

ELEC. CORN (@C) [10]					ELEC. SOYBEANS (@S) [10]					ELEC. WHEAT (@W) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-19	359'2	-0'4	359'6	357'4	Sep-19	849'0	5'6	849'6	842'0	Sep-19	475'2	0'0	475'4	472'2
Dec-19	369'0	1'2	369'0	366'2	Nov-19	861'2	4'6	862'6	855'0	Dec-19	477'0	-0'6	477'4	474'6
Mar-20	381'2	1'2	381'4	379'0	Jan-20	876'0	4'6	877'4	869'4	Mar-20	482'2	-1'2	482'2	480'6
May-20	389'6	1'2	389'6	387'2	Mar-20	890'0	4'6	891'2	883'4	May-20	486'2	-0'4	486'4	484'4
Jul-20	396'2	1'0	396'6	394'2	May-20	902'4	5'2	902'6	895'6	Jul-20	489'2	-1'2	489'2	488'4
Sep-20	399'4	0'4	399'4	398'4	Jul-20	914'0	5'6	914'0	908'2	Sep-20	498'2s	4'4	498'4	488'6
Dec-20	404'4	0'2	405'0	403'6	Aug-20	912'6s	-8'4	---	---	Dec-20	509'0	-1'0	509'0	509'0
Mar-21	414'6	0'4	414'6	414'6	Sep-20	916'2s	-7'0	925'2	916'2	Mar-21	519'2s	4'2	515'2	515'2
ELECTRONIC OATS (@O) [10]					ELECTRONIC SOYBEAN MEAL (@SM) [10]					ELECTRONIC SOYBEAN OIL (@BO) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-19	264'6s	-0'4	265'0	261'2	Sep-19	291.3	1.4	291.4	289.3	Sep-19	28.44	0.10	28.48	28.31
Dec-19	269'0	2'0	269'0	266'4	Oct-19	293.2	1.4	293.3	291.3	Oct-19	28.54	0.09	28.60	28.43
Mar-20	271'2s	0'4	270'2	268'6	Dec-19	296.9	1.5	297.0	295.0	Dec-19	28.79	0.09	28.85	28.66
May-20	271'0s	0'4	---	---	Jan-20	298.5	1.6	298.5	296.5	Jan-20	29.01	0.08	29.06	28.92
Jul-20	273'0s	0'6	---	---	Mar-20	301.5	1.5	301.5	299.5	Mar-20	29.30	0.10	29.34	29.17
Sep-20	276'2s	1'0	---	---	May-20	305.0	1.6	305.0	303.0	May-20	29.60	0.10	29.61	29.48
Dec-20	276'2s	1'0	---	---	Jul-20	307.2	0.0	307.2	307.2	Jul-20	29.86	0.06	29.86	29.80
Mar-21	276'2s	1'0	---	---	Aug-20	310.3	1.3	310.3	309.3	Aug-20	29.94s	-0.14	29.89	29.80
ELECTRONIC ROUGH RICE (@RR) [10]					ELEC. HRW WHEAT (@KW) [10]					ELEC. HRS WHEAT (@MW) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-19	10.945	-0.035	10.945	10.945	Sep-19	390'0	-1'4	391'0	388'2	Sep-19	497'0	-1'6	497'4	497'0
Nov-19	11.235	-0.045	11.265	11.225	Dec-19	403'2	-1'4	403'6	401'2	Dec-19	513'0	-1'4	513'6	513'0
Jan-20	11.495s	0.105	11.430	11.410	Mar-20	417'2	-2'6	418'0	417'2	Mar-20	525'4	-2'0	526'2	525'0
Mar-20	11.670s	0.105	---	---	May-20	428'0	-3'0	428'4	428'0	May-20	535'0	-2'2	535'0	535'0
May-20	11.770s	0.105	---	---	Jul-20	438'4	-2'2	438'6	438'2	Jul-20	547'2s	1'4	546'6	544'4
Jul-20	11.770s	0.105	---	---	ELECTRONIC CANOLA (@RS) [10]					Sep-20	557'0s	1'2	557'4	554'2
Sep-20	11.675s	0.105	---	---	Month	Last	Chg	High	Low	ELECTRONIC MILLING WHEAT (@WA) [0]				
ELECTRONIC BARLEY (@BW) [0]					Nov-19	451.0	1.1	451.8	449.8	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jan-20	459.6	1.9	459.6	458.0					
					Mar-20	466.9	2.0	466.9	466.6					
					May-20	473.1	2.1	473.1	472.8					
					Jul-20	479.3	2.2	479.3	479.0					
ELECTRONIC DURUM WHEAT (@DW) [0]					Month	Last	Chg	High	Low					
Month	Last	Chg	High	Low										

