ELEC. CORN (@C) [10]

Month	Last	Chg	High	Low
Sep-19	411'2s	-5'6	417'0	410'2
Dec-19	421'0s	-6'0	426'6	419'6
Mar-20	431'0s	-5'6	436'4	430'0
May-20	435'4s	-5'2	440'4	434'4
Jul-20	439'2s	-5'0	443'6	438'2
Sep-20	420'6s	-2'4	422'4	420'0
Dec-20	415'6s	-1'6	417'4	414'6
Mar-21	425'2s	-1'6	426'4	424'6

ELECTRONIC OATS (@O) [10]

Month	Last	Chg	High	Low
Sep-19	257'4s	-1'2	260'2	256'0
Dec-19	263'6s	-0'4	265'2	262'0
Mar-20	268'6s	0'0	269'0	267'4
May-20	268'2s	0'2	---	---
Jul-20	268'0s	0'2	---	---
Sep-20	270'6s	2'2	---	---
Dec-20	270'6s	2'2	---	---
Mar-21	270'6s	2'2	---	---

ELECTRONIC ROUGH RICE (@RR) [10]

Month	Last	Chg	High	Low
Sep-19	12.095s	-0.215	12.335	12.080
Nov-19	12.295s	-0.200	12.505	12.260
Jan-20	12.445s	-0.195	---	---
Mar-20	12.515s	-0.130	12.600	12.580
May-20	12.515s	-0.130	---	---
Jul-20	12.515s	-0.130	---	---
Sep-20	12.420s	-0.130	---	---

ELECTRONIC BARLEY (@BW) [0]

Month	Last	Chg	High	Low

ELEC. SOYBEANS (@S) [10]

Month	Last	Chg	High	Low
Aug-19	878'6s	-7'0	887'0	871'4
Sep-19	884'2s	-7'2	892'6	877'0
Nov-19	896'6s	-7'4	905'2	889'4
Jan-20	910'0s	-7'4	918'6	902'6
Mar-20	922'2s	-7'0	930'0	914'6
May-20	933'2s	-5'6	939'0	925'0
Jul-20	944'0s	-4'6	949'4	934'4
Aug-20	947'2s	-4'2	946'4	944'4

ELECTRONIC SOYBEAN MEAL (@SM) [10]

Month	Last	Chg	High	Low
Aug-19	300.3s	-3.9	304.2	299.8
Sep-19	302.7s	-3.6	306.3	302.1
Oct-19	304.5s	-3.5	307.7	303.8
Dec-19	307.7s	-3.8	311.6	306.9
Jan-20	309.6s	-3.7	313.2	308.7
Mar-20	312.8s	-3.7	316.5	311.9
May-20	316.3s	-3.5	319.4	315.4
Jul-20	320.0s	-3.1	322.6	318.8

ELEC. HRW WHEAT (@KW) [10]

Month	Last	Chg	High	Low
Sep-19	433'4s	-3'0	436'0	430'0
Dec-19	451'0s	-3'0	453'4	447'2
Mar-20	467'4s	-3'2	470'0	464'0
May-20	478'6s	-3'0	479'0	475'4
Jul-20	484'0s	-2'6	485'0	482'0

ELECTRONIC CANOLA (@RS) [10]

Month	Last	Chg	High	Low
Nov-19	448.4s	-1.0	450.0	446.1
Jan-20	456.5s	-0.6	458.1	453.9
Mar-20	463.8s	-0.5	465.1	460.9
May-20	469.2s	-0.6	470.5	466.3
Jul-20	473.9s	-1.0	475.4	471.9

ELECTRONIC DURUM WHEAT (@DW) [0]

Month	Last	Chg	High	Low

ELEC. WHEAT (@W) [10]

Month	Last	Chg	High	Low
Sep-19	497'2s	-6'2	503'2	495'0
Dec-19	503'0s	-5'4	508'4	501'0
Mar-20	512'4s	-5'4	518'0	510'6
May-20	518'0s	-5'2	522'0	516'4
Jul-20	520'2s	-4'4	524'2	519'2
Sep-20	526'6s	-4'2	529'0	526'0
Dec-20	538'6s	-3'6	540'6	537'6
Mar-21	547'0s	-3'4	548'6	546'6

ELECTRONIC SOYBEAN OIL (@BO) [10]

Month	Last	Chg	High	Low
Aug-19	28.31s	-0.12	28.57	28.15
Sep-19	28.44s	-0.15	28.72	28.31
Oct-19	28.57s	-0.14	28.84	28.43
Dec-19	28.83s	-0.14	29.11	28.69
Jan-20	29.08s	-0.14	29.34	28.94
Mar-20	29.36s	-0.13	29.60	29.20
May-20	29.69s	-0.12	29.91	29.54
Jul-20	30.02s	-0.12	30.25	29.86

ELEC. HRS WHEAT (@MW) [10]

Month	Last	Chg	High	Low
Sep-19	528'6s	-3'6	532'6	527'6
Dec-19	540'4s	-2'6	543'6	538'4
Mar-20	554'2s	-2'0	556'4	552'0
May-20	562'6s	-2'4	563'0	562'4
Jul-20	571'0s	-2'2	572'2	570'0
Sep-20	577'2s	-1'2	---	---

ELECTRONIC MILLING WHEAT (@WA) [0]

