

Grain Market Review

(As of Friday, May 8, 2009)

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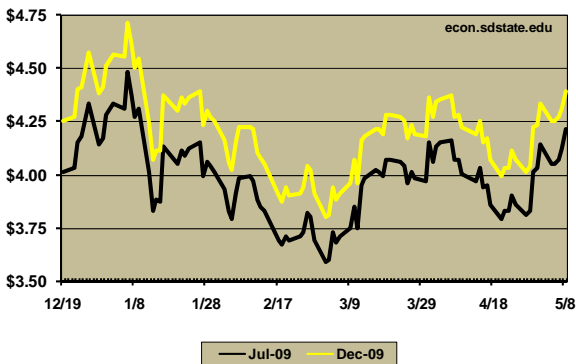
CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Jul	421	414	7
Sep	429	423	6
Dec	440	433	7
Mar	451	445	6
May	458	453	5
Jul	466	462	4
Sep	457	455	2

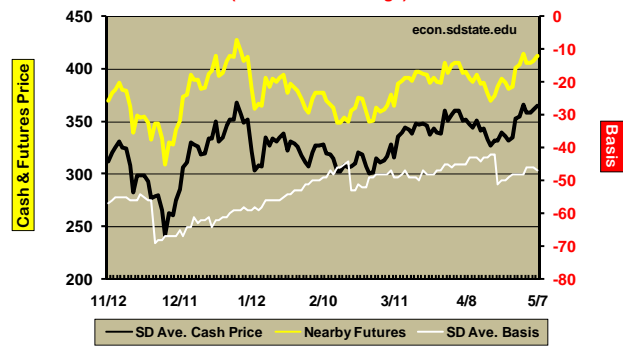
South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	333-385	328-377	
Ave. price	365	355	10
New Crop	331-386	323-378	
Ave. price	365	356	9

Other crops	S.D. Ave.
Sunflower	1375
Oats	190
Milo	271
Millet	597

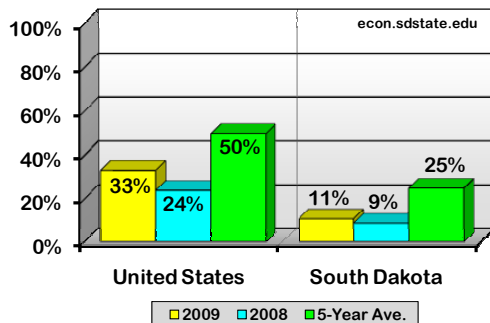
Daily CORN Futures
 Chicago Board of Trade



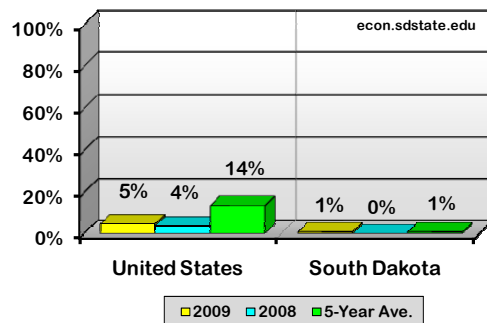
CORN
 Daily Cash - Futures - Basis
 (South Dakota Average)



Corn - % Planted
 (as of May 3, 2009)



Corn - % Emerged
 (as of May 3, 2009)



Source: USDA - National Agricultural Statistics Service

Source: USDA - National Agricultural Statistics Service

The South Dakota average price for corn late this past week was \$3.65 per bushel, 10 cents higher than a week ago.

The average bid for new crop corn in South Dakota this past week was \$3.65, 9 cents higher than a week ago.

Concerns about the impact of H1N1 flu on grain prices were already subsiding prior to the beginning of trading this past week and for the most part, any discussion of the flu's impact on grain prices was almost non-existent. While hog producers still bear the burden of the erroneous reporting of the flu virus and its "relationship" with hogs, the grain markets found other supply/demand fundamentals to trade on this past week rather than focus on the feed supply situation as it related to hogs.

