

Grain Market Outlook, Profitability, & Selling Strategies for 2016

2016 Ag Profitability Conference, ST. John, Kansas

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Key Corn Market Decisions & Issues for Kansas Farmers & Agribusinesses

- 1) Marketing the remaining 2015 Corn Crop?
- 2) Likely 2016 crop insurance coverage prices & revenue protection issues? (February Avg. DEC 2016 Corn\$)
- 3) 2016 Corn production plans – Acres? Crop inputs?
- 4) Plans for Pre-harvest sales for 2016 Corn Production?

Topics to be discussed today.....

- 1) Key factors "driving" the U.S. Grain Markets since 1998
- 2) World Corn Supply-Demand situation & trends
- 3) U.S. Grain Market situation today – as of January 21st
- 4) Key factors to watch for when making grain marketing decisions during January-October 2016

Grain Market "Drivers"

Key issues affecting grain markets over 1998-2015 Period

- ▶ **Soybean exports (to China) & ethanol use of corn (by the U.S.) have "driven" grain Supply-Demand**
 - ⇒ "Demand-pull" has caused higher prices, crop acreage competition, & higher crop production
- ▶ **Transportation Logistics have Impacted Grain Exports**
 - ⇒ U.S. exports have been limited by higher shipping costs to key markets versus the Black Sea, Australia & other competitors
 - ⇒ Panama Canal improvements & IPP may help U.S. to Asia mkts

More Grain Market "Drivers"

Key issues

- ▶ **Wheat has been substituting for Feedgrains in World Livestock Feed Markets since 2012**
 - ⇒ Issues of "Food" versus "Feed" quality wheat, & the degree of adoption by foreign livestock feeders
- ▶ **U.S. Grain Exports have been limited by ↑ U.S. Dollar**
 - ⇒ Most impact for wheat (several export competitors), but also on corn & soybeans (competing with South America & Ukraine)

U.S. Dollar Index (ICE Futures)

Monthly Chart: November 2006 – December 2015 + 1/20/2016



Grain Market Price Behavior

Economic principles shown in market patterns over time

Prices tend to return to breakeven cost over time

- ⇒ **High grain prices & profits** lead to economic responses that eventually cause **lower prices & losses** (& vice versa)
- ⇒ Evidence in **Corn, Soybean & Wheat** markets over 2005-2015 period

Market response to Supply Prospects & Prices

- Price = f(Supply):** Varying \$ response to "short" vs "abundant" Stocks/Use
- Use = f(Prices):** Usage affected conversely by "high" vs "low" prices

Continued

Wheat Markets



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CME Kansas Hard Red Winter Wheat

Weekly Chart: December 2013 – January 15, 2016 + 1/20/2016



CME Kansas Hard Red Winter Wheat

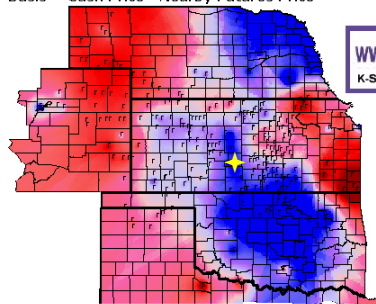
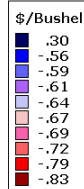
Monthly Chart: November 2006 – December 2015 + 1/20/2016



Wheat Basis, 01-13-2016

Basis = Cash Price - Nearby Futures Price

KCBT Mar Futures Price: \$4.76



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Wheat \$Price & Basis

\$4.18 /bu (Feb. delivery)

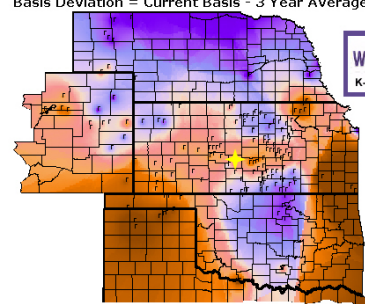
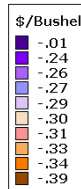
Basis = (\$0.50) /bu

St. John, KS

Wednesday, 1/20/2016

Wheat Basis Deviation, 01-13-2016

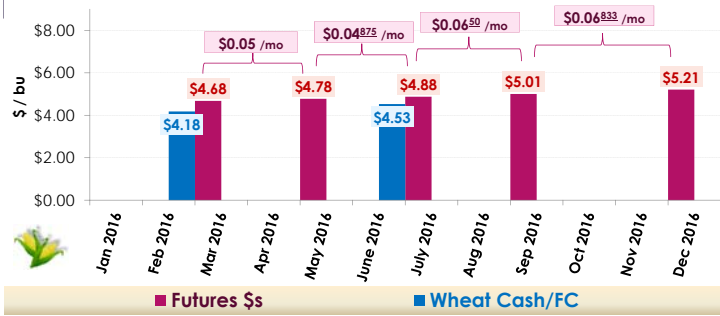
Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)



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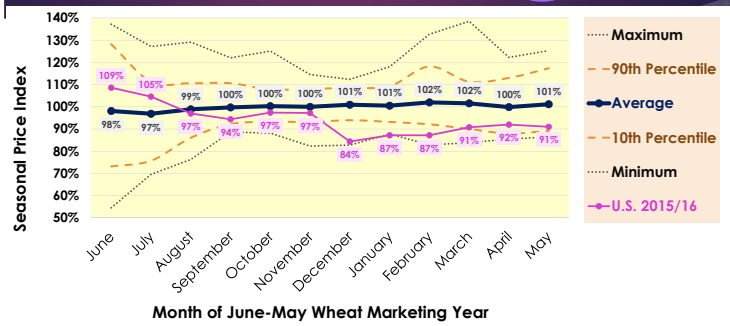
CME KS HRW Wheat Futures - Cash\$

Stafford County, Kansas Local Elevators January 20, 2016



Kansas Wheat Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 Marketing Years



World Wheat Market Prospects:

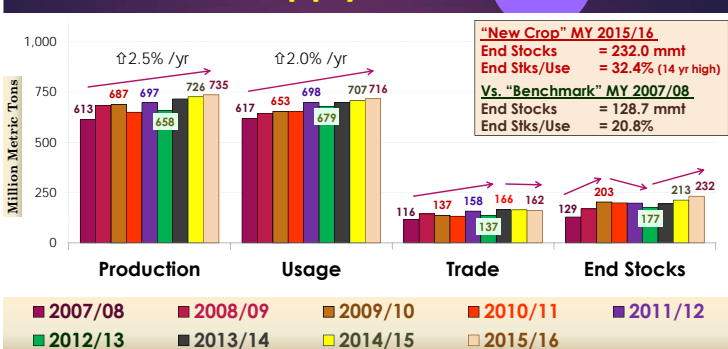
Large Supplies ⇒ A "Buyer's Market"

- Record World Supplies & Usage Forecast in 2015/16**
 - 3 consecutive record high World wheat crops
- Varying 2015/16 Crop Prospects by Country**
 - ↑ U.S., Australia, E.U., China, N. Africa, Russia, Kazakhstan, Ukraine
 - ↓ Argentina, Canada, Pakistan, India
- World wheat exports to remain a "buyer's market" unless or until World supplies & stocks decline**
 - U.S. & World Crop Uncertainty in 2016? (El Nino / La Nina...??)

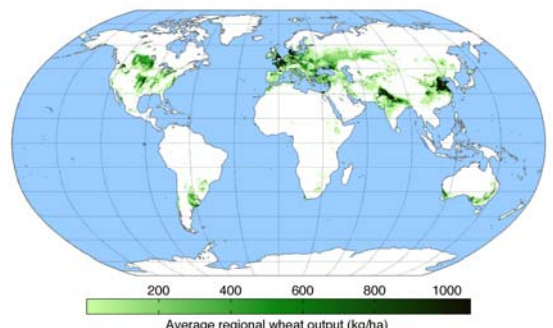
World Wheat Supply & Use – Jan. 12th WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	194	#1 213	+9.7%
Production	#2 2015/16 726	#1 735	+1.3%
Total Supply	#2 2015/16 920	#1 948	+3.1%
Food, Seed, Other Use	#2 2015/16 574	#1 578	+0.7%
Feed Use	133	*3 yr high* 138	+3.9%
Total Domestic Use	#2 2015/16 707	#1 716	+1.3%
Export Trade	#2 2013/14 164	#3 2013/14 162	-1.7%
Ending Stocks	#2 2013/14 213	#1 232	+9.0%
% Stocks / Use	30.1%	*14 yr high* 32.4%	+2.3%

