



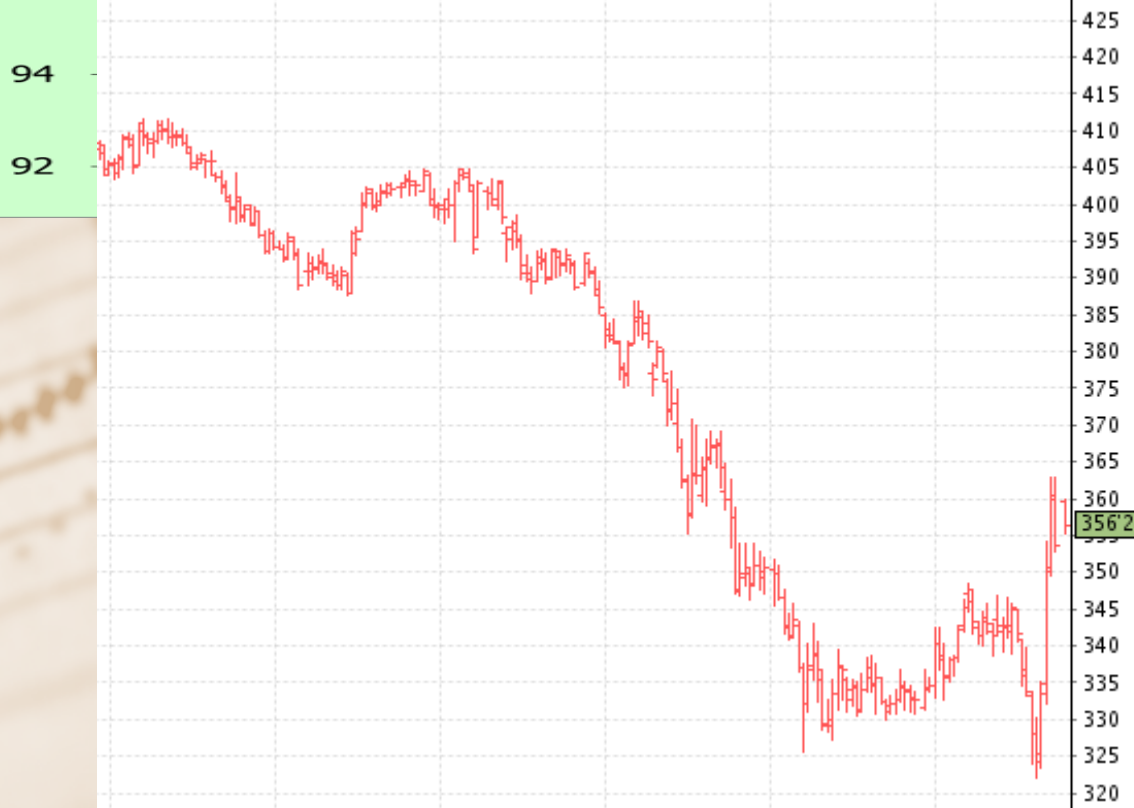
Marketing Class

DATE July 7TH, 2020

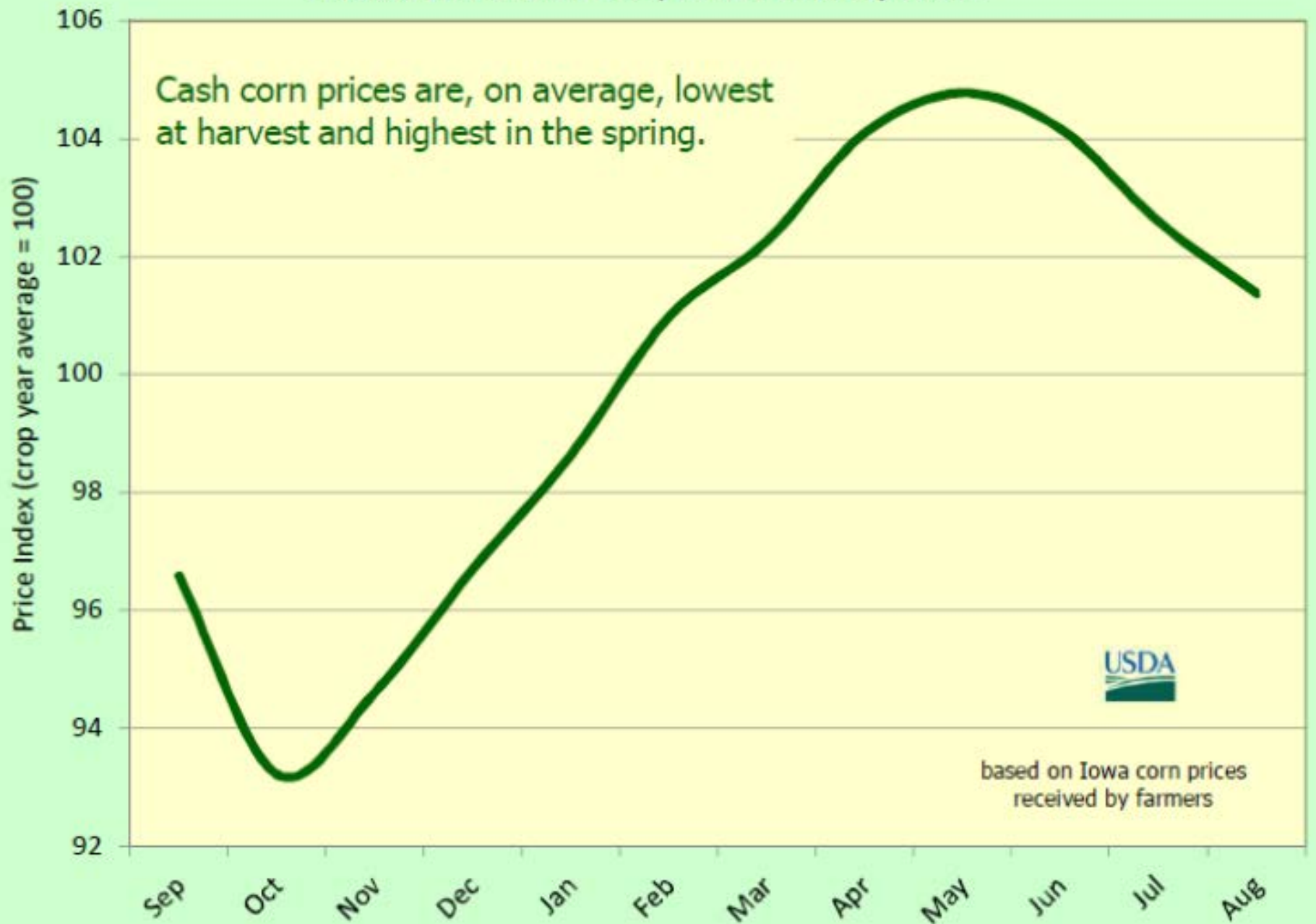
Topics for July 6th 2020

- Current Chart Comparison
- June 30th Report Summary
- July 10th Report Outlook
- Cash Prices for Old Crop and New Crop
 - Basis for Old Crop and New Crop

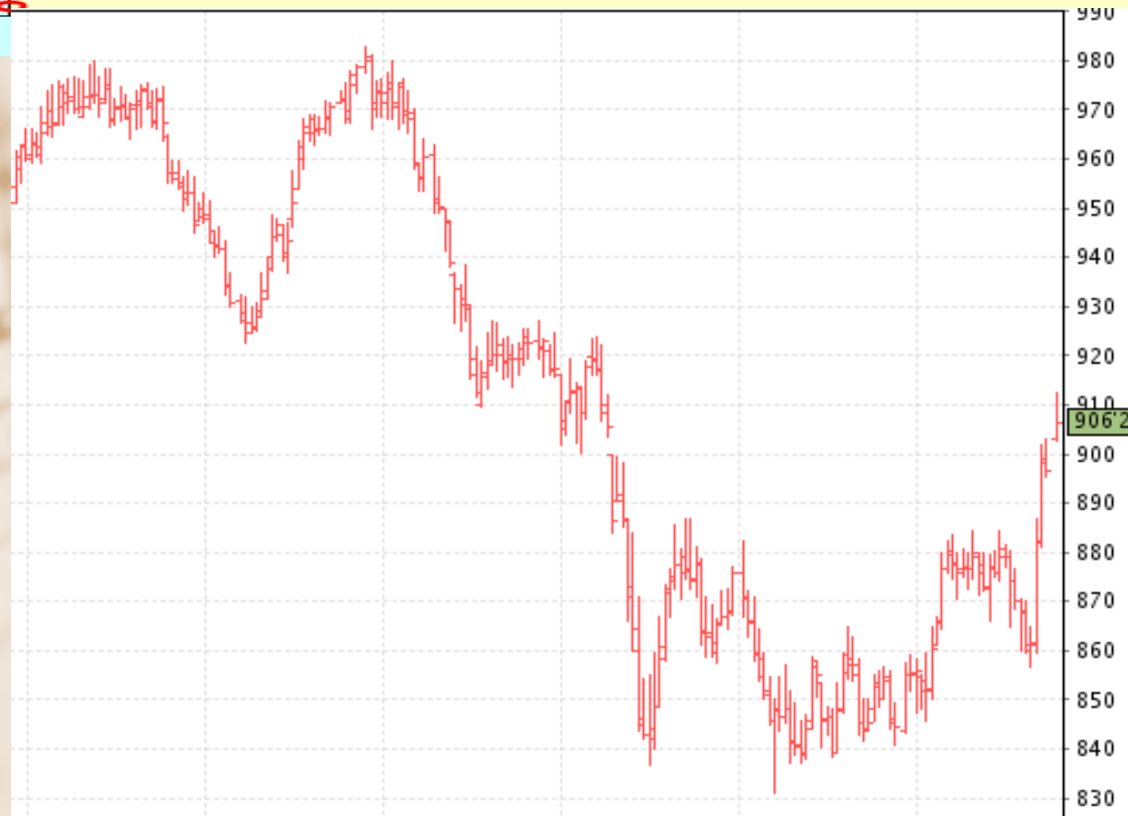
Chicago December Corn Futures, 2000-2018 average



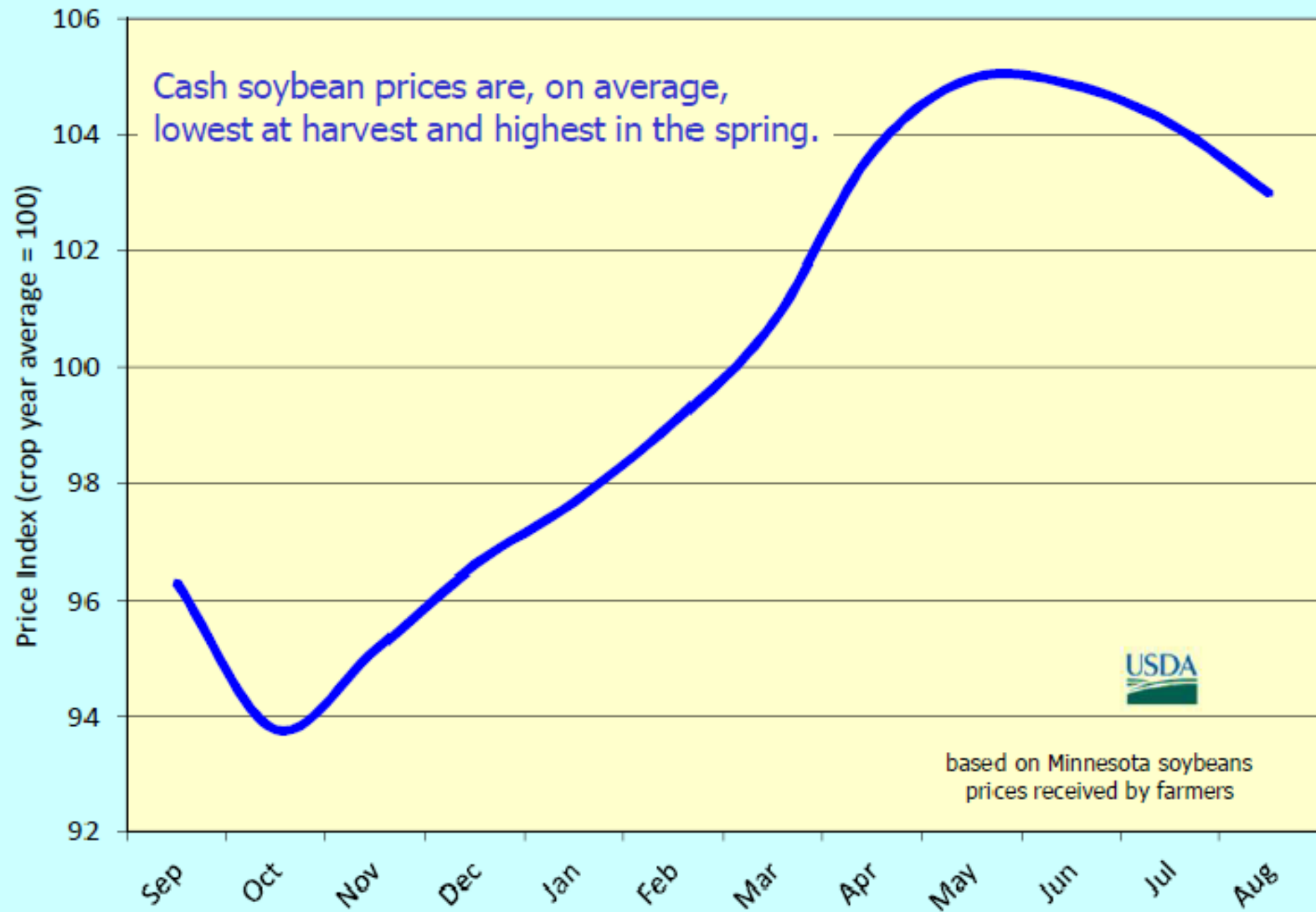
Index of Iowa Corn Prices, 1990-2014 Crop Years



