

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, Nov. 1, 2001

Corn

199	200	198 1/2	199 1/2	200	199 3/4	-10
204 1/4	204 3/4	202 1/2	204 1/4	203 3/4	204	-14
209	209 1/2	207 1/2	209		209	-6
217 1/4	217 1/2	215 1/2	216 3/4	217 1/4	217	-10
225	225 1/2	223 1/2	224 3/4	225	225	-10
230 3/4	231 3/4	229 3/4	231 1/4	231 1/2	231 1/2	-4
236 1/2	238 1/2	236 1/4	238	237 1/2	237 3/4	+2
245 3/4	247 1/2	245 1/4	246 3/4	247 1/4	247	+4
254 1/2	255	254	255		255	Unch
			260 n		260	Unch
258	260	258	260		260	-20

Soybeans

428	436 1/4	428	435 1/4	434 3/4	435	+64
436	442 3/4	435 1/4	441 1/4	441 3/4	441 1/2	+46
441	447 3/4	440 1/2	447 1/2	446 3/4	447	+52
446 1/2	452 1/2	445 1/2	451 1/2	451	451 1/4	+36
450 1/2	456 1/2	450	455 1/2	456	455 3/4	+44
452	454	451	454 b	456 a	454	+34
			454 n		454	+12
456	459 1/2	455 1/2	459	459 1/2	459 1/4	+36
			496 n		496	+30

Soybean Meal

160.3	164.9	159.8	164.5	164.8	164.6	+38
157.8	161.0	157.7	160.6	161.0	160.8	+24
155.0	158.0	154.8	157.5	157.7	157.6	+19
152.0	154.7	151.6	154.5	154.3	154.4	+24
151.8	154.5	151.7	154.0	154.2	154.1	+19
151.5	153.5	151.5	153.0		153.0	+16
151.2	153.0	150.8	153.0		153.0	+16
150.5	152.0	150.0	151.5 b	151.8 a	151.6	+15
150.5	152.3	150.5	152.0 b	152.5 a	152.2	+15
			152.0 b	152.5 a	152.2	+11

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/01/01	Dec 01	5155	5260	5150	5210	+45	4806 20598
11/01/01	Feb 02	5387	5430	5355	5420	+25	1671 6401
11/01/01	Apr 02	5510	5565	5502	5505	-20	607 3338
11/01/01	May 02	6210	6250	6180	6207	-40	137 791
11/01/01	Jun 02	6385	6397	6315	6330	-75	313 989
11/01/01	Jul 02	6177	6185	6120	6130	-60	56 365
11/01/01	Aug 02	6040	6060	6040	6060	-20	27 202
11/01/01	Oct 02	5350	5367	5350	5350	-10	11 235
11/01/01	Dec 02	5200	5200	5150	5150		0 0

Composite Volume Open_Int

10/31/01 7629 32921

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/01/01	Dec 01	6792	6835	6770	6815	+8	7030 43487
11/01/01	Feb 02	7115	7180	7115	7175	+40	2995 31185
11/01/01	Apr 02	7325	7365	7310	7362	+27	1119 16640
11/01/01	Jun 02	6860	6907	6852	6902	+37	563 13770
11/01/01	Aug 02	6825	6875	6825	6862	+37	192 3097
11/01/01	Oct 02	6970	7025	6970	7005	+60	67 554
11/01/01	Dec 02	7140	7200	7140	7190		0 0

Composite Volume Open_Int

10/31/01 12211 108757

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/01/01	Feb 02	7075	7310	7050	7297	+287	703 2186
11/01/01	Mar 02	7040	7260	7030	7260	+300	19 202
11/01/01	May 02	7235	7402	7200	7380	+278	2 75
11/01/01	Jul 02	7210	7310	7210	7310	+300	1 28
11/01/01	Aug 02	7200	7300	7200	7300	+300	1 5

Composite Volume Open_Int

10/31/01 726 2496

Oats

199	202	197 1/2	202	201 3/4	201 3/4	+32
184 3/4	188	184	187 3/4	188	187 3/4	+36
173 1/2	177 1/2	173 1/2	177		177	+36
160	162	158 1/2	162		162	+14
			142 b		142	+10
			136 1/2 b	139 a	137 3/4	-12

Weekly Dairy Market Outlook

Ken Bailey
Penn State
Oct. 26, 2001
Dairy Commodity
Markets Unsettled

- Butter prices rise to \$1.2675/pound.
- Blocks rise half a penny.
- Barrels drop 2.5 cents/pound.
- USDA announces Class III and IV formula changes.

