

## **This Week in Agriculture:**

**A Mixed Bag of Information from the Week that Was: September 23, 2011**

- **Another nasty week for all three markets as the bears seem intent on sending the bulls running to the sidelines. Overall December corn lost 54 cents, November soybeans lost 97 and July 2012 wheat fell 57 cents.**
- **Last week's fears of demand loss were compounded with this week's global economic concerns. Most analysts fear a Greek default is inevitable, while Italy's credit rating was lowered. On top of that China's manufacturing sector showed signs of further contraction for the 3<sup>rd</sup> month in a row. While here in the U.S. a double dip recession has all but been confirmed.**
- **The Fed didn't do much to help matters on Wednesday. Suggestions that further "significant economic downside" in economies around the globe left analysts and traders feeling far from confident in any investment. Even gold, the traditional safe haven fell to a one month low this week. While the Dow saw its biggest 2 day drop since late 2008, and the U.S. dollar climbed to 7 month highs—further pressuring and possibly slowing export interest short term.**
- **It's not all doom and gloom though, as fundamentals haven't changed much from where they were when corn was \$1.35+ higher at its peak. Some traders are already looking towards next spring and questioning where we're going to come up with enough acres to outpace demand.**
- **A private analytical group lowered its production estimates early today, bringing them more in line with recent USDA estimates. At the same time, some industry experts feel yields and actual harvested acres for both corn and soybeans could be further reduced as we move ahead.**
- **Feeders are also reporting strong wheat feeding rates. Some suggest we could see an additional 150 million bushels of wheat used for feed. This would bring total feed demand to near record highs and change the carryout outlook far out into next summer.**
- **Many believe lower prices will help to stimulate demand for corn and beans out of China. Reports show some interior price levels are over \$10.00/bushel for corn as the Chinese crop heads towards harvest. With the recent drop in soybean prices here our prices are becoming more competitive with South American export offers.**
- **Fun fact: According to the USDA's Economic Research Service farm productivity has risen 158% since 1948 here in the U.S.**

**Now is the time to put your realistic target orders in place. Ask yourself, where would I have sold grain if I had known then what I know now. Give us a call if you have any questions on what type of plan you should put into place. Also, remember the sales closing date for Winter Wheat is next Friday, September 30<sup>th</sup>. The guaranteed price per bushel is \$8.20, while the July 2012 board is currently trading at 6.98, it definitely makes sense to take advantage of that kind of opportunity. Until next week, have a great weekend and stay safe!**

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

**\*\*\*\*Commodities trading is very risky, Citizens LLC holds no liability for the use of the information contained herein\*\*\*\***