

10-Jun-15

USDA June Highlights

Soybeans

US Soybean Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Planted	83.7	83.7	84.6	84.6
Harvested	83.1	83.1	83.7	83.7
Yield	47.8	47.8	46.0	46.0
Production	3'969	3'969	3'850	3'850
Carry In	92	92	350	330
Imports	30	30	30	30
Crush	1'805	1'815	1'825	1'830
Seed/Resid	136	136	130	130
Exports	1'800	1'810	1'775	1'775
Carry Out	350	330	500	475

World Soybean Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Carry In	63.40	62.77	85.54	83.70
Production	317.25	318.25	317.30	317.58
Imports	114.15	114.60	119.63	119.70
Domestic	291.76	293.97	304.28	305.64
Exports	117.50	117.95	121.98	122.15
Carry Out	85.54	83.70	96.22	93.22

World Soybean Production

	14/15		15/16	
	May	Jun	May	Jun
US	108.01	108.01	104.78	104.78
Argentina	58.50	59.50	57.00	57.00
Brazil	94.50	94.50	97.00	97.00
China	12.35	12.35	11.50	11.50
Others	43.89	43.89	47.02	47.30
World	317.25	318.25	317.30	317.58

World Soybean End Stocks

	14/15		15/16	
	May	Jun	May	Jun
US	9.51	8.97	13.61	12.93
Argentina	31.95	32.95	32.85	33.85
Brazil	24.93	22.75	31.00	27.72
China	14.38	14.38	13.88	13.88
Others	4.77	4.65	4.88	4.84
World	85.54	83.70	96.22	93.22

Note: Blue signifies an increase
Red signifies an decrease

Production: 14/15 Argentina up 1 Mmt, Brazil unchanged, both are below trade estimates.
15/16 Nothing.

Use: Brazil's crush raised a total of almost 3 Mmt over the two campaigns !
US crush raised 15 Mbu over the two campaigns.

Exports: Once again the higher S American crop goes straight into end stocks - no chance of it ever finding its way to the export market and displacing US demand!

Imports: China left unchanged on both old and new crops.

Stocks: US down a cumulative 25 Mbu which just about managed to support the bean market today.

Conclusion: With both US and world stocks lower, beans performed the best following the report.
Now it's down to weather and the June 30th acreage report.

There were two things of note on the US beanoil S&D however:

- USDA actually raised oil yield slightly to 11.46 ppb against 11.43 last month. The cumulative NOPA yield this season is however just 11.24 ppb which on a crush of 1,815 Mbu reflects a production spread of 335 m lbs which all other things equal would lower end stocks to just 1,020 m lbs.
- against that, beanoil use for biodiesel was raised by just 100 m lbs following the revised RFS mandate, which was less than much of the trade had been expecting.

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USDA June Highlights

Corn

US Corn Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Planted	90.6	90.6	89.2	89.2
Harvested	83.1	83.1	81.2	81.2
Yield	171.0	171.0	166.8	166.8
Production	14'216	14'216	13'630	13'630
Carry In	1'232	1'232	1'851	1'876
Imports	25	25	25	25
Ethanol	5'200	5'175	5'200	5'200
Domestic	11'797	11'772	11'860	11'860
Exports	1'825	1'825	1'900	1'900
Carry Out	1'851	1'876	1'746	1'771

World Corn Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Carry In	173.80	174.50	192.50	197.01
Production	996.12	999.45	989.83	989.30
Imports	115.45	115.65	118.76	118.73
Domestic	977.42	976.93	990.40	991.12
Exports	121.03	121.83	120.90	122.20
End Stocks	192.50	197.01	191.94	195.19

World Corn Production

	14/15		15/16	
	May	Jun	May	Jun
US	361.09	361.09	346.22	346.22
Argentina	24.50	25.00	25.00	25.00
Brazil	78.00	81.00	75.00	75.00
China	215.67	215.67	228.00	228.00
S. Africa	11.30	11.30	13.50	13.50
EU-27	73.67	73.67	68.34	68.14
FSU	43.47	43.47	41.66	42.66
Mexico	24.00	24.00	23.50	23.50
Other	164.42	164.25	168.61	167.28
World	996.12	999.45	989.83	989.30

