

# KSU Agriculture Today Radio Notes

Daniel O'Brien, Extension Agricultural Economist, Kansas State University

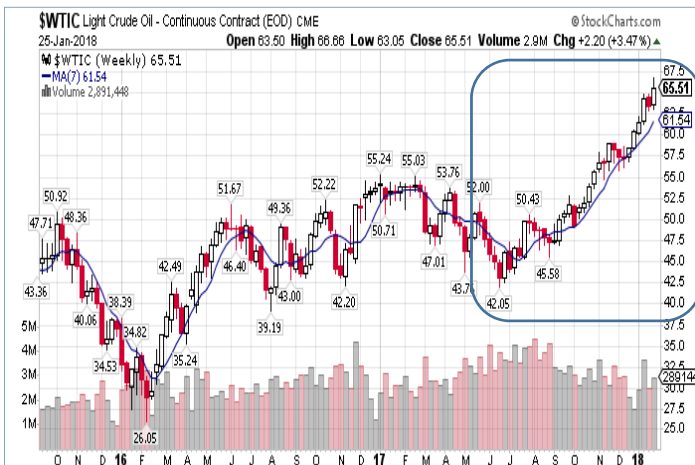
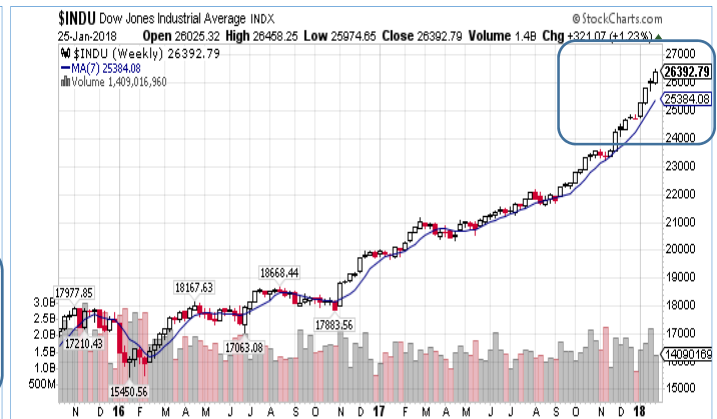
For Radio Program to be aired 10:00-10:15 a.m., Friday, January 26, 2018

## I. Grain Futures Closes, Changes & Carry on Thursday, January 25, 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	\$3.55 ¼	↓ \$0.0125	---	Mar 18	\$ 9.92 ¼	No Change	---	Mar 18	\$4.35	↑ \$0.02	---
May 18	\$3.63 ¾	↓ \$0.01	\$0.04 <sup>25</sup>	May 18	\$10.03 ¾	No Change	\$0.05 <sup>75</sup>	May 18	\$4.49 ½	↑ \$0.0225	\$0.07 <sup>25</sup>
July 18	\$3.71 ¾	↓ \$0.0125	\$0.04	July 18	\$10.13 ¼	↓ \$0.0025	\$0.04 <sup>75</sup>	July 18	\$4.66 ½	↑ \$0.0225	\$0.08 <sup>50</sup>
Sept 18	\$3.79 ¼	↓ \$0.0125	\$0.03 <sup>50</sup>	Aug 18	\$10.15 ¼	↓ \$0.0025	\$0.02	Sept 18	\$4.83 ½	↑ \$0.0250	\$0.08 <sup>50</sup>
Dec 18	\$3.88 ½	↓ \$0.01	\$0.03 <sup>083</sup>	Sept 18	\$10.10	↓ \$0.0075	No Carry	Dec 18	\$5.04	↑ \$0.0250	\$0.06 <sup>833</sup>
Mar 19	\$3.97 ¼	↓ \$0.0050	\$0.02 <sup>917</sup>	Nov 18	\$10.07	↓ \$0.0050	No Carry	Mar 19	\$5.17 ¼	↑ \$0.02	\$0.04 <sup>417</sup>
May 19	\$4.02 ½	↓ \$0.0050	\$0.02 <sup>625</sup>	Jan 19	\$10.13	↓ \$0.0050	\$0.03	May 19	\$5.26	↑ \$0.0250	\$0.04 <sup>375</sup>
July 19	\$4.07	↓ \$0.0075	\$0.02 <sup>375</sup>	Mar 19	\$10.15 ¾	↓ \$0.0050	\$0.01 <sup>375</sup>	July 19	\$5.29 ½	↑ \$0.0275	\$0.01 <sup>75</sup>

### Price<sup>Soybean</sup> / Price<sup>Corn</sup> Ratios on January 25, 2018:

- “Current Crop<sup>2017/18</sup>” ⇒  $\$MAR^{2018} \text{ Soybeans} \div \$MAR^{2018} \text{ Corn} = \$ 9.92 \frac{1}{4} \div \$3.55 \frac{1}{4} = 2.79^{***}$
- “Next Crop<sup>2018/19</sup>” ⇒  $\$NOV^{2018} \text{ Soybeans} \div \$DEC^{2018} \text{ Corn} = \$10.07 \div \$3.88 \frac{1}{2} = 2.59$



## Central Kansas Terminal and Processor Daily Grain Report

TERMINAL HRW WHEAT ORD US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.8000	UP 2	-55H	UNCH
Topeka	4.0000	UP 2	-35H	UNCH
Concordia	3.8500	UP 2	-50H	UNCH
Salina	3.9500	UP 2	-40H	UNCH
Great Bend	4.0300	UP 2	-32H	UNCH
Newton	3.6300	UP 2	-72H	UNCH
Hutchinson	3.7700-3.9500	UP 2	-58H to -40H	UNCH
Wichita	3.7700-3.9500	UP 2	-58H to -40H	UNCH
Wellington	3.7000-3.8500	UP 2	-65H to -50H	UNCH
Arkansas City	3.6500	UP 2	-70H	UNCH

TERMINAL HWW WHEAT ORD US NO 2				
	Bids	Change (¢/bu)	Basis	Change
Wichita	3.9500	UP 2	-40H	UNCH

TERMINAL US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.4325	DN 1.25	-12H	UNCH
Topeka	3.3725	DN 1.25	-18H	UNCH
Salina	3.2025	DN 1.25	-35H	UNCH
Newton	3.1325	DN 1.25	-42H	UNCH
Hutchinson	3.3025-3.3325	DN 1.25	-25H to -22H	UNCH
Wellington	3.1525	DN 1.25	-40H	UNCH
Arkansas City	3.1525	DN 1.25	-40H	UNCH

TERMINAL US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Topeka	7.42	DN 2	60H	UNCH
Concordia	6.61	DN 2	15H	UNCH
Salina	6.79-6.88	DN 2	25H to 30H	UNCH
Hutchinson	6.40-6.70	UP 7-DN 2	3H to 20H	UP 5-UNCH
Wellington	6.34-6.70	DN 3-UP 24	OptH to 20H	UNCH-UP 15
Arkansas City	6.17	DN 2	-10H	UNCH
Great Bend	6.61	UP 7	15H	UP 5

TERMINAL US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Atchison	9.4225	UP 5	-50H	UP 5
Topeka	9.3725	UP 5	-55H	UP 5
Salina	9.1225-9.1725	UNCH	-80H to -75H	UNCH
Newton	8.9325	UNCH	-99H	UNCH
Hutchinson	8.9325-9.0725	UNCH	-99H to -85H	UNCH
Wichita	9.0325	UNCH	-89H	UNCH
Wellington	8.9825	UNCH	-94H	UNCH
Arkansas City	8.9825	UNCH	-94H	UNCH

PROCESSOR US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.4525	DN 1.25	-10H	UNCH

PROCESSOR US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Emporia	9.4725	UNCH	-45H	UNCH
Wichita	9.4425	UNCH	-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	3.65	UP 2	-70H	UNCH
Colby	3.85	UP 2	-50H	UNCH
Garden City	3.65-3.70	UP 2	-70H to -65H	UNCH
Goodland	3.78	UP 2	-57H	UNCH
Protection	3.65	UP 2	-70H	UNCH
Scott City	3.70	UP 2	-65H	UNCH
Sublette	3.70-3.75	UP 7-UP 2	-65H to -60H	UP 5-UNCH
Syracuse	3.90	UP 7	-45H	UP 5
Ulysses	3.85	UP 2	-50H	UNCH

US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	3.35	DN 1.25	-20H	UNCH
Colby	3.10	DN 1.25	-45H	UNCH
Garden City	3.35-3.40	DN 1.25	-20H to -15H	UNCH
Goodland	3.02	DN 1.25	-53H	UNCH
Protection	3.30	DN 1.25	-25H	UNCH
Scott City	3.27	DN 1.25	-28H	UNCH
Sublette	3.45	DN 1.25	-10H	UNCH
Syracuse	3.40	DN 1.25	-15H	UNCH
Ulysses	3.46	DN 1.25	-9H	UNCH

US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Dodge City	5.99	DN 2	-20H	UNCH
Colby	6.08	UP 2	-15H	UP 2
Garden City	5.99	DN 2	-20H	UNCH
Goodland	5.72	DN 2	-35H	UNCH
Protection	5.99	UP 7	-20H	UP 5
Scott City	5.99	DN 2	-20H	UNCH
Sublette	5.90-5.99	UP 2-DN 2	-25H to -20H	UP 2-UNCH
Syracuse	5.99	DN 2	-20H	UNCH
Ulysses	5.84	DN 3	-28H	UNCH

US NO 2 YELLOW SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	8.77	UNCH	-115H	UNCH
Colby	8.55	UP 3	-137H	UP 3
Garden City	8.67-8.82	UNCH	-125H to -110H	UNCH
Protection	8.82	UNCH	-110H	UNCH
Scott City	8.62	UNCH	-130H	UNCH
Sublette	8.77-8.82	UNCH	-115H to -110H	UNCH
Ulysses	8.65	UNCH	-127H	UNCH

US NO 2 SORGHUM - FEEDMILL BID				
	Bids	Change (¢/cwt)	Basis	Change
Ashland	5.99	DN 2	-20H	UNCH

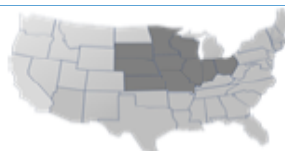
Cotton Grade 41, Leaf 4, Staple 34, West Texas base price 76.75 cents per pound  
FOB Railcar or Truck

