



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

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Morning Ag Markets

Pete Loewen

Yesterday's grain and oilseed trade was quiet in corn and wheat, but actively lower at times in the soybeans, with 10+ cent losses tested towards the end of the day. Fresh news flow was scarce outside of a lot of muffled chatter about this Friday's big slate of reports set to be released. I say "muffled" because the consensus estimates regarding ending stocks and crop production look bearish and in a depressed environment already, nobody really wants to talk about bearish...

The wide array of reports I was referencing include; final crop production figures in corn and soybeans for last year's harvest, US and World Ag S&D numbers, along with Quarterly Stocks numbers and finally the winter wheat seedings estimates.

US ending stocks guesses have corn at 2.414 bln, which is 23 mln bushels below last month, but 119 mln bigger than last year. Soybean ending stocks average guesses landed at 477 mln bushels, which would be up 32 mln from last month and 176 mln bigger than a year ago. Wheat ending stocks are pegged at 962 mln, which would be up another 2 mln from last month, but down 219 mln from a year ago.

World ending stocks guesses are looking for slight reductions in corn and wheat compared to the December estimates and slightly bigger in beans. Versus year ago data, the average guesses for this report are down 24.4 mmt's in corn, up 2.5 mmt's in soybeans and up 12.6 mln in wheat.

Winter wheat seedings estimates have total acreage at 31.4 mln, which would be down 1.3 mln from a year ago. Broken down by class; HRW is pegged at 22.4 mln, down 1 mln from last year. SRW is expected to be down 200,000 acres and white wheat unchanged from last year. Domestically, this wheat supply and price prospect looks good farther down the road because we're trimming stocks from the previous two years, acreage continues to dwindle and soil moisture across HRW wheat country is in pretty tough shape in a lot of places. The biggest

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nemesis continues to be massive world supplies and the fact it's really difficult to get bullish US wheat prices unless ending stocks are well below 900 mln. Our best shot at that is out in the next marketing year, not this one.

Quarterly stocks guesses, which measure total US supply at a given point in time are looking for an increase in corn versus a year ago of 21 mln bushels, soybeans supplies are expected to increase 288 mln bushels above last year, wheat down a healthy 288 mln bushels and milo down 3 mln.

Weekly export sales in the grains were a big disappointment. Corn sales were 17.2 mln bushels, 6.7 mln in milo, 22.3 mln beans and an embarrassing 2.6 mln in wheat. That's a new marketing year low for wheat and also a good representation of what happens when US price goes up and world supplies are huge...., we lose exports.

8 a.m. export reporting showed 132k mt's of US beans sold to unknown destination.



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LINN: RECAP USDA CROP REPORTS (RELEASED FRIDAY - 1/12/18 @ 11:00AM CST)

- U.S. GRAIN, SOYBEAN COMPLEX & COTTON PRODUCTION 2017
- USDA 2017 YIELD PER ACRE
- U.S. 2017 HARVESTED ACRES
- U.S. GRAIN & SOYBEAN COMPLEX CARRYOUT 2017-18
- U. S. QUARTERLY GRAIN STOCKS AS OF DECEMBER 1, 2017
- U. S. 2018 WINTER WHEAT SEEDED ACRES

U.S. 2017 CROP PRODUCTION

	1/12/18	NOVEMBER-17	AVERAGE	RANGE OF	**LINN	USDA
	USDA 2017	USDA 2017	ANALYSTS'	ANALYSTS'	2017	2016
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATES	ESTIMATE	FINAL
CORN		14.578	14.579	14.400-14.750	14.600	15.148
SOYBEANS		4.425	4.427	4.385-4.472	4.440	4.307
RICE		178.4				224.1
OATS		0.049				0.065
COTTON		21.4 (DEC EST)				17.17
SORGHUM		0.356				0.480

U.S. 2017 YIELD PER ACRE

	1/12/18	NOVEMBER-17	AVERAGE	RANGE OF	**LINN	USDA
	YLD/ACRE	YLD/ACRE	ANALYSTS'	ANALYSTS'	2017	2016
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATES	ESTIMATE	FINAL
CORN		175.4	175.4	173.7-177.0	175.9	174.6
SOYBEANS		49.5	49.5	49.0-50.0	49.5	52.1
RICE		7,401				7,237
OATS		61.7				66.0
COTTON		902(DEC EST)				867
SORGHUM		70.4				77.9

U.S. 2017 HARVESTED ACRES ESTIMATE

	1/12/18	NOVEMBER-17	AVERAGE	RANGE OF	**LINN	USDA
	HARVESTED	HARVESTED	ANALYSTS'	ANALYSTS'	2017	2016
	ACRES ESTL.	ACRES ESTL.	ESTIMATE	ESTIMATES	ESTIMATE	FINAL
CORN		83.1	83.103	83.000-83.222	83.000	86.7
SOYBEANS		89.5	89.501	89.250-89.899	89.700	82.7
RICE		2.39				3.10
OATS		0.8				1.0
COTTON		11.41				9.51
SORGHUM		5.0				6.2

