

USDA Grain Supply and Demand Summary

INTL FCStone Grains and Oilseeds Dave Smoldt 515-223-3762

INTL FCStone

Not intended for transmission without the expressed permission of INTL FCStone

October 11, 2018

October-18

	U.S. Corn Supply/Demand (mb)				World Corn Supply/Demand (mmt)			
	Oct	Oct	Sept	Oct	Oct	Sept	Oct	
	USDA	USDA	USDA	USDA	USDA	USDA	USDA	
	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>18/19</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>18/10</u>
Planted	94.0	90.2	89.1	80.1				
Harvested	86.7	82.7	81.8	81.6				
Yield	174.6	170.0	181.3	180.7				
Carryin	1737	2203	2002	2140	209.99	227.70	194.15	108.21
Production	15148	14604	14827	14778	<u>1078.31</u>	<u>1034.23</u>	<u>1069.00</u>	<u>1068.31</u>
Imports	<u>57</u>	<u>30</u>	<u>50</u>	<u>50</u>				
Supply	16942	16934	16879	16968	1288.30	1262.02	1263.15	1266.52
Feed	5470	5302	5575	5550	633.13	640.30	676.92	676.02
Exports	2294	2438	2400	2475				
Ethanol	5432	5001	5650	5650				
Other Ind	<u>1452</u>	<u>1452</u>	<u>1480</u>	<u>1480</u>				
Demand	14649	14793	15105	15155	1060.51	1063.81	1108.12	1107.17
Carryout	2293	2140	1774	1813	227.79	108.21	157.03	150.35
CO/Use	0.157	0.145	0.117	0.120	0.218	0.180	0.142	0.144
Price range	\$3.36	\$3.30	\$3.00	\$3.00	ARG Prod: 17/18		32.0; unch	
			\$4.00	\$4.00	BRZ Prod: 17/18		82.0; unch	

	U.S. Soybean Supply/Demand (mb)				World Soybean Supply/Demand (mmt)			
	Oct	Oct	Sept	Oct	Oct	Sept	Oct	
	USDA	USDA	USDA	USDA	USDA	USDA	USDA	
	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>18/19</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>18/19</u>
Planted	83.4	90.1	89.6	80.1				
Harvested	82.7	89.5	88.9	88.3				
Yield	52.0	40.3	52.8	53.1				
Carryin	197	302	395	438	80.42	96.68	94.74	96.65
Production	4296	4411	4693	4600	<u>348.12</u>	<u>337.45</u>	<u>369.32</u>	<u>300.48</u>
Imports	<u>22</u>	<u>22</u>	<u>25</u>	<u>25</u>				
Supply	4515	4734	5113	5153	428.54	434.13	464.06	466.13
Crush	1901	2055	2070	2070	287.21	294.14	308.20	308.20
Exports	2166	2129	2060	2060				
Seed	105	104	103	103				
Residual	<u>41</u>	<u>8</u>	<u>34</u>	<u>34</u>				
Demand	4214	4200	4268	4268	328.87	330.80	353.01	353.01
Carryout	302	438	845	885	96.68	96.65	108.26	110.04
CO/Use	0.072	0.102	0.198	0.207	0.294	0.287	0.307	0.312
Price range	\$9.47	\$9.35	\$7.35	\$7.35	Brazil Prod: 17/18		119.8; +0.3	
			\$9.85	\$9.85	Argentina Prod: 17/18		37.8; unch	



This material should be construed as market commentary, merely observing economic, political and/or market conditions, and not intended to refer to any particular trading strategy, promotional element or quality of service provided by the FCM Division of INTL FCStone Financial Inc. The FCM Division of INTL FCStone Financial Inc. is not responsible for any redistribution of this material by third parties, or any trading decisions taken by persons not intended to view this material. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed as to its accuracy. Contact designated personnel from the FCM Division of INTL FCStone Financial Inc. for specific trading advice to meet your trading preferences. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the viewpoints and trading strategies employed by the FCM Division of INTL FCStone Financial Inc.

