

**MARKET ANALYSIS - April 8, 2004**

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Corn futures are up around 45 cents on the December contract since the March monthly supply and demand numbers and soybean futures are sitting just over \$1 higher on July contract and 50 cents on the November contract. Wheat has enjoyed a 55-cent increase on the nearby. March was without a doubt a wild month for grains and oilseeds and the market volatility shows very little sign of abating in April. Tight world supplies of corn and feed were combined with an ample oilseed supply. Brazilian production was reduced because of Asian rust, with dry weather during 'pod fill' in the south and rains in the harvest period in the north. Argentine production was reduced due to drought. This week beans took a bit of a price hit when the CBOT announced higher margin requirements on the contract (which makes sense as the level of margin is usually proportional to the price level— although the relationship is not exact), but the bean prices rose slightly in anticipation of Thursday's USDA supply and demand and world production reports. The expectation for beans was that the domestic stocks would be unchanged to slightly lower. When the report came out expectations were shown to be on the money as soybean stocks were shaved 10 million bushels, to 115 million bushels, and the average annual price was increased by a quarter to \$7.60. The other key element traders were watching for was Brazilian production. The USDA cut that estimate to 56 million tons, near pre-report guesses. Bean prices turned lower but moved back to unchanged. The bullish sentiment of the report was basically muted upon the realization that the market had factored most of that news into the current rally. Corn ending stocks for the year ending 2003/04 were cut to 856 million bushels, down from 901 million a month ago. The average price estimate was raised a dime to \$2.55 a bushel. Corn futures reacted in a similar way to the bean futures. Wheat futures fell and stayed lower following an equally bullish report in that market. Wheat ending stocks were cut 13 million bushels, to 531 million bushels, and the average price was increased by 3 cents to \$3.38. To further dent any chance of a short run rally rain is forecast for much of the western plains and additional pressure could come from the higher U.S. dollar index (which could slow exports). Pressure could increase in front of the three-day weekend if sell stops are triggered. Expect planting weather to be the major corn mover this month and if demand numbers in the corn arena stay strong we might see a rising market. Many traders believe we have not even begun to see the full extent of volatility yet – so if you are going to hedge – buy puts – the volatility will just increase their value. In the soybean pit traders will fight over the record tight balance sheet and increased soybean plantings but South American production could be the decider. It is frightening to think how bullish we could get if we get summer weather problems here in the States! Might be a good bet. Expect northern hemisphere weather to drive wheat prices. In other news – last week I mentioned that Ethanol futures would begin trading in New York. Not to be outdone this week the CBOT announced its plans for an Ethanol (cash settled) futures contract. Competition remains strong amongst the exchanges and that means end users benefit in terms of lower trading costs.

**BASIS TABLE**

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mav04)	NEW(Dec04)	CASH(Mav04)	NEW(Nov04)	CASH(Mav04)	NEW(Jul04)
Western MD	+25	N/A	-70	N/A	-55	N/A
Central MD	+14	+2	-24	-35	-3	-13
Southern MD	+17	-5	-13	-25	N/A	-20
Upper E. S	+22	+7	-8	-25	N/A	-26
Lower E. S	+30	+13	Even	-16	N/A	-23

**WEEKLY CROP WEATHER SUMMARY**

**MARYLAND AGRICULTURAL STATISTICS SERVICE**

Field corn planting will begin in three weeks. Small grains are in mostly fair to good condition and will start to form heads soon, assuming the weather remains favorable. The condition of winter wheat is 8 percent excellent, 63 percent good, 22 percent fair, and 7 percent poor. Barley condition was 10 percent excellent, 59 percent good, 24 percent fair, 5 percent poor, and 2 percent very poor. Pastures are in mostly good to excellent condition with 21 percent excellent, 50 percent good, 19 percent fair, 7 percent poor and 3 percent very poor. Hay supplies are 58 percent adequate, 19 percent short, and 23 percent very short. Good quality hay is in short supply.

