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**ANNOUNCEMENT OF CLASS PRICES AND RELATED DATA
FOR SEPTEMBER 2001**

	Market Class I Differential Rate	Class I Prices ^{1/}		
		Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
Base Zone	\$ 1.80	\$ 9.79	\$ 2.2612	\$ 17.36
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
Class II Prices	Nonfat Solids		(Per pound)	\$ 0.8822
	Butterfat		(Per pound)	2.4519
	Skim Milk		(Per cwt.)	7.94
	3.50% BF		(Per cwt.)	16.24
Class III Prices	Protein		(Per pound)	\$ 2.1647
	Other Solids		(Per pound)	0.1520
	Butterfat		(Per pound)	2.4449
	Skim Milk		(Per cwt.)	7.61
	3.50% BF		(Per cwt.)	15.90
Class IV Prices	Nonfat Solids		(Per pound)	\$ 0.8097
	Butterfat		(Per pound)	2.4449
	Skim Milk		(Per cwt.)	7.29
	3.50% BF		(Per cwt.)	15.59
Somatic Cell Adjustment Rate			(Per cwt. per 1,000 SCC)	\$ 0.00085

Factors Used in Prices for September 2001

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

			<u>2-Week Average</u>	<u>Monthly Average</u>
NASS Survey Prices	Butter	(Per pound)	\$ 1.9544	\$ 2.1198
	Cheese	(Per pound)	1.6696	1.7085
	Dry Whey	(Per pound)	0.2871	0.2871
	Nonfat Dry Milk	(Per pound)	0.9445	0.9497
Component Prices	Butterfat	(Per pound)	\$ 2.2432	\$ 2.4449
	Protein	(Per pound)	2.2894	2.1647
	Other Solids	(Per pound)	0.1520	0.1520
	Nonfat Solids	(Per pound)	0.8045	0.8097

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

	Market Class I Differential Rate	Class I Prices ^{1/}		
		Skim Milk (Per cwt.)	Butterfat (Per Pound)	3.5% BF (Per cwt.)
Base Zone	\$ 1.80	\$ 9.18	\$ 2.5340	\$ 17.73
Other Zones	\$ 1.75	\$ 9.13	\$ 2.5335	\$ 17.68
	1.70	9.08	2.5330	17.63
	1.65	9.03	2.5325	17.58
	1.60	8.98	2.5320	17.53
Class II Nonfat Solids Price			(Per pound)	\$ 0.8889
Class II Skim Milk Price			(Per cwt.)	\$ 8.00
Factors Used in Prices for October 2001				
Advanced Class III Skim Milk Price			(Per cwt.)	\$ 7.38
Advanced Class IV Skim Milk Price			(Per cwt.)	7.30
Class I Skim Milk Price Mover			(Per cwt.)	\$ 7.38
Advanced Butterfat Price			(Per pound)	2.5160
NASS Survey Prices -- Two-Week Average				
Butter			(Per pound)	\$ 2.1781
Cheese			(Per pound)	1.7136
Dry Whey			(Per pound)	0.2876
Nonfat Dry Milk			(Per pound)	0.9506
Advanced Component Prices				
Butterfat			(Per pound)	\$ 2.5160
Protein			(Per pound)	2.0912
Other Solids			(Per pound)	0.1525
Nonfat Solids			(Per pound)	0.8106

REGIONAL MILK PRODUCTION COSTS, AUGUST AND SEPTEMBER 2001 2/

Region	Total Cash Expenses		Total Economic Costs	
	August 3/ (Per cwt.)	September (Per cwt.)	August 3/ (Per cwt.)	September (Per cwt.)
Northeast	\$ 15.13	\$ 15.24	\$ 20.12	\$ 20.25
Southeast	14.88	14.99	18.51	18.58
Upper Midwest	13.77	13.80	18.49	18.55
Corn Belt	14.72	14.80	20.65	20.74
Southern Plains	13.08	13.18	16.39	16.49
Pacific	9.75	9.80	11.44	11.51

Estimated Utilization of Producer Milk in Class I

(Pursuant to § 1030.45(a))

September 2001	Class I Skim Milk	23%	Class I Butterfat	11%
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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.

October 5, 2001

H. Paul Kyburz, Market Administrator

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