

# 2019 Grain Sorghum Market Outlook

## 2019 Sorghum School

Garden City, Kansas

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Department of Agricultural Economics



### 2017 Data - Southwest Kansas Enterprise Summary

### Kansas Farm Management Association Annual ProfitLink Summary NON-IRRIGATED ALL TILLAGE GRAIN SORGHUM

	2012 - 2016	2017
Number of Farms	19	17
Crop Acres	450	632
Acres Owned	120	124
Acres Rented	330	507
Yield/Acre	82.75	92.00
Operator Percentage	78.97 %	75.60 %
Gross Income/Acre	\$274.15	\$265.55
Variable Cost/Acre	\$196.11	\$162.17
Total Expense/Acre	\$284.83	\$225.56
Gross Income/Bushels	\$4.08	\$3.82
Total Expense/Bushels	\$4.24	\$3.24

2017 Data - Southwest Kansas  
Enterprise Summary

Kansas Farm Management Association  
Annual ProfitLink Summary  
NON-IRRIGATED ALL TILLAGE GRAIN SORGHUM

	2012 - 2016				2017			
	Bushels	Total \$	\$/Bush	\$/Acre	Bushels	Total \$	\$/Bush	\$/Acre
<b>INCOME</b>								
<i>Grain Sorghum (Oper Shr)</i>	30,249	\$106,636.25	\$3.53	\$237.10	43,905	\$142,214.90	\$3.24	\$225.17
Patronage Refunds		1,413.19				1,417.87		
Government Payments		4,604.50				16,784.97		
Miscellaneous Income		1,911.70						
Crop Insurance Proceeds		8,879.58				7,166.76		
Grain Futures		-144.61				131.64		
<b>Total Other Income</b>		<b>\$16,664.36</b>	<b>0.55</b>	<b>37.05</b>		<b>\$25,501.24</b>	<b>0.58</b>	<b>40.38</b>
<b>GROSS INCOME</b>		<b>\$123,300.60</b>	<b>\$4.08</b>	<b>\$274.15</b>		<b>\$167,716.14</b>	<b>\$3.82</b>	<b>\$265.55</b>
<b>EXPENSE</b>								
<i>Total Variable Costs</i>		<b>\$88,202.77</b>	<b>2.92</b>	<b>196.11</b>		<b>\$102,423.25</b>	<b>2.33</b>	<b>162.17</b>
<i>Return Above Variable Costs</i>		<b>\$35,097.83</b>	<b>\$1.16</b>	<b>\$78.04</b>		<b>\$65,292.90</b>	<b>\$1.49</b>	<b>\$103.38</b>
<i>Total Fixed Costs</i>		<b>\$39,903.11</b>	<b>1.32</b>	<b>88.72</b>		<b>\$40,040.30</b>	<b>0.91</b>	<b>63.40</b>
<b>TOTAL EXPENSE</b>		<b>\$128,105.88</b>	<b>\$4.24</b>	<b>\$284.83</b>		<b>\$142,463.55</b>	<b>\$3.24</b>	<b>\$225.56</b>
<b>NET RETURN TO MANAGEMENT</b>		<b>(\$4,805.28)</b>	<b>(\$0.16)</b>	<b>(\$10.68)</b>		<b>\$25,252.59</b>	<b>\$0.58</b>	<b>\$39.98</b>
<b>NET RETURN TO LABOR-MANAGEMENT</b>		<b>\$14,610.99</b>	<b>\$0.48</b>	<b>\$32.49</b>		<b>\$44,153.14</b>	<b>\$1.01</b>	<b>\$69.91</b>

