

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, Dec. 20, 2001

Corn	Month	Opening	High	Low	Closing	Settle	Net Chg
	02Jan	206 1/4	206 1/4	204 1/2	204 1/2	204 3/4	-20
	02Mar	214	214	211 3/4	212	212 1/4	-20
	02May	220 1/2	220 1/2	218 3/4	219 1/4	219 1/4	-14
	02Jul	226 1/4	226 1/2	224 3/4	225	224 3/4	-14
	02Sep	230 1/2	230 1/2	229 1/2	229 1/2	230	-6
	02Dec	237	237 1/2	236 1/4	236 1/2	236 3/4	-6
	03Mar	244 3/4	245 1/4	244 1/4	244 1/4	244 1/2	-6
	03Jul	250	250 1/4	249 1/2	249 3/4	249 3/4	-6
	03Dec	251 1/4	252	250 3/4	251	251	-10
	04Dec						Unch

Soybeans	Month	Opening	High	Low	Closing	Settle	Net Chg
	02Jan	436	438	434	435 1/4	436 435 1/2	+4
	02Mar	436	438 1/2	435	436 1/2	436 436 1/4	+2
	02May	439 1/2	441 1/2	438 1/2	439	438 3/4	-6
	02Jul	445	445 1/2	442 1/2	443	443 1/2	-6
	02Aug	443 3/4	445 1/2	442	442 b	442 1/2 a	-14
	02Sep	443	445 1/2	443	442 b	443 a	-10
	02Nov	448	449 1/2	445 1/2	445 1/2	445 1/2	-20
	03Jan				451 1/2 n	451 1/2	-20
	03Mar				457 n	457	-20
	03Nov	481	481	480	478 b	480 a	-10

Soybean Meal	Month	Opening	High	Low	Closing	Settle	Net Chg
	02Jan	148.7	151.5	148.7	151.2	151.4	+28
	02Mar	145.7	147.7	145.4	147.7	147.6	+22
	02May	145.0	145.9	144.6	145.7	145.9	+10
	02Jul	146.2	147.0	145.8	146.3	146.5	+5
	02Aug	147.0	147.5	146.4	146.4	146.7	+5
	02Sep	147.5	148.0	146.7	146.8	146.8	+2
	02Oct	147.0	148.0	146.1	146.2	146.5	-1
	02Dec	149.0	149.6	147.4	148.3	148.3	-4
	03Jan			148.0 b	148.5 a	148.3	-6
	03Mar			149.0 b	149.5 a	149.3	-10

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/20/01	Feb 02	5250	5322	5250	5305	+40	2213
12/20/01	Apr 02	5690	5722	5685	5715	+13	759
12/20/01	May 02	6295	6302	6267	6302	+5	35
12/20/01	Jun 02	6385	6425	6375	6422	+15	164
12/20/01	Jul 02	6130	6190	6130	6160	+15	24
12/20/01	Aug 02	6010	6025	6000	6000	-35	1
12/20/01	Oct 02	5220	5240	5217	5217	unch	21
12/20/01	Dec 02	5057	5065	5050	5060	+3	3

Composite Volume	Open_Int
12/19/01	3220 24059

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/20/01	Dec 01	6480	6525	6430	6432	-73	1801
12/20/01	Feb 02	6890	6900	6837	6842	-55	5876
12/20/01	Apr 02	7190	7205	7137	7162	-50	2320
12/20/01	Jun 02	6835	6855	6800	6815	-42	864
12/20/01	Aug 02	6830	6867	6825	6842	-35	752
12/20/01	Oct 02	7050	7070	7030	7040	-55	72
12/20/01	Dec 02	7115	7120	7090	7090	-40	46

Composite Volume	Open_Int
12/19/01	11731 93821

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/20/01	Feb 02	7430	7485	7340	7357	-73	416
12/20/01	Mar 02	7420	7420	7255	7255	-135	28
12/20/01	May 02	7600	7600	7550	7550	-50	0
12/20/01	Jul 02	7710	7710	7590	7602	-48	0
12/20/01	Aug 02	7640	7640	7600	7630	-10	2

Composite Volume	Open_Int
12/19/01	446 2485

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
02Mar	183 1/2	185 1/2	182	185	185 1/4	-10
02May	168 1/2	171 3/4	168 1/2	171 3/4	171 3/4	+4
02Jul	153	157	152 1/2	156 1/4	156 1/4	-6
02Sep	135	138	135	137 b	137	-20
02Dec	140	140	137 1/2	138 b	138	-20

Weekly Dairy Market Outlook

Ken Bailey
Penn State
Dec. 14, 2001
Reflections On Our
Agricultural Economy

Milk prices have dropped significantly in recent weeks and it's pretty easy for dairy farmers to let this get them down. We've all heard that cheese and butter prices have taken a nose-dive in reaction to a slowing economy and the after effects of Sept. 11.

