

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/4):
BUTTER: Grade AA closed at \$1.0875. The weekly average for Grade AA is \$1.0892 (-.0016).

CHEESE: Barrels closed at \$1.0900 and blocks at \$1.1200. The weekly average for barrels is \$1.0700 (+.0200) and blocks, \$1.1140 (+.0300).

NONFAT DRY MILK: Extra Grade closed at \$0.8400 and Grade A at \$0.8400. The weekly average for Extra Grade is \$0.8400 (N.C.) and Grade A, \$0.8400 (N.C.).

BUTTER: The cash price at the CME remains basically steady within a narrow range. Cream supplies across the country for butter production range from in close balance to readily available. Production of cream based holiday items is seasonally active along with ice cream production, as producers generate inventories for upcoming summer needs. Butter production continues to surpass demand, although inventories are not growing at the pace of recent weeks. Overall butter demand is fair. Retailers are preparing for the upcoming holiday with some scheduled feature activity, but producers and handlers indicate that it appears that retail promotions will be lighter this year versus past years.

CHEESE: The cheese market is steady though with a somewhat firmer undertone. Cash prices rebounded to just under CCC purchase prices. Current offerings are at least adequate for needs. Demand is irregular, bolstered by price protection moves as well as changes in supply sources. Commercial process demand still seems to be lagging seasonally. Many plant inventories remain heavier than desired and continue to accumulate. Milk and cheese production are increasing slowly seasonally. CCC continues to purchase Central process and Western blocks and barrels under the price support program. The scheduled release of CCC annual cheese purchase contract invitations for mozzarella, natural American, and process cheese was delayed until next week.

FLUID MILK: Milk production levels are showing increases across the East where plants are running nearly full. Gains are more noticeable in the Southeast. Florida production and shipments out of state are heavier. Northeastern production levels are starting to increase but still are hampered by winter weather. Current milk intakes in the Midwest are steady to trending higher. Output levels are above a year ago across most of California, although changes are not as high as in past weeks. Arizona production has leveled off and may be at the seasonal peak. Milk volumes are trending higher in New Mexico. In the Pacific Northwest, milk output remains seasonally heavy with lower test weights. Milk supplies are not increasing as fast as expected in Utah and Idaho.

DRY PRODUCTS: Dry product markets are not finding much support

in the overall dairy complex. Generally, weak price trends continue to envelope the dry commodities in the near term. Nonfat dry milk prices are slightly lower following producers' price adjustments. Commercial, spot sales are limited for current needs. Buying activity is centered on contracted volumes and surplus NDM being sold to the support program. Production levels are strong to process additional milk supplies. The CCC has restated intentions to implement Announcement FX1 which barter CCC owned NDM for processed commodities. Dry buttermilk markets are quiet and slow to move product outside of contracts. Several producers have not moved spot sales in a few weeks. They prices are steady to trending lower in a weak market in the West, but more stable in the Central region. They protein concentrate prices are lower in a steady to weak market. Spot sales are hard to come by and offerings are available from a variety of sources. More solids are being diverted from higher protein products to 34% WPC. Lactose prices are higher in a firming market and appear to be the exception for dry products. Second quarter contract prices are trending higher and continue to be finalized.

CCC: For the week of March 31 – April 4, CCC purchased 888,449 pounds of bulk butter and 82,080 pounds of packaged butter from the West. Cheese purchases included 712,800 pounds of process from the Central, 212,340 pounds of block and 669,769 pounds of barrel cheese from the West. Nonfat dry milk purchases totaled 22,959,151 pounds: 635,107 pounds from the Central; 21,098,531 pounds from the West; and 1,225,513 pounds from the East.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the March 2003 prices under the Federal Milk Order pricing system: Class II \$10.54 (-\$0.12), Class III \$9.11 (-\$0.55); and Class IV \$9.79 (-\$0.02). Product price averages used in computing Class prices are: butter \$1.0546, NDM \$0.8051, cheese \$1.0780, and dry whey \$0.1599. The Class II butterfat price is \$1.1529 and the Class III/IV butterfat price is \$1.1459. Further information may be found at:

<http://www.ams.usda.gov/dyfmoms/mib/classprcacnmt.pdf>

MARCH AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2003 was unchanged at 128. Compared with March 2002, the index was up 5 points (4.1%). The index of prices received by farmers for dairy products declined 3 points during the month of March 2003 to 84. Compared with March 2002, the index was down 13 points (13.4%). Prices received by farmers in March with changes from February were: for All Milk, \$11.00, down \$.40; Fluid Grade Milk, \$11.00, down \$.40; and for Manufacturing Grade Milk, \$9.90, down \$.40.

****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 MARCH 31	TUESDAY APRIL 1	WEDNESDAY APRIL 2	THURSDAY APRIL 3	FRIDAY APRIL 4	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0700 (+.0200)	\$1.0900 (+.0200)	\$1.0900 (N.C.)	+.0400	\$1.0700 (+.0200)
40# BLOCKS	\$1.0900 (+.0050)	\$1.1200 (+.0300)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	+.0350	\$1.1140 (+.0300)
BUTTER							
GRADE AA	\$1.0900 (+.0025)	----	\$1.0900 (N.C.)	----	\$1.0875 (-.0025)	N.C.	\$1.0892 (-.0016)

*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 \$.8400 and Grade A price is \$.8400. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, MARCH 31, 2003

CHEESE — SALES: 18 CARS 40# BLOCKS: 2 @ \$1.0850, 1 @ \$1.0875, 1 @ \$1.0900, 2 @ \$1.0925, 3 @ \$1.0900, 1 @ \$1.0850, 1 @ \$1.0875, 1 @ \$1.0950, 1 @ \$1.0900, 1 @ \$1.0850, 1 @ \$1.0900, 1 @ \$1.0850, 1 @ \$1.0900, 1 @ \$1.0850; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.0900; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.1000

BUTTER — SALES: 6 CARS GRADE AA: 2 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0900; BIDS UNFILLED: 9 CARS GRADE AA: 2 @ \$1.0900, 1 @ \$1.0875, 3 @ \$1.0850, 3 @ \$1.0800; OFFERS UNCOVERED: NONE

TUESDAY, APRIL 1, 2003

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1000, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 2, 2003

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ \$1.1100, 2 @ \$1.1200; BIDS UNFILLED: 2 CARS BARRELS @ \$1.0700; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1300

BUTTER — SALES: 5 CARS GRADE AA: 2 @ \$1.0925, 3 @ \$1.0900; BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.0900, 1 @ \$1.0875, 6 @ \$1.0850, 1 @ \$1.0825, 1 @ \$1.0800; OFFERS UNCOVERED: NONE

