

This Week in Agriculture:

A Mixed Bag of Information from the Week that Was: November 4, 2011

- We remain trapped in the same trade range we've been stuck in since October 11th for both corn and soybeans, while wheat has been range bound since the tail end of September. For the week corn added a quarter of a cent—yes, a quarter of a cent gain for the week, while soybeans lost a nickel and wheat closed down 8 for the week.
- The bulls and bears continue to do battle while we wait to get final confirmation on production numbers and subsequent demand. Outside issues continue to weigh heavy on the market just about every other day.
- The bankruptcy of a large CBOT clearing firm was announced Monday. This reverberated through the entire market complex as traders scrambled to figure out just how exactly this would impact markets going forward. After the initial liquidation prices seemed to find their comfort zone, rebounding slightly late in the week.
- Initial excitement seen last week over the EU bailout of Greece dissipated when the Greek Prime Minister announced the referendum and budget cuts would be put to a vote before any further steps were taken. Considering budget cuts are part of the requirements put in place to move forward with any type of bailout EU leaders were less than enthused. Many traders saw this as a start from scratch when it came to EU debt concerns.
- France and Germany have been shouldering the brunt of the financial obligation in this mess and were far from happy to find that in fact nothing at this point has been accomplished. Especially considering their citizens have been against a large portion of the bailout from the beginning. EU leaders have given Greece until Mid-December to make the decision. They warn that if nothing is accomplished future financial help will not happen.
- Ahead of next Wednesday's USDA Supply and Demand report private analytical groups have been releasing their own production estimates. Most have stayed close to the USDA's October estimate while others anticipate a production increase; some however believe we'll see a further reduction in production. This just shows how we are all over the board when it comes to estimating this crop and where we will be supply-wise next September 1st.
- One private analyst believes we'll see an increase in global production on wheat, corn, and soys.
- Export sales will continue to be monitored closely as slow early season shipments have some traders concerned. One global analytical group estimates soybean exports from Argentina, Brazil and Paraguay have increased by 64% from last year. At the same time Black Sea corn prices remain at a 20-25 dollar a ton (51-64 cents a bushel) discount to US corn.

We'll have the updated USDA numbers for you Wednesday when they are released. Take a look at taking advantage of the basis opportunities presenting themselves in the market when it comes to making the necessary harvest sales for bin space. Give us a call with any questions, we're here to help!

**All the Best!
Angie Maguire
Citizens LLC**