

East Fluid Milk And Cream Review

Madison, Wis.

January 8, 2003

Report Supplied by USDA

Spot prices of class II cream, dollars per lb. butterfat: F.O.B. producing plants: Northeast: 1.3590-1.4949. Delivered Equivalent: Atlanta: 1.3590-1.4949 mostly 1.3817-1.4043.

PRICES OF CONDENSED SKIM, dollars per lb. wet solids, F.O.B. producing plants: Northeast: Class II, includes monthly formula prices: .9500-1.0300; Class III - spot prices - .8000-.8700.

SPOT SHIPMENTS OF GRADE A MILK: FLORIDA: This week: In 15, Out 0; last week: In 0, Out 27; last year: In 80, Out 0. SOUTHEAST STATES: This week: In 0, Out 0; last week: In 0, Out 0; last year: In 0, Out 0.

The following are the December 2002 Class and component prices under the Federal Milk Order pricing system: Class II \$11.62 (up \$0.36 from November), Class III \$9.74 (down \$0.10); and Class IV \$10.49 (down \$0.09). The following are the product price averages used in computing Class prices: butter \$1.0926, NDM \$0.8682, cheese \$1.1203, and dry whey \$0.1965. The Class II butterfat price is \$1.1992 and the Class III/IV butterfat price is \$1.1922.

Milk production is steady to slightly higher in most parts of the region. Florida's output has slowed temporarily as cold weather hit the state early this week. Frost was common across much of the state on Wednesday morning. Two storms moved quickly through the Northeast this past weekend and at midweek. Snow accumulations ranged up to 18 inches in spots and there were some delays in farm pick-ups and other transportation schedules. The forecasts of storms set off another bout of panic buying. Bottlers were very busy over the weekend and most

added on to their orders for milk. The combination of refilling the school lunch pipelines and the storms had most bottlers running "full tilt" right through midweek. This improved Class I demand greatly reduced the volumes of surplus milk in the region. Butter/powder plants that were operating on extended schedules during the holidays are back to moderate operations now and some balancing plants were idled early this week. However, the butter producing portion of these plants are still churning moderate to heavy volumes of cream.

The condensed skim market isn't as weak now that the holiday milk and condensed have eased back to more normal levels. Less distressed loads are clearing. Prices are still rather low and some users are looking at NDM as a less expensive alternative. Suppliers are often lowering prices to meet the NDM market, just to keep product moving.

The fluid cream market remains weak. However, some ice cream plants are back on line after several weeks off. This is helping to ease the cream glut, but the heavier milk bottling and standardizing is creating more cream at those plants. However, cream volumes are still excessive of Class II demand and some suppliers are still shipping a big percentage of their supply to the Midwest for churning. Demand is fair and prices often lower due to a decline in multiples and the CME average price of butter. A few scattered reports of higher multiples were noted. Cream cheese output is about steady and producers are still looking for attractively priced spot loads. Ice cream production is increasing for the "holiday lull" now that plants get back on line. Churning activity is still quite heavy at those plants that are churning. Cream suppliers report that some butter makers are paying rather low multiples for any cream that is offered to them.

National Feeder Cattle Weekly Review

St. Joseph, Mo.

January 5, 2003

Report Supplied By USDA

NATIONAL FEEDER & STOCKER Summary for week ending Jan. 3, 2003. Total Receipts: 84,600. Direct 34,200. Video/Internet 21,100. Auctions 29,300. This week's reported auction volume included 57 percent over 600 lbs and 46 percent heifers.

Feeder cattle marketing was too light, again this week, to establish a national price trend. Business should return to normal next week as auction and direct sales are both expected to be large. The few country sales and auctions that were reported by the USDA's Livestock Market News Service this week mostly had a higher undertone.

The two week holiday break did not unveil any news or data that would cause the cattle markets to head south. In fact, feedlots received market leverage for Christmas and the fat cattle market exited the holidays 3.00 higher than it entered and dressed sales gained 5.00. The five major feeding areas sold near 210,000 head of slaughter steers and heifers late this week at mostly 75.00 live and 118.00 in the beef.

