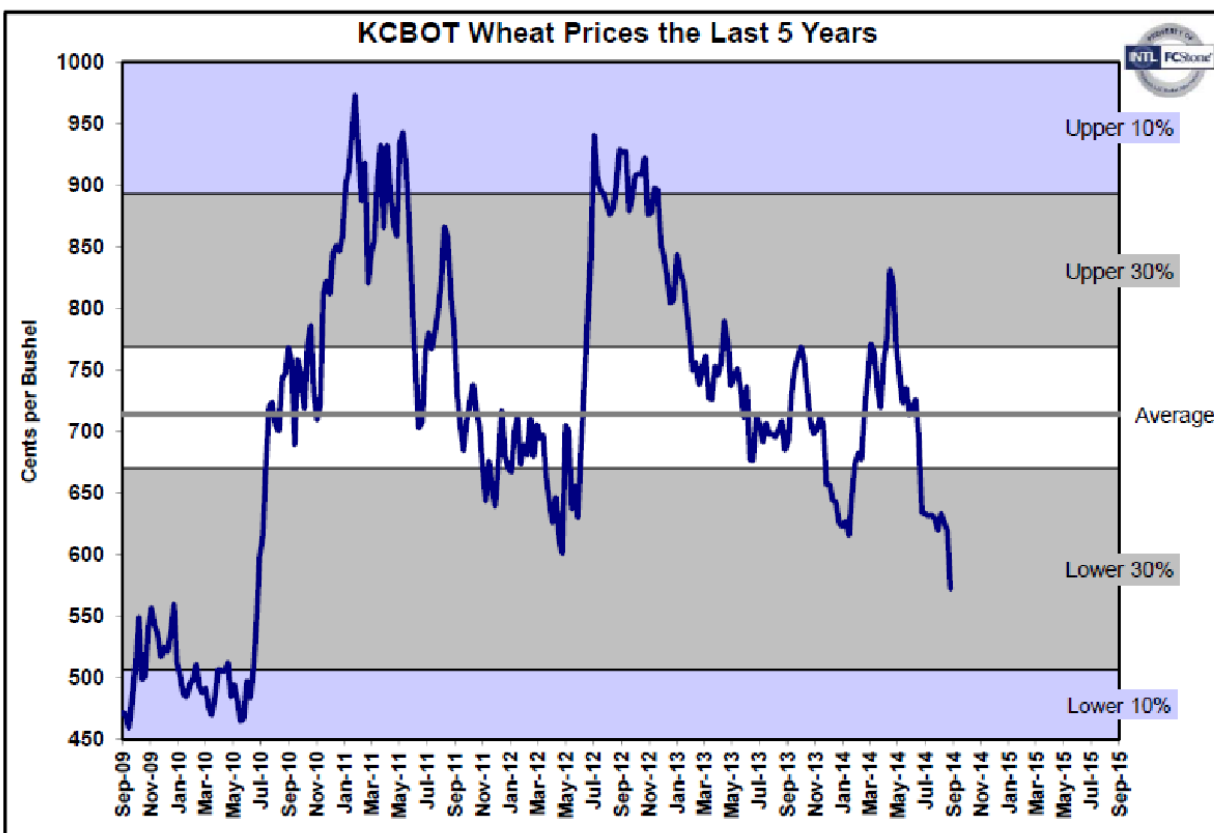


September 2014

The USDA supply and demand reports estimated 2014 corn production of 14.4 billion bushels using a 171.7 bushel per acre yield. Record yields, record production, not a good recipe for higher prices. The only things that would seem to still be able to positively impact corn prices would be an early freeze, which it seems isn't likely now, or possibly reduced acres. There seems to be some potential confusion with FSA reporting a smaller potential harvested acreage than what USDA is currently using. So there is a chance that if the eventual acres are smaller than that being currently used the crop size could decline enough to stop the bleeding.

USDA increased ending stock projections in wheat for the US and World. This sent prices plummeting to levels not seen since 2010. When you look at the chart below it's never a comforting feeling when the roller coaster you're on had the bottom drop out from under you.



The next 30 to 60 days will be critical for the Australian crop prospects and give us a real indication if there is a price rally left in the future. Milling quality wheat stocks are somewhat tight with spring wheat be damaged by excessive rains and some of the same issue in Europe as well.

As I've said in the past whenever stocks increase, prices almost always decrease; it's simple economic supply and demand. A strong US dollar is also hampering commodity prices as US products become more expensive in the export markets due to the exchange rate.

I wish I had better news but it is what it is. Of course tomorrow's a whole new day and prices will rally again. We don't know when but sooner or later the markets will bottom out, hopefully sooner rather than later. And as always expect the unexpected.

Til Next Time,
Brent