

SOYBEANS

SOYBEANS: The USDA reports were considered bullish for soybeans with the market called cents 5-10 cents higher on the opening. The USDA pegged soybean production at 3.06 billion bushels from 3.085 billion last month and trade expectations near 3.095 billion. Average yield came in at just 41.5 bushels per acre from 41.8 last month and trade expectations near 42. Ending stocks for the 2011/12 season came in at just 160 million bushels as compared with trade expectations at near 185 million and 165 million as last months estimate. World ending stocks for the 2011/12 season came in at 63.01 million tonnes as compared with 62.55 million last month and the increase came from an adjustment higher in the 2010/11 ending stocks to a record high 69.26 million tonnes.

PRICE OUTLOOK: Declining US and world ending stocks and a smaller than expected US crop plus active buying from China yesterday and rumors that China will be re-stocking reserves should keep the short-term trend up. Look for more up with 1282 1/4 and 1318 3/4 as next upside targets for January soybeans.

USDA SUPPLY/DEMAND US SOYBEANS				
	Oct USDA 09-10	Oct USDA 10-11	Sep USDA 11-12	Oct USDA 11-12
Area (M Acres)				
Planted	77.5	77.4	75.0	75.0
Harvested	76.4	76.6	73.8	73.7
Yield (Bu/Acre)	44.0	43.5	41.8	41.5
Beginning Stocks (M Bu)				
Production	3,359	3,329	3,085	3,060
Imports	15	15	15	15
Supply, Total	3,512	3,495	3,325	3,290
Crushings				
Exports	1,499	1,500	1,415	1,375
Seed	90	87	88	88
Residual	20	45	23	32
Use, Total	3,361	3,280	3,161	3,130
Ending Stocks	151	215	165	160
Stocks/Use Ratio	4.5%	6.6%	5.2%	5.1%

USDA SUPPLY/DEMAND WORLD SOYBEANS				
(Million Metric Tons)	Oct USDA 09-10	Oct USDA 10-11	Sep USDA 11-12	Oct USDA 11-12
Supply				
Beginning Stocks	42.68	59.38	68.82	69.26
Production	260.84	264.12	258.99	258.60
Imports	86.67	88.59	95.27	94.56
Use				
Crush, Domestic	209.49	220.71	232.09	231.36
Total Domestic	238.20	251.15	262.24	261.75
Exports	92.60	91.68	98.30	97.66
Ending Stocks	59.38	69.26	62.55	63.01
Stocks/Use Ratio	24.9%	27.6%	23.9%	24.1%

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CORN

CORN: The USDA report this morning was considered slightly negative against trade expectations with the market called 3-5 cents higher on the opening due to positive soybean news. Production came in at 12.433 billion bushels as compared with 12.497 billion bushels last month and this was about 60 million bushels below trade expectations. However, exports were revised lower so the USDA ending stocks forecast is now at 866 million bushels which is about 60 million above trade expectations and compares with 672 million last month. Harvested acres were revised down by 500,000 which was right in line with expectations and yield was unchanged at 148.1. World ending stocks were adjusted higher to 123.19 million tonnes from 117.39 million last month and 114.53 two months ago. Last year was 129.76.

PRICE OUTLOOK: Given the limit-up surge yesterday and a positive tilt to the soybean data, the market may see some follow-through higher on China buying rumors but December corn resistance should emerge near 675. A lower close today could suggest a set-back to 624 if outside forces turn sour.

USDA SUPPLY/DEMAND				
US CORN	Oct	Oct	Sep	Oct
	USDA	USDA	USDA	USDA
	09-10	10-11	11-12	11-12
Area (M Acres)				
Planted	86.4	88.2	92.3	91.9
Harvested	79.5	81.4	84.4	83.9
Yield (Bu/Acre)	164.7	152.8	148.1	148.1
Beginning Stocks (M Bu)	1,673	1,708	920	1,128
Production	13,092	12,447	12,497	12,433
Imports	8	27	15	15
Supply, Total	14,774	14,182	13,432	13,576
Feed & Residual	5,125	4,803	4,700	4,700
Food, Seed & Industry	5,961	6,415	6,410	6,410
Ethanol for Fuel	4,591	5,020	5,000	5,000
Domestic Total	11,086	11,218	11,110	11,110
Total Exports	1,980	1,835	1,650	1,600
Use, Total	13,066	13,053	12,760	12,710
Ending Stocks	1,708	1,128	672	866
Stocks/Use Ratio	13.1%	8.6%	5.3%	6.8%

