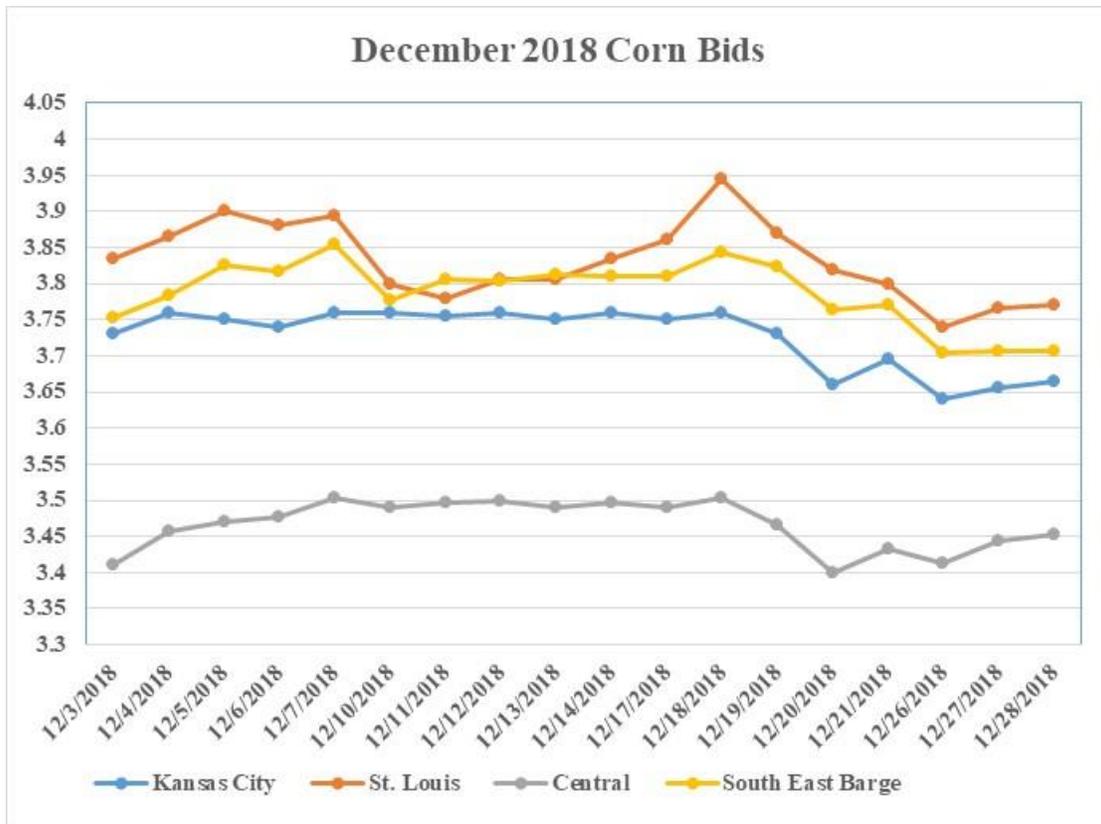


# Monthly Grain Crop Review

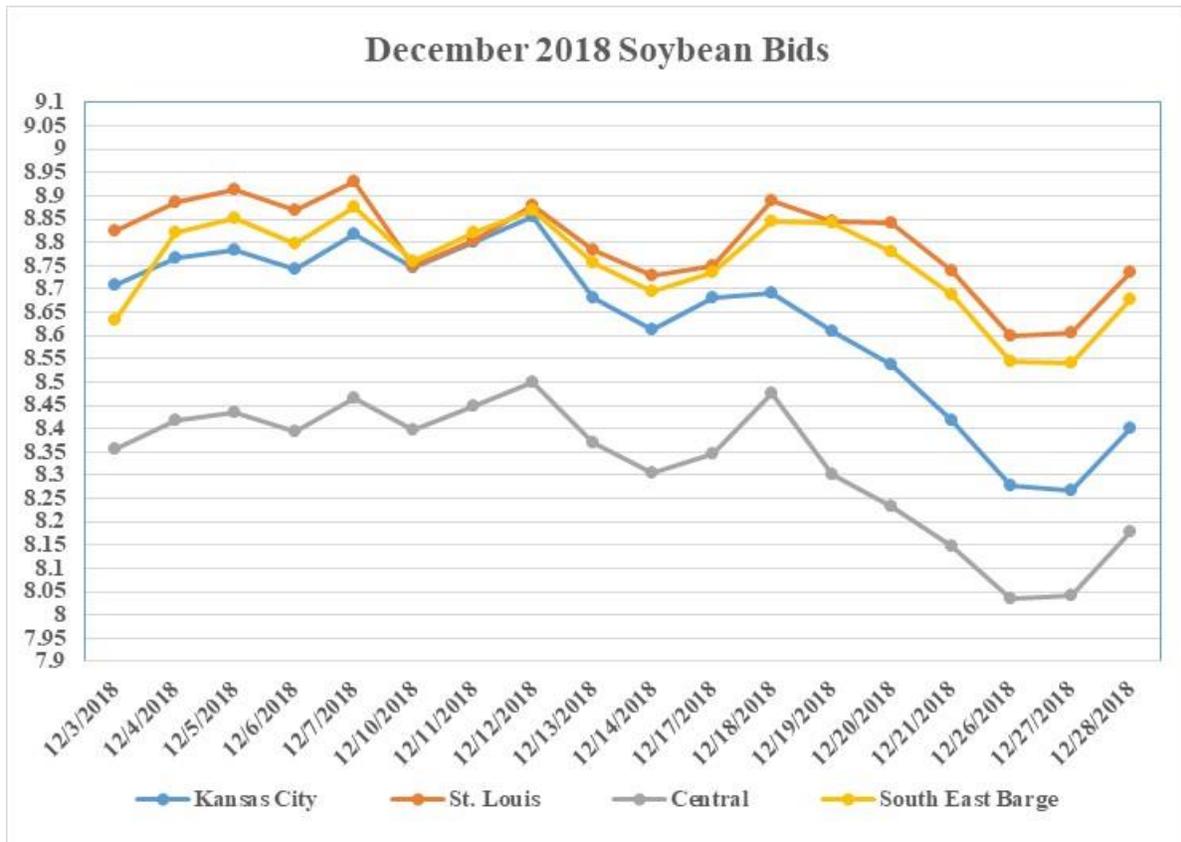
## December 2018

Jefferson City, MO Thu Jan 03, 2019 MO Dept of Ag/USDA Market News

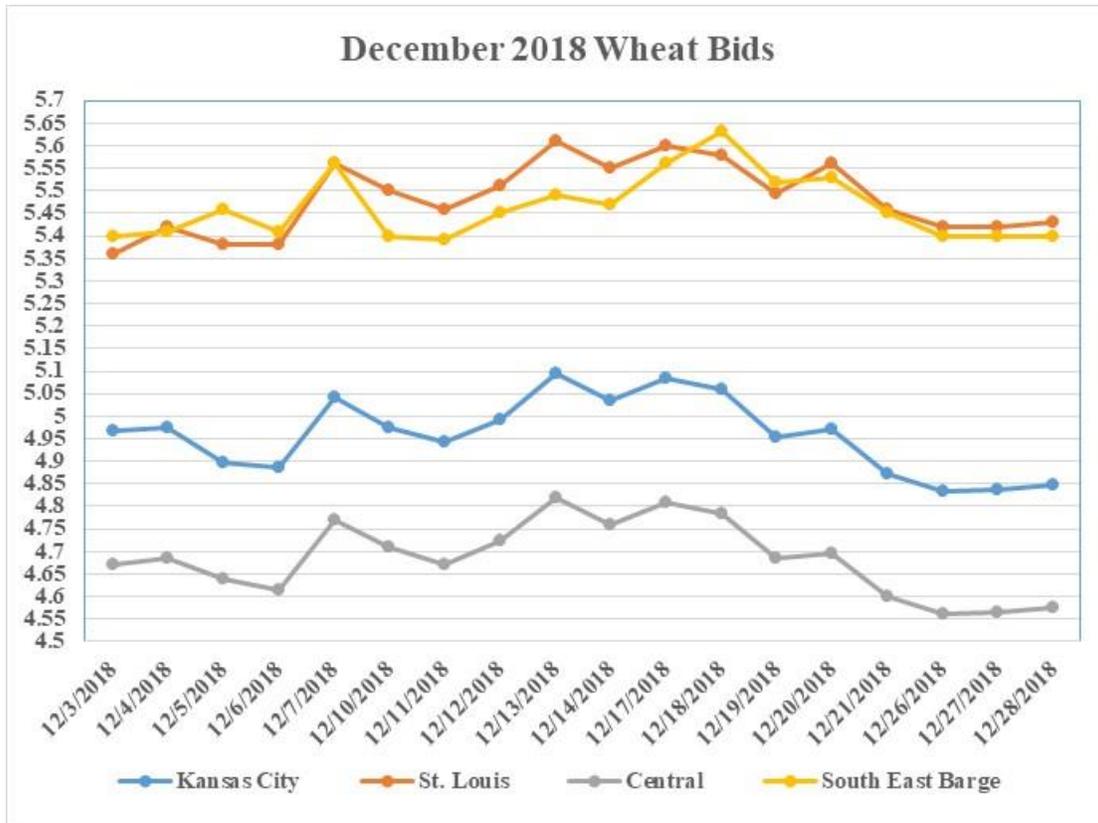
It has been an up and down ride for the grain market this year. While there are always seasonal swings in the grain markets, what really drove the market this year, especially the second half of the year, were overseas trade relations, South American weather, and supply concerns. Trade optimism or pessimism was a driving factor behind the price swings in soybeans and it spilled over into the other grain markets. Soybean futures contracts continued their volatility throughout December and the cash market followed their lead. It didn't help that there were two short trading weeks at the end of the month. It is not surprising to see increased volatility in markets in December, with the low trade volume and traders squaring up before the New Year. Along with the low volume trading in the futures market in the final two weeks of the year, grain markets were eager for more news about China and they had some effect on the markets. USDA announced that China would begin buying soybeans, but traders and the industry were disappointed in the amount and the market did not respond very much, like many thought it would. November and December are months in which China buys the majority of their soybeans and U.S. soybean exports to China are extremely low, compared to previous years. Cash corn and wheat markets traded mostly sideways. Some optimism was introduced to the grain markets when China announced that they