

2004 OFFICIAL MONTHLY AVERAGE RELEASE TIMES

<u>MONTH</u>	<u>RELEASE DAY</u>
JANUARY	MONDAY, FEBRUARY 2
FEBRUARY	MONDAY, MARCH 1
MARCH	FRIDAY, APRIL 2
APRIL	MONDAY, MAY 3
MAY	FRIDAY, JUNE 4
JUNE	FRIDAY, JULY 2
JULY	MONDAY, AUGUST 2
AUGUST	FRIDAY, SEPTEMBER 3
SEPTEMBER	FRIDAY, OCTOBER 1
OCTOBER	MONDAY, NOVEMBER 1
NOVEMBER	FRIDAY, DECEMBER 3
DECEMBER	MONDAY, JANUARY 3, 2005

Release time: 9:00 AM Central time.

Release Dates for 2004 Federal Milk Order Price Data

Listed below are the release dates for price data applicable to January through December 2004, for the Federal milk order pricing system. The advance pricing factors will be released on the Friday before the 23rd of the month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5th of the month unless this date is a Friday. Due to the Federal holiday on December 31, the release date for the December Class and Component Prices is Thursday, December 30. The release time for all release dates, except December 30, is 10:00 a.m. EST/EDST. The release time for December 30, is 2:00 p.m. EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	Dec. 19, 2003	12/6, 13	Jan. 30, 2004	1/3, 10, 17, 24
February	Jan. 23, 2004	1/10, 17	Mar. 5	1/31, 2/7, 14, 21, 28
March	Feb. 20	2/7, 14	Apr. 2	3/6, 13, 20, 27
April	Mar. 19	3/6, 13	Apr. 30	4/3, 10, 17, 24
May	Apr. 23	4/10, 17	Jun. 4	5/1, 8, 15, 22, 29
June	May 21	5/8, 15	Jul. 2	6/5, 12, 19, 26
July	Jun. 18	6/5, 12	Jul. 30	7/3, 10, 17, 24
August	Jul. 23	7/10, 17	Sept. 3	7/31, 8/7, 14, 21, 28
September	Aug. 20	8/7, 14	Oct. 1	9/4, 11, 18, 25
October	Sept. 17	9/4, 11	Nov. 5	10/2, 9, 16, 23, 30
November	Oct. 22	10/9, 16	Dec. 3	11/6, 13, 20, 27
December	Nov. 19	11/6, 13	Dec. 30	12/4, 11, 18, 25

1/ Weekly sales periods, ending on the indicated date, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/14):
BUTTER: Grade AA closed at \$1.2250. The weekly average for Grade AA is \$1.2142 (+.0234).

CHEESE: Barrels closed at \$1.2850 and blocks at \$1.3600. The weekly average for barrels is \$1.3240 (-.0680) and blocks, \$1.3945 (-.0505).

BUTTER: Butter demand remains strong from coast to coast. Most Thanksgiving orders have been placed and shipped with fill-in orders expected during the next week or so. Orders for the balance of the year are also strong as retailers and food service outlets prepare for the year-end holidays. Feature activity is noted that is stimulating buying interest at retail. Churning activity across the country is lighter as cream supplies tighten. Often, production schedules are not keeping pace with fresh butter demand, thus inventoried stocks are being used to fill orders.

CHEESE: The cheese market remains weak and prices declined again this week. Falling prices have some buyers slowing purchases though, with the holidays at hand, filling and delivering orders becomes more difficult. Barrel supplies are ample to burdensome. Most current natural supplies are about adequate. Current cheese production is about steady, slightly higher where the milk solids content has improved and lighter where additional milk volumes are diverted to butter/powder production.

FLUID MILK: Milk production is trending higher yet levels are less than anticipated and often short of demand. Significant gains in production are mostly noted in the Pacific Northwest, Southeast and California. However, milk imports into Florida persist with volumes reported heavier than the week prior. Class I demand is increasing as the Thanksgiving holiday approaches. Heavier interest in fluid milk is deterring movement of milk into some manufacturing facilities in the East. The condensed skim market is in balance to tight for the mostly contractual demand. The cream market is firm, especially as bottled cream, dips and egg nog are prepared for the holidays. Cream movement into churns is limited by the lack of cream in areas, causing producers difficulty in satisfying additional requests from end-users. Cream prices are trending higher due to increases in multiples as the reported CME AA butter average was unchanged from the week prior.

DRY PRODUCTS: NDM prices are unchanged. Production is mixed. In the East, milk supplies are tight and NDM production is reduced. In the rest of the nation, production is steady to higher in

response to seasonal increases in the milk supply and reduced milk intakes at some cheese plants. Buttermilk prices are steady to higher and supplies are tight. Some Central producers do not anticipate significant supply increases until next year. Western suppliers expect increased buttermilk availability before the year end as churn activity is heavy. Whey markets are mixed. Sales are reported at premium and discounted levels with supplies most available in the West and tight in the East. Lactose prices are unchanged. First quarter contracts are being finalized at higher prices and supplies are limited. The WPC market is mixed. While the range of prices moved lower, most prices are trending higher. Inventories are in balance to heavier.

CCC: During the week of November 10 - 14, CCC purchased 6,050,124 net pounds of nonfortified NDM from the West.

