



**USDA Dec 10 S&D & Report**

**Friday December 10, 2009**

Carry out estimates for all three crops slight larger than the trade average guess.

2009-10 USDA US Grain Carryout (in billions of bushels)					
	USDA Dec 09/10	Average Trade Est.	Range of Trade Est.	USDA Nov 09/10	USDA 2007-08
Corn	1.675	1.650	1.500 - 1.725	1.625	1.674
Soybeans	0.255	0.233	0.170 - 0.260	0.270	0.138
Wheat	0.900	0.877	0.800 - 0.885	0.885	0.657

**Monthly Production / Yield Changes 2009**

<b>Corn</b>	Aug		Sept		Oct		Nov		Jan	
	Prod	Yield	Prod	Yield	Prod	Yield	Prod	Yield	Prod	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 record	12,496	157.10	12,932	161.50	12,993	162.70	12,995	163.70		
		160.20		2004						

<b>Soybeans</b>	Aug		Sept		Oct		Nov		Jan	
	Prod	Yield	Prod	Yield	Prod	Yield	Prod	Yield	Prod	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 record	3,213	42.10	3,256	42.40	3,291	42.90	3,269	42.70		
		43.30		2005						

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**U.S. Corn 2009/10** ending stocks are raised 50 million bushels. At the projected 1,675 million bushels, ending stocks would be nearly unchanged from 2008/09. The 2009/10 marketing-year average farm price projection for corn is unchanged at \$3.25 to \$3.85 per bushel.

**Global corn beginning stocks for 2009/10** is nearly unchanged this month as higher Ukraine corn exports offset lower U.S. corn exports and higher Australia barley exports offset lower EU-27 barley exports. World coarse grain consumption is lowered mostly as a result of reduced India millet use. Sorghum consumption is also lowered reflecting a small reduction in food, seed, and industrial use for China and a small reduction in feed use for EU-27.

**Soybean 2009/10 production** year exports are increased 15 million bushels to 1.34 billion reflecting the record export pace in recent weeks and higher projected soybean imports by China. U.S. export commitments (shipments plus outstanding sales) were record high through November, up almost 60 percent from a year ago. With projected crush unchanged, soybean ending stocks for 2009/10 are projected at 255 million bushels, down 15 million from last month.

Soybeans and product price projections are all higher this month. The U.S. season-average soybean price range for 2009/10 is projected at \$8.75 to \$10.25 compared with \$8.20 to \$10.20 last month. The soybean meal price is projected at \$260 to \$310 per short ton, up \$10 on the bottom of the range. Soybean oil prices are projected at 35.5 to 38.5 cents per pound compared with 33 to 37 cents last month.

**Global oilseed production for 2009/10** is projected at 94.4 million tons, up 0.7 million from last month. Increased rapeseed exports from Canada and Australia and increased soybean exports from the United States account for most of the change. China soybean imports are raised 0.5 million tons to 41 million, just below the record 41.1 million imported in 2008/09.

**U.S. wheat ending stocks for 2009/10** are projected 15 million bushels higher this month reflecting lower expected food use. Food use is projected 15 million bushels lower based on the latest mill-grind data from the U.S. Census Bureau and indications of 2009-crop quality that suggest higher-than-normal flour extraction rates again in 2009/10. Higher flour extraction rates reduce the quantity of wheat needed for milling. Food use for 2008/09 is estimated 1 million bushels higher based on the latest revisions to mill-grind data. The marketing-year average farm price projection is unchanged at \$4.65 to \$5.05 per bushel..

**Global wheat trade for 2009/10** are projected 1.0 million tons higher as increased production in Canada and EU-27 more than offset lower beginning stocks and production for Australia. Global wheat production is projected 2.0 million tons higher. Production is raised 2.5 million tons for Canada based on the latest estimates from Statistics Canada which sharply raised yields in the Prairie Provinces. Production is revised 0.3 million tons higher for EU-27

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## Corn

U.S. Corn 2009/10 ending stocks are raised 50 million bushels.

