

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (02/06):**

**BUTTER:** Grade AA closed at \$1.6400. The weekly average for Grade AA is \$1.5958 (+.0758).

**CHEESE:** Barrels closed at \$1.3050 and blocks at \$1.3400. The weekly average for barrels is \$1.2890 (+.0340) and blocks, \$1.3350 (+.0205).

**BUTTER:** Butter prices remain firm. Since January 1, cash butter prices have increased more than 35 cents a pound. The current cash price compares to \$1.0475 last year at this time, \$1.2000 in early February 2002, and has not been this high since the fall of 2001. Cream supplies are available for churning needs, although some indicate that volumes are lighter than last year. Often, pricing multiples have eased, but the base price continues to increase which is causing cream prices to be higher than butter producers desire for this time of the year. Current churning activity is keeping pace with demand and surplus butter is clearing to inventory. Weekly CME butter stocks increased by 5.4 million pounds for the most current week. They now stand at 83.7 million pounds, down 33% or 41 million pounds from last year at this time. Butter demand is fair. Many buyers remain cautious about their butter orders. Some are retuning to the market to offset further price strength, while others continue to place only near term orders in hopes of weaker prices.

**CHEESE:** The cheese market is firm. The general industry perception of lower milk and cheese production in 2004, tighter supplies, and higher prices has stimulated some buyers into building inventory for current and later use. Current demand exceeds the available offerings of cheddar and related American types. Process interest is steady to slightly improved. Good Class I movement is also reducing milk supplies available for manufacture in some areas. Cheese yields are steady to lower seasonally. Estimated U.S. 2003 cheddar cheese production totals 2.766 billion pounds, down 74.3 million pounds (-2.6%) from 2002. Mozzarella output in 2003 totaled 2.839 billion pounds, an increase of 25.1 million pounds (0.9%) from a year earlier. Total cheese output in 2003 amounted to 8.628 billion pounds, up 29.0 million pounds (0.3%) from 2002. For cheddar, the cheese traded on the Chicago Mercantile Exchange, the 2003 production reduction equates to a weekly average decrease of 35.7 (40,000 pound) truckloads

**FLUID MILK:** Milk production is increasing a little faster in Florida and some Gulf Coast States; steady to slightly higher in the rest of the U.S. Fluid milk demand is good from both Class II and manufacturing plants. Bottled milk sales are mixed, mostly good. Recent winter storms did cause some panic buying across the northern two-thirds of the country. This tends to cause Grade A milk sales to bounce around as bottlers order heavy to fill needs and then cancel milk when orders slow. Surplus milk supplies

are tight east of the Rockies. More contacts are concerned about long and short term availability and prices of milk, cream and condensed skim. According to many contacts, there are few signals to indicate anything but tighter supplies and higher prices this year. The fluid cream market is firming. Offerings are not as long and prices, following the CME butter market, are sharply higher.

**DRY PRODUCTS:** The NDM market is mostly steady. Production levels are lower in many parts of the country and producer stocks are lighter than expected for this time of year. With this in mind, sales to CCC continue from all regions of the country. Demand for current production is about steady. There continues to be NDM from government exchange programs available at or below the low end of the current price range. The dry whey market remains weak and prices are generally lower. Demand is fair to good, but most buyers continue to shop for the lowest prices. However, more buyers are getting back into the market as prices approach what they feel may be the bottom of this particular price cycle. The WPC market remains weak and prices are lower. Demand is seldom better than fair with best movement to contract buyers. Stocks are accumulating at many operations. The lactose market is steady and prices are unchanged.

**CCC:** During the week of February 2 - 6, CCC purchased 6,304,902 pounds of NDM; 5,640,890 pounds from the West, 132,153 pounds of Central, and 531,859 pounds from the East.

**JANUARY AGRICULTURAL PRICES HIGHLIGHTS (NASS):**

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2004 was unchanged at 130. Compared with January 2003, the index was up 4 points (3.2%). The index of prices received by farmers for dairy products declined 5 points during the month of January 2004 to 100. Compared with January 2003, the index was up 10 points (11.1%). Prices received by farmers in January 2004 with changes from December 2003 were: for all milk, \$13.10, down \$.60; for fluid grade milk, \$13.10, down \$.70; and for manufacturing grade milk, \$12.50, down \$.20.

**DECEMBER 2003 DAIRY PRODUCTS HIGHLIGHTS (NASS):**

Butter production was 114.4 million pounds in December, 10.4% below December 2002 but 30.0% above November 2003. American type cheese production totaled 318.8 million pounds, 0.4% above last December and 8.8% above last month. Total cheese output (excluding cottage cheese) was 753.1 million pounds, 0.8% above December 2002 and 6.0% above November 2003. Nonfat dry milk production, for human food, totaled 132.2 million pounds, 0.2% below December 2002 but 27.8% above November 2003. Dry whey production, for human food, was 79.9 million pounds, 13.2% below December 2002 but 8.1% above November 2003.

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

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

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

PRODUCT	MONDAY FEBRUARY 2	TUESDAY FEBRUARY 3	WEDNESDAY FEBRUARY 4	THURSDAY FEBRUARY 5	FRIDAY FEBRUARY 6	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2725 (+.0175)	\$1.2825 (+.0100)	\$1.2900 (+.0075)	\$1.2950 (+.0050)	\$1.3050 (+.0100)	(+.0500)	\$1.2890 (+.0340)
40# BLOCKS	\$1.3300 (+.0050)	\$1.3325 (+.0025)	\$1.3350 (+.0025)	\$1.3375 (+.0025)	\$1.3400 (+.0025)	(+.0150)	\$1.3350 (+.0205)
BUTTER GRADE AA	\$1.5575 (+.0075)	----	\$1.5900 (+.0325)	----	\$1.6400 (+.0500)	(+.0900)	\$1.5958 (+.0758)

\*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.) NOTE: The CME is closed 2/16/04 in observance of President's Day.

CHICAGO MERCANTILE EXCHANGE

MONDAY, FEBRUARY 2, 2004

CHEESE — SALES: 3 CARS BARRELS: 2 @ \$1.2550, 1 @ \$1.2750; 3 CARS 40# BLOCKS: 2 @ \$1.3275, 1 @ \$1.3300; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2550; 2 CARS 40# BLOCKS: 1 @ \$1.3275, 1 @ \$1.3250; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2725  
 BUTTER — SALES: 8 CARS GRADE AA: 4 @ \$1.5525, 2 @ \$1.5550, 1 @ \$1.5600, 1 @ \$1.5575; BIDS UNFILLED: 6 CARS GRADE AA: 2 @ \$1.5550, 2 @ \$1.5525, 2 @ \$1.5500; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.5700, 1 @ \$1.5750, 1 @ \$1.5800, 1 @ \$1.5900, 1 @ \$1.6000

TUESDAY, FEBRUARY 3, 2004

CHEESE — SALES: 3 CARS 40# BLOCKS @ \$1.3325; BIDS UNFILLED: 4 CARS BARRELS: 1 @ \$1.2825, 1 @ \$1.2600, 1 @ \$1.2575, 1 @ \$1.2550; 2 CARS 40# BLOCKS: 1 @ \$1.3325, 1 @ \$1.3300; OFFERS UNCOVERED: NONE

WEDNESDAY, FEBRUARY 4, 2004

CHEESE — SALES: 1 CAR BARRELS @ \$1.2800; BIDS UNFILLED: 4 CARS BARRELS: 1 @ \$1.2900, 1 @ \$1.2725, 1 @ \$1.2700, 1 @ \$1.2600; 2 CARS 40# BLOCKS @ \$1.3350; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 6 CARS GRADE AA: 2 @ \$1.5650, 1 @ \$1.5700, 1 @ \$1.5800, 1 @ \$1.5850, 1 @ \$1.5900; BIDS UNFILLED: 12 CARS GRADE AA: 1 @ \$1.5875, 2 @ \$1.5850, 2 @ \$1.5800, 2 @ \$1.5650, 2 @ \$1.5600, 1 @ \$1.5575, 2 @ \$1.5500; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.6000

THURSDAY, FEBRUARY 5, 2004

CHEESE — SALES: NONE; BIDS UNFILLED: 4 CARS BARRELS: 1 @ \$1.2950, 1 @ \$1.2800, 1 @ \$1.2775, 1 @ \$1.2750; 1 CAR 40# BLOCKS @ \$1.3375; OFFERS UNCOVERED: NONE

FRIDAY, FEBRUARY 6, 2004

CHEESE — SALES: 1 CAR BARRELS @ \$1.3050; 1 CAR 40# BLOCKS @ \$1.3400; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3400; OFFERS UNCOVERED: NONE  
 BUTTER — SALES: 6 CARS GRADE AA: 1 @ \$1.6050, 2 @ \$1.6250, 1 @ \$1.6325, 2 @ \$1.6350; BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.6400, 2 @ \$1.6325, 2 @ \$1.6250, 1 @ \$1.6050, 1 @ \$1.6025, 3 @ \$1.5900; OFFERS UNCOVERED: NONE

BUTTER MARKETS

DECEMBER BUTTER PRODUCTION

During December 2003, butter production in the United States totaled 114.4 million pounds, 10.4% less than December 2002 but 30.0% more than November 2003. The following are December to December changes for various states: CA-5.4%, NY -22.8%, PA -18.6%, and WI -18.8%.

NORTHEAST

The market tone remains firm. Through Monday (2/2), the CME cash price for butter has increased for 6 consecutive sessions. Churning activity has been moderate in the Northeast where milk supplies are tight and demand for Class II cream is improving. However, reports from Midwest contacts state that cream supplies moving to butter producers are heavy. Demand for packaged butter is steady to slower, while interest in bulk is holding up quite well. Some users/printers are still buying bulk to have on hand later in the year. With milk and cream expected to remain tight for most of the year, packagers do not want to get caught with too little butter on hand. However, there are some in the market that think that the current price can't or won't hold at these levels too much longer. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 4.5 cents over the CME price/average.

CENTRAL

The butter market tone remains firm as the cash price at the CME continues to increase. Many producers, handlers, and buyers are questioning where is this market headed price wise and what is ahead in 2004. More are taking the stand that supplies will be tight. Cream supplies are available to local butter operations although many indicate that cream volumes are lighter than last year at this time. Often pricing multiples have eased, but the base price continues to increase which is causing cream prices to be higher than butter producers

desire for this time of the year. Current churning activity is often keeping pace with demand. In instances, surplus butter is clearing to inventory, although some producers are microfixing bulk butter for current and future print needs. Buying interest is fair to good as buyers return to the market before further price increases. Retail orders are basically for fill-in needs, although some are looking ahead to the Easter/Passover holiday. Bulk butter for spot sale is being reported in the flat - 2 cents per pound range over various pricing basis.

WEST

Western contacts continue to marvel at the strength posted by the CME cash butter market. Since the first part of January, prices have increased by more than 31 cents. Cream is available for churning, but offerings are not burdensome. Some milk may be moving from cheese production to butter/powder output, but this is not expected to upset any balance in the region. Demand for bulk and print butter is certainly good for this time of year, but not unduly so. Contacts wonder if these high early season prices are sustainable. Butter futures prices for the fall months are at about \$1.69. Indications from foreign butter producers are that stocks available for international trade are limited at this time and are not expected to improve much as the year moves on. Weekly CME butter stocks increase by 5.4 million pounds for the most current week. They now stand at 83.7 million pounds, down 33% or 41 million pounds from last year at this time. December U.S. butter production totals 114.4 million pounds, down 10.4% from last year. Butter production for 2003 totals 1.24 billion pounds, down 8.5% or 115.6 million pounds from 2002. Production of butter in the Western region in December compared to last year is down 2.3%. Current prices for bulk butter range from flat market to 3 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
JANUARY 31	1,3009	1,2630	0.8023	1,4648	0.1709
	8,835,226	9,977,206	32,136,537	3,487,329	13,440,640

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 unchanged to higher and the market tone is not as firm as it has been. With the Super Bowl and the NFL season behind us, cheese and pizza consumption may slow. Orders are expected to reflect this historic trend in the coming week. Cheese production in the Northeast is often lighter and surplus milk supplies remain tight. Some cheese makers choose to limit output to 4-5 days per week, while others do not have enough milk to operate more than that. Cheese stocks are adequate to meet current needs.

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

Cheddar 10# Prints	:	1.3825-1.8875
Cheddar Single Daisies	:	1.3400-1.8050
Cheddar 40# Block	:	1.4550-1.7050
Process 5# Loaf	:	1.4650-1.6650
Process 5# Sliced	:	1.4850-1.7225
Muenster	:	1.5550-1.7475
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is firm. The general trade expectation is for tight milk supplies and higher prices later in the year. Many cheese buyers and/or packagers are trying to build extra inventory, not always successfully. Aging programs are also being rebuilt. Aged cheddar demand remains surprisingly strong. Many plant operators have more interest in cheese than they can fill in the near term. Process demand is steady to slightly improved. Processors are also trying to build cheese stockpiles for later use. Current milk intakes do not seem to be increasing as expected seasonally. Cheese yields continue to drift lower seasonally, reflecting slight declines in fat and protein levels.

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

Process American 5# Loaf	:	1.4350-1.6900
Brick And/Or Muenster 5#	:	1.7400-1.9700
Cheddar 40# Block	:	1.6400-2.1150
Monterey Jack 10#	:	1.8100-2.1150
Blue 5#	:	2.0650-2.4500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6125-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0500-2.6850

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

	BUTTER	:	CHEESE
02/02/04	41,779	:	134,498
01/01/04	36,157	:	128,833
CHANGE	5,622	:	5,665
% CHANGE	16	:	4

WEST

Barrel cheese prices held steady at the cash CME market last week, but block prices began to show some strength. Both commodities continue to increase in price this week. Reasons noted from trade contacts include the strength in the butter market and the possibility of less milk available in 2004 than earlier anticipated. Many buyers are trying to book additional cheese ahead for a number of months and they are not very successful. Any cheese that manufacturers are willing to sell for future needs is carrying quite a premium. Some comments are also noted that yields are not up to expected levels which mean output is less than anticipated. Inventory levels at a number of storage facilities have declined for the last couple of weeks. Some buyers are beginning to express some concern about future cheese supplies should demand improve further. Total cheese production for December is 753.1 million pounds, up 0.8% from last year. Cumulative cheese output for 2003 stands at 8.63 billion pounds, up 0.3% (29 million pounds) from a year earlier. Over the last ten years, output has expanded 3.9% per year on average. Total cheese output in the Western region for December is up 8.1% from a year ago. U.S. Swiss output in December totals 23.6 million pounds, up 3.5% from last year.

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

Process 5# Loaf	:	1.4025-1.6625
Cheddar 40# Block	:	1.4450-1.7950
Cheddar 10# Cuts	:	1.6250-1.8450
Monterey Jack 10#	:	1.6350-1.7950
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.4600

FOREIGN

Prices are unchanged to higher and the market tone is steady. Demand for foreign type cheese is fairly steady, but with the holidays and Super Bowl now behind us, consumption patterns tend to ease. Supplies are about adequate for needs, but imports under new-year licenses are slowly getting back to normal. The continued weak Dollar is hurting purchasing power of U.S. importers. Although the Euro has lost some of its strength, it does remain firm compared to the U.S. Dollar.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.7200	: 1.6775-3.1675*
Gorgonzola	: 3.6900-5.9400	: 2.1950-2.4900*
Parmesan (Italy)	: TFEWR	: 3.0875-3.1775*
Romano (Italy)	: 2.1000-3.1500	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6850-1.9125*
Romano (Cows Milk)	: -0-	: 2.8750-5.0475*
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

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	85	0	110	0	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.

The following are the January 2004 Class and component prices under the Federal Milk Order pricing system: Class II \$11.67 (up \$0.37 from December), Class III \$11.61 (down \$0.26); and Class IV \$10.97 (up \$0.45). The following are the product price averages used in computing Class prices: butter \$1.3632, NDM \$0.8062, cheese \$1.3023, and dry whey \$0.1801. The Class II butterfat price is \$1.5048 and the Class III/IV butterfat price is \$1.4978. Milk production is mostly steady in the northern parts of the region; steady to higher in the Southeast. Florida's milk output is increasing at a faster pace and handlers had to move milk out of state for processing. Farther north, milk supplies remain tight and some supply plants are buying cream or condensed skim from other suppliers just to have enough fluid milk to meet contract delivery schedules. With the financial problems of a major company constantly in the news, many of their dairy farmers have switched to other buyers or coops. This is then causing a strain on their ability to purchase milk. Reportedly, payments to their remaining farmers and suppliers have been or are being made. Bottled milk sales are in a range of just fair to good. Recent storms moving through the Northeast and Mid-South have kept bottled milk sales bouncing up and down. Contacts state that it is difficult to get a clear picture of Class I demand until orders get back to more normal levels. The condensed skim market is more active. Spot prices for both Class II and III are in better alignment than they have been. Demand is improving as in most areas of the East. The fluid cream market tone is firm. Demand ranges from mostly steady to improved, but the sharply higher prices are a deterrent to some buyers. With the CME cash butter price over \$1.55, the price of butterfat is often over \$2.00 per pound fat. Offerings are generally tighter and less California cream is being shipped. This is reportedly due to pricing and the fact that California suppliers now want to make butter rather than sell the cream. Reports indicate that cream cheese makers are looking for more cream despite the higher prices. Production of many high-fat, so called, party (sour cream, dips, etc.) items that are associated with the Super Bowl weekend are declining. Ice cream production is seasonally steady. Bottled cream demand is starting to pick up as the strawberry season is getting underway in the Deep South. Churning activity is often lighter as cream demand improves.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7936-2.0976
DELIVERED EQUIVALENT ATLANTA	-	1.8240-2.1280 M 1.9000-2.0976
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9152-2.0216

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	- .9000- .9700

M I D W E S T

Class I interest generally remains strong to start the new month, bolstered by winter weather problems in some areas and the usually stronger first of the month retail activity. Milk supplies remain surprisingly tight throughout the region with most milk handlers receiving more spot interest for milk and/or cream than the available supply. A few loads of Minnesota and Iowa milk were shipped into Chicago area bottlers to help fill orders. Demand for cheese and butterfat continues good. Condensed skim interest is spotty with prices little changed from January. Product buyers are concerned about availability (and higher prices) of milk and/or cream later in the year. A few handlers commented

that they expect plant field staff will remain active searching for "new" patrons all year in order to keep milk intakes as high as possible. Actual spot manufacturing milk prices on a light test range from \$1.55-1.80 net over class with possible higher numbers if supplies were available. Ice cream production is steady though some producers are delaying cranking up schedules for a couple weeks yet. Plant milk receipts are mixed, generally slightly lower to steady, though a few operations are still noting slight increases. Snow covered the region with amounts varied.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JAN 29 - FEB 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 45.00- 51.00	\$ 39.50- 45.00
REPLACEMENT HEIFER CALVES	\$270.00-430.00	\$400.00-550.00

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

	JAN 29 - FEB 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 47.00- 52.00	\$ 36.50- 44.50

W E S T

The January Milk-Feed ratio is 2.75, down from December's 2.81 but above last years 2.40. Adding the MILC payment for those getting full benefit of that program brings the January number up to 2.92. Heifers for milk cow replacement on January 1, 2004, stand at 4.02 million head, down 2.3% or 94,000 head less than last year. The January 4a price (butter/powder) in CALIFORNIA is \$10.75, up \$0.30 from December 2003 and \$1.15 higher than last January. This compares to the Federal Order Class IV price for January at \$10.97. The January 4b price (cheese) is \$11.10, down \$0.51 from December but \$1.52 higher than last year. This compares to the Federal Order Class III price for January at \$11.61. Milk production across much of California is holding mostly steady with small areas of slight increases noted. The influence of the rains in the northern areas is beginning to impact milk output and may impact production at a plant. In the Central Valley, plant milk receipts are about steady with recent weeks. Plants are running as expected and many would like more milk to manufacture into dairy products. Extra milk is not readily being offered and premiums are being paid. In the South, milk volumes are mixed. Some intakes are actually down a bit, while slight gains are noted for others. Demand for milk is good from processors in the area. Fluid milk orders remain unsettled because of the continued grocery strike. Rains and cool, seasonal temperatures across the milk producing areas of ARIZONA are causing slight declines in receipts and more declines could be possible. Solids content are slightly lower with decent protein tests, but slipping fat tests. Normal processing schedules continue with plants having capacity to take additional volumes. The market tone for CREAM remains firm. Butter prices at the CME continue to increase this week and closed at \$1.5900 on Wednesday, February 4, a 6 cent increase from last week. The market continues to be bid up and not filled. The spillover effect on the cream market results in higher prices. Cream demand remains good for all products. Ice cream production continues stronger than projections. Multiples are holding mostly steady from 114 to 130, FOB, depending on class usage and basing point. Conditions remain very wet in the PACIFIC NORTHWEST. Rivers are running bank full and the snow pack is building at a good rate. Potential irrigation water volumes are improving. Some contacts feel that the spring flush is fast approaching. Tests on incoming milk receipts are beginning to slip somewhat, especially on protein. Some cull cow markets in the region are softening as the residual impact of the finding of BSE is causing some problems marketing cull beef. Good quality dairy hay is much less available. Some feeder hay is showing some price strength. Milk production in UTAH and IDAHO ranges from steady to slightly lower. Winter weather has caused more stress than noted for the last few years on the milking herd. Hay consumption is up and some higher prices are noted. Heifer prices at a major regional sale are firm with the average price reaching \$1650. More contacts are wondering what the outlook for 2004 milk production will be. They are seeing improving demand for manufactured dairy products and higher 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 unchanged on a steady market. Production is mixed. While some plants report reduced NDM production due to good Class I demand, other locations are reporting seasonally heavier production schedules with supplies readily available. NDM from the CCC cheese exchange is competitive with current production at prices reported between 78 – 82 cents. Some traders are opting to import from the West rather than buy from the Central region and contracting into the summer months to guarantee supplies. Sales to the CCC are reported for the current week from the Central region. High heat demand is steady and mostly contractual. Condensed skim is clearing well into Class II facilities with reduced interest from Class III.

EAST: Prices are steady to fractionally lower. The market tone is unchanged. Production levels are lighter as surplus milk volumes are tight in the East. That, coupled with an improved demand for condensed skim, is keeping dryers relatively inactive. There have been instances of dryers buying outside condensed skim to make high heat NDM because they did not have enough milk in their system. Producer stocks are not too heavy and some dryers have committed all the powder they made late last month. In instances, current drying schedules are not keeping pace with contract orders. With that in mind, there is Eastern NDM being offered to CCC. Demand for NDM is fair to good, mostly fair. Best spot interest seems to be on high heat. There continues to be NDM from the Government exchange programs still in the marketplace at prices in the 70's.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during December 2003 totaled 132.2 million pounds, down 0.2% from December 2002 but 27.8% above November 2003. Month ending stocks, at 107.0 million pounds, are 18.3% above a year ago and 22.6% higher than last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: .8000 - .8800 MOSTLY: .8100 - .8550  
HIGHHEAT: .8500 - .9450

**NONFAT DRY MILK - WEST**

Prices for Western low/medium heat NDM are unchanged, although some pricing points within the range were lower. Expectations are that less NDM will be cleared in coming weeks as production levels decline and DEIP orders increase. Demand is fair to good for contracted sales and remain slow for spot orders. CCC sales continue to be used to clear inventories. Several accounts are using less NDM and condensed skim in cheese production as more cream is being skimmed from cheese milk and sold. Powder from the cheese and pudding programs is being offering on the market at prices in the mid to high 70 cents range. Drying remains active in the region. During the week of January 26 - 30, CCC net purchases totaled 15.8 million pounds from the West. Western high heat NDM prices are slightly lower on the bottom end of the range and the market is lightly tested. Buying interest is often slower seasonally with most trades occurring on a contractual basis. Production is light and mostly on a made to order basis. Stocks are limited. U.S. NDM production in December totaled 132.2 million pounds, down 0.2% from last year but 27.8% higher than November. Cumulative 2003 U.S. production is 1.49 billion pounds, 4.9% lower than last year. December production in the Western region totaled 98.3 million pounds, down 1.4% from last year, and represents 74% of the U.S. production. Western states' production levels with comparisons to last year are: California, 64.6 million pounds, -2.3%; and Idaho, 4.2 million pounds, -21.5%. U.S. manufacturers' stocks at the end of December were reported at 107.0 million pounds, up 18.3% from last year and 22.6% more than last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: .7950 - .8825 MOSTLY: .7950 - .8100  
HIGHHEAT: .8300 - .8500

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 30	\$.8010	15,981,784	11,995,804
January 23	\$.8018	12,629,818	8,018,180

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged and nominal on a steady market. Sales are light. Production is steady and less than seasonally expected due to reduced availability of cream into some churns. Last year, producers were more inclined to discount supplies to clear inventories. This year, most producers are concerned with satisfying annual contracts and are opting to hold on to inventories, averting spot requests. Buyers opting to purchase buttermilk from the West are reporting prices of 90 – 95 cents delivered. Production of dry buttermilk during December 2003 totaled 5.0 million pounds, 0.6% more than December 2002 and 51.0% above November 2003. Month ending stocks, at 2.9 million pounds, are 60.5% below a year ago but 34.6% more than November 2003.

F.O.B. CENTRAL: .9500 - 1.0125

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are mostly higher in a light test of the spot market. Production levels are lighter and cream volumes moving to area churns has eased. Producer stocks remain quite well balanced. Spot trading activity is steady and often for LTL volumes. Dry buttermilk production during December 2003 totaled 5.0 million pounds, up 0.6% from last December and 51.0% more than November 2003. Month ending stocks, at 2.9 million pounds, are 60.5% less than last year but 34.6% more than a month ago.

F.O.B. NORTHEAST: .8675 - .8800  
DELVD SOUTHEAST: .8900 - .9200

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are slightly higher in limited spot trading. The market trend is firmer as producers attempt to gain higher prices for their offerings. One reason for the higher prices is to close the gap between the West and Central pricing. In theory, the gap should be no greater than the freight rate between regions. Due in large part to limited trading, the price gap in recent months has been wider. Drying schedules are still active, reflecting continued butter production. Stocks remain light. U.S. dry buttermilk production in December totaled 5.0 million pounds, up 0.6% from last year and 51.0% higher than November. Stocks at the end of December were reported at 2.9 million pounds, 60.5% less than last year.

F.O.B. WEST: .8500 - .9100 MOSTLY: .8600 - .8900

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged to higher and nominal. With butter prices and the class milk prices increasing, most producers have pushed their dry whole milk prices up in recent weeks. The market tone is steady. Production levels are light to moderate, generally light. Surplus milk supplies are tight east of the Rockies. Plant stocks remain closely balanced. Demand is steady. Dry whole milk production during December 2003 totaled 2.6 million pounds, down 32.8% from last December and 46.0% less than November 2003.

F.O.B. PRODUCING PLANT: 1.0925 - 1.2800

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2003 - YTD  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	68,201	MT (150,355,925 LBS)
CHEESE	--	3,030	MT (66,799,938 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. Stage two allocations are: NDM -- 45,468 MT and cheese -- 2,020 MT. These fill the program-year allocations for these products. The allocation for butterfat announced in stage one remains in place and leaves a balance for future, possible allocations.

**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. A few block load shipments traded at a discount while single load movement is reported at prices closer to the average. Block load movement has placed some manufacturers in a better position yet supplies remain readily available at most locations. Demand is best from edible markets as bakery and confectionary operations prepare for Easter/Passover holidays. Feed demand is lackluster as buyers await signs that the market has bottomed before purchasing additional loads. Condensed whey offers are heavier for the light interest. Production of human food, dry whey during December 2003 totaled 79.9 million pounds, 13.2% less than December 2002 but 8.1% above November 2003. Month ending stocks, at 38.8 million pounds, are 17.5% below a year ago but 3.2% more than November 2003.

F.O.B. CENTRAL: .1550 - .1800 MOSTLY: .1700 - .1750

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices continue to move lower and the Northeastern prices remain nominal. The market tone is little changed from past weeks. Demand is lackluster as buyers continue to wait for prices to "bottom out" before placing orders. Some producers have made block or large volume sales in recent weeks and are now pretty well sold out. Many report improved interest as buyers appear to be doing more shopping, but not necessarily buying. Eastern cheese production is lighter as the tight volumes of surplus milk are impacting cheese output in the region. Eastern whey is available at some plants, not at others. Traders comment that they can find dry whey in the resale market at or slightly below current market prices. Production of human food, dry whey during December 2003 totaled 79.9 million pounds, 13.2% less than December 2002 but 8.1% more than November 2003. Month ending stocks, at 38.8 million pounds, are 17.5% below last year but 3.2% more than a month ago. Production of animal feed, dry whey during December totaled 8.8 million pounds, 41.9% more than a year ago and 23.5% above November 2003.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1700 - .2050  
DELVD SOUTHEAST: .1975 - .2100

**DRY WHEY - WEST**

The Western whey price range was generally steady to fractionally lower. The mostly series held steady. Sales were noted at higher prices, lower prices, and unchanged prices. Sales activity, overall, is improving. Getting past domestic and foreign holidays is having a positive impact on the market. Some contacts are also stating that prices are getting to levels that historically begin to move more product. December U.S. production of edible whey was 79.9 million pounds, down 13.2% from a year earlier. Output in the Western region for this period was 23.8 million pounds, down 8.0% from 2002. Cumulative total dry whey production for 2003 was 1.11 billion pounds, down 0.4% from 2002. December was the first month of the year that cumulative output dropped below a year earlier.

