

# Grain Market Outlook for 2019 - 2020

2019 KSU Risk & Profit Conference

Manhattan, Kansas

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**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



Andrew Wavemaker Chambers  
"Grain Elevators & Feed Mills" on Facebook  
Deerfield, Kansas  
August 2019



Public Domain  
Storms on the Plains  
Accessed August 2019

# Topics to be discussed.....

## 1) 2019 USDA NASS Acreage & Crop Estimates

- Why the USDA Acreage & Yield #'s say what they say

## 2) Grain Market Analysis & Outlook

- Corn & Grain Sorghum
  - Soybean
  - Wheat

## 3) Your Questions & Discussion

### I. Grain Futures Closes, Changes & Carry on Friday, August 22, 2019

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo.	Month	Close	Change	Carry /mo.	Month	Close	Change	Carry /mo.
Sept 19	\$3.63 ¼	↑ \$0.0075	---	Sept 19	\$ 8.56	↓ \$0.0450	---	Sept 19	\$3.93 ¼	↑ \$0.07	---
Dec 19	\$3.71	↑ \$0.0075	\$0.02 <sup>583</sup>	Nov 19	\$ 8.68 ¾	↓ \$0.0425	\$0.06 <sup>375</sup>	Dec 19	\$4.04 ¼	↑ \$0.0375	\$0.03 <sup>667</sup>
Mar 20	\$3.83	↑ \$0.0050	\$0.04	Jan 20	\$ 8.82 ½	↓ \$0.0425	\$0.06 <sup>875</sup>	Mar 20	\$4.18 ¼	↑ \$0.03	\$0.04 <sup>667</sup>
May 20	\$3.90 ¾	↑ \$0.0050	\$0.03 <sup>875</sup>	Mar 20	\$ 8.95 ½	↓ \$0.0475	\$0.06 <sup>50</sup>	May 20	\$4.28 ½	↑ \$0.03	\$0.05 <sup>125</sup>
July 20	\$3.97 ¼	↑ \$0.0050	\$0.03 <sup>25</sup>	May 20	\$ 9.07	↓ \$0.0475	\$0.05 <sup>75</sup>	July 20	\$4.38 ½	↑ \$0.0250	\$0.05
Sept 20	\$4.00 ¾	↑ \$0.0025	\$0.01 <sup>75</sup>	July 20	\$ 9.17 ¼	↓ \$0.0475	\$0.05 <sup>125</sup>	Sept 20	\$4.51 ¾	↑ \$0.0150	\$0.06 <sup>625</sup>
Dec 20	\$4.06	↑ \$0.0025	\$0.01 <sup>75</sup>	Aug 20	\$ 9.21 ¼	↓ \$0.0450	\$0.04	Dec 20	\$4.70 ½	↑ \$0.0075	\$0.06 <sup>25</sup>
Mar 21	\$4.16	No Change	\$0.03 <sup>333</sup>	Sept 20	\$ 9.23 ¼	↓ \$0.0375	\$0.02	Mar 21	\$4.85 ½	No Change	\$0.05

#### Price<sup>Soybean</sup> / Price<sup>Corn</sup> Ratios on August 22, 2019:

- "New Crop<sup>2019/20</sup>" ⇒ SSEPT<sup>2019</sup> Soybeans ÷ SSEPT<sup>2019</sup> Corn = \$8.56 ÷ \$3.60 ¼ = 2.38
- "Next Crop<sup>2019/20</sup>" ⇒ \$NOV<sup>2019</sup> Soybeans ÷ SDEC<sup>2019</sup> Corn = \$8.68 ¾ ÷ \$3.71 = 2.34 \*\*\*
- "Future Crop<sup>2020/21</sup>" ⇒ \$NOV<sup>2020</sup> Soybeans ÷ SDEC<sup>2020</sup> Corn = \$9.29 ¼ ÷ \$4.06 = 2.29 \*\*\*

# Key Grain Market Issues in 2019

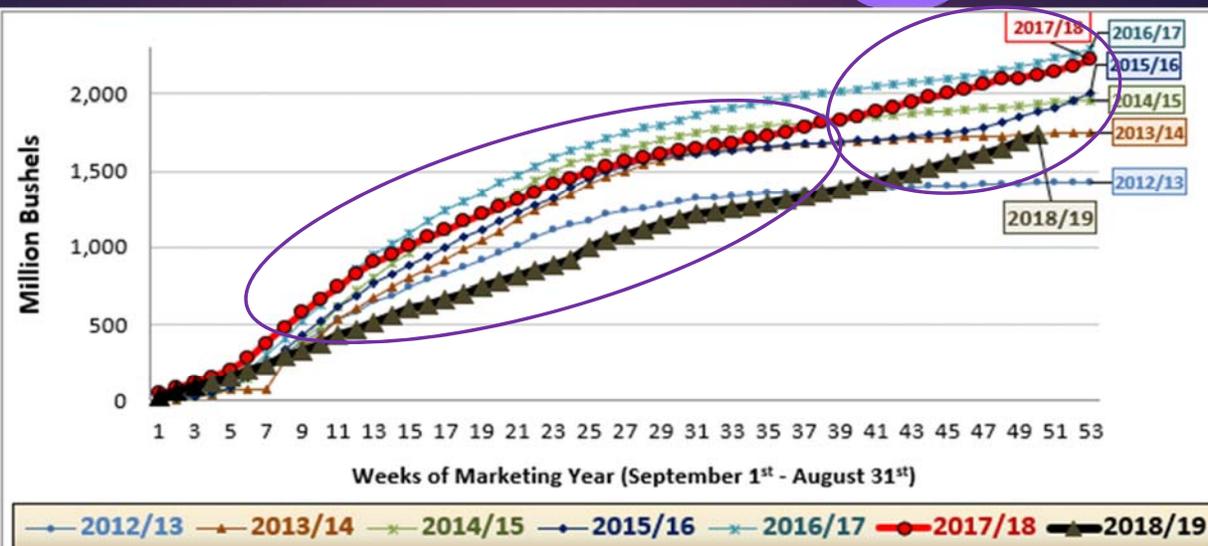
## 1) U.S. Corn & Soybean Production Problems

- **Planted & Harvested Acreage?** (Corn\*\*\* & Soybeans)
- **Crop Yields?**
  - Wet &/or late wet planting ⇒ Fall freeze risk on late crops
  - **Hot / Dry weather** in the Corn Belt during crop key crop reproduction phases for parts of July-August
- **USDA was forced into “extremely cautious” forecasts of Acres & Production #'s by “abnormal” 2019 conditions**

## 2) U.S. – China Conflict Impacts

- **Reduced trade of Key U.S. Products**
  - Reduced U.S. Soybean, Grain Sorghum & DDGS Exports
- Effects of the **“on/off”** nature & lack of progress in U.S.-China negotiations
  - Support for a skeptical **“bearish narrative”** in grain futures
  - Increased uncertainty about the U.S. Economy may lead to **“reduced confidence”** for **U.S. Agribusinesses** & less willingness to take on risky investments until the trade issue is resolved (i.e., **could** stagnate U.S. economic growth)

# U.S. Soybean Exports - Weekly to 8/15/2019



## GRAIN SORGHUMS - UNMILLED (9/1 to 8/31)

### OUTSTANDING EXPORT SALES & EXPORTS

BY COUNTRY, REGION & MARKETING YEAR

1000 METRIC TONS

AS OF AUGUST 15, 2019

DESTINATION	CURRENT MARKETING YEAR			
	THIS WEEK:	YR AGO	THIS WEEK:	YR AGO
EUROPEAN UNION - 27	0.0	30.0	558.4	182.6
ITALY	0.0	0.0	36.6	0.0
SPAIN	0.0	30.0	521.8	182.6
JAPAN	0.0	0.1	236.8	254.3
TAIWAN	0.0	0.0	0.0	6.1
CHINA	50.0	1.1	549.4	4429.6
OTHER ASIA AND OCEANIA	0.3	1.1	1.3	1.5
BURMA	0.0	1.1	0.0	0.0
KOR REP	0.3	*	1.1	0.5
PHIL	0.0	0.0	0.2	0.0
VIETNAM	0.0	0.0	0.0	1.1
AFRICA	30.0	0.0	87.8	54.8
ERITREA	30.0	0.0	31.5	30.1
REP SAF	0.0	0.0	56.3	24.7
WESTERN HEMISPHERE	4.7	7.1	206.1	59.9
CANADA	0.0	0.0	0.0	0.0
COLOMB	0.0	0.0	0.0	25.2
MEXICO	4.7	7.1	206.1	34.7
TOTAL KNOWN	85.0	39.4	1639.8	4988.7
TOTAL UNKNOWN	0.0	60.0	0.0	0.0
TOTAL KNOWN & UNKNOWN	85.0	99.4	1639.8	4988.7

### 3) Demand Problems for Feedgrains & Oilseeds

- **Reduced U.S. Soybean, Sorghum & DDGS trade**
  - An “inhibiting” negative effect on U.S. grain market prices
  - A case of “bullish” supply & “bearish” demand factors in U.S. grain markets in Summer 2019
- **U.S. Ethanol Industry Problems**
  - Operating losses from ↑ feedgrain input costs, & lower ethanol & DDGS sales revenues ➔ Plant closures
  - *Weaker prospects for ethanol grain use is one reason for “weaker” grain \$’s in spite of 2019 crop problems*

#### POET Cuts Production After RFS Waivers

One of Nation's Largest Ethanol Companies Announces Job Cuts Coming

8/20/2019 | 1:22 PM CDT



By **Todd Neeley**, DTN Staff Reporter

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POET announced it would idle an ethanol plant in Cloverdale, Indiana, after the EPA announced the latest approval of small-refinery waivers. The company said it already has cut production at many of its 28 plants. (DTN/Progressive Farmer file photo by Tom Dodge)

OMAHA (DTN) -- One of the nation's largest ethanol companies announced on Tuesday it will idle a 92-million-gallon plant in Cloverdale, Indiana, following EPA's decision to grant 31 new small-refinery waivers to the Renewable Fuel Standard for 2018.

POET, based in Sioux Falls, South Dakota, stated it has started the process of idling the Indiana plant “due to recent decisions by the administration” regarding the waivers. The company said in a news release that the move means the plant will “cease processing of over 30 million bushels of corn annually and hundreds of local jobs will be impacted.”

POET said it already has cut production at half of its plants, with the largest cuts coming at plants in Iowa and Ohio.

In addition, the company said numerous jobs will be consolidated across POET's 28 plants and corn processing will be reduced by an additional 100 million bushels across Iowa, Ohio, Michigan, Indiana, Minnesota, South Dakota and Missouri.

POET Chairman and Chief Executive Officer Jeff Broin said in a statement that ethanol companies made investments based on the EPA upholding the Renewable Fuel Standard.

Since 2016, President Donald Trump's administration has issued 85 exemptions totaling 4.03 billion gallons of ethanol-equivalent gallons not being blended with gasoline. According to the agency's dashboard, <https://www.epa.gov/>, there are two more requests for 2018 waivers pending.

#### Politics

### Trump Seeks to Allay Farm-State Uprow in Oval Office Meeting

By **Jennifer Jacobs**, **Jennifer A. Diouhy**, and **Mario Parker**

August 20, 2019, 12:58 PM CDT

- ▶ Incentives for flex-fuel vehicles, high ethanol fuel on table
- ▶ Trump allies in oil and agriculture clash on biofuel mandates

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Television

#### Most Read

Epstein Created Trust With \$578 Million Days Before Suicide

Porsche's Type 64 Nazi Car Fails to Sell Amid Auction Blunder

Negative Mortgages Set Another Milestone in No-Rate World

Huawei Founder Sees 'Live or Die Moment' From U.S. Uncertainty

Apple Targets Apple TV+ Launch in November, Weighs \$9.99 Price After Free Trial



Donald Trump. Photographer: Brendan Smialowski/AP via Getty Images

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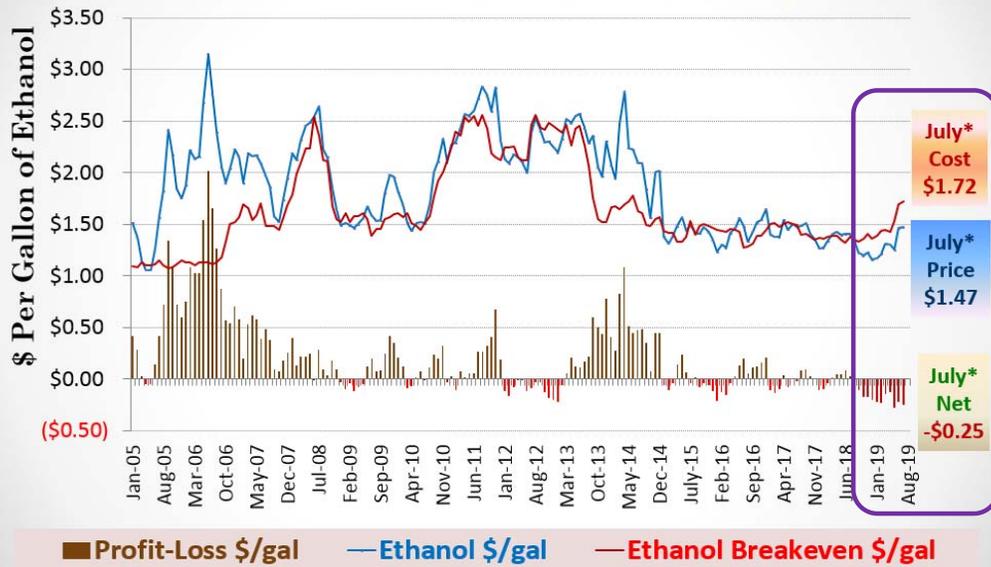
President Donald Trump presided over a lengthy Oval Office meeting Monday in which he urged officials to soften the impact of recent policy moves that angered Midwestern farm states critical to his re-election.

The Trump administration was stung by criticism over the Environmental Protection Agency's Aug. 9 decision to give 31 refineries exemptions from annual biofuel-blending requirements – including Iowa Senator Chuck Grassley's assertion that the Trump administration had “screwed” farmers.

#### In this article

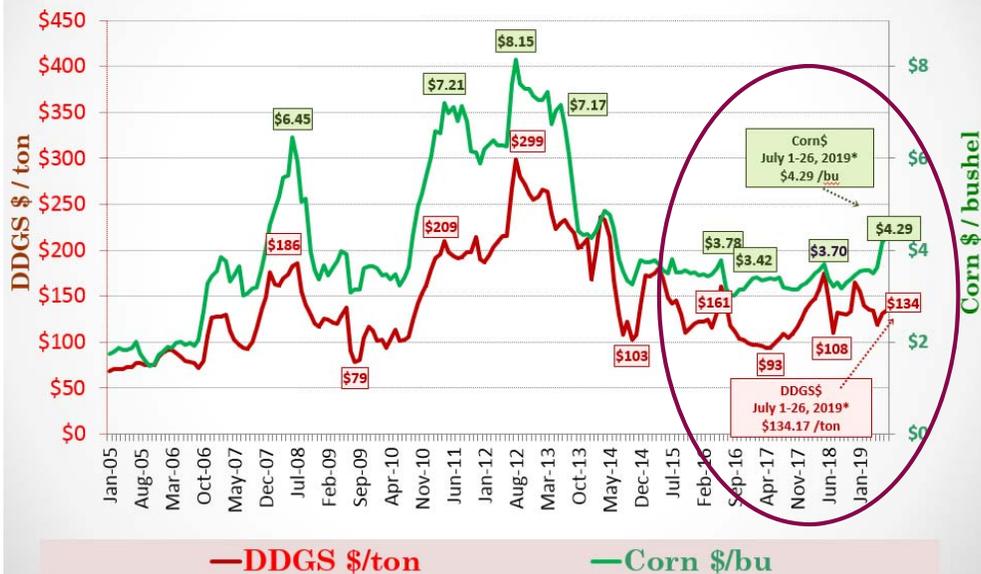
# Ethanol Price, Cost & Profits

ISU Ethanol Plant Model (January 2005 – July 1-26, 2019)

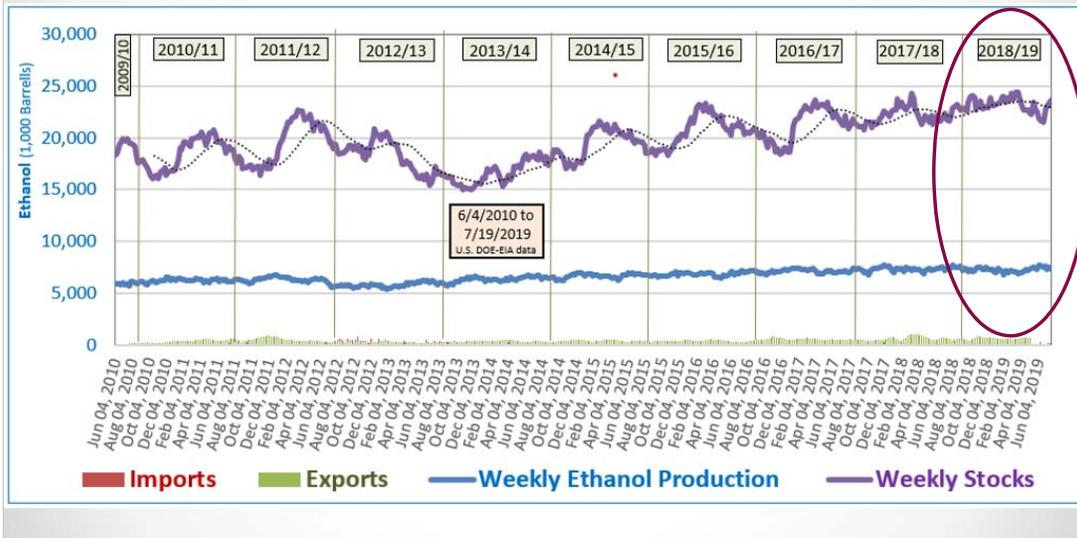


# Ethanol DDGS & Corn Input Prices

ISU Ethanol Plant Model (January 2005 – July 26, 2019)



## Weekly U.S. Ethanol Production, Imports, Exports & Stocks (thru 7/19/2019)



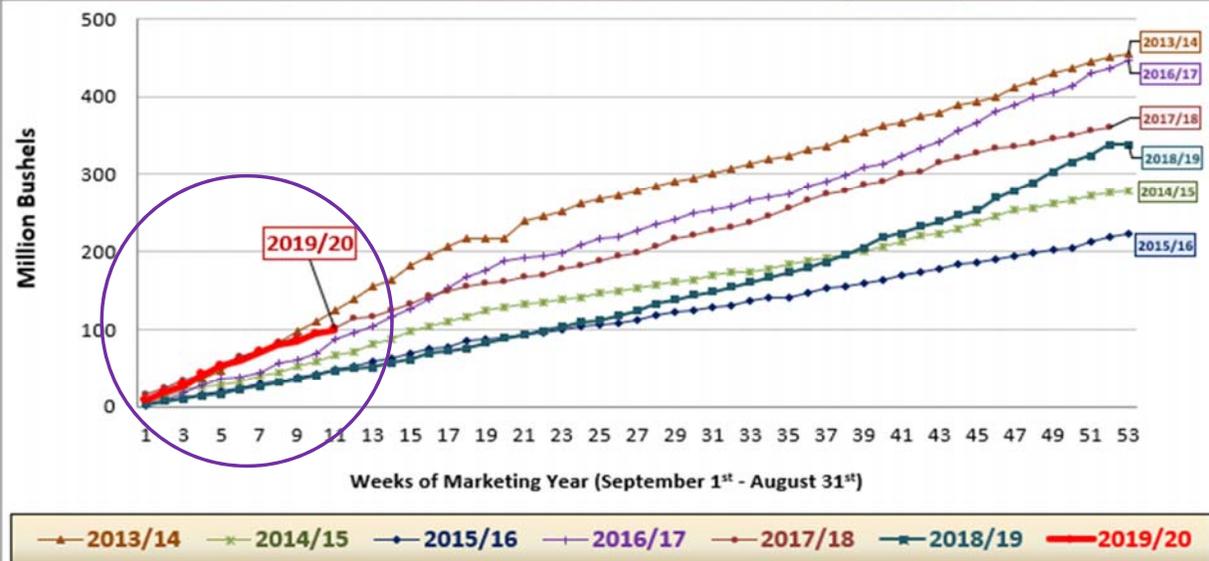
### 4) U.S. HRW Wheat Exports have been Positive

- HRW Wheat Exports for Week Ending August 8<sup>th</sup>
  - 8.5 million bu. shipped vs 7.6 mb / week to meet “New Crop” MY 2019/20 forecast of **405 mb** (vs 331 mb last year)
  - **Total Sales & Shipments = 148 mb through August 15**
    - 37% of USDA’s 405 mb forecast for “New Crop” MY 2019/20 (with 11/52 weeks or 21% of the marketing year complete)

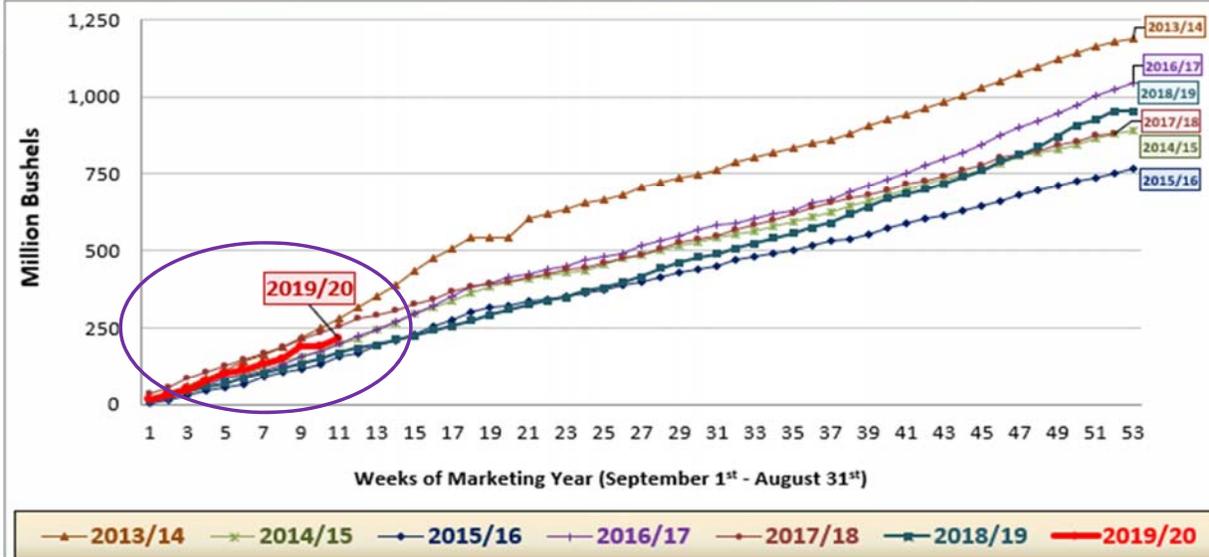
### Q? HRW Wheat Seeding prospect in Fall 2019?

