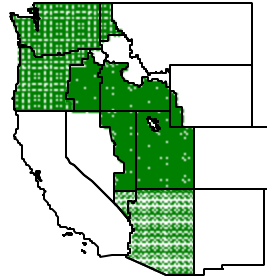


## Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



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**James R. Daugherty**  
Market Administrator

**APRIL 2001**

### MARKET SUMMARIES FOR MARCH

Comparisons to year ago can be found in the tables on pages 6 and 7.

#### Pacific Northwest

Producers delivered a total of 540.9 million pounds of milk to the market during March. Comparisons to the previous month are biased due to eligible milk not pooled in February and March 2001. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 17.4 million pounds, down 2.1 percent from February. An estimated 1,102 producers delivered milk to the market during the month. Daily deliveries per producer averaged 15,832 pounds, down 2.1 percent from February.

Class I producer milk during March totaled 182.1 million pounds, 33.7 percent of total producer receipts. Daily usage averaged 5.9 million pounds, up 3.4 percent from February.

#### Arizona-Las Vegas

Producers delivered a total of 268.5 million pounds of milk to the market during March. Daily deliveries averaged 8.7 million pounds, down 1.2 percent from February. An estimated 118 producers delivered milk to the market during the month. Daily deliveries per producer averaged 73,406 pounds, down 1.2 percent from February.

Class I producer milk during March totaled 85.4 million pounds, 31.8 percent of total producer receipts. Daily usage averaged 2.8 million pounds, down 0.5 percent from February.

#### Western

Producers delivered a total of 300.2 million pounds of milk to the market during March. Comparisons to the previous month are biased due to eligible milk not pooled in February and March 2001. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted.

*(Continued On Page 2)*

### Federal Order Producer Prices and Component Levels: March 2001

Producer Prices	FO124	FO131	FO135	Component Levels	FO124	FO131	FO135
Uniform Price 1/*	13.34	13.31	12.89	Butterfat	3.679	3.604	3.664
Butterfat 2/	1.6820	1.6454	1.6820	Protein	3.032	N/A	3.063
Protein 2/	1.6498	N/A	1.6498	Other Solids	5.696	N/A	5.721
Other Solids 2/	0.1039	N/A	0.1039	Nonfat Solids	8.727	N/A	8.785
PPD 1/*	1.92	N/A	1.47				
Skim 1/	N/A	7.83	N/A				

N/A = not applicable. \* Subject to applicable location adjustments. 1/ \$ per cwt. 2/ \$ per pound.

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(Continued From Page 1)

Daily deliveries averaged 9.7 million pounds, down 7.7 percent from February. An estimated 749 producers delivered milk to the market during the month. Daily deliveries per producer averaged 12,929 pounds, down 6.8 percent from February.

Class I producer milk during March totaled 89.3 million pounds, 29.7 percent of total producer receipts. Daily usage averaged 2.9 million pounds, down 0.8 percent from February.

FINAL: NASS COMMODITY PRICES			
	February	March	Change
Cheese*	\$1.1467	\$1.2737	\$0.1270
Butter	\$1.3143	\$1.4942	\$0.1799
Nonfat Dry Milk	\$1.0137	\$1.0127	-\$0.0010
Whey	\$0.2561	\$0.2406	-\$0.0155

\* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrels changed to 38% from 39% moisture.

**Current Commodity Prices --** The NASS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and a net increase in prices received for 500-pound barrels. The survey of 40-pound blocks showed an increase of 7.70 cents between the March 17 and the April 14 surveys, to \$1.3348 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 3.23 cents to \$1.3106 per pound.

The NASS butter price showed an increase of 18.00 cents between the weeks ending March 17 and April 14 from \$1.4879 per pound to \$1.6679 per pound.