Chicago November Soybean Futures, 2000-2018



Index of Minnesota Soybean Prices, 1990-2014 Crop Years

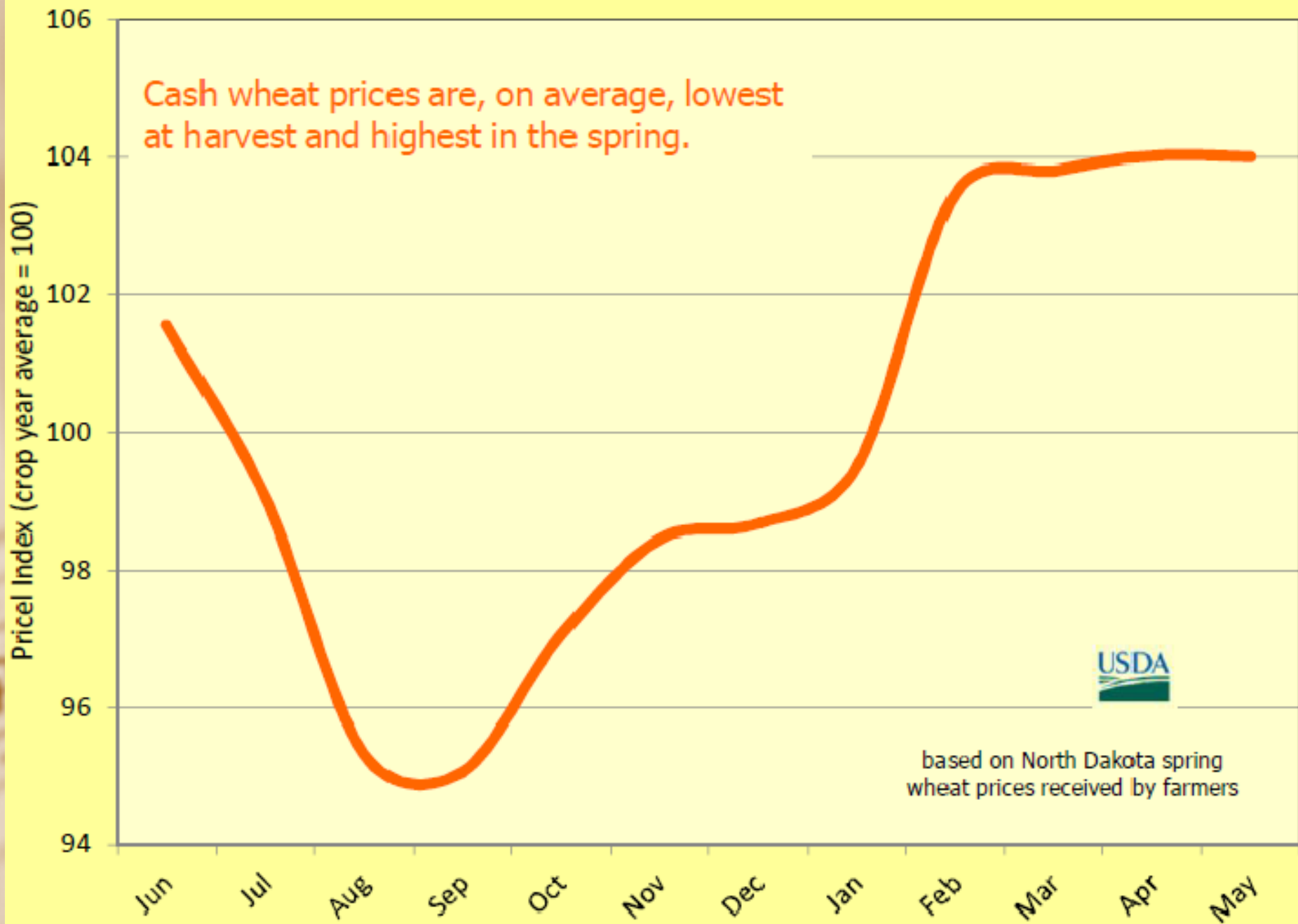


September MGEX Spring Wheat Futures, 2000-2018



Index of North Dakota Spring Wheat Prices, 1990-2014 Crop Years

Cash wheat prices are, on average, lowest at harvest and highest in the spring.



based on North Dakota spring wheat prices received by farmers

ELECTRONIC CRUDE OIL (QCLQ20)



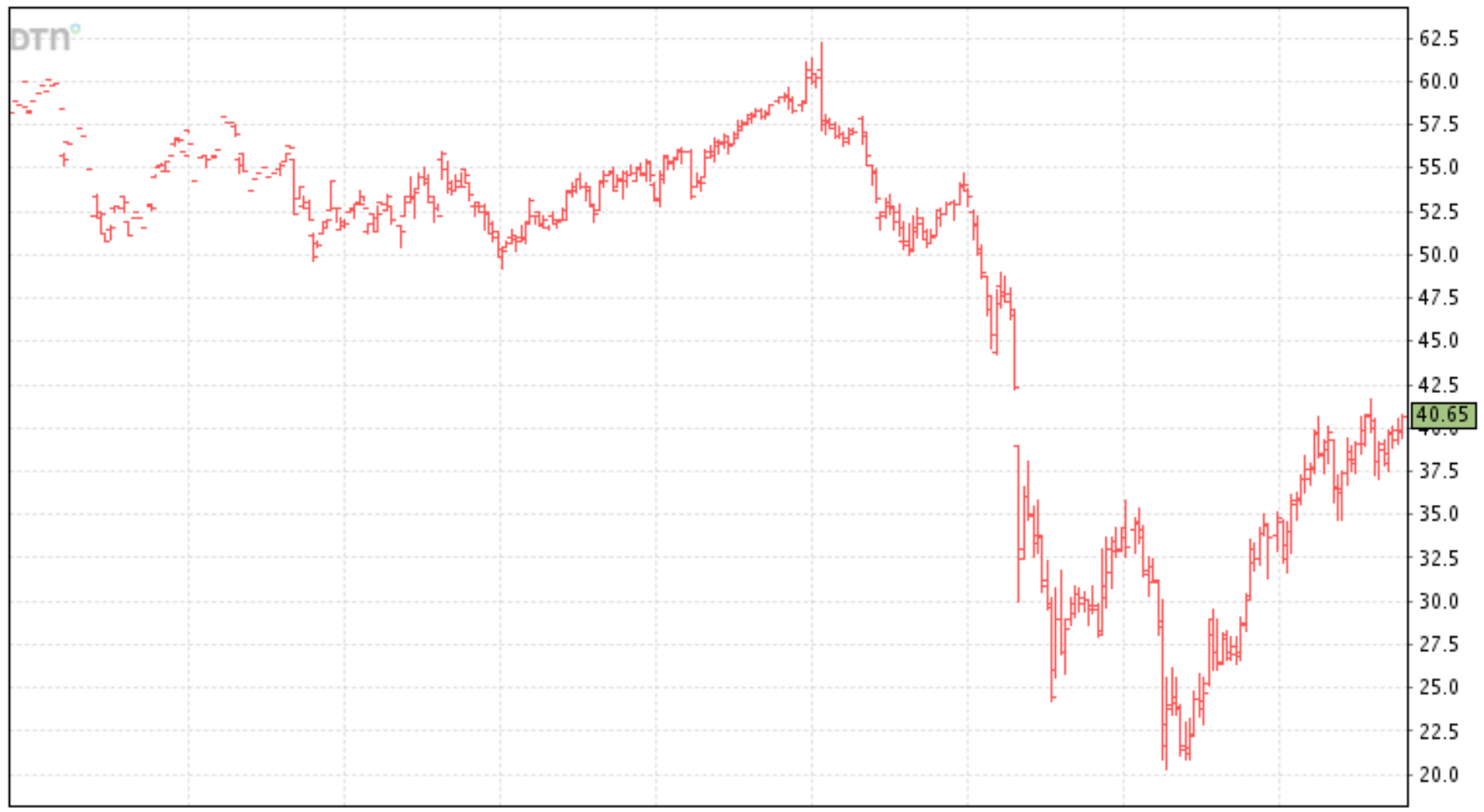
Symbol:

[Symbol Search](#) | [Symbol Lookup](#)

[Historical Chart](#) | [Chart](#) | [Options](#) | [Futures Chain](#) | [Spread Matrix](#)

Last: 40.61 | Chg: -0.04 | %Chg: -0.1 | Open: 40.38 | High: 41.08 | Low: 39.84

Current Month:



