

Market Analysis - November 17, 2004

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Last week corn prices were mixed but were left virtually unchanged. The market did have some major news (the USDA report which was bearish) but somehow the market avoided a massive sell off. The new USDA numbers were high at 11.741 billion bushels, 65 million higher than last month. Carryover was therefore raised. Weekly harvest progress was put at 76%. Many analysts think this market is not going anywhere (to those hedgers/part time speculators - start selling straddles and strangles if you think this is true). Short covering on Monday kept the market afloat and even higher. Despite the recent strength farmers are still reluctant to sell so basis is fairly decent nationwide. By the middle of the week most corn activity was linked to soybeans (see below) but for the most part the December contract is trading in a sideways pattern. By midweek harvest reports had the percent up to 86%, which is still 8% off the average pace. On Wednesday corn ended higher after very heavy fund buying and more support from soybeans. The dollar also continues to weaken which will help exports. These are all positive items and what is more, buying interest seems to be picking up for U.S. corn. However, the dollar weakness is becoming an economic worry for some economists (can we expect intervention? I doubt it). Soybeans were the big news item this week with soybean rust being found in the United States. Jan futures closed 20 cents higher as a result. In fact, the rust story made the USDA report seem insignificant, but it should be reported. USDA production came in at 3.15 billion versus a trade guess of 3.14 and carryover was in line with expectations. On Monday there was a lot of short covering and that was based on the rust in the delta region. Some even thought the problem is more widespread than publicized. Sure enough on Tuesday prices soured as more cases were reported and prices followed suit on Wednesday. In the long term perhaps growing acres will be decreased as a result of the possible spread of the fungus (perhaps it is not too early to take a bullish position on November 2005). In the wheat market the USDA did not mean very much at all. Domestic ending stocks were reported at 568 million bushels, slightly above expectations and global stocks were also close to expectations. Monday's rally in wheat was pure and simply tied to the other markets and some technically inspired short covering. Basis firmed in wheat by midweek amid concerns of a lack of quality in the world supply. Wheat ended the week on bullish note – enormous speculative short covering drove prices northwards and this, traders believe, stemmed from the weak dollar and the resulting export business. A great week for the grains in general!

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec04)	NEW (Dec04)	CASH (Jan05)	NEW(Nov05)	CASH(Dec04)	NEW(Jul05)
Western MD	+4	n/a	-60	n/a	-16	n/a
Central MD	+17	n/a	-65	n/a	-18	-19
Southern MD	-13	n/a	-52	n/a	-38	-36
Upper E. Sh	-3	n/a	-49	n/a	n/a	-32
Lower E. Sh	+36	+36	-42	n/a	-27	-33

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Maryland farmers received from 1 to 2.5 inches of rain last week resulting in 4.6 days suitable for field work for the week ending November 14, 2004. Soybean harvest continues with 71 percent complete, slightly above last year and the five-year average. Other hay 4th cutting and alfalfa hay fifth cutting harvest was wrapping up with 89 percent complete for other hay and 59 percent for alfalfa hay. Pasture was rated 26 percent excellent, 44 percent good, 24 percent fair, and 6 percent poor. Hay supplies was rated 7 percent surplus, 78 percent adequate, 10 percent short and 5 percent very short.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	11/09	11/16	11/09	11/16	11/09	11/16	11/09	11/16
Western Md	1.99	2.10	4.70	4.83	3.03	3.03	1.84	1.82
Central MD	1.86	1.89	4.92	4.88	2.95	3.01	2.15	2.15
Southern MD	1.83	1.93	4.71	5.01	2.75	2.81	----	----
Upper E. Shore	1.93	2.03	4.71	5.04	----	----	----	----
Lower E. Shore	2.04	2.42	4.80	5.11	2.85	2.96	1.85	1.85

Soybean Meal	Lower Eastern Shore		Dealer's Average Cash quotes (\$/ton)		
Date	11/09	11/16	Date	11/09	11/16
48% Soybean Meal	180.00	186.00	44% Soybean Meal	168.00	174.00

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	
	11/09	11/16	11/09	11/16	11/09	11/16	11/09	11/16
Western Md	----	----	----	----	----	----	----	----
Central MD	----	----	----	----	3.15	3.22	----	----
Southern MD	----	----	----	----	2.99	3.07	1.65	1.65
Upper E Shore	----	----	----	----	3.03	3.11	1.65	1.65
Lower E Shore	2.04	2.42	----	----	3.04	3.10	1.68	1.70

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Nov 16, 2004							
Corn		Soybeans		Wheat		Soybean Meal ¹	
04Dec	203.00	05Jan	540.40	04Dec	310.60	04Dec	156.40
05Mar	214.40	05Mar	544.40	05Mar	322.00	05Jan	157.30
05May	221.60	05May	551.40	05May	328.60	05Mar	159.70
05Jul	228.40	05Jul	558.00	05Jul	336.40	05May	162.40
05Sep	235.20	05Aug	563.00	05Sep	343.40	05Jul	165.80
05Dec	243.20	05Sep	564.00	05Dec	356.40	05Aug	167.00

