

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Wednesday, November 27, 2002

Corn

	Open	High	Low	Last	Chge
11/26/02 *CASH*		2482	2482	2482	-10
11/27/02 DEC 02	2424	2432	2404	2406	-14
11/27/02 MAR 03	2456	2460	2440	2442	-4
11/27/02 MAY 03	2470	2474	2452	2454	-10
11/27/02 JUL 03	2484	2494	2464	2470	-10
11/27/02 SEP 03	2440	2446	2432	2432	-4
11/27/02 DEC 03	2414	2420	2404	2406	unch
11/27/02 MAR 04	2470	2476	2462	2464	unch
11/27/02 MAY 04	2486	2486	2486	2486	unch
11/27/02 JUL 04	2490	2490	2490	2490	unch
11/27/02 DEC 04	2410	2410	2400	2400	unch

Total	Volume	Open_Int
11/26/02	122984	472932

Soybeans

	Open	High	Low	Last	Chge
11/26/02 *CASH*		5595	5595	5595	-13
11/27/02 JAN 03	5780	5810	5760	5772	+42
11/27/02 MAR 03	5740	5764	5714	5726	+32
11/27/02 MAY 03	5650	5674	5620	5622	+14
11/27/02 JUL 03	5594	5630	5560	5566	+6
11/27/02 AUG 03	5500	5500	5470	5470	-4
11/27/02 SEP 03	5292	5292	5292	5292	+2
11/27/02 NOV 03	5124	5134	5070	5076	-24
11/27/02 JAN 04	5112	5112	5112	5112	-16
11/27/02 MAR 04	5120	5120	5120	5120	-30
11/27/02 NOV 04	4900	4900	4874	4874	+2

Total	Volume	Open_Int
11/26/02	33166	214019

Soybean Meal

	Open	High	Low	Last	Chge
11/26/02 *CASH*		16400	16400	16400	-50
11/27/02 DEC 02	1675	1683	1666	1671	+3
11/27/02 JAN 03	1690	1696	1677	1684	+3
11/27/02 MAR 03	1694	1694	1676	1681	unch
11/27/02 MAY 03	1675	1675	1655	1657	-5
11/27/02 JUL 03	1660	1660	1643	1647	-3
11/27/02 AUG 03	1630	1630	1613	1615	-6
11/27/02 SEP 03	1595	1600	1578	1578	-7
11/27/02 OCT 03	1550	1550	1523	1523	-12
11/27/02 DEC 03	1540	1540	1520	1523	-6
11/27/02 JAN 04	1521	1521	1521	1521	unch
11/27/02 MAR 04	1531	1531	1531	1531	unch
11/27/02 MAY 04	1555	1555	1555	1555	unch
11/27/02 DEC 04	1595	1595	1595	1595	-5

Total	Volume	Open_Int
11/26/02	45587	136563

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/26/02 *CASH*	0	4129	4129	4129	-463	0	0
11/27/02 Dec 02	4640	4690	4595	4675	+95	3655	16699
11/27/02 Feb 03	5400	5482	5385	5410	+55	2921	17825
11/27/02 Apr 03	5870	5930	5865	5897	+65	1211	5773
11/27/02 May 03	6200	6240	6200	6220	+35	128	1487
11/27/02 Jun 03	6525	6590	6525	6582	+62	127	3587
11/27/02 Jul 03	6257	6295	6255	6295	+55	78	999
11/27/02 Aug 03	6040	6065	6025	6035	+35	15	548
11/27/02 Oct 03	5267	5295	5265	5280	+20	38	87
11/27/02 Dec 03	5190	5195	5190	5192	+2	4	20

Composite Volume	Open_Int
11/26/02	8177 47025

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/26/02 *CASH*	0	7100	7100	7100	-89	0	0
11/27/02 Dec 02	7467	7500	7465	7497	+72	6617	27754
11/27/02 Feb 03	7855	7872	7835	7870	+40	4413	51999
11/27/02 Apr 03	7795	7810	7765	7802	+15	2011	28074
11/27/02 Jun 03	7195	7227	7177	7222	+40	1089	16391
11/27/02 Aug 03	7030	7067	7015	7050	+38	407	4452
11/27/02 Oct 03	7140	7200	7140	7157	+42	26	672

