

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

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, Oct. 18, 2001

## Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
01Nov	203 3/4	203 3/4	200 1/2	200 1/2	200 1/2	-22
01Dec	208 1/2	209	205	205	205 1/2	-24
02Jan	213 3/4	213 3/4	209 1/2	209 1/2	209 1/2	-22
02Mar	221	221 1/2	217 3/4	217 3/4	218 1/4	-20
02May	228 1/2	229	225 3/4	225 3/4	226	-20
02Jul	233 1/2	233 3/4	230 3/4	231 1/4	230 3/4	-16
02Sep	237	238	235 1/4	235 1/4	235 1/4	-14
02Dec	245 1/4	245 3/4	243 1/2	244	243 1/2	-10
03Mar	253	253	252 1/2	252 1/2	252 1/2	-4
03Jul				257 1/2 n	257 1/2	-4
03Dec	258 1/2	259 1/2	258	258	259 1/2	-12
Month	Opening	High	Low	Closing	Settle	Net Chg

## Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
01Nov	434	436	430 1/2	431 1/2	430 1/2	-30
02Jan	440 1/2	440 1/2	434 1/4	435	434 1/4	-34
02Mar	442 1/2	444 1/2	438 1/2	439	438 1/2	-30
02May	446	448 1/2	443	444	443	-26
02Jul	452	452 1/4	446 1/2	447 1/4	446 1/2	-34
02Aug	452 1/2	452 1/2	447	447	447	-20
02Sep	448	448 1/2	447 1/2	447 1/2 b	448 1/2 a	-30
02Nov	456	457	451 1/2	451 1/2	452 1/4	-30
03Nov				489 1/4 n	489 1/4	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

## Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
01Dec	159.0	159.2	157.7	157.8	158.0	-5
02Jan	157.3	157.5	156.2	156.4	156.2	-5
02Mar	154.5	154.5	153.0	153.0	153.1	-8
02May	151.7	152.0	150.2	150.2	150.2	-12
02Jul	151.5	151.8	150.1	150.1	150.3	-11
02Aug	151.2	151.3	149.6	149.6	149.6	-11
02Sep	151.0	151.0	149.8	149.8 b	150.0 a	-8
02Oct	150.0	150.3	148.8	148.8	148.8	-9
02Dec	150.5	150.5	148.5	148.5	148.5	-12
03Jan	150.0	150.0	150.0	150.0	150.0	-5
Month	Opening	High	Low	Closing	Settle	Net Chg

## Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
10/18/01	Dec 01	5005	5095	4995	5047	+10	3513
10/18/01	Feb 02	5150	5225	5142	5185	+13	1274
10/18/01	Apr 02	5285	5365	5270	5325	+35	423
10/18/01	May 02	6007	6045	5980	5995	unch	47
10/18/01	Jun 02	6140	6180	6115	6122	-13	143
10/18/01	Jul 02	5990	6000	5960	5965	-10	17
10/18/01	Aug 02	5850	5875	5840	5852	unch	8
10/18/01	Oct 02	5325	5325	5325	5325	-7	22

Composite Volume Open\_Int  
10/17/01 5447 30615

## Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
10/18/01	Oct 01	6690	6777	6665	6675	-10	1710
10/18/01	Dec 01	6695	6820	6675	6697	-18	10793
10/18/01	Feb 02	7080	7207	7055	7090	-10	4542
10/18/01	Apr 02	7270	7350	7247	7287	-10	2027
10/18/01	Jun 02	6870	6935	6855	6862	-25	902
10/18/01	Aug 02	6895	6925	6875	6885	-17	79
10/18/01	Oct 02	6960	6985	6935	6937	-23	7

Composite Volume Open\_Int  
10/17/01 20060 107470

## Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
10/18/01	Feb 02	7060	7230	7060	7100	-7	446
10/18/01	Mar 02	7070	7160	7020	7040	-20	13
10/18/01	May 02	7320	7360	7320	7320	+90	2
10/18/01	Jul 02	7215	7330	7215	7215	unch	0
10/18/01	Aug 02	7270	7270	7270	7270	unch	0

Composite Volume Open\_Int  
10/17/01 462 2304

## Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
01Dec	187 3/4	188 1/2	183 1/4	183 3/4	183 3/4	-42
02Mar	176	176	172	172	172	-34
02May	165	166 1/2	163 1/2	163 1/2	163 1/2	-30
02Jul	150	152	150	151 a	151	-20
02Sep	141	141	141	141	141	-10
02Dec	138	138	135	135 a	135	+30
Month	Opening	High	Low	Closing	Settle	Net Chg

## Weekly Dairy Market Outlook

Ken Bailey  
Penn State

Oct. 13, 2001

### Markets Reacting To More Milk, Less Demand

- CME cheese prices crashing.
- CME butter prices stabilize.
- Milk and component levels rebounding.
- Demand is off in the short term.

