

Grain Market Review

(As of Friday, February 13, 2009)

Alan R. May

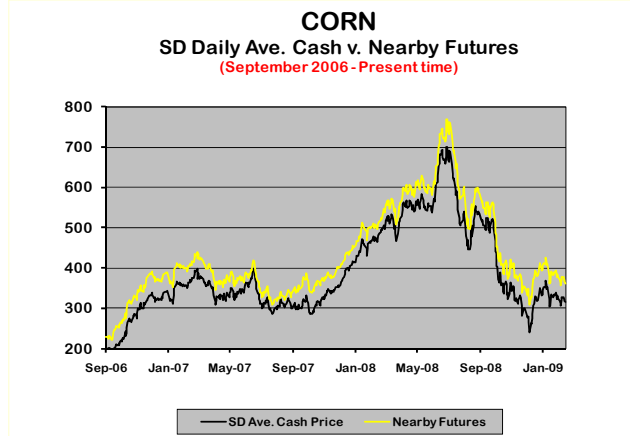
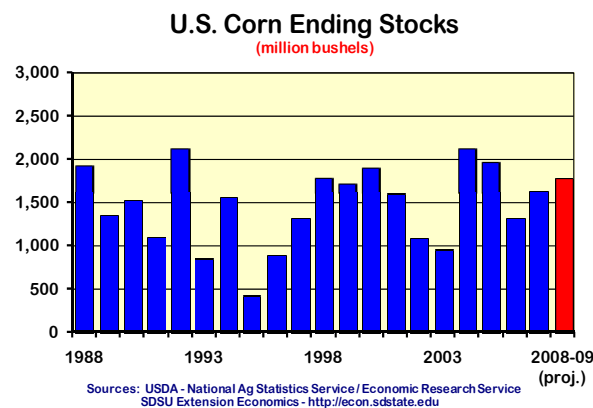
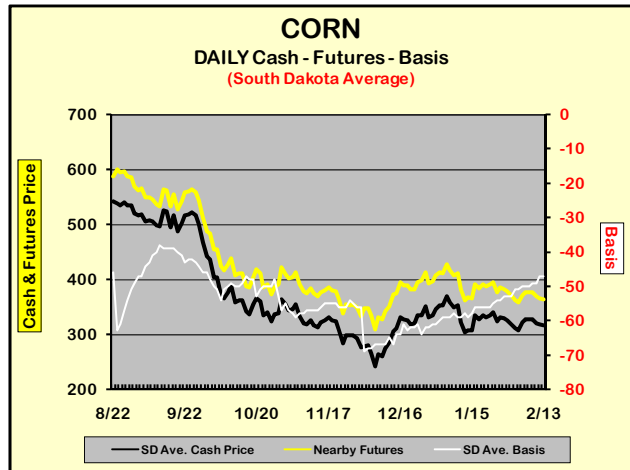
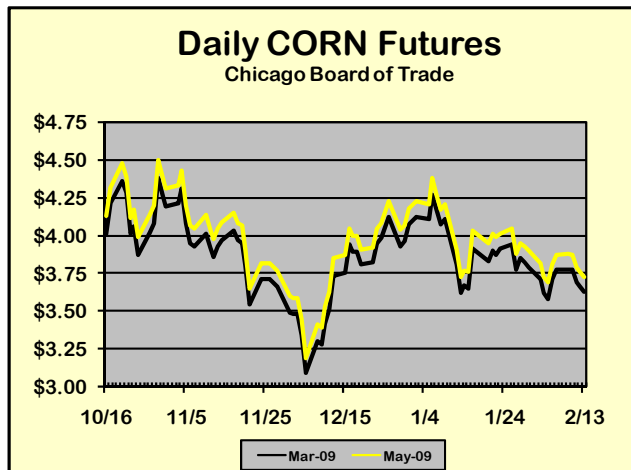
Extension Grain Marketing Specialist
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CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	363	377	-14
May	373	387	-14
Jul	383	398	-15
Sep	393	408	-15
Dec	405	422	-17
Mar	419	435	-16
May	426	443	-17

South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	292-341	287-351	
Ave. price	319	321	-2
New Crop	312-363	305-370	
Ave. price	339	344	-5

Other crops	S.D. A ve.
Sunflower	1258
Oats	196
Milo	241
Millet	628



The South Dakota average price for corn late this past week was \$3.19 per bushel, two cents lower than a week ago.

Corn and soybeans were influenced this past week by most of the same factors. Pressure came from scattered rains in South America even though it is expected that corn and soybean production there will be negatively impacted by the drier than normal conditions. Two supportive pieces of news this week did nothing to give corn or beans any upside; corn export sales have been much stronger than expected but corn managed to lose ground every day of this past week. Soybeans had bullish news in the February WASDE (World Ag Supply and Demand Estimates) report in that USDA raised the export expectations by 50 million bushels even in the face of recessionary pressures. This news was rewarded with losses every day after the report was issued. What is at play here is the heavy pressure of outside markets; particularly crude oil, the dollar index market and the stock market. As these markets continue to either weaken or simply remain stagnant, grain commodities this past week ignored the positive news of stronger corn export sales and expectations of greater export volume of soybeans. This simply shows again that while the basic fundamentals of grain supply and demand are important in price direction, the market is pressured more heavily by the performance of outside markets in the weak domestic and world economy.

