



**USDA Oct 09 S&D & Report**

**Friday, October 09, 2009**

**Corn & Soybeans Report**  
World Supply & Demand Estimate

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

2009-10		USDA US Grain Carryout (in billions of bushels)			
	USDA Oct 09/10	Average Trade Est.	Range of Trade Est.	USDA Sep 09/10	USDA 2007-08
Corn	1.672	1.675	1.448 - 1.827	1.635	1.674
Soybeans	0.230	0.257	0.200 - 0.333	0.220	0.138
Wheat	0.864	0.798	0.739 - 0.888	0.743	0.667

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

2009-10		USDA US Yield Estimates (in billions per acre)			
	USDA Oct 09/10	Average Trade Est.	Range of Trade Est.	USDA Sep 09/10	USDA 2008
Corn	164.20	162.70	159.6 - 164.7	161.9	153.9
Soybeans	42.40	42.90	41.9 - 44.0	42.3	39.6

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

2009-10		USDA US Production Estimates (in billions of bushels)			
	USDA Oct 09/10	Average Trade Est.	Range of Trade Est.	USDA Sep 09/10	USDA 2008
Corn	13.018	12.993	12.700 - 13.128	12.955	12.101
Soybeans	3.250	3.291	3.217 - 3.383	3.245	2.967

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**U.S. Corn production** is forecast at 13.0 billion bushels, up slightly from last month and 8 percent higher than 2008. Based on conditions as of October 1, yields are expected to average **164.2 bushels per acre, up 2.3 bushels** from September and 10.3 bushels above last year. **If realized, this yield will be the highest on record and total production will be second only to the record set in 2007.** Yield forecasts remained unchanged or increased from last month across the Corn Belt, Great Plains, and Ohio Valley where warm helped push the late-developing corn to maturity.

**Total U.S. corn use for 2009/10** is **increased 5 million bushels.** Feed and residual use is projected 50 million bushels higher reflecting the higher forecast yield and crop. Food, seed, and industrial use is also projected higher, up 5 million bushels, on higher expected use for sweeteners with tight sugar supplies. Offsetting most of the increase in domestic use is a 50-million-bushel reduction in projected exports. Increased supplies of feed grains in Canada and larger world wheat supplies are expected to increase competition for U.S. corn exports.

**Soybean production** is forecast at a **record high 3.25 billion bushels**, up slightly from the September forecast and up 10 percent from last year. Based on October 1 conditions, yields are expected to average **42.4 bushels per acre**, up 0.1 bushel from last month and up 2.7 bushels from 2008. **If realized, this will be the third highest yield on record.** Compared with last month, yields are forecast higher or unchanged in all States except Michigan, Mississippi, Ohio, and New York. Area for harvest in the U.S. is forecast at 76.6 million acres, down slightly from the previous estimate but up 3 percent from 2008.

**U.S. wheat ending stocks for 2009/10** are projected 121 million bushels higher this month as increased production and lower expected use more than offset a 10-million-bushel reduction in carry in. Production is raised 36 million bushels based on the *Small Grains 2009 Summary* report. Feed and residual use is lowered 45 million bushels on lower-than-expected disappearance during the June-August quarter as indicated by the September 1 stocks. Exports are projected 50 million bushels lower as larger supplies in major export competitors reduce prospects for U.S. wheat shipments. **If realized, 2009/10 ending stocks would be a 9-year high at 864 million bushels.**

**Global coarse grain supplies** for 2009/10 are increased 4.7 million tons, mostly reflecting higher corn beginning stocks and increased barley output. Global corn beginning stocks are raised 2.2 million tons with upward revisions to 2008/09 production for Brazil and South Africa, and higher reported stocks for Canada.

**Global oilseed production** for 2009/10 is projected at 425.4 million tons, up 2.6 million from last month. Global soybean production is projected higher with increases for the United States, Argentina, and Paraguay only partly offset by lower production for China. Argentina soybean production is raised 1.5 million tons to 52.5 million due to increased area as producers shift to soybeans from other crops including corn and sunflower seed. China soybean production is lowered 0.5 million tons to 14.5 million due to lower harvested area as producers shifted more area to corn.