\* 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 25, 2018

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

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	3.2850 - 3.4650	↑	-30H to -10H	-20.00
Iowa-Western:	3.1850 - 3.3950	↑	-38H to -17H	-27.50
Illinois:	3.4250 - 3.6650	↑	-14H to 10H	-2.00
Indiana:	3.5150 - 3.6850	↑	-5H to 12H	3.50
Ohio:	3.5950 - 3.6650	↑	3H to 10H	6.50
Michigan:	3.2950 - 3.5950	↑	-27H to 3H	-12.00
Kansas:	3.3850 - 3.6650	↑	-18H to 30H	6.00
Minnesota:	3.0250 - 3.2450	↑	-54H to -32H	-43.00
Nebraska:	3.1150 - 3.4950	↑	-45H to -7H	-26.00
Wisconsin:	3.1150 - 3.2850	↑	-45H to -28H	-36.50
South Dakota:	2.9750 - 3.2450	↑	-59H to -32H	-45.50
Missouri:	3.3150 - 3.4350	↑	-25H to -13H	-19.00

**Distillers Grain - dollars/ton**

	Dried 10%	Chg	Avg:	Modified 50-55%	Chg	Avg:	Wet 65-70%	Chg	Avg:
Iowa-Eastern:	135.00	—	135.00	55.00 - 65.00	—	60.00	NA	NA	NA
Iowa-Western:	130.00 - 150.00	—	140.00	55.00 - 70.00	—	62.50	42.00 - 68.00	—	55.00
Illinois:	150.00 - 181.00	↑	165.50	NA	NA	NA	50.00	NA	50.00
Indiana:	145.00 - 175.00	↑	160.00	80.00	↑	80.00	NA	NA	NA
Ohio:	155.00	↑	155.00	NA	NA	NA	NA	NA	NA
Michigan:	150.00 - 180.00	↑	165.00	70.00 - 82.00	↑	76.00	NA	NA	NA
Kansas:	150.00 - 190.00	—	170.00	NA	NA	NA	47.00 - 68.00	—	57.50
Minnesota:	133.00 - 140.00	↓	136.50	65.00	—	65.00	34.00 - 50.00	—	42.00
Nebraska:	145.00 - 153.00	↓	149.00	60.00 - 83.00	—	—	44.00 - 50.00	—	47.00
Wisconsin:	135.00 - 145.00	↑	140.00	60.00 - 75.00	↑	67.50	35.00	—	35.00
South Dakota:	131.00 - 147.00	↑	139.00	61.00 - 74.00	↑	67.50	44.00	—	44.00
Missouri:	160.00 - 180.00	↑	170.00	80.00	—	80.00	44.00 - 58.00	—	51.00

**Sorghum - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
Kansas:	3.4650 - 3.6650	↑	-10H to 10H	
Missouri:	NA	NA	NA	NA

**Corn Oil - cents/pound**

W/E 01/19/18	Range	Chg:	Avg:
Iowa:	21.00 - 22.50	↓	21.75
Eastern Cornbelt:	23.00 - 25.00	↓	24.00
Nebraska:	22.00 - 25.00	—	23.50
South Dakota:	20.50 - 23.50	↑	22.00

**Ethanol - dollars/gallon**

W/E 01/19/18	Range	Chg:	Avg:
Iowa:	1.19 - 1.38	↑	1.29
Eastern Cornbelt:	1.26 - 1.31	↑	1.29
Kansas:	1.19 - 1.24	—	1.22
Minnesota:	1.19 - 1.34	↑	1.27
Nebraska:	1.19 - 1.38	↑	1.29
Wisconsin:	NA	NA	NA
South Dakota:	1.38 - 1.38	↑	1.38

**Daily Nearby Futures**

	Today	Yesterday	Last year
<b>CME group</b>			
Corn (\$/bu)	3.5550	3.5650	3.6375
Ethanol (\$/gal)	1.3510	1.3490	1.4610
<b>NYMEX:</b>			
RBOB Gasoline (\$/gal)	1.9211	1.9164	1.5427
Natural Gas (mmBtu)	3.4880	3.5090	3.3820

**BIO-ENERGY REPORT NOTES**

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

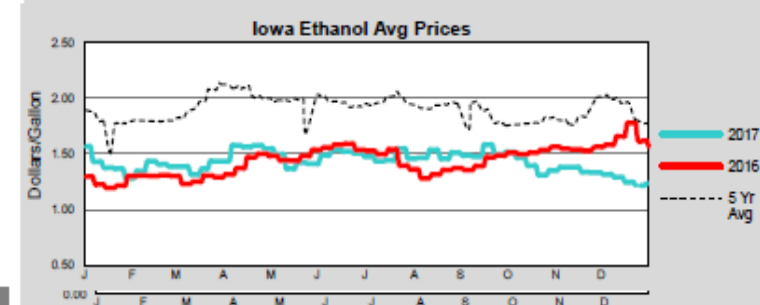
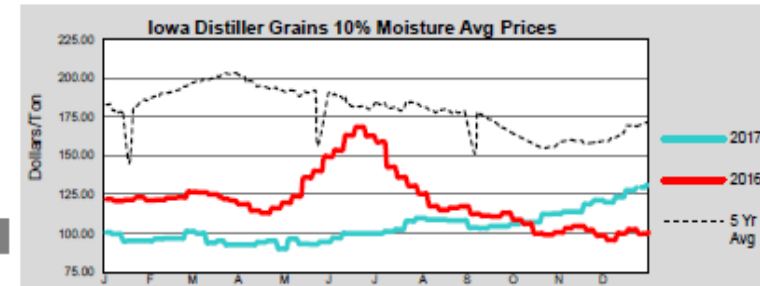
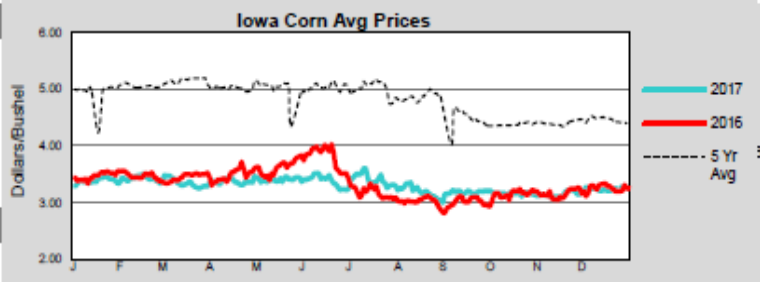
Distiller grains: Spot bids FOB the ethanol plant reported as \$/per ton. Protein content 28-30% for most distiller grains on a dry matter basis.

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

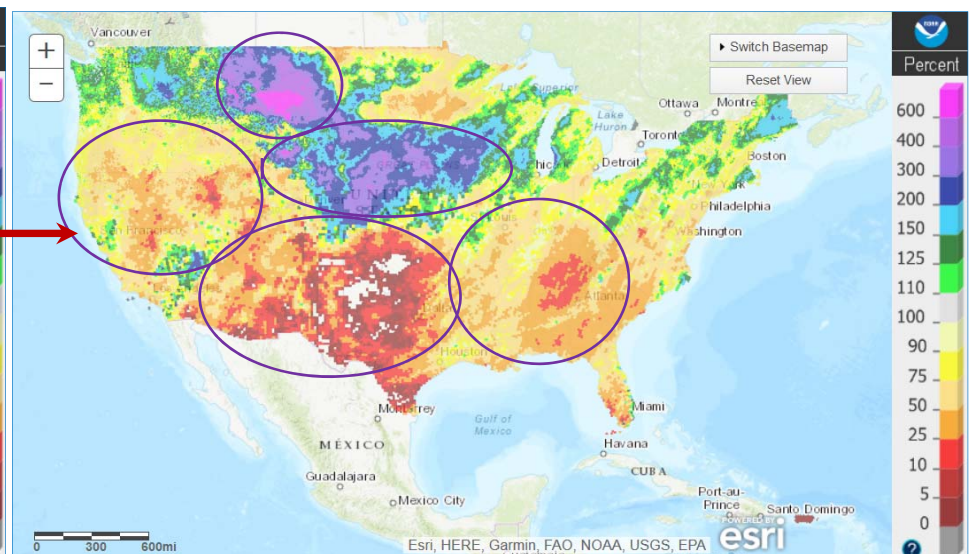
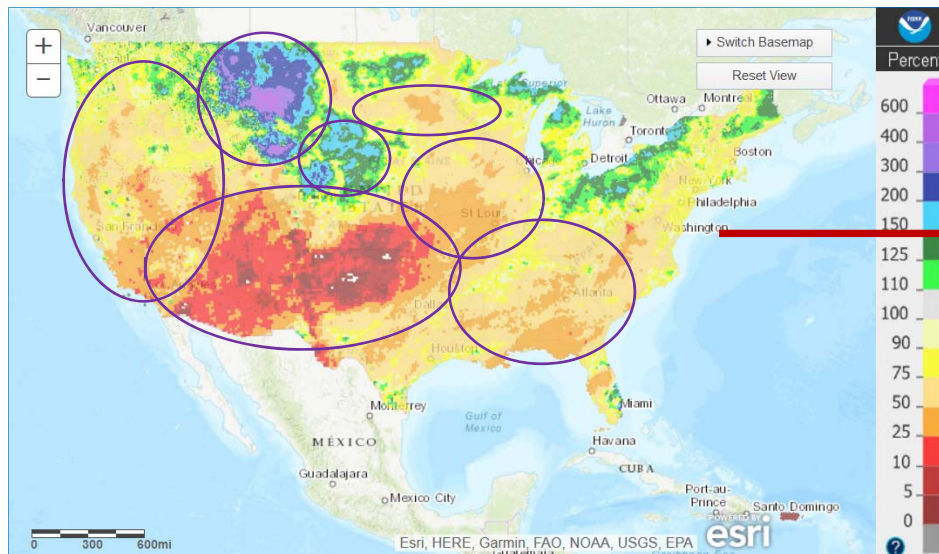
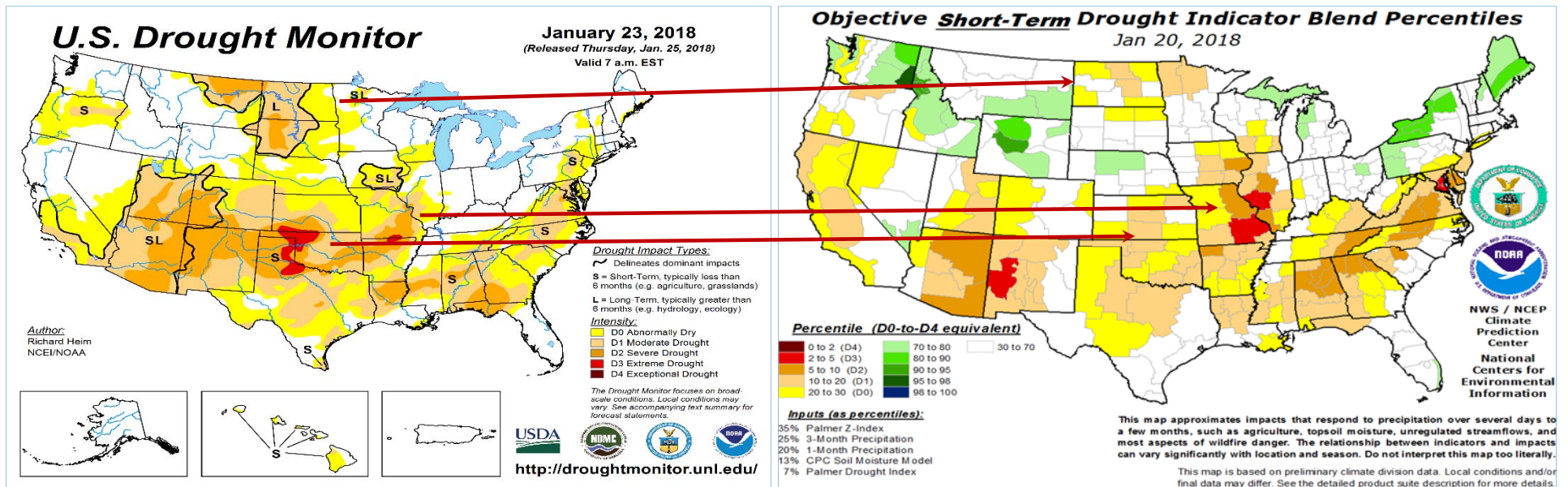
Distiller corn oil: Spot bids FOB the ethanol plant reported as \$/lb. Distiller corn oil is intended for animal feed or biofuel and is not Generally Regarded As Safe (GRAS) for human consumption. It may also be referred to as inedible crude corn oil or crude corn oil.

