

Daily Livestock Report

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Market Comments

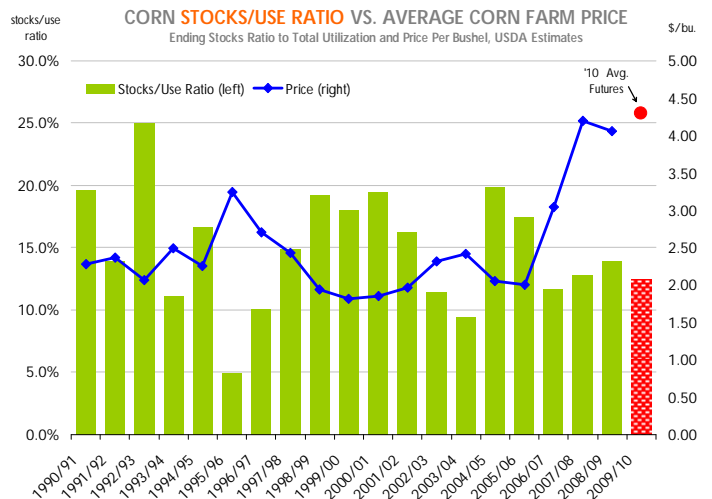
There is plenty of anticipation for the upcoming USDA 'World Supply and Demand Estimates' report, which will be released on Tuesday, January 12. **Normally the January report provides the final estimates on corn and soybean yields for the fall harvest** but there was nothing normal about 2009, first with delayed plantings and then a prolonged harvest. Some states were not able to completely harvest their corn, which now sits under a couple of feet of snow. That corn will not be harvested until spring, complicating estimates of field losses and final yields. The last USDA corn crop progress report was published on December 21 and it showed that only 4 of the 18 surveyed states reported 100% completion of their corn harvest. In 2008, almost all states had completed their corn harvest by the third week of December. Using the state planted acreage data from the USDA June 'Acreage' report, we calculate that as of December 20, about 4.3 million acres planted with corn had yet to be harvested. It is not an insignificant number of acres given that USDA currently estimates total corn planted acres in 2009 at 86.4 million. A good portion of these acres will be harvested in the spring but no one really knows what the actual yields will be on that last five percent of the 2009 corn harvest.

The attached table provides a summary of the latest analyst estimates of the 2009 US corn and soybean crops. On average, analysts expect corn yields to be around 162.5 bushels per acre, the second best crop yields on record. It is truly amazing that with all the challenges to this year's crop, US farmers were still able to get such high yields. Improvements in genetics and growing practices continue to boost corn output and will likely be even more important in volatile market and weather conditions. The average of estimates of corn production is currently 100 million bushels lower than the December USDA number, reflecting the lower yields and likely a reduction in overall harvested acres. Corn ending stocks are estimated to be 1.613 billion bushels, 62 million bushels lower than the December USDA projection. Corn use likely will be increased in the January report, mostly because of improved corn demand from both the ethanol and livestock industry. Looking at ending stocks alone does not tell the entire story since ever higher pipeline stocks are needed with higher corn use. The stocks to use ratio is expected to decline to 12.5% compared to 13.9% the previous year.

Summary of Dow Jones Analyst Survey of January WASDE Estimates

Source: Dow Jones Newswires

Marketing year		Avg of Estimates	Range of Estimates	USDA December	USDA Year Ago
		2009/10	2009/10	2009/10	2008/09
Corn	Yield, bu./acre	162.5	160.0 - 164.5	162.9	153.9
	Production, bil. bu.	12.819	12.500 - 12.996	12.921	12.101
	Ending Stocks, bil. Bu.	1.613	1.424 - 1.731	1.675	1.674
Soybeans	Yield, bu./acre	43.4	40.0 - 44.7	43.3	39.7
	Production, bil. bu.	3.337	3.219 - 3.420	3.319	2.967
	Ending Stocks, bil. Bu.	0.237	0.170 - 0.329	0.255	0.138



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