- Moisture availability, **BUT** prospects for a late feedgrain harvest in the fall **MAY** again compete for farmer’s time

## U.S. Hard Red Winter Wheat Exports - 8/15/2019



## U.S. All Wheat Exports - Weekly to August 15, 2019



# 2019 U.S. Crop Acreage Estimates (Million Acres)

USDA NASS Report	Corn	Soybeans
USDA NASS <b>Prospective Plantings</b> Report on 3/29	92.792 planted	84.617 planted
USDA <b>Acreage</b> Report on 6/28	91.700 planted	88.110 planted
August <b>Crop Production &amp; Resurvey</b> Report on 8/12	<b>90.005</b> planted 82.017 harvested 91.1% Hrvst/Plntd	<b>76.700</b> planted 75.866 harvested 98.9% Hvst/Plntd
<b>Farm Service Agency #s</b> on August 12 <sup>th</sup> (August 1st #'s)	<b>85.871</b> planted	<b>74.005</b> planted
<b>FSA Prevented Planted</b> on August 12 <sup>th</sup> (August 1st #'s)	<b>11.211</b> prev-plnt	<b>4.351</b> prev-plnt

## USDA CORN ACREAGE

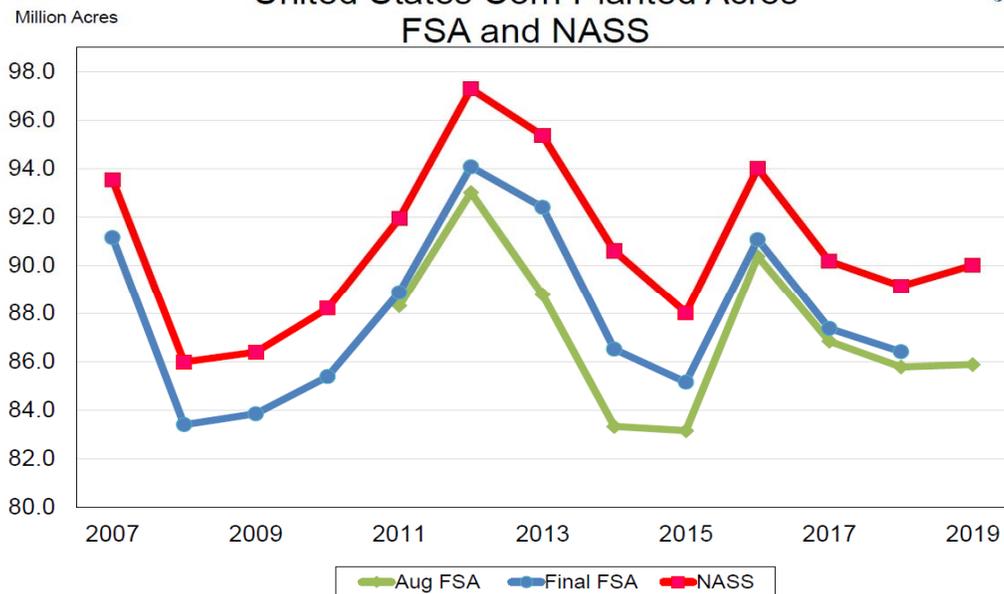
Scenario Description	Included in NASS Corn Estimates		
	Planted Acres	Grain Harvested Acres	Silage Harvested Acres <sup>1/</sup>
Planted to Other Crop that Failed, then Planted to Corn and Expected to be Harvested for Grain	Yes	Yes	No
Planted, Failed, Replanted to Corn and Expected to be Harvested for Grain	Yes (Counted Once)	Yes	No
Planted and Expected to be Harvested for Silage	Yes	No	Yes
Planted and Originally Expected to be Harvested for Grain, but Now Expected to be Harvested for Silage	Yes	No	Yes
Took Prevented Plant Claim for Any Crop, Planted Corn as Cover Crop for Silage	Yes	No	Yes
Planted, but Failed	Yes	No	No
Planted and Expected to be Harvested for Hay/Forage	Yes	No	No
Planted, Failed, then Planted to Other Crop	Yes	No	No
Intended to be Planted, Didn't Plant, Took Prevented Plant Claim	No	No	No
Intended to be Planted, Didn't Plant, and Didn't Take Prevented Plant Claim	No	No	No

# 2019 U.S. Crop Acreage Estimates (Million Acres)

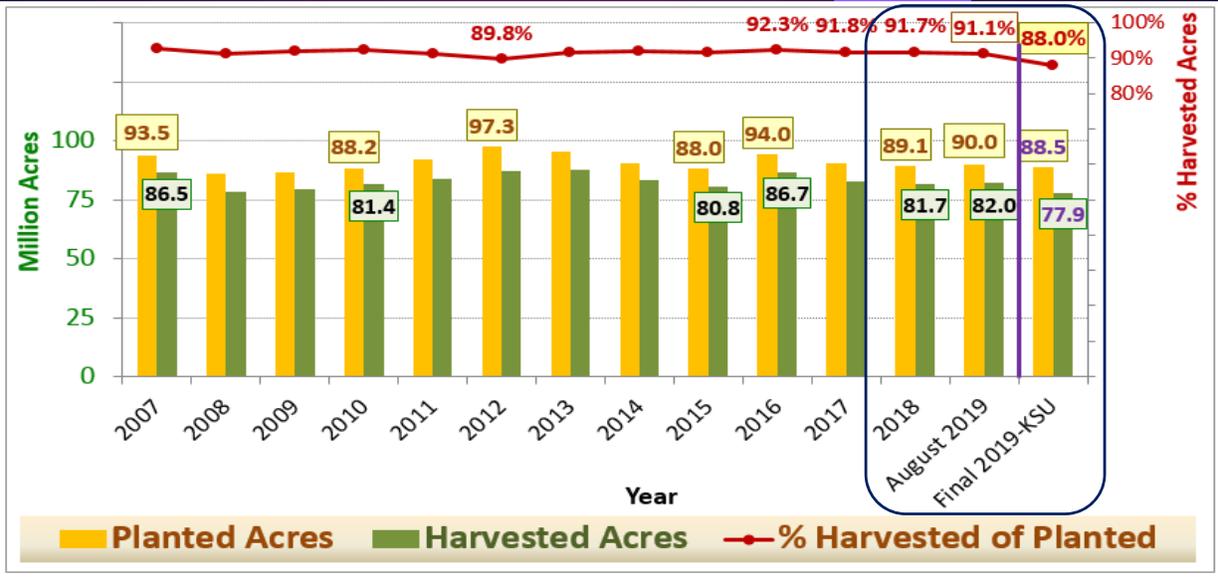
USDA NASS Report	Corn	Soybeans	Sorghum	Cotton-Upland
August Crop Production & Resurvey Report on 8/12	90.005 planted 82.017 harvested 91.1% Hrvst/Plntd	76.700 planted 75.866 harvested 98.9% Hrvst/Plntd	5.290 planted 4.785 harvested 90.5% Hrvst/Plntd	13.630 planted 12.378 harvested 90.8% Hrvst/Plntd
Farm Service Agency #s on August 12 <sup>th</sup> (August 1st #'s)	85.871 planted	74.005 planted	4.753 planted	13.161 planted
FSA Prevented Planted on August 12 <sup>th</sup> (August 1st #'s)	11.211 prev-plnt	4.351 prev-plnt		
Est. Corn Final Planted Ac <sup>KSU</sup> Est. Corn Final Harvested Ac <sup>KSU</sup> Est. Corn % Hrvsted-to-Planted <sup>KSU</sup>	88.500 planted 77.900 harvested 88.0% Hrvst/Plntd			



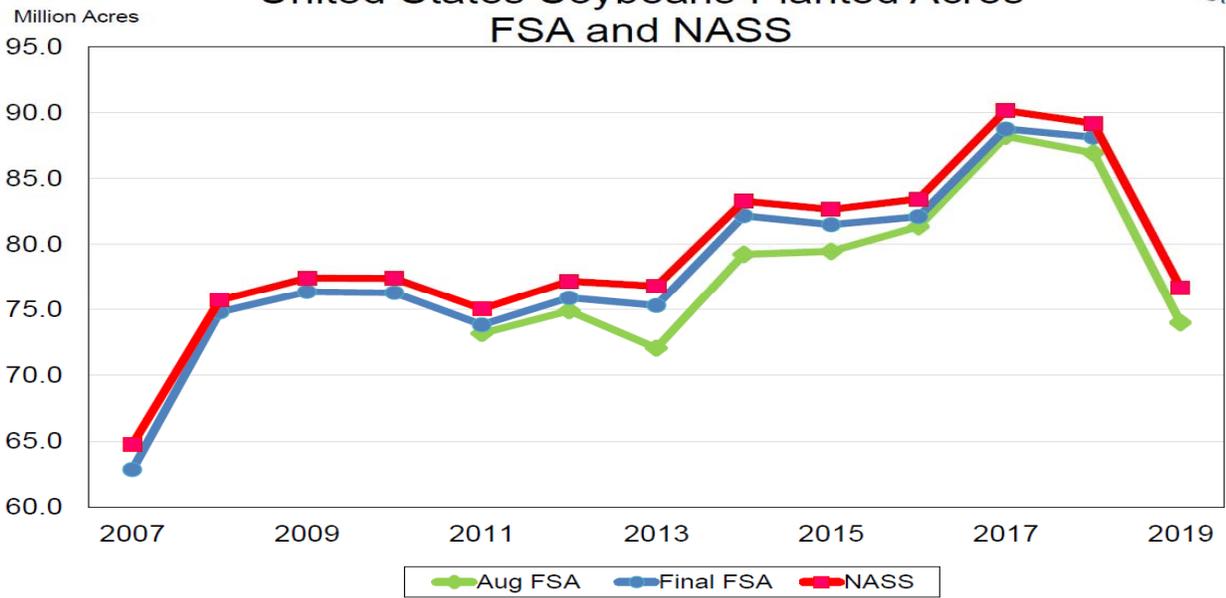
United States Corn Planted Acres  
FSA and NASS



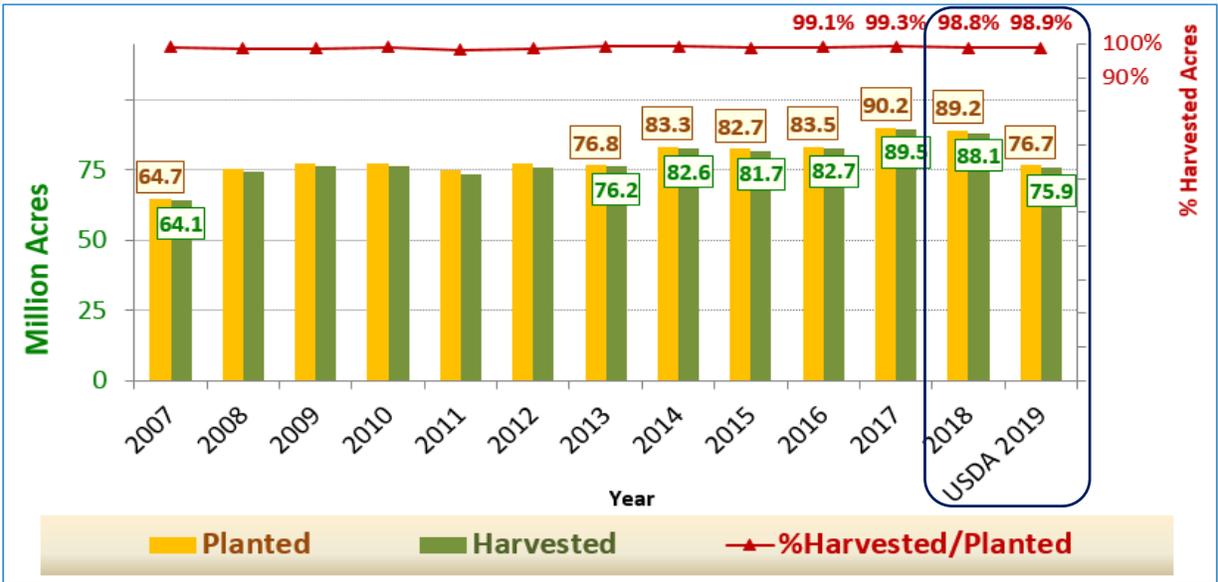
# U.S. Corn Acreage



## United States Soybeans Planted Acres FSA and NASS



# U.S. Soybean Acreage



# Corn & Sorghum Markets





TERMINAL US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.72	UNCH	9U	UNCH
Topeka	3.72	UNCH	9U	UNCH
Salina	3.43-3.53	UNCH	-20U to -10U	UNCH
Newton	3.23	UNCH	-40U	UNCH
Hutchinson	3.24-3.50	UNCH	-39U to -13U	UNCH
Wellington	3.37	UNCH	-26U	UNCH
Arkansas City	3.37	UNCH	-26U	UNCH

TERMINAL US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Topeka	6.00	UP 2	-35Z	UNCH
Concordia	5.32	UNCH	-65U	UNCH
Salina	5.29-5.50	UP 2-UNCH	-75Z to -55U	UNCH
Hutchinson	5.18-5.45	UNCH	-73U to -58U	UNCH
Wellington	5.41	UNCH	-60U	UNCH
Arkansas City	5.41	UNCH	-60U	UNCH
Great Bend	5.23	UNCH	-70U	UNCH

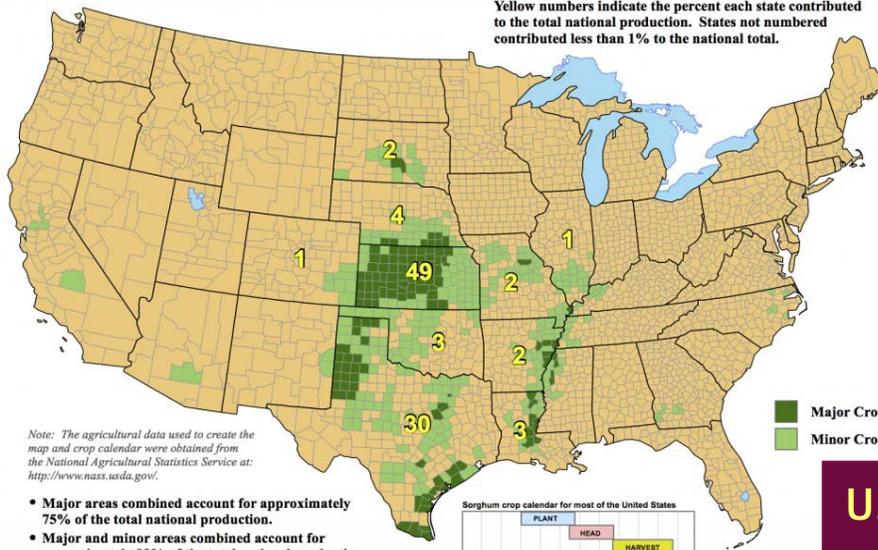


US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	3.48	UNCH	-15U	UNCH
Colby	3.31	UNCH	-32U	UNCH
Garden City	3.56-3.58	UNCH	-7U to -5U	UNCH
Goodland	3.18	UNCH	-45U	UNCH
Protection	3.48	UNCH	-15U	UNCH
Scott City	3.43	UNCH	-20U	UNCH
Sublette	3.58	UNCH	-5U	UNCH
Syracuse	3.56	UNCH	-7U	UNCH
Ulysses	3.63	UNCH	OptU	UNCH

US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Dodge City	5.23	UNCH	-70U	UNCH
Colby	5.14	UNCH	-75U	UNCH
Garden City	5.32	UNCH	-65U	UNCH
Goodland	5.05	UNCH	-80U	UNCH
Protection	5.41	UNCH	-60U	UNCH
Scott City	5.14	UNCH	-75U	UNCH
Sublette	5.41	UNCH	-60U	UNCH
Syracuse	5.41	UNCH	-60U	UNCH
Ulysses	5.41	UNCH	-60U	UNCH

# United States: Sorghum

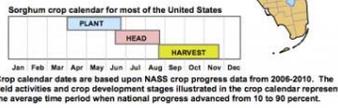


Yellow numbers indicate the percent each state contributed to the total national production. States not numbered contributed less than 1% to the national total.



Note: The agricultural data used to create the map and crop calendar were obtained from the National Agricultural Statistics Service at: <http://www.nass.usda.gov/>.

- Major areas combined account for approximately 75% of the total national production.
- Major and minor areas combined account for approximately 99% of the total national production.
- Major and minor areas and state production percentages are derived from NASS county- and state-level production data from 2006-2010.



Major Crop Area  
Minor Crop Area

## U.S. Grain Sorghum Production Regions

USDA Agricultural Weather Assessments  
World Agricultural Outlook Board

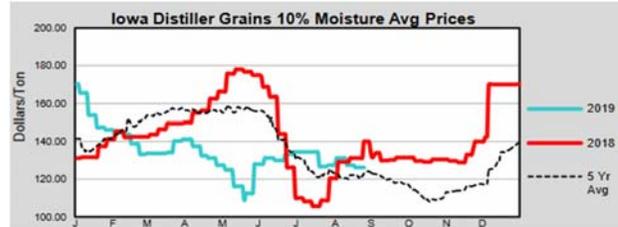
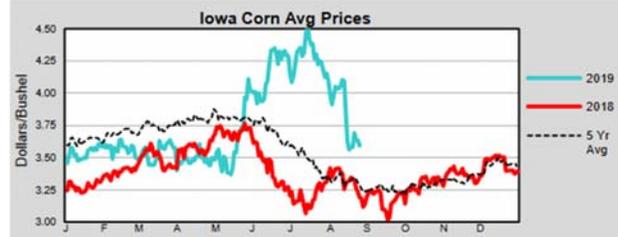
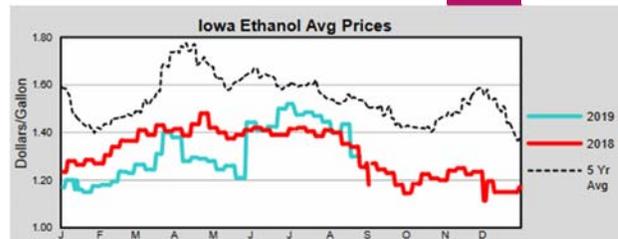
### USDA Daily Ethanol Report Agricultural Marketing Service Livestock, Poultry & Grain Market News

#### US #2 Yellow Corn - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	3.5250 - 3.8650	↑	-10U to 24U	7.00
Iowa-Western:	3.3750 - 3.7750	↑	-25U to 15U	-5.00
Illinois:	3.5950 - 3.8750	↑	-3U to 25U	11.00
Indiana:	3.7750 - 4.0750	↓	15U to 45U	30.00
Ohio:	4.1750 - 4.3250	↑	55U to 70U	62.50
Michigan:	3.5750 - 4.3950	↑	-5U to 77U	36.00
<b>Kansas:</b>	<b>3.6750 - 3.9750</b>	<b>↑</b>	<b>5U to 35U</b>	<b>20.00</b>
Minnesota:	3.3750 - 3.7250	↑	-25U to 10U	-7.50
Nebraska:	3.3750 - 3.9250	↑	-25U to 30U	2.50
Wisconsin:	3.3250 - 3.6750	↑	-30U to 5U	-12.50
South Dakota:	3.4250 - 3.7850	↑	-20U to 16U	-2.00
Missouri:	3.5250 - 3.8250	↑	-10U to 20U	5.00

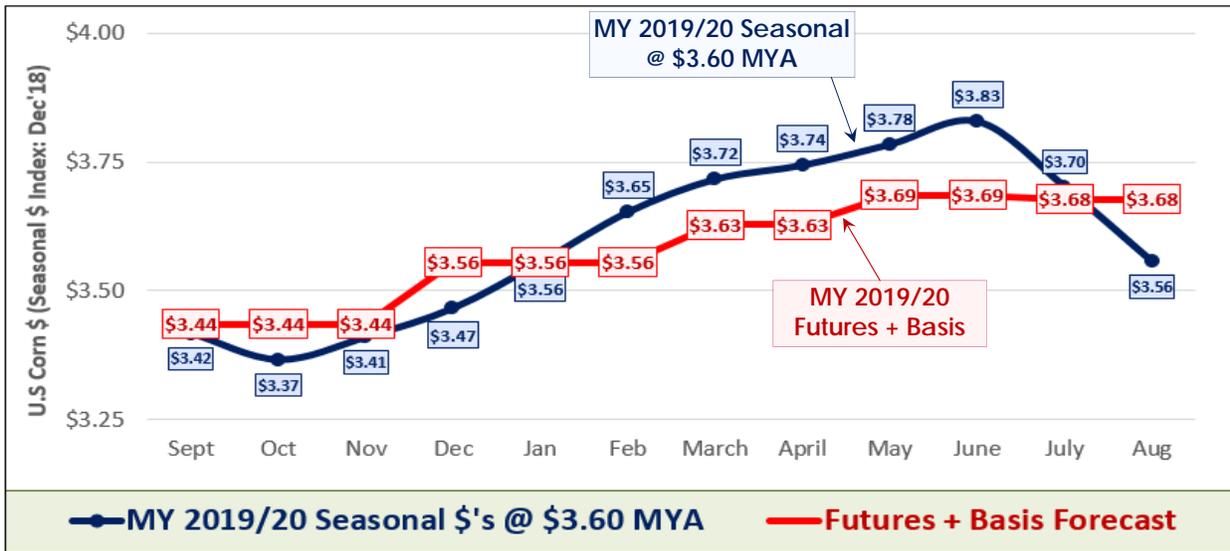
#### Sorghum - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
<b>Kansas:</b>	<b>3.4750</b>	<b>↑</b>	<b>-15U to -15U</b>	<b>-15.00</b>



