

GRAIN, CATTLE, HOG, & MILK BFP

FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange
Closing Bids: Wednesday, July 2, 2003

Corn

	Open	High	Low	Last	Chge
07/01/03 *CASH*		2392	2392	2392	+6
07/02/03 JUL 03	2294	2294	2284	2286	-6
07/02/03 SEP 03	2246	2254	2230	2232	-20
07/02/03 DEC 03	2250	2260	2234	2236	-16
07/02/03 MAR 04	2314	2330	2306	2310	-14
07/02/03 MAY 04	2372	2382	2366	2366	-12
07/02/03 JUL 04	2410	2414	2400	2400	-12
07/02/03 SEP 04	2390	2390	2390	2390	unch
07/02/03 DEC 04	2386	2400	2384	2396	unch
07/02/03 MAR 05	2460	2460	2460	2460	unch
07/02/03 DEC 05	2394	2394	2394	2394	-4

Total	Volume	Open_Int
07/01/03	97972	371901

Soybeans

	Open	High	Low	Last	Chge
07/01/03 *CASH*		6215	6215	6215	+95
07/02/03 JUL 03	6250	6320	6240	6286	+24
07/02/03 AUG 03	6162	6224	6162	6192	+10
07/02/03 SEP 03	5884	5920	5860	5874	-22
07/02/03 NOV 03	5580	5610	5554	5560	-30
07/02/03 JAN 04	5590	5632	5584	5590	-12
07/02/03 MAR 04	5604	5634	5594	5620	-10
07/02/03 MAY 04	5600	5634	5590	5604	-6
07/02/03 JUL 04	5620	5630	5600	5602	-16
07/02/03 NOV 04	5510	5520	5500	5512	+22

Total	Volume	Open_Int
07/01/03	60339	206282

Soybean Meal

	Open	High	Low	Last	Chge
07/01/03 *CASH*		19100	19100	19100	-100
07/02/03 JUL 03	1896	1920	1893	1913	+15
07/02/03 AUG 03	1873	1895	1866	1881	+7
07/02/03 SEP 03	1805	1820	1798	1810	+1
07/02/03 OCT 03	1673	1690	1667	1677	+1
07/02/03 DEC 03	1659	1680	1652	1664	unch
07/02/03 JAN 04	1661	1685	1661	1671	+3
07/02/03 MAR 04	1690	1698	1680	1683	-3
07/02/03 MAY 04	1695	1700	1680	1685	-6
07/02/03 JUL 04	1710	1715	1695	1695	-7
07/02/03 AUG 04	1677	1677	1677	1677	-9
07/02/03 SEP 04	1676	1676	1676	1676	-5
07/02/03 OCT 04	1635	1635	1635	1635	-12
07/02/03 DEC 04	1645	1645	1645	1645	-7

Total	Volume	Open_Int
07/01/03	32892	157033

Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
07/01/03 *CASH*	0	5856	5856	5856	-57	0	0
07/02/03 Jul 03	6420	6437	6395	6415	+8	1656	5315
07/02/03 Aug 03	6510	6510	6430	6435	+5	4329	18156
07/02/03 Oct 03	5742	5760	5705	5722	+5	1051	9551
07/02/03 Dec 03	5500	5535	5470	5472	-23	211	5242
07/02/03 Feb 04	5780	5815	5770	5790	unch	47	1112
07/02/03 Apr 04	5930	5930	5910	5915	+5	28	786
07/02/03 May 04	6170	6180	6150	6167	-13	8	159
07/02/03 Jun 04	6320	6340	6300	6325	+15	12	251
07/02/03 Jul 04	6225	6225	6225	6225	-22	1	26