THURSDAY, APRIL 3, 2003

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0900; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 1 @ \$1.1225, 1 @ \$1.1300, 1 @ \$1.1350, 1 @ \$1.1400

FRIDAY, APRIL 4, 2003

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1200, 1 @ \$1.1225

BUTTER — SALES: 4 CARS GRADE AA: 1 @ \$1.0925, 2 @ \$1.0900, 1 @ \$1.0875; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.0875, 2 @ \$1.0850; OFFERS UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The butter market tone is a little more stable. The price at the CME has been in a narrow range during all of March. Butter production is easing now that warmer weather is giving ice cream consumption a boost. Butter stocks are still more than ample for the slow to fair demand. Some improved orders are being placed for Easter/Passover features. Food service orders are starting to improve as restaurants prepare for the upcoming Easter Sunday. 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 cash butter price continues to fluctuate in a narrow range at the CME. Many producers and handlers anticipate that these slight changes will continue as milk production builds seasonally. Producers indicate that cream supplies are sufficient to maintain steady production schedules. Often producers are not taking advantage of additional cream offerings unless price is favorable and often on a delivered basis. Churning activity continues to surpass demand thus inventories are building, but at a slower pace than recent weeks. Demand is more aggressive this week as most upcoming holiday needs are in the final stages of shipment. Orders are fair at best. Some retailers report that feature activity will occur during the next few weeks, although handlers are stating that feature activity appears to be light this year versus

past years. Restaurant orders are fairly active as they prepare for the upcoming holiday. Bulk butter for spot sale is in a range of flat to 2 cents per pound over various pricing basis.

WEST

Butter prices at the cash CME market have moved within about a 2 cent range since the beginning of March. At this point there doesn't appear to be any reason to move outside that range that the market is aware of. Good orders are coming in related to the Lenten season, but there is plenty of production and stocks to take care of any increased demand. Overall, contacts don't feel that orders will be up to historical levels. Ice cream activity continues to be slow to develop. The trade is wondering if it will be a repeat of last year. Most of the available cream offerings continue to clear to the churns in the region. Weekly clearances of butter to CME warehouses total only 1.1 million pounds this week. This is the smallest weekly clearance this year, but it does fit into the normal seasonal pattern. Stocks now stand at 160 million pounds, more than 62 million pounds above last year. Current prices for bulk butter range from 4 1/2 cents under to 2 cents under the market based on the CME with various time frames and averages (includes CCC sales when applicable). With changes effective in pricing for California milk that became effective on April 1, sellers are attempting to floor butter sales prices at the support price of \$1.05.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE	BARRELS	NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE			
MAR 29	1.0709 8,609,469	1.0642 10,705,014	0.8034 32,968,285	1.0736 5,625,916	0.1575 12,738,380

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 mixed and any changes are fractional. The market tone is steady. Cheese prices at the CME have been fairly stable and trading in a relatively narrow range for nearly all of March. This price stability has allowed some producers to feature a little heavier during Lent and the upcoming holidays. The price volatility seen in the CME cheese markets during 2002 and early 2003 has had a dampening effect on retail promotions. Cheese output is steady and occasionally heavier than desired. Surplus milk supplies are increasing and some cheese makers already have more than enough cheddar going into aging programs. Mozzarella output is steady and demand is getting back to more normal levels now that spring break is coming to an end. Retail sales are steady at best. Food service orders are starting to pick up.

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

Cheddar 10# Prints	:	1.1475-1.6425
Cheddar Single Daisies	:	1.1050-1.5700
Cheddar 40# Block	:	1.2225-1.4700
Process 5# Loaf	:	1.2600-1.4600
Process 5# Sliced	:	1.2800-1.5275
Muenster	:	1.3100-1.5150
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled. Recent small increases in the block price at the Chicago Mercantile Exchange have yet to break out of the trading range of \$.9925 to 1.1750 in late January. Natural cheese orders seem slower for more natural packagers after recent weeks. Many processors continue to fill schedules with product for eventual clearance to CCC under the price support program. The usual early spring surge in process orders still seems to be lagging for most processors. Offerings of Swiss and Swiss trim are higher. Swiss trim sellers seem receptive to attractive pricing to move product. Milk and cheese production remain seasonally active. Fat and protein levels in incoming milk supplies are slipping seasonally. Having adequate plant capacity for the expected spring milk intakes remains a concern.

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

Process American 5# Loaf	:	1.2300-1.4600
Brick And/Or Muenster 5#	:	1.4600-1.7450
Cheddar 40# Block	:	1.4400-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8375-2.1900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.3900-2.2150
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

	:	
03/31/03	77,595	: 139,386
03/01/03	78,736	: 144,729
CHANGE	-1,141	: -5,343
% CHANGE	-1	: -4

WEST

Cheese prices generally held steady this week. Some strength may be noted in natural cheese next week after some price increases were noted at the early part of this week. The trade is uncertain if the strength will be long lived since there doesn't seem to be much change in the market fundamentals. Demand, in general, seems to have slowed again after a little aggressiveness has been noted over the past few weeks. Buyers seem to be caught up again and have backed off to more normal purchase levels. Some good store promotions are noted which are succeeding in moving additional volumes of cheese. Inventories, in the short run, seem to be building slowly again. Milk supplies are heavy and cheese production is expected to be very strong for the next few weeks.

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

Process 5# Loaf	:	1.2025-1.4625
Cheddar 40# Block	:	1.2125-1.3525
Cheddar 10# Cuts	:	1.3925-1.6125
Monterey Jack 10#	:	1.4025-1.5625
Grade A Swiss Cuts 6 - 9#	:	2.2400-2.3700

FOREIGN

Prices are unchanged to fractionally higher. The market tone is typical for this time of year. Some improved interest is expected for traditional cheeses for the Easter/Passover holidays. However, overall demand for foreign type cheeses is slow to fair. Cheese stocks are generally adequate for current needs. In the EU, cheese output is increasing in some countries, but demand is holding at fairly good levels.

