

Pinnacle USDA Update 13 Sep 2013



Grower,

Last night saw the USDA release its World Supply and Demand update. The September update is always watched closely due to its timing in relation to northern hemisphere summer crop harvest. Overall the report was seen as **bullish for soybeans due to continuing supply concerns, slightly bullish for wheat due to strong worldwide demand projections, and bearish for corn due to a lift in world supply estimates**. Corn however dragged itself off early lows due to support from soybean strength.

Overall, the effects on Australian markets will not be large, with perhaps some upside for canola today with assistance of a weaker Australian dollar. Corn markets remain the driver of world grain prices for now though.

Key themes emerging:

Corn

- Projected US corn yield pegged at 155.3 bushels/acre (up 0.9 and within market expectations)
- US stocks at 1.85 billion bushels (up 18bn bushels but below market expectations)
- World Corn Stocks 151 million tonnes (up 1 million tonnes but below market expectations)

Wheat

- World stocks at end of season 176 million tonnes (up 3.3 million tonnes and within market expectations)
- US end of season stocks 561 million bushels (up 10 million tonnes and right on market expectations)

Soybeans

- Projected US soy yield pegged at 41.2 bushels/acre (down 1.4 and in line with market expectations)
- US Stocks 150 million bushels 9down 70 million bushels and well below market expectations)
- World Stocks 71.5 million tonnes (down ¾ million tonnes and well below market expectations of a small rise)
- On last night's data projections Brazil has now overtaken the US as the world's largest soybean producer

For any further information or price updates please reply or call on 0266 587456/ 0267 422199.

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