



## **Can Hope Rally Corn and Soybean Prices?**

By Chris Lehner (Oct 6)

Across the Midwest billboards are popping up showing fields of corn and soybeans. Across the signs, “Hope for Higher Prices!”

Of course, there aren’t billboards going up. But there are certainly corn and soybean farmers that wake up every morning that hope corn and soybean prices rally and have trouble sleeping because they aren’t.

Even on the days when futures do move off of lows, selling remains light because the cash basis is extremely wide. For most farmers it’s the main reason they aren’t selling. Corn priced at \$2.85 or lower is common and soybean bids at .75 to .80 cents under the board are easy to find.

Prices going lower shouldn’t be a surprise. If you noticed over the last week, there were not many blogs or articles complaining about the results from the September 29<sup>th</sup> USDA Grain Stocks Report. As analysts tried to build up bullish stories over the summer, farmers knew what they stored. When old crop sales normally occur in July and August, farmers decided to wait and sell old crop when the supposed low yielding new crop would be delivered. It was obvious in September when grain buyers that normally see a big pick up in cash deliveries had days where deliveries were next to none.

The Grain Stocks Report should be a loud alarm going off. Below are the highlights of the September 29<sup>th</sup>, 2017 and September 31<sup>st</sup>, 2016 reports.

Even if 2017 yields are down and so far, soybeans yields are better, will lower yields help prices? It is very doubtful with all the old crop available.

### **USDA Grain Stocks Report September 29, 2017**

*Corn Stocks* Up **32 Percent** from September 2016 **totaling 2.29 billion bushels**

On farms at 787 million bushels, **up 25 percent**

Off farm stocks at **1.51 billion** bushels, **up 36 percent**

*Soybean Stocks* Up 53 Percent from September 2016 totaling 301 million bushels

On farms at 87.9 million bushels, **up 112 percent**

Off farm stocks at 213 million bushels, **up 38 percent**

From September 30, 2016 Report

As of September 1, 2016, corn totaled 1.74 billion bushels,

627 million bushels are stored on farms

Off farm stocks at 1.11 billion bushels

On September 1, 2016, soybeans totaled 197 million bushels

On farms totaled 41.6 million bushels

Off farm stocks at 155 million bushels,

I would like to hear your comments. Please email me at [chris.lehner@archerfinancials.com](mailto:chris.lehner@archerfinancials.com) or call me directly at 913.787.6804.

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