

# Topics to be discussed.....

- 1) U.S.-China Trade & Other Key Grain Market Factors
- 2) Grain Market Analysis & Outlook
  - Corn & Grain Sorghum
    - HRW Wheat
      - Soybeans & Cotton

## **Unpredictable Grain Markets in 2018-19**

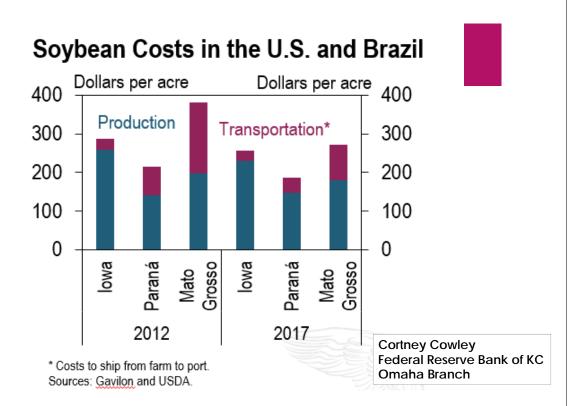
- ☐ The "Ups & Downs" of U.S. Trade Tensions
  - U.S. Abandonment of the Trans Pacific Partnership (TPP)
    - Potential impact on U.S. wheat exports vs TPP Countries
  - U.S. vs China
    - Soybeans & Sorghum (Need of both "With" & "Without" Scenarios)
  - NAFTA (U.S.-Mexico-Canada)
    - o Mexico grain purchases from the U.S.
    - Canada grain export competition vs U.S. (Wheat, Oilseeds)

## Economic Impact of U.S.-China Tariffs (Hayes, Hart ISU)

- ► The U.S. will continue to export soybeans to China, & this means that a 25% wedge will exist (i.e., 25% Tariff = 25% "Wedge)
  - o IF the U.S. was equal to 50% the World Soybean Production, THEN the U.S. Soybean price should fall by 12.5% (1/2 of 25% "wedge")
  - o **BUT** the **U.S.** *only* produces 33% of <u>World Soybean Production</u>, *SO* the <u>U.S. Soybean price</u> will be down  $\approx $1.75$  /bu
  - o IF Soybeans are \$1.75 *lower THEN* <u>U.S. Corn</u> will be \$0.70 /bu *lower*

## Economic Impact of U.S.-China Tariffs (Hayes, Hart ISU)

- ▶ Based on "old crop" MY 2017/18 Ending Stocks, U.S. Corn prices are now \$0.50 /bu lower than they would usually be
- **▶** U.S.-China Possible Impact on U.S. Export Competitiveness
  - US soybean producers do not have a 25% cost advantage over Brazil
  - If this "*Trade War*" between the U.S. & China goes on long enough, the U.S. will *likely* need to downsize U.S. soybean production by 30%
  - As a result "IF Soybeans are \$1.75 lower THEN <u>U.S. Corn</u> will be \$0.70 /bu lower." (because U.S. Corn Acres-Production will have increased)



## **Grain Market Events to Come ....**

- 1) 2018 U.S. Corn & Soybean harvest (Oct-Nov 2018)
  - o Corn<sup>2018</sup> < 14.6 bln bu? ⇒ End Stocks < 1.684 bb?
  - o Soybeans<sup>2018</sup> < 4.6 bln bu? ⊃ End Stocks < 785 mb?
- 2) U.S. HRW Wheat Seedings (Oct 2018)
  - o Increase in response to û HRW wheat \$'s in 2018?
  - o **Profits** for 2018 Kansas HRW Wheat vs Other Crops

# More Grain Market Events to Anticipate....

- 3) 2019 South America Crop Plantings (Nov 2018 Jan 2019)
  - Soybeans So-Am 2019 Up 5-10% ? 'Existing' or 'New' Acres?
  - Corn So-Am 2019 Down 5% ? 2nd Crop Impact (Exports)?
- **4) 2019 U.S. Crop Plantings** (*April-May* <sup>2019</sup>)
  - Soybeans U.S 2019 Down ≈ 4 mln ac. ? 3 U.S.-China Trade Status?
  - Corn U.S. 2019 Up ≈ 4 mln ac. ? → More if South America ₽

## Yet Still MORE Events to Come....

#### 5) 2019 South America Crop Development (Jan-May 2019)

El Nino forecast <sup>2019</sup> 

 ⇒ Wetter than normal in Spring-early
 Summer, but not a certain effect on their crops

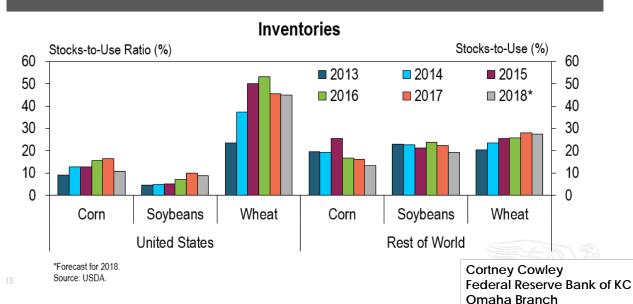
#### 6) 2019 U.S. Crop Developments (May-Oct <sup>2019</sup>)

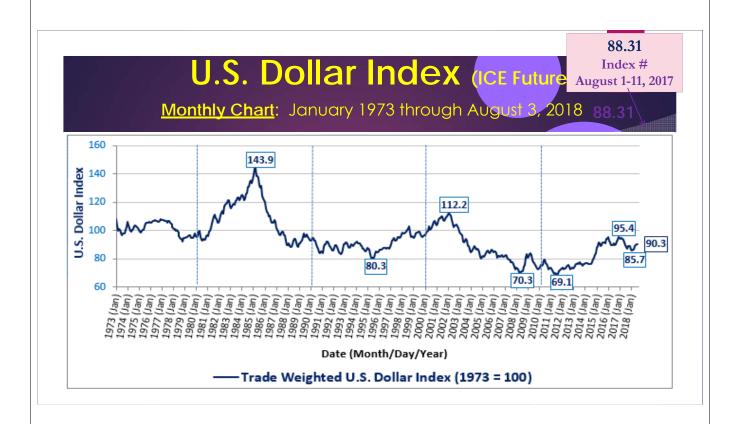
El Nino forecast <sup>2019</sup> 

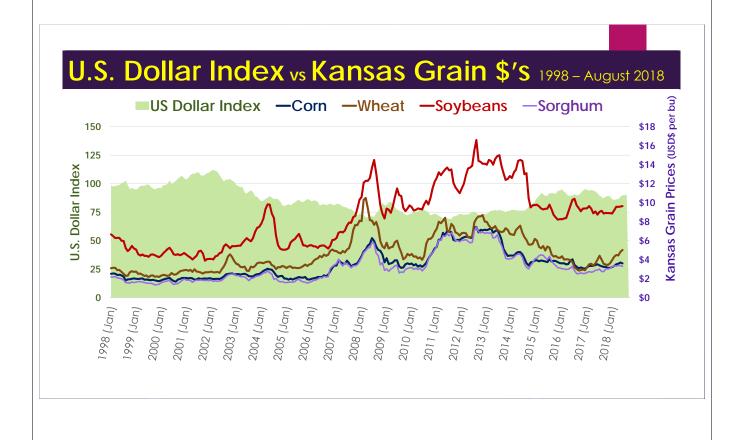
Generally positive for U.S. crops, but also not a certain effect in the U.S. growing season