World Wheat Supply, Use & Stocks



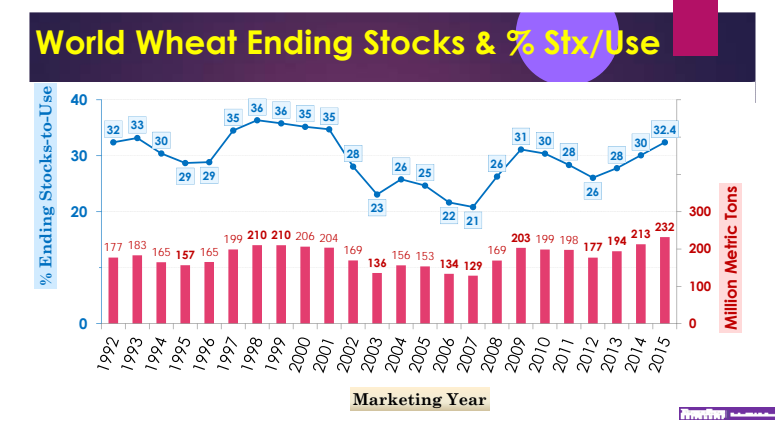
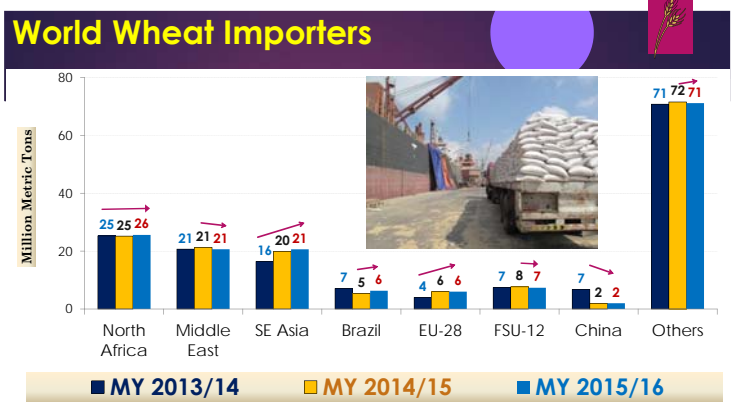
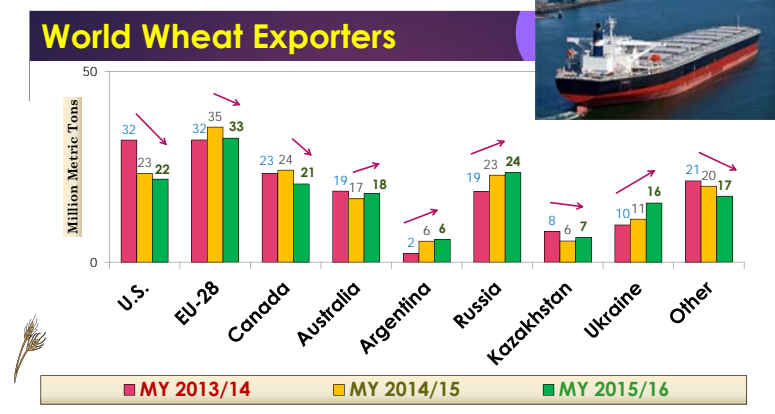
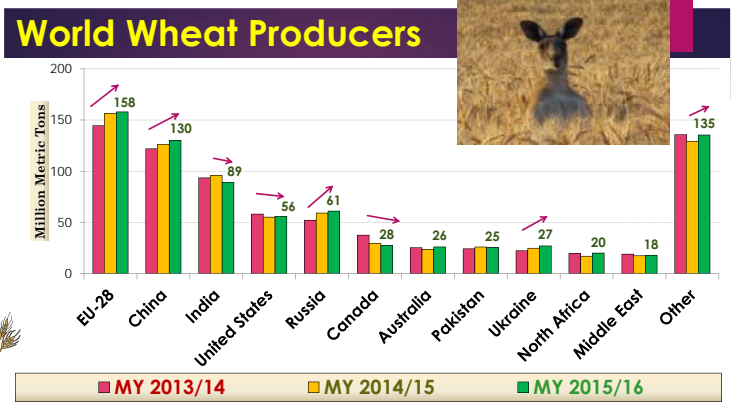
World Wheat Production Regions



Monthly Crop Calendar for Wheat 1/12/2016

Country	USDA Prod Est.	Change	Plant																				
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec									
Brazil	5.60	(0.40)																					
Canada Spring	27.60	0.00																					
US Spring	55.84	0.00																					
Australia	26.00	0.00																					
Russia Spring	61.00	0.50																					
Kazakhstan	14.00	0.00																					
China Spring	130.19	0.19																					
Ukraine Spring	27.00	0.00																					
Argentina	10.50	0.00																					
Russia Winter																							
Ukraine Winter																							
EU Winter	157.98	0.32																					
Turkey	19.50	0.00																					
Egypt	8.10	0.00																					
US Winter																							
India	88.94	0.00																					
China Winter																							

Sources: USDA and AMIS
 *Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.
 **Production estimates are for ALL WHEAT. Numbers will be listed next to the variety that comes first in the chart.



U.S. Wheat Market Prospects: Slow Exports, Growing Stocks, & Weak Prices

- **U.S. wheat exports** are likely to remain weak until the high U.S. dollar &/or record World stocks situation changes
- **U.S. Spring Wheat²⁰¹⁵** ⇨ 14.1% protein & 61.6 lb test, 1.4% defects
 - Versus 14.1% protein, 61.4 lb test wt, 1.3% defects in 2010-2014
- **U.S. HRW Wheat²⁰¹⁵** ⇨ 12.4% protein, 59.0 lb test, 1.8% defects
 - Versus 12.7% protein, 60.7 lb test wt, 1.6% defects in 2010-2014
- **U.S. SRW Wheat²⁰¹⁵** ⇨ 10.0% protein & 56.9 lb test, 4.3% defects
 - Versus 10.0% protein, 58.7 lb test wt, 2.0% defects in 2010-2014

All U.S. Wheat Supply-Use & Prices

		2012/13	2013/14	2014/15	2015/16	**2016/17
Area Harvested	(mil. acres)	48.8	45.3	46.4	47.1	**43.3
Yield	(bu./acre)	46.2	47.1	43.7	43.6	45.9
Production	(mil. bu.)	2,252	2,135	2,026	2,052	**1,988
Beginning Stocks	(mil. bu.)	743	718	590	752	941
Imports	(mil. bu.)	124	173	149	120	125
Total Supply	(mil. bu.)	3,119	3,026	2,766	2,924	**3,054
Food Use	(mil. bu.)	951	955	958	967	974
Seed Use	(mil. bu.)	73	77	81	66	66
Exports	(mil. bu.)	1,012	1,176	854	800	900
Feed & Residual	(mil. bu.)	365	228	120	150	**175
Total Use	(mil. bu.)	2,401	2,436	2,014	1,983	**2,115
Ending Stocks (%S/U)	(mil. bu.)	29.9% 718	24.2% 590	37.4% 752	47.5% 941	**44.4% 939
Season-Avg. Price	(\$/bu.)	\$7.77	\$6.87	\$5.99	\$5.00	\$4.50

U.S. Wheat Production in 2015-2016

Planted Acres = 53.0 million²⁰¹⁶ (↓2.7 ma ?)
vs 54.6 million²⁰¹⁵

Harvested Acres = 44.9 mln²⁰¹⁵ (↓2.6 ma ?)
vs 47.1 million²⁰¹⁵

Yield = 45.9 bu/ac²⁰¹⁶
vs 43.6 bu/ac²⁰¹⁵

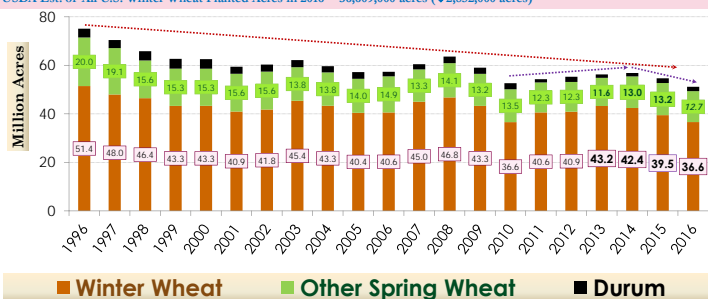
Production = 2.060 bin bu²⁰¹⁶ (1.942 bb^{KSU})
vs 2.052 bin bu²⁰¹⁵