Composite Volume Open_Int

07/01/03	7344	40598
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Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
07/01/03 *CASH*	0	7450	7450	7450	+59	0	0
07/02/03 Jul 03	7230	7290	7220	7277	+57	151	822
07/02/03 Aug 03	7017	7065	6985	7060	+68	9423	49600
07/02/03 Sep 03	7085	7095	7055	7095	+20	10	148
07/02/03 Oct 03	7125	7160	7095	7157	+50	2517	23633
07/02/03 Dec 03	7365	7400	7350	7392	+37	1322	20731
07/02/03 Feb 04	7505	7540	7500	7537	+25	321	5896
07/02/03 Apr 04	7530	7570	7520	7570	+20	105	3079
07/02/03 Jun 04	6955	6980	6950	6975	+28	39	788
07/02/03 Aug 04	6875	6875	6875	6875	-125	0	0

Composite Volume Open_Int

07/01/03	13889	104697
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Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
07/01/03 *CASH*	0	10300	10300	10300	+300	0	0
07/02/03 Jul 03	9510	9595	9470	9505	+15	712	1966
07/02/03 Aug 03	9400	9452	9295	9307	-48	912	1679
07/02/03 Feb 04	8297	8300	8200	8250	-10	8	113
07/02/03 Mar 04	8290	8290	8290	8290	unch	3	4
07/02/03 May 04	8410	8410	8410	8410	unch	0	2


Composite Volume Open_Int

07/01/03	1635	3764
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Oats

	Open	High	Low	Last	Chge
07/01/03 *CASH*		1586	1586	1586	+36
07/02/03 JUL 03	1556	1582	1554	1554	-2
07/02/03 SEP 03	1360	1366	1314	1340	-6
07/02/03 DEC 03	1350	1364	1320	1342	-12
07/02/03 MAR 04	1404	1404	1404	1404	+4
07/02/03 MAY 04	1440	1440	1440	1440	unch
07/02/03 JUL 04	1470	1470	1470	1470	unch

Total	Volume	Open_Int
07/01/03	1490	5529



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

**June 27, 2003
OPPORTUNITIES FOR
LOCKING IN
MILK PRICES?**

- CME futures expects a fall peak of \$13 per CWT.
- Overall market improving.
- Risk management opportunities.

Ever since the Milk Production report was released, the futures

markets have shown steady support for Class III futures, particularly for the fall months. As of June 27, the Chicago Mercantile Exchange (CME) Class III futures peaked at \$13 per CWT for September/October. So, what should you do?

First, let's review the market. The May Milk Production report from USDA showed May milk

production for 20 select states down 0.4 percent relative to a year ago. Cow numbers declined from the previous month and yield per cow was down from the same month a year ago.

The Cold Storage report indicated that while butter inventories in May were up 30 percent from a year ago, cheese stocks were even with a year ago. That is good news for cheese.

So why is the fall Class III futures at the CME showing strength? Here are my guesses:

- Lower cow numbers and yield per cow.
- Improving economy.
- Lower retail dairy prices.
- CWT plan.

There is no doubt that the market is expecting less milk to be produced in the coming months. This will be mainly because of lower cow numbers. There were reports that rising cull prices because of the ban on Canadian beef exports have

sparked greater culling. But producers I've talked with said those cull prices have since come down. But lower profitability in the dairy industry will result in lower cow numbers for the rest of the year. And there is talk that poor crop/forage conditions in much of the U.S. could adversely affect yield per cow.

Lower retail prices for dairy products and a slight improvement in the U.S. economy could be putting a little more muscle into the futures market. Clearly, stronger consumer demand is needed to revive milk prices. Commercial disappearance of most dairy products through April does not look particularly good.

What is not known is what impact The National Milk Producers Federation (NMPF) CWT plan (Cooperatives Working Together) is having on market out-

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 — 3.15 bu., 5.25 cwt.
- Barley, No.3 — 1.99 bu., 4.26 cwt.
- Oats, No.2 — 2.02 bu., 6.29 cwt.
- Soybeans, No.1 — 5.97 bu., 9.97 cwt.
- Ear Corn — 89.33 ton, 4.47 cwt.
- Alfalfa Hay — 123.75 ton, 6.19 cwt.
- Mixed Hay — 117.50 ton, 5.88 cwt.
- Timothy Hay — 157.50 ton, 7.88 cwt.