



The 2020 U.S. Corn & Soybean Supply Shock

And how that will influence the plans in 2021

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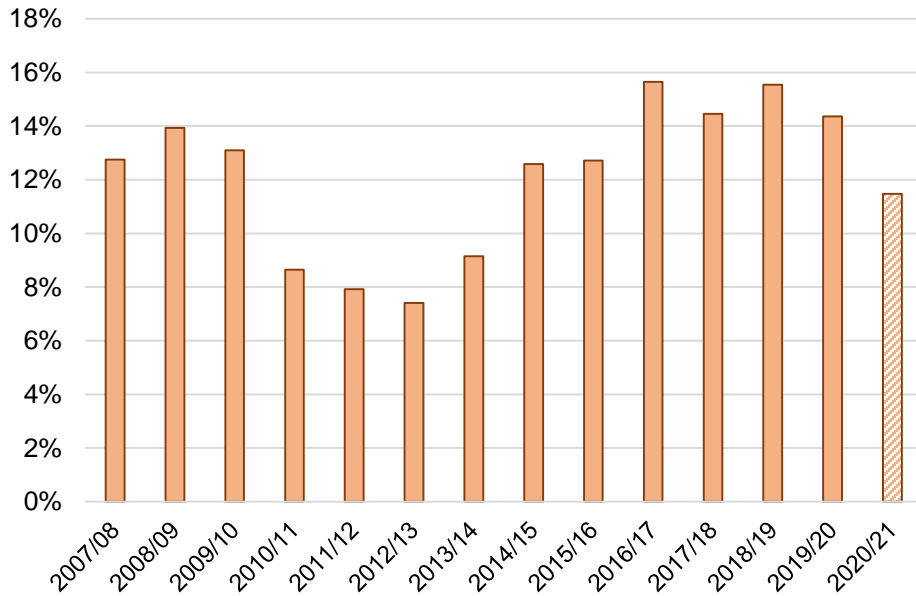
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Topics of conversation

- How 2019 and 2020 U.S. crop shortfalls led the supply shrinkage
- Supply versus demand
- USA plans for 2021 growing season
- U.S./Global wheat crop
- December-February weather outlook

U.S. corn and soybean stocks-to-use in 2020/21 (unexpectedly) set for multi-year lows

Corn



Soybeans

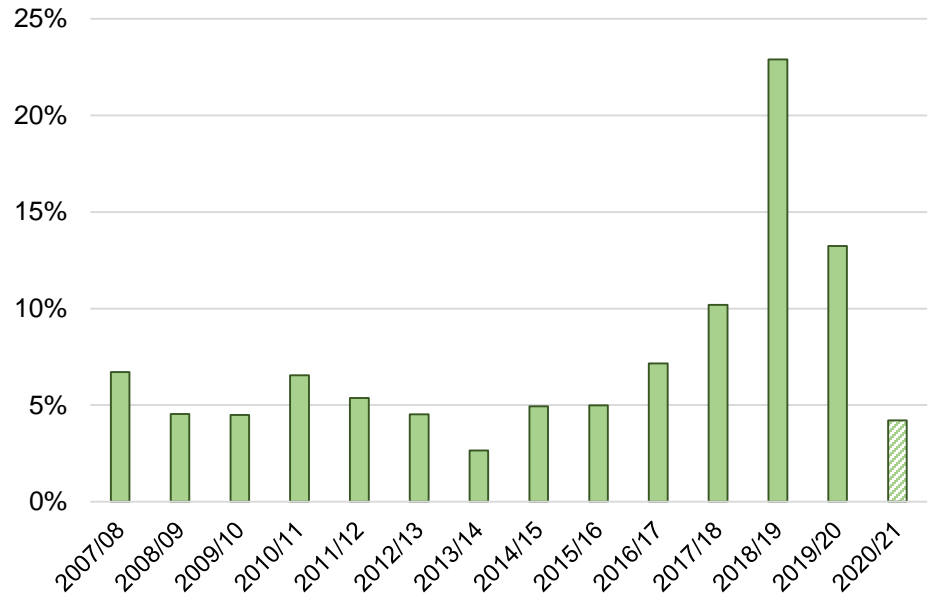
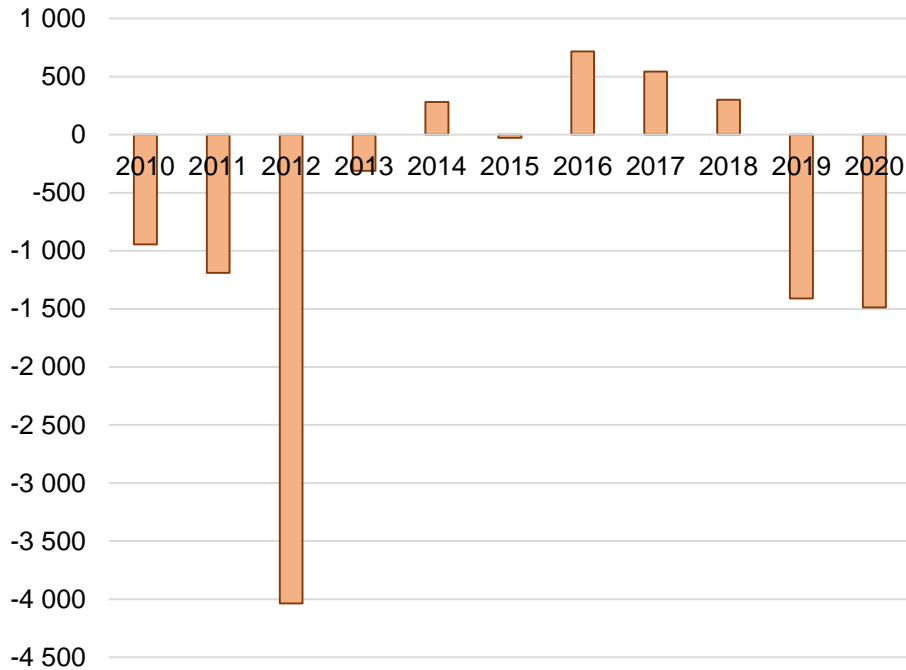


