

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/06):
BUTTER: Grade AA closed at \$1.1100. The weekly average for Grade AA is \$1.1100 (+.0025).

CHEESE: Barrels closed at \$1.1000 and blocks at \$1.1400. The weekly average for barrels is \$1.1075 (+.0108) and blocks, \$1.1400 (+.0167).

NONFAT DRY MILK: Extra Grade closed at \$0.9150 and Grade A at \$0.9300. The weekly average for Extra Grade is \$0.9150 (N.C.) and Grade A, \$0.9300 (N.C.).

BUTTER: Trading at the CME saw relatively little activity again this week. The market tone is steady. Churning activity was heavier late last week but eased back to moderate levels this week. Bulk and packaged butter supplies are more than adequate to cover current orders. Heavy retail feature activity last week cleared good volumes. Food service orders are improving as the Christmas shopping season usually gives restaurant business a boost. Wholesalers are fairly active as year-end holiday needs are being distributed. Butter production during October, at 102.1 million pounds, was down 7.1% from October 2001, but up 10.7 from September 2002.

CHEESE: The cheese market is steady to firm for the short term as holiday orders are being filled. Current cheese supplies are tight to adequate. Current cash cheese prices at the Chicago Mercantile Exchange this week moved above the comparable support prices for the first time since October 18. Some additional milk was available for cheese production over the long holiday weekend, particularly in the West, but was more limited elsewhere. During the period of November 27 - December 6, CCC purchased 673,200 pounds of Midwest process cheese and 163,390 pounds of Western blocks, the first block purchase since mid-September. Cumulative 2002 U.S. cheddar cheese production through the first 10 months totals 2.351 billion pounds, up 62.6 million pounds (2.7%) from the same period in 2001. Total cheese cumulative output in 2002 totals 6.992 billion pounds, up 257.6 million pounds (3.8%) or 5.9 million pounds weekly from 2001.

FLUID MILK: Milk production is steady to higher throughout the nation with the most notable increases occurring in the South. Class I demand is increasing as school sessions resume after the holiday. First of the month activity and sales from impending snow storms are also encouraging Class I movement. Condensed skim prices are unchanged on a steady market. Fluid cream supplies are in better balance after the holiday supply influx. Multiples are trending slightly higher in the East and lower in the West. Cream interest for holiday Class II items is good. Cream movement into churns was heavy over the holiday weekend and is generally steady for the

current week.

DRY PRODUCTS: Dry product production increases over the holiday weekend were adequately handled by processing facilities. NDM markets are mixed. While supplies are limited, buyers are selective of their purchases as prices are anticipated to lower in response to the new support price of \$0.80. While supplies of buttermilk appear heaviest in the West, prices increased in this region. Production is increasing seasonally for the light interest. Whey prices are generally trending lower. Producer stocks are building as buyers await further price decreases. Some whey buyers are also holding off on their purchases in order to deplete current inventories before the year end. The lactose market is steady with some increased interest from Asia noted. WPC 34% prices are higher on a firm market. Some high protein firms are diluting stocks to the 34% level in order to gain better returns.

CCC: During the period of November 27 - December 6, CCC purchased 28,927,250 pounds of Western NDM and cancelled 7,712,633 pounds of NDM for a sum of 21,214,617 pounds. CCC also purchased 163,390 pounds of Western block cheese and 673,200 pounds of Midwestern process cheese for a total of 836,590 pounds of cheese.

NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2002 advanced 1 point to 126. Compared with November 2001, the index was up 4 points (3.3%). The index of prices received by farmers for dairy products declined 3 points during the month of November 2002 to 90. Compared with November 2001, the index was down 20 points (18.2%). Prices received by farmers in November with changes from October were: for All Milk, \$11.70, down \$.40; Fluid Grade Milk, \$11.70, down \$.40; and for Manufacturing Grade Milk, \$10.50, down \$.70.

OCTOBER DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 102.1 million pounds in October, 7.1% below October 2001 but 10.7% above September 2002. American Type Cheese production totaled 293.1 million pounds, 1.0% below October 2001 but 2.6% above September 2002. Total cheese output (excluding cottage cheese) was 714.0 million pounds, 4.7% above October 2001 and 6.3% above September 2002. Current monthly dry dairy product output and the comparison to October 2001 are as follows: Human food NDM 99.7 million pounds, down 5.7%; dry whole milk 5.5 million pounds, up 36.1%; dry buttermilk 3.6 million pounds, down 10.4%; and human food quality dry whey 88.2 million pounds, up 17.0%.

****SPECIAL THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 2	TUESDAY DECEMBER 3	WEDNESDAY DECEMBER 4	THURSDAY DECEMBER 5	FRIDAY DECEMBER 6	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1100 (+.0100)	\$1.1125 (+.0025)	\$1.1125 (N.C.)	\$1.1025 (-.0100)	\$1.1000 (-.0025)	(N.C.)	\$1.1075 (+.0108)
40# BLOCKS	\$1.1400 (+.0150)	\$1.1400 (N.C.)	\$1.1400 (N.C.)	\$1.1400 (N.C.)	\$1.1400 (N.C.)	(+.0150)	\$1.1400 (+.0167)
BUTTER							
GRADE AA	\$1.1100 (+.0050)	----	\$1.1100 (N.C.)	----	\$1.1100 (N.C.)	(+.0050)	\$1.1100 (+.0025)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$9150 and Grade A price is \$9300. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 2, 2002

CHEESE — SALES: 1 CAR BARRELS @ \$1.1100; 1 CAR 40# BLOCKS @ \$1.1400; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.1375, 1 @ \$1.1250; OFFERS UNCOVERED: NONE

BUTTER — SALES: NONE; BIDS UNFILLED: 13 CARS: 1 @ \$1.1100, 3 @ \$1.1075, 2 @ \$1.1050, 2 @ \$1.1025, 2 @ \$1.1000, 3 @ \$1.0975; OFFERS UNCOVERED: 2 CARS @ \$1.1200

TUESDAY, DECEMBER 3, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1125; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1200; 1 CAR 40# BLOCKS @ \$1.1500

WEDNESDAY, DECEMBER 4, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 3 CARS @ \$1.1100; BIDS UNFILLED: 7 CARS: 2 @ \$1.1100, 2 @ \$1.1075, 3 @ \$1.1050; OFFERS UNCOVERED: 2 CARS: 1 @ \$1.1200, 1 @ \$1.1300

THURSDAY, DECEMBER 5, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.1400; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1025; 1 CAR 40# BLOCKS @ \$1.1400

FRIDAY, DECEMBER 6, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1000; 1 CAR 40# BLOCKS @ \$1.1450

BUTTER — SALES: NONE; BIDS UNFILLED: 3 CARS: 1 @ \$1.1025, 2 @ \$1.1000; OFFERS UNCOVERED: 2 CARS @ \$1.1200

BUTTER MARKETS

OCTOBER BUTTER PRODUCTION

During October 2002, butter production in the United States totaled 102.12 million pounds, 7.1% less than October 2001 but 10.7% more than September 2002. The following are October to October changes for various states: CA -9.7%, NY -23.4%, PA -2.8%, WA +9.3%, and WI -14.7%.

NORTHEAST

The market tone is mostly steady and the price at the CME has held relatively steady since the CCC increased the support purchase price. At the CME, trading activity has been much lighter, with no sales during the December 2 trading. Butter output was up significantly late last week, but returning to more moderate levels this week. However, some cream users are still down this week and volumes of excess cream remain heavier than they have been. Packagers are fairly busy putting up anticipated year-end needs, but some already have those supplies ready for shipment. Sales of bulk are steady and supplies are readily available. Retail sales are slower now that holiday features are over and shoppers "stocked up" while prices were down. This may tend to hurt sales later this month and into next year, but new features are expected later this month. Food service orders are fair to improved as restaurant orders are improved. This is typical for the Christmas shopping season. Sales of bulk butter, f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

CENTRAL

The market tone is steady. Trading activity at the CME has been markedly slower. During the first two days of trading this week, only three cars were traded. Churning activity was heavy during the holiday weekend, but is easing somewhat as the week progresses. Bulk and packaged butter stocks are more than ample for current demand. Most Holiday orders have been shipped and in distribution channels. After a week of heavy retail feature activity, prices are back to pre-holiday levels and sales are slow at best. Food service orders are steady. Bulk butter for spot sales is selling in a range of flat to 2 cents per pound over various pricing basis.

