

SOSLAND MARKET FOCUS

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Stev-

- Premiums on hard red winter wheat were unchanged to 9c a bu lower. • Hard red spring wheat basis was unchanged to 20c higher.
- Soft red winter mill bids were mostly unchanged. • Jordan sought offers on 100,000 tonnes of optional-origin milling wheat.
- Choice milling hard amber durum in Chicago was \$7.75 a bu, unchanged. • Millfeed prices mostly were unchanged to higher.
- Wheat futures registered mixed changes. • Corn futures inched higher; soy complex futures advanced.

Cash Wheat

HARD WINTER — In Kansas City, premiums on hard red winter wheat with 11.6% protein, 11.8% protein and 12.6% protein were lowered 5c a bu, and basis at 12.4% protein was lowered 9c. Basis across rest of protein scale was unchanged. Eleven rail cars carrying Kansas wheat with proteins ranging from 11.6% to 13% were offered for sale and received bids at or below Friday's basis levels, but nothing traded before basis was set. August applications were ample with more expected as week progresses. In market for to-arrive wheat, there was inquiry for January-March offers, but no business was completed. Grain merchandiser said much of the 12%-protein wheat available in the 2016 harvest already was sold. Meanwhile, he said producers were selling their wheat at a brisk pace, and railroads were doing a good job of keeping up with car placements. He noted 30-day free storage period was ending for many farmers, who will then be faced with choice of storing to wait for higher prices to sell more wheat. Low country wheat prices in some areas brought into play federal crop support programs after several years of their being moribund. Kansas growers by Aug. 8 collected \$5.1 million in loan deficiency payments on 56.5 million bus of wheat, which equated to an L.D.P. of about \$11.2c per bus. Kansas growers also have enrolled 16.2 million bus of wheat in the U.S.D.A.'s marketing assistance loan program. The value of the loans extended was about \$50.5 million. Of the bus enrolled, 15.6 million bus remained under loan on Aug. 8 while the remainder had been redeemed by producers. In **Fort Worth**, bids on hard red winter wheat were 50c under K.C. Sept. Posted **Salina** truck bids at terminal elevators for nearby were 85c under K.C. Sept. **Hutchinson** wheat bids were 90c

under K.C. Sept. Highest posted **Wichita** elevator bid was 85c under K.C. Sept. **Gulf** bids on hard red winter with 12% protein for August were 95c over K.C. Sept., up 1c.

HARD SPRING — Premiums on hard red spring wheat in Minneapolis were unchanged to higher with widest upward adjustment a hike of 20c a bu at high end of 15% protein. Agricultural Marketing Service indicated 58 rail cars were received in Minneapolis and were applied against contracts or offered for sale. U.S.D.A. Crop Progress report said 30% of the crop in the six major states was harvested as of Aug. 7 compared with 22% on the same date a year ago and 18% as the five-year average for the date. In top-producing North Dakota, 22% of spring wheat was harvested in the latest week compared with 15% as the average for the date. Crop condition ratings in the six major states were unchanged from a week ago with 68% rated good to excellent (69% a year ago) and 24% fair (23%). Choice milling **hard amber durum** quoted for delivery across Chicago gateway was \$7.75 a bu, unchanged.

SOFT RED — Posted **St. Louis-area** mill bids for nearby were 10c under Chicago September. At same time, some mills in area posted bids much higher to secure required quality supply. **Chicago** mill bids for nearby were at the Chicago September price. **Toledo** mill bids for September were Chicago September price. Elevator bids were 7c under Chicago September. **Cincinnati** elevator bids were 31c under Chicago September.

Michigan white wheat mill bids were about 25c over Chicago September. **Gulf** bids on soft red winter wheat for July were 20c over Chicago September, down 5c.

Wheat Futures

Joe Christopher, Crossroads Commodities, Sidney, Neb.

We continue to chop around within the \$4 to \$4.25 trading range basis K.C. September. Domestic basis levels are soft as most mills seem to have good current coverage. Export basis has firmed along with the cost of BN and UP shuttle freight. Export sales have slowed recently but are still well ahead of last year. With the increased size of the crop this year, exports will need to increase from last year. Hard red winter is working into some feed rations on a limited basis. The extremely wide wheat/corn spreads have slowed feeding. The calendar spreads have narrowed some of late. Chicago has seen 700 warehouse receipts cancelled recently along with the Goldman roll starting. There is a large carry in the soft red winter cash market, which could make maintaining control of stocks attractive. K.C. is just following suit. I look for the spreads to widen back out as we get closer to delivery. Chicago has gained 10c back on K.C. in the last few sessions. Bigger shorts in Chicago to cover and cancellation of warehouse receipts probably are driving this. This spread is still range bound + or - 20c. Fade the

