

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

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

Corn

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 03/12/03 *CASH* | | 2450 | 2450 | 2450 | +4 |
| 03/13/03 MAR 03 | 2376 | 2392 | 2340 | 2352 | -22 |
| 03/13/03 MAY 03 | 2356 | 2366 | 2342 | 2354 | unch |
| 03/13/03 JUL 03 | 2370 | 2376 | 2360 | 2366 | +2 |
| 03/13/03 SEP 03 | 2384 | 2384 | 2370 | 2374 | +2 |
| 03/13/03 DEC 03 | 2392 | 2396 | 2384 | 2390 | +2 |
| 03/13/03 MAR 04 | 2446 | 2446 | 2440 | 2442 | +2 |
| 03/13/03 MAY 04 | 2484 | 2484 | 2480 | 2480 | +2 |
| 03/13/03 JUL 04 | 2494 | 2494 | 2490 | 2490 | unch |
| 03/13/03 DEC 04 | 2404 | 2404 | 2400 | 2402 | +2 |
| 03/13/03 DEC 05 | 2430 | 2430 | 2430 | 2430 | unch |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 03/12/03 | 45522 | 432893 |

Soybeans

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 03/12/03 *CASH* | | 5580 | 5580 | 5580 | -60 |
| 03/13/03 MAR 03 | 5710 | 5764 | 5700 | 5760 | +92 |
| 03/13/03 MAY 03 | 5694 | 5760 | 5680 | 5752 | +96 |
| 03/13/03 JUL 03 | 5664 | 5734 | 5654 | 5730 | +94 |
| 03/13/03 AUG 03 | 5570 | 5620 | 5550 | 5616 | +92 |
| 03/13/03 SEP 03 | 5350 | 5394 | 5350 | 5390 | +70 |
| 03/13/03 NOV 03 | 5152 | 5184 | 5146 | 5180 | +44 |
| 03/13/03 JAN 04 | 5190 | 5204 | 5184 | 5204 | +44 |
| 03/13/03 MAR 04 | 5226 | 5226 | 5226 | 5226 | +42 |
| 03/13/03 MAY 04 | 5210 | 5210 | 5210 | 5210 | +40 |
| 03/13/03 NOV 04 | 4982 | 4982 | 4982 | 4982 | unch |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 03/12/03 | 45802 | 223359 |

Soybean Meal

| | Open | High | Low | Last | Chge |
|-----------------|------|-------|-------|-------|------|
| 03/12/03 *CASH* | | 17450 | 17450 | 17450 | -250 |
| 03/13/03 MAR 03 | 1740 | 1775 | 1735 | 1772 | +39 |
| 03/13/03 MAY 03 | 1720 | 1747 | 1718 | 1745 | +31 |
| 03/13/03 JUL 03 | 1700 | 1727 | 1700 | 1726 | +31 |
| 03/13/03 AUG 03 | 1660 | 1680 | 1660 | 1680 | +27 |
| 03/13/03 SEP 03 | 1608 | 1622 | 1607 | 1621 | +20 |
| 03/13/03 OCT 03 | 1548 | 1560 | 1546 | 1557 | +15 |
| 03/13/03 DEC 03 | 1538 | 1550 | 1534 | 1546 | +15 |
| 03/13/03 JAN 04 | 1543 | 1550 | 1539 | 1546 | +13 |
| 03/13/03 MAR 04 | 1555 | 1560 | 1550 | 1555 | +5 |
| 03/13/03 MAY 04 | 1555 | 1565 | 1555 | 1555 | +1 |
| 03/13/03 JUL 04 | 1555 | 1568 | 1553 | 1555 | +2 |
| 03/13/03 AUG 04 | 1555 | 1565 | 1555 | 1555 | unch |
| 03/13/03 SEP 04 | 1565 | 1565 | 1555 | 1555 | unch |
| 03/13/03 OCT 04 | 1550 | 1550 | 1550 | 1550 | unch |
| 03/13/03 DEC 04 | 1542 | 1542 | 1542 | 1542 | +4 |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 03/12/03 | 24830 | 161713 |

Lean Hogs

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 03/12/03 CASH | 0 | 4832 | 4832 | 4832 | +51 | 0 | 0 |
| 03/13/03 Apr 03 | 5265 | 5305 | 5220 | 5265 | unch | 5913 | 15323 |
| 03/13/03 May 03 | 5900 | 5925 | 5870 | 5910 | -7 | 111 | 2271 |
| 03/13/03 Jun 03 | 6240 | 6280 | 6220 | 6267 | +17 | 3277 | 12920 |
| 03/13/03 Jul 03 | 6160 | 6190 | 6132 | 6152 | -3 | 405 | 3743 |
| 03/13/03 Aug 03 | 6000 | 6025 | 5970 | 6005 | +13 | 153 | 3525 |
| 03/13/03 Oct 03 | 5260 | 5285 | 5235 | 5257 | -10 | 32 | 1551 |
| 03/13/03 Dec 03 | 5195 | 5210 | 5127 | 5140 | -32 | 31 | 620 |
| 03/13/03 Feb 04 | 5580 | 5595 | 5580 | 5592 | -28 | 2 | 314 |
| 03/13/03 Apr 04 | 5837 | 5840 | 5835 | 5840 | -7 | 0 | 28 |

Composite Volume Open_Int

| | | |
|----------|------|-------|
| 03/12/03 | 9924 | 40295 |
|----------|------|-------|