Quotes generated on: Sun, Aug 25, 2019 9:47 PM CDT \*Quotes are in market time

# LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergsten 218-686-5448 / Josh Tjosas 299-5863-Instructors

Date:	8/25/2019 9:40 p.m.				8/19/2019 8:22 a.m.				8/12/2019 8:16 a.m.				8/5/2019 9:26 a.m.			
WHEAT:	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2018 Crop	2018 Crop	2018 Crop	2018 Crop	2018 Crop	2018 Crop	2018 Crop	2018 Crop
	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del
Georgetown	4.37	4.37	4.37	4.37	4.52	4.51	4.52	4.52					4.67	4.67	4.67	4.67
Barnesville	4.33	4.33	4.33	4.53					4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64
Protein	+0.03*1/5	+0.03*1/5	+0.03*1/5						+0.03*1/5	+0.03*1/5	+0.03*1/5	+0.03*1/5	+0.03*1/5	+0.03*1/5	+0.03*1/5	
GFE	-0.06*1/5	-0.06*1/5	-0.06*1/5						-0.06*1/5	-0.06*1/5	-0.06*1/5	-0.06*1/5	-0.06*1/5	-0.06*1/5	-0.06*1/5	
Basis:Gtwn	-0.60	-0.60	-0.60										-0.54	-0.54	-0.54	-0.54
Breck	-0.65	-0.65	-0.65	-0.55	-0.65	-0.65	-0.65	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
Felton-Dec	-0.74	-0.74	-0.74	-0.74	-0.72	-0.72	-0.72	-0.72	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57
Barnesville	-0.64	-0.64	-0.64	-0.60	-0.55	-0.55	-0.55	-0.66	-0.55	-0.55	-0.55	-0.66	-0.57	-0.57	-0.57	-0.57
SOYBEANS:	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del	Nov 19-Aug Del
Georgetown	7.18	7.18	7.18	7.18	7.33	7.33	7.33	7.33	7.58	7.58	7.58	7.58	7.33	7.33	7.33	7.33
Barnesville	7.34	7.34	7.34	7.34	7.47	7.47	7.47	7.47	7.61	7.61	7.61	7.61	7.41	7.41	7.41	7.41
Basis: Gtwn	-1.43	-1.43	-1.43	-1.43	-1.39	-1.39	-1.39	-1.39	-1.28	-1.28	-1.28	-1.28	-1.28	-1.28	-1.28	-1.28
Breck	-1.20	-1.20	-1.20	-1.15	-1.20	-1.20	-1.20	-1.15	-1.20	-1.20	-1.20	-1.15	-1.20	-1.15	-1.15	-1.15
Felton	-1.47	-1.47	-1.47	-1.47	-1.47	-1.47	-1.47	-1.47	-1.37	-1.37	-1.37	-1.37	-1.17	-1.17	-1.17	-1.07
Bville	-1.27	-1.27	-1.27	-1.27	-1.25	-1.25	-1.25	-1.25	-1.25	-1.25	-1.25	-1.25	-1.20	-1.20	-1.20	-1.20
CORN:	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-Aug Del
Georgetown	2.99	2.99	2.99	3.02	3.04	3.04	3.04	3.07	3.51	3.51	3.51	3.46	3.43	3.43	3.43	3.40
Cargill	2.34	2.34	2.39	3.34	3.40	3.40	3.45	3.39	3.81	3.81	3.86	3.78	3.78	3.78	3.78	3.72
Basis-Gtwn	-0.60	-0.60	-0.60	-0.67	-0.60	-0.60	-0.60	-0.67	-0.55	-0.55	-0.55	-0.67	-0.55	-0.55	-0.55	-0.67
Cargill	-0.25	-0.25	-0.20	-0.35	-0.25	-0.25	-0.20	-0.35	-0.25	-0.25	-0.20	-0.35	-0.20	-0.20	-0.20	-0.35
Felton	-0.87	-0.87	-0.87	-0.87	-0.87	-0.87	-0.87	-0.87	-0.77	-0.77	-0.77	-0.77	-0.72	-0.72	-0.72	-0.72
Barnesville	-0.50	-0.50	-0.50	-0.58	-0.50	-0.50	-0.50	-0.57	-0.50	-0.50	-0.50	-0.57	-0.50	-0.50	-0.50	-0.57

Commodity Int. Rate: 3.000% Aug 1, 2019 Farm Storage Loans

Loan Rates

	2019	2019	2019
Crop	Clay	Norman	Wilkin
Wheat	4.11	4.10	4.12
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
1.750%	3 years	2.000%	10 years
1.750%	5 years	2.125%	12 years
1.875%	7 years		