WEST

Reorders are coming in at good levels for the end of the year holidays. Most contacts were quite pleased with sales activity related to the Thanksgiving holiday. They are expecting to see good movement for Christmas also. Butter features moved very good volumes of butter. Churning activity was heavier at the end of last week, but has slowed this week as the draw for fluid milk is again heavy. Offerings of cream to the churns are lighter as more is going into production of holiday related higher fat products. Weekly butter stocks at CME approved warehouses continue to decline at about seasonal rates. In a normal season, stocks decline through the end of the year and then begin to increase in the first few weeks of January. Currently, stocks exceed 80 million pounds which is more than is on hand at summer peak levels many years. Current prices for bulk butter range from 4 cents under to flat market based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
NOV 30	1.0802 7,093,424	1.0798 10,404,512	0.9172 10,046,139	1.0670 2,352,884	0.2120 7,346,538	1.3963 1,026,709	1.3592 2,875,942

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are higher on natural and process items, unchanged on Swiss. The market tone is seasonally firm. The Christmas shopping season is already in full swing and early indications are that retail sales of durable goods are encouraging. This may bode well for restaurants and fast food outlets, which in turn could mean increased cheese consumption. Distributors were more active this week as they catch up from last week's holiday shortened delivery period. Cheese output was up at some plants as more surplus milk was available. Output is back to more normal levels early this week. Retail sales are still reported as just fair with prices often cited as a major reason for lackluster sales.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1850-1.6800
Cheddar Single Daisies	:	1.1425-1.6025
Cheddar 40# Block	:	1.2625-1.4925
Process 5# Loaf	:	1.3075-1.5075
Process 5# Sliced	:	1.3275-1.5750
Muenster	:	1.3475-1.5525
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is firm, at least for the short term, though with an unsettled undertone for yearend and early 2003. Early this week, cash cheese prices at the Chicago Mercantile Exchange exceeded the price support prices for blocks and barrels for the first time since October 18. Natural orders are mostly good to excellent as buyers try to fill (and refill) the holiday pipeline. Mozzarella interest is uneven but generally fair to good. Current offerings including cheddar are tight. Some concern is occurring about being able to fill orders for natural, especially cuts, in the limited time till the holidays. A few large retailers already have their yearend holiday products in their warehouses for distribution to stores. Shipments of holiday gift packs are picking up, at least for one firm early sales seem up by individual customers and lower from companies. Aged cheddar interest is also picking up for some purveyors. Process interest is generally fair at best. Some Midwest process was sold last week to CCC under the new, higher support price. Milk intakes are showing a more consistent seasonal increase in milk receipts since deer hunting and Thanksgiving seasons are over. Milk supplies remain tight and producers are still having problems in filling some orders.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2775-1.5200
Brick And/Or Muenster 5#	:	1.5900-1.6825
Cheddar 40# Block	:	1.4950-2.1150
Monterey Jack 10#	:	1.7475-2.1150
Blue 5#	:	1.8750-2.2700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4275-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	DECEMBER 2 - 6, 2002
BARRELS*	:	\$1.1025 - 1.1125 (NOMINAL)
	:	(\$0.0100) (.0025)
40# BLOCKS	:	\$1.1475 - 1.1725 (NOMINAL)
	:	(\$0.0150) (.0200)

() Change from previous week. * If steel, barrel returned.

Dairy Market News is proposing discontinuing the Midwest Commodity Cheese report in January. This proposal is due to the limited real spot reports available within the region and the price fluctuation limitations caused by the large growth in Western cheddar production. Send comments concerning the ending of this report to: George Koerner at 608.224.5083 or email George.Koerner@USDA.gov

WEST

Prices increased again this week for natural and process cheese. Current cheddar cheese interest is quite good for this season of the year. Aged cheddar sales are often slower than anticipated. Process sales are seasonally slower. Interest in lower qualities of cheese being offered is marginal and only at lower prices. Some additional feature activity is noted on cheese cuts that was not occurring prior to the Thanksgiving holiday. It is hoped that that this action will stimulate some additional buying interest. Cheese inventories continue to decline in the Western region. Swiss sales are good with little feature activity apparent. Some additional sales activity is expected for mozzarella as sales often improve related to holiday shopping. Milk supplies are on the high side of anticipated volumes.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2475-1.5075
Cheddar 40# Block	:	1.2500-1.3900
Cheddar 10# Cuts	:	1.4300-1.6500
Monterey Jack 10#	:	1.4400-1.6000
Grade A Swiss Cuts 6 - 9#	:	2.2600-2.4100

FOREIGN

Prices are unchanged to higher and the market tone is improving along seasonal patterns. Demand is fairly decent as distributors prepare for the holiday season. Most are busy this week as they try to catch up from last week's short work week. Stocks of most cheese types are adequate for current needs. Imports, for the most part, are winding down and unused portions of licenses have been surrendered to avoid penalty on next year's licenses. Importers are planning strategies for 2003 purchases and imports. Reports indicate that cheese prices in some EU countries are showing little or no movement up or down at this time.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK		
VARIETY	:	IMPORTED	:	DOMESTIC
Roquefort	:	TFEWR	:	-0-
Blue	:	2.6400-3.3900	:	1.4800-2.9700*
Gorgonzola	:	3.2400-5.9400	:	1.9975-2.4900*
Parmesan (Italy)	:	TFEWR	:	2.8900-2.9800*
Romano (Italy)	:	2.1000-3.1900	:	-0-
Provolone (Italy)	:	3.4400-5.5000	:	1.4875-1.7150*
Romano (Cows Milk)	:	-0-	:	2.6775-4.8475*
Sardo Romano (Argentina)	:	2.8500-3.2900	:	-0-
Reggianito (Argentina)	:	2.6900-3.2900	:	-0-
Jarlsberg-(Brand)	:	2.7500-3.6900	:	-0-
Swiss Cuts Switzerland	:	-0-	:	2.3500-2.5500
Swiss Cuts Finnish	:	2.6000-2.8500	:	-0-
Swiss Cuts Austrian	:	TFEWR	:	-0-
Edam	:	:	:	:
2 Pound	:	TFEWR	:	-0-
4 Pound	:	2.1900-2.9900	:	-0-
Gouda, Large	:	TFEWR	:	-0-
Gouda, Baby (\$/Dozen)	:	:	:	:
10 Ounce	:	27.8000-31.7000	:	-0-

* = Price change.

**WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

		BUTTER	:	CHEESE
12/02/02		46,853	:	130,837
11/01/02		55,244	:	132,386
CHANGE		-8,391	:	-1,549
% CHANGE		-15	:	-1

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	26	0	55	0	25	0
SOUTHEAST STATES	0	0	0	0	14	0

The following are the November 2002 Class and component prices under the Federal Milk Order pricing system: Class II \$11.26 (up \$0.14 from October), Class III \$9.84 (down \$0.88); and Class IV \$10.58 (up \$0.08). The following are the product price averages used in computing Class prices: butter \$1.0107, NDM \$0.9177, cheese \$1.1111, and dry whey \$0.2223. The Class II butterfat price is \$1.0993 and the Class III/IV butterfat price is \$1.0923. Milk production is steady to slightly higher in the Northeast, generally higher in the Southeast. Florida's output is reported to be rising rather significantly and their need for milk is easing enough that they may be balanced in the next week or two. Also, Florida's bottled milk sales are not as brisk as they were last week. Fluid milk supplies are still reported as light, occasionally tight. Class I demand is improving in much of the Middle Atlantic and Northeast parts of the region. Bottlers there are very busy. Not only did they have to refill the school lunch pipeline, but the threat of a major snow storm has retailers adding to their orders and bottlers are having a hard time keeping up with all the new demand. In instances, bottlers ran out of milk and others may not get all they have ordered. Storm-induced panic buying is a recurring phenomenon for this part of the country. Sales of bottled milk, bread and other food staples spike prior to predicted storms and then usually drop to almost nothing while the pre-storm purchases are consumed. Surplus milk volumes are lighter and most contacts report little or no difficulty clearing the Thanksgiving milk. The balancing plants in the Southeast are back to little pre-Thanksgiving levels and some are again shut down. The condensed skim market is steady with prices unchanged. Demand for wet solids is steady. The fluid cream market is getting back to normal. Demand is fair to good and multiples range from steady to slightly higher. Cream prices are moderately higher due to a 2.33-cent increase in last week's CME butter average. Ice cream producers are getting back on line, but a few continue to be down this week. Others are running rather heavy so they can shut down during the year-end holidays. Eggnog production is starting back up at some locations and most producers will be back on line this weekend. Bottled cream, dips, and sour cream output is increasing to meet anticipated holiday needs. Cream cheese production is moderate and some producers are taking a few spot loads in addition to their contracted volumes. Churning is moderate to heavy, heaviest over the holiday weekend. Cream suppliers are getting outlets lined up for late-December and early January.

