

# Corn Margin Watch: December



Corn prices and margins were lower the past two weeks. The partial U.S. government shutdown has the agricultural markets largely void of fresh data, and concerned the all-important January Crop Report, at the very least, will be delayed. The weekly inspections of grain shipments however, continues to be collected and released. The data from weeks ending December 20 and 27 were roughly 39 and 36 million bushels of corn respectively loaded onto vessels for shipment, keeping the pace ahead of the average to reach the USDA expectation by 2%. The export sales data will be murky and rumor driven until the USDA fully reopens. Traders are closely monitoring cash movement at key export hubs for sizable potential purchases, and confirmation of rumors of China re-entering the U.S. corn market. President Trump tweeted “Big Progress” being made on U.S.-China trade relations, after speaking with President Xi over the telephone, and ahead of face-to-face meetings next week in China, and proposed higher-level meetings at the end of January in Washington, D.C. Our clients continue to favor flexible coverage, amidst the uncertain, but hopeful trade environment.



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<sup>1</sup>. 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 acre<sup>1</sup>. Basis for the 2019 crop is estimated at \$-0.3 per bushel.

<sup>1</sup> 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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