Globalization, new technologies, and consolidation at the retail, cooperative, and processor levels are forcing many changes upon the family farm. This makes some farmers wonder whether or not their individual contributions are valued by society.

Fact is, the U.S. has the largest and most sophisticated economy in the world. Consumers have a wide selection of high-quality foods at very low costs. The typical American household spends less than 10 percent of their disposable income on food. That frees up the rest of our wallet to buy other things, important things, such as big homes, SUV trucks, the latest and greatest computer games, and electronic gadgets. That results in even more economic ac-

tivity that makes our economy grow year after year.

I have been reflecting on the importance of agriculture in our everyday lives this past year. Academic scholars debate whether agriculture represents the foundation of the U.S. economy. Some say that it does, others argue our economy has advanced well beyond this. Some might even suggest that agriculture represents a declining industry that can be "outsourced" to other countries much like steel, electronics, and textiles.

The truth is, we have seen dramatic evidence this year just how important agriculture is to a country's economy and political stability. Britain experienced a gut-wrenching outbreak of foot-and-mouth disease that resulted in the slaughter of four million animals. We all shared the pain felt by family farmers devastated over the loss of their farm animals. What surprised me was the economic ripple effect that this tragedy had on the rest of the British economy. No one doubts today that agriculture represents a very important part of the fabric of life in Britain and the rest of Europe.

The fact is, no country can have a successful economy if

people are hungry or believe their personal security is threatened. We know that what people "feel" has an impact on the stock market, retail sales, and growth of the greater U.S. economy. Right now consumer confidence in the U.S. is low and people don't "feel" good about the economy. That is contributing to part of our current economic malaise.

The recent events in Afghanistan also show just how important food is to the political stability of a country. The U.S. is airlifting tons of food each day into Afghanistan. Our reasons are clear: we're trying to feed people and create an environment in which a new government can be formed. Even more food will be delivered this winter. Bags and bags of wheat and other food products from the U.S. will be distributed to the people of Afghanistan. American farmers can take pride in the fact that they are personally involved with this important relief effort.

My guess is that once the fighting stops — and let's hope that is soon — the global community will begin the process of rebuilding the agricultural economy in Afghanistan. Micro loans will become available and technical help will be sent to aide farmers in rebuilding their agricultural infrastructure. This will

not only relieve starvation in the cities where people can't find food, but it will also create jobs and spur economic development in rural communities.

Dairy farmers throughout the U.S. should take pride in the fact that they have one of the most important jobs in our economy. As we have already seen this year, a nation's economy can get in big trouble if consumers question the safety, quality, and abundance of their food sources.

The dairy industry alone represents a \$26 billion dollar industry at the farm level. Dairy farmers are part of a growth industry that employs veterinarians, input dealers, and even a few economists! This estimate doesn't take into consideration other jobs that are created when milk is processed, distributed, and sold at retail. The dairy foods industry represents \$70 billion a year in economic activity. Thus dairy farmers can take pride in the contribution they make to the general economy.

But dollars and cents can't reflect all of the contributions that dairy farmers make in the lives of our American families. Numbers can't measure the delight of a small child when they are treated to an ice cream cone. They can't reflect the contribution that calcium makes to strong bones and overall good

health. And they don't measure the warmth that American families will feel this Christmas when they sit down to a home-cooked meal complimented with farm-fresh butter, abundant supplies of milk and cream, and great tasting cheese and ice cream.

Happy Holidays to all our dairy farm families!

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 — 2.29 bu., 4.10 cwt.
- Wheat, No.2 — 2.58 bu., 4.31 cwt.
- Barley, No.3 — 1.57 bu., 3.35 cwt.
- Oats, No.2 — 1.52 bu., 4.74 cwt.
- Soybeans, No.1 — 4.12 bu., 6.87 cwt
- Ear Corn — 62.70 ton, 3.13 cwt.
- Alfalfa Hay — 123.75 ton, 6.19 cwt.
- Mixed Hay — 118.75 ton, 5.94 cwt.
- Timothy Hay — 115.00 ton, 5.75 cwt.