

Michigan Agricultural Commodities

Weekly Newsletter

May 10, 2018

Market Commentary

by: Chris Betz

Good planting progress over the weekend and through the week, along with consolidative trade ahead of the May WASDE report, has left a bearish tone on trade this week. The latest round of World Agricultural Supply and Demand Estimates was cause for a bit of excitement immediately following the report release at noon Thursday.

Soybeans responded positively to decrease 17/18 U.S. ending stocks below pre-report estimates. The first 18/19 U.S. ending stock estimate was also well below pre-report estimates. U.S. exports were interestingly increased 225 million bushels despite trade tensions with China, the biggest importer of U.S. beans.

July beans are trading just a penny above unchanged Thursday afternoon after trading as much as eighteen cents higher shortly after noon. Key chart support on the July is the 50% retracement of the June 2017 low to contract high at 1012. Next support is around 994, then 965. Resistance is the 100 day at 1028, as trade seems to be tracking the 200 day.

November beans are more positive with chart support at the 100 day at 1017, then the 200 day at 1002. Resistance is the 20 day at 1037, then the contract high at 1060.

Corn followed soybeans higher at noon, briefly notching fresh highs since last July on the Dec contract. WASDE figures were largely in line with pre-report estimates outside of 18/19 world ending stocks. The biggest change to the U.S. balance sheet was to U.S. production due to decreased planted acres, and yield to 88 million acres and 174 bushels per acre respectively. Also of note, Brazilian corn production was reduced more than expected to 87 million metric tons.

Consolidating trade in the afternoon has corn down 1 to 2 cents. The July contract has settled into a short term sideways trend, but is still well above support at the 20 day moving average at 397, then the 40 day at 394. Resistance is the recent high at 408'2.

Dec corn hit fresh nine month highs shortly after noon. Like the July, support is the 20 day at 413, then the 40 day at 409. Target resistance at the contract high of 429.

Wheat didn't receive any favors as the USDA exceeded pre-report expectations for all wheat production at 1.821 billion bushels. Higher than anticipated soft red winter production was the bulk of discrepancy. Average yield was increased .5 bpa to 46.8, and planted acres were increased to 47.3 million. Encouragingly, world ending stocks for 17/18 and 18/19 came in below pre-report estimates, but still paint a picture of a world awash with wheat.

July wheat is down a nickel finally testing the technical support at the 20 day moving at 501, and holding following the report. Next support would be the 40 day at 490. Resistance is the recent high at 538. Catch up on sales above 523.

See summary of the USDA report on the next page.



U.S Wheat Production - Reuters News

	USDA May	Avg Estimate	Range of Estimates	USDA 2017/18
All Wheat	1.8210	1.7770	1.612 -1.860	1.7410
Winter Wheat	1.1920	1.1780	1.062 - 1.304	1.2690
HRW	0.6470	0.6460	0.550 -0.797	0.7500
SRW	0.3150	0.3090	0.218 -0.330	0.2920
White Winter	0.2290	0.2290	0.201 - 0.260	0.2270

U.S Grain End-Stocks - Reuters News 17/18

	USDA May	Avg Estimate	Range of Estimates	USDA April
Wheat	1.0700	1.0650	0.941 - 1.090	1.0640
Corn	2.1820	2.1780	2.150 - 2.207	2.1820
Soybeans	0.5300	0.5410	0.495 - 0.575	0.5500

U.S Grain End-Stocks - Reuters News 18/19

	USDA May	Avg Estimate	Range of Estimates	USDA April
Wheat	0.9550	0.9300	0.780 -1.075	N/A
Corn	1.6820	1.6280	1.467 - 1.907	N/A
Soybeans	0.4150	0.5350	0.400 - 0.715	N/A

World Crop End Stocks - Reuters News 17/18

	USDA May	Avg Estimate	Range of Estimates	USDA April
Wheat	270.4600	271.1300	268.50 - 273.40	271.2200
Corn	194.8500	195.1800	192.17 - 198.00	197.7800
Soybeans	92.1600	89.9000	88.50 - 91.00	90.8000

U.S Grain End-Stocks - Reuters News 17/18

	USDA May	Avg Estimate	Range of Estimates	USDA April
Wheat	264.3300	269.1800	260.00 - 278.70	N/A
Corn	159.1500	186.3500	174.00 - 193.80	N/A
Soybeans	86.7000	90.5200	75.50 - 97.00	N/A

Fertilizer Updates

by: John Ezinga



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N
Nitrogen

Nitrogen Update

Urea has been used in a hurry over the past few weeks and has left warehouses empty the last couple days. MAC has adequate supply and a stable price. Price is stable but strong.

