

Document 1687

[21687001]

The prices of corn futures contracts jumped amid rumors that the Soviet Union is keeping up its dizzying October buying binge of U.S. corn .

[21687002]

Those rumors were confirmed after the end of trading yesterday when the U.S. Agriculture Department announced that the Soviets had bought 1.2 million metric tons of U.S. corn , bringing their U.S. corn purchases confirmed so far this month to about five million metric tons .

[21687003]

In trading at the Chicago Board of Trade , the corn contract for December delivery jumped 5.75 cents a bushel to settle at \$ 2.44 a bushel .

[21687005]

That pace is causing some analysts to speculate that the Soviet Union might soon purchase as much as another two million metric tons .

[21687006]

One sign that more Soviet purchases are possible is that U.S. grain companies yesterday bought an unusually large amount of corn futures contracts .

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That sometimes signals that they are laying plans to export corn .

[21687008]

By some estimates , several grain companies combined bought contracts for the possession of roughly one million metric tons of corn .

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By buying futures contracts , these companies attempt to protect themselves from swings in the price of the corn that they are obligated to deliver .

[21687010]

Rumors of Soviet interest also pushed up the prices of soybean futures contracts .

[21687012]

On top of all this , corn and soybean prices rose on reports that the Midwest harvest was disrupted by a freakishly early snow storm that dumped several inches in parts of Indiana and Ohio .

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The harvest delays , however , are expected to be temporary .

[21687014]

Balmy temperatures are forecast for next week , said Robert Lekberg , an analyst at Farmers Grain & Livestock Corp. , Chicago .

[21687015]

Many farmers used the jump in prices to sell their recently harvested crop to grain elevator companies .

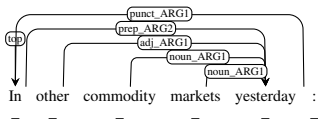
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The heavy selling by farmers helped to damp the price rally .

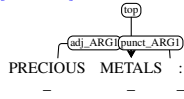
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Wheat futures prices rose slightly .

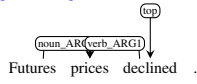
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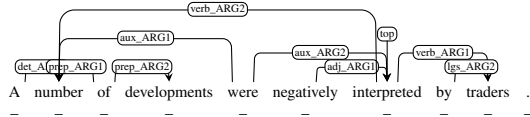
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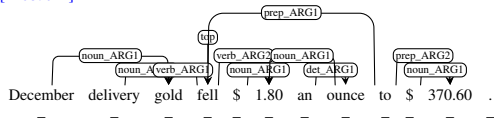
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