



GRAIN & LIVESTOCK REPORT

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Market Analysis - July 29, 2004

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Soybeans just kept sliding last week with August beans dropping about 35 cents lower and November down about 30 cents. It is hard to believe that just a few weeks ago we were at the \$10 bean mark and now we are in the \$6.25 area. The good growing weather and good ratings are just dragging this market down. Basis levels around the country were just not strong enough to justify any type of rebound so demand from exports would have to be the catalyst. It seems that there is no end in the collapse of soybean cash basis – down about 25 -65 cents nationwide. Weekly export sales for the week of July 22nd (data released Thursday of this week) were better than expected. Old crop soybean sales were reduced by a net 37,800 tons, but new crop soybean sales came in nearly 168,000 tons. After the export sales came the enthusiasm didn't last long and so at the end of this week soybeans have been trading in every direction – up, down and sideways. The August contract came under pressure (somewhat artificial) as the longs had to liquidate before first notice day today (Friday). The market is subject to the whims of the latest weather forecasts but in my strong opinion, this market is way oversold and traders will respond to a correction at some point. Corn finished 15 cents lower last week prompted by a) good weather, b) lack of any significant demand news, c) heavy technical and fund selling. Then, the lower than expected export sales numbers smashed the final nail into the corn coffin. There is also a strong possibility that the funds will continue to build upon their short position. This might bring the price down to a price close to 2003's summer low price (we are currently a quarter above that). This week was a decent week for corn prompted by the higher than expected export sales number and the fact that traders started to actually believe (rather than just about the fact) the market is oversold – and did something about it. Traders have built into their expectations that we will see an 11 billion bushel crop so if the USDA comes in below that or if we see some emergence problems the bulls could be re-energized. Moreover, despite the big summer drop the long term (technical) chart for corn uptrend remains intact. Wheat was lower last week due to spillover pressure along with a distinct absence of any decent export news. This Thursday where contracts continued to drop despite a higher than expected export sales figure of 22 million bushels and some overnight demand news. This market is also massively oversold in many traders' eyes. However, it doesn't help that the International Grains Council hiked its projections for both wheat and coarse grain harvests in 2004/05.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Aug04)	NEW (Dec04)	CASH (Aug04)	NEW(Nov04)	CASH(Sep04)	NEW(Jul05)
Western MD	+83	n/a	n/a	n/a	-10	n/a
Central MD	+60	+10	n/a	-44	+2	n/a
Southern MD	+20	+3	n/a	-34	-48	n/a
Upper E. Sh	+25	+16	n/a	-34	-19	n/a
Lower E. Sh	+35	+17	n/a	-25	-15	n/a

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

There were 5.0 days suitable for field work for the week ending July 25, 2004. Air temperatures were cooler and supplied a break from the heat along with a few showers. Overall crops are looking good and many are still ahead of schedule. Farmers were able to advance with hay last week after the previous week's weather set back. Alfalfa hay third cutting was 35% complete compared to 21% the previous week. Top soil moisture was 9% short, 79% 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	
	7/21	7/28	7/21	7/28	7/21	7/28	7/21	7/28
Western Md	3.17	3.02	7.57	6.60	3.08	3.03	2.38	2.32
Central MD	2.87	2.79	8.67	6.64	3.24	3.15	2.15	1.98
Southern MD	2.46	2.39	7.88	7.07	2.79	2.65	1.70	1.70
Upper E. Shore	2.51	2.44	7.93	7.12	3.03	2.94	1.80	1.80
Lower E. Shore	2.61	2.54	7.97	7.16	3.07	2.98	1.81	1.81

Soybean Meal

Lower Eastern Shore

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

Date	7/21	7/28	Date	7/21	7/28
48% Soybean Meal	N/A	229.00	44% Soybean Meal	N/A	217.00

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	
	7/21	7/28	7/21	7/28	7/21	7/28	7/21	7/28
Western Md	----	----	----	----	----	----	----	----
Central MD	2.44	2.29	5.77	5.41	----	----	----	----
Southern MD	2.30	2.22	5.87	5.51	----	----	----	----
Upper E Shore	2.43	2.35	5.87	5.51	----	----	----	----
Lower E Shore	2.48	2.44	5.96	5.60	----	----	----	----

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jul 28, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sep	218.50	Aug	627.00	Sep	314.75	Aug	198.80
Dec	226.75	Sep	582.50	Dec	327.50	Sep	188.80
Mr05	235.50	Nov	575.75	Mr05	339.25	Oct	178.80
May	241.50	Ja05	583.50	May	345.25	Dec	177.90
Jul	246.25	Mar	590.75	Jul	350.00	Ja05	178.50
Sep	248.00	May	595.25			Mar	181.80

