

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/12):**

**BUTTER:** Grade AA closed at \$1.1500. The weekly average for Grade AA is \$1.1617 (-.0633).

**CHEESE:** Barrels closed at \$1.2150 and blocks at \$1.2500. The weekly average for barrels is \$1.2130 (+.0060) and blocks, \$1.2450 (+.0060).

**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 (N.C.).

**BUTTER:** Butter markets are weak. The cash price at the CME is will below the \$1.7100 level of last year at this time, but higher than the \$1.0500 of 2000. Churning activity across the country is seasonally heavy. Cream volumes are heavy with offerings moving from one area of the country to another to locate processing facilities and willing buyers. Ice cream production is increasing slowly, but not enough to absorb the large volumes of available cream. Current butter production continues to surpass demand, thus excess is clearing to inventory in most areas. Inventory figures are nearly twice the level of last year at this time. Overall demand is fair at best with most orders being placed for short term or immediate needs, especially in light of the weak market tone.

**CHEESE:** The cheese market is steady. Current interest along with aging programs, are keeping plant cheese inventory levels at reasonable levels. Barrels and processing solids remain in the tightest position. Current cheese production is seasonally heavy. The results of the recent annual USDA cheese purchase contracts were released with CCC covering most of its expected needs with the initial contracts. The volume contracted range from a minimum quantity of 81.6 million pounds up to a maximum of 172.4 million pounds. CCC seeks an additional 1.5 - 3.5 million pounds of frozen mozzarella and 1.4 - 3.1 million pounds of cheddar blocks and cuts. Offers are due April 15 with the public award release scheduled for April 18. Estimated two month 2002 cumulative U.S. cheddar cheese output totals 472.0 million pounds, up 22.2 million pounds (4.9%) from the same period in 2001. Cumulative total cheese output during the first 2 months in 2002 totals 1.342 billion pounds, up 23.3 million pounds (1.8%) from last year.

**FLUID MILK:** Milk production continues to seasonally increase in most areas of the country, although milk handlers in Florida and Arizona are indicating that the peak may have been reached with recent receipts slightly lower. Fluid milk supplies are excessive in many areas and manufacturing plants are operating at or near capacity. Bottled milk sales are seldom better than fair. School pipelines, for the most part, have been refilled and bottling schedules are settling into normal or typical patterns. The fluid cream market remains weak. Demand is just fair and offerings are excessive and continue to clear from one area of the country to another for processing. Ice cream producers are taking their contracted loads and few spot loads at this time. Ice cream output ranges from steady to increasing slowly.

**DRY PRODUCTS:** Most dairy product markets are following trends of the past few weeks. Nonfat dry milk powder markets are weak with stocks clearing to CCC from all regions of the country. Buyers are reluctant to buy beyond immediate needs when they see lower prices around and future pricing level indicators pointing lower. Production levels

are increasing as milk volumes increase seasonally. Buttermilk powder markets are weak in the East and West. Production levels are quite heavy, reflecting the churning activity across the country. Overall buying interest is mostly light. There remains competition from resellers and processors from one area of the country to another for current sales. Whey powder markets are weak with prices unchanged to generally lower. Stocks are heavier than desired at some locations, while other operations report that they are in good shape. Demand remains lackluster. In some areas, producers are encouraging buyers to make a bid, especially on multiple loads.

**CCC:** For the week of April 8 - 12, CCC purchased 26,219,208 pounds of NDM. Of the total, 3,003,203 pounds originated in the East, 4,000,971 pounds in the Midwest, and 19,215,034 pounds from the West.

**FEBRUARY 2002 DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 125.5 million pounds in February, 13.9% above February 2001 but 10.8% below January 2002. American type cheese production totaled 288.6 million pounds, 5.1% above February 2001 but 8.4% below January 2002. Total cheese output (excluding cottage cheese) was 644.5 million pounds, 1.9% above February 2001 but 7.6% below January 2002. Nonfat dry milk production, for human food, totaled 125.2 million pounds, 5.5% below February 2001 but 5.3% above January 2002. Dry whey production, for human food, was 79.4 million pounds, 6.5% below February 2001 and 6.1% below January 2002. Ice cream (hard) production totaled 71.0 million gallons, 5.7% above February 2001 and 1.4% above January 2002.

**APRIL MILK SUPPLY AND DEMAND ESTIMATES (USDA, WAOB):** Forecast milk production in 2001/02 is unchanged from last month at 168.4 billion pounds. Demand for skim solids is weak and is expected to pressure product prices. CCC removals of nonfat dry milk are forecast higher through the end of May when the price support program ends. Thereafter, product prices are expected to decline as the market absorbs large quantities of skim solids. As a result of weaker product prices, the forecast Class IV price is lowered 15 cents, and the Class III price forecast is lowered 10 cents, from last month. The 2001/02 all milk price forecast is lowered to \$13.00-\$13.30 per cwt.

**FEBRUARY FLUID MILK SALES (AMS & CDF):** During February, about 4.0 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was unchanged from February 2001. For the first two months of the year, cumulative/year to date sales of fluid milk products are 0.4% ahead of the same two months in 2001. On an individual product basis, sales of low fat (1%) milk, fat-free (skim) milk, and buttermilk increased from February 2001, while sales of whole milk and reduced fat (2%) milk decreased from a year earlier.

**MAILBOX PRICES (AMS):** In November 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.25, \$1.27 less than the figure for the previous month. On an individual reporting area basis, mailbox prices decreased in all areas except Florida, and ranged from \$18.60 in Florida to \$12.36 in Idaho. In November 2000, the Federal milk order all-market average mailbox price was \$12.41, \$1.84 lower.

\*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

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

PRODUCT	MONDAY APRIL 8	TUESDAY APRIL 9	WEDNESDAY APRIL 10	THURSDAY APRIL 11	FRIDAY APRIL 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.2100 (+.0100)	\$1.2100 (N.C.)	\$1.2100 (N.C.)	\$1.2200 (+.0100)	\$1.2150 (-.0050)	+.0150	\$1.2130 (+.0060)
40# BLOCKS	\$1.2400 (N.C.)	\$1.2400 (N.C.)	\$1.2400 (N.C.)	\$1.2550 (+.0150)	\$1.2500 (-.0050)	+.0100	\$1.2450 (+.0060)
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 (N.C.)
BUTTER							
GRADE AA	\$1.1850 (-.0350)	----	\$1.1500 (-.0350)	----	\$1.1500 (N.C.)	-.0700	\$1.1617 (-.0633)

\*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 8, 2002

CHEESE -- SALES: NONE; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.2100, 1 @ \$1.1950, 1 @ \$1.1900; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS: 1 @ \$1.2150, 1 @ \$1.2100, 1 @ \$1.2000, 1 @ \$1.1900, 1 @ \$1.1825; BIDS UNFILLED: 5 CARS: 1 @ \$1.1850, 2 @ \$1.1800, 2 @ \$1.1500; OFFERS UNCOVERED: 1 CAR @ \$1.2300

TUESDAY, APRIL 9, 2002

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$0.8300; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.8800

WEDNESDAY, APRIL 10, 2002

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$0.8300; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.8800  
 BUTTER -- SALES: 1 CAR @ \$1.1500; BIDS UNFILLED: 1 CAR @ \$1.1400; OFFERS UNCOVERED: 7 CARS: 1 @ \$1.1550, 2 @ \$1.1650, 2 @ \$1.1800, 1 @ \$1.1850, 1 @ \$1.2000

THURSDAY, APRIL 11, 2002

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2200; 1 CAR 40# BLOCKS @ \$1.2550; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.8800

FRIDAY, APRIL 12, 2002

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.2450; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2500; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2150  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.8800  
 BUTTER -- SALES: 7 CARS: 1 @ \$1.1300, 1 @ \$1.1500, 1 @ \$1.1600, 1 @ \$1.1625, 1 @ \$1.1525, 1 @ \$1.1550, 1 @ \$1.1450; BIDS UNFILLED: 1 CAR @ \$1.1500; OFFERS UNCOVERED: 1 CAR @ \$1.1700

**BUTTER MARKETS**

**FEBRUARY BUTTER PRODUCTION**

During February 2002, butter production in the United States totaled 125.5 million pounds, 13.9% more than February 2001 but 10.8% lower than January 2002. The following are February to February changes for various states: CA +0.1%, NY +9.7%, PA +0.5%, and WI +13.2%.

