ISDA UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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Producers Approve Amended Federal Orders

Producers supplying milk for each of the 11 Federal milk markets approved amending the Class III and Class IV pricing formulas under Federal milk orders on an interim basis. The interim amended orders became effective January 1, 2001.

This Interim Final Rule responded to a Congressional mandate to reconsider the Class III and Class IV pricing formulas included in the Final Rule for the consolidation and reform of Federal milk orders. The mandate was included in the Consolidated Appropriations Act, 2000.

A more detailed description of changes to the formulas was contained in the December 2000 Upper Midwest Dairy News.

Interested persons have until February 5, 2001 to file comments in response to the Tentative Decision.

A Tentative Final Decision was issued because the

Congressional deadlines of December 1, 2000 for publication of a Final Decision and January 1, 2001 for effectuating order amendments did not allow enough time to issue a recommended decision and receive and consider comments before issuance of a final decision.

Copies of this rule and additional information can be accessed on USDA's web site at: www.ams.usda.gov/dairy.



Preliminary 2000 U.S. Milk Production Up 3.2%

Preliminary U.S. Department of Agriculture estimates indicate United States milk production for 2000 at a record high 168 billion pounds, up 3.2% from 1999. The increase resulted from a 0.8% increase in the number of milk cows and a 2.4% gain in output per cow.

For the top five milk producing states, 2000 production, compared to the previous year, was up 5.8% in California, 2.1% in Pennsylvania, 0.8% in Wisconsin, and 0.3% in Minnesota, but down 0.6% in New York.

Pool Summary

- In December, 15,978 producers delivered to the market with an average daily delivery of 3,416 pounds.
- Producer milk totaled 1.66 billion pounds, up 0.6% on a daily basis from November.
- ≻Class I utilization totaled 338

million pounds, down 5.3% on a daily basis from November.

- Class I usage accounted for 20.4% of producer milk.
- The December Producer Price Differential is \$1.23 per cwt.
- > The Statistical Uniform Price is \$10.60 per cwt.
- Market statistics for December are shown on Pages 4 and 5.

December 2000 Producer Milk by Class

	Percent	Pounds	Price
			\$/cwt.
Class I	20.4	337,849,480	13.93
Class II	3.1	52,362,594	13.97
Class III	75.5	1,250,772,889	9.37
Class IV	1.0	16,009,548	13.27
Total		1,656,994,511	

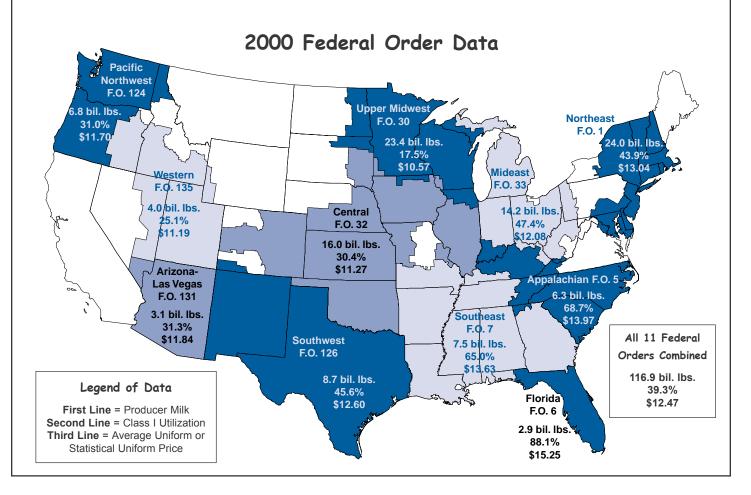
Recap of Federal Order Data for 2000

The table to the right and the map below summarize data for all Federal milk orders for 2000. Comparisons to data for previous years are not made because Federal order reform and consolidation became effective January 1, 2000, making such comparisons unproductive.

Producer milk in 2000 for all Federal orders combined totaled 117 billion pounds. Class I producer milk for all Federal orders totaled 46 billion pounds, or 39% of producer milk. Class I use ranged from 17% in the Upper Midwest Order to 88% in the Florida Order.

The simple average uniform price for all Federal orders combined for 2000 was \$12.47 per cwt. The average uniform price ranged from \$10.57 in the Upper Midwest Order to \$15.25 in the Florida Order.