Corn futures were a bit of a mixed bag this past week as weather and planting progress gave some mixed signals between the beginning and end of the week. Early week good weather pressured corn prices as expectation of a faster planting pace was expected. By Thursday, weather forecasts of more rain and slow planting progress in the eastern corn belt and the northern plains created some support for corn prices. In addition corn tended to follow the outside markets a bit as well, i.e. crude oil and the dollar value.

CHECK OUT THE NEW ADDITIONS TO LINKS AT BOTTOM OF THE PAGE

Four new links have been added to the list of other resources below. These will be updated every week with each new release of the SDSU Grain and Livestock Market Review. These new links include the following:

SOUTH DAKOTA AVERAGE DAILY GRAIN PRICES. This link will open a file with a series of charts that plot the South Dakota daily average cash price, nearby futures price and the daily basis of corn, soybeans, winter wheat, and spring wheat. In addition to these charts are graphics that show the average statewide new crop bid for corn, soybeans, and spring wheat. Basic charts depicting the statewide average price for sunflower and millet are also included.

SOUTH DAKOTA HISTORIC GRAIN PRICES (WEEKLY AVERAGE). This link opens a series of charts that show the historic progression of spot bid prices for corn, soybeans, winter wheat and spring wheat in South Dakota. These charts depict the historic prices by region of the state. Included in each chart is the most current weekly average price for each specific commodity to provide a comparison of current prices against the historic price range. Many of these charts are built upon a sixteen (16) year history of weekly average prices.

CROP PROGRESS/CROP CONDITION RATING CHARTS (SEASONAL). This link opens a complete set of charts depicting the 2009 Crop Progress and Crop Condition ratings for the United States and South Dakota. These charts are built using data from the weekly Crop Progress Report from USDA's National Agricultural Statistics Service. A number of these charts are used each week during the growing season in the weekly grain market review but the full set of charts that are pertinent for each specific week are included in this link.

FUTURES PRICE CHARTS: CORN, SOYBEANS, WHEAT. This link opens the full set of futures price charts; most of which are used in the corn, soybean, and wheat market reviews.

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."

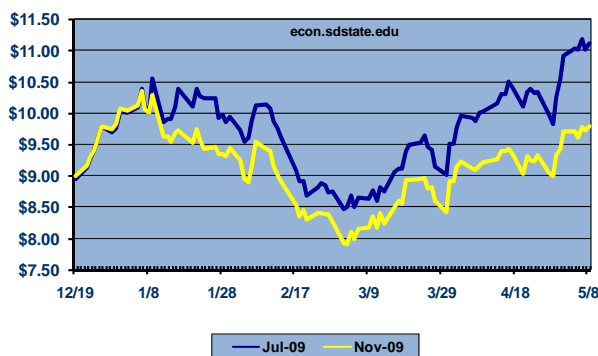
Corn basis data and cash corn price data for various regions of South Dakota is available by connecting with a link at the bottom of this page. To access the charts showing the corn basis and cash prices for your region of the state, just click on the link entitled "Cash corn price and basis charts".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

SOYBEANS

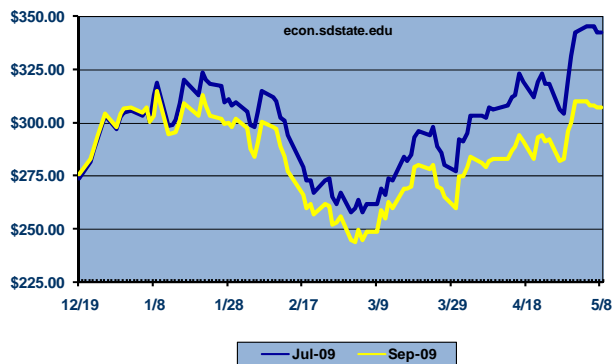
Chicago SOYBEAN Futures			
Futures Month	This Week	Last Week	Week's Change
Jul	1111	1091	20
Aug	1073	1059	14
Sep	1021	1011	10
Nov	979	971	8
Jan	983	974	9
Mar	981	973	8

South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	1002-1062	962-1014	
Ave. price	1040	995	45
New Crop	852-908	823-873	
Ave. price	883	852	31

