The Market Administrator's Report

Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas

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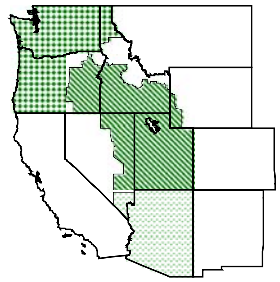

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March 2003

MARKET SUMMARIES FOR FEBRUARY 2003

Comparisons to a year ago can be found in the tables on pages 6 and 7.

Pacific Northwest

Producers delivered a total of 564.5 million pounds of milk to the market during February. Daily deliveries averaged 20.2 million pounds, up 0.8 percent from January. An estimated 918 producers delivered milk to the market during the month. Daily deliveries per producer averaged 21,963 pounds, up 0.8 percent from January.

Class I producer milk during February totaled 162.7 million pounds, 28.8 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 4.7 percent from January.

Arizona-Las Vegas

Producers delivered a total of 257.2 million pounds of milk to the market during February. Daily deliveries averaged 9.1 million pounds, up 4.6 percent from January. An estimated 108 producers delivered milk to the market during the month. Daily deliveries per producer averaged 85,044 pounds, up 4.6 percent from January.

Class I producer milk during February totaled 79.2 million pounds, 30.8 percent of total producer receipts. Daily usage averaged 2.8 million pounds, down 0.5 percent from January.

Western

Producers delivered a total of 465.4 million pounds of milk to the market during February. Daily deliveries averaged 16.6 million pounds, up 1.5 percent from January. An estimated 754 producers delivered milk to the market during the month. Daily deliveries per producer averaged 22,042 pounds, up 1.5 percent from January.

Class I producer milk during February

(Continued on Page 2)

Federal Order Producer Prices and Component Levels: February 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.44	10.63	10.29	Butterfat	3.688	3.579	3.654
Butterfat 2/	1.1373	1.1551	1.1373	Protein	3.022	N/A	3.048
Protein 2/	1.8538	N/A	1.8538	Other Solids	5.686	N/A	5.676
Other Solids 2/	0.0240	N/A	0.0240	Nonfat Solids	8.707	N/A	8.724
PPD 1/*	0.78	N/A	0.63				
Skim 1/	N/A	6.83	N/A				

N/A = not applicable. * Subject to applicable location adjustments. 1/ $ per cwt. 2/ $ per pound.

(Continued From Page 1)
86.4 million pounds, 18.6 percent of total producer receipts. Daily usage averaged 3.1 million pounds, up 0.5 percent from January. ♦

FEBRUARY 2003 CLASS PRICES

February 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from February 1, 8, 15, and 22, 2003. Component prices for the month are $1.8538 per pound of protein, $1.1373 per pound of butterfat, $0.0240 per pound of other solids, and $0.6711 per pound of nonfat solids.

February 2003 Class III and IV prices at 3.5% butterfat are $9.66 and $9.81 per hundredweight, respectively. The February Class III price compared to January is down $0.12. The Class III price is $1.97 lower than February 2002. The Class III price at 3.67% butterfat is $0.05 below the support price of $9.90 at 3.67% butterfat.

Class II butterfat was announced at $1.1443 per pound. Class I skim and butterfat and Class II skim prices for February 2003 were announced on January 17, 2002. The Class II price at 3.5% butterfat is $10.66 for February 2003 .

FINAL: NASS COMMODITY PRICES

	January	February	Change
Cheese*	$1.1370	$1.1299	-$0.0071
Butter	$1.0872	$1.0476	-$0.0396
Nonfat Dry Milk	$0.8207	$0.8111	-$0.0096
Whey	$0.1728	$0.1632	-$0.0096

* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrels changed from 39% to 38% moisture cheese.

Current Commodity Prices - - The NASS survey of cheddar cheese prices showed a net decrease in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed a decrease of 8.88 cents between the February 15 and the March 15 surveys, to $1.0675 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 2.57 cents to $1.0425 per pound.

The NASS butter price showed a net increase of 3.17 cents between the weeks ending February 15 and March 15 from $1.0415 per pound to $1.0732 per pound.

