

Grain Market Review

(As of Friday, January 23, 2009)

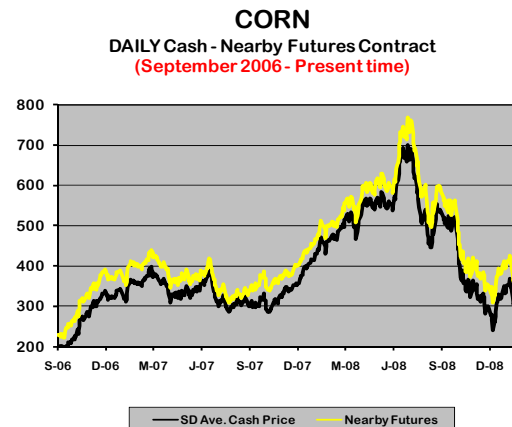
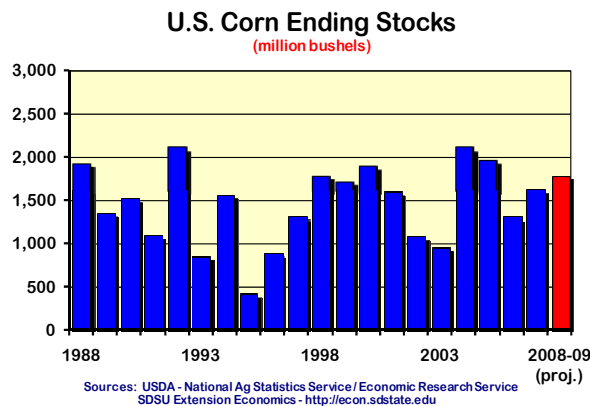
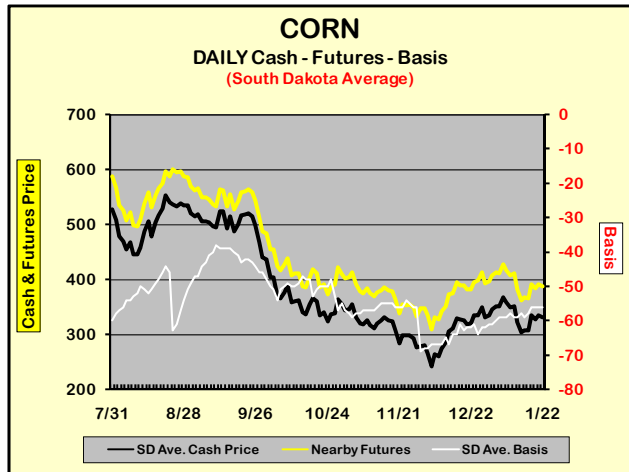
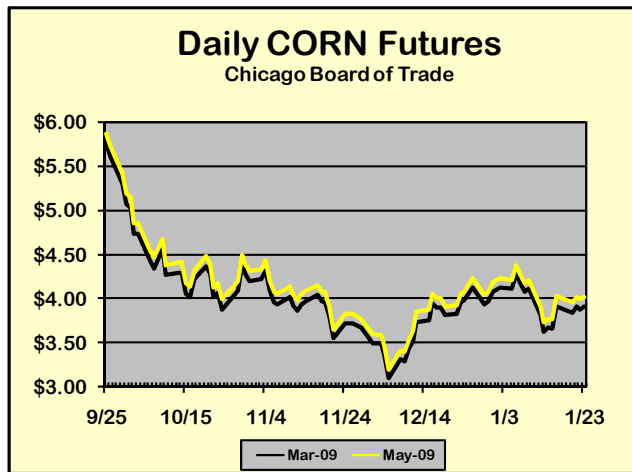
Alan R. May
Extension Grain Marketing Specialist
South Dakota State University

CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	391	391	0
May	402	402	0
Jul	412	413	-1
Sep	422	423	-1
Dec	436	437	-1
Mar	449	449	0
May	456	456	0

South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	297-397	270-336	
Ave. price	335	307	28

Other crops	S.D. Ave.
Sunflower	1199
Oats	197
Milo	243
Millet	597



The South Dakota average price for corn late this past week was \$3.35 per bushel.

