



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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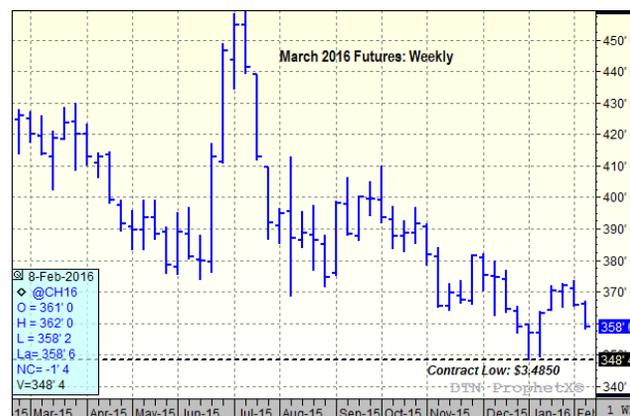
Friday, February 12, 2016

CLOSING FUTURES PRICE SUMMARY 2.12.16							
	CH16	CN16	CZ16		SH16	SN6	SX16
This week	\$3.5875	\$3.6850	\$3.8175		\$8.7275	\$8.8175	\$8.8600
Last Week	\$3.6575	\$3.7600	\$3.8900		\$8.6750	\$8.7775	\$8.8325
Weekly Change	-\$0.0700	-\$0.0750	-\$0.0725		+\$0.0525	+\$0.0400	+\$0.0275

Check current cash bids: <http://www.chsrochester.com/grain/cash-bids/>

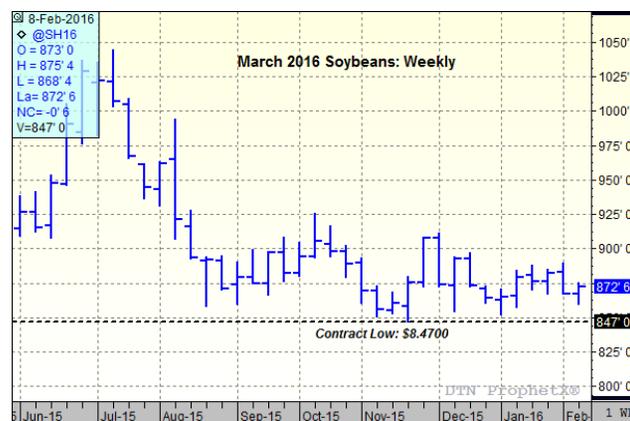
The past two weeks have been fairly benign in the market place. We have been testing recent ranges with period, short-lived spikes. This week the USDA gave us another look at the supply and demand situation for corn and soybeans. No big changes were anticipated and that is exactly what happened. Ethanol grind was actually increased slightly while exports were dropped 50 million bushels. Net carryout for corn was increased 35 million bushels to 1.837 billion. On the soybean side, the only change was a small decrease in crush of 10 million bushels, increasing carryout by a like amount to 450 million. All in all, the market took this information in stride with outside markets being the primary market driver this week.

Now that we are in the middle of February, spring should be right around the corner, but old man winter is not giving up without a fight. The bad weather is having a positive impact on spot corn basis levels. However, be careful as these bids are likely to be fleeting. Ethanol margins are suffering, finally breaking even again, and corn plants don't want buy more corn than they need before they need it. The general consensus is that basis is destined to head lower the later we go through the year. Near burdensome world supplies of corn and soybeans, along with lackluster demand for are joining forces to push prices lower. In corn, we are likely to see board prices continue sideways, testing the bounds of our recent range from time to time. As for soybeans, there is some discussion of more acres and growing supplies, which could lead to prices starting with a \$7. Be alert for pricing opportunities and consider alternative contracting options such as minimum price contracts or cash plus contracts. Give Jared or Aaron a call for more information.



Corn:

Last week, March corn broke through the high end of the recent range at \$3.7375, but settled well off that high. This week, follow through buying never materialized settling below \$3.60 for the first time since late December. This could be a sign that we may be testing the low end of the range, back toward \$3.50 on the March.



Soybeans:

March soybeans had another lackluster week closing toward the high end of the weekly range. Export sales were above expectations but still nothing stellar. We are likely to remain range bound as long as the US remains high priced in the world market. Basis is likely to slide backward with lower crush margins as well.

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