

This Week In Agriculture:

USDA Acreage and Quarterly Stocks Report March 31, 2017

- After last year's shock where acreage numbers came in well off of pre-report expectations many traders were going into today wearing a helmet. In the end today's numbers were relatively mundane with no real big surprises. At face value one could say today's acreage numbers were supportive for corn, bearish for beans and neutral for wheat. Stocks figures came in above pre-report estimates for corn, soys and wheat.
- On the acreage side of things coming into today traders were expecting soybean acres to come in around 88.2 million, with corn acres at 90.97 and all wheat acres at 46.14. The USDA expects corn acres to be about a million lower than traders, putting planted acreage expectations at 89.99. Soybean acres came in around 1.3 million acres higher than expected at 89.48, with all wheat acres coming in slightly below expectations at 46.06 million.
- State by state we see the biggest increases in soybeans were seen in what would be considered fringe states—or at least states not traditionally known for growing soybeans with North Dakota bean acres expected to come in 850,000 acres above last year while Kansas is expected to plant 950,000 more. Other states making a shift were Iowa with 600,000 more, Minnesota with 700,000 more, Indiana with 350,000 more and Michigan with an increase of 280,000 from a year ago.
- As for corn the biggest shift was seen in Iowa with a reduction of 600,000 acres while other states like Nebraska, Minnesota, Missouri and Texas saw 300-450,000 acre reductions.
- A lack of wheat acres could be credited for many of the states solidly increasing soybean acres while not moving away from corn. In Michigan winter wheat acres are down 180,000 from last year, with Ohio acreage 110,000 lower. Kansas saw the biggest shift away from wheat with a million acres less planted last fall than a year ago.
- As mentioned stock figures came in above expectations across the board, but still within the realm of guesses. Corn stocks were 794 million bushels higher than last year with farmers holding 72% of that increase. By state the big jumps were seen in Illinois, Iowa, Minnesota and North Dakota with all holding over 100 million bushels more than a year ago. Michigan appears to be the only major grain state with less on hand than a year ago; stocks are estimated 9 million bushels lower.
- Soybean stocks nationally came in 203 million bushels higher than seen a year ago and slightly higher than expected. What was most interesting about soybean stocks was on farm bushels are down nearly 60 million from last year with commercial holdings up 262 million. This proving that many farmers have taken advantage of price strength so far this year. The biggest increases were seen in Illinois (+37 mln), Ohio (+29 mln), North Dakota (+23 mln) and Nebraska (+19 mln). Lower stocks were seen in Iowa (-19 mln) and Minnesota (-13 mln).
- As expected wheat stocks came in 284 million bushels higher than a year ago, with most sitting in the hands of commercials. State-wise the biggest jumps were seen in Kansas with 106 million bushels more than a year ago, while Washington was up 24 million and most others up slightly. In Michigan wheat stocks are up 14.6 million bushels from a year ago, of that increase 2.8 million bushels are in the hands of farmers, with the rest in elevators.

Now that the unknowns are out of the way we will begin to focus on weather. The recent cooler and wetter than normal pattern that has overtaken much of the nation's midsection has traders talking about planting delays already. While planting is far from delayed every day that it remains cool and wet is another we don't see the early planting we've seen these last couple of years. With today's lower than expected acreage a less than ideal start to corn planting could amplify the acreage shift talk. Now is a

great time to take a look at what you want to accomplish pricing wise and get targets in place ahead of your spring planting season. As always if you have any questions don't hesitate to ask, we're here to help!

**All the Best!
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