

# GRAIN, CATTLE, HOG, & MILK BFP

## FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, February 13, 2003

### Corn

	Open	High	Low	Last	Chge
02/12/03 *CASH*		2462	2462	2462	-22
02/13/03 MAR 03	2392	2406	2392	2396	+4
02/13/03 MAY 03	2432	2436	2422	2430	+2
02/13/03 JUL 03	2446	2454	2442	2446	+6
02/13/03 SEP 03	2432	2442	2432	2434	+2
02/13/03 DEC 03	2436	2446	2434	2440	unch
02/13/03 MAR 04	2484	2494	2484	2490	+2
02/13/03 MAY 04	2514	2520	2514	2516	+2
02/13/03 JUL 04	2532	2532	2532	2532	+2
02/13/03 DEC 04	2396	2400	2396	2400	unch

Total	Volume	Open_Int
02/12/03	77638	472861

### Soybeans

	Open	High	Low	Last	Chge
02/12/03 *CASH*		5590	5590	5590	-75
02/13/03 MAR 03	5640	5740	5640	5716	+84
02/13/03 MAY 03	5630	5730	5630	5714	+90
02/13/03 JUL 03	5610	5694	5610	5690	+82
02/13/03 AUG 03	5544	5600	5540	5600	+70
02/13/03 SEP 03	5450	5454	5420	5450	+60
02/13/03 NOV 03	5274	5346	5270	5304	+50
02/13/03 JAN 04	5314	5350	5304	5320	+40
02/13/03 MAR 04	5350	5350	5350	5350	+60
02/13/03 NOV 04	5000	5000	5000	5000	+16

Total	Volume	Open_Int
02/12/03	93979	211755

### Soybean Meal

	Open	High	Low	Last	Chge
02/12/03 *CASH*		17650	17650	17650	unch
02/13/03 MAR 03	1748	1780	1742	1776	+32
02/13/03 MAY 03	1737	1760	1725	1758	+29
02/13/03 JUL 03	1718	1732	1709	1729	+17
02/13/03 AUG 03	1680	1693	1675	1691	+13
02/13/03 SEP 03	1642	1652	1628	1651	+13
02/13/03 OCT 03	1590	1600	1582	1594	+9
02/13/03 DEC 03	1575	1588	1566	1582	+7
02/13/03 JAN 04	1570	1585	1568	1580	+6
02/13/03 MAR 04	1587	1587	1587	1587	+7
02/13/03 MAY 04	1602	1602	1602	1602	+7
02/13/03 JUL 04	1592	1592	1592	1592	+7
02/13/03 AUG 04	1625	1625	1625	1625	+10
02/13/03 SEP 04	1625	1625	1625	1625	+10
02/13/03 DEC 04	1627	1627	1627	1627	+12

Total	Volume	Open_Int
02/12/03	42312	169120

### Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/12/03 *CASH*	0	4718	4718	4718	-17	0	0
02/13/03 Feb 03	4885	4947	4885	4905	+28	2484	4545
02/13/03 Apr 03	5265	5305	5150	5295	+65	5811	18436
02/13/03 May 03	5690	5820	5660	5810	+83	178	2968
02/13/03 Jun 03	6130	6180	6055	6177	+62	798	7819
02/13/03 Jul 03	5880	5975	5865	5942	+47	507	3072
02/13/03 Aug 03	5725	5780	5710	5772	+60	285	2474
02/13/03 Oct 03	5020	5060	5000	5032	+32	64	1049
02/13/03 Dec 03	4930	4965	4930	4952	+27	32	431
02/13/03 Feb 04	5370	5390	5367	5367	+12	2	57

### Composite Volume Open\_Int

02/12/03	10161	40852
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### Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/12/03 *CASH*	0	7803	7803	7803	-247	0	0
02/13/03 Feb 03	7840	7895	7792	7845	-97	4607	11354
02/13/03 Apr 03	7510	7590	7510	7577	-83	10270	60170
02/13/03 Jun 03	6945	6945	6840	6907	-70	4508	20635
02/13/03 Aug 03	6635	6640	6540	6630	-25	1191	8419
02/13/03 Oct 03	6910	6925	6855	6917	-20	567	4765
02/13/03 Dec 03	7000	7047	6975	7042	-3	366	2354
02/13/03 Feb 04	7200	7242	7185	7240	+13	60	637