# Grain Sorghum Markets



**KANSAS STATE UNIVERSITY**

Department of Agricultural Economics

## Monthly Commodity Futures Price Chart Corn (Globex) (CBOT)

TFC Commodity Charts

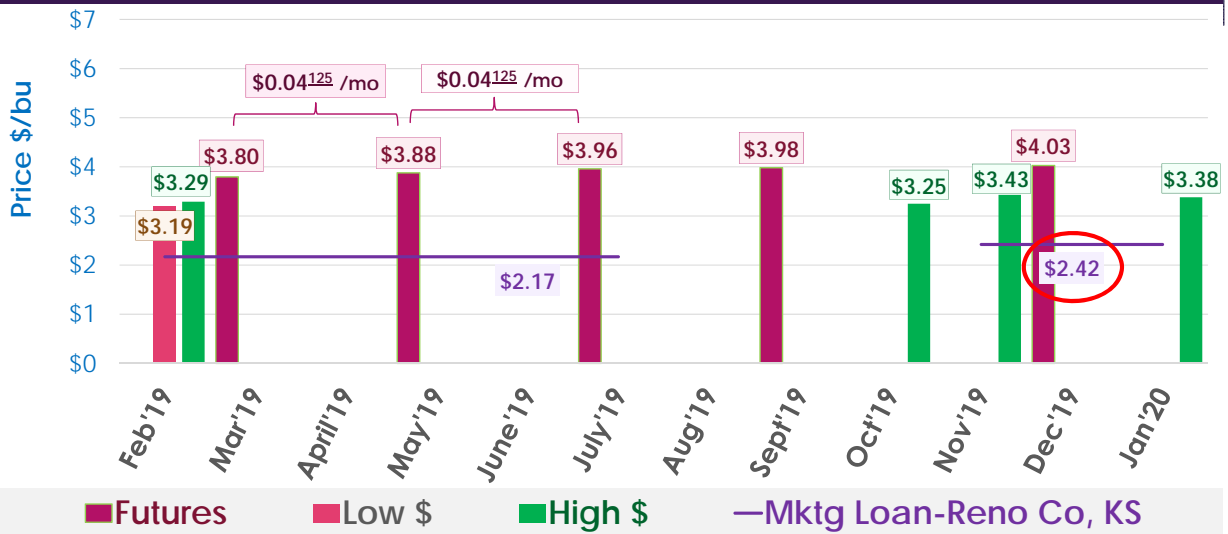
ZC - Corn (Globex) - Monthly Chart  
02/05/2019 O: 376.5 H: 380.75 L: 376.5 C: 379.75 Vol: 94292 OI: 338486 Session Change: -3.250



**MAR 2019**  
**\$3.79 <sup>3</sup>/<sub>4</sub>**  
 2/4/2018

## Grain Sorghum Cash & Corn Futures \$'s

Garden City, KS Local Elevators – February 4, 2019



Western Kansas Grain Markets

Monday's closing elevator grain bids:

	Bids	US NO 2 SORGHUM Change (¢/cwt)	Basis	Change
Dodge City	5.70	UP 2	-60H	UNCH
Colby	5.61	UP 2	-65H	UNCH
Garden City	5.79	UP 2	-55H	UNCH
Goodland	5.52	UP 2	-70H	UNCH
Protection	5.70	UP 2	-60H	UNCH
Scott City	5.70	UP 2	-60H	UNCH
Sublette	5.88	UP 2	-50H	UNCH
Syracuse	5.79	UP 2	-55H	UNCH
Ulysses	5.79	UP 2	-55H	UNCH



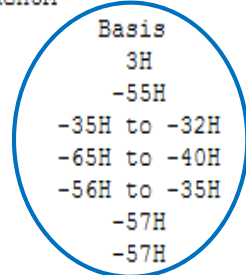
Sorghum - dollars/bushel				
	Cash Bids	Chg	Basis	Avg:
<b>Kansas:</b>	3.4825 - 3.5325	↑	-30H to -25H	-27.50

US #2 Yellow Corn - dollars/bushel				
	Cash Bids	Chg	Basis	Avg:
<b>Iowa-Eastern:</b>	3.5325 - 3.7325	↑	-25H to -5H	-15.00
<b>Iowa-Western:</b>	3.4425 - 3.6825	↑	-34H to -10H	-22.00
<b>Kansas:</b>	3.7725 - 4.0325	↑	-1H to 25H	12.00
<b>Nebraska:</b>	3.4025 - 3.6825	↑	-38H to -10H	-24.00

