The Market Administrator's Report

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

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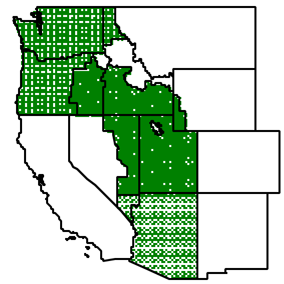

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SEPTEMBER 2001

MARKET SUMMARIES FOR AUGUST

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

Pacific Northwest

Producers delivered a total of 628.3 million pounds of milk to the market during August. Daily deliveries averaged 20.3 million pounds, down 2.4 percent from July. An estimated 1,250 producers delivered milk to the market during the month. Daily deliveries per producer averaged 16,214 pounds, down 2.4 percent from July.

Class I producer milk during August totaled 174.1 million pounds, 27.7 percent of total producer receipts. Daily usage averaged 5.6 million pounds, up 3.3 percent from July.

Arizona-Las Vegas

Producers delivered a total of 220.8 million pounds of milk to the market during August. Daily deliveries averaged 7.1 million pounds, down 4.9 percent from July. An estimated 113 producers delivered milk to the market during the month. Daily deliveries per producer averaged 63,029 pounds, down 4.9 percent from July.

Class I producer milk during August totaled 81.9 million pounds, 37.1 percent of total producer receipts. Daily usage averaged 2.6 million pounds, up 12.0 percent from July.

Western

Producers delivered a total of 456.5 million pounds of milk to the market during August. Daily deliveries averaged 14.7 million pounds, up 2.0 percent from July. An estimated 760 producers delivered milk to the market during the month. Daily deliveries per producer averaged 19,376 pounds, up 2.0 percent from July.

Class I producer milk during August totaled 91.0 million pounds, 19.9 percent of total producer receipts. Daily usage averaged 2.9 million pounds, up 8.6 percent from July. ♦

Federal Order Producer Prices and Component Levels: August 2001

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	15.99	16.39	16.04	Butterfat	3.583	3.568	3.529
Butterfat 2/	2.2976	2.2879	2.2976	Protein	2.986	N/A	2.994
Protein 2/	2.2188	N/A	2.2188	Other Solids	5.716	N/A	5.716
Other Solids 2/	0.1535	N/A	0.1535	Nonfat Solids	8.701	N/A	8.709
PPD 1/*	0.44	N/A	0.49				
Skim 1/	N/A	8.69	N/A				

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

AUGUST'S CLASS PRICES

August's non-advanced Class Prices were calculated using NASS commodity price surveys from August 4, 11, 18, and 25. Component prices for the month are $2.2188 per pound of protein, $2.2976 per pound of butterfat, $0.1535 per pound of other solids, and $0.8073 per pound of nonfat solids.

August's Class III and IV prices at 3.5% butterfat are $15.55 and $15.06 per hundredweight, respectively. Class II butterfat was also announced at $2.3046 per pound. Class I skim and butterfat and Class II skim prices for August were announced on July 20, 2001. The Class II price at 3.5% butterfat is $15.98 for August.

The August Class III price compared to July is up $0.09. The Class III price is $5.42 higher than August 2000 and $5.75 above the support price.

FINAL: NASS COMMODITY PRICES

	July	August	Change
Cheese*	$1.6573	$1.6693	$0.0120
Butter	$1.9094	$1.9990	$0.0896
Nonfat Dry Milk	$0.9634	$0.9473	-$0.0161
Whey	$0.2862	$0.2886	$0.0024

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

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed an increase of 5.81 cents between the August 11 and the September 15 surveys, to $1.7239 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 4.22 cents to $1.6866 per pound.

The NASS butter price showed an increase of 20.66 cents between the weeks ending August 11 and September 15 from $1.9705 per pound to $2.1771 per pound.

