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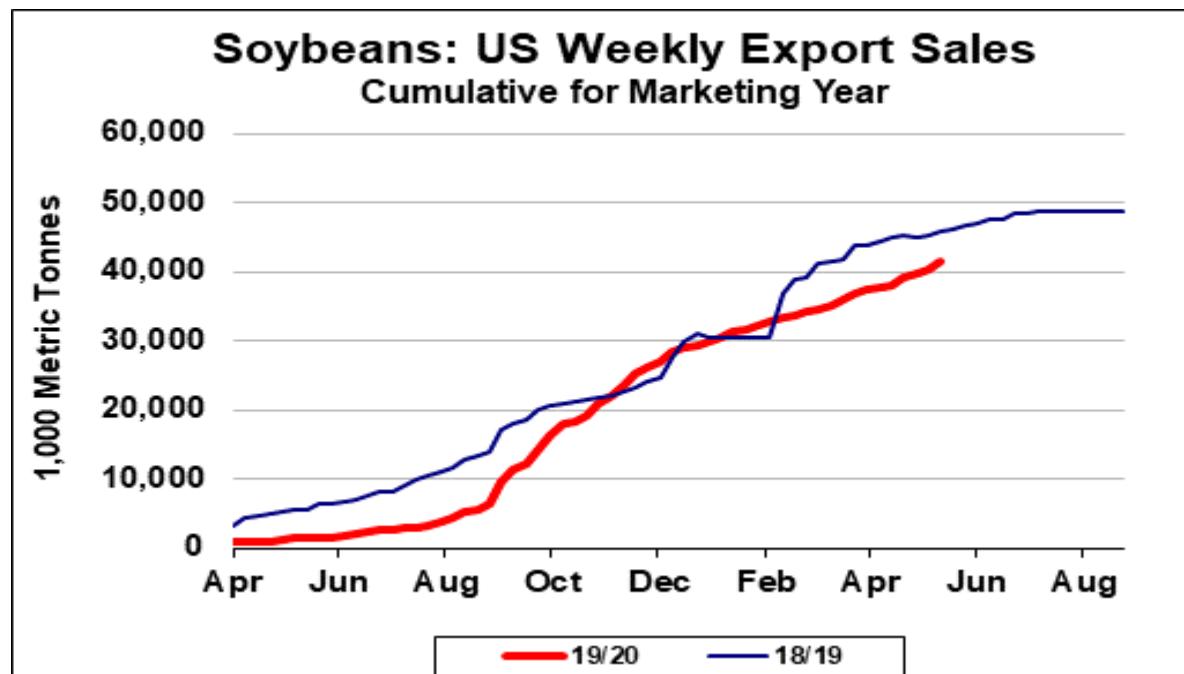
Market View

May 21, 2020 by Steve Freed

Soybean, soymeal, soyoil and corn traded lower. Wheat traded higher. US stocks were lower. US Dollar was higher. Crude was higher. Gold was lower.

SOYBEANS

Soybean traded lower. Increase tension between US and China raised concern about China meeting its Phase 1 trade agreement. To date China has bought 14.5 mmt US soybeans. There is 2.2 mmt in unknown. So far China has been a slow buyer of new crop. Weekly US soybean export sales were near 44 mil bu. Total commit is near 1,525 mil bu versus 1,681 last year. Some still feel final exports could be 25-75 mil bu below USDA estimate. Much of USDA US 2020/21 soybean carryout includes higher exports to China. World vegoil prices continue to trend higher, USDA estimates World 2020/21 stocks to drop 6 pct and demand to increase 5 mmt to a record 185 mmt. NOAA 30/90 day US Midwest forecast was favorable for summer crops. US soybean planting pace is estimated near 67 pct versus 55 average. Heavy rains in parts of the central and east may have slowed plantings there. Funds were net sellers of futures reducing their net long. China buying will be key to price direction.



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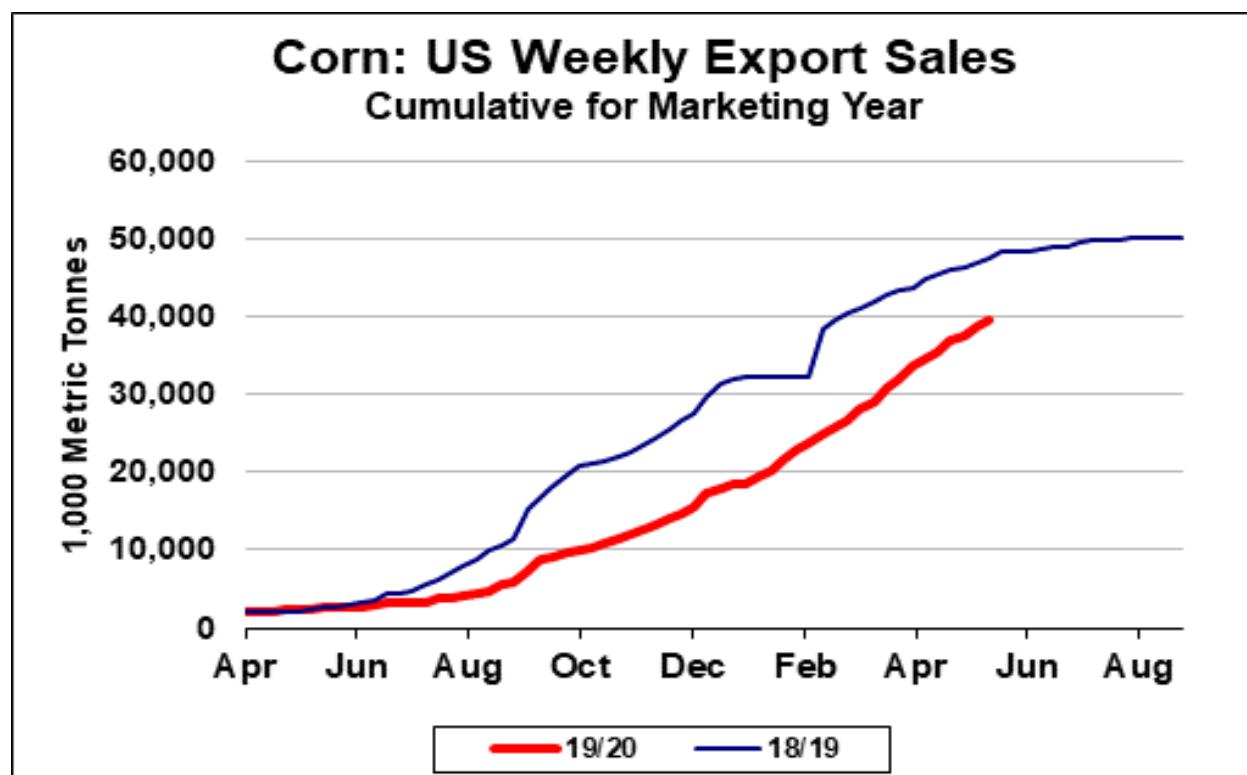
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CORN

