

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, February 7, 2002

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg	
02Mar	204	205	203 3/4	204 1/2	204 3/4	204 1/2	+2
02May	211 1/4	212	211	211 1/2	212	211 3/4	+4
02Jul	218	218 3/4	217 3/4	218 1/2	218	218 1/4	+2
02Sep	223 1/2	224 1/4	223	223 1/2		223 1/2	+2
02Dec	231 1/2	231 3/4	230 1/2	231 1/4	231 1/2	231 1/4	Unch
03Mar	239 1/2	239 1/2	238 1/2	239		239	Unch
03May	243 1/2	243 3/4	243	243 3/4		243 3/4	+2
03Jul	246 1/4	246 1/2	246 1/4	246 1/2		246 1/2	-2
03Dec	247	247	245	246		246	-10
04Jul				255 n		255	Unch
04Dec	247 1/2	248	247 1/2	248		248	-20
Month	Opening	High	Low	Closing	Settle	Net Chg	

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg	
02Mar	429	432	427 1/4	431	431 3/4	431 1/4	+32
02May	433 1/2	436	432	436	435 1/2	435 3/4	+32
02Jul	437	440 1/2	436	439 1/2	440	439 3/4	+30
02Aug	438	441 1/2	436 1/2	439 1/2	440	439 3/4	+26
02Sep	439	440 1/2	438	440 1/2		440 1/2	+14
02Nov	443	445 1/4	441 1/2	444 3/4	444	444 1/4	+22
03Jan	450 1/2	451	449	451		451	+16
03Mar				456 1/2 n		456 1/2	+14
03May	460	460	460	460		460	+24
03Jul				463 n		463	+20
03Nov				463 1/2 n		463 1/2	+14
Month	Opening	High	Low	Closing	Settle	Net Chg	

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg	
02Mar	149.0	150.5	148.2	150.0	149.7	149.8	+6
02May	147.0	147.9	146.2	147.8	147.9	147.8	+7
02Jul	146.8	147.8	146.1	147.8	147.7	147.7	+11
02Aug	146.5	147.3	146.2	147.3 b	147.4 a	147.3	+10
02Sep	146.8	147.2	146.0	147.2		147.2	+12
02Oct	145.7	146.6	145.7	146.6		146.6	+15
02Dec	146.5	147.7	146.2	147.5	147.6	147.5	+12
03Jan	147.0	147.5	147.0	147.3		147.3	+12
03Mar	148.5	148.5	148.5	148.0 b	148.5 a	148.5	+13
03May	149.0	149.0	148.0	147.5 b	148.0 a	148.0	+5
03Jul	150.0	150.0	148.5	148.0 b	148.5 a	148.5	+10
03Oct				150.0 b	152.0 a	151.0	Unch
03Dec				150.0 b	152.0 a	151.0	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg	

Lean Hogs

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
02/07/02	Feb 02	5575	5585	5507	5520	-45	2787	3725
02/07/02	Apr 02	6220	6260	6100	6125	-72	5399	21500
02/07/02	May 02	6717	6740	6665	6727	+10	143	1848
02/07/02	Jun 02	6765	6815	6705	6735	-42	585	4281
02/07/02	Jul 02	6400	6450	6350	6422	+12	83	1449
02/07/02	Aug 02	6220	6250	6150	6190	-15	35	868
02/07/02	Oct 02	5317	5370	5315	5325	+5	46	643
02/07/02	Dec 02	5080	5097	5060	5070	+5	15	352
02/07/02	Feb 03	5165	5175	5165	5170	+15	0	13

Composite Volume Open_Int

02/06/02 9093 34680

Live Cattle

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
02/07/02	Feb 02	7460	7465	7422	7440	-20	6430	12604
02/07/02	Apr 02	7645	7645	7595	7610	-17	6138	39841
02/07/02	Jun 02	7122	7122	7090	7100	-17	2546	19279
02/07/02	Aug 02	7092	7105	7075	7097	unch	830	11944
02/07/02	Oct 02	7260	7270	7245	7257	+2	462	5315
02/07/02	Dec 02	7350	7380	7345	7345	-5	349	1599
02/07/02	Feb 03	7425	7450	7425	7440	-10	92	211

Composite Volume Open_Int

02/06/02 16847 90794

Pork Bellies

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
02/07/02	Feb 02	7540	7600	7490	7600	+100	221	448
02/07/02	Mar 02	7565	7650	7525	7605	+40	612	1292
02/07/02	May 02	7725	7795	7720	7790	+55	132	712
02/07/02	Jul 02	7800	7850	7792	7792	+72	12	154
02/07/02	Aug 02	7700	7700	7700	7700	+200	1	23

Composite Volume Open_Int

02/06/02 978 2630

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg	
02Mar	206 3/4	209	204 1/2	204 3/4	204 1/2	204 3/4	-20
02May	189	189 3/4	186	186 3/4	187	187	-12
02Jul	167	167 1/2	165	165		165	-20
02Sep	143	143	141	141		141	-10
02Dec	142 1/4	142 1/4	141	141		141	-12
03Mar				144 b		144	+12
Month	Opening	High	Low	Closing	Settle	Net Chg	

Weekly Dairy Market Outlook

Ken Bailey
Penn State
Feb. 1, 2002

Cheese Market Weak

- Cheese prices drop 15 cents per pound
- Milk supply hits spring flush.
- Commercial disappearance.
- USDA announces January prices.

A combination of a surge in milk production in the East and a snowstorm in the middle of the country created weak market conditions for cheese. Both blocks and barrels fell 15 cents per pound this week at the Chicago Mercantile Exchange. Barrels ended the week at \$1.20 per pound and blocks skid to \$1.2350.

USDA reports that milk pro-

duction is increasing in much of the eastern half of the U.S. I have heard some refer to this as an early spring flush caused by unusually warm weather. The warmer weather, however, is just about over. Snow in much of the midsection of the U.S. this week caused problems with panic buying in grocery stores before the storm, and reduced consumption just after the storm. It also caused transportation bottlenecks. Overall, more milk means lower cream prices and more processing for butter, nonfat dry milk, and cheese.

The sudden decline in cheese prices is not necessarily indicative of market trends over the next few months. There are numerous opportunities to spur consumer sales during Super Bowl and Easter. Coupled with a return to more normal winter weather patterns, the milk

supply could become better matched with demand, allowing cheese prices to recover.

Another bit of good news is related to the U.S. economy. Unemployment is declining (or at least stabilizing) and the economy is reportedly growing slightly. As a result, the Federal Reserve decided not to further reduce interest rates. That is a vote of confidence for a recovery in the U.S. economy later this year. That's good news for future demand for milk and dairy products.

USDA reported consumption numbers for milk and dairy products during the months of September through November 2001. These were the months most affected by the Sept. 11 tragedy. On the one hand, consumption for American cheese rose 3.2 percent relative to the same three months in 2000. On the other hand, consumption of other cheese, mainly Italian cheeses, fell 4.8 percent. This represents a big drop

Finally, USDA announced the January 2002 federal order milk prices. Class II prices are \$12.69 per CWT, up 8 cents from the month before. Class III prices are \$11.87 per CWT, up 7 cents. And Class IV prices are \$11.93 per CWT, up 14 cents per CWT. This reflects a slight recovery in cheese and butter prices.

Product price averages for January 2002 were (dollars per pound) butter \$1.3324, nonfat dry milk \$0.9161, cheese \$1.2922, and dry whey \$0.2747. Component values for January 2002 were (dollars per pound) butterfat \$1.4846, protein \$1.9660, and other solids \$0.1392.

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 — 2.33 bu., 4.16 cwt.
- Wheat, No.2 — 2.73 bu., 4.56 cwt.
- Barley, No.3 — 1.65 bu., 3.54 cwt.
- Oats, No.2 — 1.59 bu., 4.96 cwt.
- Soybeans, No.1 — 4.03 bu., 6.73 cwt.
- Ear Corn — 64.77 ton, 3.24 cwt.
- Alfalfa Hay — 126.25 ton, 6.31 cwt.
- Mixed Hay — 123.75 ton, 6.19 cwt.
- Timothy Hay — 111.25 ton, 5.56 cwt.

