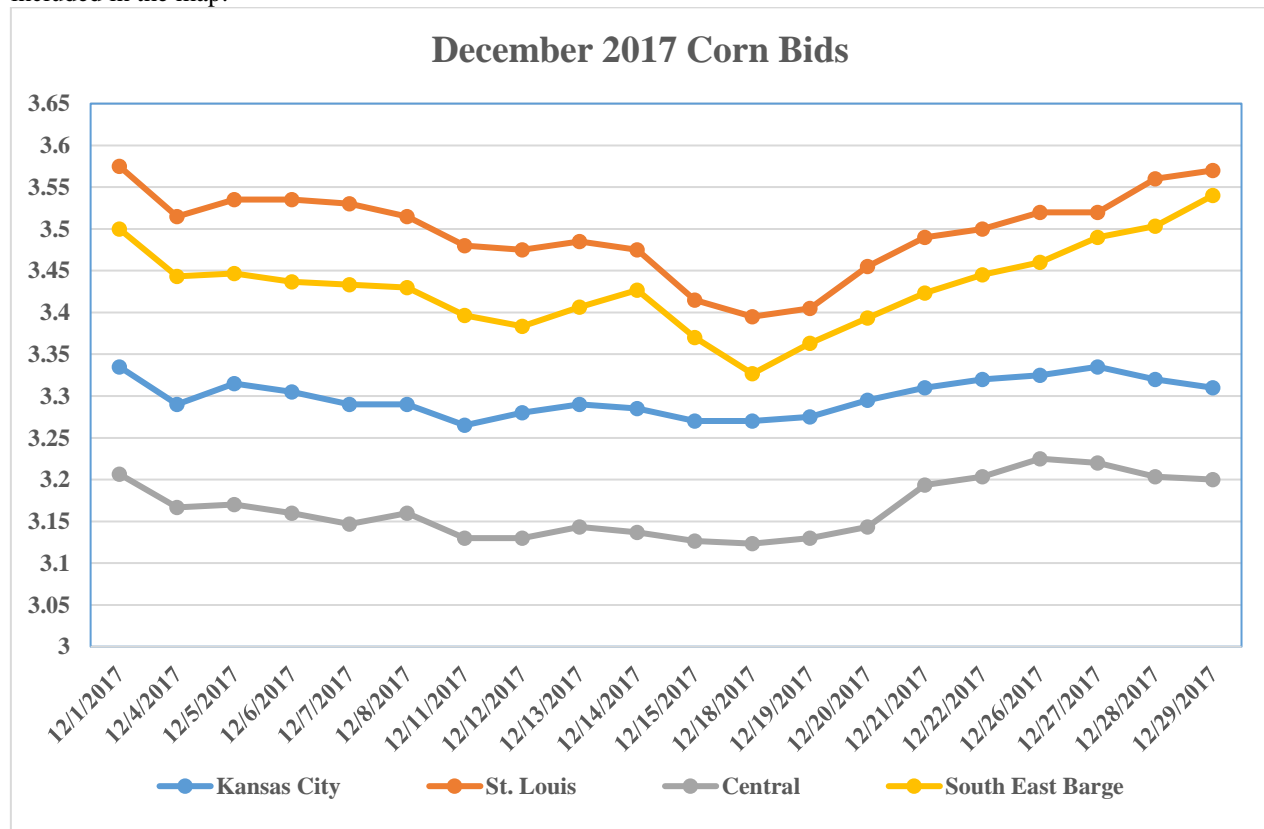


Monthly Grain Crop Review

December 2017

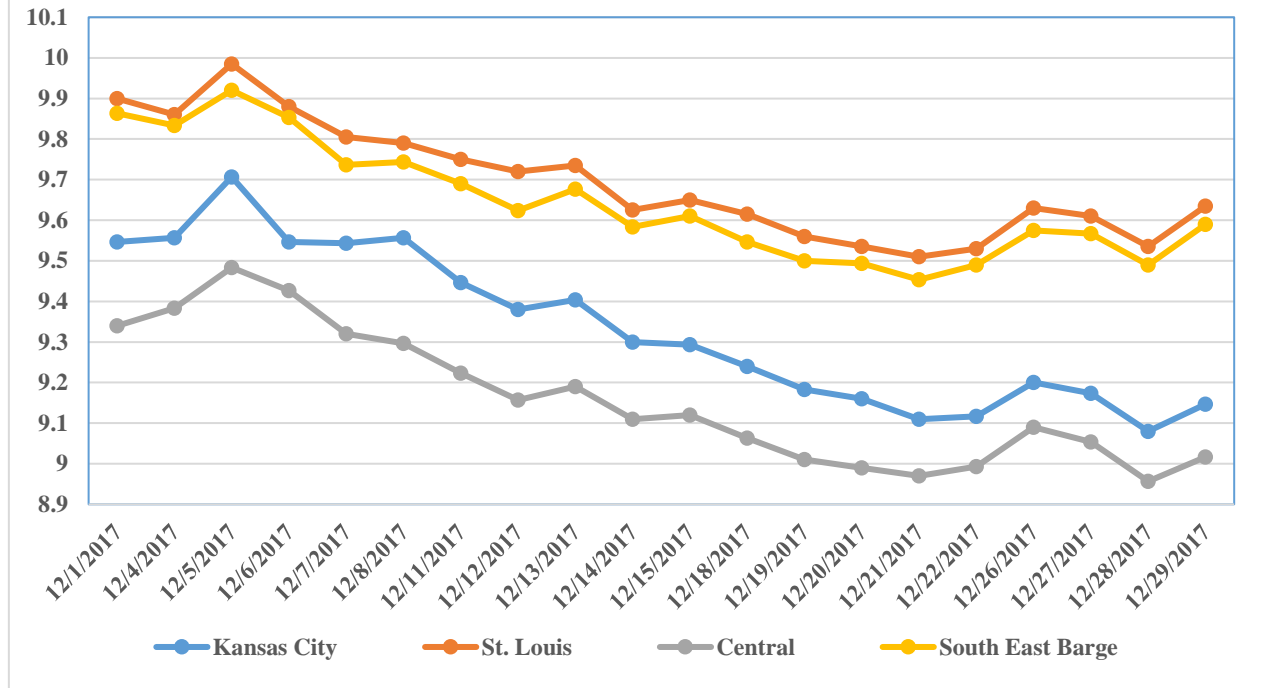
Jefferson City, MO Wed Jan 03, 2018 MO Dept of Ag/USDA Market News

Missouri closed out 2017 with bitter low temperatures and wind chills in the negatives. Any changes towards the end of December were mostly due to the volatility associated with low trade volume. While markets were trading the last week of the year, several elevators took a couple of days off to celebrate the holidays. Weather in South America effected how commodities were trading, since their anticipated yields are still unknown. Any change in weather moves the line up or down, depending on received precipitation. As a whole, the WASDE released on December 12 did not have too much of an impact on local markets. Missouri continued with mostly dry weather, with some places getting snow. However, it did not stick around too long and grain transport could have carried on, if bids weren't so disappointing. At one point, all of Missouri was incorporated in the drought map with most counties either included in abnormally dry, moderate drought, or severe drought, and a few in extreme drought. After snow was received during late December, while most of Missouri is still in a drought, there was a small area towards the boot heel that was able to get enough precipitation to not be included in the map.

