

Grain Market Review

(As of Friday, February 20, 2009)

Alan R. May

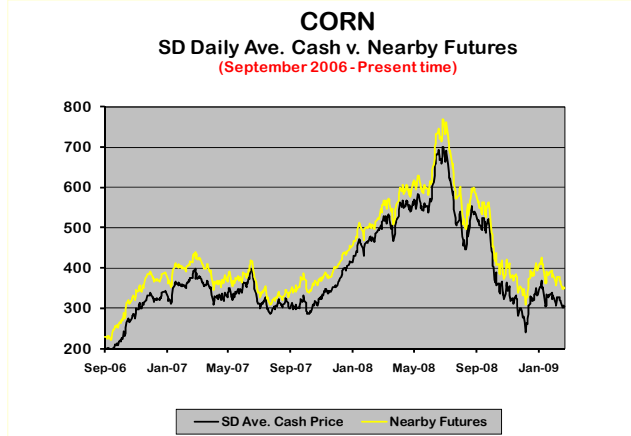
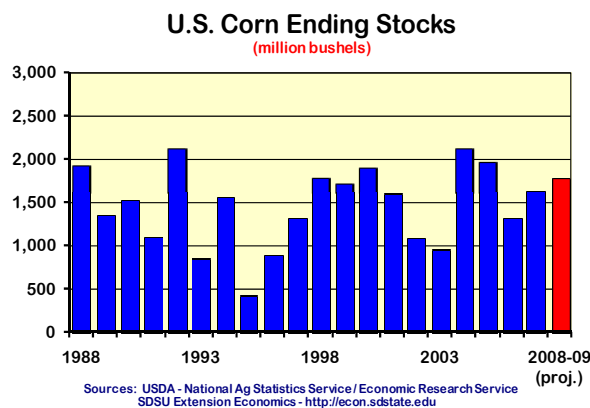
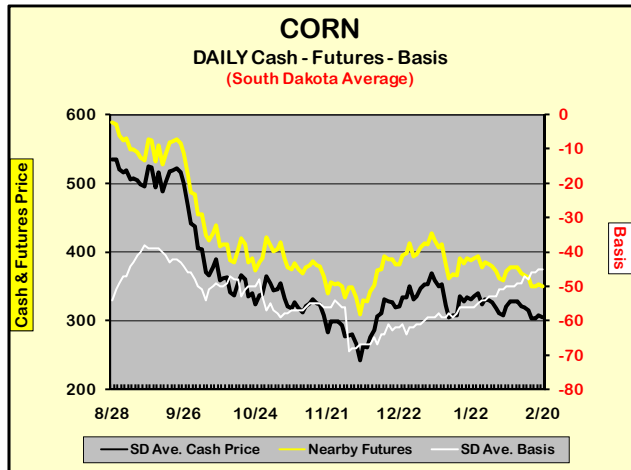
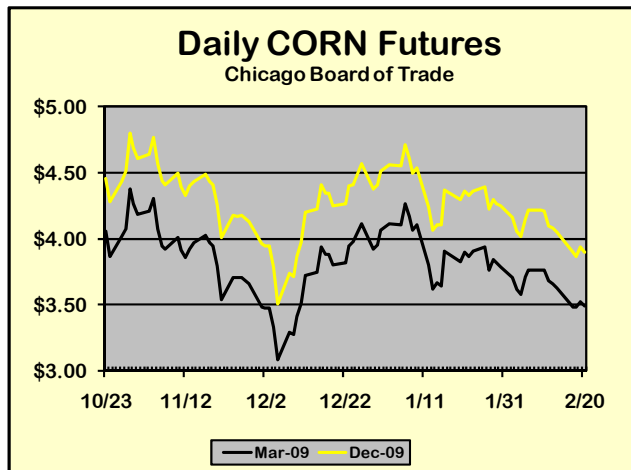
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CORN

| Chicago CORN Futures | | | |
|----------------------|-----------|-----------|---------------|
| Futures Month | This Week | Last Week | Week's Change |
| Mar | 350 | 363 | -13 |
| May | 359 | 373 | -14 |
| Jul | 369 | 383 | -14 |
| Sep | 378 | 393 | -15 |
| Dec | 390 | 405 | -15 |
| Mar | 403 | 419 | -16 |
| May | 409 | 426 | -17 |

| South Dakota Cash Corn | | | |
|------------------------|-----------|-----------|--------|
| | This Week | Last Week | Change |
| Cash bids | 271-333 | 292-341 | |
| Ave. price | 308 | 319 | -11 |
| New Crop | 293-349 | 312-363 | |
| Ave. price | 324 | 339 | -15 |

| Other crops | S.D. Ave. |
|-------------|-----------|
| Sunflower | 1206 |
| Oats | 191 |
| Milo | 234 |
| Millet | 633 |



The South Dakota average price for corn late this past week was \$3.08 per bushel, eleven cents lower than a week ago.

