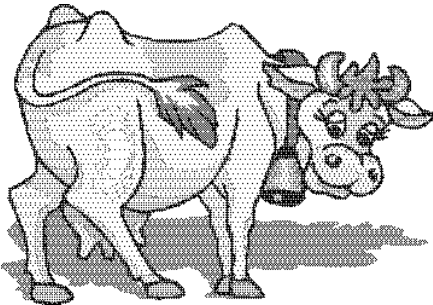
February 2001 Producer Milk by Class

	Percent	Pounds	Price \$/cwt.
Class I	19.7	311,821,622	13.74
Class II	2.7	42,165,769	13.43
Class III	76.8	1,212,357,533	10.27
Class IV	0.8	12,440,553	12.70
Total		1,578,785,477	

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Expansion of strong farms shows no sign of slowing dramatically. Demand for dairy replacements stays strong. Replacement cow prices, although slightly below late 1999 and 2000 levels, are still above \$1,300 despite a large herd of replacement heifers at the start of 2001. The lower returns, needed consolidation after recent rapid expansion, and forage problems will tend to slow, but not stop, expansions in 2001.

Similarly, farm exits likely will be more numerous in 2001, but are not expected to generate rapid declines in milk cow numbers. Cull cow prices are projected to be the highest in a number of years,



but probably will not be enough to divert many cows to slaughter, at least as long as replacement prices stay fairly firm.

Milk production is projected to be about unchanged in 2001, following two straight 3-percent increases. If milk per cow can recover from its current weakness, milk output may run near a year earlier during most of 2001.

Skim Solids Surplus To Continue

Surging 2000 milk production and only modest growth in commercial use of skim solids led to a surplus equivalent to almost 9 billion pounds of milk on a skim solids basis. This was the largest such surplus since the mid-eighties. Meanwhile, the surplus was almost trivial on a milkfat basis, totaling less than 1 billion pounds, milk equivalent. It is not a great oversimplification to say that very tight milkfat markets starting in 1998 led to strong milk prices, then to sharply increased milk production and a large surplus of skim solids.

In 2001, the surplus of skim solids is expected to decline as growth in commercial use outweighs any increase in

Milk production is projected to be nearly unchanged in 2001.

milk output. Even so, government purchases of nonfat dry milk are projected to be large. Cheese purchases are not expected to be sizable. Dairy Export Incentive Program (DEIP) exports of butter probably will again fall short of the WTO limit with international demand for milkfat lackluster.

Muted Price Recovery Expected

Wholesale prices of butter and cheese have been unsettled thus far in 2001, somewhat unusually so for a winter period with fairly weak prices. Increases in milk production have shrunk, output of major products has decreased, but cold storage stocks are large. Consumer purchases probably have been fairly good but wholesale product movement has been confused by the uncertain state of pipeline holdings. Exchange prices of cheese have risen slightly from their abnormally low autumn levels, particularly for barrel cheese. Pipeline stocks reportedly were very large last fall. Reductions in these holdings have helped cheese prices, but working stocks may remain large.

Butter prices briefly fell around the end of the year, but bounced back to \$1.25 to \$1.45 per pound. Sales of milkfat products have remained brisk, and most of the "extra" year-end butter production evidently was needed to replenish depleted pipeline stocks. Meanwhile, prices of nonfat dry milk remain anchored to the support purchase price.

Wholesale product prices are not expected to change much over the next few months, although uncertainties for both demand and supply may keep prices variable. Milk production probably will be adequate to meet the market call until users start to build stocks for

later needs. Because seasonal building of cheese stocks was generally excessive last year, it may well be later and smaller this year. Butter prices are projected to post seasonal increases as the tight summer season nears, joined by rises in cheese prices during the second half. Seasonal rises are expected to be moderate.

Milk prices in 2001 are likely to recover only slightly from last year's low. Farm milk prices currently are somewhat above the very low levels of a year ago, but are expected to run near a year earlier during the spring and summer. Seasonal rises are projected to lift autumn prices above a year earlier. For the year, the average price of all milk is expected to rise about a half-dollar per cwt. The gap between the value of milk for butter-powder and for cheese probably will stay wide.

