

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, March 14, 2002

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	208 3/4	209 1/2	207 1/2	208	207 1/2	207 3/4 +4
02Jul	215 3/4	216 3/4	214 1/2	214 1/2	214 3/4	214 1/2 +2
02Sep	222	222 1/2	220 1/2	220 3/4	220 1/2	220 1/2 +4
02Dec	229 1/2	230 1/4	228 1/4	228 3/4	228 1/4	228 1/2 +2
03Mar	237 3/4	238 1/4	236 1/2	236 3/4	236 1/2	236 1/2 +2
03May	243	243	242	242 1/2	242	242 1/4 +4
03Jul	247 1/2	247 3/4	246 1/2	247	247	247 +4
03Dec	248 1/2	249	247 1/2	249	248 1/2 a	248 3/4 -2
04Jul	256	256 1/2	256	256 1/2	256 1/2	Unch
04Dec	250	250	250	250	250	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	462 1/2	470	462	469 1/2	467 1/2	468 1/2 +56
02Jul	468	476	467 1/2	474 3/4	473	473 3/4 +60
02Aug	469	475	467 1/2	474	473	473 1/2 +60
02Sep	468	475	468	474 1/2	473	473 3/4 +60
02Nov	472	478 3/4	471	477 1/2	476 1/2	477 +56
03Jan	476 1/2	482 1/2	474 1/2	482 1/2	482 1/2	482 1/2 +74
03Mar	483	486 1/2	482 1/2	486 1/2	486 1/2	486 1/2 +66
03May	484	488	484	488	488	488 +70
03Jul				489 n	489	489 +74
03Nov	485	489	485	489	489	489 +74
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	156.3	158.3	155.5	157.5	157.3	157.4 +13
02Jul	156.0	158.3	155.8	157.4	157.0	157.2 +14
02Aug	155.5	157.2	155.2	156.5	156.5	156.5 +15
02Sep	154.5	156.0	154.3	156.0	155.8	155.9 +19
02Oct	154.0	155.0	153.8	154.5 b	154.8 a	154.6 +14
02Dec	154.0	156.0	153.9	155.5	155.5	155.5 +15
03Jan	155.0	155.0	155.0	155.0	155.0	155.0 +15
03Mar				153.5 b	154.5 a	154.0 +18
03May				152.5 b	153.5 a	153.0 +10
03Jul				152.5 b	153.5 a	153.0 +9
03Oct				152.0 b	152.5 a	152.2 +4
03Dec				152.0 b	152.5 a	152.2 +4
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State
March 11, 2002

Market Dealing With Surplus Loads Of Milk

- Barrel demand looks good.
- Surplus cream, butter prices weak.
- Commercial disappearance for 2001.

The market is dealing with surplus loads of milk because of an early spring flush in the Northeast and South. The good news, however, is that the market is getting ready for strong sales for Easter/Passover. This is putting a floor under cream sales, and hence butter prices.

Cheese prices at the Chicago Mercantile Exchange last week rose a few pennies. Blocks rose from \$1.1850 per pound on Monday, March 4, to \$1.21 by Friday, March 8. Barrels rose from \$1.15 per pound on Monday to \$1.18 by Friday. USDA reported that "most traders feel current downside price risk is minimal."

What does this mean? In the language of economics, it means some traders think that cheese prices have bottomed out and are on the rise. USDA also reported last week that a lot of barrel cheese is being sold because of strong food service promotions.

The butter story is a mixed bag. Grade AA butter prices last week at the Chicago Mercantile Exchange fell from \$1.2725 per pound on Monday to \$1.2425 by Friday. Butter production across the U.S. is seasonally strong, and butter stocks at the end of January were up 48 percent relative to a year ago. However, USDA reported, "Cream offerings remain heavy, although in some areas, ice cream, sour cream, cream cheese, whipping cream, and other cream-based items are absorbing some additional cream volumes for upcoming Easter/Passover needs." This is good news, because it indicates strong wholesale demand.

