

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
Jul-16	429'0	3'6	430'2	423'4	Jul-16	1148'0	13'4	1148'2	1132'4	Jul-16	477'6	5'2	479'0	472'4
Sep-16	434'2	3'6	435'0	428'2	Aug-16	1146'4	13'0	1146'6	1132'0	Sep-16	490'2	5'4	491'4	485'0
Dec-16	439'4	3'6	440'4	433'4	Sep-16	1137'0	13'2	1137'0	1121'4	Dec-16	509'6	5'4	510'6	504'2
Mar-17	444'6	4'0	445'4	440'0	Nov-16	1133'2	14'0	1133'4	1116'4	Mar-17	528'0	4'4	529'2	523'4
May-17	446'4	3'4	446'6	443'0	Jan-17	1130'4	13'4	1130'4	1114'0	May-17	541'4	6'0	541'6	536'6
Jul-17	448'4	3'4	449'2	444'4	Mar-17	1093'4	9'6	1093'6	1084'2	Jul-17	548'4	3'4	549'0	548'0
Sep-17	414'4	2'4	414'4	413'6	May-17	1078'6	7'0	1079'0	1069'4	Sep-17	552'4s	-6'6	553'0	552'4
Dec-17	410'4	0'6	412'0	410'4	Jul-17	1075'4	6'6	1075'4	1067'2	Dec-17	564'4s	-5'6	570'4	564'0
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
Jul-16	205'0	0'4	206'4	203'0	Jul-16	403.9	6.2	404.7	397.1	Jul-16	31.54	0.38	31.57	31.12
Sep-16	215'4	0'4	215'4	215'4	Aug-16	402.6	6.5	403.1	395.7	Aug-16	31.68	0.38	31.70	31.27
Dec-16	222'0	0'6	223'4	220'4	Sep-16	401.4	6.2	402.0	395.6	Sep-16	31.84	0.40	31.84	31.42
Mar-17	233'4s	-1'4	---	---	Oct-16	400.4	6.1	400.9	392.8	Oct-16	31.94	0.37	31.95	31.59
May-17	233'4s	-1'4	---	---	Dec-16	400.4	5.8	401.3	393.1	Dec-16	32.23	0.38	32.26	31.81
Jul-17	239'2s	-1'4	---	---	Jan-17	394.8	4.5	396.5	391.9	Jan-17	32.45	0.38	32.45	32.13
Sep-17	239'2s	-1'4	---	---	Mar-17	374.6	3.7	375.6	373.1	Mar-17	32.53	0.37	32.53	32.20
Dec-17	239'2s	-1'4	---	---	May-17	359.8	2.1	360.7	358.2	May-17	32.61	0.36	32.61	32.35
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
Jul-16	11.320	0.010	11.330	11.305	Jul-16	456'6	6'0	457'0	450'2	Jul-16	534'0	4'6	534'0	528'0
Sep-16	11.600	0.015	11.600	11.580	Sep-16	474'2	5'6	474'4	468'0	Sep-16	542'6	4'0	543'4	537'0
Nov-16	11.840	0.015	11.840	11.840	Dec-16	496'2	2'4	498'2	493'0	Dec-16	555'0	2'2	555'0	552'2
Jan-17	12.050s	-0.300	---	---	Mar-17	515'4	5'4	515'4	509'2	Mar-17	567'2	2'0	567'4	567'2
Mar-17	12.250s	-0.285	---	---	May-17	523'2	2'6	523'2	520'0	May-17	573'0s	-3'2	575'2	572'6
May-17	12.385s	-0.295	---	---	ELECTRONIC CANOLA (@RS) [10]					Jul-17	579'6s	-3'0	580'6	578'6
Jul-17	12.515s	-0.295	---	---	Month	Last	Chg	High	Low	ELECTRONIC MILLING WHEAT (@WA) [10]				
ELECTRONIC BARLEY (@BW) [10]					Jul-16	512.1	2.6	512.4	510.6	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Nov-16	517.5	2.5	518.0	513.5	Jul-16	233.00s	1.00	---	---
Jul-16	171.50s	0.00	---	---	Jan-17	521.2	2.4	521.3	517.0	Oct-16	231.00s	0.00	---	---
Oct-16	171.50s	0.00	---	---	Mar-17	520.3	0.4	520.3	518.0	Dec-16	236.00s	0.00	---	---
Dec-16	171.50s	0.00	---	---	May-17	517.6	-3.5	517.6	517.6	Mar-17	242.00s	0.00	---	---
Mar-17	173.50s	0.00	---	---	ELECTRONIC DURUM WHEAT (@DW) [10]					May-17	245.00s	0.00	---	---
May-17	174.50s	0.00	---	---	Month	Last	Chg	High	Low	Jul-17	245.00s	0.00	---	---
Jul-17	174.50s	0.00	---	---	Jul-16	301.00s	1.00	---	---	Oct-17	245.00s	0.00	---	---
Oct-17	174.50s	0.00	---	---	Oct-16	297.00s	1.00	---	---					
					Dec-16	299.00s	1.00	---	---					
					Mar-17	299.00s	1.00	---	---					
					May-17	299.00s	1.00	---	---					
					Jul-17	299.00s	1.00	---	---					
					Oct-17	299.00s	1.00	---	---					

