



# Morning Grain Comments

January 13th, 2021

## Opening: Higher

**Reason:** USDA issues another massive stocks revision, corn supplies tightened.

Yesterday's Action
<b>Corn</b>
-.04
<b>Soybeans</b>
-.02
<b>Wheat</b>
-.04
<b>Cash Prices</b>
<b>Old Crop Corn</b>
4.99
<b>New Crop Corn (2021)</b>
4.14
<b>Old Crop Soybeans</b>
13.74
<b>New Crop Soybeans (2021)</b>
11.17
<b>Old Crop W Wheat</b>
6.43
<b>Old Crop R Wheat</b>
6.18

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**Trivia:** : On this day in 1942, Henry Ford patented a car (30% lighter than a regular car) made from this agricultural product...

### The Factors:

#### Bullish:

- Corn bulls are happy to see the USDA make a sizeable cut to the U.S. yield by -3.8 bpa dropping it from 175.8 down to 172.0. U.S. corn production is now estimated at 14.182 billion bushels, down -324 million. U.S. corn stocks are lowered -150 million bushels to 1.552 billion and a stocks-to-use ratio pushing down towards 10%. The funds are holding more length in the corn market now than when corn peaked at around \$8.50 per bushel back in the summer of 2012.
- Soybeans bulls are happy to see the USDA lower their U.S. yield estimate from 50.7 down to 50.2 bushels per acre. Total soybean production is estimated at 4.135 billion bushels, down -35 million. The soybean export forecast is raised +30 million to a record 2.23 billion bushels. U.S. ending stocks are projected at 140 million bushels, down -35 million from the previous forecast.
- Wheat bulls got a +25 million bushel boost to U.S. feed and residual demand and a small bump higher in wheat used for seed. U.S. ending stocks are reduced -26 million bushels to 836 million, down -19%.

#### Bearish:

- The corn demand was lowered by -250 million bushels. Bulls are scratching their head a bit as U.S exports are lowered by -100 million and Feed and Residual demand was lowered by -50 million bushels. Corn used for ethanol demand is lowered by -100 million bushels.
- Despite the talk of dry conditions, Russia's wheat production is raised by +1.3 million tons to a new record of 85.3 million. World ending stocks are lowered -3.3 million tons to 313.2 million but remain record high with China and India holding 51% and 10% of the total, respectively.



#### Trivia Answer: soybeans

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