

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

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, August 15, 2002

## Corn

	Open	High	Low	Last	Chge
08/14/02 *CASH*		2780	2780	2780	+52
08/15/02 SEP 02	2754	2770	2700	2722	-6
08/15/02 DEC 02	2870	2884	2810	2840	-6
08/15/02 MAR 03	2914	2924	2864	2886	-2
08/15/02 MAY 03	2920	2930	2864	2894	-2
08/15/02 JUL 03	2914	2920	2860	2886	unch
08/15/02 SEP 03	2710	2714	2664	2680	-10
08/15/02 DEC 03	2572	2574	2524	2560	+2
08/15/02 MAR 04	2610	2620	2584	2620	+10
08/15/02 JUL 04	2634	2634	2610	2610	-20
08/15/02 DEC 04	2440	2440	2424	2424	-12

Total	Volume	Open_Int
08/14/02	133745	521495

## Soybeans

	Open	High	Low	Last	Chge
08/14/02 *CASH*		5820	5820	5820	unch
08/15/02 SEP 02	6010	6010	5910	5922	-16
08/15/02 NOV 02	5780	5794	5700	5730	+12
08/15/02 JAN 03	5780	5790	5700	5726	+24
08/15/02 MAR 03	5730	5760	5684	5706	+14
08/15/02 MAY 03	5650	5680	5610	5626	+12
08/15/02 JUL 03	5630	5634	5574	5584	+14
08/15/02 AUG 03	5530	5530	5530	5530	unch
08/15/02 SEP 03	5450	5450	5400	5400	unch
08/15/02 NOV 03	5224	5244	5194	5196	+2
08/15/02 NOV 04	4900	4900	4900	4900	unch

Total	Volume	Open_Int
08/14/02	76389	208889

## Soybean Meal

	Open	High	Low	Last	Chge
08/14/02 *CASH*		19500	19500	19500	-200
08/15/02 SEP 02	1935	1940	1875	1883	-27
08/15/02 OCT 02	1867	1872	1818	1823	-14
08/15/02 DEC 02	1845	1850	1799	1803	-18
08/15/02 JAN 03	1832	1835	1790	1792	-11
08/15/02 MAR 03	1805	1810	1767	1769	-13
08/15/02 MAY 03	1770	1770	1735	1736	-10
08/15/02 JUL 03	1750	1752	1730	1734	-4
08/15/02 AUG 03	1730	1730	1710	1711	-3
08/15/02 SEP 03	1695	1695	1685	1685	+3
08/15/02 OCT 03	1650	1650	1640	1640	+4
08/15/02 DEC 03	1625	1645	1625	1637	+7

Total	Volume	Open_Int
08/14/02	44894	131686

## Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/14/02 *CASH*	0	4745	4745	4745	-25	0	0
08/15/02 Oct 02	3650	3732	3635	3677	-33	3371	17095
08/15/02 Dec 02	3685	3750	3685	3717	+22	1355	10563
08/15/02 Feb 03	4490	4520	4440	4445	-50	462	1895
08/15/02 Apr 03	5055	5150	5050	5120	+85	242	453
08/15/02 May 03	5780	5890	5780	5890	+110	21	98
08/15/02 Jun 03	5970	6050	5960	6050	+120	64	177
08/15/02 Jul 03	5930	6030	5930	6020	+100	31	86
08/15/02 Aug 03	5800	5805	5750	5805	+55	10	25
08/15/02 Oct 03	5480	5480	5480	5480		0	0

Composite Volume	Open_Int
08/14/02	5866 33114

## Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/14/02 *CASH*	0	6200	6200	6200	+100	0	0
08/15/02 Aug 02	6557	6607	6555	6585	+28	2658	4706
08/15/02 Oct 02	6875	6895	6842	6865	-2	4733	44853
08/15/02 Dec 02	7060	7075	7040	7057	-5	1658	22843
08/15/02 Feb 03	7170	7180	7155	7160	-10	1109	13188
08/15/02 Apr 03	7220	7230	7205	7225	+5	596	5885
08/15/02 Jun 03	6750	6780	6740	6745	-2	136	1985
08/15/02 Aug 03	6790	6795	6780	6780	unch	24	58

