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Soybeans

US Soybean Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Planted	76.8	76.8	84.2	84.2
Harvested	76.3	76.3	83.4	83.4
Yield	44.0	44.0	47.5	47.5
Production	3'358	3'358	3'958	3'958
Carry In	141	141	92	92
Imports	72	72	15	15
Crush	1'734	1'734	1'780	1'780
Seed/Resid	98	98	115	115
Exports	1'647	1'647	1'720	**1'760**
Carry Out	92	92	450	**410**

World Soybean Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Carry In	56.28	56.28	66.85	66.58
Production	285.01	285.30	312.06	**312.81**
Imports	110.29	110.44	112.72	112.77
Domestic	272.00	272.62	285.82	**286.07**
Exports	112.73	112.83	115.54	116.22
Carry Out	66.85	66.58	90.28	**89.87**

World Soybean Production

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	91.39	91.39	107.73	107.73
Argentina	54.00	54.00	55.00	55.00
Brazil	86.70	86.70	94.00	94.00
China	12.20	12.20	11.80	11.80
Others	40.72	41.01	43.53	**44.28**
World	285.01	285.30	312.06	312.81

World Soybean End Stocks

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	2.50	2.50	12.25	**11.16**
Argentina	29.00	29.00	34.65	**34.85**
Brazil	16.80	**16.53**	23.95	**24.38**
China	14.43	14.43	14.03	14.03
Others	4.12	4.12	5.40	5.45
World	66.85	66.58	90.28	89.87

Note: **Blue signifies an increase**
Red signifies a decrease

Production: Minor changes in Paraguay and Canada, but the majors were left alone. USDA did not follow CONAB who raised the Brazil crop 5.3 Mmt to 95.8 Mmt.

Use: A very minor increase of 250kt.

Imports: No change - notably in China.

Exports: They raised US exports 40 Mbu, which is more than the current pace of sales would suggest, and they took 200kt out of Argentina and 700kt out of Brazil.
USDA now has Brazil exports down 800kt on last year at 46 Mmt, against a crop that is 7 Mmt higher basis their number, and 9 Mmt higher basis CONAB.

Stocks: World stocks fell 400kt, with the US down 1.1 Mmt on the higher exports, and S America correspondingly higher

Conclusion: With US and world stocks slightly lower, the report should have been mildly supportive. But the pre-report rally had been so great, that the market is selling off.
We do not see Brazil carrying 24 Mmt of stocks (or 26 Mmt if the CONAB's crop is correct), with the implication that US exports are overstated.
But the real bottom line is that without a weather problem soon, the world's bean stocks are going to grow by 23 Mmt, with a guarantee that both US and S American acres will increase further next year - plus the near certainty that China is unable to absorb anything but a very minor share of the production increase.
Barring a shock from the FSA on Monday, today's report consolidated the longer term bearish picture (although the need to keep the pipeline supplied sghould not be overlooked).

10-Dec-14

Corn

US Corn Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Planted	95.4	95.4	90.9	90.9
Harvested	87.7	87.7	83.1	83.1
Yield	158.8	158.8	173.4	173.4
Production	13'925	13'925	14'407	14'407
Carry In	821	821	1'236	1'236
Imports	36	36	25	25
Ethanol	5'134	5'134	5'150	5'150
Domestic	11'629	11'629	11'910	**11'920**
Exports	1'917	1'917	1'750	1'750
Carry Out	1'236	1'236	2'008	**1'998**

World Corn Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Carry In	137.78	137.80	172.99	172.84
Production	989.19	989.29	990.32	**991.58**
Imports	122.19	122.05	110.30	109.80
Domestic	953.98	954.25	971.81	**972.21**
Exports	129.93	130.14	113.09	112.34
End Stocks	172.99	172.84	191.58	**192.20**

World Corn Production

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	353.72	353.72	365.97	365.97
Argentina	25.00	25.00	23.00	**22.00**
Brazil	79.30	79.30	75.00	75.00
China	218.49	218.49	214.00	**215.50**
S. Africa	14.75	14.75	13.50	13.50
EU-27	64.19	64.19	73.05	**73.59**
FSU	46.90	46.90	42.66	42.66
Mexico	22.96	22.96	23.00	23.00
Other	163.88	163.98	160.14	160.36
World	989.19	989.29	990.32	991.58

