

Michigan Agricultural Commodities

Weekly Newsletter

November 30, 2017

Market Commentary

by: Chris Betz

Soybeans have been lower since retreating from values above 1000 on the Jan chart Monday. A consolidative sideways trend is developing around 980. Traders will be watching South America closely, as well as U.S. exports. The daily export wire has been fairly quiet, while the USDA did announce Wednesday a 263,000 metric ton sale for delivery to China. Total exports for last week were predictably bearish with the holiday. SOAM weather has been largely non-threatening, but Argentina's potential moisture deficits could garner some attention.



Soybean spreads continue to grind wider, reflecting a bearish commercial view of a large U.S. and potentially large SOAM crop. A pick up in world demand will be needed to eat through those large supplies and support soybeans higher.

The USDA released long term agricultural projections this week. Some initial take-aways for all three:

Corn: U.S. planted acres gradually decline after 2018/2019, while ending stocks remain steady. Stocks/use ratio is expected to decrease as domestic use grows, as well as exports. Lower supplies on average, as well increased demand, is supportive for corn prices. Will increased domestic use as well as world demand allow steady reductions to U.S. planted acres despite growing returns?

Soybeans: Maybe here's where all those corn acres go as the USDA showed increased U.S. planted acres through 2023/2024. Domestic crush and exports are expected to grow. Ending stocks are expected to stay relatively steady as stocks/use ratio is trimmed lower. Chinese demand will be the vital Chess piece to support U.S. exports, keep stocks/use low, and encourage U.S. soy acres.

Wheat: The USDA is estimating a 2% reduction in planted acres for the 2018/2019 marketing year, which will continue to be debated. The following years to 2027/2028 call for steady to higher U.S. planted acres, as well as domestic use. U.S. ending stocks are projected to decline through 2024 as exports grow. This would suggest declining world stocks needing to be filled by U.S. bushels. Definitely not the current situation.

[Feed Grains](#)

[Soybeans](#)

[Wheat](#)