**NORTHEAST**

The market tone is weak. The butter price at the CME moved 3.5 cents lower during the April 8 trading. Some contacts anticipate that this significant of a drop is the beginning of what they have been expecting since mid-January. There are many predictions for the price at which butter will "settle out." Churning in the East is heavy and most producers are turning away cream offers. They either have too much of their own cream or are taking only from regular suppliers. Also, some plant repairs are impacting churning levels. Butter supplies are excessive and there is little buying interest. Buyers, expecting lower prices, are staying very current and ordering for replacement needs. During February, butter production in the North Atlantic region totaled 40.4 million pounds, 8.1% less than last year and 9.2% less than January. 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 are lower as the cash price at the CME has declined a total of 8 cents in three consecutive trading sessions through mid week. This is the lowest cash price since January 2001. Many producers and handlers were anticipating a weak market at this time, but the next question is how low will the cash price dip.

Speculation among the trade continues that a butter/powder price support adjustment will occur in the near future. Butter production is reported to be quite heavy at most butter operations in the Midwest. Cream offerings are heavy from both local and out of area sources. In most instances, butter operations are not taking advantage of cream unless the price is favorable. Often, with cream volumes as heavy as they are, cream buyers are able to negotiate prices, versus sellers holding unsold cream. Butter production continues to surpass demand, thus inventories continue to increase. Inventory levels are often heavier than many producers and handlers desire for this time of the year. Overall demand is fair at best with most buyers purchasing for immediate needs, especially in light of the weak market tone. Bulk butter for spot sale is selling in a range of flat - 3 cents per pound over various pricing basis.

**WEST**

Butter prices at the CME have moved lower and have a weaker undertone. Most Western contacts are not surprised that some weakness is appearing in the market. They do report that reorders after the past holidays are coming in at good levels. Fresh butter in the bulk and packaged forms is readily available. Production remains quite heavy, as cream offerings are abundant. Some additional interest from ice cream accounts is noted, but not at significant levels at this time. U.S. butter production during February totaled 125.5 million pounds, up 13.9% from a year earlier. The Western region, producer of 36% of U.S. butter, was up 4.5%. CME weekly butter stocks grew by 12.3 million pounds the week after Easter. This is the largest weekly increase on record and stocks now stand at 106.0 million pounds, also a record. 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. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
APRIL 6	1.2099 7,226,214	1.1947 13,865,645	0.8991 28,550,844	1.2303 5,351,735	0.1991 11,234,999	1.6165 2,535,435	1.5802 5,267,812

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 fractionally higher on process and natural cheddar styles, unchanged on Swiss. The market tone is little changed. Many contacts and market analysts feel that cheese prices may have hit bottom in this particular price cycle. However, the spring flush is still pending in the Northeast and other cheese production areas which could have a bearing on supply, demand, and price. Cheese output in the Northeast is generally heavy as surplus milk supplies have been above anticipated March and April levels. Cheese supplies are more than ample, particularly cheddar, for the generally slow demand. Mozzarella demand is improving now that most schools and colleges are back in session. Retail demand is slow to fair and food service orders are steady at best. During February, cheese production is mostly higher in the Atlantic region. For the region, Cheddar output increased 12.8% from last February, American cheese increased 11.6%, but mozzarella production fell 8.1%.

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

Cheddar 10# Prints	:	1.3025-1.7675
Cheddar Single Daisies	:	1.2600-1.7200
Cheddar 40# Block	:	1.3775-1.5900
Process 5# Loaf	:	1.4175-1.6025
Process 5# Sliced	:	1.4375-1.7150
Muenster	:	1.4325-1.6700
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

**MIDWEST**

The cheese market is fully steady within a trading range. Current cash cheese prices on the Chicago Mercantile Exchange are roughly 13 cents below the comparable week in 2001, but about the same distance above the comparable week in 2000. Current movement continues to follow recent trends, steady to seasonally stronger on process lines and steady to occasionally improved on natural varieties. Some cutters continue to have difficulty in filling a 40-hour schedule. Interest remains good and spot supplies limited on barrels and good processing solids. Some buyers are having problems procuring cheddar for aging programs from preferred producers. The results of the recent annual USDA cheese purchase contracts were released with CCC covering most of its expected needs with the initial contracts. The initial contract volumes range from a minimum quantity of 81.6 million pounds up to a maximum of 172.4 million pounds. They seek an additional 1.5 - 3.5 million pounds of frozen mozzarella and 1.4 - 3.1 million pounds of cheddar blocks and cuts. Cheese production remains seasonally active with milk intakes steady with recent weeks. A few plant operators expect volumes will increase as grass and pastures green up.

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

Process American 5# Loaf	:	1.4275-1.6500
Brick And/Or Muenster 5#	:	1.5700-1.8000
Cheddar 40# Block	:	1.5400-2.1150
Monterey Jack 10#	:	1.7800-2.1150
Blue 5#	:	1.9825-2.3100
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 8 - 12, 2002
BARRELS*	:	\$1.2175 - 1.2225 (NOMINAL)
	:	(\$0.0125) (.0075)
40# BLOCKS	:	\$1.2400 - 1.2750 (NOMINAL)
	:	(-\$0.0050) (.0050)

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

**WEST**

Cheese prices are fractionally higher following trading at the CME this past week. CME trading has been mixed over the last few weeks, but may be indicating a slight firming undertone. Milk production is showing more spring strength and much of this is ending up in the cheese vat. Cheese sales activity overall is rated as generally good with barrels and processing solids in the tightest position. Blocks are easier to find and continue to enter aging programs. Mozzarella interest is increasing. Swiss sales activity is good for this time of year. Swiss production in February for the U.S. totals 19.0 million pounds, up 4.5% from last year. American cheese production for the U.S. in February totals 288.6 million pounds, up 5.1% from a year earlier. Looking at American cheese production in selected Western states compared to February 2001 is as follows: California +9.9%, Idaho +6.5%, Oregon +45.9%, and Utah -9.1%. The Western region output was up 9.0% and they produce 46% of the American cheese in the U.S.

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

Process 5# Loaf	:	1.3600-1.6200
Cheddar 40# Block	:	1.3600-1.5000
Cheddar 10# Cuts	:	1.5400-1.7600
Monterey Jack 10#	:	1.5500-1.7100
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

**FOREIGN**

Prices are steady to fractionally higher and the market tone is unchanged. Demand for imported cheese is seasonally slow to fair. Interest for domestic styles is little changed.

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	: 1.6050-3.1000*
Gorgonzola	:	3.2400-5.9400	: 2.1050-2.4900*
Parmesan (Italy)	:	TFEWR	: 3.0200-3.0750*
Romano (Italy)	:	2.1000-3.1500	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.6075-1.8325*
Romano (Cows Milk)	:	-0-	: 2.7975-4.9775*
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
04/08/02	40,290	:	123,172	
04/01/02	40,540	:	130,087	
CHANGE	-250	:	-6,915	
% CHANGE	-1	:	-5	

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	37	0	69	0	150
SOUTHEAST STATES	0	0	0	0	0	0

The following are the March 2002 Class and component prices under the Federal Milk Order pricing system: Class II \$12.19 (down \$0.09 from February), Class III \$10.65 (down \$0.98); and Class IV \$11.42 (down \$0.12). The following are product price averages used in computing Class prices: 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. Milk production is increasing slowly in the Northeast and Middle Atlantic, generally steady in the Mid-South, and steady to slightly lower in the Gulf Coast states. In Florida and other Deep South states the "peak" has been reached and, in a few areas, starting to decrease. Fluid milk supplies are still excessive and manufacturing plants are operating at near capacity levels. Bottled milk sales are seldom better than fair. School pipelines, for the most part, have been refilled and bottling schedules are settling into normal or typical patterns. Reports indicate that plant problems did cause milk to be relocated in the Northeast. The condensed skim market is weak. Demand is sluggish at best and offerings are increasing. Many producers would rather sell condensed skim than send it through their dryers. Buyers are resisting current prices and some suppliers have discounted their prices, particularly on Class III, to keep it moving. The fluid cream market remains weak. Demand is just fair and offerings are excessive. Spot prices are generally lower as the CME butter average was fractionally lower last week. So far this week, butter prices declined moderately on April 8 and some cream buyers are waiting to see what will happen at the April 10 session before placing additional orders. Ice cream producers are taking their contracted loads and few spots. Ice cream output ranges from steady to increasing slowly. Cream cheese production is mixed. Producers' demand ranged from steady to improved. Bottling is slow to fair. Churning is heavy and many loads of excess cream continue to clear to the Midwest.