What a difference a month can make! Block cheese prices at the Chicago Mercantile Exchange during the middle of September were \$1.72 per pound. On Friday, Oct. 12, blocks closed at \$1.27 per pound. Grade AA Butter prices during the middle of September

were at \$2.18 per pound. On Oct. 12, Grade AA butter at the Chicago Mercantile Exchange closed at \$1.45 per pound.

What's going on here? The answer is the dairy industry is now fundamentally driven by supply and demand. And those conditions can change dramatically from one week to the next. So here's what's happening this week.

There are reports that the milk supply is rebounding, particularly in the Northeast and California. Cow numbers and replacements are still limited, but milk per cow is improving. So also are components levels (butterfat and protein). Thus, processors have more components to work with.

The drop in butter prices was predictable. Butter stocks are at

very high levels. More cream is available for churning since ice cream production is slowing down. Demand for butter and butterfat has been weak this summer because of very high prices. There is a consequence to very high wholesale prices for any dairy product (it may damage demand).

Butter imports are way up. And finally, butter buyers are probably waiting to make their fall orders until butter prices stabilize. This could help prices to rebound a bit in the next few weeks.

The real worry is the cheese market. Why is it weakening? Stocks are fairly tight. Production is below a year ago. And demand, up until now, has reportedly been adequate. It is very likely that cheese prices

this week are reacting to a change in demand. USDA reports that food service demand for cheese, particularly from airlines and restaurants, has been negatively affected. This will create a short-term drop in demand.

Fewer cheese orders will result in less activity in Chicago and lower cheese prices. The real question is whether this drop in demand will continue over the next few months.

The good news is travelers are going back to the airlines and the holidays are coming up. Also, the Congress is working very quickly on an economic stimulus package. This should help shore up demand.

The real conclusion from all of this is that dairy farmers today are strongly affected by

changing supply and demand conditions. That means dairy farmers should seriously consider using the dairy futures markets to protect at least a part of their milk supply. Right now there are still opportunities to lock in fairly good milk prices through the spring months.

The Class III futures as of Oct. 12 are still \$11.50-\$12 per CWT January through June 2002. Class IV prices are about a dollar per CWT higher. If we get a rebound in the milk supply and the recession continues, those prices could further weaken. Then again, I could be wrong! One strategy would be to consider protecting a part of your January-June milk supply now — say 10-30 percent. If market conditions improve early next year, lock in more.

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SLAUGHTER CALVES Good and Choice few 345-405 lbs 83 00-85 00  
RETURNED TO FARM Holstein bulls 90-125 lbs 122 00-153.00; 75-85 lbs 70 00- 75 00 Plainer-type bulls 85-125 lbs 110 00-144 00, pen 95 lbs 151.00; 75-85 lbs 65 00-70 00, weaker calves 70-110 lbs 30 00-70 00 Holstein heifers 90- 115

lbs 470 00-690 00, 85 lbs 520 00-630 00 Plainer type heifers 80-110 lbs 200.00-470 00; 70-75 lbs 100 00-210.00; 60-65 lbs 100 00-155 00 Beef-type bulls and heifers few 150 00-165 00.

SHEEP. Compared to Monday, slaughter lambs sold 35-80 lbs sold 10 00-20 00 higher Slaughter lambs over 80 lbs were mostly steady Slaughter ewes traded fully steady

SLAUGHTER LAMBS: Good and Choice 1-3 35-60 lbs 110.00-150.00; 60-80 lbs 80 00-110.00, 80-110 lbs 55.00-65.00 Good 1-2 35-60 lbs 70.00-100 00, 60-80 lbs 60 00-80 00.

SLAUGHTER EWES Good and Choice Yearlings and 2 year-olds 35 00-45 00.

Utility and Good 1-3 20.00-40.00  
GOATS (All sold by the head) Billies:

Large 100.00-125.00. Medium 70.00-100.00  
Mutton Choice and Prime 60.00-80.00.  
Yearlings Choice and Prime 60.00 80.00.  
Nannies: Large 60.00-70 00. Medium 40.00-60.00.  
Kids. Choice and Prime 40.00-65 00  
Good 20'00-40 00.

### Lancaster County Weekly Cattle

New Holland, Pa.  
Report Supplied By USDA  
Friday, Oct. 19, 2001

	CATTLE	CALVES
THIS WEEK	2847	1697
LAST WEEK	2285	1485
LAST YEAR	2303	1747

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