

**Lou Baughman— Region 1 Grain Merchant**

Lou is not available for comments today.

**Eric Godfrey— Region 2 Grain Merchant**

Hoping this finds everyone well and ready for Christmas. Corn and beans have been rather stagnant, a few days with sharp declines but very little activity. Purchases by China definitely help but we still have the billion bushel surplus to deal with. I am optimistic things will get better after the first of the year due to lower volumes the last few days and an increase in imports by Mexico and Japan. Still a few unharvested fields around and it appears they may stay that way. Wheat is trending higher and reports indicate stability. As winter officially begins today and Christmas around the corner, take a break and enjoy this slower time of year with your family and loved ones. Enjoy the comforts and blessings your hard work has provided, you all have earned it. After the new year, lets formulate a plan for success together. Please call or come by the office, I am here for you. Have a safe and merry Christmas!

**Steve Bricher—Region 3 Grain Merchant**

It has been a very different year. We have seen prices for the year stay mostly in a narrow trading range other than soybeans last spring when we rallied to over 10.00 a bushel. Harvest this year will be one we talk about 20 years from now as do you remember when we were harvesting soybeans in December. We have a lot to be thankful for as we saw good crops across our whole market area for the first time in several years. Prices have not been great but when you look at were stocks are they are ok.

2019 is going to be a challenge as I see prices staying flat or lower and margins on the farm are being squeezed. We will get opportunities to sell grain that should allow us to make a profit but will you be willing to do so when they arise. I think 6.00 corn and 14.00 soybeans are not far enough in our rear view mirror and that some think they will come back to us. We have to be realistic in our price targets if we want to stay in business in the future.

I wish you and yours a very Merry Christmas and a Happy New Year.

**Wes Bahan - Region 4 Grain Merchant**

Wes is not available for comments today.



Ralph Wince - Region 5 Grain Merchandiser

Good Afternoon to everyone. Harvest is headed towards the end finally for 2018. There are still some beans to come off and a little corn but more and more people are saying they are done. This year's season will definitely be one for the record books, and a lot of firsts and we hope some don't repeat anytime soon. As far as the markets go this week we have not seen a lot of action. The traders have slowly left the trade floor for the Christmas season. China has stepped up to the plate for some buying but one thing to remember is that it is the China government that is doing the buying. The question has been asked of me many times if the tariff is off right now from China and most think it is but the fact is that it is not. Since the China government is the one buying the beans you have to ask are they going to tax themselves? That is a question we don't have the answer to today. Also this week the USDA has decided to pay on the second half of your soybean production. That for sure will help the bottom line. As far as corn goes little price action also. Ethanol producers continue to struggle with negative margins. We are hearing of some plants closing down throughout the US. The longer term question is what this might do to the carry out. I would like to wish all of you a Merry Christmas!!!! I hope that you all take this time to enjoy time with your families and most of all thank our Lord for sending his Son into this world. Also thanks to all of you for your continued support. We value all of our customers.



Melinda Ledley - Director Origination, Logistics and Risk Compliance

Not much new to discuss as grain prices go. Soybeans were on the defensive again Friday as Chinese purchases have not been large enough to convince traders that they will be the solution to a 900 million bushel carryover. Corn found support at recent lows as bottom pickers were the main feature. Funds have built a long position in corn as they continue to wait for news of Chinese corn purchases. Action will get even chopier as the floor thins out for the holiday. The CME will trade a shortened session on Monday, closing at 1:00 PM. Outside of the grain markets, the concern over slowing economic growth continues to keep Wall Street and investors on edge as investors watch a poor week of performance in the stock market. But as money wants to be leaving the riskier asset classes for the Holiday, it's having difficulty finding any commodity in ag or energy that has a safe or strong story to support it. President Trump did sign the farm bill today.



Ed Nienaber - Vice President, Grain Division

These markets are desperate for a Christmas Miracle! This week has been focused on outside activity, possible government shutdown as funding is needed to keep it running, federal reserve increase in interest rates, lower crude prices, stock prices falling, need I add more? It's been a rough week as we try to finish harvest 2018, with baby new year just around the corner. Export shipments were supportive to grain prices and the anticipation of more bean trades in the coming days with China. The overall realization that another crop in the southern hemisphere is about to be harvested and our window of opportunity for exports to China is about to close for reducing carry-over stocks, is taking out recent highs in bean prices. Local corn basis is holding steady, it is being pressured and kept in check due to the large corn crop, ethanol margins at a ten year low, (possible slow down/shut downs) due to excess supply and where will the demand come from? However, corn futures, while on the lows for the month, have traded in a very tight window this month and still have decent world demand, supporting corn price. It has been stated more than once in the past month, "this market needs to buy corn acres", and I've got a feeling it will do just that. We have one of the year's most anticipated crop reports coming up at noon on Friday, January 11th. As well as Ag Outlook Forum in February 21-22, this will give us early indication on government spring crop planted acres, and then finally the Prospective Plantings Report on Friday, March 29th. This will be my final update for 2018, wish you all a very Merry Christmas and a better 2019. Happy New Year!

Holidays are a time for reflection and all of us at Heritage Cooperative would like to *thank you* for your business and send our warmest thoughts and best wishes for a Merry Christmas