

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids. Thursday, September 6, 2001

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
01Sep	214 3/4	215 1/4	213 3/4	214 1/2	213 3/4	214 1/4 -30
01Nov	222 1/4	222 3/4	221	221 1/4	221	221 1/4 -40
01Dec	227	227 3/4	226	226 1/2	226	226 1/4 -34
02Jan	231 1/4	231 1/4	230	230	230	230 -32
02Mar	239	239 1/2	237 3/4	238 1/4	237 3/4	238 -34
02May	243 1/2	244	242 1/2	242 1/2	243	242 3/4 -30
02Jul	247 3/4	248	246 3/4	246 3/4	247	247 -26
02Sep	246 1/2	247 1/2	245	245	245	245 -22
02Dec	252 1/2	252 3/4	251	251	251 1/4	251 1/4 -22
03Jul				267 n	267	267 -10
03Dec	262 1/2	262 1/2	262 1/2	262 1/2	262 1/2	262 1/2 -4
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
01Sep	469	469 1/2	464	464	464	464 -90
01Nov	474	475 1/4	470	470	470 1/2	470 1/4 -80
02Jan	480 1/2	481 1/2	476 1/2	476 3/4	477	477 -80
02Mar	487	488	483	483 1/2	483	483 1/4 -80
02May	487	488	483 1/2	483 1/2	484 1/2	484 -76
02Jul	488	490	485 1/2	486 1/2	486	486 1/4 -74
02Aug				482 n	482	482 -80
02Sep				484 n	484	484 -40
02Nov	484	484	482	483	482	482 1/2 -34
03Nov				505 n	505	505 Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
01Sep	165.6	165.9	164.6	164.7	165.2	165.0 -16
01Oct	164.5	165.1	163.7	164.1	164.2	164.2 -14
01Dec	164.0	165.0	163.1	163.7	163.8	163.8 -16
02Jan	163.8	164.7	163.2	163.5	163.5	163.5 -16
02Mar	162.3	163.2	161.5	162.3	162.3	162.3 -14
02May	160.0	160.5	159.3	159.5	159.5	159.5 -14
02Jul	158.5	159.0	157.5	157.6	157.6	157.6 -15
02Aug	157.0	157.5	156.2	156.0 b	156.2 a	156.2 -14
02Sep	156.0	156.0	154.3	154.3	154.3	154.3 -14
02Oct	155.0	155.0	152.5	153.0	152.5	152.8 -13
02Dec	154.5	155.0	152.8	152.5 b	152.8 a	152.8 -12
Month	Opening	High	Low	Closing	Settle	Net Chg

Lean Hogs

Daily Prices As of - Thursday, 6 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open Int	
09/06/01	Oct 01	5985	6050	5965	6035	+30	4401	21780
09/06/01	Dec 01	5637	5650	5585	5637	unch	3930	11995
09/06/01	Feb 02	5667	5685	5645	5667	18	429	4468
09/06/01	Apr 02	5780	5800	5770	5782	3	401	1787
09/06/01	May 02	6250	6300	6250	6275	5	17	371
09/06/01	Jun 02	6537	6560	6510	6547	5	62	363
09/06/01	Jul 02	6315	6315	6280	6315	+20	14	116
09/06/01	Aug 02	6040	6080	6020	6080	+5	4	52
09/06/01	Oct 02	5405	5465	5405	5452	-3	20	71
Composite Volume Open_Int								
09/05/01		9278		41005				

Live Cattle

Daily Prices As of - Thursday, 6 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open Int	
09/06/01	Oct 01	7300	7300	7230	7237	98	5153	42509
09/06/01	Dec 01	7440	7450	7400	7405	75	2987	26329
09/06/01	Feb 02	7610	7615	7567	7570	50	1115	21676
09/06/01	Apr 02	7770	7770	7735	7760	-32	636	79
09/06/01	Jun 02	7390	7410	7380	7400	20	582	10072
09/06/01	Aug 02	7455	7460	7430	7447	43	109	694
09/06/01	Oct 02	7577	7577	7540	7550	22	17	11
Composite Volume Open_Int								
09/05/01		10601		110085				

