



### News this week...

- 2 – Brazil crops off to quick starts, uncertainties loom.
- 3 – Warm, dry extended forecast for Southern Plains.
- 4 – Our answers to your questions on key topics.

**HRS wheat leads price gains** — Front-month HRS wheat futures rallied to their highest level since July 2012 on the continuation chart. SRW and HRW futures also firmed amid tightening global supplies, though export demand is sluggish. Corn and soybeans followed the wheat market higher as they extended their price recoveries from the mid-October lows. While there are signs seasonal lows are in place, we still view periods of price strength as selling opportunities (see “From the Bullpen” on [Analysis](#) page 4). Cattle futures failed to build on the previous week’s positive technical trade as traders waited for signs the boxed beef market has bottomed. Attitudes turned more pessimistic in the hog market as traders extended December futures’ discount to the cash index after filling the Sept. 27 post-Hogs & Pigs Report chart gap.

## Mexico won’t halt U.S. GMO corn buys

Mexico’s ag minister says his country will continue to import U.S. GMO corn “for agro industries” at a meeting with USDA Secretary Tom Vilsack in Iowa last week. This clears up confusion about imports of U.S. GMO corn used for feed that arose after a Mexican decree earlier this year left some questions on that front. There were no comments from either side on GMO crop approvals that have also been in flux.

## Fertilizer prices could go higher

Russian President Vladimir Putin says fertilizer prices need to be reduced. If Russia limits exports or implements taxes as it has with wheat, it could drive input costs even higher globally. China has already taken steps to limit or ban fertilizer exports, creating a difficult situation for input suppliers globally.

## Ukraine sets wheat export ‘quota’

Ukraine’s ag ministry and exporters agreed on a wheat export quota of 25.3 million metric tons (MMT) for 2021-22, up 7.8 MMT (44.6%) from last year. The “quota” is not a hard cap and just a reasonable level of what the country expects to ship during the marketing year. Since July 1, Ukraine had exported 10.7 MMT of wheat — 42% of the so-called quota.

## China’s coal prices under microscope

China is pushing coal miners to maximize output and hiking imports in an attempt rebuild stockpiles amid the country’s energy crunch. But Beijing says it will strictly punish firms trying to price gouge. China’s securities regulator also says it will come down heavily on excessive coal price speculation.

## China’s pork output up, imports drop

China’s third quarter pork production surged 43% from last year and was the highest for that quarter in three years. Through September, China’s pork production rose 38% from the same period last year. Given the rise in domestic production and a switch to other proteins, China’s pork imports dropped 44.8% from last year in September and fell 4.3% through the first nine months of the year.

## White House pushes for BIF, BBB vote

The White House wants a House floor vote this week on both the bipartisan infrastructure bill (BIF) and the Build Back Better (BBB) reconciliation package ahead of President Joe Biden’s trip to Europe on Oct. 30. Most observers think the timeline, while not impossible, is improbable. In the Senate, Kyrsten Sinema (D-Ariz.) and Joe Manchin (D-W.Va.) remain the focus as Democrats will need their votes for passage.

## Calif. Gov.: Ease supply bottleneck

California Governor Gavin Newsom directed agencies to find state, federal and private land for short-term container storage, while identifying freight routes for trucks so officials can temporarily exempt weight limits on the road. The Port of Los Angeles processed a record number of containers in September and the nine-month total was up 26% from year-ago but backlogs at ports remain amid the supply-chain bottleneck.

## Geopolitical costs of climate change

A U.S. intelligence report says rising global temperatures pose a growing national-security risk, as nations battle over who will pay for climate-related costs. The report predicts China and India, the biggest and fourth largest emitters of greenhouse gasses, respectively, will struggle to wean themselves from coal. Some countries could unilaterally deploy geoengineering to cool their or others’ climates, potentially sparking conflict. Global competition will also grow over access to minerals and technologies to produce renewable energy and China is in a strong position to compete, as it controls more than half of the global processing capacity for such resources.

## Fed’s stricter investment rules

The Fed enacted stricter rules to prevent officials from holding individual stocks, prohibit trading during times of unusual market stress, require pre-approval of trades and more frequent disclosure of trading activity. The stricter rules came after disclosure documents showed Chair Jerome Powell sold between \$1 million and \$5 million of stocks on Oct. 1, 2020, just before a sharp one-day drop in the U.S. market.

## Brazil crops off to quick start

Brazil's soybean planting pace is the second fastest on record behind 2018-19 and corn planting is also ahead of normal. Plus, weather and crop conditions continue to improve, providing a strong start to the 2021-22 growing season.