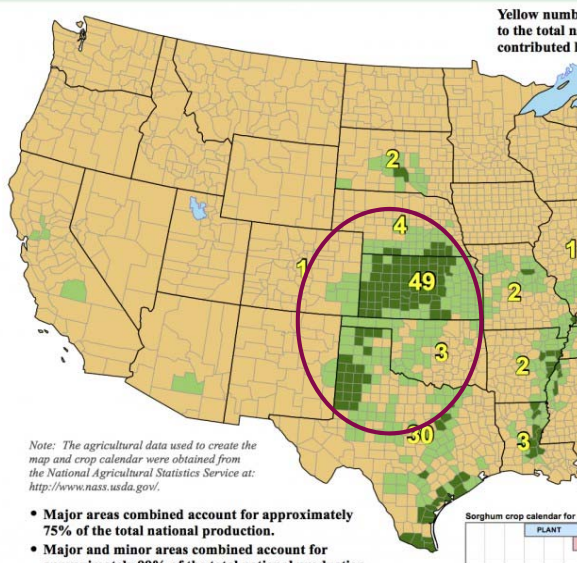


Central Kansas Terminal and Processor Daily Grain Report

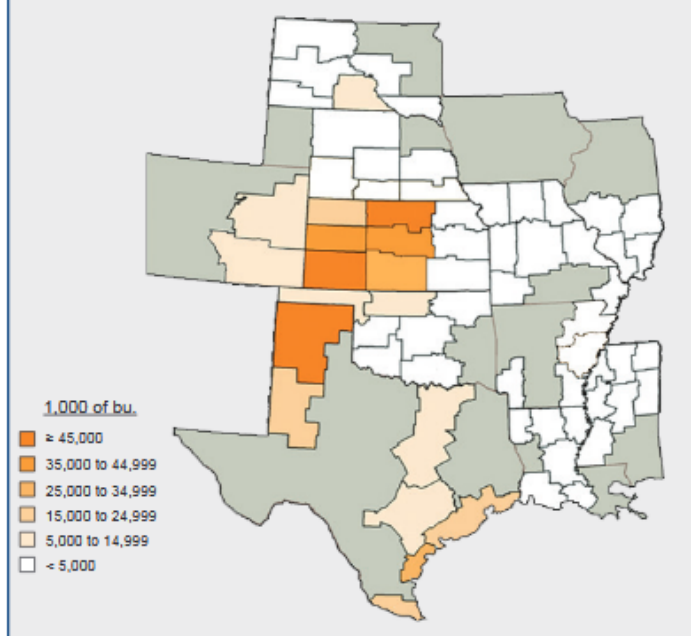
TERMINAL US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Topeka	6.83	UP 2	3H	UNCH
Concordia	5.79	UP 2	-55H	UNCH
Salina	6.15-6.20	UP 11-UP 2	-35H to -32H	UP 5-UNCH
Hutchinson	5.61-6.06	UP 2	-65H to -40H	UNCH
Wellington	5.77-6.15	UP 2	-56H to -35H	UNCH
Arkansas City	5.75	UP 1	-57H	UNCH
Great Bend	5.75	UP 1	-57H	UNCH



United States: Sorghum



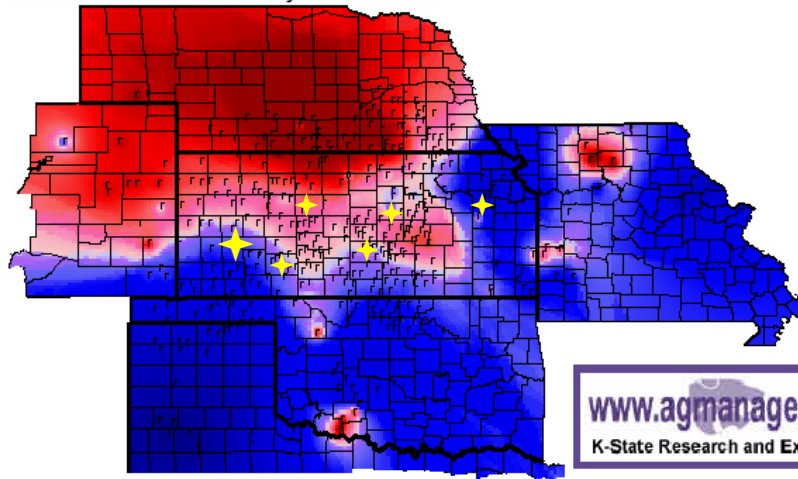
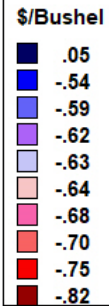
U.S. SORGHUM PRODUCTION BY ASD (2016P)



