

USDA's National Agricultural Statistics Service (NASS) will be releasing the much anticipated Prospective Plantings report this Friday and also their survey on quarterly Grain Stocks. Prior to those reports, on Thursday, NASS will release the Quarterly Hogs and Pigs report.

As is apparent in the summary table below, analysts have a notable range of expectations regarding the NASS Prospective Plantings report. All analysts are expecting fewer acres of corn than last year, as did USDA at their annual Agricultural Outlook Forum back in February. On average, analysts are expecting that corn farmers reported to NASS intentions to plant just under 91 million acres this year, down nearly 3 million acres from 2016's. For soybeans, the expectation is for plantings to increase 4.5 to 5.0 million acres year-over-year. U.S. sorghum acreage may decline slightly compared to 2016's, but analysts have a relatively wide range on that number.

Turning to tomorrow's Quarterly Hogs and Pigs report, analysts expect that the survey of producers by NASS will show continued herd expansion. Our assessment of the of the pre-report estimates is that the ranges are wider than typical. In terms of averages, the March 1st breeding herd is anticipated to be up 1.5% to 2.0% year-over-year. Fully a 4% increase compared to 2016's is expected in animals kept for marketing. The range on the kept for marketing category is from up a modest 2.7% to a very substantial 5.1% jump.

All eyes will be on the kept for marketing number and its percentage change as of March 1st reported by producers to NASS. Underlying that number is the pigs per litter during December through February. The wide range in market hog pre-report estimates is mostly due to assumptions about pigs per litter. That range is from up only 0.1% year-over-year to increasing 3.0%. The average of the estimates is up 1.8%.

The graphic shows the trend in pigs per litter through the last

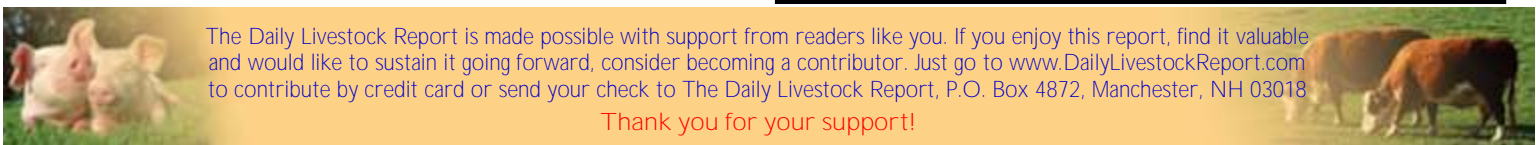
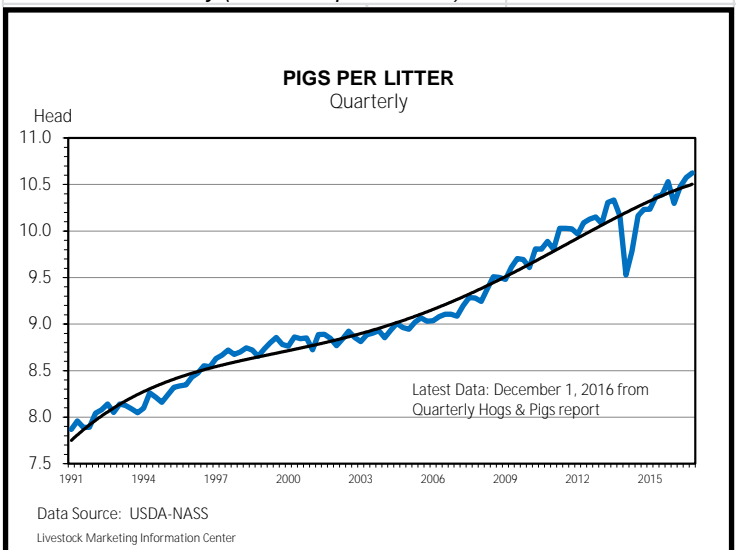
NASS report. The bounce-back is apparent from the devastation caused by PED virus a few years ago. For those interested, the NASS data are the blue line and the trend line (black) is a fourth order polynomial.

| Quarterly Hogs & Pigs, Pre Report Estimates | | |
|---|---------------|--------------------|
| | % of Year Ago | |
| | Average | Range of Estimates |
| All hogs and pigs March 1 | 103.9 | 102.6 - 105.0 |
| Kept for breeding | 101.7 | 101.0 - 102.3 |
| Kept for marketing | 104.1 | 102.7 - 105.1 |
| | | |
| Dec - Feb pig crop | 103.4 | 101.9 - 105.0 |
| Dec - Feb pigs per litter | 101.8 | 100.6 - 103.0 |
| Dec - Feb farrowings | 101.6 | 101.3 - 103.0 |
| Mar - May farrowing intentions | 101.4 | 100.7 - 103.0 |
| Jun - Aug farrowing intentions | 101.6 | 100.7 - 103.0 |
| | | |
| Hogs weighing under 50 lbs | 103.4 | 101.7 - 105.0 |
| Hogs weighing 50-119 lbs | 104.1 | 102.0 - 106.1 |
| Hogs weighing 120-179 lbs | 104.6 | 103.4 - 106.0 |
| Hogs weighing 180-over | 105.0 | 103.7 - 107.5 |

Source: Urner Barry (used with permission)

| U.S. 2017 Prospective Plantings, Pre-Report Trade Estimates | | | |
|---|--------------------------|----------|---------|
| | Corn | Soybeans | Sorghum |
| | <i>millions of acres</i> | | |
| Average trade estimate | 90.97 | 88.21 | 6.41 |
| Highest trade estimate | 92.50 | 89.30 | 7.10 |
| Lowest trade estimate | 90.00 | 86.40 | 5.80 |
| USDA outlook forum estimate | 90.00 | 88.00 | na |
| USDA 2016 planted acreage | 94.00 | 83.43 | 6.69 |

Source: Reuters & USDA-NASS



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