

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, April 25, 2002

Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	198	199 1/4	196 3/4	196 3/4	197	-6
02Jul	204 1/4	204 3/4	202 1/2	202 3/4	203	-4
02Sep	210 1/4	211	209 1/2	209 1/2	209 1/2	-2
02Dec	219 1/4	220 1/4	218 1/2	218 1/2	218 1/2	Unch
03Mar	228 1/4	228 3/4	227	227	227	-4
03May	234	234	232 1/4	232 1/4	232 1/4	-6
03Jul	238 1/4	238 1/4	236 1/2	236 3/4	236 3/4	-6
03Sep				231 1/2 n	231 1/2	-6
03Dec	238 1/4	238 1/2	236 1/4	236 3/4	236 3/4	-6
04Mar				243 n	243	-14
04Jul	245 1/2	245 1/2	245 1/2	245 1/2	245 1/2	-24
04Dec	245	245	244	244 1/2	244 1/2	-20
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	478	480 1/4	473 1/2	474 1/2	474	-54
02Jul	482	483 1/2	475 3/4	477	476	-66
02Aug	478 3/4	480 1/2	472	472	472 1/2	-70
02Sep	471	473 3/4	465	465 1/2	465	-64
02Nov	467 1/2	471 1/4	462	462 1/2	463	-72
03Jan	474	476	468	468 1/2	468 1/2	-74
03Mar	478	481	472 1/2	472 1/2	472 1/2	-74
03May	481 1/2	483	474	474	474	-84
03Jul	484	484	477	477	477	-84
03Sep				476 n	476	-40
03Nov				478 n	478	-54
Month	Opening	High	Low	Closing	Settle	Net Chg

Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	165.4	166.2	164.5	164.9	164.6	-11
02Jul	162.8	163.7	161.6	162.0	161.8	-12
02Aug	159.8	160.8	158.6	158.9	158.8	-11
02Sep	157.3	158.0	155.6	156.0	155.9	-8
02Oct	154.7	155.3	153.0	153.1	153.1	-11
02Dec	153.0	154.5	151.9	152.2	152.2	-8
03Jan	153.0	154.0	151.6	151.8 b	152.0 a	-9
03Mar	152.0	153.3	150.1	150.3 b	150.4 a	-7
03May	152.5	152.5	149.5	149.5 b	149.6 a	-9
03Jul	153.0	153.0	150.0	150.0 b	150.1 a	-9
03Aug				148.5 b	148.8 a	-10
03Sep				148.0 b	148.5 a	-2
03Oct				148.0 b	148.5 a	-2
03Dec	149.5	149.5	149.5	149.5	149.5	-2
Month	Opening	High	Low	Closing	Settle	Net Chg

Lean Hogs

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int
04/24/02	*CASH*	0 4448	4448	4448	-3	0
04/25/02	May 02	5010	5020	4852	4972	-80
04/25/02	Jun 02	5360	5450	5185	5417	+35
04/25/02	Jul 02	5275	5370	5145	5345	+50
04/25/02	Aug 02	5105	5210	4990	5182	+32
04/25/02	Oct 02	4310	4370	4220	4335	-20
04/25/02	Dec 02	4130	4160	4030	4095	-32
04/25/02	Feb 03	4370	4420	4280	4420	+10

Composite Volume Open_Int
04/24/02 7664 30933

Live Cattle

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int
04/24/02	*CASH*	0 6467	6467	6467	-60	0
04/25/02	Apr 02	6360	6450	6230	6380	+40
04/25/02	Jun 02	5950	6175	5932	6127	+102
04/25/02	Aug 02	6055	6217	5975	6175	+108
04/25/02	Oct 02	6330	6475	6252	6445	+120
04/25/02	Dec 02	6500	6652	6425	6610	+108
04/25/02	Feb 03	6625	6775	6535	6762	+137
04/25/02	Apr 03	6745	6920	6660	6900	+130

