

Farm Focus

Friday December 20, 2019

Call Dan Cowger at 866-438-1065

Or E-mail

dancowger@heartlandfarmpartners.com

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Today's Prices

Grains:	Price	Change
Corn - March 2020	3.88	0.01
Corn - December 2020	4.02	0.01
Soybeans - January 2020	9.28	0.04
Soybeans - November 2020	9.66	0.00
KC Wheat - March 2020	4.62	0.02
Mpls Wheat - March 2020	5.37	(0.05)

Outside Markets:	Price	Change
Crude Oil - March 2020	60.22	(0.66)
Ethanol - January 2020	1.39	0.02
Gold - January 2020	1,478	(2.30)
U.S. Dollar Index	97.31	0.35
Dow Jones Industrials	28,507	130
Live Cattle - February 2020	125.80	0.18
Feeder Cattle - January 2020	144.28	(0.45)
Lean Hogs - February 2020	70.68	(0.30)



Weekly Price Summary:

- **March Corn futures for the week: +6 cents at \$3.87**
 - The weekly range was 7 cents from \$3.83 to \$3.90
- **January Bean futures for the week: +21 cents at \$9.28**
 - The weekly range was 19 cents from \$9.12 to \$9.31
- **March KC Wheat futures for the week: +20 cents at \$4.62**
 - The weekly range was 24 cents from \$4.44 to \$4.68
 - Mpls. March wheat was up 11 cents for the week at \$5.36



Grain Market News

- Corn and beans closed a little higher for the day and higher for the week.
 - Grain prices were higher on Monday, responding to China confirming a Phase One trade deal late last week.
 - The news of reaching a deal with China has certainly been a positive story.
 - But we need to keep in mind that since earlier in December grain prices have rallied nicely and have factored-in some of the friendly news.
 - Corn has rallied 19 cents, beans +64 cents and KC wheat has rallied 45 cents.
 - The markets have consolidated since Monday waiting for fresh developments.
- Chinese analyst JCI says China could reach \$40 billion in ag purchases.
 - JCI's list included 45 mmt of beans, 8 mmt corn, 5 mmt wheat, 8 mmt DDGs.
 - This is not China's buying list, it is simply an example of how it could be done.



JCI: Estimate of China's Annual Purchase Volume of US Farm Products under Phase 1 Trade Deal

Products	Projected Import Volume (in 10,000 MT)	Projected Import Value (100 million USD)	Record High Import Volume (in 10,000 MT)	Year of Record Import Volume
Soybean	4500	186.75	3366	2016
Corn	800	17.60	511	2012
Wheat	500	14.25	382	2013
Sorghum	800	18.32	897	2015
DDGS	800	18.40	682	2015
Frozen pork and offals	100	20.73	30	2011
Poultry meat	45	12.03	35	2013
Cotton	80	15.67	53	2018
Chicken feet	50	10.71	14	2017
Nuts, fresh and dried fruits		25.00	-	-
Aquatic products	46	14.78	-	-
Others		59.00	-	-
Total		413.25	-	-



Grain Market News

- The grain markets will need to see additional developments in the Phase One trade deal in order for prices to advance from current levels.
 - The next step would be to agree on a signing date and location.
 - Treasury Sec. Mnuchin says that the deal is going through technical and legal review at this time and that it will be released and signed in early January.
 - China has not confirmed this next step.
 - Following signing, the markets will need to see actual Chinese purchases.
 - Finally, we will need to see China shipping the purchases they've made.
- The South American weather forecast looks very good into early January.
 - Dry pockets have been developing in S. Argentina and N. Brazil for the past 2-3 weeks. The forecast calls for beneficial rains through the end of December.

