

## SOYBEANS

**SOYBEANS:** The USDA Supply/demand report was considered negative for old crop soybeans and slightly positive for the new crop season. The market is called 15-20 lower on the opening. US ending stocks were pegged at 170 million bushels, which was well above trade expectations and compares with 140 million last month. The USDA lowered exports by 30 million bushels. New crop ending stocks were pegged at 160 million which was down some from trade expectations. Total demand for the new crop season was down 15 million from this year to 3.31 billion bushels. World ending stocks were revised higher to 63.81 million tonnes from 60.94 million last month. Brazil production jumped to 73 million tonnes and more importantly, China import demand slipped to 54.5 million tonnes from 57 million last month. For the 2011/12 season, however, China demand is pegged at 58 million tonnes and world ending stocks at 61.85 million tonnes.

**PRICE OUTLOOK:** Supply looks snug for the new crop season but declining demand from China was seen as a negative force. Look for lower trade over the near-term with July soybean support emerging at 1306 1/2 and 1288 3/4.

USDA SUPPLY/DEMAND US SOYBEANS				
	May	Apr	May	May
	USDA	USDA	USDA	USDA
	09-10	10-11	10-11	11-12
Area (M Acres)				
Planted	77.5	77.4	77.4	76.6
Harvested	76.4	76.6	76.6	75.7
Yield (Bu/Acre)	44.0	43.5	43.5	43.4
Beginning Stocks (M Bu)	138	151	151	170
Production	3,359	3,329	3,329	3,285
Imports	15	15	15	15
Supply, Total	3,512	3,495	3,495	3,470
Crushings	1,752	1,650	1,650	1,655
Exports	1,501	1,580	1,550	1,540
Seed	90	89	89	90
Residual	18	36	36	25
Use, Total	3,361	3,355	3,325	3,310
Ending Stocks	151	140	170	160
Stocks/Use Ratio	4.5%	4.2%	5.1%	4.8%

USDA SUPPLY/DEMAND WORLD SOYBEANS				
	May	Apr	May	May
	USDA	USDA	USDA	USDA
(Million Metric Tons)	09-10	10-11	10-11	11-12
Supply				
Beginning Stocks	42.58	58.88	59.22	63.81
Production	260.84	260.97	291.67	263.29
Imports	86.80	95.37	92.62	96.24
Use				
Crush, Domestic	209.57	225.27	223.96	232.29
Total Domestic	238.35	255.77	254.38	262.69
Exports	92.65	98.51	95.62	98.79
Ending Stocks	59.22	60.94	63.81	61.85
Stocks/Use Ratio	24.8%	23.8%	25.1%	23.5%

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## CORN

**CORN:** The USDA report this morning was considered bearish with the market called 15-20 cents lower on the opening. US ending stocks were pegged at 730 million bushels which was up from 675 million last month and up from trade expectations near 665 million. Exports were revised lower by 50 million bushels. For the first look at the 2011/12 season, ending stocks are pegged at 900 million bushels as compared with trade expectations for near 810 million. Yield was revised down to 158.7 bu/acre as compared with the Outlook conference trend yield from March at 161.7. However, while production is lower than expected, the demand outlook came in well below trade expectations. Exports were revised down a further 100 million bushels from this year and feed demand was revised down by 50 million bushels from this year. As a result, total usage is pegged at 13.355 billion from 13.450 billion this year and from 13.5 billion as last months estimate. World ending stocks came in at 122.19 million tonnes, down slightly from 122.43 million tonnes last month. For the 2011/12 season, world ending stocks are pegged at 129.14 million tonnes.

**PRICE OUTLOOK:** The bulls got the sharp revision lower in yield needed to keep the corn market tight for another year but demand news was especially negative as US exports slip for this season and next. Look for a significant set-back. July corn support is back at 681 1/2.

USDA SUPPLY/DEMAND				
US CORN	May	Apr	May	May
	USDA	USDA	USDA	USDA
	09-10	10-11	10-11	11-12
Area (M Acres)				
Planted	86.4	88.2	88.2	92.2
Harvested	79.5	81.4	81.4	85.1
Yield (Bu/Acre)	164.7	152.8	152.8	158.7
Beginning Stocks (M Bu)				
Production	13,092	12,447	12,447	13,505
Imports	8	20	25	20
Supply, Total	14,774	14,175	14,180	14,255
Feed & Residual				
Food, Seed & Industry	5,939	6,400	6,400	6,455
Ethanol for Fuel	4,568	5,000	5,000	5,050
Domestic Total	11,079	11,550	11,550	11,555
Total Exports	1,987	1,950	1,900	1,800
Use, Total	13,066	13,500	13,450	13,355
Ending Stocks	1,708	675	730	900
Stocks/Use Ratio	13.1%	5.0%	5.4%	6.7%

