

US Supply/Demand

Although our acreage and yield estimates are below the USDA, the balance sheet projects adequate supply . . .

More Than Adequate Supply!

US Corn Supply/Demand
Million Acres and Bushels

	11-12	12-13		13-14	
	Actual	USDA ^{1/}	CIS Est	USDA ^{1/}	CIS Est
Pltd acres	91.9	97.2	97.2	97.3	94.9
% hvstd	91.4	89.9	89.9	92.0	92.0
Hvstd acres	84.0	87.4	87.4	89.5	87.3
Yield	147.2	123.4	123.4	156.5	156.0
Beg stocks	1128	989	989	769	789
Production	12360	10780	10780	14005	13620
Imports	29	150	150	25	25
Total supply	13516	11919	11919	14799	14434
Feed/res	4545	4400	4400	5200	5125 ^{4/}
Food/seed	1428	1400	1400	1450	1445
Ethanol	5011	4650	4600 ^{2/}	4900	4850 ^{5/}
Exports	1543	700	730 ^{3/}	1300	1200 ^{6/}
Total usage	12527	11150	11130	12850	12620
End stocks	989	769	789	1949	1814

1/ 6/12/13 USDA estimate

2/ Based on greater Brazil imports during summer

3/ Based on current sales pace

4/ Based on lower residual due to reduced crop

5/ Below USDA due to lower gasoline consumption

6/ Below USDA due to record production prospects in Brazil and Ukraine

Because there were about 7 million acres left to plant when the USDA surveyed acreage for the June 28 report, we are estimating a loss of 2.4 million from intentions. However, some analysts are expecting the report to show a loss of 3.0 million or more. *Subscribers should be prepared for a wild, volatile futures market following release of the report.*

Unless weather forecasts turn hot and dry for late July, our studies indicate a yield near 156.0 bushels per acre for the July 11 crop report. Many in the trade believe the USDA overstated usage for the coming season in order to avoid showing a carryover too large this early in the season. Our usage estimates are based on reasonable expectations considering record foreign production and an expansion in animal units.

Seasonally, December futures tend to build in a weather premium from late June into early July. Over the past 32 years, the July-December high in December futures has occurred from July 1 through July 18 in 16 years (50%). In 11 of the 16 years (68%), the high was made in the first

seven days of July. Therefore, *there is a strong possibility the high will occur in early July this year unless unfavorable weather occurs late in the month.*

We continue to expect December futures to trade in a range from \$5.00 to \$5.80 into the June 28 acreage report. If the report is interpreted bullish, a spike high is possible into early July. Barring extreme weather in late July, we continue to expect December futures to work lower toward the \$4.00 area into harvest.

GRAIN INSIGHT is designed to fill the "void" between Price Perceptions issues. Call (800) 231-0477, or visit our web site at: www.cis-okc.com

"HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS."

AN INVESTMENT IN FUTURES CONTRACTS IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS WHO CAN ASSUME THE RISK OF LOSS IN EXCESS OF THEIR MARGIN DEPOSITS. YOU SHOULD CAREFULLY CONSIDER WHETHER FUTURES TRADING IS APPROPRIATE FOR YOU IN LIGHT OF YOUR INVESTMENT EXPERIENCE, TRADING OBJECTIVES, FINANCIAL RESOURCES, AND OTHER RELEVANT CIRCUMSTANCES. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

COPYRIGHT WARNING: PURSUANT TO U.S. COPYRIGHT LAW, DAMAGES FOR LIABILITY OR INFRINGING A COPYRIGHT MAY AMOUNT TO \$30,000 PER INFRINGEMENT AND, IN THE CASE OF WILLFUL INFRINGEMENT, THE AMOUNT MAY BE UP TO \$150,000 PER INFRINGEMENT, IN ADDITION TO THE RECOVERY OF COSTS AND ATTORNEYS' FEES. **COMMODITY INFORMATION SYSTEMS, INC. • 3030 NW EXPRESSWAY, #725 • OKLAHOMA CITY, OK 73112 • (405) 604-8726**