Summary o	of Data for All Fe	ederal Orders -	- 2000
		Class I	
	Producer Deliveries	Producer Receipts	Class I Utilization
	Pounds	Pounds	Percent
January	10,227,111,244	3,965,295,265	38.8
February	9,681,633,929	3,744,753,714	38.7
March	10,541,585,139	4,038,698,473	38.3
April	10,110,996,018	3,610,759,991	35.7
Мау	10,176,587,583	3,829,902,273	37.6
June	9,524,670,866	3,624,363,017	38.1
July	9,832,089,726	3,548,502,786	36.1
August	9,546,410,220	3,898,344,172	40.8
September	9,171,272,878	3,875,310,809	42.3
October	9,517,789,295	3,946,195,209	41.5
November	9,155,752,716	3,955,868,525	43.2
December	9,437,217,827	3,952,375,877	41.9
2000 Total	116,923,117,441	45,990,370,111	39.3



USDA Changes CCC Purchase Prices for Dairy Products

The U.S. Department of Agriculture recently announced that the Commodity Credit Corporation (CCC) purchase prices for butter, cheese, and nonfat dry milk (NFDM) bought under the Dairy Price Support Program have been adjusted.

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001, extended the price support program through calendar year (CY) 2001 at the 2000 support price of \$9.90 per cwt. for milk at 3.67% butterfat.

In addition, USDA recently announced that purchase prices for butter, cheese, and nonfat dry milk were adjusted as shown below in order to reflect the new pricing formulas under the reformed Federal milk marketing orders. The purchase prices of butter and nonfat dry milk were adjusted in proportion to their contribution to the milk price. Therefore, there is no change in the butter / nonfat dry milk relationship.

The new purchase prices were effective January 16, 2001.

		Commodity Cred	lit Corporation Purchas	e Prices
		Produced before January 16, 2001	Produced on or after January 16, 2001	Change
			Dollars Per Pound	
Butter, U.S. C	Grade A or Higher			
25-kg. blocks:	Salted	0.6680	0.6549	-0.0131
	lilk (spray), U.S. Extra Grade ore than 3.5% moisture)			
25-kg. bags:	Nonfortified ^{1/}	1.0100	1.0032	-0.0068
	Fortified (Vitamins A & D)	1.0200	1.0132	-0.0068
Cheddar Che	ese, Standard Moisture Basis ^{2/}			
40-pound blog	cks, U.S. Grade A or Higher	1.1220	1.1314	+0.0094
500-pound ba	rrels, U.S. Extra Grade	1.0920	1.1014	+0.0094

^{1/} Nonfat dry milk in bags classified as "Type X" will be accepted at a discount of 0.50 cent (1/2 cent) per pound. ^{2/} Subject to adjustment for moisture content.

Upper Midwest Pool Statistics - December 2000

Market Class I Differential Rate	Pool Plants	Received at Pool Plants	Diverted to Pool and Nonpool Plants	Total	Location Adjustment to Producers		Differential andlers
Cwt.	Number	Pounds	Pounds	Pounds	Value	Pounds	Value
\$1.80	5	19,310,044	24,765,561	44,075,605	\$0	39,248,048	\$ 706,465
\$1.75	35	183,261,804	361,054,645	544,316,449	272,158	144,457,545	2,528,007
\$1.70	41	171,943,371	776,048,677	947,992,048	947,992	131,966,035	2,243,423
\$1.65	6	27,209,321	24,334,987	51,544,308	77,317	22,177,852	365,934
Restricted	0	0	69,066,101	69,066,101	(128,461)	0	0
Total	87	401,724,540	1,255,269,971	1,656,994,511	\$1,169,006	337,849,480	\$5,843,829