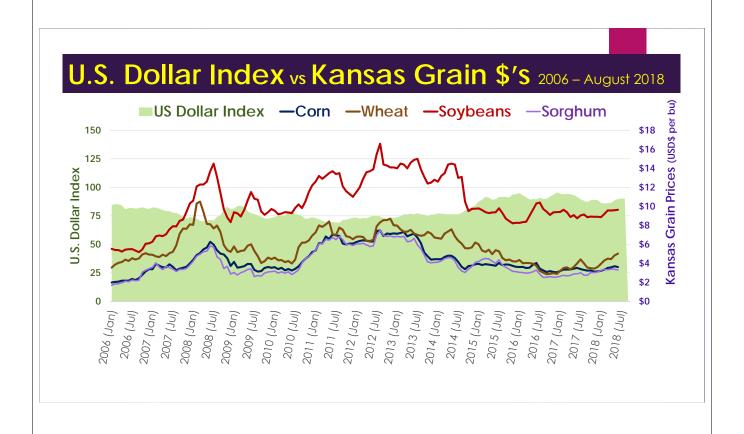
FEDERAL RESERVE BANK OF KANSAS CITY - OMAHA BRANCH

## Inventories have been record large, but are expected to decline in 2018.

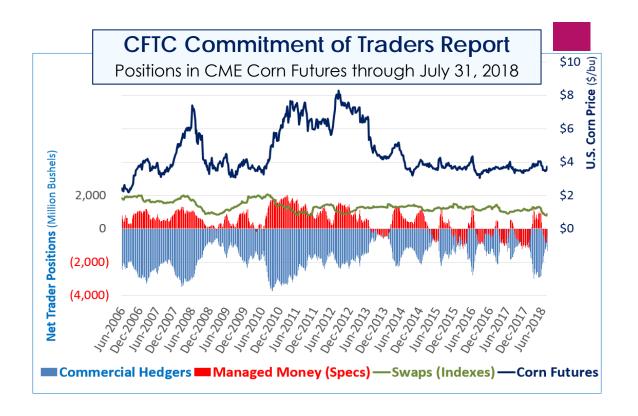


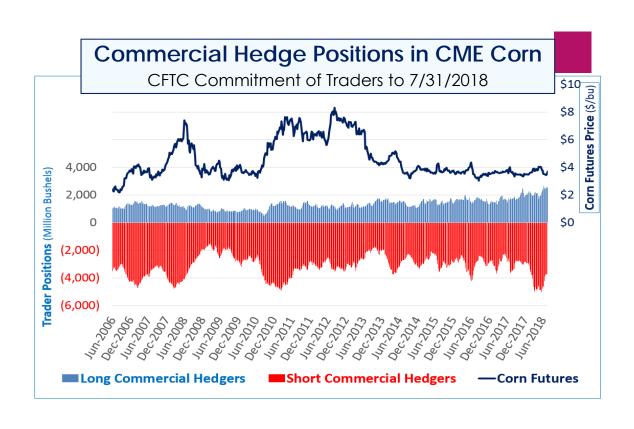


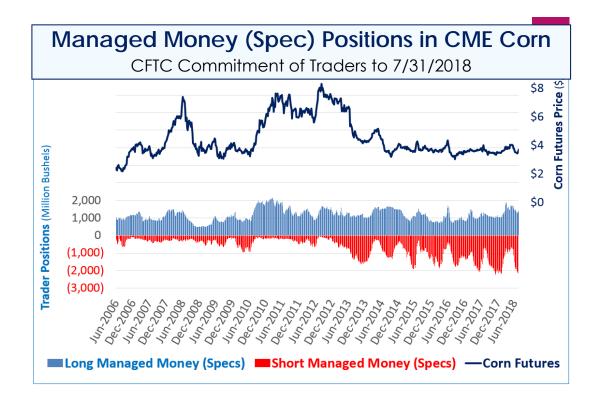












# U.S. Corn & Sorghum Supply-Use

- 2018 U.S. Corn & Sorghum Production ≈ 2017 Crops
- Large Corn Stocks are still limiting Feedgrain Price\$'s
- Low Price\$'s supporting "New Crop" MY 2018/19 Corn Use
  - o Ethanol  $^{2018/19}$  = 5.625 bln bu (Record high vs 5.600 bb last year)
  - o Livestock Feed  $^{2018/19} = 5.525$  bln bu (10 year high vs 5.858 bb in 2007/08)
  - o Exports  $^{2018/19}$  = 2.350 bln bu (vs 2.400 bb in '17/18 & 2.294 in '15/16)
  - o Other FSI <sup>2018/19</sup> = 1.480 bln bu (4 year high vs 1.424 bb in 2011/12)

# U.S. Corn & Sorghum Stocks.....

Corn: "Moderate" Stocks & % S/U

o **End Stocks** <sup>2018/19</sup> ⇒ 1.684 bln bu (*vs 2.027 bb last year*)

o % Stocks/Use 2018/19 ⇒ 11.2% S/U (vs 13.6% S/U last year)

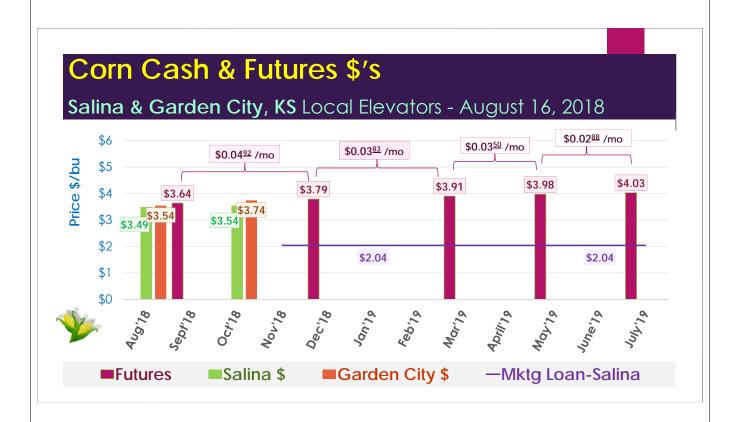
• Grain Sorghum: "Low" Price\$'s (Exports hurt by trade issues)

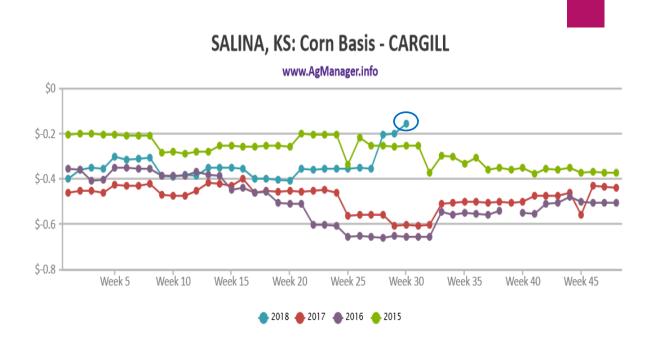
o **End Stocks** <sup>2018/19</sup> ⇒ 40 mln bu (₹ *Exports* & 1 *Ethanol Use*)

o **% Stocks/Use** <sup>2018/19</sup> ⇒ 10.5% S/U (\$\Pi\$ vs **12.4%** S/U last year)

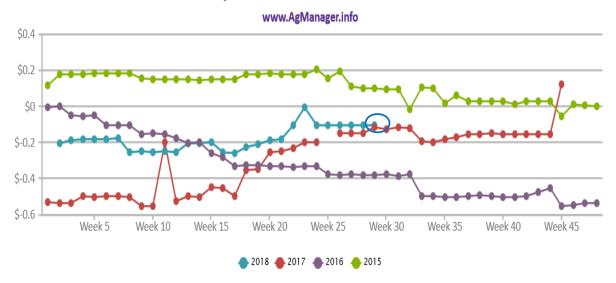
Extens State | Description |

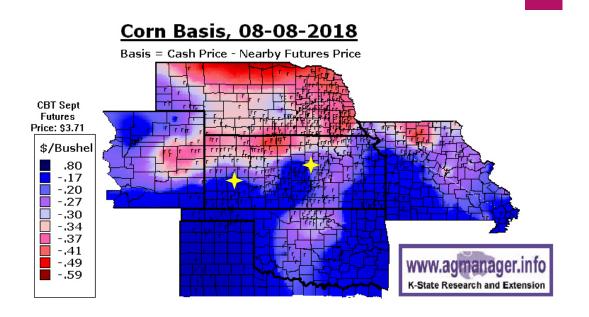








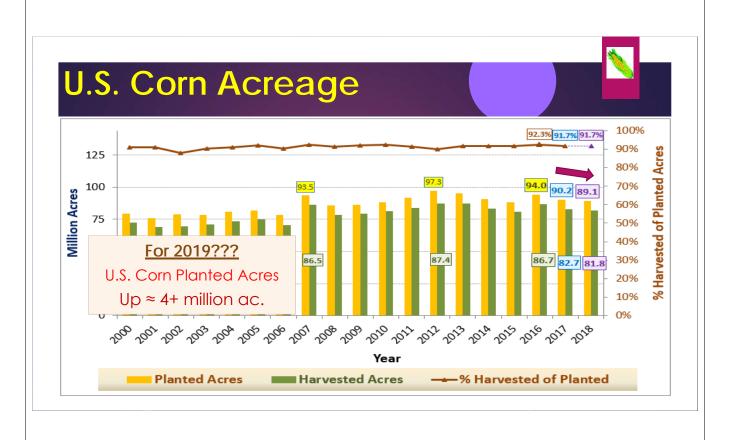


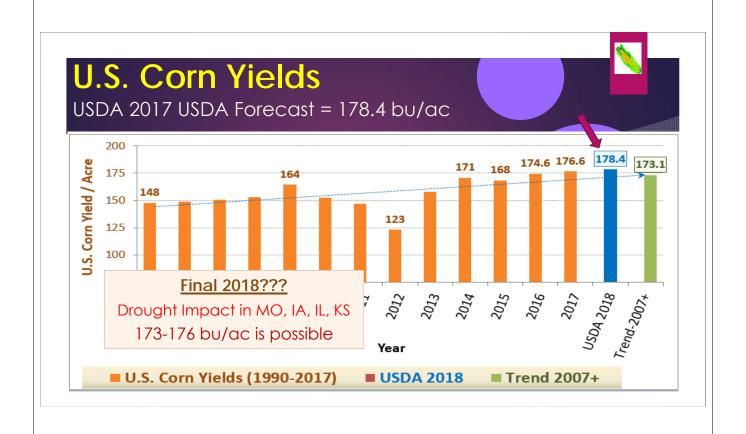


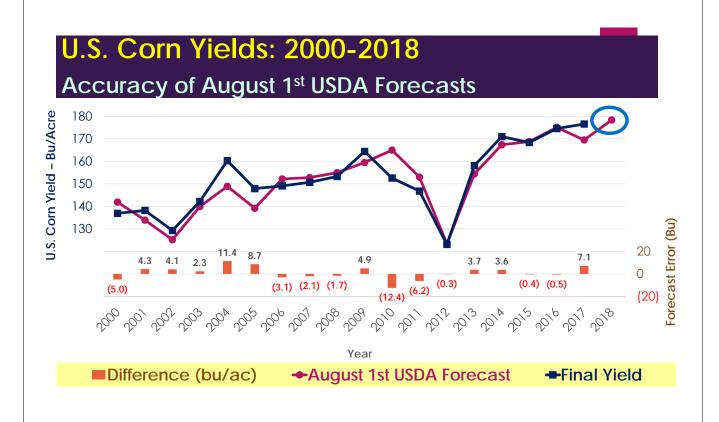
## **Kansas Corn Seasonal Cash \$ Index**

