



GRAIN & LIVESTOCK REPORT

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Market Analysis - February 24, 2005

Technical Analysis, Good Export Numbers, Korean central bank and the Funds were what this amazing bull week was all about. Soybeans had a positive week last week finishing up over 25 cents but this week basically nothing could go wrong right up to today (Wednesday) when the nearby contract finished at \$5.77 and the November contract was a dime short of \$6.00. This move has meant a rally of about 75 cents since the beginning of February! Dry conditions in Brazil were a big reason for the rally and the funds stepped up to take advantage of this and then the market exploded. The funds were desperate to cover their short positions and the buying continued all day Monday and Tuesday. The weekly export inspection numbers also gave this market a boost as the 33.6 million bushels were what was needed to hit the USDA projection of 1.01 billion bushels. On Wednesday the funds continued to cover and it is thought that all their short positions are now liquidated and it was noted that some outright new long positions were being opened up. "There was just massive, massive buying by funds" said one veteran pit trader who added that "the market blew through stops" (referring to the buy stops or the previously set price points where the managed funds computers trigger buying through technical trading programs). Corn only rose 2 cents last week, surprising given the huge burst in soybean prices in the pit next door but on Monday the spillover pressure took its toll and corn rose. Funds reportedly bought up 10,000 contracts by the middle of the day, 30,000 by the end of the day, despite the fact that the fundamentals look decidedly bearish (lower than expected weekly inspection report). Corn fell a bit on Wednesday when traders viewed the market as being slightly overdone. Some traders are suggesting that if we fall below the 100 day moving average and no additional fund buying occurs we might see another sell off. Wheat also posted solid gains, fueled by spillovers from speculative short covering from the bean pit and more buy orders in wheat that were triggered as we got to technical resistance levels. On Tuesday wheat posted a 5.6% gain with March contracts up 16.5 cents – a three month high. The weekly export numbers of 21.2 million bushels were also larger than the expected 18.2 million bushels which also moved things along. This might be a good time to lock in these prices by using puts. Traders in all three markets also were said to be encouraged by the weak dollar (prompted by Korea's central bank to sell dollars and diversify their currency holdings) effectively lowering the price of U.S. commodities abroad.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW(Dec05)	CASH (Mar05)	NEW(Nov05)	CASH(Mar05)	NEW(Jul05)
Western MD	+17	n/a	-66	n/a	-18	n/a
Central MD	+21	+26	-22	-38	-37	-18
Southern MD	+12	+13	-20	-26	-33	-25
Upper E. Sh	+25	+26	-7	-21	n/a	-26
Lower E. Sh	+30	+35	+3	+12	-16	-26

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

THE CROP WEATHER WILL RESUME IN APRIL 2005

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

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	2/15	2/22	2/15	2/22	2/15	2/22	2/15	2/22
Western Md	2.20	2.23	4.89	5.11	3.00	2.98	1.83	1.83
Central MD	2.22	2.27	5.05	5.55	3.39	3.53	2.25	2.55
Southern MD	2.10	2.18	5.15	5.57	2.69	2.83	----	----
Upper E. Shore	2.23	2.31	5.28	5.70	----	----	----	----
Lower E. Shore	2.28	2.36	5.38	5.80	2.83	3.00	1.69	1.75

Soybean Meal	Lower Eastern Shore		Dealer's Average Cash quotes (\$/ton)		
Date	2/15	2/22	Date	2/15	2/22
48% Soybean Meal	198.00	211.00	44% Soybean Meal	186.00	199.00

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	
	2/15	2/22	2/15	2/22	2/15	2/22	2/15	2/22
Western Md	----	----	----	----	----	----	----	----
Central MD	2.34	2.40	5.05	5.54	3.01	3.13	----	----
Southern MD	2.21	2.27	5.18	5.66	2.84	3.06	1.65	1.55
Upper E Shore	2.34	2.40	5.23	5.71	2.88	3.05	1.55	1.55
Lower E Shore	2.43	2.49	5.32	5.80	2.87	3.05	1.58	1.60

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Feb 22, 2005

Corn		Soybeans		Wheat		Soybean Meal ¹	
05Mar	207.40	05Mar	577.00	05Mar	312.40	05Mar	175.50
05May	215.20	05May	583.00	05May	320.60	05May	176.70
05Jul	222.20	05Jul	588.60	05Jul	325.40	05Jul	178.90
05Sep	228.20	05Aug	590.00	05Sep	333.00	05Aug	180.00
05Dec	237.00	05Sep	590.00	05Dec	340.00	05Sep	181.10
06 Mar	244.00	05Nov	596.00	06 Mar	345.00	05Oct	181.20

