

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, August 22, 2002

Corn

	Open	High	Low	Last	Chge
08/21/02 *CASH*		2682	2682	2682	+36
08/22/02 SEP 02	2594	2610	2574	2604	-6
08/22/02 DEC 02	2706	2720	2676	2714	-10
08/22/02 MAR 03	2766	2776	2736	2774	-10
08/22/02 MAY 03	2782	2794	2760	2790	-14
08/22/02 JUL 03	2782	2792	2764	2790	-12
08/22/02 SEP 03	2642	2642	2616	2624	-20
08/22/02 DEC 03	2530	2532	2504	2516	-20
08/22/02 MAR 04	2580	2580	2564	2564	-22
08/22/02 JUL 04	2600	2600	2590	2590	-20
08/22/02 DEC 04	2414	2414	2396	2400	-20

Total	Volume	Open_Int
08/21/02	88984	520351

Soybeans

	Open	High	Low	Last	Chge
08/21/02 *CASH*		5580	5580	5580	+73
08/22/02 SEP 02	5504	5510	5400	5480	-62
08/22/02 NOV 02	5380	5384	5302	5376	-34
08/22/02 JAN 03	5420	5420	5334	5410	-36
08/22/02 MAR 03	5420	5420	5360	5412	-36
08/22/02 MAY 03	5400	5410	5340	5404	-30
08/22/02 JUL 03	5390	5410	5350	5404	-16
08/22/02 AUG 03	5360	5370	5340	5370	-20
08/22/02 SEP 03	5240	5240	5240	5240	+10
08/22/02 NOV 03	5120	5150	5120	5150	+12
08/22/02 NOV 04	5100	5100	5100	5100	+60

Total	Volume	Open_Int
08/21/02	78848	203382

Soybean Meal

	Open	High	Low	Last	Chge
08/21/02 *CASH*		18350	18350	18350	+250
08/22/02 SEP 02	1777	1777	1743	1763	-21
08/22/02 OCT 02	1707	1707	1681	1696	-16
08/22/02 DEC 02	1685	1685	1662	1683	-16
08/22/02 JAN 03	1682	1685	1661	1682	-13
08/22/02 MAR 03	1673	1673	1653	1672	-13
08/22/02 MAY 03	1660	1660	1642	1659	-8
08/22/02 JUL 03	1660	1662	1648	1661	-8
08/22/02 AUG 03	1660	1660	1638	1650	-2
08/22/02 SEP 03	1635	1640	1630	1635	unch
08/22/02 OCT 03	1610	1610	1598	1604	-6
08/22/02 DEC 03	1600	1605	1600	1605	-5

Total	Volume	Open_Int
08/21/02	32191	136133

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/21/02 *CASH*	0	4357	4357	4357	-316	0	0
08/22/02 Oct 02	3465	3550	3460	3500	+13	3373	17997
08/22/02 Dec 02	3510	3550	3475	3515	-5	2912	10402
08/22/02 Feb 03	4297	4340	4260	4280	-17	308	2082
08/22/02 Apr 03	5000	5015	4957	4970	-27	161	610
08/22/02 May 03	5760	5785	5735	5757	-28	38	152
08/22/02 Jun 03	5925	5925	5895	5900	-25	77	241
08/22/02 Jul 03	5880	5905	5870	5875	-25	4	100
08/22/02 Aug 03	5590	5595	5555	5560	+10	0	35
08/22/02 Oct 03	5175	5180	5150	5175	-20	2	2

Composite Volume	Open_Int
08/21/02	6875 31621

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/21/02 *CASH*	0	6400	6400	6400	unch	0	0
08/22/02 Aug 02	6560	6590	6550	6585	+40	889	2257
08/22/02 Oct 02	6752	6820	6745	6815	+68	6006	44207
08/22/02 Dec 02	6980	7065	6970	7055	+83	2869	23331
08/22/02 Feb 03	7137	7210	7120	7202	+60	1050	14308
08/22/02 Apr 03	7240	7300	7215	7295	+53	401	6846
08/22/02 Jun 03	6770	6810	6760	6805	+43	183	2465
08/22/02 Aug 03	6815	6825	6805	6825	+30	9	68

Composite Volume	Open_Int
08/21/02	11408 93482

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
08/21/02 *CASH*	0	7200	7200	7200	-300	0	0
08/22/02 Aug 02	7000	7020	7000	7020	-40	10	23
08/22/02 Feb 03	6065	6120	6025	6092	+10	313	909
08/22/02 Mar 03	6060	6085	6025	6040	+15	0	27
08/22/02 May 03	6170	6175	6170	6170	+20	1	1
08/22/02 Jul 03	6265	6265	6255	6255	-20	3	10
08/22/02 Aug 03	6200	6200	6190	6190	+90	0	0

Composite Volume	Open_Int
08/21/02	327 970

Oats

	Open	High	Low	Last	Chge
08/21/02 *CASH*		1972	1972	1972	+12
08/22/02 SEP 02	1804	1804	1790	1802	-6
08/22/02 DEC 02	1796	1802	1782	1802	-4
08/22/02 MAR 03	1774	1774	1764	1774	-2
08/22/02 MAY 03	1770	1770	1770	1770	-4
08/22/02 JUL 03	1740	1740	1740	1740	unch

Total	Volume	Open_Int
08/21/02	997	11214

Weekly Dairy Market Outlook

Ken Bailey
Penn State
August 19, 2002

Farm Milk Price Gets Squeezed

- All-milk price hits season low.
- Feed prices getting higher.
- Cow numbers growing.

