

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, April 12, 2001

Corn

Month	Opening	High	Low	Closing	Settle	Change
01Mar	210	214 1/4	209 1/4	212	211 1/2	211 3/4 +12
01Jun	218 1/2	222 1/2	217 1/4	220	219 1/2	219 3/4 +10
01Sep	226	230 1/4	225 1/2	228	227 1/2	227 3/4 +12
01Dec				235 n		235 +10
01May	237 1/2	241 1/4	236 1/4	238	238 3/4	238 1/4 +6
02Jul	244	244	241 3/4	241 3/4		241 3/4 +6
02Mar	246	250	245 1/2	248	247 1/2	247 3/4 +12
02May	253 1/4	256	252	254 1/2		254 1/2 +12
02Jul	258 3/4	261	257	259 1/4	260	259 1/2 +12
02Sep	261	261	260 3/4	260 3/4		260 3/4 +10
02Dec	261 1/2	264 3/4	261	263 1/4	262 1/2	262 3/4 +6
03Dec	264	264 1/2	264	264 1/2		264 1/2 -2
Month	Opening	High	Low	Closing	Settle	Change

Soybeans

Month	Opening	High	Low	Closing	Settle	Change
01Mar	435 1/4	438 1/2	433 3/4	434	436 1/2	435 1/4 -20
01Jun	441	443 1/2	438 1/4	439	440 1/2	439 3/4 -24
01Aug	440	442 1/2	437	438 1/2		438 1/2 -24
01Sep	435 1/2	437 1/2	431 3/4	434	433	433 1/2 -16
01Nov	438 1/2	441 1/2	434 1/2	437 3/4	438 1/2	438 1/4 -10
02Feb	447	450 1/2	444 1/2	447 1/2	448	447 3/4 -12
02Jul	458	460	456 1/2	456 1/2	457	456 3/4 -12
02Nov				465 n		465 -10
02Jan				471 n		471 -10
02Mar	480	480	479	479		479 -20
Month	Opening	High	Low	Closing	Settle	Change

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Change
01May	154.2	155.4	153.7	154.3	154.5	154.4 -1
01Jul	151.3	152.8	150.7	151.7	151.8	151.7 Unch
01Aug	149.5	150.8	148.9	149.7	149.8	149.7 Unch
01Sep	147.0	148.4	146.6	147.6	147.8	147.7 +2
01Oct	145.0	146.7	144.6	145.9	146.0	145.9 +4
01Dec	145.5	147.0	144.6	146.2	146.5	146.3 +5
02Jan	145.5	147.3	145.5	146.5		146.5 +5
02Mar	146.8	148.5	146.5	147.5		147.5 +4
02May	147.7	149.0	147.0	147.0 b	147.5 a	147.3 -4
02Jul	148.0	149.0	147.5	147.5 b	148.0 a	147.8 Unch
Month	Opening	High	Low	Closing	Settle	Change

Weekly Dairy Market Outlook

Ken Bailey
Penn State
April 6, 2001

Markets Remain Firm

- Commodity markets remain strong.
- Export demand strong.
- CCC purchases slow.
- Suiza/Dean merger.

Prices for cheese and butter at the Chicago Mercantile Exchange (CME) remain strong and showed very modest gains this week.

Barrel cheese prices rose from \$1.31 per pound on Monday, April 2 to \$1.3250 by Friday, April 6. Likewise, block cheese prices rose from \$1.3550 per pound on Monday to \$1.3650 by Friday. Even butter showed very modest gains, rising from \$1.68 per pound on Monday to \$1.69 by Friday.

Cheese production continues to lag production levels from a year ago. Cumulative cheddar cheese production during January-February 2001 (adjusted for leap year) was down 8.6 percent

relative to a year ago. Total cheese production during this same period was down 2.3 percent.

The futures markets are still reflecting higher milk prices. As of April 6, 2001 CME Class III settlement prices are \$11.87 for April, rising to \$13.20 by September. Class IV settlement prices as of April 6 are \$14.30 for April, \$14.25 for May, and level off at \$14.45 for June through October. These are excellent prices for dairy producers who want to use the futures market to lock in price gains relative to 2000.

What is showing signs of change is international demand for U.S. dairy products.

USDA reported this week that export interest in whey, whey protein concentrate, lactose, and even nonfat dry milk is increasing because of concern regarding European foot and mouth disease. While surplus sales of nonfat dry milk continue under the dairy price support program, USDA reported that sales this week were "the

smallest weekly net purchase since December 1999." Prices for nonfat dry milk in Central markets were mostly \$1.0250-\$1.0350 this week, up from support levels of \$1.01 in 2001.

