

# GRAIN, CATTLE, HOG, & MILK BFP

## FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, December 12, 2002

### Corn

	Open	High	Low	Last	Chge
12/11/02 *CASH*		2434	2434	2434	+22
12/12/02 DEC 02	2374	2374	2330	2360	-16
12/12/02 MAR 03	2400	2406	2366	2392	-12
12/12/02 MAY 03	2422	2426	2390	2416	-4
12/12/02 JUL 03	2440	2446	2412	2436	-6
12/12/02 SEP 03	2412	2420	2400	2410	-4
12/12/02 DEC 03	2390	2394	2380	2386	-4
12/12/02 MAR 04	2446	2450	2440	2442	-2
12/12/02 MAY 04	2460	2460	2460	2460	-4
12/12/02 JUL 04	2480	2480	2464	2464	-4
12/12/02 DEC 04	2390	2390	2390	2390	unch

Total	Volume	Open_Int
12/11/02	42992	453636

### Soybeans

	Open	High	Low	Last	Chge
12/11/02 *CASH*		5580	5580	5580	+40
12/12/02 JAN 03	5700	5770	5640	5760	+80
12/12/02 MAR 03	5664	5724	5612	5714	+66
12/12/02 MAY 03	5570	5620	5520	5614	+56
12/12/02 JUL 03	5544	5590	5480	5576	+52
12/12/02 AUG 03	5460	5490	5430	5490	+50
12/12/02 SEP 03	5310	5310	5294	5300	+30
12/12/02 NOV 03	5114	5136	5090	5122	+20
12/12/02 JAN 04	5150	5150	5150	5150	+20
12/12/02 MAR 04	5180	5180	5180	5180	+14
12/12/02 NOV 04	4844	4844	4844	4844	+2

Total	Volume	Open_Int
12/11/02	36693	213424

### Soybean Meal

	Open	High	Low	Last	Chge
12/11/02 *CASH*		16150	16150	16150	+150
12/12/02 DEC 02	1636	1645	1625	1645	+9
12/12/02 JAN 03	1641	1650	1630	1649	+8
12/12/02 MAR 03	1648	1658	1640	1657	+6
12/12/02 MAY 03	1643	1649	1634	1648	+5
12/12/02 JUL 03	1638	1645	1629	1645	+7
12/12/02 AUG 03	1609	1627	1603	1626	+12
12/12/02 SEP 03	1580	1600	1578	1598	+13
12/12/02 OCT 03	1550	1555	1545	1551	+4
12/12/02 DEC 03	1540	1556	1537	1555	+9
12/12/02 JAN 04	1550	1550	1545	1547	+9
12/12/02 MAR 04	1550	1550	1549	1550	+3
12/12/02 MAY 04	1572	1572	1572	1572	+10
12/12/02 JUL 04	1575	1575	1575	1575	+13
12/12/02 DEC 04	1585	1585	1585	1585	+8

Total	Volume	Open_Int
12/11/02	22466	140758

### Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/11/02 *CASH*	0	4262	4262	4262	-354	0	0
12/12/02 Dec 02	4360	4370	4330	4345	+20	5180	7123
12/12/02 Feb 03	5255	5290	5185	5197	-48	8281	20894
12/12/02 Apr 03	5765	5850	5755	5757	-38	1676	7572
12/12/02 May 03	6200	6240	6180	6197	-5	207	1983
12/12/02 Jun 03	6560	6620	6530	6590	+5	498	4496
12/12/02 Jul 03	6305	6325	6255	6315	+10	98	1389
12/12/02 Aug 03	6025	6025	6005	6007	-18	41	926
12/12/02 Oct 03	5260	5260	5250	5260	-10	5	223
12/12/02 Dec 03	5190	5190	5170	5190	unch	10	58

### Composite Volume Open\_Int

12/11/02	15997	44664
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### Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/11/02 *CASH*	0	7294	7294	7294	-56	0	0
12/12/02 Dec 02	7370	7370	7287	7292	-90	6290	10538
12/12/02 Feb 03	7780	7790	7710	7735	-57	6732	52487
12/12/02 Apr 03	7730	7730	7660	7687	-50	2241	29343
12/12/02 Jun 03	7165	7170	7080	7125	-60	1157	17843
12/12/02 Aug 03	7030	7030	6947	6972	-63	303	5371
12/12/02 Oct 03	7150	7190	7060	7060	-90	44	1001

