

1:15 PM

MID-CO AFTERNOON MARKET INFORMATION

1-800-322-9371 ILLINOIS

1-800-422-0896 IOWA

Monday, February 6, 2012

CORN

A firmer U.S. dollar coupled with profit-taking tied to position-squaring in front of Thursday's USDA report pressured corn futures lower today. The higher U.S. dollar was attributed to the failure of the Greek coalition to comply with creditor demands. As of midday Traditional funds were estimated to have been net sellers of approximately 3,000 contracts of corn. Also weighing on prices is the fact that ethanol margins remain under pressure as producers scramble to find storage for ongoing production. Corn export inspections for the week ending February 2nd came in this morning at 39.4 mln. bu. Season to date exports are near 711 mln. bu. in comparison to 712 mln. bu. last year.

Basis Update: Gulf basis was steady today. Producer selling remains light. No new trades to report.

Spread Update: Corn spreads were a little weaker today with the CH/CK trading at its weakest level since mid January. The CH/CK ended the day @ -7. The Goldman Roll begins tomorrow which could possibly create additional weakness on nearby spreads. The CH/CN ended the session at -12 while the CK/CN closed at -5.

New buying and short-covering drove wheat futures higher today. Futures also found support from concerns regarding cold weather in the key wheat-growing areas of the Black Sea region and Europe. Concerns also persist in regards to the U.S. Northern Plains and Western Canada as spring wheat areas there are drier than normal ahead of the planting season. Traditional funds were estimated to have been net buyers of approximately 900 contracts of wheat as of midday. Wheat export inspections for the week ending February 2nd came in this morning at 14.5 mln. bu. Season to date exports are near 671 mln. bu.

BEANS

March soybean futures rose to their highest level during the session since late October ending the day higher for the fifth straight trading session. Soybeans were able to hit a 3 month high today but did ultimately come under some pressure from a firmer U.S. dollar and weaker crude oil which caused futures to trim some of their earlier gains. As of midday Traditional funds were estimated to have been net buyers of approximately 4,000 contracts of soybeans. Although rain have been forecast this week in key growing regions of Argentina and Southern Brazil concerns remain regarding dry weather over the past month and the fear that the drought has already reduced yields. This was reiterated by the fact that Informa Economics lowered their forecast on Friday for soy production in Argentina and Brazil and today Celeres cut their forecast for the country's 11/12 soybean production and exports. Traders are hopeful that China will be more likely to buy more U.S. soybeans this quarter due to delays in Brazil harvest and slow shipping pace. However Brazil's harvest is beginning in north/central Brazil and although they have had some weather slow-downs their harvest is expected to ramp up soon. The USDA reported that for the week ending February 2nd that the U.S. shipped 37.3 mln. bu. of soybeans. Of that China accounted for 76% of the weekly total. For the crop year to date, U.S. bean exports are down 26%.

Basis Update: Gulf beans were 3 – 4 cents weaker today for February and March. No new trades to report.

Spread Update: The SH/SK widened ¾ of a cent closing at -9. The Goldman roll starts tomorrow. SK/SN at -9 ¾, SX/SF -6.

Average U.S. ending stocks estimates for Thursday's Supply and Demand report are as follows:

Corn @ 791 mln. bu. vs. 846 mln. bu. in Jan.

Beans @ 273 mln. bu. vs. 275 mln. bu. in Jan.

Wheat @ 867 mln. bu. vs. 870 mln. bu. in Jan.

CH	CK	CN	CU	SH	SK	SN	SQ
6.44 ¼	6.51 ¼	6.56 ¼	6.05 ¼	12.33	12.42	12.51 ¾	12.49 ½
Basis Indications	February	March	April	Basis Indications:	February	March	April
Decatur	+25 H	+25 H	+14 K	Decatur	+8 H	+5 H	N/A
St. Louis	+24 H	+18 H	+15 K	Havana/Naples	+7/+5 H	+6 H	+0 K
Cedar Rapids-Truck.	+3/+5 H	+3/+7 H	+1/+3 K	Cedar Rapids	-25/-20 H	-17/-19 H	-25 K
Clinton – Truck	+4/+10 H	+13 H	+6/+8 K	Iowa Falls, IA	-33/-31 H	-22/-25 H	-25 K
CIF	+68/+67 H	+62 H	+57 K	CIF	+70 H	+69 H	+62 K
Freight %	February	March	April	The information contained in this report is believed to be reliable but is not Guaranteed to accuracy or completeness by MID-CO COMMODITIES, INC. or GROWMARK, Inc. This report is provided for information purposes only and is not furnished for the purpose of, nor intended to be relied upon for specific trading in commodities herein named.			
IL River	395/405	385	375				
Mid. Miss.	-	395	385				
St. Louis	290/305	295	290				