SEPTEMBER FLUID MILK SALES (DAIRY PROGRAMS & CDF): During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.1% higher than September 2002. After adjusting for calendar composition, sales in September 2003 were 1.9% lower than September 2002. On an individual product basis, after adjusting for calendar composition, sales of flavored whole milk and flavored fat-reduced milk increased from September 2002, while sales of whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier.

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES (WAOB): Dairy production and use forecasts for 2003/04 are reduced from last month as milk per cow increased more slowly than previously expected. In the face of lower milk production, fat-basis commercial use and stocks forecasts are lowered from last month. CCC fat-basis net removals are lowered and both Class III and Class IV price forecasts are raised. The all milk price is forecast to be \$12.15-\$12.85 in 2003/04.

AUGUST MAILBOX MILK PRICES (DAIRY PROGRAMS): In August 2003, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.92, \$1.20 more than the figure for the previous month. The component tests of producer milk in August 2003 were: butterfat, 3.54%; protein, 2.93%; and other solids, 5.68%. On an individual reporting area basis, mailbox prices increased in all reporting areas, and ranged from \$15.25 in Florida to \$11.25 in Northwest States. In August 2002, the Federal milk order all-area average mailbox price was \$11.18, \$1.74 lower.

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

SEPTEMBER FLUID MILK SALES (PAGE 7)

AUGUST MAILBOX MILK PRICES (PAGE 9)

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES (PAGE 8)

**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY NOVEMBER 10	TUESDAY NOVEMBER 11	WEDNESDAY NOVEMBER 12	THURSDAY NOVEMBER 13	FRIDAY NOVEMBER 14	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3925 (-.0025)	\$1.3725 (-.0200)	\$1.2850 (-.0875)	\$1.2850 (N.C.)	\$1.2850 (N.C.)	-.1100	\$1.3240 (-.0680)
40# BLOCKS	\$1.4225 (-.0075)	\$1.4200 (-.0025)	\$1.3975 (-.0225)	\$1.3725 (-.0250)	\$1.3600 (-.0125)	-.0700	\$1.3945 (-.0505)
BUTTER GRADE AA	\$1.2025 (+.0025)	----	\$1.2150 (+.0125)	----	\$1.2250 (+.0100)	+.0250	\$1.2142 (+.0234)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.8400 and Grade A price is \$.8400. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, NOVEMBER 10, 2003

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.4225; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3925
 BUTTER — SALES: 31 CARS: 1 @ \$1.2025, 2 @ \$1.2000, 2 @ \$1.1975, 12 @ \$1.2000, 1 @ \$1.1975, 2 @ \$1.2000, 1 @ \$1.1975, 7 @ \$1.2000, 1 @ \$1.2025, 1 @ \$1.2000, 1 @ \$1.2025; BIDS UNFILLED: 29 CARS: 2 @ \$1.2025, 7 @ \$1.2000, 6 @ \$1.1975, 4 @ \$1.1950, 2 @ \$1.1925, 2 @ \$1.1900, 2 @ \$1.1850, 2 @ \$1.1800, 2 @ \$1.1700; OFFERS UNCOVERED: NONE

TUESDAY, NOVEMBER 11, 2003

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$1.3800, 1 @ \$1.3725; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3925; 1 CAR 40# BLOCKS @ \$1.4200

WEDNESDAY, NOVEMBER 12, 2003

CHEESE — SALES: 1 CAR BARRELS @ \$1.3300; 3 CARS 40# BLOCKS @ \$1.4000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.2850, 2 @ \$1.3700; 3 CARS 40# BLOCKS: 1 @ \$1.3975, 1 @ \$1.4000, 1 @ \$1.4125
 BUTTER — SALES: 25 CARS: 1 @ \$1.2050, 1 @ \$1.2075, 1 @ \$1.2100, 1 @ \$1.2125, 1 @ \$1.2150, 6 @ \$1.2125, 1 @ \$1.2150, 1 @ \$1.2175, 2 @ \$1.2150, 1 @ \$1.2175, 1 @ \$1.2200, 1 @ \$1.2125, 1 @ \$1.2200, 1 @ \$1.2225, 1 @ \$1.2250, 2 @ \$1.2200, 2 @ \$1.2150; BIDS UNFILLED: 29 CARS: 5 @ \$1.2150, 2 @ \$1.2125, 5 @ \$1.2100, 3 @ \$1.2075, 5 @ \$1.2050, 5 @ \$1.2025, 4 @ \$1.2000; OFFERS UNCOVERED: NONE

THURSDAY, NOVEMBER 13, 2003

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$1.2900, 1 @ \$1.2850; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.2850, 1 @ \$1.2900, 1 @ \$1.2950; 2 CARS 40# BLOCKS: 1 @ \$1.3725, 1 @ \$1.3975

FRIDAY, NOVEMBER 14, 2003

CHEESE — SALES: 4 CARS 40# BLOCKS: 1 @ \$1.3700, 3 @ \$1.3600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.2850, 1 @ \$1.2950
 BUTTER — SALES: 4 CARS: 1 @ \$1.2200, 2 @ \$1.2225, 1 @ \$1.2250; BIDS UNFILLED: 10 CARS: 4 @ \$1.2200, 2 @ \$1.2175, 2 @ \$1.2150, 2 @ \$1.2125; OFFERS UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The cash price at the CME continues to trade in a narrow range, but through 11/10, the cash price at the CME has moved higher for three consecutive sessions. The market is firming. Production levels are lighter than desired. Cream offerings are limited by the tight supply of surplus milk and fluid cream. Fresh butter stocks are tight, but micro-fixing is still making up the difference between churning and packaged butter needs. Demand for butter remains fair to good. Contacts report that most chain store orders for Thanksgiving have been filled and they are now looking ahead to anticipated Christmas/New Years' needs. Retail features are beginning and should give sales boost. Food service orders are improving. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 7.5 cents over the CME price/average.

