

Grain Market Review

(As of Friday, February 6, 2009)

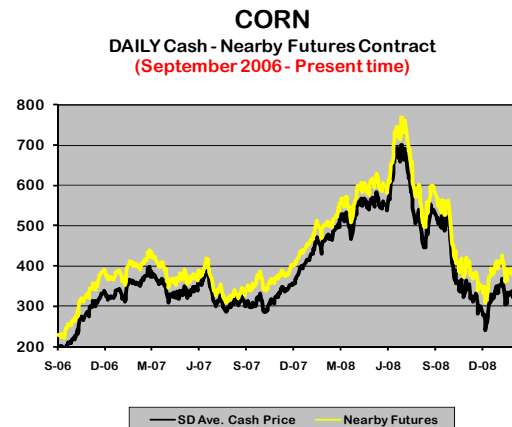
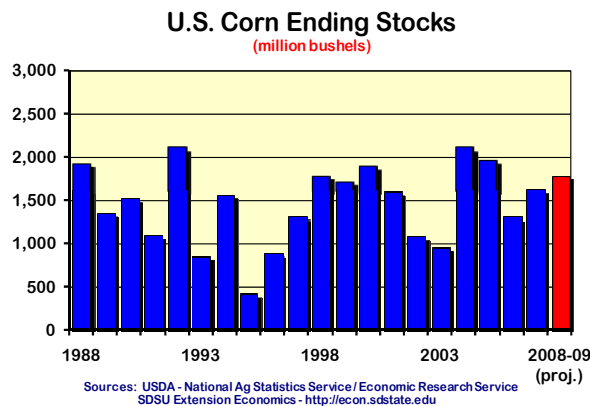
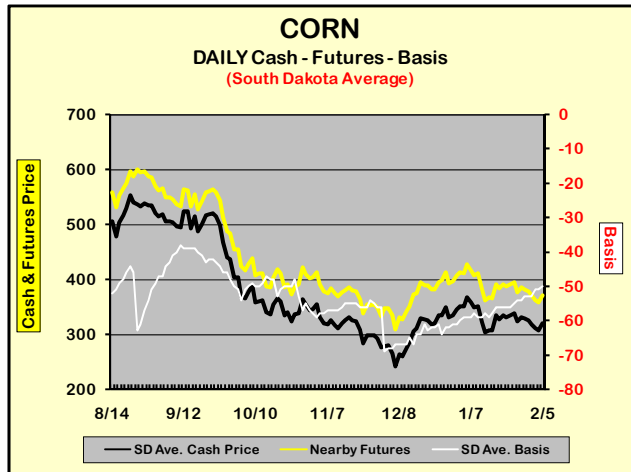
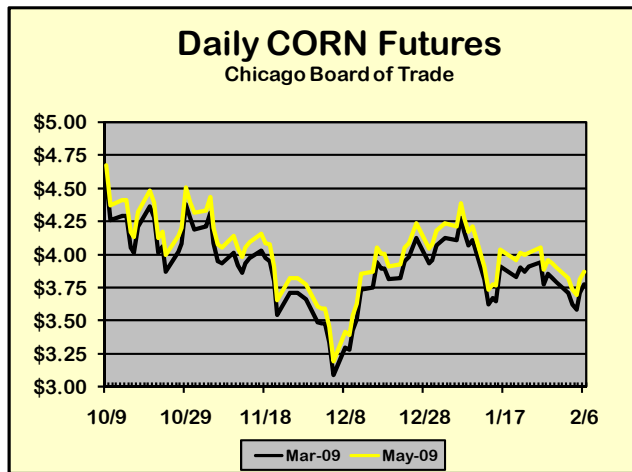
Alan R. May
Extension Grain Marketing Specialist
South Dakota State University

CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	377	379	-2
May	387	390	-3
Jul	398	401	-3
Sep	408	412	-4
Dec	422	425	-3
Mar	435	439	-4
May	443	447	-4

South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	287-351	293-362	
Ave. price	321	329	-8
New Crop	305-370	N/A	
Ave. price	344	N/A	

Other crops	S.D. Ave.
Sunflower	1244
Oats	194
Milo	243
Millet	637



The South Dakota average price for corn late this past week was \$3.21 per bushel, eight cents lower than a week ago.

Corn and soybeans were influenced this past week by most of the same factors. Early in the week, prices for both commodities were pressured lower due to rains over the weekend in South America and forecasts for improving weather conditions. This led to losses early in the week but by the latter part of the week, concerns were building that South American weather was not as good as expected so prices rose for both commodities on Thursday and Friday. Beans had the better performance, ending the week 8 to 21 cents higher. Corn futures traded higher on Thursday and Friday but the losses in the first three days were too much to allow corn futures to end the week in positive territory.

Also looming ahead for corn futures particularly is the expectation that USDA will project weaker demand and growing supplies in the monthly WASDE (World Ag Supply and Demand Estimates) report that will be issued on Tuesday, February 10. The retraction in demand for corn both in exports and in domestic consumption by ethanol and the livestock feeding industry in previous months is likely to expand in USDA's report next week. This retraction in demand is due to the deepening recession, the stronger dollar value, and the tie all markets have to each other leaving less room for independent performance based solely on a specific commodity's supply and demand fundamentals.