The average bid for new crop corn in South Dakota this past week was \$3.24, 15 cents lower than a week ago.

There was little to support corn prices this past week as recession based pressure on all markets was the primary influence in the grain markets this past week. The passage of the government's economic stimulus package by Congress over the President's day weekend and the signing of that legislation by President Obama did not create a positive short-term influence as the stock market, crude oil, and all other commodity markets fell rather significantly on Tuesday of this past week. Corn futures managed to hold its own on Wednesday and Thursday with only modest losses to modest gains those two days. Friday was a different picture, however, as corn lost eight to nine cents thanks to another rough day in the stock market and in the crude oil market. Even with the bullish nature of strong export sales the last three to four weeks, there is little question that the current economic conditions will influence grain futures; primarily due to concerns of weakening demand and the uncertainty of the severity and longevity of the domestic and global recession.

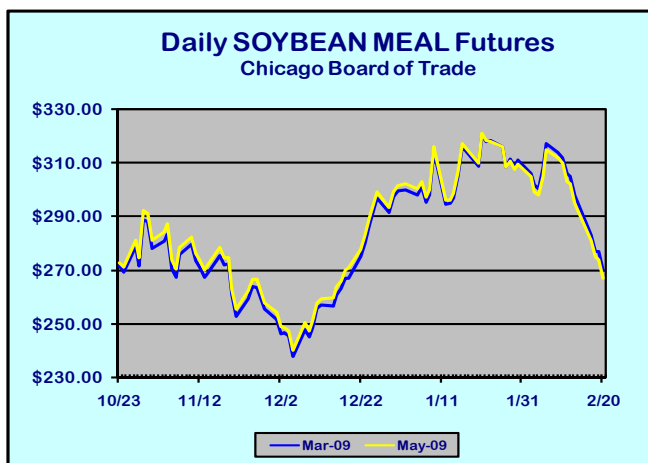
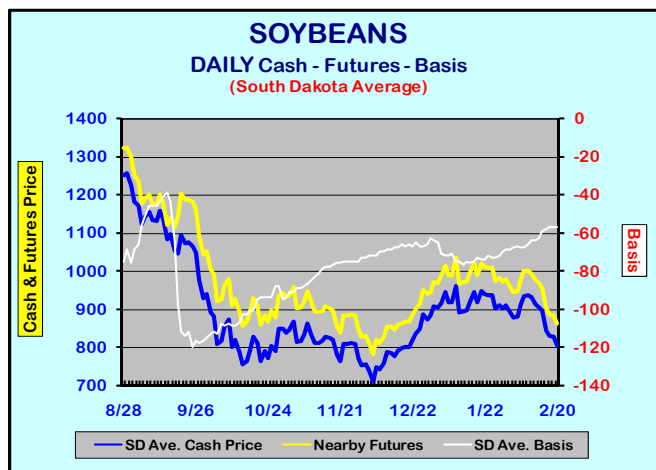
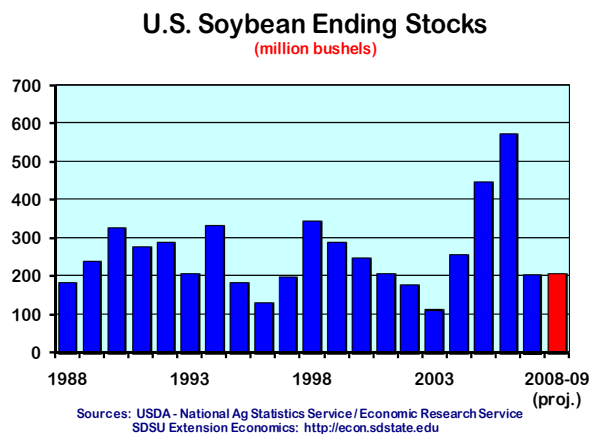
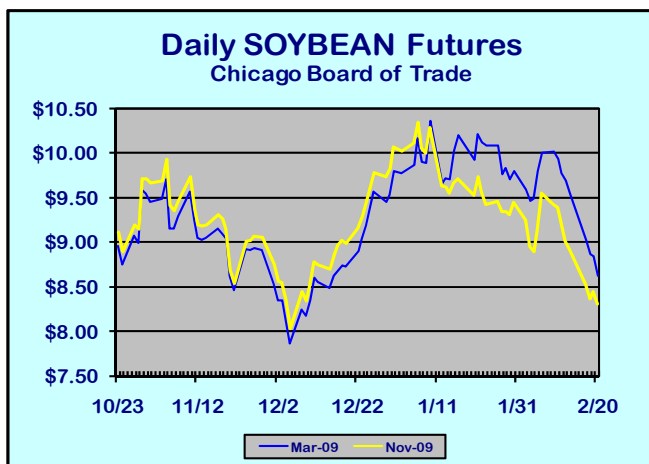
USDA's monthly supply and demand numbers from the most recent World Agricultural Supply and Demand Estimates report are summarized in a file that is linked below. For complete details, simply click on the link entitled, "Corn Supply and Demand."

