



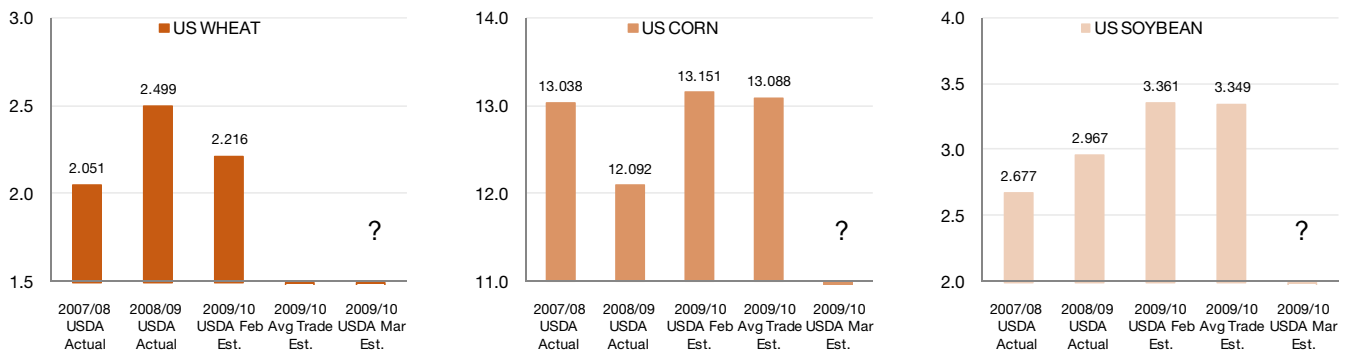
## USDA World Ag Supply & Demand Estimates Preview – March 2010

On Wednesday night (10<sup>th</sup> March) the USDA will release their WASDE and US Crop Production reports. This paper provides historical data plus trade estimates (sourced from Bloomberg and Reuters) of the USDA's results were available.

### Trade Estimates – US Grain & Oilseeds

- **US corn and soybean production** estimates are expected to be lowered slightly this month, mainly due to wet harvest weather. However both estimates remain at record high levels. Forecasts by the trade were not made for wheat.

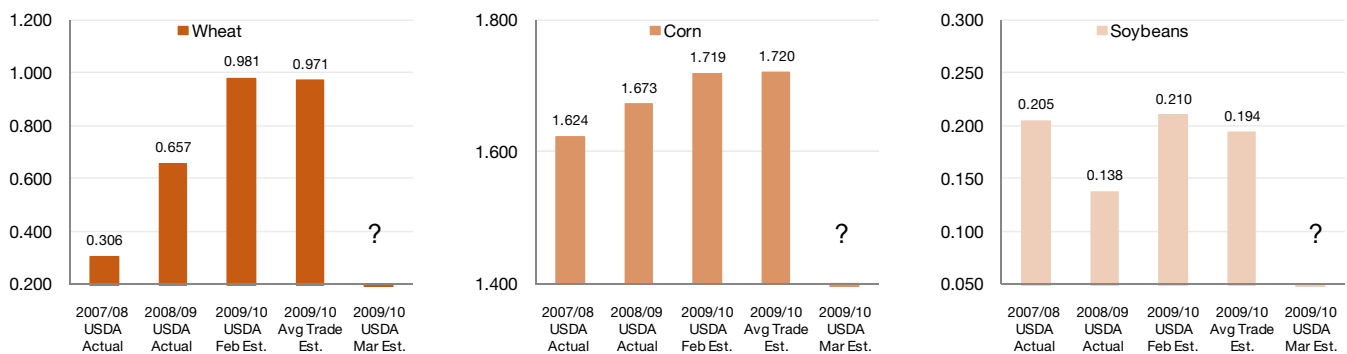
Figure 1: US Grain and Soybean Production Estimates (billion bushels)



Source: USDA, Bloomberg, Reuters, CBA

- **US wheat ending stock** estimates for 2009/10 are expected to be revised slightly lower by the USDA this month, **corn stocks** are forecast to remain unchanged, while **soybean ending stocks** are forecast to fall.

