

Grain Market Review

(As of Friday, March 20, 2009)

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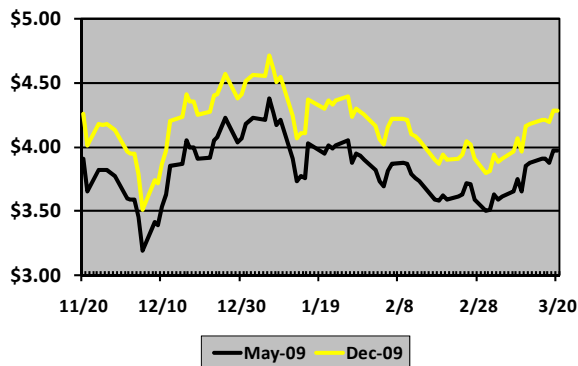
CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
May	397	389	8
Jul	407	398	9
Sep	416	407	9
Dec	428	418	10
Mar	439	429	10
May	445	436	9
Jul	451	441	10

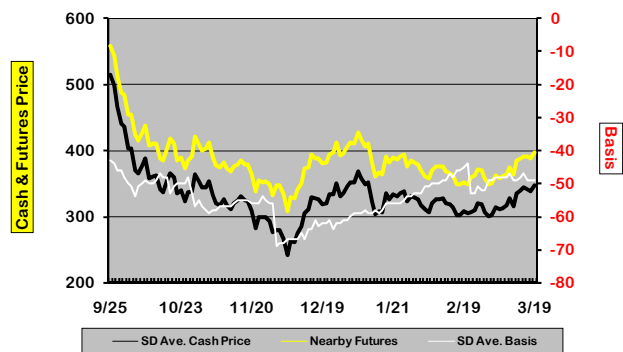
South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	313-368	302-356	
Ave. price	348	336	12
New Crop	328-383	305-371	
Ave. price	359	347	12

Other crops	S.D. Ave.
Sunflower	1281
Oats	196
Milo	266
Millet	575

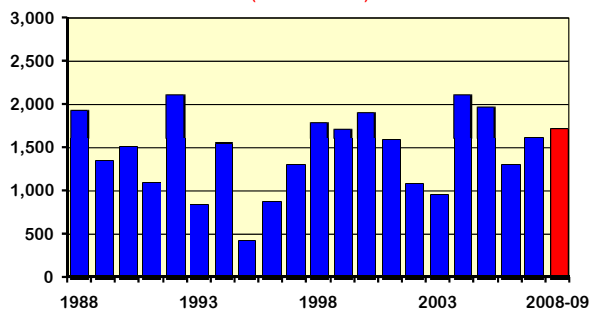
Daily CORN Futures
Chicago Board of Trade



CORN
DAILY Cash - Futures - Basis
(South Dakota Average)

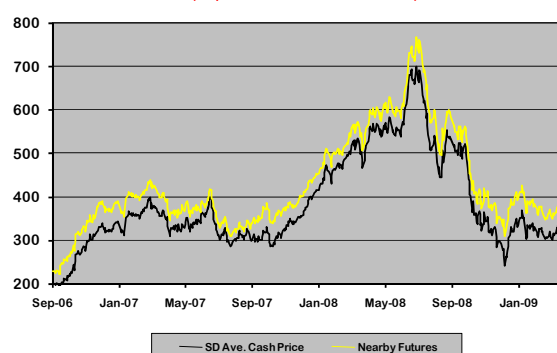


U.S. Corn Ending Stocks
(million bushels)



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

CORN
SD Daily Ave. Cash v. Nearby Futures
(September 2006 - Present time)



The South Dakota average price for corn late this past week was \$3.48 per bushel, 12 cents higher than a week ago.

The average bid for new crop corn in South Dakota this past week was \$3.59, 12 cents higher than a week ago.

