

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Wednesday, September 26, 2001
Final Futures Settlement Report
September 27, 2001 03:10 PM CDT

Corn

| | | | | | | |
|---------|---------|---------|-----------|---------|---------|------|
| 211 1/2 | 212 | 211 | 211 1/2 | 212 | 211 3/4 | -6 |
| 216 3/4 | 216 3/4 | 215 | 215 1/2 | 216 1/4 | 216 | -6 |
| 220 | 220 | 219 1/2 | 220 | | 220 | -4 |
| 229 | 229 | 227 | 228 | 227 1/2 | 227 3/4 | -10 |
| 236 1/4 | 236 1/4 | 234 1/4 | 235 1/2 | 234 3/4 | 235 1/4 | -4 |
| 240 1/2 | 240 3/4 | 239 | 240 | 240 1/4 | 240 1/4 | -4 |
| 244 | 244 | 242 1/2 | 243 1/4 | | 243 1/4 | -4 |
| 250 1/4 | 250 1/2 | 248 3/4 | 249 3/4 | 250 1/4 | 250 | Unch |
| 258 | 258 | 256 1/2 | 257 1/2 | | 257 1/2 | Unch |
| 260 | 261 | 260 | 261 | | 261 | Unch |
| | | | 261 1/2 n | | 261 1/2 | -10 |

Soybeans

| | | | | | | |
|---------|---------|---------|-----------|---------|---------|-----|
| 466 | 467 | 460 | 460 1/2 | 463 | 461 3/4 | -32 |
| 474 1/2 | 475 | 468 3/4 | 470 | 470 1/2 | 470 1/4 | -34 |
| 482 | 482 | 476 | 476 1/2 | 477 1/2 | 477 | -32 |
| 486 | 486 | 479 1/2 | 481 | 479 1/2 | 480 1/4 | -40 |
| 490 | 490 | 484 | 485 | 484 1/2 | 484 3/4 | -40 |
| 485 | 485 1/2 | 485 | 485 | | 485 | -20 |
| | | | 481 n | | 481 | -10 |
| 486 | 486 | 480 | 482 1/2 | 482 | 482 1/4 | -14 |
| | | | 499 1/2 n | | 499 1/2 | -50 |

Soybean Meal

| Month | Opening | High | Low | Close | Change | | |
|-------|---------|-------|-------|---------|---------|-------|-----|
| 01Oct | 163.1 | 163.3 | 161.0 | 162.0 | 161.8 | 161.9 | -11 |
| 01Dec | 162.3 | 162.3 | 159.0 | 160.5 | 160.8 | 160.7 | -9 |
| 02Jan | 161.0 | 161.6 | 158.5 | 160.2 | 160.0 | 160.1 | -6 |
| 02Mar | 160.3 | 160.4 | 157.9 | 158.7 | 158.8 | 158.8 | -8 |
| 02May | 159.3 | 159.3 | 156.7 | 157.8 | 157.5 | 157.7 | -3 |
| 02Jul | 158.5 | 159.0 | 156.6 | 157.2 | | 157.2 | -7 |
| 02Aug | 157.5 | 157.8 | 156.0 | 156.1 b | 156.2 a | 156.1 | +4 |
| 02Sep | 157.0 | 157.0 | 154.7 | 154.6 b | 154.7 a | 154.7 | -5 |
| 02Oct | 156.0 | 156.0 | 153.5 | 153.5 b | 153.6 a | 153.5 | +4 |
| 02Dec | 156.0 | 156.0 | 153.5 | 153.5 b | 153.6 a | 153.5 | +1 |

Oats

| | | | | | | |
|---------|---------|---------|-----------|---------|---------|------|
| 161 1/2 | 163 1/2 | 160 | 160 1/4 | 160 1/2 | 160 1/2 | -2 |
| 151 1/2 | 153 1/2 | 150 | 150 | | 150 | -10 |
| 146 | 146 1/2 | 145 1/4 | 145 1/4 a | | 145 1/4 | +2 |
| 143 1/2 | 143 1/2 | 140 1/2 | 141 a | | 141 | -4 |
| | | | 136 a | | 136 | -40 |
| | | | 139 a | | 139 | Unch |

Lean Hogs

| Date | Open | High | Low | Last Chg | Previous Volume | Previous Open | Previous Int | |
|----------|--------|------|------|----------|-----------------|---------------|--------------|-------|
| 09/26/01 | Oct 01 | 5785 | 5825 | 5760 | 5787 | -20 | 6364 | 15682 |
| 09/26/01 | Dec 01 | 5355 | 5450 | 5340 | 5377 | -10 | 5637 | 19807 |
| 09/26/01 | Feb 02 | 5395 | 5482 | 5380 | 5425 | unch | 431 | 4760 |
| 09/26/01 | Apr 02 | 5500 | 5600 | 5500 | 5545 | unch | 259 | 1989 |
| 09/26/01 | May 02 | 6020 | 6060 | 6020 | 6040 | +5 | 38 | 471 |
| 09/26/01 | Jun 02 | 6275 | 6307 | 6265 | 6295 | +8 | 92 | 483 |
| 09/26/01 | Jul 02 | 6000 | 6030 | 6000 | 6010 | +5 | 48 | 207 |
| 09/26/01 | Aug 02 | 5900 | 5907 | 5875 | 5885 | +23 | 11 | 103 |
| 09/26/01 | Oct 02 | 5390 | 5400 | 5390 | 5397 | +25 | 0 | 77 |

Composite Volume Open_Int
09/25/01 12880 43579

Live Cattle

| Date | Open | High | Low | Last Chg | Previous Volume | Previous Open | Previous Int | |
|----------|--------|------|------|----------|-----------------|---------------|--------------|-------|
| 09/26/01 | Oct 01 | 6697 | 6735 | 6630 | 6697 | +15 | 6904 | 20864 |
| 09/26/01 | Dec 01 | 6845 | 6897 | 6785 | 6860 | +8 | 9627 | 40882 |
| 09/26/01 | Feb 02 | 7105 | 7162 | 7060 | 7130 | +33 | 4406 | 26282 |
| 09/26/01 | Apr 02 | 7325 | 7360 | 7270 | 7332 | +7 | 1290 | 10379 |
| 09/26/01 | Jun 02 | 7005 | 7050 | 6970 | 7020 | +8 | 1659 | 12506 |
| 09/26/01 | Aug 02 | 7090 | 7115 | 7062 | 7102 | +12 | 276 | 1396 |
| 09/26/01 | Oct 02 | 7300 | 7310 | 7265 | 7305 | +5 | 9 | 225 |

Composite Volume Open_Int
09/25/01 24171 112534

Pork Bellies

| Date | Open | High | Low | Last Chg | Previous Volume | Previous Open | Previous Int | |
|----------|--------|------|------|----------|-----------------|---------------|--------------|------|
| 09/26/01 | Feb 02 | 7630 | 7680 | 7500 | 7530 | -257 | 1205 | 2529 |
| 09/26/01 | Mar 02 | 7650 | 7650 | 7495 | 7520 | -252 | 32 | 56 |
| 09/26/01 | May 02 | 7820 | 7840 | 7740 | 7840 | -210 | 3 | 29 |
| 09/26/01 | Jul 02 | 7845 | 7845 | 7690 | 7690 | -285 | 4 | 17 |
| 09/26/01 | Aug 02 | 7690 | 7690 | 7625 | 7690 | -285 | 1 | 4 |

Composite Volume Open_Int
09/25/01 1245 2635

Weekly Dairy Market Outlook

Ken Bailey
Penn State

Sept. 21, 2001

Dairy Markets Steady Despite Tragedy

- CME cheese holding, butter weaker.
- August milk production down 0.8 percent.
- Economy likely in a recession.

The dairy markets are holding steady despite the awful tragedy that occurred last week. The economy literally came to a standstill as the FAA grounded all flights and consumers stayed home glued to the television sets. As of this week the markets for dairy commodities appear unchanged despite a bad economic outlook for much of the rest of the U.S. economy.

Cheese prices at the Chicago Mercantile Exchange actually strengthened a bit this week. Block prices rose from \$1.72 per pound on Monday, Sept. 17 to \$1.7250 on Friday, Sept. 21.

Barrel cheese prices rose from \$1.68 per pound on Monday to \$1.6825 by Friday. USDA reported this week that cheese demand is moderate, but output is still limited because of the short milk supply.

Butter prices actually weakened a bit this week at the Chicago Mercantile Exchange. Grade AA butter prices fell from \$2.1675 per pound on Monday to \$2.07 by Friday. Butter prices are seasonally weakening because of reduced demand for cream from fluid processors, and a rebound in butterfat production because of cooler weather.

The price of Western nonfat dry milk is still above the CCC purchase price for nonfortified nonfat dry milk of \$0.90 per pound. During the week of Sept. 17-21, the price of low/medium heat Western nonfat dry milk was \$0.93-\$0.95 per pound. Demand for domestic and export needs must be adequate since USDA reported there were no CCC purchases of nonfat dry

milk under the dairy price support program during the week of Sept. 17-21.

Part of the reason dairy commodity and futures markets are showing little change in prices is because of the tight outlook for the milk supply. The USDA's August milk production report showed milk production for 20 major states was 11.8 billion pounds, down 0.8 percent compared to a year ago. Despite a slight increase in average milk production per cow (up 4 pounds from a year ago), cow numbers fell by 7,000 head from the month before to 7.74 million head. This was surprising since cow numbers had leveled out the past three months and milk prices have been very high.

The rest of the U.S. economy is not nearly as robust as the dairy industry. The Wall Street Journal reported today that the Dow Jones Industrial Average, a broad measure of the stock market, plunged 13 percent since the day before the trade center attacks. That means \$1.2 trillion in stock market wealth has been wiped out. Clearly this has some implications for the future of the U.S. economy. That same article, titled "A New

Recession Looms In the U.S.," cites a recent survey of economic forecasters. They expect the U.S. economy will slow down sufficiently this year to put us into a recession.

The U.S. government will attempt to combat both a war and the recession by increasing spending and considering additional tax cuts. The economy is not expected to rebound until sometime next year.

It is hard to argue that a recession will have any positive impact on the U.S. dairy industry. High unemployment, less business activity, and a reduction in consumer confidence all points to less spending in the general economy. However, the dairy industry is a lot more resilient than other sectors of the economy. Away-from-home sales of cheese and other dairy products may be substituted for more at-home sales. Thus the direct impact of an inevitable slowdown in the general economy is not clear for the dairy industry at this time.

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 — 2.31 bu., 4.14 cwt.
- Wheat, No.2 — 2.48 bu., 4.13 cwt.
- Barley, No.3 — 1.4 bu., 3.0 cwt.
- Oats, No.2 — 1.40 bu., 4.35 cwt.
- Soybeans, No.1 — 4.41 bu., 7.37 cwt.
- Ear Corn — 57.82 ton, 2.89 cwt.
- Alfalfa Hay — 116.25 ton, 5.81 cwt.
- Mixed Hay — 113.75 ton, 5.69 cwt.
- Timothy Hay — 115.00 ton, 5.75 cwt.