Computation of Producer Price Differential-December 2000

		Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I	Differential Value					\$ 5,843,829.12
	Product	20.4%	337,849,480			
	Skim Milk			332,018,793	\$ 7.7500	25,731,456.55
	Butterfat			5,830,687	1.3283	7,744,901.57
Class II	Product	3.1%	52,362,594			
	Nonfat Solids			4,141,946	0.9389	3,888,873.12
	Butterfat			6,823,779	1.6604	11,330,202.65
Class III	Product	75.5%	1,250,772,889			
	Protein			38,858,375	1.0378	40,327,221.57
	Other Solids			70,861,068	0.0829	5,874,382.49
	Butterfat			46,328,106	1.6534	76,598,890.48
Class IV	Product	1.0%	16,009,548			
	Nonfat Solids			1,011,526	0.8616	871,530.78
	Butterfat			4,878,207	1.6534	8,065,627.44
SCC Adjus	tment (Class II, III, and	d IV)				201,219.55
Total Producer Milk *			1,656,994,511			\$186,478,135.32
Add:	Overage Inventory Reclassifie Other Source Milk §. Other Source Milk §.	60(h)	1,172			110,879.03 (19,090.04) 0.00 52.86
Subtract:	Transportation Credit Assembly Credit Credit for Reconstitut Producer Milk Protein Producer Milk Other Producer Milk Butterd Producer Milk SCC A	ted FMP n Solids fat				223,644.36 268,198.34 0.00 53,250,888.96 7,777,596.16 105,587,412.00 293,924.29
Total Milk	and Value		1,656,995,683			\$ 19,168,313.06
Add:	Location Adjustment One-Half Unobligated		regulated Supply Plan Settlement Fund	t Milk		1,169,006.90 759,343.58
Total Value	-				1.273188	\$ 21,096,663.54
Subtract:	Producer Settlement	Fund Reserve			0.043188	715,616.64
	r Price Differentia		vtBase Zone)		\$1.23	\$20,381,046

* An estimated 51 million pounds of milk was not pooled.



Utilization and Classification

Class I Utilization:	Product	Butterfat	
Class I Utilization:	Pounds	Pounds	Product Pounds
Packaged Disposition			
Milk	56,278,715	1,860,897	54,242,176
Flavored Milk	7,081,318	200,138	9,266,402
Reduced Fat Milk	136,581,140	2,695,885	135,461,355
Lowfat Milk	45,399,515	450,958	44,202,907
Fat Free Milk	85,499,552	104,143	83,589,312
Flavored Reduced and Fat Free Milk	26,145,552	569,983	27,169,616
Buttermilk	2,922,358	30,458	2,785,406
Total Packaged Disposition	359,908,150	5,912,462	356,717,174
Total Ending Inventory	25,511,614	412,837	31,361,955
Bulk to Nonpool Plants	2,722,662	33,834	4,100,801
Shrinkage	2,323,503	182,486	2,398,541
Total Class I Utilization	390,465,929	6,541,619	394,578,471
Other Order Plants	(17,864,861)	(157,676)	(22,117,837)
Beginning Inventory	(33,372,579)	(528,542)	(25,810,679)
Reused Products	0	0	0
Other Source Milk			0
Overage	(324,226)	0	
Interhandler Adjustment	(1,054,783)	(24,714)	(1,406,851)
Class I Producer Milk	337,849,480	5,830,687	345,243,104
Class II Utilization:			
Total Class II Utilization	67 694 694	9 045 027	70 600 510
	67,684,624	8,045,027	78,628,510
Other Order Plants	(5,127,781)	(151,360)	(7,450,090)
Beginning Inventory	(2,052,642)	(191,387)	(3,870,277)
Reused Products	(6,437,660)	(1,948)	(8,484,003)
Other Source Milk	(1,377,138)	(876,553)	(2,529,957)
Overage	(326,809)	0	
Class II Producer Milk	52,362,594	6,823,779	56,294,183
Class III Utilization:			
Total Class III Utilization	1,276,020,162	47,229,276	1,215,318,886
Other Order Plants	(19,210,918)	(659,616)	(24,658,939)
Beginning Inventory	(2,402,321)	(109,644)	(4,240,373)
Reused Products	0	0	0
Other Source Milk	(3,325,390)	(122,444)	(2,454,323)
Overage	(308,644)	(9,466)	(283,570)
Class III Producer Milk	1,250,772,889	46,328,106	1,183,681,681
Class IV Utilization:			
Total Class IV Utilization	38,461,634	6,764,191	31,314,692
Other Order Plants	(6,364,519)	(853,839)	(6,100,296)
Beginning Inventory	(8,916,601)	(622,152)	(10,999,444)
Reused Products	0	0	0
Other Source Milk	(6,851,765)	(409,358)	(5,449,374)
Overage	(319,201)	(635)	(27,383)
Class IV Producer Milk	16,009,548	4,878,207	8,738,195
Fotal Producer Milk All Classes	1,656,994,511	63,860,779	1,593,957,163