The features influencing corn futures and other grain commodities has been the outside markets again this past week although corn's performances was not nearly as strong as the performance of soybeans and wheat. The biggest news of this past week was the action taken by the Federal Reserve to spend over one trillion dollars to purchase mortgage backed securities and long-term treasuries. This was done to alleviate the pressure on financial institutions holding these mortgage backed securities in order to try to improve credit flow. The hope is also to lower long term interest rates, particularly for 30 year mortgages, in order to stimulate re-financing of mortgages and to spur home purchases. This had the added effect of weakening the value of the dollar after the announcement by the Federal Reserve. As a result, commodities took this as signal for potentially stronger export sales in the future.

It seems grains have been performing hand-in-hand with these three outside markets thanks to the pressure of the world-wide recession. That said, corn futures have rallied fairly well the last few weeks as the more typical supply/demand fundamentals of the grain markets have been watched a bit closer. Weather, export demand, and domestic demand will all play a role and the long term impact of 2009 production has to be factored in to the overall equation of price direction, strength, weakness, etc. The challenge still remains, however, that as long as the current recession remains in place, grain markets will be strongly influenced by those outside factors that may over-ride the more typical supply and demand fundamentals of grain.

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."

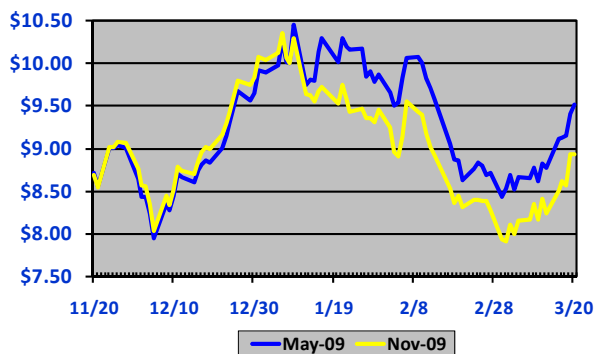
Corn basis data and cash corn price data for various regions of South Dakota is available by connecting with a link at the bottom of this page. To access the charts showing the corn basis and cash prices for your region of the state, just click on the link entitled "Cash corn price and basis charts".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

SOYBEANS

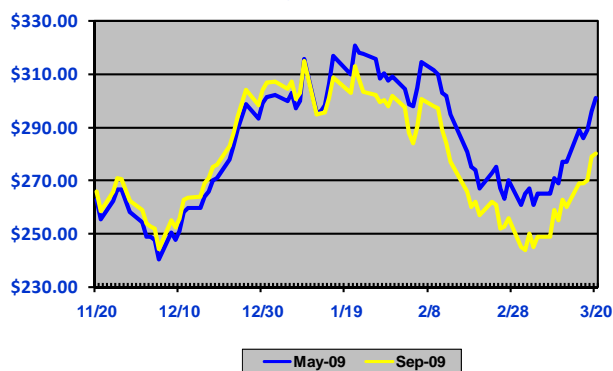
Chicago SOYBEAN Futures			
Futures Month	This Week	Last Week	Week's Change
May	952	877	75
Jul	949	875	74
Aug	933	862	71
Sep	905	836	69
Nov	893	824	69
Jan	903	834	69

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	848-908	807-849	
Ave. price	886	833	53
New Crop	735-812	680-760	
Ave. price	789	723	66

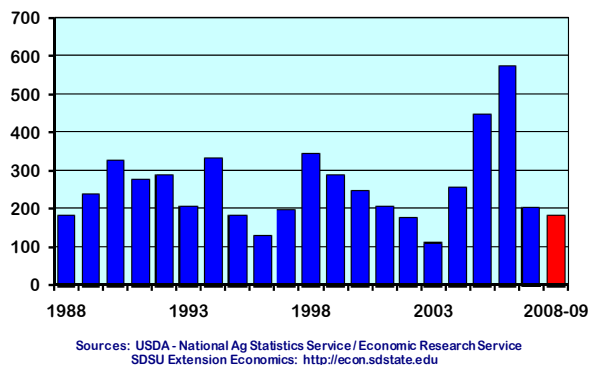
Daily SOYBEAN Futures
Chicago Board of Trade



