

Soybeans

Soybeans, unlike the other grains, posted losses in every session of the short week.

Tuesday's session started strong with soybeans posting 12 cent gains during the overnight session. It appeared that soybeans were ready to start to run once again. But once the day session started, soybeans appear to run into a brick wall. By the close, just as was the case Friday, the front months were lower than the deferred contracts. Soybean's export shipments pace was friendly, but the market seems to be ignoring US demand for now and only concentrating on SA weather. Reports over the weekend have harvest progress in Brazil at 25% complete compared to 17% average. Light selling was tied to a new 5-month low in the soybean oil contract.

Selling continued to dominate the soybean market Wednesday, except this time losses were somewhat tempered by support from a strong wheat and corn market. Light selling was tied to slow export demand as recently most of the US export sales being reported are for corn and wheat.

Soybeans traded with losses throughout Thursday's session due to improving weather conditions in SA. Soybeans har-

vest is advancing in Brazil and conditions are drying out in Argentina as only moderate rains have been reported in much of SA the past week. A private analyst is estimating Brazil's soybean production at 107.8 MMT compared to USDA's Feb estimate of 104 MMT.

Additional selling was tied to USDA's Ag Outlook Forum 2017 soybean acreage estimate which was put at 88 million. Soybean's national average cash price did see 10 cent increase to \$9.60.

Target \$10.80 Mar to advance old crop sales (can sell carry) and \$10.45 Nov for new crop.

Last week's soybean export shipments pace was estimated at 39.5 MB and sales were estimated at 15.2 MB. After 24 weeks, soybean shipments are at 76% of USDA's expectations while sales are at 91% of expectations. To make USDA projections, soybean shipments need to average 17.2 MB per week and sales need to average 6.8 MB per week.

For the week, March soybeans were at \$10.135 down 19 cents while Nov was at \$10.07 down 11.25 cents.

Corn

Corn was able to trade with small gains to start the short week, but lost major ground to close out the week.

Corn traded on the defense to start the week, but managed to pop into positive territory to close Tuesday's session with gains. Light support came from a decent export inspections estimate. But the real strength came from two reported export sales as Japan bought 269,296 MT and an unknown destination bought 111,200 MT. This marks reportable corn exports sales for 4 out of the last 6 trading sessions. Gains were kept in check by continued talk of Mexico sourcing corn from SA.

Buying continued Wednesday as corn once again posted small gains by the close. As was the case Tuesday, corn started lower with early pressure coming from reports South Korea cancelled a 136 MMT US corn export sale. But the cancellation was somewhat offset by reports South Korea bought 55 MMT of US corn.

By the end of the week selling took control of corn, pushing the market to end Thursday's session with large losses. Corn struggled throughout the session with selling tied to improving weather conditions in SA. Harvest of first crop corn is starting to gain momentum and planting of second crop corn is advancing ahead of pace. Last week's ethanol production came

in at 1.034 million barrels down 6000 from the previous week. But on a negative note, ethanol stocks continued to build, increasing 169,000 barrels last week.

USDA's Ag Outlook Forum projected corn acreage for 2017 at 90 million, down almost 4 million from last year, USDA did estimate corn's national average price at \$3.50 up 10 cents

Target \$3.85 Mar (can sell carry) to advance old crop sales and \$4.15 Dec for new crop.

Last week's corn export shipments pace was estimated at 45.4 MB and sales were estimated at 29.3 MB. After 24 weeks, corn shipments are at 43% of USDA's expectations while sales are at 69% of expectations. To make USDA projections, corn shipments need to average 45.1 MB per week and sales need to average 24.3 MB.

For the week, March corn was at \$3.64 down 4.25 cents while Dec was at \$3.91 down 3.25 cents.

Wheat

Wheat traded in a back and forth fashion this short week. Wheat started the week on the defense, recovered to trade with gains, but then slipped lower to end the week.