Corn Quotes		12/28/2018	Spread		2/21/2019	Spread		3/5/2019	Spread		3/7/2019	Spread
	Dec-19	3.974		Dec-19	4.016		Dec-19	3.972		Dec-19	3.89	
	Mar-20	4.066	0.092	Mar-20	4.116	0.1	Mar-20	4.082	0.11	Mar-20	4.002	0.112
	May-20	4.12	0.146	May-20	4.174	0.158	May-20	4.134	0.162	May-20	4.054	0.164
	Jul-20	4.164	0.19	Jul-20	4.22	0.204	Jul-20	4.17	0.198	Jul-20	4.092	0.202
		3/15/2019			3/25/2019			3/26/2019			3/28/2019	
	Dec-19	3.946	Spread	Dec-19	4.016	Spread	Dec-19	3.994	Spread	Dec-19	3.982	Spread
	Mar-20	4.056	0.11	Mar-20	4.116	0.1	Mar-20	4.094	0.1	Mar-20	4.084	0.102
	May-20	4.104	0.158	May-20	4.166	0.15	May-20	4.144	0.15	May-20	4.134	0.152
	Jul-20	4.134	0.188	Jul-20	4.192	0.176	Jul-20	4.17	0.176	Jul-20	4.164	0.182
		4/18/2019	Spread		5/1/2019	Spread		5/8/2019	Spread		5/10/2019	Spread
	Dec-19	3.86		Dec-19	3.85		Dec-19	3.834		Dec-19	3.72	
	Mar-20	4.002	0.142	Mar-20	3.99	0.14	Mar-20	3.962	0.128	Mar-20	3.862	0.142
	May-20	4.082	0.222	May-20	4.07	0.22	May-20	4.034	0.2	May-20	3.96	0.24
	Jul-20	4.142	0.282	Jul-20	4.134	0.284	Jul-20	4.102	0.268	Jul-20	4.046	0.326
		5/19/2019	Spread		6/5/2019	Spread		6/19/2019	Spread		6/26/2019	Spread
	Dec-19	4.032		Dec-19	4.372		Dec-19	4.532		Dec-19	4.544	
	Mar-20	4.122	0.09	Mar-20	4.456	0.084	Mar-20	4.586	0.054	Mar-20	4.594	0.05
	May-20	4.172	0.14	May-20	4.49	0.118	May-20	4.602	0.07	May-20	4.61	0.066
	Jul-20	4.22	0.188	Jul-20	4.51	0.138	Jul-20	4.61	0.078	Jul-20	4.616	0.072
		7/3/2019	Spread		8/5/2019	Spread		8/8/2019	Spread		8/12/2019	Spread
	Dec-19	4.38		Dec-19	4.07		Dec-19	4.182		Dec-19	4.132	
	Mar-20	4.454	0.074	Mar-20	4.18	0.11	Mar-20	4.284	0.102	Mar-20	4.236	0.104
	May-20	4.486	0.106	May-20	4.24	0.17	May-20	4.334	0.152	May-20	4.294	0.162
	Jul-20	4.524	0.144	Jul-20	4.284	0.214	Jul-20	4.362	0.18	Jul-20	4.33	0.198
		8/16/2019	Spread		8/20/2019	Spread		8/25/2019	Spread			Spread
	Dec-19	3.77		Dec-19	3.752		Dec-19	3.592		Dec-19		
	Mar-20	3.886	0.116	Mar-20	3.87	0.118	Mar-20	3.69	0.098	Mar-20		0
	May-20	3.962	0.192	May-20	3.944	0.192	May-20	3.812	0.22	May-20		0
	Jul-20	4.02	0.25	Jul-20	4.006	0.254	Jul-20	3.896	0.304	Jul-20		0
			Spread			Spread			Spread			Spread
	Dec-19			Dec-19			Dec-19			Dec-19		
	Mar-20		0	Mar-20		0	Mar-20		0	Mar-20		0
	May-20		0	May-20		0	May-20		0	May-20		0
	Jul-20		0	Jul-20		0	Jul-20		0	Jul-20		0
			Spread			Spread			Spread			Spread
	Dec-19			Dec-19			Dec-19			Dec-19		
	Mar-20		0	Mar-20		0	Mar-20		0	Mar-20		0
	May-20		0	May-20		0	May-20		0	May-20		0
	Jul-20		0	Jul-20		0	Jul-20		0	Jul-20		0
			Spread			Spread			Spread			Spread
	Dec-19			Dec-19			Dec-19			Dec-19		
	Mar-20		0	Mar-20		0	Mar-20		0	Mar-20		0
	May-20		0	May-20		0	May-20		0	May-20		0
	Jul-20		0	Jul-20		0	Jul-20		0	Jul-20		0

