

## WASDE update: Better supply prospects for wheat and corn

While overall the July WASDE was relatively bearish for prices, a surprise for the market was the larger-than-expected revisions seen in 2023/24 US ending stocks for corn and soybeans, which also meant lower 2024/25 ending stocks



### USDA raises corn output but lowers stock estimates

The USDA revised higher its 2024/25 US corn production estimates by 240m bushels to 15.1bn bushels due to expectations for higher acreage. Harvested area estimates were increased by 1.3m acres to 83.4m acres, while yield estimates were left unchanged at 181bu/acres. Despite the increase in output numbers, the USDA still lowered its ending stock estimates for 2024/25 to 2.097b bushels, below the roughly 2.29b bushels the market was expecting. Lower ending stocks were driven by expectations of stronger demand, but more importantly due to lower estimates for 2023/24 ending stocks. While US corn balance numbers indicate a relatively tighter-than-expected market, the fact that stocks are still projected to exceed 2bn bushels suggests a comfortably supplied market.

Changes to the global corn balance came largely in line with expectations when it comes to stocks. 2024/25 corn ending stocks were increased from 310.8mt last month to 311.6mt, as was largely

expected. Global output estimates for 2024/25 were raised to 1,224.8mt (vs. 1,220.5mt), driven by higher US output. Stronger output was partly offset by lower beginning stocks.

## Corn supply/demand balance

|                          | 2024/25 est<br>latest | 2024/25 est<br>previous | Est revision<br>MoM | 2023/24 est | ΔYoY | 2022/23  |
|--------------------------|-----------------------|-------------------------|---------------------|-------------|------|----------|
| <b>US (m bushels)</b>    |                       |                         |                     |             |      |          |
| Area harvested (m acres) | 83.4                  | 82.1                    | 1.3                 | 86.5        | -3.1 | 78.7     |
| Yield (bu/acre)          | 181.0                 | 181.0                   | 0.0                 | 177.3       | 3.7  | 173.4    |
| Production               | 15,100.0              | 14,860.0                | 240.0               | 15,342.0    | -242 | 13,651.0 |
| Imports                  | 25.0                  | 25.0                    | 0.0                 | 30.0        | -5   | 39.0     |
| Consumption              | 12,680.0              | 12,605.0                | 75.0                | 12,630.0    | 50   | 12,044.0 |
| Exports                  | 2,225.0               | 2,200.0                 | 25.0                | 2,225.0     | 0    | 1,662.0  |
| Beginning stocks         | 1,877.0               | 2,022.0                 | -145.0              | 1,360.0     | 517  | 1,377.0  |
| Ending stocks            | 2,097.0               | 2,102.0                 | -5.0                | 1,877.0     | 220  | 1,360.0  |
| <b>Global (m tonnes)</b> |                       |                         |                     |             |      |          |
| Production               | 1,224.8               | 1,220.5                 | 4.3                 | 1,225.5     | -0.7 | 1,159.6  |
| - US                     | 383.6                 | 377.5                   | 6.1                 | 389.7       | -6.1 | 346.7    |
| - Brazil                 | 127.0                 | 127.0                   | 0.0                 | 122.0       | 5.0  | 137.0    |
| - Argentina              | 51.0                  | 51.0                    | 0.0                 | 52.0        | -1.0 | 36.0     |
| Demand                   | 1,222.3               | 1,222.2                 | 0.1                 | 1,218.7     | 3.6  | 1,171.0  |
| - EU                     | 78.1                  | 78.7                    | -0.6                | 77.2        | 0.9  | 75.1     |
| - China                  | 313.0                 | 313.0                   | 0.0                 | 307.0       | 6.0  | 299.0    |
| Beginning stocks         | 309.13                | 312.4                   | -3.3                | 302.3       | 6.8  | 313.7    |
| Ending stocks            | 311.6                 | 310.8                   | 0.9                 | 309.1       | 2.5  | 302.3    |

Source: USDA, ING Research

## Soybean ending stock estimates cut

The USDA revised lower its 2024/25 US soybean production estimate by 15m bushels to 4.44bn bushels due to lower acreage. Lower output and a revision in beginning stocks meant that ending stocks were also lowered from 455m bushels to 435m bushels, leaving it below market expectations of around 447m bushels.

For the global market, soybean production estimates were cut marginally from 422.3mt to 421.9mt for 2024/25. There was also only a marginal change in ending stock estimates, falling from 127.9mt to 127.8mt, which was broadly in line with what the market was expecting.

The WASDE numbers were mostly neutral to slightly supportive for soybeans with little change to the global balance and a slightly tighter than expected US market.

