

USDA Summary December 10th, 2020

The USDA released their monthly supply and demand report today. While they didn't update any of their production estimates, they did make some small adjustments on the demand side.

Corn ending stocks were unchanged from last month's report at 1.702 billion bushels. Trade estimates ranged from 1.550 - 1.775 billion bushels, averaging out at 1.691. While no one was expecting a large decrease, seeing ending stocks unchanged is a disappointment. Corn was up 3 cents prior to the release of the report and ended today 1 cent below open.

Corn prices have been turbulent over the past two weeks. With covid cases on the rise, the main fear is that another round of wide-spread lockdowns could reduce ethanol usage of corn. So far only a few areas have actually locked down, and with the release of several covid vaccines hopefully it will stay that way. Right now it's uncertain which way things will go.

Soybean ending stocks came in 15 million bushels lower than last month at 175 million bushels. Trade estimates ranged from 120 – 190 million bushels and averaged out at 168. This reduction is represented by an increase in domestic crush usage from last report. While the reduction in ending stocks was welcome, they didn't drop enough to meet trader's expectations. Prior to the report's release soybean prices were up 15 cents, but by the end of the day they were down 4 cents.

Soybeans have seen a good amount of pressure lately. Exports have slowed significantly in the past few weeks. Rumors have been circulating that China is looking to book a few more cargos, but so far we haven't seen any confirmation. In addition, South American growing areas have seen some much-needed rainfall. With today's report showing higher than expected ending stocks, there isn't a lot of supporting bean prices. Trade will watch for rain in South America going forward, as even with recent rains their crop isn't made yet.

Wheat ending stocks came in at 862 million bushels, 15 million lower than last month's report and 12 million below the average trade estimate. Some good news to end off today's report, as wheat prices closed 13 cents above open.

Sourced from MID-CO COMMODITIES INC. market commentaries.

USDA 2020-21 U.S. grain and soybean ending stocks

	USDA Dec. 2020-21 end-stocks estimates	Average of analysts' estimates	USDA Nov. 2020-21 end-stocks estimates	Range of analysts' estimates
Wheat	0.862	0.874	0.877	0.850-0.900
Corn	1.702	1.691	1.702	1.550-1.775
Soybeans	0.175	0.168	0.190	0.120-0.190