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No. 1 hard winter, basis Kansas City			No. 1 northern spring, delivered Chicago/beyond			Wheat Futures - \$ per bu				
Sept.		Change	Minneapolis Sept.		Change	Kansas City	Settle	Change	High	Low
Ordinary	-35@-25c	...	Ordinary	No quote		September	\$4.09¾	-2c	\$4.14¾	\$4.05¼
11%	-10@0c	...	11%	No quote		December	\$4.35	-2¼c	\$4.40¾	\$4.30¾
11.2%	+5@+15c	...	12%	No quote		March	\$4.51¾	-2¼c	\$4.57	\$4.47¾
11.4%	+10@+20c	...	13%	+55c	...	May	\$4.62¾	-2¼c	\$4.67¼	\$4.59¼
11.6%	+20@+30c	-5c	13.5%	+70@+75c	...	July	\$4.71¾	-2½c	\$4.76	\$4.68¾
11.8%	+30@+40c	-5c	14%	+80@+85c	0@+5c	Chicago				
12%	+38@+48c	...	14.5%	+100c	No comp.	September	\$4.17	+1c	\$4.23½	\$4.11½
12.2%	+38@+48c	...	15%	+120@+150c	+5@+20c	December	\$4.38¾	+¾c	\$4.44	\$4.33½
12.4%	+38@+48c	-9c	16%	No quote		March	\$4.59¾	...	\$4.63¼	\$4.54¼
12.6%	+60@+70c	-5c	17%	No quote		May	\$4.71½	-1c	\$4.73¾	\$4.66
12.8%	+84@+94c	...				July	\$4.78½	-1¼c	\$4.80¾	\$4.73
13%	+112@+122c	...	Hard amber durum, choice milling, Chicago			Minneapolis				
13.2%	+112@+122c	...	13%	\$7.75	...	September	\$4.99½	+4½c	\$4.99¾	\$4.90¾
13.4%	+112@+122c	...	Hard amber durum, choice milling, Minneapolis			December	\$5.07½	+2¾c	\$5.08¼	\$5.00
13.6%	+112@+122c	...	13%	\$7.45	...	March	\$5.20½	+3c	\$5.21¼	\$5.12½
13.8%	+112@+122c	...	No. 1 heavy oats, milling, delivered Minneapolis			May	\$5.28¾	+3½c	\$5.28¾	\$5.21¼
14%	+112@+122c	...	Basis Sept.	\$2.36½	-2¼c	July	\$5.37½	+3½c	\$5.37½	\$5.30

Bakery Flour

Bookings of bakery flour were light. Mixed price changes for wheat futures provided no incentive for bakers to leave sidelines. Most bakers already were comfortable with futures coverage through the end of calendar 2016 and into 2017. Some millers encouraged bakers to book supply or at least futures component coverage through end of 2017, pointing to lowest prices in years. Hard winter-spring blends were raised 5c a cwt, spring standard patent was raised 25c, and soft flour was moved up 5c. The prices of semolina and rye flour were left unchanged.

Millfeed

Nearby prices were steady to higher with exception of spot Southwest rail, down \$2 a ton, and spot Southwest trucks, down \$10, amid ample supplies. Deferred values were steady to higher. Market activity was quiet following a weekend when loads sold at discounts were relatively light. Traders were waiting for uptick in demand in Southwest, but one reseller said it was a "slow grind" to more demand in his region. On other hand, an Upper Midwest reseller said there were pockets where buying interest for creep feed remained strong. Other locations indicated dealings were quiet with supply and demand in decent balance. Northeast trader said values were likely to drift until closer to Labor Day, when mills were expected to be closed for some or all of the long holiday weekend, which would temporarily tighten supplies. Southwest deferred quotes gained \$2@3. Upper Midwest values were mostly steady. The spot quote in Southeast was unchanged. Central states prices rose \$1@2. Northeast values were steady. California quotes were unchanged. Pacific Northwest was steady. Wheat germ was unchanged.

Bakery Flour Prices – per cwt

Hard winter-spring blends, K.C.	\$11.95@12.05, 10 days
Export straight - .48 to .50 ash	\$12.15@12.25, track Gulf
Clear, 1.20 ash	\$11, K.C.
Spring standard patent, Mpls.	\$13.30@13.40
High gluten	200@300c more
Fancy spring clear	\$13.15@13.25
First spring clear	\$13.05@13.15
Papers Buffalo	\$15.55@15.65
Semolina, Minneapolis	\$18.85@18.95
First clear	\$16
Second clear	\$12.50
Rye, Minneapolis	\$16.30@16.40
Cracker, Chicago	\$10.75@10.85

Spot Midds, \$ per ton, delivered rail unless noted

Kansas City	\$63@73; (\$102@112, f.o.b. truck)
Minneapolis	\$82@92; (\$78@88, f.o.b. truck)
Chicago West	\$95@105; (\$83@93, f.o.b. truck)
Central states	\$89@99; f.o.b. truck
Buffalo	\$75@85
Chattanooga	\$82@92
N.&S. California	\$121@136
South California	\$117@132, f.o.b. truck
Pacific Northwest	\$105@120
Upper Midwest sacked	\$325
Wheat germ	\$220@240

