

# GRAIN, CATTLE, HOG, & MILK BFP

## FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, June 5, 2003

### Corn

	Open	High	Low	Last	Chge
06/04/03 *CASH*		2484	2484	2484	-24
06/05/03 JUL 03	2364	2390	2350	2356	-16
06/05/03 SEP 03	2354	2372	2334	2342	-20
06/05/03 DEC 03	2370	2392	2354	2364	-12
06/05/03 MAR 04	2434	2452	2420	2426	-12
06/05/03 MAY 04	2472	2492	2456	2470	-10
06/05/03 JUL 04	2492	2506	2482	2492	-6
06/05/03 SEP 04	2410	2422	2402	2410	-12
06/05/03 DEC 04	2414	2416	2400	2410	-14
06/05/03 DEC 05	2362	2362	2362	2362	unch

Total	Volume	Open_Int
06/04/03	87894	395306

### Soybeans

	Open	High	Low	Last	Chge
06/04/03 *CASH*		6085	6085	6085	+70
06/05/03 JUL 03	6134	6224	6114	6186	+34
06/05/03 AUG 03	6130	6214	6110	6176	+36
06/05/03 SEP 03	5844	5920	5820	5880	+24
06/05/03 NOV 03	5554	5630	5524	5610	+40
06/05/03 JAN 04	5604	5680	5580	5640	+30
06/05/03 MAR 04	5634	5700	5620	5694	+34
06/05/03 MAY 04	5640	5684	5600	5660	+16
06/05/03 JUL 04	5650	5694	5650	5680	+30
06/05/03 NOV 04	5344	5360	5340	5354	+14

Total	Volume	Open_Int
06/04/03	60710	224319

### Soybean Meal

	Open	High	Low	Last	Chge
06/04/03 *CASH*		18750	18750	18750	unch
06/05/03 JUL 03	1868	1887	1857	1879	+12
06/05/03 AUG 03	1857	1876	1846	1868	+11
06/05/03 SEP 03	1796	1818	1790	1812	+12
06/05/03 OCT 03	1680	1700	1668	1698	+14
06/05/03 DEC 03	1673	1690	1661	1689	+13
06/05/03 JAN 04	1677	1694	1669	1693	+10
06/05/03 MAR 04	1698	1710	1687	1710	+14
06/05/03 MAY 04	1706	1722	1700	1721	+15
06/05/03 JUL 04	1727	1735	1715	1735	+8
06/05/03 AUG 04	1710	1720	1710	1720	+10
06/05/03 SEP 04	1710	1720	1710	1720	+10
06/05/03 OCT 04	1647	1647	1647	1647	+6
06/05/03 DEC 04	1650	1650	1641	1650	+10

Total	Volume	Open_Int
06/04/03	26653	152310

### Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/04/03 *CASH*	0	6191	6191	6191	+14	0	0
06/05/03 Jun 03	6565	6575	6502	6542	-50	5743	7962
06/05/03 Jul 03	6840	6850	6780	6792	-40	5844	17107
06/05/03 Aug 03	6860	6925	6860	6922	+25	3597	13764
06/05/03 Oct 03	5870	5922	5860	5882	-5	1335	6615
06/05/03 Dec 03	5507	5540	5507	5517	unch	354	4201
06/05/03 Feb 04	5820	5850	5800	5832	-28	66	901
06/05/03 Apr 04	5950	5970	5935	5952	-23	13	593
06/05/03 May 04	6180	6210	6170	6200	-27	6	64
06/05/03 Jun 04	6400	6400	6390	6397	-35	8	109

### Composite Volume Open\_Int

06/04/03	16966	51316
----------	-------	-------

### Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/04/03 *CASH*	0	8029	8029	8029	+104	0	0
06/05/03 Jun 03	7550	7570	7470	7490	-105	6383	16641
06/05/03 Jul 03	7200	7230	7135	7135	-107	177	504
06/05/03 Aug 03	7025	7047	6980	6987	-90	9733	57040
06/05/03 Sep 03	7040	7040	6990	7010	-97	3	8
06/05/03 Oct 03	7090	7090	7002	7025	-97	2189	22068
06/05/03 Dec 03	7370	7395	7315	7327	-88	1745	15692
06/05/03 Feb 04	7487	7510	7435	7452	-78	633	4654
06/05/03 Apr 04	7575	7580	7490	7530	-85	348	2291
06/05/03 Jun 04	6955	6955	6940	6940	-60	18	301

