



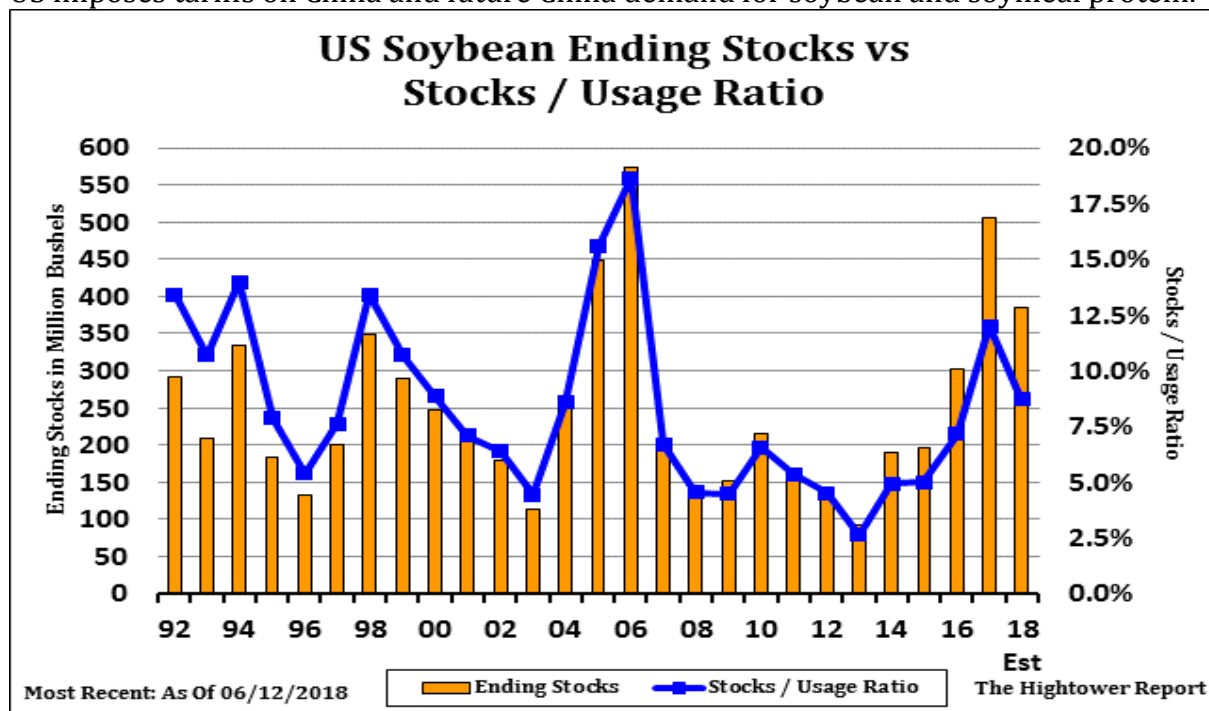
Market View

June 12, 2018

by Steve Freed, VP of Grain Research

USDA report day. Fact USDA lowered the Russian wheat crop more than expected helped rally wheat despite adequate World end stocks. Corn rallied on lower than expected US 2018/19 corn carryout. Mixed trade in soybeans. Soymeal gained on higher USDA est of US demand. Higher US soyoil stocks weighed on soyoil. Soybean were unchanged and may be waiting to see if US imposes tariffs on China goods.