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	: 1.4425-2.9325*
Gorgonzola	:	3.2400-5.9400	: 1.9600-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.8525-2.9425*
Romano (Italy)	:	2.1000-3.1900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.4500-1.6775*
Romano (Cows Milk)	:	-0-	: 2.6400-4.8125*
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	:	2.5900-2.8500	: -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	0	106	0	42	0	69
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is showing more increases across the region. Gains are most noticeable in the Southeast where contacts state that the milk flow is "up all over." Milk output is just starting to increase in the Northeast where the weather is still more winter-like than spring-like. Fluid milk supplies are abundant for the slow to fair Class I demand. The "snow birds" are heading north and bottled milk sales are down accordingly in Florida and other Gulf Coast "wintering spots." Also, some schools are on spring break this week. Farther north, Class I milk sales are just fair. Florida's milk shipments are heavier this week. Effective this week, a new agreement between handlers puts in place new operational changes which will more efficiently handle the milk and more accurately reflect Florida's milk utilization. Southeastern manufacturing plants that are operating are nearly full. Some plants have been taking in intra-company shipments from the Southwest. In the Northeast, surplus milk supplies are heavier at some butter/powder plants. Slow Class I sales and self-induced slow downs at some mozzarella plants are pushing more milk into other plants. The condensed skim market is mixed. Contract sales are clearing normal volumes, but spot sales are lagging earlier levels. Reports indicate that Midwestern buyers of Class III wet solids are finding Western loads at better prices. Most of the extra condensed skim that is no longer clearing to the Midwest is being dried. The fluid cream market is seeing some improvement this week. Spot prices are both higher and lower. The CME butter average did fall about a half cent last week, but multiples were often higher in response to improved demand. Buying interest improved with better spot sales into ice cream, soft serve mix, bottling, and cream cheese plants. Some of the smaller ice cream producers are now on full schedules while large operation have been running quiet full for some time. Ice cream mix makers have been very busy and most have purchased extra or spot loads of cream this week. Cream bottlers have stepped up production for the brief Easter/Passover boost to demand. Churning activity is steady.

interest was improved. Reported condensed skim prices range from \$0.74 to \$0.92, depending on class. Condensed interest is spotty, slower to some accounts, and better to others. Current milk intakes are steady to trending seasonally just a little higher. Grass growth is limited though some early fieldwork is occurring, generally on sandier soils. Cumulative weekly U.S. dairy cow slaughter under federal inspection through March 15 was up 73,100 head (+13%) over the same period in 2002. Cumulative total cow slaughter in was also higher than a year ago. In Wisconsin, press reports indicate that 80% of dairy farm loans are not cash flowing and that producers are unable to make full payments with current milk prices.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAR 27 - APR 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 43.00	\$ 42.00- 48.00
REPLACEMENT HEIFER CALVES	\$210.00-350.00	\$450.00-680.00

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

	MAR 27 - APR 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 45.50	\$ 39.00- 47.00

WEST

The March 4a price (butter/powder) in CALIFORNIA is \$9.46, up \$0.15 from February but \$1.54 lower than last year. The March 4b price (cheese) is \$8.84, down \$0.52 from February and \$1.36 lower than last year. February 2003 pool receipts of milk in CALIFORNIA total 2.77 billion pounds, 4.8% higher than a year prior. The February blend price, at a fat test of 3.74%, is \$10.18, \$0.38 lower than January and \$1.58 lower than February 2002. The percentage of receipts used in Class 1 products is 17.77%. The February quota price is \$11.11 and the over quota price is \$9.41. These prices are \$0.29 lower than January and \$1.42 lower than a year earlier. Milk production output is at levels above a year ago across most of CALIFORNIA. The changes are not as high as a few weeks ago mainly because base levels were increasing more last year. There are major concerns over input costs in the state. Milk prices received by producers continue to be at low levels. Many milk producers are not able to cover cost of production and are having to borrow or tap equity. New crop hay is more available as harvesting moves north. The changes CDFA made to the milk prices are causing some cheese processors to modify or drop premium programs for producer milk. Additionally, they are assessing the financial aspects of processing surplus milk offered to them. ARIZONA milk production has leveled off and may be at the seasonal peak. Plants have capacity and are taking surplus milk from nearby states for processing. Weather conditions have been favorable. Low milk prices are a major concern in the state. Milk output in NEW MEXICO is trending seasonally higher across most areas of the state. Impacts are being felt from the recent high winds, but the full effect has not been fully realized. Western CREAM markets are holding mostly steady. Conditions have not changed much from recent weeks. Cream offerings remain high and buying interest fair. More demand from ice cream producers is evident, but not at expected levels. Surplus cream continues to clear to local and out of state churns. Western cream multiples are slightly higher and range from 110 to 123, FOB, depending on class usage. The early spring season in the PACIFIC NORTHWEST is slowing down. Most had thought that cows would be grazing by now with the early start, but that has not been the case. Conditions are cooler with scattered showers. Milk output remains seasonally heavy and tests are somewhat lower. More herds are going out of business with a handful going out this week. The interest in the cows by other producers seems to be declining. More suppliers to the dairy industry are becoming discouraged as accounts receivable increase and bad debts are up sharply. This is impacting hay growers and they are scrambling to try and clean out some more old crop stocks before the new season begins. Grain prices jumped this week after some government reports were released, further stressing the producers. Spring conditions are arriving a few weeks early in UTAH and IDAHO. Some hay in the Salt Lake Basin is up to six inches tall. Spring moisture has been good and most growers hope to get the first cutting off without putting on any water. Cooler conditions and rain this weekend may slow things down. Hay producers with stocks left are scrambling to try and clear some additional loads in the near term. Milk supplies don't seem to be jumping quite as fast as plants had expected. A fast moving storm with very high winds caused transportation problems in parts of UTAH and resulted in some power disruptions. The early assumption was that it did not have much direct impact on dairies.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3853-1.4944
DELIVERED EQUIVALENT ATLANTA	-	1.3744-1.4944 M 1.3962-1.4617
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3635-1.4508

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9000- .9800
NORTHEAST- CLASS III - SPOT PRICES	- .7400- .8000

MIDWEST

Class I interest is steady to often lighter unless featured, affected by school spring breaks. For some area bottlers, the start of the new month did not seem to bring the usual retail sale stimulus, at least through midweek. In fact, at least one bottler was cutting back milk orders. Ample manufacturing milk supplies continue to be available for the mostly light interest. Most producers in Wisconsin, and occasionally nearby states, contemplating a change in their milk buyer are finding little if any interest from other buyers. At least a couple plants/handlers say they are just not adding new producers at this time. If anything, most plants would just as soon lose some milk rather than gain more. This remains a very unusual situation for producers in the Wisconsin area. The dropping of greater distance (from the plant) producers by one cooperative is also part of the problem. An exception being an independent cheese operation purchased another plant and is trying to secure the milk supply and add some extra volume. Reported spot milk prices range from -\$1.00 to +\$1.00, with most in the flat class to +\$0.75 area. Unconfirmed reports of some distressed \$6.00 milk were floating around in the area. Sluggish finished product sales and an accumulating inventory of finished goods are the reasons for the disinterest in milk. Warmer temperatures including 70's and 80's early in the week seemed to stimulate ice cream demand. Accordingly, cream

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 mostly steady market. Milk production continues to seasonally increase, encouraging NDM production. Some condensed skim sales are slowing as cheese plants cut back on production, also encouraging NDM production. However, most inventories are in balance with product clearing readily into contractual orders. Traders and cheese producers continue to speculate on the NDM price in the CCC NDM/cheese exchange invitation. Potential prices below the support price could displace commercial shipments of dry and condensed NDM, encouraging increased sales of NDM to the CCC. Spot sales are best on the high heat and instant NDM. Standard grade supplies are limited for the good interest.

