



USDA released their February S&D report

Reaction: Initially bearish but a buying opportunity for bull traders.

USDA NASS briefing

https://www.nass.usda.gov/Newsroom/Executive_Briefings/index.php

USDA OCE Secretary's Briefing

<https://www.usda.gov/oce/commodity-markets/wasde/secretary-briefing>

USDA lowered Argentina corn and soybean production by a less than expected amount and this initially sent those markets lower post USDA report. Wheat was seen neutral. We remain bullish over the short term based on Argentina production cuts. Wheat may follow corn and soybeans higher.

Major highlights:

US soybean stocks 225 vs. 210 last month (15), +14 million vs. trade

US corn stocks 1267 vs. 1242 last month (25), +1 million vs. trade

US wheat stocks 568 vs. 567 last month (1), -8 million vs. trade

Brazil Soy 153.0 vs. 153.0 last month (0), 0.0 million vs. trade

Arg. Soy 41.0 vs. 45.5 last month (-4.5), -1.3 million vs. trade

Brazil Corn 125.0 vs. 125.0 last month (0), -0.2 million vs. trade

Arg. Corn 47.0 vs. 52.0 last month (-5), -1.5 million vs. trade

WLD soy stocks 102.0 vs. 103.5 last month (-1.5), 0.0 million vs. trade

WLD corn stocks 295.3 vs. 296.4 last month (-1.1), +0.6 million vs. trade

WLD wheat stocks 269.3 vs. 268.4 last month (0.9), +0.7 million vs. trade

The US soybean crush was lowered a needed 15 million bushels. A slow December crush and less than expected January NOPA rate warranted this, despite excellent US cash crush margins. As a result, US soybean stocks went up 15 million bushels to 225 million (14 million above a trade average), still below 274 million at the end of 2021-22. With a lower crush and modest increase in the soybean meal yield, USDA trimmed US soybean meal production by 200,000 short tons. They decided to offset the lower supply by cutting domestic usage by 200,000. For soybean oil, USDA raised the yield to 11.77 pounds per bushel from 11.72 previous month. This helped offset the decline in 2022-23 soybean oil production, seen at 26.245 billion pounds, down 65 million from January and compares to 26.143 billion pounds year earlier. USDA lowered 2022-23 US soybean oil exports by 100 million pounds to 700, nearly a billion and half pounds below 2021-22!

USDA lowered US corn for ethanol use by 25 million bushels. We thought the cut could have been as high as 50 million bushels. No other demand changes were made and ending stocks were raised 25 million to 1.267 billion bushels, inline with trade expectations. USDA made very little to its US all wheat balance sheet. US ending stocks were up 1 million bushels to 568 million and compares to 698 million year earlier. But by class,

SRW wheat stocks were upward revised 12 million, White wheat lowered 11, durum down 1 million and HRW off one million from their January estimate.

For the world balance, the largest impact we saw was the less than expected cut to Argentina soybean and corn production, now estimated at 42.3 million and 48.5 million tons, respectively, 1.3 and 1.5 million below the average trade guesses. The Argentina soybean crop was down 4.5 million tons from January and corn by 5.0 million. Note much of the trade is near 35 million tons for Argentina soybean production and 41-43 MMT for corn. Brazil soybean and corn production was left unchanged by USDA from the previous month. Note USDA took Brazil's soybean export projection up by 1 million tons to 92 million, a record, and left China soybean imports unchanged. For wheat, we were a little surprised to see USDA raise Russia wheat production by 1 million tons after making comments that their crop was lower than what Russia's AgMin had been reporting. Australia wheat output was upward revised 1.4 million, Brazil up 0.5 million and China by 0.8 million.

Global ending stocks for soybeans were downward revised by 1.5 million tons for soybeans and 1.1 million for corn. All-wheat was raised 0.9 million. Grain ending stocks are projected to decline from the previous year while global ending stocks for soybeans are still estimated to increase, now by 3.2 million tons, from 2021-22.

