

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (1/10):**

BUTTER: Grade AA closed at \$1.0800. The weekly average for Grade AA is \$1.1025 (-.0300).

CHEESE: Barrels closed at \$1.1000 and blocks at \$1.1125. The weekly average for barrels is \$1.1060 (-.0040) and blocks, \$1.1230 (+.0072).

NONFAT DRY MILK: Extra Grade closed at \$0.8900 and Grade A at \$0.8900. The weekly average for Extra Grade is \$0.8900 (-.0200) and Grade A, \$0.8900 (-.0200).

BUTTER: The cash butter price at the CME started the week by increasing and fell back significantly during the Wednesday and Friday trading sessions. The market tone is generally weak. Production levels, though down from the holiday period, are still heavy. Reports indicate that excess cream continues to move inter-regionally to find outlets. Demand for butter is lackluster and stocks are heavier. These are not good signs for market improvement. Lacking the features seen during the holidays, retail sales are sluggish.

CHEESE: The cheese market is weak. Both block and barrel prices on the Chicago Mercantile Exchange cash cheese market are again below the comparable CCC purchase price. The additional cheese produced during the yearend holiday period is taking extra time to clear. Orders for early year needs are still often lighter than expected as buyers assess holiday movement and current needs. Additional volumes of process cheese are being packaged for sale to CCC. Cumulative January - November 2002 cheddar production is estimated at 2.571 billion pounds, up 64.7 million pounds (2.6%) from the same period in 2001. Total cheese production in 2002 for the same period totals 7.708 billion pounds, up 281.7 million pounds (3.8%) from 2001.

FLUID MILK: Milk processing is returning to pre holiday levels across the country. Some locations were still working down holiday milk at the start of this week. There were some problems and opportunities for milk handling over the extended holiday period, but troubles were generally limited. Bottling activity is increasing as more schools resume schedules and home buying patterns redevelop. Milk production in the West is often higher as weather patterns were gentler. In the Midwest, record high temperature and limited moisture helped maintain and grow milk supplies, along with fat and protein levels. Milk output is steady to slightly improved over most of the East. Two winter storms over the weekend created increased demand for fluid milk and some transportation issues. Florida milk production is holding mostly steady due to cooler weather. Demand for cream is increasing as more ice cream plants resume production and other cream-based item processing returns.

DRY PRODUCTS: Nonfat dry milk prices are declining in all regions as processors adjust pricing levels lower. Demand is mixed with some buyers returning to the marketplace for operating stocks while others are only taking contracted loads. Dry buttermilk prices are lower and reflect a general weakness.

Production levels were high in recent weeks and remain active. Demand is limited and processors are lowering prices to try and stimulate buyers. Prices are eroding further for dry whey across regions. Powder is available at most plants for spot shipments and being discounted in attempts to move. Production is strong and stocks are heavy. Whey protein concentrate prices are steady. Some producers are asking for premiums, but buyers are currently reluctant to abide. There are numerous higher protein, lower protein, and imported WPCs, being offered from other sources that are competing for 34% markets. Lactose prices and markets are steady. Availability is adequate, although dependent on producers' contracted volumes.

CCC: For the period of January 1 - 10, CCC purchased 20,807,174 pounds of NDM, 1,251,061 pounds from the Midwest and 19,556,113 pounds from Western producers.

NOVEMBER DAIRY PRODUCTS (NASS): Butter production was 103.2 million pounds in November, 3.1% above November 2001 and 1.1% above October 2002. American type cheese production totaled 292.0 million pounds, 2.0% above November 2001 but 1.1% below October 2002. Total cheese output (excluding cottage cheese) was 711.8 million pounds, 3.0% above November 2001 but 0.8% below October 2002. Nonfat dry milk production, for human food, totaled 96.2 million pounds, 10.2% below November 2001 and 3.5% below October 2002. Dry whey production, for human food, was 85.2 million pounds, 9.8% above November 2001 but 3.9% below October 2002.

NOVEMBER FLUID MILK SALES (AMS & CDF): During November, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.7% higher than November 2001. After adjusting for calendar composition, sales in November 2002 were 0.5% higher than November 2001. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk and low fat (1%) milk would have likely increased from November 2001, while sales of whole milk, fat-free (skim) milk, and buttermilk would have likely decreased from a year earlier.

NOVEMBER CONSUMER PRICE INDEX (BLS): The November CPI for all food is 176.8, up 1.3% from November 2001. The dairy products index, at 167.1, is down 2.4% from a year ago. The following are the November to November changes for selected products: fresh whole milk -5.1%, cheese -2.3%, and butter -18.5%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first ten months of 2002 totals 141.9 billion pounds, 1.1% higher than the same period in 2001. Comparing disappearance levels with year earlier levels: butter is +4.0%, American cheese, +1.3%, Other cheese, +3.9%, NDM, -22.4%, and fluid milk products, +0.2%.

****SPECIAL THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JANUARY 6	TUESDAY JANUARY 7	WEDNESDAY JANUARY 8	THURSDAY JANUARY 9	FRIDAY JANUARY 10	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1100 (N.C.)	\$1.1100 (N.C.)	\$1.1100 (N.C.)	\$1.1000 (-.0100)	\$1.1000 (N.C.)	(-.0100)	\$1.1060 (-.0040)
40# BLOCKS	\$1.1325 (+.0050)	\$1.1400 (+.0075)	\$1.1175 (-.0225)	\$1.1125 (-.0050)	\$1.1125 (N.C.)	(-.0150)	\$1.1230 (+.0072)
NONFAT DRY MILK EXTRA GRADE	\$.8900 (-.0200)	\$.8900 (N.C.)	\$.8900 (N.C.)	\$.8900 (N.C.)	\$.8900 (N.C.)	(-.0200)	\$.8900 (-.0200)
GRADE A	\$.8900 (-.0200)	\$.8900 (N.C.)	\$.8900 (N.C.)	\$.8900 (N.C.)	\$.8900 (N.C.)	(-.0200)	\$.8900 (-.0200)
BUTTER GRADE AA	\$1.1350 (+.0150)	----	\$1.0925 (-.0425)	----	\$1.0800 (-.0125)	(-.0400)	\$1.1025 (-.0300)

*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

CHICAGO MERCANTILE EXCHANGE

MONDAY, JANUARY 6, 2003

CHEESE — SALES: 4 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1400, 1 @ \$1.1300, 1 @ \$1.1375; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1325, 1 @ \$1.1400
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR EXTRA GRADE @ \$0.8900; 1 CAR GRADE A @ \$0.8900
 BUTTER — SALES: 20 CARS: 3 @ \$1.1200, 2 @ \$1.1150, 5 @ \$1.1100, 1 @ \$1.1200, 1 @ \$1.1150, 1 @ \$1.1175, 1 @ \$1.1225, 2 @ \$1.1200, 1 @ \$1.1225, 1 @ \$1.1300, 1 @ \$1.1325, 1 @ \$1.1350; BIDS UNFILLED: 12 CARS: 1 @ \$1.1275, 2 @ \$1.1200, 2 @ \$1.1175, 2 @ \$1.1150, 1 @ \$1.1100, 4 @ \$1.1050; OFFERS UNCOVERED: NONE

TUESDAY, JANUARY 7, 2003

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.1400; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1350; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1400
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JANUARY 8, 2003

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1300, 1 @ \$1.1350, 1 @ \$1.1400
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 3 CARS: 1 @ \$1.0950, 1 @ \$1.0850, 1 @ \$1.0925; BIDS UNFILLED: 1 CAR @ \$1.0900; OFFERS UNCOVERED: 3 CARS: 1 @ \$1.1450, 2 @ \$1.1600

THURSDAY, JANUARY 9, 2003

CHEESE — SALES: 4 CARS 40# BLOCKS: 2 @ \$1.0950, 1 @ \$1.1050, 1 @ \$1.1125; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1100; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1000; 1 CAR 40# BLOCKS @ \$1.1200
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JANUARY 10, 2003

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1200
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 12 CARS: 1 @ \$1.0825, 2 @ \$1.0800, 1 @ \$1.0700, 3 @ \$1.0750, 1 @ \$1.0800, 1 @ \$1.0750, 1 @ \$1.0800, 1 @ \$1.0750, 1 @ \$1.0775; BIDS UNFILLED: 7 CARS: 1 @ \$1.0800, 2 @ \$1.0750, 1 @ \$1.0725, 1 @ \$1.0700, 1 @ \$1.0600, 1 @ \$1.0500; OFFERS UNCOVERED: 1 CAR @ \$1.1025

BUTTER MARKETS

NOVEMBER BUTTER PRODUCTION

During November 2002, butter production in the United States totaled 103.22 million pounds, 3.1% more than November 2001 and 1.1% more than October 2002. The following are November to November changes for various states: CA -1.2%, NY +4.0%, PA +12.9%, WA -1.3%, and WI +0.2%.

