

**East Fluid Milk
And Cream Review**

Madison, Wis.
May 14, 2003

Report Supplied by USDA

Spot prices of class II cream, dollars per lb. butterfat: F.O.B. producing plants: Northeast: 1.3397-1.4813. Delivered Equivalent: Atlanta: 1.3506-1.4595 mostly 1.3615-1.3942.

PRICES OF CONDENSED SKIM, dollars per lb. wet solids, F.O.B. producing plants: Northeast: Class II, includes monthly formula prices: .8500-9800; Class III - spot prices - .7400-8000.

SPOT SHIPMENTS OF GRADE A MILK: FLORIDA: This Week: In 0, Out 153; Last Week: In 0, Out 192; Last Year: In 0, Out 80. SOUTHEAST STATES: This week: In 0, Out 0; last week: In 0, Out 0; last year: In 0, Out 0.

EDITOR'S NOTE: Due to recent 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.

Regional Milk Market Administrators announced the following, April 2003 uniform prices: Northeast \$11.45, Mideast \$10.47, Southeast \$11.81, Florida \$12.96, and Western New York (a state order) \$11.12 at the base city or county in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.)

Cooler and/or rainy weather prevailed over much of the region. Milk output had been falling in the Deep South, but cooler temperatures may slow the declines seen in past weeks. In the Middle Atlantic area, milk output is mostly steady at near-peak levels. Farther north, the milk flow is still increasing slowly toward its peak. Traditionally, late May or early June marks the top of the milk production cycle in the Northeast.

Fluid milk supplies are lighter, but still

excessive in the Southeast, moderate to heavy in the Northeast. Many Southern schools will be recessing next week, while Northern schools are typically open until mid-June. Bottled milk demand is spotty. Some contacts report lackluster milk orders and others indicate that bottlers have added loads to their weekly milk orders. Some bottlers expect that resort area orders will start to improve as Memorial Day approaches. Manufacturing plant contacts report that they remain busy, but plant receipts are off slightly this week. Should it be needed, plant capacity is available. A few plant contacts noted that they were "uncomfortably full on week-ends," but working through their supply problems.

The condensed skim market is little changed. Spot demand has improved in scattered instances, but overall, orders remain slower than normal for this time of year.

The fluid cream market is slightly im-

proved. Spot prices are up this week as multiples did move slightly higher and last week's CME butter average increased a half cent. Some suppliers note that orders have picked up as ice cream makers increase output. Also, soft serve mix producers are stepping up output to meet anticipated demand after Memorial Day. Bottlers and canned whipping cream makers have taken more cream this week. Cream cheese output is about steady, but a few spot purchases were noted. Churning activity remains heavy, but few loads of excess cream are clearing to the Midwest.

Compared to last week, feeder and stocker cattle sold steady to 2.00 higher with instances of 3.00 higher on both calves and yearlings. Trends were very consistent across the country as attitudes are positive and demand is good for all classes of grazers and feedlot replacements. Direct receipts from country trading were very heavy this week as the waiting game came to an end for many backgrounders who have been holding-on to those heavy yearlings coming off of graze-out wheat. This is one instance where the waiting paid off as ample feedlot vacancy has cattle feeders buying almost as aggressively as they have been selling. The average-length-of-stay has decreased considerably and many of the cattle heading up the feedlot loading chutes are not much more than 200 lbs heavier than the wheat yearlings heading down the chutes.

The industry headed into this week with one of the smallest herds of market-ready slaughter cattle in recent memory, yet the USDA's Livestock Market News Service reported the largest number of negotiated sales since June 2001 at near 300,000 head through Mandatory Price Reporting. The cattle feeders have all of the bargaining power, although they have been remarkably easy for the packers to deal with at the current price levels. The producers realize that they got to this point through aggressive marketing and their not about to spoil the party by being greedy. Besides, a 100.00 per head profit is more significant on an 1150 lb steer than it is on one weighing 1350 lbs, so why spend an extra 100.00 per head to get that steer to the point that they can ask an extra dollar or two per hundred-weight for it? All this excitement has these cattle feeders bidding each other into some new feeders that wont hedge. But, the futures market has been chasing cash prices throughout this rally and its starting to look like the fed cattle market will stay out of the 60s all summer. Profits on fats and feeders have trickled down to the stocker market and backgrounders remain aggressive. Luckily the supplies are available with new-crop calf receipts at an all-time high as more and more producers realize the benefits of fall-calving. Mid-western salebarns have been flooded with these bloomy bawlers as the cow/calf men can cash-in now and keep their mammas fat and happy this summer.