Spot milk prices were lower over the holiday weekend and seem to have rebounded in the new month. Reported spot prices varied from \$-0.50 to \$1.60, with most prices in early December in the \$1.00-1.50 area. Handlers continue to schedule manufacturing plant "homes" for the yearend holiday surplus milk supplies as schools are likely on vacation for about 2 full weeks. Cream prices also vary whether it was holiday weekend cream or regular work week with the lowest prices, as expected, over the holiday weekend. Many ice cream firms were closed for the holiday weekend and some extra cream cleared to churns. Condensed skim interest was good for Class II and III accounts with prices ranging from \$.92-1.00 in December. Some extra powder and condensed skim were also produced over the holiday weekend but volumes seemed lighter than expected. Current milk intakes are steady to slightly higher on a week to week basis and generally higher than a year ago. Fat and protein tests are around seasonal levels.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 26 - DEC 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 34.00- 39.50
REPLACEMENT HEIFER CALVES	\$250.00-420.00	\$380.00-510.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	NOV 26 - DEC 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 40.50	\$ 36.00- 42.50

W E S T

The November 4a price (butter/powder) in CALIFORNIA is \$10.19, up \$0.09 from October but \$1.54 lower than last year. This compares to the Federal Order Class IV price for November at \$10.58. The November 4b price (cheese) is \$8.97, down \$1.45 from October and \$1.63 lower than last year. This compares to the Federal Order Class III price for November at \$9.84. Surplus milk was generally handled as expected across the Southwest with some opportunities for creative handling noted. Supplies returned to normal by midweek. Plants generally ran planned schedules over the holiday period. CALIFORNIA milk output is noted to be trending ever so slightly higher in the south where near ideal conditions are reported. Bottled milk sales were decent over the holidays and orders from schools returned. Cooler, dry conditions are common in the Central Valley. Milk output is trending higher. Seasonal rains in the north are holding milk production steady at levels 4 to 7% above a year ago. ARIZONA milk output is increasing slightly from prior weeks. Weather conditions are cooler and rains are more common. There appears to be no impact on the milk cows. Processors were able to handle milk supplies over the holiday. The Western CREAM market returned to pre holiday handling schedules. Supplies were handled as expected and discounting not as severe as in past years. Churning was active to balance supplies. The butter price is holding mostly steady and closed on Wednesday (12/04) at \$1.11. Cream multiples are trending a little lower on the top end of the range and vary from 111 to 128, FOB. Milk production conditions in the PACIFIC NORTHWEST remain good for this season. Conditions are dry with moderate temperatures. The dry pattern is causing concern about moisture build up for the upcoming crop year. Hay supplies are readily available and prices may actually be softening somewhat, but quality is deteriorating. Contacts believe that the lower quality forage may impact production per cow for the winter production season. Plants were under no stress over the past holiday weekend in processing additional surplus milk. Milk output in UTAH and IDAHO is holding at good seasonal levels. No moisture is falling, but fog is causing some trucking and animal health problems. Some plants continue to purchase outside milk to efficiently manage production schedules. Culling rates are generally noted to be on the light end with prices in the low 30's. Some dairy herd sales were reported with prices thought to be a bit higher than anticipated, averaging \$1550-1600 for the entire herds. Contacts are looking ahead to the year end holidays and are concerned about trucking availability and how far they will need to plan ahead.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4065-1.5284
DELIVERED EQUIVALENT ATLANTA	-	1.4287-1.5284 M 1.4398-1.4619
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3733-1.5505

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9850-1.0300
NORTHEAST- CLASS III - SPOT PRICES	- .8700-.9400

M I D W E S T

Class I demand continues generally good aided by the usually stronger first of the month surge in sales and retail feature activity in many metro areas. Some bottlers only took the Thursday holiday off extra and diverted milk supplies were minimal. Production of holiday items such as dips, sour cream, eggnog, etc., is seasonally good. A few cheese manufacturers were even making calls looking for Thanksgiving weekend milk rather than receiving calls with offers.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged on a continued firm market. Production increases over the holiday weekend were less than anticipated. However, production is expected to trend higher seasonally. Inventories are generally tight. Low heat spot interest is light and 2003 contract negotiations are slow as buyers await price decreases in response to the recent tilt change. High heat movement is good for holiday baking demands. Condensed skim is clearing well into Class II facilities. Standard grade movement is light for the good interest.

EAST: Prices are mixed, lower in the range, fractionally higher for the mostly range. Eastern prices remain nominal. The market tone is little changed, but more powder is available from some plants. Buyers, waiting for the lower prices to "kick in," are taking contract volumes, but trying to keep spot purchases to a minimum. Drying activity was heavier during the holiday week, but back to light to moderate levels this week. Most of the extra NDM that was made last week was already committed. Eastern producers have little powder available for spot sale. This is in sharp contrast to Western producers who continue to ship to CCC. This is necessitated by the fact the buyers are waiting for lower prices and the major marketer in the country continues to use their normal pricing program for commercial sales. Therefore, lacking commercial sales, the powder is offered to CCC.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during October 2002 totaled 99.7 million pounds, down 5.7% from October 2001 but 6.4% above September 2002. Month ending stocks, at 73.6 million pounds, are 27.9% below a year ago and 13.1% lower than September 2002.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9400 - .9850 MOSTLY: .9550 - .9675
 HIGHHEAT: .9725 - 1.0400

NONFAT DRY MILK - WEST

Prices are lower for low and medium heat nonfat dry milk. The market tone is mixed currently. The longer term trend is lower as the trade debates and speculates when all pricing levels will move towards the new support price. Producers, for now, are holding offering and program prices at current levels and not making adjustments for commercial sales. Commonly, buyers are short on stocks because they were anticipating, or at least protecting against, a tilt change. Offerings to the CCC continue this week at the new support price. Additionally, new DEIP sales are being made. Production levels were higher over the holiday and returned to last week's levels by midweek. During the period of November 25 - 26, CCC net purchases totaled 5,127,096 pounds of Western NDM. High heat trading is limited and prices currently holding unchanged. Buyers are making as-needed purchases. U.S. NDM production in October totaled 99.7 million pounds, down 5.7% from last year but 6.4% higher than September. Cumulative production through 10 months of 2002 total 1.29 billion pounds, 9.6% higher (+112.4 million pounds) compared to the same period in 2001. October production in the West region totaled 86.3 million pounds, down 1.3% from last year. Western states' production levels with comparisons to last year are: California, 55.4 million pounds, +0.1%; Idaho, 6.0 million pounds, -29.9%; and Washington, 14.8 million pounds, -5.6%. U.S. manufacturers' stocks at the end of October were reported at 73.6 million pounds, down 27.9% from last year and down 13.1% from last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .7950 - .9500 MOSTLY: .8200 - .9200
 HIGHHEAT: .9300 - .9700

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 29	\$.9102	6,952,952	2,311,647
November 22	\$.9123	17,236,203	4,588,843

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a cautiously steady market. Production of dry buttermilk over the holiday weekend was lighter than anticipated. Some increases in condensed buttermilk production were readily cleared to end-users. Production is expected to seasonally trend higher. Supplies are mostly tight with some buyers seeking additional supplies from the West. Contractual orders are readily satisfied. Dry buttermilk production during October 2002 totaled 3.6 million pounds, down 10.4% from October 2001 but 24.7% higher than September 2002. Month ending stocks, at 7.9 million pounds, are 111.0% above last year but 8.1% lower than last month.

F.O.B. CENTRAL: .8000 - .8500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Eastern prices remain nominal. Production levels were a little heavier during the past weekend when churning increased. Plant stocks are adequate to balanced for the slow to fair spot demand. Dry buttermilk production during October 2002 totaled 3.6 million pounds, down 10.4% from October 2001 but 24.7% more than September 2002. Month ending stocks, at 7.9 million pounds, are more than double last year but 8.1% less than a month ago.

F.O.B. NORTHEAST: .7800 - .8350
 DELVDSOUTHEAST: .8100 - .8550

DRY BUTTERMILK - WEST

Prices are higher within the range and reflect higher sales prices in the region. The market tone is steady. Drying schedules remain active, reflecting heavy churning in the region. Levels are expected to remain high in the coming months as milk production increases and demand for cream from other markets subsides seasonally. Stocks in the region are balanced to long and some deals are still available for older stocks. U.S. dry buttermilk production in October totaled 3.6 million pounds, down 10.4% from last year but 24.7% higher than September. Stocks at the end of October were reported at 7.9 million pounds, over 2 times higher than last year.

F.O.B. WEST: .7500 - .7900 MOSTLY: .7700 - .7800

DRY WHOLE MILK - NATIONAL

Prices are steady to lower and the market tone is unchanged. Prices remain nominal. Production levels are about steady. However, some California producers have increased dry whole milk output as a means to clear the butterfat. Spot demand is limited. Dry whole milk production during October totaled 5.5 million pounds, up 36.1% from September 2001 and 13.8% above September 2002. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.1000 - 1.1800

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH NOVEMBER 29, 2002
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	42,626 MT (93,973,279 LBS)*
CHANGE	--	3,600 MT (7,936,560 LBS)
CHEESE	--	1,894 MT (4,175,512 LBS)*

* The second stage of the DEIP allocations is filled.

