



GRAIN & LIVESTOCK REPORT

September 03, 2004

MDA #117

VOLUME 29

No. 35

PUB. Weekly

Market Analysis - August 31, 2004

Michael Haigh-Assistant Professor
University of MD Cooperative Extension

Corn found some support last week only to move aggressively lower to end the week 12 cents down. Fund support led to the run up and fund selling the run down. Fears of an early frost picked the market up on Monday and spillover support from the bean pit was the big bullish factor. Forecasts are calling for a freeze to move into the Northern Plains by mid September 9th – 3 weeks ahead of normal. More and more traders are expressing uncertainty over the crop size and corn was up on Tuesday and also Wednesday. Technically the December contract is experiencing a near term uptrend but fundamentally the traders attention will be on weather and final production. Fortunately the U.S. dollar started to depreciate again so that will excite exporters and if trade picks up, prices will adjust up. Weather is going to be the big factor in the short run. Soybeans were up last week (about a dime) but that upset the bulls because the highs of the week were over three times that amount. The good to excellent crop ratings came in at 67% versus 69% the previous week and 48% last year. If we don't see a frost here, some analysts are suggesting we will challenge the contract lows when we get to harvest. On Monday we saw a big up day – the funds were short covering and the fears of the early frost sent the bulls putting in buy orders which in turn pushed prices through resistance levels which triggered the buy stop orders and then prices went even higher. Basis bids in the south cracked under the pressure of the expanding southern harvest. On Wednesday beans closed higher again which meant that the November soybean futures closed solidly above the 50-day moving average. Eyes will be on exports on Thursday as the dollar U.S. soybeans look very attractive again. Wheat finished lower last week for no good reason but it was a good day on Monday when wheat enjoyed spillover pressure from corn and soybeans and unexpected high export inspection numbers coming in at 26.6 million bushels helped the move. Tuesday was a big export day for the U.S. with Pakistan, Taiwan and Jordan putting in large bids. This was the best export day in a long time and helped keep year to date figures above earlier numbers. Fortunately the weak dollar will help keep things strong but unfortunately there are a lot of wheat exporters around the world wanting a slice of the export pie. On Wednesday, wheat continued higher this time motivated by fears of cold weather. All in all, a well deserved bullish week for all three markets.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep04)	NEW (Dec04)	CASH (Aug04)	NEW(Nov04)	CASH(Sep04)	NEW(Jul05)
Western MD	+53	n/a	-13	n/a	-18	n/a
Central MD	+11	+8	-27	-47	+18	+22
Southern MD	-6	-15	-5	-35	-58	-37
Upper E. Sh	+9	Even	Even	-35	-27	-33
Lower E. Sh	+14	+5	Even	-26	-21	-32

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Farmers had 6.8 days suitable for field work for the week ending August 29, 2004. Corn silage harvest increased 21 percent from last week to 37 percent complete, 29 percent above last year and 13 percent above the five-year average. Early-season corn for grain is beginning to be harvested. Soybeans are progressing well with a few fields beginning to turn color. Weather conditions last week were dry with lots of sunshine which allowed farmers to cut and bale hay. Other hay 3rd cutting is 64 percent complete, 31 percent above last year and 11 percent above the five-year average. Alfalfa hay is 86 percent complete for the 3rd cutting and 24 percent complete for the 4th cutting.

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

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	8/25	8/31	8/25	8/31	8/25	8/31	8/25	8/31
Western Md	2.87	2.87	6.30	6.24	2.98	3.00	2.05	2.02
Central MD	2.69	2.45	6.26	6.10	3.06	3.10	2.15	2.15
Southern MD	2.52	2.28	6.86	6.32	2.62	2.60	1.70	1.70
Upper E. Shore	2.45	2.43	6.98	6.37	2.87	2.91	1.80	1.80
Lower E. Shore	2.54	2.48	7.02	6.37	2.93	2.97	1.76	1.76

Soybean Meal

Lower Eastern Shore

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

Date	8/25	8/31	Date	8/25	8/31
48% Soybean Meal	244.00	231.00	44% Soybean Meal	234.00	219.00

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	
	8/25	8/31	8/25	8/31	8/25	8/31	8/25	8/31
Western Md	---	---	---	---	---	---	---	---
Central MD	2.37	2.35	5.75	5.90	3.15	3.25	---	---
Southern MD	2.32	2.28	5.81	6.02	---	3.10	1.65	1.65
Upper E Shore	2.42	2.43	5.88	6.02	---	3.14	1.65	1.65
Lower E Shore	2.47	2.48	5.97	6.11	2.93	3.15	1.65	1.64

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Aug 31, 2004

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sep	227.60	Sep	627.20	Sep	309.60	Sep	180.80
Dec	237.60	Nov	627.20	Dec	322.60	Oct	180.00
Mr05	245.20	Ja05	633.00	Mr05	333.00	Dec	181.20
May	251.60	Mar	638.40	May	337.20	Ja05	182.80
Jul	256.04	May	639.60	Jul	339.40	Mar	185.90
Sep	259.40	Jul	644.00	Sep	345.40	May	187.30

