The grain markets had some resistance this month, which was mostly blamed on coronavirus fears and worries about demand. However, it seems to be too early to tell the impacts it may have on the agricultural industry. Some strength came to the market when China made a reduction in retaliatory tariffs on American imports and there were reports of China looking to buy agriculture products. China also announced they will allow applications from importers for exemptions on U.S. products and goods, including agricultural and energy products. Short term demand still seems to be in the air, but there is some optimism for long term demand. Another factor in market strength and weakness, depending on current weather conditions, was South American harvest and second crop planting. Favorable weather and moisture to key areas has market analysts predicting another large crop this year.

The February WASDE report historically does not have too much of an impact and this year continued that trend. There were some adjustments to exports and corn used for ethanol, but they offset each other, making U.S. ending stocks unchanged from a month ago. In soybeans, exports were increased by 50 million bushels and ending stocks were decreased, reflecting the increase of exports. Wheat exports were increased by 25 million bushels and ending stocks were decreased.
The average February corn bid in Missouri was 3.90, 0.04 lower than January’s average corn bid. Statewide, corn bids ranged from 0.03 to 0.05 lower than last month’s averages. Compared to February 2019, this month’s corn bids were 0.14 to 0.31 higher, with the combined average 0.18 higher than a year ago. Corn bids closed on February 28 from 0.08 to 0.11 lower, when compared to February 3.
The average February soybean bid in Missouri was 8.90, 0.27 lower than January’s average soybean bid. Statewide, soybean bids ranged from 0.23 to 0.30 lower than last month’s averages. Compared to February 2019, soybean bids were 0.14 to 0.17 higher, with the combined average 0.15 higher than a year ago. On February 28, soybean bids closed 0.11 to 0.15 higher, when compared to February 3.
The average February soft wheat bid in Missouri was 5.60, 0.19 lower than January’s average wheat bid. Statewide, wheat bids ranged from 0.15 to 0.26 lower than last month’s averages. Compared to February 2019, soft wheat bids were 0.69 to 0.84 higher, with the combined average 0.76 higher than a year ago. On February 28, wheat bids closed 0.32 to 0.61 lower, when compared to February 3.

*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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