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USDA Nov 09 S&D & Report

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Monthly Production / Yield Changes 2009

Corn	Aug Prod	Aug Yield	Sept Prod	Sept Yield	Oct Prod	Oct Yield	Nov Prod	Nov Yield	Jan Prod	Jan Yield
USDA	12,761	159.50	12,955	161.90	13,013	164.20	12,921	162.90		
FCStone	12,814	160.00	13,020	162.70	13,064	163.30	13,004	164.00		
Informa Final	12,990	164.00	13,307	168.00	13,307	168.00	13,064	164.80		
Trade	12,496	157.10	12,932	161.50	12,993	162.70	12,995	163.70		
record		160.20	2004							

Soybeans	Aug Prod	Aug Yield	Sept Prod	Sept Yield	Oct Prod	Oct Yield	Nov Prod	Nov Yield	Jan Prod	Jan Yield
USDA	3,199	41.70	3,245	42.30	3,250	42.40	3,319	43.30		
FCStone	3,247	42.40	3,266	42.60	3,329	43.40	3,379	44.10		
Informa Final	3,322	43.50	3,368	44.10	3,360	44.00	3,333	43.50		
Trade	3,213	42.10	3,256	42.40	3,291	42.90	3,269	42.70		
record		43.30	2005							

2009-10 USDA US Grain Carryout (in billions of bushels)					
	USDA Nov 09/10	Average Trade Est.	Range of Trade Est.	USDA Sep 09/10	USDA 2007-08
Corn	1.625	1.650	1.482 - 1.909	1.672	1.674
Soybeans	0.270	0.235	0.180 - 0.300	0.230	0.138
Wheat	0.885	0.869	0.834 - 0.934	0.864	0.657

2009-10 USDA US Yield Estimates (in billions per acre)					
	USDA Nov 09/10	Average Trade Est.	Range of Trade Est.	USDA Oct 09/10	USDA 2008
Corn	162.90	163.70	159.8 - 165.0	164.2	153.9
Soybeans	43.30	42.70	41.6 - 44.1	42.4	39.7

2009-10 USDA US Production Estimates (in billions of bushels)					
	USDA Nov 09/10	Average Trade Est.	Range of Trade Est.	USDA Oct 09/10	USDA 2008
Corn	12.921	12.995	12.674 - 13.400	13.018	12.101
Soybeans	3.319	3.269	3.187 - 3.379	3.250	2.967

USDA World Grain Carryout (in mllion tonnes)				
	USDA Nov 09/10	USDA Oct 09/10	USDA Nov 08/09	USDA Oct 08/09
Corn	132.410	136.25	145.950	146.84
Soybeans	57.390	54.79	42.390	42.05
Wheat	188.280	186.73	164.740	166.76

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U.S. Corn 2009/10 production is forecast 97 million bushels lower with a 1.3-bushel-per-acre reduction in the forecast yield. U.S. corn exports are projected 50 million bushels lower reflecting the slow pace of sales and shipments in recent weeks and prospects for increased competition from larger Black Sea corn and wheat supplies. U.S. corn ending stocks are projected down 47 million bushels. The 2009/10 marketing-year average farm price projection is raised 20 cents on each end of the range to $3.25 to $3.85 per bushel.

Global corn beginning stocks for 2009/10 are lowered 0.9 million tons mostly reflecting higher 2008/09 feed use for EU-27 and higher food, seed, and industrial use for South Africa. Global corn production for 2009/10 is lowered 2.8 million tons with reduced production for the United States, Brazil, EU-27, Russia, Venezuela, and Canada only partly offset by increases for South Africa and Ukraine. Brazil production is reduced 1.0 million tons on lower expected area.

Soybean 2009/10 production is projected at 97.8 million tons, up 1.7 million from last month due to higher soybean production. Soybean production is forecast at a record 3.319 billion bushels, up 69 million from last month. The soybean yield is projected at a record 43.3 bushels per acre, up 0.9 bushels from the previous estimate. Soybean exports are raised 20 million bushels to 1.325 billion due to increased supplies and increased global import demand, mainly for China, EU-27, and Russia. Soybean ending stocks are projected at 270 million bushels, up 40 million from last month.

