

GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, February 6, 2003

Corn

Date	Open	High	Low	Last	Chge
02/04/03 *CASH*		2462	2462	2462	+10
02/05/03 MAR 03	2380	2382	2356	2366	-10
02/05/03 MAY 03	2402	2406	2382	2390	-12
02/05/03 JUL 03	2426	2432	2406	2414	-12
02/05/03 SEP 03	2432	2436	2422	2424	-6
02/05/03 DEC 03	2442	2444	2432	2436	-4
02/05/03 MAR 04	2492	2494	2484	2486	-4
02/05/03 MAY 04	2510	2510	2510	2510	-4
02/05/03 JUL 04	2520	2526	2520	2524	+6
02/05/03 DEC 04	2390	2396	2390	2396	+4

Total	Volume	Open_Int
02/04/03	44474	467128

Soybeans

Date	Open	High	Low	Last	Chge
02/04/03 *CASH*		5660	5660	5660	+43
02/05/03 MAR 03	5674	5686	5602	5630	-74
02/05/03 MAY 03	5640	5646	5570	5596	-66
02/05/03 JUL 03	5604	5624	5546	5574	-60
02/05/03 AUG 03	5524	5540	5470	5500	-56
02/05/03 SEP 03	5390	5390	5340	5380	-32
02/05/03 NOV 03	5260	5274	5206	5230	-46
02/05/03 JAN 04	5270	5274	5230	5254	-44
02/05/03 MAR 04	5284	5284	5284	5284	-44
02/05/03 NOV 04	5020	5020	4960	4970	-30

Total	Volume	Open_Int
02/04/03	45147	202453

Soybean Meal

Date	Open	High	Low	Last	Chge
02/04/03 *CASH*		17300	17300	17300	+50
02/05/03 MAR 03	1709	1719	1693	1697	-18
02/05/03 MAY 03	1688	1697	1678	1680	-16
02/05/03 JUL 03	1675	1680	1663	1666	-16
02/05/03 AUG 03	1640	1645	1629	1631	-18
02/05/03 SEP 03	1605	1612	1598	1599	-11
02/05/03 OCT 03	1560	1572	1558	1560	-10
02/05/03 DEC 03	1550	1559	1546	1548	-9
02/05/03 JAN 04	1550	1550	1545	1545	-10
02/05/03 MAR 04	1565	1565	1555	1555	-10
02/05/03 MAY 04	1561	1561	1561	1561	-6
02/05/03 JUL 04	1562	1562	1562	1562	-5
02/05/03 AUG 04	1562	1562	1562	1562	-5
02/05/03 SEP 04	1562	1562	1562	1562	-11
02/05/03 DEC 04	1585	1585	1585	1585	-7

Total	Volume	Open_Int
02/04/03	19003	162950

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/05/03 *CASH*	0	4769	4769	4769	-24	0	0
02/06/03 Feb 03	4840	4860	4800	4830	-37	2618	5696
02/06/03 Apr 03	5395	5437	5330	5360	-40	4325	18229
02/06/03 May 03	5835	5897	5800	5850	-45	182	2903
02/06/03 Jun 03	6155	6210	6125	6132	-60	561	7714
02/06/03 Jul 03	6015	6025	5975	5990	-45	214	2831
02/06/03 Aug 03	5750	5790	5710	5750	-32	258	2230
02/06/03 Oct 03	4990	5020	4970	5000	-5	62	972
02/06/03 Dec 03	4872	4905	4872	4880	-20	23	386
02/06/03 Feb 04	5330	5330	5310	5310	-30	0	52

Composite Volume Open_Int

02/05/03	8243	41014
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Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/05/03 *CASH*	0	7900	7900	7900	unch	0	0
02/06/03 Feb 03	8150	8155	8015	8065	-100	7685	20478
02/06/03 Apr 03	7850	7850	7725	7777	-98	10343	62536
02/06/03 Jun 03	7115	7120	6997	7060	-87	3087	20698
02/06/03 Aug 03	6815	6830	6740	6792	-63	1137	7703
02/06/03 Oct 03	7050	7050	6992	7040	-27	810	3889
02/06/03 Dec 03	7145	7155	7122	7145	-7	448	2118
02/06/03 Feb 04	7310	7325	7302	7325	+3	62	409

