



GRAIN & LIVESTOCK REPORT

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MARKET ANALYSIS - May 20, 2004

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There was a melt down last week in the soybean pit. Most of this was attributed to the huge fund liquidation; good weather and talk of a demand slow down. Some went as far to accuse certain participants of manipulating the market and requested the CFTC look into certain trading activity (which it did). It was, however, firm fundamentals that were responsible for dragging the July beans down a dollar. Things continued to worsen this week with prices dropping on Monday and Tuesday. Funds sold both days with about 6,000 – 9,000 contracts being offloaded. Most believe that this week the sell off was linked to technical factors but some pointed at the USDA estimate of 54% of beans being planted – well ahead of average pace. On Wednesday we finally got a bounce up and yet, despite this, basis levels also improved (cash bounced higher). Producers don't have much inventory left and the Gulf basis rose sharply suggesting more exports are coming. Traders are lacking confidence in this market and something very positive is going to have to happen to change their outlook. The inventory shortage is likely to create some fireworks in the coming months (I'm still bullish). Corn finished last week about 20 cents down due to negative weather items and fund selling. On Monday corn was able to rally despite the sell off in the bean complex. Technically however the market remains bearish, as we are still unable to close above the 100 day moving average. Basis levels also firmed in the corn cash markets, which imply that demand is still strong with both feed mills and exporters in need of corn. If weather patterns don't change much over the next month we could see some considerable stress in the crop and this will show up in July and August prices. The floor fell out of the wheat market last week finishing about 40 cents lower in both Kansas and Chicago. On Tuesday wheat held up even though the other grains were taking a beating. News that Pakistan was looking to buy one million tons to replenish stocks was supportive and China was rumored to be back in the market. The biggest factor continues to be weather however and concerns over freeze damage from last week's cold temperatures in the HRW belt and a return to warmer weather supported the market. Wednesday saw the bullish momentum continue as traders considered last week's sell off to be overdone. Additional support came from a Korean purchase and ideas that the U.S. dollar index was going to weaken again.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(May04)	NEW(Dec04)	CASH(May04)	NEW(Nov04)	CASH(May04)	NEW(Jul04)
Western MD	+54	N/A	-94	N/A	-16	N/A
Central MD	+37	+6	-51	-35	-16	-7
Southern MD	+32	-5	-66	-25	N/A	-30
Upper E. S	+37	+8	-61	-25	N/A	-26
Lower E. S	+45	+13	-54	-16	-4	-22

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Maryland farmers had air temperatures in the 80's and spotty thunderstorms which allowed farmers to increase planting progress for corn and soybeans. There were 6.2 **days suitable for field work** for the week ending May 16, 2004. **Corn** is 81 percent planted, 8 percent above the five-year average and 14 percent above last year. **Soybean** planting is on schedule with 15 percent planted, 4 percent above the five-year average and 6 percent above last year. **Winter wheat** is in good condition with 23 percent excellent, 56 percent good, 16 percent fair, and 5 percent poor. Wheat progress shows 71 percent of the crop has formed grain heads. **Barley** is in good condition with 34 percent excellent, 46 percent good, 14 percent fair, and 6 percent poor.

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

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	5/12	5/19	5/12	5/19	5/12	5/19	5/12	5/19
Western Md	3.46	3.41	9.42	8.75	3.33	3.38	2.58	2.62
Central MD	3.17	3.24	9.57	9.18	3.60	3.70	2.70	2.23
Southern MD	3.18	3.19	9.67	9.03	---	---	---	1.50
Upper E. Shore	3.23	3.24	9.69	9.08	---	---	---	1.60
Lower E. Shore	3.30	3.32	9.79	9.15	3.38	3.50	1.60	1.60

Soybean Meal

Lower Eastern Shore

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

Date	5/12	5/19	Date	5/12	5/19
48% Soybean Meal	344.00	330.00	44% Soybean Meal	332.00	318.00

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	
	5/12	5/19	5/12	5/19	5/12	5/19	5/12	5/19
Western Md	---	---	---	---	---	---	---	---
Central MD	2.93	2.96	6.96	6.72	3.58	3.70	---	1.75
Southern MD	2.86	2.85	7.06	6.82	3.40	3.47	1.50	1.50
Upper E Shore	2.99	2.98	7.06	6.82	3.44	3.51	1.60	1.60
Lower E Shore	3.04	3.03	7.15	6.91	3.47	3.55	1.66	1.66

GRAIN FUTURES - Chicago Board of Trade (cents/bu) -May 19, 2004

Corn		Soybeans		Wheat		Soybean Meal ¹	
Jul	298.50	Jul	907.50	Jul	377.00	Jul	294.20
Sep	292.75	Aug	849.50	Sep	384.00	Aug	279.20
Dec	289.75	Sep	759.00	Dec	394.00	Sep	258.50
Mr05	294.25	Nov	707.00	Mr05	400.25	Oct	230.00
May	298.00	Ja05	707.00	May	395.00	Dec	225.20
Dec	269.50	Mar	705.00			Ja05	222.50

