

## USDA Summary February 9<sup>th</sup>, 2021

The USDA released their February estimates for supply and demand. Although many were expecting some big changes out of this report, the USDA opted for inaction, leaving most of their numbers unchanged.

Corn ending stocks were adjusted down from 1.552 billion bushels to 1.502 billion bushels. This change came entirely in the form of a 50 million bushel increases in estimated exports. All other numbers were left unchanged from the January report.

While a rise in exports was expected, it was surprising to see such a small increase. Even with 50 million bushels added to projected exports, we still have 85% of the new estimate booked and 32% already shipped. With only 32% shipped, there is a risk of cancellation. However, just last week we saw record sales of 293 million bushels of corn. In addition to this, a delayed soybean harvest in South America has also pushed back their second planting of corn. If the South American corn crop is reduced, even more export demand may be pushed to the US. All things considered; it seems corn exports are still underestimated.

Soybean ending stocks were reduced from 140 million bushels to 120 million bushels. Similar to corn the only change here was to exports, which were increased by 20 million bushels.

If there is any argument that corn exports are underestimated, then soybeans estimates should almost certainly be higher. Based on the most recent numbers, we have 96% of the new estimate on the books and 80% already shipped. While the South American soybean harvest has begun, excessive rains have caused delays. If this persists, we may see some exports sales diverted back to US supplies in the short term. In addition, unlike corn we are have already shipped 80% of projected exports, reducing the risk of cancellation. At this point it wouldn't take much to meet and exceed the USDA's projected exports.

Wheat was left completely unchanged this time around.

*With files from Mid-Co Commodities, Agrivision Market Updates, Simpson-Caputo Market Updates*

### USDA 2020-2021 U.S. Ending Stocks (Billion Bushels)

	USDA Feb. End-Stocks Estimates	Average of Analysts' Estimates	Range of Analysts' Estimates	USDA Jan. End- Stocks Estimates
Wheat	0.836	0.834	0.807 - 0.864	0.836
Corn	1.502	1.392	1.108 - 1.515	1.552
Soybeans	0.120	0.123	0.105 - 0.140	0.140