31-Mar-15

USDA March Highlights

USDA Stocks and Plantings March 31st 2014

US Stocks as of March 1st (Million Bu)	Range of Trade Estimates	Average Estimate	**USDA Today**	Difference vs trade	Mar 2014
Soybeans	1,273-1,404	1'346	**1'334**	-12	993
Corn	7,459-7,800	7'610	**7'745**	135	7'008
Wheat	1,083-1,200	1'140	**1'124**	-16	1'057

US Planting Intentions ('000 acres)	Range of Trade Estimates	Average Estimate	**USDA**	Difference vs trade	**Outlook Conference**	**Mar 2014**	**Final 2014**
Soybeans	83,100-88,000	85'919	**84'635**	-1'284	83'500	81'493	83'701
Corn	87,000-89,700	88'731	**89'199**	468	89'000	91'691	90'597
Spring Wheat	12,500-14,500	13'335	**12'969**	-366	-	12'009	12'247
Durum	1,400-2,200	1'760	**1'647**	-113	-	1'799	1'398
Winter Wheat	40,425-42,000	40'727	**40'751**	24	-	42'007	43'090
All Wheat	54,950-56,800	55'796	**55'367**	-429	55'500	55'815	56'822
Total			**229'201**		**228'000**	**228'999**	**231'120**

Soybeans: Stocks: The trade did a good job on the stocks estimate, and at 1.33 billion bu that's up 340 million bu on last year, with over 60% of the increase on farms.
Plantings: The one potentially supportive number today was bean acres at 1.3 million acres below trade guesses. However at 1.1 million acres above the Outlook numbers, it implies end stocks pushing 500 million bu, basis the USDA demand numbers, and over 600 million bu basis more realistic estimates.
Conclusion: Nothing has changed. Without a weather issue, the world has too many beans and the June acreage could go even higher.

Corn: Stocks: Stocks were slightly above trade guesses and up 11% on last year, implying Q2 offtake less than 1% above a year ago. Notably farmers are sitting on 500 million bu more than last year (up 13%)
Plantings: At 89.2 million acres, NASS was 500,000 acres above trade guesses but 1.4 million acres below a year ago. Assuming favorable weather, and bearing in mind NASS is probably undercounting total acres, this number could also go even higher.
Conclusion: Without a weather problem, 2015/16 end stocks will be pushing 2 billion bu and that will cap rallies.

Wheat: Stocks: Wheat stocks were below trade guesses, but seen as negative with implied Q3 usage down 3% on last year.
Plantings: Plantings were also below expectations, but it was all in the spring wheat, and once again, the trade believes that NASS did not pick up all the expected final acres - some of which will go to spring wheat.
Conclusion: The slump in wheat was a surprise to many, but history suggests that on stocks report days, it's corn which is the driver, and today it looked like wheat was the follower.

Bottom Line: The bean bears and corn bulls were surely disappointed today, whilst the fund shorts on wheat got a 20¢ break that may well be worth taking unless the weather improves.
Overall however, we see little change to the big picture - corn and beans need a weather problem, wheat is already in a weather market - even though US old crop stocks remain adequate.