

# KSU Agriculture Today Radio Notes

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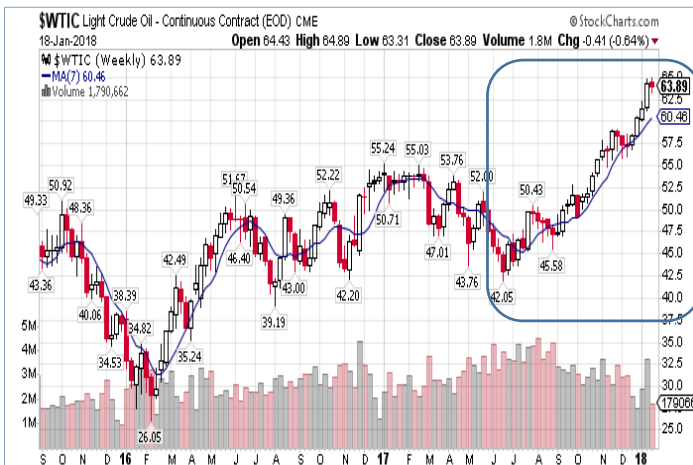
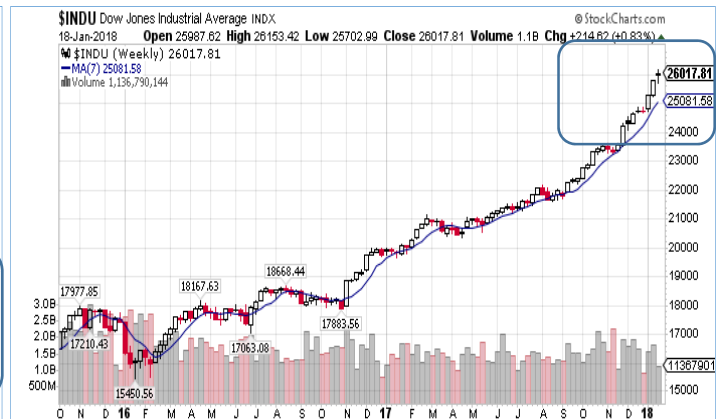
For Radio Program to be aired 10:00-10:15 a.m., Friday, January 19, 2018

## I. Grain Futures Closes, Changes & Carry on Thursday, January 18, 2018

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo
Mar 18	\$3.51 ½	↓ \$0.0150	---	Mar 18	\$ 9.73	↑ \$0.0425	---	Mar 18	\$4.29 ½	↑ \$0.0250	---
May 18	\$3.59 ½	↓ \$0.0150	\$0.04	May 18	\$ 9.84 ¼	↑ \$0.0425	\$0.05 <sup>625</sup>	May 18	\$4.43	↑ \$0.0250	\$0.06 <sup>75</sup>
July 18	\$3.67 ¾	↓ \$0.0150	\$0.04 <sup>125</sup>	July 18	\$ 9.94	↑ \$0.0425	\$0.04 <sup>875</sup>	July 18	\$4.59 ¼	↑ \$0.0275	\$0.08 <sup>125</sup>
Sept 18	\$3.75 ¼	↓ \$0.0150	\$0.03 <sup>75</sup>	Aug 18	\$ 9.96 ¾	↑ \$0.0475	\$0.02 <sup>75</sup>	Sept 18	\$4.75 ½	↑ \$0.03	\$0.08 <sup>125</sup>
Dec 18	\$3.85	↓ \$0.01	\$0.03 <sup>25</sup>	Sept 18	\$ 9.94 ½	↑ \$0.05	No Carry	Dec 18	\$4.96 ½	↑ \$0.0325	\$0.07
Mar 19	\$3.94 ¼	↓ \$0.01	\$0.03 <sup>083</sup>	Nov 18	\$ 9.94 ¼	↑ \$0.0550	No Carry	Mar 19	\$5.10 ½	↑ \$0.0325	\$0.04 <sup>67</sup>
May 19	\$3.99 ½	↓ \$0.0075	\$0.02 <sup>625</sup>	Jan 19	\$10.01 ¼	↑ \$0.0475	\$0.03 <sup>50</sup>	May 19	\$5.19	↑ \$0.0325	\$0.04 <sup>25</sup>
July 19	\$4.04 ¼	↓ \$0.0075	\$0.02 <sup>375</sup>	Mar 19	\$10.05 ¼	↑ \$0.0425	\$0.02	July 19	\$5.22	↑ \$0.0250	\$0.01 <sup>50</sup>

### Price<sup>Soybean</sup> / Price<sup>Corn</sup> Ratios on January 18, 2018:

- “Current Crop<sup>2017/18</sup>” ⇒  $\$MAR^{2018} \text{ Soybeans} \div \$MAR^{2018} \text{ Corn} = \$ 9.73 \div \$3.51 \frac{1}{2} = 2.77^{**}$
- “Next Crop<sup>2018/19</sup>” ⇒  $\$NOV^{2018} \text{ Soybeans} \div \$DEC^{2018} \text{ Corn} = \$ 9.94 \frac{1}{4} \div \$3.85 = 2.58$



## Central Kansas Terminal and Processor Daily Grain Report

TERMINAL HRW WHEAT ORD US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.7450	UP 2.5	-55H	UNCH
Topeka	3.9450	UP 2.5	-35H	UNCH
Concordia	3.7950	UP 2.5	-50H	UNCH
Salina	3.8950	UP 2.5	-40H	UNCH
Great Bend	3.8950	UP 2.5	-40H	UNCH
Newton	3.5750	UP 2.5	-72H	UNCH
Hutchinson	3.7150-3.8450	UP 2.5	-58H to -45H	UNCH
Wichita	3.7150-3.8950	UP 2.5	-58H to -40H	UNCH
Wellington	3.6450-3.7950	UP 7.5-UP 2.5	-65H to -50H	UP 5-UNCH
Arkansas City	3.5950	UP 7.5	-70H	UP 5

TERMINAL HWW WHEAT ORD US NO 2				
	Bids	Change (¢/bu)	Basis	Change
Wichita	3.8950	UP 2.5	-40H	UNCH

TERMINAL US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.3950	DN 1.5	-12H	UNCH
Topeka	3.3350	DN 1.5	-18H	UNCH
Salina	3.1650	DN 1.5	-35H	UNCH
Newton	3.0950	DN 1.5	-42H	UNCH
Hutchinson	3.2650-3.2950	DN 1.5	-25H to -22H	UNCH
Wellington	3.1150	DN 1.5	-40H	UNCH
Arkansas City	3.1150	DN 1.5	-40H	UNCH

TERMINAL US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Topeka	7.17	DN 3	50H	UNCH
Concordia	6.46	UP 7	10H	UP 5
Salina	6.63	DN 3	20H	UNCH
Hutchinson	6.06-6.28	DN 3-DN 2	-12H to OptH	UNCH
Wellington	6.28-6.37	UP 7-DN 2	OptH to 5H	UP 5-UNCH
Arkansas City	6.10	UP 6	-10H	UP 5
Great Bend	6.19	UP 6	-5H	UP 5

TERMINAL US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Atchison	9.1800	UP 4.25	-55H	UNCH
Topeka	9.1300	UP 4.25	-60H	UNCH
Salina	8.8800-8.9800	UP 4.25	-85H to -75H	UNCH
Newton	8.7400	UP 4.25	-99H	UNCH
Hutchinson	8.7400-8.8300	UP 4.25	-99H to -90H	UNCH
Wichita	8.8400	UP 4.25	-89H	UNCH
Wellington	8.7900	UP 0.25	-94H	DN 4
Arkansas City	8.7900	UP 0.25	-94H	DN 4

PROCESSOR US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.4150	DN 1.5	-10H	UNCH

PROCESSOR US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Emporia	9.2800	UP 9.25	-45H	UP 5
Wichita	9.2500	UP 4.25	-48H	UNCH

\* All bids are \$/bu except Sorghum, which is \$/cwt.

