

Lean Hogs

Daily Prices As of :- Thursday, 27 January

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
01/27/00	Feb 00	5660	5685	5602	5610	-12	3679	13847
01/27/00	Apr 00	5970	5990	5860	5875	-77	3117	22458
01/27/00	Jun 00	6760	6777	6685	6695	-50	1489	10202
01/27/00	Jul 00	6590	6605	6535	6542	-45	629	3034
01/27/00	Aug 00	6395	6435	6305	6310	-85	226	2444
01/27/00	Oct 00	5915	5917	5860	5880	-17	176	1238
01/27/00	Dec 00	5700	5730	5685	5692	-13	72	386
01/27/00	Feb 01	0	5830	5815	5815	unch	2	39
01/27/00	Apr 01	5702	5720	5702	5710	+3	0	6

Composite	Volume	Open_Int
01/26/00	9390	53654

Live Cattle

Daily Prices As of :- Thursday, 27 January

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
01/27/00	Feb 00	6985	7012	6925	6952	-48	6704	34839
01/27/00	Apr 00	7207	7242	7120	7137	-78	5132	55193
01/27/00	Jun 00	6940	6977	6895	6907	-43	1862	23305
01/27/00	Aug 00	7025	7065	7000	7010	-25	805	12591
01/27/00	Oct 00	7250	7262	7212	7220	-25	335	4382
01/27/00	Dec 00	7355	7370	7325	7340	-20	91	3237
01/27/00	Feb 01	7432	7440	7425	7425	-7	19	2445

Composite	Volume	Open_Int
01/26/00	14948	135992

Lumber

Daily Prices As of :- Thursday, 27 January

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
01/27/00	Mar 00	34200	34200	34200	34200	+1000	1080	1878
01/27/00	May 00	33600	34040	33600	34040	+1000	200	642
01/27/00	Jul 00	33380	34030	33380	33930	+810	20	219
01/27/00	Sep '00	33490	33780	33490	33750	+330	16	67
01/27/00	Nov 00	33120	33400	33000	33000	+500	1	3
01/27/00	Jan 01	0	33110	33110	33110	+610	0	0

Composite	Volume	Open_Int
01/26/00	1317	2817

Weekly Dairy Market Outlook

By Ken Bailey
Penn State University
January 21, 2000

Cheese Stocks Rising

--December cheese stocks up
--December butter stocks down
--CME butter and cheese prices are also down
--December milk up 3.8 percent

The near-term outlook for butter and cheese prices, and hence farm-level milk prices, does not look like it will improve anytime soon. USDA's Cold Storage Report was released today and the numbers are disappointing.

Natural American cheese as of December 31, 1999 was 446.612 million pounds, up 10 percent from a year ago and down just 1.638 million pounds from November 1999 levels. Other Natural cheese was 155.778 million pounds, up 59 percent from a year ago and up 21.381 million pounds from November 1999 levels. Total cheese stocks actually rose 19 million pounds from November to December 1999!

I had hoped that demand for cheese would have been strong enough the last quarter of 1999 to

slowed down, or reduce the growth in cheese inventories.

This report, however, indicates that cheese production is growing ahead of demand.

There was no strong market reaction from the Chicago Mercantile Exchange to the news since it came after the markets closed. Prices for block cheese fell from \$1.1150 per pound on Tuesday, January 18 (markets were closed on Monday) to \$1.11 by Friday, January 21. Barrel prices fell more strongly, from \$1.1025 on Tuesday to \$1.0925 by Friday.

It is possible that information in the stocks report has already been factored into current market prices. Nevertheless, cheese prices don't have much lower to fall.

Butter prices fell this week at the Chicago Mercantile Exchange. Grade A prices fell from \$0.9450 per pound on Wednesday, January 19 to \$0.8875 by Friday, January 21. Butter stocks for December 31, 1999 were reported to be 25.965 million pounds, about even with a year ago. Butter prices remain low due to more than adequate supplies of cream and fresh butter.

The Milk Production Report was also released this week. Milk production for 20 select states in December was 11.9 million

pounds, up 3.8 percent from a year ago. Production per cow in December averaged 1,536 pounds, up 47 pounds or 3.2 percent. Cow numbers in December were 7.76 million head, 52,000 head more than December 1998 and 2,000 head more than November 1999.

