

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

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

Corn

Month	Opening	High	Low	Closing	Settle	Change
07/19/01	216 1/2	216 3/4	213	216 1/4	216 3/4	216 1/2
07/19/01	223 1/2	224	221 1/2	223 1/2		223 1/2
07/19/01	228	228 1/2	225	228	228 1/2	228 1/4
07/19/01				231 1/2 n	231 1/2	
07/19/01	238 1/2	238 1/2	235	237 3/4	238 1/2	238
07/19/01	240 1/2	242 1/2	239	242	242 1/2	242 1/4
07/19/01	243 1/2	246 1/2	242	246 1/2		246 1/2
07/19/01	242 1/2	243 1/2	241 1/2	243 1/2		243 1/2
07/19/01	246	249	245	248	249	248 1/2
07/19/01				258 n	258	
07/19/01	258	262	258	262		262

Soybeans

Month	Opening	High	Low	Closing	Settle	Change
07/19/01	513	518	508	512 1/2	513 1/2	513
07/19/01	508 1/2	514	504	509 1/2	508 1/2	509
07/19/01	508	513	503	507	508 1/2	507 3/4
07/19/01	512	515 1/2	507	510 1/2	512	511 1/4
07/19/01	512	515 1/2	509	511 1/2	512	511 3/4
07/19/01	508	514	507	512	512 1/2	512 1/4
07/19/01	510	514	508	511 1/2		511 1/2
07/19/01				508 n	508	
07/19/01	501 1/2	501 1/2	494	495		495
07/19/01				515 a	515	

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Change
07/19/01	172.7	174.2	171.0	173.8	173.5	173.6
07/19/01	169.0	170.3	167.5	169.5	169.7	169.6
07/19/01	166.0	167.0	163.8	166.0	166.2	166.1
07/19/01	166.4	167.7	164.5	166.3	166.5	166.4
07/19/01	166.6	167.2	164.7	166.5		166.5
07/19/01	165.8	166.5	164.0	166.3	166.2 a	166.3
07/19/01	164.0	164.3	161.0	163.5		163.5
07/19/01	164.0	164.5	161.5	163.5	164.0	163.8
07/19/01	160.5	163.0	160.5	163.0		163.0
07/19/01	161.0	161.0	161.0	161.0		161.0
07/19/01	159.5	159.5	159.5	159.5		159.5
07/19/01				159.0 b	160.0 a	159.5

Lean Hogs

Daily Prices As of :- Thursday, 19 July

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
07/19/01	Aug 01	6830	6885	6775	6877	+55	2772
07/19/01	Oct 01	5910	5970	5875	5962	+57	1631
07/19/01	Dec 01	5530	5580	5495	5572	+47	323
07/19/01	Feb 02	5680	5775	5652	5760	+93	110
07/19/01	Apr 02	5645	5770	5645	5762	+97	12
07/19/01	May 02	6240	6300	6240	6280	+38	22
07/19/01	Jun 02	6475	6590	6465	6590	+50	16
07/19/01	Jul 02	6235	6290	6235	6290	+40	19
07/19/01	Aug 02	6097	6100	6085	6085	-10	7

Composite Volume Open_Int
07/18/01 4916 51153

Live Cattle

Daily Prices As of :- Thursday, 19 July

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
07/19/01	Aug 01	7477	7487	7415	7442	-35	7529
07/19/01	Oct 01	7577	7582	7535	7547	-35	3827
07/19/01	Dec 01	7595	7602	7560	7575	-25	1934
07/19/01	Feb 02	7730	7730	7700	7702	-23	872
07/19/01	Apr 02	7830	7832	7800	7830	-7	170
07/19/01	Jun 02	7450	7450	7425	7432	-25	201
07/19/01	Aug 02	7430	7440	7430	7440	-10	0

Composite Volume Open_Int
07/18/01 14534 117869

Pork Bellies

Daily Prices As of :- Thursday, 19 July

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
07/19/01	Jul 01	9150	9370	9150	9370	+300	45
07/19/01	Aug 01	8770	9000	8770	9000	+300	786
07/19/01	Feb 02	7680	7867	7680	7825	+255	72
07/19/01	Mar 02	7700	7805	7700	7805	+300	1
07/19/01	May 02	0	8060	8045	8045	+235	0
07/19/01	Jul 02	0	8050	8050	8050	+300	0