The NASS nonfat dry milk showed a decrease of 0.78 cents since mid-February to $0.8031 per pound. The average price for NASS whey showed a net decrease of 0.69 cents since mid-February to $0.1566 per pound. ♦

APRIL'S CLASS I PRICE ANNOUNCEMENT

On March 21, the April 2003 Class I price was announced at $11.54 for the Pacific Northwest and Western Orders, and $11.99 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of March 8 and 15.

The April Class III and IV advance skim prices are $5.37 and $5.92 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 1.47 cents from $1.1374 to $1.1227 per pound.

The April 2003 Class II skim and nonfat solids prices were also announced on March 21. The skim price is $6.62 per hundredweight, and the nonfat solids price is $0.7356 per pound for all Federal orders. ♦

Note: The above prices were determined using the formulas published in the Federal Register on February 12, 2003 (68 FR 7063-7070). Details of the formulas can be found at: http://www.ams.usda.gov/dyfmos/mib/price_form_2003.htm.

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	March	April	Change
Cheese*	$1.1304	$1.0697	-$0.0607
Butter	$1.0477	$1.0506	$0.0029
Nonfat Dry Milk	$0.8108	$0.8048	-$0.0060
Whey	$0.1641	$0.1594	-$0.0047

* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrel cheese prices changed from 39% to 38% moisture cheese.

DAIRY SITUATION AND OUTLOOK

Dairy Heifer Markets Ease - The worst of the recent replacement heifer shortage appears to be over. During 2001-2002, very strong demand for heifers to fill new barns generated soaring prices for replacement heifers, despite historically large heifer supplies. These short-run pressures, on top of long-run trends increasing demand for heifers, dried up heifer availability enough to significantly affect milk cow numbers. Milk per cow was weakened by abnormal culling just to keep barns full. By the end of 2002, slowing pressure for dairy farm expansions, and growth in heifer supplies had restored more normal conditions in heifer markets. However, similar periods are likely periodically until management practices fully adjust to higher long-run heifer prices.

On January 1, 2003, farmers held 4.1 million dairy replacement heifers, up about 1 percent from the previous 2 years. The number of replacements per 100 milk cows was a record 44.8. A ratio of only about 41 heifers was adequate to expand the milk cow herd without strain 20 years earlier, and there were still only about 43 heifers per 100 cows a decade ago. Possibly most important was the relatively large number of heifers intended to enter the milking herd during the year, up 1 percent from a year earlier and 5 percent from 2001.

The increase in dairy replacements is at least partially a response to the very high heifer prices of recent years. The annual average price of milk cow replacements set a record every year during 1999-2002. Although farmers were already attempting to raise almost all of the potential replacement heifers, these strong prices created extra incentive to reduce death loss and health problems leading to culling. Also, the strong markets encouraged additional attention to heifer nutrition and care to ensure that they came into the herd on schedule. Although these management adjustments had very small individual effects, they collectively led to a significant expansion of the heifer herd.

By mid-2001, the generally strong returns to milk production during 1998-2001 were making many of the stronger dairy farmers anxious to build new operations and bring them into production. These expansions put severe pressure on heifer supplies and prices. Replacement cow prices reached an average of around $1,700 in late 2001-early 2002, up almost a fourth from any time previous to 2001. By the time heifer prices peaked, milk prices were already dropping sharply. However, heifer prices continued to be supported by the need for heifers to stock those expansions still coming into production, to fill the earlier expansions not yet up to capacity, and to replace cows that normally would have been culled earlier.

In January 2003, replacement cow prices were back to levels similar to those of 1999 or 2000. Replacement prices may ease further in coming months. The larger number of heifers may be joined by larger supplies of older replacements, if the rate of dairy farm exits creeps up as expected. In addition, the number of new facilities coming into production should be slowing. However, prices are not likely to decline to the levels of most of the 1990s, forestalled by the long-run trend increase in the number of heifers needed under current management practices.