### Composite Volume Open\_Int

06/04/03	21230	119200
----------	-------	--------

### Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
06/04/03 *CASH*	0	1050	1050	1050	-8750	0	0
06/05/03 Jul 03	9200	9270	9160	9185	-160	817	3200
06/05/03 Aug 03	9050	9085	8905	8912	-225	165	553
06/05/03 Feb 04	7777	7777	7702	7702	-128	11	77
06/05/03 Mar 04	7825	7825	7825	7825	-50	0	1

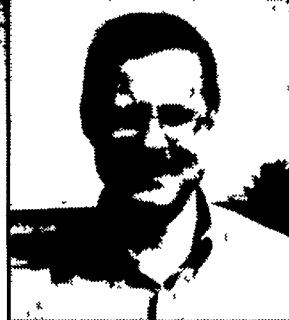
### Composite Volume Open\_Int

06/04/03	993	3832
----------	-----	------

### Oats

	Open	High	Low	Last	Chge
06/04/03 *CASH*		1676	1676	1676	-34
06/05/03 JUL 03	1396	1440	1394	1430	+26
06/05/03 SEP 03	1380	1406	1380	1396	+22
06/05/03 DEC 03	1390	1404	1390	1400	+10
06/05/03 MAR 04	1450	1450	1450	1450	unch
06/05/03 MAY 04	1480	1480	1480	1480	unch

Total	Volume	Open_Int
06/04/03	1132	5734



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

**June 2, 2003  
SUPPLY CONTROL**  
The National Milk Producers Federation (NMPF) is formulating a voluntary supply control program. The objective appears to be to artificially restrict the milk supply and thereby enhance milk prices.  
At first glance, it sounds like a good plan. It will be viewed in

Washington circles as a self-help program that won't cost the U.S. Treasury a dime. And dairy producers, who have been facing low milk prices since nine-eleven, will be glad that something, anything, is being done.  
NMPF's plan involves setting up a new cooperative that would be funded by assessments on NMPF cooperative members.

The assessment initially is rumored to be 18 cents per hundredweight for 12 months.  
The plan, however, raises a number of tough questions. First, will it work? If it is voluntary, one can see that some producers will opt out of the program, leaving the cost to others and reducing the overall effectiveness of the program. There is a huge economic incentive to being a "free rider." A large dairy farm with 10,000 cows could save \$360,000 in 12 months by saying "I don't want to participate." Second, is it fair to "tax" producers who did not expand milk production for the sins of their neighbors? Finally, wouldn't such a program, if effective, simply result in a new wave of large-scale expansions out West?  
There have been many proposals for solving this crisis of low milk prices. None of them, however, will fundamentally address the problem that currently faces

the U.S. dairy industry. There does not appear to be solid recognition for the fact that we are no longer in the bullish '90s, and greater moderation in dairy expansions would be prudent. Cow numbers continue to climb from year-ago levels, and new cheese plants are opening their doors requesting even greater volumes of milk. But where will this milk and cheese be sold? At least for now, some is going to the U.S. government.  
NMPF's plan involves reducing the milk supply via bred cow purchases and 12-month supply reduction contracts. In addition, funds would be used to dump surplus cheese and butter in already depressed international markets. That should make things very interesting as we negotiate a free trade agreement with our close ally, Australia.  
One cannot escape the irony in

### 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 — 2.98 bu., 5.33 cwt.
- Wheat, No.2 — 3.16 bu., 5.27 cwt.
- Barley, No.3 — 2.13 bu., 4.55 cwt.
- Oats, No.2 — 2.07 bu., 6.47 cwt.
- Soybeans, No.1 — 5.95 bu., 9.93 cwt.
- Ear Corn — 90.34 ton, 4.52 cwt.
- Alfalfa Hay — 157.50 ton, 7.88 cwt.
- Mixed Hay — 155.00 ton, 7.75 cwt.
- Timothy Hay — 147.50 ton, 7.38 cwt.