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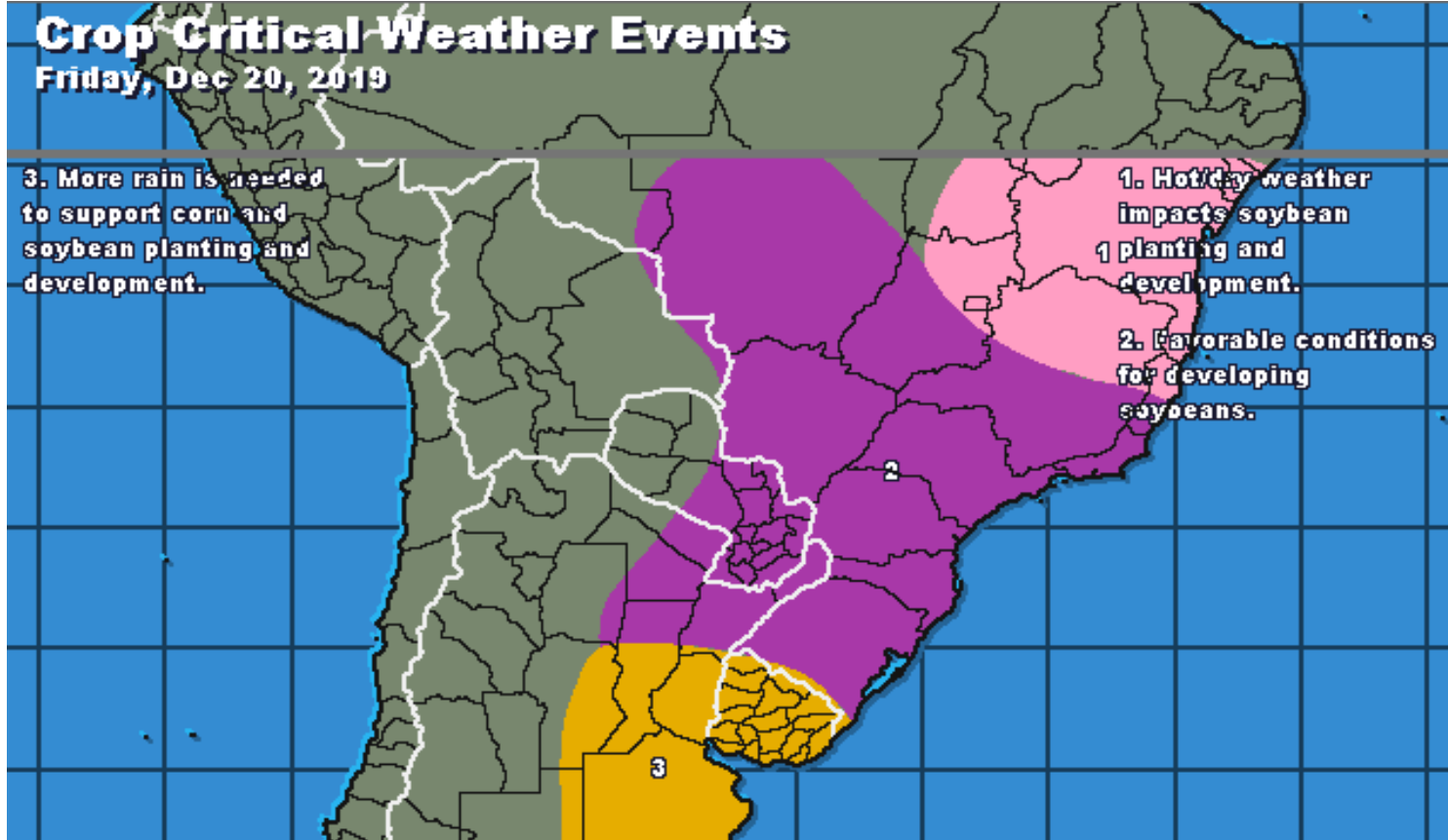
Crop Critical Weather Events