Composite Volume	Open_Int
08/14/02	10914 93519

## Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/14/02 *CASH*	0	6300	6300	6300	-300	0	0
08/15/02 Aug 02	6310	6535	6310	6535	+295	82	80
08/15/02 Feb 03	6255	6325	6175	6250	+8	170	788
08/15/02 Mar 03	6190	6200	6170	6190	+30	1	26
08/15/02 May 03	6350	6350	6350	6350	unch	0	2
08/15/02 Jul 03	6425	6425	6425	6425	unch	1	3

Composite Volume	Open_Int
08/14/02	254 899

## Oats

	Open	High	Low	Last	Chge
08/14/02 *CASH*		2034	2034	2034	+40
08/15/02 SEP 02	1902	1920	1866	1906	+14
08/15/02 DEC 02	1894	1900	1850	1880	+10
08/15/02 MAR 03	1830	1830	1794	1830	+24
08/15/02 MAY 03	1784	1830	1780	1830	+52
08/15/02 JUL 03	1750	1750	1750	1750	+30

Total	Volume	Open_Int
08/14/02	1767	11198

## Weekly Dairy Market Outlook

Sarah Roth And  
Ken Bailey  
Penn State  
August 8, 2002  
Farm Bill Basics:  
An Overview Of  
The Dairy Title

- Sign-up begins Aug. 13.
- Few details available.
- Transition payment will likely be \$1.04/CWT.

The 2002 Farm Bill, passed on May 13, 2002, has several components that will impact the U.S. dairy industry. The component of most interest to the dairy industry is the dairy price support program and the Milk Income Loss Contract (MILC) program.

USDA announced that sign-up for the new MILC program will begin Aug. 13. Producers should contract their local Farm Services Agency (FSA) office.

Dairy producers will likely receive two kinds of payments under the new MILC program.

The first will be a transition payment that will cover the period December 2001 through either August or September 2002. The payment rate for this program through August is \$1.04 per CWT. The second type of payment will be monthly payments through Sept. 30, 2005. These payments will be made for months where the Class I price of milk in Boston falls below \$16.94 per hundredweight (CWT). Payments will be made only on quantities of milk up to 2.4 million pounds during a fiscal year.

Let's take a closer look at how these deficiency payments will work. Suppose a producer generates 150,000 pounds of milk per month on average. In a year the producer will generate roughly 1.8 million pounds of milk, less than the 2.4 million pound limit. Thus, this producer will receive payments throughout the year on 100 percent of their milk market-

ings.

What is less clear at this time, however, is what will happen with producers who will exceed the 2.4-million-pound cap in a given fiscal year. USDA will probably release regulations at the time of the sign-up regarding how these producers will qualify for program payments.

As stated earlier, the payments under the MILC program will be determined on a monthly basis. To see how this works, let's take July 2002. The Boston Class I price was \$13.87 per CWT. Since this price is below the \$16.94 per CWT lower limit specified in the Farm Bill, the producer qualifies for a deficiency payment for the month of July. The payment is computed as 45 percent of the positive difference between the Boston Class I price and \$16.94. In this example, the difference is \$3.07, and 45 percent of that is \$1.38. Thus, our dairy farmer who produces 150,000 pounds of milk each month will receive \$1.38 per CWT for the 1,500

CWTs produced during July, or \$2,070.

USDA is still sketchy regarding the definition of a "dairy operation." All they are saying for now is the following:

"A dairy operation is any person or group of persons who as a single unit, as determined by CCC, commercially produces and markets cow milk and has production facilities located in the U.S. Producers on dairy operations are not permitted to reconstitute a dairy operation for the sole purpose of receiving additional payments."

Other provisions of the Farm Bill related to dairy include:

- Authorization for a national Johne's disease control program
- Requirements that dairy importers pay a dairy promotion assessment equivalent to that of domestic producers
- Increased funding for dairy and livestock producers under the Environmental Quality In-

## 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 — 2.70 bu., 4.83 cwt.
- Wheat, No.2 — 3.05 bu., 5.09 cwt.
- Barley, No.3 — 1.58 bu., 3.37 cwt.
- Oats, No.2 — 1.74 bu., 5.42 cwt.
- Soybeans, No.1 — 5.43 bu., 9.06 cwt.
- Ear Corn — 73.30 ton, 3.67 cwt.
- Alfalfa Hay — 116.25 ton, 5.81 cwt.
- Mixed Hay — 112.50 ton, 5.63 cwt.
- Timothy Hay — 111.75 ton, 5.59 cwt.