

USDA Soybean Price Forecast Rises On January Production Estimates

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USDA'S 2010 soybean price forecast rose 25 cents a bushel on the agency's January supply-demand report in which it lowered expectations for the number of U.S. soybean acres from its December estimate.

"Harvested acres were decreased by 200,000 acres," said Scott Stiles, extension economist-risk management for the University of Arkansas Division of Agriculture. "The national average yield was reduced by 0.4 bushels to 43.5 bushels per acre."

Total 2010 U.S. soybean production was forecast by USDA at 3.329 billion bushels.

"This was within the range of pre-report trade expectations, but somewhat lower than the average expectation of 3.373 billion bushels," he said.

Expected soybean domestic crush was lowered 10 million bushels and exports were unchanged at 1.59 billion bushels.

"Ending soybean stocks for 2010-11 were reduced 25 million bushels and are now forecast at an extremely tight 140 million bushels," Stiles said. "This is lower than the average pre-report trade expectation of 156 million bushels."

The USDA production outlook was unchanged for Brazilian soybeans at 67.5 million metric tons, but the outlook for Argentina was lowered 1.5 million metric tons to 50.5 million metric tons due to high temperatures and drought over the last few months, he said. World soybean carryover was expected to decline from last year's 60.23 million metric tons to 58.28 million metric tons.

"The USDA's 2010 soybean price forecast was increased twenty-five cents per bushel and is now expected to range from \$11.20 to \$12.20, with a mid-point of \$11.70," Stiles said.

"This compares with the 2009 crop average price of \$9.59."

"Closer to home, National Agricultural Statistics Service stated that the Arkansas average yield for 2010 was 35 bushels per acre," Stiles said. "It was 37.5 in 2009."

"No real surprise there with the heat," he said. "Fortunately, prices were better and helped offset the yield loss."

The report also included other crops. NASS said corn production totaled 12.4 billion bushels, down 5 percent from the record high, set last year. Corn yield in 2010 is estimated at 152.8 bushels per acre, 11.9 bushels below last year's record.

All cotton production is up 50 percent from 2009, at 18.3 million 480-pound bales. The U.S. yield is estimated at 821 pounds per acre, up 44 pounds from last year's yield.

NASS estimates the 2010 all wheat production at 2.21 billion bushels, down less than one percent from 2009. The all wheat yield was a record high 46.4 bushels per acre, 1.9 bushels higher from 2009 and 1.5 bushels above the previous record, set in 2008.

Grain sorghum production in 2010 is estimated at 345 million bushels, 10 percent down from 2009. Sorghum average yield was 71.8 bushels per acre, up 2.4 bushels from last year.

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