CENTRAL

The cash butter trading level at the CME continues to increase, much to the surprise of many producers and handlers. At mid week, the \$1.2150 cash price is \$0.2100 higher than last year at this time but not as high as the \$1.3700 price two years ago. Many indicate that fresh butter production is lighter than desired due to limited cream availability. In most instances, producers and handlers are filling orders from inventoried stocks with some reaching to the exchange to secure additional butter volumes. Butter orders are strong. Buyers are finalizing Thanksgiving orders and shipments with December orders developing very well. Many retail outlets are

preparing for good butter sales during the balance of the year stimulated by scatter feature activity. Favorable retail prices (in comparison to past years) and promotional activity is expected to clear large volumes of print butter during upcoming weeks. Food service orders are also strong as restaurant and food service outlets prepare for the holidays and holiday shoppers. Bulk butter for spot sale is limited, although when available are being reported in the 2 - 4 cents per pound range over various pricing basis.

WEST

Churning activity in the Western region is generally short of expectations for early to mid-November. Cream and milk are not as available as anticipated. More butter is coming out of storage to meet ongoing needs. Contacts are not surprised that butter prices are firming within a narrow range even in the face of sharply lower cheese prices. Orders placed for the upcoming Thanksgiving period are being rated as good to very good. Feature activity is noted that is stimulating buying interest at retail. Food service orders are improving seasonally. Weekly warehouse stocks at the CME declined by 7.6 million pounds this past week. Stocks now stand at 98.0 million pounds. This is the first time since the week of January 4 that stocks have fallen below 100 million pounds. Stocks are only a little more than 6 million pounds ahead of last year at this time. During the summer, stocks were more than 55 million pounds ahead of last year. Current prices for bulk butter range from flat market to 3 1/2 cents under the market based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEKENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
NOVEMBER 8	1.5624	1.5275	0.8106	1.1756	0.1956
	9,331,058	8,221,341	16,343,397	3,549,912	11,792,427

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 sharply lower on natural and process items. The market tone is weak and prices have moved from \$1.60 to the low \$1.40's in less than two weeks. Buyers and distributors seem to be working off inventories and limiting current orders to immediate needs. Buyers are kind of caught between decent holiday demand and falling prices. They don't want to buy too much on a falling market, but they do need to have enough on hand to meet their customers' needs. Production levels are light. The supply of surplus milk is tight in the Northeast, but cheese makers are reluctant to make too much cheese when milk prices are relatively high and cheese prices are declining. Retail demand is fair, but prices continue to hamper sales. Food service orders are improving as Thanksgiving approaches, but here too, pricing is a factor in ordering.

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

Cheddar 10# Prints	:	1.5100-2.0150
Cheddar Single Daisies	:	1.4675-1.9325
Cheddar 40# Block	:	1.5850-1.8325
Process 5# Loaf	:	1.6000-1.8000
Process 5# Sliced	:	1.6200-1.8675
Muenster	:	1.6825-1.8750
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is weak. Overall natural interest is spotty, ranging from fair to just occasionally good. However, few packagers are seeing orders and shipments at expected mid-November levels due to recent price declines and grocery store strikes with the potential for more strikes. Though most specialty holiday cheese items are already in stores and/or distribution warehouses some difficulty may occur if buyers wait until the very last minute for fill-ins. Barrel offerings remain heavy and prices discounted to try to clear extra volumes. MPC use continues to reduce the volume of cheese used by processors. Process demand remains mostly fair at best. Current cheese production is about steady. Cheese yields are seasonally good.

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

Process American 5# Loaf	:	1.5725-1.9100
Brick And/Or Muenster 5#	:	1.9900-2.1075
Cheddar 40# Block	:	1.8025-2.1150
Monterey Jack 10#	:	2.0625-2.1600
Blue 5#	:	2.2025-2.6900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7500-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.6850

**WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE
CENTERSPOUNDS -INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
		:	
11/10/03	54,057	:	126,563
11/01/03	57,527	:	128,695
CHANGE	-3,470	:	-2,132
% CHANGE	-6	:	-2

WEST

Barrel prices have declined 27.5 cents and blocks are down 20.25 cents in the last two to three weeks at the cash CME market. Contacts continue to feel that current blocks are in better shape than barrels or processing solids. Producers continue to discount offering prices for barrels and processing solids to attempt to maintain workable inventory levels. All are not successful at this point and some producers have stocks larger than desired. Block sales are rated as good and many suppliers are just maintaining their delivery schedules with little extra cheese available. Most manufacturers are monitoring their production schedules to control the amount of cheese produced as prices decline for cheese, but the milk price remains relatively high and stable in the short run. Demand for current mozzarella is improving seasonally, but contacts indicate that storage stocks of mozzarella are heavier than desired and some of it is getting quite a bit of age on it. Likewise, current Swiss sales are rated as quite good, but there remains some concern about relatively heavy stocks going into the fall season.