Allocations for the DEIP year beginning July 1, as announced September 13: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT. However, the second stage of this year's program was announced on November 15 and makes available, as part of the total allocation, an additional 25,576 MT of NDM, 7,912 MT of butterfat, and 1,137 MT of cheese.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume ^{1/}

Month	11/20	11/21	11/22	11/25	11/26	11/27	11/28	11/29	12/02	12/03
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
NOV 02	9.80 (2183) 1	9.80 (2183) 0	9.80 (2183) 0	9.80 (2180) 0	9.80 (2180) 0	9.80 (2154) 0	NO TRADING	9.84		
DEC 02	10.00 (2319) 135	10.03 (2310) 15	10.00 (2307) 9	10.00 (2308) 1	10.00 (2307) 3	9.97 (2295) 5		9.97 (2296) 13	10.02 (2249) 30	10.00 (2223) 146
JAN 03	10.40 (1749) 12	10.40 (1749) 8	10.40 (1755) 12	10.45 (1763) 53	10.46 (1765) 37	10.46 (1770) 12		10.42 (1769) 46	10.52 (1778) 77	10.65 (1867) 140
FEB 03	10.70 (1316) 11	10.69 (1332) 20	10.70 (1350) 21	10.71 (1363) 37	10.71 (1365) 11	10.70 (1368) 7		10.70 (1379) 22	10.77 (1435) 74	10.89 (1458) 26
MAR 03	11.06 (1365) 15	10.96 (1370) 12	10.93 (1347) 99	11.03 (1348) 108	11.05 (1351) 16	11.05 (1358) 12		11.05 (1380) 50	11.25 (1406) 81	11.30 (1429) 32
APR 03	11.35 (952) 21	11.30 (959) 13	11.28 (970) 18	11.35 (978) 35	11.34 (981) 7	11.38 (986) 12		11.35 (998) 23	11.44 (1068) 82	11.55 (1095) 35
MAY 03	11.59 (921) 15	11.58 (920) 22	11.56 (951) 45	11.62 (956) 33	11.59 (954) 13	11.62 (963) 14		11.62 (982) 32	11.70 (1064) 87	11.85 (1096) 42
JUN 03	12.10 (858) 11	12.06 (864) 11	12.04 (872) 14	12.11 (887) 30	12.10 (887) 4	12.10 (894) 11		12.10 (908) 25	12.17 (940) 40	12.25 (975) 47
JUL 03	12.62 (778) 11	12.58 (786) 12	12.60 (799) 21	12.74 (802) 35	12.68 (808) 7	12.68 (816) 15		12.65 (839) 24	12.72 (873) 45	12.80 (907) 52
AUG 03	12.86 (714) 24	12.86 (721) 13	12.86 (732) 20	12.89 (746) 39	12.83 (746) 7	12.83 (753) 15		12.83 (771) 24	12.88 (802) 46	12.92 (836) 40
SEP 03	13.19 (778) 24	13.17 (789) 17	13.16 (807) 27	13.22 (818) 36	13.16 (820) 8	13.14 (829) 16		13.12 (869) 48	13.25 (908) 98	13.31 (938) 50
OCT 03	12.80 (622) 25	12.80 (634) 17	12.85 (636) 11	12.80 (654) 37	12.73 (654) 9	12.73 (659) 9		12.73 (679) 26	12.77 (709) 41	12.85 (742) 44
NOV 03	12.50 (487) 34	12.48 (499) 16	12.45 (500) 8	12.48 (490) 25	12.43 (495) 5	12.43 (500) 12		12.45 (524) 26	12.50 (551) 40	12.55 (570) 42
DEC 03	11.80 (382) 16	11.80 (390) 12	11.85 (392) 4	11.85 (396) 30	11.85 (396) 3	11.85 (403) 12		11.85 (403) 2	11.86 (418) 23	11.99 (440) 26
JAN 04	11.55 (9) 0	11.55 (9) 0	11.55 (9) 0	11.55 (9) 0	11.55 (9) 0	11.55 (9) 0		11.55 (9) 0	11.55 (9) 0	11.65 (9) 0
FEB 04	11.45 (7) 0	11.45 (8) 1	11.45 (8) 0	11.45 (8) 0	11.45 (8) 0	11.45 (8) 0		11.50 (8) 0	11.50 (8) 0	11.60 (8) 0
CME - CLASS IV MILK FUTURES - Dollars per cwt.										
NOV 02	10.50 (268) 0	10.50 (268) 0	10.50 (268) 0	10.50 (268) 0	10.50 (268) 0	10.50 (267) 0	NO TRADING	10.58		
DEC 02	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0		10.55 (132) 0	10.55 (132) 0	10.55 (132) 0
JAN 03	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0		10.50 (59) 0	10.50 (59) 0	10.50 (59) 0
FEB 03	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0		10.55 (38) 0	10.55 (38) 0	10.55 (38) 0
MAR 03	10.30 (22) 0	10.30 (22) 0	10.30 (22) 0	10.30 (22) 0	10.50 (22) 0	10.50 (22) 0		10.50 (22) 0	10.50 (22) 0	10.50 (22) 0
APR 03	11.15 (12) 5	11.15 (12) 0	11.00 (12) 0	10.80 (12) 0	10.80 (12) 0	10.80 (12) 0		10.80 (12) 0	10.80 (12) 0	10.80 (12) 0
MAY 03	11.22 (5) 0	11.22 (5) 0	11.00 (7) 2	10.90 (7) 0	10.90 (7) 0	10.90 (7) 0		10.90 (7) 0	10.90 (7) 0	10.90 (7) 0
JUN 03	11.25 (2) 7	11.00 (2) 0	11.00 (4) 2	11.00 (4) 0	11.00 (4) 0	11.00 (4) 0		11.00 (4) 0	11.00 (4) 0	11.00 (4) 0
JUL 03	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0		11.30 (1) 0	11.30 (1) 0	11.30 (1) 0
CME - BUTTER FUTURES -- Cents per pound										
DEC 02	109.00 (220) 12	110.25 (227) 17	110.75 (236) 14	109.75 (248) 14	109.75 (252) 22	110.00 (252) 0	NO TRADING	110.00 (256) 4	110.00 (258) 2	110.50 (282) 7
MAR 03	117.00 (315) 15	118.00 (320) 7	120.00 (320) 1	120.00 (320) 1	120.00 (328) 8	119.50 (334) 6		119.00 (334) 0	120.00 (334) 1	122.00 (337) 3
MAY 03	120.00 (185) 0	120.25 (186) 1	121.75 (188) 3	123.00 (189) 2	123.00 (189) 4	123.00 (191) 2		122.50 (195) 2	124.00 (195) 1	125.00 (195) 0
JUL 03	124.00 (81) 0	124.00 (83) 2	125.00 (84) 1	126.00 (85) 1	126.00 (87) 2	126.00 (87) 0		126.00 (91) 2	127.00 (91) 1	128.00 (91) 0
SEP 03	125.50 (44) 0	126.00 (44) 0	126.00 (44) 0	126.00 (44) 2	129.00 (44) 0	129.00 (44) 0		129.00 (48) 2	130.00 (48) 0	130.00 (48) 0
OCT 03	127.00 (16) 0	127.50 (16) 0	128.00 (16) 0	128.00 (16) 0	129.77 (16) 0	129.77 (16) 0		129.77 (16) 0	129.77 (16) 0	131.00 (16) 0

^{1/} At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 25 - December 6, 2002

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: The EU commission cut export subsidies last week (November 28) on skim milk and whole milk in reaction to improving international interest and prices. However, traders and dealers have been stymied as they wait for new export licenses to be issued. A large number of export licenses have reportedly been applied for since the latest adjustment. Some traders speculate that the subsidies may be reduced further before spring. Powder demand is strong internationally and buyers are realizing supplies may be limited and prices are unlikely to weaken. Milk production is at the low point in the annual cycle in Europe and current production centers on making domestic consumer products for the yearend holiday season. A few plant operators that had planned to produce extra powder over the yearend and early in 2003 may not do so now. A few EU countries are lagging behind on their milk quota for the current year (Germany and the Netherlands) while France and the United Kingdom among others are ahead of quota and will need to reduce milk receipts. Some butter shipments continue to Russia for immediate delivery for the yearend holidays.

BUTTER/BUTTEROIL: The market is mostly steady with prices lower on older stocks. Butteroil supplies are tight. Current fresh butter supplies are limited due to good demand for yearend holiday items. Some Russian interest is continuing for immediate shipment.

82% BUTTERFAT: 1,200 - 1,350
 99% BUTTERFAT: 1,400 - 1,450

SKIM MILK POWDER (SMP): The skim milk market is firm and prices are higher. Current supplies are limited as producers are concentrating on consumer goods for the yearend holiday season as well as whole milk. Some operations that had planned to produce increased volumes at yearend when consumer demand is down, may not. The EU announced export subsidy cuts in skim milk on November 28. Good international interest has been stopped by the inability to get new export licenses and sellers are forced to make quotes subject to getting a license.

1.25% BUTTERFAT: 1,400 - 1,550

WHOLE MILK POWDER (WMP): The whole milk market is firm and prices are higher. The EU announced another reduction in the export subsidy on November 28 and has not yet issued new export licenses at the new lower levels. International interest is good as customers realize that international offerings are limited and prices are unlikely to weaken in the short term. Current supplies are limited.

26% BUTTERFAT: 1,500 - 1,600

SWEET WHEY POWDER: The whey market is steady. Prices are lower for bulk sales and on the high end for bags. International interest is light. Milk supplies available for cheese production are limited though some milk has shifted to cheese from powder production for the holiday period.

NONHYGROSCOPIC: 400 - 450

EASTERN EUROPE: Milk intakes are seasonally light and current production is emphasizing consumer products for the yearend holidays. The limited availability of product, mainly powders, in storage is receiving good interest.

