



WEEK IN REVIEW MARKET UPDATE 3/2/18

Grain

Corn – May 18 up $\$.10^{3/4}$ closing $\$3.85^{3/4}$
Soybeans – May 18 up $\$.23^{1/2}$ closing $\$10.71$
Wheat – May 18 up $\$.35$ closing $\$5.00$
Soybean Meal – May 18 up $\$14.60$ closing $\$392.90$

Livestock

Cattle – April 18 down $\$2.67$ closing $\$122.18$
Feeders – April 18 down $\$3.22$ closing $\$145.28$

Hogs – April 18 up $\$3.20$ closing $\$67.58$
Class III Milk – April 18 up $\$0.18$ closing $\$14.03$

Outsides

Dow – down 768.38 closing 24538.72
S&P – down 55.95 closing 2691.41
NASDAQ – down 79.50 closing 7257.81
US Dollar – March 18 up 0.152 closing 89.960
Crude Oil – April 18 down 2.30 closing $\$61.25$

News/Reports:

- Export report released Thursday 3/1. Corn came in at 69.0 million bushels, expected range 39 – 55. Beans came in at 31.5 million bushels, expected range 15 – 26. Wheat came in at 7.0 million bushels, expected range 7 – 18. Beanmeal came in at 139,000 metric tons, expected range 100 – 300K.
- Ethanol output weekly data reports were out Wednesday 2/28 at 1,044,000 barrels per day versus 1,068,000 last week. Ethanol stocks were at 22.979 million barrels versus 22.753 million last week.

Notes:

- This year's February insurance average for Corn ended up at $\$3.96$ versus $\$3.96$ last year and soybeans $\$10.16$ versus $\$10.19$ last year.
- Informa this week raised Brazil's crop estimate 1 million metric tons to 89.0 and lowered Argentina's corn crop 3.5 million metric tons to 33.5. They also raised Brazil's soybean crop estimate 1.5 million metric tons to 114 and lowered Argentina's soybean crop 7 million metric tons to 44.
- Brazil's corn planting for its second corn crop (Safrina) and its soybean harvest is behind due to excess rain. Corn planting is said to be 63% done, 12 points behind last year but only 1 point behind the 5-year average. Nearly 4 million HA will be planted beyond the March 1st ideal planting window. Brazil's soybean harvest is said to be at 30.8%, up from 24.4% last week but well below the 5-year average of 39% and nearly 16 points below 2017.
- The US continues to be the most competitive corn in the world with expectations for continued strong demand until more is known about South America's corn crops.
- Weekly drought map not showing as much improvement for Hard Red Wheat areas as some had hoped for following the spotty rains in Kansas, Oklahoma, and Texas last week. As of Feb 27th, 79% of the Kansas wheat is in some stage of a drought with 98% of the Oklahoma crop in the same category.
- The white house has been preparing to put tariffs on steel and aluminum and the possible repercussions of these tariffs has gotten some attention in the ag sector. President Trump said, "tariffs on Steel and Aluminum will only come off if new & fair NAFTA agreement is signed". The leading steel importers in 2017 were Canada at 17%, Brazil at 13%, and South Korea at 10%.
- Top US grains merchant Archer Daniels Midland Co (ADM) have been in talks to buy smaller rival Bunge Ltd. ADM and Bunge represent the "A" and "B" in the so-called ABCDs, the global commodity-trading companies that dominate the world-wide flow of basic foodstuffs. Minnesota-based Cargill Inc. and Louis Dreyfus Commodities, headquartered in the Netherlands, are the other two. Any deal would likely face stiff scrutiny from government regulators and opposition from US farmers who fear that handing more market control to ADM could hurt wheat, corn and soybean prices. The companies would probably need to sell facilities in North America, such as grain silos, to win approval for a deal. New York-based Bunge operates in more than 40 countries. Chicago-based ADM has customers in 160 countries and is the most US focused of the major grain companies. A takeover would help it grow in South America, where Bunge is a major agricultural force.
- The next USDA report will be the March WASDE report out on Thursday March 8th at 12:00 est.