

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/22):**

BUTTER: Grade AA closed at \$1.2275. The weekly average for Grade AA is \$1.2375 (-.0083).

CHEESE: Barrels closed at \$1.1900 and blocks at \$1.2300. The weekly average for barrels is \$1.1820 (+.0020) and blocks, \$1.2160 (+.0060).

NONFAT DRY MILK: Extra Grade closed at \$0.9400 and Grade A at \$0.9000. The weekly average for Extra Grade is \$0.9400 (-.0200) and Grade A, \$0.9360(-.0640).

BUTTER: Butter prices were mixed this week and the market undertone remains weak. Many producers and handlers feel that the CME cash price is holding up as high as it is because of futures positions rather than supply and demand. Cream offerings remain quite heavy in most areas of the country, although ice cream and other Class II product production for the upcoming holiday are absorbing some of the offerings. In most areas of the country, current production continues to surpass demand, thus inventories are increasing. Overall demand is good as food service and retail stores prepare for the upcoming Easter/Passover holiday. Often, retail feature activity is clearing heavy volumes of print butter with some retailers surprised at the heavier than anticipated re-ordering they are placing this close to the holiday.

CHEESE: The cheese market is steady to firm. Process cheese movement is firming seasonally with barrels tight to adequate. Natural cut interest remains sluggish. Spotty improvement was noted on sales of varieties such as mozzarella. Cheese output is steady to generally heavier, reflecting milk receipts. USDA announced its annual invitations to sell to CCC cheese for July 2002 – June 2003 delivery. CCC is seeking (in million pounds) between 11.2 and 27.0 of natural American; between 32.2 and 63.5 of mozzarella; and between 41.0 and 77.0 of process; for a total of 84.4 – 167.5. Offers are due March 28 with public release of awards scheduled for April 5. Last year, CCC initially sought a total of 87.6 – 166.0.

FLUID MILK: Milk production is easing slightly lower in Florida where temperatures are starting to reach the 90's. The milk flow in most other sections of the country is steady to slightly higher. Early this week, a storm passed through Texas and up through New England. The storm caused flooding, power outages, disrupted farm pick-ups, and created other transportation problems. Spring break for many colleges and other schools have slowed Class I demand and surplus milk diversions to manufacturing plants are heavy. Fluid cream supplies are not quite as long as they have been, but excess volumes moving to churns remains heavy. Improved demand from bottlers, producers of sour cream and dips, and ice cream are clearing slightly more cream.

DRY PRODUCTS: The NDM market is steady to weak. Prices are lower this week as some large volume sales were made to clear growing inventories. Drying schedules are holding at near-flush levels as surplus milk volumes increased this week. The dry whey market is mixed, but mostly unaggressive. Demand is slow to fair and prices are steady

to lower. Dry output is about steady at moderate to heavy levels. The dry buttermilk market is weak as offerings are growing and demand is seldom better than slow. Plant stocks are moderate, but growing. The WPC market is weak, particularly for the animal feed portion of the market.

CCC: For the week of March 18 - 22, CCC purchased 17,946,530 net pounds of NDM. Of the total, 1,011,801 pounds originated in the East, 17,913 pounds from the Midwest and 16,916,816 pounds from the West.

FEBRUARY MILK PRODUCTION (NASS): Milk production in the 20 major states during February totaled 11.4 billion pounds, up 2.8% from February 2001. January revised production, at 12.3 billion pounds, was up 1.8% from January 2001. Production per cow averaged 1,474 pounds for February, 43 pounds (3.0%) above February 2001. The number of cows on farms was 7.75 million head, 18,000 head (0.2%) less than February 2001, but 1,000 head more than January 2002.

COLD STORAGE (NASS): During February, U.S. cold storage holdings of butter total 132.0 million pounds, 31.8% more than a month ago and 53.4% higher than last February. Natural American cheese holdings total 475.0 million pounds, 4.7% heavier than a month ago, but 6.1% less than a year ago. Nonfat dry milk holdings at the end of January total 900.0 million pounds, 12 million pounds less than last month and 192 million pounds more than last January. The government holds 86.7% of the total nonfat holdings.

FEBRUARY FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During February, about 10.0 billion pounds of milk were received from producers. This volume of milk is 10.6% higher than the February 2001 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +6.7%.) About 3.6 billion pounds of producer milk were used in Class I products, 0.1% lower than the previous year. Calendar composition had no impact on milk used in Class I in 2002 as compared to 2001. The all-market average Class utilizations were: Class I = 36%, Class II = 10%, Class III = 43%, and Class IV = 11%. The weighted average statistical uniform price was \$12.84, \$0.34 lower than last month, and \$0.13 higher than last year.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for April 2002 is \$11.47. This price is derived from the advanced Class IV skim milk pricing factor of \$6.91 and the advanced butterfat pricing factor of \$1.3733 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for is \$7.61 and the Class II nonfat solids price is \$0.8456 per pound. The following are the two-week product price averages: butter \$1.2411, nonfat dry milk \$0.9074, cheese \$1.2008, and dry whey \$0.2077.

****SPECIALS THIS ISSUE****

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RECORDED MARKET INFORMATION AND INTERNET ACCESS (UNNUMBERED PAGES)

CHICAGO MERCANTILE EXCHANGE**CASH TRADING**

NOTE: THE CHICAGO MERCANTILE EXCHANGE WILL BE CLOSED FRIDAY, 3/29/02.

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 MARCH 18	TUESDAY MARCH 19	WEDNESDAY MARCH 20	THURSDAY MARCH 21	FRIDAY MARCH 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARREL	\$1.1800 (N.C.)	\$1.1800 (N.C.)	\$1.1800 (N.C.)	\$1.1800 (N.C.)	\$1.1900 (+.0100)	(+.0100)	\$1.1820 (+.0020)
40# BLOCK	\$1.2100 (N.C.)	\$1.2100 (N.C.)	\$1.2100 (N.C.)	\$1.2200 (+.0100)	\$1.2300 (+.0100)	(+.0200)	\$1.2160 (+.0060)
NONFAT DRY MILK							
EXTRA GRADE	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	(N.C.)	\$.9400 (-.0200)
GRADE A	\$1.0000 (N.C.)	\$.9400 (-.0600)	\$.9400 (N.C.)	\$.9000 (-.0400)	\$.9000 (N.C.)	(-.1000)	\$.9360 (-.0640)
BUTTER							
GRADE AA	\$1.2400 (-.0100)	----	\$1.2450 (+.0050)	----	\$1.2275 (-.0175)	(-.0225)	\$1.2375 (-.0083)