**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	03/31	4/07	03/31	4/07	03/31	4/07	03/31	4/07
Western Md		3.28	3.55	8.76	9.46	3.53	3.60	2.63	2.66
Central MD		3.28	3.45	9.20	9.92	----	4.12	2.60	2.70
Southern MD		3.37	3.47	9.80	10.03	----	----	1.50	----
Upper E. Shore		3.42	3.52	9.85	10.08	----	----	1.60	----
Lower E. Shore		3.50	3.60	9.92	10.16	3.85	----	1.60	----

**Soybean Meal**

**Lower Eastern Shore**

**Dealer's Average Cash Quotes (\$/ton)**

Date	03/31	4/07	Date	03/31	4/07
48% Soybean Meal	344.00	355.00	44% Soybean Meal	332.00	343.00

**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	03/31	4/07	03/31	4/07	03/31	4/07	03/31	4/07
Western Md		----	----	----	----	----	----	----	----
Central MD		3.27	3.39	7.07	7.51	4.00	4.12	----	----
Southern MD		3.13	3.32	7.22	7.61	3.86	3.95	1.50	1.50
Upper E Shore		3.26	3.44	7.22	7.61	3.90	3.99	1.60	1.60
Lower E Shore		3.33	3.50	7.30	7.70	3.86	4.02	1.53	1.65

**GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Apr 07, 2004**

Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>	
May	330.00	May	1,016.00	May	415.00	May	324.50
Jul	337.50	Jul	1,018.00	Jul	424.50	Jul	322.20
Sep	336.50	Aug	971.50	Sep	428.00	Aug	310.70
Dec	336.50	Sep	859.00	Dec	435.25	Sep	290.00
Mr05	338.25	Nov	786.00	Mr05	438.50	Oct	252.50
May	340.50	Ja05	787.50			Dec	242.70

