



ADM Investor Services, Inc.

# ADM Investor Services Market View

November 13, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soy meal, soy oil, corn and wheat traded higher. US stocks were higher. US Dollar was lower. Crude was lower. Gold was lower. Meats were lower.

## SOYBEANS

Soybeans traded higher. After this week's USDA numbers and following sharp rally in prices funds reduced their net longs. Lack of new news about new China buying and increase US farmer selling weighed on prices. Record weekly US soybean exports last week and good weekly US export sales offered support. Fact USDA dropped US 2020 soybean crop and lowered US 2020/21 carryout will eventually push futures higher. Ongoing dry weather pattern across south Brazil and east Argentina is also supportive. Argentina soybean crop is 20 pct planted versus 24 average. Argentina estimates their soybean crop at 46.5 mmt versus USDA 51.0. Weekly US soybean export sales were near 1,468 mt. US soybean export commit is near 49.9 mmt versus 22.1 last year. China is 27.5 with 10.5 in unknown. USDA estimates US soybean exports near 59.8 versus 45.6 last year. Some feel US exports could be near 64.0 mmt. FACE (Informa) estimated US 2021 soybean acres at 89.1 million versus 83.1 this year. This is down 100,000 acres from their October guess. Their 2021 soybean crop is near 4,587 mil bu. USDA baseline guess was 4,465. If carryin is 140 and total demand is 4,500, carryout would be 242. Many still feel soybean futures need to trade over 12.00. SX21 gained today on need for US farmers to add 2021 acres.

United States Planted Acreage (1,000 Acres)							
Crop / Year	2015	2016	2017	2018	2019	2020	2021
Corn	88,019	94,004	90,167	88,871	89,745	90,978	91,742
Sorghum	8,459	6,690	5,629	5,690	5,265	5,790	6,450
Barley	3,583	3,059	2,486	2,548	2,772	2,621	2,743
Oats	3,088	2,829	2,589	2,746	2,830	2,984	2,731
All Wheat	54,999	50,116	46,052	47,815	45,485	44,349	46,001
Winter Wheat	39,681	36,149	32,726	32,542	31,474	30,415	31,501
Other Spring Wheat	13,367	11,555	11,019	13,200	12,670	12,250	12,670
Durum Wheat	1,951	2,412	2,307	2,073	1,341	1,684	1,830
Rye	1,584	1,891	1,961	2,011	1,855	1,955	1,955
Rice	2,625	3,150	2,463	2,946	2,540	3,037	3,030
Soybeans	82,660	83,453	90,162	89,167	76,100	83,105	89,065
Peanuts	1,625	1,671	1,872	1,426	1,433	1,665	1,635
Sunflowers	1,860	1,597	1,403	1,301	1,351	1,699	1,775
Canola	1,777	1,709	2,077	1,991	2,040	1,852	1,922
Flaxseed	463	374	303	208	374	355	355
All Cotton	8,581	10,074	12,718	14,100	13,736	12,116	13,018
Upland	8,422	9,879	12,465	13,850	13,507	11,915	12,809
American-Pima	159	195	253	250	229	201	209
Hay	54,529	53,185	52,777	52,839	52,425	52,381	52,381
Dry Edible Beans	1,767	1,664	2,097	2,095	1,287	1,743	1,806
Tobacco	329	320	321	291	227	195	195
Sugarbeets	1,160	1,163	1,131	1,113	1,132	1,165	1,165
<b>Gross Summation</b>	<b>317,107</b>	<b>316,948</b>	<b>316,208</b>	<b>317,158</b>	<b>300,597</b>	<b>307,990</b>	<b>317,970</b>
<b>Double-Counted Acres</b>							
Double-Cropped Soybeans	5,068	4,082	3,774	3,786	3,341	3,825	4,517
Spring Reseeding 1/	550	-	300	300	-	-	-
<b>Crop Total</b>	<b>311,489</b>	<b>312,866</b>	<b>312,134</b>	<b>313,072</b>	<b>297,256</b>	<b>304,165</b>	<b>313,453</b>
<b>Government Acres</b>							
CRP	24,161	23,807	23,414	22,605	22,321	21,920	20,157
Prevented Planting (excluding WW)	6,085	1,622	2,162	1,616	17,479	9,444	2,934
<b>Grand Total</b>	<b>341,735</b>	<b>338,295</b>	<b>337,710</b>	<b>337,293</b>	<b>337,055</b>	<b>335,530</b>	<b>336,544</b>
<b>Grand Total (without Hay)</b>	<b>287,206</b>	<b>285,110</b>	<b>284,933</b>	<b>284,454</b>	<b>284,630</b>	<b>283,149</b>	<b>284,163</b>

Bold numbers are the IHS Markit projections.