Month	Last	Chg	High	Low

Quotes generated on: Tue, Jul 30, 2019 2:43 PM CDT *Quotes are in market time

LOCAL CASH GRAIN PRICES

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

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

Date:	7/30/2019 2:37 p.m.			7/29/2019 8:25 a.m.			7/22/2019 7:45 a.m.			7/15/2019 7:46 a.m.		
	2018 Crop	2018 Crop	2019 Crop	2018 Crop	2018 Crop	2019 Crop	2018 Crop	2018 Crop	2019 Crop	2018 Crop	2018 Crop	2019 Crop
WHEAT:	Sept 19-July Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-July Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-July Del	Sept 19-Aug Del	Sept 19-Aug Del	Sept 19-July Del	Sept 19-Aug Del	Sept 19-Aug Del
Georgetown	4.75	4.75	4.75	4.69	4.69	4.69	4.71	4.71	4.71			
Barnesville	4.74	4.74	4.74	4.69	4.69	4.69	4.71	4.71	4.71	4.84	4.84	4.84
Protein	+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis:Gtwn	-0.54	-0.54	-0.54	-0.58	-0.58	-0.58	-0.58	-0.58	-0.58			
Breck	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.55	-0.60	-0.60
Felton	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.67	-0.67	-0.67
Barnesville	-0.55	-0.55	-0.55	-0.58	-0.58	-0.58	-0.58	-0.58	-0.58	-0.56	-0.56	-0.56
SOYBEANS:	Nov 19-July Del	Nov 19-Aug Del	Nov 2019-Oct Del	Aug 19-July Del	Aug 19-Aug Del	Nov 2019-Oct Del	Aug 19-July Del	Aug 19-Aug Del	Nov 2019-Oct Del	Aug 19-July Del	Aug 19-Aug Del	Nov 2019-Oct Del
Georgetown	7.69	7.69	7.69	7.64	7.64	7.66	7.80	7.80	7.81			7.97
Barnesville	7.82	7.82	7.85	7.88	7.88	7.88	7.93	7.93	7.93			8.04
Basis: Gtwn	-1.28	-1.28	-1.28	-1.22	-1.22	-1.39	-1.22	-1.22	-1.39			-1.39
Breck	-1.10	-1.10	-1.10	-1.00	-1.00	-1.10	-1.00	-1.00	-1.10	-1.05	-1.05	-1.10
Felton	-1.17	-1.17	-1.07	-1.17	-1.17	-1.07	-1.27	-1.27	-1.27	-1.12	-1.12	-1.57
Bville	-1.15	-1.15	-1.12	-1.17	-1.17	-1.17	-1.13	-1.13	-1.32	-1.13	-1.13	-1.32
CORN:	Sept 19-July Del	Sept 19-Aug Del	Dec 19-Oct Del	Sept 19-July Del	Sept 19-Aug Del	Dec 19-Oct Del	Sept 19-July Del	Sept 19-Aug Del	Dec 19-Oct Del	Sept 19-July Del	Sept 19-Aug Del	Dec 19-Oct Del
Georgetown			3.54	3.58	3.58	3.51	3.71	3.71	3.69			3.90
Cargill	3.91	3.91	3.86	3.98	3.92	3.93	4.06	4.06	4.01	4.16	4.26	4.22
Basis-Gtwn			-0.67	-0.60	-0.60	-0.67	-0.60	-0.60	-0.67			-0.67
Cargill	-0.20	-0.20	-0.35	-0.20	-0.20	-0.35	-0.25	-0.25	-0.35	-0.35	-0.25	-0.35
Felton	-0.67	-0.67	-0.72	-0.67	-0.67	-0.72	-0.62	-0.62	-0.62	-0.62	-0.62	-0.62
Barnesville	-0.45	-0.45	-0.55	-0.45	-0.45	-0.55	-0.49	-0.49	-0.59	-0.54	-0.54	-0.59

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

Commodity Int. Rate: 3.125% July 1, 2019 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
1.875%	3 years	2.125%	10 years
1.875%	5 years	2.250%	12 years
2.000%	7 years		

MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergsten, Instructors

7-30-2019	WHEAT	SOYBEANS	CORN	OTHER
Pro Farmer:	19: 25% sold for cash sellers and for H's 25% sold. Trend is even.	18: 75% sold for cash sellers and for H's 75% sold, 19: 30% sold for cash sellers and for H's 40% sold. Trend is even.	18: 80% sold for cash sellers and for H's 80% sold. 19: 30% sold for cash sellers and for H's 30% sold. Trend is up.	Cattle: No Sales Trend is lower.
Money Farm:	18-40% sold 19-20% GTC	19-50% Hedged, 20% GTC 20-10% HTA	18: Sell 80% for harvest delivery 19: Price 30% HTA Dec 2019, 10% GTC	**Luke Swenson writes this daily newsletter.**
Martinson Ag:	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.**
Roach Ag:				
Farm Futures:			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, *Farm Futures*
Usset, U of MN:	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 http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx**
Terms:	CBT-Chicago Board of Trade	OC–Old Crop	P–Put Option	FC–Forward Contract
	MGE-Minneapolis Grain Exchange	NC–New Crop	C–Call Option	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: Acre- WASDE Aug 12th, 2019 **Bold: indicates change from last week.**

"The information provided by Northland Farm Business Management is for informational and comparison purposes only. It is not intended to be considered marketing or trading advice for your individual operation. The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. By accepting this communication, you agree that you are capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions."

2018 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2018 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2018	5.61	-.60	8.93	-.90	3.36	-.45
Feb	5.75	-.60	9.15	-.95	3.50	-.45
Mar	5.83	-.49	9.40	-.90	3.62	-.45
Apr	5.86	-.44	9.54	-.88	3.69	-.45
May	5.66	-.44	9.26	-.90	3.68	-.45
June	5.63	-.40	8.97	-.86	3.53	-.42
July	5.10	-.43	7.93	-.95	3.28	-.42
Aug	5.46	-.67	7.23	-1.30	3.27	-.40
Sept	4.98	-.70	6.74	-1.69	3.23	-.43
Oct	5.26	-.65	7.10	-1.58	3.19	-.47
Nov	5.16	-.57	7.37	-1.45	3.20	-.50
Dec	5.32	-.45	7.78	-1.35	3.21	-.53
Jan 2019	5.20	-.50	7.82	-1.17	3.33	-.45
Feb	5.25	-.43	7.99	-1.17	3.35	-.40
Mar	5.11	-.35	7.77	-1.17	3.27	-.38
Apr	4.86	-.37	7.92	-1.10	3.25	-.38
May	4.67	-.47	6.80	-1.14	3.05	-.40
Jun	5.19	-.47	7.41	-1.15	3.63	-.50
Average	5.33	-0.5	8.06	-1.15	3.37	-0.44

2019 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2019 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2019	5.28	-.60	8.28	-1.24	3.57	-.45
Feb	5.22	-.58	8.35	-1.23	3.56	-.43
Mar	5.06	-.50	8.04	-1.25	3.47	-.43
Apr	4.87	-.54	8.13	-1.23	3.51	-.40
May	4.67	-.56	7.01	-1.18	3.26	-.40
June	5.18	-.57	7.54	-1.29	3.91	-.40
July	4.75	-.59	7.90	-1.30	4.07	-.40
Aug						
Sept						
Oct						
Nov						
Dec						
Jan 2020						
Feb						
Mar						
Apr						
May						
Jun						
Average	5.01	-0.56	7.89	-1.25	3.62	-0.42