The NASS nonfat dry milk showed a net increase of 0.87 cents since mid-August to $0.9488 per pound. The average price for NASS whey showed a net increase of 0.04 cents since mid-August to $0.2870 per pound. ♦

OCTOBER'S CLASS I PRICE ANNOUNCEMENT

On September 21, the October 2001 Class I price was announced at $17.83 for the Pacific Northwest and Western Orders, and $18.28 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of September 8 and 15.

The October Class III and IV advance skim prices are $7.38 and $7.30 per hundredweight, respectively. The Class III skim price set the Class I skim price for the third consecutive month. The butterfat portion of the Class I mover increased 27.28 cents from $2.2432 to $2.5160 per pound.

The October 2001 Class II skim and nonfat solids prices were also announced on September 21. The skim price is $8.00 per hundredweight, and the nonfat solids price is $0.8889 per pound for all Federal Orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	September	October	Change
Cheese*	$1.6696	$1.7136	$0.0440
Butter	$1.9544	$2.1781	$0.2237
Nonfat Dry Milk	$0.9445	$0.9506	$0.0061
Whey	$0.2871	$0.2876	$0.0005

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

THE DAIRY SITUATION AND OUTLOOK

Milk Production Down, Dairy Product Demand Strong -- Wholesale prices of dairy products have not exactly been steady but have not changed much since spring. Milk production has recovered only slightly and remains well below a year earlier. Meanwhile, dairy product demand has held strong despite mixed economic trends. Dairy prices may slip slowly during autumn 2001, but conditions are not projected to change quickly. In fact, market tightness probably could send prices upward in response to only slightly different outcomes.

Milk cow numbers have been about flat during recent months, at a level about 1 percent below the rising cow numbers of a year earlier. This year's much higher returns apparently have already slowed dairy farm exits. However, the very tight supplies of replacement heifers continue to inhibit expansion by stronger farms and caused farms to adopt the short-run expedient of keeping last-lactation cows an extra month or two. In addition, tight western hay supplies and high prices may also be affecting expansion plans. Milk per cow continues to suffer in the face of very favorable milk-feed price ratios. Forage quality remains a major factor. Widespread summer heat has had a significant effect, coming on the heels of damage from last winter's weather. Milk per cow has recovered a little from March-April but stays far below the trend line. Significant growth from a year earlier is not expected until autumn. Milk production is expected to move above a year earlier this autumn but large increases are not projected until 2002. Average cow numbers and milk production are expected to decline about 1 percent in 2001. Milk output could surge almost 3 percent in 2002 if milk per cow resumes trend growth as expected.

By the end of July, the high U.S. butter prices had attracted the equivalent of 24 million pounds of butter imported beyond the tariff-rate quota (TRQ). The high tariff imports consisted of almost twice as much butter as butteroil. The somewhat tight international butter markets, the seasonal lack of Southern Hemisphere production, the difficulty of marketing imported butter, and the inherent riskiness of over-TRQ imports limited such imports despite the nominal profitability. Over-TRQ imports are not expected to be significant this autumn. Since the reduction in the support purchase price of nonfat dry milk, U.S. powder has been available for commercial export at some very attractive prices. The European Union (EU) set their export restitution at zero, reflecting their tight domestic situation and international market strength. Even so, buyers have been very unaggressive. The large U.S. supplies are ample for importers' needs, and further weakening in U.S. prices is possible. In addition, seasonal tightening is still a few months away. Significant exports reportedly have been made, but large shipments probably will not start until autumn.

Seasonal easing in cream availability will start soon, as farm milkfat production increases, cream available from fluid products jumps, and ice cream sales decline. Whether this easing translates into lower butter prices hinges on the state of current stocks, particularly pipeline stocks, and expectations of autumn market conditions. Late August price increases imply that users probably are not comfortable with supplies. Even so, prices may peak relatively early if milk production recovers as expected. However, milkfat markets probably will stay fairly tight until yearend and may remain volatile. Cheese prices may be softened by rising milk output and any slippage in butter prices. Like butter prices, cheese prices are not expected to decline substantially until at least yearend. Cheese prices will also be affected by where nonfat dry milk prices settle. Recent prices for powder have included sales at prices well above the current support purchase price of 90 cents per pound even though sales to the Government have been sizable. If additional commercial exports materialize, price support purchases may cease seasonally, but average prices may slip from current levels. Farm milk prices will be strong during the rest of the year, and the 2001 annual average will jump about $3 per cwt to near-record levels. The expected surge in milk production next year probably will wipe out more than half of this year's price increase. Even so, farm milk prices are projected to stay well above those of 2000.