*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, MARCH 18, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 7 CARS GRADE AA: 1 @ \$1.2525, 2 @ \$1.2500, 1 @ \$1.2475, 1 @ \$1.2450, 1 @ \$1.2425, 1 @ \$1.2400; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.2375, 1 @ \$1.2350; OFFERS UNCOVERED: NONE

TUESDAY, MARCH 19, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR GRADE A @ \$0.9400

WEDNESDAY, MARCH 20, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1500; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1900
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$1.2450, 1 @ \$1.2400, 1 @ \$1.2375, 1 @ \$1.2350, 1 @ \$1.2325, 1 @ \$1.2300; OFFERS UNCOVERED: NONE

THURSDAY, MARCH 21, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2200; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$0.7500; OFFERS UNCOVERED: 1 CAR GRADE A @ \$0.9000

FRIDAY, MARCH 22, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1900; 1 CAR 40# BLOCKS @ \$1.2300; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000
 BUTTER — SALES: 8 CARS GRADE AA: 1 @ \$1.2450, 1 @ \$1.2425, 1 @ \$1.2400, 1 @ \$1.2375, 1 @ \$1.2350, 1 @ \$1.2250, 1 @ \$1.2200, 1 @ \$1.2275; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.2250, 1 @ \$1.2150, 1 @ \$1.2000; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.2450

NOTE: THE CHICAGO MERCANTILE EXCHANGE WILL BE CLOSED FRIDAY, 3/29/02.

BUTTER MARKETS

FEBRUARY COLD STORAGE

According to NASS, February month-ending cold storage figures for butter total 132.0 million pounds, 53.4% higher than the amount held last February and 31.8% more than January holdings.

NORTHEAST

Butter prices moved slightly higher last week, but fell one cent in Monday's (3/18) trading. The undertone is mixed, mostly weak. Production levels, though lighter than a few weeks ago, remain heavy. Stocks of bulk and packaged butter are more than ample to cover the current, slow to fair demand. Contacts feel that prices at the CME are holding up as high as they are because of futures' positions rather than supply and demand. In the East, butter output is moderate to heavy and most producers are building inventories. Retail demand is slightly improved as some features are beginning. Demand for packaged butter for Easter/Passover doesn't seem as brisk as years past. Food service orders are fair to improved as restaurants prepare for the typically busy Easter Sunday business. 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

Butter prices and markets are basically steady, although the undertone remains weak. Churning schedules across the Central part of the country are seasonally active. Cream offerings are quite heavy, although Class II product production for the upcoming Easter/Passover holiday is absorbing some of the offerings. Butter

producers anticipate cream volumes to become heavier once holiday needs have been filled. Although butter demand has been good as the holiday approaches, production continues to surpass demand, thus inventories continue to build. Food service and retail stores continue to place good orders, with most activity centering around fill-in needs. Some retailers are placing heavier than anticipated re-orders due to successful feature activity. Food service sales are basically steady, but referred to as good for this time of the year. Bulk butter for spot sale is selling in a range of flat - 3 cents per pound over various pricing basis.

WEST

Cream offerings are probably not quite as heavy as a few weeks ago, but they are still heavier than anticipated for this time of year. Therefore, churning activity remains heavy. Many operations are running at least an extra day per week beyond what they expected. Ice cream production is picking up, but not as much as cream sellers had hoped by now. Print butter orders related to the Easter/Passover season are rated as good. Retail store features will move some additional butter stocks. Food service orders are improving. Weekly CME butter stocks grew by 4.1 million pounds this past week and stocks now stand at 94.0 million pounds. Stocks have grown an average of 6.2 million pounds this year. Normally stocks decline somewhat in the period just before the Easter/Passover holiday. So far, there is no indication that will occur this year. Current prices for bulk butter range from 5 cents to flat market based on the CME with various time frames and averages involved.

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

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
MARCH 16	1.1933 7,639,921	1.1739 10,702,022	0.9054 22,335,027	1.2367 3,871,038	0.2079 10,773,588

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 steady to slightly higher. The market tone is cautiously steady. Although prices at the CME have been steady for eight sessions (through 3/18), there is some concern about prices holding at current levels when one considers production, supply, and demand during the upcoming spring flush. However, many contacts feel that we may already be in the flush. In the East, cheese output is running above anticipated levels and stocks are growing. Mozzarella sales are mixed and cheddar sales are slow to fair. Most of the Eastern cheddar output goes into aging programs and quite a bit of cheddar is being produced at this time. Retail sales are fair at best and food service orders are fairly good.

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

Cheddar 10# Prints	:	1.2750-1.7400
Cheddar Single Daisies	:	1.2325-1.6925
Cheddar 40# Block	:	1.3500-1.5625
Process 5# Loaf	:	1.3900-1.5750
Process 5# Sliced	:	1.4100-1.6875
Muenster	:	1.4350-1.6425
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is about steady. Current demand is steady to occasionally slightly improved on certain natural varieties including mozzarella, but cut and wrap sales remain lackluster. Larger cutters, generally using 640's, are often slower than 40-pound block cutters. Process interest is about steady though processors continue to keep barrel supplies tight. Some food service promotions are also stimulating some extra movement. Potential bidders expect that Farm Service Agency (CCC) will release its annual cheese purchase invitations soon. Current cheese production remains about steady as milk supplies are steady to slightly higher as cheese yields drift lower.

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

Process American 5# Loaf	:	1.4000-1.6500
Brick And/Or Muenster 5#	:	1.6600-1.7725
Cheddar 40# Block	:	1.5750-2.1150
Monterey Jack 10#	:	1.8075-2.1150
Blue 5#	:	1.9550-2.3600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5550-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0675-2.6850

MIDWEST COMMODITY CHEDDAR

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

CHEDDAR STYLES : MARCH 18 - 22, 2002

BARRELS*	:	\$1.1850 - 1.1950 (NOMINAL)
	:	(\$.0075) (.0050)
40# BLOCKS	:	\$1.2100 - 1.2450 (NOMINAL)
	:	(\$.0100) (.0100)

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

WEST

Natural and process cheese prices firmed slightly following trading at the CME cash market last week. Sales activity is about steady with the past few weeks. Contacts are having trouble trying to discern what direction the market will take next. Therefore, most are ordering normal volumes at regular intervals. Cheese to be used to make process cheese is in the tightest position. Stocks are tight and any under grades that would qualify for this production are selling well. Some reports are noted that current blocks are not finding demand quite as strong. A good portion of this production is finding its way into aging programs. Milk production is increasing at a somewhat faster pace across the region. Therefore, cheese production is increasing seasonally.

