



GRAIN & LIVESTOCK REPORT

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Market Analysis - March 02, 2005

Soybeans started this week with a bang with futures closing higher on Monday to build on great finish last week. South American weather is providing the strength and export sales last week were more than decent coming in at 426 thousand tons above expectations. In South America they are late into their growing season so areas that have had rain will stabilize but dry areas are in trouble. So far Brazil's harvest is 10% complete. Not all is rosy though – as the futures strengthen the cash markets are weakening (so basis is taking a hit) but this is not surprising as producers are selling now given the boost in futures. On Tuesday the commercials sold and that sent the markets down but most locals realized this was just a one day deal and sure enough on Wednesday beans turned up again simply shrugging off Tuesday drop. This rally is simply unprecedented given the 400 million bushel carryover here in the U.S. but who is complaining about this type of anomaly? Last week corn rallied 15 cents which was a bit of a shocker as basically nothing has really changed for corn fundamentally. It was all about the funds. Traders expected the funds to continue buying this weekend but the nervousness could be sensed in the market as a correction could occur at any single moment. On Monday corn closed higher due to spillover support from soybeans and, following beans, corn gave back some profits on Tuesday as most traders stood on the sidelines and the shorts pushed the prices down. The market practically ignored the news that 120,000 metric tons of corn was sold to Egypt. Interior basis bids in the U.S. were reported to be fairly weak and steady at best but the Gulf basis bids firmed. On Wednesday corn moved higher again but these prices don't seem to make a lot of sense given that China is now competitive and picking up South Korean business. However it is the funds that are doing the buying and they tend to rely on technical/mathematical models rather than fundamentals – so this rally is fragile! Wheat had the sharpest move up last week due to fund buying and not really anything to do with news. In Kansas May contracts were up 40 cents and Chicago was not far behind at 30 cents. On Monday wheat had double digit gains in Chicago with beans starting the move and then the funds took over from there. Tuesday wheat was down (like the other two) but it bounced back on Wednesday. A great week all around for all markets! What's on the short run horizon? The USDA will report its World Supply and Demand figures on March 10th, and the planting and intentions report comes out on March 31st. In the meantime – watch the weather in South America!

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW(Dec05)	CASH (Mar05)	NEW(Nov05)	CASH(Mar05)	NEW(Jul05)
Western MD	+18	n/a	-69	n/a	-17	n/a
Central MD	+20	Even	-39	-59	n/a	-3
Southern MD	+14	-10	-31	-40	-24	-22
Upper E. Sh	+27	+3	-18	-35	n/a	-21
Lower E. Sh	+34	+12	-8	-26	-9	-22

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

THE CROP WEATHER WILL RESUME IN APRIL 2005

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

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	2/22	3/01	2/22	3/01	2/22	3/01	2/22	3/01
Western Md	2.23	2.28	5.11	5.50	2.98	3.15	1.83	1.83
Central MD	2.27	2.30	5.55	5.80	3.53	----	2.55	2.25
Southern MD	2.18	2.24	5.57	5.88	2.83	3.08	----	----
Upper E. Shore	2.31	2.37	5.70	6.01	----	----	----	----
Lower E. Shore	2.36	2.44	5.80	6.11	3.00	3.23	1.75	1.69
Soybean Meal	Lower Eastern Shore				Dealer's Average Cash quotes (\$/ton)			
Date	2/22	3/01	Date	2/22	3/01			
48% Soybean Meal	211.00	217.00	44% Soybean Meal	199.00	205.00			

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	
	2/22	3/01	2/22	3/01	2/22	3/01	2/22	3/01
Western Md	----	----	----	----	----	----	----	----
Central MD	2.40	2.40	5.54	5.65	3.13	3.50	----	----
Southern MD	2.27	2.30	5.66	5.84	3.06	3.25	1.55	1.55
Upper E Shore	2.40	2.43	5.71	5.89	3.05	3.24	1.55	1.55
Lower E Shore	2.49	2.52	5.80	5.98	3.05	3.25	1.60	1.58

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Mar 01, 2005

Corn		Soybeans		Wheat		Soybean Meal ¹	
05Mar	211.00	05Mar	605.00	05Mar	330.00	05Mar	181.60
05May	219.20	05May	613.20	05May	338.20	05May	183.30
05Jul	226.60	05Jul	617.40	05Jul	344.40	05Jul	185.30
05Sep	232.20	05Aug	617.40	05Sep	349.40	05Aug	186.30
05Dec	240.00	05Sep	612.00	05Dec	356.40	05Sep	186.80
06 Mar	246.00	05Nov	614.20	06 Mar	362.00	05Oct	185.50