Pork Bellies

Daily Prices As of - Thursday, 6 September

Date	Open	High	Low	Last	Chge	Prev. Volume	Prev. Open Int	
09/06/01	Feb 02	8460	8460	8325	8382	-88	645	2724
09/06/01	Mar 02	8430	8430	8305	8385	-85	14	41
09/06/01	May 02	8640	8640	8640	8640	-60	0	0
09/06/01	Jul 02	8712	8712	8712	8712	18	2	10
09/06/01	Aug 02	8485	8485	8485	8485	unch	2	1
Composite Volume Open_Int								
09/05/01		663		2776				

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
01Sep	144 3/4	144 3/4	144	144 1/4 b	144 1/4	-10
01Dec	144 1/2	146 1/4	144 1/4	146	146 1/4	Unch
02Mar	145 3/4	147	145 1/2	147 b	147	-2
02May	147 1/2	147 1/2	147 1/2	147 1/2	147 1/2	-6
02Jul	145 1/2	145 1/2	145 1/2	145 1/2	145 1/2	-14
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State
Aug 31 2001

Butter Prices
Head Higher

- CME Grade AA butter reaches \$2.23/pound
- Block cheese prices weaken
- USDA announces August class prices

Grade AA butter prices at the Chicago Mercantile Exchange jumped from \$2.1750 per pound on Monday, Aug 27 to \$2.2250 by Wednesday, Aug 29. Butter prices remained unchanged on Friday, Aug 31.

Cash butter prices are \$1 above year ago levels. Some industry insiders are expecting Grade AA butter prices will reach \$2.50 per pound sometime this fall. Others, however, are expecting prices to ease once milk production rebounds later this fall.

While it is very hard to pre-

dict, U.S. butter prices will likely ease sometime this fall. Retail butter prices are now over \$3 per pound. The Bureau of Labor Statistics reported that U.S. city average retail prices for July were \$3.549 per pound, 31 percent higher than a year ago. USDA also reported this week that butter consumption for January through June of this year was down 3.7 percent relative to the same period a year ago. This was likely due to the higher retail prices.

Another factor to consider is that butter imports have been growing this year, particularly from New Zealand. Milk production will seasonally peak in New Zealand in October-November. Thus even more butter imports will be available to U.S. markets. Butter imports into the U.S. market are attractive whenever domestic butter prices on the West Coast exceed \$1.64 per pound. That is based on a high-tier tariff rate of \$0.70 per pound, world butter prices of \$0.65 per pound, and import

costs of about \$0.09 per pound. Butter imports reportedly are selling \$0.20 per pound below Grade AA domestically produced butter.

Cheese prices at the Chicago Mercantile Exchange were mixed this week. Barrel prices held at \$1.68 per pound all week. Block cheese prices, however, declined from \$1.78 per pound on Monday to \$1.72 per pound Wednesday through Friday. Prices have generally been high for cheese because of reduced milk supplies and lower solids levels this summer. Cheese consumption has been relatively steady the first half of the year.

There are two factors that could cause lower cheese and butter prices the last quarter of the year. First is a return to normal milk production levels. Cow numbers appear to be stabilizing. An increase in productivity this fall because of cooler weather and improved forage could bring on more milk. The other factor is the economy. The

real gross domestic product, or GDP, increased at an annual rate of 0.2 percent during the second quarter of 2001. That means the economy is barely growing. Economists are still trying to figure out whether we are in the middle of an economic recession. A slow growing U.S. economy will likely translate into slower sales of dairy products.

USDA reported August 2001 class and component prices. The August federal order class prices with changes from the month before are Class II \$15.98 per CWT (+\$0.02), Class III \$15.55 (+\$0.09), and Class IV \$15.06 (+\$0.25). The product price averages used in computing the class prices were butter \$1.9990, nonfat dry milk \$0.9473, cheese \$1.6693, and dry whey \$0.2886.

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 DHA 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 — 2.28 bu., 4.08 cwt
- Wheat, No 2 — 2.45 bu., 4.09 cwt
- Barley, No 3 — 1.37 bu., 2.94 cwt
- Oats, No 2 — 1.40 bu., 4.36 cwt
- Soybeans, No 1 — 4.40 bu., 7.34 cwt
- Ear Corn — 61.87 ton, 3.09 cwt
- Alfalfa Hay — 112.50 ton, 5.63 cwt
- Mixed Hay — 108.75 ton, 5.44 cwt
- Timothy Hay — 117.50 ton, 5.88 cwt

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