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

Process 5# Loaf	:	1.3350-1.5950
Cheddar 40# Block	:	1.3325-1.4725
Cheddar 10# Cuts	:	1.5125-1.7325
Monterey Jack 10#	:	1.5225-1.6875
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

FOREIGN

Prices are unchanged to higher and the market tone is steady. Some improved interest is noted on traditional Lenten or Easter table cheeses, but for the most part, demand for foreign type cheese is little changed. Stocks of cheese range from light to fully adequate. Reports indicate that new FDA labeling requirements are going to be implemented which could impact suppliers in other countries.

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

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.5775-3.0725*
Gorgonzola	:	3.2400-5.9400	: 2.0775-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.9925-3.0475*
Romano (Italy)	:	2.1000-2.9900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.5800-1.8050*
Romano (Cows Milk)	:	3.4400-5.5000	: 2.7700-4.9500*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7500-3.5900	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:		:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-2.9500	: -0-
Gouda, Large	:	2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:		:
10 Ounce	:	27.8000-31.7000	: -0-

* = Price change.

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

BUTTER : CHEESE

	:		:	
03/18/02	:	36,782	:	128,559
03/01/02	:	33,688	:	127,858
CHANGE	:	3,094	:	701
% CHANGE	:	9	:	1

FLUID MILK AND CREAM

E A S T

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	83	0	30	0	139
SOUTHEAST STATES	0	0	0	0	0	0

Regional Milk Market Administrators announced the following, February 2002 uniform prices: Northeast \$13.48, Mideast \$12.46, Southeast \$13.75, Florida \$15.46, and Western New York (a state order) \$13.27 at the base cities/counties in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.) During February, milk production in the 20 major states totaled 11.42 billion pounds, up 2.8% from February 2001. The following are the February-to-February changes for selected states: Vermont +4.4%, New York +6.1%, Virginia +2.6%, Kentucky 1.5%, Pennsylvania -0.5%, Texas -0.5%, and Florida -3.3%. Heavy rains fell on large areas of the Southeast and the storm is headed into New England where light snow and colder temperatures are predicted. The heavy rains caused widespread flooding and damage. This led to disruptions in power and transportation in Tennessee, Mississippi, Arkansas, and parts of nearby states. Milk production gains have been retarded in the storm-affected areas and also in Florida where temperatures are reaching into the 90's. Milk output in the Northeast is about steady. Milk supplies are excessive of the Class I demand and surplus volumes remain heavy. Bottled milk sales are reported as slow in most areas of the region. Many colleges are on spring break and most states have all or a portion of their school systems on vacation. Many more will be on break next week. This slow down in school lunch needs is pushing more milk into manufacturing channels. Most cheese and butter/powder plants are operating at or near capacity. The condensed skim market is steady and prices are unchanged. Some improved demand for wet solids from cheese makers is noted, which eases the pressure on dryers. The spot fluid cream market is showing signs of improvement, but supplies are still excessive and clearances to butter plants continue. Prices for spot cream are generally lower. Although the CME butter price is lower, the multiples used to determine prices have occasionally moved higher. Bottlers are pulling more cream as they prepare for anticipated Easter/Passover needs. Ice cream makers are stepping up production and building inventories for spring and summer needs. Cream cheese output is about steady at moderate levels. Churning activity is lighter, but quite a few loads of excess cream continue to move to Midwestern butter plants.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT		
F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.5199-1.6818
DELIVERED EQUIVALENT ATLANTA	-	1.5199-1.6694 M 1.5448-1.5946
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5573-1.6694
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS		
F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9700-1.0500
NORTHEAST- CLASS III - SPOT PRICES	-	.8800- .9900

M I D W E S T

Class I demand was steady to occasionally stronger based on which chain and what area the promotional activity is occurring. Manufacturing milk supplies are about steady though manufacturers and handlers are gearing up for the upcoming school/universities spring/Easter vacations when more milk will back up from Class I channels. Handlers are trying to have manufacturing homes for as much spring break milk as possible to avoid steep discounts on later, usually distresses loads. Manufacturing milk prices vary from a low of a flat \$10.00 to \$2.25 over with the majority occurring in the \$.75 to 1.50 over area and the lowest price late. Cream demand is improving and multiples generally inched slightly higher. Condensed skim prices are steady and demand is good from Class III accounts. Ice cream as well as production of dips, whipped cream and other holiday items are active. Current milk intakes are about steady to slightly higher. Fat and protein levels are drifting lower

seasonally. The initial February 2002 estimated milk production in selected Midwestern states compared with February 2001 is: Wisconsin 1.757 billion pounds, up 8 million pounds (0.5%); Minnesota 686 million pounds, down 34 million pounds (-4.7%); Michigan 456 million pounds, an increase of 9 million pounds (2.0%), Iowa 297 million pounds, off 6 million pounds (2.0%); and Indiana 201 million pounds, up 5 million pounds (2.6%). Temperatures and precipitation associated with both winter and spring have covered the region.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 45.50	\$ 41.00- 46.00
REPLACEMENT HEIFER CALVES	\$550.00-690.00	\$290.00-420.00

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

	MARCH 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 47.75	\$ 39.00- 51.25

W E S T

February milk production in the 20 states is reported to be 11.42 billion pounds, up 2.8% from a year earlier. In comparison, January was up only 1.8%. The major reason for the sharp upturn in output is increasing production per cow. Only one of the 20 states reported negative growth in per cow output. All five Western states growth in per cow output, ranging from +0.6% in Idaho to +6.2% in Arizona. The percentage increase in milk production in selected Western states compared to last February is as follows: Arizona +5.9%, California +4.8%, Idaho +7.6%, New Mexico +15.3%, and Washington +3.4%. Milk production in CALIFORNIA continues to increase slightly on a week-to-week basis at levels above last year. Fluid milk orders are noted to be higher for some bottlers while others are seeing spring break related declines. Milk intakes are higher along with fat and solids in the south. Milk plants are running favorably and handling intakes well. Light rains were not impacting dairies in the region. Milk movements were slightly disrupted for many hours due to snow covered interstates in the Grapevine. Milk found new homes or waited to move. The situation quickly returned to normal. Hay production continues in the South with demand backing off as buyers have enough for nearby needs. Prices are holding steady with some slight declines noted. Rains in the Central Valley did not have much of an impact on dairy cows. Milk output continues to trend higher. The rains are delaying hay harvesting, but are providing moisture for crop growth. Milk production is moving upward in the North. ARIZONA milk output continues to increase seasonally at levels approaching seasonal peak levels. Milk production volumes were consistent with expectations in February and continue into March at levels above a year ago. Milk production in NEW MEXICO continues to move seasonally higher. Rain fell over some of the milk producing regions, but no impact on milk was immediately noted. Intakes are as expected and moving to normal channels. Milk volumes are strongly higher than a year ago. Western CREAM markets are stabilizing to a limited extent and are benefiting from increased demand from ice cream producers. Contract loads are increasing to ice cream accounts along with more spot loads, especially in the southern states, where weather conditions are warmer. California cream sales are still being largely limited to within state sales or to contract accounts. Western cream multiples are higher and range from 108 to 125, FOB. Cool and wet conditions are delaying the availability of spring pastures for grazing in the PACIFIC NORTHWEST. Conditions are wet enough that fields will not support cattle. The good news is that pasture growth is slow so that maturity and feed value are not issues yet. More plants are noticing increasing milk receipts. Some producers are looking for additional hay supplies and they are not able to find the quality they would like. Heifer prices remain firm. More winter weather hit NORTHERN UTAH and SOUTHERN IDAHO last weekend. Little increase in milk output is noticed in Utah because of the rough conditions. The real problem is that for the first time in quite a few years winter is lasting for as long as 3-4 months in the dairy region of Utah. Idaho is experiencing much less harsh conditions and some feedlots are beginning to dry out pretty well. Milk output is beginning to respond to spring time conditions. Hay stocks in this region are a bit more available and the quality is closer to what dairymen are looking for.

NDM, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged on a mostly steady market. Producers have a growing impetus to keep inventories clear in the event of a tilt change. Producers hope that the recently discounted product in parts of the East and West remains in those regions. Production is steady to higher as milk supplies seasonally increase. Some plants are diverting schedules to the production of high heat before milk becomes seasonally heavy and in order to guarantee product for contractual shipment. Ice cream, cheese and brokerage firms are expressing the best interest. Overall movement however, is very slow, with light demand anticipated to continue until government decisions regarding the tilt are made.

EAST: Prices are steady to lower and the market tone is weak. A nation-wide supplier of NDM cleared significant volumes of their growing inventories of low heat powder in 50 lb. bags. The "one-time" sale cleared the excess powder in their system that. Prices for these sales were well below the support purchase price, but above the anticipated support price should a "tilt" be implemented. Production of NDM is mostly steady at moderate to heavy levels. Those plants that had excessive stocks (before this sale) are either now making high heat or packaging in G-bags for possible offer to CCC. Domestic demand is fair and export interest is slower now that the NDM allocation (68,201 MT) for this DEIP-year has been filled.

Includes EXTRA GRADE and GRADE A

F.O.B. CENTRAL/EAST:

LOW/MEDIUM HEAT: .8500 - .9675 MOSTLY: .9100 - .9400
 HIGH HEAT: .9600 - 1.0250

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are lower. The decline on the bottom end of the range reflects NDM that was cleared in a "block sale" to clear a backlog of inventory. Production continues to be heavy in the region to process seasonally increasing volumes of milk. Demand was higher to clear the extra product, but the market weakness of recent months remains. There were sizable DEIP bid acceptances during the last two weeks and the current DEIP year bids have been exhausted. During the week of March 11 - 15, adjusted support program purchases totaled 17,608,848 pounds of NDM with 14,793,419 pounds from the West. High heat prices are slightly lower in limited spot trading. Demand remains light and most sales are contract related. Spot movements are sporadic. Inventories are generally in good shape.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8500 - .9750 MOSTLY: .9000 - .9150
 HIGH HEAT: .9275 - .9600

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 15	\$.9013	15,097,815	10,393,569
March 8	\$.9027	12,850,469	8,839,500

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. Buyers decided to make a move on the market in anticipation of lower supply availability. Discounts were the heaviest on non-kosher supplies. Production of dry buttermilk continues to decline as less butter is produced and more condensed buttermilk is diverted into ice cream. Heavier sales alleviated some inventory problems yet some manufacturers still have loads to clear. Buttermilk product is available and trading at a discount. A change in the tilt is not anticipated to affect buttermilk as manufacturers believe the commodity now moves separate from NDM.

F.O.B. CENTRAL: .7500 - .8600

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone remains weak. Eastern prices remain nominal as few spot sales are being reported. Production levels are off slightly as cream supplies are not as burdensome as they were a month ago. Producer stocks are not unmanageable, but they are building. Contract sales of both dry and liquid buttermilk are keeping stocks in reasonable balance. Demand for dry buttermilk is fair at best. Reports indicate that dry buttermilk is readily available from the Midwest at attractive prices.

F.O.B. NORTHEAST: .8800 - .9450
 DELVD SOUTHEAST: .8500 - .9600

DRY BUTTERMILK - WEST

Western dry buttermilk prices are lower within the range in generally light spot trading. The market tone remains weak. However, there is more interest noted from ice cream producers for both dry and condensed buttermilk this week. Producers are trying to establish a floor to the market and do not want to sell below that level. Lower prices in other regions could stress this position as time goes on. Drying schedules are trending lower this week with less condensed hitting the dryers. Stocks are moderate to heavy and available to cover current needs.

BUTTERMILK: .8800 - .9200 MOSTLY: .8900 - .9100

DRY WHOLE MILK - NATIONAL

Prices are unchanged to slightly lower and nominal. The market tone is steady. Production levels remain light to moderate and generally geared to meeting contract deliveries. Spot demand is seldom better than fair.

F.O.B. PRODUCING PLANT: 1.1700 - 1.2700

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH MARCH 15, 2002
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 52,334 MT (115,375,536 LBS)
 CHANGE -- 16,071 MT (35,430,127 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

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 steady to weak market. Trading is light with both buyers and sellers expressing uncertainty of market trends. In light of lower movement the week prior, some buyers are backing out of their contracts, encouraging heavier producer stocks. Manufacturers are generally attempting to force contracts and offer and trade at steady prices. Resellers are offering product at a discount. Demand is best into the feed sector. Condensed supplies are reportedly readily available for the light interest.

