



## **USDA February WASDE Report 2/11/20:**

### ***Corn:***

- 19/20 ending stocks UNCHANGED at 1.892 billion bushels.
- 19/20 total usage UNCHANGED at 14.070 billion bushels (-50 exports, +50 ethanol)
- Raised World 18/19 ending stocks from 320.4 million metric tons to 320.5 million metric tons.
- Lowered World 19/20 ending stocks from 297.8 million metric tons to 296.8 million metric tons.

**SUMMARY:** A Normal noneventful February USDA report as the USDA left carryout the same at 1.892 billion bushels. There were only 2 changes on usage as exports were reduced by 50 million bushels only to be offset by an increase in ethanol grind. South American production and exports were left unchanged but the USDA did increase South African and Ukrainian corn production. Export demand for US is picking up seasonally as expected but whether the final total will come in above the USDA remains to be seen. Market results due to the report were: Pre-report UNCHANGED; at release UNCHANGED; and at the close down 2.

### ***Soybeans:***

- Lowered 19/20 ending stocks 50 million bushels from 475 million bushels to 425 million bushels.
- Raised 19/20 total usage 50 million bushels to 4.058 billion bushels (+50 exports)
- Raised World 18/19 ending stocks from 110.3 million metric tons to 111.2 million metric tons.
- Raised World 19/20 ending stocks from 96.7 million metric tons to 98.9 million metric tons.

**SUMMARY:** USDA only had 1 change on the beans side, an increase in exports of 50 million bushels, dropping carry out the same amount to 425 million bushels (23 million below the average trade guess). Interesting that the USDA made no reference to the Phase 1 Trade Deal but they did increase China's imports by 3 million metric tons. Part of that increase will likely be met by Brazil as their crop was raised by 2 million metric tons to 125 million metric tons (a new record) and exports raised by 1 million metric tons to 77 million metric tons. All supportive US numbers in the reduction in carryout was quickly countered with a record Brazilian crop. Market results due to the report were: Pre-report down 2; at release up 1; and at the close up 1.

### ***Wheat:***

- Lowered 19/20 ending stocks 25 million bushels from 965 million bushels to 940 million bushels.
- Raised 19/20 total usage 25 million bushels to 2.165 billion bushels (+25 exports).
- Raised World 18/19 ending stocks from 278.1 million metric tons to 278.3 million metric tons.
- Lowered World 19/20 ending stocks from 288.1 million metric tons to 288.0 million metric tons.

**SUMMARY:** Nothing in these numbers to shake up the market. US exports were increased 25 million bushels while ending stocks were lowered by a like amount. Recent improvements in weather conditions for 2020 crops in the Black Sea region and the EU appear to have taken the steam out of the market for the time being. Ample if not excessive moisture also continues for most of the US winter wheat. US dollar is trading at a 5-month high and is not helping our world competitiveness. Market results due to the report were: Pre-report down 4; at release down 2; and at the close down 10.