

# Michigan Agricultural Commodities

## Weekly Newsletter

August 11, 2017

### WASDE Week

by: Chris Betz

Traders have had Thursday afternoon, and Friday to chew on the USDA's newest numbers. The immediate fallout of the report sent prices sliding lower, but the tide seems to have been stemmed with corn and soybeans at least in the green Friday. Wheat is lower again, but looks to be holding downside support without much trouble for now.



The market will grapple with the validity of the USDA's yield estimates in the weeks to come. We could see the market downright ignore the fundamentals of the report, favoring private lower yield estimates. Forecasts will still be closely watched along with weekly crop conditions, but actual yield results from the combine will be needed to confirm or deny the USDA estimates.

Michigan corn yield was estimated at 170 bushels per acre, up 13 bpa from last year and would be a record high. Soybeans are down 1 ½ from last year at 49.0 bpa. For the most part, the USDA did show deterioration for yields in the western Midwest and northern plains thanks to a very hot and dry July. The surprises are in states to the east where crop condition ratings don't seem to match up to the USDA's latest yield estimates.

Perhaps the more troubling figures for market bulls are domestic, and world projected ending stocks. U.S. new crop ending stocks were all well above pre-report estimates for new crop corn, wheat, and soybeans. The same is true for old and new crop world ending stocks, which all saw increases from the USDA's July estimates.

# Technical Thoughts

By: Ken Lake

When giving market recommendations based on the technical analysis it is accurate only when coupled with good analysis of the underlying fundamentals. Yesterday's USDA Supply and Demand report changed the fundamental underliers of the Ag market. Market analysts have argued all summer that deteriorating crop conditions, as reported by USDA, do not support projected yield, also reported by USDA. At the end of the day, the market has been overwhelmed by the unwavering USDA yield number and substantial on-hand stocks of all grains. We will not have the opportunity to see relief from yesterday's report until the combines roll and can confirm the actual yield.

In the meanwhile, customers following our advice have good sales on the books and we will take the stance of avoiding additional sales. Analysts will now argue that USDA yield numbers are wrong (but their crop conditions reports are right) and the market will likely regain some of yesterday's losses which will be met with anxious producer selling.

September corn has downside risk to the contract low of 349. Short term support is yesterday's low of 356. Resistance is 367.

December corn has downside risk to 359. Support is yesterday's low of 370. Resistance is 382.

November soybeans have downside risk to 907. If we close below 907 then the contract lows of 870 come into play. Today's session actually traded below yesterday's close but is currently trading higher than yesterday's close. Support is today's low of 946. Resistance is 959.

Wheat is poised to test contracts lows at around 430. If we penetrate 430 then 365 is the next support value on the weekly charts. US Stocks to use ratio has narrowed abit but is still a hefty 43%. World stocks to use ratio is a burdensome 29%. Producers holding 2017 production sell on any short term recovery. Producers considering planting wheat this fall should consider that the market's job is to keep you away from that drill one more year.

## Wheat in DP

By: Chris Betz

Many MAC customers took advantage of free delayed pricing until August 31st on delivered new crop wheat at harvest this year. After close of business on August 31st, DP bushels will be charged 8 cents per month at all MAC facilities, except Blissfield and Jasper, which are 7 cents per month. DP charges are retroactive to the date of delivery, and subject to change.

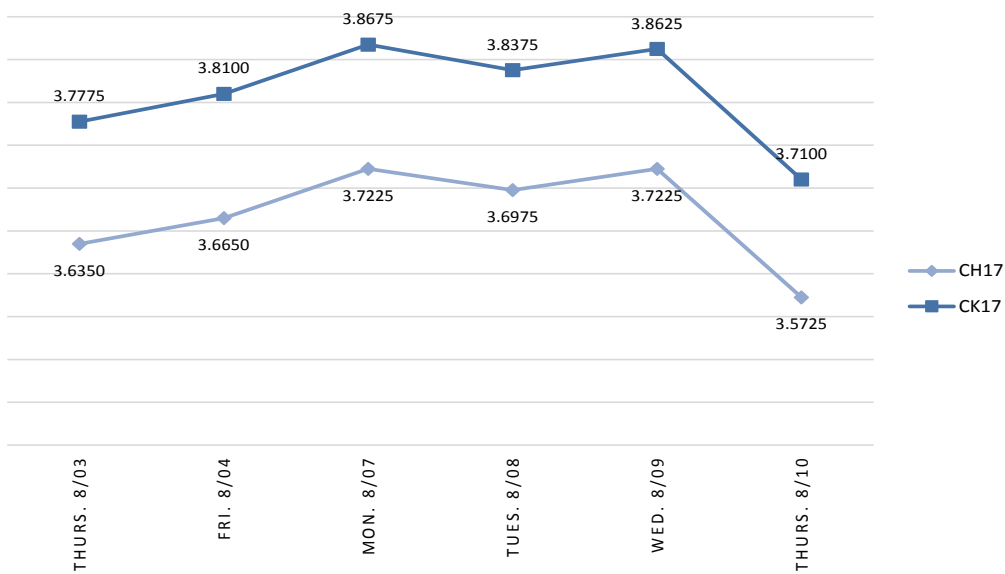
Farmer alternatives:

1. Price bushels in DP before the close of business on August 31st and avoid all DP charges.
2. Establish a basis with your MAC elevator versus the Dec. DP charges will be avoided, and the farmer will be able to take advantage of upside in futures until the end of November. The basis contract would need to be priced or rolled at the market spread plus a 2 cent roll fee by first notice day of Dec futures (November 30th).
3. Leave bushels in DP past August 31st. The farmer leaves futures and basis risk open. The farmer would need to think basis and futures improvement would cover both DP charges and interest.

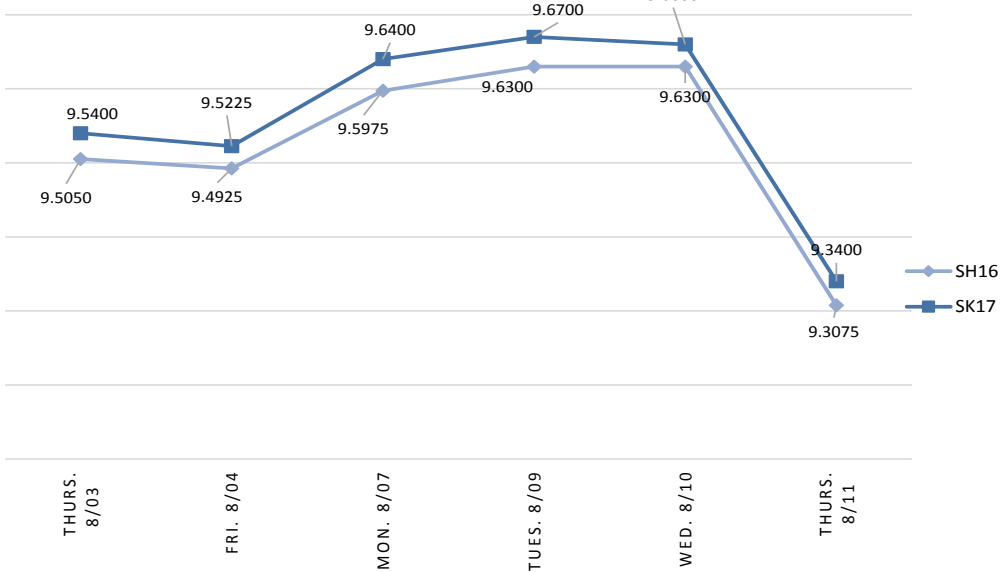
Contact your local MAC merchant to discuss which alternative is best for you!

# Daily Futures Closes

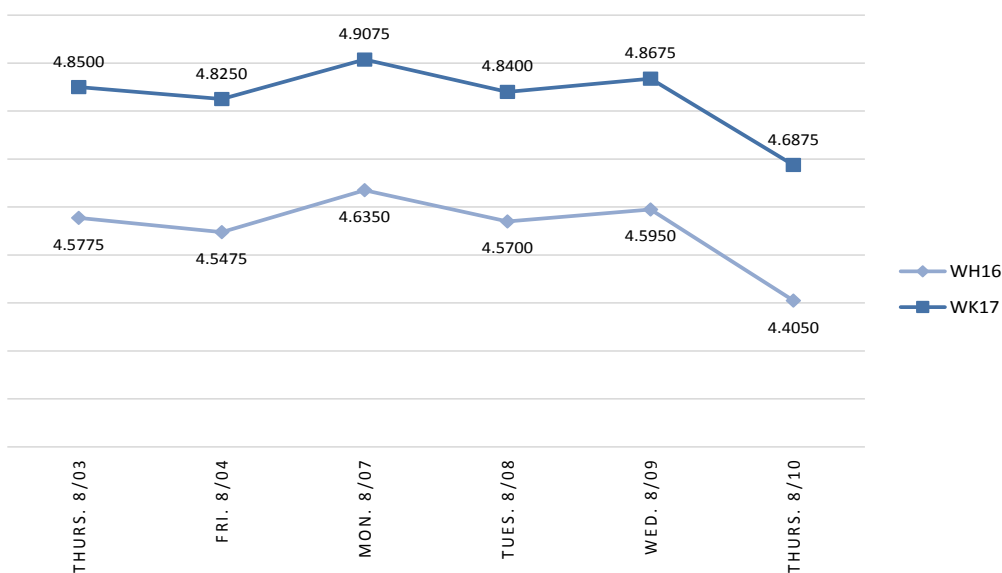
## CORN FUTURES PRICES



## SOYBEAN FUTURES PRICES



## WHEAT FUTURES PRICES



# Facility Updates

## Blissfield (517-486-2171)

[Click Here for Blissfield Cash Prices](#)

We are working on housekeeping and upgrading the Pit 5 leg in Blissfield. We are planning a 25th anniversary hog roast for Blissfield and Jasper customers on Wednesday September 6, 2017. Stay tuned for more details.

