

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, January 17, 2002

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
02Mar	216 1/4	216 1/4	213	213 1/2	213 1/4	-12
02May	223 1/4	223 1/4	219 3/4	220 1/2	220 1/4	-12
02Jul	229 1/4	229 1/4	226 1/2	227	226 1/2	-14
02Sep	233 3/4	234 1/4	231 3/4	232	232	-14
02Dec	242 1/4	242 1/4	239 1/4	239 1/2	239 3/4	-20
03Mar	249 1/2	249 3/4	247 1/4	247 1/4	247 1/4	-22
03May	252	252	250 3/4	251	251	-14
03Jul	255 3/4	256	253 3/4	254	254	-22
03Dec	254	254 3/4	252 3/4	253 1/2	253 1/2	-12
04Jul				258 n	258	-10
04Dec	257	260	257	257	257	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
02Mar	452 1/2	454 1/2	447 1/4	451 3/4	449 1/2	-16
02May	457 1/2	459 1/2	452	457	454 1/2	-20
02Jul	461	464 1/2	456 1/2	460 1/2	459	-20
02Aug	460 1/2	463 1/2	457 1/2	459 b	459 1/2 a	-16
02Sep	461	463	456	457 1/2 b	458 1/2 a	-24
02Nov	464	466	459	462 1/2	461	-22
03Jan	466	471	466	468	468	-20
03Mar	474	476	471	472 1/2 b	473 1/2 a	-20
03May				477 n	477	-30
03Jul				480 n	480	-40
03Nov	483	483	481	481	481	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
02Mar	162.7	163.0	160.1	161.9	161.7	-9
02May	157.9	158.0	155.2	156.9	156.7	-11
02Jul	157.0	157.3	154.8	156.2	156.3	-7
02Aug	156.7	156.8	154.0	155.2	155.2	-8
02Sep	155.7	156.0	153.5	154.5 b	154.8 a	-10
02Oct	154.3	154.5	152.0	152.8 b	153.2 a	-10
02Dec	155.3	155.5	152.5	154.2	154.0	-9
03Jan	154.0	154.0	153.0	153.0 b	153.7 a	-13
03Mar				153.8 b	154.3 a	-9
03May				154.0 b	155.0 a	-15
03Jul				154.5 b	155.0 a	-17
Month	Opening	High	Low	Closing	Settle	Net Chg

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/17/02	Feb 02	5655	5675	5625	5632	+10	4363
01/17/02	Apr 02	6120	6140	6085	6110	+15	3343
01/17/02	May 02	6600	6625	6570	6595	-15	204
01/17/02	Jun 02	6650	6670	6620	6632	-5	588
01/17/02	Jul 02	6310	6320	6290	6307	-3	68
01/17/02	Aug 02	6060	6070	6020	6055	-25	58
01/17/02	Oct 02	5235	5240	5225	5225	-5	27
01/17/02	Dec 02	5055	5057	5055	5057	-3	52
01/17/02	Feb 03	5285	5285	5285	5285	-10	6

Composite Volume Open_Int

01/16/02 8711 29033

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/17/02	Feb 02	7125	7127	7080	7107	-5	7031
01/17/02	Apr 02	7420	7420	7362	7395	-15	4016
01/17/02	Jun 02	7015	7015	6975	7000	-17	1060
01/17/02	Aug 02	7005	7005	6970	7000	-10	481
01/17/02	Oct 02	7205	7205	7175	7182	-33	111
01/17/02	Dec 02	7225	7225	7205	7215	-15	58
01/17/02	Feb 03	7320	7320	7310	7310	-10	2

Composite Volume Open_Int

01/16/02 12760 94717

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/17/02	Feb 02	7660	7700	7560	7575	+23	469
01/17/02	Mar 02	7655	7705	7555	7555	unch	166
01/17/02	May 02	7780	7805	7710	7710	+5	20
01/17/02	Jul 02	7825	7840	7720	7720	-30	4
01/17/02	Aug 02	7600	7650	7600	7600	+25	0

Composite Volume Open_Int

01/16/02 660 2409

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
02Mar	192	194	190 1/2	192 1/4	192 1/2	+22
02May	176	177 1/4	174 1/4	174 1/4	174 1/4	+4
02Jul	159	159	156 1/4	156 1/4	156 1/4	-22
02Sep				139 b	139	-4
02Dec	140	140	139 1/2	139 1/2	139 1/2	-4
03Mar	142 3/4	142 3/4	142 3/4	142 3/4	142 3/4	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State

Jan. 14, 2002

Cheese Prices Strengthen

- Blocks and barrels higher.
- Butter edges up.
- Demand picture for 2001 mixed.
- Global price for nonfat weakens.

Cheese and butter prices edged up slightly last week at the Chicago Mercantile Exchange. Blocks rose from \$1.2550 per pound on Monday, Jan. 7 to \$1.3450 Friday, Jan. 11. Barrels rose from \$1.2550 per pound on Monday to \$1.3150 by Friday.

USDA reports that some traders are questioning whether these price increases are justified by supply and demand. That means it is possible these increases are short term.

Grade AA butter prices rose from \$1.35 per pound on

Monday to \$1.3750 by Friday. Only 7 carloads of butter traded hands. Again, traders are questioning the price increase since most anticipated lower prices after the holidays. USDA reports that churning activity across the country is strong, cream is readily available, and stocks of butter are readily available.

USDA released an estimate of demand for dairy products for 2001. During the period August-October 2001, consumption of dairy products relative to the same period a year ago were as follows: butter 5.6 percent, American cheese 1.6 percent, other cheese 7.0 percent, nonfat dry milk 38.0 percent, and fluid milk products 0.6 percent.

So what does this data for consumption mean? It suggests what we already know: that demand for cheese and butter slowed significantly the last quarter of 2001. Some of this decrease was related to the events surrounding Sept. 11 and some

because of a slowing U.S. economy. Some was related to the strong wholesale/retail prices. That was likely the reason for the reduction in butter consumption.

On the other hand, the strong demand for nonfat dry milk was probably related to the fact that cheaper supplies of protein from overseas was not available. So, domestic nonfat dry milk was used instead. Also, the milk supply was tight, making domestic use of powder in cheese vats an alternative to using skim milk.

The domestic price of nonfat dry milk is very close to the support level of \$0.90 per pound. Western nonfat dry milk last week was mostly \$0.90-0.9250 per pound. The global price of nonfat dry milk is dropping rapidly. The Northern EU price fell from \$1 per pound in January 2001 to \$0.76 by December. This has big implications for the U.S.

If the global price continues to fall, it will become more profitable to import Milk Protein Concentrates than to use domestic sources of nonfat dry milk in

cheese production. That will pressure the USDA to lower the powder support price. Also, more nonfat dry milk will enter the dairy price support program, and DEIP bonuses will have to be bigger. This will increase the cost of running these two programs.

For more information on dairy markets, see my Website at <http://dairyoutlook.aers.psu.edu/>

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 — 2.70 bu., 4.50 cwt.
- Barley, No.3 — 1.57 bu., 3.37 cwt.
- Oats, No.2 — 1.54 bu., 4.80 cwt.

Soybeans, No.1 — 4.03 bu., 6.73 cwt.
Ear Corn — 62.87 ton, 3.14 cwt.
Alfalfa Hay — 133.75 ton, 6.69 cwt.
Mixed Hay — 130.00 ton, 6.5 cwt.
Timothy Hay — 120.50 ton, 6.03 cwt.

Virginia Electronic Feeder Cattle Sale

Richmond, Va.
January 15, 2002

Report Supplied By USDA

Southwest Virginia Board Sale — Special State Graded Sale at Daleville, Jan. 14: Total receipts: 395 head sold. Prices per cwt.

STEERS (Home Raised, BQA Gold Tag): Bedford, Va. — Med. and Lge. 1: 66 head, 675-850 lb, avg. 740 lb, 79.85.

STEERS (Home Raised): Stuart, Va. — Med. and Lge. 1: 55 head, 875-1000 lb, avg. 920 lb, 77.30.

STEERS: Med. and Lge. 1: Bluefield, Va. — 59 head, 775-875 lb, avg. 840 lb, 80.80. Floyd, Va. — 58 head, 775-950 lb, avg. 850 lb, 80.10. Ceres, Va. — 58 head, 775-900 lb, avg. 850 lb, 78.90. Dublin, Va. — 52 head, 875-1025 lb, avg. 950 lb, 78.00.

STEERS: Med.1, Small 1, and Med. and Lge. 2: Pearis, Va. — 47 head, 675-850 lb, avg. 760 lb, 76.75.