NORTHEAST

The market tone is a little unsettled. At a time when butter output is heavy and demand sluggish, the price at the CME fell (as expected by many in the trade), only to rebound in active trading on January 6. Most of the 20 sales during the 1/6 trading were based on bids which does indicate that some people want bulk butter. It may also be caused by futures deliveries and date-of-production rules. Churning activity continues to be very heavy. Retail demand is slow and food service orders are steady to lighter. 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 unsettled. After the CME cash price jumped 1.5 cents during the Monday (1/6) trading, it fell 4.25 cents during Wednesday trading. There seems to be no clear direction to the market and prices at this time. However, some contacts see little upside to market prices in the near future. Churning activity remains heavy, paralleling the volumes of excess cream. Shipments from Eastern suppliers have not eased too much from their holiday levels.

Local cream supplies are also readily available to butter producers. Stocks of butter are building. Demand for bulk butter is fair, slow for packaged butter. The pre-holiday retail features moved a lot of butter, but current-month sales are lagging. Bulk butter for spot sales is selling in a range of flat to 2 cents per pound over various pricing basis.

WEST BUTTER

Butter production was very heavy over the two holiday weeks. Cream was readily available and traveled long distances to find an available churn and prices were reduced. Sales activity is slow currently as buyers assess how much butter was sold at the end of the year and what supplies will be needed for January. Most contacts were generally pleased with year end sales activity. Feature activity moved a lot of butter. Any positive price movements at the CME are being met with some surprise by Western contacts. Weekly CME warehouse stocks have increased for the last three weeks by a total of 9.6 million pounds. Normally, stocks would not have begun to increase until the last of those three weeks. Stocks stand at 93.9 million pounds at the beginning of the new year. Stocks have never been this high at the beginning of a year. The average stock level for the last five years at the beginning of the year has been 14.4 million pounds. Western region output was down 0.6% from last year and stood at 41.6 million pounds. The West produced 40% of the butter in the U.S. in November. Cumulative U.S. butter production for the first eleven months of the year totals 1.23 billion pounds, up 10.5% from the same period last year. That works out to an average weekly increase of 2.4 million pounds of butter compared to last year. Current prices for bulk butter range from 3 cents under to 1 cent under the market based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
JAN 4	1.1173	1.1129	0.8319	1.1163	0.1759
	7,481,414	12,776,522	22,403,530	3,066,066	10,122,095

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 generally lower and the market tone is weak. Production levels are lighter in the Northeast now that schools are back in session and surplus milk volumes have eased. However, cheese output during the holidays was heavy. Demand has eased from pre-holiday levels, but holding at fair levels. The NFL playoffs spark a lot of partying, which benefits snack food sales, which in turn, helps cheese sales. Supplies of cheese are more than ample to cover current demand. During November, cheddar cheese production in the Atlantic region totaled 9.3 million pounds, 21.7% less than November 2001 and 2.4% less than October 2002. Mozzarella output in the Atlantic region totaled 39.3 million pounds, 6.4% less than last November and 1.1% below a month ago.

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

Cheddar 10# Prints	:	1.1775-1.6725
Cheddar Single Daisies	:	1.1350-1.6000
Cheddar 40# Block	:	1.2550-1.5000
Process 5# Loaf	:	1.3200-1.5200
Process 5# Sliced	:	1.3400-1.5875
Muenster	:	1.3400-1.5450
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled, though with a weak undertone for the short term. Offerings of staple (storable) varieties such as current cheddar increased during the holidays when large quantities of milk were diverted by bottlers into cheese production. The resulting cheddar volume has most of the month to be cleared commercially or offered as current cheddar on the Chicago Mercantile Exchange. The extra cheese volume could affect milk prices. Another common discussion topic in 2003 and late 2002 has been the anticipated increased use of milk protein concentrate, mainly in non-standardized process products, as a replacement for higher cost inputs such as cheese. This is expected to reduce the overall volume of cheese needed and clouds price forecasts. Process interest is generally light to moderate with some line time used to produce product for CCC clearance. Current cutting interest is mostly fair at best and often disappointing early in 2003. At least a few cutters hope Super Bowl interest will soon stimulate orders. Some barrels are being discounted to clear within the region. Mozzarella movement is moderate to good and is not far from in balance. Early year cheese production has been heavy and as milk silos and rolling storage units (trucks) empty, manufacturing schedules are starting to slow.

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

Process American 5# Loaf	:	1.2900-1.4900
Brick And/Or Muenster 5#	:	1.5300-1.6750
Cheddar 40# Block	:	1.4500-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8675-2.2100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4200-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9500-2.6850

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

	BUTTER	:	CHEESE
01/06/03	56,080	:	141,594
01/01/03	52,308	:	136,430
CHANGE	3,772	:	5,164
% CHANGE	7	:	4

Note: The 2003 numbers are increased by the addition of 4 butter warehouses and 5 cheese warehouses to increase the sample. The January 1, 2003 number has also been adjusted. In 2002, these warehouses would have increased reported totals by 1 - 5 million pounds each, depending on week.

WEST

Prices weakened for natural and process items after trading at the CME last week. Prices have firmed and declined some since then and contacts are somewhat confused about market direction in the short run. Buying activity is relatively slow currently as buyers assess their inventories after holiday sales and see what they need for January. Production of cheese was heavier than anticipated over the two holiday weeks. It has taken many plants until midweek to catch up on processing surplus milk supplies. U.S. total cheese production in November totaled 711.8 million pounds, up 3.0% from last year. Output for selected Western states compared to last year is as follows: California +2.3%, Idaho +7.3%, Utah -2.0%, and Washington +13.6%. The overall Western region was up 6.2%. The Western region produced 39% of the total U.S. cheese production in November. Cumulative U.S. output for the first eleven months of the year totals 7.71 billion pounds, an increase of 3.8% (281.7 million pounds) from last year. That works out to an increase of 5.9 million pounds of additional cheese produced every week so far through the end of November compared to a year earlier. Swiss output in November totals 21.7 million pounds, up 9.8% from last year but down 4.8% from last month.

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

Process 5# Loaf	:	1.2600-1.5200
Cheddar 40# Block	:	1.2450-1.3850
Cheddar 10# Cuts	:	1.4250-1.6450
Monterey Jack 10#	:	1.4350-1.5950
Grade A Swiss Cuts 6 - 9#	:	2.2600-2.4100

FOREIGN

Prices are steady to lower and the market tone is weaker. This is typical for the post-holiday period when consumption of imported or domestic styles decrease. Supplies are lighter, but adequate to cover current needs. Most retailers are working off pre-holiday stocks before reordering.

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 : 1.4725-2.9625*
Gorgonzola	:	3.2400-5.9400 : 1.9900-2.4900*
Parmesan (Italy)	:	TFEWR : 2.8825-2.9725*
Romano (Italy)	:	2.1000-3.1900 : -0-
Provolone (Italy)	:	3.4400-5.5000 : 1.4800-1.7075*
Romano (Cows Milk)	:	-0- : 2.6700-4.8425*
Sardo Romano (Argentine)	:	2.8500-3.2900 : -0-
Reggianito (Argentine)	:	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.