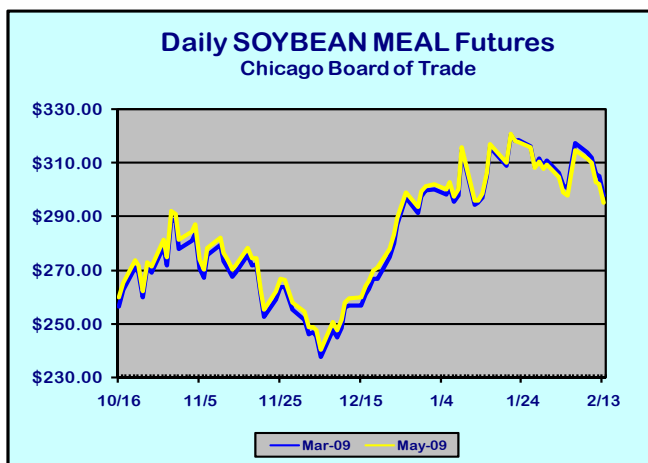
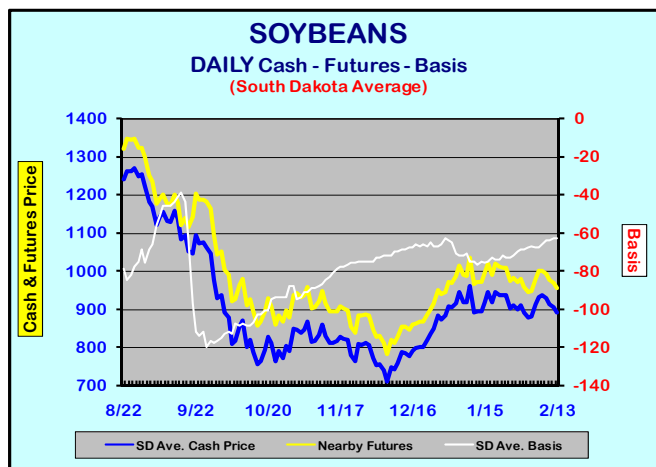
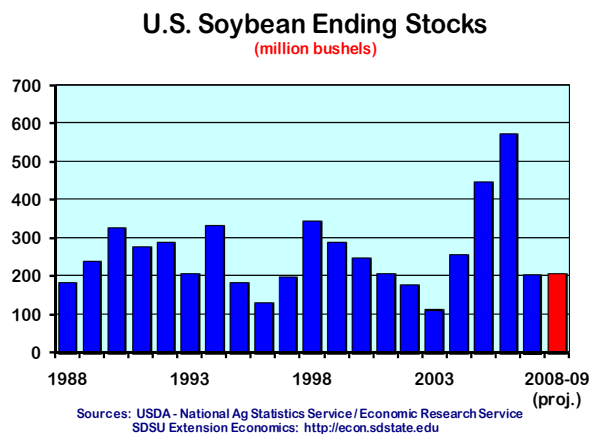
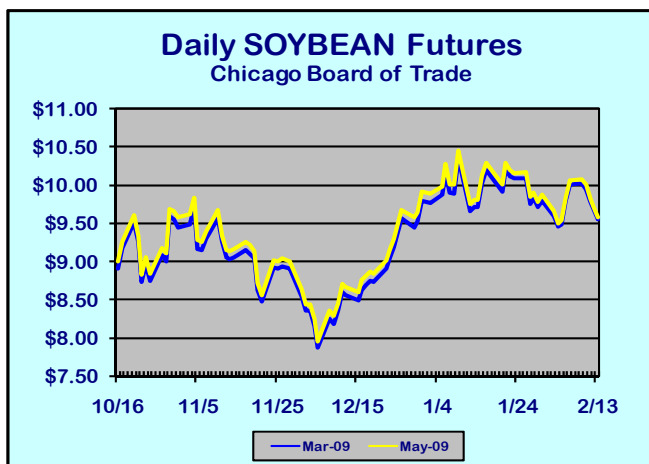
USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Corn Supply and Demand."

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	955	1001	-46
May	958	1006	-48
Jul	962	1012	-50
Aug	950	1005	-55
Sep	913	976	-63
Nov	892	946	-54

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	866-931	875-937	
Ave. price	906	912	-6
New Crop	753-808	764-822	
Ave. price	776	789	-13



The South Dakota average price for soybeans late this past week was \$9.06 per bushel, six cents lower than a week ago.

