



Fundamental Analysis - Reference Guide

Objectives:

- A. Define and discuss the components of Fundamental Analysis.
- B. Use the Chicago Board of Trade weather booklets to discuss the impact weather has on the price of grain.
- C. Discuss government programs and what effect they have on the price of a given commodity.
- D. Discuss the importance of various USDA and Board of Trade reports and how they can impact the price of a commodity.
- E. Identify five reports that have the most impact on the price of grain grown in your area.
- F. Discuss the use of USDA and weather reports when implementing your marketing plan.

Page 1 **Fundamental Analysis - Overview, Weather**

- A. Define Fundamental Analysis and its components.
- B. Identify, in a group exercise, the fundamental factors that have the most impact on the price of grain.
- C. Order weather booklets from the Chicago Board of Trade for the crops grown in your area. Discuss the impact of weather on price.

Page 2 **Acreage Reports & Government Programs**

- A. Identify the three major acreage reports and discuss the impact that each report has on the price of grain.
- B. Discuss the marketing loan program & LDP's and how they impact the price of grain.

Page 3 **EEP and Daily USDA & Board of Trade Reports**

- A. Discuss the importance of the Export Enhancement Program, current funding and the impact the program has on prices.
- B. Identify and discuss the importance of Volume and Open Interest, Receipt and Shipments, and National Average Cash price reports.

Page 4 **Weekly Reports**

- A. Discuss the timing and importance of the Export Inspection, Weekly Weather, Deliverable Stocks, and Loan Entries Reports.



Page 5 Weekly Reports and Monthly Supply/Demand Reports

- A. Discuss the importance and timing of the National Oil Processing Association (NOPA) and Export Sales Reports.
- B. Define and discuss the timing and components of the Monthly Supply and demand reports and their impact on price.

Page 6 Monthly Reports, where to find reports & group exercise

- A. Discuss the timing and importance of the Quarterly Grain Stocks, World Agricultural Supply and Demand Estimates and Crop Production reports, and their impact on price
- B. Identify where you can obtain the reports discussed in this module.

Page 7 & 8 USDA/NASS Crop Progress/Conditions Timetables

- A. Discuss the timing of release dates of the Crop Progress/Conditions reports and how they can impact the price of grain.

Page 9 & 10 Terms & Definitions - Crop progress/Crop Weather

- A. Identify and discuss the terms and definitions used in the Crop Progress/Conditions reports.