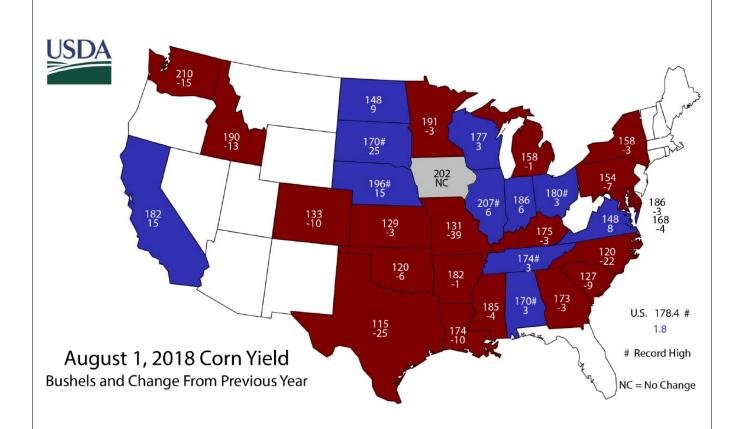
Monthly: 1999/00 thru 2016/17 + "Old Crop" MY 2017/18







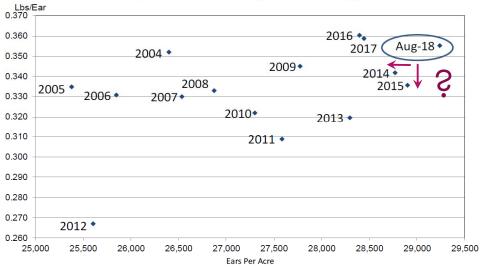






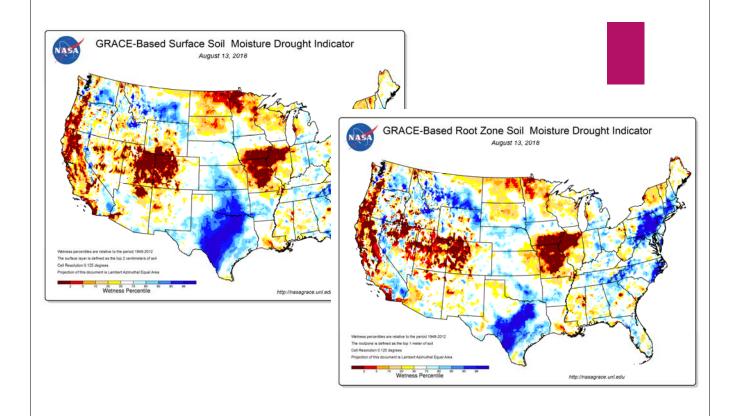
#### Corn Objective Yield Region Ears Per Acre vs. Implied Ear Weight

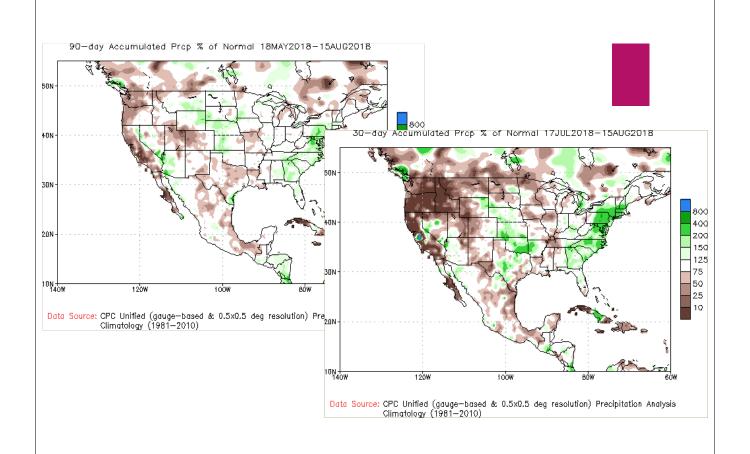


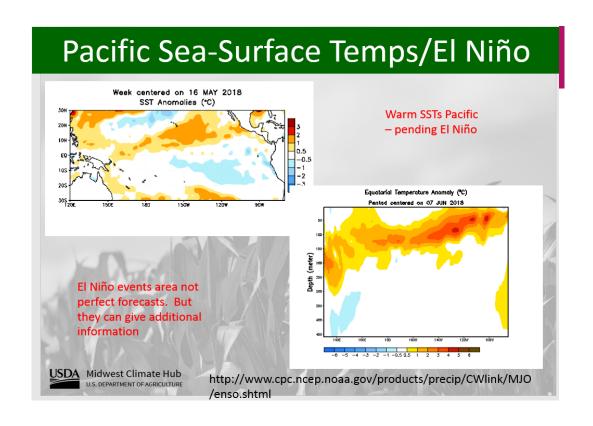


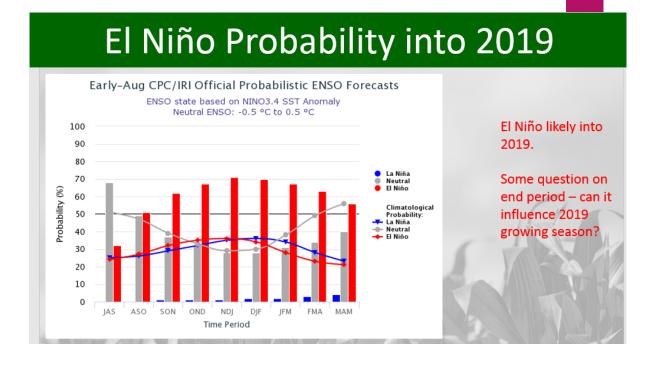
Implied Ear Weight = (Published Yield \* 56) / Ears

USDA-NASS 8-10-18





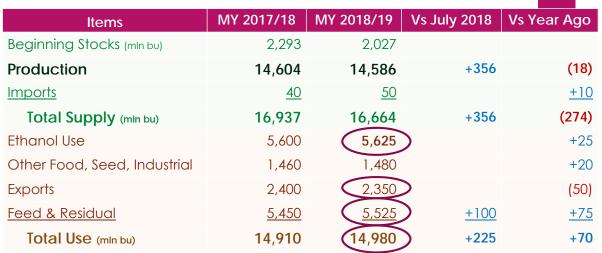




## U.S. Corn Supply & Demand

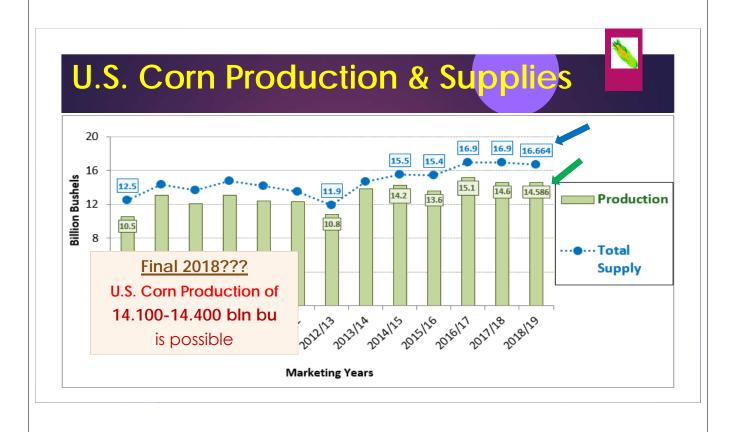
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	2,293	2,027		
Production	14,604	14,586	+356	(18)
<u>Imports</u>	<u>40</u>	<u>50</u>		<u>+10</u>
Total Supply (mln bu)	16,937	16,664	+356	(274)