Chicago Board of Trade month symbols: F January, G February, H March, J April, K May, M June, N July, Q August, U September, V October, X November, Z December

## Western Kansas Grain Markets

Thursday's closing elevator grain bids:

HRW WHEAT ORD US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	3.60	UP 2.5	-70H	UNCH
Colby	3.80	UP 2.5	-50H	UNCH
Garden City	3.60	UP 2.5	-70H	UNCH
Goodland	3.73	UP 2.5	-57H	UNCH
Protection	3.60	UP 2.5	-70H	UNCH
Scott City	3.60	UP 7.5-UP 2.5	-70H	UP 5-UNCH
Sublette	3.60	UP 2.5	-70H	UNCH
Syracuse	3.80	UP 2.5	-50H	UNCH
Ulysses	3.80	UP 2.5	-50H	UNCH

US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	3.32	DN 1.5	-20H	UNCH
Colby	3.05	DN 1.5	-47H	UNCH
Garden City	3.32-3.37	DN 1.5	-20H to -15H	UNCH
Goodland	2.99	DN 1.5	-53H	UNCH
Protection	3.27	DN 1.5	-25H	UNCH
Scott City	3.24	UP 0.5-DN 1.5	-28H	UP 2-UNCH
Sublette	3.42	DN 1.5	-10H	UNCH
Syracuse	3.37	DN 1.5	-15H	UNCH
Ulysses	3.43	DN 1.5	-9H	UNCH

US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Dodge City	5.83	DN 3	-25H	UNCH
Colby	5.94	DN 2	-19H	UNCH
Garden City	5.78-5.83	DN 2-DN 3	-28H to -25H	UNCH
Goodland	5.65	DN 3	-35H	UNCH
Protection	5.83	DN 3	-25H	UNCH
Scott City	5.78	UP 1-DN 2	-28H	UP 2-UNCH
Sublette	5.79-5.83	DN 3	-27H to -25H	UNCH
Syracuse	5.83	DN 3	-25H	UNCH
Ulysses	5.78	DN 2	-28H	UNCH

US NO 2 YELLOW SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	8.63	UP 4.25	-110H	UNCH
Colby	8.33	UP 4.25	-140H	UNCH
Garden City	8.48-8.63	UP 4.25	-125H to -110H	UNCH
Protection	8.63	UP 4.25	-110H	UNCH
Scott City	8.43	UP 4.25	-130H	UNCH
Sublette	8.58-8.63	UP 4.25	-115H to -110H	UNCH
Ulysses	8.46	UP 4.25	-127H	UNCH

US NO 2 SORGHUM - FEEDMILL BID				
	Bids	Change (¢/cwt)	Basis	Change
Ashland	5.92	DN 3	-20H	UNCH

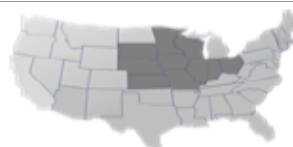
Cotton Grade 41, Leaf 4, Staple 34, West Texas base price 76.25 cents per pound  
FOB Railcar or Truck

\* All bids are \$/bu except Sorghum, which is \$/cwt.

Chicago Board of Trade month symbols: F January, G February, H March, J April,  
K May, M June, N July, Q August, U September, V October, X November, Z December



**USDA Daily Ethanol Report**  
Agricultural Marketing Service  
Livestock, Poultry & Grain Market News



Thu. Jan 18, 2018

**US #2 Yellow Corn - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	3.2300 - 3.4500	↑	-30H to -8H	-19.00
Iowa-Western:	3.1500 - 3.3800	↑	-38H to -15H	-26.50
Illinois:	3.3800 - 3.5900	↑	-15H to 6H	-4.50
Indiana:	3.4700 - 3.6500	↑	-8H to 12H	3.00
Ohio:	3.5700 - 3.6300	↑	4H to 10H	7.00
Michigan:	3.2600 - 3.5600	↑	-27H to 3H	-12.00
<b>Kansas:</b>	<b>3.3500 - 3.8300</b>	<b>↑</b>	<b>-18H to 30H</b>	<b>8.00</b>
Minnesota:	2.9900 - 3.2100	↑	-54H to -32H	-43.00
Nebraska:	3.0600 - 3.4100	↑	-47H to -12H	-29.50
Wisconsin:	3.0700 - 3.2900	↑	-46H to -24H	-35.00
South Dakota:	2.9300 - 3.2100	↑	-60H to -32H	-46.00
Missouri:	3.3000 - 3.4200	↑	-23H to -11H	-17.00

**Sorghum - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
<b>Kansas:</b>	<b>3.4300 - 3.6300</b>	<b>↑</b>	<b>-10H to 10H</b>	
Missouri:	NA	NA	NA	NA

**Corn Oil - cents/pound**

W/E 01/12/18	Range	Chg:	Avg:
Iowa:	21.00 - 24.00	↑	22.50
Eastern Cornbelt:	23.00 - 25.50	↑	24.25
Nebraska:	22.00 - 25.00	↑	23.50
South Dakota:	20.00 - 22.50	↓	21.25

**Ethanol - dollars/gallon**

W/E 01/12/18	Range	Chg:	Avg:
Iowa:	1.19 - 1.34	↓	1.27
Eastern Cornbelt:	1.20 - 1.30	↓	1.25
<b>Kansas:</b>	<b>1.17 - 1.26</b>	<b>↓</b>	<b>1.22</b>
Minnesota:	1.16 - 1.29	↓	1.23
Nebraska:	1.20 - 1.26	↓	1.23
Wisconsin:	NA	NA	NA
South Dakota:	1.30 - 1.30	↓	1.30

**Daily Nearby Futures**

	Today	Yesterday	Last year
<b>CME group</b>			
Corn (\$/bu)	3.5225	3.5300	3.6625
Ethanol (\$/gal)	1.3480	1.3840	1.4750
<b>NYMEX:</b>			
RBOB Gasoline (\$/gal)	1.8665	1.8584	1.5345
Natural Gas (mmBtu)	3.0830	3.2320	3.3680

**BIO-ENERGY REPORT NOTES**

Yellow corn : US #2 spot bids at ethanol plants reported as \$/per bushel

Distiller grains: Spot bids FOB the ethanol plant reported as \$/per ton. Protein content 28-30% for most distiller grains on a dry matter basis.

Ethanol: Spot bids FOB the ethanol plant reported as \$/gallon.

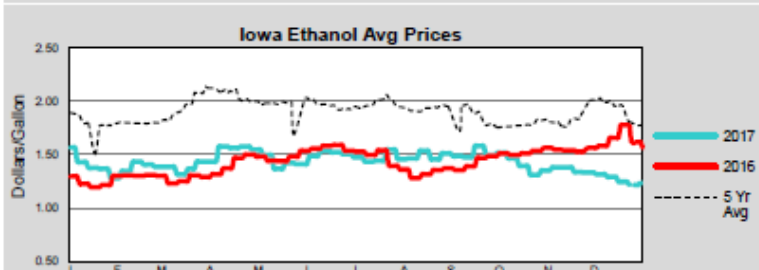
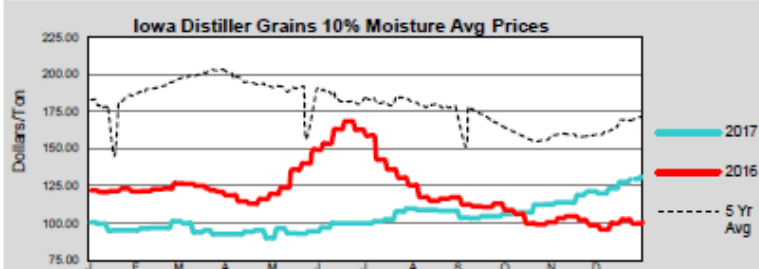
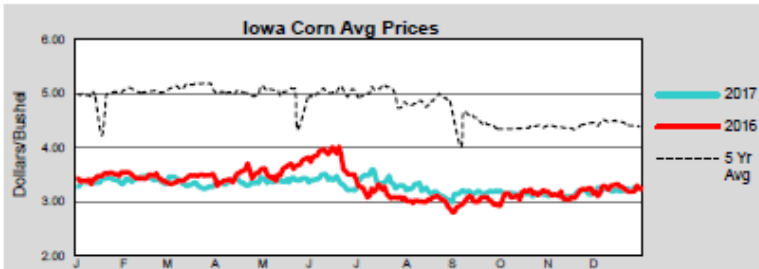
Distiller corn oil: Spot bids FOB the ethanol plant reported as ¢/lb. Distiller corn oil is intended for animal feed or biofuel and is not Generally Regarded As Safe (GRAS) for human consumption. It may also be referred to as inedible crude corn oil or crude corn oil.

