



GRAIN & LIVESTOCK REPORT

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MARKET ANALYSIS - May 27, 2004

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Soybean trade finished with big losses for the second week in a row last week with July falling about 60 cents and November about 30 cents. However the huge sell off in this market looks to have stopped but traders are still nervous given this drop. Weekly progress numbers listed soybeans at 54% planted versus 35% which is the five year average. Does this mean record yields? Traders are very unsure about this and the sell off has halted. This week China took the limelight starting on Monday when it announced that it had banned shipments from Brazil due to fungicide contamination. Brazil reacted by sending a delegation to China. Speculative buyers then reentered the market but the market was still unable to get above the 100-day moving average. However it was the export picture that revitalized the market. Agriculture Secretary Veneman stated midweek that we are on the way to setting a new sales export record and that China would be the bright spot stating that agricultural exports had tripled (since their accession to the WTO) from \$1.8 billion in 2001 to \$3.5 billion in 2003. They are forecast to reach a staggering \$5.9 billion in 2004! Soybeans and cotton take the poll positions. The dollar continues to weaken so that is another supportive factor. It was the Midwest flooding that dominated corn fundamentals this week and replanting could become an issue particularly if the weather doesn't begin to clear. If acres are lost due to the inability to replant, or yields are cut because of weather conditions, be prepared for prices to jolt upwards. When the USDA suggested that the original yield projection was unlikely to be met, prices moved above the 100-day moving average – a big psychological boost to the market Monday's USDA planting progress report indicated the crop was 95% planted which means that 4 million acres are unplanted. After a huge sell off in wheat for the last few weeks we seemed to have found support. Unwinding of corn/wheat spreads also added some gain to what has been a fairly thinly traded market. Wet conditions are raising fears of scab or fusarium head blight outbreaks in the Soft red winter crop – none is evident yet but these are ideal conditions for development. In export news – U.S. wheat is in high demand and is benefiting from reduced competition due to poor harvests in the EU, Russia and the Ukraine. Technical analysis 101: Bottoming action in both the corn and soybean charts suggest a rally!

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mav04)	NEW(Dec04)	CASH(Mav04)	NEW(Nov04)	CASH(Mav04)	NEW(Jul04)
Western MD	+57	N/A	-112	N/A	-11	N/A
Central MD	+41	+5	-58	-30	-28	Even
Southern MD	+34	-5	-97	-25	-2	-30
Upper E. S	+39	+8	-92	-45	+2	-26
Lower E. S	+49	+13	-86	-16	+5	-23

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

There were 4.8 days suitable for field work for the week ending May 23, 2004. The warm weather allowed soybean planting to increase from 38 percent this week compared to 13 percent in 2003. About 91 percent of winter wheat is headed compared to 55 percent the previous year and there are some reports of wheat turning color. Sorghum planted is at 43 percent, double the five-year average of 16 percent. Warm temperatures along with some rain prompted corn to emerge quickly, from 61 percent last week to 82 percent this week.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	5/19	5/26	5/19	5/26	5/19	5/26	5/19	5/26
Western Md	3.41	3.44	8.75	8.57	3.38	3.43	2.62	2.63
Central MD	3.24	3.28	9.18	9.11	3.70	3.82	2.23	2.23
Southern MD	3.19	3.21	9.03	8.72	---	3.52	1.50	1.50
Upper E. Shore	3.24	3.26	9.08	8.77	---	3.56	1.60	1.60
Lower E. Shore	3.32	3.36	9.15	8.83	3.50	3.59	1.60	1.68

Soybean Meal

Lower Eastern Shore

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

Date	5/19	5/26	Date	5/19	5/26
48% Soybean Meal	330.00	309.00	44% Soybean Meal	318.00	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	
	5/19	5/26	5/19	5/26	5/19	5/26	5/19	5/26
Western Md	---	---	---	---	---	---	---	---
Central MD	2.96	2.99	6.72	6.79	3.70	3.82	1.75	2.23
Southern MD	2.85	2.89	6.82	6.84	3.47	3.52	1.50	1.50
Upper E Shore	2.98	3.02	6.82	6.84	3.51	3.56	1.60	1.60
Lower E Shore	3.03	3.07	6.91	6.93	3.55	3.59	1.66	1.68

GRAIN FUTURES - Chicago Board of Trade (cents/bu) -May 26, 2004

Corn		Soybeans		Wheat		Soybean Meal ¹	
Jul	300.75	Jul	872.00	Jul	381.50	Jul	277.30
Sep	296.25	Aug	823.50	Sep	390.50	Aug	266.50
Dec	293.50	Sep	749.00	Dec	401.00	Sep	252.00
Mr05	298.00	Nov	709.00	Mr05	407.50	Oct	231.30
May	301.75	Ja05	710.50	May	408.00	Dec	227.20
Dec	271.00	Mar	709.25			Ja05	225.80

