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Morning Ag Markets

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The USDA October crop report will be released at 11 am today with yields for fall crops expected to be at or just above last month's estimate but ending stocks slightly lower. Wheat ending stocks though should come up 12-14 mln bu. due to the production increase from the Small Grains Summary released at the end of September. The other factor changing in the report is the introduction of the September Quarterly Stocks data for corn, soybeans and milo becoming the new, "old crop" ending stocks totals and therefore the carryin for new crop supply in the S&D's. Those quarterly stocks totals showed corn supplies 55 mln bushels lower than the September S&D report, 44 mln bushels lower for soybeans, but 5 mln larger in milo.

Pulling those stocks numbers into the mix means slightly less burdensome stocks totals to deal with from last year's crops, but we very well may need everything we can get for help on curbing the general consensus that the US corn and soybean crops are going to get bigger today, not smaller. Based on the Reuters survey, the average corn yield guess is 170.1 bu/ac, up from 169.9 in the September report. The average production guess off of that total is 14.204 bln, which would be 20 mln bigger than in September. Soybean yield is expected at 50 bu/ac, up from 49.9 last month with production 4.447 bln. That would be an increase of 16 mln bushels from last month.

With all that being said though, ending stocks average guesses are showing corn 46 mln bushels lower than last month at 2.289 bln, soybeans 28 mln lower at 447 mln bushels and wheat 13 mln higher at 946 mln bushels. Based on historical comparisons, those are all still excessive stocks totals.

8a.m. export reporting showed 120k mt's of US corn sold to Mexico. Yesterday was a banner day for daily reporting, when we had 150k tonnes of corn sales to Mexico, 264k tonnes of beans to China, 132k tonnes of beans to unknown destination and 104,202 tonnes of wheat to Mexico.

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6-10's last night showed above normal temperatures across all of the Plains and Corn Belt. Precip was normal in a small strip from eastern Kansas, through Iowa and Wisconsin and below normal everywhere surrounding those areas. Key notes from this forecast; a) better planting weather ahead for HRW/SRW wheat areas, and, b) should promote more active US fall crop harvest pace.

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