Composite Volume Open_Int

02/05/03	23572	117831
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Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/05/03 *CASH*	0	7800	7800	7800	unch	0	0
02/06/03 Feb 03	8455	8525	8350	8425	-97	250	981
02/06/03 Mar 03	8475	8525	8350	8385	-100	586	1233
02/06/03 May 03	8582	8630	8452	8465	-117	134	589
02/06/03 Jul 03	8555	8625	8550	8590	-57	20	279
02/06/03 Aug 03	8330	8330	8330	8330	-70	0	28


Composite Volume Open_Int

02/05/03	990	3110
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Oats

Date	Open	High	Low	Last	Chge
02/04/03 *CASH*		2222	2222	2222	+16
02/05/03 MAR 03	1994	2030	1994	2012	+10
02/05/03 MAY 03	1950	1974	1950	1952	-2
02/05/03 JUL 03	1870	1880	1870	1870	-14
02/05/03 SEP 03	1694	1694	1694	1694	+14
02/05/03 DEC 03	1620	1620	1620	1620	-20
02/05/03 MAR 04	1660	1660	1660	1660	unch

Total	Volume	Open_Int
02/04/03	878	6632



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Feb. 4, 2003
U.S. ECONOMY SLOWING DOWN

- GDP weak in fourth quarter.
- Dairy futures reacting.
- Dairy consumption strong?

The U.S. Department of Commerce announced last week that real Gross Domestic Product, or GDP, grew just 0.7 percent in the

last (fourth) quarter of 2002. That is down from a growth rate of 4 percent in the prior quarter. The U.S. economy slowed significantly during the important holiday shopping season. This may explain some of the buildup in dairy commodity inventories that occurred at the end of 2002. The economy is operating in a very weak environment right

now. The question is, will it rebound in 2003? This will be required in order to spur on more dairy consumption.

The dairy futures market at the Chicago Mercantile Exchange (CME) continues to react to this bad news. As of Jan. 31, 2003, the annual average of Class III CME offerings was just \$11.04 per CWT, down \$0.95 per CWT from Dec. 2, 2002. In other words, if a producer on Dec. 2, 2002 locked in 100 percent of their future milk production for every month in 2003 using the Class III futures, they would have been \$0.95 per CWT ahead of what the CME is offering today.

I advised in this column last December to consider the CME when prices were close to the five-year average.

The weaker outlook at the Chicago Mercantile Exchange is probably because of a combination of two things. First, the milk supply has not yet slowed down sufficiently to clear the market.

Second, demand for dairy products is still weak. Imports could be a third reason, but in my opinion, net trade (imports less exports) has not yet been adequately quantified to the marketplace in terms of its impact on U.S. supply and demand.

For example, we import MPCs, then dump (I mean DEIP) nonfat dry milk on to the international market. What is the net effect of this on domestic cheese production?

USDA released another set of mysterious numbers for supply and demand for the first 11 months of 2002. According to the latest numbers, milk marketings were up 2.7 percent in 2002. However, this was offset by consumption in butter (2.5 percent), American cheese (1.4 percent), other cheese (3.3 percent), nonfat dry milk (-22.0 percent), and fluid milk products (0.3 percent).

Numbers for the period September through November look even better! Butter consumption for this three-month period was

up 8.4 percent, and total cheese consumption was up 4.1 percent. These numbers, however, don't jibe with the inventory numbers, or at least I don't think they do. Much more needs to be explained.

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 — 2.94 bu., 5.27 cwt.
- Wheat, No.2 — 3.20 bu., 5.34 cwt.
- Barley, No.3 — 2.14 bu., 4.57 cwt.
- Oats, No.2 — 2.06 bu., 6.44 cwt.
- Soybeans, No.1 — 5.58 bu., 9.32 cwt.
- Ear Corn — 88.52 ton, 4.43 cwt.
- Alfalfa Hay — 156.25 ton, 7.81 cwt.
- Mixed Hay — 135.50 ton, 6.75 cwt.
- Timothy Hay — 136.50 ton, 6.83 cwt.