

After 2019's cold, wet spring, August acreage resurvey the focus

U.S. Corn Supply/Demand

(Millions)	2018/19		2018/19		2019/20		2019/20		2019/20	
	USDA June	USDA July	Price Aug Est	USDA June	USDA July	Price Aug est	USDA June	USDA July	Price Aug est	USDA June
Planting Acres	89.13	89.13	89.13	89.79	91.70	88.45				
Harvested Acres	81.74	81.74	81.74	82.40	83.60	80.45				
Yield in Bu.	176.4	176.4	176.4	166.0	166.0	166.0				
Initial Stocks	2,140	2,140	2,140	2,195	2,340	2,440				
Production	14,420	14,420	14,420	13,680	13,875	13,350				
Imports	35	35	35	50	50	50				
Ttl Supply	16,595	16,595	16,595	15,925	16,265	15,840				
Feed/Residual	5,300	5,275	5,275	5,150	5,175	5,150				
Food/Seed	1,450	1,430	1,430	1,450	1,430	1,430				
Ethanol	5,450	5,450	5,400	5,500	5,500	5,450				
Ttl Domestic	12,200	12,155	12,105	12,100	12,105	12,030				
Exports	2,200	2,100	2,050	2,150	2,150	2,000				
Ttl Usage	14,400	14,255	14,155	14,250	14,255	14,030				
Ending Stocks	2,195	2,340	2,440	1,675	2,010	1,810				
Stks/Use Ratio	15.2%	16.4%	17.2%	11.8%	14.1%	12.9%				

U.S. Soybean Supply/Demand

(Millions)	2018/19		2018/19		2019/20		2019/20		2019/20	
	USDA June	USDA July	Price Aug Est	USDA June	USDA July	Price Aug est	USDA June	USDA July	Price Aug Est	USDA June
Planted Acres	89.20	89.20	89.20	84.62	80.04	81.69				
Harvested Acres	88.11	88.11	88.11	83.82	79.27	80.69				
Yield in Bu.	51.6	51.6	51.6	49.5	48.5	48.5				
Initial Stocks	438	438	438	1,070	1,050	1,050				
Production	4,544	4,544	4,544	4,150	3,845	3,915				
Imports	17	17	17	20	20	20				
Ttl Supply	4,999	4,999	4,999	5,240	4,915	4,985				
Crush	2,100	2,085	2,070	2,115	2,115	2,115				
Seed	98	93	93	96	96	96				
Residual	31	72	72	34	34	34				
Ttl Domestic	2,229	2,250	2,235	2,245	2,245	2,245				
Exports	1,700	1,700	1,715	1,950	1,875	1,875				
Ttl Usage	3,929	3,950	3,950	4,195	4,120	4,120				
Ending Stocks	1,070	1,050	1,050	1,045	795	865				
Stks/Use Ratio	27.2%	26.6%	26.6%	24.9%	19.3%	21.0%				

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Market Analysis

Going into the August 12 crop report, the trade chatter remains on 2019's corn and soybean plantings because of the resurvey of Midwest acreage. After a cold, wet spring extended in June this year, the USDA decided to ask producers how they finalized plantings in 14 states. Given early June's planting paces, the major changes will likely occur in the ECB and the NW Midwest. We anticipate 3.25 million lower US corn plantings to 88.45 million acre with 2.15 million occurring the Eastern Midwest. With the USDA paying its 2019 market facilitation payment based upon planted acres, many in the ECB decided to plant soybeans vs. taking PP according to roadside reports. This suggests 2019's bean area may increase 1.65 million acres to 81.69 million.

Previous US August crop reports have been based upon observation plot plant counts and producer yield ideas. The USDA's financial decision to delay their counts till September and 2019 lateness suggests the current revised US corn & bean yields will likely be continued until more definitive field information surfaces.

For corn, this approach suggests a 525 million lower crop size of 13.35 billion bu. Given the recent sluggish in overseas demand and low margins in our domestic ethanol industry, old-crop stocks could rise 100 million bu. & these demand levels could be shaved for the new year. Overall, corn's 19/20 stocks could drop to 1.81 billion bu.

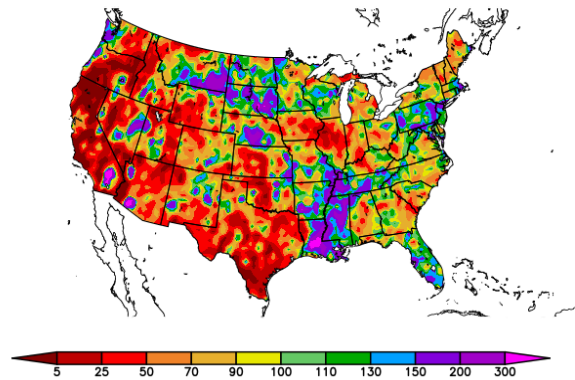
For beans, 2019's output could increase by 70 million to 3.915 billion from higher seedings. Late season export shipment strength likely balances a slight slowdown in crush leaving old-crop stocks unchanged. Higher output likely means 70 million bu. higher 19/20 stocks.

For wheat, Northern WW prospects may boost this variety, but PNW and northern ND dryness may slip spring wheat's output. Overall, US output may rise slightly to 1.294 billion with stocks up 3 million to 1.003 billion bu.

U.S. Wheat Supply/Demand

(Millions)	2018/19		2018/19		2019/20		2019/20		2019/20	
	USDA June	USDA July	Price Aug Est	USDA June	USDA July	Price Aug est	USDA June	USDA July	Price Aug est	USDA June
Planting Acres	47.80	47.80	47.80	45.75	45.61	45.61				
Harvested Acres	39.61	39.61	39.61	39.00	38.41	38.41				
Yield in Bu.	47.6	47.6	47.6	48.7	50.0	50.1				
Initial Stocks	1,099	1,099	1,099	1,102	1,072	1,072				
Production	1,884	1,884	1,884	1,903	1,921	1,924				
Imports	140	135	135	140	140	140				
Ttl Supply	3,123	3,118	3,118	3,145	3,133	3,136				
Food	960	960	960	965	965	965				
Seed	62	60	60	68	68	68				
Feed/Residual	50	91	91	140	150	150				
Ttl Domestic	1,072	1,111	1,111	1,173	1,183	1,183				
Export	950	936	936	900	950	950				
Ttl Usage	2,021	2,047	2,047	2,073	2,133	2,133				
End Stocks	1,102	1,072	1,072	1,072	1,000	1,003				
Stks/Use Ratio	54.5%	52.4%	52.4%	51.7%	46.9%	47.0%				

Percent of Normal Precipitation (%)
7/6/2019 - 8/4/2019



Generated 8/5/2019 at HPRCC using provisional data. NOAA Regional Climate Centers

What's Ahead: The USDA's August acreage update will be helpful, but it might not be the final step in 2019's harvested corn & bean acres. The current extensive dryness across Iowa and Illinois is a significant yield factor if it continues during August. We and the Pro Farmer Crop Tour will be visiting fields in IL and across the Midwest in the coming weeks. Given the lateness of plantings, let's hope we find something to count. **Hold sales.**

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