

Michigan Planting Projections for 2008

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Crop Planting Decisions

- “Everything’s relative”
 - Relative prices, not absolute drive decisions
- MI trend yields: $137/39 = 3.51$ (corn/soybean)
- US trend yields $153/42 = 3.64$ (corn/soybean)
 - So expect larger corn to soybean switch in MI

Break-even soybean *price* (\$/bu) for alternative yields
given corn price of \$ 4.75

		Soybean yield, bu/acre		
		35.0	40.0	45.0
Corn yield bu/acre	130	\$12.50	\$10.94	\$9.72
	140	\$13.86	\$12.13	\$10.78
	150	\$15.21	\$13.31	\$11.83

Break-even soybean *yield* (bu/acre) for
alternative corn & soybean prices given
an expected corn yield of 140

		Soybean price, \$/bu		
		\$10	\$12	\$14
Corn price \$/bu	\$3.50	31.00	25.83	22.14
	\$4.75	48.50	40.42	34.64
	\$6.00	66.00	55.00	47.14

US Acreage History / Forecasted Adjustments

	US (million acres)		
	Corn	Soybeans	Wheat
08/09	87.60	69.70	63.00
07/08	93.60	63.70	60.40
06/07	78.30	75.50	57.30
Percentage Changes:			
08/09 vs 07/08	-6%	9%	4%
08/09 vs 06/07	12%	-8%	10%
07/08 vs 06/07	20%	-16%	5%

Percent Change on Michigan Corn,
Wheat, and Soybean Plantings, 2007
to 2008

-- polling conducted by Jim Hilker
(last week)

Corn and Soy Meetings 2008
%Change in Plantings, Alma

	Corn	Soys	Wheat
Average	-3.6	6.2	8.2
Min	-40.0	-50.0	-100.0
Max	20.0	100.0	300.0
Standard Deviation	9.6	17.2	40.3
Median	0	0	0
# took	98	97	85

Corn and Soy Meetings 2008
%Change in Plantings, Coldwater

	Corn	Soys	Wheat
Average	-3.9	8.1	11.2
Min	-100.0	-20.0	-20.0
Max	15.0	100.0	100.0
Standard Deviation	15.6	21.0	28.3
Median	0	0	0
# took	53	51	40

Corn and Soy Meetings 2008
%Change in Plantings, Monroe

	Corn	Soys	Wheat
Average	-3.2	2.7	10.3
Min	-100.0	-100.0	-100.0
Max	100.0	80.0	350.0
Standard Deviation	15.9	15.5	41.5
Median	0	0	0
# took	116	117	105

Corn and Soy Meetings 2008
%Change in Plantings, Plainwell

	Corn	Soy	Wheat
Average	-4.5	9.6	58.8
Min	-50.0	0.0	-5.0
Max	10.0	60.0	500.0
Standard Deviation	11.2	16.8	134.6
Median	0	0	0
# took	29	27	21

Corn and Soy Meetings 2008
%Change in Plantings, Peck

	Corn	Soy	Wheat
Average	-4.8	4.6	8.6
Min	-70.0	-20.0	-20.0
Max	20.0	100.0	300.0
Standard Deviation	13.7	16.3	33.7
Median	0	0	0
# took	96	95	91

Corn and Soy Meetings 2008
%Change in Plantings, Combined

	Corn	Soy	Wheat
Average	-3.9	5.2	12.4
Min	-100.0	-100.0	-100.0
Max	100.0	100.0	300.0
Standard Deviation	13.7	16.3	33.7
Median	0	0	0
# took	392	387	342

Noteworthy : +/- 40% of producers indicated
no change in planting intentions !!!

1/11/2008 Michigan Supply/Use Balance Sheet for Corn

Corn Marketing Year	2004/05	2005/06	Estimated 2006/07	Projected 2007/08	Projected 2008/09
					-4%
Corn Grain Production					
			<u>Thousand Acres</u>		
Planted Acres	2200	2250	2200	2650	2544
Harvested Acres	1920	2010	1960	2350	2304
Yield bushels/acre	134	143	147	124	137
Corn Use					
			<u>Million Bushels</u>		
Beginning stocks	29.2	38.9	46.0	24.2	26.6
Production	257.3	287.4	288.1	291.4	315.6
Imports	0.0	0.0	0.0	0.0	0.0
Total Supply	286.5	326.3	334.1	315.6	342.3
Corn Use					
Livestock Feed	78.0	78.0	73.0	71.0	71.0
Ethanol	16.0	19.5	67.9	101.0	141.0
Canada for Ethanol	0.0	5.0	8.0	25.0	25.0
Other Exports to Canada	10.0	10.0	5.0	8.0	10.0
Exports out of Michigan to U.S.	138.6	162.8	151.0	80.0	65.0
Other Uses and Residual	5.0	5.0	5.0	4.0	5.0
Total Disappearance	247.6	280.3	309.9	289.0	317.0
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Questions???

Tonsor's website:

<http://www.msu.edu/user/gtonsor/>

-- includes this presentation