

## USDA Crop Report Recap

April 2019 WASDE

April 9, 2019



### USDA April Crop Report

#### US Carryout

	April	March	Change	Average Trade Guess
Corn	2.035	1.835	0.200	1.991
Soybeans	0.895	0.900	-0.005	0.898
Wheat	1.087	1.055	0.032	1.072

in billion bushels

#### World Carryout

	April	March	Change	Average Trade Guess
Corn	314.01	308.53	5.48	311.16
Soybeans	107.36	107.17	0.19	108.04
Wheat	275.61	270.53	5.08	271.00

in million metric tons

Corn exhibiting a classic case of sell the rumor, buy the fact. May corn had made fresh lows in anticipation of bearish USDA data. This was confirmed with USDA raising carryout by 200 million bushels, back above the psychological 2.0 billion level (2.035). All major use components took the scalpel today:

- Exports -75 million
- Feed usage -75 million
- Ethanol -50 million

Export competition from South America has made most analysts pessimistic about US export potential, leaving only the never-ending trade negotiation with the PRC as a sliver of hope. This may be too late to transact old crop business however.

Soybean data was a yawner, with projected carryout right at the average trade guess.

Wheat fighting both bearish USDA data and a lack of weather issue for HRW. Exports were reduced 20 million bushels today, feed usage 10 million.

20 day moving averages (May) currently:

- Corn 3.68 ½
- Soybeans 9.00
- KC Wheat 4.39

Bulls continue to pin the hopes on an eventual trade deal with the PRC, the supposed Chinese purchases get bigger with every Administration leak, but the market is fatigued and skeptical to put it mildly. The more immediate upside risk is still record fund short positions in corn and weather. This week's summer like warmup has helped facilitate fieldwork locally and the forecasts are for limited precipitation in the southwestern fringes of the Corn Belt. Still, today's 7 day QPF is not bearish (that's snow projected for SD/MN/WI!). Keep a close eye on HRS planting prospects!

