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**ANNOUNCEMENT OF CLASS PRICES AND RELATED DATA
FOR DECEMBER 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	\$ 8.95	\$ 1.4693	\$ 13.78
Other Zones	\$ 1.75	\$ 8.90	\$ 1.4688	\$ 13.73
	1.70	8.85	1.4683	13.68
	1.65	8.80	1.4678	13.63
	1.60	8.75	1.4673	13.58
Class II Prices	Nonfat Solids		(Per pound)	\$ 0.8722
	Butterfat		(Per pound)	1.4392
	Skim Milk		(Per cwt.)	7.85
	3.50% BF		(Per cwt.)	12.61
Class III Prices	Protein		(Per pound)	\$ 1.9782
	Other Solids		(Per pound)	0.1517
	Butterfat		(Per pound)	1.4322
	Skim Milk		(Per cwt.)	7.03
	3.50% BF		(Per cwt.)	11.80
Class IV Prices	Nonfat Solids		(Per pound)	\$ 0.7799
	Butterfat		(Per pound)	1.4322
	Skim Milk		(Per cwt.)	7.02
	3.50% BF		(Per cwt.)	11.79
Somatic Cell Adjustment Rate			(Per cwt. per 1,000 SCC)	\$ 0.00064

Factors Used in Prices for December 2001

Advanced Class III Skim Milk Price	(Per cwt.)	\$ 6.32
Advanced Class IV Skim Milk Price	(Per cwt.)	7.15
Class I Skim Milk Price Mover	(Per cwt.)	\$ 7.15
Advanced Butterfat Price	(Per pound)	1.4513

			<u>2-Week Average</u>	<u>Monthly Average</u>
NASS Survey Prices	Butter	(Per pound)	\$ 1.3051	\$ 1.2894
	Cheese	(Per pound)	1.2182	1.2762
	Dry Whey	(Per pound)	0.2851	0.2868
	Nonfat Dry Milk	(Per pound)	0.9342	0.9199
Component Prices	Butterfat	(Per pound)	\$ 1.4513	\$ 1.4322
	Protein	(Per pound)	1.7548	1.9782
	Other Solids	(Per pound)	0.1499	0.1517
	Nonfat Solids	(Per pound)	0.7942	0.7799

**ADVANCED CLASS PRICES AND RELATED DATA
FOR JANUARY 2002**

	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	\$ 9.14	\$ 1.4119	\$ 13.76
Other Zones	\$ 1.75	\$ 9.09	\$ 1.4114	\$ 13.71
	1.70	9.04	1.4109	13.66
	1.65	8.99	1.4104	13.61
	1.60	8.94	1.4099	13.56
Class II Nonfat Solids Price			(Per pound)	\$ 0.8600
Class II Skim Milk Price			(Per cwt.)	\$ 7.74
Factors Used in Prices for January 2002				
Advanced Class III Skim Milk Price			(Per cwt.)	\$ 7.34
Advanced Class IV Skim Milk Price			(Per cwt.)	7.04
Class I Skim Milk Price Mover			(Per cwt.)	\$ 7.34
Advanced Butterfat Price			(Per pound)	1.3939
NASS Survey Prices -- Two-Week Average				
Butter			(Per pound)	\$ 1.2580
Cheese			(Per pound)	1.2895
Dry Whey			(Per pound)	0.2902
Nonfat Dry Milk			(Per pound)	0.9222
Advanced Component Prices				
Butterfat			(Per pound)	\$ 1.3939
Protein			(Per pound)	2.0728
Other Solids			(Per pound)	0.1552
Nonfat Solids			(Per pound)	0.7822

REGIONAL MILK PRODUCTION COSTS, NOVEMBER AND DECEMBER 2001 2/

Region	Total Cash Expenses		Total Economic Costs	
	November 3/ (Per cwt.)	December (Per cwt.)	November 3/ (Per cwt.)	December (Per cwt.)
Northeast	\$ 14.27	\$ 14.04	\$ 19.30	\$ 19.09
Southeast	14.15	13.92	17.71	17.49
Upper Midwest	13.17	13.00	17.95	17.80
Corn Belt	14.04	13.84	19.99	19.82
Southern Plains	12.46	12.26	15.78	15.58
Pacific	9.32	9.17	11.04	10.90

Estimated Utilization of Producer Milk in Class I

(Pursuant to § 1030.45(a))

December 2001	Class I Skim Milk	21%	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.

January 4, 2002

H. Paul Kyburz, Market Administrator

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