



GRAIN & LIVESTOCK REPORT

August 20, 2004

MDA #117

VOLUME 29

No. 33

PUB. Weekly

Market Analysis - August 19, 2004

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Nearby corn finished around 9 cents lower last week but we managed to avoid setting new contract lows. This week was generally steady. On Monday we witnessed a technical rally and this volume came from the funds that were short covering and the commercials buying up contracts. Corn was lower midweek but according to DTN analysts this selling was just 'washback' (nothing substantial was going on). Funds offloaded about 2000 contracts after buying up 12,000 on Tuesday. On Thursday prices were a bit better with decent export sales and light weather worries. Sales came in at 700,000 tons which was toward the high side of estimates. From the bull side – rains have been skimpy across the Corn Belt and corn basis has been firming. Moreover, grain supply/demand balances across the globe have been tight. From the bear side – rains are expected this week. Soybeans finished higher last week because of the USDA production numbers. This didn't stop the funds beginning their week this week in a bearish mood and they offloaded contracts from the get go on Monday but their selling slowed by the end of the day. The probably wished they hadn't started that sell off when Monday's weekly crop report (released in the afternoon) predicted decreases in production. The funds must have changed their minds after this because they started buying well into Wednesday and then the commercials joined in. Fundamentally basis remains firm (and we have seen improvement here locally too) partly because crusher's needs are just not being met across the nation. Weekly export sales for beans came in at the higher end of expectations on Thursday. So it was a decent week for beans but be prepared – when the crushers say they don't need beans anymore prices will drop. Wheat had another horrible week last week with nearby futures dropping 15 cents. This week was a bit mixed but finally we saw price improvement overall with Tuesday providing the big bull day for wheat. Speculators had just had enough of the battered wheat market and thought that prices were low enough. However despite this, fundamentals are looking fairly bearish what with world supplies continuing to increase and the U.S. spring wheat harvest picking up speed. Basis does remain firm however with only a few cash sales being made. On Thursday good export sales gave the depressed wheat market a lift. Pakistan was the country that came to rescue and provided the bulk of the 743 thousand ton export sales total.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep04)	NEW (Dec04)	CASH (Aug04)	NEW(Nov04)	CASH(Sep04)	NEW(Jul05)
Western MD	+57	n/a	-23	n/a	-55	n/a
Central MD	+35	-4	-49	-42	-8	-21
Southern MD	+17	-14	+19	-34	-58	n/a
Upper E. Sh	+22	+1	+24	-24	-27	n/a
Lower E. Sh	+30	+6	+28	-15	-21	-31

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Hurricane season is here and is already affecting Maryland farmers. There were 3.7 days suitable for field work for the week ending August 15, 2004. Rain fell upon most of the state as a result of the two tropical systems that hit the eastern part of the country. Precipitation ranged from about 0.5 inches to anywhere from 3" to 5" for the week. Despite the rain, soybeans are in fair to excellent condition. Soybeans setting pods jumped to 78 percent compared to 45 percent the previous week. Corn is 75 percent dough, 39 percent dent and 6 percent mature. Some corn may be ready for harvest as soon as next week if the weather cooperates. Hay was baled in some parts of the state, while others were unable to dry hay because of the rain showers. Top soil moisture is 67 percent adequate and 33 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	
	8/11	8/18	8/11	8/18	8/11	8/18	8/11	8/18
Western Md	2.88	2.86	6.46	6.29	2.98	2.45	2.15	2.15
Central MD	2.65	2.64	6.26	6.03	3.12	3.02	2.15	2.15
Southern MD	2.41	2.46	6.35	6.71	2.55	2.52	1.70	1.70
Upper E. Shore	2.46	2.51	6.40	6.76	2.86	2.83	1.80	1.80
Lower E. Shore	2.54	2.59	6.44	6.80	2.89	2.89	1.76	1.76

Soybean Meal

Lower Eastern Shore

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

Date	8/11	8/18	Date	8/11	8/18
48% Soybean Meal	223.00	245.00	44% Soybean Meal	211.00	233.00

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	
	8/11	8/18	8/11	8/18	8/11	8/18	8/11	8/18
Western Md	----	----	----	----	----	----	----	----
Central MD	2.32	2.36	5.21	5.48	----	3.22	----	----
Southern MD	2.21	2.26	5.30	5.56	----	----	----	----
Upper E Shore	2.37	2.41	5.30	5.66	----	----	----	----
Lower E Shore	2.42	2.46	5.39	5.75	----	3.12	----	----

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Aug 18, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sep	225.40	Sep	600.20	Sep	301.60	Sep	200.50
Dec	236.20	Nov	590.60	Dec	315.40	Oct	181.60
Mr05	244.20	Ja05	596.60	Mr05	328.00	Dec	179.40
May	250.00	Mar	603.40	May	333.20	Ja05	180.60
Jul	254.40	May	606.60	Jul	337.00	Mar	183.80
Sep	257.40	Jul	611.20	Sep	343.40	May	186.10

