



CHS GRAIN MARKET RECAP ROCHESTER, MN

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Monday, July 17, 2017

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

CLOSING FUTURES		
7.17.17		
CU7	\$3.7500	- \$0.0125
CZ7	\$3.8800	- \$0.0150
CN8	\$4.0875	- \$0.0100
CZ8	\$4.1350	- \$0.000
SQ7	\$9.8500	- \$0.0400
SX7	\$9.9750	- \$0.0400
SN8	\$10.2150	- \$0.0350
SX8	\$9.9475	- \$0.0425

Market Snapshot:

Last Friday capped a rather tumultuous week for grains with corn and beans both closing slightly higher on the day, yet still suffering double-digit losses for the week. Today started with mixed results as weather forecasts gyrate from hot and dry to warm with a wetter bias. Overall, weather continue to drive the market in the near term. The only other market news is weekly USDA reports like Exports and Crop Conditions. Weekly export inspections were strong for corn this morning, but this late in the year doesn't impact the market too much. Export sales this Thursday are likely to disappoint again as US prices continue to be dramatically higher than our South American counterparts and drive business away from our ports. NOPA crush numbers today were lower than expected but taken in stride by the market. As for weekly crop conditions, traders are generally looking for another decline of one to two percentage points, despite the rains received last week. Declining crop conditions could give the market more friendly headlines to trade but until we see a change in expected USDA yield, we are unlikely to see major price action. The last government figure was unchanged at 170.7 for corn and 48.0 for beans. The overall market opinion has a corn yield of 165 - 167 figured into prices. The bean yield at roughly 47 is the prevailing market opinion.

Consider this... Even though prices are well off the highs, and potentially below breakeven cost of production, there are ways to work toward higher prices. December 2018 futures are still above the \$4.00 mark. November 2018 beans are hovering around \$10.00. The worldwide supply of grain doesn't necessarily point to higher prices for the 2018 crop. Consider setting a pricing window for using a Min/Max contract.

CALENDAR:

7/20: Export Sales

7/24: Export Inspections

NOPA Crush

Crop Progress

8/10: Crop Production

USDA Supply & Demand

Don't keep wondering... **ASK A MERCHANTISER!**

FUTURES: Prices for commodities traded on the Chicago Board of Trade

Futures fixed, or HTA, contracts offer great flexibility for marketing your grain. Futures and Basis are often inversely related which presents the opportunity to capture attractive futures prices at a time when you believe basis is too wide and will improve before you are ready to deliver. HTA contracts will generally offer flexible delivery points as well. If you were to lock in, or set futures with CHS Rochester, you have the flexibility to deliver directly to any of the local CHS elevators or CHS facilities in Winona, Fairmont, Mankato, Savage or the corn plant in Lyle for no additional fee. If you have on farm storage available, HTAs are also a great tool which allows you to capture board carry and higher futures prices for holding your grain until a later delivery date.

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