



**Corn Basis Information By Tennessee  
Crop Reporting District  
1994-2003**

**Delton C. Gerloff, Professor  
The University of Tennessee Agricultural Extension Service**

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Basis estimates are an important component of marketing decisions. Bases can change from day to day, and by location. Local Tennessee cash and Chicago Futures corn prices were collected for the years 1994-2003. Local prices from the Tennessee Department of Agriculture (TDA) Market News service were collected for 6 Tennessee reporting districts, including Memphis, Northwest Barge Points, Northwest, Southwest, Upper Middle, and Lower Middle Tennessee. Where there was more than one buying point in a district, the midpoint of the range of offered cash prices in that district was used as the local price. Prices were collected on the 1<sup>st</sup>, 11<sup>th</sup>, and 21<sup>st</sup> of each month. Where weekends, holidays, or other instances required, the nearest date was used to collect prices.

The basis is reported as the local cash price minus the nearby Chicago futures price. For example, the January corn basis is calculated by subtracting the nearby Chicago futures contract price (March, for corn) from the local cash price. For each date in the study, the average basis for the 10 years was calculated, along with the high and low basis over the time period.

These tables can be used to estimate net returns from hedging using the futures market or the underlying option market, under different market prices. For examples of using basis information to make marketing decisions, see the companion publication [PB 1736](#), "The Importance of Basis in Marketing Soybeans."

Table 1 lists the basis information for Memphis. For example, the January 1 information has an average basis of \$0.10 per bushel, a high of \$0.16 per bushel, and a low of -\$0.03 per bushel. So on the average, prices in Memphis were 10 cents higher than the Chicago futures price on trading days near January 1 for the time period of 1994-2003. During harvest months, the basis was weaker compared to January 1. For example, the average basis was -\$0.05 per bushel on October 11 over the same time period.

One year appears to have affected the high/low basis ranges relative to others. In late July/early August 1996, corn prices were very volatile as the old crop cash and futures markets rolled over to the new crop that year. Wide price swings were witnessed that year and show up in most of the tables, with some bases as high as \$1.00 per bushel. But the bases were included in the study for historical accuracy.

Table 1. Average, High and Low Corn Basis on Selected Days for Memphis, Tennessee: 1994-2003, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	0.10	0.16	-0.03	Jul 1	-0.01	0.12	-0.24
Jan 11	0.09	0.16	0.01	Jul 11	-0.01	0.12	-0.08
Jan 21	0.08	0.17	0.01	Jul 21	-0.08	0.13	-0.71
Feb 1	0.10	0.22	0.02	Aug 1	0.03	0.61	-0.20
Feb 11	0.10	0.21	0.05	Aug 11	0.10	1.03	-0.14
Feb 21	0.09	0.18	0.04	Aug 21	0.04	0.80	-0.22
Mar 1	0.10	0.24	0.04	Sep 1	-0.04	0.15	-0.22
Mar 11	0.09	0.20	0.00	Sep 11	-0.07	0.06	-0.22
Mar 21	0.05	0.20	-0.04	Sep 21	-0.07	0.19	-0.22
April 1	0.04	0.18	-0.04	Oct 1	-0.07	0.17	-0.24
April 11	0.04	0.12	-0.02	Oct 11	-0.05	0.24	-0.25
April 21	0.03	0.11	-0.04	Oct 21	-0.01	0.17	-0.12
May 1	0.02	0.12	-0.06	Nov 1	0.04	0.10	-0.08
May 11	0.02	0.12	-0.07	Nov 11	0.09	0.17	-0.02
May 21	0.01	0.19	-0.08	Nov 21	0.10	0.20	0.01
Jun 1	0.02	0.17	-0.07	Dec 1	0.10	0.20	0.04
Jun 11	0.02	0.17	-0.11	Dec 11	0.12	0.18	0.02
Jun 21	0.02	0.14	-0.08	Dec 21	0.08	0.14	0.02

