



Prices as 9/30/20 11:57 AM

CBOT Soybeans			Soybean Meal			Soybean Oil					
	Change	Volume		Change	Volume		Change	Volume			
NOV0	1029.00	36.00	162262	OCT0	341.50	14.20	1650	OCT0	33.19	0.32	1201
JAN1	1032.50	35.50	51134	DEC0	345.20	13.30	60080	DEC0	33.27	0.58	71740
MAR1	1027.00	33.25	23620	JAN1	344.40	12.80	15497	JAN1	33.36	0.62	15779
MAY1	1024.00	30.25	15183	MAR1	341.00	11.90	12917	MAR1	33.43	0.61	10673
JUL1	1028.00	29.50	16525	MAY1	337.10	11.40	7133	MAY1	33.48	0.59	7088
AUG1	1022.00	28.75	710	JUL1	336.40	10.70	4612	JUL1	33.55	0.57	3426
CBOT Corn			Oats			Chicago Wheat					
	Change	Volume		Change	Volume		Change	Volume			
DEC0	381.75	17.00	241038	DEC0	285.00	7.50	285	DEC0	584.00	34.50	85667
MAR1	390.75	16.75	58753	MAR1	287.00	8.00	25	MAR1	590.00	33.50	22996
MAY1	396.00	16.50	28927	MAY1	277.25	0.00	0	MAY1	593.00	31.50	9858
JUL1	399.75	15.75	27697	JUL1	276.50	0.00	0	JUL1	588.00	27.00	16215
SEP1	391.25	13.00	5503	SEP1	277.25	0.00	0	SEP1	592.50	25.50	3723
DEC1	394.75	11.75	27546	DEC1	287.00	0.00	0	DEC1	600.75	24.00	3884
CBOT Black Sea Corn FOB (Platts)				CBOT Black Sea Wheat FOB (Platts)							
	Change	OI	OI Δ		Change	OI	OI Δ				
SEPO	190.75	0.25	0	0	SEPO	226.75	3,133	0			
OCT0	191.25	(0.25)	100	0	OCT0	228.50	975	0			
NOV0	193.25	(0.25)	3,567	0	NOV0	229.50	510	0			
DEC0	195.00	(0.25)	740	0	DEC0	230.00	12,859	(190)			
JAN1	196.50	(0.25)	100	0	JAN1	231.00	1,160	0			
Soy/Corn Ratio X/Z 2020 2.6955				Source: FI and Reuters							

USDA released it September grain stocks update

Reaction: Bullish.

September one US soybean stocks were reported at 523 million bushels versus USDA's S&D outlook of 575 million, a huge difference, and 53 million below an average trade guess. Either Q4 crush & export were miscounted, or residual was way off USDA's previous interpretation, which is partially justified in an unchanged production estimate for 2019. June one soybean stocks were 1.381 billion bushels, 5 less than what was reported three months ago, so unlike corn, September one stocks deviations from trade do not reflect previous quarters. The soybean stocks are a mystery, but regardless how one interprets it, stocks are tighter and that should reflect higher prices year over year.

2019 US corn production was upward revised 3 million bushels to 13.620 billion. Going forward USDA will revise previous year corn production in every September Grain Stocks report. Corn September one stocks of 1.995 billion bushels were reported 255 million below trade expectations. Note USDA revised previous quarter June one corn stocks by 205 million bushels! A big explanation for the deviation in corn stocks from USDA's S&D stocks projection of 2.253 billion. Therefore, the trade missed feed/residual demand by roughly 50 million bushels, in our opinion. But what happened with the previous quarters? We will likely see that question come up in October when USDA typically hosts a statistical conference.

US wheat production came in lower than the trade estimate by 15 million bushels to 1.826 billion due to downward revision to winter wheat led by hard red winter. Wheat stocks came in much below trade

expectations at 2.159 billion bushels, implying a potential 25 to 50-million-bushel upward revision by USDA to its feed demand in the upcoming supply and demand report.

Price projections revised below.

Reuters poll for USDA September 1 Stocks (mil bu)				Reuters poll for US 2019 Soybean Production	
	Wheat	Corn	Soybeans	Actual	
Actual	2.159	1.995	0.523	Actual	3.552
Average trade estimate	2.242	2.250	0.576	Average trade estimate	3.575
Actual-Average	(0.083)	(0.255)	(0.053)	Actual-Average	(0.023)
Highest trade estimate	2.380	2.574	0.608	Highest trade estimate	3.614
Lowest trade estimate	2.150	2.120	0.490	Lowest trade estimate	3.542
USDA June 1, 2020	1.028	5.019	1.381	USDA last	3.552
USDA Sept. 1, 2019	2.346	2.221	0.909	Actual-Average	(0.000)
Futures International	2.234	2.275	0.571	Futures International	3.607

Source: Reuters, USDA and FI

June 1 corn stocks revised from 5.224 to 5.019 billion

June 1 soybean stocks revised from 1.386 to 1.381 billion

June 1 all wheat stocks revised from 1.044 to 1.028 billion

2019 Corn Production

	Corn
Actual	13.620
Average trade estimate	13.607
Actual-Average	0.013
Highest trade estimate	13.750
Lowest trade estimate	13.427
USDA last	13.617
Actual-Average	0.003
Futures International	13.617

Source: Reuters, USDA and FI

Reuters poll for US 2020 Wheat Production

	All Wheat	All Winter	Hard Red Winter	Soft Red Winter	White Winter	Other Spring	Durum
Actual	1.826	1.171	0.659	0.266	0.246	0.586	0.069
Average trade estimate	1.841	1.198	0.696	0.276	0.227	0.577	0.062
Actual-Average	(0.015)	(0.027)	(0.037)	(0.010)	0.019	0.009	0.007
Highest trade estimate	1.920	1.244	0.729	0.281	0.234	0.590	0.068
Lowest trade estimate	1.823	1.187	0.684	0.267	0.223	0.568	0.051
USDA August 2018	1.838	1.198	0.695	0.277	0.226	0.577	0.062
Futures International	1.844	1.200	0.690	0.280	0.230	0.580	0.064

Source: Reuters, USDA and FI

Price outlook:

- *December corn is seen in a \$3.60-\$4.00 range. (up 20, up 15)*
- *November soybeans are seen in a \$9.90-\$10.75 range (up 15, up 25)*
- *December soybean meal is seen in a \$330-\$360 range. (up 20, dn 10)*
- *December soybean oil is seen in a 32.00-35.00 range. (up 50, dn 50)*
- *December Chicago wheat is seen in a \$5.50-\$6.10 range. (up 20, up 35)*
- *December KC wheat is seen in a \$4.80-\$5.25 range. (up 20, up 40)*
- *December MN wheat is seen in a \$5.30-\$5.60 range. (up 25, up 15)*

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