Milk prices received by farmers fell to an average \$12.34 per cwt. in 2000, down \$2 from 1999 and more than \$3 from the 1998 record. Last year's price was the lowest since 1991, as even

Government purchases of nonfat dry milk are projected to be large, but cheese purchases should not be sizable.

strong demand was swamped by jumps in milk production. Areas dependent on cheese were particularly hard hit, with the Federal order price for milk used in cheese averaging below \$10 per cwt. for the first time since the seventies.

Summary

A major recovery in the prices of milk and dairy products is not expected in 2001. However, it is expected to be a year when milk production slows, demand continues to expand, and the stage is set for stronger prices in the years to come.

* Adapted from a speech by James J. Miller at the USDA Agricultural Outlook forum, Feb. 23, 2001. The complete speech can be obtained at: www.usda.gov/oc/waob/agforum.htm.

Mailbox Milk Prices -- Federal Orders & California

The Dairy Programs section of the Agricultural Marketing Service, through its Federal milk order Market Administrator offices, collects and publishes "mailbox milk prices".

not part of the Federal order program, but the California Department of Food and Agriculture, Dairy Marketing Branch, calculates a mailbox price. This price has been included for comparison purposes.

including all payments received for milk sold and deducting costs associated with marketing the milk. The information reported is intended to be representative of the entire market by including data for the major cooperatives and handlers with nonmember supplies operating in the market. All mailbox prices are reported at test.

The table below shows these prices for selected Federal orders for 1999 and the first nine months of 2000. California is

The mailbox price is defined as the net price received by dairy farmers for milk,

Order ^{1/}	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99
Northeast	\$17.35	\$15.48	\$15.37	\$11.91	\$12.38	\$12.64	\$13.14	\$13.85	\$15.26	\$15.20	\$15.00	\$12.31
Mideast	18.08	16.67	16.34	12.07	12.66	12.71	12.79	13.22	15.29	15.81	15.85	12.39
Appalachian	18.94	18.85	17.91	12.61	13.40	13.93	13.66	13.80	15.83	17.10	17.47	13.72
Southeast	18.40	18.10	16.99	12.00	12.87	13.15	13.08	13.35	15.38	16.15	16.20	12.70
Florida	20.27	20.32	19.28	14.09	15.06	15.38	15.70	16.22	17.94	19.29	18.72	15.59
Upper Midwest	17.18	13.04	13.62	12.52	12.21	12.45	13.96	16.12	16.20	13.55	12.29	11.29
Central	17.26	14.33	14.53	11.65	12.01	12.23	12.85	13.62	15.25	14.48	13.87	11.50
Southwest	16.87	14.85	14.72	11.36	12.07	12.54	13.26	13.89	15.33	14.93	14.52	12.44
Western	16.10	12.33	12.87	11.29	11.34	11.73	12.53	13.72	14.62	12.47	10.96	10.39
Pacific Northwest	16.07	14.42	14.37	11.46	12.10	12.67	12.64	13.19	14.13	13.64	13.46	11.45
Weighted Avg. ^{2/}	\$17.43	\$15.00	\$15.02	\$12.05	\$12.38	\$12.65	\$13.31	\$14.21	\$15.49	\$14.70	\$14.17	\$12.00
California	\$15.89	\$14.18	\$13.95	\$12.26	\$12.26	\$12.70	\$13.16	\$15.02	\$14.41	\$13.69	\$13.02	\$11.36

Order ^{1/}	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00
Northeast	\$12.08	\$11.96	\$12.13	\$11.85	\$12.24	\$12.56	\$12.72	\$12.71	\$12.91
Mideast	12.14	12.03	11.93	12.03	12.24	12.25	12.36	12.25	12.51
Appalachian	13.10	12.87	12.93	12.98	13.26	13.59	13.99	14.10	14.17
Southeast	12.55	12.34	12.27	12.25	12.52	12.80	13.23	13.21	13.26
Florida	14.88	14.91	14.77	14.95	15.25	15.66	16.10	16.25	16.55
Upper Midwest	11.41	11.04	11.04	11.12	11.10	11.35	11.97	11.76	12.43
Central	11.50	11.20	11.13	11.06	11.02	11.16	11.75	11.56	12.18
Southwest	12.06	11.77	11.66	11.49	11.73	11.59	12.01	12.03	12.20
Western	10.65	10.64	10.27	10.11	10.11	10.23	10.72	10.69	11.34
Pacific Northwest	11.26	11.20	11.30	11.37	11.68	11.83	11.92	11.85	12.17
Weighted Avg. ^{2/}	\$11.92	\$11.70	\$11.71	\$11.66	\$11.84	\$12.02	\$12.38	\$12.31	\$12.68
California	\$10.88	\$10.72	\$10.80	\$11.03	\$11.20	\$11.62	\$11.85	\$11.93	\$12.30