## Grain Sorghum Basis, 01-30-2019

Basis = Cash Price - Nearby Futures Price

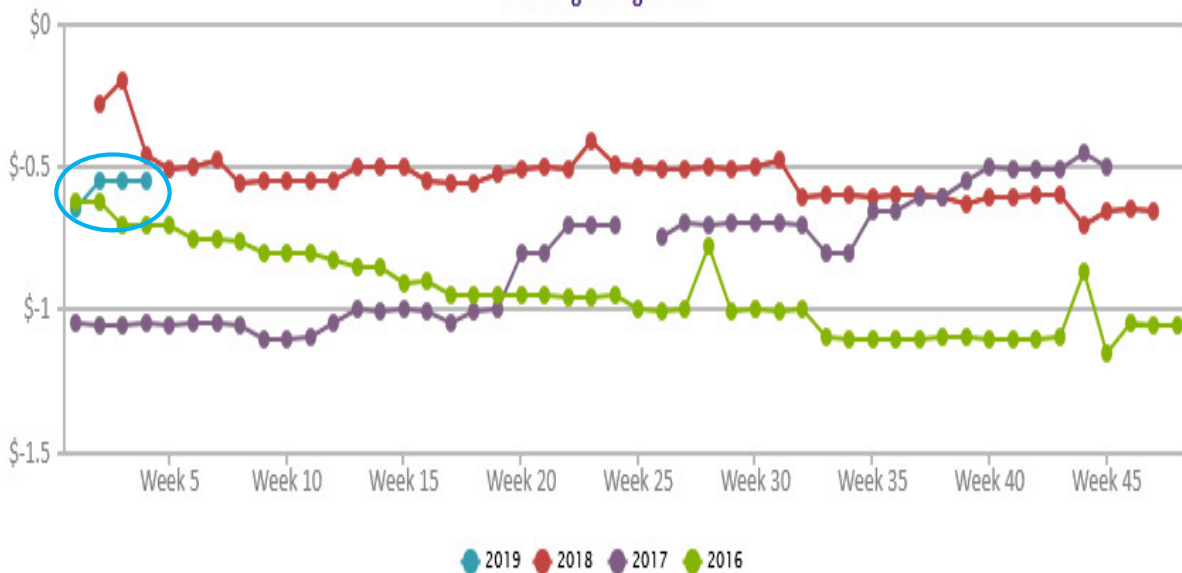
CBT Corn  
Mar Futures  
Price: \$3.80



[www.agmanager.info](http://www.agmanager.info)  
K-State Research and Extension

## GARDEN CITY, KS: Grain Sorghum Basis - GARDEN CITY COOP

[www.AgManager.info](http://www.AgManager.info)





## U.S. Sorghum & Corn Stocks

- Grain Sorghum: "*Tighter*" Stocks & % Stx/Use than Corn

- End Stocks <sup>2018/19</sup> ⇒ 39 Mln bu (*15 - 55 mb since 2008/09*)

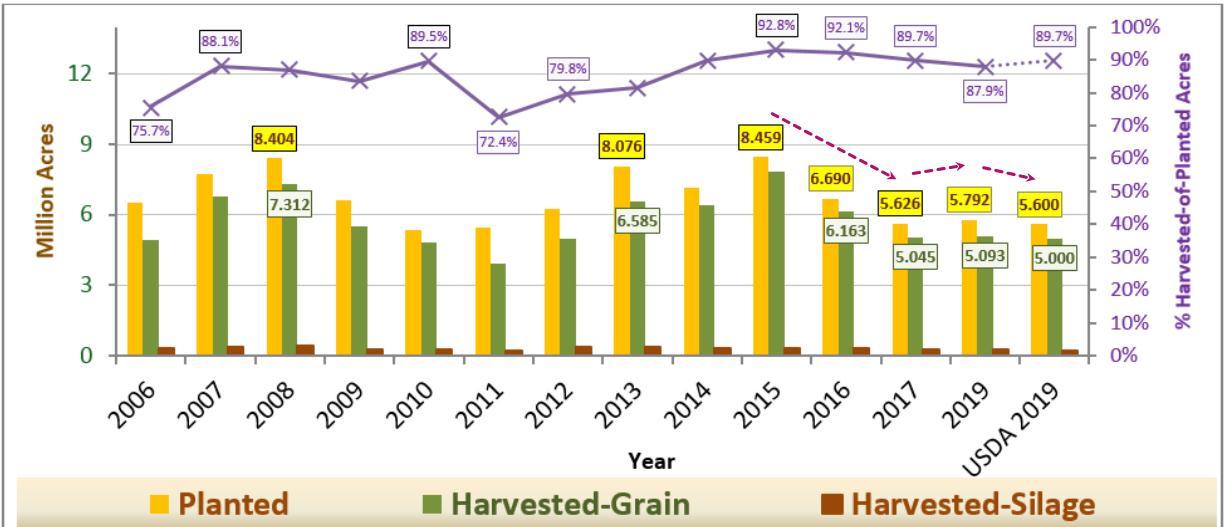
- % Stocks/Use <sup>2018/19</sup> ⇒ 10.8% S/U (*vs 9.6% & 6.8% last 2 years*)

- Corn: "*Moderate*" Stocks & % Stx/Use

- End Stocks <sup>2018/19</sup> ⇒ 1.781 bln bu (*Trending lower*)