World Corn End Stocks

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	31.39	31.39	51.01	**50.75**
Argentina	2.18	2.18	2.93	2.93
Brazil	17.75	17.75	17.55	17.55
China	77.32	77.32	77.72	**78.72**
S. Africa	3.34	3.34	2.86	2.86
EU-27	6.88	6.71	6.93	**6.80**
FSU	3.33	3.24	3.41	**3.32**
Mexico	2.73	2.77	2.88	**2.92**
Other	28.07	28.14	26.29	26.35
World	172.99	172.84	191.58	192.20

Production: World production up 1.25 Mmt, mostly in China (in line with Stats Buro) and the EU but Argentina down 1 Mmt. USDA did not follow CONAB's revised 78.7 Mmt corn crop.

Usage: World usage up just 400kt in the US and EU.

Import/Exports: USDA left the world export matrix pretty much unchanged other than taking Argentina down 1 Mmt to account for the lower crop. EU imports were left unchanged at 6 Mmt which may not be a bad number today.

Stocks: US stocks down just 10 Mbu, world stocks up 600kt, all of it in China.

Conclusion: Essentially a non-event as expected (although the near 4 Mmt CONAB-USDA productipon spread is of note), and the trade now awaits the FSA acreage update Monday.

* Note USDA culd not per se follow CONAB as those numbers came out whilst they were still in "Lock-up".

10-Dec-14

Wheat

US Wheat Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Planted	56.2	56.2	56.8	56.8
Harvested	45.3	45.3	46.4	46.4
Yield	47.1	47.1	43.7	43.7
Production	2'135	2'135	2026	2026
Carry In	718	718	590	590
Imports	169	169	170	**180**
Domestic	1'256	1'256	1216	1206
Exports	1'176	1'176	925	925
Carry Out	590	590	644	**654**

World Wheat Supply/Demand

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
Carry In	174.76	174.46	185.72	185.30
Production	714.74	714.77	719.86	**722.18**
Imports	156.59	156.59	153.44	156.16
Domestic	703.78	703.93	712.69	712.58
Exports	165.81	165.80	154.92	158.04
End Stocks	185.72	185.30	192.90	**194.90**

World Wheat Production

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	58.11	58.11	55.13	55.13
EU-27	143.13	143.13	155.40	155.40
Canada	37.50	37.50	27.50	**29.30**
Australia	27.00	27.00	24.00	24.00
Argentina	10.50	10.50	12.00	12.00
China	121.93	121.93	126.00	126.00
FSU	103.87	103.87	111.10	111.10
India	93.51	93.51	95.91	95.91
Pakistan	24.00	24.00	25.00	25.00
Other	95.19	95.22	87.82	**88.34**
World	714.74	714.77	719.86	722.18

World Wheat End Stocks

	13/14		14/15	
	Nov	**Dec**	**Nov**	**Dec**
US	16.05	16.05	17.53	**17.81**
EU-27	10.16	10.16	16.56	**17.06**
Canada	9.80	9.80	5.95	**6.75**
Australia	6.25	6.25	6.10	6.09
Argentina	2.54	2.54	2.40	2.40
China	60.27	60.27	62.97	62.97
FSU	15.02	15.02	19.60	19.70
India	17.83	17.83	16.30	16.30
Pakistan	2.16	2.16	2.06	2.06
Other	45.64	45.22	43.43	43.76
World	185.72	185.30	192.90	194.90

Production: World production up 2.3 Mmt essentially Canada and Kazakhstan. USDA did not follow ABARE lower on Australia, nor did it follow CONAB on Brazil.

Consumption: Usage raised 500kt in Canada, lowered 1.5 Mmt in the EU, but overall unchanged.

Trade: Exports raised 3 Mmt with Canada up 500kt, the EU up 1 Mmt but Russia down 500kt.

Stocks: The higher world crop fed straight into higher end stocks, with gains in 4 of the major exporters - US, EU, Canada, Russia..

Conclusion: The market expected a yawn and that's what it got but higher stocks with the major exporters is not bullish.