

Weekly Crop Market Update

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On Thursday, November 15, Chinese representatives delivered a written response to U.S. demands for trade reforms. While there were no specifics released, reports suggest the response reiterates pledges made in recent speeches by Chinese President Xi.

On Friday, November 16, U.S. President Trump responded to the Chinese trade notice by saying the administration may not have to impose additional tariffs, but added the situation was still not acceptable to him. Trump said the list of 142 trade items was “pretty complete” but “there are four or five big things left off.”

On Friday, November 16, U.S. Deputy Secretary of Agriculture Steve Censky said any trade pact with China would also address the resumption of U.S. soybean sales. “We would want to make sure it includes the commodities that we normally have exported there that have been affected by their retaliation.” Censky said.

China’s National Development and Reform Commission (NDRC) said on Friday, November 16, that the minimum purchase price for wheat in 2019 would be reduced from the current 2,300 yuan per metric ton to 2,240 yuan per metric ton. The 2019 minimum price of 2,240 yuan per metric ton is approximately \$16.14 U.S. dollars per bushel.

On Thursday, November 15, Gary McGuigan, president of global trade at Archer Daniels Midland (ADM) said that tight world milling wheat supplies will provide opportunities for increased U.S. wheat exports in the second half of the 2018/19 season. “I definitely think there is going to be a milling wheat squeeze in the first half of 2019,” McGuigan said. “The U.S. is probably going to be the (key) supplier, but to get wheat out of the U.S. with the carry system there you’re going to have to pay up.” said McGuigan.

Chief executives of Archer Daniels Midland and Bunge have both suggested China may not need to buy U.S. soybeans to fill the gap until the next Brazilian crop. Customers in China are using different supply strategies but non mentioned buying U.S. soybeans. The executives pointed to Brazilian harvest beginning in less than a month and there is little supply threat from Brazil. However, weather uncertainty in Argentina is still a possibility will need to be monitored.

Futures market prices at the close of trading

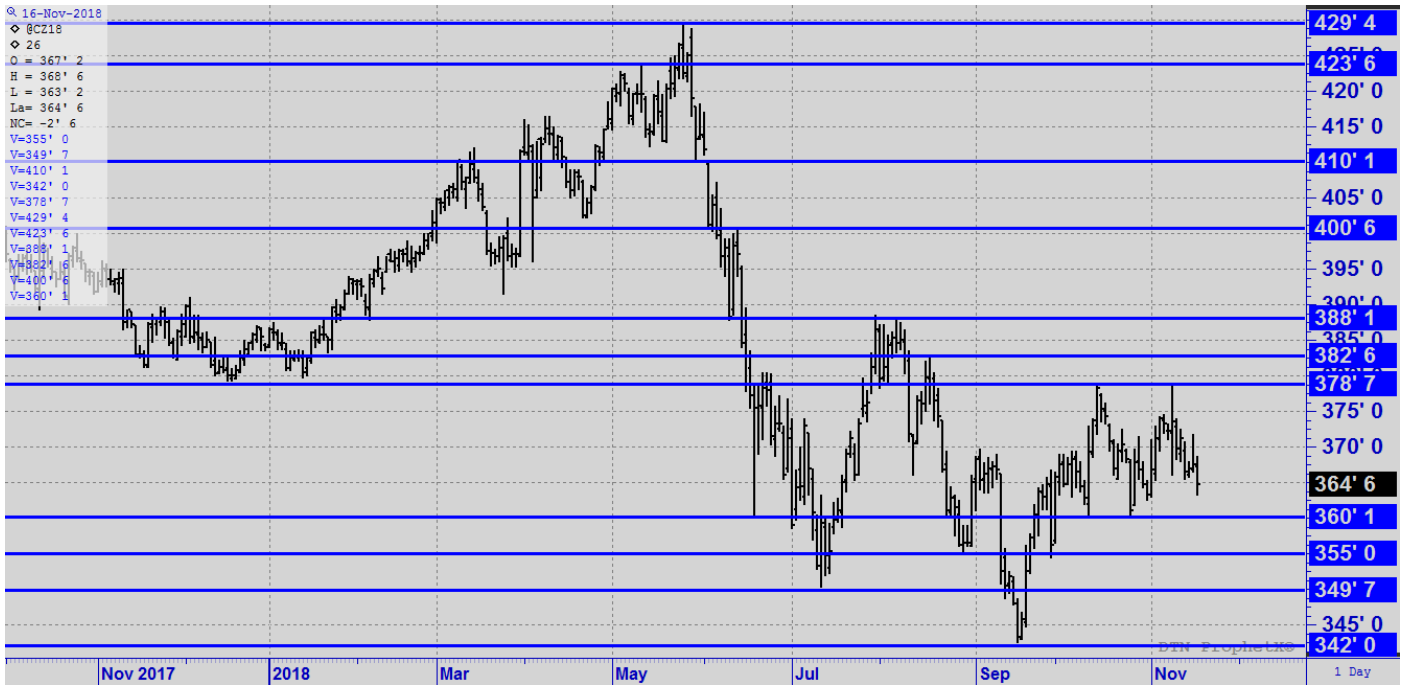
	10-22-18	10-29-18	11-05-18	11-12-18
Spring Wheat	Dec = 5.86	Dec = 5.77	Dec = 5.82	Dec = 5.83
Corn	Dec = 3.70	Dec = 3.67	Dec = 3.74	Dec = 3.71
Soybean	Nov = 8.58	Nov = 8.39	Jan = 8.86	Jan = 8.83
Canola	Nov = 491.50	Nov = 481.90	Jan = 482.40	Jan = N.A.