Quotes generated on: Fri, Jun 17, 2016 7:25 AM CDT *Quotes are in market time

LOCAL CASH GRAIN PRICES

Northland College

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

Date:	6/16/2016 10:32 p.m.				6/13/2016 7:00 a.m.				6/6/2016 6:44 a.m.				5/31/2016 8:04 a.m.			
	Today	2015 Crop	2016 Crop	2016 Crop	Today	2015 Crop	2016 Crop	2016 Crop	Today	2015 Crop	2016 Crop	2016 Crop	Today	2015 Crop	2016 Crop	2016 Crop
WHEAT:	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- May Del	July 2016- June Del	July 2016- June Del	2016 Crop
Georgetown	4.72	4.72	4.72	4.74	4.80	4.80	4.80	4.83	4.77	4.77	4.77	4.83	4.60	4.60	4.60	4.67
Barnesville	4.57	4.57	4.57	4.66	4.65	4.65	4.65	4.75	4.77	4.72	4.72	4.80	4.61	4.61	4.61	4.69
Protein	+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			
Basis: Gtwn	-0.60	-0.60	-0.60	-0.67	-0.60	-0.60	-0.60	-0.67	-0.65	-0.65	-0.65	-0.67	-0.66	-0.66	-0.66	-0.67
Breck-Sept	-0.70	-0.70	-0.70	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65
Felton	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67
Barnesville	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.65	-0.70	-0.70	-0.70	-0.65	-0.65	-0.65	-0.65
SOYBEANS:	July 2016- June Del	July 2016- July Del	2016 Crop	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- May Del	July 2016- June Del	July 2016- June Del	2016 Crop
Georgetown	10.35	10.35	10.35		10.59	10.59	10.59		10.46	10.46	10.46		9.81	9.81	9.81	
B'ville	10.49	10.51	10.38	10.38	10.73	10.75	10.75	10.68	10.60	10.62	10.62	10.18	9.92	9.94	9.94	9.73
Basis: Gtwn	-1.09	-1.09			-1.09	-1.09	-1.09		-1.09	-1.09	-1.09		-1.09	-1.09	-1.09	
Breck-Aug	-0.90	-0.90	-0.95	-0.95	-0.90	-0.90	-0.90	-0.95	-0.95	-0.95	-0.95	-0.85	-0.95	-0.95	-0.95	-0.85
Felton	-1.02	-1.02	-0.82	-0.82	-1.02	-1.02	-1.02	-0.82	-1.02	-1.02	-1.02	-0.82	-1.07	-1.07	-1.07	-0.92
B'ville	-0.95	-0.93	-0.90	-0.90	-0.95	-0.93	-0.93	-0.90	-0.95	-0.93	-0.93	-0.87	-0.98	-0.96	-0.96	-0.90
CORN:	July 2016- June Del	July 2016- July Del	2016 Crop	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- June Del	July 2016- July Del	July 2016- July Del	2016 Crop	July 2016- May Del	July 2016- June Del	July 2016- June Del	2016 Crop
Georgetown	3.55	3.55	3.69	3.69	3.62	3.62	3.62	3.70	3.59	3.59	3.59	3.59	3.43	3.43	3.43	3.44
Cargill	3.78	3.83	3.96	3.96	3.78	3.83	3.83	4.00	3.72	3.72	3.72	3.93	3.56	3.56	3.56	3.80
Basis-Gtwn	-0.73	-0.73	-0.70	-0.70	-0.68	-0.68	-0.68	-0.70	-0.68	-0.68	-0.68	-0.70	-0.68	-0.68	-0.68	-0.70
Cargill	-0.50	-0.45	-0.43	-0.43	-0.52	-0.47	-0.47	-0.40	-0.55	-0.55	-0.55	-0.36	-0.55	-0.55	-0.55	-0.36
Barnesville	-0.56	-0.54	-0.58	-0.58	-0.55	-0.53	-0.53	-0.58	-0.54	-0.52	-0.52	-0.58	-0.59	-0.57	-0.57	-0.58
Felton	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.69	-0.69	-0.69	-0.67