### Composite Volume Open\_Int

12/11/02	16767	116583
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### Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
12/11/02 *CASH*	0	7800	7800	7800	unch	0	0
12/12/02 Feb 03	8490	8590	8415	8467	+12	788	2000
12/12/02 Mar 03	8375	8467	8290	8330	+5	63	220
12/12/02 May 03	8480	8550	8410	8450	unch	13	80
12/12/02 Jul 03	8570	8570	8470	8505	-105	6	131
12/12/02 Aug 03	8527	8527	8527	8527	-3	0	13

### Composite Volume Open\_Int

12/11/02	870	2444
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### Oats

	Open	High	Low	Last	Chge
12/11/02 *CASH*		2166	2166	2166	+14
12/12/02 DEC 02	1994	2072	1994	2050	+50
12/12/02 MAR 03	2016	2022	2002	2020	+2
12/12/02 MAY 03	1940	1960	1940	1960	unch
12/12/02 JUL 03	1790	1790	1780	1784	-6
12/12/02 SEP 03	1590	1590	1590	1590	unch
12/12/02 DEC 03	1550	1550	1550	1550	unch
12/12/02 MAR 04	1580	1580	1580	1580	unch

Total	Volume	Open_Int
12/11/02	636	6003

## Weekly Dairy Market Outlook



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**Dec. 6, 2002  
FUTURES MARKET FOR  
2003 LOOKS BETTER**

- Class III futures at \$11.90 for 2003.
- Current market conditions weak.
- U.S. joblessness rate for November up to 6 percent.

The short-term market information is providing a mixed bag.

First, the bad news. The USDA announced a price support tilt that will likely reduce the market price of nonfat dry milk. The October dairy products report shows strong production for cheese and butter. USDA announced that the Class III price for November is down to \$9.84 per CWT. Finally, the U.S. joblessness rate for November rose to 6 percent.

There is some good news out there. The Grade AA butter price at the Chicago Mercantile Exchange this week is at \$1.11 per pound, above support-price levels. USDA has announced a plan to deal with surplus powder in government warehouses. The futures market for 2003 looks promising. And finally, Holiday sales after Thanksgiving Day looked very promising. This is pointing to a stronger than expected holiday shopping period.

Some dairy producers are being offered fixed price contracts on their milk supply for 2003. They can contract all or part of their future milk production relative to a Class III, Class IV, cheese, or butter price. Generally speaking, I really like fixed price contracts. They are very cost-effective to the producer, you get one price for the entire year, and they are easy to deal with. However, be forewarned: you will get exactly what you contract for!

That said, my advice is to 1) don't lock in all your future milk production at a fixed price, unless you really want to, and 2) only consider a price that is close to the five-year average.

The Class III futures at the Chicago Mercantile Exchange as of Dec. 6, 2002 averaged \$11.90 for all of 2003. That is very close to the five-year average Class III price of \$12.02 per CWT (1998-2002). Right now, I'd take "average" over "below average" any day.

So, if you are offered a fixed price contract for all of 2003 at a Class III price close to \$12, I would recommend you contract part of your production. Consider 20-40 percent for 2003. This will provide you with greater security and will help cash flow the business the first half of next year. Generally speaking, most analysts expect milk prices will be lower the first half of 2003 and higher the second half.

### 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 — 3.02 bu., 5.40 cwt.
- Wheat, No.2 — 3.50 bu., 5.84 cwt.
- Barley, No 3 — 2.06 bu., 4.40 cwt.
- Oats, No.2 — 1.87 bu., 5.81 cwt.
- Soybeans, No 1 — 5.71 bu., 9.53 cwt
- Ear Corn — 85.13 ton, 4.26 cwt
- Alfalfa Hay — 138.00 ton, 6.9 cwt.
- Mixed Hay — 135.00 ton, 6.75 cwt.
- Timothy Hay — 133.50 ton, 6.68 cwt