

An illustration of several wheat stalks with golden heads and green stems, positioned on the right side of the logo.

Leist Mercantile

"Experience You Can Trust"

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Toll Free 800-231-6660 740-474-8870

www.leistmercantile.com

"Helping farmers manage risk since 1983."

Doug Tenney

Disclaimer

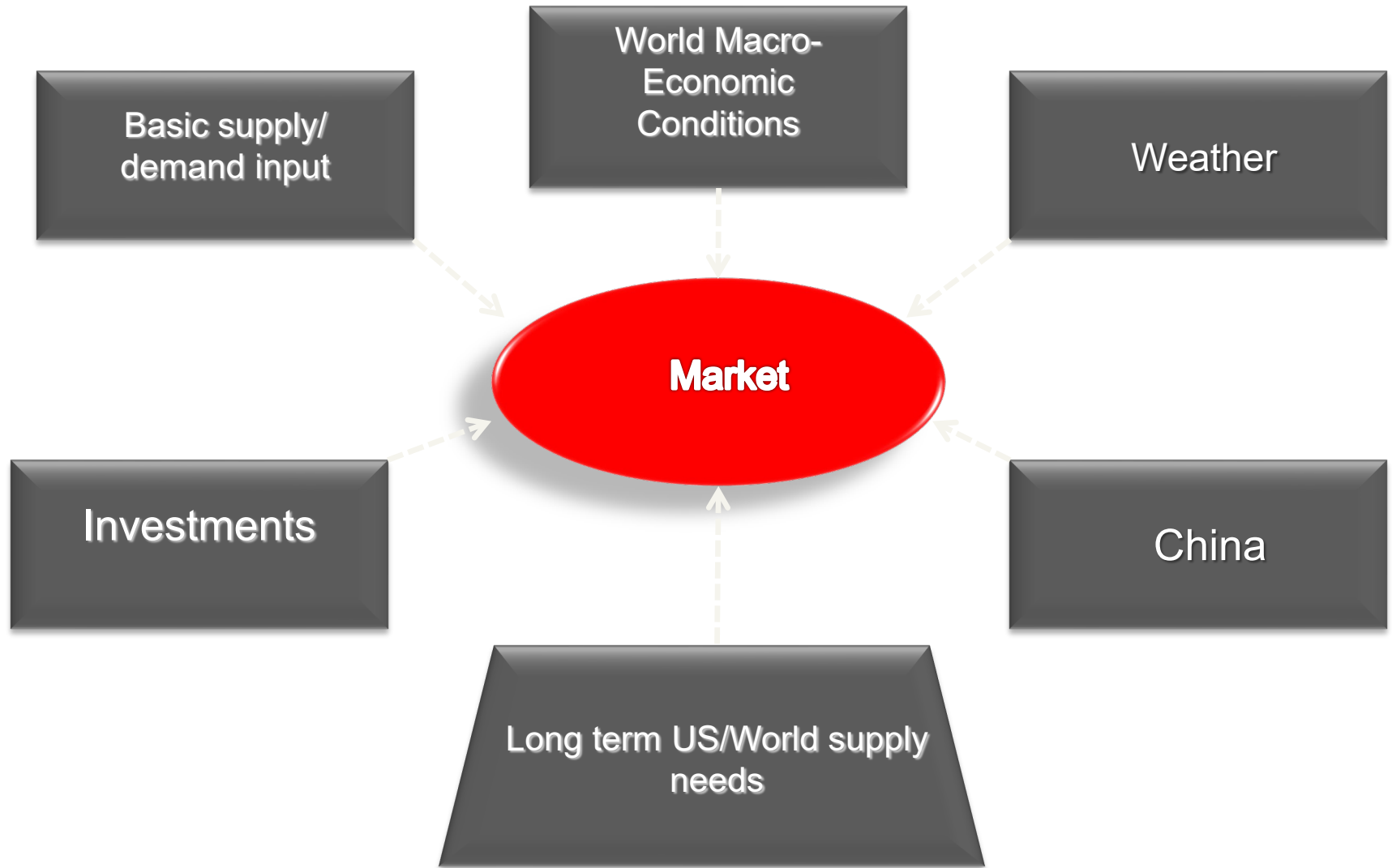
The risk of loss in trading can be substantial. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. Futures trading is not for everyone.

The information and comments contained herein are provided as general commentary of market conditions and are not and should not be interpreted as trading advice or recommendation. The information and comments contained herein are not and should not be interpreted to be predictive of any future market event or condition.

Grains – Goat or Hero?



FUNDAMENTAL FACTORS IN THE FORMATION OF PRICES



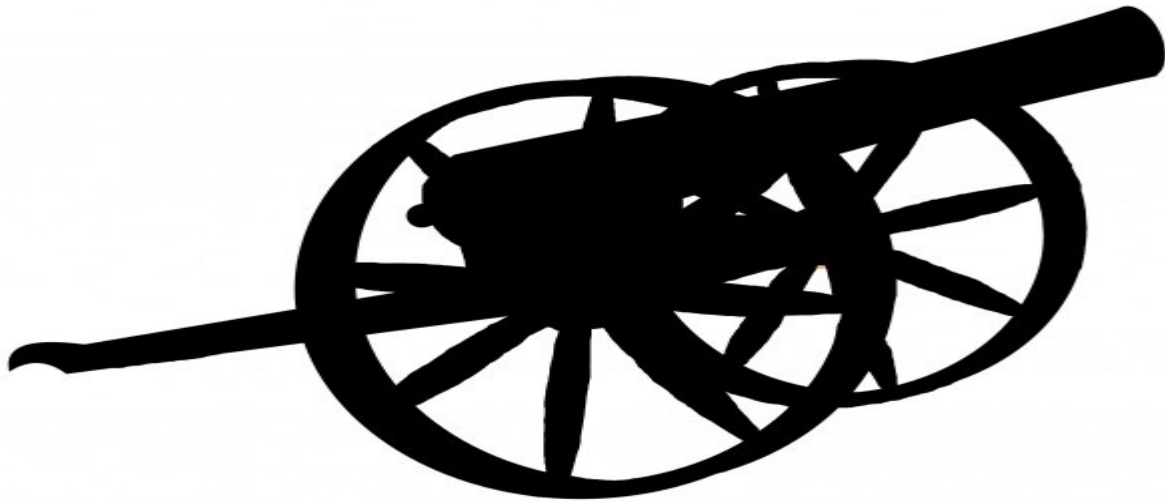
Turbulent Times

- Economic News
- Geopolitical News
- Lots of Market Noise



Trade Wars

- **Last far longer than anyone expects**
- **Nobody wins**



Recent Trade Meeting

- Trade Agreement
- OR
- Trade Handshake

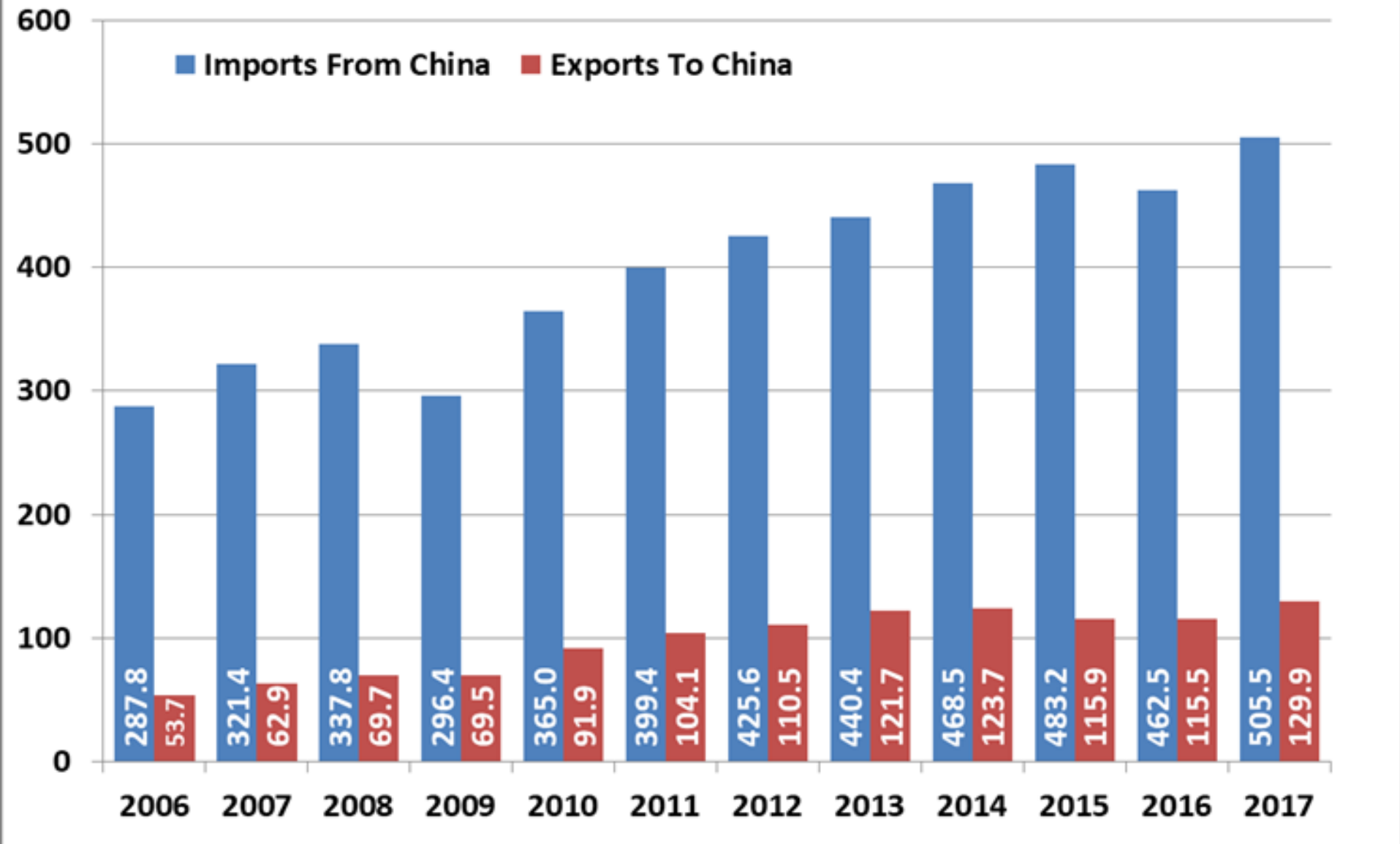


Wild Card

Intellectual Property Rights



US & China Trade Balance (Billion USD)



