



CASH WHEAT REPORT

We're looking for something to talk about since the cash markets are so quiet. Bid/offers are 10-20 ct/bu apart & no one seems to care. Rail freight & logistics have been the drivers for Feb/March & are starting to see premiums roll into April, with one mill telling me he agreed to roll a train from LH March to April 1-10 & captured 17 ct/bu. The market held their bids to the March contracts today as everyone expected the basis will appreciate once the roll from March to May is made next week. Traders were pricing everything they had basis the March today & otherwise they were focused on logistics, since there is no new business. Emily was working on 4th quarter export forecast & making final adjustments to the 3rd quarter & the result was additional 500 kmt cut in US exports, & I think there is more to come. I was speaking with friends in Canada & they've been seeing more demand from countries such as Kenya, Rwanda, Oman, UAE, Columbia, Ecuador, Peru, Nigeria, Mexico which are taking the lower protein CWRS at the expense of HRW, plus the SE Asian buyers. They are suggesting Canadian's will drop their margins to zero to keep their elevators at capacity & compete against HRW.

Cash wheat saw no trades reported today, but those looking for nearby trains of HRW & nearby barges of SRW apparently worked those needs out internally since the early push to buy was gone at mid-day. HRW in the export & domestic markets closed unchanged but it will be interesting to see what happens as the cash market rolls to the March next week. Everyone expects the basis will fill the gap of the H-K spread. The domestic spring wheat market saw a few 13.5% protein cars which traded up 15 ct/bu at +95 MWH8. The PNW was all about logistics for the weekend & cash basis was unchanged, but exporters expect japan next week & followed with an announced tender by Taiwan, both for late April-May shipment. There was no business reported this week, with Yemen & Philippines asking but not buying.

Weekly Export Sales for Week Ending February 15, 2018							WoW Export Sales Change
Sales Summary (kmt)	Week's net chg in commitments		Total Commitments		Undelivered Sales		
	This Year	Next Year	This Year	Last Year	This Year	Next Year	
Wheat	328.9	53.6	21,444.1	24,386.3	4,809.6	454.2	17.8
HRW	73.7	-	8,607.4	9,902.3	1,636.1	87.8	(57.5)
SRW	12.6	28.0	2,157.7	2,118.4	646.5	110.5	(34.4)
HRS	111.2	15.6	5,632.4	7,652.9	1,492.8	126.2	1.6
White	108.8	10.0	4,694.8	4,295.6	955.8	76.3	85.4
Durum	22.5	-	351.8	417.2	78.4	53.5	22.5
Corn	1,555.4	65.5	37,551.4	42,715.9	21,062.7	1,416.2	(419.1)
Soybeans	(109.1)	222.1	44,713.4	52,074.8	7,770.1	1,454.0	(749.5)
Soymeal	131.9	-	7,803.1	7,320.9	3,569.1	160.8	(78.1)
Soyoil	42.9	0.3	496.0	720.6	182.2	0.8	18.5

USDA reported wheat export sales of 328,900 metric tons for delivery in marketing year 2017/2018 were up 6% from the previous week, but down 7% from the prior 4-week average. **Increases** were for the **Philippines** (150,000 MT, *including 30,000 MT switched from unknown destinations*), **Japan** (68,600 MT), **Venezuela** (60,000 MT, *including 30,000 MT switched from Mexico*), unknown destinations (16,000 MT), and **Malaysia** (10,000 MT,



switched from unknown destinations). **Reductions** were reported for **Algeria** (1,100 MT) and **South Korea** (1,100 MT). For 2018/2019, net sales of 53,600 MT resulted as increases for Mexico (33,000 MT), the United Kingdom (13,500 MT), Japan (10,600 MT), and the Philippines (10,000 MT), were partially offset by decreases from unknown destinations (13,500 MT).

Weekly Export Sales for Week Ending February 15, 2018							% Sold		% Shipped	
Sales Summary	Weekly Sales	YTD Shipments	Outstanding Sales	YTD Commitments	USDA Demand Forecast	CCC Demand Forecast	USDA	CCC	USDA	CCC
Wheat	328.9	17,546.0	3,898.1	21,444.1	26,535.2	25,425.4	81%	84%	66%	69%
HRW	73.7	7,392.4	1,215.0	8,607.4	10,750.1	10,693.4	80%	80%	69%	69%
SRW	12.6	1,517.0	640.7	2,157.7	2,449.4	2,402.0	88%	90%	62%	63%
HRS	111.2	4,288.8	1,343.6	5,632.4	6,667.8	6,368.9	84%	88%	64%	67%
White	108.8	3,913.1	781.7	4,694.8	5,443.1	5,436.2	86%	86%	72%	72%
Durum	22.5	283.0	68.8	351.8	544.3	524.9	65%	67%	52%	54%

CCC YTD Shipments are based on weekly inspections data

We have cut US exports to 924 mbu as a result of increased Russian wheat exports (37.5 million MT) and a slight increase in Australian export demand (13.8 million MT). *See our major wheat exporter balance sheets below.*

CCC 2017-18 Balance Sheet	HRW	SRW	HRS	WHITE	DURUM	TOTAL	USDA
Carryin	589	215	235	105	36	1,181	1,180
Production	750	292	385	259	55	1,741	1,740
Imports	6	20	75	7	47	155	155
Total Supply	1,345	527	695	371	138	3,076	3,076
Food Use	389	153	252	85	80	959	955
Seed Use	27	11	17	4	3	62	62
Feed Residual	53	65	5	7	2	130	100
Domestic Use	469	229	274	96	85	1,151	1,117
Exports	384	88	232	199	18	921	950
Carryout	493	211	189	76	35	1,004	1,009
Stocks/use %	58%	67%	37%	26%	34%	48%	49%

CCC 2017-18 Balance Sheet	Canada					EU						US		
	Argentina	Australia	Non-Durum	Durum	Canada	Soft Wheat	Durum	EU	Russia	Ukraine	Kazakhstan	Non-Durum	Durum	All Wheat
Carryin	0.3	4.4	5.0	1.9	6.8	12.0	1.7	13.7	11.0	1.7	4.0	31.2	1.0	32.1
Production	18.0	21.2	25.0	5.0	30.0	142.0	9.1	151.1	82.9	27.0	14.0	45.9	1.5	47.4
Imports	0.0	0.1	0.1	0.0	0.1	3.6	1.2	4.9	0.5	-	0.1	2.9	1.3	4.2
Total Supply	18.3	25.7	30.1	6.8	36.9	157.7	12.0	169.7	94.4	28.7	18.1	79.95	3.76	83.72
Domestic Use	5.5	7.2	9.2	0.8	9.9	121.8	9.6	131.4	44.0	9.9	6.9	29.0	2.3	31.3
Exports	12.4	13.8	17.2	4.0	21.2	21.6	0.9	22.5	37.6	17.0	5.9	24.9	0.5	25.4
Carryout	0.4	4.7	3.7	1.6	5.3	14.3	1.5	15.8	12.8	1.8	5.2	26.0	1.0	27.0

Importer Balance Sheets													
CCC 2017-18 Balance Sheet	Algeria	China	Egypt	Japan	Indonesia	Iran	Iraq	Mexico	Morocco	Nigeria	Phil.	S. Korea	Turkey
Carryin	4.6	111.1	3.9	0.5	2.4	6.8	0.9	0.8	4.5	0.2	1.5	1.6	1.3
Production	2.4	130.0	8.1	0.8	-	15.0	4.0	3.6	6.3	0.1	-	0.3	19.5
Imports	7.8	3.3	12.0	5.7	11.9	0.3	2.9	5.0	4.0	5.2	5.5	4.3	5.5
Total Supply	14.8	244.4	24.0	7.0	31.1	22.2	7.9	9.4	14.7	5.5	7.0	6.2	26.30
Domestic Use	10.5	116.5	19.7	6.4	9.9	18.4	7.3	7.6	10.3	4.7	5.6	4.3	17.7
Exports	0.0	0.8	0.6	0.3	0.3	0.6	-	1.2	0.1	0.4	0.1	0.2	6.5
Carryout	4.3	127.1	3.8	0.4	4.1	3.3	0.6	0.6	4.3	0.4	1.4	1.7	2.1

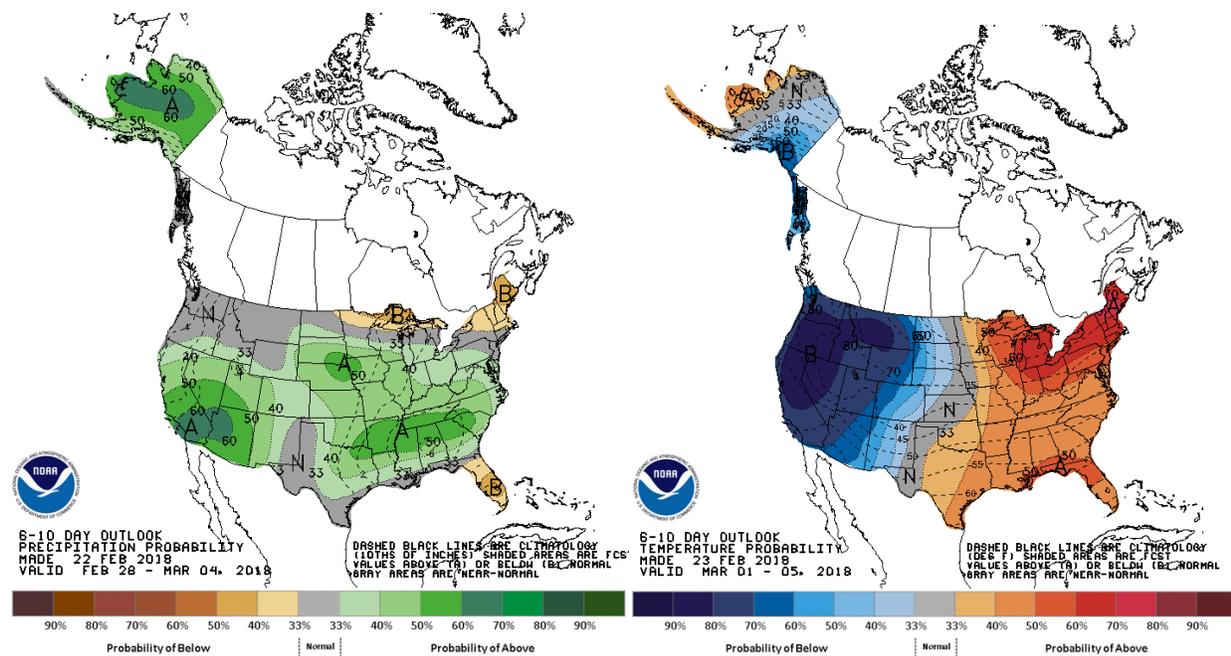


USDA Grain and Oilseed Outlook Highlights

- Wheat production was increased to 1.835 bbu from 1.815 bbu from the February Long-term Projections report.
- All-wheat yields for 2018/19 are projected slightly up at 47.4 bpa based on a 20-year trend.
- All-wheat percent harvested is pegged at 83.4% (82% in 2017/18) or 38.8 million acres harvested (37.59 m/acres in 2017/18).
- Feed and residual usage was increased 10 mbu from 2017/18 and unchanged from USDA's previous forecast.
- Food usage increased 5 mbu from earlier projections to 955 million.
- Domestic usage is pegged at 1.127 bbu, up 10 mbu from 2017/18.
- US exports are pegged at 925 mbu, down 25 million from the previous report. *"Lower U.S. supplies and continued strong international competition will challenge U.S. wheat exports. The European Union is expected to have a larger crop, while Argentina is anticipated to continue to expand wheat area. Both Australia and Canada are expected to have ample exportable supplies with larger crops as they rebound from reduced 2017/18 yields. Though the Russian crop is expected to be down from the 2017/18 record, exportable supplies will still be abundant due to massive carry in stocks."*
- Wheat ending stocks are expected to decline 931 mbu, down 8% YoY.

