



**USDA Sept 11 S&D & Report**

**Tuesday, October 06, 2009**

**Corn & Soybeans Neutral Type of Report**

Not much in this report to excite a bull or upset a bear

**2008-09 Carry Out Reported and Pre-Report Estimates**

2008-09		USDA US Grain Carryout (in billions of bushels)			
	USDA Sep 08/09	Average Trade Est.	Range of Trade Est.	USDA Aug 08/09	USDA 2007-08
Corn	1.695	1.712	1.690 - 1.720	1.720	1.624
Soybeans	0.110	0.102	0.080 - 0.110	0.110	0.205

**2009-10 Carry Out Reported and Pre-Report Estimates**

2009-10		USDA US Grain Carryout (in billions of bushels)			
	USDA Sep 09/10	Average Trade Est.	Range of Trade Est.	USDA Aug 09/10	USDA 2007-08
Corn	1.635	1.768	1.557 - 1.989	1.621	1.624
Soybeans	0.220	0.226	0.178 - 0.304	0.210	0.205
Wheat	0.743	0.769	0.743 - 0.871	0.743	0.306

**2009-10 Yield Reported and Pre-Report Estimates**

2009-10		USDA US Yield Estimates (in billions per acre)			
	USDA Sep 09/10	Average Trade Est.	Range of Trade Est.	USDA Aug 09/10	USDA 2008
Corn	161.90	161.50	158.7 - 164.1	159.5	153.9
Soybeans	42.30	42.40	41.5 - 43.1	41.7	39.6

**2009-10 Production Reported and Pre-Report Estimates**

2009-10		USDA US Production Estimates (in billions of bushels)			
	USDA Sep 09/10	Average Trade Est.	Range of Trade Est.	USDA Aug 09/10	USDA 2008
Corn	12.954	12.932	12.697 - 13.127	12.290	12.101
Soybeans	3.245	3.256	3.186 - 3.309	3.199	2.959
Wheat	2.218	NA	NA	2.218	2.500

**World Carry Out Reported and Prior Month Estimates**

USDA World Grain Carryout (in million tonnes)				
	USDA Sep 09/10	USDA Aug 08/09	USDA Sep 09/10	USDA Aug 09/10
Corn	139.13	141.49	144.69	144.08
Soybeans	50.53	50.32	40.22	41.00
Wheat	183.56	183.56	168.99	169.50

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**U.S. corn production** is forecast at 13.0 billion bushels, 193 million higher than in August, with higher expected yields throughout most of the Corn Belt. The national average yield is projected at a **record 161.9 bushels per acre**. U.S. corn supplies for 2009/10 are projected 164 million bushels higher, as lower carry in and imports partly offset the higher production forecast. Beginning stocks are lowered 25 million bushels reflecting higher expected corn use for ethanol in 2008/09 based on record July and August production of gasoline blends with ethanol as reported by the Energy Information Agency.

**Total U.S. corn use** for 2009/10 is projected at a **record 13.0 billion bushels**, up 150 million bushels from last month and 980 million bushels higher than in 2008/09. Feed and residual use is raised 50 million bushels based on higher expected production. Exports are raised 100 million bushels with higher projected imports for Canada and lower production in South America.

**Soybean production** is forecast at 3.25 billion bushels, up 46 million based on higher yields. Other oilseeds are up due to higher peanut and cottonseed production. Soybean crush is raised 20 million bushels due to higher projected soybean meal exports. Higher exports from the United States partly offset a sharp decline in projected soybean meal exports for India as a reduced soybean crop limits exportable supplies. Soybean exports are increased 15 million bushels to 1.28 billion reflecting increased supplies and lower projected prices. Soybean ending stocks are projected at 220 million bushels, up 10 million from last month. The soybean meal price is projected at \$250 to \$310 per short ton, down \$10 on both ends.

**Global oilseed production** for 2009/10 is projected at 422.8 million tons, up 0.2 million tons from last month. Foreign production is down 1.2 million tons to 326.9 million tons. Global soybean production is projected at a record 243.9 million tons, up 1.9 million as increased production forecasts for the United States and Brazil are partly offset by reductions for China, India, and Canada. Brazil soybean production is projected at 62 million tons, up 2 million from last month due to an increased area projection reflecting favorable soybean prices relative to corn. China soybean production is reduced 0.4 million tons to 15 million based on lower yields resulting from untimely dry conditions in northeastern growing areas.

**The 2009/10 U.S. wheat** balance sheet is nearly unchanged this month. A 20-million-bushel increase in domestic soft red winter wheat use is offset by the same size reduction in hard red winter wheat as lower prices relative to corn encourage soft red winter wheat feeding. The 2009/10 marketing-year average farm price is projected at \$4.70 to \$5.50 per bushel, down 20 cents on the high end of the range. Larger world supplies are expected to keep substantial downward pressure on domestic wheat prices.

