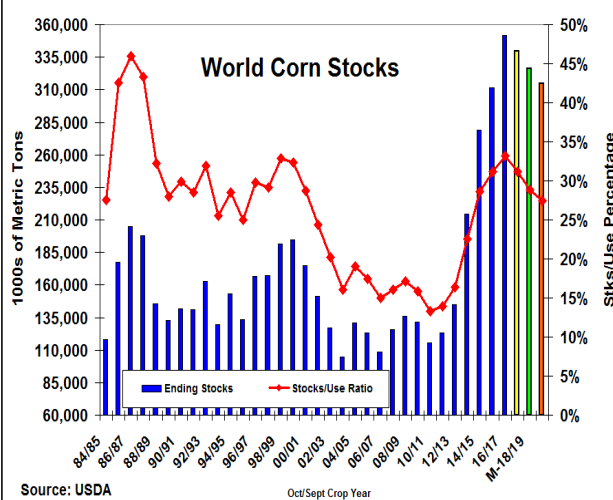


Larger S AM crops trim 19/20 US exports, but demand cuts World stocks

U.S. Corn Supply/Demand

(Millions)	2018/19 USDA Feb	2018/19 USDA Mar	2018/19 USDA April	2018/19 USDA May	2019/20 USDA Ag Forum	2019/20 USDA May
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	85.40
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	2,095
Production	14,420	14,420	14,420	14,420	14,890	15,030
Imports	40	40	40	35	40	35
Ttl Supply	16,600	16,600	16,600	16,595	16,665	17,160
Feed/Residual	5,375	5,375	5,300	5,300	5,500	5,450
Food/Seed	1,465	1,465	1,465	1,450	1,465	1,450
Ethanol	5,575	5,550	5,500	5,450	5,575	5,500
Ttl Domestic	12,415	12,390	12,265	12,200	12,540	12,400
Exports	2,450	2,375	2,300	2,300	2,475	2,275
Ttl Usage	14,865	14,765	14,565	14,500	15,015	14,675
Ending Stocks	1,735	1,835	2,035	2,095	1,650	2,485
Stks/Use Ratio	11.7%	12.4%	14.0%	14.5%	11.0%	16.9%
Trade Ave. Est.				2,055		2,131



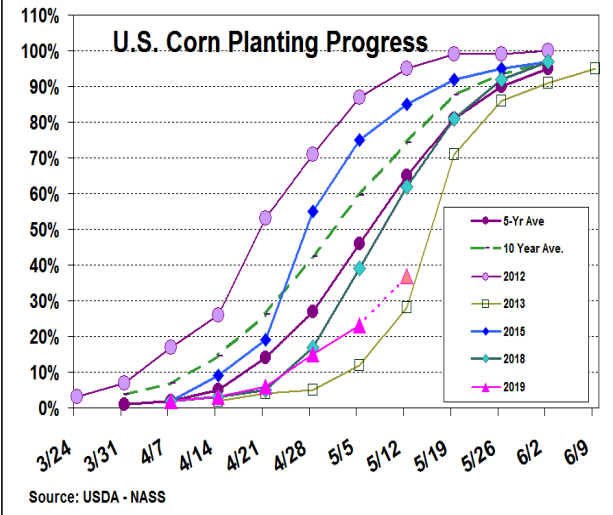
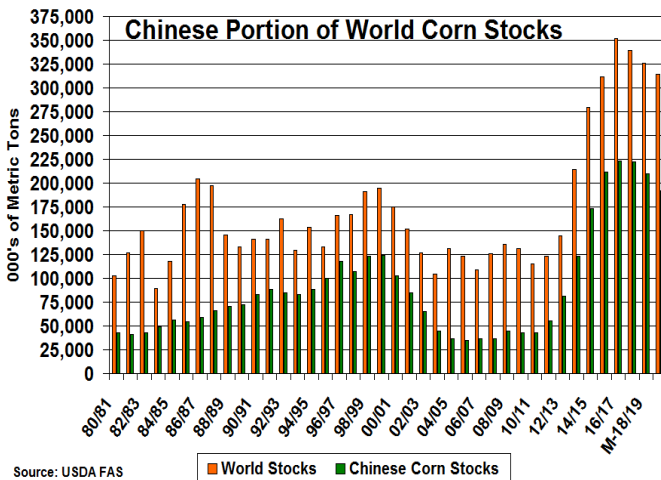
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Market Analysis

The USDA's May supply/demand updates had some surprises in their 2019/2020 corn ending stocks when the World Board issued their 1st US & World S&D projections. Two things that didn't change were the USDA's Ag Forum yields & 2019's planting intentions, which were used in 2019/20 US balance sheets calculations.

Larger S. American corn estimates on improved weather this spring (Brazil +4.0 mmt & Argentina +2 mmt) prompted the USDA to slice US new crop exports. 2019/20 US ending stocks were higher-than-expected because of this stronger competition for corn next fall. The USDA did drop corn's old-crop ethanol demand because of ongoing sluggish domestic bio-fuel plant output. These changes upped old crop ending stocks to 2.095 billion bu. The USDA also cut 2019/20's domestic Ag Forum feed and industrial demands. Last quarter's US stocks report & the current modest expansion of ethanol exports without a Chinese trade deal were the reasons for the changes. Overall, corn's 2.485 billion in US stocks are large, but the USDA cut its World new-crop stocks by 11 mmt to 315 mmt. Expanding feed demand to meet China's likely higher meat imports into 2020 because of their African Swine Fever problem will likely counter 2019/20's higher corn output. Overall, the world's corn stocks will decline because smaller beginning supplies than 2018/19. The USDA's revised World S&Ds also revealed a modest 5.8% rise in corn's tradable supplies outside of China. However, 2019/20 tradable supplies remain 5.5 mmt below 2016/17's high 228.4 mmt level.

The other major factor impacting corn prices this spring has been 2019's slow plantings. Through May 5, US seedings has only advanced to 23% because of cold temperatures & above normal rainfall across the Central US. With indications of only 11-13% more seedings occurring this past week because of poor weather, corn plantings will remain sharply behind their 5-year 65% average this week



What's Ahead The USDA's latest feed grain and corn outlooks are projecting sizable US and World supplies for both the current and 2019/20 crop years. However, 2019's US corn output will likely be smaller because US spring weather. Less area (Prevent planting) and reduced yield given the likely 60% of the US crop being seeded after May 10 has most agronomists projecting a reduced US corn output. **Hold sales at this time.**

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