Composite Volume	Open_Int
11/26/02	14563 129342

Pork Bellies

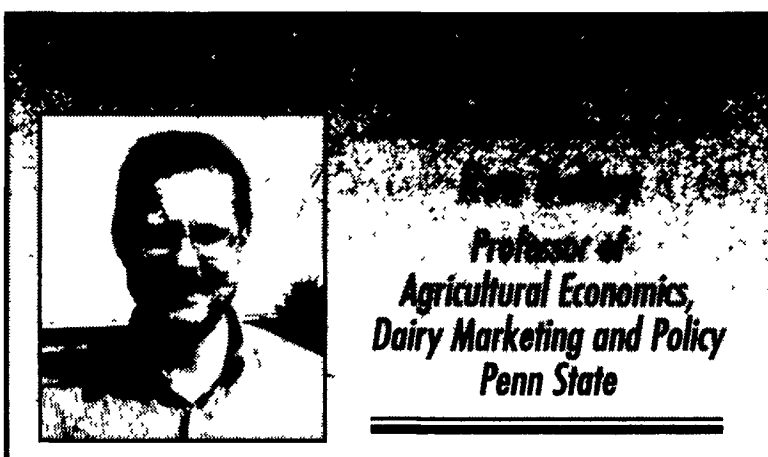
Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
11/26/02 *CASH*	0	7400	7400	7400	-200	0	0
11/27/02 Feb 03	8420	8650	8420	8612	+252	442	2007
11/27/02 Mar 03	8340	8545	8340	8505	+250	22	157
11/27/02 May 03	8487	8650	8487	8600	+210	4	63
11/27/02 Jul 03	8800	8820	8800	8800	+250	1	91
11/27/02 Aug 03	8350	8600	8350	8600	+300	2	10

Composite Volume	Open_Int
11/26/02	472 2328

Oats

	Open	High	Low	Last	Chge
11/26/02 *CASH*		2062	2062	2062	+6
11/27/02 DEC 02	1912	1940	1912	1940	+22
11/27/02 MAR 03	1982	2010	1982	2006	+24
11/27/02 MAY 03	1936	1960	1936	1944	+14
11/27/02 JUL 03	1794	1796	1792	1792	+42
11/27/02 SEP 03	1540	1540	1540	1540	+10
11/27/02 DEC 03	1570	1570	1570	1570	unch
11/27/02 MAR 04	1580	1580	1580	1580	unch

Total	Volume	Open_Int
11/26/02	2201	7257



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lower than in previous months, which is a good sign. But a closer look reveals a disturbing fact: cow numbers increased 8,000 head above the previous month. The market was expecting cow numbers to continue a downward trend that started in September. It is not a good idea to disappoint the market.

Nine of 20 states in USDA's list of top dairy states increased cow numbers in October 2002 over October 2001. Most of those states are in the West. But some are from the Midwest and East: New York, Ohio, Illinois, Iowa, and Virginia.

The cold storage report indicated that both butter and cheese inventories in October were well ahead of year-ago levels. Butter stocks, at 164.4 million pounds, are 63 percent higher than a year ago. American cheese stocks were at 505.5 million pounds, about 9 percent ahead of a year ago.

Total cheese inventories at the end of October were ahead 8 percent relative to a year ago. These stocks, however, don't yet reflect the inventory drawdown that could be expected from the holiday season. So there is still hope!

USDA announced the Class I base milk price for December. It's \$10.52 per CWT, down 8 cents per CWT from last month. That implies a Boston Class I price of \$13.77 per CWT and therefore a December 2002 MILC payment rate of \$1.43 per CWT. Thus, a higher MILC payment rate will help offset lower market prices.

This bad news may be short-lived. The futures markets are showing that Class III prices will rise above \$10 per CWT starting in January and peak at a robust \$13.16 per CWT in September 2003. One can interpret this to mean that the market is expecting the milk supply to slow down and demand to pick up.

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 — 3.01 bu., 5.39 cwt.
- Wheat, No.2 — 3.51 bu., 5.87 cwt.
- Barley, No.3 — 1.91 bu., 4.08 cwt.
- Oats, No.2 — 1.85 bu., 5.77 cwt.
- Soybeans, No.1 — 5.35 bu., 8.93 cwt.
- Ear Corn — 76.73 ton, 3.84 cwt.
- Alfalfa Hay — 131.75 ton, 6.59 cwt.
- Mixed Hay — 129.25 ton, 6.46 cwt.
- Timothy Hay — 128.75 ton, 6.44 cwt.

Nov. 22, 2002 MARKET REPORTS LOOK BLEAK

- Cow numbers higher.
- Butter and cheese stocks high.
- Futures prices look better.

The market news does not look favorable to milk prices, at least not for the rest of the year. The milk production report shows a year-ago rate of growth in

cow numbers in U.S. dairy herds are on the rise. And the cold storage report indicates cheese and butter stocks are well ahead of year-ago levels. More milk, more cheese, more butter, and lower milk prices!

First, the milk production report. October milk production was up just 2.3 percent over a year ago. This rate of growth is