**Global wheat supplies** for 2009/10 are projected 3.9 million tons higher as a 0.5-million-ton decrease in world beginning stocks is more than offset by a 4.4-million-ton increase in foreign production. Wheat production is raised 2.2 million tons for EU-27 as higher reported production for France, Denmark, and a number of other countries, more than offset reductions for Germany and Poland. Production is raised 1.0 million tons for Russia on higher reported area. Production is raised 0.5 million tons each for Kazakhstan and Ukraine, and 0.3 million tons each for Belarus, Paraguay, and South Africa.

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**Corn**

USDA decreased carry out to the 2008/09 Corn balance sheet by 20 million as compared to the August balance sheet as a result of an increased in ethanol corn use.

For the 2009-10 Corn crop USDA increased expected yield by 2.4 bushels and is 0.4 bushel more than average trade estimated. USDA increased demand by 150 million with net increase in carry out of 14 million bushel to 1,635 million from the Aug report. The farm price range for 2009/10 was decreased by \$.05 for the both the lower end and \$.25 for the upper end of the price range to \$ 3.05 - \$3.65 per bushel based on prices at the farm.

**U.S. Corn Supply / Demand (mb)**

	USDA 06/07	USDA 07/08	Sep 11 USDA 08/09	Sep 11 USDA 09/10
<b>Planted</b>	78.3	93.6	<b>86.0</b>	<b>87.0</b>
<b>Harvested</b>	70.6	86.5	<b>78.6</b>	<b>80.0</b>
<b>% Harvested</b>	90.2%	92.4%	<b>91.4%</b>	<b>92.0%</b>
<b>Yield</b>	149.1	151.1	<b>153.9</b>	<b>161.9</b>
<b>Carryin</b>	1,967	1,304	<b>1,624</b>	<b>1,695</b>
<b>Production</b>	10,535	13,074	<b>12,101</b>	<b>12,956</b>
<b>Imports</b>	<u>13</u>	<u>18</u>	<u>15</u>	<u>10</u>
<b>Supply</b>	12,515	14,396	<b>13,740</b>	<b>14,660</b>
<b>Feed</b>	5,598	6,002	<b>5,250</b>	<b>5,350</b>
<b>Seed, Food, Ind</b>	3,488	4,345	<b>4,945</b>	<b>5,475</b>
<b>Ethanol Use</b>	2,117	3,000	<b>3,675</b>	<b>4,200</b>
<b>Exports</b>	<u>2,125</u>	<u>2,425</u>	<u>1,850</u>	<u>2,200</u>
<b>Demand</b>	11,211	12,772	<b>12,045</b>	<b>13,025</b>
<b>Carryout</b>	1,304	1,624	<b>1,695</b>	<b>1,635</b>
<b>CO/Use</b>	11.6%	12.7%	<b>14.1%</b>	<b>12.6%</b>
<b>CO/Days Use</b>	42	46	<b>51</b>	<b>46</b>
<b>Price range</b>	\$ 3.04	\$ 4.20	<b>\$ 4.08</b>	<b>\$ 3.05</b> <b>\$ 3.65</b>

The 2008-09 corn carry out of 1,695 is .017 million below the average trade estimate of 1,712.  
The 2009-10 corn carry out of 1,635 is 0.133 million below the average trade estimate of 1,768.

2008/09 ending stocks of 1,695 million bushel estimates provides for a 14.1% Carry Out / Use ratio for the 2008/09 crop year compared to 14.3% forecast in Aug and represents 51 days of usage as compared to 52 days estimated in Aug.

2009/10 ending stocks of 1,635 million bushel estimates provides for a 12.6% carry out as compared to a 12.6% Carry Out / Use ratio in Aug and represents 46 days of usage as compared to 46 days in Aug.

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## Soybeans

No Change in the 2008/09 Soybean ending stocks balance sheet this month as compared to the August report with carry out estimated at 110 million for the 2008/09 crop year.

For the 2009-10 Soybean crop USDA increased expected yield by 0.6 bushels at .1 bushel less than average trade estimated. USDA forecasts the 2009/10 soybean crop is a net increase in the carry out to 220 million from 210 million in the August report as a result of increased production of 45 million and an increase of demand by 36 million bushel. The farm price range for 2009/10 was decreased by \$.30 for the lower end and upper end of the price range to \$ 8.10 - \$10.10 per bushel based on prices at the farm.