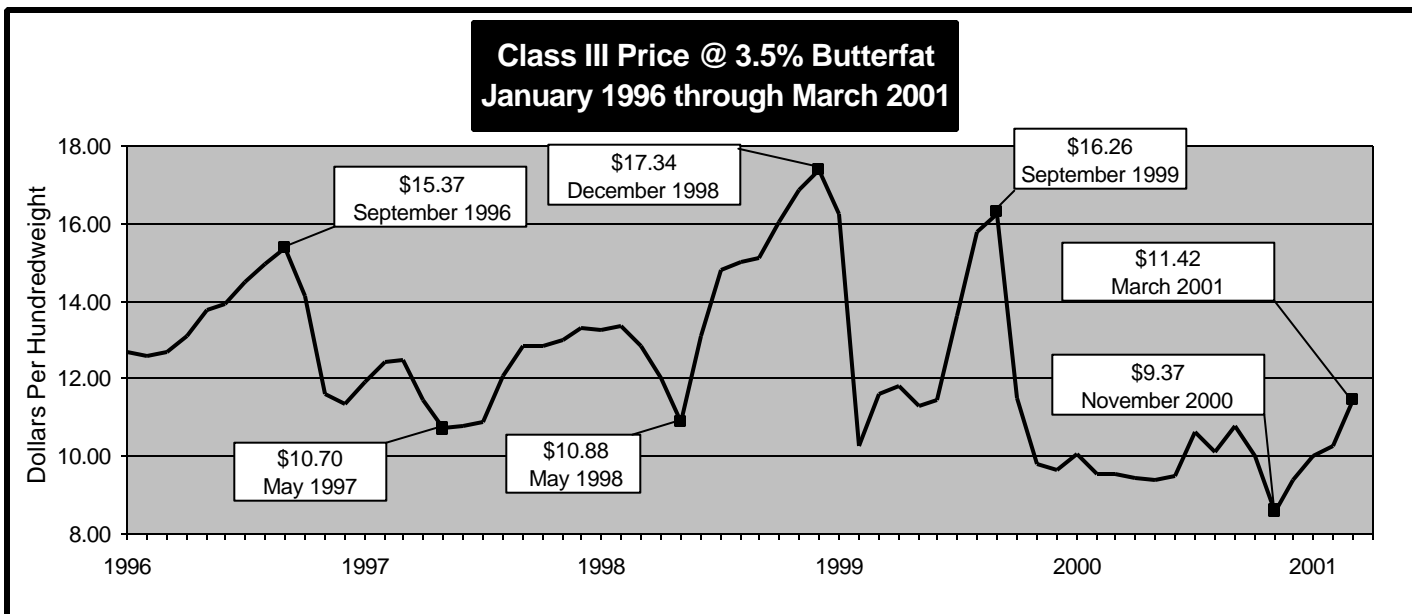
The NASS nonfat dry milk showed a net increase of 0.24 cents since mid-March to \$1.0157 per pound. The average price for NASS whey showed a net increase of 0.56 cents since mid-March to \$0.2446 per pound. ♦

**MARCH'S CLASS PRICES**

March's non-advanced Class Prices were calculated using NASS commodity price surveys from March 3, 10, 17, and 24. Component prices for the month are \$1.6498 per pound of protein, \$1.6820 per pound of butterfat, \$0.1039 per pound of other solids, and \$0.8727 per pound of nonfat solids.

March's Class III and IV prices at 3.5% butterfat are \$11.42 and \$13.46 per hundredweight, respectively. Class II butterfat was also announced at \$1.6890 per pound. Class I skim and butterfat and Class II skim prices for March were announced on February 23, 2001. The Class II price at 3.5% butterfat is \$14.17 for March.

The March Class III price compared to February is up \$1.15. The Class III price is \$1.88 higher than March 2000 and \$1.62 above the support price.



**MAY'S CLASS I PRICE ANNOUNCEMENT**

On April 20, the May 2001 Class I price was announced at \$16.11 for the Pacific Northwest and Western Orders, and \$16.56 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of April 7 and 14.