FLUID MILK AND CREAM

EAST

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	15	0	0	27	80	0
SOUTHEAST STATES	0	0	0	0	0	0

The following are the December 2002 Class and component prices under the Federal Milk Order pricing system: Class II \$11.62 (up \$0.36 from November), Class III \$9.74 (down \$0.10); and Class IV \$10.49 (down \$0.09). The following are the product price averages used in computing Class prices: butter \$1.0926, NDM \$0.8682, cheese \$1.1203, and dry whey \$0.1965. The Class II butterfat price is \$1.1992 and the Class III/IV butterfat price is \$1.1922. Milk production is steady to slightly higher in most parts of the region. Florida's output has slowed temporarily as cold weather hit the state early this week. Frost was common across much of the state on Wednesday morning. Two storms moved quickly through the Northeast this past weekend and at midweek. Snow accumulations ranged up to 18 inches in spots and there were some delays in farm pick-ups and other transportation schedules. The forecasts of storms set off another bout of panic buying. Bottlers were very busy over the weekend and most added on to their orders for milk. The combination of refilling the school lunch pipelines and the storms had most bottlers running "full tilt" right through midweek. This improved Class I demand greatly reduced the volumes of surplus milk in the region. Butter/powder plants that were operating on extended schedules during the holidays are back to moderate operations now and some balancing plants were idled early this week. However, the butter producing portion of these plants are still churning moderate to heavy volumes of cream. The condensed skim market isn't as weak now that the holiday milk and condensed have eased back to more normal levels. Less distressed loads are clearing. Prices are still rather low and some users are looking at NDM as a less expensive alternative. Suppliers are often lowering prices to meet the NDM market, just to keep product moving. The fluid cream market remains weak. However, some ice cream plants are back on line after several weeks off. This is helping to ease the cream glut, but the heavier milk bottling and standardizing is creating more cream at those plants. However, cream volumes are still excessive of Class II demand and some suppliers are still shipping a big percentage of their supply to the Midwest for churning. Demand is fair and prices often lower due to a decline in multiples and the CME average price of butter. A few scattered reports of higher multiples were noted. Cream cheese output is about steady and producers are still looking for attractively priced spot loads. Ice cream production is increasing for the "holiday lull" now that plants get back on line. Churning activity is still quite heavy at those plants that are churning. Cream suppliers report that some butter makers are paying rather low multiples for any cream that is offered to them.

for deliveries around midweek. The ice cream operations closed for a holiday break were also resuming in the new year and cream multiples rebounded from recent low holiday multiples. The multiples for cream headed to churns, as usual, lower than the reported range. Condensed skim prices range from \$.80 to \$1.00, and Class II prices at \$.88 - 1.00. Condensing operations were active during the holiday period to help handle the volume of milk available and, for some, condensed was easier to sell than whole milk. Current plant milk intakes are generally higher at most plants with fat and protein levels about steady at good seasonal levels. Along with the usual first of the month/year patron switching between plants and coops, the producer takeover by a cooperative from a large independent bottler spurred increased field staff visits and, perhaps, producer movement in some areas. Record setting high daily temperatures in some upper tier states has melted away the limited snow cover and increased concerns for increased winterkill in alfalfa and winter wheat as temperatures decline.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 31 - JAN 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.50- 41.00	\$ 35.00- 41.00
REPLACEMENT HEIFER CALVES	\$270.00-380.00	\$480.00-600.00

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

	DEC 31 - JAN 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.00- 42.25	\$ 35.00- 42.00

WEST

The December 4a price (butter/powder) in CALIFORNIA is \$10.08, down \$0.11 from November and \$1.37 lower than last year. This compares to the Federal Order Class IV price for December at \$10.49. The December 4b price (cheese) is \$9.43, up \$0.46 from November but \$1.54 lower than last year. This compares to the Federal Order Class III price for December at \$9.74. CALIFORNIA milk production levels are trending slightly higher than year ago levels across many areas of the state, especially where adverse weather conditions are not a factor. Processors were still balancing the effects of the holidays early in the week before schedules generally returned to normal. Fluid demand is improving as more schools and colleges resume classes. In the far north, milk output is being affected by seasonal rains. Winds in Southern California were strong, but not impacting the milking herds to any great extent. Outside lots were helped to dry by the winds. Conditions are generally favorable for milk production in the Central Valley. Milk intakes are returning to normal schedules and processors are adjusting. ARIZONA milk production levels are holding mostly steady at levels a few percent above last year. Rains are common, but not affecting milk volumes currently. Processors are returning to normal schedules as loads of surplus milk of recent weeks no longer are around and needing a home. NEW MEXICO milk production levels are mostly steady with recent weeks at levels above a year ago. Herds and cows have been added within the state and current weather conditions have been decent. There were some problems handling milk over the holidays, but events have returned to normal. CREAM prices are steady to slightly lower. The butter price at the CME declined on Wednesday (1/8) to \$1.0925. Cream supplies were heavy over the holidays and much ended up at the churns. Demand for cream from users besides butter makers is slow to develop. Western cream multiples range from 103 to 125, FOB, depending on class usage. Conditions are very good for milk production in the PACIFIC NORTHWEST. Some contacts are amazed at the current high production levels in various herds with the available feed supplies. Temperatures have been above normal and moisture for the past week has been minimal. The mild, open winter is leading to less hay demand and steady to lower hay prices. Heifer and fresh cow prices range from \$50-100 higher over the past few weeks. More herds are looking for additional heifers. Cull cow prices have come up a few dollars and culling rates are a bit higher. The region saw a lot of surplus milk over the past two holiday weeks and plants ran full. The milk has backed off some since then, but it is on the heavy side seasonally. Conditions also remain warm and generally dry in the UTAH and IDAHO region. More concern is being expressed about the water situation for next spring as time goes by. Milk supplies to manufacturing plants remain heavy this week even though most schools are back in session. Some producers are shifting plant allegiances now that 2003 has arrived.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3590-1.4949
DELIVERED EQUIVALENT ATLANTA	-	1.3590-1.4949 M 1.3817-1.4043
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4156-1.5629

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9500-1.0000
NORTHEAST- CLASS III - SPOT PRICES	- .8000- .8700

MIDWEST

Class I and ice cream manufacturers returned to more normal schedules after the yearend holiday period. As is often the case, it seems to take a few extra days following the holidays for milk supplies and demand to return to pre-holiday levels. Manufacturing milk volumes were still declining toward normal levels early in the week. Reports that milk supplies were still long going into last weekend though not nearly as burdensome as right around the holidays. Milk prices followed the surplus milk volume pattern with reported prices of flat class to around -\$1.00 for milk late last week to flat upwards of \$1.50 over

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 to lower on a weak market. Demand is very light with trading activity best on contracts. NDM continues to be offered to the CCC, limiting supplies available to some buyers. Some traders are buying product from the West instead of the Central region as prices are more attractive in the West. Some NDM interest is being displaced by heavier supplies of condensed skim available. Drying schedules are mostly steady and somewhat reduced as many schools resume sessions after the holiday break. Stocks are heavy yet producers are generally not aggressive in selling NDM. Supplies of standard grade NDM are limited for the good interest.

EAST: Prices are mostly lower and the market tone is weaker. Demand is slightly improved as buyers start to come back into the market after the holidays and the end of the year. However, demand is seldom better than fair. Buyers are aware that NDM prices will gravitate to the new support level and are not buying beyond immediate needs. Production levels were very heavy during the holidays, but have eased this week as manufacturers have caught up with the surplus milk volumes that were carried over into this week. Some plants have again idled their dryers while others have reduced schedules to 3-4 days a week. Most of the NDM made during the holidays is committed, but it did give some producers a working inventory. Going into the holidays, most Eastern producers had very little NDM on hand.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during November 2002 totaled 96.2 million pounds, down 10.2% from November 2001 and 3.5% below October 2002. Month ending stocks, at 86.0 million pounds, are 16.4% below a year ago but 8.3% higher than October 2002.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .8000 - .9300 MOSTLY: .8600 - .8900
 HIGHHEAT: .8800 - .9850

NONFAT DRY MILK - WEST

Prices continue to drift lower for both the range and mostly series for Western low/medium heat nonfat dry milk. Demand is somewhat renewed after taking a hiatus over the year end. Buyers are returning to the market to fill orders for operating stocks and buying programs. Production was heavy over the holidays and continued active into this week. During the year end period of December 30 - 31, CCC purchased 5,095,075 pounds of nonfortified NDM, 4,611,937 pounds from the West. High heat NDM prices also are trending slightly lower and are nominal in limited trading. The trade reports that sales are exceedingly light. Buying interest is slow from the confectionary side and buyers await price stability before making purchases for future needs. U.S. NDM production in November totaled 96.2 million pounds, down 10.2% from last year and 3.5% lower than October. Cumulative production through 11 months of 2002 total 1.38 billion pounds, 7.9% higher compared to the same period in 2001. November production in the West region totaled 78.6 million pounds, down 10.4% from last year. Western states' production levels with comparisons to last year are: California, 52.7 million pounds, -8.1%; Idaho, 4.8 million pounds, -40.2%; and Washington, 13.5 million pounds, -4.0%. U.S. manufacturers' stocks at the end of November were reported at 86.0 million pounds, down 16.4% from last year but up 8.3% from last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .7950 - .9200 MOSTLY: .8000 - .8400
 HIGHHEAT: .8550 - .9100

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 3	\$.8194	12,704,007	7,774,428
December 27	\$.8199	9,713,671	6,978,146

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 lower on a weak market. Production and stocks are generally heavy. Excess supplies of condensed buttermilk are deterring dry buttermilk interest into some end user facilities. However, demand is improving at prices reported at the lower end of the range. Some buyers are opting to wait for prices to settle before making additional purchases. Dry buttermilk production during November 2002 totaled 3.7 million pounds, down 16.0% from November 2001 but 4.0% higher than October 2002. Month ending stocks, at 6.6 million pounds, are 58.6% above last year but 12.6% lower than last month.

