

## WEEK IN REVIEW MARKET UPDATE 8/17/18

### Grain

Corn – Sept 18 **up \$0.06<sup>1/2</sup>** closing \$3.64<sup>1/4</sup>  
Soybeans – Sept 18 **up \$0.30<sup>3/4</sup>** closing \$8.81<sup>1/2</sup>  
Wheat – Sept 18 **up \$0.13<sup>3/4</sup>** closing \$5.60<sup>1/2</sup>  
Soybean Meal – Dec 18 **up \$9.10** closing \$332.40

### Outsides

Dow – **up 338.79** closing 25662.06  
S&P – **up 14.89** closing 2849.35  
NASDAQ – **down 26.70** closing 7815.53  
US Dollar – September 18 **down 0.237** closing 95.981  
Crude Oil – October 18 **down 1.73** closing \$65.21

### Livestock

Cattle – Oct 18 **up \$1.63** closing \$110.88  
Feeders – Oct 18 **up \$2.37** closing \$151.85  
Hogs – Oct 18 **up \$7.42** closing \$58.60  
Class III Milk – Sept 18 **down \$0.25** closing \$15.81

### News/Reports:

- Export report released Thursday 8/16. Corn came in at 13.3 million bushels, expected range 12 – 24. Beans came in at 4.9 million bushels, expected range 4 – 15. Wheat came in at 29.5 million bushels, expected range 7– 18. Beanmeal came in at 207,200 metric tons, expected range 40 – 200K.
- Ethanol output weekly data reports were out Wednesday 8/15 at 1,072,000 barrels per day versus 1,100,000 last week. Ethanol stocks were at 23.017 million barrels versus 22.923 million last week.
- Corn Conditions came out 8/20 at 68% good to excellent versus 70% last week, and 62% last year.
- Soybean Conditions came out 8/20 at 65% good to excellent versus 66% last week, and 60% last year.

### Notes:

- The US & China will resume trade talks on Wednesday & Thursday this week. The two are trying to end their standoff ahead of the G20 summit in November. President Trump & Xi are scheduled to have several meetings at the conference. The US is set to impose 25% tariffs on additional \$16B in Chinese imports on August 23<sup>rd</sup>, China has stated it will retaliate.
- The Pro Farmer tour starts a week-long US crop tour on Monday, with results from the tour out Friday 8/24. The tour starts off with results from South Dakota and Ohio. 11 out of 15 years the tours corn yield averages 2.7 bpa below USDA September yield and 10 out of 15 years the soybean yield averages 0.6 bpa below USDA September yield.
- Widespread rains across the HRW belt, early fall harvest, and cheap soybeans are all favoring increased winter wheat acres.
- Details on Trump Aid to Farmers to be announced this week.
- Argentina suspended their export tax program on soybean meal and soybean oil for six months. Exports of both products are currently taxed at 23 percent, having been gradually lowered from 32 percent in 2015. Argentina looked to gradually lower taxes on soy complex exports into 2019. Argentina's need for cash is immediate, and this will act to keep the global meal market tight.
- A third case of African swine flu was detected in China this week. The swine industry has never seen an African Swine Fever outbreak in this big of a production area (tens of millions of hogs in the area) and control measures are untested. Vaccines are used for Foot and Mouth Disease/Classical Swine Fever, but a vaccine is not available for this particular swine fever. China has 56% of the global hog population with the EU a distant 2nd at 19% and US at 10%.
- The US\$ hit 13-month high this week before retreating and closing lower for the week.
- With only a month to go before farmers in Brazil start planting their 2018/19 crops, a substitute federal judge in Brazil on Friday, August 3<sup>rd</sup> issued an order prohibiting the use of any product containing glyphosate herbicide. The order will become permanent within 30 days when it is published in the Official Registry. The banning of the use of the herbicide could have large consequences for Brazilian agriculture as most of their soybeans are planted no-till, which requires the use of herbicide before the soybeans are planted. There are however numerous groups petitioning the Ministry of Agriculture and the Brazilian Attorney General has already started the process of suspending the decision.
- In California, a jury determined Monsanto was liable in the lawsuit of a school groundkeeper, that alleged that glyphosate-based products caused the groundkeeper's cancer and that Monsanto should have provided more warning about the risks of using glyphosate. Yet the science presents 800+ studies and reviews that glyphosate does not cause cancer. Monsanto was ordered to pay \$289 million. There are some 5,000 similar lawsuits filed in the United States.
- The next USDA report will be the September WASDE report out on Wednesday September 12<sup>th</sup> at 12:00 est.