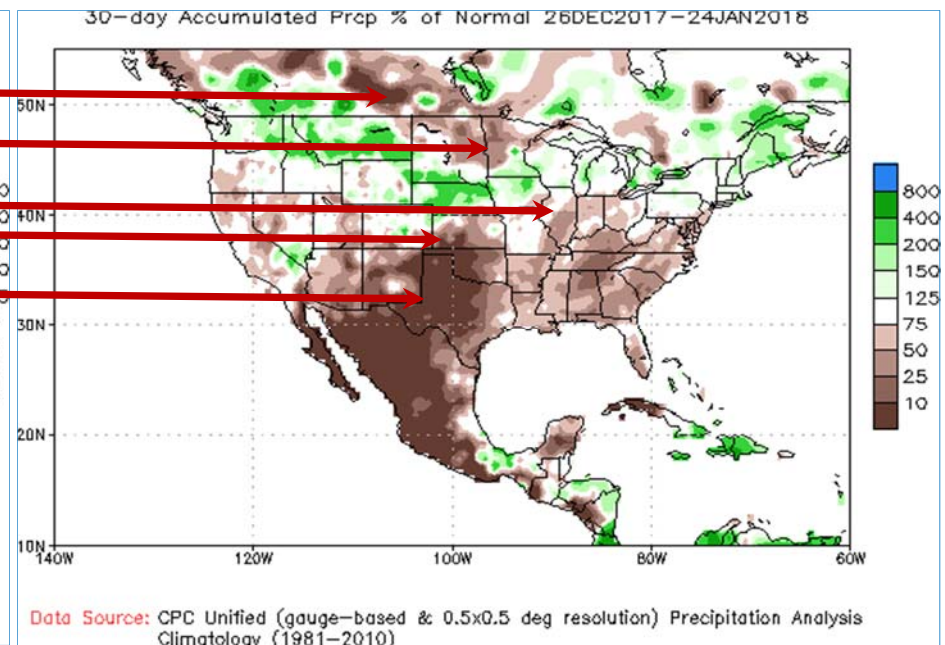
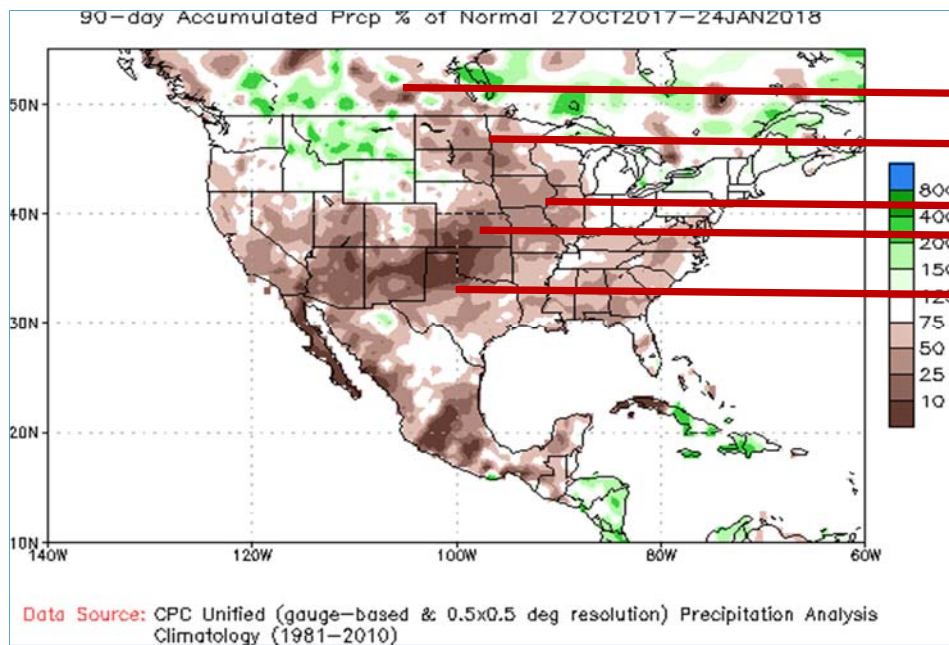
**Daily Market Review**

On Monday, March corn futures seen a big rally to finish 5.25 cents higher at 3.565. The dollar index dipped below 90 for the first time since December 2014.

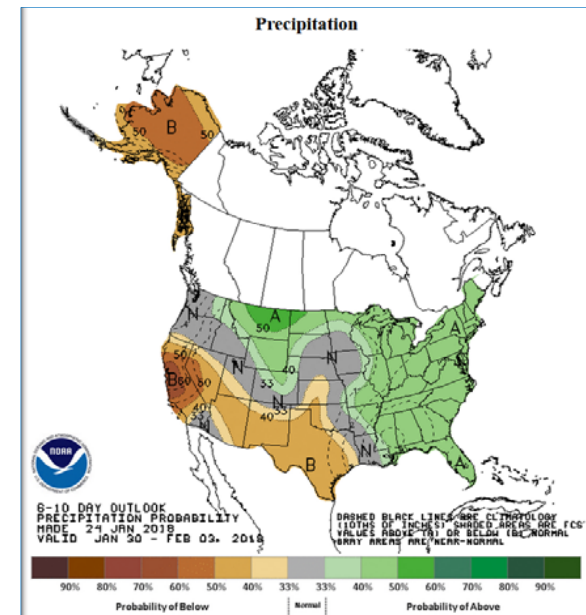
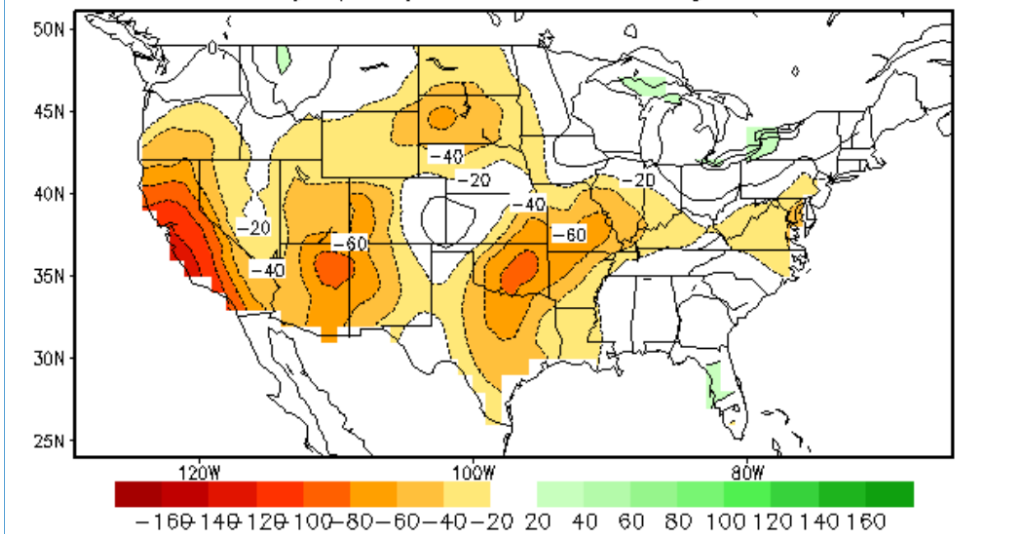


### III. U.S. & World Drought Monitor, Moisture Accumulations & Forecasts (Weekly Weather and Crop Bulletin)





### Lagged Averaged Soil Moisture Outlook for End of APR2018 units:anomaly (mm), SM data ending at 20180122



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

January 23, 2018

**EUROPE – Highlight:** Sunny In Spain, Snow In Central And Eastern Europe ★

- After recent rain, sunny skies in Spain promoted wheat and barley development.
- Widespread snow blanketed dormant winter crops from southern Germany into Poland.
- Mild, wet weather maintained favorable conditions for overwintering wheat and rapeseed in France.

**NORTHWEST AFRICA – Highlight:** Additional Beneficial Showers In Morocco ★★

- Additional beneficial showers in Morocco continued the country's recovery from severe autumn drought and improved prospects for vegetative wheat and barley.
- Mostly sunny skies in Algeria and Tunisia favored winter grain development.

**MIDDLE EAST – Highlight:** Heavy Rain And Snow

- Heavy rain and snow boosted moisture supplies for dormant (north) to vegetative (south) winter grains in Turkey and from the eastern Mediterranean Coast into northern Iraq and western Iran. ★
- Dry weather maintained drought concerns across central and eastern Iran. ★

**FSU – Highlight:** Season's First Widespread Snow

- The first widespread snowfall of the season provided dormant winter wheat with much-needed insulation from potential hard freezes in Ukraine and western Russia. ★

**SOUTH ASIA – Highlight:** Unfavorably Warm ★

- Warmer-than-normal weather returned to northern India, stressing vegetative to reproductive wheat and rapeseed.