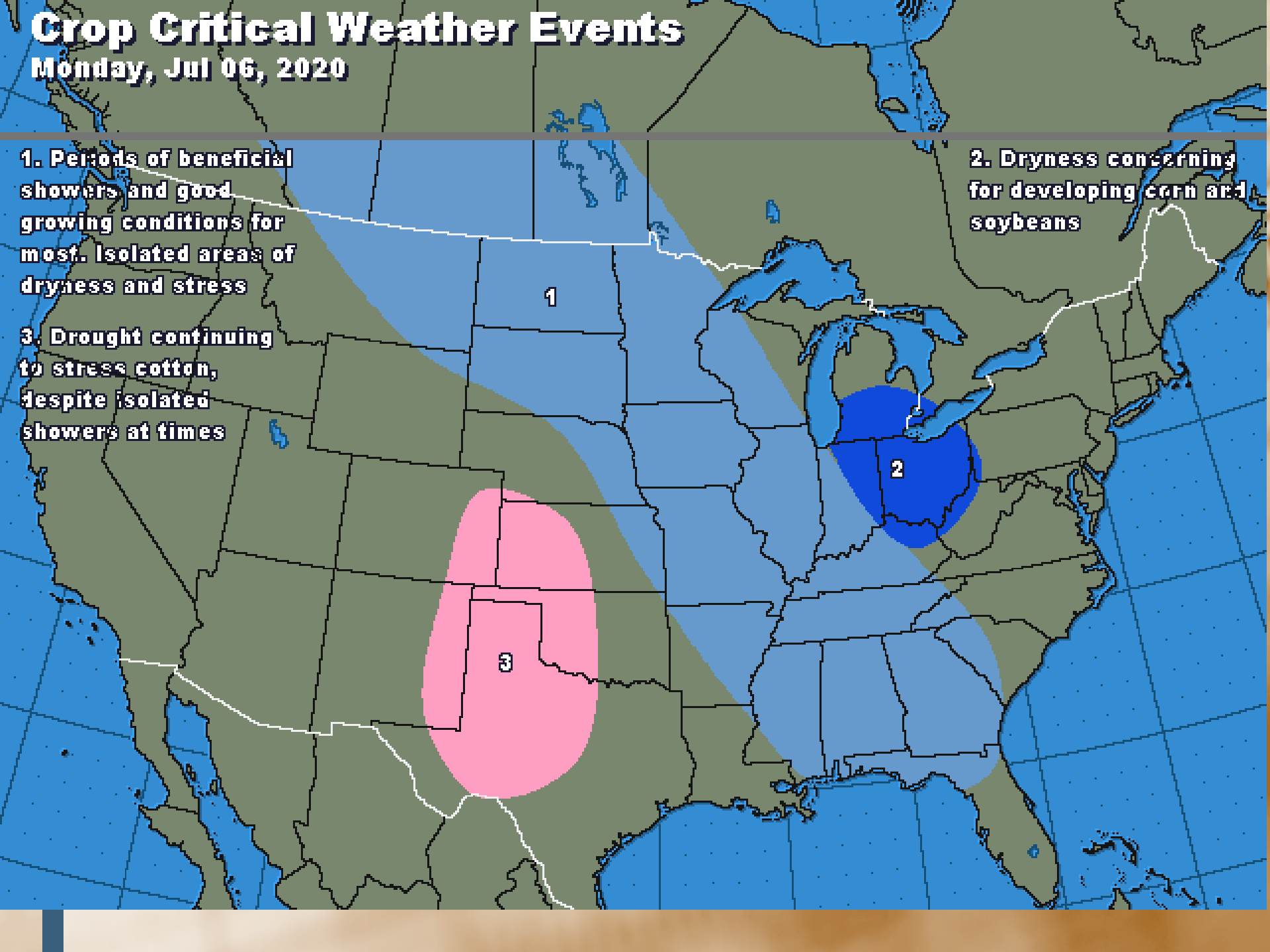
Crop Critical Weather Events

Monday, Jul 06, 2020

1. Periods of beneficial showers and good growing conditions for most. Isolated areas of dryness and stress

3. Drought continuing to stress cotton, despite isolated showers at times

2. Dryness concerning for developing corn and soybeans

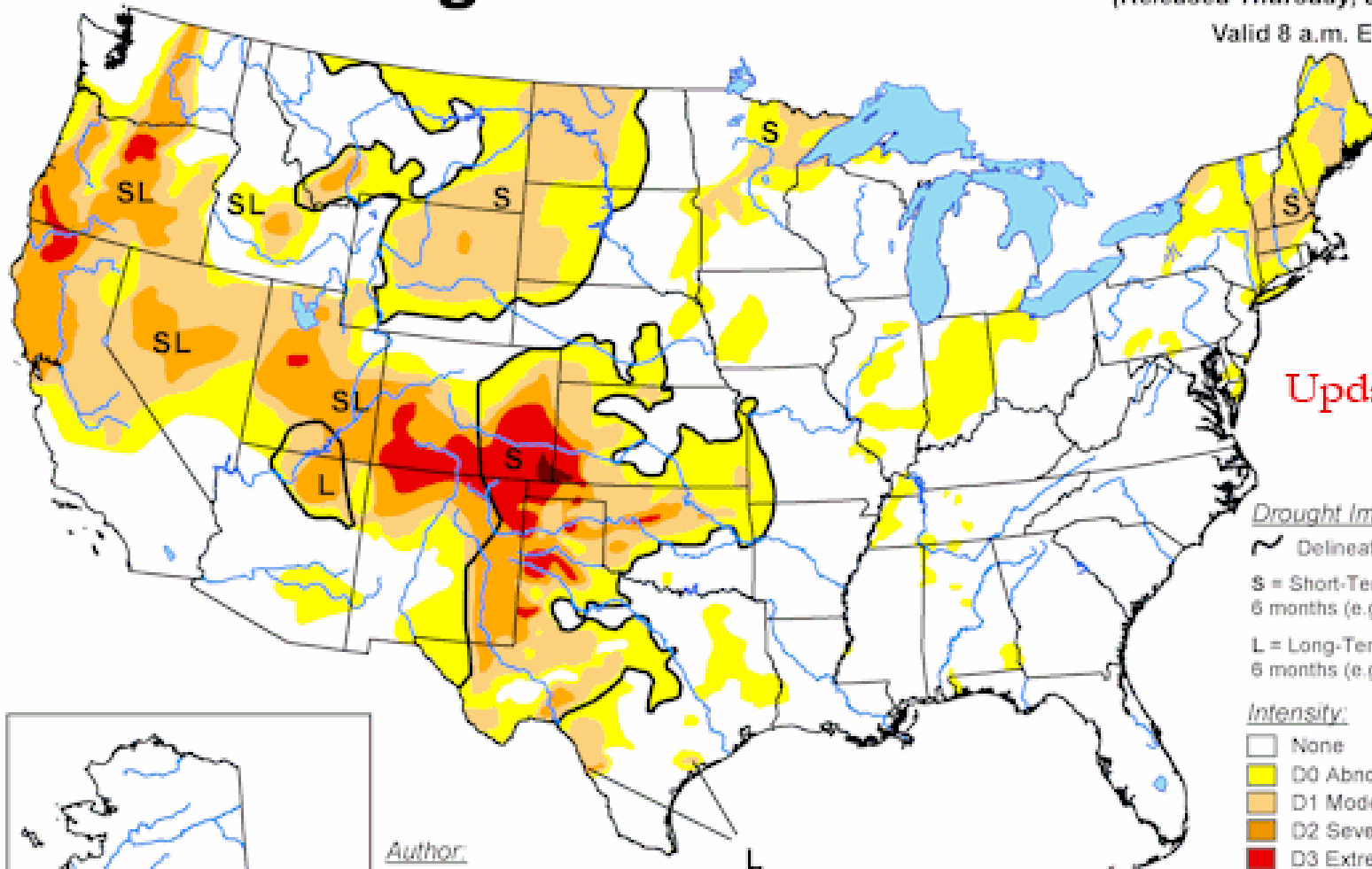


U.S. Drought Monitor

June 30, 2020

(Released Thursday, Jul. 2, 2020)

Valid 8 a.m. EDT



Updated Weekly

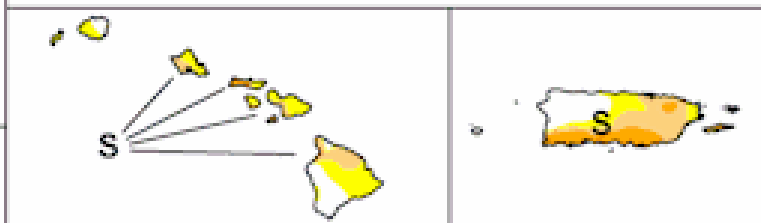
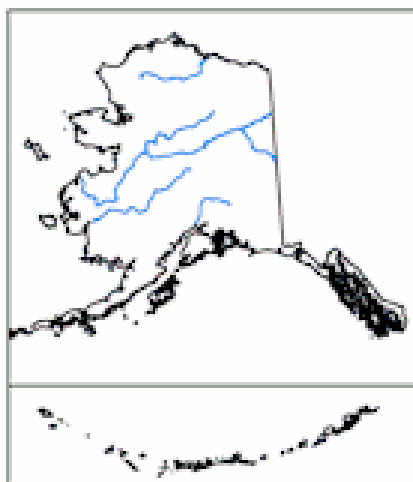
Drought Impact Types:

- Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

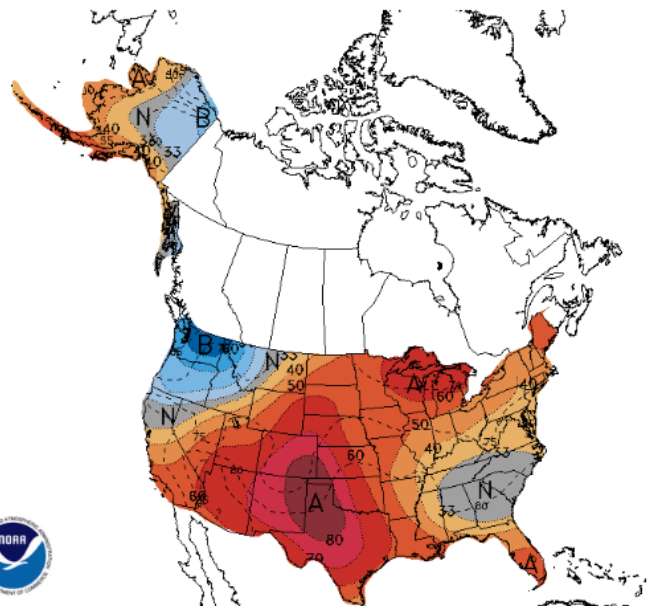
Author:
Adam Hartman
NOAA/NWS/NCEP/CPC



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

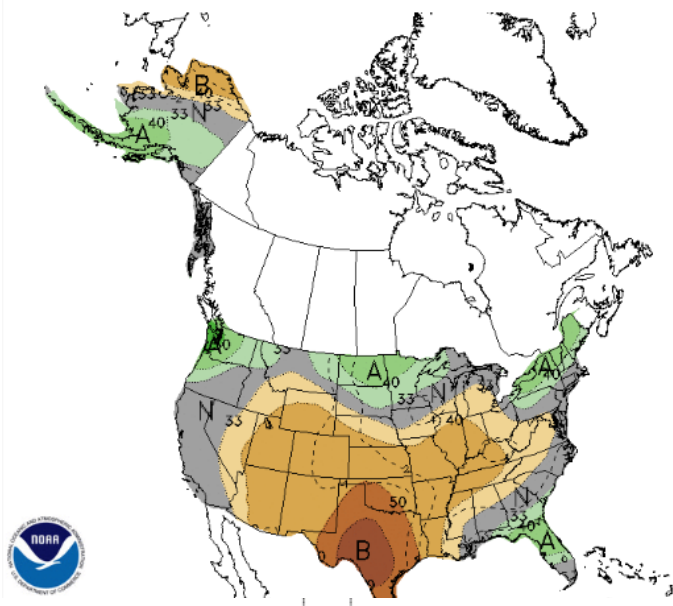


Temperature Probability

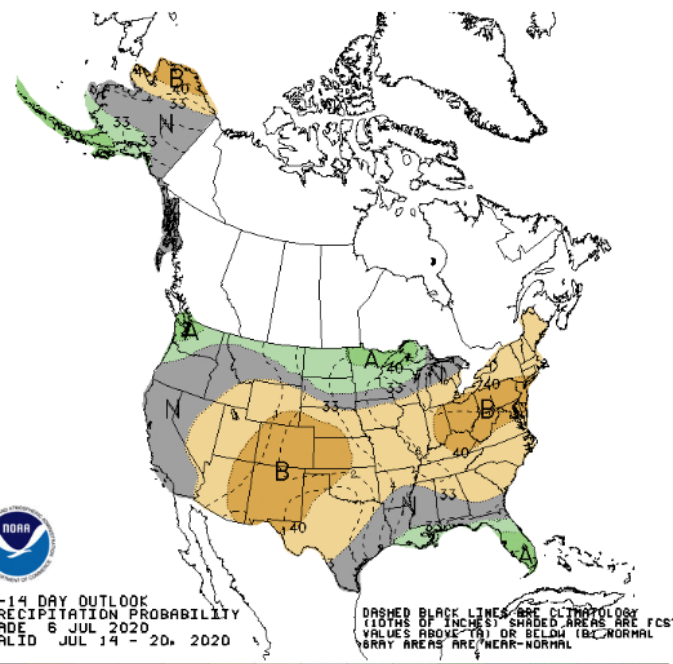


DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCS (VALUES ABOVE 'A' OR BELOW 'B'). NORMAL (GRAY) AREAS ARE NEAR-NORMAL.

Precipitation Probability

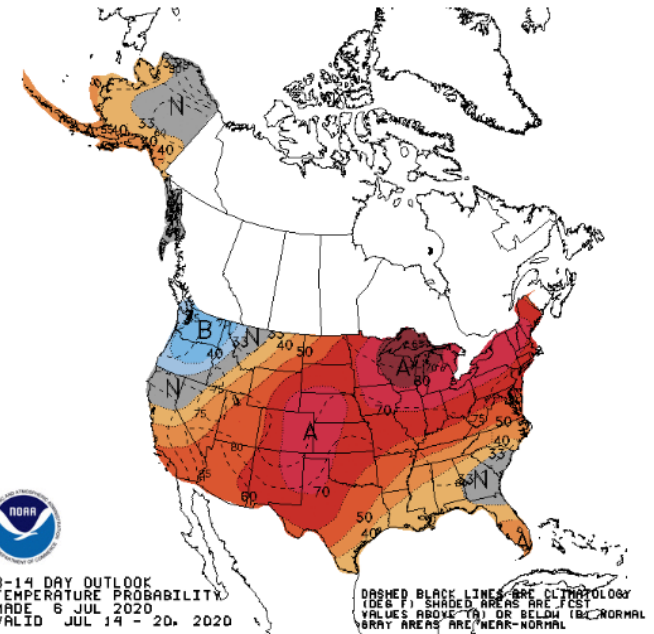


Precipitation Probability

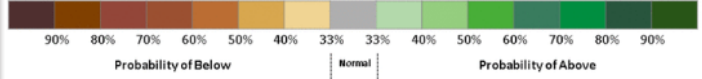


DASHED BLACK LINES ARE CLIMATOLOGY (INCHES). SHADED AREAS ARE FCS (VALUES ABOVE 'A' OR BELOW 'B'). NORMAL (GRAY) AREAS ARE NEAR-NORMAL.

Temperature Probability



DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCS (VALUES ABOVE 'A' OR BELOW 'B'). NORMAL (GRAY) AREAS ARE NEAR-NORMAL.

