

Weekly Crop Market Update

Frayne Olson—Crop Economist / Marketing Specialist

February 10, 2019

On Friday, February 8, the USDA released four major reports; the February update for the World Agricultural Supply and Demand Estimates (WASE), U.S. Crop Production Annual Summary, Quarterly Grain Stocks and Winter Wheat Seedings Report. As a group, the reports were considered neutral for corn, soybean and wheat prices. All of the key values in the reports were within the ranges released in the pre-report estimates. A summary of the pre-release estimates and the reported values can be found in the Special Crop Market Update.

U.S. Trade Representative Robert Lighthizer and U.S. Treasury Secretary Steven Mnuchin will travel to Beijing this week to continue talks with Chinese trade negotiators. The talks are scheduled for Thursday and Friday, February 14 and 15. Deputy level meetings, led by Deputy U.S. Trade Representative Jeffrey Gerrish, will begin on Monday, February 11. Agricultural markets became concerned on Thursday, February 7, when it was announced that U.S. President Trump and Chinese President Xi Jinping would not meet in person before the March 1, 2019 deadline for a trade agreement. President Trump has threatened to increase tariffs on a large number of Chinese imports from 10 percent to 25 percent if an agreement is not reached by March 1.

Russian wheat exports are slowing, in the short term, due to higher domestic wheat prices. Russian farmers are holding back sales from storage anticipating higher prices in the coming weeks. “There is enough grain in the country as of today. Starting from March, domestic farmers will start more active sales of grain due to the preparation for spring grain sowing”, said the Russian Ministry of Agriculture.

Canadian exports of canola to China have slowed after the arrest of a Huawei executive. In early December, 2018, Huawei Chief Financial Officer Meng Wanzhou was detained by Canadian officials at the request of the United States. Ms. Meng is the daughter of Huawei’s founder. The U.S. is claiming that Ms. Meng violated sanctions against the sale of technology to Iran. A Chinese crusher said that a cargo of Canadian canola took more than 20 days to clear Chinese customs, about twice the usual time under normal conditions. A source at a Chinese company that imports Canadian canola said it stopped buying from Canada shortly after Ms. Meng’s arrest. “We are not buying as the current situation is quite tense and sensitive”, the source said.

Futures market prices at the close of trading

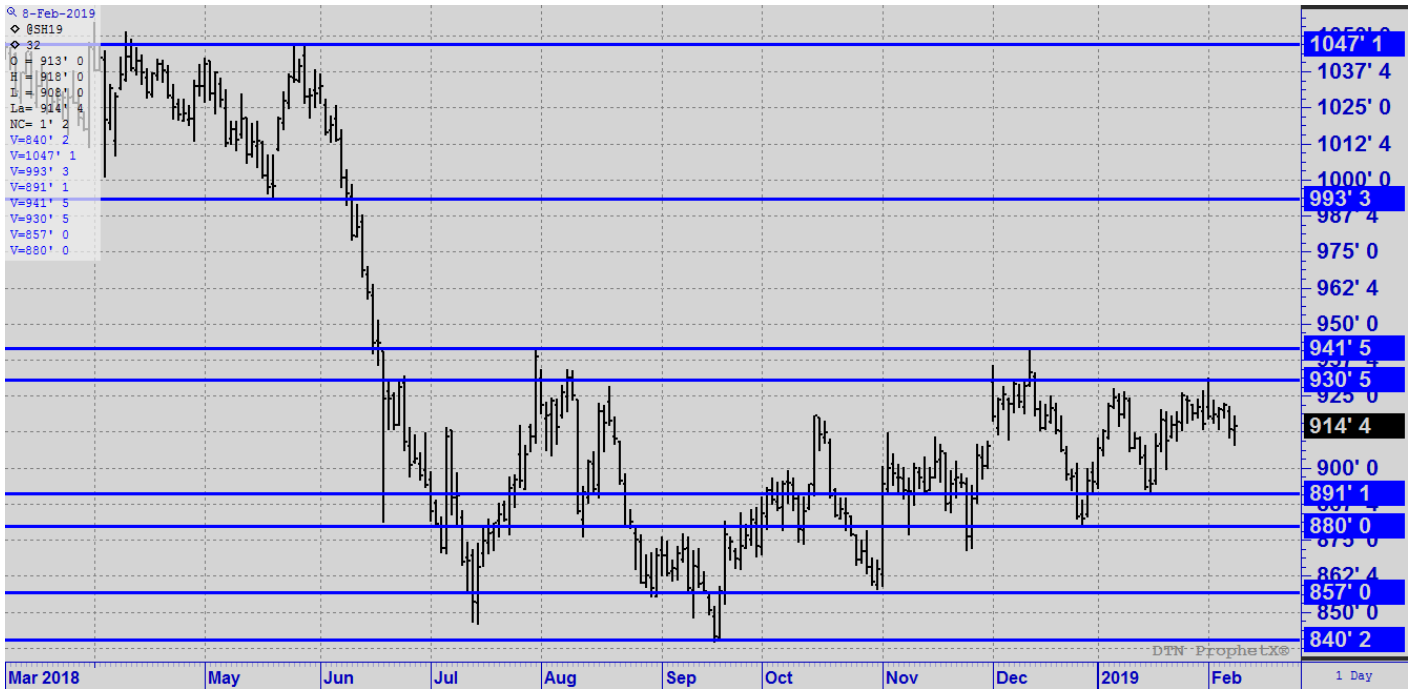
	01-14-19	01-22-19	01-28-19	02-04-19
Spring Wheat	Mar = 5.66	Mar = 5.72	Mar = 5.74	Mar = 5.75
Corn	Mar = 3.78	Mar = 3.79	Mar = 3.80	Mar = 3.79
Soybean	Mar= 9.04	Mar= 9.09	Mar= 9.23	Mar= 9.18
Canola	Mar = 479.70	Mar = 485.50	Mar = 486.50	Mar = 483.90

