

# GRAIN, CATTLE, HOG, & MILK BFP

## FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, September 4, 2003

### Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
03Sep	237 3/4	243	237 1/2	243	242 1/4	+16
03Dec	244 1/2	247 1/4	243 1/4	246 3/4	247 1/4	+26
04Mar	250 1/4	252 1/4	249	251 3/4	252 1/4	+16
04May	252 1/2	254 1/4	251 3/4	253 3/4	254 1/4	+14
04Jul	253 1/2	255	252 3/4	254 1/2	255	+12
04Sep	248	248 3/4	247 1/4	248	248	Unch
04Dec	243 3/4	244 1/2	243	243 3/4	244 1/2	+4
05Mar	249 1/4	249 1/2	249 1/4	249 1/2	249 1/2	+2
05Jul				255 n	255	+4
05Dec	239	239	239	239	239	+4
Month	Opening	High	Low	Closing	Settle	Net Chg

### Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
03Sep	590 1/2	607	590 1/2	606 1/2	605 605 3/4	+194
03Nov	585	589 1/4	581 1/2	589	587 3/4	+74
04Jan	587	590 1/2	584	590 1/4	589 1/2	+72
04Mar	583	587	582 1/2	585 1/2	585 1/2	+62
04May	577 1/2	579	575	578 1/2	579	+50
04Jul	577 1/2	579	575	577 1/2	578	+44
04Aug	569	569	568	568	568	+40
04Sep				553 n	553	+20
04Nov	540	541	538 1/2	540	538 1/2	+10
Month	Opening	High	Low	Closing	Settle	Net Chg

### Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
03Sep	199.0	204.5	198.0	204.0	204.5	+64
03Oct	183.5	185.9	181.8	185.3	185.9	+37
03Dec	181.9	183.0	179.6	182.6	182.9	+28
04Jan	181.5	182.0	179.8	181.5	181.8	+19
04Mar	179.8	181.5	179.7	181.5	181.5	+20
04May	178.5	179.2	176.8	178.8 b	179.0 a	+20
04Jul	177.0	179.0	176.6	179.0	179.0	+21
04Aug	176.0	176.0	174.5	175.0	175.0	+5
04Sep	175.0	175.0	172.0	172.0 b	172.5 a	+2
04Oct	166.5	166.5	165.0	165.3 b	165.5 a	-1
04Dec	165.3	165.5	164.5	164.8 b	165.0 a	-1
Month	Opening	High	Low	Closing	Settle	Net Chg

### Lean Hogs

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
09/03/03	*CASH*	0	4795	4795	4795	unch	0	0
09/04/03	Oct 03	5600	5610	5532	5607	+30	5842	23128
09/04/03	Dec 03	5525	5525	5455	5495	-15	3900	12071
09/04/03	Feb 04	5665	5687	5630	5682	+25	834	4166
09/04/03	Apr 04	5895	5915	5870	5907	-13	144	1571
09/04/03	May 04	6240	6245	6235	6245	-5	56	354
09/04/03	Jun 04	6465	6495	6460	6480	+3	52	589
09/04/03	Jul 04	6220	6230	6205	6210	-10	27	235
09/04/03	Aug 04	5960	5960	5960	5960	-15	3	81
09/04/03	Oct 04	5350	5350	5350	5350	-20	3	32

### Composite Volume Open\_Int

09/03/03	10861	42228
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### Live Cattle

Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
09/03/03	*CASH*	0	8270	8270	8270	unch	0	0
09/04/03	Sep 03	8670	8670	8580	8630	unch	167	592
09/04/03	Oct 03	8510	8530	8425	8490	+8	9756	55770
09/04/03	Nov 03	8285	8285	8260	8260	-30	1	22
09/04/03	Dec 03	8287	8300	8220	8277	-10	6256	36348
09/04/03	Feb 04	8135	8135	8040	8092	-25	3464	19398
09/04/03	Apr 04	7890	7895	7822	7862	-15	2085	12211
09/04/03	Jun 04	7365	7365	7312	7345	-10	645	3042
09/04/03	Aug 04	7255	7255	7255	7255	unch	7	130
09/04/03	Oct 04	7200	7200	7200	7200	+200	0	0

