

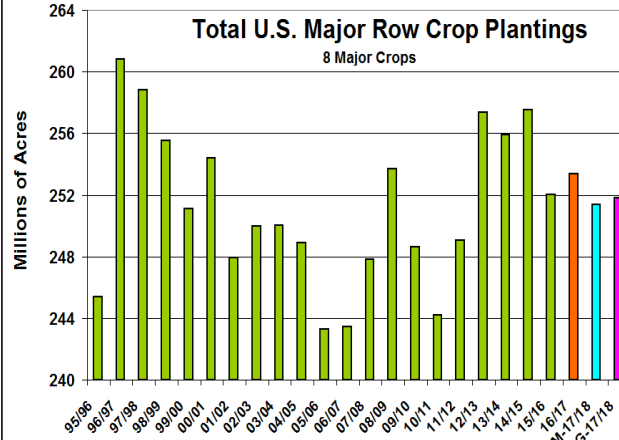
Low secondary feedgrain prices & dryness ups corn, beans & cotton area

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

Major U.S. Planting Levels*

	15/16	USDA 16/17	USDA M-17/18	Price June Est.	Change vs. March
Corn	88.00	94.00	90.00	90.27	0.274
Beans	82.65	83.43	89.48	89.93	0.448
Sprg Wht	13.37	11.61	11.31	10.99	-0.320
Durum	1.95	2.41	2.00	2.05	0.046
Winter	39.68	36.14	32.75	32.80	0.053
All Wheat	55.00	50.15	46.06	45.84	-0.221
Oats	3.09	2.83	2.70	2.65	-0.049
Barley	3.62	3.05	2.55	2.70	0.152
Sorghum	8.46	6.69	5.76	5.45	-0.307
All Cotton	8.58	10.07	12.23	12.50	0.267
Rice	2.63	3.15	2.63	2.50	-0.126
Total	252.02	253.39	251.40	251.84	0.44

* millions of acres

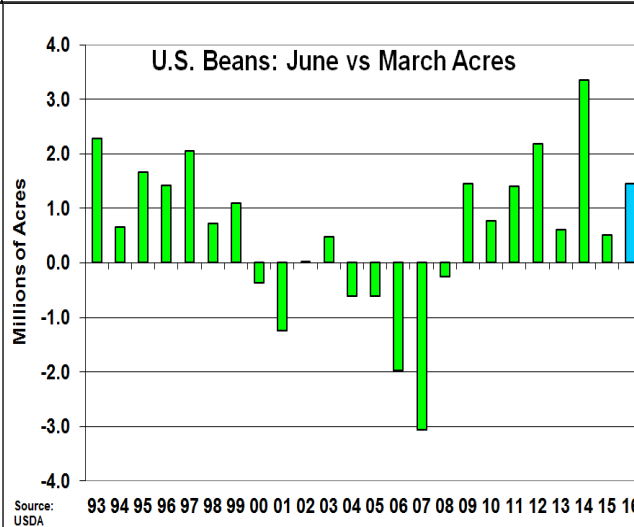
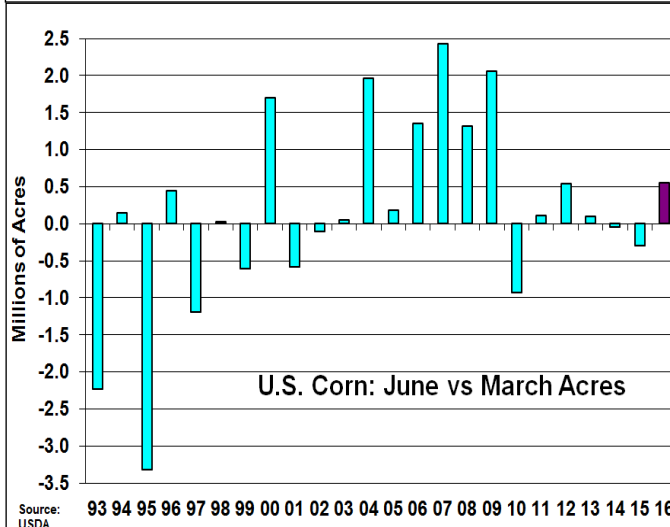


Market Analysis

During the first half of June, the USDA surveys U.S. producers to see how their initial planting intentions have worked out this year. A wet early spring in the southern U.S. curtailed corn & rice seedings in the Delta, Missouri and into Texas and below normal April temperatures in the N. Plains kept spring wheat and small grains seeding sluggish in this primary growing area. An opening after Mid-April prompted a surge in corn plantings in the ECB advancing seeding 10-15% ahead of the 5 year average pace in this region. However, heavy rains and cool temperatures stalled corn's emergence, which eventually lead to a higher than normal replanting of fields in the ECB. Warmer conditions in the western Midwest prompted corn seedings to surge during this period and kept the US planting near its 5 year pace. A late month opening let corn seeding finish near normal, but bean plantings were behind going into June.

Overall, this year's erratic U.S. weather (cold/dry conditions in the NC US swapped acres from spring wheat and wetness in Kansas switching sorghum to corn plantings) has us expecting 274,000 increase in corn acres from the March report. Flooding in the Delta this spring reduced rice acres and the N. Plains coolness slip oat and spring wheat has us projecting a 448,000 increase in bean acres on Friday's report. Spring wheat seedings could also decline by 320,000 because of sluggish prices and cold weather while sorghum plantings decline by 307,000 acres. Overall, larger corn, soybean, cotton and durum plantings will increase the US major crops area by 440,000 acres to 251.84 million from March.

Over the last 5 years, corn's June acreage update has had relatively modest changes, but it has risen 3 out of last 5 years from March's intentions. Soybeans June US area has increased for 8 straight years, but 2017's rise may modest because of March's 6.05 million acre jump.



What's Ahead The USDA's June 30 acreage report will update 2017's producer plantings. This year's dramatic difference between the E. Midwest and the N. Plains growing conditions are likely to up prevent planting levels, which are updated by FSA from August to October each year. This year's drawn out pollination and flowering weather will likely remain the major determiner of U.S. output so **anticipate more volatility ahead.**

Disclaimer – The information contained in this report reflects the opinion of the author and should not be interpreted in any way to represent the thoughts of The PRICE Futures Group, any of its affiliates, nor any of its employees. Futures and commodity option trading involve significant risk of lose and may not be suitable for every investor. Information contained herein is intended for informational purposes and is not to be construed as an offer to sell or a solicitation to buy or trade in any commodity or security mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. This author does not trade in the commodity contracts being discussed in this report. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by the author from USDA, other public data and proprietary models unless otherwise noted & credited.