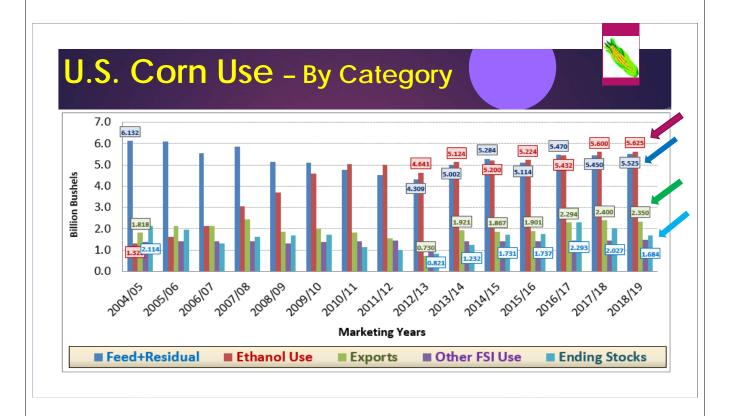
## U.S. Corn Supply & Demand



## U.S. Corn Supply & Demand

Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	2,293	2,027		
Production	14,604	14,586	+356	(18)
<u>Imports</u>	<u>40</u>	<u>50</u>		<u>+10</u>
Total Supply (mln bu)	16,937	16,664	+356	(274)
Ethanol Use	5,600	5,625		+25
Other Food, Seed, Industrial	1,460	1,480		+20
Exports	2,400	2,350		(50)
Feed & Residual	<u>5,450</u>	<u>5,525</u>	+100	<u>+75</u>
Total Use (mln bu)	14,910	14,980	+225	+70
Ending Stocks (mln bu)	2,027	1,684	+131	(344)
% Ending Stocks-to-Use	13.6%	11.2%	+0.7%	(2.4%)
U.S. Avg. Price\$ (\$/bu)	\$3.40	\$3.60	(\$0.20)	+\$0.20





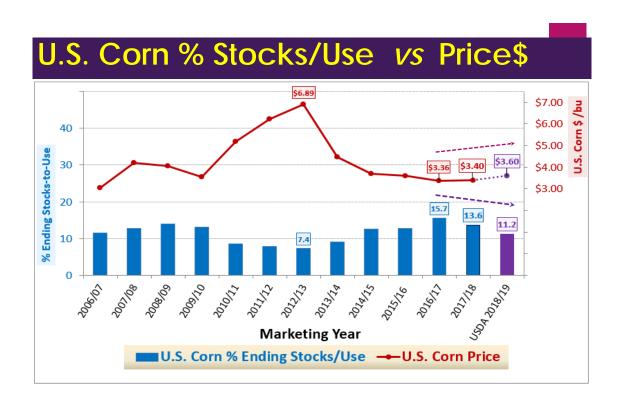
## U.S. Meat Production and Prices

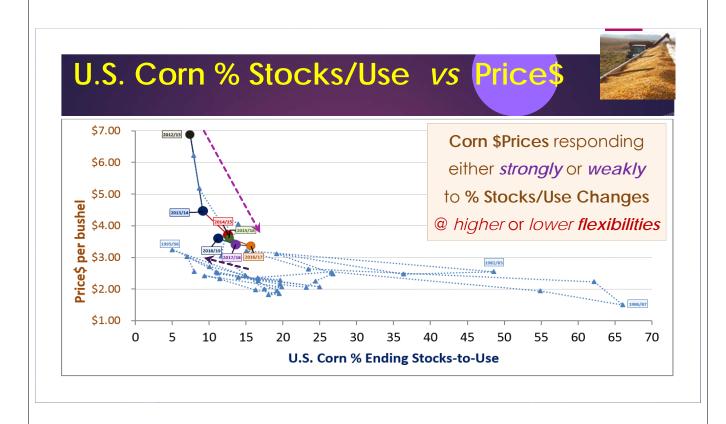
	2018		2019				
		Change from			Change from	Change from	
Item		Estimate	July 12	Forecast	July 12	2018	
Production	uction			Billion Pound	illion Pounds		
Beef		27.09	-0.06	27.72	0.03	0.63	
Pork		26.71	-0.04	27.88	0.18	1.17	
<b>Broilers</b>		42.62	0.12	43.42	0.06	0.81	
Turkey		5.94	**	5.97		0.03	
Total Meat 103.12 0.03		0.03	105.75	0.26	2.63		
Prices Dollars per cwt							
Steers	2019 U.S. Meat Production		oduction	117.75		1.92	
Hogs	Quantity of Beef, Pork, &		40.75	-1.25	-3.51		
	Broil	ers are all pro	ected to	Cents per pou	nd		
<b>Broilers</b>		be higher in 2019		99.8	-1.3	-0.4	
Turkey				87.5		5.3	

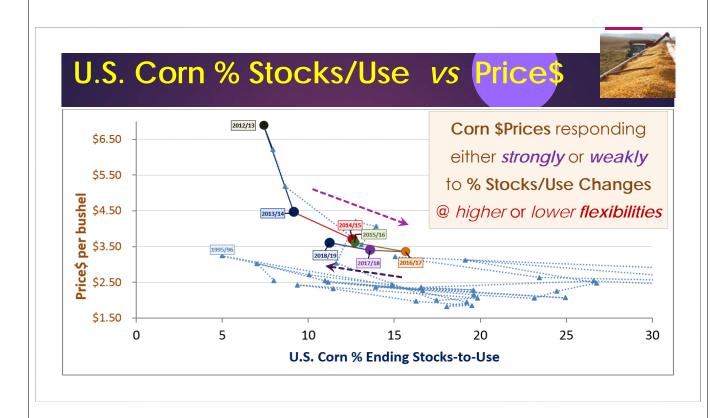
<sup>--</sup> No change. \*\* Rounds to zero.

