

# Prepping for the 2019 Grain Markets

ELAINE KUB

Corn Expo

Fremont, NE

January 3, 2019

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@CH19,W



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374.3282

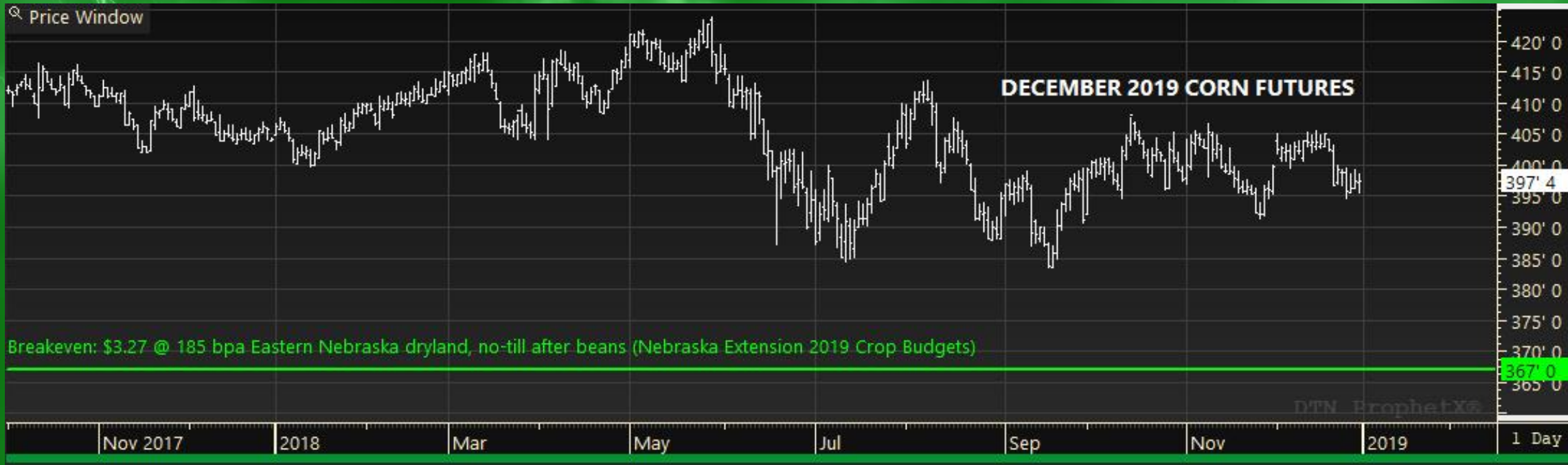
1281.3

375' 0

DTN ProphetX®

2014 2015 2016 2017 2018 1 Wk

Price Window



Price Window



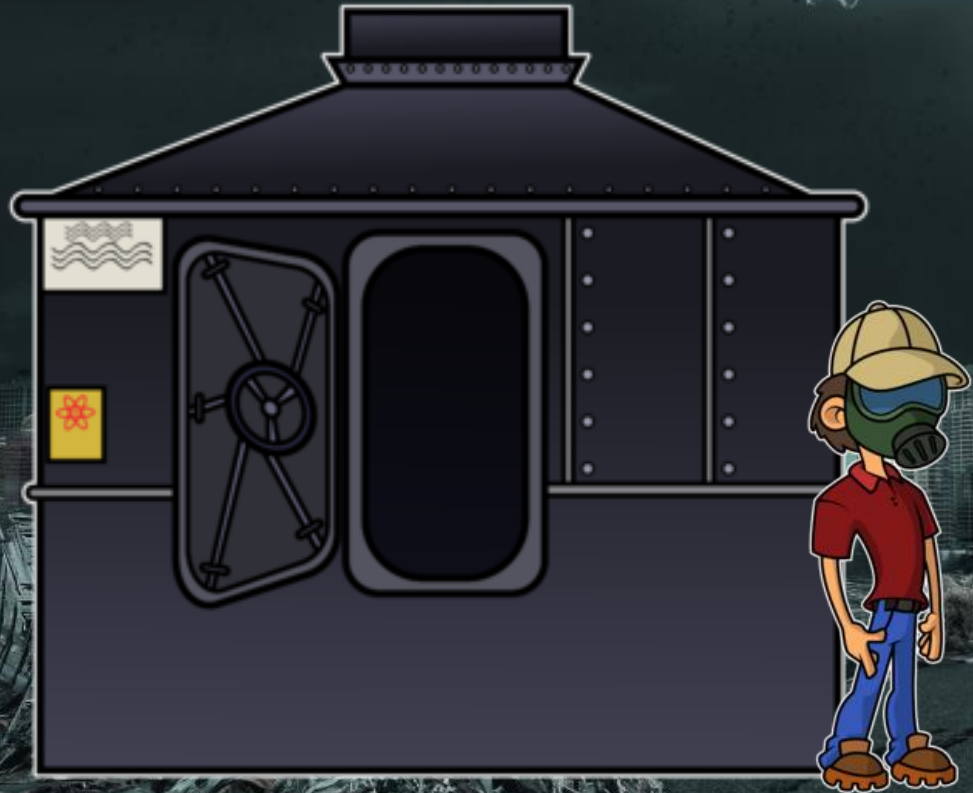


A dark, apocalyptic cityscape under a stormy sky. A bright lightning bolt strikes the left side of the frame. The sky is filled with dark, swirling clouds and falling debris, including what appears to be a mobile phone. The city below is in ruins, with a road leading through a field of rubble towards a skyline of skyscrapers. The overall tone is grim and catastrophic.

