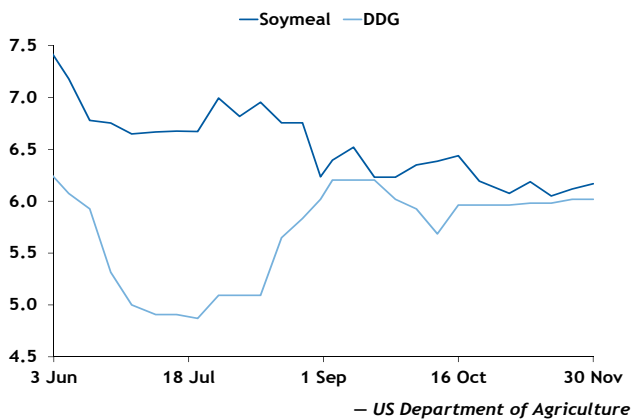


HIGHLIGHTS

- Feed phosphate barge prices stable in November
- Terminal values rise amid higher freight rates
- Prilled urea prices dip amid increased supplies
- Export demand to extend growth in US herd populations
- Mexico to import more Brazilian chicken
- China culls more hogs as swine fever spreads

Kansas City \$/unit protein soybean meal vs DDG



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	Nov		Oct	
	Low	High	Low	High
Monocalcium phosphate 21%P				
Nola	410	425	410	425
Twin Cities	440	475	440	460
St. Louis	440	475	440	445
Ft. Smith	430	460	430	450
Midwest	500	525	475	485
Southwest	500	550	450	460
Dicalcium phosphate 18.5%P				
Nola	400	415	400	415
Twin Cities	430	455	430	435
St. Louis	430	455	430	435
Ft. Smith	420	440	420	420
Midwest	575	600	490	500
Southwest	430	455	415	440
Southeast	425	450	410	435
Prilled urea				
Nola	280	305	305	317
Twin Cities	325	330	355	375
St. Louis	320	330	330	365
Ft. Smith	320	330	330	365
Midwest	300	310	315	330
Southwest	300	310	315	330
Southeast	300	310	315	330

Date	Corn terminal bids			Soybean terminal bids		DDG	Sorghum	Wheat
	Midwest	Southwest	Southeast	Midwest	Southeast	Chicago* \$/st	TX Gulf new crop bid*	Minnesota prompt†
2 Nov	6.23	7.02	6.77	13.76	14.22	149.00	7.26	9.80
9 Nov	6.27	7.01	6.86	13.81	14.34	150.00	7.23	9.62
16 Nov	6.26	6.98	6.77	14.05	14.47	152.00	7.14	9.57
23 Nov	6.22	6.92	6.58	13.90	14.34	152.00	7.04	9.52
30 Nov	6.31	6.99	6.78	14.03	14.46	160.00	7.13	9.60
± Oct/Nov	+0.27	+0.06	+0.10	+0.94	+0.72	+13.00	-0.06	-0.11

