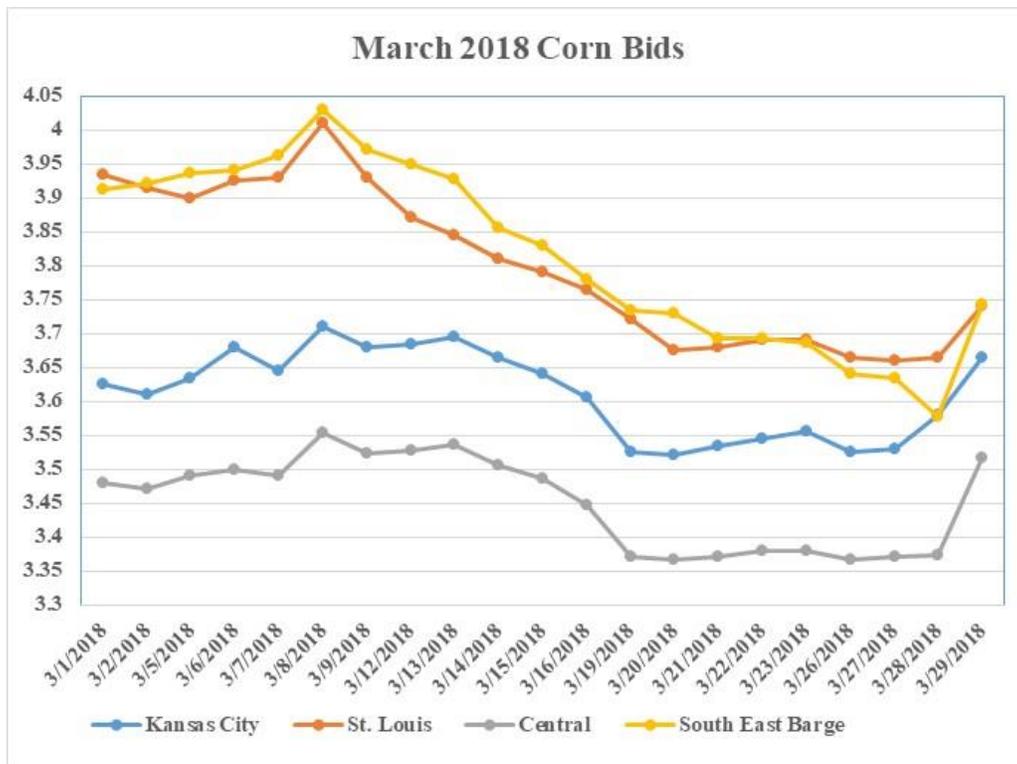


Monthly Grain Crop Review

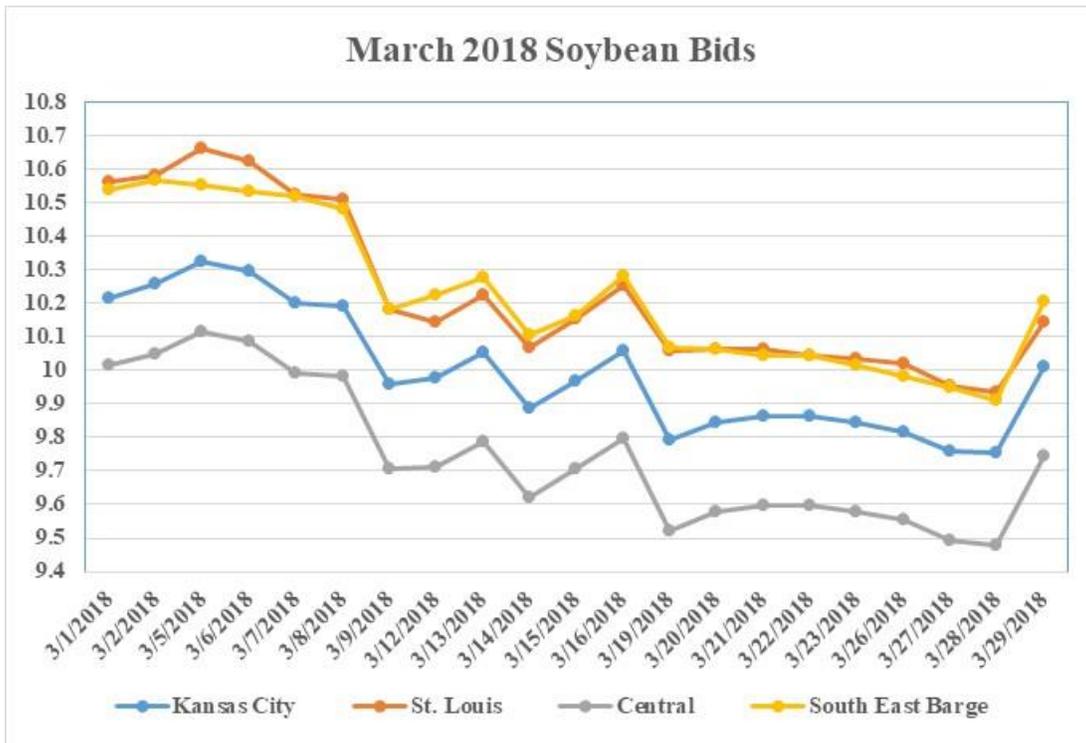
March 2018

Jefferson City, MO Mon Apr 02, 2018 MO Dept of Ag/USDA Market News

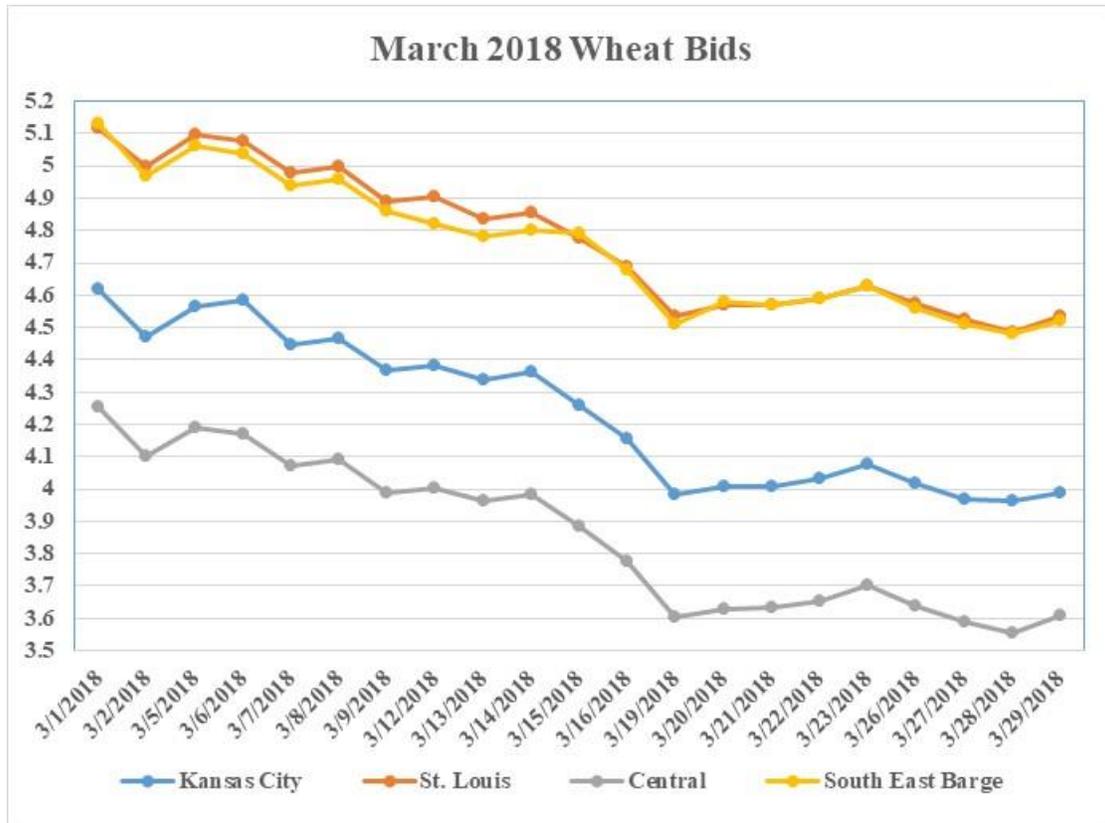
Cold and wet weather conditions prevented any early planting and pushed back pre-planting preparations. The big talks of this month were weather, and of course the USDA's Grain Stocks and Prospective Plantings reports. As is the case every year at this time, any change in the weather will cause some fluctuations in the market. South American weather was still triggering some swings throughout March, but the biggest jump for prices this month was the Prospective Plantings report that was released on March 29. The greatly anticipated report took many analysts by surprise when it was released because it predicted much fewer acres than was expected. Estimated U.S. corn acres decreased to 88 million acres, soybeans to 89 million acres, and wheat to 47 million acres. This is the first time since 1983 that soybean acres may out number corn acres nationwide. Missouri corn producers are expected to plant 3.40 million acres and soybean producers are expected to plant 5.90 million acres. The USDA Grain Stock report estimated 2.1 billion bushels of soybeans in storage, 21 percent more than March 2017. Corn is estimated at 8.9 billion bushels, three percent more than March 2017. Missouri corn stocks totaled 256 million bushels, up 5 percent from March 2017. Missouri soybean stocks totaled 103 million bushels, up 25 percent from March 2017. Another thing of note was the Federal Reserve Bank voted to raise interest rates on March 21 by a quarter of a percent.



