

## March 1 stocks impact carryovers, but US plantings/tariffs still important

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### U.S. Corn Supply/Demand

(Millions)	2018/19		2018/19		2019/20	
	USDA Dec	USDA Feb	USDA Mar	Price Apr Est	Ag Outlk Feb	Price Est
Planting Acres	89.14	89.13	89.13	89.13	92.00	92.79
Harvested Acres	81.77	81.74	81.74	81.74	84.60	85.29
Yield in Bu.	178.9	176.4	176.4	176.4	176.0	176.0
Initial Stocks	2,140	2,140	2,140	2,140	1,735	2,035
Production	14,626	14,420	14,420	14,420	14,890	15,010
Imports	45	40	40	40	40	40
Ttl Supply	16,811	16,600	16,600	16,600	16,665	17,085
Feed/Residual	5,500	5,375	5,375	5,225	5,500	5,400
Food/Seed	1,480	1,465	1,465	1,465	1,465	1,480
Ethanol	5,600	5,575	5,550	5,500	5,575	5,600
Ttl Domestic	12,580	12,415	12,390	12,190	12,540	12,480
Exports	2,450	2,450	2,375	2,375	2,475	2,425
Ttl Usage	15,030	14,865	14,765	14,565	15,015	14,905
Ending Stocks	1,781	1,735	1,835	2,035	1,650	2,180
Stks/Use Ratio	11.8%	11.7%	12.4%	14.0%	11.0%	14.6%

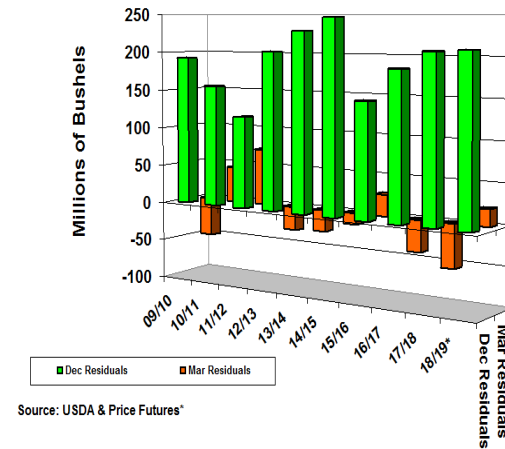
### U.S. Soybean Supply/Demand

(Millions)	2018/19		2018/19		2019/20	
	USDA Dec	USDA Feb	USDA Mar	Price Apr Est	Ag Outlk Feb	Price Est
Planting Acres	89.15	89.20	89.20	89.20	85.00	84.62
Harvested Acres	88.35	88.11	88.11	88.11	84.30	83.62
Yield in Bu.	52.1	51.6	51.6	51.6	49.5	50.0
Initial Stocks	438	438	438	438	910	887
Production	4,600	4,544	4,544	4,544	4,175	4,180
Imports	25	20	20	20	20	20
Ttl Supply	5,063	5,002	5,002	5,002	5,105	5,087
Crush	2,080	2,090	2,100	2,100	2,105	2,075
Seed	96	96	96	94	93	93
Residual	32	31	31	46	37	32
Ttl Domestic	2,208	2,217	2,227	2,240	2,235	2,200
Exports	1,900	1,875	1,875	1,875	2,025	2,050
Ttl Usage	4,108	4,092	4,102	4,115	4,260	4,250
Ending Stocks	955	910	900	887	845	837
Stks/Use Ratio	23.2%	22.2%	21.9%	21.6%	19.8%	19.7%

### U.S. Wheat Supply/Demand

(Millions)	2018/19		2018/19		2019/20	
	USDA Dec	USDA Feb	USDA Mar	Price Apr Est	Ag Outlk Feb	Price Est
Planting Acres	47.80	47.80	47.80	47.80	47.00	45.75
Harvested Acres	39.61	39.61	39.61	39.61	39.80	38.50
Yield in Bu.	47.6	47.6	47.6	47.6	47.8	48.5
Initial Stocks	1,099	1,099	1,099	1,099	1,010	1,097
Production	1,884	1,884	1,884	1,884	1,902	1,848
Imports	140	140	145	145	140	140
Ttl Supply	3,123	3,123	3,128	3,128	3,052	3,085
Food	970	970	965	965	975	975
Seed	69	63	63	61	68	67
Feed/Residual	110	80	80	65	90	90
Ttl Domestic	1,149	1,113	1,108	1,091	1,133	1,132
Export	1,000	1,000	965	940	975	975
Ttl Usage	2,149	2,113	2,073	2,031	2,108	2,107
End Stocks	974	1,010	1,055	1,097	944	978
Stks/Use Ratio	45.3%	47.8%	50.9%	54.0%	44.8%	46.4%

### U.S. Soybean Residuals by Quarter



### Market Analysis

The US planting intentions got the trade's initial attention last week after 2019's producer survey showed corn plantings higher and soybean lower than the trade ideas. The USDA won't utilize this planting data until its first 2019/20 US and World supply/demand outlooks are released on May 10. Its importance however justifies a balance sheet creation utilizing Ag Forum trends. The latest quarterly stocks data—plus our domestic processing and US export trends—were utilized to determine if April 9 US old-crop corn, wheat & soybean balance sheets need changes.

As previously reported, corn's March 1 stocks were 270 million bu. above expectations. This suggests a possible underestimate of 2018 harvest has occurred. This will be handled as a reduction in corn's feed & residual demand by a likely 150 million bu. cut in this usage to 5.225 billion. This week's February US ethanol corn grind was 408 million bu. bringing this year's 2<sup>nd</sup> quarter demand to 1.308 billion bu. Weather & low gas prices sliced this bio-fuel demand by 90 million bu. vs. last year, prompting a 50 million bu. 18/19 ethanol drop this month. US export sales are slightly behind their seasonal pace, but this year's shipments are on their 5 year pace so no change in exports is expected. April's corn carryover will likely rise 200 million bu. to 2.035 billion. This stock rise and Friday's 1.46 million higher 2019 US plantings than expected could advance the USDA's new crop corn carryover to over 2.1 billion bu. next month.

Wheat's March stocks suggests a 15 million cut in feed demand. Even with a seasonal up in humanitarian aid, this crop's exports maybe cut 25 million & stocks up 42 million.

Soybeans' 21 million bu. rise in 2<sup>nd</sup> quarter residual disappearance suggests old crop might be overestimated prompting a residual jump this month. With US crush 49 million ahead of last year and recent export sales picking up sharply, no crush or export changes are expected.

**What's Ahead** With US/China trade talks ongoing and the Midwest forecast not encouraging for planting in the next few weeks, prices have rebounded from last week's reports. However, the latest March's quarterly stocks suggest more corn & wheat ending stocks limiting price potential unless 2019's plantings are extended into May. **Use May \$3.68-.72 range in corn & \$4.75-.80 range in wheat to have 70% & 80% sold in each.**

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