**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 also 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)					World Corn Supply/Demand (mmt)			
	USDA 06/07	USDA 07/08	Nov 09 USDA 08/09	Dec 09 USDA 09/10	Informa Acres 10/11	Dec USDA 07/08	Dec USDA 08/09	Nov USDA 09/10	Dec USDA 09/10
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	1,675	108.86	129.31	145.95	145.44
Production	10,535	13,074	12,101	12,921	13,266	791.87	791.63	789.73	790.17
Imports	13	18	14	10	20				
Supply	12,515	14,396	13,739	14,605	14,961	900.73	920.94	935.68	935.61
Feed	5,598	6,002	5,231	5,400	5,350	496.43	480.48	488.51	489.41
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	2,050	2,175				
Demand	11,211	12,772	12,065	12,930	13,405	771.43	775.49	803.27	803.27
Carryout	1,304	1,624	1,674	1,675	1,556				
CO/Use	11.6%	12.7%	13.9%	13.0%	11.6%	129.30	145.45	132.41	132.34
CO/Days Use	42	46	51	47	42	0.168	0.188	0.165	0.165
Price range	\$ 3.04	\$ 4.20	\$ 4.06	\$ 3.25	\$ 3.85				
						China Production: 09/10		155; unch	
						BRZ Production: 09/10		51.0; unch	

2009/10 ending stocks of 1,675 million bushel estimates provides for a 13.0% carry out as compared to a 13.9% Carry Out / Use ratio in November and represents 51 days of usage as compared to 51 days in November.

The 2009/10 corn expected carry out of 1,675 is 25 million above the average trade estimate of 1,650.

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## Soybeans

The 2009/10 soybean expected carry out of 255 as exports are expected to be 15 million higher than last month.

**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 also 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)					World Soybean Supply/Demand (mmt)			
	USDA 06/07	USDA 07/08	Nov 09 USDA 08/09	Dec 09 USDA 09/10	Informa Acres 10/11	Dec USDA 07/08	Dec USDA 08/09	Nov USDA 09/10	Dec USDA 09/10
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	255	62.89	52.91	42.39	42.41
Production	3,187	2,676	2,967	3,319	3,185	221.13	210.87	250.23	250.25
Imports	10	10	13	8	3	284.02	263.78	292.62	292.66
Supply	3,646	3,260	3,185	3,465	3,443				
Crush	1,806	1,802	1,662	1,696	1,690	201.93	192.63	202.49	202.95
Exports	1,118	1,150	1,283	1,340	1,300				
Seed	78	94	95	94	102				
Residual	70	9	6	81	80				
Demand	3,072	3,055	3,047	3,211	3,172	229.75	220.45	233.36	233.75
Carryout	574	205	138	255	271				
CO/Use	18.7%	6.7%	4.5%	7.9%	8.5%	52.91	42.41	57.39	57.09
CO/Days Use	68	25	17	29	31	0.230	0.192	0.246	0.244
Price range	\$ 6.43	\$ 10.15	\$ 9.97	\$ 8.75	\$ 10.25				

Brazil Production: 09/10 63.0; unch  
Argentina Production: 09/10 53.0; unch

The U.S. season-average soybean price range for 2009/10 is projected at \$8.75 to \$10.25 compared with \$8.20 to \$10.20 last month.

The 2009/10 soybean expected carry out of 255 is 22 million above the average trade estimate of 233 million and is considered by many as comfortable but not overly burdensome.

With 2009/10 ending stocks estimated of 255 million bushel provides for a 7.9% Carry Out / Use ratio for the 2009 crop year as compared to 8.5% in November and represents 29 days of usage as compared to 31 days in November.

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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
<b>Planted Acres</b>						
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
<b>Total</b>	<b>211.1</b>	<b>218.7</b>	<b>224.8</b>	<b>223.0</b>	<b>223.6</b>	<b>0.6</b>
<b>Harvested Acres</b>						
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
<b>Total</b>	<b>192.0</b>	<b>200.3</b>	<b>208.9</b>	<b>205.9</b>	<b>206.5</b>	<b>0.6</b>
<b>% Harvested</b>						
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%
<b>% Harvested</b>	<b>91.0%</b>	<b>91.6%</b>	<b>92.9%</b>	<b>92.3%</b>	<b>92.4%</b>	<b>0.0%</b>
<b>Carry Out Days Use</b>						
Corn	42	46	51	47	42	-4.9
Soybean	68	25	17	29	31	2.2
Wheat	81	48	105	154	163	8.8
<b>Total</b>	<b>192</b>	<b>119</b>	<b>173</b>	<b>230</b>	<b>236</b>	<b>6.1</b>

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