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

Process 5# Loaf	:	1.5400-1.8000
Cheddar 40# Block	:	1.5750-1.9250
Cheddar 10# Cuts	:	1.7550-1.9750
Monterey Jack 10#	:	1.7650-1.9250
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.4600

FOREIGN

Prices are unchanged on imported; sharply lower on domestic styles. The market tone is steady to weak. Demand for domestic types has slowed as users and distributors wait to see if prices will move any lower before reordering. Demand for imported styles is about steady. The second round of import license reallocations is now in effect for any importer to use, if they choose. In this round, licenses are still country-specific. Reports indicate that over 13 million KG of 2003 licenses were surrendered.

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

			NEW YORK	
VARIETY	:	IMPORTED	:	DOMESTIC
	:		:	
Roquefort	:	TFEWR	:	-0-
Blue	:	2.6400-3.7200	:	1.8050-3.2950*
Gorgonzola	:	3.6900-5.9400	:	2.3225-2.4900*
Parmesan (Italy)	:	TFEWR	:	3.2150-3.3050*
Romano (Italy)	:	2.1000-3.1500	:	-0-
Provolone (Italy)	:	3.4400-5.5000	:	1.8125-2.0400*
Romano (Cows Milk)	:	-0-	:	3.0025-5.1750*
Sardo Romano (Argentina)	:	2.8500-3.2900	:	-0-
Reggianito (Argentina)	:	2.6900-3.2900	:	-0-
Jarlsberg-(Brand)	:	2.7500-3.7900	:	-0-
Swiss Cuts Switzerland	:	-0-	:	2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	:	-0-
Swiss Cuts Austrian	:	TFEWR	:	-0-
Edam	:		:	
2 Pound	:	TFEWR	:	-0-
4 Pound	:	2.1900-3.2500	:	-0-
Gouda, Large	:	TFEWR	:	-0-
Gouda, Baby (\$/Dozen)	:		:	
10 Ounce	:	27.8000-31.7000	:	-0-

* = Price change.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	136	0	95	0	130	0
SOUTHEAST STATES	0	0	0	0	0	0

EDITOR'S NOTE: Due to changes in milk supply agreements, milk import/export totals are not directly comparable to year ago figures and to shipments prior to April 1, 2003.

Milk production ranges from steady to slightly heavier. Most of the gains in the milk flow have been reported in the Southeast with most states showing slight increases. In the Middle Atlantic and Northeast, milk output is about steady and typical for November. Fluid milk supplies are tight, occasionally short of needs. Bottlers that were affected by the recent strike are getting back to more normal operations, but most of the stores that were affected in the East are reportedly back to work. Florida's need for milk did increase this week as their local milk production did dip over the weekend and demand increased. Contacts report that milk buyers are looking ahead and placing orders for Thanksgiving needs. Bottlers in all sections of the East expect improved demand next week. This would be typical for this time of year. Contacts also report a very tight supply situation for surplus milk. Demand is good and premiums are being paid for any spot loads that are available. Manufacturers are reducing plant schedules as milk supplies dwindle. Some cheese makers who typically have regional and national promotions to supply are aggressively looking for more milk. The condensed skim market is little changed. Supplies remain tight. Contracts are clearing most of the available supply. The fluid cream market is very firm. Offerings are tight at all levels of the market. It seems that "everyone" wants more cream. Some suppliers do not have enough milk coming into their plants to fill their cream needs. They are finding it more difficult and expensive to buy supplemental loads to meet all their needs. In instances, customers have been shorted a load or two and they then have to go out on the spot market looking for cream. Spot prices are steady to higher. The CME weekly average for AA held steady but multiples did often move higher, particularly at the upper end of the range. Production of holiday items like bottled cream, dips, egg nog, half & half, etc. are all on the rise, which only adds to the firm market. Ice cream production is holding relatively steady despite the time of year. Churning activity is limited and many butter makers would like more cream.

to butter/cream/powder, or at least not being hauled as far for cheese production. Current milk intakes seem little changed on a week to week basis. Between additional sellouts, herd culling, high grain prices, and tight hay/haylage supplies, many in the industry in parts of the Central region are not expecting a strong rebound in milk production. Occasional light rain, snow, and mixed precipitation continue to help rebuild depleted soil moisture levels. Late season tillage and harvest operations continue.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 6 - 12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 47.00- 54.00	\$ 29.00- 37.00
REPLACEMENT HEIFER CALVES	\$350.00-500.00	\$250.00-430.00