The May Class III and IV advance skim prices are \$5.55 and \$7.88 per hundredweight, respectively. The Class IV skim price has set the Class I skim price for all the months since January 2000. The butterfat portion of the Class I mover increased 21.65 cents from \$1.6722 to \$1.8887 per pound.

The May 2001 Class II skim and nonfat solids prices were also announced on April 20. The skim price is \$8.58 per hundredweight, and the nonfat solids price is \$0.9533 per pound for all Federal Orders. ♦

**ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS**

	April	May	Change
Cheese*	\$1.2769	\$1.3326	0.0557
Butter	\$1.4862	\$1.6637	0.1775
Nonfat Dry Milk	\$1.0132	\$1.0154	0.0022
Whey	\$0.2406	\$0.2434	0.0028

\* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrel cheese prices changed from 39% to 38% moisture cheese.

**DAIRY SITUATION AND OUTLOOK**

**Weaker Milk Production Tightens Dairy Markets** -- Low farm milk prices and forage quality problems have brought the once-mighty expansion in milk production to at least a temporary halt. Weaker output and respectable winter sales boosted wholesale prices of butter and cheese from early January lows. However, large stocks, possible recovery in milk output, demand uncertainties, and the time of year have limited the price reaction. Milk per cow in the 20 selected States fell well below a year earlier during November-February, the first such drops since 1996. Although part of the explanation lay simply in the very strong levels of a year earlier, milk per cow was weakened by a number of factors. An unusually large share of the cow herd may have been at the end of their lactation or dry, the result of bunched freshenings as farms were expanded in late 1999 and early

2000. Also, use of bovine somatotropin may have been limited because of lower returns to milk production. Autumn and winter weather reportedly was somewhat stressful to cows in many areas. Forage quality problems may be more severe than earlier thought. Milk per cow is projected to move back above a year earlier this spring. However, increases are expected to be relatively small until late 2001, and declines might be more persistent than expected. For all of the year, milk per cow is expected to grow only about 1 percent. Milk cow numbers are projected to decline steadily during 2001. By yearend, cow numbers are expected to be more than 1 percent below a year earlier. For the year, milk cows on farms are also expected to decrease almost 1 percent. Milk output is projected to fall slightly this winter, run very close to a year earlier in spring and summer, and post a small increase next autumn. The 2001 total is expected to be near 2000's 167.7 billion pounds.

**Slower Dairy Demand Increases Seen --**

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 rapid economic deterioration does not seem likely. Demand for cheese, butter, and cream probably will continue to show the most strength. The general economy is still predicted to grow this year and probably will continue to bolster dairy demand. However, 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 retrenchment probably will affect the array of dairy products unevenly but will have a dampening effect overall.

**Dairy Prices Recover Modestly** -- Two key factors probably served to moderate recent Exchange price increases for butter and cheese. Demand uncertainty related to the general economy probably has been important. Even modest slowing in economic growth might dampen the extraordinary strength in dairy demand during recent years. Secondly, the duration of the production slump is very uncertain since some of the key factors are short-run or price-sensitive. The winter seasonal surplus, combined with relatively large stocks, gave users the luxury of time for further assessment before actions had to be taken for the tight season. Values of milk for manufacturing are expected to be

stronger than a year earlier, particularly for cheese milk. The value of milk for butter-powder probably will continue to exceed cheese values, although the gap is projected to be slightly narrower this year. However, second-half seasonal Class III price increases might be considerably larger than expected if milk production does not recover or if demand growth stays strong. Average milk prices received by farmers in 2001 are projected to rise about \$1 per cwt from 2000's \$12.34. This increase would leave milk prices well below the levels of 1996, 1998, and 1999, but close to 1997. Retail prices of dairy products are projected to rise 1 to 3 percent this year, following a fractional increase in 2000. The farm-retail price spread is projected to be fairly steady, following 2 years of relatively large increases. ♦

**SOURCE:** "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-81, March 28, 2001, Economic Research Service, USDA. For more information on the LDP report, contact James J. Miller, (202) 694-5184. Also, please note that this summary has been condensed from the original by the Market Information Branch, Dairy Programs, AMS.