\$/ton

HAY AND STRAW					
New Holland, PA - \$/ton - May 24, 2004 -51 loads					
Alfalfa	Mixed	Timothy	Orchardgrass	Straw	
30.00-175.00	35.00-195.00	60.00-340.00	75.00-100.00	52.00-200.00	
Westminster, MD - \$/bale - May 24, 2004 - 125 Lots					
Alfalfa	Mixed	Timothy	Mixed	Grass Mix	Straw
3.20-4.90	3.90-4.40	1.40-4.20	1.20-3.00	1.10-4.20	1.00-3.60
POULTRY (Grade A) - Week Ending May 29, 2004 - Negotiated Price, (\$/cwt)					
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>	
NY Wtd Avg. (Fryers)	82.72	82.25	76.04	55.13	
12 City Composite	81.77	80.50	76.53	60.00	
LAMBS - Westminster, MD - \$/cwt - May 25, 2004					
Ch	100-120 lbs	125.00-130.00	Sheep 16 Hd	48.00-87.00	
	80-100 lbs	125.00-135.00	Heavy	25.00-48.00	
	60- 80 lbs	125.00-142.00			
TERMINAL MARKETS HOGS - May 27, 2004			DIRECT MARKET HOGS - Westminster, MD- May 26, 2004		
Base Price Range (\$/cwt)	<u>Carcass Basis</u>	<u>Sows (1-3)</u>	#1 & 3	210-270 lbs	52.00-54.50
a.m.	Base 185 lb Hog	300-449 lbs		285-300 lbs	46.50-49.00
Eastern Cornbelt	68.50-76.37	45.00-47.71			
Iowa, Minn	67.00-75.00	42.26-49.41	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale June 15, 2004		
FEEDER PIGS - (\$/cwt) -					
Gumboro, DE -			New Holland, PA -May 26, 2004 -		
Head:	Trend:		Head: 347	Trend:	Mostly slaughter
	Next Sale June 15, 2004			30-35 lbs	105.00-125.00
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - May 26, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - May 26, 2004		
May	86.00	Oct	86.67	Jun	74.27
Jun	82.67	Dec	86.32	Jul	72.72
Aug	85.67			Aug	71.70
STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - May 26, 2004			Westminster, MD - May 26, 2004		
Steers	300- 400 lbs	129.00-139.00	Steers	200- 400 lbs	100.00-122.00
	400- 500 lbs	115.00-129.50		400- 500 lbs	105.00-108.00
	500- 600 lbs	111.00-126.75		600- 800 lbs	80.00- 90.00
	600- 700 lbs	107.00-119.00		800-1000 lbs	79.00- 81.00
Heifers	300- 400 lbs	118.50-122.00	Heifers	200- 400 lbs	98.00-113.00
	400- 500 lbs	113.00-121.00		400- 500 lbs	94.00-108.00
	500- 600 lbs	105.00-114.00		500- 660 lbs	83.00-106.00
	600- 700 lbs	96.00-100.00	Bulls returning to farm		
			#1	86- 120 lbs	195.00-235.00
				75- 85 lbs	125.00-170.00
			#2	86- 120 lbs	130.00-190.00
				75- 85 lbs	85.00-120.00
			Heifers	#1	80- 115 lbs
				#2	70- 95 lbs
			Beef X Bulls & Heifers #1	75- 120 lbs	145.00-185.00
Lancaster, New Holland & Vintage - Week Ending - May 29, 2004					
Bull, Holstein	90-120 lbs	175.00-215.00	Plainer	90-120 lbs	170.00-197.00
Heifers, Hols	90-120 lbs	425.00-520.00	Plainer	90-120 lbs	105.00-375.00
SLAUGHTER CATTLE (\$/cwt)					
Westminster, MD - May 25, 2004					
Fed Steers			Fed Heifers		
Select		78.00-80.00	Ch 3-4	1000-1200 lbs	80.00-82.00
H-ChPr Hols	1300-1500 lbs	80.00-81.00			
Ch 2-3		75.00-78.00			
Cows					
Breakers		53.00-57.00			
Boners		49.00-53.50			
Lean		45.00-49.00			
Thin & Light		45.00-DOWN			
Lancaster, New Holland & Vintage - Week Ending - May 29, 2004					
Steers, Ch 2-3		1115-1460 lbs	85.00-88.00	Steady to weak	
Heifers, Ch		1070-1410 lbs	83.50-85.75	No Trend	
Cows, Breakers 75-80 pct lean			53.75-58.00	\$2 - \$3 lower	
Bulls, YG 1		1540-2050 lbs	61.00-66.75	Mostly steady	
Calves, Good & Choice		60- 110 lbs	28.00-62.00	No trend	

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

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