Global oilseed production for 2009/10 is projected at 428.9 million tons, up 3.6 million from last month. Increased soybean and rapeseed production are only partly offset by lower sunflower seed, cottonseed, and peanut production. Global soybean production is projected higher with increases for the United States, Brazil, Argentina, Paraguay, and Uruguay. Brazil soybean production is projected at a record 63 million tons, up 1 million from last month due to an expected increased harvested area. Argentina soybean production is raised 0.5 million tons to 53 million due to increased area as producers shift additional area to soybeans from sunflower seed.

U.S. wheat ending stocks for 2009/10 are reduced 4 million bushels this month with small downward revisions to hard red spring wheat and durum production. Exports are projected 25 million bushels lower based on the slow pace of export sales and shipments and increased competition from major Black Sea exporters. U.S. ending stocks for 2009/10 are projected 21 million bushels higher. Ending stocks would be a 10-year high at the projected 885 million bushels. The projected marketing-year average farm price range is narrowed 10 cents on both ends of the range to $4.65 to $5.05 per bushel.

Global wheat trade for 2009/10 is projected higher this month. Imports are raised for EU-27, Israel, South Korea, Syria, Turkey, Bangladesh, and China more than offsetting reductions for Chile and Angola. Abundant supplies of low-priced Black Sea wheat are expected to limit export opportunities for the traditional exporting countries including Canada, EU-27, and the United States. Global consumption is raised with increased wheat feeding expected in Russia, Israel, South Korea, and Morocco. Global ending stocks are projected 1.5 million tons higher as the increase in world output more than offsets lower carry in and the relatively small increase in consumption.

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Corn

U.S. Corn 2009/10 production is forecast 97 million bushels lower with a 1.3-bushel-per-acre reduction in the forecast yield from October to a record of 162.9 bushels per acre. Total production will be second highest on record, only behind 2007. The 2009/10 marketing-year average farm price projection is raised 20 cents on each end of the range to $3.25 to $3.85 per bushel.

Record corn yields are forecast for GA 140; KY 160; IA 183; NE 178: OH 166; PA 144; SD 150
Other state yields forecasts are: MN 172: IL 175; IN 166 MO 151; WI 146

We take an early look at a potential 2010 scenario with 3 million more corn acres and a hefty estimated increase in demand by 425 million bushels.

U.S. Corn Supply / Demand (mb)

	USDA 06/07	USDA 07/08	Nov 09 USDA 08/09	Nov 09 USDA 09/10	Informa Acres 10/11
Planted	78.3	93.6	86.0	86.4	89.400
Harvested	70.6	86.5	78.6	79.3	81.9
% Harvested	90.2%	92.4%	91.4%	91.8%	91.6%
Yield	149.1	151.1	153.9	162.9	162.0
Carryin	1,967	1,304	1,624	1,674	1,625
Production	10,535	13,074	12,101	12,921	13,266
Imports	13	18	14	10	20
Supply	12,515	14,396	13,739	14,605	14,911
Feed	5,598	6,002	5,231	5,400	5,350
Seed, Food, Ind	3,488	4,345	4,976	5,480	5,880
Ethanol Use	2,117	3,000	3,700	4,200	4,600
Exports	2,125	2,425	1,858	2,100	2,175
Demand	11,211	12,772	12,065	12,980	13,405
Carryout	1,304	1,624	1,674	1,625	1,506
CO/Use	11.6%	12.7%	13.9%	12.5%	11.2%
CO/Days Use	42	46	51	46	41
Price	$ 3.04	$ 4.20	$ 4.06	$ 3.25	
range				$ 3.85	

World Corn Supply/Demand (mmt)

Nov USDA 07/08	Nov USDA 08/09	Oct USDA 09/10	Nov USDA 09/10
109.07	129.72	146.84	145.95
791.87	791.92	792.54	789.73
900.94	921.64	939.38	935.68
496.43	479.58	488.91	488.51
771.23	775.69	803.14	803.27
129.71	145.95	136.24	132.41
0.168	0.188	0.170	0.165

China Production: 09/10 155; unch
BRZ Production: 09/10 51.0; -1.0

The 2009-10 corn carry out of 1,625 is 25 million below the average trade estimate of 1,650 and is considered very adequate.

