



FULL SERVICE PRESS

MARCH 2019

FRONTIER
FUTURES

WWW.FULLSERVICEPRESS.COM

ABOUT FRONTIER FUTURES

Our doors opened in 1984, and man how things have changed! Technology, production advancements and the market climate are ever evolving, and it's our job to keep up with the times. We offer online trading and account access, market text updates, free one-on-one broker consultations, personalized marketing plans, and a full time experienced order desk at your service. The world can keep changing around us, but our commitment to educating traders and providing exceptional customer service will never change.

Our Full Service Broker Division was founded in 2016, and since then we have built a network of brokers all over the midwest. We value experience, ideas and character and only hire brokers with a passion for what they do.

We train our brokers to be teachers.

When it comes to marketing plan development and execution, you are more likely to follow through if you understand the plan. Our plans tread a fine line between discipline and flexibility, knowing both are crucial for our clients success. Most importantly, our plans are personalized to fit your needs and goals. Give your operation the financial attention it deserves and sit down with one of our brokers to see how we can help.



BROKER HIGHLIGHT CODY FORDE



I grew up on a dairy farm and have always had an active role in our family operation. I graduated from Iowa State University, and during my time there I discovered my passion for the commodity markets. I enjoy helping producers make marketing decisions and coming up with futures and option strategies that can help manage risk.

In addition to being a broker, I work full time buying grain for a river port in Kentucky. This role has helped me better understand grain basis and carry in the market, which is crucial when it comes to marketing. I am excited to bring my dairy expertise and grain marketing experiences to share with my clients and fellow brokers.

To learn more about Cody, visit www.fullservicepress.com/our-team

FULL SERVICE PRESS PODCAST

Each Friday afternoon we record a 3-5 minute market commentary. Our hope is to start including interviews and educational material as well. Stay tuned!



MARKETING PLANS

No cookie cutter plans here! Our full service brokers sit down with you in person or over the phone to go over your specific numbers and create a custom plan that works for YOU!



MARKETING MEETINGS

We offer marketing meetings to groups large and small. Check out our calendar to see what we have coming up. If we aren't in your area, let's set something up!



FULL SERVICE PRESS

The result of deciding to work with a full service broker is simple. It's a plan. It's discussing your "what if's" and your fears and managing them. We hope that your result is a farm that will be profitable for years to come, because you have taken the steps to invest in your operation and understand the importance of marketing.

MARKET RECAP

The amount of news out there can get overwhelming. Stay informed, but don't let reports, weather and tweets be the sole driver of your marketing decisions.

SOYBEANS

DECEMBER CORN

3/11/19: \$3.86 1/2

Last month: \$3.99 1/4

Easy year: \$4.07 1/4

Contract High: \$4.24

Contract Low: \$3.80 1/4

NOVEMBER BEANS

3/11/19: \$9.25 1/2

Last month: \$9.57

Easy year: \$10.30

Contract High: \$10.15

Contract Low: \$8.64 3/4

JULY (CHI) WHEAT

3/11/19: \$4.37

Last month: \$5.17 1/4

Easy year: \$5.05 1/2

Contract High: \$6.19

Contract Low: \$4.35 1/2

Soybean prices have dipped down to the recent lows that closed out 2018. The China trade front has so far been closer to a disappointment than a success. The good news is that the US ending stocks number once again decreased on the March 8th WASDE report. We are now at 900 million bushels. The USDA raised the domestic soybean crush usage by 10 million bushels, not a huge amount, but better than the alternative. That is a step in the right direction. World ending stocks came in a little higher than expected at 107.2 Million Metric Tonnes, up from 106.72 last month. Global soybean production was lowered as a result of less than favorable dry conditions in Brazil, but with soybean crush pace being behind in China, this decrease in demand more than offset the decrease in production. The USDA expects Chinese crush demand to pick up pace as we continue into the rest of the marketing year as South American soybeans come to market. South America isn't looking at a bumper soybean crop, but no major cuts to production are expected, so we aren't seeing any weather premium in the market from them this year.

The downward price movement over the last month was mainly caused by disappointing and misleading progress on the US/China trade talks. Any news about potential "Good Will" soybean purchases was not met with major buying, as the market wants to see these sales actually happen first. We blew through the first deadline without a deal in place, but that didn't kill the potential as President Trump and Xi agreed to extend the talks through March and President Trump vowed to keep the tariffs lifted as long as he feels progress is being made during each set of meetings.