While La Niña presents the risk of drier-than-normal conditions in far southern Brazil, especially Rio Grande do Sul, South American Crop Consultant Dr. Michael Cordonnier reminds that this growing season has started much different than last year. Recent rains have boosted subsoil moisture in southern Brazil and the planting pace is much quicker than last year. With the rapid soybean planting pace, harvest will be sooner than last year, which means the safrinha corn crop should also be planted before Brazil's rainy season typically ends.

## Fertilizer could impact safrinha corn

Brazilian farmers have forward booked approximately 40% of their fertilizer needs for the safrinha corn crop, which is about normal. But Cordonnier says the recent surge in fertilizer prices has caught many producers by surprise. There are concerns prices will rise more and some farmers fear they may not be able to get all of their fertilizer needs.

Cordonnier says farmers who have not purchased any fertilizer for their safrinha corn will probably apply less to hold down production costs. And some farmers may plant their corn without fertilizer, in which case, Cordonnier says corn yields could decline 20% to 30% from normal.

### Real giving Brazilian farmers more incentive for beans

The Brazilian real fell to its lowest level against the U.S. dollar since April. That's incentive for Brazilian producers to increase soybean production as much as possible. Given the quick planting pace and the fertilizer situation, soybeans could pick up some acres from other crops.

## Argentine dryness a concern

The situation in Argentina is not as good as in Brazil, with "dryness becoming an increasing concern," according to Cordonnier. With La Niña expected to persist through the southern hemisphere summer, the area of greatest concern would be central and northern Argentina, which generally see below-normal rainfall during such weather events.

Most areas of Argentina have enough soil moisture to support early crop development. However, World Weather Inc. says, "There will still be concerns for long-term moisture shortages that could impact production later in the season."



## Producer Crop Comments...

Please send crop comments to [editors@profarmer.com](mailto:editors@profarmer.com).

### Lee Co. (southeast) Iowa:

"Soybean harvest is rolling strong after a two-week rain delay. Most guys around here should wrap up soybeans quickly. Yields are mostly in the 50-bu. to 70-bu-per-acre range."

### Washington Co. (southeast) Iowa:

"We had record soybean yields for our farm average. Corn yields are big, too, just not quite as strong relative to soybeans and our record levels."

### Ringgold, Taylor Cos. (southwest) Iowa:

"The soybean harvest has far exceeded expectations from yield to how many are coming to town. The empty local pipeline was filled beyond capacity almost overnight."

### Boone Co. (central) Iowa:

"We have one of the best crops ever, despite the lack of rain this summer. Corn yields are strong and beans are the best ever."

### Crawford Co. (west-central) Iowa:

"Despite dry conditions during the growing season, corn and soybean yields are phenomenal."

### Jackson Co. (southern) Illinois:

"Soybean yields around here are making almost an 80-bu-per-acre average!"

### Henry Co. (northwest) Illinois:

"Best beans we've ever had. One field averaged 89.6 bu. per acre."

### Piatt Co. (west-central) Illinois:

"It's Oct. 20 and we haven't had a killing frost. That's very evident by the harvest-loss corn and soybeans growing in the fields."

### Rush Co. (central) Indiana:

"Over the first 623 acres of corn we've harvested, the average yield is right at 240 bu. per acre, which is similar to last year and right at what we expected. Through nearly 900 acres of soybeans, our average yield is around 74 bu. per acre, about 5 bu. to 6 bu. better than last year."

### Howard Co. (central) Indiana:

"We are half done with corn and the yield is averaging 257 bu. per acre — our best crop ever. Soybeans are averaging 64 bu. per acre, just under our three-year average."

### Miami Co. (north-central) Indiana:

"We've had warm weather and rain this fall, which is exposing the amount of corn and soybeans dropped in fields at harvest."

### Logan Co. (west-central) Ohio:

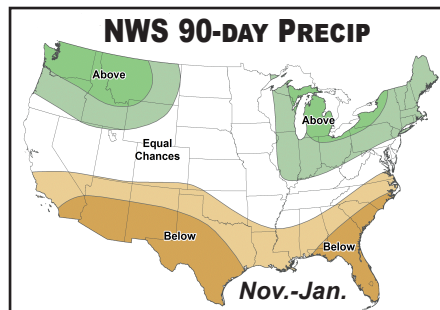
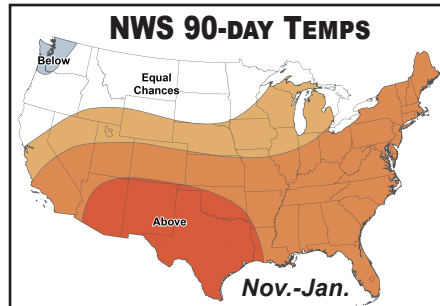
"My corn and soybean yields are the best ever. That's a surprise after a dry August."

### Fillmore Co. (southeast) Nebraska:

"Weather was dry, but soybean harvest proved to be challenging with much of the crop staying green through mid-October. But yields were great."

## Unfavorable forecast for HRW areas

The extended forecast from the National Weather Service (NWS) calls for increased chances for above-normal temps and below-normal precip across the Southern Plains during the November through January period. Above-normal temps are expected to encompass from Nebraska southward, while below-normal precip is expected over much of Oklahoma and all of Texas. Eastern Oklahoma, Kansas and



Nebraska are expected to see “equal chances” for normal, above-normal and below-normal precip during the three-month period.

The forecast suggests the driest areas of HRW country will face some crop stress and timely spring rains would be needed to boost the crop coming out of dormancy.

Most of soft red winter (SRW) wheat country is expected to experience a warm but wet 90-day period, with “equal chances” for precip likely over the remainder of the area.

### ***Drought builds in West Texas, improves in other areas***

The U.S. Drought Monitor as of Oct. 19 showed some drought improvement in portions of the Southern Plains, but there were areas in West Texas that saw a one-category increase in drought conditions. The Drought Monitor showed nearly 47% of Texas was covered by some form of abnormal dryness/drought, including nearly all of the Panhandle and West Texas. Dryness/drought covered 94% of Oklahoma, with the worst conditions in western areas of the state. Kansas was 38% covered in dryness/drought, with northwestern and far southwestern areas the driest.

## IGC raises global corn crop forecast

The International Grains Council (IGC) raised its forecast for 2021-22 global corn production by 1 MMT. IGC now forecasts global corn production will rise 84 MMT from 2020-21 — about 20% of this year’s U.S. crop. But due to an expected surge in use, it forecasts global corn ending stocks will rise only 9 MMT year-over-year.

IGC continues to call for an 8-MMT year-over-year increase in global wheat production. But it expects global wheat ending stocks to drop 3 MMT from 2020-21.

## High inflation likely into 2022

Constrained supply chains will keep upward pressure on prices and curb output well into 2022, according to economists surveyed by the *Wall Street Journal* (WSJ). Economists on average see inflation at 5.25% in December, just slightly less than the rate that has prevailed since June. Assuming similar levels in October and November, that would mark the longest inflation has been above 5% since early 1991. Economists slashed their GDP forecast to an average annualized rate of 3.1% in the third quarter and lowered projected fourth-quarter growth to 4.8% from 5.4% forecast in July. Around half of respondents cited supply-chain bottlenecks as the biggest threat to growth in the next 12 to 18 months, while nearly one-fifth pointed to labor shortages.

### ***Inflation creates critical balancing act for Fed***

Fed governor Randal Quarles warned extended high inflation through next spring could force the U.S. central bank to consider raising interest rates sooner than anticipated. If the Fed raised rates in response to recent price surges it could constrict demand as supply bottlenecks abate, Quarles said. That could lead to undesirably low levels of inflation and employment. The flip side is that longer-lasting supply-chain bottlenecks risk leading consumers and businesses to expect even higher inflation in the future. Quarles said, “We can tolerate, if you will, an extended period of 2.5% inflation... much longer than we could an extended period of 4% inflation.”

## Slowing economy, rising prices

The Beige Book highlighting economic conditions in the 12 Fed districts noted “economic activity grew at a modest to moderate rate, however, the pace of growth slowed, constrained by supply chain disruptions, labor shortages and uncertainty around the Delta variant of Covid-19.” Most districts reported significantly elevated prices, fueled by rising demand for goods and raw materials. Reports of input cost increases were widespread across industry sectors, driven by product scarcity resulting from supply chain bottlenecks. Price pressures also arose from increased transportation and labor constraints as well as commodity shortages. Many businesses said they expected higher prices and supply shortages to last another year or so.

## China’s Q3 GDP weaker than expected

China’s economy grew 4.9% in the third quarter, which was below expectations of 5.2% and the weakest performance in a year. China’s economic growth was the slowest since 1990, excluding the pandemic.

The country’s industrial output rose 3.1% in September, which was the weakest since March 2020.



# Your questions, our comments on key market and policy issues

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

**ProFarmer**  
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**P**ro Farmer Members ask a lot of questions, and we try to respond based on our contacts and frequent participation in ag sector conferences. Below are some of the recent queries with our initial responses.

## **What's in store for 2022 crop plantings?**

Farmers, seed and industry contacts signal lower U.S. corn acres and higher plantings for soybeans, wheat and cotton. Wheat will likely have the highest boost, but too much rain in soft red winter states has delayed seedings. Cotton contacts signal a likely boost in plantings, but there are differences on the level with some concern that logistics could snarl cotton shipments out of the country. Cotton is also an energy-intensive crop but the rise in costs will also impact synthetics.

The dramatic runup in fertilizer prices will add an estimated 16% to corn costs, but industry contacts note the market will "bid for acres" next year if prices get too cheap, impacting planting intentions.

## **What farmers are telling us**

"Ground truth" from producers signal some are holding off purchasing nitrogen until 2022, wanting to keep their corn/soybean planting options open given the surge in fertilizer prices. Brazilian contacts say growers are concerned about yield impacts from the price and supply-pinch availability of fertilizer. U.S. cotton producers tell us a key price point for hedging and growing more in 2022 is the 92¢ area for new-crop futures.

## **WHIP+ a hot topic... WHIP+ Plus is coming**

We get a lot of questions on the \$10 billion authorized for 2020 and 2021 ag disasters, including the livestock sector. Signup dates have not been established but USDA is already working on regulations. We think actual payments will likely be in 2022, but that could change.

There's concern about the future of WHIP+. Reason: The "ad hoc" program has been available for five straight years, leading some to wonder about potential negative ramifications for crop insurance. Some lawmakers are mulling a possible permanent standing disaster program. We don't see a lot of negativity toward crop insurance as a result of WHIP due to severity of weather.

USDA Secretary Tom Vilsack has the discretion to make changes to the program. Do not assume a new program will be the same as the current WHIP+.

## **Biden administration focused on competition in ag**

For months, White House officials and Vilsack have mentioned the lack of competition in the meat processing sector, with White House Press Secretary Jen Psaki recently blaming this for rising meat prices. Biden's team has made \$750 million available for expanding meat processing capacity. That has yet to unfold.

## **U.S. seed sector is the next area under focus**

Vilsack while in Des Moines last week said the Biden administration would next look at concentration in the U.S. seed industry as part of the executive order issued by President Joe Biden covering competitiveness in agriculture and other sectors. Vilsack said the exam of the seed industry would be to see why "it's structured the way it's structured." He also raised questions about the length of patents that are granted on seed traits, saying, "You wonder whether these long patents make sense."

## **Any positive news about U.S./China relations?**

The Biden administration thus far has closely followed the former Trump administration relative to trade policy with China. But we sense a positive change occurring sometime in 2022. The next big barometer will likely be when Biden meets virtually with Chinese President Xi Jinping by the end of this year. *What changes could happen?*

U.S. homebuilders want the Biden administration to temporarily lift tariffs on China and Canada to ease supply-chain bottlenecks hurting housing affordability. The U.S. "should temporarily suspend duties on a wide array of imported building materials and goods, from Canadian softwood lumber to Chinese steel and aluminum," National Association of Home Builders head Chuck Fowke said. That and perhaps a more sustained lifting of tariffs could occur.

But all bets on the relationship are off if China deals with what it calls the "Taiwan issue." Xi has repeatedly said he does not want another Chinese generation to have to deal with not having Taiwan return as part of China.

## **Very low odds of a carbon tax**

Centrist Sens. Joe Manchin (D-W.Va.) and John Tester (D-Mont.) oppose a carbon tax in the massive social spending plan as Democrats scramble to make good on their pledge to combat climate change. Democrats can't lose one of their party's votes in the Senate because no Republican will vote for the huge package.

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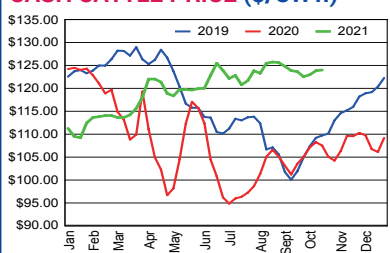
## CATTLE - Fundamental Analysis

Wholesale beef prices stabilized in mid-October, with Choice cutout values fluctuating just above \$280. Whether the market can turn higher from that point is open to question, but history suggests a seasonal advance will be forthcoming. This apparently bodes well for cash cattle prices. Those have been edging upward since early October and could accelerate upward if beef values lead the way. Still, premiums in deferred futures are encouraging laggardly marketings and weights remain elevated, so prospects for a strong fall-winter advance in the absence of severe weather aren't especially promising.

### Position Monitor

Game Plan:	Feds	Feeders
Fed cattle	IV'21 0%	0%
producers	I'22 0%	0%
should con-	II'22 0%	0%
tinue to carry all risk in cash. Once the boxed beef market bottoms, futures should extend their price recovery.	III'22 0%	0%

### CASH CATTLE PRICE (\$/CWT.)



### DAILY DECEMBER LIVE CATTLE



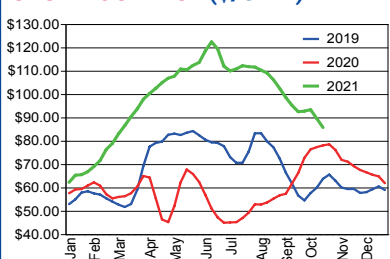
## HOGS - Fundamental Analysis

Ham prices joined most pork cuts in climbing sharply last summer, topping \$90 before suffering a late-summer dive. That strength likely reflected tight frozen stockpiles, as well as strong demand from processors looking to build those stocks ahead of the holiday season. The elevated cost probably discouraged consumer buying as well. As a result, prospects for late-year rally driven by consumer demand for holiday-dinner entrees now seem limited. This undercuts bullish hopes for the fourth-quarter market, although we still suspect pessimism about the late-year outlook is overdone.

### Position Monitor

Game Plan:	Lean Hogs
There may be more near-term downside risk, but hedges are risky given the bigger-than-normal seasonal declines winter-month futures hold to the cash index.	IV'21 0%
	I'22 0%
	II'22 0%
	III'22 0%

### CASH HOG PRICE (\$/CWT.)



### DAILY DECEMBER LEAN HOGS



## FEED

### Feed Monitor

#### Corn

IV'21	33%
I'22	0%
II'22	0%
III'22	0%

**Corn Game Plan:** Get current with advised corn-for-feed coverage. Be prepared to go hand-to-mouth on needs beyond October unless futures fall to the low-\$5.00 range.

#### Meal

IV'21	33%
I'22	0%
II'22	0%
III'22	0%

**Meal Game Plan:** Get current with advised soybean meal coverage. We'll wait on the next pullback in prices to extend coverage. Meal supplies should be plentiful as soyoil is driving crush margins.

### DAILY DECEMBER SOYBEAN MEAL

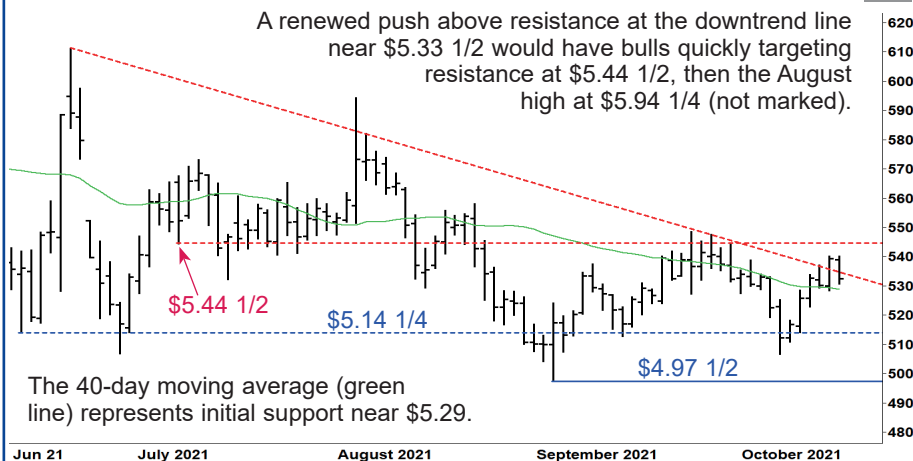


## Position Monitor

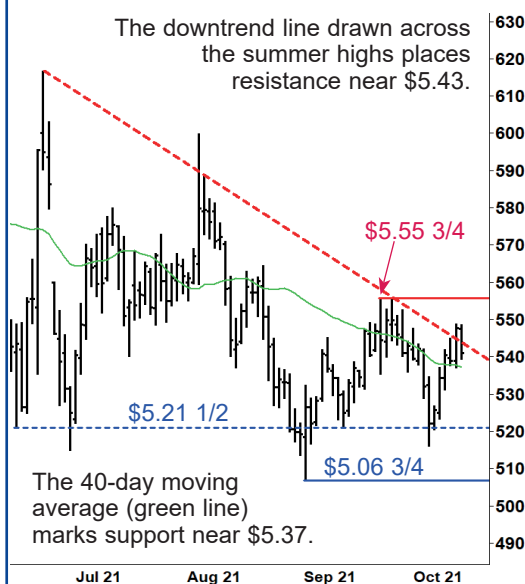
	'21 crop	'22 crop
Cash-only:	40%	0%
Hedgers (cash sales):	40%	0%
Futures/Options	10%	0%

**Game Plan:** Wait on an extended price recovery to get current with advised cash sales. Hold the 2021-crop hedges in December futures as downside protection in case there's still some seasonal pressure. Be prepared to increase 2021-crop sales if futures push into the upper half of the established \$5.00 to \$6.00 price range. While we feel a harvest low is in place, an extended price recovery would be a selling opportunity.

## DAILY DECEMBER CORN



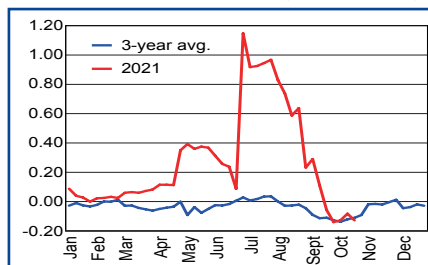
## DAILY MARCH CORN



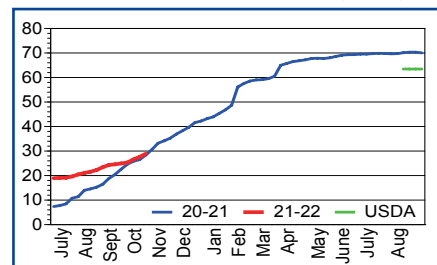
## CORN - Fundamental Analysis

December futures' rebound the past week again illustrated the resilience of the market's low-\$5.00s unofficial floor and bolstered ideas harvest lows have been posted. The market could see sideways-to-slightly-higher price action leading up to USDA's Nov. 9 Crop Production Report. But late-year rallies have historically been modest (see "From the Bullpen" on *Analysis* page 4), so gains into the upper \$5.00-range should be viewed as selling opportunities. Outside factors, such as crude oil prices and Brazil weather, could have increasing influence. But speculative money flow will likely be the primary director of prices. Funds have cut their net long positions, but are still heavily long.

### AVERAGE CORN BASIS (DECEMBER)



### CORN EXPORT BOOKINGS (MMT)

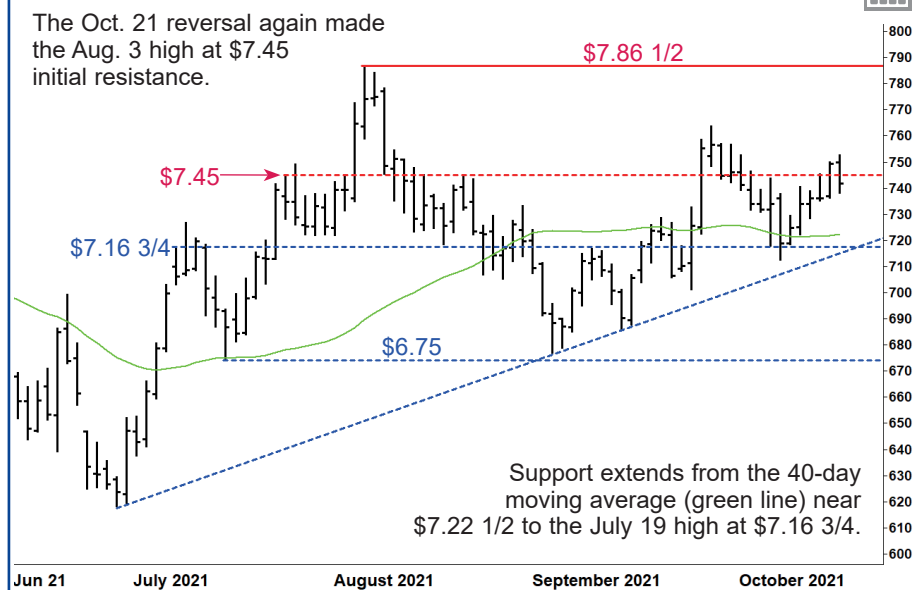


## Position Monitor

	'21 crop	'22 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

**Game Plan:** Given our sales levels, we are willing to wait on the market to signal the upside is exhausted before advancing 2021- and 2022-crop sales. Fundamentals are supportive, but demand is needed to sustain the price rally.

## DAILY DECEMBER SRW WHEAT



## WHEAT - Fundamental Analysis

**SRW** — If corn and soybean prices stabilize, SRW's bullish fundamentals would seem to portend at least a test of the October highs in coming weeks. But slow U.S. exports could limit buyer interest. Lagging planting and emergence in top SRW states could become worrisome.

## Position Monitor

	'21 crop	'22 crop
Cash-only:	50%	0%
Hedgers (cash sales):	60%	0%
Futures/Options	15%	0%

**Game Plan:** On Oct. 19, we advised hedgers to claim profits on the 10% 2021-crop hedge in November soybean futures. Our exit was \$12.32 for a 41 1/2¢ profit. We also advised hedgers to sell another 10% of 2021-crop in the cash market. We'll continue to hold the 15% hedges in January soybean futures. Any extended corrective price rebound should be used to advance cash sales (see "From the Bullpen" on [Analysis](#) page 4).

## DAILY NOVEMBER SOYBEANS



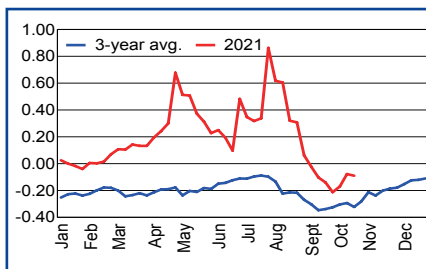
## DAILY JANUARY SOYBEANS



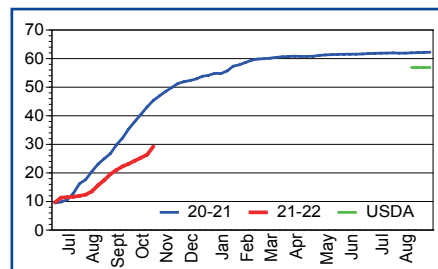
## SOYBEANS - Fundamental Analysis

Futures' recent upswing combined with a sharp jump in export business bolstered ideas the market has established a short-term low and could trade sideways-to-higher. Crude oil's ongoing climb to seven-year highs and record Malaysian palm oil prices highlight a bullish/inflationary global commodity backdrop that could add buoyancy to the soy complex. With managed money's net long in the soybean market recently shrinking to a 14-month low, it's possible speculators could reverse course and scale up bullish bets. But supplies are projected to be comfortable through 2021-22 and Brazil's growing season is off to a good start, which limits upside price potential.

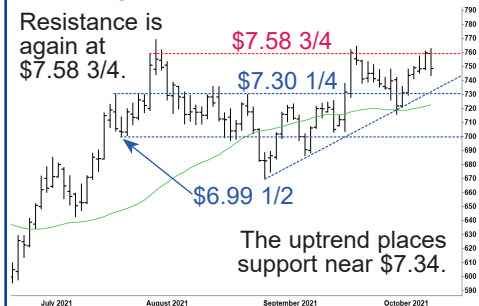
### AVERAGE SOYBEAN BASIS (NOVEMBER)



### SOYBEAN EXPORT BOOKINGS (MMT)



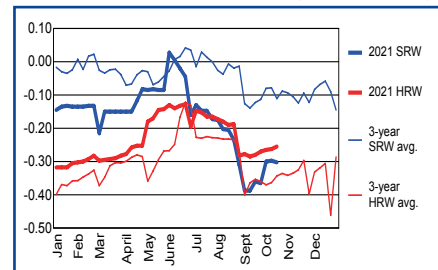
## DAILY DECEMBER HRW WHEAT



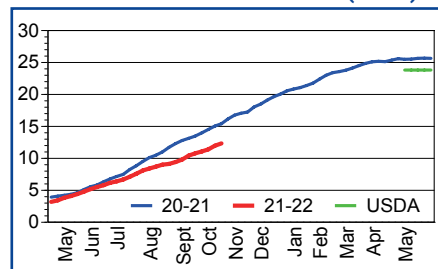
## DAILY DECEMBER HRS WHEAT



### AVERAGE WHEAT BASIS (DECEMBER)



### WHEAT EXPORT BOOKINGS (MMT)



**HRW** — Long-term forecasts for below-normal precipitation in the Southern Plains (see [News](#) page 3) bodes poorly for the winter wheat crop. A tepid export pace so far in 2021-22 hasn't deterred upward momentum. Export commitments (exports + outstanding sales) are running 20% behind year-ago levels.

**HRS** — The 2012 high of \$10.35 is within sight. An extended rally in winter wheat may be needed to provide additional fuel for fresh upside gains. Plains drought aftereffects will keep prices elevated, though the supply shortages for high-protein spring wheat will eventually be dealt with in the cash market.