USDA SUPPLY/DEMAND				
WORLD CORN (Million Metric Tons)	Oct	Oct	Sep	Oct
	USDA	USDA	USDA	USDA
	09-10	10-11	11-12	11-12
Supply				
Beginning Stocks	147.16	143.88	124.30	129.76
Production	819.42	828.29	854.67	860.09
Imports	90.29	89.92	90.09	90.59
Use				
Feed, Domestic	489.01	494.10	505.11	509.51
Total Domestic	822.69	842.42	861.58	866.66
Exports	96.81	89.38	93.22	94.15
Ending Stocks	143.88	129.76	117.39	123.19
Stocks/Use Ratio	17.5%	15.4%	13.6%	14.2%

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WHEAT

WHEAT: The USDA Supply/Demand report this morning was considered bearish for wheat with the market called slightly lower. US wheat ending stocks were pegged at 837 million bushels as compared with 761 million bushels last month and 671 million two months ago. Traders were looking for ending stocks near 735 million. The USDA lowered wheat feeding to 160 million from 240 million bushels last month and also lowered exports by 50 million bushels. For the world report, 2011/12 ending stocks were pegged at 202.4 million tonnes from 194.6 million last month. Demand numbers were far worse than expected with wheat feeding down in the US and down near 5 million tonnes for the world. World production was revised up by 3 million tonnes.

PRICE OUTLOOK: The jump in US and world ending stocks was not anticipated and the market looks to work lower over the near-term with support for December wheat emerging at 622 3/4 and 608.

USDA SUPPLY/DEMAND				
US WHEAT	Oct	Oct	Sep	Oct
	USDA	USDA	USDA	USDA
	09-10	10-11	11-12	11-12
Area (M Acres)				
Planted	59.2	53.6	55.2	54.4
Harvested	49.9	47.6	45.9	45.7
Yield (Bu/Acre)	44.5	46.3	45.2	43.9
Beginning Stocks (M Bu)				
Production	2,218	2,208	2,077	2,008
Imports	119	97	110	120
Total Supply	2,993	3,279	3,047	2,990
Food				
Seed	69	73	82	78
Feed/Residual				
Domestic Total	1,138	1,128	1,262	1,178
Total Exports	879	1,289	1,025	975
Use, Total	2,018	2,417	2,287	2,153
Ending Stocks	976	862	761	837
Stocks/Use Ratio	48.4%	35.7%	33.3%	38.9%

USDA SUPPLY/DEMAND				
WORLD WHEAT	Oct	Oct	Sep	Oct
	USDA	USDA	USDA	USDA
(Million Metric Tons)	09-10	10-11	11-12	11-12
Supply				
Beginning Stocks	167.10	200.75	193.34	195.60
Production	684.40	648.16	678.12	681.20
Imports	133.58	129.88	129.75	132.07
Use				
Feed, Domestic	115.69	112.62	130.10	125.52
Total Domestic	650.75	653.30	676.86	674.43
Exports	135.80	131.07	131.89	135.30
Ending Stocks	200.75	195.60	194.59	202.37
Stocks/Use Ratio	30.8%	29.9%	28.7%	30.0%

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COTTON

USDA SUPPLY/DEMAND COTTON	Oct	Oct	Sep	Oct
	USDA 09-10	USDA 10-11	USDA 11-12	USDA 11-12
Area (M Acres)				
Planted	9.15	10.97	14.72	14.72
Harvested	7.53	10.70	9.85	9.85
Yield (Lb/Acre)	777	812	807	809
Beginning Stocks (M Bales)	6.34	2.95	2.60	2.60
Production	12.19	18.10	16.56	16.61
Imports	0.00	0.01	0.01	0.01
Supply, Total	18.53	21.06	19.17	19.22
Domestic Use	3.55	3.90	3.80	3.80
Exports	12.04	14.38	12.00	11.50
Use, Total	15.59	18.28	15.80	15.30
Unaccounted	-0.01	0.18	-0.03	0.02
Ending Stocks	2.95	2.60	3.40	3.90
Stocks/Use Ratio	18.9%	14.2%	21.5%	25.5%

USDA SUPPLY/DEMAND WORLD COTTON (Million 480-lb Bales)	Oct	Oct	Sep	Oct
	USDA 09-10	USDA 10-11	USDA 11-12	USDA 11-12
Supply				
Beginning Stocks	60.68	43.99	43.97	44.87
Production	101.41	115.08	122.96	124.19
Imports	36.35	35.60	37.31	36.53
Use				
Domestic	119.11	114.32	115.22	114.38
Exports	35.50	35.44	37.30	36.51
Loss	-0.16	0.03	-0.19	-0.14
Ending Stocks	43.99	44.87	51.91	54.83
Stocks/Use Ratio	36.9%	39.2%	45.1%	47.9%

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