<https://cropwatch.unl.edu/budgets>



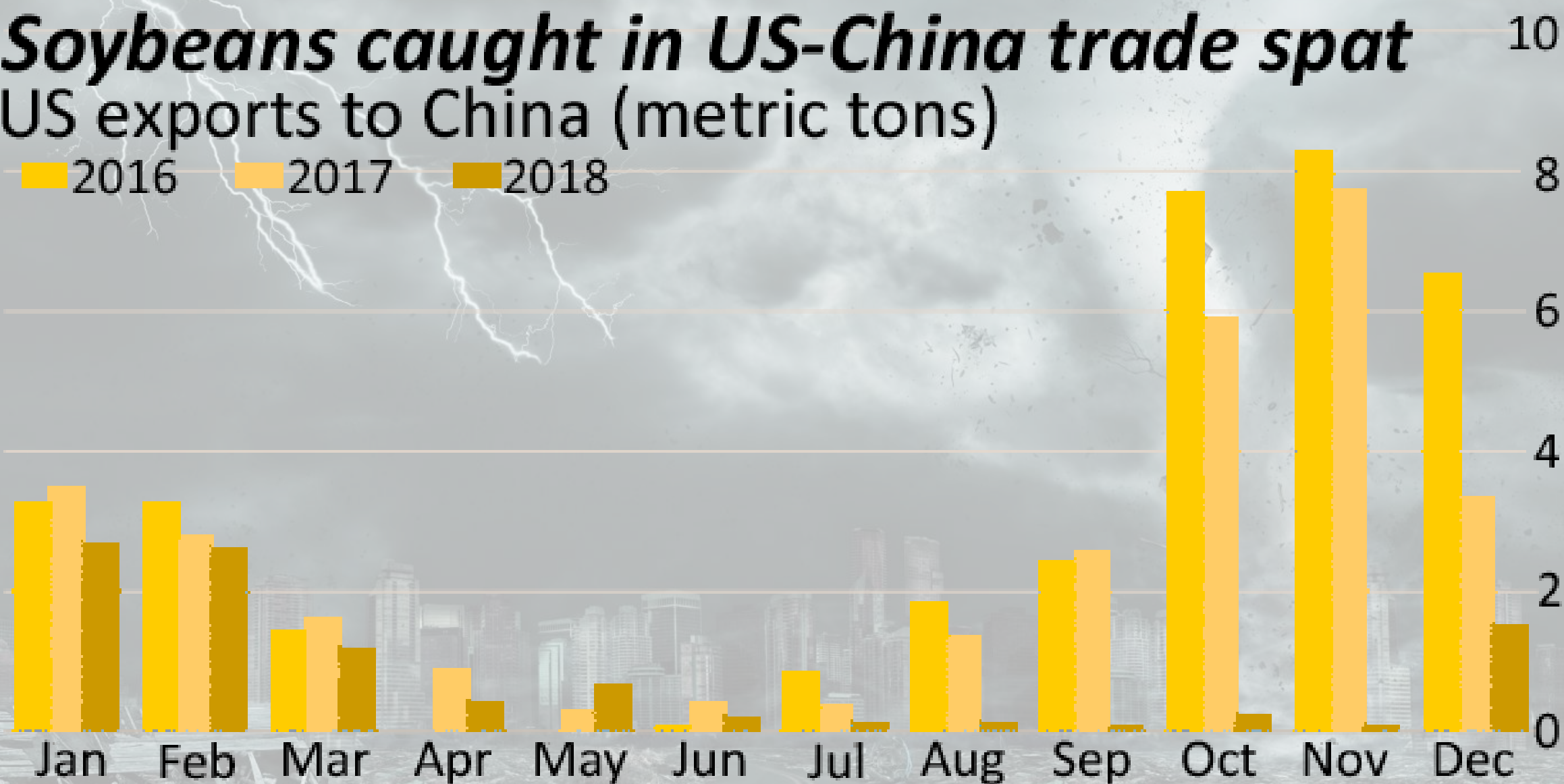
# The real Apocalypse: Old Crop SOYBEANS



# *Soybeans caught in US-China trade spat*

US exports to China (metric tons)