Chart data source: USDA

Supply-driven or demand-driven?

Change in U.S. corn/soy production from May to Final (million bushels)

Corn



Soybeans

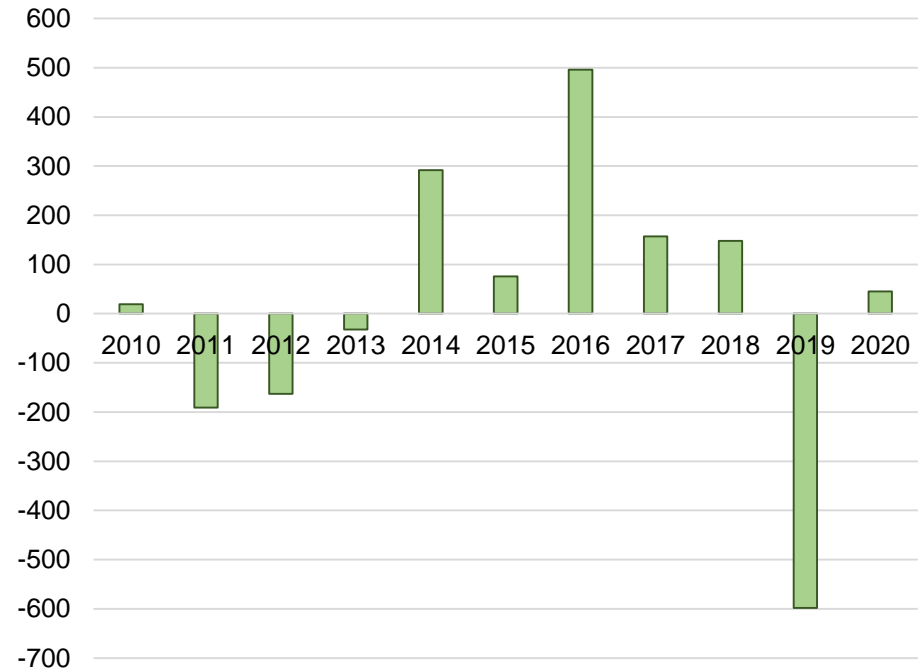


Chart data source: USDA

Note: The November 2020 estimate is used for 2020 "Final"

U.S. demand increased even on smaller supplies

2020/21 balance sheet changes, May to November (million bushels)

	Corn	Soy
Beginning Stocks	-103	-57
Production	-1,488	+45
Total Use	+25	+204
Ending Stocks	-1,616 (-49%)	-215 (-53%)
<i>Harvested Area</i>	-8%	-0.6%
<i>Yield (Aug-Nov)</i>	-3%	-5%

Table data source: USDA

China has driven strength in export demand

Combined U.S. corn/soybean export sales (1,000 tonnes)