World Corn End Stocks

	14/15		15/16	
	May	Jun	May	Jun
US	47.02	47.65	44.35	44.98
Argentina	1.51	1.51	1.02	1.02
Brazil	17.27	20.27	12.07	15.07
China	79.96	79.96	90.91	90.91
S. Africa	1.58	1.58	2.20	2.20
EU-27	7.99	7.99	7.33	7.13
FSU	3.40	3.40	3.46	3.16
Mexico	2.64	2.64	1.99	1.99
Other	31.13	32.01	28.61	28.73
World	192.50	197.01	191.94	195.19

Production: 14/15 Argentina up 500kt (still below the trade) but Brazil up a larger than expected 3 Mmt
15/16 The only change of note was a 1 Mmt rise in the FSU (not Ukraine which was left unchanged).

Usage: Few changes for either 14/15 or 15/16

Import/Exports: Once again USDA decided that Brazil will absorb the totality of its 3 Mmt crop increase into domestic stocks. Which allowed them to leave US exports unchanged. It has clearly escaped them that Brazil is selling corn to Asia and Israel, in US harvest positions, at prices the US cannot get near.
The US corn S&D is completely wrong on the demand side.
USDA left Ukraine crop/exports and EU imports unchanged.

Stocks: 14/15 World stocks up 4.5 Mmt on Brazil and the US (lower ethanol due higher conversion factor).
15/16 World stocks up 3 Mmt (Brazil) but there is simply no way at today's prices the US will export 1,900 Mbu.

Conclusion: There is nothing bullish about these numbers but the market is already back to trading weather and waiting for the June 30th stocks and plantings report.

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USDA June Highlights

Wheat

US Wheat Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Planted	56.8	56.8	55.4	55.4
Harvested	46.4	46.4	48.0	48
Yield	43.7	43.7	43.5	44.2
Production	2'026	2'026	2087	2121
Carry In	590	590	709	712
Imports	150	148	140	140
Domestic	1'197	1'197	1219	1234
Exports	860	855	925	925
Carry Out	709	712	793	814

World Wheat Supply/Demand

	14/15		15/16	
	May	Jun	May	Jun
Carry In	189.98	189.98	200.97	200.41
Production	726.45	726.32	718.93	721.55
Imports	159.97	160.05	153.61	155.12
Domestic	715.46	715.89	716.59	719.56
Exports	163.70	163.85	156.95	158.41
End Stocks	200.97	200.41	203.32	202.40

World Wheat Production

	14/15		15/16	
	May	Jun	May	Jun
US	55.13	55.13	56.81	57.72
EU-27	156.45	156.45	150.29	150.68
Canada	29.30	29.30	29.00	29.00
Australia	24.00	24.00	26.00	26.00
Argentina	12.50	12.50	12.00	11.50
China	126.17	126.17	130.00	130.00
FSU	112.73	112.73	103.38	105.88
India	95.85	95.85	90.00	90.00
Pakistan	25.50	25.50	25.00	25.00
Other	88.82	88.69	96.45	95.77
World	726.45	726.32	718.93	721.55

World Wheat End Stocks

	14/15		15/16	
	May	Jun	May	Jun
US	19.31	19.39	21.58	22.16
EU-27	14.72	14.92	14.01	14.10
Canada	5.30	5.30	4.56	4.56
Australia	6.14	6.14	6.46	6.46
Argentina	3.18	3.18	1.86	2.36
China	62.94	62.94	71.64	71.64
FSU	20.04	19.26	18.34	17.41
India	16.50	16.50	11.90	11.90
Pakistan	3.22	3.22	2.72	2.72
Other	49.62	49.56	50.25	49.09
World	200.97	200.41	203.32	202.40

Production: World crop up 2.5 Mmt in the US, Russia and Ukraine. Australia left unchanged (2.5 Mmt above ABARE)

Consumption: World feed use up 3 Mmt in the US, EU, FSU and SE Asia.

The US was already too high (at current prices) and the EU at 1 Mmt above last year given normal quality also looks wrong (it would be 6 Mmt above 2013/14)

But when in doubt, put it in the EU. There are never any stats to prove you wrong!

Trade: US exports unchanged and way too high, Russia and Ukraine raised 1 Mmt each on higher crop.

Stocks: US stocks artificially low due too high feed and exports, should be closer to 900 Mbu.

Despite the US number, the world is still in a stocks-building year

Conclusion: There is nothing in today's numbers or today's weather which argues for higher wheat prices.

On the contrary.