

December WASDE tomorrow

For the week: March corn + 3.25cents, December 24 corn -0.5 cents, March soybeans - 24.25 cents, November 24 soybeans -7.75 cents and March wheat +39.5 cents.

We have December WASDE tomorrow which is usually a quiet report as production numbers usually are not adjusted until January and usage numbers are normally not changed drastically. Where you can see changes would be in the international numbers as Brazil struggles with bad weather and Argentina continues to have excellent weather. Conab released new estimates this morning and they dropped Brazilian soybean production to 160.177 MMT down from 162.42 last month and 118.5 MMT for corn down from 119.0. The soybean number is still at a record level and late December forecasted rains could solidify that number, but 2nd crop corn continues to lose acres with soybean replant and acres getting shifted to cotton which is a one crop per year situation. You also have poor margins for corn with current prices in Brazil which does not get the farmer excited to plant a lot of it. Another thing to remember is Argentina will be rebounded from last year's dismal growing season and they will add 21 MMT of corn and 23 MMT of soybeans from last year's totals. That will give us a net increase of 25 MMT of soybeans and 1.5 MMT of corn. South America is not even close to a disaster at this point in time and with transportation issues on the MS River and Panama Canal can exports perform while we have the open window for a few months?

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