Attached PDF includes FI snapshot

Price outlook:

March corn \$6.40-\$6.85 range. May \$6.25-\$7.00

Soybeans – March \$14.85-\$15.50, May \$14.75-\$16.00

Soybean meal – March \$450-\$520, May \$425-\$550

Soybean oil – March 58.50-63.00, May 58-70

Chicago – March \$7.25 to \$7.90, May \$7.00-\$8.25

KC – March \$8.40-\$9.10, \$7.50-\$9.25

MN – March \$9.00 to \$9.75, \$8.00-\$10.00

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US 2022-23 Carryout Projection

	Feb-23	Trade		Trade	FI Est.	Jan-23	MOM	YOY %
	USDA	Average	USDA-Trade	Range	of USDA	USDA	Change	Change
Corn Bil. Bu.	1.267	1.266	0.001	1.200--1.335	1.217	1.242	0.025	-8.0%
STU %	9.1%					8.9%		
Wheat Bil. Bu.	0.568	0.576	(0.008)	0.557-0.612	0.562	0.567	0.001	-15.1%
STU %	29.9%					29.8%		
Soybeans Bil. Bu.	0.225	0.211	0.014	0.176-0.230	0.220	0.210	0.015	-17.8%
STU %	5.2%					4.8%		
Soy Meal 000 tons	350	na	na	na	350	350	0	12.5%
Soy Meal Yield	47.21	na	na	na	na	47.07		0.4%
Soy Oil Bil. Bil. Lbs.	1.936	na	na	na	1.961	1.901	0.035	-2.8%
Soy Oil Yield	11.77	na	na	na	na	11.72		-0.8%

Source: USDA, Reuters, and FI Trade estimates uses Reuters (what USDA will report), unless otherwise noted

US Soybeans	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Area Planted	87.5	87.5	0.0	87.2	87.2	0.0
Area Harvested	86.3	86.3	0.0	86.3	86.3	0.0
Yield per Harvested Acre	49.5	49.5	0.0	51.7	51.7	0.0
Beginning Stocks	274	274	0	257	257	0
Production	4276	4276	0	4465	4465	0
Imports	15	15	0	16	16	0
Supply, Total	4566	4566	0	4738	4738	0
Crushings	2230	2245	-15	2204	2204	0
Exports	1990	1990	0	2158	2158	0
Seed	102	102	0	102	102	0
Residual	18	18	0	1	1	0
Use, Total	4340	4355	-15	4464	4464	0
Ending Stocks (MBU)	225	210	15	274	274	0
Ending Stocks (MT)	6.12	5.72	0.41	7.46	7.46	0.00
STU	5.2%	4.8%		6.1%	6.1%	

US Soybean Meal	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Beginning Stocks	311	311	0	341	341	0
Production	52639	52839	-200	51811	51811	0
Imports	600	600	0	649	649	0
Supply, Total	53550	53750	-200	52800	52800	0
Domestic Disappearance	39500	39700	-200	38966	38966	0
Exports	13700	13700	0	13524	13524	0
Use, Total	53200	53400	-200	52490	52490	0
Ending Stocks	350	350	0	311	311	0

US Soybean Oil	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Beginning Stocks	1991	1991	0	2131	2131	0
Production	26245	26310	-65	26143	26143	0
Imports	300	300	0	303	303	0
Supply, Total	28536	28601	-65	28578	28578	0
Domestic Disappearance	25900	25900	0	24813	24813	0
Biofuel	11600	11600	0	10348	10348	0
Food, Feed & other Industrial	14300	14300	0	14465	14465	0
Exports	700	800	-100	1773	1773	0
Use, Total	26600	26700	-100	26587	26587	0
Ending Stocks	1936	1901	35	1991	1991	0

Source: USDA and FI

US Corn	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Area Planted	88.6	88.6	0.0	93.3	93.3	0.0
Area Harvested	79.2	79.2	0.0	85.3	85.3	0.0
Yield per Harvested Acre	173.3	173.3	0.0	176.7	176.7	0.0
Beginning Stocks	1377	1377	0	1235	1235	0
Production	13730	13730	0	15074	15074	0
Imports	50	50	0	24	24	0
Supply, Total	15157	15157	0	16333	16333	0
Feed and Residual	5275	5275	0	5718	5718	0
Food, Seed & Industrial	6690	6715	-25	6766	6766	0
Ethonal & by-products	5250	5275	-25	5326	5326	0
Domestic, Total	11965	11990	-25	12484	12484	0
Exports	1925	1925	0	2471	2471	0
Use, Total	13890	13915	-25	14956	14956	0
Ending Stocks (MBU)	1267	1242	25	1377	1377	0
Ending Stocks (MT)	32.18	31.55	0.63	34.98	34.98	0.00
	9.1%	8.9%		9.2%	9.2%	