**USDA PROPOSES CHANGES TO ITS RECOMMENDED REQUIREMENTS FOR MANUFACTURING GRADE MILK**

The U.S. Department of Agriculture is proposing changes to the model "Milk for Manufacturing Purposes and Its Production and Processing" (Recommended Requirements) document.

The proposed changes come in response to a request from the National Association of State Departments of Agriculture that USDA review the drug residue monitoring provision of the Recommended Requirements covering milk used for manufacturing purposes and bring it more in line with the drug residue monitoring provision for Grade A milk.

USDA's Agricultural Marketing Service (AMS) reviewed the drug residue provisions of this document and identified several areas where changes could be made to provide greater consistency. In addition, AMS is also considering other changes that would provide gender neutral language and improve the document's overall accuracy, clarity, and consistency.

The Recommended Requirements were developed by AMS and recommended for adoption and enforcement by the various states that regulate manufacturing grade milk. They promote uniformity

in state dairy laws and regulations concerning manufacturing grade milk.

The proposed changes were published in the April 20 Federal Register. Comments postmarked by June 19 should be sent to Duane R. Spomer; Chief, Dairy Standardization Branch, Dairy Programs, Agricultural Marketing Service, U.S. Department of Agriculture, Room 2746-SB, P.O. Box 96456, Washington, D.C. 20090-6456; faxed to (202) 720-2643; or, e-mailed to Duane.Spomer@usda.gov. The current Recommended Requirements along with the proposed changes, are available either by contacting the office identified above or by accessing the AMS Home Page at <http://www.ams.usda.gov/dairy/stand.htm>. ♦

**COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS UP 2.3% FOR 2000**

Commercial disappearance of U.S. milk for 2000 was up 2.3 percent over 1999. Commercial disappearance is used as an indicator of consumption of U.S. milk marketings and is a residual figure. This measure of consumption includes civilian and military purchases of milk and dairy products for domestic and foreign use (exports), but excludes farm household use, commercial stocks, and imports. The table below shows commercial disappearance by commodity and their milk-equivalent on a fat solids basis.

For 2000, American cheese, butter, and "Other" cheese showed increases from 1999. Nonfat dry milk and fluid milk products disappearance showed decreases during the same period. ♦

Commercial Disappearance			
	2000	1999	Change*
<u>Selected Products</u>	-- Million Pounds --		
Butter	1,329.4	1,308.8	1.3%
American Cheese	3,632.1	3,586.4	1.0%
Other Cheese	4,928.1	4,677.8	5.1%
Nonfat Dry Milk	770.6	791.1	-2.9%
Fluid Milk Products	55,496.2	55,712.2	-0.7%
<b>Total **</b>	<b>169,205</b>	<b>164,917</b>	<b>2.3%</b>

\* From year earlier on a daily average basis. \*\* Commercial Disappearance, milk-equivalent, milk fat basis. Source: Dairy Market News, Volume 68, No. 13.

**FUTURES MARKETS: UNIFORM PRICE OUTLOOK FOR THE REMAINDER OF 2001**

**NOTE: The following article is for information purposes only. The prices reported in this article do not constitute or establish minimum prices for milk pooled under any Federal Order. Use this information at your own discretion. This article uses the opinion of the Class III and IV Futures markets to estimate what commodity and producer prices might be under anticipated market conditions.**

Futures markets' primary functions are to facilitate the management of risk, aid firms in the discovery of forward pricing, provide means for firms to request and secure additional operating capital, and provide a source of information for decision making. The purpose of this article is to show how the Chicago Mercantile Exchange (CME) Class III and IV futures markets relate to what producers might expect to see in prices for the remaining months of 2001. Futures markets are a speculation of what traders anticipate the price could be in coming months. Many variables that affect dairy prices can change during intervening months. Economic, institutional, political, weather, feed, and any number of other changes could affect the supply and demand of dairy products and could affect the level of actual dairy prices. Futures markets are truly valid only if you buy or sell a futures contract or an option. The estimates in this article are based on information available on Thursday, April 20, 2001, and provide a benchmark of what the futures markets expect to happen through the end of the year.

