

# USDA SUPPLY & DEMAND REVIEW

June 10, 2009

## SOYBEANS

**SOYBEANS:** The USDA's Supply/Demand Report this morning was considered supportive with the market called 10-15 higher on the open. The USDA pegged soybean ending stocks for the 08/09 season at 110 million bushels compared to 130 million bushels last month and trade expectations of about 115 million. Ending stocks for the new crop 2009/10 season were pegged at 210 million compared to 230 million bushels last month and expectations near 210 million. There were no revisions higher in planted area which helped support. The old crop stocks/usage is now down at just 3.6% as compared with 6.7% last year and the lowest on record since at least 1964. World ending stocks for the 08/09 season came in at 41.85 million tonnes versus 42.55 million tonnes last month. New crop ending stocks are pegged at 51.02 million tonnes.

USDA SUPPLY/DEMAND				
US SOYBEANS				
	Jun	Jun	May	Jun
	USDA	USDA	USDA	USDA
	07-08	08-09	09-10	09-10
Area (M Acres)				
Planted	64.7	75.7	76.0	76.0
Harvested	64.1	74.6	75.0	75.0
Yield (Bu/Acre)	41.7	39.6	42.6	42.6
Beginning Stocks (M Bu)	574	205	130	110
Production	2,677	2,959	3,195	3,195
Imports	10	12	12	12
Supply, Total	3,261	3,176	3,337	3,317
Crushings	1,801	1,650	1,675	1,675
Exports	1,161	1,250	1,260	1,260
Seed	93	94	92	92
Residual	0	73	79	79
Use, Total	3,056	3,066	3,107	3,107
Ending Stocks	205	110	230	210
Stocks/Use Ratio	6.7%	3.6%	7.4%	6.8%

USDA SUPPLY/DEMAND				
WORLD SOYBEANS				
	Jun	Jun	May	Jun
	USDA	USDA	USDA	USDA
(Million Metric Tons)	07-08	08-09	09-10	09-10
Supply				
Beginning Stocks	62.89	52.92	42.55	41.85
Production	221.18	210.91	241.72	241.67
Imports	78.16	72.35	74.40	74.40
Use				
Crush, Domestic	201.87	192.30	200.83	201.00
Total Domestic	229.69	221.77	231.49	231.55
Exports	79.61	72.56	75.30	75.35
Ending Stocks	52.92	41.85	51.88	51.02
Stocks/Use Ratio	23.0%	18.9%	22.4%	22.0%

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## CORN

**CORN:** The USDA Supply/Demand and World Production Reports were considered supportive with the market called 5-10 higher on the open. Production was revised lower by 155 million bushels due to late plantings while ending stocks were revised lower by just 55 million bushels due to lower demand. The USDA pegged 2008/09 US ending corn ending stocks at 1.6 billion bushels which was unchanged from last month and about as expected. New crop 2009/10 ending stocks were pegged at 1.09 billion bushels versus 1.145 billion last month and expectations near 1.06 billion. While the planted acreage was left unchanged, the USDA lowered their yield forecast to 153.4 bu/acre from 155.4 last month. This pushed production lower. Total usage was revised down by 100 million bushels to 12.460 billion bushels due to less corn used for feeding. World corn ending stocks were pegged at just 125.5 million tonnes as compared with 128.2 million posted in the May report and 139.6 million tonnes for the 2008/09 season. This pushed the world stocks/usage number down to just 15.8% from 17.9% last year and 16.9% the previous year.