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

	NOV 6 - 12	PREVIOUS YEAR
SLAUGHTER COWS	\$ 48.00- 55.50	\$ 32.00- 38.50

WEST

The December 2003 Class 1 prices in CALIFORNIA range from \$15.11 in the north to \$15.39 in the south. The statewide average Class 1 price based on production is \$15.17. The average is \$1.09 lower than November 2003 but \$2.79 higher than December 2002. CALIFORNIA milk supplies are higher than last week across most areas of the south and Central Valley. The weather conditions have been mild and more conducive for milk gains. A mid week storm dumped several inches of rain in the Los Angeles area but any impact on dairies has not been reported yet. There were some problems placing milk at plants this week with unscheduled downtime compounding scheduled downtime. Fluid milk needs remain mixed as bottlers continually adjust schedules where orders are affected by strikes at grocery stores. Solids levels on incoming milk are improving seasonally. In the northern milk producing areas, milk output is rebounding slower than expected and supplies are often lower than last year. Milk supplies in ARIZONA are holding mostly steady. The effects of rains in the state are not being seen at the processor level. Some declines are expected, but that depends on the amount and duration of the rains. Plants are running as scheduled. NEW MEXICO milk production levels are moving higher on a week to week basis across most areas. The temperatures have been more comfortable for cows and milk is responding. Processing plants are taking scheduled milk supplies. Milk is moving to regular buyers outside of the state. The growing season for hay has mostly drawn to a close across the state. Hay prices are holding steady. Butter prices advance to \$1.2150 on 11/12, up \$.0275 from last Wednesday. Western CREAM availability is very tight this week, most noticeably on the spot market. Offerings are limited as producers of butter and holiday cream-based items have increased demand for their products. Western cream multiples are higher and range from 115 to 129, FOB, depending on class usage and basing point. Conditions are seasonal in the PACIFIC NORTHWEST. Milk supplies are increasing at a slightly faster rate. Protein levels are increasing at a faster pace than fat tests. Manufacturing plants are indicating that they are not getting the milk that they had anticipated for this time in the fall season. High protein prices are causing some producers to shift rations to rely more on hay supplies. Hay quality is somewhat questionable this year necessitating more searching for and testing of hay supplies. Overall hay stocks should be sufficient for needs this winter, but specific quality types may be in short supply. Culling rates continue to be strong as cull cow prices remain firm. Producers looking for replacement heifers are somewhat discouraged at the prices that they are finding. A monthly sale held in Washington last week indicated that prices for good quality heifers were \$1-200 higher and averaging in the \$1600-1875 range. Milk supplies remain relatively tight in UTAH and IDAHO. Some manufacturing plants continue to purchase outside supplies of milk to supplement their own receipts. They are noting that tests on milk receipts are finally moving higher. Conditions remain extremely dry in the region. More concern is being expressed about next year's crop potential. Hay supplies look good through the winter with movement spotty from week to week. A major weekly heifer sale in Idaho reported that the average sale price for heifers was around \$1565.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.5480-1.8457
DELIVERED EQUIVALENT ATLANTA	-	1.6076-1.8457 M 1.6909-1.7386
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.6433-1.7148

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8700- .9300
NORTHEAST- CLASS III - SPOT PRICES	- 1.2000-1.3000

MIDWEST

Class I use was generally stronger around midweek with bottlers taking additional volumes. The threat of expanded grocery store strikes in some Central region markets has bottlers and handlers planning contingencies and other uses for the milk. Milk shipments continue into the Southeast from regular suppliers in the region. Manufacturing milk interest remains fairly light and sellers continue to find spot sales difficult to make. Pressure continues on spot premiums due to the weak cheese market. Reported spot prices on manufacturing milk premiums range from \$1.25-1.75 over class, fob. Cheese manufacturers have minimal problems in providing supplemental milk to bottlers if needed. Cream demand is very strong and supplies are limited. Ice cream interest as well as high fat holiday item production has picked up seasonally. Some additional milk supplies are being diverted from cheese over

NDM, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices remain unchanged on a steady market. Milk supplies are less than anticipated for this time of year, deterring significant production of NDM in the Central region. Strong interest in fluid milk from bottlers for the Thanksgiving holiday is also reducing milk intakes at some locations. However, due to reductions in CME cheese prices, some plants are diverting milk away from cheese and into dryers with heavier volumes of NDM anticipated before the end of the month. Resale CCC NDM is reportedly available in the mid 70's in the Central region. High heat demand is good with movement occurring predominantly on a contractual basis.

EAST: The market is little changed from past weeks. Prices are unchanged and the market tone remains firm. Drying schedules have been reduced because of the continued tight supply of surplus milk, better than anticipated skim milk demand, and good contract sales for condensed skim. Nonfat dry milk stocks at the producer level are very tight. Some producers are finding it more difficult to meet contract shipping schedules, particularly high heat. Contacts report that most spot sales are resold NDM obtained via the various government exchange programs. Demand for NDM remains good, but with cheese prices dropping, many cheese makers are cutting back on NDM use.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .8300 - .8800 MOSTLY: .8425 - .8600
 HIGHHEAT: .8650 - .9450

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are holding mostly steady. The market undertone is consistent with past weeks. Production levels are trending slightly higher. Milk supplies are moving seasonally higher in many areas of the region. There is no clear consensus about the continued use of NDM and condensed in cheese production, following the declines in cheese prices. Some contacts expected usage to drop, but the extent so far is limited. Current NDM production is moving to established contracts, DEIP and government orders. The spot market is not fully tested as supplies remain at seasonally low levels. During the week of November 3 - 7, CCC net purchases totaled 4.4 million pounds of NDM from the West. Western high heat prices have not changed in recent weeks. Current production levels have moved slightly higher to build stocks for upcoming needs. Stock levels are most often light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .8000 - .8825 MOSTLY: .8000 - .8150
 HIGHHEAT: .8350 - .8500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 7	\$.8059	9,338,611	1,522,152
October 31	\$.8087	11,090,429	1,953,273

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 higher and nominal on a firm market. Churn activity is mostly unchanged, encouraging a steady flow of condensed buttermilk. Class II condensed buttermilk interest is seasonally declining. As a result, more dry buttermilk is being produced. However, supplies of dry buttermilk remain insufficient to satisfy seasonal demand. Some plants do not anticipate significant spot load availability until next year. For Report 46 in 2002, prices were .8150 - .8600.