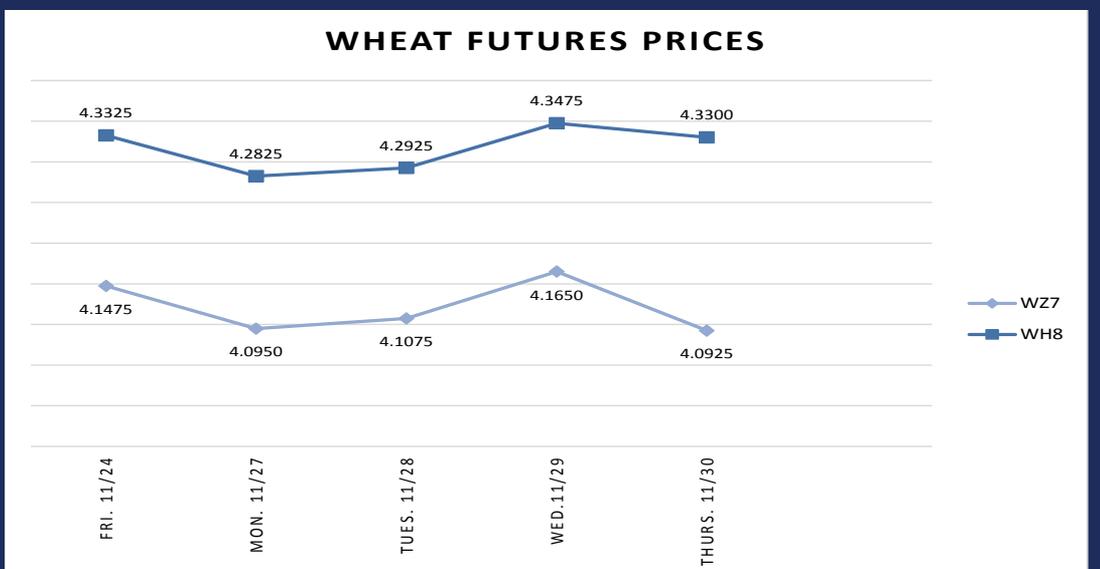
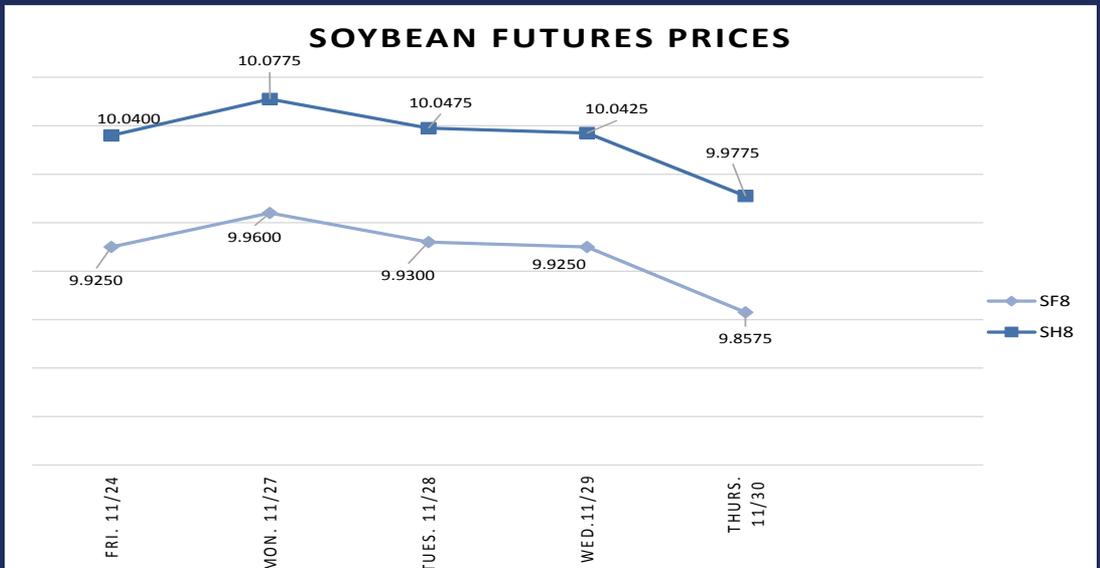
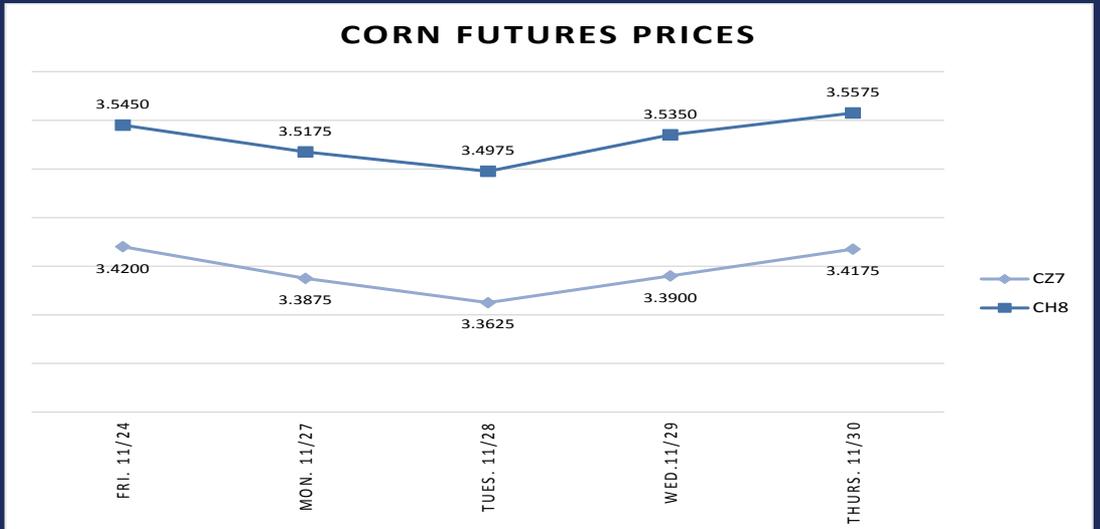
Technical Thoughts

By: Ken Lake

March corn support is 349 and as I write this is flirting with a close that is above the 20 day moving average of 355. Momentum indicators are only mid-range and considering managed money's large short position could signal a round of short covering. Target 361 and 365.

January soybeans are locked in a range between 970 and 1005. They are trading lower on positive weather news out of South America but that will not last forever. Support is 985 then 977. Physical movement is light forcing basis values higher. Look for that to continue. Target 1006 to 1050 for sales.

March wheat made a new low this week but now points toward better values. No recommendations here.