Composite Volume Open_Int
07/18/01 904 2268

Oats

132	132 1/2	129 1/2	131 3/4	132	131 3/4	+2
128 1/4	129 1/4	126 1/2	128 1/2		128 1/2	+6
130	130 3/4	128 3/4	129		129	-4
131	131	131	131		131	Unch
131	131	131	131		131	-10

Weekly Dairy Market Outlook

Ken Bailey
Penn State

July 13, 2001
Nonfat Dry Milk
Prices Declining

- Nonfat dry milk prices decline 6 weeks.
- CME Grade AA butter drops to \$1.76.
- Cheese market steady.

Western nonfat dry milk continues to flow into government storage as domestic market prices weaken. In fact, prices for Western nonfat dry milk have been declining for six weeks in a row.

USDA reports that the markets are awaiting the 2001-2002 Dairy Export Incentive Program (DEIP) allocations. Buyers are holding back to see how low prices will fall. Demand for nonfat dry milk, however, is re-

portedly good.

International prices are relatively high. Last week USDA reported that prices for nonfat dry milk in Australia/New Zealand were \$0.9580 per pound. Domestic U.S. prices for nonfat dry milk, on the other hand, are falling because of the reduction in the CCC purchase prices.

Western nonfat dry milk this week averaged \$0.9550. It appears that our domestic U.S. price has fallen to the world price. Despite this, USDA reports that about 10.4 million pounds of Western nonfat dry milk entered the dairy price support program for the week July 9-13.

The butter market also continues to weaken. This may be short-lived. Part of the decline may be due to surplus butter from the July 4 weekend. It may also be a result of reduced

demand because of high retail prices. USDA reports churning activity is light as most cream is going toward the production of ice cream. Thus butter may be in a better supply-demand balance in the weeks ahead.

Demand for dairy products has been good so far this year. For the months January through April, commercial disappearance relative to a year ago has been as follows: butter down 5.0 percent, American cheese up 3.8 percent, other cheese up 3.3 percent, nonfat dry milk up a whopping 42 percent, and fluid milk products up 0.3 percent. Thus, a weaker U.S. economy with higher unemployment rates has not apparently put a dent in demand for dairy products.

The big unknown, of course, is what the milk supply will do the rest of the year. Will milk production per cow recover? Will producers find first lactation heifers to fill up their barns?

It is possible to see a recovery in the Northeast if forage conditions improve. It is less likely in other parts of the U.S. (Upper Midwest and Northwest) because of limited forage production and poor quality. Thus the recovery in milk production could be prolonged into next year despite a strong profit incentive to expand production.

The market is wagering that the milk supply will have a partial recovery by the fourth quarter of 2001. The CME futures markets as of July 13 report that the Class III price is expected to decline from \$15.30 per CWT in July to \$12.85 by December. This is still relatively high when one considers the average Class III price in 2000 was just \$9.74 per CWT. The Class IV futures as of July 13 were \$14.75 per CWT in July and declined to \$13.05 by December.

Clearly the reduction in the CCC purchase price for nonfat dry milk is having a negative

impact on the outlook for Class IV prices. This may be temporary, since nonfat dry milk is relatively tight on the global market.

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 — 2.21 bu., 3.95 cwt.
- Wheat, No.2 — 2.34 bu., 3.90 cwt.
- Barley, No.3 — 1.33 bu., 2.84 cwt.
- Oats, No.2 — 1.40 bu., 4.35 cwt.
- Soybeans, No.1 — 4.30 bu., 7.18 cwt.
- Ear Corn — 60.15 ton, 3.01 cwt.
- Alfalfa Hay — 122.00 ton, 6.1 cwt.
- Mixed Hay — 108.50 ton, 5.43 cwt.
- Timothy Hay — 98.75 ton, 4.94 cwt.