



## **USDA released their September Grain Stocks and Small Grains Summary reports**

**Reaction:** Bearish soybeans, bearish (lessor extent corn), and bullish wheat

### **USDA NASS Recap**

[https://www.nass.usda.gov/Newsroom/Executive\\_Briefings/2021/09-30-2021.pdf](https://www.nass.usda.gov/Newsroom/Executive_Briefings/2021/09-30-2021.pdf)

September one US soybean stocks were reported at 256 million bushels versus USDA's S&D outlook of 175 million, a huge difference, and 82 million above an average trade guess. The trade was about stop on with the September 1 stocks estimate, it was an upward revision to the 2020 US soybean crop that inflated the USDA number. 2020 US soybean production was taken up 81 million bushels to 4.216 billion. Trade was looking for only an 8-million-bushel increase. Regardless how one interprets it, stocks are higher than expectations and that should reflect lower prices for the 2021-22 crop year. Note we recently cut exports, so when we adjust out balance for US 2021-22, look for a 300 million plus carryout.

2020 US corn production was downward revised 71 million bushels to 14.111 billion. September 1 stocks were reported at 1.236 billion bushels, 49 million above USDA's latest S&D carryout and 81 million above an average trade guess. Note USDA revised previous quarter June one corn stocks upward by 101 million bushels, so the discrepancy in the trade outlook for summer feed demand was not that bad as expected. The trade missed feed/residual demand by roughly 20 million bushels, in our opinion.

US wheat production came in lower than the trade estimate by 34 million bushels to 1.646 billion led by a surprise downward revision to winter wheat by 42 million bushels to 1.277 billion (44 million below trade expectations). HRW was lowered 28 million, SRW down 5, and winter white down 9 million. Wheat stocks came in below trade expectations by 72 million at 1.780 billion bushels, implying a potential 30 to 50 million-bushel downward revision to USDA's feed demand in the upcoming supply and demand report. USDA could reduce US wheat exports for the crop year could be reduced by at least 25 million bushels in the upcoming USDA S&D report after they raise their average domestic cash price outlook.

Price projections revised below.

## Reuters poll for USDA US September 1 Stocks

Predicting USDA

	Wheat	Corn	Soybeans
<b>Actual</b>	<b>1.780</b>	<b>1.236</b>	<b>0.256</b>
<b>Actual-Average</b>	<b>(0.072)</b>	<b>0.081</b>	<b>0.082</b>
Average trade estimate	1.852	1.155	0.174
USDA June 1, 2021	0.845	4.010	0.769
USDA Sept. 1, 2020	2.158	1.919	0.525
Actual-2020	<b>(0.378)</b>	<b>(0.683)</b>	<b>(0.269)</b>
USDA 2021 WASDE		1.187	0.175
vs. USDA		0.049	0.081

Source: Reuters, USDA and FI

## Reuters poll for USDA 2020 US Soybean and Corn Production

Predicting USDA

	Soybeans	Corn
<b>Actual</b>	<b>4.216</b>	<b>14.111</b>
<b>Actual-Average</b>	<b>0.080</b>	<b>-0.062</b>
Average trade estimate	4.136	14.173
USDA last estimate	4.135	14.182
vs. Aug. USDA	0.081	<b>(0.071)</b>

Source: Reuters, USDA and FI

## Reuters poll for US Wheat Production

Predicting USDA

	All	All	Hard Red	Soft Red	White	Other	Durum
	Wheat	Winter	Winter	Winter	Winter	Spring	Wheat
<b>Actual</b>	<b>1.646</b>	<b>1.277</b>	<b>0.749</b>	<b>0.361</b>	<b>0.167</b>	<b>0.331</b>	<b>0.037</b>
<b>Actual-Average</b>	<b>(0.034)</b>	<b>(0.044)</b>	<b>(0.031)</b>	<b>(0.003)</b>	<b>(0.009)</b>	<b>0.004</b>	<b>0.003</b>
Average trade estimate	1.680	1.321	0.780	0.364	0.176	0.327	0.034
USDA August 2021	1.697	1.319	0.777	0.366	0.176	0.343	0.035
vs. Aug. USDA	<b>(0.051)</b>	<b>(0.042)</b>	<b>(0.028)</b>	<b>(0.005)</b>	<b>(0.009)</b>	<b>(0.012)</b>	0.002