*US Department of Agriculture, †Minneapolis Grain Exchange

Feedstuff wholesale prices				\$/st	
	27 Nov	30 Oct		27 Nov	30 Oct
Soybean meal, high protein					
Central Illinois (R)	309.40	308.10			
Chino Valley, CA (R)	336.50	332.10			
Kansas City (T)	293.00	288.60			
Memphis (R-T)	319.00	328.20			
Minneapolis (T)	274.60	275.10			
Portland (T)	341.45	338.55			
St. Louis (T)	319.00	320.50			
Cottonseed meal, 41% solvent					
Kansas City (T)	270.00	282.50			
Memphis (R-T)	240.00	242.50			
Whole cottonseed					
California (T)	310.00	310.00			
Memphis (R-T)	170.00	160.00			
Portland (T)	307.50	303.50			
Canola meal					
Portland (R)	280.45	276.55			
Soybean oil					
Central Illinois (R-T)	26.83	27.83			
Minneapolis (T)	28.91	29.75			
Corn oil					
Midwest (R-T)	26.80	27.50			
Meat and bone meal					
Central U.S. (R-T)	250.00	250.00			
Minneapolis (R-T)	212.50	240.00			
Texas Panhandle (R-T)	195.00	197.50			
St. Louis (T)	257.50	N/A			
Feather meal high protein					
Arkansas Pts (R-T)	395.00	390.00			
Minneapolis (R-T)	492.00	470.00			
Corn gluten feed					
Midwest (R)	111.50	105.00			
Kansas City (T)	187.50	198.00			
St. Louis (T)	140.00	N/A			
Corn gluten meal, 60% protein					
Midwest (R)			470.00	439.00	
St. Louis (T)			502.50	N/A	
Distillers' dried grains					
Eastern Corn Belt (T)			141.50	137.50	
Nebraska (T)			160.00	135.00	
Minnesota (T)			140.00	127.50	
Kansas (T)			162.50	161.00	
Wisconsin (T)			136.00	133.50	
Wheat middlings					
Kansas City (R)			105.00	75.00	
Minneapolis (R)			97.50	80.00	
St. Louis (T)			142.50	87.50	
Rice bran, fob mills					
Arkansas (R-T)			105.00	122.50	
SW Louisiana (R-T)			132.50	132.50	
Texas (R-T)			120.00	130.00	
Dehydrated alfalfa meal 17% protein - (reground)					
Kansas City (T)			230.00	227.50	
Sun-cured alfalfa pellets - 15% protein					
Kansas City (T)			257.00	257.00	
Portland (R-T)			315.00	315.00	
Corn, no 2 yellow					
Chicago (R-T)			121.95	112.04	
Kansas City (T)			127.31	124.72	
Omaha (T)			178.55	119.63	
Sorghum, no 2					
Kansas City (T)			110.30	108.80	
Texas High Plains (B)			125.10	127.70	

R= Rail, T= Truck, B=Basis

– US Department of Agriculture

FEEDGRADE PHOSPHATE

Feedgrade phosphate spot prices firmed across all terminals in November amid rising freight costs, despite unchanged producer offers.

Some market participants anticipate a price increase in the first quarter of 2019, but domestic producers have told Argus that recent declines in the phosphate fertilizer sector will likely keep feed phosphate pricing steady in the first quarter. But a second quarter price increase is possible if fertilizer prices rebound in the spring.

October sales of domestic-produced feedgrade phos-

phates rose by 1pc month-over-month to 47,000st, but fell by 1pc from the previous year, according to the Fertilizer Institute (TFI). Lower sales of tricalcium phosphate (TCP) and dicalcium phosphate (DCP) offset higher volumes of monocalcium phosphate (MCP) in October.

Larger livestock populations continued to support higher MCP sales from the prior year. MCP sales rose by 16pc from a year ago to 38,000st in October. MCP sales increased by 9pc year-over-year to 396,000st through the first 10 months of the year.

Domestic sales of TCP and DCP continued to fall further year-over-year. TCP sales, which include Mosaic's Nexfos, posted a 40pc decline from a year ago to 6,623st in October. Domestic-produced DCP sales fell by 32pc from a year ago in October to about 2,200st, but rose by 30pc from September.

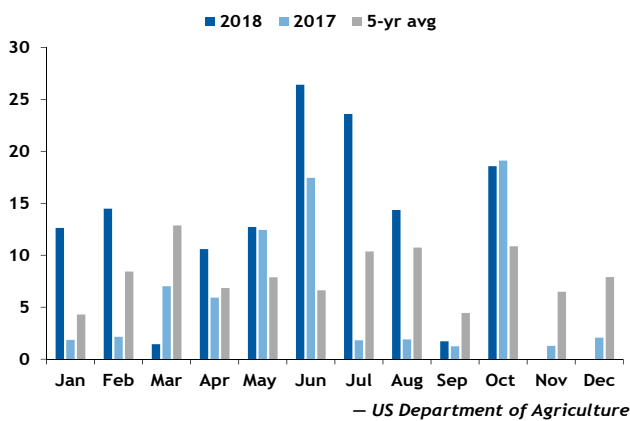
TCP sales from January-October declined by nearly 30pc year-over-year to about 80,000st, while DCP sales to date have declined by 26pc to about 24,332st.

Total feedgrade phosphate imports into the US fell by 3pc from last year to 18,500st in October, but rose by 71pc from the five-year average, according to US customs data.

