

JULY, 2020

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JULY'S WASDE REPORT

BEANS SUMMARY

LANE AVENATTI



Overall, this report was nothing to write home about. On the bean side of the report it came back as slightly bearish, but most of this news was already in the market. Total production of beans in the US for new crop is 4,135 billion bu., which is higher than last month's estimate of 4,125 billion bu., but lower than what was expected. In terms of carryover there was an increase in both old and new crop. Old crop moved up from 585 to 620 million bushel due to a decrease in residual usage. New crop carryout shifted to 425 million bu.. Both old and new crop carryout numbers were slightly larger than expected. The main reason on the new crop side is because the increase of carry in from the old crop and production. The 400 million number is more of a sociological number, which makes this report on the bearish side of things. However, there was a decrease of 1.22 MMT on the world carry over for new crop. The carryout to use ratio for the US for old crop was increased by 1.1% to 16.1% and new crop also saw an increase of 0.7% to 9.8%. Soybean yield projection was unchanged at 49.8 bushels per acre. Look for this change in the next WASDE report. In conclusion, this report along with the recent favorable weather forecast in beans expect a slightly bearish market. On the bright side of things, they increased the national farm price to \$8.50 compared to \$8.20 last month. This report was nothing special and look for the market to go back to trading weather quickly.

CORN SUMMARY

TANNER SALTSGAVER



Today's USDA supply and report come out. Seems as if the numbers were built into the market on the corn side. Planted acres were down 5 million as we seen that last week. Yield stayed the same at 178.5 bu. Production seen a reduction in 995 million bu from 15.99 billion to 15 billion bu. This reduction came from the planted acres side of the equation. The carry out numbers were reduced from 3.3 billion to 2.6 billion. While carry out use went from 22.5% to 18.1%. These numbers seem to be bullish but the market seems to be trading down which tells me that the numbers were no surprise and factored into the market already. On the bright side they increased the national average farm price from \$3.20 to \$3.35 per bu. Looks as we will go back to trading weather and COVID 19. The forecast models are starting to shift and put some rain and a little less heat into the forecast. As we are back to a weather market we have to be on the lookout and be ready for the opportunities when they present themselves.

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