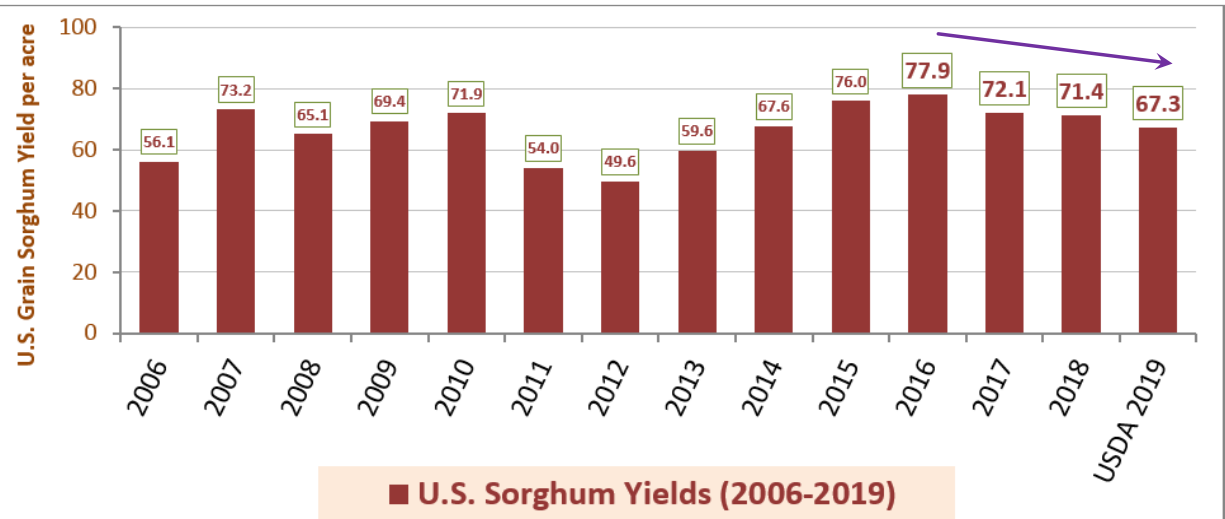
- % Stocks/Use <sup>2018/19</sup> ⇒ 11.85% S/U (*Trending lower*)