F.O.B. CENTRAL: .7200 - .7725

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and the market tone remains weak. Eastern prices are nominal. Churning activity remains heavy and buttermilk output is up accordingly. Demand for liquid/condensed buttermilk is slow and drying was more common. Dry buttermilk stocks are adequate to cover the slow to fair demand. Dry buttermilk production during November 2002 totaled 3.7 million pounds, down 16.0% from November 2001 but 4.0% more than October 2002. Month ending stocks, at 6.6 million pounds, are 58.6% more than year but 12.6% less than a month ago.

F.O.B. NORTHEAST: .7200 - .8150
 DELVDSOUTHEAST: .7800 - .8350

DRY BUTTERMILK - WEST

Dry buttermilk prices are lower. The general market tone is trending weaker as more buttermilk is available and being offered on the market. Buyers are currently inactive with demand seasonally light. Production schedules are declining some from the heavy levels over the last few weeks when butter churning was very active. Stocks are available at most producer locations. U.S. dry buttermilk production in November totaled 3.7 million pounds, down 16.0% from last year but 4.0% higher than October. Stocks at the end of November were reported at 6.6 million pounds, 58.6% higher than last year.

F.O.B. WEST: .7000 - .7800 MOSTLY: .7300 - .7700

DRY WHOLE MILK - NATIONAL

Prices are mixed and the market tone is unchanged. Prices remain nominal. Production is mostly steady. However, with the decline in surplus milk volumes and therefore, the need to process skim, some producers are again making dry whole milk. Producer stocks are balanced. Spot demand remains limited. Competition from imported dry whole milk continues. Dry whole milk production during November totaled 3.4 million pounds, up 5.1% from November 2001 but 37.4% below October 2002. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.1075 - 1.1800

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2002 THROUGH JANUARY 3, 2003
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	42,626 MT (93,973,279 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.

WHEY, CASEIN & EVAPORATED 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.

DRY WHEY - CENTRAL

Prices are lower on a weak market. Some multiple load shipments are being cleared into brokerage firms and export markets at the lower end of the range. Overall, demand is reported as lackluster. Production is generally strong and inventories are heavy. Western buyers are reportedly purchasing whey from the Central region instead of the West. Some manufacturers are offering product at the average yet resellers are offering the same product at a discount to end users. Contracts negotiated for the 2003 year remain less than last year, encouraging more spot trade availability. Permeate is a competitive substitute to whey. Production of human food, dry whey during November 2002 totaled 85.2 million pounds, 9.8% more than November 2001 but 3.9% below October 2002. Month ending stocks, at 33.6 million pounds, are 24.0% above a year ago and 4.9% more than October 2002.

F.O.B. CENTRAL: .1500 - .1725 MOSTLY: .1550 - .1650

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are little changed this week, but contacts report a continued weak market. Eastern dry whey production is steady to lighter. Reports of plants having some problems and/or making specialty product is helping to ease the growing volumes of offers. Most Eastern producers have product to offer on the spot market. Contract sales are clearing some of the output, but dry whey is readily available from both resellers and producers. Spot demand is lackluster as buyer try to wait for better prices. Production of human food, dry whey during November totaled 85.2 million pounds, 9.8% more than November 2001 but 3.9% below October 2002. Month ending stocks, at 33.6 million pounds, are 24.0% above last year and 4.9% more than a month ago. Production of animal feed, dry whey during November totaled 5.6 million pounds, 18.7% more than a year ago and 23.8% above October 2002.

F.O.B. NORTHEAST: EXTRA GRADE & GRADE A .1725 - .1950
DELVD SOUTHEAST: .1800 - .2050

DRY WHEY - WEST

Western whey prices continue to decline on both the range and mostly. Stocks are heavier than desired at many locations and sellers are lowering prices to try and stimulate some additional buyer interest. Whey production was heavier than anticipated over the last two holiday weeks. This further stressed the market. Central whey is competitive with Western offerings. Export shipments are now picking up again after the holiday break. U.S. whey production in November totaled 85.2 million pounds, up 9.8% from a year earlier. Western region output totaled 25.4 million pounds up 14.0% from November 2001. The West produced almost 30% of the U.S. output in November.

NONHYGROSCOPIC: .1700 - .2350 MOSTLY: .1850 - .2050

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on roller ground and milk replacer. The market tone is steady to weak. While milk replacer and roller ground prices generally follow the Extra Grade whey market, supplies of these animal feed items are mostly in balance to sometimes short of buyer interest. Production is steady with roller ground clearing best on a contractual basis. Production of animal feed dry whey during November 2002 totaled 5.6 million pounds, 18.7% higher than a year ago and 23.8% more than October 2002. Month ending stocks, at 3.2 million pounds, are 41.2% above a year ago and 44.6% higher than last month.

F.O.B. CENTRAL:
MILK REPLACER: .1450 - .1550
ROLLERGROUND: .1625 - .1950

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a mostly steady market. Producers and resellers continue to offer product at a premium. However, buyers are resisting current prices, resulting in nominal sales activity. Movement is mostly occurring on contracts and into feed accounts. Canadian WPC is being offered into the US at the average FOB. WPC 70% and 80% imports are being traded into the feed industry as a substitute to WPC 34%. Domestic low protein WPC and WPC 80% are also being used as a substitute and traded at a discount compared to the per unit value of protein of WPC 34%. Some domestic WPC suppliers are diluting 80% stocks with 12% whey to obtain the more marketable WPC 34% product. Production is steady and inventories are in balance to tight. Production of HUMAN FOOD WPC during November 2002 totaled 25.8 million pounds, up 16.8% from November 2001 but 5.8% below October 2002. Manufacturers end-of-month stocks totaled 21.2 million pounds, 50.0% higher than a year ago but 1.8% below last month. Production of ANIMAL FEED WPC during November 2002 totaled 3.1 million pounds, down 15.1% from November 2001 and 7.7% below October 2002. Manufacturers end-of-month stocks totaled 1.4 million pounds, 20.7% below last year but 28.0% higher than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .5100 - .5425 MOSTLY: .5100 - .5150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady market. Supplies are mixed. Plants that are well contracted have limited stocks while those without many contractual arrangements have loads to clear. Movement remains best on the 100 and 200 mesh sizes. Inquiries are being made by some candy companies for the Easter/Passover holidays. Export movement is good and mostly contractual. Production is steady to heavier due to the influx of milk over the holidays. Off grade supplies are limited for the good interest. Lactose production during November 2002 totaled 47.9 million pounds, up 8.8% from November 2001 but 1.5% below October 2002. Month ending stocks, at 39.1 million pounds, are 91.3% higher than a year ago but 6.4% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1550 - .2350 MOSTLY: .1550 - .1800

CASEIN - NATIONAL

The casein market is firm though new information is limited so far in 2003. Buyers and producers are worried about spot availability early in the year. Seasonal declines in milk and casein production in Europe and weather related milk production declines in Oceania are limiting casein availability for the short term.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.9500 - 2.1000
ACID: 1.8000 - 1.9500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production is lighter now that Class I channels are taking more milk. However, there are still ample volumes of surplus milk for producers to process. Demand is slow and typical of the post-holiday weeks. Canned evaporated milk production during November 2002 totaled 45.3 million pounds, 7.9% more than November 2001 but 8.5% less than October 2002. Month ending stocks, at 57.1 million pounds, are 18.3% more than a year ago but 7.0% below last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$18.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

