

Market Watch

M-4 Vol. XXXII, No. 13

April 2, 2009

FUTURES MARKET WATCH

<u>Month</u>	<u>Commodity</u>	<u>3/27</u>	<u>3/30</u>	<u>3/31</u>	<u>4/1</u>	<u>4/2</u>
July	Corn	3.97	3.97	3.97	4.06	4.13
December	Corn	4.19	4.18	4.18	4.27	4.34
July	Soybeans	9.15	9.05	9.02	9.51	9.77
November	Soybeans	8.61	8.42	8.42	8.92	9.15
May	Wheat	5.07	5.12	5.12	5.25	5.50
July	Wheat	5.20	5.25	5.25	5.38	5.63
May	Soybean Meal	283.80	281.50	281.50	294.30	297.40
May	Cotton	43.34	43.34	46.47	46.47	46.13
December	Cotton	48.72	48.72	51.56	51.56	51.48
April	Feeder Cattle	93.12	92.20	93.17	93.30	94.47
May	Feeder Cattle	94.30	93.05	94.25	93.95	95.65
April	Live Cattle	84.32	82.82	83.92	83.77	85.17
June	Live Cattle	81.57	80.07	81.70	81.37	83.00
April	Lean Hogs	60.47	60.55	60.35	60.15	59.67
July	Lean Hogs	72.40	71.60	72.30	72.30	73.15

OPTIONS MARKET WATCH (4/2/09)

<u>Commodity</u>	<u>Strike</u>	<u>Put Premiums</u>			<u>Call Premiums</u>		
		May	Jly	Oct	May	Jly	Oct
Cotton	.50/lb.	3.30	4.84	4.71	0.20	1.85	4.36
Wheat	5.20/bu.	.140	.300	.372	.400	.537	----
Soybeans	9.00/bu.	.066	.344	.954	.114	.110	.110
Corn	4.00/bu.	.124	.274	.364	.150	.394	.570
Hogs	72.00/cwt.	2.85	3.15	3.35	2.73	3.25	4.50
Fed Cattle	82.00/cwt	0.50	2.10	2.60	3.00	3.60	4.40
Feeder Cattle	92.00/cwt.	1.20	1.20	2.50	2.40	5.20	7.03

FUTURE MARKET TREND ANALYSIS* Corn- Up; Soybeans - Up; Cattle - Down; Hogs - Down - Cotton - Up

*The trend analysis is based on moving averages. For detailed information on the moving trends and their use contact the Extension Ag. Economics Department.

This report is available at <http://www.ces.uga.edu/Agriculture/agecon/newsltr.html>

LIVESTOCK & GRAIN STATISTICS

<u>Grain Exports</u> <u>(1000Bu.)</u>	<u>This Week</u>	<u>Last Week</u>	<u>Year</u> <u>Ago</u>	<u>Total to Date</u> <u>For Mktg.</u> <u>Year</u>	<u>Total to Date</u> <u>Last Year</u>	<u>% This Year</u> <u>Of Last</u>
<u>Week Ending 3/26/09</u>						
Corn	35,785	31,278	44,446	924,231	1,472,772	63%
Soybeans	23,453	25,916	25,637	927,394	841,025	110%
Wheat	15,008	22,173	17,626	841,976	1,042,072	81%
<u>Week Ending 3/28/09</u>						
Cattle	600	615	617	7587	8002	95%
Hogs	2213	2155	2263	27,422	28,930	95%

PROFIT SCOREBOARD

ENTERPRISE, YIELD AND MARKETING SYSTEM	THURSDAY'S CLOSING FUTURES PRICE	LESS ESTIMATED BASIS EQUALS	FORWARD PRICING OPPORTUNITY ON THURSDAY	OUT OF POCKET AND TOTAL PRODUCTION COSTS	POTENTIAL (RETURNS TO ND & MGT.)	CHANCE OF POSITIVE RETURN TO LAND AND MGT. *
Wheat 55 bu./acre	July 5.63	-.90	4.73/bu.	3.11/bu. 3.75/bu.	1.62/bu. .98/bu.	97% 87%
Corn - Irrigated 180 bu./acre	Dec. 4.34	.05	4.39/bu	3.16/bu. 4.02/bu.	1.23/bu -.37/bu	99% 76%
Soybeans - Dry land 30 bu./acre	Nov. 9.15	-.20	8.95/bu.	4.71/bu. 7.01/bu.	4.24/bu. 1.94/bu	80% 60%
BR Cotton - Dry land 700 lb./acre	Dec. .51	-.03	.48/lb.	.54/lb. .72/lb.	-.6/bu -.24/lb.	22% 1%
BR Cotton - Irrigated 1100 lb./acre	Dec. .51	-.03	.48/lb.	.44/lb. .65/lb.	.4/lb. -.17/bu	82% 1%
Feeder Cattle Winter Stockering sell at 750 lbs.	Apr. 94.47	-3.00	91.47/cwt	100.66/cwt 100.66/cwt	-9.19/cwt -13.11/cwt	5% 1%
Fed Cattle Placed in this week sell at 1200 lbs.	Oct. 87.65	-1.50	86.15/cwt	106.17/cwt 106.17/cwt	-20.02/cwt -20.02/cwt	1% 1%
Hogs Farrow to Finish* Farrowing this week	Oct 48.62	-.10	48.52/cwt.	46.45/cwt 54.68/cwt.	2.07/cwt -6.16/cwt	71% 3%
Feeder Pig Finishing* Placed this week	Aug 53.27	-.60	52.67/cwt	39.49/cwt. 42.59/cwt.	13.18/cwt 10.08/cwt	99% 99%
*Total Confinement						

Cost of production figures may be obtained upon request. Each cost of production is an estimate of cost for a Georgia producer at the indicated yield. Participation in Government commodity programs can greatly affect the level of profitability for the various crop enterprises. Land and management cost are not included in the crop and livestock cost estimates. * Excludes LDP for crops.