**Global wheat trade for 2009/10** is projected higher with much of the increase reflecting higher projected imports by Brazil and exports by Canada. Global consumption is raised 2.1 million tons with higher expected wheat feeding in China, EU-27, Brazil, and Russia; and higher food, seed, and industrial use in Canada, Algeria, and Iran more than offsetting lower feed and residual use in the United States and Ukraine. **Global ending stocks are nearly unchanged at 186.7 million tons, up just 0.1 million from last month.**

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## Corn

USDA decreased carry out to the 2008/09 Corn balance sheet by 21 million as compared to the September balance sheet.

For the 2009-10 Corn crop USDA increased expected yield by 2.3 bushels and is 1.5 bushel more than average trade estimated. USDA decreased planted corn acres by 600,000 acres and expected harvested acres by 700,000 acres for 2009. USDA increased demand by 5 million with net increase in carry out of 37 million bushel to 1,672 million from the Sep report. The farm price range for 2009/10 was unchanged for the both the lower end and upper end of the price range at \$ 3.05 - \$3.65 per bushel based on prices at the farm.

U.S. Corn Supply / Demand (mb)				
	USDA	USDA	Oct 09	Oct 09
	06/07	07/08	USDA	USDA
			08/09	09/10
<b>Planted</b>	78.3	93.6	<b>86.0</b>	<b>86.4</b>
<b>Harvested</b>	70.6	86.5	<b>78.6</b>	<b>79.3</b>
<b>% Harvested</b>	90.2%	92.4%	<b>91.4%</b>	<b>91.8%</b>
<b>Yield</b>	149.1	151.1	<b>153.9</b>	<b>164.2</b>
<b>Carryin</b>	1,967	1,304	<b>1,624</b>	<b>1,674</b>
<b>Production</b>	10,535	13,074	<b>12,101</b>	<b>13,018</b>
<b>Imports</b>	13	18	<b>14</b>	<b>11</b>
<b>Supply</b>	12,515	14,396	<b>13,739</b>	<b>14,702</b>
<b>Feed</b>	5,598	6,002	<b>5,231</b>	<b>5,400</b>
<b>Seed, Food, Ind</b>	3,488	4,345	<b>4,976</b>	<b>5,480</b>
<b>Ethanol Use</b>	2,117	3,000	<b>3,700</b>	<b>4,200</b>
<b>Exports</b>	2,125	2,425	<b>1,858</b>	<b>2,150</b>
<b>Demand</b>	11,211	12,772	<b>12,065</b>	<b>13,030</b>
<b>Carryout</b>	1,304	1,624	<b>1,674</b>	<b>1,672</b>
<b>CO/Use</b>	11.6%	12.7%	<b>13.9%</b>	<b>12.8%</b>
<b>CO/Days Use</b>	42	46	<b>51</b>	<b>47</b>
<b>Price range</b>	\$ 3.04	\$ 4.20	<b>\$ 4.06</b>	<b>\$ 3.05</b> <b>\$ 3.65</b>

The 2009-10 corn carry out of 1,672 is 0.003 million below the average trade estimate of 1,675.

2009/10 ending stocks of 1,672 million bushel estimates provides for a 12.7% carry out as compared to a 12.6% Carry Out / Use ratio in September and represents 47 days of usage as compared to 46 days in September.

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## Soybeans

USDA increased the 2008/09 Soybean ending stocks balance sheet this month by 28 million as compared to the September report with carry out estimated at 138 million for the 2008/09 crop year.