AREA and PRODUCT	2002 MONTHLY AVERAGES												AVERAGE#
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
DOLLARS PER POUND													
CHICAGO MERCANTILE EXCHANGE													
BUTTER - MULTI-DAY TRADING													
GRADE AA	1.3454	1.2427	1.2473	1.1712	1.0590	1.0427	1.0302	.9752	.9635	1.0315	1.0425	1.1198	1.1059
CHEESE - DAILY TRADING													
BARRELS	1.2970	1.1797	1.1809	1.2177	1.1688	1.1051	1.0680	1.1252	1.1100	1.0970	1.0705	1.1055	1.1438
40# BLOCKS	1.3242	1.2076	1.2130	1.2448	1.2009	1.1299	1.0889	1.1575	1.2041	1.1950	1.0891	1.1311	1.1822
NONFAT DRY MILK - DAILY TRADING													
EXTRA GRADE	.9900	.9900	.9600	.9400	.9400	.9020	.8969	.9050	.9050	.9137	.9150	.9126	.9309
GRADE A	1.0000	1.0000	.9595	.8700	.8782	.9000	.9098	.9200	.9200	.9287	.9300	.9205	.9281
CHEESE													
MIDWEST COMMODITY CHEDDAR													
CHEDDAR BARRELS	1.2996	1.2011	1.1870	1.2224	1.1906	1.1241	1.0762	1.1354	1.1211	1.1172	1.0708	1.1139	1.1550
CHEDDAR 40# BLOCKS	1.3195	1.2318	1.2217	1.2581	1.2214	1.1509	1.0973	1.1654	1.1950	1.2331	1.1071	1.1602	1.1968
WISCONSIN													
PROCESS AMERICAN 5# LOAF	1.5831	1.5391	1.5203	1.5380	1.5072	1.4688	1.3918	1.4158	1.4087	1.4240	1.3841	1.4062	1.4656
BRICK AND/OR MUENSTER 5#	1.7544	1.7218	1.7120	1.6768	1.6619	1.6269	1.5757	1.6107	1.6230	1.7143	1.6234	1.6393	1.6617
CHEDDAR 40# BLOCKS	1.8625	1.8516	1.8407	1.8170	1.8125	1.8094	1.7836	1.7794	1.7750	1.8216	1.7839	1.8073	1.8120
MONTEREY JACK 10#	1.9725	1.9659	1.9569	1.9366	1.9275	1.9200	1.9022	1.9023	1.9050	1.9509	1.9102	1.9342	1.9320
BLUE 5#	2.1994	2.1668	2.1534	2.1373	2.1182	2.0781	2.0219	2.0524	2.0593	2.1497	2.0593	2.0755	2.1059
MOZZARELLA 5 - 6#	1.9224	1.8959	1.8807	1.8775	1.8661	1.8369	1.8007	1.8357	1.8364	1.8733	1.8002	1.8243	1.8542
GRADE A SWISS CUTS 6 - 9#	2.3468	2.3763	2.3763	2.3763	2.3399	2.3013	2.2425	2.2425	2.2425	2.2630	2.2925	2.2925	2.3077
NORTHEAST													
CHEDDAR 10# PRINTS	1.6071	1.5350	1.4988	1.5385	1.5089	1.4488	1.3870	1.4615	1.4810	1.5491	1.3904	1.4386	1.4871
CHEDDAR SINGLE DAISIES	1.5596	1.4886	1.4538	1.4935	1.4639	1.4038	1.3314	1.4015	1.4210	1.4891	1.3304	1.3799	1.4347
CHEDDAR 40# BLOCKS	1.5467	1.4841	1.4476	1.4873	1.4581	1.3988	1.3280	1.4002	1.4228	1.4934	1.3354	1.3875	1.4325
PROCESS 5# LOAF	1.5991	1.5109	1.4731	1.5167	1.4869	1.4222	1.3632	1.4178	1.4091	1.4197	1.3693	1.4129	1.4501
PROCESS 5# SLICED	1.6664	1.5772	1.5393	1.5818	1.5532	1.4888	1.4294	1.4830	1.4741	1.4831	1.4197	1.4566	1.5127
MUENSTER	1.6359	1.5648	1.5301	1.5698	1.5401	1.4800	1.4076	1.4786	1.4985	1.5666	1.4079	1.4561	1.5113
GRADE A SWISS CUTS 10 - 14#	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500
WEST													
PROCESS 5# LOAF	1.5812	1.4932	1.4550	1.4967	1.4669	1.4044	1.3443	1.3992	1.3871	1.3976	1.3400	1.3829	1.4290
CHEDDAR 40# BLOCKS	1.5060	1.4286	1.3938	1.4335	1.4039	1.3438	1.2714	1.3409	1.3635	1.4316	1.2746	1.3274	1.3766
CHEDDAR 10# CUTS	1.7260	1.6486	1.6138	1.6535	1.6239	1.5638	1.4914	1.5609	1.5835	1.6516	1.4946	1.5471	1.5966
MONTEREY JACK 10#	1.7060	1.6286	1.5944	1.6343	1.6064	1.5463	1.4739	1.5434	1.5635	1.6316	1.4746	1.5274	1.5775
GRADE A SWISS CUTS 6 - 9#	2.4450	2.4450	2.4450	2.4450	2.4395	2.3888	2.3386	2.3350	2.3350	2.3350	2.3350	2.3350	2.3852
FLUID PRODUCTS													
CLASS II CREAM													
NORTHEAST - F.O.B.	1.7028	1.5453	1.5872	1.4971	1.3697	1.3706	1.4049	1.3962	1.3338	1.3719	1.3899	1.4489	1.4515
ATLANTA - DEL. EQUIV	1.7119	1.5592	1.5830	1.4911	1.3637	1.3688	1.4151	1.4062	1.3400	1.3963	1.4072	1.4705	1.4594
UPPER MIDWEST - F.O.B.	1.7334	1.5395	1.5808	1.4944	1.3548	1.3914	1.3894	1.3841	1.3234	1.4064	1.3810	1.4363	1.4512
CONDENSED SKIM - NORTHEAST - F.O.B.													
CLASS II	1.0179	1.0100	1.0058	0.9906	0.9789	0.9725	0.9745	0.9903	0.9990	1.0066	1.0075	1.0075	0.9968
CLASS III	0.9564	0.9508	0.9267	0.8686	0.8550	0.8550	0.8723	0.8855	0.8908	0.9017	0.9053	0.8424	0.8925
EVAPORATED MILK	26.0000	26.0000	26.0000	26.0000	26.0000	25.0625	24.7500	24.2386	24.0000	24.0000	24.0000	24.0000	25.0043

