Sales Recommendations: No Sales. Early sales back in December/January should have you about 50% sold on new crop corn and on beans, as much as you were comfortable to price. We do have some up to 100% of anticipated production. We have also encouraged sales of 2016: 25% on corn and 50% on beans. We know some of you guys are there. Next MNU issued by Sunday, April 19th.

What If: If you have not made sales of old crop or new crop, or still need to make additional sales, price appears to have found a short term bottom and some rally potential is possible. Within the middle of price ranges, it is difficult to predict short term price moves. As all grains are in longer term down trends, rallies against resistance points would warrant some sales. For beans, watch meal around $317 and then $320. These are levels of strong resistance. For July corn, look at $3.90, then $3.97 followed by $4.05. For KC wheat, there is not much to say. $5.22 is now stiff resistance. If price can move past that level, then there is some hope. Otherwise, we look for that price to eventually erode down to $4.50. See your TZC’s and view the charts sent out last July 18th. For your convenience, they are attached.

Quick View: Longer term bearish all grains. Near term, corn has no reason to break out of sideways, but rain makes grain! Support is giving way to the downside and the high placed on March 31 represents major resistance. Beans printed a new low close this week. Meal chart looks ugly; looking for a move under $300/ton. Beans lower. We’ll look for a low in meal to find short term support in beans. New lows for July beans for this move were scored last week. Fall lows in beans should be tested when meal reaches its support zone. July KC Wheat scored new lows this week, as rains were brought into the forecast. A short term low may be scored on next Monday, depending on the rains received between now and then in the western wheat growing areas.

Supplies Driving Price: U.S. Soybean ending stocks for 14/15 are pegged at 370 mmts, an 8 year high. World ending stocks are now at 89.55 mmts, up 26% from the last record high set in 10/11. That sets the global stocks/use ratio at a record high, too. Argentina’s exceptional crop will increase world stocks in the future, weighing on prices. U.S. planted acres are forecasted at a new record high. Wet weather in the south will add additional acres. March 1st quarterly stocks came in at 1.334 bb. What will kill price rallies in old crop bean is that fact on-farm stocks were reported up 227.3 mb from last year. These will move sometime in the next 5 months and will add further pressure to prices. End users do not have to push prices higher to get grain to move. Sufficient amounts are moving. Subscribers are telling us it is like we have said. Basis is not rising. It only moves enough to get sufficient bushels in, and then it falls back. This is very apparent in the corn market and is being seen in the bean market, also. Using trend yield on beans and adding another 1 ma planted, carryover for this fall will rise to over 400 mb. Give beans a yield 2 bpa above trend, but still below last year’s yield, and carryover easily tops 500 mb. If they see 2 m more acres being planted, weather rallies will be tough to come by. The weather trend
The trend is lower. All remains long term negative for beans. We could be setting up for a major low this fall. We have been talking about this since July last year. See those charts we sent out last year on July 18 and then view our TZC’s. All remain valid. It’s not good. But if you understand how to take advantage of a major low, you can survive!! Get prepared. It is extremely important to take advantage of opportunities when they arrive; especially when profits will be limited at best.

Corn has many of the same issues beans do. Remember how we have compared this year with 2012? We argued how grains would rally later in the year because of the impending drought. Yet, something we saw coming at us so clearly was given absolutely no credibility by the trade. All they saw was sufficient old crop supplies, while they beat the drum for sufficient acres and yield to only add to the next year’s carryover. This year they are not arguing increasing supplies next year because of yield or acres. But the old crop stocks are just a pain in the butt. Why? Because of how the end user is and how the producer is. By the numbers, the USDA said March 1st stocks were 7.745 bb, up 136 mb from what the trade was thinking. And they raised U.S. stocks to 1.827, an unexpected jump by 50 mb. World ending stocks were increased up from 185.28 mmts to 188.46 mmts. We have told you the trade does not like these numbers increasing when they are already near record highs. And we have to realize when these numbers are going up, it means weather is good; and that is a trend we have to follow. And here is that big nasty number. The March 1st stocks report reported on-farm stocks up a whopping 519.5 mb from last year. We have been telling you farmers are not getting the price they want so they are rejecting making sales. Keeping grain off the market is bullish short term. This action becomes a big time BEAR longer term. And if this “farmer action” is a short term bullish market factor, how’s it working? If you think the price sucks now, just wait. We will repeat. Don’t put yourself in a position of having to sell any grain the second half of this year. Like one Subscriber said, you really mean from now until the end of this year. He understood exactly what we have been writing. Only Mother Nature can bail these “non-sellers” out not. Based on all trends, ain’t going to happen. Corn will see some weather scares. And we see some forecasters still calling for a summer rally to $5.50. A good weather scare can get us to $4.50. But if subsoil moisture levels fill by June 1, trend yields will still come our way. It is that final yield that will drive prices lower into fall, along with those half billion bushels waiting on the sidelines. We heard from another saying their neighbors all keep saying prices will rally this summer, as they continue to hold their 2013 and 2014 production! We need someone to tell us if those 500 mb on the farm includes 2013 bushels. We continue to believe that corn prices have no real reason to fall apart until mid to late June. Any old crop should have already been priced.

Wheat’s long term trend remains solidly lower. July KC wheat may bounce off $5.00 as on coming rains keep buyers away. If that level can hold, price may be able to bounce back to that which was support; about $5.22. We keep reading how they think this freeze of last week killed wheat and now they are waiting to see if these coming rains can bring it back to life. Are they serious? What are we missing? Isn’t dead, dead? If it comes back to life, it wasn’t dead. This must be coming from all those highly intellectual, book learned agronomists. For guys like us guys, they are much too sophisticated for us farmers to figure out! Must I digress, but a wheat grower from western NE told us last year his wheat stand was so poor, he knew not what to do. But he finally decided to keep it to see what it might do. The rains came and the wheat tillered like crazy. Instead of an average yield of 40 bpa, it came in over 100 bpa in spots. We must remember
that wheat is a weed and no one really knows what it will end up doing. Mother Nature will have the final hand. Good weather from here forward and prices will move to test their long term support levels as detailed in last year’s July 18th MNU and our TZC’s.