December 6, 2018

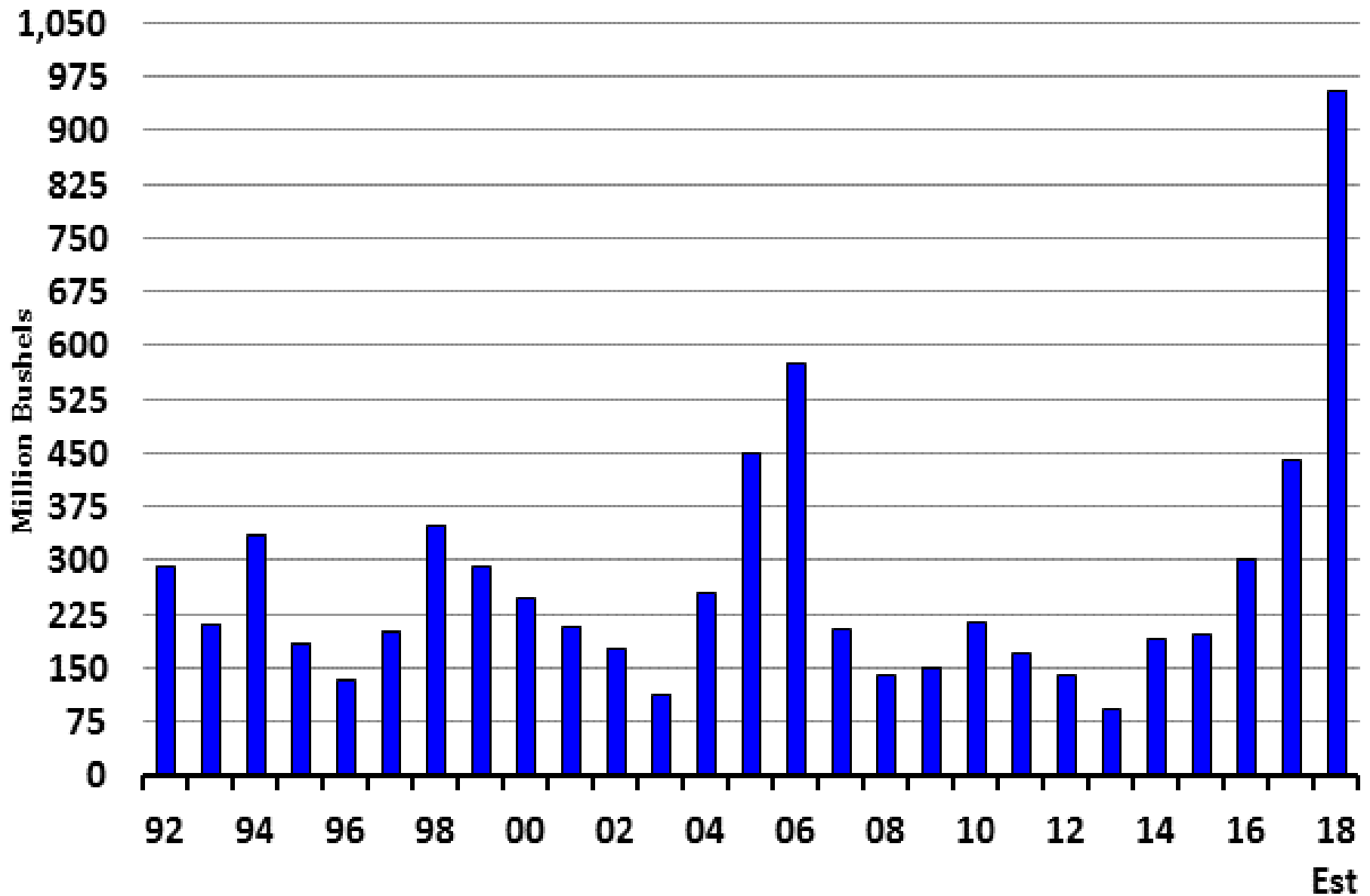
United States Census Bureau

U.S. Soybeans Supply and Demand

Item	2017/2018 estimate	2018/2019 forecast	Change from November 8	Change from 2017/2018
Planted area (million acres)	90.1	89.1	--	-1.0
Harvested area (million acres)	89.5	88.3	--	-1.2
Yield (bushels per acre)	49.3	52.1	--	2.8
<i>----- Million bushels -----</i>				
Beginning stocks	302	438	--	137
Production	4,411	4,600	--	189
Imports	22	25	--	3
Total supply	4,734	5,063	--	329
Crush	2,055	2,080	--	25
Seed and Residual	112	127	--	16
Domestic use	2,167	2,207	--	41
Exports	2,129	1,900	--	-229
Total use	4,296	4,107	--	-189
Ending stocks	438	955	--	517
<i>----- Percent -----</i>				
Stocks to use ratio	10.2	23.3	--	13.1
<i>----- Dollars per bushel -----</i>				
Average market price	9.33	7.85/9.35	--	-0.73

-- No change.