Daily SOYBEAN MEAL Futures
Chicago Board of Trade

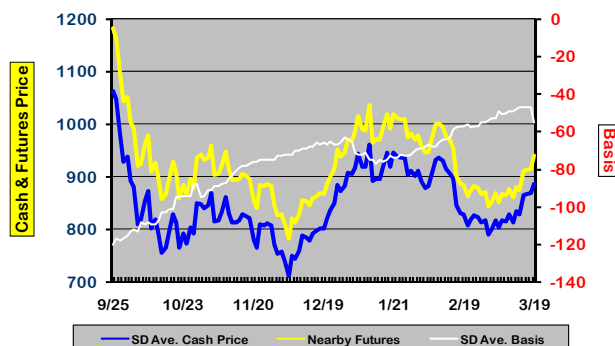


U.S. Soybean Ending Stocks
(million bushels)



SOYBEANS

DAILY Cash - Futures - Basis
(South Dakota Average)



The South Dakota average price for soybeans late this past week was \$8.86 per bushel, 53 cents higher than a week ago.

The average bid for new crop soybeans in South Dakota this past week was \$7.89, 66 cents higher than a week ago.

The features influencing soybean futures and other grain commodities have been the outside markets again this past week. Soybeans performed particularly well with gains

of 69 to 75 cents for the week. The biggest news of this past week was the action taken by the Federal Reserve to spend over one trillion dollars to purchase mortgage backed securities and long-term treasuries. This was done to alleviate the pressure on financial institutions holding these mortgage backed securities in order to try to improve credit flow. The hope is also to lower long term interest rates, particularly for 30 year mortgages, in order to stimulate re-financing of mortgages and to spur home purchases. This had the added effect of weakening the value of the dollar after the announcement by the Federal Reserve. As a result, commodities took this as signal for potentially stronger export sales in the future.

There is little question that the main feature in soybeans and other grain commodities has been the outside markets, primarily crude oil, the stock market, and the value of the dollar. It seems oilseeds and grains have been performing hand-in-hand with these three outside markets thanks to the pressure of the world-wide recession. That said, soybean futures have strengthened considerably in the last few weeks with a bit more influence coming from the more typical supply/demand fundamentals of the grain markets. Weather, export demand, and domestic demand will all play a role and the long term impact of 2009 production has to be factored in to the overall equation of price direction, strength, weakness, etc. The challenge still remains, however, that as long as the current recession remains in place, grain and oilseed markets will be strongly influenced by those outside factors that may over-ride the more typical supply and demand fundamentals of grain.

