



USDA released their March grain stocks and planting intentions reports.

Reaction: Bullish

Limit up soybeans and corn

Acreage for the 7 major row crops came in less than expected and missed trade expectations by 3.5 million acres, at the expense to much lower soybeans at 87.6 million acres (2.4 million below trade) and corn at 91.14 million acres (2.1 million below a Reuters trade guess). The US winter wheat area came in 1.4 million acres above trade expectations at 33.079 million acres. Spring wheat was 11.74 million acres, slightly above trade expectations and durum at 1.54 million, 101,000 acres below expectations.

Based on the latest data, following table is our prediction for US supply.

Futures International Supply Projections

Corn, Soybean, and Wheat Acreage, Yield and Production

(Thou acres, bu/acre, thou bu)

									USDA	USDA / FI est.**	
CORN	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	YOY Change
PLANTED	97,291	95,365	90,597	88,019	94,004	90,167	88,871	89,745	90,819	91,144	325
HARV/PLANT %	89.8%	91.7%	91.8%	91.7%	92.3%	91.8%	91.5%	90.6%	90.8%	91.3%	
HARVESTED	87,365	87,461	83,146	80,753	86,748	82,733	81,276	81,337	82,467	83,210	743
YIELD	123.1	158.1	171.0	168.4	174.6	176.6	176.4	167.5	172.0	176.0	
PRODUCTION	10,755	13,831	14,217	13,602	15,148	14,609	14,340	13,620	14,182	14,645	462
SOYBEANS	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	USDA / FI est.**	YOY Change
PLANTED	77,198	76,840	83,276	82,650	83,453	90,162	89,167	76,100	83,084	21/22	4,516
HARV/PLANT %	98.6%	99.2%	99.2%	98.9%	99.1%	99.3%	98.8%	98.5%	99.1%	99.0%	
HARVESTED	76,144	76,253	82,591	81,732	82,706	89,542	87,594	74,939	82,318	86,681	4,363
YIELD	40.0	44.0	47.5	48.0	51.9	49.3	50.6	47.4	50.2	51.0	
PRODUCTION	3,042	3,358	3,927	3,926	4,296	4,412	4,428	3,552	4,135	4,421	285
ALL WHEAT	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	USDA / FI est.**	YOY Change
PLANTED	55,294	56,236	56,841	54,999	50,116	46,052	47,815	45,485	44,349	21/22	2,009
ABANDONMENT	88.2%	80.6%	81.6%	86.0%	87.5%	81.5%	82.8%	82.2%	82.9%	82.4%	
HARV/PLANT %	48,758	45,332	46,385	47,318	43,848	37,555	39,612	37,394	36,746	38,217	1,471
YIELD	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	49.7	49.8	
PRODUCTION	2,252	2,135	2,026	2,062	2,309	1,741	1,885	1,932	1,826	1,901	76

**Bold FI Supply Forecast. Uses USDA March data for planted area *implied

FI using own yields

Source: FI, USDA, Reuters

Grain stocks were 30 million bushels above expectations for soybeans, 66 million less for corn, and 42 million higher for all-wheat. The miss in estimates was due in part to revisions for the fall quarter. USDA revised higher December 1 soybean stocks by 14 million bushels, lowered Dec 1 corn stocks by 28 million, and took all-wheat up 29 million bushels. We look for the “extra” soybean supply to get absorbed by crush and exports by the end of the crop year. For corn, we already look for USDA to raise exports by at least 100 million bushels and reduce feed. Post stocks report, we see the US corn carryout shrinking 100-150 million bushels in April, bullish in our opinion. For wheat stocks are expected to remain ample and US carryout stocks could increase 20 million bushels in the April S&D update.

Look for the trade to shift focus to US weather. This could stall the bullish sentiment in agriculture futures over the short term, but long term we remain bullish led by soybean oil.

USDA NASS executive summary

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

FI price ranges

Updated 3/31/21

May corn is seen in a \$5.40 and \$6.00 range (up 15, up 50).

July is seen in a \$5.25 and \$6.00 range (up 15, up 50).

December corn is seen in a \$3.85-\$5.50 range.

May soybeans are seen in a \$13.75 and \$15.75 range. (up 75 and up 125)

November \$10.50-\$14.50 (unch, up 50)

May soymeal is seen in a \$395 and \$425 range. (up \$10, up \$25)

December \$325-\$5.00 (unch, up \$25)

May soybean oil is seen in a 50 and 55 cent range (up 150, up 200)

December 40-60 cent wide range

May Chicago wheat is seen in a \$6.00-\$6.65 range

May KC wheat is seen in a \$5.75-\$6.15 range

May MN wheat is seen in a \$6.00-\$6.40 range

USDA QUARTERLY STOCKS & US PROSPECTIVE PLANTINGS

For Release Tuesday, March 31, 2021
11:00 a.m. Central Time

Quarterly Grain Stocks as of March 1

	20/21	Trade Average	Actual-T/Ave	Trade Range	FI Est.	20/21***	19/20***	18/19	17/18	16/17	Actual-LY
	1-Mar Stocks					1-Dec Stocks	1-Mar Stocks	1-Mar Stocks	1-Mar Stocks		
Soybeans	1.564	1.534	0.030	1.440-1.775	1.527	2.947	2.255	2.727	2.109	1.739	-0.691
Corn	7.701	7.767	(0.066)	7.573-7.980	7.741	11.294	7.952	8.613	8.892	8.622	-0.251
Wheat	1.314	1.272	0.042	1.227-1.405	1.269	1.703	1.415	1.593	1.495	1.659	-0.101

March 1 Prospective Plantings

	2021	Trade Average	Actual-T/Ave	Trade Range	FI Forecast	2020	2019	2018	2017	2016	Actual-LY
	USDA					Annual	Final	Final	Final	Final	
Soybeans	87.600	89.996	(2.396)	86.1-91.6	92.000	83.084	76.100	89.167	90.162	83.433	4.516
Corn	91.144	93.208	(2.064)	92.0-94.5	93.000	90.819	89.745	88.871	90.167	94.004	0.325
Spring Wheat	11.740	11.644	0.096	10.9-12.9	12.050	12.250	12.670	13.200	11.019	11.555	-0.510
Durum Wheat	1.540	1.641	(0.101)	1.3-2.2	1.650	1.684	1.341	2.073	2.307	2.412	-0.144
Winter Wheat	33.078	31.811	1.267	30.4-32.2	31.991	30.415	31.474	32.542	32.726	36.152	2.663
All Wheat	46.358	44.971	1.387	43.0-46.4	45.691	44.349	45.485	47.815	46.052	50.119	2.009
Sorghum	6.940	6.805	0.135	6.2-7.2	6.200	5.880	5.265	5.690	5.629	6.690	1.060
Barley	2.590	2.728	(0.138)	2.5-3.1	3.100	2.621	2.772	2.548	2.486	3.059	-0.031
Oats	2.488	2.874	(0.386)	2.8-3.0	2.850	2.984	2.830	2.746	2.589	2.829	-0.496
Rice	2.710	2.733	(0.023)	2.6-3.0	2.980	3.036	2.550	2.946	2.463	3.150	-0.326
7-Crops	239.8	243.3	(3.5)	244-247*	245.8	232.8	224.7	239.8	239.5	243.3	7.1
Soy & Corn	178.7	183.2	(4.5)	244-247*	185.0	173.9	165.8	178.0	180.3	177.4	4.8

***Revised to current USDA forecast

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