**EAST ASIA – Highlight:** Unseasonably Warm

- Unseasonably warm weather in eastern China reduced cold hardiness for wheat and rapeseed, as light showers boosted soil moisture reserves in the Yangtze Valley. ★★

**SOUTHEAST ASIA – Highlight:** More Heavy Showers In The Philippines ★

- Torrential rainfall returned to parts of the eastern Philippines, saturating minor rice and corn areas.
- Lighter-than-normal showers occurred in portions of Malaysia and Indonesia but most rice and oil palm remained well watered. ★★

**AUSTRALIA – Highlight:** Yield Potential Likely Slipped Somewhat

- In the east, dry, increasingly hot weather likely caused some declines in summer crop prospects. ★
- In the southeast, dry weather favored final winter crop harvesting. ★
- In the west, unseasonably heavy rain interrupted fieldwork, but wheat harvesting is nearly complete. ★★

**SOUTH AMERICA – Highlight:** Rain Brought Some Relief To Argentine Summer Crops

- Locally heavy showers boosted moisture for corn, soybeans, and cotton in key production areas of Argentina, though some pockets of dryness persisted. ★★
- In Brazil, scattered showers maintained overall favorable prospects for soybeans and corn. ★

**SOUTH AFRICA – Highlight:** Mostly Dry Weather Prevailed In Major Commercial Farming Areas

- Moisture was limited for summer crops in western sections of the corn belt, as well as in rain-fed sugarcane areas of southern KwaZulu-Natal. ★

## International Weather and Crop Summary

January 14-20, 2018

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

### HIGHLIGHTS

**EUROPE:** Sunny, mild weather in Spain contrasted with wet and snowy conditions elsewhere. ★

**MIDDLE EAST:** Heavy rain and snow boosted moisture supplies for dormant (north) to vegetative (south) winter grains, though drought lingered across central and northeastern Iran. ★★

**NORTHWESTERN AFRICA:** Additional showers benefited winter grains in Morocco, while mostly sunny skies favored winter grain development after recent wet weather elsewhere. ★

**SOUTHEAST ASIA:** Heavy downpours returned to the eastern Philippines, but the excessive wetness was outside major rice-producing areas. ★★

**AUSTRALIA:** Unfavorably hot, dry weather in major summer crop producing areas likely caused some decline in yield potential. ★

**SOUTH AFRICA:** Unseasonable dryness persisted, limiting moisture for corn and other rain-fed summer crops. ★

**ARGENTINA:** A surge in rainfall provided timely moisture for summer crops in or nearing reproduction. ★

**BRAZIL:** Conditions remained overall favorable for soybeans and other summer crops. ★



# 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 = 26.0 mb (Bearish) vs 43.8 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 = 480.6 mb i.e., 25.0% of 1.925 bb USDA projn with 36.5% of MY complete (19/52 weeks)
- **Total sales** through 1/11/2017 for "new crop" MY 2017/18 = 1.142 bb (Positive) i.e., 59.3% of 1.925 bb USDA projn w. 36.5% of MY complete (19/52 weeks)

### U.S. Grain Sorghum Exports: "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 = 2.8 mb (Negative) vs 5.6 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 = 75.4 mb i.e., 29.0% 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 = 187.8 mb i.e., 72.2% of 260 mb USDA projn w. 36.5% of MY complete (19/52 weeks) (Positive)

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

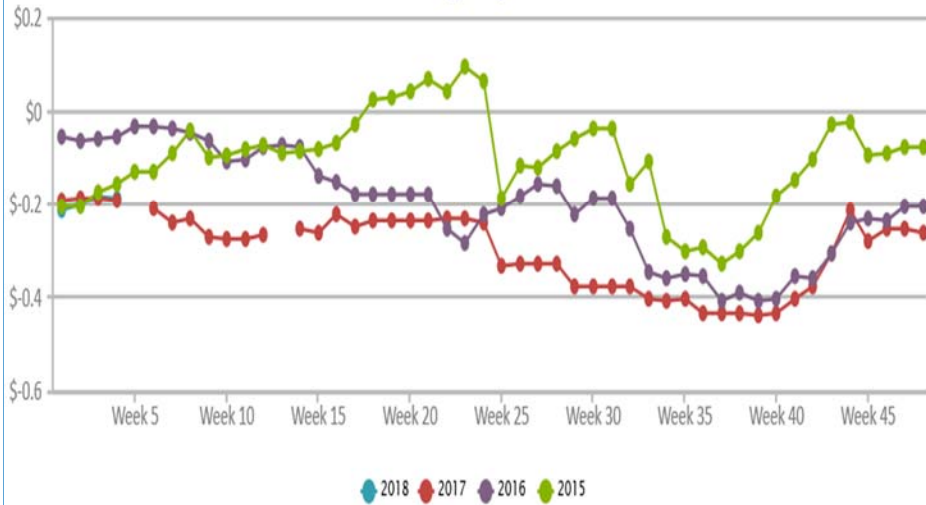
Mktg Yr	World % S/U	U.S. % S/U	U.S. \$/bu	U.S. Crop
2009/10	17.2% S/U	13.1% S/U	\$3.55 /bu	13.067 bln bu
2010/11	14.3% S/U	8.7% S/U	\$5.18 /bu	12.425 bln bu
2011/12	14.7% S/U	7.9% S/U	\$6.22 /bu	12.314 bln bu
2012/13	15.2% S/U	7.4% S/U	\$6.89 /bu	10.755 bln bu
2013/14	18.4% S/U	9.2% S/U	\$4.46 /bu	13.829 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

Year	Area	% S/U	\$/bu	Crop
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

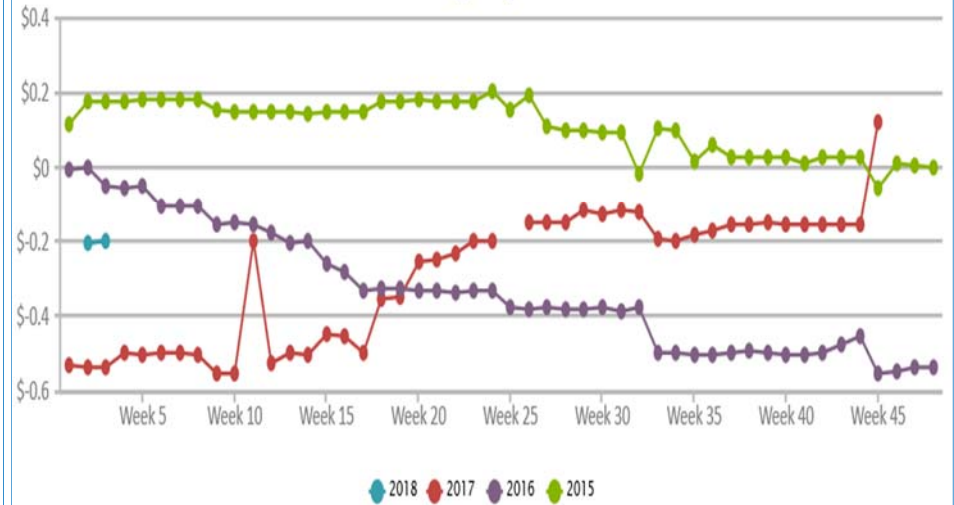
### TOPEKA, KS: Corn Basis - CARGILL

www.AgManager.info



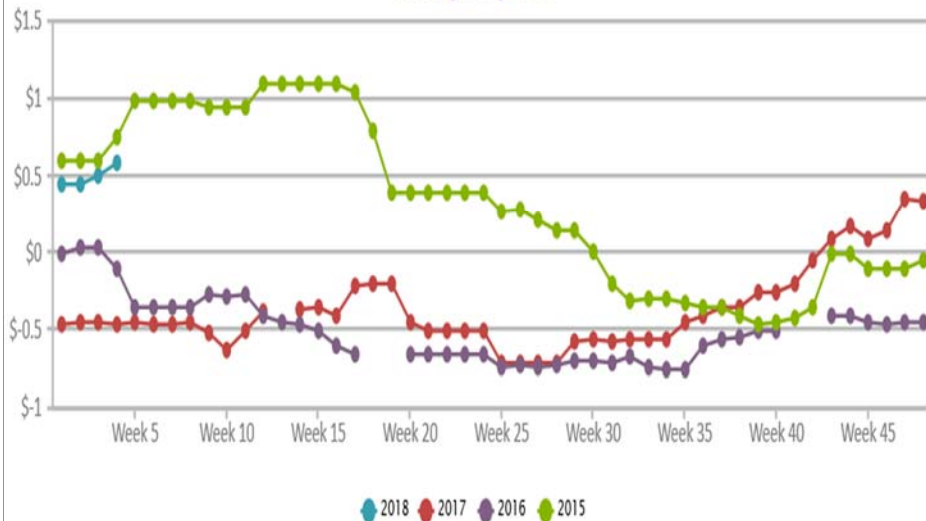
### GARDEN CITY, KS: Corn Basis - GARDEN CITY COOP

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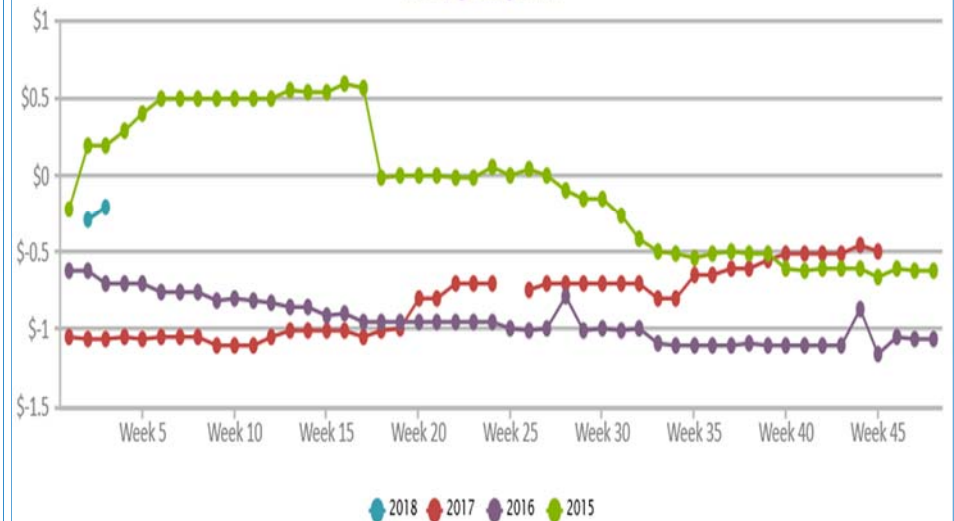
### TOPEKA, KS: Grain Sorghum Basis - CARGILL

