

As expected, limited changes before June 30 acreage & stocks reports

U.S. Corn Supply/Demand

(Millions)	2015/16 USDA Feb	2016/17 USDA April	2016/17 USDA May	2016/17 USDA June	2017/18 USDA May	2017/18 USDA June
Planting Acres	88.00	94.00	94.00	94.00	90.00	90.00
Harvested Acres	80.75	86.75	86.75	86.75	82.40	82.40
Yield in Bu.	168.4	174.6	174.6	174.6	170.7	170.7
Initial Stocks	1,731	1,737	1,737	1,737	2,295	2,295
Production	13,602	15,148	15,148	15,148	14,065	14,065
Imports	67	55	55	55	50	50
Ttl Supply	15,400	16,940	16,940	16,940	16,410	16,410
Feed/Residual	5,131	5,500	5,500	5,500	5,425	5,425
Food/Seed	1,428	1,445	1,470	1,470	1,500	1,500
Ethanol	5,206	5,450	5,450	5,450	5,500	5,500
Ttl Domestic	11,765	12,395	12,420	12,420	12,425	12,425
Exports	1,898	2,225	2,225	2,225	1,875	1,875
Ttl Usage	13,663	14,620	14,645	14,645	14,300	14,300
Ending Stocks	1,737	2,320	2,295	2,295	2,110	2,110
Stks/Use Ratio	12.7%	15.9%	15.7%	15.7%	14.8%	14.8%
Trade Est.				2287		2085

U.S. Soybean Supply/Demand

(Millions)	2015/16 USDA Feb	2016/17 USDA April	2016/17 USDA May	2016/17 USDA June	2017/18 USDA May	2017/18 USDA June
Planted Acres	82.65	83.43	83.43	83.43	89.48	89.48
Harvested Acres	81.85	82.74	82.74	82.74	88.60	88.60
Yield in Bu.	48.0	52.1	52.1	52.1	48.0	48.0
Initial Stocks	191	197	197	197	435	450
Production	3,926	4,307	4,307	4,307	4,255	4,255
Imports	24	25	25	25	25	25
Ttl Supply	4,141	4,528	4,528	4,528	4,715	4,730
Crush	1,886	1,940	1,925	1,910	1,950	1,950
Seed	97	104	104	104	101	101
Residual	25	14	14	14	34	34
Ttl Domestic	2,008	2,058	2,043	2,028	2,085	2,085
Exports	1,936	2,025	2,050	2,050	2,150	2,150
Ttl Usage	3,944	4,083	4,093	4,078	4,235	4,235
Ending Stocks	197	445	435	450	480	495
Stks/Use Ratio	5.0%	10.9%	10.6%	11.0%	11.3%	11.7%
Trade Est.				433		485

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Market Analysis

The USDA latest monthly winter wheat production report and US supply/demand revisions for the major crops had minimal changes on Friday's update. Despite some changes within the trade's acreage ideas because of this year's erratic planting season, the government left its planted and harvested levels unchanged waiting for the upcoming June 30 Acreage Survey to provide this information. US domestic demand levels for corn and wheat were also left unchanged for both their old and new-crop balance sheets as the USDA deferred to the upcoming 3rd quarter stocks update before adjusting these levels.

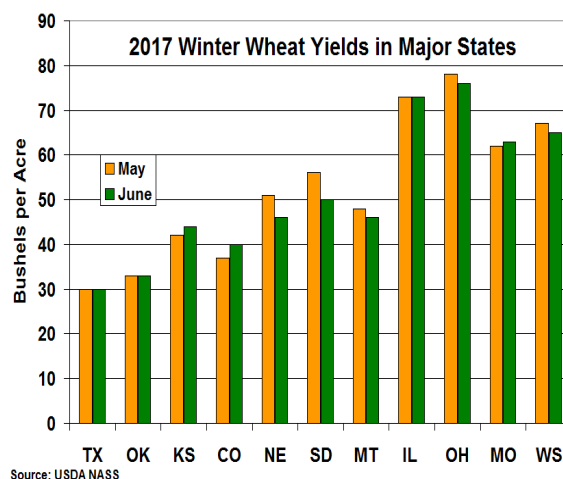
As expected, this month's US corn supply/demand tables were untouched by the USDA. The trade remains concerned about 2016/17 crop being underestimated or our feed demand being lower than the current estimate because of previous quarterly updates. We anticipate 2017's stronger livestock and poultry numbers to provide a higher 3rd quarter feed level later this month. Strong third-quarter export sales and solid corn usage for ethanol should keep these demand paces on target for steady to higher old-crop demand levels this crop year.

The USDA kept its US bean exports unchanged despite current sales 97 million bu. above their forecast. Higher S. American bean output of 3.2 mmt (Brazil-2.4 mmt and Argentina-.8 mmt) was the reason. They did reduce beans' 2016/17 domestic crush by 15 million bu. after the past two months slowdown. This prompted a 15 million bu. higher ending stocks that were also carried thru to new-crop.

In wheat, June's old-crop demand levels were left unchanged, but imports were upped by 2 million. June's 2nd US winter wheat output however was a bit of surprise, up 4 million bu. Despite declines in HRW ratings, higher KS and CO yields compensated for steady Southern and lower Northern Plains' yields. This month's SRW's output was up 1 million and WW was off 3 million bu. from June.

U.S. Wheat Supply/Demand

(Millions)	2015/16 USDA Feb	2016/17 USDA April	2016/17 USDA May	2016/17 USDA June	2017/18 USDA May	2017/18 USDA June
Planting Acres	55.00	50.15	50.15	50.15	46.06	46.06
Harvested Acres	47.32	43.89	43.89	43.89	38.47	38.47
Yield in Bu.	43.6	52.8	52.8	52.8	47.2	46.8
Initial Stocks	752	976	976	976	1,159	1,161
Production	2,062	2,310	2,310	2,310	1,820	1,824
Imports	113	110	115	117	125	130
Ttl Supply	2,927	3,395	3,401	3,403	3,104	3,115
Food	957	960	955	955	955	955
Seed	67	61	61	61	66	66
Feed/Residual	152	190	190	190	170	170
Ttl Domestic	1,176	1,211	1,206	1,206	1,191	1,191
Export	775	1,025	1,035	1,035	1,000	1,000
Ttl Usage	1,951	2,236	2,241	2,241	2,191	2,191
End Stocks	976	1,159	1,159	1,161	914	924
Stks/Use Ratio	50.0%	51.8%	51.7%	51.8%	41.7%	42.2%
Trade Est.				1,161		911



What's Ahead With the modest changes in the latest monthly reports, the Central US weather forecast and activity will remain the market's main focus for the upcoming trading period. **Our general selling zones (CZ in \$4.09-\$4.20, KWN in \$4.60-\$4.70 and SX in \$9.50-\$9.60) remain good selling points at this time given the sizable short positions the investing public had accumulated in the major CBOT markets.**

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