



December USDA S&D Report

There wasn't much to talk about from this month's USDA Supply/Demand report. In fact, the changes made to corn, soybeans, and wheat were similar to what the trade anticipated. USDA **cut corn exports** 50 million bushels, which increased ending stocks a like amount. USDA **increased soybean exports** 15 million bushels, which decreased ending stocks by the same figure. And USDA **decreased wheat food use** by 15 million bushels, which increased stocks by the same number. In the big picture, the change in corn isn't huge, especially when some analysts think we could see ethanol demand increased and production decreased (see back page) in future reports. The trade actually anticipated a bigger increase in soybean exports and corresponding decrease in ending stocks, and will look for that in next month's report if export sales continue to remain strong. This week's export sales were again robust at 928,000 mt, 41% above last week, with China picking up 614,000 mt of that total. And shipments continue to be strong and well above normal pace for a typical November/December period.

2009-10 US Ending Stocks (million bushels)

	December <u>USDA</u>	November <u>USDA</u>	Change vs <u>Previous</u>
Corn	1675	1625	+ 50
Soybeans	255	270	- 15
Wheat	900	885	+ 15

We saw very little change in the world numbers this month, with **the exception being in wheat**. The Canadian wheat crop was increased 2.5 mmt, while the Aussie wheat crop was cut 1.0 mmt. A wheat stocks estimate of 190.91 mmt would be **up 16.6% from last year and up 57.8% from two years ago!** The Brazilian soybean crop was left at 63.0 mmt, though a couple of analysts in Brazil put out estimates larger than 64.0 mmt this week. **World soybean stocks** of 57.09 mmt would represent a **34.6% increase from last year**, brought on by the increase in both US and South American acreage and good projected yields on both continents. There were barely any changes in the **world corn numbers**. Ending stocks of 132.34 mmt would represent a **9.1% decline from a year ago**, and just a 2.3% increase from the low water mark two years ago.

2009-10 World Ending Stocks (million metric tons)

	December <u>USDA</u>	November <u>USDA</u>	Change vs <u>Previous</u>
Corn	132.34	132.41	- 0.07
Soybeans	57.09	57.39	- 0.30
Wheat	190.91	188.28	+ 2.63

Turn in Crop Losses ASAP !!

December 10th was the last day of the crop insurance period. Diversified Crop Insurance Services (and other companies) have asked the RMA for and been granted extensions in requested states and counties where we know that harvest is late. **CONTACT US IMMEDIATELY IF YOU HAVE A CRC, RA, IP, APH, OR CAT POLICY AND THINK YOU MIGHT HAVE A YIELD LOSS.**

See the memo from DCIS below for additional details.

DELAYED HARVEST AS THE RESULT OF WET CONDITIONS

With the wet weather continuing to slow harvest in the Midwest corn and soybean belt and the MPCI calendar date for the end of insurance period (December 10th) is fast approaching, it is important your customers provide timely notice of damage or loss (by crop) no later than 15 days after harvest is completed if reduced yields are anticipated, but not later than 15 days after calendar date for the end of the insurance period (December 10th) if unharvested acreage remains in the field on this date. This would apply to the APH, RA, CRC and IP plans of insurance.

If your insured anticipates harvest to extend past December 10th and foresees a loss or has damage, the insured needs to submit a notice of damage or loss and request additional time to harvest (in order to protect your customers crop insurance coverage). The insured must continue to carry out normal and customary harvesting practices utilizing available windows of opportunity to harvest the crop. If your customer(s) are unable to harvest by December 10th due to extreme wet or snowy conditions, DCIS must be notified by the agent to include the State, County, Crop(s), the number of insured's by crop and the reason for the delay so that we can authorize additional time (through the RMA) to harvest the crop and complete any loss adjustment. This authorization allows additional time to harvest the crop but does not extend the insurance period. If harvest occurs after December 10th, damage or loss to the crop must be an extension of the peril(s) that occurred during the insurance period.

REMINDERS TO INSURED'S FACING A DELAYED HARVEST:

- Give timely notice of loss to the agent (if not already done so); and,
- DCIS must be able to document the loss or damage to the crop was due to an insured cause of loss;
- Harvest was delayed due to an insured cause of loss occurring during the insurance period and,
- The delay was not due to an *uninsured* cause of loss (i.e. lack of farm equipment).