Deadly tornadoes ripped through many areas this past week, destroying homes and businesses and affecting many of our cattle producers. Livestock markets in southwest Missouri reported several consignments of cattle, whose owners had lost their homes and all of their livestock facilities. In most cases the buyers made room on their orders for a few extra dollars, thanks guys.

**Dairy Products
Prices Highlights**

Washington, D. C.
May 9, 2003

Report Supplied By NASS/USDA
DAIRY PRODUCTS PRICES HIGHLIGHTS:

CHEDDAR CHEESE prices received for US 40 pound Blocks averaged \$1.10 per pound for the week ending May 3. The price per pound decreased 0.2 cents from the previous week. The price for US 500 pound Barrels adjusted to 38 percent moisture averaged \$1.10 per pound, up 0.7 cents from the previous week.

BUTTER prices received for 25 kilogram and 68 pound boxes meeting USDA Grade AA standards averaged \$1.07 per pound for the week ending May 3. The U.S. price per pound increased 0.4 cents from the previous week.

NONFAT DRY MILK prices received for bag, tote and tanker sales meeting USDA Extra Grade or USPH Grade A standards averaged 80.2 cents per pound for the week ending May 3. The U.S. price per pound decreased slightly from the previous week.

DRY WHFY prices received for bag, tote and tanker sales meeting USDA Extra Grade standards averaged 14.8 cents per pound for the week ending May 3. The U.S. price per pound decreased 0.8 cents from the previous week.

**National Feeder Cattle
Weekly Review**

St. Joseph, Mo.
Friday, May 9, 2003

Report Supplied By USDA
NATIONAL FEEDER & STOCKER CATTLE SUMMARY - Week Ending May 9 — Total Receipts:331,400; last week 417,300; last year 346,400. Direct 118,200; last week 85,400; last year 98,000. Video/Internet 2,200; last week 73,300; last year 19,400. Auctions 211,000; last week 258,600; last year 229,000. This weeks reported auction volume included 48 percent over 600 lbs and 44 percent heifers.

Randall G. Renninger

Certified Public Accountant

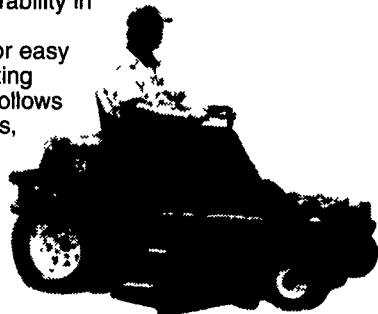
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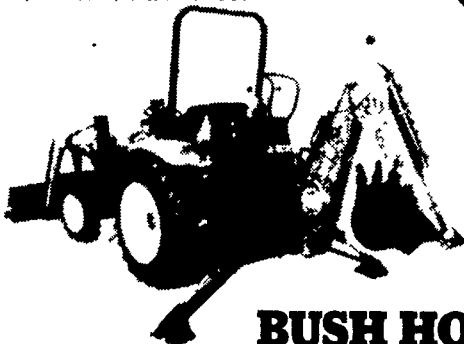
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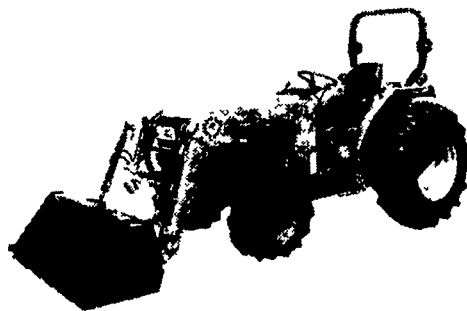
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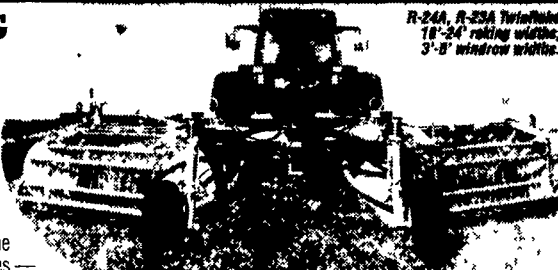
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