

2019 JUNE US ACREAGE REPORT

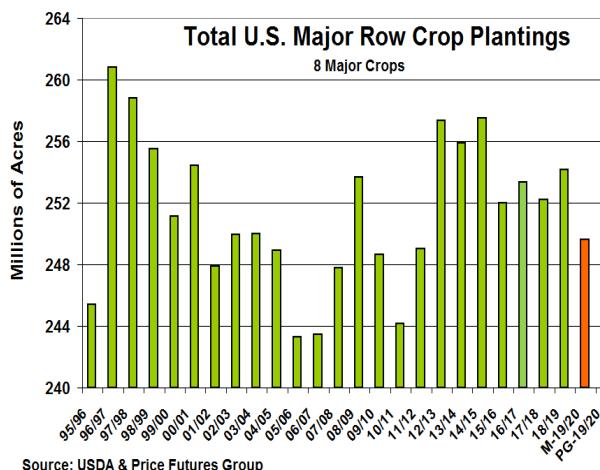
June 24, 2019
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Unprecedented US planting delays makes US acreage report a 1st step

Major U.S. Planting Levels*

	USDA 17/18	USDA 18/19	USDA M-19/20	Price J-19/20	Change M vs 18/19	Change M vs J 19
Corn	90.17	89.13	92.79	87.75	3.66	-5.04
Beans	90.14	89.20	84.61	85.25	-4.58	0.64
Sprg Wht	11.01	13.20	12.83	12.95	-0.37	0.12
Durum	2.31	2.07	1.42	1.50	-0.65	0.08
Winter	32.70	32.54	31.50	31.60	-1.03	0.10
All Wheat	46.01	47.80	45.75	46.05	-2.05	0.30
Oats	2.59	2.75	2.55	2.65	-0.20	0.10
Barley	2.48	2.54	2.56	2.61	0.02	0.05
Sorghum	5.63	5.69	5.14	5.25	-0.56	0.12
All Cotton	12.61	14.10	13.78	13.50	-0.32	-0.28
Rice	2.46	2.95	2.87	2.67	-0.08	-0.20
Total	252.09	254.15	250.06	245.73	-4.09	-4.33

* millions of acres



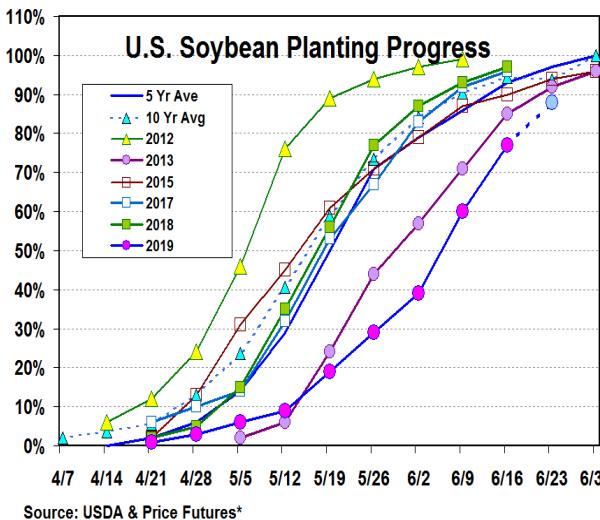
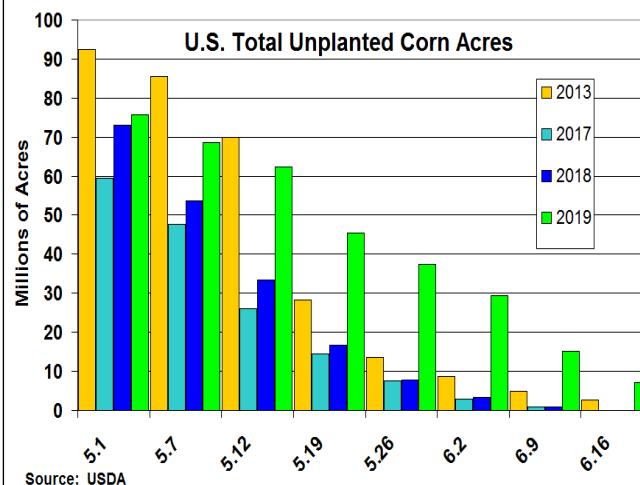
Phone: (312) 264-4369
E-Mail: jgidel@pricegroup.com

Market Analysis

The USDA surveys US producers during the first half of June to see if their initial planting intentions were carried out each year. Above normal rainfall on top of substantial snow coverage caused significant flooding in the WCB and Missouri River Basin to begin 2019's bizarre planting season. Below normal temperatures continued across the W and N portions of the Midwest through May. Rainfall moderated in the west while heavy rain shifted to Delta and ECB during April. Abnormally heavy rains (150-400%) from the Southern Plains to S. Dakota into the E Midwest kept numerous planters in the sheds. This resulted in a record slow 2019 corn & bean planting pace.

Given the 50 million (15 million corn and 35 million soybeans) acres still unplanted on June 9; the upcoming US acreage report probably won't be the final word on 2019's US planting levels. With numerous ECB & SD producers trying to get any type of seeds in the ground, this report's survey maybe only a partial update to the USDA's June report when corn was lower 3 million & soybean seedings were unchanged. Some minor spring wheat and small grains seedings may have increased in N Plains because of higher May prices. This year's abnormal weather in TX, the Delta and GA and weaker fiber prices has us expecting lower cotton and rice plantings.

Overall, the trade focus will be on the USDA's corn & bean seedings. Given producers tendency of sticking to their plan until Mother Nature forces a change, we are cautious that 2019's survey may only pick-up a 2 million drop in corn acres to 85.75. Many in the trade including us think plantings maybe 1.5-3.5 million acres less once 2019's prevent plant (PP) area is better known in August. Given the USDA's rules to provide MFP money to only planted acres, Friday's report may show a 640,000 rise in bean planting to 85.75 million. However, with 12% yet to go (10.5 million), soybean PP acres could drop 1-2 million from this total.



What's Ahead The US major planted area could drop to 245.7 million acres because of weak oilseed prices & record planting delays prompting a huge use of prevent planting in RMA's insurance. Given June's bad timing, a resurvey of some states seedings is likely ahead of the August report. This weekend's US/China meetings aren't likely to make major news. **Hold corn now, but up Nov soy sales to 35-40% on \$9.45-\$9.65 rallies.**

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