Figure 2: US Grain and Soybean Ending Stock Estimates (billion bushels)



Source: USDA, Bloomberg, Reuters, CBA

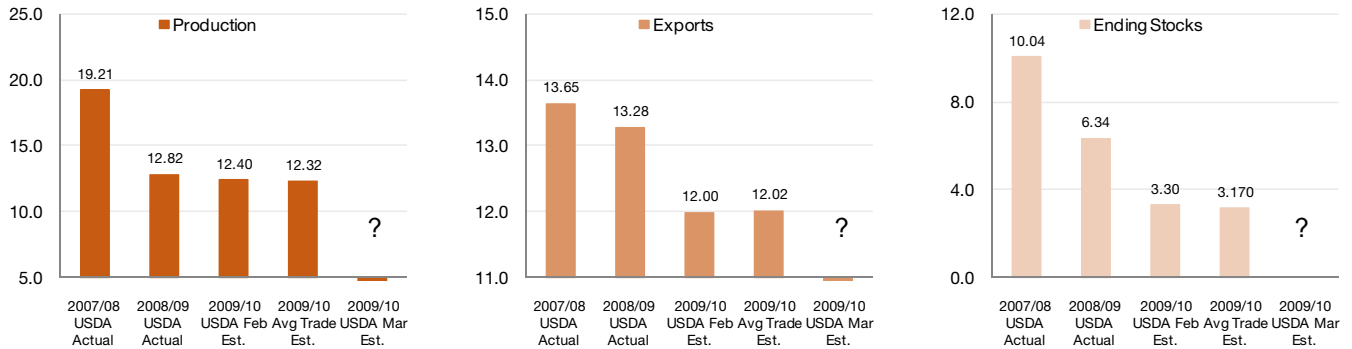
- Despite the assumed downward revision for US wheat stocks from 981million bushels (mbu) to 971mbu this month, stocks remain comfortable (~48% stock-to-use ratio) and significantly higher than stocks of recent years. In 2007/08 US wheat stocks were 306mbu (13% stock-to-use), while in 2008/09 US stocks were 657mbu (29% stock-to-use).
- US corn stocks have risen slightly in recent years – from 1,624mbu in 2007/08. At an estimated 1,720mbu this year, US corn stocks remain extremely tight at around 7% stock to use.
- US soybean stocks are forecast to be revised lower according to average trade estimates, from 210mbu last month to 194mbu, mainly a result of strong export demand. However at 194mbu, US soybean stocks in 2009/10 would still be up significantly from the tight 2008/09 ending stocks of 138mbu.



### Trade Estimates – US Cotton

- Average trade estimates point to a slight reduction in official forecasts of 2009/10 US cotton **production**, a slight increase in US cotton **exports**, resulting in a slight pullback 2009/10 US cotton **ending stocks**.

Figure 3: US Cotton Statistics (million bales)



Source: USDA, Bloomberg, Reuters, CBA

- At an estimated 3.17m bales, US cotton ending stocks are extremely tight and much lower than the 10m bale stockpile at the end of the 2007/08 season. Stocks-to-use are forecast near 11% this season vs. 27% in 2007/08.

### Trade Estimates – Global Statistics

- Trade estimates for global production, consumption and stocks for the grains, oilseeds and cotton industries were not available at the time of writing.
- However it is thought that South American production for corn and soybeans may be revised higher. Meanwhile there is a risk that Chinese cotton production estimates may be revised lower.
- Historic data is provided on the following pages.