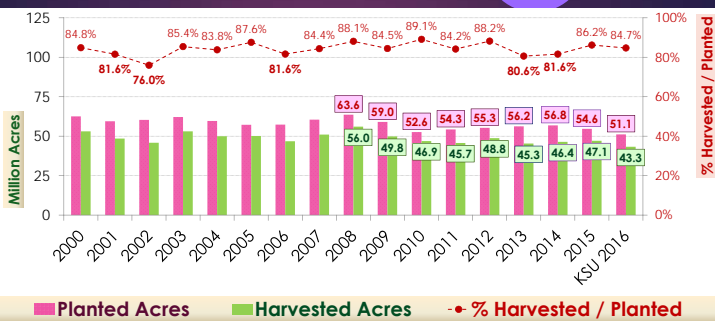
U.S. Wheat Seeded Acreage

2015 U.S. Wheat acreage ↓ 3.9% vs 2014 ⇒ 2016 ?????

USDA Est. of All U.S. Winter Wheat Planted Acres in 2016 = 36,609,000 acres (↓2,852,000 acres)



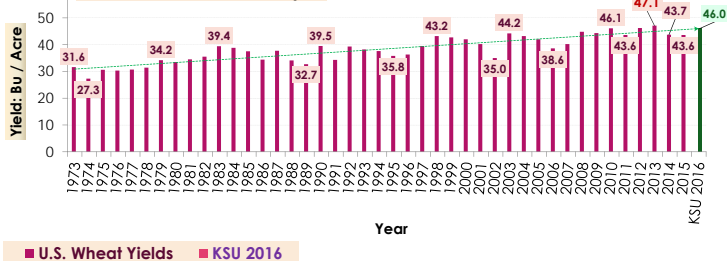
U.S. Wheat Acreage



U.S. Wheat Yields

U.S. Wheat Yield Trend (1973-2015)

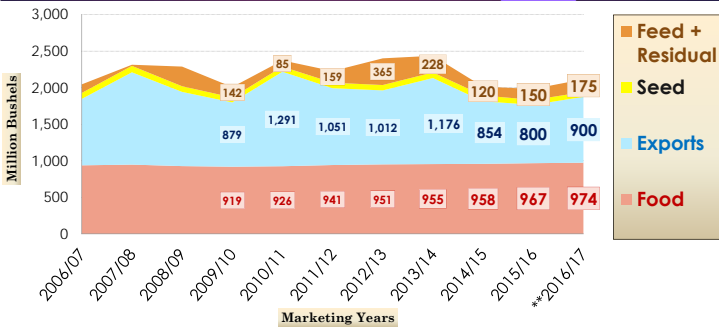
Yield = 30.52 bu + 0.352 bu/yr



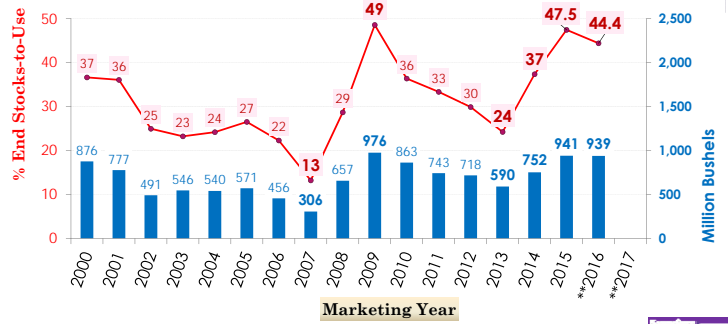
U.S. Wheat Production & Supplies



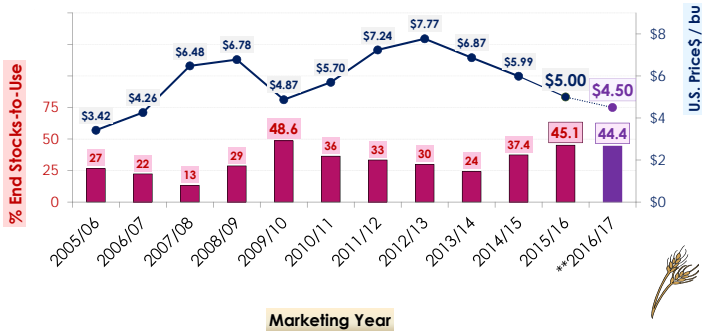
U.S. Wheat Use by Category



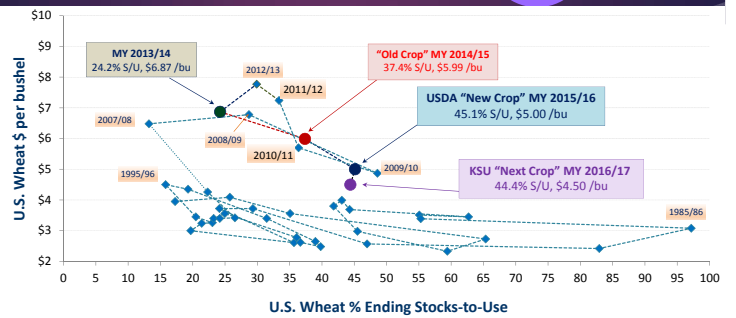
U.S. Wheat Ending Stocks & % Stx/Use



U.S. Wheat Ending Stocks & Prices

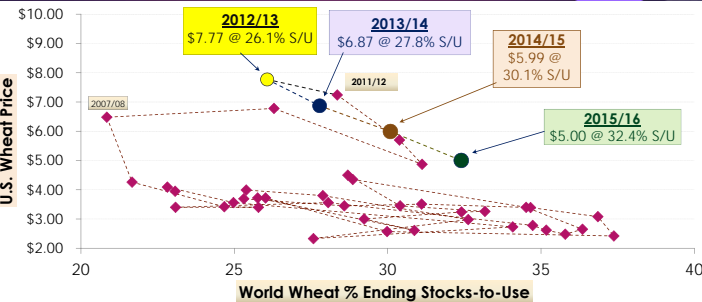


U.S. Wheat Price vs U.S. Stocks-to-Use



U.S. Wheat Price (\$) vs World %Stx/Use

MY 1973/74 - "New Crop" MY 2015/16



Corn & Sorghum Markets



CME Corn Futures

Weekly Chart: December 2013 – January 15, 2016 + 1/20/2016



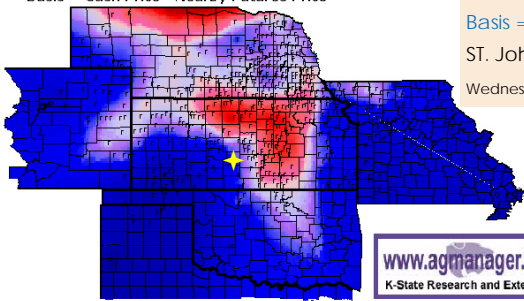
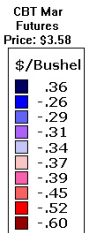
CME Corn Futures

Monthly Chart: November 2006 – December 31, 2015 + 1/20/2016



Corn Basis, 01-13-2016

Basis = Cash Price - Nearby Futures Price



Corn \$Price & Basis

\$3.51 /bu

Basis = **(\$0.18) /bu**

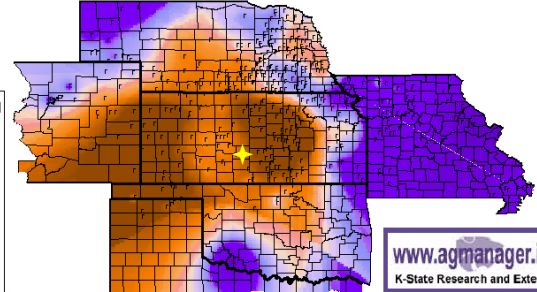
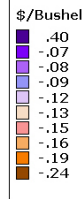
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Corn Basis Deviation, 01-13-2016

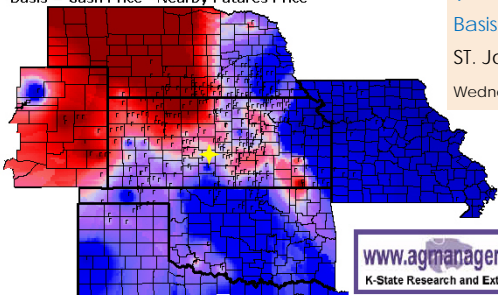
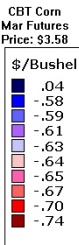
Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)



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Grain Sorghum Basis, 01-13-2016

Basis = Cash Price - Nearby Futures Price



Corn \$Price & Basis

\$3.14 /bu

Basis = **(\$0.55) /bu**

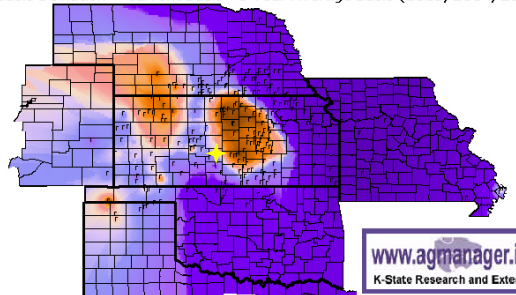
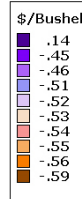
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Grain Sorghum Basis Deviation, 01-13-2016

