

10-Dec-13

Soybeans**US Soybean Supply/Demand**

	12/13		13/14	
	Nov	Dec	Nov	Dec
Planted	77.2	77.2	76.5	76.5
Harvested	76.2	76.2	75.7	75.7
Yield	39.8	39.8	43.0	43.0
Production	3,034	3,034	3,258	3,258
Carry In	169	169	141	141
Imports	36	36	15	25
Crush	1,689	1,689	1,685	1,690
Seed/Resid	90	90	109	109
Exports	1,320	1,320	1,450	1,475
Carry Out	141	141	170	150

World Soybean Supply/Demand

	12/13		13/14	
	Nov	Dec	Nov	Dec
Carry In	55.15	55.15	60.11	60.18
Production	267.88	268.02	283.54	284.94
Imports	95.47	95.18	104.40	105.12
Domestic	258.44	258.30	270.00	270.87
Exports	99.95	99.86	107.83	108.77
Carry Out	60.11	60.18	70.23	70.62

World Soybean Production

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	82.56	82.56	88.66	88.66
Argentina	49.30	49.30	53.50	54.50
Brazil	82.00	82.00	88.00	88.00
China	12.80	12.80	12.20	12.20
Others	41.22	41.36	41.18	41.58
World	267.88	268.02	283.54	284.94

World Soybean End Stocks

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	3.83	3.83	4.63	4.07
Argentina	24.35	24.40	27.98	28.50
Brazil	15.76	15.76	19.76	19.76
China	12.19	12.19	13.66	13.66
Others	3.98	4.00	4.20	4.63
World	60.11	60.18	70.23	70.62

Production: Argentine up 1 Mmt (still 3 Mmt below the US Ag Attaché number), Brazil unchanged against today's 90 Mmt from CONAB.

Trade/Use: US crush, imports, exports raised, no other changes to trade - notably Chinese imports left at 69 Mmt.

Stocks: US end stocks down 20 Mbu, Argentina up 500kt, world stocks at new record high, even with understated S American crop.

Conclusion: The risk for the January report has to be further increases in S American production (assuming normal weather), a higher US final yield offsetting today's demand increase, with further scrutiny on the Chinese import number (and origin split).
The highs are probably in, but we need to get Dec meal off the board and persuade the US farmer to sell.

Corn**US Corn Supply/Demand**

	12/13		13/14	
	Nov	Dec	Nov	Dec
Planted	97.2	97.2	95.3	95.3
Harvested	87.4	87.4	87.2	87.2
Yield	123.4	123.4	160.4	160.4
Production	10,780	10,780	13,989	13,989
Carry In	989	989	824	824
Imports	162	162	25	30
Ethanol	4,648	4,648	4,900	4,950
Domestic	10,377	10,377	11,550	11,600
Exports	731	731	1,400	1,450
Carry Out	824	824	1,887	1,792

World Corn Supply/Demand

	12/13		13/14	
	Nov	Dec	Nov	Dec
Carry In	132.46	132.46	134.86	134.90
Production	862.71	862.88	962.83	964.28
Imports	97.96	98.17	106.43	107.87
Domestic	860.30	860.44	933.36	936.73
Exports	91.46	91.83	110.38	112.16
End Stocks	134.86	134.90	164.33	162.46

World Corn Production

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	273.83	273.83	355.33	355.33
Argentina	26.50	26.50	26.00	26.00
Brazil	81.00	81.00	70.00	70.00
China	205.60	205.60	211.00	211.00
S. Africa	12.20	12.20	13.00	13.00
EU-28	58.86	58.86	65.29	64.94
FSU	32.40	32.40	45.06	46.06
Mexico	21.59	21.59	21.70	21.70
Other	150.73	150.90	155.45	156.25
World	862.71	862.88	962.83	964.28

World Corn End Stocks

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	20.92	20.92	47.94	45.53
Argentina	0.90	0.90	0.91	0.91
Brazil	16.00	16.01	11.81	11.81
China	65.56	65.56	67.46	67.46
S. Africa	3.20	3.17	3.23	3.19
EU-28	5.42	5.38	5.71	5.81
FSU	1.99	1.97	4.30	4.77
Mexico	1.12	1.03	2.56	2.58
Other	19.75	19.96	20.41	20.40
World	134.86	134.90	164.33	162.46

Production: World production up 1.5 Mmt, essentially Canada and Ukraine (a surprise given harvest problems), but the big shock is the unchanged Chinese crop, with USDA completely ignoring this week's CNGOIC number which was 6.5 Mmt higher.

