

Grain Market Review

(As of Friday, August 14, 2009)

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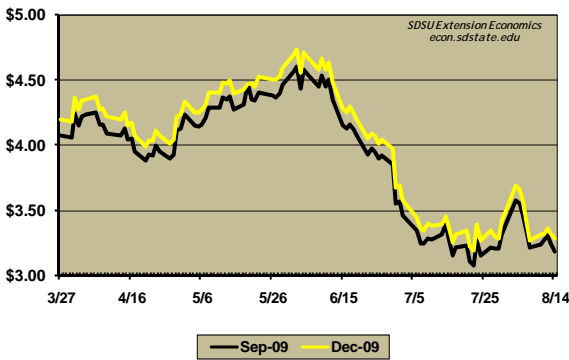
CORN

Chicago CORN Futures			
Futures Month	This Week	Last Week	Week's Change
Sep	319	322	-3
Dec	328	327	1
Mar	341	340	1
May	351	349	2
Jul	359	357	2
Sep	367	365	2
Dec	377	372	5

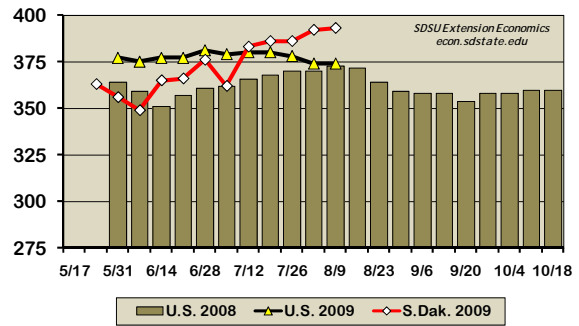
South Dakota Cash Corn			
	This Week	Last Week	Change
Cash bids	235-299	243-305	
Ave. price	280	286	-6

Other crops	S.D. A ve.
Sunflower	1309
Oats	182
Milo	227
Millet	554

Daily CORN Futures
Chicago Board of Trade

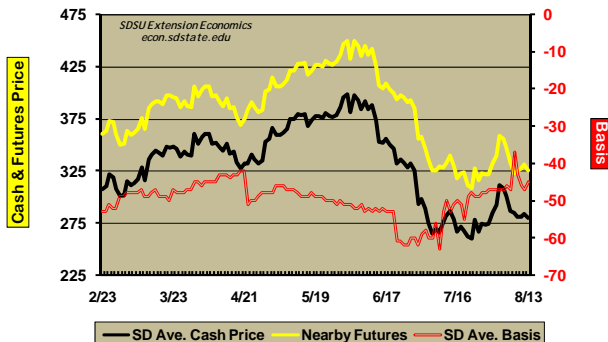


CORN: Crop Condition Index
(as of August 9, 2009)

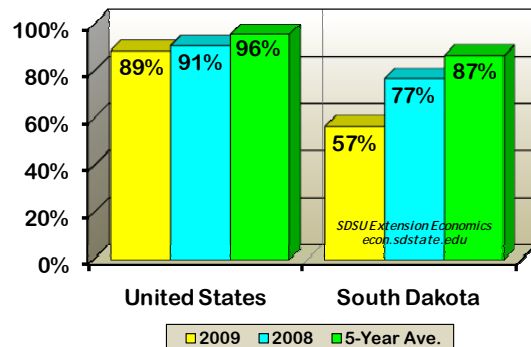


Source: USDA - National Agricultural Statistics Service

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



Corn: % Silking
(as of August 9, 2009)



Source: USDA - National Agricultural Statistics Service

The South Dakota average price for corn late this past week was \$2.80 per bushel, 6 cents lower than a week ago.

Corn futures traded in a price range more typical of several years ago with modest single digit gains or losses throughout the week. After so many months of more vigorous daily price moves, corn futures seemed willing to trade in a tighter range mostly due some positioning ahead of the World Ag Supply and Demand Estimates (WASDE) report and the much anticipated August Crop Production report. Even though the report was a bit bearish for corn from the standpoint of projections for higher production and higher yield per acre, a corresponding growth in usage was reported as well with growth in feed and ethanol usage and a growth in export projections. As a result, the price reaction was mostly modest price after those reports were issued.

However, there was still some discussion in the trade that USDA did not lower the corn acreage planted and harvested in the August Crop Production report to any real extent after re-surveying farmers in several central and eastern corn-belt states. There was also some concern among traders that the six bushel per acre increase from a month ago in the national average yield projection by USDA was a bit unrealistic. However, it USDA found in its first actual field surveys that ear counts are at record high counts in many corn growing states. As a result, it seems logical that this could increase the national average yield. The way things sit right now in terms of crop development and crop condition, this corn crop in the U.S. and particularly in South Dakota is looking like a big crop that will just get bigger. Barring any problems in getting this corn crop to mature on time, it should not come as a surprise that yield per acre and total production projections could grow over time.

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.

