

# GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy Of Chicago Board and Mercantile Exchange  
(Closing bids: Thursday, December 16, 1999)

## Corn

Daily Prices As of :- Thursday, 16 December

Symbol:C	Open	High	Low	Last	Chge
12/16/99 DEC 99	1890	1916	1890	1902	+22
12/16/99 MAR 00	1984	2020	1984	2000	+10
12/16/99 MAY 00	2060	2084	2054	2070	+10
12/16/99 JUL 00	2122	2150	2122	2134	+10
12/16/99 SEP 00	2192	2214	2192	2196	+10
12/16/99 NOV 00	2254	2254	2254	2254	+10
12/16/99 DEC 00	2280	2300	2276	2286	+10
12/16/99 JAN 01	2310	2310	2310	2310	+24
12/16/99 MAR 01	2370	2380	2370	2370	+6
12/16/99 JUL 01	2442	2450	2442	2442	+4
12/16/99 DEC 01	2500	2504	2500	2500	+10
<b>Total</b>	<b>Volume</b>	<b>Open_Int</b>			
12/15/99	35955	391623			

## Soybeans

Daily Prices As of :- Wednesday, 15 December

Symbol:S	Open	High	Low	Last	Chge
12/15/99 JAN 00	4524	4544	4490	4526	-2
12/15/99 MAR 00	4596	4614	4554	4590	-10
12/15/99 MAY 00	4670	4674	4614	4650	-12
12/15/99 JUL 00	4720	4734	4674	4712	-10
12/15/99 AUG 00	4730	4730	4684	4704	-14
12/15/99 SEP 00	4724	4730	4700	4704	-14
12/15/99 NOV 00	4800	4800	4750	4784	-4
12/15/99 NOV 01		5010	5010	5010	unch
<b>Total</b>	<b>Volume</b>	<b>Open_Int</b>			
12/14/99	34994	156987			

## Soybean Meal

Daily Prices As of :- Wednesday, 15 December

Symbol:SM	Open	High	Low	Last	Chge
12/15/99 DEC 99	1442	1442	1415	1430	-8
12/15/99 JAN 00	1440	1440	1414	1431	-8
12/15/99 MAR 00	1438	1442	1418	1431	-9
12/15/99 MAY 00	1439	1443	1419	1431	-8
12/15/99 JUL 00	1452	1456	1431	1441	-7
12/15/99 AUG 00	1455	1455	1433	1436	-9
12/15/99 SEP 00	1455	1455	1433	1438	-8
12/15/99 OCT 00	1452	1452	1428	1429	-13
12/15/99 DEC 00	1478	1478	1463	1468	-12
12/15/99 JAN 01		1475	1475	1475	-5
<b>Total</b>	<b>Volume</b>	<b>Open_Int</b>			
12/14/99	26604	102951			

## Cheese Markets Strengthen

By Ken Bailey  
Penn State University

- CME block cheese reach \$1 1850/lb
- No cheese went into USDA storage
- October cheese production up
- Butter prices weak

The cheese market at the Chicago Mercantile Exchange showed some strength this week as block cheese prices rose from support levels (\$1.12 per pound in Chicago) on Monday, Dec. 6, to \$1 1850 on Friday, Dec. 10. Likewise, barrel cheese rose from \$1.1075 per pound on Monday to \$1.1650 by Friday.

I'm not sure exactly what this means. On the one hand, cheese processors have an incentive to strengthen cheese prices so that inventories don't look so bad on Dec. 31, 1999. Also, this may reflect strength in wholesale cheese movement. Demand for cheese in the fourth quarter will likely be very good this year due

to a strong economy.

On the other hand, cheese production has been very strong. American type cheese production in October totaled 297.8 million pounds, up 11.6 percent above a year ago and up 5.0 percent from September 1999 levels. American type cheese production for the months January through October were up 8.5 percent. That compares with milk production that was up around 3.3 percent. A lot of the excess milk production, particularly from the West, has ended up in cheese vats.