USDA SUPPLY/DEMAND				
US CORN	Jun USDA 07-08	Jun USDA 08-09	May USDA 09-10	Jun USDA 09-10
Area (M Acres)				
Planted	93.5	86.0	85.0	85.0
Harvested	86.5	78.6	77.8	77.8
Yield (Bu/Acre)	150.7	153.9	155.4	153.4
Beginning Stocks (M Bu)	1,304	1,624	1,600	1,600
Production	13,038	12,101	12,090	11,935
Imports	20	15	15	15
Supply, Total	14,362	13,740	13,705	13,550
Feed & Residual	5,938	5,350	5,250	5,150
Food, Seed & Industry	4,363	5,040	5,410	5,410
Ethanol for Fuel	3,026	3,750	4,100	4,100
Domestic Total	10,302	10,390	10,660	10,560
Total Exports	2,436	1,750	1,900	1,900
Use, Total	12,737	12,140	12,560	12,460
Ending Stocks	1,624	1,600	1,145	1,090
Stocks/Use Ratio	12.8%	13.2%	9.1%	8.7%

USDA SUPPLY/DEMAND				
WORLD CORN	Jun USDA 07-08	Jun USDA 08-09	May USDA 09-10	Jun USDA 09-10
(Million Metric Tons)				
Supply				
Beginning Stocks	109.00	130.70	139.58	138.54
Production	791.60	787.27	785.14	781.46
Imports	98.37	76.02	79.33	79.73
Use				
Feed, Domestic	496.53	481.21	484.60	482.51
Total Domestic	769.91	779.43	796.52	794.53
Exports	98.61	77.93	81.14	81.49
Ending Stocks	130.70	138.54	128.19	125.46
Stocks/Use Ratio	17.0%	17.8%	16.1%	15.8%

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## WHEAT

**WHEAT:** The USDA's June Supply/Demand and World Production reports were considered negative with the opening call at unchanged to 3 cents higher due to strength in outside markets and in corn and soybeans. All wheat ending stocks for the just-ended 2008/09 crop year were left unchanged at 669 million bushels as expected. However, ending stocks for 2009/10 were raised to 647 million bushels from 637 last month. Traders were expecting a decrease of 25 million bushels or more, so this was considered the most bearish aspect of the report. This came despite a slight yield reduction and slightly lower production. Lower feed usage was the main reason for the higher ending stocks. World ending stocks for 2009/10 were pegged at 182.6 million tonnes, up from 181.9 last month. Total usage was lowered by nearly 1 million tonnes. Argentine and Australian wheat production was left unchanged, but Canada was lowered by 1 million tonnes to 25 million. China's crop was raised slightly by 500,000 tonnes.

USDA SUPPLY/DEMAND				
US WHEAT	Jun	Jun	May	Jun
	USDA	USDA	USDA	USDA
	07-08	08-09	09-10	09-10
Area (M Acres)				
Planted	60.5	63.1	58.6	58.6
Harvested	51.0	55.7	48.9	48.9
Yield (Bu/Acre)	40.2	44.9	41.4	41.2
Beginning Stocks (M Bu)	456	306	669	669
Production	2,051	2,500	2,026	2,016
Imports	113	125	115	115
Total Supply	2,620	2,930	2,810	2,800
Food	947	922	955	955
Seed	88	79	78	78
Feed/Residual	15	250	240	220
Domestic Total	1,050	1,251	1,273	1,253
Total Exports	1,264	1,010	900	900
Use, Total	2,314	2,261	2,173	2,153
Ending Stocks	306	669	637	647
Stocks/Use Ratio	13.2%	29.6%	29.3%	30.1%

USDA SUPPLY/DEMAND				
WORLD WHEAT	Jun	Jun	May	Jun
	USDA	USDA	USDA	USDA
(Million Metric Tons)	07-08	08-09	09-10	09-10
Supply				
Beginning Stocks	126.98	119.97	167.05	168.40
Production	609.70	682.18	657.62	656.06
Imports	113.65	130.89	118.60	118.00
Use				
Feed, Domestic	96.20	114.07	111.49	111.37
Total Domestic	616.71	633.75	642.77	641.81
Exports	117.51	132.26	123.71	123.22
Ending Stocks	119.97	168.40	181.90	182.65
Stocks/Use Ratio	19.5%	26.6%	28.3%	28.5%

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