¹ \$/ton

HAY AND STRAW					
New Holland, PA - \$/ton - Jul 26, 2004 - 61 Loads					
Alfalfa 85.00-145.00	Mixed 40.00-215.00	Timothy 95.00-185.00	Orchardgrass 105.00-120.00	Straw 110.00-165.00	
Westminister, MD - \$/bale - Jul 27, 2004 - 54 Lots					
Alfalfa 1.80-2.10	Alfalfa Mix 1.10-3.90	Timothy 2.10-3.10	Timothy Mix 1.00-2.20	Grass Mix 3.80-4.00	Mulch .25-.70
POULTRY (Grade A) - Week Ending Jul 31, 2004					
	Current Week	Week Ago	Month Ago	Year Ago	
NY Wtd Avg. (Fryers)	83.33	79.42	83.29	58.76	
12 City Composite	82.26	80.16	82.40	62.57	
LAMBS - Westminister, MD - \$/cwt - Jul 27, 2004					
40- 50 lbs	90.00-117.00	Sheep			
60- 70 lbs	94.00-104.00	100-200 lbs	42.00-68.00		
80- 90 lbs	99.00-112.50	Too thin-Too fat		24.00-37.00	
100-110 lbs	75.00-117.50				
120-160 lbs	74.00-100.00				
TERMINAL MARKETS HOGS - Jul 29, 2004			DIRECT MARKET HOGS - Westminister, MD - Jul 27, 2004		
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	215-260 lbs	55.75-56.75	
a.m.	Base 185 lb Hog	300-449 lbs			
Iowa, Minn	72.89-80.06	42.00-56.42			
Eastern Cornbelt	71.00-77.03	52.27-55.00	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale 8/17th		
FEEDER PIGS - (\$/cwt) -					
Gumboro, DE - Jul 28, 2004			New Holland, PA - Jul 28, 2004 -		
Head:	Trend:		Head: 234	Trend: All slaughter	
				35-40 lbs	207.00-215.00
				50-60 lbs	102.00-120.00
	Next Sale 8/17th				
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 28, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 28, 2004		
Aug	87.77	Fb05	90.77	Aug	76.92
Oct	90.35	Apr	88.22	Oct	68.65
Dec	90.85	Jun	83.00	Dec	63.95
				Fb05	61.27
				Apr	61.00
				May	62.65
STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - Jul 26, 2004			Westminister, MD - Jul 27, 2004		
Steers	300-400 lbs	130.00-141.00	Steers (M&L)	200-300 lbs	98.00-128.00
	400-500 lbs	125.00-134.00		400-500 lbs	97.00-114.50
	500-600 lbs	110.00-120.00	Heifers (M&L)	200-300 lbs	96.00-110.00
	600-700 lbs	105.00-115.50		400-500 lbs	100.00-103.00
Heifers	300- 400 lbs	117.00-126.00		700-900 lbs	69.00- 81.00
	400- 500 lbs	107.00-118.50	Returned to farm		
	500- 600 lbs	101.00-114.00	Holstein Bulls	80- 90 lbs	72.50- 90.00
	600- 700 lbs	95.00-103.00		75-100 lbs	100.00-122.50
				105-110 lbs	100.00-130.00
			Jersey & weak calves		21.00- 56.00
			Holstein Heifers	#1	295.00-390.00
				#2	105.00-295.00
			Beef Calves Bulls & Heifers		72.50-130.00
Lancaster, New Holland & Vintage - Week Ending - Jul 31, 2004					
Bull, Holstein	90-120 lbs	125.00-142.00	Plainer	90-120 lbs	95.00-142.00
Heifers, Hols	90-120 lbs	625.00-735.00	Plainer	90-120 lbs	300.00-525.00
SLAUGHTER CATTLE (\$/cwt)					
Westminister, MD - Jul 27, 2004					
Fed Steers			Fed Heifers		
Ch		84.00-86.00	Hi-Ch		83.00-90.25
Select		74.00-82.00	Heiferette		50.25-74.00
Cows			Calves		
Breakers		54.50-59.00	Slaughter		57.50-70.00
Boners		40.00-48.25			
Thin & Slow		32.50-39.00			
Lancaster, New Holland & Vintage - Week Ending - Jul 31, 2004					
Steers, Ch 2-3	1200-1485 lbs	82.00-86.75		Steady - \$2 Lower	
Cows, Breakers 75-80 pct lean		54.75-59.00		Steady - \$1.50 higher	
Bulls, YG 1	1240-2285 lbs	62.00-70.00		Steady	

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

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