

2013/14 Ending Stocks Estimates

(in Mbu.)

Crop	USDA June	USDA July	Ave. Trade Est.	Trade Range
Corn	1,146	<u>1,246</u>	1,232	1,146 – 1,350
Soybeans	125	<u>140</u>	128	111 – 156

2014/15 Ending Stocks Estimates

(in Mbu.)

Crop	USDA June	USDA July	Ave. Trade Est.	Trade Range
Corn	1,726	<u>1,801</u>	1,749	1,535-1,974
Soybeans	325	<u>415</u>	418	320-489
Wheat	574	<u>660</u>	591	522-723

CORN COMMENTS

- Corn has now dropped 8 straight days
- More producer selling of both old and new crops (“give-up-type”)
- New crop export commitment of 4.3 mmt is average for this time of year
- Weather for corn looks absolutely ideal
- Cash grain markets firm here, VERY strong in Brazil
- Corn likely headed to .50-.60 by fall if August weather is favorable
- History of adequate to surplus row crop stocks suggests carrying charges unlikely to be earned
- CZ/SX is above-trend years don't bottom until October

SOYBEAN COMPLEX

- Trade waits to see how big of negative residual the USDA incorporates after the June Stocks reports implied an under stated 2013 crop
- USDA has raised soy yields on once in last 20 years
- 1088 is the low set in January- will beans surpass?
- Likely on its way to \$10.00 unless there are weather problems
- Old crop beans and meal could see more action, one last time
- Commitment of Traders Report will be out tonight- may show short fund position
- What price does soy need to hit to discourage more soy acres in South America?

MISC

- Europe has been too wet, but dries next week (wheat issue)
- All the rain pushing wheat to feed quality, not milling quality

WEATHER

- Crop conditions remain favorable for rest of month
- Indian soy acres see improved moisture
- Upper corn belt sees ideal weather

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