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 | 863 | 955 | -92 |
| May | 863 | 958 | -95 |
| Jul | 869 | 962 | -93 |
| Aug | 863 | 950 | -87 |
| Sep | 841 | 913 | -72 |
| Nov | 831 | 892 | -61 |

| South Dakota Cash Soybeans | | | |
|-----------------------------------|-----------|-----------|--------|
| | This Week | Last Week | Change |
| Cash bids | 780-851 | 866-931 | |
| Ave. price | 828 | 906 | -78 |
| New Crop | 695-752 | 753-808 | |
| Ave. price | 722 | 776 | -54 |



The South Dakota average price for soybeans late this past week was \$8.28 per bushel, 78 cents lower than a week ago.

The average bid for new crop soybeans in South Dakota this past week was \$7.22, 54 cents lower than a week ago.

There was little to support soybean prices this past week as recession based pressure on all markets was a primary influence in the grain markets this past week. The

passage of the government's economic stimulus package by Congress over the President's day weekend and the signing of that legislation by President Obama did not create a positive short-term influence as the stock market, crude oil, and all other commodity markets fell rather significantly on Tuesday of this past week. Although corn futures managed to hold its own on Wednesday and Thursday with only modest losses to modest gains those two days, soybean futures succumbed to double digit losses on Tuesday, Wednesday and Friday of this past week. Even though domestic and world supplies of soybeans have to be viewed as historically very tight thanks to growing export expectations and uncertain production in South America, soybean futures lost significant ground this past week. From February 6 through February 20, the November soybean futures contract has lost \$1.24 per bushel with new crop bids for soybeans in the state falling by nearly the same amount. There is little question that the current economic conditions will likely continue to have a heavier hand in influencing grain futures; primarily due to concerns of weakening demand and the uncertainty of the severity and longevity of the domestic and global recession.

