

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, August 9, 2001

Corn

218 1/4	221	217 1/2	220 1/4	219 1/4	219 3/4	+22
226 3/4	228 1/2	226 1/2	227 1/4		227 1/4	+16
229 1/2	233	229 1/2	231 3/4	231 1/4	231 1/2	+20
235	235 1/2	234 1/2	235 1/4		235 1/4	+16
240 1/2	242 1/2	239 3/4	241 1/2	241	241 1/4	+14
243 1/4	246	243 1/4	245 1/4	245	245	+14
248	249 1/4	247	249	249 1/4	249	+10
246	248 1/4	246	248	248 1/4	248	+14
252 1/4	252 1/4	250 1/4	251 3/4	252	251 3/4	+2
264 1/2	266	264 1/2	266		266	Unch
			264 a		264	+2

Soybeans

518	519	513	515	513	514	-40
512	515	509 1/2	509 1/2	511	510 1/4	-2
503	509 1/4	501 1/2	504 1/2	506	505 1/4	+32
506	512 1/2	504 1/2	508	509	508 1/2	+36
508	515	507 3/4	510 1/2	512	511 1/4	+34
507	512	506	510		510	+34
507 1/2	512	506	508 1/2	509	508 3/4	+26
			505 1/2 n		505 1/2	+24
497 1/2	498 1/2	494	496	497	496 1/2	+2
			509 n		509	Unch

Soybean Meal

175.0	177.8	175.0	177.5	177.0	177.2	+26
170.0	173.0	169.7	172.4	172.6	172.5	+28
163.8	168.3	163.6	166.8		166.8	+34
163.2	167.5	162.8	166.0	166.5	166.2	+37
163.0	167.5	162.8	166.3	166.5	166.4	+40
161.2	165.8	161.2	164.7		164.7	+39
158.5	162.0	158.5	161.5		161.5	+35
158.0	161.5	158.0	160.5		160.5	+30
157.5	159.0	157.5	157.0 b	157.5 a	157.5	+15
155.5	157.5	155.0	155.5 b	155.8 a	155.6	+18
156.0	156.0	155.0	154.0 b	155.0 a	155.0	+12
			155.0 b	156.0 a	155.5	+12

Weekly Dairy Market Outlook

Ken Bailey
Penn State

Aug. 3, 2001

Cheese Production Grows

- American cheese production down just 0.2 percent.
- Production of high fat dairy products down.
- July Federal order class prices announced.

USDA released the Dairy Products report for June 2001. The results show cheese and butter production gained relative to year ago levels. Production of other high fat dairy products, however, slipped.

Recall that June milk production was down 0.5 percent relative to a year ago. Butter production in June was 88.125 million pounds, down just 1.1 percent relative to a year ago. American cheese production in June was 307.844 million pounds, down just 0.2 percent from a year ago. That decline is

right in line with the growth rate for milk production.

American cheese production could put downward pressure on the Class III futures prices, particularly in the outer months of September-December. The production of other cheeses was mixed. Mozzarella production was up 0.9 percent in June, but was offset by a drop of 11.5 percent of other Italian cheeses. Cream cheese and Neufchatel production, which uses a lot of expensive cream, was down 13.4 percent. Cream cheese prices at retail likely haven't risen fast enough to pay the high cost of butterfat.

Dry whole milk, another user of butterfat, fell 77.2 percent in June relative to a year ago. And ice cream production (regular) fell 4.4 percent in June relative to a year ago.

The ice cream industry is concerned that they can't pass on the high cost of butterfat to retail customers. Thus the laws of supply and demand are at

work: butterfat is being rationed to alternative dairy uses.

USDA announced the federal order class prices for July 2001. The Class II price was \$15.96 per CWT (down \$0.09 from the prior month), Class III was \$15.46 per CWT (up \$0.44 from the prior month), and Class IV was \$14.81 per CWT (down \$0.52 from the prior month). The Class III price rose because

of a higher NASS cheese price, and the Class IV price fell because of a lower NASS market price for nonfat dry milk.

Product price averages used in computing these prices were: butter \$1.9094, nonfat dry milk \$0.9634, cheese \$1.6573, and dry whey \$0.2862.

For those interested in class and blend price forecasts for the Northeast Federal Order 1, see

my weekly updates at my website: <http://dairyoutlook.aers.psu.edu/Northeast/QuarterlyOutlook/NortheastFore.htm>.