East: Eastern prices are steady to fractionally lower. The market tone is steady. Production levels are heavier at some plants, steady at others. Spot demand for condensed skim, particularly Class III, slowed this week and producers had to operate their dryers on longer schedules. Producer stocks range from fairly well balanced to long. Clearances to CCC continue, but most plants are clearing their powder in the commercial markets. Demand for NDM is steady, but not overly aggressive. Spot buyers realize that powder is plentiful and see no need to purchase too far ahead. Regarding CCC's decision to use CCC-owned powder as partial payment for cheese purchases, the trade is very curious and concerned. Most are trying to learn as much about it as they can and its probable/possible impact on the current NDM market.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .8000 - .8750 MOSTLY: .8000 - .8500
 HIGHHEAT: .8600 - .9150

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk prices are trending slightly lower as processors make price adjustments. Early this week, the CCC restated intentions to barter CCC-owned NDM for process commodities under Announcement MX1 and plans to issue invitations next week. This program is getting mostly negative review in the NDM trade. The possibility that this "prior-owned NDM" could enter the commercial market and disrupt current, commercial sales is the major concern to the trade. The change in California 4a pricing formula went into effect April 1. Processors are faced with the opportunity of making up around 2 cents per pound of NDM with the change. Regional production patterns remain heavy to process additional milk production increases. Excess NDM continue to clear to the CCC support program on heavy, weekly schedules. Buying interest beyond contract volumes remains limited. Stocks are in excess of trade needs. During the week of March 24 - 28, CCC net purchases totaled 9.6 million pounds of NDM from Western producers. High heat nonfat prices are marginally lower on the bottom end of the range. Some suppliers are recording an increase in current orders. Production patterns are varied as processing time is declining as the focus narrows on throughput. Producers' inventories are adequate to long of current trade needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .7850 - .8875 MOSTLY: .7950 - .8100
 HIGHHEAT: .8225 - .8500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 28	\$.8015	15,255,024	8,970,425
March 21	\$.8035	15,588,302	7,028,682

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 and nominal on a steady to weak market. Some plants have ceased dry buttermilk production and are instead clearing condensed buttermilk readily into ice cream facilities. However, at other locations, buttermilk is being dried and inventories are building. Spot interest is lackluster and sellers are not aggressive in moving supplies. Unconfirmed trades below the range are reported. Producers anticipate clearing heavy supplies when ice cream production swings in full gear.

F.O.B. CENTRAL: .6500 - .7200

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are little changed. Eastern prices are nominal. Production of dry buttermilk is a little lighter. Some improved demand for condensed buttermilk is being reported, but increasing volumes of skim are taking up more dryer time at some plants. Churning activity is steady to lower now that demand for Class II cream is improving. Producer stocks range from balanced to fully adequate.

F.O.B. NORTHEAST: .7000 - .7175
 DELVDSOUTHEAST: .7300 - .7550

DRY BUTTERMILK - WEST

Western dry buttermilk prices are trending slightly lower. The market tone is unsettled and weaker with little news affecting the overall market. There seems to be more buttermilk being offered, but buyers are not being very aggressive. In addition, offerings of slightly off-grade buttermilk are being shown. The continued heavy production of butter and buttermilk continues to place more solids onto the marketplace. Buyers are not looking to put stocks away for later needs.

F.O.B. WEST: .7000 - .7500 MOSTLY: .7200 - .7300

DRY WHOLE MILK - NATIONAL

Prices and the market tone are steady to higher. Prices remain nominal. Production is steady, but increasing volumes of surplus milk are taking up more processing time. Demand is mostly contractual. Plant stocks are closely balanced. Reports of imported dry whole milk are available at prices below the bottom of the current price range.

F.O.B. PRODUCING PLANT: 1.1000 - 1.1700

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2002 THROUGH MARCH 28, 2003
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	-	68,201	MT (150,355,592 LBS)
Program's NDM allocation is filled.			
CHEESE	-	3,029	MT (6,677,733 LBS)
BUTTERFAT	-	5,000	MT (11,023,000 LBS)

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. This program-year's allocations have been announced in stages. The third stage was announced on February 25, 2003, and makes available 25,575 MT of NDM, 1,136 MT of cheese, and 5,000 MT of butterfat. This announcement fills the NDM and cheese allocations for this DEIP-year.

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 unchanged on a mostly steady market. Producers that have contracted the bulk of their supplies are in the best position. Spot demand is light into domestic and export markets. Production is steady to higher, encouraging inventories to build at some locations. Block loads are reportedly being offered to traders. Sellers are generally resisting any discount offers yet both sellers and traders are having difficulty in clearing product. Condensed whey is readily available with feed buyers and lactose/WPC facilities unable to take any additional loads.

F.O.B. CENTRAL: .1525 - .1650 MOSTLY: .1550 - .1600

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged. The market tone is a little unsettled. Producers in most parts of the country do have product to offer on a spot basis, but demand is lackluster. With little improvement in demand, producer stocks are growing and this leads some trade contacts to wonder if prices can be maintained at current levels. Most spot buyers are not very aggressive at this time. They do not see any product tightness in the coming months and no need to purchase too far ahead. Northeastern producers are not asking for additional premiums nor are they discounting prices at this time. Some producers who switch to making more specialty cheese during Lent are a little behind on Extra Grade whey deliveries, but will be catching up in the coming weeks. Grade A dry whey is clearing nicely and product isn't as tight as it was in early March. Market activity remains light.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1575 - .1800
DELVD SOUTHEAST: .1800 - .1950

DRY WHEY - WEST

Western whey prices moved higher and lower on the range while the mostly series held steady. There is a weaker undertone to the market developing. Production of powder remains heavy and is expected to continue heavy for a number of weeks. New export whey demand appears to be slowing as buyers pull back and competition from Europe increases. Domestic buyers are unaggressive in looking for additional loads of whey powder at this time. Some believe that there is a better than even chance that the market may again move lower. Most producers are holding a tight line on prices and are not willing to discount powder at this time. Therefore, inventories at some locations are growing at a faster pace.

NONHYGROSCOPIC: .1325 - .1775 MOSTLY: .1450 - .1600

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on a steady market. Supplies of milk replacer are less available than the week prior. Milk replacer interest is light and comparable to the Extra Grade whey market. Roller ground production is generally steady for the mostly contractual interest. The December 2002-February 2003 U.S. pig crop, at 24.4 million head, was 2% less than 2002, and 2% more than 2001. Sows farrowing during this period totaled 2.77 million head, 2% below last year.

