

Daily Livestock Report

U.S. Corn Supply and Use

	2006/07	2007/08	2008/09		2009/10	
		Estimate	Mar. Est.	vs. 2007/08	USDA Ag. Forum + Mar. 31 Plantings	vs. 2008/09
Planted	78.3	93.5	86.0	-8.0%	85.0	-1.2%
Harvested	70.6	86.5	78.6	-9.1%	77.9	-0.9%
Yield per harvested acre	149.1	150.7	153.9	2.1%	156.9	1.9%
Beginning stocks	1,967	1,304	1,624	24.5%	1,740	7.1%
Production	10,531	13,038	12,101	-7.2%	12,218	1.0%
Imports	12	20	15	-25.0%	15	0.0%
Supply, total	12,510	14,362	13,740	-4.3%	13,973	1.7%
Feed and residual	5,591	5,938	5,300	-10.7%	5,200	-1.9%
Ethanol for fuel	2,119	3,026	3,700	22.3%	4,100	10.8%
Food, seed and residual	1,371	1,337	1,300	-2.8%	1,300	0.0%
Domestic use, total	9,081	10,301	10,300	0.0%	10,600	2.9%
Exports	2,125	2,436	1,700	-30.2%	1,850	8.8%
Use, total	11,207	12,737	12,000	-5.8%	12,450	3.8%
Ending stocks	1,304	1,624	1,740	7.1%	1,523	-12.5%
CCC inventory	0	0	0			
Free stocks	1,304	1,624	1,740			
Outstanding Loans	116	106	200			
Avg. farm price (\$/bu)	3.04	4.20	3.90 - 4.30	-2.4%		
Ending Stocks/Use	11.6%	12.8%	14.5%		12.2%	

Source: USDA

** Corn crop marketing year starts September 1.

Please feel free to forward the Daily Livestock Report to others who you think will benefit from having this information. The DLR is published daily by **Steve Meyer and Steiner Consulting Group**, and distributed courtesy of Chicago Mercantile Exchange, Inc. You can **subscribe for free** by going to www.dailylivestockreport.com/subscribe.asp. To submit a comment or suggestion, please send an e-mail to: feedback@dailylivestockreport.com. To unsubscribe from the DLR newsletter, go to www.dailylivestockreport.com/unsubscribe.asp.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

The Globe Logo and CME are trademarks of Chicago Mercantile Exchange Inc. Copyright © 2007 CME. All rights reserved.

E-Livestock Volume	31-Mar	30-Mar	24-Mar
LE (E-Live Cattle):	15,109	15,166	15,933
GF (E-Feeder Cattle):	1,553	1,188	1,142
HE (E-Lean Hogs):	19,472	8,028	8,000

Market Comments

Everybody seemed to find something to like in the annual USDA "Prospective Plantings" report. **Soybean markets rallied following the release, with some contracts hitting daily permissible limits.** Prior to the report, there was plenty of talk about farmers shifting acres to soybeans and the average pre-report estimate was for 79.2 million soybean acres. But, the USDA report put soybeans planting intentions at just 76 million acres, only 300,000 acres more than a year ago and 3.2 million acres less than pre-report estimates. The smaller than expected soybeans acres as well as smaller production figures reported by Argentine authorities have dramatically changed the market's view of soybean supplies going forward and accounted for the sharp rise in futures on Tuesday.

Corn futures were also higher on Tuesday, in part because of the rally in soybean prices but also, we suspect, because the prospective plantings numbers did not provide a bearish surprise. Pre-report estimates on average had corn acres at 84.5 million acres while the USDA report put them at 85.0 million, higher than the average of estimates but still about a million acres lower than a year ago. The attached supply and demand table presents the latest USDA numbers from the March 2009 WASDE report as well as the preliminary projections for 2009/10 that USDA presented in the February Ag. Forum. We only revised the plantings number to reflect the data from the recent survey. Based on estimates of domestic use and exports for the new marketing year, corn ending stocks appear to be adequate. However, much can change between now and harvest time. First, the acreage number is not very firm. The surveys were completed in February and plenty can change between the time farmers communicate with USDA as to what they plan to do and what they actually put in the ground. Feed use is expected to decline another 1.9%, reflecting the smaller hog and cattle numbers as well as sharp cutbacks in broiler production. The big question mark is the outlook for ethanol. USDA estimated corn use for ethanol production in 2009/10 at 4.1 billion bushels, 10.8% higher than current levels. Much will depend on what happens with crude oil prices but also with current efforts to increase the amount of ethanol that can be blended into gasoline.

Total acres of corn, soybeans, and wheat were estimated at 219.6 million acres, 5.2 million acres lower than a year ago. For the 12 main grain, oilseed, cotton and hay crops, total acres are down 7.9 million acres (see table on page 2).

Summary of Grain, Oilseed, Hay and Cotton Crop

USDA Prospective Plantings Report, March 31, 2009

Crop	2008	2009	change
	--- million acres ---		
Corn	85.982	84.986	-1.00
Soybean	75.718	76.024	0.31
Hay	60.062	60.297	0.23
Wheat	63.147	58.638	-4.51
Cotton	9.470	8.812	-0.66
Sorghum	8.284	6.960	-1.32
Barley	4.234	3.953	-0.28
Oats	3.217	3.400	0.18
Rice	2.995	3.183	0.19
Sunflower	2.517	2.070	-0.45
Peanuts	1.534	1.124	-0.41
Canola	1.011	0.857	-0.15
Total	318.171	310.304	-7.87
