12-May-15

Soybeans

US Soybean Supply/Demand

	13/14	14/15 Apr	14/15 May	15/16
Planted	76.8	83.7	83.7	84.6
Harvested	76.3	83.1	83.1	83.7
Yield	44.0	47.8	47.8	46.0
Production	3'358	3'969	3969	3'850
Carry In	141	92	92	350
Imports	72	30	30	30
Crush	1'734	1'795	**1805**	**1'825**
Seed/Resid	97	136	136	130
Exports	1'647	1'790	**1800**	**1'775**
Carry Out	92	370	**350**	**500**

World Soybean Supply/Demand

	13/14	14/15 Apr	14/15 May	15/16
Carry In	56.47	66.32	**63.40**	**85.54**
Production	283.25	315.46	**317.25**	317.30
Imports	111.25	114.21	114.15	**119.63**
Domestic	274.64	288.92	**291.76**	**304.28**
Exports	112.94	117.42	117.50	**121.98**
Carry Out	63.40	89.55	**85.54**	**96.22**

World Soybean Production

	13/14	14/15 Apr	14/15 May	15/16
US	91.39	108.10	108.01	**104.78**
Argentina	53.40	57.00	**58.50**	**57.00**
Brazil	86.70	94.50	94.50	**97.00**
China	12.20	12.35	12.35	**11.50**
Others	39.56	43.51	43.89	47.02
World	283.25	315.46	**317.25**	317.30

World Soybean End Stocks

	13/14	14/15 Apr	14/15 May	15/16
US	2.50	10.06	**9.51**	**13.61**
Argentina	**26.05**	35.72	**31.95**	32.85
Brazil	16.53	24.58	24.93	**31.00**
China	14.43	14.33	14.38	13.88
Others	3.89	4.86	4.77	4.88
World	63.40	89.55	**85.54**	**96.22**

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

Production: 14/15 USDA came into line with the trade in Argentina
15/16 US as expected, Argentina lower, offset by Brazil. Bottom line a near unchanged world crop.

Use: 14/15 They added 3 Mmt to domestic usage which conveniently offset the production increase.
15/16 World usage projected to rise a mere 13 Mmt ! We can find 9 Mmt between China (4) Argentina (3) and and 1 Mmt each for Brazil and the US, but we can't find the rest.

Exports: 14/15 US raised slightly as expected.
15/16 US down 25 Mbu, Argentina down 500kt, Brazil up 4 Mmt.

Imports: 14/15 China lowered 500kt
15/16 China raised 4 Mmt to 77.5 Mmt, the rest is of no interest.

Stocks: 14/15 US slightly lower, world stocks a function of the number juggling in Argentina.
15/16 A stunning 11 Mmt increase to 96 Mmt, with 6 Mmt in Brazil. Basis these numbers, Brazil will have doubled its stocks from 16 Mmt to 31 Mmt in just two years.

Conclusion: What does price have to do to shut off production?
What does price have to do to stop Brazilian farmers doubling their stocks every 2 years?

Given normal weather, Nov beans will go below $8.00

12-May-15

Corn

US Corn Supply/Demand

	13/14	14/15 Apr	14/15 May	15/16
Planted	95.4	90.6	90.6	89.2
Harvested	87.5	83.1	83.1	81.7
Yield	158.1	171.0	171.0	166.8
Production	13'829	14'216	14'216	13'630
Carry In	821	1'232	1'232	1'851
Imports	36	25	25	25
Ethanol	5'134	5'200	5'200	5'200
Domestic	11'537	11'845	**11'797**	**11'860**
Exports	1'917	1'800	**1'825**	**1'900**
Carry Out	1'232	1'827	**1'851**	**1'746**

World Corn Supply/Demand

	13/14	14/15 Apr	14/15 May	15/16
Carry In	136.51	170.84	**173.80**	**192.50**
Production	990.64	991.92	**996.12**	**989.83**
Imports	123.76	114.62	115.45	118.76
Domestic	953.35	974.31	**977.42**	**990.40**
Exports	131.07	117.69	121.03	120.90
End Stocks	173.80	188.46	**192.50**	**191.94**

World Corn Production

	13/14	14/15 Apr	14/15 May	15/16
US	351.27	361.09	361.09	**346.22**
Argentina	26.00	24.00	**24.50**	**25.00**
Brazil	80.00	75.00	**78.00**	**75.00**
China	205.60	215.50	215.67	**228.00**
S. Africa	14.98	11.30	**11.30**	**13.50**
EU-27	64.66	74.16	**73.67**	**68.34**
FSU	46.90	43.47	43.47	**41.66**
Mexico	22.88	24.00	24.00	**23.50**
Other	178.35	163.40	164.42	**168.61**
World	990.64	991.92	**996.12**	**989.83**

World Corn End Stocks

	13/14	14/15 Apr	14/15 May	15/16
US	31.29	46.42	**47.02**	**44.35**
Argentina	1.41	0.82	1.51	**1.02**
Brazil	18.97	17.77	17.27	**12.07**
China	**77.32**	79.72	79.96	**90.91**
S. Africa	2.15	1.60	1.58	2.20
EU-27	6.82	7.58	7.99	7.33
FSU	3.22	3.35	3.40	3.46
Mexico	2.69	2.64	2.64	**1.99**
Other	29.93	28.56	**31.13**	**28.61**
World	173.80	188.46	**192.50**	**191.94**

Production: 14/15 World production raised 4.2 Mmt mostly in Brazil

15/16 Major production changes in Brazil, China and the EU/FSU with a bottom line down just over 7 Mmt.

