



# Market Watch



M-4 Vol. XXXI, No. 14

April 3, 2008

## FUTURES MARKET WATCH

Month	Commodity	3/28	3/31	4/1	4/2	4/3
July	Corn	5.74	5.82	5.98	6.09	6.13
December	Corn	5.77	5.81	5.92	6.03	6.10
July	Soybeans	12.85	12.15	12.34	12.59	12.76
November	Soybeans	11.59	10.89	11.47	11.70	11.95
May	Wheat	9.89	9.29	8.95	9.36	9.35
July	Wheat	9.96	9.37	9.12	9.50	9.50
May	Soybean Meal	342.30	322.30	330.50	331.00	333.50
May	Cotton	71.96	68.89	70.35	70.30	70.30
December	Cotton	81.51	78.41	80.90	80.90	80.90
April	Feeder Cattle	100.42	99.30	99.12	97.60	98.70
May	Feeder Cattle	102.27	101.22	101.35	99.55	100.08
April	Live Cattle	87.65	87.42	87.40	86.20	87.70
June	Live Cattle	87.87	87.75	88.12	87.55	89.07
April	Lean Hogs	58.10	57.07	56.00	55.60	57.62
July	Lean Hogs	72.80	71.25	69.40	69.15	72.15

## OPTIONS MARKET WATCH (4/3/08)

Commodity	Strike	Put Premiums			Call Premiums		
		May	Jly	Oct	May	Jly	Oct
Cotton	.70/lb.	1.15	2.30	2.71	1.90	6.21	10.51
Wheat	9.50/bu.	.600	.880	.102	.530	.900	.115
Soybeans	12.00/bu.	.262	.690	.120	.810	.132	.170
Corn	6.00/bu.	.220	.480	.624	.220	.550	.750
Hogs	72.00/cwt.	5.30	4.05	4.15	2.38	----	5.40
Fed Cattle	86.00/cwt	0.25	1.65	1.05	----	----	----
Feeder Cattle	100.00/cwt.	2.00	2.45	3.20	7.00	3.25	----

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

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

## 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 3/27/08</u>						
Corn	42,538	46,100	35,266	1,469,214	1,245,694	118%
Soybeans	23,840	28,822	20,128	838,984	859,861	98%
Wheat	16,391	18,432	18,788	1,040,696	723,795	144%
<u>Week Ending 3/29/08</u>						
Cattle	619	648	611	8008	8030	100%
Hogs	2258	2306	2090	28,977	26,438	110%

## 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 40 bu./acre	July 9.50	-.90	8.60/bu.	2.54/bu. 3.30/bu.	6.06/bu. 5.30/bu.	99% 99%
Corn - Irrigated 150 bu./acre	Dec. 6.00	.05	6.05/bu.	1.87/bu. 2.80/bu.	4.18/bu. 3.25/bu.	99% 99%
Soybeans - Dry land 30 bu./acre	Nov. 11.95	-.20	11.75/bu.	4.71/bu. 7.01/bu.	7.04/bu. 4.74/bu.	97% 91%
BR Cotton - Dry land 700 lb./acre	Dec. .81	-.03	.78/lb.	.54/lb. .72/lb.	.24/bu. .6/lb.	87% 55%
BR Cotton - Irrigated 1100 lb./acre	Dec. .81	-.03	.78/lb.	.44/lb. .65/lb.	.34/lb. .13/bu.	99% 96%
Feeder Cattle Winter Stockering Sell at 750 lbs.	Apr. 98.70	-3.00	95.70/cwt	100.66/cwt 104.48/cwt	-4.96/cwt -8.88/cwt	20% 6%
Fed Cattle Placed in this week sell at 1200 lbs.	Oct. 99.85	-1.50	98.35/cwt	83.69/cwt 83.69/cwt	14.66/cwt 14.66/cwt	99% 99%
Hogs Farrow to Finish* Farrowing this week	Oct. 50.75	-.60	50.65/cwt.	31.97/cwt 40.26/cwt.	18.68/cwt 10.39/cwt	99% 99%
Feeder Pig Finishing* Placed this week	Aug. 53.47	-.60	52.87/cwt.	42.52/cwt. 45.62/cwt.	10.35/cwt 7.25/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 3, 2008

\*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 \$130-150 down \$6 from last week; 250-3 cwt \$120-135 down \$7 from last week; 3-350 cwt \$116-127 down \$2 from last week; 350-4 cwt \$107-121 down \$6 from last week; 4-450 cwt \$98-113 down \$9 from last week; 450-5 cwt \$90-107 down \$11 from last week; 5-550 cwt \$90-113 down \$10 from last week; 550-6 cwt \$82-98 down \$9 from last week; 650-7 cwt \$83-94 down \$2 from last week; 7-750 cwt \$85-87 same as last week; 750-8 cwt \$81-86 down \$2 from last week.