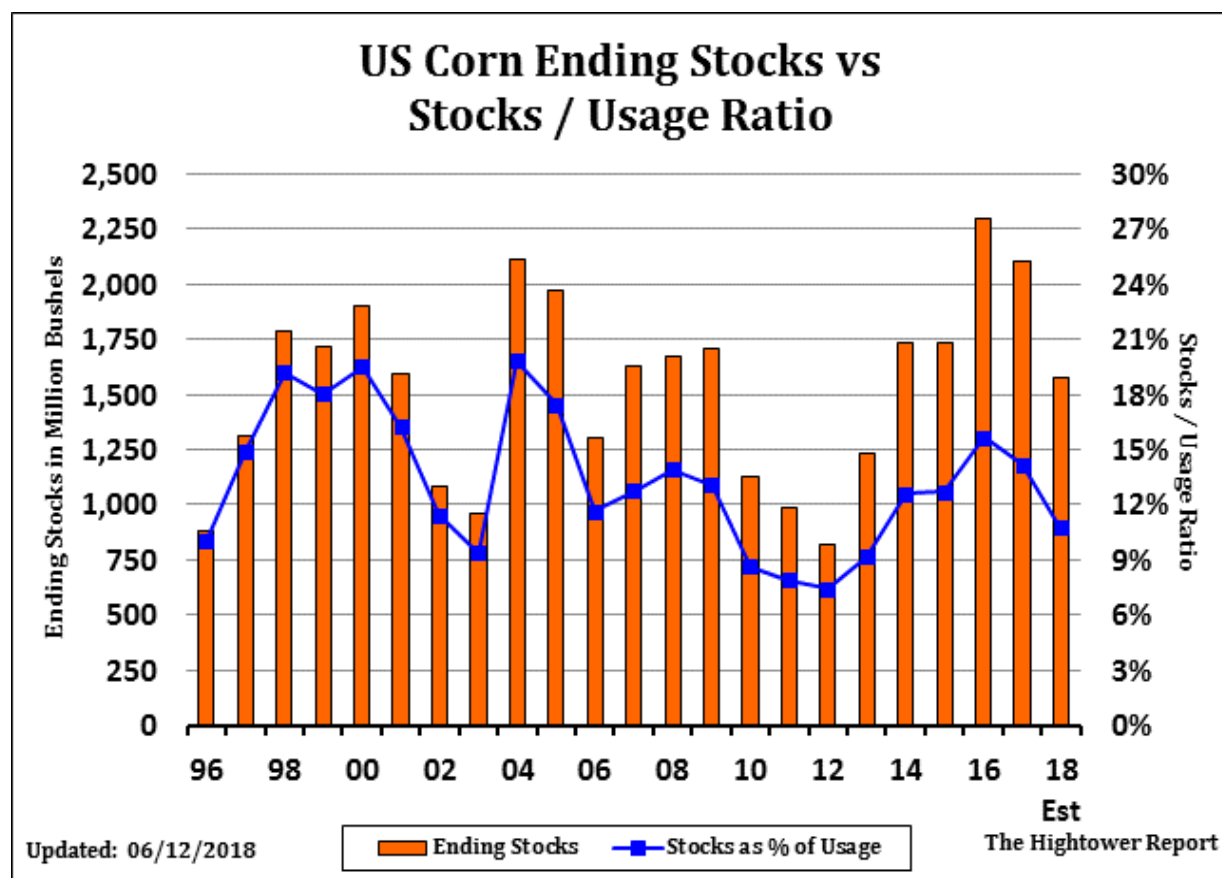
SN ended unchanged and near 9.54. USDA increased US 2017/18 soybean crush 25 mil bu, This due to higher export and domestic soymeal use. This raised US soyoil stocks from 1,896 to 2,176. Lower carryin dropped USDA est of US 2018/19 soybean carryout to 385. Key will be US summer weather. Current crop conditions suggest a yield as high as 53 vs USDA 48.5. USDA est Argentina soybean crop near 37 and Brazil near 119. Some are now est that in 2019 Brazil could increase soybean acres 3-5 pct. Argentina could increase acres 3 pct. USDA est World 2018/19 soybean end stocks near 87.0 mmt vs 92.5 this year. USDA est China 2017/18 soybean imports near 97 and 2018/19 near 103. Key could be if US imposes tariffs on China and future China demand for soybean and soymeal protein.





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Corn futures jumped 10 cents on fact USDA lowered the Brazil crop more than expected. They then raised US corn exports and that lower both US 2017/18 and 2018/19 corn carryout. Numbers now suggest US may need to see a 2018 corn yield higher than USDA current est. Private group had raised the prospect that USDA could have raised today's 2018 US corn yield if they thought US final 2108 acres may be higher than their March est. Next acreage report will be June 29. Current crop conditions suggest a US 2018 yield as high as 182 vs USDA 174. USDA increased US 2017/18 corn exports 75 mil bu. This was more than expected. US 2017/18 corn carryout is now near 2,102. USDA lowered US 2018/19 corn feed use and raised ethanol. Net result is USDA now est US 2018/19 corn carryout near 1,577. USDA lowered Brazil corn crop to 68.5. This dropped World end stocks to 192.7. USDA also est World 2018/19 corn end stocks near 154.7. Key is now US summer weather.



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WN jumped 20 cents and closed near 5.34. KWN jumped 18 cents and closed near 5.53. MWN closed up 2 cents and near 5.92. Before the June report, USDA est that 14 pct of the US winter wheat crop was harvested vs 10 ave. Crop was rated 38 pct good/ex vs 50 last year. USDA also rated the US 2018 spring wheat crop 70 pct good/ex vs 45 last year. USDA est the US 2018 winter wheat crop near 1,198 mil bu and all wheat near 1,827. Last year crop was 1,741. USDA est US 2017/18 wheat carryout near 1,080 and 2081/19 carryout near 946. USDA est US ave wheat farm price near 5.10 vs 4.75 last year. USDA est 2017/18 World wheat end stocks near 272.4 mmt vs 270.4 previous and 2018/19 near 266.2 vs 264.3. USDA dropped the Russian crop to near 68.5 mmt vs 85.0 ly. This was more than the market expected. Egypt bought Russia and Romanian wheat in their tender. Australia lowered their wheat crop est to near 21.9 mmt vs 23.7 previous and USDA 24.0.



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