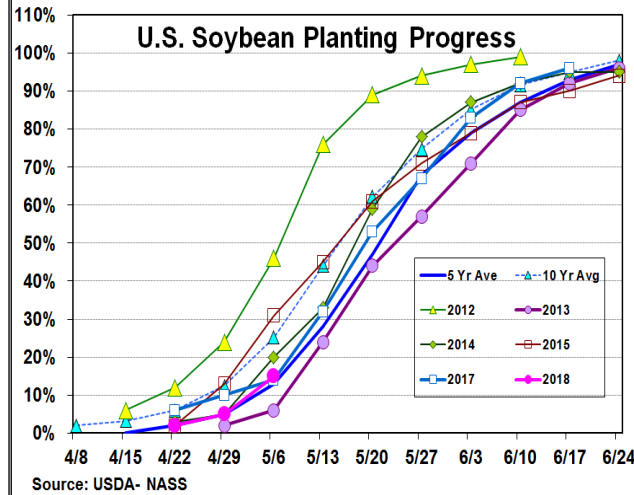
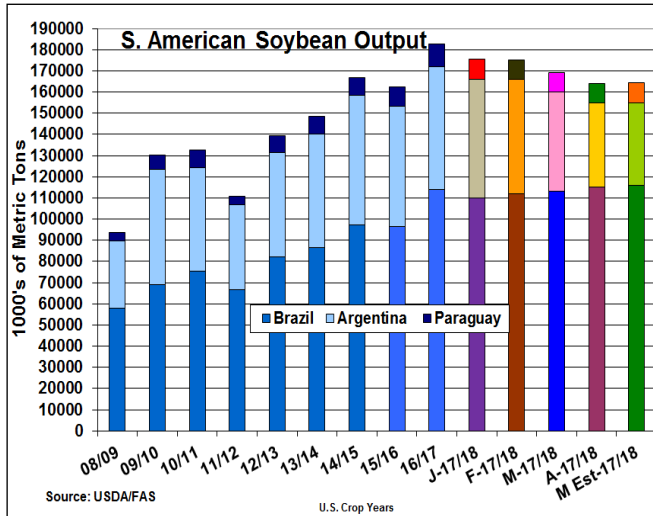


S. America's output is stabilizing, but US & China trade is a huge ? mark



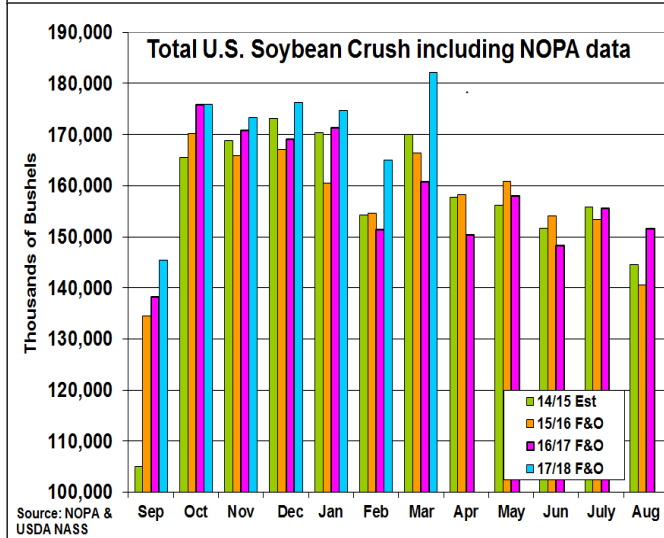
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Market Analysis

The market's attention has been on S. America's soybean prospects and trade statements from the capitols of China and the US over the past 8-12 weeks. Reports from the two main soybean producing countries have continued their basic trends with disappointing Argentine harvest reports that has been slowed by recent heavy rains and strong yield ideas from the final southern Brazilian fields in Rio Grande. With one down and one metric ton increase, S America's contribution to world supplies will likely remain relatively the same. Unfortunately, the reports from the trade talks between China and US last week weren't as non-committal with both sides apparently not showing any initial negotiations leaving the two sides quite a ways apart at this time.

This year's cold April temperatures across the central US have slowed corn, small grains and spring wheat seedings, However, this week's national soybean plantings pace at 15% was 2% ahead of last year and bean's 5 year average pace as southern Midwest areas from Kansas to Indiana were able to move ahead into beans while rains slowed western and northern areas of the Midwest. Overall, planting concerns shouldn't be a market factor unless drag into late May or early June.

Last week's record monthly US Fats and Oils soybean crush of 182.2 million bu was 21.5 million bu. higher than March 2017 and 5.9 million larger than last October's previous high. Given this pace, this demand will likely be upped by 15-20 million bu. World buyers switching their purchases to US after Chinese buyers ran up Brazilian prices because of China's 25% import tariff on US soybeans have kept US export sales on track. However, current US export shipments have been sluggish suggesting no change in US export demand this month. This means the only likely adjustment in old-crop soybean stocks will be a jump in crush resulting in 535 million bu. level.



	2017/18		2017/18		2018/19	
(Millions)	USDA Feb	USDA Mar	USDA April	Price May	USDA Ag Forum	Price May
Planted Acres	90.14	90.14	90.14	90.14	90.00	88.98
Harvested Acres	89.52	89.52	89.52	89.52	89.10	88.10
Yield in Bu.	49.1	49.1	49.1	49.1	48.5	48.5
Initial Stocks	302	302	302	302	530	535
Production	4,392	4,392	4,392	4,392	4,320	4,265
Imports	25	25	25	25	25	25
Ttl Supply	4,718	4,718	4,718	4,718	4,875	4,825
Crush	1,950	1,960	1,970	1,985	1,980	2,000
Seed	106	106	103	103	106	107
Residual	33	33	30	30	29	33
Ttl Domestic	2,089	2,099	2,103	2,118	2,115	2,140
Exports	2,100	2,065	2,065	2,065	2,300	2,150
Ttl Usage	4,189	4,164	4,168	4,183	4,415	4,290
Ending Stocks	530	555	550	535	460	535
Stks/Use Ratio	12.6%	13.3%	13.2%	12.8%	10.4%	12.5%

What's Ahead With the USDA utilizing their Baseline trend yield, a 1 million lower planting intentions and a conservative 2018/19 export outlook, we are expecting the USDA's initial 2018/19 new-crop US ending stocks forecast to be 535 million bu. **Given the current highly charged and uncertain world export trade for 2018/19 soybeans, producers should have 40-45% of your new crop output sold or hedged.**

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