



What goes up, must come down, including markets

❑ With grain prices trending lower, producers must plan decisively for the future

We have certainly been through some strange weather patterns lately.

Two years of summer drought were followed by a severe winter and an up and down spring. It remained cooler than normal throughout most of the growing season, especially in July, when temperatures in Nebraska were almost four degrees below normal.

It reminds me of the 1970s all over again. Back then, we had some cold winters, with the three-year stretch of 1975 through 1978 being the coldest I can remember. We also had some cold summers back then ... well below average, for sure.

People were up in arms about the cold weather and they were certain we were heading toward another Ice Age. They were probably the same type of people as those who are now talking about global warming. Or is it called climate change these days?

Something else reminds me of the '70s. We had extremely volatile markets back then. The Great Grain Robbery conducted by the Russians in 1972 – made possible by a cheap dollar – left us with very little wheat and corn in the U.S.

That was followed by three years of poor harvests, which drove commodity prices through the roof. Corn rose to \$5 or \$6 a bushel and soybeans were



NCP file photo

'ROUND AND 'ROUND: Grain prices, like the weather, tend to move in cycles and things are currently trending down, requiring patience and planning by producers.

Cliff's Notes

By Cliff Meeuwse

driven to \$9 or \$10 a bushel, three times what they normally were.

Think of this, there was no ethanol to blame back then. Just poor harvests and big export demand. Percentage-wise, it was a bigger increase than we witnessed the last few years, when we had corn at \$8 and beans at \$17. The high prices of the '70s were followed by the crash of the 1980s. I remember paying \$1.60 for corn following a couple of good harvests and a stronger dollar.

Just like 40 years ago, the high prices of just a few years ago are long gone.

See **CLIFF**, Page 4

In This Issue

STORAGE WARS



Bumper corn crop makes bin space vital. See Page 2

SHORT SUPPLY



WDGS supply is mostly spoken for until spring. See Page 4