## Soybean supply/demand balance

|                          | 2024/25 est<br>latest | 2024/25 est<br>previous | Est revision<br>MoM | 2023/24 est | ΔYoY | 2022/23 |
|--------------------------|-----------------------|-------------------------|---------------------|-------------|------|---------|
| <b>US (m bushels)</b>    |                       |                         |                     |             |      |         |
| Area harvested (m acres) | 85.3                  | 85.6                    | -0.3                | 82.4        | 2.9  | 86.2    |
| Yield (bu/acre)          | 52.0                  | 52.0                    | 0.0                 | 50.6        | 1.4  | 49.6    |
| Production               | 4,435.0               | 4,450.0                 | -15.0               | 4,165.0     | 270  | 4,270.0 |
| Imports                  | 15.0                  | 15.0                    | 0.0                 | 20.0        | -5   | 25.0    |
| Consumption              | 2,535.0               | 2,535.0                 | 0.0                 | 2,403.0     | 132  | 2,325.0 |
| Exports                  | 1,825.0               | 1,825.0                 | 0.0                 | 1,700.0     | 125  | 1,980.0 |
| Beginning stocks         | 345.0                 | 350.0                   | -5.0                | 264.0       | 81   | 274.0   |
| Ending Stocks            | 435.0                 | 455.0                   | -20.0               | 345.0       | 90   | 264.0   |
| <b>Global (m tonnes)</b> |                       |                         |                     |             |      |         |
| Production               | 421.9                 | 422.3                   | -0.4                | 395.4       | 26.4 | 378.4   |
| - US                     | 120.7                 | 121.1                   | -0.4                | 113.3       | 7.4  | 116.2   |
| - Brazil                 | 169.0                 | 169.0                   | 0.0                 | 153.0       | 16.0 | 162.0   |
| - Argentina              | 51.0                  | 51.0                    | 0.0                 | 49.5        | 1.5  | 25.0    |
| Demand                   | 401.5                 | 401.6                   | -0.1                | 382.5       | 19.0 | 366.4   |
| - China                  | 126.8                 | 126.8                   | 0.0                 | 121.7       | 5.1  | 117.5   |
| - EU                     | 17.0                  | 17.0                    | 0.0                 | 16.2        | 0.8  | 15.9    |
| Beginning stocks         | 111.3                 | 111.1                   | 0.2                 | 100.61      | 10.6 | 92.6    |
| Ending stocks            | 127.8                 | 127.9                   | -0.1                | 111.3       | 16.5 | 100.6   |

Source: USDA, ING Research

## Wheat market looking more comfortable

The WASDE report was relatively bearish for wheat. The USDA's numbers showed higher supplies and exports for 2024/25. US wheat output estimates were increased by 133m bushels to 2,008m bushels, while export projections were increased by 25m bushels to 825m bushels. As a result, 2024/25 domestic ending stock estimates were revised up by 98m bushels to 856m bushels, up 22% year-on-year and the highest since 2019/20. This is also above the roughly 785m bushels the market was expecting.

Similarly, 2024/25 global ending stocks also came in above market expectations. The USDA increased its ending stock estimates from 252.3mt to 257.2mt, while the market anticipated a number closer to 252mt. The increase was predominantly driven by revisions higher to output estimates.

## Wheat supply/demand balance

|                          | 2024/25 est<br>latest | 2024/25 est<br>previous | Est revision<br>MoM | 2023/24 est | ΔYoY  | 2022/23 |
|--------------------------|-----------------------|-------------------------|---------------------|-------------|-------|---------|
| <b>US (m bushels)</b>    |                       |                         |                     |             |       |         |
| Area harvested (m acres) | 38.8                  | 38.0                    | 0.8                 | 37.3        | 1.5   | 35.5    |
| Yield (bu/acre)          | 51.8                  | 49.4                    | 2.4                 | 48.6        | 3.2   | 46.5    |
| Production               | 2,008.0               | 1,875.0                 | 133.0               | 1,812.0     | 196   | 1,650.0 |
| Imports                  | 105.0                 | 120.0                   | -15.0               | 138.0       | -33   | 122.0   |
| Consumption              | 1,134.0               | 1,124.0                 | 10.0                | 1,111.0     | 23    | 1,114.0 |
| Exports                  | 825.0                 | 800.0                   | 25.0                | 707.0       | 118   | 762.0   |
| Beginning stocks         | 702.0                 | 688.0                   | 14.0                | 570.0       | 132   | 674.0   |
| Ending Stocks            | 856.0                 | 758.0                   | 98.0                | 702.0       | 154   | 570.0   |
| <b>Global (m tonnes)</b> |                       |                         |                     |             |       |         |
| Production               | 796.2                 | 790.8                   | 5.4                 | 789.0       | 7.2   | 789.0   |
| - US                     | 54.7                  | 51.0                    | 3.6                 | 49.3        | 5.3   | 44.9    |
| - EU                     | 130.0                 | 130.5                   | -0.5                | 134.2       | -4.2  | 134.3   |
| - Russia                 | 83.0                  | 83.0                    | 0.0                 | 91.5        | -8.5  | 92.0    |
| Demand                   | 799.9                 | 798.0                   | 1.9                 | 799.0       | 1.0   | 791.3   |
| - China                  | 151.0                 | 151.0                   | 0.0                 | 154.0       | -3.0  | 148.0   |
| - N Africa               | 46.7                  | 46.8                    | -0.1                | 46.5        | 0.2   | 46.6    |
| Beginning stocks         | 261.0                 | 259.6                   | 1.4                 | 271.0       | -10.0 | 273.3   |
| Ending stocks            | 257.2                 | 252.3                   | 5.0                 | 261.0       | -3.8  | 271.0   |

Source: USDA, ING Research

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