US All-Wheat	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Area Planted	45.7	45.7	0.0	46.7	46.7	0.0
Area Harvested	35.5	35.5	0.0	37.1	37.1	0.0
Yield per Harvested Acre	46.5	46.5	0.0	44.3	44.3	0
Beginning Stocks	698	698	0	845	845	0
Production	1650	1650	0	1646	1646	0
Imports	120	120	0	95	95	0
Supply, Total	2468	2468	0	2587	2587	0
Food, Seed & Industrial	975	977	-2	972	972	0
Seed	70	69	1	58	58	0
Feed and Residual	80	80	0	59	59	0
Domestic, Total	1125	1126	-1	1088	1088	0
Exports	775	775	0	800	800	0
Use, Total	1900	1901	-1	1888	1888	0
Ending Stocks (MBU)	568	567	1	698	698	0
Ending Stocks (MT)	15.46	15.43	0.03	19.00	19.00	0.00
	50.5%	50.4%		64.2%	64.2%	

US Wheat Stocks	22/23 Crop Year			21/22 Crop Year		
	Feb-23	Jan-23	Net Chg	Feb-23	Jan-23	Net Chg
Hard Winter Ending Stocks	273	274	-1	376	376	0
Hard Spring Ending Stocks	120	120	0	146	146	0
Soft Red Ending Stocks	102	90	12	99	99	0
White Ending Stocks	45	56	-11	54	54	0
Durum Ending Stocks	27	28	-1	24	24	0

Source: USDA and FI

USDA WASDE REPORT - WORLD

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2022-23 World S&D

(000 tons)

	Feb-23 USDA	Trade Average	USDA-Trade	Trade Range	Jan-23 USDA	MOM Change	YOY Change	YOY % Change
World Corn Production	1151.4	na	na	na	1155.9	(4.6)	(64.6)	-5.3%
World Corn End Stocks	295.3	294.7	0.6	292.5-297.8	296.4	(1.1)	(11.0)	-3.6%
US Corn Production	348.8	na	na	na	348.8	0.0	(34.1)	-8.9%
US Corn End Stocks	32.2	na	na	na	31.5	0.6	(2.8)	-8.0%
World less China Stocks	88.0				89.1	(1.1)	(9.2)	-9.5%
Argentina Corn Production	47.0	48.5	(1.5)	44.0-51.5	52.0	(5.0)	(2.5)	-5.1%
Brazil Corn Production	125.0	125.2	(0.2)	124.0-129.9	125.0	0.0	9.0	7.8%
EU Corn Production	54.2	na	na	na	54.2	0.0	(16.8)	-23.6%
Mexico Corn Production	27.6	na	na	na	27.6	0.0	0.8	3.1%
South Africa Corn Production	16.7	na	na	na	16.7	0.0	0.6	3.7%
China Corn Production	277.2	na	na	na	277.2	0.0	4.6	1.7%
China Corn Imports	18.0	na	na	na	18.0	0.0	(3.9)	-17.7%
World Wheat Production	783.8	na	na	na	781.3	2.5	4.5	0.6%
World Wheat End Stocks	269.3	268.6	0.7	266.0-270.2	268.4	0.9	(7.4)	-2.7%
US Wheat Production	44.9	na	na	na	44.9	0.0	0.1	0.2%
US Wheat End Stocks	15.5	na	na	na	15.4	0.0	(3.5)	-18.6%
World less China Stocks	124.8				124.3	0.4	(10.2)	-7.6%
Argentina Wheat Production	12.5	na	na	na	12.5	0.0	(9.7)	-43.6%
Brazil Wheat Production	9.9	na	na	na	9.5	0.4	2.2	28.6%
Australia Wheat Production	38.0	na	na	na	36.6	1.4	1.8	4.9%
Canadian Wheat Production	33.8	na	na	na	33.8	0.0	11.4	50.8%
Ukraine Wheat Production	21.0	na	na	na	21.0	0.0	(12.0)	-36.4%
Russia Wheat Production	92.0	na	na	na	91.0	1.0	16.8	22.4%
India Wheat Production	103.0	na	na	na	103.0	0.0	(6.6)	-6.0%
EU Wheat Production	134.7	na	na	na	134.7	0.0	(3.5)	-2.5%
China Wheat Production	137.7	na	na	na	137.7	0.0	0.8	0.6%
China Wheat Imports	10.0	na	na	na	9.5	0.5	0.4	4.5%
World Soy Production	383.0	na	na	na	388.0	(5.0)	25.0	7.0%
World Soy End Stocks	102.0	102.0	0.0	100.0-105.5	103.5	(1.5)	3.2	3.2%
US Soy Production	116.4	na	na	na	116.4	0.0	(5.2)	-4.2%
US Soy End Stocks	6.1	na	na	na	5.7	0.4	(1.3)	-17.9%
World less China Stocks	69.7				72.2	(2.5)	2.3	3.4%
Argentina Soy Production	41.0	42.3	(1.3)	38.0-45.0	45.5	(4.5)	(2.9)	-6.6%
Brazil Soy Production	153.0	153.0	0.0	152.0-154.2	153.0	0.0	23.5	18.1%
Brazil Soy Exports	92.0	na	na	na	91.0	1.0	12.9	16.3%
Paraguay Soy Production	10.0	na	na	na	10.0	0.0	5.8	138.1%
China Soy Production	20.3	na	na	na	20.3	0.0	3.9	24.0%
China Soy imports	96.0	na	na	na	96.0	0.0	4.4	4.8%
World Rice Production	503.0	na	na	na	503.0	0.0	(11.8)	-2.3%
World Rice End Stocks	169.1	na	na	na	170.0	(0.8)	(14.2)	-7.8%
US Rice Production	5.1	na	na	na	5.1	0.0	(1.0)	-16.3%
US Rice End Stocks	1.1	na	na	na	1.0	0.0	(0.2)	-16.7%

