



MARYLAND



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MARKET ANALYSIS - March 11, 2004

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Last week we saw the soybean bull move continue but the upward momentum started to lose a little steam. Beans have rallied almost \$5 since last summer's lows!! Most of this move upwards is due to concerns about South American weather where much damage has already taken place in Argentina and Brazil. This will hamper harvest and cause huge yield losses there. Production estimates for Brazil are at around 55 million metric tons down from the last USDA estimate of 61 million. However, this week started on a negative note when another Avian flu report was released on Saturday in Maryland affecting cash (and futures) prices and the turnaround in the U.S. dollar added to the losses. The monthly USDA report was released this last Wednesday and beans had a very volatile session. The biggest disappointment to market bulls was the Brazilian production numbers. Pre-report estimates had it pegged at 57 million tons but the USDA surprised traders by posting a 59.5 mt estimate. There now exists an argument over whether this is an overestimation so the market broke upwards posting a strong rally only to lose some of the gains by the end of the session. Good news came around on Thursday in the export sales report. Old crop sales were much greater than expected. In futures news, nearby beans sit at \$9.23 and harvest at \$7.32. Great prices given the bearish week we have had. Corn had a lower week last week due to the absence of any fresh supportive news. Although there appears to be strength in corn prices most traders think that it comes from the bean pits. Demand news remains solid but a few factors question as to whether we can stay near the \$3 mark in the nearby contract (currently at \$2.92). The dollar is strengthening, and the bird flu case hit this market too. The USDA has a very large initial outlook for 04/05, which leaves little room for a bullish move. Corn had a neutral USDA report and was content to follow the soybean complex for direction. As the market prepares to head into planting season, the market should continue to focus on the longer-term concern of acres and estimated yields in what is a fundamentally tight market. Corn trade fell short of guesses this week but it didn't hit prices too hard. Early in the week wheat moved lower caused by rains in the Plains and news that Egypt cancelled an order because "prices were not suitable." On Thursday wheat suffered yet again from a lack of bullish news as domestic ending stocks were raised and it was announced that Egypt made more Australian purchases. The traders will continue to watch weather forecasts. Old wheat crop sales totaled nearly 590,000 tons, about 200,000 more than expectations. Japan and Egypt (despite their indecisiveness) were on the top of the list of wheat buyers.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mar04)	NEW(Dec04)	CASH(Mar04)	NEW(Nov04)	CASH(Mar04)	NEW(Jul04)
Western MD	+33	N/A	-50	N/A	-37	N/A
Central MD	+25	+5	-33	-35	-26	-17
Southern MD	+23	Even	-15	-25	N/A	N/A
Upper E. S	+31	+5	-10	-25	N/A	-26
Lower E. S	+38	+12	-1	-16	N/A	-23

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

The Weekly Crop Weather Summary will resume in April 2004

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	03/03	03/10	03/03	03/10	03/03	03/10	03/03
Western Md	3.25	3.25	8.92	8.74	3.23	3.23	2.60	2.60
Central MD	3.17	3.17	8.99	8.91	3.45	3.34	2.60	2.60
Southern MD	3.15	3.15	9.28	9.09	---	---	1.50	1.50
Upper E. Shore	3.23	3.23	9.33	9.14	---	---	1.60	1.60
Lower E. Shore	3.27	3.30	9.41	9.23	---	---	1.58	1.58
Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)				
Date	03/03	03/10	Date	03/03	03/10	03/03	03/10	
48% Soybean Meal	312.00	309.00	44% Soybean Meal	300.00	297.00			
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	03/03	03/10	03/03	03/10	03/03	03/10	03/03
Western Md	---	---	---	---	---	---	---	---
Central MD	2.98	2.97	7.13	6.97	3.65	3.52	---	---
Southern MD	2.93	2.92	7.13	7.07	3.50	3.39	1.45	1.45
Upper E Shore	2.98	2.97	7.13	7.07	3.54	3.43	1.55	1.55
Lower E Shore	3.05	3.04	7.22	7.16	3.57	3.46	1.60	1.60
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Mar 10, 2004								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Mar	291.75	Mar	923.50	Mar	359.00	Mar	278.80	
May	298.25	May	923.50	May	366.00	May	280.70	
Jul	302.00	Jul	915.00	Jul	369.00	Jul	278.10	
Sep	294.75	Aug	878.25	Sep	373.00	Aug	268.00	
Dec	291.75	Sep	806.00	Dec	383.00	Sep	253.00	
Mr05	292.00	Nov	731.75			Oct	222.00	

