

10/26/10

C&S Grain Market Consulting

USA Domestic Corn and Soybean Ending Stocks Days of Use Charts and History

Recently I was asked about the USA Domestic Days of Use (DOU) for Corn and Soybeans and how they compare with the World DOU numbers. The charts that follow on the next 2 pages indicate how many Days of Use (DOU) of Ending Stocks for USA Corn and Soybeans there have been with each new WASDE Report since August 1973. I only have the World numbers since 1982, but I have all of the USA numbers since WASDE started in August 1973. I don't have a WASDE database posted for USA Wheat.

The Ending Stocks DOU numbers have declined over the last few months, especially in Corn. Soybeans still have a ways to go to reach their previous low levels.

USA Corn Ending Stocks bottomed at 15.62 days in April 1996. In 2008, the DOU was down to 19.65 days in the June WASDE Report. Currently after the October WASDE Report, the DOU is at 24.44 days, which is down 54.49% from its recent April High of 53.71 days.

USA Soybean Ending Stocks bottomed at 15.95 days in October 1974. In 2008, the DOU was down to 16.55 days in the August WASDE Report. Currently after the October WASDE Report, the DOU is at 29.29 days, which is down 30.93% from its recent May High of 42.40 days.

Bottom Line:

USA Domestic DOU for Corn is currently down 54.49% from its recent high, and is now only 8.82 days above the all time low that has been seen since August 1973. If the current estimated use at 13.480 billion-bushels were to stay the same, production needs to decline about another 4.0 Bu/A to lower the USA Domestic DOU for Corn about equal to the previous record low of 15.62 days.

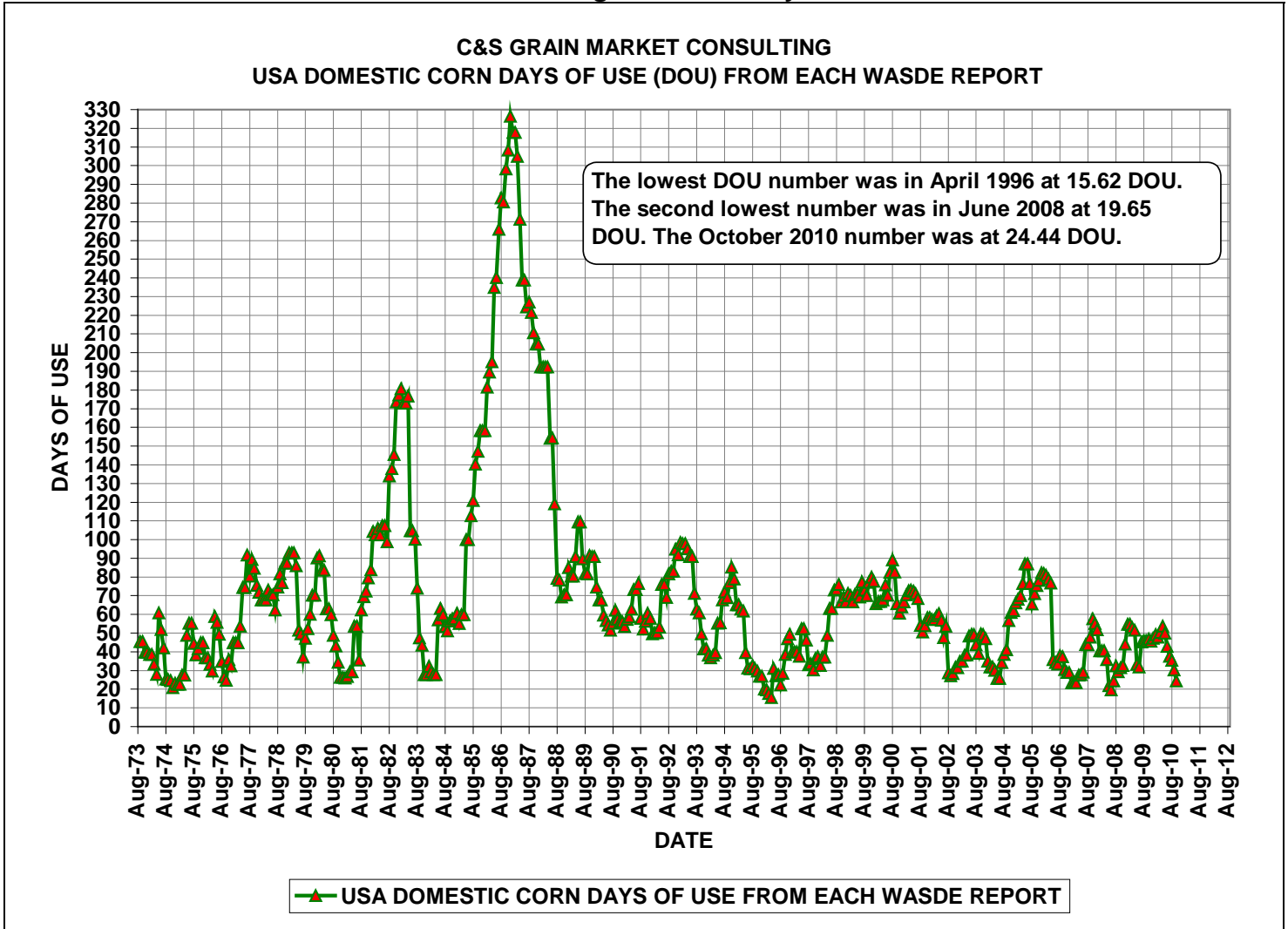
USA Domestic DOU for Soybeans is currently down 30.93% from its recent high, but is still 13.34 days above the all time low that has been seen since August 1973. What will it take to get the USA Soybean DOU down to the previous record low?

