

April 12, 2016

April-16

	U.S. Wheat Supply/Demand (mb)				World Wheat Supply/Demand (mmt)			
	Apr USDA 13/14	Apr USDA 14/15	Mar USDA 15/16	Apr USDA 15/16	Apr USDA 13/14	Apr USDA 14/15	Mar USDA 15/16	Apr USDA 15/16
Planted	56.2	56.8	54.6	54.6				
Harvested	45.3	46.4	47.1	47.1				
Yield	47.1	43.7	43.6	43.6				
Carryin	718	590	752	752	176.88	193.92	214.65	214.80
Production	2135	2026	2052	2052	714.92	725.44	732.32	733.14
Imports	173	149	120	120				
Supply	3026	2766	2924	2924	891.80	919.36	946.97	947.94
Food	955	958	967	967				
Exports	1176	854	775	775				
Seed	77	79	66	66				
Feed/Res	228	122	150	140				
Demand	2436	2014	1958	1948	697.89	704.56	709.37	708.69
Carryout	590	752	966	976	193.92	214.80	237.59	239.26
CO/Use	0.242	0.373	0.493	0.501	0.278	0.305	0.335	0.338
Price range	\$6.87	\$5.99	\$4.90	\$4.90				
			\$5.10	\$5.00		AUS Prod: 15/16	24.5; unch	
						CAN Prod: 15/16	27.6; unch	

Summary: market doesn't love some curious adjustments by the government this month

Corn: U.S. feed demand cut by 50 million bushels for 2015/16, despite larger animal numbers, with export demand somewhat surprisingly unchanged despite strong paces? Ethanol use rises 25 mbu this month as well, overall carryout increases by 25 mbu to 1862 mbu, a bit above the average trade guess. Global corn carryin and production for 2015/16 both rise by about 2.5 MMT each this month, including a 1 MMT gain for Argentine production, but overall carryout only rises about 2.0 MMT thanks to an equal increase in Chinese feed demand.

Beans: 2015/16 export rise (?) of 15 mbu rolls through for an equal -15 mbu carryout, now at 445 mbu - slightly larger cut this month than what was expected. In world S&D, both beginning and ending soybean stocks are up only slightly with production basically even for 2015/16, despite an Argentine increase of half a million tonnes. Chinese imports up another 1 MMT to 83.0 MMT.

Wheat: only change on the domestic balance sheet for wheat is a 10 mbu cut to feed/residual usage, which results in a 10 mbu gain in already-burdensome stocks - now 976 mbu, but that was right about where the trade estimate had it pegged. Overall global wheat production up 1.0 MMT for 2015/16, with a gain of 1.5 MMT in the E.U.; global ending stocks up 1.7 MMT this month, with Chinese wheat demand down 2.0 MMT.

Results: report sell-off comes swiftly with USDA producing no huge surprises, though there were a few curious balance table changes (or lack thereof), stocks remain plentiful heading into what looks like a flying start to planting season.