Friday, Dec 20, 2019

3. More rain is needed to support corn and soybean planting and development.

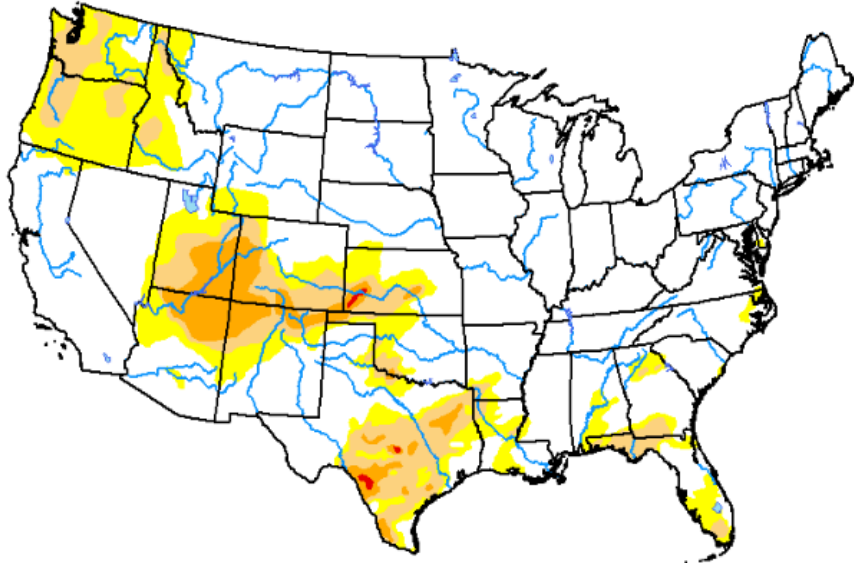
1. Hot/dry weather impacts soybean planting and development.