Usage: 14/15 A 3 Mmt rise in old crop usage worldwide,

15/16 but which pales into insignificance against the 13 Mmt hike for new crop.

Import/Exports: 14/15 World exports raised almost 4 Mmt with 3 Mmt in Brazil, but imports rose less than 1 Mmt. Clearly basic mathematics are not an issue for the USDA! (They could have solved the problem by putting EU imports at a more logical 9.5 Mmt instead of leaving them at 8 mmt).

15/16 USDA has smaller S American and FSU production for next year, hence they will provide a smaller exportable surplus, hence US exports will rise to fill the gap. Read it and weep. That's how it works!
The first shot on EU 15/16 imports is 12 Mmt (8 Mmt this year)..

Stocks: 14/15 World stocks rose 3 Mmt, and apart from 600kt in the US, we haven't yet found the rest.

15/16 Despite the lower crop and higher domestic offtake, world stocks are barely changed for 2015/16.
But note the major swing in China as USDA starts to adjust those S&D's, and the equally stunning 5 Mt drop in Brazil.

Conclusion: 7 Mmt off the crop and 13 Mmt onto demand - but still the stocks won't go down.
USDA is probably too high on US feeding, and flat out wrong on exports basis today's price structure - but that's what is holding the market 2-3¢ higher.
US end stocks should be north of 2 Bbu but for now, the market now goes back to weather watching.
Basis normal weather, Dec corn will go to $3.25.

12-May-15

Wheat

US Wheat Supply/Demand

	13/14	14/15		15/16
		Apr	May	
Planted	56.2	56.8	56.8	55.4
Harvested	45.3	46.4	46.4	48
Yield	47.1	43.7	43.7	43.5
Production	2'135	2'026	2026	**2087**
Carry In	718	590	590	709
Imports	169	145	150	140
Domestic	1'255	1'197	1197	**1219**
Exports	1'176	880	**860**	**925**
Carry Out	590	684	**709**	**793**

World Wheat Supply/Demand

	13/14	14/15		15/16
		Apr	May	
Carry In	176.91	186.57	**189.98**	200.97
Production	716.82	726.45	726.45	**718.93**
Imports	158.21	158.96	159.97	153.61
Domestic	703.76	715.82	715.46	716.59
Exports	165.92	162.03	163.70	156.95
End Stocks	189.98	197.21	**200.97**	**203.32**

World Wheat Production

	13/14	14/15		15/16
		Apr	May	
US	58.11	55.13	55.13	**56.81**
EU-27	144.42	156.45	156.45	**150.29**
Canada	37.53	29.30	29.30	29.00
Australia	26.93	24.00	24.00	**26.00**
Argentina	10.50	12.50	12.50	12.00
China	121.93	126.00	126.17	**130.00**
FSU	103.87	112.73	112.73	**103.38**
India	93.51	95.85	95.85	**90.00**
Pakistan	24.00	25.50	25.50	25.00
Other	96.02	88.99	88.82	**96.45**
World	716.82	726.45	726.45	**718.93**

World Wheat End Stocks

	13/14	14/15		15/16
		Apr	May	
US	16.07	18.63	**19.31**	**21.58**
EU-27	10.07	15.33	**14.72**	**14.01**
Canada	10.35	5.60	5.30	4.56
Australia	6.19	6.11	6.14	6.46
Argentina	2.49	3.25	3.18	**1.86**
China	60.27	62.77	62.94	**71.64**
FSU	15.08	21.32	**20.04**	**18.34**
India	17.83	16.50	16.50	**11.90**
Pakistan	2.17	3.22	3.22	**2.72**
Other	49.46	44.48	**49.62**	**50.25**
World	189.98	197.21	**200.97**	**203.32**

Production: 14/15 No changes

15/16 Big declines in the EU, Russia and India, increases in N Africa, the Middle East, China and notably Australia (1.5 Mmt above ABARE despite the building El Nino).

Consumption: 14/15 No real changes

15/16 World consumption up 1.1 Mmt with half that in US feed !

Trade: 14/15 EU exports raised to 34.5 Mmt. Certificates stand at just 29.9 Mmt with 7 weeks to go. Good luck.

15/16 US exports up 65 Mbu. For USDA, the lower EU/FSU crops mean lower exportable surplus, which means more US exports. Price is irrelevant to them. Crazy but that's the way it is!

Stocks: 14/15 A 3 Mmt higher world carry-in fed through into a 3 Mmt higher end stocks.

15/16 Despite a near 8 Mmt drop in production and higher offake, world stocks still rise by 2.5 Mmt.

Conclusion: The report was negative, but US futures are higher, and as the old adage goes -
"beware a market that rallies on bearish news".
Rightly or wrongly, the buzz words tonight are "El Nino" and "India" (80 Mmt crop?) with the trade taking of the sharp declines in the 'market making' Russian and EU crops.