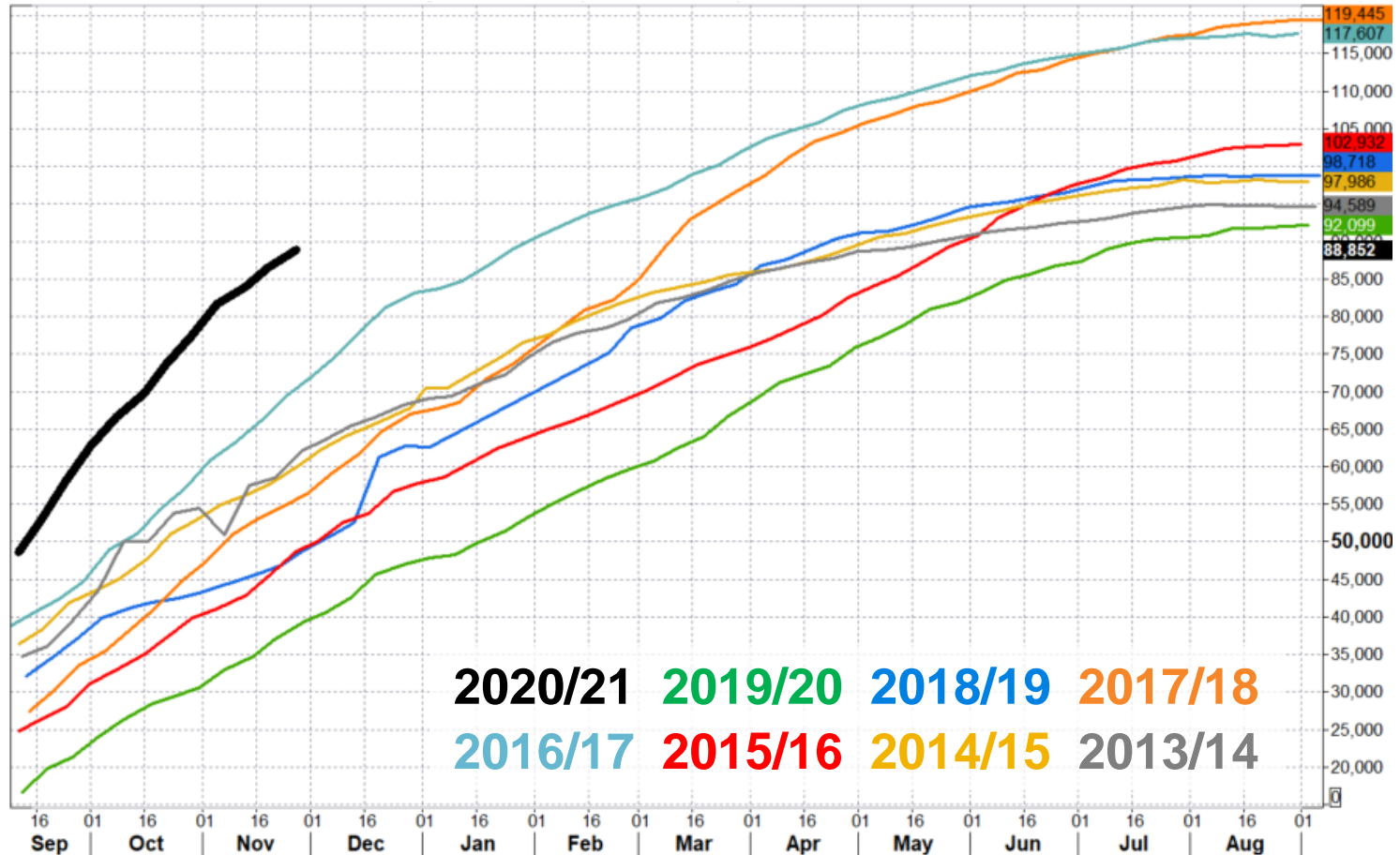


Chart data source: USDA; Refinitiv Eikon

Supply problems can be fixed in next planting cycle

Total U.S. prevented planting (million acres)

