

# GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, April 19, 2001

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	207 1/2	208	203 1/2	204 3/4	204 1/4	-44
01Jul	216	216	211	211 1/2	212	-50
01Sep	223 1/2	223 1/2	219	219 1/2	219 1/4	-50
01Nov	228 1/4	228 1/4	226	226 1/2	226 1/2	-52
01Dec	233 3/4	233 3/4	228 3/4	230	229 1/2	-52
02Jan				233 n	233	-54
02Mar	242 1/4	242 1/2	238 3/4	238 3/4	239	-52
02May	247 1/4	247 1/4	245 1/2	245 1/2	246	-52
02Jul	255	255	250	250 1/2	251	-52
02Sep				254 1/2 n	254 1/2	-32
02Dec	257 3/4	258	255 3/4	256 3/4	257 1/2	-24
03Dec				262 3/4 n	262 3/4	-2
Month	Opening	High	Low	Closing	Settle	Net Chg

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	432	434 1/4	427 1/2	429 1/2	429	-46
01Jul	436 1/2	436 1/2	429	430 1/4	429 3/4	-66
01Aug	434 1/2	434 1/2	426 1/2	428	426 1/2	-82
01Sep	426	426	419 1/2	420	419 1/2	-72
01Nov	429	429 1/2	421 1/2	422 1/2	421 1/2	-80
02Jan	438	438	431 1/2	432	432	-74
02Mar	441 1/2	442 1/2	441 1/2	441 1/2	441 1/2	-74
02May	454	454	447	447	447	-84
02Jul	462 1/2	462 1/2	455	455	455	-90
02Nov	471	471	465	465	465	-70
Month	Opening	High	Low	Closing	Settle	Net Chg

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	154.2	154.7	152.6	153.9	153.7	-8
01Jul	151.3	151.6	148.8	150.0	149.8	-17
01Aug	148.8	149.0	146.2	147.3	147.5	-12
01Sep	146.4	146.5	143.9	144.3	144.5	-15
01Oct	144.0	144.0	141.3	141.8	141.9	-17
01Dec	144.0	144.1	141.3	142.2	142.0	-21
02Jan	143.0	143.3	142.0	142.2	142.1	-20
02Mar	144.5	144.5	143.0	143.0 b	143.1 a	-19
02May	144.5	144.5	143.5	143.0 b	143.5 a	-13
02Jul	145.5	145.5	143.5	143.5	143.5	-16
Month	Opening	High	Low	Closing	Settle	Net Chg

## Weekly Dairy Market Outlook

Ken Bailey  
Penn State  
April 13, 2001

### Investing Vs. Dairy Marketing: Lessons To Be Learned From Wall Street

• The biggest news in the world of investing is whether the market has "bottomed out."

As many of you already know, the stock market has taken a steep decline beginning the last quarter of 2000 and continuing into this year. It first started with high-priced technology stocks. Then, a slowing economy and reduced corporate earnings resulted in a general weakening of many stocks in the broader market.

You may be asking yourself, "what does this have to do with the dairy markets?" Hold on, I'm getting there!

One investment show I was watching on television featured a panel of stock market analysts who were discussing whether or

not the stock market already bottomed out or is close to the bottom. They noted that history has shown that if you could invest in stocks at the bottom of the market, they would appreciate in value significantly over the next year. But the question debated was when will we see the bottom of the market?

One of the "experts" suggested that investors will never be able to pick the bottom. So he suggested they "average into" the bottom. In other words, buy some stock this week, wait a week or two, and then buy some more of the same stocks. You may not end up with the lowest price, but you will be pretty close to it.

I think this discussion has implications for the dairy industry. For the past month I have been recommending dairy producers consider locking in a portion of their milk supply over the next 5-8 months. I estimated that a dairy producer in the Northeast federal order today can lock in

at more than \$2.30 per CWT higher milk prices for the remainder of this year when compared to last year.

Do you know why everyone didn't rush out to their cooperatives and lock in these prices? Many dairy producers already answered this for me, "cause they are waiting for milk prices to go up \$3 or \$4 per CWT higher than last year."

