



United States
Department of
Agriculture

August 7, 2003

D&DOD-150

Farm and Foreign
Agricultural Services

Farm Service
Agency

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

NOTICE TO THE DAIRY INDUSTRY

Subject: Salted Butter Sales for Unrestricted Use.

Commodity Credit Corporation (CCC) has acquired approximately 11 million pounds of butter under the Milk Price Support Program (MPSP) during 2003. CCC's offer to donate butter to domestic feeding programs has not generated any additional requests. Recently, butter markets tightened, cream prices increased because milk production is lower than a year ago, milk butterfat content declined seasonally and butter imports decreased. Butter sales to CCC ceased in mid-June. Several inquiries from the dairy industry regarding purchasing CCC butter have been received.

Therefore, CCC will offer for sale, over the next several months, a limited quantity of Grade A or higher salted butter for unrestricted use. CCC will issue monthly invitations and the butter will be offered at competitive bid prices. The sales will be made under the terms and conditions of Announcement DSC1 found on the Commodity Operation's website: <http://www.fsa.usda.gov/procurement>. Notices to the trade can be found at: <http://www.fsa.usda.gov/notices/htm>. CCC will continue to evaluate market conditions. Inquiries regarding sales of butter should be directed to the Dairy Procurement and Inventory Branch, at (816) 926-6050.

/s/ George W. Aldaya
George W. Aldaya
Director