Russian shipments of MCP accounted for 92pc of all feedgrade imports in October. Other leading sources of MCP during the month include China at 386st, Mexico at 357st and Germany at 255st. Germany was the leading supplier of DCP in October at 429st. Through the first 10 months of the year, US feedgrade phosphate imports have increased by 69pc year-over-year to 136,000st.

MCP exports in October fell by 85pc from last year to 3,871st on softer Asian demand. Total year-to-date (January-October) US feedgrade phosphate exports are down by 16pc year-over-year to 194,000st.

US feed phosphate imports '000st



PRILLED UREA

Dry-grade prilled urea prices fell by \$18.50/st at the midpoint from last month to \$280-305/st fob Nola in November.

The prilled urea market was in flux in November, softening in line with granular urea prices. Indications this month fell as supply length pushed prilled offers down to near-parity with granular pricing.

But despite the overall length of the urea market, prilled availability could be limited in the short-term as Yara's Libyan joint-venture plant, usually a major supplier of prills to the US, remains offline.

DEMAND FUNDAMENTALS

Large populations of beef cattle and swine are expected to

drive feedgrade mineral demand during the winter. Rising global demand for US meat and improving trade relations with China could support domestic feedgrade mineral demand during the next 12 months.

Meanwhile, beef, pork and poultry production are projected to rise by 3pc year-over-year to a record 102.2bn lb in 2018, and is estimated to rise another 3pc in 2019, according to the US Department of Agriculture (USDA). Expanding meat production in the US is bullish for domestic feedgrade mineral consumption and use.

Globally, African swine fever (ASF) in China continued to spread throughout the region, with multiple outbreaks now confirmed in the southern province of Yunnan near Myanmar, Laos and Vietnam, according to the World Organization for Animal Health (OIE). Both Myanmar and Vietnam have taken additional measures to protect their herds from the virus, OIE said.

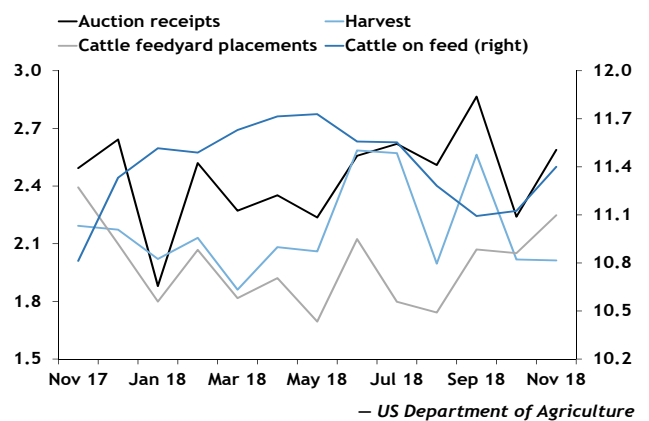
Beef

The US feedlot inventory reached 11.7mn head on 1 November, a 3pc increase from the previous year, according to the USDA. The November total was the highest since 2011 and ended a four-month stretch of record high inventories.

Feedlot placements fell by 6pc year-over-year to 2.2mn head in October after drought conditions allowed producers to move calves to feed earlier in the summer.

Pasture conditions in the Northern Plains and Southern Plains improved from last year as a result of wet weather this fall. Recharged soil moisture levels raised the amount of pasture land in good-to-excellent condition in the Northern Plains to 51pc, up by 18 percentage points from last year. Moisture levels in the Southern Plains rose to 41pc good-to-excellent, up by five percentage points from a year ago. Pasture conditions in Colorado fell by 20 points year-over-year with 29pc rated good-to-excellent as 83pc of the state was under some degree of drought.

Slaughter cattle market balance mn head



Improved range conditions could keep cattle on grass longer and give producers a wider window to market cattle.

Commercial red meat production rose by 2pc year-over-year to 5.3bn lb in November, according to the USDA. Beef production increased from a year ago to 2.6bn lb. Commercial cattle slaughter climbed by 1pc year-over-year to 2.5mn head, while beef cow kill fell by 1pc year-over-year to 298,592 head.

US beef exports continued at a record pace, rising by 6pc from last year to a record-high 117,838t amid strong demand in Asia and Latin America. Japan remained the primary buyer at nearly 27,000t, up by 12pc year-over-year. Demand for US beef in South Korea has been strong this year as year-to-date (January-October) volumes rose by 35pc from last year. The US now controls 53pc of the beef market share in South Korea, despite slightly higher imports from Australia and New Zealand.