# MARKETING NEWSLETTER COMPARISONS

Northland College—Josh Tjosaas and Ron Dvergsten, Instructors

8-25-2019	WHEAT	SOYBEANS	CORN	OTHER
<b>Pro Farmer:</b>	19: 25% sold for cash sellers and for H's 25% sold. Trend is even.	18: 85% sold for cash sellers and for H's 85% sold 19: 30% sold for cash sellers and for H's 40% sold. Trend is even.	18: 90% sold for cash sellers and for H's 90% sold. 19: 30% sold for cash sellers and for H's 30% sold. Trend is even.	Cattle: No Sales Trend is lower.
<b>Money Farm:</b>	18-40% sold 19-20% GTC	19-20% GTC 20-10% HTA	18: Sell 80% for harvest delivery 19: Price 40% HTA Dec 2019	Luke Swenson writes this daily newsletter.
<b>Martinson Ag:</b>	18-90% sold FF at \$6.065 Sept 19-30% sold FF at \$6.15 Sept 19	18-90% sold FF at \$9.87 19: 25% sold FF at \$9.04	18-95% sold at \$4.09 Dec 19-50% sold at \$4.21 Dec 19	Randy Martinson writes this daily newsletter.
<b>Roach Ag:</b>				
<b>Farm Futures:</b>			19: Price 20% of expected 2019 at \$4.4825. Sold December 2019 and bought July 2020 at 7.1 cents premium July on 50% of expected production to protect basis at harvest.  20: Price 10% of expected 2020 at 4.21 Dec 20	Bryce Knorr, <i>Farm Futures</i>
<b>Usset, U of MN:</b>	Updated 7/1/2019 19: No Sales	Updated 7/1/2019 19: No Sales	Updated 7/1/2019 19: 75% sold at \$4.25 Dec Futures	You can check out Ed Usset's website at <a href="http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx">http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx</a>
Terms:	CBT-Chicago Board of Trade MGE-Minneapolis Grain Exchange KC-Kansas City Board of Trade	OC-Old Crop NC-New Crop OTM-Out-of-the-Money	P-Put Option C-Call Option ATM-At-the-Money	FC-Forward Contract H-Hedge F/O-Futures/Options
<b>NEXT USDA CROP REPORT: WASDE Sept 12<sup>th</sup>, 2019      Bold: indicates change from last week.</b>				

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Results from the U.S. crop tour were eclipsed by new Chinese tariff fears and President Trump's order for all U.S. companies to immediately look for an alternative to China. For the week, September wheat gained a nickel while the nearby corn contract fell 11 cents. Renewed threats of higher tariffs compounded losses in the soybean market as the September soybean contract dropped 24 cents. September meal lost \$5.00 per ton. December cotton dropped \$1.92 per hundredweight. Over in the dairy parlor, September Class III milk futures lost 41 cents. The livestock sector ended mixed as October cattle gained \$1.35. September feeders put on 87 cents. And the October lean hog contract shed \$2.70. In the currency markets, the U.S. Dollar index lost 50 ticks. October crude oil shrank 82 cents per barrel. COMEX Gold put on \$13.10 per ounce. And the Goldman Sachs Commodity Index fell nearly 3 points to finish at 393.35. Joining us now to offer insight on these and other trends is one of our regular market analysts Dan Hueber. Dan, welcome back.

Hueber: Thanks very much, great to be here.

Howell: Dan, I want to start off the show today, I think we've got a lot of social media questions that came in talking about the crop tour results. Did the market care this week that we had all of these?

Hueber: I certainly wouldn't say it didn't care and granted any crop tour is an estimate. I do think it probably would have had a little more impact, particularly after the results came out last night, had there not been some of this other news and round 2, round 3, whatever it is of the trade tariff that has hit us yet again. But yeah, I think it was a verification for a lot of people in the trade that those USDA numbers that were issued earlier this month are just not even in the ballpark as far as what reality looks like. So as we move out into August and maybe of course start feeling a few cooler temperatures and maybe a little more realization that we've got a lot of crop out there that is probably at risk yet and the numbers that we have factored into the price are probably not realistic, or at least in my opinion not realistic, that it should start supporting us. And getting past this period of just constant bad news throwing at the market I think is going to be enough to say we'll look back a month or two months from now and say geesh, that was kind of a ridiculous period, we probably never should have been there. That's how markets trade sometimes.

Howell: Yes, that's right. Dan, since you mentioned some weather issues there we've also had a good question sent into us this week that I'm going to throw in early in the show. Coming into us on Twitter from Kendall in Treynor, Iowa. How much frost premium is priced into the market especially considering the forecast for below normal temperatures heading into September?

Hueber: I would say viewing where we are in the price range for the year, zero. we're realistically down to lows, what were the lows of the year. Yes, we're better off than we were maybe into last fall, but realistically yes we have maybe factored in a slightly lower crop because we know the acreage is not what it once could have been. And even the USDA numbers did show a reduction in yield. Maybe not realistic as compared to what's out there. I would say there's absolutely no premium in the price right now trying to factor in any potential of a frost.

Howell: When you look at the wheat markets obviously the story is a little bit different there, they have been following pretty closely in tandem with the corn markets, but they had a pretty substantially higher export sales for this past week. Why didn't the market care?

Hueber: Well, of course wheat is still not going to be the dominant player, it's not going to be the dominant market out there. I wouldn't say it didn't care. The losses were significantly less if that can be called a good thing. But losses were not quite as bad in the wheat but I think that whole



psychology of worrying about trade, the whole psychology of seeing a strong dollar week after week just continues to weigh on the wheat market. It was really in a retracement mode. We're not back down to the lows we even saw in the spring. We're probably closer than we should be. That said, we had a pretty good wheat harvest it looks like across Europe, the Soviet Union, the eastern block, those areas look like a pretty good wheat harvest too so there's still quite a bit of competition out there. But the U.S. is certainly not burdened with quite the kind of psychology that we're faced in the corn and the bean markets as this point in time. But that said, all of these markets are kind of under the burden of all the external factors at this point in time.