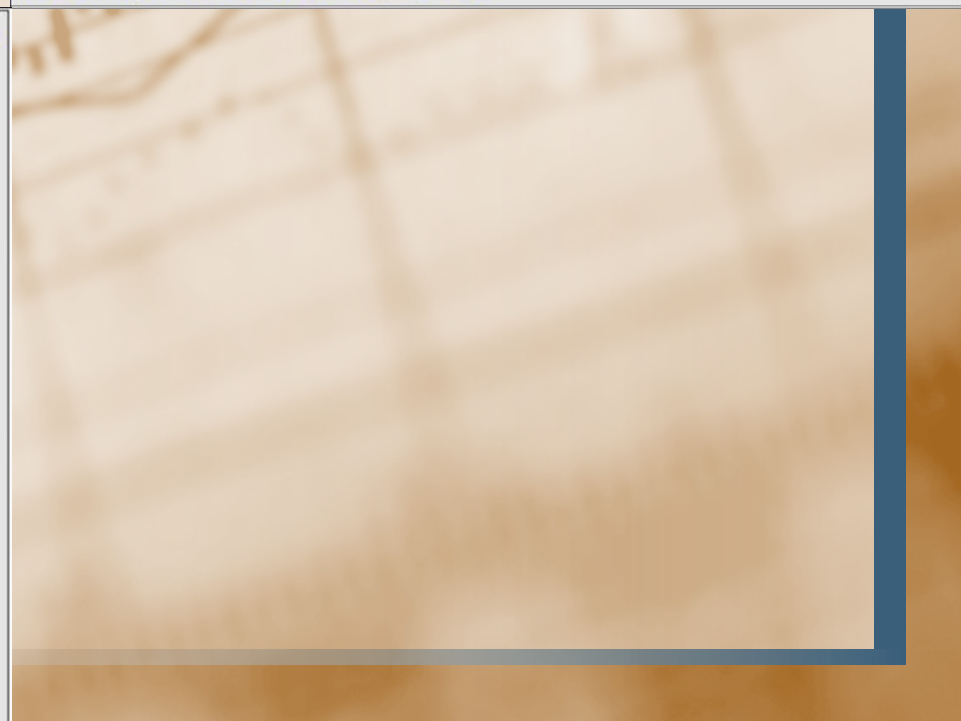
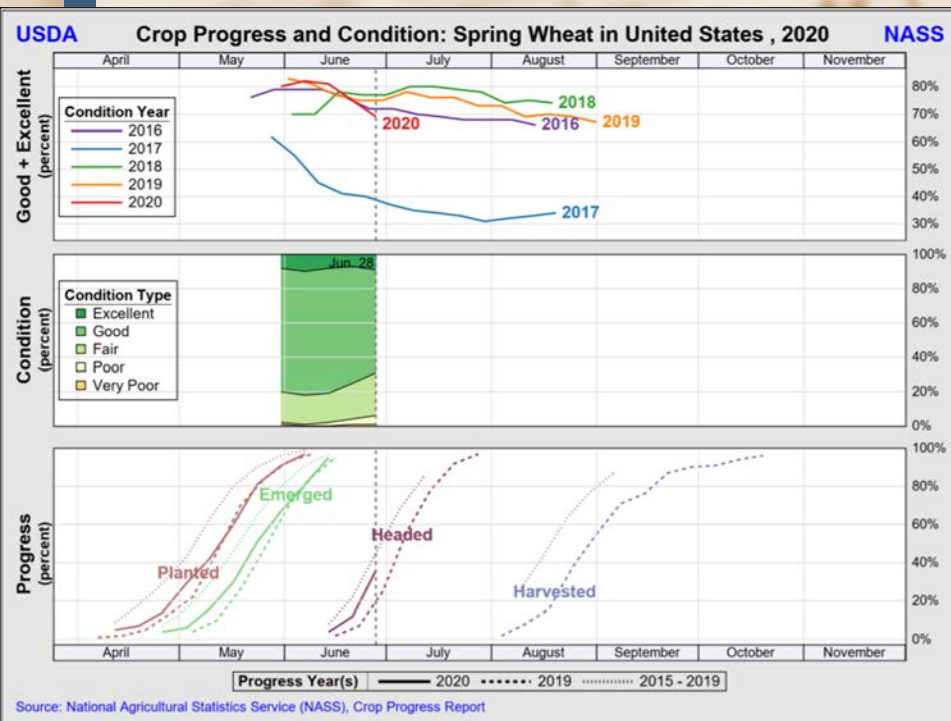
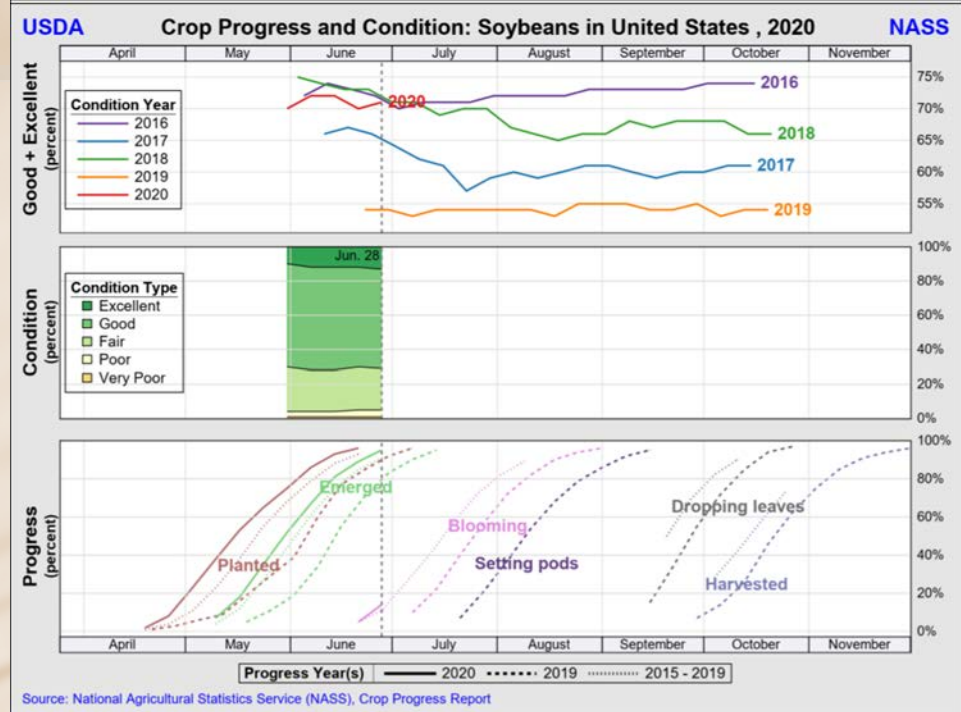
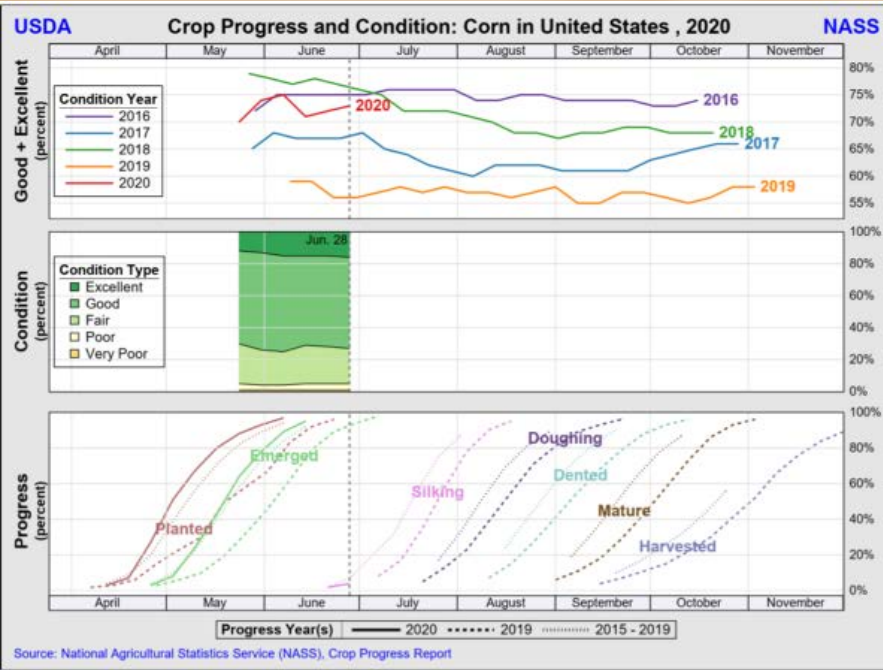


FCS

QUARTERLY STOCKS (million bushels)

	6/1/20	Avg	High	Low	6/1/19	3/1/20
Corn	5,224	4,990	5,405	4,849	5,202	7,953
Soybeans	1,386	1,381	1,490	1,275	1,783	2,253
Wheat	1,044	979	998	925	1,080	1,412
ACREAGE (million acres)					USDA	USDA
	6/30/20	Average	High	Low	3/30/20	2019-20
Corn	92.00	95.21	96.00	94.00	96.99	89.70
Soybeans	83.80	84.76	85.60	84.30	83.51	76.10
All Wheat	44.30	44.71	45.00	44.50	44.66	45.16
Winter	30.60	30.83	31.10	30.70	30.78	31.16
Spring	12.20	12.57	12.90	12.20	12.59	12.66
Durum	1.50	1.33	1.40	1.30	1.29	1.34

On an interesting note, NASS did add a special note at the top of today's acreage report. During the time of the survey (May 30-June 16), NASS reports 2.24 million acres of corn was yet to be planted along with 12.1 million acres of soybeans. This table would have been very helpful last year amongst all of the Prevent Plant. These "left to plant" numbers are included in the total planted acres for both crops. So, if the 2.24 million corn acres ended up not being planted since the survey, total plantings would be near 89.8 million acres.



CORN											USDA	30-Jun
Year	10	11	12	13	14	15	16	17	18	19	20	20
SEP/AUG YEAR #	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	20/21
Planted Acres (millions)	88.2	91.9	97.3	95.4	90.6	88.0	94.0	90.2	88.9	89.7	97.0	92.0
Harvested Acres (Millions)	81.4	84.0	87.4	87.5	83.1	80.8	86.7	82.7	81.3	81.3	89.6	84.0
Yield (bushels per acre)	152.8	147.2	123.1	158.1	171.0	168.4	174.6	176.6	176.4	167.8	178.5	179.0
Harvested/Planted Acres	92.3%	91.4%	89.8%	91.7%	91.7%	91.8%	92.3%	91.7%	91.5%	90.6%	92.4%	92%
Production (millions)	12,447	12,360	10,755	13,829	14,215	13,602	15,148	14,609	14,340	13,617	15,995	15,216
Stocks (millions)	1,708	1,128	989	821	1,232	1,731	1,737	2,293	2,140	2,221	2,103	2,103
Imports (million)	28.0	29.0	160.0	36.0	32.0	68.0	57.0	36.0	28.0	45.0	25	25
TOTAL SUPPLY (millions)	14,183	13,517	11,904	14,686	15,479	15,401	16,942	16,939	16,509	15,883	18,123	17,344
Acres devoted to ethanol production	32.8	34.0	37.7	32.4	30.4	31.0	31.1	31.7	30.5	27.4	29.1	29.1
Seed	22	22	22	22								
Food, Alcohol & Industrial ethanol for fuel	6,404	6,406	6,016	6,471	6,601	6,648	6,885	7,057	6,793	6,305	6,600	6,600
	5,019	5,000	4,641	5,124	5,200	5,224	5,432	5,605	5,378	4,600	5,200	4,800
Growth in corn used for ethanol	9%	0%	-7%	10%	1%	0%	4%	3%	-4%	-14%	13%	13%
Feed & Residual ALL DOM. USE	4,795	4,557	4,315	5,041	5,280	5,114	5,470	5,304	5,430	5,700	6,050	6,050
	11,221	10,985	10,353	11,534	11,881	11,763	12,355	12,361	12,223	12,005	12,650	12,650
EXPORTS	1,834	1,543	730	1,920	1,867	1,901	2,294	2,438	2,065	1,775	2,150	1,800
TOTAL USAGE	13,055	12,528	11,083	13,454	13,748	13,664	14,649	14,798	14,288	13,780	14,800	14,450
ENDING STOCKS	1,128	989	821	1,232	1,731	1,737	2,293	2,140	2,221	2,103	3,323	2,894
STOCK/USE (%)	8.6%	7.9%	7.4%	9.2%	12.6%	12.7%	15.7%	14.5%	15.5%	15.3%	22.5%	20%
Avg Farm Price (\$/Bu)	\$5.18	\$6.22	\$6.89	\$4.46	\$3.70	\$3.61	\$3.36	\$3.36	\$3.61	\$3.60	\$3.20	

	10	11	12	13	14	15	16	17	18	19	20	20
SEP/AUG YEAR #	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	20/21
SOYBEANS												
Planted Acres	77.4	75.0	77.2	76.8	83.3	82.7	83.4	90.2	89.2	76.1	83.5	83.8
Harvested Acres	76.6	73.8	76.1	76.3	82.6	81.7	82.7	89.5	87.6	75.0	82.8	83.0
Yield	43.5	41.9	40.0	44.0	47.5	48.0	52.0	49.3	50.6	47.4	49.8	51.0
% Harvested	99.0%	98.4%	98.5%	99.4%	99.2%	98.8%	99.1%	99.2%	98.2%	98.6%	99.2%	99.1%
Production	3,329	3,095	3,042	3,358	3,927	3,926	4,296	4,412	4,428	3,552	4,125	4,195
Stocks	151	215	169	141	92	191	197	302	438	909	585	585
Imports	14	16	41	72	33	24	22	22	14	15	15	15
TOTAL SUPPLY	3,494	3,325	3,252	3,571	4,052	4,140	4,515	4,735	4,880	4,476	4,725	4,795
Crush	1,648	1,703	1,689	1,734	1,873	1,886	1,901	2,055	2,092	2,140	2,145	2,145
Seed	87	90	89	97	96	97	105	104	88	97	100	100
Feed & Residual	43	-2	16	10	49	18	41	5	43	4	35	35
ALL DOM. USE	130	88	105	107	145	115	146	109	131	101	135	135
TOTAL USAGE	1,778	1,791	1,794	1,841	2,018	2,001	2,047	2,164	2,223	2,241	2,280	2,280
EXPORTS	1,501	1,365	1,317	1,638	1,843	1,942	2,166	2,134	1,748	1,650	2,050	2,050
TOTAL USAGE	3,279	3,156	3,111	3,479	3,861	3,944	4,214	4,297	3,971	3,891	4,330	4,330
ENDING STOCKS	215	169	141	92	191	197	302	438	909	585	395	465
Free												
CCC												
Loan												
STOCK/USE (%)	6.5%	5.4%	4.5%	2.6%	4.9%	5.0%	7.2%	10.2%	22.9%	15.0%	9.1%	10.7%
Avg Farm Price (\$/Bu)	\$11.30	\$12.50	\$14.40	\$13.00	\$10.10	\$8.95	\$9.47	\$9.33	\$8.48	\$8.50	\$8.20	\$8.20