# Kansas Corn Seasonal Cash \$ Index

**Monthly:** Vs Futures + Basis Forecast for "New Crop" MY 2019/20



TFC Commodity Charts

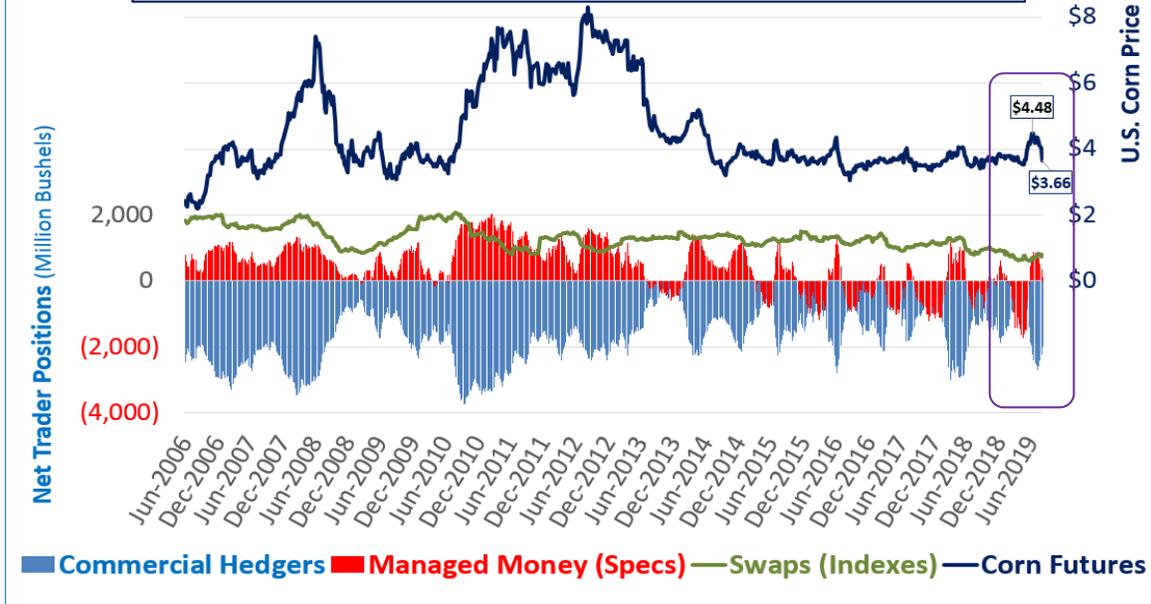
## CME Corn Futures

**Weekly** Chart: January 2019 – August 22, 2019



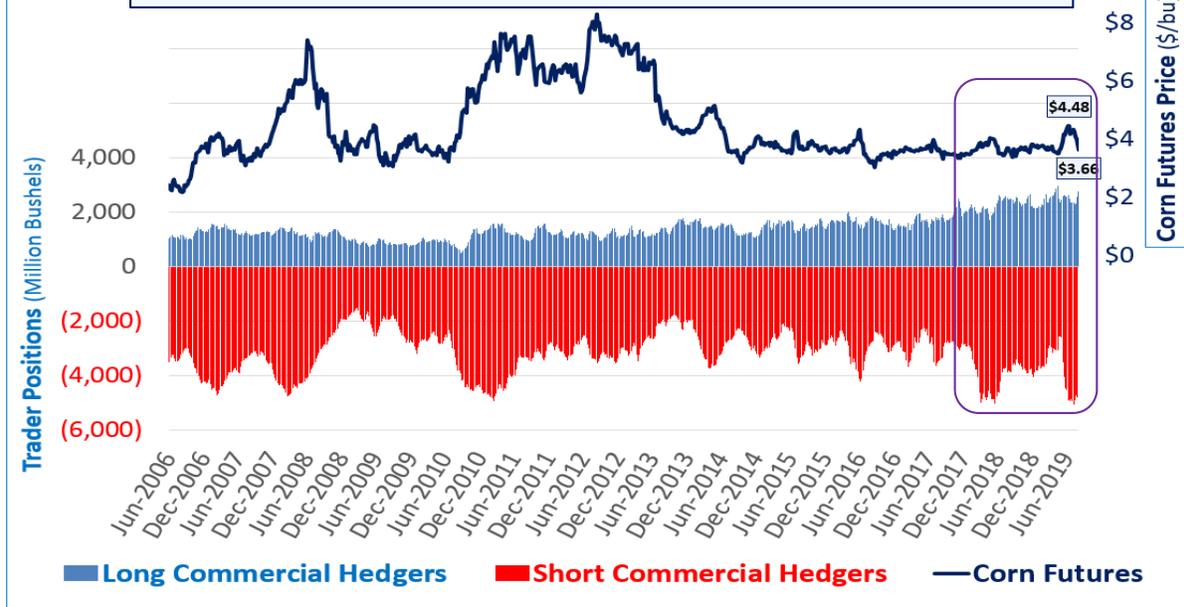
## CFTC Commitment of Traders Report

Positions in CME Corn Futures through August 13, 2018



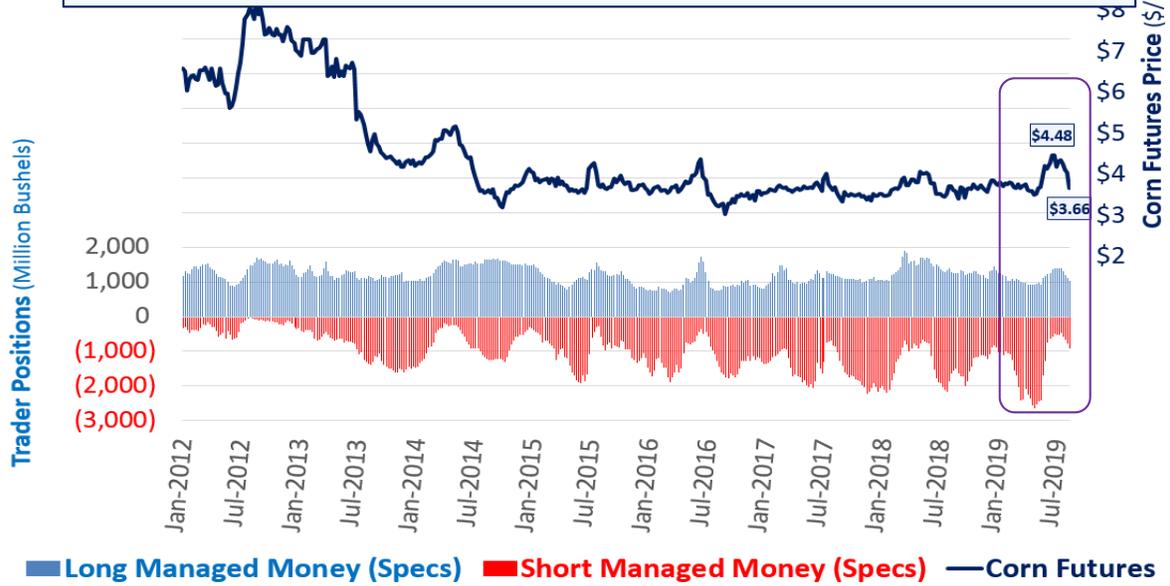
## Commercial Hedge Positions in CME Corn

CFTC Commitment of Traders to 8/13/2019

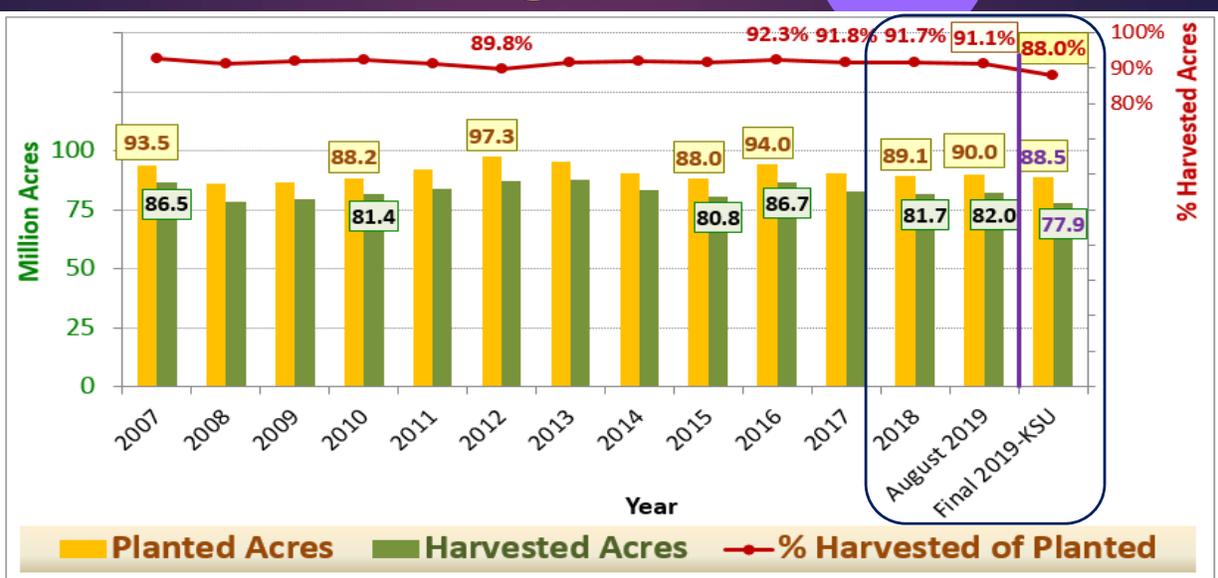


# Managed Money (Spec) Positions in CME Corn

CFTC Commitment of Traders to 8/13/2019

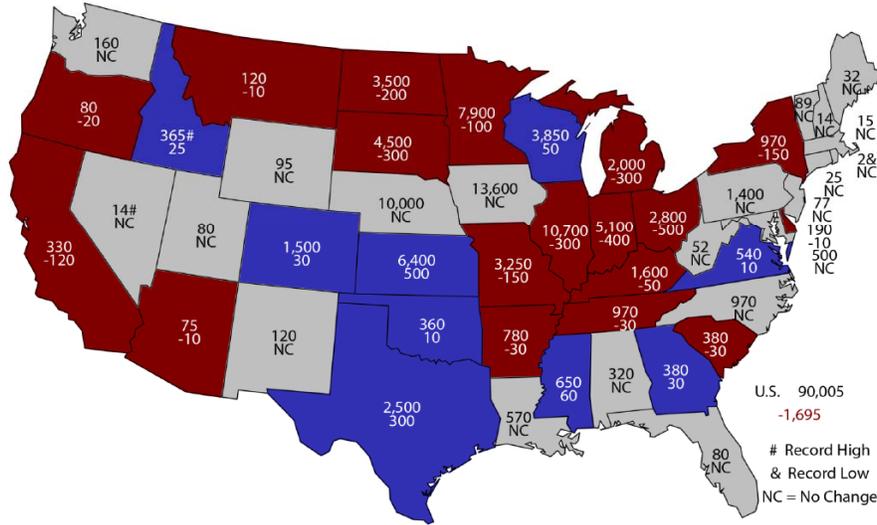


# U.S. Corn Acreage





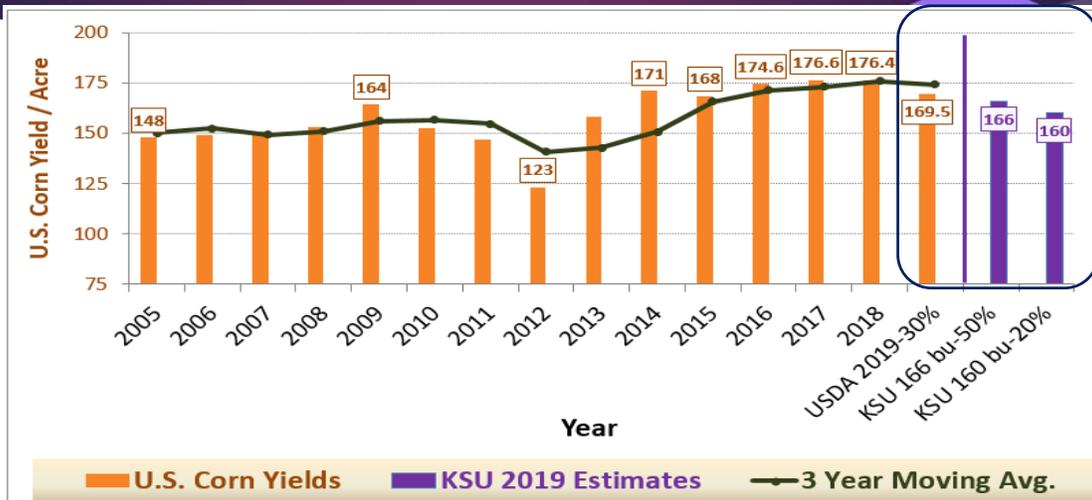
### 2019 Corn Planted Area (000) Acres and Change From Previous Estimate



USDA-NASS  
8-12-19

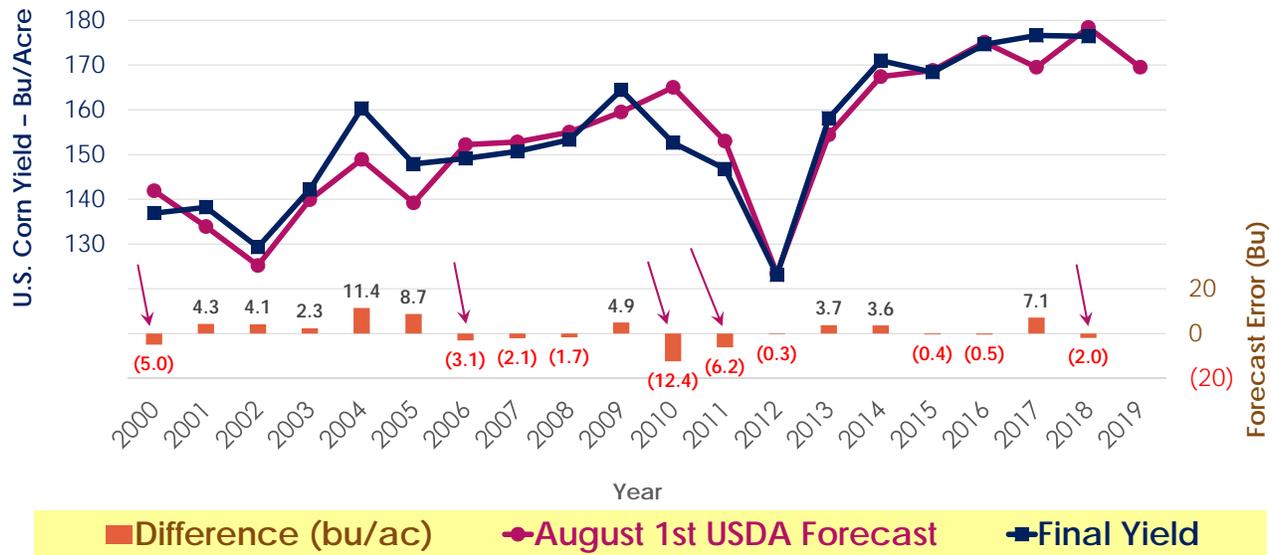
## U.S. Corn Yields

USDA August 2019 USDA Forecast = 169.5 bu/ac

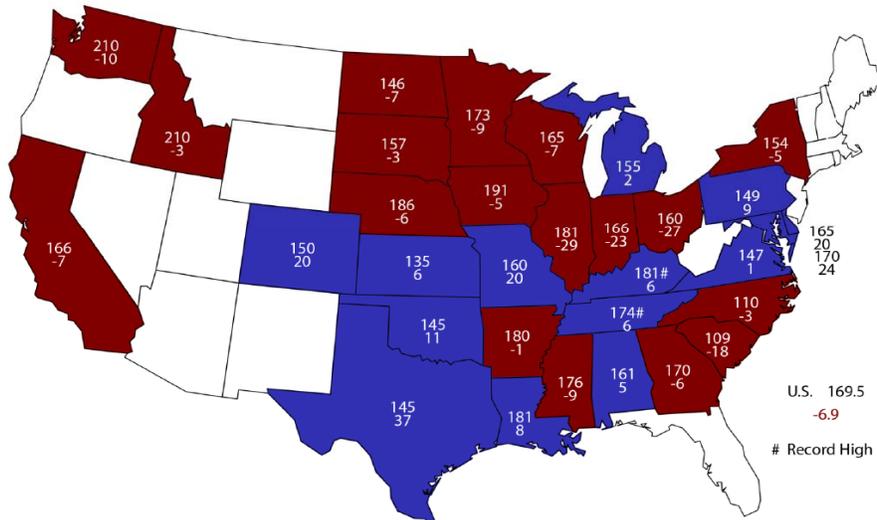


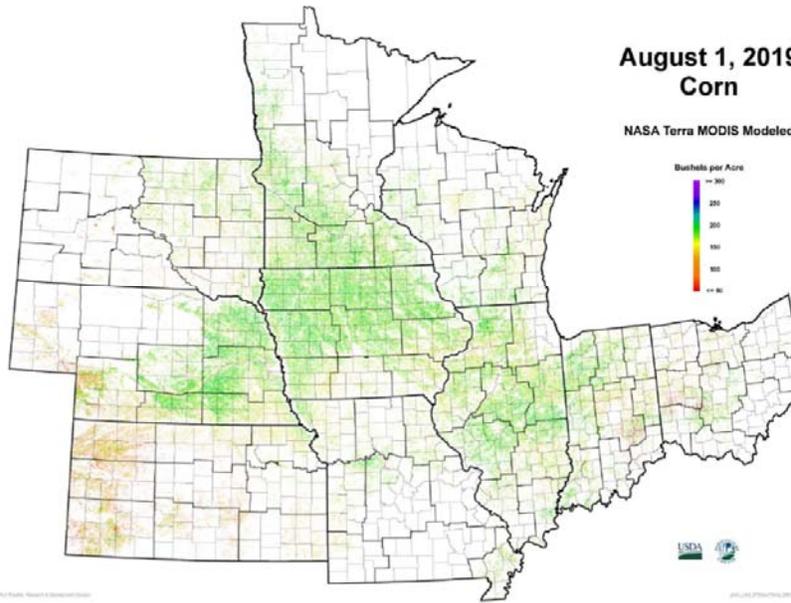
# U.S. Corn Yields: 2000-2019

## Accuracy of August 1<sup>st</sup> USDA Forecasts



### August 1, 2019 Corn Yield Bushels and Change From Previous Year





USDA-NASS  
8-12-19

## DTN 2019 Digital Yield Tour -- National

Day 4: National Average Corn Yield at 163.2 BPA,  
Soybeans at 44.2 BPA



**Katie Micik Dehlinger** Farm Business Editor  
Bio | Email | Blog

Fri Aug 16, 2019 11:45 AM CDT

### CORN YIELDS

	GRO INTEL	USDA AUGUST	USDA 2018
ILLINOIS	153	181	210
INDIANA	138	166	189
IOWA	187	191	196
KANSAS	144	135	129
MINNESOTA	175	173	182
MISSOURI	138	160	140
NEBRASKA	182	186	192
OHIO	136	160	187
SOUTH DAKOTA	149	157	160
WISCONSIN	167	165	172

# Crop Tour Day 3: Illinois Corn and Soybeans Yields Take a Nosedive

by Sonja Begemann 20:00PM Aug 21, 2019



## Tour Results Show Best-Case Scenario For Corn, Worst-Case For Soybeans

Pro Farmer | By AgWeb Editors on 08/22/2019 4:27 PM

Without a crystal ball to know exactly what the weather will do over the next five weeks, Flory said we must assume a normal finish to the crop.



