

WASDE update: US corn and soybean output estimates cut

The USDA's latest WASDE report was bullish with US corn and soybean yields and production estimates coming in lower than expected, leading to a tightening in balances for both



US corn supplies decline on lower yields

The latest WASDE report provided the corn market with more reasons to rally. CBOT corn prices traded at their highest level since December 2023. This was due to larger-than-expected revisions lower in the 2024/25 US corn crop. US corn yields were cut from 183.1bu/acre to 179.3bu/acre. As a result, production estimates fell from 15.14bn bushels to 14.87bn bushels, below market expectations of 15.1bn bushels. Lower production also meant that US ending stocks for 2024/25 were cut from 1.74bn bushels to 1.54bn bushels, also below the 1.68bn bushels the market was expecting. There were also some marginal revisions lower in domestic demand and exports.

The revisions to the US balance mean that the global balance is also tighter. Global corn ending stocks for 2024/25 were cut from 296.44m tonnes to 293.34m tonnes, which is also below expectations for a number around 294.8m tonnes.

The separate Grain Stocks report released on Friday provided additional support for corn. As of December 1 2024, US corn stocks were 12.07bn bushels, a 1% decrease year-over-year and

slightly below the market's expectation of 12.15bn bushels.

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)	82.9	82.7	0.2	86.5	-3.6	78.7
Yield (bu/acre)	179.3	183.1	-3.8	177.3	2.0	173.4
Production	14,867.0	15,143.0	-276.0	15,341.0	-474	13,651.0
Imports	25.0	25.0	0.0	28.0	-3	39.0
Consumption	12,665.0	12,715.0	-50.0	12,673.0	-8	12,044.0
Exports	2,450.0	2,475.0	-25.0	2,292.0	158	1,662.0
Beginning stocks	1,763.0	1,760.0	3.0	1,360.0	403	1,377.0
Ending stocks	1,540.0	1,738.0	-198.0	1,763.0	-223	1,360.0
Global (m tonnes)						
Production	1,214.4	1,217.9	-3.5	1,230.0	-15.7	1,163.4
- US	377.6	384.6	-7.0	389.7	-12.0	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	1,238.5	1,237.7	0.8	1,217.2	21.3	1,172.8
- EU	75.7	75.7	0.0	78.1	-2.4	74.8
- China	313.0	313.0	0.0	307.0	6.0	299.0
Beginning stocks	317.46	316.2	1.2	304.7	12.8	314.1
Ending stocks	293.3	296.4	-3.1	317.5	-24.1	304.7

Source: USDA, ING Research

US soybean supply cut more than expected

CBOT soybean prices also rallied following the WASDE release with prices trading to their highest level since October. The USDA made larger-than-expected cuts to US yields, resulting in lower production estimates and consequently, reduced US ending stocks for the 2024/25 season. Yields were cut from 51.7bu/acre to 50.7bu/acre, while there was also a marginal reduction in harvested area. As a result, US production estimates for 2024/25 were cut from 4.46bn bushels to 4.37bn bushels, which is below the 4.45bn bushels the market was expecting. This also weighed on ending stock estimates which were cut by 90m bushels to 380m bushels, below the 450m bushels the market was expecting. However, this still leaves ending stocks at a record high.

Changes to the US balance sheet meant that the global balance was also looking tighter. Global ending stocks were cut from 131.87m tonnes to 128.37m tonnes, leaving it below the roughly 132m tonnes the market expected.

The separate Grain Stocks report would have also been supportive. While US soybean stocks as of 1 December 2024 stood at 3.1bn bushels, up from 3bn bushels at the same stage last year, the number still came in below the little more than 3.2bn bushels the market was expecting.

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)	86.1	86.3	-0.2	82.3	3.8	86.2
Yield (bu/acre)	50.7	51.7	-1.0	50.6	0.1	49.6
Production	4,366.0	4,461.0	-95.0	4,162.0	204	4,270.0
Imports	20.0	15.0	5.0	21.0	-1	25.0
Consumption	2,524.0	2,523.0	1.0	2,410.0	114	2,325.0
Exports	1,825.0	1,825.0	0.0	1,695.0	130	1,980.0
Beginning stocks	342.0	342.0	0.0	264.0	78	274.0
Ending Stocks	380.0	470.0	-90.0	342.0	38	264.0
Global (m tonnes)						
Production	424.3	427.1	-2.9	395.0	29.3	378.2
- US	118.8	121.4	-2.6	113.3	5.6	116.2
- Brazil	169.0	169.0	0.0	153.0	16.0	162.0
- Argentina	52.0	52.0	0.0	48.2	3.8	25.0
Demand	405.5	403.6	1.9	384.3	21.2	366.7
- China	126.9	126.9	0.0	121.8	5.1	117.5
- EU	17.0	17.0	0.0	16.1	0.8	15.9
Beginning stocks	112.4	112.2	0.2	101.24	11.1	92.9
Ending stocks	128.4	131.9	-3.5	112.4	16.0	101.2

Source: USDA, ING Research

Minor changes to the wheat balance

The USDA marginally increased its 2024/25 US wheat ending stocks estimate by 3m bushels to 798m bushels. Largely on the back of stronger imports. Meanwhile, the market was expecting a number of around 790m bushels.

For the global balance, 2024/25 ending stock estimates were increased by a little under 1m tonnes to 258.8m tonnes, which is not too far from expectations of around 258m tonnes.

The Grain Stocks report was also fairly uneventful for wheat with it showing US wheat stocks on 1 December 2024 stood at 1.57bn bushels, up from 1.42bn bushels at the same point last year.

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	130.0	125.0	5.0	138.0	-8	122.0
Consumption	1,150.0	1,148.0	2.0	1,108.0	42	1,114.0
Exports	850.0	850.0	0.0	707.0	143	762.0
Beginning stocks	696.0	696.0	0.0	570.0	126	674.0
Ending Stocks	798.0	795.0	3.0	696.0	102	570.0
Global (m tonnes)						
Production	793.2	793.0	0.3	791.0	2.2	789.9
- US	53.7	53.7	0.0	49.1	4.6	44.9
- EU	121.3	121.3	0.0	135.1	-13.8	134.5
- Russia	81.5	81.5	0.0	91.5	-10.0	92.0
Demand	801.9	802.5	-0.6	797.8	4.1	789.6
- 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	267.5	267.4	0.1	274.3	-6.8	274.0
Ending stocks	258.8	257.9	0.9	267.5	-8.7	274.3

Source: USDA, ING Research

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