

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/5): BUTTER: Grade AA closed at \$1.2200. The weekly average for Grade AA is \$1.2250 (-.0050).

CHEESE: Barrels closed at \$1.2000 and blocks at \$1.2400. The weekly average for barrels is \$1.2070 (+.0026) and blocks, \$1.2390 (+.0052).

NONFAT DRY MILK: Extra Grade closed at \$0.9400 and Grade A at \$0.8700. The weekly average for Extra Grade is \$0.9400 (N.C.) and Grade A, \$0.8700 (-.0075).

BUTTER: Butter prices continue to adjust higher and lower within a narrow range, although the market tone remains weak. Churning activity across the country was heavy over the recent holiday weekend and continues so into the current week. Cream offerings are heavy. In most instances, churning activity continues to surpass demand and surplus production is clearing to inventory. According to recent USDA Foreign Agricultural Service reports, butter imports during the first two months of 2002 are substantially higher than the same period last year. Licensed imports total 930,942 kg (2,048,072 pounds), 88,690 kg (10.5%) more than the same period last year. Imports of high tier butter (not licensed) total 222,095 kg (488,609 pounds), nearly four times more than the first two months of 2001. The import Tariff-Rate Quota is unchanged for 2002 at 6.9 million kg (15.3 million pounds). Overall butter demand has eased this week as most buyers assess inventories following the Passover/Easter holidays. Butter producers and handlers report that sales during the Lenten season for both retail and food service were good and especially strong when featured.

CHEESE: The cheese market is steady. Current cash prices for both blocks and barrels at the Chicago Mercantile are about 10 cents below the comparable week in 2001, but about 10 cents above the same week in 2000. Process demand is steady to increasing seasonally. Barrel and good processing solids remain tight to adequate. Natural interest is generally steady at mostly fair levels. However, some retailers are rebuilding stocks depleted prior to the holidays. Current cheese production is seasonally heavy. Some firms, from producers to processors and packagers, wait to compare the initial results from the recent CCC invitations to sell cheese to the government for the new contract year.

FLUID MILK: Class I demand was often sluggish early in the week with heavy milk volumes still clearing through manufacturing channels. Manufacturing schedules were heavy through the weekend as milk supplies backed up from bottlers with schools closed for holiday/spring break. The return of some students to classes helped Class I needs rebound closer to pre-holiday levels though other bottlers remain sluggish. Current milk receipts are trending higher across the majority of the country. In Florida and the Deep South, milk handlers feel current intakes are at or near annual peak levels. Milk intakes are generally increasing seasonally throughout the East and Midwest. Warm spring weather has facilitated new hay and fresh green chop in California, stimulating the production response. In Idaho and Utah, recent cold and muddy conditions

continue to hamper milk production advances. In the Pacific Northwest, warmer and dryer weather has improved pasture conditions and cows are back on fresh grass.

DRY PRODUCTS: Recent powder market trends continue. Surplus milk volumes and operating schedules were heavier over the holiday weekend. Offerings of NDM exceed demand and heavy clearances to CCC continue. In some cases, Midwestern producers are putting larger volumes of NDM in totes rather than bags. Demand remains light as buyers limit purchases to short term needs. Whey prices are steady to lower. Interest remains light and production active. Export demand is sporadic and light. Some feed users are purchasing extra whey volumes to standardize 80% WPC in blends. The 34% WPC market continues to be adversely impacted by heavy supplies of 80% WPC. Food and export interest is fairly steady, mostly due to contracted activity. Producer inventories vary from tight to long with volumes of off-grade product readily available. Buttermilk movement is improving despite heavier production schedules due to increased churning. Ice cream producers are using larger volumes of condensed, reducing volumes to be dried. Ice cream makers are also increasing dry buttermilk purchases.

CCC: For the week of April 1 - 5, CCC purchased 13,386,943 pounds of NDM. Of the total, 1,410,274 pounds originated in the East, 339,508 pounds in the Midwest, and 11,637,161 pounds from the West. Since October 1, 2001, CCC purchased a cumulative total of 279.3 million pounds, up 5.1 million pounds from the comparable period a year earlier. This is the first time cumulative NDM purchases since October 1, 2001 have exceeded comparable year ago levels. CCC uncommitted inventories at over 900 million pounds are the highest since 1986.

MARCH AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2002 was unchanged at 122. Compared with March 2001, the index was down 2 points (1.6%). The index of prices received by farmers for dairy products declined 3 points during the month of March 2002 to 97. Compared with March 2001, the index was down 9 points (8.5%). Prices received by farmers in March with changes from February were: for All Milk, \$12.70, down \$.40; Fluid Grade Milk, \$12.70, down \$.40; and for Manufacturing Grade Milk, \$11.30, down \$.70.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the March 2002 prices under the Federal Milk Order pricing system: Class II \$12.19 (down \$0.09), Class III \$10.65 (down \$0.98); and Class IV \$11.42 (down \$0.12). Product price averages used in computing Class prices are: butter \$1.2333, NDM \$0.9060, cheese \$1.2087, and dry whey \$0.2066. The Class II butterfat price is \$1.3708 and the Class III/IV butterfat price is \$1.3638. Further information may be found at: www.ams.usda.gov/dyfmoms/mib/classprcacnmt.pdf

****SPECIAL THIS ISSUE****

2001 DAIRY MARKET STATISTICS NOTICE (YELLOW PAGE)
MARCH AVERAGES AND SUMMARY (PAGES 7 - 9)

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

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

PRODUCT	MONDAY APRIL 1	TUESDAY APRIL 2	WEDNESDAY APRIL 3	THURSDAY APRIL 4	FRIDAY APRIL 5	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2050 (N.C.)	\$1.2100 (+.0050)	\$1.2100 (N.C.)	\$1.2100 (N.C.)	\$1.2000 (-.0100)	-.0050	\$1.2070 (+.0026)
40# BLOCKS	\$1.2350 (+.0050)	\$1.2400 (+.0050)	\$1.2400 (N.C.)	\$1.2400 (N.C.)	\$1.2400 (N.C.)	+.0100	\$1.2390 (+.0052)
NONFAT DRY MILK EXTRA GRADE	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	N.C.	\$.9400 (N.C.)
GRADE A	\$.8700 (N.C.)	\$.8700 (N.C.)	\$.8700 (N.C.)	\$.8700 (N.C.)	\$.8700 (N.C.)	N.C.	\$.8700 (-.0075)
BUTTER GRADE AA	\$1.2250 (-.0100)	----	\$1.2300 (+.0050)	----	\$1.2200 (-.0100)	-.0150	\$1.2250 (-.0050)

