

**January 7, 2020**

Presents:

# Silver's Comments



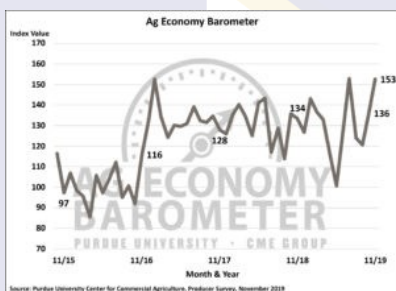
Grain futures closed mostly fractionally lower today as traders look forward to the plethora of USDA reports to be released Friday at NOON. Commodity funds were net sellers of 2k corn and 3k soybean futures while net buyers of 1k wheat futures.

Take a few minutes to read page 3 about the Phase 1 US/China deal.

USDA will release major reports this Friday 1/10/20 The final 2019 Crop Production, January WASDE, and Quarterly Grain Stocks reports will released at noon .

Average trade estimates are that the USDA will reduce their numbers across all of our crop markets. The trade is predicting lower corn and soybean production, lower quarterly and ending stocks, and reduced winter wheat seedings. The average trade estimate is for USDA to reduce world crop ending stocks and slightly reduce South American production, with the exception of Brazilian soybeans. See page 2 for estimates

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<https://ag.purdue.edu/commercialag/>

**Each Thursday I do market  
analysis for Hoosier AgToday (HAT)  
Click this link to listen:**

<http://www.hoosieragtoday.com/>

## Futures Closes

1/7/2020

Commodity	Symbol	Close	Change
Mar 20 Corn	CH20	384.50	-0.25
Dec 20 Corn	CZ20	400.00	0.00
Mar 20 Beans	SH20	944.00	-0.75
NOV 20 Beans	SX20	973.50	-0.50
SOYBEANS/CORN '20	SX20/CZ20	2.43	0.00
March 20Wheat	WH20	550.25	0.25
July 20 Wheat	WN20	556.25	-0.75
US Dollar Index	DX	96.71	0.36
Crude Oil WTI	CLG20	62.64	-0.63
Ethanol	AC	1.38	0.00
Today vs Last Friday Close	Today	Last Friday	Change
Mar 20 Corn	384.50	386.5	2.00
Dec 20 Corn	400.00	400.75	0.75
Mar 20 Beans	944.00	941.5	2.50
NOV 20 Beans	973.50	971.5	2.00
March 20 Wheat	550.25	554.50	4.25
July 20 Wheat	556.25	560.50	4.25

	USDA Jan 2020	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.***
Corn		81.4	80.1-82.0	81.8	81.4
Soybeans		75.5	74.5-76.0	75.6	75.0

USDA 2019 Yield (in Bushels per Acre)					
	USDA Jan 2020	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.***
Corn		166.2	164.8-168.5	167.0	165.5
Soybeans		46.6	46.0-47.2	46.9	46.5

USDA 2019 Production (in Billion Bushels)					
	USDA Jan 2020	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.***
Corn		13.513	13.217-13.701	13.661	13.472
Soybeans		3.512	3.463-3.560	3.550	3.488

USDA 2019/20 US Carryout (in Billion Bushels)					
	USDA Jan 2020	Average Trade Est.	Estimate Range	USDA Dec 2019	INTL FCS Est.***
Corn		1.757	1.537-1.915	1.910	1.796
Soybeans		0.424	0.310-0.490	0.475	0.438
Wheat		0.969	0.930-1.000	0.974	0.959

USDA 2019/20 World Carryout (in Million Tonnes)					
	USDA Jan 2020	Average Trade Est.	Estimate Range	USDA Dec 2019	INTL FCS Est.***
Corn		296.61	290.50-301.70	300.56	292.20
Soybeans		95.23	91.70-97.50	96.40	99.38
Wheat		287.32	278.20-290.00	289.50	287.50



The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of Kokomo Grain



## The following was excerpted from Midday Commentary from FCStone

### Monday January 6, 2020

**Gregg Doud, the U.S. Chief Agricultural Negotiator**, commented on the phase-one trade deal with China in an interview with Agri Pulse. Doud emphasized that China committed to purchase \$32 billion in agricultural products over two years above the baseline 2017 level of 24 billion per year. We will probably see it split a little heavier in 2021 than 2020. Some details of the 86-page agreement are expected to be released at signing on January 15, but while there are specific commitments for specific commodities, we should not expect those details to be made public. Look for China to purchase a wide range of products to meet the requirement, including pet food, fruits and vegetables, almonds, ethanol and dried distillers' grains and solubles. That last comment should be good for domestic corn demand.