## Crop Tour Podcast: It's Not the Sins of the Spring; It's a Forced Error

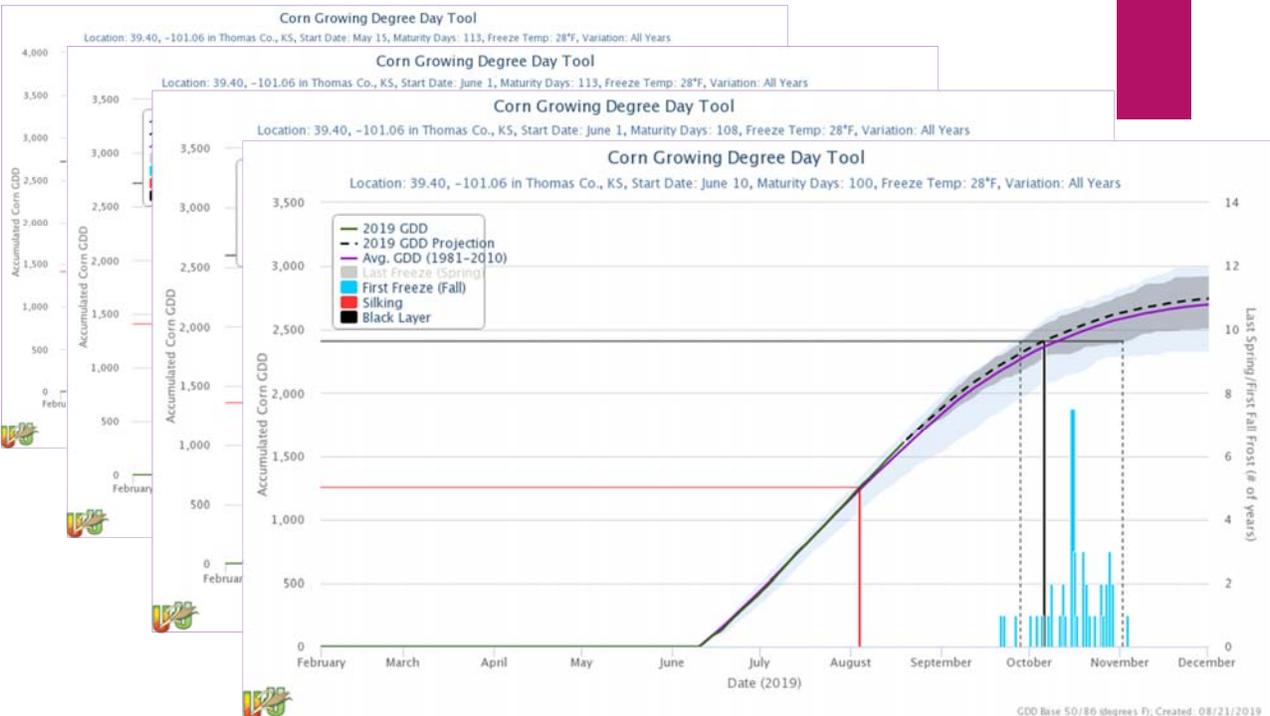
Pro Farmer | By Pro Farmer Editors on 08/22/2019 8:05 PM

Your Tour leaders talk results from Iowa and Minnesota.

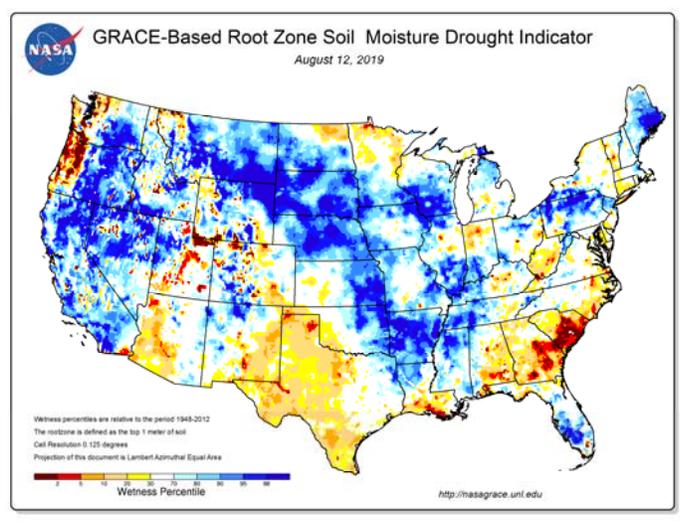
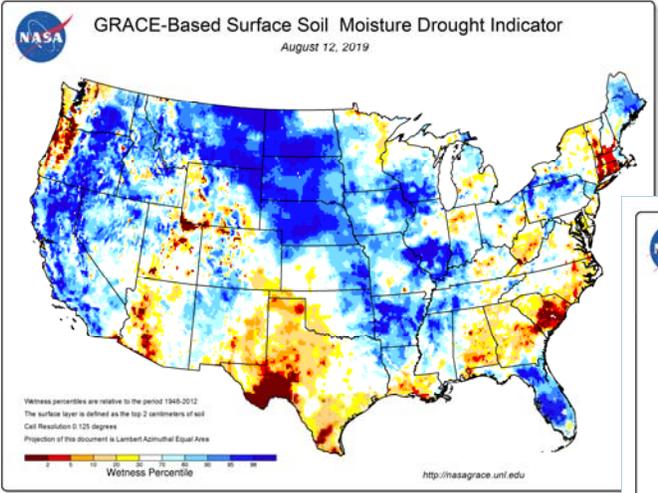


## Inconsistent Ear Counts in Iowa

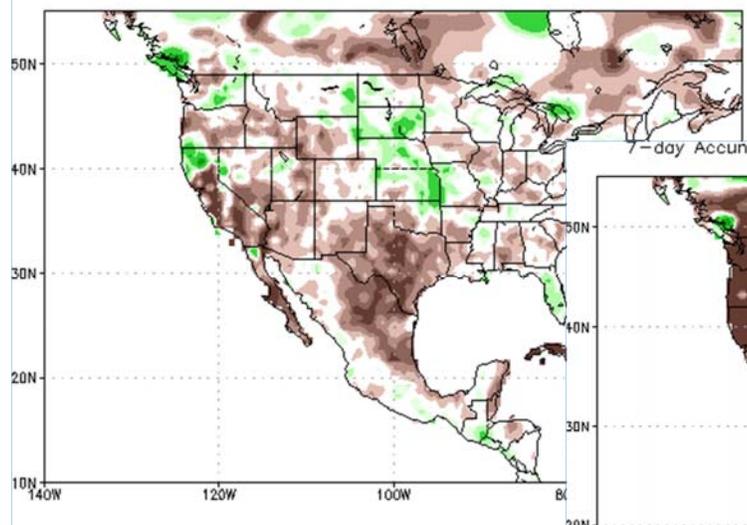
Pro Farmer | By dmichaelsen on 22 Aug, 2019







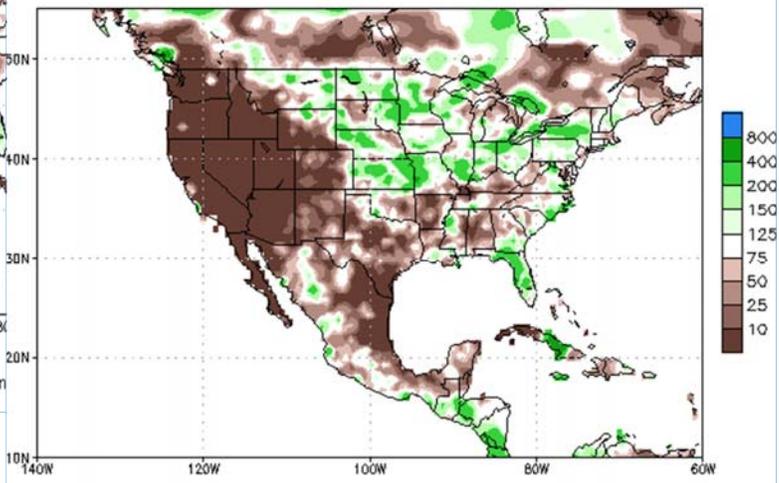
30-day Accumulated Prop % of Normal 21JUL2019-19AUG2019



Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Climatology (1981-2010)



7-day Accumulated Prop % of Normal 13AUG2019-19AUG2019



Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1981-2010)

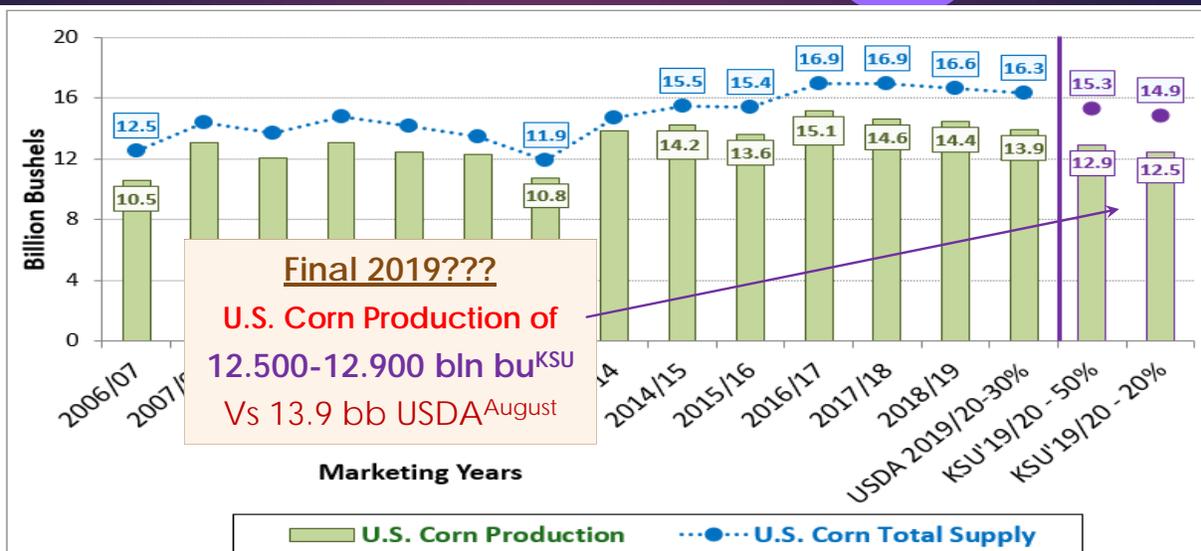
# U.S. Corn Supply and Demand

Item	2018/2019		2019/2020		
	Estimate	Change from July 11	Forecast	Change from July 11	Change from 2018/2019
Planted area (million acres)	89.1	--	90.0	-1.7	0.9
Harvested area (million acres)	81.7	--	82.0	-1.6	0.3
Yield (bushels per acre)	176.4	--	169.5	3.5	-6.9
----- Million bushels -----					
Beginning stocks	2,140	--	2,360	20	220
Production	14,420	--	13,901	26	-519
Imports	30	-5	50	--	20
Total supply	16,590	-5	16,311	46	-279
Feed and residual	5,275	--	5,175	--	-100
Food, seed, and industrial	6,855	-25	6,905	-25	50
Ethanol	5,425	-25	5,475	-25	50
Domestic use	12,130	-25	12,080	-25	-50
Exports	2,100	--	2,050	-100	-50
Total use	14,230	-25	14,130	-125	-100
Ending stocks	2,360	20	2,181	171	-179
----- Percent -----					
Stocks to use ratio	16.6	0.2	15.4	1.3	-1.2
----- Dollars per bushel -----					
Average market price	3.60	--	3.60	-0.10	--

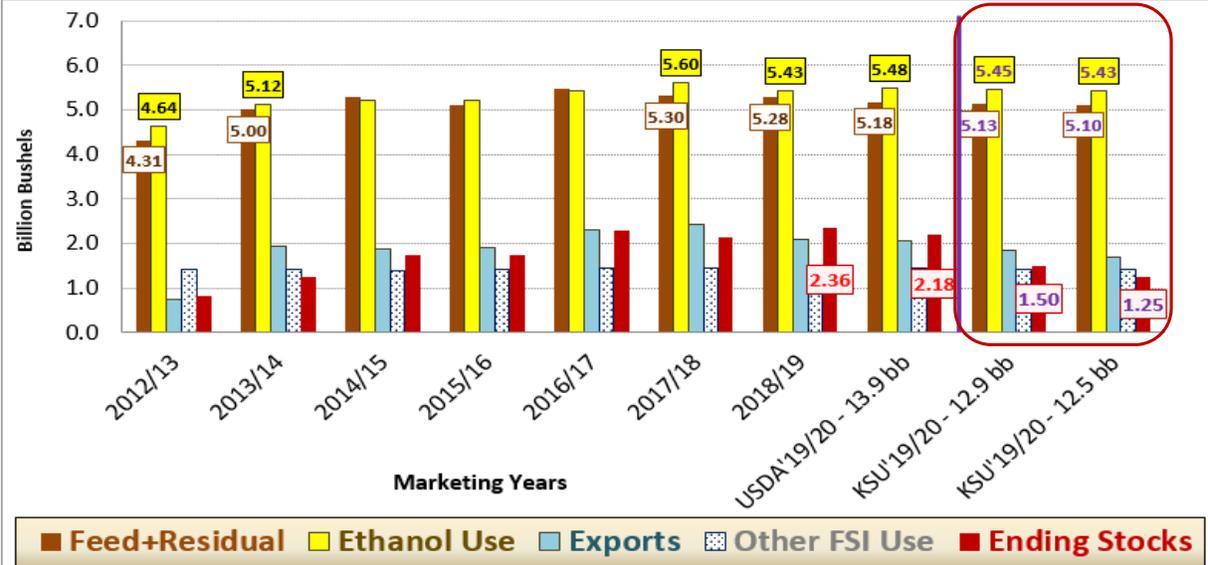
-- No change.

August 12, 2019

## U.S. Corn Production & Supplies



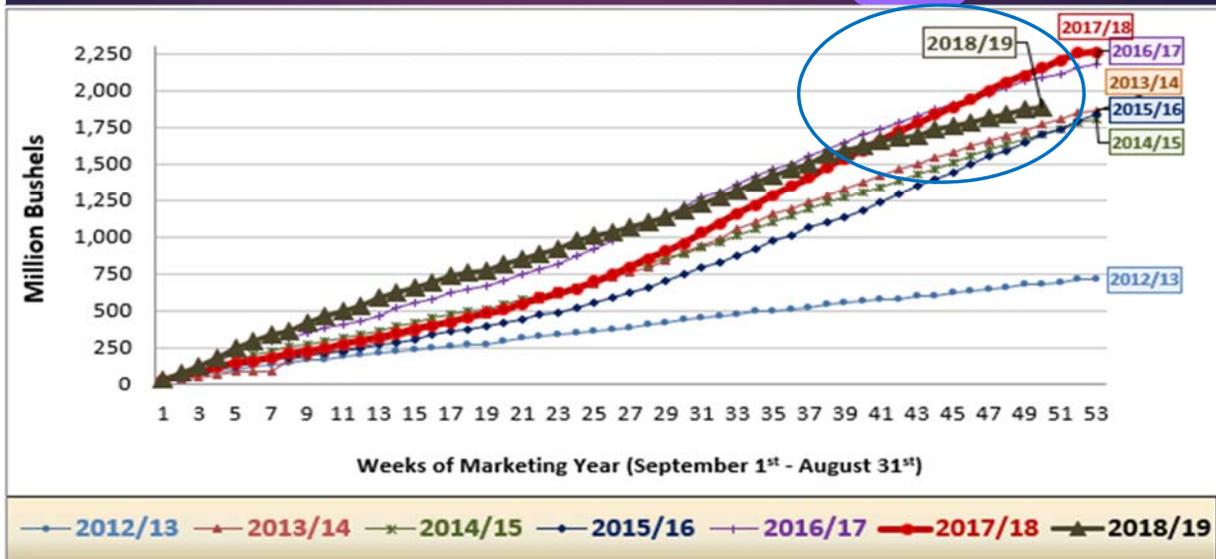
# U.S. Corn Use & End Stocks - By Category



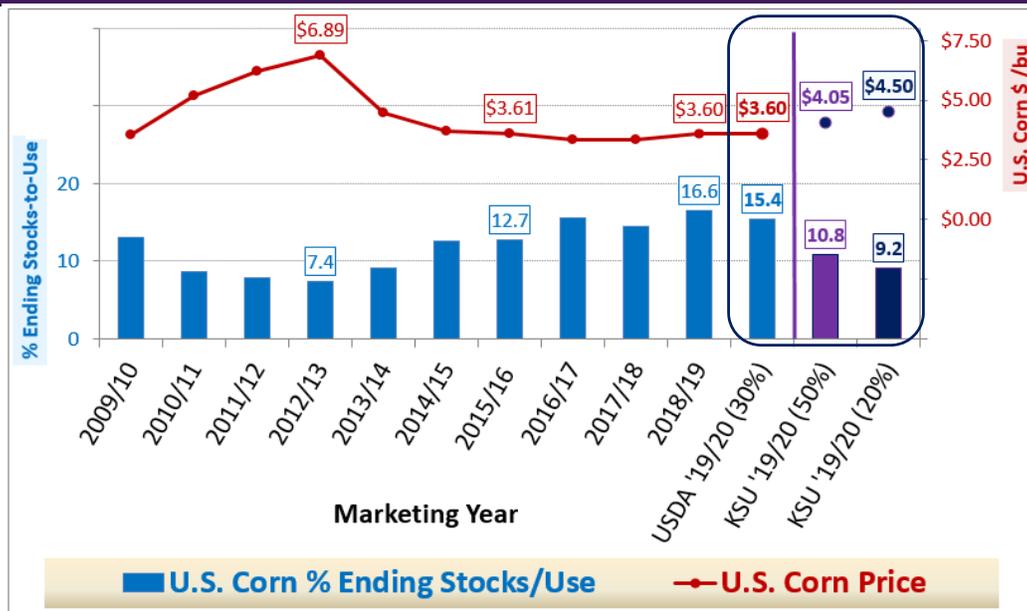
## U.S. Meat Production and Prices

Item	2019		2020		Change from 2019
	Forecast	Change from July 11	Forecast	Change from July 11	
<b>Production</b>					
----- <i>Billion Pounds</i> -----					
<b>2020 U.S. Meat Production</b>					
<b>Quantity &amp; Prices of Beef, Pork, &amp; Broilers are all projected to be higher in 2020</b>					
		-0.09	27.57	0.15	0.52
		-0.02	28.41	--	0.78
		0.20	43.80	0.45	0.49
		0.02	5.93	0.03	0.04
		0.11	106.48	0.63	1.86
<b>Prices</b>					
----- <i>Dollars per cwt</i> -----					
Steers	116.52	1.21	119.25	0.50	2.74
Hogs	50.91	-0.75	59.00	--	8.10
----- <i>Cents per pound</i> -----					
Broilers	86.7	-1.5	92.0	-2.0	5.3
Turkey	88.3	0.8	90.3	--	1.9

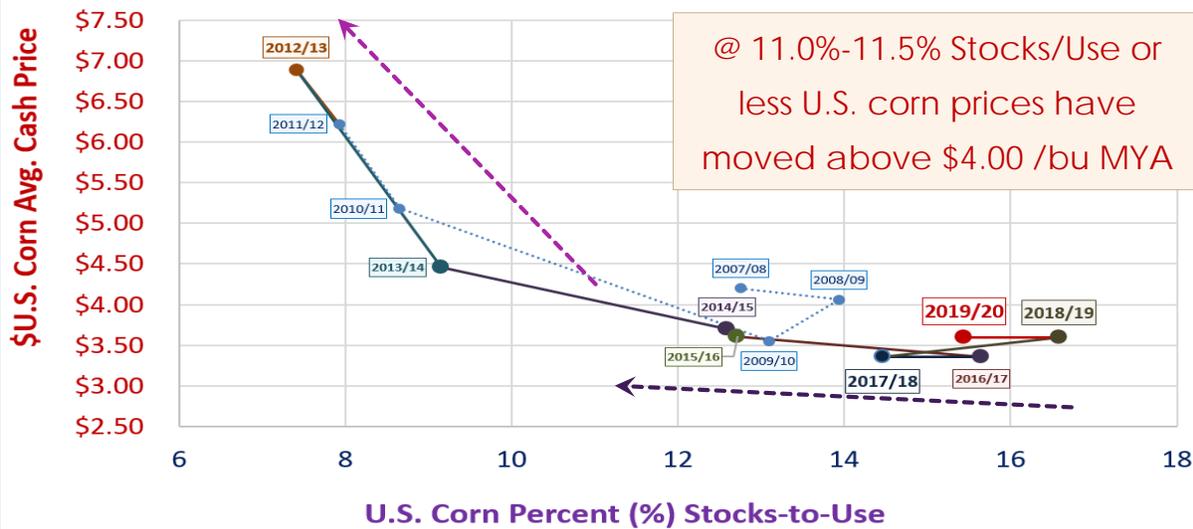
# U.S. Corn Exports - Weekly thru August 15, 2018