Howell: Yes, definitely. And when you look at the corn market it seems like maybe potentially they have been probing for a new low or a new bottom? Is that what you're seeing?

Hueber: Well, I think we're down testing lows. Not that there is a great justification why we would need to go to new lows but sometimes you do it just because you can, you want to in essence test the water out, see what's left down there. But I really think we have reached a point beyond value. I think the value investors have already looked at this and said, enough is enough. It's just a question mark of when do we start stimulating some buying from bottom pickers, maybe the shorts that just kind of recognize that with the amount of risk we have out there yet, I think we estimated there's somewhere around 8 million acres of corn that was planted after June 1, which really says we've got a tremendous amount of acreage out there that is at risk for even a normal frost let alone an early frost. So like I say once we get the calendar to roll over into August those things will probably -- I should stipulate as long as we're not hit with some other kind of an external, a new trade war, a new threat here or there, those factors will start to come back into play in the minds of traders and start providing value back into the prices once again.

Howell: When you look at the corn and soybean markets, we just keep kicking this can further and further down on yield and acreage and what is actually going to get harvested. When you look at marketing of new crops do you see a short window for corn and soybean prices to be break even or maybe where corn was earlier this month?

Hueber: I would tend to say we're pushing it down far enough late enough in the year that no, I think the marketing window is probably going to be a little bit wider than it would have been had there just been a normal bounce up in to early July, something like that. We almost did that but of course that got reversed with the acreage report and what not. No, I guess I kind of tend to believe that if we finally come to the recognition that the crop is shorter than what has been factored into the marketplace at this time it's probably going to be more of a gradual turnaround and granted there's always that risk at this point in time. Yes, if there was a frost situation I'm old enough to remember what happened in 1974 and we saw those late season frosts and of course the market really didn't get excited until late September, October in that year and truly for anybody in the physical trade that's the last thing you want. It is a miserable situation handling off quality corn and that's exactly what we'd end up with too.

Howell: When you look at the soybean markets are we seeing a cap put on what we could potentially see here for a rally because of all the trade war stuff like what came out this Friday?

Hueber: It certainly has been the case all year long and you can make the case that why haven't beans broken further than they have earlier than they have. If there has been any bright spot in the acreage situation it has been with fewer bean acreage numbers recorded than the trade really anticipated all spring and summer long. That said, with basically China out of our market, well yes

they did have a few beans for new crop in the purchases here this week. But for all intents and purposes they're going to be out of this market. Even with the news we had out of South America that looks like they think they can pretty well supply the Chinese market right through the fall because of the less demand, because of the swine fever situation in China, it really puts a lid, even with some



## DAILY COMMENTARY

Heading into this week we expected the Pro Farmer crop tour would dominate the conversation and give us some market direction. We're not sure it did either.

- The tour generally found a mixed bag for corn yields. Nebraska and western Iowa were the stars – as expected. The rest of the major corn producing states were far behind in maturity and appear to mean a national average corn yield well below the USDA August estimate of 169.6 bushels per acre. Analysts we trust now have the yield in the 160-162 bushels per acre range. That assumes we get an EXTRA long fall season because the corn is so far behind maturity. In the end, this week's tour really didn't tell us much. It will be all about how many acres get harvested and whether it matures or not.
- The surprise, or perhaps the major news from the tour, is that soybean pod counts EVERYWHERE were way below normal, previous years, and expectations. In some cases, pod counts were more than 25% below where they should be. The math is simple. No pods not soybeans.
- Pro Farmer tour officially pegged their yields at 163.3 BPA for corn and 46.1 BPA for beans. We are surprised, given the rhetoric around the tour, that they came in closer on beans to USDA than they did on corn. Especially given pod counts. The final yields are estimated by the staff whom try and take into account factors at hand.

The corn and soybean markets did nothing this week despite all the day to day tweets and comments from the tour. The market seems uninterested in the potential U.S. corn or soybean yields and production. One analyst wrote this week that the markets had “accepted” the USDA August acreage and yield estimates. The funds obviously have. USDA/NASS has come under some heavy criticism since that August report. That report killed the markets. NASS will face some heavy pressure if those acreage and yield guesses end up well off the mark. Only time will answer those questions.

We continue to say that the weak export activity for corn, wheat and soybeans has also cast a bearish overtone to the markets. Wheat export sales have started to improve. Weekly soybean export sales have also been good. Corn export sales have been dismal. Brazil has been aggressively selling their record corn crop. That can't last much longer.

The spring wheat harvest has finally started to make some progress. Early harvest results from the center part of the state indicate there might be some real problems with vomitoxin. The continuous wet pattern has taken its toll on quality. The barley crop has also been hurt by the persistent wet weather. There have been numerous reports of sprout damage in the barley crop.

