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Date: October 17, 2017

Morning Ag Markets

Pete Loewen

Export inspections that came out midmorning were a little disappointing in the soybeans and a LOT disappointing in the corn and wheat. Soybean inspections were 65 mln bushels, which compared to 94.2 mln on the same week last year. Total export inspections in soybeans for a marketing year that started on September 1 are running 8% behind last year. USDA has them projected to be 3% larger than last year at the end of the marketing year.

Corn inspections were 12.7 mln bushels which is terrible. Total corn shipments for the marketing year are sitting at half what they were last year at the same time, while USDA has them projected to end up 19% higher than a year ago. I realize also in corn that it's early in the marketing year yet, but this is legitimately alarming from a demand standpoint, especially with corn at what most already perceive to be cheap price levels.

Wheat export inspections were 11.9 mln bushels which is terrible, just like the corn. The cumulative pace in wheat has actually been pretty good so far though, in a marketing year that started on June 1. Total wheat shipments are lagging last year by 4% and USDA has them pegged to end the marketing year down 8%, so we're ahead of schedule in wheat so far.

From a short term standpoint, the inspections numbers yesterday were bearish corn and wheat and neutral beans. From a longer term perspective, they were very bearish corn, neutral to a little friendly wheat and neutral to a little negative in beans.

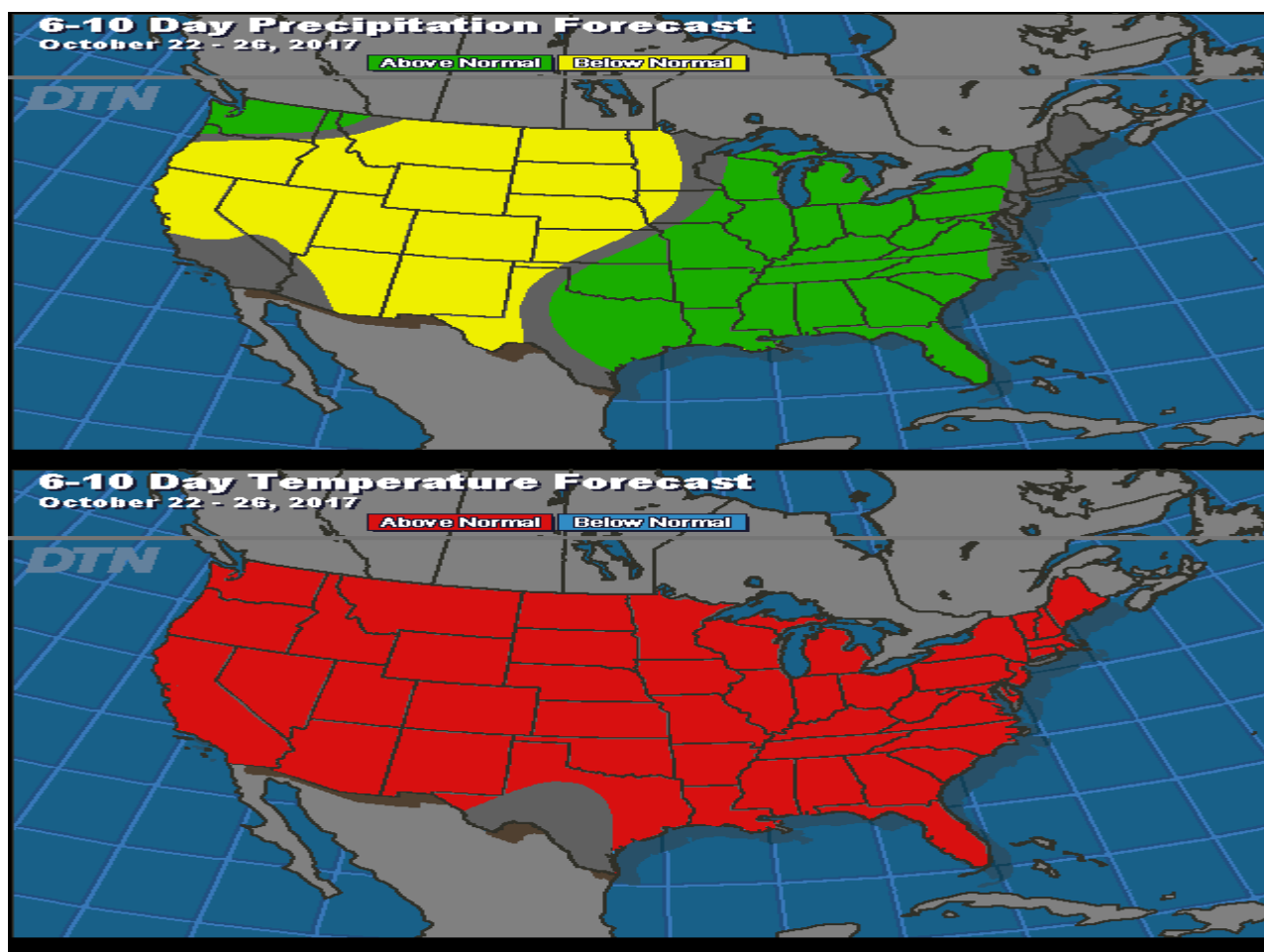
Crop progress and condition report data from yesterday afternoon showed corn harvest up 6 points last week to 28% complete. That's also 19% behind the normal pace for this time of year. Corn condition ratings got better, coming in at 65% g/ex, up 1 from last week, but still 9% lower than a year ago.

