



USDA November WASDE Report 11/9/21:

Corn:

- Lowered 21/22 ending stocks 7 million bushels from 1.500 billion bushels to 1.493 billion bushels.
- Raised 21/22 yield 0.5 bushels per acre to 177.0 bushels per acre.
- Raised 21/22 total supply 43 million bushels to 16.323 billion bushels (+43 production).
- Raised 21/22 total usage 50 million bushels to 14.830 billion bushels (+50 ethanol).
- Raised World 20/21 ending stocks from 290.0 million metric tons to 291.9 million metric tons.
- Raised World 21/22 ending stocks from 301.7 million metric tons to 304.4 million metric tons.

SUMMARY: Slightly bearish corn report but the surprise in the soybean report stole the show and pulled corn higher. The USDA raised the yield by 0.5 bushels per acre to 177.0 as the crops grew in the west and got smaller in the east (Indiana, Ohio, Michigan, North Carolina, and Tennessee are all still showing record yields). Production increased 43 million bushels due to the increase in the yield number but was offset by an increase of 50 million bushels in ethanol grind as the trade was expecting. Ending stocks were lowered just 7 million bushels as the trade was looking for a 13 million decrease. World ending stocks grew by 2.7 million metric tons, where the average estimate had it decreasing by 0.9 million metric ton (a difference of 3.6 million metric tons). Market results due to the report were: Pre-report down 3; at release up 4; and at the close up 3.

Soybeans:

- Raised 21/22 ending stocks 20 million bushels from 320 million bushels to 340 million bushels.
- Lowered 21/22 yield 0.3 bushels per acre to 51.2 bushels per acre.
- Lowered 21/22 total supply 23 million bushels to 4.696 billion bushels (+23 production).
- Lowered 21/22 total usage 43 million bushels to 4.356 billion bushels (-40 exports, -2 seed).
- Raised World 20/21 ending stocks from 99.2 million metric tons to 100.1 million metric tons.
- Lowered World 21/22 ending stocks from 104.6 million metric tons to 103.8 million metric tons.

SUMMARY: The bean market was the surprise today as the USDA lowered its beans yield while all pundits had them raising the yield number. At the end of the day this report can be viewed as neutral to slightly bearish, but given the build up to this report (January beans off \$.70 in the last week) the soybean market led the rally. Production decreased 23 million bushels due to the lower yield number but was offset by a decrease of 40 million in exports that is due to the slow offtake to date of exports. The hurricane and slowed Chinese purchases feed into this. This new yield number will be what we trade until the January report as the USDA will not move yield or acres in the December WADE. With carryout in beans not jumping over 400 million bushels, the attention will now turn toward South American weather and the potential for a record crop. Market results due to the report were: Pre-report down 6; at release up 27; and at the close up 23.

Wheat:

- Raised 21/22 ending stocks 3 million bushels from 580 million bushels to 583 million bushels.
- Lowered 21/22 total supply 10 million bushels to 2.606 billion bushels (-10 imports).
- Lowered 21/22 total usage 13 million bushels to 2.023 billion bushels (-2 food, -15 exports).
- Lowered World 20/21 ending stocks from 288.4 million metric tons to 288.0 million metric tons.
- Lowered World 21/22 ending stocks from 277.2 million metric tons to 275.8 million metric tons.

SUMMARY: Wheat futures brushed off a mostly neutral USDA report to close sharply higher following the general commodity index. Very few changes in the domestic wheat picture from the USDA with slightly lower exports mostly offset by a lower import number generating a 3 million bushel all-wheat ending stocks increase. The increase in winter wheat acreage this fall in the US and Ontario, Canada will likely fall short of earlier expectations due to excessively wet conditions. Market results due to the report were: Pre-report up 1; at release up 5; and at the close up 10.