Usage: World usage raised 3.4 Mmt, with 500kt feed each in Canada, the EU and Ukraine, plus 50 Mbu of US ethanol.

Exports: US raised 1.3 Mmt and Canada 500kt

Imports: USDA getting close on the EU with another 1 Mmt rise to 9 Mmt, but not only did they ignore the official Chinese crop hike, they also chose to ignore all the current GM issues and left Chinese imports unchanged at 7 Mmt.

Stocks: The higher world usage more than offset the bigger world crop taking stocks down 2 Mmt

Conclusion: Like the beans, this reports suggests to us that the highs are in. The market has to fear a sizeable increase in both the US and Chinese crops in the January report, with additional risk from the US stocks data (overestimated feed), and declining Chinese imports. There are still question marks over S America, but if USDA is right on the Ukraine crop, their exports are too low.

10-Dec-13

Wheat

US Wheat Supply/Demand

	12/13		13/14	
	Nov	Dec	Nov	Dec
Planted	55.7	55.7	56.2	56.2
Harvested	49.0	48.9	45.2	45.2
Yield	46.3	46.3	47.2	47.2
Production	2,269	2,266	2,130	2,130
Carry In	743	743	718	718
Imports	123	123	150	160
Domestic	1,409	1,406	1,333	1,333
Exports	1,007	1,007	1,100	1,100
Carry Out	718	718	565	575

World Wheat Supply/Demand

	12/13		13/14	
	Nov	Dec	Nov	Dec
Carry In	199.37	198.94	175.59	175.83
Production	655.49	656.17	706.38	711.42
Imports	144.88	144.82	149.53	151.75
Domestic	679.28	679.28	703.49	704.47
Exports	138.32	137.97	153.72	156.92
End Stocks	175.59	175.83	178.48	182.78

World Wheat Production

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	61.76	61.76	57.96	57.96
EU-28	133.58	133.88	143.34	143.12
Canada	27.20	27.20	33.20	37.50
Australia	22.08	22.46	25.50	26.50
Argentina	9.50	9.50	11.00	11.00
China	121.00	121.00	121.00	121.00
FSU	77.21	77.21	104.06	104.06
India	94.88	94.88	92.46	92.46
Pakistan	23.30	23.30	24.00	24.00
Other	84.98	84.98	93.86	93.82
World	655.49	656.17	706.38	711.42

World Wheat End Stocks

	12/13		13/14	
	Nov	Dec	Nov	Dec
US	19.54	19.54	15.37	15.64
EU-28	10.01	10.01	12.10	11.95
Canada	5.06	5.06	7.25	9.85
Australia	3.70	4.24	3.77	4.81
Argentina	0.59	0.59	1.05	1.05
China	53.94	53.94	56.94	56.94
FSU	14.57	14.27	16.44	16.39
India	24.20	24.20	20.20	20.20
Pakistan	2.62	2.62	3.02	3.02
Other	41.36	41.36	42.34	42.93
World	175.59	175.83	178.48	182.78

Production: USDA followed the recent 'official' numbers from Canada and Oz, but obviously doesn't thing too much of the Argentinians.
(Once again, reality in Argentina surrounds not the size of the crop, but what the Govt will allow for export, and right now they are indicating 1.5 Mmt max basis a crop of 8.5 Mmt).

Consumption: World consumption was raised 1 Mmt despite a 1 Mmt drop in EU feeding.

Imports: World imports rose over 2 Mmt, and our biggest issue here is with Turkey where the current program of Govt sales will probably lead to an actual decline in imports. Note also that the increases to Egypt, Syria and B'desh come despite a \$10 rally in EU and Black Sea cash prices since the last report.

Exports: Exports were raised 3.2 Mmt, essentially Canada, the EU and Oz, with India left unchanged.

Stocks: World stocks were raised over 4 Mmt, with all the major exporters in stock-building mode - except the US.

Conclusion: Other than the extent to which wheat farmers around the world continue to hold onto their grain, there was nothing bullish about today's report. And if the January report proves as bearish for corn as many expect, the long term direction of the world's grain markets, looks like a done deal.