2. Favorable conditions for developing soybeans.

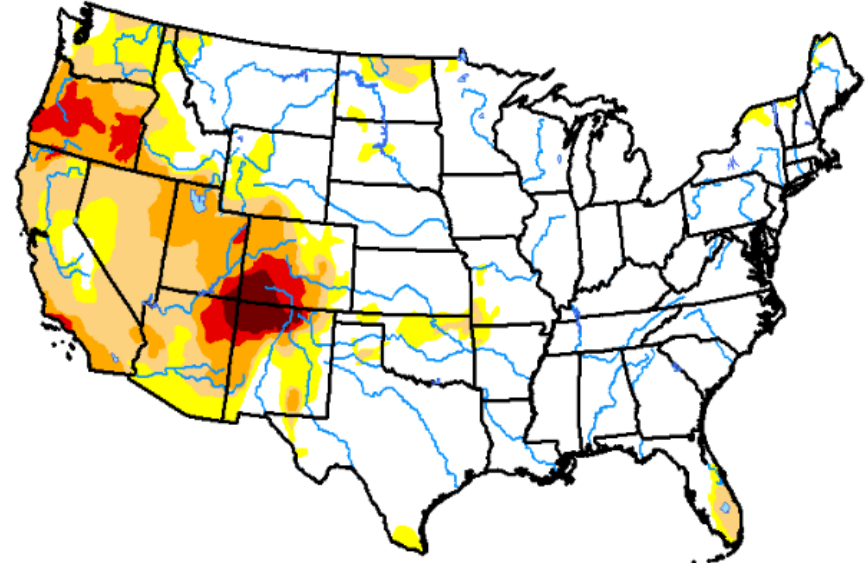




U.S. Drought Monitor vs. Last Year



December 17, 2019



December 18, 2018



Chart and Technical Analysis

Corn March 2020





Chart and Technical Analysis

Soybeans January 2020

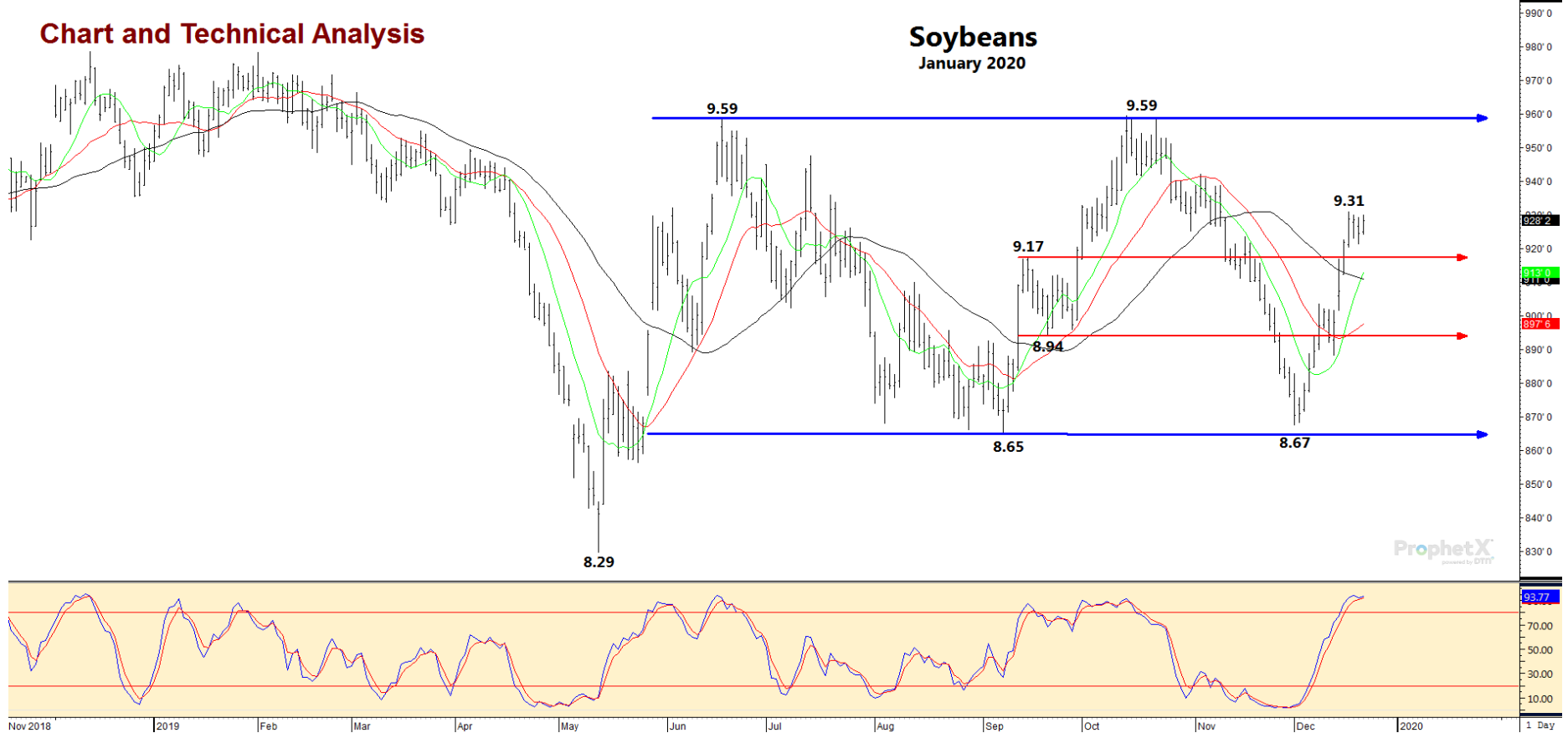




Chart and Technical Analysis

KC Wheat March 2020





Corn	Beans	Wheat
Current Position	Current Position	Current Position
2019 Crop: 80% of production sold. 2020 Crop: 0% of insured bushels sold.	2019 Crop: 60% of production sold. 2020 Crop: 0% of insured bushels sold.	2019 Crop: 60% of production sold. 2020 Crop: 0% of insured bushels sold.
Corn Sales Recommendations	Bean Sales Recommendations	Wheat Sales Recommendations
Sell 10% of the 2019 crop if CH20 hits \$3.95 or better. Sell 30% of 2020 insured bushels if CZ20 hits \$4.10.	2019 CROP: Sell 15% in the cash market if SF9 is at 9.75 or better.	None
Options Recommendations	Options Recommendations	Options Recommendations
None	None	None

Questions or Comments

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