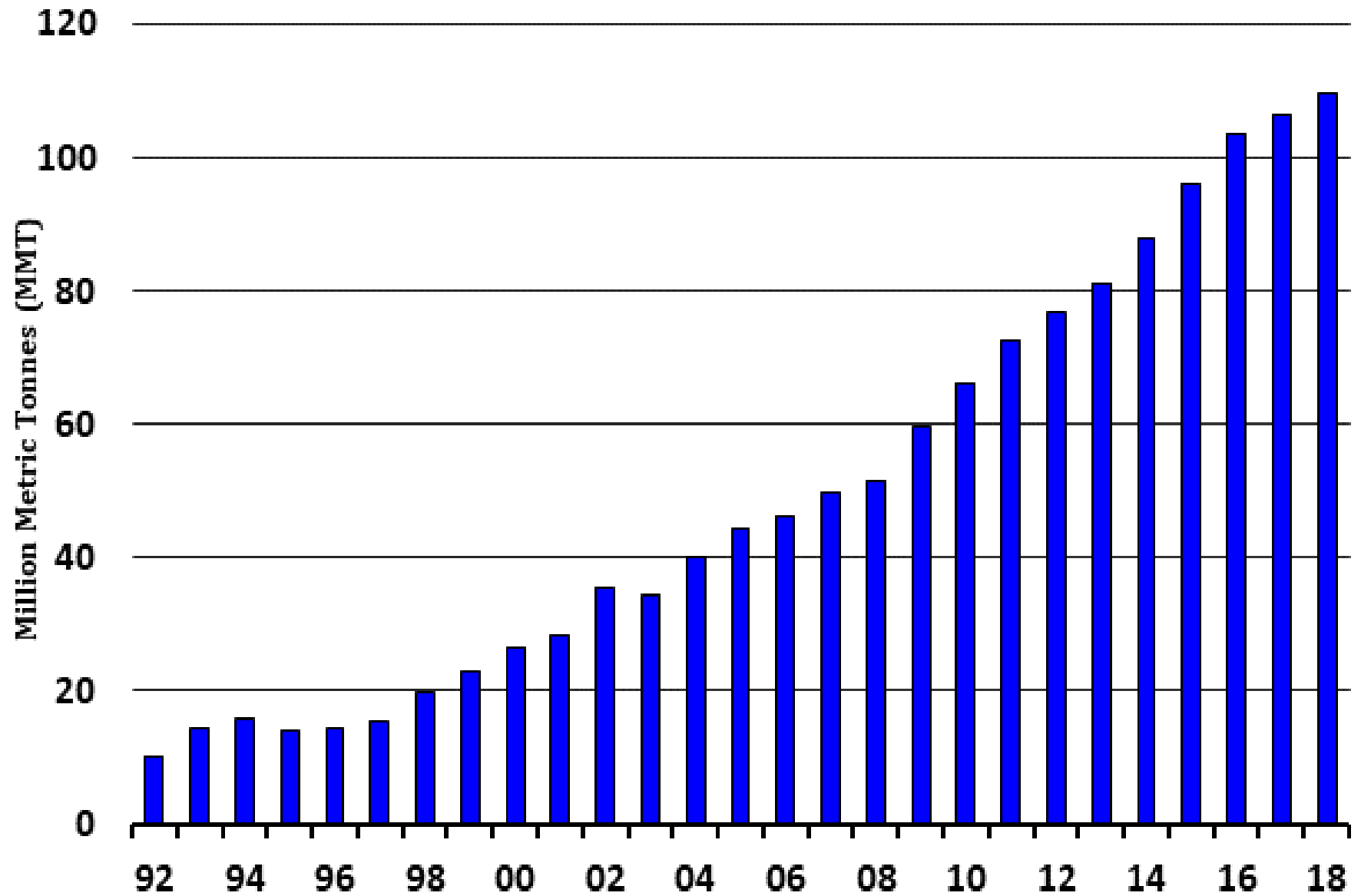
US Soybean Ending Stocks



Most Recent: 955 As Of 12/11/2018

The Hightower Report

China Soybean - Domestic Usage

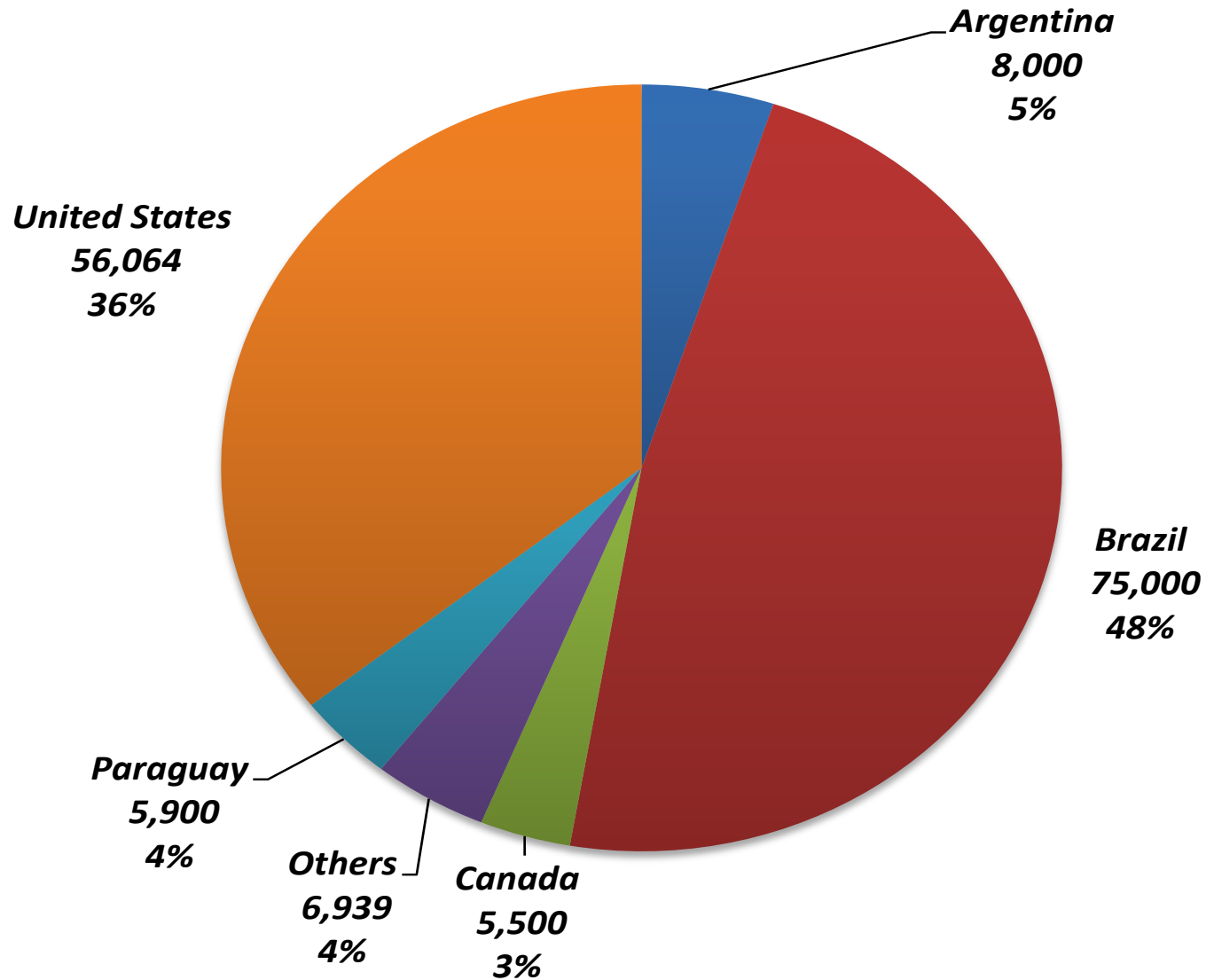


Most Recent: 109.6 As Of 12/11/2018

Crop Year Beginning

The Hightower Report

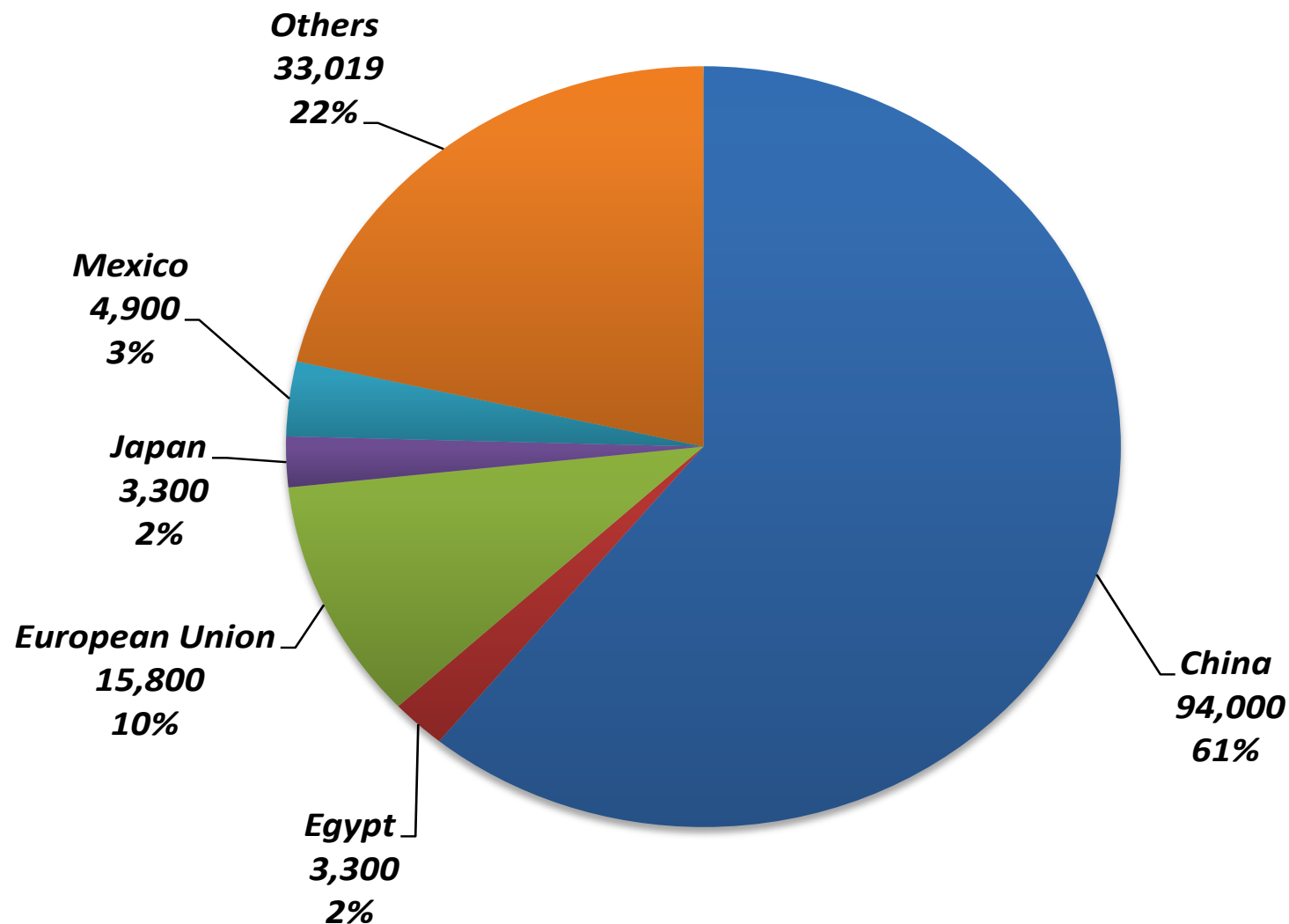
World Soybean Exporters - 2018/19 Estimates