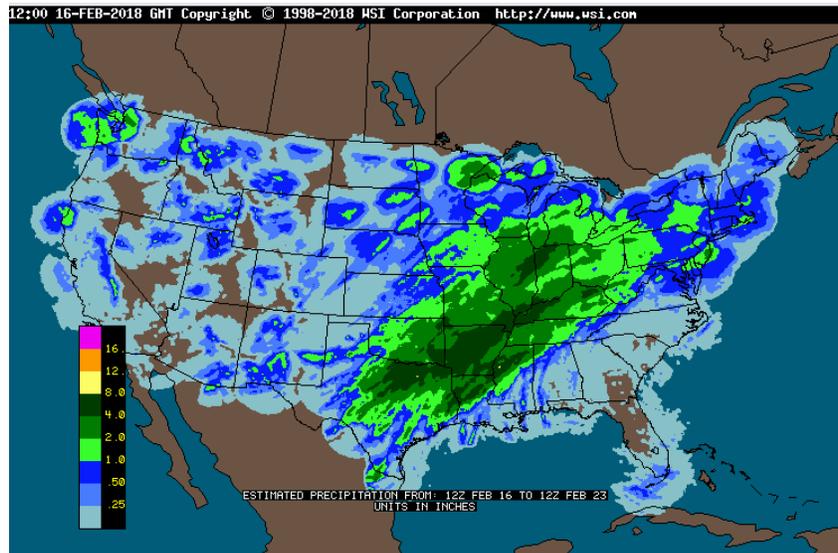
US Weather Highlights. It looks like a change in the weather pattern is seeing more rain for HRW.

The 5-day forecast is calling for heavy rain across the mid-South and Lower Midwest. Rainfall totaling 2-5 inches from northeastern Texas into the Ohio Valley which could worsen existing flooding. A snowstorm is expected during the weekend from central Plains into the upper Midwest. Cold temperatures are expected to dominate the western half of the US while warmer-than-normal temperatures will prevail east of the Mississippi River.





Weekly observed precipitation map (below) shows 1-4 inches received from east-central Texas to the Ohio River Valley which resulting in flash flooding. Recent precipitation benefited winter wheat across the southeastern Plains but mostly bypassed the drought-affected southern High Plains.



Hard Red Winter

This week was dead but next week should get interesting with those domestic mills & import buyers who are still short Apr/May should start to make a move to buy. Exporters at the Texas gulf have some capacity to make sales, but those at the Mississippi River Gulf & PNW have no capacity left for March & many are booked thru April. As badly as the market needs exports of HRW/SRW/HRS anyone needing to buy March are finding nothing is offered. I know buyers/brokers who have tried to buy cargoes at the MS. River gulf for March & FH April have found there is no capacity to make new sales.

The track trade has been limited to shippers buying back trains & selling deferred position to capture cash carry &/or selling out rail freight. New crop interests has been from exporters / resellers willing to buy the lower protein at any value below DVE for the warehousemen. The market expects a small crop this year & excess storage space, which will support interior & export basis with the wide calendar spreads on KCBT, KWN8-KWK9 spread is 51.5 ct/bu = 5.15 ct/bu per month carry & with the VSR this spread will widen unless the cash basis threatens DVE for 10.5% protein.

Stronger nearby rail freight has been supporting HRW premiums at the Gulf, which in turn has supported the cash carry at around seven cents per bushel per month.



BNSF Rail: Cash Carrying Charges to Warehousemen						
HRW 11%	Mar	May	Jul	Sep	Nov	Jan
Basis ct/bu	140.00	120.00	115.00	115.00	120.00	110.00
Futures ct/bu	469.00	484.75	502.75	520.75	541.50	552.25
Flat Price	609.00	604.75	617.75	635.75	661.50	662.25
Rail Freight	-20.27	-4.73	-2.03	-4.05	-13.51	
Delivered Gulf	588.73	600.02	615.72	631.70	647.99	662.25
Cash Carry	Storage Revenue ct/bu					
Mar-May	11.29					
Mar-Jul	27.0					
Mar-Sep	42.97					
Mar-Nov	59.26					
Mar-Jan	73.52					
Cash Carry	Monthly Storage Revenue ct/bu					
Mar-May	5.65					
Mar-Jul	6.7					
Mar-Sep	7.16					
Mar-Nov	7.41					
Mar-Jan	7.35					

Gulf Track HRW 12% protein: Feb +220/250 KWH, Mar +205/245 KWH, A/M +180/200 KWK, J/J +150/170 KWN, A/S +145/165 KWU, O/N/D +150/180 KWZ, J/F/M +145/160 H19. 11% protein: Feb/Mar 140/NO KWH, A/M +115/125 KWK, J/J +110/120 KWN, A/S +110/120 KWU, O/N/D +115/NO KWZ, J/F/M 107/115 KWH19, A/M +105/115 KWK19. Ordinary protein bids Feb +110/115, then are +90 the option forever.

The Kansas City domestic market closed unchanged from yesterday.

	Premium	Change		Premium	Change
ord	80 to 95	0 0	12.60	185 to 200	0 0
11.00	105 to 120	0 0	12.80	185 to 200	0 0
11.20	120 to 135	0 0	13.00	185 to 200	0 0
11.40	125 to 140	0 0	13.20	185 to 200	0 0
11.60	126 to 141	0 0	13.40	185 to 200	0 0
11.80	135 to 150	0 0	13.60	185 to 200	0 0
12.00	145 to 160	0 0	13.80	185 to 200	0 0
12.20	145 to 160	0 0	14.00	185 to 200	0 0
12.40	160 to 175	0 0			

Daily received/load-out from Kansas City (reported by CME, close of business 2/22): Hutchinson: 1.88/9.995 kbu, KC: 13.186/92.045 kbu, Salina: 5.772/0 kbu, Wichita: 66.897/0 kbu.