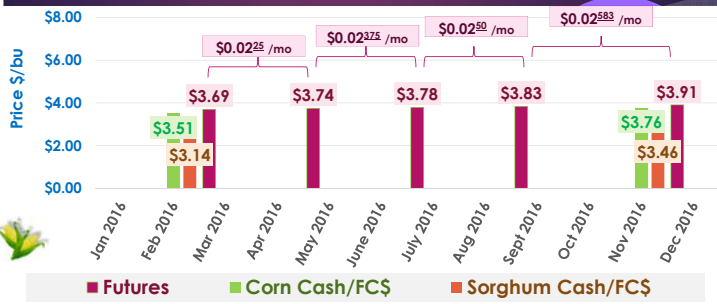
Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)



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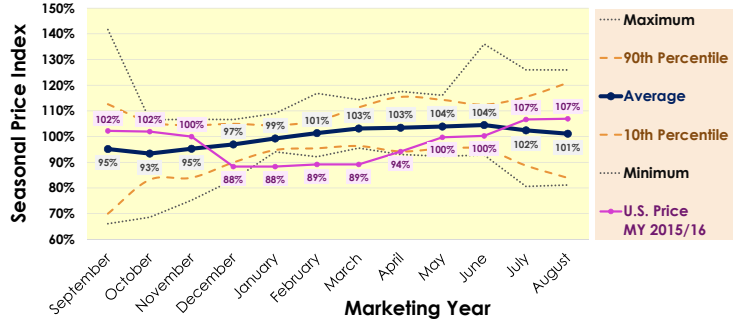
CME Corn Futures – Cash/FC Feedgrains

Stafford County, Kansas Local Elevators January 20, 2016



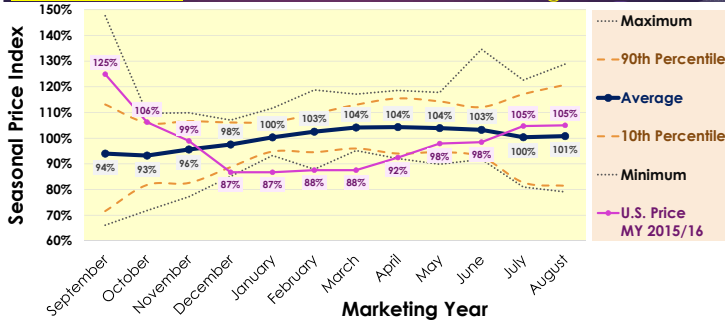
Kansas Corn Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 Marketing Years



Kansas Sorghum Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 Marketing Years



World Corn & Sorghum Market Prospects:

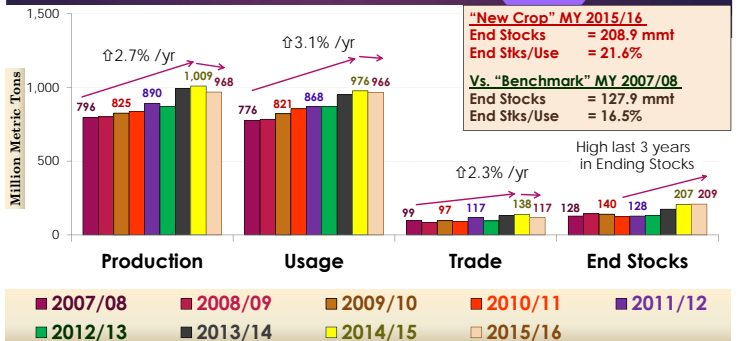
Large Supplies ⇒ A "Buyer's Market"

- **Record World Supplies & Usage in 2015/16**
 - 3 largest World coarse grain crops in last 3 years (like wheat)
- **Varying 2015/16 Coarse Grain Crop Prospects**
 - ↑ Australia, Canada, North Africa/Middle East, SE Asia, China
 - ↓ U.S., Argentina*, Brazil*, E.U., Mexico, Russia, Ukraine
- **Coarse grain exports likely to remain a "buyer's market" until World stocks decline**
 - U.S. & World Crop Uncertainty in 2016? (El Nino / La Nina...??)

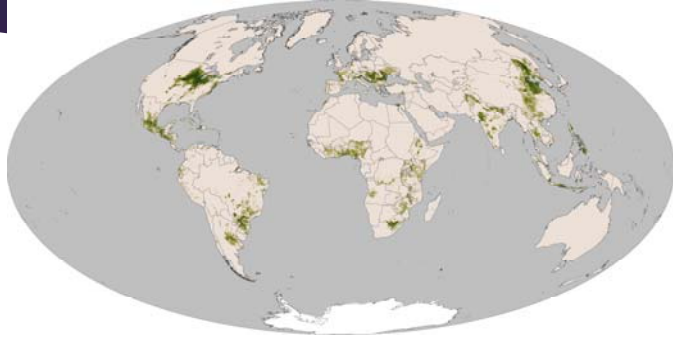
World Corn Supply & Use – January 12th WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
Beginning Stocks	175 mmt	207 mmt	+18.7%
Production	#1 1,009	#3 1986/87 968	-4.0%
Total Supply	#1 1,183	#2 2014/15 1,175	-0.7%
Feed Use	#2 2015/14 582	#1 595	+2.2%
Food, Seed, Industrial	#2 2015/16 394	#1 371	-5.7%
Total Use	#2 2015/16 976	#1 966	-1.0%
Export Trade	#1 138	#3 2013/14 117	-15.3%
Ending Stocks	#2 2015/16 207	#1 209	+0.8%
% Stocks / Use	21.2%	21.6%	+0.4%

World Corn Supply, Use & Stocks



World Corn (Maize) Production Regions



Monthly Crop Calendar for Corn

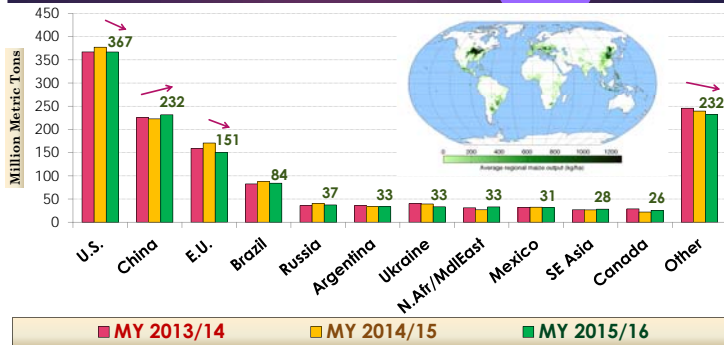
	USDA Prod Est.	15/16 Change	1/12/2016											
			Plant	Silk	Harvest									
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
EU	57.75	0.00												
US	345.49	(1.33)												
Mexico Summer	23.50	0.00	H	H	H	H								
Ukraine	23.50	(0.50)												
Russia	13.00	(0.50)												
China	224.58	(0.42)												
Indonesia Dry Region	9.60	0.00												
Philippines Main	7.80	0.00	P	P	P	P	H	H	H	H	H	H	H	H
Canada	13.60	0.00												
India	21.00	0.00	H	H	H	H	H	H	H	H	H	H	H	H
Brazil 1st crop	81.50	0.00	H	H	H	H	H	H	H	H	H	H	H	H
Argentina	25.60	0.00	S	S										
Philippines 2nd Crop			H	H	H	H	H	H	H	H	H	H	H	H
South Africa	8.00	(4.00)	P	S	S									
Mexico Winter			P	P	P	P	P	P	P	P	P	P	P	P
Brazil 2nd crop			P	P	P	P	P	P	P	P	P	P	P	P
Indonesia Rainy Region			P	P	P	P	P	P	P	P	P	P	P	P
Nigeria	7.00	0.00	P	P	P	P	P	P	P	P	P	P	P	P

Sources: USDA, AMIS, and CHS, Inc. locations

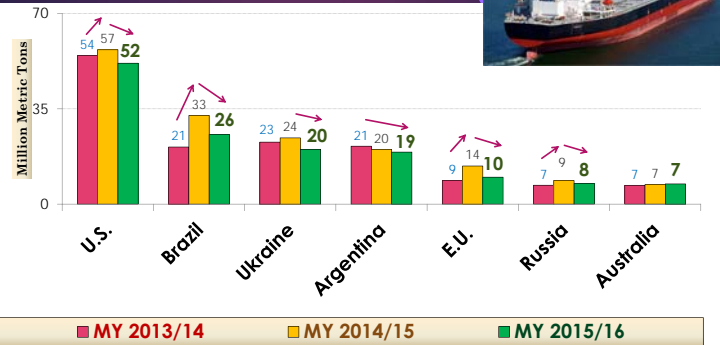
*Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

