

10-Jan-14

Soybeans

US Soybean Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
Planted	77.2	77.2	76.5	76.5
Harvested	76.2	76.2	75.7	75.9
Yield	39.8	39.8	43.0	43.3
Production	3,034	3,034	3,258	3,289
Carry In	169	169	141	141
Imports	36	36	25	25
Crush	1,689	1,689	1,690	1,700
Seed/Resid	90	90	109	109
Exports	1,320	1,320	1,475	1,495
Carry Out	141	141	150	150

World Soybean Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
Carry In	55.15	55.15	60.18	60.55
Production	268.02	268.27	284.94	286.83
Imports	95.18	95.17	105.12	105.20
Domestic	258.30	258.19	270.87	270.92
Exports	99.86	99.85	108.77	109.32
Carry Out	60.18	60.55	70.62	72.33

World Soybean Production

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	82.56	82.56	88.66	89.51
Argentina	49.30	49.30	54.50	54.50
Brazil	82.00	82.00	88.00	89.00
China	12.80	13.05	12.20	12.20
Others	41.36	41.36	41.58	41.62
World	268.02	268.27	284.94	286.83

World Soybean End Stocks

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	3.83	3.83	4.07	4.09
Argentina	24.40	24.40	28.50	29.20
Brazil	15.76	15.93	19.76	20.70
China	12.19	12.39	13.66	13.71
Others	4.00	4.00	4.63	4.63
World	60.18	60.55	70.62	72.33

Production: US up just under 1 Mmt (higher harvested/yield), Brazil up 1 Mmt at 89 Mmt (CONAB yesterday at 90.3 Mmt).

Use: Crush raised in the US and Brazil, lowered in Argentina, world crush barely changed.

Exports: US up 20 Mbu at 1,495 Mbu (already done basis current sales commitments), otherwise no change.

Stocks: US stocks unchanged (spreads and basis will have to do the job), S American stocks up 1.7 Mmt.
No change to the Chinese S&D.

Conclusion: Like last year, solving the old crop US S&D will take some work in terms of 1) shifting export demand, 2) increasing US imports and 3) collapsing the crush. But the big picture still says 'record S American production', and a transition at some stage to sharply lower prices.

10-Jan-14

Corn

US Corn Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
Planted	97.2	97.2	95.3	95.4
Harvested	87.4	87.4	87.2	87.7
Yield	123.4	123.4	160.4	158.8
Production	10,780	10,780	13,989	13,925
Carry In	989	989	824	821
Imports	162	162	30	35
Ethanol	4,648	4,648	4,950	5,000
Domestic	10,377	10,379	11,600	11,700
Exports	731	731	1,450	1,450
Carry Out	824	821	1,792	1,631

World Corn Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
Carry In	132.46	132.76	134.90	132.98
Production	862.88	862.95	964.28	966.92
Imports	98.17	98.22	107.87	106.75
Domestic	860.44	862.73	936.73	939.66
Exports	91.83	95.22	112.16	111.31
End Stocks	134.90	132.98	162.46	160.23

World Corn Production

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	273.83	273.83	355.33	353.72
Argentina	26.50	26.50	26.00	25.00
Brazil	81.00	81.00	70.00	70.00
China	205.60	205.60	211.00	217.00
S. Africa	12.20	12.20	13.00	13.00
EU-27	58.86	58.86	64.94	64.94
FSU	32.40	32.40	46.06	45.56
Mexico	21.59	21.59	21.70	21.70
Other	150.90	150.97	156.25	156.00
World	862.88	862.95	964.28	966.92

World Corn End Stocks

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	20.92	20.86	45.53	41.44
Argentina	0.90	0.90	0.91	0.91
Brazil	16.01	14.01	11.81	9.81
China	65.56	65.57	67.46	71.47
S. Africa	3.17	3.17	3.19	3.19
EU-27	5.38	5.38	5.81	5.56
FSU	1.97	1.97	4.77	4.77
Mexico	1.03	1.06	2.58	2.48
Other	19.96	20.06	20.40	20.60
World	134.90	132.98	162.46	160.23

Production: Today's shock came from the the lower US yield, although on a world basis, this was easily outweighed by the 6 Mmt hike in China (should have been done in the December report). Argentina was lowered 1 Mmt (hot dry), Brazil was unchanged at 70 Mmt against yesterday's CONAB number of 79 Mmt. The truth is probably somewhere between the two.

Usage: The US Dec 1 stocks number pushed USDA to raise US corn feeding, and the FSR is now 1 Bbu (23%) up on last year, despite fewer animals! This 2.5 Mmt increase accounted for pretty much the whole of the increase in world usage.

Import/Exports: The big change to imports was a 2 Mmt drop in China (perfectly logical), whilst on exports the change came in Argentina with a drop of 1 Mmt, but preceded by a 3 Mmt hike in Brazil's 12/13 exports..

Stocks: World stocks down 2 Mmt: the US and China cancelled each other out, the drop in Brazil was a direct result of the higher exports.

Conclusion: A shock US yield, plus lower US and world stocks, produced a short covering rally. But the big picture has not changed.

Wheat

10-Jan-14

US Wheat Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
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	160	160
Domestic	1,409	1,406	1,333	1,274
Exports	1,007	1,007	1,100	1,125
Carry Out	718	718	575	608

World Wheat Supply/Demand

	12/13		13/14	
	Dec	Jan	Dec	Jan
Carry In	198.94	198.94	175.83	176.13
Production	656.17	656.45	711.42	712.66
Imports	144.82	144.86	151.75	152.70
Domestic	679.28	679.26	704.47	703.39
Exports	137.97	137.83	156.92	158.58
End Stocks	175.83	176.13	182.78	185.40

World Wheat Production

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	61.76	61.76	57.96	57.96
EU-27	133.88	133.88	143.12	142.90
Canada	27.20	27.20	37.50	37.50
Australia	22.46	22.46	26.50	26.50
Argentina	9.50	9.50	11.00	10.50
China	121.00	121.00	121.00	122.00
FSU	77.21	77.21	104.06	105.02
India	94.88	94.88	92.46	92.46
Pakistan	23.30	23.30	24.00	24.00
Other	84.98	85.26	93.82	93.82
World	656.17	656.45	711.42	712.66

World Wheat End Stocks

	12/13		13/14	
	Dec	Jan	Dec	Jan
US	19.54	19.54	15.64	16.55
EU-27	10.01	10.01	11.95	11.73
Canada	5.06	5.06	9.85	9.85
Australia	4.24	4.24	4.81	4.81
Argentina	0.59	0.59	1.05	1.05
China	53.94	53.94	56.94	57.96
FSU	14.27	14.27	16.39	16.64
India	24.20	24.20	20.20	20.20
Pakistan	2.62	2.62	3.02	3.02
Other	41.36	41.66	42.93	43.59
World	175.83	176.13	182.78	185.40

Production: World production up 1.2 Mmt with increases in China and Russia outpacing declines in the EU and Argentina

Consumption: World feed use down 2.4 Mmt in the US and EU (which was switched to exports)

Exports: Increases in US (700kt), EU (1 Mmt), Russia (500kt), partially offset by 500kt drop in Argentina (still too high at 4 Mmt).
India at an unchanged 6.5 Mmt also looks unattainable.

Stocks: World stocks up 2.7 Mmt, mostly in the US and China.

Conclusion: World stocks higher, US stocks higher, US Dec 1 stocks above expectations - all weigh negative for prices, with only the smaller than expected SRW seedings lending any support at all.
India is selling cheap new crop wheat, the Black Sea gets back from holiday Monday, and when the dust settles on today's corn numbers, the outlook for wheat will not be pretty.