NONHYGROSCOPIC: .1800 - .2125 MOSTLY: .1950 - .2025

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are slightly lower and the market tone is, at best, steady. Offerings remain heavy and demand continues sluggish. Eastern producers report being in fairly good balance, but a few do have product on hand to clear. Resellers relate a lackluster buying interest and some are having difficulty clearing their contract purchases. Buyers and traders report being offered additional volumes by Midwest producers. This alone is an indication that the market is not firming. Dry whey production is holding up higher than most contacts expected for March. Grade A whey is available for spot sale, but stocks are in better balance than Extra Grade.

F.O.B. NORTHEAST: EXTRA GRADE .1875 - .2050
 USPH GRADE A .2125 - .2350
 DELVD SOUTHEAST: .2275 - .2375

DRY WHEY - WEST

Western whey prices range from steady to fractionally lower. Domestic demand is fair and export interest is spotty. Some contacts believe that a portion of the overseas market has been lost to substitute products because of how high whey prices got this winter. These buyers will be hard to get back in the short run. Stock levels remain quite variable. Some manufacturers report being in very close balance while others admit to being quite a bit longer than they would like for this time of year. Production levels range from steady to higher than anticipated. Western producers continue to monitor prices in the other regions of the country to remain competitive.

NONHYGROSCOPIC: .1925 - .2300 MOSTLY: .2025 - .2200

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a mostly steady market. Trading is light on all animal feed products with the best interest generated on milk replacer product. Supplies of milk replacer are light yet some producers are reducing prices to clear an extra load. Roller ground and delactose movement are generally unchanged with product readily clearing on a contractual basis. Roller ground prices adjusted lower with changes in the Extra Grade whey market. Production schedules for animal feed products are mostly steady. Early weaned pig and North Central veal trading are steady.

MILK REPLACER: .1650 - .1900
 ROLLER GROUND: .1825 - .2175
 DELACTOSE (Min. 20% protein): .3850 - .4150

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are lower on a steady to weak market. Supplies remain mixed with brand specific and Grade A stocks generally in balance and Extra Grade supplies tending to run long. Alternative domestic and New Zealand sourced high protein product remains directly competitive with WPC 34% for feed interest. CCC NDM awards are no longer a factor in WPC 34% movement given that all offers for Invitation 019 were rejected. Soon after the announcement release 3/20/02, producers received calls from feed users looking for WPC 34%. Producers anticipate the market to stabilize, especially with some firms showing lower production. Movement into food and nutraceutical accounts is improving. Condensed WPC is readily available at some locations for the fair interest.

EXTRA GRADE 34% PROTEIN: .5900 - .6350 MOSTLY: .6000 - .6300

LACTOSE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to weak market. Spot sales are light. Some contracts for second quarter are finalized at steady to lower prices. Negotiations are expected to continue into the second quarter due to buyer resistance in Asia and heavy competition between US firms. Production is steady to higher with some plants taking in additional permeate supplies. Some additional plants are also diverting production schedules away from 200 mesh sizes to the lower 30-100 mesh sizes that are expectedly more marketable. Domestic demand is slow with product clearing best on a contractual basis. Whey and permeate supplies are competitive with lactose for feed interest. Lactose off grade supplies are limited for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
 EDIBLE: .1800 - .2800 MOSTLY: .2075 - .2375

CASEIN - NATIONAL

Casein markets remain weak with prices unchanged to lower. In most instances, domestic buyers are purchasing for short term or hand to mouth needs, with very little interest in committing to long term contracts. Domestic buyers anticipate that prices will remain weak as the year progresses. Stocks of acid are in the longest position with rennet available for needs. The production season in the Oceania region is winding down while increasing in Europe.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3000 - 2.5000
 ACID: 2.1000 - 2.3500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are increasing. Surplus milk supplies seem to be at "peak" levels and diversions of milk to manufacturing plants are heavy. Some producers are taking advantage of this extra milk to replenish inventories. Demand is back to more normal levels now that the Easter/Passover needs have been delivered. Some retail features are in effect.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 33.00
 Excluding promotional and other sales allowances. Included new price announcements.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

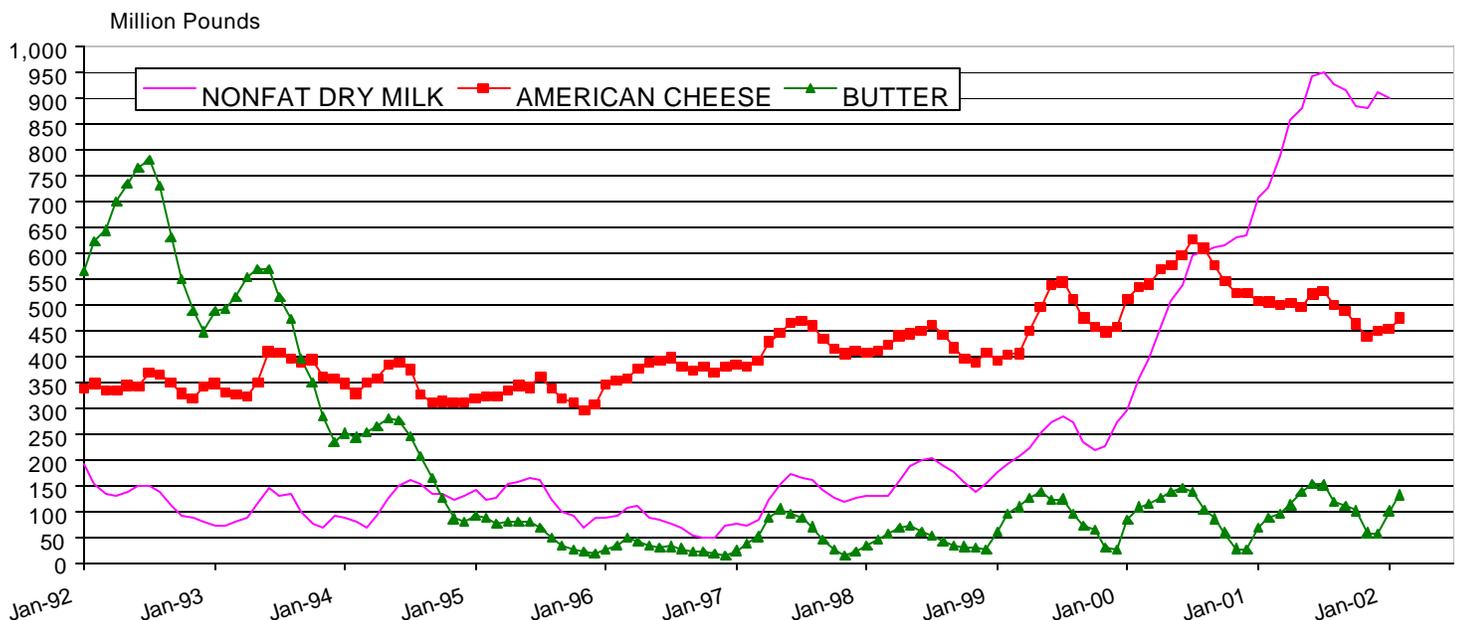
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JAN 31, 2000	JAN 31, 2001	REVISED JAN 31, 2002	FEB 29, 2000	FEB 28 2001	FEB 28, 2002
Butter	82,446	68,405	100,176	107,847	86,078	132,039
Cheese, Natural American	511,627	507,000	453,701	536,165	505,951	475,048
Cheese, Swiss	14,799	13,968	12,270	15,377	13,027	12,515
Cheese, Other Natural	201,626	188,937	221,905	205,691	204,938	217,260
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	288	338	260	383	279	1,200
Natural American Cheese	70	2,270	794	67	1,806	753