F.O.B. CENTRAL: .9350 - 1.0200

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are higher and nominal. The market tone is firm, but spot trading is limited. Some producers are having more difficulty meeting contract shipping schedules because of the low churning activity. Also, sales of condensed buttermilk remain fairly good, further reducing drying schedules. Producers have little or no powder on hand to offer. Some off-grade is occasionally reported traded below the average, but this too, depending on quality, clears rather quickly.

F.O.B. NORTHEAST: .8325 - .8500
 DELVDSOUTHEAST: .8800 - .9000

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West are unchanged in limited spot trading. The market tone is steady to firm. Producers are finding it difficult to meet contract orders and have little extra buttermilk to sell on the spot market. Many are "juggling" orders to satisfy both contract and spot customers. While prices in the Central market moved higher last week, offering prices in the West are not yet moving higher. Western producers won't short customers to test for higher prices and they don't expect the tight supplies to last much longer as butter production remains high in the region.

F.O.B. WEST: .8500 - .8800 MOSTLY: .8500 - .8600

DRY WHOLE MILK - NATIONAL

Prices are unchanged and nominal. The market tone is steady. Spot trading activity remains limited. There have been a few reports of powder with several months age on it is being offered at prices slightly below the average. Current output is light in most parts of the country. For the most part, holiday needs have been filled.

F.O.B. PRODUCING PLANT: 1.0650 - 1.2000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2003 TO DATE
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 22,733 MT (50,117,171 LBS)

Allocations for the DEIP year beginning July 1, 2003, were announced on August 15 and total 68,201 MT of NDM, 3,030 MT of cheese, and 21,097 MT of butterfat. (These totals are unchanged from last year's program.) This program-year's allocations are again being announced in stages. Stage one allocations are:
 NDM -- 22,733 MT, butterfat -- 7,032 MT, and cheese -- 1,010 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 higher on a mostly steady market. Supplies are mixed. Some producers are reporting limited supplies while others have loads to clear and are offering either at the average or at standard premiums. Traders report light sales activity. Production is unchanged to lower as some plants divert milk away from cheese and into butter/powder plants. Price trends for the remainder of the year are uncertain. For Report 46 in 2002, mostly prices were .2050 - .2200.

F.O.B. CENTRAL: .1975 - .2125 MOSTLY: .1975 - .2025

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly steady. The Northeastern prices are nominal as there is little spot trading being reported at the producer level. The market tone is firm in the East. Eastern cheese and dry whey output are lagging expectations, which are causing tight whey supplies. Most cheese makers have reduced production schedules. In order to meet orders, some cheese makers are aggressively looking for more milk. Stocks of dry whey are often short of needs at the producing plants. Some producers are basically out of the market until they get caught up, while those that are taking orders, are doing so with delivery times often scheduled for early next year. Traders with inventories are taking care of their regular accounts.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2025 - .2200
DELVD SOUTHEAST: .2225 - .2475

DRY WHEY - WEST

Prices for Western whey powder are mixed. The price range held steady, but the mostly price series moved both higher and lower. The market diverged this week with some sellers raising prices on good sales activity while others lowered prices to keep powder moving. The volume of sales increased on both ends of the market this week. Domestic buying interest seems to be increasing while export sales activity may be slowing. Contacts indicate that importers may have stocked up over the last six weeks and don't need as much powder at this time. Another issue is that the Chinese New Year will occur earlier than average so that buyers are taking that into account when making purchasing decisions. Domestic sales activity is steady to improved. Production levels are both increasing and decreasing based on available milk supplies and production schedule choices for cheese plants.

NONHYGROSCOPIC: .1700 - .2150 MOSTLY: .1850 - .2050

ANIMAL FEED WHEY - CENTRAL

Prices remain unchanged and nominal on a steady market. Supplies are limited with traders reporting that there is "nothing out there." Demand is slow to fair. Early weaned pig prices are trending steady while veal prices are lower. For Report 46 in 2002, prices were .1800 - .2125.

F.O.B. CENTRAL:
MILK REPLACER: .1800 - .1875

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices and the market tone are mixed. Supplies of WPC 34% are tight. Movement is mostly contractual with a few spot loads clearing into export and domestic markets at higher prices. Production is generally reported as steady yet stocks, particularly in the West, are increasing. More price resistance is noted as the market continues to firm. Supplies of WPC 80% are less commonly reported as a substitute to WPC 34%, suggesting that either stocks of WPC 80% are in better balance or the demand for WPC 80% from WPC 34% buyers is saturated. Off grade supplies are available, predominantly in the WPC 80% product, for the light to fair demand. For Report 46 in 2002, mostly prices were .4950 - .5100.