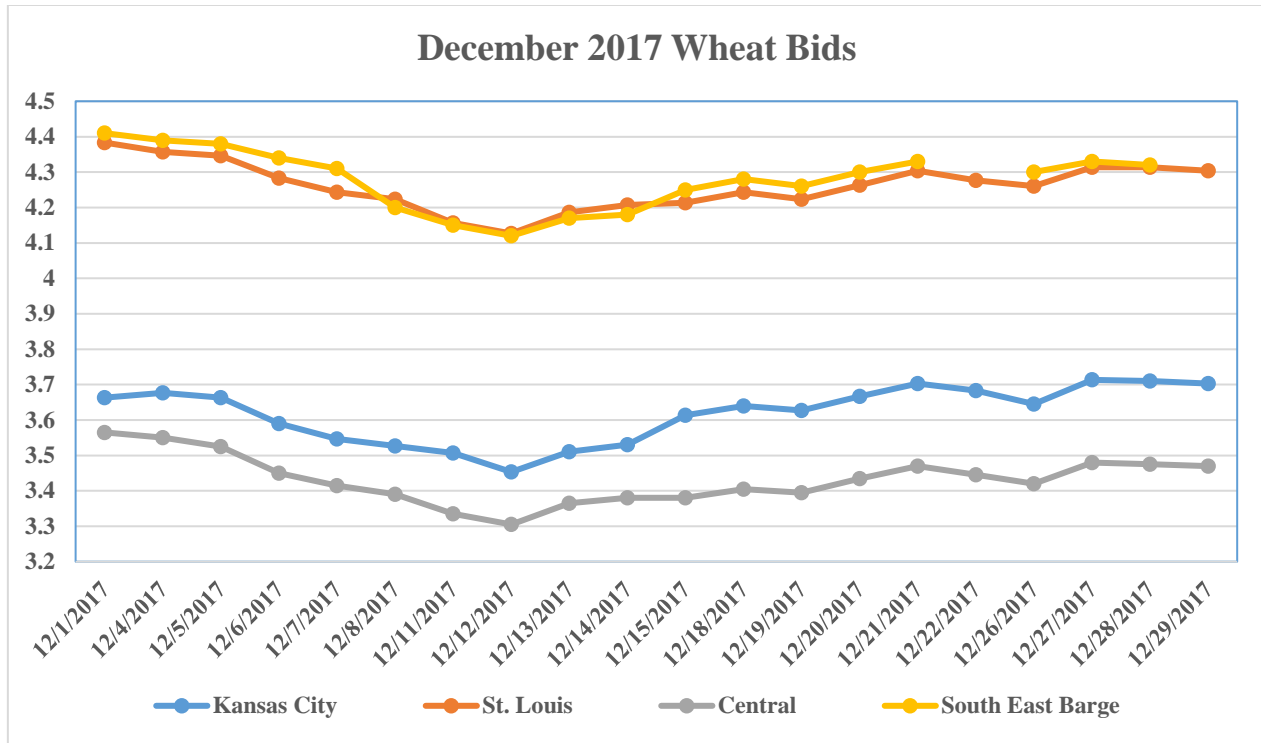


While corn markets saw some ups and downs throughout the month, most traded sideways and bids at the end of the month were not far off from where they started at the beginning of December. Corn tried to regain footing at the beginning of the month after ethanol margins were stable and ethanol futures remained at the lower end of the range. The corn market was trading with varying news and kept getting closer to season lows. Record high 2018 US average yield was predicted along with slow export pace, however farmers are holding out on selling their stored corn, trying to hold out for improved domestic demand. Corn futures contracts were very near to record lows for the time of year. Compared to December 2016, Missouri corn cash bids are mostly steady. 2017 corn bids were only a couple of pennies off from where we ended last year. In the last year in the U.S., the trading range for cash corn was only twenty percent of the year's low, which is the smallest range since the early 1990s.

December 2017 Soybean Bids



Soybeans trended downwards throughout December. In a general sense, soybeans were somewhat oversold and are in need of a rally. Before the slight spike on December 13, March soybean futures contracts had plunged more than 35 cents in five days. Traders were liquidating long positions in soybeans and soybean products. Resistance in futures markets trickled into cash market when futures closed lower at the prospect of rain in South America. While decreased crop conditions in other countries are easy to blame when markets get volatile, it is most likely that traders were trying to cover all positions around the holidays, as there was little volume and more days off than usual. Weakness in soybean meal filtered into the soybean market and pulled the market down a little lower as longs were taken out of the soybean market. Compared to December 2016, Missouri soybean cash bids are about fifty cents cheaper in 2017.



*Missing data is due to elevators in that area not receiving wheat at that time.

The newest WASDE, released December 12, indicated world wheat supplies are ample and export paces are not likely to increase for 2018. Most grain elevators in Missouri have started the transition to quoting new crop wheat, as there is little wheat movement at this time.

*Sets of data for the graphs are from the Missouri Grain Cash Bids report that is published daily. Only dates in which markets are trading are represented.

Source: MO Dept of Ag/USDA Market News Service, Jefferson City, MO
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