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### GARDEN CITY, KS: Grain Sorghum Basis - GARDEN CITY COOP

www.AgManager.info

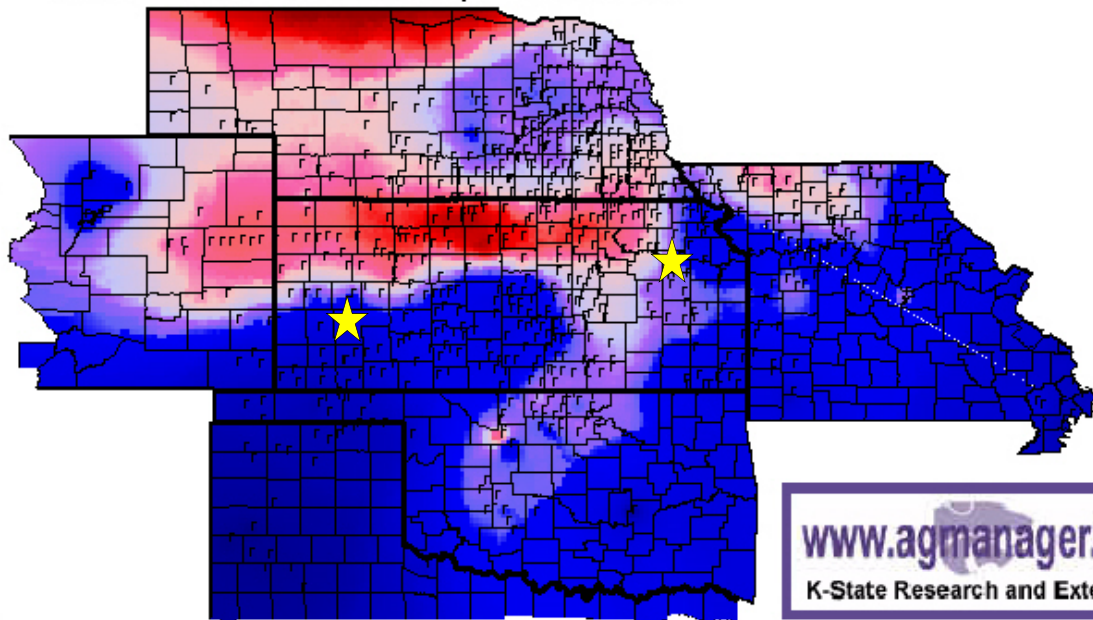
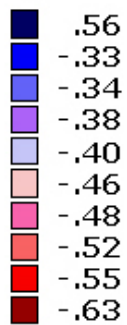


## Corn Basis, 01-24-2018

Basis = Cash Price - Nearby Futures Price

CBT Mar  
Futures  
Price: \$3.57

\$/Bushel

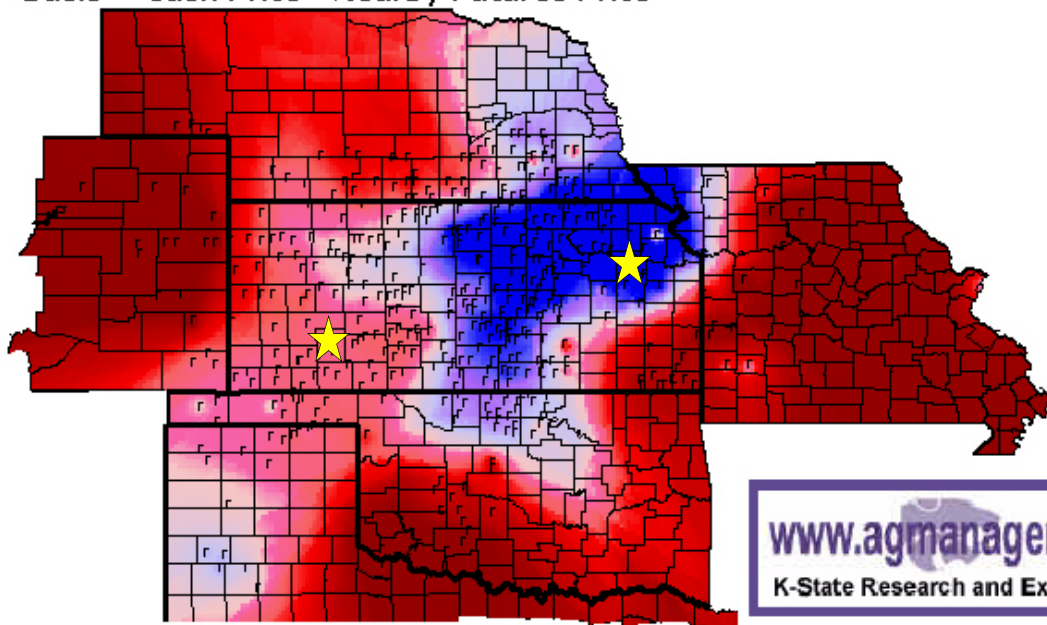
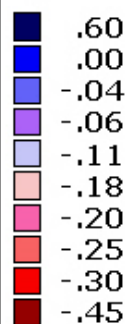


## Grain Sorghum Basis, 01-24-2018

Basis = Cash Price - Nearby Futures Price

CBT Corn  
Mar Futures  
Price: \$3.57

\$/Bushel



# 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 = 15.5 mb (Bearish) vs 22.3 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 = 527.9 mb i.e., 54.1% of 975 mb USDA projn with 61.5% of MY complete (32/52 weeks)
- Total shipments + new sales thru 1/4/2018 for “new crop” MY 2017/18 = 723.6 mb i.e., 74.2% of 975 mb USDA projn with 61.5% of MY complete (32/52 weeks) (Neutral)

**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

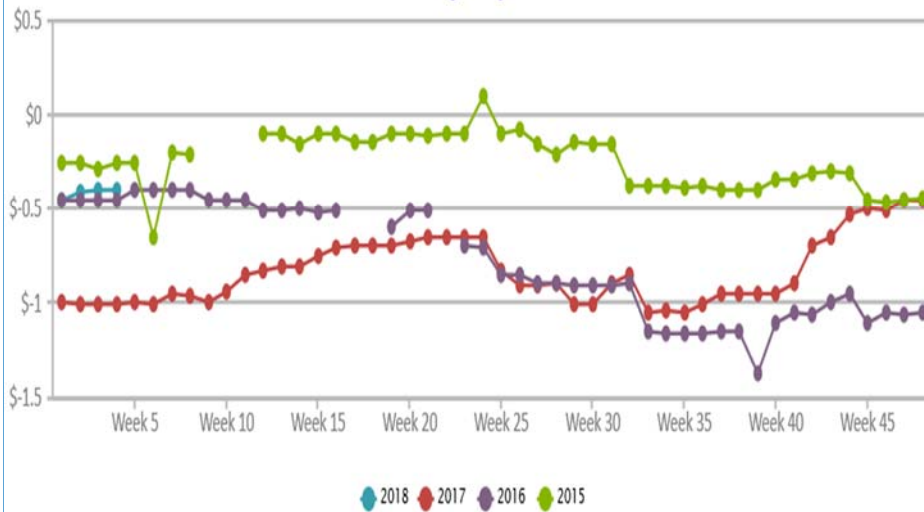
- Weekly Export Shipments wk of 1/4/2018 for “new crop” MY 2017/18 = 3.4 mb (Bearish) vs 9.5 mb /wk needed to meet USDA’s January 12<sup>th</sup> projn of 405 mb HRW wheat exports
- Total shipments through 1/4/2018 for “new crop” MY 2017/18 = 215.9 mb i.e., 53.3% of 405 mb USDA HRW wheat exports with 61.5% of MY complete (32/52 weeks)
- Total shipments + new sales thru 1/4/2018 for “new crop” MY 2017/18 = 289.0 mb i.e., 71.4% of 405 mb for HRW wheat w. 61.5% of MY complete (32/52 weeks) (Neutral)

## “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

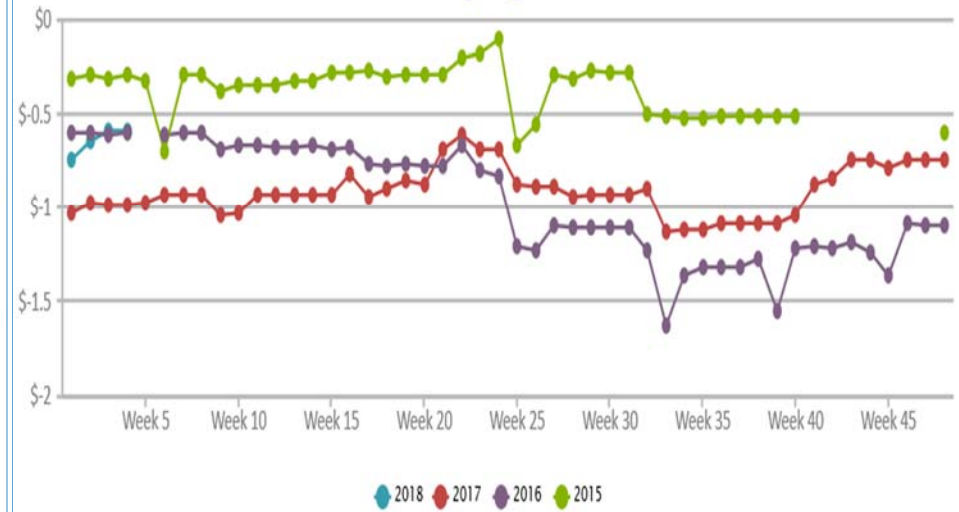
### SALINA, KS: Hard Red Winter Wheat Basis - SCOLAR GRAIN CO

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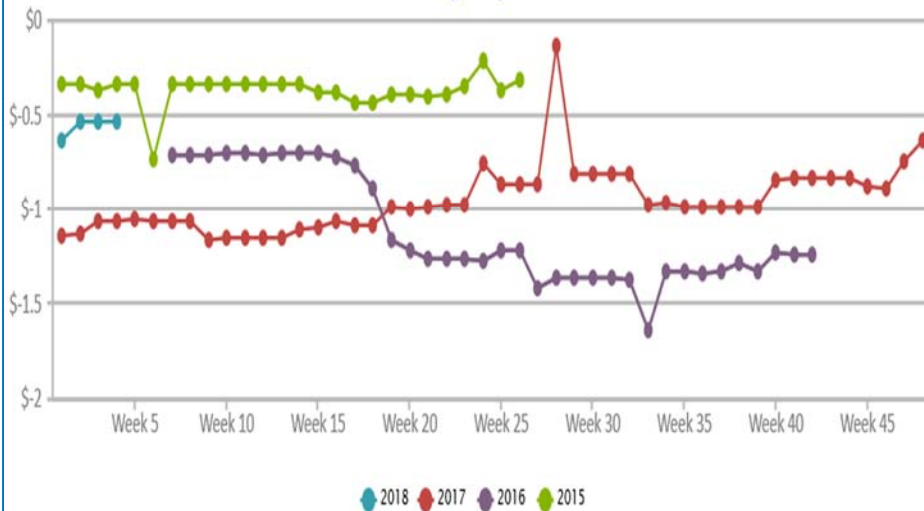
### HUTCHINSON, KS: Hard Red Winter Wheat Basis - MID KANSAS COOP

