

# GRAIN, CATTLE, HOG, & MILK BFP

## FUTURES MARKETS

Markets Courtesy Of Chicago Board and Mercantile Exchange  
(Closing bids: Thursday, January 12, 2000)

### Corn

Daily Prices As of :- Thursday, 13 January

Symbol:C

	Open	High	Low	Last	Chge
01/13/00 MAR 00	2144	2214	2144	2206	+52
01/13/00 MAY 00	2220	2290	2220	2284	+54
01/13/00 JUL 00	2290	2364	2290	2354	+54
01/13/00 SEP 00	2354	2420	2350	2414	+50
01/13/00 NOV 00	2420	2462	2414	2462	+36
01/13/00 DEC 00	2446	2500	2434	2492	+40
01/13/00 JAN 01	2490	2524	2490	2524	+34
01/13/00 MAR 01	2512	2566	2510	2564	+40
01/13/00 JUL 01	2590	2624	2590	2620	+30
01/13/00 DEC 01	2590	2600	2586	2594	-2
01/13/00 DEC 02	2600	2600	2600	2600	unch

Total	Volume	Open_Int
01/12/00	180575	441733

### Soybeans

Daily Prices As of :- Thursday, 13 January

Symbol:S

	Open	High	Low	Last	Chge
01/13/00 JAN 00	4724	4834	4710	4816	+92
01/13/00 MAR 00	4794	4910	4790	4890	+86
01/13/00 MAY 00	4874	4990	4870	4970	+84
01/13/00 JUL 00	4950	5070	4944	5052	+90
01/13/00 AUG 00	4970	5080	4970	5042	+74
01/13/00 SEP 00	5000	5094	4990	5074	+94
01/13/00 NOV 00	5050	5174	5050	5150	+94
01/13/00 JAN 01	5134	5230	5134	5222	+102
01/13/00 MAR 01	5174	5270	5174	5264	+114
01/13/00 JUL 01	5310	5310	5310	5310	
01/13/00 NOV 01	5350	5350	5300	5300	+70

Total	Volume	Open_Int
01/12/00	62646	142862

Daily Prices As of :- Thursday, 13 January

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01/13/00 Feb 00	5500	5557	5475	5482	+2	5134	17282
01/13/00 Apr 00	5730	5790	5717	5737	-5	3185	15434
01/13/00 Jun 00	6550	6580	6522	6540	-22	755	8057
01/13/00 Jul 00	6410	6442	6375	6410	-10	125	2477
01/13/00 Aug 00	6155	6195	6140	6155	unch	91	1709
01/13/00 Oct 00	5770	5770	5735	5755	+5	74	881
01/13/00 Dec 00	5590	5610	5582	5585	+5	2	273
01/13/00 Feb 01	0	5725	5725	5725	+15	0	21
01/13/00 Apr 01	0	5635	5630	5630	unch	0	6

Composite	Volume	Open_Int
01/12/00	9366	46140

### Live Cattle

Daily Prices As of :- Thursday, 13 January

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01/13/00 Feb 00	7035	7077	7002	7060	+18	10345	48711
01/13/00 Apr 00	7237	7275	7220	7265	+28	8133	43395
01/13/00 Jun 00	7015	7040	6997	7025	+8	2144	19607
01/13/00 Aug 00	7065	7097	7060	7075	+8	1190	10146
01/13/00 Oct 00	7270	7305	7270	7295	+30	249	3546
01/13/00 Dec 00	7370	7390	7362	7380	+5	85	3091
01/13/00 Feb 01	7480	7500	7475	7475	-5	68	2430

Composite	Volume	Open_Int
01/12/00	22215	130926

### Oats

Daily Prices As of :- Thursday, 13 January

Symbol:O

	Open	High	Low	Last	Chge
01/13/00 MAR 00	1100	1120	1092	1116	+14
01/13/00 MAY 00	1150	1176	1146	1176	+22
01/13/00 JUL 00	1130	1160	1130	1156	+20
01/13/00 SEP 00	1174	1204	1174	1200	+20
01/13/00 DEC 00	1244	1266	1244	1266	+16
01/13/00 MAR 01		1332	1332	1332	+16

Total	Volume	Open_Int
01/12/00	2143	14223

## Weekly Dairy Market Outlook

By Ken Bailey

Penn State University

January 7, 2000

### December Basic Formula Price (BFP) Falls!

-December BFP is \$9.63 per cwt.

