

SOYBEANS

U.S. Grain Stocks (1000 Bushels): Soybeans						
Date	2010			2011		
	On Farms	Off Farms	Total All Positions	On Farms	Off Farms	Total All Positions
Mar 1	609,200	660,868	1,270,068	505,000	743,800	1,248,800
Jun 1	232,600	338,523	571,123	217,700	401,583	619,283
Sep 1	35,400	115,485	150,885	48,500	166,163	214,663
Dec 1	1,091,000	1,187,084	2,278,084	-	-	-

SOYBEANS: The USDA reports this morning were considered slightly supportive for the soybean market but a bearish number for corn has caused an opening call of 15-20 cents lower. The USDA pegged September 1st stocks at 214.7 million bushels which was about 10 million bushels below trade expectations. This is the beginning stocks for the 2011/12 season and will tighten the outlook somewhat for the coming season; depending on the October 12th production update.

PRICE OUTLOOK: A resumption of the recent downtrend due to bearish news for the corn market leaves 1187 as next downside target for November soybeans.

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CORN

U.S. Grain Stocks (1000 Bushels): Corn						
Date	2010			2011		
	On Farms	Off Farms	Total All Positions	On Farms	Off Farms	Total All Positions
Mar 1	4,548,000	3,145,787	7,693,787	3,384,000	3,139,228	6,523,228
Jun 1	2,131,400	2,178,671	4,310,071	1,681,500	1,988,338	3,669,838
Sep 1	485,100	1,222,687	1,707,787	314,950	813,295	1,128,245
Dec 1	6,302,000	3,754,769	10,056,769	-	-	-

CORN: The USDA report this morning was considered bearish with the market called to open down 15-20 cents lower. September 1st corn stocks were pegged at 1.128 billion bushels, which was 164 million bushels above trade expectations and outside of the wide range of estimates. This is the beginning stocks for the 2011/12 season and if we plug in the new number to the supply/demand report and leave all of the other numbers unchanged, ending stocks are adjusted to 836 million bushels from 672 million posted in the September supply/demand report.

PRICE OUTLOOK: A resumption of the downtrend for December corn leaves 616 and 603 1/4 as next support levels.

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WHEAT

U.S. Grain Stocks (1000 Bushels): All Wheat						
Date	2010			2011		
	On Farms	Off Farms	Total All Positions	On Farms	Off Farms	Total All Positions
Mar 1	348,250	1,008,107	1,356,357	288,010	1,137,292	1,425,302
Jun 1	209,900	765,737	975,637	130,915	731,331	862,246
Sep 1	812,100	1,637,517	2,449,617	641,500	1,508,573	2,150,073
Dec 1	550,000	1,382,946	1,932,946	-	-	-

Wheat Production / Small Grains Report		
9/30/2010	2010/11	2011/12
Winter		
Hard red	1,018,337	780,089
Soft red	237,429	457,535
Hard white	13,496	12,368
Soft white	215,599	243,685
Spring		
Hard red	569,975	405,287
Hard white	9,256	11,866
Soft White	36,744	45,320
Durum	106,080	51,889
Total	2,206,916	2,008,039

WHEAT: The USDA wheat production report this morning was considered positive to the wheat market but this was more than offset by bearish news for wheat stocks and corn stocks and the market is called 5-10 cents lower on the opening. Traders were looking for spring wheat production near 493 million bushels but the report came in at 462.5 million bushels which is supportive. As a result, all wheat production is pegged at 2.008 billion bushels which is 36 million below trade expectations and down from 2.077 billion as the last USDA estimate. However, September 1st stocks came in at 2.15 billion bushels which was 115 million bushels above trade expectations. The report suggests that wheat feeding was not as high as expected.

PRICE OUTLOOK: A resumption of the recent downtrend leaves 606 3/4 as next target for December wheat.

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