*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, APRIL 1, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2350; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000
 BUTTER — SALES: 2 CARS GRADE AA @ \$1.2250; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.2250, 1 @ \$1.2225, 2 @ \$1.2200;
 OFFERS UNCOVERED: NONE

TUESDAY, APRIL 2, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2100; 1 CAR 40# BLOCKS @ \$1.2400; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 3, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 3 CARS GRADE AA: 1 @ \$1.2500, 1 @ \$1.2400, 1 @ \$1.2300; BIDS UNFILLED: 4 CARS GRADE AA: 2 @ \$1.2275, 2 @ \$1.2250;
 OFFERS UNCOVERED: NONE

THURSDAY, APRIL 4, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 5, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2000
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 8 CARS GRADE AA: 1 @ \$1.2350, 5 @ \$1.2325, 1 @ \$1.2225, 1 @ \$1.2125; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.2200,
 1 @ \$1.2175; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.2300, 1 @ \$1.2500, 1 @ \$1.2800

BUTTER MARKETS

BUTTER IMPORTS

According to recent FAS reports, butter imports during the first two months of 2002 are substantially higher than the same period last year. Licensed imports total 930,942 kg (2,048,072 pounds), 88,690 kg (10.5%) more than the same period last year. Imports of high tier butter (not licensed) total 222,095 kg (488,609 pounds), nearly four times more than the first two months of 2001. The import Tariff-Rate Quota is unchanged for 2002 at 6.9 million kg (15.3 million pounds).

Ice cream production is increasing slowly, absorbing some of the cream offerings, with heavy volumes clearing to butter production. Overall, butter demand is slow as buyers assess inventories and stocks following the holiday period. Production continues to surpass demand, thus butter stocks continue to build at many locations. Butter producers and handlers report that butter sales during the Lenten season for both retail and food service were good and especially strong when featured. Bulk butter for spot sale is selling in a range of flat - 3 cents per pound over various pricing basis.

NORTHEAST

The butter price at the CME moved a penny lower on April 1, and most contacts feel that the price will continue to move lower, at least temporarily. The market tone remains weak. All supply/demand indicators continue to point to lower prices and slower demand. Current demand for bulk is reported as slow to fair and retail sales have slowed as retailers assess their post-holiday inventories before reordering. Churning activity was heavy during the holiday week and producers stocks increased. Food service orders are slower. 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 continue to adjust higher and lower within a narrow range. Churning activity is heavy. Cream supplies were more available to butter operations by mid-week last week and continue so this week. In some instances, Central butter producers were offered more cream than they could or wanted to take. Class II product production has eased now that the Passover/Easter holidays have passed.

WEST

The butter market in the West is holding fairly steady, but unsettled. There has been some stability in butter trading levels at the CME over the past few weeks. Part of the stability is being attributed by the trade as more futures market related than current supply and demand driven. Producer offerings in the West are rated as moderate to heavy with product available throughout the region. Demand is moderate for spot shipments and generally as expected for contract accounts. Several chain stores are reordering to fill in butter needs following better than expected Easter/Passover movements of print butter. Some print butter promotions as low as \$1.99 moved product. Food service orders are fair to good. Churning was active over the holiday weekend and continued heavy into midweek. More cream is beginning to move to ice cream accounts. Butter stocks in CME approved warehouses dropped 4.0 million pounds, the first decline of the year. Contacts were somewhat surprised at this volume considering the amount of fresh butter available for immediate delivery. However levels are at 93.7 million pounds, 75% higher when compared to last year. Current prices for bulk butter range from 5 cents to 1 cent under 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 30	1.2021 6,118,897	1.1864 12,987,729	0.9009 26,786,206	1.2155 3,998,476	0.2011 10,944,399

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

CHEESE MARKETS

NORTHEAST

Prices are generally higher as cheese prices at the CME have now moved higher for four consecutive weeks. The market tone is firmer price-wise, but Eastern producers are making more cheese than was anticipated for this time of year. With most colleges back in session after spring breaks, pizza and mozzarella sales are expected to improve or get back to normal levels. There is still a lot of surplus milk moving to cheese plants. Retail sales and food service orders are slower now that the holidays are past. Distributors are a little more active as many were off for Good Friday.

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

Cheddar 10# Prints	:	1.2975-1.7625
Cheddar Single Daisies	:	1.2550-1.7150
Cheddar 40# Block	:	1.3725-1.5850
Process 5# Loaf	:	1.4150-1.6000
Process 5# Sliced	:	1.4250-1.7125
Muenster	:	1.4575-1.6650
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is fully steady within a trading range on the Chicago Mercantile Exchange cash market. Current demand generally continues to follow recent trends, steady to improved on process products and steady to lighter on natural. At least one large retailer is building inventory depleted during the holidays and has been able to acquire extra loads from regular suppliers with minimal difficulty. Also, cheddar is still entering some aging programs. Barrels and good processing solids continue tight to adequate. Mozzarella movement is still spotty, though improving for some producers. Concerns continue over the likely customer and producer shakeout when the new large Western plants come on line this year. Current cheese production increased over the holiday weekend with some plants still full of milk at midweek. Fat and protein levels are steady to drifting lower seasonally. A number of firms are awaiting the results of the government invitations scheduled for release later this week.

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

Process American 5# Loaf	:	1.4250-1.6500
Brick And/Or Muenster 5#	:	1.5700-1.7950
Cheddar 40# Block	:	1.5400-2.1150
Monterey Jack 10#	:	1.7800-2.1150
Blue 5#	:	1.9750-2.3100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5600-2.2150
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	:	APRIL 1 - 5, 2002
BARRELS*	:	\$1.2050 - 1.2150 (NOMINAL)
	:	(\$0.0125) (-.0075)
40# BLOCKS	:	\$1.2450 - 1.2700 (NOMINAL)
	:	(\$0.0200) (.0200)

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

WEST

Cheese prices are moving higher for both process and natural types, reflecting increases in prices at the CME. Buying interest is good for processing types, but remains mixed for blocks. Some suppliers have extra, while others want a little extra. Blocks are still being moved into aging programs. Swiss sales continue to be rated as good and moving well to retail and food service accounts. Milk production is increasing noticeably across the West and is expected to be processed more into cheese than butter/powder.