SOURCE: "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-86, August 29, 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.

ANALYSIS OF COMPONENT LEVELS IN INDIVIDUAL HERD MILK AT THE FARM LEVEL: 2000

The following is the abstract from the Seattle Market Administrator's study entitled: "*Analysis Of Component Levels In Individual Herd Milk At The Farm Level: 2000.*" A copy of this complete study will be available from this office and on our web site at ***http://www.fmmaseattle.com.***

Component levels in producer milk pooled on the Pacific Northwest (FO 124), Arizona-Las Vegas (FO 131), and Western (FO 135) Orders were analyzed for 2000 to determine average levels, regional and seasonal variation, and, when possible, the statistical relationship between components. Handlers regulated under the Pacific Northwest and Western Orders report butterfat, protein, and other solids. Handlers regulated under the Arizona-Las Vegas Order report butterfat only.
Producer milk pooled was also valued using Federal order minimum producer prices for the respective orders. For 2000, a monthly average total of 1,950 producers were pooled on the Pacific Northwest, Arizona-Las Vegas, and Western Orders. During 2000, these producers delivered 13.9 billion pounds to the three markets. The milk shed of the three Federal orders includes Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming.

Major findings of this study include:

1. The 2000 average component levels for the Pacific Northwest Order were 3.65% butterfat, 3.02% true protein, and 5.71% other solids. The 2000 average component levels for the Western Order were 3.61% butterfat, 3.05% true protein, and 5.72% other solids. The 2000 average butterfat level for the Arizona-Las Vegas Order was 3.62%.

2. In all three orders, butterfat and protein levels decrease during the summer months and increase in the late fall and winter.

3. Although the volume of producer milk, number of producers, and average milk production per producer varies greatly between regions, there are only small differences in aggregate component levels between geographic regions within the milk shed of the three orders.

4. The Pacific Northwest Order's linear regression in 2000 for protein is PRO% = 1.53 + 0.414 * BF%, with an R-squared of 0.60. The Western Order's linear regression in 2000 for protein is PRO% = 1.75 + 0.366 * BF%, with an R-squared of 0.45.

The Pacific Northwest and Western Orders' regressions for estimating other solids using butterfat have a very poor correlation (R-squared of less than 0.05). The monthly regression varies between a positive and negative relationship, with other solids levels appearing to be independent of butterfat levels. ♦

COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS UP 1.4% FOR FIRST HALF OF 2001

Commercial disappearance of U.S. milk for the first half of 2001 was up 1.4 percent over the same period of 2000. 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.

American cheese, "Other" cheese and nonfat dry milk products showed increases from 2000. Nonfat dry milk disappearance increased the most, up 25.9%. Butter disappearance decreased the most, down 3.7%. ♦

Commercial Disappearance

	January-June		%
	2001	2000	Change
Selected Products	- - Million Pounds - -		1/
Butter *	560.3	585.3	-3.7
American Cheese *	1,811.1	1,754.8	3.8
Other Cheese *	2,436.1	2,391.4	2.4
Nonfat Dry Milk *	434.5	347.0	25.9
Fluid Milk Products	27,420.5	27,593.4	-0.1
Total *	82,939	82,245	1.4

* Commercial Disappearance, milk-equivalent, milk fat basis. 1/ Adjusted for leap year. Source: Dairy Market News, Volume 68, No. 35.

(Continued From Page 8)

For nine years, Yates worked for the California Department of Food and Agriculture, serving as Deputy Secretary from August 1991 to December 1996 and Under Secretary until January 1999. In these positions, Yates managed the following divisions: Animal Health, Food Safety Services, Inspection Services, Marketing Services, Plant Health, and Pest Prevention Services. After leaving CDFA in 2000, Yates was a senior marketing consultant with Panagraph Marketing Solutions.

