

Michigan Agricultural Commodities

Weekly Newsletter

June 07, 2018

Market Commentary

by: Chris Betz

Wheat has been firmer this week as harvest in the southern plains gets underway. Disappointing yields, albeit expected, are still lending support along with acres abandoned altogether due to drought. Drier conditions in Black Sea regions are also lending support along with some adversity in France and Germany. Chicago spreads have tightened this week as well, reflecting a more bullish commercial outlook. Short term, and long term, upward trends are still well in place, which has helped encourage chart based buying on top of fundamental bullish factors.



Corn and beans are on the other side of the pendulum. Both weighed by largely favorable Midwest weather for crop development, as well as the unknown of trade negotiations between the U.S. and key ag partners, China, Canada, and Mexico.

Investors will not be keen to place bets on sporadic shifts in the direction of negotiations thus far. Trade has made volatile moves on nothing more than a tweet from the President. Proposed tariffs and retaliatory measures have brought even harsher swings. Funds, who are carrying long positions in corn and beans, will be pressured to exit those positions when faced with longer term uncertainty above and beyond the normal risk associated with ag commodities. China has said it will buy \$70 billion worth of U.S. goods, including ag products, should the U.S. back down on tariffs on \$50 billion worth of Chinese goods, in addition to limits on Chinese investment in U.S. high tech industries, proposed last week. Mexico imposed tariffs estimated at \$3 billion on U.S. exports, including some Ag products, in response to the U.S. 25% tariff on imported steel and 10% on aluminum. Canada has responded with a like 25% tariff on American steel and 10% tariff on other American products effective July 1st. Negotiations with Mexico and Canada, of course, relate to NAFTA. The White House has said it would like to negotiate between the two nations independently versus a joint agreement. The EU has also promised \$7.5 billion worth of retaliatory tariffs on American goods effective June 20th.

Where do we go next? Trying to discern long term implications becomes a murky guessing game. In the near term, the President is traveling to Quebec Friday for a G7 summit ahead of his June 12th meeting with North Korea in Singapore. The G7 summit will include leaders from Canada, Japan, Germany, France, the UK, and Italy. President Trump has begrudged his attendance for the summit saying it will be a waste of time as he disagrees with his peers on many key issues, and does not want to be lectured by them. I suppose watch your Twitter feed for the latest...

Technical Thoughts

by: Ken Lake



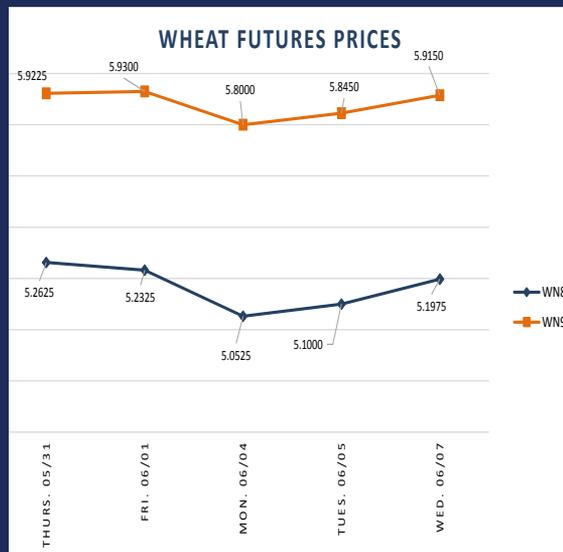
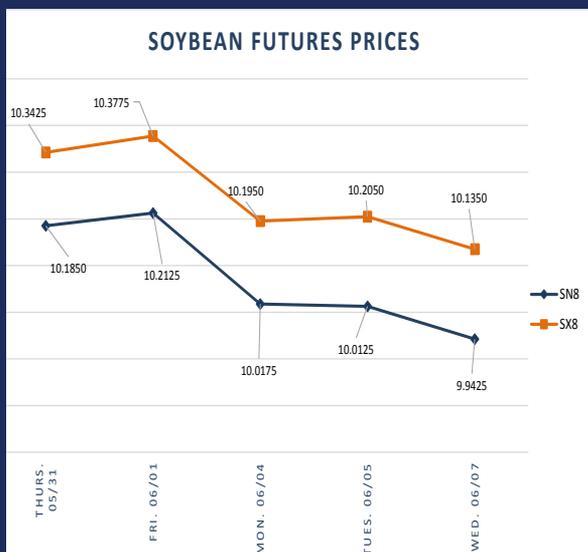
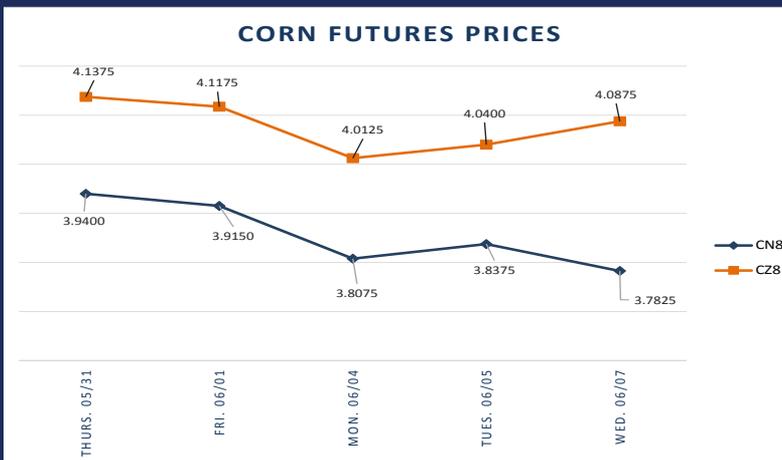
July corn futures continue to fade. 390 support was broken last week. We are currently trading below all the major moving averages and direction points lower. Support is the contract low, 362. While this analysis seems bleak, it was not unexpected. Seasonally corn tends to make a low around June 30th coinciding with USDA's Final Planted Acreage and Quarterly Stocks report. Producers should avoid sales until after the June 30th report.