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

Process 5# Loaf	:	1.3575-1.6175
Cheddar 40# Block	:	1.3550-1.4950
Cheddar 10# Cuts	:	1.5350-1.7550
Monterey Jack 10#	:	1.5450-1.7050
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

FOREIGN

Prices are mixed on imported styles, higher on domestic types. The market tone is seasonally weak and demand has slowed since the Easter/Passover needs were delivered. Some imported price ranges have been discontinued due to lack of price information. During the first two months of 2002, licensed imports of cheese totaled 15,785,571 KG, 1,453,499 Kg (10.1% more than the same period last year. During the same period, imports of high tier cheese totaled 1,408,158 Kg, 484,773 Kg (25.6%) less than the same period a year ago.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.6000-3.0950*
Gorgonzola	: 3.2400-5.9400	: 2.1000-2.4900*
Parmesan (Italy)	: TFEWR	: 3.0150-3.0700*
Romano (Italy)	: 2.1000-3.1500*	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6025-1.8275*
Romano (Cows Milk)	: -0-	: 2.7925-4.9725*
Sardo Romano (Argentina)	: 2.8500-3.2900*	: -0-
Reggianito (Argentina)	: 2.6900-3.2900*	: -0-
Jarlsberg-(Brand)	: 2.7500-3.6900*	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.6000-2.8500*	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-2.8900*	: -0-
Gouda, Large	: 2.3900-2.6500*	: -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

	:	
04/01/02	:	40,540 : 130,087
03/01/02	:	33,688 : 127,858
CHANGE	:	6,852 : 2,229
% CHANGE	:	20 : 2

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	69	0	86	0	145
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is slowly increasing in the Northeast, showing modest gains in the Middle Atlantic area, and at or near its peak in the Deep South. Florida's output is little changed from the past couple weeks and contacts feel that they are at the peak. Also, the milk flow is at or near the peak in other Gulf Coast states. Fluid milk supplies are little changed from past weeks, but more schools are now back in session after spring break and the bottling pipelines are being refilled. Scattered retail features are also helping fluid milk consumption. However, the exodus of the South's "winter residents" is having an impact on retail milk sales. Surplus milk volumes are heavy, but being handled. Contacts note that Southeastern manufacturing plants, as a whole, are about 90% full. In the Northeast, manufacturing schedules are about normal for this time of year. Typically, the peak hits in May. Contacts have commented that the flush may have already happened, but typically there is still a boost in output when the weather warms and the cows get on green grass. Currently, fat and protein tests are running above typical patterns. The condensed skim market is little changed. Spot interest is fair at best and prices are unchanged. The fluid cream market, after a couple weeks of being more in balance, is getting back to a long supply position. Offerings are growing and spot demand is just fair. Prices are steady to slightly lower. Some spot buyers anticipate lower butter prices in the coming weeks and are delaying purchases. Ice cream output is starting to show signs of improvement, particularly in areas where the weather has improved. Orders from producers of sour cream, dips, and bottlers have eased. Cream cheese output is about steady. Churning activity is steady at moderate to heavy levels.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4760-1.6482
DELIVERED EQUIVALENT ATLANTA	-	1.4760-1.6236 M 1.4883-1.5129
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5252-1.5867

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9550-1.0300
NORTHEAST- CLASS III - SPOT PRICES	-	.8300- .9700

M I D W E S T

Class I demand remained light, particularly where schools were still out on spring break, often for only an extra day. Milk supplies have been long and handlers had to continue to work to find a home for extra surplus. Surplus milk volumes offered declined and prices seemed to improve the further past the holiday weekend. Holiday surplus milk prices varied depending on how late in the weekend the load was being offered. Reported prices ranging from around 50 cents under class price delivered to around 75 cents over for the holiday weekend and upwards of \$1.50 over at midweek. Reports were also received over sharp discounts on any problem loads marketed. Manufacturing plant

schedules remain active with the volumes in storage falling as the week progressed. Cream demand is mixed. Cream supplies were heavy over the weekend with many, generally Class II operations, closed. Cream price multiples seemed to increase somewhat the further past the weekend the deal was made. Ice cream operations were again active after the weekend as they continue to try to build inventory for summer demand. Condensed skim prices are steady to lower, ranging from \$.95 to \$1.0150. Current milk intakes are about steady though much higher than year ago levels through most of the region. Scattered snow blanketed much of the upper tier of states, delaying spring though temperatures reached into the 60's in western Iowa and Nebraska. Drought concerns continue through much of the western part of the region.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAR 28 - APR 3	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 48.00	\$ 38.00- 44.00
REPLACEMENT HEIFER CALVES	\$450.00-680.00	\$320.00-400.00

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

	MAR 28 - APR 3	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 47.00	\$ 39.50- 50.50

W E S T

The March 4a price (butter/powder) in CALIFORNIA is \$11.00, down \$0.04 from February and \$2.31 lower than last year. The March 4b price (cheese) is \$10.20, down \$0.20 from February and \$1.14 below last year. California milk production remains at a strong, higher pace. Levels are often noted at 3 to 7% above last year, but keep in mind that year ago levels were below 2000 output. The upward trend is being helped by warm and dry weather conditions in the major milk producing areas. New crop hay and green chop are being fed to cows and production is responding. In the north, more cows are being placed on pastures and that is helping milk output. Processing plants in the state were able to handle milk intakes over the holiday weekend, but some plant problems were noted. This resulted in limited pickup and unloading delays. By midweek, the situation had been resolved. Fluid milk orders are more sporadic in the state with the jumbled mix of schools and colleges returning from or beginning spring breaks. Overall, contacts are pleased that fluid milk orders are better in recent weeks than had been expected. Milk production levels are higher in NEW MEXICO. Output per cow is noted to be increasing. Total volumes of milk continue to be double digits percentage wise in the state, mainly attributed to higher cow numbers. Warmer and dryer temperatures in the PACIFIC NORTHWEST are creating better conditions for milk production increases in the region. Pastures were in better shape and cows were allowed to return. Plants in the region did not have any problems handling milk over the past holiday weekend. In IDAHO and UTAH, conditions are trending better for milking lots, but vary by locality. The residual effect of the adverse cold and mud over the past month are putting a damper on milk growth. Milk production is mostly steady to up only slightly. Western CREAM markets were discounted over the holiday weekend and bargain loads were moved. Multiples returned to week-ago levels early this week. Additional loads are beginning to move to ice cream plants but volumes continue to be cleared to butter plants for processing. Western multiples remain in the range of 103 to 118 FOB.

