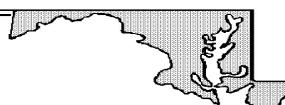




# MARYLAND



## GRAIN & LIVESTOCK REPORT

October 15, 2004

MDA #117

VOLUME 29

No. 41

PUB. Weekly

**Market Analysis - October 13, 2004**

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Last week soybeans printed contract lows every single day. Very good yield reports along with an improvement in crop ratings continue to keep the pressure mounted. Harvest progress was listed at 8%. Weekly sales last week were good but the information was useless as the bears refused to react. China took 50% of sales. On Monday of this week beans actually closed higher (but it was a really slow session). Debates continue over harvest with some adamant that we will see a record harvest this year. LDP situations exist virtually everywhere. Buying continued on Tuesday ahead of the USDA Quarterly stocks report due out on Thursday. By midweek harvest progress had risen to 18%. On Wednesday all the gains were given back and lower cash markets are making sales less attractive so that crop is being held. The only bull news this week is that Canadian oilseed supplies have been drawn down because of the weather - but don't get excited - world soybean and total edible oil stocks are at all time record highs. Corn was also down last week due to technical pressure and good yields. Commercial firms are long almost 100,000 contracts suggesting we might be near a bottom. Monday was a down day this week but people still think that we are in an oversold market and Tuesday we saw another contract low. What is worse is that cash bids weakened considerably (look at the negative basis numbers below) as harvest projections continue to climb. On Wednesday we had some relief with commercials buying and speculators short covering. Some think that is the only reason we have not seen a price collapse this week. If you still have corn out in the fields some analysts are suggesting taking the LDP and buying an out of the money put. This year, of all years is going to be a classic example of when it is wise to have a strong, disciplined hedging plan. If only we could go back to the start of the year! Wheat was down last week due to spillover pressure and lack of news and on Monday it continued to drop despite export inspections coming in at 31.0 million bushels (above expectations). Wheat contracts on all three exchanges were pressured mid week by profit taking ahead of Thursday's report but commercial buying and speculative covering in this market also kept things afloat. Basis bids are also weak in this market.

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec04)	NEW (Dec04)	CASH (Nov04)	NEW(Nov04)	CASH(Dec04)	NEW(Jul05)
Western MD	+5	n/a	-34	n/a	+7	n/a
Central MD	-2	-2	-16	-47	-11	-15
Southern MD	-27	-27	-32	-32	-31	-30
Upper E. Sh	-16	-16	-23	-23	n/a	-26
Lower E. Sh	-7	-7	-23	-23	-21	-25

**WEEKLY CROP WEATHER SUMMARY**

**MARYLAND AGRICULTURAL STATISTICS SERVICE**

Cooler air temperatures have arrived in Maryland with average high's in the 70's last week. There were 6.8 days suitable for field work for the week ending October 10, 2004. Corn for silage harvest is wrapping up with 95 percent complete. Corn for grain harvest is 66 percent complete, 20 percent above last year and 10 percent above the five-year average. Soybeans are dropping leaves rapidly and farmers are turning more attention to the soybean harvest. Harvest is 13 percent complete, well above last year and the five-year average. Good progress was made cutting alfalfa and other hay. Alfalfa hay 5<sup>th</sup> cutting increased 9 percent from last week to 17 percent complete. Other hay increased 17 percent from 46 percent to 63 percent complete.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	10/05	10/12	10/05	10/12	10/05	10/12	10/05	10/12
Western Md	2.15	2.10	4.85	4.76	3.03	3.05	1.88	1.88
Central MD	2.06	2.03	4.83	4.94	2.93	3.01	2.50	2.15
Southern MD	1.85	1.78	4.89	4.78	2.76	2.81	----	----
Upper E. Shore	1.93	1.89	4.94	4.87	----	----	----	----
Lower E. Shore	2.02	1.98	5.19	4.87	2.86	2.91	1.85	1.76

Soybean Meal	Lower Eastern Shore		Dealer's Average Cash quotes (\$/ton)		
Date	10/05	10/12	Date	10/05	10/12
48% Soybean Meal	185.00	178.00	44% Soybean Meal	173.00	166.00

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	
	10/05	10/12	10/05	10/12	10/05	10/12	10/05	10/12
Western Md	----	----	----	----	----	----	----	----
Central MD	2.02	2.03	4.83	4.63	3.09	3.14	----	----
Southern MD	1.85	1.78	4.89	4.78	2.97	2.99	1.65	1.65
Upper E Shore	1.93	1.89	4.94	4.87	3.01	3.03	1.65	1.65
Lower E Shore	2.02	1.98	5.03	4.87	3.02	3.04	1.70	1.65

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Oct 12, 2004							
Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>	
Dec	202.40	Nov	513.00	Dec	311.00	Oct	153.30
Mr05	213.20	Ja05	521.60	Mar05	321.75	Dec	155.40
May	220.60	Mar	528.00	May	326.00	Ja05	156.20
Jul	227.00	May	536.00	Jul	329.00	Mar	159.00
Sep	233.00	Jul	543.60	Dec	343.00	May	160.90
Dec	242.20	Aug	544.00			Jul	163.60