# U.S. Sorghum Acreage



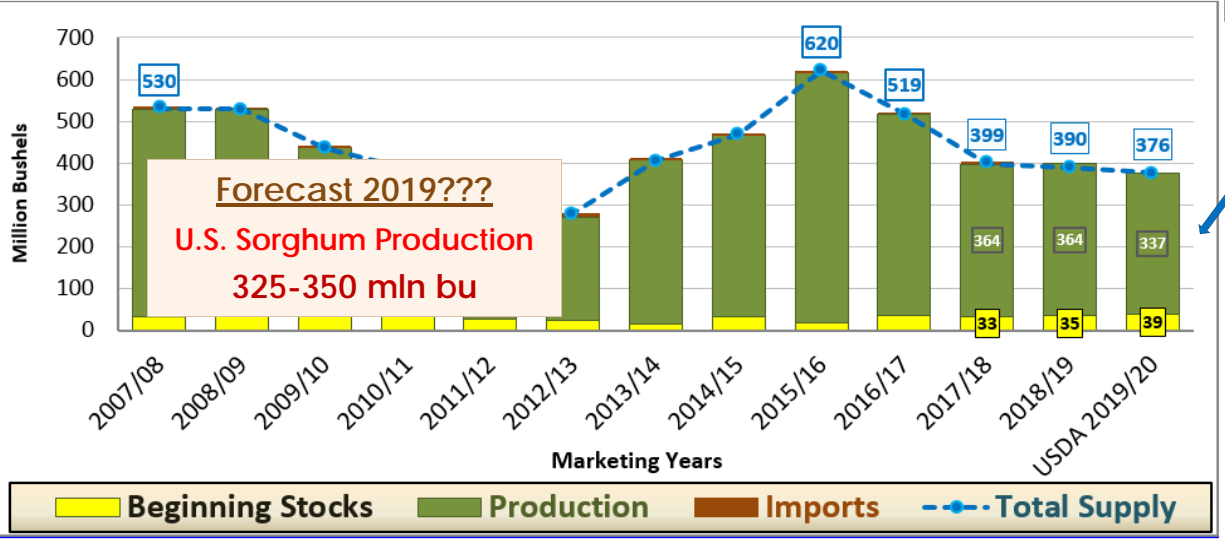
# U.S. Sorghum Yields

USDA 2019 USDA Forecast = 67.3 bu/ac

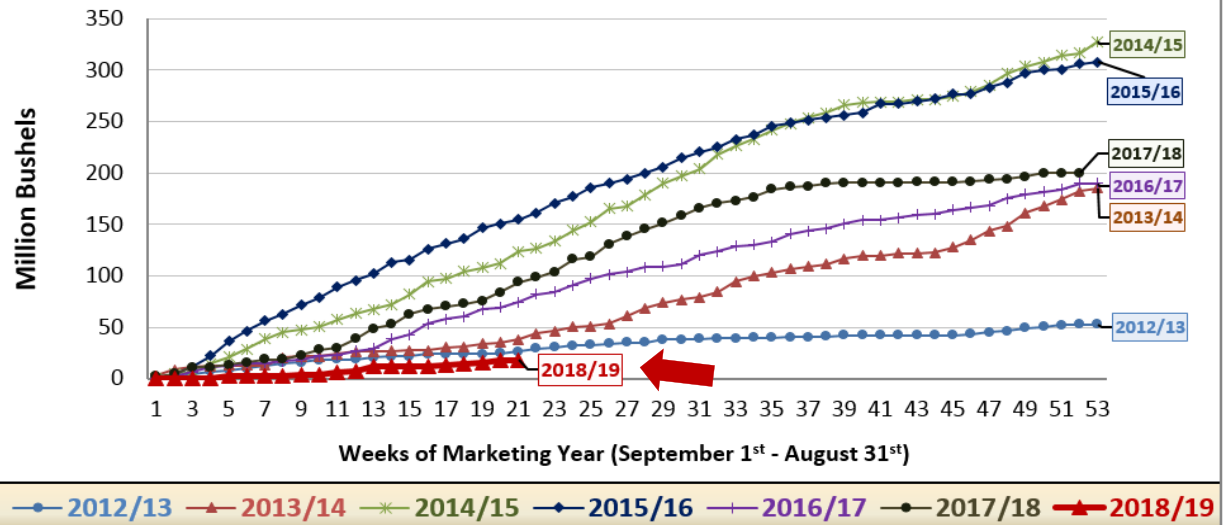




# U.S. Sorghum Crop & Supplies



# U.S. Sorghum Exports – Weekly thru January 31, 2019



## Where Is U.S. Sorghum Going?

### TOP U.S. EXPORT CUSTOMERS



#### Dollar amount

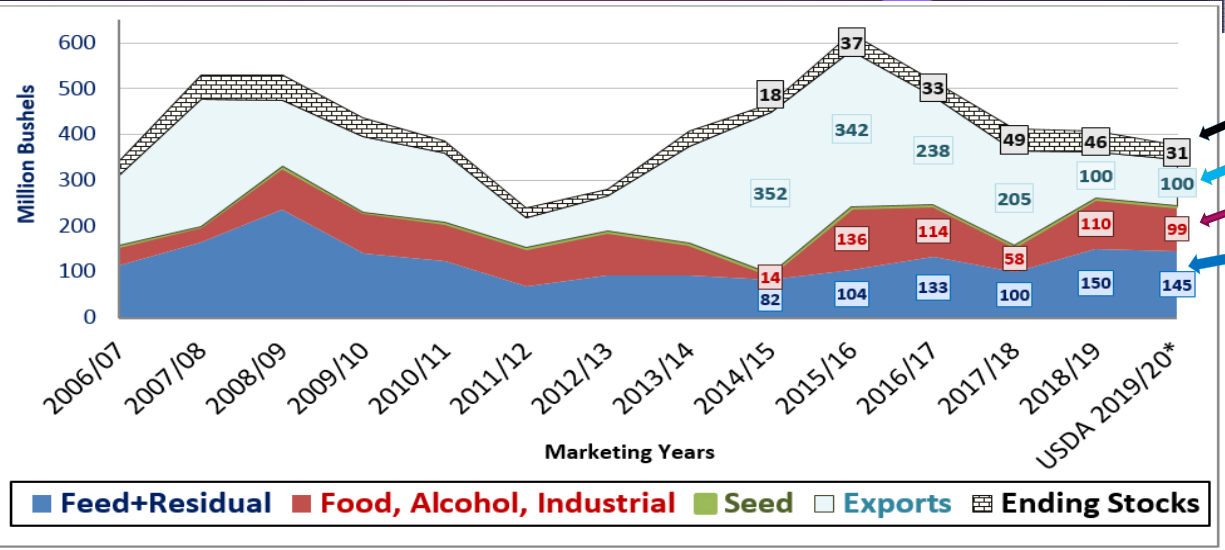
1	CHINA	\$888 MILLION
2	MEXICO	\$103 MILLION
3	JAPAN	\$35 MILLION
4	SUDAN	\$22 MILLION
5	KENYA	\$14 MILLION
	Djibouti	\$12 million
	South Africa	\$11 million
	Somalia	\$11 million
	Cameroon	\$7 million
	Zimbabwe	\$3 million

