



USDA November WASDE Report 11/9/17:

Corn:

- Raised 17/18 ending stocks 147 million bushels from 2.340 billion bushels to 2.487 billion bushels.
- Raised 17/18 yield 3.6 bushels per acre from 171.8 bushels per acre to 175.4 bushels per acre.
- Raised 17/18 total supply 297 million bushels to 16.922 billion bushels (+298 production)
- Raised 17/18 total usage 150 million bushels to 14.435 billion bushels (+75 exports, +75 feed use).
- Raised World 17/18 ending stocks from 201.0 million metric tons to 203.9 million metric tons.

SUMMARY: Big crops get bigger might be an understatement after this USDA report. Corn yield increased 3.6 bushels per acre to 175.4 (trade range: 170 to 174), if realized, this will be the highest national average yield. Last year in the November USDA report, we were surprised with a 1.9 bushel per acre increase (180 million bushel) which ultimately drove the market to the fall to its December 16 lows shortly after the report. The 298 million bushels increase in production was partial offset with a 75 million bushel increase in both feed and exports, taking 17/18 carryout to 2.487 billion bushels, up 147 million bushels from October's estimate. Market results due to the report were: Pre-report down 1; at release down 4; and at the close down 7.

Soybeans:

- Lowered 17/18 ending stocks 5 million bushels from 430 million bushels to 425 million bushels.
- 17/18 yield **UNCHANGED** at 49.5 bushels per acre.
- Lowered 17/18 total supply 5 million bushels to 4.752 billion bushels (-6 production).
- Raised World 17/18 ending stocks from 96.1 million metric tons to 97.9 million metric tons.

SUMMARY: USDA was out with their November report today and although it didn't have many surprises on soybeans, a bigger decline in yield was expected. Last month's USDA yield was 49.5 and the USDA came out today at 49.5 bushels per acre, unchanged. (trade range: 48.5 to 49.9). Carryout on soybeans dropped 5 million bushels from 430 million bushels in October to 425 million bushels after this USDA report. USDA kept Argentina's production unchanged for 17/18 at 57 million metric tons and raised Brazil's production 1 million metric tons to 108. World ending stocks were 96 million metric tons in October, the trade was guessing 95.5, and the USDA printed a more bearish world number of 97.9 million metric tons with plenty of world beans to go around. Market results due to the report were: Pre-report up 6; at release down 5; and at the close down 14.

Wheat:

- Lowered 17/18 ending stocks 25 million bushels from 960 million bushels to 935 million bushels.
- Raised 17/18 total usage 25 million bushel to 2.136 billion bushels (+25 exports).
- Raised World 17/18 ending stocks from 263.1 million metric tons to 268.1 million metric tons.

SUMMARY: Mostly neutral but spillover selling from corn may be occurring. World ending stocks of wheat were slightly above expectations, but US carry-out was below the average trade estimate. Australia crop size was unchanged but Russia output was increased another 1 million metric tons with exports up 0.5 million metric tons. There are still ideas Australia crop could decline in future reports. Nothing exceptionally bullish or bearish in the wheat numbers. Market results due to the report were: Pre-report up 2; at release down 1; and at the close up 2.