



WEEK IN REVIEW MARKET UPDATE 12/14/18

Grain

Corn – March 19 **down \$0.00^{3/4}** closing \$3.84^{3/4}
Soybeans – Jan 19 **down \$0.16^{1/4}** closing \$9.00^{1/2}
Wheat – March 19 **down \$0.01^{1/4}** closing \$5.30
Soybean Meal – Jan 19 **down \$3.90** closing \$307.30

Outsides

Dow – **down 287.86** closing 24102.85
S&P – **down 34.19** closing 2599.72
NASDAQ – **down 58.13** closing 6911.34
US Dollar – December 18 **up 0.890** closing 97.430
Crude Oil – January 19 **down 1.41** closing \$51.20

Livestock

Cattle – Feb 19 **up \$0.87** closing \$122.40
Feeders – Jan 19 **up \$3.20** closing \$147.58
Hogs – Feb 19 **down \$3.38** closing \$64.50
Class III Milk – Jan 19 **up \$0.25** closing \$14.23

News/Reports:

- Export report released Thursday 12/13. Corn came in at 35.6 million bushels, expected range 39 – 59. Beans came in at 29.1 million bushels, expected range 26 – 37. Wheat came in at 27.7 million bushels, expected range 18 – 29. Beanmeal came in at 50,500 metric tons, expected range 225 – 450.
- Ethanol output weekly data reports were out Wednesday 12/12 at 1,046,000 barrels per day versus 1,069,000 last week. Ethanol stocks were at 22.890 million barrels versus 23.030 million last week.

Notes:

- At the direction of President Donald J. Trump, U.S. Secretary of Agriculture Sonny Perdue today launched the second and final round of trade mitigation payments aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities will now be eligible to receive Market Facilitation Program (MFP) payments for the second half of their 2018 production.
 - Wheat: 14 cents per bushel on 2018 production
 - Sorghum: 86 cents per bushel on 2018 production
 - Soybeans: \$1.65 per bushel on 2018 production
 - Corn: 1 cent per bushel on 2018 production
 - Cotton: 6 cents per pound on 2018 production
 - Dairy: 12 cents per hundred weight of MPP production
 - Pork: \$8 per head
- China purchased 1.13 million metric tons of soybeans this week, worth \$500 million according to the USDA Soybean Export sales report. This is their first substantial order of soybeans since the trade war began and their ninth largest one-day buy of soybeans in a decade. Markets did not react positively, as there were rumors that this purchase would be scientifically more. Last year the US exported \$12 billion of soybeans to China.
- A Bloomberg story came out stating that China is planning on re-starting a corn origination program from the US as early as January with at least 3 million metric tons. In theory, China could buy up to 7.2 million metric tons of corn under the TRQ quota at very low tariff rate (around 11%), less than current 25% imposed on US corn. It is very unlikely that China would buy US corn with today's prices as Ukraine corn is much cheaper. The last time China was in to buy more than 1 million metric tons of corn was back in 2015 - 2016.
- China confirmed it will suspend its additional 25% tariff on US auto imports for 90 days. This will effectively reduce the tariff from 40% to 15%.
- Informa came out this week with their final corn yield estimate of 178.6 bushels per acre versus the USDAs of 178.9. Soybean final yield came in at 51.6 bushels per acre versus the USDAs of 52.1.
- The Farm Bill passed overwhelmingly in both the Senate and the House, and is now with President Trump for signature. Key items in the Bill for agriculture include Foreign Animal Disease Preparedness, including FMD Bank, Market Access Program, and Foreign Market Development Program, and the removal of horses from the definition of pets in the Protecting Animals with Shelter provision.
- The next USDA report will be the January Quarterly Stocks report out on Friday January 11th at 12:00 est.