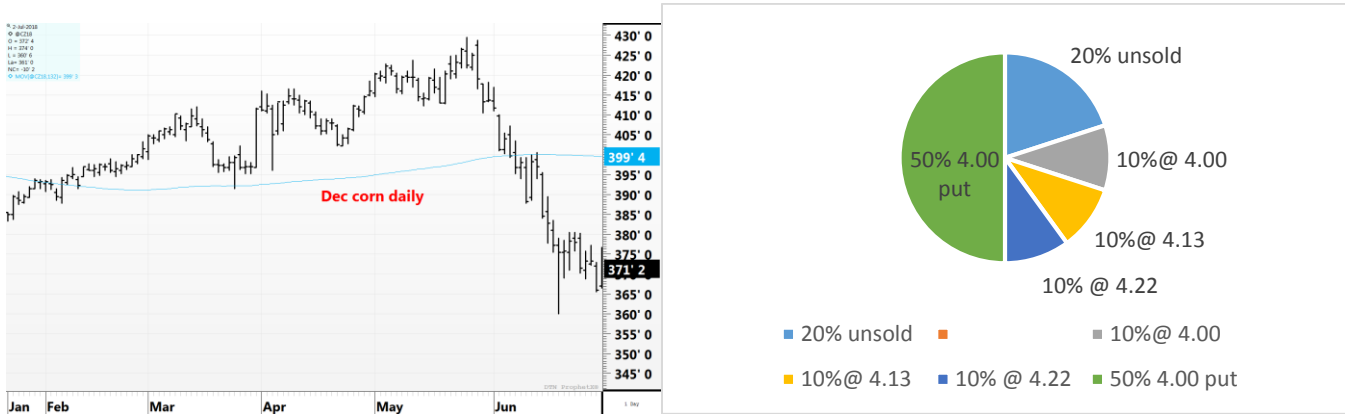




Managed Grain Program

Corn Dec 18, Mk to Mkt \$3.948/ Avg daily close \$3.99/ close 06-29-18 \$3.71



Corn: As we closed out June the trade was overwhelmed with “trade war” and “record yield”. The USDA report in June showed us that global stocks/use will be as tight as the early 1970’s as demand is very robust for corn. The Brazilian crop continued to get smaller and smaller as no rain and late planting was a double whammy. Despite growing season issues almost everywhere on the globe the focus has been on the record high crop conditions for U.S. corn and soybeans. The reality of the situation is that the U.S. needs a super crop to keep the global numbers from collapsing any further.

The “trade war” talk not only with China but everyone we do business with has had a particularly detrimental effect on the Ag commodities. The fundamentals of global grains will eventually correct the market to meet reality, in the meantime the commodities could be just a game of musical chairs as we are all already interdependent on each other. Mexico has a new President and NAFTA talks seem bogged down as nobody wants to blink first.