

Weekly Crop Market Update

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On Friday, June 15, the U.S Trade Representative announced it will begin collecting 25 percent import tariffs on 515 Chinese products worth approximately \$50 billion. Approximately \$34 billion in tariffs will begin in July and the remaining \$16 billion at a later date. Products listed in the first round of tariffs include passenger cars, magnetic disc drives and pump and valve parts. Products for future tariffs include computer processing chips (CPU), computer memory chips, metal roofing/siding/flooring and electronic nicotine vaporizing devices.

On Friday, June 15, China announced it will impose 25 percent tariffs on 695 U.S. products worth \$50 billion. \$34 billion in tariffs will begin on July 6, 2018. Agricultural products listed include U.S. soybeans and meat products (beef, pork, chicken and turkey). Other products include U.S. automobiles and sea food products. The second round of \$16 billion in tariffs will include crude oil, natural gas, coal and some refined oil products. The date for the second round of tariffs were not announced.

Also on Friday, June 15, U.S. Agriculture Secretary, Sonny Perdue, meet with Canadian Agriculture Minister, Lawrence MacAulay, on Prince Edward Island to discuss key agricultural trade issues. One major issue discussed was the Canadian dairy support system. During an interview after the meeting, Purdue said “The United States is not about trying to get Canada to ditch its supply management system. What we are saying is if you’re going to have a supply management system, you’ve got to manage the supply, and not over-produce and not over-quota where you dump milk solids on the world market and depress prices from our producers south of the border”. Canadian dairy officials have said U.S. over-production is responsible for weak global prices.

Hard red winter wheat harvest has moved into central Kansas. Industry contacts estimate that Kansas wheat harvest is 19 percent complete, Oklahoma harvest is 81 percent complete and 70 percent of the Texas wheat has been harvested. Yield reports are extremely variable, depending upon rainfall amounts, but are generally higher than expected. U.S. Wheat Associates Harvest Report shows the average protein levels of 12.4 percent over 61 samples tested. A total of 500 samples are expected to be tested by the end of harvest.

Futures market prices at the close of trading

	05-21-18	05-29-18	06-04-18	06-11-18
Spring Wheat	Jul = 6.22	Jul = 6.28	Jul = 5.93	Jul = 5.90
Corn	Jul = 4.03	Jul = 4.00	Jul = 3.81	Jul = 3.67
Soybean	Jul = 10.25	Jul = 10.30	Jul = 10.02	Jul = 9.54
Canola	Jul = 532.70	Jul = 537.80	Jul = 525.30	Jul = 516.70

Spring Wheat, Corn and Soybean prices in U.S. Dollars/Bushel
 Canola prices in Canadian Dollars/Metric Ton

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July Chicago Board of Trade Corn Futures Prices (06-17-18 pm)



July Chicago Board of Trade Soybean Futures Prices (06-17-18 pm)



July Minneapolis Grain Exchange Spring Wheat Futures Prices (06-17-18 pm)



The **BLUE** lines in the above futures market price graphs have been inserted to indicate **support** and **resistance** price levels. A **support line** is a historical price level that represents a potential floor when prices are decreasing. A **resistance line** is a historical price level that represents a potential ceiling when prices are increasing. Support and resistance lines become psychological barriers to price movements because these are levels where sellers have overwhelmed buyers (resistance line) or buyers have overwhelmed sellers (support line). The support and resistance levels are often used as price targets for future buying or selling activity.

2016/17 and 2017/18 Marketing Year Average (MYA) Prices

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Commodity	Marketing Year	Publishing Dates for the Final 2015/16 MYA Prices	Unit	Projected (P) or Final (F) 2017/18 MYA Price	Projected 2018/19 MYA Price
Wheat	Jun. 1-May 31	June 2018	Bushel	\$4.70 P	\$5.00 P
Barley	Jun. 1-May 31	June 2018	Bushel	\$4.50 P	\$4.60 P
Oats	Jun. 1-May 31	June 2018	Bushel	\$2.55 P	\$2.85 P
Corn	Sep. 1-Aug. 31	September 2018	Bushel	\$3.40 P	\$3.80 P
Soybeans	Sep. 1-Aug. 31	September 2018	Bushel	\$9.35 P	\$10.00 P
Dry Peas	Jul. 1-Jun. 30	September 2018	Pound	\$0.1200 P	\$0.1200 P
Lentils	Jul. 1-Jun. 30	September 2018	Pound	\$0.2675 P	\$0.2550 P
Large Chickpeas	Sep. 1-Aug. 31	November 2018	Pound	\$0.3400 P	\$0.3600 P
Small Chickpeas	Sep. 1-Aug. 31	November 2018	Pound	\$0.2500 P	\$0.2650 P
Sunflower Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.1750 P	\$0.1755 P
Canola	Jul. 1-Jun. 30	November 2018	Pound	\$0.1750 P	\$0.1735 P
Flaxseed	Jul. 1-Jun. 30	November 2018	Bushel	\$9.40 P	\$9.39 P
Mustard Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.3270 P	\$0.3200 P
Safflower	Sep. 1-Aug. 31	November 2018	Pound	\$0.1860 P	\$0.1870 P

MYA Price=national average price received by producers during the 12-month marketing year.

1/ Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates report or Interagency Commodity Estimates Committee Minutes. MYA price projections are the mid-point of the price forecast range, when applicable.