range from \$.95 – 1.0150 with unconfirmed reports of heavy offerings in some areas at discounted prices. Warmer, more seasonal temperatures, returned to the upper tier of states. Though the green up is slow, golf courses have reopened. Cold, wet weather in some areas last weekend did little to stimulate fresh grass in the upper tier of states. Some limited fieldwork is occurring beyond manure hauling, but mostly limited to sandier soils and dry hillsides for small grains due to cold soil temperatures.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 48.00	\$ 41.00- 47.00
REPLACEMENT HEIFER CALVES	\$500.00-660.00	\$290.00-390.00

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

	APRIL 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 47.50	\$ 43.50- 51.50

W E S T

The May 2002 Class 1 prices in CALIFORNIA range from \$13.02 in the north to \$13.30 in the south. The statewide average Class 1 price based on production is \$13.08. The average is \$0.23 lower than April 2002 and \$2.89 lower than May 2001. February 2002 pool receipts of milk in California total 2.640 billion pounds, 5.1% higher than a year prior. The February blend price, at a fat test of 3.79%, is \$11.76, \$0.79 lower than January and \$0.25 lower than February 2001. The percentage of receipts used in Class 1 products is 19.26%. The February quota price is \$12.53 and the over quota price is \$10.83. These prices are \$0.63 below January and \$0.51 lower than a year earlier. Cumulative 2002 pool receipts through February run 4.7% higher than a year ago. California milk cows continue to kick out milk at a pace of 5 to 7% higher than a year ago across most of the producing areas of the state. Processing plants are running hard to handle the milk. A new cheese plant in the central valley began milk intake for start up operation this week. Competition for milk in the state remains active. Weather conditions are nearly ideal. New crop haying continues to move northward and more new hay and green chop is being fed to cows. Milk production in ARIZONA is indicated to have reached and fallen slightly off the seasonal peak. Volumes remain heavy and are generally 5% or higher than a year ago. Milk continues to move into the state to utilize processing capacity. NEW MEXICO milk output continues to strongly outpace year ago levels. Conditions remain good for milk cows and production is responding favorably. Milk output in the PACIFIC NORTHWEST continues to grow seasonally. Conditions are generally good for the spring flush to continue. Good weather last week allowed quite a bit of spring fieldwork to take place. Some shower activity moved in this week, but temperatures remain warm. Fat and protein tests on milk receipts are seasonally good. Some reports of weaker heifer prices are noted, but they may be more related to quality than lower demand. Weather conditions are warm in UTAH and IDAHO, but remain very dry. Reports of some irrigation systems getting water earlier than normal are noted. Contacts believe that water will be very short towards the end of the growing season and that may have some impact on feed available. Current hay demand is light and prices are actually continuing to soften. A number of plants are either buying outside milk or are searching for additional supplies. Western CREAM markets remain weak. Sellers are unable to attain the pricing levels they would like for their cream and multiples and overages remain depressed. Cream not clearing for demand or economic reasons is often clearing to the butter churns, adding to butter stocks. Ice cream demand is slightly better under contract, but not testing the spot market. Western multiples are unchanged and remain in the range of 103 to 118, FOB, and being based on various pricing points.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT	
F.O.B. PRODUCING PLANTS: NORTHEAST	- 1.4700-1.6293
DELIVERED EQUIVALENT ATLANTA	- 1.4700-1.6170 M 1.4823-1.5068
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	- 1.5068-1.5925
PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS	
F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9550-1.0250
NORTHEAST- CLASS III - SPOT PRICES	- .7500-.9700

M I D W E S T

Class I demand remained somewhat sluggish unless featured though school accounts have returned to pre-break levels. In general, milk supplies seemed to be in reasonable balance for most handlers and bottlers, one of those rare quiet weeks for handlers. Spot manufacturing milk prices, on a limited test, range from \$.10 - .20 over class on some local supplies up to \$1.00 over plus freight. Manufacturing milk schedules remain seasonally heavy, though not like levels around the recent holiday/spring break period. Current milk intakes seem to be changing very little on a week to week basis. Milk intakes are above year ago levels for many plants. Cream prices are little changed; a lower cash butter average on the Chicago Mercantile Exchange is partially offset by steady to slightly higher multiples after the holiday period. Ice cream producers are continuing to gear up production seasonally. Butter makers are often less aggressive on cream purchases, due to higher inventories and butter price weakness. Condensed skim prices

**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 lower. Sales to the CCC continue with some spot trading also reported at this level. Demand is best from cheese and ice cream producers. Some orders for instant NDM are noted. Totes continue to clear more readily than bagged product. However, overall movement is generally slow with most purchases occurring only on an as needed basis. Production is steady to higher and seasonal on low heat. High heat output is lighter for the contractual interest only.

**EAST:** Low heat prices are steady, but the mostly prices did decline significantly. Producers reported few spot sales this week. Buyers are very price-sensitive and often able to purchase on the resale market at prices below most producers' quotes. Demand is generally for immediate needs. Large volumes of NDM continue to clear to CCC and another Eastern plant started offering to CCC this week. Production levels are steady or increasing. Milk supplies are growing and sales of condensed skim are slowing. This is pushing more solids through dryers.

**DAIRY PRODUCTS:** Production of human food, nonfat dry milk during February 2002 totaled 125.2 million pounds, down 5.5% from February 2001 but 5.3% above January 2002. Month ending stocks, at 139.9 million pounds, are 1.6% above a year ago and 16.5% higher than January 2002.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .8500 - .9625 MOSTLY: .8500 - .9000  
 HIGH HEAT: .9100 - .9925

**NONFAT DRY MILK - WEST**

Low/medium heat NDM prices are marginally lower on the top end of the range. Sales are rated as slow. Contract loads have slowed and competition with resale loads is heavy. Buyers remain reluctant to buy beyond immediate needs when they see lower prices around and future pricing level indicators pointing lower. Producers continue to clear product to the support program on a regular basis. During the week of April 1 - 5, adjusted support program purchases totaled 13,386,943 pounds of NDM with 11,637,161 pounds from the West. High heat prices are unchanged and very little new news is apparent in the market place. Orders are slow to develop and product is moving normally to contract accounts with limited seasonal adjustments in volumes noted. Drying of high heat is being kept under close match to orders to keep stock levels at minimal levels. U.S. NDM production in February totaled 125.2 million pounds, down 5.5% from last year but 5.3% higher than January. February production in the West region totaled 88.2 million pounds (70.5% of the U.S. total), down 14.1% from last year. California totaled 49.2 million pounds, down 9.5% from last year. Washington totaled 19.2 million pounds with no comparison listed for last year. U.S. stocks at the end of February were reported at 139.9 million pounds, up 1.6% from last year and up 16.5% from last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .8600 - .9700 MOSTLY: .8950 - .9100  
 HIGH HEAT: .9225 - .9450

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 5	\$ .9005	13,922,179	10,630,756
March 29	\$ .9018	13,096,820	9,378,780

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 to higher. Plants are in better balance than the week prior. However, demand is no better than fair. Ice cream interest for condensed product is increasing yet remains less than anticipated at this time of year. Production is steady to slightly lower due to increased condensed movement. Inventories are in balance to long at some locations. Most purchases of dry product are on an as needed basis for the light dry blend and ice cream demand. Dry buttermilk production during February 2002 totaled 5.1 million pounds, down 4.4% from February 2002 and 8.8% lower than January 2002. Month ending stocks, at 8.6 million pounds, are 36.8% above last year but 1.3% lower than last month.