Soft Red Winter

The SRW cash markets are quiet in the nearby, but there are more willing sellers in the deferred positions. Large co-ops in Ohio & Pennsylvania have been active new crop sellers in O/N/D and J/F/M, as they seek to lock in large board carries. Otherwise, mill bids are unchanged. The CIF market was all bids and no offers today. Barge freight has been strengthening April forward, while nearby barges are fraught with logistical issues due to high water.



Today was the last day of the VSR calculation period. The WH-WK spread finished with an average percent of full carry for the period of 51.46%, meaning the maximum allowable storage rate for CME wheat will remain at 0.365 ct/bu/day and full carry on the WK-WN spread will remain about 25 cents.

CIF barge bid/offer: Feb +70/NO WH, Mar +70/NO WH, A/M +52/NO WK, J/J +42/NO WN, A/S +40/NO WU, O/N/D +50/NO WZ, J/F/M +45/NO WH9.

Elevator/Mill Bids: NW Ohio mills: F/M +15 WH, A/M +10 WK; Chicago elevator: F/M -5 WH; Toledo elevator: Feb/Mar -3/+0 WH, Apr/May -5/+0 WK, Jul/Aug -15 WN; Eastern Indiana mill: Feb/Mar +35/40 WH, new crop +20 WN.

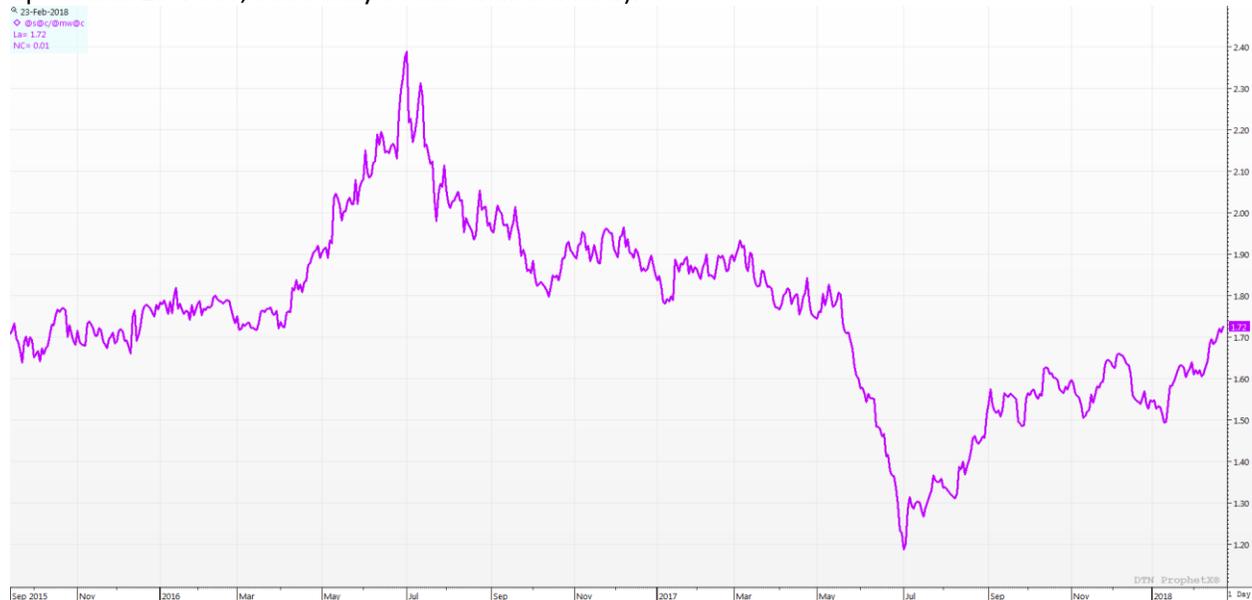
Daily received/load-outs from Chicago (reported by CME, close of business 2/22): Chicago: 0.891/6.677 kbu, MS River: 150.683/146.128 kbu, NW Ohio: 0/19.592 kbu, OH River: 76.229/7.895 kbu, St. Louis: 117.338/0 kbu, Toledo: 5.006/185.654 kbu.

Hard Red Spring

There were just six cars offered on the spot floor today. 13.5% protein cars traded up 15 ct/bu, at +95 MWH. A single 14.5% protein car traded at +165 MWH. Spring wheat mills are seemingly happy with the pipelines at the moment and are only buying the occasional fill-in car when needed. Logistical issues have been effecting railroad performance and there is 8-10 inches of snow forecast for the weekend.

Daily received/load-out from Minneapolis & Duluth (reported by MGEX, close of business 2/21): Minneapolis: 16/6 kbu, Duluth: 27/54 kbu.

The soybean / Minneapolis wheat ratio is approaching spring 2017 levels. In 2017 some spring wheat area was lost to soybeans due to the better price & higher returns. So, perhaps spring wheat area will not be up as much as previously thought this year (original estimates were for spring wheat area to be up around 10% YoY, but it may be less than 5% now).





PNW

The PNW was all about logistics for the weekend & cash basis was unchanged, but exporters expect Japan next week & followed with an announced tender by Taiwan, both for late April-May shipment. There was no business reported this week, with Yemen & Philippines asking but not buying.

There are 60 vessels in the PNW line up, 25 corn vessels, 2 sorghum, 13 soybeans, 2 Canola, 24 wheat vessels, some of these are combo, YC/Milo, YC/Soy, YC/Wht, Wht/Soy, YC/CNLA.