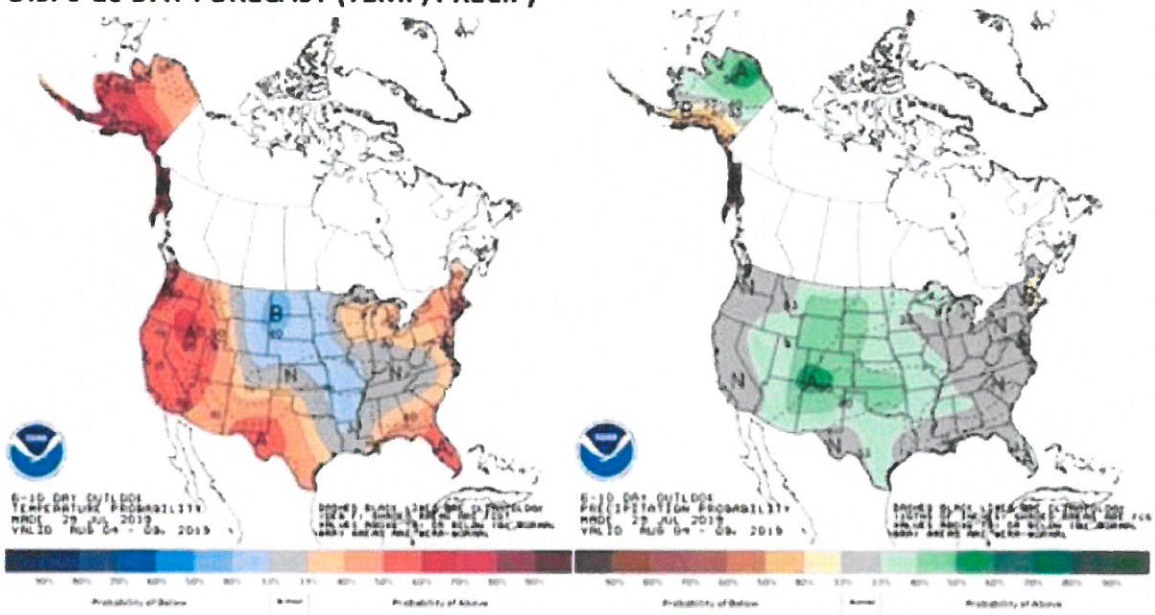
...eck Elevators	7/18/19	7/22/19	7/29/19
...d Corn-Ag Valley	-.49	-.49	-.45
Old Corn-Felton	-.62	-.60	-.67
Old Corn-Cargill	-.35	-.25	-.20
Old Corn-Georgetown	-.60	-.60	-.60
Old Corn-Tharaldson	-.35	-.35	-.35
Old Corn-CW Valley	-.48	-.48	-.40
Old Corn-HEC			
Old Soybean-Ag Valley	-1.05	-1.00	-1.17
Old Soybean-Felton	-1.27	-1.27	-1.17
Old Soybean-Minn Kota	-1.00	-1.00	-1.00
Old Soybean-Georgetown	-1.22	-1.22	-1.22
Old Soybean-CW Valley	-1.05	-1.05	-1.22
Old Soybean-HEC			
Old S.W.-Ag Valley	-.58	-.58	-.55
Old S.W.-Felton	-.57	-.57	-.57
Old S.W.-Minn Kota	-.60	-.60	-.60
Old S.W.-Georgetown	-.58	-.58	-.58
Old S.W.-CW Valley	-.55	-.55	-.55
Old S.W.-HEC			
New Corn-Ag Valley	-.59	-.59	-.58
New Corn-Felton	-.62	-.62	-.72
New Corn-Cargill	-.35	-.35	-.35
New Corn-Georgetown	-.67	-.67	-.67
New Corn-Tharaldson	-.40	-.40	-.40
New Corn-CW Valley	-.57	-.57	-.57
New Corn-HEC			
New Soybean-Ag Valley	-1.25	-1.25	-1.17
New Soybean-Felton	-1.27	-1.27	-1.07
New Soybean-Minn Kota	-1.10	-1.10	-1.10
New Soybean-Georgetown	-1.39	-1.39	-1.39
New Soybean-CW Valley	-1.17	-1.17	-1.17
New Soybean-HEC			
New S.W.-Ag Valley	-.58	-.58	-.55
New S.W.-Felton	-.57	-.57	-.57
New S.W.-Minn Kota	-.60	-.60	-.60
New S.W.-Georgetown	-.58	-.58	-.58
New S.W.-CW Valley	-.55	-.55	-.55
New S.W.-HEC			

DAILY COMMENTARY

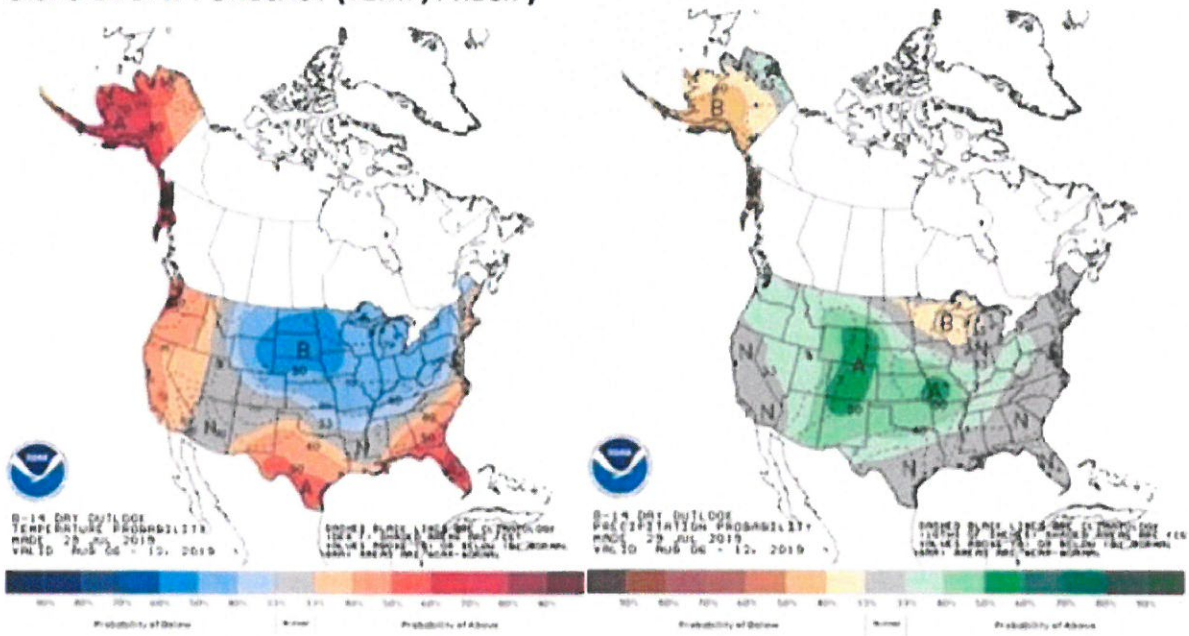
Grain futures opened lower this morning as grain markets are nervous about meetings starting between US and Chinese trade negotiators. They are scheduled to meet for dinner today, with talks starting tomorrow. The meeting is set to focus on important issues for both sides. China will focus on lifting technology restrictions on Huawei, and the US will press for increased purchases of agricultural products. President Trump tweeted about these concerns this morning, as well as, China's inability to follow through.