States with the strongest growth in milk production were: Idaho (14.6 percent), California (11.1 percent), New Mexico (8.6 percent), Virginia (4.5 percent), Arizona (4.2 percent), Washington (3.6 percent), Michigan (3.3 percent), and Pennsylvania (3.2 percent).

The milk supply continued to grow in excess of demand in December. In addition, the number of cows on farms, which normally declines each month, continued to grow throughout 1999. Farmers have not yet received a really low milk price. That will happen by February 20th. Thus we may have one more month of growth in the milk supply. Short of a miracle on the demand side, milk prices will continue to be low as long as the milk supply continues to grow.

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

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GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, January 27, 2000

Corn

Daily Prices As of :- Thursday, 27 January

Symbol: C

	Open	High	Low	Last	Chge
01/27/00 MAR 00	2230	2264	2212	2256	+26
01/27/00 MAY 00	2310	2342	2290	2334	+26
01/27/00 JUL 00	2374	2412	2360	2404	+26
01/27/00 SEP 00	2444	2470	2420	2464	+24
01/27/00 NOV 00	2484	2520	2484	2516	+26
01/27/00 DEC 00	2514	2550	2502	2544	+26
01/27/00 JAN 01	2570	2570	2570	2570	+34
01/27/00 MAR 01	2582	2616	2572	2614	+26
01/27/00 JUL 01	2644	2680	2644	2680	+24
01/27/00 DEC 01	2600	2630	2600	2630	+10
01/27/00 DEC 02	2630	2630	2630	2630	+4

Total	Volume	Open_Int
01/26/00	71043	474619

Soybeans

Daily Prices As of :- Thursday, 27 January

Symbol: S

	Open	High	Low	Last	Chge
01/27/00 MAR 00	5122	5280	5080	5270	+136
01/27/00 MAY 00	5220	5370	5174	5360	+136
01/27/00 JUL 00	5290	5460	5260	5450	+142
01/27/00 AUG 00	5274	5470	5274	5460	+146
01/27/00 SEP 00	5290	5474	5290	5470	+144
01/27/00 NOV 00	5380	5534	5350	5526	+134
01/27/00 JAN 01	5450	5590	5444	5590	+134
01/27/00 MAR 01	5510	5650	5510	5650	+134
01/27/00 JUL 01	5570	5690	5570	5690	+100
01/27/00 NOV 01	5540	5690	5540	5690	+130

Total	Volume	Open_Int
01/26/00	42282	160440

Oats

Daily Prices As of :- Thursday, 27 January

Symbol: O

	Open	High	Low	Last	Chge
01/27/00 MAR 00	1130	1142	1126	1140	+4
01/27/00 MAY 00	1186	1200	1184	1200	+4
01/27/00 JUL 00	1166	1182	1166	1176	+4
01/27/00 SEP 00	1204	1220	1204	1214	+2
01/27/00 DEC 00	1270	1280	1266	1280	unch
01/27/00 MAR 01	1334	1340	1334	1340	-4

Total	Volume	Open_Int
01/26/00	1164	16651

Soybean Meal

Prices As of :- Thursday, 27 January

	Open	High	Low	Last	Chge
01/27/00 MAR 00	1633	1678	1611	1668	+33
01/27/00 MAY 00	1650	1700	1632	1691	+34
01/27/00 JUL 00	1660	1725	1655	1718	+41
01/27/00 AUG 00	1670	1725	1670	1720	+36
01/27/00 SEP 00	1670	1733	1670	1727	+38
01/27/00 OCT 00	1672	1730	1672	1725	+40
01/27/00 DEC 00	1698	1750	1698	1750	+37
01/27/00 JAN 01		1755	1755	1755	+42

Volume	Open_Int
16596	125559

Table 3. Dairy Stocks in Cold Storage

	Dec 31 1998	Nov 30, 1999	Dec 31 1999	% chng year ago
Dairy Products		1000 Pounds		
Butter, total	25,910	30,184	25,965	0.2%
(Government owned)	4	313	223	5475.0%
Natural Cheese				
American, total	407,692	448,250	446,612	9.5%
(Government owned)	120	24	18	-85.0%
Swiss	11,838	9,075	8,346	-29.5%
Other natural cheese	97,685	134,397	155,778	59.5%
Total natural cheese	517,215	591,722	610,736	18.1%

Source: USDA, Cold Storage Report.
Ken Bailey

Updated: 1/21/00.