■ 2016 ■ 2017 ■ 2018



Sources: USDA, Bloomberg; ANZ Research (Financial Times)



***Soybean Options  
(1/2/2019)***

	<b>Put Price</b>	<b>Call Price</b>	<b>'Put-Call Parity' Disparity</b>
March ATM (\$8.90)	15¢	20¢	5¢
May ATM (\$9.00)	24¢	32¢	8¢
September ATM (\$9.20)	38¢	46¢	8¢
November (\$9.40)	50¢	45¢	- 5¢

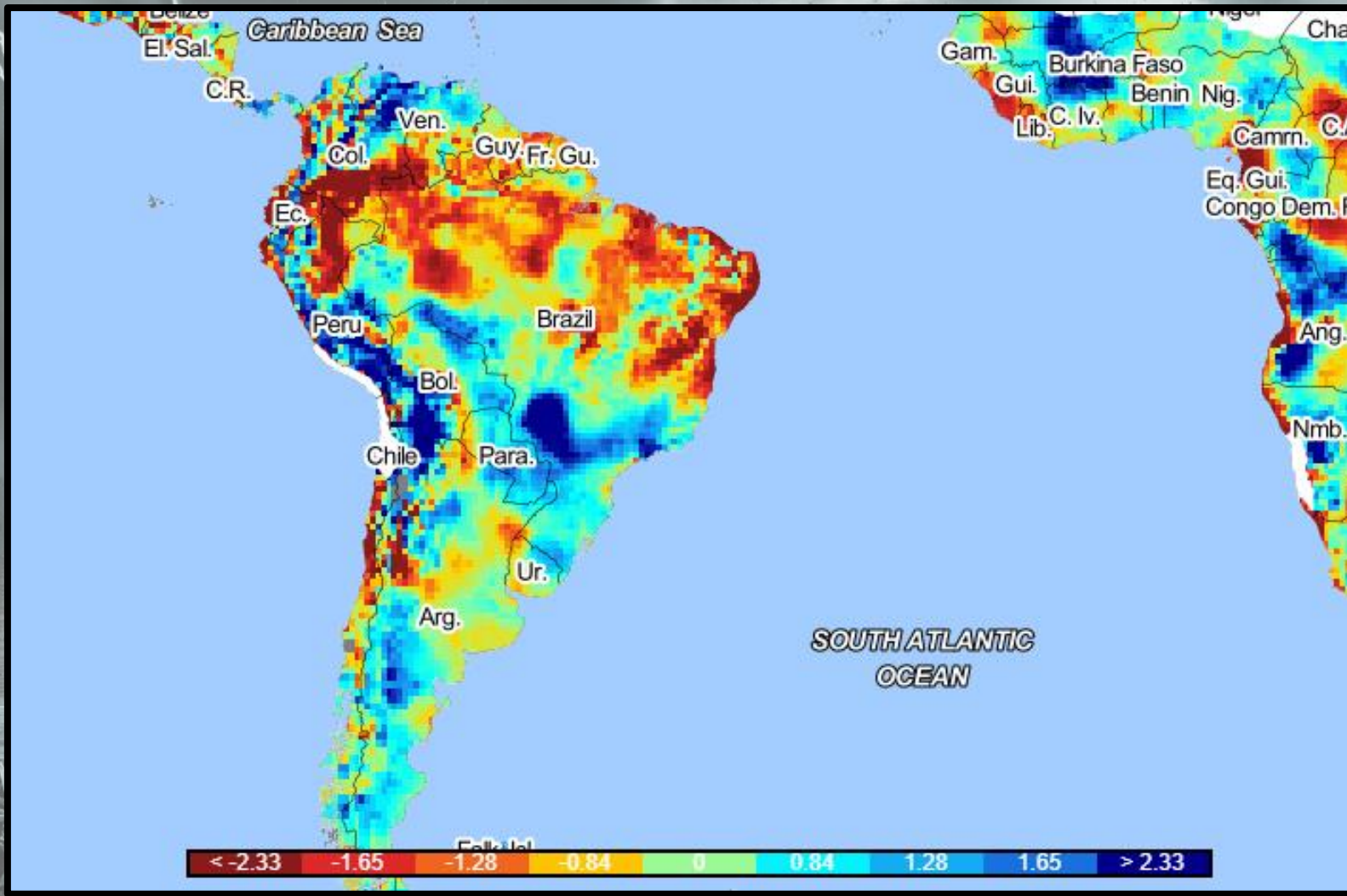


# *Stay flexible in 2019!*

- New crop soybean-to-corn price ratio is 2.35-to-1
- After fall field work, we know minimum 2019 corn acres but not the maximum
- Talk to input dealers about return policies
- Incorporate flexibility into your marketing plan
- Ultimately, 2019 acreage depends on weather