Updated crop progress and conditions also weighed on the market today. Rains will be limited in areas in the western Corn Belt this week. Next week remains questionable as models differ. Forecasts released this morning show below normal temperatures and above normal precipitation for next week. However, the European model is warmer and drier over the next 10 days. While last weeks temperatures and drier weather was favorable to crop conditions, many producers are reporting that crops need rain. Updates will be watched closely. Today's updated forecasts are below.

U.S. 6-10 DAY FORECAST (TEMP/PRECIP)



U.S. 8-14 DAY FORECAST (TEMP/PRECIP)



CORN COMMENTARY

Corn prices moved lower today due to slow demand and unclear weather forecasts. Corn ratings, released yesterday, were also better than expected.

While there were slight improvements in the "I" states, several major states remain below 50% good to excellent (IL, IN, MI, MO, OH). Corn silking also remains below average with IL, IN, MI, OH, SD and WI deviating the furthest from average. Gains offset losses on progress this week, but these areas remain major points of concern. Forecasts will be critical.

December broke below $4.20 late in the session and filled the gap remaining from late May. December corn closed down 6 cents at $4.21.

SOYBEAN COMMENTARY

Soybeans futures were lower today as trade awaits news on negotiations in China. While export inspections reported more shipments to China this past week, they were from purchases previously made. New purchases, that were earlier promised in trade talks, have yet to be made. With no new sales announcements this morning, China headlines will be important over the next couple of days.

Soybean conditions were left unchanged this week but, like corn, progress remains slow. The three "I" states currently have the lowest percent setting pods. Blooming is also below average. Again, weather forecasts will be crucial.

Soybean futures had a wide trading range today. November futures tested support today, but were unable to close above $9.00. Soybeans closed at $8.96 in November futures, down 7 cents.

WHEAT COMMENTARY

Wheat prices also struggled through today's session. While spring wheat conditions fell three percent this past week, demand remains slow. It is worth noting that conditions in ND and MN fell 2% this past week. Oregon has the worst condition rating with only 40% of spring wheat in good to excellent condition. US harvest pressure continues to weigh on prices as weeks of harvest are still ahead.

Chicago September Wheat closed at $4.97, down 6 cents; September KC ended at $4.33, down 3 cents; and September Minneapolis wheat closed at $5.29, down 3 cents.

Allison Thompson

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July 27, 2019
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News this week...
2 – Details on USDA's second round of tariff aid payments.
3 – U.S. cattle herd expansion has come to an end.
4 – Our three-scenario outlooks for corn, beans and wheat.

Corn, beans fade as weather concerns ease – *Cooler temps across the Corn Belt last week pressured corn and soybean futures. Drying soils across areas of the central Corn Belt are being ignored for now given the lack of heat stress. Unless weather concerns are renewed, there's risk traders will remove more premium from the markets. That risk is greatest in corn, where funds are net long. They are still net short soybeans. Wheat futures slumped to two-month lows last week amid seasonal pressure. But with the winter wheat harvest now more than three-quarters complete, that pressure should ease. However, the upside is likely dependent on corn. Cattle futures continued their gradual uptrend from recent lows, though traders are waiting on the cash market to strengthen. Surging cash hog prices supported futures.*

Hotter temps, but nothing oppressive

Seasonal temps and hit-and-miss rains are expected across the Corn Belt during the next two weeks. While there is no oppressive heat in the outlook through the first full week of August, rains are expected to be light and scattered enough to create net drying over much of the region. As a result, crop stress is likely in areas that miss the rainfall.

Total PP acres could reach 20 million

Prevent-plant (PP) acres could total 15 million to 20 million acres, according to comments reportedly made by USDA Risk Management Agency's Thomas Worth last week. That range is based on claims progress versus prior years. Assessing the impact on total U.S. plantings is difficult because no information is available on how many farmers opted to plant another crop on the PP acreage.

Tour finds sub-par spring wheat crop

Scouts on the Wheat Quality Council spring wheat tour found an average HRS yield of 43.1 bu. per acre in North Dakota, far northern South Dakota and far western Minnesota. The tour yield is up from last year's projection of 41.1 bu. but below its five-year average of 44.7 bu. per acre. Tour scouts found an average durum yield of 32 bu. per acre, down from 39.3 bu. last year and the five-year average of 40.0 bu. per acre.

Dryness trimming Russian wheat crop

Russian wheat crop estimates are falling after late-spring and summer heat curbed yields. While production is still expected to be up 3% to 6% from last year, Russia's wheat exports are expected to be smaller in 2019-20, and they could be trimmed more if there are additional downward revisions to crop size. Also, early harvest results signal a lower-quality Russian wheat crop that may limit milling-quality supplies.

Crop Tour filling up fast, but still room

We still have room for Members to participate in this year's *Pro Farmer* Midwest Crop Tour Aug. 18-23. E-mail Amber at ASpafford@farmjournal.com if you want to be a crop scout.

