

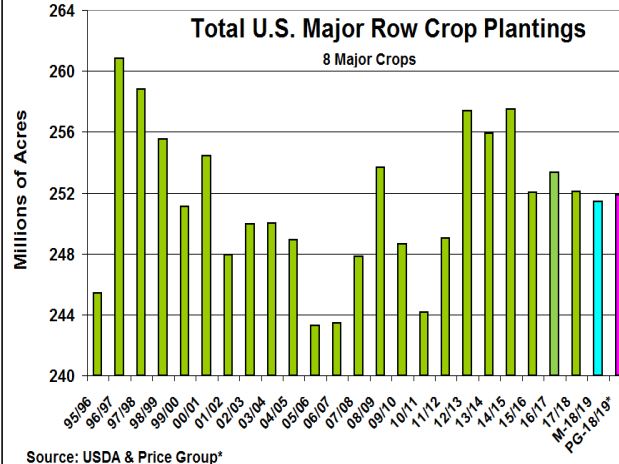
## High corn input costs & low wheat prices switch acres to beans & cotton

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### Major U.S. Planting Levels\*

	USDA 16/17	USDA 17/18	USDA Mar 29	Change vs. 2017/18	Price 29-Jun	Mar to 29-Jun
Corn	94.00	90.17	88.03	-2.141	87.92	-0.105
Beans	83.43	90.14	88.98	-1.160	89.48	0.493
Sprg Wht	11.56	11.01	12.63	1.618	12.31	-0.321
Durum	2.41	2.31	2.00	-0.303	2.02	0.014
Winter	36.15	32.70	32.71	0.012	32.68	-0.033
All Wheat	50.12	46.01	47.34	1.327	47.00	-0.340
Oats	2.83	2.59	2.72	0.128	2.87	0.150
Barley	3.06	2.48	2.29	-0.195	2.37	0.080
Sorghum	6.69	5.63	5.93	0.306	5.88	-0.057
All Cotton	10.07	12.61	13.47	0.858	13.72	0.246
Rice	3.15	2.46	2.69	0.227	2.67	-0.025
<b>Total</b>	<b>253.36</b>	<b>252.09</b>	<b>251.44</b>	<b>-0.651</b>	<b>251.88</b>	<b>0.442</b>

\* millions of acres

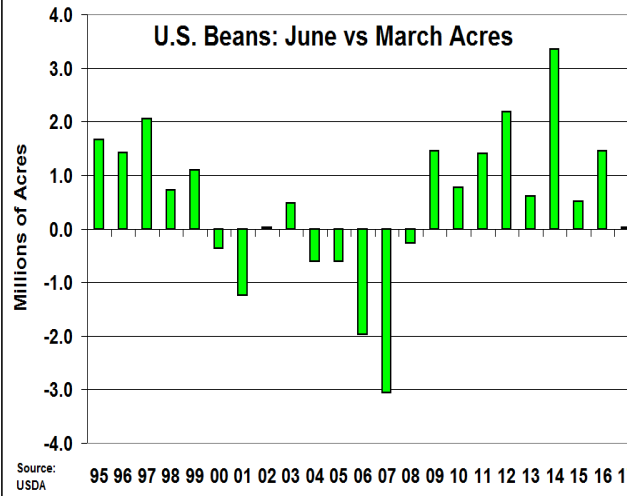
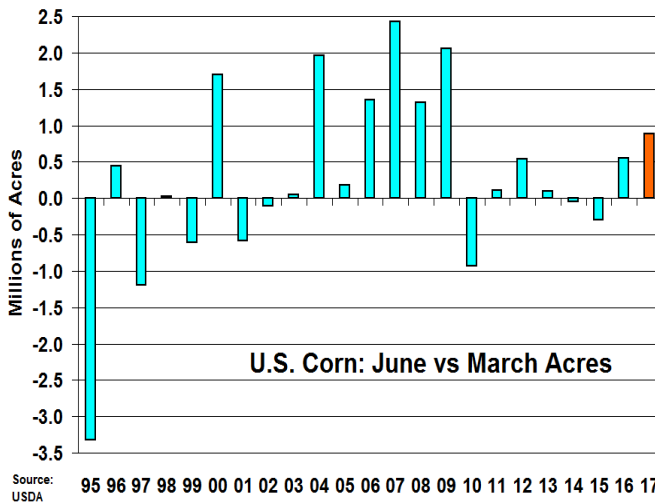


### Market Analysis

The USDA surveys U.S. producers during the first half of June to see if their initial planting intentions were carried out each year. A near record set of cold temperatures across much of Midwest and Northern Plains during April delayed spring wheat seedings and kept many corn planters in their sheds. Southern and Central areas of the ECB fared better with planters rolling in late April and first half May while the Northern Lake states received excessive rains for much of May. The Delta and the SE also received above normal rainfall during April delaying some corn seedings and possibly upping some cotton plantings for this region this spring. Dryness continued in the S. Plains thru April before rains arrived during May. Heavy rains continued across a swath of N. Iowa and S. Minnesota through much of June while above normal temperatures during May and June have spurred growth across most of the eastern 2/3 of the US. .

This year's cold April in the WCB and N Plains likely swapped some spring wheat and corn acres into soybeans while IL, IN and MO's early jump in seedings likely prompted some additional corn plantings. A small bump in oats and durum might have also occurred. Overall, we anticipate 493,000 larger soybean plantings while spring wheat is down 321,000 from its previous 1.6 million in intentions. Corn's high input costs has us cautious about a 105,000 smaller area for this feedgrain yet this spring. Cotton's strong spring prices could attract another 246,000 acres to this fiber crop after improved rains. Nationally, we anticipate only a 442,000 increase in the 8 major US crops to 251.88 million acres on the upcoming June 29 US Acreage report.

Corn's June plantings have increased modestly 5 of the last 8 years from its March's intentions. Soybeans June US area has rose 7 of the last 8 years, but 2017 was virtually unchanged after a 6.1 million March jump vs 2016.



**What's Ahead** The USDA's 2018 acreage report will likely be the most influential of the upcoming June 29 updates. Current crop ratings are strong, but heat during July's corn pollination or dryness during August's bean podding and filling remain important to 2018's crop sizes. However, any news about the resumption of the US/China trade negotiations will likely be supportive for grains and soybean prices. **Hold sales for now.**

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