¹ \$/ton

HAY AND STRAW						
New Holland, PA - \$/ton - Aug 30, 2004 - 80 Loads						
Alfalfa 25.00-210.00		Mixed 42.00-205.00		Timothy 60.00-90.00	Orchardgrass 70.00-155.00	Straw 52.00-195.00
Westminster, MD - \$/bale - Aug 31, 2004 - 190 Lots						
Alfalfa 1.00-4.40		Alfalfa Mix 1.00-4.00	Timothy 1.05-4.20	Timothy Mix 1.10-4.10	Grass Mix 1.00-3.90	Clover Mix .50 -1 .90
POULTRY (Grade A) - Week Ending Sep 04, 2004						
		<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>	
NY Wtd Avg. (Fryers)		65.67	68.69	73.76	57.64	
12 City Composite		71.72	74.34	78.84	63.31	
LAMBS - Westminster, MD - \$/cwt - Aug 31, 2004						
30- 50 lbs 92.50-155.00		90-100 lbs 95.00-115.00	70- 80 lbs 92.50-130.00	110-130 lbs 85.00-100.00	Sheep Ewes & Bucks	100-300 lbs 40.00-75.00
TERMINAL MARKETS HOGS - Aug 31, 2004				DIRECT MARKET HOGS - Westminster, MD - Aug 31, 2004		
Base Price Range (\$/cwt) a.m.		<u>Carcass Basis</u> Base 185 lb Hog	<u>Sows (1-3)</u> 300-449 lbs	Butcher Hogs (heavy) 283-300 lbs 40.00-43.00 215-260 lbs 45.00-45.50		Sows (all weights) (Thin) 40.00-41.00 25.00-36.75
Iowa, Minn		60.12-71.62	40.82-47.15	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Sep 21, 2004		
Eastern Cornbelt		62.50-71.00	42.52-52.25			
FEEDER PIGS - (\$/cwt) -						
Gumboro, DE -				New Holland, PA -		
Head:		Trend:		Head:		Trend: All slaughter
		Next Sale Sep 21, 2004				
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 31, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 31, 2004		
Aug 84.23		Dec 87.45	Sep 84.50	Oct 65.98	Apr 61.50	May 61.70
Oct 84.65		Apr 86.60	Fb05 88.15	Dec 63.73	Jun 65.45	Fb05 62.50
STOCKER-FEEDER CATTLE - (\$/cwt)						
Winchester, VA - Aug 30, 2004				Westminster, MD - Aug 31, 2004		
Steers		300-400 lbs 132.00-147.00	400-500 lbs 124.50-139.00	Steers (M&L)	200-300 lbs 91.00-117.00	400-500 lbs 94.00-119.00
		500-600 lbs 115.00-125.50	600-700 lbs 101.00-111.50	Heifers (M&L)	600 lbs 96.00- 99.00	200-300 lbs 92.00-121.00
		700-800 lbs 103.25-105.00	800-900 lbs 94.00- 99.00		400-500 lbs 83.00-108.00	600-700 lbs 73.00- 90.00
Heifers		300-400 lbs 115.00-129.00	400-500 lbs 115.00-122.00	Hols Calves Returned to farm	80- 90 lbs 90.00-140.00	800-900 lbs 56.00- 77.00
		500-600 lbs 108.00-116.50	600-700 lbs 96.00-105.50		95-105 lbs 112.50-162.50	110-120 lbs 100.00-157.50
				Holstein Heifers #1		350.00-480.00
Lancaster, New Holland & Vintage - Week Ending - Aug 28, 2004						
Bull, Holstein		90-120 lbs 142.00-160.00	Heifers, Hols	90-120 lbs 500.00-630.00	Plainer	90-120 lbs 112.00-147.00
				Plainer	90-120 lbs	400.00-575.00
SLAUGHTER CATTLE (\$/cwt)						
Westminster, MD - Aug 31, 2004						
Fed Steers			Fed Heifers			
H-Ch & Pr-H		84.50-87.00	H-Ch & Pr		80.25-84.25	
L-Ch		80.25-84.00	L-Ch		75.25-79.75	
Select		75.50-80.00	Select		71.50-75.00	
Cows			Small Heifer		100 lbs	58.50-65.00
High Dressing		50.00-56.00	Calves			
Breakers		45.00-50.00	Slaughter		42.50-87.50	
Boners		40.25-45.00	Jersey		10.00-37.00	
Thin & Slow		39.00-Down				
Lancaster, New Holland & Vintage - Week Ending - Aug 21, 2004						
Steers, Ch 2-3		1120-1425 lbs	80.00-83.00	Firm to \$2.00 higher		
Cows, Breakers 75-80 pct lean			51.50-57.00	\$1.00-\$3.00 lower		
Bulls, YG 1		1195-1855 lbs	61.00-68.00	None		

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

MARYLAND DEPARTMENT OF AGRICULTURE
 AGRICULTURAL STATISTICS SERVICE
 50 Harry S Truman Parkway
 Annapolis, MD 21401

Robert L. Ehrlich, Jr. Governor
 Michael S. Steele Lt. Governor
 Lewis R. Riley Secretary of Agriculture
 John R. Brooks, DVM Deputy Secretary