OCEANIA

OVERVIEW: The EU export subsidy rate cuts on skim and whole milk last week are adding some additional strength to the world market. The US filled its quarterly DEIP allocation and USDA'S CCC sold back an additional volume of older skim for casein/caseinate production last week. Weather related difficulties in the Oceania region are also casting doubt over product availability later in the season. Milk production is trending down from the spring peak. Australian experts forecast milk receipts are likely to be down around a cumulative 7% from the previous season due to the continuing severe drought. The seasonal forecast is also for a lesser amount for the entire season in New Zealand. Current New Zealand milk receipts to date are up about 1.5% though expected to decline due to a forecasted summer drought. Powders remain tight with traders not in a hurry to move additional supplies due to concern over late season production and availability as well as the prospect of additional price strength in the future. Competition is limited on powders from other parts of the world. The generally weak U.S. dollar compared to many other currencies is also a factor in the reported prices.

BUTTER: The butter market is fully steady with prices moving higher. Prices have been drifting higher with most activity occurring around the mid part of the reported range. Current production, now that Ramadan shipments are over, is for holiday items, both butter and other high-fat items.

82% BUTTERFAT: 1,100 - 1,250

CHEDDAR CHEESE: The cheese market is also firmer. Demand has improved for cheddar as well as mozzarella. The push is on to produce consumer items for the yearend holiday season. International interest is improving.

39% MAXIMUM MOISTURE: 1,550 - 1,750

SKIM MILK POWDER (SMP): The powder market is firm and most current trades are toward the upper end of the range. Supplies are being held with confidence with sellers in no big hurry to move additional quantities. Between supply concerns with late season production and improving international prices, sellers are content with building inventory rather than pushing sales at current prices.

1.25% BUTTERFAT: 1,500 - 1,650

WHOLE MILK POWDER (WMP): The whole milk market is firm and product is held with confidence. Good international interest and limited supplies are helping prices increase. Current interest centers on filling orders and building inventory for late season needs.

26% BUTTERFAT: 1,500 - 1,650

Exchange rates for selected foreign currencies: December 2, 2002

.6425 Canadian Dollar	.0207 Indian Rupee
.2797 Argentina Peso	.4984 New Zealand Dollar
.0988 Mexican Peso	.5597 Australian Dollar
.2506 Polish Zloty	.0080 Japanese Yen
.9968 Euro	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0988)= 10.1215. That is 1 US Dollar equals 10.1215 Mexican Pesos.

Source: Wall Street Journal

MONTHLY SUMMARY AND AVERAGES FOR NOVEMBER 2002 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 44	REPORT NUMBER 45	REPORT NUMBER 46	REPORT NUMBER 47	REPORT NUMBER 48	2002	2001
	NOV 01 - 01	NOV 04 - 08	NOV 11 - 15	NOV 18 - 22	NOV 25 - 29	Average or Total	Average or Total

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrel s	:: 1.0375 - 1.0625	:: 1.0500 - 1.0550	:: 1.0550 - 1.0650	:: 1.0725 - 1.0825	:: 1.0925 - 1.1100	:: 1.0708	:: 1.2115
-- Cheddar 40# Blocks	:: 1.0800 - 1.1200	:: 1.0700 - 1.1250	:: 1.0550 - 1.1150	:: 1.1025 - 1.1125	:: 1.1325 - 1.1525	:: 1.1071	:: 1.2643

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.2275 - 1.5500	:: 1.2200 - 1.5500	:: 1.2250 - 1.5200	:: 1.2475 - 1.5200	:: 1.2675 - 1.5200	:: 1.3841	:: 1.6806
-- Brick And/Or Muenster 5#	:: 1.6400 - 1.6500	:: 1.6350 - 1.6400	:: 1.5900 - 1.6350	:: 1.5900 - 1.6325	:: 1.5900 - 1.6625	:: 1.6234	:: 1.8323
-- Cheddar 40# Block	:: 1.4525 - 2.1150	:: 1.4475 - 2.1150	:: 1.4475 - 2.1150	:: 1.4450 - 2.1150	:: 1.4750 - 2.1150	:: 1.7839	:: 1.8769
-- Monterey Jack 10#	:: 1.7050 - 2.1150	:: 1.7000 - 2.1150	:: 1.7000 - 2.1150	:: 1.6975 - 2.1150	:: 1.7275 - 2.1150	:: 1.9102	:: 1.9949
-- Blue 5#	:: 1.8325 - 2.3200	:: 1.8275 - 2.3200	:: 1.8275 - 2.2700	:: 1.8250 - 2.2700	:: 1.8550 - 2.2700	:: 2.0593	:: 2.2535
-- Mozzarella 5 - 6#	:: 1.3850 - 2.2150	:: 1.3800 - 2.2150	:: 1.3800 - 2.2150	:: 1.3775 - 2.2150	:: 1.4075 - 2.2150	:: 1.8002	:: 1.9569
-- Grade A Swiss Cuts 6 - 9#	:: 1.9000 - 2.6850	:: 1.9000 - 2.6850	:: 1.9000 - 2.6850	:: 1.9000 - 2.6850	:: 1.9000 - 2.6850	:: 2.2925	:: 2.4363

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.1425 - 1.6375	:: 1.1375 - 1.6325	:: 1.1375 - 1.6325	:: 1.1350 - 1.6300	:: 1.1650 - 1.6600	:: 1.3904	:: 1.5219
-- Cheddar Single Dai sies	:: 1.1000 - 1.5600	:: 1.0950 - 1.5550	:: 1.0950 - 1.5550	:: 1.0925 - 1.5525	:: 1.1225 - 1.5825	:: 1.3304	:: 1.4744
-- Cheddar 40# Block	:: 1.2200 - 1.4500	:: 1.2150 - 1.4450	:: 1.2150 - 1.4450	:: 1.2125 - 1.4425	:: 1.2425 - 1.4725	:: 1.3354	:: 1.4654
-- Process 5# Loaf	:: 1.2575 - 1.4600	:: 1.2475 - 1.4500	:: 1.2550 - 1.4575	:: 1.2800 - 1.4800	:: 1.2975 - 1.4975	:: 1.3693	:: 1.4763
-- Process 5# Sliced	:: 1.2775 - 1.5525	:: 1.2675 - 1.5425	:: 1.2750 - 1.5500	:: 1.3000 - 1.5475	:: 1.3175 - 1.5650	:: 1.4197	:: 1.5450
-- Muenster	:: 1.3050 - 1.5100	:: 1.3000 - 1.5050	:: 1.3000 - 1.5050	:: 1.2975 - 1.5025	:: 1.3275 - 1.5325	:: 1.4079	:: 1.5506
-- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	:: 2.4500

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.2000 - 1.4600	:: 1.1900 - 1.4500	:: 1.1975 - 1.4575	:: 1.2200 - 1.4800	:: 1.2375 - 1.4975	:: 1.3400	:: 1.4699
-- Cheddar 40# Block	:: 1.2025 - 1.3425	:: 1.1975 - 1.3375	:: 1.1975 - 1.3375	:: 1.1975 - 1.3375	:: 1.2300 - 1.3700	:: 1.2746	:: 1.4431
-- Cheddar 10# Cuts	:: 1.3825 - 1.6025	:: 1.3775 - 1.5975	:: 1.3775 - 1.5975	:: 1.3775 - 1.5975	:: 1.4100 - 1.6300	:: 1.4946	:: 1.6519
-- Monterey Jack 10#	:: 1.3925 - 1.5525	:: 1.3875 - 1.5475	:: 1.3875 - 1.5475	:: 1.3875 - 1.5475	:: 1.4200 - 1.5800	:: 1.4746	:: 1.6319
-- Grade A Swiss Cuts 6 - 9#	:: 2.2600 - 2.4100	:: 2.2600 - 2.4100	:: 2.2600 - 2.4100	:: 2.2600 - 2.4100	:: 2.2600 - 2.4100	:: 2.3350	:: 2.4638

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 1.3498 - 1.4536	:: 1.3423 - 1.4455	:: 1.3244 - 1.4247	:: 1.3255 - 1.4260	:: 1.3553 - 1.4745	:: 1.3899	:: 1.7195
-- Atlanta - dlvd. equiv.	:: 1.3706 - 1.4744	:: 1.3629 - 1.4662	:: 1.3444 - 1.4448	:: 1.3456 - 1.4561	:: 1.3553 - 1.4745	:: 1.4072	:: 1.7225
-- Upper Midwest - f.o.b	:: 1.4120 - 1.4744	:: 1.3216 - 1.4455	:: 1.2943 - 1.3946	:: 1.3055 - 1.3958	:: 1.3553 - 1.5179	:: 1.3810	:: 1.7246

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 0.9850 - 1.0300	:: 0.9850 - 1.0300	:: 0.9850 - 1.0300	:: 0.9850 - 1.0300	:: 0.9850 - 1.0300	:: 1.0075	:: 1.0435
-- Class III	:: 0.8700 - 0.9500	:: 0.8700 - 0.9400	:: 0.8700 - 0.9400	:: 0.8700 - 0.9400	:: 0.8700 - 0.9400	:: 0.9053	:: 1.0365

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	:: 18.0000 - 30.0000	:: 18.0000 - 30.0000	:: 18.0000 - 30.0000	:: 18.0000 - 30.0000	:: 18.0000 - 30.0000	:: 24.0000	:: 26.0000

