

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, Dec. 13, 2001

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
01Dec	206 3/4	207 1/2	204 1/4	207 1/2	207	207 1/4 +4
02Jan	208	209 1/2	207 1/4	208 3/4	208 3/4	+4
02Mar	216	216 3/4	213 3/4	216 1/4	216 3/4	216 1/2 +4
02May	222 1/2	223 1/2	220 1/2	223 1/4	223 1/2	223 1/4 +6
02Jul	228	229	225 3/4	228 1/2	229	228 3/4 +6
02Sep	232 1/2	232 3/4	230 1/2	232	232 1/2	232 1/4 -2
02Dec	239 3/4	240	237	239 1/2	240	239 3/4 Unch
03Mar	247 1/4	247 1/4	244 1/4	247 1/4	247 1/4	+2
03Jul	253 1/4	253 1/4	249 3/4	252 1/4	252 1/4	Unch
03Dec	254	254	251	254	254	+10
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
02Jan	433 1/2	436	431 1/2	434 1/4	433 1/2	433 3/4 +12
02Mar	436 1/2	439 1/2	435	438	437	437 1/2 +10
02May	441 1/2	443	439 1/2	441 1/4	441 3/4	441 1/2 +6
02Jul	446	448 1/4	444 3/4	446 3/4	447	446 3/4 +14
02Aug	446	449	445 1/2	446 1/2	446 1/2	+12
02Sep	448	448	446 1/2	447	447	+14
02Nov	450 1/4	453	449 1/2	452	451 3/4	451 3/4 +12
03Jan				458 n	458	+14
03Mar				463 1/2 n	463 1/2	+14
03Nov				481 n	481	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
01Dec	150.3	153.0	150.2	152.5	153.0	152.7 +30
02Jan	148.7	150.5	148.4	150.0	150.5	150.2 +15
02Mar	146.8	147.8	146.3	147.7	147.2	147.4 +7
02May	145.7	146.5	145.3	146.5	146.5	+9
02Jul	146.6	147.5	146.2	147.5	147.3	147.4 +9
02Aug	147.2	147.6	146.8	147.1 b	147.2 a	147.1 +6
02Sep	147.0	147.9	147.0	147.3 b	147.5 a	147.4 +4
02Oct	147.0	148.0	147.0	147.3 b	147.8 a	147.5 +11
02Dec	148.7	150.0	148.4	150.0	150.0	+13
03Jan				149.5 b	150.0 a	149.7 +9
Month	Opening	High	Low	Closing	Settle	Net Chg

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int	
12/13/01	Dec 01	4530	4575	4525	4570	+58	1798	4518
12/13/01	Feb 02	5160	5282	5160	5262	+127	2988	15335
12/13/01	Apr 02	5595	5675	5595	5660	+85	512	4320
12/13/01	May 02	6225	6310	6225	6310	+80	57	1115
12/13/01	Jun 02	6340	6400	6340	6400	+75	339	1513
12/13/01	Jul 02	6155	6200	6150	6180	+55	98	615
12/13/01	Aug 02	5975	6030	5975	6030	+45	8	315
12/13/01	Oct 02	5240	5260	5240	5250	+20	28	419
12/13/01	Dec 02	5020	5060	5015	5060	+40	23	131

Composite Volume Open_Int

12/12/01	5851	28282
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Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int	
12/13/01	Dec 01	6425	6425	6352	6370	-85	4246	9867
12/13/01	Feb 02	6770	6787	6715	6720	-77	8556	43941
12/13/01	Apr 02	7080	7085	7005	7010	-92	3552	19333
12/13/01	Jun 02	6757	6770	6700	6702	-78	1323	13532
12/13/01	Aug 02	6787	6787	6735	6737	-60	478	6033
12/13/01	Oct 02	6995	7000	6970	6977	-53	105	1706
12/13/01	Dec 02	7060	7060	7020	7020	-80	274	749

Composite Volume Open_Int

12/12/01	18535	95161
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Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int	
12/13/01	Feb 02	7370	7567	7370	7540	+170	455	1890
12/13/01	Mar 02	7440	7545	7380	7522	+182	24	290
12/13/01	May 02	7525	7690	7525	7690	+135	16	153
12/13/01	Jul 02	7725	7725	7725	7725	+160	1	41
12/13/01	Aug 02	7700	7700	7700	7700	+135	2	9

Composite Volume Open_Int

12/12/01	498	2383
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Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
01Dec	240	243	240	243	243	+32
02Jan	201 3/4	206	201 3/4	203 3/4	203 1/2	203 1/2 +26
02Mar	186 1/2	189	186 1/2	187 1/4	187	187 +12
02May	169 1/2	173	169 1/2	172	172	+26
02Jul	150	150	147 1/2	147 1/2	147 1/2	+14
02Sep	150	150 1/2	150	150	150	+4
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State
Dec. 7, 2001

Butter, Cheese Markets
Remain Weak Despite
Holiday Sales

- Cheese prices weaken.
- Grade AA butter prices decline.
- Butter and cheese production up.
- International prices weaker.