NOTICE: Due to the reduced number of roller ground producers, the roller ground report will be discontinued as of May 1, 2003.

F.O.B. CENTRAL:
MILK REPLACER: .1425 - .1525
ROLLERGROUND: .1475 - .1825

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to weak market. Producers with most of their supplies contracted are in the best position and garnering a premium to the market on some of their sales. However, less contracted producers are finding product more and more difficult to clear. Production is increasing as more high protein producers divert their facilities to producing 34%. At some locations, stocks are building and offers to traders and feed buyers at a discount are being met with resistance. Condensed WPC is readily available for the light interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .4900 - .5550 MOSTLY: .4975 - .5025

LACTOSE - CENTRAL AND WEST

Prices are higher on a firm market. While not all contracts have been finalized for the second quarter, most prices are trending higher. Some firms report that contract prices should have been higher had there not been compensation given for some of the increased cost from freight and fuel surcharges. Inquiries are noted from Asia and South America. Large quantities of product are also being requested by some domestic edible users with producers generally unable to satisfy the demand. Production is steady to lower as some plants produce more 34% and less high protein WPC. Traders are reselling supplies at a premium to the market. Feed grade interest is good for the limited supplies.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1600 - .2350 MOSTLY: .1650 - .1800

CASEIN - NATIONAL

Casein markets are firm with prices unchanged to higher and some sharply higher. The second quarter has now begun and quarterly contracted prices are higher, especially those that were at the low end of the reported range. Stocks of both rennet and acid are much the same as in past weeks. For the most part, domestic buyers are getting their contracted volumes, but additional spot needs are harder to come by. Oceania's production season has ended, thus shipments are being filled from inventoried stocks. European production has been underway for about a month and continues to build. Domestic buyers and potential casein producers in the states are very interested in what type of response USDA will receive from their recent announcement of government owned NDM powder available for sale for the production of casein/caseinate due April 8. Most still feel that domestic casein production has a long way to go before becoming a viable program in the states.

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: 1.9500 - 2.0500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Demand is back to more normal levels as the Easter/Passover needs have, for the most part, been shipped. The market does remain highly competitive as producers try to increase or maintain market share. Production levels are mostly steady. With heavier volumes of surplus milk and relatively low prices, most producers are trying to rebuild their inventories for later needs.

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.

MONTHLY SUMMARY AND AVERAGES FOR MARCH 2003 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:REPORT NUMBER 10		:REPORT NUMBER 11		:REPORT NUMBER 12		:REPORT NUMBER 13		:REPORT NUMBER 14		2003	2002
	:-----		:-----		:-----		:-----		:-----		Average	Average
	MAR 03 - 07	MAR 10 - 14	MAR 17 - 21	MAR 24 - 28	MAR 31	or Total	or Total					

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.2100 - 1.4900	:: 1.2050 - 1.4900	:: 1.2375 - 1.4900	:: 1.2325 - 1.4900	:: 1.2300 - 1.4600	:: 1.3551	: 1.5203
-- Brick And/Or Muenster 5#	:: 1.5200 - 1.6700	:: 1.5200 - 1.7425	:: 1.5200 - 1.7425	:: 1.5200 - 1.7425	:: 1.4600 - 1.7450	:: 1.6213	: 1.7120
-- Cheddar 40# Block	:: 1.3750 - 2.1150	:: 1.4400 - 2.1150	:: 1.4400 - 2.1150	:: 1.4400 - 2.1150	:: 1.4400 - 2.1150	:: 1.7698	: 1.8407
-- Monterey Jack 10#	:: 1.6275 - 2.1150	:: 1.7000 - 2.1150	:: 1.7000 - 2.1150	:: 1.7000 - 2.1150	:: 1.7000 - 2.1150	:: 1.8989	: 1.9569
-- Blue 5#	:: 1.7625 - 2.2100	:: 1.8350 - 2.2100	:: 1.8350 - 2.2100	:: 1.8350 - 2.2100	:: 1.8375 - 2.1900	:: 2.0135	: 2.1534
-- Mozzarella 5 - 6#	:: 1.3150 - 2.2150	:: 1.3875 - 2.2150	:: 1.3875 - 2.2150	:: 1.3875 - 2.2150	:: 1.3900 - 2.2150	:: 1.7927	: 1.8807
-- Grade A Swiss Cuts 6 - 9#	:: 1.9500 - 2.6850	:: 1.9500 - 2.6850	:: 1.9500 - 2.6850	:: 1.9500 - 2.6850	:: 1.9500 - 2.6850	:: 2.3175	: 2.3763

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.0725 - 1.5675	:: 1.1450 - 1.6400	:: 1.1450 - 1.6400	:: 1.1450 - 1.6400	:: 1.1475 - 1.6425	:: 1.3754	: 1.4988
-- Cheddar Single Daisies	:: 1.0300 - 1.4950	:: 1.1025 - 1.5675	:: 1.1025 - 1.5675	:: 1.1025 - 1.5675	:: 1.1050 - 1.5700	:: 1.3179	: 1.4538
-- Cheddar 40# Block	:: 1.1475 - 1.3950	:: 1.2200 - 1.4675	:: 1.2200 - 1.4675	:: 1.2200 - 1.4675	:: 1.2225 - 1.4700	:: 1.3266	: 1.4476
-- Process 5# Loaf	:: 1.2425 - 1.4400	:: 1.2350 - 1.4350	:: 1.2675 - 1.4675	:: 1.2625 - 1.4625	:: 1.2600 - 1.4600	:: 1.3520	: 1.4731
-- Process 5# Sliced	:: 1.2625 - 1.5075	:: 1.2550 - 1.5025	:: 1.2875 - 1.5350	:: 1.2825 - 1.5300	:: 1.2800 - 1.5275	:: 1.3957	: 1.5393
-- Muenster	:: 1.2350 - 1.4400	:: 1.3075 - 1.5125	:: 1.3075 - 1.5125	:: 1.3075 - 1.5125	:: 1.3100 - 1.5150	:: 1.3929	: 1.5301
-- 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	:: 1.1800 - 1.4400	:: 1.1750 - 1.4350	:: 1.2075 - 1.4675	:: 1.2025 - 1.4625	:: 1.2025 - 1.4625	:: 1.3218	: 1.4550
-- Cheddar 40# Block	:: 1.1400 - 1.2800	:: 1.2125 - 1.3525	:: 1.2125 - 1.3525	:: 1.2125 - 1.3525	:: 1.2125 - 1.3525	:: 1.2652	: 1.3938
-- Cheddar 10# Cuts	:: 1.3200 - 1.5400	:: 1.3925 - 1.6125	:: 1.3925 - 1.6125	:: 1.3925 - 1.6125	:: 1.3925 - 1.6125	:: 1.4852	: 1.6138
-- Monterey Jack 10#	:: 1.3300 - 1.4900	:: 1.4025 - 1.5625	:: 1.4025 - 1.5625	:: 1.4025 - 1.5625	:: 1.4025 - 1.5625	:: 1.4652	: 1.5944
-- Grade A Swiss Cuts 6 - 9#	:: 2.2400 - 2.3900	:: 2.2400 - 2.3900	:: 2.2400 - 2.3900	:: 2.2400 - 2.3700	:: 2.2400 - 2.3700	:: 2.3121	: 2.4450