MFP 2 better than round 1, but not perfect

Payment details for the second round of the Market Facilitation Program (MFP 2) were released last week (see *News page 2*). MFP 2 is more balanced than the first package, though there are obvious disparities, as with any county-based program covering multiple commodities (the Ag Risk Coverage program is a prime example). Doubling of the pay caps and separate payment limits are major changes and will allow the largest farming operations to receive more of the tariff aid than they did in the first round. The roughly $7.25 billion in the first tranche of payments in August will put cash in farmers' hands, which could impact old-crop sales and basis.

U.S., China trade deal unlikely this week

Top trade officials from the U.S. and China are meeting in Shanghai July 30-31. Some feel the meetings being held in Shanghai instead of Beijing could be of significance. That's where the Shanghai Communiqué was issued that set the stage for normalized relations for the two countries in 1972. But Bill Bishop of Sinocism says there is no pressure on China to get a deal done at this time and he sees "little optimism for any significant breakthroughs" in talks this week.

More China goodwill ag purchases likely

Five Chinese crushers reportedly can apply for exemptions from the 25% tariffs to buy a total of 2 million metric tons (MMT) to 3 MMT of U.S. soybeans arriving by year-end. China also approved several domestic companies to make duty-free purchases of U.S. corn, sorghum, pork and cotton as a goodwill gesture ahead of this week's trade talks.

Don't expect more than goodwill bean buys

Brazil will likely have around 8 MMT of beans to ship between September and January. That may require China to import more U.S. beans during fall than some anticipate. But tight crush margins and reduced demand due to African swine fever may limit Chinese demand for U.S. beans.

Marubeni Corp.'s Columbia Grain Trading has halted all new U.S. soybean sales to China due to low sales volumes.

Still trying to figure out acreage and yield

by Editor Brian Grete, Chief Economist Bill Nelson and Sr. Economist Rob Hatchett

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Typically, the corn and soybean markets would have a good handle on planted acreage at this time and would be trying to figure out yield. This year is not normal, however, and both of those variables are still highly uncertain, leaving open a wide range of scenarios for ending stocks and prices in 2019-20. Our new-crop balance sheet scenarios follow.

CORN: Preliminary results of our July acreage survey indicate corn planted acreage of 86 million acres, plus or minus 1 million acres. Under average weather, we project yields will fall 7.7% below USDA's trendline. That would drop ending stocks to 1.4 billion bu. and push the average cash price up to $4.25. We project a poor finish to the growing season would tighten ending stocks to around 1.1 billion bu. and elevate the average cash price to $5.25. Even with an excellent finish to the growing season, we project carryover will tighten to just under 1.8 billion bu. and the average cash price would rise modestly to $3.75.

SOYBEANS: Preliminary results of our acreage survey indicate plantings of 80.5 million acres, plus or minus 1 million acres. Under average weather, we project yields will fall 4% below USDA's trendline. That would drop ending stocks to just above 800 million bu. and push the average cash price to around $8.40. We project carryover will hold around 1 billion bu. with an excellent finish to the growing season. A poor finish would drop carryover to around 625 million bu., though that would have a limited price impact because stocks would still be plentiful.

WHEAT: Late-summer weather could still impact late-harvested winter wheat yields and the spring wheat crop. But with the bulk of winter wheat harvest complete, there won't be as much variance as with corn and beans. If weather is average through spring wheat harvest, we project ending stocks would decline only modestly from 2018-19. Even under a poor-weather scenario we project ending stocks around 1 billion bushels. Any upside in price will be tied to the corn market.

Corn Supply/Demand

	2018-19 USDA	2018-19 *PF*/Doane	2019-20 USDA	2019-20 *PF/Doane* Proj. Poor	Average	Excellent
Planted (mil. acres)	89.1	89.1	91.7	85.0	86.0	87.0
Harvested (mil. acres)	81.7	81.7	83.6	76.5	77.5	79.0
Yield (bu./acre)	176.4	176.4	166.0	151.0	162.5	171.0
			million bushels			
Beginning Stocks	2,140	2,140	2,340	2,365	2,365	2,365
Production	14,420	14,420	13,875	11,550	12,595	13,510
Imports	35	35	50	55	40	35
Total Supply	**16,595**	**16,595**	**16,265**	**13,970**	**15,000**	**15,910**
Feed and Residual	5,275	5,275	5,175	4,550	4,750	5,050
Food, Seed, Industrial	6,880	6,880	6,930	6,850	6,900	6,930
Ethanol for Fuel*	5,450	5,450	5,500	5,400	5,450	5,500
Total Domestic Use	12,155	12,155	12,105	11,400	11,650	11,980
Exports	2,100	2,075	2,150	1,450	1,950	2,150
Total Use	**14,255**	**14,230**	**14,255**	**12,850**	**13,600**	**14,130**
Carryover	**2,340**	**2,365**	**2,010**	**1,120**	**1,400**	**1,780**
Days' Supply	59.9	60.7	51.5	30.4	37.6	46.0
Stocks-to-use Ratio	16.4%	16.6%	14.1%	8.7%	10.3%	12.6%
Proj. avg. price/bu.	$3.60	$3.60	$3.70	$5.25	$4.25	$3.75

* "Ethanol for Fuel" is included in the Food, Seed & Industrial total.

Soybean Supply/Demand

	2018-19 USDA	2018-19 *PF*/Doane	2019-20 USDA	2019-20 *PF/Doane* Proj. Poor	Average	Excellent
Planted (mil. acres)	89.2	89.2	80.0	79.5	80.5	81.5
Harvested (mil. acres)	88.1	88.1	79.3	78.5	79.6	80.7
Yield (bu./acre)	51.6	51.6	48.5	45.0	47.5	50.0
			million bushels			
Beginning Stocks	438	438	1,050	1,085	1,085	1,085
Production	4,544	4,544	3,845	3,535	3,780	4,035
Imports	17	15	20	20	20	20
Total Supply	**4,999**	**4,997**	**4,915**	**4,640**	**4,885**	**5,140**
Crush	2,085	2,075	2,115	2,085	2,095	2,105
Exports	1,700	1,675	1,875	1,800	1,850	1,900
Seed	93	93	96	96	95	94
Residual	71	69	34	34	35	36
Total Use	**3,949**	**3,912**	**4,120**	**4,015**	**4,075**	**4,135**
Carryover	**1,050**	**1,085**	**795**	**625**	**810**	**1,005**
Days' Supply	97.0	101.2	70.4	56.8	72.6	88.7
Stocks-to-use Ratio	26.6%	27.7%	19.3%	15.6%	19.9%	24.3%
Proj. avg. price/bu.	$8.50	$8.55	$8.40	$8.90	$8.40	$8.15

