MARTINSON AG

August 31, 2018

WHEAT

Wheat opened steady to lower on Monday and then extended session losses. Early selling was tied to pressure from a lower Paris milling wheat contract as well as from reports of rain in parts of Australia. Last week's export shipments pace was estimated at the high end of projections and helped to limit session losses early. Technical selling proved to be too much for wheat early in the session as once wheat traded below its 100-day moving average, sell orders were triggered.

In Tuesday's session wheat opened mixed, slipped lower during the day session but managed to recover to end the session mixed. Mpls was the weakest performer throughout the session while the winter wheat contracts were mixed. Early support in wheat was due to a mainly steady Paris milling wheat contract as well as from profit taking and technical buying. But good harvest progress in the Northern Plains and beneficial rains in the Southern Plains kept pressure on wheat. A private analyst is projecting winter wheat acreage at 33.6 million for 2019, vs 32.7 million for the past two years. The day's lower close in Chi markets makes this the 7th straight lower close and another session ending below the psychological $5.00 level.

Wheat opened higher on Wednesday and extended gains throughout the session. Early support came from technical buying as most contracts traded within reach of their July lows. Light support also spilled over from a stronger Paris milling wheat contract. Rumors that Russia is considering putting some sort of export reduction policy in place once their wheat exports hit 25 MMT added to wheat's strength. This is the third time the news has hit about the possibility of some sort of export reduction plan.

On Thursday wheat opened higher in the overnight session but faded during the day session. Early strength continued to come from Wednesday's rumor of Russia limiting exports, which was neither confirmed nor denied. There is a meeting of the powers that be in Russia on Monday and this topic is expected to be on the agenda. Last week's export sales estimate was as expected which added support. Paris milling wheat was firm to start their session off the Russian news, but even that exchange lost its gains due to the lack of confirmation and ended lower. This in turn added pressure to US wheat. Support for Sept MW is at $5.23 while resistance is at $6.35.

Stats Canada's July Production estimate was friendly wheat, coming in much lower than expected. In the report Stats Canada showed an expected 9.4% increase in harvested wheat acreage but that was offset by a 11.5% decrease in yield. The net result put Canada's total wheat production down 3% from 2017 at 28.99 MMT vs expectations of 30.6 MMT and USDA's Aug estimate of 32.5 MMT, IGC's estimate of 31 MMT and 30 MMT last year. Durum production was estimated at 5.0 MMT vs estimates of 5.9 MMT and 4.96 MMT last year.

As of August 26, spring wheat harvest is estimated at 77% complete vs 60% last week and 61% average. ND's durum crop harvest progress is estimated at 51% complete vs 35% last week and 35% last year. Durum's crop condition rating declined 1% to 76% g/e, 21% fair, and 3% poor.

Last week's export shipments pace was estimated at 17.9 MB and sales were at 15.2 MB. After 12 weeks, shipments were at 17% of USDA's expectations (vs 48% last year) while sales were at 32% of expectations (vs 5-year average of 47%). With 40 weeks left in wheat's export marketing year, shipments need to average 21.2 MB and sales 17.4 MB to make USDA's projection of 1.025 BB.

For the week, Sept MW was at $5.8375 up 11 cents, Sept Chicago was at $5.185 up 3.75 cents, and Sept KC was at $5.23 up 3.75 cents.

For the month of August, Sept MW was down 22.5 cents, Sept Chicago was down 35.25 cents, and Sept KC was down 33.5 cents.

CORN

Corn opened lower, then recovered to trade mixed early in the session. But the day ended with corn in the red. Early selling was tied to Friday's Pro Farmer yield estimate. Although it was slightly lower than USDA's Aug estimate, it does help verify that there is a potentially large crop of corn yet to be harvested. Early losses were trimmed due to the morning's friendly export shipments estimate which put last week's shipments at the high end of expectations. News that the US and Mexico have come to trade terms did not affect the market, even though Mexico is one of the largest importers of US corn. Although corn harvest is fast approaching, weather forecasts calling for rain on and off for the next 5 days for parts of the western Corn Belt added pressure. Technically corn is sitting 10 cents above its July lows and is vulnerable.

