

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, April 5, 2001

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	213	214	209 1/4	212	212 1/2	212 1/4 +4
01Jul	221	222	217 1/4	220	220 1/2	220 1/4 +4
01Sep	229	229 3/4	225 1/2	228 1/4	228	228 +4
01Nov				235 1/4 n	235 1/4	+10
01Dec	239 1/2	240 1/2	235 3/4	239 1/2	238 3/4	239 +6
02Mar	249 1/4	249 3/4	245 1/2	249	248 1/2	248 3/4 +6
02May	256	256	252 1/4	255 3/4	255 3/4	255 3/4 +6
02Jul	261 1/4	261 1/4	257	260 1/2	260 1/2	260 1/2 +6
02Sep	259	262 1/2	259	262	262 1/2	262 1/4 +2
02Dec	265	265	261	264	263	263 1/2 -4
03Dec	265	265	265	265	265	265 -10
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	438	439 1/2	433	438	437 1/4	437 1/2 +2
01Jul	444	444 1/2	438	443 1/2	442 1/2	443 +4
01Aug	443	443	437 1/2	442	442	442 +10
01Sep	437 1/2	438 1/2	432 1/4	436	435 1/2	435 3/4 -2
01Nov	441 1/2	442	435 1/2	439	440	439 1/2 -6
01Dec	446 1/2	449	445 1/2	449	449	449 -10
02Jan	456 1/2	459	454 1/2	458 1/2	458 1/2	458 1/2 Unch
02Feb				467 1/2 n	467 1/2	467 1/2 +4
02Mar	472	473 1/2	471	473 1/2	473 1/2	473 1/2 -4
02Nov	480	480	475	480	480	480 -6
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	154.1	154.5	152.0	154.0	153.8	153.9 +6
01Jul	151.6	151.8	149.6	151.3	151.5	151.4 +6
01Aug	149.8	150.0	147.9	149.1	149.3	149.2 +2
01Sep	147.4	148.0	145.8	146.7	146.7	146.7 +1
01Oct	146.2	146.3	144.3	145.5	145.5	145.5 -2
01Dec	146.8	146.8	144.5	145.7	145.7	145.7 -3
02Jan	146.9	146.9	145.0	145.7	145.7	145.7 -3
02Mar	148.0	148.0	146.5	146.6	146.9	146.8 -3
02May	149.0	149.0	147.5	147.0 b	147.5 a	147.5 -6
02Jul	150.0	150.0	148.0	147.5 b	148.0 a	148.0 -8
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State
March 30, 2001

Dairy Market
Outlook For 2001

Milk Supply

The market is showing signs of price strength because of a slowdown in the growth in the milk supply. Adjusted for an extra day for leap year in 2000, February 2001 milk production for 20 select dairy states was 11.2 billion pounds, down 0.9 percent.

January revised milk production, at 12.1 billion pounds, was down 1.6 percent. Production per cow in February for 20 select states averaged 1,440 pounds, down 66 pounds from a year ago. And, cow numbers for these states in February was 7.77 million head, 10,000 head less than January 2001.

The market is reflecting a tight milk supply. Buyers, commodity traders, and speculators are all betting that the milk

supply will be tight this year and commodity prices will be much higher. That sentiment is reflected in the dairy futures prices at the Chicago Mercantile Exchange (CME). As of March 29, 2001, the CME futures markets is expecting the Class III price of milk will rise from \$11.39 per CWT in March to \$13.36 per CWT by September. Likewise, the CME is expecting the Class IV price to rise from \$13.50 per cwt in March to \$14.50 per CWT by September. These price increases represent significant changes relative to a year ago.

The outlook is for cow numbers to decline slightly the first two quarters of the year and then level out by the fourth quarter at 9.165 million cows. Total cow numbers are expected to decline just 0.4 percent (see Table 1). Milk per cow is expected to decline the first quarter of 2001, even with a year ago the second quarter, and then rebound the third and fourth quarters.

For the year, milk per cow will be up 0.9 percent. This im-

plies that the milk supply will be down sharply the first quarter and then stage a rebound by the third and fourth quarter. For the year the milk supply will grow just 0.5 percent for 2001. That compares with a growth rate of 3.0 percent in 2000 relative to the previous year.

Demand And Ending Stocks
Demand for dairy products is expected to be impacted by a

slowly U.S. economy. USDA has forecasted that the Gross Domestic Product (GDP), a measure of the strength of the U.S. economy, will grow just 2.2 percent in 2001. That compares with a growth rate of just over 5 percent in 2000. That will be offset by a slightly lower inflation rate and lower interest rates. The question is, how will this outlook affect demand for milk and dairy products?
Commercial disappearance of

dairy products (milkfat basis) in 2000 grew at an annual rate of 2.6 percent. With a slowing economy it is expected that growth in demand for dairy products will be just 2.1 percent in 2001. This represents a conservative estimate based on an uncertain economic outlook and a gloomy stock market.

