The Hightower Report
Futures Analysis & Forecasting

USDA SUPPLY & DEMAND *REVIEW*
January 10, 2025

SOYBEANS

SOYBEANS: U.S. soybean ending stocks for 2024/25 are estimated at 380 million bushels, compared to 458 million expected (range 390-525 million) and 470 in December. The significant drop in ending stocks was due to a full 1 BPA decline in yields and a 200,000-acre reduction in harvested acres. The rest of the balance sheet was essentially left unchanged. U.S. soybean 2024/25 harvested area was 86.1 million acres versus the average estimate of 86.3 million and a range of 85.8 and 86.4 million. The December estimate was 86.3. The reduction in harvested area further tightened ending stocks along with a surprising drop in yield. Yield came in at 50.7 bushels/acre (average estimate was 51.6), bringing production to 4.366 billion bushels. The average production estimate was 4.454 billion, and the range was 4.377 to 4.539. The production estimate in December was 4.461 billion. The sizable yield reduction was definitely a surprise. World ending stocks for 2024/25 came at 128.4 million tonnes, versus 132.1 million expected (range 130-134 million) and down from 131.9 in December. Brazil's production for 2024/25 was 169 million tonnes, versus 170 million expected (range 169-172 million) and unchanged from December. Argentina's production for 2024/25 was 52 million tonnes, versus 51.9 million expected (range 50-53 million) and unchanged from December.

PRICE OUTLOOK: Surprise bullish numbers as the report cut yields significantly again this month following a large cut in the November report. The friendly numbers have pushed prices up nearly $0.30 post-report today on March futures, and if the market can close over 1018, further gains may be expected, at least up to retracement resistance at 1041 1/2. Funds were a significant net short coming into the report and today's upside push may trigger managed money short covering. The U.S. balance sheet has tightened significantly from what was expected pre-report, making the Sunday night precipitation forecast for Argentina and southern Brazil very important.

USDA SUPPLY/DEMAND US SOYBEANS	Jan USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Area (M Acres)				
Planted	**87.5**	**83.6**	**87.1**	**87.1**
Harvested	86.2	82.3	86.3	86.1
Yield (Bu/Acre)	**49.6**	**50.6**	**51.7**	**50.7**
Beginning Stocks (M Bu)	274	264	342	342
Production	4,270	4,162	4,461	4,366
Imports	25	21	15	20
Supply,Total	**4,569**	**4,447**	**4,818**	**4,729**
Crushings	2,212	2,287	2,410	2,410
Exports	1,980	1,695	1,825	1,825
Seed	75	78	78	78
Residual	39	45	35	36
Use, Total	4,305	4,105	4,348	4,349
Ending Stocks	**264**	**342**	**470**	**380**
Stocks/Use Ratio	**6.1%**	**8.3%**	**10.8%**	**8.7%**

USDA SUPPLY/DEMAND WORLD SOYBEANS (Million Metric Tons)	Jan USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Supply				
Beginning Stocks	92.90	101.24	112.16	112.38
Production	**378.16**	**394.97**	**427.14**	**424.26**
Imports	168.60	178.08	178.18	179.24
Use				
Crush, Domestic	315.62	331.24	347.42	349.29
Total Domestic	366.67	384.29	403.64	405.53
Exports	171.75	177.62	181.97	181.97
Ending Stocks	**101.24**	**112.38**	**131.87**	**128.37**
Stocks/Use Ratio	**27.6%**	**29.2%**	**32.7%**	**31.7%**

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CORN

CORN: US ending stocks for 2024/25 are estimated at 1.54 billion bushels, compared to 1.674 billion expected (range 1.525-1.815 billion) and lower than 1.738 in December. The yield cut was the major reason for the drop in ending stocks. US corn 2024/25 harvested area was 82.9 million acres versus the average estimate of 82.6 million and a range of 82.2 and 82.7 million. The December estimate was 82.7. Yield came in at 179.3 bushels/acre (average estimate was 182.7), bringing production to 14.867 billion bushels. The average production estimate was 15.1 billion and the range was 14.965 to 15.225. This is down from the December production estimate of 15.143 billion. The size of the yield cut was a major surprise. World ending stocks for 2024/25 came at 293.3 million tonnes versus 295.2 million expected (range 290.5-297.4 million) and lower than 296.4 in December. Brazil's production for 2024/25 was 127 million tonnes, versus 127 million expected (range 125-128.6 million) and unchanged from December. Argentina's production for 2024/25 was 51 million tonnes, versus 50.6 million expected (range 49.5-51 million) and unchanged from December.

