



GRAIN & LIVESTOCK REPORT

January 9, 2004

MDA #117

VOLUME 29

No. 01

PUB. Weekly

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MARKET ANALYSIS - January 8, 2004

That was certainly a December to remember. Double-digit percentage changes (drop) in cattle and feeder cattle. Chicago wheat was down 4.5%. The soybean shortage reasserted itself in December prompted the prospect of the USDA further restricting feeding of meat and bone meal. Soybeans rose 32 cents per bushel. Soybean meal prices caused massive headaches for feeders – up 44%! Soybean values also rose 38% over the year! Corn somehow managed to log a 4% higher price with record production. That very rarely happens. The weakness of the dollar takes a lot of the export credit along with the Chinese running low on stocks. Over this last week soybeans began to give back some of the gains with commodity funds liquidating some positions ahead of the upcoming USDA report. Talks of a strengthening dollar, SARS in China, weather in South America and increased farmer selling were the week's talking points. Bulls were very disappointed on Thursday when soybean exports came in as the smallest in a year at just 162,100 tons. Growing conditions in South America seem pretty good which might put a further dampener on things before the report. The funds did the same damage in the corn pit, which took away some of the gains in the week that resulted from ideas that the U.S. would be selling corn to China. Apparently the funds got skeptical when nothing showed up in the daily reports for three days in a row. Producer selling was fairly sporadic but wasn't huge nationally which kept prices supported. The funds were selling in the wheat market too, but new crop futures held their ground fairly well helped by weather and growing concerns. Sparks were reported to have left their October estimate unchanged which had plantings increasing 1.8% on the year. So, what's in store for us in the short run? As mentioned, the USDA reports come out on Jan 12th. In that report we will have final crop production numbers, wheat plantings, first quarter grain stocks and world supply and demand estimates. The US dollar's slide should be watched carefully and fund activity might pick up (generally causing most of the intraday volatility). They simply don't have any interest in putting their money in interest bearing instruments that offer 1 – 2% yields. From a seasonality standpoint, March beans tend to rally with the January report, then fall in February and March corn rallies but doesn't do much else after that. Wheat also tends to rally around now but falls off by the end of the month.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mar04)	NEW(Dec04)	CASH(Jan04)	NEW(Nov04)	CASH(Mar04)	NEW(Jul04)
Western MD	+32	N/A	-52	N/A	-71	N/A
Central MD	+17	Even	-46	-50	-26	-23
Southern MD	+18	Even	-19	-25	N/A	-30
Upper E. S	+25	+5	-19	-25	N/A	-27
Lower E. S	+34	+12	-11	-16	-56	-28

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

The Weekly Crop Weather Summary will resume in April 2004

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	12/29	01/08	12/29	01/08	12/29	01/08	12/29
Western Md	2.82	2.82	7.31	7.36	3.10	3.25	2.45	2.45
Central MD	2.65	2.67	7.45	7.42	3.57	3.70	2.50	2.50
Southern MD	2.58	2.68	7.67	7.69	----	----	1.50	1.50
Upper E. Shore	2.68	2.75	7.67	7.69	----	----	1.60	1.60
Lower E. Shore	2.77	2.84	7.75	7.77	----	3.40	1.60	1.58
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)								
Date	12/29	01/08	Date	12/29	01/08			
48% Soybean Meal	271.00	269.00	44% Soybean Meal	259.00	257.00			
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	
	Date	12/29	01/08	12/29	01/08	12/29	01/08	12/29
Western Md	----	----	----	----	----	----	----	----
Central MD	2.48	2.52	5.88	5.91	3.38	3.63	---	----
Southern MD	2.48	2.52	6.13	6.16	3.25	3.56	1.45	1.45
Upper E Shore	2.53	2.57	6.13	6.16	3.25	3.59	1.55	1.55
Lower E Shore	2.60	2.64	6.22	6.25	3.27	3.58	1.55	1.54
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Jan 08, 2004								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Mar	250.00	Jan	787.50	Mar	395.50	Jan	239.90	
May	253.50	Mar	793.75	May	398.50	Mar	241.30	
Jul	256.50	May	784.75	Jul	385.50	May	239.20	
Sep	253.25	Jul	771.25	Sep	389.00	Jul	235.50	
Dec	252.00	Aug	749.00	Dec	397.00	Aug	227.30	
Mr05	255.75	Sep	700.00			Sep	215.70	

