

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

May 10, 2019

May-19

	<u>U.S. Wheat Supply/Demand (mb)</u>				<u>World Wheat Supply/Demand (mmt)</u>			
	May	Apr	May	May	May	Apr	May	May
	USDA	USDA	USDA	USDA	USDA	USDA	USDA	USDA
	<u>17/18</u>	<u>18/19</u>	<u>18/19</u>	<u>19/20</u>	<u>17/18</u>	<u>18/19</u>	<u>18/19</u>	<u>19/20</u>
Planted	46.1	47.8	47.6	45.6				
Harvested	37.6	39.6	39.6	30.0				
Yield	46.4	47.6	47.6	48.0				
Carryin	1181	1099	1099	1127	262.08	279.61	261.31	274.06
Production	1741	1884	1884	1897	762.24	733.00	731.55	777.49
Imports	157	145	140	140				
Supply	3079	3128	3123	3104	1024.32	1012.61	1012.86	1052.47
Food	964	965	900	905				
Exports	901	965	925	900				
Seed	63	63	62	68				
Feed/Res	51	80	50	90				
Demand	1980	2073	1907	2023	743.02	742.09	737.87	750.46
Carryout	1099	1055	1127	1141	281.31	270.53	274.96	293.01
CO/Use	0.555	0.509	0.504	0.504	0.379	0.365	0.373	0.386
Price	\$4.72	\$5.10	\$5.20	\$4.70	AUS Prod: 18/19		17.3; unch	
range		\$5.20		\$0.00	CAN Prod: 18/19		31.8; unch	

Summary: USDA passes on any supply-side cuts, leaving bearish S&D intact overall

Corn: 2018/19 U.S. corn use for ethanol is reduced by 50 million bushels, pushing up carryout by 60 mbu this month, a higher-than-expected increase; 2019/20 stocks come in way above trade estimates at almost 2.5 bln bu, even with fairly aggressive demand numbers, as the supply side is left unchanged despite slow plantings. World 2018/19 carryout and production rise by about 12 million tonnes each mostly thanks to large production gains in South America, and overall 2019/20 carryout winds up about 10 MMT above the average trade guess...

Beans: 2018/19 soybean exports are cut by an even 100 mbu this month, thus carryout increases by 95 mbu (to a number conspicuously just short of the billion-bushel mark); stocks are seen receding just a hair in 2019/20 due to a much greater overall supply. Both ending stocks numbers come in 60-70 mbu ahead of where the trade had them pegged. On the world S&D, 2018/19 carryout is up 6 MMT but steady overall in 2019/20; old-crop output is steady in Brazil (already aggressive at 117 MMT) and up 1 MMT in Argentina.

Wheat: 2018/19 wheat demand falls across the board hence a 72 mbu increase in carryout, and stocks are basically flat year-over-year, with both stocks levels robust at 1.1 bln bu plus. 2019 U.S. production comes in just a bit short of expectations at 1.9 bln bu. World wheat stocks up 4.5 MMT for 2018/19 and up 18 MMT year-over-year.

Results: pretty bearish S&D report across the board, the only hope was reductions in U.S. corn yields which did not come through - the USDA kicks that can down the road (mostly as expected) with plenty of time left to plant...

Not intended for retransmission without the expressed permission of INTL FCStone