USDA reports that holiday sales of dairy products are good, but not enough to boost sagging prices. At the Chicago Mercantile Exchange, clock cheese fell from \$1.30 per pound earlier in the week to \$1.26 per pound by Friday. Likewise, barrel cheese prices fell from \$1.2650 per pound on Monday to \$1.2150 per pound by week's end.

Even butter wasn't spared. Grade AA butter prices slipped from \$1.26 per pound on Monday to \$1.2325 by Friday. Western powder prices remained steady. Prices for Western nonfat dry milk ranged from \$0.90-\$0.9375 per pound, just above the support price level.

The October dairy products

report provided a mixed bag. Despite milk production falling below year-ago levels, October butter production was up 6.9 percent and American cheese production was up 3.2 percent. The growth in butter production probably had more to do with availability of excess cream supplies. Total cheese production actually fell 1.1 percent as other cheese varieties dropped in production. Cream cheese and Other Italian cheese production fell 9.5 and 13.8 percent, respectively, in October relative to a year ago.

The Dairy Products report also indicated that manufacturers' stocks of dry dairy products such as dry whey, lactose, and nonfat dry milk were all down about 30 percent relative to a year ago. That's because demand for these products has been very strong. A lot of nonfat dry milk is probably being used in the cheese vat now that domestic prices have declined because of a reduced support price.

USDA reported this week in Dairy Market News that world prices for nonfat dry milk are also falling due to slow interna-

tional demand. Prices for skim milk powder in Oceania are reported to be \$0.77-\$0.83 per pound. International buyers are shopping around now that the U.S. has announced the DEIP program.

So what does this mean for U.S. milk prices? The Class III futures at the Chicago Mercantile Exchange today averaged \$12.31 per CWT for 2002. The historical two-year average Class III price (January 2000-November 2001) was \$11.40 per CWT with a high of \$15.90 and a low of \$8.57. The five-year average Class III price (January 1997-November 2001) was \$12.31 per CWT, with a high of \$17.34 and a low of \$8.57. Thus the current futures price of \$12.31 per CWT for 2002 looks fairly attractive, especially if you think the milk supply will grow more than 2 percent in 2002.

As for the Class IV price, the 2002 average from the Chicago Mercantile Exchange as of today was \$12.58 per CWT. This price does not have a very good historical comparison since the Class IV price is now just two years old. For the last 23 months, the

Class IV price averaged \$12.84 per CWT with a high of \$15.59 and a low of \$10.73. Given the outlook for lower nonfat dry milk prices and continued opportunities for butter imports in 2002, this also looks like a reasonable price for Class IV milk.

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 — 2.27 bu., 4.06 cwt.
- Wheat, No.2 — 2.56 bu., 4.28 cwt.
- Barley, No.3 — 1.56 bu., 3.34 cwt.
- Oats, No.2 — 1.56 bu., 3.34 cwt.
- Soybeans, No.1 — 3.02 bu., 5.04 cwt.
- Ear Corn — 62.13 ton, 3.11 cwt.
- Alfalfa Hay — 126.25 ton, 6.31 cwt.
- Mixed Hay — 124.25 ton, 6.21 cwt.
- Timothy Hay — 126.75 ton, 6.34 cwt.

National Sheep Summary

San Angelo, Texas
December 11, 2001

Report Supplied By USDA

At midwest market centers all classes steady. At New Holland, PA slaughter lambs steady; slaughter ewes steady to 5.00 higher. At Faith, SD slaughter ewes and feeder lambs steady. At San Angelo, TX slaughter lambs 5.00-9.00 higher; slaughter ewes steady; feeder lambs firm to as much as 8.00 higher. Estimated receipts 9300 head for today. No report at McMinnville, TN.

SLAUGHTER LAMBS: Choice and Prime 2-3 90-150 lbs: San Angelo: shorn and woolled 90-110 lbs 72.00-84.00; 110-145 lbs 64.00-70.00. Midwest: shorn 58.00-60.00; woolled 51.00-58.00. New Holland: woolled 80-110 lbs 70.00-85.00. Virginia: no test. McMinnville: 80-110 lbs no test; 100-120 lbs no test.

SLAUGHTER EWES: San Angelo: Good and Choice 2-4 30.00-38.00; Good 2-3 38.00-50.00; Utility and Good 1-3 45.00-55.00; Utility 1-2 35.00-45.00; Cull and Utility 1-2 28.00-35.00. Midwest: Utility and Good 1-3 25.00-30.00; Cull 1-2 20.00-25.00. New Holland: Good and Choice 2-4 45.00-60.00; Utility and Good 1-3 25.00-50.00. Billings: Good 2-3 no test; Utility 1-2 no test; Cull 1 no test. McMinnville: Utility and Good 1-3 no test. Faith, SD: Cull and Utility 1-2 32.00-33.25.

REPLACEMENT EWES: Medium and Large 1-2: San Angelo: no test. Billings: no test.