



CHS GRAIN MARKET RECAP ROCHESTER, MN

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

CLOSING FUTURES		
7.26.17		
CU7	\$3.7275	+ \$0.0400
CZ7	\$3.8600	+ \$0.0375
CN8	\$4.0750	+ \$0.0750
CZ8	\$4.1400	+ \$0.0275
SQ7	\$9.8875	+ \$0.0725
SX7	\$10.0025	+ \$0.0750
SN8	\$10.2225	+ \$0.0700
SX8	\$9.9425	+ \$0.0325

Market Snapshot:

Sharply lower crop conditions on Monday were not enough to hold any rally in our markets. Rain throughout the region to start the week added significant pressure to the board. Tuesday along saw corn trade in a relatively wide 15 cent range. Soybeans stayed stronger overnight but quickly fell, showing a 43 cent range. With little to no fresh news to give market direction headline traders keep control of the daily trade, mostly focusing on each new weather model. Following the corn sell off Tuesday, futures were near the bottom end of recent ranges drawing in some bargain buyers to the market, leading to a mild rally. With all the gyrations in the futures over the past few weeks, basis values for beans have firmed while corn has remained steady with a slightly lower bias. As the old crop bean basis has firmed the new crop values have improved slightly as well.

Consider this... One bright spot to the recent corn price collapse is the deferred futures spreads have improved slightly, generating some comparatively attractive prices for summer 2018 sales. Consider putting in offers for summer 2018 sales to help lock in some of the cash carry in the corn market.

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

Are there any tools available to help improve the price for my old crop grain?

One way to improve today's cash price is with a Cash Plus contract. A Cash Plus contract pays a premium on a nearby sale of grain with a firm offer to sell an equal amount of grain at a later date. Typically a cash plus contract can be customized to fit each producer's situation and can also be used for corn or soybeans. The following example is using approximate prices from 7/26/17 and are subject to change.

Example: Sell 5,000 bushel old crop corn at current market delivered Winona, attach a Cash Plus contract using a December 2018 \$4.40 strike price. This would pay approximately \$0.23 premium on today's cash price and establish an offer to sell 5,000 bushels at \$4.40 CZ18 futures if corn closes above \$4.40 on 11/23/18. When using this type of contract, you have to remember to keep 5,000 bushels of next year's crop unsold because you won't know if you have a sale until November of 2018.

CALENDAR:

7/27: Export Sales

7/31: Export Inspections
Crop Progress

8/10: Crop Production
USDA Supply & Demand

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