



GRAIN & LIVESTOCK REPORT

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Market Analysis - July 01, 2004

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Last week beans posted over 40-cent gains on nearby and distant contracts and cash gained a lot of strength due to potentially stressful July weather and to the fact that the Census May crush numbers were above expectations. This week was a very different story. Prices dropped every day. On Monday beans were under pressure due to heavy fund liquidation and position squaring in anticipation of the Wednesday Quarterly Stocks report then the July USDA report on the 12th. On Wednesday prices did exactly what the bulls feared – dropped through the floor. The acreage number came in at a record 74.81 million acres, down from the March figure but well above 2003's 73.4. Stocks were reported at 410 million compared to the estimated 395 million. This 410 number is considerably lower than the 602 million bushels and although the reports were somewhat bearish, traders sold a lot. I would not be surprised one bit if we see some buying for the next couple of days! It's a relatively minor fundamental but Canadian crop and U.S. oilseed area have been cut, but from the bears perspective if yields are high, the soybean crop will be large enough to cover demand. Corn also had a rise last week but traders were also waiting for the midweek report before they took bold positions. Enthusiasm was obviously lacking on the floor on Monday. A real snoozer actually. Wednesday's report sent Sept beans down 10 cents and Dec down almost 11. The report said that 90.6% of plantings would be harvested for grain (last year the percentage was 90.3%). The actual harvested acreage will most likely be revised downward at a later date, but it will be used until July 12th when the monthly report comes out. Contracts are currently trading at their lowest levels since February. The good news is that export interest has picked up in the last week. Wheat trade moved to new lows last week due to little change in the negative market picture. It seems that wheat is forming a low and recovery will come in the form of exports – this is the fundamental that will fire up the market. Wheat prices were also down on Wednesday but due to a variety of factors. Prices were pummeled early in the session because the quarterly stocks number was mildly bearish. Wheat stocks, ending stocks for the 2003-04 marketing year, were 10 million bushels larger than the average trade guess, but most of the selling was tied to the announcement of Egypt's purchase of French wheat. Prices recovered on the close mainly on the ideas that harvest pressures are waning and the fear that disease might cut into yields. Price action in the wheat pit is likely to remain very volatile for several more days.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Jul04)	NEW (Dec04)	CASH (Jul04)	NEW(Nov04)	CASH(Jul04)	NEW(Jul04)
Western MD	+71	n/a	-31	n/a	-5	n/a
Central MD	+40	+5	+29	+35	-3	-16
Southern MD	+25	-5	-45	-25	-27	-46
Upper E. Sh	+30	+8	-40	-25	-22	-41
Lower E. Sh	+40	+13	-33	-16	-19	-38

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Maryland farmers were able to get into the fields and finish up the harvesting of **barley**, while beginning the harvest of **winter wheat**. **Winter wheat** was 49% harvested compared to only 13% last week. There were 5.6 **days suitable for fieldwork** for the week ending June 27, 2004. Planting advanced as well due to the warm weather. Sorghum was 94% planted compared to 47% the previous year. The first cutting of **hay** was just about complete as the second cutting was underway. **Corn** and **soybeans** were in fair to excellent condition with the majority being in good condition. **Topsoil moisture** was 2% very short, 5% short, 81% adequate and 12% 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	
	6/23	6/30	6/23	6/30	6/23	6/30	6/23	6/30
Western Md	3.36	3.29	8.69	8.62	3.40	3.33	2.38	2.23
Central MD	3.11	2.98	9.34	9.22	3.00	3.41	1.98	1.98
Southern MD	2.95	2.83	9.09	8.48	3.15	3.11	1.70	1.70
Upper E. Shore	3.00	2.88	9.14	8.53	3.18	3.16	1.80	1.80
Lower E. Shore	3.10	2.98	9.22	8.60	3.23	3.19	1.83	1.85

Soybean Meal

Lower Eastern Shore

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

Date	6/23	6/30	Date	6/23	6/30
48% Soybean Meal	340.00	338.00	44% Soybean Meal	328.00	326.00

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	
	6/23	6/30	6/23	6/30	6/23	6/30	6/23	6/30
Western Md	----	----	----	----	----	----	----	----
Central MD	2.92	2.72	6.64	6.34	3.00	3.41	1.80	1.80
Southern MD	2.79	2.62	6.69	6.44	3.15	3.11	1.70	1.70
Upper E Shore	2.92	2.75	6.69	6.44	3.18	3.16	1.80	1.80
Lower E Shore	2.98	2.80	6.70	6.53	3.23	3.19	1.83	1.85

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jun 30, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Jul	257.50	Jul	893.00	Jul	338.00	Jul	297.50
Sep	262.50	Aug	782.50	Sep	345.50	Aug	271.80
Dec	267.00	Sep	697.00	Dec	357.25	Sep	241.50
Mr05	273.75	Nov	669.00	Mr05	367.00	Oct	210.30
May	279.75	Ja05	669.00	May	370.00	Dec	205.30
Dec	264.25	Mar	671.50			Ja05	206.00

