

This Week in Agriculture:
News That Could Make a Difference: March 15, 2013

- **Waiting for the March 28th Quarterly Stocks and Acreage report is proving to be the hardest part in regard to figuring out just which direction this market is heading. For the week May corn finished unchanged, while December corn was up 14. May soybeans were down 44, after gaining 30 last week, with new down 8. July wheat was up 23 cents for the week.**
- **Brazil logistical issues continue to dominate the market as officials there do not see it straightening out until at least early April. At this point wait-time for vessel loading is well past 60 days, with reports of truck lines at one railway terminal in Southern Mato Grosso nearly 37 miles long.**
- **Traders will be watching negotiations between port workers and union officials closely in the week ahead. A port worker strike was originally set for March 19th, with workers preparing to walk off the job. At this point though, the strike has been delayed to the 26th as workers and officials struggle to come to agreement.**
- **Export sales on soys indicate that some business has returned to the U.S. in the meantime. At this point export sales are 97% of USDA projections, with shipments 87%. Both numbers are well ahead of last year's pace. Overall sales numbers only 2 weeks away from meeting projections with over 5 months left in the marketing year.**
- **Today's crush numbers came in less than expected. This was disappointing to traders as they were anticipating some of the strongest crush numbers for February in nearly 3 years. Yearly pace however remains on track to beat USDA expectations as we move into the last half of the marketing year.**
- **Corn-wise traders are still digesting last week's updated supply and demand numbers. Last week was only the second time in 50 years that the USDA adjusted feed numbers ahead of their quarterly stocks report. The recent collapse in wheat prices though has traders questioning overall feed demand. Rumors of Soft Red Wheat flowing into Western feedlots will be monitored closely as in years past wheat feedings have gone a long way to help stretch corn supply and offset feed demand.**
- **Ethanol numbers this week were a mix of good and bad as production was lower, but stocks were much lower as well. The lack of ethanol imports for the second week in a row was positive as the logistical issues in Brazil are impacting the country's ability to export cheap ethanol.**
- **Corn exports are still slow, but seem to be picking up a bit. Considering South American exports for Jan/Feb were nearly 5 times last year's pace it's not surprising the first half of the marketing year has been slow. The million dollar question will remain whether or not exports will pick up as South America moves out of the corn export business and into the bean exports in the next couple of months.**
- **Soft Red Wheat seems to be the market to watch. With the recent crumble in prices wheat for a short time was cheaper than corn. The relative collapse in spread has allowed feedlots in the West to incorporate it into rations. Ethanol players are looking to use wheat to stretch their corn supply as well. This week's export sales number was a marketing year high too, indicating demand for SRW could be on an upswing.**

It's likely we'll continue to trade relatively sideways for the next couple of weeks. Bursts higher and swift moves lower are likely to continue as few traders want to remain long or short while facing so much uncertainty. Opportunities for solid cash movement have presented themselves recently, and continue to be available for those looking to lock in some decent numbers ahead of spring planting. Wet conditions in the Delta and ideas that we could see some corn and bean acres switch into cotton has helped support and in some cases improve new crop prices. Keep us posted on what you're looking for, we're here to help! Until next week, have a great weekend!

All the Best!
Angie Maguire
Citizens LLC

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