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THE GRAIN MARKETS TO KEEP
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QUARTERLY STOCKS REPORT

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The USDA has once again surprised us with another curve ball this year. It seems that the surprises continue in typical 2020 fashion, but this time it was a pleasant surprise. The big story on the corn and bean side of things is the change in total ending stocks. We saw a sharp decrease on corn, the trade estimates were 2.25 billion bushels and while the actual was 1.995 billion bushels. This was a decrease of 255 million bushels. This would put us at the lowest ending stocks on corn since 2015/2016. The decrease in soybean ending stocks was also a pleasant surprise. The average of estimates on beans was 576 million bushels, while the actual ending stocks was 523 million bushels. These two stories help explain why basis has strengthened and spreads have narrowed over the last month. This report has caused the market to have a large rally. The next couple of days could be a good time to sell some more grain because we will continue to see downward harvest pressure on the market, which may make this rally short lived. Give us a call if you have some interest in taking advantage of today's market price increase.

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