



USDA released their June Acreage and Grain Stocks reports

Reaction: Bullish soybeans as plantings came in well below expectations, were 2.6 million below March Intentions, and with a reduction in harvested area, implied production using USDA's current yield would suggest production falls short of the June USDA's S&D by 133 million bushels. USDA may reduce new-crop soybean exports in the July S&D but look for stocks to tighten at least 50 million bushels. We believe wheat and corn acreage was slightly negative for new-crop corn and current year wheat futures. Implied corn production would suggest 43 million additional bushels and all wheat an addition of 27 million bushels. The higher wheat supply is due to a higher-than-expected spring and durum wheat area. The winter wheat area was downward revised. Total acreage for the main 8 crops (grains/oilseeds, rice, and cotton) were 251.9 million acres, 2.3 million below March Intentions. It appears higher input costs such as fuel and fertilizer, coupled with poor planting weather for selected parts of the country, impacted US producer planting decisions.

Grain stocks at the beginning of June were near expectations for all three major commodities, which was surprising as the national cash prices for all the major commodities are near multi-year highs. However, looking at corn, March 1 corn stocks were downward revised a large 94 million bushels, and implies corn use was better than expected last quarter. This leaves us to question summer quarter feed demand, which is seen weaker from last quarter. USDA could cut or leave unchanged their feed use for 2021-22 US corn balance sheet when updated July 11.

We like Aug soybean / November bear spreads, and September / December small size bear spreads. With USDA revisiting planted area for some northern states, there is a potential NASS could revise the spring wheat and durum area, and trim corn and to a lesser extend soybeans.

USDA NASS briefing

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

Special Note

Estimates of the portion of the United States total planted acreage that was left to be planted when the survey was conducted are published on page 6. These estimates are based on data provided by respondents who were contacted between May 28 and June 16. Nationally, corn left to be planted was 4.03 million acres. Soybeans left to be planted for the United States was 15.8 million acres.

In July, NASS will collect updated information on 2022 acres planted to barley, canola, corn, dry edible beans, oats, sorghum, soybeans, sunflowers, and Durum & other spring wheat in 3 States. Excessive rainfall had delayed planting at the time of the survey, leaving a portion of acres still to be planted in:

- **Minnesota:** barley, canola, corn, dry edible beans, oats, soybeans, sunflowers, and other spring wheat;
- **North Dakota:** barley, canola, corn, dry edible beans, oats, soybeans, sunflowers, and Durum & other spring wheat;
- **South Dakota:** barley, corn, oats, sorghum, soybeans, sunflowers, and other spring wheat.

If the newly collected data justify any changes, NASS will publish updated acreage estimates in the *Crop Production* report to be released at noon ET on Friday, August 12.

Attached PDF includes FI snapshot and supply projections

Price outlook: (nearby corn and wheat revised lower)

September corn is seen in a \$5.50 and \$7.50 range

December corn is seen in a wide \$5.75-\$8.25 range

Soybeans – August \$14.00-\$16.00

Soybeans – November is seen in a wide \$12.75-\$16.50 range

Soybean meal – August \$380-\$440

Soybean oil – August 66.00-70.00

Chicago – September \$8.50 to \$10.00 range, December \$8.00-\$11.00

KC – September \$8.75 to \$11.00 range, December \$8.50-\$12.00

MN – September \$9.00-\$11.25, December \$8.00-\$12.50

USDA QUARTERLY STOCKS & US PROSPECTIVE PLANTINGS

For Release June 30, 2022

11:00 a.m. Central Time

Quarterly Grain Stocks as of June 1

	21/22					21/22*	20/21	19/20	18/19	17/18	16/17
(bil bu.)	1-Jun Stocks	Trade Average	Actual-T/Ave	Trade Range	Fl Est.	1-Mar Stocks	1-Jun Stocks	1-Jun Stocks	1-Jun Stocks	1-Jun Stocks	1-Jun Stocks
Soybeans	0.971	0.965	0.006	0.740-1.100	0.965	1.931	0.769	1.381	1.783	1.219	0.966
Corn	4.346	4.343	0.003	4.095-4.474	4.369	7.756	4.111	5.003	5.202	5.305	5.229
Wheat	0.660	0.655	0.005	0.635-0.675	0.648	1.024	0.845	1.028	1.080	1.099	1.181