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. Sales to the CCC are again noted in the Central region. Production schedules are heavier and stocks are building. Plants can no longer afford the time of producing high heat and are instead solely manufacturing low heat. Competitive resale product is deterring interest in manufacturer sales, especially with producers reluctant to discount. Some plants are opting to produce more NDM in totes as the market appears saturated with bagged product. Inquiries are light as buyers purchase only on an as needed basis until possible changes in the tilt are known. Most movement is occurring regularly on a contractual basis. Off grade product is available for the light interest.

EAST: Low heat prices are mostly steady, but the mostly price series did move lower. There is a significant decline in the high heat price range this week. The base price for the national marketing agency did adjust approximately a half-cent lower for April sales. The market tone is steady and weak. Production levels are heavy as most drying facilities are processing increasing volumes of milk. Demand at the producer level is lackluster and prices have to be near the low end of the ranges to attract any spot interest. Resale sales continue in the 86-87 cent area and powder is readily available at those levels. Sales to CCC are expected to increase as more producers are packaging in "G-bags" and waiting for test results. Some operations continue to package in 50-pound bags to meet customer needs, but those stocks are starting to accumulate.

Includes EXTRA GRADE and GRADE A

F.O.B. CENTRAL/EAST:

LOW/MEDIUM HEAT: .8500 - .9650 MOSTLY: .9000 - .9200
 HIGH HEAT: .9100 - .9925

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are unchanged for the range, but the mostly series declined due to price adjustments. The overall market tone remains weak. Resale offerings continue to provide competition for producers for current sales. Buyers, especially at the end user level, are reluctant to make purchases beyond the short term. Production is heavy to process growing milk supplies. Offerings to the CCC remain heavy to the support program on a weekly basis. CCC uncommitted inventories have topped 900 million pounds of NDM. During the week of March 25 - 29, adjusted support program purchases totaled 15,242,558 pounds of NDM with 14,059,825 pounds from the West. Western high heat prices are lower as producers adjust pricing levels to remain competitive and to keep stocks current as practical. Production levels are being kept low and most often made to order.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8600 - .9725 MOSTLY: .8950 - .9100
 HIGH HEAT: .9225 - .9450

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 29	\$.9018	13,096,820	9,378,780
March 22	\$.9015	18,052,791	13,170,424

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. More movement is noted than in prior weeks. Ice cream producers are picking up extra loads of condensed and dry buttermilk as the market is expected to tighten. Non-kosher supplies have cleared the market. Production schedules are steady to higher as more milk and cream filters into churns. Some plants still hold stocks to clear. The undertone on the buttermilk market is mixed, especially in light of recent NDM price trends and a possible tilt change.

F.O.B. CENTRAL: .7800 - .8800

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone remains weak. Eastern prices remain nominal. Production levels are still quite heavy as churning activity is again increasing and sales of liquid buttermilk are unchanged. Producer stocks are manageable as contract sales are clearing a good percentage of the current output, but some accumulations are reported. Spot demand is slow to fair as buyers, waiting for lower prices, are purchasing for immediate needs.

F.O.B. NORTHEAST: .8500 - .9000
 DELVD SOUTHEAST: .8500 - .9400

DRY BUTTERMILK - WEST

Western dry buttermilk prices are lower on the bottom end of the range, while the mostly is unchanged. There was mention of prices trading below the bottom of the range. Additionally, lower priced buttermilk from the Central region was being offered to local accounts at better prices. Some producers are cleaning up past stocks and are getting in better shape. Others are still trying to move product. Drying is trending lower where more condensed is moving to ice cream production. Stocks are light to moderate and available.

BUTTERMILK: .8600 - .9200 MOSTLY: .8900 - .9100

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Prices are nominal. Production levels are steady and continue to be geared to meeting contracts. Plant stocks are closely balanced as spot interest remains slow.

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

DEIP BID ACCEPTANCE SUMMARY

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

NONFAT DRY MILK -- 68,201 MT (150,355,925 LBS)
 This program-year's allocation is filled.

CHEESE -- 3,030 MT (6,679,938 LBS)
 This program-year's 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 to lower on a steady to weak market. Demand remains slow. Some producers are willing to discount to clear excess stocks. However, buyers are often bidding below allowable producer discounts. Block loads are readily available. Production is steady to higher as excess milk volumes are diverted into cheese vats. Interest is best from feed buyers that require whey to dilute 80% whey protein concentrate purchases. Export movement is light. Resellers are offering product delivered at the average. The market undertone is unsettled with buyers and sellers unsure of the market bottom.

NONHYGROSCOPIC: .1850 - .1950 MOSTLY: .1875 - .1950

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to fractionally lower. The market tone is mostly steady, but demand is lackluster. Eastern producers report being in a good supply/demand relationship, but unconfirmed reports indicate some large volume sales at discounted prices. Conversely, traders report that they are less able to find product at a discount in both the East and Midwest. Production levels are moderate to heavy as Eastern cheese output is above anticipated levels for March and April. Export interest is evident, but current prices are having a hard time competing with European offers. Domestic interest is basically hand to mouth, but some increased interest is noted as users reenter the market to find a few loads.

F.O.B. NORTHEAST: EXTRA GRADE .1900 - .2025
 USPH GRADE A .2100 - .2350
 DELVD SOUTHEAST: .2150 - .2300

DRY WHEY - WEST

Western dry whey prices continue to trend lower within the range, reflecting a continued weaker market tone. Buying interest remains slow with only sporadic export demand noted. Pricing is the big issue in that U.S. prices are not competitive and world demand is lackluster. Producers' offering prices are being adjusted lower to move product. Domestically, buyers are assessing needs and comparing whey costs against WPC, skim, lactose, and permeate, for the best bargains for product formulations. Production schedules were a little heavier over the weekend and are trending higher seasonally. Stocks are ample to long for current needs.