Nobody wants to lock in a milk price only to find out the market went higher. But dairy producers should consider this strategy of "averaging into the market."

Pick the months you are most worried about. For me, that would be June through November. April is just about made, and May will likely continue to be strong for milk prices.

Focus on the outer months. Then start to lock in a portion of each month. Start with locking in 25 percent of your milk this

week for the months of June through November. Then wait a week or two and lock in another 25 percent. And so forth. You may end up locking in say 75 percent of your September milk after 4 to 6 weeks. But your "average" milk price may be higher than if you did it all today.

However, if the market weakens, your average milk price could also be lower too. This strategy may have appeal to those producers who (a) worry about their milk prices, and (b) are concerned about locking in milk prices that are too low.

### Average Farm Feed Costs for Handy Reference

To help farmers across the state to have handy reference of commodity input costs in their feeding operations for DHIA record sheets or to develop livestock feed cost data, here's last week's average costs of various ingredients as compiled from regional reports across the state of Pennsylvania.

Remember, these are averages, so you will need to adjust your figures up or down according to your location and the quality of your crop.

- Corn, No.2y — 2.29 bu., 3.94 cwt.
- Wheat, No.2 — 2.31 bu., 3.86 cwt.
- Barley, No.3 — 1.57 bu., 3.37 cwt.
- Oats, No.2 — 1.39 bu., 4.34 cwt.
- Soybeans, No.1 — 4.06 bu., 6.78 cwt.
- Ear Corn — 59.98 ton, 3.0 cwt.
- Alfalfa Hay — 104.25 ton, 5.21 cwt.
- Mixed Hay — 98.75 ton, 4.94 cwt.
- Timothy Hay — 86.25 ton, 4.31 cwt.

## Lean Hogs

Daily Prices As of :- Thursday, 19 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/19/01	Jun 01	7100	7207	7062	7197	+45	3647	24578
04/19/01	Jul 01	6785	6870	6770	6847	+10	1459	5204
04/19/01	Aug 01	6420	6490	6392	6457	+2	661	5639
04/19/01	Oct 01	5580	5617	5555	5602	-5	408	5114
04/19/01	Dec 01	5300	5365	5300	5330	-15	317	3331
04/19/01	Feb 02	5435	5440	5430	5437	-13	66	573
04/19/01	Apr 02	5345	5390	5345	5390	+15	1	80

Composite Volume Open\_Int  
04/18/01 6560 47306

## Live Cattle

Daily Prices As of :- Thursday, 19 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/19/01	Apr 01	7605	7605	7530	7532	-98	5596	14366
04/19/01	Jun 01	7205	7210	7135	7147	-78	5429	46875
04/19/01	Aug 01	7205	7205	7155	7175	-40	1787	25406
04/19/01	Oct 01	7360	7375	7332	7337	-35	1073	22680
04/19/01	Dec 01	7450	7460	7417	7427	-33	531	10340
04/19/01	Feb 02	7537	7537	7492	7495	-47	32	3193
04/19/01	Apr 02	7670	7670	7645	7650	-30	23	1046

Composite Volume Open\_Int  
04/18/01 14471 123906

## Pork Bellies

Daily Prices As of :- Thursday, 19 April

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int	
04/19/01	May 01	8440	8652	8375	8615	+20	517	1895
04/19/01	Jul 01	8490	8765	8490	8737	+40	299	1032
04/19/01	Aug 01	8345	8585	8325	8580	+35	23	284
04/19/01	Feb 02	7400	7407	7400	7400	-5	81	25
04/19/01	Mar 02	0	7407	7407	7407	+2	0	5
04/19/01	May 02	0	7930	7700	7700	-275	0	4

Composite Volume Open\_Int  
04/18/01 920 3246

## Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
01May	110 1/2	110 1/2	108 1/2	109 3/4	109 3/4	-10
01Jul	114 1/2	114 1/2	112 1/4	113 1/4	113 1/4	-14
01Sep	116 3/4	116 3/4	114 3/4	115 3/4	115 3/4	-12
01Dec	122 1/2	122 3/4	120 3/4	122	122	-12
02Mar				129 1/2 a	129 1/2	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg