

Corn Marketing

Allendale, Inc is in the middle of its “Converging Volatility with Profitability” tour where we are speaking to many producers and end users. The most common question we are asked is, what should I do about old crop corn marketing? There are many factors that Allendale watches such as basis, futures and spreads.

Quarterly grain stocks as of December 1 were at 10.934 billion bushels and first quarter use was 26%. This compares to a range of 26% to 29% and five year ave of 27.2%. 10.934 billion bushels of on and off farm stocks is the largest quarterly stocks since 1982-83 when we had 10.306 billion bushels. First quarter use is perennially stronger than the rest of the year.

The industry is well aware of these large stocks also the problem of light and heavy test weight corn. Is the elevator paying you above 56 pound test weight corn? The elevator is not afraid to dock you, as a producer, for sub 56 pound test weight. We ask you, why are you utilizing the country elevator with basis, GMP, HTA or various other forward contracts?

In our travels, it has been encouraging to hear how aware you are of the principle, as futures rise, basis widens and weakens. We are near a cross roads which tells the producer to sell the cash and if you so choose, to re-own via futures and/or options.

Wheat, sorghum, and rice, as starches, compete with US corn. It should also be noted that the wheat supply is recognized as a negative to corn. Ask yourself, what is keeping you from selling 2009 cash corn? Other than the few who hedged and are earning money based on the spreads?

We have many risk management tools for you to choose from and ask you become involved with marketing 2009 and 2010 corn.

Allendale has many Midwest

meetings planned all the way through mid-March and would appreciate meeting you. Visit the website for a complete list. We also ask you to check out the link below as we conduct our annual acreage survey.

We welcome your questions and comments.....Joe Victor

Allendale Inc welcomes any questions you may have by calling 800-551-4626 or e-mail research@allendale-inc.com

[Allendale's 21st Annual Acreage Survey](#)

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