NONHYGROSCOPIC: .1925 - .2300 MOSTLY: .2000 - .2075

ANIMAL FEED WHEY - CENTRAL

Prices are mixed on mostly steady markets. Supplies of milk replacer product continue to tighten as feed buyers search for the lowest cost alternative to dilute their 80% WPC purchases. Roller ground movement is mostly contractual on steady production schedules. Interest in delactose is fair. Some buyers are limiting their intakes of delactose and more product is being cleared at the lower end of the range. Production is unchanged and stocks are mostly in balance. Early weaned pig prices are trending lower with nominal trading noted on veal markets.

MILK REPLACER: .1700 - .1900
 ROLLER GROUND: .1800 - .2150
 DELACTOSE (Min. 20% protein): .3800 - .4150

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are lower on a weak market. Heavy supplies of 80% WPC continue to depress the 34% WPC market. Many feed buyers are opting for the lower priced 80% WPC instead of 34%, encouraging some 34% producers to lower their prices. Demand into food and export markets is generally steady and mostly contractual. Production is mixed. While some plant supplies are tight with expected shortages in April, other locations are long and having difficulty clearing stocks, even at a discount. Trading is heavier than the week prior yet still relatively slow. With ice cream interest increasing, producers hope that the market will begin to stabilize. Off grade and low protein product are readily available for the light interest.

EXTRA GRADE 34% PROTEIN: .5600 - .6175 MOSTLY: .5900 - .6075

LACTOSE - CENTRAL AND WEST

Prices are unchanged to lower on a weak market. Spot trading remains light. Many contracts have been finalized for second quarter. However, the number of contracts that continue to be negotiated is more than expected at this point and time. Much of the delay is due to buyer resistance in Asia. The lack of movement is causing some firms to build stocks. Plants that normally cater to export markets are now considering marketing lactose domestically to alleviate excess stocks. Offerings into brokerage firms are heavy. Brokers are hesitant to trade without a definite buyer and in light of the weakening market. Production is steady to higher as a result of increasing milk volumes and growing production of higher whey protein products. Permeate and whey markets are competitive with lactose for feed buyer interest. Some producers are inviting buyers to make a bid on readily available off grade supplies.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
 EDIBLE: .1800 - .2700 MOSTLY: .2000 - .2250

EVAPORATED MILK - NATIONAL

There is little change in the evaporated milk market. Production levels are moderate to heavy as surplus milk volumes are readily available at relatively low, sometimes discounted prices. Most producers are taking advantage of these low-priced milk supplies and are replenishing inventories. Demand is back to meeting replacement needs.

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.

CASEIN - NATIONAL

Prices are steady to generally lower. The market tone remains weak. A new quarter has just begun, but handlers and buyers indicate that sales activity is limited. In most instances, buyers are hesitant to commit to significant volumes or price at this time. Stocks of both acid and rennet are available. Most sales activity is centering around short term or immediate needs with most U.S. buyers comfortable with these types of purchases. Domestic buyers and international sources feel that casein stocks will be sufficiently available during upcoming months to meet needs.

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

RENNET: 2.2500 - 2.4000
 ACID: 2.0500 - 2.3000

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

COMMODITY	: REPORT NUMBER 9		: REPORT NUMBER 10		: REPORT NUMBER 11		: REPORT NUMBER 12		: REPORT NUMBER 13		2002	2001
	: MAR 01		: MAR 04- 08		: MAR 11 - 15		: MAR 18 - 22		: MAR 25 - 29		or Total	or Total

CHEESE

MIDWEST COMMODITY CHEDDAR

-- Cheddar Barrels	:: 1.1500 - 1.1925	:: 1.1500 - 1.1900	:: 1.1775 - 1.1900	:: 1.1850 - 1.1950	:: 1.1925 - 1.2225	:: 1.1870	: 1.2814
-- Cheddar 40# Blocks	:: 1.1500 - 1.2375	:: 1.1850 - 1.2350	:: 1.2000 - 1.2350	:: 1.2100 - 1.2450	:: 1.2250 - 1.2500	:: 1.2217	: 1.3188

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.4025 - 1.6500	:: 1.3700 - 1.6500	:: 1.3875 - 1.6500	:: 1.4000 - 1.6500	:: 1.4025 - 1.6500	:: 1.5203	: 1.5263
-- Brick And/Or Muenster 5#	:: 1.6600 - 1.7675	:: 1.6600 - 1.7425	:: 1.6600 - 1.7625	:: 1.6600 - 1.7725	:: 1.6600 - 1.7775	:: 1.7120	: 1.7163
-- Cheddar 40# Block	:: 1.5675 - 2.1150	:: 1.5450 - 2.1150	:: 1.5650 - 2.1150	:: 1.5750 - 2.1150	:: 1.5800 - 2.1150	:: 1.8407	: 1.8225
-- Monterey Jack 10#	:: 1.8000 - 2.1150	:: 1.7775 - 2.1150	:: 1.7975 - 2.1150	:: 1.8075 - 2.1150	:: 1.8125 - 2.1150	:: 1.9569	: 1.9225
-- Blue 5#	:: 1.9575 - 2.3600	:: 1.9250 - 2.3600	:: 1.9450 - 2.3600	:: 1.9550 - 2.3600	:: 1.9600 - 2.3600	:: 2.1534	: 2.1038
-- Mozzarella 5 - 6#	:: 1.5475 - 2.2150	:: 1.5250 - 2.2150	:: 1.5450 - 2.2150	:: 1.5550 - 2.2150	:: 1.5600 - 2.2150	:: 1.8807	: 1.8775
-- Grade A Swiss Cuts 6 - 9#	:: 2.0675 - 2.6850	:: 2.0675 - 2.6850	:: 2.0675 - 2.6850	:: 2.0675 - 2.6850	:: 2.0675 - 2.6850	:: 2.3763	: 2.3650

