



USDA October WASDE Report 10/12/17:

Corn:

- Lowered 16/17 ending stocks 55 million bushels from 2.350 billion bushels to 2.295 billion bushels.
- Raised 16/17 total supply 2 million bushels to 16.942 billion bushels (+2 imports).
- Raised 16/17 total usage 57 million bushels to 14.647 billion bushels (-2 exports, +39 feed use, +20 food/Ind./Seed, +3 ethanol).
- Raised 17/18 ending stocks 5 million bushels from 2.335 billion bushels to 2.340 billion bushels.
- Lowered 17/18 harvested acres 400,000 acres from 83.5 million acres to 83.1 million acres.
- Raised 17/18 yield 1.9 bushels per acre from 169.9 bushels per acre to 171.8 bushels per acre.
- Raised total supply 40 million bushels to 16.625 billion bushels (-55 beginning stocks, +96 production)
- Raised total usage 35 million bushels to 14.285 billion bushels (+25 feed use, +10 food/Ind./Seed).
- World 16/17 ending stocks left unchanged at 227.0 million metric tons.
- Lowered World 17/18 ending stocks from 202.5 million metric tons to 201.0 million metric tons.

SUMMARY: Somewhat negative corn report but found support from soybeans. Harvested acres were trimmed back 377 thousand acres but a 1.9 bushel per acre increase in yield to 171.8 was sufficient to boost the crop size by 96 million. The 17/18 carry-out estimate only increased 5 million bushels from September to 2.340 billion bushels (trade average 2.249) due to a 25-million-bushel increase in expected feed/residual use, a 10 million increase in ethanol, and a 55-million-bushel lower beginning stocks number. Market results due to the report were: Pre-report down 2; at release down 2; and at the close up 3.

Soybeans:

- Lowered 16/17 ending stocks 44 million bushels from 345 million bushels to 301 million bushels.
- Lowered 16/17 yield 0.10 bushels per acre from 52.1 bushels per acre to 52.0 bushels per acre.
- Lowered 16/17 total supply 13 million bushels to 4.515 billion bushels (-11 production, -3 imports).
- Raised total usage 31 million bushels to 4.214 billion bushels (+4 crush, +4 exports, +1 seed, +22 residual).
- Lowered 17/18 ending stocks 45 million bushels from 475 million bushels to 430 million bushels.
- Raised 17/18 harvested acres 800,000 acres from 49.9 million acres to 49.5 million acres.
- Lowered 17/18 yield 0.4 bushels per acre from 49.9 bushels per acre to 49.5 bushels per acre.
- Raised total supply 44 million bushels to 4.757 billion bushels (-44 beginning stocks).
- Lowered World 16/17 ending stocks from 96.0 million metric tons to 94.9 million metric tons.
- Lowered World 17/18 ending stocks from 97.5 million metric tons to 96.1 million metric tons.

SUMMARY: Rather supportive. Yield declined 0.4 bushels per acre from the September to 49.5 and was 0.3 bushels below the average trade guess. Harvested acres increased 740,000 acres to 89.5 million acres (average trade guess 89.1) with production holding steady at 4.431 billion bushels (average trade guess 4.439). 17/18 ending stocks fell 45 million bushels due to the impact of the September stocks report (down 44 million bushels). Market results due to the report were: Pre-report up 2; at release up 15; and at the close up 26.

Wheat:

- Lowered 16/17 ending stocks 3 million bushels from 1.184 billion bushels to 1.181 billion bushels.
- Raised 17/18 ending stocks 27 million bushels from 933 million bushels to 960 million bushels.
- Lowered 17/18 harvested acres 500,000 acres from 38.1 million acres to 37.6 million acres.
- Raised 17/18 yield 0.7 bushels per acre from 45.6 bushels per acre to 46.3 bushels per acre.
- Lowered 17/18 total supply 3 million bushels to 3.071 billion bushels (-3 beginning stocks, +2 production).
- Lowered 17/18 total usage 30 million bushel to 2.111 billion bushels (-30 feed/residual).
- Raised World 16/17 ending stocks from 255.8 million metric tons to 256.6 million metric tons.
- Raised World 17/18 ending stocks from 263.1 million metric tons to 268.1 million metric tons.

SUMMARY: Neutral to bearish but finding spillover support primarily from strength in soybeans. At 268.1 million metric tons, world ending stocks of wheat were well above expectations, while US carry out of 960 million bushels was slightly above the average trade estimate. Australia crop size was lowered 1 million metric tons but Russia output was increased a like amount. There are ideas Australia crop could decline further, while additional increases in Russia are possible. Market results due to the report were: Pre-report down 4; at release down 3; and at the close down 3.