



USDA REPORT PREVIEW (JANUARY 2010)

The USDA will release a series of key reports on Tuesday 12th January (US time). These include the World Agricultural Supply and Demand Estimates (WASDE) Report, US Crop Production Report, US Quarterly Grain Stocks Report and the Winter Wheat Seedings Report.

Each report could contain insights that can move the market, particularly given the weather related issues surrounding the US summer crop harvest and recovery in the world economy. However, the immediate market reaction to this month's reports may be blurred by another factor – index fund reweighting. Funds are boosting their exposure to CBOT wheat and corn this week. And this may continue to support prices even though the USDA's reports are tipped to predominantly bearish wheat.

Here is a summary of private analyst expectations:

- Wheat*
- *US winter wheat plantings (total) in 2009 are expected to be 6% lower than 2008. A result of wet planting weather, delayed corn and soybean harvests, and lower prices.*
 - *But US winter wheat ending stocks for 2009/10 are forecast at 921bn bushels, up 2% from the USDA's Dec estimate and 40% higher than 2008/09 ending stock estimate. Export demand for US wheat has been weak over the past year.*
- Corn*
- *US corn production estimates for 2009/10 are expected to be revised 0.6% lower to 12.84bn bushels, mostly a result of wet harvest weather which has limited harvested area and reduced yields.*
 - *US corn ending stock estimates for 2009/10 are expected to be revised lower to 1.608bn bushels (down 4% from December's estimate and 4% lower than 08/09 ending stocks)*
- Soybeans*
- *US soybean production estimates for recently harvested 2009/10 crop are expected to be revised 0.8% higher this month to 3.35bn bushels. If realised this will be a fresh record.*
 - *US soybean ending stock estimates for 2009/10 are expected to be revised lower to 241m bushels, down from the USDA's Dec forecast of 255m bushels, but up sharply from the 2008/09 ending stock figure of 138m bushels. Export demand for US soybeans has exceeded expectations.*
- Cotton*
- *US cotton production estimates for recently harvested 2009/10 crop are expected to be revised 1% lower this month to 12.46m bales (down nearly 3% from the small 08/09 crop).*
 - *US cotton exports for 09/10 are tipped to be revised 0.8% higher to 11.1m bales.*
 - *US cotton ending stocks for 09/10 are forecast to be lowered to 4.3m bales (down 5% from the December forecast and 32% lower than 08/09 ending stocks)*

Data preview on following page...



US 2009 Winter Wheat Planting Estimates - 2009/10

US WINTER WHEAT		2009	2009	2009	2008	2007
PLANTINGS 2009		USDA Actual	Avg Trade Est.	Range of Est.	USDA Actual	USDA Actual
All Winter Wheat	(m ac)	?	40,588	38,387-43.5	43,311	46,307
HRW	(m ac)	?	30,308	28,977-31,572	31,649	31,336
SRW	(m ac)	?	7,030	5,860-8,059	8,309	11,196
WW	(m ac)	?	3,480	3,200-4,500	3,353	3,775

Source: Bloomberg Survey (16 responses, 7 Jan)

US Corn Production & Yield Estimates - 2009/10

CORN DATA		2009/10	2009/10	2009/10	2009/10	2008/09
		USDA Jan Est.	Avg Trade Est.	Range of Est.	USDA Dec Est.	USDA Actual
Yield	(bpa)	?	162.50	160-164.5	162.90	153.90
Area Planted	(m ac)	?	~	~	86.40	86.00
Area Harvested (Implied)	(m ac)	?	~	~	79.30	78.64
Production	(bn bu)	?	12.84	12.576-12.997	12.92	12.10

Source: Bloomberg Survey (25 responses, 7 Jan)

US Soybean Production & Yield Estimates - 2009/10

SOYBEAN DATA		2009/10	2009/10	2009/10	2009/10	2008/09
		USDA Jan Est.	Avg Trade Est.	Range of Est.	USDA Dec Est.	USDA Actual
Yield	(bpa)	?	43.70	41.9-44.5	43.30	39.70
Area Planted	(m ac)	?	~	~	77.50	75.70
Area Harvested (Implied)	(m ac)	?	~	~	76.60	74.64
Production	(bn bu)	?	3.35	3.219-3.409	3.32	2.96

Source: Bloomberg Survey (25 responses, 7 Jan)

US Grain Ending Stock Estimates – 2009/10

US STOCKS (09/10)		2009/10	2009/10	2009/10	2009/10	2008/09
		USDA Jan Est.	Avg Trade Est.	Range of Est.	USDA Dec Est.	USDA Actual
Wheat	(bn bu)	?	0.921	0.866-0.975	0.900	0.657
Corn	(bn bu)	?	1.608	1.424-1.731	1.675	1.674
Soybeans	(bn bu)	?	0.241	0.170-0.329	0.255	0.138

Source: Bloomberg Survey (24 responses, 7 Jan)

US Quarterly Grain Supplies Estimate – Dec 1, 2009

US QTLY GRAIN SUPPLY		Dec 1, 2009	Dec 1, 2009	Dec 1, 2009	Sep 1, 2009	Dec 1, 2008
		USDA Actual	Avg Trade Est.	Range of Est.	USDA Actual	USDA Actual
Wheat	(m bu)	?	1,768	1,695-1,843	2,215	1,422
Corn	(m bu)	?	10,691	10,130-11,390	1,674	10,078
Soybeans	(m bu)	?	2,415	2,377-2,450	138	2,276

Source: Bloomberg Survey (24 responses, 7 Jan)

US Cotton Estimates – 2009/10

US COTTON (09/10)		2009/10	2009/10	2009/10	2009/10	2008/09
		USDA Jan Est.	Avg Trade Est.	Range of Est.	USDA Dec Est.	USDA Actual
Production	(m bale)	?	12.46	12.3-12.6	12.59	12.82
Exports	(m bale)	?	11.09	10.8-11.5	11.00	13.28
Stocks	(m bale)	?	4.29	3.9-4.6	4.50	6.34

Source: Bloomberg survey (10 responses, 7 Jan)

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