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.2675 - 1.7325	:: 1.2450 - 1.7100	:: 1.2650 - 1.7300	:: 1.2750 - 1.7400	:: 1.2800 - 1.7450	:: 1.4988	: 1.5876
-- Cheddar Single Daisies	:: 1.2250 - 1.6850	:: 1.2025 - 1.6625	:: 1.2225 - 1.6825	:: 1.2325 - 1.6925	:: 1.2375 - 1.6975	:: 1.4538	: 1.5401
-- Cheddar 40# Block	:: 1.3450 - 1.5550	:: 1.3200 - 1.5325	:: 1.3400 - 1.5525	:: 1.3500 - 1.5625	:: 1.3550 - 1.5675	:: 1.4476	: 1.5395
-- Process 5# Loaf	:: 1.3925 - 1.5775	:: 1.3600 - 1.5450	:: 1.3775 - 1.5625	:: 1.3900 - 1.5750	:: 1.3925 - 1.5775	:: 1.4731	: 1.5688
-- Process 5# Sliced	:: 1.4125 - 1.6900	:: 1.3800 - 1.6575	:: 1.3975 - 1.6750	:: 1.4100 - 1.6875	:: 1.4125 - 1.6900	:: 1.5393	: 1.6300
-- Muenster	:: 1.4275 - 1.6350	:: 1.4050 - 1.6125	:: 1.4250 - 1.6325	:: 1.4350 - 1.6425	:: 1.4400 - 1.6475	:: 1.5301	: 1.6164
-- 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	:: 1.3375 - 1.5975	:: 1.3050 - 1.5650	:: 1.3225 - 1.5825	:: 1.3350 - 1.5950	:: 1.3350 - 1.5950	:: 1.4550	: 1.5544
-- Cheddar 40# Block	:: 1.3250 - 1.4650	:: 1.3025 - 1.4425	:: 1.3225 - 1.4625	:: 1.3325 - 1.4725	:: 1.3375 - 1.4775	:: 1.3938	: 1.5001
-- Cheddar 10# Cuts	:: 1.5050 - 1.7250	:: 1.4825 - 1.7025	:: 1.5025 - 1.7225	:: 1.5125 - 1.7325	:: 1.5175 - 1.7375	:: 1.6138	: 1.7201
-- Monterey Jack 10#	:: 1.5150 - 1.6750	:: 1.4925 - 1.6525	:: 1.5125 - 1.6725	:: 1.5225 - 1.6875	:: 1.5275 - 1.6875	:: 1.5944	: 1.6981
-- Grade A Swiss Cuts 6 - 9#	:: 2.3600 - 2.5300	:: 2.3600 - 2.5300	:: 2.3600 - 2.5300	:: 2.3600 - 2.5300	:: 2.3600 - 2.5300	:: 2.4450	: 2.4050

FLUID AND DRY PRODUCTS

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

-- Northeast - f.o.b	:: 1.4523 - 1.6137	:: 1.4770 - 1.6648	:: 1.5403 - 1.6918	:: 1.5199 - 1.6818	:: 1.4850 - 1.6583	:: 1.5872	: 2.0288
-- Atlanta - dlvd. equiv.	:: 1.4647 - 1.6137	:: 1.4895 - 1.6522	:: 1.5529 - 1.6791	:: 1.5199 - 1.6694	:: 1.4850 - 1.6335	:: 1.5830	: 2.0346
-- Upper Midwest - f.o.b	:: 1.4523 - 1.6013	:: 1.4895 - 1.6147	:: 1.5150 - 1.6539	:: 1.5573 - 1.6694	:: 1.5469 - 1.6211	:: 1.5808	: 2.0179

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

-- Class II	:: 0.9700 - 1.0500	:: 0.9700 - 1.0500	:: 0.9700 - 1.0500	:: 0.9700 - 1.0500	:: 0.9550 - 1.0300	:: 1.0058	: 1.1200
-- Class III	:: 0.8800 - 0.9900	:: 0.8800 - 0.9900	:: 0.8800 - 0.9900	:: 0.8800 - 0.9900	:: 0.8300 - 0.9700	:: 0.9267	: 0.9077

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	:: 19.0000 - 33.0000	:: 19.0000 - 33.0000	:: 19.0000 - 33.0000	:: 19.0000 - 33.0000	:: 19.0000 - 33.0000	:: 26.0000	: 27.5000