Corn futures traded lower. Warmer temps over the next 10 days should help the US corn crop. NOAA 30/90 day climate forecast was favorable for crops. Most of the Midwest should see normal to above temps and normal to above rains. This should be good for crops and help offset talk about farmers lowering intended Corn acres to soybeans. US announced latest CFAP aid payment to farmers. \$16 billion dollars will be paid to farmers. Sign up begins next week. Payments will be based on either Jan 15 inventory or 50 pct of 2019 crops whichever is smallest. HRW crops and prevent plant acres were not included. Still some feel HRW farmers can ask for a payment. The fact payment may be more for corn and not prevent plant acres could encourage farmers to plant acres for government aid. US Corn plantings are expected to be near 90 pct versus 82 average. Fact US ethanol demand has dropped now below USDA estimate suggest a higher carryout and lower prices. China announced they will start next week auctioning off 4 mmt of corn from their reserves.



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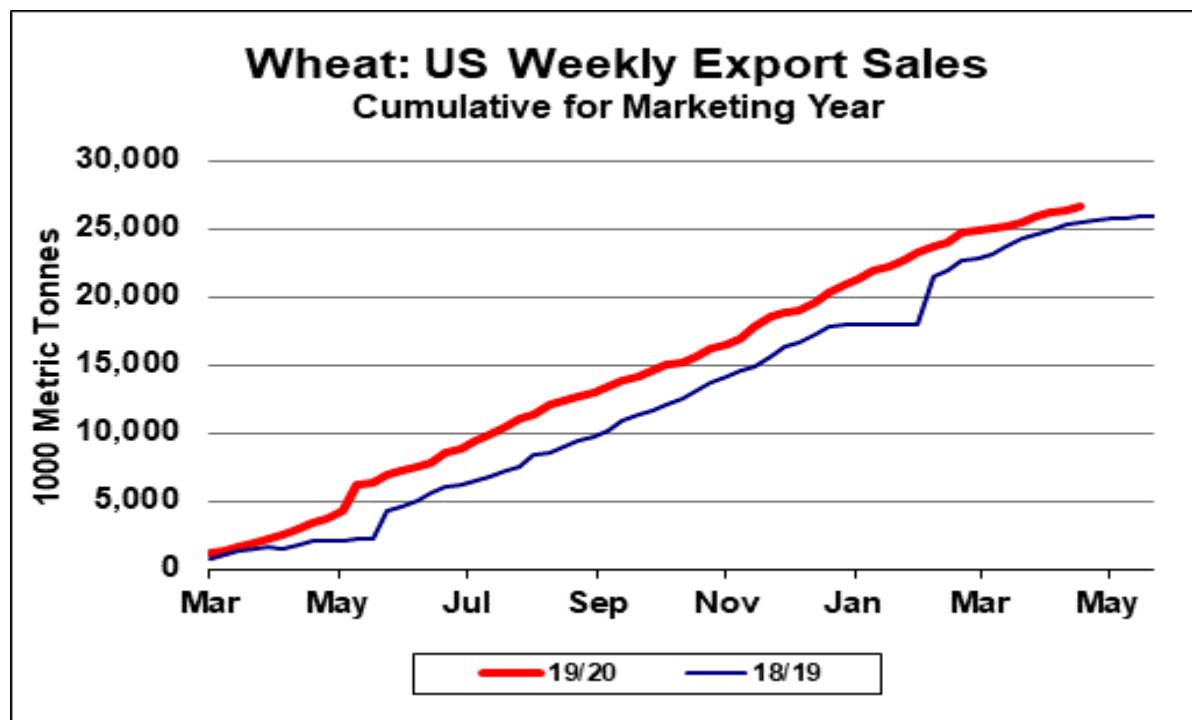
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WHEAT

Wheat futures managed moderate gains on talk of dryness across parts of Europe and Russia. Rains in east Europe and Ukraine limited gains. Rains also across parts of US south plains could help crops there. Wheat future have rallied due to higher French wheat prices and higher new crop Russia prices. Kansas wheat crop tour estimated 2 day wheat yield near 42.5 bpa versus USDA estimate of 47. Weekly US wheat export sales were near 6 mil bu. Total commit is near 975 mil bu versus 948 last year. Talk of lower Europe and Russia 2020 crops could support wheat prices. Fact World buyers are uncovered could also help prices. There will be some ridging in the PNW and SE. This could allow for above normal temps and normal to above rains across the Midwest. NOAA 30/90 day forecast calls for normal to above temps and normal to above rains.



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