US beef supplies in cold storage grew in October by 2pc month-over-month to 515mn lb.

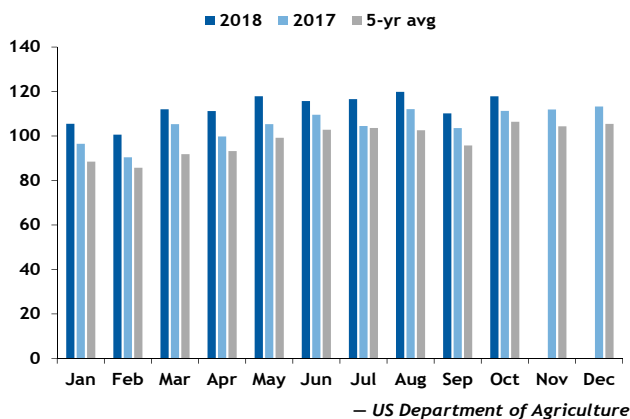
Dairy

The domestic dairy cow herd fell by 2,000 head month-over-month to 9.37mn head in October, according to the USDA. Producers have incrementally lowered the national herd since June as class one milk base prices declined and hay prices climbed. Despite the US, Mexico, Canada trade agreement (USMCA) opening up more market access to US dairy producers, the class one milk base price remains 5pc below a year ago at \$15.52/hundredweight in November.

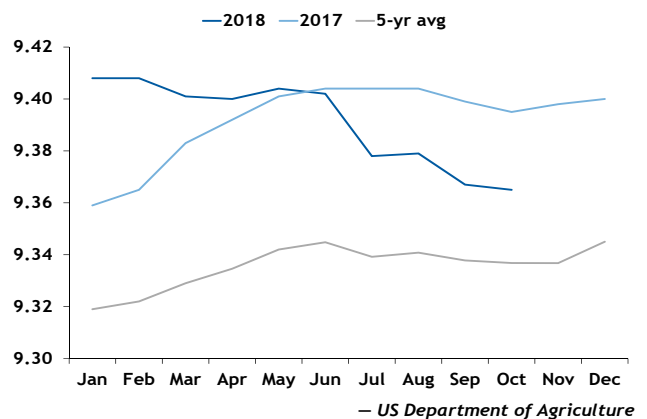
Domestic milk production in October rose by nearly 1pc year-over-year to 17.9bn lb during the third quarter as productivity increased during the month. Milk produced per cow increased by 1pc from 2017 in October period as each animal produced an estimated average of 1,934 lb milk.

Cold storage inventories of butter and cheese increased from a year ago as cheese stock grew by 8pc to 1.37bn lb, while butter stocks rose by 6pc to 231mn lb. American-type cheese frozen stocks closed at 814mn lb in October, up by 10pc from last year. Non-American-type cheese stocks, primarily Italian types, rose by 6pc year-over-year to 559bn lb.

