

This Week in Agriculture:

A Mixed Bag of Information from the Week that Was: January 27, 2012

- **Values recovering further this week after “disappointing” rainfall amounts in Argentina last weekend, a lower dollar and ideas that demand is recovering helped to support all three major markets. For the week old crop corn gained 31 cents, new crop corn finished 19 cents higher. Old crop soybeans were up 32 as well, with new crop soys 38 cents higher. New crop wheat added 30 cents for the week as well.**
- **As noted last week, traders are concerned over tight old crop supplies and likelihood the USDA is underestimating demand. At this point cumulative corn export sales are only lagging last year by 4.2 million bushels; the USDA is anticipating a 185 million bushel year to year drop. Corn export sales reported yesterday were the highest level seen since mid-October.**
- **Year to date wheat export sales are 93.5 mln bushels behind last year while the USDA is anticipating a 339 mbu year to year drop. Soybean exports are behind the pace of the last 2 years, but still ahead of the 5 year average.**
- **Early on in the marketing year traders were very much focused on Russia and Argentina when it came to exports. Both countries had plentiful crops last year and weren’t afraid to dump them on the world market at values far cheaper than ours. Early this week however rumors that both countries were going to have to take strong measures to reduce or eliminate further exports due to production and logistical issues sent the market soaring.**
- **Both countries deny these rumors, but have confirmed logistical issues and production worries will likely keep them from exporting too much more than they had originally planned. At this point the Argentina government believes their corn crop will come in 7 mmt (275.6 million bushels) below last year.**
- **South American crop estimates continue to be reduced. Most analysts believe the damage done to the corn crop is irreversible while the soybean crop has suffered tremendously. At this point forecasts remain hot, but there are several different rain chances throughout the 11-15 day forecast.**

Traders will continue to monitor South American weather. Without much news here in the U.S. to focus on traders will watch further developments in the global pipeline. Export sales are released every Thursday and at this point that’s where one of our biggest stories will continue to lie. As we move ahead traders will continue to debate new crop acreage expectations and will likely look towards the February 9th USDA Supply and Demand report for any sort of new information we may see presented.

Improving basis levels have presented new opportunities to sell the grain that’s in your bins. New crop values are also getting back up close to old highs and are presenting chances to get some sales on in order to get started with your scale selling plans. Give us a call today we’re here to help!

All the Best!

Angie Maguire

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