The best feeder cattle demand remains to be for heavyweights as buyers are aggressive for anything that will finish near April. On New Year's Day at the St. Joseph Stockyards in Missouri, a load of 1000 lb steers 83.00 and a comparable load weighing 700 lbs brought 87.50. April CME Live Cattle Futures ended the week at 79.97 but the June contracts closed at 72.95, which makes those 700 lb steers look risky.

The El Nino phenomenon has left the upper half of the US with an abnormally warm and dry start to the winter. Meanwhile, the southern portion of the country has already seen a whole season's worth of moisture. Springfield, MO posted a record for the most snow ever in the month of December at 20 inches. Further north, ranchers and backgrounders in the upper Midwest are running out of water as they watch their ponds freeze dry, leaving many praying for any type of moisture — even a snowstorm.

Eastern Cornbelt Direct Sheep Weekly Summary

Springfield, Ill.

January 3, 2003

Report Supplied By USDA

Eastern Cornbelt Direct Sheep Weekly Report (includes lambs sold in IL., IN., OH., MI.) — No report issued this week due to holiday.

National Weekly Lamb Report

Des Moines, Iowa

January 7, 2003

Report Supplied By USDA

NATIONAL WEEKLY LAMB REPORT for week ending Monday, Jan. 6: SLAUGHTERED LAMB PRIOR WEEK: From Forward Contracts: Domestic 0; Imported 0. From Formula Arrangements: Domestic 19,288 head; Imported: 987.

SLAUGHTERED PACKER OWNED SHEEP: DOMESTIC: 2,843 head, 52-88 lbs (avg. 77 lbs); dressing 50.0-50.0%, avg. 50.0%; Choice or better 99.1%. IMPORTED: None.

FORWARD CONTRACT PURCHASES: No trade reported.

FORMULA PURCHASES: DOMESTIC: 1,081 head, 61-65 lbs (avg. 63.1 lbs) 159.95-170.00, wtd. avg. price 164.03; 13,860 head, 66-75 lbs (avg. 72.5 lbs) 160.90-185.56, wtd. avg. price 164.79; 8,815 head, 75-86 lbs (avg. 78.3 lbs) 159.02-173.91, wtd. avg. price 164.92.

IMPORTED: 334 head, 67-69 lbs (avg. 68.1 lbs) 152.97.

LIVESTOCK FUTURES MARKET

Chicago Mercantile Exchange
Wednesday, January 8, 2003

	Choice Steers Today	Choice Feeders Today	Live Hogs Lean Value Today	Frozen Pork Bellies Today
J 02	-----	83 100	83.275	-----
F 03	81.100	78.725	-----	52.125 53 550
Mr 03	-----	80.850	81.600	82 350 88.600
Ap 03	79.600	78.025	80.925	81 500 86.800
My 03	-----	81.475	81.550	58 425 59 725
Jn 03	71 825	71 875	-----	62.825 63 850
Jl 03	-----	-----	-----	82 350 87.700
Au 03	69 625	69 825	83.725	63.975 66 350
S 03	-----	83.700	83.700	61.600 63 450
O 03	71.525	71 300	83.650	82 900 87.650
N 03	-----	83.900	83.700	59.275 60.700
D 03	-----	-----	-----	81.500 86.300
F 04	-----	-----	-----	53.100 52 150
				55.325 54.000

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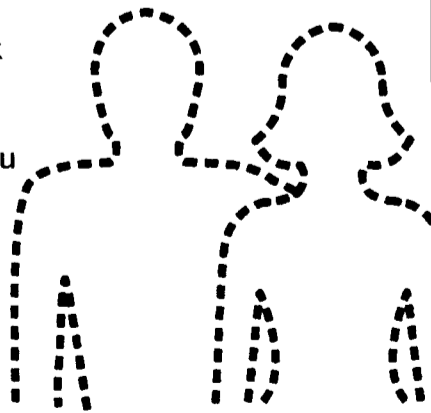


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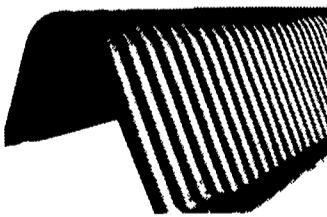
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