

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, February 1, 2001

Corn

| | | | | | | |
|---------|---------|---------|---------|---------|---------|-----|
| 209 1/4 | 212 1/4 | 209 | 211 | 211 1/4 | 211 | +20 |
| 217 1/4 | 220 1/4 | 217 | 219 1/2 | 219 | 219 1/4 | +22 |
| 225 1/4 | 228 1/4 | 225 1/4 | 227 | 227 1/2 | 227 1/4 | +22 |
| 234 | 236 1/4 | 233 3/4 | 235 1/4 | 235 1/2 | 235 1/4 | +22 |
| 245 | 247 1/2 | 244 3/4 | 246 1/4 | 246 1/2 | 246 1/4 | +16 |
| 254 1/4 | 256 1/2 | 254 1/4 | 255 1/2 | | 255 1/2 | +20 |
| 260 | 261 3/4 | 260 | 261 1/2 | | 261 1/2 | +16 |
| 265 | 267 1/4 | 265 | 267 | | 267 | +22 |
| 263 1/4 | 265 | 263 1/4 | 265 | | 265 | +20 |

Oats

| | | | | | | |
|---------|---------|---------|---------|---------|---------|----|
| 103 1/2 | 103 1/2 | 103 1/4 | 103 1/2 | | 103 1/2 | +4 |
| 109 1/2 | 109 3/4 | 109 1/4 | 109 1/2 | 109 3/4 | 109 1/2 | +4 |
| 114 3/4 | 115 | 114 1/2 | 115 a | | 115 | +4 |
| 119 1/4 | 119 1/4 | 119 | 119 | | 119 | +4 |
| 125 | 125 1/4 | 125 | 125 1/4 | | 125 1/4 | +2 |
| 130 | 130 1/2 | 130 | 130 1/2 | | 130 1/2 | +6 |

Soybeans

| | | | | | | |
|---------|---------|---------|---------|---------|---------|-----|
| 458 1/4 | 464 | 458 | 462 | 463 | 462 1/2 | +30 |
| 465 1/2 | 471 | 465 | 469 1/4 | 470 1/2 | 469 3/4 | +36 |
| 473 | 479 | 472 1/2 | 478 | 479 | 478 1/2 | +50 |
| 475 | 478 1/2 | 475 | 478 | | 478 | +50 |
| 471 1/4 | 476 1/2 | 471 1/4 | 476 1/2 | | 476 1/2 | +60 |
| 475 | 482 | 474 1/4 | 480 1/2 | 481 | 480 3/4 | +54 |
| 488 | 492 1/2 | 487 3/4 | 491 b | 492 a | 491 1/2 | +60 |
| 498 | 501 1/2 | 498 | 500 b | 501 a | 500 1/2 | +56 |
| | | | 509 n | | 509 | +60 |
| | | | 513 n | | 513 | +50 |
| 515 | 520 | 515 | 520 | | 520 | +54 |

Wheat

| | | | | | | |
|---------|---------|---------|---------|-----|---------|------|
| 272 1/2 | 273 | 270 | 270 1/4 | 270 | 270 1/4 | -26 |
| 284 1/2 | 284 3/4 | 282 | 282 1/4 | 282 | 282 1/4 | -26 |
| 295 1/2 | 296 | 293 | 293 1/4 | 293 | 293 1/4 | -24 |
| 305 1/2 | 305 1/2 | 303 1/2 | 303 1/2 | | 303 1/2 | -24 |
| 320 | 320 1/2 | 318 1/4 | 318 1/4 | | 318 1/4 | -30 |
| | | | 330 n | | 330 | -24 |
| | | | 338 n | | 338 | -24 |
| | | | 355 n | | 355 | -20 |
| | | | 360 n | | 360 | Unch |

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

| | | | | | |
|------------------|-----------|-----------|-----------|----------|-----------|
| | 26-Jan-01 | 19-Jan-01 | 12-Jan-01 | 5-Jan-01 | 29-Dec-00 |
| Cheese: | | | | | |
| 500 lb. barrels | 1.0920 | 1.0800 | 1.0650 | 1.0850 | 1.1188 |
| 40-lb. blocks | 1.1110 | 1.0869 | 1.0705 | 1.0900 | 1.1450 |
| Nonfat dry milk: | | | | | |
| Extra Grade | | | | 1.0300 | 1.0300 |
| Grade A | | | | 1.0300 | 1.0300 |
| Butter: | | | | | |
| Grade AA | 1.2958 | 1.2413 | 1.2367 | 1.1338 | 1.1300 |

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

Table 2. NASS Weekly US Average Survey Prices

| | | | | | |
|--------------------|-----------|-----------|----------|-----------|-----------|
| | 20-Jan-01 | 13-Jan-01 | 6-Jan-01 | 30-Dec-00 | 23-Dec-00 |
| Cheese: | | | | | |
| 500 lb. Barrels 1/ | 1.0889 | 1.1079 | 1.1218 | 1.1223 | 1.1011 |
| 40-lb. blocks | 1.0905 | 1.1077 | 1.1283 | 1.1101 | 1.0960 |
| Butter | 1.2163 | 1.1575 | 1.1073 | 1.1183 | 1.1692 |
| Nonfat Dry Milk | 1.0170 | 1.0156 | 1.0192 | 1.0146 | 1.0148 |
| Dry whey | 0.2517 | 0.2483 | 0.2410 | 0.2350 | 0.2236 |