*can be revised or was revised

June 1 Planted Area

(mil acr.)	2021 USDA	Trade Average	Actual-T/Ave	Trade Range	Fl Est.	2021 March/June	Actual-March	2021 Annual	2020 Final	2019 Final	2018 Final
Soybeans	88.325	90.446	(2.121)	88.735-92.375	91.155	90.955	(2.630)	87.195	83.084	76.100	89.167
Corn	89.921	89.861	0.060	88.400-91.000	90.240	89.490	0.431	93.357	90.819	89.745	88.871
Spring Wheat	11.110	10.844	0.266	10.400-11.500	11.000	11.200	(0.090)	11.420	12.250	12.670	13.200
Durum Wheat	1.976	1.839	0.137	1.700-2.000	1.900	1.915	0.061	1.635	1.684	1.341	2.073
Winter Wheat	34.006	34.303	(0.297)	34.200-35.00	34.236	34.236	(0.230)	33.648	30.415	31.474	32.542
All Wheat	47.092	47.017	0.075	46.240-48.000	47.136	47.351	(0.259)	46.703	44.349	45.485	47.815
Sorghum	6.305	6.477	(0.172)	6.300-6.800	6.300	6.205	0.100	7.305	5.880	5.265	5.690
Barley	3.046	2.774	0.272	2.500-2.940	2.900	2.941	0.105	2.660	2.621	2.772	2.548
Oats	2.392	2.586	(0.194)	2.500-2.800	2.547	2.547	(0.155)	2.550	2.984	2.830	2.746
Rice	2.343	2.454	(0.111)	2.250-2.600	2.350	2.452	(0.109)	2.532	3.036	2.550	2.946
Cotton	12.478	12.194	0.284	11.900-12.710	12.184	12.234	0.244	11.220	12.093	13.736	14.100
8-CROPS	251.9	253.8	(1.907)		254.8	254.2	(2.273)		244.9	238.5	253.9

Uses Reuters trade estimates

Source: Fl, USDA, Reuters

SUPPLY PROSPECTS

June Harvested Area

(mil acr.)	2022 USDA	Trade Average	Actual- T/Ave	Trade Range	FI Est.	2022 J-WASDE	Actual- WASDE	2021 Annual	2020 Annual	2019 Annual	2018 Annual
Soybeans	87.511	NA	NA	NA	89.879	90.100	(2.589)	86.332	82.318	74.939	87.594
Corn	81.940	NA	NA	NA	82.522	81.700	0.240	85.388	82.313	81.337	81.276
All Wheat	37.622	NA	NA	NA	37.157	37.100	0.522	37.163	36.769	37.394	39.612

Futures International Supply Projections

Corn, Soybean, and Wheat Acreage, Yield and Production

(Thou acres, bu/acre, thou bu)

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	USDA <u>Implied</u> 22/23	MOM	YOY	USDA <u>JUNE</u> 22/23
CORN	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	MOM	YOY	22/23
PLANTED	88019	94004	90167	88871	89745	90652	93357	89921	521	(3,436)	89400
HARV/PLANT %	91.7%	92.3%	91.8%	91.5%	90.6%	90.8%	91.5%	91.1%			91.4%
HARVESTED	80753	86748	82733	81276	81337	82313	85388	81940	240	(3,448)	81700
YIELD	168.4	174.6	176.6	176.4	167.5	171.4	177.0	177.0			177.0
PRODUCTION	13602	15148	14609	14340	13620	14111	15115	14503	43	(612)	14460
								<u>Implied</u>			<u>JUNE</u>
SOYBEANS	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	MOM	YOY	22/23
PLANTED	82650	83453	90162	89167	76100	83354	87195	88325	(2,630)	1,130	90955
HARV/PLANT %	98.9%	99.1%	99.3%	98.2%	98.5%	99.1%	99.0%	99.1%			99.1%
HARVESTED	81732	82706	89542	87594	74939	82603	86332	87511	(2,589)	1,179	90100
YIELD	48.0	51.9	49.3	50.6	47.4	51.0	51.4	51.5			51.5
PRODUCTION	3926	4296	4412	4428	3552	4216	4435	4507	(133)	72	4640
								<u>Implied</u>			<u>JUNE</u>
ALL WHEAT	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	MOM	YOY	22/23
PLANTED	54999	50116	46052	47815	45485	44450	46703	47092	(259)	389	47351
ABANDONMENT	86.0%	87.5%	81.5%	82.8%	82.2%	82.8%	79.6%	79.9%			78.4%
HARV/PLANT %	47318	43848	37555	39612	37394	36789	37163	37622	522	459	37100
YIELD	43.6	52.7	46.4	47.6	51.7	49.7	44.3	46.9			46.9
PRODUCTION	2062	2309	1741	1885	1932	1828	1646	1764	27	119	1737

**Bold FI Supply Forecast.

Source: FI, USDA, Reuters FI production (BOLD) calculated on yields based on crop conditions and USDA acreage

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