Commodity Loan Interest Rate: 1.625% June 1, 2016

Farm Storage Facility Loans:

Annual Interest Rate	Length of Loan Term
1.625%	7 years
1.8750%	10 years
1.875%	12 years

Loan Rates

	2016	2016	2016
Crop	Clay	Norman	Wilkin
Wheat	2.86	2.85	2.87
Corn	1.81	1.78	1.79
Soybeans	4.76	4.72	4.78

MARKETING NEWSLETTER COMPARISONS

Northland College—Josh Tjosaaas and Ron Dvergsten, Instructors

6-16-2016	WHEAT	SOYBEANS	CORN	OTHER
PRO FARMER:	16: 25% sold for cash sellers and for H's 25% sold, 35% F/O Short term trend is choppy.	15: 85% sold for cash sellers and for H's 90% sold 16: 45% sold for cash sellers and for H's 55% sold. Trend is up	15: 75% sold for cash sellers and for H's 90% sold, 16: 25% sold for cash sellers and for H's 25% sold Short term trend is up.	Cattle: None Short term trend is choppy.
MONEY FARM:	15: 45% Sold at \$6.72 average 16: None	16: Sell 35%-15% is options strategy	15: 70% sold at \$4.09 average, 100% basis fixed 16: sold 20% of expected production on option strategy	Mike Krueger writes this daily newsletter. Lock in Spring/Summer Fuels Needs Sunflowers: 2015: 25% Sold
ProgressiveAg:	16: 0% Sold	16: 0% sold, 40% futures hedged at \$10.45	16: 100% Sold, Profit \$1.65, rolled to Dec 2016 at \$4.23. 35% priced	ProgressiveAg:
ROACH AG MARKETING			Day 20 of resumed and extended corn sell signal	John Roach writes this daily newsletter. www.roachag.com
Farm Futures:	16: We also recommended pricing 30% of expected 2016 production at \$5.86 basis Minneapolis July 2017	16: Protect 50% of production with Nov \$9 Puts at 14.75 cents, price 30% at \$10.675 Nov with futures or HTA.	15: Price 2015 production as follows: Price 95% of 2015 production futures price of \$4.22 using futures or HTA contracts, including options and spread trade proceeds; protect 25% of 16 production with July 2017 futures or hedge or arrive contracts at \$4.1075. Cover 50% with options	Bob Burgdorfer, Senior Editor, Farm Futures
USSET, U of MN:	Updated April 15, 2016 15: 20,000 bushels sold at \$5.215 average and price remaining bushels each week for next 5 weeks, 2000 bu per week 16: No Recommendations yet	Updated April 29, 2016 15: 100% sold at \$8.93 average 16: Sold 5,000 bu at 9.67 ¾ Nov 16 futures	Updated April 29 th , 2016 15: Sold 5 contracts or about 25% of production at \$3.795 cash, will sell 10,000 bushels a week for next 8 weeks. 16: No Recommendations yet	You can check out Ed Usset's website at http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx
Terms:	CBT-Chicago Board of Trade MGE-Minneapolis Grain Exchange	OC—Old Crop NC—New Crop	P—Put Option C—Call Option	FC—Forward Contract H—Hedge
	KC—Kansas City Board of Trade	OTM—Out-of-the-Money	ATM—At-the-Money	F/O—Futures/Options
NEXT USDA CROP REPORT: WASDE July 12th, 2016				

