

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy Of Chicago Board and Mercantile Exchange
(Closing bids: Wednesday, November 24, 1999)

Corn

Daily Prices As of :- Wednesday, 24 November

Symbol : C

Date	Open	High	Low	Last	Chge
11/24/99 DEC 99	1940	1944	1930	1932	-6
11/24/99 MAR 00	2054	2062	2046	2050	-6
11/24/99 MAY 00	2124	2134	2120	2122	-4
11/24/99 JUL 00	2194	2204	2186	2190	-4
11/24/99 SEP 00	2262	2270	2260	2260	-4
11/24/99 NOV 00	2326	2326	2326	2326	-4
11/24/99 DEC 00	2360	2364	2354	2354	-4
11/24/99 JAN 01	2390	2390	2390	2390	-4
11/24/99 MAR 01	2434	2434	2430	2430	-2
11/24/99 JUL 01	2390	2502	2390	2502	-4
11/24/99 DEC 01	2560	2560	2560	2560	-4

Total	Volume	Open_Int
11/23/99	77750	467942

Oats

Daily Prices As of :- Wednesday, 24 November

Symbol : O

Date	Open	High	Low	Last	Chge
11/24/99 DEC 99	1056	1060	1044	1046	-10
11/24/99 MAR 00	1156	1156	1142	1144	-12
11/24/99 MAY 00	1202	1202	1192	1192	-12
11/24/99 JUL 00	1184	1184	1176	1176	-6
11/24/99 SEP 00	1230	1230	1220	1220	-10
11/24/99 DEC 00	1270	1270	1270	1270	-4

Total	Volume	Open_Int
11/23/99	3845	13062

Soybeans

Daily Prices As of :- Wednesday, 24 November

Symbol : S

Date	Open	High	Low	Last	Chge
11/24/99 JAN 00	4680	4710	4640	4652	-34
11/24/99 MAR 00	4754	4774	4706	4716	-36
11/24/99 MAY 00	4840	4840	4776	4786	-34
11/24/99 JUL 00	4894	4894	4830	4842	-36
11/24/99 AUG 00	4910	4910	4844	4846	-36
11/24/99 SEP 00	4896	4900	4852	4852	-22
11/24/99 NOV 00	4960	4964	4904	4920	-26
11/24/99 NOV 01	5230	5230	5230	5230	-10

Total	Volume	Open_Int
11/23/99	42889	166382

Stocks Report Released

KEN BAILEY
Penn State University

- American cheese stocks down
- Butter stocks down
- CME cheese prices above support

November 19, 1999

USDA issued the Cold Storage report today. September ending stocks of American cheese were revised up from 471.447 million pounds issued October 20 to 474.846 million pounds today. October stocks of American cheese are 456.976 million pounds, down 17.87 million pounds from the month before and up 15.8 percent from a year ago. September butter stocks were revised down from 74.055 million pounds issued October 20 to 71.473 million pounds today. October ending butter stocks are at 59.864 million pounds, down 11.609 million pounds from the month before and up 92.1 percent from a year ago.

The cold storage report shows two things. First, October levels of butter and cheese are still well above year ago levels. Second,

these stock levels are below September levels. My conclusion is that this report indicates that third quarter consumption of dairy products (July - September) must have been very strong, and that current consumption must also be strong.

Stocks would be growing if consumption were weak.

The market will likely interpret this report as neutral to bullish on prices. In other words, it is clear that stocks, while high from historical levels, are heading down and that demand is strong. That should help to stabilize prices. I expect overall demand for cheese the fourth quarter to be strong. The stock market reacted favorably when the Federal Reserve Board increased the federal funds rate a quarter point this week. Recent reports on retail sales look favorable. Thus despite higher interest rates and higher gas prices, retail sales this holiday season could be very good.

That could also mean higher sales for dairy products as optimistic shoppers eat out and entertain more at home.

Thus higher cheese consumption may prevent cheese

prices from falling back to support price levels. Cheese prices at the Chicago Mercantile Exchange this week were above support levels. Prices for 40-

	19-Nov-99	12-Nov-99	5-Nov-99	29-Oct-99	22-Oct-99
Cheese					
500 lb barrels	1 0975	1 1085	1 1930	1.2380	1 2705
40-lb blocks	1 1220	1.1170	1.2150	1.2635	1 2840
Nonfat dry milk					
Extra Grade	1 0300	1.0300	1 0300	1.0300	1 0300
Grade A	1 0300	1 0300	1 0300	1.0300	1 0300
Butter					
Grade AA	1 0683	1 0983	1 0933	1 0675	1 0233

