

# USDA Crop Report Recap

## Quarterly Stocks & Acreage

### June 30, 2020



#### 6/1 Quarterly Stocks

	6/1/20	6/1/19	Change	Average Trade Guess
Corn	5.224	5.202	+0.022	4.951
Soybeans	1.386	1.783	-0.397	1.392
Wheat	1.044	1.080	-0.360	0.980

in billion bushels

#### Acreage

	6/30/20	Final 2019	Change	Average Trade Guess
Corn	92.0	89.7	2.3	95.207
Soybeans	83.8	76.1	7.7	84.716
Winter Wheat	30.6	31.2	-0.6	30.849

in million acres

The headline was the jaw-dropping 5 million acre decrease in corn. Coupled with a warmish / dryish looking forecast across the Corn Belt for pollination, the large fund short position was prodded towards the exits. Hard to see a production scenario that drives new crop carryout lower than 2.5 billion bushels let alone old crop's 2.1. Look for ramped up farmer marketing if Dec 20 approaches \$3.60.

Wheat should follow and lose to corn here for a minute with bearish stocks, better than expected yields with low protein over the southern 2/3 of Kansas prompting some unwind of wheat / corn spreads.

The row crops are allowed to run beyond their fundamentals with the forecasts, technicals and fund positions aligned currently:

- Corn CZ20 - 20 day moving average 3.40 ½ (close 3.50 ½)
- Soybeans SX20 8.74 ½ (8.82 ½)
- KC Wheat KWZ20 4.63 (4.52)