

Grain Market Review

(As of Friday, January 30, 2009)

Alan R. May

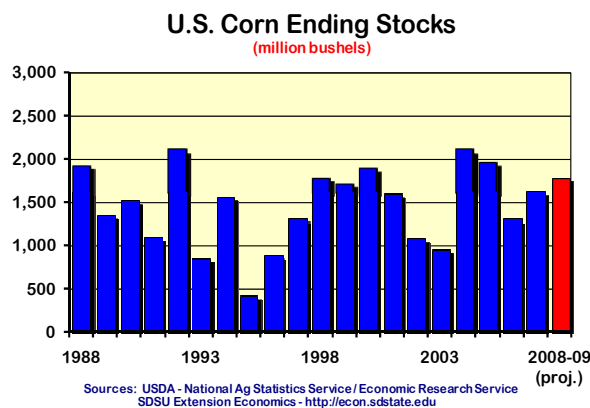
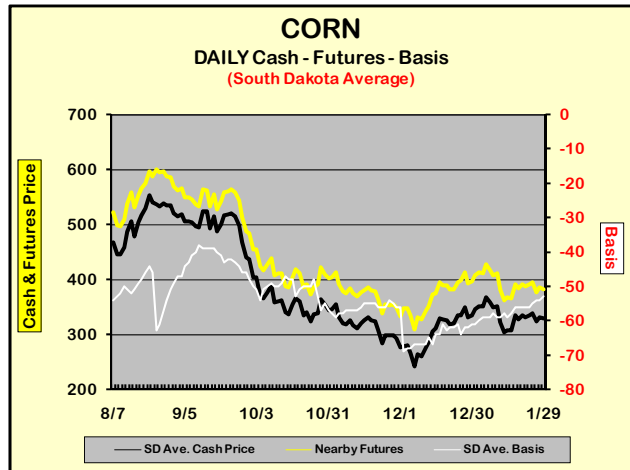
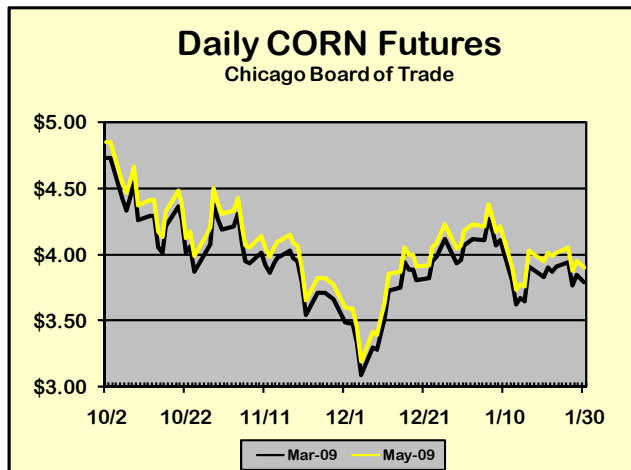
Extension Grain Marketing Specialist
South Dakota State University

CORN

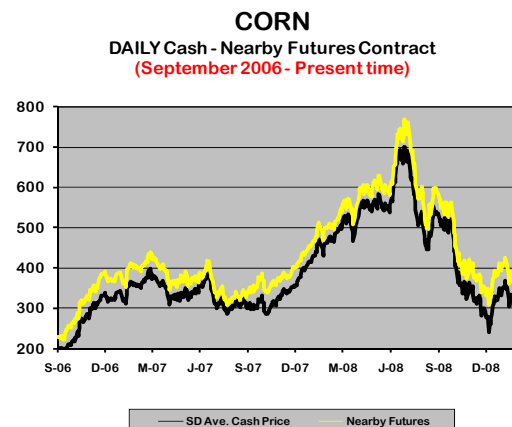
Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	379	391	-12
May	390	402	-12
Jul	401	412	-11
Sep	412	422	-10
Dec	425	436	-11
Mar	439	449	-10
May	447	456	-9

South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	293-362	297-397	
Ave. price	329	335	-6

Other crops	S.D. Ave.
Sunflower	1223
Oats	199
Milo	238
Millet	627



Sources: USDA - National Ag Statistics Service / Economic Research Service
SDSU Extension Economics - <http://econ.sdstate.edu>



The South Dakota average price for corn late this past week was \$3.29 per bushel, six cents lower than a week ago.

The usual culprits came to roost in all three commodities this past week as the value of crude oil, the value of the dollar, and the performance of the stock market seemed to have as much influence as anything. While some might prefer to go back to the “old days” of the more typical fundamentals such as weather, production issues, exports, etc. these outside influences simply show how intertwined all the markets are in our economy and around the world. In addition, the recession is playing a significant role in every segment of the economy and the ag economy is not immune.

Demand is likely to be pressured further as the recession appears to be deepening. Foreign buyers will look at the value of the dollar in combination with lower demand in their region of the world and make buying decisions based on where they can get the best deal. Domestic consumption has already shrunk in corn, particularly in corn fed to livestock and in corn used by the ethanol industry. It is very possible this trend of weakening demand could continue depending upon the economic condition of livestock feeders and domestic ethanol producers.

While there are certainly challenges to face in the months and perhaps years ahead, it must be noted that while there has been reduction in demand for grain commodities, consumption will continue. Demand has, and will likely continue to be, the key component in price direction. People still need food, livestock still need to be fed, and the ethanol industry will still need to buy corn to meet the demand for ethanol. The issue is the performance of demand in the months ahead and the corresponding production we will have in 2009. These are the same two items that always influence price but the economic uncertainty of the factors behind supply and demand are more acute than in the past. Since grain markets will continue to be influenced by these outside markets, you must be as prepared as possible to make sales when the opportunity arises and do the best you can to manage input costs and other risk factors outside of your control. Make sure you have your marketing plans and risk management tools such as crop insurance in place to better manage the economic times ahead.

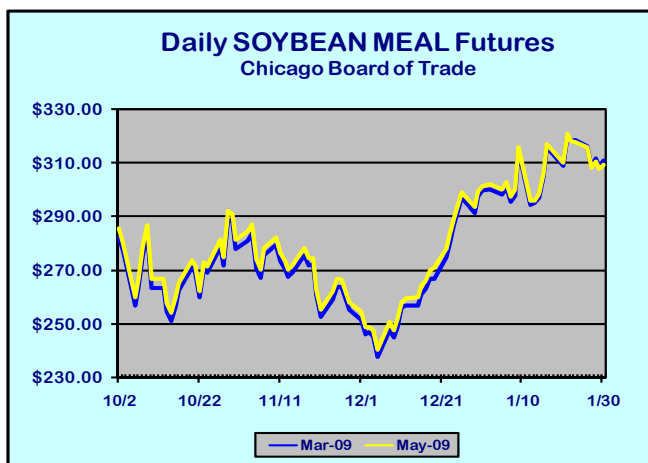
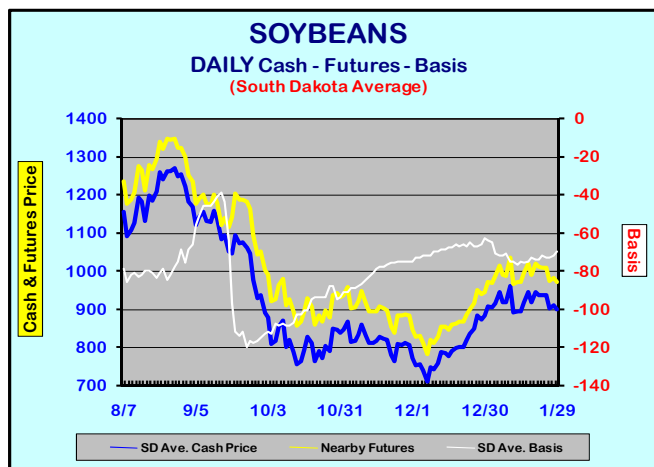
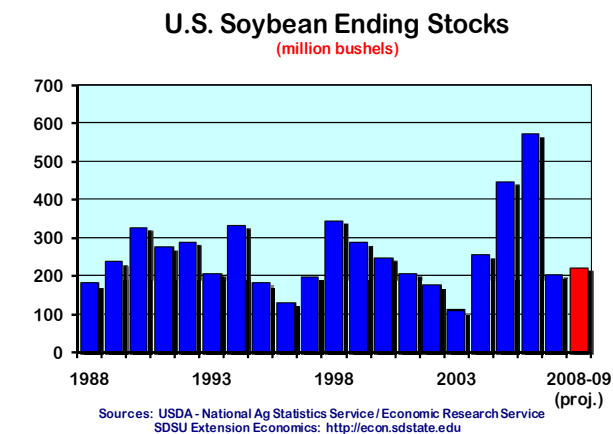
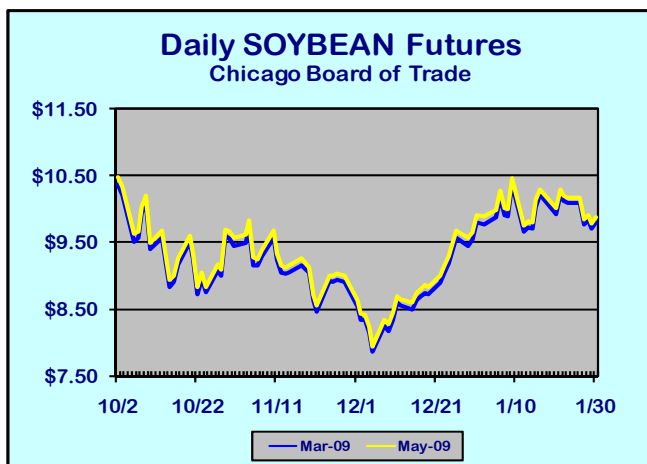
USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, “Corn Supply and Demand.”