Medium Frame #1 Heifers: 2-250 cwt \$110-120 down \$7 from last week; 250-3 cwt \$108-119 down \$4 from last week; 3-350 cwt \$100-117 down \$4 from last week; 350-4 cwt \$94-108 down \$6 from last week; 4-450 cwt \$90-113 down \$7 from last week; 450-5 cwt \$86-101 down \$6 from last week; 5-550 cwt \$83-101 down \$4 from last week; 550-6 cwt \$81-88 down \$6 from last week; 6-650 cwt \$80-87 down \$4 from last week; 650-7 cwt \$76-83 down \$6 from last week.

Slaughter Classes: Breakers \$52-56 same as last week; Boners \$50-58 same as last week; Boners Hi Yield \$58-61 up \$2 from last week; Lean \$51 up \$1 from last week.

Live and Carcass Hog Price -Eastern Cornbelt Direct (4/2/08)Barrows & Gilts - Live Basis 240-300 lbs. \$33.71-42.05 Average - 39.72; Carcass 185 lbs. \$40.50-53.38 Average -\$48.52

Sows 500 lbs.-up : \$14.55-27.79 Average - \$24.15

**2008 Acreage – Planting Intentions**  
Nathan Smith and Don Shurley, Extension Economists

**Cotton.** US farmers intend to plant 13.3% less cotton in 2008. Georgia farmers, however, intend to increase acreage slightly from 2007. A drop in US acreage was anticipated due to high prices for corn and soybeans and high fuel and fertilizer cost. Georgia acreage is somewhat of a surprise. If realized, higher-than-expected Georgia acreage may be attributed to larger than expected decline in corn, increase in double-crop cotton, and favorable crop insurance (CRC). One-half of all US acreage is now in one state– Texas. The market will be very sensitive to crop conditions and yield. Prices could improve significantly from current levels.

**Peanut.** US farmers plan to increase peanut acres by 16% in 2008 to 1.43 million acres according to the early March planting intentions survey. Georgia farmers would lead the way with a 120,000 acre increase (23%) over 2007 to 650,000 acres. The acreage increase is in response to higher contract prices beginning at \$500 per ton for peanuts. Other factors include high fertilizer costs for competing crops and rotation purposes. Two states reported higher percentage increases, Texas (250,000) at a 32% increase and Mississippi (28,000) at a 47% increase. Recently announced higher input prices could impact actual plantings of peanuts. Seed and chemicals are the two highest input costs for peanuts. Prices for these inputs are higher than expected from when peanut contracts were signed. Acreage not contracted may be a last minute decision between corn, cotton and peanuts given the volatility of the markets.

**Feed Grain and Soybeans.** Intended US corn acres was reported lower than expected at 86 million while US soybean acres jumped by 11 million to 74.8 million. Georgia farmers indicated they will plant fewer acres of corn at 370,000 while increasing soybean acres 44% to 410,000 acres. The soybean intention may not be reached with a limited supply of soybean seed. However, if enough soybean seed is available, 400,000 acres is not a stretch given the lower cost of production and double-cropping potential with wheat. Grain sorghum is expected to follow the trend of corn dropping to 55,000 acres. Wheat planted acres remained at 480,000 as previously reported in the Winter Wheat Seedings report. Weather during the planting season and changes in relative prices between Georgia’s major crops will impact the actual planted acreage. Georgia planting intentions reflects a 232,000 acre increase in planted acreage for the 7 major crops shown in the table below. Only a part of the increase can be explained by double-cropping after small grains. Where is the rest of the acreage increase coming from? Georgia farmers reported 70,000 fewer acres in harvested hay which could indicate some pasture being converted to row crops in 2008. Georgia farmers have choices in 2008 which can result in a significant difference in intended and actual plantings.

**US and Georgia, Acres Planted 2006-2008**

	United States <sup>1</sup>				Georgia <sup>1</sup>			
	2006	2007	2008 <sup>2</sup>	Change <sup>3</sup>	2006	2007	2008 <sup>2</sup>	Change <sup>3</sup>
Corn	78,327	93,600	86,014	-8.1%	280	510	370	-27.5%
Cotton	15,274	10,830	9,390	-13.3%	1,400	1,030	1,050	1.9%
Grain Sorghum	6,522	7,718	7,415	-3.9%	40	65	55	-15.4%
Peanuts	1,243	1,230	1,430	16.3%	580	530	650	22.6%
Soybeans	75,522	63,631	74,793	17.5%	155	285	410	43.9%
Tobacco <sup>4</sup>	339	356	350.9	-1.4%	17	18.5	16	-13.5%
Wheat	57,344	60,433	63,803	5.6%	230	360	480	33.3%

1/ All numbers are 1,000 acres.

2/ *Prospective Plantings*, USDA, March 31, 2008.

3/ 2008 vs. 2007

4/ Tobacco reported as intended harvested acres.

John C. McKissick  
Extension Economist