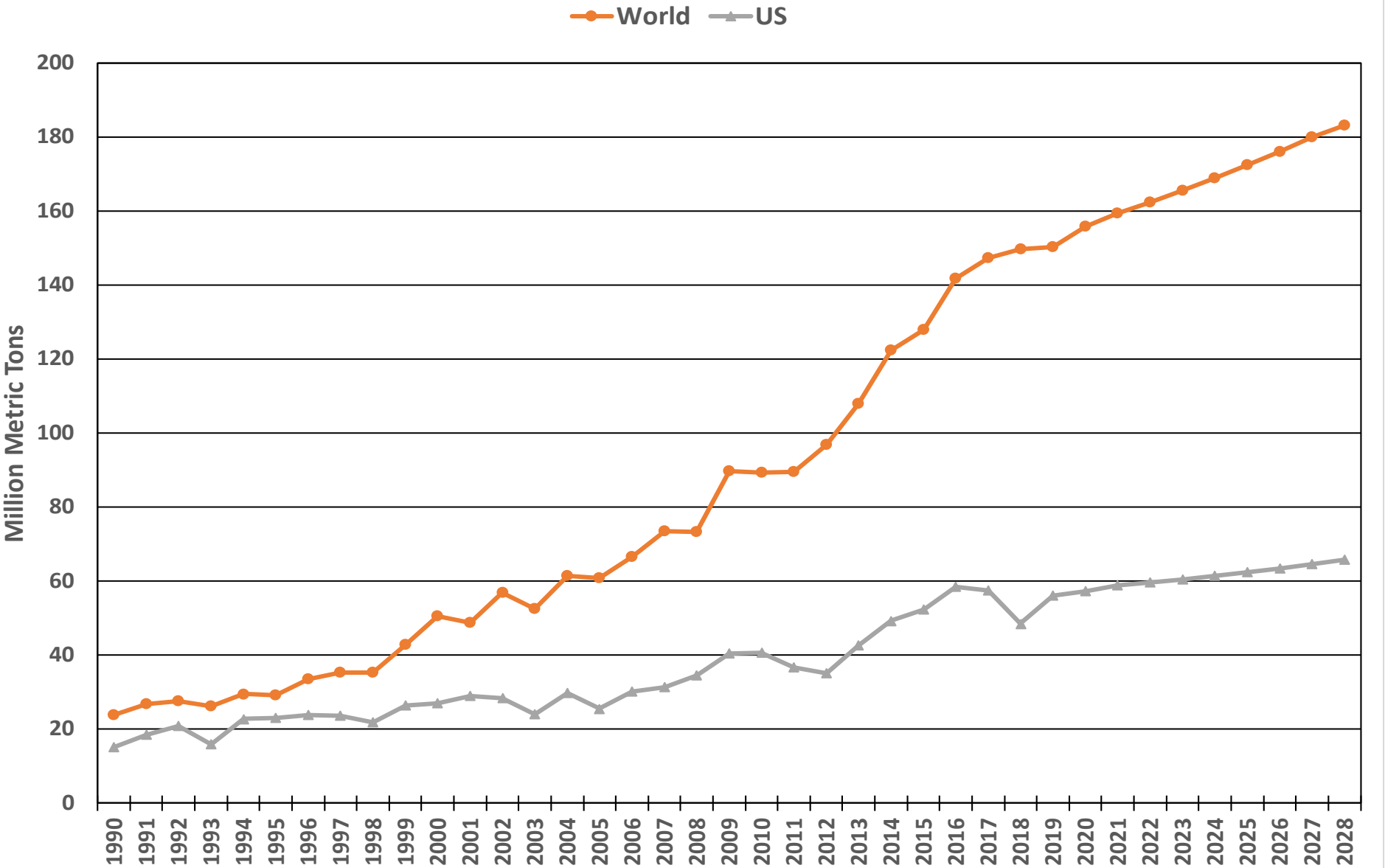
November 8, 2018

Source: Informa

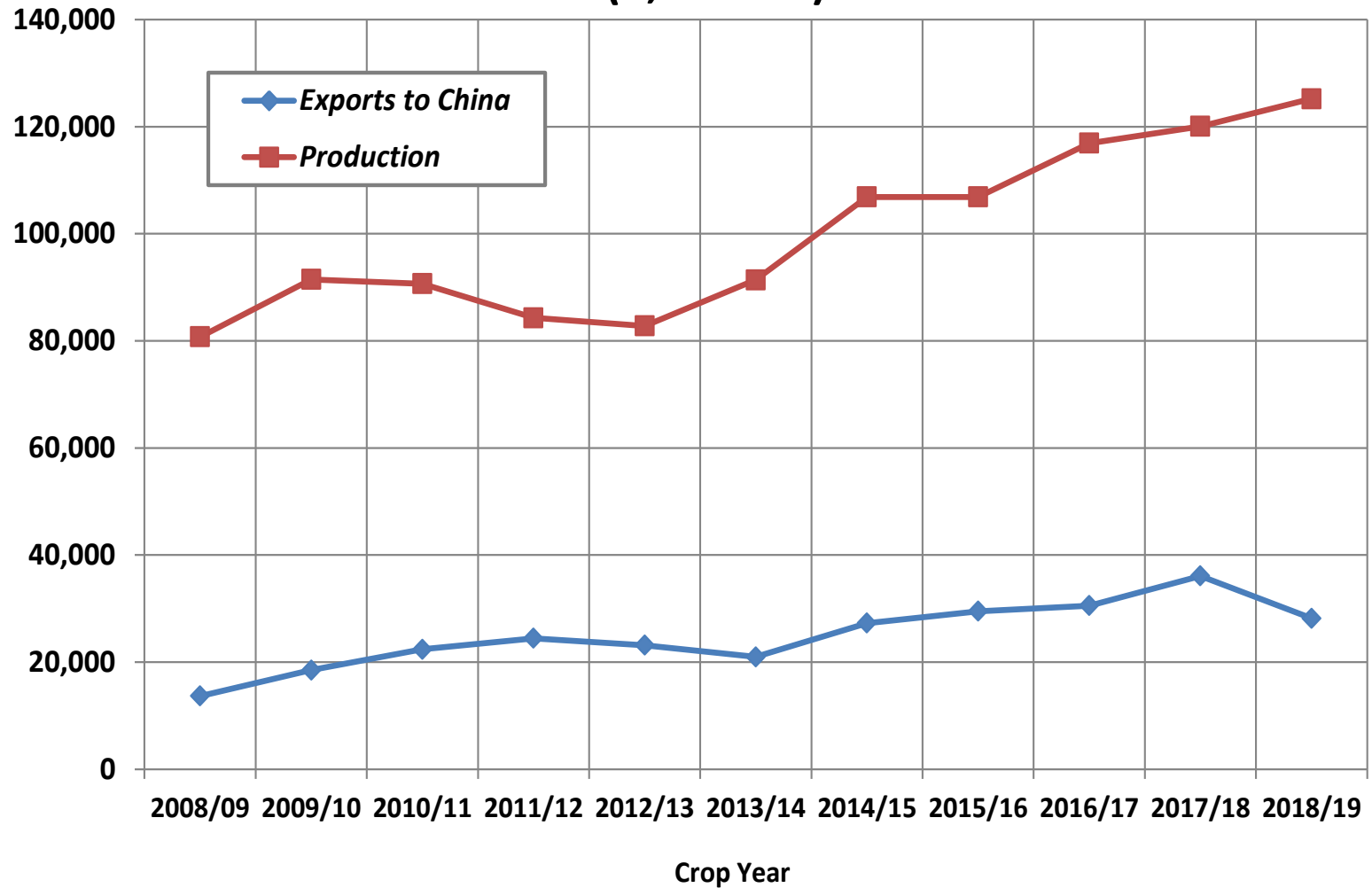
World Soybean Importers - 2018/19 Estimates



World and US Soybean Exports



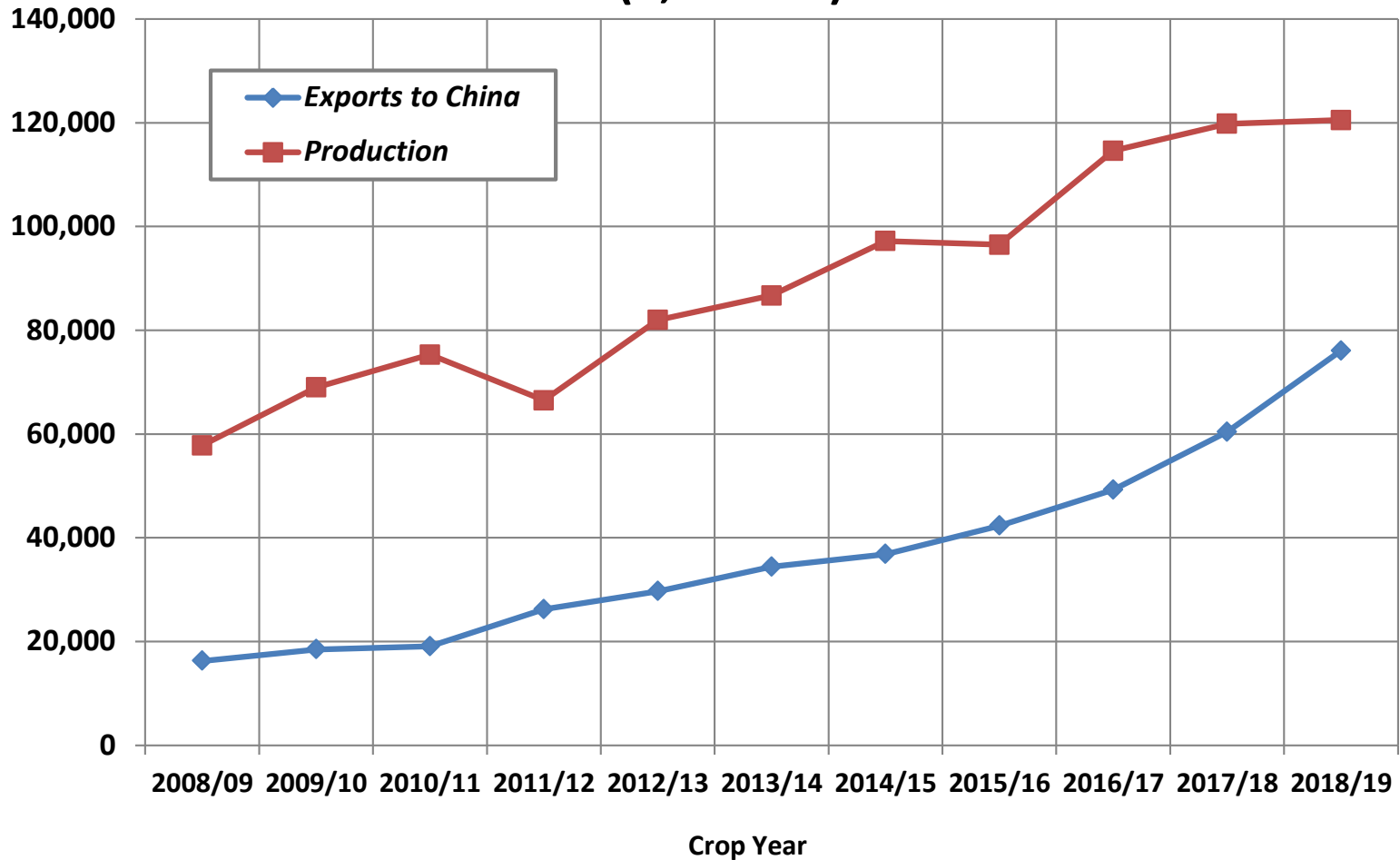
US Soybeans - Production vs. Exports to China (1,000MT)



December 5, 2018

The Hightower Report

Brazil Soybeans - Production vs. Exports to China (1,000MT)



