

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Wednesday, June 25, 2003

Corn

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 06/24/03 *CASH* | | 2492 | 2492 | 2492 | -2 |
| 06/25/03 JUL 03 | 2392 | 2402 | 2384 | 2386 | -4 |
| 06/25/03 SEP 03 | 2350 | 2356 | 2342 | 2346 | +2 |
| 06/25/03 DEC 03 | 2350 | 2364 | 2350 | 2352 | +2 |
| 06/25/03 MAR 04 | 2420 | 2424 | 2412 | 2412 | +2 |
| 06/25/03 MAY 04 | 2460 | 2464 | 2454 | 2454 | unch |
| 06/25/03 JUL 04 | 2480 | 2482 | 2472 | 2474 | +6 |
| 06/25/03 SEP 04 | 2404 | 2404 | 2404 | 2404 | +2 |
| 06/25/03 DEC 04 | 2420 | 2420 | 2412 | 2416 | +4 |
| 06/25/03 DEC 05 | 2390 | 2390 | 2390 | 2390 | unch |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 06/24/03 | 118465 | 379055 |

Soybeans

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 06/24/03 *CASH* | | 6305 | 6305 | 6305 | +65 |
| 06/25/03 JUL 03 | 6370 | 6450 | 6354 | 6426 | +70 |
| 06/25/03 AUG 03 | 6334 | 6400 | 6320 | 6384 | +64 |
| 06/25/03 SEP 03 | 6000 | 6060 | 6000 | 6056 | +60 |
| 06/25/03 NOV 03 | 5660 | 5734 | 5654 | 5722 | +62 |
| 06/25/03 JAN 04 | 5710 | 5750 | 5700 | 5736 | +56 |
| 06/25/03 MAR 04 | 5710 | 5750 | 5696 | 5744 | +46 |
| 06/25/03 MAY 04 | 5720 | 5730 | 5684 | 5730 | +44 |
| 06/25/03 JUL 04 | 5700 | 5730 | 5690 | 5726 | +42 |
| 06/25/03 NOV 04 | 5510 | 5550 | 5510 | 5550 | +44 |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 06/24/03 | 101722 | 227141 |

Soybean Meal

| | Open | High | Low | Last | Chge |
|-----------------|------|-------|-------|-------|------|
| 06/24/03 *CASH* | | 19600 | 19600 | 19600 | -100 |
| 06/25/03 JUL 03 | 1951 | 1977 | 1951 | 1975 | +26 |
| 06/25/03 AUG 03 | 1938 | 1955 | 1934 | 1953 | +19 |
| 06/25/03 SEP 03 | 1853 | 1880 | 1853 | 1878 | +25 |
| 06/25/03 OCT 03 | 1705 | 1736 | 1705 | 1735 | +27 |
| 06/25/03 DEC 03 | 1695 | 1719 | 1692 | 1717 | +26 |
| 06/25/03 JAN 04 | 1712 | 1723 | 1705 | 1720 | +24 |
| 06/25/03 MAR 04 | 1730 | 1735 | 1720 | 1733 | +18 |
| 06/25/03 MAY 04 | 1710 | 1735 | 1710 | 1732 | +15 |
| 06/25/03 JUL 04 | 1720 | 1745 | 1720 | 1742 | +16 |
| 06/25/03 AUG 04 | 1725 | 1730 | 1720 | 1730 | +20 |
| 06/25/03 SEP 04 | 1715 | 1715 | 1715 | 1715 | +10 |
| 06/25/03 OCT 04 | 1665 | 1665 | 1665 | 1665 | +10 |
| 06/25/03 DEC 04 | 1675 | 1675 | 1675 | 1675 | +10 |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 06/24/03 | 61528 | 161677 |