F.O.B. CENTRAL: .7900 - .8800

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are lower and the market tone remains weak. Eastern prices are nominal as few spot, truckload sales are reported. Production levels are still heavy, reflecting the churning activity in the region. Sales of liquid buttermilk are steady. Producer stocks are little changed from prior weeks. Contract sales do clear a good portion of the current output. Dry buttermilk production during February 2002 totaled 5.1 million pounds, down 4.4% from February 2001 and 8.8% less than January 2002. Month ending stocks, at 8.6 million pounds, are 36.8% more than last year but 1.3% less than a month ago.

F.O.B. NORTHEAST: .8300 - .8775  
 DELVD SOUTHEAST: .8000 - .8800

**DRY BUTTERMILK - WEST**

Dry buttermilk prices continue to trend lower in light spot trading. The market tone remains weak. Buying interest is mostly light to occasionally better. There remains competition from resellers and processors in other regions for current sales. Drying schedules continue to be active, reflecting heavy butter churning in the region. Stock levels varied, but are available for all trade needs. U.S. dry buttermilk production in February totaled 5.1 million pounds, down 4.4% from last year and 8.8% lower than January. Stocks at the end of February were reported at 8.6 million pounds, up 36.8% from a year earlier but 1.3% below January.

BUTTERMILK: .8600 - .9000 MOSTLY: .8800 - .8900

**DRY WHOLE MILK - NATIONAL**

Prices are often lower as both the CME butter price and Class IV milk prices moved lower. The market tone is unchanged and prices are nominal. Production levels are steady and plant stocks are closely balanced as spot interest remains slow. Dry whole milk production during February 2002 totaled 4.2 million pounds, down 6.9% from February 2001 but 9.3% above January 2002. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.1600 - 1.2500

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2001 THROUGH APRIL 5, 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 lower on a weak market. Some block loads are clearing into export markets at the lower end of the range. Export interest is said to be no better than fair. Domestic movement is slow and best into contracts. Some producers are encouraging buyers to make a bid, especially on multiple loads. Resellers are hesitant to buy unless the product has a guaranteed home. Producers are concerned about the lackluster demand and lower prices and contemplating holding stocks. However, heavy production schedules and growing stocks may not offer the best conditions for market withdrawal. Production of human food, dry whey during February 2002 totaled 79.4 million pounds, 6.5% less than February 2001 and 6.1% below January 2002. Month ending stocks, at 33.9 million pounds, are 3.2% below a year ago and 5.0% less than January 2002.

NONHYGROSCOPIC: .1825 - .1950 MOSTLY: .1850 - .1900

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices range from mostly steady to fractionally lower. The market tone is weak and unaggressive. Demand remains lackluster. Eastern producers report decent contract movement, but slow spot interest. Some renewed interest is being reported but mostly this is from buyers "shopping" for a load or two. Many buyers continue in a wait and see posture, hoping for lower prices. The resale market is also slow and traders report that the phones are very quiet. Production of human food, dry whey during February 2002 totaled 79.4 million pounds, 6.5% less than February 2001 and 6.1% below January 2002. Month ending stocks, at 33.9 million pounds, are 3.2% below last year and 5.0% less than a month ago. Production of animal feed, dry whey during February totaled 5.7 million pounds, 7.8% more than a year ago and 1.8% above last month.

F.O.B. NORTHEAST: EXTRA GRADE .1900 - .1975  
USPH GRADE A .2050 - .2300  
DELVD SOUTHEAST: .2150 - .2250

**DRY WHEY - WEST**

Prices continue to weaken for Western whey powder. The desire to keep export sales moving continues to push prices lower. Competition from other countries and from other products is very intense in this market. Contacts note that economies are very slow to recover in the Far East. Domestically, sales are very competitive across the country. Stocks are heavier than desired at some locations, while others operations report that they are in good shape. Nationally, human whey production at 79.4 million pounds is 6.5% below last year. Stocks are also slightly below 2001. Output in the Western region is down 26.4% from last year or 7.5 million pounds.

NONHYGROSCOPIC: .1875 - .2250 MOSTLY: .2000 - .2050

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to lower. Supplies of milk replacer remain tight for the good interest. Some buyers are bidding lower and meeting supplier resistance. Roller ground prices are trending lower with the Extra Grade market. Supplies are mostly in balance with demand. Feed buyers are removing delactose from some of their formulas as cheaper high protein alternatives are readily available. Producers are generally reluctant to reduce prices given that delactose did not follow WPC prices higher this last year. Some displaced delactose is being readily diverted into the food industry. Production of animal feed dry whey during February 2002 totaled 5.7 million pounds, 7.8% higher than a year ago and 1.8% more than January 2002. Month ending stocks, at 1.8 million pounds, are 68.9% below a year ago and 17.4% lower than last month.

MILK REPLACER: .1700 - .1825  
ROLLER GROUND: .1750 - .2150  
DELACTOSE (Min. 20% protein): .3800 - .4150

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are generally lower on a weak market. Supplies are mixed. While a few plants are tight on supplies, most plants are reportedly holding heavy stocks. Facilities that are running tight are attempting to cancel contracts with some success as buyers first secure alternative supplies. High protein products from Norway, New Zealand and domestic sources continue to compete for the WPC 34% feed market. Low protein product is selling below an equivalent 34% per unit of protein price. Bags are in better demand than totes. Export interest is slow. Production of HUMAN FOOD WPC during February 2002 totaled 24.4 million pounds, up 9.4% from February 2001 and 1.3% above January 2002. Manufacturers end-of-month stocks totaled 20.0 million pounds, 123.0% higher than a year ago and 3.2% above last month. Production of ANIMAL FEED WPC during February 2002 totaled 3.2 million pounds, down 17.5% from February 2001 and 16.8% below January 2002. Manufacturers end-of-month stocks totaled 1.7 million pounds, unchanged from last year but 11.3% below last month.

EXTRA GRADE 34% PROTEIN: .5700 - .6075 MOSTLY: .5800 - .5975

**LACTOSE - CENTRAL AND WEST**

Prices are lower on a weak market. Spot trading is increasing. While more second quarter contracts have been finalized, some buyers, particularly in Asia, continue to delay commitments. Supplies are mixed with some plants in good balance while others are tending to run long. Interest is best from candy operations and some feed facilities. Some plants are offering out at flat prices below the average for the remainder of the second quarter. Brokers and resellers are reluctant to buy lactose without a guaranteed home. Non-kosher supplies are difficult to clear. Off grade prices are being reported below and within the current range. Lactose production during February 2002 totaled 44.4 million pounds, up 4.7% from February 2001 but 9.1% below January 2002. Month ending stocks, at 27.4 million pounds, are 0.3% lower than a year ago and 3.8% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.  
F.O.B. EDIBLE: .1600 - .2625 MOSTLY: .1900 - .2200

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are increasing as surplus milk supplies increase across most of the country. Demand is back to replacement volumes, but some producers are quite aggressive in trying to gain sales. This keeps the market very competitive. Canned evaporated milk production during February 2002, totaled 31.2 million pounds, 4.9% more than February 2001 but 0.9% less than January 2002. Month ending stocks, at 45.8 million pounds, are 5.8% more than a year ago and 8.8% above last month.

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**

Casein prices are generally unchanged, although the market tone remains weak. Most domestic buyers are currently purchasing for short term needs versus entering into long term commitments from suppliers. Suppliers are indicating that they do not foresee any problems with offerings during the upcoming months. Oceania production has now basically come to a close with orders being filled from inventoried stocks. Europeans are just beginning their new season. Domestic users and importers are awaiting the official results of the field test of government owned skim milk powder which was sold to the trade for the manufacture of casein in December. Although not official, opinions among the trade or those that have completed their test are indicating that the results are mixed, but are optimistic that with additional production, future results will improve. It has been many years since casein was produced in the States, thus most producers are introducing themselves to the production process and learning as they go.