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

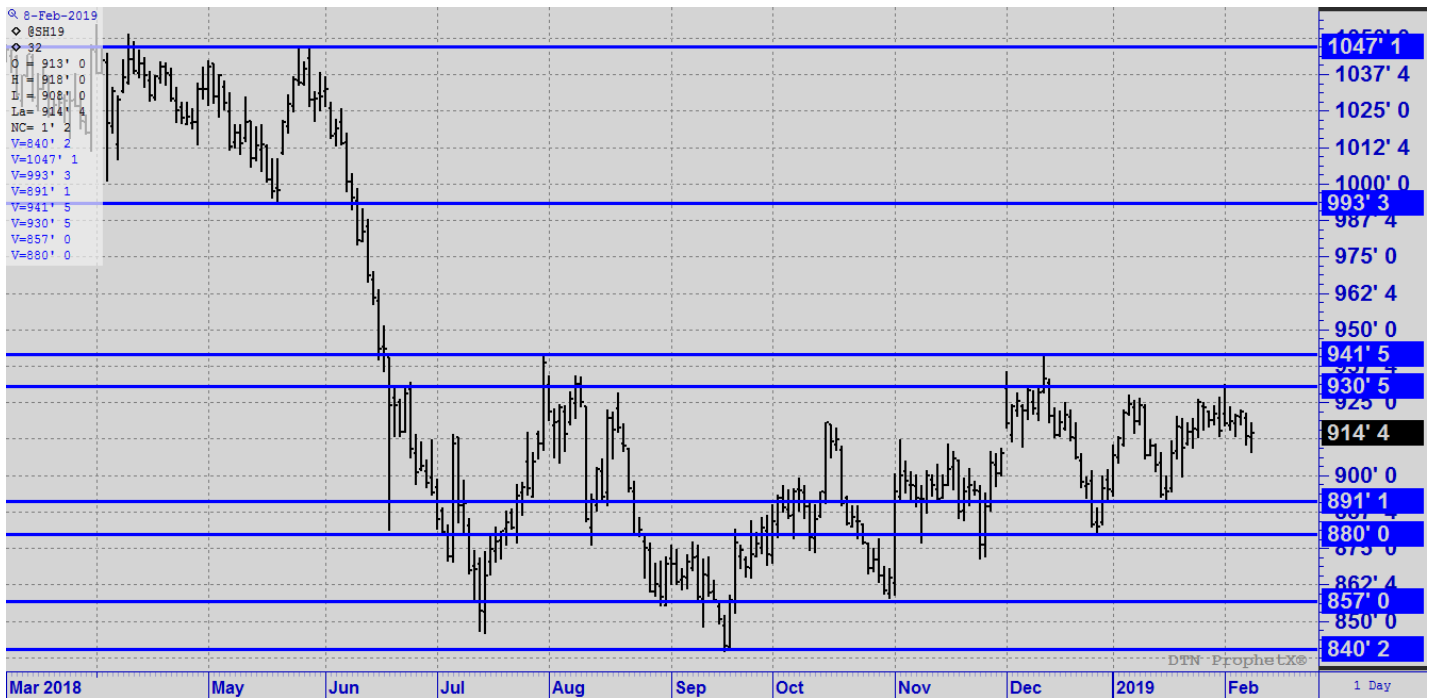
Canola prices in Canadian Dollars/Metric Ton

This report is intended for internal use only, please do not forward or circulate!