Source: Reuters, USDA and FI

### Price outlook:

*December corn is seen in a \$4.80-\$5.45 range (down 15 cents)*

*March corn is seen in a \$5.00-\$5.80 range. (unch)*

*Soybeans - November \$12.00-\$13.50 range (down 15, unch), March \$12.00-\$14.00 (unch)*

*Soybean meal - December \$305-\$360 (down \$15, unch), March \$300-\$3.80 (unch)*

*Soybean oil - December 54-62 cent range, March 54-64 (unchanged for both)*

*December Chicago wheat is seen in a \$7.00-\$7.75 range (up 20, up 25), March \$6.50-\$7.75 (unch)*

*December KC wheat is seen in a \$6.95-\$7.80 (up 20, up 20), March \$6.75-\$8.00 (up 25 for both)*

*December MN wheat is seen in a \$8.65-\$9.75 (up 25, up 25), March \$8.50-\$9.75 (unch)*

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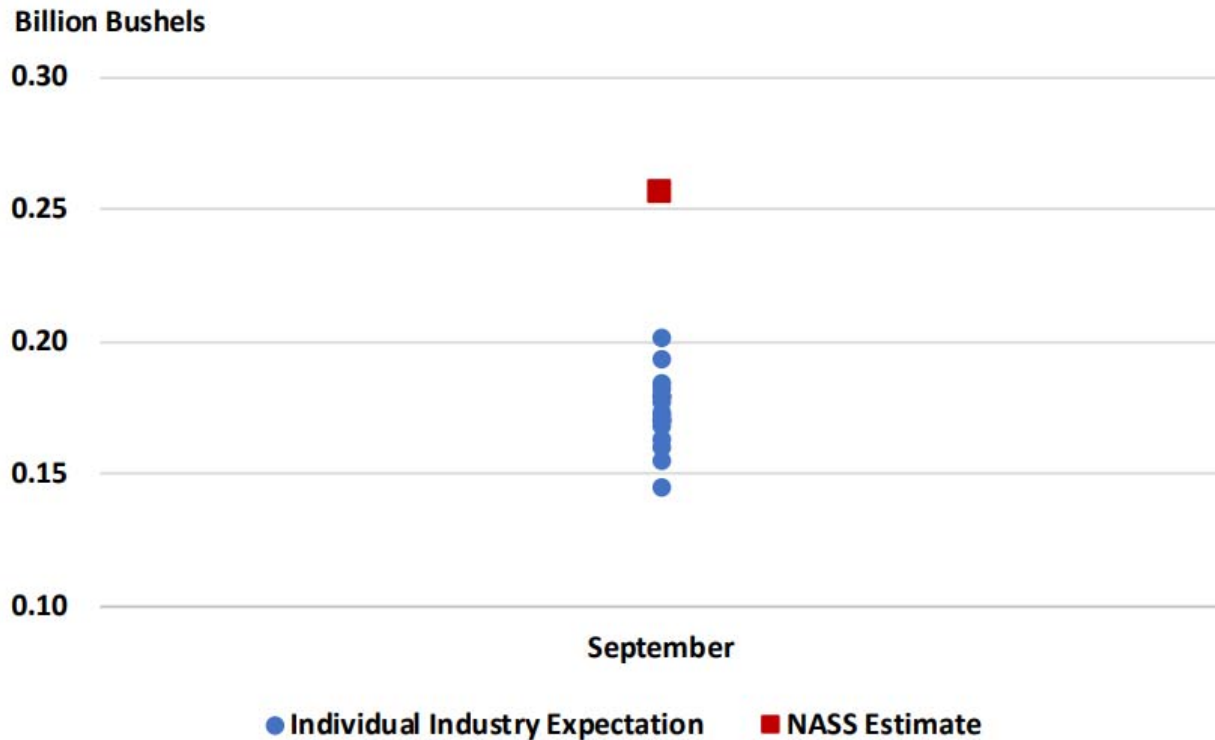
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# 2021 U.S. Soybean Stocks

## Industry Expectations vs NASS



United States Department of Agriculture  
National Agricultural Statistics Service

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