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2021-22 World S&D

(000 tons)

	Feb-23 USDA	Trade Average	USDA-Trade	Trade Range	Jan-23 USDA	MOM Change	YOY Change	YOY % Change
World Corn Production	1216.0	na	na	na	1214.9	1.1	86.5	7.7%
World Corn End Stocks	306.3	na	na	na	306.0	0.3	13.4	4.6%
US Corn Production	382.9	na	na	na	382.9	0.0	24.4	6.8%
US Corn End Stocks	35.0	na	na	na	35.0	0.0	3.6	11.5%
World less China Stocks	97.2	na	na	na	96.8	0.3	10.0	11.5%
Argentina Corn Production	49.5	na	na	na	49.5	0.0	(2.5)	-4.8%
Brazil Corn Production	116.0	na	na	na	116.0	0.0	29.0	33.3%
EU Corn Production	71.0	na	na	na	71.0	0.0	3.5	5.2%
Mexico Corn Production	26.8	na	na	na	26.8	0.0	(0.6)	-2.2%
South Africa Corn Production	16.1	na	na	na	16.1	0.0	(0.8)	-5.0%
China Corn Production	272.6	na	na	na	272.6	0.0	11.9	4.6%
China Corn Imports	21.9	na	na	na	21.9	0.0	(7.6)	-25.9%
World Wheat Production	779.3	na	na	na	779.3	0.0	4.8	0.6%
World Wheat End Stocks	276.7	na	na	na	276.8	(0.1)	(13.4)	-4.6%
US Wheat Production	44.8	na	na	na	44.8	0.0	(5.0)	-9.9%
US Wheat End Stocks	19.0	na	na	na	19.0	0.0	(4.0)	-17.3%
World less China Stocks	134.9	na	na	na	135.1	(0.1)	(11.0)	-7.5%
Argentina Wheat Production	22.2	na	na	na	22.2	0.0	4.5	25.6%
Brazil Wheat Production	7.7	na	na	na	7.7	0.0	1.5	23.2%
Australia Wheat Production	36.2	na	na	na	36.4	(0.1)	4.3	13.5%
Canadian Wheat Production	22.4	na	na	na	22.3	0.1	(13.0)	-36.7%
Ukraine Wheat Production	33.0	na	na	na	33.0	0.0	7.6	29.9%
Russia Wheat Production	75.2	na	na	na	75.2	0.0	(10.2)	-11.9%
India Wheat Production	109.6	na	na	na	109.6	0.0	1.7	1.6%
EU Wheat Production	138.2	na	na	na	138.2	0.0	1.9	1.4%
China Wheat Production	137.0	na	na	na	137.0	0.0	2.7	2.0%
China Wheat Imports	9.6	na	na	na	9.6	0.0	(1.1)	-9.9%
World Soy Production	358.0	na	na	na	358.1	(0.1)	(10.5)	-2.9%
World Soy End Stocks	98.8	na	na	na	98.2	0.6	(0.9)	-0.9%
US Soy Production	121.5	na	na	na	121.5	0.0	6.8	5.9%
US Soy End Stocks	7.5	na	na	na	7.5	0.0	0.5	6.9%
World less China Stocks	67.4	na	na	na	66.8	0.6	(1.2)	-1.7%
Argentina Soy Production	43.9	na	na	na	43.9	0.0	(2.3)	-5.0%
Brazil Soy Production	129.5	na	na	na	129.5	0.0	(10.0)	-7.2%
Brazil Soy Exports	79.1	na	na	na	79.1	(0.0)	(2.5)	-3.1%
Paraguay Soy Production	4.2	na	na	na	4.2	0.0	(5.7)	-57.6%
China Soy Production	16.4	na	na	na	16.4	0.0	(3.2)	-16.3%
China Soy imports	91.6	na	na	na	91.6	0.0	(8.2)	-8.2%
World Rice Production	514.8	na	na	na	515.0	(0.2)	5.5	1.1%
World Rice End Stocks	183.3	na	na	na	183.1	0.2	(5.1)	-2.7%
US Rice Production	6.1	na	na	na	6.1	0.0	(1.1)	-15.8%
US Rice End Stocks	1.3	na	na	na	1.3	0.0	(0.1)	-9.4%