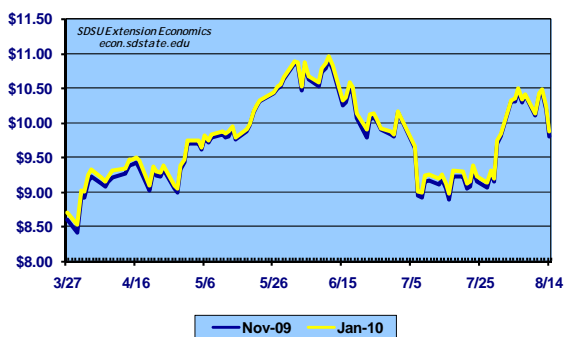
SOYBEANS

Chicago SOYBEAN Futures			
Futures Month	This Week	Last Week	Week's Change
Sep	1025	1091	-66
Nov	981	1039	-58
Jan	988	1041	-53
Mar	989	1035	-46
May	981	1021	-40
Jul	980	1020	-40

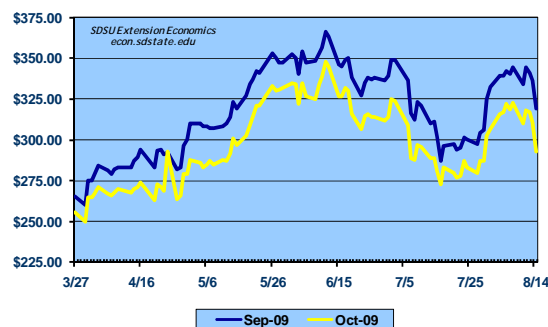
South Dakota Cash Soybeans			
	This Week	Last Week	Change
Cash bids	1020-1118	1078-1030	
Ave. price	1070	1078	-8

Other crops	S.D. Ave.
Sunflower	1309
Oats	182
Milo	227
Millet	554

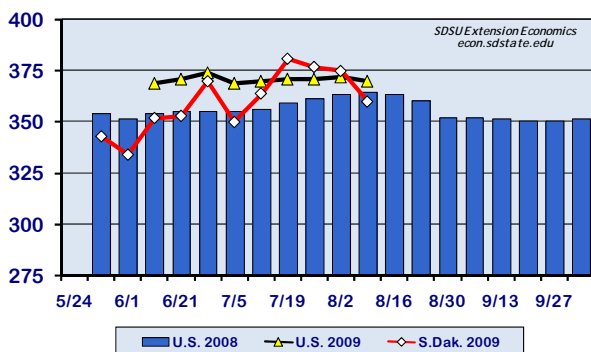
Daily SOYBEAN Futures
Chicago Board of Trade



Daily SOYBEAN MEAL Futures
Chicago Board of Trade

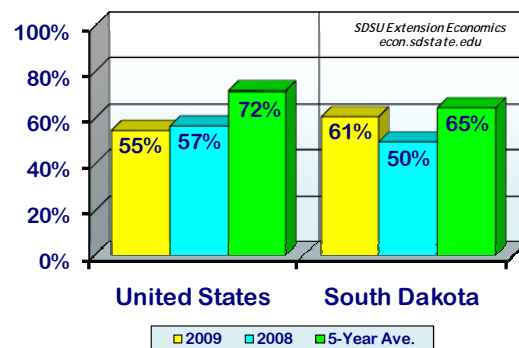


SOYBEANS: Crop Condition Index
(as of August 9, 2009)



Source: USDA - National Agricultural Statistics Service

Soybeans: % Setting Pods
(as of August 9, 2009)



Source: USDA - National Agricultural Statistics Service

The South Dakota average price for soybeans late this past week was \$10.70 per bushel, 8 cents lower than a week ago.

Unlike the corn market that traded in a very modest range, soybean futures were much more volatile with large price swings during the week. Soybeans opened the week 14-27 cents lower with profit taking ahead of the World Ag Supply and Demand Estimates (WASDE) report. This same factor was noted on Tuesday for the 26-30 cent gains in

addition to some bullish news in the export market that China may likely match or exceed its soybean imports from the U.S. this coming year compared to a year ago. There were only modest surprises in the Crop Production report and the WASDE report in terms of production; USDA lowered its projections for soybeans by 61 million bushels but the one thing that did raise a few eyebrows was the fact that USDA lowered its export expectations for the 2009-10 marketing year by 10 million bushels. Soybeans have shown very consistent growth in export volume and the fact that China may buy more beans from the U.S. in the future, this month's projection could easily be adjusted higher as time goes along. The challenge for soybeans however, is that the projections for world production and supplies are higher for this coming marketing year and while demand for U.S. soybeans remains strong, the balance of world supplies may still factor in to where U.S. exports finally settle. By the end of the week, soybeans had lost a considerable amount of ground due to a variety of reasons but for now, there still appears to be a bit more support under this market as compared to corn and wheat due to tighter old crop domestic supplies and expectations for sound long term demand.