In Tuesday's session corn opened lower, tried to push higher, but slowly sold off to end with hefty losses by the close. Early support came from reports of a completed trade deal between the US and Mexico, but once more details were discovered it appears that the deal was not such a big win for ag. Gains were kept in check by Monday's Crop Progress report, which estimated the US corn crop condition higher than was expected. The report is showing corn has reached maturity in some states which will likely result in harvest progress being reported in the next few weeks. Reports have corn producers very disappointed in corn's share of the farm aid package. A private analyst is estimating 2019 corn acreage at 90.8 million vs 89.1 million last year and 90.2 million in 2017.

On Wednesday corn opened steady to slightly higher but with little fanfare. Early support spilled over from the stronger wheat exchanges. Gains were kept in check by a somewhat disappointing feeling from the lack of corn commitment from Mexico in the new NAFTA agreement. Although corn demand did not go backward, it did not see huge increases as the new agreement seemed to focus more on manufacturing than agriculture. Last week's ethanol production estimate was friendly as it put ethanol production at 1.07 million barrels per day down 0.3% from the previous week and 2.7% higher than last year. Stocks were put at 23.06 million, a drop of 0.9% from the previous week and 8.3% higher than last year. Technical strength was also evident as corn traded close to its July lows.

Corn opened steady to slightly higher on Thursday and managed to maintain that throughout the session, closing close to unchanged. Early support spilled over from the stronger wheat market. But weather

forecasts calling for potential heavy rains in the Midwest over the next 10 days also added support. Gains were trimmed by last week's disappointing export sales estimate. Selling was also tied to fading production concerns as other than this weekend, there does not appear to be anything threatening on the horizon. Losses were kept in check by reports Mexico bought 101 TMT of US corn overnight. An announcement on the status of year-round E15 is expected early next week.

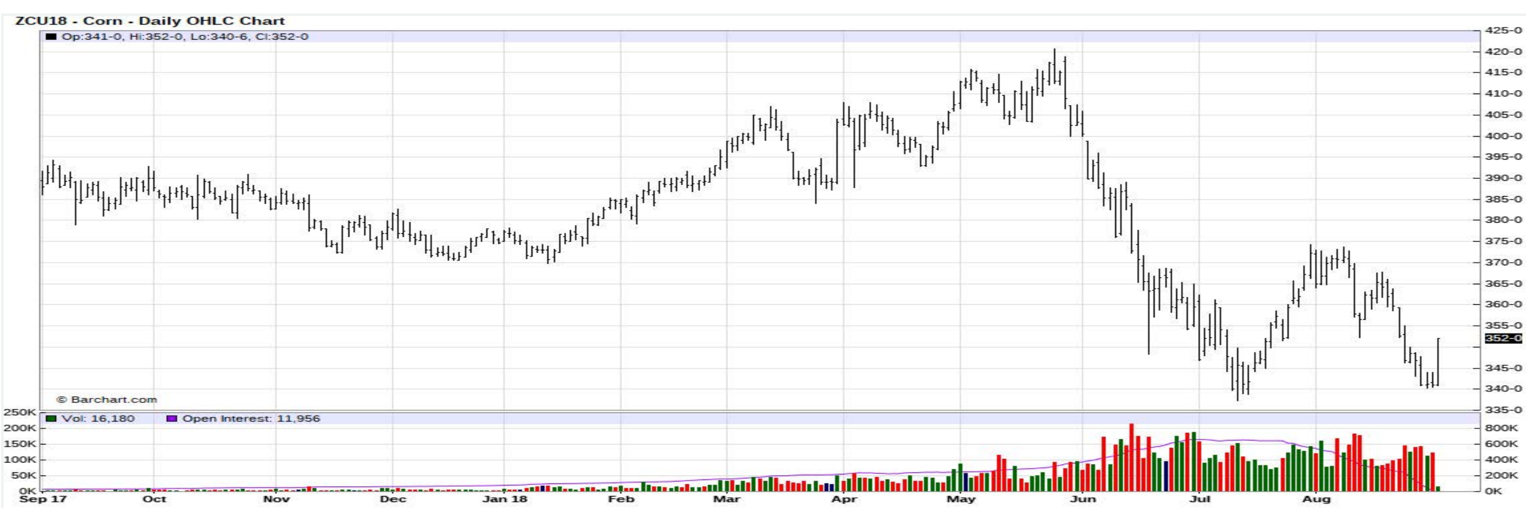
Support for Dec corn is at $3.50 while resistance is at $3.90.