**Distillers Grain - dollars/ton**

Dried 10%	Chg	Avg:	Modified 50-55%	Chg	Avg:	Wet 65-70%	Chg	Avg:
130.00	↓	130.00	55.00 - 65.00	↓	60.00	NA	NA	NA
127.00 - 140.00	↓	133.50	55.00 - 70.00	↓	62.50	38.00 - 68.00	↓	53.00
142.00 - 180.00	↑	161.00	NA	NA	NA	NA	NA	NA
145.00 - 170.00	↑	157.50	75.00	↓	75.00	NA	NA	NA
144.00 - 155.00	↑	149.50	NA	NA	NA	NA	NA	NA
150.00 - 175.00	↑	162.50	70.00 - 75.00	↓	72.50	NA	NA	NA
<b>150.00 - 190.00</b>	<b>↓</b>	<b>170.00</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>47.00 - 68.00</b>	<b>↓</b>	<b>57.50</b>
132.00 - 145.00	↑	138.50	65.00	↓	65.00	34.00 - 50.00	↓	42.00
140.00 - 151.00	↓	145.50	55.00 - 81.00	↓	62.50	42.50 - 50.00	↓	46.25
132.00 - 142.00	↓	137.00	58.00 - 68.00	↓	63.00	35.00	↓	35.00
128.00 - 143.00	↓	135.50	61.00 - 72.00	↓	66.50	44.00	↓	44.00
158.00 - 180.00	↓	169.00	80.00	↓	80.00	44.00 - 58.00	↓	51.00

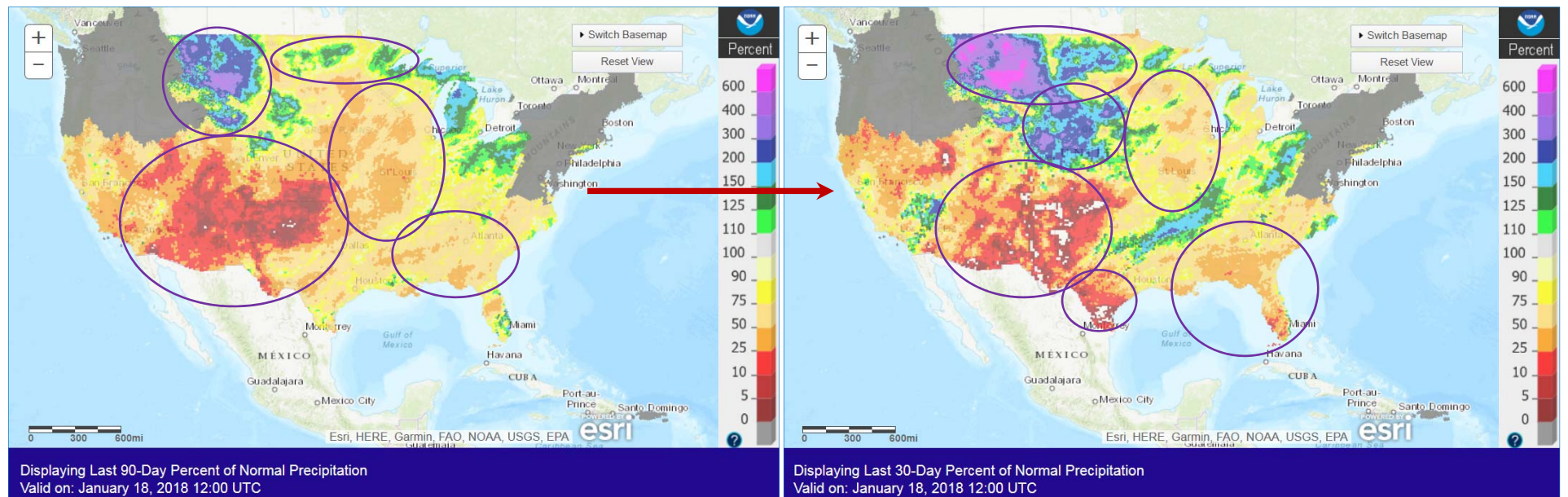
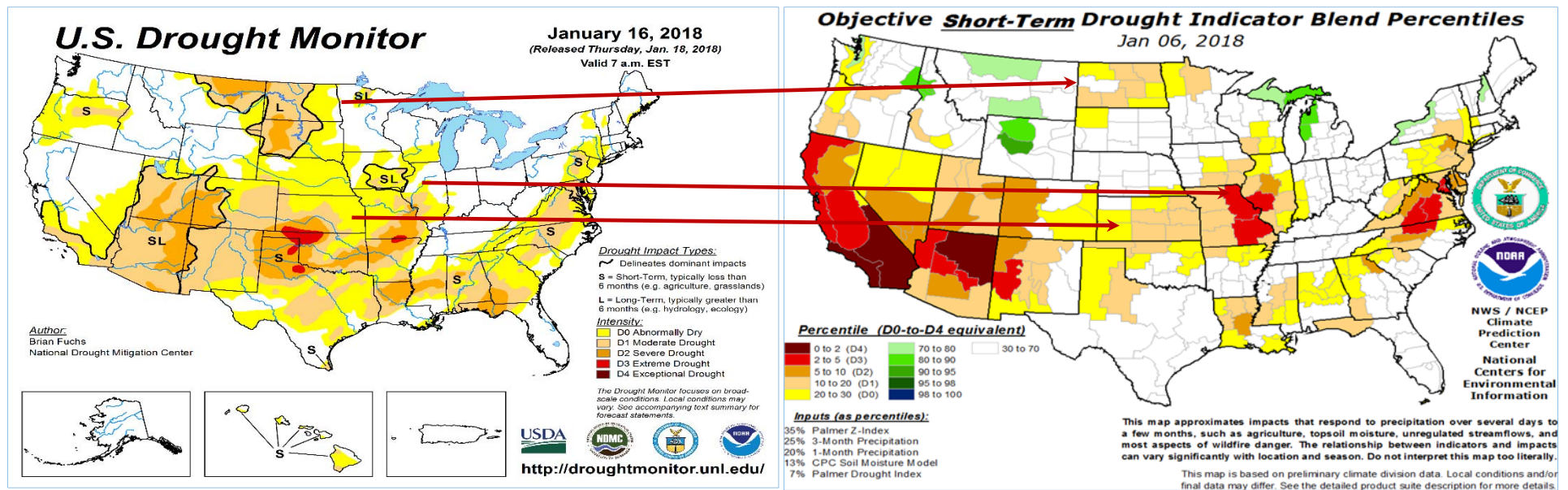
**Daily Market Review**