F.O.B. EXTRA GRADE 34% PROTEIN: .5200 - .5675 MOSTLY: .5425 - .5525

LACTOSE - CENTRAL AND WEST

Prices remain unchanged on a firm market. Spot trade activity continues light due to limited supplies. Comments at the ADPI seminar on European lactose applications, held in Atlanta November 11-12, suggest that supplies will continue tight into 2004. Although production is trending higher, use of lactose for confections domestically and abroad is increasing in addition to continued use of lactose in infant formula and NDM standardization. Some producers continue to negotiate prices for first quarter. Some finalized contracts for first quarter are trending about 1 cent higher. Some buyers are concerned that they may not be able to afford lactose in 2004. Current production is mostly steady. For Report 46 in 2002, mostly prices were .1550 - .1750.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1950 - .2650 MOSTLY: .2050 - .2200

CASEIN - NATIONAL

Casein markets and prices remain firm. For the most part, domestic buyers are getting their contracted volumes, although spot needs are difficult to find. Most suppliers indicate that they will be able to fill contracted needs during upcoming weeks, but also state that they have limited volumes, if any at all, available for additional or new buyer interest. Many domestic buyers are curious about the outcome of the current sale of CCC owned skim milk powder for the production of casein/caseinates which are due late this week. Most feel that powder will probably continue to be sold for this purpose, but still indicate that they do not anticipate a significant U.S. casein production industry to develop under this program.

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

RENNET: 2.1000 - 2.2000
ACID: 2.0500 - 2.2500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels remain light as surplus milk supplies in most parts of the country are tight. Producer stocks are being reduced along seasonal patterns. Thanksgiving needs have, for the most part, been shipped. Retail features are in full swing and consumption is seasonally good. The Kansas City Commodity office announced the issuance of EVD-1, invitation 780 inviting competitive offers to sell to CCC 6,646,320 pounds of evaporated milk for delivery January - March 2004. Offers are due by 9:00 a.m. CDT, November 17, 2003.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

SEPTEMBER FLUID MILK SALES

During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.1 percent higher than September 2002. After adjusting for calendar composition, sales in September 2003 were 1.9 percent lower than September 2002. On an individual product basis, after adjusting for calendar composition, sales of flavored whole milk and flavored fat-reduced milk increased from September 2002, while sales of whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/dyfmoms/mib/in-areasales.htm>

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
SEPTEMBER 2003, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,485	13,631	-0.1	-0.8
Flavored Whole Milk	90	762	5.9	-0.1
Reduced Fat Milk (2%)	1,459	13,086	1.5	0.3
Low Fat Milk (1%)	525	4,677	-1.9	-0.9
Fat-Free Milk (Skim)	648	5,897	-1.8	-2.8
Flavored Fat-Reduced Milk	341	2,326	12.0	6.9
Buttermilk	45	413	-0.2	-4.7
Total Fluid Milk Products 3/	4,606	40,890	1.1	-0.2
Total Fluid Milk Products Adjusted 3/ 4/	4,545	40,886	-1.9	-0.3

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 93 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 7 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, SEPTEMBER 2003, WITH COMPARISONS 1/

Area (Order Number)	Sales		Change from: 2/	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	801	7,124	0.6	-1.3
Appalachian (005)	300	2,580	6.3	0.6
Southeast (007)	400	3,592	-1.1	-1.2
Florida (006)	234	2,152	3.6	0.8
Mideast (033)	525	4,703	-0.5	-0.8
Upper Midwest (030)	370	3,235	1.9	-0.3
Central (032)	394	3,458	2.1	0.6
Southwest (126)	353	3,117	1.4	0.2
Arizona-Las Vegas (131)	108	969	5.3	2.8
Western (135)	74	650	0.3	-2.2
Pacific Northwest (124)	178	1,604	-0.6	-0.2
California (---)	547	4,841	-0.6	0.4

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 4/ above.

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

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES*

Dairy production and use forecasts for 2003/04 are reduced from last month as milk per cow increases more slowly than previously expected. In the face of lower milk production, fat-basis commercial use and stocks forecasts are lowered from last month. CCC fat-basis net removals are lowered and both Class III and Class IV price forecasts are raised. The all milk price is forecast to be \$12.15-\$12.85 in 2003/04.

Item	2001/02 <u>1/</u>	2002/03 Projection <u>1/</u>		2003/04 Projection <u>1/</u>		
		October	November	October	November	
BILLION POUNDS						
SUPPLY						
BEGINNING COMMERCIAL STOCKS <u>2/</u>	8.8	11.2	11.2	11.5	11.0	
PRODUCTION	169.2	170.0	169.9	171.9	171.4	
FARM USE	1.2	1.1	1.1	1.0	1.0	
MARKETINGS	168.0	169.0	168.8	170.9	170.4	
IMPORTS <u>2/</u>	5.2	5.1	4.9	5.1	4.9	
TOTAL COMMERCIAL SUPPLY <u>2/</u>	182.0	185.3	185.0	187.5	186.3	
USE						
COMMERCIAL USE <u>2/ 3/</u>	170.5	172.6	172.7	177.1	176.7	
ENDING COMMERCIAL STOCKS <u>2/</u>	11.2	11.5	11.0	9.7	9.1	
CCC NET REMOVALS:						
MILKFAT BASIS <u>4/</u>	0.3	1.2	1.2	0.7	0.5	
SKIM SOLIDS BASIS <u>4/</u>	9.6	8.6	9.2	6.1	6.1	
DOLLARS PER CWT.						
MILK PRICES <u>5/</u>						
CLASS III <u>6/</u>	11.03	10.63	10.63	10.75-11.55	10.95-11.65	
CLASS IV <u>6/</u>	11.22	10.05	10.05	9.60-10.60	9.70-10.60	
ALL MILK <u>7/</u>	12.74	11.87	11.90	11.95-12.75	12.15-12.85	
MILLION POUNDS						
CCC PRODUCT NET REMOVALS <u>4/</u>						
BUTTER	0	29	29	20	15	
CHEESE	9	47	47	15	10	
NONFAT DRY MILK	817	697	751	515	515	
DRY WHOLE MILK	0	0	0	0	0	
		QUARTERLY <u>8/</u>			ANNUAL <u>8/</u>	
		2003 IV	2004 I	2004 II	2003	2004
BILLION POUNDS						
MILK PRODUCTION	41.7	43.5	44.3	170.1	171.7	
DOLLARS PER CWT.						
ALL MILK PRICE <u>5/ 7/</u>	14.30-14.60	12.10-12.70	10.90-11.80	12.45-12.55	11.70-12.60	
CLASS III PRICE <u>5/ 6/</u>	13.00-13.30	10.55-11.15	9.85-10.75	11.35-11.45	10.50-11.40	
CLASS IV PRICE <u>5/ 6/</u>	9.95-10.35	9.65-10.35	9.50-10.50	9.85-10.05	9.80-10.80	