Exporters are trying to increase elevation margins, but there is always someone discounting the wheat just to get the vessel. The blend margins with low protein HRW are getting less & less as the MGEX/KCBT spread narrows & low protein HRW basis gets harder to buy.

PNW Track/barge bids:

Shipment Period	DNS 14%	HRW 11.5%	WW 10.5%
Mar	+135MWK	+170/170 KWH	555 ct/bu
Apr/May	+135/135 MWK	+155/155 KWK	555/555 ct/bu

World Wheat News

- Tunisia bought 25 kmt of durum wheat at \$288.25/mt c&f for shipment August-September.
- UAE purchased 30 kmt of 12.5% protein wheat at \$230/mt C&F for LH February-FH March shipment. Wheat was likely sourced from EU, Russia, or Ukraine.
- The EU awarded 76 kmt of wheat imports this week under reduced-tariff quotas.

World Wheat FOB Comparisons:

Origin	World Wheat FOB Comparisons									
	Russian	German	Baltic	Argentina	HRW	HRW	HRW	French	UK	SRW
Protein (dmb)	12.50%	12.50%	12.50%	11.50%	12.50%	11.00%	10.20%	11.00%	11.00%	10.20%
Protein (12% mb)	11.00%	11.00%	11.00%	10.12%	11.00%	9.68%	9.00%	9.68%	9.68%	9.00%
Mar	\$203	\$212	\$210	\$190	-	-	-	\$208	\$208	-
Apr	\$202	\$214	\$211	-	-	-	-	\$208	\$209	-
May	\$203	\$216	\$214	-	\$224	\$217	\$215	\$209	\$210	\$198
Jun	\$195	\$218	\$215	-	\$231	\$220	\$218	\$209	\$212	\$200

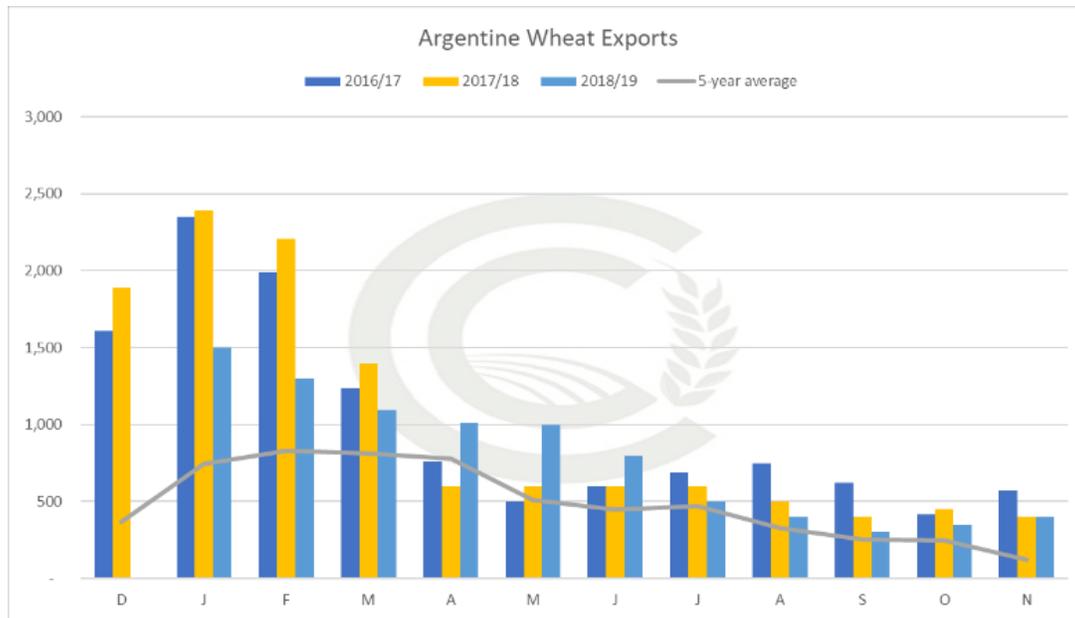
Origin	World Wheat FOB Comparisons									
	APW	AH2	ASW	HRW PNW	HRW PNW	SWW	NS	NS	CWRS	CWRS
Protein (dmb)	11.80%	12.90%	10.10%	12.00%	13.10%	12.00%	15.30%	15.90%	15.50%	15.90%
Protein (local)	10.50%	11.50%	9.00%	10.50%	11.50%	10.50%	13.50%	14.00%	13.50%	13.80%
Mar	\$240	\$255	\$230	-	-	-	-	-	-	-
Apr	\$241	\$256	\$231	\$222	\$237	\$206	\$266	\$273	\$258	\$264
May	\$241	\$256	\$231	\$222	\$237	\$206	\$266	\$273	\$260	\$266
Jun	\$241	\$256	\$231	\$221	\$236	\$206	\$269	\$277	\$262	\$267



South America

Argentine exporters have sold 180.8 kmt of wheat for the week ending February 14th with total sales at 6.72 million MT compared to 6.19 million during the same time last year.

Official inspections data pegged Argentine wheat exports are 2.391 million MT for the month of January.