¹ \$/ton

HAY AND STRAW											
New Holland, PA - \$/ton - Feb 21, 2005 - 56 Loads											
Alfalfa 50.00-215.00		Mixed Hay 50.00-210.00		Timothy 95.00-150.00	Orchardgrass 62.00-145.000	Straw 117.00-185.00					
Westminster, MD - \$/bale - Feb 22, 2005 - 125 Lots											
Alfalfa 1.90-5.70		Alfalfa 2.30-4.10	Timothy 1.60-4.00	Timothy Mix 1.10-2.40	Grass Mix 1.00-4.60	Straw 1.80-3.50	Clover Mix 1.00-2.40				
Southern, MD - Regional Farmers' Market - \$/bale - Feb 19, 2004											
Product		Lo/Hi		Avg Price		Product	Lo/Hi	Avg Price			
Alfalfa		3.50-3.90		3.73		Alfalfa Mixed	3.90-3.90	3.90			
Lespedeza		2.50-5.00		3.80		Mixed Grass	1.50-4.30	3.30			
Oats		3.90-3.90		3.90		Orchardgrass	4.00-4.80	4.45			
Orchardgrass Mixed		2.00-4.50		3.56		Timothy	3.60-3.60	3.60			
Timothy Mixed		3.50-3.90		3.75							
POULTRY (Grade A) - Week Ending - Feb 26, 2005											
			Current Week	Week Ago	Month Ago	Year Ago					
NY Wtd Avg. (Fryers)			69.71	69.79	71.21	76.36					
12 City Composite			71.47	71.37	72.05	74.51					
LAMBS - Westminster, MD - \$/cwt - Feb 22, 2005											
Lambs 102.50-130.00			Sheep up to \$ 77.50			Yearlings 90.00					
TERMINAL MARKETS HOGS - Feb 22, 2005				DIRECT MARKET HOGS - Westminster, MD - Feb 22, 2004							
Base Price Range (\$/cwt) a.m.		Carcass Basis Base 185 lb Hog	Sows (1-3) 300-449 lbs	Butcher Hogs		Heavy Weights	50.00-56.00				
				Sows		30.00-38.00					
Iowa, Minn		66.00-71.00	34.00-47.15								
Eastern Cornbelt		57.75-71.00	34.00-49.00	Millsboro, DE Market Hogs - (\$/cwt) - Feb 22, 2005				\$ 43.00			
FEEDER PIGS - (\$/cwt) -											
Gumboro, DE				New Holland, PA -							
Head:		Trend:		Head:		Trend:					
						N/A					
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 22, 2005				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 22, 2005							
Feb05		88.30	Jun05	81.25	Apr05		73.55	Jul05	74.15		
Mar05		87.90	Aug05	78.83	May05		75.50	Aug05	70.25		
Apr05		85.55	Oct05	80.85	Jun05		77.80	Oct05	62.40		
STOCKER-FEEDER CATTLE - (\$/cwt)											
Winchester, VA - Feb 21, 2005				Westminster, MD - Feb 22, 2005							
Steers		300-400 lbs		117.00-130.00		Steers (M&L)		300- 400 lbs	87.50-120.00		
		400-500 lbs		115.50-127.50				500- 600 lbs	90.00-120.00		
		500-600 lbs		100.00-120.00				700- 800 lbs	71.00- 90.00		
		600-700 lbs		98.00-109.25		Heifers (M&L)		200- 300 lbs	97.00-107.50		
		800-900 lbs		92.00- 97.25				400- 500 lbs	82.00-116.00		
Heifers		300-400 lbs		113.00-120.00				600- 700 lbs	74.00- 86.50		
		400-500 lbs		104.00-114.50		Returned to farm					
		500-600 lbs		93.50-112.50		Hols Bull Calves		90- 100 lbs	160.00-172.50		
		600-700 lbs		89.25- 98.75				105- 115 lbs	137.50-167.50		
		700-800 lbs		88.50- 91.00				#2	102.50-140.00		
		800-900 lbs		75.00- 81.00		Holstein Heifers #2		#2	230.00-250.00		
Lancaster, New Holland & Vintage - Week Ending - Feb 26, 2005											
Bull, Holstein		N/A				Plainer		N/A			
Heifers, Hols						Plainer					
SLAUGHTER CATTLE (\$/cwt)											
Westminster, MD - Feb 22, 2005											
Fed Steers				Fed Heifers							
Ch-Pr		87.00-91.75		Pr		86.00-89.75					
LCh		81.25-87.00		Ch		83.00-86.00					
Select		75.00-81.00		Calves							
Unfinished		63.00-74.00		Beef Cross		90.00-155.00					
Cows				Weak/Rough/Thin		45.00-100.00					
Utility		49.25-52.00									
High Dressing		53.00-57.25									
Canners		40.00-49.00									
Shelly & Slow		39.00-Down									
Lancaster, New Holland & Vintage - Week Ending - Feb 26, 2005											
Steers, Choice 2-3											
Heifers, Choice		N/A									
Cows, Breakers 75-80 pct lean											
Bulls, YG 1											

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

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