### U.S. Soybean Supply / Demand (mb)

	USDA 06/07	USDA 07/08	Sep 11 USDA 08/09	Sep 11 USDA 09/10
<b>Planted</b>	75.5	64.7	75.7	77.7
<b>Harvested</b>	74.6	62.8	74.6	76.7
<b>% Harvested</b>	98.8%	97.1%	98.6%	98.8%
<b>Yield</b>	42.7	41.7	39.6	42.3
<b>Carry in</b>	449	574	205	110
<b>Production</b>	3,187	2,676	2,959	3,245
<b>Imports</b>	10	10	15	11
<b>Supply</b>	3,646	3,260	3,179	3,366
<b>Crush</b>	1,806	1,802	1,660	1,690
<b>Exports</b>	1,118	1,150	1,280	1,280
<b>Seed</b>	78	94	96	94
<b>Residual</b>	70	9	33	82
<b>Demand</b>	3,072	3,055	3,069	3,146
<b>Carryout</b>	574	205	110	220
<b>CO/Use</b>	18.7%	6.7%	3.6%	7.0%
<b>CO/Days Use</b>	68	25	13	26
<b>Price range</b>	\$ 6.43	\$ 10.15	\$ 10.00	\$ 8.10 \$ 10.10

The 2008/09 soybean carry out of 110 is just below the average trade estimate of 102 million. The 2009/10 soybean carry out of 220 is 6 million below the average trade estimate of 226 million.

2008/09 ending stocks estimated of 110 million bushel provides for a 3.6% Carry Out / Use ratio for the 2008 crop year compared to 3.6% forecast in August and represents 13 days of usage compared to 13 days of usage forecast in August.

With 2009/10 ending stocks estimated of 220 million bushel provides for a 7.0% Carry Out / Use ratio for the 2009 crop year as compared to 6.8% in Aug and represents 26 days of usage as compared to 25 days in Aug.

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## Wheat

USDA had no changes for the 2009/10 US Wheat expected carry out.

U.S. Wheat Supply / Demand (mb)					World Wheat Supply/Demand (mmt)			
	USDA	USDA	June	Sep 11	Sept	Sept	August	Sept
	06/07	07/08	USDA	USDA	USDA	USDA	USDA	USDA
			08/09	09/10	07/08	08/09	09/10	09/10
<b>Planted</b>	57.3	60.4	63.1	59.8				
<b>Harvested</b>	46.8	51	55.7	50.4				
<b>% Harvested</b>	81.7%	84.4%	88.3%	84.3%				
<b>Yield</b>	38.7	40.5	44.9	43.3				
<b>Carry in</b>	571	456	306	667	127.68	122.58	169.50	168.99
<b>Production</b>	1,811	2,067	2,500	2,184	610.99	682.25	659.29	663.72
<b>Imports</b>	123	113	126	111	738.67	804.83	828.79	832.71
<b>Supply</b>	2,505	2,636	2,932	2,961				
<b>Food</b>	933	948	925	955				
<b>Exports</b>	909	1,264	1,015	950				
<b>Seed</b>	81	88	79	78				
<b>Feed/Residual</b>	125	30	246	235				
<b>Demand</b>	2,048	2,330	2,265	2,218	616.09	635.84	645.23	646.10
<b>Carryout</b>	457	306	667	743				
<b>CO/Use</b>	22.3%	13.1%	29.4%	33.5%	122.58	168.99	183.56	183.56
<b>CO/Days Use</b>	81	48	107	122	0.199	0.266	0.284	0.284
<b>Price range</b>	\$ 4.26	\$ 6.41	\$ 6.78	\$ 4.70	AUS Production: 09/10		23.0; unch	
			\$ 5.50		ARG Production: 09/10		8.0; -0.5	

With 2009/10 ending stocks estimated of 743 million bushel provides for a 33.5% Carry Out / Use ratio for the 2009 crop year as compared to 33.5% forecast in Aug and represents 122 days of usage as compared to 122 days forecast in Aug.

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**World Corn Supply/Demand (mmt)**

Sept	<b>Sept</b>	August	<b>Sept</b>
USDA	<b>USDA</b>	USDA	<b>USDA</b>
07/08	<b>08/09</b>	09/10	<b>09/10</b>

109.04	<b>130.32</b>	144.08	<b>144.69</b>
791.88	<b>789.43</b>	796.33	<b>794.06</b>
900.92	<b>919.75</b>	940.41	<b>938.75</b>
496.40	<b>479.77</b>	484.82	<b>485.99</b>
770.60	<b>775.06</b>	798.93	<b>799.62</b>
130.32	<b>144.69</b>	141.48	<b>139.13</b>
0.169	<b>0.187</b>	0.177	<b>0.174</b>

China Production: 09/10                      160; -2.5  
 BRZ Production: 09/10                      52.0; -2.0

**World Soybean Supply/Demand (mmt)**

Sept	<b>Sept</b>	August	<b>Sept</b>
USDA	<b>USDA</b>	USDA	<b>USDA</b>
07/08	<b>08/09</b>	09/10	<b>09/10</b>

62.89	<b>52.91</b>	41.00	<b>40.22</b>
221.18	<b>210.72</b>	242.07	<b>243.94</b>
284.07	<b>263.63</b>	283.07	<b>284.16</b>
201.93	<b>193.01</b>	200.72	<b>201.01</b>
229.75	<b>221.43</b>	231.34	<b>231.63</b>
52.91	<b>40.22</b>	50.32	<b>50.53</b>
0.230	<b>0.182</b>	0.218	<b>0.218</b>

Brazil Production: 09/10                      62.0; +2.0  
 Argentina Production: 09/10                      51.0; unch

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