WHEAT	10	11	12	13	14	15	16	17	18	19	20	30-Jun
JUNE/MAY	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	20/21
Planted Acres	53.6	54.4	55.3	56.2	56.8	55.0	50.1	46.1	47.8	45.2	44.7	44.3
Harvested Acres	47.6	45.7	48.8	45.3	46.4	47.3	43.9	37.6	39.6	37.2	37.7	37.3
Yield	46.3	43.7	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	49.8	49.8
% Harvested	0.888	0.840	0.882	0.806	0.817	0.860	0.876	0.816	0.828	0.823	0.843	0.842
Production	2,207	2,000	2,252	2,135	2,027	2,062	2,309	1,741	1,885	1,920	1,877	1,858
Stocks	976	862	743	718	590	752	976	1,181	1,099	1,080	983	983
Imports	97	112	123	174	151	113	118	158	135	105	140	140
TOTAL SUPPLY	3,279	2,974	3,118	3,026	2,768	2,927	3,402	3,080	3,119	3,105	3,000	2,981
Seed	71	76	73	77	79	67	61	63	59	60	61	61
Food	926	941	945	955	958	957	949	964	955	962	964	964
Feed & Residual	132	166	370	228	114	149	161	47	90	135	100	100
TOTAL DOM. USE	1,129	1,183	1,388	1,260	1,151	1,174	1,171	1,075	1,103	1,157	1,125	1,125
Grain Exports	1,258	1,017	981	1,145	864	778	1,051	906	936	965	950	950
Product Exports	31	31	31	31								
TOTAL EXPORTS	1,289	1,048	1,012	1,176	864	778	1,051	906	936	965	950	950
TOTAL USAGE	2,418	2,231	2,400	2,436	2,015	1,951	2,222	1,981	2,039	2,122	2,075	2,075
ENDING STOCKS	861	743	718	590	753	976	1,181	1,099	1,080	983	925	906
Free	861	743	718	590	753							
Reserve												
Loan	15	8	8	8	45							
CCC	0	0	0	0	0							
STOCKS/USE (%)	35.6%	33.3%	29.9%	24.2%	37.4%	50.0%	53.2%	55.5%	53.0%	46.3%	44.6%	43.6%
Major Mkt. Prices (\$/Bu.)	\$5.70	\$7.24	\$7.77	\$6.87	\$5.99	\$4.89	\$3.89	\$4.72	\$5.16	\$4.60	\$4.60	\$4.60

LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergstén 218-686-5448 / Josh Tjosaas 299-5863-Instructors

	7/6/2020 2:30 p.m.			7/6/2020 9:30 a.m.			7/1/2020 8:26 a.m.			6/29/2020 8:41 p.m.		
	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop
WHEAT:	Sept 20-July Del	Sept 20-Aug Del	Sept 20-Sept Del	Sept 20-July Del	Sept 20-Aug Del	Sept 20- Sept Del	Sept 20-June Del	Sept 20-July Del	Sept 20-Aug Del	Sept 20-June Del	Sept 20-July Del	Sept 20-Aug Del
Georgetown	4.86	4.86		4.85	4.85		4.91	4.91		4.85	4.85	
Maple River	4.58	4.58	4.53	4.57	4.57	4.52	4.63	4.63	4.58	4.42	4.42	4.42
Protein	+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis: Gtwm	-0.27	-0.27		-0.27	-0.27		-0.27	-0.27		-0.27	-0.27	
Breck	-0.50	-0.55	-0.55	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
Felton	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27
MRG	-0.55	-0.55	-0.60	-0.55	-0.55	-0.60	-0.55	-0.55	-0.60	-0.70	-0.70	-0.70
SOYBEANS:	Aug 20-July Del	Aug 20-Aug Del	Nov 20-Oct Del	Aug 20-July Del	Aug 20-Aug Del	Nov 20-Oct Del	Aug 20-June Del	Aug 20-July Del	Nov 20-Oct Del	Aug 20-June Del	Aug 20-July Del	Nov 20-Oct Del
Georgetown	8.16	8.16	8.31	8.18	8.18	8.34	7.97	7.97		7.75	7.75	
Maple River	8.24	8.24	8.29	8.19	8.19	8.32	8.07	8.07	8.12	7.76	7.76	7.86
Basis: Gtwm	-0.83	-0.83	-0.75	-0.88	-0.88	-0.75	-0.88	-0.88		-0.88	-0.88	
Breck-Nov	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.65	-0.65	-0.65
Felton	-0.82	-0.82	-0.72	-0.82	-0.82	-0.72	-0.82	-0.82	-0.67	-0.82	-0.82	-0.67
MRG-Nov	-0.82	-0.82	-0.77	-0.82	-0.82	-0.77	-0.82	-0.82	-0.77	-0.87	-0.87	-0.77
CORN:	Sept 20-July Del	Sept 20-Aug Del	Dec 20-Dec Del	Sept 20-July Del	Sept 20-Aug Del	Dec 20-Dec Del	Sept 20-June Del	Sept 20-July Del	Dec 20-Dec Del	Sept 20-June Del	Sept 20-July Del	Dec 20-Dec Del
Georgetown	2.95	2.95		2.94	2.94		3.00	3.00		2.79	2.79	
Cargill	3.07	3.07	3.26	3.06	3.06	3.26	3.10	3.18	3.27	2.96	2.94	3.03
Basis-Gtwm	-0.52	-0.52		-0.48	-0.48		-0.48	-0.48		-0.48	-0.48	
Cargill	-0.40	-0.40	-0.30	-0.40	-0.40	-0.30	-0.38	-0.30	-0.30	-0.31	-0.33	-0.30
Felton	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57
MRG	-0.47	-0.47	-0.37	-0.47	-0.47	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37

Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Wilkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% July 1, 2020 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
0.250%	3 years	0.750%	10 years
0.375%	5 years	0.875%	12 years
0.500%	7 years		

Cash Prices for Old Crop and New Crop-Marketing Impact Factors

- Weather Premiums still in play. Even with lower acres on corn, unless yield drops or demand increases we will still have a large carryout at year end.
- Wheat-Drought Stress ND-need to watch this summer, Decreasing US stocks but increase world stocks
- Corn-July Report will be watched closely, Weather Rally, Fund still short corn. Need China to buy!

Cash Prices for Old Crop and New Crop-Marketing Impact Factors

- Soybeans-Likely most upside potential based on acres and current projections (tight ending stocks), decrease of 2-3 bushels makes it very tight depending on usage), don't sleep on marketing opportunities though (would you have sold at these prices in Feb-May?), Sell on rallies
- Look to reward rallies-New Crop Basis, Elaine Kub isn't overly bullish soybeans at this point, but watching weather (I States for dryness for corn and soybeans and demand.
- Election and China debate will be watched going forward
- PROFARMER-Summer rallies in November soybeans have occurred 90% of the time since 1980 and prices just confirmed an upside breakout to start June, The median date that rallies started has been June 25, but some began in early June to as late as early August in the past 40 seasons. The average gain in the 36 years was \$1.23. In 2019, the summer price rally was 58¢.
- BILL GARY-Although the market will start to focus more on weather, we still have China trade, Covid19, civil unrest, and an unstable meat demand sector
- 2020 Corn Bean Ratio: $9.062/3.562 = 2.544$ to 1(+\$.29 beans and +\$.14 on corn)

National Marketing Year Price Update for PLC/ARC

- **ARC, PLC, and ARC IC for 2019 should have payments in Oct 20**
- Corn at \$3.60 below PLC Reference of \$3.70, Payment estimate \$0.10 per PLC bushel*.85
- *Soybeans at \$8.58 above PLC Reference of \$8.40*
- Wheat at 4.60 below PLC reference price of \$5.50. Payment estimate \$0.90 (May 12th was last update) per PLC bushel *.85
- Based on those prices PLC would give a payment for Corn and Wheat. Max ARC-Co Wheat likely
- Wheat has till May 31 for marketing year to end and corn has till August 31 for that marketing year to end.
- ARC-CO Estimates as of June 12th update: Wheat is final price estimate, numbers are still estimate on ARC-CO until August
- Clay-Corn=None, Soybean=\$5, Wheat=\$32
- Norman-Corn=None, Soybean=\$19, Wheat=\$35
- Wilkin-Corn=None, Soybean=None, Wheat=\$31
- IS THERE GOING TO BE MFP 3.0 in 2020?
- PLC Yield Updates-Sept 30th 2020, Acre Certification July 15th, 2020

Basis for Old Crop and New Crop

- New Crop Basis for Corn and Soybeans are relatively very good historically given the past several year. Consider looking for unable to store amounts of soybeans and even corn.

Marketing considerations:

- If storage is available look to harvest futures and roll into a carry. This would be especially for corn and wheat.
- If no storage for 2020 crop. Would making some sales in the next month to six weeks help eliminate risk. If we have a large crop what will the harvest price be when you are forced deliver.
- Old crop also need to be marketed. Free storage ends July 31st and do you really want to continue to roll basis fixed contracts in carry market?

2019 and 2020 Crop Targets

- 19 Corn-July Futures 2020-\$3.80-\$4.00
- 20 Corn Dec Futures 2020-\$4.00-4.10 Start-Cash \$3.50-Cash Flow plan, Possibly start at \$3.00 cash (MFP#3?)
- 19 Soybeans Corn-July Futures 2020-\$9.40-9.50
- 20 Soybeans Dec Futures 2020-\$9.60 Start-Cash \$8.75 Cash Flow plan, Possibly start at \$8.00 cash (MFP#3?), lock current new crop basis?????
- 19 Spring Wheat-July Futures 2020-\$5.50-\$5.70
- 20 Spring Wheat Sept Futures 2020-\$5.75-5.80-Cash \$5.25 Cash Flow Plan
- 20 Spring Wheat Dec Futures 2020-\$5.95-6.00 , Start around \$5.50 Dec
- Dec Wheat at \$5.454 on 6/18-If get -\$0.10 basis, \$5.35 cash if better than the cash flow at \$5.25-something to consider

Current Efforts for resilience:



Rural Mental Health Specialists

* Supported in partnership with the
Minnesota Department of Ag and
Centers of Excellence



Ted Matthews

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Phone: 218-280-7785

ELEC. CORN (@C) [10]					ELEC. SOYBEANS (@S) [10]					ELEC. WHEAT (@W) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	346'4s	4'0	349'0	345'2	Jul-20	898'4s	6'0	901'4	897'0	Jul-20	489'4s	-0'4	489'2	485'6
Sep-20	346'4s	3'0	350'0	345'4	Aug-20	898'4s	7'2	904'0	895'6	Sep-20	493'2s	1'2	496'4	487'6
Dec-20	356'2s	2'6	360'0	355'2	Sep-20	899'0s	9'0	905'0	895'2	Dec-20	501'0s	1'2	504'2	496'0
Mar-21	367'4s	2'4	371'2	366'2	Nov-20	906'2s	9'4	912'4	902'4	Mar-21	508'6s	1'2	511'6	504'0
May-21	373'0s	2'2	376'6	372'0	Jan-21	910'4s	9'2	916'2	906'6	May-21	514'0s	1'4	516'6	509'2
Jul-21	377'0s	2'2	380'4	375'4	Mar-21	904'0s	9'2	909'6	899'6	Jul-21	513'6s	0'0	518'2	510'2
Sep-21	369'2s	1'4	371'2	368'4	May-21	901'0s	8'6	907'0	897'0	Sep-21	521'0s	-0'2	525'2	518'2
Dec-21	375'2s	1'2	377'2	374'6	Jul-21	906'0s	8'2	912'0	902'6	Dec-21	532'6s	0'4	536'0	530'4
ELECTRONIC OATS (@O) [10]					ELECTRONIC SOYBEAN MEAL (@SM) [10]					ELECTRONIC SOYBEAN OIL (@BO) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	339'6s	1'2	340'0	340'0	Jul-20	295.4s	1.9	296.9	294.2	Jul-20	28.42s	0.46	28.52	28.07
Sep-20	284'6s	-3'0	290'4	283'6	Aug-20	297.8s	1.6	299.4	296.5	Aug-20	28.54s	0.45	28.70	28.18
Dec-20	281'0s	-2'2	284'6	280'0	Sep-20	300.3s	1.9	301.9	299.0	Sep-20	28.71s	0.45	28.86	28.35
Mar-21	281'6s	-2'2	---	---	Oct-20	302.2s	2.0	304.2	301.0	Oct-20	28.88s	0.46	29.04	28.50
May-21	283'2s	0'0	---	---	Dec-20	306.0s	1.8	308.9	304.5	Dec-20	29.23s	0.48	29.39	28.84
Jul-21	283'2s	0'0	---	---	Jan-21	307.4s	2.0	310.1	306.0	Jan-21	29.46s	0.48	29.61	29.08
Sep-21	281'0s	0'0	---	---	Mar-21	306.2s	2.1	308.4	304.9	Mar-21	29.60s	0.46	29.76	29.24
Dec-21	275'0s	0'0	---	---	May-21	304.6s	2.0	306.8	303.7	May-21	29.75s	0.45	29.91	29.53
ELECTRONIC ROUGH RICE (@RR) [10]					ELEC. HRW WHEAT (@KW) [10]					ELEC. HRS WHEAT (@MW) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	16.415s	-0.110	---	---	Jul-20	432'6s	5'4	434'2	428'4	Jul-20	499'0s	3'2	---	---
Sep-20	12.200s	-0.110	12.320	12.130	Sep-20	438'4s	4'4	440'4	433'2	Sep-20	512'6s	2'4	516'4	511'2
Nov-20	11.955s	-0.055	12.010	11.900	Dec-20	451'4s	4'6	453'4	446'0	Dec-20	525'4s	1'6	528'6	524'6
Jan-21	12.115s	-0.055	---	---	Mar-21	463'2s	4'6	464'6	458'0	Mar-21	539'0s	1'2	542'2	538'4
Mar-21	12.210s	-0.055	12.100	12.100	May-21	470'4s	4'4	472'0	465'4	May-21	548'4s	0'6	549'4	549'0
May-21	12.345s	-0.055	---	---	ELECTRONIC CANOLA (@RS) [10]					Jul-21	558'0s	1'0	558'0	558'0
Jul-21	12.345s	-0.055	---	---	Month	Last	Chg	High	Low	ELECTRONIC MILLING WHEAT (@WA) [0]				
ELECTRONIC BARLEY (@BW) [0]					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jul-20	462.4s	3.5	---	---	Jul-20	499'0s	3'2	---	---
Jul-20	462.4s	3.5	---	---	Nov-20	478.7s	3.8	480.5	474.4	Sep-20	512'6s	2'4	516'4	511'2
Nov-20	478.7s	3.8	480.5	474.4	Jan-21	485.0s	3.9	486.6	481.0	Dec-20	525'4s	1'6	528'6	524'6
Jan-21	485.0s	3.9	486.6	481.0	Mar-21	489.8s	4.1	491.4	488.6	Mar-21	539'0s	1'2	542'2	538'4
Mar-21	489.8s	4.1	491.4	488.6	May-21	494.2s	4.1	495.6	493.1	May-21	548'4s	0'6	549'4	549'0
May-21	494.2s	4.1	495.6	493.1	ELECTRONIC DURUM WHEAT (@DW) [0]					Jul-21	558'0s	1'0	558'0	558'0
ELECTRONIC DURUM WHEAT (@DW) [0]					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low