As of August 26, corn in the dough stage was estimated at 92% vs 85% last week and 84% average. Corn in dent is estimated at 61% vs 44% last week and 42% average. Mature corn was estimated at 10% vs 0% last week, and 5% average. Corn's crop condition rating was unchanged at 68% g/e, 20% fair, and 12% p/vp (1% more than expected). Biggest changes: CO: +9%, KY: -3%, ND: -6%, PA: -4%, and TN: +5%.

Last week's corn export shipments pace was estimated at 49.0 MB and old crop sales were at 6.9 MB and new crop sales were at 20.7 MB. After 51 weeks, corn shipments were at 92% of USDA's expectations (vs 92% last year) while sales were at 99% of expectations (vs 5-year average of 99%). With 1 week left in corn's export marketing year, shipments need to average 180.5 MB and sales need to average 16.6 MB to make USDA's projections of 2.4 BB.

For the week, Sept corn was at $3.51 up 2.5 cents. Dec corn was at $3.65 up 2 cents.

For the month of August, Sept corn was down 21.25 cents. Dec corn was down 21.5 cents.



SOYBEAN

Soybeans started the week by trading lower on Friday afternoon's news of the Pro Farmer tour estimating the soybean yield at 53 bu vs. USDA's 51.6 bu. This past week's soybean crop condition rating increased by 1% at the time of year when ratings typically decline. Consistent rains moving across the majority of the Corn Belt also weighed on values. US/China trade talks last week failed to make any progress and it is expected the trade war will escalate over the next few months. China's soybean and soymeal futures dropped on worries that the outbreak of ASF will reduce feed demand.

Soybeans opened lower on Tuesday and extended losses throughout the session. Early selling was due to Monday's bearish Crop Progress report, which showed an increase in soybean crop ratings when the trade was expecting a steady to lower rating. Additional selling was tied to weather forecasts that are calling for rain for much of the Corn Belt over the next 5 days, which will be enough to take soybeans to the end of their crop development. A private analyst is estimating 2019 soybean acreage at 87.5 million vs 89.6 million this year and 90.1 million in 2017. Traders are also thinking that the recently announced farm aid payment of $1.65 might be enough to encourage some producers to just dump soybeans at harvest. Technically today's selloff pushed soybeans down to now be within reach of their July lows.

In Wednesday's session soybeans were 7 to 8 cents higher at midday but faded into the close to end just 2 to 3 cents higher. Gains were due to the higher wheat market, end of the month positioning and the rolling of Sept. contracts. In world news, Argentina is preparing to ship 90,000 MT of soybean oil to China. This would be their first soybean oil exports to China in three years. Meanwhile, Argentina has bought 922,000 MT of US soybeans, a 20-year high. China sold only 40,000 MT of 301,000 MT of reserve soybeans at auction.

Soybeans closed lower Thursday in a quiet day without any fresh news. The market is oversold, and any positive news could spark a short-term, small recovery. The 10 to 14-day forecast predicts widespread 4 inches of rain over the next 2 weeks for much of the western Midwest, including parts of MN and WI that have already received too much rain. Chinese soybean buyers left an annual exporter conference in Kansas City without any ceremonial announcements of purchases, unlike past years. A Chinese official at that conference stated new crop soybean imports from the US are estimated at 86 MMT, down 10 MMT from this year, as they look for alternative feed options and drawing from their state reserves. Traders are expecting to see heavy soybean deliveries against the Sept contract.