¹ \$/ton

HAY AND STRAW						
New Holland, PA - \$/ton - Jun 28, 2004 - 31 Loads						
Alfalfa 150.00-165.00		Mixed 50.00-265.00		Timothy 107.00-165.00		
Westminster, MD - \$/bale - Jun 29, 2004 - 156 Lots						
Alfalfa 1.00-2.20	Mixed 1.60-2.30	Timothy 1.00-3.00	Mixed 1.10-3.20	Grass Mix 1.00-2.60	Clover Mix 1.25-1.60	Straw 1.60-3.00
POULTRY (Grade A) - Week Ending Jul 03, 2004						
		<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>	
NY Wtd Avg. (Fryers)		83.33	83.29	82.72	59.14	
12 City Composite		82.26	82.40	81.77	61.96	
LAMBS - Westminster, MD - \$/cwt - Jun 29, 2004						
30- 40 lbs	75.00-107.50	Sheep		All weights	60.00-87.50	
50- 60 lbs	95.00-112.50			Fat or Thin	31.00-60.00	
70- 80 lbs	101.00-127.50					
90- 100 lbs	85.50-122.50					
120-150 lbs	75.00-119.00					
TERMINAL MARKETS HOGS - Jul 01, 2004				DIRECT MARKET HOGS - Westminster, MD - Jun 29, 2004		
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	215-260 lbs		52.25-55.50	
a.m.	Base 185 lb Hog	300-449 lbs	270-290 lbs		45.00-52.00	
Iowa, Minn	69.00-78.00	44.00-55.29				
Eastern Cornbelt	73.00-79.01	51.00-55.00	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Jul 20, 2004			
FEEDER PIGS - (\$/cwt) -						
Gumboro, DE - Jun 29, 2004				New Holland, PA - Jun 30, 2004 -		
Head:	Trend:			Head: 311	Trend: None	
Next Sale Jul 20, 2004				20-25 lbs	150.00-207.00	
				25-30 lbs	120.00-130.00	
				40-60 lbs	115.00-130.00	
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jun 30, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jun 30, 2004		
Jun	87.25	Oct	86.30	Jul	78.95	Oct
Aug	85.75	Dec	87.05	Aug	76.70	Dec
STOCKER-FEEDER CATTLE - (\$/cwt)						
Winchester, VA - Jun 30, 2004			Westminster, MD - Jun 30, 2004			
Steers	200- 300 lbs	127.00-137.00	Steers	300-400 lbs	69.00-115.00	
	300- 400 lbs	117.50-130.00		500-600 lbs	74.00-104.00	
	400- 500 lbs	125.00-130.00		800-900 lbs	76.00- 90.00	
	500- 600 lbs	117.50-122.00	Heifers	200-300 lbs	85.00-131.00	
Heifers	300- 400 lbs	119.00-131.00		400-500 lbs	62.00-115.00	
	400- 500 lbs	111.00-120.00		600-700 lbs	49.00- 86.00	
	500- 600 lbs	105.00-115.00		800-900 lbs	59.00- 83.50	
	600- 700 lbs	97.50-100.00	Returned to farm			
			Bull Calves	#1	80- 90 lbs	140.00-175.00
					105-110 lbs	150.00-190.00
					115-120 lbs	130.00-170.00
				#2	95- 100 lbs	85.00-132.50
			Weak & Small			50.00- 97.50
			Jersey Bull			190.00-300.00
			Heifers	#2		130.00-280.00
			Beef Cross			97.50-185.00
Lancaster, New Holland & Vintage - Week Ending - Jul 03, 2004						
Bull, Holstein	90-120 lbs	150.00-187.00	Plainer	90-120 lbs	160.00-177.00	
Heifers, Hols	90-120 lbs	380.00-500.00	Plainer	90-120 lbs	260.00-360.00	
SLAUGHTER CATTLE (\$/cwt)						
Westminster, MD - Jun 29, 2004						
Fed Steers			Fed Heifers			
L-Ch	1300-1600 lbs	74.50-85.00	L-Ch	1000-1200 lbs	70.00-85.00	
Cows						
Breakers		58.00-67.75				
Boners		46.00-56.00				
Slow Cows		40.00-DOWN				
Lancaster, New Holland & Vintage - Week Ending - Jul 03, 2004						
Steers, Ch 2-3		1320-1475 lbs	87.50-90.50	None		
Heifers, Ch		1025-1175 lbs	81.00-85.00	None		
Cows, Breakers 75-80 pct lean			56.25-59.50	Steady to \$2 higher		
Bulls, YG 1		1045-2315 lbs	63.25-69.75	Steady to \$2 higher		

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

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