

This Week in Agriculture:

A Mixed Bag of Information from the Week that Was: May 17, 2013

- **Yet another volatile week in the grain markets as planters began to roll throughout the Corn Belt. For the week overall, July corn finished 17 cents higher, while December corn was down 10. July beans were up 49 cents, while November beans were up 23. July wheat couldn't catch a break, finishing 21 lower.**
- **Monday night's crop progress report showed both corn and soybean planting progress last week was slower than traders were expecting. Nationwide corn was 28% planted, well behind the 5-year average of 65%. Here in Michigan the USDA estimated we were 32% planted as of Sunday night, 20% slower than the 5-year average pace.**
- **Soybean planting was estimated at 6% completed nationwide, 18% slower than the 5-year average. Here in Michigan the USDA put soy planting progress at 13% statewide, 11% behind average.**
- **Early on in the week forecasts were calling for precipitation to develop in the wettest areas of the Corn Belt, as the week progressed however, many of the showers dissipated opening a rather large planting window for many in the heart of corn country. Technological advancements have made it possible for producers to take better advantage of that window. Nighttime planting is common and as planters get larger traders estimate some farmers are able to get hundreds of acres planted a day.**
- **This week's somewhat unexpected window has many analysts anticipating a record increase in planted acres. Some feel we could see nearly a 60% jump in nationwide planting progress, with expectations going into Monday night's report ranging from 70-85% completed. This also means that the USDA's adjustment to yield may not be too far out of line considering they were relying on a 60% completion rate nationwide by Wednesday the 15th.**
- **Rapid progress in some locations doesn't necessarily mean we are out of the woods. There are still pockets where heavy rainfall occurred this week, leaving producers out of the fields as prevent plant dates approach. As a result one large fertilizer producer feels we could see final corn acres fall by 1-2 million nationwide. A well followed private analyst agrees, they lowered their corn acreage projection in today's estimate by just under a half a million acres overall. Whether or not those unplanted acres will be switched over to beans will likely rely solely on weather.**
- **Winter wheat maturity is interesting to look at as well. Nationwide only 29% of the Winter Wheat crop is headed vs 51% on average. This delay in maturity could have a big impact on double crop soybean acres. As you may remember last year we saw rapid maturity rates and early harvest throughout the country in wheat. Getting the wheat off early set the stage for record double crop bean acres. At this point it appears as though a significant portion of double crop bean acres could be in jeopardy.**
- **As far as old crop corn demand, ethanol numbers were positive this week. Ethanol production was up 2% from last week, bringing bushels used for the week slightly above what's needed to hit updated USDA projections. From an inventory standpoint, overall inventories were down 3% from last week and down over 20% from last year.**
- **April soybean crush numbers released Thursday were on the low end of trader's expectations, but remained above what we need to meet USDA projections. With some plants reducing crush or completely shutting down these numbers will be vital to watch as we move through the summer months.**

At this point it's likely the panic surrounding the lack of planting progress for corn has mostly passed. However, with the bulk of the crop going in at the same time summer weather is now that much more imperative as the majority of the nation will move through pollination together. While the crop isn't in the bin traders remain acutely aware that even with a 2 million acre reduction and a 155 bpa yield we are still looking at a crop nearly 3 billion bushels larger than last year. Keep this in mind when looking at marketing opportunities. Remember to take advantage of rallies through target orders and scale selling.

Extended weather forecasts are calling for above normal temperatures with normal rainfall in the West and chances of above normal rainfall here in the Great Lakes in the 8-14 day timeframe. Give us a call with any questions, we're here to help. Until next week, have a great weekend and stay safe!

All the Best!!

Angie Maguire

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