Bold: indicates change from last week.

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2016 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2015 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Soybeans	Corn
Jan 2016	4.66	7.87	3.22
Feb	4.54	8.04	3.54
Mar	4.75	8.18	3.51
Apr	4.69	8.48	3.38
May	4.78	9.37	3.49
June	4.66	10.38	3.96
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Jan 2017			
Feb			
Mar			
Apr			
May			
Jun			
Average	4.68	8.72	3.52

2015 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2015 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Soybeans	Corn
Jan 2015	5.55	9.16	3.79
Feb	5.37	8.72	3.75
Mar	5.19	8.82	3.76
Apr	5.31	8.59	3.64
May	4.92	8.74	3.38
June	5.26	8.41	3.43
July	4.69	8.95	3.64
Aug	4.43	7.96	3.41
Sept	4.63	7.96	3.51
Oct	4.79	8.10	3.45
Nov	4.79	7.97	3.41
Dec	4.74	7.99	3.36
Jan 2016	4.61	7.97	3.12
Feb	4.42	7.93	3.19
Mar	4.63	7.98	3.27
Apr	4.63	8.22	3.23
May	4.71	9.39	3.28
Jun	4.65	10.49	3.78
Average	4.85	8.52	3.47

Changes in weather patterns had more of an effect on the commodity markets than Friday's USDA report. For the week, the July wheat contract spiked 20 cents on the news only to settle nearly even with last week, while the nearby corn contract gained a nickel. Forecasts of 90 degree temperatures in the Grain Belt pushed the July soybean contract 47 cents higher. July meal ended a nine week run of gains dropping 30 cents per ton. In the softs, July cotton rose 83 cents per hundredweight. Over in the dairy parlor, July Class III milk futures bumped up 74 cents. In the livestock sector, the August cattle contract lost 45 cents. August feeders fell \$1.13. And the July lean hog contract shed 28 cents. In the currency markets, the U.S. Dollar Index expanded 53 points. July crude moved 45 cents per barrel higher. August COMEX Gold gained \$33 per ounce. And the Goldman Sachs Commodity Index rose nearly 5 points to finish the week at 379.40.

Pearson: Here now to lend us their insight on these and other trends are two of our regular market analysts, Elaine Kub and Walt Hackney. Welcome back, everybody.

Kub: Pleasure to be here.

Pearson: Elaine, we want to get started with you. Want to talk about this wheat market. We did see some volatility this week in wheat, but it ended kind of in a slump. Where do you see it going from here?

Kub: Depends on which wheat we're talking about. That slump that happened today might have been related to the U.S. dollar going higher. Wheat for some reason tends to be more sensitive to fluctuations in the U.S. dollar. And the report was not that bearish for wheat, it was only really very minor adjustments made to the supply and demand on the USDA tables today for wheat. But it was a reminder that they're having very good yields as they're harvesting through northern Texas and up into Oklahoma, very good yields, very good test weights, low protein. So that brings me to, I said which wheat are we talking about? Spring wheat could get some bullishness if there is demand for blending in that higher protein spring wheat with the lower protein winter wheat here in the United States. Spring wheat could also get some bullishness from this drought that is continuing in Canada. Alberta still has drought. It's spreading into Saskatchewan. So there are some things that could make you think that spring wheat might be heading back towards \$6.

Pearson: So if you're a spring wheat grower you're just going to hold here.

