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WASDE update: Soybean yield revisions tighten up market

The USDA s latest monthly WASDE report was constructive for soybeans, with a lower-than-expected US production estimate tightening up 2024/25 US ending stocks

US corn exports left unchanged despite surge in export sales

The USDA has lowered its 2024/25 US corn ending stock estimates from 1,999m bushels to 1,938m bushels – but this was still above market expectations of around 1,921m bushels. Yield estimates were cut slightly, which saw production estimates revised down by 60m bushels to 15,143m bushels, slightly below market expectations. Surprisingly, export numbers were left unchanged, despite the strong export sales data seen over October.

Looking at the global balance, the USDA revised production and demand estimates upwards to 1,219.4mt (vs 1,217.2mt) and 1,229.5mt (vs 1,223.3mt) respectively. Upward supply revisions came from Uganda, Kenya, Cameroon, and Belarus, offsetting the supply losses from Mexico (-0.5mt), the US (-1.5mt), and the EU (-0.2mt). However, stronger demand pushed the 2024/25 ending stocks estimate down to 304.1mt from a previous estimate of 306.5mt and left it below market expectations of just under 306mt.

Corn supply/demand balance

	2024/25 est latest	2024/25 est previous	Est revision MoM	2023/24 est	ΔYoY	2022/23
US (m bushels)						
Area harvested (m acres)	82.7	82.7	0.0	86.5	-3.8	78.7
Yield (bu/acre)	183.1	183.8	-0.7	177.3	5.8	173.4
Production	15,143.0	15,203.0	-60.0	15,341.0	-198	13,651.0
Imports	25.0	25.0	0.0	28.0	-3	39.0
Consumption	12,665.0	12,665.0	0.0	12,676.0	-11	12,044.0
Exports	2,325.0	2,325.0	0.0	2,292.0	33	1,662.0
Beginning stocks	1,760.0	1,760.0	0.0	1,360.0	400	1,377.0
Ending stocks	1,938.0	1,999.0	-61.0	1,760.0	178	1,360.0
Global (m tonnes)						
Production	1,219.4	1,217.2	2.2	1,229.1	-9.7	1,163.0
- US	384.6	386.2	-1.5	389.7	-5.0	346.7
- Brazil	127.0	127.0	0.0	122.0	5.0	137.0
- Argentina	51.0	51.0	0.0	50.0	1.0	37.0
Demand	1,229.5	1,223.3	6.2	1,219.5	10.0	1,172.4
- EU	75.1	75.3	-0.2	77.1	-2.0	74.8
- China	313.0	313.0	0.0	307.0	6.0	299.0
Beginning stocks	314.22	312.7	1.6	304.6	9.6	314.0
Ending stocks	304.1	306.5	-2.4	314.2	-10.1	304.6

Source: USDA, ING Research

Lower US soybean yields tighten market

The USDA lowered its US soybean production estimates by 121m bushels for 2024/25 to 4,461m bushels, below market expectations of around 4,550m bushels. Expectations of lower output were driven by revisions in yield estimates, which were cut from 53.1bu/acre to 51.7bu/acre. Lower consumption and exports were not enough to offset weaker supply. As a result, 2024/25 ending stocks were cut by 80m bushels to 470m bushels, quite some distance below expectations of around 535m bushels. While CBOT soybeans initially rallied on the back of the WASDE release, the market gave back most of the gains. USD strength wouldn't have helped the market, along with the broader sell-off seen across large parts of the commodities complex on Friday.

For the global market, the USDA lowered production estimates to 425.4mt (vs. 428.9mt). The supply revision is largely due to the US, which was cut by 3.3mt. Lower supply also meant that 2024/25 ending stocks were lowered from 134.7mt to 131.7mt. The market was expecting a number of around 134mt.

Soybean supply/demand balance

	2024/25 est latest	2024/25 est previous	Est revision MoM	2023/24 est	ΔYoY	2022/23
US (m bushels)						
Area harvested (m acres)	86.3	86.3	0.0	82.3	4.0	86.2
Yield (bu/acre)	51.7	53.1	-1.4	50.6	1.1	49.6
Production	4,461.0	4,582.0	-121.0	4,162.0	299	4,270.0
Imports	15.0	15.0	0.0	21.0	-6	25.0
Consumption	2,523.0	2,539.0	-16.0	2,410.0	113	2,325.0
Exports	1,825.0	1,850.0	-25.0	1,695.0	130	1,980.0
Beginning stocks	342.0	342.0	0.0	264.0	78	274.0
Ending Stocks	470.0	550.0	-80.0	342.0	128	264.0
Global (m tonnes)						
Production	425.4	428.9	-3.5	394.7	30.7	378.6
- US	121.4	124.7	-3.3	113.3	8.2	116.2
- Brazil	169.0	169.0	0.0	153.0	16.0	162.0
- Argentina	51.0	51.0	0.0	48.2	2.8	25.0
Demand	402.3	402.7	-0.4	384.2	18.1	366.4
- China	126.9	126.9	0.0	121.8	5.1	117.5
- EU	17.0	17.0	-0.1	16.1	0.8	15.9
Beginning stocks	112.4	112.4	0.0	101.0	11.4	92.6
Ending stocks	131.7	134.7	-2.9	112.4	19.3	101.0

Source: USDA, ING Research

Little change in wheat balances

The USDA increased its US 2024/25 ending stock estimate by 3m bushels to 815m bushels, while the market was expecting stocks to remain unchanged. The marginal change was driven by expectations for slightly stronger imports.

For the global wheat balance ending stocks were cut marginally from 257.7mt to 257.6mt. This still leaves stocks above expectations of around 256.8mt

Wheat supply/demand balance

	2024/25 est latest	2024/25 est previous	Est revision MoM	2023/24 est	ΔYoY	2022/23
US (m bushels)						
Area harvested (m acres)	38.5	38.5	0.0	37.1	1.4	35.5
Yield (bu/acre)	51.2	51.2	0.0	48.7	2.5	46.5
Production	1,971.0	1,971.0	0.0	1,804.0	167	1,650.0
Imports	120.0	115.0	5.0	138.0	-18	122.0
Consumption	1,148.0	1,146.0	2.0	1,108.0	40	1,114.0
Exports	825.0	825.0	0.0	707.0	118	762.0
Beginning stocks	696.0	696.0	0.0	570.0	126	674.0
Ending Stocks	815.0	812.0	3.0	696.0	119	570.0
Global (m tonnes)						
Production	794.7	794.1	0.6	790.4	4.3	789.6
- US	53.7	53.7	0.0	49.1	4.6	44.9
- EU	122.6	123.0	-0.4	134.9	-12.3	134.3
- Russia	81.5	82.0	-0.5	91.5	-10.0	92.0
Demand	803.4	802.5	0.9	797.8	5.7	789.5
- China	151.0	151.0	0.0	153.5	-2.5	148.0
- N Africa	46.7	46.7	0.0	46.7	0.0	46.7
Beginning stocks	266.3	266.2	0.1	273.6	-7.3	273.5
Ending stocks	257.6	257.7	-0.2	266.3	-8.7	273.6

Source: USDA, ING Research

Author

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@ing.com

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