MONTHLY SUMMARY AND AVERAGES FOR NOVEMBER 2002 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 44	REPORT NUMBER 45	REPORT NUMBER 46	REPORT NUMBER 47	REPORT NUMBER 48	2002	2001
	NOV 01 - 01	NOV 04 - 08	NOV 11 - 15	NOV 18 - 22	NOV 25 - 29	Average	Average
						or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.9325 - 0.9800	:: 0.9400 - 0.9800	:: 0.9000 - 0.9850	:: 0.9400 - 0.9850	:: 0.9400 - 0.9900	:: 0.9578	:: N.A.
-- Mostly	:: 0.9525 - 0.9575	:: 0.9550 - 0.9650	:: 0.9550 - 0.9650	:: 0.9550 - 0.9650	:: 0.9550 - 0.9650	:: 0.9597	:: N.A.
-- High Heat	:: 0.9650 - 1.0350	:: 0.9725 - 1.0350	:: 0.9725 - 1.0400	:: 0.9725 - 1.0400	:: 0.9725 - 1.0400	:: 1.0053	:: N.A.
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.8950 - 0.9575	:: 0.8950 - 0.9575	:: 0.8950 - 0.9550	:: 0.8950 - 0.9550	:: 0.8000 - 0.9500	:: 0.9149	:: 0.9602
-- Mostly	:: 0.9000 - 0.9125	:: 0.9000 - 0.9200	:: 0.9000 - 0.9200	:: 0.9000 - 0.9200	:: 0.9000 - 0.9200	:: 0.9098	:: 0.9235
-- High Heat	:: 0.9275 - 0.9700	:: 0.9300 - 0.9700	:: 0.9300 - 0.9750	:: 0.9300 - 0.9700	:: 0.9300 - 0.9700	:: 0.9505	:: 0.9980
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)							
-- Mostly	:: 0.2200 - 0.2575	:: 0.2200 - 0.2575	:: 0.2200 - 0.2525	:: 0.1900 - 0.2375	:: 0.1850 - 0.2250	:: 0.2245	:: 0.2979
-- West (f.o.b.)							
-- Mostly	:: 0.2375 - 0.2475	:: 0.2375 - 0.2475	:: 0.2325 - 0.2425	:: 0.2100 - 0.2375	:: 0.2000 - 0.2150	:: 0.2291	:: 0.2948
-- Northeast (f.o.b.)							
-- Mostly	:: 0.1750 - 0.2500	:: 0.1750 - 0.2500	:: 0.1800 - 0.2550	:: 0.1800 - 0.2525	:: 0.1900 - 0.2400	:: 0.2151	:: 0.2789
-- Northeast Extra Grade (f.o.b.)							
-- Mostly	:: 0.1950 - 0.2100	:: 0.1950 - 0.2150	:: 0.2050 - 0.2200	:: 0.2050 - 0.2250	:: 0.2100 - 0.2300	:: 0.2122	:: 0.2738
-- Northeast Usph Grade A (f.o.b.)							
-- Mostly	:: 0.2425 - 0.2525	:: 0.2425 - 0.2500	:: 0.2425 - 0.2500	:: 0.2400 - 0.2475	:: 0.2000 - 0.2375	:: 0.2399	:: 0.2933
-- Southeast Extra Grade (Del vd)							
-- Mostly	:: 0.2450 - 0.2625	:: 0.2450 - 0.2575	:: 0.2500 - 0.2575	:: 0.2500 - 0.2525	:: 0.2000 - 0.2500	:: 0.2464	:: 0.3028
-- Southeast Extra Grade (Del vd)							
-- Mostly	:: 0.2700 - 0.2925	:: 0.2675 - 0.2925	:: 0.2675 - 0.2925	:: 0.2625 - 0.2725	:: 0.2325 - 0.2525	:: 0.2689	:: 0.3249
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.4600 - 0.5100	:: 0.4800 - 0.5150	:: 0.4850 - 0.5250	:: 0.4850 - 0.5250	:: 0.5050 - 0.5250	:: 0.5041	:: 0.7352
-- Mostly	:: 0.4750 - 0.4950	:: 0.4850 - 0.5050	:: 0.4950 - 0.5100	:: 0.5000 - 0.5125	:: 0.5050 - 0.5150	:: 0.5022	:: 0.7490
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2125 - 0.2375	:: 0.2125 - 0.2350	:: 0.1800 - 0.2125	:: 0.1900 - 0.2000	:: 0.1800 - 0.1900	:: 0.2023	:: 0.2498
-- Roller Ground	:: 0.2375 - 0.2625	:: 0.2325 - 0.2600	:: 0.2325 - 0.2600	:: 0.2275 - 0.2550	:: 0.2150 - 0.2450	:: 0.2417	:: 0.2846
-- Dicalcase	:: 0.3125 - 0.3375	:: 0.3125 - 0.3375	:: 0.3200 - 0.3400	:: 0.3200 - 0.3400	:: 0.3200 - 0.3400	:: 0.3284	:: 0.4225
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)							
-- Mostly	:: 0.8150 - 0.8600	:: 0.8150 - 0.8600	:: 0.8150 - 0.8600	:: 0.8150 - 0.8600	:: 0.8000 - 0.8500	:: 0.8349	:: 1.0708
-- West (f.o.b.)							
-- Mostly	:: 0.7400 - 0.7800	:: 0.7400 - 0.7900	:: 0.7400 - 0.7900	:: 0.7400 - 0.7900	:: 0.7500 - 0.7900	:: 0.7658	:: 1.0525
-- Northeast (f.o.b.)							
-- Mostly	:: 0.7500 - 0.7600	:: 0.7500 - 0.7600	:: 0.7500 - 0.7600	:: 0.7500 - 0.7700	:: 0.7500 - 0.7700	:: 0.7574	:: 1.0450
-- Southeast (Del vd)							
-- Mostly	:: 0.7800 - 0.8350	:: 0.7800 - 0.8350	:: 0.7800 - 0.8350	:: 0.7800 - 0.8350	:: 0.7800 - 0.8350	:: 0.8075	:: 1.0250
-- Southeast (Del vd)							
-- Mostly	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8325	:: 1.0744
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.0950 - 1.1900	:: 1.1025 - 1.1800	:: 1.1025 - 1.1800	:: 1.1025 - 1.1800	:: 1.1025 - 1.1800	:: 1.1413	:: 1.3245
LACTOSE							
-- Central And West (f.o.b.)							
-- Mostly	:: 0.1500 - 0.2275	:: 0.1500 - 0.2275	:: 0.1500 - 0.2275	:: 0.1500 - 0.2275	:: 0.1500 - 0.2275	:: 0.1888	:: 0.2338
-- Mostly	:: 0.1550 - 0.1750	:: 0.1550 - 0.1750	:: 0.1550 - 0.1750	:: 0.1550 - 0.1750	:: 0.1550 - 0.1750	:: 0.1650	:: 0.2175
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 1.8500 - 2.1000	:: 1.8500 - 2.1000	:: 1.8500 - 2.1000	:: 1.8500 - 2.0500	:: 1.8500 - 2.1000	:: 1.9684	:: 2.5650
-- Nonrestricted - Acid	:: 1.6500 - 1.9500	:: 1.6500 - 1.9500	:: 1.6500 - 1.9500	:: 1.6500 - 1.9500	:: 1.6500 - 1.9500	:: 1.8000	:: 2.5500

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR NOVEMBER 2002

COMMODITY	REPORT NUMBER 45: NOV 1	REPORT NUMBER 45: NOV 4 - 8	REPORT NUMBER 46: NOV 11 - 15	REPORT NUMBER 47: NOV 18 - 22	REPORT NUMBER 48: NOV 25 - 29	2002 * Monthly Average	2001 * Monthly Average
BUTTER*							
-- GRADE AA							
--Monday		1.0050	1.0025	1.0550	1.1100		
--Tuesday							
--Wednesday		1.0050	1.0050	1.0800	1.1050		
--Thursday							
--Friday	1.0200	1.0000	1.0050	1.1175	#	1.0425	1.3481
--Weekly Average**	1.0325	1.0033	1.0042	1.0842	1.1075		
CHEESE*							
-- BARRELS							
--Monday		1.0450	1.0625	1.0750	1.0950		
--Tuesday		1.0450	1.0625	1.0825	1.0950		
--Wednesday		1.0450	1.0675	1.0900	1.1000		
--Thursday		1.0450	1.0750	1.0900	#		
--Friday	1.0450	1.0500	1.0750	1.0950	#	1.0705	1.2105
--Weekly Average**	1.0390	1.0460	1.0685	1.0865	1.0967		
-- 40# BLOCKS							
--Monday		1.0750	1.0850	1.0800	1.1200		
--Tuesday		1.0750	1.0725	1.0825	1.1250		
--Wednesday		1.0750	1.0500	1.1125	1.1250		
--Thursday		1.0750	1.0750	1.1200	#		
--Friday	1.0700	1.0750	1.0800	1.1200	#	1.0891	1.2668
--Weekly Average**	1.0760	1.0750	1.0725	1.1030	1.1233		
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		0.9150	0.9150	0.9150	0.9150		
--Tuesday		0.9150	0.9150	0.9150	0.9150		
--Wednesday		0.9150	0.9150	0.9150	0.9150		
--Thursday		0.9150	0.9150	0.9150	#		
--Friday	0.9150	0.9150	0.9150	0.9150	#	0.9150	0.9900
--Weekly Average**	0.9150	0.9150	0.9150	0.9150	0.9150		
-- GRADE A							
--Monday		0.9300	0.9300	0.9300	0.9300		
--Tuesday		0.9300	0.9300	0.9300	0.9300		
--Wednesday		0.9300	0.9300	0.9300	0.9300		
--Thursday		0.9300	0.9300	0.9300	#		
--Friday	0.9300	0.9300	0.9300	0.9300	#	0.9300	1.0000
--Weekly Average**	0.9300	0.9300	0.9300	0.9300	0.9300		

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.
OVE closed, no trading.