Changes in the heifer market provide mixed signals for 2003 milk production. Easing in heifer markets imply that heifer availability is no longer a major limitation to individual farm expansions. Expansions can come into operation quicker and more fully, having a more immediate impact on total milk cow numbers. On the other hand, the portion of the heifer price decline that comes from weaker demand for replacements indicates that dairy farm expansions may finally be slowing, and that lower milk prices may be starting to restrain milk production.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-104, February 18, 2003, Economic Research Service, USDA. For more information, contact James J. Miller, (202) 694-5184.♦

COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS FOR 2002

Commercial disappearance of U.S. milk for 2002 was up 0.5% over the same period of 2001. Commercial disappearance is used as an indicator of consumption of U.S. milk marketings and is a residual figure. This measure of consumption includes civilian and military purchases of milk and dairy products for domestic and foreign use (exports), but excludes farm household use and USDA donations of dairy products. The table on page 4 shows commercial disappearance by commodity and their milk-equivalent on a fat solids basis.

For 2002, disappearance of Butter, American Cheese, Other Cheese and Fluid Milk Products increased from 2001. Nonfat Dry Milk showed a 22.4 percent decrease during 2001. ♦

Commercial Disappearance	January-September		% Change 1/
	2001	2002	
Selected Products	- - Million Pounds - -		
Butter	1,280	1,292	0.9%
American Cheese	3,656	3,689	0.9%
Other Cheese	4,952	5,137	3.7%
Nonfat Dry Milk	946	735	-22.4%
Fluid Milk Products	55,105	55,262	0.3%
Total *	169,603	170,461	0.5%

* Commercial Disappearance, milk-equivalent, milk fat basis. Source: Dairy Market News, Volume 70, No. 9. 1/ From a year earlier on a daily average.

IN-AREA DISPOSITION OF FLUID MILK PRODUCTS: JANUARY THROUGH DECEMBER 2002

In-area route disposition of fluid milk products is the amount of fluid milk products, from all sources, consumed in the selected marketing area. The tables below show in-area route disposition and the change from a year-ago for the Pacific Northwest, and Western Orders and pool handler route disposition for the Arizona-Las Vegas Order.

In each of the three orders, the historic trend of increasing lowfat milk products consumption and decreasing whole milk products consumption was not evident between 2001 and 2002.

In-Area Route Disposition 1/
Pacific Northwest Order (FO124)
January through December 2001 vs. 2002

	2001	2002	Change
Whole Milk Products	- million pounds -		
Whole	375.7	379.9	1.12%
Flavored	26.4	26.2	-1.07%
Total Whole Milk 2/	402.2	406.1	0.98%
Low-fat Milk Products			
2%	955.2	943.3	-1.24%
1%	329.4	322.8	-2.03%
Skim	365.4	360.6	-1.31%
Flavored Low-fat	99.9	111.7	11.80%
Buttermilk & Other 3/	31.8	31.0	-2.72%
Total Low-fat Milk 2/	1,781.7	1,769.3	0.70%
Combined Total 2/	2,183.9	2,175.4	-0.39%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

Arizona-Las Vegas Order

The table below for the Arizona-Las Vegas Order is in-area route disposition by product for pool handlers, January through December 2002 and 2001. For the period of January through December 2001, the total disposition of fluid milk products in the marketing area of the Arizona-Las Vegas Order is restricted, due to how information was released previously.

In-Area Route Disposition By Pool Handlers
Arizona-Las Vegas Order (FO131)
January through December 2001 vs. 2002

	2001	2002	Change
Whole Milk Products	- million pounds -		
Whole	242.3	265.7	9.62%
Flavored	21.5	21.3	-0.96%
Total Whole Milk 2/	263.8	287.0	8.76%
Low-fat Milk Products			
2%	353.1	341.0	-3.44%
1%	106.7	107.8	1.10%
Skim	128.7	122.6	-4.73%
Flavored Low-fat	30.0	37.1	23.78%
Buttermilk & Other 3/	9.5	10.5	10.97%
Total Low-fat Milk 2/	628.0	619.1	-1.42%
Combined Total 2/	891.8	906.0	1.59%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

In-Area Route Disposition 1/
Western Order (FO135)
January through December 2001 vs. 2002

	2001	2002	Change
Whole Milk Products	- million pounds -		
Whole	144.9	154.0	6.30%
Flavored	7.1	6.5	-8.71%
Total Whole Milk 2/	152.0	160.5	5.60%
Low-fat Milk Products			
2%	364.5	363.8	-0.19%
1%	185.3	179.8	-2.99%
Skim	118.4	123.2	4.07%
Flavored Low-fat	56.7	57.5	1.40%
Buttermilk & Other 3/	12.0	11.0	-8.79%
Total Low-fat Milk 2/	736.9	735.2	-0.23%
Combined Total 2/	888.9	895.7	0.77%

1/ Based on total in-area route disposition by handlers, handlers regulated by other Federal orders, partially regulated handlers, and producer-handlers. 2/ May not add due to rounding. 3/ Includes eggnog and small amounts of miscellaneous products.

