

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, February 15, 2001

Corn

Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01Mar	213	214 3/4	211 3/4	212	211 3/4	212	-6
01May	221 3/4	222 1/2	220	220	220 1/4	220 1/4	-4
01Jul	228 3/4	230 1/4	227 1/2	227 1/2	228	227 3/4	-4
01Sep	237	238 1/4	235 1/2	235 1/2	235 3/4	235 3/4	-2
01Nov	247 1/4	248 1/2	246 3/4	246 3/4	247	246 3/4	Unch
01Dec	257 1/4	257 1/2	256	256	256	256	Unch
01Jan	263	263	261	261	261 1/2	261 1/4	-6
02Feb	266 1/2	266 3/4	266	266 1/4	266 1/4	266 1/4	+2
02Mar	265 1/2	265 1/2	264	264 a	264	264	+2
Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int

Soybeans

Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01Mar	453 1/2	454 1/2	449 1/2	450 1/2	450	450 1/4	-16
01May	454 1/2	455 1/2	451 1/4	451 1/2	452	451 3/4	-10
01Jul	460	461 1/2	457	458	457 1/2	457 3/4	-6
01Sep	460 1/2	461 1/2	457	458 1/2	458 1/2	458 1/2	Unch
01Nov	459	459	456	456	456	456	-10
01Dec	464 1/2	464 1/2	459 1/2	460 1/4	459 1/2	460	-14
01Jan	473 1/2	474	470 1/2	470 1/2	470 1/2	470 1/2	-10
02Feb	482	482	482	482	482	482	Unch
02Mar				489 n	489	489	-20
02Apr				498 n	498	498	-20
02May	504	504	503	503	503	503	+4
Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int

Soybean Meal

Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01Mar	161.1	162.0	160.9	161.1	161.4	161.2	+6
01May	160.2	160.6	159.4	159.8	160.0	159.9	+5
01Jul	160.0	160.2	159.0	159.0	159.3	159.2	-2
01Aug	159.1	159.2	158.1	158.3	158.4	158.3	Unch
01Sep	158.0	158.2	157.2	157.2	157.7	157.5	-2
01Oct	157.0	157.0	156.1	156.1	156.1	156.1	-1
01Dec	157.7	157.7	156.5	156.5	156.5	156.5	-5
02Jan	157.7	157.7	156.7	156.5 b	156.7 a	156.7	-5
02Mar				158.0 b	158.2 a	158.1	-7
02May				159.0 b	160.0 a	159.5	-10
02Jul				160.0 b	161.0 a	160.5	-7
Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int

Weekly Dairy Market Outlook

Ken Bailey
Penn State University
February 9, 2001
Market Continues
Showing Strength

- CME cheese prices rising
- Class III futures steady
- Class IV futures strengthening

What a difference a few weeks makes! Cheese prices at the Chicago Mercantile Exchange are on the rise. Prices for 40-pound blocks rose from \$1.12 per pound on Monday, February 5 to \$1.16 per pound by Friday, February 9. Barrel cheese prices rose from \$1.16 per pound on Monday to \$1.20 by Friday. This inversion between blocks and barrels will likely not last long.

The futures prices at the Chicago Mercantile Exchange are showing signs of strength. As of February 9, the Class III futures settlement price was \$10.20 per cwt for February. That price rose to \$11.34 for June and peaked at \$12.15 in August. Class III futures prices on February 8 were

even higher, peaking at \$12.38 for September.

The Class IV futures prices at the Chicago Mercantile Exchange showed even more price strength. As of February 9, the Class IV futures settlement price was \$12.61 per cwt for February. That price rose to \$12.90 per cwt in June and peaked at \$13.26 in August.

So what is driving these prices? It really boils down to future expectations of the milk supply. The December milk production report showed the milk supply even with a year ago with declining cow numbers. There is concern that the high cost of energy, electricity problems in California, and profitability concerns in other western states like Idaho may further erode the milk supply. If that happens, look for cheese and butter prices to rise rapidly. My sense, however, is that the market may be over reacting to very limited information. Let's look at the facts.

