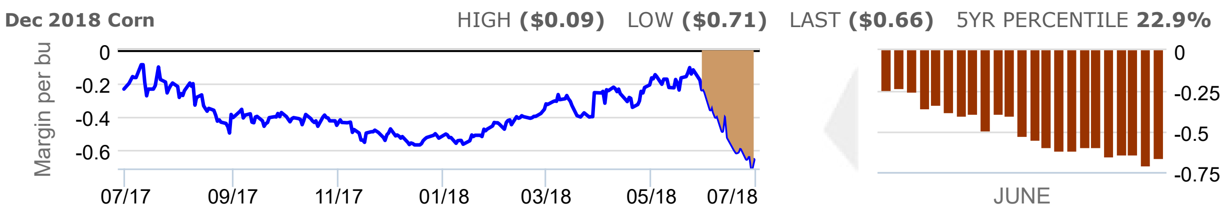
Corn Margin Watch: June

Corn prices and margins continued lower the past two weeks with familiar tones of trade unrest that dominated the entire agricultural marketplace and pressured price. There is no progress to report on either NAFTA or the U.S.-China relations, and in fact, several new tariffs are due to commence in early July on multiple fronts, further taxing tensions. Mexico has elected a new leader, President elect Andre Manuel Lopez Obrador, who will take office in December. President Trump recently said he would now prefer to wait until after the U.S. mid-term elections to restart the NAFTA talks. NASS released the Acreage report and corn plantings were 89.128 million acres, well above March Intentions of 88.026 million and the average pre-report expectation of 88.372 million. Quarterly Stocks of corn estimates were slightly ahead of expectations at 5,306 million bushels. Corn conditions continue to be elevated at 76% in the good-to-excellent categories and compare to 64% last year, as timely rains have coupled with summer heat to juice the crop. Pollination is right around the corner, and weather may put trade worries temporarily on the back burner.



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 acre [1]. Basis for the 2018 crop is estimated at $-0.25 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 acre [1]. Basis for the 2019 crop is estimated at $-0.2 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.