NOVEMBER 2002 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 2002 – OCTOBER 2002		17,050		
11/21/02	CARIBBEAN, CENT & S. AM	18,000	FEB-AUG	\$340
11/22/02	CARIBBEAN, CENT & S. AM	3,776	DEC-AUG	\$308.81
11/22/02	ASIA & FSU	200	DEC-AUG	\$305
11/25/02	CARIBBEAN, CENT & S. AM	2,050	NOV-AUG	\$298.49
11/26/02	ASIA & FSU	1,550	DEC-AUG	\$288
NOVEMBER 1 - 30, 2002		<u>25,576</u>		
JULY 2002 – NOVEMBER 2002		<u>42,626</u>		
CHEESE				
JULY 2002 - OCTOBER 2002		757		
11/21/02-M	AFRICA & MIDDLE EAST	46	NOV-JUN	\$600
11/21/02-M	CARIBBEAN, CENT & S. AM	500	NOV-JUN	\$598
11/22/02-M	CARIBBEAN, CENT & S. AM	591	NOV-JUN	\$550
NOVEMBER 1 - 30, 2002		<u>1,137</u>		
JULY 2002 – NOVEMBER 2002		<u>1,894</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY 2002 –OCTOBER 2002		N/A		
NOVEMBER 1 - 30, 2002		<u>0</u>		
JULY 2002 – NOVEMBER 2002		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
				PROGRAM TO DATE
TOTAL MT				44,520
TOTAL BONUS VALUE				\$19,984,946

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

Allocations for the DEIP year beginning July 1, 2002: Nonfat Dry Milk – 68,201 MT; Cheese – 3,030 MT; Butterfat – 21,097 MT

Allocations are being announced in stages. Stage one was for 17,050 MT of Nonfat Dry Milk, 5,274 MT of Butter and 757 MT of Cheese. Stage two was for 17,050 MT of Nonfat Dry Milk, 5,274 MT of Butter and 757 MT of Cheese. Invitations were announced only for Cheese and Nonfat Dry Milk and volumes are already filled.

NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2002 advanced 1 point to 126. Compared with November 2001, the index was up 4 points (3.3 percent). The index of prices received by farmers for dairy products declined 3 points during the month of November 2002 to 90. Compared with November 2001, the index was down 20 points (18.2 percent).

Prices received by farmers in November with changes from October were: for All Milk, \$11.70 per hundredweight (cwt.), down \$.40; Fluid Grade Milk, \$11.70 per cwt., down \$.40; and for Manufacturing Grade Milk, \$10.50 per cwt., down \$.70.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., NOVEMBER 2002 WITH COMPARISONS*

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	OCTOBER		NOVEMBER		NOVEMBER		NOVEMBER		NOVEMBER	
	2002 <u>2/</u>	2001 <u>2/</u>	2002 <u>4/</u>	2001 <u>2/</u>	2002	2001	2002 <u>7/</u>	2001 <u>8/</u>	2002	2001
CA	10.70	13.84	10.20	12.89			31.50	35.50	93.00	117.00
ID	11.20	13.50	10.70	15.60			31.40	33.00	98.00	121.00
MI	12.00	16.60	12.00	14.80			34.00	39.50	104.00	74.00
MN	12.70	15.80	12.00	14.20			36.00	36.60	68.00	59.00
NM	12.10	15.50	11.60	14.60			34.00	38.90	141.00	128.00
NY	12.60	16.60	12.50	15.20			---	---	97.00	100.00
PA	13.60	17.30	13.80	16.80			33.60	37.50	130.00	122.00
TX	13.00	16.80	12.90	15.60			33.00	36.60	72.00	73.00
WA	12.00	16.00	11.80	14.60			---	---	110.00	121.00
WI	12.50	15.80	11.80	13.90			31.60	35.70	77.00	59.00
U.S.	12.10	15.60	11.70	14.40			32.60	35.80	93.60	95.90

*Please note that the States shown have been revised--New Mexico has been added, Ohio has been dropped. The intent is to show information for the 10 States with the largest volumes of milk production. 1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., NOVEMBER 2002 WITH COMPARISON

ITEM	NOVEMBER 2001	OCTOBER 2002 <u>1/</u>	NOVEMBER 2002 <u>2/</u>
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	14.40	12.10	11.70
Fluid grade milk	14.50	12.10	11.70
Manufacturing grade milk	12.40	11.20	10.50
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	93	96	97
Prices received by farmers for dairy products	110	93	90
Prices paid by farmers for commodities and services, interest taxes, and wage rates	122	125	126
Prices paid by farmers for production items	118	121	121
Prices paid by farmers for feed	109	118	117
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	3.29	2.47	2.39

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and all wheat.

SOURCE: "Agricultural Prices," Pr 1 (11/02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, DECEMBER 2002, WITH COMPARISONS <u>1/</u>												
CITY	DEC 2000			DEC 2001			NOV 2002			DEC 2002		
	Coop.	Federal Order	Difference									
Dollars Per Hundredweight												
Atlanta, GA *	16.31	15.23	1.08	16.33	15.08	1.25	15.63	13.70	1.93	15.55	13.62	1.93
Baltimore, MD	16.68	15.13	1.55	16.73	14.98	1.75	15.35	13.60	1.75	15.27	13.52	1.75
Boston, MA	15.86	15.38	0.48	16.83	15.23	1.60	15.25	13.85	1.40	15.17	13.77	1.40
Carbondale, IL	16.04	14.33	1.71	15.89	14.18	1.71	2/	2/	2/	2/	2/	2/
Charlotte, NC	16.31	15.23	1.08	16.33	15.08	1.25	15.63	13.70	1.93	15.55	13.62	1.93
Chicago, IL *	15.63	13.93	1.70	15.73	13.78	1.95	14.42	12.40	2.02	14.38	12.32	2.06
Cincinnati, OH	16.21	14.33	1.88	15.95	14.18	1.77	14.36	12.80	1.56	14.29	12.72	1.57
Cleveland, OH	16.01	14.13	1.88	15.75	13.98	1.77	14.16	12.60	1.56	14.09	12.52	1.57
Dallas, TX	15.68	15.13	0.55	15.82	14.98	0.84	14.90	13.60	1.30	14.82	13.52	1.30
Denver, CO	15.38	14.68	0.70	15.38	14.53	0.85	14.00	13.15	0.85	13.92	13.07	0.85
Des Moines, IA	14.99	13.93	1.06	14.99	13.78	1.21	13.79	12.40	1.39	13.70	12.32	1.38
Detroit, MI	14.93	13.93	1.00	15.03	13.78	1.25	13.50	12.40	1.10	13.50	12.32	1.18
Hartford, CT	15.76	15.28	0.48	16.73	15.13	1.60	15.15	13.75	1.40	15.07	13.67	1.40
Houston, TX	16.28	15.73	0.55	16.42	15.58	0.84	15.50	14.20	1.30	15.42	14.12	1.30
Indianapolis, IN	16.01	14.13	1.88	15.75	13.98	1.77	14.16	12.60	1.56	14.09	12.52	1.57
Kansas City, MO	15.09	14.13	0.96	15.19	13.98	1.21	14.38	12.60	1.78	14.29	12.52	1.77
Louisville, KY	15.33	14.33	1.00	15.18	14.18	1.00	13.90	12.80	1.10	13.82	12.72	1.10
Memphis, TN *	15.61	14.93	0.68	15.83	14.78	1.05	15.13	13.40	1.73	15.05	13.32	1.73
Miami, FL	18.82	16.43	2.39	18.84	16.28	2.56	18.04	14.90	3.14	17.96	14.82	3.14
Milwaukee, WI *	15.58	13.88	1.70	15.83	13.73	2.10	14.52	12.35	2.17	14.48	12.27	2.21
Minneapolis, MN *	14.79	13.83	0.96	15.19	13.68	1.51	13.87	12.30	1.57	13.83	12.22	1.61
New Orleans, LA *	16.45	15.73	0.72	16.48	15.58	0.90	15.78	14.20	1.58	15.70	14.12	1.58
Oklahoma City, OK	15.53	14.73	0.80	15.63	14.58	1.05	14.85	13.20	1.65	14.77	13.12	1.65
Omaha, NE	15.04	13.98	1.06	15.04	13.83	1.21	13.84	12.45	1.39	13.75	12.37	1.38
Philadelphia, PA	16.85	15.18	1.67	16.90	15.03	1.87	15.52	13.65	1.87	15.44	13.57	1.87
Phoenix, AZ	14.63	14.48	0.15	14.48	14.33	0.15	13.10	12.95	0.15	13.02	12.87	0.15
Pittsburgh, PA	16.23	14.23	2.00	16.28	14.08	2.20	14.65	12.70	1.95	14.58	12.62	1.96
St. Louis, MO	15.84	14.13	1.71	15.69	13.98	1.71	13.85	12.60	1.25	13.77	12.52	1.25
Salt Lake City, UT	14.28	14.03	0.25	14.18	13.88	0.30	12.80	12.50	0.30	12.72	12.42	0.30
Seattle, WA	14.70	14.03	0.67	14.30	13.88	0.42	12.92	12.50	0.42	12.84	12.42	0.42
Spokane, WA	14.70	14.03	0.67	14.30	13.88	0.42	12.92	12.50	0.42	12.84	12.42	0.42
Springfield, MO	15.13	14.33	0.80	14.98	14.18	0.80	14.45	12.80	1.65	14.37	12.72	1.65
Washington, DC	16.68	15.13	1.55	16.73	14.98	1.75	15.35	13.60	1.75	15.27	13.52	1.75
Simple Average *	15.74	14.61	1.13	15.78	14.46	1.32	14.55	13.09	1.46	14.48	13.01	1.47