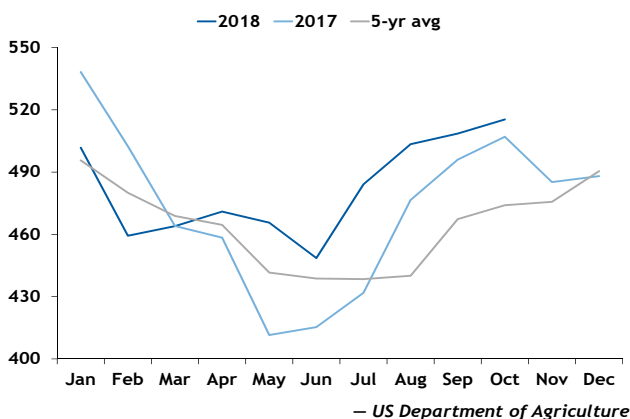
US beef exports '000t



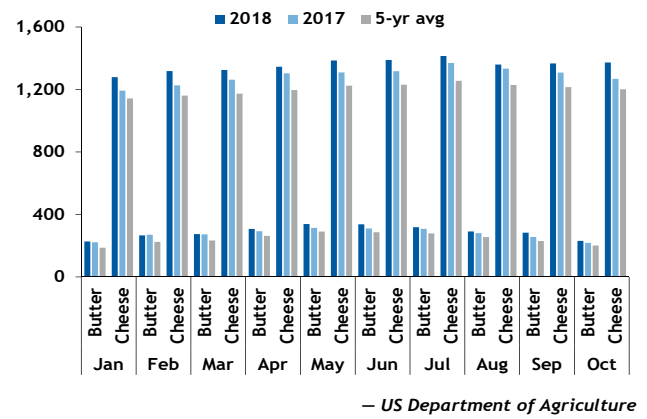
US milk cow population mn head



Beef cold storage mn lb



Butter and cheese cold storage mn lb



Pork

Pork exports hit a six-month high of 208,725t in October, despite declining shipments to China pushing exports down by 2pc from last year. Mexico was the leading market for US pork at 67,000t, despite a 4pc year-over-year decline. US exports in October to China fell by 47pc from last year to nearly 12,000t.

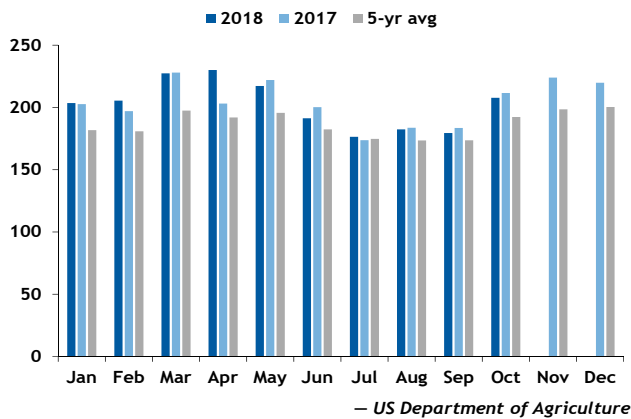
Domestic pork production in November fell by 15pc from last year to 2.2bn lb, despite a 4pc rise in the monthly hog harvest during the same period to 12.2mn head. The 16pc rise in exports month-over-month led to a 5pc increase in frozen pork stocks in October.

Poultry

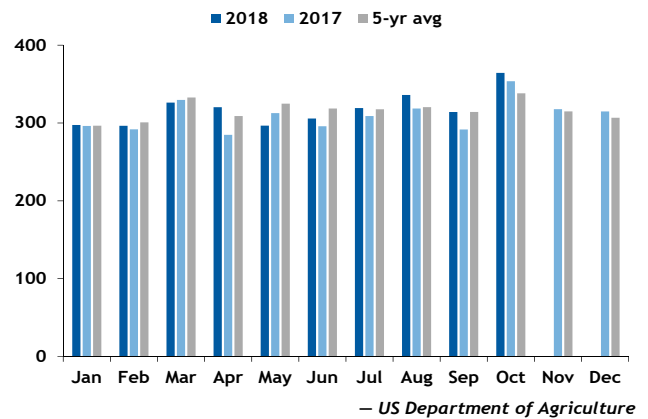
Chicken cold storage stocks in October increased by 8pc year-over-year to 942.9mn lb, despite falling by 2pc from the previous month. Several poultry categories increased during the month as breast meat and thigh quarter volumes rose by 4pc and 10pc, respectively, to 185mn lb and 13mn lb from September. Chicken drumstick volumes increased by 76pc year-over-year to 38.5mn lb.

US poultry exports rose by 3pc from a year ago to 364,380t in October on increased shipments to Mexico and Southeast Asia. Mexico was the leading market for US poultry, rising by 11pc year-over-year to 80,433t.