The table below shows the Class III and IV futures markets' prices, estimated NASS weighted average cheese and butter prices derived from Class III and IV futures prices, and estimated uniform prices. Four assumptions are made to estimate a uniform price: 1) National Agricultural Statistics Service (NASS) nonfat dry milk price will be constant throughout the remainder of 2001 at \$1.0150; 2) NASS whey prices will be constant throughout the remainder of 2001 at \$0.2400; 3) the previous month's futures prices provide estimates for the Class I price and the Class II skim price; and 4) the utilization rates of producer milk by class are the same as a year ago. By rewriting Federal order price equations to solve for NASS weighted average cheese and butter prices, a complete, albeit estimated, price picture can be created. The estimated NASS butter prices can be checked against the CME Butter futures prices to assess their validity.

The CME futures markets, on April 20, 2001, estimated the Class III price to average \$12.54 during 2001. The Class IV price was expected to average \$14.64. To achieve these prices, under the assumptions described above, NASS weighted average cheese and butter prices would have to average \$1.3931 and \$1.7632, respectively. These prices suggest that the annual average uniform price for 2001 could be \$14.55 for the Pacific Northwest Order, \$14.66 for the Arizona-Las Vegas Order, and \$13.99 for the Western Order. ♦

**PRICE ESTIMATES FOR APRIL-DECEMBER 2001**

The prices reported in this table do not constitute or establish minimum prices for milk pooled under any Federal Order.

2001	Futures Market 1/		NASS Weighted Average		Estimated Uniform Price		
	Class III	Class IV	Cheese	Butter	FO 124	FO 131	FO 135
<b>January 2/</b>	<b>\$ 9.99</b>	<b>\$12.13</b>	<b>\$1.1180</b>	<b>\$1.1725</b>	<b>\$12.34</b>	<b>\$12.37</b>	<b>\$11.70</b>
<b>February 2/</b>	<b>\$10.27</b>	<b>\$12.70</b>	<b>\$1.1467</b>	<b>\$1.3143</b>	<b>\$12.35</b>	<b>\$12.48</b>	<b>\$11.79</b>
<b>March 2/</b>	<b>\$11.42</b>	<b>\$13.46</b>	<b>\$1.2737</b>	<b>\$1.4942</b>	<b>\$13.34</b>	<b>\$13.31</b>	<b>\$12.89</b>
April	\$12.06	\$14.50	\$1.3462	\$1.7306	\$14.02	\$14.09	\$13.47
May	\$12.85	\$15.87	\$1.4358	\$2.0516	\$15.27	\$15.42	\$14.36
June	\$13.20	\$15.69	\$1.4682	\$2.0094	\$15.51	\$15.65	\$14.66
July	\$13.65	\$15.74	\$1.5126	\$2.0211	\$15.61	\$15.74	\$14.89
August	\$13.75	\$15.75	\$1.5224	\$2.0234	\$15.72	\$15.92	\$15.18
September	\$13.85	\$15.60	\$1.5308	\$1.9883	\$15.65	\$15.74	\$15.32
October	\$13.65	\$15.09	\$1.5066	\$1.8688	\$15.32	\$15.47	\$15.07
November	\$13.10	\$15.00	\$1.4522	\$1.8477	\$15.06	\$15.15	\$14.54
December	\$12.69	\$14.10	\$1.4040	\$1.6369	\$14.44	\$14.54	\$14.01
<b>Average</b>	<b>\$12.54</b>	<b>\$14.64</b>	<b>\$1.3931</b>	<b>\$1.7632</b>	<b>\$14.55</b>	<b>\$14.66</b>	<b>\$13.99</b>

1/ Futures markets' prices are Friday, April 20, 2001, closing prices. 2/ Actual Prices.

# MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Mar 2001	Feb 2001	Mar 2000	Mar 2001	Feb 2001	Mar 2000	Mar 2001	Feb 2001	Mar 2000
<b>Minimum Class Prices (3.5% B.)</b>									
Class I Milk (\$/cwt.)	\$14.55	\$13.84	\$12.74	\$14.55	\$13.84	\$12.74	\$15.00	\$14.29	\$13.19
Class II Milk (\$/cwt.)	14.17	13.43	11.71	14.17	13.43	11.71	14.17	13.43	11.71
Class III Milk (\$/cwt.)	11.42	10.27	9.54	11.42	10.27	9.54	11.42	10.27	9.54
Class IV Milk (\$/cwt.)	13.46	12.70	11.00	13.46	12.70	11.00	13.46	12.70	11.00
<b>Producer Prices</b>									
Producer Price Differential (\$/cwt.)	\$ 1.92	\$ 2.08	\$ 1.63	\$ 1.47	\$ 1.52	\$ 1.48	+	+	+
Butterfat (\$/pound)	1.6820	1.4626	1.0191	1.6820	1.4626	1.0191	+	+	+
Protein (\$/pound)	1.6498	1.4951	1.9166	1.6498	1.4951	1.9166	+	+	+
Other Solids (\$/pound)	0.1039	0.1199	0.0424	0.1039	0.1199	0.0424	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.83	7.75	8.00
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.6454	1.4290	1.0157
Statistical Uniform Price (\$/cw .)	\$13.34	\$12.35	\$11.17	\$12.89	\$11.79	\$11.02	\$13.31	\$12.48	\$11.28
<b>Producer Data</b>									
Number of Producers	1,102 *	1,102	1,064	749 *	756	751	118 *	118	118
Avg. Daily Production (lbs.)	15,832 *	16,169	18,013	12,929 *	13,879	15,774	73,406 *	74,322	78,344
<b>Number of Handlers</b>									
Pool Handlers	26	26	27	15	17	19	6	7	6
Producer-Handlers	10	10	12	7	7	7	1	1	1
Other Plants w/ Class I Use	5	5	5	10	10	10	1	3	3
<b>Producer Milk Ratios</b>									
Class I	33.68%	31.90%	30.93%	29.74%	27.65%	25.13%	31.81%	31.57%	30.11%
Class II	8.57%	6.50%	7.05%	8.81%	8.37%	9.41%	4.61%	3.90%	2.08%
Class III	36.48%	37.57%	31.65%	60.27%	62.67%	43.45%	36.97%	35.47%	33.57%
Class IV	21.27%	24.03%	30.37%	1.18%	1.31%	22.01%	26.61%	29.06%	34.24%

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

	Feb 2001	Jan 2001	Feb 2000	Feb 2001	Jan 2001	Feb 2000	Feb 2001	Jan 2001	Feb 2000
<b>Producer-Handler Data</b>									
Production	22,129,557	23,943,472	22,657,351	2,134,114	2,360,071	2,331,231	R	R	R
Class I Use	16,769,325	19,319,544	17,852,936	1,556,170	1,827,191	1,684,825	R	R	R
% Class I Use	75.78%	80.69%	78.80%	72.92%	77.42%	72.27%	R	R	R
<b>Class I Route Disposition In Area</b>									
By Pool Plants	148,859,819	171,630,236	155,811,899	66,986,880	73,673,989	71,284,641	71,660,613	80,371,028	77,282,479
By Producer-Handlers	16,684,638	19,303,559	17,743,835	1,555,578	1,843,538	1,663,618	R	R	R
By Other Plants	910,476 *	780,499	599,904	1,177,470 *	1,212,561	1,105,983	13,691,566 *	15,112,272	10,036,164
Total **	166,454,933	191,714,294	174,155,638	69,719,928	76,730,088	74,054,242	R	R	R

\* Preliminary.