Wheat Supply/Demand

	2018-19 USDA	2018-19 *PF*/Doane	2019-20 USDA	2019-20 *PF/Doane* Proj. Poor	Average	Excellent
Planted (mil. acres)	47.8	47.8	45.6	45.6	45.6	45.6
Harvested (mil. acres)	39.6	39.6	38.4	37.7	38.4	39.8
Yield (bu./acre)	47.6	47.6	50.0	47.5	50.0	52.5
			million bushels			
Beginning Stocks	1,099	1,099	1,072	1,072	1,072	1,072
Production	1,885	1,885	1,921	1,790	1,920	2,090
Imports	135	135	140	145	135	125
Total Supply	**3,118**	**3,123**	**3,133**	**3,007**	**3,127**	**3,287**
Food	960	960	965	963	963	963
Seed	60	60	68	68	67	64
Feed/Residual	91	91	150	116	152	170
Total Domestic Use	1,110	1,110	1,183	1,147	1,182	1,197
Exports	936	936	950	850	900	950
Total Use	**2,046**	**2,046**	**2,133**	**1,997**	**2,082**	**2,147**
Carryover	**1,072**	**1,072**	**1,000**	**1,010**	**1,045**	**1,140**
Days' Supply	191.2	191.2	171.1	184.6	183.2	193.8
Stocks-to-use Ratio	52.4%	52.4%	46.9%	50.6%	50.2%	51.3%
Proj. avg. price/bu.	$5.16	$5.16	$5.20	$5.50	$5.20	$5.00

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Overview

Offers on world wheat ratcheted higher this week keying on Russian values. Wheat futures also held well versus corn as rumbles of a disappointing SRW crop and continuing strong premium levels were a feature. Very strong protein premiums were a feature of the HRW market this week and the realization wheat prices continue to encourage wheat feeding most everywhere. Wheat futures gained on corn, but in a choppy fashion as most all traders have taken positions down and the algo crowd attempts daily to try to get the market to run one way or another without much luck.

Supply and Demand

Please note our corn and wheat S & D picture where we have taken wheat feeding up to 340 million bushels this year versus 50 million a year ago. Then in corn we lowered again exports for this year and next and lowered ethanol production and corn feeding for next year. This heavy rationing approach in our numbers expands our carryout after leaving our yields unchanged at 162 and our harvested acreage also unchanged at 77 million acres. Like it or not – wheat is connected to corn here for a moment with a seasonal to print a major bottom shortly. Like it or not – acreage will paint a picture that will force all to adjust their S & D and erase some of the fog that surrounds our current market.

Ethanol

Production retreats amidst continuing weak profitability forcing trade production estimates to soften. Production was probably the broad fundamental focus of the ethanol market this week, with both hard data (EIA) and anecdotal reports suggesting slower run rates ahead. The EIA uncovered a -2.6% weekly decline in ethanol production; the resulting 1.039 mil bbl/day rate is 5% below recent highs, though it would still suggest a yearly grind of 5.50 billion bushels of corn. Cash bids did ease some in the East over the last ten days, which has made that situation much less dire. Ethanol producer margins are now arguably worse in the West, where seasonal weakness in DDG is a major contributing factor to poor profitability. Domestic demand is averaging about 1% higher yr/yr; E-15 is still not contributing meaningfully. Ethanol exports are suffering some due to typical seasonal weakness; higher real prices are also a factor, and have even encouraged a few imports of ethanol into the U.S. Inventories have built four consecutive weeks and are only a few percent off the year's highs, suggesting supplies are still quite ample relative to disappearance.

An important fund comment---Friday afternoon's CFTC Supplemental Commitment of Traders report found more 'fund' selling in corn than expected. For the week ended 7/23, large non-commercial (aka "fund") traders were reported net sellers of 32,247 contracts of corn, trimming their net long position in corn down to +108,859 contracts. The selling was evenly-split between long liquidation and new short positions. Taking the other side of this was the commercial, who covered 42,378 shorts over the period. Weekly fund activity in wheat and the soy complex was in-line with trade expectations. They are heading into the weekend holding small-to-moderate net shorts in beans (-56k), bean oil (-41k), meal (-25k), and wheat (-31k Chi, -18k KC).

US Corn Statistics
US Corn Supply/Demand
Million Acres and Bushels

	17-18	18-19		19-20	
	USDA	USDA	CIS Est	USDA	CIS
Pltd acres	90.2	89.1	89.1	91.7	85
% hvstd	91.8	91.7	91.5	89.8	90.5
Hvstd acres	82.7	81.7	81.5	82.4	77
Yield	176.6	176.4	176.4	166	162
Beg stocks	2293	2140	2140	2340	2227
Production	14609	14420	14377	13875	12474
Imports	36	35	65	50	150
Total supply	16939	16595	16582	16265	14851
Feed/res	5304	5275	5480/1	5175	5200
Food/seed	1451	1430	1450	1430	1440
Ethanol	5605	5450	5400/2	5500	5300
Exports	2438	2100	2025/3	2150	1700
Total Usage	14799	14255	14355	14255	13640
End Stocks	2140	2340	2227	2010	1211
Stocks/Use %	14.4%	16.4%	15.5%	14.1%	8.8%

CIS 2018/19
/1 CIS decreased feed/res from 5500 to 5480
/2 CIS decreased ethanol from 5500 to 5400
/3 CIS decreased exports from 2100 to 2025

US Wheat Statistics
US Wheat Supply/Demand
Million Acres and Bushels

	17-18	18-19		19-20	
	USDA	USDA	CIS Est	USDA	CIS
Pltd acres	46.1	47.8	47.8	45.6	46
% Hvstd	81.7	82.8	83.5	84.2	84.7
Hvstd acres	37.6	39.6	39.9	38.4	39
Yield	46.4	47.6	47.5	50	49
Beg stocks	1181	1099	1099	1072	1124
Production	1741	1884	1895	1921	1911
Imports	157	135	140	140	140
Total supply	3079	3118	3134	3133	3175
Food/seed	1027	1020	1020	1033	1035
Feed/Res	51	91	50	150	340
Exports	901	936	940	950	910
Total Usage	1980	2046	2010	2133	2285
End Stocks	1099	1072	1124	1000	890
Stocks/Use %	55.5%	52.3%	55.9%	46.8%	38.9%

MORE CHINA BEAN TALK AROUND THE MARKETS THIS WEEK!