SA production estimates from Bloomberg

Source: USDA, Reuters, and FI Trade estimates uses Reuters (what USDA will report), unless otherwise noted.

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2020-21 World S&D

(000 tons)

	Feb-23 USDA	Trade Average	USDA-Trade	Trade Range	Jan-23 USDA	MOM Change	YOY Change
World Corn Production	1129.5	na	na	na	1129.2	0.3	9.4
World Corn End Stocks	292.8	na	na	na	292.5	0.3	(13.5)
US Corn Production	358.5	na	na	na	358.5	0.0	12.5
US Corn End Stocks	31.4	na	na	na	31.4	0.0	(17.4)
World less China Stocks	87.1				86.8	0.3	(18.7)
Argentina Corn Production	52.0	na	na	na	52.0	0.0	1.0
Brazil Corn Production	87.0	na	na	na	87.0	0.0	(15.0)
EU Corn Production	67.4	na	na	na	67.4	0.0	0.7
Mexico Corn Production	27.4	na	na	na	27.4	0.0	0.7
South Africa Corn Production	17.0	na	na	na	17.0	0.0	1.1
China Corn Production	260.7	na	na	na	260.7	0.0	(0.1)
China Corn Imports	29.5	na	na	na	29.5	0.0	21.9
World Wheat Production	774.6	na	na	na	774.6	0.0	12.2
World Wheat End Stocks	290.1	na	na	na	290.0	0.1	(6.8)
US Wheat Production	49.8	na	na	na	49.8	0.0	(2.8)
US Wheat End Stocks	23.0	na	na	na	23.0	0.0	(5.0)
World less China Stocks	145.9				145.9	0.1	(0.9)
Argentina Wheat Production	17.6	na	na	na	17.6	0.0	(2.1)
Brazil Wheat Production	6.3	na	na	na	6.3	0.0	1.1
Australia Wheat Production	31.9	na	na	na	31.9	0.0	17.4
Canadian Wheat Production	35.4	na	na	na	35.4	0.0	2.8
Ukraine Wheat Production	25.4	na	na	na	25.4	0.0	(3.8)
Russia Wheat Production	85.4	na	na	na	85.4	0.0	11.7
India Wheat Production	107.9	na	na	na	107.9	0.0	4.3
EU Wheat Production	136.3	na	na	na	136.3	0.0	(18.1)
China Wheat Production	134.3	na	na	na	134.3	0.0	0.7
China Wheat Imports	10.6	na	na	na	10.6	0.0	5.2
World Soy Production	368.5	na	na	na	368.5	0.0	28.6
World Soy End Stocks	99.8	na	na	na	100.0	(0.3)	2.9
US Soy Production	114.8	na	na	na	114.8	0.0	18.1
US Soy End Stocks	7.0	na	na	na	7.0	0.0	(7.3)
World less China Stocks	68.6				68.9	(0.3)	(1.4)
Argentina Soy Production	46.2	na	na	na	46.2	0.0	(2.6)
Brazil Soy Production	139.5	na	na	na	139.5	0.0	11.0
Brazil Soy Exports	81.7	na	na	na	81.7	0.0	(10.5)
Paraguay Soy Production	9.9	na	na	na	9.9	0.0	(0.4)
China Soy Production	19.6	na	na	na	19.6	0.0	1.5
China Soy imports	99.7	na	na	na	99.7	0.0	1.2
World Rice Production	509.3	na	na	na	509.3	0.0	10.5
World Rice End Stocks	188.4	na	na	na	188.3	0.2	6.8
US Rice Production	7.2	na	na	na	7.2	0.0	1.3
US Rice End Stocks	1.4	na	na	na	1.4	0.0	0.5

USES BLOOMBERG SA PRODUCTION

Source: USDA, Reuters, and FI Trade estimates uses Reuters (what USDA will report), unless otherwise noted.

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