Quotes generated on: Mon, Jul 6, 2020 2:37 PM CDT *Quotes are in market time

LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergstén 218-686-5448 / Josh Tjosaas 299-5863-Instructors

	7/6/2020 2:30 p.m.			7/6/2020 9:30 a.m.			7/1/2020 8:26 a.m.			6/29/2020 8:41 p.m.		
	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop
<u>WHEAT:</u>	Sept 20-July Del	Sept 20-Aug Del	Sept 20-Sept Del	Sept 20-July Del	Sept 20-Aug Del	Sept 20-Sept Del	Sept 20-June Del	Sept 20-July Del	Sept 20-Aug Del	Sept 20-June Del	Sept 20-July Del	Sept 20-Aug Del
Georgetown	4.86	4.86		4.85	4.85		4.91	4.91		4.85	4.85	
Maple River	4.58	4.58	4.53	4.57	4.57	4.52	4.63	4.63	4.58	4.42	4.42	4.42
Protein	+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis:Gtwn	-0.27	-0.27		-0.27	-0.27		-0.27	-0.27		-0.27	-0.27	
Breck	-0.50	-0.55	-0.55	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
Felton	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27	-0.27
MRG	-0.55	-0.55	-0.60	-0.55	-0.55	-0.60	-0.55	-0.55	-0.60	-0.70	-0.70	-0.70
<u>SOYBEANS:</u>	Aug 20-July Del	Aug 20-Aug Del	Nov 20-Oct Del	Aug 20-July Del	Aug 20-Aug Del	Nov 20-Oct Del	Aug 20-June Del	Aug 20-July Del	Nov 20-Oct Del	Aug 20-June Del	Aug 20-July Del	Nov 20-Oct Del
Georgetown	8.16	8.16	8.31	8.18	8.18	8.34	7.97	7.97		7.75	7.75	
Maple River	8.24	8.24	8.29	8.19	8.19	8.32	8.07	8.07	8.12	7.76	7.76	7.86
Basis: Gtwn	-0.83	-0.83	-0.75	-0.88	-0.88	-0.75	-0.88	-0.88		-0.88	-0.88	
Breck-Nov	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.65	-0.65	-0.65
Felton	-0.82	-0.82	-0.72	-0.82	-0.82	-0.72	-0.82	-0.82	-0.67	-0.82	-0.82	-0.67
MRG-Nov	-0.82	-0.82	-0.77	-0.82	-0.82	-0.77	-0.82	-0.82	-0.77	-0.87	-0.87	-0.77
<u>CORN:</u>	Sept 20-July Del	Sept 20-Aug Del	Dec 20-Dec Del	Sept 20-July Del	Sept 20-Aug Del	Dec 20-Dec Del	Sept 20-June Del	Sept 20-July Del	Dec 20-Dec Del	Sept 20-June Del	Sept 20-July Del	Dec 20-Dec Del
Georgetown	2.95	2.95		2.94	2.94		3.00	3.00		2.79	2.79	
Cargill	3.07	3.07	3.26	3.06	3.06	3.26	3.10	3.18	3.27	2.96	2.94	3.03
Basis-Gtwn	-0.52	-0.52		-0.48	-0.48		-0.48	-0.48		-0.48	-0.48	
Cargill	-0.40	-0.40	-0.30	-0.40	-0.40	-0.30	-0.38	-0.30	-0.30	-0.31	-0.33	-0.30
Felton	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57
MRG	-0.47	-0.47	-0.37	-0.47	-0.47	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37

Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Wilkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% July 1, 2020 Farm Storage Loans

<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>	<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>
0.250%	3 years	0.750%	10 years
0.375%	5 years	0.875%	12 years
0.500%	7 years		

MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstén, Instructors

7-6-2020	WHEAT	SOYBEANS	CORN	OTHER
Pro Farmer:	20: 40% sold for cash sellers and 40% sold for HTA, 20% FO Trend is steady.	19: 95% sold for cash sellers and for H's 95% sold. 20: 20% Cash, 20%Hedgers/FO Trend is steady.	19: 100% sold for cash sellers and for H's 90% sold/20% FO. 20: 30% Cash, 20%Hedgers/FO Trend is steady.	Cattle: No Sales Trend is steady.
Money Farm:	19-60% HTA-\$5.48 20-25% Hedged	19-60% Sold-\$9.73 20-10% HTA	19: Price 60% HTA Dec 2019-\$4.09	Luke Swenson writes this daily newsletter.
Martinson Ag:	18-90% sold FF at \$6.065 Sept 19-30% sold FF at \$6.15 Sept 19	18-90% sold FF at \$9.87 19: 25% sold FF at \$9.04	18-95% sold at \$4.09 Dec 19-50% sold at \$4.21 Dec 19	Randy Martinson writes this daily newsletter.
Roach Ag:		Day 1 Sell Signal Monday July 6th, 2020	Day 1 Sell Signal Monday July 6th, 2020	
Farm Futures:	19: Price 60% of 2019 production at an average Minneapolis futures price of \$5.51.	19: Price 20% of 2019 production at \$9.70 basis July 2020 futures or HTAs.	19: Price 20% of expected 2019 at \$4.48175. Price 10% at \$4.3125 July Futures or HTA 20: Price 10% of expected 2020 at 4.21 Dec 20	Bryce Knorr, <i>Farm Futures</i>
Usset, U of MN:	<u>Updated 4/24/2020</u> 20: No sales	<u>Updated 3/13/2020</u> 20: 20% sold at 9.80 Futures	<u>Updated 3/20/2020</u> 20: No sales	You can check out Ed Usset's website at http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx
Terms:	CBT-Chicago Board of Trade	OC–Old Crop	P–Put Option	FC–Forward Contract
	MGE-Minneapolis Grain Exchange	NC–New Crop	C–Call Option	H-Hedge
	KC–Kansas City Board of Trade	OTM–Out-of-the-Money	ATM–At-the-Money	F/O-Futures/Options
NEXT USDA CROP REPORT: WASDE July 10th, 2020 Bold: indicates change from last week.				

“The information provided by Northland Farm Business Management is for informational and comparison purposes only. It is not intended to be considered marketing or trading advice for your individual operation. The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. By accepting this communication, you agree that you are capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.”

2019 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2019 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2019	5.28	-.60	8.28	-1.24	3.57	-.45
Feb	5.22	-.58	8.35	-1.23	3.56	-.43
Mar	5.06	-.50	8.04	-1.25	3.47	-.43
Apr	4.87	-.54	8.13	-1.23	3.51	-.40
May	4.67	-.56	7.01	-1.18	3.26	-.40
June	5.18	-.57	7.54	-1.29	3.91	-.40
July	4.75	-.59	7.90	-1.30	4.07	-.40
Aug	4.64	-.55	7.61	-1.25	3.78	-.57
Sept	4.21	-.74	7.32	-1.27	3.17	-.25
Oct	4.86	-.62	8.31	-1.05	3.53	-.45
Nov	4.61	-.55	8.03	-1.07	3.20	-.55
Dec	4.67	-.49	7.91	-1.07	3.32	-.45
Jan 2020	5.18	-.38	8.34	-1.06	3.42	-.45
Feb	5.02	-.33	7.86	-.95	3.42	-.38
Mar	4.81	-.35	7.77	-.97	3.30	-.40
Apr	4.97	-.39	7.79	-.84	2.75	-.55
May	4.72	-.48	7.70	-.86	2.65	-.55
Jun	4.77	-.42	7.88	-.79	2.93	-.40
Average	4.86	-0.51	7.88	-1.11	3.38	-0.44

2020 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2020 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2020	5.37	-0.50	8.48	-1.06	3.68	-0.35
Feb	5.03	-0.60	8.12	-1.06	3.56	-0.35
Mar	4.78	-0.58	7.90	-0.98	3.35	-0.40
Apr	4.96	-0.59	7.89	-0.86	3.09	-0.40
May	4.72	-0.58	7.74	-0.86	2.93	-0.43
June	4.78	-0.53	8.00	-0.79	3.12	-0.35
July						
Aug						
Sept						
Oct						
Nov						
Dec						
Jan 2021						
Feb						
Mar						
Apr						
May						
Jun						
Average	4.94	-0.56	8.02	-0.94	3.29	-0.35

Corn Quotes	5/26/2020	Spread		5/28/2020	Spread		6/1/2020	Spread		6/3/2020	Spread
Dec-20	3.344		Dec-20	3.34		Dec-20	3.36		Dec-20	3.374	
Mar-21	3.472	0.128	Mar-21	3.46	0.12	Mar-21	3.476	0.116	Mar-21	3.502	0.128
May-21	3.544	0.2	May-21	3.53	0.19	May-21	3.544	0.184	May-21	3.57	0.196
Jul-21	3.596	0.252	Jul-21	3.58	0.24	Jul-21	3.6	0.24	Jul-21	3.624	0.25
	6/8/2020			6/15/2020			6/18/2020			6/22/2020	
Dec-20	3.476	Spread	Dec-20	3.41	Spread	Dec-20	3.416	Spread	Dec-20	3.41	Spread
Mar-21	3.59	0.114	Mar-21	3.524	0.114	Mar-21	3.53	0.114	Mar-21	3.524	0.114
May-21	3.652	0.176	May-21	3.592	0.182	May-21	3.59	0.174	May-21	3.592	0.182
Jul-21	3.702	0.226	Jul-21	3.642	0.232	Jul-21	3.64	0.224	Jul-21	3.642	0.232
	6/23/2020	Spread		6/25/2020	Spread		6/29/2020	Spread		7/1/2020	Spread
Dec-20	3.366		Dec-20	3.292		Dec-20	3.334		Dec-20	3.572	
Mar-21	3.486	0.12	Mar-21	3.406	0.114	Mar-21	3.442	0.108	Mar-21	3.682	0.11
May-21	3.56	0.194	May-21	3.484	0.192	May-21	3.514	0.18	May-21	3.74	0.168
Jul-21	3.612	0.246	Jul-21	3.546	0.254	Jul-21	3.574	0.24	Jul-21	3.786	0.214
	7/2/2020	Spread		7/6/2020	Spread			Spread			Spread
Dec-20	3.53		Dec-20	3.56		Dec-20			Dec-20		
Mar-21	3.644	0.114	Mar-21	3.672	0.112	Mar-21		0	Mar-21		0
May-21	3.7	0.17	May-21	3.73	0.17	May-21		0	May-21		0
Jul-21	3.742	0.212	Jul-21	3.77	0.21	Jul-21		0	Jul-21		0
		Spread			Spread			Spread			Spread
Dec-20			Dec-20			Dec-20			Dec-20		
Mar-21		0	Mar-21		0	Mar-21		0	Mar-21		0
May-21		0	May-21		0	May-21		0	May-21		0
Jul-21		0	Jul-21		0	Jul-21		0	Jul-21		0
		Spread			Spread			Spread			Spread
Dec-20			Dec-20			Dec-20			Dec-20		
Mar-21		0	Mar-21		0	Mar-21		0	Mar-21		0
May-21		0	May-21		0	May-21		0	May-21		0
Jul-21		0	Jul-21		0	Jul-21		0	Jul-21		0
		Spread			Spread			Spread			Spread
Dec-20			Dec-20			Dec-20			Dec-20		
Mar-21		0	Mar-21		0	Mar-21		0	Mar-21		0
May-21		0	May-21		0	May-21		0	May-21		0
Jul-21		0	Jul-21		0	Jul-21		0	Jul-21		0
		Spread			Spread			Spread			Spread
Dec-20			Dec-20			Dec-20			Dec-20		
Mar-21		0	Mar-21		0	Mar-21		0	Mar-21		0
May-21		0	May-21		0	May-21		0	May-21		0
Jul-21		0	Jul-21		0	Jul-21		0	Jul-21		0