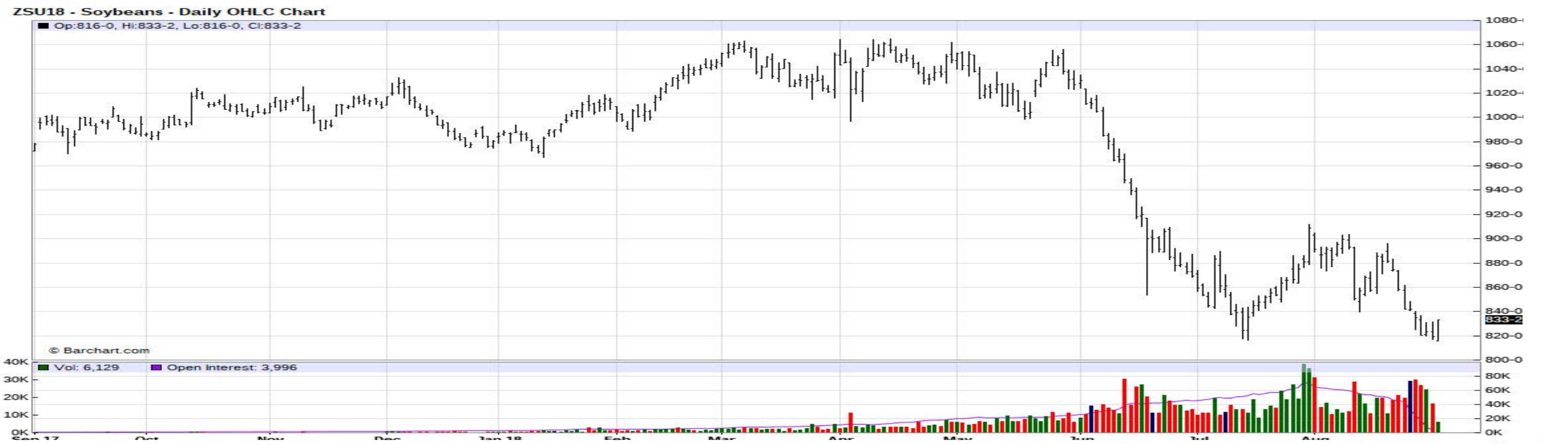
Support for Nov soybeans is at $8.26 while resistance is at $9.27.

As of August 26, soybean setting pods is at 95% vs. 92% last year and 90% average. Soybean's crop condition rating increased 1% (1% decrease was expected) to 66% g/e, 23% fair, and 11% p/vp. Changes by state: IL: +1%, IN: -1%, MN: +5%, ND: -6%, OH: +5% and SD: -1%.

Last week's soybean export shipments pace was estimated at 33.1 MB and old crop sales were at 4.1 MB and new crop sales were at 21.7 MB. After 51 weeks, soybean shipments were at 97% of USDA's expectations (vs 99% last year) while sales were at 103% of expectations (vs the 5-year average of 103%). With 1 week left in soybean's export marketing year, shipments need to average 70.6 MB to make USDA's projection of 2.11 BB and sales are 53 MB over projection.

For the week, Sept soybeans were at $8.33 down 9 cents. Nov soybeans were at $8.435 down 11.75 cents. Sept soybean meal was at $303.70 down $9.00.

For the month August, Sept soybeans were down 75.75 cents. Nov soybeans were down 75.5 cents. Sept soybean meal was down $36.20.



CATTLE

Cattle started the week off with solid gains but gave some the gains back Tuesday and then ended the week with small gains.