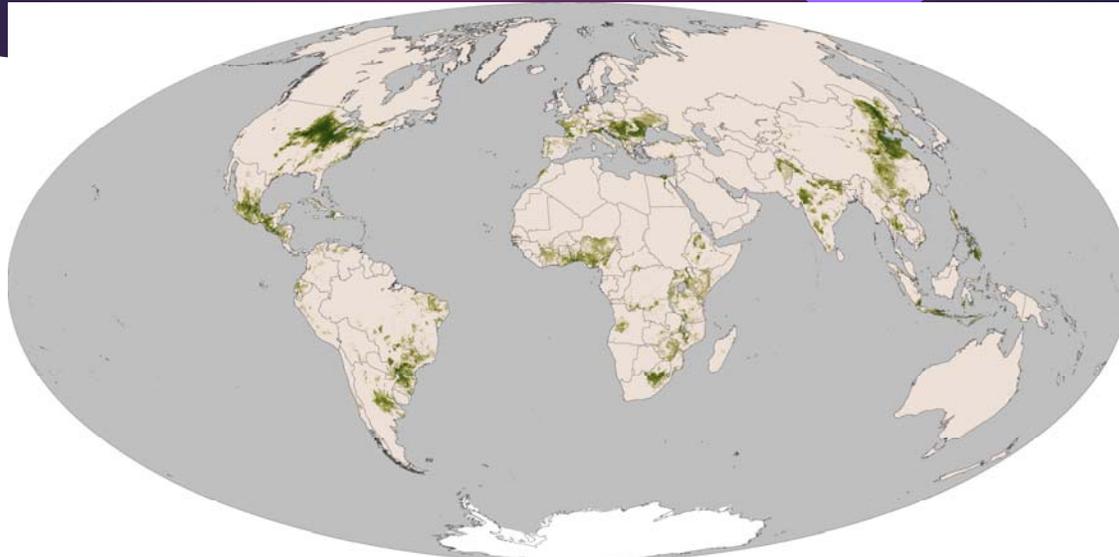
# U.S. Corn % Stocks/Use vs Price\$



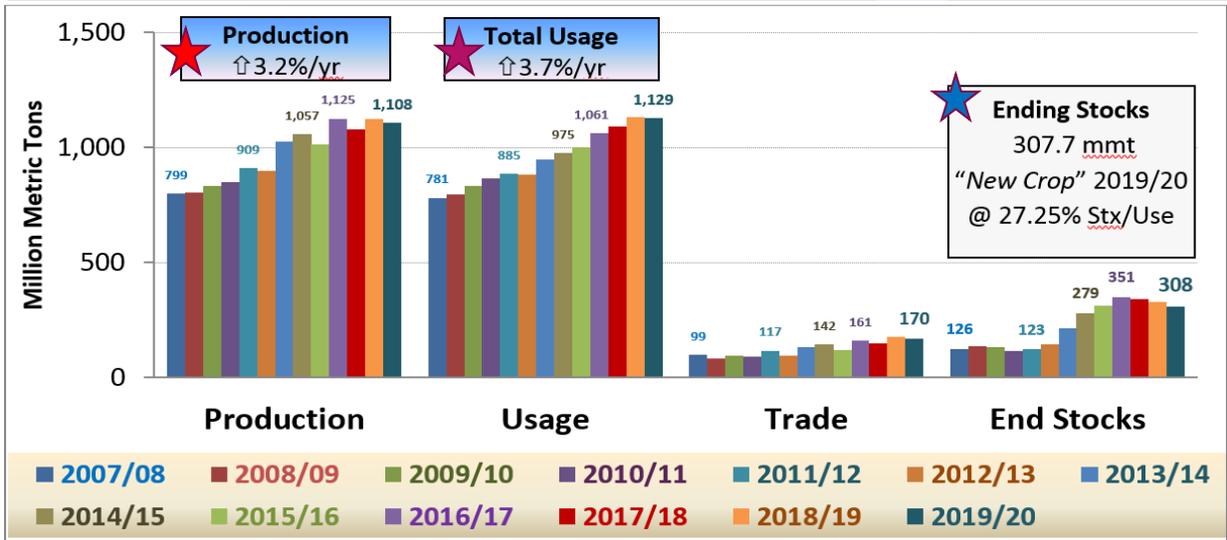
# U.S. Corn % Stocks/Use vs Price\$



# World Corn (Maize) Production Regions



# World Corn Supply, Use & Stocks



KANSAS STATE UNIVERSITY Department of Agricultural Economics

## World Corn Production

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----				
World	1,123.0	1,108.2	3.1	-14.8
United States	366.3	353.1	0.7	-13.2
Foreign	756.7	755.1	2.5	-1.6
Argentina	51.0	50.0	--	-1.0
Brazil	101.0	101.0	--	--
Mexico	26.7	27.0	--	0.3
Canada	13.9	14.0	--	0.1
European Union	64.2	64.8	0.6	0.6
Serbia	7.0	6.8	0.3	-0.3
FSU-12	52.5	54.4	2.1	1.9
Ukraine	35.8	36.5	2.5	0.7
Russia	11.4	13.0	-0.5	1.6
South Africa	11.5	14.0	--	2.5
China	257.3	254.0	--	-3.3
India	27.8	29.0	--	1.2

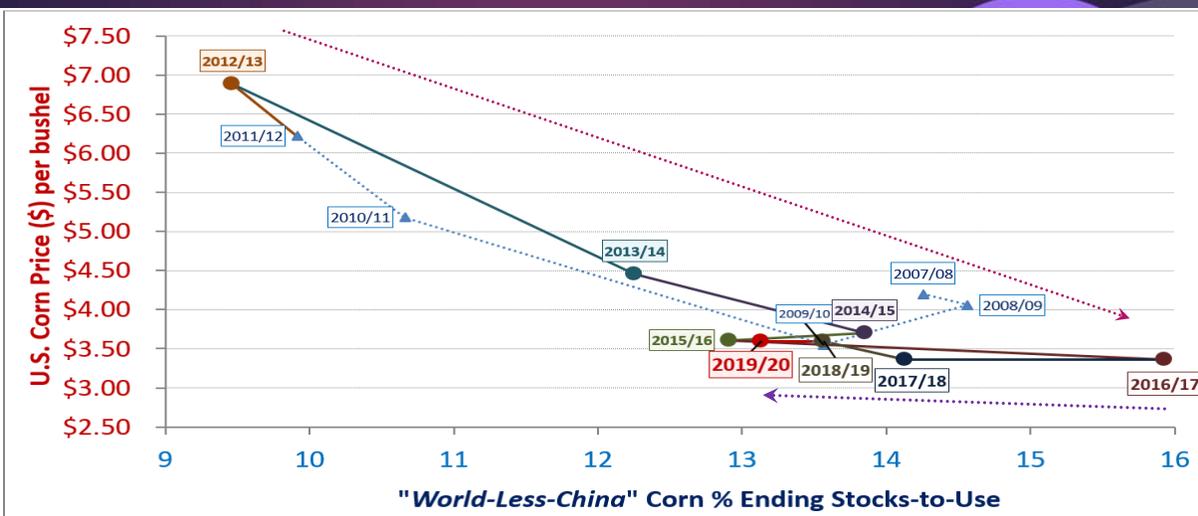
-- No change.

# World Corn Supply and Use

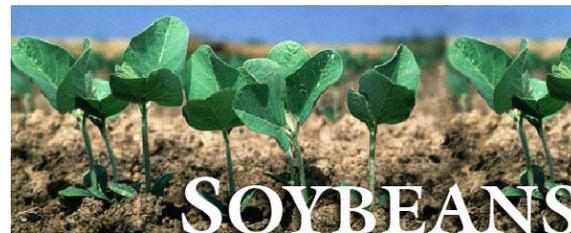
Item	2018/2019		2019/2020		
	Estimate	Change from July 11	Forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----					
Beginning stocks	339.4	0.1	328.6	-0.2	-10.8
Production	1,123.0	0.3	1,108.2	3.1	-14.8
Total Supply	1,462.4	0.4	1,436.8	2.9	-25.6
Feed use	696.4	-2.5	694.4	-2.0	-2.0
Total use	1,133.8	0.6	1,129.1	-5.9	-4.7
Trade	176.2	3.8	169.9	-0.9	-6.3
Ending Stocks	328.6	-0.2	307.7	8.8	-20.9

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

MY 1973/74 through "New Crop" MY 2019/20



# Soybean Markets



**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

DC\_GR112

Dodge City, KS

Thu, Aug 22, 2019

USDA-KS Dept of Ag Market News

Central Kansas Terminal and Processor Daily Grain Report

TERMINAL US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Atchison	7.94	DN 4	-75X	UNCH
Topeka	7.94	DN 4	-75X	UNCH
Salina	7.69	DN 4	-100X	UNCH
Newton	7.55	DN 4	-114X	UNCH
Hutchinson	7.55-7.69	DN 4	-114X to -100X	UNCH
Wichita	7.65	DN 4	-104X	UNCH
Wellington	7.57	DN 4	-112X	UNCH
Arkansas City	7.51	DN 4	-118X	UNCH
PROCESSOR US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Emporia	8.1375	UP 2.25	-55X	UNCH
Wichita	8.1375	UP 2.25	-55X	UNCH

DC\_GR112

Dodge City, KS

Thu, Aug 22, 2019

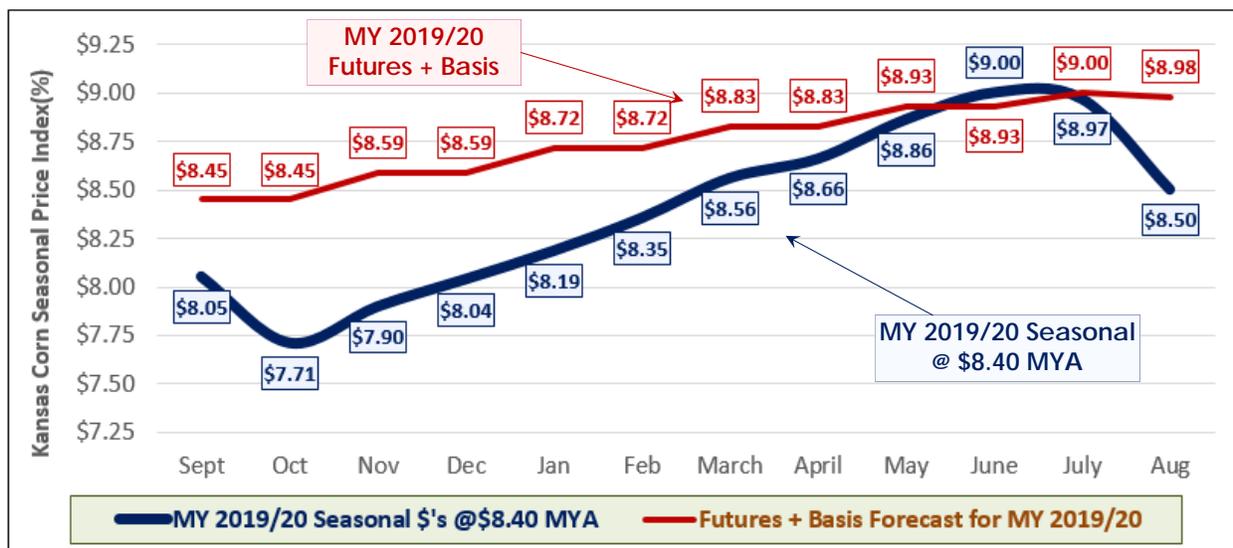
USDA-KS Dept of Ag Market News

Central Kansas Terminal and Processor Daily Grain Report

US NO 2 YELLOW SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	7.34	DN 4	-135X	UNCH
Colby	7.15	DN 4	-141U	UNCH
Garden City	7.24-7.29	DN 4	-145X to -140X	UNCH
Protection	7.44	DN 4	-125X	UNCH
Scott City	7.01	DN 4	-155U	UNCH
Sublette	7.29	DN 4	-140X	UNCH
Ulysses	7.29	DN 4	-140X	UNCH

## Kansas Soybean Seasonal Cash \$ Index

Monthly: Vs Futures + Basis Forecast for "New Crop" MY 2019/20



# CME Soybean Futures

Weekly Chart: January 2019 – August 22, 2019

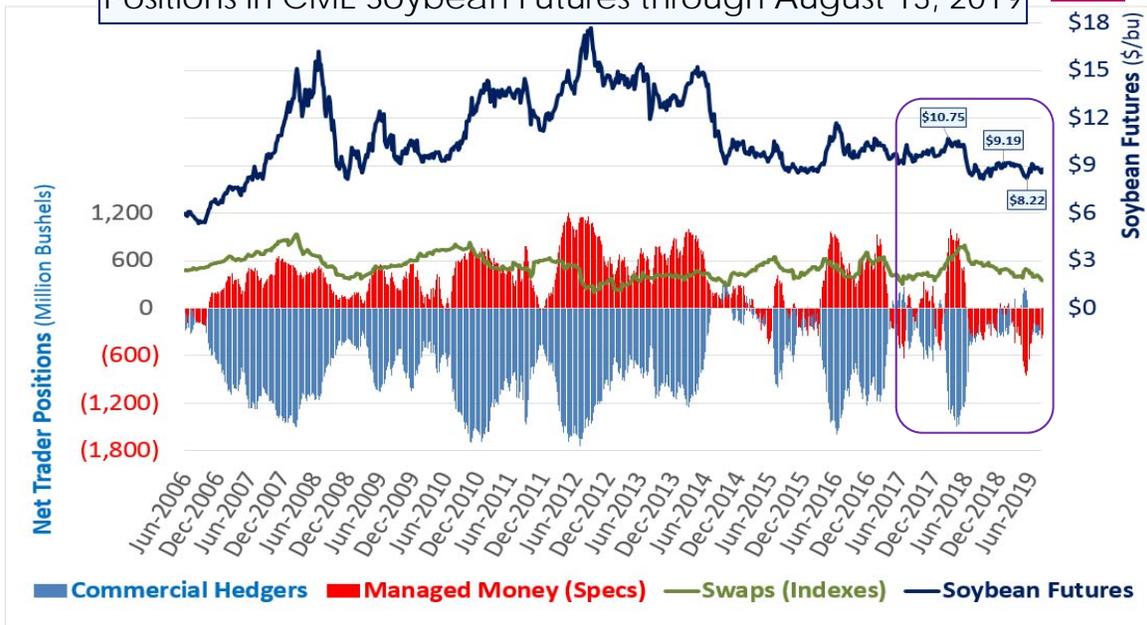


TFC Commodity Charts



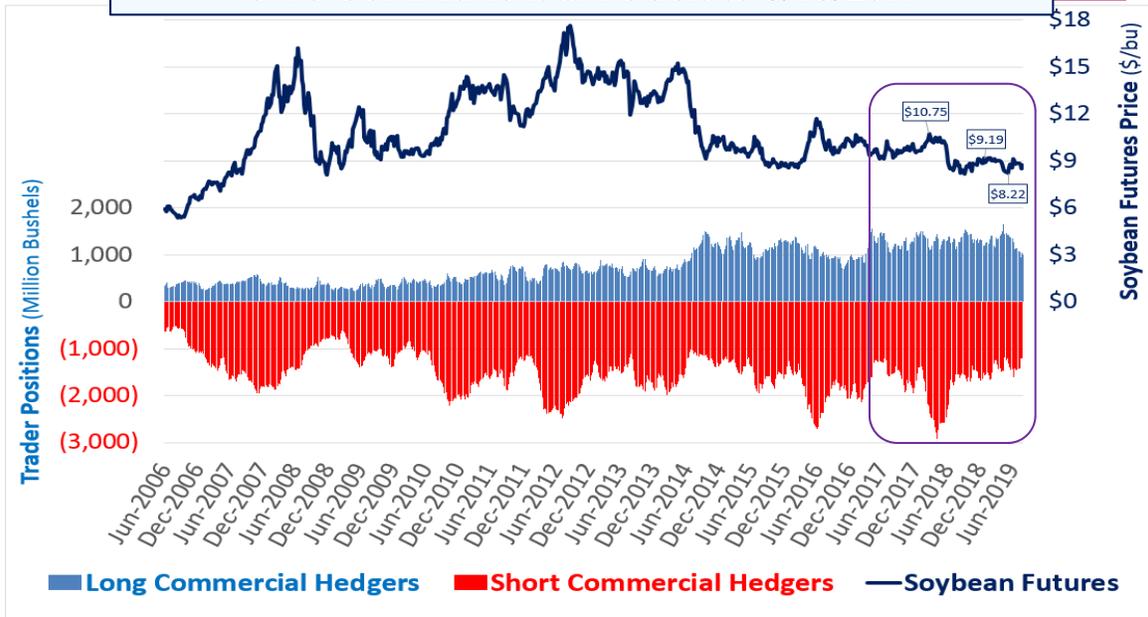
## CFTC Commitment of Traders Report

Positions in CME Soybean Futures through August 13, 2019



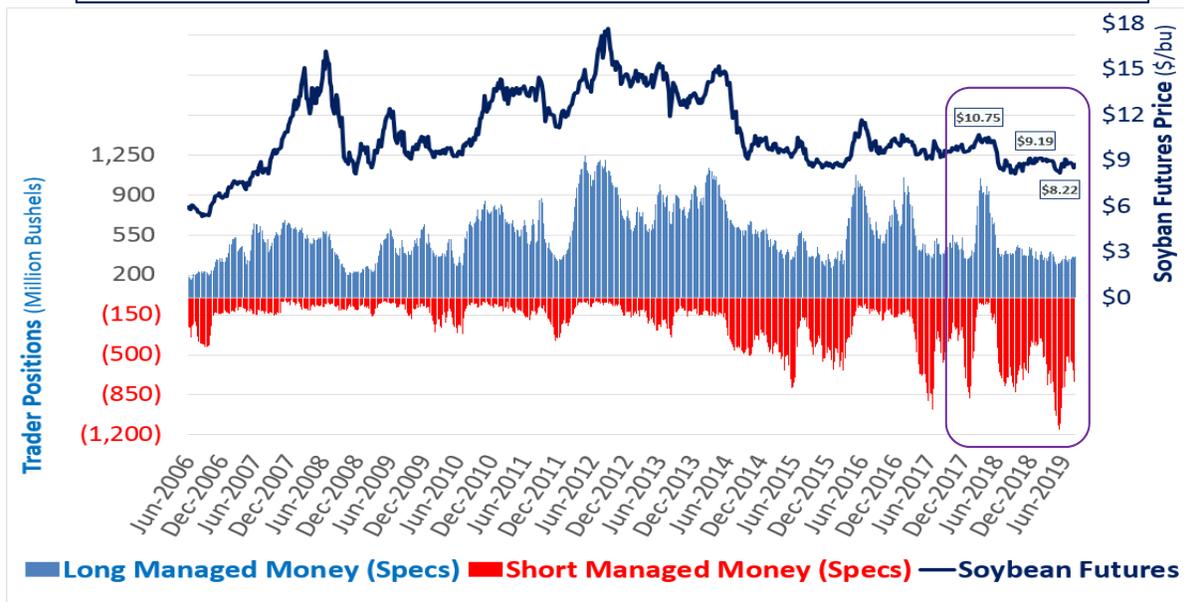
## Commercial Hedge Positions in Soybeans

CFTC Commitment of Traders to 8/13/2019

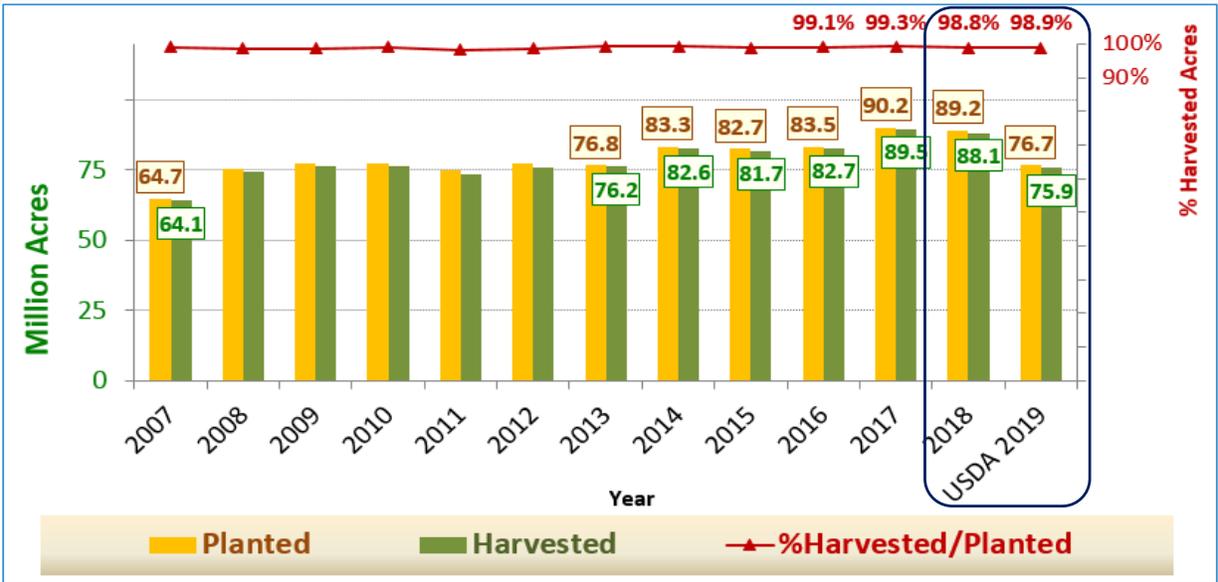


## Managed Money (Spec) Positions in Soybeans

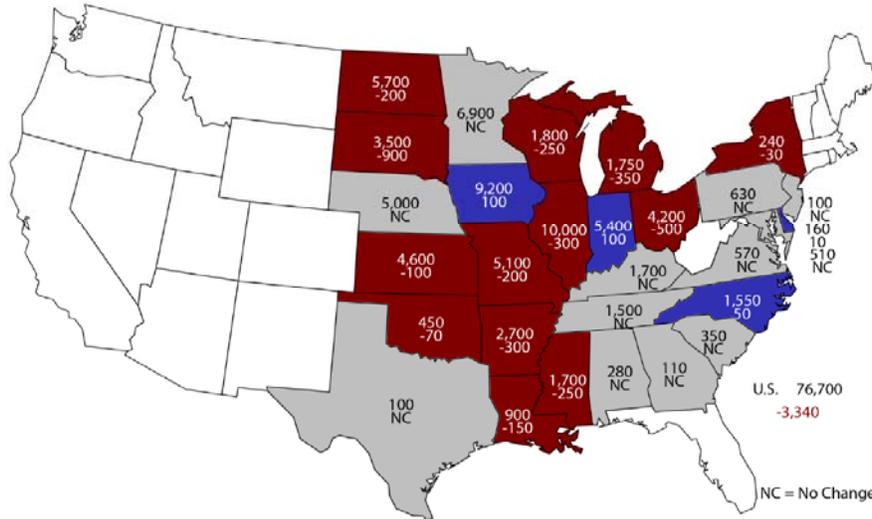
CFTC Commitment of Traders to 8/13/2019



# U.S. Soybean Acreage



2019 Soybean Planted Area  
(000) Acres and Change From Previous Estimate



# U.S. Soybean Yields

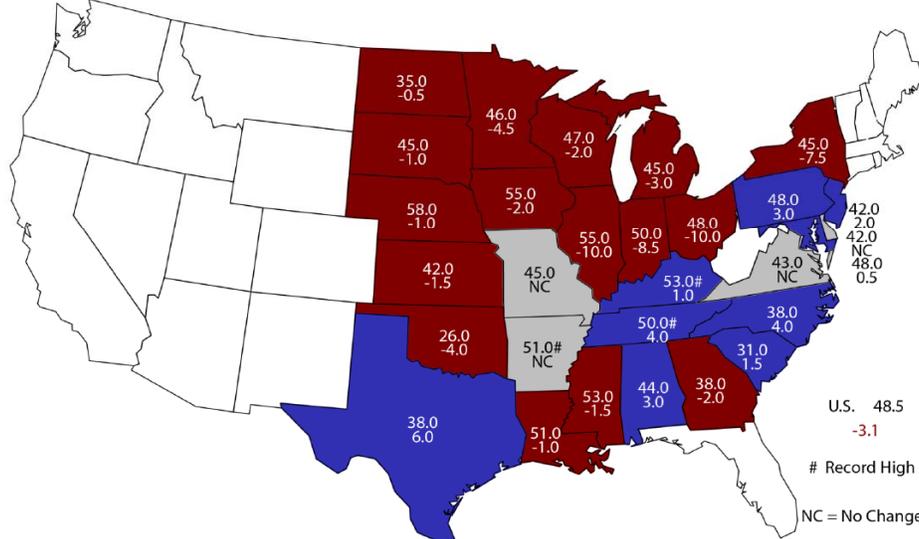
USDA August 2019 = 48.5 bu/ac

## Final 2019 Yields ???

Impact of stressful 2019 growing conditions???