^{1/} Federal milk orders for which information can be released. The 31 Federal milk orders in effect in 1999 were consolidated into 11 orders, effective January 1, 2000. The 1999 mailbox prices shown here are the weighted average of the prices for the orders that were consolidated and are for comparison purposes only. Prices are dollars per cwt.

^{2/} Weighted average of information for the orders listed.

Upper Midwest Pool Statistics - February 2001

Market Class I Differential Rate	Pool Plants	Received at Pool Plants	Diverted to Pool and Nonpool Plants	Total	Location Adjustment to Producers	Class I Differential to Handlers
<i>Cwt.</i>	<i>Number</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Value</i>	<i>Pounds</i> <i>Value</i>
\$1.80	6	18,583,764	24,901,474	43,485,238	\$ 0	36,995,714 \$ 665,923
\$1.75	34	160,303,434	318,323,979	478,627,413	239,314	135,640,151 2,373,702
\$1.70	39	148,346,896	773,551,205	921,898,101	921,898	118,893,401 2,021,188
\$1.65	6	25,483,045	16,424,374	41,907,419	62,861	20,292,356 334,824
Restricted	0	0	92,867,306	92,867,306	(160,295)	0 0
Total	85	352,717,139	1,226,068,338	1,578,785,477	\$1,063,778	311,821,622 \$5,395,637

Computation of Producer Price Differential-February 2001

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 5,395,637.20
Product	19.7%	311,821,622			
Skim Milk			306,843,665	\$ 7.8900	24,209,965.18
Butterfat			4,977,957	1.2352	6,148,772.48
Class II					
Product	2.7%	42,165,769			
Nonfat Solids			3,243,075	0.9544	3,095,190.76
Butterfat			6,408,379	1.4696	9,417,753.79
Class III					
Product	76.8%	1,212,357,533			
Protein			37,025,727	1.4951	55,357,164.42
Other Solids			69,243,875	0.1199	8,302,340.63
Butterfat			43,357,694	1.4626	63,414,963.26
Class IV					
Product	0.8%	12,440,553			
Nonfat Solids			661,687	0.8737	578,115.94
Butterfat			5,131,086	1.4626	7,504,726.39
SCC Adjustment (Class II, III, and IV)					104,188.39
Total Producer Milk *		1,578,785,477			\$183,528,818.44
Add:					
Overage					98,521.45
Inventory Reclassified					1,499.00
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					175,304.95
Assembly Credit					248,520.13
Credit for Reconstituted FMP					0.00
Producer Milk Protein					71,880,408.65
Producer Milk Other Solids					10,786,550.56
Producer Milk Butterfat					87,573,344.70
Producer Milk SCC Adjustment					165,759.43
Total Milk and Value		1,578,785,477			\$ 12,798,950.47
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					1,063,778.05
One-Half Unobligated Balance Producer Settlement Fund					740,376.74
Total Value				0.924958	\$ 14,603,105.26
Subtract:					
Producer Settlement Fund Reserve				0.044958	709,793.06
Producer Price Differential (Dollars Per Cwt.--Base Zone)				\$0.88	\$13,893,312.20

* An estimated 35 million pounds of milk was not pooled.