"A.J. Yates has exceptional qualifications," Veneman said. "I am confident that his expertise, leadership, and professionalism will strengthen AMS' ability to help American consumers and producers."

The role of USDA's Agricultural Marketing Service is to maintain a stable marketing environment for the benefit of America's farmers, ranchers, and consumers. The agency accomplishes this mission using tools such as federal marketing orders, research and promotion programs, the federal-state marketing improvement program, and the wholesale market development program. Agricultural transportation issues, market regulatory laws, market news, and federal grading and certification are other tools that help assure a steady supply of high-quality food on American tables. ♦

UNITED STATES MILK PRODUCTION DOWN 0.8 PERCENT IN AUGUST 2001

Milk production for August 2001 was down 0.84 percent for the United States compared with August 2000. United States milk production for August 2001 equaled 13,682 million pounds, 116 million pounds less than last August. The graph below shows monthly milk production for the 20 major dairy states, January 1999 through August 2001. The table to the right shows data for August 2001 for selected states with comparisons to year-ago levels.

Milk production in the 20 major states during August 2001 totaled 11,828 million pounds, down 0.84 percent from production in these same states in August 2000.

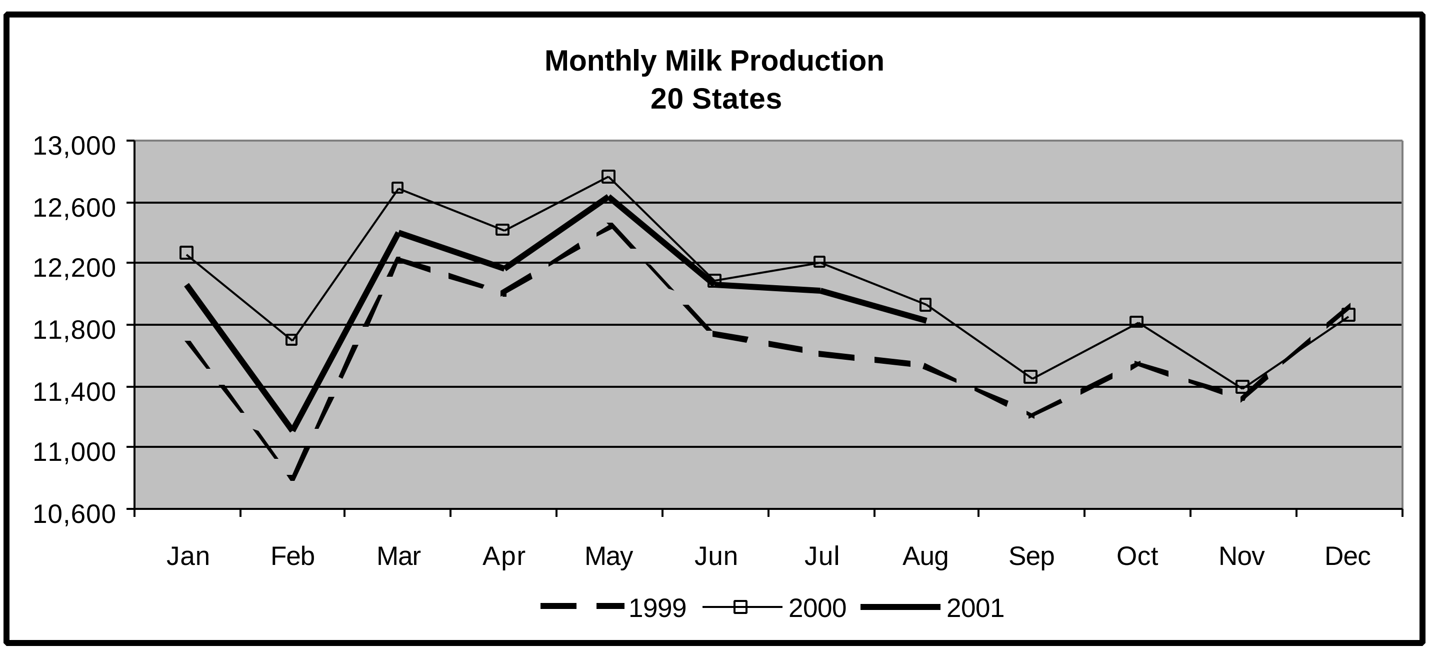
In rank order of contribution, Wisconsin, Minnesota, Texas, Pennsylvania, Missouri, and Iowa were the primary sources of decreases in milk production that more than offset the increases in the other states. In a similar method of ranking, California, Idaho, New Mexico, Indiana, New York, Washington, and Florida showed increases in milk production from year-ago levels.

