

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, Nov. 8, 2001

Corn

Month	Opening	High	Low	Closing	Change
200 n				200	+12
203 1/4	203 1/2	201 3/4	202 1/2	203	+2
208	208	206 3/4	207 1/4	207 1/4	+2
215 1/2	216	214 1/4	215	215 1/2	+2
222 3/4	223 1/4	221 3/4	222 3/4	222 1/2	+2
229	229 1/4	228	228 1/2	228 3/4	Unch
235 1/4	235 1/4	234	234 1/4	234 1/4	Unch
244	244 1/4	243	243 1/2	243 3/4	Unch
252	252	251 1/2	251 3/4	251 3/4	-2
			257 n	257	-4
256	256	256	256	256	-10

Soybeans

Month	Opening	High	Low	Closing	Change
01Nov	442	442	434 1/2	434 1/2	-42
02Jan	444	444 1/4	436 1/2	438	-34
02Mar	447 1/2	448	441	442 1/2	-26
02May	452	452 1/2	445 1/2	447	-22
02Jul	455 1/2	456 1/2	449 1/2	451 1/2	-22
02Aug	454	454	450	450	-30
02Sep			448 1/2 n	448 1/2	-40
02Nov	458	458	452	452	-34
02Dec			493 n	493	-30

Soybean Meal

Month	Opening	High	Low	Closing	Change
02Jan	162.2	162.3	158.7	158.8	-30
02Feb	158.3	158.8	155.7	155.9	-22
02Mar	154.7	154.8	152.2	152.2	-19
02Apr	151.2	151.3	149.3	149.7	-10
02May	150.9	151.2	149.4	149.5	-9
02Jun	150.3	150.3	148.8	149.2	-6
02Jul	149.5	149.7	148.1	148.8	-4
02Aug	148.5	148.8	147.3	147.3	-4
02Sep	149.0	149.0	148.0	148.5	-2
02Oct			148.3 b	148.7 a	-2

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/08/01 Dec 01	5100	5145	5065	5132	+52	4732	18130
11/08/01 Feb 02	5365	5425	5350	5415	+45	2309	7114
11/08/01 Apr 02	5510	5585	5510	5572	+62	473	3280
11/08/01 May 02	6135	6175	6135	6150	+30	0	0
11/08/01 Jun 02	6265	6295	6235	6250	+25	38	882
11/08/01 Jul 02	6070	6120	6070	6102	+25	7	419
11/08/01 Aug 02	5950	6020	5950	6005	+25	8	216
11/08/01 Oct 02	5330	5340	5330	5340	+20	5	242
11/08/01 Dec 02	5105	5110	5105	5105	unch	0	4

Composite Volume Open_Int

11/07/01 7572 30287

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/08/01 Dec 01	6535	6550	6452	6475	-90	8265	40706
11/08/01 Feb 02	6875	6892	6780	6815	-95	5594	31567
11/08/01 Apr 02	7092	7092	6980	7025	-85	2945	19203
11/08/01 Jun 02	6700	6700	6615	6655	-50	1038	14523
11/08/01 Aug 02	6675	6680	6605	6625	-50	172	3289
11/08/01 Oct 02	6830	6832	6765	6780	-50	33	728
11/08/01 Dec 02	6995	6995	6920	6950	-45	3	83

Composite Volume Open_Int

11/07/01 18050 110099

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/08/01 Feb 02	7170	7352	7170	7340	+143	692	1860
11/08/01 Mar 02	7175	7300	7175	7275	+145	22	233
11/08/01 May 02	7425	7430	7425	7425	+140	9	97
11/08/01 Jul 02	7375	7380	7375	7375	+135	3	31
11/08/01 Aug 02	7400	7400	7400	7400	+140	0	6

Composite Volume Open_Int

11/07/01 726 2227

Oats

204 3/4	208	202	206	206 1/2	206 1/4	+20
190	192	188	191 1/2		191 1/2	+20
178 1/2	179 3/4	177	179 3/4		179 3/4	+22
163	164	163	164		164	+30
138	138	138	138		138	-10
137 1/2	137 1/2	137	137		137	-4

Weekly Dairy Market Outlook

Ken Bailey
Penn State

November 2, 2001

Class III, IV
Prices Weakening

- October Class III is \$14.60/CWT.
- October Class IV is \$12.77.
- Cheese prices continue to weaken.
- DEIP program announced.

As expected, Class III and IV prices announced by USDA today are below month-ago levels. The Class III price for October 2001 is \$14.60 per CWT, down from \$15.90 per CWT the month before. The Class IV price for October 2001 was \$12.77 per CWT, down from \$15.59 per CWT the month before.

The reason for this decline was a drop in the monthly aver-

age NASS (National Agricultural Statistics Service) survey prices for cheese and butter. The NASS survey average price for cheese in October was \$1.5591 per pound, down from \$1.7085 per pound in September. And the NASS survey average price of butter in October was \$1.4701 per pound, down from \$2.1198 the month before.

Dairy farmers should be prepared to see a drop of \$1.30-\$2 per CWT in the October mailbox milk prices they receive on November 15. The bigger drop, however, will be the November milk check. With Chicago butter prices trading at about \$1.25-\$1.28 per pound and block cheese prices about \$1.20-\$1.25 per pound, November Class III and IV prices will take a sizeable drop.

The Chicago Mercantile Exchange futures market is look-

ing for a November Class III price of \$11 per CWT and a Class IV price of about \$12.20 per CWT. Dairy farmers will receive their November milk checks about December 15.

After rallying from a low of \$1.16 per pound the week before to \$1.2475 this Monday, Oct. 29, block cheese prices at the Chicago Mercantile Exchange fell back to \$1.2050 per pound by Friday, Nov. 2. USDA reports that the cheese market is "unsettled to weak." Demand for cheese from the airlines, hotels, and travel segments is obviously weak, but that was offset somewhat by holiday buying.

The butter markets were also volatile, ending the week at \$1.2875 per pound. USDA reports that although churning activity is up, demand for butter for holiday promotions appears good.

Finally, there is some good news. USDA announced that the Dairy Export Incentive Program, or DEIP, is activated

today. The annual allocation of 68,201 metric tons for nonfat dry milk will be the same as a year ago. This will create some activity by moving nonfat dry milk into overseas markets. Western nonfat dry milk prices were \$0.92-\$0.94 per pound this week and some 89,066 pounds was offered to the CCC under the dairy price support program.

It is unclear, however, what impact the DEIP program will have on domestic prices for nonfat dry milk. Remember, nonfat dry milk prices are no longer supported at \$1.01 per pound. Milk protein concentrate (MPC) imports this year were down, world prices were high, and domestic use of nonfat dry milk is way up.

However, there are reports that world prices for nonfat dry milk are starting to decline. This could result in higher imports of MPCs in 2002, which could offset the price enhancing impact of the DEIP program on domestic prices for nonfat dry

milk. The bottom line is, we could see nonfat dry milk prices fall to the CCC purchase price of \$0.90 per CWT under this scenario in 2002.

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 — 2.22 bu., 3.97 cwt.
- Wheat, No.2 — 2.58 bu., 4.31 cwt.
- Barley, No.3 — 1.52 bu., 3.25 cwt.
- Oats, No.2 — 1.50 bu., 4.69 cwt.
- Soybeans, No.1 — 3.93 bu., 6.56 cwt.
- Ear Corn — 60.05 ton, 3.00 cwt.
- Alfalfa Hay — 118.00 ton, 5.9 cwt.
- Mixed Hay — 108.75 ton, 5.44 cwt.
- Timothy Hay — 114.25 ton, 5.71 cwt.