Cattle opened Monday's session lower with early selling tied to Friday's slightly negative COF report. The report was expected to be negative which was evident in the previous week's sharply lower performance. But since the report was only negative the market saw sell the rumor buy the fact type trading, which resulted in cattle staging a slightly rally. A stronger boxed beef market added strength. The lack of a cash trade limited session gains.

Losses returned to the cattle Tuesday. After opening with small gains, cattle slipped into the red. Early support came reports of a trade deal with Mexico, Mexico is the 3rd largest importer of US beef so the return of them to the US market would be huge, but with no confirmation that the deal is completed (Canada has to sign yet) cattle sold off.

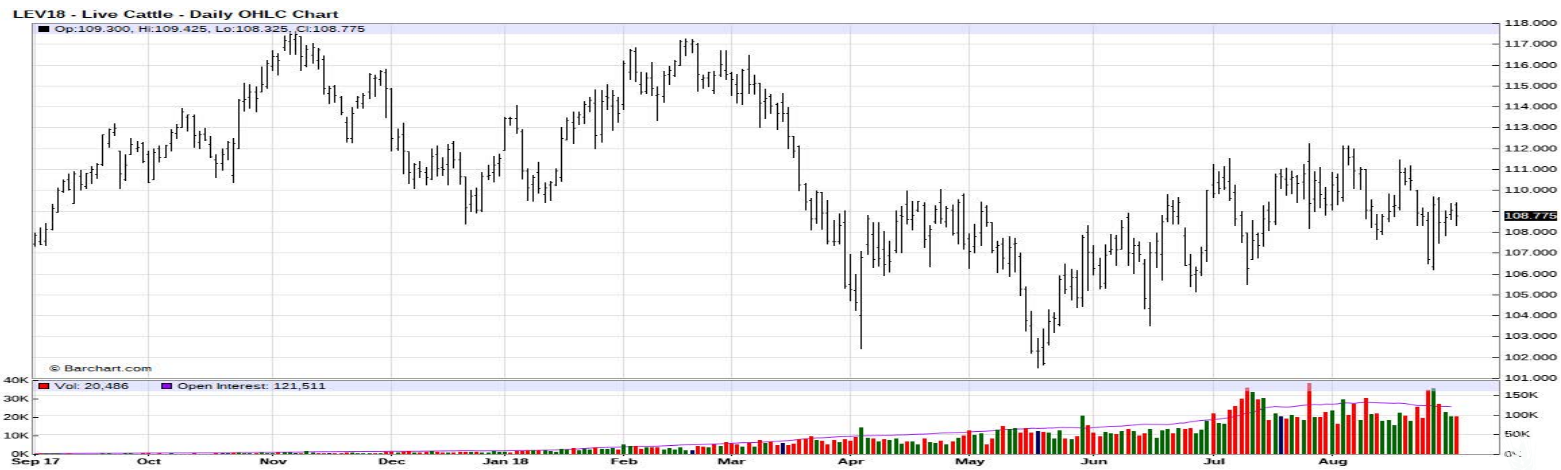
Small gains were seen late in the week with support coming from technical buying and position squaring ahead of the long weekend. Gains were kept in check Wednesday from reports of a BSE case in Florida. The lack of a cash trade as none of the 751 head offered on the FCE Auction traded with asking prices at $108 to $108.50 being passed added pressure. Cash bids are expected to occur before the end of the week as packers secure product for the long weekend.

Feeder cattle followed the trend set by the live cattle, starting higher but then fading the gains into the end of the week. The lower grain complex added support. Technically it looks like cattle might have a little more push, but seasonals are stacked against the feeders as supplies of spring calves will soon become available. Reports of calves coming in from Canada and Mexico added to the pressure. Technical buying and profit taking ahead of the weekend help limit selling pressure.

As of August 26, pasture and range conditions were estimated at 40% g/e, 30% fair, and 30% p/vp, unchanged from last week.

For the week, October live cattle was at $108.775 up $2.075 while Sept feeders were at $149.45 up $1.975.