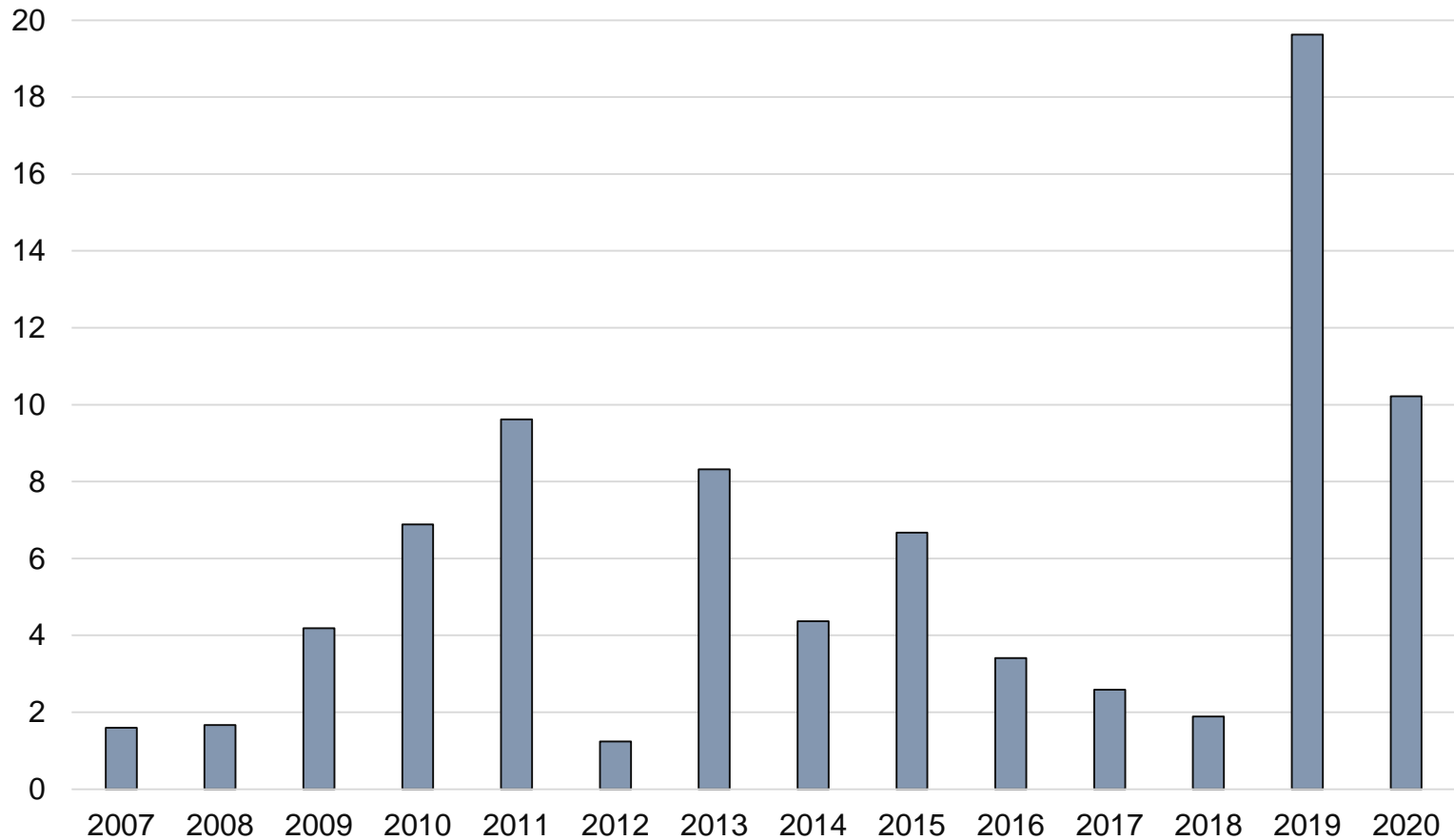


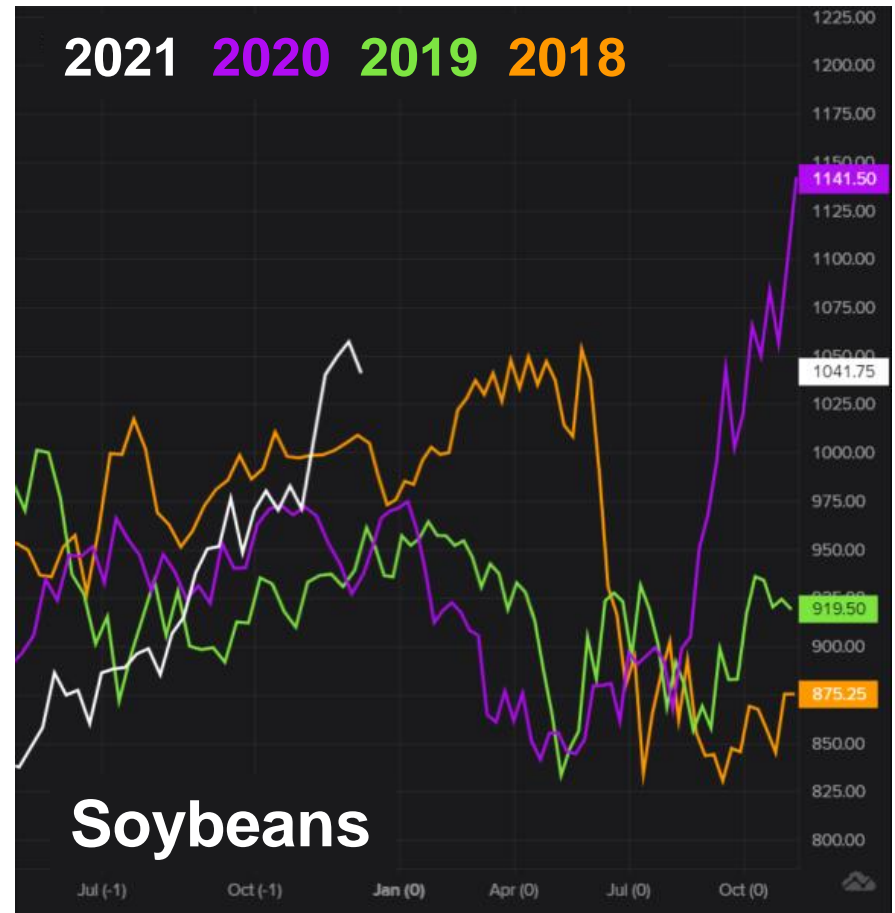