¹ \$/ton

HAY AND STRAW							
New Holland, PA - \$/ton - Feb 28, 2005 - 50 Loads							
Alfalfa	Mixed Hay	Timothy	Orchardgrass	Corn Fodder			
115.00-190.00	62.00-255.00	115.00-220.00	62.00-112.000	82.00-115.00			
Westminster, MD - \$/bale - Mar 01, 2005 - NOT AVAILABLE							
Alfalfa	Alfalfa	Timothy	Timothy Mix	Grass Mix	Straw	Clover Mix	
Southern, MD - Regional Farmers' Market - \$/bale							
Product	Lo/Hi	Avg Price	Product	Lo/Hi	Avg Price		
Next Sale- Mar 05, 2004							
POULTRY (Grade A) - Week Ending - Mar 05, 2005							
		<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>		
NY Wtd Avg. (Fryers)		69.78	69.71	71.58	78.36		
12 City Composite		71.52	71.47	71.64	75.09		
LAMBS - Westminster, MD - \$/cwt - Mar 01, 2005							
Lambs	None			Sheep			
				Old Ewes	55.00-57.00		
TERMINAL MARKETS HOGS - Mar 01, 2005			DIRECT MARKET HOGS - Westminster, MD - Mar 01, 2004				
<u>Base Price Range (\$/cwt)</u>	<u>Carcass Basis</u>	<u>Sows (1-3)</u>					
a.m.	Base 185 lb Hog	300-449 lbs	Butcher Hogs	Heavy Weights	288-352 lbs	48.50-55.00	
			Sows			43.00-50.00	
Iowa, Minn	58.25-70.27	32.00-44.56					
Eastern Cornbelt	58.50-69.00	33.00-51.33	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Mar 15, 2005				
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE			New Holland, PA - Mar 03, 2005				
Head:	Trend:		Head:	Trend:			
	Next Sale Mar 15, 2005			All went to slaughter			
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Mar 01, 2005			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Mar 01, 2005				
Mar05	87.35	Aug05	79.80	Apr05	75.25	Jul05	77.10
Apr05	86.50	Oct05	81.60	May05	77.20	Aug05	73.45
Jun05	82.63	Dec05	82.88	Jun05	80.55	Oct05	63.55
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Feb 28, 2005			Westminster, MD - Mar 01, 2005				
Steers	No Report of Sales due to weather		Steers	200- 300 lbs	71.00-105.00		
				500- 700 lbs	70.00-101.00		
			Heifers	500- 600 lbs	81.00- 94.00		
			Returned to farm				
Heifers			Hols Bull Calves	90- 115 lbs	127.50-172.50		
			Mostly		162.50-172.50		
			Beef Cross		110.00-165.00		
			Holstein Heifers #1	100-115 lbs	500.00-515.00		
			Dairy Heifers	400-500 lbs	105.00-107.50		
			Stock Cows				
			Mostly Old & Thin		46.25- 52.75		
Lancaster, New Holland & Vintage - Week Ending - Mar 05, 2005							
Bull, Holstein	90-120 lbs	170.00-208.00	Plainer	90-120 lbs	160.00-204.00		
Heifers, Hols	90-120 lbs	500.00-600.00	Plainer	90-120 lbs	300.00-425.00		
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Mar 01, 2005							
Fed Steers			Fed Heifers				
Ch	85.00-89.25		Ch	86.00-91.50			
LCh	79.00-84.00		Small & Fat	74.00-78.50			
Select	74.25-79.00		Calves				
Small Holsteins	64.50-67.75		Culls	80-100 lbs	52.50-112.50		
Cows			Weak/Rough/Thin	16.00 -60.00			
Utility	45.00-50.00						
High Dressing	50.00-55.50						
Canners	39.00-44.00						
Shelly - Slow & Thin	38.75-Down						
Lancaster, New Holland & Vintage - Week Ending - Mar 05, 2005							
Steers, Choice 2-3	1100-1500 lbs		85.00-89.50	Steady - \$1.50 higher			
Cows, Breakers 75-80 pct lean			51.00-55.00	Steady - \$3 higher			
Bulls, YG 1	1100-2200 lbs		60.00-72.00	Steady			

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

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