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

**CHICAGO MERCANTILE EXCHANGE FUTURES**

Selected settling prices, (open interest), and volume <sup>1/</sup>

Month	03/27	03/28	03/29	04/01	04/02	04/03	04/04	04/05	04/08	04/09
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt.</b>										
MAR 02	10.69 (1345) 15	10.67 (1351) 9	NO TRADING	10.66 (1360) 11	10.66 (1360) 0	10.66 (1360) 1	10.67 (1291) 0	10.65		
APR 02	10.95 (1816) 69	10.80 (1816) 5		10.80 (1834) 34	10.90 (1835) 29	10.92 (1835) 0	10.92 (1835) 21	10.92 (1835) 2	10.92 (1825) 51	10.90 (1812) 3
MAY 02	11.40 (1808) 55	11.17 (1796) 26		11.22 (1785) 29	11.28 (1838) 75	11.28 (1830) 23	11.35 (1826) 20	11.25 (1834) 22	11.25 (1856) 38	11.25 (1857) 14
JUN 02	12.18 (1781) 54	11.95 (1817) 53		12.05 (1821) 9	12.05 (1831) 27	12.10 (1859) 50	12.17 (1866) 10	12.10 (1870) 18	12.10 (1907) 47	12.06 (1962) 58
JUL 02	12.95 (1902) 36	12.76 (1945) 48		12.86 (1966) 92	12.86 (1971) 20	12.91 (2232) 294	13.00 (2238) 20	12.90 (2240) 7	12.90 (2266) 35	12.83 (2304) 41
AUG 02	13.30 (1733) 37	13.20 (1775) 83		13.30 (1803) 39	13.34 (1806) 15	13.31 (1834) 48	13.40 (1834) 6	13.32 (1836) 8	13.31 (1842) 16	13.25 (1846) 7
SEP 02	13.48 (1848) 58	13.40 (1872) 45		13.50 (1886) 35	13.50 (1889) 41	13.50 (1903) 49	13.56 (1903) 9	13.48 (1905) 6	13.46 (1905) 5	13.41 (1913) 17
OCT 02	12.80 (1227) 43	12.75 (1226) 23		12.80 (1220) 7	12.77 (1217) 3	12.77 (1226) 10	12.86 (1227) 1	12.82 (1229) 5	12.83 (1232) 13	12.83 (1235) 7
NOV 02	12.60 (784) 16	12.55 (787) 28		12.60 (788) 15	12.60 (789) 3	12.60 (787) 42	12.64 (786) 5	12.60 (783) 11	12.60 (777) 8	12.60 (777) 4
DEC 02	12.39 (644) 13	12.30 (649) 12		12.35 (652) 18	12.40 (653) 1	12.40 (659) 13	12.42 (661) 5	12.40 (661) 2	12.39 (645) 22	12.39 (647) 3
JAN 03	11.67 (82) 4	11.70 (82) 0		11.70 (83) 6	11.70 (85) 2	11.75 (85) 5	11.75 (86) 1	11.75 (86) 0	11.75 (86) 0	11.75 (86) 0
FEB 03	11.55 (36) 6	11.60 (36) 10		11.60 (44) 16	11.65 (46) 2	11.60 (46) 3	11.63 (52) 6	11.63 (52) 0	11.63 (52) 0	11.63 (53) 1
MAR 03	11.55 (35) 9	11.60 (37) 6		11.60 (43) 15	11.60 (45) 2	11.60 (45) 0	11.60 (46) 1	11.60 (46) 0	11.60 (49) 3	11.60 (49) 0
APR 03	11.55 (29) 0	11.55 (29) 0		11.55 (33) 5	11.55 (35) 7	11.70 (35) 2	11.70 (37) 6	11.70 (37) 0	11.72 (41) 5	11.72 (41) 0
MAY 03	11.70 (26) 0	11.70 (26) 0		11.70 (31) 5	11.70 (31) 0	11.73 (31) 0	11.73 (31) 1	11.73 (31) 0	11.73 (31) 0	11.73 (31) 0

**CME - CLASS IV MILK FUTURES - Dollars per cwt.**

MAR 02	11.45 (150) 0	11.45 (150) 0	NO TRADING	11.45 (150) 0	11.45 (150) 0	11.45 (150) 0	11.45 (143) 0	11.42		
APR 02	11.63 (188) 0	11.63 (188) 0		11.63 (190) 5	11.55 (190) 0	11.55 (190) 0	11.55 (190) 20	11.50 (190) 0	11.50 (190) 0	11.40 (187) 0
MAY 02	11.55 (253) 0	11.55 (253) 0		11.55 (253) 5	11.55 (253) 0	11.55 (253) 0	11.55 (253) 0	11.50 (253) 6	11.45 (253) 0	11.40 (253) 0
JUN 02	11.60 (354) 0	11.60 (354) 0		11.60 (361) 10	11.60 (361) 0	11.60 (361) 0	11.60 (362) 1	11.60 (359) 2	11.60 (364) 6	11.45 (364) 0
JUL 02	11.60 (495) 0	11.60 (495) 0		11.60 (500) 5	11.55 (500) 0	11.56 (500) 0	11.56 (501) 6	11.55 (501) 0	11.55 (508) 12	11.45 (497) 16
AUG 02	11.75 (487) 0	11.75 (488) 1		11.75 (488) 0	11.70 (473) 10	11.75 (473) 0	11.75 (480) 12	11.65 (480) 0	11.65 (480) 0	11.60 (480) 0
SEP 02	11.75 (418) 0	11.75 (418) 0		11.75 (418) 0	11.70 (421) 5	11.75 (421) 0	11.75 (421) 0	11.75 (421) 0	11.75 (420) 6	11.65 (420) 0
OCT 02	11.79 (373) 0	11.79 (373) 0		11.79 (373) 0	11.75 (374) 1	11.80 (374) 0	11.80 (374) 0	11.80 (374) 0	11.80 (379) 5	11.75 (379) 10
NOV 02	11.85 (250) 2	11.84 (250) 0		11.84 (250) 0	11.82 (256) 8	11.87 (256) 0	11.87 (257) 6	11.85 (261) 15	11.81 (261) 2	11.74 (264) 5
DEC 02	11.85 (84) 1	11.85 (84) 0		11.85 (84) 0	11.82 (84) 4	11.87 (84) 0	11.87 (86) 2	11.85 (86) 0	11.80 (90) 4	11.75 (91) 3

**CME - BUTTER FUTURES -- Cents per pound**

MAY 02	128.50 (101) 2	127.50 (101) 2	NO TRADING	127.25 (102) 3	127.25 (103) 6	128.00 (165) 77	128.50 (186) 30	126.50 (198) 18	125.00 (203) 8	122.25 (203) 1
JUL 02	130.25 (197) 0	130.25 (199) 2		129.50 (199) 1	130.25 (197) 4	131.00 (268) 72	131.00 (292) 32	130.00 (295) 3	127.25 (295) 12	125.50 (293) 6
SEP 02	133.50 (200) 3	134.00 (200) 0		134.00 (204) 4	134.00 (205) 1	135.50 (208) 6	135.00 (213) 13	133.00 (214) 4	130.02 (211) 7	130.00 (218) 12
OCT 02	134.50 (120) 0	134.50 (120) 0		134.50 (120) 0	134.50 (120) 0	134.50 (120) 0	134.50 (120) 0	134.50 (134) 19	132.00 (138) 7	130.75 (159) 31
DEC 02	134.00 (27) 0	134.00 (27) 0		134.00 (27) 0	134.00 (27) 0	134.00 (27) 0	134.00 (27) 0	134.00 (27) 0	134.00 (26) 4	132.75 (26) 0

**CME - NONFAT DRY MILK FUTURES -- Cents per pound**

JUL 02	85.50 (13) 0	85.25 (13) 0	NO TRADING	85.25 (13) 0	85.25 (13) 0	85.25 (13) 1	86.00 (13) 0	86.00 (13) 0	86.00 (13) 0	86.00 (13) 0
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<sup>1/</sup> At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 1 - 12, 2002

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

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** The new milk production quota year has now begun and milk receipts are increasing. As is usual for the end of one quota year and the beginning of another, milk marketings were lower during the final week or so of March, but gained momentum immediately on April 1. Overall weather conditions in Western Europe are reported to be quite favorable for early April and milk production trends continue to seasonally increase. Pasture conditions are reported to be wet in some areas, thus pasturing is not occurring as of yet. In other areas, dryer conditions and good growth are allowing cows to graze. Skim milk powder continues to clear to intervention. Through April 11, intervention offerings total 27,300 metric tons. About 4,000 metric ton are clearing to intervention on a weekly basis, which is occurring as projections. The EU Management Committee announced another subsidy increase for skim and whole milk powder. European traders are hopeful that this additional adjustment will help sales activity during the next few months. Traders indicate that international sales of European sourced dairy products are light. The overall market tone for manufactured dairy product prices and markets remains weak, although in more instances, the slide has slowed and in some cases recovered somewhat. The opening of intervention for skim milk powder and the filling of the skim milk powder DEIP allocations in the U.S. are two factors traders and handlers are attributing to market stability and possible price recovery. With prices indicating more stability, producers and handlers do not foresee significant strength in price recovery, but at least there might not be much further weakness. Most feel that prices will continue to range close to current levels during the upcoming milk production season.