### Composite Volume Open\_Int

02/12/03	21569	108334
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### Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
02/12/03 *CASH*	0	7800	7800	7800	+400	0	0
02/13/03 Feb 03	8360	8510	8360	8495	+120	214	508
02/13/03 Mar 03	8350	8540	8350	8505	+133	381	1158
02/13/03 May 03	8445	8655	8445	8615	+135	101	677
02/13/03 Jul 03	8560	8695	8555	8695	+105	5	304
02/13/03 Aug 03	8405	8405	8405	8405	+95	0	28

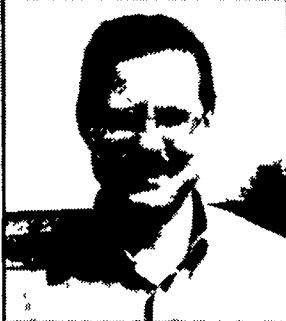
### Composite Volume Open\_Int

02/12/03	701	2675
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### Oats

	Open	High	Low	Last	Chge
02/12/03 *CASH*		2300	2300	2300	-52
02/13/03 MAR 03	2072	2126	2070	2106	+12
02/13/03 MAY 03	1940	1982	1934	1974	+10
02/13/03 JUL 03	1840	1866	1840	1866	+12
02/13/03 SEP 03	1706	1706	1706	1706	+6
02/13/03 DEC 03	1610	1610	1610	1610	unch
02/13/03 MAR 04	1660	1660	1660	1660	unch

Total	Volume	Open_Int
02/12/03	1920	6711



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Feb. 7, 2003  
**BUTTER FALLS BELOW SUPPORT**  
•Grade AA butter fell below \$1.05/lb.  
•Butter, cheese, & nonfat now purchased by USDA.  
•CME futures weakening daily.  
It's been another week in which the government is purchasing butter, cheese and nonfat dry milk all three dairy products for

the dairy price support program. In fact, USDA for the week ending February 7th, purchased 22.7 million pounds of nonfat dry milk from the West, Central and Eastern markets. It seems everyone is producing surplus nonfat dry milk.  
Grade AA cash butter prices at the Chicago Mercantile Exchange fell below the support price of \$1.05 per pound this week. USDA reports that this is

the first time this has happened since December 1993. Butter inventories are double what they were a year ago, and churning is still strong. In addition, we won't see any boost in demand until the Easter Holidays.  
The cheese market isn't doing much better. Block cheese is trading at just a penny or two above support levels. Year-end inventories of cheese are fairly strong. And production for the year 2002 was well above year-ago levels.  
While the milk supply grew 2.7 percent in 2002, total production of cheese was at 8.4 billion pounds, up 3.8 percent. Surplus milk and dairy products went into cheese production.  
The futures market at the Chicago Mercantile Exchange continues to weaken.  
This was particularly obvious after the Commerce Department announced a negative result for the fourth quarter growth rate for the U.S. economy (GDP). The 2003 monthly average CME Class III futures price as of December 2, 2002 stood at \$11.99. In other words, dairy producers in

early December of last year could have locked in all of their milk production for 2003 at a Class III price that was very close to the five-year average. As of February 6, 2003, the 12-month average CME price (reflecting the actual January Class III price) deteriorated to \$10.84 per cwt. In other words, the market eroded 2003 milk prices by \$1.14 per cwt between now and then.  
At this point I would recommend holding off on any efforts to forward price milk, particularly for early spring and late fall. The market is looking for any reason to increase milk prices, but simply can't find any. That's why the Class III prices for the period January May 2003 have become so soft.  
We are clearly at the bottom of the price cycle. Can Fall 2003 Class III milk prices decline even more from current market expectations? Of course they can. But I'm guessing that there is a greater than even chance that fall milk prices will improve. The growth in the milk supply cannot continue at its current pace. And the

economy may stabilize and improve after the conflict with Iraq is resolved one way or another. Both should help improve dairy market prices.

**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 — 3.25 bu., 5.43 cwt.  
Barley, No.3 — 2.15 bu., 4.59 cwt.  
Oats, No.2 — 2.05 bu., 6.38 cwt.  
Soybeans, No.1 — 5.63 bu., 9.41 cwt.  
Ear Corn — 99.58 ton, 4.98 cwt.  
Alfalfa Hay — 131.75 ton, 6.59 cwt.  
Mixed Hay — 144.75 ton, 7.24 cwt.  
Timothy Hay — 144.25 ton, 7.21 cwt.