Source: Dairy Market News, AMS, USDA
(<http://www.ams.usda.gov/dairy/mn/weekly.htm>)

Table 2. NASS Weekly U.S. Average Survey Prices

	13-Nov-99	06-Nov-99	30-Oct-99	23-Oct-99	16-Oct-99
Cheese:					
500 lb Barrels 1/	1 2056	1 2299	1 2490	1 2530	1.3324
40-lb blocks	1 2383	1 2806	1 3126	1 3518	1.4462
Butter	1 0714	1 0678	1.0534	1 0414	1 1121
Nonfat dry milk	1 0187	1 0181	1 0170	1 0201	1 0182
Dry whey	0 1877	0 1924	0 1968	0.1976	0 1942

Source: Dairy Product Prices, NASS, USDA
(<http://usda.mannlib.cornell.edu/reports/nassr/price/dairy/1999/>)
1/ Adjusted to 39% moisture

Table 3. Dairy Stocks in Cold Storage

	Oct 31 1998	Sep 30 1999	Oct 31 1999	% chng year ago
Dairy Products				
Butter, total	31,164	71,473	59,864	92.1%
(Government owned)	8	214	368	4500.0%
Natural Cheese				
American, total	394,692	474,846	456,976	15.8%
(Government owned)	216	9	53	-75.5%
Swiss	12,362	10,595	10,831	-12.4%
Other natural cheese	115,658	167,220	154,933	34.0%
Total natural cheese	522,712	652,661	622,740	19.1%

Source: USDA, Cold Storage Report

Lean Hogs

Daily Prices As of - Wednesday, 24 November

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
11/24/99 Dec 99	5275	5345	5245	5297	+35	5211	20690
11/24/99 Feb 00	5635	5737	5615	5672	+47	4798	20764
11/24/99 Apr 00	5575	5695	5565	5662	+67	2078	7306
11/24/99 Jun 00	6267	6330	6260	6327	+30	679	4334
11/24/99 Jul 00	6125	6165	6100	6165	+20	136	1431
11/24/99 Aug 00	5870	5885	5840	5855	-5	125	601
11/24/99 Oct 00	5425	5447	5420	5442	-8	31	225
11/24/99 Dec 00	5300	5310	5280	5280	-15	13	42
11/24/99 Feb 01	0	5350	5350	5350	+10	0	3

Composite	Volume	Open_Int
11/23/99	13071	55396

Live Cattle

Daily Prices As of - Wednesday, 24 November

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
11/24/99 Dec 99	7025	7030	6985	7005	-2	7844	38465
11/24/99 Feb 00	7092	7105	7072	7080	+3	6076	49209
11/24/99 Apr 00	7210	7220	7185	7187	-18	1974	27226
11/24/99 Jun 00	6997	7010	6980	6987	-10	1383	10787
11/24/99 Aug 00	6992	7007	6965	6967	-23	200	4686
11/24/99 Oct 00	7110	7140	7100	7105	unch	113	2695
11/24/99 Dec 00	7265	7290	7250	7252	-15	60	2487

Composite	Volume	Open_Int
11/23/99	17650	135555

Soybean Meal

Daily Prices As of :- Wednesday, 24 November

Symbol : SM

Date	Open	High	Low	Last	Chge
11/24/99 DEC 99	1474	1483	1454	1457	-18
11/24/99 JAN 00	1463	1470	1442	1444	-20
11/24/99 MAR 00	1455	1465	1437	1439	-18
11/24/99 MAY 00	1465	1465	1440	1440	-20
11/24/99 JUL 00	1478	1480	1457	1457	-19
11/24/99 AUG 00	1473	1477	1456	1456	-17
11/24/99 SEP 00	1480	1480	1457	1458	-13
11/24/99 OCT 00	1475	1485	1455	1455	-16
11/24/99 DEC 00	1510	1515	1485	1485	-27

Total	Volume	Open_Int
11/23/99	29656	118561

pound blocks were \$1.1225 per pound on Monday, November 15 and fell to \$1.12 per pound by Friday, November 19. Barrel cheese remained steady at \$1.0975 per pound all week.

Cheese prices could remain at weak levels for the next two weeks as surplus milk from the Thanksgiving Holiday flows into manufacturing facilities. Prices may strengthen slightly in

December from current levels if demand remains strong and stocks continue to decline. If, however, stock levels stabilize next month due to strong cheese production levels, cheese prices could remain just above support levels for the remainder of the year.

For more information on dairy outlook, see my web site at <http://www.aers.psu.edu/dairyoutlook/>