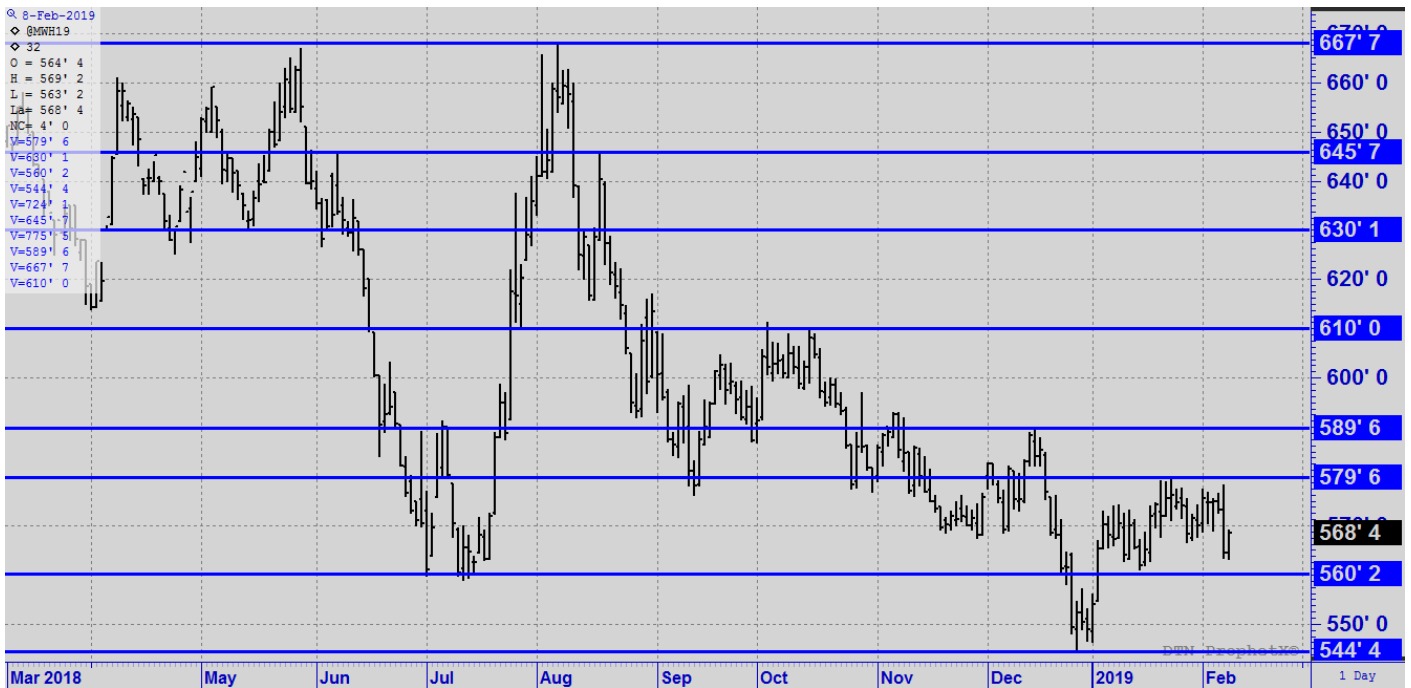
March Chicago Board of Trade Corn Futures Prices (02-10-19 pm)



March Chicago Board of Trade Soybean Futures Prices (02-10-19 pm)



March Minneapolis Grain Exchange Spring Wheat Futures Prices (02-10-19 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

December 11, 2018 Report 1/

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	\$5.15 P
Barley	Jun. 1-May 31	June 2018	Bushel	\$4.47 F	\$4.55 P
Oats	Jun. 1-May 31	June 2018	Bushel	\$2.59 F	\$2.65 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 F	\$0.2200 P
Small Chickpeas	Sep. 1-Aug. 31	November 2018	Pound	\$0.2540 F	\$0.1800 P
Sunflower Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.1720 F	\$0.1690 P
Canola	Jul. 1-Jun. 30	November 2018	Pound	\$0.1750 F	\$0.1635 P
Flaxseed	Jul. 1-Jun. 30	November 2018	Bushel	\$9.53 F	\$9.50 P
Mustard Seed	Sep. 1-Aug. 31	November 2018	Pound	\$0.3020 F	\$0.3170 P
Safflower	Sep. 1-Aug. 31	November 2018	Pound	\$0.1860 F	\$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.