\*\* May not add due to rounding.

R = Restricted.

# MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS			
	Mar 2001	Feb 2001	Mar 2000	Mar 2001	Feb 2001	Mar 2000	Mar 2001	Feb 2001	Mar 2000	
TOTAL PRODUCER MILK	540,851,627	498,919,865	594,152,814	300,209,737	293,798,204	367,224,598	268,520,808	245,559,690	286,582,318	
RECEIPTS FROM OTHER SOURCES	11,455,324	8,797,428	11,618,719	5,031,962	3,973,328	10,465,588	3,830,061	1,284,679	14,323,081	
OPENING INVENTORY . . . . .	22,241,395	25,141,269	21,480,589	11,392,759	10,977,569	12,886,958	12,194,863	10,932,241	17,674,076	
<b>TOTAL TO BE ACCOUNTED FOR</b>	<b>574,548,346</b>	<b>532,858,562</b>	<b>627,252,122</b>	<b>316,634,458</b>	<b>308,749,101</b>	<b>390,577,144</b>	<b>284,545,732</b>	<b>257,776,610</b>	<b>318,579,475</b>	
<b>UTILIZATION OF RECEIPTS</b>										
Whole milk . . . . .	27,277,137	24,662,932	26,429,459	12,103,170	10,823,463	11,848,921	20,350,042	19,020,872	20,628,960	
Flavored milk & milk drinks . . . . .	10,896,703	8,813,884	8,139,405	6,003,379	5,892,253	6,120,937	4,565,480	4,157,527	4,463,910	
2% milk . . . . .	75,086,743	66,012,861	74,271,125	29,713,642	27,053,598	33,036,121	31,715,826	28,246,140	34,250,516	
1% milk . . . . .	25,940,446	22,984,578	26,832,148	16,093,493	14,171,436	15,939,615	9,519,650	8,967,674	9,992,640	
Skim milk . . . . .	28,885,007	25,318,535	29,114,502	9,525,390	8,487,853	10,032,739	11,631,210	10,802,843	12,466,751	
Buttermilk . . . . .	1,598,706	1,067,029	1,742,348	605,138	558,277	676,976	530,687	465,557	524,862	
CLASS I ROUTE DISP. IN AREA . .	169,684,742	148,859,819	166,528,987	74,044,212	66,986,880	77,655,309	78,312,895	71,660,613	82,327,639	
Class I dispositions out of area . .	7,379,685	8,805,667	10,312,445	13,078,086	12,077,581	12,502,173	4,930,461	4,217,433	5,076,851	
Other Class I usage . . . . .	18,128,706	17,911,728	19,805,847	10,029,715	9,478,934	10,910,000	8,322,728	6,968,858	8,532,239	
<b>TOTAL CLASS I USE . . . . .</b>	<b>195,193,133</b>	<b>175,577,214</b>	<b>196,647,279</b>	<b>97,152,013</b>	<b>88,543,395</b>	<b>101,067,482</b>	<b>91,566,084</b>	<b>82,846,904</b>	<b>95,936,729</b>	
<b>TOTAL CLASS II USE . . . . .</b>	<b>54,182,366</b>	<b>37,781,899</b>	<b>48,457,846</b>	<b>30,773,090</b>	<b>28,195,290</b>	<b>36,635,213</b>	<b>13,490,927</b>	<b>10,036,036</b>	<b>13,212,749</b>	
<b>TOTAL CLASS III USE . . . . .</b>	<b>199,588,366</b>	<b>188,327,570</b>	<b>190,659,122</b>	<b>181,589,025</b>	<b>184,431,454</b>	<b>167,415,114</b>	<b>100,755,856</b>	<b>87,315,717</b>	<b>97,297,558</b>	