**Production estimates are for ALL CORN. Numbers will be listed next to the variety that comes first in the chart.

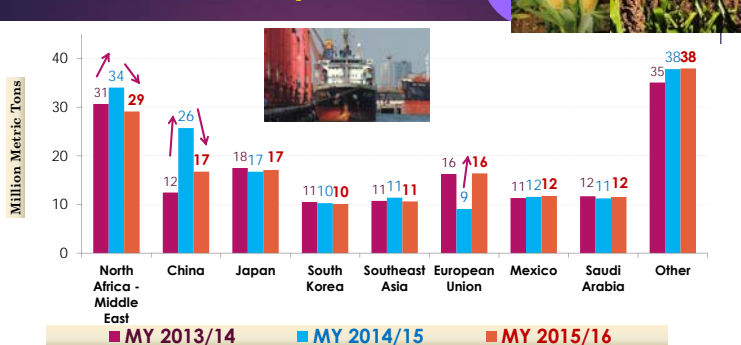
World Coarse Grain Production



Coarse Grain Exporters



Coarse Grain Importers



U.S. Feedgrain Market Prospects:

Low Prices "helping" Use, but Outside Factors "hurting"

- Strong U.S. sorghum exports to China to continue?
- Low Corn Prices have supported U.S. domestic use
 - Livestock Feed^{2015/16} = 5.300 bln bu (2nd highest since 2007/08)
 - Corn Ethanol^{2015/16} = 5.200 bln bu (2nd highest, down 9 mb vs 2014/15)
 - Other FSJ^{2015/16} = 1.370 bln bu (up 61 mb)
 - Exports^{2015/16} = 1.700 bln bu (down 164 mb vs 2014/15)
- Financial markets impacting U.S. Ethanol Use & Exports

U.S. Corn Supply-Use & Prices

	2012/13	2013/14	2014/15	2015/16	**2016/17
Area Planted (mil. acres)	97.3	95.4	90.6	88.0	90.5
Yield (bu./acre)	123.1	158.1	171.0	168.4	168.1
Production (mil. bu.)	10,755	13,829	14,216	13,601	13,900
Beginning Stocks (mil. bu.)	989	821	1,232	1,731	**1,802
Imports (mil. bu.)	160	36	32	40	30
Total Supply (mil. bu.)	11,904	14,686	15,479	15,372	15,732
Ethanol (mil. bu.)	4,641	5,124	5,209	5,200	5,200
Food, Seed, & Other (mil. bu.)	1,397	1,369	1,359	1,370	1,385
Exports (mil. bu.)	730	1,920	1,864	1,700	1,900
Feed & Residual (mil. bu.)	4,315	5,040	5,315	5,300	5,300
Total Use (mil. bu.)	11,083	13,454	13,748	13,570	13,935
Ending Stocks (%S/U) (mil. bu.)	7.4% 821	9.2% 1,232	12.6% 1,731	13.3% 1,802	*12.9% 1,797
Season-Avg. Price (\$/bu.)	\$6.89	\$4.46	\$3.70	\$3.60	\$3.60

U.S. Corn Production in 2015-2016

Planted Acres ≈ 90.5 million²⁰¹⁶ (USDA)
vs 88.0 million²⁰¹⁵

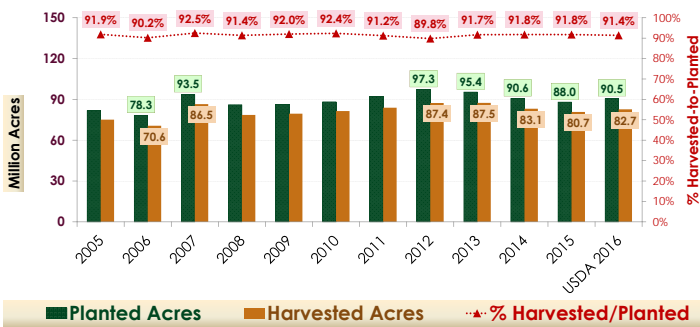
Harvested Acres ≈ 82.7 million²⁰¹⁶ (USDA)
vs 80.7 million²⁰¹⁵

Yield = 168.1 bu/ac²⁰¹⁶ (USDA)
vs 168.4 bu/ac²⁰¹⁵

Production = 13,900 bln bu²⁰¹⁶ (USDA)
vs 13,601 bln bu²⁰¹⁵

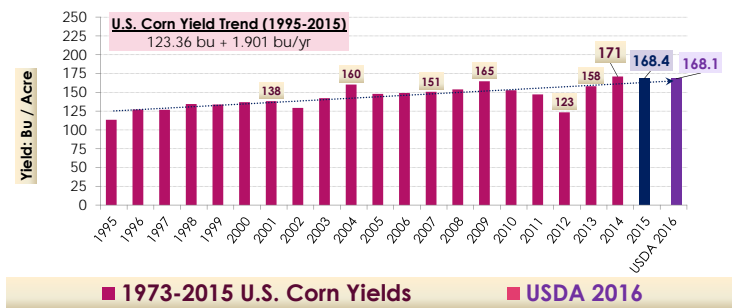


U.S. Corn Acreage



U.S. Corn Yields

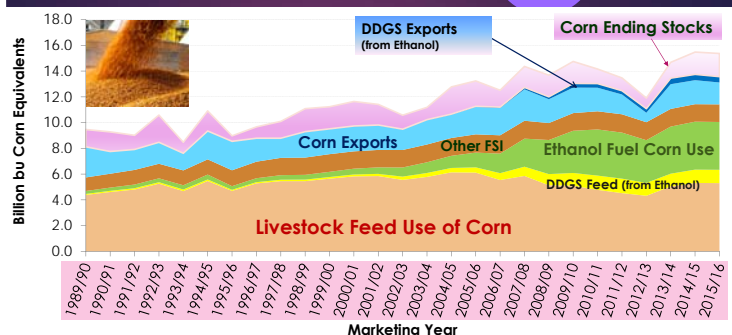
USDA 2015 = 168.4 bu/ac; 2016 USDA Forecast = 168.1



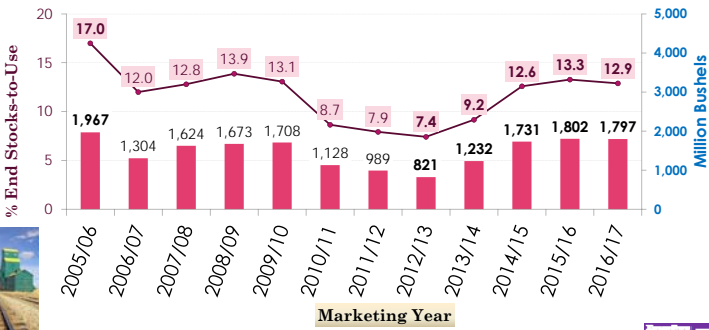
U.S. Corn Production & Supplies



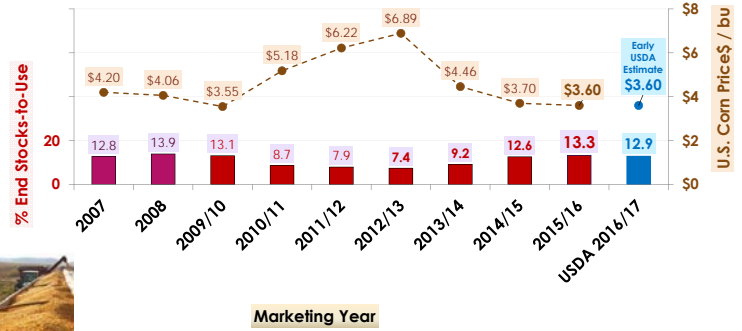
U.S. Corn Use - With DDGS #s



U.S. Corn Ending Stocks & % Stx/Use

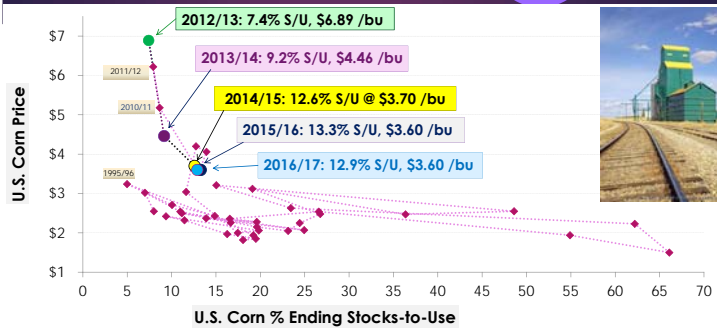


U.S. Corn % Stocks/Use vs Price\$



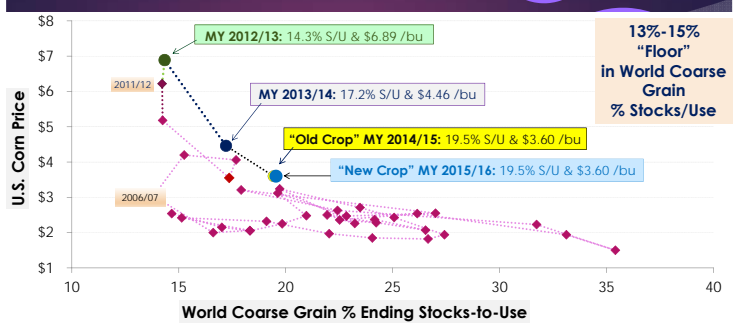
U.S. Corn Price\$ vs U.S. % Stocks-to-Use