-- Restricted Information

Commodity Prices

		Weightee	d Monthly Av	erage NA	SS Prices	*	N	/eighted T	wo-Week A	verage N	ASS Pric	es *
Month/Year	Blocks	Barrels	Average	Butter	NFDM	Dry Whey	Blocks	Barrels	Average	Butter	NFDM	Dry Whey
			Dollars pe	er Pound					Dollars p	er Pound		
Dec 1999	1.1319	1.1096	1.1371	0.9179	1.0111	0.1892	1.1191	1.1008	1.1268	0.9220	1.0125	0.1870
Jan 2000	1.1417	1.1279	1.1517	0.8820	1.0115	0.1857	1.1652	1.1416	1.1696	0.8768	1.0114	0.1859
Feb	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
	C	hicago M	ercantile Exc	hange								
	Butter P	rices	Che	ese Prices	<u> </u>		NFDM			Dry Whey		
Month/Year	Grade A	A **	40 lb. Block		Barrel	Cen	tral	Westerr		Central		Western
						Dollars per F	ound					
Dec 1999	0.916	3	1.1545		1.1475	1.01	68	1.0039		0.1865		0.2004
Jan 2000	0.909	0	1.1285		1.1101	1.00	90	1.0038		0.1811		0.1911
Feb	0.924	5	1.1090		1.0910	1.00)25	1.0024		0.1751		0.1799
Mar	1.020	0	1.1139		1.0936	1.00	009	1.0000		0.1772		0.1780
Apr	1.069	1	1.1032		1.0822	1.00	000	1.0006		0.1725		0.1763
May	1.245	0	1.0950		1.0860	1.00	800	1.0022		0.1755		0.1758
Jun	1.244	0	1.2050		1.1901	1.01	22	1.0048		0.1868		0.1784
Jul	1.179	0	1.2345		1.1916	1.02	225	1.0060		0.1970		0.1855
Aug	1.193	3	1.2460		1.1049	1.02	227	1.0104		0.1804		0.1873
Sep	1.172	7	1.2953		1.2360	1.02	244	1.0100		0.1753		0.1853
Oct	1.146	2	1.0463		1.0052	1.02	233	1.0063		0.1817		0.1819
Nov	1.649	0	1.0588		1.0306	1.03	308	1.0094		0.2109		0.1913
Dec	1.370	0	1.1233		1.1095	1.04	29	1.0111		0.2528		0.2111

Market Statistics

Month/Year	Distributing Plants	Supply Plants	Coop .9(c) Handlers	Producers	Total Producer Milk	Estimated Average Daily Delivery	Butterfat Test	Protein Test	Other Solids Test	Weighted Average SCC
					Mil. Ibs.	Pounds	Percent	Percent	Percent	(000)
Jan 2000	29	84	12	22,923	2,433	3,486	3.81	3.05	5.66	308
Feb	28	79	11	22,874	2,269	3,491	3.78	3.02	5.68	316
Mar	28	76	11	21,808	2,261	3,389	3.76	3.00	5.72	329
Apr	29	75	11	20,499	2,069	3,415	3.76	3.00	5.72	321
May	29	73	11	20,091	2,085	3,402	3.67	2.96	5.74	327
Jun	29	72	10	18,854	1,933	3,370	3.64	2.95	5.74	349
Jul	26	69	10	18,195	1,917	3,364	3.59	2.91	5.72	371
Aug	27	70	10	18,083	1,852	3,382	3.59	2.93	5.70	377
Sep	25	67	10	17,362	1,708	3,357	3.68	3.02	5.69	360
Oct	25	65	10	16,870	1,638	3,352	3.78	3.07	5.68	324
Nov	26	61	12	16,223	1,594	3,397	3.83	3.09	5.69	314
Dec	27	60	11	15,978	1,657	3,416	3.85	3.10	5.66	317
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* NASS = National Agricultural Statistics Service, USDA. ** Prices prior to January 2000 are FMMA reported prices.

