



USDA May WASDE Report 5/10/18:

Corn:

- No Change to 17/18 ending stocks, 2.182 billion bushels.
- First look at 18/19 ending stocks at 1.682 billion bushels, average trade estimate at 1.628 billion bushels.
- Lowered World 17/18 ending stocks from 197.8 million metric tons to 194.9 million metric tons.
- First look at World 18/19 ending stocks at 159.15 million metric tons, average trade estimate 186.35 million metric tons.

SUMMARY: A non-event as this month's ending stocks of 2.182 billion came in unchanged from April while the new crop forecast of 1.682 billion came in 51 million bushels above the trade average, still a 500 million bushel drop from last year. All this feels like a delicate 18/19 balance sheet which gives hope to farmers and could mean challenges for end users if we see hiccups in summer weather. Market results due to the report were: Pre-report down 2; at release up 1; and at the close down 1.

Soybeans:

- Lowered 17/18 ending stocks 20 million bushels from 550 million bushels to 530 million bushels.
- Raised 17/18 total usage 20 million bushels to 4.188 billion bushels (+20 crush).
- Raised World 17/18 ending stocks from 90.8 million metric tons to 92.2 million metric tons.
- First look at World 18/19 ending stocks at 86.7 million metric tons, average trade estimate 90.52 million metric tons.

SUMMARY: Bean report was a little friendly at first but the market ended up traded the report like it is already long. Old crop stocks at 530 million bushels were 16 million less than the trade average while new crop came out at 415 million bushels, a whopping 118 million below the average trade guess. Seemingly no impact on Chinese bean demand, either from the tariff squabble or with respect to softening meal demand. The 415 million bushel carryout number has plenty of room to move in either direction, depending on yield and exports. Market results due to the report were: Pre-report up 2; at release up 17; and at the close up 5.

Wheat:

- Raised 17/18 ending stocks 6 million bushels from 1.064 billion bushels to 1.070 billion bushels.
- Lowered 17/18 total usage 6 million bushel to 2.006 billion bushels (+8 food, +1 seed, -15 exports).
- Lowered World 17/18 ending stocks from 271.2 million metric tons to 270.5 million metric tons.
- First look at World 18/19 ending stocks at 264.33 million metric tons, average trade estimate 269.18 million metric tons.

SUMMARY: US winter wheat production slightly negative, but world ending stocks were slightly below expectations. There remains quite a bit of uncertainty about US crop size, particularly HRW. Yield potential for HRW could be supported by delayed crop maturity if cool and wet conditions develop soon. Choppy as the market continues to closely monitor northern hemisphere weather conditions. Market results due to the report were: Pre-report down 1; at release up 1; and at the close down 4.