China surfaced again this week in the news, announcing that China crushers could resume U.S. purchases waiving tariffs on 3 million tons of bean imports. Late in the week talk of 3.5 million additional imports to non-China ownership companies was granted. The issue is - where and when and who. In recent times the devil is in the details. With Marubeni announcing they are exiting the China trading market by March of next year, the most aggressive export player to China who accepts risks others won't take, will evaporate from world markets. Many world players have rejected the risks – new sellers must come forward. The first purchase of a panamax cargo by a private Chinese crusher happened this week. The sign of more to come?? Not if the futures markets are any gauge as we closed lower on the week amidst a lot of trade talk about how poorly the soybean crop is performing.

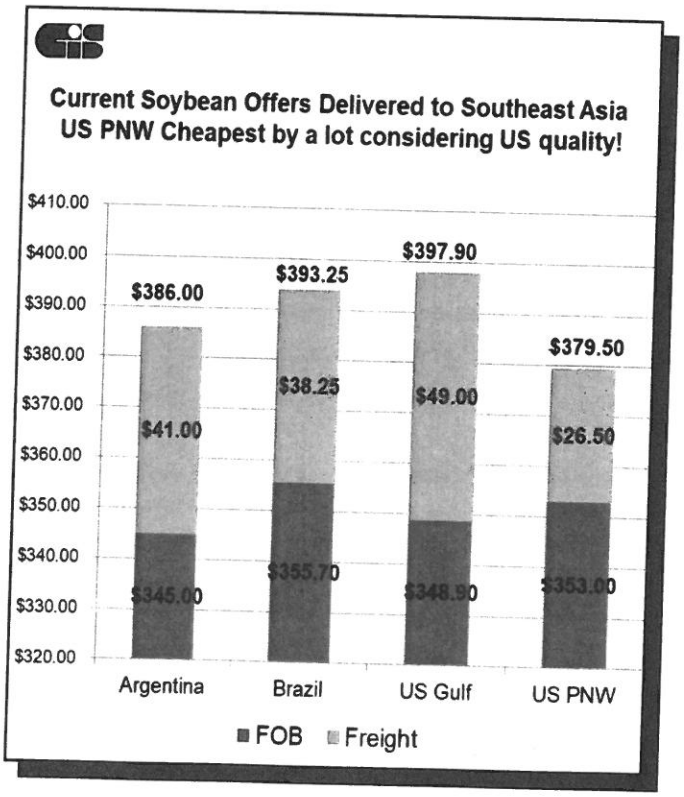
Of note is the government aid package to farmers which was in the news again this week with payments as high as $1.50 an acre said Ag Secretary Sonny Perdue (most looked like $50 to $70 dollars). Payments were based on "trade war Damages sustained" was the promo. Cash bids at the gulf faltered Friday afternoon by 5 cents or more with little interest on the buy side. China also approved bean imports from all parts of Russia this week having already approved corn. Crush margins improved in China and veg oil futures advanced this week completing the major news items. U.S. soybean prices delivered China off the PNW (note chart) are well below Southern Hemisphere values so optimism increased for business around the corner and yet futures prices did not respond.

Interesting to note that not much talk is around the rapeseed markets where summer weather and reduced spring plantings should have the markets percolating. Watch that market for a sign of export activity. Meal trade this week featured a sloppy futures market but stability, even strength, was evident in domestic cash markets. Oil charts have shown strength recently probably from the bio arena. But at the end of the day, beans will move up or down on this acreage report – dramatically. We think the marketplace is coiling as reflected in many of the technical indicators. We are above USDA in soybean acres and below them on a bpa in our S & D. We have reduced our carryout for next year dramatically but to move the markets on a carryout number, we must see something like a 300 million carryout. Odds don't favor that. Nevertheless, it is a long summer on a late planted crop and the acreage number could be a very important catalyst if - if we are going to challenge the $10 area?

US Soybean Statistics
US Soybean Supply/Demand
Million Acres and Bushels

	17-18	18-19		19-20	
	USDA	USDA	CIS Est	USDA	CIS Est
Pltd acres	90.2	89.2	89.1	80	81
% hvstd	99.2	98.7	98.8	99.1	85.7
Hvstd acres	89.5	88.1	88.1	79.3	78
Yield	49.3	51.6	51.6	48.5	46.6
Beg stocks	302	438	438	1050	1019
Production	4412	4544	4546	3845	3634
Imports	22	17	10	20	25
Total supply	4735	4999	4994	4915	4679
Crush	2055	2085	2080	2115	2120
Seed/Res	113	165	135	130	140/1
Exports	2129	1700	1760	1875	1900
Total Usage	4297	3949	3975	4120	4160
End Stocks	438	1050	1019	795	519
Stocks/Use %	10.1%	26.5%	25.6%	19.3%	12.4%

CIS 2019/20



Announcer: Next, the Market to Market report.

Delaney Howell: Renewed dialogue with China clashed with warm weather in the corn belt and cheaper grain in South America to pressure the commodity markets lower. For the week, September wheat fell 7 cents while the nearby corn contract plummeted 16 cents. The enticement of a tariff free Chinese buying opportunity did little to stop the slide in the soy complex as the August soybean contract dropped 18 cents. August meal fell $8.10 per ton. December Cotton improved a $1.47 per hundred weight. Over in the dairy parlor, August class three milk futures dropped a penny. The livestock sector moved higher on cheaper feed prices. October cattle gained a $1.40, September feeders put on $4.30. In the October lean hog contract added 52 cents. In the currency markets, the U.S. Dollar index gained 90 tics. September crude oil gained 20 cents per barrel. COMEX gold lost $7.70 per ounce, and the Goldman Sachs commodity index rose just over two points to finish at 416.45.

Delaney Howell: Joining us now is one of our market analysts, Sue Martin, welcome back.