China purchased \$124 billion in ag products globally in 2018. This agreement asks China to purchase \$40 billion of that total from the United States. Doud emphasized that people arguing that \$40 billion per year is too lofty do not understand the structural changes included in the agreement on non-tariff barriers, such as phytosanitary and sanitary rules. The compliance language in the agreement provides an enforcement mechanism matching the quantity or value of the product not being complied with. Doud believes that it will take several months before we should see significant change, due to the time it takes to adjust procedures and processes. He thinks "things will look very different" by the middle of this year due to trade agreements with China, Japan and USMCA, and he thinks people will be surprised at the specificity and complexity of the agreement details, emphasizing that his Chinese counterparts were extremely professional in their approach to the talks.

**Soybean export shipments** continue to disappoint, as shown in the graphic below, but the oilseed corrected higher after sharp losses on Friday. The hard wheat markets were also higher today, while Chicago corn and wheat both posted modest losses as traders focus on Friday's USDA crop reports. Cattle futures lead the meat sector higher on stronger demand expectations.

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## USDA December 2019 - WASDE Report—Tuesday December 10

USDA published the December WASDE Report today Tuesday 12/10/19. The numbers were mostly in line with trade estimates.

Click the following link for the briefing presentation given to the Secretary of Agriculture:

[https://www.usda.gov/oce/commodity/wasde/Secretary\\_Briefing/Archive/2019/December\\_2019\\_WASDE\\_Lockup\\_Briefing.pdf](https://www.usda.gov/oce/commodity/wasde/Secretary_Briefing/Archive/2019/December_2019_WASDE_Lockup_Briefing.pdf)

USDA 2019/20 US Carryout (in Billion Bushels)					
	USDA Dec 2019	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.**
Corn	<b>1.910</b>	1.919	1.890-1.960	1.910	1.861
Soybeans	<b>0.475</b>	0.476	0.455-0.500	0.475	0.522
Wheat	<b>0.974</b>	1.010	0.989-1.025	1.014	0.964

USDA 2019/20 World Carryout (in Million Tonnes)					
	USDA Dec 2019	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.**
Corn	<b>300.56</b>	295.52	292.00-298.20	295.96	295.67
Soybeans	<b>96.40</b>	95.46	93.90-96.80	95.42	101.91
Wheat	<b>289.50</b>	286.18	283.90-288.50	288.28	287.94

USDA 2019/20 South American Production (in Million Tonnes)					
	USDA Dec 2019	Average Trade Est.	Estimate Range	USDA Nov 2019	INTL FCS Est.**
ARG Corn	<b>50.000</b>	49.77	49.00-50.00	50.00	51.50
ARG Soybeans	<b>53.000</b>	53.00	52.00-54.00	53.00	54.00
BRZ Corn	<b>101.000</b>	100.93	100.00-101.50	101.00	99.92
BRZ Soybeans	<b>123.000</b>	123.03	122.00-124.00	123.00	121.60

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## Links to November 2019 USDA Report Data - 11/08/19

November 2019 USDA Crop Production—Executive Briefing:

[https://www.nass.usda.gov/Newsroom/Executive\\_Briefings/2019/11-08-2019.pdf](https://www.nass.usda.gov/Newsroom/Executive_Briefings/2019/11-08-2019.pdf)

November 2019 USDA WASDE—Briefing to the Secretary of Agriculture

[https://www.usda.gov/oce/commodity/wasde/Secretary\\_Briefing/Archive/2019/November\\_2019\\_WASDE\\_Lockup\\_Briefing.pdf](https://www.usda.gov/oce/commodity/wasde/Secretary_Briefing/Archive/2019/November_2019_WASDE_Lockup_Briefing.pdf)