USDA SUPPLY/DEMAND				
WORLD CORN	May	Apr	May	May
(Million Metric Tons)	USDA	USDA	USDA	USDA
	09-10	10-11	10-11	11-12
Supply				
Beginning Stocks	149.24	145.80	145.43	122.19
Production	812.98	814.94	815.35	867.73
Imports	90.23	91.70	91.59	89.26
Use				
Feed, Domestic	484.36	493.45	493.46	506.09
Total Domestic	816.79	838.32	838.58	860.78
Exports	96.94	90.80	90.64	92.50
Ending Stocks	145.43	122.43	122.19	129.14
Stocks/Use Ratio	17.8%	14.6%	14.6%	15.0%

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## WHEAT

**WHEAT:** The USDA supply/demand report this morning was considered mixed for wheat with the market called down 10-15 cents. US ending stocks came in at 839 million bushels, unchanged from last month but lower than trade expectations near 845 million. For the new crop 2011/12 season, ending stocks are pegged at 702 million bushels as compared with trade expectations near 675 million. For the 2011/12 wheat production report, the USDA pegged production at 2.043 billion bushels as compared with trade expectations near 2.040 billion. While domestic demand was revised higher, US exports are pegged at just 1.050 billion bushels as compared with 1.275 billion this year. Winter wheat production was pegged at 1.424 billion bushels as compared with trade expectations near 1.39 billion. For the world report, ending stocks were pegged at 182.2 million tonnes from 182.8 million tonnes last month. For the 2011/12 season, world ending stocks are pegged at 181.26 million tonnes.

**PRICE OUTLOOK:** World numbers are higher than expected and US export demand slower than expected for the new crop season. July wheat could set-back to key support at 777 3/4 and 757 1/4.

USDA SUPPLY/DEMAND				
US WHEAT	May	Apr	May	May
	USDA	USDA	USDA	USDA
	09-10	10-11	10-11	11-12
Area (M Acres)				
Planted	59.2	53.6	53.6	58.0
Harvested	49.9	47.6	47.6	48.0
Yield (Bu/Acre)	44.5	46.4	46.4	42.5
Beginning Stocks (M Bu)	657	976	976	839
Production	2,218	2,208	2,208	2,043
Imports	119	110	110	110
Total Supply	2,993	3,294	3,294	2,992
Food	919	930	930	945
Seed	69	80	80	75
Feed/Residual	148	170	170	220
Domestic Total	1,137	1,180	1,180	1,240
Total Exports	881	1,275	1,275	1,050
Use, Total	2,018	2,455	2,455	2,290
Ending Stocks	976	839	839	702
Stocks/Use Ratio	48.4%	34.2%	34.2%	30.7%

USDA SUPPLY/DEMAND				
WORLD WHEAT	May	Apr	May	May
(Million Metric Tons)	USDA	USDA	USDA	USDA
	09-10	10-11	10-11	11-12
Supply				
Beginning Stocks	166.24	197.91	196.17	182.20
Production	684.18	647.18	648.14	669.55
Imports	133.58	122.67	123.59	124.02
Use				
Feed, Domestic	119.19	122.53	122.76	124.17
Total Domestic	654.25	662.26	662.11	670.49
Exports	135.85	124.16	124.73	127.34
Ending Stocks	196.17	182.83	182.20	181.26
Stocks/Use Ratio	30.0%	27.6%	27.5%	27.0%

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## COTTON

USDA SUPPLY/DEMAND COTTON	May	Apr	May	May
	USDA 09-10	USDA 10-11	USDA 10-11	USDA 11-12
Area (M Acres)				
Planted	9.15	10.97	10.97	12.57
Harvested	7.53	10.71	10.70	10.80
Yield (Lb/Acre)	777	811	812	800
Beginning Stocks (M Bales)	6.34	2.95	2.95	1.75
Production	12.19	18.10	18.10	18.00
Imports	0.00	0.01	0.01	0.01
Supply, Total	18.53	21.05	21.06	19.76
Domestic Use	3.46	3.70	3.80	3.80
Exports	12.04	15.75	15.50	13.50
Use, Total	15.50	19.45	19.30	17.30
Unaccounted	0.08	0.00	0.01	-0.04
Ending Stocks	2.95	1.60	1.75	2.50
Stocks/Use Ratio	19.0%	8.2%	9.1%	14.5%

USDA SUPPLY/DEMAND WORLD COTTON (Million 480-lb Bales)	May	Apr	May	May
	USDA 09-10	USDA 10-11	USDA 10-11	USDA 11-12
Supply				
Beginning Stocks	60.54	43.99	44.28	42.52
Production	101.39	114.53	114.60	124.72
Imports	36.24	38.13	37.00	39.86
Use				
Domestic	118.40	117.12	116.51	119.50
Exports	35.57	38.13	37.00	39.87
Loss	-0.07	-0.15	-0.15	-0.20
Ending Stocks	44.28	41.55	42.52	47.93
Stocks/Use Ratio	37.4%	35.5%	36.5%	40.1%

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