

May 2019 Grain Outlook

Corn Outlook:

Delayed planting due to weather complications continues to be a main conversation point in the agriculture industry. As of April 28th, the US corn crop is nearly 8% behind the 5-year average of planting progress (15% current vs 27% average). Indiana, Illinois, Ohio, and other areas of the eastern Corn Belt are far behind on planting compared to previous years. Cooler than normal temperatures are also a concern for farmers. While bulls continue to focus in on weather concerns, bears are pointing a large corn crop being harvested in South America and a large supply of US corn on hand. Combine these bearish concerns with a stronger US dollar and the US has created a record short position of more -300,000 contracts. Bulls are optimistic about a new trade deal between the US and China but I remain wary of when a deal will actually be signed. They continue to push back the deadline on an agreement. I believe corn may see some weather premium in the nearby due to weather hiccups in the market but I can't see that lasting long as soon as things start to turn around in planting progress. There's still too much corn on hand that needs to be moved with seemingly nowhere to go. Right now, if you still have old corn on hand, I would recommend a basis contract for either June or July. GPC is offering some pretty good basis numbers for those delivery periods at the moment. For New Crop, I would continue to suggest target orders for figures that are profitable to you. We may not always hit the highs but it's important to maintain a solid average of prices over the course of your marketing plans.



Corn % Planted			
State	Today	2018	5 Year Average
Colorado	8	6	14
Illinois	9	28	43
Indiana	2	7	17
Iowa	21	15	26
Kansas	31	25	36
Kentucky	28	14	31
Michigan	2	3	5
Minnesota	2	0	24
Missouri	45	47	55
Nebraska	16	15	23
N. Carolina	53	61	68
N. Dakota	1	0	7
Ohio	2	1	13
Pennsylvania	5	1	8
S. Dakota	0	0	11
Tennessee	41	35	50
Texas	65	69	65
Wisconsin	4	3	8

Soybean Outlook:

From what I've been hearing there appears to be more optimism in a trade deal between the United States and China. US Trade Representative Robert Lightizer and Treasury Secretary Steven Mnuchin are scheduled to meet Chinese Trade Officials next week in Beijing for another round of negotiations. Trade delegates are scheduled to arrive in Washington next week for further discussions. Experts are saying a resolution could be made by early June with details about the specifics of the deal and a signing ceremony between President Trump and President Xi happening in the near future. I will not hold my breath as it seems a trade deal continues to be pushed back month after month. There is also a lot of uncertainty behind the African Swine Fever that has spread across parts of China. It is believed that the Chinese are not letting the public know just how severe the situation really is. It's worthy to note that the Chinese produce more than half of the world's pork supply. Therefore, if the disease continues to kill more and more of the country's hogs, there will be more soybean bushels on hand. Bulls are searching for any positive headlines to have a rally in the market as nearby futures are down almost 50 cents over the past month. Bulls are pointing towards weather complications and delayed planting progress; hoping to see some weather premium in the coming weeks. As of April 28th, the US Soybean crop is slightly behind the 5-year average of planting progress (3% current vs. 6% average). If you still have any old crop beans on hand, I would recommend selling in the nearby if we do see some weather premium in the market. It seems there is a lot of negative headlines right now and I'm not sure when we'll see a rally. As for new crop bushels, continue to put in targets where you can make a profit. If we previously put some in the beginning of the year and we need to readjust our sales goals, please give me a call to adjust them.

Soybean % Planted			
State	Today	2018	5 Year Average
Arkansas	10	26	26
Illinois	3	7	6
Indiana	0	3	4
Iowa	3	3	3
Kansas	2	2	2
Kentucky	4	1	2
Louisiana	24	40	43
Michigan	2	0	1
Minnesota	0	0	3
Mississippi	20	35	41
Missouri	2	5	4
Nebraska	3	6	5
N. Carolina	5	4	2
N. Dakota	0	0	1
Ohio	1	1	3
S. Dakota	0	0	1
Tennessee	3	2	4
Wisconsin	0	1	1