U.S. GRAIN, COTTON & SOYBEAN COMPLEX CARRYOUT 2017-18

	1/12/18	USDA	AVERAGE	RANGE OF	LINN	USDA
	USDA 2017-18	DECEMBER	ANALYSTS	ANALYSTS'	2017-18	2016-17
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATES	ESTIMATE	FINAL
CORN		2.437	2.431	2.263-2.550	2.295	2.350
SOYBEANS		0.445	0.472	0.425-0.543	0.595	0.345
WHEAT		0.960	0.959	0.855-0.986	0.937	1.184
SOYOIL		1.616				1.827
SOYMEAL		300,000				325,000
OATS		0.030				0.052
SORGHUM		0.021				0.029
RICE		30.9				46.0
COTTON		5.80				2.75

U. S. QUARTERLY GRAIN STOCKS AS OF DEC 1,2017

	1/12/18	SEPT 2017	AVERAGE	RANGE OF	*LINN	USDA
	U.S. AS OF 12/1/17	USDA	ANALYSTS'	ANALYSTS'	ESTIMATE	DEC 2016
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE		ESTIMATE
CORN		2.295	12.431	12.230-12.675	12.518	12.386
SOYBEANS		0.301	3.181	2.963-3.305	3.247	2.898
WHEAT		2.253	1.849	1.795-1.906	1.900	2.077
SORGHUM		0.0335				
OATS		0.0718				
RICE						

U.S. 2018 WINTERWHEAT SEEDED ACRES

	1/12/18	AVERAGE	RANGE OF	*LINN	USDA
	USDA 2018	ANALYSTS'	ANALYSTS'	ESTIMATE	2017
	ESTIMATE	ESTIMATE	ESTIMATE		SEEDINGS
ALL WINTER WHEAT		31.307	30.100-32.000	31.700	32.696
HARD RED WHEAT		22.327	21.100-23.100	22.700	23.426
SOFT RED WHEAT		5.555	5.180-5.900	5.500	5.733
WHITE WINTER		3.435	3.120-3.600	3.500	3.537

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LINN: WORLD AG SUPPLY/DEMAND ESTIMATES REPORT (RELEASED - FRIDAY, 1/12/18 @ 11:00AM CST)

- **WORLD GRAIN, SOYBEAN & COTTON CARRYOUT 2017-18 AND 2016-17**
- **ARGENTINA & BRAZIL – 2017-18 CORN & SOYBEAN ESTIMATES**
- **WORLD GRAIN, SOYBEAN & COTTON PRODUCTION 2017-18 AND 2016-17**

WORLD GRAIN, SOYBEAN & COTTON CARRYOUT 2017-18 & 2016-17

COMMODITY	1/12/18 2017-18	DECEMBER 2017-18	AVERAGE ANALYSTS			1/12/18 2016-17	DECEMBER 2016-17
	ESTIMATE	ESTIMATE	ESTIMATE			ESTIMATE	ESTIMATE
WHEAT		268.42	268.26				255.33
CORN		204.08	203.09				227.34
SOYBEANS		98.32	99.06				96.62
SOYMEAL		12.30					12.52
SOYOIL		3.26					3.28
COTTON		88.00					87.65
RICE		140.73					138.01

ARGENTINA & BRAZIL – 2017-18 CORN & SOYBEAN ESTIMATES

COMMODITY	1/12/18 2017-18	DECEMBER 2017-18	AVERAGE ANALYSTS'	RANGE OF ANALYSTS'	
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	
ARGENTINA CORN		42.00	41.50	41.00-42.50	
ARGENTINA SOYBEANS		57.00	56.33	55.00-58.00	
BRAZIL CORN		95.00	94.13	86.70-98.50	
BRAZIL SOYBEANS		108.00	110.27	108.50-115.00	

WORLD GRAIN, SOYBEAN & COTTON PRODUCTION 2017-18 & 2016-17

COMMODITY	COUNTRY	1/12/18 2017-18	DECEMBER 2017-18	1/12/18 2016-17	DECEMBER 2016-17
		ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
CORN	ARGENTINA		42.00		41.00
	BRAZIL		95.00		98.50
	S. AFRICA		12.50		17.48
	EUROPEAN UNION		60.09		61.45
	CHINA		215.89		219.55
	FSU		43.25		47.30
	UKRAINE		25.00		28.00
WHEAT	ARGENTINA		17.50		18.40
	AUSTRALIA		21.50		33.50
	CANADA		30.00		31.73
	EUROPEAN UNION		152.50		145.25
	BRAZIL		4.25		6.73
	CHINA		130.00		128.85
	INDIA		98.38		87.00
	FSU 12		139.27		130.48
	RUSSIA		83.00		72.53
	KAZAKHSTAN		14.00		14.99
UKRAINE		26.50		26.80	
COTTON	INDIA		29.50		27.00
	CHINA		25.00		22.75
	PAKISTAN		8.20		7.70

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RICE					
	TOTAL WORLD		483.47		486.73
SOYBEANS					
	BRAZIL		108.00		114.10
	ARGENTINA		57.00		57.80
	CHINA		14.20		12.90

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