INCOME AND EXPENSE STATEMENT
For Year Ending December 31, 2002

	Administrative Fund	Marketing Service Fund
Income		
Assessments or Deductions	$ 2,776,285.85	$ 477,389.45
Interest Earned and Late Payment Charges	159,913.68	1,807.27
Miscellaneous Income	351.04	-
Total Income	$ 2,936,550.57	$ 479,196.72
Expenses		
Salaries and Services	$ 1,737,050.86	$ 270,042.14
Travel and Communications	228,395.78	56,627.53
Employer Payroll Contributions	406,757.88	57,317.13
Rent-Buildings and Equipment	195,578.80	40,238.30
Repairs and Maintenance	10,557.20	7,578.47
Supplies and Insurance	51,317.76	36,518.05
Testing and Weighing	20,799.65	102,880.23
Utilities	10,525.98	2,155.91
Depreciation of Fixed Assets	121,809.67	(12,612.16)
Conferences and Meetings	12,315.14	2,936.87
Research and Training	15,923.77	3,261.51
Uncollectible Accounts	119.21	-
Miscellaneous	10,868.05	2,225.98
Total Expenses	$ 2,822,019.75	$ 569,169.96
NET INCOME	$ 114,530.82	$ (89,973.24)

BALANCE SHEET
As of December 31, 2002

ASSETS	Administrative Fund	Marketing Service Fund
Current Assets		
Cash and Investments	$ 4,081,038.00	$ (11,611.50)
Accounts Receivable:		
Handlers and Other	500,224.52	68,089.57
Allowance for Uncollectible Accounts	(6,534.90)	(4,756.64)
Accrued Interest Receivable	1,230.98	68.33
Other Assets		
Prepaid Expenses and Deposits	11,735.50	303.16
Fixed Assets		
Furniture and Equipment	690,221.42	150,177.01
Accumulated Depreciation	(550,472.41)	(82,254.50)
Laboratory Equipment	-	105,871.44
Accumulated Depreciation	-	(65,409.45)
Leasehold Improvements	172,701.58	37,790.12
Accumulated Depreciation	(74,351.02)	(11,109.92)
TOTAL ASSETS	$ 4,825,793.67	$ 187,157.62
LIABILITIES AND OPERATING BALANCE		
Current Liabilities		
Accounts Payable:		
Trade Creditors and Others	$ 69,032.92	$ 10,789.41
Accrued Employee Annual Leave	106,539.86	13,449.32
Payroll Contributions and Withholdings	192.00	-
Operating Balance	4,650,028.89	162,918.89
TOTAL LIABILITIES AND OPERATING BALANCE	$ 4,825,793.67	$ 187,157.62