<sup>1</sup> \$/ton

<b>HAY AND STRAW</b>									
<b>New Holland, PA - \$/ton - Apr 05, 2004 -144 loads</b>									
<b>Alfalfa</b> 82.00-185.00		<b>Mixed</b> 50.00-205.00		<b>Timothy</b> 72.00-172.00		<b>Orchardgrass</b> 75.00-170.00		<b>Straw</b> 120.00-230.00	
<b>Westminster, MD - \$/bale - Apr 05, 2004 - 218 Lots</b>									
<b>Alfalfa</b> 1.00-5.10	<b>Alfalfa Mix</b> .60-4.40	<b>Timothy</b> 1.60-4.30	<b>Mixed Timothy</b> .75-2.40	<b>Mix Hay</b> 1.00-4.10	<b>Orchardgrass</b> 1.50-3.80	<b>Straw</b> 2.10-3.80	<b>Grass Hay</b> 1.10-2.70	<b>Mulch</b> .45-.95	
<b>Southern, MD - Regional Farmers' Market - \$/bale - Apr 03, 2004</b>									
<b>Alfalfa</b> 5.00		<b>Mixed Grass</b> 1.75-3.00		<b>Timothy Mixed</b> 3.60		<b>Orchardgrass Mixed</b> 2.00		<b>Orchardgrass</b> 2.75-5.40	
<b>POULTRY (Grade A) - Week Ending April 10, 2004 - Negotiated Price, (\$/cwt)</b>									
	<b>Current Week</b>			<b>Week Ago</b>			<b>Month Ago</b>		<b>Year Ago</b>
NY Wtd Avg. (Fryers)	76.04			76.33			75.71		51.55
12 City Composite	76.96			76.77			75.52		57.71
<b>LAMBS - Westminster, MD - \$/cwt - Apr 06, 2004</b>									
<b>H-Ch-Pr</b>	<b>100-120 lbs</b>	<b>120.00-127.00</b>	<b>Good</b>	<b>80-120 lbs</b>	<b>100.00-122.00</b>	<b>Sheep 38 Hd</b>		<b>40.00-80.00</b>	
	80- 98 lbs	125.00-155.00		50- 78 lbs	125.00-160.00				
	60- 78 lbs	160.00-200.00		30- 50 lbs	175.00-245.00				
	40- 58 lbs	195.00-235.00							
<b>TERMINAL MARKETS HOGS - April 08, 2004</b>					<b>DIRECT MARKET HOGS - Westminster, MD- Apr 07, 2004</b>				
<b>Base Price Range</b> a.m.	<b>Carcass Basis</b> Base 185 lb Hog		<b>Sows (1-3)</b> 300-449 lbs		<b>1 &amp; 2</b>	<b>230-260 lbs</b>	<b>46.00-47.00</b>		
					<b>2 &amp; 3</b>	<b>190-210 lbs</b>	<b>39.00-40.00</b>		
<b>Eastern Cornbelt</b> <b>Iowa, Minn</b>	54.00-62.00		35.59-42.03		<b>Sows</b>	<b>500-600 lbs</b>	<b>37.00-40.00</b>		
	52.75-63.00		38.20-44.79	<b>Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Apr 20, 2004</b>					
<b>FEEDER PIGS - (\$/cwt) -</b>									
<b>Gumboro, DE -</b>					<b>New Holland, PA -Apr 07, 2004</b>				
<b>Head:</b>	<b>Trend:</b>				<b>Head:</b>	<b>442</b>	<b>Trend:</b>		
	Next Sale Apr 20, 2004					33-35 lbs	100.00-110.00		44-67 lbs 87.00-90.00
<b>CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Apr 07, 2004</b>					<b>HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Apr 07, 2004</b>				
<b>Apr</b>	81.47	<b>Oct</b>	76.97	<b>Apr</b>	62.32	<b>Jul</b>	72.70		
<b>Jun</b>	76.07	<b>Dec</b>	78.05	<b>May</b>	67.80	<b>Aug</b>	70.30		
<b>Aug</b>	75.47			<b>Jun</b>	73.70	<b>Oct</b>	59.17		
<b>STOCKER-FEEDER CATTLE - (\$/cwt)</b>									
<b>Winchester, VA - Apr 05, 2004</b>					<b>Westminster, MD - Apr 06, 2004</b>				
<b>Steers</b>	300- 400 lbs	109.00-124.00			<b>Steers</b>	300- 500 lbs	95.00-117.00		
	400- 500 lbs	106.00-120.00				500- 700 lbs	90.00-101.00		
	500- 600 lbs	105.50-113.00				700- 900 lbs	75.00- 85.00		
	600- 700 lbs	91.50-104.00			<b>Holstein</b>	500- 600 lbs	70.00- 75.00		
	900-1100 lbs	79.00- 81.00			<b>Heifers</b>	200- 400 lbs	90.00-108.00		
<b>Heifers</b>	300- 400 lbs	104.50-111.50				400- 600 lbs	82.00- 96.50		
	400- 500 lbs	99.50-109.00				600- 800 lbs	75.00- 86.00		
	500- 600 lbs	91.00-102.50			<b>Bulls returning to farm</b>				
	600- 700 lbs	83.00- 93.35			<b>#1</b>	94- 120 lbs	122.00-140.00		
	700- 800 lbs	80.00- 85.00			<b>#2</b>	86- 92 lbs	100.00-115.00		
					<b>#2</b>	94- 120 lbs	100.00-120.00		
					<b>Heifers #1</b>	90- 115 lbs	550.00-610.00		
					<b>#2</b>	80- 115 lbs	340.00-450.00		
						70- 78 lbs	150.00-270.00		
					<b>Beef X Bulls</b>	100- 125 lbs	100.00-165.00		
					<b>Beef X Heifers</b>	70- 80 lbs	100.00-140.00		
<b>Lancaster, New Holland &amp; Vintage - Week Ending - April 10, 2004</b>									
<b>Bull, Holstein</b>	90-100 lbs	125.00-142.00			<b>Plainer</b>	90-100 lbs	120.00-142.00		
<b>Heifers, Hols</b>	90-120 lbs	710.00-750.00			<b>Plainer</b>	90-120 lbs	500.00-625.00		
<b>SLAUGHTER CATTLE (\$/cwt)</b>									
<b>Westminster, MD - Apr 06, 2004</b>									
<b>Fed Steers</b>					<b>Fed Heifers</b>				
<b>H-Ch -Pr</b>	1500-1600 lbs	79.00-80.00			<b>Ch 3-4</b>	1200-1400 lbs	75.00- 77.00		
<b>LCh</b>	1100-1375 lbs	75.00-79.50							
<b>H-Ch-Hols</b>	1300-1550 lbs	79.50-80.25			<b>Calves</b>				
<b>H-Ch</b>	1100-1300 lbs	75.00-78.00			<b>Ch</b>	250-325 lbs	92.00-103.00		
<b>L-Ch</b>		70.00-74.00			<b>Good</b>	80-100 lbs	50.00- 65.00		
<b>Select</b>		62.00-68.00							
<b>Cows</b>									
<b>Breakers</b>		46.00-50.50							
<b>L-dressing</b>		42.00-45.00							
<b>Boners</b>		45.00-50.50							
<b>Lean</b>		40.00-45.00							
<b>Thin &amp; Light</b>		39.00-DOWN							
<b>Lancaster, New Holland &amp; Vintage - Week Ending - Apr 10, 2004</b>									
<b>Steers, Ch 2-3</b>		1160-1490 lbs			88.00-89.50	\$2 - \$3 higher			
<b>Cows, Breakers 75-80 pct lean</b>					50.00-54.00	\$2 - \$3 higher			
<b>Bullocks,</b>		1285-1290 lbs			81.00-83.00	None			
<b>Bulls, YG 1</b>		1275-2420 lbs			55.25-63.75	Steady to \$1 higher			
<b>Vealers, Standard &amp; Good</b>		60- 110 lbs			48.00-60.00	Higher undertone			

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

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