Godfrey Insurance Agency
101 W Mulberry Chatham, IL 62629

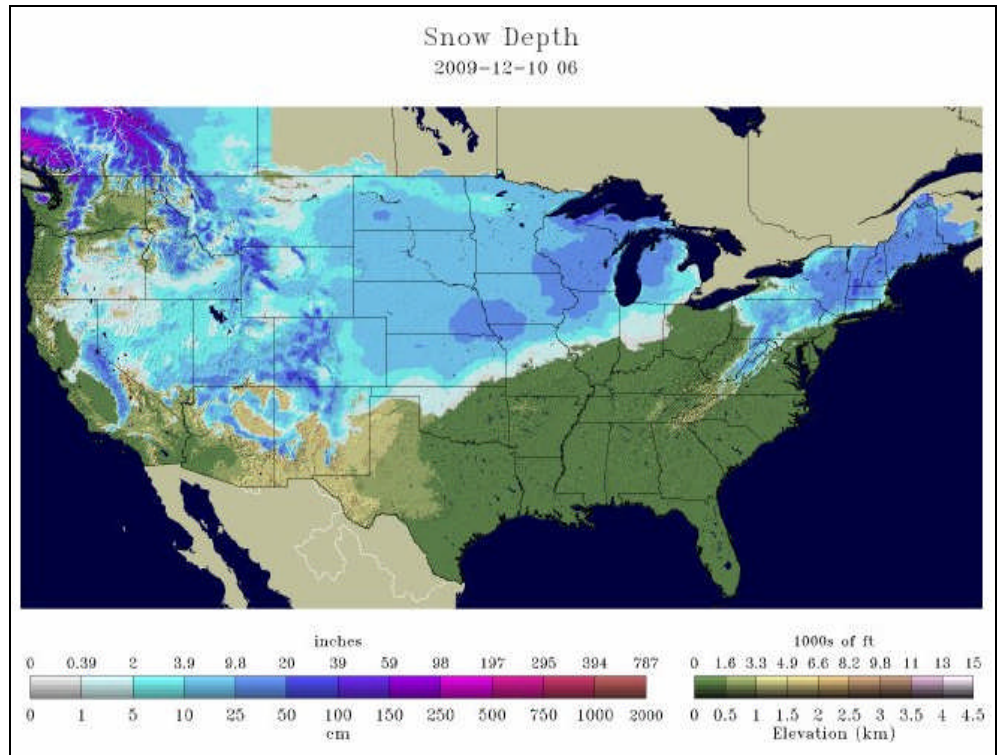
Thursday Dec 17, 10am
3rd Thursday Market Meeting
at our office in Chatham.

January 12 Crop Report: The FINAL Production Estimate?

On January 12 USDA is *scheduled* to release the **final US and state yield estimates for corn and soybeans** for the 2009 crop year. The final US yields/production will be the figures that we compare to future demand estimates to determine ending stocks at the end of the fiscal year. The final state yields will be used to determine whether or not there might be ACRE payments this year, and also used as the starting point for determining final county yields for GRP and GRIP insurance policies (normally released around March 1).

But with this being such an unusual (= late) year, will NASS be able to provide an accurate final estimate on January 12? Matt Morris at Diversified Services in Greensburg, IN provided the map and table at right, showing the parts of the Corn Belt that got hit with the recent blizzard, and how many bushels of corn these states still had remaining in the field. The seven states in the table represent nearly 900 million bushels, and Matt mentions that this doesn't include parts of IL, IN, MO, or KS that also received snow and heavy winds. As of Sunday, December 6, USDA showed 12%, or 1.6 billion bushels, of US corn still unharvested.

NASS is actively trying to retrieve surveys now to get an indication of yields in these states, and will likely continue to attempt to reach producers and get final production numbers as they come available. But in all likelihood, there will still be corn standing on January 12, which will make NASS's job awfully difficult, and likely lead to some adjustments later in the year.



	Planted 1,000 acres	Harvested 1,000 acres	USDA Yield 8/12/2009	% Harvested 12/6/2009	Bushels Unharvested	Snow Coverage 12/9/09
ND	1900	1700	118	53	94,282,000	2-9.8", 100% coverage
SD	5000	4600	141	73	175,122,000	3.9-9.8", 100% coverage
NE	9400	9150	166	88	182,268,000	3.9-9.8"+, 100% coverage
MN	7700	7200	167	87	156,312,000	3.9-9.8", 100% coverage
IA	13700	13350	185	94	148,185,000	3.9-9.8"+, 100% coverage
WI	3750	2850	135	77	88,492,500	9.8"+, 100% coverage
MI	2400	2090	140	86	40,964,000	0.5-9.8"+, 100% coverage

Total Bushels of Corn
Standing
(now with snow on it)* **885,625,500**

* This doesn't even include the Northern 1/3 or Illinois, Northern 1/2 of Indiana, Northern 1/2 of Missouri, and none Kansas (can't quantify acreage or % harvested in states where only a portion received snow)