

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, January 16, 2003

Corn

	Open	High	Low	Last	Chge
01/15/03 *CASH*		2376	2376	2376	-10
01/16/03 MAR 03	2310	2316	2286	2306	-4
01/16/03 MAY 03	2336	2344	2312	2332	-6
01/16/03 JUL 03	2366	2374	2344	2362	-6
01/16/03 SEP 03	2376	2382	2362	2372	-6
01/16/03 DEC 03	2390	2392	2374	2384	-10
01/16/03 MAR 04	2446	2450	2434	2440	-10
01/16/03 MAY 04	2460	2460	2460	2460	-10
01/16/03 JUL 04	2480	2480	2474	2474	-6
01/16/03 DEC 04	2414	2414	2402	2402	-6

Total	Volume	Open_Int
01/15/03	49320	459036

Soybeans

	Open	High	Low	Last	Chge
01/15/03 *CASH*		5420	5420	5420	-10
01/16/03 MAR 03	5500	5544	5446	5490	-6
01/16/03 MAY 03	5470	5502	5416	5454	+10
01/16/03 JUL 03	5450	5490	5400	5436	+4
01/16/03 AUG 03	5424	5424	5340	5386	+12
01/16/03 SEP 03	5270	5270	5220	5230	unch
01/16/03 NOV 03	5130	5174	5096	5120	+12
01/16/03 JAN 04	5150	5150	5150	5150	+4
01/16/03 MAR 04	5180	5180	5174	5174	+4
01/16/03 NOV 04	4950	4950	4950	4950	+24

Total	Volume	Open_Int
01/15/03	52092	195536

Soybean Meal

	Open	High	Low	Last	Chge
01/15/03 *CASH*		16000	16000	16000	-100
01/16/03 MAR 03	1623	1636	1605	1624	+7
01/16/03 MAY 03	1618	1626	1601	1615	+6
01/16/03 JUL 03	1613	1622	1595	1608	+1
01/16/03 AUG 03	1588	1596	1569	1584	-1
01/16/03 SEP 03	1571	1576	1550	1559	-6
01/16/03 OCT 03	1531	1541	1518	1523	-5
01/16/03 DEC 03	1525	1535	1509	1517	-4
01/16/03 JAN 04	1525	1530	1513	1515	-5
01/16/03 MAR 04	1550	1550	1540	1540	unch
01/16/03 MAY 04	1560	1560	1550	1550	unch
01/16/03 JUL 04	1565	1565	1565	1565	unch
01/16/03 AUG 04	1570	1570	1570	1570	unch
01/16/03 SEP 04	1580	1580	1580	1580	unch
01/16/03 DEC 04	1595	1595	1595	1595	+5

Total	Volume	Open_Int
01/15/03	27131	153900

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/15/03 *CASH*	0	4509	4509	4509	-60	0	0
01/16/03 Feb 03	5160	5212	5092	5182	+70	4722	13392
01/16/03 Apr 03	5762	5810	5630	5800	+70	3643	13516
01/16/03 May 03	6230	6300	6150	6297	+100	92	2806
01/16/03 Jun 03	6350	6420	6270	6410	+100	785	6881
01/16/03 Jul 03	6120	6190	6062	6172	+127	125	1745
01/16/03 Aug 03	5830	5890	5825	5890	+108	188	1471
01/16/03 Oct 03	5265	5290	5240	5280	+65	132	553
01/16/03 Dec 03	5170	5170	5140	5152	+42	52	168
01/16/03 Feb 04	5420	5420	5420	5420	+50	15	19

Composite Volume	Open_Int
01/15/03	9754 40553

Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/15/03 *CASH*	0	7885	7885	7885	+131	0	0
01/16/03 Feb 03	7975	8005	7930	7967	+32	14430	39225
01/16/03 Apr 03	7785	7795	7710	7785	+13	11528	44630
01/16/03 Jun 03	7000	7040	6975	7037	+67	3384	18228
01/16/03 Aug 03	6775	6797	6740	6782	+40	1342	6451
01/16/03 Oct 03	7025	7045	7000	7035	+35	567	2178
01/16/03 Dec 03	7155	7185	7150	7175	+35	476	1508
01/16/03 Feb 04	7280	7315	7280	7312	+32	13	23