Kub: I would. I would not sell any spring wheat until -- let's not get too greedy because yes, there's overwhelming stocks of wheat. Like the stocks to use ratio in the U.S. is 50%. So half of all wheat in the United States has no home on the USDA table.

Pearson: Okay. But as this winter wheat is coming out of the field, how do growers handle that situation?

Kub: Yeah, I don't have a lot of optimism there. We are seeing the carry spreads, there's 42 cents between buying that winter wheat in July and holding it until December. So it might make sense for the farmers to capture that carry by storing on the farm if they're capable. Other than that not a lot of optimism.

Pearson: Okay. Alright. Probably just go ahead and pull the trigger with where we're at? Save on the storage, lessen some risk?

Kub: Maybe. Yeah.

Pearson: Alright. Way to dodge the question, Elaine Kub.

Kub: Sorry. It depends what the dollar does honestly. There's volatility in there sure.

Pearson: Okay, so you're really watching the dollar for indications on this wheat price.

Kub: Yes.

Pearson: Well let's see if we can pin you down a little bit harder here on this corn market. Old crop corn, we're seeing some strength, we're seeing some spillover support from soybeans. Are you cleaning out the bins yet?

Kub: I think you should be. I think that you really have to have a plan to get rid of not only old crop but also really look at your pre-harvest hedging for new crop before the end of the month, like we expect to see a

seasonal rally May, June, July timeframe, we have seen that rally. These prices are so much nicer than anything we had a reason to expect in March. Let's remind ourselves this 90 degree weather in this stage I don't think that really matters. So let's remind ourselves that that USDA report today said 14.4 billion bushels of corn, big crop, and I think that's correct. We're going to have a big, ample crop. Let's not get too greedy. Let's not expect a harvest high. Let's get some selling done in June.

Pearson: So these concerns about the La Nina developing, you're willing to push off a little bit?

Kub: No, I think those are legitimate concerns. But as I understand them, that forecast is more towards the last part of summer. So if you are worried about La Nina developing in August that's a soybean story much more so than a corn story.

Pearson: Okay. \$4.50 corn, can we be that greedy new crop?

Kub: For some of your bushels, but I don't think that you should sit and wait and leave everything unhedged. There's so much risk that the dollar could go crazy because of the Brexit vote on June 23rd that there's a lot of speculative money that is long in soybeans especially but also corn, so if these markets start to fall apart I don't think you're going to want to catch the falling knife, as they say, I think you want to be proactive.

Pearson: Okay. Would you be reowning any of those sales with calls at this point in the market on new crop corn?

Kub: No, not necessarily. I don't think there's that much upside when we're looking at a 14.4 billion bushel crop at this point.

Pearson: Okay. Now, Walt, I wanted to turn to you for a second. We do have this break, corn is continuing to find strength, wheat is continuing to pull back. Are you hearing cattle feeders start to roll more wheat into the ration?

Hackney: Absolutely there is discussion. Physically I haven't ran into it. You have to have a pretty astute nutritional background in order to supplement a ration with wheat. You mentioned volatility, it's a volatile grain to put in a ration and one of the old standards that we've used forever in the rationing of cattle is you do never use more than 41% of your ration as wheat. It's simply too high in protein and it burns the livers, it abscesses the livers if you go beyond that level. So you have to be very careful regardless of its value going into the ration. It may cheapen your ration, it may help you in that regard, and the cattle may gain well on it but when it comes time to sell them and the packer comes back to you and starts complaining that he wants some restitution on abscessed liver, that is a different story.

Pearson: Could be an expensive way to cheapen a ration.

Hackney: A very expensive problem.

Pearson: Alright, Elaine Kub, want to come back and talk about this soybean market. It has been incredible over the past 8 weeks. And I want to start with a question from Phil in Ontario, Canada. He notes that we have seen a lot of outside money flow into soybeans. He's asking, how long does this investment capital continue to flow into ag commodities?