The number of milk cows in the US was down from July at 9,116 thousand head, and down 112 thousand (1.21%) from August 2000. Milk production per cow is decreasing seasonally but is slightly higher this August (1,501) compared to last August (1,495). ♦

Milk Production
August 2000 - 2001

	2000	2001 1/	% Change
Arizona	218	213	-2.29%
California	2,683	2,815	4.92%
Florida	175	176	0.57%
Idaho	635	681	7.24%
Illinois	168	158	-5.95%
Indiana	195	206	5.64%
Iowa	325	305	-6.15%
Kentucky	134	134	0.00%
Michigan	485	480	-1.03%
Minnesota	761	714	-6.18%
Missouri	173	148	-14.45%
New Mexico	441	474	7.48%
New York	1,009	1,016	0.69%
Ohio	366	361	-1.37%
Oregon 2/	N/A	N/A	N/A
Pennsylvania	919	885	-3.70%
Texas	412	367	-10.92%
Utah 2/	N/A	N/A	N/A
Vermont	233	225	-3.43%
Virginia	150	150	0.00%
Washington	479	480	0.21%
Wisconsin	1,967	1,840	-6.46%
20 State 2/	11,928	11,828	-0.84%
U.S. Total	13,798	13,682	-0.84%

1/ August 2001 is preliminary. 2/ Data for Oregon and Utah is published quarterly. 20 States do not include Oregon and Utah. N/A = not available. Source: National Agricultural Statistics Service.



MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
Minimum Class Prices (3.5% B.	Aug 2001	Jul 2001	Aug 2000	Aug 2001	Jul 2001	Aug 2000	Aug 2001	Jul 2001	Aug 2000
Class I Milk ($/cwt.)	$17.30	$17.24	$13.85	$17.30	$17.24	$13.85	$17.75	$17.69	$14.30
Class II Milk ($/cwt.)	15.98	15.96	12.56	15.98	15.96	12.56	15.98	15.96	12.56
Class III Milk ($/cwt.)	15.55	15.46	10.13	15.55	15.46	10.13	15.55	15.46	10.13
Class IV Milk ($/cwt.)	15.06	14.81	11.87	15.06	14.81	11.87	15.06	14.81	11.87
Producer Prices									
Producer Price Differential ($/cwt.	$ 0.44	$ 0.34	$ 1.81	$ 0.49	$ 0.44	$ 1.40	+	+	+
Butterfat ($/pound)	2.2976	2.1883	1.2659	2.2976	2.1883	1.2659	+	+	+
Protein ($/pound)	2.2188	2.3175	1.7952	2.2188	2.3175	1.7952	+	+	+
Other Solids ($/pound)	0.1535	0.1510	0.0577	0.1535	0.1510	0.0577	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	+	+	8.69	8.69	8.01
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	2.2879	2.1971	1.2763
Statistical Uniform Price ($/cw	$15.99	$15.80	$11.94	$16.04	$15.90	$11.53	$16.39	$16.08	$12.20
Producer Data									
Number of Producers	1,250 *	1,251	1,041	760 *	760	766	113 *	113	129
Avg. Daily Production (lbs.)	16,214 *	16,605	19,067	19,376 *	18,988	12,990	63,029 *	66,299	59,737
Number of Handlers									
Pool Handlers	26	26	26	17	17	19	6	6	6
Producer-Handlers	10	10	11	6	6	7	1	1	1
Other Plants w/ Class I Use	5	5	5	10	10	10	1	1	3
Producer Milk Ratios									
Class I	27.71%	26.17%	28.49%	19.92%	18.72%	27.70%	37.11%	31.48%	35.39%
Class II	6.39%	6.18%	7.50%	11.63%	11.30%	8.29%	7.42%	5.62%	7.20%
Class III	33.47%	34.09%	33.32%	46.73%	48.54%	62.21%	37.39%	45.12%	36.22%
Class IV	32.43%	33.56%	30.69%	21.72%	21.44%	1.80%	18.08%	17.78%	21.19%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Jul 2001	Jun 2001	Jul 2000	Jul 2001	Jun 2001	Jul 2000	Jul 2001	Jun 2001	Jul 2000
Production	25,250,702	24,435,482	24,582,037	2,512,023	2,464,535	2,653,642	R	R	R
Class I Use	18,830,252	18,445,403	18,064,173	1,781,441	1,714,296	1,699,698	R	R	R
% Class I Use	74.57%	75.49%	73.49%	70.92%	69.56%	64.05%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	155,341,054	154,789,525	154,287,584	67,611,049	66,391,900	66,027,562	68,523,835	69,123,298	70,457,938
By Producer-Handlers	18,745,678	18,764,931	18,086,852	1,777,612	1,743,780	1,702,051	1/	1/	R
By Other Plants	1,499,570 *	1,906,571	813,304	1,040,041 *	1,165,164	1,002,755	28,541,381 *	29,143,142	13,960,195
Total	175,586,302	175,461,027	173,187,740	70,428,702	69,300,844	68,732,368	97,065,216	98,266,440	R

* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants.

