

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, August 8, 2002

Corn

	Open	High	Low	Last	Chge
08/07/02 *CASH*		2530	2530	2530	-22
08/08/02 SEP 02	2490	2490	2452	2462	-26
08/08/02 DEC 02	2590	2592	2562	2572	-26
08/08/02 MAR 03	2640	2640	2610	2620	-24
08/08/02 MAY 03	2662	2666	2644	2644	-26
08/08/02 JUL 03	2684	2686	2656	2666	-24
08/08/02 SEP 03	2564	2564	2534	2534	-16
08/08/02 DEC 03	2460	2476	2450	2450	-6
08/08/02 MAR 04	2520	2520	2514	2514	-4
08/08/02 JUL 04	2554	2560	2554	2554	-4
08/08/02 DEC 04	2390	2394	2390	2394	+4

Total	Volume	Open_Int
08/07/02	69697	505528

Soybeans

	Open	High	Low	Last	Chge
08/07/02 *CASH*		5500	5500	5500	-25
08/08/02 AUG 02	5600	5620	5544	5576	-22
08/08/02 SEP 02	5504	5510	5434	5454	-52
08/08/02 NOV 02	5286	5314	5210	5226	-76
08/08/02 JAN 03	5300	5324	5224	5234	-80
08/08/02 MAR 03	5300	5310	5230	5244	-66
08/08/02 MAY 03	5284	5300	5220	5242	-74
08/08/02 JUL 03	5290	5300	5220	5240	-62
08/08/02 AUG 03	5230	5230	5230	5230	-54
08/08/02 SEP 03	5070	5070	5070	5070	-30
08/08/02 NOV 03	5030	5040	4980	4984	-22

Total	Volume	Open_Int
08/07/02	49646	201018

Soybean Meal

	Open	High	Low	Last	Chge
08/07/02 *CASH*		18400	18400	18400	-150
08/08/02 AUG 02	1812	1827	1795	1805	-9
08/08/02 SEP 02	1765	1775	1745	1749	-20
08/08/02 OCT 02	1680	1690	1653	1661	-24
08/08/02 DEC 02	1660	1665	1630	1639	-25
08/08/02 JAN 03	1655	1658	1627	1633	-24
08/08/02 MAR 03	1643	1647	1617	1630	-16
08/08/02 MAY 03	1620	1628	1600	1611	-17
08/08/02 JUL 03	1623	1626	1600	1610	-13
08/08/02 AUG 03	1600	1600	1595	1595	-15
08/08/02 SEP 03	1600	1600	1581	1581	-4
08/08/02 OCT 03	1560	1560	1560	1560	-8
08/08/02 DEC 03	1560	1580	1560	1580	+10

Total	Volume	Open_Int
08/07/02	25414	126674

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/07/02 *CASH*	0	4923	4923	4923	-75	0	0
08/08/02 Aug 02	4800	4875	4800	4862	+77	1209	3730
08/08/02 Oct 02	3920	3940	3820	3905	+100	2894	15110
08/08/02 Dec 02	3790	3870	3790	3820	+43	1167	8732
08/08/02 Feb 03	4335	4380	4320	4335	unch	179	1588
08/08/02 Apr 03	4815	4840	4812	4822	+15	4	310
08/08/02 May 03	5535	5547	5535	5542	+2	8	77
08/08/02 Jun 03	5730	5745	5715	5745	+10	3	147
08/08/02 Jul 03	5725	5725	5680	5725	+20	0	70
08/08/02 Aug 03	5475	5480	5475	5475	+3	0	15

Composite Volume	Open_Int
08/07/02	5464 29779

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/07/02 *CASH*	0	6200	6200	6200	unch	0	0
08/08/02 Aug 02	6445	6445	6395	6417	-45	4125	8789
08/08/02 Oct 02	6765	6780	6710	6767	-18	7974	41734
08/08/02 Dec 02	6925	6945	6880	6940	+5	2279	21498
08/08/02 Feb 03	7010	7055	6987	7050	+15	1211	11515
08/08/02 Apr 03	7075	7100	7050	7095	+3	430	4962
08/08/02 Jun 03	6635	6655	6635	6655	-2	113	1533
08/08/02 Aug 03	6660	6660	6660	6660	unch	0	23