www.AgManager.info



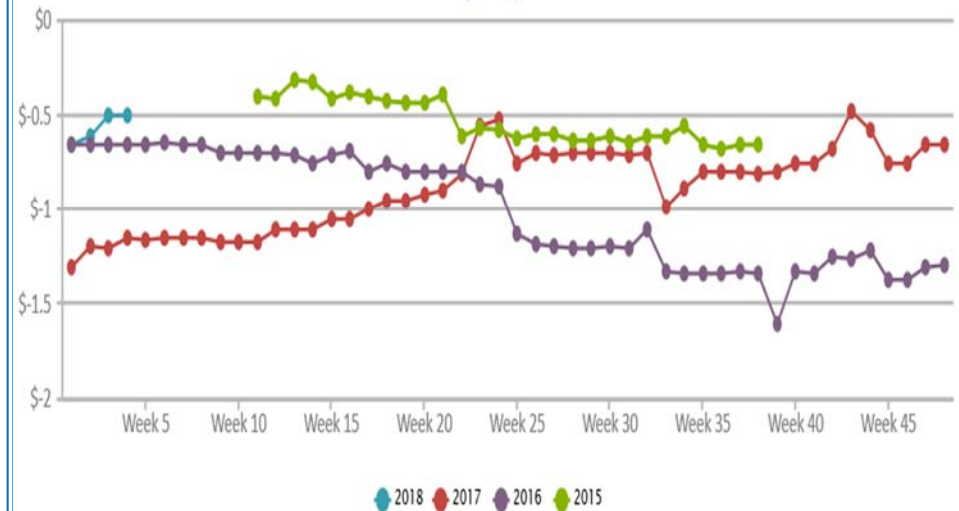
### WAKEENEY, KS: Hard Red Winter Wheat Basis - FRONTIER AG INC

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### ULYSSES, KS: Hard Red Winter Wheat Basis - UNITED PRAIRIE AG

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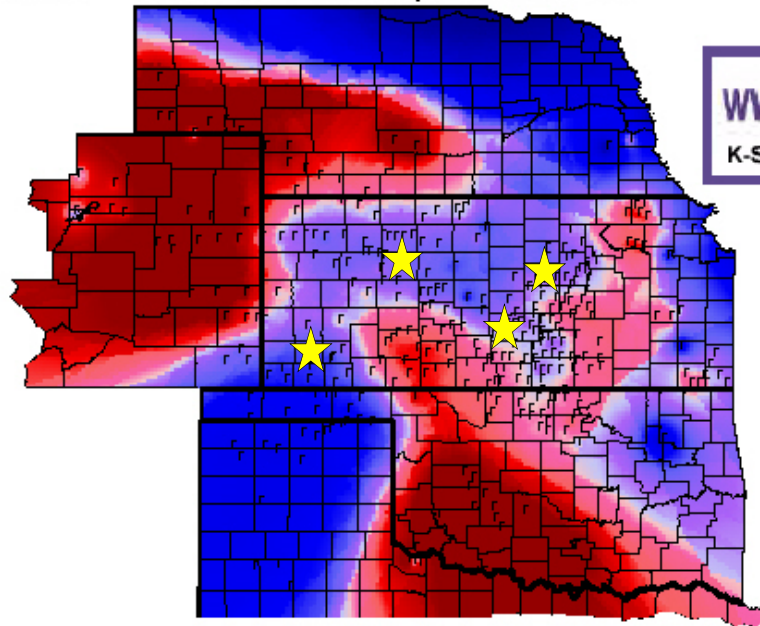
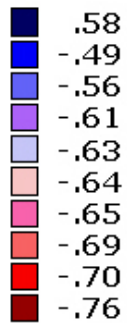


## Wheat Basis, 01-24-2018

Basis = Cash Price - Nearby Futures Price

KCBT Mar  
Futures  
Price: \$4.33

\$/Bushel

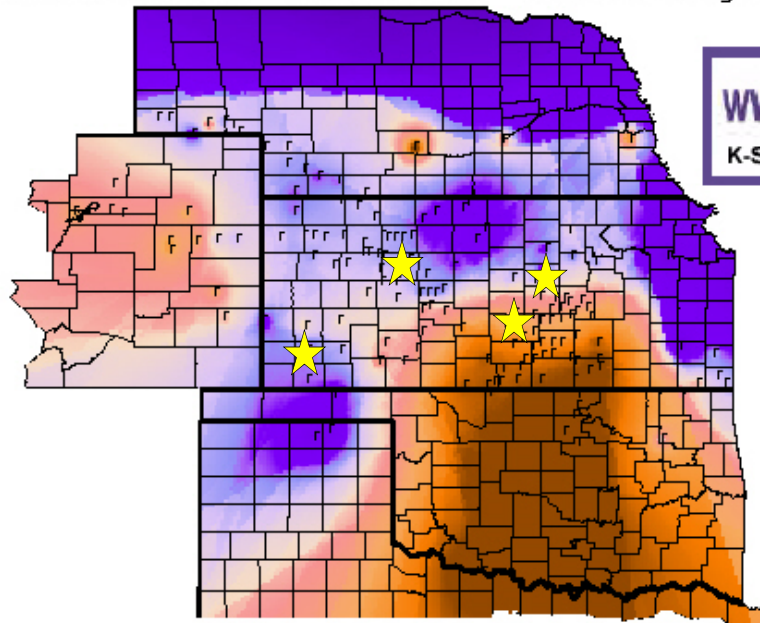
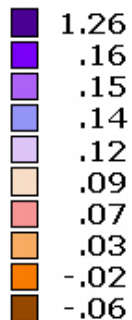


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## Wheat Basis Deviation, 01-24-2018

Basis Deviation = Current Basis - 3 Year Average Basis (2015, 2016, 2017)

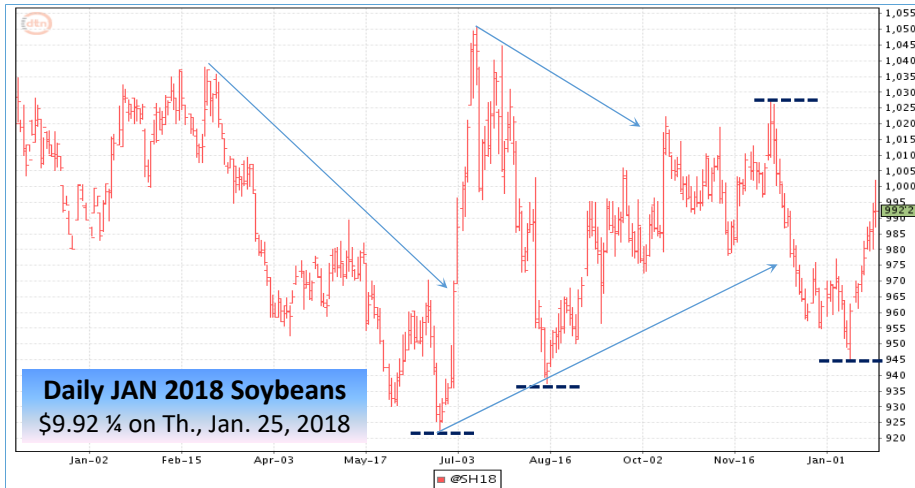
\$/Bushel



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# 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 “neutral” long-term total sales

- **Weekly Export Shipments** week of 1/11/2018 for MY 2017/18 = 43.3 mb (Neutral) vs 31.3 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 = 1.136 bb i.e., 52.6% 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 = 1.569 bb i.e., 72.6% of 2.160 bb USDA projn w. 36.5% of MY complete (19/52 weeks) (Neutral)

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

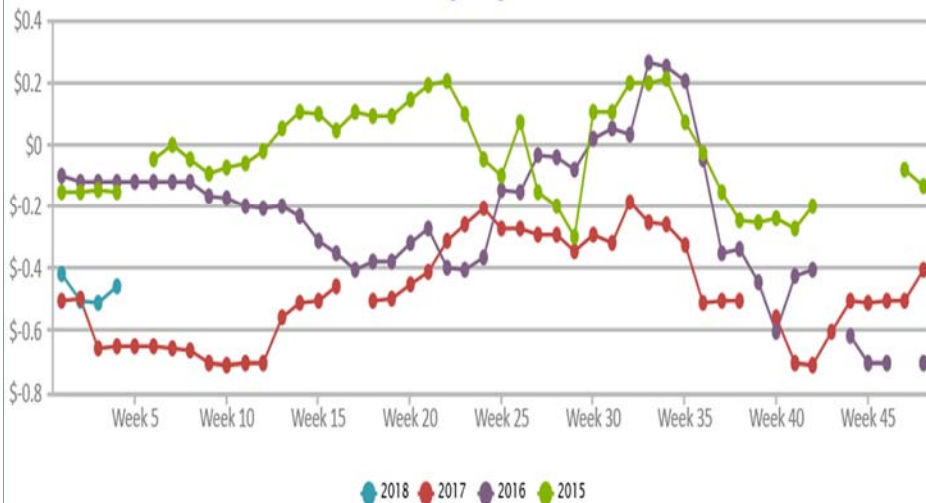
- **Export Shipments** for week of 1/11/2018 for “New Crop” MY 2017/18 = 188,600 mt (Bearish) vs 220,732 mt/wk needed to meet USDA’s January 12<sup>th</sup> projn of 11.070 mmt exports
- **Total shipments** through 1/11/2018 for “New Crop” MY 2017/18 = 2.903 mmt i.e., 26.2% of 11.070 mmt USDA projn with 28.8% of MY complete (15/52 weeks)
- **Total shipments & new sales** (1/11/2018) for “New Crop” MY 2017/18 = 6.603 mmt i.e., 59.6% of 11.070 mmt USDA projn with 28.8% of MY complete (15/52 wks) (Neutral/positive)

#### ❖ 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
<b>2017/18<sup>USDA</sup></b>	<b>28.6% S/U</b>	<b>348.6 mmt</b>	<b>11.1% S/U</b>	<b>\$ 9.30 /bu</b>	<b>2.160 bln bu</b>
<b>2018/19<sup>USDA</sup></b>	-----	-----	<b>8.9% S/U</b>	<b>\$ 9.40 /bu</b>	<b>2.325 bln bu</b>