NONHYGROSCOPIC: .1500 - .1975 MOSTLY: .1600 - .1700

**ANIMAL FEED WHEY - CENTRAL**

Prices are lower on a weak market. Supplies of milk replacer whey are heavier than the week prior. Some standard grade supplies are available at a discount. Permeate supplies are reportedly a competitive substitute into feed facilities. Feed demand is seasonally slow. Production of animal, dry whey during December 2003 totaled 8.8 million pounds, 41.9% more than December 2002 and 23.5% above November 2003. Month ending stocks, at 5.3 million pounds, are 121.1% above a year ago and 18.5% more than November 2003.

F.O.B. CENTRAL:  
MILK REPLACER: .1550 - .1650

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are lower on a weak market. Most producers are reporting excess stocks for the light interest. Some resellers are picking up additional supplies at reduced prices for trade later in the year when supplies of milk and possibly dry products are expected to decline. Production is steady. Movement is best on contracts into the domestic edible market. Export demand is light. Feed buyers are awaiting market signals that the market has bottomed before making additional purchases. Production of HUMAN FOOD WPC during December 2003 totaled 24.4 million pounds, down 2.1% from December 2002 but 15.1% above November 2003. Manufacturers' end-of-month stocks totaled 24.1 million pounds, 3.8% higher than a year ago and 8.2% above last month. Production of ANIMAL FEED WPC during December 2003 totaled 3.8 million pounds, up 15.4% from December 2002 and 2.7% below November 2003. Manufacturers' end-of-month stocks totaled 2.2 million pounds, 49.6% above last year but 19.2% lower than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .4675 - .5200 MOSTLY: .4775 - .5075

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged on a steady market. Producers report trades at a premium while traders report loads available at a discount. Inquiries are noted from Europe, Japan, India and the Philippines. Production is mostly steady and inventories are reported as in balance to short of contractual interest. Demand is best on the higher mesh sizes. Off grade lactose supplies are heavier than the week prior for the light interest. USDA/FAS BICO Export report indicates that approximately 9,704 MT of US lactose was exported to New Zealand in 2003 compared to 2,375.5 MT in 2002. Lactose production during December 2003 totaled 55.4 million pounds, up 13.3% from December 2002 and 4.6% higher than November 2003. Month ending stocks, at 50.1 million pounds, are 10.0% higher than a year ago and 12.2% above last month.

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

F.O.B. EDIBLE: .2100 - .2700 MOSTLY: .2200 - .2300

**CASEIN - NATIONAL**

Casein markets remain firm. Stocks of rennet and acid for domestic needs are in tight supply. Production in Oceania has now come to a close for the season, thus suppliers are filling orders from inventoried stocks. In instances, some suppliers are looking to outside sources to secure sufficient stocks to meet full contractual commitments. European suppliers are also reporting limited stocks, although their production season is soon to resume. Suppliers remain optimistic about the upcoming production season. Under invitation number 013, the Kansas City Commodity office announced the sale of 2,502,778 pounds of government owned nonfat dry milk for the production of casein/caseinate. There were four awards with prices ranging \$0.22 - 0.25 per pound. Since June 2002, nearly 10.4 million pounds of powder have been sold for this purpose.

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: 2.2500 - 2.4000  
ACID: 2.2500 - 2.4500

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Surplus milk volumes are tighter in most parts of the country. Due to that and higher milk prices, some producers are not rebuilding inventories as quickly as a year ago at this time. Production levels are mostly steady. Demand is slow, which is typical for this time of year. Canned evaporated milk production during December totaled 42.3 million pounds, 15.6% more than December 2002 but 9.4% less than November 2003. Month ending stocks, at 37.1 million pounds, are 31.1% less than a year ago and 3.2% below last month.

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.

CHICAGO MERCANTILE EXCHANGE FUTURES

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

Month	01/21	01/22	01/23	01/26	01/27	01/28	01/29	01/30	02/02	02/03
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt</b>										
JAN 04	11.63 (3228) 24	11.63 (3227) 5	11.62 (3226) 14	11.62 (3227) 149	11.63 (3215) 81	11.64 (3217) 22	11.62 (3190) 0	11.61		
FEB 04	11.66 (2366) 243	11.65 (2333) 61	11.57 (2475) 182	11.69 (2480) 46	11.65 (2487) 115	11.70 (2521) 110	11.67 (2578) 130	11.67 (2567) 128	11.63 (2554) 42	11.70 (2502) 64
MAR 04	11.90 (2223) 316	11.95 (2219) 139	11.80 (2192) 129	11.77 (2202) 59	11.80 (2211) 223	11.95 (2281) 113	11.97 (2430) 181	12.09 (2508) 192	12.05 (2525) 61	12.15 (2467) 199
APR 04	11.99 (1656) 186	12.17 (1766) 244	12.06 (1783) 63	12.05 (1799) 76	12.11 (1855) 239	12.28 (1898) 129	12.30 (1915) 72	12.48 (1949) 150	12.43 (1988) 143	12.60 (2023) 242
MAY 04	12.20 (1684) 145	12.36 (1702) 154	12.22 (1701) 55	12.22 (1710) 51	12.35 (1772) 239	12.48 (1833) 103	12.50 (1866) 79	12.70 (1924) 146	12.65 (1948) 92	12.82 (1993) 185
JUN 04	12.70 (1422) 142	12.80 (1458) 68	12.70 (1481) 71	12.68 (1509) 98	12.75 (1604) 229	12.90 (1620) 69	12.95 (1681) 92	13.15 (1729) 169	12.98 (1761) 88	13.10 (1771) 144
JUL 04	13.38 (1313) 132	13.53 (1369) 112	13.40 (1374) 78	13.39 (1424) 109	13.51 (1536) 261	13.67 (1569) 101	13.70 (1607) 71	13.85 (1650) 125	13.68 (1676) 82	13.74 (1725) 137
AUG 04	13.75 (1324) 133	13.80 (1387) 91	13.71 (1398) 79	13.72 (1447) 86	13.88 (1591) 242	14.02 (1611) 115	14.02 (1644) 94	14.20 (1694) 103	14.18 (1723) 69	14.18 (1784) 171
SEP 04	13.98 (1431) 140	14.12 (1483) 115	14.02 (1491) 75	14.00 (1569) 113	14.17 (1688) 241	14.35 (1710) 105	14.38 (1787) 133	14.60 (1849) 99	14.58 (1900) 112	14.60 (1964) 131
OCT 04	13.20 (1119) 114	13.35 (1157) 58	13.20 (1196) 154	13.20 (1245) 132	13.30 (1320) 153	13.47 (1388) 107	13.55 (1451) 93	13.90 (1486) 55	13.88 (1513) 78	13.94 (1548) 125
NOV 04	12.51 (847) 63	12.61 (891) 52	12.46 (894) 56	12.46 (935) 64	12.52 (1007) 103	12.65 (1050) 107	12.74 (1105) 88	12.90 (1147) 73	12.95 (1169) 32	12.95 (1185) 79
DEC 04	12.10 (758) 73	12.25 (786) 62	12.15 (730) 131	12.10 (687) 113	12.20 (732) 101	12.35 (760) 88	12.38 (776) 38	12.45 (787) 44	12.40 (809) 32	12.40 (823) 22
JAN 05	11.75 (28) 1	11.90 (28) 0	11.90 (30) 3	11.85 (41) 16	11.85 (46) 6	11.95 (59) 21	11.91 (65) 13	12.05 (70) 12	12.06 (83) 11	12.00 (83) 20
FEB 05	11.60 (21) 0	11.60 (21) 4	11.60 (21) 0	11.60 (21) 1	11.60 (21) 0	11.70 (24) 3	11.80 (24) 0	11.80 (24) 0	11.80 (24) 0	11.75 (23) 1
MAR 05	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 1	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (33) 12
APR 05	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0
MAY 05	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0	11.60 (21) 0

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

JAN 04	11.00 (5) 0	11.00 (5) 0	11.00 (5) 0	11.00 (5) 0	11.00 (5) 0	11.00 (5) 0	11.00 (10) 0	10.97		
FEB 04	11.05 (5) 0	11.15 (5) 0	11.15 (5) 0	11.15 (5) 0	11.15 (5) 0	11.55 (5) 0	11.55 (5) 0	11.55 (5) 0	11.55 (5) 0	11.55 (5) 0

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

MAR 04	147.00 (205) 5	150.00 (205) 1	151.00 (206) 2	155.00 (207) 2	158.00 (207) 7	163.00 (207) 0	163.00 (205) 8	163.00 (185) 21	163.00 (182) 24	163.00 (175) 0
MAY 04	149.50 (129) 5	153.50 (129) 0	153.75 (129) 0	157.00 (129) 1	160.00 (129) 8	165.00 (128) 3	165.00 (131) 3	165.00 (131) 5	165.00 (133) 2	165.00 (134) 1
JUL 04	152.50 (138) 0	154.50 (138) 0	156.00 (138) 0	159.00 (138) 0	160.00 (138) 0	165.00 (138) 0	165.00 (145) 9	166.00 (160) 17	169.00 (160) 10	169.00 (160) 0
SEP 04	155.50 (15) 0	155.50 (15) 1	159.00 (15) 0	159.00 (15) 0	159.00 (15) 0	164.00 (15) 0	164.00 (15) 0	164.00 (16) 1	169.00 (16) 0	169.00 (16) 0
OCT 04	155.00 (14) 0	155.00 (14) 0	155.00 (14) 0	159.00 (14) 0	161.00 (14) 0	164.50 (14) 0	164.50 (14) 0	164.50 (15) 1	169.50 (15) 0	169.50 (15) 0
DEC 04	157.50 (17) 2	162.00 (17) 0	162.00 (17) 0	162.00 (18) 3	166.00 (23) 6	171.00 (23) 0	171.00 (23) 0	171.00 (23) 0	171.00 (23) 0	171.00 (23) 0

<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 January 26 -February 6, 2004

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 ANDEASTERN EUROPE

**OVERVIEW: WESTERNEUROPE:** Milk production in Europe is showing more signs of seasonal increases. Producers in countries such as Germany, the U.K., Italy, and Spain are realizing production strength to the point that they are closely monitoring their production gains as the quota yearend nears. As milk production gains momentum, manufacturing schedules are also on the increase. Some manufacturers are now preparing powder for intervention offering when the program opens March 1. Some producers and handlers anticipate that offerings to intervention will be heavy. A concern for many within the EU is what impact, after May 1, will 10 additional countries have on intervention offerings. Last year, intervention reached the capacity threshold of 109,000 mt early in August from 15 countries with a tendering system instituted for the balance of the month. This year, the capacity threshold potentially could be reached earlier, thus limiting incomes to producers and handlers due to lower prices under a tendering system. Current international buying interest is slow and unaggressive. The Euro remains firm against the U.S. dollar but not at levels recorded a few weeks ago. European traders and handlers indicate that stocks are available for buyer interest. Most look forward to the upcoming milk production and sales season with great optimism. International supplies of dairy products appear to be limited elsewhere in the world, thus buyer interest is anticipated be greater for European sourced dairy products.

**BUTTER/BUTTEROIL:** European butter markets are generally steady at unchanged prices, although the market undertone is unsettled. Stocks of butter are sufficient for domestic and international buyer interest. Buying interest out of Russia and Japan has slowed. Intervention for butter is now open in Ireland, Italy, Spain, and Germany which is one month earlier than usual. European butter producers, handlers, and traders are potentially looking at a strong sales season in the coming months. Most feel that tight butter/butterfat supplies elsewhere in the world could lead to European produced butter to be in good demand.

82% BUTTERFAT: 1,550 - 1,650  
 99% BUTTERFAT: 1,700 - 1,900

**SKIM MILK POWDER (SMP):** Skim milk powder markets are unsettled with prices unchanged to lower. The undertone is weak. European producers and handlers indicate that prices are adjusting lower to remain competitive against other international skim milk powder supplies. International buyer interest is quiet at this time. Some European skim milk powder producers are starting to prepare powder supplies for intervention offering March 1. Milk production is building across most of Europe, thus manufacturing schedules are also increasing.

1.25% BUTTERFAT: 1,730 - 1,800

**WHOLE MILK POWDER (WMP):** European whole milk powder markets are steady to weak with prices unchanged to generally lower. Stocks of powder are reported to be available for buyer interest. International sales remain slow while most sales activity is centered around internal or domestic needs. European producers, handlers, and traders anticipate an active sales period in the coming months. This optimistic outlook is due to lack of supply in the international market place.

26% BUTTERFAT: 1,875 - 1,950

**SWEET WHEY POWDER:** Whey powder markets are steady to weak with prices unchanged to lower. Often prices are declining to maintain market competitiveness, although, European prices remain higher than most international buyers are willing to pay. Stocks are sufficient to meet steady internal demand with international sales slow.

NONHYGROSCOPIC: 525 - 575

**OVERVIEW: EASTERN EUROPE:** Winter weather conditions continue to prevail in Eastern Europe, thus overall milk production remains seasonally low, but is slowly gaining momentum in some areas. Stocks of Eastern European dairy products are reported to be low, thus the upcoming milk production season is being welcomed with optimism to once again re-establish workable inventories. Buyer interest is slow, although Eastern traders and handlers anticipate the European market to be actively involved with sales in the coming months.

OCEANIA

**OCEANIA OVERVIEW:** Milk production trends in Oceania continue to decline seasonally. Lack of rainfall in many of the milk producing regions of Oceania is a common occurrence. Rainfall has occurred in New Zealand, but has not been in the major milk producing regions of the country. In Australia, temperatures were cooler than usual for January and moisture in the major milk producing region was also limited. Pasture growth is also being negatively impacted by the lack of moisture. Milk production projections in New Zealand continue to run in the 2 - 3% ahead of last year range, while in Australia, output is lagging last season by 6-7%. Some manufacturers in Oceania are now directing milk, when possible, to products of most need. At this time, milk is being cleared to cheese output when possible. Prices for Oceania dairy products are firm. Stocks are tight, although most handlers indicate that they will be able to meet contractual commitments. At this point, most handlers and traders state that they are not oversold, but will probably not have any surplus volumes for spot sales activity. Traders do indicate that there is buyer interest, but due to tight supplies, most Oceania traders are not able to acknowledge any of this potential interest at this time. Traders and handlers also state that with tight supplies in Oceania and virtually nothing available for spot needs, sourcing supplies in the international market for upcoming needs could be very interesting.

**BUTTER:** Oceania butter markets are firm with prices unchanged to generally higher. Milk production is declining seasonally in Oceania, therefore this is often the time of year when milk is directed to products of most need or best return. At this time, when possible, milk is being directed towards cheese production, thus butter/powder production might not be as strong as it could be at some facilities. Stocks of butter are tight and basically fully committed to regular and ongoing customer needs. Producers and handlers feel that they will have sufficient volumes for contracted needs with basically nothing available for spot interest.

82% BUTTERFAT: 1,500 - 1,700

**CHEDDAR CHEESE:** Oceania cheese markets are firm with prices higher. Demand for Oceania cheese remains strong for ongoing customer needs. In most instances, cheese handlers indicate that stocks are tight, but sufficient to meet commitments. With the cheese market as strong as it is, some Oceania manufacturers are diverting milk away from other manufactured dairy products and directing as much milk as possible through the cheese vat.

39% MAXIMUM MOISTURE: 2,300 - 2,550

**SKIM MILK POWDER (SMP):** Oceania skim milk powder markets are firm with prices unchanged to higher. Milk production in Australia and New Zealand is edging lower seasonally thus is butter/powder production. At this point, handlers and traders indicate that stocks are in close balance, but are felt to be sufficient to meet contractual commitments. Most feel that they will not have any additional volumes available for spot buyer interest. International buyers, outside of regular and ongoing customers, are seeking stocks from Oceania, but are coming up empty. Oceania traders are not committing to this buyer interest at this time.

1.25% BUTTERFAT: 1,800 - 1,900

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are firm, although prices are holding steady. Stocks of powder remain in close balance and often referred to as tight. Annual milk production in Oceania is slowing. In instances, milk is being diverted away from milk powder production to cheese, thus tight powder supplies are not expected to gain stocks as the season winds down. Most market activity centers around contractual shipments of previously negotiated sales.

26% BUTTERFAT: 1,800 - 1,900

Exchange rates for selected foreign currencies: FEBRUARY 2, 2004

.7476 Canadian Dollar	.0221 Indian Rupee
.3419 Argentina Peso	.6730 New Zealand Dollar
.0908 Mexican Peso	.7583 Australian Dollar
.2594 Polish Zloty	.0095 Japanese Yen
	1.2429 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0908)= 11.0132. That is 1 US Dollar equals 11.0132 Mexican Pesos. Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2004 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:REPORT NUMBER 53		:REPORT NUMBER 1		:REPORT NUMBER 2		:REPORT NUMBER 3		:REPORT NUMBER 4		2004	2003
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	JAN 01 - 02	JAN 05 - 09	JAN 12 - 16	JAN 19 - 23	JAN 26 - 30	or Total	or Total					
<b>CHEESE</b>												
<b>WISCONSIN (WSP, Delivered, LTL)</b>												
-- Process American 5# Loaf	:: 1.4450 - 1.8100	:: 1.4150 - 1.7600	:: 1.4300 - 1.7600	:: 1.4350 - 1.7600	:: 1.4350 - 1.7600	:: 1.5959	:: 1.3879					
-- Brick And/Or Muenster 5#	:: 1.8400 - 1.9650	:: 1.7700 - 1.9600	:: 1.7700 - 1.9575	:: 1.7700 - 1.9600	:: 1.7700 - 1.9575	:: 1.8663	:: 1.6187					
-- Cheddar 40# Block	:: 1.6925 - 2.1150	:: 1.6575 - 2.1150	:: 1.6550 - 2.1150	:: 1.6575 - 2.1150	:: 1.6550 - 2.1150	:: 1.8865	:: 1.7854					
-- Monterey Jack 10#	:: 1.9100 - 2.1150	:: 1.8400 - 2.1150	:: 1.8400 - 2.1150	:: 1.8400 - 2.1150	:: 1.8400 - 2.1150	:: 1.9793	:: 1.9108					
-- Blue 5#	:: 2.0600 - 2.5400	:: 2.0550 - 2.4800	:: 2.0525 - 2.4800	:: 2.0550 - 2.4800	:: 2.0525 - 2.4800	:: 2.2685	:: 2.0549					
-- Mozzarella 5 - 6#	:: 1.6075 - 2.2150	:: 1.6025 - 2.2150	:: 1.6000 - 2.2150	:: 1.6025 - 2.2150	:: 1.6000 - 2.2150	:: 1.9083	:: 1.8299					
-- Grade A Swiss Cuts 6 - 9#	:: 2.0000 - 2.6850	:: 2.0000 - 2.6850	:: 2.0000 - 2.6850	:: 2.0000 - 2.6850	:: 2.0000 - 2.6850	:: 2.3425	:: 2.3151					
<b>NORTHEAST (WSP, Delivered, LTL)</b>												
-- Cheddar 10# Prints	:: 1.3725 - 1.8775	:: 1.3675 - 1.8725	:: 1.3700 - 1.8750	:: 1.3725 - 1.8775	:: 1.3700 - 1.8750	:: 1.6225	:: 1.4517					
-- Cheddar Single Daisies	:: 1.3300 - 1.7950	:: 1.3250 - 1.7900	:: 1.3275 - 1.7925	:: 1.3300 - 1.7950	:: 1.3275 - 1.7925	:: 1.5600	:: 1.3942					
-- Cheddar 40# Block	:: 1.4475 - 1.6950	:: 1.4425 - 1.6900	:: 1.4425 - 1.6925	:: 1.4450 - 1.6950	:: 1.4425 - 1.6925	:: 1.5679	:: 1.4039					
-- Process 5# Loaf	:: 1.4750 - 1.6750	:: 1.4450 - 1.6450	:: 1.4600 - 1.6600	:: 1.4650 - 1.6650	:: 1.4650 - 1.6650	:: 1.5593	:: 1.4121					
-- Process 5# Sliced	:: 1.4950 - 1.7300	:: 1.4650 - 1.7000	:: 1.4800 - 1.7150	:: 1.4850 - 1.7225	:: 1.4850 - 1.7225	:: 1.5973	:: 1.4558					
-- Muenster	:: 1.5450 - 1.7375	:: 1.5400 - 1.7225	:: 1.5425 - 1.7350	:: 1.5450 - 1.7375	:: 1.5425 - 1.7350	:: 1.6375	:: 1.4692					
-- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	:: 2.4500					
<b>WEST COAST (WSP, Delivered, LTL)</b>												
-- Process 5# Loaf	:: 1.4125 - 1.6725	:: 1.3825 - 1.6425	:: 1.3975 - 1.6575	:: 1.4025 - 1.6625	:: 1.4025 - 1.6625	:: 1.5268	:: 1.3818					
-- Cheddar 40# Block	:: 1.4375 - 1.7875	:: 1.4325 - 1.7825	:: 1.4325 - 1.7825	:: 1.4325 - 1.7825	:: 1.4325 - 1.7825	:: 1.6078	:: 1.3411					
-- Cheddar 10# Cuts	:: 1.6175 - 1.8375	:: 1.6125 - 1.8325	:: 1.6125 - 1.8325	:: 1.6125 - 1.8325	:: 1.6125 - 1.8325	:: 1.7228	:: 1.5608					
-- Monterey Jack 10#	:: 1.6275 - 1.7875	:: 1.6225 - 1.7825	:: 1.6225 - 1.7825	:: 1.6225 - 1.7825	:: 1.6225 - 1.7825	:: 1.7028	:: 1.5411					
-- Grade A Swiss Cuts 6 - 9#	:: 2.2500 - 2.4600	:: 2.2500 - 2.4600	:: 2.2500 - 2.4600	:: 2.2500 - 2.4600	:: 2.2500 - 2.4600	:: 2.3550	:: 2.3350					
<b>FLUID PRODUCTS</b>												
<b>SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)</b>												
-- Northeast - f.o.b	:: 1.5281 - 1.6835	:: 1.5045 - 1.7213	:: 1.6014 - 1.8799	:: 1.6062 - 1.8855	:: 1.6668 - 1.9493	:: 1.7199	:: 1.3827					
-- Atlanta - dlvd. equiv.	:: 1.5799 - 1.7483	:: 1.5428 - 1.7595	:: 1.6710 - 1.8938	:: 1.6760 - 1.8995	:: 1.6950 - 1.9210	:: 1.7511	:: 1.3890					
-- Upper Midwest - f.o.b	:: 1.5281 - 1.6576	:: 1.6320 - 1.8765	:: 1.6710 - 1.9495	:: 1.7598 - 1.9554	:: 1.7515 - 1.9980	:: 1.8110	:: 1.4179					
<b>PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.</b>												
-- Class II	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.9000	:: 0.9781					
-- Class III	:: 0.9800 - 1.0600	:: 0.9500 - 1.0400	:: 0.9200 - 1.0400	:: 0.9000 - 1.0000	:: 0.9200 - 1.0000	:: 0.9748	:: 0.8090					
<b>NATIONAL EVAPORATED MILK (\$ per Case)</b>												
(Case - 48 - 12 fluid oz cans)												
-- Delivered Major U.S. Cities	:: 19.0000 - 30.0000	:: 19.0000 - 30.0000	:: 19.0000 - 30.0000	:: 19.0000 - 30.0000	:: 19.0000 - 30.0000	:: 24.5000	:: 24.0000					

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2004 <sup>1/</sup> - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 53 ::		REPORT NUMBER 1 ::		REPORT NUMBER 2 ::		REPORT NUMBER 3 ::		REPORT NUMBER 4 ::		2004	2003
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	JAN 01 - 02	JAN 05 - 09	JAN 12 - 16	JAN 19 - 23	JAN 26 - 30	or Total	or Total					
<b>DRY PRODUCTS</b>												
<b>NONFAT DRY MILK</b>												
-- Central And East (f.o.b.)												
-- Low/Medium Heat	:: 0.8150 - 0.8700	:: 0.8000 - 0.8700	:: 0.8000 - 0.8700	:: 0.8000 - 0.8700	:: 0.8000 - 0.8700	:: 0.8000 - 0.8800	:: 0.8366	:	0.8562			
-- Mostly	:: 0.8300 - 0.8550	:: 0.8300 - 0.8550	:: 0.8150 - 0.8550	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8100 - 0.8550	:: 0.8361	:	0.8557			
-- High Heat	:: 0.8500 - 0.9450	:: 0.8500 - 0.9450	:: 0.8500 - 0.9450	:: 0.8500 - 0.9450	:: 0.8500 - 0.9450	:: 0.8500 - 0.9450	:: 0.8975	:	0.9133			
-- West (f.o.b.)												
-- Low/Medium Heat	:: 0.7950 - 0.8825	:: 0.7950 - 0.8825	:: 0.7950 - 0.8825	:: 0.7950 - 0.8825	:: 0.7950 - 0.8825	:: 0.7950 - 0.8825	:: 0.8388	:	0.8532			
-- Mostly	:: 0.8000 - 0.8175	:: 0.8000 - 0.8100	:: 0.7950 - 0.8100	:: 0.7950 - 0.8100	:: 0.7950 - 0.8100	:: 0.7950 - 0.8100	:: 0.8034	:	0.8148			
-- High Heat	:: 0.8375 - 0.8500	:: 0.8350 - 0.8500	:: 0.8325 - 0.8500	:: 0.8325 - 0.8500	:: 0.8325 - 0.8500	:: 0.8325 - 0.8500	:: 0.8417	:	0.8692			
<b>WHEY POWDER (Nonhygroscopic)</b>												
-- Central (f.o.b.)	:: 0.1800 - 0.1900	:: 0.1800 - 0.1900	:: 0.1700 - 0.1900	:: 0.1650 - 0.1850	:: 0.1600 - 0.1850	:: 0.1786	:	0.1594				
-- Mostly	:: 0.1850 - 0.1900	:: 0.1850 - 0.1900	:: 0.1775 - 0.1875	:: 0.1700 - 0.1825	:: 0.1700 - 0.1775	:: 0.1806	:	0.1595				
-- West (f.o.b.)	:: 0.1600 - 0.2100	:: 0.1600 - 0.2100	:: 0.1500 - 0.2100	:: 0.1500 - 0.2000	:: 0.1500 - 0.2000	:: 0.1793	:	0.1870				
-- Mostly	:: 0.1700 - 0.1800	:: 0.1675 - 0.1750	:: 0.1650 - 0.1750	:: 0.1600 - 0.1725	:: 0.1600 - 0.1700	:: 0.1686	:	0.1816				
-- Northeast (f.o.b.)	:: 0.1900 - 0.2100	:: 0.1875 - 0.2100	:: 0.1875 - 0.2100	:: 0.1825 - 0.2100	:: 0.1825 - 0.2075	:: 0.1974	:	0.1765				
-- Southeast (Delvd)	:: 0.2100 - 0.2250	:: 0.2100 - 0.2225	:: 0.2000 - 0.2225	:: 0.2000 - 0.2175	:: 0.2000 - 0.2150	:: 0.2114	:	0.1899				
<b>WHEY PROTEIN CONCENTRATE</b>												
-- Central And West (f.o.b.)												
-- Extra Grade 34% Protein	:: 0.5200 - 0.5575	:: 0.5200 - 0.5500	:: 0.5200 - 0.5500	:: 0.4800 - 0.5550	:: 0.4775 - 0.5500	:: 0.5264	:	0.5220				
-- Mostly	:: 0.5425 - 0.5575	:: 0.5400 - 0.5500	:: 0.5350 - 0.5450	:: 0.5150 - 0.5400	:: 0.4975 - 0.5175	:: 0.5311	:	0.5125				
<b>ANIMAL FEED - WHEY</b>												
-- Central (f.o.b.)												
-- Milk Replacer	:: 0.1700 - 0.1800	:: 0.1700 - 0.1800	:: 0.1650 - 0.1700	:: 0.1650 - 0.1700	:: 0.1600 - 0.1650	:: 0.1685	:	0.1475				
<b>BUTTERMILK (Min. 30% protein)</b>												
-- Central (f.o.b.)	:: 0.9350 - 1.0125	:: 0.9350 - 0.9700	:: 0.9500 - 1.0125	:: 0.9500 - 1.0125	:: 0.9500 - 1.0125	:: 0.9737	:	0.7260				
-- West (f.o.b.)	:: 0.8500 - 0.8800	:: 0.8500 - 0.8800	:: 0.8500 - 0.8800	:: 0.8500 - 0.8900	:: 0.8500 - 0.8900	:: 0.8673	:	0.7387				
-- Mostly	:: 0.8500 - 0.8700	:: 0.8500 - 0.8700	:: 0.8500 - 0.8700	:: 0.8500 - 0.8700	:: 0.8500 - 0.8700	:: 0.8600	:	0.7429				
-- Northeast (f.o.b.)	:: 0.8400 - 0.8500	:: 0.8400 - 0.8500	:: 0.8450 - 0.8600	:: 0.8525 - 0.8800	:: 0.8525 - 0.8800	:: 0.8564	:	0.7551				
-- Southeast (Delvd)	:: 0.8800 - 0.9000	:: 0.8800 - 0.9000	:: 0.8800 - 0.9000	:: 0.8800 - 0.9000	:: 0.8800 - 0.9000	:: 0.8900	:	0.7908				
<b>WHOLE MILK POWDER</b>												
-- National (f.o.b.)	:: 1.0750 - 1.2200	:: 1.0750 - 1.2200	:: 1.0925 - 1.2200	:: 1.0925 - 1.2200	:: 1.0925 - 1.2500	:: 1.1574	:	1.1350				
<b>LACTOSE</b>												
-- Central And West (f.o.b.)	:: 0.2100 - 0.2700	:: 0.2100 - 0.2700	:: 0.2100 - 0.2700	:: 0.2100 - 0.2700	:: 0.2100 - 0.2700	:: 0.2400	:	0.1950				
-- Mostly	:: 0.2200 - 0.2300	:: 0.2200 - 0.2300	:: 0.2200 - 0.2300	:: 0.2200 - 0.2300	:: 0.2200 - 0.2300	:: 0.2250	:	0.1675				
<b>CASEIN - Edible - National (f.o.b.)</b>												
-- Nonrestricted - Rennet	:: 2.1000 - 2.2000	:: 2.1500 - 2.2500	:: 2.1500 - 2.2500	:: 2.2500 - 2.4000	:: 2.2500 - 2.4000	:: 2.2538	:	2.0083				
-- Nonrestricted - Acid	:: 2.0500 - 2.2500	:: 2.1500 - 2.3000	:: 2.1500 - 2.3000	:: 2.2500 - 2.4500	:: 2.2500 - 2.4500	:: 2.2775	:	1.8750				