PRICE OUTLOOK: USDA cut yields much more than expected and made minor adjustments to the balance sheet, but overall, today's tighter ending stocks have to be considered bullish. March corn prices have rallied nearly $0.70 from the August lows, and managed money has amassed a significant long position recently, which may mitigate some of the bullishness in the report today. However, the tightening ending stocks, now well below last year's numbers, will support pullbacks. March prices have moved above retracement resistance at 468 and may move up to the major 50% retracement from the highs in the summer of 2023 to 2024 lows in August at 487. Pullbacks below 450 should find good support following this report.

USDA SUPPLY/DEMAND US CORN	Jan USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Area (M Acres)				
Planted	**88.2**	**94.6**	**90.7**	**90.6**
Harvested	78.7	86.5	82.7	82.9
Yield (Bu/Acre)	**173.4**	**177.3**	**183.1**	**179.3**
Beginning Stocks (M Bu)	1,377	1,360	1,760	1,763
Production	13,651	15,341	15,143	14,867
Imports	39	28	25	25
Supply, Total	**15,066**	**16,729**	**16,928**	**16,655**
Feed & Residual	5,486	5,804	5,825	5,775
Food, Seed & Industry	6,558	6,869	6,890	6,890
Ethanol for Fuel	5,176	5,478	5,500	5,500
Domestic Total	12,044	12,673	12,715	12,665
Total Exports	1,662	2,292	2,475	2,450
Use, Total	13,706	14,966	15,190	15,115
Ending Stocks	**1,360**	**1,763**	**1,738**	**1,540**
Stocks/Use Ratio	**9.9%**	**11.8%**	**11.4%**	**10.2%**

USDA SUPPLY/DEMAND WORLD CORN (Million Metric Tons)	Jan USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Supply				
Beginning Stocks	314.05	304.67	316.22	317.46
Production	**1,163.38**	**1,230.01**	**1,217.89**	**1,214.35**
Imports	173.40	197.14	183.92	183.15
Use				
Feed, Domestic	735.47	771.96	779.36	778.33
Total Domestic	1,172.76	1,217.22	1,237.66	1,238.47
Exports	180.34	192.04	193.04	191.41
Ending Stocks	**304.67**	**317.46**	**296.44**	**293.34**
Stocks/Use Ratio	**26.0%**	**26.1%**	**24.0%**	**23.7%**

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WHEAT

WHEAT: US ending stocks for 2024/25 are estimated at 798 million bushels, compared to 802 million expected (range 785-825 billion) and 795 in December. World ending stocks for 2024/25 came at 258.8 million tonnes, versus 257.9 million expected (range 256-259 million) and 257.9 in December. US all winter wheat seedings for 2025/26 came in at 34.12 million acres versus the average estimate of 33.4 million and a range of 32.5 and 34.4 million. The 2024/25 estimate was 33.4 million. Hard Red Winter Wheat seedings came in at 24 million acres versus the average estimate of 23.7 million (range 23.2-24.5 million). The 2024 estimate was 23.8 million. Soft Red Winter Wheat seedings came in at 6.44 million acres versus the average estimate of 6.1 million (range 5.7-6.5 million). The 2024 estimate was 6.1 million. White Winter Wheat seedings came in at 3.64 million acres versus the average estimate of 3.5 million (range 3.6-3.6 million). The 2024 estimate was 3.5 million.

PRICE OUTLOOK: While today's report had major surprises in the corn and bean numbers, there were no such surprises in wheat. With winter wheat seedings slightly bearish and essentially no changes in the US balance sheet to alter burdensome ending stocks, wheat prices may be stuck in neutral and become a follower of the other grains rather than a leader. If wheat prices can close strong today after hitting a new contract low on the report's release, the technical picture may improve slightly, but we see no reason for a significant rally, other than a technical bounce, at this time.

