

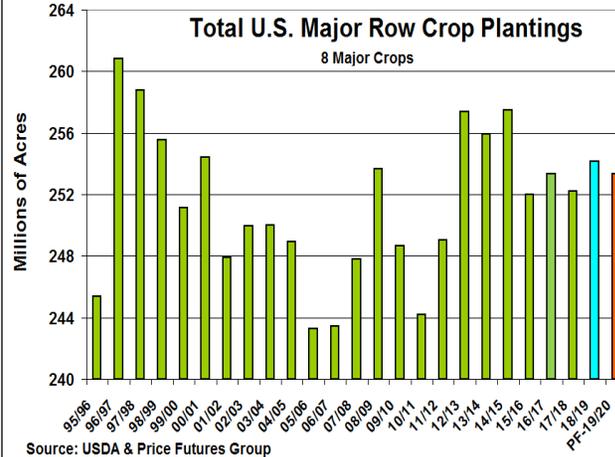
A cold/wet spring could counter lower bean seedings from trade conflict

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Major U.S. Planting Levels*

	USDA 17/18	USDA 18/19	Ag Forum 19/20	Price 19/20	Change vs. 19/18	Reuters M-19/20
Corn	90.17	89.13	92.00	91.65	2.52	91.33
Beans	90.14	89.20	85.00	85.55	-3.65	86.17
Sprg Wht	11.01	13.20	13.61	13.75	0.55	13.42
Durum	2.31	2.07	2.10	2.26	0.19	2.08
Winter	32.70	32.54	31.29	31.39	-1.15	31.46
All Wheat	46.01	47.80	47.00	47.40	-0.40	46.92
Oats	2.59	2.75	2.73	2.82	0.07	2.75
Barley	2.48	2.54	2.64	2.61	0.07	2.56
Sorghum	5.63	5.69	6.06	6.05	0.36	5.78
All Cotton	12.61	14.10	14.30	14.48	0.38	14.50
Rice	2.46	2.95	2.90	2.80	-0.15	2.80
Total	252.09	254.15	252.62	253.36	-0.79	252.80

* millions of acres



Market Analysis

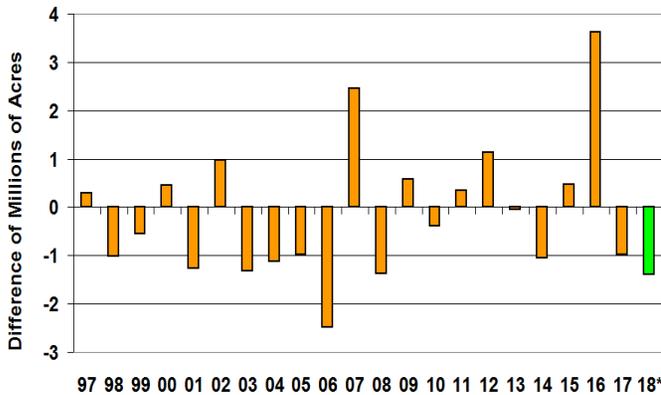
Each spring, the USDA surveys U.S. producers to get an initial sense of their major prospective plantings for the upcoming year. The results of this sampling will be released on March 29. Because of last fall's cold and wet WCB harvest and generally low prices, last fall's land preparation was sharply reduced. Because of the ongoing US/China trade tensions, US producer are expected to up corn plantings and decrease bean seedings. This was reflected in the USDA's AG Forum economic seeding levels last month. The market's focus will be if producers shifts in plantings are as dramatic as some ideas.

N. Plains producers normally compensate for smaller US winter wheat seedings which were down 1.25 million acres to 31.29 million because of cold/wet conditions last fall. We expect spring seedings will be up 740,000 acres along with some very modest small grain increases. This winter's low wheat prices and excessive N. Plains snows may derail these higher spring wheat ideas.

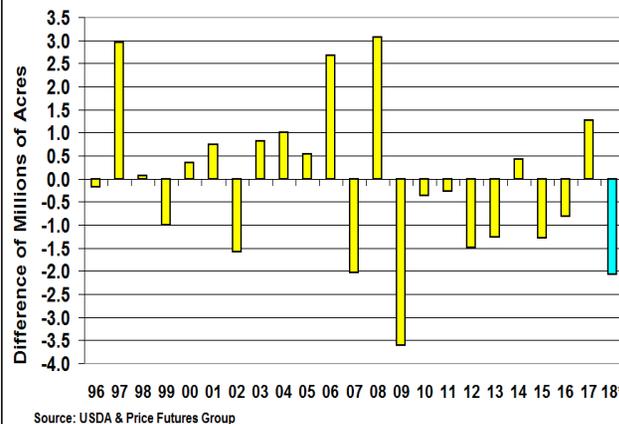
Given the 8.4 million rise in WCB & Plains bean plantings from 2013 to 2017, this area's lack of cash bids after Beijing's bean tariff suggests a high portion of 2019's lower plantings occurs here. Strong bean yields will moderate ECB planting shifts while cotton may attract some SE acres too. Overall, a 3.65 million drop to 85.55 million acres is expected. Historically, US March bean planting have been lower 7 out last 9 years than the trade.

By default, US corn plantings are likely to rise because of trade issues impacting soybeans prices. Higher fertilizer prices and this year's current cold/wet US spring outlook could curtail this plan. However, we expect the Friday's planting level to be up 2.52 million to 91.55 million acres. The highest shift will be west of the Mississippi. Interestingly, March plantings have been mixed and within 1 million acres of the trade over the last 10 years except for 2016.

USDA March Corn Acreage Estimate vs. Average Trade Estimate



USDA March Soybean Acreage Estimate vs. Average Trade Estimate



What's Ahead Cool/wet weather across the eastern 2/3s of the US and flooding in the WCB has kept most planters in the sheds. Given this weather trend, reductions in the US total major 8 crop seedings by 790,000 acres could occur with higher 2019 prevent plantings & hay acres. **A building El Nino weather pattern in the US according to the NWS suggests wet weather will prevail in the Midwest this spring. Hold corn sales.**

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