



**UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS**

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February 2, 2001

ANNOUNCEMENT OF CLASS II, III, IV AND COMPONENT PRICES ^{1/ 6/}

	<u>JANUARY 2001</u>
CLASS II PRICE^{2/}	\$ 12.82
Nonfat Solids Price, per lb.	\$ 0.9533
Butterfat Price, per lb. ^{3/}	\$ 1.2966
CLASS III PRICE^{2/}	\$ 9.99
Skim Milk Price	\$ 5.68
Protein Price, per lb.	\$ 1.6181
Other Solids Price, per lb.	\$ 0.1120
Butterfat Price, per lb.	\$ 1.2896
CLASS IV PRICE^{2/}	\$ 12.13
Skim Milk Price	\$ 7.89
Nonfat Solids Price, per lb.	\$ 0.8765
Butterfat Price, per lb.	\$ 1.2896
SOMATIC CELL ADJ. RATE , per 1,000 SCC	\$ 0.00056

DAIRY PRODUCT AVERAGE PRICE QUOTATIONS

	<u>JAN 2001</u>	<u>DEC 2000</u>	<u>JAN 2000</u>
NASS WEIGHTED AVERAGE PRICES – FULL MONTH			
CHEDDAR CHEESE, per lb.	\$ 1.1180	\$ 1.0898	\$ 1.1517
BUTTER, per lb.	1.1725	1.4698	0.8820
NONFAT DRY MILK, per lb.	1.0165	1.0158	1.0115
DRY WHEY, per lb.	0.2484	0.2172	0.1857

REGIONAL MILK PRODUCTION COSTS, DECEMBER 2000 AND JANUARY 2001 ^{4/}

<u>REGION</u>	<u>TOTAL CASH EXPENSES</u>		<u>TOTAL ECONOMIC COSTS</u>	
	<u>DEC ^{5/}</u>	<u>JAN</u>	<u>DEC ^{5/}</u>	<u>JAN</u>
NORTHEAST	\$14.94	\$14.79	\$19.85	\$19.71
SOUTHEAST	\$14.56	\$14.38	\$18.28	\$18.10
UPPER MIDWEST	\$13.70	\$13.63	\$18.30	\$18.25
CORN BELT	\$14.52	\$14.42	\$20.36	\$20.28
SOUTHERN PLAINS	\$12.79	\$12.63	\$16.08	\$15.95
PACIFIC	\$9.60	\$9.54	\$11.25	\$11.19

^{1/} United States Department of Agriculture, Agricultural Marketing Service. For further information contact John Rourke, 202/720-7461. Prices are dollars per 100 pounds (cwt.) unless otherwise indicated.

^{2/} The Class price announced is per hundredweight at 3.5% butterfat.

^{3/} The Class II butterfat price for the Southwest Marketing Area is the butterfat price plus \$0.007 (\$0.70 divided by 100).

^{4/} United States Department of Agriculture, Economic Research Service. For further information, contact Sara Short, 202/694-5588. Costs are dollars per 100 pounds (cwt.). 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.

^{5/} Revised from last month due to changes in milk production, producer price indexes, corn market price, and economic indicators for the U.S. economy.

^{6/} These prices were computed using the formulas in the U.S. District Court's preliminary injunction order dated January 31, 2001.

Richard Fleming
Market Administrator



NEWS RELEASE

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Release No. AMS-43-01
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USDA ENJOINED FROM IMPLEMENTING CLASS III BUTTERFAT PRICE

WASHINGTON, D.C., Feb. 2, 2001 - U.S. District Court Judge Royce C. Lamberth enjoined USDA from implementing portions of the interim final amendments to Federal milk orders that became effective Jan. 1, 2001.

The Judge's order restores the butterfat and protein price formulas that were implemented under Federal order reform on Jan. 1, 2000, with the following changes:

--Incorporate the 16.5-cent make allowance for cheese and the 38-percent moisture adjustment for 500-pound barrel cheese adopted in the Jan. 1, 2001, interim final amendments.

-Incorporate the 11.5-cent make allowance for butter adopted in the Jan. 1, 2001, amendments in the formula for calculating the butterfat price applicable to both Class III and Class IV.

-Incorporate the Jan. 1, 2001, nonfat solids and other solids price formulas, based on the values of these components in nonfat dry milk and dry whey.

The tentative final decision and interim rule responded to a Congressional mandate, included in the Consolidated Appropriations Act, 2000, to reconsider certain pricing formulas adopted in the final rule for the consolidation and reform of Federal milk orders.

In addition, to ensure full opportunity to comment on the tentative final decision, published on Dec. 7, 2000, the comment period is being extended to April 6, 2001. Notice of this extension will appear soon in the Federal Register.

The following market administrators can provide additional information about the injunction.

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<http://www.ams.usda.gov/news/043-01.htm>



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Correction *

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CLASS III AND IV TENTATIVE FINAL DECISION COMMENT PERIOD ENDS FEB. 5

WASHINGTON, Feb. 2, 2001 - The Agricultural Marketing Service's February 2, 2001 news release entitled "USDA Enjoined from Implementing Class III Butterfat Price," stated that the public comment period on the tentative final decision on Class III and IV milk formulas would be extended until April 6, 2001. The earlier press release was in error. Therefore, the public comment period on the tentative final decision will end on February 5, 2001, as previously announced.