# Speaking of weather ...

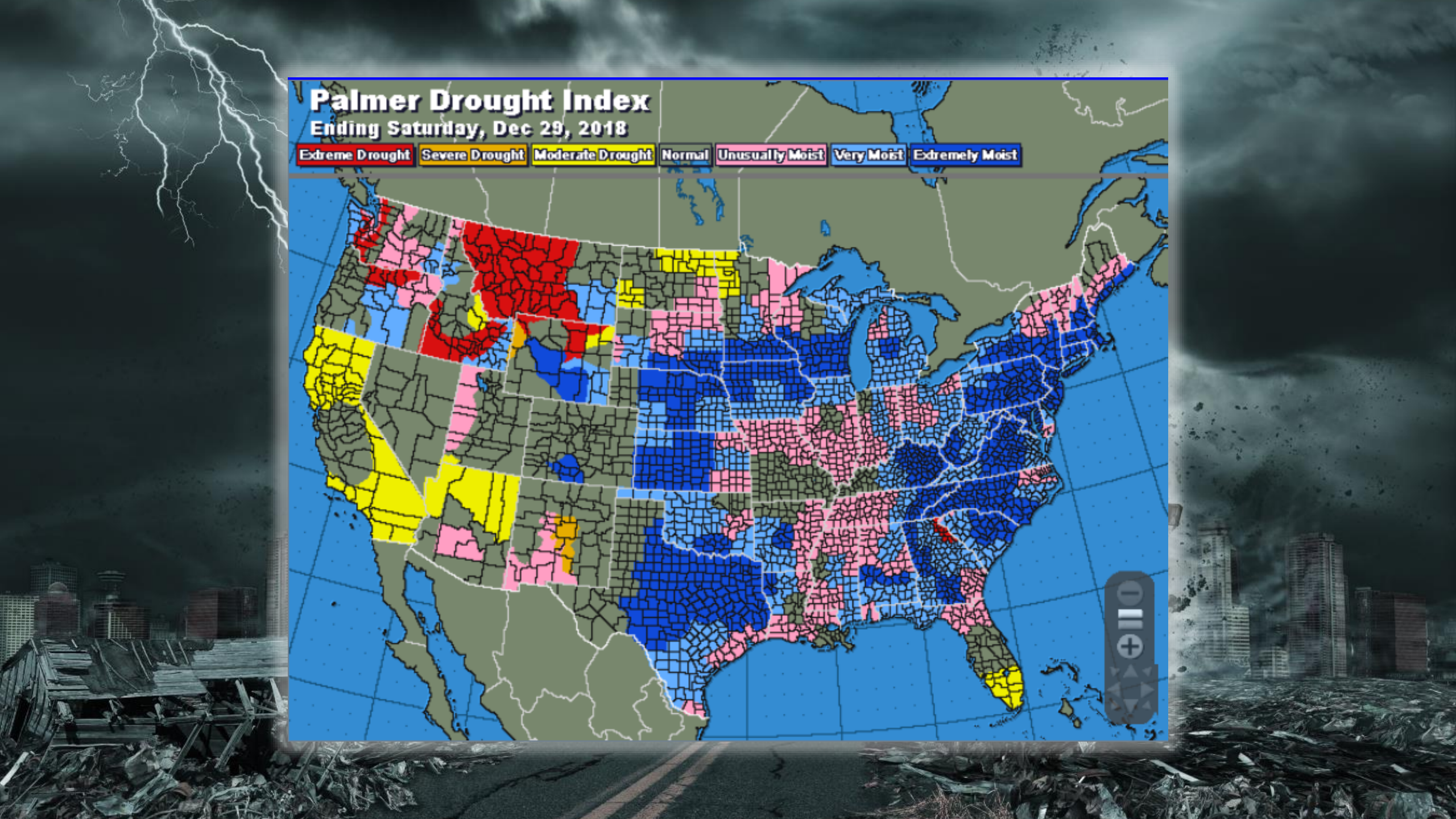
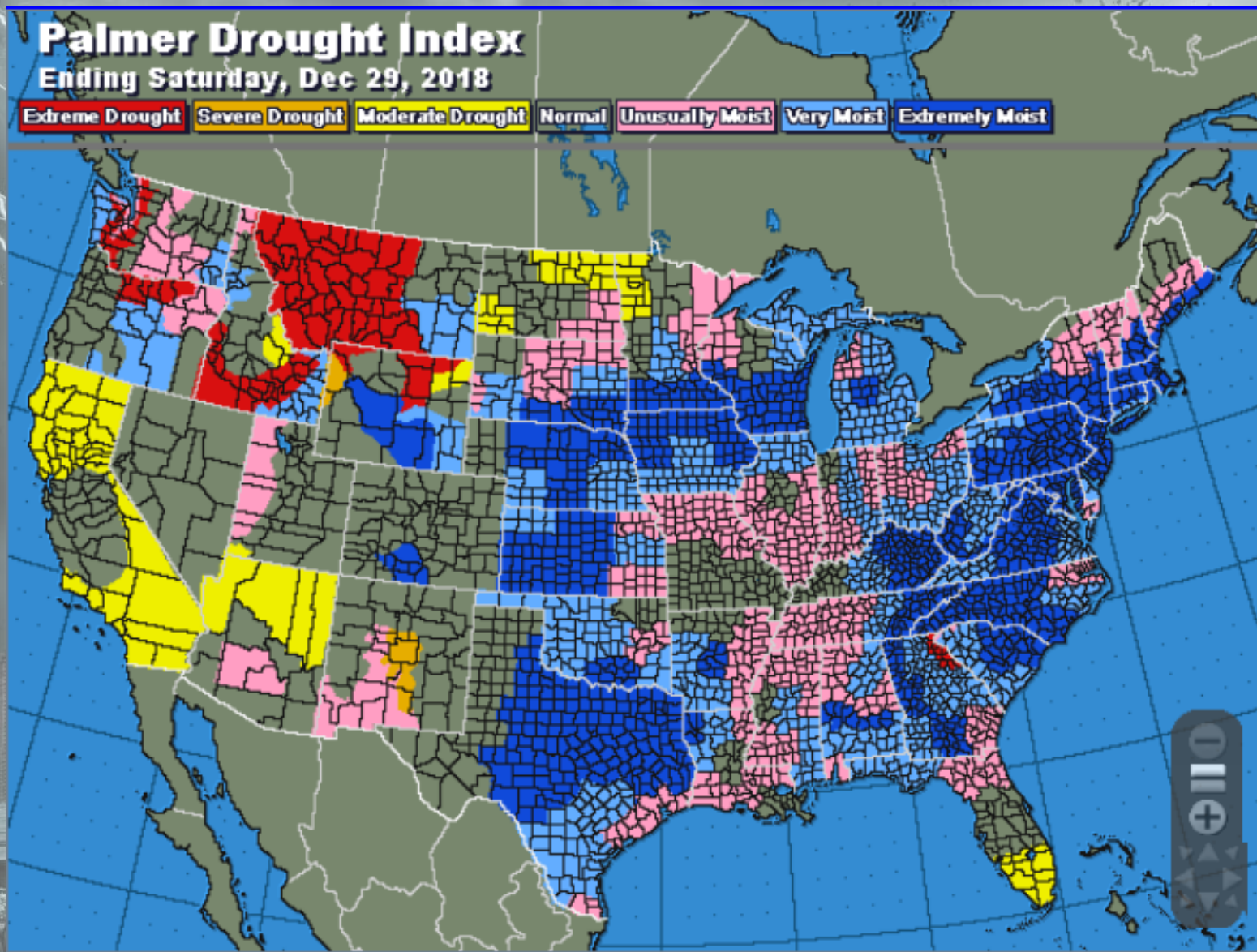




# Palmer Drought Index

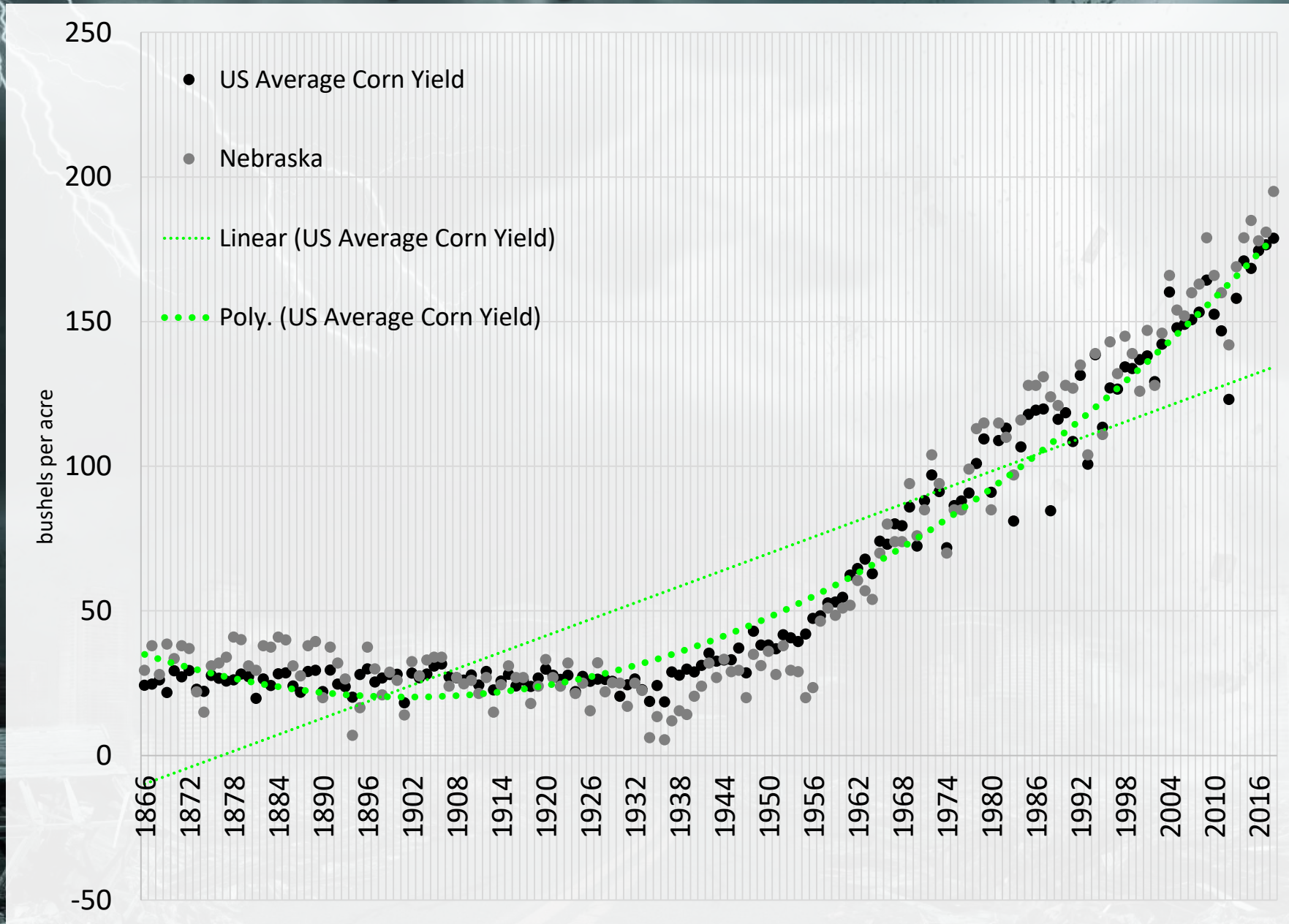
Ending Saturday, Dec 29, 2018

Extreme Drought Severe Drought Moderate Drought Normal Unusually Moist Very Moist Extremely Moist

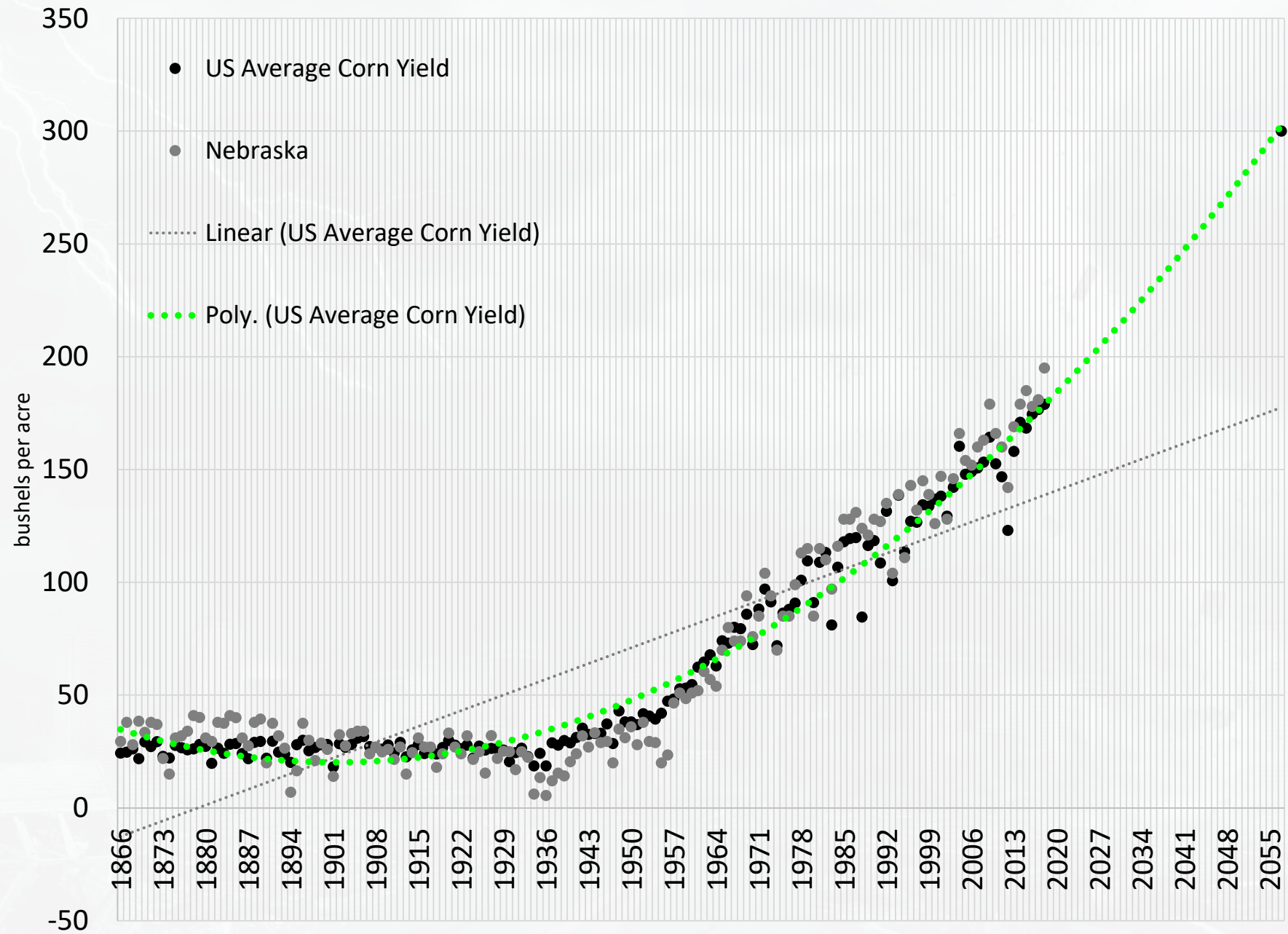




# *This is a Corn Expo, after all ...*







# Where does the corn supply go?

*Domestic*

Exports

All Other  
Countries

Mexico Japan

Ending  
Stocks

Ethanol & by-products

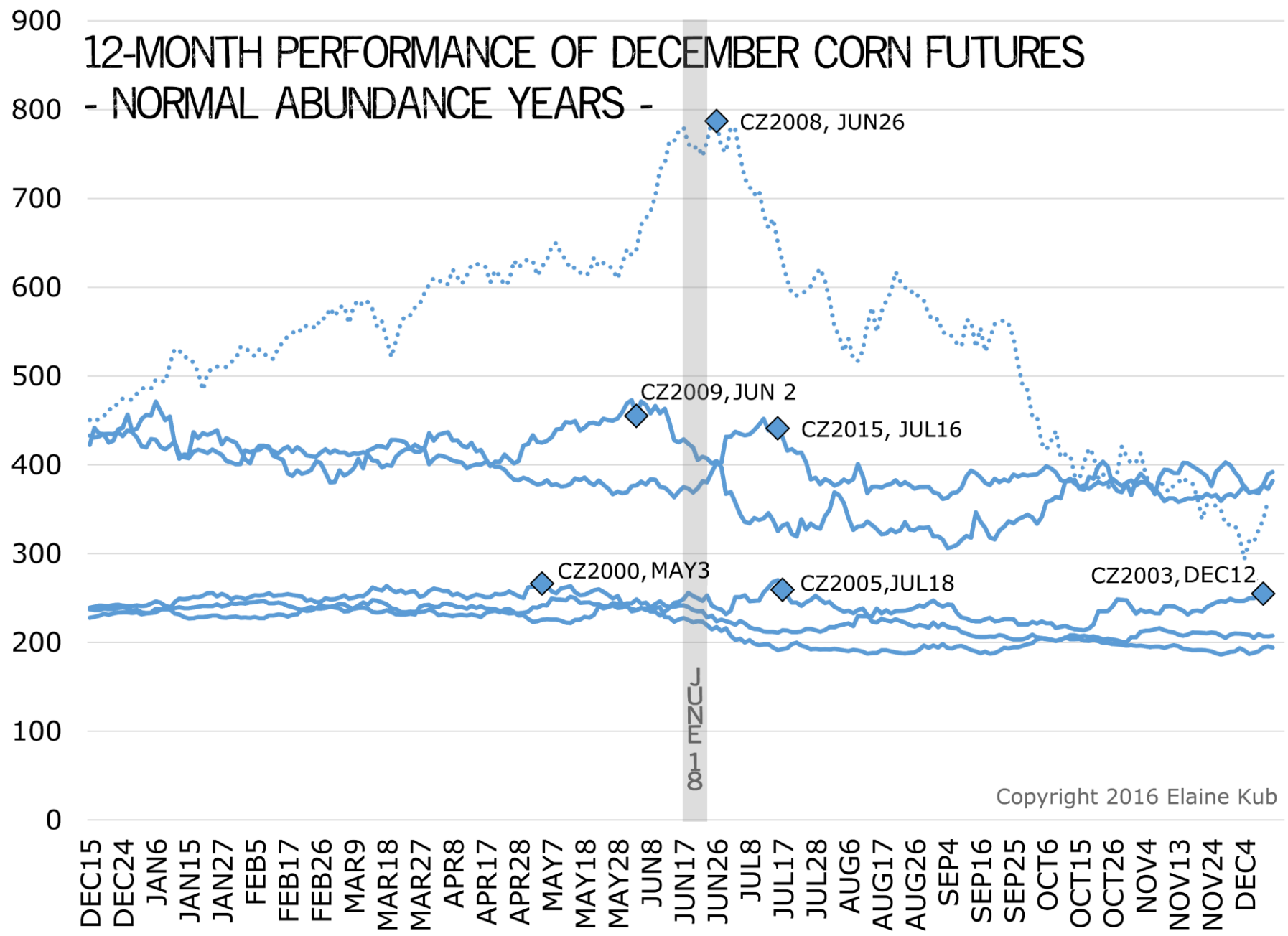
Food, Seed, or Other  
Industrial

Feed and Residual



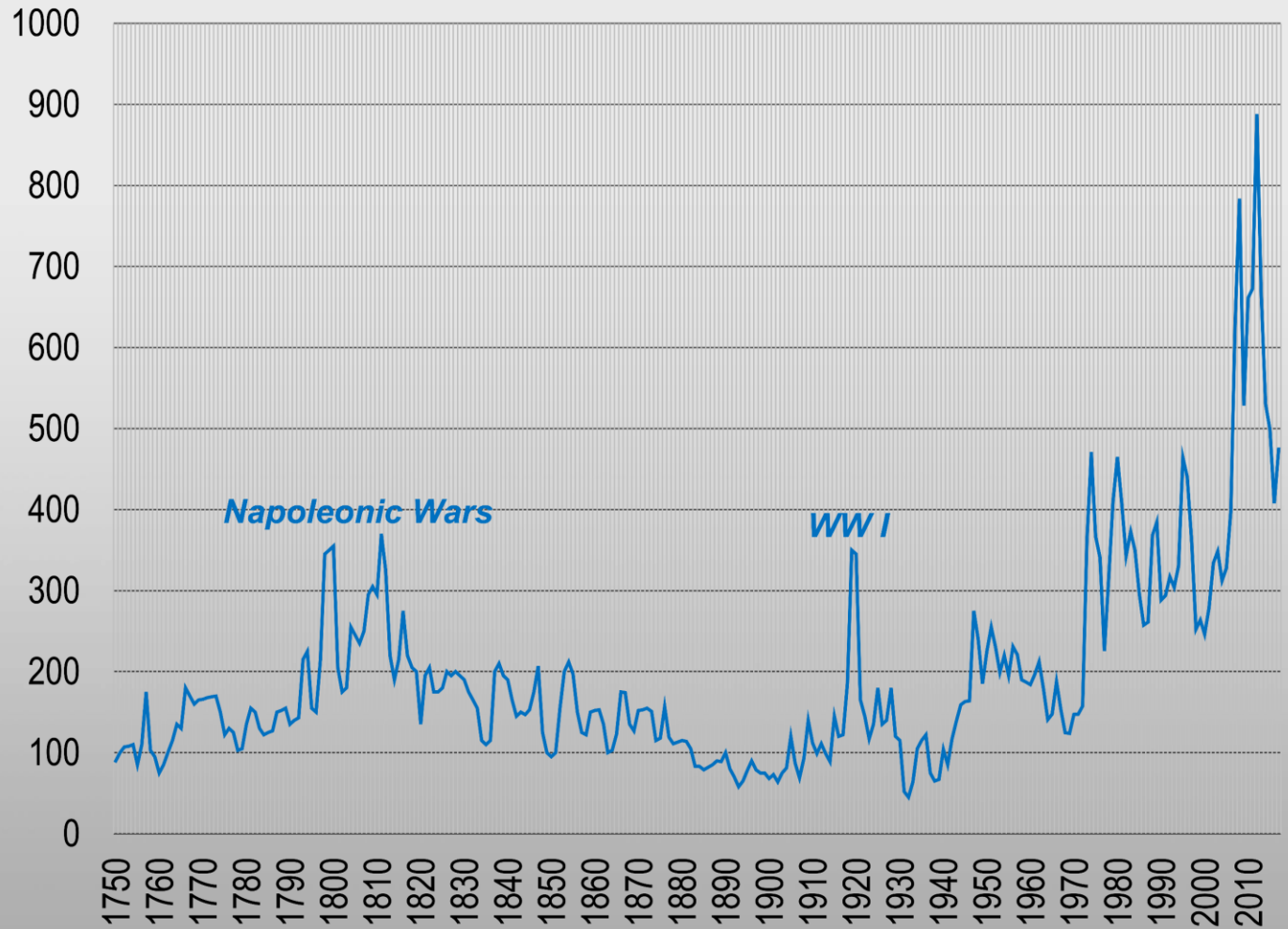


# 12-MONTH PERFORMANCE OF DECEMBER CORN FUTURES - NORMAL ABUNDANCE YEARS -



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# WHEAT PRICES from 1750 to 2018



Source data: 1750 through 1860 in English cents per bushel; 1860 through 1960 in U.S. cents per bushel. Ulrich, Hugh, "The Amber Waves of History: 200 Years of Grain Prices" Commodity Research Bureau 1996. 1960 through 2018 in U.S. cents per bushel -- DTN ProphetX.













Thank you!

@elainekub



Illustrations by Bojan Simonoski  
Background image obtained from iStock photo