

# USDA Crop Report Recap

October 10, 2019



## USDA October Crop Report

US Carryout  
2019-2020

|          | 10/10/2019 | 9/12/2019 | Change | Average<br>Trade Guess |
|----------|------------|-----------|--------|------------------------|
| Corn     | 1.929      | 2.190     | -0.261 | 1.784                  |
| Soybeans | 0.460      | 0.640     | -0.180 | 0.521                  |
| Wheat    | 1.043      | 1.014     | 0.029  | 1.015                  |

in billion bushels

World Carryout  
2019-2020

|          | 10/10/19 | 9/12/2019 | Change | Average<br>Trade Guess |
|----------|----------|-----------|--------|------------------------|
| Corn     | 302.55   | 306.27    | -3.72  | 298.27                 |
| Soybeans | 95.21    | 99.19     | -3.98  | 96.46                  |
| Wheat    | 287.80   | 286.51    | 1.29   | 285.17                 |

in million metric tons

Items of note:

Market experiencing divergence as corn and wheat are currently showing double digit losses as carryouts were toward the upper end of the trade guesses. Exports were slashed 150 million bushels for corn and 25 million for wheat as US continues to be uncompetitive in the world market for coarse grains.

Soybeans, on the other hand, had carryout slashed 180 million from August (335 from July!) on reductions to carryin and a 1 bpa drop in projected yield.

Bottom line:

Leave it to the USDA to confound the trade as early yield reports suggest bean yields on the whole closer to last year and versus farm APH. Corn has seen excellent results in parts of Iowa, as well as NE Kansas, Tennessee and Kentucky. Most other areas, however, are seeing reductions consistently in the 15-30 bpa range versus a year ago.

Nothing has changed here as the invisible hand of the market will see us gravitate higher on supply reductions realized and projected (snow storm and freezing temps currently hitting the NW Belt) with the occasional "correction" from the USDA.

20 day moving averages

- Corn 3.79 CZ9 (3.82 last)
- Soybeans 9.01 SX9 (9.30)
- KC Wheat 4.07 KWZ9 (4.04)