

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Thursday, March 27, 2003

Corn

	Open	High	Low	Last	Chge
03/27/03 *CASH*		2406	2406	2406	+6
03/27/03 MAY 03	2286	2292	2280	2286	+6
03/27/03 JUL 03	2286	2296	2286	2292	+6
03/27/03 SEP 03	2304	2310	2300	2304	+10
03/27/03 DEC 03	2316	2326	2316	2322	+10
03/27/03 MAR 04	2376	2384	2376	2382	+6
03/27/03 MAY 04	2416	2426	2414	2424	+6
03/27/03 JUL 04	2430	2436	2430	2434	+6
03/27/03 SEP 04	2410	2410	2404	2404	+4
03/27/03 DEC 04	2374	2380	2374	2380	unch
03/27/03 DEC 05	2392	2392	2392	2392	unch

Total	Volume	Open_Int
03/26/03	32170	452581

Soybeans

	Open	High	Low	Last	Chge
03/27/03 *CASH*		5625	5625	5625	unch
03/27/03 MAY 03	5714	5814	5706	5802	+112
03/27/03 JUL 03	5690	5784	5684	5774	+106
03/27/03 AUG 03	5584	5660	5564	5654	+104
03/27/03 SEP 03	5344	5410	5330	5406	+92
03/27/03 NOV 03	5140	5190	5130	5186	+64
03/27/03 JAN 04	5184	5220	5170	5220	+62
03/27/03 MAR 04	5202	5250	5202	5250	+64
03/27/03 MAY 04	5250	5250	5250	5250	+64
03/27/03 JUL 04	5254	5254	5254	5254	+64
03/27/03 NOV 04	5040	5040	5040	5040	+4

Total	Volume	Open_Int
03/26/03	64107	216445

Soybean Meal

	Open	High	Low	Last	Chge
03/27/03 *CASH*		17450	17450	17450	+400
03/27/03 MAY 03	1702	1742	1702	1737	+42
03/27/03 JUL 03	1688	1723	1688	1717	+36
03/27/03 AUG 03	1647	1675	1645	1674	+33
03/27/03 SEP 03	1590	1615	1588	1613	+24
03/27/03 OCT 03	1525	1540	1517	1539	+19
03/27/03 DEC 03	1519	1535	1513	1533	+19
03/27/03 JAN 04	1523	1538	1517	1535	+23
03/27/03 MAR 04	1538	1555	1531	1550	+19
03/27/03 MAY 04	1550	1560	1545	1560	+20
03/27/03 JUL 04	1560	1575	1558	1570	+15
03/27/03 AUG 04	1560	1570	1555	1565	+15
03/27/03 SEP 04	1560	1570	1550	1565	+15
03/27/03 OCT 04	1530	1530	1525	1530	+12
03/27/03 DEC 04	1520	1520	1520	1520	+2

Total	Volume	Open_Int
03/26/03	28498	147497

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
03/26/03 *CASH*	0	4669	4669	4669	-123	0	0
03/27/03 Apr 03	4892	5002	4892	4997	+45	4996	8881
03/27/03 May 03	5560	5625	5525	5592	+12	223	2483
03/27/03 Jun 03	5775	5790	5725	5757	-18	6047	18359
03/27/03 Jul 03	5747	5810	5730	5757	+5	683	4059
03/27/03 Aug 03	5780	5817	5750	5765	-7	548	3950
03/27/03 Oct 03	5140	5195	5140	5155	+10	176	1783
03/27/03 Dec 03	5177	5225	5177	5192	+17	66	734
03/27/03 Feb 04	5602	5622	5595	5622	+7	122	326
03/27/03 Apr 04	5795	5817	5795	5817	+20	5	41

Composite Volume Open_Int

03/26/03	12866	40617
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Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
03/26/03 CASH*	0	7800	7800	7800	+150	0	0
03/27/03 Apr 03	7545	7575	7517	7545	-7	6569	32041
03/27/03 May 03	7305	7320	7270	7270	-42	99	1731
03/27/03 Jun 03	7000	7025	6972	6982	-23	7290	38729
03/27/03 Jul 03	6770	6770	6770	6770	unch	0	29
03/27/03 Aug 03	6740	6760	6720	6725	-27	1558	12176
03/27/03 Oct 03	6890	6910	6872	6887	-8	1317	9179
03/27/03 Dec 03	7045	7077	7040	7050	-7	301	4156
03/27/03 Feb 04	7195	7200	7180	7180	unch	78	1846
03/27/03 Apr 04	7270	7275	7270	7275	unch	7	131