AREA and PRODUCT	2002 MONTHLY AVERAGES												AVERAGE#
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
DOLLARS PER POUND													
DRY PRODUCTS													
NONFAT DRY MILK													
CENTRAL AND EAST-LOW/MEDIUM HEAT	0.9396	0.9357	0.9218	0.9061	0.9174	0.9213	0.9275	0.9323	0.9468	0.9563	0.9578	0.9075	0.9308
-- MOSTLY	0.9514	0.9421	0.9246	0.8830	0.8911	0.8984	0.9127	0.9311	0.9486	0.9550	0.9597	0.9420	0.9283
CENTRAL AND EAST-HIGH HEAT	0.9986	0.9928	0.9925	0.9508	0.9605	0.9650	0.9765	0.9838	0.9933	0.9980	1.0053	1.0020	0.9849
WEST - LOW/MEDIUM HEAT	0.9511	0.9434	0.9279	0.9134	0.9149	0.9138	0.9144	0.9210	0.9239	0.9263	0.9149	0.8715	0.9197
-- MOSTLY	0.9123	0.9105	0.9069	0.9020	0.8965	0.8963	0.8993	0.9025	0.9051	0.9063	0.9098	0.8600	0.9006
WEST - HIGH HEAT	0.9832	0.9600	0.9461	0.9336	0.9294	0.9319	0.9303	0.9365	0.9402	0.9488	0.9505	0.9286	0.9433
DRY BUTTERMILK													
CENTRAL	0.9739	0.8986	0.8410	0.8386	0.8500	0.8500	0.8268	0.7982	0.7858	0.8352	0.8349	0.8200	0.8461
WEST	1.0382	0.9612	0.9060	0.8759	0.8464	0.8031	0.7597	0.7466	0.7466	0.7559	0.7658	0.7645	0.8308
-- MOSTLY	1.0221	0.9616	0.9060	0.8852	0.8518	0.8025	0.7497	0.7341	0.7378	0.7500	0.7574	0.7729	0.8276
NORTHEAST	1.0063	0.9529	0.9112	0.8586	0.8379	0.8075	0.7975	0.8020	0.8075	0.8075	0.8075	0.8051	0.8501
SOUTHEAST	1.0160	0.9458	0.9133	0.8525	0.8400	0.8325	0.8225	0.8180	0.8175	0.8264	0.8325	0.8301	0.8623
WHEY POWDER													
CENTRAL -	0.2689	0.2135	0.1963	0.1846	0.1691	0.1553	0.1566	0.1673	0.2051	0.2426	0.2245	0.1818	0.1971
-- MOSTLY	0.2696	0.2157	0.1989	0.1848	0.1677	0.1575	0.1550	0.1647	0.2052	0.2405	0.2291	0.1811	0.1975
NORTHEAST - EXTRA GRADE	0.2795	0.2246	0.2005	0.1905	0.1734	0.1644	0.1600	0.1663	0.1991	0.2414	0.2399	0.1949	0.2029
NORTHEAST - USPH GRADE A	0.2983	0.2540	0.2267	0.2140	0.1953	0.1806	0.1797	0.1824	0.2059	0.2441	0.2464	0.2054	0.2194
SOUTHEAST - EXTRA GRADE	0.3017	0.2471	0.2325	0.2155	0.1984	0.1878	0.1859	0.1949	0.2325	0.2736	0.2689	0.2130	0.2293
WEST -	0.2427	0.2257	0.2133	0.1948	0.1715	0.1591	0.1451	0.1546	0.1722	0.2043	0.2151	0.2112	0.1925
-- MOSTLY	0.2378	0.2216	0.2113	0.1947	0.1706	0.1538	0.1452	0.1481	0.1646	0.1916	0.2122	0.2163	0.1890
ANIMAL FEED													
CENTRAL - MILK REPLACER	0.2356	0.1941	0.1782	0.1715	0.1537	0.1447	0.1435	0.1518	0.1807	0.2139	0.2023	0.1599	0.1775
CENTRAL - ROLLER GROUND	0.2730	0.2211	0.2027	0.1918	0.1785	0.1684	0.1650	0.1678	0.1951	0.2401	0.2417	0.1956	0.2034
CENTRAL - DELACTOSE	0.4225	0.4071	0.3994	0.3975	0.3848	0.3575	0.3575	0.3541	0.3268	0.3240	0.3284	0.3363	0.3663
LACTOSE													
CENTRAL AND WEST	0.2381	0.2400	0.2352	0.2144	0.2069	0.2025	0.1816	0.1823	0.1833	0.1878	0.1888	0.1893	0.2042
-- MOSTLY	0.2225	0.2225	0.2225	0.2024	0.1832	0.1750	0.1591	0.1575	0.1583	0.1630	0.1650	0.1652	0.1830
WHEY PROTEIN CONCENTRATE													
CENTRAL AND WEST	0.6383	0.6286	0.6158	0.5706	0.5241	0.4622	0.4383	0.4240	0.4450	0.4705	0.5041	0.5248	0.5205
-- MOSTLY	0.6663	0.6512	0.6161	0.5752	0.5186	0.4688	0.4363	0.4252	0.4461	0.4675	0.5022	0.5125	0.5238
DRY WHOLE MILK													
F.O.B. PRODUCING PLANT	1.2364	1.2463	1.2258	1.2057	1.1832	1.1500	1.1566	1.1518	1.1376	1.1425	1.1413	1.1400	1.1764
CASEIN REVIEW													
ACID	2.2664	2.2587	2.2321	2.1750	2.0830	1.9500	1.9091	1.8886	1.8100	1.8000	1.8000	1.8071	1.9983
RENNET	2.4250	2.4145	2.4000	2.3250	2.2739	2.1625	2.1057	2.0636	1.9850	1.9750	1.9684	1.9798	2.1732

Annual averages area simple averages of the twelve monthly averages.

