



United States
Department of
Agriculture

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D&DOD-78

Farm and
Foreign
Agricultural
Services

NOTICE TO THE DAIRY INDUSTRY

Farm Service
Agency

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The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2000, extended the Dairy Price Support Program through calendar year 2000 at the 1999 support price of \$9.90 per hundredweight of milk with an annual average milkfat content of 3.67 percent. The Secretary of Agriculture is permitted to change the purchase prices for butter, cheese and nonfat dry milk (NDM) twice during calendar year 2000. Accordingly, the announced purchase prices of these products were adjusted to reflect the new pricing formulas under the reformed Federal Milk Marketing Orders.

Effective July 31, 2000, the Commodity Credit Corporation (CCC) adjusted the purchase prices for bulk dairy products bought under the price support program. The adjusted prices are as follows: butter increased 1.8 cents to \$.6680 per pound, and block Cheddar and barrel cheese increased 2.2 cents to \$1.1220 and \$1.0920 per pound, respectively. The purchase prices for NDM and fortified NDM remain unchanged at \$1.0100 and \$1.0200 per pound, respectively.

Corresponding changes have also been made in the CCC announced prices for consumer-size packages of print butter and process cheese subject to the terms and conditions of their respective announcements. The adjusted prices are: \$.6980 per pound for print butter, \$1.1745 per pound for 5-pound loaves of process cheese, and \$1.2145 per pound for 2-pound loaves of process cheese. The announced price for consumer-size packages of instant NDM remains unchanged at \$1.1675 per pound.

The following purchase prices for bulk dairy products, in accordance with Announcement Dairy-5 are effective until further notice:



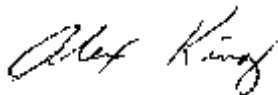
CCC PURCHASE PRICES FOR SURPLUS DAIRY PRODUCTS

(Dollars per pound)

	<u>Produced Before 7/31/00 And Offered by 8/14/00</u>	<u>Produced On or After 7/31/00 or Offered After 8/14/00</u>
PRODUCTS		
BUTTER		
U.S. Grade A or Higher 25-kg blocks, Salted	.6500	.6680
NONFAT DRY MILK (Spray)		
U.S. Extra Grade (but not more than 3.5% moisture) Nonfortified (25-kg bags) <u>1/</u>	1.0100	1.0100
Fortified (Vitamins A & D) (25-kg bags)	1.0200	1.0200
CHEESE		
Standard Moisture Basis <u>2/</u> 37.8-39.0 Moisture		
40-lb. block Cheddar U.S. Grade A or higher (but not more than 38.5% moisture)	1.1000	1.1220
500-lb. barrel Cheese U.S. Extra Grade (but not more than 36.5% moisture)	1.0700	1.0920

1/ Nonfat dry milk in bags which are classified as "Type X" will be accepted at a discount of 0.50 cent (½ cent) per pound.

2/ The prices per pound for cheese which contains less than 37.8 percent moisture are contained in the Moisture Adjustment Cheese Price Chart (Form FSA-150).



Alex King, Acting Deputy Administrator
Commodity Operations