would now permit U.S. rice imports for the first time. The latest drought monitor map was released January 3 and shows only 2.86 percent of the state is included in the map at D0 Abnormally Dry. This area is focused in the far southwest corner of Missouri. The latest drought map for the U.S. showed another week of improved conditions, with only 30.95 percent of the country included on the map, the majority being in the western part of the country.



The average Missouri cash bid for corn in December was 3.70, 11 cents more than the November average cash bid. There was a spike on the 18th, bringing the high bid for month at 3.95. Producers brought corn to town and the market responded by declining. Other than a couple of spikes that were reversed, corn bids closed out the month about where they started. Bids were .02 to .05 lower for the monthly trend. Comparing to a year ago, the average 2017 Missouri December cash corn bid was 3.35. It was kind of a stagnant month in the corn markets. Some uncertainty in the soybean market spilled over into the corn market, causing some the downward pressure. Nothing very major happened and corn prices took the path of least resistance.



The average Missouri cash bid for soybeans in December was 8.62, 20 cents more than the November average cash bid. While the average soybean bid increased, the cash bids at the end of the month were mixed, 28 cents lower to 3 cents higher than where they started at the beginning of the month. Comparing to a year ago, the average 2017 Missouri December cash soybean bid was 9.46. Soybean bids had a pretty choppy month. As stated above, trade relations, South American weather, and supply concerns drove the market the last half of the year and will most likely continue to be on everyone's minds. But as we begin the year, traders and producers will begin to look to the upcoming months and the potential soybean acres that will be planted in the U.S. The lack of concrete actions between U.S. and China discouraged the market, even when there were confirmations of purchases of soybeans. The amount purchased was disappointing to traders and markets continued to decline. Brazilian soybeans have seemingly replaced U.S. soybeans to China. The large expected South American crop and increased exports have been large influences in the limited U.S. exports.



The average Missouri cash bid for wheat in December was 5.14, 20 cents more than the November average cash bid. While the average wheat bid increased, the cash bids at the end of the month were anywhere from unchanged to .21 lower than where they started at the beginning of the month. Comparing to a year ago, the average 2017 Missouri December cash wheat bid was 3.90. The peaks midmonth contributed to the increased average bid. There was some concern with the late planted wheat. It had a hard time coming up and the increased rainfall may have drowned some fields that did emerge, especially early in the month. The large world supply and decreased U.S. exports continued to pressure prices. Russian wheat supply in particular is more than what was expected and their exports have not been decreased, so any gain in the U.S. market has been limited.

\*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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