**BUTTER/BUTTEROIL:** The overall market tone for butter remains weak with prices unchanged to lower with the reported range. Stocks of butter are reported to be readily available for domestic and international buyer interest. Domestic buyer interest remains quite steady and typical for early spring with international sales basically nonexistent. Stocks of butter continue to clear to intervention in those countries where open and into PSA.

82% BUTTERFAT: 1,050 - 1,200  
99% BUTTERFAT: 1,250 - 1,350

**SKIM MILK POWDER (SMP):** Skim milk powder markets are weak, although the price slide of recent weeks has slowed and in instances, recovered somewhat. European production continues to clear to intervention. From March 1 - April 11, intervention offerings totaled 27,300 metric tons. On Thursday of this week, the EU Management Committee announced another subsidy increase for skim powder. At this point, most skim powder activity is centering around intervention offering with minimal international sales.

1.25% BUTTERFAT: 1,200 - 1,350

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady with prices basically unchanged. Some traders and handlers are reporting a slight recovery, or at least more stability returning to current markets. They are indicating that the price erosion of recent weeks has definitely slowed, with many hopeful that a bottom of the market might have been attained. International sales activity remains slow and unaggressive for European sourced powder. Most traders are indicating that less than desirable economic conditions in many buying countries, coupled with international political and religious unrest in parts of the world are two factors contributing to slow buyer interest. Often, buyer interest that is occurring is for short term or immediate shipment needs.

26% BUTTERFAT: 1,300 - 1,350

**SWEET WHEY POWDER:** Whey powder markets are weak with prices unchanged to lower. Stocks of whey are reported to be readily available for both animal and human needs. At the current time, most sales activity, although light, is centered around internal or domestic needs. International buyers continue to look elsewhere for needs due to higher than desired European prices.

NONHYGROSCOPIC: 375 - 450

**OVERVIEW: EASTERN EUROPE:** Milk production patterns in Eastern Europe are increasing seasonally with many producers and handlers very optimistic about the upcoming season. Overall milk output has not been overly favorable during recent production seasons, thus early indications and the outlook are more positive for the current season. Some recent sales activity has been reported out of Eastern Europe, which has cleared inventoried stocks. In most instances, stocks of manufactured dairy products are low and the new production season will reestablish inventory levels.

## OCEANIA

**OVERVIEW:** The Oceania milk production season is winding down quite quickly. The overall season in both Australia and New Zealand has been reported as good. Milk production growth in both countries, although yearly figures are not officially available, is estimated to be between 3 - 4% ahead of last season. Late season milk production weather conditions in New Zealand are cool and wet, which milk handlers attribute to the quicker close of the season. In Australia, a strong finish to the season is being reported from the Victoria region, which is extending Australia's production season and enhancing production totals. In both countries, manufacturing facilities continue to reduce production schedules and are preparing facilities for the winter months. Stocks of manufactured dairy products are reported to be fully sufficient for regular and committed needs, with additional stocks, at varying volumes, available for future buyer interest. Some Oceania producers and handlers are reporting that recent buyer interest and sales activities have absorbed some of these unsold volumes with shipments scheduled during the next few months. Many Oceania handlers report that stocks are in pretty good balance with current and projected needs with the uncommitted volumes not burdensome or of serious concern. Oceania traders indicate that with the DEIP skim milk powder allocations now filled in the U.S. until at least July and Europe just getting into their new milk production season, this could provide a window of opportunity for Oceania stocks to clear for near term needs.

**BUTTER:** Oceania butter markets remain weak as prices continue to edge lower. Traders report that some international sale prices have dipped under the \$1000 per metric ton level. This is the lowest prices have reached in at least 8 years. Producers and handlers hope that a bottom to declining prices has been or is close to being attained. Stocks of butter are fully sufficient to meet current and future needs. The milk production season in the Oceania region is very close to seasons end, thus current and future sales will be filled from inventory.

82% BUTTERFAT: 950 - 1,050

**CHEDDAR CHEESE:** Cheese price are generally steady, although the market tone remains weak. Overall demand for cheese has held basically unchanged, with most sales activity centering around regular and ongoing customer needs. Stocks of cheese are reported to be fully sufficient for needs. Oceania producers and handlers indicate that milk production is nearing its' seasonal end, thus upcoming shipments will be filled from inventoried stocks. Stocks are fully available for known needs with additional supplies available for new buyer needs.

39% MAXIMUM MOISTURE: 1,725 - 1,900

**SKIM MILK POWDER (SMP):** Skim milk powder markets remain weak, although some Oceania handlers and traders feel that the undertone is steady and in some instances slightly firmer. Oceania traders indicate that with the skim milk powder DEIP allocations filled in the U.S. until at least July and the new European milk production season just getting underway, a window of sales activity might be open for them should buyer interest improve. Some traders are indicating that sales activity has improved over the past few weeks in comparison to the past few months. Stocks of powder are reported to be fully sufficient to meet regular and ongoing buyer needs with new buyer interest absorbing some of the uncommitted volumes on hand.

1.25% BUTTERFAT: 1,275 - 1,375

**WHOLE MILK POWDER (WMP):** Whole milk powder markets, although weak, appear to be more stable than they have been in quite some time. Some Oceania handlers and traders are reporting that the recent price slide has slowed, and in instances, recovered slightly. Stocks of Oceania powder are reported to be fully sufficient for current and ongoing customer needs. Powder stocks are reported to be in fairly good balance with demand, although there are uncommitted volumes available for future sales.

26% BUTTERFAT: 1,250 - 1,425

Exchange rates for selected foreign currencies: APRIL 08, 2002

.6271 Canadian Dollar	.0205 India Rupee
.3636 Argentina Peso	.4335w Zealand Dollar
.1108 Mexican Peso	.5280 Australian Dollar
1.4316 British Pound	.0076 Japanese Yen
.2438 Polish Zloty	.8745 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1108)= 9.0253. That is 1 US Dollar equals 9.0253 Mexican Pesos.

Source: "Wall Street Journal"