Table 2. Average, High and Low Corn Basis on Selected Days for NW Barge Points Tennessee: 1994-2003, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	0.06	0.09	-0.01	Jul 1	-0.03	0.10	-0.15
Jan 11	0.05	0.11	-0.07	Jul 11	-0.04	0.06	-0.15
Jan 21	0.05	0.14	-0.04	Jul 21	-0.09	0.14	-0.25
Feb 1	0.04	0.16	-0.03	Aug 1	-0.10	0.10	-0.24
Feb 11	0.06	0.22	-0.03	Aug 11	-0.09	0.01	-0.23
Feb 21	0.06	0.11	-0.03	Aug 21	-0.10	0.02	-0.29
Mar 1	0.08	0.13	0.04	Sep 1	-0.11	0.02	-0.30
Mar 11	0.06	0.10	0.00	Sep 11	-0.11	0.02	-0.29
Mar 21	0.00	0.09	-0.13	Sep 21	-0.13	0.12	-0.28
April 1	0.00	0.07	-0.11	Oct 1	-0.13	0.10	-0.33
April 11	0.01	0.09	-0.06	Oct 11	-0.12	0.13	-0.29
April 21	0.00	0.09	-0.05	Oct 21	-0.10	0.00	-0.20
May 1	0.00	0.08	-0.07	Nov 1	-0.06	0.04	-0.16
May 11	-0.01	0.09	-0.11	Nov 11	0.02	0.06	-0.09
May 21	-0.03	0.09	-0.09	Nov 21	0.01	0.11	-0.07
Jun 1	-0.02	0.09	-0.10	Dec 1	0.04	0.09	-0.03
Jun 11	-0.03	0.12	-0.19	Dec 11	0.05	0.10	-0.01
Jun 21	-0.03	0.13	-0.17	Dec 21	0.06	0.08	0.04

Table 3. Average, High and Low Corn Basis on Selected Days for Northwest Tennessee: 1994-2003, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	-0.02	0.08	-0.11	Jul 1	-0.08	0.03	-0.23
Jan 11	-0.02	0.07	-0.13	Jul 11	-0.08	0.04	-0.16
Jan 21	-0.05	0.04	-0.16	Jul 21	-0.12	0.10	-0.29
Feb 1	-0.04	0.07	-0.14	Aug 1	-0.02	0.95	-0.26
Feb 11	-0.02	0.09	-0.14	Aug 11	-0.04	0.85	-0.31
Feb 21	-0.01	0.08	-0.07	Aug 21	-0.16	-0.04	-0.33
Mar 1	-0.01	0.08	-0.06	Sep 1	-0.18	-0.01	-0.38
Mar 11	-0.03	0.04	-0.10	Sep 11	-0.21	-0.08	-0.38
Mar 21	-0.05	0.12	-0.19	Sep 21	-0.21	0.01	-0.39
April 1	-0.05	0.03	-0.18	Oct 1	-0.22	0.02	-0.44
April 11	-0.05	0.02	-0.12	Oct 11	-0.19	0.05	-0.34
April 21	-0.05	0.04	-0.16	Oct 21	-0.16	0.01	-0.27
May 1	-0.07	0.01	-0.16	Nov 1	-0.11	0.03	-0.19
May 11	-0.07	0.01	-0.15	Nov 11	-0.08	0.00	-0.15
May 21	-0.08	0.04	-0.21	Nov 21	-0.06	0.01	-0.15
Jun 1	-0.08	0.02	-0.21	Dec 1	-0.02	0.02	-0.11
Jun 11	-0.08	0.02	-0.19	Dec 11	-0.02	0.03	-0.11
Jun 21	-0.07	0.02	-0.17	Dec 21	-0.01	0.05	-0.04

Table 4. Average, High and Low Corn Basis on Selected Days for Southwest Tennessee: 1994-2000<sup>1</sup>, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	-0.09	0.00	-0.20	Jul 1	-0.08	0.03	-0.21
Jan 11	-0.10	0.00	-0.18	Jul 11	-0.07	0.06	-0.18
Jan 21	-0.10	0.00	-0.18	Jul 21	-0.03	0.17	-0.19
Feb 1	-0.06	0.07	-0.13	Aug 1	-0.04	0.06	-0.20
Feb 11	-0.03	0.06	-0.11	Aug 11	-0.11	0.03	-0.30
Feb 21	-0.04	0.08	-0.14	Aug 21	0.02	0.74	-0.30
Mar 1	-0.02	0.07	-0.11	Sep 1	-0.20	-0.09	-0.38
Mar 11	-0.04	0.08	-0.13	Sep 11	-0.27	-0.15	-0.41
Mar 21	-0.05	0.13	-0.17	Sep 21	-0.22	-0.02	-0.45
April 1	-0.07	0.01	-0.16	Oct 1	-0.26	-0.06	-0.50
April 11	-0.05	0.07	-0.15	Oct 11	-0.21	-0.05	-0.44
April 21	-0.04	0.01	-0.15	Oct 21	-0.21	-0.08	-0.38
May 1	-0.03	0.06	-0.15	Nov 1	-0.18	-0.09	-0.27
May 11	0.01	0.17	-0.07	Nov 11	-0.21	-0.10	-0.39
May 21	-0.11	0.00	-0.21	Nov 21	-0.18	-0.10	-0.27
Jun 1	-0.11	0.00	-0.21	Dec 1	-0.17	-0.10	-0.26
Jun 11	-0.07	0.00	-0.21	Dec 11	-0.15	0.01	-0.40
Jun 21	-0.08	0.03	-0.18	Dec 21	-	-	-