Soybeans on the other hand, may find some positive news next week in the export category. Current domestic and world supplies remain tight by all historical standards and as long as South American production is pressured by weather, there is much less concern that carryover supplies will build. If, however, USDA projects lower than anticipated exports in next week's WASDE report, we can likely expect a strong reaction to that news. A link to USDA can be found below in order to find the report that will be issued next week. The supply and demand figures in the link supplied by SDSU will be updated shortly after the report is issued.

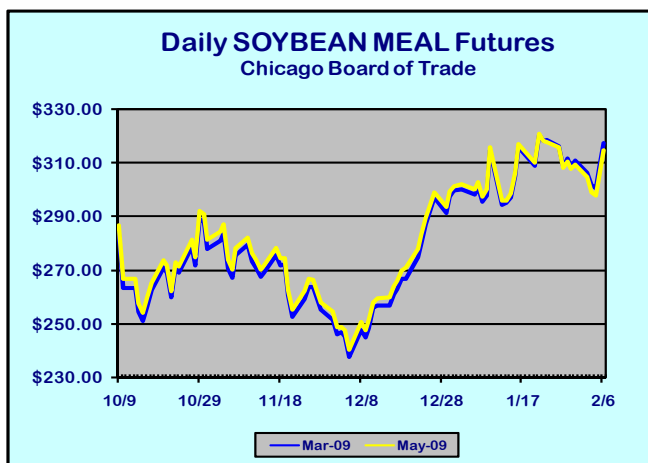
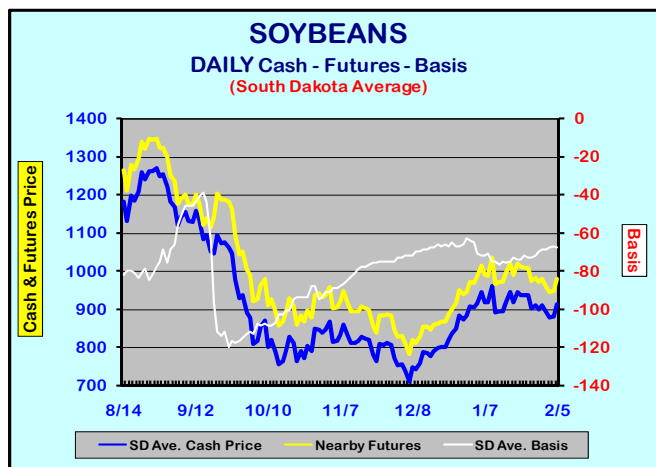
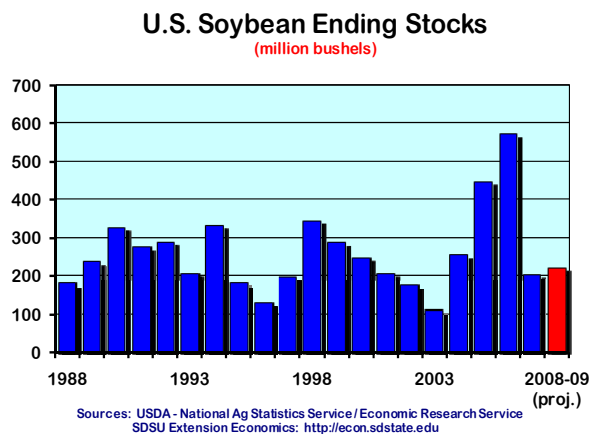
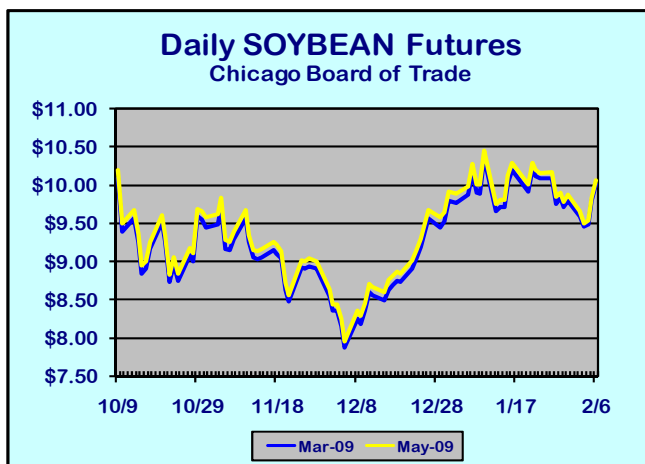
USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Corn Supply and Demand."

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	1001	980	21
May	1006	987	19
Jul	1012	994	18
Aug	1005	990	15
Sep	976	968	8
Nov	946	945	1

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	875-937	865-923	
Ave. price	912	901	11
New Crop	764-822	N/A	
Ave. price	789	N/A	



The South Dakota average price for soybeans late this past week was \$9.12 per bushel, 11 cents higher than a week ago.

