



Northwest Grain Growers

These are the 5 biggest issues that NWGG feel are affecting today's markets and items to watch for as we progress through the year.

1: 1/8/19 The government shutdown has caused most USDA reporting to be cancelled until the government reopens. At this point the USDA has said that the January reports will be delayed and not cancelled. The only reporting system currently operating is weekly shipping inspections which are released on Monday mornings. The weekly export sales reporting and flash sale reporting of quantities above 100,000 metric tons are the items that the market is missing the most currently. U.S. wheat demand had been projected to improve over the second half of the marketing year as Russian supplies tightened but there isn't any way to tell how we're doing sales wise at the moment.

2: 1/8/19 The CCC has tendered for 2.2 million bushels of soft white for donation to Yemen with early February shipment. Offers on the tender are due Wednesday January 9th with results released Thursday afternoon. There is talk that there will be a second CCC purchase for the later part of February but nothing official has been announced yet.

3: 1/8/19 China has resumed some soybean purchases from the U.S. in order to help advance trade talks however this is two months behind when they normally start purchasing U.S. beans and they usually switch back to purchasing Brazilian beans in March so whatever they buy this year will be far less than the market is going to need with soybean production record large this year. There are also rumors that they will buy U.S. wheat and corn even though their stocks of each are more than adequate as reported. They do normally buy a bit of DNS and white wheat every year though usually the amounts aren't market altering. If they bought some white wheat this year it could significantly improve prices if the purchases are anything larger than trivial amounts.

4: 1/8/19 Of the January USDA reports the most interesting could be winter wheat acreage. It had been assumed that there would be a substantial increase in wheat acres this year due to wheat prices appreciating vs corn and soybeans this year however a wet fall prevented acres from being planted in the Southern Plains, mainly due to row crop harvests being pushed back which prevented wheat from being planted behind those crops. It is now expected that winter wheat acres could be unchanged this year vs what was planted last year which was a 100 year low.

5: 1/8/19 Even if winter wheat acres are lower than expected spring wheat acres could be up this year mainly due to the fall in pulse crop prices. Montana reportedly planted more winter wheat this fall due to low pea and garbanzo bean prices but spring wheat acres could be up in the Dakotas and other areas depending on how soybean prices are looking this spring.

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