

Higher quarterly stocks has talk of higher carryovers, but exports strong

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U.S. Corn Supply/Demand

(Millions)	2015/16 USDA Mar	2016/17 USDA Jan	2016/17 USDA Feb	2016/17 USDA Mar	2016/17 Price April Est.
Planting Acres	88.00	94.00	94.00	94.00	94.00
Harvested Acres	80.75	86.75	86.75	86.75	86.75
Yield in Bu.	168.4	174.6	174.6	174.6	174.6
Initial Stocks	1,731	1,737	1,737	1,737	1,737
Production	13,602	15,148	15,148	15,148	15,148
Imports	67	55	55	55	55
Ttl Supply	15,400	16,940	16,940	16,940	16,940
Feed/Residual	5,120	5,600	5,600	5,550	5,550
Food/Seed	1,421	1,435	1,445	1,445	1,445
Ethanol	5,224	5,325	5,350	5,400	5,400
Ttl Domestic	11,765	12,360	12,395	12,395	12,395
Exports	1,898	2,225	2,225	2,225	2,225
Ttl Usage	13,663	14,585	14,620	14,620	14,620
Ending Stocks	1,737	2,355	2,320	2,320	2,320
Stks/Use Ratio	12.7%	16.1%	15.9%	15.9%	15.9%
Trade Average Est.					2,352

U.S. Wheat Supply/Demand

(Millions)	2015/16 USDA Mar	2016/17 USDA Jan	2016/17 USDA Feb	2016/17 USDA Mar	2016/17 Price April Est.
Planting Acres	55.00	50.15	50.15	50.15	50.15
Harvested Acres	47.32	43.89	43.89	43.89	43.89
Yield in Bu.	43.6	52.8	52.8	52.8	52.8
Initial Stocks	752	976	976	976	976
Production	2,062	2,310	2,310	2,310	2,310
Imports	113	125	125	115	115
Ttl Supply	2,927	3,410	3,410	3,400	3,400
Food	957	963	960	960	960
Seed	67	61	61	61	61
Feed/Residual	152	225	225	225	225
Ttl Domestic	1,176	1,249	1,246	1,246	1,246
Export	775	975	1,025	1,025	1,025
Ttl Usage	1,951	2,224	2,271	2,271	2,271
End Stocks	976	1,186	1,139	1,129	1,129
Stks/Use Ratio	50.0%	53.3%	50.2%	49.7%	49.7%
Trade Ave. Est.					1,147

Market Analysis

The new crop planting intentions garnered much the market's attention last week after the 2017 US acreage survey and quarterly stocks were released. However, the government won't utilize the planting survey data until it issue its first 2017/18 US and World supply/demand outlooks on May 10. Last week's quarterly stocks updates along with soybeans' monthly domestic crush, corn's industrial utilization and the US Census Bureau's February export levels released this week will help finalize this past winter's corn, wheat and soybean demand levels.

As previously reported, corn's March 1 stocks were 82 million bu. above expectations, a modest level between the trade and the USDA. This week's industrial corn grind reduced both January's previous level and February's initial ethanol corn usage after the Energy Department cut January output by 2.3% from the impressive weekly calculated expansion of 8.6%. These reduced industrial bushels swing over to corn's feed portion of demand. However, corn's February Census update showed 13 million bu. more exports than the weekly inspection report. Overall, corn's 2016/17 ending stocks may still be unchanged for now. Wheat also had slightly higher February exports vs. inspections, but USDA may also leave this market's stocks unchanged to see how wheat's exports turn-out.

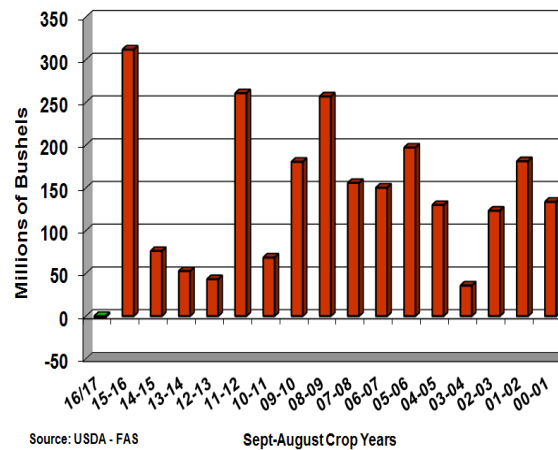
Soybeans' 51 million bu. larger stocks than expectations still suggest 2016/17 crop could be underestimated. However, no change in crop size can be made until after the September stocks report so a cut in the current 33 million residual is likely. With this week's old-crop sales already 1.5 million bu, past the USDA's 2.025 billion forecast and February's Census report boosting exports by 20-25 million to 727 million, soybeans' exports needs to advance even if the residual is cut by similar amount. Higher plantings will also require more seed beans. Overall, old crop stocks may drop 5 million to 430 million bu. next week.

U.S. Soybean Supply/Demand

(Millions)	2015/16 USDA Mar	2016/17 USDA Jan	2016/17 USDA Feb	2016/17 USDA Mar	2016/17 Price April Est.
Planted Acres	82.65	83.43	83.43	83.43	83.43
Harvested Acres	81.85	82.74	82.74	82.74	82.74
Yield in Bu.	48.0	52.1	52.1	52.1	52.1
Initial Stocks	191	197	197	197	197
Production	3,926	4,307	4,307	4,307	4,307
Imports	24	25	25	25	25
Ttl Supply	4,141	4,528	4,528	4,528	4,528
Crush	1,886	1,930	1,930	1,940	1,940
Seed	97	95	95	95	100
Residual	25	33	33	33	13
Ttl Domestic	2,008	2,058	2,058	2,068	2,053
Exports	1,936	2,050	2,050	2,025	2,045
Ttl Usage	3,944	4,108	4,108	4,093	4,098
Ending Stocks	197	420	420	435	430
Stks/Use Ratio	5.0%	10.2%	10.2%	10.6%	10.5%
Trade Average Est.					447

Exports Left to Hit USDA's Yearly Soybean Total

March 30, 2016 for 2.025 Billion forecast



What's Ahead The market's ongoing concerns about growing World supplies have resurfaced after the latest USDA reports. Given the declines in US corn, wheat and other feed/food grains seedings, these crops carryover will likely decline unless 2017 growing season creates record yields for the 4th year in a row, We'll examine corn and wheat balance sheets along with soybeans in coming updates. **Hold sales at this time.**

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