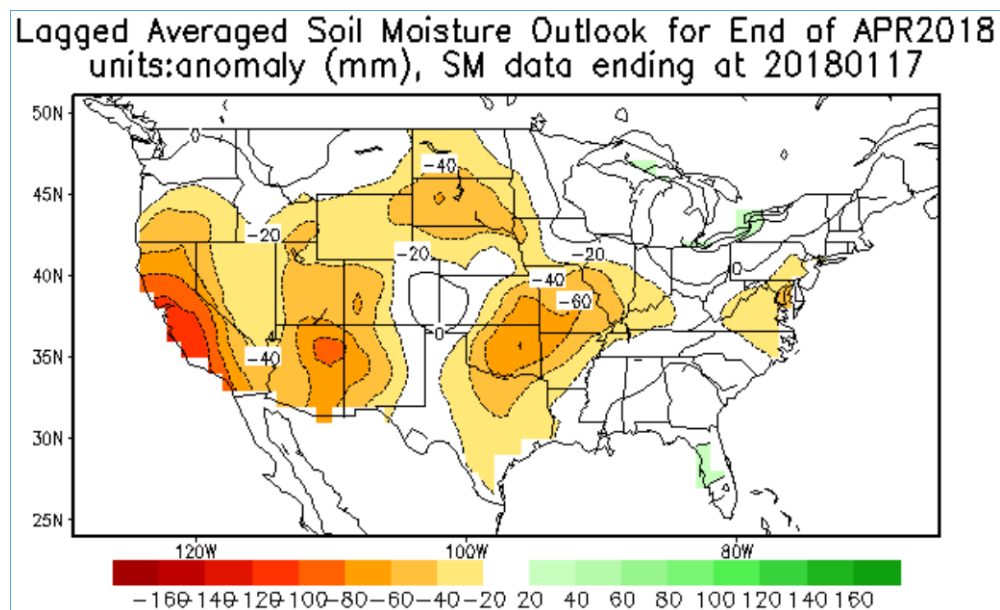
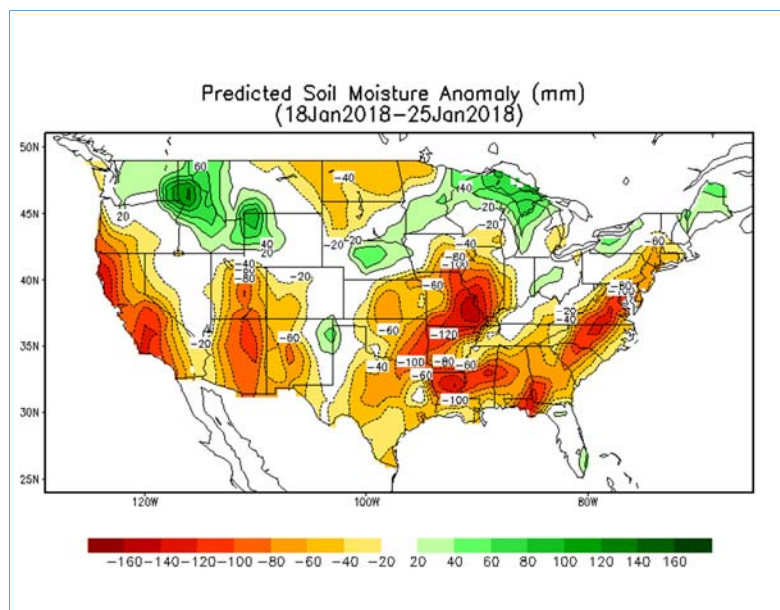
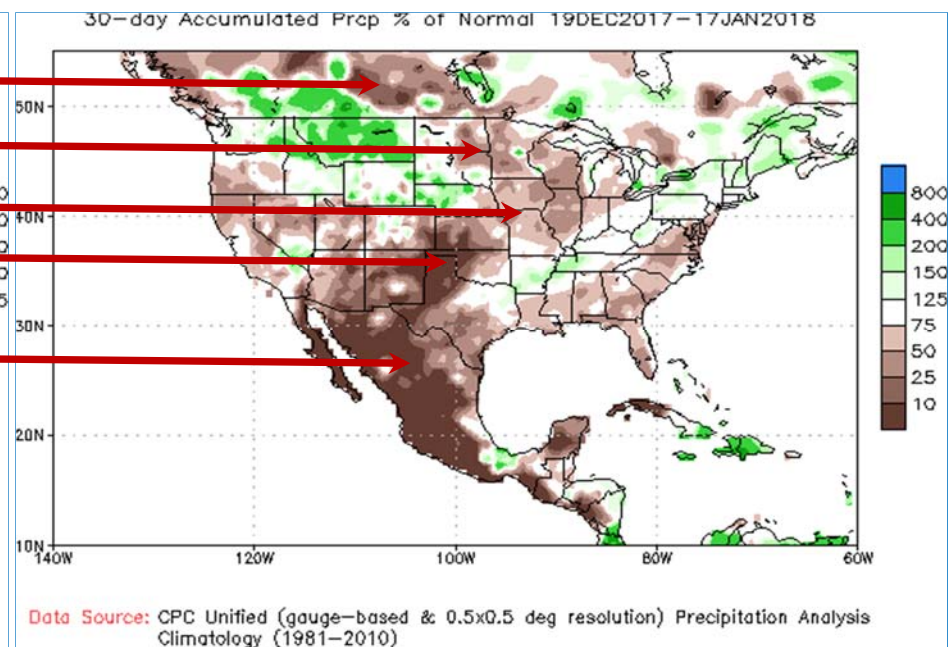
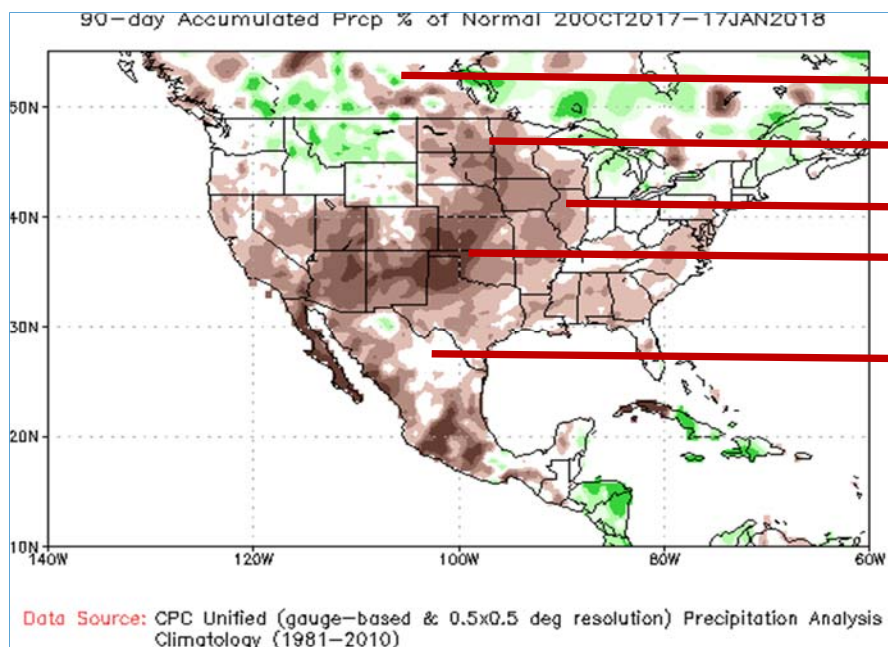
Corn futures trended higher yesterday, closing 4.75 points better at 3.53. Distillers values have moved mostly 5.00 higher, since Tuesday, on good demand. The increase in demand for DDGs appears to be export driven according to most of the trade.





### III. U.S. & World Drought Monitor, Moisture Accumulations & Forecasts (Weekly Weather and Crop Bulletin)







**INTERNATIONAL CROP AND WEATHER HIGHLIGHTS**  
**USDA/WAOB Joint Agricultural Weather Facility**

January 16, 2018

**EUROPE – Highlight:** More Welcome Showers In Spain



- Additional showers in Spain eased lingering dryness and promoted wheat and barley development.
- Mild, mostly dry weather favored dormant winter crops across central and northern Europe but left the continent devoid of protective snow cover.



**NORTHWEST AFRICA – Highlight:** More Beneficial Rain In Morocco

- Beneficial rain in Morocco eased lingering drought impacts and improved prospects for vegetative wheat and barley.
- Showers in Algeria and Tunisia maintained favorable conditions for winter grain development.



**MIDDLE EAST – Highlight:** Favorable For Dormant Wheat In Turkey

- Mild, showery weather maintained adequate moisture reserves for dormant winter wheat in Turkey.
- Dry weather maintained drought concerns across central and eastern Iran.



**FSU – Highlight:** Unseasonable Warmth Continued

- Persistent unseasonable warmth kept Ukraine and western Russia devoid of any snow cover.



**SOUTH ASIA – Highlight:** Beneficially Cool Weather

- Cooler-than-normal weather benefited wheat in portions of northern India.



**EAST ASIA – Highlight:** Dry, Cold For Overwintering Crops



- Dry, colder-than-normal weather prevailed for overwintering crops in eastern China.

**SOUTHEAST ASIA – Highlight:** Widespread Showers

- Somewhat drier conditions eased excessive wetness for rice and corn in portions of the eastern Philippines.
- Seasonably heavy showers maintained favorable moisture conditions for rice and oil palm in Malaysia and Indonesia.



**AUSTRALIA – Highlight:** Variable Conditions In The East

- In southern Queensland, hot, dry weather increased irrigation requirements for cotton.
- In New South Wales, mid-week showers and somewhat cooler weather benefited summer crops.
- In southern Australia, winter crop harvesting was reportedly nearing completion.



**SOUTH AMERICA – Highlight:** Patchy Rain In Argentina And Southern Brazil

- Drier, warmer conditions returned to most Argentine summer crop areas and additional moisture was needed for early-planted corn and soybeans nearing reproduction.
- Dry weather also dominated Rio Grande do Sul, Brazil, but conditions remained overall favorable for corn, soybeans, and other summer crops elsewhere.



**SOUTH AFRICA – Highlight:** Moisture Limited In Western Corn Areas



- Warmth and dryness reduced moisture for emerging corn in western production areas. Similar conditions prevailed in rain-fed sugarcane areas of KwaZulu-Natal.

