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Summary of

WASDE and Production USDA

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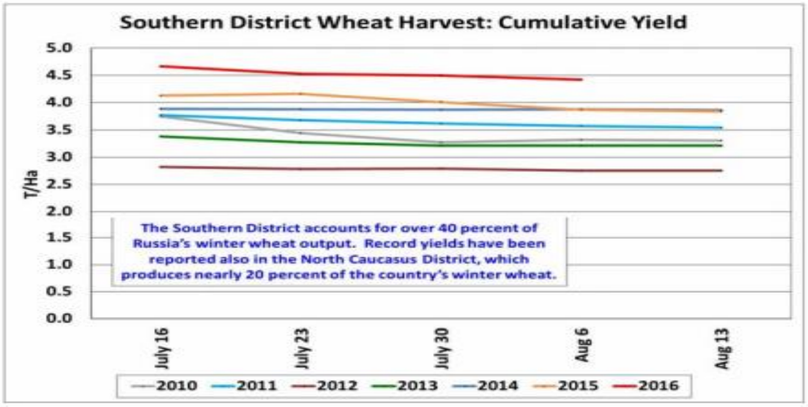
Australia Headquarter
Ingot Brokers, Level 25, Aurora Place,
88 Phillip Street, Sydney 2000 NSW Australia
Tel: +612 80385040
Fax: +612 80385049

The following information are summary and extracts from the latest, AUG 2016, WASDE and World Agricultural Production reports provided by the United States Department of Agriculture (USDA)

Wheat

US Wheat production has increased for all wheat classes. Wheat imports have decreased by 5 million than what was expected of spring wheat. As for exports, they are projected to be higher by 25 million bushels that will lead to new improved expectations of 950 million bushel. This is due to the sharp reduction in EU wheat production. Residual and feed use has increased by 30m bushels on domestic crops. This led to a decrease in ending stocks and an increase in supplies.
Global wheat: The decrease in beginning stock has led to a raise of 2.6 million tons in production. The excellent growing conditions have helped Russia and neighboring countries like Ukraine and Kazakhstan to increase their production expectations. The favorable growing conditions have spread to help Australia's and Canada's productions. These countries have increased their exports to replace the EU wheat. Russia is projected to be the world's largest wheat exporter for the first time.



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All these production increases are due to the 9 million ton reduction in EU due to the excessive unexpected rain, particularly in France. While losses in France represent the bulk of EU wheat reduction, output was also decreased by 0.5mmt in Germany and by 0.3mmt in Poland due to a revised lower area. The crop in southeastern Europe was favored by beneficial rains and temperatures, especially in Bulgaria and Slovakia.

Wheat in France; August 8-9, 2016

Damage Present in the 2016 French Wheat Crop

Fungus on wheat   Small spikes with shrunken kernels

Corn

Corn Production is forecasted at a record of 15.2 Billion bushels, up by 613 million from that last projections (JULY). With a yield reaching 175.1, the yield has increased by 7.1 per bushel from last month’s projections and upwards of the previous record of 171.0 in 2014/2015 season. The Crop Production report indicates that nearly all Corn Belt states, with the exception of Minnesota and South Dakota, are forecast to have yields above a year ago. US corn supplies are expected to hit a new record of 16.9 billion bushels, up by 1.5 billion from the prior year. The large US imports offset that usage changes. Imports are raised with the organic corn imports, as the usage has been above expectations. Ethanol production was lowered by 25 million bushels. This led to an increase in exports by 25 million bushels.

Total U.S. corn use for 2016/17 is projected 300 million bushels higher at a record 14.5 billion. Feed and residual use is raised 175 million bushels with the larger crop and lower expected prices. Exports are projected 125 million bushels higher, reflecting the relative competitiveness of U.S. corn on the world market and large new-crop outstanding sales. Corn ending stocks for 2016/17 are projected 328 million bushels higher and, if realized, would be the highest since 1987/88.

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Foreign coarse grain supplies for 2016/17 are projected 5.1 million tons higher this month with a 2.3-million-ton increase in beginning stocks and a 3.0-million-ton increase in production. Foreign corn carryin is up, mostly reflecting lower 2015/16 corn feeding in Indonesia, Canada, and Ukraine as 2015/16 corn production increases for the EU and South Africa offset a further reduction for Brazil. Foreign corn production for 2016/17 is raised 2.1 million tons with increases for Argentina, India, and Mexico more than offsetting reductions for the EU and Canada. For India, corn area is increased as favorable rainfall has boosted plantings to date as reported in the latest government statistics. Abundant summer rainfall in Mexico boosts corn yield prospects, but persistent dryness in Ontario reduces the outlook for production in Canada. EU corn production is lowered mostly on reductions for Spain and France.