FEBRUARY COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
New England	19,953	21,189	19,978	---	---	---	586	270	592
Middle Atlantic	41,456	52,054	57,829	---	---	---	14,651	17,647	37,255
East North Central	254,262	239,998	179,392	---	---	---	101,128	107,213	101,855
West North Central	112,367	89,794	106,519	---	---	---	66,562	61,886	65,284
South Atlantic	579	5,522	6,030	---	---	---	943	240	145
East South Central	0	0	30	---	---	---	203	154	170
West South Central	399	591	2,871	---	---	---	371	343	201
Mountain	12,907	11,442	9,235	---	---	---	5,231	6,456	1,407
Pacific	94,242	85,361	93,164	---	---	---	16,016	10,729	10,351
TOTAL	536,165	505,951	475,048	107,847	86,078	132,039	205,691	204,938	217,260

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

U.S. Cold Storage Holdings



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2001 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk						
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>		
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	
	Million Pounds						Million Pounds						Million Pounds						
January	100	68	100	68	<u>3/</u>	<u>3/</u>	454	507	453	505	1	2	900	708	120	145	780	563	
February	132	86	131	86	1	<u>3/</u>	475	506	474	504	1	2	726			138		589	
March		96		95		1			500		498		2	791			123		668
April		112		112		1			503		501		2	858			127		731
May		138		137		1			497		496		2	882			134		747
June		153		153		1			522		520		2	945			166		779
July		151		150		1			528		526		2	950			147		803
August		118		117		1			499		497		2	930			109		821
September		111		111		<u>3/</u>			488		486		1	918			103		815
October		101		100		<u>3/</u>			463		462		1	885			100		785
November		58		58		<u>3/</u>			438		438		<u>3/</u>	882			113		769
December		56		55		<u>3/</u>			449		448		1	912			136		776

1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Jan 31, 2000	Jan 31, 2001	Jan 31, 2002	Feb 29, 2000	Feb 28, 2001	Feb 28, 2002
	Thousand Pounds					
Butter	82,158	68,067	99,916	107,464	85,799	130,839
Natural American Cheese	511,557	504,730	452,907	536,098	504,145	474,295

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (3-02) and "Dairy Products," Da 2-6 (3-02), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEBRUARY MILK PRODUCTION

Milk production in the 20 major states during February totaled 11.4 billion pounds, up 2.8 percent from February 2001. January revised production, at 12.3 billion pounds, was up 1.8 percent from January 2001. The January revision represented an increase of 1 million pounds from last month's preliminary estimate.

Production per cow in the 20 major states averaged 1,474 pounds for February, 43 pounds above February 2001.

The number of cows on farms in the 20 major states was 7.75 million head, 18,000 head less than February 2001, but 1,000 head more than January 2002.

FEBRUARY 2002 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2001	2002	2001	2002	2001	2002	% CHANGE FROM 2001
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	140	140	1,690	1,795	237	251	5.9
CA	1,568	1,628	1,615	1,630	2,532	2,654	4.8
FL	155	152	1,380	1,360	214	207	-3.3
ID	357	382	1,580	1,590	564	607	7.6
IL	117	115	1,380	1,440	161	166	3.1
IN	151	152	1,295	1,320	196	201	2.6
IA	215	208	1,410	1,430	303	297	-2.0
KY	128	123	1,040	1,100	133	135	1.5
MI	303	294	1,475	1,550	447	456	2.0
MN	520	495	1,385	1,385	720	686	-4.7
MO	148	139	1,070	1,150	158	160	1.3
NM	261	290	1,550	1,610	405	467	15.3
NY	670	675	1,320	1,390	884	938	6.1
OH	263	261	1,320	1,380	347	360	3.7
PA	602	583	1,420	1,460	855	851	-0.5
TX	338	310	1,285	1,395	434	432	-0.5
VT	153	154	1,330	1,375	203	212	4.4
VA	118	120	1,280	1,290	151	155	2.6
WA	247	247	1,680	1,735	415	429	3.4
WI	1,310	1,278	1,335	1,375	1,749	1,757	0.5
20 STATE TOTAL	7,764	7,746	1,431	1,474	11,108	11,421	2.8

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (3-02), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

DAIRY SITUATION AND OUTLOOK—INTERNATIONAL MARKETS

International Price Prospects Dim--International dairy markets had an unsettled year in 2001. Prices collapsed during the last quarter of the year as the European Union (EU) recovered from dislocations caused by the foot-and-mouth disease outbreak, output grew once again in Oceania, the U.S. dollar was strong, and Argentina's economic collapse prompted traders to try to sell as much as possible right away. Prices are not expected to show much recovery until at least the second half of 2002.

Export supplies have been generally adequate. Milk production in the EU was about unchanged in 2001 as only a little output was lost to disease controls. EU production in 2002 may slip slightly because of lower output in the Netherlands, but the production quotas will be generally filled or a bit over-filled. Milk production continues to grow in Oceania. Australian output was a little weak during the second half of the 2000-01 season and again during the first part of their new season. However, New Zealand production has continued to grow, mostly because of more cows. Milk production in 2002 is also expected to increase in North America, Eastern Europe, and many Asian and South American countries.