Bulk Midds	August	September	Oct.-Dec.	Jan.-March
Kansas City	\$65@75	\$65@75	\$87@97	\$88@98
Chicago West	96@106	96@106	89@99	89@99
Central states	89@99	89@99	92@102	92@102
Buffalo	75@85	75@85	85@95	83@93
N. & S. Calif.	121@136	121@136	124@139	124@139
Pacific NW	100@115	100@115	100@115	100@115

Sweetener Prices - per lb

Midwest 42% HFCS, 2016	22.375@23.375
Corn syrup, Midwest, 2016	31.75
Midwest beet sugar, 2015-16	28.5@29.5
Finished cane sugar, 2015-16*	33@35

*Spot raw cane +7% + 2.4c with 2% discount.

Chicago Futures

\$ per bu				
Corn	Settle	Change	High	Low
September	\$3.25¼	+1c	\$3.28	\$3.22½
December	\$3.34¾	+½c	\$3.37	\$3.31½
March	\$3.45	+½c	\$3.46¾	\$3.41½
May	\$3.51¾	+½c	\$3.53¼	\$3.48¼
July	\$3.58¼	+¼c	\$3.59¾	\$3.55
Soybeans				
August	\$10.18¾	+15c	\$10.18¾	\$10.06¼
September	\$10.01¼	+13¼c	\$10.02¼	\$9.87¾
November	\$9.85	+10½c	\$9.89	\$9.70½
December	\$9.84¾	+10¼c	\$9.88½	\$9.70¾
Soybean Oil – cents per lb				
August	30.93c	+0.41c	31.02c	30.84c
September	31.01c	+0.39c	31.16c	30.60c
October	31.14c	+0.40c	31.28c	30.77c
December	31.42c	+0.41c	31.57c	30.98c
Soybean Meal – \$ per ton				
August	\$337.90	+2.10	\$341.90	\$333.60
September	\$335.90	+1.50	\$340.20	\$330.60
October	\$334.10	+1.30	\$338.50	\$328.50
December	\$332.40	+1.00	\$337.00	\$326.50

Export Wheat

No. 1 hard winter, 12% track Gulf, basis K.C.		
	Bids	Offers
August	+95c Sept.	+102c Sept.
September	+99c Sept.	+106c Sept.
October	+105c Dec.	+112c Dec.
Nov.-Dec.	+105c Dec.	+112c Dec.
No. 2 soft red, c.i.f. New Orleans, basis Chicago		
August	+20c Sept.	+30c Sept.
September	+35c Sept.	+40c Sept.
October	+40c Dec.	+60c Dec.
Nov.-Dec.	+60c Dec.	+70c Dec.
Jan.-March	+40c March	+55c March
No. 1 soft white, track, Portland		
	Bids	Change
August	\$4.82	+7c
September	\$4.92	+4c
October	\$4.95	+2c
November	\$5.01	+3c
No. 1 hard winter 11.5%, track, Portland, basis K.C.		
August	+110c Sept.	...
September	+115c Sept.	...
October	+110c Dec.	...
November	+110c Dec.	...
No. 1 hard spring 14%, track, Portland, basis Minneapolis		
August	+100c Sept.	-10c
September	+115c Sept.	+5c
October	+120c Dec.	-5c
November	+120c Dec.	...

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extremes for now. Friday's U.S.D.A. report will probably show a slightly larger U.S. wheat crop with a modest change to ending stocks. The world crop will shrink 2 million tonnes with French and German decreases partially offset by increases in the United States and former-Soviet Union. There is nothing here that will be a trend changer.

Export Tenders

Japan agriculture ministry was expected to lift suspension of western white wheat imports from Pacific Northwest once it acquires means to test for presence of bioengineered wheat variety detected in field in Washington state on July 29. Imports of other wheat classes and of feed wheat shipped from Gulf were not affected by suspension.

Indications were **Syria** seeks offers of up to 150,000 tonnes of milling wheat from Russia.

Indications were **Jordan** seeks offers Aug. 9 on 100,000 tonnes of optional-origin milling wheat.

Japan agriculture ministry seeks offers Aug. 10 on 120,000 tonnes of feed wheat in simultaneous buy-sell tender.

Export Inspections

Export **wheat** inspections in the week ended Aug. 4 were 376,407 tonnes, down from 669,661 tonnes a week earlier. Total for the 2016-17 crop year was 4,738,450 tonnes, up 32% from 3,593,808 tonnes in the same period of 2015-16. Week's output included, via Lakes, 20,975 tonnes; Atlantic, 1,960 tonnes; Gulf, 162,454 tonnes; Pacific, 161,204 tonnes; Interior, 29,814 tonnes; **corn** in week, 1,452,037 tonnes; **soybeans**, 972,001 tonnes; **sorghum**, 217,773 tonnes; **barley**, 3,165 tonnes; **flaxseed**, 465 tonnes; **all grains**, 3,021,848 tonnes.

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