

## **This Week in Agriculture:**

**News That Could Make a Difference: May 3, 2013**

- **Delayed planting and weather concerns, as well as some supportive fundamental information on the demand side of things gave the market a positive spin this week. Overall for the week July corn was up 41, while December corn finished 29 higher. July soybeans were up 6, while November beans closed 11 higher. July wheat gained 30 cents.**
- **This week will likely go down in the record books for many. While we here in Michigan and the Eastern Corn Belt were enjoying record high temperatures and sunshine the last half of this week, our neighbors to the West were experiencing record cold temperatures and an unprecedented snow event. Some areas in Northern Iowa and parts of Minnesota saw 10 inches plus of snow—something that hasn't happened this late in the year in over 100 years in some locations.**
- **The likelihood it could be couple of weeks before Western Corn Belt farmers are able to get into their fields sent the market soaring right off the bat on Monday. Planting pace Monday night only confirmed traders suspicions. At only 5% planted we are currently off to the slowest planting start since 1984.**
- **Traders are anticipating planting pace to come in around 15-20% complete on Monday night. If realized this would only be half of the average 47% pace we generally see for the same week of the year, and an astounding 50-55% behind last year's 71% pace.**
- **One of the largest concerns when it comes to delayed planting is the delayed arrival of new crop supplies. With an already historically tight carryout projection many traders are keenly aware of just how precarious this year's old crop situation could become. Last year, due to our early start in planting, we were able to see nearly a billion bushels of new crop corn make its way to end users prior to September 1<sup>st</sup>. It is highly unlikely we will see anything of the sort this year.**
- **Usage-wise for corn we are finally seeing some positives for old crop as well. This week's ethanol production report showed the highest level of production for the marketing year so far. The increase in production was coupled with a drop in ethanol inventories, which is seen as a positive sign that ethanol demand remains strong. On top of the positive production report traders were refreshed to learn that one of the largest ethanol producers in the country is back to running at full capacity in all of its plants.**
- **While Thursday's export sales report showed further cancellations in old crop bean sales-leaving us stalled at 99% of USDA projections sold-it did show further soybean meal sales. The increase in sales takes us up to 102% of projected meal exports sold with nearly 4 months remaining in the marketing year. This has traders wondering if we could see a further increase to crush numbers in next week's updated supply and demand projections.**
- **Traders continue to monitor wheat conditions across the country. Hard Red Wheat in the Southern Plains experienced yet another freeze this week, its fourth in the last month. Crop tours in Kansas see production down 18% from last year's drought reduced crop, with record abandonment expected as well. Soft Red Wheat conditions at this point are above average, but the cold spring has definitely caused a slowdown in maturation, putting the crop an estimated 2-3 weeks behind normal.**

**Extended forecasts leave cold and wet conditions in the Western Plains through the next 10 days, with a warm up seen possible in the Northern Plains in the last half of the month. Sunday night's forecast is going to dictate the direction we head on Monday. As we mentioned last week, remember your point of profit, weather patterns and traders attitudes can shift quickly leaving you wishing you would have taken advantage of opportunities as they had presented themselves. Target orders allow you to market your crop even in your busiest of times.**

**As mentioned, the USDA will have updated supply and demand numbers next Friday. This will give us our first insight into what they see for new crop ending stocks as well. Give us a call with any questions, and don't forget Citizens offers full agronomic services to help with your planting needs. Until next week, have a great weekend and stay safe!**

**All the Best!**  
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