

Total Grain Marketing

Grain Scoop

Paddling Upstream

May 2019

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Anyone that has read my articles over the years is very aware that I was raised in the Embarrass (pronounced AM-BRA) river bottom north of Greenup. As a very young kid I was introduced to the river and learned to swim, fish, trap, camp etc. like any person would who is raised on the river bank. Twice a week as a very young kid, I was able to go with my Grandpa Holsapple and check the fish traps in the river. We always had a rifle with us to shoot the snakes out of the overhanging willow trees where the traps were tied, as this seemed to be the best place to catch the fish. The current of the river was always something that I was taught to respect. We would almost always start out and go upstream and as a young kid it never crossed my mind why. Only after growing older and from a canoe expedition my buddy and I went on, did I figure this out. It was a sunny late morning in early June and school was out, so my buddy and I decided to launch a canoe behind the house and paddle down to the bridge at Greenup and back. Greenup is probably 3 miles as the crow flies but with the curves in the river I would expect it is more like 5 miles. I told my mom we would be back in a few hours, and as always she didn't like me going to the river unsupervised but she knew there was no use to try to convince me differently. We launched the canoe and in

no time we made it to the river bridge in Greenup. It was downstream and the river was pretty high so the current helped a lot. As we turned the canoe around and headed back north it was a different story. We tried as hard as we could but within an hour we had not went a quarter of a mile. This went on hour after hour and it was plain to see we would never make it back before dark. We found a sand bar to park the canoe and headed off on foot. A long day but we made it home safe. It was only after this that I figured out why granddad always went upstream. If the motor would quit, it would only be a matter of time and we would get back to our starting point.

Enough of that! How does this relate to the markets this year? As we all know and have read over the past year, this crop is big and our expected carryout has been projected to be large. Every time we have seen a rally, it has been met with disappointing news and back down we go. One step forwards and two steps back and it gets you to the same place I got on the canoe trip. We do not have the current to fight but we have had large crops in the U.S. as well as around the world. Stocks have grown year after year and with political issues around the globe we are stuck with yet another year of huge stocks. As of this writing, there is virtually no



crops planted in our territory and it is not looking good. Hopefully, as you read this article things have changed. December corn is sitting at \$3.69 as I write this and I will tell you I am friendly the corn market. A switch of a couple million acres and a yield drop from 177 BPA to 170 BPA can turn the corn canoe around. But for beans, Katie bar the door, it doesn't look good. I think we can see December corn vs. November beans go to a 2/1 ratio which is not good for beans. Hopefully that's \$4.20 corn and \$8.40 beans, but my biggest fear is that it will be \$3.50 corn and \$7.00 beans.

I'm sure you feel like you have been paddling up stream all year, but we always turn this market around when we least expect it. Maybe the new trade deals will let us paddle downstream once again like it was a few years ago! Be safe, I hope things are going well!