MY 1973/74 through "New Crop" MY 2015/16



U.S. Corn Price\$ vs World Coarse Grain %S/U

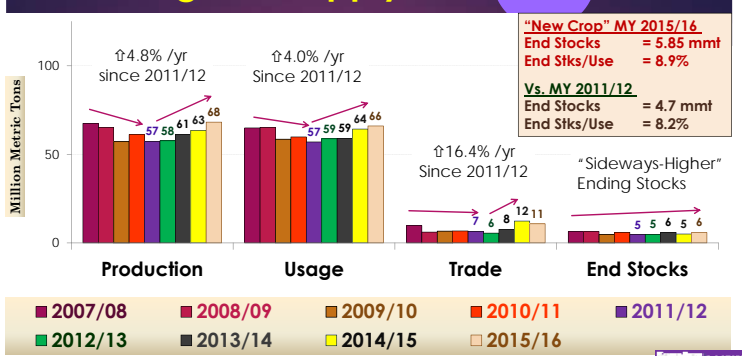
MY 1973/74 through "New Crop" MY 2015/16



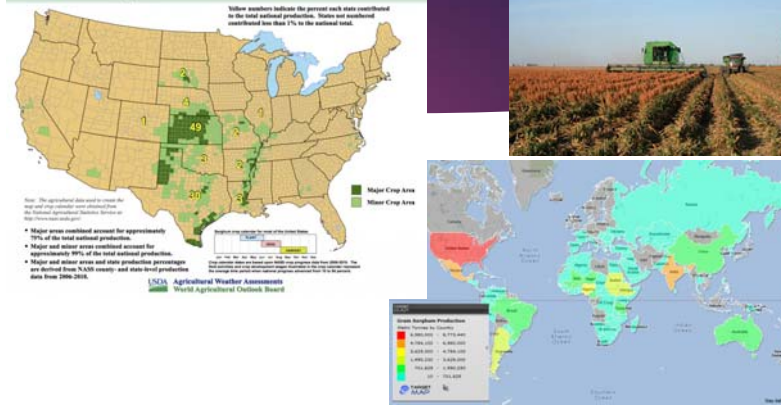
World Sorghum Supply & Use - 1/12/16 WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	6	5	-15.0%
Production	63	*high since 1996* 68	+8.2%
Total Supply	69	*high since 1987* 73	+6.3%
Feed Use	30	*high since 1996* 30	-0.7%
Food, Seed, Industrial	34	36	+5.3%
Total Use	64	#1 66	+2.5%
Export Trade	*high since 1980* 12	*2nd high since 1980* 11	-7.4%
Ending Stocks	5	6	+17.2%
% Stocks / Use	7.6%	8.6%	+1.0%

World Sorghum Supply, Use & Stocks



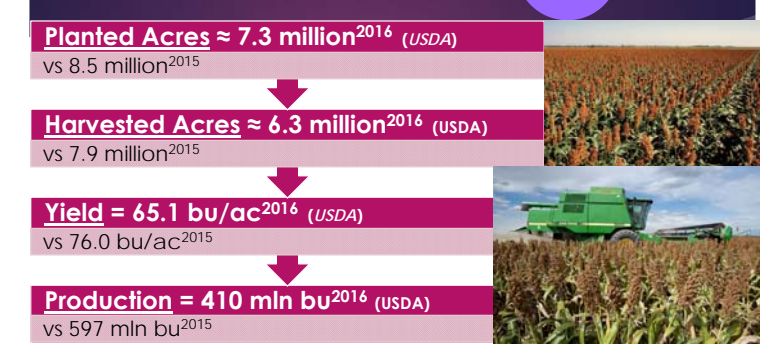
United States: Sorghum



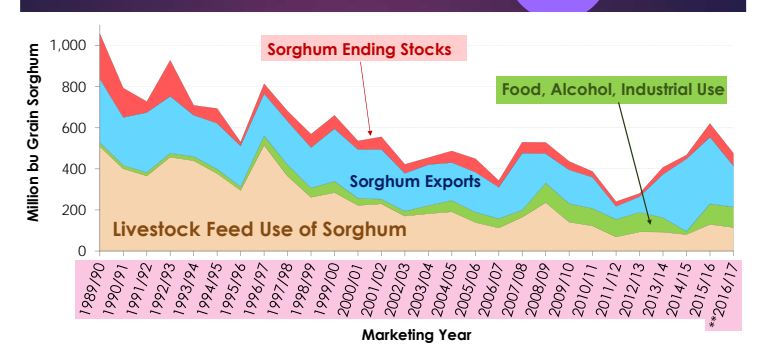
U.S. Sorghum Supply-Use & Prices

	2012/13	2013/14	2014/15	2015/16	**2016/17
Area Planted (mil. acres)	6.3	8.1	7.1	8.5	7.3
Yield (bu./acre)	49.6	59.6	67.6	76.0	65.1
Production (mil. bu.)	248	392	433	597	410
Beginning Stocks (mil. bu.)	23	15	34	18	** 65
Imports (mil. bu.)	10	0.1	0.4	5	1
Total Supply (mil. bu.)	280	408	467	620	** 476
Alcohol-Industrial, Food (mil. bu.)	94	69	14	99	99
Seed (mil. bu.)	1	1	1	1	1
Exports (mil. bu.)	76	211	353	325	200
Feed & Residual (mil. bu.)	93	93	80	130	115
Total Use (mil. bu.)	265	374	449	555	415
Ending Stocks (%S/U) (mil. bu.)	5.7% 15	9.1% 34	4.1% 18	11.7% 65	** 14.7% 61
Season-Avg. Price (\$/bu.)	\$6.33	\$4.28	\$4.03	\$3.30	\$3.40

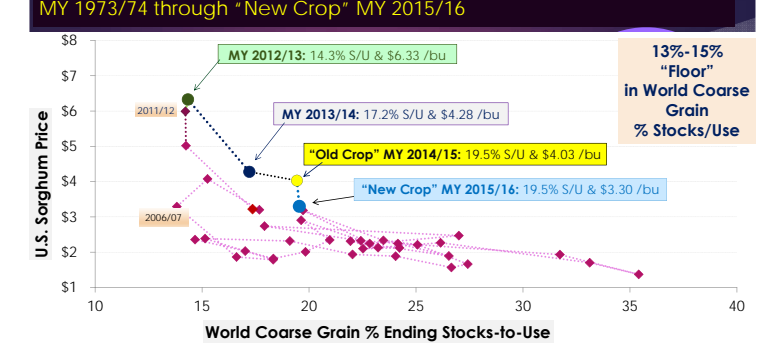
U.S. Sorghum Production in 2016



U.S. Sorghum Use & Ending Stocks



U.S. Sorghum\$ vs World Coarse Grain %S/U



Soybean Markets



CME Soybean Futures

Weekly Chart: December 2013 – January 15, 2016 + 1/20/2016



CME Soybean Futures

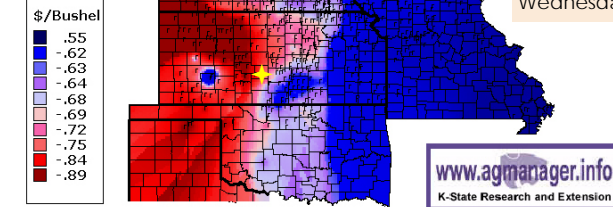
Monthly Chart: Nov. 2006 – December 31, 2015 + 1/20/2016



