Trading in Corn Futures

by Bonita Blair

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Corn is one of the most important grain crops in the world. Corn is a staple in the diets of people throughout the world and it is also used to feed many different species of animals. Corn prices have risen greatly in the past decade for two major reasons. As China has continued to grow strongly, the diet of the average person has become richer. The demand for pork has especially increased significantly. This has indirectly increased demand for corn as the grain is used as animal feed. Another major reason behind rising corn prices is the increasing use of biofuels. In 2011, 40% of the United States corn crop was used to make fuel, topping the amount used in animal feed for the first time ever.

According to a report by United States Department of Agriculture (USDA), inventories of corn in the United States, which is the worldâ€™s top producer of corn, may total 846 million bushels before this yearâ€™s harvest. This is 12% more than analysts originally estimated.

These futures are traded on the Chicago Board of Trade (CBOT). The ticker symbol for futures of corn on CBOT is C. For electronic trading, the ticker symbol is ZC. The size of this futures contract is 5,000 bushels. The deliverable grades are No. 2 yellow at par, No. 1 yellow at 1.5 cents per bushel over contract price, and No. 3 yellow at 1.5 cents per bushel under contract price.

The contract months for corn futures are March, May, July, September, and December. The daily price limit for these futures on CBOT is $1,000 per contract above or below the previous dayâ€™s settlement price.

With the help of Barchart, traders can play the corn futures market. Barchart offers Futures News/Commentary to members.

Barchart offers news from the USDA, which includes daily feed prices, grain reports, and more. Barchart also offers InsideFutures Commentary, leading market research, commentary and analysis from industry firms and trading experts. Traders can use InsideFutures Commentary to not only gain insight into the corn market, but also other futures markets.

Traders can also find the best futures to buy with the help of Barchartâ€™s Futures Performance Leaders page. The Futures Performance Leaders page includes commodities contracts with the highest and lowest percent change. The page helps traders identify the commodities with the most price movement from the close of the market the previous day and spot emerging trends.

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Ryan Harris is interested in the stock market, and he loves to go to barchart.com to get the latest info on futures charts. Get the latest info on a futures quotes, feel free to visit the website.

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