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

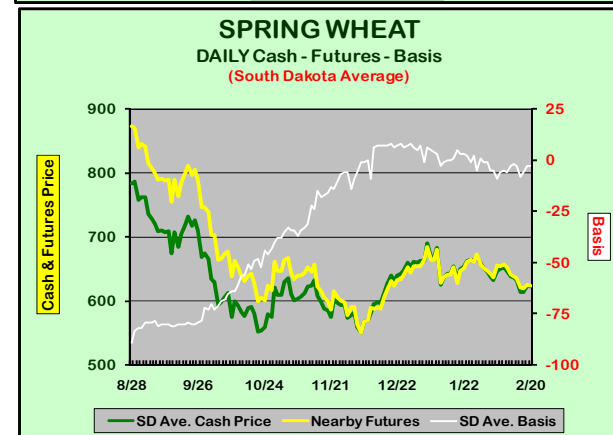
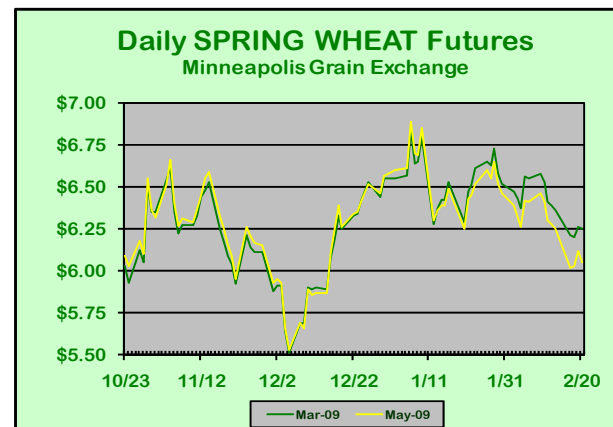
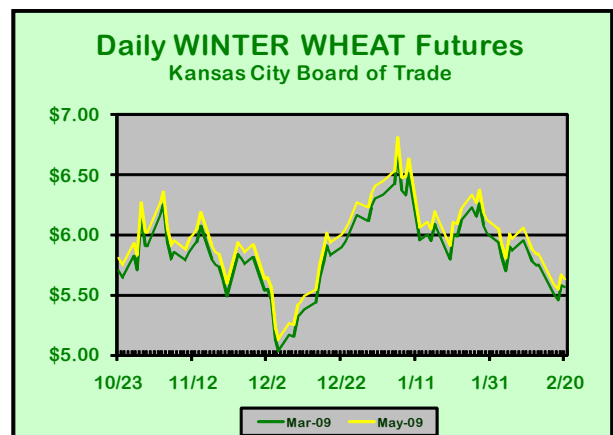
| Minneapolis WHEAT Futures | | | |
|----------------------------------|-----------|-----------|---------------|
| Futures Month | This Week | Last Week | Week's Change |
| Mar | 625 | 636 | -11 |
| May | 605 | 625 | -20 |
| Jul | 597 | 622 | -25 |
| Sep | 601 | 623 | -22 |
| Dec | 614 | 636 | -22 |

| Chicago WHEAT Futures | | | |
|------------------------------|-----------|-----------|---------------|
| Futures Month | This Week | Last Week | Week's Change |
| Mar | 519 | 535 | -16 |
| May | 531 | 548 | -17 |
| Jul | 542 | 561 | -19 |
| Sep | 565 | 585 | -20 |
| Dec | 586 | 606 | -20 |

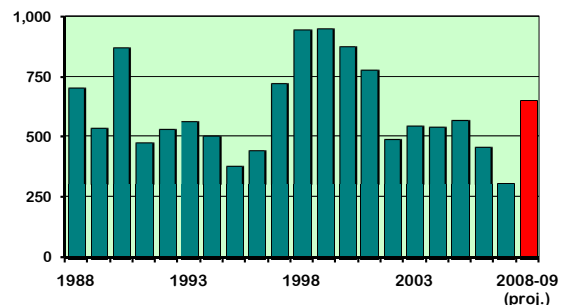
| Kansas City WHEAT Futures | | | |
|----------------------------------|-----------|-----------|---------------|
| Futures Month | This Week | Last Week | Week's Change |
| Mar | 556 | 575 | -19 |
| May | 563 | 584 | -21 |
| Jul | 573 | 592 | -19 |
| Sep | 583 | 602 | -19 |
| Dec | 599 | 619 | -20 |

| South Dakota Cash Spring Wheat | | | |
|---------------------------------------|-----------|-----------|--------|
| | This Week | Last Week | Change |
| Cash bids | 577-665 | 593-665 | |
| Ave. price | 623 | 637 | -14 |
| New Crop | 500-572 | 519-592 | |
| Ave. price | 547 | 566 | -19 |

| South Dakota Cash Winter Wheat | | | |
|---------------------------------------|-----------|-----------|--------|
| | This Week | Last Week | Change |
| Cash bids | 459-545 | 475-544 | |
| Ave. price | 510 | 523 | -13 |



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 \$6.23 per bushel, 14 cents lower than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.10 per bushel, 13 cents lower than a week ago.

There was little support for wheat prices this past week as recession based pressure on all markets was the primary influence in the grain markets this past week. The passage of the government's economic stimulus package by Congress over the President's day weekend and the signing of that legislation by President Obama did not create a positive short-term influence as the stock market, crude oil, and all other commodity markets fell rather significantly on Tuesday of this past week. There is little question that the current economic conditions will influence grain futures; primarily due to concerns of weakening demand and the uncertainty of the severity and longevity of the domestic and global recession.

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.