FLUID PRODUCTS

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

-- Northeast - f.o.b	:: 1.2350 - 1.3380	:: 1.3594 - 1.4464	:: 1.3875 - 1.4640	:: 1.3588 - 1.4903	:: 1.3853 - 1.4944	:: 1.3875	: 1.5872
-- Atlanta - dlvd. equiv.	:: 1.2350 - 1.3585	:: 1.3594 - 1.4681	:: 1.3875 - 1.4749	:: 1.3807 - 1.5012	:: 1.3744 - 1.4944	:: 1.3975	: 1.5830
-- Upper Midwest - f.o.b	:: 1.2968 - 1.3688	:: 1.3594 - 1.4355	:: 1.3656 - 1.4858	:: 1.3150 - 1.4355	:: 1.3635 - 1.4508	:: 1.3840	: 1.5808

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

-- Class II	:: 0.9000 - 0.9800	:: 0.9000 - 0.9800	:: 0.9000 - 0.9800	:: 0.9000 - 0.9800	:: 0.9000 - 0.9800	:: 0.9400	: 1.0058
-- Class III	:: 0.7200 - 0.8400	:: 0.7200 - 0.8400	:: 0.7200 - 0.8400	:: 0.7400 - 0.8200	:: 0.7400 - 0.8000	:: 0.7795	: 0.9267

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
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MONTHLY SUMMARY AND AVERAGES FOR MARCH 2003 ^{1/} - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 10		::REPORT NUMBER 11		::REPORT NUMBER 12		::REPORT NUMBER 13		::REPORT NUMBER 14		2003	2002
	::-----		::-----		::-----		::-----		::-----		Average	Average
	MAR 03 - 07	MAR 10 - 14	MAR 17 - 21	MAR 24 - 28	MAR 31	or Total	or Total					
DRY PRODUCTS												
NONFAT DRY MILK												
-- Central And East (f.o.b.)												
-- Low/Medium Heat	:: 0.8000 - 0.8800	:: 0.8000 - 0.8600	:: 0.8000 - 0.8800	:: 0.8000 - 0.8800	:: 0.8000 - 0.8750	:: 0.8375	: 0.9218					
-- Mostly	:: 0.8150 - 0.8475	:: 0.8150 - 0.8475	:: 0.8000 - 0.8600	:: 0.8000 - 0.8600	:: 0.8000 - 0.8500	:: 0.8304	: 0.9246					
-- High Heat	:: 0.8600 - 0.9150	:: 0.8600 - 0.9150	:: 0.8600 - 0.9150	:: 0.8600 - 0.9150	:: 0.8600 - 0.9150	:: 0.8875	: 0.9925					
-- West (f.o.b.)												
-- Low/Medium Heat	:: 0.7950 - 0.8925	:: 0.7850 - 0.8875	:: 0.7850 - 0.8875	:: 0.7850 - 0.8875	:: 0.7850 - 0.8875	:: 0.8380	: 0.9279					
-- Mostly	:: 0.7950 - 0.8125	:: 0.7950 - 0.8125	:: 0.7950 - 0.8125	:: 0.7950 - 0.8125	:: 0.7950 - 0.8100	:: 0.8037	: 0.9069					
-- High Heat	:: 0.8250 - 0.8450	:: 0.8225 - 0.8450	:: 0.8225 - 0.8450	:: 0.8225 - 0.8500	:: 0.8225 - 0.8500	:: 0.8348	: 0.9461					
WHEY POWDER (Nonhygroscopic)												
-- Central (f.o.b.)	:: 0.1550 - 0.1650	:: 0.1550 - 0.1675	:: 0.1550 - 0.1675	:: 0.1525 - 0.1650	:: 0.1525 - 0.1650	:: 0.1602	: 0.1963					
-- Mostly	:: 0.1550 - 0.1600	:: 0.1550 - 0.1600	:: 0.1550 - 0.1600	:: 0.1550 - 0.1600	:: 0.1550 - 0.1600	:: 0.1575	: 0.1989					
-- West (f.o.b.)	:: 0.1375 - 0.1850	:: 0.1375 - 0.1800	:: 0.1325 - 0.1775	:: 0.1350 - 0.1750	:: 0.1325 - 0.1775	:: 0.1574	: 0.2133					
-- Mostly	:: 0.1450 - 0.1600	:: 0.1450 - 0.1600	:: 0.1450 - 0.1600	:: 0.1450 - 0.1600	:: 0.1450 - 0.1600	:: 0.1525	: 0.2113					
-- Northeast (f.o.b.)	:: 0.1575 - 0.1800	:: 0.1575 - 0.1800	:: 0.1575 - 0.1800	:: 0.1575 - 0.1800	:: 0.1575 - 0.1800	:: 0.1688	: N.A.					
-- Southeast (Delvd)	:: 0.1800 - 0.1950	:: 0.1800 - 0.1950	:: 0.1800 - 0.1950	:: 0.1800 - 0.1950	:: 0.1800 - 0.1950	:: 0.1875	: 0.2325					
WHEY PROTEIN CONCENTRATE												
-- Central And West (f.o.b.)												
-- Extra Grade 34% Protein	:: 0.4900 - 0.5625	:: 0.4900 - 0.5625	:: 0.4900 - 0.5425	:: 0.4900 - 0.5575	:: 0.4900 - 0.5550	:: 0.5231	: 0.6158					
-- Mostly	:: 0.5100 - 0.5150	:: 0.5100 - 0.5150	:: 0.5000 - 0.5150	:: 0.5000 - 0.5075	:: 0.4975 - 0.5025	:: 0.5086	: 0.6161					
ANIMAL FEED - WHEY												
-- Central (f.o.b.)												
-- Milk Replacer	:: 0.1375 - 0.1500	:: 0.1375 - 0.1500	:: 0.1375 - 0.1500	:: 0.1375 - 0.1525	:: 0.1425 - 0.1525	:: 0.1442	: 0.1782					
-- Roller Ground	:: 0.1475 - 0.1825	:: 0.1475 - 0.1825	:: 0.1475 - 0.1825	:: 0.1475 - 0.1825	:: 0.1475 - 0.1825	:: 0.1650	: 0.2027					
BUTTERMILK (Min. 30% protein)												
-- Central (f.o.b.)	:: 0.6800 - 0.7200	:: 0.6800 - 0.7200	:: 0.6800 - 0.7200	:: 0.6500 - 0.7200	:: 0.6500 - 0.7200	:: 0.6957	: 0.8410					
-- West (f.o.b.)	:: 0.7000 - 0.7500	:: 0.7000 - 0.7500	:: 0.7000 - 0.7500	:: 0.7000 - 0.7500	:: 0.7000 - 0.7500	:: 0.7250	: 0.9060					
-- Mostly	:: 0.7200 - 0.7400	:: 0.7200 - 0.7400	:: 0.7200 - 0.7400	:: 0.7200 - 0.7400	:: 0.7200 - 0.7300	:: 0.7298	: 0.9060					
-- Northeast (f.o.b.)	:: 0.7000 - 0.7300	:: 0.7000 - 0.7300	:: 0.7000 - 0.7300	:: 0.7000 - 0.7175	:: 0.7000 - 0.7175	:: 0.7132	: 0.9112					
-- Southeast (Delvd)	:: 0.7400 - 0.7650	:: 0.7400 - 0.7650	:: 0.7400 - 0.7650	:: 0.7300 - 0.7550	:: 0.7300 - 0.7550	:: 0.7496	: 0.9133					
WHOLE MILK POWDER												
-- National (f.o.b.)	:: 1.1000 - 1.1500	:: 1.1000 - 1.1500	:: 1.1000 - 1.1500	:: 1.1000 - 1.1600	:: 1.1000 - 1.1700	:: 1.1267	: 1.2258					
LACTOSE												
-- Central And West (f.o.b.)	:: 0.1550 - 0.2350	:: 0.1550 - 0.2350	:: 0.1550 - 0.2350	:: 0.1550 - 0.2350	:: 0.1600 - 0.2350	:: 0.1951	: 0.2352					
-- Mostly	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1600 - 0.1800	:: 0.1650 - 0.1800	:: 0.1701	: 0.2225					
CASEIN - Edible - National (f.o.b.)												
-- Nonrestricted - Rennet	:: 1.9000 - 2.1000	:: 1.9000 - 2.1000	:: 1.9000 - 2.1000	:: 1.9000 - 2.1000	:: 1.9500 - 2.1000	:: 2.0012	: 2.4000					
-- Nonrestricted - Acid	:: 1.8000 - 2.0000	:: 1.8000 - 2.0500	:: 1.8000 - 2.0500	:: 1.8000 - 2.0500	:: 1.9500 - 2.0500	:: 1.9226	: 2.2321					