Utilization and Classification

	February 2001		January 2001	February 2000
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	51,023,210	1,658,391	53,265,890	51,144,293
Flavored Milk	6,410,945	152,494	7,370,237	7,151,073
Reduced Fat Milk	125,067,863	2,459,472	136,678,366	130,723,567
Lowfat Milk	41,361,235	415,113	45,192,195	42,822,094
Fat Free Milk	78,186,492	92,794	85,551,957	82,679,153
Flavored Reduced and Fat Free Milk	21,907,044	200,534	23,728,840	23,264,131
Buttermilk	2,348,158	24,223	2,447,732	2,059,001
Total Packaged Disposition	326,304,947	5,003,021	354,235,217	339,843,312
Total Ending Inventory	29,074,782	454,333	27,336,752	26,481,683
Bulk to Nonpool Plants	579,708	9,426	4,545,715	2,186,541
Shrinkage	2,277,752	142,164	2,714,101	1,393,253
Total Class I Utilization	358,237,189	5,608,944	388,831,785	369,904,789
Other Order Plants	(18,244,072)	(197,061)	(16,794,377)	(3,574,551)
Beginning Inventory	(28,038,746)	(432,307)	(26,439,850)	(26,695,939)
Reused Products	0	0	0	0
Other Source Milk	0	0	0	(943,402)
Overage	0	0	--	0
Interhandler Adjustment	(132,749)	(1,619)	(1,162,550)	704,701
Class I Producer Milk	311,821,622	4,977,957	344,435,008	339,395,598
Class II Utilization:				
Total Class II Utilization	62,326,586	7,584,610	61,908,545	87,193,664
Other Order Plants	(7,203,663)	(337,722)	(7,569,657)	--
Beginning Inventory	(3,944,077)	(108,918)	(1,688,894)	(1,155,415)
Reused Products	(7,684,632)	(3,052)	(7,071,051)	(8,229,412)
Other Source Milk	(1,211,110)	(722,849)	(773,813)	(1,177,847)
Overage	(117,335)	(3,690)	--	--
Class II Producer Milk	42,165,769	6,408,379	44,805,130	76,630,990
Class III Utilization:				
Total Class III Utilization	1,237,883,343	44,240,759	1,356,023,012	1,861,922,653
Other Order Plants	(18,130,501)	(622,775)	(19,446,365)	(2,031,272)
Beginning Inventory	(3,246,375)	(157,109)	(5,449,531)	(8,625,094)
Reused Products	0	0	0	0
Other Source Milk	(3,853,782)	(90,209)	(3,748,428)	(11,347,578)
Overage	(295,152)	(12,972)	(52,828)	(58,394)
Class III Producer Milk	1,212,357,533	43,357,694	1,327,325,860	1,839,860,315
Class IV Utilization:				
Total Class IV Utilization	35,740,349	6,869,807	37,449,162	42,556,286
Other Order Plants	(7,795,199)	(642,279)	(8,230,461)	(2,303,762)
Beginning Inventory	(10,983,874)	(672,228)	(11,479,296)	(19,869,774)
Reused Products	0	0	0	0
Other Source Milk	(4,375,967)	(396,817)	(5,482,295)	(7,137,791)
Overage	(144,756)	(27,397)	(86,697)	(478,879)
Class IV Producer Milk	12,440,553	5,131,086	12,170,413	12,766,080
Total Producer Milk -- All Classes	1,578,785,477	59,875,116	1,728,736,411	2,268,652,983

