

Wheat Margin Watch: December



Wheat prices and margins were lower the past two weeks. The partial U.S. government shutdown has the agricultural marketplace starving for fresh data. However, grain inspections are continuing throughout the funding hiatus. Weeks ending December 20 and 27 revealed that roughly 21 and 14 million bushels of wheat, respectively, were loaded to vessels. The market will not receive updated export sales until the funding stalemate is resolved. Until then, traders will monitor cash price movement at U.S. terminals for indications of action. The January Crop Report is also impacted by the shutdown, and will likely be delayed. President Trump and President Xi recently spoke over the phone, afterwards Trump tweeted "Big Progress" being made in the relationship. That progress will be tested in face-to-face meetings scheduled next week in China, and later in higher-level negotiations proposed at the end of January in Washington D.C. Our wheat clients continue to favor flexible strategies, as global trade tensions potentially ease, raising prospects for U.S. wheat across the globe.



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¹ The Wheat 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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