2009/10 ending stocks of 1,625 million bushel estimates provides for a 13.9% carry out as compared to a 12.7% Carry Out / Use ratio in October and represents 51 days of usage as compared to 47 days in October.

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Soybeans

U.S. 2009/10 soybean yield is projected at a record 43.3 bushels per acre, up 0.9 bushels from the previous estimate. Soybean production is forecast at a record 3.319 billion bushels, up 69 million from last month. The farm price range for 2009/10 was increased by $.20 for both the lower end and upper end of the price range to $ 8.20 - $10.20 per bushel based on prices at the farm.

Record soybean yields are forecast for AL 37; GA 33; KS 43; KY 46; MO 44; NE 52; OH 48; PA 47; SD 41
Other state yields forecasts are: IL 45; IA 51; LA 37; MI 39; MN 42; ND 30; WI 41

We take an early look at a potential 2010 scenario with .7 million less soybean acres and an estimated decrease in demand by 24 million bushels.

U.S. Soybean Supply / Demand (mb)

	USDA 06/07	USDA 07/08	Nov 09 USDA 08/09	Nov 09 USDA 09/10	Informa Acres 10/11
Planted	75.5	64.7	75.7	77.5	76.800
Harvested	74.6	62.8	74.6	76.6	75.8
% Harvested	98.8%	97.1%	98.6%	98.9%	98.8%
Yield	42.7	41.7	39.7	43.3	42.0
Carryin	449	574	205	138	270
Production	3,187	2,676	2,967	3,319	3,185
Imports	10	10	13	8	3
Supply	3,646	3,260	3,185	3,465	3,458
Crush	1,806	1,802	1,662	1,695	1,690
Exports	1,118	1,150	1,283	1,325	1,300
Seed	78	94	95	94	102
Residual	70	9	6	82	80
Demand	3,072	3,055	3,047	3,196	3,172
Carryout	574	205	138	270	286
CO/Use	18.7%	6.7%	4.5%	8.4%	9.0%
CO/Days Use	68	25	17	31	33
Price	$ 6.43	$ 10.15	$ 9.97	$ 8.20	
range				$ 10.20	

World Soybean Supply/Demand (mmt)

Nov USDA 07/08	Nov USDA 08/09	Oct USDA 09/10	Nov USDA 09/10
62.89	52.91	42.05	42.39
221.13	210.84	246.07	250.23
284.02	263.75	288.12	292.62
201.93	192.62	201.02	202.49
229.75	220.43	231.62	233.36
52.91	42.39	54.79	57.39
0.230	0.192	0.237	0.246

Brazil Production: 09/10 63.0; +1.0
Argentina Production: 09/10 53; +0.5

The 2009/10 soybean expected carry out of 270 is 35 million above the average trade estimate of 235 million and is considered by many as comfortable but not burdensome

With 2009/10 ending stocks estimated of 270 million bushel provides for a 8.4% Carry Out / Use ratio for the 2009 crop year as compared to 7.3% in October and represents 31 days of usage as compared to 27 days in October.

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Wheat

USDA increased the 2009/10 US Wheat expected carry out by 21 million to 885 million. The farm price range for 2009/10 was narrowed by $.10 for both the lower end and upper end of the price range to $ 4.65 - $5.05 per bushel based on prices at the farm.

We take an early look at a potential 2010 scenario with 1.7 million less wheat acres and an estimated increase in demand of 37 million bushels driven primary from forecasted lower prices.

