

USDA MARCH CROP-S&D UPDATES

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Lower exports up corn & wheat stocks, but S Am crop limit beans

U.S. Corn Supply/Demand							U.S. Wheat Supply/Demand						
(Millions)	2017/18 USDA Feb	2018/19 USDA Dec	2018/19 USDA Feb	2018/19 USDA Mar	2019/20 Ag Outlk Est	2019/20 Price Est	(Millions)	2017/18 USDA	2018/19 USDA	2018/19 USDA	2018/19 USDA	2019/20 Ag Outlk	2019/20 Price
Planting Acres	90.17	89.14	89.13	89.13	92.00	91.90	Planting Acres	Jan 46.01	Dec 47.80	Feb 47.80	Mar 47.80	Feb 47.00	47.81
Harvested Acres	82.73	81.77	81.74	81.74	84.60	84.90	Harvested Acres	37.59	39.61	39.61	39.61	39.80	40.31
Yield in Bu.	<u>176.6</u>	<u>178.9</u>	<u>176.4</u>	<u>176.4</u>	<u>176.0</u>	<u>175.5</u>	Yield in Bu.	46.3	47.6	47.6	47.6	<u>47.8</u>	48.4
Initial Stocks	2,293	2,140	2,140	2,140	1,735	1,835	Initial Stocks	1.181	1,099	1.099	1.099	1,010	1,055
Production	14,609	14,626	14,420	14,420	14,890	14,900	Production	1,741	1,884	1,884	1.884	1,902	1,951
Imports	36	45	40	40	40	50	Imports	157	140	140	145	140	140
Ttl Supply	16,939	16,811	16,600	16,600	16,665	16,785	Ttl Supply	3,078	3,123	3,123	3,128	3,052	3,146
Feed/Residual	5,304	5,500	5,375	5,375	5,500	5,500		<i>'</i>					
Food/Seed	1,451	1,480	1,465	1,465	1,465	1,480	Food	964	970	970	965	975	975
Ethanol	5,605	5,600	5,575	5,550	5,575	5,600	Seed	63	69	63	63	68	67
Ttl Domestic	12,360	12,580	12,415	12,390	12,540	12,580	Feed/Residual	50	110	80	80	90	110
Exports	2,438	2,450	2,450	2,375	2,475	2,400	Ttl Domestic Export	1,078 901	1,149 1,000	1,113 1,000	1,108 965	1,133 975	1,152 975
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Ttl Usage	14,798	15,030	14,865	14,765	15,015	14,980	Ttl Usage	1,979	2,149	2,113	2,073	2,108	2,127
Ending Stocks	2,140	1,781	1,735	1,835	1,650	1,805	End Stocks	1,099	974	1,010	1,055	944	1,019
-												44.8%	47.9%
Stks/Use Ratio Trade Ave. Est.	14.5% U.S. So	11.8% oybean S	11.7% Supply/D	12.4% 1,736 Demand	11.0%	12.0%	Stks/Use Ratio Trade Ave. Est.	55.5%	45.3%	47.8%	50.9% 1,020	44.8%	47.9%
Stks/Use Ratio Trade Ave. Est.				1,736	11.0% 2019/20 Ag Outlk Feb	2019/20 Price Est	190000 180000 170000 160000		Soybean		1,020	44.8%	47.9%
Stks/Use Ratio Trade Ave. Est.	U.S. So	2018/19 USDA	Supply/D 2018/19 USDA	1,736 Demand 2018/19 USDA	2019/20 Ag Outlk	2019/20 Price	190000 180000 170000 160000 150000				1,020	44.8%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres	U.S. So 2017/18 USDA Feb 90.16	2018/19 USDA Dec	Supply/D 2018/19 USDA Feb	1,736 Demand 2018/19 USDA Mar	2019/20 Ag Outlk Feb	2019/20 Price Est	190000 180000 170000 150000 0010000				1,020	44.8%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres	U.S. So 2017/18 USDA Feb 90.16	2018/19 USDA Dec 89.15	2018/19 USDA Feb 89.20	1,736 Demand 2018/19 USDA Mar 89.20	2019/20 Ag Outlk Feb 85.00	2019/20 Price Est 85.40	190000 S. An 180000 170000 150000 150000 140000				1,020	44.8%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres	U.S. So 2017/18 USDA Feb 90.16 89.54	2018/19 USDA Dec 89.15 88.35	2018/19 USDA Feb 89.20 88.11	1,736 Demand 2018/19 USDA Mar 89.20 88.11	2019/20 Ag Outlk Feb 85.00 84.30	2019/20 Price Est 85.40 84.40	190000 S. An 170000 180000 150000 140000 E130000 P120000 P120000				1,020	44.5%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175	2019/20 Price Est 85.40 84.40 50.5 900 4,260	190000 S. An 170000 150000 150000 140000 15130000 151200000 15120000 15120000 15120000 15120000 15120000 15120000 151200000 15120000 15120000 15120000 15120000 15120000 15120000 151200000 15120000 15120000 15120000 15120000 15120000 15120000 151200000 15120000 15120000 15120000 15120000 15120000 15120000 151200000 15120000 15120000 15120000 15120000 15120000 15120000 151200000 15120000 151200000 151200000 151200000 1512000000 15120000000000				1,020	44.5%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302	2018/19 USDA Dec 89.15 88.35 52.1	2018/19 USDA Feb 89.20 88.11 51.6	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438	2019/20 Ag Outlk Feb 85.00 84.30 49.5	2019/20 Price Est 85.40 84.40 50.5	190000 S. An 180000 180000 150000 150000 1210000 130000 1210000 1510000 1510000 1510000				1,020	44.5%	47.9%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175	2019/20 Price Est 85.40 84.40 50.5 900 4,260	190000 S. An 180000 170000 160000 150000 1210000 1210000 1210000 1210000 1210000 150000 150000 150000 150000 150000 150000 15000000 15000000 15000000 15000000 1500000 1500000 15000000 150000000 150000000 150000000 1500000000				1,020	44.5%	41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20	2019/20 Price Est 85.40 84.40 50.5 900 4,260	190000 S. An 170000 1500000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 150000 150000 150000 1500000 150000 150000 150000 150000 150000 1500000 1500000 1500000 1500000 1500000 15000000 15000000 1500000 1500000000				1,020	44.5%	41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22 4,735 2,055 104	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100 96	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93	190000 180000 170000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000 150000	nerican s		Output	1,020		41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22 4,735 2,055	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060	190000 S. An 180000 150000 140000 150000 120000 120000 1210000 1210000 1210000 1210000 1210000 1210000 1210000 1210000 1210000	nerican s	Soybean	Output	1,020		41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22 4,735 2,055 104	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100 96	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93	Trade Ave. Est. 190000 180000 150000 150000 150000 1510000	nerican s	Soybean	Output	1,020		41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed Residual	U.S. So 2017/18 USDA Feb 90.16 49.3 302 4,412 22 4,735 2,055 104 9	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96 32	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96 31	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100 96 31	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93 37	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93 32	190000 180000 170000 15000 1500	nerican s	Soybean	Output	1,020		41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed Residual Ttl Domestic	U.S. So 2017/18 USDA Feb 90.16 88.54 49.3 302 4,412 22 4,735 2,055 104 9 2,168	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96 32 2,208	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96 31 2,217	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100 96 31 2,227	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93 37 2,235	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93 32 2,185	Trade Ave. Est. 190000 180000 150000 150000 150000 1510000	nerican s	Soybean	Output	1,020		41.3%
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed Residual Ttl Domestic Exports	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22 4,735 2,055 104 9 2,168 2,129	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96 32 2,208 1,900	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96 31 2,217 1,875	1,736 Demand 2018/19 USDA Mar 89.20 88.11 51.6 438 4,544 20 5,002 2,100 96 31 2,227 1,875	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93 37 2,235 2,025	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93 32 2,185 2,100	190000 S. An 170000 150000 150000 15100000 15100000 15100000 151000000 1510000000 15100000000	nerican s	Soybean Brazil Brazil A	Output	1,020		
Stks/Use Ratio Trade Ave. Est. (Millions) Planted Acres Harvested Acres Yield in Bu. Initial Stocks Production Imports Ttl Supply Crush Seed Residual Ttl Domestic Exports Ttl Usage	U.S. So 2017/18 USDA Feb 90.16 89.54 49.3 302 4,412 22 4,735 2,055 104 2,168 2,129 4,297	2018/19 USDA Dec 89.15 88.35 52.1 438 4,600 25 5,063 2,080 96 32 2,208 1,900 4,108	2018/19 USDA Feb 89.20 88.11 51.6 438 4,544 20 5,002 2,090 96 31 2,217 1,875 4,092	1,736 Demand 2018/19 USDA Mar 88.20 88.11 51.6 438 4,544 20 5,002 2,100 96 31 2,227 1,875 4,102	2019/20 Ag Outlk Feb 85.00 84.30 49.5 910 4,175 20 5,105 2,105 93 37 2,235 2,025 4,260	2019/20 Price Est 85.40 84.40 50.5 900 4,260 25 5,185 2,060 93 32 2,185 2,100 4,285	Trade Ave. Est. 190000 180000 170000 150000	nerican s	Soybean Brazil Brazil A	Output	1,020		