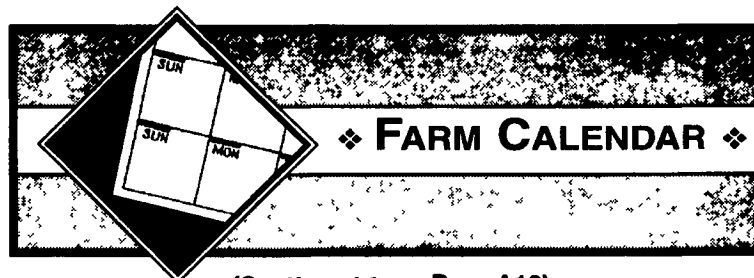
The dairy markets at the Chicago Mercantile Exchange were mixed this week. Grade AA butter prices rose from \$1.25 per pound on Monday, Oct. 22 to \$1.2675 by Friday, October 26. Block cheese prices rose from \$1.1950 per pound on Monday to \$1.2025 by Friday. But barrel prices weakened, dropping from \$1.17 per pound on Monday to \$1.1450 by Friday.

USDA reports that the higher butter prices this week may indicate greater buying interest. Increased churning activity is offset with buying interest as the retail industry stocks up on butter for the upcoming holiday season. The same can be said for the cheese market. The drop in barrel cheese prices this week, however, could be due to a

short-term change in demand because of changes in food service needs.

USDA's Dairy Market News had a very interesting quote this week regarding the market for nonfat dry milk, "The trade is concerned about the potential for changes in the support price for NDM." Western prices for nonfat dry milk remain about support levels in the range of \$0.93-\$0.96 per pound this week. Despite this lower price for nonfat dry milk, excess inventory continues to move into the Dairy Price Support program. In addition, there are rumors that international prices for nonfat dry milk may be weakening. That implies less demand for U.S. produced nonfat dry milk in overseas markets.

The Secretary of Agriculture has the authority to make one more adjustment in the CCC purchase prices for dairy products (cheese, butter, and nonfat dry milk) this year. I would interpret this to mean that the Secretary may decide to reduce the CCC purchase price for nonfat dry milk from the current level of \$0.90 per pound to something lower.



(Continued from Page A10)

ware Valley College, Doylestown, (610) 690-2655.
Pesticide Certification Exam, Luzerne extension, West Pittston, 8:30 a.m.
Friday, November 9
University of Delaware Friends of Ag Breakfast, Modern Ma-

turity Center, Dover, Del., 7:15 a.m.
York County cooperative extension meeting and banquet, York County 4-H Center, 6:15 p.m., (717) 840-7408.
Penn State Dairymen's Club annual meeting, Celebration

What will a drop in the CCC purchase price for nonfat dry milk mean to U.S. dairy farmers? Well, the USDA will likely purchase less nonfat dry milk, we will export more nonfat dry milk overseas, and MPC imports will be curtailed. In addition, Class III and IV skim values will become equalized. That means Class I, II, and IV values could potentially become lower and more volatile.

Finally, USDA announced a final recommended decision regarding the Class III and IV for-

mulas used in federal orders. Recall that USDA made an earlier recommendation to create separate Class III and IV butterfat values. That decision was struck down in court with a federal injunction. In fact, the court came up with new formula changes. The current USDA decision will result in very little changes in farm-level prices. The allowance for dry whey, used in the Class III formula, will increase slightly from \$0.14 per pound to \$0.159 per pound.

- Hall, State College, meeting 6:30 p.m., dinner 7 p.m.
- Saturday, November 10
- Nittany Lion Fall Classic Sale, Ag Arena, State College, 11 a.m.
- Sunday, November 11
- Veterans Day.
- Monday, November 12
- Poultry Management and Health Seminar, Kreider's Restaurant, Manheim, noon.
- Nutrient Management Voucher Training, Maryland extension, Chestertown, Md., 7 a.m.-9 a.m., also Nov. 15, 8 a.m.-10 a.m. and Dec. 3.
- 4-H Achievement Night, Dauphin County Agriculture and Natural Resources Center, 6:30 p.m., (717) 921-0135.
- Pa. Farm Bureau Annual Meeting, Hershey Lodge and Convention Center, thru Nov. 14.
- Agri-Energy Conference, Penn Stater Hotel, State College, thru Nov. 13, (814) 865-4802.
- Tuesday, November 13
- Lancaster Farming's Family Farm Transitional Seminar, Farm and Home Center, Lancaster, (preregistration required), 8:30 a.m.-3 p.m., (717) 721-4416.
- Alfalfa Intensive Training Seminar, Boise, Idaho, thru Nov. 15, (814) 863-1019.