Markets were lower overnight as the trade war with China took another turn for the worse. China and the U.S. both imposed another round of tariffs. China increased the tariff on imported soybeans by another 10%

plus implemented a bunch of additional tariffs on U.S. goods. The U.S., of course, retaliated with another slug of tariffs on Chinese products. And so it goes.

The White House has been getting a ton of flack over the EPA ethanol exemptions granted a couple of weeks ago. They are trying to figure out how to quell farmers' anger. Several ethanol plants have been shut down because of excess capacity. Remember that U.S. ethanol exports to China were expected to grow rapidly as well. That is also in jeopardy because of the trade issues. There's an outside chance the President might rescind the ethanol waivers.

Financial markets traded higher briefly this morning before collapsing on the poor trade news.

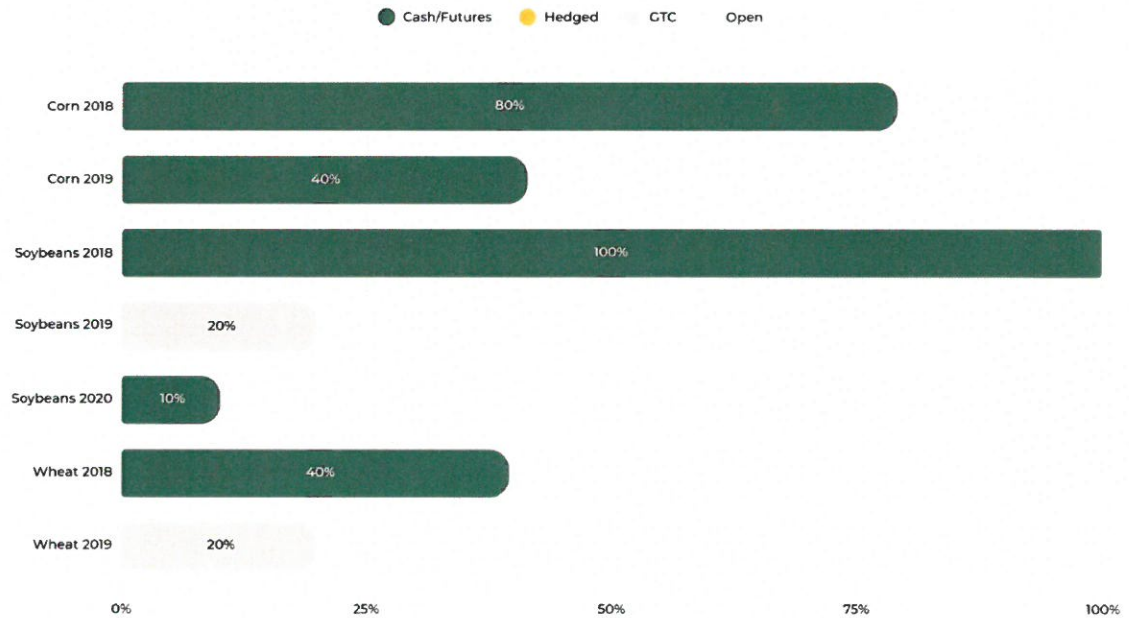
There was no recovery to end this week. Corn finished three to four lower. Soybeans bore the brunt of the selling and were down double digits most of the day. Wheat was firm in Chicago and steady in the other markets.

The trade will take a look at the Pro Farmer tour numbers this afternoon, but they will likely be forgotten by Monday morning.



## Recommendations

### PRICE RECOMMENDATIONS





**Iowa Crop Tour results**  
182.8 bu. per acre;  
1,107 pods in 3'x3'

**Minn. Crop Tour results**  
170.4 bu. per acre;  
965 pods in 3'x3'

## Pro Farmer national corn and soybean crop estimates

**Corn: 13.358 billion bu.; Average yield of 163.3 bu. per acre**

Corn +/- 1% = 13.492 billion bu. to 13.224 billion bu.; 164.9 bu. to 161.7 bu. per acre

**Soybeans: 3.497 billion bu.; Average yield of 46.1 bu. per acre**

Soybeans +/- 2% = 3.567 billion bu. to 3.427 billion bu.; 47.0 bu. to 45.2 bu. per acre

*The national estimates above reflect Pro Farmer's view on production and yields. They take into account data gathered during Crop Tour and other factors, such as crop maturity, acreage adjustments we've made, historical differences in Tour data versus USDA's final yields, areas outside those sampled on Crop Tour, etc. That's why the state yield numbers below differ from the Crop Tour figures in the box above and on [News](#) page 2. For corn, we lowered harvested acreage 217,000 acres from USDA's August estimate.*

### Corn

**OHIO: 150 bu. per acre.** The yield potential measured on Tour is similar to what USDA found. But we're skeptical the crop will reach maturity before the first freeze. The crop needs rain and several extra weeks at the end of the growing season. USDA is a bit too optimistic about the crop.