What's Ahead This year's 6.7 mmt decline in S. American soy output from last fall's USDA expectations remains a significant factor for the world markets. The direction of this output and the impact of spring weather on America's producers seeding decisions are some big market factors going forward. Hopefully, all parties in the US/China tariff negations know the importance of a deal needing to be done soon. Hold sales.

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Market Analysis

The USDA had some unexpected surprises on their monthly supply/demand again this month. This time it was some bigger cuts in corn's and wheat's demand (primarily in US exports) that prompted this month's higher than expected 2018/19 ending stocks levels. Interestingly, the USDA did slice this year's soybean stocks by upping the US crush outlook by 10 million bu., but the World Board's limited reduction in Brazil's crop size (-500,000 tons) vs. ideas of 1.5 to 2.0 mmt cut was a bit of a disappointment for many observers.

Despite the USDA slicing 75 million bu. from exports and 25 million from ethanol usage for this month's 100 million higher stocks, corn prices had a modest recovery after the numbers were released. A 1.25 mmt cut in corn's ending stocks on higher world feed demand and prices being oversold (20 cents drop in prior 2 weeks) seem to be behind the relatively stable response to negative news. However, more focus on the poor planting situation in the Delta and the SE and excessive snow levels in the WCB; plus improving US/Chinese tariff news are likely needed for a big recovery,

In wheat, the USDA's 35 million bu. export cut, 5 million lower food and 5 million higher imports on Friday's update jumped this year's stocks 30-35 million over the trade's pre-report average. However, the heavy pre-report selling that pressured KC prices 41 cents lower in previous 2 weeks and the modest condition of the US winter wheat crop lead to a slightly higher close.

Rumors of 2 mmts of additional Chinese bean buys occurred on Thursday (664,000 tons announced overnight) ahead of the USDA's balance sheet changes, However, news reports of a possible snag developing over intellectual property & subsidies that may delay the final signing of an agreement past a previously suggested March 27 date limited the soy complex's upside.

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