Soybean Basis, 01-13-2016

Basis = Cash Price - Nearby Futures Price

CBT Mar Futures Price: \$8.80



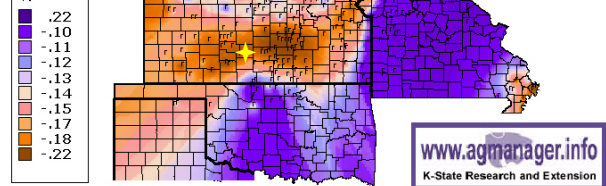
Soybean \$Price & Basis

\$7.99 /bu
Basis = (\$0.75)/bu
ST. John, KS
Wednesday, 1/20/2016

Soybean Basis Deviation, 01-13-2016

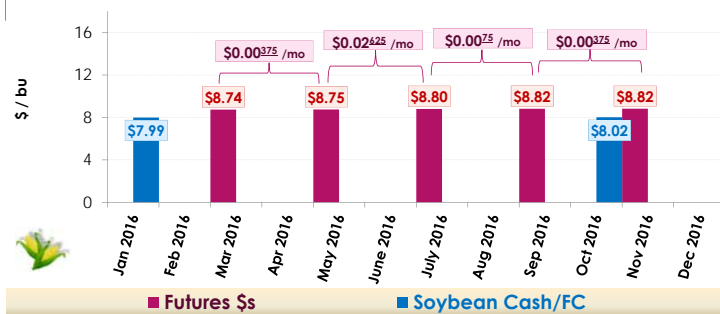
Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)

\$/Bushel



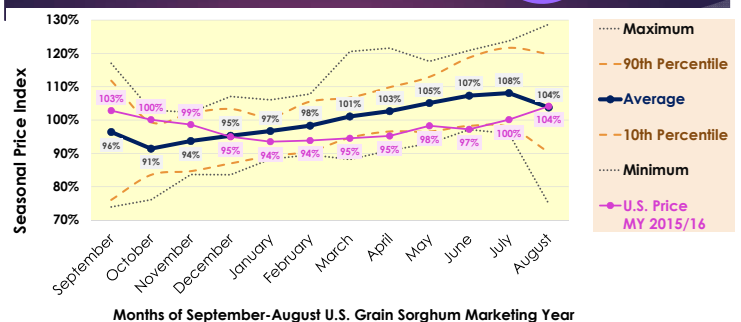
CME Soybean Futures - Cash\$

Stafford County, Kansas Local Elevators January 20, 2016



Kansas Soybean Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 Marketing Years



World Soybean Market Prospects:

Large Supplies ⇒ A "Buyer's Market"

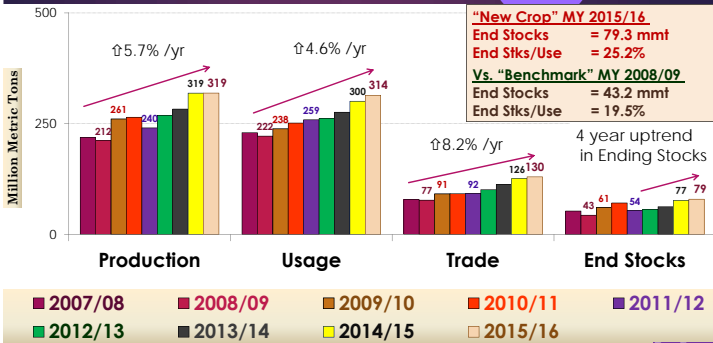
- Record World Supplies & Usage in 2015/16
 - 3 consecutive record large World soybean crops (like wheat & corn)
- Varying MY 2015/16 Crop Prospects by Country
 - ↑ U.S., Brazil**, Paraguay** & the European Union
 - ↓ Argentina & China
- World soybean exports to remain a "buyer's market" until World supplies & stocks decline
 - U.S. & World Crop Uncertainty in 2016? (El Nino...??)

Continuum

World Soybean Supply & Use - Jan. 12th WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	63	#1 77	+23.4%
Production	#2 2015/16 319	#1 319	Small +
Total Supply	#2 2015/16 381	#1 396	+3.9%
Domestic Crush	#2 2015/16 263	#1 275	+4.8%
Food, Seed, Other Use	#2 2015/16 38	#1 39	+2.3%
Total Use	#2 2015/16 301	#1 314	+4.5%
Export Trade	#2 2015/16 126	#1 129	+4.5%
Ending Stocks	#2 2015/16 77	#1 79	+3.1%
% Stocks / Use	#4 2010/11 25.6%	#3 2010/11 25.2%	(0.4%)

World Soybean Supply, Use & Stocks

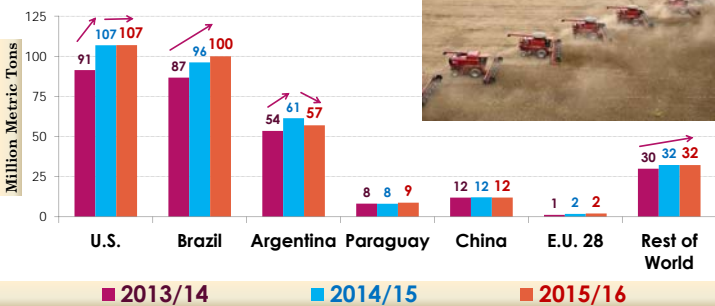


Monthly Crop Calendar for Soybeans

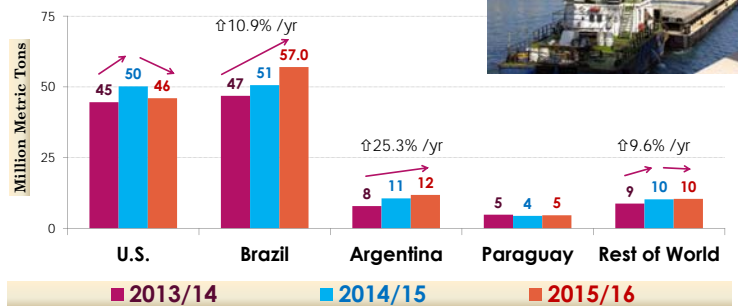
	USDA Prod Est.	15/16 Change	Plant	Bloom	Harvest	1/12/2016											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Ukraine	3.80	0.00				P	P	P			H	H	H				
EU	2.05	0.00				P	P	P			H	H	H				
Russia	2.85	0.05				P	P	P			H	H	H				
US	106.95	(1.40)					P	P	P	B	B	B	H	H			
China	12.00	0.50					P	P	P			H	H	H			
Canada	6.24	0.00					P	P	P	B	B	B	H	H			
Indonesia	0.62	0.00					P	P	P	P	H	H	H	H			
Mexico	0.36	0.00	H	H	H			P	P	P	P	P	H	H			
India	8.00	0.00						P	P	P	P		H	H			
Paraguay	8.80	0.00	H	H	H	H	H	H	H			P	P	P			
Brazil	100.00	0.00	H	H	H	H	H	H				P	P	P			
Argentina	57.00	0.00	P	B	B		H	H	H	H			P	P			
South Africa	0.89	(0.25)	H	H	H								P	P			

Sources: USDA, AMIS, and CHS, Inc. locations
 *Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

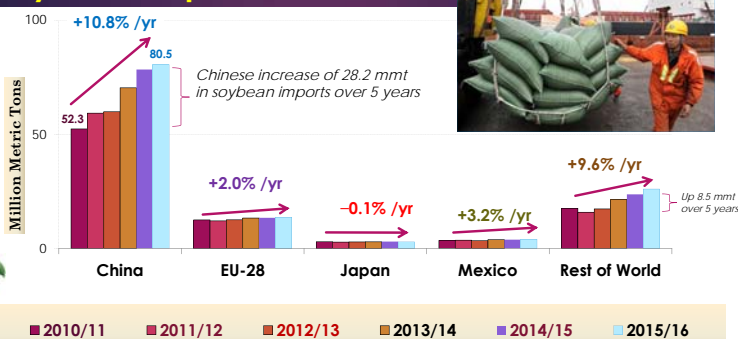
Soybean Production



Soybean Exporter Sales



Soybean Importer Purchases



U.S. Soybean Market Prospects:

Strong Use & Exports, Large Stocks, & Weak Prices

- U.S. soybean exports in 2015/16 to remain historically large in spite of high U.S. Dollar
 - Depends on China import demand & 2016 South American crops
- Low Prices have supported U.S. Soybean Use
 - **Crush^{2015/16}** = 1.890 bln bu (*record, > 1.873 bb in MY 2014/15*)
 - **Exports^{2015/16}** = 1.690 bln bu (*2nd high, ↓ 153 mb vs MY 2014/15*)
- Uncertainty re: 2016 South American soybean crop size