Origin	Month	Quality	Bid/Offer (\$USD/MT)
Argentine Upriver	March	10.5% pro	No Mention
Argentine Upriver	March	11.0% pro	Seller \$187
Argentine Upriver	March/May	11.5% pro	Seller \$192/\$196
Argentine Upriver	February (new crop)	12.0% pro	Seller \$200

\$1 USD= AR \$19.94 Pesos

\$1 USD= R \$3.25 Reales

Canada

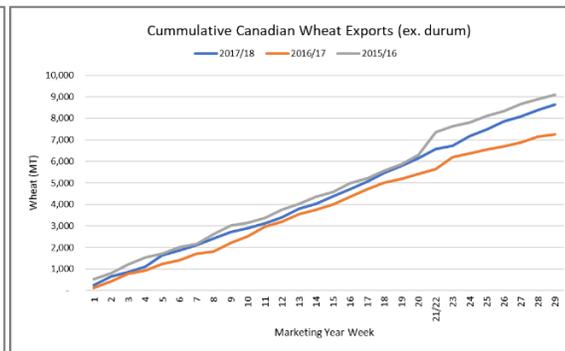
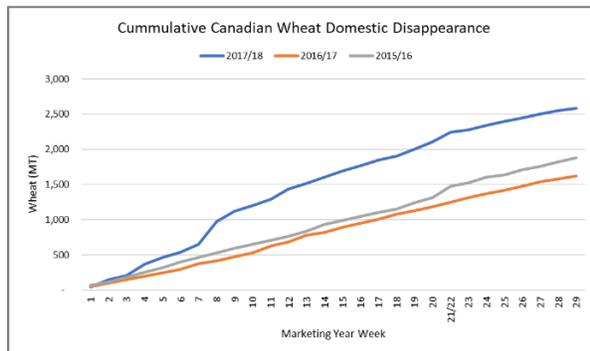
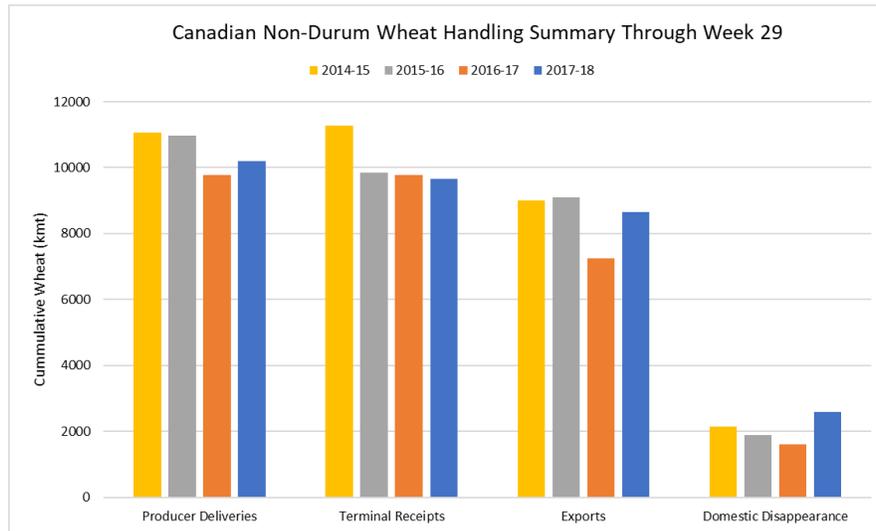
#2 CWRS fob Vancouver quotes Apr/May/June over the respective: 12.5% protein +35/40/35, 13.0% protein +55/60/55, 13.5% protein +90/95/90, and around a +15 cent premium for 13.8% protein.

Exporters saw a rush of SE Asia buyers asking for quotes at mid-week who are expected to buy next week. Exporters continue to quote CWRS 13.5% in the 90's but discount into the 80's. Sources suggest exporters will cut their margins to zero to keep their line-up full & to compete against HRW with their low protein 12.5% - 13.0% protein.

CGC reported producers delivered 308 kmt of wheat for the week ending February 18th, down 3% from the previous week and up 4% from last year's cumulative volume. Weekly exports totaled 245 kmt, down 18% from last week. Cumulative exports of 8.65 million MT are up 19% from the previous year.



Domestic disappearance weekly volume has decreased significantly over the past two weeks which could be an indicator that second quarter feeding will see a drop off from the first quarter's 3.0 million MT usage. Historically, second quarter wheat feed and residual decreases 40-60% from the first quarter which would suggest F/R would be 1.2-1.8 million MT during January-March.



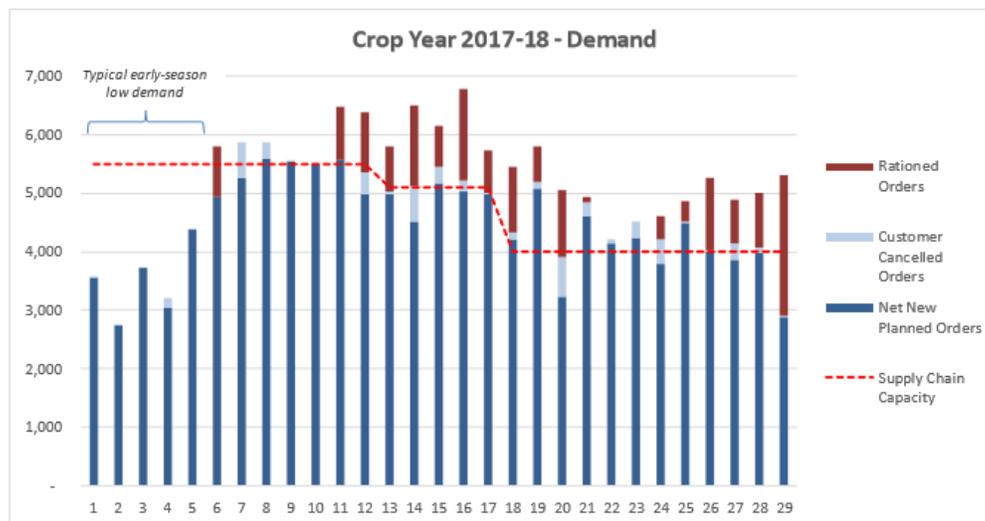
Canadian Primary & Process Elevator Wheat Stocks Week 29					
Wheat (kmt)	Manitoba	Saskatchewan	Alberta	British Columbia	Total
Current Week	351.0	737.9	588.6	18.4	1,695.9
Last Week	339.1	704.6	634.0	18.3	1,696.0
WoW Change	11.9	33.3	(45.4)	0.1	(0.1)
2016-17	423.0	565.9	537.9	15.7	1,542.5
YoY Change	(72.0)	172.0	50.7	2.7	153.4
Process Elevator	1.4	76.5	4.3	-	82.2
YoY Change	(0.1)	(18.2)	0.7	-	(17.6)