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST Aug 2001	PACIFIC NORTHWEST Jul 2001	PACIFIC NORTHWEST Aug 2000	WESTERN Aug 2001	WESTERN Jul 2001	WESTERN Aug 2000	ARIZONA-LAS VEGAS Aug 2001	ARIZONA-LAS VEGAS Jul 2001	ARIZONA-LAS VEGAS Aug 2000
TOTAL PRODUCER MILK	628,277,150	643,972,386	615,317,025	456,502,752	447,362,300	308,452,042	220,789,171	232,246,540	238,889,435
RECEIPTS FROM OTHER SOURCES	12,178,831	12,353,560	12,557,973	6,733,381	4,894,406	29,611,419	4,634,617	6,059,171	1,219,564
OPENING INVENTORY	22,962,200	23,531,196	21,349,975	12,105,811	10,003,908	14,333,214	11,115,595	9,376,629	11,064,379
TOTAL TO BE ACCOUNTED FOR	663,418,181	679,857,142	649,224,973	475,341,944	462,260,614	352,396,675	236,539,383	247,682,340	251,173,378
UTILIZATION OF RECEIPTS									
Whole milk	27,764,627	27,081,059	27,053,864	12,862,993	11,687,999	12,009,780	21,305,331	19,838,927	20,361,949
Flavored milk & milk drinks	7,269,186	7,058,338	6,423,410	4,442,332	3,302,127	4,497,478	4,480,434	2,235,090	3,995,284
2% milk	72,042,234	69,984,367	74,060,185	31,548,182	28,554,892	31,448,530	30,094,611	28,285,330	32,303,426
1% milk	23,336,611	22,808,616	25,631,363	15,680,461	14,501,541	15,196,911	8,802,893	7,710,985	9,344,756
Skim milk	27,288,948	26,894,751	25,540,218	9,623,166	8,995,875	9,379,413	10,578,542	10,006,664	11,354,772
Buttermilk	1,576,552	1,513,923	1,652,920	631,255	568,615	668,338	387,773	446,839	500,175
CLASS I ROUTE DISP. IN AREA . .	159,278,158	155,341,054	160,361,960	74,788,389	67,611,049	73,200,450	75,649,584	68,523,835	77,860,362
Class I dispositions out of area . .	11,206,551	9,993,180	10,822,179	13,856,129	11,683,949	12,132,694	5,184,735	4,932,355	4,789,442
Other Class I usage	20,492,756	19,006,055	17,130,089	11,809,898	12,003,938	9,126,327	6,167,204	4,372,629	6,867,707
TOTAL CLASS I USE	190,977,465	184,340,289	188,314,228	100,454,416	91,298,936	94,459,471	87,001,523	77,828,819	89,517,511
TOTAL CLASS II USE	48,921,580	48,183,335	53,049,459	57,731,959	54,354,513	43,007,257	18,284,788	13,714,896	17,830,004
TOTAL CLASS III USE	210,469,077	219,627,832	206,364,191	213,328,313	217,234,796	202,461,971	82,562,973	104,779,565	86,524,720
TOTAL CLASS IV USE	213,050,059	227,705,686	201,497,095	103,827,256	99,372,369	12,467,976	48,690,099	51,359,060	57,301,143
TOTAL ACCOUNTED FOR	663,418,181	679,857,142	649,224,973	475,341,944	462,260,614	352,396,675	236,539,383	247,682,340	251,173,378
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I . .	174,076,403	168,528,024	175,285,362	90,957,679	83,754,300	85,445,455	81,925,631	73,119,170	84,557,892
Class II . .	40,161,778	39,813,052	46,148,087	53,074,775	50,560,184	25,575,586	16,378,625	13,051,651	17,192,862
Class III . .	210,277,598	219,539,152	205,016,457	213,328,313	217,141,978	191,880,742	82,562,973	104,779,565	86,524,720
Class IV . .	203,761,371	216,092,158	188,867,119	99,141,985	95,905,838	5,550,259	39,921,942	41,296,154	50,613,961
Other receipts: Class I . .	16,901,062	15,812,265	13,028,866	9,496,737	7,544,636	9,014,016	15,750,212	15,435,800	12,283,943
Class II . .	8,759,802	8,370,283	6,901,372	4,657,184	3,794,329	17,431,671	1/	1/	1/
Class III . .	191,479	88,680	1,347,734	0	92,818	10,581,229	1/	1/	1/
Class IV . .	9,288,688	11,613,528	12,629,976	4,685,271	3,466,531	6,917,717	1/	1/	1/
Avg. daily producer receipts	20,267,005	20,773,303	19,848,936	14,725,895	14,431,042	9,950,066	7,122,231	7,491,824	7,706,111
Change From Previous Year . .	2.11%	4.88%		48.00%	13.87%		-7.58%	-7.74%	
Avg. daily Class I use	6,160,563	5,946,461	6,074,653	3,240,465	2,945,127	3,047,080	2,806,501	2,510,607	2,887,662
Change From Previous Year . .	1.41%	3.07%		6.35%	5.21%		-2.81%	-3.04%	

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for August 2001**
- **August 2001 Class Prices and Commodity Prices**
- **Class I Prices for October 2001**
- **The Dairy Situation And Outlook**
- **Analysis Of Component Levels In Individual Herd Milk At The Farm Level: 2000**
- **Commercial Disappearance Of Dairy Products Up 1.4% For First Half Of 2001**
- **U.S. Milk Production Down 0.8 Percent in August**
- **Veneman Selects A.J. Yates to Head Agricultural Marketing Service**

VENEMAN SELECTS A.J. YATES TO HEAD AGRICULTURAL MARKETING SERVICE

Agriculture Secretary Ann M. Veneman announced September 18th the selection of A.J. Yates as the Administrator of USDA's Agricultural Marketing Service.

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September 11, 2001

The employees of the Seattle MA office join with other members of the dairy industry, Market Administrator staffs, AMS, and USDA, in remembering September 11, 2001. We offer our condolences to the family and friends of those lost and keep all those who were touched by this tragedy in our thoughts and prayers.