We are at the bottom of the 90 Day price range. Downside is definitely still a risk, but until something more defining comes out of the trade talks, price action will likely remain choppy as traders don't want to be caught on the wrong side of major news headlines in this market. The market is going to be paying close attention to the daily USDA flash Sales (mainly to China) to verify that these sales are actually happening. It would be recommended that you pay close attention to soybean basis as well. Over the past 6 months, many of us saw the worst soybean basis in a long time. If basis starts to improve, that would be a good indication that export sales are being executed and we are well on our way to chewing through this massive soybean carryout.

The African Swine Fever outbreak in China has been deemed as severe. This is a pretty good indication that demand for soybeans in Chinese hog feed will taper off, but no real numbers have been put to that yet. If demand cuts were going to be catastrophic, I think we would have seen that in price action when the news broke.

When looking at 2019 production, corn is expected to be a more profitable crop to grow than soybeans. It was initially thought that we would see a dramatic switch of soybean acres going to corn acres. With a limited amount of fall field work done and what is shaping up to be a cold, wet, and possibly late spring coming upon us that is going to be difficult to achieve. Something to keep an eye on, but too early to know for sure. From a profitability perspective, we don't need to worry about soybean acres increasing, but the weather could push more soybean acres than initially thought. The market usually reacts to the acreage battle based on what the USDA will estimate coming up here in April and what long range forecasts the market chooses to believe. -NW

WHEAT

We really wish we could tell you that the bottom is close or already in, but reality is momentum is running the show and momentum is clearly still heading lower. Market structure is the only bullish input now, and that alone doesn't turn markets without a driver. Market looks and feels like it wants to feed some wheat this year, at least that might bring a bid at some point, but doubtful it's at +50 futures, and cash market isn't there. Spring wheat only makes a person feel better about losing less these days, and made new contract lows this morning. Weather markets feel like the next thing that potentially could turn markets at this point. -AK

LIVESTOCK

LIVE CATTLE

Cattle have made new highs on the April contract. The high was 130.450 CWT. We have backed off the high, but have not fallen apart which shows strength. We have the funds long 129,157 contract at the moment. That is close to 30% of the open interest. If they start to liquidate their position we could see a lot of downward pressure. I would consider starting to lay off risk on cattle that will be marketed into the summer, along with starting to market 25% of the cattle I will be selling this fall into winter.

Lean Hogs

Lean hogs have been in a downtrend from the start of the month, but now we have started a uptrend in the market. Funds have been short the hog market. With ASF back into the news, we may see some fund buying. I expect the market to even back out into our seasonal norms unless we find out China is buying more hogs due to ASF. I would start to lay off some risk while leaving the upside open.

Class III Milk

Milk has been steady this month. We have started to see herd expansion slow, which is a good thing for milk, but we still have a lot of cheese stocks. This is going to make it hard for prices to start making a move higher. We need to lower production and see herd size shrinking to have our normal spring and fall rally. I would consider selling part of your production out in deferred months to protect from lower prices.

-CF

OUTSIDE MARKETS

Crude oil prices have stabilized in the mid \$50 per barrel range over the last month after the rally from the mid \$40s the first part of the year. Growing US production has weighed on the market, but support from strong economic factors and supply disruptions in Venezuela have been supportive. The stock market came under pressure early in March from poor economic news out of China and fears of further interest rate hikes. However, recent assurances from the Fed that interest rate hikes may be put on hold, tempered by slowing growth numbers, have led to a rebound in the stock indexes. The dollar index rallied sharply through the first part of March after coming under pressure in late February. The relative strength of the US economy relative to the rest of the world has supported the dollar. -TJ

APRIL HOGS

3/11/19: \$62.85

Last month: \$48.42

Last year: \$67.85

Contract High: \$73.42

Contract Low: \$52.25

APRIL CATTLE

3/11/19: \$129.00

Last month: \$127.92

Last year: \$123.12

Contract High: \$130.45

Contract Low: \$110.42

APRIL CRUDE

3/11/19: \$56.81

Last month: \$53.09

Last year: \$62.04

Contract High: \$89.14

Contract Low: \$41.81

CORN

Corn futures have been on a steady downtrend since the beginning of February. The trading range in February for the May contract has been 23 cents, with a high of 389 and a low of 362 1/4. The March WASDE did not provide much price movement as projected ending stocks were increased from 1.735 billion bushels to 1.835 billion bushels and demand for ethanol and exports were decreased. Exports were changed from 2.45 billion bushels to 2.375 billion bushels and ethanol was dropped 25 million bushels from 5.575 billion bushels to 5.550 billion bushels. Analysts projected U.S. ending stocks to be nearly unchanged. Analysts believed ethanol production would increase and offset the slowed production in previous months.