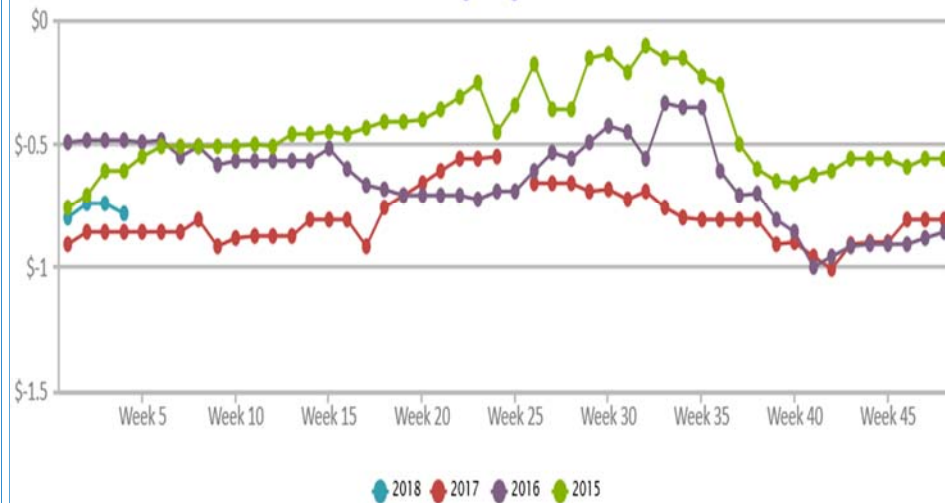
### EMPORIA, KS: Soybeans Basis - BUNGE

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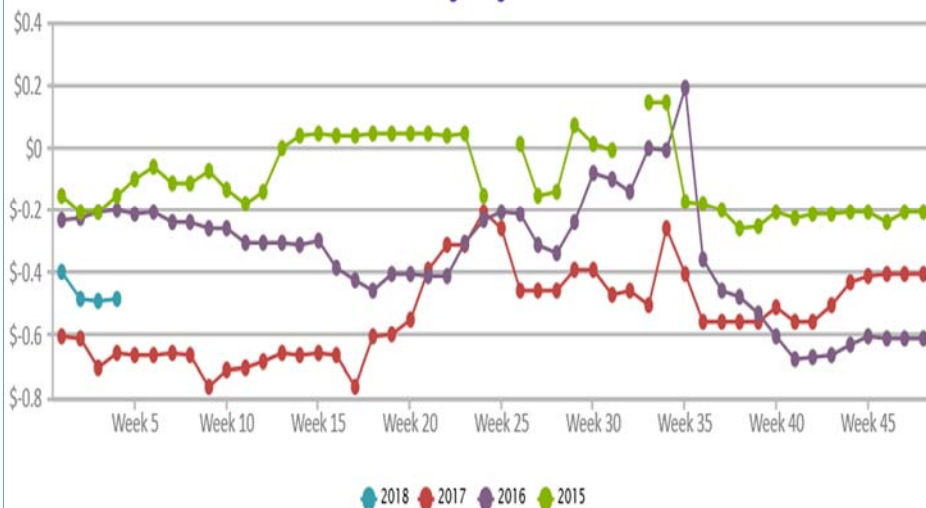
### COLUMBUS, KS: Soybeans Basis - FARMERS COOP

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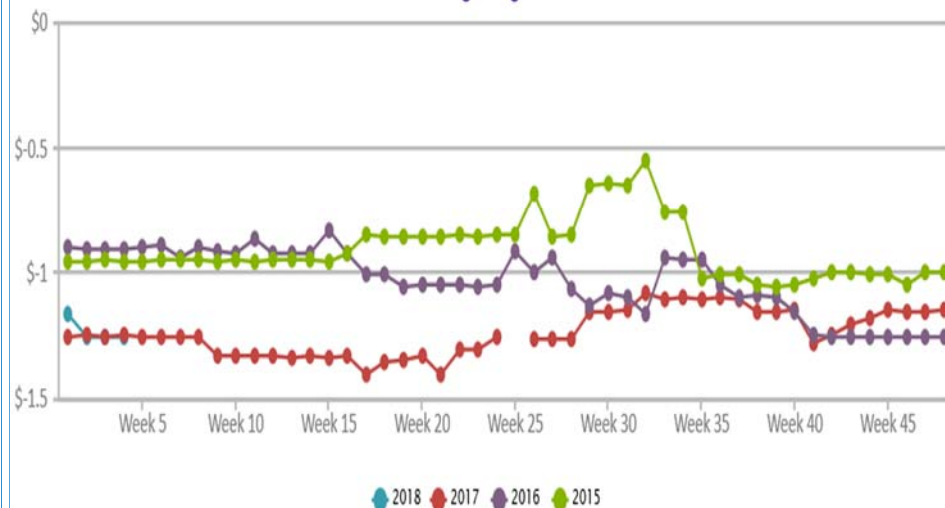
### WICHITA, KS: Soybeans Basis - CARGILL

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### HAYS, KS: Soybeans Basis - MIDLAND MARKETING

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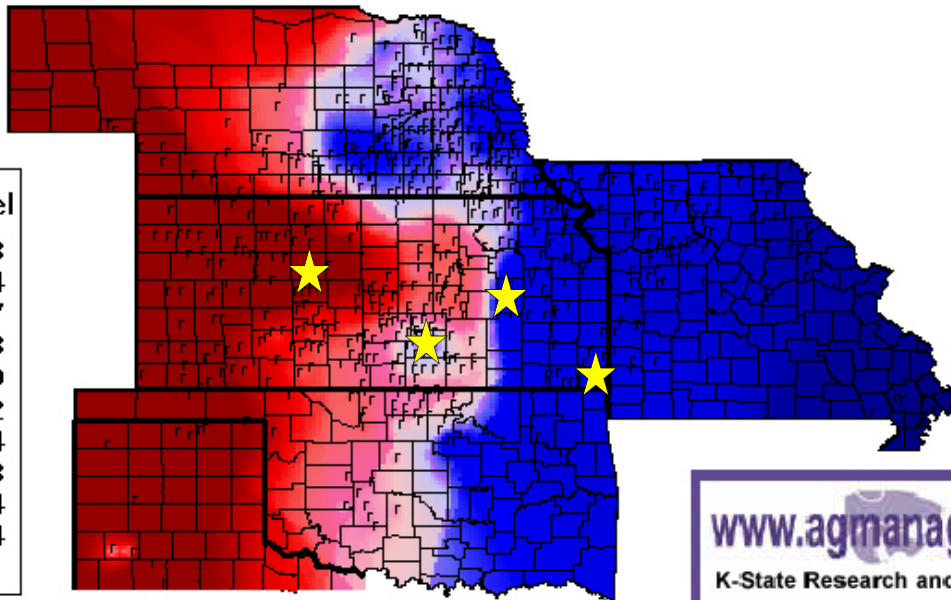
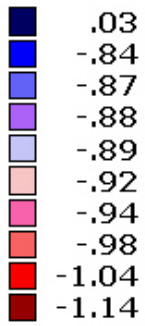


## Soybean Basis, 01-24-2018

Basis = Cash Price - Nearby Futures Price

CBT Mar  
Futures  
Price: \$9.92

\$/Bushel

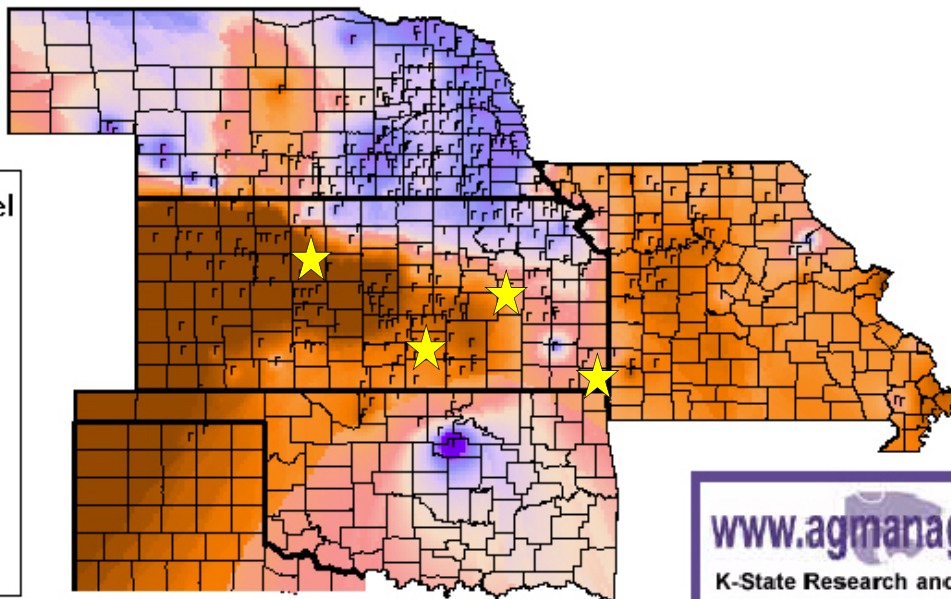
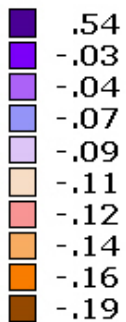


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## Soybean Basis Deviation, 01-24-2018

Basis Deviation = Current Basis - 3 Year Average Basis (2015, 2016, 2017)

\$/Bushel



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## Pacific Nations Agree to Save TPP Trade Pact

JANUARY 23, 2018 10:39 AM

(Bloomberg) -- The 11 remaining members of a Pacific trade pact abandoned by U.S. President Donald Trump have reached a deal on a revised agreement, with the nations to work toward signing the deal by early March, according to Singapore's government.

**Bloomberg**  
NEWS

By Bloomberg  
(<http://www.agweb.com/news/bio/?AuthorId=512>)

Email  
(<mailto:editors@agweb.com>)

Senior officials resolved outstanding issues, finalized the list of suspended provisions and completed the legal verification of the agreement, concluding negotiations on what has been renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Singapore's trade ministry said Tuesday in a statement.

The deal was reached after two days of talks in Tokyo, and came just hours after Trump imposed tariffs on imported solar panels and washing machines -- his first major move to level what he says is a global playing field tilted against U.S. companies. The whole agreement looked like it might collapse after contentious negotiations in November, when Canada's participation was thrown into doubt.

Japan's Economy Minister Toshimitsu Motegi said Canada has agreed to work toward approving the deal, and he believed they would follow through on that.

"Today, Canada and the 10 other remaining members of the Trans-Pacific Partnership concluded discussions in Tokyo, Japan, on a new Comprehensive and Progressive Agreement for Trans-Pacific Partnership," Joe Pickerill, director of communications for Canadian Trade Minister Francois-Philippe Champagne, said Tuesday in an email.

The agreement comes at a pivotal time for Canada, the second-largest economy in the pact after Trump quit. The country is in the midst of talks to update the North American Free Trade Agreement, the trilateral accord with the U.S. and Mexico that Trump is also threatening to quit. Part of the Canadian response to U.S. Nafta threats has been to push to expand trade ties elsewhere, including Asia.

The original Trans Pacific Partnership, which would have covered 40 percent of the global economy, was seen as a guarantee of U.S. involvement in Asia and a counterweight to Chinese clout -- an idea thrown into disarray when Trump withdrew in one of his first acts as president. Japan has led a scramble to keep the deal alive, with the hope of enticing the U.S. to return at a later date.

