



GRAIN & LIVESTOCK REPORT

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Market Analysis - July 08, 2004

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Corn futures finished over 20 cents lower last week due to negative USDA numbers, bearish technical indicators, good weather and fund selling. We have pretty much given back all the gains seen after the January USDA bullish crop report. The July futures are down about 85 cents since the April highs. Monday was a holiday this week and corn was fairly quiet after that despite bullish news of a sale to Egypt (a purchase of 4 million bushels) and a crop condition report released on Tuesday, which was basically bearish. South Korea even got into the buying business for another 4 million. Weather forecasts continue to be moderate. In summary for corn: whilst world grain buyers are returning to the U.S. for supplies the good growing conditions now takes the focus off any shortage. Soybean trade was down last week with August down about 30 cents and November down nearly 60 cents. Fund selling early in the week had the contracts under immense pressure but spread trading in the pits was affecting the relative price moves in the differing months. Cash trade continues to be strong which has supported the nearby contracts. Despite the drop, be prepared for some fireworks this summer in the cash markets and summer futures over the next couple of months. For instance this week was extremely volatile. On Wednesday the July contract rose a staggering 55 cents only to fall enough to post a 25-cent loss! August went up 50 cents only to drop again – but that stayed positive at the end of the day. November gained for the first time in ages. Look for massive volatility in this market so be prepared for a wild, wild ride. Wheat charts also look like an alpine ski slope due to harvest pressure, technical selling and a negative USDA acreage report. On the weekly progress numbers the winter wheat harvest was listed at 51% complete which was 10% ahead of the average pace. Expect this market to continue to focus on exports and weather and also spillover movement from the neighboring corn pit. Seasonally, it is time for the wheat futures to hit their bottom. Could that mean that we will start to see the upward price move?

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Jul04)	NEW (Dec04)	CASH (Jul04)	NEW(Nov04)	CASH(Jul04)	NEW(Jul04)
Western MD	+74	n/a	-78	n/a	-26	n/a
Central MD	+52	+5	-38	-35	+6	+6
Southern MD	+24	-5	-75	-25	-34	-34
Upper E. Sh	+29	+8	-70	-25	-33	-33
Lower E. Sh	+39	+13	-62	-16	-20	-20

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

There were 6.5 days suitable for fieldwork for the holiday week ending July 4, 2004. Mid-day air temperatures were in the upper-80's to the lower-90's. Rain was scarce this week and some farmers are beginning to notice the lack of rain showers. The weather did allow farmers to just about complete the harvesting of **barley** and **winter wheat**. Last year at this time, only 22 percent of **winter wheat** was harvested, compared to 85 percent this week. **Corn** was 47 percent tasseled, compared to 6 percent last year. Farmers were able to advance on the second cutting of **hay** this week due to the dry weather. **Soybeans** were 94 percent planted compared to 55 percent a year ago and already 12 percent were beginning to bloom. **Topsoil moisture** was 10 percent very short, 27 percent short, 61 percent adequate and 2 percent surplus.

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	6/30	7/07	6/30	7/07	6/30	7/07	6/30	7/07
Western Md		3.29	3.24	8.62	8.84	3.33	3.15	2.23	2.19
Central MD		2.98	3.02	9.22	9.24	3.41	3.47	1.98	1.98
Southern MD		2.83	2.74	8.48	8.87	3.11	3.13	1.70	1.70
Upper E. Shore		2.88	2.79	8.53	8.92	3.16	3.14	1.80	1.80
Lower E. Shore		2.98	2.89	8.60	9.00	3.19	3.21	1.85	1.81

Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)	
Date	6/30	7/07	Date	6/30	7/07
48% Soybean Meal	338.00	389.00	44% Soybean Meal	326.00	377.00

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery		Dealer's Avg Quotes							
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley		
	Date	6/30	7/07	6/30	7/07	6/30	7/07	6/30	7/07
Western Md		----	----	----	----	----	----	----	----
Central MD		2.72	2.64	6.34	6.26	3.41	3.47	1.80	1.80
Southern MD		2.62	2.54	6.44	6.36	3.11	3.13	1.70	1.70
Upper E Shore		2.75	2.67	6.44	6.36	3.16	3.14	1.80	1.80
Lower E Shore		2.80	2.72	6.53	6.45	3.19	3.21	1.85	1.81