* Cooperative price for November has been revised. Revisions for October 2002 are Atlanta, \$15.18; Memphis, \$14.68; New Orleans, \$15.33; and Simple Average, \$14.12

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets.

Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers. 2/ The price series for this city has been discontinued.

OCTOBER 2002 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 102.1 million pounds in October, 7.1 percent below October 2001 but 10.7 percent above September 2002. **AMERICAN TYPE CHEESE** production totaled 293.1 million pounds, 1.0 percent below October 2001 but 2.6 percent above September 2002. **TOTAL CHEESE** output (excluding cottage cheese) was 714.0 million pounds, 4.7 percent above October 2001 and 6.3 percent above September 2002. **NONFAT DRY MILK** production, for human food, totaled 99.7 million pounds, 5.7 percent below October 2001 but 6.4 percent above September 2002. **DRY WHEY** production, for human food, was 88.2 million pounds, 17.0 percent above October 2001 and 3.9 percent above September 2002. **ICE CREAM** (hard) production totaled 70.2 million gallons, 3.8 percent above October 2001 but 0.1 percent below September 2002.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	OCT 2002	PERCENT CHANGE FROM:			PRODUCT	OCT 2002	PERCENT CHANGE FROM:		
	1,000 LBS.	OCT 2001	SEP 2002	YEAR TO DATE 1/		1,000 LBS.	OCT 2001	SEP 2002	YEAR TO DATE 1/
BUTTER	102,121	-7.1	10.7	11.2	YOGURT (PLAIN AND FLAVORED)	175,691	11.3	-7.8	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	293,141	-1.0	2.6	4.8	SWEET-TYPE, HUMAN FOOD	6,621	14.5	-4.8	---
CHEDDAR	216,483	-6.3	1.8	2.7	SWEET-TYPE, ANIMAL FEED 7/				---
SWISS	22,729	7.1	6.9	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	8,814	13.9	16.7	---	DRY WHEY, HUMAN FOOD	88,167	17.0	3.9	---
CREAM & NEUFCHATEL	63,857	-0.2	13.8	---	DRY WHEY, ANIMAL FEED	4,597	7.6	-10.1	---
HISPANIC	10,791	14.6	7.6	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	233,302	8.8	4.9	3.7	HUMAN FOOD	4,371	-38.8	2.4	---
OTHER ITALIAN TYPES	62,539	21.9	21.0	2.9	ANIMAL FEED	3,543	14.7	10.2	---
TOTAL ITALIAN TYPES	295,841	11.3	7.9	3.6	LACTOSE, HUMAN FOOD & ANIMAL FEED	48,523	5.4	5.5	---
ALL OTHER TYPES	18,840	5.0	9.4	---	WHEY PROTEIN CONCENTRATE				
TOTAL	714,013	4.7	6.3	3.8	HUMAN FOOD	26,714	24.3	3.8	---
COTTAGE CHEESE, CURD 3/	38,393	0.6	1.2	---	ANIMAL FEED	3,408	-12.6	11.9	---
COTTAGE CHEESE, CREAM 4/	31,623	1.0	-0.1	-0.7					
COTTAGE CHEESE, LOWFAT 5/	32,386	3.8	2.3	1.4					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	49,461	14.3	13.7	---	ICE CREAM (HARD)	70,185	3.8	-0.1	0.2
DRY WHOLE MILK	5,488	36.1	13.8	---	ICE CREAM, LOWFAT (HARD)	8,045	13.3	8.1	---
NONFAT DRY MILK, HUMAN FOOD	99,746	-5.7	6.4	9.6	ICE CREAM, LOWFAT (SOFT)	20,834	-12.0	-12.9	---
DRY SKIM MILK, ANIMAL FEED	443	8.0	-8.7	---	ICE CREAM, LOWFAT (TOTAL)	28,879	-6.2	-7.9	-7.3
DRY BUTTERMILK	3,567	-10.4	24.7	---	SHERBET (HARD)	4,278	19.7	3.5	9.4
					YOGURT (TOTAL)	6,395	8.6	-4.8	-2.1

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	OCT 2002	PERCENT OF:		PRODUCT	OCT 2002	PERCENT OF:	
	1,000 LBS.	OCT 2001	SEP 2002		1,000 LBS.	OCT 2001	SEP 2002
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	30,672	24.1	-1.0	HUMAN FOOD	21,542	68.3	-2.9
DRY WHEY, ANIMAL FEED	2,031	-41.6	-4.9	ANIMAL FEED	1,114	-28.5	-10.8
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	8,849	31.9	-15.2	CANNED EVAPORATED & CONDENSED WHOLE MILK	61,451	8.0	-24.5
LACTOSE, HUMAN FOOD & ANIMAL FEED	41,832	106.2	5.6	NONFAT DRY MILK FOR HUMAN FOOD	73,624	-27.9	-13.1
DRY BUTTERMILK, TOTAL	7,859	111.0	-8.1				

1/ 2002 cumulative as percent change of 2001 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Not shown when fewer than three plants reported or individual plant operations could be disclosed. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (12-02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF NOVEMBER 27 - DECEMBER 6			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 11/29/02	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	163,390	-0-	163,390	163,390	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	673,200	-0-	673,200	1,742,400	-0-	-0-	-0-
TOTAL	836,590	-0-	836,590	1,905,790	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	28,927,250	7,712,633	21,214,617	76,719,927	49,849,170	1,060,554,000	630,210,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	38,227,000
TOTAL	28,927,250	7,712,633	21,214,617	76,719,927	49,849,170	1,106,945,000	668,437,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF NOVEMBER 29 - DECEMBER 6, 2002 =	12.4	255.2	COMPARABLE PERIOD IN 2001 =	1.5	82.0
CUMULATIVE SINCE OCTOBER 1, 2002 =	34.5	911.9	CUMULATIVE SAME PERIOD LAST YEAR =	11.0	580.2
CUMULATIVE JANUARY 1 - DECEMBER 6, 2002 =	229.1	7,691.6	COMPARABLE CALENDAR YEAR 2001 =	84.4	3,850.5

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
 **Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF NOVEMBER 27 - DECEMBER 6, 2002 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	673,200	-0-	-0-
WEST	-0-	-0-	-0-	163,390	-0-	-0-	21,214,617	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
MIDWEST	-0-	-0-	1,742,400	-0-	398,658	-0-	46.9	-0-
WEST	-0-	-0-	163,390	-0-	76,321,269	49,849,170	53.1	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	1,905,790	-0-	76,719,927	49,849,170	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 11/16/02 & Comparable Week 2001

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2002-Dairy	0.2	0.8	7.1	5.0	21.2	2.9	0.5	0.9	14.6	2.5	55.7	2,277.3	44.8	46.0
2001-Dairy	0.2	0.7	5.9	5.4	21.6	2.3	0.4	0.8	13.8	2.5	53.7	2,277.1	43.2	45.5
2002-All cows	0.2	0.9	9.8	13.2	33.7	17.8	18.0	3.7	17.8	9.1	124.2	4,951.9		
2001-All cows	0.2	0.9	8.2	13.9	32.5	17.3	18.6	6.3	17.6	8.9	124.3	5,001.9		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000-2001) AND BFP (1999) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80

FEDERAL MILK ORDER CLASS PRICES FOR 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.96	11.95	11.62	11.47	11.26	11.03	10.62	10.48	10.46	10.15	10.60	10.52
II	12.69	12.28	12.19	11.88	11.29	11.19	11.14	11.07	10.91	11.12	11.26	
III	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	
IV	11.93	11.54	11.42	11.09	10.57	10.52	10.45	10.41	10.22	10.50	10.58	

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm