

**National Feeder Cattle Weekly Review**

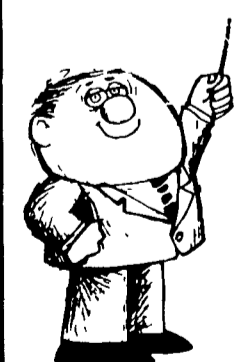
St. Joseph, Mo.  
December 13, 2002  
Report Supplied By USDA

NATIONAL FEEDER & STOCKER Summary for week ending Dec. 13, 2002  
Total Receipts 430,400, last week 403,400 Direct 62,300, last week 57,000  
Video/Internet 33,800 head, last week 27,600 Auction Receipts 343,300, last week 318,700 This week's reported auction volume included 35 percent over 600 lbs and 43 percent heifers.

Compared to last week, feeder and stocker cattle markets across the country were mostly mixed. Price trends fell on both sides of steady in the Plains states and through the Midwest, with the exception being the Southeast where markets were predominantly weak to 200 lower. Receipts have fallen off significantly in the South and the quality of the offerings have become uneven, making it hard for order buyers to put together loads to send west.

The up and down prices in the central part of the US were a result of demand being very good early in the week and then slacking off on Wednesday when High Plains feedlots surrendered this week's showlists 100 lower at 73.00. Pressure to sell came from a sudden drop in the CME Live Cattle Futures, where December contracts lost 1.85 on Wednesday and Thursday. The threat of delivery caused long positions to jump ship, which lined up the cash and futures market perfectly by the end of the week. This is exactly how the system was designed to work and why so many feeders manage risk by hedging on the Chicago Mercantile Exchange. The CME Feeder Cattle Futures contracts also played a big part in this week's business. Many cattle producers sold their feeder cattle for future delivery this week and based the sale price off the Board Basis trading was active near the major feeding areas as many sellers have the option of selecting which day the basis is calculated from. Feeder Futures held up fairly well this week in the face of fading Live Cattle, which seemed like a prime time for many to pick their day.

Temperatures have turned extremely mild across most of the nation and especially in winter wheat country. Following last week's blanket of snow, wheat couldn't be grown better in a greenhouse. The demand for replacement cattle is also starting to grow and was reported to be excellent on the 9,000 head offered in Billings, MT this week. Fancy bred heifers and young bred cows brought over 1000.00 per head. Cattle numbers are currently down and the market is rising, causing folks to increase production and the cycle continues.



A lesson well learned...  
**Lancaster Farming's classified ads get results!**

**East Fluid Milk And Cream Review**

Madison, Wis.  
December 18, 2002  
Report Supplied by USDA

Spot prices of class II cream, dollars per lb butterfat FOB producing plants Northeast 1.3996-1.5107 Delivered Equivalent Atlanta 1.4218-1.5329 mostly 1.4440-1.4774

PRICES OF CONDENSED SKIM, dollars per lb wet solids, FOB producing plants Northeast Class II, includes monthly formula prices 9850-10300, Class III - spot prices - 8050-8900

SPOT SHIPMENTS OF GRADE A MILK FLORIDA This week In - 51, Out 0, last week In 30, Out 0, last year In 23, Out 0 SOUTHEAST STATES This week In 0, Out 0, last week In 0, Out 0, last year In 0, Out 0

Regional Milk Market Administrators announced the following, November 2002 uniform prices Northeast \$12.31 Midwest \$11.17, Southeast \$12.84, Florida \$14.32, and Western New York (a state order) \$11.86 at the base city or county in the orders (For the Northeast, Midwest, and Western New York orders, statistical uniform prices are reported.) During November, milk production in the 20 major states totaled 11.70 billion pounds, up 1.8% from November 2001. The following are the November-to-November changes for selected states: Texas +.8%, New York +.1%, Pennsylvania -.08%, Vermont -.14%, Virginia -.20%, Florida -.28% and Kentucky -.84%.

Milk production is mixed. The storms each of the last two weeks have taken their toll on milk output. Increases seen prior to the storms have turned to slight decreases. This is particularly evident in Virginia, North Carolina and other Mid-Atlantic states. Milk production is increasing in other Southeastern states and about steady in the Northeast.

Fluid milk supplies continue to be reported as tight. This is surprising to some contacts who expected to see slower sales and more surplus milk. So far this week this is not the case. Most milk suppliers and bottlers indicate very good Class I milk sales. However, school lunch needs will drop to almost nothing late this week.

Bottlers hope that retail sales during the holidays will offset a good portion of the lost school lunch sales. Florida's bottled milk demand has been very good and milk handlers are still importing milk from the Mid-Atlantic area. Surplus milk volumes have been light, but most plant contacts expect to be running heavy this time next week. Contacts state that, from a plant processing point of view, it is good that Christmas and New Years fall on Wednesday. In fact, many bottlers already use Wednesday as one of their "down days" each week.

The condensed skim market is about steady. Volumes are increasing slightly, but producers seem to prefer selling wet solids rather than dry them. Prices are unchanged, but as offerings increase, seller may be forced to be more competitive or have to dry it.

The fluid cream market is mixed. Demand is still quite good for some suppliers, sharply slower for others. There are some ice cream plants that have already closed for the holidays, while others continue to operate through the weekend. There is more extra cream trying to clear the market and that should be the case all through the holiday period. Cream cheese makers have been taking some extra loads. Egg nog production is drawing to a close. Some plants expect to make their last batch late this week while other may make a little sometime next week. Production of bottled cream, dips, and sour cream are all holding at fairly good levels. In recent years, it is more common for these items to have good sales/consumption well into January. Spot prices are steady to lower this week. As cream volumes increase multiples have eased, but the CME weekly average did increase fractionally. Churning is starting to increase and excess cream continues to clear to local and Midwestern butter makers.

**LIVESTOCK FUTURES MARKET**

Chicago Mercantile Exchange  
Wednesday, December 18, 2002

	Choice Steers		Choice Feeders		Live Hogs		Frozen Pork Bellies	
	Today	Wk Ago	Today	Wk Ago	Today	Wk Ago	Today	Wk Ago
D 02	73.725	73.825	-	-	-	43.250	-	-
J 02	-	-	83.000	83.575	-	-	-	-
F 03	78.250	77.925	-	-	51.225	52.450	84.325	84.550
Mi 03	-	-	81.225	82.375	-	-	82.650	83.250
Ap 03	77.250	77.375	80.975	82.050	56.325	59.950	-	-
Mx 03	-	-	81.300	82.525	61.050	62.025	84.300	84.500
In 03	71.300	71.850	-	-	63.575	65.850	-	-
Il 03	-	-	-	-	60.750	63.050	84.800	86.100
Au 03	69.350	70.350	83.550	84.550	58.500	60.250	83.900	85.300
S 03	-	-	83.700	84.400	-	-	-	-
O 03	70.600	71.500	83.450	84.200	52.175	52.700	-	-
N 03	-	-	84.200	85.000	-	-	-	-
D 03	-	-	-	-	51.025	51.900	-	-



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