## International Weather and Crop Summary

January 7-13, 2018

International Weather and Crop Highlights and Summaries provided by USDA/WAOB

### HIGHLIGHTS

**EUROPE:** Warm, dry weather prevailed across much of the continent, though additional drought-easing rain fell in Spain and Portugal. ★★

**MIDDLE EAST:** Mild, unsettled weather was beneficial for winter grains in Turkey, while drought lingered across the region's central and eastern growing area. ★★

**NORTHWESTERN AFRICA:** Widespread rain further alleviated drought in Morocco and maintained favorable moisture supplies for winter grain development elsewhere. ★★

**SOUTHEAST ASIA:** Rainfall returned to more seasonable levels for rice in the eastern Philippines, following persistent deluges over the past few weeks. ★

**AUSTRALIA:** Scattered showers and somewhat cooler weather brought some relief from heat and dryness in major summer crop producing areas. ★★

**SOUTH AFRICA:** Scattered showers returned to the corn belt but moisture remained limited in western farming areas. ★★

**ARGENTINA:** Warmth and dryness returned to much of the region, further reducing moisture for corn, soybeans, and cotton. ★

**BRAZIL:** Conditions remained overall favorable for summer crops, although pockets of dryness developed in the south and northeast. ★★





## January 11 ENSO Update

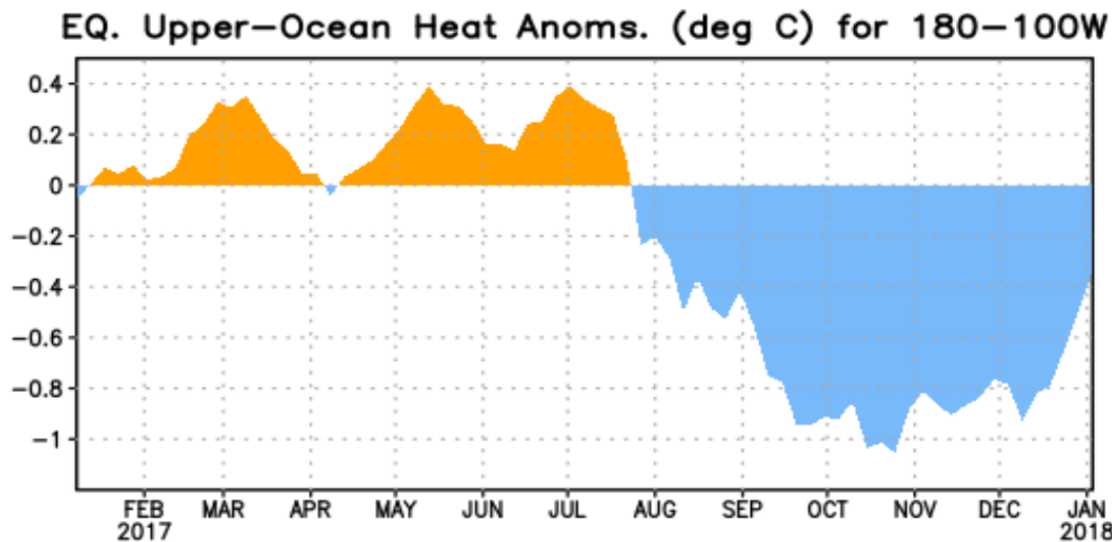


Figure 1: Area-averaged upper-ocean heat content anomaly (°C) in the equatorial Pacific (5°N–5°S, 180°–100°W). The heat content anomaly is computed as the departure from the 1981–2010 base period pentad means.

## ENSO Alert System Status: **La Niña Advisory**

**Synopsis: La Niña is likely (~85-95%) through Northern Hemisphere winter, with a transition to ENSO-neutral expected during the spring.**

La Niña continued during the past month, as indicated by the pattern of below-average sea surface temperatures (SSTs) across the central and eastern equatorial Pacific Ocean. The latest weekly Niño-3.4 index value was  $-0.8^{\circ}\text{C}$ , and the Niño-3 and Niño-1+2 indices were at or below  $-1.0^{\circ}\text{C}$  during much of the month. Negative sub-surface temperature anomalies in the central and east-central equatorial Pacific weakened at the end of the month (Fig. 1) as anomalously warm waters in the western Pacific at depths greater than 100 m propagated eastward to approximately  $140^{\circ}\text{W}$ . The atmospheric conditions over the tropical Pacific Ocean also reflected La Niña, with suppressed convection near and east of the International Date Line and enhanced convection to the north of Indonesia. Also, the low-level trade winds continued to be stronger than average over the western and central Pacific. Overall, the ocean and atmosphere system remained consistent with La Niña.

Nearly all models in the IRI/CPC plume predict La Niña will persist through the Northern Hemisphere winter 2017-18. Based on the latest observations and forecast guidance, forecasters believe this weak-to-moderate La Niña (3-month Niño-3.4 values between  $-0.5^{\circ}\text{C}$  and  $-1.5^{\circ}\text{C}$ ) is currently peaking and will eventually weaken into the spring. In summary, La Niña is likely (~85-95%) through Northern Hemisphere winter, with a transition to ENSO-neutral expected during the spring (click

[CPC/IRI consensus forecast](#) for the chance of each outcome for each 3-month period).

La Niña is anticipated to affect temperature and precipitation across the United States during the upcoming months (the [3-month seasonal temperature and precipitation outlooks](#) will be updated on Thursday January 18th). The outlooks generally favor above-average temperatures and below-median precipitation across the southern tier of the United States, and below-average temperatures and above-median precipitation across the northern tier of the United States.

This discussion is a consolidated effort of the National Oceanic and Atmospheric Administration (NOAA), NOAA's National Weather Service, and their funded institutions. Oceanic and atmospheric conditions are updated weekly on the Climate Prediction Center web site ([El Niño/La Niña Current Conditions and Expert Discussions](#)). Forecasts are also updated monthly in the [Forecast Forum](#) of CPC's Climate Diagnostics Bulletin. Additional perspectives and analysis are also available in an [ENSO blog](#). The next ENSO Diagnostics Discussion is scheduled for **8 February 2018**. To receive an e-mail notification when the monthly ENSO Diagnostic Discussions are released, please send an e-mail message to: [ncep.list.ensupdate@noaa.gov](mailto:ncep.list.ensupdate@noaa.gov).

January 18, 2018 Kriss Nelson, [editor@farm-news.com](mailto:editor@farm-news.com)

A packed room listened to **Elwynn Taylor, Iowa State University climatologist**, give his annual forecast Wednesday at the 16th annual Farm News Ag Show. Presenting his thoughts on the weather outlook for 2018 and beyond, Taylor also provided producers with some tools to help better manage the risk for their crops.

### La Nina

*"Right now we have a La Nina in place,"* he said, *"and a La Nina is not our friend in this part of the U.S."* **Taylor said when there is a La Nina present, there is a 70 percent chance of a below trendline yield.** This particular weather pattern, he said, affects the Corn Belt here the same way it affects the Corn Belt in South America. *"But they are not as sensitive to it as we are here because they have 5 percent more rain than they need,"* he said. *"We get exactly the amount of rain we need if we have an average year. If South America is 5 percent dryer than usual, that's ideal. If we're 5 percent dryer than normal, we have a problem."*

### What effects could another weather tragedy such as in the Dust Bowl have on our crops?

*"Remember in the Dust Bowl years, like 1936, the weather that would cut the yield in half then will cut the yield in half now,"* he said. *"Our crop is just as sensitive to weather now as it was then. The same weather will have the same effect on the crop."* Taylor added that although there are now better yields — and that's a great improvement and will be a lot better for the people and industries that depend on our corn and soybeans — a half of a crop is still a half of a crop.

The weather trends, Taylor said, have shown for centuries that we will experience 18 years of stability and 25 years of volatile times. We are now into those 25 years where we could experience volatile weather. *"Now is the time to prepare for that type of management — knowing we are going to have high volatility,"* he said. Another weather trend is showing on average every 89 years brings the worse year of a century. This trend has been shown for more than 600 years of records made from tree rings, according to Taylor.