## Breckenridge (989-842-3104)

[Click Here for Breckenridge Cash Prices](#)

With fall fast approaching, plant personnel are busy preparing all three plants for fall harvest. Our Ransom Road facility is also wrapping up the large conveyor project that runs to the steel tanks at the east end of the plant. Next week the Gratiot County road commission will start repairs to Ransom Road. They will be tearing up from M-46, north all the way to Olive Rd. You will still be able to access the plant, but you will have to come in from Olive Rd. This is expected to start Wednesday the 16th. The crew in town continues to stay busy processing & loading trucks with both dry beans and IP soybeans. As a reminder, if you plan on attending the Agro Expo next week in St. Johns, stop by our MAC booth and check us out!

## Marlette (989-635-3578)/ Brown City (810-346-2711)

[Click Here for Marlette Cash Prices](#)

[Click Here for Brown City Cash Prices](#)

As we have wrapped up wheat harvest, we now are turning our attention to soybean and corn harvest. We will be holding a pre-harvest meeting on August 31st at our Marlette location. Join us for lunch and an afternoon filled with pertinent information to help you prepare for the busy time of year! We are still looking for DP 155 soybeans, both 2016 and 2017. Give us a call for more information and to RSVP for our upcoming meeting!

[Job Opening!](#) Michigan Agricultural Commodities is seeking a full time department assistant for its location in Marlette, Michigan. Responsibilities would include assisting in quality control at grain receiving, grain grading, and grain load out. The safety job function includes overseeing plant housekeeping and insuring logs are filled out each month. A full job description can be found on our MAC website or [click here](#). Those interested can contact Chuck Kunisch [ckunisch@michag.com](mailto:ckunisch@michag.com)

## Jasper (517-436-3126)

[Click Here for Jasper Cash Prices](#)

It has been a clean-up week at the Jasper facility. We have also be doing some rye. Fall is sneaking up on us and we plan to be ready for it. Enjoy your weekend everybody!



## Middleton (989-236-7263)

[Click Here for Middleton Cash Prices](#)

Middleton area crops have been growing good however, they could use a shot of rain. The crew have been cleaning out bins, spreading fertilizer, spraying burn down on wheat stubble, bugs in hay and soybeans, fungicide on corn, soil testing, and scouting with the drone. The office is in normal operation hours for August. Stop by to see us at the 2017 AGRO EXPO this coming Tuesday and Wednesday northwest of St Johns. The website is [www.theagroexpo.com](http://www.theagroexpo.com). Here is hoping everyone has a safe and happy weekend.

## Newaygo (231-652-6017)

[Click Here for Newaygo Cash Prices](#)

A sunshine filled week up here in Newaygo. The team has been busy piling wheat on the ground and shipping out corn and feed ingredients. We even had a couple loads of oats come in this week as well. Please call the office with any questions regarding wheat seed for this fall. Have a great weekend!

## Tupperville (519-627-4861 )

[Click Here for Tupperville Cash Prices](#)

Weather continues to be sporadic as crops under stress begin to show more signs of issues. There are still some decent looking crops, but we need to have some help over the next little while as crucial development points are in effect for corn and soys. At the elevator we continue to ship 2016 crop to prepare for 2017, as the ticking on the clock is getting louder. Have a great week.

## Safety Moment

### Medicine Safety

Every year thousands of children are hospitalized after taking medicine not meant for them. Teens share stolen prescription drugs at "pharm parties" and toddlers are tempted by colorful pills that look like candy. In the U.S. about 165 kids are taken to the ER every day after getting into medications. Every year about 56 children die. How can we reduce the threat? Consider this: among young children, 95% of unintentional medication overdose visits to emergency rooms are caused by a child ingesting medication while unsupervised and about 5% are caused by dosing errors made by caregivers.

So ultimately, safe storage and safe dosing means safe kids. Here are some tips.

- Store medications in a safe location out of sight and reach of young children.
- Never refer to medication as candy.
- Close child resistant caps and on medication bottles every time.
- If you have guests over ask that if they have medications that they put them up and out of sight when they are in your home.

Thanks and Be Safe!

Josh Spegel

## Agronomy Tip

Utilize good agronomic practices. Consider narrow rows, increased plant populations and other practices that promote crop growth and competitive ability.



We hope to see you there!  
**August 15-16, 2017**

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