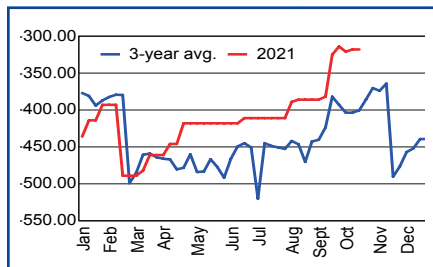


## Position Monitor

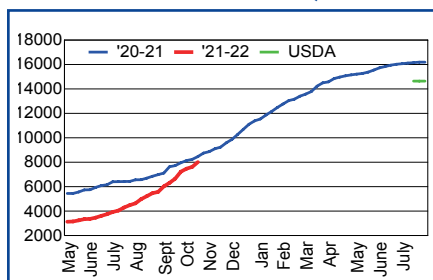
	'21 crop	'22 crop
Cash-only:	85%	30%
Hedgers (cash sales):	100%	30%
Futures/Options	0%	0%

**Game Plan:** Get current with advised 2021- and 2022-crop sales. We'll increase 2022-crop sales when the market signals a top has been posted.

## AVERAGE COTTON BASIS (DECEMBER)



## COTTON EXPORT BOOKINGS ('000 BALES)



## COTTON - Fundamental Analysis

The early-October spike in cotton prices to 10-year highs slashed export interest at that time, but the subsequent setback spurred strong sales of 391,800 bales during the week ended Oct. 14. Export demand on price pullbacks is keeping the market supported for now.

## GENERAL OUTLOOK

**METALS:** The copper market surged to record highs in May, set back through summer, and is rallying again. From a long-term technical standpoint, price action over the past 18 months looks like a huge "bull flag" formation. An upside breakout would imply another \$2.00 in upside potential. Given the current bullish atmosphere and talk of inflation, such a move seems entirely possible.

However, the financial industry

doesn't call it "Dr. Copper" for nothing, given the market's correlation with the strength of the U.S. and global economies. Thus, if recent talk of weakening economic growth due to shortages, bottlenecks and transport issues prove correct, it's more likely copper prices will turn downward.

Keep a close watch on copper as an indication of investor attitudes toward the economic situation.

## FROM THE BULLPEN By Market Analyst Bruce Blythe

It's almost taken as grain market gospel that corn and soybean futures will bottom out in October and November — the so-called harvest lows — then rally into the holidays or even the new year.

The reality is more complicated. But price patterns over the past decade do appear to back up the premise.

Over the past 10 years, nearby corn futures gained 3.2% on average from the beginning of October through the end of December, with the average price during that period rising from about 14¢ (3.2%). Soybeans rose an average of 39¢ (3.7%) in the 10-year sample.

More recently, corn and soybean futures' late-October upswing fostered beliefs that this year's harvest lows have

been established. If that's the case, history suggests the markets may have little upside left from current levels.

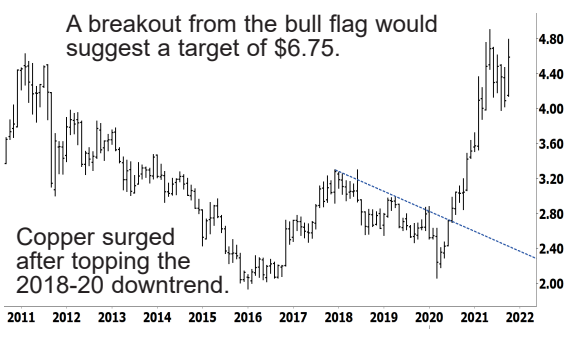
Based on the 3.2% average gain, December corn would rise a little over 16¢ from the recent low at \$5.06 3/4. But the contract has already surpassed the average gain. November soybeans dropped to a 6 1/2-month low at \$11.84 1/2 on Oct. 13. A 3.7% rally would boost the price about 44¢, to around \$12.28. But, it too had already outpaced the 10-year average last week.

Ultimately, current fundamentals rule, and those say be ready to build price protection on any further price strength, especially with USDA seeming likely to boost harvest estimates.

## DAILY DECEMBER COTTON



## MONTHLY COPPER FUTURES



## WATCH LIST

- 1 USDA Food Price Outlook** **MON 10/25**  
Food price inflation rising. 8:00 a.m. CT
- 2 USDA Crop Progress Report** **MON 10/25**  
Corn, bean harvests ahead of avg. 3:00 p.m. CT
- 3 EIA Weekly Ethanol Prod.** **WED 10/27**  
Ethanol output should rise. 9:30 a.m. CT
- 4 USDA Weekly Export Sales** **THUR 10/28**  
Soybean sales to China in focus 7:30 a.m. CT
- 5 CFTC Commitments of Traders** **FRI 10/29**  
Positions for funds, commercials. 2:30 p.m. CT

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