28% adequate supply remains but expect side dress season to pressure prices higher in May and first part of June.

Phosphate Update

Very stable supply on MAP and DAP Pricing is unchanged through spring. Expect prices to reset slightly lower at the end of spring. 10-34-00 has run out at many locations. MAC still has available supply!

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P
Phosphorus

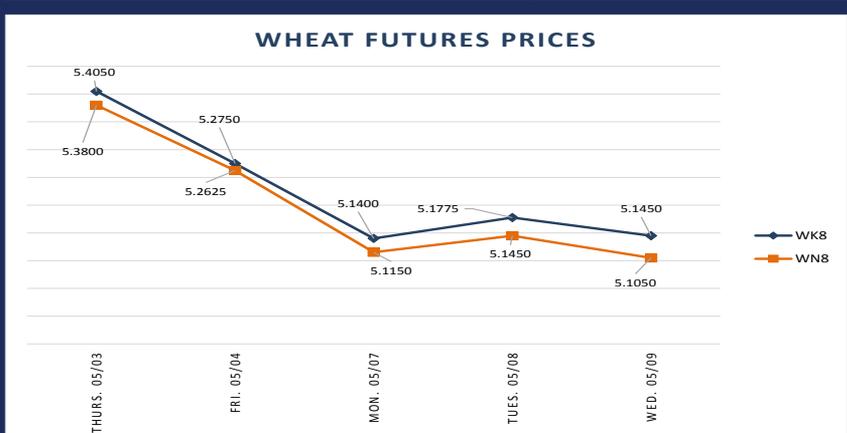
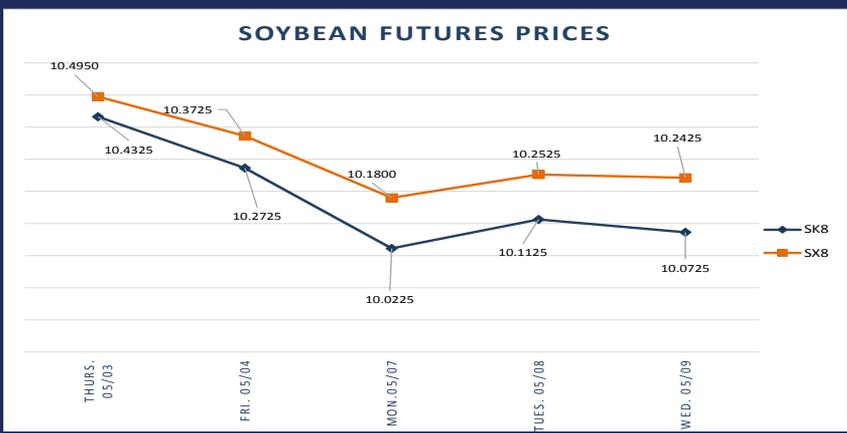
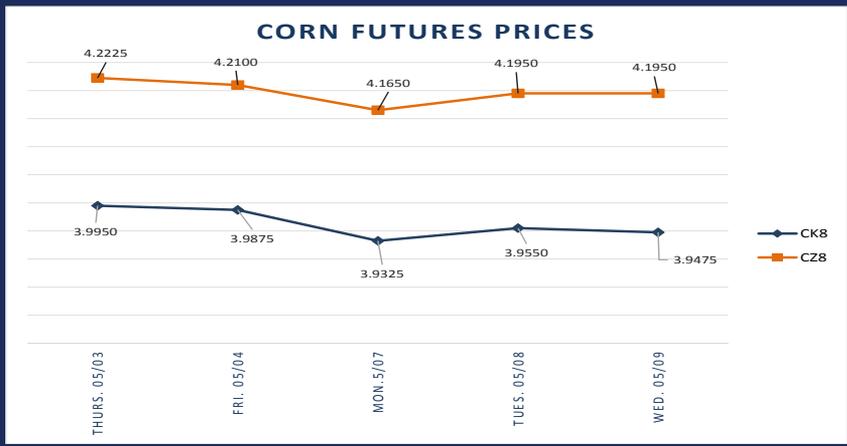
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Oxygen

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Potassium

Potassium Update

Very little to discuss on the potash front today. Prices are flat and supply is adequate.