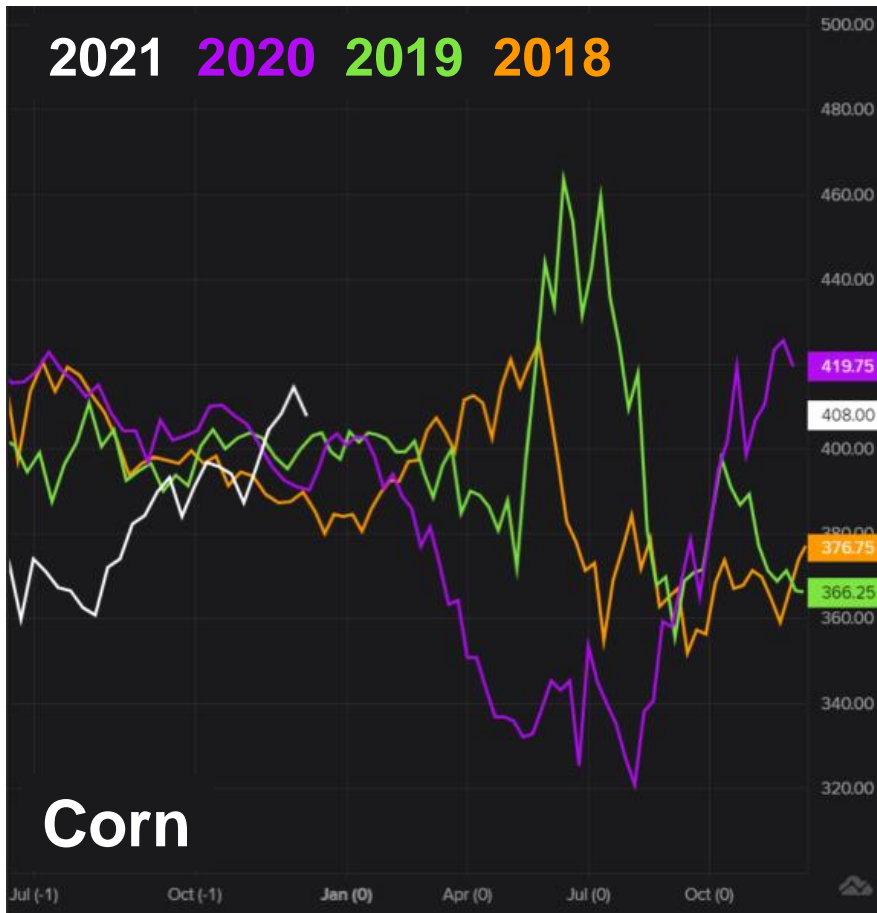
Chart data source: USDA/FSA
Note: 2020 is as of November