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

Lean Hogs

Daily Prices As of :- Thursday, 1 February

| Date | Open | High | Low | Last | Chge | Prev. Volume | Prev. Open_Int | |
|----------|--------|------|------|------|------|--------------|----------------|-------|
| 02/01/01 | Feb 01 | 5540 | 5660 | 5525 | 5655 | +175 | 2214 | 8501 |
| 02/01/01 | Apr 01 | 5790 | 5905 | 5780 | 5890 | +175 | 3691 | 17979 |
| 02/01/01 | Jun 01 | 6380 | 6505 | 6380 | 6497 | +127 | 1320 | 7790 |
| 02/01/01 | Jul 01 | 6150 | 6250 | 6150 | 6247 | +107 | 104 | 1549 |
| 02/01/01 | Aug 01 | 5960 | 6040 | 5940 | 6020 | +98 | 289 | 2270 |
| 02/01/01 | Oct 01 | 5300 | 5370 | 5300 | 5365 | +75 | 279 | 2661 |
| 02/01/01 | Dec 01 | 5042 | 5100 | 5042 | 5097 | +55 | 104 | 1457 |
| 02/01/01 | Feb 02 | 5150 | 5187 | 5150 | 5187 | +37 | 4 | 83 |
| 02/01/01 | Apr 02 | 0 | 5105 | 5105 | 5105 | +5 | 0 | 2 |

Composite Volume Open_Int
01/31/01 8007 42292

Live Cattle

Daily Prices As of :- Thursday, 1 February

| Date | Open | High | Low | Last | Chge | Prev. Volume | Prev. Open_Int | |
|----------|--------|------|------|------|------|--------------|----------------|-------|
| 02/01/01 | Feb 01 | 7775 | 7905 | 7775 | 7905 | +150 | 6592 | 28843 |
| 02/01/01 | Apr 01 | 7700 | 7832 | 7700 | 7827 | +145 | 14003 | 61928 |
| 02/01/01 | Jun 01 | 7170 | 7300 | 7170 | 7267 | +110 | 5821 | 20448 |
| 02/01/01 | Aug 01 | 7150 | 7265 | 7150 | 7212 | +80 | 2899 | 16913 |
| 02/01/01 | Oct 01 | 7325 | 7430 | 7325 | 7390 | +85 | 1004 | 6922 |
| 02/01/01 | Dec 01 | 7425 | 7515 | 7425 | 7487 | +75 | 569 | 2663 |
| 02/01/01 | Feb 02 | 7507 | 7595 | 7507 | 7575 | +73 | 293 | 637 |

Composite Volume Open_Int
01/31/01 31182 138354

Pork Bellies

Daily Prices As of :- Thursday, 1 February

| Date | Open | High | Low | Last | Chge | Prev. Volume | Prev. Open_Int | |
|----------|--------|------|------|------|------|--------------|----------------|------|
| 02/01/01 | Feb 01 | 6715 | 6817 | 6700 | 6795 | +105 | 575 | 967 |
| 02/01/01 | Mar 01 | 6810 | 6900 | 6800 | 6887 | +102 | 323 | 1026 |
| 02/01/01 | May 01 | 6935 | 7035 | 6935 | 6950 | +45 | 95 | 486 |
| 02/01/01 | Jul 01 | 7005 | 7090 | 7005 | 7090 | +90 | 0 | 161 |
| 02/01/01 | Aug 01 | 0 | 7095 | 7095 | 7095 | +45 | 0 | 44 |
| 02/01/01 | Feb 02 | 0 | 6045 | 6045 | 6045 | +20 | 0 | 1 |
| 02/01/01 | Mar 02 | 0 | 6045 | 6045 | 6045 | +20 | 0 | 1 |

Composite Volume Open_Int
01/31/01 993 2686

Soybean Meal

| | | | | | | |
|-------|-------|-------|---------|---------|-------|------|
| 165.0 | 165.4 | 163.4 | 163.7 | 164.0 | 163.9 | -14 |
| 164.0 | 164.5 | 163.0 | 163.3 | 163.2 | 163.3 | -11 |
| 163.7 | 164.3 | 163.0 | 163.2 | 163.3 | 163.3 | -7 |
| 163.5 | 163.6 | 162.2 | 162.5 | 162.2 | 162.4 | -7 |
| 162.5 | 162.7 | 161.4 | 161.7 | | 161.7 | -1 |
| 160.8 | 161.7 | 160.2 | 160.4 | | 160.4 | -5 |
| 160.8 | 162.0 | 160.8 | 161.0 | 160.8 | 160.9 | -2 |
| | | | 160.8 b | 161.3 a | 161.1 | -1 |
| | | | 161.5 b | 162.0 a | 161.7 | Unch |
| | | | 162.5 b | 163.5 a | 163.0 | +3 |
| | | | 163.0 b | 164.0 a | 163.5 | Unch |

Weekly Dairy Market Outlook

Ken Bailey
Penn State
January 26, 2001

Tight Milk Means Higher Prices

- Class III and IV futures remain firm.
- Consider locking in milk prices.
- Advanced pricing factors announced.

The dairy futures market at the Chicago Mercantile Exchange provides a forecast of what milk prices will be the rest of the year. The futures prices as of Jan. 26, 2001 were holding

steady this week with Class III futures peaking at \$11.99 per cwt in October and Class IV peaking at \$13.10 by September. Now let's make a comparison. The Class III price in 2000 peaked at \$10.76 per cwt in September, while the Class IV price peaked at \$13.27 in December.

This recent development in the futures market begs two questions. First, are these good prices for 2001? Second, why are they so high when we have "surplus milk."

Let's answer the latter question first. I think the futures (Turn to Page A46)