Last week's milk production report confirmed what the market already knew, that the milk supply was growing. USDA's milk production report indicated that the number of cows on farms in 20 select states was up from 7.745 million head in January to 7.786 million head in July. In fact, July saw growth of 7,000 head. Production per cow was also higher.

This was bad news for the dairy markets, which reacted swiftly. Block cheese prices in Chicago fell from \$1.1625 per pound on Monday, Aug. 12 to \$1.13 per pound by Friday, Aug.

16. In addition, the futures markets showed additional weakness. As of Aug. 16, 2002, the Class III futures at the Chicago Mercantile Exchange showed an August price of \$9.50 per CWT, a September price of \$10.15 per CWT, and an October-December price of \$10.50-\$11 per CWT.

On top of all this gloom is a steady rise in grain, meal, and alfalfa hay prices. A severe drought in Canada and some parts of the U.S. Cornbelt are causing higher feed prices. At the Chicago Board of Trade, December corn rose from \$2.20 per bushel earlier this year to \$2.85 per bushel. November soybean futures rose from \$4.62 per bushel earlier in the spring to close to \$5.75 per bushel. And hay prices have nowhere to go but higher. Canada will likely keep more of their limited supplies of hay to feed their withering herds.

All of this is resulting in a significant drop in the milk-feed price ratio. That index, which measures the milk price relative to the cost of feed, fell from 3.0 in January 2002 and is forecasted to fall all the way to 2.0 by September. The all-milk price, which fell from \$13.40 per CWT in January to \$11.20 per CWT in July, is only expected to rise moderately the rest of the year, reaching \$12.22 per CWT by December. Thus this slight gain will be offset by higher feed costs.

So why are cow numbers increasing when milk prices are falling to support levels? That is the big question. Cow numbers in July grew in 10 of 20 states. As a result, milk production grew 2.3 percent in these 20 select states in July. Milk production grew 15.6 percent in New Mexico, 6.3 percent in California, 5.6 percent in Idaho, 4.9 percent in Ohio, and 4.4 percent in New York.

Milk prices will likely not improve significantly until cow numbers stabilize and go down.

Westminster Livestock

Hagerstown, Md.
Report Supplied By Auction
August 20, 2002
SLAUGHTER COWS: 132 HEAD, STEADY. BREAKERS 38.00-45.00, BONERS 36.00-41.00, LEAN 31.00-36.00, THIN 31.00 DOWN.
BULLS: 12 HEAD, 2.00 LOWER. YG+N1 1500-1700 LBS. 49.00-51.00, YG+N2 1200-2000 LBS. 40.00-48.00.
FED STEERS: 26 HEAD, HIGH CHOICE 2-4 1200-1400 LBS. 64.50-67.50, CHOICE 2-3 1100-1400 LBS. 63.00-65.00, HIGH CHOICE HOLSTEINS 1325 LBS. TO 55.00.
FED HEIFERS: 10 HEAD, HIGH CHOICE 900-1300 LBS. 61.00-64.00, LOW CHOICE 55.00-60.00.
CALVES: 166 HEAD, GOOD SLAUGHTER. 80-115 LBS. 34.00-44.00, THIN AND ROUGH 24.00-34.00; HOLSTEIN BULLS RETURNING TO FARM 5.00 HIGHER, +N1 95-115 LBS. 105.00-126.00, +N2 90-120 LBS. 70.00-100.00; HOLSTEIN HEIFERS 1 PUREBRED 88 LBS. AT 545.00, +N2 80-120 LBS. 260.00-375.00, 70-80 LBS. 85.00-135.00; BEEF X BULLS AND HEIFERS +N1 90-120 LBS. 85.00-125.00.
BUTCHER HOGS: 41 HEAD, 2.00-3.00 LOWER, +N1 AND 2 220-280 LBS. 26.50-27.00, 3 HEAD TO 28.50, +N2 AND 3 240-300 LBS. 22.00-25.00, 300-400 LBS. 16.00-24.00.

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 — 2.76 bu., 4.94 cwt.
- Wheat, No.2 — 3.11 bu., 5.19 cwt.
- Barley, No.3 — 1.60 bu., 3.41 cwt.
- Oats, No.2 — 1.68 bu., 5.24 cwt.
- Soybeans, No.1 — 5.35 bu., 8.93 cwt.
- Ear Corn — 74.79 ton, 3.74 cwt.
- Alfalfa Hay — 130.00 ton, 6.5 cwt.
- Mixed Hay — 120.00 ton, 6.00 cwt.
- Timothy Hay — 115.00 ton, 5.75 cwt.