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## CORN

Corn futures traded slightly higher. Fact USDA dropped US 2020 corn crop and 2020/21 US corn carryout more than expected helped CZ test 4.28. Increase US farmer selling helped trigger some technical long liquidation. Today was the first day in which CZ21 and SX21 showed signs of fighting for increase US 2021 acres. Food and Ag Commodity Economics (Informa) estimated US 2021 corn acres at 91.7 million versus 91.0 this year. This is down 230,000 acres from their October guess. Their 2021 corn Yield is near 181.0 versus this year's 175.8. This would produce a crop near 15,270 mil bu. USDA baseline guess was 14,890. If carryin is 1,625 and total demand is 15,150, carryout would be still historically low at 1,770. This suggest South America, Ukraine and US will have to have good 2021 crops/weather or corn futures will trade higher. Weekly US corn exports sales were near 978 mt. US corn export commit is near 34.1 mmt versus 12.4 last year. Mexico was the best buyer. China is 10.7 with 5.4 in unknown. USDA estimates US corn exports near 67.3 versus 45.1 last year. There is talk that China corn users are asking for US 2021 corn prices. Most feel China will import 22-25 mmt of corn versus USDA guess of 13. There was talk that France may have bot a cargo of US lakes corn. This despite paying the 25 pct import tax. Some feel France may be testing the government and if they will impose the tax.

**Acreeage and Production: Selected Crops, US (Domestic & Metric Units)**

	Planted Area			Harvested Area		Yield		Production	
	2020	2021	21/20%	2020	2021	2020	2021	2020	2021
<b>Domestic Units 1/</b>									
Corn	90,978	<b>91,742</b>	<b>100.8</b>	82,527	<b>84,355</b>	175.8	<b>181.0</b>	14,507	<b>15,270</b>
Grain Sorghum	5,790	<b>6,450</b>	<b>111.4</b>	5,000	<b>5,840</b>	74.2	<b>76.0</b>	371	<b>444</b>
Oats	2,984	<b>2,731</b>	<b>91.5</b>	1,004	<b>882</b>	65.1	<b>66.8</b>	65	<b>59</b>
Barley	2,621	<b>2,743</b>	<b>104.7</b>	2,133	<b>2,251</b>	77.5	<b>78.5</b>	165	<b>177</b>
Soybeans	83,105	<b>89,065</b>	<b>107.2</b>	82,289	<b>88,211</b>	50.7	<b>52.0</b>	4,170	<b>4,587</b>
Cotton, Upland	11,915	<b>12,809</b>	<b>107.5</b>	8,812	<b>11,180</b>	901	<b>853</b>	16,535	<b>19,860</b>
Cotton, Am-Pima	201	<b>209</b>	<b>104.2</b>	193	<b>206</b>	1,383	<b>1,421</b>	557	<b>610</b>
All Cotton	12,116	<b>13,018</b>	<b>107.4</b>	9,005	<b>11,386</b>	911	<b>863</b>	17,092	<b>20,470</b>
Sunflowers	1,699	<b>1,775</b>	<b>104.5</b>	1,623	<b>1,697</b>	1,742	<b>1,685</b>	2,827	<b>2,859</b>
Rice	3,037	<b>3,030</b>	<b>99.8</b>	2,991	<b>2,986</b>	7,560	<b>7,639</b>	226.1	<b>228.1</b>
Winter Wheat	30,415	<b>31,501</b>	<b>103.6</b>	23,024	<b>24,969</b>	50.9	<b>50.0</b>	1,171	<b>1,249</b>
Durum	1,684	<b>1,830</b>	<b>108.7</b>	1,662	<b>1,785</b>	41.4	<b>43.4</b>	69	<b>77</b>
Other Spring	12,250	<b>12,670</b>	<b>103.4</b>	12,060	<b>12,410</b>	48.6	<b>49.0</b>	586	<b>608</b>
All Wheat	44,349	<b>46,001</b>	<b>103.7</b>	36,746	<b>39,164</b>	49.7	<b>49.4</b>	1,826	<b>1,934</b>
<b>Metric Units 2/</b>									
Corn	36,818	<b>37,127</b>	<b>100.8</b>	33,398	<b>34,138</b>	11.03	<b>11.36</b>	368.5	<b>387.9</b>
Grain Sorghum	2,343	<b>2,610</b>	<b>111.4</b>	2,023	<b>2,363</b>	4.65	<b>4.77</b>	9.4	<b>11.3</b>
Oats	1,208	<b>1,105</b>	<b>91.5</b>	406	<b>357</b>	2.33	<b>2.40</b>	0.9	<b>0.9</b>
Barley	1,061	<b>1,110</b>	<b>104.7</b>	863	<b>911</b>	4.17	<b>4.22</b>	3.6	<b>3.8</b>
Total FG Prod								382.5	<b>403.9</b>
Soybeans	33,632	<b>36,044</b>	<b>107.2</b>	33,302	<b>35,699</b>	3.41	<b>3.50</b>	113.5	<b>124.9</b>
All Cotton	4,903	<b>5,268</b>	<b>107.4</b>	3,644	<b>4,608</b>	1.02	<b>0.97</b>	3.7	<b>4.5</b>
Sunflowers	687	<b>718</b>	<b>104.5</b>	657	<b>687</b>	1.95	<b>1.89</b>	1.28	<b>1.30</b>
Rice	1,229	<b>1,226</b>	<b>99.8</b>	1,210	<b>1,208</b>	4.84	<b>5.99</b>	5.9	<b>7.2</b>
Winter Wheat	12,309	<b>12,748</b>	<b>103.6</b>	9,318	<b>10,105</b>	3.42	<b>3.36</b>	31.9	<b>34.0</b>
Durum	682	<b>741</b>	<b>108.7</b>	673	<b>722</b>	2.78	<b>2.92</b>	1.9	<b>2.1</b>
Other Spring	4,958	<b>5,127</b>	<b>103.4</b>	4,881	<b>5,022</b>	3.27	<b>3.30</b>	15.9	<b>16.6</b>
All Wheat	17,948	<b>18,616</b>	<b>103.7</b>	14,871	<b>15,849</b>	3.34	<b>3.32</b>	49.7	<b>52.6</b>