U.S. Soybean Supply-Use & Prices

	2012/13	2013/14	2014/15	2015/16	2016/17
Area Planted (mil. acres)	77.2	76.8	83.3	82.7	82.0
Yield (bu./acre)	40.0	44.0	47.5	48.0	46.7
Production (mil. bu.)	3,042	3,358	3,927	3,930	3,785
Beginning Stocks (mil. bu.)	169	141	92	191	** 440
Imports (mil. bu.)	41	72	33	30	30
Total Supply (mil. bu.)	3,252	3,570	4,052	4,150	** 4,255
Domestic Crush (mil. bu.)	1,689	1,734	1,873	1,890	1,910
Exports (mil. bu.)	1,317	1,638	1,843	1,690	1,825
Seed, Feed, Residual (mil. bu.)	105	107	145	131	124
Total Use (mil. bu.)	3,111	3,478	3,862	3,711	3,859
Ending Stocks (%S/U) (mil. bu.)	4.5% 141	2.7% 92	5.0% 191	11.9% 440	**10.3% 396
Season-Avg. Price (\$/bu.)	\$14.40	\$13.00	\$10.10	\$8.80	\$8.65

U.S. Soybean Production in 2016

Planted Acres = 82.0 million²⁰¹⁶ (USDA)
vs 82.7 million²⁰¹⁵

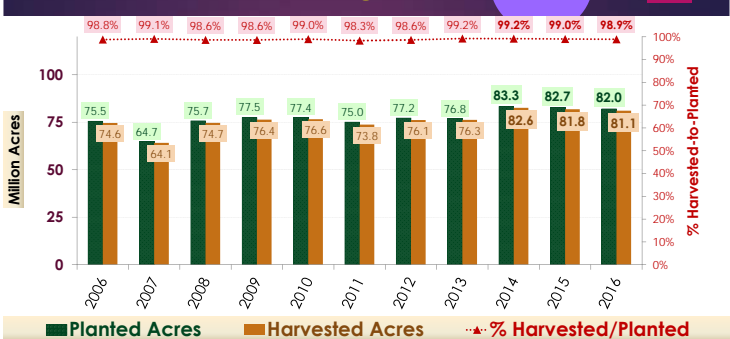
Harvested Acres = 81.1 million²⁰¹⁶ (USDA)
vs 81.8 million²⁰¹⁵

Yield = 46.7 bu/ac²⁰¹⁶ (USDA)
vs 48.0 bu/ac²⁰¹⁵

Production = 3.785 bln bu²⁰¹⁶ (USDA)
vs 3.930 bln bu²⁰¹⁵

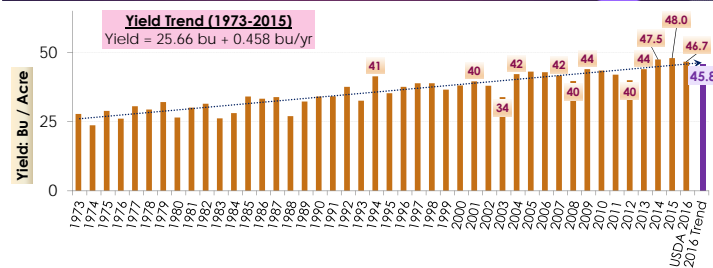


U.S. Soybean Acreage



U.S. Soybean Yields

USDA 2015 = 48.0 bu/ac; 2016 Trend¹⁹⁷³⁻²⁰¹⁵ = 45.8



■ U.S. Soybean Yields 1973-2015 ■ KSU 2015 Trend

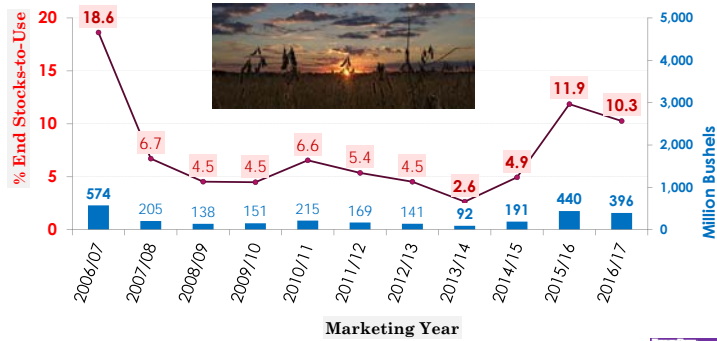
U.S. Soybean Production & Supplies



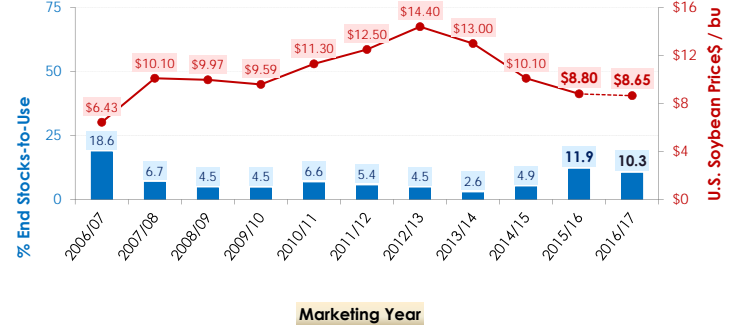
U.S. Soybean Use & End Stocks



U.S. Soybean Ending Stocks & % Stx/Use

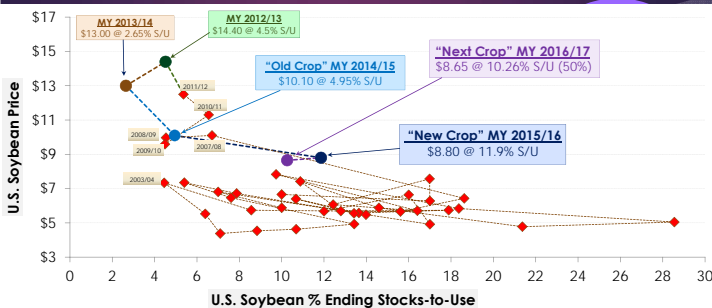


U.S. Soybean % Stocks/Use vs Prices



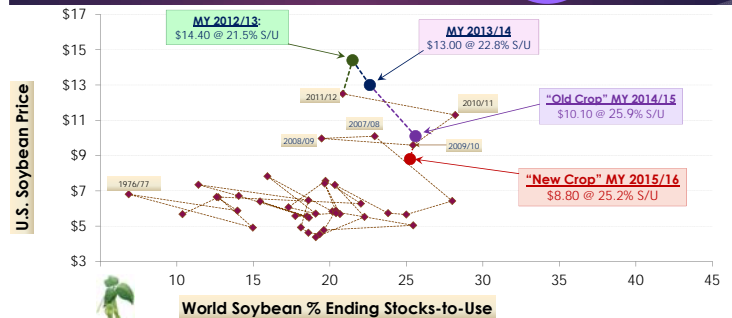
U.S. Soybean \$ vs U.S. Stx-to-Use

MY 1973/74 through "Next Crop" MY 2016/17



U.S. Soybean \$ vs World %Stx/Use

MY 1973/74 through "New Crop" MY 2015/16



World Cotton Supply & Use – 1/20/2016 WASDE

	MY 2014/15 Estimate	MY 2015/16 Forecast	MY 2015/16 vs MY 2014/15
	Million bales	Million bales	percent
Beginning Stocks	103	112	+8.7%
Production	119	102	-14.7%
Total Supply	222	214	-3.9%
Domestic Use	110	111	+0.5%
Export Trade	35.4	36.1	+1.9%
World Ending Stocks	112	103	-8.2%
China Ending Stocks	(61%) 68	(63%) 65	-5.0%
Non-China End Stocks	(39%) 44	(37%) 38	-13.2%

U.S. Cotton Supply-Use & Prices

	2012/13	2013/14	2014/15	2015/16	2016/17
Area Planted (mil. acres)	12.3	10.4	11.0	8.6	9.5
Yield (Lbs./havest. acre)	887	821	838	769	805
Production (thsd short tons)	17,314	12,909	16,319	12,943	13,600
Beginning Stocks (thsd 40# bales)	3,350	3,800	2,350	3,700	** 3,100
Imports (thsd 40# bales)	10	13	12	10	5
Total Supply (thsd 40# bales)	20,674	16,722	18,681	16,990	** 16,705
Domestic Use (thsd 40# bales)	3,848	3,550	3,580	3,600	3,700
Exports (thsd 40# bales)	13,026	10,530	11,250	10,000	9,700
Total Use (thsd 40# bales)	16,874	14,080	14,820	13,600	13,400
Ending Stocks (%S/U) (thsd 40# bales)	22.5% 3,800	16.7% 2,350	25.0% 3,700	22.8% 3,100	24.7% 3,305
Season-Avg. Price (\$0.00/lb)	\$0.720	\$0.779	\$0.613	\$0.59	\$0.58

Questions?

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