



USDA October WASDE Report 10/10/19:

Corn:

- Lowered 18/19 ending stocks 331 million bushels from 2.445 billion bushels to 2.114 billion bushels.
- Raised 18/19 total supply 3 million bushels to 16.588 billion bushels (+3 imports).
- Raised 18/19 total usage 334 million bushels to 14.474 billion bushels (+5 exports, +343 feed use, -14 FIS).
- Lowered 19/20 ending stocks 261 million bushels from 2.190 billion bushels to 1.929 billion bushels.
- Raised 19/20 yield 0.2 bushels per acre to 168.4 bushels per acre.
- Lowered 19/20 harvested acres 0.2 million acres to 81.8 million acres.
- Lowered 19/20 total supply 351 million bushels to 15.944 billion bushels (-331 begin stocks, -20 production).
- Lowered 19/20 total usage 90 million bushels to 14.015 billion bushels (-150 exports, +125 feed, -15 FIS, -50 ethanol).
- Lowered World 18/19 ending stocks from 329.6 million metric tons to 324.0 million metric tons.
- Lowered World 19/20 ending stocks from 306.3 million metric tons to 302.6 million metric tons.

SUMMARY: A bearish corn report with the USDA bumping its yield estimate 2/10's of a bushel higher, 1.7 bushels per acre above the trade average guess. The trade was also looking for a 500k acre reduction in harvested acres and the USDA took it down just 200k. This left just a 20-million-bushel reduction in crop size from last month. New crop ending stocks were reduced 261 million bushels from last month to 1.929 billion bushels, when the trade was thinking more in the order of 1.682 billion. No changes to China's supply and demand. Market results due to the report were: Pre-report down 3; at release down 6; and at the close down 14.

Soybeans:

- Lowered 18/19 ending stocks 92 million bushels from 1.005 billion bushels to 913 million bushels.
- Lowered 18/19 yield 1.0 bushels per acre to 50.6 bushels per acre.
- Lowered 18/19 harvested acres 0.5 million acres to 87.6 million acres.
- Lowered 18/19 total supply 119 million bushels to 4.880 billion bushels (-116 production, -3 imports).
- Lowered 18/19 total usage 27 million bushels to 3.967 billion bushels (+7 crush, +3 exports, -36 residual).
- Lowered 19/20 ending stocks 180 million bushels from 640 million bushels to 460 million bushels.
- Lowered 19/20 yield 1.0 bushels per acre to 46.9 bushels per acre.
- Lowered 19/20 harvested acres 0.3 million acres to 75.6 million acres.
- Lowered 19/20 total supply 175 million bushels to 4.483 billion bushels (-92 begin stocks, -83 production).
- Raised 19/20 total usage 5 million bushels to 4.023 billion bushels (+5 crush)
- Lowered World 18/19 ending stocks from 112.4 million metric tons to 109.9 million metric tons.
- Lowered World 19/20 ending stocks from 99.2 million metric tons to 95.2 million metric tons.

SUMMARY: Today's bean report was friendly, but, at the end of the day, prices followed weaker corn, wheat, and meal prices. The changes in today's report was taking planted acres down by 200k and harvested down by 300k acres. Yield was reduced more than expected at 1 bushel per acre to 46.9 for a production total 3.550 billion bushels which is 83 million bushels less than last month. Pod weights are still a record for October, but more in line to what they had in 2016 and 2017. With the production changes in the September 30th Stock report, old crop carry out was reduced 92 million bushels to 913 million. This took new crop carry out down 180 million bushels to 460 million. Last June, the USDA was estimating that the bean carry out would end up at 1.045 billion bushels and today this estimate is now at 460 million bushels. Market results due to the report were: Pre-report up 2; at release up 3; and at the close UNCHANGED.

Wheat:

- Raised 18/19 ending stocks 8 million bushels from 1.072 billion bushels to 1.080 billion bushels.
- Raised 18/19 total supply 1 million bushels to 3.119 billion bushels (+1 production).
- Lowered 18/19 total usage 7 million bushels to 2.039 billion bushels (-1 seed, -6 feed/residual).
- Raised 19/20 ending stocks 29 million bushels from 1.014 billion bushels to 1.043 billion bushels.
- Lowered 19/20 harvested acres 0.3 million acres to 38.1 million acres.
- Lowered 19/20 total supply 26 million bushels to 3.161 billion bushels (+8 begin stocks, -18 production, -15 imports).
- Lowered 19/20 total usage 55 million bushels to 2.118 billion bushels (-30 feed/residual, -25 exports).
- Raised World 18/19 ending stocks from 277.2 million metric tons to 277.7 million metric tons.
- Raised World 19/20 ending stocks from 286.5 million metric tons to 287.8 million metric tons.

SUMMARY: Slightly bearish but losses are being amplified by spillover weakness from sharp declines in corn. World ending stocks of wheat were slightly above expectations, while US carry out was also above the average trade estimate. Australia crop size was lowered 1.0 million metric tons and Russia output was unchanged. Nothing bullish in the wheat numbers overall, with the market likely to take its cue from trends in corn. Market results due to the report were: Pre-report up 1; at release down 1; and at the close down 7.