

This Week in Agriculture:

News That Could Make a Difference: April 19, 2013

- **Another week of back and forth as farmers remain inside staring out at wet fields and traders remain trapped in their office waiting for something to happen. Overall for the week May corn was down 6, with December corn down 2. May soybeans were up 14, with November down 20 cents. July wheat was down 9.**
- **Weather remains a dominating factor with well below normal temperatures and well above normal precipitation entrenched throughout much of the country. A section from Northeastern Iowa, through Northern Illinois, into much of Michigan has seen 400-500% of their normal rainfall for the month of April. Locks along the Mississippi River are closed due to higher water levels while Northern sections of the country are still battling heavy snow.**
- **Monday night's USDA Crop Progress report showed only 2% of the nation's corn crop was planted. The five year average for the week is 7%, while last year we had 16% of the crop planted nationwide. Traders are anticipating Monday night's report to show a record slow pace for the week. Last year we were 28% planted for the week of April 23rd, with the 5 year average at 15%.**
- **Extended forecasts at this point are calling for below normal temperatures and above normal precipitation to remain in place for the next 10 days. Beyond that temperatures will remain cooler than normal to the North and average to the South, with normal rainfall.**
- **Without any sign of a significant warm up in the forecast some traders are already beginning to lower their acreage expectations. Many remain hesitant though, and with good reason, in 2011 we had a similarly slow start. The weather pattern shifted however the second week of May allowing Iowa to get an amazing 61% of their corn planted in a week. That same week Nebraska was able to get nearly 42% of their corn planted, with other states seeing over 30% planting progress in a week as well. Technological advances have made rapid planting possible, keeping traders on their toes.**
- **Old crop demand fundamentals are playing out in both soys and corn as well. This week we came within shouting distance of having nearly 100% of both soybean and soybean meal exports locked in place. At this point there is no real sign of demand rationing in sight with soy processors continuing to battle exporters for what's left of old crop beans.**
- **The idea that Brazil will get their logistical backlog sorted out and that Argentina farmers will increase their selling in the coming months has pushed summertime bean futures lower though. Many analysts feel we will see hefty soybean meal imports in the coming months dampening some of the enthusiasm over our recent demand pace.**
- **Corn-wise bushels used for ethanol this week were off a touch from last year, but stocks were also lower. The drop in stocks indicated that demand for ethanol is increasing. Cattle on Feed numbers were positive for corn demand today as well. Both on feed and placement numbers came in above expectations. Exports were decent for the week.**
- **China's H7N9 Bird Flu is still having a significant impact on potential demand. At this point 83 people have been sickened with 17 dying from the disease. The country's poultry industry has lost an estimated 1.6 billion dollars as a result of the disease. Some analysts feel consumers will switch their demand to pork, not causing any sort of loss in corn demand, others believe consumers will turn to fish, while many think consumers will avoid meat all together. Only time will tell, as duration of the disease and its severity will have the final say over grain and soy demand.**
- **Winter wheat production remains in question as well. Another freeze hit the Southern Plains this week damaging up to 3 million acres in Kansas. Wet conditions in the Eastern Belt are beginning to impact Soft Red Wheat conditions as well. With new crop Soft Red Wheat export commitments at their highest level since 2008 we do not have much room for crop damage at this point.**

Weather will remain key as we move ahead. Keep in mind our ability to get the crop planted quickly when it comes to new crop selling opportunities. If the pattern shifts as we've seen in years past the crop will be in the ground with solid soil moisture to enhance growing conditions. Summer is inevitable, it's just a matter of when it gets here is all. Don't forget to use target orders in your marketing plan, they will pay attention to the market for you when you can't. Give us a call with any questions, we're here to help!

All the Best!

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