Kub: He's really touched on something there and we mentioned it already is the commitments of traders, there's about 20 positions that the speculators have long in soybeans for every one position that they have short in soybeans. They are very, very long, longer than they have been since 2012 or really since this modern timeframe of trading soybeans in this post-ethanol era. So they're hugely long, which means there is great risk that whenever it does turn around that they will suddenly all bail out at the same time. And they're being led, they're not as long in soybean meal but this whole rally has been led by soybean meal, which is the same story of the livestock feed rations globally, not just in the United States, but China and everywhere where crushing the soybeans is very profitable and that is what is leading this rally.

Pearson: And this was the first week in 8 or 10 weeks we saw the divergence between the underlying bean contract and meal. We saw meal pull back while beans ran higher --

Kub: Which is weird, yeah.

Pearson: Is that to you an indication that maybe we're toppy in here on soybeans?

Kub: Yeah, it makes you think that it's irrational a little bit. Like I said, they're so long in soybeans and they're not long to that same degree in soybean meal. So it feels like the story got lost in translation somewhere here when the fund started to get into it. So yeah I think there's a lot of risk. I think there's a lot of downside risk in soybeans for all of these reasons and there's also upside risk in soybeans for that La Nina reason. So I think there's more volatility in both directions possible for soybeans the next few months.

Pearson: So if I'm a bean grower, how aggressive should I be with physical sales, cash sales right now?

Kub: I want to say really aggressive because of that downside risk, but I also want to say hold off the gas a little bit because of the August situation. So maybe this is a good scenario for puts, sort of, leaving some upside open.

Pearson: Puts rather than selling the physical, buying back calls.

Kub: I like that too actually because I'm not expecting to see a major increase in the cash market. We might as well just take what you can get from your basis bids for your new crop bids from your local elevator. If you know you're going to take it there at harvest, just do it, just pull the trigger.

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Daily E-Mail Commentary

Thursday, June 16, 2016

General Comments

Right on the open this morning grains tried to get some buyers to show up, but by 8:30 it was apparent the solid export numbers this week were being over ruled by weather forecasts and profit taking.

Exports for the week were big. We sold 1.08 million tons of corn this week (mostly old crop), 1.58 million tons of soybeans (split old/new) and 7630,000 tons of wheat. This was the highest weekly sales number for wheat in near 3 years. The other interesting headline is that Brazil's Ag Ministry is working on easing the import restrictions on some US GM corn varieties. That is certainly not a bearish demand indicator!

Despite the bullish demand news from exports and supply issues in certain areas, the updated summer forecasts seemed to encourage traders to take some profits again today as soybeans have now pushed back 70 cents from Monday's highs. The 3 month outlook has a slight chance of being above normal temperatures. The precipitation maps show no real sign of the impending La Nina that some weather analysts are convinced is coming. The three month maps are attached below.

The drought monitor map has some areas of concern if we stay drier across the 'I states' through June. At the moment the market doesn't feel the need to price much risk into the grains, even though there is still some heat across the middle of the country this week.

Market Comments

The most common question in the office this week is 'Do we sell more new crop here, or what should we do?' Our common plan at the moment is to wait and watch the market trade. We are still at lofty levels. If the soybeans push back some more we will likely recommend some cheap call options for those that want to re-own earlier sales. Corn on the other hand is still only a dime off of its highs and we are content to let futures work for the time being.

The potential is out there for us still to have a large crop this year, but we are firm believers with the global demand picture, months of growing season left, that we will get some better opportunities to price our crop going forward.

All markets were lower through much of today's session with the exception of the dollar (which gave back its gains at the end of the day). The market was taking risk off in everything from energies, to currencies, and grains. Corn finished in the middle of its range today which was an encouraging close; finishing off 4 ½ at \$4.35 ¼. Soybeans finished down 20 in new crop at \$11.19 in November. Wheat was mixed with Minneapolis trying its best to close in the black, but missing it by 1 cent. Chicago and Kansas City wheat were off a nickel on the day.

No changes to recommendations. Feel free to shoot us photos and crop reports from all of your respective areas.

Wheat

USDA released its Supply and Demand report on Friday, June 10th. Not a lot of good news in the report for wheat.

As we are nearing the end for the 2015 crop marketing year, we saw only some small changes affecting that crop. U.S. ending stocks were up a couple million to 980 moving our stocks ratio to usage up to 50.5%.