We also saw managed money increase their net short position by 75,000 contracts. Producers also lifted approximately 50 percent of their short positions decreasing the net short from 151,822 to 76,749 net short contracts.

Worldwide balance sheets have had very little threatening weather to crop production. South America weather has had continued beneficial rain while Argentina has seen promising weather promoting good corn growth; weather in the U.S. has been very much the opposite. Continued cold weather throughout February into March has started to bring on the fear of planting delays, but we still have a ways to go before that becomes a real risk. Talk of Chinese purchases following any trade deal are also somewhat supportive for the market.

-AS



USDA REPORT NUMBERS

Released March 8th, 2019

Next WASDE Report: April 9th, 2019
Prospective Plantings: March 29th, 2019

	Analyst Predictions			USDA		Difference	
	Low	High	Avg	Last Month	Current	Analyst	Prev Mo
US Corn Ending Stocks	1.680	1.795	1.736	1.735	1.835	0.099	0.1
US Soybean Ending Stocks	0.86	0.94	0.902	0.91	0.90	0.002-	0.01-
US Wheat Ending Stocks	1.01	1.05	1.02	1.01	1.055	0.035	0.045
Brazil Soybeans	115	118.5	115.73	117	116.5	0.77	0.5-
Argentina Soybeans	54	56.7	55.23	55	55	0.23-	0
World Soybeans	104.4	113.57	106.33	106.72	107.17	0.84	0.45
Brazil Corn	93	96	94.66	94.5	94.5	0.16-	0
Argentina Corn	44	47	45.92	46	46	0.08	0
World Corn	306.3	312	309.06	308.8	309.78	0.72	0.98

STAY ON TRACK!

March is upon us and everyone is ready for Spring! It's been a long winter, and with the cold and snow we are facing possible planting delays. Hopefully you have spent some time with your books over the last few months and have an idea of your break even costs. We are here to help, so don't hesitate to call with questions!

☐ TALK TO YOUR BROKER

Our full service commission rates start at \$70/round turn. If you are trading/hedging grains, that works out to be a penny and a half per bushel. We offer personalized consultations for no cost or commitment. Make the time, drop us a line or give us a call.

☐ COME UP WITH A PLAN

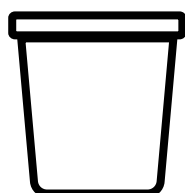
It is important that you understand that by taking the time to put numbers on paper, you are not setting things in stone for the whole year. By looking at option strategies (low volatility, maybe some good deals?) and price targets (highs just aren't for July anymore!), we are ready to take advantage of opportunities, no matter when they may come around.

☐ START TO EXECUTE YOUR PLAN

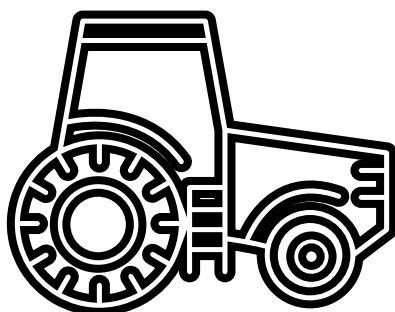
It may feel early to make sales, but marketing grain has become a year round process. (See above.) Quiet markets can provide good opportunities for us to make a strong marketing plan foundation. Remember that using the futures and options markets give us the chance to price grain before it is even planted!

GRAIN PROGRESS TRAIN

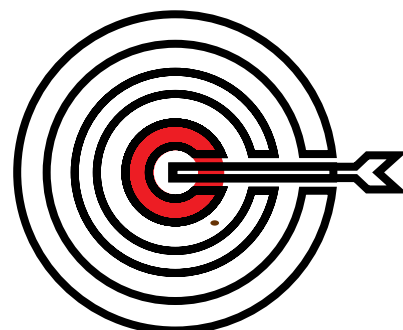
FOLLOW ALONG EACH MONTH AS WE UPDATE PLANTING, HARVEST AND HEDGING LEVELS.



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%10-30

UPCOMING MEETINGS:



3/28: 6PM FARMERS DINER IN MUSCATINE



FRONTIER
FUTURES

4000 River Ridge Drive NE Cedar Rapids, Iowa 52402

Telephone: 800-777-2438 Fax: 319-393-6171

www.fullservicepress.com Twitter: @frontierfutures