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jun 07, 2002							
Corn		Soybeans		Wheat		Soybean Meal ¹	
Jul	249.50	Jul	979.50	Jul	338.50	Jul	344.70
Sep	254.00	Aug	819.50	Sep	344.75	Aug	294.70
Dec	258.50	Sep	684.00	Dec	357.25	Sep	249.70
Mr05	266.00	Nov	652.00	Mr05	368.00	Oct	213.00
May	271.50	Ja05	653.50	May	371.50	Dec	204.70
Dec	263.25	Mar	657.00			Ja05	204.00

¹ \$/ton

HAY AND STRAW							
New Holland, PA - \$/ton - Jul 05, 2004 - 87 Loads							
Alfalfa 150.00-220.00	Mixed 50.00-230.00	Timothy 72.00-170.00	Orchardgrass 60.00-90.00	Straw 115.00-180.00			
Westminister, MD - \$/bale - Jul 06, 2004 -							
NOT AVAILABLE							
POULTRY (Grade A) - Week Ending Jul 10, 2004							
	Current Week	Week Ago	Month Ago	Year Ago			
NY Wtd Avg. (Fryers)	83.33	83.33	82.76	59.17			
12 City Composite	82.26	82.26	81.84	62.22			
LAMBS - Westminister, MD - \$/cwt - Jul 07, 2004							
40- 50 lbs	75.00- 97.50	Sheep 31	100-200 lbs	37.00-63.00			
60- 70 lbs	75.00-127.00		over 200 lbs	22.00-49.00			
80- 90 lbs	105.00-125.00						
100- 125 lbs	100.00-110.00						
130 lbs -up	60.00-105.00						
TERMINAL MARKETS HOGS - Jul 08, 2004			DIRECT MARKET HOGS - Westminister, MD - Jul 07, 2004				
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	260-280 lbs	54.50-57.50			
a.m.	Base 185 lb Hog	300-449 lbs	Sows	400-600 lbs	44.00-47.00		
Iowa, Minn	69.50-78.75	44.00-54.77	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Jul 20, 2004				
Eastern Cornbelt	73.00-78.38	44.00-55.50					
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE - Jul 06, 2004			New Holland, PA - Jul 07, 2004 -				
Head:	Trend:		Head: 258	Trend: None			
			65-70 lbs	92.00-95.00			
Next Sale Jul 20, 2004							
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 07, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 07, 2004				
Aug	87.62	Dec	88.77	Jul	79.37	Oct	66.95
Oct	88.87			Aug	76.65	Dec	61.90
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Jul 05, 2004				Westminister, MD - Jul 007 2004			
Steers	400- 500 lbs	122.25-126.00	M&L	200-300 lbs	75.00-111.00		
	500- 600 lbs	120.00-131.50		400-500 lbs	80.00-108.00		
	600- 700 lbs	125.00-127.00	Holstein Steers	300-400 lbs	74.50- 88.50		
	700- 800 lbs	104.50-109.50		900 lbs	52.50- 62.00		
Heifers	300- 400 lbs	120.50-126.00	Heifers	200-300 lbs	85.00-129.00		
	400- 500 lbs	110.50-119.00		400-500 lbs	70.00-105.00		
	500- 600 lbs	107.00-115.00		600 lbs	87.00- 89.00		
	600- 700 lbs	96.00-101.25	Returned to farm				
	700- 800 lbs	91.50- 92.00	Holstein Bulls	80- 90 lbs	105.00-170.00		
	800- 900 lbs	88.00- 90.00		95-100 lbs	117.00-175.00		
				105-120 lbs	100.00-187.50		
Lancaster, New Holland & Vintage - Week Ending - Jul 10, 2004							
Bull, Holstein	90-120 lbs	112.00-155.00	Plainer	90-120 lbs	115.00-142.00		
Heifers, Hols	90-120 lbs	400.00-575.00	Plainer	90-120 lbs	200.00-300.00		
SLAUGHTER CATTLE (\$/cwt)							
Westminister, MD - Jul 07, 2004							
Fed Steers				Fed Heifers			
Ch Hols	1300-1500 lbs	80.50-84.75		Calves			
Standard - L-Ch		70.00-80.00		Slaughter		62.50-95.00	
Cows							
Breakers		48.00-55.75					
Boners		40.00-48.00					
Slow Cows		39.00-DOWN					
Lancaster, New Holland & Vintage - Week Ending - Jul 10, 2004							
Steers, Ch 2-3	1165-1495 lbs	83.75-87.50		\$2 - \$4 lower			
Heifers, Ch	1112-1345 lbs	81.00-84.00		\$2 - \$4 lower			
Cows, Breakers 75-80 pct lean		57.00-59.50		Steady to \$1 lower			
Bulls, YG 1	1235-1850 lbs	63.00-69.75		Steady			

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

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