



#### **USDA August WASDE Report 8/12/19:**

##### ***Corn:***

- Raised 18/19 ending stocks 20 million bushels from 2.340 billion bushels to 2.360 billion bushels.
- Lowered 18/19 total supply 5 million bushels to 16.590 billion bushels (-5 imports).
- Lowered 18/19 total usage 25 million bushels to 14.230 billion bushels (-25 ethanol).
- Raised 19/20 ending stocks 171 million bushels from 2.010 billion bushels to 2.181 billion bushels.
- Lowered 19/20 harvested acres 1.6 million acres to 82.0 million acres.
- Raised 19/20 yield 3.5 bushels per acre to 169.5 bushels per acre.
- Raised 19/20 total supply 46 million bushels to 16.311 billion bushels (+20 begin stocks, +26 production).
- Lowered 19/20 total usage 125 million bushels to 14.130 billion bushels (-100 exports, -25 ethanol).
- Lowered World 18/19 ending stocks from 328.8 million metric tons to 328.6 million metric tons.
- Raised World 19/20 ending stocks from 298.9 million metric tons to 307.7 million metric tons.

***SUMMARY:*** The market was expecting some fireworks in today's report and we certainly got it as corn acreage came in much higher than expected at 90 million acres (FSA is so far reporting 85.9 million with Prevented Plant at 11.2 million) versus the average trade guess of 88 while the corn yield really caught everyone off guard at 169.5 bushels per acre versus the average trade guess of 164.9 taking production to 13.901 billion bushels which was 708 million above the average trade guess. 19/20 ending stocks increased 171 million to 2.181 billion bushels, 561 million more than the average trade guess. The USDA even cut demand in today's report with ethanol usage for 18/19 being cut 25 million bushels while exports for 19/20 were cut 100 million bushels due to increased global competition. I don't think you can paint a more bearish report. Market results due to the report were: Pre-report down 6; at release down 12; and at the close limit down at 25.

##### ***Soybeans:***

- Raised 18/19 ending stocks 20 million bushels from 1.050 billion bushels to 1.070 billion bushels.
- Lowered 18/19 total usage 20 million bushels to 3.929 billion bushels (-20 crush, -4 seed, +3 residual).
- Lowered 19/20 ending stocks 40 million bushels from 795 million bushels to 755 million bushels.
- Lowered 19/20 harvested acres 3.4 million acres to 75.9 million acres.
- Lowered 19/20 total supply 144 million bushels to 4.771 billion bushels (+20 begin stocks, -165 production).
- Lowered 19/20 total usage 104 million bushels to 4.016 billion bushels (-100 exports, -4 residual)
- Raised World 18/19 ending stocks from 113.0 million metric tons to 114.5 million metric tons.
- Lowered World 19/20 ending stocks from 104.5 million metric tons to 101.7 million metric tons.

***SUMMARY:*** Shockingly negative corn report overshadowed a neutral/friendly bean report. NASS reported 76.7 million acres planted, down 4.3 from trade estimate and down 12.5 from last year. Even adding in FSA's data of 4.4 million acres of prevent plant taken, bean acres would still have been down 8.1 million acres from last year. This year acreage is the lowest since 2007. US yield estimated stayed the same at 48.5 bushels per acre, down 3.1 from last year and up 1 versus the average trade guess. The sole change to old crop demand was a 20 million cut in crush. New crop demand was reduced 100 million for exports and 4 million less for seed. The new was a 20 million bushel increase in old crop carry out and a 40 million bushel decrease in new crop. Market results due to the report were: Pre-report down 6; at release down 4; and at the close down 12.

##### ***Wheat:***

- 18/19 ending stocks left UNCHANGED at 1.072 billion bushels.
- Raised 19/20 ending stocks 14 million bushels from 1.000 billion bushels to 1.014 billion bushels.
- Raised 19/20 yield 1.6 bushels per acre to 51.6 bushels per acre.
- Raised 19/20 total supply 54 million bushels to 3.187 billion bushels (+59 production, -5 imports).
- Raised 19/20 total usage 40 million bushels to 2.173 billion bushels (-5 food, +20 feed/residual, +25 exports).
- Raised World 18/19 ending stocks from 275.2 million metric tons to 275.5 million metric tons.
- Lowered World 19/20 ending stocks from 286.5 million metric tons to 285.4 million metric tons.

***SUMMARY:*** Bearish as US HRW and HRS production estimates were greater than expected. In addition, very bearish US corn production estimates are weighing on the market. US HRS crop increased 24 million bushels from last month (4.4%) to 566 million bushels, while HRW was 35 million bushels higher (also 4.4%) at 840 million bushels. Some modest reductions were noted in world crop estimates, EU down 1.3 million metric tons, Russia down 1.2 million metric tons, but that only added 25 million bushels to the US export forecast. In Australia, drought remains intense in some regions but that will likely take a backseat to larger US production estimates and bearish price action in corn. Market results due to the report were: Pre-report down 3; at release down 7; and at the close down 27.