



USDA April WASDE Report 4/9/20:

Corn:

- Raised 19/20 ending stocks 200 million bushels from 1.892 billion bushels to 2.092 billion bushels.
- Lowered 19/20 total supply 5 million bushels to 15.957 billion bushels (-5 imports).
- Lowered 19/20 total supply 205 million bushels to 13.865 billion bushels (+150 feed use, -375 ethanol, +20 FIS).
- Raised World 18/19 ending stocks from 320.8 million metric tons to 320.9 million metric tons.
- Raised World 19/20 ending stocks from 297.3 million metric tons to 303.2 million metric tons.

SUMMARY: Ending stocks increased 200 million bushels to 2.092 billion bushels as the trade was expecting something closer to a 110-million-bushel decrease. Major change to ethanol use which was lowered by 375 million bushels to 5.05 billion bushels and some are thinking further cuts are still to come. Feed use was 150 million bushels higher reflecting the decreased availability of DDGs and a strong 2nd quarter feed use. Market took little notice to the somewhat negative report and near-term focus will be on weekly ethanol reports and field preparation weather. Market results due to the report were: Pre-report down 1; at release down 1; and at the close up 2.

Soybeans:

- Raised 19/20 ending stocks 55 million bushels from 425 million bushels to 480 million bushels.
- Lowered 19/20 total usage 56 million bushels to 4.002 billion bushels (-2 seed, -24 residual, +20 crush, -50 exports)
- Lowered World 18/19 ending stocks from 111.9 million metric tons to 110.8 million metric tons.
- Lowered World 19/20 ending stocks from 102.4 million metric tons to 100.5 million metric tons.

SUMMARY: The report was mostly bearish on the US balance sheet with some production drops noted overseas. Ending stocks increased 55 million bushels to 480 million bushels as the trade was expecting 430 million bushels. Exports were reduced 50 million bushels, crush was increased 20 million bushels, and seed & residual dropped 26 million bushels. The drop in residual is likely due to last year's bean crop being overstated. The overseas changes were a 2 million metric ton drop in Argentina's crop (52.0 million metric tons) and a 1.5 million metric tons drop in Brazil's crop (124.5 million metric tons). Despite the negative report, markets focused on the lower South American production. Market results due to the report were: Pre-report up 7; at release up 8; and at the close up 9.

Wheat:

- Raised 19/20 ending stocks 30 million bushels from 940 million bushels to 970 million bushels.
- Lowered 19/20 total usage 30 million bushels to 2.135 billion bushels (-15 feed/residual, -15 exports).
- Raised World 18/19 ending stocks from 277.6 million metric tons to 278.1 million metric tons.
- Raised World 19/20 ending stocks from 287.1 million metric tons to 292.8 million metric tons.

SUMMARY: The report was bearish on the surface though market reaction moved in the opposite direction with positive economic action. Domestic ending stocks were increased to 970 million bushels, with equal cuts of 15 million bushels to feed/residual and exports. Stocks to use increased to 45.4%. World stocks increased 5.6 million metric tons, to 292.78 million metric tons, well above market expectations. The stocks increase was almost all due to consumption decreases versus production increases. China consumption was decreased 2 million metric tons, India 1.9 million metric tons, and EU 1 million metric tons. The ending stocks figure is a record from an absolute standpoint and increases global stocks to use by 2 percentage points versus 18/19. Market results due to the report were: Pre-report up 8; at release up 6; and at the close up 8.