USDA announced the final numbers for commercial disappearance for 2001. These numbers reflect the demand for milk and dairy products. Butter consumption was down 2.1 percent in 2001 compared to a year earlier. This was due to very high wholesale and retail butter prices. American cheese and Other cheese consumption were up 3.1 and down 0.1 percent, respectively. The strong sales for American cheese are surprising given U.S. milk production was down in 2001, cheese prices were strong, the U.S. economy experienced a mild recession, and events surrounding the 9/11 tragedy. Nonfat dry milk consumption was up 27.2 percent in 2001 over a year earlier. Again, this was due to the lower support

price for nonfat dry milk and higher world prices for protein. Fluid milk consumption fell 0.5 percent.

There is no word yet from USDA regarding a possible butter/powder tilt. As of March 1, 2002, USDA had 829.3 million pounds of nonfat dry milk stored as uncommitted inventories under the dairy price support program. That compares to 475.6 million pounds the same time a year ago. This amount of powder is about equal to the volume of nonfat dry milk that would normally be consumed in the U.S. during an entire year. In fact, total nonfat dry milk consumption in 2000 and 2001 was 770.8 and 982.3 million, respectively. Thus a butter/powder tilt is very likely to occur.

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 2v — 2.33 bu., 4.16 cwt
- Wheat, No 2 — 2.62 bu., 4.38 cwt
- Barley, No 3 — 1.81 bu., 3.88 cwt
- Oats, No 2 — 1.78 bu., 5.54 cwt
- Soybeans, No 1 — 4.29 bu., 7.16 cwt
- Far Corn — 66.94 ton, 3.35 cwt
- Alfalfa Hay — 124.25 ton, 6.21 cwt.
- Mixed Hay — 123.75 ton, 6.19 cwt.
- Timothy Hay — 120.00 ton, 6.0 cwt.

Lean Hogs

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
03/13/02	*CASH*	0	5024	5024	5024	-102	0	0
03/14/02	Apr 02	5677	5725	5600	5605	-122	5375	12711
03/14/02	May 02	6570	6570	6470	6505	-62	563	3068
03/14/02	Jun 02	6587	6595	6495	6500	-92	3893	9801
03/14/02	Jul 02	6320	6340	6250	6290	-25	614	2110
03/14/02	Aug 02	6017	6037	5975	5997	-3	177	1360
03/14/02	Oct 02	5117	5125	5075	5092	-8	62	1034
03/14/02	Dec 02	4890	4890	4840	4857	-3	47	776
03/14/02	Feb 03	5025	5045	5020	5045	+20	37	157

Composite Volume Open_Int
03/13/02 10768 31017

Live Cattle

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
03/13/02	*CASH*	0	7150	7150	7150	-250	0	0
03/14/02	Apr 02	7475	7485	7315	7320	-130	15053	36213
03/14/02	Jun 02	6925	6930	6780	6822	-85	7162	30887
03/14/02	Aug 02	6870	6882	6790	6822	-40	2509	14814
03/14/02	Oct 02	7120	7130	7052	7080	-30	2174	11747
03/14/02	Dec 02	7250	7250	7160	7200	-27	440	3600
03/14/02	Feb 03	7330	7335	7255	7320	-10	125	1323
03/14/02	Apr 03	7400	7400	7385	7400	-25	15	15

Pork Bellies

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
03/13/02	*CASH*	0	7300	7300	7300	unch	0	0
03/14/02	Mar 02	7920	7950	7870	7920	-150	16	156
03/14/02	May 02	8020	8120	7935	7942	-123	747	2473
03/14/02	Jul 02	8140	8210	8050	8055	-150	77	289
03/14/02	Aug 02	7915	7940	7890	7890	-10	1	27
03/14/02	Feb 03	7055	7060	7005	7005	+5	10	18
03/14/02	Mar 03	7025	7025	7000	7000	unch	0	1

Composite Volume Open_Int
03/13/02 851 2964

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	208	211	206	207 1/2	207 1/2	+2
02Jul	174 1/2	177 1/2	174	176 1/2	176 1/2	+16
02Sep	146 1/2	146 1/2	146	146 a	146	+4
02Dec	144 3/4	145	144 1/2	144 1/2	144 1/2	+10
03Mar				147 a	147	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

BUSINESS PAGE APPEARS IN SECTION D

See the latest in equipment and material news, promotions and new hires, and burgeoning ag ventures on the business news page located in Section D this issue!