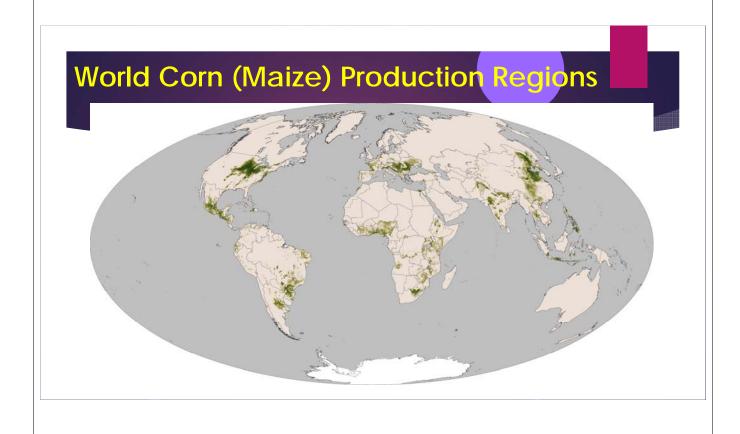


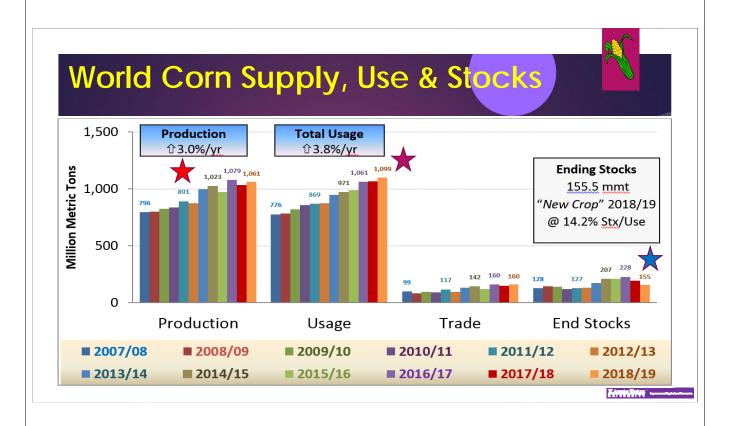










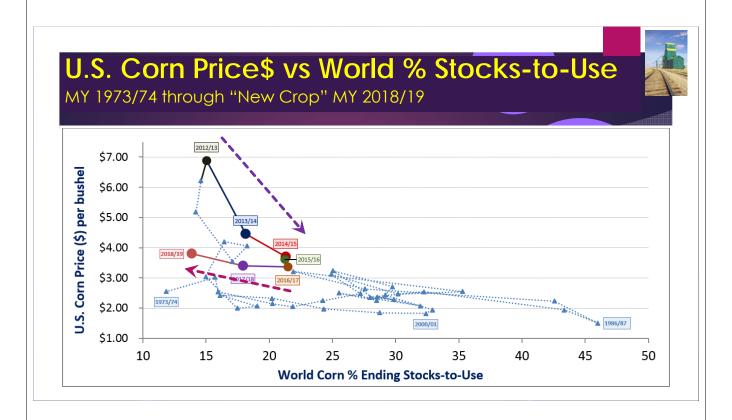


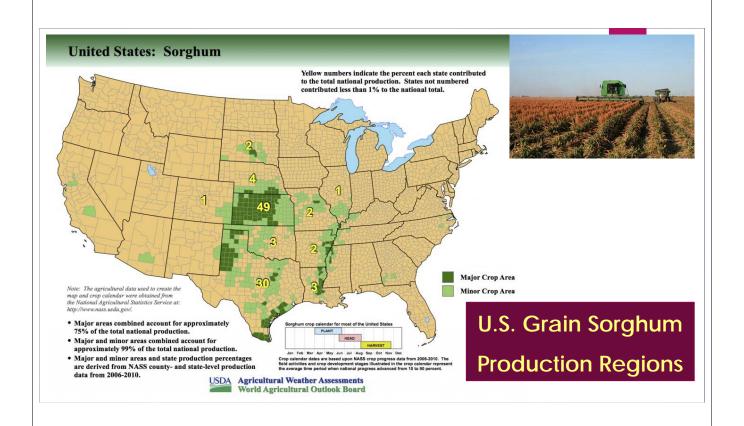


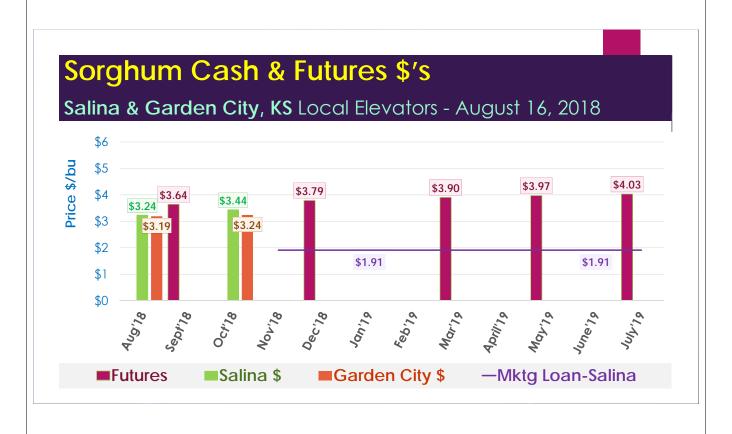
VV	OHIG	100	actioi	•		
	2017/2018		2018/2019			
		Change from		Change from	Change from	
<b>Country or Region</b>	Estimate	July 12	Forecast	July 12	2017/2018	
			- Million Ton	s		
World	1,033.3	-0.4	1,061.1	6.8	27.8	
<b>United States</b>	371.0		370.5	9.1	-0.4	
Foreign	662.3	-0.4	690.5	-2.3	28.2	
Argentina	33.0		41.0		8.0	
Brazil	83.0	-0.5	94.5	-1.5	11.5	
Mexico	26.8		26.0		-0.8	
Canada	14.1		14.8		0.7	
<b>European Union</b>	62.3	0.1	59.8	-1.7	-2.5	
Serbia	4.0		6.6	0.6	2.6	
FSU-12	42.1		47.7	1.2	5.6	
Ukraine	24.1		31.0	1.0	6.9	
Russia	13.2		12.0		-1.2	
South Africa	13.8		13.5	-0.5	-0.3	
China	215.9		225.0		9.1	
India	26.9		26.0		-0.9	



	2017/2018		2018/2019			
		Change from		Change from	Change from	
Item	Estimate	July 12	Forecast	July 12	2017/2018	
		Million Tons				
Beginning stocks	227.8	0.2	193.3	1.6	-34.5	
Production	1,033.3	-0.4	1,061.1	6.8	27.8	
<b>Total Supply</b>	1,261.1	-0.3	1,254.4	8.3	-6.7	
Feed use	650.7	1.3	671.4	4.7	20.7	
Total use	1,067.8	-1.9	1,098.9	4.8	31.1	
Trade	147.5	-3.0	159.6	1.8	12.1	
Ending Stocks	193.3	1.6	155.5	3.5	-37.8	

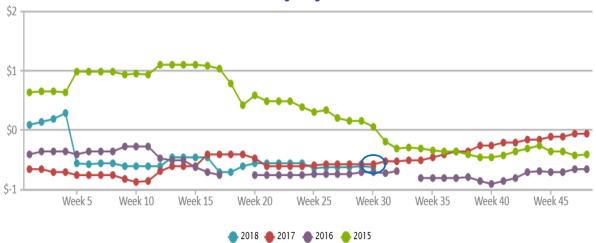






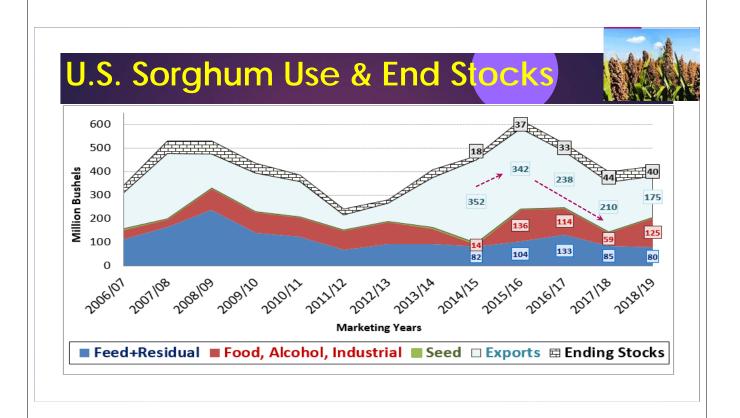




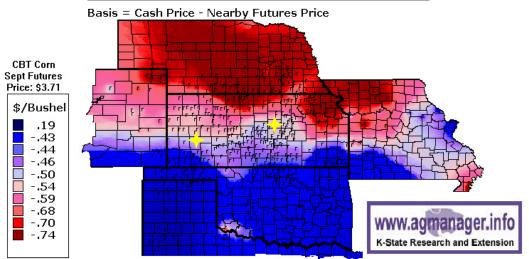


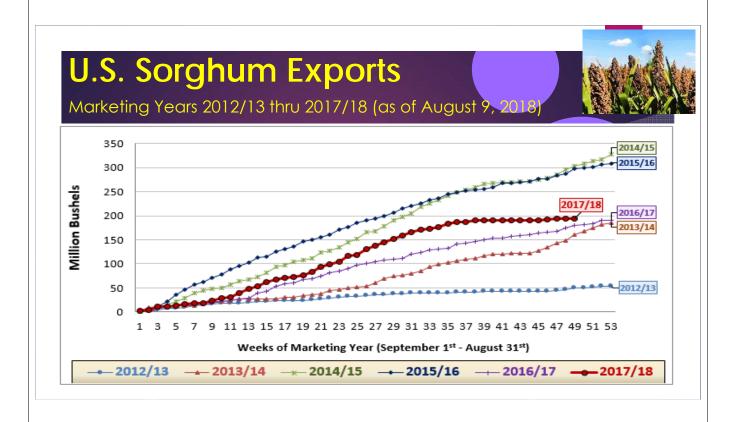
## **GARDEN CITY, KS: Grain Sorghum Basis - GARDEN CITY COOP**

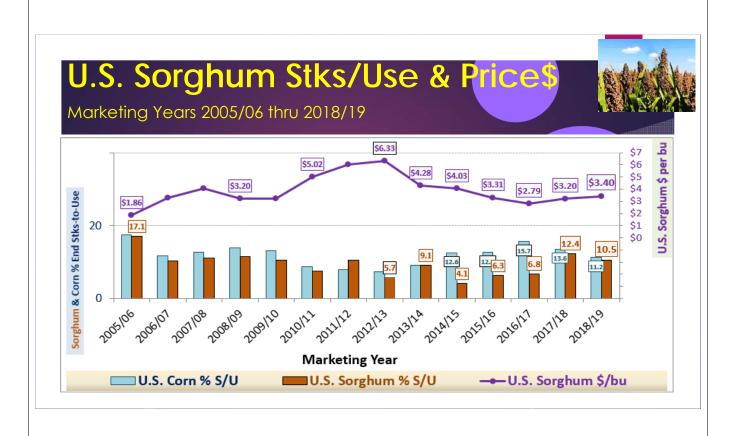
# \$0.5 \$0.5 \$-0.5 \$-1.5 Week 5 Week 10 Week 15 Week 20 Week 25 Week 30 Week 35 Week 40 Week 45



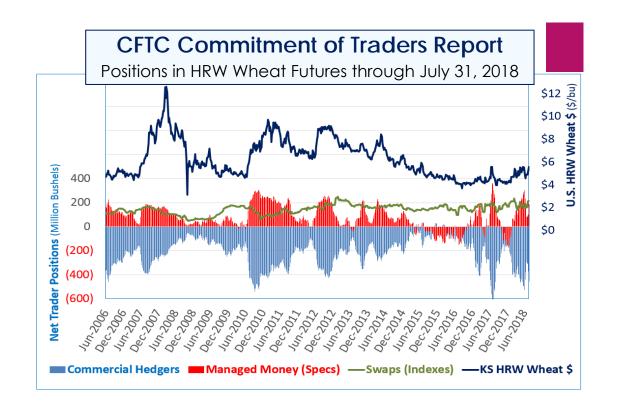


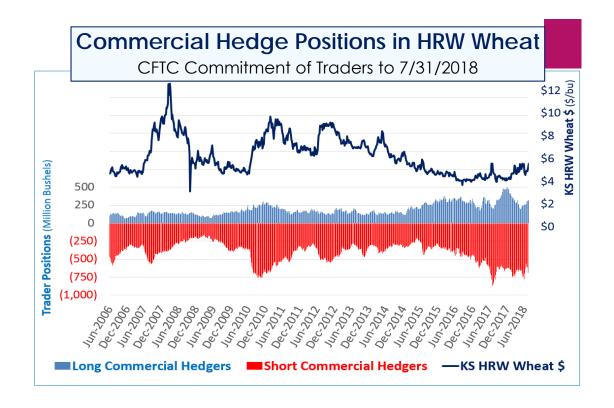


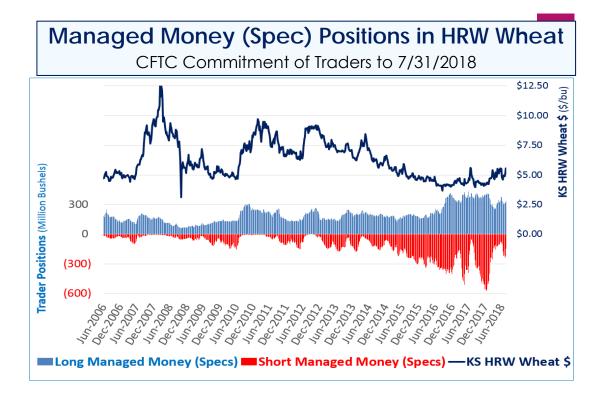












# U.S. Wheat Supply-Use

- Market support from World crop problems & higher protein in the 2018 U.S. HRW crop
  - Anticipating *lower* U.S. & World Wheat Stocks
- Markets expect <u>U.S. Wheat Exports</u> to increase

```
• Exports <sup>2018/19</sup> = 1.025 bln bu (778 mb - 1.291 bb range since 2008/09)
```

```
\circ Food Use <sup>2018/19</sup> = 970 mln bu (Level Use since MY 2012/13)
```

