

USDA Crop Report Recap

April 9, 2020



USDA April Crop Report

US Carryout
2019-2020

	4/9/2020	3/10/2020	Change	Average Trade Guess
Corn	2.092	1.892	0.200	2.004
Soybeans	0.480	0.425	0.055	0.430
Wheat	0.970	0.940	0.030	0.940

in billion bushels

South American
production

	4/9/2020	3/10/2020	Change	Average Trade Guess
Argentina Corn	50.0	50.0	0.0	49.6
Brazil Corn	101.0	101.0	0.0	100.6
Argentina Soybeans	52.0	54.0	-2.0	52.5
Brazil Soybeans	124.5	126.0	-1.5	123.9

in million metric tons

Items of note:

The surprise was how well HRW and soybeans traded despite bearish data in the 1st USDA estimate that projected the demand destruction from the coronavirus.

Soybean exports were dropped 50 million bushels and HRW exports dropped 10 million bushels due to lack of competitiveness versus Brazilian soybeans and Russian wheat respectively. This is some growing concern for wheat due to dryness in southern Russia and next week's projected cold temperatures for the southern plains.

Corn continues to be tied to the crude oil market which finished lower today in buy the rumor sell the fact fashion after the Russian / Saudi oil production cut was announced. As expected, USDA cut ethanol usage by 375 million bushels, most analysts expect further reductions despite evidence of a curve flattening in domestic coronavirus statistics. Corn remains the short leg of agricultural commodity spreads.

20 day Moving Averages:

- Corn 3.41 ¼ CK0 (3.31 ¾ close)
- Soybeans 8.60 ½ SK0 (8.63 ½ close)
- KC Wheat 4.71 ¾ KWK0 (4.92 close)