

Corn prices and margins continued higher the past two weeks, as the market deals with uncertainties of slow U.S. planting, and dryness hampering the second crop of corn in Brazil. U.S. corn planting progress stands at 17% seeded compared to the five-year average of 27%. The cold, wet spring has given way to warmer, drier climates, allowing anxious producers to get their planters rolling. Last week Iowa, Illinois and Missouri planted 17%, 28% and 36% of their respective corn areas. Several states however, have not had an opportunity to make any progress. Overall, the current forecast is favorable, potentially allowing producers to catch up to the norm across the entire corn belt. Brazilian second crop corn is in need of favorable rains, while production estimates are short of last year's record high; there is still time for finishing moisture to prevent major setbacks. The U.S. and global stocks are plentiful, but less U.S. planted acreage, Argentina drought and Brazil dehydration means little tolerance for any weather disruptions in either hemisphere the next couple of months. The May WASDE Report will bring the market a first look at the new crop corn balance sheet, using 88.0 million planted acres as a starting point. The progression of spring and summer weather, as well as new demand data will necessitate many changes to the 2018/19 balance sheet along the way.



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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