

*Bill Gary's*

# *PRICE PERCEPTIONS*

*Technical Update*

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## **Downtrend Into Harvest Ahead!**

The trade is expecting next Tuesday's crop condition report to be sharply lower for both corn and soybeans. The good/excellent rating is expected to decline as much as 4% in corn and 6% in soybeans. In addition, many private analysts will be releasing yield and production expectations for the September 12 USDA crop report. It is a forgone conclusion these estimates will be lower to sharply lower than the August USDA forecast.

However, corn harvest is accelerating quickly in southern states. Early reports from Arkansas, Mississippi and Texas indicate farmers are harvesting aggressively to cash in on price premiums for nearby shipment. In addition, yields are being reported better than expected with numerous records reported. Extremely dry weather in southern Indiana, Illinois and Missouri has pushed corn maturity ahead of schedule and yields are also being reported above expectations. In Mississippi, truck lines of three miles long were reported at some elevators as farmers push harvest to profit from premium prices offered for early delivery.

Therefore, while yield and production estimates are expected to be bullish next week, the onslaught of southern harvest will pressure nearby cash market values. **Although yield and production will fall below expectations of a few weeks ago, crops will still be large. With corn and soybean futures advancing sharply the past two weeks, it will be difficult to maintain bullish momentum as harvest picks up speed in weeks ahead. We believe fall highs were made early this week and rallies on yield and production estimates should be sold for the downtrend into harvest.**

A handwritten signature in black ink that reads "Bill Gary". The signature is written in a cursive, flowing style.

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