**FEBRUARY 2002 DAIRY PRODUCTS HIGHLIGHTS**

**BUTTER** production was 125.5 million pounds in February, 13.9 percent above February 2001 but 10.8 percent below January 2002. **AMERICAN TYPE CHEESE** production totaled 288.6 million pounds, 5.1 percent above February 2001 but 8.4 percent below January 2002. **TOTAL CHEESE** output (excluding cottage cheese) was 644.5 million pounds, 1.9 percent above February 2001 but 7.6 percent below January 2002. **NONFAT DRY MILK** production, for human food, totaled 125.2 million pounds, 5.5 percent below February 2001 but 5.3 percent above January 2002. **DRY WHEY** production, for human food, was 79.4 million pounds, 6.5 percent below February 2001 and 6.1 percent below January 2002. **ICE CREAM** (hard) production totaled 71.0 million gallons, 5.7 percent above February 2001 and 1.4 percent above January 2002.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 2002	PERCENT CHANGE FROM:			PRODUCT	FEB 2002	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2001	JAN 2002	YEAR TO DATE 1/		1,000 LBS.	FEB 2001	JAN 2002	YEAR TO DATE 1/
BUTTER	125,467	13.9	-10.8	11.1	YOGURT (PLAIN AND FLAVORED)	150,029	-3.3	-2.0	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	288,642	5.1	-8.4	4.9	SWEET-TYPE, HUMAN FOOD	5,364	-41.4	-19.7	---
CHEDDAR	225,823	5.1	-8.3	4.9	SWEET-TYPE, ANIMAL FEED	980	-19.0	-22.8	---
SWISS	19,007	4.5	-7.0	---	DRY WHEY PRODUCTS				
BRICK & MÜNSTER	6,313	-11.5	-23.3	---	DRY WHEY, HUMAN FOOD	79,392	-6.5	-6.1	---
CREAM & NEUFCHÂTEL	44,126	3.2	-1.5	---	DRY WHEY, ANIMAL FEED	5,732	7.8	1.8	---
HISPANIC	8,837	21.5	-12.5	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	209,302	-2.2	-6.6	-2.7	HUMAN FOOD	7,666	16.2	-10.4	---
OTHER ITALIAN TYPES	52,582	-1.8	-9.9	-0.2	ANIMAL FEED	3,483	13.7	-5.5	---
TOTAL ITALIAN TYPES	261,884	-2.2	-7.3	-2.2	LACTOSE, HUMAN FOOD & ANIMAL FEED	44,417	4.7	-9.1	---
ALL OTHER TYPES	15,664	8.7	-4.2	---	WHEY PROTEIN CONCENTRATE				
TOTAL	644,473	1.9	-7.6	1.8	HUMAN FOOD	24,448	9.4	1.3	---
COTTAGE CHEESE, CURD 3/	34,680	0.7	-1.8	---	ANIMAL FEED	3,225	-17.5	-16.8	---
COTTAGE CHEESE, CREAM 4/	28,754	1.1	-3.4	-0.7					
COTTAGE CHEESE, LOWFAT 5/	29,380	2.9	-0.8	1.2					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	31,230	4.9	-0.9	---	ICE CREAM (HARD)	70,961	5.7	1.4	8.3
DRY WHOLE MILK	4,204	-6.9	9.3	---	ICE CREAM, LOWFAT (HARD)	6,611	1.2	-18.2	---
NONFAT DRY MILK, HUMAN FOOD	125,159	-5.5	5.3	-2.0	ICE CREAM, LOWFAT (SOFT)	17,766	-10.2	26.6	---
DRY SKIM MILK, ANIMAL FEED	841	205.8	22.8	---	ICE CREAM, LOWFAT (TOTAL)	24,377	-7.4	10.2	-8.1
DRY BUTTERMILK	5,073	-4.4	-8.8	---	SHERBET (HARD)	4,034	5.2	6.3	6.7
					YOGURT (TOTAL)	6,361	-1.0	6.4	-3.0

MANUFACTURERS' STOCKS, END OF MONTH 7/							
PRODUCT	FEB 2002	PERCENT OF:		PRODUCT	FEB 2002	PERCENT OF:	
	1,000 LBS.	FEB 2001	JAN 2002		1,000 LBS.	FEB 2001	JAN 2002
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	33,944	-3.2	-5.0	HUMAN FOOD	19,980	123.0	3.2
DRY WHEY, ANIMAL FEED	1,759	-68.9	-17.4	ANIMAL FEED	1,652	0.0	-11.3
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	8,078	29.1	-1.5	CANNED EVAPORATED & CONDENSED WHOLE MILK	45,785	5.8	8.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	27,400	-0.3	-3.8	NONFAT DRY MILK FOR HUMAN FOOD	139,905	1.6	16.5
DRY BUTTERMILK, TOTAL	8,595	36.8	-1.3				

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

SOURCE: "Dairy Products," Da 2-6 (4-02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MARCH

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for March 2002 is \$1.3638 per pound. Thus, the Class II butterfat price is \$1.3708. The protein and other solids prices for March are \$1.8342 and \$0.0688 per pound, respectively. These component prices set the Class III skim milk price at \$6.09 per cwt. The March Class IV skim milk price is \$6.89 which is derived from the nonfat solids price of \$0.7660 per pound.  
**Product Price Averages:** The product price averages for March are; butter \$1.2333, nonfat dry milk \$0.9060, cheese \$1.2087, and dry whey \$0.2066.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	MARCH 2002				APRIL 2002
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
DOLLARS PER 100 POUNDS						
Northeast (Boston) <u>4/</u>	001	14.87	12.19	10.65	11.42	14.72
Appalachian (Charlotte) <u>5/</u>	005	14.72	12.19	10.65	11.42	14.57
Southeast (Atlanta) <u>6/</u>	007	14.72	12.19	10.65	11.42	14.57
Florida (Tampa ) <u>7/</u>	006	15.62	12.19	10.65	11.42	15.47
Mideast (Cleveland) <u>8/</u>	033	13.62	12.19	10.65	11.42	13.47
Upper Midwest (Chicago) <u>9/</u>	030	13.42	12.19	10.65	11.42	13.27
Central (Kansas City) <u>10/</u>	032	13.62	12.19	10.65	11.42	13.47
Southwest (Dallas) <u>11/</u>	126	14.62	12.19	10.65	11.42	14.47
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	13.97	12.19	10.65	11.42	13.82
Western (Salt Lake City) <u>13/</u>	135	13.52	12.19	10.65	11.42	13.37
Pacific Northwest (Seattle) <u>14/</u>	124	13.52	12.19	10.65	11.42	13.37
All-Market Average	---	14.20	12.19	10.65	11.42	14.05

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

## APRIL MILK SUPPLY AND DEMAND ESTIMATES\*

Forecast milk production in 2001/02 is unchanged from last month but demand for skim solids is weak and is expected to pressure product prices. CCC removals of nonfat dry milk are forecast higher through the end of May when the price support program ends. Thereafter, product prices are expected to decline as the market absorbs large quantities of skim solids. As a result of weaker product prices, the forecast Class IV price is lowered 15 cents, and the Class III price forecast is lowered 10 cents, from last month. The 2001/02 all milk price forecast is lowered to \$13.00-\$13.30 per cwt.

Item	1999/00 1/	2000/01 Estimate 1/		2001/02 Projection 1/		
		March	April	March	April	
<b>BILLION POUNDS</b>						
SUPPLY						
BEGINNING COMMERCIAL STOCKS 2/	7.4	8.9	8.9	8.8	8.8	
PRODUCTION	167.4	165.2	165.2	168.4	168.4	
FARM USE	1.3	1.3	1.3	1.2	1.2	
MARKETINGS	166.0	163.9	163.9	167.2	167.2	
IMPORTS 2/	4.6	5.5	5.4	5.1	5.1	
TOTAL COMMERCIAL SUPPLY 2/	178.1	178.3	178.2	181.0	181.0	
USE						
COMMERCIAL USE 2/ 3/	168.4	169.2	169.1	172.6	172.6	
ENDING COMMERCIAL STOCKS 2/	8.9	8.8	8.8	8.3	8.3	
CCC NET REMOVALS:						
MILKFAT BASIS 4/	0.8	0.3	0.3	0.1	0.2	
SKIM SOLIDS BASIS 4/	8.5	6.3	6.3	5.7	6.3	
<b>DOLLARS PER CWT.</b>						
MILK PRICES 5/						
BASIC FORMULA/CLASS III PRICE 6/	9.99	12.29	12.29	11.40-11.80	11.35-11.65	
CLASS IV 7/	11.51	13.88	13.88	11.60-12.20	11.50-12.00	
ALL MILK 8/	12.61	14.48	14.48	13.05-13.45	13.00-13.30	
<b>MILLION POUNDS</b>						
CCC PRODUCT NET REMOVALS 4/						
BUTTER	11	0	0	0	0	
CHEESE	17	17	17	4	4	
NONFAT DRY MILK	690	525	525	485	535	
DRY WHOLE MILK	34	3	3	0	0	
		QUARTERLY 9/		ANNUAL 9/		
		2002 II	2002 III	2002 IV	2001	2002
<b>BILLION POUNDS</b>						
MILK PRODUCTION	43.8	41.7	41.8	165.3	169.4	
<b>DOLLARS PER CWT.</b>						
ALL MILK PRICE 5/ 8/	12.10-12.50	12.30-13.00	13.30-14.30	14.93	12.70-13.20	
CLASS III PRICE 5/ 6/	10.60-11.00	10.95-11.65	11.80-12.80	13.10	11.20-11.70	
CLASS IV PRICE 5/ 7/	11.25-11.75	11.40-12.20	11.35-12.45	13.76	11.40-12.00	

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Federal milk order Class IV price. 8/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 9/ Calendar year basis projection.

\* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-385, World Agricultural Outlook Board, USDA, April 10, 2002.

## FEBRUARY FLUID MILK SALES

During February, about 4.0 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was unchanged from February 2001. On an individual product basis, sales of low fat (1%) milk, fat-free (skim) milk, and buttermilk increased from February 2001, while sales of whole milk and reduced fat (2%) milk decreased from a year earlier.

Editor's Note: This data also can be found at [www.ams.usda.gov/dairy/mmos.htm](http://www.ams.usda.gov/dairy/mmos.htm).

**PACKAGED SALES OF FLUID MILK PRODUCTS IN MARKETING AREAS DEFINED BY  
FEDERAL MILK ORDERS AND CALIFORNIA, FEBRUARY 2002, WITH COMPARISONS <sup>1/</sup>**

Product Name/ Marketing Area (Order Number) <sup>2/</sup>	Sales		Change from:	
	Feb	Year to date	Previous Year	Year to Date <sup>3/</sup>
	Mil.lbs		Percent	
Whole Milk <sup>4/</sup>	1,396	2,971	-0.3	0.4
Reduced Fat Milk (2%)	1,266	2,687	-0.3	0.0
Low Fat Milk (1%) <sup>5/</sup>	692	1,454	1.1	1.5
Fat-Free Milk (Skim)	610	1,282	0.4	-0.1
Buttermilk	42	90	0.3	0.5
Total Fluid Milk Products <sup>2/</sup>	4,012	8,494	0.0	0.4
Northeast (001)	754	1,594	-0.9	0.6
Appalachian (005)	269	576	-0.6	0.1
Southeast (007)	382	816	-0.4	0.1
Florida (006)	233	488	2.1	1.7
Mideast (033)	512	1,068	2.5	0.4
Upper Midwest (030)	344	729	-0.2	-1.0
Central (032)	361	771	-2.3	1.6
Southwest (126)	325	701	0.9	3.4
Ariz.-Las Vegas (131)	101	212	3.9	0.9
Western (135)	69	147	-0.5	2.3
Pacific Northwest (124)	166	357	-0.5	-0.2
California (---)	497	1,035	-0.7	-0.4

<sup>1/</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, and represent approximately 93 percent of total fluid milk sales in the United States. <sup>2/</sup> Sales by product are for all marketing areas combined. Individual marketing area data are for total fluid milk products. Total fluid milk products include the products listed plus miscellaneous products and eggnog. <sup>3/</sup> Percent changes have been adjusted for calendar composition. <sup>4/</sup> Includes flavored whole milk. <sup>5/</sup> Includes flavored fat-reduced milk.

**SOURCE: Monthly summaries of Federal Milk Order Market Statistics, AMS, USDA, and California Dairy Information Bulletin, California Agricultural Statistics Service and Milk Stabilization Branch.**

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, NOVEMBER 2001, WITH COMPARISONS**

In November 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.25 per cwt., \$1.27 less than the figure for the previous month. On an individual reporting area basis, mailbox prices decreased in all areas except Florida, and ranged from \$18.60 in Florida to \$12.36 in Idaho. In November 2000, the Federal milk order all-market average mailbox price was \$12.41, \$1.84 lower.

Reporting Area	Mailbox Milk Price <sup>2/</sup>					
	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001
	<u>Dollars per hundredweight</u>					
Northeast Federal Milk Order	16.19	16.30	16.65	16.84	15.38	14.62
Appalachian States <sup>3/</sup>	16.41	16.74	17.12	17.45	16.20	16.06
Southeast States <sup>4/</sup>	16.82	17.20	17.73	18.06	16.79	16.36
Florida	18.36	18.56	19.48	19.79	18.55	18.60
Ohio	15.94	15.96	16.26	17.14	15.71	14.36
Michigan	15.71	15.75	16.04	16.85	15.41	14.09
Wisconsin	16.05	15.96	16.14	17.00	15.78	13.78
Minnesota	15.90	15.88	16.10	16.84	15.40	13.69
Illinois	16.08	16.05	16.19	16.97	15.89	13.79
Northern Missouri <sup>5/</sup>	15.65	15.83	16.17	17.03	15.76	13.90
Southern Missouri <sup>6/</sup>	15.77	16.16	16.45	16.99	15.59	14.87
Corn Belt States <sup>7/</sup>	15.62	15.73	15.88	16.74	15.52	13.58
Western Texas <sup>8/</sup>	15.70	15.70	16.47	16.99	15.88	14.65
New Mexico	14.77	14.91	15.36	15.77	14.43	13.44
Idaho	15.03	15.15	15.29	15.76	13.90	12.36
Utah	14.90	15.04	15.38	15.91	14.47	12.74
Northwest States <sup>9/</sup>	15.35	15.37	15.65	16.16	14.67	13.61
All Federal Order Areas <sup>10/</sup>	15.95	16.02	16.32	16.86	15.52	14.25
California <sup>11/</sup>	15.23	15.13	15.54	15.95	14.06	12.96

<sup>1/</sup> Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. <sup>2/</sup> Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. <sup>3/</sup> Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. <sup>4/</sup> Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. <sup>5/</sup> All counties to the north of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry. <sup>6/</sup> The counties listed in <sup>5/</sup> and all those to the south of these. <sup>7/</sup> Includes Iowa, Kansas, and Nebraska. <sup>8/</sup> All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. <sup>9/</sup> Includes Oregon and Washington. <sup>10/</sup> Weighted average of the information for all selected reporting areas in Federal milk orders. <sup>11/</sup> Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

**CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)**

	FOR THE WEEK OF APRIL 8 - 12, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 04/05/02	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
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-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	11,074,959	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	27,072,153	852,945	26,219,208	305,474,594	260,360,216	872,082,000	488,435,000
Fortified	-0-	-0-	-0-	-0-	26,867,069	46,391,000	37,339,000
<b>TOTAL</b>	27,072,153	852,945	26,219,208	305,474,594	287,227,285	918,473,000	525,774,000

# 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 8 - 12, 2002 =	5.8	305.2	COMPARABLE PERIOD IN 2001 =	2.9	151.6
CUMULATIVE SINCE OCTOBER 1, 2001 =	67.2	3,555.7	CUMULATIVE SAME PERIOD LAST YEAR =	165.4	3,453.0
CUMULATIVE JANUARY 1 - APRIL 12, 2002 =	50.3	2,659.8	COMPARABLE CALENDAR YEAR 2001 =	48.9	1,970.4

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

**CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 8 - 12, 2002 (POUNDS)**

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	4,000,971	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	19,215,034	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	3,003,203	-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	11,071,386	3,105,246	3.6	33.9
WEST	-0-	-0-	-0-	5,039,919	278,603,371	284,122,039	91.2	65.9
EAST	-0-	-0-	-0-	39,600	15,799,837	-0-	5.2	0.2
<b>TOTAL</b>	-0-	-0-	-0-	11,074,959	305,474,594	287,227,285	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 03/23/02 & 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	5.4	4.7	18.9	2.2	0.6	1.2	12.0	2.7	48.6	610.0	46.6	47.6
2001-Dairy	0.3	0.6	5.6	4.9	21.9	3.0	2.3	1.0	12.0	3.0	54.6	678.5	49.8	49.8
2002-All cows	0.2	0.9	7.4	13.4	28.7	14.1	16.2	3.5	14.3	5.6	104.2	1,280.7		
2001-All cows	0.3	0.8	7.5	14.2	31.0	12.8	18.6	5.2	13.4	6.0	109.7	1,361.7		

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	11.47								
II	12.69	12.28	12.19									
III	11.87	11.63	10.65									
IV	11.93	11.54	11.42									

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](http://www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm)