



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: 5/1/19 Unfortunately it looks like there isn't much right now that is going to rally old crop prices as we're too close to new crop at this point to change the ending stocks balances of any of the wheat classes. White wheat has the tightest situation on paper however export sales slowed to a crawl over the last two months and it seems like the only thing that could change the outlook at this point would be a large government donation or a Chinese purchase if the trade war is ended. Neither of those things seem very likely at this point.

2: 5/1/19 Weather is pretty benign at this point despite flooding in the upper Midwest and Northern Plains. Planting progress is behind normal however spring wheat progress is actually ahead of last year at this point. There's still time left for weather to prevent planting on some acres but the market isn't worried about it yet.

3: 5/1/19 World weather is also benign with winter wheat crops in pretty good condition. There are some areas to watch as Europe and Southern Russian wheat areas have had issues with dryness however it hasn't been a problem at this point. Seems like it will take a few weeks for a weather problem to develop unless there's a late freeze on wheat that is headed out somewhere.

4: 5/1/19 Prices remain well below insurance guarantee levels which makes selling new crop unattractive at this point. Hopefully there is enough time for a weather issue to develop somewhere, conditions didn't really start to go south in Russia in 2010 until late in the spring/early summer. Perhaps if a trade deal gets done with China they will commit to buying a large amount of U.S. wheat as well.

5: 5/1/19 The USDA supply and demand report on May 10th will have the first projections for the new crop balance sheet for the year.

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