**INDIANA: 160 bu. per acre.** There's crop potential after rain fell during Tour. The crop still isn't as good as it could have been, with skips and blank stalks still reflective of the yield drag from the wet spring.

**ILLINOIS: 170 bu. per acre.** It won't be the corn-producing powerhouse it usually is. Some of its best acres lost yield potential because they were planted late in less than ideal conditions.

**IOWA: 181 bu. per acre.** The crop is good but not great. "It looked better from the road," was a common refrain during Tour. There were some garden areas in the west, but variability capped the crop's upside in the rest of the state. Most of the crop should be fine if it avoids new disease threats.

**MINNESOTA: 167 bu. per acre.** Tipback, greensnap and lagging maturity signal smaller yields. There were a lot of factors that nicked the Minnesota corn crop. Like many of the crops we saw, it needs time, heat and sun.

**NEBRASKA: 183 bu. per acre.** Nebraska won't make up for all the problems in Illinois. Dryland corn was good, but irrigated corn was not eye-catching. It's average, and could be susceptible to disease if things stay wet. A normal frost date may cause limited losses.

**SOUTH DAKOTA: 140 bu. per acre.** The Prairie Pothole state is back. Corn needs an additional 50 frost-free days and sunshine to finish.

### Soybeans

**OHIO: 39 bu. per acre.** This year's crop is essentially double crop beans, with pod counts nearly 40% under last year's Tour result. Some of the crop was still flowering, so it could, in theory, build on the potential we measured. But it would need an extended season and more rain to do so.

**INDIANA: 46 bu. per acre.** It's certainly not a normal crop, but if you add some timely rains and a few weeks to the end of the growing season, the crop may add to the potential we measured.

**ILLINOIS: 50 bu. per acre.** Pod counts plunged versus the average and much of the Illinois crop will likely perform like double-crop beans. A normal freeze would be devastating.

**IOWA: 55 bu. per acre.** The trend of low pod counts continued in Iowa, as the yield factory was again stunted by late planting dates and less-than-ideal soil conditions.

**MINNESOTA: 42 bu. per acre.** Adverse spring planting weather cut the bean factory. Pod counts are unlikely to rise, with few fields showing new blooms. Plants were just starting to fill pods. Warm temps and sunshine are needed to reach full potential.

**NEBRASKA: 57 bu. per acre.** We were pleasantly surprised. The state's beans were variable, but they worked out to a pretty average crop. Plants were solidly podded and starting to fill. Weather in the weeks ahead will determine bean size. The crop is unlikely to add pods going forward.

**SOUTH DAKOTA: 39 bu. per acre.** Pod counts are down sharply and the crop needs sun and time to plump up what beans are there. The crop was pretty clean when we passed through, but high moisture means conditions are ripe for disease.



## 2019 Pro Farmer Midwest Crop Tour

### — So much hinges on late-season weather —

We knew the immaturity of the crop would be a headliner of this year's Tour, and seeing field after field of blistering/milk corn and late-planted beans drove home the need for an extended growing season (in some cases VERY extended). But as Scouts made their way across the Midwest, another

major problem became increasingly obvious. The soybean yield factory simply isn't there.

We could have a decent corn crop if we get Goldilocks weather and a late hard freeze. But beans are unlikely to add many viable pods going forward. All bets are off if it freezes early.

#### Ohio: 154.4 bu. per acre; 764.0 pods in 3'x3'

Immaturity and heavy prevent plant (PP) acres were the most striking factors with the Ohio crop. Wide-ranging corn yield samples generated a Tour yield peg down 14% from last year. USDA is calling for a similar drop. But the crop's immaturity leaves us wondering just how much of that potential will be realized.

Variability was even more extreme for beans, and average pod counts plummeted 39% from year-ago. Some beans were still blooming. But adding pods would take added weeks and rain.

Both crops were pretty clean, but shallow roots, immaturity and dry soils mean stalk rot is a very real possibility.

#### Indiana: 161.5 bu. per acre; 923.9 pods in 3'x3'

Crops were better than Ohio's, but things still weren't good. Scouts encountered fewer PP acres, less severe maturity lags and hit-and-miss yields/pod counts. Short beans and planter skips and blank stalks in corn spoke of the wet spring. Several scouts on the eastern leg reported pulling their first sample of dented corn in the state. Fields were pretty clean, though there are some concerns disease could flare down the road.

Ear counts were the driver of an 8.1% dip in corn yield potential versus the three-year average. Soybean pod counts fell 21.3% from the norm, but many bean fields were still flowering and could add pods given perfect weather and time.

#### Illinois: 171.2 bu. per acre; 997.7 pods in 3'x3'

Maturity and crop potential improved, but we still didn't see your typical Illinois corn and soybean crops. And both are behind. Scouts once again found considerable variability due to the wet spring/early summer. It was alarming to see some of Illinois' best farmland where 200-bu.-plus yields are common left unplanted. There are pockets that could be clipped by a normal end to the growing season.