Lean Hogs

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 06/24/03 *CASH* | 0 | 6380 | 6380 | 6380 | -123 | 0 | 0 |
| 06/25/03 Jul 03 | 6447 | 6480 | 6395 | 6472 | -35 | 2910 | 8279 |
| 06/25/03 Aug 03 | 6487 | 6570 | 6425 | 6562 | +35 | 3331 | 20247 |
| 06/25/03 Oct 03 | 5670 | 5725 | 5602 | 5705 | -10 | 888 | 8947 |
| 06/25/03 Dec 03 | 5435 | 5475 | 5405 | 5475 | +10 | 284 | 5052 |
| 06/25/03 Feb 04 | 5730 | 5775 | 5715 | 5775 | +13 | 39 | 1036 |
| 06/25/03 Apr 04 | 5865 | 5910 | 5850 | 5905 | +30 | 25 | 718 |
| 06/25/03 May 04 | 6150 | 6170 | 6125 | 6170 | +40 | 31 | 131 |
| 06/25/03 Jun 04 | 6350 | 6350 | 6340 | 6342 | -8 | 16 | 216 |
| 06/25/03 Jul 04 | 6320 | 6320 | 6300 | 6320 | +10 | 4 | 19 |

Composite Volume Open_Int

| | | |
|----------|------|-------|
| 06/24/03 | 7528 | 44645 |
|----------|------|-------|

Live Cattle

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 06/24/03 *CASH* | 0 | 7343 | 7343 | 7343 | unch | 0 | 0 |
| 06/25/03 Jun 03 | 7260 | 7367 | 7240 | 7350 | +100 | 839 | 3659 |
| 06/25/03 Jul 03 | 6960 | 7112 | 6960 | 7110 | +148 | 28 | 690 |
| 06/25/03 Aug 03 | 6832 | 6960 | 6820 | 6945 | +123 | 3318 | 50936 |
| 06/25/03 Sep 03 | 6960 | 6985 | 6950 | 6980 | +85 | 6 | 73 |
| 06/25/03 Oct 03 | 6925 | 7055 | 6922 | 7035 | +100 | 1273 | 22817 |
| 06/25/03 Dec 03 | 7250 | 7370 | 7250 | 7347 | +82 | 1009 | 19590 |
| 06/25/03 Feb 04 | 7440 | 7525 | 7440 | 7520 | +73 | 492 | 4992 |
| 06/25/03 Apr 04 | 7500 | 7572 | 7500 | 7572 | +65 | 314 | 2760 |
| 06/25/03 Jun 04 | 6960 | 7015 | 6960 | 7000 | +50 | 15 | 654 |

Composite Volume Open_Int

| | | |
|----------|------|--------|
| 06/24/03 | 7295 | 106172 |
|----------|------|--------|

Pork Bellies

| Date | Open | High | Low | Last | Chge | Previous Volume | Previous Open_Int |
|-----------------|------|------|------|------|------|-----------------|-------------------|
| 06/24/03 *CASH* | 0 | 9800 | 9800 | 9800 | +200 | 0 | 0 |
| 06/25/03 Jul 03 | 9210 | 9245 | 9070 | 9225 | -47 | 481 | 2291 |
| 06/25/03 Aug 03 | 9030 | 9070 | 8885 | 9070 | -15 | 457 | 976 |
| 06/25/03 Feb 04 | 7985 | 7985 | 7985 | 7985 | +10 | 20 | 108 |
| 06/25/03 Mar 04 | 8070 | 8070 | 8070 | 8070 | unch | 0 | 2 |