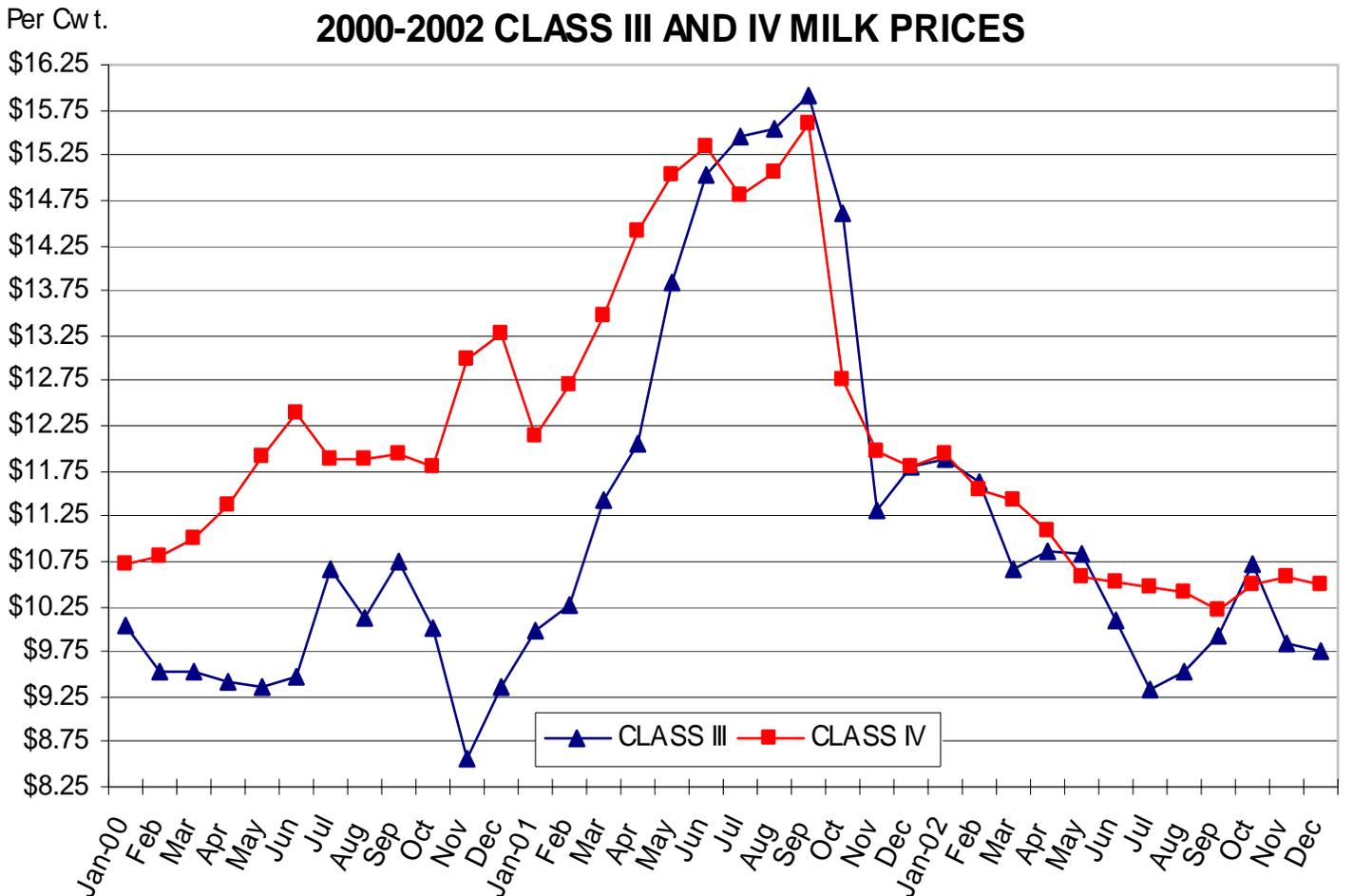
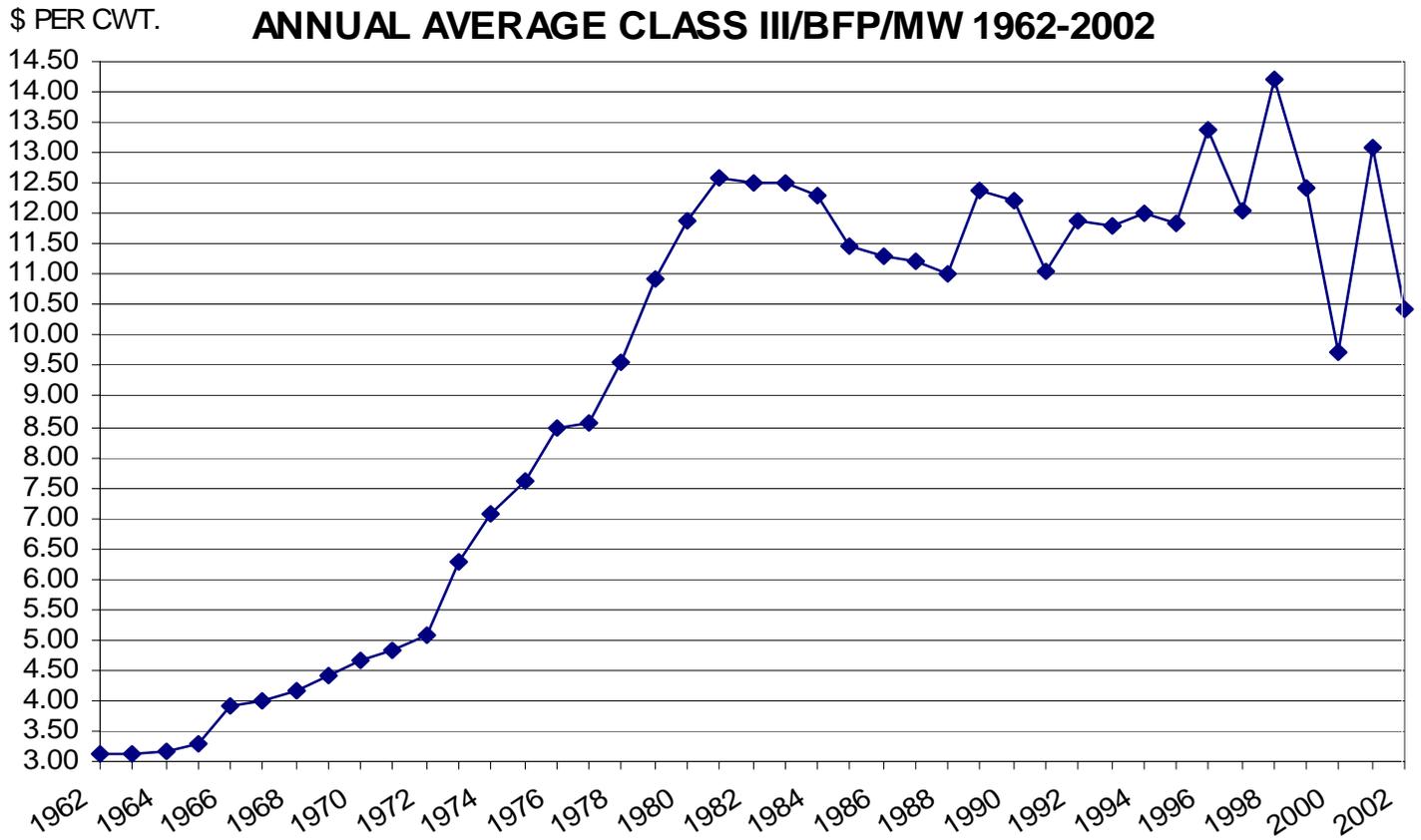
NOVEMBER 2002 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 103.2 million pounds in November, 3.1 percent above November 2001 and 1.1 percent above October 2002. **AMERICAN TYPE CHEESE** production totaled 292.0 million pounds, 2.0 percent above November 2001 but 1.1 percent below October 2002. **TOTAL CHEESE** output (excluding cottage cheese) was 711.8 million pounds, 3.0 percent above November 2001 but 0.8 percent below October 2002. **NONFAT DRY MILK** production, for human food, totaled 96.2 million pounds, 10.2 percent below November 2001 and 3.5 percent below October 2002. **DRY WHEY** production, for human food, was 85.2 million pounds, 9.8 percent above November 2001 but 3.9 percent below October 2002. **ICE CREAM** (hard) production totaled 59.2 million gallons, 0.1 percent above November 2001 but 16.0 percent below October 2002.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	NOV 2002	PERCENT CHANGE FROM:			PRODUCT	NOV 2002	PERCENT CHANGE FROM:		
	1,000 LBS.	NOV 2001	OCT 2002	YEAR TO DATE 1/		1,000 LBS.	NOV 2001	OCT 2002	YEAR TO DATE 1/
BUTTER	103,221	3.1	1.1	10.5	YOGURT (PLAIN AND FLAVORED)	149,740	4.5	-14.6	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	292,021	2.0	-1.1	4.6	SWEET-TYPE, HUMAN FOOD	6,194	26.6	-6.4	---
CHEDDAR	218,503	0.2	0.2	2.6	SWEET-TYPE, ANIMAL FEED 7/				---
SWISS	21,708	9.8	-4.8	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,185	0.6	-16.7	---	DRY WHEY, HUMAN FOOD	85,198	9.8	-3.9	---
CREAM & NEUFCHATEL	70,958	2.6	10.8	---	DRY WHEY, ANIMAL FEED	5,604	18.7	23.8	---
HISPANIC	9,778	11.9	-9.9	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	231,414	3.1	-1.1	3.7	HUMAN FOOD	3,821	-46.2	-12.6	---
OTHER ITALIAN TYPES	62,438	6.6	-0.8	3.3	ANIMAL FEED	3,199	0.3	-9.7	---
TOTAL ITALIAN TYPES	293,852	3.8	-1.1	3.6	LACTOSE, HUMAN FOOD & ANIMAL FEED	47,853	8.8	-1.5	---
ALL OTHER TYPES	16,265	-4.4	-13.8	---	WHEY PROTEIN CONCENTRATE				
TOTAL	711,767	3.0	-0.8	3.8	HUMAN FOOD	25,807	16.8	-5.8	---
COTTAGE CHEESE, CURD 3/	33,739	-4.7	-12.4	---	ANIMAL FEED	3,146	-15.1	-7.7	---
COTTAGE CHEESE, CREAM 4/	27,519	-7.6	-12.9	-1.3					
COTTAGE CHEESE, LOWFAT 5/	27,766	-2.2	-14.9	1.2					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS			
WHOLE MILK	45,252	7.9	-8.5	---	ICE CREAM (HARD)	59,199	0.1	-16.0	0.2
DRY WHOLE MILK	3,433	5.1	-37.4	---	ICE CREAM, LOWFAT (HARD)	6,028	15.1	-23.5	---
NONFAT DRY MILK, HUMAN FOOD	96,246	-10.2	-3.5	7.9	ICE CREAM, LOWFAT (SOFT)	15,927	-20.4	-24.0	---
DRY SKIM MILK, ANIMAL FEED	332	13.7	-25.1	---	ICE CREAM, LOWFAT (TOTAL)	21,955	-13.0	-23.8	-7.7
DRY BUTTERMILK	3,710	-16.0	4.0	---	SHERBET (HARD)	3,107	3.2	-27.3	9.0
					YOGURT (TOTAL)	5,559	4.3	-12.4	-1.7

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	NOV 2002	PERCENT OF:		PRODUCT	NOV 2002	PERCENT OF:	
	1,000 LBS.	NOV 2001	OCT 2002		1,000 LBS.	NOV 2001	OCT 2002
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	33,636	24.0	4.9	HUMAN FOOD	21,152	50.0	-1.8
DRY WHEY, ANIMAL FEED	3,151	41.2	44.6	ANIMAL FEED	1,426	-20.7	28.0
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	8,995	21.3	1.6	CANNED EVAPORATED & CONDENSED WHOLE MILK	57,131	18.3	-7.0
LACTOSE, HUMAN FOOD & ANIMAL FEED	39,128	91.3	-6.4	NONFAT DRY MILK FOR HUMAN FOOD	85,974	-16.4	8.3
DRY BUTTERMILK, TOTAL	6,550	58.6	-12.6				

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.



NOVEMBER FLUID MILK SALES

During November, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.7 percent higher than November 2001. After adjusting for calendar composition, sales in November 2002 were 0.5 percent higher than November 2001. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk and low fat (1%) milk would have likely increased from November 2001, while sales of whole milk, fat-free (skim) milk, and buttermilk would have likely decreased from a year earlier.

Editor's Note: Some of the data also can be found at www.ams.usda.gov/dvfmoms/mib/in-arealesales.htm

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
NOVEMBER 2002, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	November	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk 3/	1,647	17,822	-0.1	-0.1
Reduced Fat Milk (2%)	1,489	16,070	0.6	0.2
Low Fat Milk (1%) 4/	809	8,430	2.3	2.3
Fat-Free Milk (Skim)	690	7,601	-0.1	-0.4
Buttermilk	53	536	-2.0	-3.3
Total Fluid Milk Products 5/	4,741	50,575	0.7	0.3
Total Fluid Milk Products Adjusted 5/ 6/	4,678	50,501	0.5	0.3

1/ These figures are based on the consumption of fluid milk products in Federal milk order marketing areas and California, which represents approximately 93 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 7 percent of sales from the Federal milk order and California data. The procedure used for estimating U.S. fluid milk sales by the Agricultural Marketing Service is different from that used by the Economic Research Service (ERS) of USDA. Consequently, the year-to-date figures here may differ from the annual figures published by ERS. 2/ Previously, this data series showed all percent changes adjusted for calendar composition. Percent changes, as well as sales volumes, unless otherwise noted, are not shown on a calendar composition basis. See 6/. 3/ Includes flavored whole milk. 4/ Includes flavored fat-reduced milk. 5/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 6/ Sales volumes and percent changes have been adjusted for calendar composition.