Soybeans are more at risk than corn. Pod counts are nearly 23% below the three-year average as much of the state's crop is essentially double-crop beans. And the risk is to the downside. A normal or early freeze would be devastating.

#### S. Dakota: 154.1 bu. per acre; 832.9 pods in 3'x3'

Ear counts dived 13% from year-ago and grain length dropped 5% due to the wet spring, pulling corn yield potential 13% under year-ago and 3% below the three-year average.

Soybeans were even worse, with pod counts down 19% from last year and 14% from the three-year average. The crop has plenty of moisture, but it needs many days of sunshine to fill pods and an extended growing season.

Weed pressure was light, with scouts noting more concern about the impact of PP "weed fields" next year. But the high humidity could lead to disease moving forward. The state's roughly 3.9 million acres of PP were obvious and heartbreaking.

#### Nebraska: 172.6 bu. per acre; 1,210.8 pods in 3'x3'

Average. That's the takeaway from Nebraska. We didn't find the whopper corn yields and soybean pod counts we sometimes do, but there also weren't that many low numbers. We saw less hail and wind damage than we sometimes see for the Corn Husker State and bean fields were remarkably clean. Both crops are a little behind normal and in need of some heat, but the delays are nowhere near what we saw in South Dakota.

Timely rains enabled dryland corn to push yields up from the bottom. Irrigated corn is good, not great. The result was a solid yield estimate up 2.6% from the three-year Tour average. Pod counts were also just above (3.3%) the average.

#### Iowa and Minnesota crop observations

Scouts found an OK Iowa corn crop. Variability, immaturity, tip back and the onset of disease mean that even if conditions are ideal from here on, the crop is unlikely to add to the potential we measured on Tour. The crop lacked the consistency needed to generate big yields.

The Iowa bean crop was also pretty average and maturity was less of an issue. Weed/disease pressure could limit yields.

The trend of wide-ranging yields/pod counts and immaturity continued in Minnesota. The moisture is there to help beans fill pods and corn to make grain, but it's going to take time, sun and some lower humidity to ward off disease.



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# Weekly Crop Market Update

Frayne Olson—Crop Economist / Marketing Specialist

August 25, 2019

ProFarmer completed their annual Midwest crop tour and provided estimates for national average corn and soybean yields and total production. ProFarmer estimated the national average corn yield at 163.3 bushels per acer (bu./a.), versus the USDA August estimate of 169.5 bu./a. Their forecast for total U.S. corn production was 13.358 billion bushels (bill. bu.), which is below the USDA forecast of 13.901 bill. bu. The tour estimated the national average soybean yield at 46.1 bu./a. and total soybean production at 3.497 bill. bu. This compares to the USDA soybean yield forecast of 48.5 bu./a. and total U.S. soybean production at 3.497 bill. bu. The tour sampled fields in Ohio, Indiana, Illinois, Iowa, Minnesota, Nebraska and South Dakota. Tour participants commented on the delayed crop development and the need for additional frost free days to allow both corn and soybeans to reach the estimated yield potential.

On Sunday, August 25, President Trump, who is attending the G7 Summit in Biarritz, France, announced that the U.S. and Japan have reached a trade deal "in principle" that could lead to more U.S. farm exports to Japan. Japanese Prime Minister Abe said there was still "some remaining work that has to be done at the working level" but the two sides had reached a consensus on the core issues of agriculture and industrial trade. U.S. tariffs on Japanese automobiles will stay in place, but will not be increased, while other U.S. tariffs would be dropped. The trade deal is expected to be signed next month. This agreement could be especially beneficial to U.S. wheat and beef exports.

On Friday, August 23, China announced it will impose additional tariffs on U.S. agricultural goods including soybeans, beef and pork. The announcement said an additional 5 percent tariff will be imposed on U.S. soybeans and an extra 10 percent tariff on U.S. beef and pork beginning on September 1, 2019. An additional 10 percent tariff on U.S. wheat, corn and sorghum will start on December 15, 2019. The move is primarily symbolic because the Chinese government has already banned companies from buying U.S. farm goods.

The Trump Administration is considering increasing biofuel blending quotas in up-coming years in response to concerns from farm groups and the ethanol industry over the broad use of small refinery waivers. Thirty one oil refinery waivers have been granted.. The waivers account for approximately 1.4 billion gallons of ethanol and biodiesel. There is no plan to rescind any of the exemptions that have been granted so far.

## Futures market prices at the close of trading

	07-29-19	08-05-19	08-12-19	08-19-19
Spring Wheat	Sep = 5.32	Sep = 5.24	Sep = 5.09	Sep = 5.05
Corn	Sep = 4.17	Sep = 4.05	Sep = 3.85	Sep = 3.65
Soybean	Sep = 8.92	Sep = 8.56	Sep = 8.67	Sep = 8.54
Canola	Nov = 449.40	Nov = 448.00	Nov = 452.40	Nov = 450.20

Spring Wheat, Corn and Soybean prices in U.S. Dollars/Bushel

Canola prices in Canadian Dollars/Metric Ton

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