

Grainscoop I

From: Kevin Riesberg [KRiesberg@rjobrien.com]
Sent: Thursday, June 06, 2013 8:13 AM
Subject: Randy's comments about the export sales this morning...

USDA Weekly Grain Export Sales Recap -by Randy Mittelstaedt

- Corn sales atrocious
- Miniscule old crop soybean sales/new crop solid
- Soybean meal sales very strong again
- New crop wheat sales respectable

U.S. corn export business continues to occur at a snail's pace with combined old/new crop sales nearly non-existent at just 159k tonnes (107k old crop/52k tonnes new crop), sharply below market expectations of 500-800k tonnes. Old crop sales of 4.2 million bushels were sharply below the average weekly needed sales of 8.9 million bushels/week based on the USDA's export projection of 750 million bushels. Just one of the last five weeks saw sales meet the average weekly needed level, while sales over this timeframe have averaged just 5.0 million bushels/week. **Based on the extremely weak sales over the last month, we feel USDA could easily lower their export projection again next week by 25 million bushels.** Total commitments of 684 mil bu are down 55% from last year, while new crop commitments of 191 mil bu compare to 217 mil at this time last year.

Soybean sales were a mixed bag with extremely weak old crop sales of just 48k tonnes, while new crop sales were solid at 590k tonnes. Combined sales of 638k were at the upper end of market expectations of 300-700k tonnes, but it is the weak old crop sales of that deserves the majority of attention. With old crop sales of just 1.8 million bushels, just 2 of the last 7 weeks' sales have met the average weekly needed pace of 4.1 million bushels based on the USDA's export projection of 1.350 billion bushels. In fact, combined sales over the last 7 weeks have been essentially zero (net cancellations of 0.6 mil bu) and opens a crack in the door for USDA to actually lower their export projection in next week's balance sheet update. **With three months left in the marketing year, given the extremely weak sales of late, we feel USDA could bump their export projection down by 10-20 million bushels.** New crop sales of 21.7 mil bu brought total commitments for 2013/14 to 406 mil vs 403 mil at this time last year.

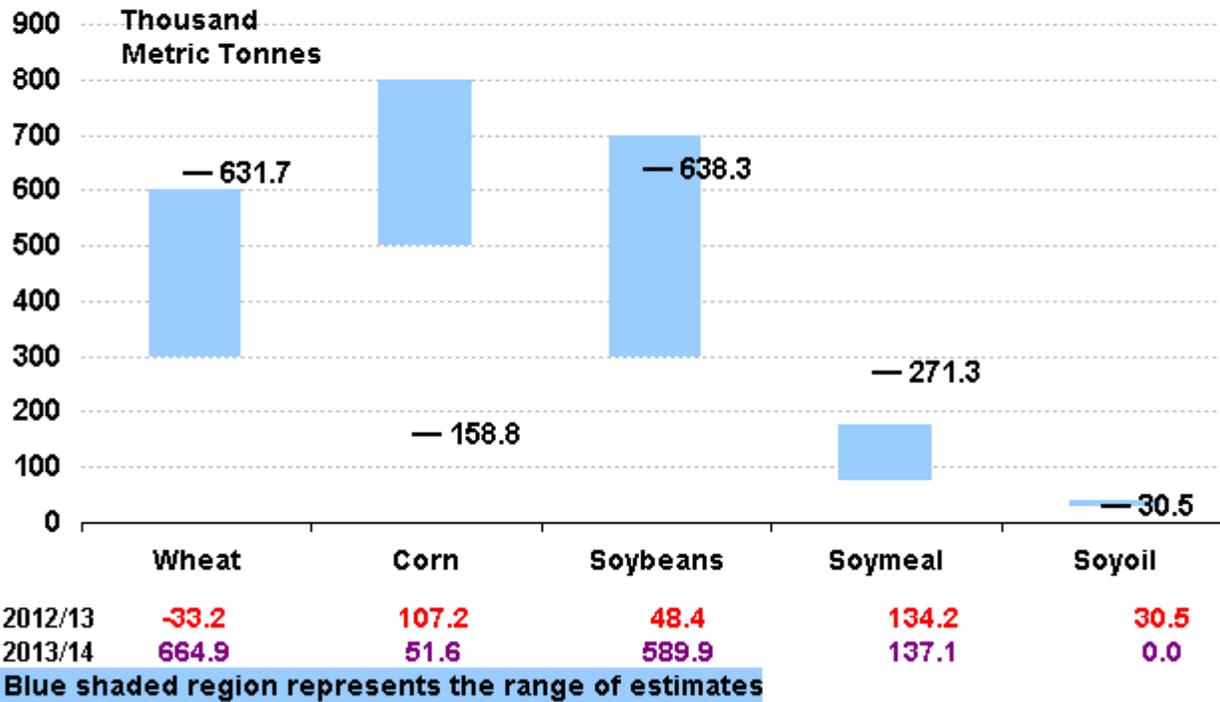
Soybean meal remains the star of the soycomplex with impressive old crop sales of 134k tonnes and new crop sales of 137k tonnes, putting total sales of the week of 271k tonnes well above market expectations of 75-175k tonnes. The impressive continuation of old **crop sales will force USDA to further raise their export projection next week, while also keeping the focus on crushing activity and likely prospect for USDA to raise their crush estimate next week, as well.** Total old crop commitments of 9.2 million tonnes are up 35% from last year, while the USDA's export projection reflects an increase in exports of just 2%. Sales for 2012/13 already exceed the USDA's export projection, with 4 months left in the marketing year.

Soybean oil sales were also solid this week at 30.5k tonnes, but were expected based on the previously announced sale of 30k tonnes to Germany. USDA is likely to leave their soybean oil export projection unchanged next week.

In the last week of the 2012/13 marketing year for wheat, USDA reported net cancellations of -33.2k tonnes (-1.2 mil bu) and put total commitments **for old crop at 996 mil bu vs their export projection of 1.025 billion.** While final donated wheat exports won't be known for several months, which are not reflected in Export Sales reports, we feel final 2012/13 exports are likely to come in slightly below the current projection. With the focus shifting to new crop, sales of 665k tonnes were respectable and allowed combined sales of 632k tonnes to slightly better market expectations of 300-600k tonnes. Total commitments for 2013/14 now stand at 229 mil bu vs 140 mil a year ago entering the new marketing year.



USDA Weekly Export Sales vs. Range of Ideas for sales the week ended 05/30/13



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