Canadian Terminal Elevator Wheat Stocks Week 29						
Wheat (kmt)	Pacific	Churchill	Thunder Bay	Bay & Lakes	St. Lawrence	Total
Current Week	273.9	29.5	285.0	140.5	455.7	1,184.6
Last Week	246.8	29.5	275.7	141.0	464.3	1,157.3
WoW Change	27.1	-	9.3	(0.5)	(8.6)	27.3
2016-17	267.3	29.5	233.4	179.4	431.8	1,141.4
YoY Change	6.6	-	51.6	(38.9)	23.9	43.2

Wheat stocks increased from last week at the Pacific and Thunderbay ports. The railway continues to struggle lifting wheat from the country. The CN reported temperatures below -22°F in Canada have been observed twice as much this year so far than the previous year. *“So far in 2018, 75% of days had cold so severe that we needed to run shorter trains on significant portions of CN’s network. As we need more trains (and more crews and locomotives) to move the same amount of traffic, network congestion increases and car/train velocity decreases. This slower train velocity often means that a single crew “runs out of time” (reaches their maximum daily operating hours) before completing their trip, which in turn requires a second crew to finish the train’s journey.”*

CN maximum railcar capacity in winter months is 4,000 cars/week compared to 5,100-5,500 per/week in non-winter months. The chart below reflects pipeline performance is repeatedly rationing orders as weekly demand exceed capacity level.



Australia

Indicative offers for APW are around \$237-\$239/mt for Apr/May FOB WA, with around a \$10/mt discount for ASW from WA, and around a \$15/mt premium for AH2.

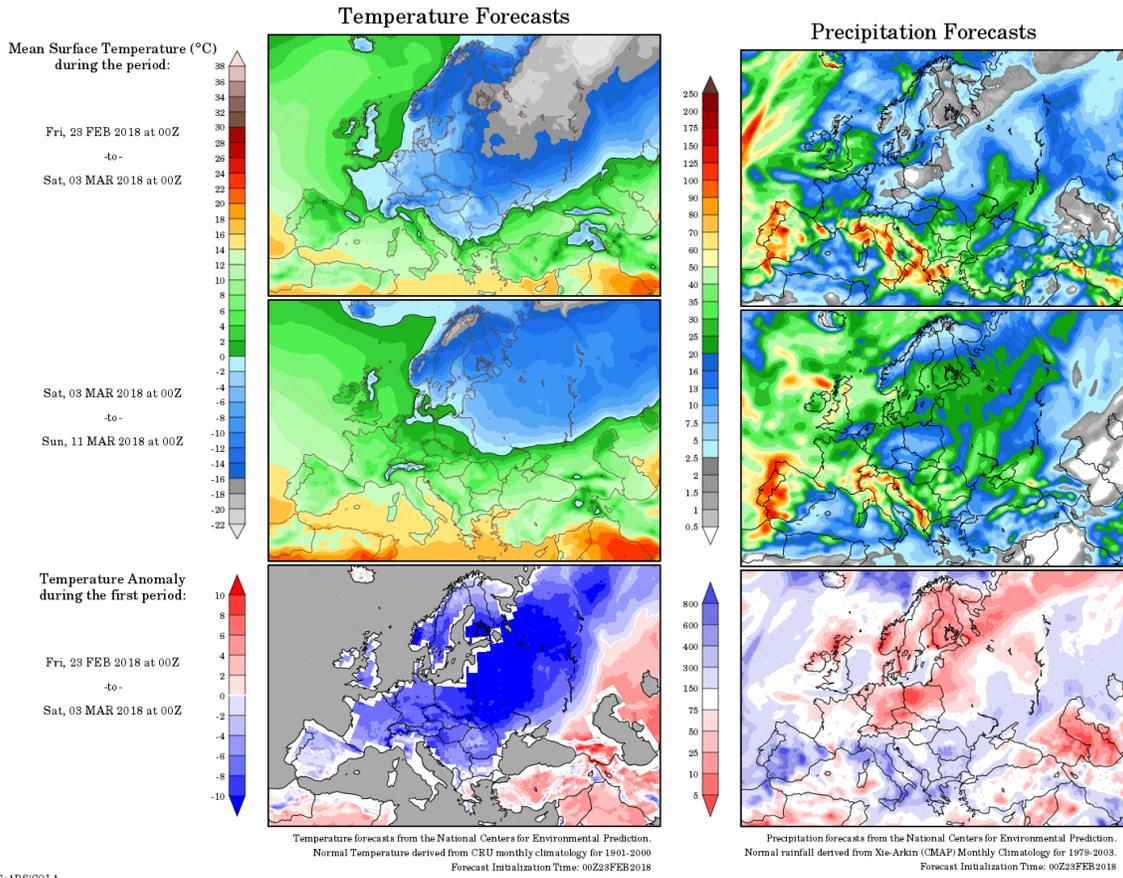
Nearby APW fob WA values have rallied around \$10/mt since the first of the year.