¹ \$/ton

HAY AND STRAW (\$/cwt)						
New Holland, PA - \$/ton - Jan 05, 2004 - 77 Loads						
Alfalfa	Mixed	Timothy	Orchardgrass	Straw		
50.00-172.00	55.00-190.00	85.00-145.00	60.00-120.00	125.00-180.00		
Westminster, MD - \$/bale - Jan 06, 2004 - 190 Lots						
Alfalfa	Alfalfa Mixed	Timothy	Timothy Mixed	Grass	Straw	
2.00-5.00	2.50-3.60	1.20-4.00	1.10-3.95	1.10-3.90	1.80-3.50	
Southern, MD - Regional Farmers' Market - \$/bale - Next Sale Jan 17, 2004						
POULTRY (Grade A) - Week Ending Jan 10, 2004 - Negotiated Price, (\$/cwt)						
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>		
NY Wtd Avg. (Fryers)	64.04	62.57	61.25	55.22		
12-City Composite	65.75	65.57	65.37	58.22		
LAMBS - Westminster, MD - \$/cwt - Jan 06, 2004						
Good Ch	80-100 lbs	122.00-135.00	Yearlings	140-160 lbs	73.00-85.00	Sheep 10 hd
	50- 80 lbs	123.00-135.00				55.00-67.00
TERMINAL MARKETS HOGS - Jan 08, 2004				DIRECT MARKET HOGS - Westminster, MD- Jan 06, 2004		
Base Price Range	Carcass Basis	Sows (1-3)	# 1&2	225-265 lbs	38.00-40.00	# 2&3
a.m.	Base 185 lb Hog	300-449 lbs	# 1&3		37.00-38.00	190-215 lbs
Eastern Cornbelt	43.00-50.65	27.00-32.13				35.00-37.00
Iowa, Minn	41.75-52.00	22.00-32.32	Millsboro, DE Market Hogs - (\$/cwt) - \$34.25			
FEEDER PIGS - (\$/cwt) -						
Gumboro, DE -			New Holland, PA			
Head:	Trend:		Head:	slaughter	<u>Effective Immediately</u>	
	Next Sale 01/20/04			All pigs are mandated to go to slaughter.	No feeders will be reported until further notice	
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 08, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 04, 2004		
Jan	75.45	Jun	71.85	Fb04	54.92	Jun
Feb	75.40	Aug	72.65	Apr	57.77	Jul
Apr	74.22	Oct	75.97	May	59.00	Aug
						63.20
						60.42
						58.35
STOCKER-FEEDER CATTLE - (\$/cwt)						
Winchester, VA - Jan 05, 2004			Westminster, MD - Jan 06, 2004			
Steers	300-400 lbs	96.50-108.50	Steers	400- 650 lbs	76.00- 82.00	
	400-500 lbs	79.00- 88.00				
	500-600 lbs	81.00- 88.00	Heifers	400- 600 lbs	70.00- 78.00	
	600-700 lbs	76.50- 80.00		600- 800 lbs	70.00- 74.00	
Heifers	300-400 lbs	86.50- 94.00	Bulls returning to farm			
	400-500 lbs	80.00- 92.00		#1	90- 120 lbs	140.00-170.00
	500-600 lbs	69.00- 80.00			84- 88 lbs	70.00-102.00
	600-700 lbs	73.00- 76.00		#2	90- 120 lbs	105.00-135.00
	700-800 lbs	72.00- 74.00		Younger Bulls		50.00- 90.00
				Heifers #1	100- 120 lbs	320.00-350.00
				#2	70- 90 lbs	130.00-150.00
Lancaster, New Holland & Vintage - Week Ending - Jan 10, 2004						
Bull, Holstein	90-120 lbs	135.00-172.00	Plainer	90-120 lbs	120.00-146.00	
Heifers, Hols	90-120 lbs	330.00-420.00	Plainer	90-120 lbs	140.00-290.00	
SLAUGHTER CATTLE (\$/cwt)						
Westminster, MD - Jan 06, 2004						
Fed Steers			Fed Heifers			
H-Ch Hols	1200-1550 lbs	64.00-68.00	Ch 2-3	1100-1300 lbs	77.00-80.00	
L-Dressing		61.00-64.00	4-Hd	850- 975 lbs	55.00-64.50	
Cows			L-Ch Hols	1000-1475 lbs	56.00-58.00	
Breakers		45.00-52.25	Calves			
Boners		45.00-51.00	Good Slaughter	80- 115 lbs	28.00-40.00	
Lean		41.00-47.00		60- 80 lbs	20.00-35.00	
Thin & Light		40.00-DOWN				
Lancaster, New Holland & Vintage - Week Ending - Jan 10, 2004						
Steers, Choice, 2-3	1105-1455 lbs	83.25-87.75		\$4 - \$5 higher		
Cows, Breakers 75-80 pct lean		52.50-55.50		\$2 - \$5 higher		
Bulls, YG 1	1165-2350 lbs	59.00-63.00		Higher undertone		
Vealers, Standard & Good	80- 125 lbs	47.00-54.00		Slightly firm undertone		

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

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