After a general upward trend in January and February, March corn bids had more of a downward trend before jumping the last day of the month, due to the release of USDA reports. The supply and demand report from USDA was released on March 8, resulting a seven month high for that day. Most of those gains were taken back the next day, due to technical selling. Bids also weakened across the Midwest due to stronger farmer sales. Corn is still really cheap and it is not overall surprising that some producers are making the move to decrease corn acreage in favor of other commodities. There is still some time before planting season begins and that means there is time for decisions to be made about what will be planted and what crop could bring the best return.



Soybean bids had been climbing since the beginning of the year and reached a several months high at the beginning of March. Soybean bids started to drift, due to technical selling and some fluctuations in weather. Bids continued their slide, with a few jumps throughout the month, due to the change of weather in South America. Although there is a clear downward trend, bids are still higher than where we started off at the beginning of this year. The month was concluded by a double digit spike increase, large in part of the decreased expected soybean acreage for 2018. Traders were quite relieved that the planting estimate was not higher than last year's record, as some anticipated that it would be. The U.S. has a record supply of beans right now, so we will have to see what this year will bring.



Wheat bids had a clear decrease throughout March, after following the soybean increase the last two months. The ending March wheat bids are about where January started. Although we were fighting a drought until the end of February, winter wheat around Missouri has been getting ample rain. There were even some flooding issues in parts of Missouri. The latest Missouri drought monitor has the majority of the state with no drought. Although some of the southwest US plains are seeing more dry weather, our soggy wheat in Missouri got even more rain and even some snow at the end of March.

*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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