New market information will be coming shortly. USDA will announce the November milk production report on December 15. They will announce November cold storage numbers (ending cheese stocks) on December 20. Look for these reports for price movements. If milk production in November is constrained (up just 3 percent and cow number continue to fall)

## Lean Hogs

Daily Prices As of - Thursday, 16 December

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
12/16/99 Dec 99	0	5053	5053	5053	-17	55	6847
12/16/99 Feb 00	5700	5700	5605	5615	-40	3416	26699
12/16/99 Apr 00	5755	5780	5670	5682	-55	1213	8957
12/16/99 Jun 00	6495	6500	6430	6470	10	589	5526
12/16/99 Jul 00	6335	6337	6295	6330	+8	192	1720
12/16/99 Aug 00	6135	6190	6120	6150	+18	137	1106
12/16/99 Oct 00	5662	5680	5655	5675	+13	211	662
12/16/99 Dec 00	5450	5490	5450	5465	+15	77	181
12/16/99 Feb 01	0	5515	5515	5515	+5	0	5
12/16/99 Apr 01	0	5480	5480	5480	+30	0	0
<b>Composite</b>	<b>Volume</b>	<b>Open_Int</b>					
12/15/99	5892	51704					

## Live Cattle

Daily Prices As of - Thursday, 16 December

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
12/16/99 Dec 99	6902	6905	6875	6890	-15	2856	12546
12/16/99 Feb 00	6860	6867	6827	6860	+13	8487	53908
12/16/99 Apr 00	7040	7065	7015	7052	unch	2572	28513
12/16/99 Jun 00	6867	6895	6855	6890	+10	1139	12909
12/16/99 Aug 00	6875	6895	6855	6892	+15	347	6234
12/16/99 Oct 00	7050	7065	7035	7042	+10	113	3023
12/16/99 Dec 00	7162	7175	7155	7170	+8	109	2760
<b>Composite</b>	<b>Volume</b>	<b>Open_Int</b>					
12/15/99	15623	119893					

## Oats

Daily Prices As of :- Wednesday, 15 December

Symbol:O	Open	High	Low	Last	Chge
12/15/99 DEC 99		1024	1024	1024	-14
12/15/99 MAR 00	1116	1116	1094	1096	-16
12/15/99 MAY 00	1162	1164	1142	1142	-20
12/15/99 JUL 00	1142	1142	1120	1122	-16
12/15/99 SEP 00	1170	1170	1170	1170	-12
12/15/99 DEC 00	1250	1250	1234	1234	-10

Total	Volume	Open_Int
12/14/99	1068	12504

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

	10-Dec-99	3-Dec-99	26-Nov-99	19-Nov-99	12-Nov-99
<b>Cheese:</b>					
500 lb. barrels	1.1320	1.1075	1.0975	1.0975	1.1085
40-lb. blocks	1.1470	1.1200	1.1200	1.1220	1.1170
<b>Nonfat dry milk:</b>					
Extra Grade	1.0300	1.0300	1.0300	1.0300	1.0300
Grade A	1.0300	1.0300	1.0300	1.0300	1.0300
<b>Butter:</b>					
Grade AA	0.9067	0.9208	1.0100	1.0683	1.0983

Source: Dairy Market News, AMS, USDA

(<http://www.ams.usda.gov/dairy/mncs/weekly.htm>).

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

	04-Dec-99	27-Nov-99	20-Nov-99	13-Nov-99	06-Nov-99
<b>Cheese:</b>					
500 lb Barrels 1/	1.0878	1.0966	1.1443	1.2056	1.2299
40-lb. blocks	1.1238	1.1426	1.1833	1.2396	1.2806
<b>Butter</b>	0.9632	1.0341	1.0660	1.0768	1.0678
Nonfat dry milk	1.0115	1.0136	1.0158	1.0189	1.0181
Dry whey	0.1861	0.1937	0.1925	0.1925	0.1924

Source: Dairy Product Prices, NASS, USDA

(<http://usda.mannlib.cornell.edu/reports/nassr/price/dairy/1999/>).

1/ Adjusted to 39% moisture.

and cheese stocks fall sharply, then cheese prices could remain at the level of \$1.18 per pound through January.

Butter prices remain at relatively weak levels. Grade AA butter at the Chicago Mercantile Exchange fell to \$.09050 per pound on Monday, Dec. 6, then rose to \$0.9075 on both Wednesday, Dec. 8 and Friday, Dec. 10. USDA reports that demand for butter from retail and food service sources are very good. But cream is available and churning schedules are active.

So, fresh and frozen butter is readily available to the market. However, year-end butter inventories may reveal very strong demand for the fourth quarter. That could raise butter prices early next year.

Settlement prices for the BFP futures as of December 10, 1999 at the Chicago Mercantile Exchange looked very flat: December 1999: \$9.94; January 2000: \$11.01; February 2000: \$11.18; March 2000: \$11.25; April 2000: \$11.37; and May 2000: \$11.39.

There is great uncertainty for

which way milk prices will go the first quarter of the new year. First of all, we will likely have federal order reform. This is expected to lower the definition of the Class III price by \$0.40 per cwt. Also, cheese prices could go either way (above or below \$1.18 per pound). For dairy farmers, I would certainly wait until the cold storage report is released December 20 before hedging any milk prices.

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