Soybean Prices

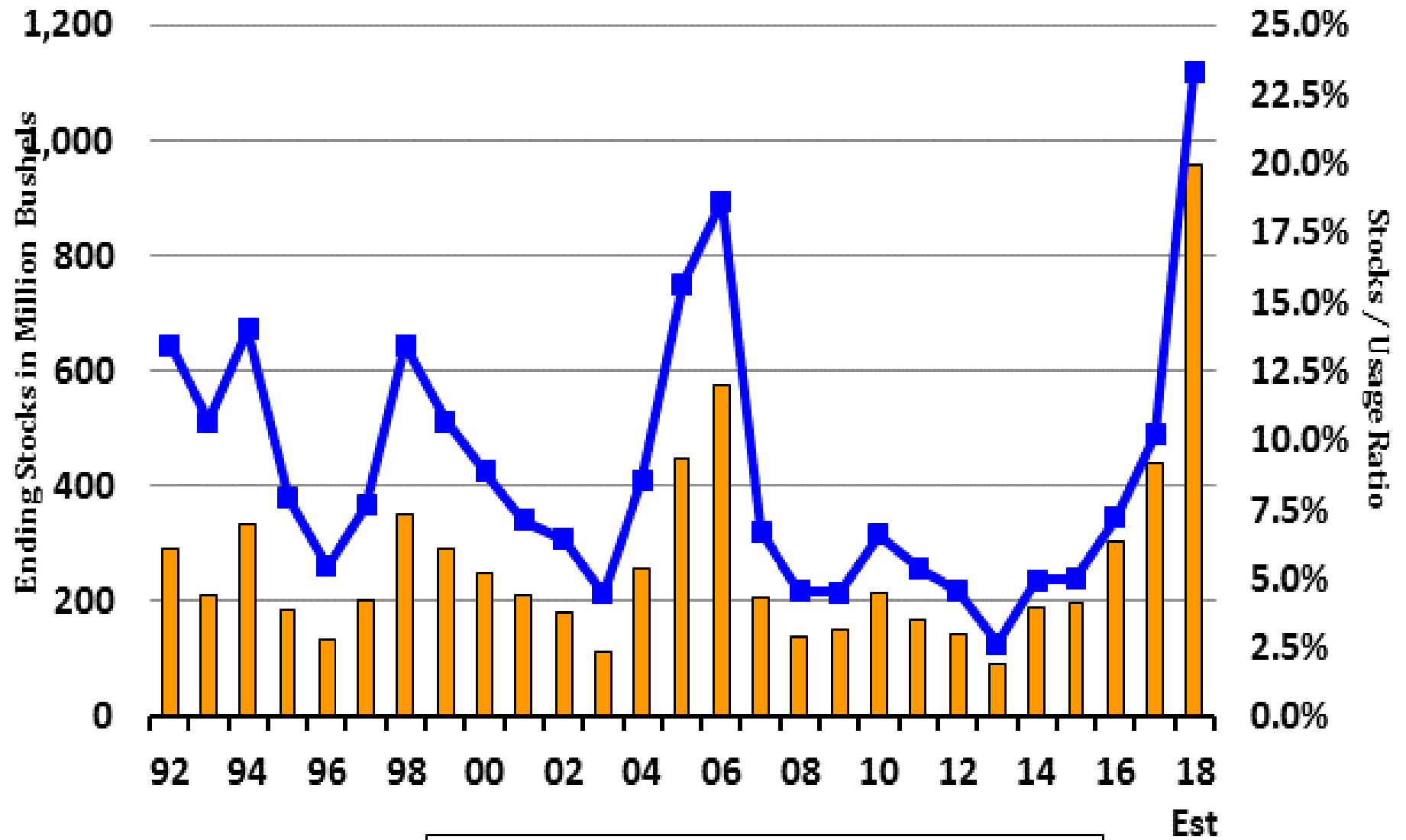
Prices Received for Soybeans by Month – United States

Dollars per bushel



USDA – NASS
10/30/2018

US Soybean Ending Stocks vs Stocks / Usage Ratio



Most Recent: As Of 12/11/2018

Ending Stocks Stocks / Usage Ratio

The Hightower Report

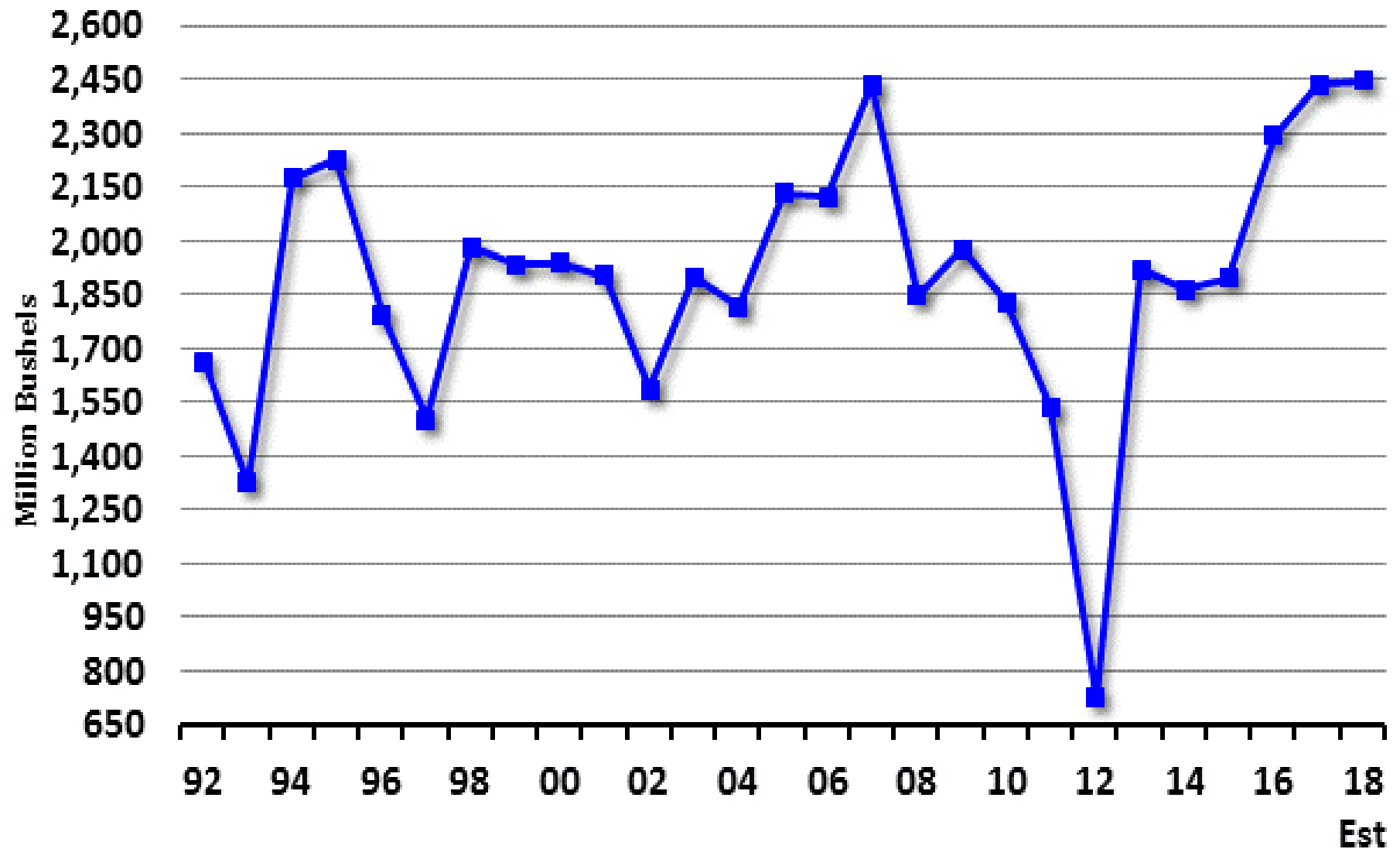
U.S. Corn Supply and Demand

Item	2017/2018 estimate	2018/2019 forecast	Change from November 8	Change from 2017/2018
Planted area (million acres)	90.2	89.1	--	-1.0
Harvested area (million acres)	82.7	81.8	--	-0.9
Yield (bushels per acre)	176.6	178.9	--	2.3
<i>----- Million bushels -----</i>				
Beginning stocks	2,293	2,140	--	-153
Production	14,604	14,626	--	22
Imports	36	45	-5	9
Total supply	16,934	16,811	-5	-122
Feed and residual	5,298	5,500	--	202
Food, seed, and industrial	7,058	7,080	-50	22
Ethanol	5,605	5,600	-50	-5
Domestic use	12,355	12,580	-50	225
Exports	2,438	2,450	--	12
Total use	14,793	15,030	-50	237
Ending stocks	2,140	1,781	45	-359
<i>----- Percent -----</i>				
Stocks to use ratio	14.5	11.9	0.3	-2.6
<i>----- Dollars per bushel -----</i>				
Average market price	3.36	3.25/3.95	--	0.24

-- No change.

