



## CHS GRAIN MARKET RECAP ROCHESTER, MN

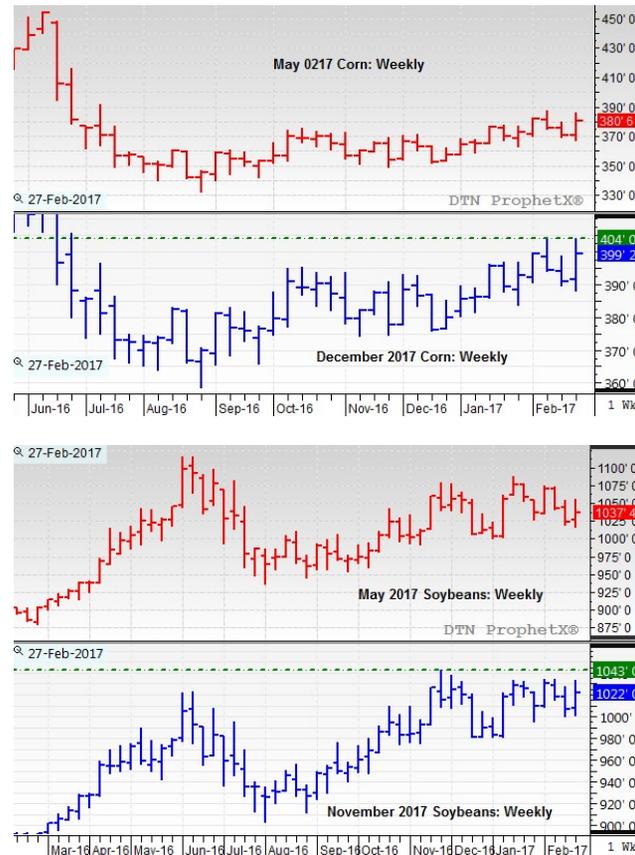
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Friday, March 3, 2017

CLOSING FUTURES PRICE SUMMARY 3.3.17							
	CK17	CN17	CZ17		SK17	SN17	SX17
<b>This week</b>	\$3.8075	\$3.8725	\$3.9925		\$10.3750	\$10.4600	\$10.2200
<b>Last Week</b>	\$3.7075	\$3.7825	\$3.9100		\$10.2425	\$10.3325	\$10.0700
<b>Weekly Change</b>	+\$0.1000	+\$0.0900	+\$0.0825		+\$0.1325	+\$0.1275	+\$0.1500

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

February went out with a whimper this week, but March started with a bang. The optimistic start to February quickly faded away ending the month nearly unchanged. With a new month came new money flow into commodities driving prices mildly higher early on Wednesday. The real fireworks this week was influenced by the US government, but not the USDA as is usually the case. As rumors started to swirl that the President was considering a change to the RFS standard and potentially the ethanol blend rates, corn started to spike higher, nearly reaching the February highs. However, by the end of the day, the White House soundly denied these rumors and the corn balloon burst. Daily gains were cut in half for both corn and beans. Algorithm trading on headlines and rumors has a tendency to create wild volatility in markets, which was clearly demonstrated this week. After the dust settled from the rumor mill, commodities were still able to manage gains on the week.

The one day rally was enough to pull some grain from producer hands, though less than one would originally think. In most cases this is the second time seeing this price level for both old and new crop which muted much of the enthusiasm. From a basis standpoint, most bids have rolled to the May futures. Moving the bids from the March futures to May didn't have much net effect on prices this time. Local domestic users such as ethanol plants and soybean processors are getting enough bought but are still facing tough competition from the river terminal market. Carry in the markets has pushed much of the grain sales to later in the spring and summer, yet we all know the grain is in the country and needs to move to market before the next harvest.



Corn futures climbed higher this week on new money flow and headlines. December corn was able to break through the \$4.00 for the second time in three weeks, closing just below at \$3.99 1/4. The next USDA report will come on 3/9 with the regular Crop Production report. March 31 Planting Intentions along with Quarterly Stocks will be the bigger market mover. Until then, sideways trade will likely be the trend.

Soybeans have traded generally sideways for the past several weeks while the market continues to debate the coming acreage mix. While corn touched six month highs again, beans stayed just below the highs set back in November. Expect more consolidative, sideways trade while we wait for the official planting intentions report on March 31.

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