Corn and soybeans were influenced this past week by most of the same factors. Early in the week, prices for both commodities were pressured lower due to rains over the weekend in South America and forecasts for improving weather conditions. This led to losses early in the week but by the latter part of the week, concerns were building that South American weather was not as good as expected so prices rose for both

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WHEAT

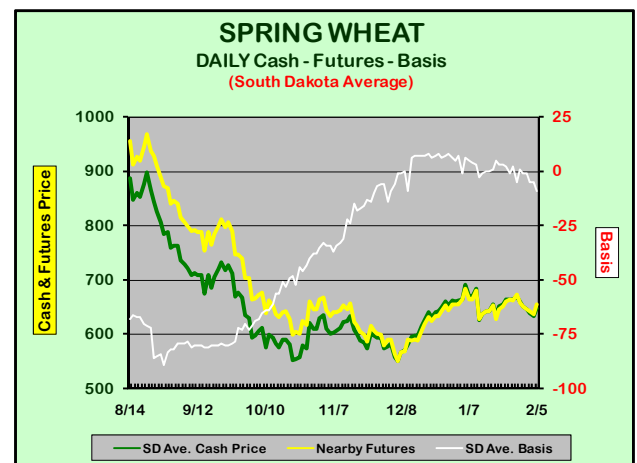
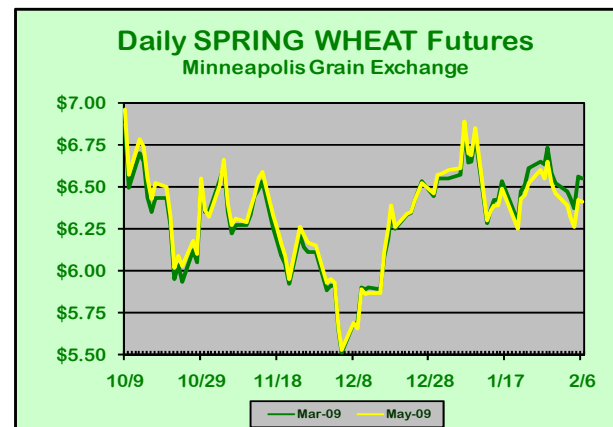
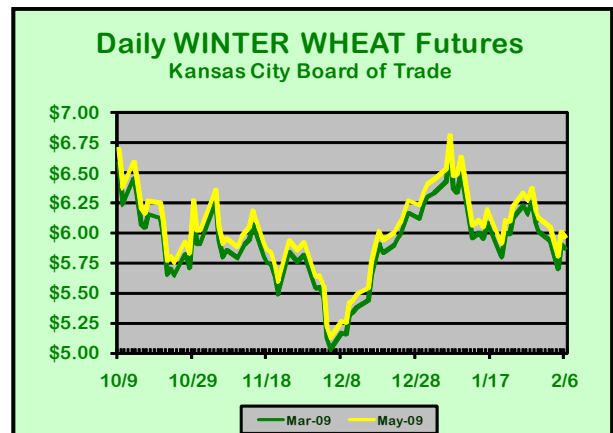
Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	655	652	3
May	641	646	-5
Jul	635	645	-10
Sep	639	653	-14
Dec	648	665	-17

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	557	568	-11
May	570	581	-11
Jul	582	593	-11
Sep	607	615	-8
Dec	627	635	-8

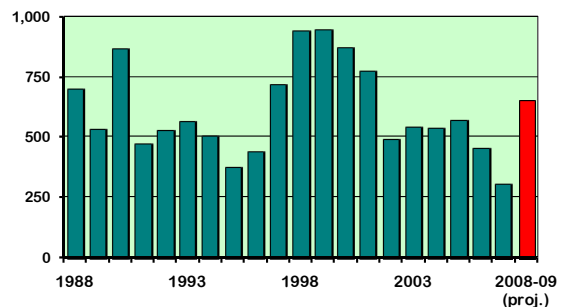
Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	587	601	-14
May	597	612	-15
Jul	609	623	-14
Sep	619	634	-15
Dec	636	650	-14

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	600-683	612-688	
Ave. price	647	659	-12
New Crop Ave. price	557-608	N/A	
	580	N/A	

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	490-558	501-572	
Ave. price	534	550	-16



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 \$6.47 per bushel, 12 cents lower than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.34 per bushel, 16 cents lower than a week ago.

Wheat futures were in a follower role for much of this past week as the factors that influenced corn and beans were felt in the wheat market. There seems to be little fundamental news in wheat to impact futures in the last few days although there may be some feeling in the trade that export demand may have some potential to improve. The problem with this, however, is that the dollar remains very strong compared to other foreign currencies making exports a tougher sale. In addition, wheat supplies in the U.S. and worldwide grew this past marketing year and only this next production cycle will give any indication if production can outpace demand again this coming year.

A positive outlook on wheat would include the fact that winter wheat plantings in the U.S. are down by 9% over a year ago. In addition, the odds would probably be against the possibility that the record setting production of this past year could be matched in this production cycle. That said the next factor to watch is the amount of acres planted to spring wheat to see if those acres might make up some of the reduced acres of winter wheat planted in the United States.

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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.