

East Fluid Milk And Cream Review

Madison, Wis.

December 26, 2001

Report Supplied by USDA

Spot prices of class II cream, dollars per lb. butterfat: F.O.B. producing plants: Northeast: 1.6296-1.7610. Delivered Equivalent: Atlanta: 1.6033-1.7741 mostly 1.6428-1.6822.

PRICES OF CONDENSED SKIM, dollars per lb. wet solids, F.O.B. producing plants: Northeast: Class II, includes monthly formula prices: 1.0000-1.0800; Class III - spot prices - .9800-1.0600.

SPOT SHIPMENTS OF GRADE A MILK: FLORIDA: This week - In 0, Out 86; last week - In 23, Out 0; last year - In 0, Out 0. SOUTHEAST STATES: This week - In 0, Out 0; last week - In 0, Out 0; last year - In 0, Out 0.

The base price for Class I milk for January 2002 is \$11.96 per cwt., down \$0.02 from December. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for January is \$7.74, down eleven cents from December. Milk production is steady in most parts of the region, but it is showing signs of increasing in the southern-most states. Fluid milk supplies are heavy and manufacturing plants are operating at or very near capacity levels. Contacts noted that this was the worst milk-handling holiday in the last 3-5 years, but the Tuesday holiday may have had more to do with that than the milk volumes. Some plant contacts noted that were swamped with milk, but able to work through the volumes. However, some operations still

have trucks "in the yard" waiting to be unloaded. Some of these "horizontal silos" were still be waiting to unloaded at midweek. Bottled milk sales are sluggish and the school pipelines won't start being refilled until this coming weekend. This week, Florida handlers shipped 80+ loads out of state for processing. A Christmas-weekend snowstorm dumped more than two feet of snow on parts of New York and farm pick-ups and over-the-road transportation were disrupted in the affected areas.

The condensed skim market tone and prices are unchanged. Demand for wet solids is slower which is forcing more skim through local dryers.

The fluid cream market remains weak and supplies are excessive. Atypically, cream prices moved higher during the week of Christmas. This is keeping some Class II buyers away from the spot market until prices reach what they feel is a more attractive level. Demand is slow to fair as many users have reduced operating schedules during the holidays. Ice cream output is seasonally slow, but should get back "up to speed" the second week of January. Bottled cream packaging is slower as orders have, for the most part, been filled. Egg nog production is slowing along seasonal patterns now that most orders have been shipped. Churning activity was heavy at those Eastern operations that are able to make butter. Excess cream volumes are heavy and quite a few loads are clearing to Midwestern outlets. Most sales to butter makers occurred at prices well below the Class II range and most prices are based on the CME price, date of delivery.

National Feeder Cattle Weekly Summary

St. Joseph, Mo.

December 21, 2001

Report Supplied By USDA

NATIONAL FEEDER CATTLE SUMMARY for week ending Dec. 21. Receipts: This week 125,800; last week 220,300; year ago 103,400. Compared to last week, yearling feeder steers and heifers traded steady to 3.00 lower, with calves trading steady to 4.00 higher, with instances in the Southeast up to 5.00 higher according to the USDA's Livestock Market News Service. Receipts across the country were seasonally lower as sale barns prepare to shut the doors for the Holiday break. Cold weather, and the years first severe winter storms were the talk at most small town cafes to start off the week. Wind breaks were being slapped up on wheat pastures, and feedlot managers were preparing for knee deep mud and fixin' to take a hit on gains and performance. The CME even joined in with the weathermen and the board saw limit up gains in live and feeder cattle pits. This "forecasting" was silenced by Wednesday as weathermen did what they do best by backing out on their "the big one is coming" forecasts, opting rather to broadcast a chance of light rain or snow for the Southern Plains through the Texas panhandle over the weekend. The futures board was on a roller coaster ride throughout the week from limit up gains early in the week, back to double digit losses midweek, and closing out the week with triple digit gains on Friday, with many keeping their eye on nearby live February's premium to cash. The Southern Plains is in need of a drink as a majority

Some markets not available because of the holiday

of wheat pasture conditions remain very short, with a few exceptions coming from those areas lucky enough to catch some rain at the right times. Farmers and backgrounders in areas with moisture report good wheat pasture conditions and in return keep stoking the fire underneath a stocker calf market that has held up well in the face of a falling feeder cattle market. Order buyers are keeping producers that have some wheat busy stringing wire as they send loads of furry calves from the Northern states that will fit the bill in grazing operations. Heavy rains fell in areas of the Southeast this past weekend resulting in lowered auction receipts. Localized flooding was reported making many country roads impassable, leaving some producers hoping to get their calf crop on this year's income statement at home shaking their heads.

Packer buyers hid in the brush most of the week finally pulling the trigger late Thursday in all feeding areas with live sales losing another 1.00 in the South, trading at mostly 62.00. The Northern Plains ended 1.00 to 2.00 lower, trading at mostly 100.00 on a dressed basis. Although we end the year sitting down to a dinner that is not likely to consist of prime rib, beef demand appears to be remaining good as we head into a new year. From everyone here at the Livestock Market News office we wish you a Merry Christmas.

West Virginia Feeder Cattle

Charleston, W. Va.

December 27, 2001

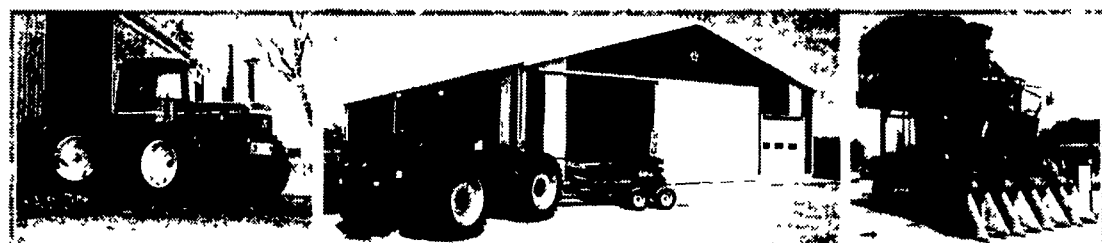
Report Supplied By USDA

FEEDER CATTLE: Regular Sales from Greenbrier Valley, Riverton, and Moorefield, W. Va. from Dec. 14 and 15. Prices per hundredweight.

STEERS: 57 head. Med. and Lge. 1: 300-400 lb 94-99.00; 400-500 lb 89-95.00; 600-700 lb 85-87.00p 700-800 lb 76-77.50; 800-900 lb 63.00; 900-1000 lb 52.00. Med. and Lge. 2: 300-400 lb 79.00; 400-500 lb 88-96.00; 500-600 lb 80-85.00; 600-700 lb 74-81.00. Small 1 and 2: 300-400 lb 85-89.00; 400-500 lb 75.00; 700-800 lb 65.00.

HEIFERS: 51 head. Med. and Lge. 1: 200-300 lb 83.00; 300-400 lb 85.50; 400-500 lb 80-84.00; 500-600 lb 69-80.25; 600-700 lb 72-80.00; 700-800 lb 65.00. Med. and Lge. 2: 300-400 lb 69.00; 500-600 lb 75.00; 600-700 lb 65.00. Small 1 and 2: 200-300 lb 60-69.00, 300-400 lb 60-69.00; 400-500 lb 65.00.

BULLS: 19 head. Med. and Lge. 1: 200-300 lb 95.50; 400-500 lb 89-96.00; 600-700 lb 70.75-77.00; 700-800 lb 64.00. Med. and Lge. 2: 500-600 lb 80.00, 700-800 lb 57.00. Small 1 and 2: 500-600 lb 80.00; 700-800 lb 57.00. Small 1 and 2: 400-500 lb 57.00; 500-600 lb 77.00.



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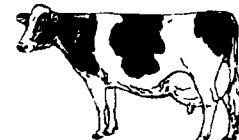
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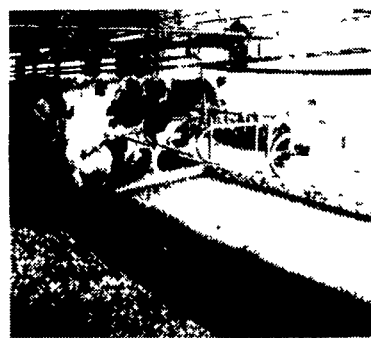
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