December 11, 2018

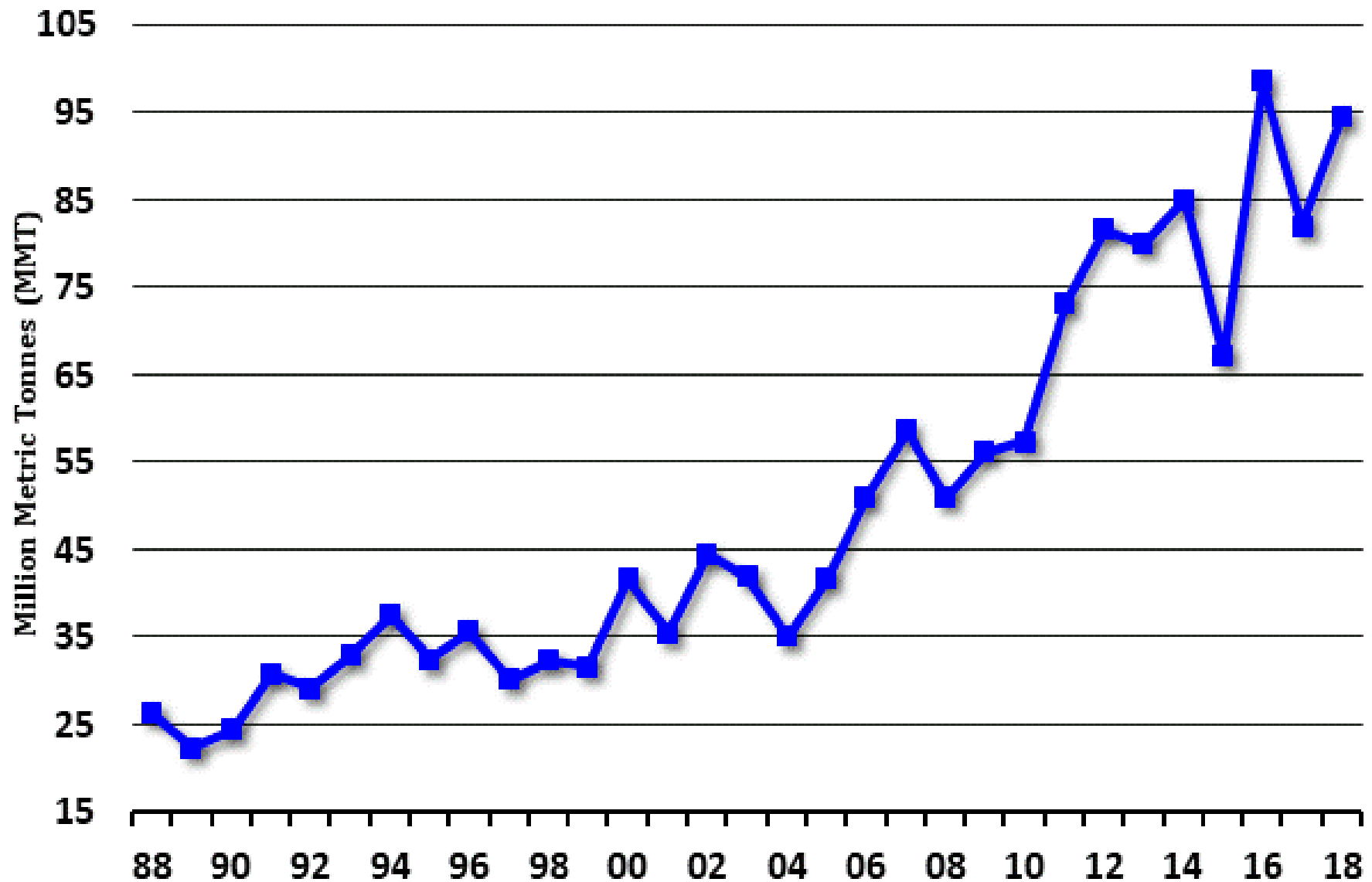
US Corn Exports



Most Recent: 2,450 As Of 12/11/2018

The Hightower Report

Brazil Corn - Production

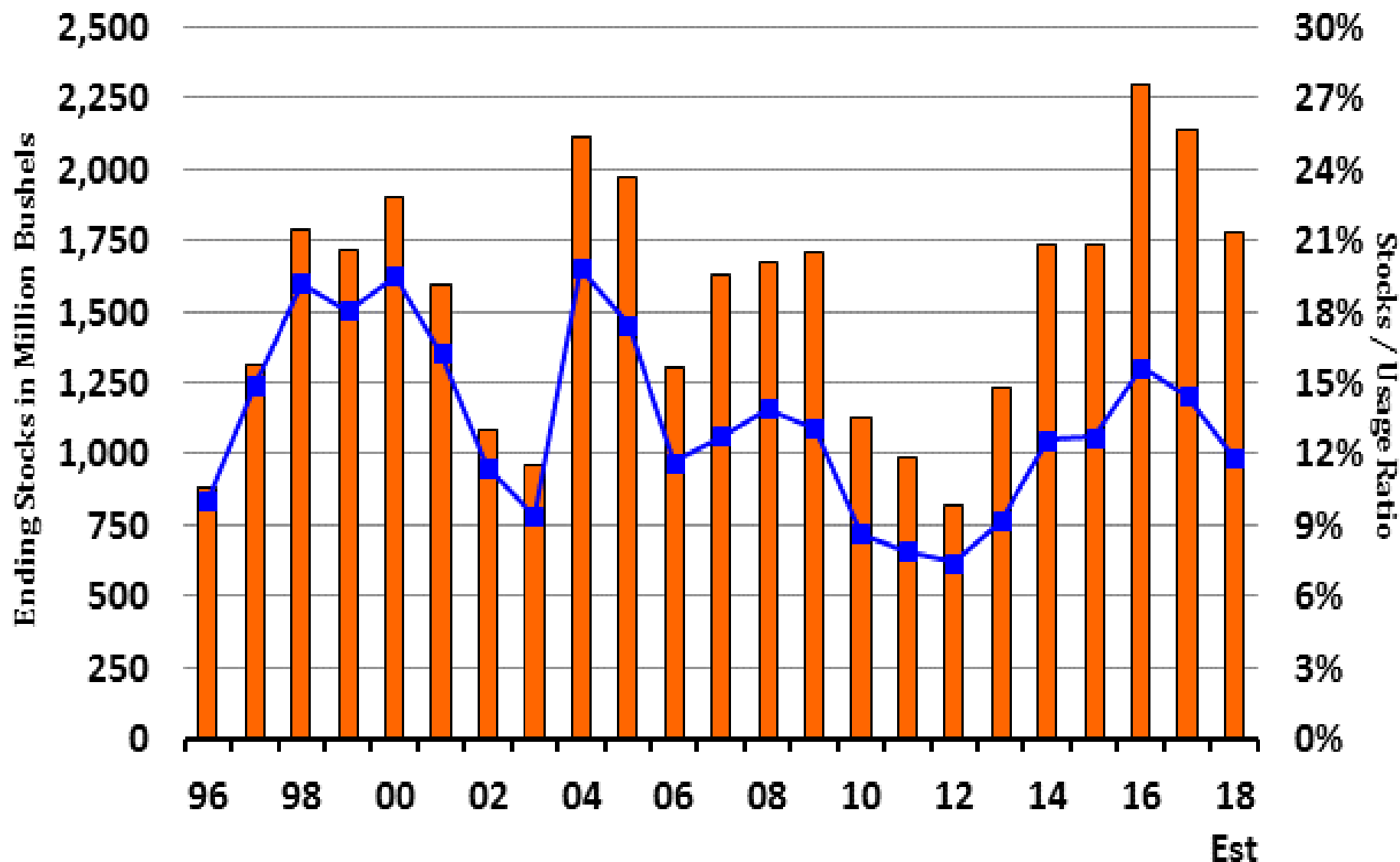


Most Recent: 94.5 As Of 12/11/2018

Crop Year Beginning

The Hightower Report

US Corn Ending Stocks vs Stocks / Usage Ratio



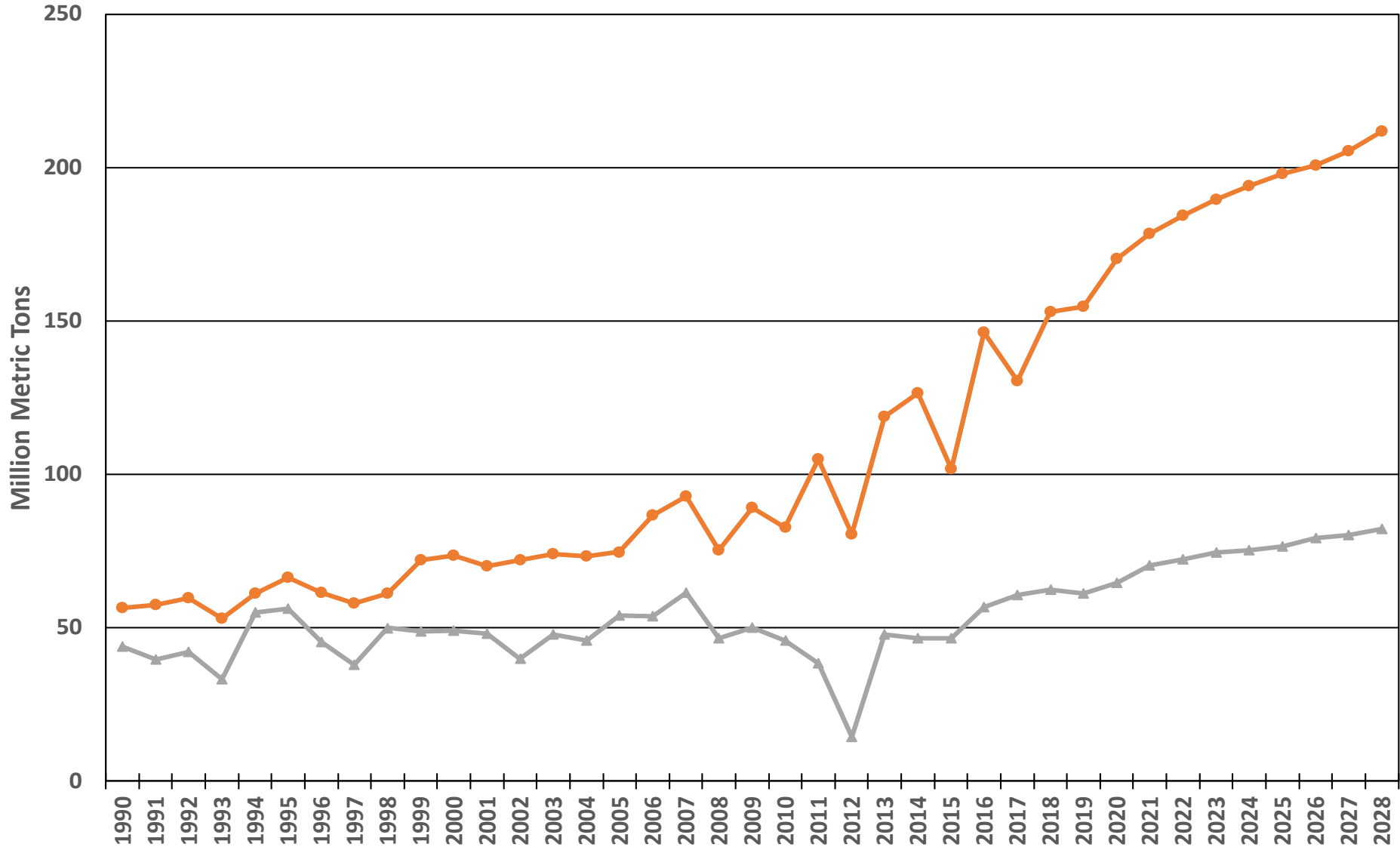
Updated: 12/11/2018

Ending Stocks Stocks as % of Usage

The Hightower Report

World and US Corn Exports

World US



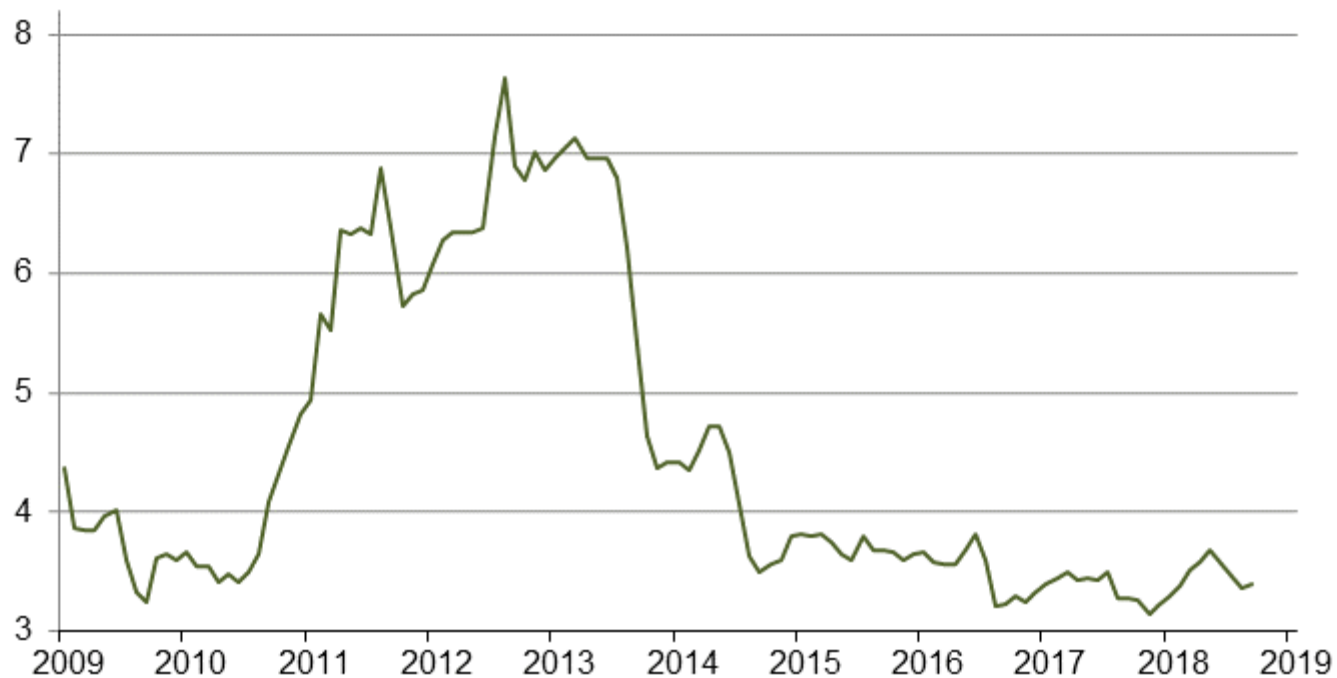
November 8, 2018

Source: USDA

Corn Prices

Prices Received for Corn by Month – United States

Dollars per bushel



USDA – NASS
10/30/2018

U.S. Wheat Supply and Demand

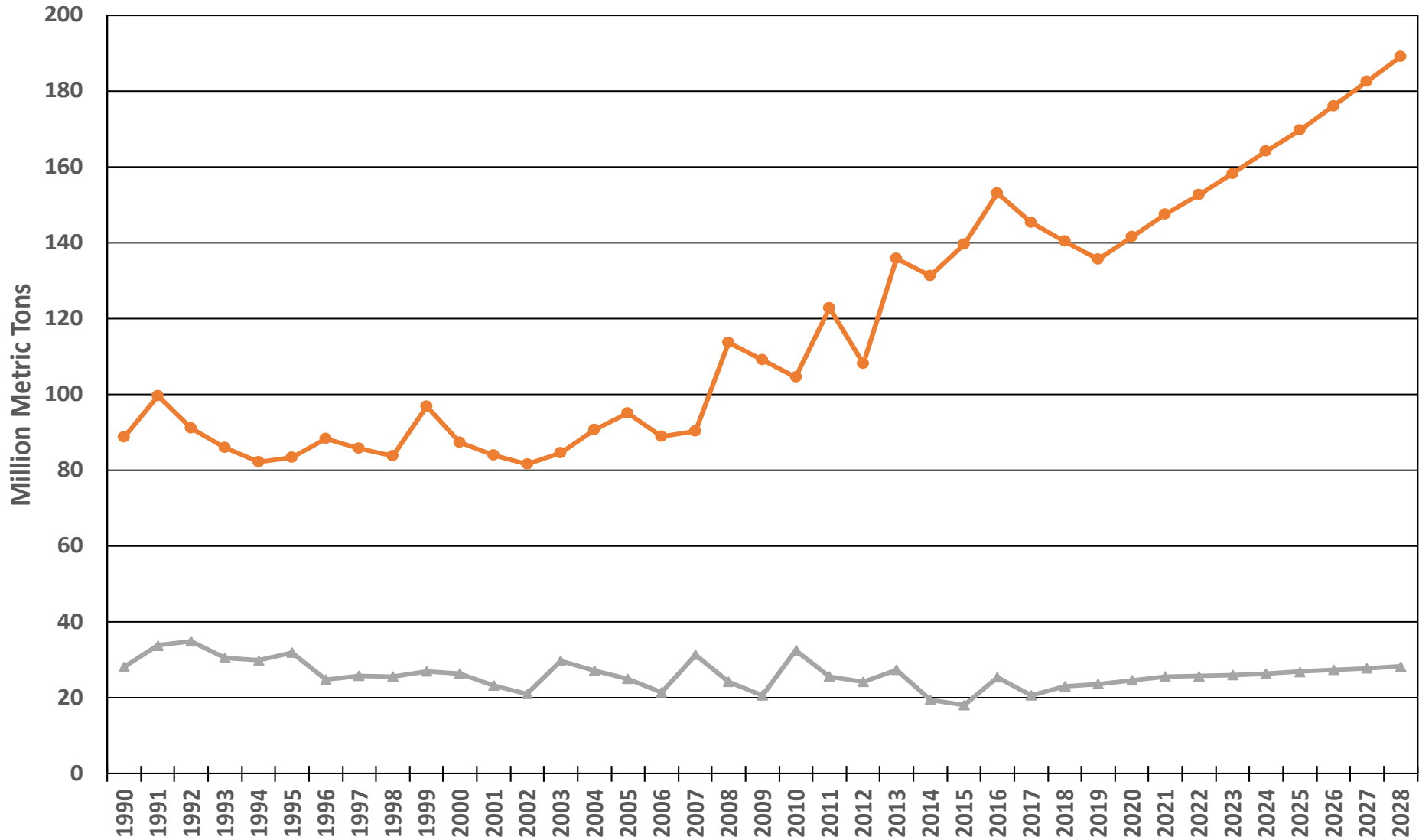
Item	2017/2018 estimate	2018/2019 forecast	Change from November 8	Change from 2017/2018
Planted area (million acres)	46.0	47.8	--	1.8
Harvested area (million acres)	37.5	39.6	--	2.1
Yield (bushels per acre)	46.3	47.6	--	1.2
----- Million bushels -----				
Beginning stocks	1,181	1,099	--	-82
Production	1,740	1,884	--	145
Imports	157	140	--	-17
Total supply	3,078	3,123	--	46
Food use	964	970	--	6
Seed	63	69	--	6
Feed and residual	50	110	--	60
Domestic use	1,078	1,149	--	71
Exports	901	1,000	-25	99
Total use	1,979	2,149	-25	170
Ending stocks	1,099	974	25	-125
----- Percent -----				
Stocks to use ratio	55.5	45.3	1.7	-10.2
----- Dollars per bushel -----				
Average market price	4.72	5.05/5.25	0.05	0.43

-- No change.