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
Minimum Class Prices (3.5% B.F.)	Feb 2003	Jan 2003	Feb 2002	Feb 2003	Jan 2003	Feb 2002	Feb 2003	Jan 2003	Feb 2002
Class I Milk ($/cwt.)	$12.13	$12.46	$13.85	$12.13	$12.46	$13.85	$12.58	$12.91	$14.30
Class II Milk ($/cwt.)	10.66	11.29	12.28	10.66	11.29	12.28	10.66	11.29	12.28
Class III Milk ($/cwt.)	9.66	9.78	11.63	9.66	9.78	11.63	9.66	9.78	11.63
Class IV Milk ($/cwt.)	9.81	10.07	11.54	9.81	10.07	11.54	9.81	10.07	11.54
Producer Prices									
Producer Price Differential ($/cwt.)	$ 0.78	$ 0.98	$ 0.51	$ 0.63	$ 0.71	$ 0.46	+	+	+
Butterfat ($/pound)	1.1373	1.1856	1.3817	1.1373	1.1856	1.3817	+	+	+
Protein ($/pound)	1.8538	1.8164	2.0884	1.8538	1.8164	2.0884	+	+	+
Other Solids ($/pound)	0.0240	0.0339	0.0965	0.0240	0.0339	0.0965	+	+	+
Uniform Skim Price ($/cwt.) . . .	+	+	+	+	+	+	6.83	7.05	7.82
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	1.1551	1.1891	1.4030
Statistical Uniform Price ($/cwt.) . .	$10.44	$10.76	$12.14	$10.29	$10.49	$12.09	$10.63	$10.97	$12.46
Producer Data									
Number of Producers	918 *	918	1,035	754 *	754	767	108 *	108	109
Avg. Daily Production (lbs.) . . .	21,963 *	21,794	20,451	22,042 *	21,727	20,987	85,044 *	81,330	81,069
Number of Handlers									
Pool Handlers	31	31	26	16	16	16	6	6	6
Producer-Handlers	9 *	9	9	6 *	7	6	2 *	2	2
Other Plants w/ Class I Use . . .	17 *	17	15	20 *	20	21	29 *	29	27
Producer Milk Ratios									
Class I	28.83%	30.46%	27.29%	18.56%	18.74%	17.35%	30.80%	32.36%	30.80%
Class II	6.01%	5.93%	5.17%	5.87%	5.54%	8.11%	5.34%	3.88%	3.80%
Class III	32.95%	31.69%	36.98%	61.69%	60.78%	50.99%	31.40%	27.69%	38.43%
Class IV	32.21%	31.92%	30.56%	13.88%	14.94%	23.55%	32.46%	36.07%	26.97%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002
Production	24,776,324	24,065,113	22,717,750	2,608,124	2,603,801	2,563,990	R	R	R
Class I Use	18,346,522	17,955,364	18,817,893	1,782,113	1,764,608	1,875,486	R	R	R
% Class I Use	74.05%	74.61%	82.83%	68.33%	67.77%	73.15%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	170,135,703	164,942,028	170,717,037	72,332,669	72,263,520	74,441,750	84,150,407	79,911,898	78,607,365
By Producer-Handlers	18,486,595	17,812,609	19,042,205	1,774,995	1,765,930	1,883,351	1/	1/	1/
By Other Plants	1,197,330 *	1,689,079	1,122,141	3,436,115 *	1,355,990	1,961,764	32,603,553 *	31,311,081	32,160,281
Total	189,819,628	184,443,716	190,881,383	77,543,779	75,385,440	78,286,865	116,753,960	111,222,979	110,767,646

* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants.