If the projected use stays the same at 3.305 billion-bushels, a combination of an increase in use or reduction of production that would bring ending stocks down the about 120 million bushels would have to take place.

Disregarding Money Flow in the months ahead, the Fundamentals should favor Corn as being the most sensitive to the changing USA WASDE S&D numbers and growing conditions in the year ahead.

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USA Corn Ending Stocks In Days Of Use

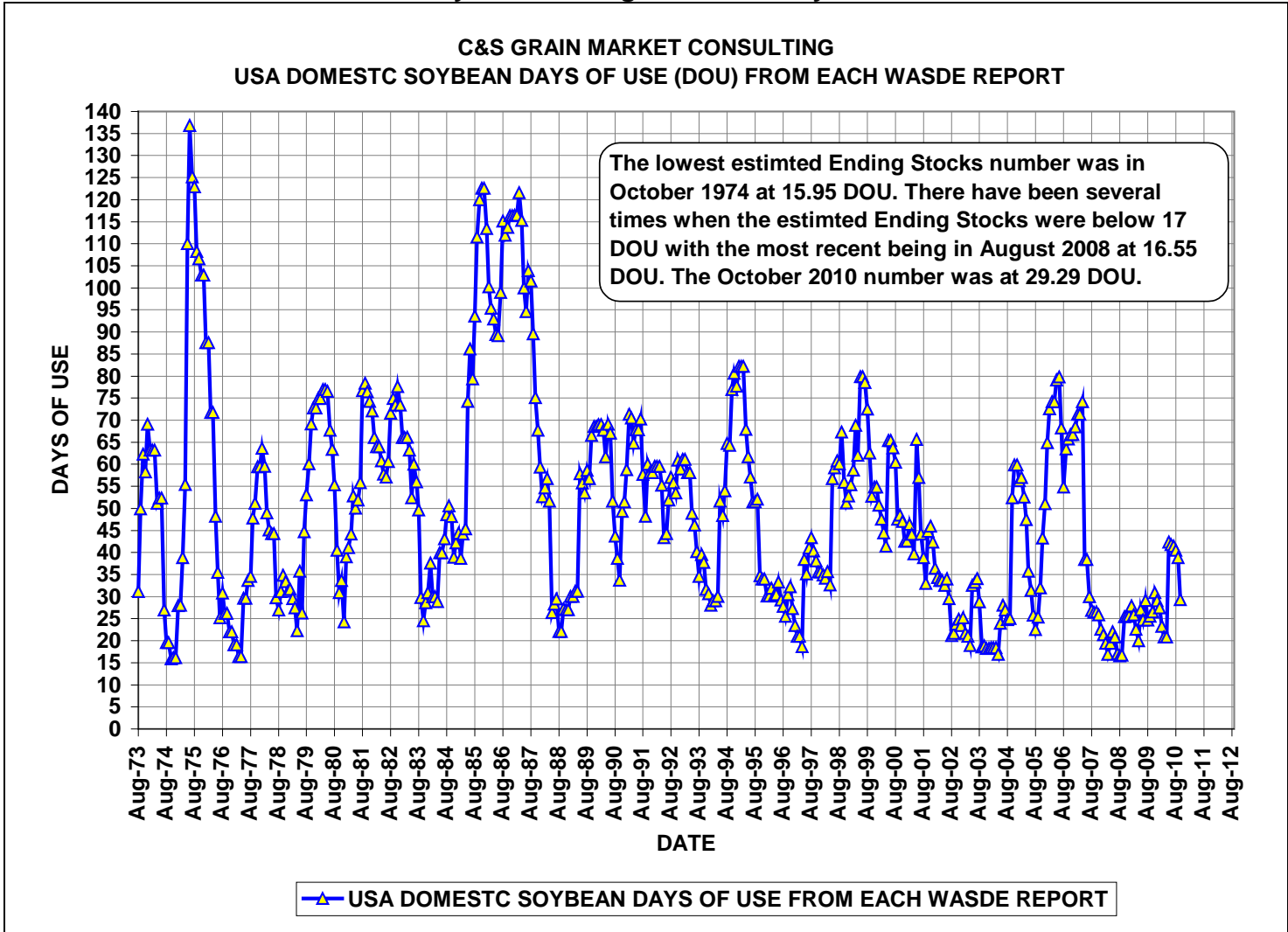


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