Bold numbers are the IHS Markit projections.

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1/ All area in thousand acres; yield in bushels/acre; production in million bushels;

except cotton yield in pounds/acre and production in thousand 480-pound bales;

sunflower yield in pounds/acre, production in million pounds; rice yield in pounds/acre, production in million cwt.

2/ All area in thousand hectares, yield in tonnes/hectare, production in million tonnes.

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### WHEAT

Wheat futures managed to trade higher. Fact USDA continued to estimate World wheat end stocks record high weighed on futures. World wheat prices followed lower US futures. Still, dry weather across US south plains. Argentina and Black Sea limits the down side in futures. USDA failed to Lower Russia 2021 wheat crop enough to trigger new buying. Fact they are showing big gain in Europe 2021 crop masks the fact that their old crop supplies will be tight especially if they have to increase wheat feeding. USDA failed to increase World wheat feeding in their November guess. Weekly US wheat export sales were near 300 mt. US wheat export commit is near 17.0 mmt versus 15.1 last year. USDA estimates US wheat exports near 26.5 versus 26.2 last year. This week spread between US HRW export prices and French and Russia prices narrowed. US is now just \$2 below French and \$5 below Russia. Russia domestic prices are still at all-time highs. This week's Russia export quota was higher than expected and weighed on prices. FACE (Informa) estimated US 2021 wheat acres at 46.0 million versus 44.3 this year. This would produce a crop near 1,934mil bu versus 1,826 in 2020. 2021 US winter wheat acres were estimated near 31.5 versus 30.4 ly. HRW 21.9 vs 21.3. SRW 6.1 vs 5.5 ly.

#### WHEAT: Class, Acreage and Production

	Winter Wheat				Spring Wheat			All Wheat
	Hard Red	Soft Red	White	Total	Hard Red	Durum	White	
<b>2019 - Acres Planted</b>	22,751	5,213	3,510	31,474	12,014	1,341	656	45,485
Acres Harvested	17,538	3,743	3,311	24,592	10,985	1,177	640	37,394
% Harvested	77.1	71.8	94.3	78.1	91.4	87.8	97.6	82.2
Harvested Yield	48.2	64.1	70.1	53.6	47.3	45.8	64.3	51.7
Production	845	240	232	1,317	520	54	41	1,932
<b>2020 - Acres Planted</b>	21,362	5,564	3,489	30,415	11,481	1,684	769	44,349
Acres Harvested	15,605	4,113	3,306	23,024	11,305	1,662	755	36,746
% Harvested	73.1	73.9	94.8	75.7	98.5	98.7	98.2	82.9
Harvested Yield	42.2	64.7	74.5	50.9	46.9	41.4	74.0	49.7
Production	659	266	246	1,171	530	69	56	1,826
<b>2021 - Acres Planted</b>	21,925	6,091	3,485	31,501	11,969	1,830	702	46,001
Acres Harvested	16,827	4,840	3,302	24,969	11,721	1,785	689	39,164
% Harvested	76.7	79.5	94.8	79.3	97.9	97.5	98.2	85.1
Harvested Yield	41.0	67.2	70.8	50.0	47.9	43.4	68.2	49.4
Production	690	325	234	1,249	561	77	47	1,934

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