<b>TOTAL CLASS IV USE . . . . .</b>	<b>125,584,481</b>	<b>131,171,879</b>	<b>191,487,875</b>	<b>7,120,330</b>	<b>7,578,962</b>	<b>85,459,335</b>	<b>78,732,865</b>	<b>77,577,953</b>	<b>112,132,439</b>	
<b>TOTAL ACCOUNTED FOR . . . . .</b>	<b>574,548,346</b>	<b>532,858,562</b>	<b>627,252,122</b>	<b>316,634,458</b>	<b>308,749,101</b>	<b>390,577,144</b>	<b>284,545,732</b>	<b>257,776,610</b>	<b>318,579,475</b>	
<b>CLASSIFICATION OF RECEIPTS</b>										
Producer milk:	Class I . .	182,139,754	159,140,104	183,764,078	89,269,607	81,245,201	92,266,755	85,396,718	77,533,192	86,292,630
	Class II . .	46,344,358	32,440,082	41,888,489	26,464,251	24,584,470	34,565,481	12,389,575	9,574,520	5,955,451
	Class III . .	197,292,451	187,455,263	188,076,405	180,938,301	184,120,664	159,552,396	99,285,312	87,099,912	96,201,594
	Class IV . .	115,075,064	119,884,416	180,423,842	3,537,578	3,847,869	80,839,966	71,449,203	71,352,066	98,132,643
Other receipts:	Class I . .	13,053,379	16,437,110	12,883,201	7,882,406	7,298,194	8,800,727	16,024,924	12,216,920	31,997,157
	Class II . .	7,838,008	5,341,817	6,569,357	4,308,839	3,610,820	2,069,732	1/	1/	1/
	Class III . .	2,295,915	872,307	2,582,717	650,724	310,790	7,862,718	1/	1/	1/
	Class IV . .	10,509,417	11,287,463	11,064,033	3,582,752	3,731,093	4,619,369	1/	1/	1/
Avg. daily producer receipts . . . .		17,446,827	17,818,567	19,166,220	9,684,185	10,492,793	11,845,955	8,661,962	8,769,989	9,244,591
Change From Previous Year . .		-8.97%	-5.96%		-18.25%	0.57%		-6.30%	-6.47%	
Avg. daily Class I use . . . . .		6,296,553	6,270,615	6,343,461	3,133,936	3,162,264	3,260,241	2,953,745	2,958,818	3,094,733
Change From Previous Year . .		-0.74%	0.55%		-3.87%	0.17%		-4.56%	-3.86%	

1/ Restricted - Included with Class I.

**HIGHLIGHTS THIS ISSUE:**

- **Market Summaries for March 2001**
- **March 2001 Class Prices and Commodity Prices**
- **Class I Prices for May 2001**
- **Dairy Situation And Outlook**
- **USDA Proposes Changes to its Recommended Requirements for Manufacturing Grade Milk**
- **Commercial Disappearance for 2000**
- **Futures Markets: Uniform Price Outlook for the Remainder of 2001**

**Milk Production, January-March 2000 and 2001**

	2000	2001	% Change 1/
	- million pounds -		
Arizona	819	746	-7.90%
California	8,005	8,082	2.08%
Idaho	1,683	1,815	9.04%
Minnesota	2,481	2,327	-5.17%
New Mexico	1,288	1,302	2.21%
New York	3,018	2,848	-4.58%
Oregon	422	396	-5.12%
Texas	1,627	1,389	-13.68%
Utah	410	392	-3.33%
Washington	1,387	1,337	-2.53%
Wisconsin	5,846	5,637	-2.50%
<b>US Total</b>	<b>42,630</b>	<b>41,326</b>	<b>-1.98%</b>

1/ Adjusted for leap year.

Source: National Agricultural Statistics Service.