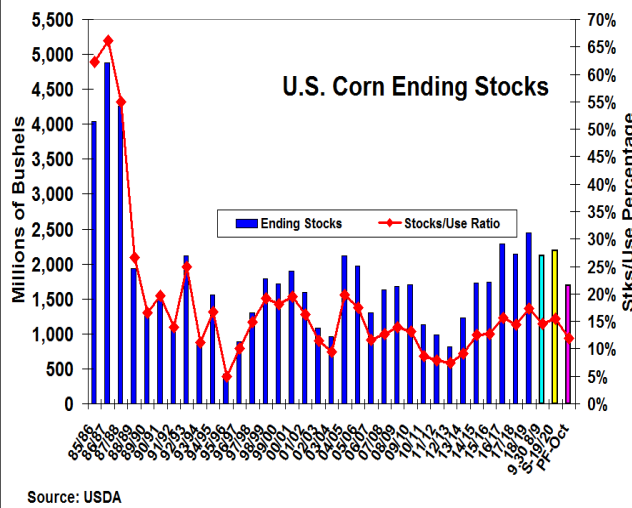


## Final 2018/19 Corn & Bean Stocks Have Change Market Dynamics

### U.S. Corn Supply/Demand

(Millions)	2018/19		2019/20		2019/20	
	USDA Sept	Price Sept 30	USDA Aug	USDA Sept	USDA Sept 30	Price Oct Est.
Planting Acres	89.13	89.13	90.01	90.01	90.01	90.01
Harvested Acres	81.74	81.74	82.02	82.02	82.02	81.80
Yield in Bu.	176.4	176.4	169.5	168.2	168.2	166.9
Initial Stocks	2,140	2,140	2,360	2,445	2,114	2,114
Production	14,420	14,420	13,901	13,799	13,799	13,655
Imports	25	25	50	50	50	50
Ttl Supply	16,585	16,585	16,311	16,295	15,963	15,820
Feed/Residual	5,275	5,606	5,175	5,175	5,175	5,300
Food/Seed	1,430	1,430	1,430	1,430	1,430	1,430
Ethanol	5,375	5,375	5,475	5,450	5,450	5,450
Ttl Domestic	12,080	12,411	12,080	12,055	12,055	12,180
Exports	2,060	2,060	2,050	2,050	2,050	1,950
Ttl Usage	14,140	14,471	14,130	14,105	14,105	14,130
Ending Stocks	2,445	2,114	2,181	2,190	1,858	1,690
Stks/Use Ratio	17.3%	14.6%	15.4%	15.5%	13.2%	12.0%
Trade Ave. Est.		2,428				



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### Market Analysis

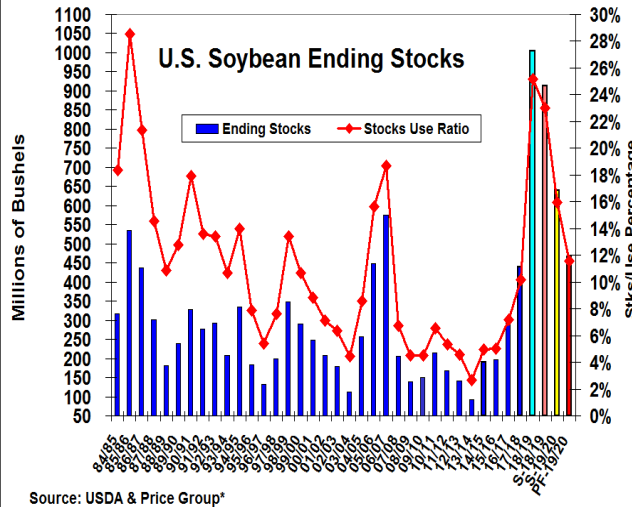
Going into the final data update on this year's old-crop corn and soybeans stocks, talk circulated about an overestimate of last year's bean crop because of high residual levels on previous quarterly updates. However, corn's ending stocks was quite an eye-opener, too. Instead of a minor change, Monday's final corn supplies were 314 million bu. below the trade's expectations. Soybean's 2018/19 final stocks were 69 million bu. below the trade's average estimate and 92 million lower than September's projection. These two stock levels have dynamically changed both crops beginning 2019/20 total supply levels from excessive to adequate at best.

In corn, this week's big drop in ending and beginning corn stocks relates to about 4 bu yield reduction in corn's 2019/20 yield level without changing October's yield forecast on next week's crop report. As previously noted, Monday's stock level will primarily be factored into this grain's feed & residual level since no change in 2018/19 crop size is available. 2019's record late plantings and erratic weather could slip corn's harvested acres by 215,000 acres when FSA's data is normally incorporated this month. This week's 11% US harvest pace may keep October's yield change to 1.3 bu. drop (166.9) as farmers and enumerators have limited harvested data to judge.

In soybeans, this week's smaller old-crop stocks and sharply lower 2019 plantings pulled new crop stocks to 548 million bu, a 45% drop from September's old-crop level. US soybean harvested area could shrink by 126,000 when the USDA utilizes its FSA's data this month. Similar to corn, a modest 1.1 bu. lower yield producing a 83 million smaller crop seems the likely output this month. With the USDA probably keeping its demand levels unchanged with the US/China talks resuming next week, 2019/20's stocks could drop to 465 million, a 54% yearly decline vs. September's old-crop stocks.

### U.S. Soybean Supply/Demand

(Millions)	2018/19		2019/20		2019/20	
	USDA Sept	Price Sept 30	USDA Aug	USDA Sept	USDA Sept 30	Price Oct Est.
Planted Acres	89.20	89.17	76.70	76.70	76.70	76.70
Harvested Acres	88.11	87.59	75.87	75.87	75.87	75.74
Yield in Bu.	51.6	50.6	48.5	47.9	47.9	46.8
Initial Stocks	438	438	1,070	1,005	913	913
Production	4,544	4,428	3,680	3,633	3,633	3,550
Imports	17	15	20	20	20	20
Ttl Supply	4,999	4,881	4,771	4,658	4,566	4,483
Crush	2,085	2,091	2,115	2,115	2,115	2,115
Seed	89	89	96	96	96	96
Residual	75	39	30	32	32	32
Ttl Domestic	2,249	2,219	2,241	2,243	2,243	2,243
Exports	1,745	1,749	1,775	1,775	1,775	1,775
Ttl Usage	3,994	3,968	4,016	4,018	4,018	4,018
Ending Stocks	1,005	913	755	640	548	465
Stks/Use Ratio	25.2%	23.0%	18.8%	15.9%	13.6%	11.6%
Trade Ave. Est.		982				



**What's Ahead** The past month's 150-600% of normal rainfall from the Great Lakes to the N. Plains while heat & drought (5 to 10%) from Indianapolis to the US Gulf suggests corn & beans remain vulnerable to lower yields. Some late maturing crops could be impacted by freezing temperatures thru mid-month. **Hold corn & bean sales at 45% & 50%. Look at \$4.10-25 Dec & \$9.40-50 Nov as next sale levels if Oct's weather stays bad.**

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