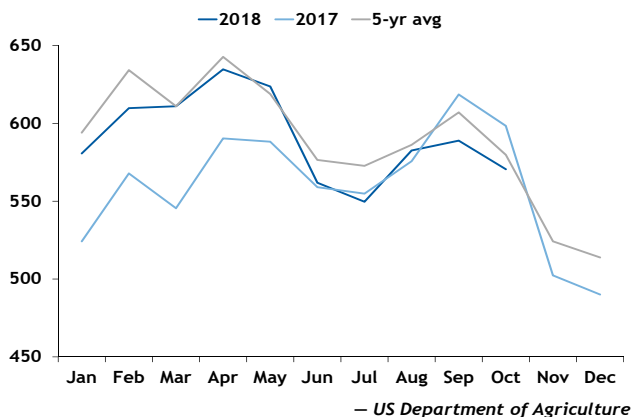
US pork exports '000t



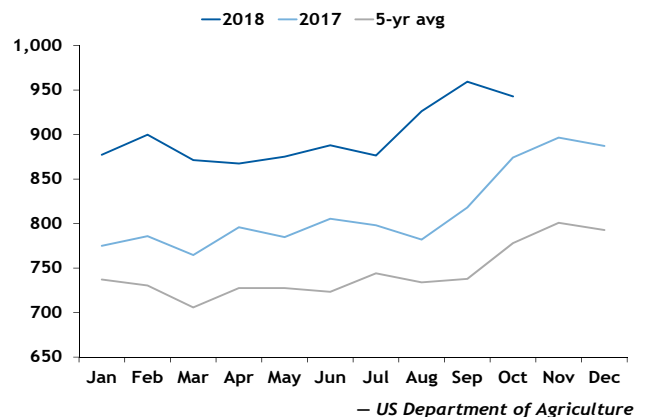
US poultry meat exports '000t



Pork cold storage mn lb



Chicken cold storage mn lb



NEWS

Swine fever cuts December Chinese hogs

China lost 80,216 hogs to African swine fever (ASF) and government culls in just the first 10 days of December, up from 52,925 in November, with more on-farm cases confirmed.

From the end of October to 10 December, China reported 1,708 new cases of ASF amid 29 new outbreaks (down from 30 in October), bringing the year-to-date total to 89 outbreaks according to the World Organization for Animal Health (OIE).

ASF has now spread through every major pork producing province in China as two cases were reported in Sichuan province in November. Sichuan province harvested 9pc of China's estimated 700mn head pig crop last year, more than any other province, according to data from the US Department of Agriculture (USDA) and China's Ministry of Agriculture and Rural Affairs (Mara).

Mara said in December that it will implementing a ban on pig farming in areas inhabited by wild boars to prevent the spread of ASF, after the country's first confirmed case of ASF in the wild pig population on 9 November in Jilin province, about 15 miles from the border with North Korea.

The ongoing ASF epidemic has caused upheaval in the Chinese domestic pork market, with transportation bans hindering normal supply flows. The situation is expected to deteriorate as the country's Lunar New Year holiday approaches.

But there is concern in the global market that conditions may be worse than what is being reported as the Food and Agriculture Organization of the United Nations (FAO) sites more than 630,000 pigs have been destroyed as a result of ASF. The USDA reported US export pork sales to China of 5,532t at the end of November for the current marketing year, twice as much as last year, despite the 62pc import duty. There was also 9,384t for the next marketing year, as traders test the market.

Mexico clears path for more Brazilian chicken

The Mexican government more than doubled the number of Brazilian poultry plants permitted to export into the country to 46 in November.

The authorization of 26 additional poultry facilities, reported by the Brazilian Ministry of Agriculture, Livestock and Food Supply (Map), gives Brazil greater access to the world's second-largest import market for chicken products and threatens to expedite the ongoing erosion of the US' stance in the market.

The US, Brazil and Chile are the top suppliers of chicken to Mexico, according to trade data. In 2017, the US supplied 86pc of the 788,000t of chicken imported into Mexico, while Brazil accounted for 12pc of foreign supplies. But the US hold has been loosening since 2013 when Mexico introduced an annual import quota system. Since then, US market share has fallen by 12 percentage points, replaced by Brazil.

Another round of Mexican trade missions to Brazil are still being discussed in 2018, said Map, to evaluate a possible rise in the number of establishments authorized to export heat-treated beef.

Announcement

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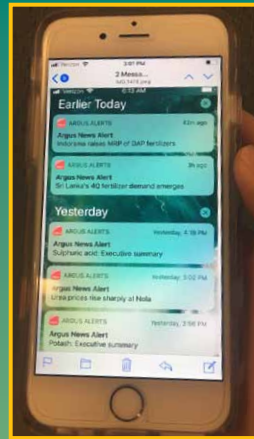


North American Fertilizer Production Map
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