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

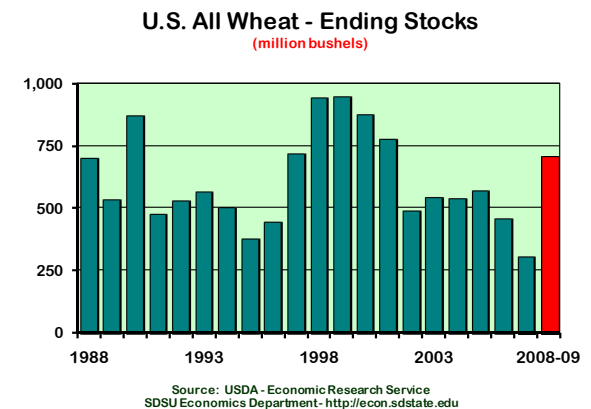
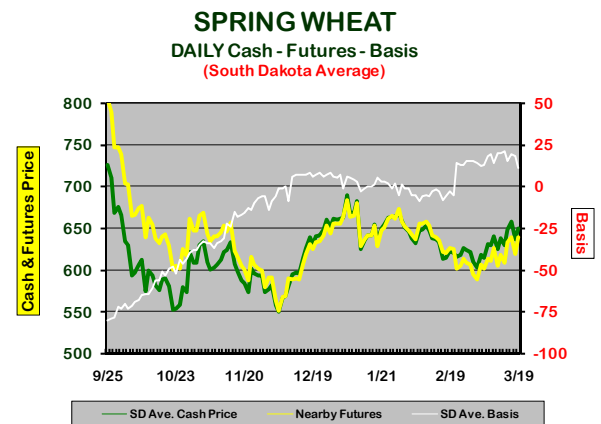
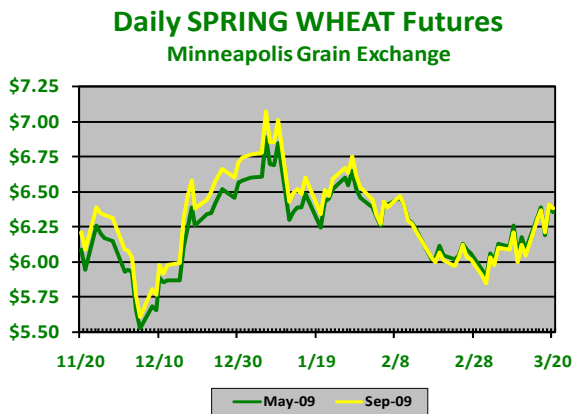
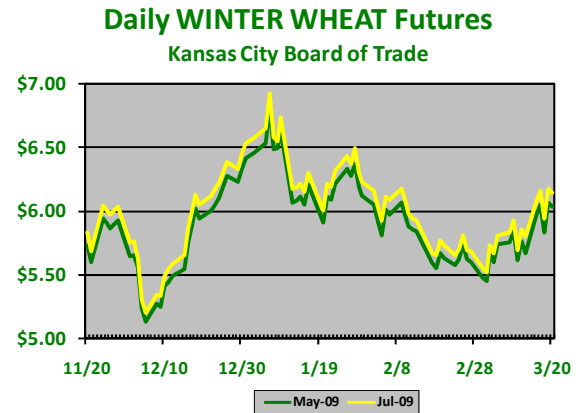
Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
May	636	609	27
Jul	632	601	31
Sep	638	605	33
Dec	648	618	30
Mar	658	627	31

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
May	550	518	32
Jul	563	531	32
Sep	587	556	31
Dec	609	577	32
Mar	624	595	29

Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
May	603	567	36
Jul	614	580	34
Sep	624	601	23
Dec	639	618	21
Mar	651	616	35

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	615-688	594-667	
Ave. price	650	638	12
New Crop	531-606	507-574	
Ave. price	577	551	26

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	506-589	485-559	
Ave. price	558	533	25



The South Dakota average price for spring wheat late this past week was \$6.50 per bushel, 12 cents higher than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.58 per bushel, 25 cents higher than a week ago.

The features influencing wheat futures and other grain commodities have been the outside markets again this past week. Wheat futures performed quite well with gains of about 30 cents for the week. The biggest news of this past week was the action taken by the Federal Reserve to spend over one trillion dollars to purchase mortgage backed securities and long-term treasuries. This was done to alleviate the pressure on financial institutions holding these mortgage backed securities in order to try to improve credit flow. The hope is also to lower long term interest rates, particularly for 30 year mortgages, in order to stimulate re-financing of mortgages and to spur home purchases. This had the added effect of weakening the value of the dollar after the announcement by the Federal Reserve. As a result, commodities took this as signal for potentially stronger export sales in the future.

However, the main feature in wheat and other grain commodities has been the recession and the influence of outside markets, primarily crude oil, the stock market, and the value of the dollar. Since we typically export about 40% of our annual production of wheat, the value of the dollar will be a critical factor in how much of our wheat we can move through that market. That said, wheat futures have rallied fairly well the last few weeks as the more typical supply/demand fundamentals of the grain markets have been watched a bit closer. Weather, export demand, and domestic demand will all play a role and the long term impact of 2009 production has to be factored in to the overall equation of price direction, strength, weakness, etc. The challenge still remains, however, that as long as the current recession remains in place, grain markets will be strongly influenced by those outside factors that may over-ride the more typical supply and demand fundamentals of grain.

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.