The prices and price charts in this commentary reflect the closing futures prices for Friday, January 23, 2009. Although corn futures prices for today (Monday, January 26, 2009) closed a few cents higher, the commentary and prices are based on last Friday's closing prices.

This past week saw another week of influence of outside markets in grain commodities. Fluctuations in crude oil, the stock market, and the value of the dollar all led to losses and gains through last week's trading. However, as the weeks pass it appears that the more typical fundamentals of grain supply and demand are being considered in the day to day trading of grain commodities. Over the last few years, there has been by this time of the year, an active bidding war for acres; particularly between corn and soybeans. While corn futures did show considerable and steady strength from early December through early January, the last two weeks have been highly volatile with large losses two weeks ago followed by some gains and the more recent sideways trading pattern exhibited this past week. The growth of carryover supplies due to an unexpectedly bearish World Ag supply and Demand Estimates report of two weeks ago may be a reason that corn does not seem willing at this point to match the consistent price upturn of past years as a result of a bidding war for acres. This will be a factor to watch in the few months we have left prior to the spring planting season. The recession is going to be the primary factor however in the months ahead. If demand for corn continues to scale back in the months ahead, the impact that will have on prices may influence planting decisions as readily as the bidding war for acres had in 2007 and 2008.

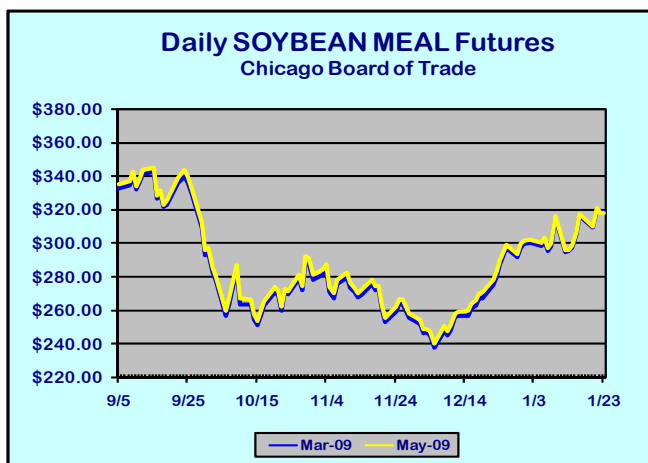
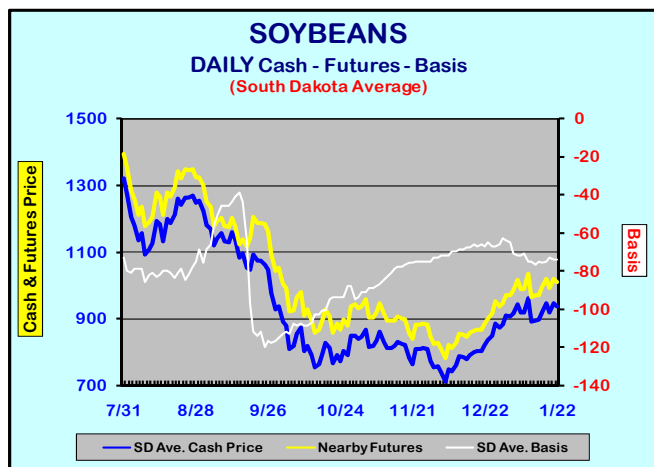
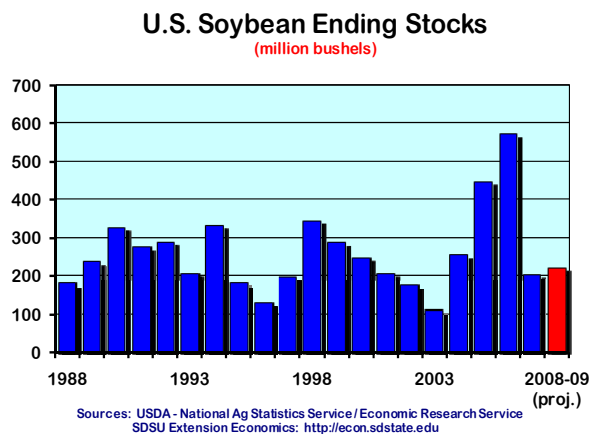
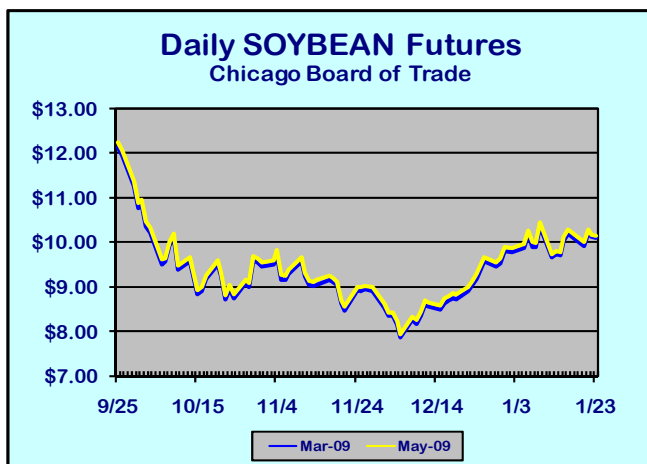
USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Corn Supply and Demand."