Some good news was 2015 Hard Red Spring Wheat ending stocks were lowered by 3 million bushels to 295 reducing SU ratio to 55.3%. Unfortunately that is still a lot of wheat left over for the 2016 supply.

The report only has some small changes for the 2016 U.S. crop, with a mix of good and bad. We saw an increase in ending stocks to 1,050 million bushels up 21 million from May's report, but a 55 million bushel increase in usage help lower the SU ration to 49.2%.

At the end of the day we still have over a billion bushels in ending stocks, and that is a lot of wheat to use up.

Corn

The common theme through the report on corn was more exports, which is good. Similar to the wheat, we have a lot corn and exports are a great way to use some up.

The 2015 crop saw an increase of 100 million bushels of exports which helped lower our ending stocks to 1,708 million bushels. This also lowered out SU ratio to 12.5% down from last month's 13.3%.

We also saw an increase in U.S. cash price on corn up from \$3.60 in May to \$3.70 now. For some that will reduce estimated County ARC payments to be made in October for the 2015 crop year.

The 2016 crop also saw a 50 million bushel increase in exports helping lower the ending stocks to 2,008 million bushels down 145 million bushels from May's report.

Even with these increased exports, we are still seeing over 2 billion bushels ending stocks. There have been some questions on the large increase in acres from 2015 to 93.6 million based on the March estimated acreage. Something to keep an eye on will be the June 30 Planted Acreage report.

Did the soybean rally buy some acres from corn? If it did, is it 2 million, is it more, or less. This could be an exciting report.

With many breakevens at or below \$4.00 we have seen some opportunities that allows us to lock in these numbers. Know you numbers and have a plan.

Soybeans

This report was favorable to soybeans. For the 2015 crop we saw lower ending stocks, higher usage, lower Stocks to Use Ratio, and higher U.S. farm price.

With the higher U.S. farm price, we will also see some lower estimates for soybeans in those counties qualifying for County ARC payments. This report was up \$0.20 from last month to \$9.05. I hope you were able to capture some of that loss in higher prices on soybeans sold in the market.

The positive theme carried over to the 2016 crop with 30 million less in supply and 15 million more in total usage. Our ending stocks dropped 45 million bushels and resulted in 6.6% stocks to use ratio. That's down from last month's 7.8%.

U.S. farm price was also raised for the 2016 crop from \$9.10 to \$9.50. They did not ignore these rallies and are assuming some producers are locking in these higher prices.

The 2016/2017 World Ending stocks were also down from last month's report to 66.31 million metric tons. This and the value of the dollar has been a couple of the reasons for these rallies.

On March 1st November Soybean Futures closed around \$8.70 and after the report June 10th, we saw a close at \$11.62. We had almost a \$3 rally in a little over 3 months. That is another \$1.00 since the May 10th report.

We saw many breakevens this winter at or a little below \$10.00, current futures should get us above that. Remember to have your plan based on your farm. If over breakeven, is that a good place for incremental sales? As the rally continues, can we eliminate more risk with additional sales?

The biggest question here is with the last 3 month rally, how many acres did the market buy? As mentioned before, the June 30 acreage report could give this market something to react to.

If we see a huge increase in acres, this could really change our Supply and Demand numbers.

Summary

There have been a few fundamentals shifting to help support the recent rallies. However now that most of the acres are now planted the market is watching the weather.

On June 10 the market appeared to trade the report for a short period, and then right back to a Weather Market.

Locally we have seen some rain, and more forecasted in the near term. It seems like we are off to a good start and have some great potential for producers in our territory.

Some meteorologists are forecasting the national growing season to be capable of 170 bu corn average. At today's estimated 93.6 million acres that is a lot of corn.

Keep an eye on these rallies and follow your marketing plan. Remember a good plan will always start a little early, but the goal is a good average price for the year. Harvest is a long ways away, and no guarantee on any prices if not locked in.

Don't forget the next Acreage Report coming out on June 30th, could be fireworks or just some duds.

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