

# GRAIN, CATTLE, HOG, & MILK BFP FUTURES MARKETS

Markets Courtesy of Chicago Board and Mercantile Exchange  
Closing Bids: Thursday, September 18, 2003

## Corn

Month	Opening	High	Low	Closing	Settle	Net Chg
03Dec	224 1/2	225	223 1/2	224	223 3/4	Unch
04Mar	232	232 3/4	231 1/4	231 1/4	231 1/2	Unch
04May	236 1/2	237	235 3/4	235 3/4	236	Unch
04Jul	239 3/4	240 3/4	239 1/2	239 1/2		+2
04Sep	238 3/4	238 3/4	237 3/4	238		+6
04Dec	238	238 3/4	237 1/4	238 1/4		+10
05Mar	242 3/4	244	242 3/4	244		+6
05May						Unch
05Jul				250 3/4 n	250 3/4	+6
05Dec				235 1/2 n	235 1/2	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

## Soybeans

Month	Opening	High	Low	Closing	Settle	Net Chg
03Nov	620 1/2	629 1/2	619	627 3/4	626 1/2	+96
04Jan	624 1/2	632 1/2	622	631	629 1/2	+102
04Mar	620	628	618 1/2	625 1/2	626	+94
04May	607	613 1/2	606	612	613	+82
04Jul	604	609	603	607		+60
04Aug	590	595 1/2	590	592		+50
04Sep				573 n	573	+40
04Nov	542	544 1/2	541	544 1/2	543 1/2	+40
Month	Opening	High	Low	Closing	Settle	Net Chg

## Soybean Meal

Month	Opening	High	Low	Closing	Settle	Net Chg
03Oct	188.0	188.3	186.5	187.8	187.7	+5
03Dec	186.4	187.4	185.1	186.4	186.1	+6
04Jan	186.5	187.3	185.5	186.3		+6
04Mar	185.5	186.3	184.8	185.7		+6
04May	183.8	184.7	182.2	182.5	182.7	-6
04Jul	183.0	184.0	181.2	182.0	182.2	-9
04Aug	179.0	180.0	177.5	177.0 b	178.0 a	-15
04Sep	173.5	174.0	171.5	172.0		-15
04Oct	164.5	164.5	162.5	163.0		Unch
04Dec	162.0	162.7	161.2	162.2	162.5	+3
05Jan	162.5	162.5	162.5	162.5		Unch
Month	Opening	High	Low	Closing	Settle	Net Chg

## Lean Hogs

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
09/17/03	*CASH*	0	5887	5887	5887	+33	0
09/18/03	Oct 03	5960	6040	5945	6030	+115	5552
09/18/03	Dec 03	5780	5840	5755	5792	+42	5723
09/18/03	Feb 04	5870	5995	5860	5985	+113	512
09/18/03	Apr 04	5940	6025	5925	6017	+87	308
09/18/03	May 04	6210	6290	6210	6290	+30	11
09/18/03	Jun 04	6475	6520	6460	6507	+27	174
09/18/03	Jul 04	6147	6165	6140	6147	+22	31
09/18/03	Aug 04	5870	5920	5860	5920	+48	13
09/18/03	Oct 04	5230	5250	5230	5250	+13	5

Composite Volume Open\_Int  
09/17/03 12329 51974

## Live Cattle

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
09/17/03	*CASH*	0	8987	8987	8987	-13	0
09/18/03	Sep 03	9050	9120	9000	9085	+45	15
09/18/03	Oct 03	8565	8615	8525	8600	+15	14595
09/18/03	Nov 03	8350	8370	8340	8350	-40	12
09/18/03	Dec 03	8345	8355	8290	8325	-45	12358
09/18/03	Feb 04	8130	8130	8060	8100	-42	3000
09/18/03	Apr 04	7850	7850	7765	7800	-57	1584
09/18/03	Jun 04	7255	7255	7182	7215	-45	688
09/18/03	Aug 04	7080	7170	7050	7070	-75	4
09/18/03	Oct 04	7305	7370	7300	7305	-55	0

Composite Volume Open\_Int  
09/17/03 32256 128180

## Pork Bellies

Date	Open	High	Low	Last	Chge	Previous Volume	Previous Open_Int
09/17/03	*CASH*	0	8700	8700	8700	+500	0
09/18/03	Feb 04	8840	8865	8680	8767	-80	291
09/18/03	Mar 04	8725	8725	8725	8725	-85	0
09/18/03	May 04	8800	8800	8800	8800	unch	0
09/18/03	Jul 04	9140	9140	9140	9140	unch	1

Composite Volume Open\_Int  
09/17/03 292 1966

## Oats

Month	Opening	High	Low	Closing	Settle	Net Chg
03Dec	136 3/4	138	135	138	138	+12
04Mar	144	145 1/4	142	144 3/4 b	144 3/4	+10
04May	149	149 1/2	147	147 3/4 b	147 3/4	+4
04Jul	154	154	152	152	152	Unch
04Sep				155 n	155	Unch
04Dec				153 n	153	Unch
Month	Opening	High	Low	Closing	Settle	Net Chg



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### Sept. 13, 2003 WHY IS MY PPD NEGATIVE?

August milk check arriving week.

Uniform blend higher.

But PPD is negative.

Dairy producers in federal milk marketing orders will be receiving their August milk checks

in a few days. The good news is that the prices are more than a dollar a hundredweight more than last month's milk prices. The bad news is that the producer price differential (PPD) calculation will be negative in most federal orders.

Let's use the Northeast Federal Order 1 as an example. The sta-

tistical uniform price for August is \$13.72 per CWT (at standard component levels). This is a blend of all four federal order prices. It is up \$1.26 per CWT from July. The August PPD at Boston is equal to the uniform price (\$13.72) less the Class III price (\$13.80). That is equal to -\$0.08 per CWT. Zoned to say Lancaster, Pa., that negative number grows to -\$0.43 per CWT (assuming a -\$0.35 per CWT location adjustment).

So why is the PPD negative? Because the Class III price rose very quickly relative to the other class prices. The Class III price is driven by cheese prices. Cheese prices rose very quickly, driving up the August protein price by \$0.5958 per pound from the month before. The other class prices didn't rise as much. Class I has a lot of lags in it, and Class II and IV prices are driven mainly by the price of nonfat dry milk.

The overall farm gate price of milk would have risen a lot faster had butter and nonfat dry milk prices also gone up. But so far that has not happened. Thus producers should simply focus on the bottom line: Class III is up, and so is the farm gate milk price.

For more information on how your milk check is calculated, see the Penn State bulletin, "Understanding Your Milk Check." You can find this online at <http://pubs.cas.psu.edu/FreePubs/pdfs/ua341.pdf>. Or you can order this publication by calling the Penn State Publications Distribution Center. The telephone number is (814) 865-6713. The fax number is (814) 863-5560. Ask for publication number UA341.

I will be traveling overseas. My next market report will be Oct. 3, 2003

### 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.2 — 2.81 bu., 5.03 cwt.
- Wheat, No.2 — 3.32 bu., 5.54 cwt.
- Barley, No.3 — 1.87 bu., 4.00 cwt.
- Oats, No.2 — 80 bu., 5.61 cwt.
- Soybeans, No.1 — 5.04 bu., 9.42 cwt.
- Ear Corn — 85.68 ton, 4.28 cwt.
- Alfalfa Hay — 115.50 ton, 5.78 cwt.
- Mixed Hay — 116.25 ton, 5.81 cwt.
- Timothy Hay — 121.25 ton, 6.06 cwt.