

Higher US & S. American outputs could loosen both old & new crop stocks

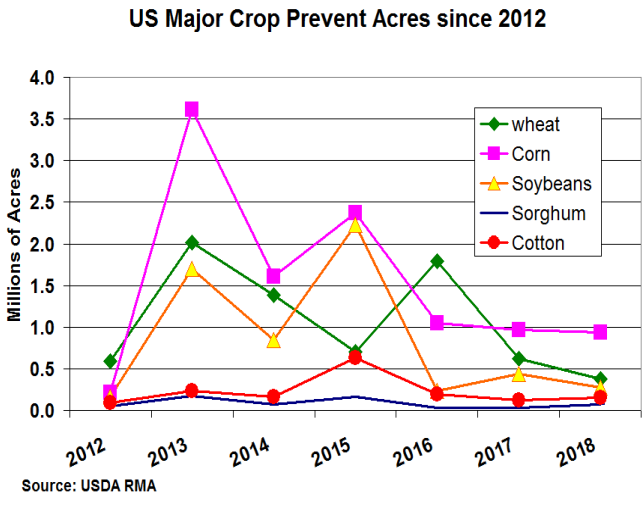
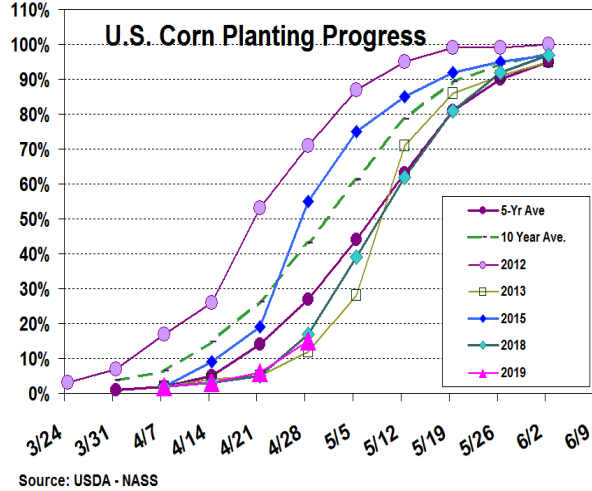
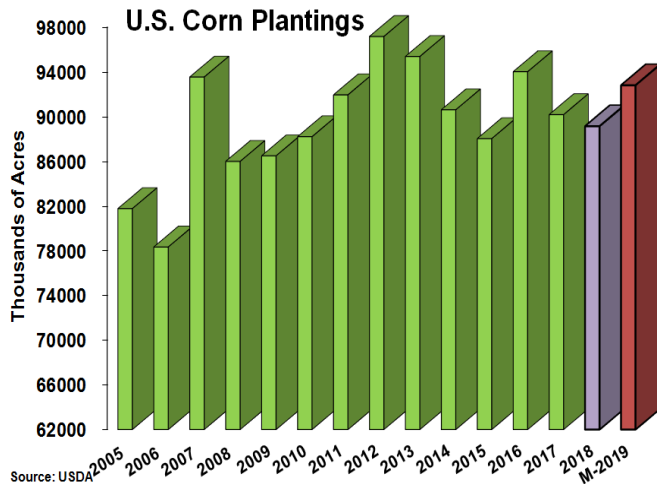
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Market Analysis

Corn's focus has been split between US planting season and the ongoing US/China trade talks which could be resolved in the near future. 2019's larger-than-expected 92.79 million planting intentions was 1.46 million higher than trade ideas weakening prices. However, below normal temperatures (snows in some areas) and above normal rainfall across much of eastern 2/3rds of US has significantly delayed this year's US corn plantings. Through April 29, the USDA reported only 15% of US crop had been planted; 12% below the 5-year average & 2% behind last year. Some progress occurred in W IA and other scattered WCB fields last week while the ECB had very limited progress. Overall, the US corn plantings are likely 23-25% this first week in May. This would be below 2013's 28% rate and the lowest in the USDA's planting data back to 1975. With rain forecast for the Central US in the coming week, seedings will likely remain sharply below corn's 5-year 62% average and 2013's 2nd week planting paces.

This situation suggests a significant jump in prevent plant acres vs. corn's 1 million acres that have been left fallow each of the past 3 years. A 100-150% jump in these idled acres doesn't seem impossible given the 3.5 million acres farmers took reduced insurance payments to not plant corn in 2013. Late plantings also reduces corn's yield potential by 5-20% (university estimates) depending on lateness after May 10. These impacts won't be known until the June 29 acreage report and field yield checks late this summer. However, late crops can be a smaller crop.

The USDA may leave their old-crop usage unchanged on the upcoming May 10 update after the USDA made some big adjustments in corn's demand forecasts last month, March 29's 200 million higher 2018/19 stocks and 2019's higher planting of 3.66 million acres than last year suggests an initial 2019-20 corn S&D table will have 2.2 billion bu. or higher ending stocks later this week.



(Millions)	2018/19 USDA Feb	2018/19 USDA Mar	2018/19 USDA April	2018/19 Price May Est.	2019/20 Ag Outlook Feb	2019/20 Price Mar 29 PP
Planting Acres	89.13	89.13	89.13	89.13	92.00	92.79
Harvested Acres	81.74	81.74	81.74	81.74	84.60	85.29
Yield in Bu.	176.4	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	14,420	14,420	14,420	14,420	14,890	15,010
Imports	40	40	40	40	40	40
Ttl Supply	16,600	16,600	16,600	16,600	16,665	17,085
Feed/Residual	5,375	5,375	5,300	5,300	5,500	5,400
Food/Seed	1,465	1,465	1,465	1,465	1,465	1,465
Ethanol	5,575	5,550	5,500	5,500	5,575	5,575
Ttl Domestic	12,415	12,390	12,265	12,265	12,540	12,440
Exports	2,450	2,375	2,300	2,300	2,475	2,400
Ttl Usage	14,865	14,765	14,565	14,565	15,015	14,840
Ending Stocks	1,735	1,835	2,035	2,035	1,650	2,245
Stks/Use Ratio	11.7%	12.4%	14.0%	14.0%	11.0%	15.1%

What's Ahead President Trump announced on twitter on the weekend that the US would advance the current 10% tariffs on \$200 billion of Chinese import to 25% on Friday if no deal is consummated. This news has pressure prices across the board despite the concerns over of 2019's US corn crop size from late plantings. **We are looking to sell 20-25% of 2018/19 crop in \$3.73-\$3.80 July range on a post-report bounce.**

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