Daily Futures Closes



Facility Updates

Blissfield (517-486-2171)

[Click Here for Blissfield Cash Prices](#)

Rain this week has delayed farmers getting back into the fields to plant again. We have been working on housekeeping and maintenance and receiving grain from farmers. Have a great weekend!

Breckenridge (989-842-3104)

[Click Here for Breckenridge Cash Prices](#)

Could not have asked for a better week, weather wise, for the first full week of May. It allowed growers to get lots of planting done in a short period. The cold, wet weekend will provide a breather from the grind and give everyone a chance to regroup for another round. MAC Breckenridge is wishing all of our customers and employees a very Happy Mother's Day weekend!

Brown City (810-346-2711)

Marlette (989-635-3578)

[Click Here for Marlette Cash Prices](#)

[Click Here for Brown City Cash Prices](#)

As planting progress continues, we're working on some spring cleaning projects around our facilities, while continuing to ship out grain on trucks. If you're looking at getting some spring yard work complete this weekend, be sure to stop in at our Marlette location where we sell 50lb bagged fertilizer, mulch and stone. We hope everyone has a great weekend!

Jasper (517-436-3126)

[Click Here for Jasper Cash Prices](#)

Our crew has been busy getting ready for the plant tours. We are also in the process of cleaning up the old lumberyard area. Local area fire departments will be here on the 15th to do more practice on grain rescues. Looks like we are in for a rainy weekend folks.

Middleton (989-236-7263)

[Click Here for Middleton Cash Prices](#)

Our facility will be planting a Rupp test plot this year just north of Middleton on Garfield Rd. East. Stop by the office or the plot to discuss the various tests we are conducting: sulfur, stabilized nitrogen, variety, fungicide, and side dress. We also welcomed a new team member this week. Lauren Lake will be our accounting assistant. Happy weekend!



Newaygo (231-652-6017)

[Click Here for Newaygo Cash Prices](#)

Planters were rolling up until the soaking rain our area received Wednesday night. The crew has been busy transferring grain, loading trucks, and working on various maintenance projects. We still have a handful of seed in stock, if you are looking for pricing please feel free to give us a call. Have a great weekend!!

Tuperville (519-627-4861)

[Click Here for Tuperville Cash Prices](#)

Planting has been rolling along fairly steadily for the past week. We missed a lot of the potential rains, or at least substantial amounts, so there have been limited delays. Some of the heavier or lower lying ground still sits idle, but conversely a few others have started beans. On the vegetable side of things in the area tomato planting started this week. At the elevator we continue to ship corn, and have started to reclaim our second corn pile. Be safe on the roads and in the fields, and remember to keep market orders up to date to capture your market plan while you're busy. On social media use #plant18LAC for a chance at some free LAC merchandise!

Happy Mother's Day

Additional Information

Proper Handling of Treated Seed

At the end of last week, the USDA planting report showed Michigan had corn 9% planted and 1% of soybeans in. Although this is behind average, experts say we still have plenty of time to get the crop in the ground before making major management changes. With the majority of planting still ahead of us, Syngenta has some suggestions for proper handling of treated seed:

- Avoid transferring dust from bag to planter
- Manage your lubricants to reduce dust
- Plant at the recommended seeding rate
- Ensure seed is not exposed after planting; harrow or roll the field to cover seed if necessary.
- After planting, vacuum out the seed box and return treated seed to the bag
- Do not leave leftover treated seed or empty bags in the field
- Disposed of bags and containers in an appropriate manner.

Handling treated seed is important to support the strength of the bee population. Bees are critically important to the sustainability of agriculture. Click for more information on the [impact of bees](#) or [seed applied insecticides](#).

Autosteer makes planting your crop easier. Target orders make marketing your crop easier. Talk to your MAC merchant to set targets so you don't miss opportunities while you're in the field!



Have you seen the May issue of Michigan Farmer yet?

Our very own Chris Gable, out of Middleton, is on the cover!



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