

## GRAIN COMMENTS FOR 2-8-2019

### CORN

- The much anticipated and delayed grain report surfaced today. For all the hype prior to the report the price action was subdued. The initial reaction was slightly friendly but those gains failed to hold in the corn.
- The positive part of the report included a final 2018 corn yield number of 176.4 bushels per acre. The final corn production number was 14.42 billion bushels. The yield was 2.5 bushels per acre below the December report and the production number was 206 million bushels below the last report.
- The negative part of the corn reports was in the balance sheet. The USDA lowered feed usage by 125 million bushels. Lowered corn for ethanol usage 25 million and lowered. Domestic corn usage decreased 165 million bushels.
- On the world report, the trade expected world corn ending stocks to decrease by 2 million metric tons but it increased one million metric tons.
- Now what? We are back to political information. The tariff talks resume next week in China but little is expected are of the negotiations next week. It has been report that the two leaders of china and the United States will not meet prior to the March 1 deadline. Something needs to be finalized before the corn price will advance. We will stay range bound. Farmers will hold onto corn, speculators will stay away from a sideways market and we will wait for fresh tariff news. Wait and see will remain the theme for the corn price.

### WHEAT

- The day started positive for the wheat price. The USDA report caused some initial buying but that was short lived. The rest of the day, sellers with small lot orders controlled the price action.
- The much anticipated February grain report showed a drop in winter wheat acreage. The decrease was slightly more than the trade expected. The planted winter wheat acreage was the lowest recorded in the last 110 years.
- The USDA balance sheet report for the United States was the bearish news. Ending wheat stocks increased 36 million bushels. This put U. S. wheat ending stocks above the one billion bushel mark. The USDA lowered feed usage by 30 million and lowered seed usage by 6 million bushels. They left their wheat export number unchanged but if the export pace for wheat does not make an increase, this numbered will be reduced in future reports.
- While the numbers were close to expectation, there were no major surprises. Wheat will wait to hear talk from the tariff talks.
- Wheat charts turned down yesterday with a sharp break. Today's weakness followed the current price trend.