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Class Prices *

	Cla	ss I Price Mo	ver	Class I Pr	rice at Coo	k County	, IL		Class	II Price	
Month/Year	Butterfat	Skim Milk	3.50%	Butterfat	Skim Milk	3.50%	/_	Butterfat	Nonfat Solids	Skim Milk	3.50%
MONUN TEAL		cwt.	cwt.	Ib.	CWt.	cwt.		Ib.	lb.	cwt.	cwt.
Dec 1999	1.1652	7.78	11.59	1.1832	9.58	13.39	9	0.9874	0.9422	8.48	11.64
Jan 2000	0.9854	7.72	10.90	1.0034	9.52	12.70		0.9436	0.9356	8.42	11.43
Feb	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	5	1.2729	0.9333	8.40	12.56
Sep	1.2591	7.70	11.84	1.2771	9.50	13.64	1	1.2777	0.9333	8.40	12.58
Oct	1.2566	7.76	11.89	1.2746	9.56	13.69	9	1.2514	0.9400	8.46	12.54
Nov	1.2435	7.74	11.82	1.2615	9.54	13.62	2	1.5815	0.9378	8.44	13.68
Dec	1.3283	7.75	12.13	1.3463	9.55	13.93	3	1.6604	0.9389	8.45	13.97
Jan 2001	1.8244	7.88	13.99	1.8424	9.68	15.79	9		0.9533	8.58	
	Class III Price								Class IV P	rice	
									Nonfat		
Month/Year	Butterfa	t Proteir	n Other S	Solids Skim	Milk 3	3.50%	Bu	tterfat	Solids S	Skim Milk	3.50%
	lb.	lb.	lb.	СИ	vt.	cwt.		lb.	lb.	cwt.	cwt.
Dec 1999	0.9804	2.0615			71	9.91			.8570	7.71	10.87
Jan 2000	0.9366	2.1677				10.05).8574	7.72	10.73
Feb	0.9588	1.9849			41	9.54).8565	7.71	10.80
Mar	1.0191	1.9166			19	9.54).8553	7.70	11.00
Apr	1.1352	1.7399			63	9.41).8537	7.68	11.38
May	1.2854	1.5514			05	9.37			.8530	7.68	11.91
Jun	1.4128	1.4278			68	9.46).8556	7.70	12.38
Jul	1.2691	1.9726				10.66			.8561	7.70	11.87
Aug	1.2659	1.7952				10.13).8567	7.71	11.87
Sep	1.2707	2.0137				10.76			.8624	7.76	11.94
Oct	1.2444	1.8028				10.02).8585	7.73	11.81
Nov Dec	1.5745 1.6534	0.9149 1.0378			17 71	8.57 9.37).8617).8616	7.76 7.75	13.00 13.27

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 <i>(at test)</i>
	cwt.	cwt.	lb.	lb.	lb.	cwt.	cwt.
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	
Oct	0.86	10.88	1.2444	1.8028	0.0471	0.00058	
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							

* Prices prior to January 2000 are estimated.

Summary of Federal Order Data - December 2000

	Federal Order Number / Name	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Class I Price	Producer Price Differential	Statistica Uniform Price at <u>3.50%</u>
		Thousand	I Pounds	Percent		 Dollars per Cwt. 	
1	Northeast	1,954,446	936,890	47.9	\$ 15.38	\$ 4.35	\$ 13.72
5	Appalachian	558,222	370,346	66.3	15.23	n/a	14.83
6	Florida	253,076	218,778	86.4	16.13	n/a	16.10
7	Southeast	619,493	410,947	66.3	15.23	n/a	14.51
30	Upper Midwest	1,656,995	337,849	20.4	13.93	1.23	10.60
32	Central	1,402,889	428,504	30.5	14.13	2.01	11.38
33	Mideast	1,245,776	577,956	46.4	14.13	2.79	12.16
124	Pacific Northwest	532,105	177,156	33.3	14.03	2.90	12.27
126	Southwest	661,982	330,306	49.9	15.13	3.54	12.91
131	Arizona-Las Vegas	251,489	81,191	32.3	14.48	n/a	12.40
135	Western	300,745	82,451	27.4	14.03	1.83	11.20
II Mai	rket Average or Total *	9,437,218	3,952,376	41.9			

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