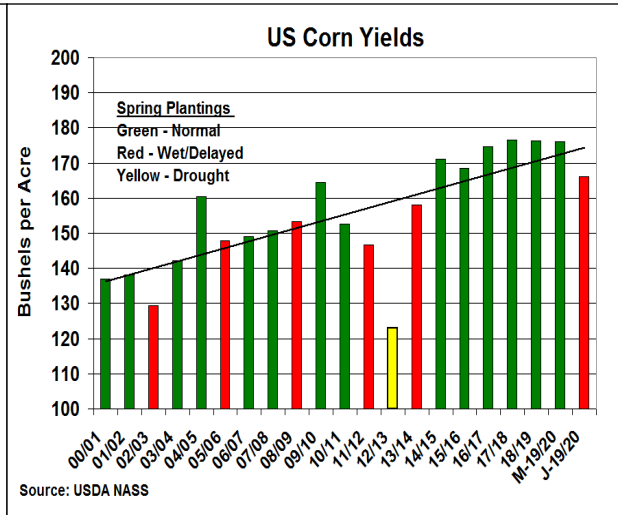


## Record Slow 2019 plantings was focus, but Lower Corn Yield firms CBOT

(Millions)	2018/19		2018/19		2019/20	
	USDA April	USDA May	USDA June	USDA May	Trade June est	USDA June
Planting Acres	89.13	89.13	89.13	92.79	90.06	89.79
Harvested Acres	81.74	81.74	81.74	85.40	82.66	82.40
Yield in Bu.	176.4	176.4	176.4	176.0	172.4	166.0
Initial Stocks	2,140	2,140	2,140	2,095	2,123	2,195
Production	14,420	14,420	14,420	15,030	14,251	13,680
Imports	40	35	35	35	43	50
Ttl Supply	16,600	16,595	16,595	17,160	16,417	15,925
Feed/Residual	5,300	5,300	5,300	5,450	5,400	5,150
Food/Seed	1,465	1,450	1,450	1,450	1,450	1,450
Ethanol	5,500	5,450	5,450	5,500	5,500	5,500
Ttl Domestic	12,265	12,200	12,200	12,400	12,350	12,100
Exports	2,300	2,300	2,200	2,275	2,150	2,150
Ttl Usage	14,565	14,500	14,400	14,675	14,500	14,250
Ending Stocks	2,035	2,095	2,195	2,485	1,917	1,675
Stks/Use Ratio	14.0%	14.5%	15.2%	16.9%	13.2%	11.8%



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### Market Analysis

The USDA's June report had some curves for the markets. The World Board's sharp drop in 2019's corn yield surprised the trade and firmed prices across the Board with the trade's focus on plantings because on 2019's cold/wet Midwest weather delaying the pace to a record slow level, No change in the US soybean seedings despite a modest decline in corn plantings was also a positive with frequent talk about producers switching to beans if they couldn't get their corn planted. This month's 6 million bu. higher US wheat output didn't startle this market, but the jump in the USDA's feed demand tightened US supplies modestly.

This month's combination of a 3 million acre cut in the US corn plantings and 10 bu. cut in the USDA's yield forecast to 166 bu. dropped the US corn forecast by 1.35 billion bu. (13.68 billion) and was 571 million lower than trade expectations. However, reduction in both old & new-crop exports and new-crop feed demand lessened the impact on corn's 2019/20 stocks to 1.675 billion bu. A 810 million drop from last month. Given the known agronomic impact of late plantings (only 2008 had a higher yield vs. recent levels) on corn's yield, the USDA decision to make this adjustment vs. a larger planting reduction seems like the best approach with a new planting update in 17 days.

Sluggish bean shipments recently prompted the USDA to reduce old crop's export by 75 million bu. This increase in beginning stocks were carried over to higher 2020 ending stocks by a similar amount since no 2019/20 demand levels were changed. The weather next 14 days will be major factor in 2019's bean plantings.

Higher hard red yields in KS & OK (+1 bu) helped overcome smaller soft red & white wheat output for a limited change in supply. Wheat's late surge in old-crop exports and the USDA's 50 million bu. jump in feed demand because of the 2019's likely sharp drop in corn supplies tightened wheat's stocks.

(Millions)	2018/19		2018/19		2019/20	
	USDA April	USDA May	USDA June	USDA May	Trade June Est	USDA June
Planted Acres	89.20	89.20	89.20	84.62	84.94	84.62
Harvested Acres	88.11	88.11	88.11	83.82	84.14	83.82
Yield in Bu.	51.6	51.6	51.6	49.5	49.0	49.5
Initial Stocks	438	438	438	995	1,004	1,070
Production	4,544	4,544	4,544	4,150	4,123	4,150
Imports	17	17	17	20	20	20
Ttl Supply	4,999	4,999	4,999	5,165	5,147	5,240
Crush	2,100	2,100	2,100	2,115	2,115	2,115
Seed	98	98	98	96	95	96
Residual	31	31	31	34	34	34
Ttl Domestic	2,229	2,229	2,229	2,245	2,244	2,245
Exports	1,875	1,775	1,700	1,950	1,920	1,950
Ttl Usage	4,104	4,004	3,929	4,195	4,164	4,195
Ending Stocks	895	995	1,070	970	983	1,045
Stks/Use Ratio	21.8%	24.9%	27.2%	23.1%	23.6%	24.9%

(Millions)	2018/19		2018/19		2019/20	
	USDA Mar	USDA April	USDA May	USDA June	USDA May	USDA June
Planting Acres	47.80	47.80	47.80	47.80	45.75	45.75
Harvested Acres	39.61	39.61	39.61	39.61	39.00	39.00
Yield in Bu.	47.6	47.6	47.6	47.6	48.6	48.7
Initial Stocks	1,099	1,099	1,099	1,099	1,127	1,102
Production	1,884	1,884	1,884	1,884	1,897	1,903
Imports	145	145	140	140	140	140
Ttl Supply	3,128	3,128	3,123	3,123	3,164	3,145
Food	965	965	960	960	965	965
Seed	63	62	62	62	68	68
Feed/Residual	80	70	50	50	90	140
Ttl Domestic	1,108	1,097	1,072	1,072	1,123	1,173
Export	965	945	925	950	900	900
Ttl Usage	2,073	2,042	1,996	2,022	2,023	2,073
End Stocks	1,055	1,086	1,127	1,102	1,141	1,072
Stks/Use Ratio	50.9%	53.2%	56.4%	54.5%	56.4%	51.7%
Trade Ave. Est.				1,121		1,118

**What's Ahead** This month's USDA update provided some insights on 2019 US crop prospects. However, the upcoming late planting and growing season for the spring row crops have many unknowns and exact sizes of US corn, soybean and spring wheat crops are yet to be determine. **Hold 2019/20 corn and KC wheat sales at 25-30% vs. \$4.40-\$4.55 & \$4.75-\$4.95 ranges. Have 15-25% of SX supplies sold in \$9.00-\$9.20 range.**

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