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	980	1009	-29
May	987	1016	-29
Jul	994	1023	-29
Aug	990	1014	-24
Sep	968	981	-13
Nov	945	943	2

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	865-923	904-961	
Ave. price	901	937	-36



The South Dakota average price for soybeans late this past week was \$9.01 per bushel, 36 cents lower than a week ago.

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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

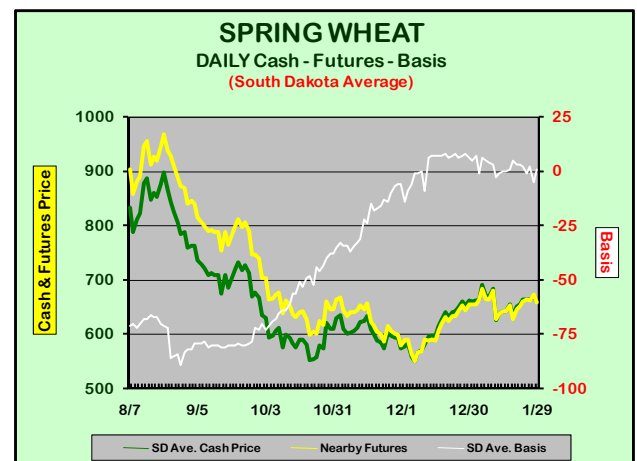
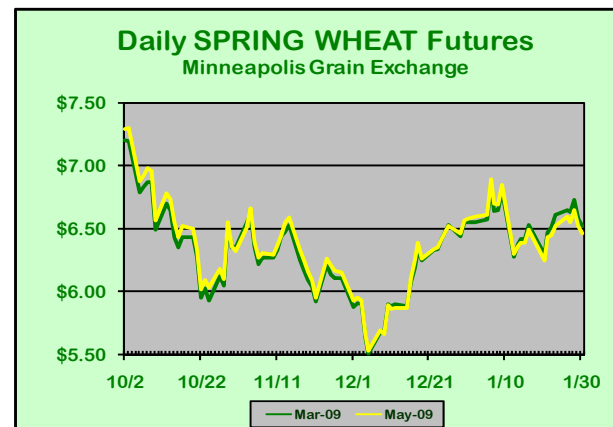
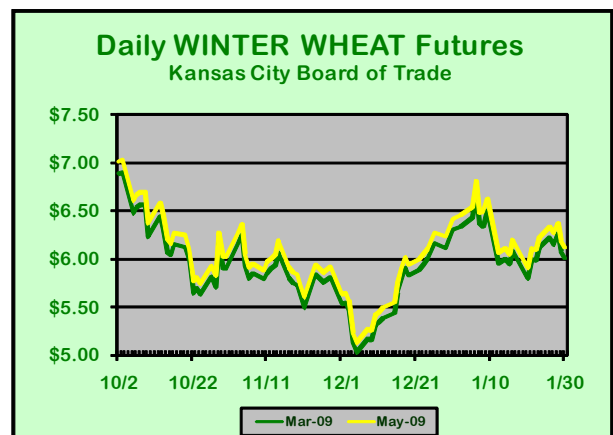
Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	652	661	-9
May	646	653	-7
Jul	645	650	-5
Sep	653	659	-6
Dec	665	671	-6

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	568	583	-15
May	581	596	-15
Jul	593	606	-13
Sep	615	629	-14
Dec	635	651	-16

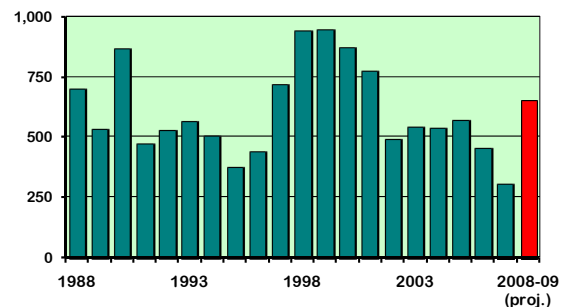
Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	601	611	-10
May	612	621	-9
Jul	623	631	-8
Sep	634	641	-7
Dec	650	658	-8

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	612-688	615-691	
Ave. price	659	663	-4

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	501-572	503-573	
Ave. price	550	549	1



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 \$6.59 per bushel, four cents lower than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.50 per bushel, one cent higher than a week ago.

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