Corn basis data and cash corn price data for various regions of South Dakota is available by connecting with a link at the bottom of this page. To access the charts showing the corn basis and cash prices for your region of the state, just click on the link entitled "Cash corn price and basis charts". This basis information is compiled by the Economics Department at South Dakota State University.

SOYBEANS

Chicago SOYBEAN Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	1009	1020	-11
May	1016	1029	-13
Jul	1023	1039	-16
Aug	1014	1032	-18
Sep	981	1003	-22
Nov	943	972	-29

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	904-961	882-940	
Ave. price	937	919	18



The South Dakota average price for soybeans late this past week was \$9.37 per bushel.

The prices and price charts in this commentary reflect the closing futures prices for Friday, January 23, 2009. Although soybean futures prices for today (Monday, January 26, 2009) closed mostly steady compared to last Friday, the commentary and prices are based on last Friday's closing prices.

This past week saw another week of influence of outside markets in grain commodities. Fluctuations in crude oil, the stock market, and the value of the dollar all led to losses and gains through last week's trading. However, as the weeks pass it appears that the more typical fundamentals of grain supply and demand are being considered in the day to day trading of grain commodities. Over the last few years, there has been by this time of the year, an active bidding war for acres; particularly between corn and soybeans. While soybean futures did show considerable and steady strength from early December through early January, the last two weeks have been highly volatile with large losses two weeks ago followed by some gains and the more recent sideways trading pattern exhibited this past week. The growth of carryover supplies due to an rather bearish World Ag supply and Demand Estimates report of two weeks ago may be a reason that soybeans do not seem willing at this point to match the consistent price upturn of past years as a result of a bidding war for acres. This will be a factor to watch in the few months we have left prior to the spring planting season. The recession is going to be the primary factor however in the months ahead. If demand for soybeans scales back in the months ahead, the impact that will have on prices may influence planting decisions as readily as the bidding war for acres had in 2007 and 2008.

USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Soybean Supply and Demand."

Soybean basis data and cash soybean price data for various regions of South Dakota is available by connecting with a link at the bottom of this page. To access the charts showing the soybean basis and cash prices for your region of the state, just click on the link entitled "Cash soybean price and basis charts". This basis information is compiled by the Economics Department at South Dakota State University

WHEAT

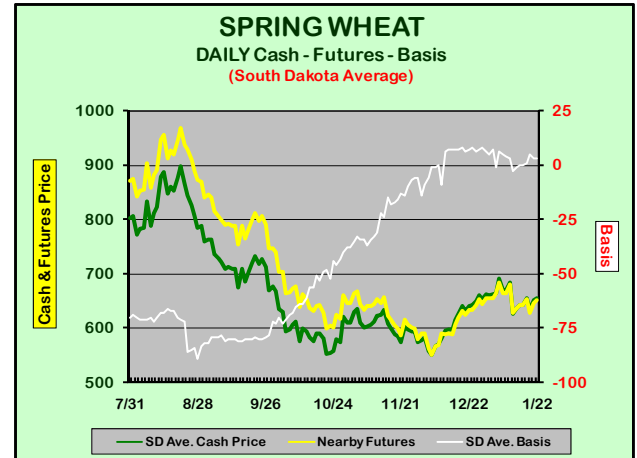
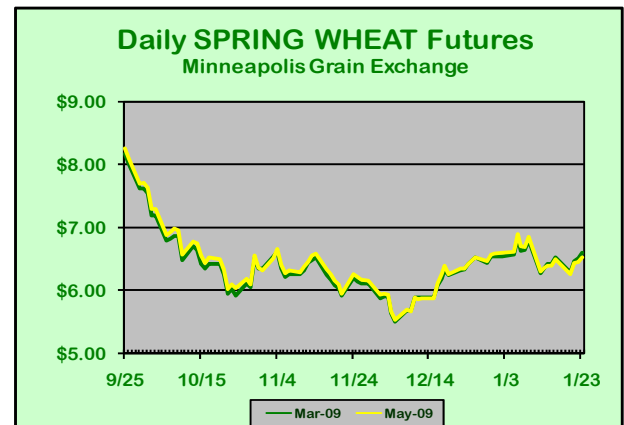
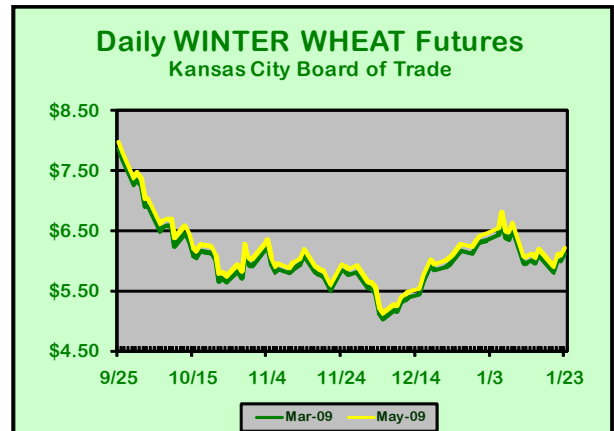
Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	661	653	8
May	653	649	4
Jul	650	650	0
Sep	659	659	0
Dec	671	671	0

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	583	578	5
May	596	591	5
Jul	606	602	4
Sep	629	625	4
Dec	651	646	5

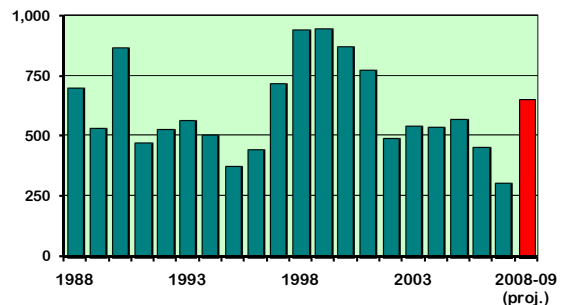
Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	611	609	2
May	621	620	1
Jul	631	630	1
Sep	641	641	0
Dec	658	657	1

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	615-691	596-694	
Ave. price	663	642	21

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	503-573	487-556	
Ave. price	549	535	14



U.S. All Wheat - Ending Stocks
(million bushels)



Source: USDA - Economic Research Service
SDSU Economics Department - <http://econ.sdstate.edu>

The South Dakota average price for spring wheat late this past week was \$6.63 per bushel.

The South Dakota average price for winter wheat last this past week was \$5.49 per bushel.

The prices and price charts in this commentary reflect the closing futures prices for Friday, January 23, 2009. Although wheat futures prices for today (Monday, January 26, 2009) closed ten to twelve cents higher, the commentary and prices are based on last Friday's closing prices.

USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Wheat Supply and Demand."

Wheat basis data and cash wheat price data for various regions of South Dakota is available by connecting with a link at the bottom of this page. To access the charts for your region of the state, just click on the links entitled "Spring wheat cash and basis charts" and "Winter wheat cash and basis charts". This basis information is compiled by the Economics Department at South Dakota State University.