



### **USDA March WASDE Report 3/8/18:**

#### ***Corn:***

- Lowered 17/18 ending stocks 225 million bushels from 2.352 billion bushels to 2.127 billion bushels.
- Raised 17/18 total usage 225 million bushels to 14.820 billion bushels (+175 exports, +50 Ethanol).
- Lowered World 17/18 ending stocks from 203.1 million metric tons to 199.2 million metric tons.

**SUMMARY:** A friendly corn report with the USDA trimming back ending corn stocks 225 million to 2.127 billion bushels, considerably less than the average trade guess of 2.313 and nearly 100 million bushels below the low end of the range. Exports were raised 175 million (now totaling 2.225 billion, only 68 million below last year) as the USDA picked up on the record large unshipped sales and noted the price competitiveness of US corn in the world market. Also helping to reduce the ending stocks was a 50 million bushel increase in forecasted ethanol grind, reflecting stronger than expected September through January corn use. Tempering the market upside was a modest ½ million metric ton reduction in the Brazil crop to 94.5, the trade was thinking more like 91.6. The Argentine estimate came in at 36.0 million metric tons, down 3 from February and a ½ million less than the trade average. Market results due to the report were: Pre-report up 1; at release up 4; and at the close up 6.

#### ***Soybeans:***

- Raised 17/18 ending stocks 25 million bushels from 530 million bushels to 555 million bushels.
- Lowered 17/18 total usage 25 million bushels to 4.163 billion bushels (-35 exports, +10 crush).
- Lowered World 17/18 ending stocks from 98.1 million metric tons to 94.4 million metric tons.

**SUMMARY:** A little negative, as ending stocks forecast rose 25 million bushels from last month to 555 million (the trade was expecting a 1-million-bushel decline). Crush was 10 higher to 1.960 billion bushels but exports were decreased by 35 million bushels to 2.065 billion bushels (exports last year were 2.174 billion bushels and two years ago 1.942 billion bushels). The Brazil crop estimate of 113.0 million metric tons was up 1 from last month but very near the trade average of 113.9. The Argentine crop was reduced 7.0 million metric tons to 47.0, falling 1 ½ million below the trade average of 48.5. Interesting to note the USDA made no change in the Argentine stocks total and did up the Brazil number by nearly 600,000 metric tons. Market results due to the report were: Pre-report down 2; at release down 7; and at the close down 1.

#### ***Wheat:***

- Raised 17/18 ending stocks 25 million bushels from 1.009 billion bushels to 1.034 billion bushels.
- Lowered 17/18 total usage 25 million bushel to 2.042 billion bushels (-25 exports).
- Raised World 17/18 ending stocks from 266.1 million metric tons to 268.9 million metric tons.

**SUMMARY:** Somewhat negative wheat report. The biggest takeaway was global wheat stocks climbing to a record 269 million metric tons, an increase of 2.8 million and 1 million more than the top end of trade estimates. Primary driver was a 2.0 million metric ton reduction in India's domestic demand from rising prices. Russian exports are projected at 37.5 million metric tons, a 35% increase from last years record and now exceeding EU exports by 12.5 million. US exports were lowered 25 million bushels, result was a like increase in ending stocks to 1.034 billion bushels. With recent spike in US flat price, export competition is likely to be strong into spring. Key now will be northern hemisphere weather, in particular US winter wheat prospects. Dryness is still in the short-term forecast for most Plains HRW areas. Market results due to the report were: Pre-report down 2; at release down 5; and at the close up 2.