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 MARCH 2003

COMMODITY	:::REPORT NUMBER 10::	:::REPORT NUMBER 11::	:::REPORT NUMBER 12::	:::REPORT NUMBER 13::	:::REPORT NUMBER 14::	2003 *	2002 *
	MAR 3 - 7	MAR 10 - 14	MAR 17 - 21	MAR 24 - 28	MAR 31	Monthly Average	Monthly Average
BUTTER*							
-- GRADE AA							
--Monday	1.0850	1.0875	1.0875	1.0925	1.0900		
--Tuesday							
--Wednesday	1.0900	1.0975	1.1025	1.0925			
--Thursday							
--Friday	1.0875	1.0925	1.0975	1.0875		1.0915	1.2473
--Weekly Average**	1.0875	1.0925	1.0958	1.0908			
CHEESE*							
-- BARRELS							
--Monday	1.0250	1.0400	1.0625	1.0500	1.0500		
--Tuesday	1.0250	1.0500	1.0575	1.0500			
--Wednesday	1.0250	1.0600	1.0475	1.0500			
--Thursday	1.0250	1.0700	1.0475	1.0500			
--Friday	1.0300	1.0700	1.0500	1.0500		1.0469	1.1809
--Weekly Average**	1.0260	1.0580	1.0530	1.0500			
-- 40# BLOCKS							
--Monday	1.0800	1.0800	1.0800	1.0950	1.0900		
--Tuesday	1.0800	1.0800	1.0800	1.0800			
--Wednesday	1.0800	1.0800	1.0800	1.0800			
--Thursday	1.0800	1.0800	1.0800	1.0800			
--Friday	1.0800	1.0800	1.0850	1.0850		1.0817	1.2130
--Weekly Average**	1.0800	1.0800	1.0810	1.0840			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	0.8500	0.8400	0.8400	0.8400	0.8400		
--Tuesday	0.8500	0.8400	0.8400	0.8400			
--Wednesday	0.8400	0.8400	0.8400	0.8400			
--Thursday	0.8400	0.8400	0.8400	0.8400			
--Friday	0.8400	0.8400	0.8400	0.8400		0.8410	0.9600
--Weekly Average**	0.8440	0.8400	0.8400	0.8400			
-- GRADE A							
--Monday	0.8500	0.8400	0.8400	0.8400	0.8400		
--Tuesday	0.8500	0.8400	0.8400	0.8400			
--Wednesday	0.8400	0.8400	0.8400	0.8400			
--Thursday	0.8400	0.8400	0.8400	0.8400			
--Friday	0.8400	0.8400	0.8400	0.8400		0.8410	0.9595
--Weekly Average**	0.8440	0.8400	0.8400	0.8400			

* 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.

MARCH 2003 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 2002 – FEBRUARY 2003		42,626		
03/03/03	AFRICA & MIDDLE EAST	435	MAR-MAY	\$150
03/03/03	CARIBBEAN, CENT & S. AM	20,084	MAR-NOV	\$145
03/04/03	ASIA & FSU	2,500	JUL-NOV	\$134
03/04/03	AFRICA & MIDDLE EAST	150	MAR-JUL	\$130
03/04/03	CARIBBEAN, CENT & S. AM	2,406	MAR-NOV	\$129.08
MARCH 1 - 31, 2003		<u>25,575</u>		
JULY 2002 – MARCH 2003		<u>68,201</u>		
CHEESE				
JULY 2002 – FEBRUARY 2003		1,894		
03/03/03 – MJ	CARIBBEAN, CENT & S. AM	150	MAR-NOV	\$525
03/03/03 – M	CARIBBEAN, CENT & S. AM	695	MAR-NOV	\$480.61
03/03/03 – C	CARIBBEAN, CENT & S. AM	95	MAR-OCT	\$595
03/04/03 –MJ	CARIBBEAN, CENT & S. AM	195	MAR-OCT	\$519
MARCH 1 - 31, 2003		<u>1,135</u>		
JULY 2002 –MARCH 2003		<u>3,029</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY 2002 – FEBRUARY 2003		N/A		
03/03/03 - A	CARIBBEAN, CENT & S. AM	625	MAR-JUL	\$1,930
03/03/03 – A	ASIA & FSU	875	MAR-JUL	\$1,950
03/05/03 - A	CARIBBEAN, CENT & S. AM	488	MAR-NOV	\$1,900
03/06/03 – B	AFRICA & MIDDLE EAST	180	MAR-AUG	\$1,310
03/06/03 – A	CARIBBEAN, CENT & S. AM	2,832	MAR-OCT	\$1,900
MARCH 1 - 31, 2003		<u>5,000</u>		
JULY 2002 – MARCH 2003		<u>5,000</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
				PROGRAM TO DATE
TOTAL MT				76,230
TOTAL BONUS VALUE				\$33,654,246