The impact of a dramatic slowdown in the growth of the U.S. milk supply coupled with

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Lean Hogs

Daily Prices As of :- Thursday, 5 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
04/05/01	Apr 01	6625	6720	6620	6702	+80	2915 9044
04/05/01	Jun 01	7240	7310	7230	7262	+47	3984 20919
04/05/01	Jul 01	6915	6940	6897	6910	+28	568 4137
04/05/01	Aug 01	6520	6545	6495	6497	+5	1051 4694
04/05/01	Oct 01	5680	5700	5670	5680	-2	389 4312
04/05/01	Dec 01	5420	5455	5370	5395	-20	186 2874
04/05/01	Feb 02	5460	5497	5455	5497	-8	14 450
04/05/01	Apr 02	5370	5400	5370	5400	unch	2 77

Composite Volume Open_Int
04/04/01 9109 46507

Live Cattle

Daily Prices As of :- Thursday, 5 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
04/05/01	Apr 01	7960	7990	7960	7985	+33	8461 32569
04/05/01	Jun 01	7355	7380	7355	7370	+20	6056 40686
04/05/01	Aug 01	7257	7285	7257	7277	+22	1786 24574
04/05/01	Oct 01	7435	7445	7420	7430	+10	1585 19957
04/05/01	Dec 01	7512	7532	7505	7512	+7	402 7972
04/05/01	Feb 02	7605	7610	7590	7597	-5	39 1764
04/05/01	Apr 02	7705	7710	7700	7710	+5	65 731

Composite Volume Open_Int
04/04/01 18394 128253

Pork Bellies

Daily Prices As of :- Thursday, 5 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
04/05/01	May 01	9430	9517	9310	9377	-130	323 1998
04/05/01	Jul 01	9462	9550	9350	9430	-135	99 737
04/05/01	Aug 01	9340	9420	9200	9235	-182	40 233
04/05/01	Feb 02	0	8180	8180	8180	-15	0 19
04/05/01	Mar 02	0	8200	8200	8200	unch	0 3

Composite Volume Open_Int
04/04/01 462 2991

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	111	111	109	109 3/4	110	110 -4
01Jul	113 3/4	114 1/4	112 1/2	113 3/4	113 1/2	113 3/4 Unch
01Sep	116 1/2	116 1/2	114 3/4	116	116	116 -2
01Dec	122 1/2	122 3/4	121	122	122	122 -4
02Mar	129 1/4	129 1/4	127 1/2	128 b	128	128 -6
Month	Opening	High	Low	Closing	Settle	Net Chg

	2000					2001*				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Supply										
Milk cows (thou)	9,188	9,213	9,229	9,211	9,210	9,180	9,170	9,165	9,165	9,170
Milk per cow (lbs.)	4,640	4,688	4,460	4,416	4,556	4,556	4,711	4,572	4,538	4,538
Milk production (mil lbs)	42,630	43,189	41,161	40,678	167,658	41,825	43,201	41,899	41,587	168,512
% change year ago	5.3%	2.8%	3.5%	0.6%	3.0%	-1.9%	0.0%	1.8%	2.2%	0.5%
Farm use (mil lbs)	331	331	334	334	1,330	16	16	16	16	64
Marketings (mil lbs)	42,299	42,858	40,827	40,344	166,328	41,809	43,185	41,883	41,571	168,448
Beg comm stocks (mil lbs)	6,135	9,307	10,664	8,904	6,135	6,863	9,030	9,875	8,203	6,863
Imports (mil lbs)	952	1,209	1,191	1,094	4,446	1,000	1,000	1,000	1,000	4,000
Total supply (mil lbs.)	49,386	53,374	52,682	50,342	176,909	49,672	53,215	52,758	50,774	179,311
Utilization (mil lbs)										
Ending commercial stocks	9,307	10,664	8,904	6,863	6,863	9,030	9,875	8,203	6,552	6,552
USDA net removals	273	262	139	167	841	0	0	0	0	0
Commercial disappearance	39,806	42,448	43,639	43,312	169,205	40,642	43,340	44,555	44,221	172,758
% change year ago	4.0%	2.1%	2.8%	1.8%	2.6%	2.1%	2.1%	2.1%	2.1%	2.1%
Milk Prices (\$/cwt)										
Class III	9.71	9.42	10.52	9.32	9.74	10.56	12.20	13.27	12.60	12.16
Class IV	10.84	11.89	11.89	12.69	11.83	12.76	14.36	14.45	14.08	13.91
All-milk	11.90	12.03	12.70	12.73	12.34	13.28	14.81	15.34	14.83	14.56

Table 1. Milk Supply and Demand for 2000 and 2001 (milkfat basis)