Wheat started the week off on the defense, closing lower across the board. After starting with small gains, wheat faded into negative territory. Technical selling and spill over pressure from a lower soybean complex pressured wheat. Early support came from a decent export inspections estimate, but the lack of follow through buying pushed wheat lower. Losses were kept in check by a 138,650 MT export sale of wheat to an unknown destination.

Buying returned midweek as wheat closed with decent gains. MW was again the worst performer, ending with 1 to 3 cent gains while the winter wheat contracts gained 5 cents. Strong export demand helped to support wheat with rumors Taiwan bought 102,850 MT of US wheat overnight. Jordan and Tunisia each bought 100 MMT of option origin wheat and Egypt is tendering for wheat (likely Black Sea). Weather concerns for the winter wheat region added support as temps are expected to drop close to freezing by the weekend.

Thursday's session had wheat mixed with MW taking the lead and Chicago posting modest losses. MW was able to shake early session pressure and end with small gains with technical support helping encourage buying into the close. KC continues to see strength from weather concerns as the recent warm

weather will give way to much colder temps this weekend, with some regions seeing freezing conditions. IGC left world wheat stocks unchanged at 752 MMT.

USDA's Ag Outlook Forum estimated all wheat acreage for 2017 at 46 million acres, which seems high since winter wheat planted acreage is at 32 million, which would mean spring wheat acres would be unchanged from last year, which is unlikely. USDA did estimate wheat's national average price would increase from \$3.85 to \$4.30

Target \$5.82 May to advance old crop sales and \$5.85 Sept to sell new crop.

Last week's wheat export shipments pace was estimated at 20.5 MB and sales were estimated at 16.6 MB. After 37 weeks, wheat shipments are at 66% of USDA's expectations while sales are at 81% of expectations. To make USDA projections wheat shipments need to average 23.3 MB per week and sales need to average 13.0 MB.

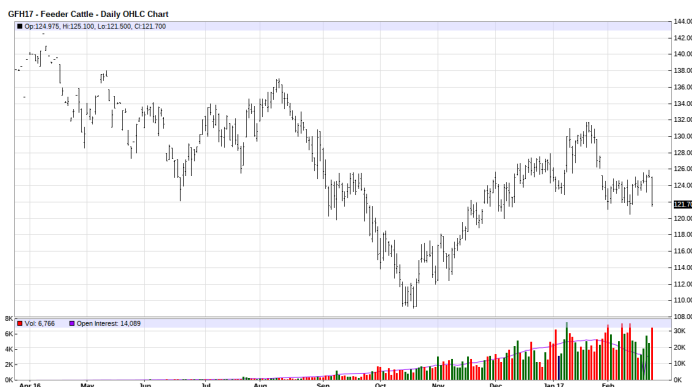
For the week, March MW was at \$5.4475 down 1.5 cents, Sept MW was at \$5.6475 down 0.75 cent, March Chicago was at \$4.3125 down 9.75 cents, and March KC was at \$4.5375 down 2.5 cents.

Cattle

Cattle traded with gains in every session this week. The live cattle contract traded with solid gains to start each session but faded the gains by the close. The front months were able to hold most of the session gains due to a strong cash trade. Cash bids traded as much as \$5 to \$6 above last week and that helped to push the soon to be expiring Feb contract higher as it tries to stay in line with cash offers. Short term fat supplies are tight and that continues to help push cash bids and futures. Boxed beef prices were mixed. Light support was also due to weather forecasts calling for a winter storm to move into SD, MN, and NE this week-end.

The feeder cattle market mirrored the live cattle market, starting each session with gains, pushing to triple digit gains, but then fading the close to end with modest gains. A steady to slightly lower corn market helped to support the feeder cattle market as did spill over strength from the higher fat cattle. The biggest influence for the feeders was due to position squaring ahead of Friday COF report. Early estimates are: On Feed: 101%, Placed: 111%, and Marketed: 110%. The report was as expected and should be considered to be neutral to bearish.

For the week, April live cattle were at \$114.95 up 2.5 cents while Mar feeders were at \$121.70 down \$2.375.



Canola

Canola traded with losses to start and end the short week. Tuesday's session had canola trading with small losses with selling spilling over from a lower soybean complex, especially soybean oil which traded to 5 month lows. Light selling was tied to a lower Malaysian palm oil market. Buying returned to the canola market on Wednesday with an overall higher veg oil market giving canola strength. Light support was also due to support from a weaker Canadian dollar. The gains were short lived as selling spilled over from a lower US soybean complex, as both soybeans and soybean oil struggled. Light selling was tied to improving weather conditions in SA as harvest keeps advancing in Brazil and dry conditions continue for Argentina. Thursday cash canola bids in Velva were at \$16.93.

For the week, Mar canola was \$515.30 down \$2.40 CD.



Recommendations

2016 Corn:

- 10% sold by futures fixed at elevator at \$4.08 Dec (05/25/16)
- 20% sold by futures fixed at elevator at \$4.38 Dec (06/15/16)
- 20% sold by futures fixed at elevator at \$3.65 Mar (01/17/17)

2016 Soybeans:

- 15% sold by futures fixed at elevator at \$9.285 Nov (03/29/16)
- 15% sold by futures fixed at elevator at \$9.95 Nov (04/20/16)
- 20% sold by futures fixed at elevator at \$11.38 Nov (06/15/16)
- 25% sold by futures fixed at elevator at \$10.70 Mar (01/17/17)

2017 Soybeans:

- 10% sold by futures fixed at elevator at \$10.15 Nov (11/22/16)

2016 Wheat:

- Took LDP on winter wheat. ND was at 24 cents. SD was at 27 cents (09/01/16).
- 10% sold by futures fixed at elevator at \$5.05 Dec MW or \$4.40 Mar KC (09/23/16)
- 20% sold by futures fixed at elevator at \$5.89 Mar MW (01/17/17)

2016 Cattle:

- 25% sold by options or LRP at \$138.975 Jan 17 (8/10/16)

Crop Insurance

The month of February is the discovery period for revenue base prices. Official prices will be released at the beginning of March. For updated price information, please see the front page of our website at www.martinsonag.com.

Crop	2017 Est Price	2016 Price
Barley	\$3.40	\$3.31
Canola	\$0.175	\$0.158
Corn	\$3.96	\$3.86
Soybeans	\$10.19	\$8.85
Sunflowers, Conft.	\$0.272	\$0.267
Sunflowers, Oil	\$0.182	\$0.169
Wheat, Durum	\$6.39	\$5.72
Wheat, Spring	\$5.66	\$5.13

Did you miss our spring insurance and marketing update meetings?

Copies of our presentations are on our website at www.martinsonag.com/crop-insurance.

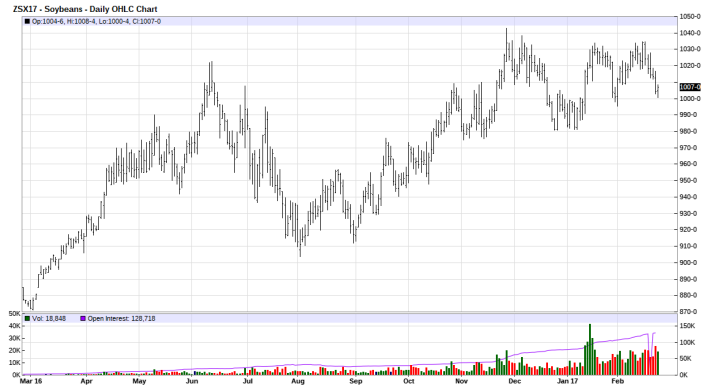
The crop insurance sales closing deadline is March 15.

Martinson Ag would be happy to review your current crop insurance coverage to evaluate how it can work in conjunction with your farm marketing efforts. We can also review how many bushels are unprotected with your crop insurance coverage and discuss other ways to protect those bushels. Please feel free to call us if you would like us to review your current crop insurance.

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Soybeans



Corn



Wheat