-BFP declined due to drop in cheese prices

-Cheese prices at the CME weakened this week

-Butter prices stable

The USDA announced this week the last Basic Formula Price (BFP) for 1999. =

The December BFP was \$9.63 per cwt. for milk testing 3.5 percent butterfat.

The December BFP is \$0.16 per cwt lower than November 1999. Farmers will receive this lower price in their milk checks after January 18, 2000. This will be the last time a BFP will be used in the calculation of Class III Prices. Beginning this month class prices will be computed under the new order reform.

Table 3. Basic Formula Price, 1995-1999

Month	1995	1996	1997	1998	1999
Jan	11.35	12.73	11.94	13.25	16.27
Feb	11.79	12.59	12.46	13.32	10.27
Mar	11.89	12.70	12.49	12.81	11.62
Apr	11.16	13.09	11.44	12.01	11.81
May	11.12	13.77	10.70	10.88	11.26
June	11.42	13.92	10.74	13.10	11.42
July	11.23	14.49	10.86	14.77	13.59
Aug	11.55	14.94	12.07	14.99	15.79
Sept	12.08	15.37	12.79	15.10	16.26
Oct	12.61	14.13	12.83	16.04	11.49
Nov	12.87	11.61	12.96	16.84	9.79
Dec	12.91	11.34	13.29	17.34	9.63
Yearly Avg.	11.83	13.39	12.05	14.20	12.43

Source: USDA.

Why did the last BFP for 1999 decline? The December BFP consisted of two parts. The first part was the base month price of \$10.48. This reflected what unregulated handlers in Minnesota and Wisconsin paid for milk used to make cheese in November 1999. The second part was the change in the butter/powder/cheese price formula. That formula fell \$0.85 per cwt. It fell mainly because NASS block cheese prices fell 8.24 cents per pound and NASS Grade A butter fell 15.62 cents per pound between November and December 1999. See the following URL on the web for more detail on the December BFP:

<http://www.nass.usda.gov/wi/bfp0100.htm>.

USDA also announced the dairy products report this week. Butter production for November 1999 was 90.4 million pounds, down 0.8 percent from a year ago.

American type cheese production in November was 288.3 million pounds, up 6.5 percent from a year ago. Total cheese output (excluding cottage cheese) was 689.7 million pounds, up 8.3 percent above a year ago. And nonfat dry milk production for human food totaled 100.5 million pounds in November 1999, up a whopping 36.0 percent from a year ago.

Cheese prices fell this week at the Chicago Mercantile Exchange. Block prices fell from \$1.20 per pound on Monday, January 3 to \$1.14 by Friday, January 7. Likewise, barrel prices

fell from \$1.1850 per pound on Monday to \$1.1200 by Friday. These lower cheese prices likely reflected the level of November cheese production reported this week by USDA. Grade AA butter prices remained steady at \$0.8750 per pound.

The next major USDA reports to watch for are the milk production report to be announced January 18, and the cold storage report to be announced January 21. The milk production report will indicate whether farmers are responding to lower price signals by reducing milk production levels and cow numbers. And the

cold storage report will provide a revised number for November cheese stocks as well as a preliminary December number. If cheese stocks fall from existing levels, it could help to strengthen cheese prices.

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

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

	7-Jan-00	31-Dec-99	24-Dec-99	17-Dec-99	10-Dec-99
Cheese:					
500 lb. barrels	1.1500	1.1563	1.1500	1.1780	1.1320
40-lb. blocks	1.1760	1.1675	1.1438	1.1810	1.1470
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	0.8750	0.8750	0.8925	0.9050	0.9067

Source: Dairy Market News, AMS, USDA

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

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

	1-Jan-00	25-Dec-99	18-Dec-99	11-Dec-99	4-Dec-99
Cheese:					
500 lb. Barrels 1/	1.1555	1.1552	1.1100	1.0913	1.0878
40-lb. blocks	1.1654	1.1769	1.1355	1.1142	1.1238
Butter	0.8598	0.8777	0.8879	0.9524	0.9635
Nonfat dry milk	1.0128	1.0065	1.0123	1.0127	1.0124
Dry whey	0.1879	0.1903	0.1898	0.1898	0.1910

Source: Dairy Product Prices, NASS, USDA

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

1/ Adjusted to 39% moisture.