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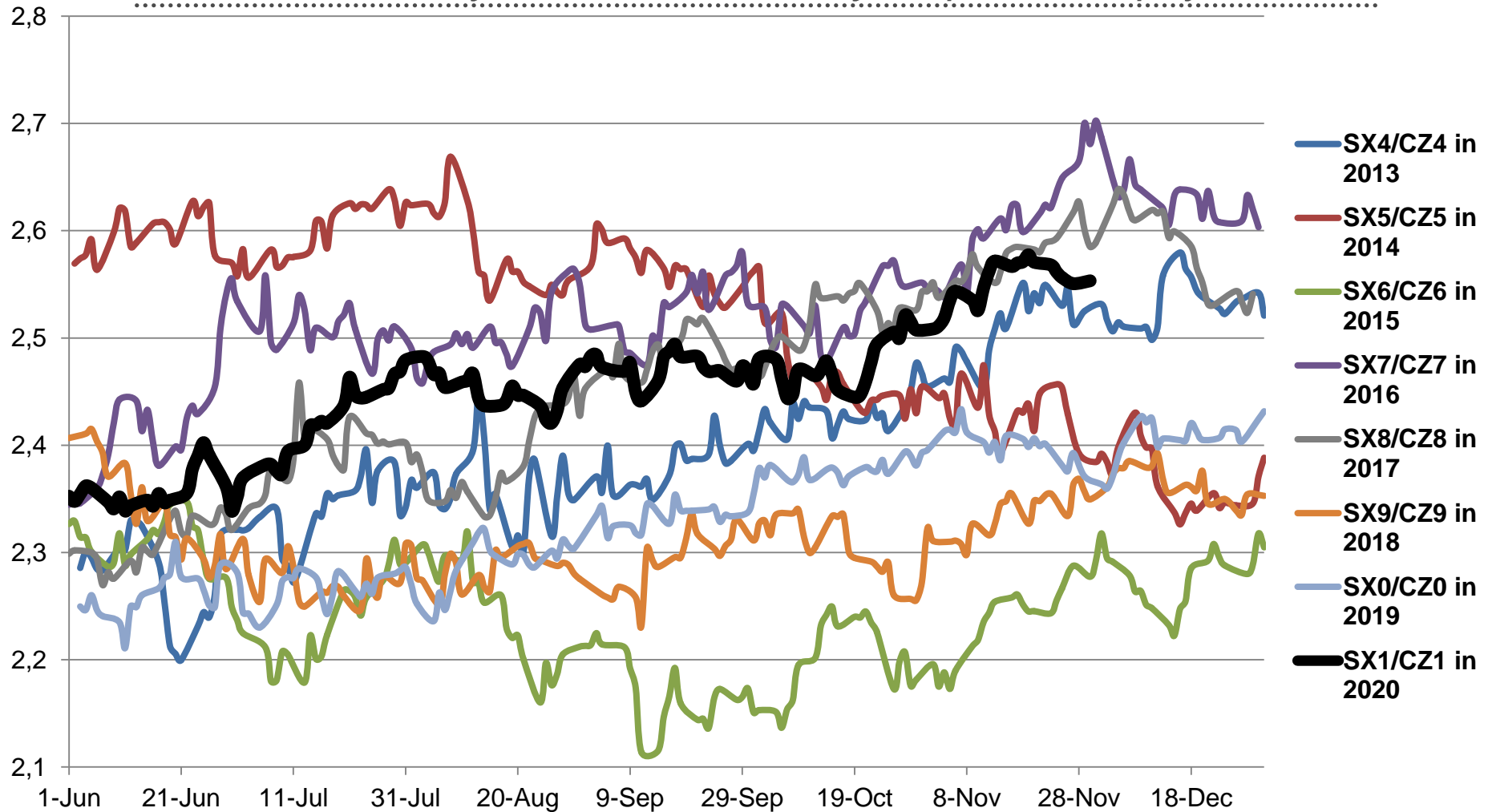
CBOT futures have had an unusually-timed rally

16 months of December corn & November soybeans (weekly; cents/bu)



Futures market suggests soy advantage in 2021

CBOT November soy/December corn in year prior to expiry



The U.S. planted acreage battle is on in 2021

U.S. plantings (million acres) with USDA's initial 2021 projection

	2018	2019	2020	2021
Corn	88.9	89.7	91.0	90.0
Soybeans	89.2	76.1	83.1	89.0
Wheat	46.1	45.5	44.3	46.0
<i>Total</i>	<i>224.2</i>	<i>211.3</i>	<i>218.4</i>	<i>225.0</i>

Table data source: USDA

Average Outlook for U.S. Wheat Crop

- Worst crop ratings in 8 years
- La Nina outlook raises risks for drier winter
- Hard Red Wheat plantings may have fallen, but Soft Red plantings may have risen
- First survey-based winter wheat planting estimates from USDA due Jan. 12