¹ \$/ton

HAY AND STRAW							
New Holland, PA - \$/ton - Aug 16, 2004 - 83 Loads							
Alfalfa	Mixed	Timothy	Orchardgrass	Straw			
95.00-180.00	40.00-227.00	70.00-225.00	25.00-225.00	90.00-185.00			
Westminster, MD - \$/bale - Aug 18, 2004 - 190 Lots							
Alfalfa	Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Clover Mix	Straw	
1.20-5.00	1.15-3.70	1.00-3.50	1.10-2.10	1.00-4.40	1.10-3.10	1.30-3.00	
POULTRY (Grade A) - Week Ending Aug 21, 2004							
	Current Week	Week Ago	Month Ago	Year Ago			
NY Wtd Avg. (Fryers)	69.96	70.87	83.15	59.09			
12 City Composite	75.56	75.97	83.79	63.10			
LAMBS - Westminster, MD - \$/cwt - Aug 17, 2004							
50- 60 lbs	85.00-132.50	Sheep					
70- 80 lbs	90.00-115.00	All Weights		43.00-68.00			
90-110 lbs	91.00-115.00						
TERMINAL MARKETS HOGS - Aug 19, 2004			DIRECT MARKET HOGS - Westminster, MD - Aug 17, 2004				
Base Price Range (\$/cwt) a.m.	Carcass Basis Base 185 lb Hog	Sows (1-3) 300-449 lbs	Butcher Hogs		48.00-52.00		
			Sows	400 lbs & Up	45.00-50.50		
Iowa, Minn	65.00-74.00	35.26-53.32		400 lbs & dwn	35.00-44.25		
Eastern Cornbelt	65.00-72.30	47.00-53.10	Millsboro, DE Market Hogs - (\$/cwt) -Aug 18, 2004			\$ 48.00-\$51.00	
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE - Aug 17, 2004			New Holland, PA - Aug 18, 2004				
Head: 242	Trend: None		Head: 254	Trend: All slaughter			
Under 30	76.00-145.00	40-49 lbs 95.00-115.00		40-42 lbs	97.00-102.00		
30-39	75.00-150.00	50-59 lbs 80.00- 90.00					
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 18, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 18, 2004				
Aug	87.18	Dec	90.58	Oct	64.80	Apr	60.10
Sep	85.45	Fb05	90.88	Dec	62.13	May	61.03
Oct	88.68	Apr	88.55	Fb05	61.33	Jun	64.13
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Aug 16, 2004			Westminster, MD - Aug 17, 2004				
Steers	300-400 lbs	127.50-136.50	Steers (M&L)	200-300 lbs	110.00-114.00		
	400-500 lbs	127.50-136.00		400-500 lbs	104.00-124.00		
	500-600 lbs	119.00-124.00		600-700 lbs	78.00- 96.00		
	600-700 lbs	108.00-117.25	Heifers (M&L)	200-300 lbs	95.00-124.00		
	800-900 lbs	99.00-108.25		400-500 lbs	89.00-104.00		
Heifers	300-400 lbs	117.00-126.75		600-700 lbs	79.00- 88.00		
	400-500 lbs	114.50-122.00		800-900 lbs	64.00- 73.00		
	500-600 lbs	108.50-114.75	Hols Bull Returned to farm				
	600-700 lbs	100.00-109.75	#1	80- 90 lbs	97.50-150.00		
	700-800 lbs	106.00-108.00		95-105 lbs	102.50-165.00		
				110-120 lbs	110.50-162.50		
			Holstein Heifers	#1	270.00-355.00		
Lancaster, New Holland & Vintage - Week Ending - Aug 14, 2004							
Bull, Holstein	90-120 lbs	127.00-160.00	Plainer	90-120 lbs	125.00-137.00		
Heifers, Hols	90-120 lbs	410.00-710.00	Plainer	90-120 lbs	330.00-400.00		
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Aug 17, 2004							
Fed Steers			Fed Heifers				
H-Ch & Pr-H	1380-1500 lbs	85.00-89.50	H-Ch & Pr	1200-1450 lbs	85.00-89.50		
Select L-Ch		72.50-85.00	Select & L-Ch		78.50-85.00		
			Holstein Steers	1400-1800 lbs	62.75-79.00		
Cows			Calves				
High Dressing		54.00-60.00	Slaughter		57.50-92.50		
Breakers		46.75-53.75	Jersey		19.00-50.00		
Boners		40.00-45.00					
Thin & Slow		39.00-Down					
Lancaster, New Holland & Vintage - Week Ending - Aug 21, 2004							
Steers, Ch 2-3	1180-1490 lbs	82.00-85.50		Steady			
Heifers, Ch	1265-1555 lbs	71.00-74.00		None			
Cows, Breakers 75-80 pct lean		54.50-58.50		Steady - \$1.00 lower			
Bullocks,	1255-1280 lbs	67.00-73.00		None			
Bulls, YG 1	1425-2110 lbs	62.00-70.50		Steady			

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

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