For the 2009-10 Soybean crop USDA increased expected yield by 0.1 bushels to 42.4 which is .5 bushel less than average trade estimated. USDA forecasts the 2009/10 soybean crop is a net increase in the carry out to 230 million from 220 million in the September report as a result of increased production of 4.5 million and an increase of carry in by 28 million bushel. The farm price range for 2009/10 was decreased by \$.10 for both the lower end and upper end of the price range to \$ 8.00 - \$10.00 per bushel based on prices at the farm.

U.S. Soybean Supply / Demand (mb)				
	USDA	USDA	Oct 09	Oct 09
	06/07	07/08	USDA	USDA
			08/09	09/10
<b>Planted</b>	75.5	64.7	75.7	77.5
<b>Harvested</b>	74.6	62.8	74.6	76.6
<b>% Harvested</b>	98.8%	97.1%	98.6%	98.9%
<b>Yield</b>	42.7	41.7	39.8	42.4
<b>Carry in</b>	449	574	205	138
<b>Production</b>	3,187	2,676	2,967	3,250
<b>Imports</b>	10	10	15	11
<b>Supply</b>	3,646	3,260	3,187	3,398
<b>Crush</b>	1,806	1,802	1,662	1,690
<b>Exports</b>	1,118	1,150	1,280	1,305
<b>Seed</b>	78	94	95	94
<b>Residual</b>	70	9	12	80
<b>Demand</b>	3,072	3,055	3,049	3,169
<b>Carryout</b>	574	205	138	230
<b>CO/Use</b>	18.7%	6.7%	4.5%	7.3%
<b>CO/Days Use</b>	68	25	17	27
<b>Price range</b>	\$ 6.43	\$ 10.15	\$ 9.97	\$ 8.00 \$ 10.00

The 2009/10 soybean expected carry out of 230 is 27 million below the average trade estimate of 257 million.

With 2009/10 ending stocks estimated of 230 million bushel provides for a 7.3% Carry Out / Use ratio for the 2009 crop year as compared to 7.0% in September and represents 27 days of usage as compared to 26 days in Sept.

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## Wheat

USDA increased the 2009/10 US Wheat expected carry out by 121 million to 864 million.

U.S. Wheat Supply / Demand (mb)				
	USDA	USDA	June	Oct 09
	06/07	07/08	USDA	USDA
			08/09	09/10
<b>Planted</b>	57.3	60.4	<b>63.1</b>	<b>59.1</b>
<b>Harvested</b>	46.8	51	<b>55.7</b>	<b>50.1</b>
<b>% Harvested</b>	81.7%	84.4%	<b>88.3%</b>	<b>84.7%</b>
<b>Yield</b>	38.7	40.5	<b>44.9</b>	<b>44.3</b>
<b>Carryin</b>	571	456	<b>306</b>	<b>657</b>
<b>Production</b>	1,811	2,067	<b>2,500</b>	<b>2,219</b>
<b>Imports</b>	123	113	<b>126</b>	<b>111</b>
<b>Supply</b>	2,505	2,636	<b>2,932</b>	<b>2,987</b>
<b>Food</b>	933	948	<b>925</b>	<b>955</b>
<b>Exports</b>	909	1,264	<b>1,015</b>	<b>900</b>
<b>Seed</b>	81	88	<b>75</b>	<b>78</b>
<b>Feed/Residual</b>	125	30	<b>260</b>	<b>190</b>
<b>Demand</b>	2,048	2,330	<b>2,275</b>	<b>2,123</b>
<b>Carryout</b>	457	306	<b>657</b>	<b>864</b>
<b>CO/Use</b>	22.3%	13.1%	<b>28.9%</b>	<b>40.7%</b>
<b>CO/Days Use</b>	81	48	<b>105</b>	<b>149</b>
<b>Price range</b>	\$ 4.26	\$ 6.41	<b>\$ 6.78</b>	<b>\$ 4.55</b> <b>\$ 5.15</b>

With 2009/10 ending stocks estimated of 864 million bushel provides for a 40.7% Carry Out / Use ratio for the 2009 crop year as compared to 33.5% forecast in Aug and represents 149 days of usage as compared to 122 days forecast in September.

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