In other news, Suiza Foods and Dean Foods announced yesterday a merger between the two companies. The new company, to be named Dean Foods, will have nearly \$10 billion in annual

sales. Howard Dean, chairman and CEO of Dean's Foods, will serve as chairman of the board of the new company. Gregg Engles, chairman and CEO of Suiza Foods, will be the CEO of the new company.

As part of these transactions, Suiza has agreed to repurchase the 33.8 percent stake in Suiza Dairy Group that is owned by Dairy Farmers of America. The

new Dean Foods company will be headquartered in Dallas, Texas; will operate in 39 states; will have 137 dairy facilities; and will employ 30,000 people. It is forecast to have 2001 annual sales of \$9.528 billion. It will be the single largest fluid processor in the U.S.

For more detail see my Website at <http://www.aers.psu.edu/dairyoutlook/>

Lean Hogs

Daily Prices As of :- Thursday, 12 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/12/01	Apr 01	6535	6590	6515	6582	+22	3176	4411
04/12/01	Jun 01	7150	7212	7140	7192	+17	4810	23422
04/12/01	Jul 01	6795	6880	6795	6855	+35	991	4591
04/12/01	Aug 01	6435	6515	6425	6485	+50	931	5270
04/12/01	Oct 01	5610	5620	5590	5607	-3	310	4660
04/12/01	Dec 01	5340	5360	5310	5320	+5	154	3229
04/12/01	Feb 02	5480	5485	5420	5450	+3	49	540
04/12/01	Apr 02	0	5400	5397	5400	unch	1	78

Composite Volume Open_Int

04/11/01	10422	46201
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Live Cattle

Daily Prices As of :- Thursday, 12 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/12/01	Apr 01	7782	7800	7740	7752	-30	8067	21848
04/12/01	Jun 01	7210	7230	7192	7210	unch	8019	45335
04/12/01	Aug 01	7185	7205	7180	7192	+2	2102	25505
04/12/01	Oct 01	7350	7365	7342	7347	+2	2180	21495
04/12/01	Dec 01	7447	7462	7440	7452	+5	524	9666
04/12/01	Feb 02	7560	7560	7530	7547	-3	160	2944
04/12/01	Apr 02	7680	7680	7665	7680	unch	13	826

Composite Volume Open_Int

04/11/01	21065	127619
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Pork Bellies

Daily Prices As of :- Thursday, 12 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/12/01	May 01	8702	8880	8702	8825	-177	463	1949
04/12/01	Jul 01	8810	8955	8770	8917	-148	254	762
04/12/01	Aug 01	8600	8757	8550	8740	-105	42	283
04/12/01	Feb 02	7600	7620	7550	7580	-70	9	25
04/12/01	Mar 02	0	7575	7575	7575	-100	2	5
04/12/01	May 02	0	8100	7975	8100	unch	0	4

Composite Volume Open_Int

04/11/01	770	3028
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Oats

110 1/2	111 1/2	109 1/2	110 1/2		110 1/2	+4
114 1/2	115 1/4	113 1/2	114 1/2	114 3/4	114 1/2	+4
116 1/2	117	115 3/4	116 1/2		116 1/2	+2
122	123	121 1/4	122 3/4 a		122 3/4	+6
127 3/4	129 1/2	127 3/4	129 1/4 a		129 1/4	+6

Table 1. Chicago Mercantile Exchange Prices, Weekly Averages

	6-Apr-01	30-Mar-01	23-Mar-01	16-Mar-01	9-Mar-01
Cheese					
500 lb. Barrels	1.3200	1.2940	1.2725	1.2710	1.2685
40-lb blocks	1.3605	1.3430	1.3280	1.3120	1.2800
Butter					
Grade AA	1.6833	1.6692	1.6133	1.5183	1.5050

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

Table 2. NASS Weekly US Average Survey Prices

	31-Mar-01	24-Mar-01	17-Mar-01	10-Mar-01	3-Mar-01
Cheese.					
500 lb. Barrels 1/	1.2852	1.2759	1.2783	1.2657	1.2408
40-lb blocks	1.2961	1.2762	1.2586	1.2381	1.1979
Butter	1.6123	1.5460	1.4879	1.4843	1.4666
Nonfat Dry Milk	1.0135	1.0115	1.0133	1.0131	1.0131
Dry whey	0.2389	0.2388	0.2390	0.2447	0.2405

Source: Dairy Product Prices, NASS, USDA
(<http://usda.mannlib.cornell.edu/reports/nassr/price/dairy/1999/>).
1/ Adjusted to 38% moisture.