<sup>1/</sup> Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR JANUARY 2004

COMMODITY	REPORT NUMBER 53	REPORT NUMBER 1	REPORT NUMBER 2	REPORT NUMBER 3	REPORT NUMBER 4	2004 *	2003 *
	JAN 1 - 2	JAN 5 - 9	JAN 12 - 16	JAN 19 - 23	JAN 26 - 30	Monthly Average	Monthly Average
<b>BUTTER*</b>							
-- GRADE AA							
--Monday	::	:: 1.3900	:: 1.3900	:: #	:: 1.4800	::	:
--Tuesday	::	::	::	::	::	::	:
--Wednesday	::	:: 1.3950	:: 1.4000	:: 1.4025	:: 1.5300	::	:
--Thursday	::	::	::	::	::	::	:
--Friday	:: #	:: 1.3925	:: 1.4000	:: 1.4225	:: 1.5500	:: 1.4320	: 1.0815
--Weekly Average**	::	:: 1.3925	:: 1.3967	:: 1.4125	:: 1.5200	::	:
<b>CHEESE*</b>							
-- BARRELS							
--Monday	::	:: 1.2350	:: 1.2550	:: #	:: 1.2550	::	:
--Tuesday	::	:: 1.2550	:: 1.2550	:: 1.2550	:: 1.2550	::	:
--Wednesday	::	:: 1.2550	:: 1.2550	:: 1.2550	:: 1.2550	::	:
--Thursday	:: #	:: 1.2550	:: 1.2550	:: 1.2550	:: 1.2550	::	:
--Friday	:: #	:: 1.2550	:: 1.2550	:: 1.2550	:: 1.2550	:: 1.2539	: 1.0929
--Weekly Average**	::	:: 1.2510	:: 1.2550	:: 1.2550	:: 1.2550	::	:
-- 40# BLOCKS							
--Monday	::	:: 1.3050	:: 1.3050	:: #	:: 1.3050	::	:
--Tuesday	::	:: 1.3050	:: 1.3050	:: 1.3050	:: 1.3075	::	:
--Wednesday	::	:: 1.3025	:: 1.3050	:: 1.3000	:: 1.3150	::	:
--Thursday	:: #	:: 1.3025	:: 1.3050	:: 1.3000	:: 1.3200	::	:
--Friday	:: #	:: 1.3000	:: 1.3050	:: 1.3000	:: 1.3250	:: 1.3062	: 1.1507
--Weekly Average**	::	:: 1.3030	:: 1.3050	:: 1.3013	:: 1.3145	::	:
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday	::	:: 0.8400	:: 0.8400	:: #	:: 0.8400	::	:
--Tuesday	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Wednesday	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Thursday	:: #	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Friday	:: #	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	: 0.8919
--Weekly Average**	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
-- GRADE A							
--Monday	::	:: 0.8400	:: 0.8400	:: #	:: 0.8400	::	:
--Tuesday	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Wednesday	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Thursday	:: #	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:
--Friday	:: #	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	: 0.8919
--Weekly Average**	::	:: 0.8400	:: 0.8400	:: 0.8400	:: 0.8400	::	:

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.  
 \*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.  
 # The CME was closed.

JANUARY 2004 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY 2003 – DECEMBER 2003		22,733		
01/07/04	CARIBBEAN, CENT & S. AM	38,468	JAN – SEP	\$38.21
01/07/04	ASIA & F.S.U.	7,000	JAN – SEP	\$40.00
JANUARY 1 – 31, 2004		<u>45,468</u>		
JULY 2003 – JANUARY 2004		<u>68,201</u>		
<b>CHEESE</b>				
JULY 2003 – DECEMBER 2003		0		
01/16/04 – M	CARIBBEAN, CENT & S. AM	3,000	JAN – OCT	\$308.00
01/16/04 – MJ	CARIBBEAN, CENT & S. AM	30	JAN – SEP	\$325.00
JANUARY 1 – 31, 2004		<u>3,030</u>		
JULY 2003 – JANUARY 2004		<u>3,030</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
<b>BUTTERFAT</b>				
JULY 2003 – DECEMBER 2003		0		
JANUARY 1 – 31, 2004		<u>0</u>		
JULY 2003 – JANUARY 2004		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
				PROGRAM TO DATE
TOTAL MT				71,231
TOTAL BONUS VALUE				\$5,433,241

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

Allocations for the DEIP year beginning July 1, 2003: Nonfat Dry Milk – 68,201 MT; Cheese – 3,030 MT; Butterfat – 21,097 MT

Allocations are being announced in stages. Stage one is for 22,733 MT of Nonfat Dry Milk, 7,032 MT of Butter and 1,010 MT of Cheese.

Stage 2 was for 45,468 MT of Nonfat Dry Milk and 2,020 MT of Cheese.

**JANUARY AGRICULTURAL PRICES HIGHLIGHTS**

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2004 was unchanged at 130. Compared with January 2003, the index was up 4 points (3.2 percent). The index of prices received by farmers for dairy products declined 5 points during the month of January 2004 to 100. Compared with January 2003, the index was up 10 points (11.1 percent).

Prices received by farmers in January 2004 with changes from December 2003 were: for All Milk, \$13.10 per hundredweight (cwt.), down \$.60; for Fluid Grade Milk, \$13.10 per cwt., down \$.70; and for Manufacturing Grade Milk, \$12.50 per cwt., down \$.20.

**SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., JANUARY 2004 WITH COMPARISONS**

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	DECEMBER		JANUARY		JANUARY		JANUARY		JANUARY	
	2003	2002 <u>2/</u>	2004 <u>4/</u>	2003 <u>2/</u>	2004 <u>4/</u>	2003 <u>2/</u>	2004 <u>7/</u>	2003 <u>8/</u>	2004	2003
CA	12.00	10.60	11.70	10.70	1,350	1,380	43.50	35.00	88.00	96.00
ID	12.30	11.20	12.20	10.60	1,450	1,450	40.10	35.90	84.00	88.00
MI	14.00	11.80	13.20	11.80	1,450	1,400	45.00	36.00	99.00	95.00
MN	13.80	11.80	13.20	11.70	1,350	1,270	48.00	38.30	68.00	68.00
NM	13.40	11.90	12.40	11.70	1,360	1,470	47.00	37.40	137.00	139.00
NY	14.70	12.50	13.80	12.50	1,330	1,300	---	---	107.00	108.00
PA	15.90	13.80	15.00	13.70	1,350	1,400	46.50	37.80	129.00	140.00
TX	14.60	12.80	14.00	12.80	1,410	1,360	45.70	35.20	72.00	71.00
WA	13.60	11.70	13.00	11.60	1,420	1,370	---	---	93.00	108.00
WI	14.10	11.90	13.80	11.70	1,450	1,380	47.10	38.10	91.00	70.00
U.S.	13.70	11.90	13.10	11.70	1,390	1,370	45.80	36.90	79.30	92.90

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

**MILK AND OTHER GENERAL PRICE MEASURES, U.S., JANUARY 2004 WITH COMPARISONS**

ITEM	JANUARY 2003	DECEMBER 2003 <u>2/</u>	JANUARY 2004 <u>3/</u>
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., at reported butterfat test:			
All milk	11.70	13.70	13.10
Fluid grade milk	11.80	13.80	13.10
Manufacturing grade milk	10.50	12.70	12.50
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	100	113	111
Prices received by farmers for dairy products	90	105	100
Prices paid by farmers for commodities and services, interest taxes, and wage rates	126	130	130
Prices paid by farmers for production items	122	127	127
Prices paid by farmers for feed	114	122	121
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	2.40	2.81	2.75

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and whole wheat.