\$/ton

HAY AND STRAW					
New Holland, PA - \$/ton - May 17, 2004 -73 loads					
Alfalfa	Mixed	Timothy	Orchardgrass	Straw	
25.00-125.00	40.00-160.00	50.00-120.00	50.00-110.00	140.00-197.00	
Westminster, MD - \$/bale - May 17, 2004 - 139 Lots					
Alfalfa	Mixed	Timothy	Mixed	Grass Mix	Straw
1.05-3.90	1.10-4.70	1.00-3.60	1.00-1.15	1.00-2.40	1.70-3.40
POULTRY (Grade A) - Week Ending May 22, 2004 - Negotiated Price, (\$/cwt)					
	Current Week	Week Ago	Month Ago	Year Ago	
NY Wtd Avg. (Fryers)	82.25	78.10	76.42	55.09	
12 City Composite	80.50	78.12	76.00	59.02	
LAMBS - Westminster, MD - \$/cwt - May 18, 2004					
H-Ch-Pr	80-100 lbs	117.00-137.00	Medium Good	40- 60 lbs	102.00-127.00
Good Ch	80-110 lbs	95.00-115.00			
	60- 80 lbs	115.00-132.00			
				Sheep 28 Hd	40.00-60.00
				200-300 lbs	35.00-46.00
TERMINAL MARKETS HOGS - May 20, 2004			DIRECT MARKET HOGS - Westminster, MD- May 19, 2004		
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	#1 & 2	240-275 lbs	53.00-54.25
a.m.	Base 185 lb Hog	300-449 lbs	#1 & 3	280-290 lbs	49.00-50.25
Eastern Cornbelt	73.00-80.96	46.00-55.25		300-400 lbs	40.00-44.00
Iowa, Minn	72.00-82.50	39.00-50.44	Millsboro, DE Market Hogs - (\$/cwt) -		\$53.50-55.00
FEEDER PIGS - (\$/cwt) -					
Gumboro, DE - May 18, 2004			New Holland, PA -May 19, 2004 -		
Head:	387	Trend:	none	Head:	Trend:
					Mostly slaughter
Under 30 lbs	69.00-145.00	50-59 lbs	65.00- 88.00		
30-39 lbs	80.00-149.00	60-69 lbs	69.00- 89.00		No Sale
40-49 lbs	97.00-102.00	70-79 lbs	65.00- 68.00		
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - May 19, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - May 19, 2004		
May	86.00	Oct	85.65	Jun	75.05
Jun	82.85	Dec	85.70	Jul	74.80
Aug	85.12			Aug	73.70
					61.80
					58.80
STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - May 19, 2004			Westminster, MD - May 19, 2004		
Steers	300- 400 lbs	108.50-124.00	Steers	300- 500 lbs	104.00-125.00
	400- 500 lbs	117.00-133.50		500- 600 lbs	90.00-107.00
	500- 600 lbs	110.00-128.50		600- 800 lbs	85.00- 93.00
	600- 700 lbs	97.50-111.00	Heifers	300- 500 lbs	92.00-108.00
Heifers	300- 400 lbs	109.50-124.00		500- 600 lbs	88.00-107.00
	400- 500 lbs	107.50-121.00		600- 800 lbs	80.00- 94.00
	500- 600 lbs	102.00-109.50		800-1000 lbs	72.00- 82.00
	600- 700 lbs	89.50-101.00	Bulls returning to farm		
	700- 800 lbs	86.50- 87.00		#1	95- 120 lbs
					190.00-217.00
					82- 94 lbs
					125.00-150.00
				#2	95- 120 lbs
					150.00-185.00
			Young		75.00-120.00
			Heifers	#1	90- 120 lbs
					550.00-635.00
				#2	400.00-525.00
			Beef X Bulls & Heifers	#1	80- 105 lbs
					135.00-167.00
				#2	70- 90 lbs
					100.00-130.00
Lancaster, New Holland & Vintage - Week Ending - May 22, 2004					
Bull, Holstein		No Sale	Plainer		No Sale
Heifers, Hols			Plainer		
SLAUGHTER CATTLE (\$/cwt)					
Westminster, MD - May 18, 2004					
Fed Steers			Fed Heifers		
H-Ch-Pr	1200-1500 lbs	93.00-95.75	H-Ch Pr	1150-1300 lbs	88.00- 91.25
Ch 2-4		89.00-92.00	L-Ch	1200-1450 lbs	85.00- 88.00
Over	1500 lbs	85.00-87.00	Calves		
Select L-Ch		80.00-86.00	H-Ch-Pr	180- 250 lbs	106.00-115.00
H-Ch Hols	1200-1500 lbs	78.00-81.00	Good	80- 100 lbs	40.00- 60.00
Select		74.00-77.00			
Cows					
Breakers		55.00-60.00			
Boners		52.00-58.00			
Lean		47.00-52.00			
Thin & Light		47.00-DOWN			
Lancaster, New Holland & Vintage - Week Ending - May 22, 2004					
Steers, Ch 2-3					
Heifers, Ch					
Cows, Breakers 75-80 pct lean			No Sale		
Bulls, YG 1					
Calves, Good & Choice					

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

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