Live Cattle

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 03/12/03 CASH | 0 | 7513 | 7513 | 7513 | -151 | 0 | 0 |
| 03/13/03 Apr 03 | 7345 | 7440 | 7337 | 7425 | +110 | 11968 | 43231 |
| 03/13/03 May 03 | 7200 | 7265 | 7195 | 7262 | +77 | 206 | 453 |
| 03/13/03 Jun 03 | 6900 | 6972 | 6900 | 6965 | +70 | 7594 | 32628 |
| 03/13/03 Jul 03 | 6730 | 6730 | 6705 | 6730 | +20 | 0 | 3 |
| 03/13/03 Aug 03 | 6645 | 6715 | 6635 | 6707 | +87 | 1842 | 10749 |
| 03/13/03 Oct 03 | 6830 | 6887 | 6830 | 6885 | +75 | 1478 | 8244 |
| 03/13/03 Dec 03 | 6975 | 7025 | 6975 | 7020 | +68 | 504 | 3616 |
| 03/13/03 Feb 04 | 7125 | 7160 | 7120 | 7157 | +47 | 63 | 1328 |
| 03/13/03 Apr 04 | 7210 | 7220 | 7200 | 7220 | +30 | 26 | 25 |

Composite Volume Open_Int

| | | |
|----------|-------|--------|
| 03/12/03 | 23682 | 100277 |
|----------|-------|--------|

Pork Bellies

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 03/12/03 CASH* | 0 | 8400 | 8400 | 8400 | +400 | 0 | 0 |
| 03/13/03 Mar 03 | 9050 | 9110 | 9000 | 9107 | +77 | 111 | 246 |
| 03/13/03 May 03 | 9110 | 9175 | 9065 | 9105 | unch | 1085 | 2128 |
| 03/13/03 Jul 03 | 9070 | 9112 | 9030 | 9080 | -10 | 132 | 605 |
| 03/13/03 Aug 03 | 8800 | 8800 | 8760 | 8760 | +115 | 3 | 24 |
| 03/13/03 Feb 04 | 7985 | 7985 | 7980 | 7980 | unch | 0 | 2 |
| 03/13/03 Mar 04 | 7985 | 7985 | 7980 | 7980 | unch | 0 | 1 |

Composite Volume Open_Int


| | | |
|----------|------|------|
| 03/12/03 | 1331 | 3006 |
|----------|------|------|

Oats

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 03/12/03 *CASH* | | 1994 | 1994 | 1994 | -26 |
| 03/13/03 MAR 03 | 2174 | 2180 | 2172 | 2176 | +2 |
| 03/13/03 MAY 03 | 1834 | 1840 | 1734 | 1734 | -84 |
| 03/13/03 JUL 03 | 1700 | 1704 | 1630 | 1630 | -66 |
| 03/13/03 SEP 03 | 1552 | 1556 | 1550 | 1554 | -4 |
| 03/13/03 DEC 03 | 1540 | 1550 | 1530 | 1530 | unch |
| 03/13/03 MAR 04 | 1580 | 1580 | 1580 | 1580 | unch |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 03/12/03 | 968 | 5664 |

Weekly Dairy Market Outlook



Ken Bailey
Professor of
Agricultural Economics,
Dairy Marketing and Policy
Penn State

March 7, 2003 CHEESE BOUNCES BACK

- Blocks now higher than barrels.
- Butter rises above support.
- When will things get better? While not dramatic, things did improve slightly this week. Block cheese prices rose from weird and shockingly low levels last week to

\$1.08 per pound at the Chicago Mercantile Exchange. While it is still below the support price of \$1.1314 per pound, it is better than 99 cents per pound! And butter surprisingly rose more than three cents above support levels to \$1.0875 per pound.

The rise in cheese prices likely had little to do with the dairy price support program. There has

been some cheese going into the government program, but not much. USDA reported that more cheese will likely move into the Commodity Credit Corporation in the weeks ahead. But clearly the cheese industry prefers to market their product to real customers, not to the government.

All eyes will be on the March 17 milk production report. The agonizingly low milk prices have made milk production unprofitable for all dairy farmers. An easing of dairy replacement prices is an early warning that there is less demand for them. If the March milk report shows cow numbers leveling off, or even falling a bit, look for cash market prices to improve.

My interpretation is that we are now at the bottom of the market (of course, I said that last fall!). As they say on Wall Street, you have to hit bottom before things get better. It is unlikely

that these \$9 Class III prices will continue beyond the next month or two. Of course the low cheese prices last week will be reflected in the March milk check. Farm-gate milk prices should begin to improve by May. In fact, we could see some improvement in cheese and butter prices by April or early May, but only if we see cow numbers declining.

For those considering forward pricing milk for the summer and fall months, my suggestion is to hold off. Locking in milk futures right now could result in frustratingly low milk checks later this year. It is generally a bad strategy to lock in the bottom of the market. This depressed cash market has lowered expectations for futures prices later in the year. That could change in a month or two if the cash market improves. So, hold off on committing large amounts of your milk at these 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 — 2.94 bu., 5.26 cwt.
- Wheat, No.2 — 3.25 bu., 5.42 cwt.
- Barley, No.3 — 2.18 bu., 4.66 cwt.
- Oats, No.2 — 2.08 bu., 6.47 cwt.
- Soybeans, No.1 — 5.7 bu., 9.52 cwt.
- Ear Corn — 89.83 ton, 4.49 cwt.
- Alfalfa Hay — 158.75 ton, 7.94 cwt.
- Mixed Hay — 151.25 ton, 7.56 cwt.
- Timothy Hay — 146.25 ton, 7.31 cwt.