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - \$/ton - Mar 08, 2004 -141 Loads							
Alfalfa	Mixed	Timothy	Orchardgrass	Straw			
55.00-170.00	18.00-207.00	80.00-195.00	55.00-187.00	75.00-165.00			
Westminster, MD - \$/bale - Mar 08, 2004 - 283 Lots							
Alfalfa	Alfalfa Mixed	Timothy	Timothy Mixed	Grass	Mulch	Straw	
1.40-4.10	1.90-3.80	1.05-4.30	1.00-2.20	1.10-3.00	.45-1.00	1.60-2.80	
Southern, MD - Regional Farmers' Market - \$/bale - Mar 06, 2004							
Alfalfa	Timothy Mixed	Mixed Grass	Orchardgrass	Orchardgrass Mixed	Straw		
6.70	4.00-5.50	2.00-4.90	2.50-3.50	5.70	2.50		
POULTRY (Grade A) - Week Ending Mar 13, 2004 - Negotiated Price, (\$/cwt)							
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>			
NY Wtd Avg. (Fryers)	75.77	75.71	77.17	55.73			
12-City Composite	75.92	75.52	74.90	60.83			
LAMBS - Westminster, MD - \$/cwt - Mar 10, 2004							
Ch	80-100 lbs	115.00-127.00	Medium	70-110 lbs	100.00-107.00	Sheep 15 hd	35.00-55.00
Good	30- 60 lbs	125.00-155.00				Lght Wghts	70.00-77.00
TERMINAL MARKETS HOGS - Mar 11, 2004				DIRECT MARKET HOGS - Westminster, MD- Mar 10, 2004			
Base Price Range	<u>Carcass Basis</u>	<u>Sows (1-3)</u>	1&2	220-280 lbs	43.00-45.00		
a.m.	Base 185 lb Hog	300-449 lbs	2&3	210-285 lbs	40.00-42.00		
Eastern Cornbelt	55.00-65.00	34.75-42.49					
Iowa, Minn	54.50-64.66	24.16-42.24	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale 2/17/04				
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE -				New Holland, PA - (Week-ending Mar 13, 2004)			
Head:	Trend:			Head: 392	Trend: Mostly slaughter		
Next Sale 3/16/04							
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Mar 10, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Mar 10, 2004			
Mar	85.50	Aug	74.75	Apr	62.65	Jul	64.90
Apr	82.42	Oct	76.52	May	63.30	Aug	61.77
Jun	76.37	Dec	77.65	Jun	69.00	Oct	53.45
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Mar 08, 2004				Westminster, MD - Mar 09, 2004			
Steers	300-400 lbs	110.00-123.50	Steers	200-500 lbs	93.00-117.00		
	400-500 lbs	98.00- 119.00		500-600 lbs	86.00- 99.00		
	500-600 lbs	98.00- 110.50		600-800 lbs	79.00- 87.00		
	600-700 lbs	92.00- 100.00	Heifers	200-500 lbs	85.00- 99.00		
	700-800 lbs	85.50- 93.50		500-700 lbs	84.00- 95.00		
				700-900 lbs	74.00- 79.00		
Heifers	300-400 lbs	102.00-113.00	Bulls returning to farm				
	400-500 lbs	93.00-105.00	#1	95-120 lbs	135.00-152.00		
	500-600 lbs	90.00- 99.50		82- 94 lbs	95.00-120.00		
	600-700 lbs	81.50- 89.50	#2	95-120 lbs	105.00-130.00		
	700-800 lbs	71.50- 77.25		80- 94 lbs	80.00- 95.00		
			Heifers #2	100-110 lbs	300.00-435.00		
				70- 90 lbs	200.00-270.00		
			Beef X Bulls & Heifers #1	80-110 lbs	130.00-180.00		
			#2	80-110 lbs	80.00-120.00		
Lancaster, New Holland & Vintage - Week Ending - Mar 13, 2004							
Bull, Holstein	121.00-145.00		Plainer	85.00-140.00			
Heifers, Hols	490.00-530.00		Plainer	360.00-430.00			
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Mar 10, 2004							
Fed Steers				Fed Heifers			
Hi-Ch-Pr	1300-1500 lbs	83.00-85.25	Hi-Ch-Pr	1050-1375 lbs	82.00-84.00		
	Over 1500 lbs	80.00-82.00	Ch 2-3	77.00-81.00			
Ch	1150-1250 lbs	77.00-78.50					
Ch Hols	1300-1600 lbs	72.00-74.00					
Lower Dressing	1200-1500 lbs	63.00-69.00					
Cows				Calves			
Breakers	41.00-46.50		H-Ch	220-260 lbs	94.00-96.50		
Boners	41.00-45.00		Good	90-115 lbs	60.00-75.00		
Lean	36.00-41.00			70- 90 lbs	50.00-60.00		
Thin & Light	36.00-DOWN						
Lancaster, New Holland & Vintage - Week Ending - Mar 13, 2004							
Steers, Choice, 2-3	1150-1490 lbs		88.00-92.00	Trend			
Heifers, Choice	1310-1575 lbs		85.00-88.35	\$5 - \$7 Higher			
Cows, Breakers 75-80 pct lean			49.00-53.75	Sharply higher			
Bulls, YG 1	1160-2200 lbs		54.00-62.00	\$2 - \$3 higher			
Calves, Standard & Good	60- 110 lbs		40.00-64.00	Steady to \$2 higher			
				Mostly steady			

For more information about this report, call 410-841-5740 or write:

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