Nonfat dry milk prices broke sharply last autumn, after staying above \$2,000 per ton since mid-2000. Strong Asian demand and relatively modest export supplies had been the most commonly cited reasons for market tightness. Even so, the needs of buyers seemed to be fairly easily met. Modest unsubsidized exports from the United States quickly appeared to satisfy this nominally tight market. Slippage in EU domestic markets, seasonal production increases in Oceania, and lower import demand from a few countries dropped prices about \$500 per ton over a few months. Ample supplies and some general economic weakness are expected to forestall much recovery until the second half of 2002. In fact, prices may not yet have reached bottom.

Butter prices started 2001 weak. Demand from Russia and the Middle East-North Africa was too sluggish to absorb even moderate export supplies. Prices picked up a little in late spring and summer, in large part because of over-tariff-rate-quota (TRQ) imports by the United States. Recent events apparently dampened butter demand in the Middle East-North Africa region, as Ramadan demand was noticeably less this year, and more recent sales stayed sluggish. Russia reportedly has been importing more from other East European countries, particularly Ukraine, but imports from outside the region have been at best unchanged. Unless an unexpected source of demand emerges, butter prices are not likely to improve much this year, particularly if economic weakness triggers any shift from whole milk powder to skim milk powder.

U.S. imports and exports may both decline in 2002. Lower expected domestic butter and cheese prices will not provide the incentive to import as much milkfat in excess of the TRQ's. Even so, some over-TRQ imports are likely unless international butter prices recover faster than expected. Also, TRQ fill rates are likely to be fairly high again in 2002. On the export side, commercial exports of nonfat dry milk are not likely to be significant this year because of lower international prices. Whey exports may also be a bit sluggish, although commercial cheese exports may continue their slow growth.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-93, March 13, 2002, Economic Research Service, USDA. For more information on the LDP report, contact James J. Miller, (202) 694-5184.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, FEBRUARY

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for February have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During February, about 10.0 billion pounds of milk were received from producers. This volume of milk is 10.6 percent higher than the February 2001 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +6.7 percent.) About 3.6 billion pounds of producer milk were used in Class I products, 0.1 percent lower than the previous year. Calendar composition had no impact on milk used in Class I in 2002 as compared to 2001. The all-market average Class utilization percentages were; Class I = 36%, Class II = 10%, Class III = 43%, and Class IV = 11%. The weighted average statistical uniform price was \$12.84 per cwt., \$0.34 lower than last month, and \$0.13 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 2001										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{2/}
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,008.4	5.8	819.6	-0.3	41	16	30	13	13.48
Appalachian (Charlotte)	005	526.4	2.0	345.9	3.5	66	15	6	13	14.04
Southeast (Atlanta)	007	667.7	7.7	378.2	-0.4	57	10	20	13	13.75
Florida (Tampa)	006	224.6	-3.9	202.3	-3.4	90	6	1	3	15.46
Mideast (Cleveland)	033 ^{3/}	1,473.5	23.3	514.2	-0.8	35	14	43	8	12.46
Upper Midwest (Chicago)	030 ^{3/}	1,616.5	2.4	319.4	2.4	20	2	76	2	12.04
Central (Kansas City)	032 ^{3/}	1,388.0	7.3	380.9	-2.4	28	6	58	8	12.32
Southwest (Dallas)	126 ^{3/}	760.0	20.9	316.1	1.6	42	10	34	14	13.28
Arizona-Las Vegas (Phoenix)	131	247.4	0.8	76.2	-1.7	31	4	38	27	12.46
Western (Salt Lake City)	135 ^{3/}	450.7	53.4	78.2	-3.7	17	8	51	24	12.09
Pacific Northwest (Seattle)	124 ^{3/}	592.7	18.8	161.8	1.7	27	5	37	31	12.14
ALL MARKET AVERAGE OR TOTAL	<u>3/</u>	9,956.1	10.6	3,592.8	-0.1	36	10	43	11	12.84

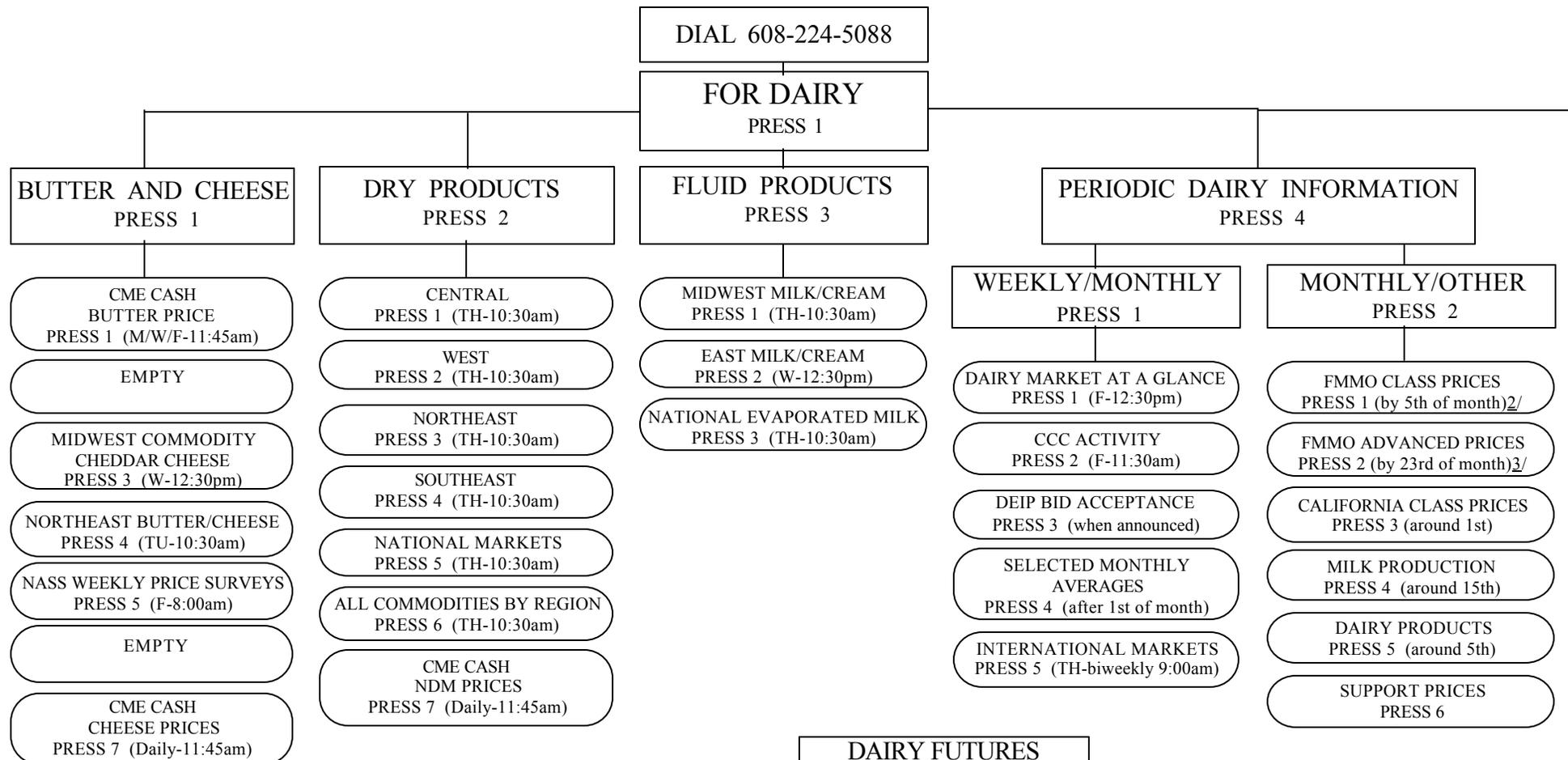
^{1/} Names in parentheses are the major city in the principal pricing point of the market.