¹ \$/ton

HAY AND STRAW

New Holland, PA - \$/ton - Nov 15, 2004 - 128 Loads				
Alfalfa 50.00-140.00	Mixed Hay 70.00-225.00	Timothy 75.00-170.00	Orchardgrass 70.00-170.00	Straw 100.00-190.00

Westminster, MD - \$/bale - Nov 16, 2004 - 210 Lots						
Alfalfa 2.50-4.10	Alfalfa Mix 1.40-4.10	Timothy 1.25-4.50	Timothy Mix 1.15-3.50	Grass Mix 1.00-4.50	Straw 1.90-3.40	Shelled Corn 4.00-5.00

POULTRY (Grade A) - Week Ending - Nov 20, 2004				
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>
NY Wtd Avg. (Fryers)	62.02	61.79	63.65	59.83
12 City Composite	68.50	67.67	69.72	63.54

LAMBS - Westminster, MD - \$/cwt - Nov 16, 2004		
40- 60 lbs	105.00-135.50	Sheep
70- 90 lbs	107.50-130.00	All weights
100-130 lbs	85.00-107.50	47.00-102.50

TERMINAL MARKETS HOGS - Nov 16, 2004			DIRECT MARKET HOGS - Westminster, MD - Nov 16, 2004		
Base Price Range (\$/cwt) a.m.	Carcass Basis Base 185 lb Hog	Sows (1-3) 300-449 lbs	US #1	55.75	
			Heavy hogs up to:	482 lbs	45.50-48.25
			Sows		46.25-48.50
Iowa, Minn	65.00-79.73	N/A	Millsboro, DE Market Hogs - (\$/cwt) - 48.00-52.00		
Eastern Cornbelt	69.00-78.75	N/A			

FEEDER PIGS - (\$/cwt) -			
Gumboro, DE - Nov 16, 2004		New Holland, PA - Nov 17, 2004	
Head: 387	Trend: None	Head: 553	Trend: Mostly slaughter
under 30 lbs	100.00-205.00	50-59 lbs	58.00-100.00
30-39 lbs	70.00-145.00	60-69 lbs	44.00- 89.00
40-49 lbs	70.00-121.00	70-79 lbs	50.00- 89.00

CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Nov 16, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Nov 16, 2004			
Nov04	84.00	Feb05	87.93	Dec04	74.38	May05	69.18
Dec04	86.10	Apr05	84.73	Feb05	73.30	Jun05	73.48
Jan05	----	Jun05	80.75	Apr05	70.55	Jul05	69.50

STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - Nov 15, 2004			Westminster, MD - Nov 15, 2004		
Steers	300- 400 lbs	110.50-120.50	Steers (M&L)	200- 300 lbs	80.00-117.50
	400- 500 lbs	100.00-117.50		400- 500 lbs	81.00-109.00
	500- 600 lbs	97.00-107.00		600- 700 lbs	76.50- 93.00
	600- 700 lbs	88.00-100.50		1000-1250 lbs	64.00- 78.00
	700- 800 lbs	85.00- 96.00	Heifers (M&L)	200- 300 lbs	75.00-125.00
	800- 900 lbs	85.25- 90.50		400- 500 lbs	80.00-104.00
Heifers	300- 400 lbs	104.00-115.50		600- 700 lbs	73.00- 88.00
	400- 500 lbs	90.00-105.00		800- 900 lbs	60.00- 84.00
	500- 600 lbs	85.00- 95.00	Hols Calves	80- 90 lbs	102.50-167.50
	600- 700 lbs	80.00- 94.00	Returned to feed	95- 100 lbs	107.50-172.50
	700- 800 lbs	76.00- 84.00		110- 140 lbs	112.50-177.50
Lancaster, New Holland & Vintage - Week Ending - Nov 20, 2004					
Bull, Holstein	90-120 lbs	162.00-187.00	Plainer	90-120 lbs	135.00-166.00
Heifers, Hols	90-120 lbs	425.00-550.00	Plainer	90-120 lbs	275.00-350.00

SLAUGHTER CATTLE (\$/cwt)			
Westminster, MD - Nov 16, 2004			
Fed Steers		Fed Heifers	
H-Ch-P	80.25-84.50	H-Ch-P	83.00-87.25
L-Ch	78.00-80.00	L-Ch	76.25-82.75
Selects	70.50-78.00	Calves	
Old & Unfinished	60.25-68.00	Slaughter Calves	70.00-100.00
Cows		Weak & Jerseys	20.000-50.00
High Dressing	49.00-53.50	Hols Heifers #1	440.00-515.00
Breakers	45.00-48.75	#2	200.00-320.00
Boners	39.25-44.75	Beef X Calves	85.00-162.50
Weak & Thin	38.00-Down		
Lancaster, New Holland & Vintage - Week Ending - Nov 20, 2004			
Steers, Choice 2-3	1165-1490 lbs	79.00-83.00	To Firm
Heifers, Choice	1215-1590 lbs	70.25-74.50	Light test
Cows, Breakers 75-80 pct Lean		51.50-54.50	Steady
Bulls, YG-1	1120-2470 lbs	59.00-65.75	Up \$2.00

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

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