U.S. Wheat Supply / Demand (mb)

	USDA 06/07	USDA 07/08	USDA 08/09	Nov 09 USDA 09/10	Informa Acres 10/11
Planted	57.3	60.4	63.1	59.1	57.400
Harvested	46.8	51	55.7	49.9	48.8
% Harvested	81.7%	84.4%	88.3%	84.5%	85.0%
Yield	38.7	40.5	44.9	44.4	43.0
Carryin	571	456	306	657	885
Production	1,811	2,067	2,500	2,216	2,098
Imports	123	113	126	110	104
Supply	2,505	2,636	2,932	2,983	3,087
Food	933	948	925	955	955
Exports	909	1,264	1,015	875	950
Seed	81	88	75	78	80
Feed/Residual	125	30	260	190	150
Demand	2,048	2,330	2,275	2,098	2,135
Carryout	457	306	657	885	952
CO/Use	22.3%	13.1%	28.9%	42.2%	44.6%
CO/Days Use	81	48	105	154	163
Price range	$ 4.26	$ 6.41	$ 6.78	$ 4.65 $ 5.05	

World Wheat Supply/Demand (mmt)

Nov USDA 07/08	Nov USDA 08/09	Oct USDA 09/10	Nov USDA 09/10
127.53	121.28	166.76	164.74
610.70	682.75	668.12	671.89
738.23	804.03	834.88	836.63
616.96	639.29	648.15	648.35
121.27	164.74	186.73	188.28
0.197	0.258	0.288	0.290

AUS Production: 09/10 23.5; unch
ARG Production: 09/10 8.0; unch

The U.S. 2009-10 wheat carry out of 885 is considered burdensome at a time when world supply is also increasing by 24 mmt compared to last year.

U.S. 2009/10 ending stocks estimated of 885 million bushel provides for a 42.2% Carry Out / Use ratio for the 2009 crop year as compared to 40.7% forecast in October and represents 144 days of usage as compared to 149 days forecast in October.

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Year to Year Acreage Change

We take an early look at a potential 2010 acreage scenario.

	USDA 06/07	USDA 07/08	USDA 08/09	USDA 09/10	Informa Acres 10/11	Year-Year Change
Planted Acres						
Corn	78.3	93.6	86.0	86.4	89.4	3.0
Soybean	75.5	64.7	75.7	77.5	76.8	-0.7
Wheat	57.3	60.4	63.1	59.1	57.4	-1.7
Total	211.1	218.7	224.8	223.0	223.6	0.6
Harvested Acres						
Corn	70.6	86.5	78.6	79.3	81.9	2.6
Soybean	74.6	62.8	74.6	76.6	75.8	-0.8
Wheat	46.8	51.0	55.7	49.9	48.8	-1.1
Total	192.0	200.3	208.9	205.9	206.5	0.6
% Harvested						
Corn	90.2%	92.4%	91.4%	91.8%	91.6%	-0.2%
Soybean	98.8%	97.1%	98.6%	98.9%	98.8%	-0.1%
Wheat	81.7%	84.4%	88.3%	84.5%	85.0%	0.5%
% Harvested	91.0%	91.6%	92.9%	92.3%	92.4%	0.0%
Carry Out Days Use						
Corn	42	46	51	46	41	-4.7
Soybean	68	25	17	31	33	2.1
Wheat	81	48	105	154	163	8.8
Total	192	119	173	230	237	6.2

USDA World Grain Production (in million tonnes)

	USDA Nov 09/10	USDA Oct 09/10	USDA Nov 08/09	USDA Oct 08/09
Argentina Corn	14.00	14.00	12.60	12.60
Argentina Wheat	8.00	8.00	8.40	8.40
Argentina Soybeans	53.00	52.50	32.00	32.00
China Wheat	114.50	114.50	112.50	112.50
China Corn	155.00	155.00	165.90	165.90
Canada Wheat	24.00	24.50	28.61	28.61
EU Wheat	138.01	139.08	151.07	151.27
Australia Wheat	23.50	23.50	21.50	21.50
S. Africa Corn	11.50	10.50	12.75	12.75
Brazil Corn	51.00	52.00	51.00	51.00
Brazil Soybeans	63.00	62.00	57.00	57.00

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