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
Sep	549	573	-24
Dec	563	585	-22
Mar	580	601	-21
May	588	611	-23
Jul	596	621	-25

Chicago WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Sep	482	489	-7
Dec	509	517	-8
Mar	529	536	-7
May	541	548	-7
Jul	551	559	-8

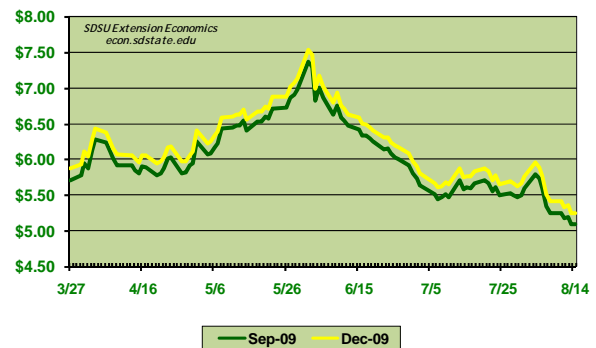
Kansas City WHEAT Futures			
Futures Month	This Week	Last Week	Week's Change
Sep	509	525	-16
Dec	525	542	-17
Mar	541	559	-18
May	551	570	-19
Jul	563	580	-17

South Dakota Cash Spring Wheat			
	This Week	Last Week	Change
Cash bids	444-520	461-576	
Ave. price	493	523	-30

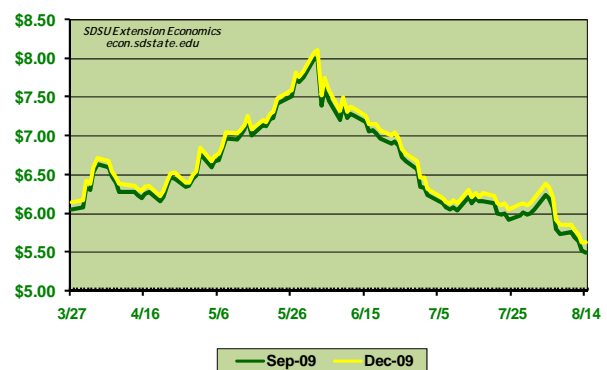
South Dakota Cash Winter Wheat			
	This Week	Last Week	Change
Cash bids	393-459	419-498	
Ave. price	436	462	-26

Other crops	S.D. Ave.
Sunflower	1309
Oats	182
Milo	227
Millet	554

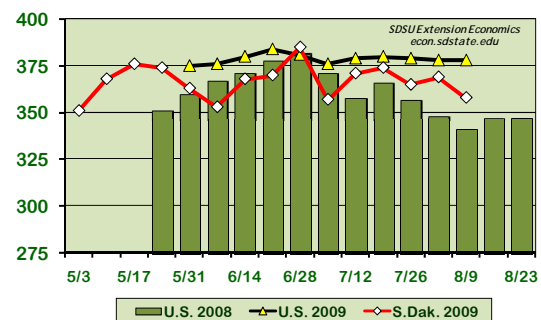
Daily WINTER WHEAT Futures
Kansas City Board of Trade



Daily SPRING WHEAT Futures
Minneapolis Grain Exchange

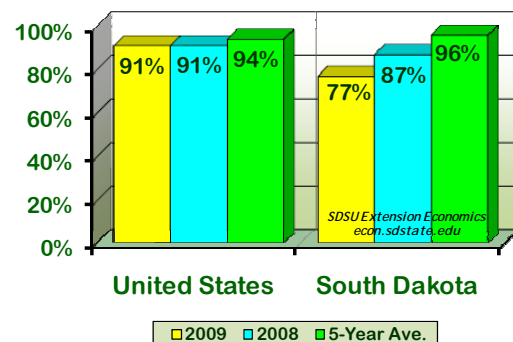


SPRING WHEAT: Crop Condition Index
(as of August 9, 2009)



Source: USDA - National Agricultural Statistics Service

Winter Wheat: % Harvested
(as of August 9, 2009)



Source: USDA - National Agricultural Statistics Service

The South Dakota average price for spring wheat late this past week was \$4.93 per bushel, 30 cents lower than a week ago.

The South Dakota average price for winter wheat last this past week was \$4.36 per bushel, 26 cents lower than a week ago.

The World Ag Supply and Demand Estimates (WASDE) report contained few surprises for a wheat market that has known for months that it is facing a problem of burdensome supplies that will not go away anytime soon. It is not that wheat farmers haven't tried to respond this year to price and market signals; fewer acres were planted to wheat this year in the United States and overall production is down by over 300 million bushels. World wheat production is projected to be lower as well; down 3% from a year ago. The problem lies with the large growth in U.S. production a year ago that outpaced demand leaving a carryover supply that grew by 54% between 2007 and 2008, and will grow by another 73 million bushels between 2008 and 2009. Export volume is projected to be significantly lower for the 2009-10 marketing year and that is the primary cause for the continued growth in projected supplies for this year even in the face of much lower production. Two years ago when cash wheat prices were in the double digits, U.S. exports reached 1.26 billion bushels, the highest export volume since 1992. Foreign buyers of U.S. wheat were willing to pay any price due to the extraordinary tight supplies. However, projected exports from the 2009 crop are nearly 340 million bushels lower because world supplies have grown and foreign buyers now have more choices from whom to purchase wheat.

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.