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/ Federal milk order minimum prices. 7/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 8/ 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-404, World Agricultural Outlook Board, USDA, November 12, 2003.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, AUGUST 2003

In August 2003, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.92 per cwt., \$1.20 more than the figure for the previous month. The component tests of producer milk in August 2003 were: butterfat, 3.54%; protein, 2.93%; and other solids, 5.68%. On an individual reporting area basis, mailbox prices increased in all reporting areas, and ranged from \$15.25 in Florida to \$11.25 in Northwest States. In August 2002, the Federal milk order all-area average mailbox price was \$11.18, \$1.74 lower.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	August 2002	July 2003	August 2003
	Dollars per hundredweight		
Northeast Federal Milk Order	11.25	11.63	12.87
Appalachian States <u>3/</u>	12.29	11.90	12.92
Southeast States <u>4/</u>	13.17	12.72	13.88
Southern Missouri <u>5/</u>	11.73	11.30	12.41
Florida	15.58	14.42	15.25
Ohio	11.06	11.47	12.38
Michigan	10.87	11.29*	12.21
Wisconsin	10.98	12.26	13.98
Minnesota	10.90	12.61*	14.32
Iowa	10.79	12.03*	13.54
Illinois	10.83	11.61*	13.01
Corn Belt States <u>6/</u>	10.95*	11.22	11.90
Western Texas <u>7/</u>	11.38	11.48	12.36
New Mexico	10.44	10.57	11.25
Idaho	10.24	11.63*	12.57
Utah	9.85	10.63	11.43
Northwest States <u>8/</u>	10.87	10.56	11.25
All Federal Order Areas <u>9/</u>	11.18	11.72*	12.92
California <u>10/</u>	10.35	11.53	NA

*= Revised.

NA= Not available.

1/ 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. 2/ 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. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ 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 NOVEMBER 10 - 14, 2003			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/03	SAME PERIOD LAST YEAR	WEEK ENDING 11/07/03	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	831,600	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	831,600	-0-	-0-
NONFAT DRY MILK							
Nonfortified	6,050,124	-0-	6,050,124	35,303,539	49,141,136	899,824,000	1,062,068,000
Fortified	-0-	-0-	-0-	-119,048	-0-	46,391,000	46,391,000
TOTAL	6,050,124	-0-	6,050,124	35,184,491	49,141,136	946,215,000	1,108,459,000

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 10 - 14, 2003 =	1.3	70.4	COMPARABLE PERIOD IN 2002 =	6.7	239.3
CUMULATIVE SINCE OCTOBER 1, 2003 =	7.7	409.5	CUMULATIVE SAME PERIOD LAST YEAR =	18.5	580.2
CUMULATIVE JAN. 1 - NOV. 14, 2003 =	699.8	6,822.3	COMPARABLE CALENDAR YEAR 2002 =	213.1	7,359.9

* 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 NOVEMBER 10 - 14, 2003 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,050,124	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/03 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
CENTRAL	-0-	-0-	-0-	831,600	-0-	262,328	-0-	41.8
WEST	-0-	-0-	-0-	-0-	35,184,491	48,878,808	100.0	58.2
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	831,600	35,184,491	49,141,136	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

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

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850
CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289
NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 10/25/03 & Comparable Week 2002

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2003-Dairy	0.2	0.9	8.8	5.8	24.7	2.7	0.4	1.1	16.8	3.0	64.4	2,346.5	48.3	47.9
2002-Dairy	0.2	0.9	7.2	5.3	20.1	2.5	0.6	0.9	14.0	2.4	54.1	2,108.2	43.9	46.0
2003-All cows	0.2	1.1	11.6	14.0	36.9	19.7	19.1	3.5	19.2	8.0	133.4	4,896.1		
2002-All cows	0.2	1.1	9.9	14.1	31.4	15.7	19.4	4.3	17.2	10.0	123.2	4,580.4		

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

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74

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

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	10.56	10.23	9.81	9.64	9.71	9.74	9.77	10.97	13.71	14.27	14.37	
II	11.29	10.66	10.54	10.44	10.43	10.46	10.63	10.81	10.76	10.84		
III	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39		
IV	10.07	9.81	9.79	9.73	9.74	9.76	9.95	10.14	10.05	10.16		

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