## August 1, 2019 Soybean Yield Bushels and Change From Previous Year



USDA-NASS  
8-12-19

**DTN 2019 Digital Yield Tour -- National**  
 Day 4: National Average Corn Yield at 163.2 BPA,  
 Soybeans at 44.2 BPA



**Katie Micik Dehlinger** Farm Business Editor  
 Bio | Email | Blog

Fri Aug 16, 2019 11:45 AM CDT

**SOYBEAN YIELDS**

STATE	GRO INTEL	USDA AUGUST	USDA 2018
ILLINOIS	46	55	65
INDIANA	46	50	58.5
IOWA	53	55	57
KANSAS	36	42	43.5
MINNESOTA	44	46	50.5
MISSOURI	39	45	45
NEBRASKA	56	58	59
OHIO	42	48	58
SOUTH DAKOTA	37	45	46
WISCONSIN	46	47	49

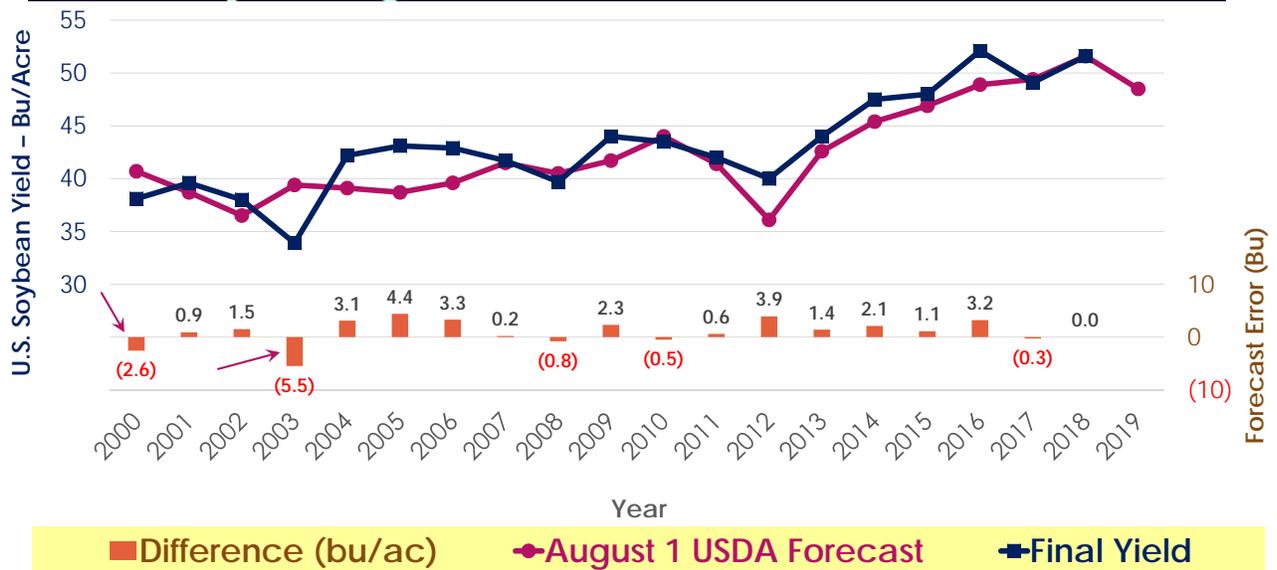
S&P Global

**Midwest Crop Tour: Illinois pod count seen down 27.6% on year**

New Delhi — On the third day of Pro Farmer Midwest Crop Tour in seven districts of Illinois, the soybean pod count in a three-by-three-foot ...

**U.S. Soybean Yields: 2000-2019**

**Accuracy of August 1<sup>st</sup> USDA Forecasts**



# U.S. Soybeans Supply and Demand

Item	2018/2019		2019/2020		
	Estimate	Change from July 11	Forecast	Change from July 11	Change from 2018/2019
Planted area (million acres)	89.2	--	76.7	-3.3	-12.5
Harvested area (million acres)	88.1	--	75.9	-3.4	-12.2
Yield (bushels per acre)	51.6	--	48.5	**	-3.1
----- Million bushels -----					
Beginning stocks	438	--	1,070	21	632
Production	4,544	--	3,680	-165	-864
Imports	17	--	20	--	3
Total supply	4,999	--	4,771	-144	-228
Crush	2,065	-20	2,115	--	50
Seed and Residual	164	-1	126	-4	-38
Domestic use	2,229	-21	2,241	-4	12
Exports	1,700	--	1,775	-100	75
Total use	3,929	-21	4,016	-104	87
Ending stocks	1,070	21	755	-40	-316
----- Percent -----					
Stocks to use ratio	27.2	0.7	18.8	-0.5	-8.5
----- Dollars per bushel -----					
Average market price	8.50	--	8.40	--	-0.10

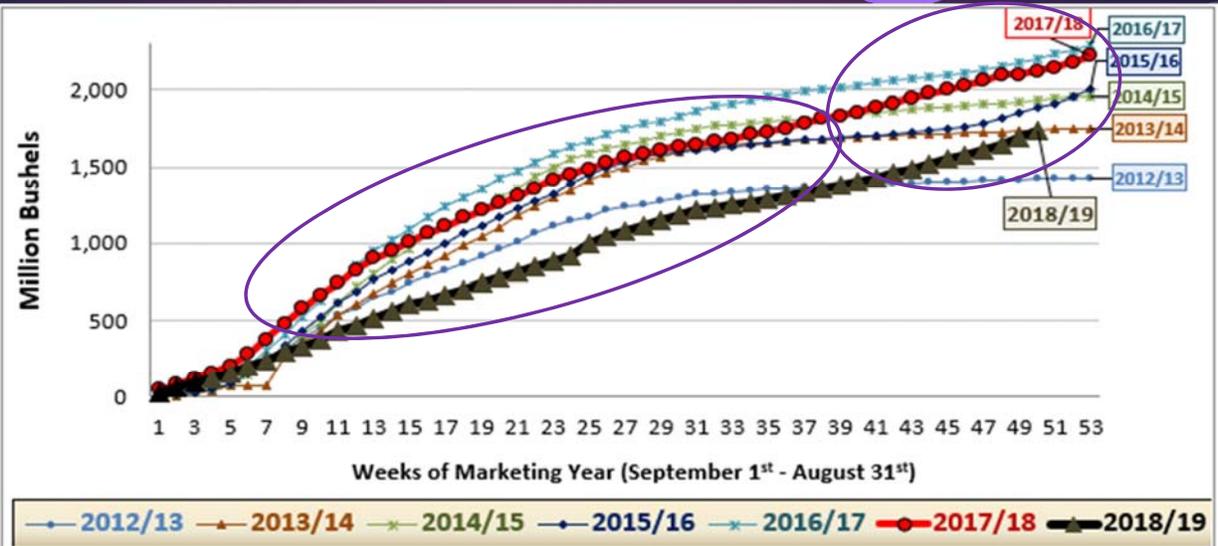
-- No change. \*\* Rounds to zero.

August 12, 2019

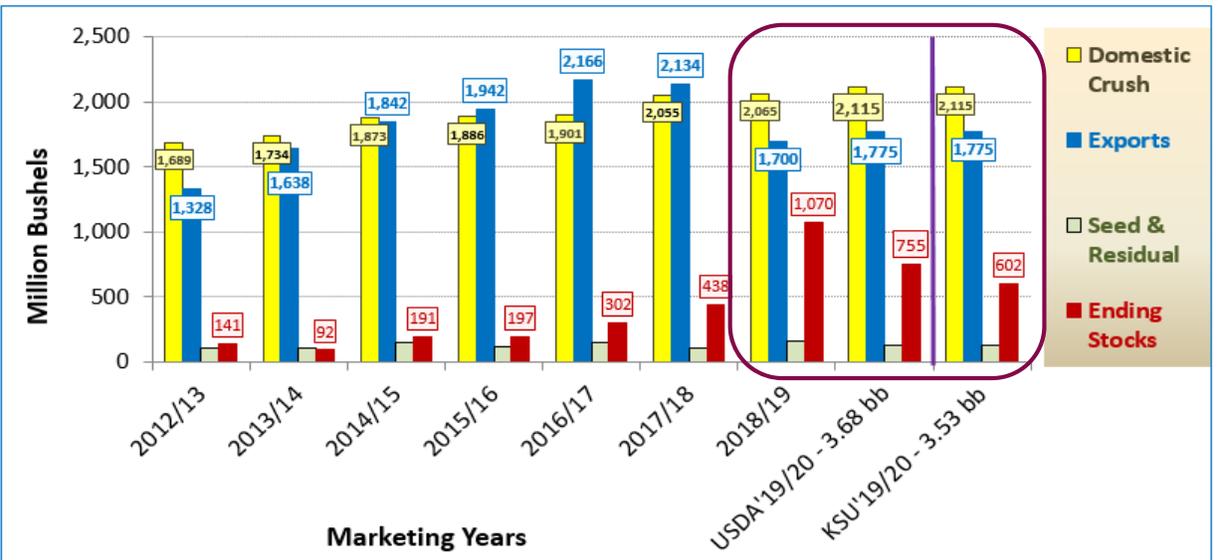
## U.S. Soybean Production & Supplies



# U.S. Soybean Exports - Weekly to 8/15/2019



# U.S. Soybean Use & End Stocks



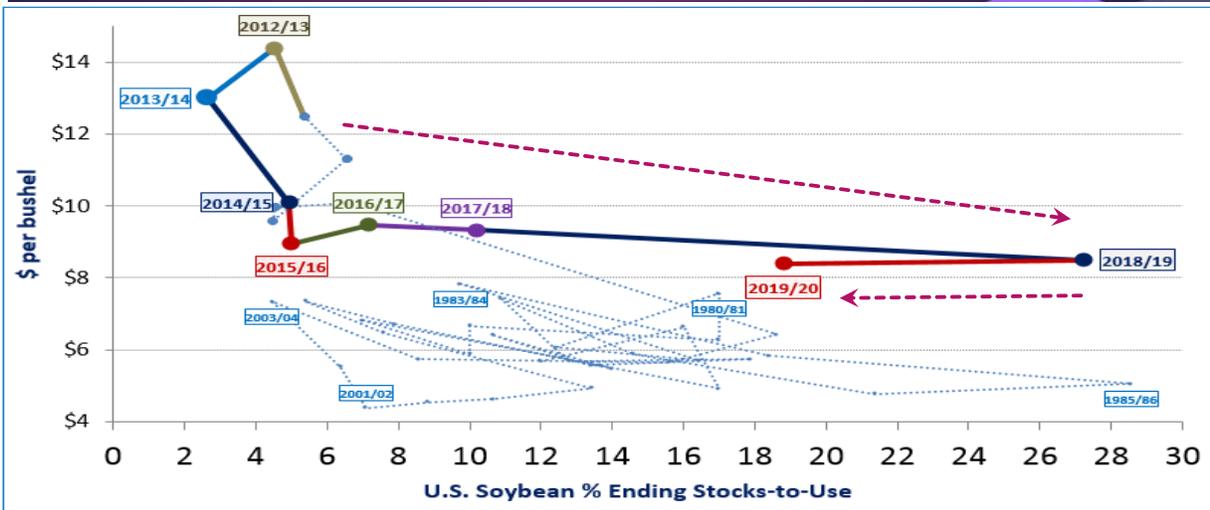


# U.S. Soybean % Stocks/Use vs Price\$

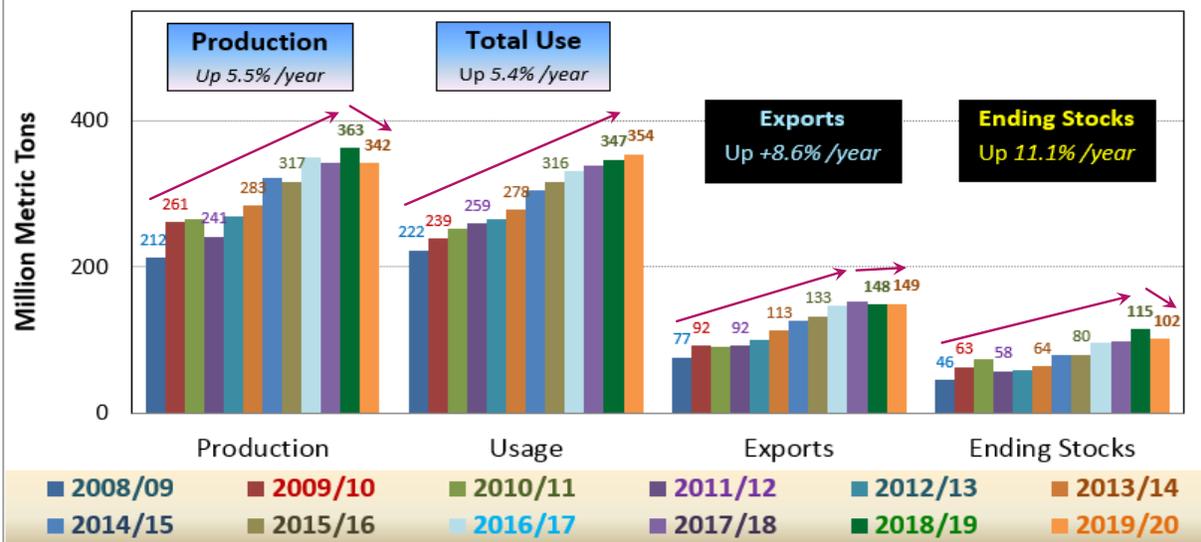


# U.S. Soybean \$ vs U.S. Stocks-to-Use

MY 1973/74 through "New Crop" MY 2018/19



# World Soybean Supply, Use & Stocks



KANSAS STATE UNIVERSITY Department of Agricultural Economics

## World Soybean Production

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----				
World	362.9	341.8	-5.2	-21.0
United States	123.7	100.2	-4.5	-23.5
Foreign	239.2	241.7	-0.7	2.5
Argentina	56.0	53.0	--	-3.0
Brazil	117.0	123.0	--	6.0
Paraguay	9.0	10.2	--	1.2
Canada	7.3	6.2	--	-1.1
India	11.5	10.3	-0.6	-1.2
China	15.9	17.0	--	1.1

-- No change.

# World Soybean Supply and Use

Item	2018/2019		2019/2020		
	Estimate	Change from July 11	Forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----					
Beginning stocks	99.1	**	114.5	1.6	15.4
Production	362.9	**	341.8	-5.2	-21.0
Total Supply	462.0	**	456.4	-3.7	-5.6
Crush	299.8	-1.2	307.1	-0.8	7.3
Total use	346.6	-1.0	354.3	-0.7	7.7
Trade	148.3	-1.9	149.2	-2.1	0.9
Ending Stocks	114.5	1.6	101.7	-2.8	-12.8
<b>Addendum</b>					
Beginning stocks					
Argentina plus Brazil	56.5	--	57.6	1.4	1.1
Imports*					
China	83.0	-2.0	85.0	-2.0	2.0

August 12, 2019

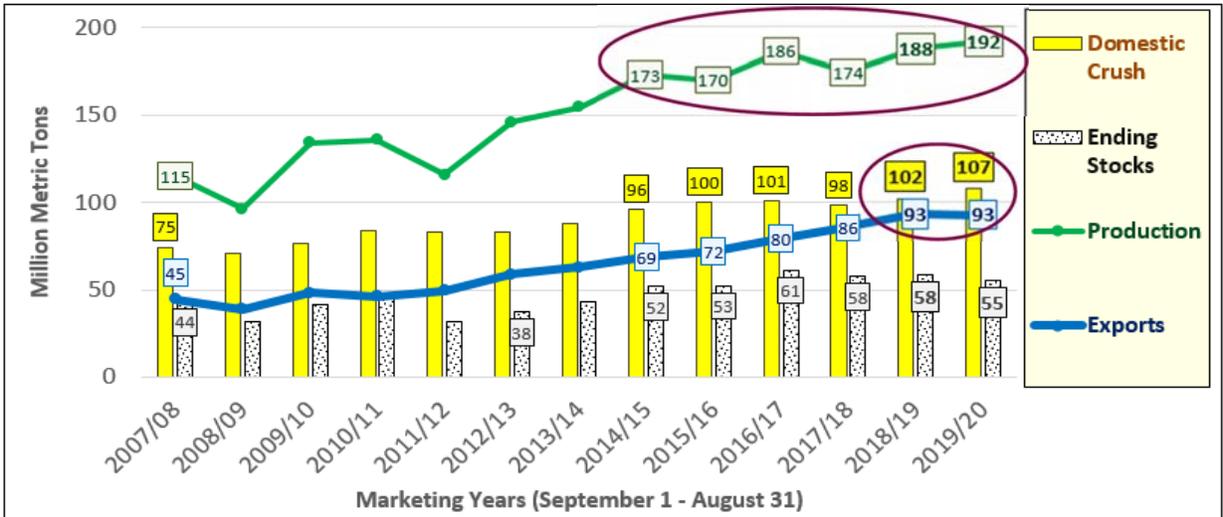
## China Soybean Supply-Demand

MY 2006/07 through "New Crop" MY 2019/20



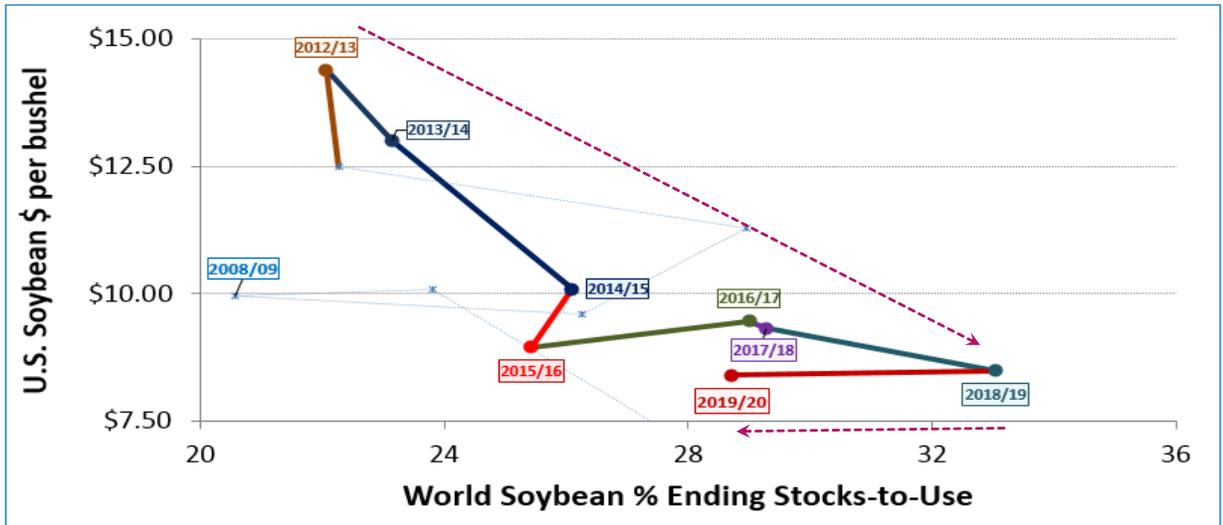
# South America Soybean S-D

MY 2006/07 through "New Crop" MY 2019/20



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

MY 1973/74 through "New Crop" MY 2018/19



# Wheat Markets



**KANSAS STATE UNIVERSITY** Department of Agricultural Economics

DC\_GR112  
 Dodge City, KS Thu, Aug 22, 2019 USDA-KS Dept of Ag Market News

## Central Kansas Terminal and Processor Daily Grain Report

	Bids	Change (¢/bu)	Basis	Change
TERMINAL HRW WHEAT ORD US NO 1				
Atchison	3.68	UP 7	-25U	UNCH
Topeka	3.83	UP 7	-10U	UNCH
Concordia	3.63	UP 7	-30U	UNCH
Salina	3.78	UP 7	-15U	UNCH
Great Bend	3.68	UP 7	-25U	UNCH
Newton	3.60	UP 7	-33U	UNCH
Hutchinson	3.60-3.83	UP 7	-33U to -10U	UNCH
Wichita	3.76-3.85	UP 7	-17U to -8U	UNCH
Wellington	3.82-3.88	UP 7	-11U to -5U	UNCH
Arkansas City	3.78	UP 7	-15U	UNCH
TERMINAL HWW WHEAT ORD US NO 2				
Wichita	Bids 3.85	Change (¢/bu) UP 7	Basis -8U	Change UNCH

DC\_GR110

Dodge City, KS

Thu, Aug 22, 2019

USDA-KS Dept of Ag Market News

Western Kansas Grain Markets

Thursday's closing elevator grain bids:

US NO 2 YELLOW SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Dodge City	7.34	DN 4	-135X	UNCH
Colby	7.15	DN 4	-141U	UNCH
Garden City	7.24-7.29	DN 4	-145X to -140X	UNCH
Protection	7.44	DN 4	-125X	UNCH
Scott City	7.01	DN 4	-155U	UNCH
Sublette	7.29	DN 4	-140X	UNCH
Ulysses	7.29	DN 4	-140X	UNCH