<sup>1</sup> TDA did not report corn prices from SW Tennessee after 2000.

Table 5. Average, High and Low Corn Basis on Selected Days for Upper Middle Tennessee: 1994-2003, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	0.02	0.11	-0.05	Jul 1	-0.04	0.06	-0.26
Jan 11	0.01	0.09	-0.10	Jul 11	-0.07	0.02	-0.23
Jan 21	0.02	0.12	-0.09	Jul 21	-0.11	0.08	-0.56
Feb 1	0.03	0.10	-0.08	Aug 1	0.00	0.70	-0.25
Feb 11	0.03	0.13	-0.05	Aug 11	-0.02	0.65	-0.23
Feb 21	0.03	0.13	-0.11	Aug 21	-0.04	0.55	-0.27
Mar 1	0.05	0.10	-0.01	Sep 1	-0.10	0.10	-0.28
Mar 11	0.02	0.08	-0.04	Sep 11	-0.15	-0.03	-0.27
Mar 21	0.01	0.13	-0.16	Sep 21	-0.16	0.09	-0.34
April 1	0.00	0.12	-0.14	Oct 1	-0.17	0.09	-0.32
April 11	0.00	0.08	-0.10	Oct 11	-0.15	0.09	-0.29
April 21	-0.01	0.08	-0.10	Oct 21	-0.12	0.08	-0.19
May 1	-0.01	0.06	-0.10	Nov 1	-0.07	0.09	-0.18
May 11	-0.02	0.05	-0.10	Nov 11	-0.04	0.02	-0.16
May 21	-0.02	0.13	-0.07	Nov 21	-0.02	0.08	-0.09
Jun 1	-0.02	0.13	-0.07	Dec 1	0.00	0.03	-0.06
Jun 11	-0.02	0.13	-0.16	Dec 11	0.01	0.06	-0.04
Jun 21	-0.02	0.09	-0.16	Dec 21	0.00	0.04	-0.03

Table 6. Average, High and Low Corn Basis on Selected Days for Lower Middle Tennessee: 1994-2003, \$/bu.

Date	Average	High	Low	Date	Average	High	Low
Jan 1	0.15	0.26	0.05	Jul 1	0.10	0.21	-0.22
Jan 11	0.18	0.28	0.05	Jul 11	0.08	0.18	-0.03
Jan 21	0.17	0.26	0.02	Jul 21	0.05	0.28	-0.20
Feb 1	0.17	0.26	0.02	Aug 1	0.15	0.81	-0.08
Feb 11	0.17	0.25	0.03	Aug 11	0.09	0.70	-0.12
Feb 21	0.15	0.25	-0.07	Aug 21	0.05	0.52	-0.15
Mar 1	0.16	0.25	0.02	Sep 1	0.00	0.25	-0.16
Mar 11	0.15	0.23	0.06	Sep 11	-0.06	0.10	-0.14
Mar 21	0.13	0.30	-0.07	Sep 21	-0.08	0.15	-0.21
April 1	0.12	0.25	-0.07	Oct 1	-0.10	0.30	-0.23
April 11	0.12	0.25	-0.07	Oct 11	-0.06	0.25	-0.20
April 21	0.10	0.25	-0.07	Oct 21	-0.03	0.25	-0.18
May 1	0.10	0.22	-0.07	Nov 1	0.00	0.20	-0.15
May 11	0.08	0.21	-0.09	Nov 11	0.07	0.20	-0.03
May 21	0.10	0.25	-0.05	Nov 21	0.08	0.26	-0.03
Jun 1	0.10	0.25	-0.05	Dec 1	0.12	0.25	0.00
Jun 11	0.11	0.25	-0.05	Dec 11	0.14	0.27	-0.01
Jun 21	0.10	0.20	-0.04	Dec 21	0.11	0.26	-0.01