

# USDA Crop Report Recap

January 10, 2020



## USDA January Crop Report

US Carryout  
2019-2020

	1/10/2020	12/10/2019	Change	Average Trade Guess
Corn	1.892	1.910	-0.018	1.757
Soybeans	0.475	0.475	0.000	0.424
Wheat	0.965	0.974	0.000	0.969

in billion bushels

Quarterly Stocks  
12/1/2019

	1/10/2020	12/1/2018	Change YoY	Average Trade Guess
Corn	11.389	11.937	-0.548	11.511
Soybeans	3.252	3.746	-0.494	3.186
Wheat	1.834	2.009	-0.175	1.917

in million metric tons

Items of note:

USDA not incorporating any updated demand projections from the US/China Phase 1 trade agreement gave the market a negative tone right after the report release.

USDA raised corn yield 1.0 bpa. In an effort to explain the lower than expected quarterly stocks (122 mln bu less than the average trade guess), USDA raised feed usage a whopping 250 million bushels. USDA continues to also use an unrealistically high China ending stocks near 200 million metric tons.

While US wheat carryout was reduced 9 million bushels, the HRW component was raised 6 million bushels. KC futures, while a discount to Minneapolis and Chicago, still continue to outperform its fundamentals.

South American conditions are mostly favorable, no more than 15-20% of both ARG and BRZ reported to be unfavorably dry. Corn and soybean production projections were unchanged for South America.

Wheat continues to stay well above short and medium term moving average, the 20 day MAs:

- Corn 3.86 ½ CH0 (3.85 ¾ last 1143 am CST)
- Soybeans 9.41 ½ SH0 (9.44)
- KC Wheat 4.70 ¾ KWH0 (4.98)