December corn futures are equally weak and will take their lead from USDA's weekly crop condition report. Support is 397 then 379, the contract low is 376 and may be tested. Avoid sales.

July soybeans are weak and testing trend line support at 989. Momentum indicators are very oversold but do not signal a turnaround. Likewise, November soybeans are oversold. Trend line support comes in at 1007. Both old and new crop contracts offer relatively good value in light of the fact that long term downside support is a dollar a bushel below the current market. Catch-up sales should be considered.

July wheat support held and the market has enjoyed a couple of days higher based on disappointing yields in the Southwest. We made a pretty major turn lower a couple weeks ago at 554; today, that would be a short-term sales target. Longer term, the contract high of 609 is in play.

Daily Futures Closes



Facility Updates

Blissfield (517-486-2171)

[Click Here for Blissfield Cash Prices](#)

Farmers in our area are wrapping up planting this week. We are working on housekeeping and maintenance in the plant and preparing for wheat harvest. Have a great weekend!

Breckenridge (989-842-3104)

[Click Here for Breckenridge Cash Prices](#)

Trucks delivering, trucks loading. Seed is being picked up & fertilizer is being scaled out. Dry beans & soybeans are being processed and bins are being swept out and cleaned up. Progress with the automated scale system and end of the fiscal year office work is also taking place. Our intern Kaleb is getting lots of experience with all that has been going on. Wishing everyone a relaxing weekend!

Brown City (810-346-2711) Marlette (989-635-3578)

[Click Here for Marlette Cash Prices](#)

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

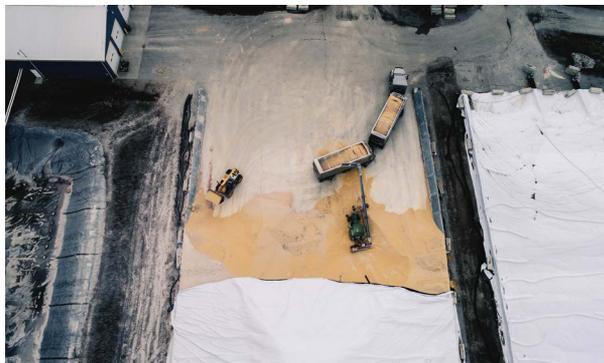
It's been a busy week at our facilities with both inbound and outbound grain! As we prepare for wheat harvest, mark your calendars for June 28th at 11:30am. We'll be having our annual wheat meeting with many great speakers you won't want to miss! Give us a call for more information!



Jasper (517-436-3126)

[Click Here for Jasper Cash Prices](#)

The Jasper area looks to be 95% planted and maybe 100% planted by the end of day. Now we play catchup with the weather. Our guys are getting the mill ready for a good wheat harvest. Have a great weekend everybody!



Middleton (989-236-7263)

[Click Here for Middleton Cash Prices](#)

Middleton area has been going strong this week spraying wheat, corn, soybeans, hay, burndown, and more spreading. Give the office a call for weekend hours. Here is hoping everyone has a safe and happy weekend.

Newaygo (231-652-6017)

[Click Here for Newaygo Cash Prices](#)

Corn planting in the area for the most part is wrapping up with soybeans still progressing. We still have a few units of both corn and soybean seed on hand if you need a couple bags to finish up. This past week Dan Gibson officially retired after 42 years in the industry. We wish him the very best on his well-deserved time off and retirement! Have a great weekend!

Tupperville (519-627-4861)

[Click Here for Tupperville Cash Prices](#)

As the calendar flips to June, and the winter wheat is out in full head, we realize the wheat season is approaching fast. On that note, we are looking for a seasonal employee to help out in the yard this year, be sure to contact us if you are or know of someone who is interested. We have had some corn and beans replanted as some rains weren't exactly timely across the area. Have a great and safe week!!

Safety Moment

Safety with Equipment on the Road: Part One

2018 planting is coming to a close but traveling with equipment on the road will continue. Only machinery in good repair should be operated on the highway. This is the first of a 3-part segment about proper safety with equipment on the road. Preparation before travel will ensure the safety of everyone on the road.

Before Traveling on Public Roads:

- Properly hitch implements with adequate safety chains. Do not use makeshift hitch pins.
- Lock brake pedals.
- Adjust mirrors for good vision.
- Make sure all warning flashers, lights, and SMV emblems are in proper operating condition, clean, and clearly visible. (Check back next week for the segment on safety signs & lighting.)
- Check tire inflation pressures. Ensure inflation is at maximum recommended pressure for long distance travel.
- Check wheels to ensure bolts are tight.
- Make sure the tractor is balanced properly.

WE ARE HIRING!

We aim to provide the best service to our customers, and having the right individuals on our team is key. If you're interested in joining the MAC team, visit our [employment page](#) to learn more about open positions.

[Operations Position](#)
Breckenridge Facility

[Custom Applicator](#)
Middleton Facility

[Safety Director](#)
Serving all of MAC

[Seasonal Custom Applicator](#)
Middleton Facility

[Click Here to View MAC Bid Charts](#)

[Click Here to Visit the MAC Weather Channel](#)

[Click Here to Sign up to Receive Daily Weather Reports](#)