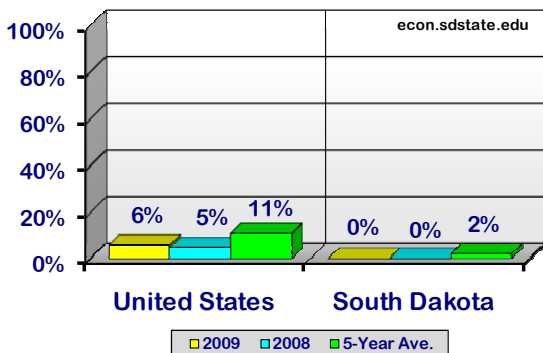
Daily SOYBEAN Futures
Chicago Board of Trade



Daily SOYBEAN MEAL Futures
Chicago Board of Trade

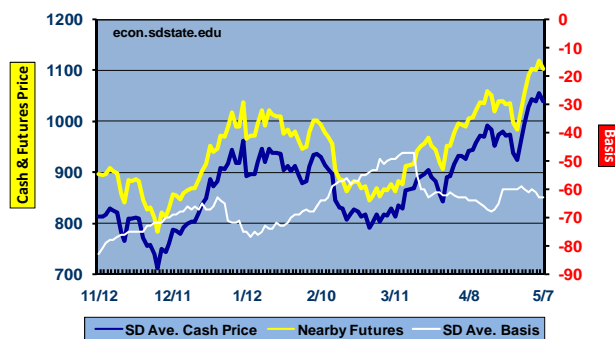


Soybeans - % Planted
(as of May 3, 2009)



SOYBEANS

DAILY Cash - Futures - Basis
(South Dakota Average)



Source: USDA - National Agricultural Statistics Service

The South Dakota average price for soybeans late this past week was \$10.40 per bushel, 45 cents higher than a week ago.

The average bid for new crop soybeans in South Dakota this past week was \$8.83, 31 cents higher than a week ago.

What a difference in price from early March...on March 3, the average price for old crop soybeans in South Dakota was \$7.90 per bushel. As of May 7, the average cash price

was \$10.40 per bushel, an increase of \$2.50 in a little over two months. New crop bids have improved as well with prices with a gain of slightly over \$2.00 since early March. The reason for the spread widening between old and new crop beans is directly related to the tight supplies of old crop beans. Tight domestic supplies, combined with strong Chinese demand and shrinking production from the Argentine soybean crop have led to strong price performance of the old crop contracts and the corresponding cash prices for beans. New crop futures will not show the same premium simply because that price must be based on expectations for 2009 production and that factor is tied to the actual amount of acres that will be planted to soybeans this spring.

There has been a concern for weeks that there is a real possibility that more beans will be planted due to delayed corn and spring wheat planting. That could easily be the case but one has to be a bit cautious not to assume that more acres of soybeans will automatically lead to growing supplies and weaker prices. All we have to do is look at the acreage shift between 2007 and 2008 to know that added acres did create added production but did nothing to grow carryover supplies (look at Soybean Supply and Demand link below). Farmers in the United States planted 12 million more acres of soybeans in 2008 than in 2007 and while production increased by 282 million bushels, usage did not shrink much at all and left the U.S. with a very tight projected supply of 185 million bushels. While bean acres could increase this spring, it would seem unlikely to see an acreage shift of that magnitude again. It would take a fairly large increase in the national average yield and a leveling off, or reduction, of demand to effectively increase soybean supply by this time next year. And, the mere fact that we will be entering a new marketing year (2009-10) later this fall with a very tight supply that will be carried into the new marketing year balance sheet, it will be difficult to build supplies unless there is a solid growth in the national average yield and a reduction in demand. Anything is possible but until we know more about the actual planted acres of soybeans, it seems premature to assume that more acres only will grow supplies from the 2009 soybean crop.

