



**United States
Department of
Agriculture**

Farm and Foreign
Agricultural
Services

Farm Service
Agency

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NOTICE TO THE DAIRY INDUSTRY

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, extended the Milk Price Support Program through calendar year 2001 at the 2000 support price of \$9.90 per hundredweight (cwt) of milk with an annual average milkfat content of 3.67 percent. Effective May 31, 2001, the announced purchase prices for butter and nonfat dry milk (NDM) were adjusted to change the butter/NDM tilt. Cheese prices are unchanged.

The Agriculture Market Transition Act permits the Secretary to change the Commodity Credit Corporation (CCC) announced purchase prices twice each calendar year under the Milk Price Support Program. The decision to change the tilt was based on a number of factors, including: a large accumulation of NDM stocks well above the CCC's ability to use the product, the level of expenditures by CCC, and significant market distortions.

CCC increased the price it pays for butter by 19.99 cents to \$0.8548 per pound, and decreased the price of NDM and fortified NDM by 10.32 cents to \$0.9000 and \$0.9100 per pound, respectively. The purchase price for block Cheddar and barrel cheese remain unchanged at \$1.1314 and \$1.1014 per pound, respectively. Corresponding changes have also been made in the CCC announced prices for consumer-size packages of print butter and instant nonfat dry milk, while process cheese prices are unchanged.

The attached purchase prices for dairy products, in accordance with Announcements DAIRY-5 (bulk butter, cheese, NDM and fortified NDM), PCA-1 (process cheese), PBA-1 (print butter), and IMA-1 (instant NDM) are effective until further notice.

/s/ George W. Aldaya

George W. Aldaya
Director

Attachment



**CCC PURCHASE PRICES FOR SURPLUS DAIRY PRODUCTS
(Dollars per pound)**

PRODUCTS	Produced before May 31, 2001 and Offered by June 13, 2001	Produced on or after May 31, 2001 or Offered after June 13, 2001
BUTTER, SALTED:		
U.S. Grade A or Higher		
25-kg. Blocks	0.6549	0.8548
36/1-lb. Prints	0.6849	0.8848
NONFAT DRY MILK:		
(Spray) U.S. Extra Grade (but not more than 3.5 percent moisture)		
Nonfortified (25-kg. Bags) <u>1/</u>	1.0032	0.9000
Fortified (Vitamins A & D) (25-kg. Bags) <u>1/</u>	1.0132	0.9100
Instant (6/4 lb. Pkg.)	1.1607	1.0575
CHEESE:		
40-lb. Block Cheddar: U.S. Grade A or Higher (but not more than 38.5% moisture) <u>2/</u>		
	1.1314	1.1314
500-lb. Barrel Cheese: U. S. Extra Grade (but not more than 36.5% moisture) <u>2/</u>		
	1.1014	1.1014
Process, 6/5-lb. loaves	1.1839	1.1839
Process, 12/2-lb. loaves	1.2239	1.2239

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/ Standard Moisture Basis (37.8 - 39.0 percent moisture). The prices per pound for bulk cheese which contains less than 37.8 percent moisture can be calculated using the following formula: $100\% - \% \text{ moisture} \times \text{base price} \div 61\%$; the result is rounded to the nearest fourth digit to the right of decimal. Fifth digit of 5 or more is rounded up, 4 or less is rounded down.