

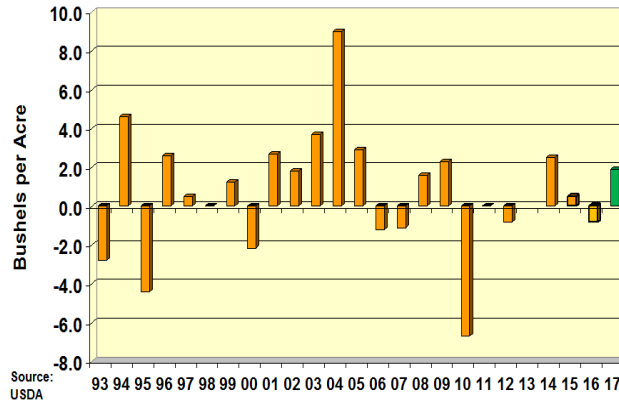
## Rains have slowed harvest in the WCB reducing crop yield ideas

Phone: (312) 264-4369  
E-Mail: [jgidel@pricegroup.com](mailto:jgidel@pricegroup.com)

### U.S. Corn Supply/Demand

(Millions)	2017/18		2017/18		2018/19	
	USDA Aug	USDA Sept	Price Oct Est.	USDA Aug	USDA Sept	Price Oct Est.
Planting Acres	90.17	90.17	90.17	89.13	89.13	89.13
Harvested Acres	82.70	82.70	82.70	81.77	81.77	81.50
Yield in Bu.	176.6	176.6	176.6	178.4	181.3	180.9
Initial Stocks	2,293	2,293	2,293	2,027	2,002	2,140
Production	14,604	14,604	14,604	14,586	14,827	14,745
Imports	40	40	40	50	50	50
Ttl Supply	16,937	16,937	16,937	16,664	16,879	16,935
Feed/Residual	5,450	5,450	5,288	5,525	5,575	5,525
Food/Seed	1,460	1,460	1,465	1,480	1,480	1,480
Ethanol	5,600	5,600	5,606	5,625	5,650	5,650
Ttl Domestic	12,510	12,510	12,359	12,630	12,705	12,655
Exports	2,400	2,425	2,438	2,350	2,400	2,425
Ttl Usage	14,910	14,935	14,797	14,980	15,105	15,080
Ending Stocks	2,027	2,002	2,140	1,684	1,774	1,855
Stks/Use Ratio	13.6%	13.4%	14.5%	11.2%	11.7%	12.3%

### U.S. Corn Yield Change Sept to Oct Period



### Market Analysis

After above-normal temperatures advanced the maturity of the 2018 corn and soybeans crops this past season, current excessive rains are threatening parts of the western Midwest for the second time this crop year. Early season yields from the ECB have been generally good to excellent for both corn and soybeans, but a more mixed result has occurred in the West. Moisture over past 14 days and the forecast of heavy rains have heightened market concerns and slowed the harvest in the WCB limiting yield reports from this important region.

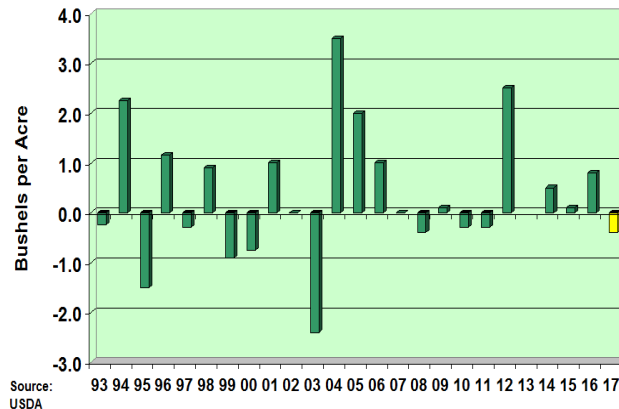
In corn, last week's higher final ending stocks of 138 million bu, vs. last month effectively added supplies representing 1.7 bu. of yield to 2018/19 corn output. Food/ethanol demand may be up while exports down slightly, but the USDA will revise feed/residual usage to near 5.3 billion bu. for 2017/18 crop. next week. Given US live-stock numbers, these larger stocks suggest last year's crop was underestimated. Looking at 2018/19, heavy rains across N. IA and S. MN last spring could reduce harvested area by 270,000 acres when FSA data is available this month. This smaller area and a slightly lower yield of 0.4 bu. from minor western states declines could result in 14.745 billion bu. crop (corn has only minor yield changes.5 of last 7 years) Overall, corn's 2018/19 stocks may rise by 81 million bu. to 1.855 billion bu. on Oct. 11.

In soybeans, last week's higher final ending stock level prompted the USDA to up 2017's crop size by 19 million bu. They will also likely revise bean's residual usage downward to compensate for 2017/18's 43 million higher stocks. Similar to corn, last spring's wet weather into June likely shaved 400,000 harvested soybean acres from 2017/18 crop. Early field yields have been generally strong despite the western Midwest rains suggesting October's bean yield may rise to 53 bu. like 4 out of last 5 years. US bean stocks likely rise 883 million bu. (+38)

### U.S. Soybean Supply/Demand

(Millions)	2017/18		2017/18		2018/19	
	USDA Aug	USDA Sept	Price Oct Est.	USDA Aug	USDA Sept	Price Oct Est.
Planted Acres	90.14	90.14	90.14	89.56	89.56	89.56
Harvested Acres	89.52	89.52	89.52	88.86	88.86	88.46
Yield in Bu.	49.1	49.1	49.3	51.6	52.8	53.0
Initial Stocks	302	302	302	430	395	438
Production	4,392	4,392	4,411	4,586	4,693	4,688
Imports	22	22	22	25	25	25
Ttl Supply	4,716	4,716	4,735	5,041	5,113	5,151
Crush	2,040	2,055	2,055	2,060	2,070	2,070
Seed	104	104	104	103	103	103
Residual	32	32	9	33	34	34
Ttl Domestic	2,176	2,191	2,168	2,196	2,207	2,207
Exports	2,110	2,130	2,129	2,060	2,060	2,060
Ttl Usage	4,286	4,321	4,297	4,256	4,267	4,267
Ending Stocks	430	395	438	785	845	883
Stks/Use Ratio	10.0%	9.1%	10.2%	18.4%	19.8%	20.7%

### U.S. Soybean Yield Change Sept to Oct Period



**What's Ahead** With the Western Midwest harvest stalled and potentially delayed for another 7-10 days because of forecasted moisture, concerns about field losses could become a bigger market factor. Quality issues could also arise if the rains continue. This could produce an emotional upward reaction ahead of Oct 11 crop, but spikes to \$3.70-74 in Dec and \$8.80-90 in Nov should be used for catch up sales of 10-20%.

**Disclaimer** – The information contained in this report reflects the opinion of the author and should not be interpreted in any way to represent the thoughts of The PRICE Futures Group, any of its affiliates, nor any of its employees. Futures and commodity option trading involve significant risk of loss and may not be suitable for every investor. Information contained herein is intended for informational purposes and is not to be construed as an offer to sell or a solicitation to buy or trade in any commodity or security mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. This author does not trade in the commodity contracts being discussed in this report. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by the author from USDA, other public data and proprietary models unless otherwise noted & credited.