2018 and 2019 Wheat



2018 and 2019 Soybeans



2018 and 2019 Corn



2019 & 2020 Wheat

2019 Red, 2020 Green



2019 & 2020 Soybeans

2019 Red, 2020 Green

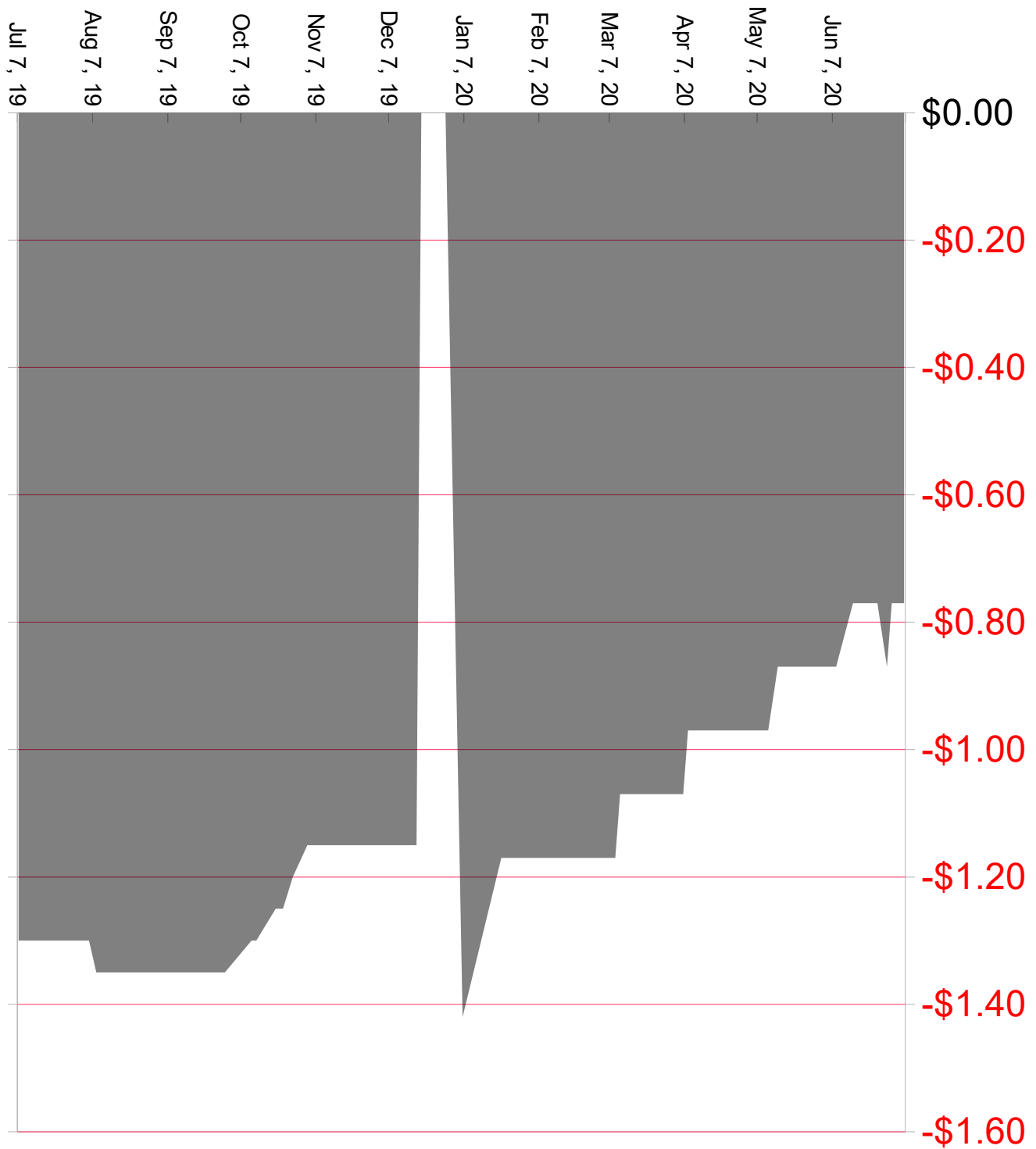


2019 and 2020 Corn

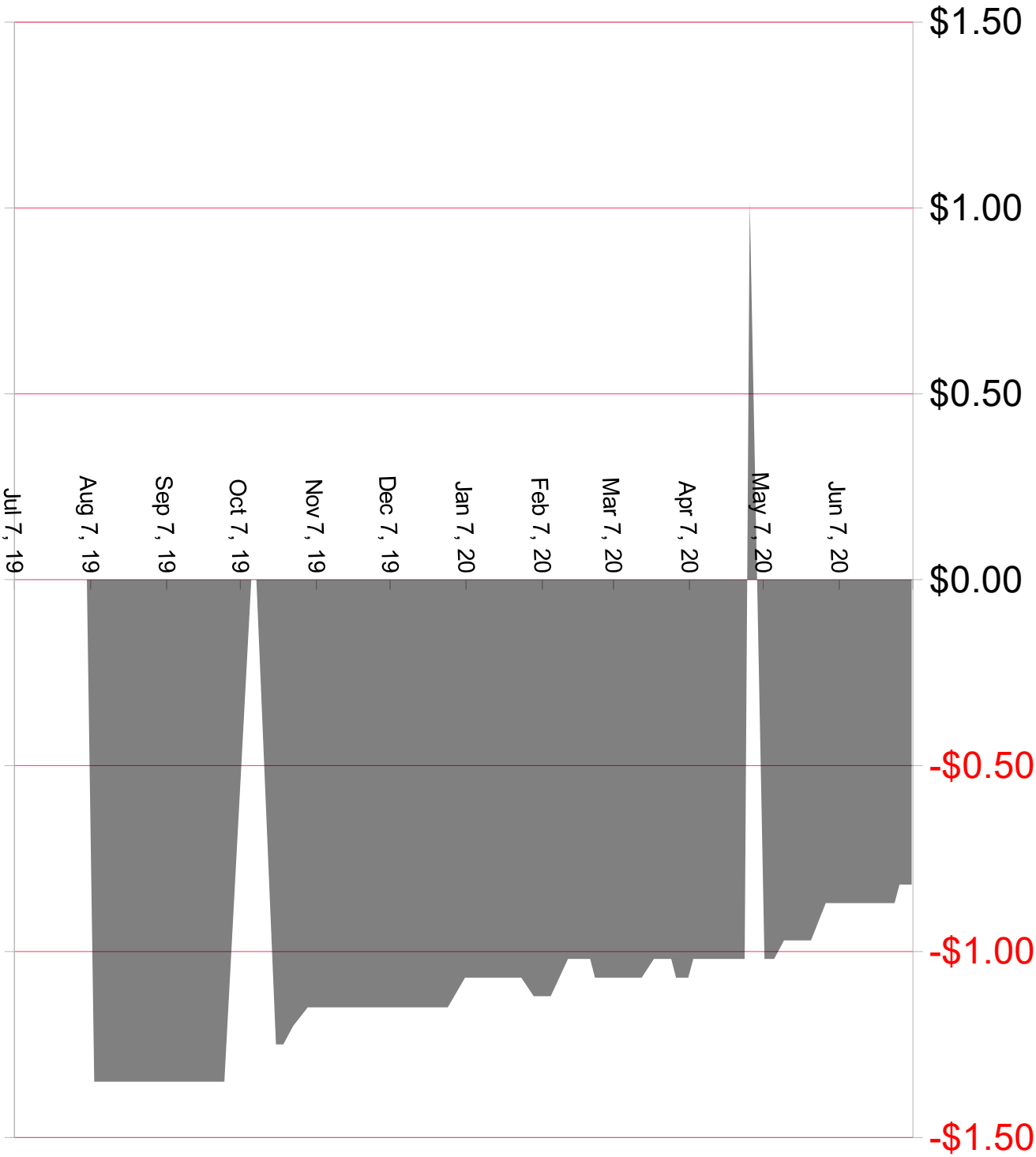
2019 Red, 2020 Green



New crop Soybean basis



Old crop Soybean basis



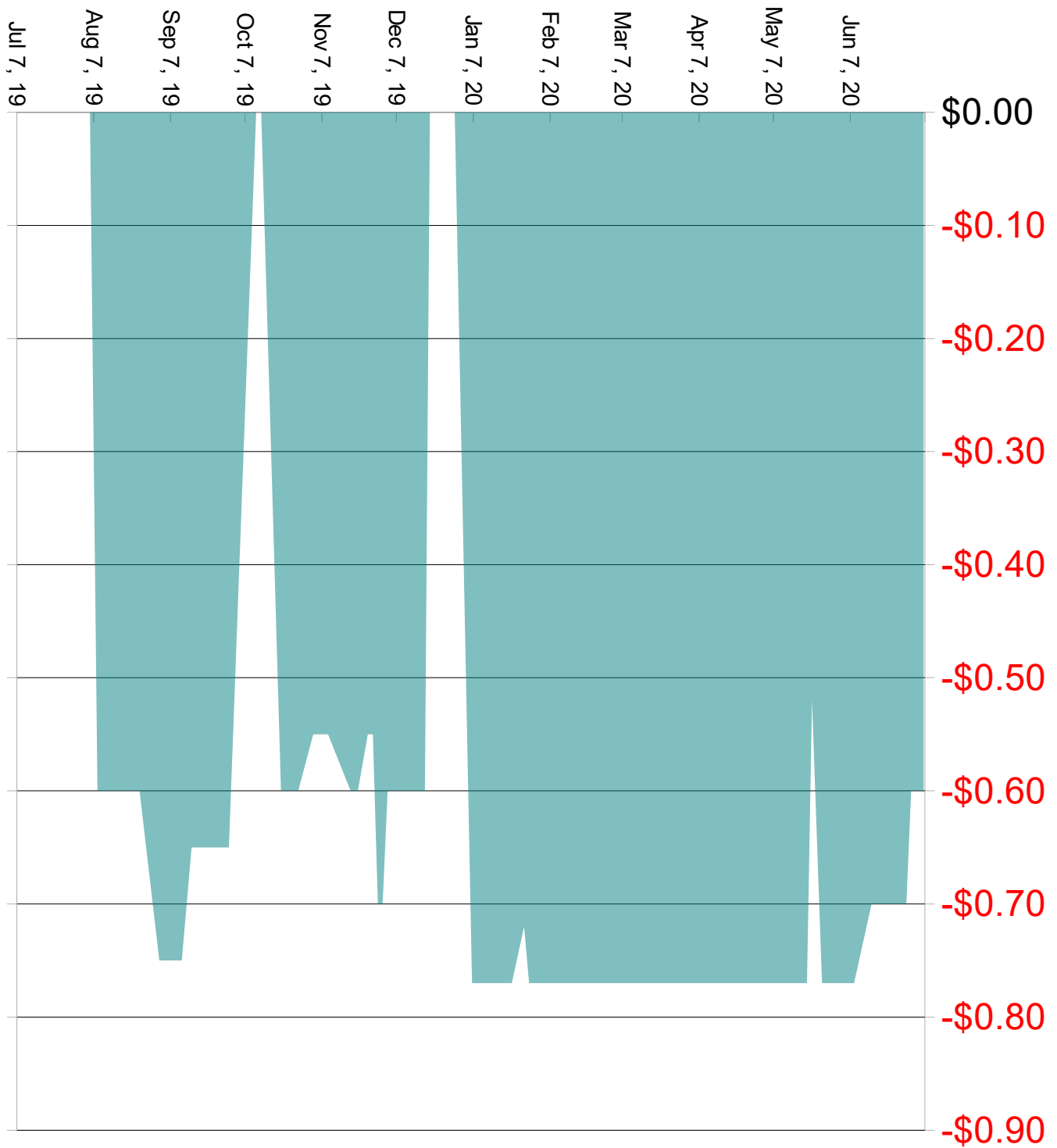
new crop Corn basis



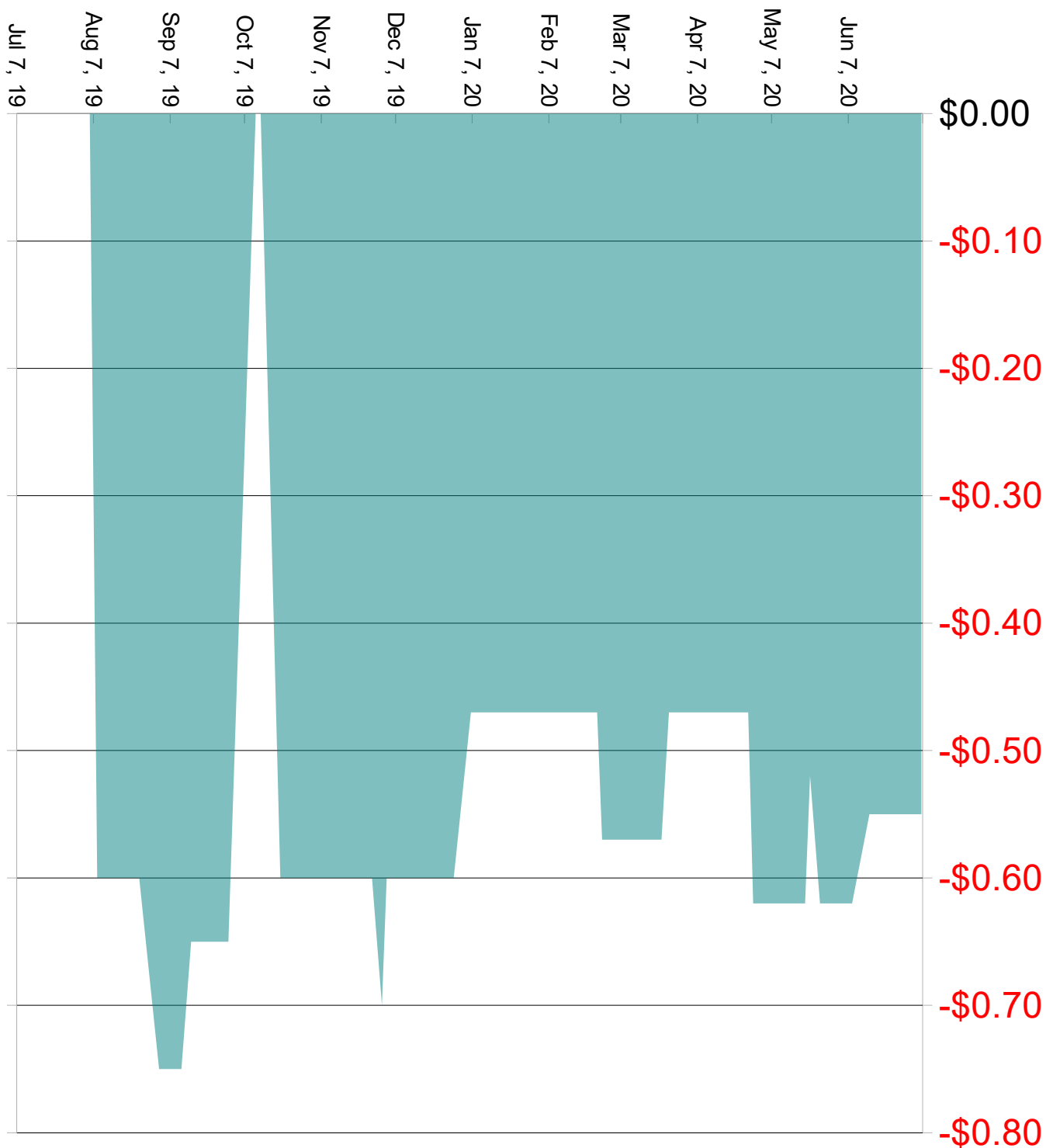
old crop Corn basis



new crop Wheat basis



old crop Wheat basis

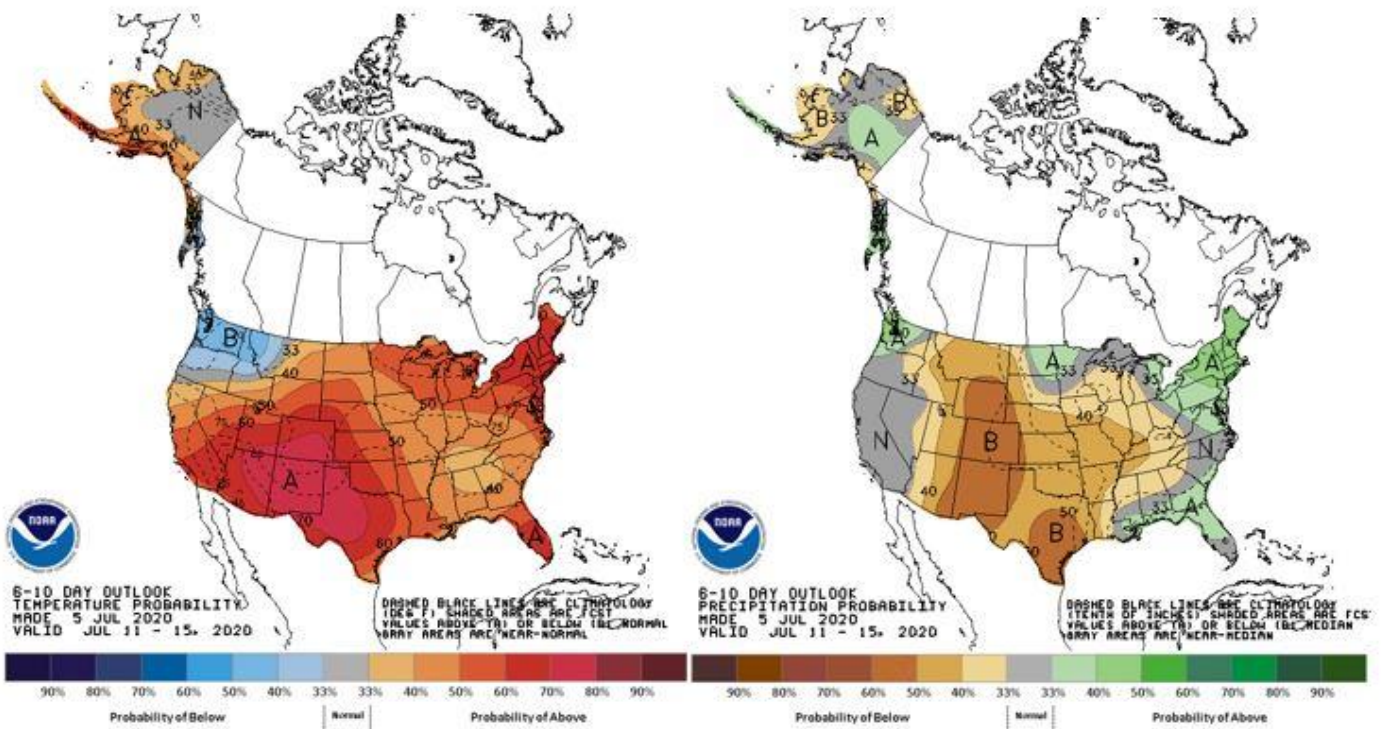


DAILY COMMENTARY

Both grain and financial markets returned from the long July 4th holiday weekend in a slightly bullish mood. More hot and dry weather spurred grain and oilseed markets to gains Sunday night and financial markets were pushed higher by last Friday's bullish jobs report.

The USDA will update their WASDE (supply and demand) estimates on Friday, July 10. This report will incorporate all of the June 30 acreage revisions. That means the corn and soybean production estimates will be lower than the June numbers. We doubt the USDA will make any yield adjustments to corn or soybeans.

Weather be the key factor going forward. There is still plenty of talk about "ridging" and that means heat and dry conditions. The unknown is how long these conditions will last. The maps below are the six-10 day forecasts. The 11-14 day forecasts look the same.



A key element of the corn market is the fact funds are still short a lot of corn. Last Friday's commitment of trader's report was delayed until today, but analysts estimate funds are still short nearly 200,000 contracts of corn futures. That number was close to 240,000 contracts two weeks ago. Weather and the bullish corn acreage number are what has triggered the funds to reduce their short positions.

The USDA made three export sales announcements this morning:

- 264,000 MT's of old crop soybeans to China
- 202,000 MT's of corn to China
- 182,000 MT's of corn to Mexico

CORN COMMENTARY

Corn futures traded as much as six to seven cents higher early this morning but closed the day up 2 ¾ in the December contract. The weather uncertainty coupled with some export sales announcements continue to cause funds to cover more of their large short position in corn futures. They are estimated to be short about 175,000 contracts of corn. They were short more than 230,000 contracts at one point and that was a record. They were buyers of corn today. The weekly export inspections report was delayed. China bought a small amount of U.S. corn and that is what we need to sustain any good rally. Weather is also a question mark for the month of July. Most models say it will be hot and dry. Yields could be trimmed if that forecast holds true. Today's ratings showed corn lost 2% in the good to excellent categories.

SOYBEAN COMMENTARY

The hot forecasts and some export sales announcements pushed soybean futures as much as 15 to 16 cents higher at one point and the November contract closed above \$9.00 and closed 9 ½ higher. Funds have been long some soybean and soybean meal futures and added to those long positions today. The smaller than expected soybean acre estimate and now the threat of some yield loss are the bullish stories. Today's crop ratings left 71% in the good to excellent categories. This was the same as last week.

WHEAT COMMENTARY

Wheat futures had a lack luster day today despite the strength in corn and soybeans. The winter wheat harvest is still in progress. Today's report said

56% has been completed. It is the weak export sales pace that holds the wheat market in check. Today's ratings report pegged the spring wheat crop at 70% good to excellent. The North Dakota crop is now rated 61% good to excellent. Chicago September closed 1 ¼ higher. KC September closed 4 ½ higher and the Mpls September closed 2 ½ higher.

Today's Weekly Crop Progress Numbers (Source: USDA)

U.S. Corn Condition (as of July 5, 2020)					
	Very Poor	Poor	Fair	Good	Excellent
July 5	1	5	23	54	17
June 28	1	4	22	57	16
Last Year	3	9	31	47	10

U.S. Soybean Condition (as of July 5, 2020)					
	Very Poor	Poor	Fair	Good	Excellent
July 5	1	4	24	57	14
June 28	1	4	24	58	13
Last Year	3	9	35	46	7

U.S. Spring Wheat Condition (as of July 5, 2020)					
	Very Poor	Poor	Fair	Good	Excellent
July 5	1	5	24	59	11
June 28	1	5	25	60	9
Last Year	-	3	19	70	8

USDA says 92 million acres were planted to corn this spring, down 5 million from the March intentions. The report gave the market a jolt in the trade-shortened holiday week. For the week, September wheat gained 16 cents while the nearby corn contract skyrocketed 25 cents despite a lower close Thursday. More acres turned to soybeans as the crop of choice and hotter weather started to weigh on the trade. The August soybean contract improved 32 cents. August soybean meal added \$11 per ton. December cotton increased \$3.44 per hundredweight. Over in the dairy parlor, August Class III milk futures zoomed higher by 11 percent or \$2.05. A green week in the livestock sector. August cattle jumped up \$4.02, August feeders advanced \$3.30 and the August lean hog contract reversed the down cycle with a 92 cent gain. In the currency markets, the U.S. Dollar index declined 11 ticks. August crude increased \$2.12 per barrel. COMEX Gold expanded \$7.60 per ounce. And the Goldman Sachs Commodity Index improved 12 points to finish at 330.80. Joining us now to give us some insight is market analyst, Elaine Kub. Elaine, welcome back to the program.

Kub: Hello, Paul.

Kub: I don't know, I always thought that 97 million acre number was the surprise or the really questionable number, the number that made you think we're not really going to be able to do that. So the 92 million acre number that we have now seems fairly reasonable. It's just very unusual for the USDA to make such a big change and that's why the market was caught by surprise and why we did see corn prices go up 26 cents in 2 days. That's the kind of response you get to big new changes in government numbers like that.