# Kansas HRW Wheat Seasonal Cash \$ Index

Monthly: Vs Futures + Basis Forecast for "New Crop" MY 2019/20



# CME Kansas HRW Wheat Futures

Weekly Chart: January 2019 – August 22, 2019

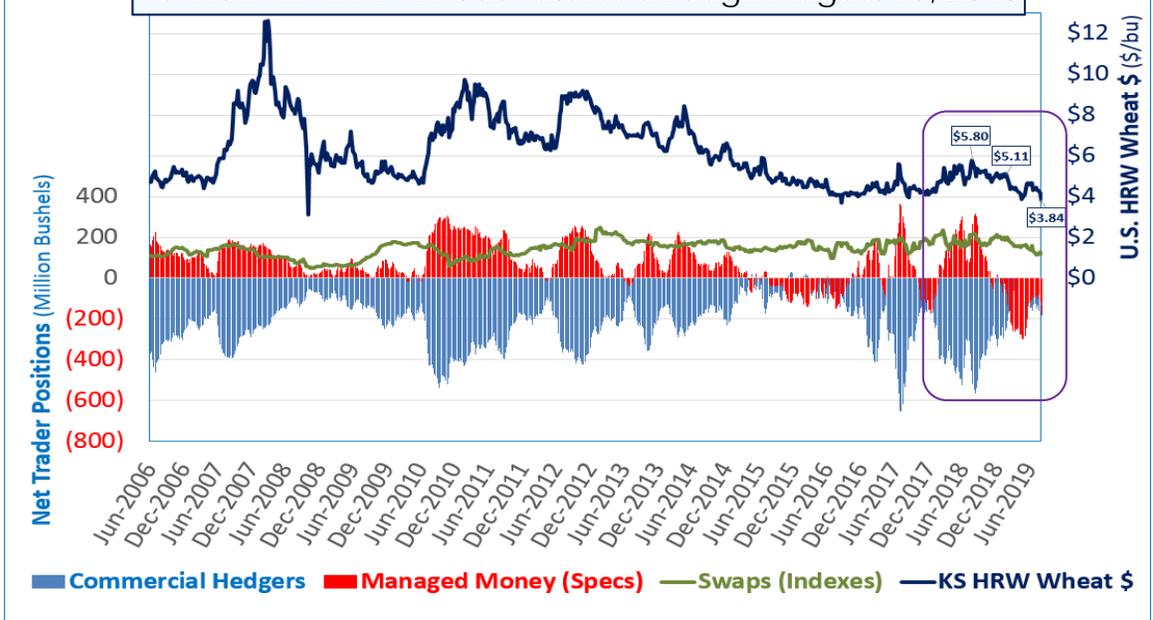


## 2018 U.S. Wheat Quality & Grades

- **HRW Wheat 2019** ⇒ **11.2% protein**, 60.4 lb test, 1.4% defects
  - Versus 12.3% protein, 61.1 lb. test wt., 1.2% defects in 2018
- **SRW Wheat 2019** ⇒ **9.3% protein**, 57.9 lb test, 1.7% defects
  - Versus 10.1% protein, 57.5 lb. test wt., 1.3% defects in 2018
- **Soft White Wheat 2019** ⇒ **9.3% protein**, 61.7 lb test, 0.6% defects
  - Versus 9.6% protein, 60.9 lb test wt, 0.6% defects in 2018
- **HRS Wheat 2019** ⇒ **\_\_\_% protein**, \_\_\_ lb test, \_\_\_% defects
  - Versus 14.6% protein, 61.7 lb test wt, 0.8% defects in 2018

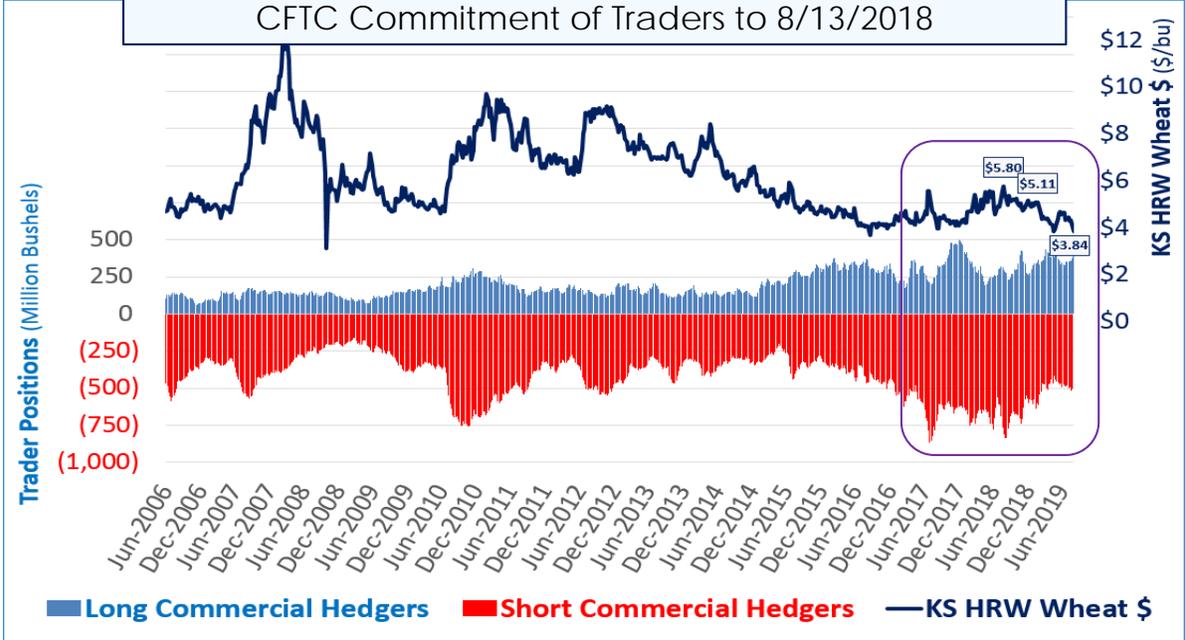
## CFTC Commitment of Traders Report

Positions in HRW Wheat Futures through August 13, 2018



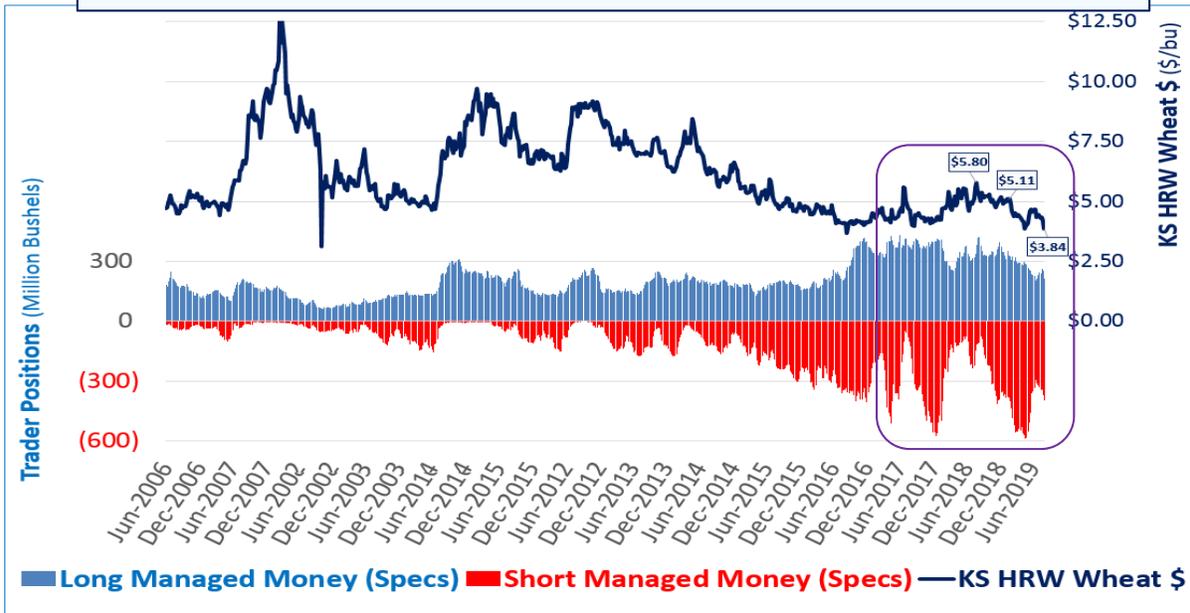
## Commercial Hedge Positions in HRW Wheat

CFTC Commitment of Traders to 8/13/2018

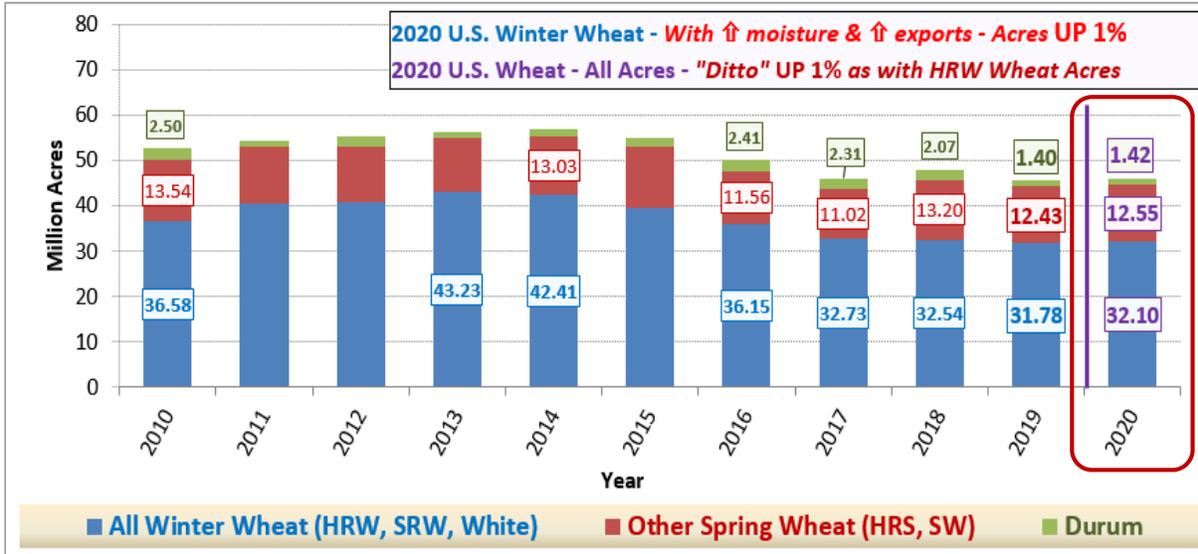


# Managed Money (Spec) Positions in HRW Wheat

CFTC Commitment of Traders to 8/13/2018



# U.S. Wheat Seeded Acreage



# U.S. Wheat Acreage

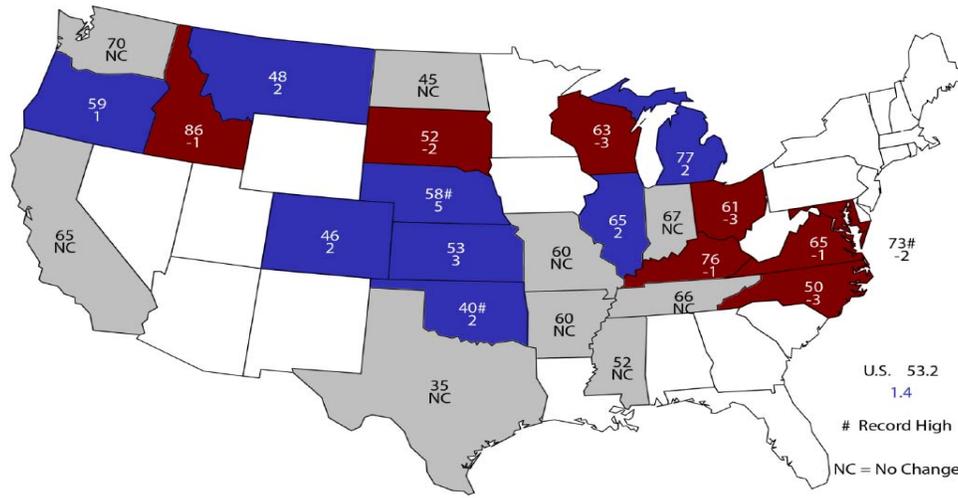


# U.S. Wheat Yields





### August 1, 2019 Winter Wheat Yield Bushels and Change From Previous Estimate



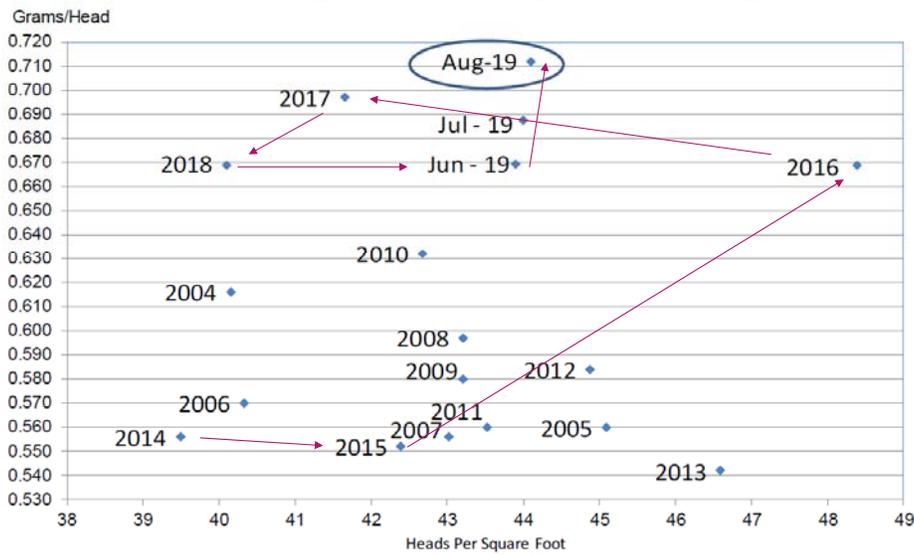
U.S. 53.2  
1.4

# Record High  
NC = No Change

USDA-NASS  
8-12-19



### Wheat Objective Yield Region Heads Per Square Foot vs. Implied Head Weight

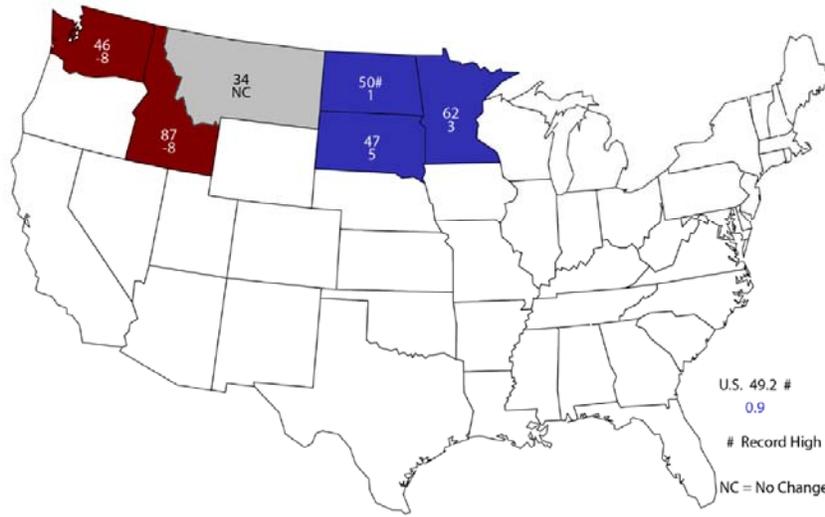


Implied Head Weight = Published Yield / (Heads \* 1.6006)

USDA-NASS  
8-12-19



## August 1, 2019 Other Spring Wheat Yield Bushels and Change From Previous Year



USDA-NASS  
8-12-19

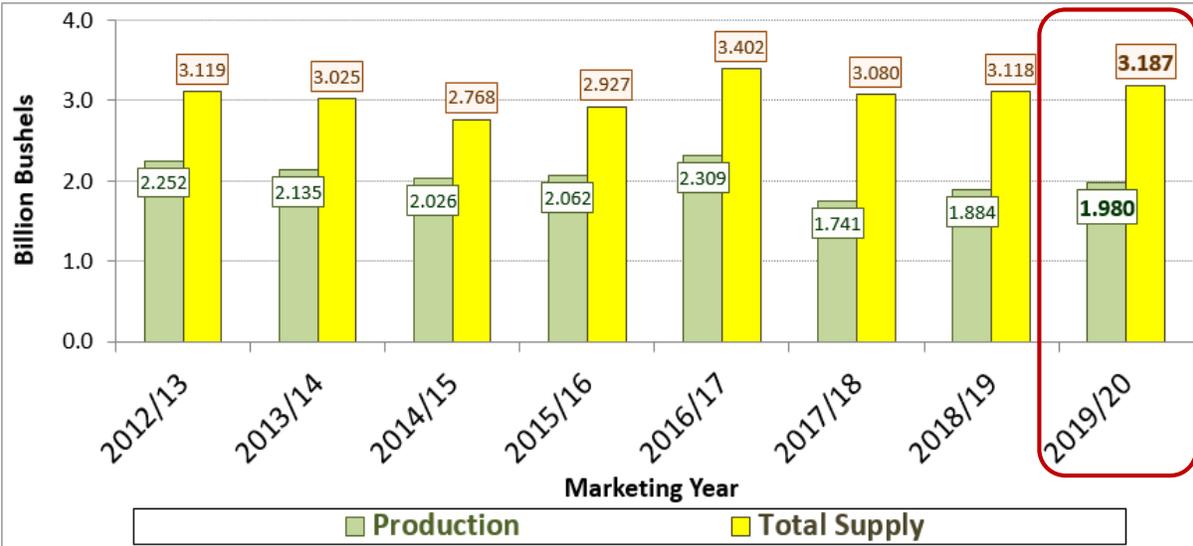
## U.S. Wheat Supply and Demand

Item	2018/2019 estimate	2019/2020 forecast	Change from July 11	Change from 2018/2019
Planted area (million acres)	47.8	45.6	--	-2.2
Harvested area (million acres)	39.6	38.4	--	-1.2
Yield (bushels per acre)	47.6	51.6	1.5	4.0
----- Million bushels -----				
Beginning stocks	1,099	1,072	--	-27
Production	1,884	1,980	59	96
Imports	135	135	-5	**
Total supply	3,118	3,187	54	69
Food use	955	960	-5	5
Seed	60	68	--	8
Feed and residual	96	170	20	74
Domestic use	1,110	1,198	15	88
Exports	936	975	25	39
Total use	2,046	2,173	40	127
Ending stocks	1,072	1,014	14	-58
----- Percent -----				
Stocks to use ratio	52.4	46.7	-0.2	-5.7
----- Dollars per bushel -----				
Average market price	5.16	5.00	-0.20	-0.16

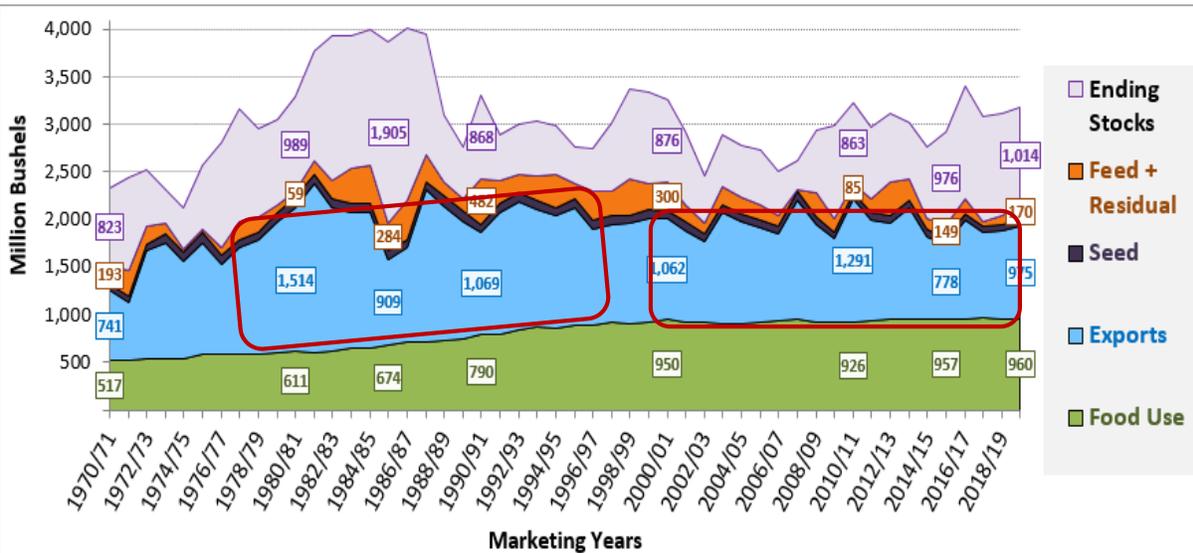
-- No change.