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

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2002	2001
	MAR01	MAR 04 - 08	MAR 11 - 15	MAR 18 - 22	MAR 25 - 29	or Total	or Total
						Average	Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	0.9000 - 0.9675	0.9000 - 0.9675	0.9000 - 0.9675	0.8500 - 0.9675	0.8500 - 0.9675	0.9218	N.A.
-- Mostly	0.9200 - 0.9400	0.9200 - 0.9400	0.9200 - 0.9400	0.9100 - 0.9400	0.8900 - 0.9250	0.9246	N.A.
-- High Heat	0.9600 - 1.0250	0.9600 - 1.0250	0.9600 - 1.0250	0.9600 - 1.0250	0.9600 - 1.0250	0.9925	N.A.
-- West (f.o.b.)							
-- Low/Medium Heat	0.8950 - 0.9900	0.8950 - 0.9850	0.8950 - 0.9850	0.8500 - 0.9750	0.8600 - 0.9725	0.9279	1.0117
-- Mostly	0.9000 - 0.9150	0.9000 - 0.9150	0.9000 - 0.9150	0.9000 - 0.9150	0.8950 - 0.9150	0.9069	1.0100
-- High Heat	0.9275 - 0.9600	0.9275 - 0.9700	0.9275 - 0.9700	0.9275 - 0.9600	0.9275 - 0.9600	0.9461	1.0539
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1900 - 0.2050	0.1900 - 0.2050	0.1800 - 0.2125	0.1800 - 0.2125	0.1875 - 0.2025	0.1963	0.2389
-- Mostly	0.2000 - 0.2050	0.2000 - 0.2050	0.1950 - 0.2025	0.1950 - 0.2025	0.1875 - 0.2025	0.1989	0.2430
-- West (f.o.b.)	0.1925 - 0.2400	0.1950 - 0.2400	0.1950 - 0.2300	0.1925 - 0.2300	0.1925 - 0.2300	0.2133	0.2362
-- Mostly	0.2050 - 0.2200	0.2075 - 0.2200	0.2050 - 0.2200	0.2025 - 0.2200	0.2000 - 0.2150	0.2113	0.2397
-- Northeast Extra Grade (f.o.b.)	0.2000 - 0.2100	0.2000 - 0.2075	0.2000 - 0.2075	0.1875 - 0.2050	0.1900 - 0.2050	0.2005	0.2509
-- Northeast Usph Grade A(f.o.b.)	0.2200 - 0.2500	0.2175 - 0.2400	0.2175 - 0.2400	0.2125 - 0.2350	0.2125 - 0.2350	0.2267	0.2642
-- Southeast Extra Grade (Delvd)	0.2200 - 0.2450	0.2300 - 0.2375	0.2300 - 0.2375	0.2275 - 0.2375	0.2225 - 0.2375	0.2325	0.2789
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.6000 - 0.6650	0.5900 - 0.6475	0.5900 - 0.6475	0.5900 - 0.6350	0.5900 - 0.6300	0.6158	0.8038
-- Mostly	0.6300 - 0.6475	0.6000 - 0.6375	0.6000 - 0.6375	0.6000 - 0.6300	0.5900 - 0.6250	0.6161	0.7900
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1700 - 0.1900	0.1700 - 0.1850	0.1700 - 0.1900	0.1650 - 0.1900	0.1650 - 0.1900	0.1782	0.1945
-- Roller Ground	0.1900 - 0.2225	0.1875 - 0.2225	0.1875 - 0.2225	0.1825 - 0.2175	0.1825 - 0.2175	0.2027	0.2435
-- Delactose	0.3850 - 0.4150	0.3850 - 0.4150	0.3850 - 0.4150	0.3850 - 0.4150	0.3800 - 0.4150	0.3994	0.4225
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.8200 - 0.9500	0.8200 - 0.9200	0.8200 - 0.8800	0.7500 - 0.8600	0.7800 - 0.8800	0.8410	1.0338
-- West (f.o.b.)	0.8800 - 0.9700	0.8800 - 0.9600	0.8800 - 0.9200	0.8800 - 0.9200	0.8800 - 0.9200	0.9060	0.9984
-- Mostly	0.9100 - 0.9400	0.9000 - 0.9200	0.9000 - 0.9200	0.8900 - 0.9100	0.8900 - 0.9100	0.9060	0.9834
-- Northeast (f.o.b.)	0.9000 - 0.9450	0.9000 - 0.9450	0.9000 - 0.9450	0.8800 - 0.9450	0.8500 - 0.9200	0.9112	1.0000
-- Southeast (Delvd)	0.8800 - 0.9800	0.8800 - 0.9700	0.8800 - 0.9700	0.8500 - 0.9600	0.8500 - 0.9400	0.9133	1.0600
WHOLE MILK POWDER							
-- National (f.o.b.)	1.2000 - 1.2850	1.1700 - 1.2900	1.1700 - 1.2900	1.1700 - 1.2700	1.1700 - 1.2700	1.2258	1.3399
LACTOSE							
-- Central And West (f.o.b.)	0.2000 - 0.2800	0.2000 - 0.2800	0.2000 - 0.2800	0.1800 - 0.2800	0.1800 - 0.2800	0.2352	0.1864
-- Mostly	0.2075 - 0.2375	0.2075 - 0.2375	0.2075 - 0.2375	0.2075 - 0.2375	0.2075 - 0.2375	0.2225	0.1698
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.3000 - 2.5000	2.3000 - 2.5000	2.3000 - 2.5000	2.3000 - 2.5000	2.3000 - 2.5000	2.4000	2.4250
-- Nonrestricted - Acid	2.1500 - 2.3500	2.1500 - 2.3500	2.1500 - 2.3500	2.1000 - 2.3500	2.0500 - 2.3500	2.2321	2.5250

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 2002

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2002 * Monthly Average	2001 * Monthly Average
	MAR 1	MAR 4 - 8	MAR 11 - 15	MAR 18 - 22	MAR 25 - 28		
BUTTER*							
-- GRADE AA							
-- Monday		1.2725	1.2425	1.2400	1.2250		
-- Tuesday							
-- Wednesday		1.2725	1.2450	1.2450	1.2350		
-- Thursday							
-- Friday	1.2700	1.2425	1.2500	1.2275	#	1.2473	1.5708
-- Weekly Average**	1.2517	1.2625	1.2458	1.2375	1.2300		
CHEESE*							
-- BARRELS							
-- Monday		1.1500	1.1800	1.1800	1.2000		
-- Tuesday		1.1500	1.1800	1.1800	1.2000		
-- Wednesday		1.1800	1.1800	1.1800	1.2125		
-- Thursday		1.1800	1.1800	1.1800	1.2050		
-- Friday	1.1500	1.1800	1.1800	1.1900	#	1.1809	1.270
-- Weekly Average**	1.1500	1.1680	1.1800	1.1820	1.2044		
-- 40# BLOCKS							
-- Monday		1.1850	1.2100	1.2100	1.2300		
-- Tuesday		1.1900	1.2100	1.2100	1.2300		
-- Wednesday		1.2100	1.2100	1.2100	1.2450		
-- Thursday		1.2100	1.2100	1.2200	1.2300		
-- Friday	1.1900	1.2100	1.2100	1.2300	#	1.2130	1.3161
-- Weekly Average**	1.1800	1.2010	1.2100	1.2160	1.2338		
NONFAT DRY MILK*							
-- EXTRA GRADE							
-- Monday		0.9900	0.9900	0.9400	0.9400		
-- Tuesday		0.9900	0.9900	0.9400	0.9400		
-- Wednesday		0.9900	0.9400	0.9400	0.9400		
-- Thursday		0.9900	0.9400	0.9400	0.9400		
-- Friday	0.9900	0.9900	0.9400	0.9400	#	0.9600	1.0300
-- Weekly Average**	0.9900	0.9900	0.9600	0.9400	0.9400		
-- GRADE A							
-- Monday		1.0000	1.0000	1.0000	0.9000		
-- Tuesday		1.0000	1.0000	0.9400	0.8700		
-- Wednesday		1.0000	1.0000	0.9400	0.8700		
-- Thursday		1.0000	1.0000	0.9000	0.8700		
-- Friday	1.0000	1.0000	1.0000	0.9000	#	0.9595	1.0300
-- Weekly Average**	1.0000	1.0000	1.0000	0.9360	0.8775		

* 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.