### Composite Volume Open\_Int

09/03/03	22381	127513
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### Pork Bellies


Date	Open	High	Low	Last Chge	Previous Volume	Previous Open_Int		
09/03/03	*CASH*	0	8000	8000	8000	+300	0	0
09/04/03	Feb 04	8325	8430	8315	8415	+125	341	1567
09/04/03	Mar 04	8310	8315	8300	8315	+65	2	30
09/04/03	May 04	8440	8440	8440	8440	+65	0	16
09/04/03	Jul 04	8640	8640	8640	8640	+65	0	26
09/04/03	Aug 04	8300	8300	8300	8300	unch	0	0

### Composite Volume Open\_Int

09/03/03	343	1639
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### Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
03Sep	143 1/2	145 3/4	143 1/2	145 3/4 b	145 3/4	+22
03Oct	146 3/4	149 1/4	146 1/2	149	149 1/4	+26
03Nov	151 1/2	152 1/2	151 1/2	152 1/4	152 1/4	+14
03Dec	155	155 3/4	155	155 3/4 b	155 3/4	+16
04Jan				150 n	150	Unch
04Feb				145 n	145	Unch
04Mar				150 n	150	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg



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Aug. 30, 2003  
**FEDERAL ORDERS  
LAG MARKETS**

- July PPDs small, or negative.
- August advanced prices a disappointment.
- Class III futures still strong.

With all the discussion of higher milk prices, dairy farmers are disappointed with the milk checks they have been receiving.

lately. In some cases, there are negative numbers on the check, suggesting money is being taken out. And the most recent advance milk prices were a big disappointment. There is a reason for all of this.

First, let's discuss those low or negative PPDs. The PPD, or Producer Price Differential, is simply the "uniform" or "blend price" computed by your Market Ad-

ministrators, minus the Class III price. In most months, producers receive a positive PPD suggesting a benefit from being involved in the federal milk marketing order program. But every once in awhile, the calculation for the PPD could result in a low or negative number if the Class III price runs up very quickly.

For example, PPDs on the July milk check, which producers received about Aug. 15, had a very low or in some cases a negative PPD. In the Northeast order, the July PPD was just \$0.68 per CWT. In the Midwest federal order, the PPD was -\$0.10 per CWT. For the Upper Midwest order, the PPD was -\$0.41 per CWT. In fact, producer milk pooled in the Upper Midwest order went from about 2 billion pounds (with a 15.6 percent Class I utilization) in June 2003 to just 660 million pounds in July (with a 49.7 percent Class I utilization). Co-ops and/or proprietary cheese plants simply "depoiled" their milk on the order just to avoid

the negative PPD.

Why a low or negative PPD? Simply put, the cheese price used in the calculation of the Class III price rose rapidly from \$1.1464 per pound in June to \$1.3497 per pound in July. The cheese price is used to compute the Class III price. Thus the Class III price rose from \$9.75 per CWT in June to \$11.78 per CWT in July. And don't forget the Class IV prices. It rose from \$9.76 per CWT in June to just \$9.95 per CWT in July — not much of a change. Given the lags in the calculation of the Class I prices, the Class III price simply got ahead of the other class prices, resulting in a negative or low PPD.

Then there was the mid-month advanced payments that producers recently received. This partial payment is equal to just 15 days of milk shipments. Some producers expect this price to be a forecast of their upcoming milk check. Producers who were ex-

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### 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 — 2.74 bu., 4.90 cwt.
- Wheat, No.2 — 3.38 bu., 5.64 cwt.
- Barley, No.3 — 1.91 bu., 4.09 cwt.
- Oats, No.2 — 1.83 bu., 5.70 cwt.
- Soybeans, No.1 — 5.61 bu., 9.37 cwt.
- Ear Corn — 86.68 ton, 4.33 cwt.
- Alfalfa Hay — 111.75 ton, 5.59 cwt.
- Mixed Hay — 120.50 ton, 6.03 cwt.
- Timothy Hay — 124.25 ton, 6.21 cwt.