

# GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, June 20, 2002

Corn	Open	High	Low	Last	Chge
06/19/02 *CASH*		2136	2136	2136	+20
06/20/02 JUL 02	2102	2112	2096	2100	+12
06/20/02 SEP 02	2170	2184	2164	2170	+16
06/20/02 DEC 02	2264	2276	2260	2262	+20
06/20/02 MAR 03	2336	2352	2336	2344	+20
06/20/02 MAY 03	2380	2384	2374	2376	+20
06/20/02 JUL 03	2394	2406	2394	2404	+20
06/20/02 SEP 03	2364	2370	2360	2362	+16
06/20/02 DEC 03	2390	2396	2382	2394	+14
06/20/02 MAR 04	2454	2462	2454	2462	+16
06/20/02 JUL 04	2494	2504	2494	2504	+10
06/20/02 DEC 04	2410	2420	2410	2420	+4

Total	Volume	Open_Int
06/19/02	66436	436345

## Soybeans

	Open	High	Low	Last	Chge
06/19/02 *CASH*		4870	4870	4870	-5
06/20/02 JUL 02	4924	4924	4870	4874	-40
06/20/02 AUG 02	4890	4890	4834	4836	-36
06/20/02 SEP 02	4770	4782	4734	4736	-26
06/20/02 NOV 02	4704	4720	4670	4672	-32
06/20/02 JAN 03	4734	4750	4700	4700	-30
06/20/02 MAR 03	4760	4770	4730	4730	-40
06/20/02 MAY 03	4770	4774	4730	4734	-44
06/20/02 JUL 03	4800	4802	4750	4752	-36
06/20/02 SEP 03	4670	4670	4670	4670	-30
06/20/02 NOV 03	4750	4750	4704	4704	-30

Total	Volume	Open_Int
06/19/02	60587	189918

## Soybean Meal

	Open	High	Low	Last	Chge
06/19/02 *CASH*		16700	16700	16700	unch
06/20/02 JUL 02	1650	1657	1643	1646	-6
06/20/02 AUG 02	1626	1632	1614	1616	-8
06/20/02 SEP 02	1593	1597	1582	1583	-7
06/20/02 OCT 02	1554	1559	1544	1545	-5
06/20/02 DEC 02	1540	1547	1531	1533	-4
06/20/02 JAN 03	1535	1540	1525	1525	-6
06/20/02 MAR 03	1522	1523	1511	1511	-8
06/20/02 MAY 03	1508	1510	1495	1497	-7
06/20/02 JUL 03	1515	1515	1491	1493	-9
06/20/02 AUG 03	1495	1495	1495	1495	+2
06/20/02 SEP 03	1515	1515	1490	1490	-1
06/20/02 OCT 03	1490	1490	1484	1486	unch
06/20/02 DEC 03	1490	1490	1480	1480	unch

Total	Volume	Open_Int
06/19/02	25319	141915

## Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/19/02 *CASH*	0	4840	4840	4840	+26	0	0
06/20/02 Jul 02	5095	5172	5085	5157	+122	3425	8883
06/20/02 Aug 02	4900	4965	4890	4917	+80	2844	11257
06/20/02 Oct 02	4005	4050	4000	4005	+20	440	4084
06/20/02 Dec 02	3795	3820	3775	3780	+8	650	3707
06/20/02 Feb 03	4135	4150	4120	4125	+35	172	631
06/20/02 Apr 03	4275	4275	4275	4275	+25	0	85
06/20/02 May 03	4775	4775	4775	4775	+25	0	3
06/20/02 Jun 03	5200	5200	5175	5175	+5	3	23
06/20/02 Jul 03	5150	5150	5150	5150	+50	0	0

Composite	Volume	Open_Int
06/19/02	7534	28673

## Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/19/02 *CASH*	0	6400	6400	6400	+3	0	0
06/20/02 Jun 02	6405	6420	6375	6407	-5	1490	4303
06/20/02 Aug 02	6385	6400	6332	6372	-8	3775	37524
06/20/02 Oct 02	6545	6565	6512	6547	+10	589	25093
06/20/02 Dec 02	6675	6705	6670	6690	+3	712	14006
06/20/02 Feb 03	6820	6845	6810	6840	+10	224	3997
06/20/02 Apr 03	6930	6965	6905	6960	+8	191	2048
06/20/02 Jun 03	6550	6562	6550	6562	-3	4	8