- o Feed Use  $^{2018/19}$  = 120 mln bu (Down from 228-365 mb in 2012 2013)
- o HRW Exports <sup>2018/19</sup> = 395 mln bu (*vs* 371 mb & 455 mb last 2 years)

# U.S. Wheat Stocks.....

- All U.S. Wheat: "Declining" Stocks
  - End Stocks  $^{2018/19}$   $\Rightarrow$  935 mln bu (1.100 bb last year)
  - o **% Stocks/Use** <sup>2018/19</sup> ⇒ 43.0% S/U (55.6% Stx/Use last year)
- <u>U.S. HRW Wheat</u>: "Still Large" Carryover (also declining)
  - o **End Stocks** <sup>2018/19</sup> ⇒ 391 mln bu (581 mb last year)
  - o **% Stocks/Use** <sup>2017/18</sup> ⇒ 66.9% S/U (76.0% Stx/Use last year)



# 2018 U.S. Wheat Quality & Grades



- HRW Wheat <sup>2018</sup> ⇒ 12.5% protein, 60.7 lb test, 1.5% defects
   Versus 11.4% protein, 60.8 lb test wt, 1.1% defects in 2017
- SRW Wheat <sup>2018</sup> ⇒ 10.1% protein, 57.5 lb test, 1.3% defects of Versus 9.5% protein, 58.8 lb test wt, 1.7% defects in 2017
- Soft White Wheat <sup>2018</sup> ⇒ 9.3% protein, 61.7 lb test, 0.6% defects
   Versus 9.6% protein, 60.9 lb test wt, 0.6% defects in 2017
- HRS Wheat <sup>2018</sup> ⇒ \_\_\_\_% protein, \_\_\_ lb test, \_\_\_% defects
   Versus 14.6% protein, 61.2 lb test wt, 1.0% defects in 2017

WANTED IT

# **WORLD Wheat Market Prospects:**

Large Supplies ⇒ Less of a "Buyer's Market"

- Lower Supplies & <u>Record</u> Usage Forecast for 2018/19
  - 4 consecutive record high World wheat crops
- Poorer 2018 crops: E.U. France-Germany, Australia, & Russia
- More "competitive buying pressure" in World Trade
  - <u>"Tight" supplies</u> among Top 7 World Wheat Exporters
  - NOT MUCH evidence "YET" of "strong" <u>U.S. wheat exports</u>

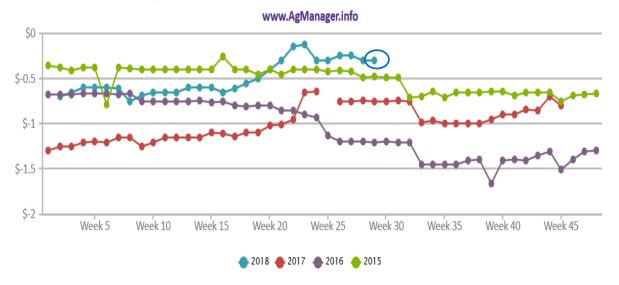
KANSAS STATE

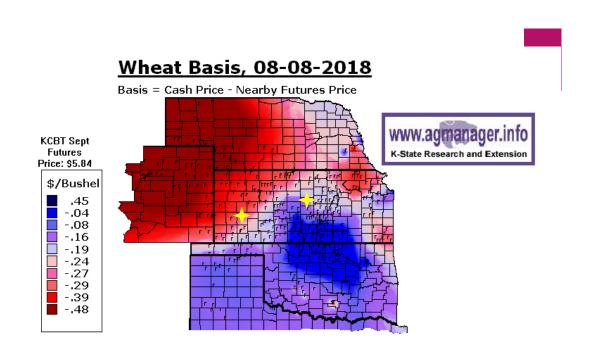


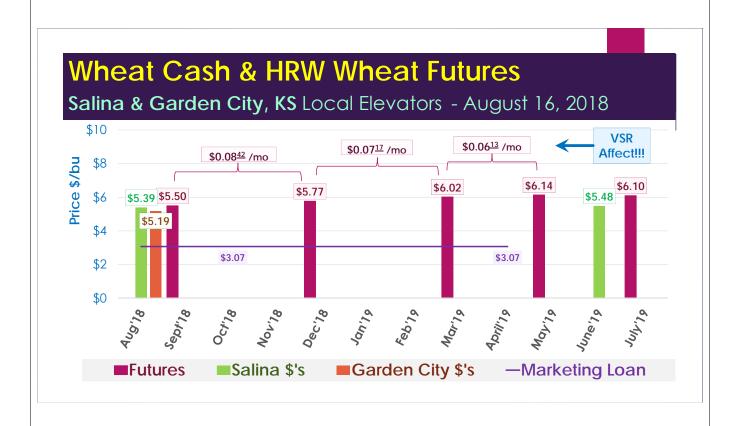
### SALINA, KS: Hard Red Winter Wheat Basis - CARGILL