-- Restricted Information

Commodity Prices

Month/Year	Weighted Monthly Average NASS Prices *						Weighted Two-Week Average NASS Prices *					
	Cheddar Cheese			Butter	NFDM	Dry Whey	Cheddar Cheese			Butter	NFDM	Dry Whey
	Blocks	Barrels	Average				Blocks	Barrels	Average			
	<i>Dollars per Pound</i>						<i>Dollars per Pound</i>					
Feb 2000	1.1028	1.0793	1.1067	0.9002	1.0106	0.1788	1.1054	1.0804	1.1084	0.9105	1.0104	0.1800
Mar	1.0993	1.0854	1.1093	0.9497	1.0094	0.1780	1.0953	1.0841	1.1073	0.9331	1.0098	0.1771
Apr	1.0979	1.0733	1.1011	1.0449	1.0078	0.1765	1.0985	1.0770	1.1035	1.0618	1.0096	0.1774
May	1.0892	1.0793	1.1022	1.1680	1.0071	0.1760	1.0911	1.0768	1.1011	1.1140	1.0100	0.1755
Jun	1.0996	1.0929	1.1137	1.2725	1.0097	0.1794	1.0914	1.0851	1.1060	1.2911	1.0106	0.1794
Jul	1.1992	1.2041	1.2189	1.1547	1.0102	0.1909	1.2013	1.2175	1.2269	1.1729	1.0093	0.1893
Aug	1.1979	1.1104	1.1660	1.1520	1.0108	0.1929	1.2029	1.1406	1.1847	1.1465	1.0091	0.1940
Sep	1.2653	1.1719	1.2315	1.1560	1.0166	0.1856	1.2720	1.1797	1.2380	1.1444	1.0168	0.1856
Oct	1.1940	1.1032	1.1602	1.1344	1.0127	0.1826	1.2293	1.1486	1.2012	1.1337	1.0143	0.1820
Nov	1.0284	0.9906	1.0245	1.4051	1.0159	0.1917	1.0343	0.9874	1.0259	1.2032	1.0157	0.1881
Dec	1.0835	1.0645	1.0898	1.4698	1.0158	0.2172	1.0824	1.0702	1.0930	1.6110	1.0159	0.2194
Jan 2001	1.0991	1.1017	1.1180	1.1725	1.0165	0.2484	1.1171	1.1147	1.1340	1.1279	1.0172	0.2446
Feb	1.1077	1.1436	1.1467	1.3143	1.0137	0.2561	1.0935	1.1431	1.1402	1.3026	1.0135	0.2603

Month/Year	Chicago Mercantile Exchange						
	Butter	Cheddar Cheese		NFDM		Dry Whey	
	Grade AA	Blocks	Barrels	Central	Western	Central	Western
	<i>Dollars per Pound</i>						
Feb 2000	0.9245	1.1090	1.0910	1.0025	1.0024	0.1751	0.1799
Mar	1.0200	1.1139	1.0936	1.0009	1.0000	0.1772	0.1780
Apr	1.0691	1.1032	1.0822	1.0000	1.0006	0.1725	0.1763
May	1.2450	1.0950	1.0860	1.0008	1.0022	0.1755	0.1758
Jun	1.2440	1.2050	1.1901	1.0122	1.0048	0.1868	0.1784
Jul	1.1790	1.2345	1.1916	1.0225	1.0060	0.1970	0.1855
Aug	1.1933	1.2460	1.1049	1.0227	1.0104	0.1804	0.1873
Sep	1.1727	1.2953	1.2360	1.0244	1.0100	0.1753	0.1853
Oct	1.1462	1.0463	1.0052	1.0233	1.0063	0.1817	0.1819
Nov	1.6490	1.0588	1.0306	1.0308	1.0094	0.2109	0.1913
Dec	1.3700	1.1233	1.1095	1.0429	1.0111	0.2528	0.2111
Jan 2001	1.2531	1.0912	1.0860	1.0364	1.0127	0.2719	0.2383
Feb	1.3852	1.2184	1.2232	1.0316	1.0103	0.2514	0.2370

Market Statistics

Month/Year	Distributing Plants	Supply Plants	Coop .9(c) Handlers	Producers	Total Producer Milk	Estimated Average Daily Delivery	Class I Utilization	Butterfat Test	Protein Test	Other Solids Test	Weighted Average SCC
					Mil. lbs.	Pounds	Percent	Percent	Percent	Percent	
Feb 2000	28	79	11	22,874	2,269	3,491	14.9	3.78	3.02	5.68	316
Mar	28	76	11	21,808	2,261	3,389	16.3	3.76	3.00	5.72	329
Apr	29	75	11	20,499	2,069	3,415	15.7	3.76	3.00	5.72	321
May	29	73	11	20,091	2,085	3,402	16.8	3.67	2.96	5.74	327
Jun	29	72	10	18,854	1,933	3,370	16.9	3.64	2.95	5.74	349
Jul	26	69	10	18,195	1,917	3,364	16.4	3.59	2.91	5.72	371
Aug	27	70	10	18,083	1,852	3,382	18.6	3.59	2.93	5.70	377
Sep	25	67	10	17,362	1,708	3,357	20.2	3.68	3.02	5.69	360
Oct	25	65	10	16,870	1,638	3,352	20.9	3.78	3.07	5.68	324
Nov	26	61	12	16,223	1,594	3,397	21.7	3.83	3.09	5.69	314
Dec	27	60	11	15,978	1,657	3,416	20.4	3.85	3.10	5.66	317
Jan 2001	26	58	11	16,027	1,729	3,563	19.9	3.81	3.05	5.67	338
Feb	28	57	11	15,843	1,579	3,637	19.7	3.79	3.05	5.70	332

