

## WASDE update: Higher corn output from Ukraine

The latest WASDE report was a non-event with corn, wheat and soybean balance sheets left largely unchanged for both the US and global markets. We will likely have to wait for the USDA's US acreage report before more significant changes are seen



### Higher global corn inventory does not mean higher availability

The USDA revised higher its estimate for US corn ending stocks for 2022/23 to 1.4b bushels, compared to a previous estimate of 1.36b bushels. This was on the back of an upward revision of around 45m bushels in beginning stocks. The market was looking for a number closer to 1.34b bushels. The agency left its production estimates unchanged at 14.5b bushels. Domestic consumption was revised marginally higher, by around 5m bushels to 12.2b bushels, whilst export estimates were left unchanged at 2.4b bushels.

On the surface, the report was mildly bearish for the global market, with total production forecasts increased by around 5.1mt to 1,185.8mt. This was due to Ukrainian output estimates being revised up by around 5.5mt to 25mt, on the back of higher acreage. However, for now this increased output does not translate into higher export supply (Ukrainian exports were left unchanged at 9mt), due to the ongoing war. Instead, this higher output will see domestic stocks edging higher.

Higher production estimates mean that global ending stocks for 2022/23 increased from 305.1mt to 310.5mt. But this increase is driven predominantly by Ukraine, and this supply is unlikely to make its way to the global market, unless we see an improvement in the domestic situation. The market was expecting a global inventory number of around 305mt.

## Corn supply/demand balance

	2022/23 est latest	2022/23 est previous	Est revision MoM	2021/22 est	ΔYoY	2020/21
<b>US (m bushels)</b>						
Area harvested (m acres)	81.7	81.7	0.0	85.4	-3.7	82.3
Yield (bu/acre)	177.0	177.0	0.0	177.0	0.0	171.4
Production	14,460	14,460	0.0	15,115	-655	14,111
Imports	25	25	0.0	25	0	24
Consumption	12,170	12,165	5.0	12,440	-270	12,068
Exports	2,400	2,400	0.0	2,450	-50	2,753
Beginning stocks	1,485	1,440	45.0	1,235	250	1,919
Ending stocks	1,400	1,360	40.0	1,485	-85	1,235
<b>Global (m tonnes)</b>						
Production	1,185.8	1,180.7	5.1	1,216.1	-30.3	1,129.0
- US	367.3	367.3	0.0	383.9	-16.6	358.5
- Brazil	126.0	126.0	0.0	116.0	10.0	87.0
- Argentina	55.0	55.0	0.0	53.0	2.0	52.0
Demand	1,186.3	1,185.0	1.3	1,198.4	-12.1	1,143.2
- EU	79.6	78.6	1.0	80.2	-0.6	77.4
- China	295.0	295.0	0.0	291.0	4.0	285.0
Beginning stocks	310.9	309.4	1.5	293.3	17.7	307.5
Ending stocks	310.5	305.1	5.3	310.9	-0.5	293.3

Source: USDA

## Little change for soybeans

There were marginal changes in the US soybean balance sheet for 2022/23. Production, demand and export estimates were left unchanged at 4.64b bushels, 2.38b bushels and 2.2b bushels respectively. Ending stocks for 2022/23 were revised down by around 30m bushels to 280m bushels due to a revision lower in beginning stocks. This is lower than the roughly 295m bushels the market was expecting.

The global balance for 2022/23 was left largely untouched as well. Global production and demand were revised higher by around 0.7mt and 0.4mt respectively. Global ending stocks for 2022/23 were increased by around 0.9mt to 100.5mt due to larger beginning stocks. The market was expecting ending stocks to be largely unchanged.

## Soybean supply/demand balance

	2022/23 est latest	2022/23 est previous	Est revision MoM	2021/22 est	ΔYoY	2020/21
<b>US (m bushels)</b>						
Area harvested (m acres)	90.1	90.1	0.0	86.3	3.8	82.6
Yield (bu/acre)	51.5	51.5	0.0	51.4	0.1	51.0
Production	4,640	4,640	0.0	4,435	205	4,216
Imports	15	15	0.0	15	0	20
Consumption	2,380	2,380	0.0	2,332	48	2,243
Exports	2,200	2,200	0.0	2,170	30	2,261
Beginning stocks	205	235	-30.0	257	-52	525
Ending Stocks	280	310	-30.0	205	75	257
<b>Global (m tonnes)</b>						
Production	395.4	394.7	0.7	352.0	43.4	368.1
- US	126.3	126.3	0.0	120.7	5.6	114.8
- Brazil	149.0	149.0	0.0	126.0	23.0	139.5
- Argentina	51.0	51.0	0.0	43.4	7.6	46.2
Demand	377.9	377.4	0.4	364.7	13.2	363.9
- China	115.6	115.6	0.0	108.7	6.9	112.7
- EU	17.9	17.9	0.0	17.6	0.3	17.5
Beginning stocks	86.2	85.2	0.9	99.9	-13.7	94.7
Ending stocks	100.5	99.6	0.9	86.2	14.3	99.9

Source: USDA

## No surprises for wheat

The USDA increased its US wheat production estimate by around 8m bushels for 2022/23 to 1.74b bushels, on the back of a marginal increase in yield estimates. Domestic demand and export estimates were left unchanged at around 1.11b bushels and 775m bushels respectively. As a result, ending stocks were increased by around 8m bushels to 627m bushels; largely in line with market expectations of around 622m bushels.

The global balance saw the USDA revise down production and demand by around 1.4mt and 1.5mt respectively for 2022/23. India's wheat output was revised lower by 2.5mt as the ongoing heatwave affects yields, with export estimates revised down by around 2mt to 6.5mt. Global inventory estimates at the end of 2022/23 were revised down by around 0.2mt to 266.9mt, not too different from the 267.3mt the market was expecting.

# Wheat supply/demand balance

	2022/23 est latest	2022/23 est previous	Est revision MoM	2021/22 est	ΔYoY	2020/21
<b>US (m bushels)</b>						
Area harvested (m acres)	37.1	37.1	0.0	37.2	-0.1	36.8
Yield (bu/acre)	46.9	46.6	0.3	44.3	2.6	49.7
Production	1,737	1,729	8.0	1,646	91	1,828
Imports	120	120	0.0	95	25	100
Consumption	1,110	1,110	0.0	1,126	-16	1,120
Exports	775	775	0.0	805	-30	992
Beginning stocks	655	655	0.0	845	-190	1,028
Ending Stocks	627	619	8.0	655	-28	845
<b>Global (m tonnes)</b>						
Production	773.4	774.8	-1.4	779.0	-5.6	775.7
- US	47.3	47.1	0.2	44.8	2.5	49.8
- EU	136.1	136.5	-0.4	138.4	-2.3	126.7
- Russia	81.0	80.0	1.0	75.2	5.8	85.4
Demand	786.0	787.5	-1.5	791.2	-5.2	782.3
- China	144.0	144.0	0.0	148.0	-4.0	150.0
- N Africa	47.7	47.7	0.0	47.0	0.6	46.7
Beginning stocks	279.4	279.7	-0.3	291.6	-12.2	298.2
Ending stocks	266.9	267.0	-0.2	279.4	-12.6	291.6

Source: USDA

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