

Corn prices and margins propelled higher on the final day of March as NASS revealed the Prospective Plantings and Quarterly Grain Stocks Reports. Higher than expected supplies were trumped by lower producer corn seeding intentions of roughly 88.0 million acres. That compares to the USDA February Outlook expectation of 90.0 million and average pre-report analysts' prognostications of 89.4 million. That is also 2.2 million acres less than what was planted in 2017. Given the well-documented production deficits this growing season in Argentina, as well as uncertain prospects thus far for the larger Brazilian second crop of corn, there is less wiggle room for unfavorable U.S. planting and growing weather scares. Even with the higher than expected March 1 stocks of 8,888 million corn bushels, the lower planted acreage along with trend line yields versus normal expected new crop consumption and use, would all point to a draw on the ample stocks. Weekly corn exports sales figures continue to be strong, as does the weekly ethanol production report. However, the current trade situation between the U.S. and China, as well as the uncertain outlook for NAFTA renegotiations, risks halting or at the very least changing the present global trade flow dynamics. In fact, U.S. tariffs on aluminum and steel were met with Chinese retaliatory strikes on many U.S. imports; included among the 128-targeted items are pork, fruit and ethanol. The corn market will key off spring planting progress and will be aware of the uneasy trade winds currently blowing about the global agricultural landscape.



The estimated yield for the 2018 crop is 186 bushels per acre and the non-land operating cost is \$544 per acre. Land cost for 2018 is estimated at \$222 per acre¹. Basis for the 2018 crop is estimated at \$-0.2 per bushel.



The estimated yield for the 2019 crop is 186 bushels per acre and the estimated operating cost is \$544 per acre. Land cost for 2019 is estimated at \$222 per acre¹. Basis for the 2019 crop is estimated at \$-0.25 per bushel.

¹ The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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