



September 12, 2017

by Steve Freed, VP of Grain Research

Soybeans, soymeal and corn closed lower but off session lows. Wheat and soyoil closed higher. US Dollar slipped lower. Crude was higher.

Soybeans closed lower but off session lows. USDA estimated US 2017 soybean crop higher than expected and only slightly below August. USDA est US 2017 soybean crop near 4.431 mil bu vs 4.328 expected and 4.381 est in August. This was negative and suggested a yield near 49.9. USDA increased the pod weights from August. USDA est US 2016/17 soybean carryout near 345 mil bu vs 365 and 2017/18 at 475 vs 444 expected and 475 in August. USDA also est World 2017/18 soybean end stocks near 97.5 vs 97.4 expected and 97.8 in August. USDA did raise China soybean imports 1 mmt and lowered US 2016/17 and 2017/18 soyoil end stocks due to higher domestic biodiesel demand.

U.S. Soybean Supply and Demand

	2016/17 estimate	2016/17 change from August 10	2017/18 forecast	2017/18 change from August 10	Change from 2016/17
Planted area (million acres)	83.4	--	89.5	--	6.1
Harvested area (million acres)	82.7	--	88.7	--	6.0
Yield (bushels per acre)	52.1	--	49.9	0.6	-2.1
			<i>Million bushels</i>		
Beginning stocks	197	--	345	-25	149
Production	4,307	--	4,431	50	124
Imports	25	--	25	--	0
Total supply	4,528	--	4,801	25	273
Crush	1,895	5	1,940	--	45
Seed and residual	118	--	136	0	19
Domestic use	2,013	5	2,076	0	64
Exports	2,170	20	2,250	25	80
Total use	4,183	25	4,326	25	144
Ending stocks	345	-25	475	-0	130
			<i>Percent</i>		
Stocks to use ratio	8.3	-0.7	11.0	-0.1	2.7
			<i>Dollars per bushel</i>		
Average market price	9.50	--	8.35/10.05	-0.10	-0.30

-- No change

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Corn futures closed lower but off session lows. USDA est US 2017 corn crop near 14.185 mil bu vs 14.035 expected and 14.153 est in August. This was negative and suggested a yield near 169.9. USDA increased the number of ears from August. USDA est US 2016/17 corn carryout near 2,350 mil bu vs 2,370 and 2017/18 at 2,335 vs 2,170 expected and 2,273 in August. USDA also est World 2017/18 corn end stocks near 202.47 vs 200.74 expected and 200.87 in August. USDA est US 2017/18 corn exports near 1,850 mil bu vs 2,295 ly. USDA also estimated US 2017/18 corn ethanol use near 5,475 mil bu vs 5,435 ly. 2017/18 feed use is near 5,475 mil bu vs 5,425. Funds are estimated short 106,000 Contracts. Funds were net sellers today. CZ support is near 3.40. Resistance is near 3.60. Approaching US harvest is nearing and could limit the upside in prices. USDA rated The crop 61 pct good/ex vs 74 last year.

U.S. Corn Supply and Demand

	2016/17 estimate	2016/17 change from August 10	2017/18 forecast	2017/18 change from August 10	Change from 2016/17
Planted area (million acres)	94.0	--	90.9	--	-3.1
Harvested area (million acres)	86.7	--	83.5	--	-3.3
Yield (bushels per acre)	174.6	--	169.9	0.4	-4.7
			<i>Million bushels</i>		
Beginning stocks	1,737	--	2,350	-20	613
Production	15,148	--	14,184	32	-964
Imports	55	--	50	--	-5
Total supply	16,940	--	16,585	12	-356
Feed and residual	5,425	--	5,475	25	50
Food, seed, and industrial	6,870	-50	6,925	-75	55
Ethanol	5,435	-15	5,475	-25	-40
Domestic use	12,295	-50	12,400	-50	105
Exports	2,295	70	1,850	--	-445
Total use	14,590	20	14,250	-50	-340
Ending stocks	2,350	-20	2,335	62	-16
			<i>Percent</i>		
Stocks to use ratio	16.1	-0.2	16.4	0.5	0.3
			<i>Dollars per bushel</i>		
Average market price	3.30/3.40	--	2.80/3.60	-0.10	-0.15
-- No change					

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Wheat futures closed higher in a wide range. WZ had an outside day and closed above Mondays high. Initial weakness may be linked to USDA bearish corn and soybean September report. USDA est US 2017/18 wheat carryout near 933 mil bu vs 920 expected and 933 in August. USDA also est World 2017/18 wheat end stocks near 263.1 vs 264.3 expected and 258.5 in August. USDA did raise the Russian wheat crop 3.5 mmt to 81.0. Funds are short 90,000 wheat contracts and may have covered after the report. USDA est that 5 pct of the US 2018 winter wheat crop was planted vs 5 last year and 6 average. The south US plains is dry and could use moisture for planting.

U.S. Wheat Supply and Demand

	2016/17 estimate	2016/17 change from August 10	2017/18 forecast	2017/18 change from August 10	Change from 2016/17
Planted area (million acres)	50.2	--	45.7	--	-4.5
Harvested area (million acres)	43.9	--	38.1	--	-5.8
Yield (bushels per acre)	52.6	--	45.6	--	-7.0
			<i>Million bushels</i>		
Beginning stocks	976	--	1,184	--	209
Production	2,310	--	1,739	--	-570
Imports	118	--	150	--	32
Total supply	3,403	--	3,074	--	-330
Food use	949	--	950	--	1
Seed	61	--	66	--	5
Feed and residual	154	--	150	--	-4
Domestic use	1,164	--	1,166	--	2
Exports	1,055	--	975	--	-80
Total use	2,219	--	2,141	--	-78
Ending stocks	1,184	--	933	--	-252
			<i>Percent</i>		
Stocks to use ratio	53.4	--	43.6	--	-9.8
			<i>Dollars per bushel</i>		
Average market price	3.89	--	4.30/4.90	-0.20	0.71
-- No change					

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