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

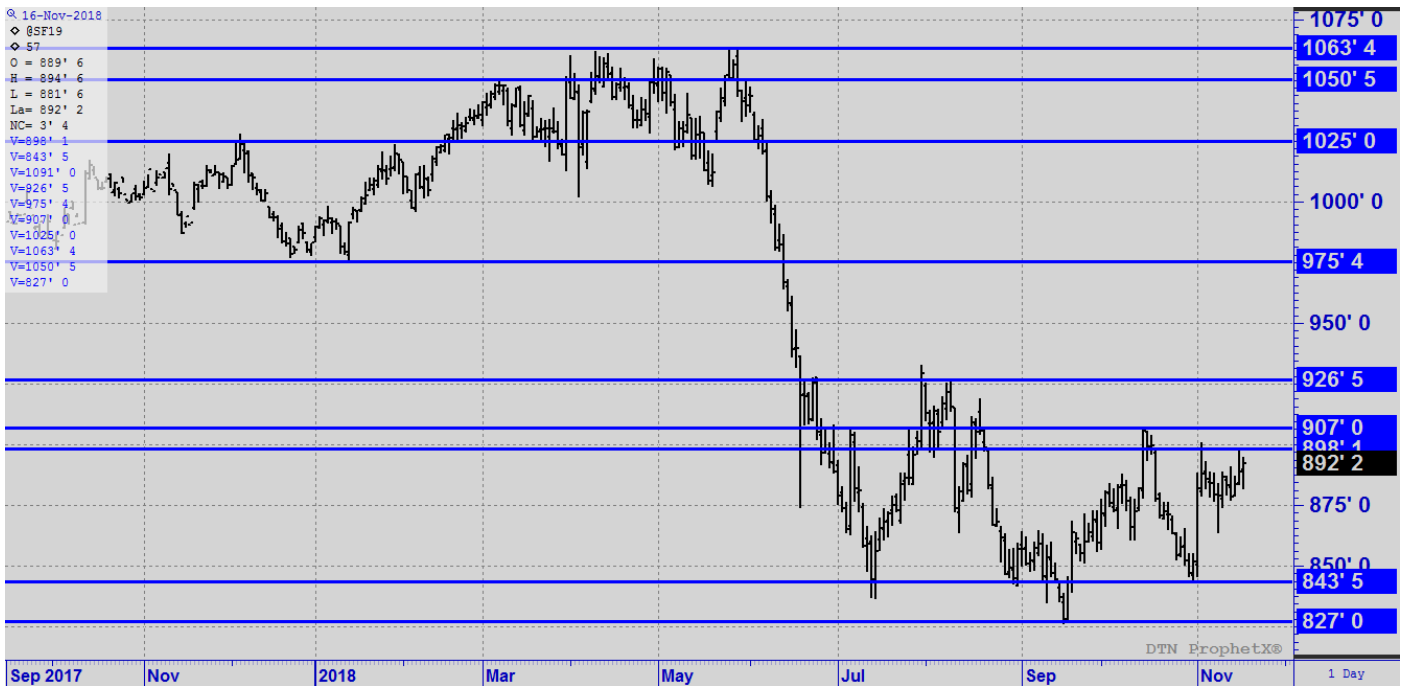
Canola prices in Canadian Dollars/Metric Ton

