



ADM Investor Services, Inc.

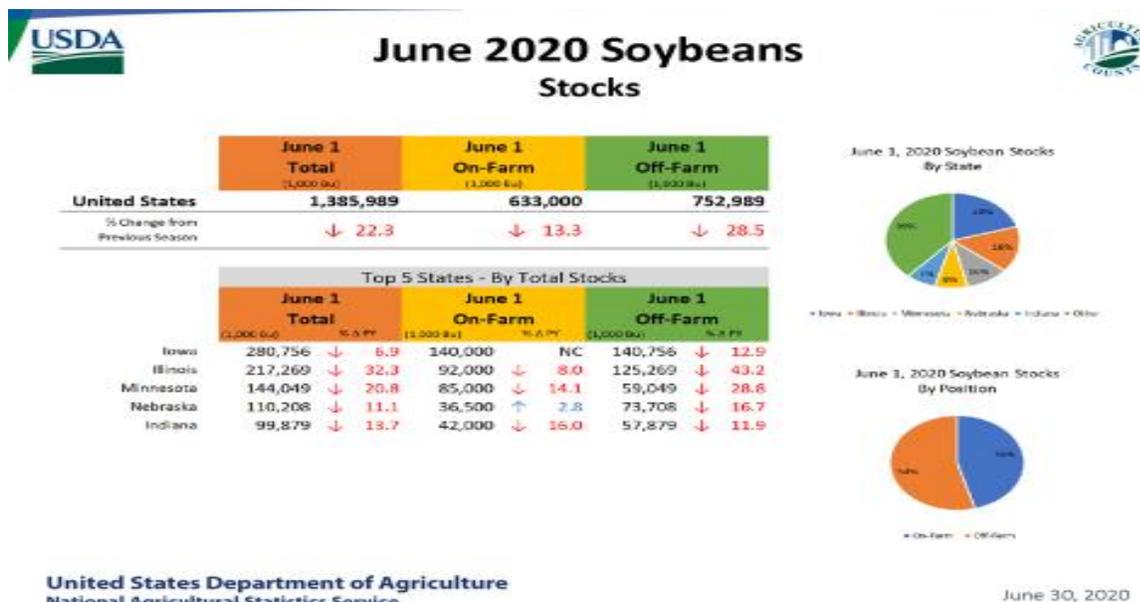
ADM Investor Services Market View

June 30, 2020 by Steve Freed

Soybeans, soymeal, soyoil, corn and wheat all traded higher after USDA estimated US 2020 corn, soybean and cotton acres lower than traded expected. US stocks were mixed. US Dollar was lower. Crude was lower. Gold was higher. US and China relations took a step back after China issued new security laws for Hong Kong.

SOYBEANS

Soybeans futures jumped higher after USDA estimated US 2020 soybean acres lower than expected and about unchanged from their March guess. USDA admitted not all US acres were planted at the time of the survey. Trade was looking for US farmers to add 1.0 million acres from March due to the favorable soybean prices versus corn. Managed funds were net buyers of 25,000 soybean, 6,000 soyoi and 10,000 soymeal. USDA estimated of US June 1 soybean stocks near 1,386 mil bu versus 1,392 expected and 1,783 last year. This is less soybean to originate if China buys. USDA estimated US 2020 soybean acres near 83.8 mil acres versus 84.7 expected and USDA March guess of 83.5 and 76.1 last year. Key now is yield. USDA is using a yield of 49.8 versus 47.4 last year. Some feel fact 83 pct of US 2020 soybean crop has a rating that suggest a trend yield or higher suggest current crop yield could be closer to 51.0. US farmers should increase 2020 cash sales near 8.90 SX.



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CORN

Corn futures jumped higher after USDA estimated US 2020 corn acres lower than expected. Funds were active buyers of corn. On Monday they bought 30,000 contracts and open interest dropped 51,000. Managed funds have been buyers of 30,000 corn today. June 1 US corn stocks were near 5,223 mil bu versus 4,951 expected and 5,202 last year. This would suggest a lower 125-150 mil bu residual and US farmer may have more corn to sell than expected. USDA estimated US 2020 corn acres near 92.0 million versus 95.2 expected and USDA March guess of 97.0 and 89.3 last year. USDA indicated there was 2.2 million corn acres not yet planted at the time of the survey. Most feel it may be too late for these acres to get planted. Key now is yield. USDA is using a yield of 178.5 versus 167.4 last year. Some feel fact 83 pct of US 2020 corn crop has a rating that suggest a trend yield or higher suggest current crop yield could be closer to 180.0. US farmers should increase 2020 cash sales near 3.70 CZ. US Midwest 6-10 day and 8-14 day weather forecast calls for warm and dry weather across the heart of the US Midwest. The hottest and driest period will be the July 4 weekend. The extended weather models suggest the ridge moves back west and suggest rains return to the Midwest July 9. US Midwest 2 week forecast on Monday could be key to corn prices.



June 2020 Corn Planted and Harvested Acreage



	Planted (1,000 Acres)	Harvested (1,000 Acres)
United States	92,006	84,023
% Change from Previous Estimate	↓ 5.1	N/A
% Change from Previous Season	↑ 2.6	↑ 3.3

	Top 5 States			
	Planted (1,000 Acres)	% Δ PY	Harvested (1,000 Acres)	% Δ PY
Iowa	14,000	↑ 3.7	13,550	↑ 3.8
Illinois	10,900	↑ 3.8	10,700	↑ 4.9
Nebraska	9,800	↓ 3.0	9,450	↓ 3.7
Minnesota	8,100	↑ 3.8	7,650	↑ 5.5
Kansas	6,100	↓ 4.7	5,750	↓ 4.5

Of the total acres planted and to be planted, 2.24 million acres were reported as remaining to be planted when the survey was conducted.



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Market View

WHEAT

Wheat futures ended higher. Sharp rallies in soybeans and corn may have helped wheat futures. USDA June 1 US wheat stocks were a little higher than expected and acres were in line with trade guesses. USDA estimated that 41 pct of the winter wheat crop is harvested. US HRW farmer has been a steady seller of wheat. Crop is still rated 52 pct good/ex. USDA did lower US 2020 spring wheat crop from 75 pct good/ex to 69 pct. US June 1 wheat stocks near 1,044 mil bu versus 980 expected and 1,080 last year. This would suggest a 4Q wheat crop year feed and residual less than expected. USDA estimated US 2020 wheat acres near 44.3 million versus 44.7 expected and USDA March guess of 44.7 and 45.2 last year. USDA is using a 2020 wheat yield near 49.8 versus 51.7 last year. High World wheat stocks and slow start to World trade could limit the upside in prices. Russia estimated their 2020 grain crop could exceed 125 mmt and that there may be no need for export quotas. There were no July HRW deliveries but there was 151 Chicago and 487 MLS.



June 2020 Principal Crops Planted Acres (000) Change from Previous Year



Harvested acre change for hay, sugarcane, and tobacco.

United States Department of Agriculture
National Agricultural Statistics Service

June 30, 2020

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