#### Metric tons

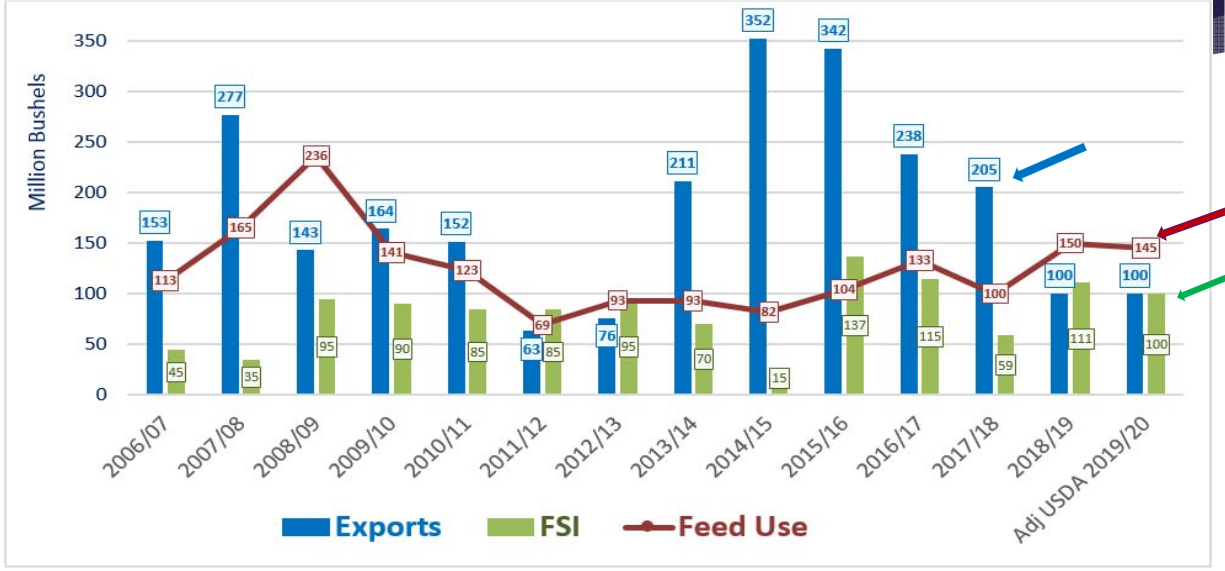
1	CHINA	4,800,480
2	MEXICO	568,254
3	JAPAN	182,665
4	SUDAN	125,834
5	KENYA	74,099
	Djibouti	69,063
	South Africa	68,936
	Somalia	53,076
	Cameroon	34,459
	Zimbabwe	15,400

Source: USDA Foreign Agriculture Service's Global Agriculture Trading System report for marketing year Sept. 1, 2016 to Aug. 31, 2017.