December 11, 2018

World and US Wheat Exports

World US



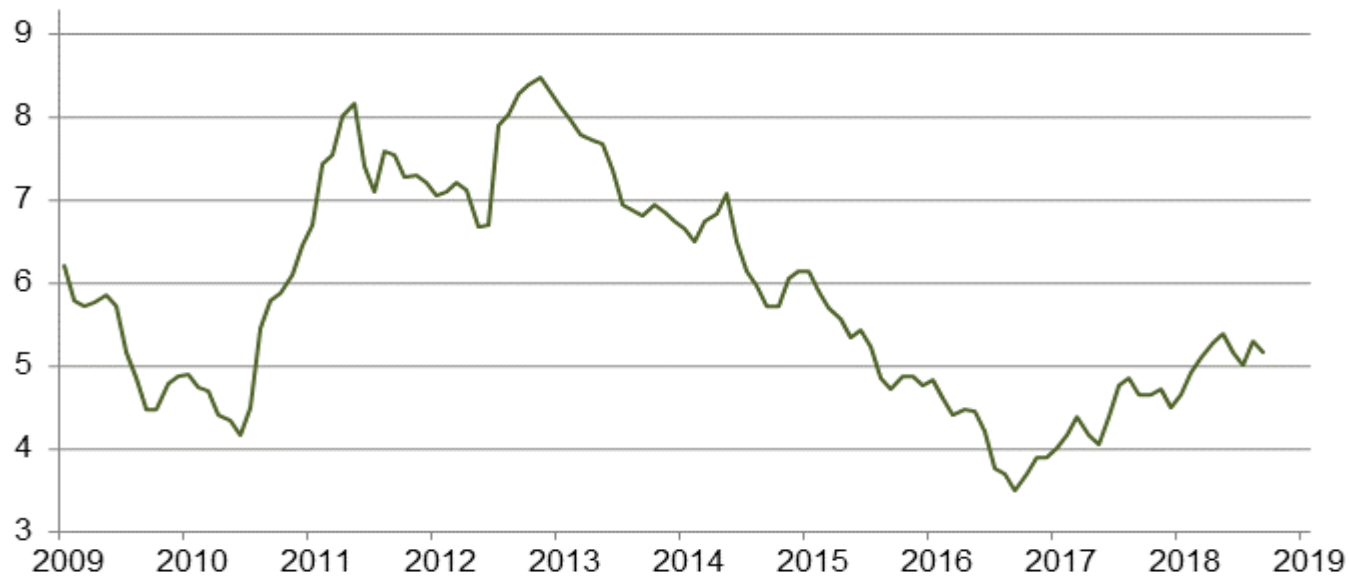
November 8, 2018

Source: USDA

Wheat Prices

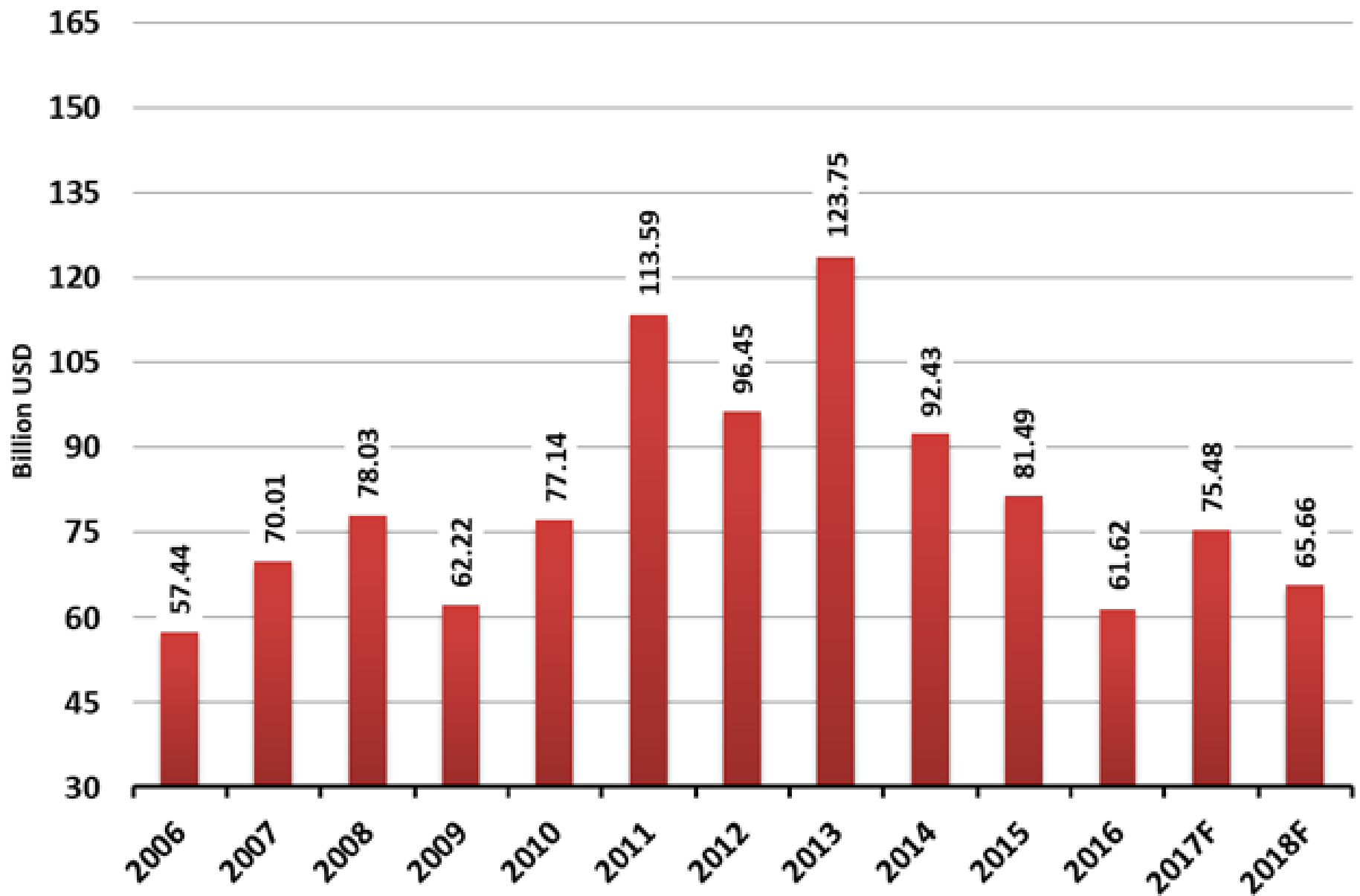
Prices Received for Wheat by Month – United States

Dollars per bushel

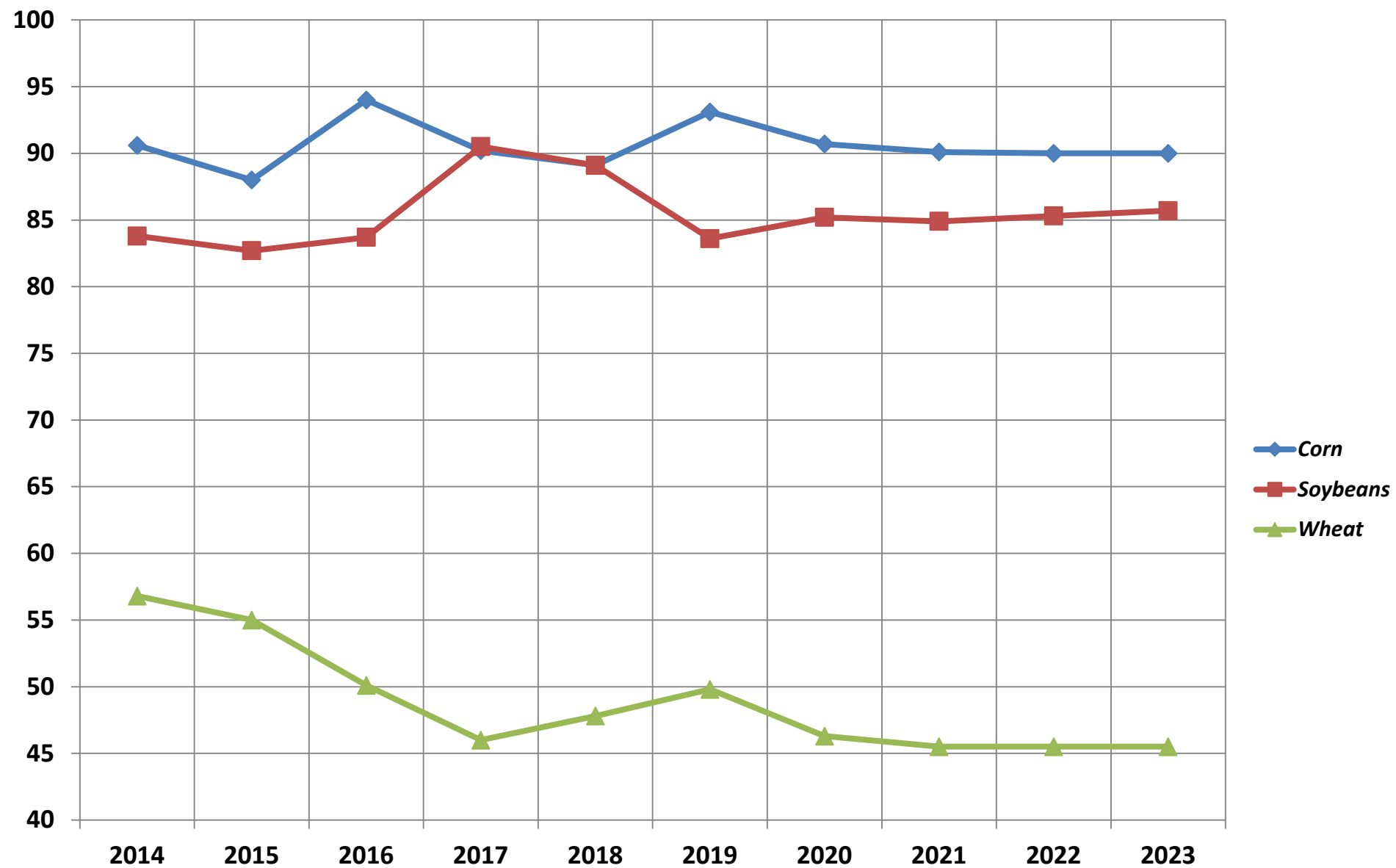


USDA – NASS
10/30/2018

US Net Farm Income



US Planted Acreage Projections (Million Acres)



Play Defensive

- **Reduce costs without yield sacrifice**
- **Trade deadlines**
- **Storage to aid harvest**
- **Excessive high cash rents – let someone else pay them**
- **Goal is to be around for better times**

**Blessed are the flexible...for they
shall not be bent out of shape**

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