Corn and soybeans were influenced this past week by most of the same factors. Pressure came from scattered rains in South America even though it is expected that corn and soybean production there will be negatively impacted by the drier than normal conditions. Two supportive pieces of news this week did nothing to give corn or beans any upside; corn export sales have been much stronger than expected but corn

managed to lose ground every day of this past week. Soybeans had bullish news in the February WASDE (World Ag Supply and Demand Estimates) report in that USDA raised the export expectations by 50 million bushels even in the face of recessionary pressures. This news was rewarded with losses every day after the report was issued. What is at play here is the heavy pressure of outside markets; particularly crude oil, the dollar index market and the stock market. As these markets continue to either weaken or simply remain stagnant, grain commodities this past week ignored the positive news of stronger corn export sales and expectations of greater export volume of soybeans. This simply shows again that while the basic fundamentals of grain supply and demand are important in price direction, the market is pressured more heavily by the performance of outside markets in the weak domestic and world economy.

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

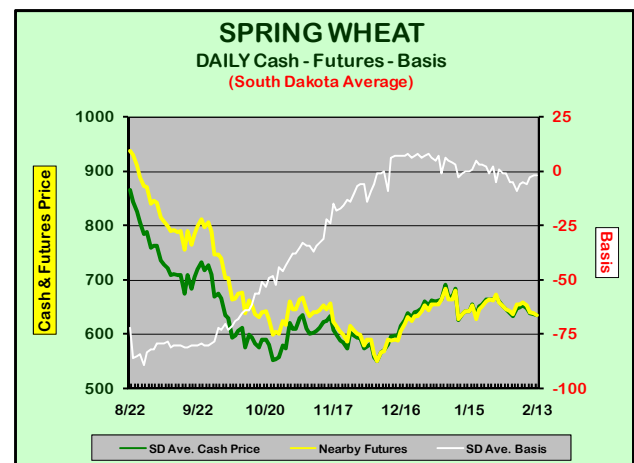
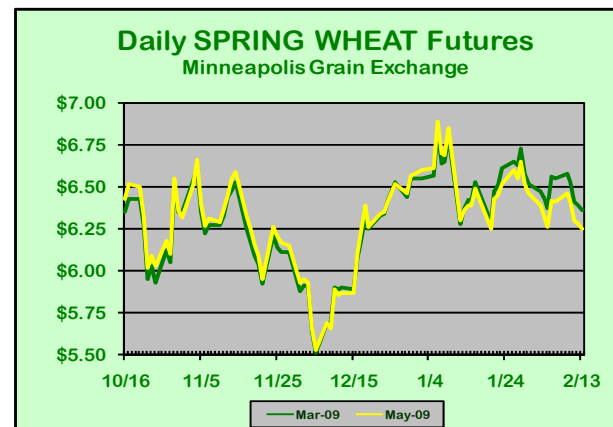
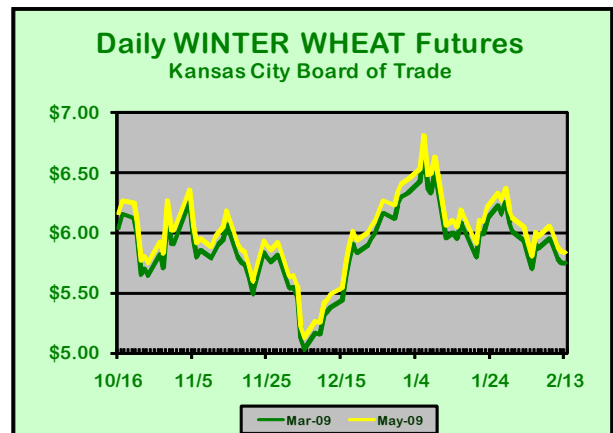
Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	636	655	-19
May	625	641	-16
Jul	622	635	-13
Sep	623	639	-16
Dec	636	648	-12

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	535	557	-22
May	548	570	-22
Jul	561	582	-21
Sep	585	607	-22
Dec	606	627	-21

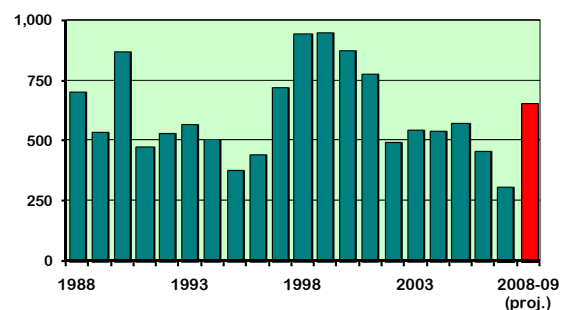
Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Mar	575	587	-12
May	584	597	-13
Jul	592	609	-17
Sep	602	619	-17
Dec	619	636	-17

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	593-665	600-683	
Ave. price	637	647	-10
New Crop	519-592	557-608	
Ave. price	566	580	-14

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	475-544	490-558	
Ave. price	523	534	-11



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 \$6.37 per bushel, 10 cents lower than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.23 per bushel, 11 cents lower than a week ago.

Like last week, wheat futures seemed to be 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 and the ongoing challenge of making sales for export remains a large challenge. 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.

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.