

Participants in the livestock sectors will be paying attention to this Thursday's Crop Production report from USDA's National Agricultural Statistics Service (NASS). For this crop-year, the report will be the first that incorporates both an extensive survey for farmers and objective field measurements across major producing states. NASS conducts a statistically designed and representative producer survey of producers as of August 1st. Field measurements are called "objective" data, which are from statistically selected farm fields, and entail counting plant populations, etc. The World Agricultural Outlook Board will be incorporating the latest NASS results into their supply and use report (WASDE).

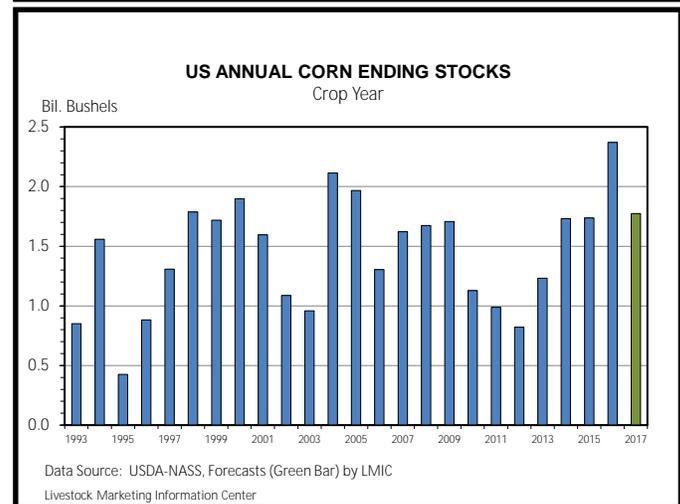
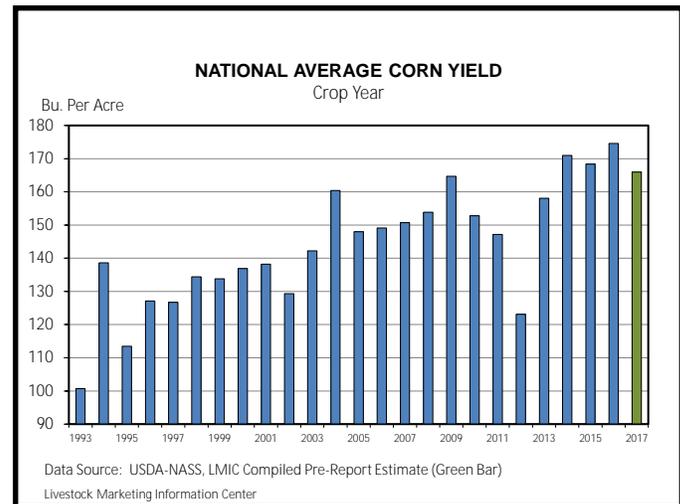
In the prior WASDE report (July's), corn planted and harvested area was as reported in the June 30, 2017, Acreage report by NASS. That month's yield projection was based on a weather-adjusted trend assuming normal mid-May planting progress and summer growing season weather, estimated using the 1988-2016 time frame, and includes a downward stochastic adjustment to account for the asymmetric response of yield to July precipitation. Soybean estimates are done in the same fashion.

So what are analysts expecting on Thursday? We did a cursory compilation of what some leading crop market industry analysts and university-based Extension Economics Specialists expect (note there are more comprehensive industry-based summaries by some wire services and industry newsletters). Of course, there is a range of expectations. Mostly based on some regions that have faced adverse weather so far this summer growing season, there is a consensus that U.S. corn yields will be below the weather adjusted long-term trend analysis as described in the prior paragraph. As shown in the table, a national U.S. corn yield 4 to 5 bushels per acre below what WASDE used in July is likely (see graphic for a historical view). For soybean, expect a yield slightly below the WASDE July figure. Regarding acreage to be harvested, analyst expectations are similar to the July WASDE numbers.

If the pre-report production levels are realized, there will be a significant impact on the U.S. corn supply and use estimates in the WASDE report. The bottom line will be a reduction in the 2017/18 crop-year ending carryover compared to what was reported earlier. The July estimated corn carryover as of September 1, 2018 was 2.325 billion bushels. Look for something closer to 1.8 billion (see graphic, 2017 is ending stock for 2017/18). USDA will be providing lots of timely and useful data and information regarding both the U.S. and the world agricultural and food system later this week.

Pre-Report Estimate – U.S. Production and Yield USDA-NASS August Crop Production Report			
		Production	Yield Per Acre
		Bil. Bu	(Bu)
Corn			
	Sample of Trade Est. August	13.820	166.0
	USDA-WASDE Est. July	14.255	170.7
Soybeans			
	Sample of Trade Est. August	4.204	47.4
	USDA-WASDE Est. July	4.260	48.0

Note: USDA-WASDE Based on USDA-NASS June Report



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