Taylor said the peak of the Dust Bowl was 1936, which brought the worse year of that century. In the previous century, 1847 was the worse year for areas like Iowa and Illinois of the 1800s. *"That's 89 years apart,"* he said. *"If this continues, we can expect to have the worse year of this century in 2025. This is the time to start to manage your risk in production and marketing."*

### Predicting trendline yields

**Taylor recommends when trying to predict the outcome of a growing season, always consider the percent of the trend.** *"Don't think about bushels until you think about selling,"* he said. *"If you wanted to compare the yield of this year to the yields five years ago, don't compare bushels from year to year — compare the percent of the trend."* Taylor suggests using the county's trendline yield to compare to yields on your farm and insure the one with the greater volatility. *"If your farm is real consistent, insure the county; if your farm is real volatile compared to the county, insure your farm,"* he said. *"You just as well make some money on that thing or at least not cost as much to have the insurance."*

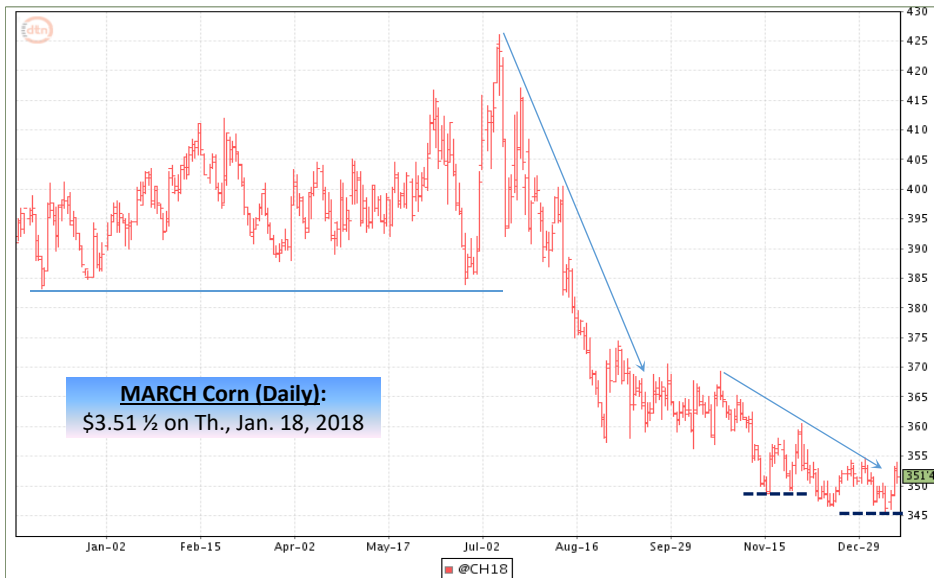
### Growing degree days

Taylor said paying attention to growing degree days can also help determine what type of yields to expect and help manage risks. *"If we got 100 growing degree days to 200 behind usual at silking date to dent date, we're going to have much higher yields than people are expecting,"* he said. *"Getting behind on growing degree days stretches out the number of days the plants are in the sun gaining the weight we sell."*

This, Taylor said, compares to having a steer on finishing rations longer, because it is taking longer to get from silking to dent. Putting more growing degree days into a growing season from silking to dent may not mean very good results. *"Whether we are ahead or behind growing degree days after silking, you'll know the yield,"* he said.

# IV. Corn & Grain Sorghum Market Information

## Daily CME MARCH 2018 Corn Futures



## Key Corn & Grain Sorghum Supply-Demand Factors:

### U.S. Corn Exports: "Bearish" short-term "New Crop" MY 2017/18 U.S. corn shipments with "positive" long-term sales

- **Weekly Export Shipments** week of 1/11/2018 for MY 2017/18 = 23.0 mb (Bearish) vs 44.0 mb/wk needed to meet USDA's January 12<sup>th</sup> projn of 1.925 bb exports
- **Total shipments** through 1/11/2017 for MY 2017/18 = 473.0 mb i.e., 24.6% of 1.925 bb USDA projn with 36.5% of MY complete (19/52 weeks)
- **Total sales** through 12/21/2017 for "new crop" MY 2017/18 = 1.067 bb (Positive) i.e., 55.4% of 1.925 bb USDA projn w. 34.6% of MY complete (18/52 weeks)

### U.S. Grain Sorghum Exports: "Neutral-negative" short-term "New Crop" MY 2017/18 sorghum shipments & "positive" long-term sales

- **Weekly Export Shipments** week of 1/11/2018 for MY 2017/18 = 4.7 mb (Neutral-negative) vs 5.8 mb/wk needed to meet USDA's January 12<sup>th</sup> projn of 260 mb exports
- **Total shipments** through 12/28/2017 for MY 2017/18 = 69.4 mb i.e., 26.7% of 260 mb USDA projn with 36.5% of MY complete (19/52 weeks)
- **Total new sales** through 12/21/2017 for "new crop" MY 2017/18 = 180.4 mb i.e., 69.4% of 260 mb USDA projn w. 34.6% of MY complete (18/52 weeks) (Positive)

## World & U.S. Corn Supply-Demand Fundamentals

Mktg Yr	World % S/U	U.S. % S/U	U.S. \$/bu	U.S. Crop
2009/10	17.2% S/U	13.1% S/U	\$3.55 /bu	13.067 bln bu
2010/11	14.3% S/U	8.7% S/U	\$5.18 /bu	12.425 bln bu
2011/12	14.7% S/U	7.9% S/U	\$6.22 /bu	12.314 bln bu
2012/13	15.2% S/U	7.4% S/U	\$6.89 /bu	10.755 bln bu
2013/14	18.4% S/U	9.2% S/U	\$4.46 /bu	13.829 bln bu
2014/15	21.6% S/U	12.6% S/U	\$3.70 /bu	14.216 bln bu
2015/16	22.2% S/U	12.7% S/U	\$3.61 /bu	13.602 bln bu
2016/17	21.5% S/U	15.7% S/U	\$3.36 /bu	15.148 bln bu
2017/18 <sup>USDA</sup>	19.4% S/U	17.1% S/U	\$3.25 /bu	14.604 bln bu
2018/19 <sup>USDA</sup>	-----	17.7% S/U	\$3.30 /bu	14.520 bln bu

### ❖ U.S. Grain Sorghum Supply-Demand Fundamentals

2015/16	8.459 mln ac.	6.4% S/U	\$3.31 /bu	597 mln bu
2016/17	6.690 mln ac.	6.8% S/U	\$2.79 /bu	480 mln bu
2017/18 <sup>USDA</sup>	5.626 mln ac.	6.4% S/U	\$3.15 /bu	364 mln bu
2018/19 <sup>USDA</sup>	6.700 mln ac.	9.5% S/U	\$3.30 /bu	384 mln bu



# U.S. Corn Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
Planted area (million acres)	94.0	90.2	-0.3	-3.8
Harvested area (million acres)	86.7	82.7	-0.4	-4.0
Yield (bushels per acre)	174.6	176.6	1.2	2.0
<i>Million bushels</i>				
Beginning stocks	1,737	2,293	-2	556
Production	15,148	14,604	27	-544
Imports	57	50	--	-7
Total supply	16,942	16,947	25	5
Feed and residual	5,467	5,550	-25	83
Food, seed, and industrial	6,889	6,995	10	106
Ethanol	5,439	5,525	--	86
Domestic use	12,356	12,545	-15	189
Exports	2,293	1,925	--	-368
Total use	14,649	14,470	-15	-179
Ending stocks	2,293	2,477	40	184
<i>Percent</i>				
Stocks to use ratio	15.7	17.1	0.3	1.5
<i>Dollars per bushel</i>				
Average market price	3.36	2.95/3.55	0.05	-0.11

# World Corn Production

Country or Region	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
<i>Million Tons</i>				
<b>World</b>	<b>1,076.0</b>	<b>1,044.5</b>	<b>-0.20</b>	<b>-31.4</b>
<b>United States</b>	<b>384.8</b>	<b>371.0</b>	<b>0.67</b>	<b>-13.8</b>
<b>Foreign</b>	<b>691.2</b>	<b>673.6</b>	<b>-0.87</b>	<b>-17.6</b>
<b>Argentina</b>	<b>41.0</b>	<b>42.0</b>	<b>--</b>	<b>1.0</b>
<b>Brazil</b>	<b>98.5</b>	<b>95.0</b>	<b>--</b>	<b>-3.5</b>
<b>Mexico</b>	<b>27.6</b>	<b>26.2</b>	<b>--</b>	<b>-1.4</b>
<b>Canada</b>	<b>13.2</b>	<b>14.1</b>	<b>--</b>	<b>0.9</b>
<b>European Union</b>	<b>61.5</b>	<b>60.1</b>	<b>--</b>	<b>-1.4</b>
<b>Serbia</b>	<b>7.6</b>	<b>4.0</b>	<b>--</b>	<b>-3.6</b>
<b>FSU-12</b>	<b>47.3</b>	<b>42.7</b>	<b>-0.50</b>	<b>-4.5</b>
<b>Ukraine</b>	<b>28.0</b>	<b>25.0</b>	<b>--</b>	<b>-3.0</b>
<b>Russia</b>	<b>15.3</b>	<b>13.5</b>	<b>-0.50</b>	<b>-1.8</b>
<b>South Africa</b>	<b>17.5</b>	<b>12.5</b>	<b>--</b>	<b>-5.0</b>
<b>China</b>	<b>219.6</b>	<b>215.9</b>	<b>--</b>	<b>-3.7</b>
<b>India</b>	<b>26.3</b>	<b>25.0</b>	<b>--</b>	<b>-1.3</b>
-- No change				

