

## **Corn prices jump near \$8 on fears of reduced crop** (Associated Press, NY)

Corn prices reached another record Monday, closing in on \$8 a bushel, as devastating Midwest floods raised fears of a sharply smaller U.S. corn crop and another spike in world food prices.

Other commodities traded mostly higher, with gold, silver, copper and wheat futures all climbing. Crude oil surged to a record near \$140 a barrel and then fell in volatile trading.

Corn prices have shot up 11 percent in the last week as floodwaters continue to ravage the Midwest, swallowing corn fields just before the crucial growing season. The U.S. government will report June 30 on how many acres have been lost to flooding, but a survey in Farm Futures magazine estimated that flooding could claim 3.3 million acres -- or nearly 4 percent of the expected crop.

"We're not going to have a bumper crop this year because of all these losses," said Vic Lespinasse, a grains trader and analyst for Grainanalyst.com.

Corn futures for July delivery jumped to an all-time high of \$7.60 a bushel on the Chicago Board of Trade before falling back to settle at \$7.325 a bushel, up 0.75 cent. Prices for the corn in the ground now surged even higher. Corn for December delivery hit a record \$7.91 a bushel before easing back to settle flat at \$7.65 a bushel. It was corn's eighth consecutive day of trading records.

Forecasts showed drier weather for parts of the Midwest later this week, but that offered little solace to farmers whose corn crop has already been destroyed. With the key July growing period approaching, experts say it's probably too late for farmers to replant.

Corn prices have almost doubled in the past year amid rocketing demand to feed livestock and make biofuel. Record-high oil prices and a weak dollar have also boosted prices.

"It certainly doesn't suggest any relief is in sight as far as high food prices," Lespinasse said of corn's rise. "If the weather improves, prices could moderate somewhat. But right now you have to assume the worst, and that is that prices are going to go higher from here."

The floods have also inundated soybean fields, pushing prices near all-time highs. Soybeans for July delivery jumped as high as \$15.93 a bushel Monday on the CBOT -- just shy of the record \$15.96 a bushel -- before dropping back in volatile trading to settle at \$15.34, down 26 cents.

Wheat for July delivery, meanwhile, gained 5.5 cents to settle at \$8.765 a bushel on the CBOT.

In energy futures, crude oil rose to a record near \$140 on Monday as investors appeared to ignore Saudi Arabia's promise to increase production and focus instead on a weaker dollar. Later, in volatile afternoon trading, light, sweet crude for July delivery fell 25 cents to settle at \$134.61 a barrel on the New York Mercantile Exchange.

Other energy futures traded mixed. July gasoline futures fell 2.47 cents to settle at \$3.4379 a gallon, while July heating oil futures fell 0.94 cent to settle at \$3.8274 a gallon.

In precious metals, gold futures edged higher as the weaker dollar prompted investors to buy hard assets as a hedge against inflation.

Gold for August delivery rose \$13.20 to settle at \$886.30 an ounce on the Nymex, after earlier rising as high \$897.30 an ounce.

Other precious metals also traded higher. July silver added 67.2 cents to settle at \$17.232 an ounce on the Nymex, while July copper rose 7.65 cents to settle at \$3.6655 a pound.