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, NOVEMBER 2002, WITH COMPARISONS 1/

Area (Order Number) 2/	Sales		Change from: 3/	
	November	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	838	8,897	-0.3	-0.3
Appalachian (005)	290	3,150	-2.7	-1.0
Southeast (007)	417	4,485	0.6	-0.8
Florida (006)	246	2,625	4.0	1.8
Mideast (033)	554	5,860	0.5	0.5
Upper Midwest (030)	384	4,020	1.9	0.5
Central (032)	402	4,244	0.7	0.0
Southwest (126)	357	3,840	-0.4	0.4
Arizona-Las Vegas (131)	111	1,164	2.0	2.6
Western (135)	76	820	-2.4	0.5
Pacific Northwest (124)	189	1,991	0.9	-0.4
California (---)	546	5,938	2.8	1.5

1/ These figures are representative of the consumption of total fluid milk products. 2/ Individual area data are for total fluid milk products. See 5/ above. 3/ Percent changes, as well as sales volumes, **are no longer** shown on a calendar composition basis.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, DECEMBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for December 2002 is \$1.1922 per pound. Thus, the Class II butterfat price is \$1.1992. The protein and other solids prices for December are \$1.7506 and \$0.0584 per pound, respectively. These component prices set the Class III skim milk price at \$5.77 per cwt. The December Class IV skim milk price is \$6.55 which is derived from the nonfat solids price of 0.7282 per pound. **Product Price Averages:** The product price averages for December are; butter \$1.0926, nonfat dry milk \$0.8682, cheese \$1.1203, and dry whey \$0.1965.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	DECEMBER 2002				JANUARY 2003
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	13.77	11.62	9.74	10.49	13.81
Appalachian (Charlotte) 5/	005	13.62	11.62	9.74	10.49	13.66
Southeast (Atlanta) 6/	007	13.62	11.62	9.74	10.49	13.66
Florida (Tampa) 7/	006	14.52	11.62	9.74	10.49	14.56
Mideast (Cleveland) 8/	033	12.52	11.62	9.74	10.49	12.56
Upper Midwest (Chicago) 9/	030	12.32	11.62	9.74	10.49	12.36
Central (Kansas City) 10/	032	12.52	11.62	9.74	10.49	12.56
Southwest (Dallas) 11/	126	13.52	11.62	9.74	10.49	13.56
Arizona-Las Vegas (Phoenix) 12/	131	12.87	11.62	9.74	10.49	12.91
Western (Salt Lake City) 13/	135	12.42	11.62	9.74	10.49	12.46
Pacific Northwest (Seattle) 14/	124	12.42	11.62	9.74	10.49	12.46
All-Market Average	---	13.10	11.62	9.74	10.49	13.14

- 1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.
- 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.
- 3/ Names in parentheses are the major city in the principal pricing point of the market.
- 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.
- 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.
- 6/ Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.
- 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.
- 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.
- 9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.
- 10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.
- 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.
- 12/ Class I price at Las Vegas is minus \$0.35.
- 13/ Class I price at Boise is minus \$0.30.
- 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
SEP 2002	176.4	1.3	166.3	-1.8	160.4	-4.0	168.4	-1.9	149.7	-20.3	161.8	-0.4
OCT 2002	176.5	0.9	166.5	-2.5	161.1	-5.3	167.8	-2.4	147.7	-20.6	161.3	-1.3
NOV 2002	176.8	1.3	167.1	-2.4	160.6	-5.1	168.6	-2.3	139.4	-18.5	162.1	-0.4
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Lowfat Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Dollars												
SEPTEMBER	2.728	2.941	NA	2.653	3.101	3.697	3.841	3.984	4.381	4.143	3.896	3.815
OCTOBER	2.727	2.954	2.496	2.675	3.032	3.688	3.920	4.023	4.160	4.216	3.336	3.824
NOVEMBER	2.719	2.890	NA	2.649	2.608	3.162	3.941	3.971	4.140	4.241	3.816	3.463

NA Data not adequate for publication.

^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—AUGUST-OCTOBER AND YEAR-TO-DATE 2001-02 ^{1/}

Item	Aug.-Oct. 2001	Percent change ^{2/}	Aug.-Oct. 2002	Percent change ^{2/}	Jan.-Oct. 2001	Percent change ^{2/}	Jan.-Oct. 2002	Percent change ^{2/}
	Million Pounds							
MILK								
Production	40,304	-1.0	41,478	2.9	138,134	-1.4	141,927	2.7
Marketings	39,985	-1.0	41,169	3.0	137,081	-1.4	140,907	2.8
Beginning Commercial Stocks ^{3/}	10,018	-7.6	12,701	26.8	6,839	11.3	7,041	3.0
Imports ^{3/}	1,441	30.8	1,242	-13.8	4,809	29.6	4,198	-12.7
Total Supply ^{4/}	51,444	-1.7	55,112	7.1	148,729	-0.1	152,146	2.3
Ending Commercial Stocks ^{3/}	8,167	4.0	9,957	21.9	8,167	4.0	9,957	21.9
Net Removals ^{3/}	(2)	-101.7	93	-4750.0	111	-84.3	248	123.4
Commercial Disappearance ^{4/}	43,279	-2.4	45,062	4.1	140,451	0.0	141,941	1.1
SELECTED PRODUCTS ^{5/}								
Butter	340.9	-4.3	369.9	8.5	1,007.3	-2.0	1,047.9	4.0
American Cheese	940.6	-0.4	973.9	3.5	3,035.2	1.7	3,074.3	1.3
Other Cheese	1,238.9	-6.4	1,336.8	7.9	4,075.3	-0.3	4,232.8	3.9
Nonfat Dry Milk	303.1	39.4	268.2	-11.5	821.7	28.8	637.5	-22.4
Fluid Milk Products ^{6/}	13,986.2	-0.5	14,083.9	0.7	45,728.9	-0.3	45,833.7	0.2

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds.

^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF JANUARY 1 - 10, 2003			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 01/03/03	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	-0-	-0-	-0-	343,714	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	296,019	-0-	-0-	-0-
Process	-0-	-0-	-0-	4,910,400	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	5,550,133	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	20,807,174	-0-	20,807,174	124,814,613	102,003,861	1,013,971,000	668,020,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	38,227,000
TOTAL	20,807,174	-0-	20,807,174	124,814,613	102,003,861	1,060,362,000	706,247,000

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF JANUARY 1 - 10, 2003 =	4.6	242.2	COMPARABLE PERIOD IN 2001 =	5.5	291.4
CUMULATIVE SINCE OCTOBER 1, 2002 =	78.7	1,507.8	CUMULATIVE SAME PERIOD LAST YEAR =	22.4	1,187.3
CUMULATIVE JANUARY 1 - JANUARY 10, 2003 =	4.6	242.2	COMPARABLE CALENDAR YEAR 2001 =	5.5	291.4

* 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 JANUARY 1 - 10, 2003 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	1,251,061	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	19,556,113	-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-	4,910,400	-0-	2,749,365	1,056,541	58.4	1.0
WEST	-0-	-0-	639,733	-0-	122,065,248	100,629,967	41.6	98.7
EAST	-0-	-0-	-0-	-0-	-0-	317,353	-0-	0.3
TOTAL	-0-	-0-	5,550,133	-0-	124,814,613	102,003,861	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 12/21/02 & 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	7.7	5.5	22.9	2.7	0.4	0.8	14.6	2.3	58.0	2,553.9	48.4	46.1
2001-Dairy	0.2	0.8	6.3	4.6	20.8	2.5	0.5	1.2	13.1	2.9	52.9	2,536.3	45.3	45.5
2002-All cows	0.2	1.0	10.5	12.1	35.2	16.9	15.5	3.9	16.8	7.7	119.8	5,544.3		
2001-All cows	0.2	0.9	9.3	13.9	31.5	14.2	17.0	5.9	15.9	7.8	116.7	5,574.7		

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	JAN 2003
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	10.56
II	12.69	12.28	12.19	11.88	11.29	11.19	11.14	11.07	10.91	11.12	11.26	11.62	
III	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74	
IV	11.93	11.54	11.42	11.09	10.57	10.52	10.45	10.41	10.22	10.50	10.58	10.49	

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