

USDA Crop Report Recap

May 12, 2020



US Carryout 2019-2020

	5/12/2020	4/9/2020	Change	Average Trade Guess
Corn	2.098	2.092	0.006	2.261
Soybeans	0.580	0.480	0.100	0.497
Wheat	0.978	0.970	0.008	0.969

In billion bushels

US Carryout 2020-2021

	5/12/2020	Average Trade Guess
Corn	3.318	3.420
Soybeans	0.405	0.440
Wheat	0.909	0.818

In billion bushels

Items of note:

Let's go with the all class US wheat carryout estimate being nearly 100 million bushels over the ATG. Kansas has added bushels this week with the wet, cool weather across much of the state. FCE KS wheat production idea is 280 million bushels currently (basically 43 bpa and 6.5 million harvested acres).

Milo carryout projected to fall year to year 4 million bushels to 31 million bushels, USDA estimating \$3.20 average price for both corn and milo for 2021. Not realistic given the carryout divergence.

Corn data was neutral. Given corn is the short leg of most intercommodity spreads, a sell the rumor buy the fact trade was a possibility. Don't expect it to be long-lived though even with July going thru the 20 day moving average.

SA soybean production dropped 1.5 million metric tons, approximately 55 million bushels, between Argentina (1.0 mmt) and Brazil (0.5 mmt).

20 day Moving Averages:

- Corn 3.20 CNO (3.22 ¼ close)
- Soybeans 8.43 ¼ SNO (8.52 close)
- KC Wheat 4.84 ½ KWN0 (4.69 ¼ close)