GERALD GRAIN CENTER INC.

WEEK IN REVIEW MARKET UPDATE 6/19/20

Grain

Corn – July 20 up $\$.02^{3/4}$ closing $\$3.32^{3/4}$
Soybeans – July 20 up $\$.05^{1/2}$ closing $\$8.76^{3/4}$
Wheat – July 20 down $\$.19^{1/4}$ closing $\$4.82^{3/4}$
Soybean Meal – July 20 down $1.90 closing $287.10

Outsides

Dow – up 272.28 closing 25871.19
S&P – up 57.07 closing 3097.54
NASDAQ – up 358.91 closing 9942.64
US Dollar – Sept 20 up 0.485 closing 97.585
Crude Oil – July 20 up 3.16 closing $39.48

Livestock

Cattle – August 20 down $0.10 closing $95.23
Feeders – August 20 up $1.43 closing $132.53
Hogs – July 20 down $3.25 closing $48.43
Class III Milk – June 20 up $0.50 closing $20.92

News/Reports:

- Export sales report released Thursday 6/18. Corn came in at 14.1 million bushels, expected range 18 – 33. Beans came in at 19.8 million bushels, expected range 18 – 44. Wheat came in at 18.5 million bushels, expected range 9 – 18. Soybean Meal came in at 124.0 million metric tons, expected range 150 – 300K.
- Ethanol output weekly data reports were out Wednesday 6/17 at 841,000 barrels per day versus 837,000 last week. Ethanol stocks were at 21.346 million barrels versus 21.802 million last week.
- Winter Wheat Conditions came out 6/22 at 52% good to excellent versus 50% last week, & 61% last year.
- Corn Conditions came out 6/22 at 72% good to excellent versus 71% last week, & 56% last year.
- Soybean Conditions came out 6/22 at 70% good to excellent versus 72% last week, & 54% last year.

Notes:

- Informa released their acreage estimate for corn and soybeans this week. Corn estimate was 94.1 million acres or 2.9 million less than the USDA, this would lower the corn carry-out sub 3.0 billion bushels. Soybean acres were raised to 85.525 million versus the USDA at 83.5 million acres in March.
- Argentine President Fernandez agreed to allow Santa Fe province to resume soybean crushing at the Vicentin plant, avoiding the federal government stepping in to control the plant/company. The crusher owes $350 million to grain suppliers and overall debt is said to be $1.5 Billion.
- Chinese ports are stepping up inspections and beginning to test imported meat and seafood for COVID after an increase in COVID cases in Beijing was attributed to a produce market and a chopping board that handled salmon. Salmon has been reportedly removed from shelves. Importers are concerned imports will be suspended or at minimum the testing of imported meat and seafood will create a backlog at ports and cause consumer fear that will erode demand. News reports also noted that China has suspended poultry imports from Tyson's Springdale, AR facility due to increased COVID cases at that plant. Product from this plant that is currently on route will be turned away. This development adds a lot of uncertainty in the US pork market given the role that China currently plays. In April China accounted for about a third of all US pork exports and the overwhelming growth in shipments. Many US plants have recently discovered large numbers of positive cases among their workforce. Often the majority of the positive cases are non-symptomatic. Will such finding result in plants blocked and product turned away? Recent testing of imported food in China found no contamination with COVID-19 and CDC indicates that the virus would not survive the long trip.
- In 2015 and 2017, China made the decision to relocate pig farms from urban areas to rural areas for environmental reasons. Pigs were to be raised in the northeast provinces and then transported to slaughterhouses located in urban areas. After dealing with ASF over the last two years, limiting pig movement and drastically reducing the size of the Chinese pig herd, China is beginning to change course and is building pig barns near urban areas in favor of food security. Each region will now fulfill a pork production quota to guarantee a minimum supply for the region.
- The next USDA report will be the June Quarterly and Stocks Report out on Tuesday June 30th at 12:00 est.