^{2/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{3/} Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 160 million pounds of milk that normally would have been associated with these markets. In February 2001, the estimated not-pooled volume of milk was 485 million pounds. After adjusting for these not-pooled volumes, the year-to-year percent change is +6.7.

MARKET NEWS RECORDED INFORMATION SYSTEM

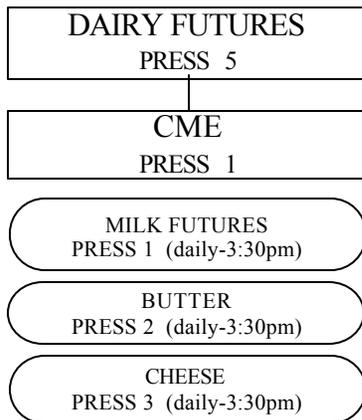
The system is accessible via a touch-tone telephone. Recorded instructions prompt the caller in the use of the system. By listening to menus and pressing the appropriate numbers, you will have access to the latest market information. Please note that you do not have to listen to the entire menu before pressing your number choice. Use the flowchart below as a guide for accessing dairy information. Release day and time (Central) are in parenthesis. ^{1/}



HINTS
 -press 8 to repeat a message
 -press 9 to back out one level
 -press * before exiting system
 (allows system to reset line for next user)

EXAMPLE
 TO ACCESS CENTRAL & WEST DRY PRODUCTS:
 DIAL 608-224-5088
 --PRESS 1 FOR DAIRY MENU
 --PRESS 2 FOR DRY PRODUCTS MENU
 --PRESS 1 FOR CENTRAL PRICES
 (SYSTEM RETURNS TO DAIRY MENU)
 --PRESS 2 FOR DRY PRODUCTS MENU
 --PRESS 2 FOR WESTERN PRICES
 STAY ON LINE FOR DAIRY MENU
 OR PRESS * KEY IF EXITING SYSTEM.

^{1/} Holidays may affect release days and times. ^{2/} Released at 9:30am CT on the Friday before the 5th, unless this date is a Friday. ^{3/} Released at 9:30am CT on the Friday before the 23rd of the month unless this date is a Friday.



DAIRY MARKET NEWS HOME PAGE

WWW.AMS.USDA.GOV/DAIRY/MNCS/INDEX.HTM



MARKET NEWS

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Dairy Market News covers the supply, demand, and price situation every week on a regional, national, and international basis for milk, butter, cheese, and dry and fluid products.

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Other USDA Web Sites:

- ▶ [Economic Research Service](#)
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CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MARCH 18 - 22, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 03/15/02	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	3,050,083	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	4,025,276	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,999,600	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	11,074,959	-0-	-0-
NONFAT DRY MILK							
Nonfortified	20,226,932	2,280,402	17,946,530	250,625,885	231,945,751	825,506,000	463,140,000
Fortified	-0-	-0-	-0-	-0-	26,867,069	46,391,000	37,339,000
TOTAL	20,226,932	2,280,402	17,946,530	250,625,885	258,812,820	871,897,000	500,479,000

Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MARCH 18 - 22, 2002 =	3.9	208.9	COMPARABLE PERIOD IN 2001 =	1.8	112.3
CUMULATIVE SINCE OCTOBER 1, 2001 =	55.1	2,917.3	CUMULATIVE SAME PERIOD LAST YEAR =	159.2	3,122.2
CUMULATIVE JANUARY 1 - MARCH 22, 2002 =	38.2	2,021.4	COMPARABLE CALENDAR YEAR 2001 =	42.6	1,639.6

* 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 18 - 22, 2002 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	17,913	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	16,916,816	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	1,011,801	-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 (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,995,440	7,914,205	3,105,246	3.2	35.2
WEST	-0-	-0-	-0-	5,039,919	233,691,351	255,707,574	93.2	64.6
EAST	-0-	-0-	-0-	39,600	9,020,329	-0-	3.6	0.2
TOTAL	-0-	-0-	-0-	11,074,959	250,625,885	258,812,820	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848
CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239
NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/02/02 & 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			
2002-Dairy	0.2	0.7	5.7	4.9	17.2	2.5	0.4	1.0	12.8	2.6	48.0	462.9	49.4	47.7
2001-Dairy	0.3	0.6	6.1	5.6	21.0	3.2	2.3	1.0	12.5	3.0	55.7	512.9	50.5	49.8
2002-All cows	0.2	0.9	7.7	12.4	27.3	11.9	13.9	3.1	14.1	5.6	97.2	970.5		
2001-All cows	0.3	0.7	8.3	15.0	30.6	12.5	17.1	5.6	13.8	6.5	110.3	1,029.7		

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
I 1/	11.96	11.95	11.62									
II	12.69	12.28										
III	11.87	11.63										
IV	11.93	11.54										

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