



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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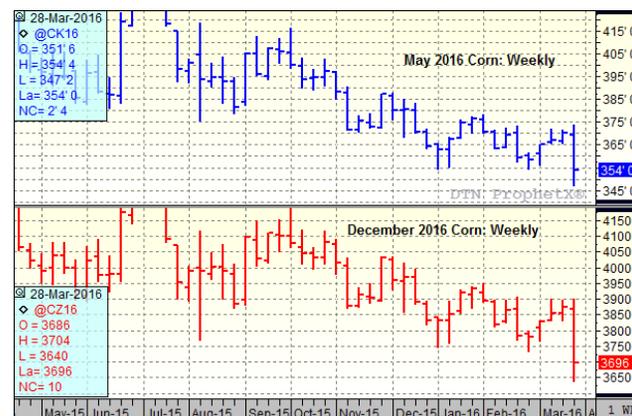
CLOSING FUTURES PRICE SUMMARY 4.1.16						
	CK16	CN16	CZ16	SK16	SN6	SX16
This week	\$3.5400	\$3.5775	\$3.6975	\$9.1825	\$9.2600	\$9.3225
Last Week	\$3.7000	\$3.7450	\$3.8725	\$9.1050	\$9.1775	\$9.2275
Weekly Change	- 0.1600	- \$0.1675	- \$0.1750	+ \$0.0775	+ \$0.0825	+ \$0.0950

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

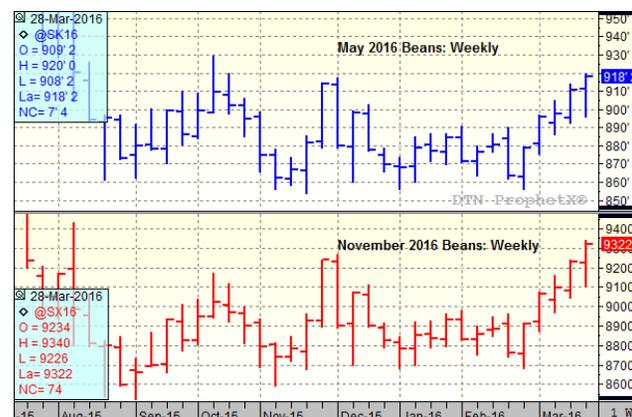
Fireworks in March? An early April Fool's Day joke? No, just another USDA report. Thursday brought two key reports, Grain Stocks and Prospective Plantings. Leading into the report the general consensus was that this would be a fairly mundane report. As far as the Grain Stocks report went, it was mundane. Corn and soybean stocks were both in line with pre-report guesses, above year-ago levels.

Prospective Plantings provided the head-scratching surprise of the day. The average guess ahead of the report had corn acres just shy of 90 million, yet up 2 million from 2015. Soy acres were guessed to be at 83 million, up just 300,000 acres versus last year. The actual USDA figures showed 93.6 millions acres of corn projected to be planted, 3.6 million higher than the guess and a whopping 5.6 million more than a year ago. Corn was immediately sent lower, trading down 20 cents at one point before closing down 16 cents on the day. Soybean acres were projected at 82.2 million, down 500,000 from a year ago, giving a small boost to the soy complex.

Now we enter the debate stage of our spring markets. Early, post-report discussions have centered on the idea the tight ag lending atmosphere may limit corn acre expansion, as well as the idea that an increase in acreage of this magnitude, would produce daunting, over-burdensome supplies a year from now, pushing prices even lower. Now the job of the marketplace is to convince growers to plant soybeans over corn. Thus far, soybeans have answered that call, by improving new crop prices in relation to corn.



Corn:
Pre-USDA report trade was positive, trading to a new high of \$3.74 on the May, while December traded to \$3.90. After the report, both old and new crop suffered major losses. It will take a major shift in weather or perceived acreage mix to change the current trajectory of corn. Look for continued lower trade as we search for a bottom, and await the final acreage situation in June.



Soybeans:
Soybeans have enjoyed 5 straight weeks of gains totaling nearly 55 cents each in old and new crop. On the heels of these gains however, is the falling basis. The rally has moved a large amount of grain to the market, pressuring basis in both old and new crop time frames. Look for this trend to continue as the board attempts to move higher, buying acres from corn.

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