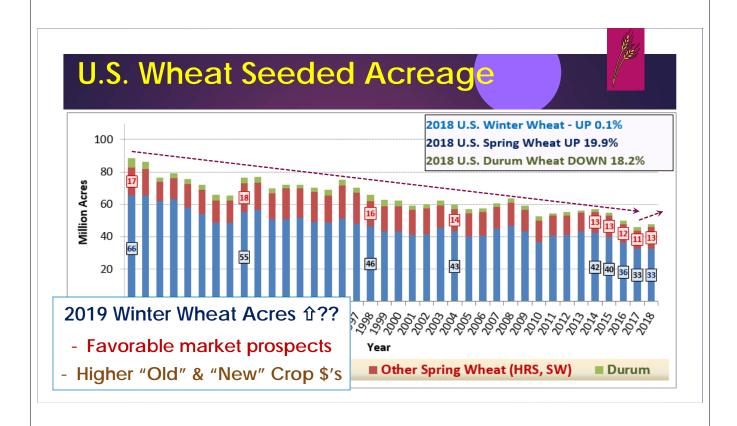


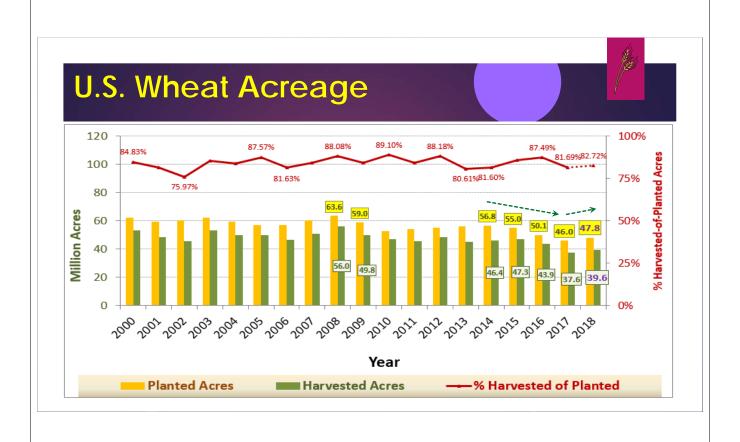


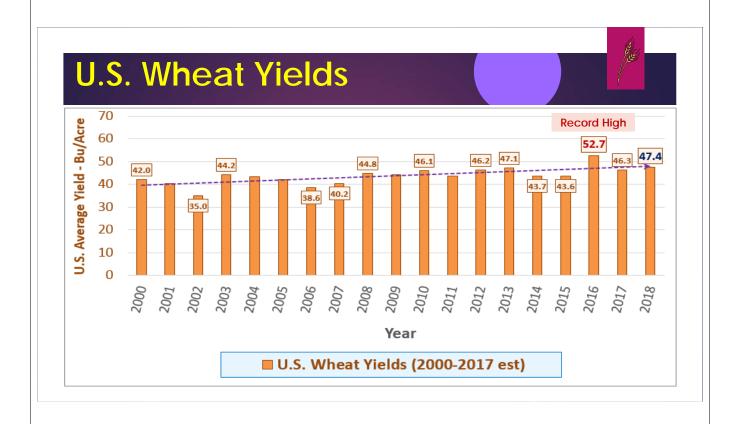


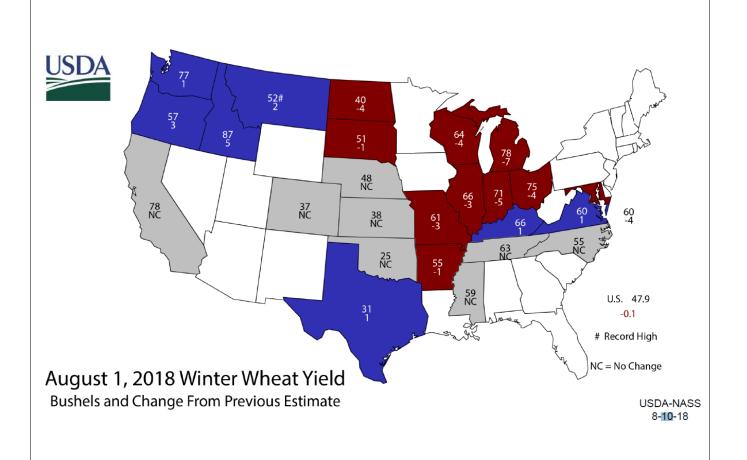


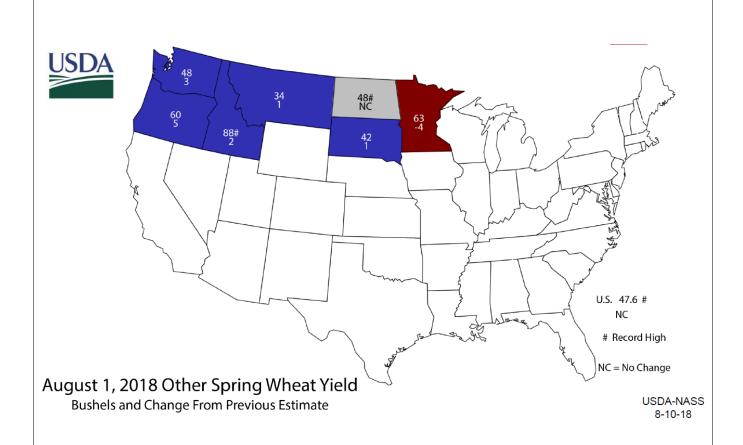








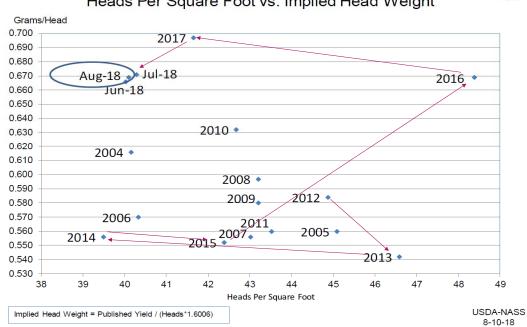






# Wheat Objective Yield Region Heads Per Square Foot vs. Implied Head Weight





# U.S. Wheat Supply & Demand

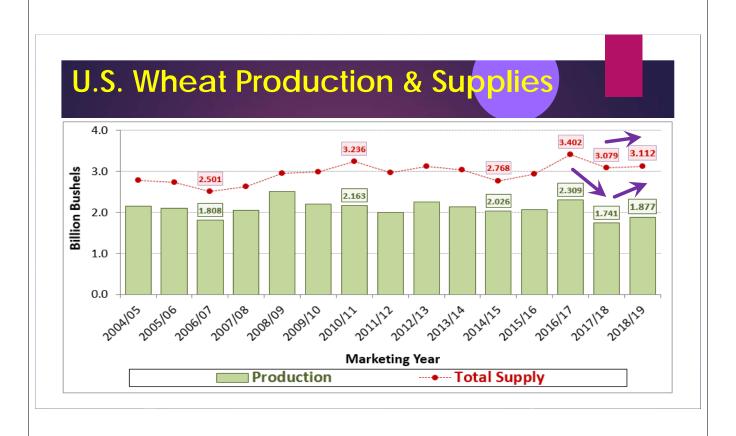
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	1,181	1,100		(80)
Production	1,741	1,877	(5)	+136
<u>Imports</u>	<u>157</u>	<u>135</u>		<u>(22)</u>
Total Supply (mln bu)	3,079	3,112	(5)	+33

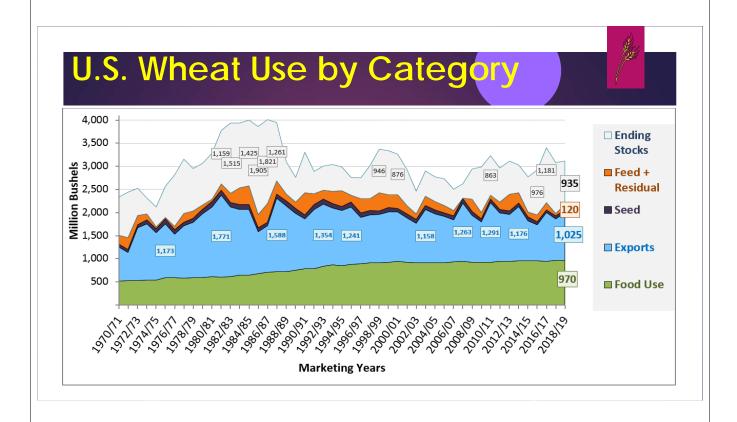
# U.S. Wheat Supply & Demand

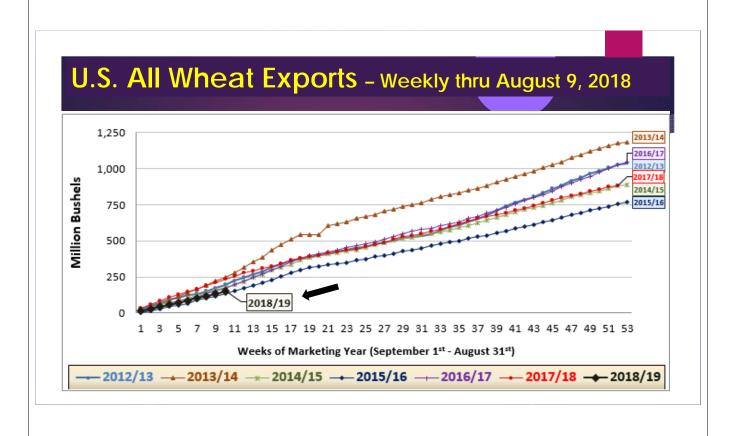
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	1,181	1,100	,	(80)
Production	1,741	1,877	(5)	+136
<u>Imports</u>	<u>157</u>	<u>135</u>		<u>(22)</u>
Total Supply (mln bu)	3,079	3,112	(5)	+33
Food Use	964	970	+5	+625
Seed Use	64	62		(2)
Exports	901	1,025	+50	+124
Feed & Residual	<u>48</u>	<u>120</u>	(10)	<u>+72</u>
Total Use (mln bu)	1,978	2,177	+45	+199

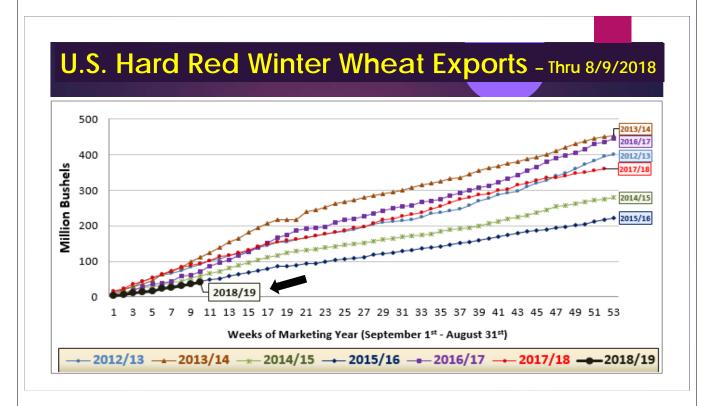
#### U.S. Wheat Supply & Demand

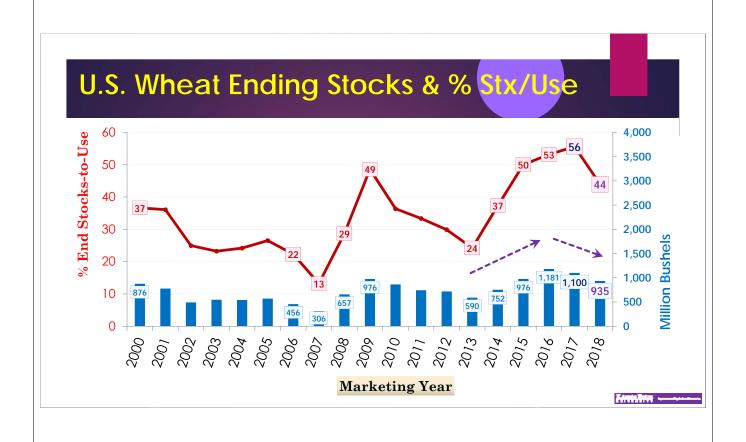
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	1,181	1,100		(80)
Production	1,741	1,877	(5)	+136
<u>Imports</u>	<u>157</u>	<u>135</u>		<u>(22)</u>
Total Supply (mln bu)	3,079	3,112	(5)	+33
Food Use	964	970	+5	+625
Seed Use	64	62		(2)
Exports	901	1,025	+50	+124
Feed & Residual	<u>48</u>	<u>120</u>	<u>(10)</u>	<u>+72</u>
Total Use (mln bu)	1,978	2,177	+45	+199
Ending Stocks (mln bu)	1,100	935	(50)	(165)
% Ending Stocks-to-Use	55.6%	43.0%	(3.2%)	(12.7%)
U.S. Avg. Price\$ (\$/bu)	\$4.73	\$5.10	+\$0.10	+\$0.37