Composite	Volume	Open_Int
06/19/02	6985	86979

## Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/19/02 *CASH*	0	6700	6700	6700	+400	0	0
06/20/02 Jul 02	6400	6572	6400	6510	+190	530	1737
06/20/02 Aug 02	6360	6500	6360	6445	+145	247	1026
06/20/02 Feb 03	6280	6290	6240	6255	+23	11	107
06/20/02 Mar 03	6050	6050	6050	6050	unch	1	3
06/20/02 May 03	6000	6000	5975	5975	unch	0	3

Composite	Volume	Open_Int
06/19/02	789	2876

## Oats

	Open	High	Low	Last	Chge
06/19/02 *CASH*		2256	2256	2256	+44
06/20/02 JUL 02	1926	1930	1850	1852	-30
06/20/02 SEP 02	1516	1520	1472	1486	unch
06/20/02 DEC 02	1426	1440	1414	1414	unch
06/20/02 MAR 03	1460	1460	1460	1460	+20
06/20/02 MAY 03	1470	1470	1470	1470	+10

Total	Volume	Open_Int
06/19/02	1513	10628

## Weekly Dairy Market Outlook

**Ken Bailey**  
Penn State  
June 14, 2002  
Cheese Prices Fall  
Below Support

• Blocks fall to \$1.13 by mid-week.

• Butter falls below \$1/pound.

• Butter/powder tilt less likely.

The price of dairy commodities fell this week because of mounting inventories coupled with weak consumer demand. At the Chicago Mercantile Exchange, block cheese prices fell to \$1.13 per pound on Wednesday, June 12. That is officially below the government's support price of \$1.1314 per pound for 40-pound cheese blocks.

In addition, the price of Grade AA butter in Chicago fell to \$0.99 per pound the same day, still above support levels (\$0.8548 per pound for butter).

Weakness in the cash market

translated into weakness in the futures markets as September Class III futures fell to \$12 per CWT (June 14, 2002). Recall that about two months ago, September Class III futures were trading at \$13.50 per CWT.

USDA reported this week that both butter and cheese markets are weak. Current butter production is surpassing demand, and inventories are increasing. Demand for cream for ice cream production is helping, but not enough to prevent inventories from building. The same is also true for the cheese market. Current offerings of cheese exceed orders, and inventories are building.

The market for skim milk powder, or nonfat dry milk, continues to remain at the support price of \$0.90 per pound (called the CCC purchase price). Each week the USDA purchases sur-

plus inventory from the market. Recently, the Commodity Credit Corporation, which manages inventory for the dairy price support program, purchased 19.4 million pounds of nonfat dry milk during the week June 10-14. Of the total, 2 million pounds originated from the East Coast, 1.7 million pounds from the Midwest, and 15.7 million pounds were from the West.

For dairy producers, there may be just one good piece of news in all this misery. The lower prices for global powder prices of \$0.54 per pound, has made it less likely that USDA will change the "butter-powder" tilt this year.

On May 31, 2001 USDA lowered the CCC purchase price (support price) for nonfat dry milk from \$1.0032 per pound to \$0.90 per pound. Given a "milk" support price of \$0.90 per CWT at 3.67 percent butterfat, USDA had to raise the CCC purchase

price of butter from \$0.6549 per pound to \$0.8548 per pound in order to maintain the support value for manufacturing milk. This essentially describes the butter-powder "tilt."

There has been a lot of gossip this year that the U.S. secretary of agriculture is on the verge of announcing a butter-powder tilt that would lower the support price of nonfat dry milk from the current level of \$0.90 per pound. The idea is that this would lower the cost of operating the dairy price support program by lowering purchases of surplus powder. USDA authority for this tilt is maintained in the new Farm Bill, as long as it is reported to the Congress.

The downside of another butter-powder tilt, however, is that it must be combined with an increase in the CCC purchase price of butter. Here is my math, which is computed using the current

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## 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 — 2.37 bu., 4.24 cwt.
- Wheat, No.2 — 2.64 bu., 4.41 cwt.
- Barley, No.3 — 1.64 bu., 3.50 cwt.
- Oats, No.2 — 1.93 bu., 6.01 cwt.
- Soybeans, No.1 — 4.81 bu., 8.03 cwt.
- Ear Corn — 66.78 ton, 3.34 cwt.
- Alfalfa Hay — 120.00 ton, 6.0 cwt.
- Mixed Hay — 113.75 ton, 5.69 cwt.
- Timothy Hay — 100.00 ton, 5.0 cwt.