# U.S. Sorghum Use - By Category

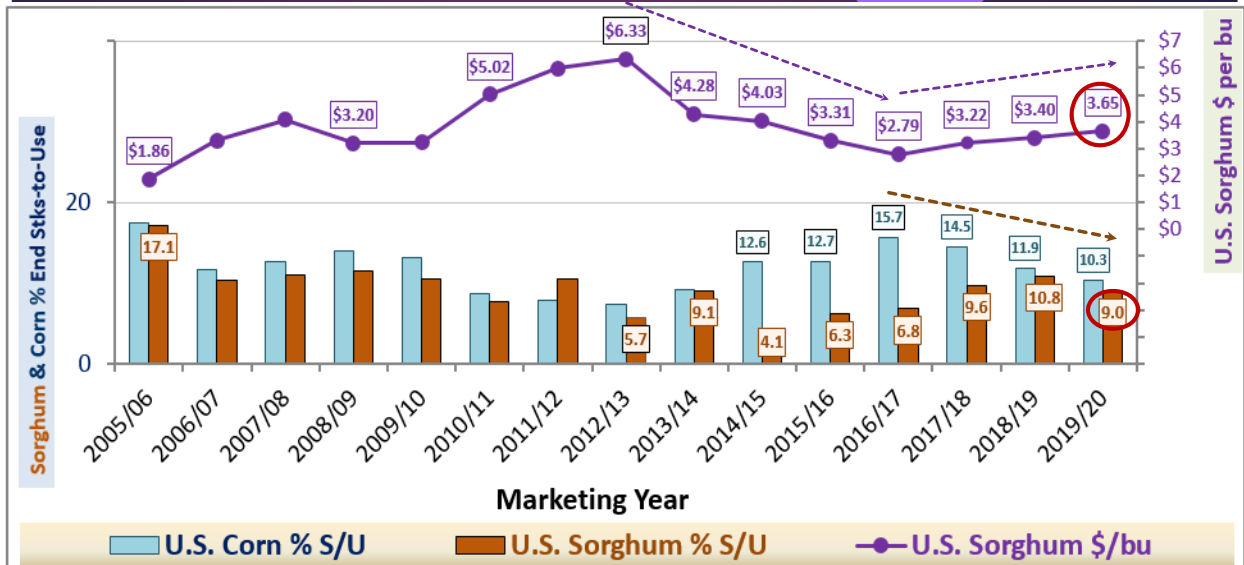


# U.S. Sorghum Use - By Category



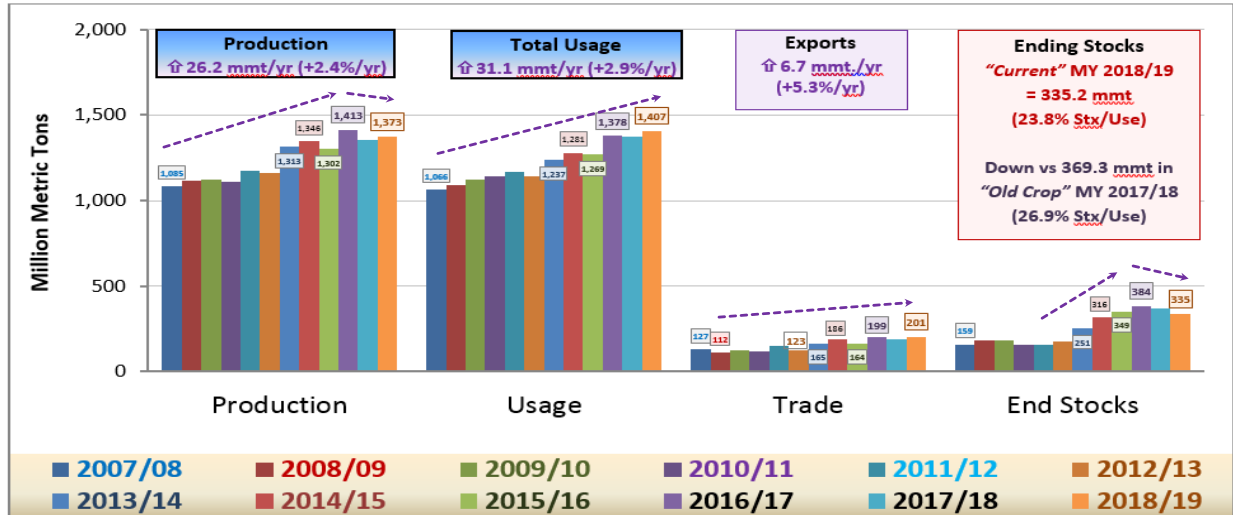


## U.S. Corn % Stocks/Use vs Price\$



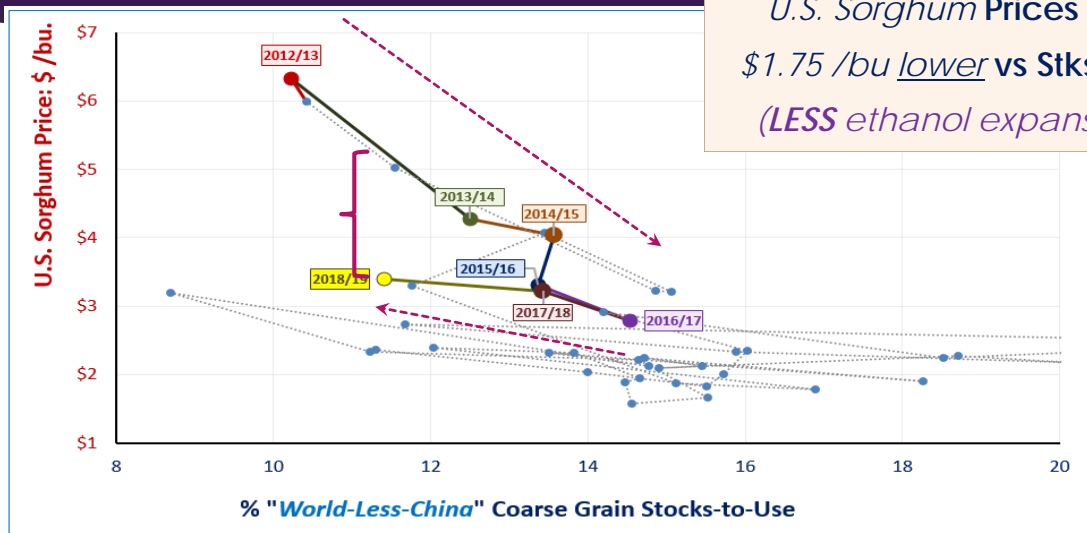
# World Feedgrain Supply-Demand Trends

MY 2007/08 thru "Current" MY 2018/19



# \$-Sorghum<sup>U.S.</sup> vs World-Less-China Feedgrain % S/U

MY 1973/74 thru "Current" MY 2018/19





# Questions?

**Daniel O'Brien – Extension Ag Economist**

Blog: [www.ksugrains.wordpress.com](http://www.ksugrains.wordpress.com)

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