

## LOOKING FORWARD WITH A BACKWARD GLANCE

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**Sales Recommendations:** On hold. No sales beans or corn. Seasonals are up from here. See additional comments below. Target \$4.50 in Dec19 K.C. futures to take 2019 wheat sales to 50%. Next MNU before October 27<sup>th</sup>.

**Current Sales:** **2019** sales: **corn** 10%                      **soybeans** 100%                      **wheat** 25%  
**2020** sales: **corn** 10% - 25%                      **soybeans** 50% - 100%                      **wheat** 0%

**Quick View/Technical:** **Dec19 corn** traded sideways this week, after failing at \$4.00 resistance. Look for price to trade sideways through October and then a bit higher going into the November 8<sup>th</sup>, USDA Report. **Nov19 beans** also failed at its resistance, which is \$9.40. USDA's numbers, the recent snow and freeze, and anticipation of yields being lowered in USDA's next report will support price going forward, with further upside likely; over time. **K.C. Dec19 wheat** continued higher this week, after printing a new high close for this move last Friday. The trend is higher, but don't be looking for any bigtime Bull move anytime soon.

**Corn:** Without any new bullish news, corn prices should continue to languish below \$4.00 resistance in Dec19 corn futures. More rain in the northern & western grain belt this weekend and into next week could get corn to test its recent highs again. Export sales and inspections reports will keep negative news of lessening demand front and center, as well the EIA's report on ethanol production. Corn's next push higher will come from USDA's November 8<sup>th</sup> report.

**Beans:** Nov19 soybeans have seemed to do a better job of holding its price gains. We have to be cognizant of soybeans price rise to date. A normal fall rally is \$0.80. This rally began on September 9<sup>th</sup>. Price has put on \$0.90 and nearly matching its high set back on June 18<sup>th</sup> of \$9.48 this last Monday. Price is consolidating gains this week. The trade is more fearful of future production cuts than it is for corn, due to how far carryover has fallen in just the last 3 months. Remaining carryover stocks for soybeans for 2019/2020 could still fall another 25%! That sounds like a lot, but it's just fun with numbers. Carryover from 1.1 bb to USDA's last number of 460 mb represents a 58% reduction. Falling from 460 mb to 345 mb would be another cut of 25%. If carryover would fall below 400 mb, which we project it will (**75.6 ma x a 1 bpa cut = a loss of 75.6 mb**), the trade will take futures to test its next resistance level, which is its old highs, followed by the \$10.00 mark. If yield finalizes at our number of 45 bpa, with no other demand changes, carryover would move down to 75.6 ma x (46.9 bpa – 45.0 bpa) = 143.64 mb = 316.36 mb carryover stocks for 2019/2020. Carryover stocks this low would have Funds adding more weather risk premium during the winter months for production risks in South America. Right now, late soybean plantings places more risk on Brazil's 2<sup>nd</sup> crop corn, not soybeans.

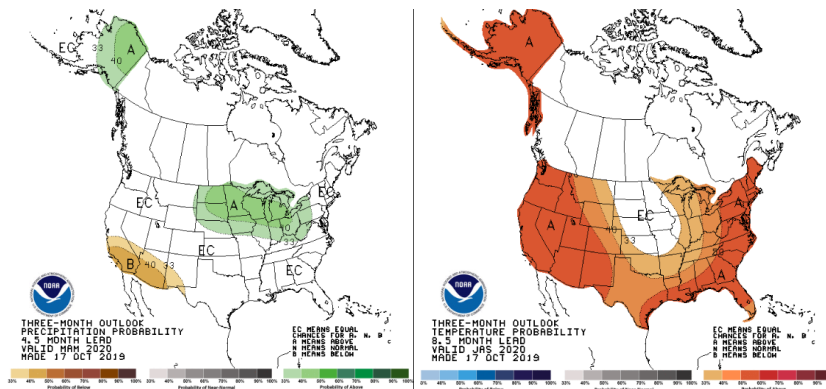
**Wheat:** It's nice to see wheat actually crack into an uptrend, in face of overwhelming world & U.S. stocks. For Chicago wheat, it is now in its longest winning streak for the life of the Dec19 contract. It has now closed higher for 7 weeks straight. The surprising strength has come from

global wheat values rising and the largest importers of wheat stepping up to the table and buying. Support has come from delayed harvest and lost acres in U.S. northern states and Canada. Canada still has 40% of its crop to get harvested, much of which will have quality issues. SRW finds its strength from the smallest U.S. carryover stocks since 2007/2008, about 110 mb. On winter wheat, they are not expecting any big jump on acres. Last year's plantings were the smallest on record, which goes back to 1984/1985. On the negative front, Strategie Grains raised EU's estimate of its soft wheat crop, up 1 mmts to 145.5 mmts. That a big jump from last year's production of 127.1 mmts. On the loss side, Australia's crop has been dropped to 15.5 mmts, a 13 year low. The USDA still has them at 18.0 mmts. **Watch Dec19 K.C. futures for pricing another 25% of your production at \$4.50.**

### **Weather:**

**Where it got to 32 degrees or below the 1<sup>st</sup> half of October.**

Wet past summer, wet now, wet this winter and wet spring 2020. Long range outlook was released by NOAA today. Below are the spring 2020 precipitation expectations. March-April-May 2020. This is what we have been worried about since last spring due to weather trends; a repeat of 2019. The temperature map is for July, August & September 2020.