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

<b>HAY AND STRAW</b>						
<b>New Holland, PA - \$/ton - Oct 11, 2004 - 150 Loads</b>						
Alfalfa 35.00-160.00	Mixed Hay 60.00-185.00	Timothy 60.00-170.00	Orchardgrass 55.00-125.00	Straw 120.00-165.00		
<b>Westminster, MD - \$/bale - Oct 12, 2004 - 184 Lots</b>						
Alfalfa 2.80-5.10	Alfalfa Mix 1.70-4.80	Timothy 1.00-4.00	Timothy Mix 1.20-3.50	Grass Mix 1.40-3.40	Straw 2.20-4.10	Mulch .10-1.00
<b>POULTRY (Grade A) - Week Ending Oct 16, 2004</b>						
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>		
NY Wtd Avg. (Fryers)	63.65	63.04	61.22	59.62		
12 City Composite	69.72	69.44	70.14	63.63		
<b>LAMBS - Westminster, MD - \$/cwt - Oct 12, 2004</b>						
40-50 lbs 60-70 lbs	92.50-132.50 90.00-120.00	80-100 lbs 110-130 lbs	92.50-112.50 82.50-100.00	Sheep All Weights	34.00-82.50	
<b>TERMINAL MARKETS HOGS - Oct 12, 2004</b>			<b>DIRECT MARKET HOGS - Westminster, MD - Oct 12, 2004</b>			
<b>Base Price Range (\$/cwt) a.m.</b>	<b>Carcass Basis Base 185 lb Hog</b>	<b>Sows (1-3) 300-449 lbs</b>	<b>Butcher Hogs</b>		215-260 lbs	39.00-47.00
Iowa, Minn Eastern Cornbelt	62.75-71.40 67.50-70.00	32.00-44.46 32.00-47.04	<b>Millsboro, DE Market Hogs - (\$/cwt) - Next Sale - Oct. 19, 2004</b>			
<b>FEEDER PIGS - (\$/cwt) -</b>						
<b>Gumboro, DE - Oct 12, 2004</b>			<b>New Holland, PA - Oct 13, 2004</b>			
<b>Head:</b>	<b>Trend:</b>	<b>Head: 489 Trend: Mostly slaughter</b>				
	<b>Next Sale Oct. 19, 2004</b>	34-35 lbs 100.00-105.00				
<b>CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Oct 12, 2004</b>			<b>HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Oct 12, 2004</b>			
<b>Oct</b>	86.78	<b>Fb05</b>	90.20	<b>Oct</b>	71.70	<b>Apr</b> 61.98
<b>Nov</b>	86.00	<b>Apr</b>	88.00	<b>Dec</b>	64.30	<b>May</b> 62.70
<b>Dec</b>	88.73	<b>Jun</b>	83.93	<b>Feb05</b>	64.05	<b>Jun</b> 66.90
<b>STOCKER-FEEDER CATTLE - (\$/cwt)</b>						
<b>Winchester, VA - Oct 11, 2004</b>			<b>Westminster, MD - Oct 12, 2004</b>			
<b>Steers</b>	300- 400 lbs	121.00-138.00	<b>Steers (M&amp;L)</b>	200- 300 lbs	99.00-123.00	
	400- 500 lbs	115.00-134.00		400- 500 lbs	90.00-109.00	
	500- 600 lbs	104.00-124.00		600- 700 lbs	70.00- 87.00	
	600- 700 lbs	106.00-121.00		800- 900 lbs	78.00- 89.00	
<b>Heifers</b>	300- 400 lbs	101.00-120.00	<b>Heifers (M&amp;L)</b>	200- 300 lbs	90.00-112.00	
	400- 500 lbs	101.00-111.00		400- 500 lbs	87.00-105.00	
	500- 600 lbs	95.00-113.00		600- 700 lbs	72.00- 98.00	
	600- 700 lbs	95.00-101.75		800- 900 lbs	65.00- 78.00	
	700- 800 lbs	91.00-101.75	<b>Hols Bull Calves</b>	80 - 90 lbs	97.50-122.50	
	800- 900 lbs	84.00 - 91.50	<b>Returned to farm</b>	98- 105 lbs	102.50-152.50	
				110- 120 lbs	117.50-147.50	
			<b>Hols Heifers</b>		390.00-445.00	
			<b>Beef X Heifers</b>		110.00-132.50	
<b>Lancaster, New Holland &amp; Vintage - Week Ending - Oct 16, 2004</b>						
Bull, Holstein	90-120 lbs	157.00-192.00	Plainer	90-120 lbs	160.00-189.00	
Heifers, Hols	90-120 lbs	520.00-675.00	Plainer	90-120 lbs	350.00-525.00	
<b>SLAUGHTER CATTLE (\$/cwt)</b>						
<b>Westminster, MD - Oct 12, 2004</b>						
<b>Fed Steers</b>			<b>Fed Heifers</b>			
H-Ch	80.75-83.75		Ch	75.50-79.25		
L-Ch	76.50-80.00		<b>Calves</b>			
Select	74.00-76.00		Slaughter Calves	65.00-90.00		
Too Old	60.00-65.00		Jerseys	35.00-50.00		
<b>Cows</b>			<b>Veal Calves</b>	100.00-109.00		
High Dressing	50.00-54.00					
Breakers	46.50-50.00					
Boners	39.50-46.00					
Thin & Slow	37.50-Down					
<b>Lancaster, New Holland &amp; Vintage - Week Ending - Oct 16, 2004</b>						
Steers, Ch 2-3	1120-1490 lbs	80.75-83.50		\$1.00 higher		
Cows, Breakers 75-80 pct lean		50.00-54.75		Mostly Steady		
Bullocks,	1210 lbs	80.00		None		
Bulls, YG 1	1295-2060 lbs	57.50-65.50		Mostly Steady		

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

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