Composite Volume	Open_Int
01/15/03	31741 112243

Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
01/15/03 *CASH*	0	7900	7900	7900	+400	0	0
01/16/03 Feb 03	8230	8275	8150	8182	-30	325	1607
01/16/03 Mar 03	8230	8250	8145	8150	-20	97	531
01/16/03 May 03	8310	8370	8270	8270	-25	40	298
01/16/03 Jul 03	8400	8400	8340	8380	unch	24	232
01/16/03 Aug 03	8150	8150	8150	8150	unch	4	21

Composite Volume	Open_Int
01/15/03	490 2689

Oats

	Open	High	Low	Last	Chge
01/15/03 *CASH*		2324	2324	2324	+14
01/16/03 MAR 03	2134	2136	2084	2104	-24
01/16/03 MAY 03	2040	2050	2014	2014	-26
01/16/03 JUL 03	1886	1886	1870	1872	-2
01/16/03 SEP 03	1686	1686	1680	1680	unch
01/16/03 DEC 03	1584	1584	1584	1584	-4
01/16/03 MAR 04	1620	1620	1620	1620	unch

Total	Volume	Open_Int
01/15/03	807	7300

by Thursday. We are now technically below support price levels (\$1.1314 per pound for 40- and 60-pound block cheese).

Grade AA butter prices weakened significantly this week at the Chicago Mercantile Exchange because of mounting inventories. Prices fell from \$1.1350 per pound on Monday to \$1.08 per pound by Friday. This is still technically above the support price of \$1.05. However, western butter prices are normally 1-3 cents per pound below Chicago prices. Butter production for the first 11 months of 2002 grew 10.5 percent relative to depressed levels in 2001.

Western nonfat dry milk prices continue to drift toward support levels of \$0.80 per pound. For the week of Jan. 6-10, western prices averaged \$0.80-\$0.84 per pound. Nonfat dry milk production for the first 11 months of 2002 were up 7.9 percent relative to the same period in 2001. Thus the butter/powder tilt is having its effect on market prices.

ket conditions. However, USDA also released 2002 consumption data last week that seems to contradict our forecasts of weak demand. For the period January through October 2002, milk production grew 2.7 percent and commercial disappearance, a proxy for consumption, grew just 1.1 percent. This reflects consumption on a "milkfat basis." It does not come close to the growth in the milk supply. However, examination of individual finished dairy products looks more interesting. Demand for finished dairy products grew as follows: butter up 4.0 percent, American cheese up 1.3 percent, other cheese up 3.9 percent, nonfat dry milk down 22.4 percent, and fluid milk consumption up 0.2 percent. This seems to contradict earlier USDA reports that "other cheese" consumption, mainly Italian cheese, was weak.

For August through October 2002, consumption of American cheese grew 3.5 percent and other cheese grew 7.9 percent. Even butter grew 8.5 percent. This may


suggest that holiday sales were better than expected. However, what really counts is ending stock levels and the rate of growth in cow numbers. Those two factors are still not supportive of higher milk prices, at least not this month.

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 — 2.96 bu., 5.30 cwt.
- Wheat, No.2 — 3.36 bu., 5.60 cwt.
- Barley, No.3 — 2.07 bu., 4.42 cwt.
- Oats, No.2 — 1.97 bu., 6.15 cwt.
- Soybeans, No.1 — 5.75 bu., 9.60 cwt.
- Ear Corn — 87.66 ton, 4.38 cwt.
- Alfalfa Hay — 149.50 ton, 7.48 cwt.
- Mixed Hay — 142.50 ton, 7.13 cwt.
- Timothy Hay — 126.25 ton, 6.31 cwt.



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Jan. 11, 2003 COMMERCIAL USE SENDS MIXED SIGNALS

- Butter prices trending lower.
- Nonfat dry milk prices weakening.
- Cheese below support.
- Demand for 2002 stronger than expected.

The markets were generally weak during the second week of January 2003. Of course that is

what one would expect after the holidays. Excess milk production normally ends up in butter and cheese production, and demand is noticeably weak.

At the Chicago Mercantile Exchange, block cheese prices fell from \$1.1325 per pound on Monday, Jan. 6 to \$1.1125 by week's end. Barrel prices held steady at \$1.11 per pound most of the week, falling to \$1.10 per pound

All of this points to weak mar-