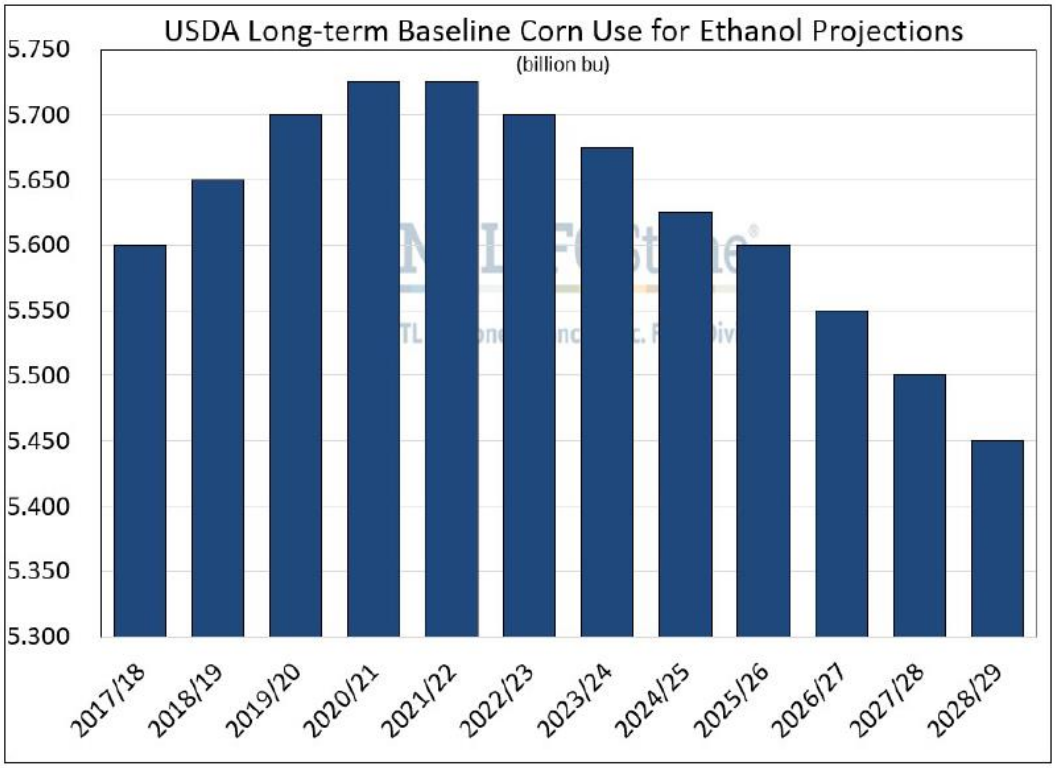

Today's picture is from USDA's long term Baseline projections and paints a picture of declining demand for corn used in ethanol. Today's automobiles are becoming more efficient and advancements being made in electric cars support ideas that ethanol demand will decline into the future. Ethanol plants are struggling to operate in the black today and many processors are considering closing plants and taking other measures to weather the current storm. Without exports, the ethanol business is certainly under stress and a deal with China could improve the picture if ethanol is one of the commodities included.

With just 7 trading sessions left in February, the crop insurance price levels stand at $4.01 CZ19 and $9.535 SX19. That is a corn soybean ratio of 2.39.

There's been another troubling turn in the African swine fever situation in China as AFS has been found in frozen pork dumplings at a frozen food production facility. I believe this situation has spread to a point that will not be solved quickly and has long term ramifications on China's soybean needs at a time when the world is continuing to build supplies.

Brazilian soybean harvest is estimated at 36% complete and weather over the second half of February has been beneficial for second crop corn development with planting estimated to be 51% complete

All eyes are on the USDA AG Forum being conducted this Thursday and Friday as analysts will be waiting with baited breath as the USDA Chief Economist shares the US 2019/2020 acreage mix estimates.