



USDA January Grain Stocks & Production Report 1/10/20:

Corn:

- Raised 18/19 ending stocks 107 million bushels to 2.221 billion bushels (-80 production, -186 feed use).
- Lowered 19/20 ending stocks 18 million bushels from 1.910 billion bushels to 1.892 billion bushels.
- Lowered 19/20 harvested acres 0.3 million acres to 81.5 million acres.
- Raised 19/20 yield 1.0 bushels per acre to 168.0 bushels per acre.
- Raised 19/20 total supply 137 million bushels to 15.962 billion bushels (+107 begin stocks, +31 production).
- Raised 19/20 total usage 155 million bushels to 14.070 billion bushels (-75 exports, +250 feed use, -20 FIS)
- Raised World 18/19 ending stocks from 319.2 million metric tons to 320.4 million metric tons.
- Lowered World 19/20 ending stocks from 300.6 million metric tons to 297.8 million metric tons.

SUMMARY: Back in the September 1st stocks report, the USDA increased the Feed/Residual (18/19 crop) 331 million bushels, lowering the carry-in to this crop year was likely as way to adjust for an overstated yield last year. In an unusual move in this report, the USDA added back 107 million bushels to last year's crop between some small decreases in acres and 186 million bushel reduction in 18/19 feed. This raised beginning stocks for the current 19/20 crop to 2.221 billion bushels. USDA dropped 19/20 harvested acres 300,000 but bumped the yield 1 bushel per acre to 168 bpa (avg guess was 166.2). Net 19/20 production increased 31 million bushels to 13.692 billion, add in the newly found 107 million bushels from last year and total supply for 19/20 is 15.962 billion. USDA dropped exports 75, bumped feed 250 million (possibly b/c of low quality), and left ethanol unchanged. Net was 19/20 carryout dropping 18 million bushels to 1.892 billion versus the average trade estimate of 1.757 billion bushels. The unharvested acres in the Northern Plains are included in this report, however, the USDA announced they will resurvey those producers in early spring and makes changes if justified. Market results due to the report were: Pre-report down 3; at release down 5; and at the close up 2.

Soybeans:

- Lowered 18/19 ending stocks 4 million bushels to 909 million bushels (-1 seed, +4 residual).
- 19/20 ending stocks UNCHANGED at 475 million bushels.
- Lowered 19/20 harvested acres 0.6 million acres to 75.0 million acres.
- Raised 19/20 yield 0.5 bushels per acre to 47.5 bushels per acre.
- Lowered 19/20 total supply 1 million bushels to 4.482 billion bushels (-4 begin stocks, +8 production, -5 imports)
- Raised World 18/19 ending stocks from 109.8 million metric tons to 110.3 million metric tons.
- Raised World 19/20 ending stocks from 96.4 million metric tons to 96.7 million metric tons.

SUMMARY: A non-event in the soy complex. Harvested acres were reduced 600,000 acres and yield increased ½ bpa to 47.5. No change in the demand so carryout was unchanged at 475 million bushels (average trade guess 424). South American weather and the Phase 1 signing will be front and center for the coming week. Longer term will be about Chinese economy and ASF's impact on global demand for bean and meat exports. Market results due to the report were: Pre-report down 1; at release down 4; and at the close up 2.

Wheat:

- Lowered 19/20 ending stocks 9 million bushels from 974 million bushels to 965 million bushels.
- Raised 19/20 total usage 9 million bushels to 2.140 billion bushels (-1 seed, +10 feed/residual).
- Raised World 18/19 ending stocks from 277.9 million metric tons to 278.1 million metric tons.
- Lowered World 19/20 ending stocks from 289.5 million metric tons to 288.1 million metric tons.

SUMMARY: This was the first survey-based acreage report out for wheat and it had a few surprises. HRW seedings of 21.80 million for 2020 were below expectations, but SRW acreage was much higher than expected at 5.64 million. The lower than expected HRW estimate will place increased emphasis on weather given the lack of snow cover and some areas of dryness at the moment. No change to total US exports, although there were some adjustments by class. Carryout for US all wheat down 9 million bushels, with the majority of decreases seen SRW (-5 million). Supportive, given the lower US 2020 HRW plantings with a focus now on northern hemisphere weather developments. Market results due to the report were: Pre-report down 2; at release down 6; and at the close up 2.