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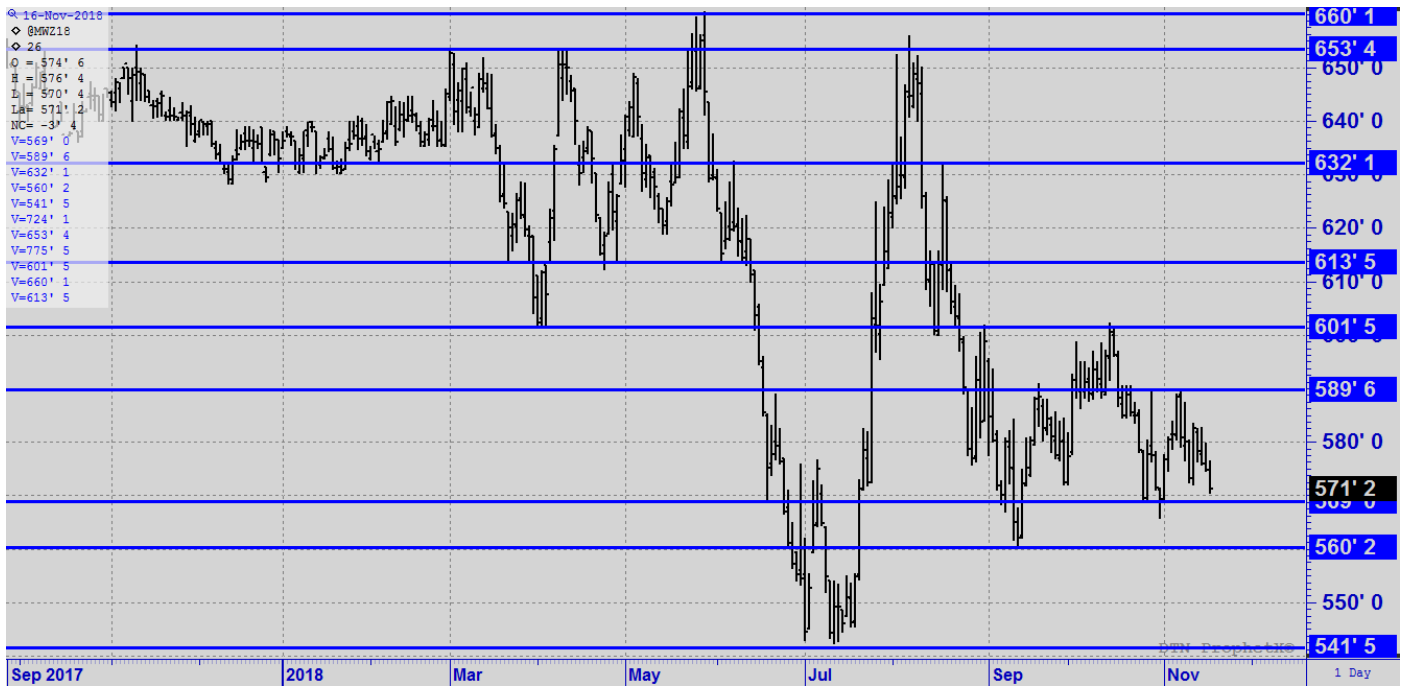
December Chicago Board of Trade Corn Futures Prices (11-18-18 pm)



January Chicago Board of Trade Soybean Futures Prices (11-18-18 pm)



December Minneapolis Grain Exchange Spring Wheat Futures Prices (11-18-18 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.

2017/18 and 2018/19 Marketing Year Average (MYA) Prices

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Commodity	Marketing Year	Publishing Dates for the Final 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	\$4.72 F	\$5.10 P
Barley	Jun. 1-May 31	June 2018	Bushel	\$4.47 F	\$4.65 P
Oats	Jun. 1-May 31	June 2018	Bushel	\$2.59 F	\$2.70 P
Corn	Sep. 1-Aug. 31	September 2018	Bushel	\$3.36 F	\$3.60 P
Soybeans	Sep. 1-Aug. 31	September 2018	Bushel	\$9.33 F	\$8.60 P
Dry Peas	Jul. 1-Jun. 30	September 2018	Pound	\$0.1180 F	\$0.1100 P
Lentils	Jul. 1-Jun. 30	September 2018	Pound	\$0.2590 F	\$0.2000 P
Large Chickpeas	Sep. 1-Aug. 31	November 2018	Pound	\$0.3460 P	\$0.2500 P
Small Chickpeas	Sep. 1-Aug. 31	November 2018	Pound	\$0.2510 P	\$0.1800 P
Sunflower Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.1725 P	\$0.1690 P
Canola	Jul. 1-Jun. 30	November 2018	Pound	\$0.1750 F	\$0.1650 P
Flaxseed	Jul. 1-Jun. 30	November 2018	Bushel	\$9.50 P	\$9.35 P
Mustard Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.3270 P	\$0.3170 P
Safflower	Sep. 1-Aug. 31	November 2018	Pound	\$0.1860 P	\$0.1830 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.