



## Wheat

Wheat started the week on the defense then spent the rest of the week trading higher. Monday's selling was tied to a cooler than expected weekend that brought rain showers to parts of ND and SD, with more expected this week. Light selling also came from a hot, dry forecast for the Southern Plains. That helped accelerate harvest progress with early reports showing better than expected yields.

Wheat traded with strong gains Tuesday. Monday's Crop Progress report was bullish spring wheat as the crop condition rating was much lower than expected by the trade. Spring wheat conditions dropped 10% (4% expected) while winter wheat conditions improved, and spring wheat's condition did not go into fair, it slipped all the way to p/vp. Taiwan bought 92.4 TMT of US wheat overnight.

Wednesday's session had MW trading with as much as 17 cent gains during the overnight session, but once Mpls hit \$6.51, sell orders were uncovered which brought wheat off its highs forcing it into negative territory. Recent rains have traders believing the spring wheat crop rating will improve in Monday's report, which it likely will, but the potential of the crop to increase yield is not there, especially in western ND and SD.

Technical selling and the unwinding of long Mpls/short winter wheat was evident early Thursday. But Mpls staged a good comeback. At one point the market was down 17 cents, but was able to recover

## Corn

Corn traded back and forth this week, but started off the week in a deep hole. Monday's session had corn trading sharply lower, as the market focused on the rainfall over the weekend and more rain in the forecast for parts of the corn belt. The corn maker pressure was enough that not even an export sale of 130,000 MT of corn sold to unknown destination could help.

Monday's Crop Condition rating put corn's crop condition rating down 1% from 68% g/e to 67% g/e. The states that saw the biggest drop in g/e rating were SD dropping 17% to 45% g/e and ND dropping 9% to 58% g/e.

Tuesday's session saw gains with the strength spilling over from a stronger wheat complex and 1% reduction in corn's g/e conditions. Weather forecasts are calling for mid-week rains in parts of the corn belt that should help the crop. Informa increased their corn planted acreage estimate to 90.186 million vs 89.7 million last month.

Wednesday saw gains from spillover support from wheat, but finished the session 3 to 4 cents lower. The ethanol report showed last week's production at 1,002,000 barrels per day, up 3,000 barrels from last week. Conflicting weather forecasts for the Corn Belt has traders not sure which direction they should take the market, so the path of least resistance usually wins. Generous rains and recent

and end with modest gains. A change in the noon weather forecast helped support wheat late in the session as most forecasts are now starting to show heat and dry conditions returning by end of month.

Last week's wheat export shipments pace was estimated at 28.4 MB and sales were at 13.9 MB. After 1 week, wheat shipments are at 3% while sales are 3% of USDA's expectations. USDA is expecting the 2017 wheat export pace to be 1 BB.

As of June 11, 92% of the nation's winter wheat was headed vs 87% last week and 91% for the five-year average. Winter wheat harvest progress is reported as 17% complete vs 10% last week and 15% average. Winter wheat crop condition rating improved 1% to 50% g/e 34% fair, and 16% p/vp.

Spring wheat emergence was at 95% vs 90% last week and 92% average. Spring wheat's crop rating dropped 10% (traded was expecting 4%) to 45% g/e, 35% fair, and 20% p/vp. ND's spring wheat crop dropped 9% to 43% g/e and SD's crop dropped 12% to 13% g/e. ND's durum crop condition rating dropped 7% to 20% g/e.

For the week, July MW was at \$6.4275 up 36.25 cents, Sept MW was at \$6.47 up 36 cents, July Chicago was at \$4.6525 up 19.5 cents, and July KC was at \$4.735 up 22 cents.

cool temps will help corn conditions improve in the Northern Plains, but that might be overshadowed if rains move into the E. Corn Belt

Corn began Thursday's session lower, but ended up finishing a couple of cents higher with Chicago wheat leading the markets. A satellite imagery company has estimated the US corn yield at 166.9, down 0.5 bu. from their previous estimate. The NOAA 1 and 3 month forecasts expect a warm summer with average precip.

Last week's corn export inspections pace was estimated at 41.0 MB and sales were at 23.6 MB. After 40 weeks, corn shipments are at 80% and sales are at 97% of USDA's expectations. With 12 weeks left in corn's export marketing year, shipments need to average 36.5 MB and sales need to average 6.2 MB to make expectations.