**Ethanol:** Andrew Johansen of Adams Energy committed on the EPA. *“I refrained from saying much yesterday about the EPA announcement on biofuel, ethanol deal. I will say this. There is one onerous intent within the EPA, DOE and Whitehouse. Big Oil/Merchant refiners want their market share back and will spend enormous amounts of capital. The RFS is the law of the land. Ethanol freed the American farmer from the serfdom of the late 90’s. Our enemies were successful in destroying the law thru bureaucrats owned by the petroleum industry. Damn the economics, environmental impacts and health issues.*

### **Links:**

Below are a number of links. We hope you enjoy the 2 funny ones. **You might want to set this MNU aside for when you have more time to listen to the important ones.** The link on the Paris Climate Accord shows you how it works and details how it won’t reduce carbon emissions, which countries benefit and which “one” loses, and who profits from it all. Would you be surprised that

it is the creator and main pusher behind *“The Big Lie”*, Mr. Al Gore? It will also include all the elites who don’t care about you one bit, including the Bush’s and the Clinton’s.

**Third Historic Storm:**

<https://electroverse.net/north-americas-third-historic-winter-storm/>

**Grand Solar Minimums (GSM):**

NASA is effectively forecasting a return to the Dalton Minimum (1790-1830) but gives no mention of the brutal cold, crop loss, famine, war and powerful volcanic eruptions associated with it: *“One way or another, the cold times are returning — it’s just a matter of when.”*

<https://electroverse.net/nasa-predicts-next-solar-cycle-will-be-lowest-in-200-years-dalton-minimum-levels-the-implications/>

<https://electroverse.net/professor-valentina-zharkova-breaks-her-silence-and-confirms-super-grand-solar-minimum/>

**Happy Dog:**

<https://twitter.com/i/status/1183407276499128322>

**Climate Change/Paris Climate Accord/Al Gore’s Cash Cow:**

Dr. Shiva is running against Senator Elizabeth Warren

<https://www.youtube.com/watch?v=-0Rtystv7dc>

**Continues Drought Map Since 2000:**

[https://mesonet.agron.iastate.edu/pickup/usdm/2000\\_2019\\_lapse.mp4](https://mesonet.agron.iastate.edu/pickup/usdm/2000_2019_lapse.mp4)

**The Great Flood of 2019: Picture of a Slow Motion Disaster:**

<https://www.nytimes.com/interactive/2019/09/11/us/midwest-flooding.html>

**River Taking Out Union Pacific Rail:**

<https://twitter.com/i/status/1179194417007284224>

**Soybeans: Rearranging the Deck Chairs**

<https://www.fb.org/market-intel/we-cant-rearrange-these-deck-chairs>

**The Greatest One Liner? Funny! But is it true? Your perspective will determine.**

<https://twitter.com/i/status/1184984039771508736>

**Yields: Corn:**

**S MN, Freeborn County:** 56 acres, 226 dry, 20 better than 2018.

**Brown County West of Mankato:** 40 acres 232 bpa, 35 bpa better than 2018.

**Marshall Co, IA** - 230 bpa. 260 2 years ago same field 26% moisture. Some lodging.

**Arcadia, IA** – 80 acres 210bpa, down 10 bpa from similar dirt last year. Harvested mst 20%.

**Hiawatha, KS** – Corn yielding 180-200, compared to 170-175 last year. Trend Adjusted yields but 10-20 below best ever. Beans so far yielding 80+, compared to trend, adjusted yields of 65 bpa and previous best ever of mid 70s.

**Murdock, MN** – 154 acres taken at 29% moisture: 198.9 BPA at 15% (APH=190) relatively pleased given costs of dry down.

### **BEANS:**

**NE Kansas, Brown Co:** We started bean harvest last Friday. Pleased with yields with average so far around 75. We have some SDS issues with planting that early.

**Stark County Illinois (north of Peoria):** 80 acres 67 bu. 160 acres 74 bu.

**Windom MN:** Soybeans harvest nearly complete. Yields 55 bpa vs 65 bpa past several years.

**Page, ND (West of Fargo):** 1000 acres beans, .7's, partially irrigated = 60 BPA, 55 year ago, 48 APH. Best ground on farm.

**Murdock, MN (Center/West):** 101 acres planted 5/29, not good ground, never better than 50 bpa: 45.8 BPA (49.8, 2017) APH = 47.

**China** signed a lease to control the Island of Tugali in the South Pacific, in a secret deal. This shocked the residents & alarmed US officials, who see the island chains of the South Pacific crucial in keeping China in check. China use promises of prosperity to pursue its global aspirations, often funding governments, local infrastructure projects that are actually debt traps.