USDA November Crop Production Report

<https://release.nass.usda.gov/reports/crop1119.pdf>

November 2019 USDA WASDE Report

<https://www.usda.gov/oce/commodity/wasde/wasde1119.pdf>

USDA FSA Prevented Planting Data

<https://www.fsa.usda.gov/news-room/efoia/electronic-reading-room/frequently-requested-information/crop-acreage-data/index>

**U.S. Supply and Demand (WASDE) Spreadsheets (Current & Historical)**

<https://www.agmanager.info/grain-marketing/grain-supply-and-demand-wasde/us-supply-and-demand-wasde-spreadsheets>

## CFTC Funds Net (# cnts) Futures Only (COT REPORT)

Date	Corn	Soybeans	Wheat
12/4/2018	39,910	-12,576	-27,025
12/11/2018	89,734	-683	-22,455
12/18/2018	124,427	13,166	-3,612
12/24/2018	90,880	-3,239	-18,325
12/31/2018	49,188	-14,295	5,000
1/8/2019	70,160	4,714	-16,877
1/15/2019	15,694	-16,698	-15,708
1/22/2019	33,319	-15,294	-8,541
2/5/2019	-6,584	11,680	-6,555
2/12/2019	-32,825	-2,128	-14,320
2/19/2019	-103,699	-37,987	-47,511
2/26/2019	-117,947	-32,408	-60,205
3/5/2019	-192,847	-46,756	-73,919
3/12/2019	-282,981	-89,050	-75,778
3/19/2019	-282,845	-62,204	-78,699
3/25/2019	-218,427	-47,700	-64,550
4/2/2019	-263,768	-69,153	-57,883
4/9/2019	-289,859	-70,734	-56,958
4/16/2019	-326,887	-92,744	-69,970
4/23/2019	-344,185	-133,944	-76,715
4/30/2019	-318,964	-148,036	-89,103
5/7/2019	-268,998	-163,028	-86,931
5/14/2019	-298,551	-171,141	-81,837
5/21/2019	-117,954	-157,998	-40,159
5/28/2019	-22,294	-128,137	-23,206
6/4/2019	95,262	-90,280	-12,080
6/11/2019	121,742	-88,889	5,274
6/18/2019	155,030	-54,275	25,554
6/25/2019	176,583	-38,864	30,032
7/2/2019	169,425	-40,587	34,473
7/9/2019	174,318	-45,750	27,583

12/31/2019	Corn	Soybeans	Wheat
COT Actual	-85,115	-7,524	22,059
Est on date	-89,717	-26,888	26,389
Diff (Act-Est)	4,602	19,364	-4,330

Date	Corn	Soybeans	Wheat
7/16/2019	178,732	-42,481	15,087
7/23/2019	143,540	-42,656	6,603
7/30/2019	105,907	-55,160	14,849
8/6/2019	68,086	-76,318	7,121
8/13/2019	21,527	-67,203	4,000
8/20/2019	-82,266	-76,820	-4,248
8/27/2019	-96,370	-75,551	803
9/3/2019	-123,800	-71,558	-19,370
9/10/2019	-143,467	-90,013	-8,905
9/17/2019	-176,643	-45,612	-7,093
9/24/2019	-162,551	-43,053	-15,418
10/1/2019	-128,031	-10,817	-16,014
10/8/2019	-96,859	4,464	-13,446
10/15/2019	-64,749	47,953	-3,662
10/22/2019	-75,186	67,172	21,629
10/29/2019	-88,118	65,849	7,769
11/5/2019	-109,720	53,503	2,333
11/12/2019	-120,536	25,460	3,720
11/19/2019	-138,815	11,676	-178
11/26/2019	-116,947	-44,656	8,359
12/3/2019	-85,582	-101,718	18,008
12/10/2019	-118,449	-114,250	9,157
12/17/2019	-95,971	-80,140	24,643
12/24/2019	-86,717	-33,888	16,389
12/31/2019	-85,115	-7,524	22,059
Wkly Change	1,602	26,364	5,670
Record +	409,444	409,444	409,444
Record -	-344,185	-133,944	-171,269
Est Today	-93,115	-9,524	19,059
Change	(2,000)	(3,000)	(3,000)

You can do a deep dive analysis into CFTC COT data on the CME website at:

<http://www.cmegroup.com/tools-information/quikstrike/commitment-of-traders-fx.html>

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