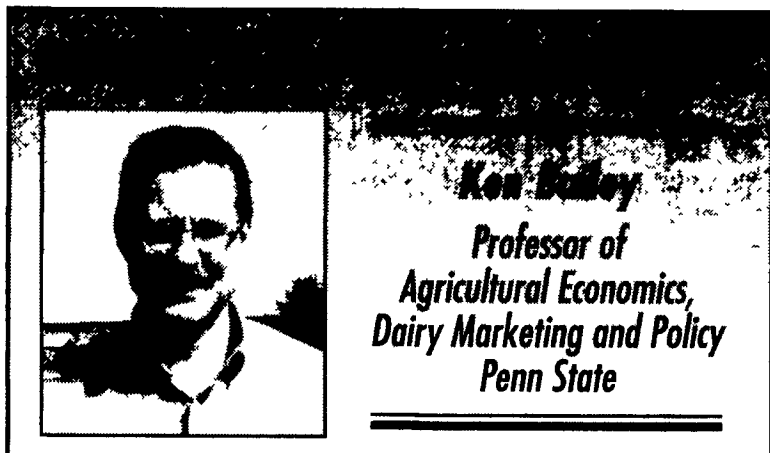
Composite Volume Open_Int

| | | |
|----------|-----|------|
| 06/24/03 | 958 | 3377 |
|----------|-----|------|

Oats

| | Open | High | Low | Last | Chge |
|-----------------|------|------|------|------|------|
| 06/24/03 *CASH* | | 1580 | 1580 | 1580 | -52 |
| 06/25/03 JUL 03 | 1494 | 1504 | 1454 | 1456 | -22 |
| 06/25/03 SEP 03 | 1354 | 1366 | 1350 | 1352 | +12 |
| 06/25/03 DEC 03 | 1390 | 1400 | 1374 | 1376 | -6 |
| 06/25/03 MAR 04 | 1440 | 1440 | 1440 | 1440 | unch |
| 06/25/03 MAY 04 | 1450 | 1450 | 1450 | 1450 | unch |

| Total | Volume | Open_Int |
|----------|--------|----------|
| 06/24/03 | 1524 | 5582 |



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June 20, 2003

SUPPLY, DEMAND HAS EVERYTHING TO DO WITH LOW MILK PRICES

A friend of mine recently sent me an article that suggested supply and demand had nothing to do with the recent collapse in farm gate milk prices. "It's imports," the author stated, not

supply and demand that drove milk prices lower.

Now had this person taken Ag Economics 101 at Penn State, they would have realized that imports plus domestic production (and beginning stocks) equals supply. If imports and U.S. production grew and demand faltered, one would expect milk

prices to drop. And that is exactly what happened in 2002.

The next logical question is, how much were imports and consumption in 2002, and how much did they change from the year before? That's where the answer gets a little tricky.

It's true that USDA measures milk supply and demand much like they did 20 years ago. They try to come up with one measure of dairy imports on a "milk equivalent" basis. Of course the conversions they use don't even reflect the recent growth in milk protein imports (using a butterfat conversion). And commercial disappearance of milk, well, that is the one number I have the least confidence in. It is supposed to reflect both commercial exports and domestic consumption. But there is enough creative accounting in that number to make it null and void.

So how do I know what imports and consumption were in 2002? Well, here goes.

I have a spreadsheet in my computer that looks at imports of 30 different HTS codes of dairy imports. Unfortunately, that isn't detailed enough to look at quota, over quota, and nonquota imports. So my list of things to do will likely expand in the coming months. Anyway, I downloaded the imports of these dairy products from USDA and then estimated the pounds of protein, butterfat, and other solids that were in these products. My results indicate that between 2001 and 2002, imports of protein were up 4.3 percent, imports of butterfat were down 6.8 percent, and imports of other dairy solids (lactose and minerals) were up 11 percent.

If you look at just imports of
(Turn to Page A26)

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 — 2.93 bu., 5.25 cwt.
- Wheat, No.2 — 3.14 bu., 5.25 cwt.
- Barley, No.3 — 2.03 bu., 4.33 cwt.
- Oats, No.2 — 2.02 bu., 6.31 cwt.
- Soybeans, No.1 — 5.89 bu., 9.83 cwt.
- Ear Corn — 89.33 ton, 4.47 cwt.
- Alfalfa Hay — 175.00 ton, 8.75 cwt.
- Mixed Hay — 160.00 ton, 8.0 cwt.
- Timothy Hay — 180.00 ton, 9.0 cwt.