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 25,576 MT of Nonfat Dry Milk, 7,912 MT of Butter and 1,137 MT of Cheese. Stage three was for 25,575 MT of Nonfat Dry Milk and 1,136 MT of cheese. This announcement fills the NDM and cheese allocations for this DEIP year. Shortly after the third stage, USDA issued invitations for 5,000 MT of the previously announced butterfat allocation of 13,186 MT.

MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2003 was unchanged at 128. Compared with March 2002, the index was up 5 points (4.1 percent). The index of prices received by farmers for dairy products declined 3 points during the month of March 2003 to 84. Compared with March 2002, the index was down 13 points (13.4 percent).

Prices received by farmers in March with changes from February were: for All Milk, \$11.00 per hundredweight (cwt.), down \$.40; Fluid Grade Milk, \$11.00 per cwt., down \$.40; and for Manufacturing Grade Milk, \$9.90 per cwt., down \$.40.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MARCH 2003 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	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	2003 <u>2/</u>	2002 <u>2/</u>	2003 <u>4/</u>	2002 <u>2/</u>	2003	2002	2003 <u>7/</u>	2002 <u>8/</u>	2003	2002
CA	10.00	11.50	9.80	11.50			38.50	40.50	95.00	120.00
ID	10.30	12.20	10.10	11.80			39.50	40.30	87.00	100.00
MI	11.60	13.30	11.00	12.60		PRICES	38.50	43.00	103.00	77.00
MN	11.50	13.30	11.00	12.60		PUBLISHED	42.50	43.90	69.00	58.00
NM	11.00	13.00	10.60	12.20		JANUARY,	41.60	42.40	143.00	134.00
NY	12.10	13.80	11.70	13.40		APRIL,	---	---	107.00	102.00
PA	13.00	14.90	12.80	14.40		JULY AND	38.60	42.60	145.00	118.00
TX	12.00	14.00	11.70	13.30		OCTOBER	38.30	39.40	75.00	66.00
WA	11.30	13.10	11.00	12.60			---	---	113.00	124.00
WI	11.50	13.40	11.00	12.60			40.00	42.60	74.00	60.00
U.S.	11.40	13.10	11.00	12.70			39.80	41.50	92.80	91.40

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., MARCH 2003 WITH COMPARISON

ITEM	MARCH 2002	FEBRUARY 2003 <u>1/</u>	MARCH 2003 <u>2/</u>
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	12.70	11.40	11.00
Fluid grade milk	12.70	11.40	11.00
Manufacturing grade milk	11.30	10.30	9.90
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	106	99	99
Prices received by farmers for dairy products	97	87	84
Prices paid by farmers for commodities and services, interest taxes, and wage rates	123	128	128
Prices paid by farmers for production items	118	124	124
Prices paid by farmers for feed	109	119	119
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	2.89	2.35	2.29

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 (3/03), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MARCH 31 - APRIL 4, 2003			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 03/28/03	SAME PERIOD LAST YEAR
BUTTER							
Bulk	888,449	-0-	888,449	5,542,753	-0-	-0-	-0-
Packaged	82,080	-0-	82,080	328,320	-0-	-0-	-0-
TOTAL	970,529	-0-	970,529	5,871,073	-0-	-0-	-0-
CHEESE							
Block	212,340	-0-	212,340	1,540,381	-0-	-0-	-0-
Barrel	669,769	-0-	669,769	4,126,480	-0-	-0-	-0-
Process	712,800	-0-	712,800	14,097,600	-0-	-0-	-0-
TOTAL	1,594,909	-0-	1,594,909	19,764,461	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	22,959,151	-0-	22,959,151	327,669,244	279,255,386	1,160,803,000	858,695,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	46,391,000
TOTAL	22,959,151	-0-	22,959,151	327,669,244	279,255,386	1,207,194,000	905,086,000

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MARCH 31 - APRIL 4, 2003 =	40.9	283.2	COMPARABLE PERIOD IN 2002 =	2.9	155.8
CUMULATIVE SINCE OCTOBER 1, 2002 =	382.5	4,010.4	CUMULATIVE SAME PERIOD LAST YEAR =	61.4	3,250.5
CUMULATIVE JANUARY 1 - APRIL 4, 2003 =	308.4	2,744.8	COMPARABLE CALENDAR YEAR 2002 =	44.5	2,354.6

* 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 WEEK OF MARCH 31 - APRIL 4, 2003 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	712,800	635,107	-0-
WEST	888,449	82,080	-0-	212,340	669,769	-0-	21,098,531	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	1,225,513	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/02 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
CENTRAL	-0-	-0-	14,139,200	-0-	10,948,780	7,070,415	34.8	2.5
WEST	5,871,073	-0-	5,625,261	-0-	305,574,197	259,388,337	64.6	92.9
EAST	-0-	-0-	-0-	-0-	11,146,267	12,796,634	0.6	4.6
TOTAL	5,871,073	-0-	19,764,461	-0-	327,669,244	279,255,386	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 03/15/03 & Comparable Week 2002

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		
2003-Dairy	0.2	0.9	8.5	5.3	23.6	3.3	0.4	1.1	14.9	3.1	61.1	635.0	50.4	49.6
2002-Dairy	0.2	0.8	5.2	4.8	18.4	2.8	0.5	0.9	12.2	2.7	48.4	561.1	45.0	47.7
2003-All cows	0.2	1.1	11.3	14.1	36.6	15.4	16.0	3.4	16.9	6.3	121.3	1,280.0		
2002-All cows	0.2	0.9	7.1	14.9	28.5	15.5	16.6	3.4	14.0	6.3	107.5	1,176.2		

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 MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74

FEDERAL MILK ORDER CLASS PRICES FOR 2003 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	10.56	10.23	9.81	9.64								
II	11.29	10.66										
III	9.78	9.66										
IV	10.07	9.81										

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