GRAIN PRICE PROFILE

Cash Bids and New Crop Contracts

Location	CORN		WHEAT		SOYBEANS	
	Cash	Contract*	Cash	Contract**	Cash	Contract***
Southwest Ga.						
Southeast Ga.						
Central Ga.						
North						
Brunswick						
*Aug-Sept Delivery **May-June Delivery ***Oct-Dec Delivery						

FEED CASH PRICE

Cash Wheat Mill Direct - Macon -----

	<u>MID WESTERN CORN</u>		<u>SOYBEAN MEAL 48%</u>	
	<u>This week</u>	<u>Last week</u>	<u>This week</u>	<u>Last week</u>
<u>FOB NORTH GA.</u>	-----	-----	-----	-----
<u>FOB SOUTH GA.</u>	-----	-----	-----	-----
<u>FOB EAST GA.</u>	-----	-----	-----	-----

Georgia ASCS Posted Adjusted Market Price:

Adjusted World Price Cotton

LIVESTOCK PRICE PROFILE

GEORGIA AUCTION

April 2, 2009

*Prices furnished by Federal State Market News, Thomasville, GA. For up-to-date prices call (1-800-342-1440)

Medium Frame #1 Steers 2-250 cwt \$135-140 up \$6 from last week; 250-3 cwt \$112-124 down \$7 from last week; 3-350 cwt \$106-116 down \$6 from last week; 350-4 cwt \$98-114 down \$3 from last week; 4-450 cwt \$95-107 down \$6 from last week; 450-5 cwt \$92-108 down \$3 from last week; 5-550 cwt \$87-107 down \$2 from last week; 550-6 cwt \$85-105 same as last week; 6-650 cwt \$81-99 down \$1 from last week; 650-7 cwt \$81-93 up \$2 from last week; 7-750 cwt \$77-85 down \$2 from last week; 750-8 cwt \$74-82 down \$3 from last week.

Medium Frame#1 Heifers: 2-250 cwt \$128-138 up \$23 from last week; 250-3 cwt \$108-109 up \$7 from last week; 3-350 cwt \$89-102 down \$2 from last week; 350-4 cwt \$88-96 same as last week; 4-450 cwt \$83-95 same as last week; 450-5 cwt \$79-91 down \$11 from last week; 5-550 cwt \$77-90 up \$1 from last week; 550-6 cwt \$75-86 down \$1 from last week; 6-650 cwt \$74-82 down \$3 from last week; 650-7 cwt \$72-80 down \$3 from last week.

Slaughter Classes: Breakers \$47-55 up \$2 from last week; Boners \$46-59 up \$2 from last week; Boners Hi Yield \$53-60 same as last week, Lean \$41-49 up \$3 from last week.

Live and Carcass Hog Price -Eastern Cornbelt Direct 4/1/09 Barrows & Gilts - Live Basis 240-300 lbs.\$31.77-45.33 Average \$42.94; Carcass 185 lbs. \$45.50-58.11 - Average 54.66

2009 Prospective Plantings Surprises

Don Shurley, Nathan Smith, and Amanda Smith

Georgia farmers say they intend to reduce acreage of corn, soybeans, and peanuts and hold cotton acreage at the same level as last season. The first USDA estimate of actual planting will not be out until the end of June but this is what farmers say they intend to plant based on a March survey. Actual planting will depend on weather, crop prices, changes in input costs, resource availability, and other factors.

Georgia corn acreage is expected to decline 20,000 acres and soybeans down 30,000 acres. Peanut acreage is expected to be down 190,000 acres or over 27%. Wheat plantings are down almost 30%. Acreage of all major row crops is expected to be down while cotton acreage is expected to only remain the same. Compared to 2008, there would seem to be 386,000 acres unaccounted for among these crops. This raises questions as to whether on not acreage could be shifted to other crops, idled and taken out of production, or if in fact acreage will be higher than the March survey suggests.

2008 Actual and 2009 Planting Intentions, Georgia and US

	Georgia			US ¹		
	2008 Actual	2009 Intentions	% Change	2008 Actual	2009 Intentions	% Change
Corn	370,000	350,000	-5.4%	85.98	84.99	-1.2%
Cotton	940,000	940,000	0.0%	9.47	8.81	-7.0%
Grain Sorghum	60,000	55,000	-8.3%	8.28	6.96	-16.0%
Peanuts	690,000	500,000	-27.5%	1.53	1.12	-26.7%
Soybeans	430,000	400,000	-7.0%	75.72	76.02	0.4%
Tobacco ²	16,000	15,000	-6.2%	.35	.35	0.0%
Wheat	480,000	340,000	-29.2%	63.15	58.64	-7.1%
TOTAL	2,986,000	2,600,000		244.48	236.89	

SOURCE: USDA, *Prospective Plantings*, March 31, 2009.

1/ Million acres

2/ Acres harvested.

Given the high cost of fertilizer, Georgia's soybean acreage was thought to perhaps increase this year. Nitrogen has declined in price, however, and this reduces the net return advantage that soybeans might otherwise have had relative to crops like corn and cotton. Peanut acres were expected to be down due to low-price and limited availability of contracts due to oversupply from the '08 crop. Georgia cotton acreage was not expected to decline and the survey confirms this. Cotton acreage may actually end up above the March number.

US corn acres are expected to be down only slightly from last year and soybeans up only slightly. US peanut acreage is expected to be down. Cotton acreage is also expected to be down from '08 but the survey estimate of 8.81 million acres is larger than most pre-report analysts projections.