For the month of August, October live cattle was up 52.5 cents while Sept feeders were up 12.5 cents.



CANOLA/SUNFLOWER

Canola traded mixed this week, starting the week on the defense but then trading with gains the second half of the week in an attempt to dig its way out of its hole.

The first two session had canola trading with modest losses. Early week pressure spilled over from a lower US soybean complex with additional selling tied to a stronger Canadian dollar. The uncertainty of the size of this year's US and Canadian canola crop added to the market pressure. Losses were kept in check by slow harvest progress with rain keeping producers out of the field.

The second half of the week had canola slowly trying to dig its way out of the hole it dug to start the week. Strength spilled over from a stronger US soybean complex. Light support was also due to reports of temps in the Canadian Prairies falling to near freezing and the cold and wet weather is slowing harvest. The lower Canadian dollar added strength. Thoughts that China will be looking at importing more canola late fall to early winter to replace US soybean meal added support.

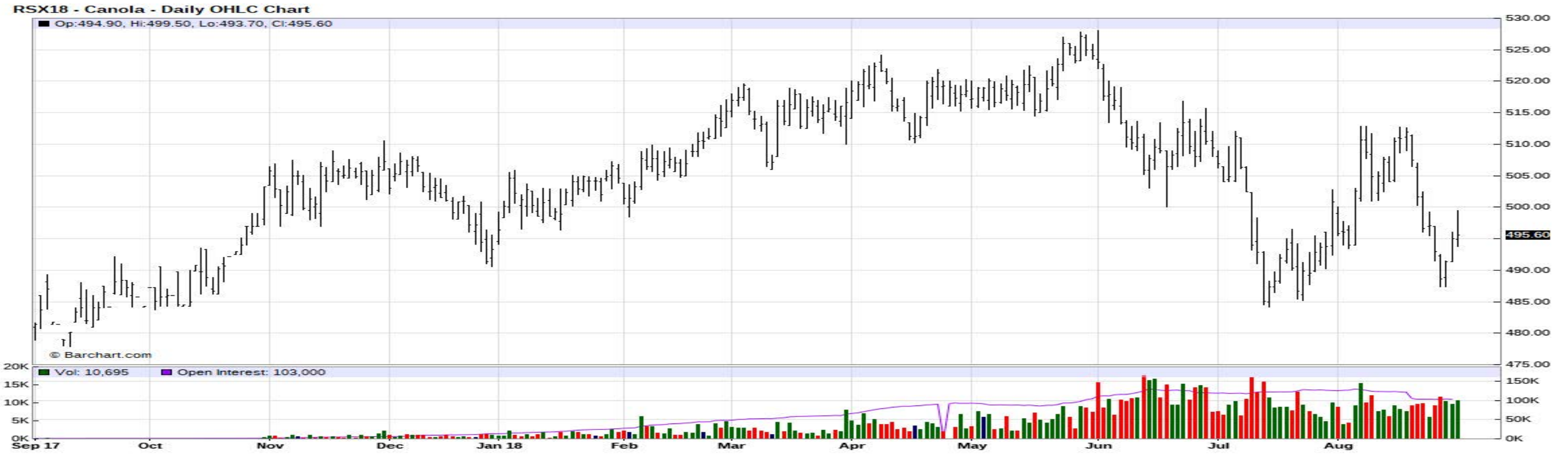
Stats Canada's July production estimate was friendly canola. The report estimated planted acreage to be off 1.7% from 2017 and a yield decline of 8.5%, which in turn results in a production drop of 10.2% from 2017, putting production at 19.16 MMT vs estimates of 20.1 MMT.

Thursday's cash canola bids in Velva were at $15.31 and cash sunflower bids in Fargo were at $17.30.

As of August 26, ND's canola harvest progress was estimated at 41% vs 27% last week and 32% average. Canola's crop condition rating dropped 5% to 68% g/e, 27% fair, and 5% p/vp.

As of August 26, ND's sunflower ray flowers dry was at 67% vs 37% last week and 38% last year. Bracts turning yellow was at 34% vs 7% last week. Bracts turning brown was at 4% vs 0% last week. ND's sunflower crop condition rating dropped 4% to 64% g/e, 30% fair and 6% p/vp.

For the week, Nov canola was at $495.60 down $1.50. For the month of August, Nov canola was down $5.20.



RECOMMENDATIONS

2017 Corn			2017 Soybeans			2017 Wheat		
15%	$3.95	4/13/17	10%	$10.15	11/22/16	15%	$5.65	5/1/17
10%	$4.05	6/7/17	25%	$9.93	10/12/17	10%	$6.05	6/7/17
25%	$3.64	2/7/18	40%	$10.20	12/6/17	10%	$6.35	6/14/17
15%	$4.05	5/1/18	15%	$10.35	2/21/18	15%	$6.48	5/29/18
20%	$4.23	5/29/19				25%	$6.30	8/9/18
85%			**90%**			**75%**		

2018 Corn			2018 Soybeans			2018 Wheat		
15%	$3.94	2/7/18	15%	$10.19	12/6/17	25%	$6.48	5/29/18
15%	$4.06	3/6/18	15%	$10.30	2/21/18	25%	$6.45	8/9/18
10%	$4.19	5/1/18	15%	$10.44	3/6/18			
10%	$4.23	5/29/18	15%	$10.47	5/29/18			
15%	$4.01	8/9/18						
65%			**60%**			**50 %**		

2019 Corn			2019 Soybeans			2019 Wheat		
15%	$4.10	8/9/18				15%	$6.55	8/9/18
15%						**15%**		

CROP INSURANCE

Office Closed Monday:

Our office will be closed Monday for Labor Day. The markets close Friday afternoon and will not reopen until 7:00 pm Monday evening.

Revenue Protection Harvest Price Tracking:

August is the discovery month for wheat and barley revenue harvest prices. As of August 30, the estimated harvest prices are:

Crop	**Base Price**	**Estimated Harvest Price**
Barley	$3.28	$3.03 (7.6% price drop)
Wheat, Durum	$7.11	$6.72 (5.5% price drop)
Wheat, Spring	$6.31	$5.96 (5.5% price drop)

If you have RP coverage and the harvest price is lower than the base price, you could be over your bushel guarantee and still qualify for a claim.

We will send our revenue loss estimators to our crop insurance customers in September after official prices are released.

Canola's harvest price discovery month is September. Corn, soybeans and sunflower harvest prices will be determined through the month of October.

Farm Aid Package Details:

USDA announced its Farm Aid package on Monday. The direct payment for wheat will be 14 cents, corn 1 cent, and soybeans $1.65. Other direct payments are: cotton 6 cents/lbs, milk 12 cents/cwt, hogs $8.00/head, and sorghum 86 cents/bus. The payments will be based on 50% of your 2018 production. Payment limits are a combined $125,000 per entity. The direct payment does not count against Farm Bill payment limits. If warranted and approved by USDA another payment for the remaining 50% could be authorized at a later date. More details can be found at: www.farmers.gov/mfp.

Fall Sales Closing Dates for the 2019 Crop Year:

September 30th:

- Grass seed
- Rye
- Winter wheat (in counties where winter is an insurable type)
- Margin Protection for corn, soybeans, and wheat

November 15th:

- Pasture, Rangeland, Forage

NEW - Dairy Revenue Protection:

- Dairy Revenue Protection will be available stating October 9, 2018 for all counties in all states.
- The program is an area-based federal crop insurance product that protects against unexpected declines in the quarterly revenue from milk sales relative to your guarantee.
- Similar to Livestock Risk Protection, quotes will change daily and coveragae can be booked from 4:00 pm Central to 9:00 am Central the next morning.
- Martinson Ag's Dairy-RP presentation
- RMA's Dairy-RP fact sheet
- RMA's Dairy-RP FAQ

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