US WHEAT		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Range of Trade Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Yield	(bpa)	40.20	44.90	44.40	~	~	?
Area Planted	(m ac)	60.50	63.20	59.10	~	~	?
Area Harvested (Implied)	(m ac)	51.00	55.70	49.90	~	~	?
Production	(bn bu)	2.051	2.499	2.216	~	~	?
Consumption	(bn bu)	1.051	1.260	1.182	~	~	?
Exports	(bn bu)	1.263	1.015	0.825	~	~	?
Ending Stocks	(bn bu)	0.306	0.657	0.981	0.876-1.001	0.971	?
Ending Stocks to Disposal	(%)	13%	29%	49%	~	~	?
US CORN		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Range of Trade Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Yield	(bpa)	150.70	153.90	165.20	~	~	?
Area Planted	(m ac)	93.50	86.00	86.48	~	~	?
Area Harvested (Implied)	(m ac)	86.50	78.57	79.63	~	~	?
Production	(bn bu)	13.038	12.092	13.151	12.838-13.151	13.088	?
Consumption	(bn bu)	10.300	10.198	11.115	~	~	?
Exports	(bn bu)	12.737	12.056	13.115	~	~	?
Ending Stocks	(bn bu)	1.624	1.673	1.719	1.602-1.814	1.720	?
Ending Stocks to Disposal	(%)	7.0%	7.5%	7.1%	~	~	?
US SOYBEAN		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Range of Trade Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Yield	(bpa)	41.70	39.70	44.00	~	~	?
Area Planted	(m ac)	64.70	75.70	77.50	~	~	?
Area Harvested (Implied)	(m ac)	64.10	74.70	76.40	~	~	?
Production	(bn bu)	2.677	2.967	3.361	3.219-3.365	3.349	?
Crush	(bn bu)	1.803	1.757	1.720	~	~	?
Seed use	(bn bu)	0.093	0.095	0.094	~	~	?
Exports	(bn bu)	1.159	1.283	1.400	~	~	?
Ending Stocks	(bn bu)	0.205	0.138	0.210	0.170-0.233	0.194	?
Ending Stocks to Disposal	(%)	7%	4%	7%	~	~	?



US COTTON DATA		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Range of Trade Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Yield	(lb/ac)	879	813	774	~	~	?
Area Planted	(m ac)	10.83	9.47	9.15	~	~	?
Area Harvested	(m ac)	10.49	7.57	7.69	~	~	?
Production	(m bale)	19.21	12.82	12.40	12.15-12.4	12.32	?
Domestic Use	(m bale)	4.59	3.59	3.40	~	~	?
Exports	(m bale)	13.65	13.28	12.00	11.5-12.5	12.02	?
Ending Stocks	(m bale)	10.04	6.34	3.30	2.7-3.8	3.170	?
Ending Stocks to Disposal	(%)	27%	21%	12%	~	~	?



WORLD WHEAT (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(mt)	610.5	682.7	677.4	~	?
Consumption	(mt)	617.0	639.8	645.6	~	?
Exports	(mt)	117.2	142.9	123.8	~	?
Stocks	(mt)	121.1	164.0	195.9	~	?
Stocks to Use	(%)	20%	26%	30%	~	?

WORLD CORN (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(mt)	791.9	791.5	797.8	~	?
Consumption	(mt)	771.1	775.2	809.7	~	?
Exports	(mt)	98.6	83.3	84.8	~	?
Stocks	(mt)	129.6	145.9	134.0	~	?
Stocks to Use	(%)	17%	19%	17%	~	?

WORLD COARSE GRAIN (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(mt)	1077.9	1101.6	1095.5	~	?
Consumption	(mt)	1056.0	1072.5	1102.4	~	?
Exports	(mt)	127.1	112.0	110.6	~	?
Stocks	(mt)	160.5	189.6	179.3	~	?
Stocks to Use	(%)	15%	18%	16%	~	?

WORLD SOYBEANS (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(mt)	221.1	210.9	255.4	~	?
Consumption	(mt)	229.7	222.6	235.1	~	?
Exports	(mt)	79.5	76.8	81.4	~	?
Stocks	(mt)	53.0	41.6	59.7	~	?
Stocks to Use	(%)	23%	19%	25%	~	?



WORLD OILSEEDS (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(mt)	391.79	395.13	433.73	~	?
Consumption	(mt)	338.85	340.05	350.84	~	?
Exports	(mt)	92.51	94.04	96.26	~	?
Stocks	(mt)	61.68	54.26	70.95	~	?
Stocks to Use	(%)	18%	16%	20%	~	?

WORLD COTTON (09/10)		2007/08 USDA Actual	2008/09 USDA Actual	2009/10 USDA Feb Est.	2009/10 Avg Trade Est.	2009/10 USDA Mar Est.
Production	(m bale)	119.91	107.45	102.74	~	?
Consumption	(m bale)	122.97	110.11	115.53	~	?
Exports	(m bale)	38.47	30.23	33.77	~	?
Stocks	(m bale)	62.66	62.42	52.08	~	?
Stocks to Use	(%)	51%	57%	45%	~	?

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