* NASS = National Agricultural Statistics Service, USDA.

Class Prices

Month/Year	Class I Price Mover			Class I Price at Cook County, IL			Class II Price			
	Butterfat	Skim Milk	3.50%	Butterfat	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>
Feb 2000	0.9302	7.72	10.71	0.9482	9.52	12.51	0.9658	0.9356	8.42	11.51
Mar	0.9713	7.71	10.84	0.9893	9.51	12.64	1.0261	0.9344	8.41	11.71
Apr	0.9989	7.70	10.93	1.0169	9.50	12.73	1.1422	0.9333	8.40	12.10
May	1.1559	7.70	11.48	1.1739	9.50	13.28	1.2924	0.9333	8.40	12.63
Jun	1.2195	7.70	11.70	1.2375	9.50	13.50	1.4198	0.9333	8.40	13.08
Jul	1.4355	7.71	12.46	1.4535	9.51	14.26	1.2761	0.9344	8.41	12.58
Aug	1.2913	7.70	11.95	1.3093	9.50	13.75	1.2729	0.9333	8.40	12.56
Sep	1.2591	7.70	11.84	1.2771	9.50	13.64	1.2777	0.9333	8.40	12.58
Oct	1.2566	7.76	11.89	1.2746	9.56	13.69	1.2514	0.9400	8.46	12.54
Nov	1.2435	7.74	11.82	1.2615	9.54	13.62	1.5815	0.9378	8.44	13.68
Dec	1.3283	7.75	12.13	1.3463	9.55	13.93	1.6604	0.9389	8.45	13.97
Jan 2001	1.8244	7.88	13.99	1.8424	9.68	15.79	1.2966	0.9533	8.58	12.82
Feb	1.2352	7.89	11.94	1.2532	9.69	13.74	1.4696	0.9544	8.59	13.43
Mar	1.4483	7.86	12.65	1.4663	9.66	14.45		0.9511	8.56	

Month/Year	Class III Price					Class IV Price			
	Butterfat	Protein	Other Solids	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	<i>lb.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>
Feb 2000	0.9588	1.9849	0.0432	6.41	9.54	0.9588	0.8565	7.71	10.80
Mar	1.0191	1.9166	0.0424	6.19	9.54	1.0191	0.8553	7.70	11.00
Apr	1.1352	1.7399	0.0408	5.63	9.41	1.1352	0.8537	7.68	11.38
May	1.2854	1.5514	0.0403	5.05	9.37	1.2854	0.8530	7.68	11.91
Jun	1.4128	1.4278	0.0438	4.68	9.46	1.4128	0.8556	7.70	12.38
Jul	1.2691	1.9726	0.0557	6.44	10.66	1.2691	0.8561	7.70	11.87
Aug	1.2659	1.7952	0.0577	5.91	10.13	1.2659	0.8567	7.71	11.87
Sep	1.2707	2.0137	0.0502	6.54	10.76	1.2707	0.8624	7.76	11.94
Oct	1.2444	1.8028	0.0471	5.87	10.02	1.2444	0.8585	7.73	11.81
Nov	1.5745	0.9149	0.0565	3.17	8.57	1.5745	0.8617	7.76	13.00
Dec	1.6534	1.0378	0.0829	3.71	9.37	1.6534	0.8616	7.75	13.27
Jan 2001	1.2896	1.6181	0.1120	5.68	9.99	1.2896	0.8765	7.89	12.13
Feb	1.4626	1.4951	0.1199	5.34	10.27	1.4626	0.8737	7.86	12.70

