

February 13, 2009

Weekly Review- This week saw the release of a neutral USDA Supply and Demand Report along with a strong export sales report, but neither of these were enough to strengthen our prices. Corn moved 14 cents lower while soybeans finished out the week 45-½ cents lower.

Corn- Average trade guesses before the report had many believing carryout levels would be raised slightly to around 1.82 billion bushels.

USDA decided to leave numbers unchanged from last months report leaving us with our same carryout number of 1.79 billion bushels. Although initial reaction was bullish, too many outside factors such as wet weather in Argentina and economic news kept enough pressure on the grains to keep them trading lower into the week. A good export sales report Thursday showing 60.8 million bushels sold last week still wasn't enough to get much interest out of traders as we approached the end of the week.



Soybeans- Although production numbers are far from decided out of South America,



the recent rains and more promising weather outlooks seem to have calmed many fears from traders this week. USDA's estimates for carryout were lowered 15 million bushels down to 210 million bushels. Despite carryout levels being lowered, trade estimates were for a larger reduction leading to a neutral to bearish reaction from the floor. A strong export sales report from

Thursday was still not enough to generate support for prices into the end of the week.

Recommendations- With carryout levels still strong and basis levels improving the past couple of weeks now may still be a good time to move grain that is on the farm before quality issues become a concern. Give one of us a call to determine your best option for getting your grain moved while still being able to participate in any future market opportunities.