

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, Sept. 21, 2000

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
00Nov	183 1/2	187	183	186	186 1/2	186 1/4 +24
00Dec	188	191	187 1/4	190 3/4	190	190 1/4 +22
01Jan	192 1/2	194 3/4	192	193 3/4	194 1/4	194 +22
01Mar	199 1/2	203	199	202 1/4	202	202 +20
01May	207 1/4	210 1/2	207	209 3/4	209 1/2	209 1/2 +20
01Jul	214 1/4	217 1/2	214	216 1/2	217	216 3/4 +20
01Sep	221 1/4	223 1/4	220 3/4	222 3/4		222 3/4 +22
01Dec	231 1/2	234	230 3/4	233 1/2	233 3/4	233 1/2 +24
				252 n		252 +24
				253 n		253 +20

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
	106 1/2	106 3/4	105	105 3/4	105 1/2	105 3/4 -10
	116 1/4	116 1/4	115	115 1/4		115 1/4 -10
	122 1/4	122 1/4	121	121 a		121 -12
				125 1/2 b	126 a	125 3/4 -16
	130	130 1/2	130	130 1/2 b		130 1/2 -26
	135	135 1/2	135	135 1/2 b		135 1/2 -24

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
	168.8	171.4	168.4	170.9	170.7	170.8 +12
	166.9	170.0	166.5	168.8	168.6	168.7 +13
	167.4	170.6	167.4	169.3		169.3 +15
	168.5	171.5	168.3	170.0	170.2	170.1 +13
	168.3	170.5	168.0	170.0		170.0 +15
	169.0	172.0	169.0	171.0	171.1	171.0 +17
	170.0	171.0	169.8	169.5 b	170.0 a	169.8 +16
	170.0	170.2	168.5	168.0 b	168.5 a	168.5 +10
				167.5 b	168.0 a	167.7 +15
				168.5 b	169.5 a	169.0 +10

Table 3. USDA Milk Supply and Demand Estimates

	2000	2001
	-----billion	
	lbs.-----	
Milk Production	167.7	167.5
	-----\$/cwt-----	
All-milk price	12.45	12.70
Class III price 1/	10.15	11.10
Class IV price 1/	11.70	11.40

Weekly Dairy Market Outlook

By Ken Bailey
Penn State University
September 15, 2000

USDA Outlook
Optimistic for 2001

- Milk production to decline in 2001
- Milk prices to improve in 2001
- Current cheese and butter prices stable

The cheese market is struggling to maintain prices in the face of seasonally heavy volumes of offerings at the Chicago Mercantile Exchange. Milk production is seasonally declining and back-to-school demand for Class I uses has tightened things up. However, cool weather in much of the U.S. has resulted in a rebound in butterfat and protein levels. Nevertheless, block cheese

prices traded between \$1.30 and \$1.33 this week at the Chicago Mercantile Exchange. Barrel prices fell from \$1.28 per pound on Monday, September 11 to \$1.2425 per pound on Wednesday, September 13. However, barrel prices rebounded to \$1.29 per pound by Friday, September 15.

Butter prices at the Chicago Mercantile Exchange weakened some from last week, trading at a weekly average price of \$1.1633 per pound. USDA reports that churning activities are moderate to heavy in the West and that there is plenty of frozen butter available to the market. Current demand is fair to good.

I have heard of a number of opportunities for dairy producers to lock in milk prices for 2001. Various cooperatives are offering fixed price contracts for milk.

The question is, are these deals any good? The contracts I have heard about are in relation to the Class III price. So, what will the Class III price average in 2001. My estimates show that the Class III price will average about \$10.07 per cwt for this year. USDA has a higher mean estimate of \$10.15 for 2000. Most analysts expect the Class III price will be higher in 2001 due to a slower rate of growth in the milk supply. USDA's latest forecast is that

Lean Hogs

Daily Prices As of :- Thursday, 21 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
09/21/00	Oct 00	5565	5637	5557	5632	+75	4188	14073
09/21/00	Dec 00	5190	5247	5160	5245	+85	3204	17636
09/21/00	Feb 01	5230	5280	5225	5277	+57	519	4368
09/21/00	Apr 01	5085	5145	5085	5102	+22	277	1908
09/21/00	Jun 01	5725	5767	5720	5757	+32	111	727
09/21/00	Jul 01	5650	5675	5645	5670	+20	5	236
09/21/00	Aug 01	5500	5512	5485	5512	-3	10	140
09/21/00	Oct 01	0	4700	4680	4700	+50	6	32
09/21/00	Dec 01	0	4580	4580	4580	-5	0	10

Composite Volume Open_Int
09/20/00 8320 39131

Live Cattle

Daily Prices As of :- Thursday, 21 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
09/21/00	Oct 00	6780	6792	6745	6790	-7	4595	43126
09/21/00	Dec 00	6925	6952	6897	6950	unch	3511	45103
09/21/00	Feb 01	7060	7085	7025	7080	+10	1432	19077
09/21/00	Apr 01	7260	7290	7225	7277	+7	909	10471
09/21/00	Jun 01	6990	7005	6972	7002	+2	379	4427
09/21/00	Aug 01	7010	7012	6997	7000	-5	30	2901
09/21/00	Oct 01	7270	7290	7260	7285	unch	3	835

Composite Volume Open_Int
09/20/00 10859 125940

Lumber

Daily Prices As of :- Thursday, 21 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
09/21/00	Nov 00	23850	23900	23250	23330	-500	640	2275
09/21/00	Jan 01	24880	24910	24500	24620	-260	181	775
09/21/00	Mar 01	25930	26060	25620	25800	-140	35	432
09/21/00	May 01	26290	26360	26100	26100	-70	10	95
09/21/00	Jul 01	26600	26770	26550	26690	-190	0	60
09/21/00	Sep 01	26870	26960	26870	26960	+100	3	14

Composite Volume Open_Int
09/20/00 869 3720

Pork Bellies

Daily Prices As of :- Thursday, 21 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
09/21/00	Feb 01	6270	6345	6220	6305	+90	371	1896
09/21/00	Mar 01	6260	6332	6260	6325	+110	11	38
09/21/00	May 01	6375	6400	6370	6370	+120	0	6
09/21/00	Jul 01	6400	6400	6350	6350	+55	3	5
09/21/00	Aug 01	0	6472	6472	6472	-3	0	1

Composite Volume Open_Int
09/20/00 385 1947

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

	15-Sep-00	8-Sep-00	1-Sep-00	25-Aug-00	18-Aug-00
Cheese:					
500 lb. barrels	1.2710	1.2525	1.1875	1.1620	1.0820
40-lb. blocks	1.3190	1.3275	1.2930	1.2875	1.2815
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	1.1633	1.1463	1.2033	1.1850	1.1875

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