Producer Prices

Month/Year	Producer Price Differential	Statistical Uniform Price (at 3.50%)	Butterfat Price	Protein Price	Other Solids Price	SCC Adjustment Rate	Producer Mailbox Price (at test)
	<i>\$ per cwt.</i>	<i>\$ per cwt.</i>	<i>\$ per lb.</i>	<i>\$ per lb.</i>	<i>\$ per lb.</i>	<i>\$ per cwt.</i>	<i>\$ per cwt.</i>
Jan 2000	0.43	10.48	0.9366	2.1677	0.0503	0.00058	11.41
Feb	0.56	10.10	0.9588	1.9849	0.0432	0.00055	11.04
Mar	0.64	10.18	1.0191	1.9166	0.0424	0.00055	11.04
Apr	0.74	10.15	1.1352	1.7399	0.0408	0.00055	11.12
May	0.90	10.27	1.2854	1.5514	0.0403	0.00055	11.10
Jun	0.97	10.43	1.4128	1.4278	0.0438	0.00056	11.35
Jul	0.70	11.36	1.2691	1.9726	0.0557	0.00061	11.97
Aug	0.84	10.97	1.2659	1.7952	0.0577	0.00058	11.76
Sep	0.70	11.46	1.2707	2.0137	0.0502	0.00062	12.43
Oct	0.86	10.88	1.2444	1.8028	0.0471	0.00058	12.00
Nov	1.43	10.00	1.5745	0.9149	0.0565	0.00051	
Dec	1.23	10.60	1.6534	1.0378	0.0829	0.00054	
Jan 2001	1.03	11.02	1.2896	1.6181	0.1120	0.00056	
Feb	0.88	11.15	1.4626	1.4951	0.1199	0.00057	

Summary of Federal Order Data - February 2001

Federal Order Number / Name	Producer Deliveries <i>— Thousand Pounds —</i>	Class I Producer Receipts	Class I Utilization <i>Percent</i>	Class I Price <i>— Dollars per Cwt. —</i>	Producer Price Differential	Uniform or Statistical Uniform Price	
						Price at 3.50% <i>— Dollars per Cwt. —</i>	Change From Previous Year
1 Northeast	1,898,388	822,261	43.3	\$ 15.19	\$ 3.35	\$ 13.62	\$ 1.41
5 Appalachian	516,261	334,195	64.7	15.04	n/a	14.48	1.35
6 Florida	233,682	209,315	89.6	15.94	n/a	15.91	1.51
7 Southeast	619,968	379,557	61.2	15.04	n/a	14.15	1.41
30 Upper Midwest	1,578,785	311,822	19.7	13.74	0.88	11.15	1.05
32 Central	1,293,012	390,209	30.2	13.94	1.55	11.82	0.82
33 Mideast	1,195,216	518,605	43.4	13.94	2.01	12.28	0.76
124 Pacific Northwest	498,920	159,140	31.9	13.84	2.08	12.35	1.29
126 Southwest	628,721	311,254	49.5	14.94	2.97	13.24	1.42
131 Arizona-Las Vegas	245,560	77,533	31.6	14.29	n/a	12.48	1.39
135 Western	293,798	81,245	27.7	13.84	1.52	11.79	0.86
All Market Average or Total *	9,002,311	3,595,138	39.9				

n/a = Not applicable. * May not add due to rounding.

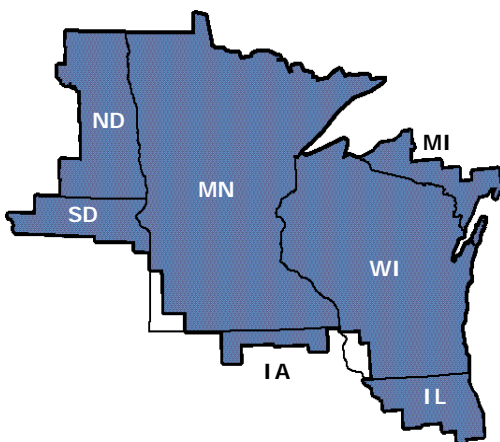
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