As of June 11, nationwide corn emergence was at 94% vs 86% last week and 94% average. Corn's crop condition rating was at 67% g/e vs 66% expected and 68% last week. State breakdown for corn conditions are: IL: 58% g/e (-1%), IN: 44% g/e (-2%), MO: 59% g/e (unchanged), IA: 77% g/e (unchanged), OH: 50% g/e (+1%), MN: 78% g/e (+1%), SD: 45% g/e (-17%) and ND: 58% g/e (-9%).

For the week, July corn was at \$3.84 down 3.75 cents, while Dec was at \$4.02 down 4 cents.

# Soybeans

Soybeans began the week closing sharply lower on reports of rain over the weekend and more rain in the forecast. Soybean export inspections came in at 18.7 MB, well above trade estimates and 77% higher than last week. Monday's Crop Progress report had the first crop condition ratings of the season for soybeans and came in at 66% g/e, slightly lower than the trade expected. SD's g/e rating was only 43% as dry conditions continue.

Tuesday's session saw soybeans higher early on the lower than expected crop condition ratings, but soybeans couldn't hold the gains and finished only slightly higher. South American sales were spurred by the weaker Brazilian real. Informa updated their corn planted acreage estimate to 89.362 million acres, down slightly from May's estimate of 89.7 million.

Wednesday's session was a repeat of Tuesday, with soybean higher early on but then finishing close to unchanged. Late session support came from positions squaring ahead of tomorrow's export sales report, as traders are expecting to see another week of strong demand. The trade remains focused on the weather, but direction is hard to find as forecasts are conflicting and rains are intermittent.

Thursday's session was a reversal of the past two days, with soybeans starting lower and then finishing a few cents higher. Soybean export sales were solid and right in the middle of the trade estimate range. The surprise of the day was the crush report. Soybean crush numbers for May came in at 149.25 MB, much higher than the aver-

age trade estimate of 143.2 MB. Despite the high crush number, soybean oil stocks came in as expected at 1.75 billion pounds. Also on Thursday, a satellite imagery company lowered their US soybean yield by 0.2 bu/acre to 46.8 bu/acre.

Last week's soybean export shipments pace was estimated at 18.7 MB and sales were at 12.5 MB. After 40 weeks, soybean shipments are at 92% while sales are at 106% of USDA's expectations. With 12 weeks left in soybeans marketing year, shipments need to average 12.8 MB to make expectations while sales are 115 MB above USDA expectations.

As of June 11, soybean planting progress was estimated at 92% (94% expected) vs 83% last week and 87% for the 5-year average. Soybean emergence is at 77%, compared to 58% last week and the 5-year average of 73%. Soybean's crop condition rating was at 66% g/e, compared to 69% expected and 68% average. State breakdown: IL: 66% g/e, IN: 51% g/e, IA: 73% g/e, OH: 57% g/e, MN: 78% g/e, SD: 43% g/e, and ND: 56% g/e.

For the week, July soybeans were at \$9.39 down 11 cents, while Nov was at \$9.50 up 1.75 cents.

# Cattle

Live cattle traded on the defense throughout the week, hitting limit down during a couple of the sessions. Cattle were under extreme pressure from a lower cash trade as well as disappointing boxed beef market. The lack of a Fed Cattle Auction again this week (due to technical difficulties) added pressure. Cash bids started the week off at \$132 but by the end of the week trades were taking place at \$128, \$9 lower than last week. Packer margins continue to be strong. Light selling was also tied to the size of cattle movement in ND and SD due to drought concerns.

Tuesday's session did see some good news and limited pressure due to reports China and the US have finalized their export agreement for China to resume taking US beef, and the first shipment of beef was on its way, the first in 14 years. Pasture rangeland conditions were unchanged at 64% g/e, but ND's dropped 12% to 18% g/e while SD's dropped 8% to 26% g/e.

The feeder cattle market mirrored the live cattle market, except for Thursday, which had the feeder cattle market posting small gains. Selling spilled over from a lower fat cattle market as well as from an increase in supply as producers in ND and SD liquidate herds due to drought. A stronger grain complex added pressure. Thursday's session had feeder cattle trading with small gains due to ideas that beef demand will continue to be strong, especially now that the boarder to China has opened to US beef.

For the week, June live cattle were at \$121.70 down \$9.55 while August feeders were at \$147.875 down \$6.30.



# Canola/Sunflowers

Canola traded steady to lower the first three days of the week, but recovered some of its losses on Thursday. Canola started the week off mixed with pressure spilling over from the lower US grain complex. A cooler than expected weekend added pressure. Tight stocks and a slower than expected planting pace limited session losses. Tuesday and Wednesday's session had canola trading on the defense with selling tied to a strong Canadian dollar and improving weather conditions as rain is expected to fall over much of the Plains. A sloppy world veg oil market added pressure. Technical selling was also noted. Thursday's session saw the return of buyers as short covering and profit taking took center stage. A softer performance in the Canadian dollar added support.

Thursday's cash canola bids in Velva were at \$17.88 while sunflower bids in Fargo were at \$15.45.

ND's canola crop emergence is at 94% vs 82% last week and 80% average. ND's canola crop condition rating dropped 9% to 41% g/e, 39% fair and 20% p/vp. The nation's sunflower planting progress is estimated at 80% complete vs 61% last week and 63% average.

For the week, July canola was at \$514.10 down 50 cents while Nov was at \$488.20 down \$6.70 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)
- 25% sold by futures fixed at elevator at \$3.85 Jul (06/07/17)

## 2017 Corn:

- 15% sold by futures fixed at elevator at \$3.95 Dec (04/13/17)
- 10% sold by futures fixed at elevator at \$4.05 Dec (06/7/17)

## 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/futures fixed at elevator at \$5.89 Mar MW (01/17/17). Bought back at \$5.23 for a profit of 65.5 cents.
- 15% sold by futures fixed at elevator at \$5.65 July MW (5/01/17)
- 20% sold by futures fixed at elevator at \$6.05 Sept MW (6/7/17)
- 10% sold by futures fixed at elevator at \$6.35 Sept MW (6/14/17)

## 2017 Wheat:

- 15% sold by futures fixed at elevator at \$5.65 Sept MW (5/01/17)
- 10% sold by futures fixed at elevator at \$6.05 Sept MW (6/7/17)
- 10% sold by futures fixed at elevator at \$6.35 Sept MW (6/14/17)

# Crop Insurance

## Some reminders as we begin acreage reporting season:

- The acreage reporting deadline is July 15.
- If you have precision planter data, we can use that to complete your acreage report. Please contact our office if you would like to take advantage of this.
- If you have had a hail storm or other cause of loss, please let us know, even if you plan on taking the crop to harvest. The companies like to have a record of the loss when it occurs.
- Please remember that you must have an adjuster appraise your field if you plan on haying the crop, destroying it, or putting it to some other use. You must talk to an adjuster before you take any action.
- Remember that if you want to take advantage of the crop hail cash discount, we need your acres prior to the cash deadline.

## North Dakota Crop Hail Cash Discounts:

- Amtrust Ag—3% if paid by July 1

- Armtech—5% if paid by July 15
- Farmers Mutual—No cash discount
- NAU—5% if paid by July 15
- RCIS—5% if paid by July 15

## Minnesota Crop Hail Cash Discounts:

- Amtrust Ag—3% if paid by July 1
- Armtech—3% if paid by July 1
- Farmers Mutual—No cash discount
- NAU—3% if paid by July 1
- RCIS—3% if paid by July 1

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# Soybeans

ZSN17 - Soybeans - Daily OHLC Chart



ZSK17 - Soybeans - Daily OHLC Chart

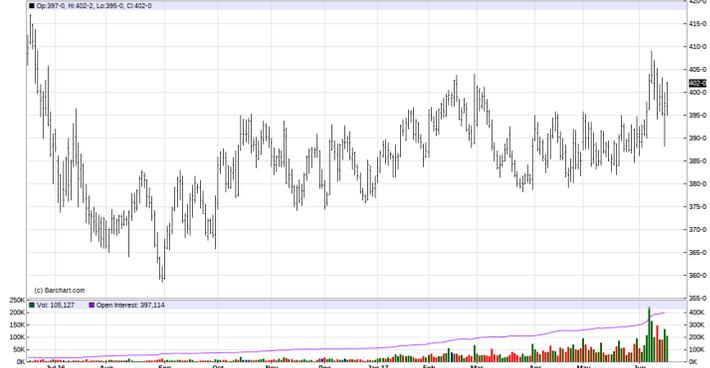


# Corn

ZCN17 - Corn - Daily OHLC Chart



ZCZ17 - Corn - Daily OHLC Chart



# Wheat

MWJ17 - Spring Wheat - Daily OHLC Chart



KEN17 - Hard Red Wheat - Daily OHLC Chart

