Bearish Acreage, Bullish Stocks

USDA's acreage numbers are surprisingly large given all the delays and anticipated prevent-plantings claims. Corn acreage is pegged at 97.4 million acres, up from last year, up from March Intentions and above the trade's range of 94.2-96.9 million.

Soybean acreage rose as well, to a record 77.7 million, well above last year's 77.19 and March's 77.13, but within the trade range of 77.1 to 79.2 million and slightly below the average guess of 77.9 million.

All wheat acreage of 56.5 million exceeded the trade's average of 55.9 and the range of 55.2-56.4. It is up 1% from last year and slightly above intentions of 56.44 million. The breakout: Hard red winter, 29.4; soft red winter, 9.96; white, 3.38; other spring 12.3. Durum saw a 28% reduction from last year at 1.54 million.

Cotton acreage is pegged at 10.3 million acres, off 17% from last year, while rice came in at 2.47 million, down from 2.699 million last year.

Corn stocks are down 12% from last year, at 2.76 billion bushels, matching the low end of the trade's estimates and coming in below the average of 2.845.

Soybean stocks also came in below trade guesses, at 435 million versus the average guess of 442 (range 413-500). June 1, 2012 was 667.

Wheat stocks, at 718, are at the low end of the trade range and below the average of 745 million.