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WHEAT

Minneapolis WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Jul	700	685	15
Sep	696	677	19
Dec	705	685	20
Mar	714	694	20
May	719	697	22

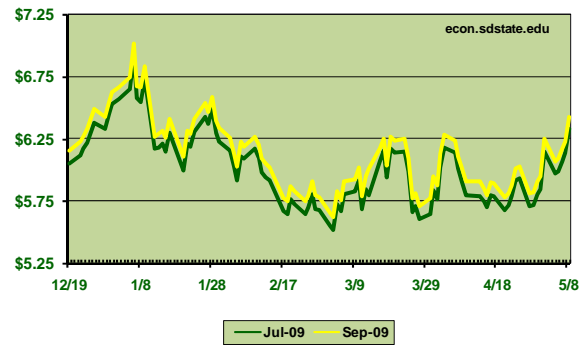
Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Jul	591	570	21
Sep	617	597	20
Dec	639	619	20
Mar	655	634	21
May	663	643	20

Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Jul	633	615	18
Sep	643	625	18
Dec	659	640	19
Mar	673	653	20
May	681	661	20

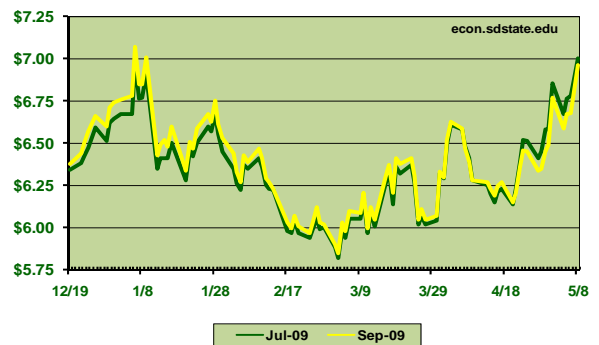
South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	656-718	628-697	
Ave. price	691	672	19

South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	482-595	460-567	
Ave. price	564	534	30

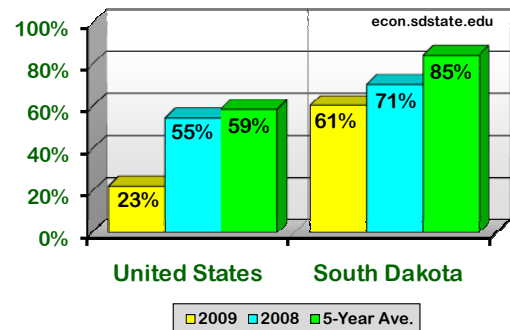
Daily WINTER WHEAT Futures
Kansas City Board of Trade



Daily SPRING WHEAT Futures
Minneapolis Grain Exchange

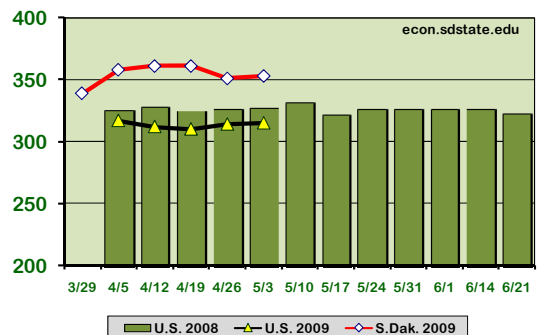


Spring Wheat - % Planted
(as of May 3, 2009)



Source: USDA - National Agricultural Statistics Service

WINTER WHEAT: Crop Condition Index
(as of May 3, 2009)



Source: USDA - National Agricultural Statistics Service

The South Dakota average price for spring wheat late this past week was \$6.91 per bushel, 19 cents higher than a week ago.

The South Dakota average price for winter wheat last this past week was \$5.64 per bushel, 30 cents higher than a week ago.

Wheat futures were pulled in both directions this past week. Delayed planting of spring wheat, particularly in North Dakota was a main factor for price support. Large domestic supply of all wheat was a primary factor for price pressure. In addition to the large supply of wheat, weaker export inspections this past week added to the pressure on wheat prices. However, it would appear that the positive fundamentals won out this past week as planting delays in spring wheat country and the HRW wheat tour sponsored every spring by the Wheat Quality Council found that winter wheat yields may be a bit weaker in Kansas than originally anticipated. This combined with the lousy condition of the winter wheat crop in Texas and Oklahoma led to price strength this past week.

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