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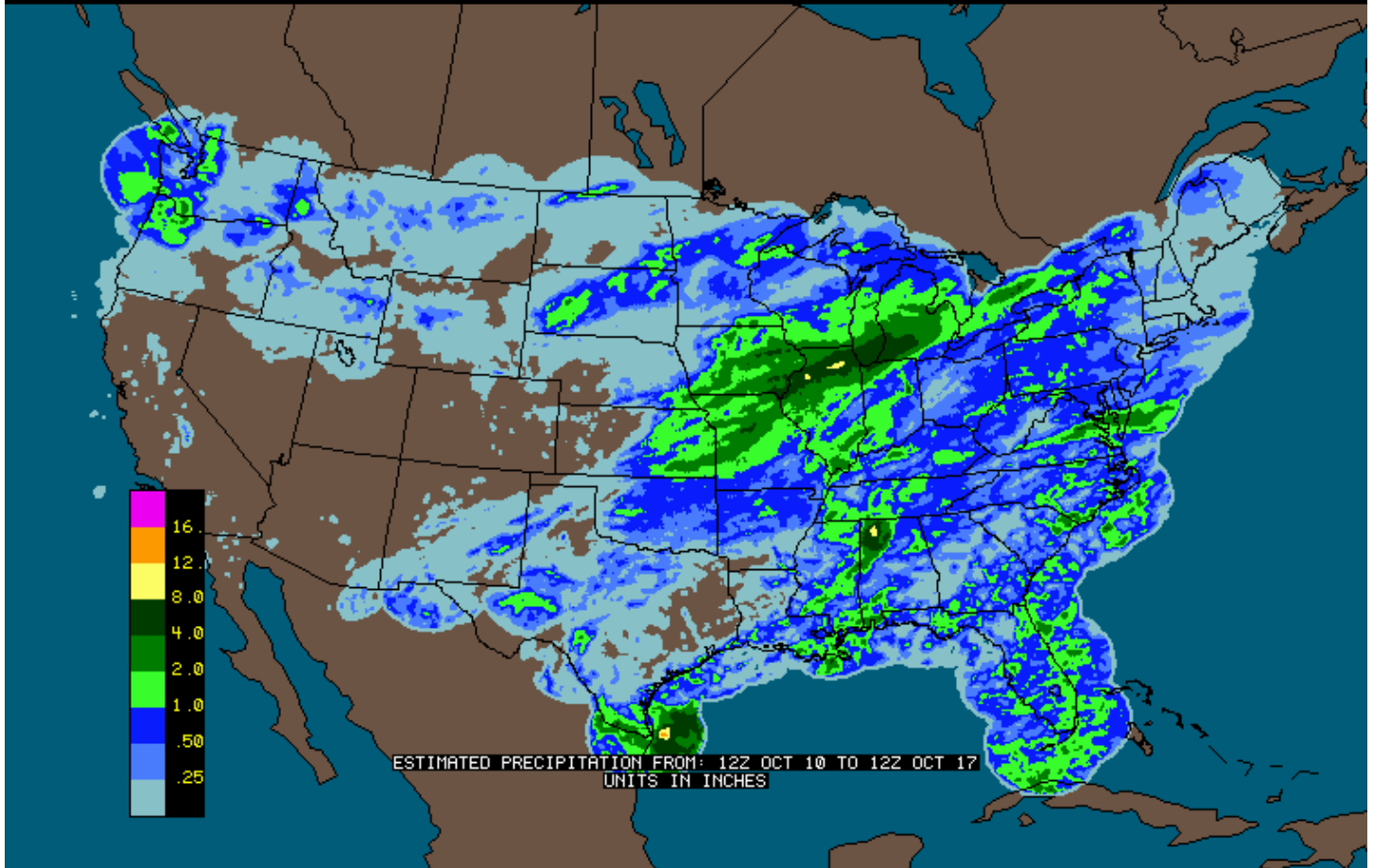
Soybean harvest was 49% done, which was up 13 points from last week. The normal pace is 60% done at this point, so we're still 11% behind the average for this time of year. Condition ratings got 1 point better in excellent and good dropped 1, but that left the combined rating unchanged from last week at 61% g/ex. Last year the bean crop rating was 74% g/ex, 13 points better than this year.

Winter wheat seeding is finally starting to get a little bit concerning, pushing insurance dates in some areas that have been too wet to get in the field. That's somewhat of a dramatic statement considering I'm talking about areas that would generally be viewed as borderline desert country in the western areas. Nationwide progress is 60% planted versus 71% normally on this date. Colorado is only 8 points behind normal, but Kansas was 42% done versus 75% normally, Oklahoma is 57% complete versus 76 normally, Texas is 66% done compared to 63 normally and Nebraska 86% versus 95% normally. HRW wheat areas is where the problems are and most of the SRW wheat areas are on pace. Give it another week or two of being wet and this becomes somewhat friendly for KC Wheat.



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