# World Corn Supply and Use

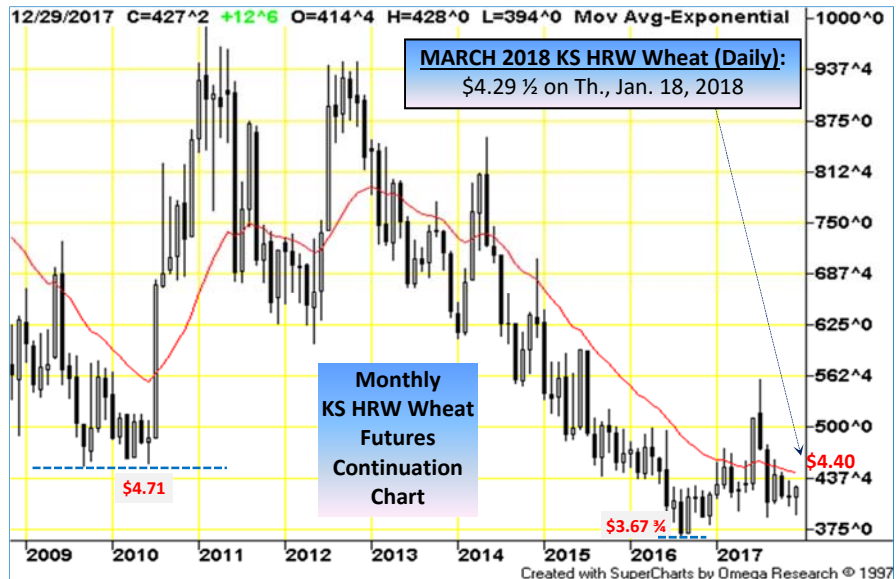
	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
<i>Million Tons</i>				
<b>Beginning stocks</b>	<b>215.0</b>	<b>228.7</b>	<b>1.41</b>	<b>13.8</b>
<b>Production</b>	<b>1,076.0</b>	<b>1,044.5</b>	<b>-0.20</b>	<b>-31.4</b>
<b>Total Supply</b>	<b>1,290.9</b>	<b>1,273.3</b>	<b>1.22</b>	<b>-17.6</b>
<b>Feed use</b>	<b>631.9</b>	<b>650.6</b>	<b>-1.84</b>	<b>18.6</b>
<b>Total use</b>	<b>1,062.2</b>	<b>1,066.7</b>	<b>-1.28</b>	<b>4.5</b>
<b>Trade</b>	<b>163.1</b>	<b>151.5</b>	<b>-0.10</b>	<b>-11.6</b>
<b>Ending Stocks</b>	<b>228.7</b>	<b>206.6</b>	<b>2.50</b>	<b>-22.2</b>

# V. Wheat Market Outlook

## Daily MARCH 2018 KS HRW Wheat



## Monthly Kansas HRW Wheat eFutures



## Wheat Export Situation:

**U.S. All Wheat Exports:** “Bearish” short-term Export Shipments with “Neutral” long-term export prospects in “New Crop” MY 2017/18 total sales

- Weekly Export Shipments wk of 1/11/2018 for “new crop” MY 2017/18 = 13.5 mb (Bearish) vs 22.0 mb /wk needed to meet USDA’s January 12<sup>th</sup> projn of 975 mb exports
- Total shipments through 1/11/2018 for “new crop” MY 2017/18 = 556.1 mb i.e., 57.0% of 975 mb USDA projn with 63.5% of MY complete (33/52 weeks)
- Total shipments + new sales thru 1/4/2018 for “new crop” MY 2017/18 = 718.0 mb i.e., 73.6% of 975 mb USDA projn with 61.5% of MY complete (32/52 weeks) (Neutral/positive)

**U.S. Hard Red Winter (HRW) Wheat Exports:** “Bearish” short-term Shipments with “Neutral” long-term export prospects in “new crop” MY 2017/18 total sales

- Weekly Export Shipments wk of 1/4/2018 for “new crop” MY 2017/18 = 6.7 mb (Bearish) vs 9.63 mb /wk needed to meet USDA’s January 12<sup>th</sup> projn of 405 mb HRW wheat exports
- Total shipments through 1/4/2018 for “new crop” MY 2017/18 = 212.4 mb i.e., 52.4% of 405 mb USDA HRW wheat exports with 61.5% of MY complete (32/52 weeks)
- Total shipments + new sales thru 1/4/2018 for “new crop” MY 2017/18 = 286.4 mb i.e., 70.65% of 405 mb for HRW wheat w. 61.5% of MY complete (32/52 weeks) (Neutral/positive)

## “Negative” World & U.S. Wheat S/D Fundamentals

Mktg Yr	World % S/U	World Crop	U.S. % S/U	U.S. \$/bu	U.S. Exports
2007/08	20.9% S/U	611.9 mmt	13.2% S/U	\$6.48 /bu	1,263 mln bu
2008/09	26.6% S/U	684.0 mmt	28.7% S/U	\$6.78 /bu	1,015 mln bu
2009/10	31.4% S/U	687.4 mmt	48.6% S/U	\$4.87 /bu	879 mln bu
2010/11	30.5% S/U	649.6 mmt	36.4% S/U	\$5.70 /bu	1,291 mln bu
2011/12	28.9% S/U	697.3 mmt	33.4% S/U	\$7.24 /bu	1,051 mln bu
2012/13	25.9% S/U	658.7 mmt	29.9% S/U	\$7.77 /bu	1,012 mln bu
2013/14	28.2% S/U	715.1 mmt	24.2% S/U	\$6.87 /bu	1,176 mln bu
2014/15	31.1% S/U	728.2 mmt	37.3% S/U	\$5.99 /bu	864 mln bu
2015/16	34.0% S/U	735.3 mmt	50.0% S/U	\$4.89 /bu	778 mln bu
2016/17	34.2% S/U	750.4 mmt	53.2% S/U	\$3.89 /bu	1,055 mln bu
2017/18 <sup>USDA</sup>	36.1% S/U	757.0 mmt	45.5% S/U	\$4.60 /bu	975 mln bu
2018/19 <sup>USDA</sup>	-----	-----	40.4% S/U	\$4.60 /bu	950 mln bu



# U.S. Wheat Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
Planted area (million acres)	50.1	46.0	--	-4.1
Harvested area (million acres)	43.9	37.6	--	-6.3
Yield (bushels per acre)	52.7	46.3	--	-6.3
<i>Million bushels</i>				
Beginning stocks	976	1,181	-0	205
Production	2,309	1,741	--	-568
Imports	118	155	5	37
Total supply	3,402	3,076	5	-326
Food use	949	950	--	1
Seed	61	62	-4	1
Feed and residual	156	100	-20	-56
Domestic use	1,167	1,112	-24	-55
Exports	1,055	975	--	-80
Total use	2,222	2,087	-24	-135
Ending stocks	1,181	989	29	-191
<i>Percent</i>				
Stocks to use ratio	53.1	47.4	1.9	-5.7
<i>Dollars per bushel</i>				
Average market price	3.89	4.50/4.70	--	0.71

-- No change

January 12, 2018

# World Wheat Production

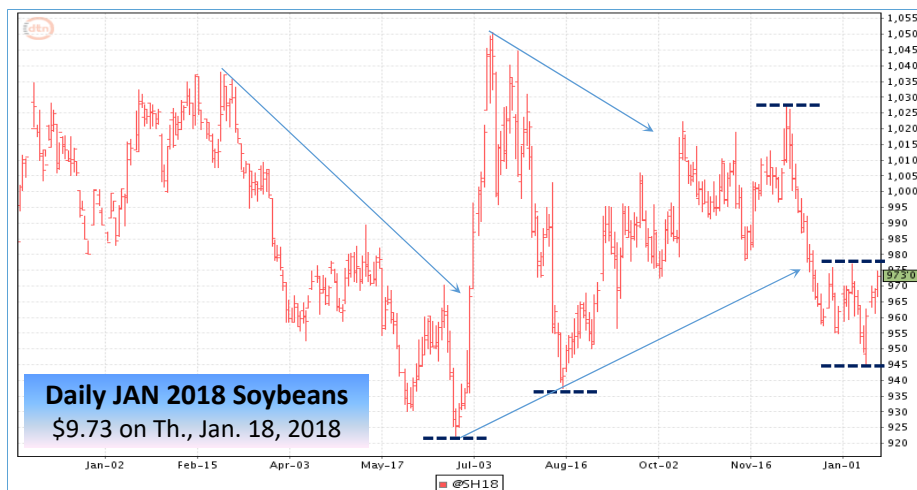
Country or Region	2016/17	2016/17	2017/18	2017/18	Change from 2016/17
	estimate	Change from December 12	forecast	Change from December 12	
Million Tons					
World	750.5	-3.2	757.0	1.8	6.6
United States	62.8	--	47.4	--	-15.5
Foreign	687.6	-3.2	709.6	1.8	22.0
Argentina	18.4	--	17.5	--	-0.9
Canada	31.7	--	30.0	--	-1.7
Australia	30.4	-3.1	21.5	--	-8.9
European Union	145.3	--	151.6	-0.9	6.4
Turkey	17.3	--	21.0	--	3.8
Russia	72.5	--	85.0	2.0	12.5
Ukraine	26.8	--	26.5	--	-0.3
Kazakhstan	15.0	--	14.0	--	-1.0
China	128.8	-0.0	130.0	--	1.2
India	87.0	--	98.4	--	11.4
-- No change					

