



WEEK IN REVIEW MARKET UPDATE 12/1/17

Grain

Corn – March 18 **up \$0.03^{3/4}** closing \$3.58^{3/4}
Soybeans – Jan 18 **up \$0.01** closing \$9.94^{1/4}
Wheat – March 18 **up \$0.03^{3/4}** closing \$4.38^{1/2}
Soybean Meal – Jan 18 **up \$4.30** closing \$330.20

Livestock

Cattle – Feb 18 **down \$2.60** closing \$121.98
Feeders – Jan 18 **down \$2.97** closing \$150.33
Hogs – Feb 18 **up \$1.33** closing \$70.73
Class III Milk – Dec 17 **down \$0.12** closing \$15.32

Outsides

Dow – **up 682.62** closing 24234.69
S&P – **up 39.42** closing 2642.22
NASDAQ – **down 41.81** closing 6847.08
US Dollar – Dec 17 **up 0.134** closing 92.841
Crude Oil – Jan 18 **down 0.59** closing \$58.36

News/Reports:

- Export report released Thursday 11/30. Corn came in at 23.6 million bushels, expected range 28 – 43. Beans came in at 34.6 million bushels, expected range 29 – 44. Wheat came in at 6.8 million bushels, expected range 9 – 17. Beanmeal came in at 176,600 metric tons, expected range 100 – 300K.
- Ethanol output weekly data reports were out Wednesday 11/29 at 1,066,000 barrels per day versus 1,074,000 last week. Ethanol stocks were at 22.044 million barrels versus 21.897 million last week.

Notes:

- Dry weather in some parts of Argentina have brought soybean planting to a halt. BA Grain Exchange says close to 40% of the Argentine bean area needs moisture. The Rosario Exchange takes a harsher view stating that parts of Cordoba are already in the “drought” stage. Due to this weather uncertainty in Argentina the soybean acreage is up for debate. USDA says 19.1 million HA (up 4%), the Ag Ministry estimates it at 16.8, the BAGX is at 18.2, and another source is 18.5.
- Tables from the USDA’s annual 10-year production outlook have both corn and soybean acres increasing to 91 million acres for next year. This will come mainly at the expense of wheat acres. They also have this year’s expected 2.487 billion bushels (a 30-year high corn carryover) as the lowest for the next 10 years.
- Brazil’s Mines & Energy Ministry has approved the increase in the biodiesel blend rate to 10%, effective March 1, 2018 up from 8% this year. Seems like a big deal as if this were entirely soybean oil, it would consume about 80% of the country’s average annual exports the past five years of approximately 1.4 million metric tons.
- Hog prices have been rallying due to fewer hogs being slaughtered than expected, especially with lower Saturday kills. Hog weights are currently 3 pounds heavier than last year, with producer-owned hogs being 4 pounds heavier. The Thursday cut-out value was quoted at \$83.40/cwt, which is 12% higher than last year. Bellies were up 47%, butts 14%, picnics 15%, and ribs 19%. Hams were the one cut that was significantly lower (-15%).
- The EPA set the finalized 2018 RFS standard at 19.29 billion gallons, with ethanol production from corn at 15 billion gallons, the same as 2017. Biodiesel remained at 2.1 billion gallons and total advanced biofuels at 4.29 billion gallons. In the first 11 months of 2017, 14.4 billion gallons of corn ethanol have been produced.
- The next USDA report will be the December WASDE report out on Tuesday December 12th at 12:00 est.