



USDA June WASDE Report 6/12/18:

Corn:

- Lowered 17/18 ending stocks 80 million bushels from 2.182 billion bushels to 2.102 billion bushels.
- Lowered 17/18 total supply 5 million bushels to 16.942 billion bushels (-5 imports).
- Raised 17/18 total usage 75 million bushels to 14.840 billion bushels (+75 exports).
- Lowered 18/19 ending stocks 105 million bushels from 1.682 billion bushels to 1.577 billion bushels.
- Lowered 18/19 total supply 80 million bushels to 16.192 billion bushels (-80 beginning stocks).
- Raised 18/19 total usage 25 million bushels to 14.615 billion bushels (-25 feed use, +50 ethanol).
- Lowered World 17/18 ending stocks from 194.9 million metric tons to 192.7 million metric tons.
- Lowered World 18/19 ending stocks from 159.2 million metric tons to 154.7 million metric tons.

SUMMARY: The larger old crop export forecast (75 mbu) seems to have caught the trade by surprise and filtered all the way through to next year's ending stocks which were down 105 mbu from last month, aided by a 50 mbu increase in expected ethanol grind. For the moment the market is focused on a somewhat tighter S&D and the outlook for a period of mostly hot and dry weather. Talk of further cuts in the Brazil crop in the coming months could provide additional support but politics has been at the forefront of the recent movements. Market results due to the report were: Pre-report up 4; at release up 6; and at the close up 10.

Soybeans:

- Lowered 17/18 ending stocks 25 million bushels from 530 million bushels to 505 million bushels.
- Raised 17/18 total usage 25 million bushels to 4.213 billion bushels (+25 crush).
- Lowered 18/19 ending stocks 30 million bushels from 415 million bushels to 385 million bushels.
- Lowered 18/19 total supply 25 million bushels to 4.810 billion bushels (-25 beginning stocks).
- Raised 18/19 total usage 5 million bushels to 4.425 billion bushels (+5 crush).
- Raised World 17/18 ending stocks from 92.2 million metric tons to 92.5 million metric tons.
- Raised World 18/19 ending stocks from 86.7 million metric tons to 87.0 million metric tons.

SUMMARY: Soybean futures run in place after report makes adjustments, but nothing earth changing. Old carry out came in at 505 mbu 18 million below the average trade guess and new crop carry out came in at 385 million 50 million below the average trade guess. A sub 400 18/19 ending stocks figure should help the future markets but next year's South American potential and politics lurks in the background. Market results due to the report were: Pre-report up 2; at release up 6; and at the close up 1.

Wheat:

- Raised 17/18 ending stocks 10 million bushels from 1.070 billion bushels to 1.080 billion bushels.
- Lowered 17/18 total usage 10 million bushels to 1.996 billion bushels (-10 exports).
- Lowered 18/19 ending stocks 9 million bushels from 955 million bushels to 946 million bushels.
- Raised 18/19 harvested acres 0.9 million acres from 38.9 million acres to 39.8 million acres.
- Raised 18/19 yield 0.1 bushels per acre from 46.8 bushels per acre to 46.9 bushels per acre.
- Raised 18/19 total supply 16 million bushels to 3.043 billion bushels (+10 beginning stocks, +6 production).
- Raised 18/19 total usage 25 million bushels to 2.097 billion bushels (+25 exports).
- Raised World 17/18 ending stocks from 270.5 million metric tons to 272.4 million metric tons.
- Raised World 18/19 ending stocks from 264.3 million metric tons to 266.2 million metric tons.

SUMMARY: US winter wheat production slightly negative and world ending stocks were above expectations. However, there remains quite a bit of uncertainty about US crop size (particularly HRW) and production estimates are declining in the FSU-12 and EU. Plus, dryness continues to impact key production areas of Australia despite recent rain. Very choppy with a somewhat firm undertone as the market continues to closely monitor northern hemisphere production prospects. Market results due to the report were: Pre-report up 2; at release up 5; and at the close up 20.