# World Wheat Supply and Use

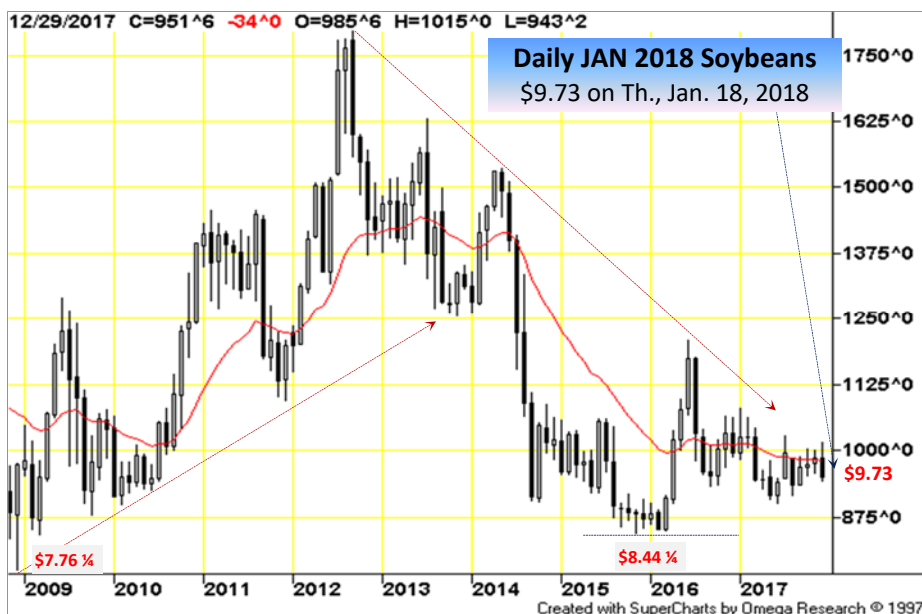
	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
<i>Million Tons</i>				
Beginning stocks	241.7	252.7	-2.6	11.0
Production	750.5	757.0	1.8	6.6
Total Supply	992.1	1,009.7	-0.8	17.6
Feed use	147.1	143.3	0.7	-3.8
Total use	739.4	741.7	-0.4	2.3
Trade	183.4	180.9	-1.3	-2.5
Ending Stocks	252.7	268.0	-0.4	15.3

# VI. Soybean Market Outlook

## Daily JANUARY 2018 Soybean Futures



## Monthly Soybean eFutures



### Key Soybean Supply-Demand Issues:

#### ❖ U.S. Soybean Exports: “Neutral” short-term export shipments in “New Crop” MY 2017/18 and “positive” long-term total sales

- Weekly Export Shipments week of 1/11/2018 for MY 2017/18 = 45.2 mb (Neutral) vs 31.1 mb/wk needed to meet USDA’s January 12<sup>th</sup> projn of 2.160 bb exports
- Total shipments through 1/11/2018 for MY 2017/18 = 1.133 bb i.e., 45.0% of 2.160 bb USDA projn with 36.5% of MY complete (19/52 weeks)
- Total sales through 1/4/2018 for “New Crop” MY 2017/18 = 1.523 bb i.e., 70.5% of 2.160 bb USDA projn w. 34.6% of MY complete (18/52 weeks) (Neutral)

#### ❖ U.S. Soybean Meal Exports: “Bearish” short-term export shipments in “New Crop” MY 2017/18 and “Neutral” long-term total sales

- Export Shipments for week of 1/4/2018 for “New Crop” MY 2017/18 = 141,200 mt (Bearish) vs 219,889 mt/wk needed to meet USDA’s January 12<sup>th</sup> projn of 11.070 mmt exports
- Total shipments through 1/4/2018 for “New Crop” MY 2017/18 = 2.714 mmt i.e., 24.5% of 11.070 mmt USDA projn with 26.9% of MY complete (14/52 weeks)
- Total shipments & new sales (1/4/2018) for “New Crop” MY 2017/18 = 6.321 mmt i.e., 57.1% of 11.070 mmt USDA projn with 26.9% of MY complete (14/52 weeks) (Neutral)

#### ❖ World & U.S. Soybean Supply-Demand Fundamentals

Mktg Yr	World % S/U	World Crop	U.S. % S/U	U.S. \$/bu	U.S. Exports
2009/10	25.1% S/U	260.8 mmt	4.5% S/U	\$ 9.59 /bu	1.499 bln bu
2010/11	27.7% S/U	264.4 mmt	6.6% S/U	\$11.30 /bu	1.505 bln bu
2011/12	20.7% S/U	240.4 mmt	5.4% S/U	\$12.50 /bu	1.365 bln bu
2012/13	21.3% S/U	268.5 mmt	4.5% S/U	\$14.40 /bu	1.328 bln bu
2013/14	22.6% S/U	282.8 mmt	2.6% S/U	\$13.00 /bu	1.638 bln bu
2014/15	25.7% S/U	320.0 mmt	4.9% S/U	\$10.10 /bu	1.842 bln bu
2015/16	24.8% S/U	313.8 mmt	5.0% S/U	\$ 8.95 /bu	1.942 bln bu
2016/17	29.3% S/U	351.3 mmt	7.2% S/U	\$ 9.47 /bu	2.174 bln bu
2017/18 <sup>USDA</sup>	28.6% S/U	348.6 mmt	11.1% S/U	\$ 9.30 /bu	2.160 bln bu
2018/19 <sup>USDA</sup>	-----	-----	8.9% S/U	\$ 9.40 /bu	2.325 bln bu



# U.S. Soybean Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
Planted area (million acres)	83.4	90.1	-0.1	6.7
Harvested area (million acres)	82.7	89.5	0.1	6.8
Yield (bushels per acre)	52.0	49.1	-0.4	-2.9
<i>Million bushels</i>				
Beginning stocks	197	302	0	105
Production	4,296	4,392	-34	95
Imports	22	25	--	3
Total supply	4,515	4,718	-33	203
Crush	1,899	1,950	10	51
Seed and residual	141	138	-3	-3
Domestic use	2,040	2,088	7	48
Exports	2,174	2,160	-65	-14
Total use	4,213	4,248	-58	35
Ending stocks	302	470	24	168
<i>Percent</i>				
Stocks to use ratio	7.2	11.1	0.7	3.9
<i>Dollars per bushel</i>				
Average market price	9.47	8.80/9.80	--	-0.17

# World Soybean Production

Country or Region	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
<i>Million Tons</i>				
World	351.3	348.6	0.1	-2.7
United States	116.9	119.5	-0.9	2.6
Foreign	234.4	229.1	1.0	-5.3
Argentina	57.8	56.0	-1.0	-1.8
Brazil	114.1	110.0	2.0	-4.1
Paraguay	10.7	9.4	--	-1.3
Canada	6.6	8.0	--	1.4
India	11.5	10.0	--	-1.5
China	12.9	14.2	--	1.3

# World Soybean Supply and Use

	2016/17 estimate	2017/18 forecast	Change from December 12	Change from 2016/17
<i>Million Tons</i>				
Beginning stocks	78.0	96.5	-0.1	18.5
Production	351.3	348.6	0.1	-2.7
Total Supply	429.3	445.1	0.0	15.7
Domestic crush	288.3	301.5	-0.1	13.1
Total use	329.8	344.5	-0.2	14.7
Trade	147.3	152.2	-0.3	4.9
Ending Stocks	96.5	98.6	0.2	2.1
<b>Addendum:</b>				
Beginning stocks				
Argentina plus Brazil	49.9	61.3	--	11.4
Imports*				
China	93.5	97.0	--	3.5

-- No change

\*From all Sources