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST Feb 2003	PACIFIC NORTHWEST Jan 2003	PACIFIC NORTHWEST Feb 2002	WESTERN Feb 2003	WESTERN Jan 2003	WESTERN Feb 2002	ARIZONA-LAS VEGAS Feb 2003	ARIZONA-LAS VEGAS Jan 2003	ARIZONA-LAS VEGAS Feb 2002
TOTAL PRODUCER MILK	564,546,062	620,224,370	592,680,180	465,354,135	507,836,998	450,718,859	257,172,229	272,292,256	247,421,066
RECEIPTS FROM OTHER SOURCES	21,045,770	18,154,551	6,619,624	8,122,580	5,650,129	4,121,278	6,236,759	18,474,729	17,288,918
OPENING INVENTORY	29,854,515	33,638,000	23,301,707	13,339,965	12,345,406	12,023,759	14,095,173	11,586,765	13,753,582
TOTAL TO BE ACCOUNTED FOR	615,446,347	672,016,921	622,601,511	486,816,680	525,832,533	466,863,896	277,504,161	302,353,750	278,463,566
UTILIZATION OF RECEIPTS									
Whole milk	25,555,140	30,195,382	25,546,523	11,516,080	12,738,361	11,255,279	21,440,518	24,367,894	19,865,650
Flavored milk & milk drinks	11,735,146	11,767,581	10,106,881	5,407,608	5,565,937	5,243,079	5,910,720	6,296,954	4,747,447
2% milk	63,926,209	72,019,913	63,176,958	26,419,799	29,723,668	26,236,468	27,466,339	30,983,722	27,240,321
1% milk	23,017,053	25,270,478	22,334,121	12,783,940	14,621,830	14,080,787	9,388,064	10,440,088	8,714,127
Skim milk	25,547,477	29,539,444	25,236,615	8,161,672	9,148,626	8,612,163	10,344,040	11,531,395	10,182,959
Buttermilk	1,213,156	1,342,905	1,316,410	519,105	534,247	531,706	607,873	530,354	415,875
CLASS I ROUTE DISP. IN AREA. .	150,994,181	170,135,703	147,717,508	64,808,204	72,332,669	65,959,482	75,157,554	84,150,407	71,166,379
Class I dispositions out of area . . .	11,622,426	13,830,562	11,370,107	19,526,139	20,035,332	11,196,638	4,228,849	3,856,934	5,009,810
Other Class I usage	20,316,642	22,244,688	17,855,084	14,038,972	13,525,277	10,123,649	8,086,997	7,950,747	7,636,807
TOTAL CLASS I USE.	182,933,249	206,210,953	176,942,699	98,373,315	105,893,278	87,279,769	87,473,400	95,958,088	83,812,996
TOTAL CLASS II USE	38,931,682	42,619,860	34,919,341	33,603,944	32,208,364	39,168,101	14,211,017	12,968,989	12,694,045
TOTAL CLASS III USE	192,680,568	207,371,772	219,255,691	287,334,600	309,245,846	229,828,547	80,826,236	76,400,549	95,094,074
TOTAL CLASS IV USE	200,900,848	215,814,336	191,483,780	67,504,821	78,485,045	110,587,479	94,993,508	117,026,124	86,862,451
TOTAL ACCOUNTED FOR	615,446,347	672,016,921	622,601,511	486,816,680	525,832,533	466,863,896	277,504,161	302,353,750	278,463,566
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I . .	162,706,392	188,938,767	161,769,643	86,360,771	95,157,712	78,201,222	79,221,846	88,116,973	76,190,792
Class II .	33,950,531	36,800,983	30,625,485	27,330,862	28,147,614	36,556,702	13,721,685	10,578,378	9,403,811
Class III .	186,027,387	196,519,906	219,146,296	287,079,045	308,661,904	229,802,276	80,739,693	75,389,392	95,094,074
Class IV .	181,861,752	197,964,714	181,138,756	64,583,457	75,869,768	106,158,659	83,489,005	98,207,513	66,732,389
Other receipts: Class I .	20,226,857	17,272,186	15,173,056	12,012,544	10,735,566	9,078,547	20,331,932	30,061,494	31,042,500
Class II .	4,981,151	5,818,877	4,293,856	6,273,082	4,060,750	2,611,399	1/	1/	1/
Class III .	6,653,181	10,851,866	109,395	255,555	583,942	26,271	1/	1/	1/
Class IV .	19,039,096	17,849,622	10,345,024	2,921,364	2,615,277	4,428,820	1/	1/	1/
Avg. daily producer receipts	20,162,359	20,007,238	21,167,149	16,619,791	16,381,839	16,097,102	9,184,722	8,783,621	8,836,467
Change From Previous Year . .	-4.75%	-1.31%	18.79%	3.25%	6.50%	53.41%	3.94%	4.34%	0.76%
Avg. daily Class I use	6,533,330	6,651,966	6,319,382	3,513,333	3,415,912	3,117,135	3,124,050	3,095,422	2,993,321
Change From Previous Year . .	3.39%	2.30%	0.78%	12.71%	7.93%	-1.43%	4.37%	4.68%	1.17%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for February 2003**
- **February 2003 Class Prices and Commodity Prices**
- **Class I Prices for April 2003**
- **Dairy Situation And Outlook**
- **Commercial Disappearance up 0.5% for 2002**
- **In-Area Disposition of Fluid Milk Producers: January through December 2002**
- **2002 Year End Financial Statements of the Market Administrator's Office**

2002 YEAR END FINANCIAL STATEMENTS OF THE MARKET ADMINISTRATOR'S OFFICE

The financial statements for the Administrative and Marketing Services Funds of the Pacific Northwest, Western, and Arizona-Las Vegas Federal milk market orders for the calender year ending December 31, 2002, can be found on page 5. The three orders require that the market administrator conduct a marketing service program for producers who are not members of a qualified cooperative association which performs comparable services. The primary functions of the marketing service programs involve the verification of weights, sampling, and testing of milk, and providing marketing information to producers. The principal source of income for these programs is the marketing service deduction which is applicable to all producers for whom the services are provided. ♦