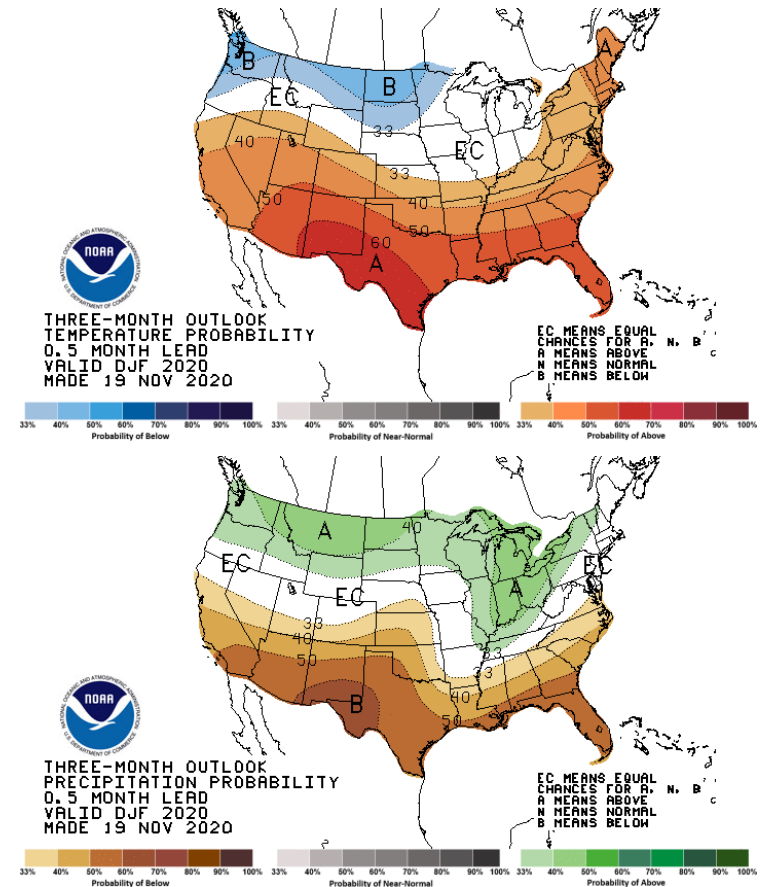


Chart source: U.S. CPC/NOAA

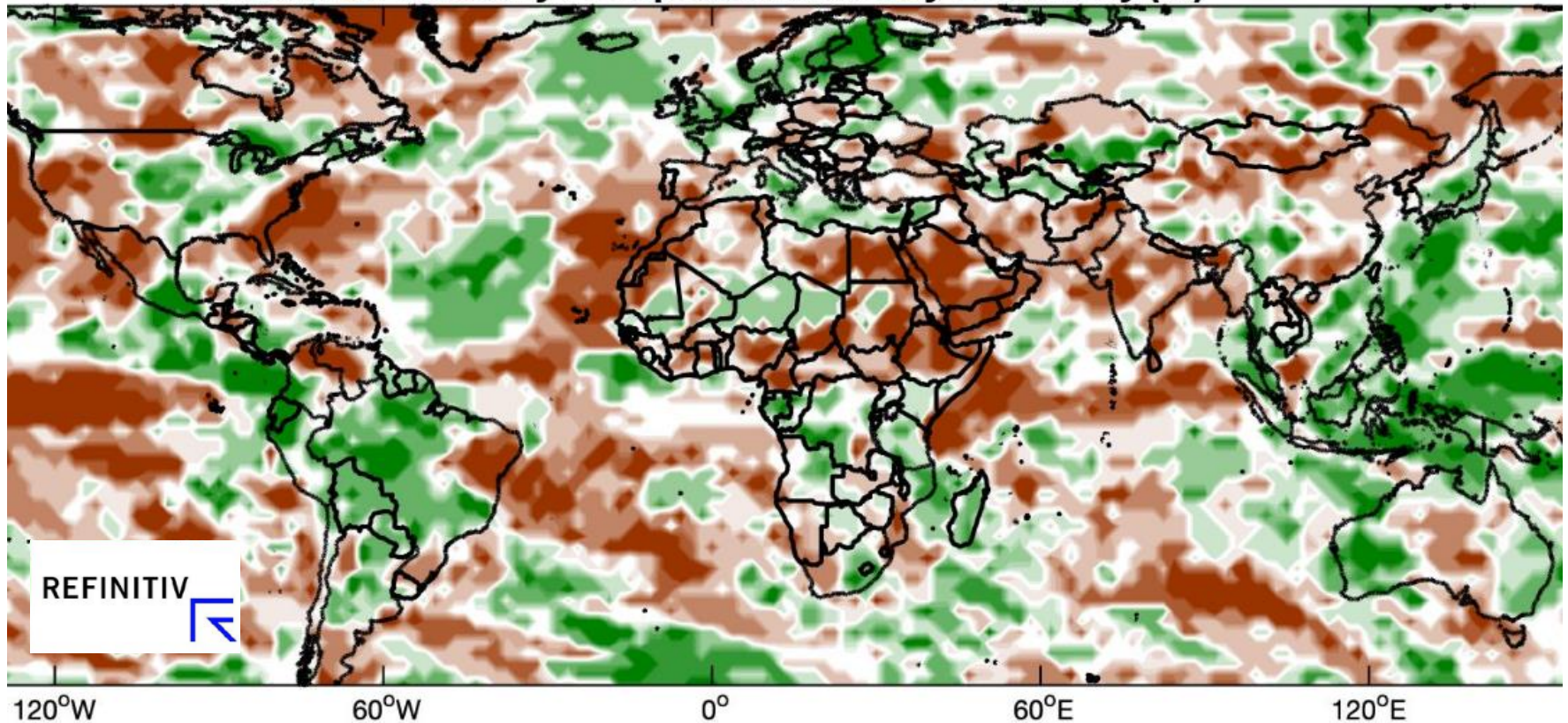
But global wheat outlook is not lacking

- Bumper 2020/21 harvest expected in Australia
- At least 9% rise in 2021/22 wheat plantings in Europe
- Strong, but not record crop expected in Russia (conditions are also below average, must watch winter moisture replenishment)
- 2021/22 rebound possible in Argentina