**SOURCE:** "Agricultural Prices," Pr 1 (1-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JANUARY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for January 2004 is \$1.4978 per pound. Thus, the Class II butterfat price is \$1.5048. The protein and other solids prices for January are \$2.0875 and \$0.0217 per pound, respectively. These component prices set the Class III skim milk price at \$6.60 per cwt. The January Class IV skim milk price is \$5.94 which is derived from the nonfat solids price of 0.6595 per pound.  
**Product Price Averages:** The product price averages for January are; butter \$1.3632, nonfat dry milk \$0.8062, cheese \$1.3023, and dry whey \$0.1801.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	JANUARY 2004				FEBRUARY 2004
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	15.10	11.67	11.61	10.97	14.84
Appalachian (Charlotte) 5/	005	14.95	11.67	11.61	10.97	14.69
Southeast (Atlanta) 6/	007	14.95	11.67	11.61	10.97	14.69
Florida (Tampa ) 7/	006	15.85	11.67	11.61	10.97	15.59
Mideast (Cleveland) 8/	033	13.85	11.67	11.61	10.97	13.59
Upper Midwest (Chicago) 9/	030	13.65	11.67	11.61	10.97	13.39
Central (Kansas City) 10/	032	13.85	11.67	11.61	10.97	13.59
Southwest (Dallas) 11/	126	14.85	11.67	11.61	10.97	14.59
Arizona-Las Vegas (Phoenix) 12/	131	14.20	11.67	11.61	10.97	13.94
Western (Salt Lake City) 13/	135	13.75	11.67	11.61	10.97	13.49
Pacific Northwest (Seattle) 14/	124	13.75	11.67	11.61	10.97	13.49
All-Market Average	---	14.43	11.67	11.61	10.97	14.17

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.

## DECEMBER 2003 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 114.4 million pounds in December, 10.4 percent below December 2002 but 30.0 percent above November 2003. **AMERICAN TYPE CHEESE** production totaled 318.8 million pounds, 0.4 percent above December 2002 and 8.8 percent above November 2003. **TOTAL CHEESE** output (excluding cottage cheese) was 753.1 million pounds, 0.8 percent above December 2002 and 6.0 percent above November 2003. **NONFAT DRY MILK** production, for human food, totaled 132.2 million pounds, 0.2 percent below December 2002 but 27.8 percent above November 2003. **DRY WHEY** production, for human food, was 79.9 million pounds, 13.2 percent below December 2002 but 8.1 percent above November 2003. **ICE CREAM** (hard) production totaled 54.4 million gallons, 0.9 percent above December 2002 but 6.1 percent below November 2003.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	DEC 2003	PERCENT CHANGE FROM:			PRODUCT	DEC 2003	PERCENT CHANGE FROM:		
	1,000 LBS.	DEC 2002	NOV 2003	YEAR TO DATE 1/		1,000 LBS.	DEC 2002	NOV 2003	YEAR TO DATE 1/
BUTTER	114,370	-10.4	30.0	-8.5	SOUR CREAM	93,014	---	5.5	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	178,881	8.9	2.6	---
AMERICAN TYPES 2/	318,837	0.4	8.8	-0.9	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	239,565	-0.3	11.4	-2.6	SWEET-TYPE, HUMAN FOOD	9,845	9.0	9.2	---
SWISS	23,617	3.5	6.0	---	DRY WHEY PRODUCTS				
BRICK & MÜNSTER	7,219	-5.2	-0.1	---	DRY WHEY, HUMAN FOOD	79,906	-13.2	8.1	---
CREAM & NEUFCHÂTEL	59,189	-2.4	-16.5	---	DRY WHEY, ANIMAL FEED	8,767	41.9	23.5	---
HISPANIC	10,857	7.7	8.8	---	DRY WHEY, TOTAL	88,673	-9.8	9.5	-0.4
MOZZARELLA	248,145	-0.2	8.1	0.9	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	64,227	1.9	9.2	2.8	HUMAN FOOD	4,367	9.7	38.2	---
TOTAL ITALIAN TYPES	312,372	0.2	8.3	1.3	ANIMAL FEED	3,453	-2.8	0.8	---
ALL OTHER TYPES	21,043	24.5	14.3	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	55,394	13.3	4.6	---
TOTAL	753,134	0.8	6.0	0.3	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	34,208	3.0	-3.9	---	HUMAN FOOD	24,361	-2.1	15.1	---
COTTAGE CHEESE, CREAM 4/	28,836	0.9	3.2	2.1	ANIMAL FEED	3,808	15.4	-2.7	---
COTTAGE CHEESE, LOWFAT 5/	28,544	0.6	-2.3	1.1					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS			
WHOLE MILK	42,320	15.6	-9.4	---	ICE CREAM (HARD)	54,362	0.9	-6.1	-0.1
DRY WHOLE MILK	2,608	-32.8	-46.0	---	ICE CREAM, LOWFAT (HARD)	6,898	1.7	9.1	---
NONFAT DRY MILK, HUMAN FOOD	132,214	-0.2	27.8	-4.9	ICE CREAM, LOWFAT (SOFT)	19,469	16.9	5.9	---
DRY SKIM MILK, ANIMAL FEED	348	-16.3	6.4	---	ICE CREAM, LOWFAT (TOTAL)	26,367	12.5	6.7	11.2
DRY BUTTERMILK	5,044	0.6	51.0	---	SHERBET (HARD)	3,332	4.5	-2.2	5.8
					YOGURT (TOTAL)	4,039	-4.5	-4.5	-10.4

MANUFACTURERS' STOCKS, END OF MONTH 7/							
PRODUCT	DEC 2003	PERCENT OF:		PRODUCT	DEC 2003	PERCENT OF:	
	1,000 LBS.	DEC 2002	NOV 2003		1,000 LBS.	DEC 2002	NOV 2003
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	38,767	-17.5	3.2	HUMAN FOOD	24,075	3.8	8.2
DRY WHEY, ANIMAL FEED	5,262	121.1	18.5	ANIMAL FEED	2,162	49.6	-19.2
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	7,278	-27.8	-8.1	CANNED EVAPORATED & CONDENSED WHOLE MILK	37,131	-31.1	-3.2
LACTOSE, HUMAN FOOD & ANIMAL FEED	50,055	10.0	12.2	NONFAT DRY MILK FOR HUMAN FOOD	107,020	18.3	22.6
DRY BUTTERMILK, TOTAL	2,942	-60.5	34.6				

1/ 2003 cumulative as percent change of 2002 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.

SOURCE: "Dairy Products," Da 2-6 (2-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

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

	FOR THE WEEK OF FEBRUARY 2 - 6, 2004			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/03	SAME PERIOD LAST YEAR	WEEK ENDING 01/30/04	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-42,309	2,453,344	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-42,309	2,453,344	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	343,714	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	337,555	-0-	-0-
Process	-0-	-0-	-0-	-0-	6,692,400	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	7,373,669	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	6,763,351	458,449	6,304,902	197,704,073	192,954,272	862,500,000	1,007,838,000
Fortified	-0-	-0-	-0-	-119,048	-0-	46,391,000	46,391,000
<b>TOTAL</b>	6,763,351	458,449	6,304,902	197,585,025	192,954,272	908,891,000	1,054,229,000

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF FEBRUARY 2 - 6, 2004 =	1.4	73.4	COMPARABLE PERIOD IN 2003 =	11.6	270.0
CUMULATIVE SINCE OCTOBER 1, 2003 =	42.5	2,299.9	CUMULATIVE SAME PERIOD LAST YEAR =	164.0	2,319.3
CUMULATIVE JANUARY 1 - FEBRUARY 6, 2004 =	17.0	950.6	COMPARABLE CALENDAR YEAR 2003 =	89.9	1,053.7

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

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

**CCC ADJUSTED PURCHASES FOR THE WEEK OF FEBRUARY 2 - 6, 2004 (POUNDS)**

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	132,153	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	5,640,890	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	531,859	-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-	6,692,400	4,369,311	4,525,548	2.3	38.3
WEST	-42,309	2,453,344	-0-	681,269	188,185,131	186,062,373	95.2	61.4
EAST	-0-	-0-	-0-	-0-	5,030,583	2,366,351	2.6	0.3
<b>TOTAL</b>	-42,309	2,453,344	-0-	7,373,669	197,585,025	192,954,272	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 01/17/04 & Comparable Week 2003**

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		
2004-Dairy	0.1	0.8	7.2	5.8	19.9	3.1	0.6	1.1	14.8	3.6	56.9	141.0	48.8	46.7
2003-Dairy	0.2	0.9	9.0	5.6	24.6	3.2	0.6	0.8	16.1	2.9	63.8	175.6	48.8	48.8
2004-All cows	0.1	0.9	9.7	12.9	33.2	18.5	14.7	3.2	15.9	7.4	116.5	302.1		
2003-All cows	0.2	1.1	12.1	16.2	37.4	17.4	16.0	4.0	18.6	7.7	130.8	359.9		

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 - 2004 (3.5% BF)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2004	FEB 2004
I 1/	10.56	10.23	9.81	9.64	9.71	9.74	9.77	10.97	13.71	14.27	14.37	13.84	11.85	11.59
II	11.29	10.66	10.54	10.44	10.43	10.46	10.63	10.81	10.76	10.84	10.99	11.30	11.67	
III	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87	11.61	
IV	10.07	9.81	9.79	9.73	9.74	9.76	9.95	10.14	10.05	10.16	10.30	10.52	10.97	

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)