Composite Volume	Open_Int
08/07/02	16132 90054

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/07/02 *CASH*	0	5300	5300	5300	-200	0	0
08/08/02 Aug 02	6160	6495	6130	6445	+330	142	223
08/08/02 Feb 03	6280	6385	6210	6300	+73	287	693
08/08/02 Mar 03	6250	6255	6250	6250	+95	0	25
08/08/02 May 03	6495	6520	6372	6425	+35	0	2
08/08/02 Jul 03	6530	6530	6407	6530	+105	0	2

Composite Volume	Open_Int
08/07/02	429 945

Oats

	Open	High	Low	Last	Chge
08/07/02 *CASH*		1886	1886	1886	-20
08/08/02 SEP 02	1804	1810	1756	1770	-34
08/08/02 DEC 02	1730	1740	1716	1720	-6
08/08/02 MAR 03	1670	1674	1670	1674	-4
08/08/02 MAY 03	1634	1634	1634	1634	-14
08/08/02 JUL 03	1620	1620	1620	1620	unch

Total	Volume	Open_Int
08/07/02	636	11157

Weekly Dairy Market Outlook

Ken Bailey
Penn State
August 3, 2002
Markets React
To Summer Heat

- Relief from heat short-lived.
- Cheese market sends mixed signals.
- July Class III prices announced.
- Cash flow tight!

Heat and humidity have blanketed much of the U.S., resulting in temperatures in the 80s and 90s everywhere except the Northwest. In addition, concerns about drought-like conditions in some parts of the Cornbelt have some market watchers concerned about higher feed grain prices.

According to USDA's Dairy Market News, this hot weather pattern is "detering milk output in the central and eastern re-

gions. However, in the West, production is steady with areas of California showing a significant rebound from heat-induced problems two weeks earlier."

This of course is sending mixed signals to the cheese market, where prices at the Chicago Mercantile Exchange have risen slightly above support levels.

For the week ending Aug. 2, blocks traded at \$1.1620 per pound and barrels at \$1.1175. The rise in block prices is a bit strange, considering cheese stocks are more than adequate and market demand is weak. But the reduction in milk output through much of the U.S. is probably the reason for this.

Butter remained fairly constant this week, with Grade AA butter trading at an average \$1.0642 per pound in Chicago. This slight rise from last week is

because of the reduced cream supplies available to the market. The hot summer weather is fueling ice cream sales; thus, cream supplies are moving into ice cream plants and not butter churns.

USDA announced the federal order prices this week. Class III prices fell from \$10.09 per CWT in June to \$9.33 per CWT in July. This drop of \$0.76 per CWT was due entirely to the drop in the wholesale price of cheese in July. Class IV milk prices fell just \$0.07 per CWT from the month before to \$10.45 per CWT in July. This slight decline in Class IV prices was due to the fact that butter prices dropped only \$0.02 per pound in July, and nonfat dry milk prices remained at support levels.

According to the futures markets at the Chicago Mercantile Exchange, this represents the "bottom" of the market for Class III milk. Class III prices should

increase about \$0.30 per CWT in August and then increase about \$1.60 per CWT in September. The August milk check that producers receive in September will be the worst check for the year. Milk prices should rebound about \$1-\$2 per CWT the rest of the year relative to July lows.

One final note. Dairy producers eligible to receive the new dairy deficiency payments under the 2002 Farm Bill can expect to receive an average of \$1.04 per CWT on up to 2.4 million pounds of milk marketed for the months of December 2001 through August 2002. This will represent a significant amount of money for most dairy producers, particularly given current weak market conditions.

However, because of reduced staffing at USDA and an avalanche of new programs under the Farm Bill, this money won't

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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 — 2.51 bu., 4.49 cwt.
Wheat, No.2 — 2.94 bu., 4.91 cwt.
Barley, No.3 — 1.63 bu., 3.49 cwt.
Oats, No.2 — 1.71 bu., 5.33 cwt.
Soybeans, No.1 — 5.58 bu., 9.32 cwt.
Ear Corn — 69.82 ton, 3.49 cwt.
Alfalfa Hay — 106.25 ton, 5.31 cwt.
Mixed Hay — 111.00 ton, 5.55 cwt.
Timothy Hay — 93.75 ton, 4.69 cwt.