Global coarse grain (corn, sorghum, barley and oats) consumption for 2016/17 is raised 8.9 million tons this month with higher corn use in the United States accounting for half of the increase. Outside the United States, corn feeding is raised for Mexico, India, and the EU. Partly offsetting is a 1.0-million-ton reduction in corn feeding for Indonesia, where government import licensing policy is expected to reduce corn imports.

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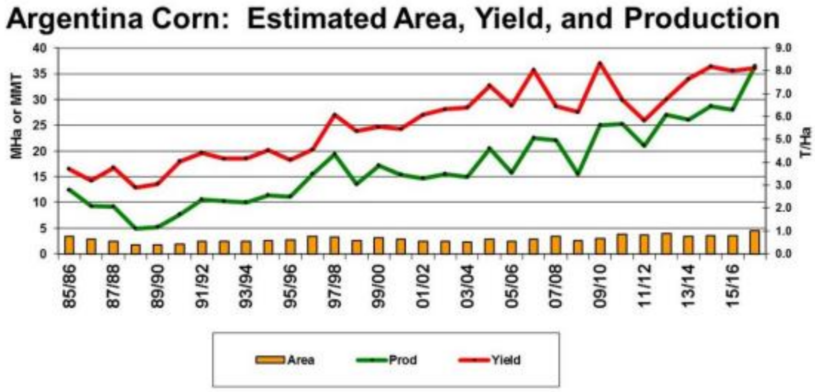

Soybean and Soybean Meal

U.S. oilseed production for 2016/17 is projected at 120.2 million tons, up 4.8 million from last month due to a higher soybean production forecast. Soybean production for 2016/17 is forecast at 4,060 million bushels, up 180 million due to increased yields. Harvested area is forecast at 83.0 million acres, unchanged from the July projection. The first survey-based soybean yield forecast of 48.9 bushels per acre is 2.2 bushels above last month and 0.9 bushels above last year's record. Soybean supplies for 2016/17 are projected at a record 4,346 million bushels. Soybean crush is raised 15 million bushels based on expected higher domestic use and exports of soybean meal. Soybean exports are raised 30 million bushels to 1,950 million. Despite higher use, soybean ending stocks are projected at 330 million bushels, up 40 million from last month.

The U.S. season-average soybean price for 2016/17 is forecast at $8.35 to $9.85 per bushel, down 40 cents on both ends of the range. Soybean meal prices are forecast at $305 to $345 per short ton, down 20 dollars at the midpoint. The soybean oil price forecast is unchanged at 29.5 to 32.5 cents per pound.

U.S. changes for 2015/16 include increased soybean crush and exports, and lower ending stocks. The soybean crush is raised 10 million bushels to 1,900 million reflecting increased domestic use and exports of soybean meal. Soybean exports are raised 85 million bushels to 1,880 million as unusually large outstanding old-crop sales are confirmed by the latest shipment data. With increased use, 2015/16 ending stocks are projected at 255 million bushels, down 95 million from last month.

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Global oilseed production for 2016/17 is projected at 543.5 million tons, up 7.0 million from last month. Global soybean production is projected at a record 330.4 million tons, up 4.5 million. The U.S. production increase is partly offset by reductions for both India and Ukraine with the latest planting data for both countries indicating lower forecasts for harvested area. Rapeseed production is raised for Canada where abundant moisture and favorable temperatures in July helped to boost yield prospects. Partly offsetting is a reduction for EU rapeseed production on excessive moisture in key growing areas, particularly in France. Other changes include increased sunflower seed production for Russia and Ukraine, increased peanut production for India and Senegal, increased cottonseed production for China, and reduced cottonseed production for India. For 2015/16, global vegetable oil trade is expected to decline 1.5 million tons from last month due to lower palm oil production in Indonesia and Malaysia. Global oilseed supplies for 2016/17 are raised 8.1 million tons with increased production and higher beginning stocks. With larger supplies only partly offset by increased crush, 2016/17 global oilseed stocks are projected at 80.6 million tons, up 4.5 million from last month.

Metric Conversion Factors

1 Hectare = 2.4710 Acres
1 Kilogram = 2.20462 Pounds

Metric-Ton Equivalent	= Domestic Unit	Factor
Wheat & Soybeans	bushels	.027216
Rice	cwt	.045359
Corn, Sorghum, & Rye	bushels	.025401
Barley	bushels	.021772
Oats	bushels	.014515
Sugar	short tons	.907185
Cotton	480-lb bales	.217720