August 12, 2019

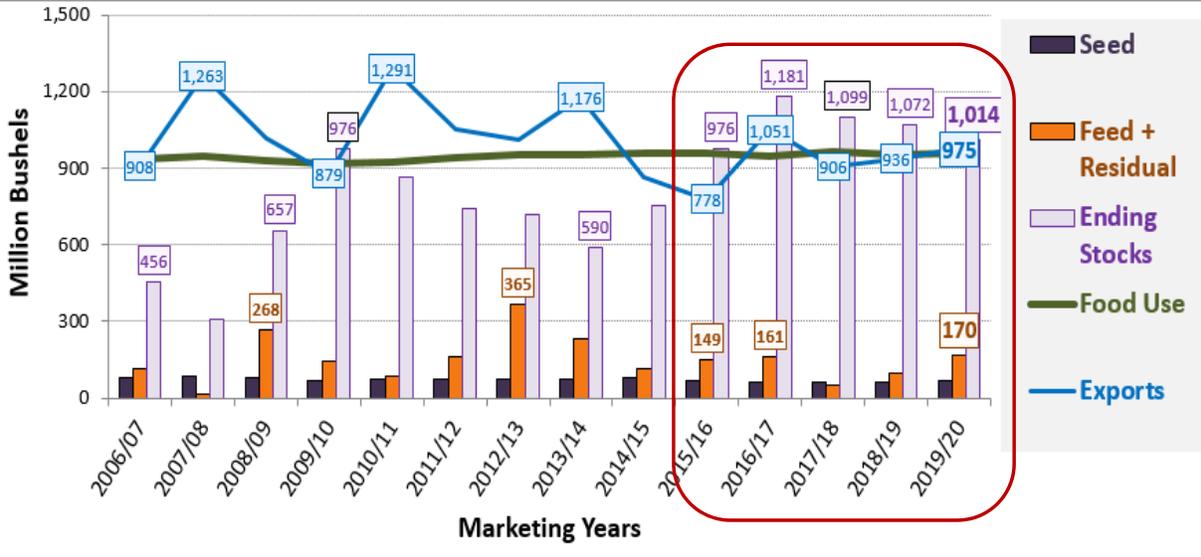
# U.S. Wheat Production & Supplies



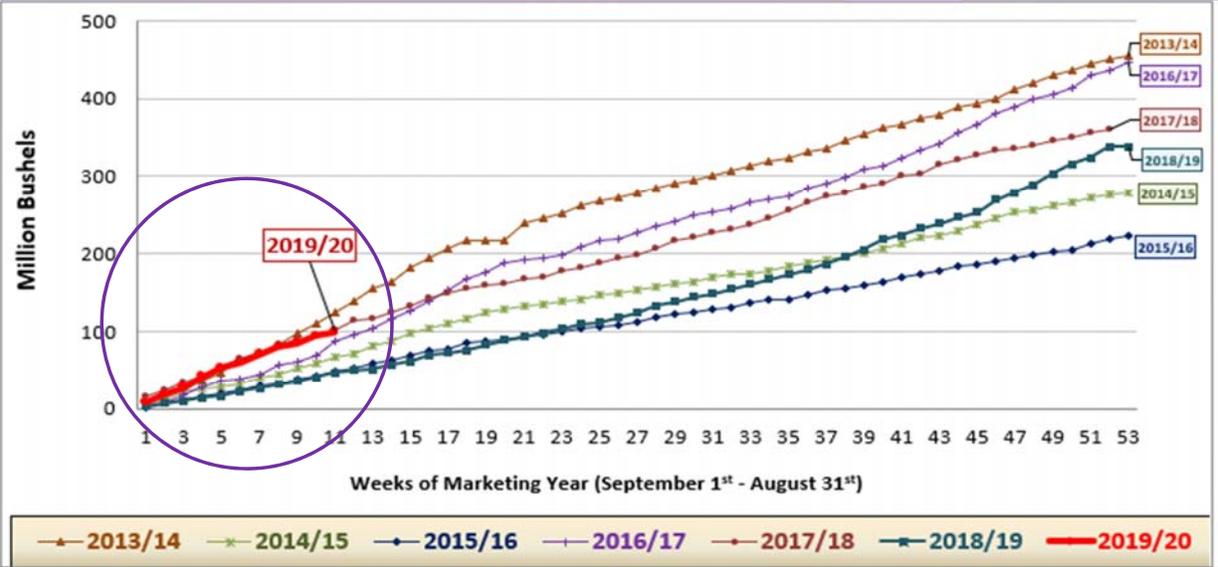
# U.S. Wheat Use - Long Term Trends



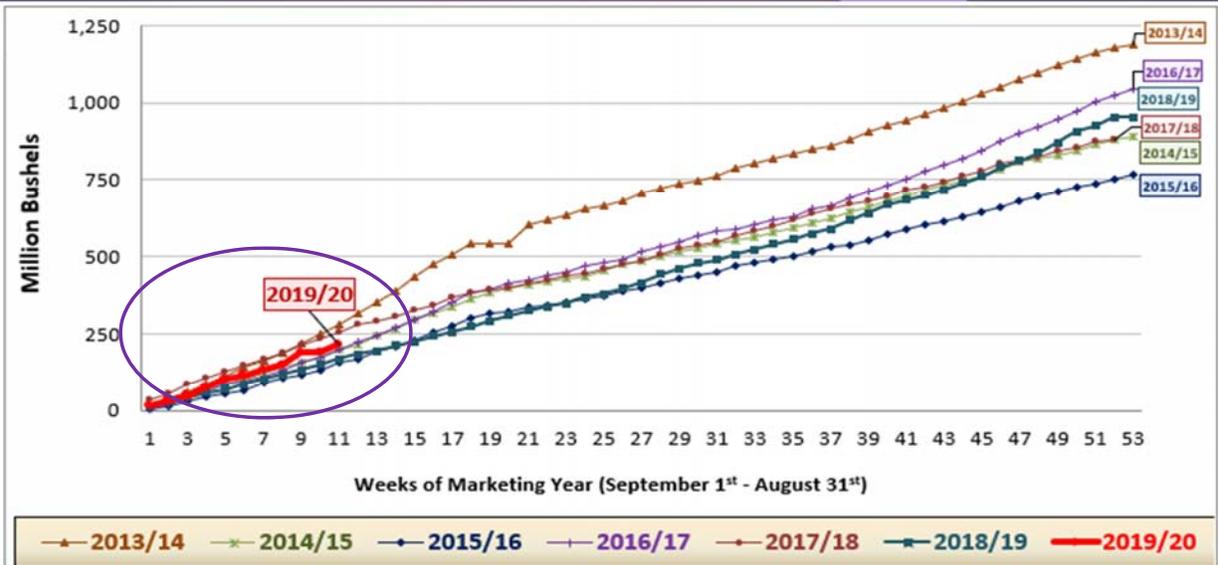
# U.S. Wheat Use - Intermediate Trends



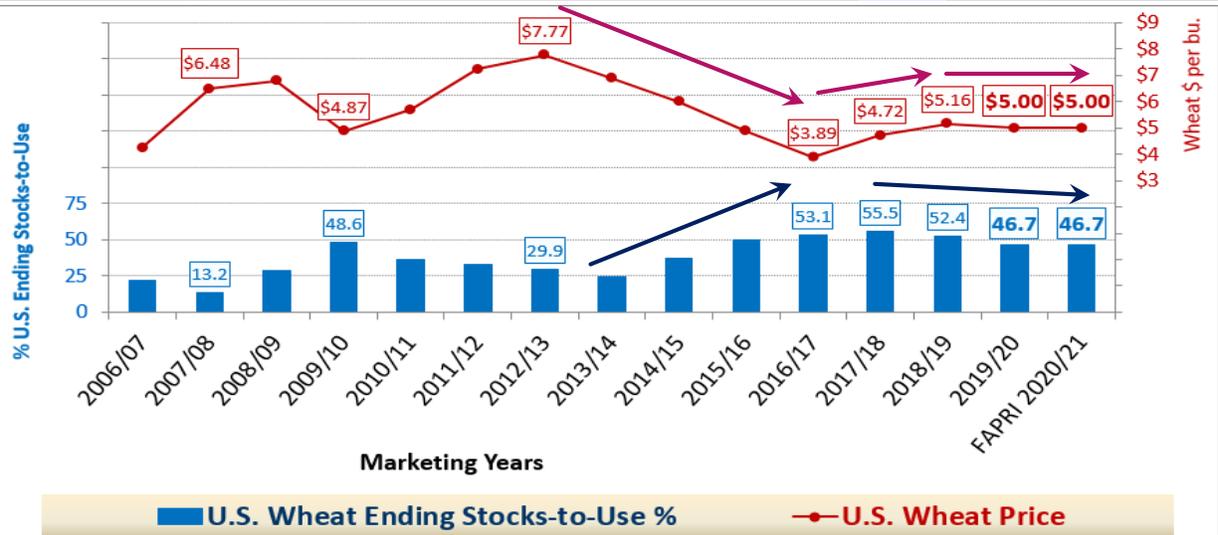
# U.S. Hard Red Winter Wheat Exports - 8/15/2019



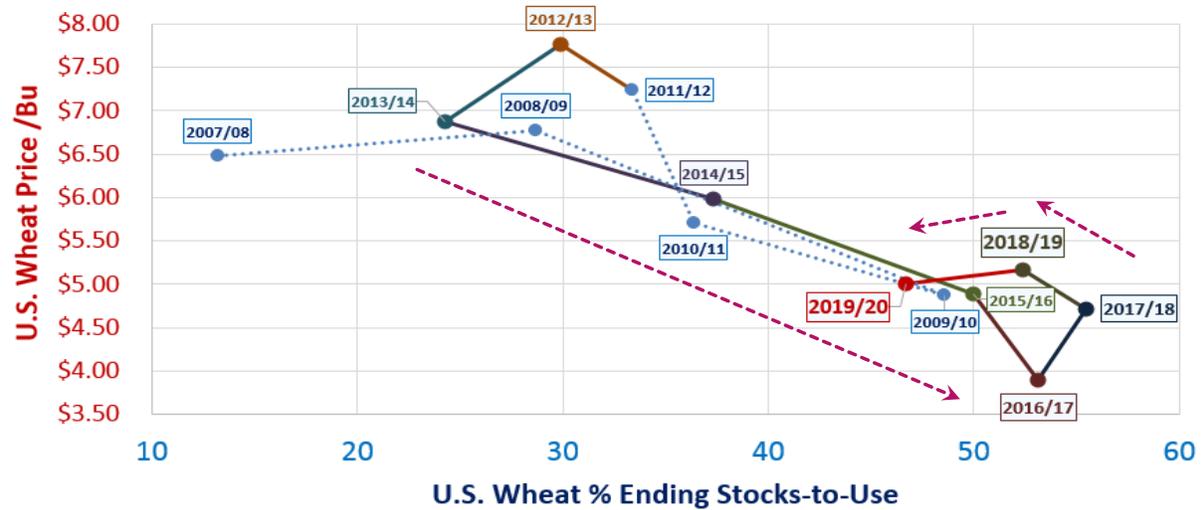
# U.S. All Wheat Exports - Weekly to August 15, 2019



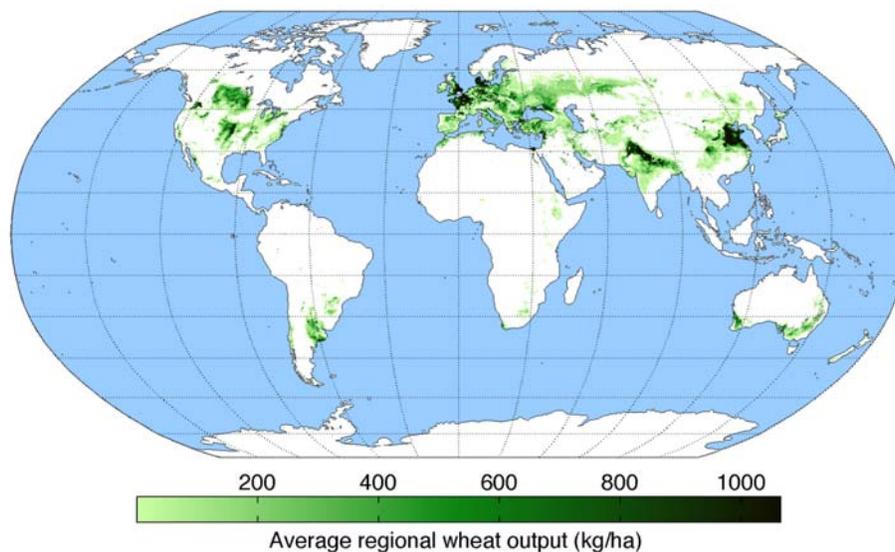
# U.S. Wheat Ending Stocks & Prices



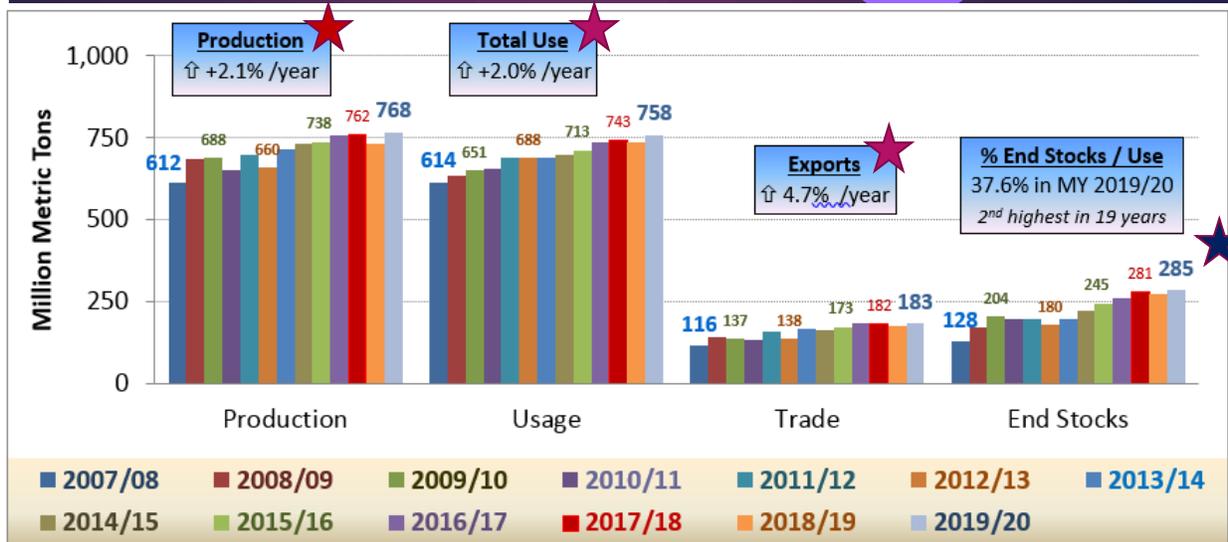
# U.S. Wheat Price vs U.S. Stocks-to-Use



# World Wheat Production Regions



# World Wheat Supply, Use & Stocks



KANSAS STATE UNIVERSITY Department of Agricultural Economics

# World Wheat Production

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----				
World	730.5	768.1	-3.4	37.5
United States	51.3	53.9	1.6	2.6
Foreign	679.3	714.2	-5.0	34.9
Argentina	19.5	20.5	0.5	1.0
Canada	31.8	33.3	--	1.5
Australia	17.3	21.0	--	3.7
European Union	136.9	150.0	-1.3	13.1
Turkey	19.0	19.0	-2.0	--
Russia	71.7	73.0	-1.2	1.3
Ukraine	25.1	29.2	0.2	4.1
Kazakhstan	13.9	13.0	-1.0	-0.9
China	131.4	132.0	--	0.6
India	99.9	101.2	--	1.3
Northwest Africa	12.3	9.9	--	-2.5

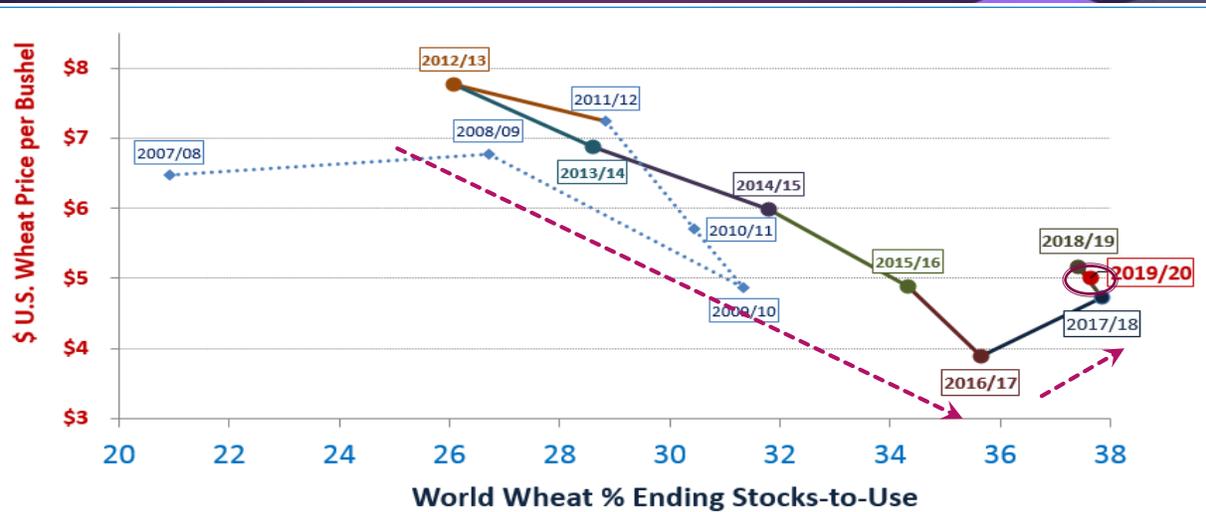
-- No change.

# World Wheat Supply and Use

Item	2018/2019 estimate	2019/2020 forecast	Change from July 11	Change from 2018/2019
----- Million Tons -----				
Beginning stocks	281.2	275.5	0.3	-5.7
Production	730.5	768.1	-3.4	37.5
Total Supply	1,011.7	1,043.6	-3.0	31.8
Feed use	140.1	150.3	-0.9	10.3
Total use	736.2	758.2	-2.0	21.9
Trade	174.2	182.6	-0.5	8.5
Ending Stocks	275.5	285.4	-1.1	9.9

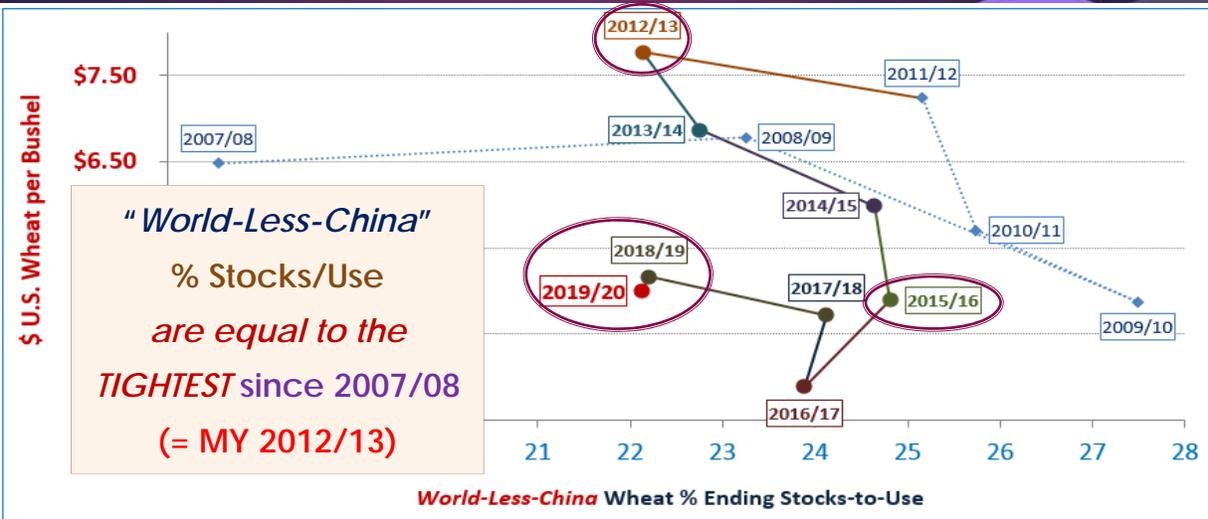
## U.S. Wheat Price (\$) vs World % Stx/Use

MY 2007/08 – "New Crop" MY 2019/20



## U.S. Wheat \$ vs Non-China % Stx/Use

MY 2007/08 – “New Crop” MY 2019/20



## D. O’Brien Thoughts for All Grain Markets #1

- ▶ Strong likelihood of smaller 2019 U.S. Corn & Soybean crops than grain markets are factoring in right now – with prices eventually being supported from short supplies in “New Crop” MY 2019/10
- ▶ BUT....there are a number of either negative or worrisome trends wrt the **demand** for these **major U.S. Crops**
  - ▶ *Weak – moderate Ethanol Demand* for feedgrains (especially at higher prices!). Plant closures from *poor financial returns* to affect the demand side for feedgrains. **AND Export prospects** are uncertain....

## D. O'Brien Thoughts for Feedgrain Markets #2

- ▶ **Livestock Feed** demand is forecast to remain strong, **BUT** could be affected by consumer's confidence in the U.S. economy in the midst of *near incivility & political unrest* in some parts of the World (*i.e., the U.S.-China Trade Dispute, U.S. domestic civil unrest, Hong Kong/China, etc.*)
  - ▶ Public "*messaging*" & "*stoking*" of public economic fears in the U.S. may worsen leading as the **2020 Presidential election** approaches (*D. O'Brien-KSU*)
  - ▶ Although production prospects for 2019 U.S. Feedgrain & oilseed crops are **AT RISK**, **agribusiness'** fear of *weakening &/or uncertain demand* seems to be one key negative factor *holding back grain futures markets*.

## D. O'Brien Thoughts for Feedgrain Markets #3

- ▶ With an "*unsettled*" socio-political environment *affecting* grain market investors – proactive marketing at acceptable price levels is advised
  - ▶ Although stronger price levels **MAY** occur this fall **IF** 2019 **U.S. corn production** falls below 13 billion bushels, & **reduced U.S. soybean production** occurs, with the riskiness of this economic environment – **take profitable prices & limit of grain market risk** (*when you can*)
  - ▶ Consider consistent, judicious, systematic use of **Cash/FC Price Averaging**, &/or **Ag Put & Call Options** to limit your grain market risk exposure (*Reference recent quote from a major Agribusiness CEO.....*)

**“Stormy Weather”**

*“This time, like all times, is a very good one, if we but know what to do with it.” Emerson*

**KSNT TV**  
Tribune, Kansas  
August 2019

**Andrew Wavemaker Chambers**  
“Grain Elevators & Feed Mills” on Facebook  
Deerfield, Kansas  
August 2019

**Public Domain**  
Storms on the Plains  
Accessed August 2019



## Questions?

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**KSUGrains** on Twitter & Facebook

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



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