Sue Martin: Thank you. It's nice to be back, Delaney.

Delaney Howell: Yes, I'm glad to have you. It's always great to have another woman on the program. But let's talk a little bit here about what's going on in the wheat markets. Rabobank released some fourth quarter estimates here that they're thinking the Chicago wheat contract will not get much above $5. Is that what you're also seeing here when you look at the charts, Sue?

Sue Martin: Well, I think that wheat has a little bit more of a negative uh, overtone. I mean, yes, we've seen a reductions in Russia's, uh, production and exports by various entities. AICAR and Salvey con. But the key is, is that US production, the yields were basically pretty good in the hard red winter wheat. I'll be at protein levels down maybe a little bit. You're looking at a, the hard red spring wheat and durum production to be maybe the, uh, third highest in a 25 years.

Delaney Howell: Is that coming from the spring wheat tour that's going on?

Sue Martin: I think so, yes. And so the conditions are very good. They've had nice rains and all of that. So the key is getting it home. And so you look at that, but yet we also know, okay, Russia's having a little bit of a downsizing because of the heat. Uh, you look at Germany and France and they've been having some issues mostly with their corn and rapeseed, but you look at Australia and they still are having some issues with drought and parts of that country. So it's the wheat market, um, right now with the harvest having pretty much finishing up in Kansas and Oklahoma and Texas. Um, cash values are cheaper than what corn is right now. And therefore that allows wheat to compete into the southwest feed lot situation for feeding. And that's going to kind of compete against corn.

However, because we don't know acres yet in corn and we don't know what the yield is going to be, um, we have some unknowns, more supply oriented than anything. Um, if corn was to rally, it'll pull wheat right along with it because they're already fairly narrow in relationship. So because of that, when you talk about wheat, then we have to go over and take a look at corn and say, okay, what are we going to do here? Because there is some unknowns. There's some big ifs in this market and I think that that will allow wheat to kind of meander around. But um, $5 Chicago wheat is not out of line. $5 KC wheat would be a nice little coup, uh, to see the market do. So, I'm not ready to write wheat off yet.

Delaney Howell: Okay. Well and we'll, we'll continue watching the corn story to see how that impacts wheat. So we've got a good question here that I think segues us nicely into the corn discussion from Brian and Marsay, Marseilles, Illinois. He said, "Has the bullish story faded? How low can this market go on corn with so many uncertainties as he mentioned there. And Are we seeing resistance because of old crop selling?"

Sue Martin: Well we are seeing some resistance with old crop selling. The corn market is more loaded long with the managed funds. In fact, they've been downsizing, but every time we catch a nice little rally up, they liquidate a little more.

Delaney Howell: And if we have that many long positions by the funds right now, why aren't we seeing more volatility trickle into the corn market to bring them?

Sue Martin: Probably because, um, the basis levels. One question I have is, is the old crop really out there? And the reason I asked that is because of last year, what really brought our yield, our national average yield up to 176 happened to be the southern states. They produced out of their minds, um, they had yields like we would have. And they had beautiful yields and those were the yields that propped up the mid main Midwest yields. Now this year is a whole different ballgame. They aren't going to have the yields this year. There'll be good to have average yields. And you know, they started off with a, uh, too much moisture. They were inundated with moisture, then they turned hot and dry, then they turned back and caught some rain off of tropical storm Barry, which was a blessing. But the key is it's been so variable. And now you look at, um, I'm not real friendly corn just yet. I am on the longer phase, but I feel the market has more work to do. We have too much unknown. You look at a year ago in August, the USDA, uh, currently we are running about 720 million bushels less in feed usage than what the USDA had us targeted for a year ago in August.

So that's a third of corns usage is feed. And then you have wheat, very close proximity and price. That's a concern. You have Brazil with a very good crop of corn, the Safrena crop, and that's the one that tends to get exported more so. Argentina's got a good crop of corn. The only reason we're seeing corn coming in and soy meal from South America is because with a good inverted basis, they're not drawing the product out. Now granted, if you're in Illinois, in the eastern corn belt and you see what your fields look like, you might be prone to hang on to old crop until you get a better feel. What will tell us this is when we get into August, and now the farmer starts thinking about harvest, and all of a sudden he's thinking I need to make room, whatever. Will he opt under these basis levels that are starting to kind of sink a little bit in some areas still good.

Will he opt to sell it or is he going to keep that crop and then hope to get the other one, the new crop home to get rid of off the combine because it might not store as well. That's a big question and we'll see how this performs in August with the basis. But my take is I don't think we have the crop out there that we were told we had. And because of that, I think that's another reason why we have these basis levels so inverted. I spoke at the, uh, South Dakota, uh, governor's ag summit, uh, around the, I think it was the 10th of July. And I had people telling me that just the day before for the first time, they couldn't even remember the last time they ever had this, but prices inverted on corn there. This is a sign that they're just not this old crop getting out there. Yeah, there's some probably in farmer's hands. They usually always is, but I just don't think there's the huge glut that they keep thinking we have. I think what happened is in May when the farmers were so depressed around the 14th of May that when we made our bottom and we got a 30-40 cent rally, they were none too quick. But what they were going to move some of that grain off to market to appease their bankers.

Delaney Howell: Okay, Sue let's continue this discussion. When you look at the soybean crop, we had fresh news this week that China allowed some of their independent or private purchasers to buy some US soybeans. But we didn't really see much of a bounce from that.

Sue Martin: No. And it's because we continue every day not seeing any announcements usually like on a Tuesday, Wednesday, something like that. So, and then we even seen a cancellation of a a hundred thousand metric tons in old crop soybeans, well, the year ends, you know, at the end of August, that's not far away.

So we think that was probably China canceling some, but we shouldn't be too shocked at this because China has even asked Brazil to kind of slow up and defer some of their orders for into August because of the problem they were having with need for soy meal and proteins for feeding hogs. And so that has been part of the problem. And so I don't think we should be shocked at this. I don't. I do. It would not surprise me if over the weekend that we see some announcement, things seem to happen over weekends here with China and President Trump tweeting. So it would not shock me if maybe a good feel announcement comes on a sale over the weekend right before our trade negotiators, Robert Lighthizer and Steve Mnuchin and their negotiators go back over to China on next a Tuesday, Wednesday.