Crop prospects depend on near-term precipitation

Global Dec-Feb precip. anomaly probability based on ENSO analogs

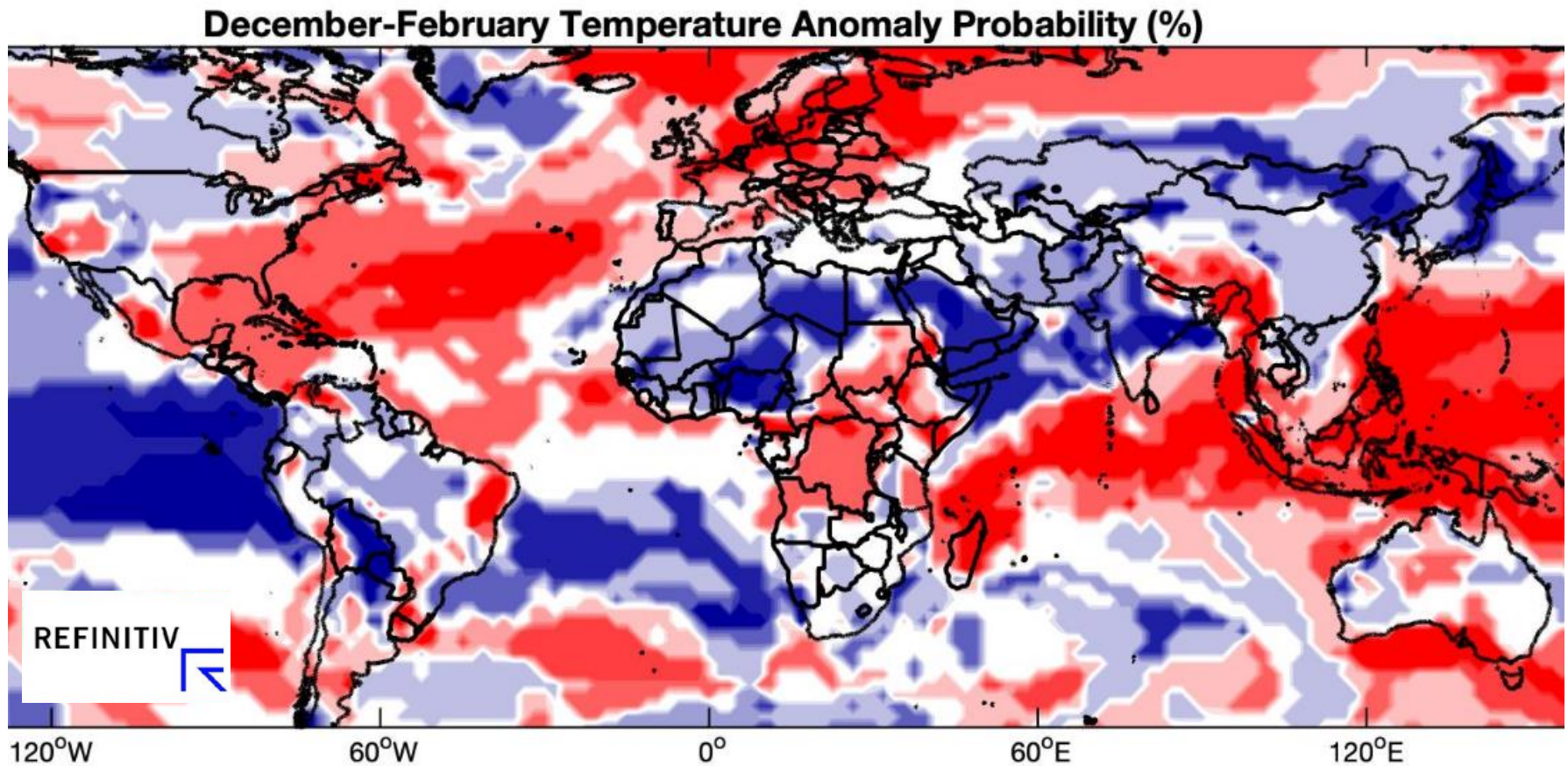
December-February Precipitation Anomaly Probability (%)



Graphic source: Refinitiv Eikon

Cold winter less likely in N. Hemisphere wheat areas

Global Dec-Feb temp. anomaly probability based on ENSO analogs



Graphic source: Refinitiv Eikon

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