Not intended for transmission without the expressed permission of INTL FCStone

USDA Grain Supply and Demand Summary

INTL FCStone Grains and Oilseeds Dave Smoldt 515-223-3762

INTL FCStone

Not intended for retransmission without the expressed permission of INTL FCStone

October 11, 2018

October-18

	<u>U.S. Wheat Supply/Demand (mb)</u>				<u>World Wheat Supply/Demand (mmt)</u>			
	Oct USDA <u>16/17</u>	Oct USDA <u>17/18</u>	Sept USDA <u>18/19</u>	Oct USDA <u>18/19</u>	Oct USDA <u>16/17</u>	Oct USDA <u>17/18</u>	Sept USDA <u>18/19</u>	Oct USDA <u>18/19</u>
Planted	50.1	40.0	47.8	47.8				
Harvested	43.9	37.0	39.6	30.0				
Yield	52.7	40.3	47.4	47.0				
Carryin	976	1181	1100	1000	244.40	257.20	274.36	274.85
Production	2309	1740	1877	1884	<u>752.08</u>	<u>756.74</u>	<u>733.00</u>	<u>730.92</u>
Imports	<u>118</u>	<u>157</u>	<u>135</u>	<u>140</u>				
Supply	3402	3078	3112	3123	996.48	1016.00	1007.36	1005.77
Food	949	904	970	970				
Exports	1051	901	1025	1025				
Seed	61	63	62	62				
Feed/Res	<u>161</u>	<u>50</u>	<u>120</u>	<u>110</u>				
Demand	2222	1979	2177	2107	739.22	741.15	746.06	745.00
Carryout	1181	1000	935	950	257.26	274.85	261.29	260.18
CO/Use	0.532	0.555	0.429	0.441	0.348	0.371	0.350	0.349
Price range	\$3.89	\$4.72	\$4.70	\$4.80				
			\$5.50	\$5.40	AUS Prod: 18/19		18.5; -1.5	
					CAN Prod: 18/19		31.5; unch	

Summary: USDA pares corn yields, soybean acreage for bearish prod/carryouts in both

Corn: old-crop feed and residual use is cut by almost 150 million bushels to bring Sept 1 stocks in line with the report, as old-crop carryout rises 138 mbu; in the new-crop, yields are cut by 0.6 bushels per acre with production down 49 mbu. '18/19 feed use falls by 25 mbu but that's more than offset by a 75 mbu gain in ethanol use, for an overall corn carryout that is up just 39 mbu from last month, more than 100 mbu short of where the trade had it pegged. That lower feed use caused a 4 MMT rise in carryin for the 2018/19 world balance table, with carryout up 2.3 MMT ultimately; few production changes were seen overall.

Beans: old-crop soybean production up 19 mbu with 24 mbu taken out of "residual" to bring 9/1 stocks in line with the Sept report, up 43 million bushels. New-crop acreage falls by 500-600k acres, with yields up 0.3 bpa, to result in an overall production change of just a -3 mbu. Overall carryout is up by that 40 mbu, basically all due to the Sept 30 stocks revision all carrying through. World carryouts up around 2 MMT for both the old and current crop, mostly thanks to small production increases in both the U.S. and Brazil.

Wheat: 2018/19 U.S. wheat yields up by 0.2 bpa with production up 7 mbu and imports up 5 mbu for a small supply-side gain; feed and residual usage is also cut by 10 mbu to result in an overall +21 for wheat carryout, roughly as expected by the trade. World ending stocks down 1.1 MMT with '18/19 production down 2.1 MMT, thanks to losses in Australia (minus another 1.5 MMT this month to 18.5 MMT) and Russia (-1 MMT).

Results: grain market gains cool a bit off early post-report rally, but tables flipped on earlier session losses regardless. Quality concerns might support values going forward if trade believes that official crop size increases are done for the season...

Not intended for retransmission without the expressed permission of INTL FCStone