"The CPTPP will enhance trade among countries in the Asia-Pacific, resulting in more seamless flows of goods, services, and investment regionally," Singaporean Trade Minister Lim Hng Kiang was quoted as saying.

Of the four remaining issues left after the talks in Vietnam in November, the sections of the deal Brunei and Malaysia had a problem with will be frozen, Motegi said. Matters involving Vietnam's labor rights and Canada's cultural goods will be dealt with in side letters, which each country agreed to sign separately to the CPTPP deal, he said.

Pickerill said Canada achieved "a significant outcome on culture and an improved arrangement on autos with Japan along with the suspension of many IP provisions of interest to Canadian stakeholders," referring to intellectual property provisions.

The following countries make up the agreement: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

# RPT-INSIGHT-Protein plight: Brazil steals U.S. soybean share in China

By Karl Plume

CHICAGO, Jan 25 (Reuters) - U.S. soybean growers are losing market share in the all-important China market because the race to grow higher-yielding crops has robbed their most prized nutrient: protein.

Declining protein levels make soybeans less valuable to the \$400 billion industry that produces feed for cattle, pigs, chickens and fish. And the problem is a key factor driving soybean buyers from the U.S. to Brazil, where warmer weather helps offset the impact of higher crop yields on protein levels.

A decade ago, the United States supplied 38 percent of soybeans to China, the world's top importer, compared to 34 percent from Brazil. Now, Brazil supplies 57 percent of Chinese imports compared to 31 from the United States, according to China's General Administration of Customs.

Soybeans are by far the most valuable U.S. agricultural export, with \$22.8 billion in shipments in 2016. Declining protein levels and market share pose another vexing problem for soy farmers already reeling from a global grains glut and years of depressed prices.

The U.S. soybean industry also faces rising competition from a growing number of synthetic and organic alternative feeds that provide more protein for less money.

These are troubling trends for the \$41 billion U.S. soybean sector, but the industry's response has yet to take on much urgency. That's because the erosion of protein levels has come over many years, and many industry players still have short-term economic incentives to prioritize higher yields over higher protein.

(For graphic on soybean yield, protein content and market share, see: [tmsnrt.rs/2CXgKQE](https://tmsnrt.rs/2CXgKQE))

Protein levels have fallen as biotechnology and other breeding advances have pushed yield per acre to record highs, which dilutes protein content. But U.S. farmers can still make more money producing higher volumes of lower-protein crops because they only get an additional 3 to 5 cents a bushel for higher-protein beans.

Over the long term, however, falling protein levels could have dire consequences for the U.S. industry as a whole - especially in China, which buys two-thirds of all soybeans traded in the world market to feed its vast livestock operations.

"China needs soybeans, and we're at risk of becoming a residual supplier if we don't work on protein improvements," said North Dakota farmer Jared Hagert, a director and past chairman of the United Soybean Board (USB), an industry association.

## HIGHER YIELDS, LOWER PROTEIN

The USB and other industry advocates are starting to take the protein problem seriously. The industry group will spend \$5.6 million in fiscal year 2018 on research and other efforts to boost protein, up from \$3.7 million last year.

They face a tough task. Like many farmers, the agribusiness giants that develop seed technology, such as Monsanto Co and DowDuPont Inc, have little incentive to focus on raising protein levels.

Seed developers have had great success boosting yields through traditional breeding methods and genetic engineering to make crops use less water, tolerate weed killers and grow better in colder or drier climates. But they have yet to crack the genetic code that would raise protein content without hurting yield, seed breeders said.

At DowDuPont, scientists have identified some promising leads in boosting protein without hurting crop yields, said Steve Schnebly, senior research manager with the agriculture division of DowDuPont. But any commercially viable solution could be two decades away, he said, and isn't a company priority.

"Our major objective to our farmer customers is maximum yield," Schnebly said.

Monsanto, the world's largest seed producer, currently has no genetic research projects focusing on elevating protein, spokeswoman Christi Dixon said in a written statement.

"Market potential and demand doesn't warrant the R&D investment," she said.

The protein decline coincides with a rise of cheaper and more abundant alternative feeds available to livestock and poultry producers. They include distillers grains, a byproduct of the ethanol production process, and synthetic amino acids that are mixed with corn to mimic soymeal.

Jeff Knott, a swine nutrition consultant and owner of Minnesota-based Ideal Animal Nutrition, creates recipes with such alternatives for hog feed used by producers in several Midwest states.

“Compared to 20 years ago, we’re probably feeding 70 percent less soybean meal than we used to,” he said. “And it’s all economically driven.”

## **LOWER PROTEIN, LOWER EXPORTS**

Brazilian soybean producers use the same genetically modified seeds as their U.S. counterparts, and have also seen a reduction in protein content.

But Brazilian growers retain an crucial edge in protein thanks to warmer weather and longer days. The nation’s soybeans contain 37 percent protein on average, according to data from Embrapa, the government’s agriculture research agency.

That compares to 34.1 percent for U.S. crops in 2017 - a record low, according to the U.S. Soybean Export Council.

The protein shortfall in this season’s crop has prompted U.S. processors such as Bunge Ltd to cut the amount of protein they can guarantee in soymeal they sell.

Brazil’s three-percentage-point protein advantage is plenty enough to sway many buyers, especially when combined with the nation’s recent efforts to expand production and reduce shipping delays. Since overtaking the United States as the world’s top soybean exporter in 2013, Brazil has boosted production by about 40 percent.

Expanded port capacity in northern Brazil and lower freight costs have widened the country’s advantage in China, said a Brazilian trader with a large exporting company.

“Brazil’s soybeans on average have less impurities and higher protein content,” said the trader, who requested anonymity because he was not authorized to speak publicly. “Some destinations will pay a premium for that.”

Protein is paramount for Chinese importers, two managers at soy crushing plants and one soy meal buyer at a pig producer told Reuters in interviews.

“Feed producers mainly consider the cost of the soy meal - the price, and the amount of protein it contains,” said a swine feed buyer who asked not to be named because he was not authorized to speak. “With more supplies from Brazil ... we don’t necessarily need to buy beans from the U.S.”

## **SCRAMBLING FOR SOLUTIONS**

The United Soybean Board has launched a pilot project at a small number of processors and grain elevators - facilities that store and load grain for shipping - to record and analyze the protein content of soybeans delivered by local farmers.

The effort aims to provide highly localized data in the hope that farmers will select seed varieties that produce higher-protein crops and that soybean buyers will pay them a premium.

Other USB efforts include financing genetics research to boost protein, including studies by researchers at the University of Illinois and by scientists at DuPont Pioneer.

“We’ve got to be cognizant as to what kind of product we are providing the end user,” said Hagert, the USB director.

Another study - conducted by the University of Wisconsin and paid for by the Illinois Soybean Association and the U.S. Soybean Export Council - suggests that farmers can better compete with synthetic alternatives by planting beans with a specific amino acid balance.

Such soybeans can save hog feeders up to \$3 a head and save chicken producers 7 cents a bird, said the study’s lead author, John Osthus.

“Right now, there are synthetic amino acid companies that are undermining U.S. market share,” Osthus said. “If we don’t do something about this, we’re missing a huge market opportunity.”

Additional reporting by Ana Mano in Sao Paulo and Dominique Patton and Hallie Gu in Beijing; Editing by Simon Webb and Brian Thevenot

# Dryness Looms in Argentina

Strengthening La Nina May Stress Argentina Crops

1/24/2018 | 4:42 PM CST



By Bryce Anderson, DTN Ag Meteorologist and DTN Analyst

Connect with Bryce:

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OMAHA (DTN) -- The 2017-18 growing season in South America has not been perfect, but up to now, crop development has been satisfactory. That may change, however, with needed rain in the central Argentina crop belt looking less promising than earlier-season incidents.

"Weather forecast models have been consistent all week in indicating that the only chance of any showers and thunderstorms during the next week to 10 days will be on Jan. 20, with amounts only in the range of 0.25 to 0.75 inch, with locally heavier," said DTN Senior Ag Meteorologist Mike Palmerino in his Jan. 24 blog posting. "This will not be enough to end crop stress, with the potential for some crop losses as we enter the critical filling month of February."

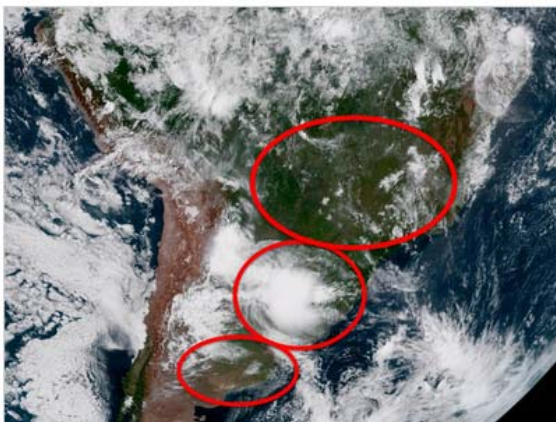
It has been almost 10 years -- going back to the 2009-09 crop season -- since Argentina experienced a harsh mid to late-season drought. But, soil moisture in the primary crop areas is widely variable, with just a few sectors showing adequate to surplus quantities. And, considering that February is the month when corn and soybeans are in their fill stages (the reverse of August in the Northern Hemisphere), the Argentina ag industry is fully aware of the potential drawdown in production that could develop if dryness persists.

"The weather forecast seems to be worse than they expected during January," said Esteban Copati of Bolsa de Cereales, in response to a question on Twitter. "From now on, the lack of soil moisture will begin to affect critical stages of both crops."

Even past the coming weekend, the Argentina forecast offers only light to locally moderate precipitation. The U.S. forecast model, through the time period ending Feb. 9, offers no more than 1 inch (25 millimeters) of total rainfall over the central Argentina crop belt. In addition, La Nina conditions may be strengthening in the equatorial eastern Pacific Ocean, adding further support to drier conditions in central Argentina. Eastern Pacific sea surface temperatures for the first half of the month were minus 1.2 degrees Celsius versus normal. The atmospheric measurement known as the Southern Oscillation Index (SOI) gives signs of moving into La Nina values, with readings of plus 12 to almost plus 26 over the 10-day time frame ending Jan. 24.

Even with the forecast looking less favorable, Argentina producer Eduardo Reynolds is not ready to concede to lower production yet. "Soybean is a tough plant," Reynolds told DTN over Twitter. "For the moment, it does not look like a repeat of '08-'09; we will see how February works out."

Bryce Anderson can be reached at [Bryce.anderson@dtn.com](mailto:Bryce.anderson@dtn.com) Follow Bryce Anderson on Twitter [@BAndersonDTN](#)



NOAA GOES-16 satellite imagery shows consistent rainfall in southern Brazil, while Argentina and central Brazil are drier. (NOAA satellite image)