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Lean Hogs

Daily Prices As of :- Thursday, 15 February

Date		Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
02/15/01	Apr 01	5835	5995	5830	5922	+62	5512	18485
02/15/01	Jun 01	6470	6580	6452	6537	+42	1361	8639
02/15/01	Jul 01	6250	6310	6235	6282	+10	325	1762
02/15/01	Aug 01	5965	6030	5960	5970	-15	132	2706
02/15/01	Oct 01	5295	5340	5270	5272	-23	50	2800
02/15/01	Dec 01	5080	5092	5055	5065	-15	64	1653
02/15/01	Feb 02	0	5185	5165	5185	+15	3	137
02/15/01	Apr 02	0	5135	5135	5135	+28	0	6

Composite Volume Open_Int

02/14/01 7901 39853

Live Cattle

Daily Prices As of :- Thursday, 15 February

Date		Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
02/15/01	Feb 01	8017	8035	7987	8005	unch	4830	13971
02/15/01	Apr 01	7832	7840	7787	7797	-25	10959	63856
02/15/01	Jun 01	7257	7265	7225	7240	-17	2133	21902
02/15/01	Aug 01	7200	7210	7180	7185	unch	1692	18609
02/15/01	Oct 01	7390	7410	7377	7380	-5	516	10353
02/15/01	Dec 01	7490	7507	7467	7472	-5	417	3684
02/15/01	Feb 02	7585	7595	7562	7567	-15	42	804

Composite Volume Open_Int

02/14/01 20590 133180

Pork Bellies

Daily Prices As of :- Thursday, 15 February

Date		Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
02/15/01	Feb 01	6925	6990	6900	6940	+10	58	195
02/15/01	Mar 01	6945	7010	6920	6935	-30	255	1693
02/15/01	May 01	7140	7172	7100	7122	-28	50	760
02/15/01	Jul 01	7140	7170	7140	7170	-20	2	172
02/15/01	Aug 01	7100	7120	7100	7120	+25	6	49
02/15/01	Feb 02	0	6225	6225	6225	unch	0	1
02/15/01	Mar 02	0	6090	6090	6090	unch	0	1

Composite Volume Open_Int

02/14/01 371 2871

Oats

Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
01Mar	102 1/4	102 1/2	102	102	102	102	+2
01May	108 1/4	108 1/2	108	108 1/4	108 1/4	108 1/4	+4
01Jul	113 1/2	113 1/2	113	113 1/4	113 1/4	113 1/4	+2
01Sep	117 1/2	117 1/2	117	117	117	117	+2
01Nov	124	124	122 3/4	123 1/2	123 1/2	123 1/2	Unch
01Dec	128	129	128	129 b	129	129	-6
Month	Opening	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

	9-Feb-01	2-Feb-01	26-Jan-01	19-Jan-01	12-Jan-01
Cheese:					
500 lb. barrels	1.1880	1.1300	1.0920	1.0800	1.0650
40-lb. blocks	1.1480	1.1010	1.1110	1.0869	1.0705
Butter:					
Grade AA	1.3142	1.3308	1.2958	1.2413	1.2367

Source: Dairy Market News, AMS, USDA

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

Table 2. NASS Weekly US Average Survey Prices

	3-Feb-01	27-Jan-01	20-Jan-01	13-Jan-01	6-Jan-01
Cheese:					
500 lb. Barrels 1/	1.0943	1.0860	1.0889	1.1079	1.1218
40-lb. blocks	1.0898	1.0802	1.0906	1.1077	1.1283
Butter	1.2865	1.2371	1.2177	1.1589	1.1073
Nonfat Dry Milk	1.0160	1.0150	1.0172	1.0156	1.0192
Dry whey	0.2505	0.2525	0.2498	0.2476	0.2394

Source: Dairy Product Prices, NASS, USDA

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

1/ Adjusted to 39% moisture.