Composite Volume Open_Int

03/26/03	17219	100019
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Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
03/26/03 CASH*	0	8500	8500	8500	-400	0	0
03/27/03 May 03	8730	8840	8725	8792	-40	717	2204
03/27/03 Jul 03	8750	8855	8750	8835	-5	92	771
03/27/03 Aug 03	8680	8680	8680	8680	-20	0	26
03/27/03 Feb 04	8000	8000	8000	8000	+40	0	2
03/27/03 Mar 04	7955	7955	7955	7955	unch	0	1

Composite Volume Open_Int

03/26/03	809	3004
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Oats

	Open	High	Low	Last	Chge
03/27/03 *CASH*		1972	1972	1972	+46
03/27/03 MAY 03	1752	1802	1750	1796	+46
03/27/03 JUL 03	1596	1624	1590	1604	+14
03/27/03 SEP 03	1474	1484	1474	1474	-2
03/27/03 DEC 03	1474	1480	1470	1470	-10
03/27/03 MAR 04	1550	1550	1550	1550	unch

Total	Volume	Open_Int
03/26/03	1065	6068

Weekly Dairy Market Outlook



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pected to reach above \$10 until June.

In case you haven't gotten the message yet, dairy farmers are producing too much milk from too many cows. The market simply cannot handle the excess production, especially in a soft economy. That is why prices have fallen to such low levels.

To illustrate the imbalance in the market, let's review cow numbers over the past few years. During the period February 2001-2003, the number of dairy cows for 20 major dairy states grew 46,000 head. Cow numbers normally decline month after month. Cow numbers during this period fell in states such as Wisconsin (-45,000), Minnesota (-40,000), and Texas (-27,000). But cow numbers also grew in states such as New Mexico (+2,000), Idaho (+6,000) and Arizona (+10,000).

But none of this compares to the grow in California — up a whopping 118,000 cows! And cow numbers in California are poised to grow even more in the months ahead.

Perhaps a better question to ask is why are cow numbers growing month after month when the market is calling for a cooling-off period? Is it booming real estate values in California? Is the support price of \$9.80 per CWT for manufacturing milk too high? Or are we still experiencing residual growth in cow numbers from profits earned from 2001?

Cheese is moving into the USDA's dairy price support program. The Commodity Credit Corporation has confirmed that 1.66 million pounds of Central process cheese, 690.6 thousand pounds of Western barrel cheese, and 342 thousand pounds of Western block cheese have been purchased by the government for the week March 17-21.

The government is purchasing surplus butter, cheese, and nonfat dry milk. For the week ending March 7, 2003, there is 1.086 billion pounds of nonfat dry milk in USDA warehouses. That is more powder than what we normally consume in the entire U.S. during 12 months.

Butter is showing some promise. Despite strong inventory levels, butter is above support levels and averaged \$1.0958 per pound this week in Chicago. Demand may be improving for both butter and Class II uses in response to the upcoming Easter Holidays. And USDA reports that butter imports (both in-quota and above quota) are below year-ago levels.

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., 5.29 cwt.
- Wheat, No.2 — 3.17 bu., 5.29 cwt.
- Barley, No.3 — 2.25 bu., 4.80 cwt.
- Oats, No.2 — 2.10 bu., 6.54 cwt.
- Soybeans, No.1 — 5.68 bu., 9.48 cwt.
- Ear Corn — 89.58 ton, 4.48 cwt.
- Alfalfa Hay — 165.00 ton, 8.25 cwt.
- Mixed Hay — 149.25 ton, 7.46 cwt.
- Timothy Hay — 153.75 ton, 7.69 cwt.

March 21, 2003 MILK PRODUCTION CONTINUES TO EXPAND

- February milk up 1.7 percent.
- California alone added 60,000 head.
- Other states losing cows.

This was the month that growth in cow numbers would level off. Or so I thought. The February milk production report indicated that the number of milk cows for 20

major states grew 3,000 head from January or by 66,000 head from a year ago.

The markets are screaming for less milk, not more, and that's why milk prices continue to fall. The future markets at the Chicago Mercantile Exchange now indicate that the March 2003 Class III price will fall to \$9.10 per CWT, well below the support price of \$9.80 per CWT. Class III prices are not ex-