Black Sea & Europe

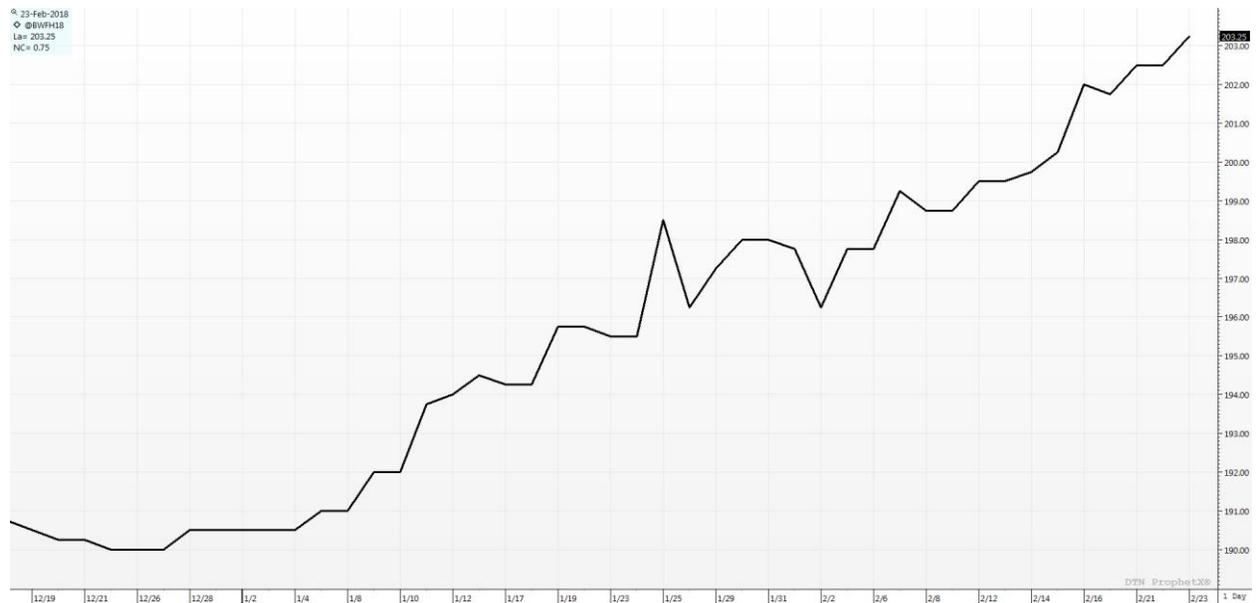
The Matif was closed up 0.75€ at 161.25€ for the March contract. FOB quotes Mar/Apr/May for Russian 12.5% pro: \$205/206/207/mt (11.5% pro \$7/mt discount), French 11.5% pro: \$205/205/206/mt, German 12.5% pro: \$210/212/214/mt, Baltic 12.5% pro: \$208/\$210/\$211/mt, Ukraine 11.5% pro: \$197/198/198/mt.

Weather forecasts for Europe are calling for below-normal temperatures and moderate rainfall across western EU and the Iberian Peninsula (*see weather maps below*). The cold front could slow port logistics in the EU and the Black Sea. Trading houses are reporting difficulties in originating lower protein Russian wheat resulting in visible trade for high protein wheat with bids for 12.5% protein at \$205-\$206/mt and 10.5% bid \$193-\$194/mt. Indonesia reportedly bought 40 kmt of 11.5% protein milling wheat from the Black Sea for April shipment at \$228/mt.



GrADS/COLA

Russian 12.5% protein fob values have gone up around \$13/mt since the start of 2018.





Pending Tenders

Feb 27: Jordan reissued a tender to buy 100 kmt of hard milling wheat.
Mar 13: Ethiopia tenders to buy 400 kmt of milling wheat.

Futures Comments



U.S. wheat futures prices settled mixed today to close out the week down 5.50 cents in Chicago, down 9.50 cents in Kansas City, and down 4.50 cents in Minneapolis. Nearby calendar spreads saw a 1.75 cent decrease in carry for Chicago, as last week's cancellations and a general lack of nearby demand have folks on the fence concerning whether or not there will be deliveries next week, a 0.75 cent increase in carry in KC, as deliveries of 10.5% protein HRW (something there is plenty of and that nobody wants) are a real possibility, and a 2.00 cent increase in carry in Minneapolis, as deliveries of poor milling quality Canadian wheat threaten the spread. KC-Chicago spreads have fallen under pressure from precipitation in HRW areas, with KWH-WH settling 4.00 cents lower on the week. Minneapolis – KC spread strengthened against estimates of lowered expectations for spring wheat area increases and winter wheat precipitation. Next week's crop condition ratings will be critical to providing flat price direction, which has stalled of late.

According to this week's CFTC report, the Managed Money funds sold about 10 thousand CME wheat contracts between February 13th and the 20th, extending their net short in Chicago to around 67k contracts. They also sold about 2k HRW contracts and 1k HRS contracts, decreasing their net long in KC to around 13k contracts and moving from net even to net short 1k contracts in Minneapolis. Also of note, the Managed Money funds bought about 30k corn contracts, making them net long about 19k contracts, which is the first time they have been net long corn since August 2017.

Best regards,

Al, Emily & Jason Conway
Comments, questions & criticism
welcomed!

Call 1-503-631-7578 or email
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COMMITMENTS of TRADERS, as of 2/20/18						
Commercials, #'s = 1,000 contracts					% Open Interest	
	Long	Short	Net Position	WKLY CHANGE	Long	Short
SRW	83	140	-58	9	13%	22%
HRW	76	148	-72	3	23%	44%
HRS	29	32	-3	1	45%	49%
Corn	497	834	-337	-18	23%	39%
Beans	308	465	-156	-54	31%	46%
Index Funds, #'s = 1,000 contracts					% Open Interest	
	Long	Short	Net Position	WKLY CHANGE	Long	Short
SRW	108	3	105	1	17%	0%
HRW	44	8	42	0	13%	1%
HRS	3	0	3	0	5%	0%
Corn	257	23	233	1	12%	1%
Beans	118	12	106	2	12%	1%
Managed Money, #'s = 1,000 contracts					% Open Interest	
	Long	Short	Net Position	WKLY CHANGE	Long	Short
SRW	86	153	-67	-10	13%	24%
HRW	61	48	13	-2	18%	14%
HRS	6	6	-1	-1	9%	10%
Corn	266	248	19	30	13%	12%
Beans	125	25	99	56	12%	3%

* Values may not add due to rounding.