Facility Updates

Blissfield (517-486-2171)

[Click Here for Blissfield Cash Prices](#)

Farmers have been finishing up the last of their corn and double crop soybeans this week with the nicer weather we had before the rain on Thursday. Have a great weekend!

Breckenridge (989-842-3104)

[Click Here for Breckenridge Cash Prices](#)

The Ransom Road facility has continued receiving quite a bit of wet corn. We have also been busy cleaning a soybean bin, and getting wheat moved over to start shipping out come Monday. At the facility in town, the team is currently trying to keep up with processing and filling of orders for food grade soybeans, dry beans, and regular soybeans. Down at Wheeler, black bean shipments continue to keep the crew busy with the processing and bagging. Many customers have been thinking about the end of the 2017 season & the beginning of 2018 season. Some are locking in inputs for next spring and others are working on year-end financials. As 2017 wraps up, we would like to thank all of our customers for another great year! Hope everyone enjoys the first weekend of December!

Jasper (517-436-3126)

[Click Here for Jasper Cash Prices](#)

Piles are being made as we continue with harvest. Overall we have had a good week here in Jasper. Cooperative weather has allowed us to bring in soybeans and the last of the corn. Thank you to our customers for a good year and we wish a great weekend!

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

[Click Here for Marlette Cash Prices](#)

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

Harvest is wrapping up in most parts of the thumb as we had another few days of good weather. As we are slowing down, be sure to give us a call for our updated hours. Mark your calendar for our DF Seeds meeting that we are hosting on December 19th! Give us a call for more details and/or to RSVP. Have a great weekend!



Middleton (989-236-7263)

[Click Here for Middleton Cash Prices](#)

The Middleton area has had some good weather this week and harvest is still an ongoing operation. Our crew have been taking in grain here in Middleton as well as in Cadillac. We have been spreading lime and fertilizer, spraying burn down, doing maintenance on equipment, soil testing and flying the drone. Here is hoping everyone has a safe and happy first weekend of December.

Newaygo (231-652-6017)

[Click Here for Newaygo Cash Prices](#)

Producers in the area, for the most part, are on the home stretch of wrapping up corn and soybean harvest for this year. The crew has been busy this week dumping corn and soybeans. Please call the office for weekend hours. Also, a reminder that the Newaygo Christmas walk is this Friday! Have a great weekend!

Tupperville (519-627-4861)

[Click Here for Tupperville Cash Prices](#)

It may sound redundant, but harvest continues on. Corn is still coming in and we received some of the late planted or second crop soybeans, with moisture's ranging from 13-18%. Things will be wrapping up soon, but some fields are still too saturated for farmers to venture out on. They may have to wait for a freeze up in order to be complete their harvest. Have a safe and great week!!

Additional Information

Safety Moment

December 2017 is Drugged and Drunk Driving Prevention Month.

- In Michigan, the holiday season is a particularly deadly time due to the high number of drunk drivers on the roads. 271 people lost their lives as a result of drunk-driving-related crashes during in the 2016 calendar year.
- 38.6% of all 2016 crashes involved alcohol.
- During the Holiday Seasons of Christmas and New Years there were 26 fatalities in the 3 days surrounding those holidays in Michigan.
- Drinking and driving endangers yourself, your passengers, and those on the road around you. Whether you've had one or one too many, always hand the keys to a sober driver.

Plan Ahead

- Even one drink can impair your judgment and increase the risk of getting arrested for driving drunk—or worse, the risk of having a crash while driving.
- If you will be drinking, do not plan on driving. Plan ahead; designate a sober driver before the party begins.

Did You Know?

- Drunk driving is often a symptom of a larger problem: alcohol misuse and abuse.
- Alcohol-impaired motor vehicle crashes cost more than an estimated \$37 billion annually.
- In 2015, more than 10,625 people died in alcohol-impaired driving crashes - one every 49 minutes.
- In 2015, nearly 1.1 million drivers were arrested for driving under the influence of alcohol or narcotics. That's one percent of the 111 million self-reported episodes of alcohol-impaired driving among U.S. adults each year.
- Drugs other than alcohol (legal and illegal) are involved in about 16% of motor vehicle crashes.
- Marijuana use is increasing and 13% of nighttime, weekend drivers have marijuana in their system.
- Marijuana users were about 25% more likely to be involved in a crash than drivers with no evidence of marijuana use, however other factors – such as age and gender – may account for the increased crash risk among marijuana users.

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