

**USDA lowering both corn and soybean yield more than trade expecting. As mentioned yesterday, corn had room to give, not so with soybeans. Soybean yield decline of 1.2 bpa from October took production down just shy of 100 mln bu.**

**Soybean carryout of 190 mln bu with demand largely unchanged at 4,519 results in a tight (near rationing) 4.2 stocks use ratio. Tightest ratio ever for a November report and has company with a few years between '07 and '15. that saw prices over \$16.00. Best fit from a stock / use perspective perhaps the 12/13 crop year with 4.7 stocks use ratio in November and tightened to 4.1 for several months after the first of the year. SN13 peaked at \$16.30 that year.**

**Not predicting the above price level but would absolutely have it in the "What if" of scenarios for merchandizing decisions. What does our position look like if we see '08, '11, '12, '13 or '14 type price action?**

**South American weather now even more critical in the weeks / months ahead.**

**Corn stocks use ratio near 11 would suggest current market well priced. Corn a mill stone around the neck of beans or beans a sky hook to corn?**

**Corn open interest up 33K yesterday on volume of 816K contracts. Soybean OI a more modest OI increase at 14K with vol of 414K. Funds credited with buying 40K corn and 30K soybeans. Net longs estimated at 326K corn and 266K soybeans.**

**Record Fund long in corn just over 400K contracts. Soybean Fund long setting records.**

**CZCH cleaning up orders at 8¢ overnight. Thursday is the last day of the Goldman roll. FND on CZ20 futures**

**At 0530 CZ20 trading 1 ¾¢ higher at \$4.32 ¾ with SF21 9 ½¢ higher at \$11.54 ½. Vol totals on all contracts just under 100K corn and 61K soybeans at this writing.**

**All the bullish news in the market now with Funds record long???????**

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