Yeager: Well, farmers all of a sudden were cheering a government report, that doesn't happen very often. No, that's a snarky joke I saw this week on Twitter I enjoyed. We do have a question that did come from social media and you can always hit up @MarketToMarket. We love to hear from you. This one came from Miller Farm in Nebraska, Elaine. Is there any concern that even with lower acreage and a possible lower than trendline yield we could still have a very large carryout?

Kub: Oh yes, so we saw this jump in corn prices here today, this week, and I don't want to say that's the end of it, that it couldn't still continue to churn higher another 10 cents, another 15 cents, but I feel like everyone's bullishness needs to be tempered quite a bit because let's think this through, if you drop that 5 million acres off of the supply and demand table then you're lopping off 894 million bushels from the ending stocks if you change absolutely nothing else and it's really unlikely that we're not going to also be dropping demand. But let's just say that demand stays stable and all we do is lose those acres, you're still talking ending stocks numbers of 2.4 billion bushels and that is enough, that's plenty, that is a 16% stocks to use ratio. And honestly, historically in the commodity markets if you really want to see a rally, if you want to see grain prices start to go up, you need to have some kind of a shortage, the industry needs to feel that there's not going to be enough of it around. And I think right now this math, as the Twitter question was pointing out, shows that there will still be enough.

Yeager: And the carryout was a question that did come up from people who looked at the acreage as one story. But the weather story becomes a little bit, we're in a small window here, maybe 10 days, like I said, 95 for you, it's low 90s in Iowa, it's dry in Indiana, it's starting to dry out in Illinois. How long does this weather story last in corn?

Kub: Well, through the growing season. But the really interesting part is it's a 3-day weekend and you can absolutely get volatile reactions after you come back from a 3-day weekend because that's so much time for the weather models, the actual inputs, to change. It's very possible that you could see a double digit move when the market opens up Sunday night, Monday morning, one way or the other. It could be either rain showing up in places where it hadn't been before or it could be an extreme extension of that hot and dry weather that is affecting portions of Iowa and portions of Illinois and almost all of Indiana. So you've got all three of the I states in some kind of dry, hot concern for that corn just as it's starting to tassel.

Yeager: And there's also a concern for the soybean crop in those same states that's mentioned. Are they more susceptible for weather right now? We know we're in pollination for corn but what's the story in soybeans?

Kub: Right, you need another two weeks or so to your height of soybean production concern will follow corn a couple of weeks later. But nevertheless, it's not great. Those pockets where it has been dry, you do see less development of the soybeans and it's not ideal.

Yeager: Okay. What are you doing right now when it comes to sales? I guess I should have followed up with you on corn. Are you making any sales of what you've got on hand, some of that old crop? And are you doing the same thing with soybeans? Are you getting rid of some old crop in both of these right now?

Kub: Yeah, absolutely, sell into the rally and also ask yourself if you would have liked these prices back in February and March. We had all of those could have been, would have been, should have been's during April and May when the market was falling apart and now we have received that gift of having those prices back and even though they're not great, in a lot of cases they will be profitable for efficient farmers, they might be just above the cost of production, so this is an opportunity.

Yeager: And that November contract jumped. We already know that the Chinese have put intentions to buy in that. How much more upside does that November contract have?

Kub: I don't think that we should feel very bullish about soybeans because, again, a lot of the news that came this past week in those government reports was not bullish for soybeans. We actually saw disappearance numbers were down 8% compared to a year ago and the acreage number were actually higher compared to last year. All of that makes sense given what the markets were during planting season but there's not any big new bullish story that is going to continue to carry that market.

Yeager: Wheat wise we talk about weather, we look at Texas, Oklahoma, parts of Kansas extremely dry, a lot of the harvest is done in wheat in those areas, it's heading north, Nebraska, South Dakota, North Dakota. It's rainy in some of these other parts. What is weighing on the wheat market right now?

Kub: Well, again, what's always weighing on the wheat market is there's just too much of the stuff. You've got a stocks to use ratio above 40% in the United States and globally. So yes even though that High Plains region, you didn't mention Colorado, Colorado is really the hot spot where you get that D3 extreme drought and that's where you see the really poor winter wheat ratings in the conditions report. Even though you do see that and I know farmers would like to see prices respond upward when conditions are poor, but given the fact that there is so much wheat here and everywhere it's going to be really hard I think for that Kansas City contract to get any momentum above that \$4.20 level where it's kind of bouncing around.

Yeager: Minneapolis did have a little bit of a rally this week. Is there any more legs to that?

Kub: Could be and I think that's tied to some fund activity which may not be very long-term.