Lean Hogs

Daily Prices As of :- Thursday, 9 August

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
08/09/01	Aug 01	7140	7155	7105	7117	-43	2516
08/09/01	Oct 01	5935	6010	5905	5912	-50	2708
08/09/01	Dec 01	5520	5547	5465	5507	-15	537
08/09/01	Feb 02	5600	5630	5570	5580	-17	185
08/09/01	Apr 02	5605	5645	5585	5585	-30	31
08/09/01	May 02	6125	6150	6125	6132	+27	4
08/09/01	Jun 02	6425	6445	6400	6430	-15	9
08/09/01	Jul 02	6260	6280	6250	6280	-10	0
08/09/01	Aug 02	0	5990	5982	5982	unch	0

Composite Volume Open_Int

08/08/01 5990 51549

Live Cattle

Daily Prices As of :- Thursday, 9 August

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
08/09/01	Aug 01	7145	7160	7085	7087	-65	5087
08/09/01	Oct 01	7390	7412	7350	7357	-53	6794
08/09/01	Dec 01	7470	7480	7432	7442	-35	2699
08/09/01	Feb 02	7640	7650	7597	7600	-35	1092
08/09/01	Apr 02	7780	7787	7760	7765	-27	146
08/09/01	Jun 02	7360	7365	7330	7335	-20	90
08/09/01	Aug 02	7380	7380	7375	7375	unch	0

Composite Volume Open_Int

08/08/01 15909 107128

Pork Bellies

Daily Prices As of :- Thursday, 9 August

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open_Int
08/09/01	Aug 01	9585	9820	9480	9750	+153	622
08/09/01	Feb 02	7775	7880	7775	7830	+78	377
08/09/01	Mar 02	7810	7870	7777	7777	+122	5
08/09/01	May 02	8000	8150	8000	8150	-50	0
08/09/01	Jul 02	0	8200	8100	8200	unch	0
08/09/01	Aug 02	7850	7950	7850	7950		0

Composite Volume Open_Int

08/08/01 1004 2855

Oats

133	134 3/4	132	133 3/4	133 3/4	+6
133	135	132	134	134	+12
136 1/2	138 1/4	136 1/2	137 1/4 a	137 1/4	+12
			137 1/2 b	137 1/2	+12
			138 b	138	+10

Forecast of Blend Prices for Northeast Federal Order 1

Month	Butterfat \$/lb	Protein \$/lb	Other Solids \$/lb	Class IV \$/cwt	Class III \$/cwt	Class II \$/cwt	Boston Class I \$/cwt	Boston PPD \$/cwt	Order 1 Blend \$/cwt	Lancaster Blend \$/cwt
Jan-01	1 2896	1 6181	0 1120	12 13	9 99	12 82	17 24	3 77	13 76	13 41
Feb-01	1 4626	1 4951	0 1199	12 70	10 27	13 43	15 19	3 34	13 62	13 27
Mar-01	1 6820	1 6498	0 1039	13 46	11 42	14 17	15 90	3 08	14 50	14 15
Apr-01	1 9483	1 5443	0 1081	14 41	12 06	15 10	16 69	3 18	15 24	14 89
May-01	2 1191	1 9108	0 1229	15 04	13 83	15 72	17 46	2 49	16 32	15 97
Jun-01	2 2089	2 1670	0 1409	15 33	15 02	16 05	18 24	2 06	17 08	16 73
Jul-01	2 1883	2 3175	0 1510	14 81	15 46	15 96	18 59	1 65	17 10	16 75
Aug-01	2 1524	2 3041	0 1498	14 57	15 28	15 47	18 65	1 93	17 21	16 86
Sep-01	2 1402	2 3197	0 1498	14 53	15 28	15 23	18 53	1 92	17 20	16 85
Oct-01	2 0549	1 9830	0 1498	14 23	13 98	14 93	18 53	2 65	16 62	16 27
Nov-01	1 9573	1 8336	0 1498	13 89	13 19	14 59	17 48	2 87	16 06	15 71
Dec-01	1 7134	2 0291	0 1498	13 03	12 92	13 73	17 14	2 64	15 55	15 20
Annual avg	1 9098	1 9310	0 1340	14 01	13 22	14 77	17 47	2 63	15 86	15 51