Composite Volume Open_Int
04/24/02 18319 96680

Pork Bellies

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int
04/24/02	*CASH*	0 6500	6500	6500	unch	0
04/25/02	May 02	6655	6767	6445	6730	+8
04/25/02	Jul 02	6785	6925	6600	6785	-20
04/25/02	Aug 02	6652	6790	6585	6730	-55
04/25/02	Feb 03	6525	6565	6525	6525	-35
04/25/02	Mar 03	6525	6565	6525	6525	-35

Composite Volume Open_Int
04/24/02 471 3596

Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
02May	161	164	158	161 1/2	162	+34
02Jul	142 1/4	144 1/4	138	140 3/4	141	-4
02Sep	123	124 1/4	121 1/2	122	122	-16
02Dec	127 1/4	128	125 1/2	125 1/2	125 1/2	-14
03Mar				132 a	132	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

Weekly Dairy Market Outlook

Ken Bailey
Penn State
April 19, 2002

Oops! Butter Exports
Actually More Expensive
• Over-TRQ rate on butter is \$0.70/pound.
• Special safeguard rate should be added.
• Milk forecast to increase 3 percent this year.

Last week I reported that world butter prices were just \$0.45 per pound and that the cost of importing butter should be just \$1.22 per pound. Well, like my forecasts, I was off just a bit.

A few sharp readers of this column e-mailed that I wasn't reflecting the whole story. It seems that there are two levels of tariff or duties on butter imported in excess of the TRQ level (the

quota).

The "general rate of duty" is \$1.541 per kilogram, or \$0.699 per pound (it is not 30.9 cents/kilogram reported last week). Thus I reasoned that if the world price was \$0.45 per pound and freight was \$0.09 per pound, you could land butter in the U.S. for something like \$1.22-\$1.23 per pound. I did not, however, reflect the "special safeguard provision."

The safeguard provision is a duty or tariff that increases as the world price falls. This was designed to prevent a surge in imports if global butter prices suddenly fell, as they did this year. The schedule I received for 2002 indicates that if the world price of butter were less than \$0.27 per pound, the special duty rate

would be \$0.411 per pound. At a world price of \$0.45 per pound the special duty rate is \$0.275 per pound. This rate falls all the way to zero when the global price of butter rises to more than \$1.09 per pound.

So, the correct example for a world price of \$0.45 per pound is 0.992 cents per kilogram and \$992 per metric ton. The applicable tariffs are \$0.699 per pound for the special duty rate. Adding freight will bring the landed cost of imported butter up to \$1.514 per pound. This does not include other small fees for customs, docking, inland freight, etc.

The point is, domestic butter prices would have to be above \$1.50 per pound before it would pay someone to import butter from overseas.

USDA announced this week that March milk production for

20 select states was up 3.2 percent from a year ago. While this sounds like a lot, it's really not, when you consider that milk production last year was depressed.

I did some computing and put together my forecast for U.S. milk production for the rest of 2002 (see Table 2 on the Web site). My numbers suggest that relative to 2001, cows will decline only 0.2 percent, milk per cow will rise more than 3 percent, and total U.S. milk production will go up 3 percent.

This should be considered a conservative figure. My milk production forecast is up just 1.6 percent relative to milk production two years ago (in 2000). Some of my 2002 forecast looks like a lot of milk, but U.S. milk production normally increases 1.7 percent each year. In addition, milk consumption normally increases at least this much.

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 — 2.30 bu., 4.11 cwt.
- Wheat, No.2 — 2.61 bu., 4.36 cwt.
- Barley, No.3 — 1.85 bu., 3.96 cwt.
- Oats, No.2 — 1.88 bu., 5.85 cwt.
- Soybeans, No.1 — 4.28 bu., 7.14 cwt.
- Alfalfa Hay — 146.25 ton, 3.19 cwt.
- Mixed Hay — 148.75 ton, 7.44 cwt.
- Timothy Hay — 121.25 ton, 6.06 cwt.