The CME was closed.

M A R C H 2002 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 2001 – FEBRUARY 2002		35,917		
03/01/02	CARIBBEAN, CENT & S. AM	288	MAR-JUN	\$647.78
03/04/02	CARIBBEAN, CENT & S. AM	18	MAR	\$700
03/08/02	CARIBBEAN, CENT & S. AM	40	MAR-APR	\$700
03/11/02	CARIBBEAN, CENT & S. AM	860	MAR-JUN	\$738.37
03/12/02	CARIBBEAN, CENT & S. AM	100	MAR-JUN	\$750
03/14/02	CARIBBEAN, CENT & S. AM	40	MAR-APR	\$750
03/15/02	AFRICA & MIDDLE EAST	35	MAR-JUN	\$760
03/15/02	CARIBBEAN, CENT & S. AM	36	MAR	\$750
03/15/02	ASIA & FSU	15,000	MAR-DEC	\$950
03/18/02	CARIBBEAN, CENT & S. AM	15,867	MAR-NOV	\$794.83
MARCH 1 - 31, 2002		<u>32,284</u>		
JULY 2001 – MARCH 2002		<u>68,201*</u>		
CHEESE				
JULY 2001 - FEBRUARY 2002		3,030		
MARCH 1 - 31, 2002		<u>0</u>		
JULY 2001 – MARCH 2002		<u>3,030*</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY 2001 – FEBRUARY 2002		0		
MARCH 1 - 31, 2002		<u>0</u>		
JULY 2001 – MARCH 2002		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
PROGRAM TO DATE				
TOTAL MT				71,231
TOTAL BONUS VALUE				\$45,110.000

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**

* Program year allocations are filled

Data not available at time of last report

Allocations for the DEIP year beginning July 1, 2001: Nonfat Dry Milk – 68,201 MT; Cheese – 3,030 MT; Butterfat – 21,097 MT

MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2002 was unchanged at 122. Compared with March 2001, the index was down 2 points (1.6 percent). The index of prices received by farmers for dairy products declined 3 points during the month of March 2002 to 97. Compared with March 2001, the index was down 9 points (8.5 percent).

Prices received by farmers in March with changes from February were: for All Milk, \$12.70 per hundredweight (cwt.), down \$.40; Fluid Grade Milk, \$12.70 per cwt., down \$.40; and for Manufacturing Grade Milk, \$11.30 per cwt., down \$.70.

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

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	2002 2/	2001 2/	2002 4/	2001 2/	2002	2001	2002 7/	2001 8/	2002	2001
CA	11.50	11.90	11.30	12.80	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		41.00	42.00	120.00	103.00
ID	12.20	11.60	11.70	12.20		42.10	40.10	100.00	89.00	
MI	13.30	13.20	12.80	14.00		43.00	43.00	77.00	69.00	
MN	13.30	13.10	12.70	13.80		45.00	44.10	58.00	64.00	
NY	13.80	14.10	13.20	14.80		---	---	102.00	106.00	
OH	13.00	13.00	12.90	13.80		41.00	40.50	99.00	82.00	
PA	14.90	14.60	14.50	15.70		42.30	43.00	118.00	96.00	
TX	14.00	13.80	13.50	14.60		40.80	42.70	66.00	69.00	
WA	13.10	13.10	12.60	14.10		---	---	124.00	109.00	
WI	13.40	12.70	12.60	13.70		44.10	41.70	60.00	49.00	
U.S.	13.10	13.00	12.70	13.90			42.40	42.30	91.40	87.20

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 2002 WITH COMPARISON

ITEM	MARCH 2001	FEBRUARY 2002 1/	MARCH 2002 2/
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	13.90	13.10	12.70
Fluid grade milk	13.90	13.10	12.70
Manufacturing grade milk	12.20	12.00	11.30
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	104	99	106
Prices received by farmers for dairy products	106	100	97
Prices paid by farmers for commodities and services, interest taxes, and wage rates	124	122	122
Prices paid by farmers for production items	120	117	116
Prices paid by farmers for feed	106	106	105
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	3.24	3.01	2.91

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 (3/02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 1 - 5, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 03/29/02	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-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	13,386,943	-0-	13,386,943	279,255,386	247,334,822	858,695,000	484,857,000
Fortified	-0-	-0-	-0-	-0-	26,867,069	46,391,000	37,339,000
TOTAL	13,386,943	-0-	13,386,943	279,255,386	274,201,891	905,086,000	522,196,000

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 APRIL 1 - 5, 2002 =	2.9	155.8	COMPARABLE PERIOD IN 2001 =	0.8	41.6
CUMULATIVE SINCE OCTOBER 1, 2001 =	61.4	3,250.5	CUMULATIVE SAME PERIOD LAST YEAR =	162.5	3,301.4
CUMULATIVE JANUARY 1 - APRIL 5, 2002 =	44.5	2,354.6	COMPARABLE CALENDAR YEAR 2001 =	46.0	1,818.7

* 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 APRIL 1 - 5, 2002 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	339,508	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	11,637,161	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	1,410,274	-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	7,070,415	3,105,246	2.5	34.5
WEST	-0-	-0-	-0-	5,039,919	259,388,337	271,096,645	92.9	65.3
EAST	-0-	-0-	-0-	39,600	12,796,634	-0-	4.6	0.2
TOTAL	-0-	-0-	-0-	11,074,959	279,255,386	274,201,891	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 03/16/02 & Comparable Week 2001

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2002-Dairy	0.2	0.8	5.2	4.8	18.4	2.8	0.5	0.9	12.2	2.7	48.4	561.4	45.0	47.7
2001-Dairy	0.2	0.6	5.9	5.1	21.8	2.7	1.1	1.1	12.6	2.7	55.3	623.9	49.9	49.8
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	1,176.5		
2001-All cows	0.2	0.8	8.0	14.4	31.2	12.5	18.7	5.4	13.8	5.8	110.8	1,252.0		

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

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

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

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

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.96	11.95	11.62	11.47								
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