USDA SUPPLY/DEMAND US WHEAT	USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Area (M Acres)				
Planted	**45.8**	**49.6**	**46.1**	**46.1**
Harvested	35.5	37.1	38.5	38.5
Yield (Bu/Acre)	**46.5**	**48.7**	**51.2**	**51.2**
Beginning Stocks (M Bu)	674	570	696	696
Production	1,650	1,804	1,971	1,971
Imports	122	138	125	130
Total Supply	**2,446**	**2,512**	**2,793**	**2,798**
Food	972	961	966	966
Seed	68	62	62	64
Feed/Residual	74	85	120	120
Domestic Total	1,114	1,108	1,148	1,150
Total Exports	762	707	850	850
Use, Total	1,876	1,815	1,998	2,000
Ending Stocks	**570**	**696**	**795**	**798**
Stocks/Use Ratio	**30.4%**	**38.3%**	**39.8%**	**39.9%**

USDA SUPPLY/DEMAND WORLD WHEAT (Million Metric Tons)	Jan USDA 22-23	Jan USDA 23-24	Dec USDA 24-25	Jan USDA 24-25
Supply				
Beginning Stocks	273.96	274.27	267.41	267.47
Production	**789.89**	**791.02**	**792.95**	**793.24**
Imports	213.31	221.84	209.55	208.48
Use				
Feed, Domestic	152.82	159.16	152.60	152.70
Total Domestic	789.58	797.83	802.47	801.89
Exports	221.75	221.22	213.65	212.00
Ending Stocks	**274.27**	**267.47**	**257.88**	**258.82**
Stocks/Use Ratio	**34.7%**	**33.5%**	**32.1%**	**32.3%**

U.S. Acreage (1000 Acres)	2024 March Intentions	2024 Jun 28 Planted	2024 Planted Final	2025 W Wheat Seedings
Wheat, All	47,498	47,240	46,079	-
Winter	34,135	33,805	33,390	34,115
Hard Red	-	-	-	24,000
Soft Red	-	-	-	6,440
White	-	-	-	3,640
Durum	2,028	2,165	2,064	-
Other Spring	11,335	11,270	10,625	-
Hard Red Spring	-	-	-	-

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COTTON

USDA SUPPLY/DEMAND				
COTTON	**Jan USDA 22-23**	**Jan USDA 23-24**	**Dec USDA 24-25**	**Jan USDA 24-25**
Area (M Acres)				
Planted	**13.75**	**10.23**	**11.17**	**11.18**
Harvested	7.29	6.44	8.63	8.27
Yield (Lb/Acre)	953	899	792	836
Beginning Stocks (M Bales)	4.60	4.65	3.15	3.15
Production	14.47	12.07	14.26	14.41
Imports	0.00	0.00	0.01	0.01
Supply, Total	**19.07**	**16.72**	**17.41**	**17.57**
Domestic Use	2.05	1.85	1.80	1.80
Exports	12.45	11.75	11.30	11.00
Use, Total	14.50	13.60	13.10	12.80
Unaccounted	-0.08	-0.03	-0.09	-0.03
Ending Stocks	**4.65**	**3.15**	**4.40**	**4.80**
Stocks/Use Ratio	**32.1%**	**23.2%**	**33.6%**	**37.5%**

USDA SUPPLY/DEMAND	Jan	Jan	Dec	Jan
WORLD COTTON	**USDA**	**USDA**	**USDA**	**USDA**
(Million 480-lb Bales)	**22-23**	**23-24**	**24-25**	**24-25**
Supply				
Beginning Stocks	70.88	75.90	74.16	74.16
Production	**116.30**	**112.98**	**117.39**	**119.45**
Imports	37.74	44.01	42.25	42.45
Use				
Domestic	112.64	114.33	115.79	115.89
Exports	36.65	44.61	42.26	42.48
Loss	-0.27	-0.21	-0.27	-0.22
Ending Stocks	**75.90**	**74.16**	**76.02**	**77.91**
Stocks/Use Ratio	**67.4%**	**64.9%**	**65.7%**	**67.2%**

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