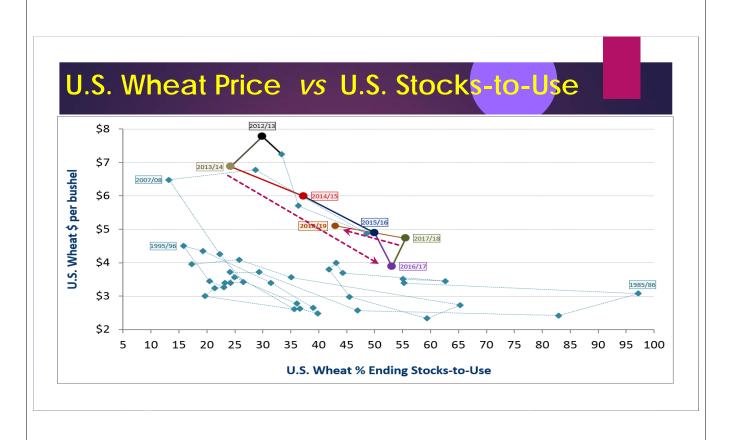


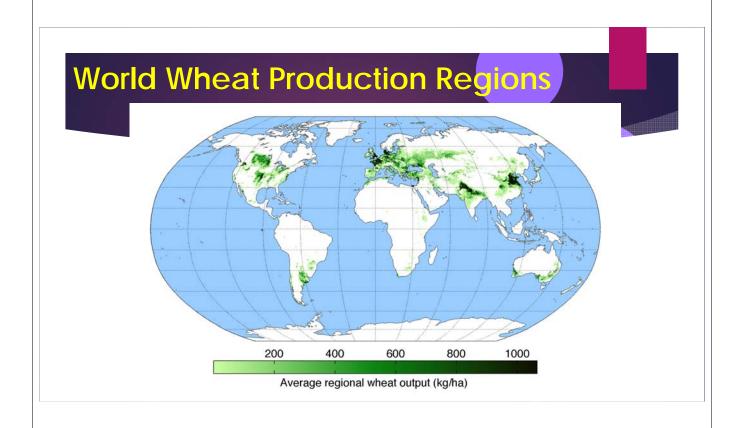


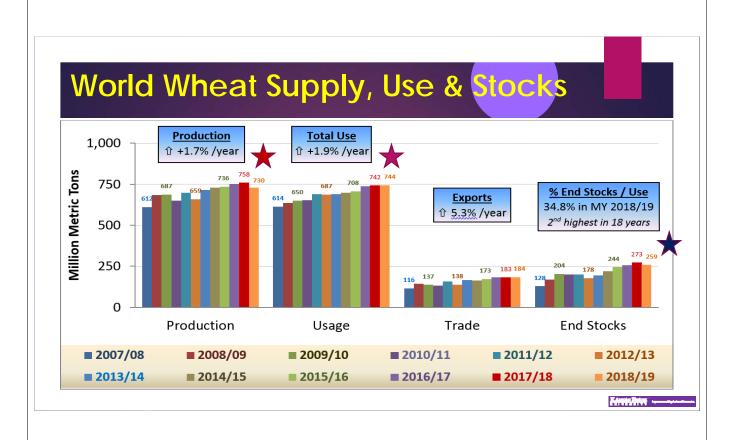












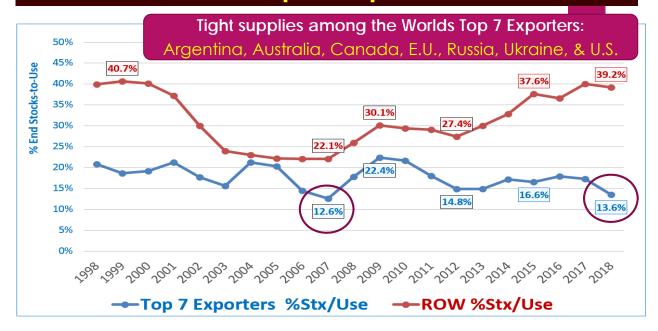
### World Wheat Production

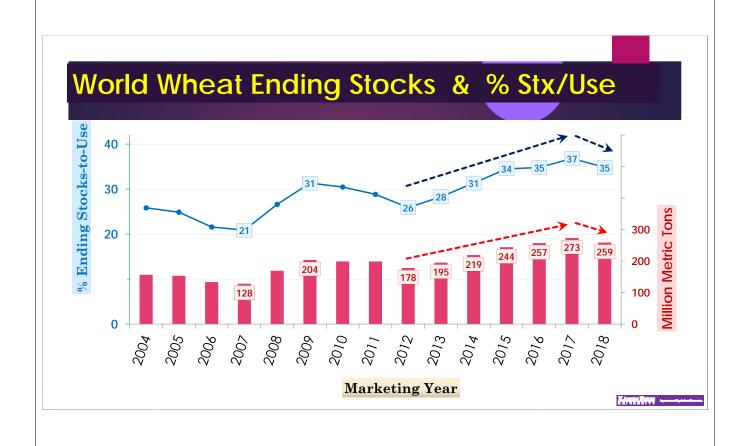
	2017/2018		2018/2019		
		Change from		Change from	Change from
<b>Country or Region</b>	Estimate	July 12	Forecast	July 12	2017/2018
			- Million Ton	s	
World	758.0	0.1	729.6	-6.6	-28.4
<b>United States</b>	47.4		51.1	-0.1	3.7
Foreign	710.6	0.1	678.5	-6.5	-32.1
Argentina	18.0		19.5		1.5
Canada	30.0		32.5		2.5
Australia	21.3		22.0		0.7
<b>European Union</b>	151.7	0.1	137.5	-7.5	-14.2
Turkey	21.0		19.0	-1.0	-2.0
Russia	85.0		68.0	1.0	-17.0
Ukraine	27.0		25.5		-1.5
Kazakhstan	14.8		14.5	0.5	-0.3
China	129.8		128.0		-1.8
India	98.5		97.0		-1.5
Northwest Africa	10.6		12.4		1.9

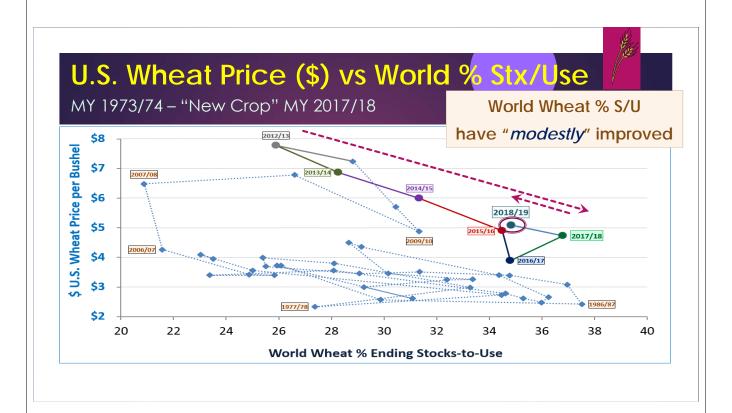
# World Wheat Supply and Use

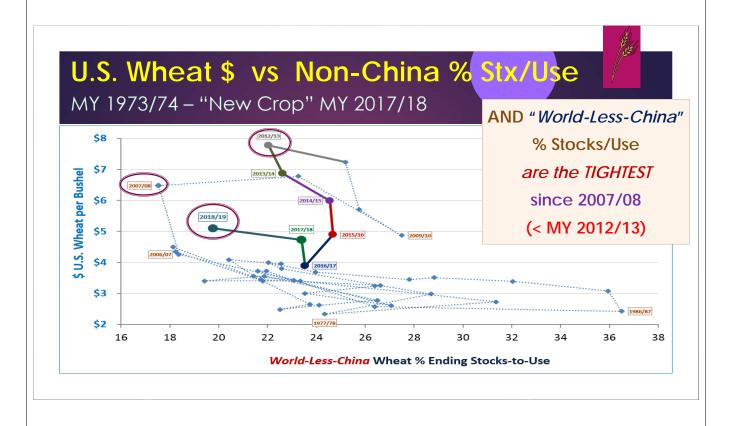
	2017/2018		2018/2019		
		Change from		Change from	Change from
Item	Estimate	July 12	Forecast	July 12	2017/2018
	Million Tons				
Beginning stocks	257.2	-0.1	273.1	-0.4	15.9
Production	758.0	0.1	729.6	-6.6	-28.4
<b>Total Supply</b>	1,015.2	**	1,002.7	-7.1	-12.5
Feed use	145.2	0.6	138.5	-3.9	-6.7
Total use	742.1	0.4	743.7	-5.1	1.6
Trade	182.6	0.8	183.9	-1.6	1.2
<b>Ending Stocks</b>	273.1	-0.4	259.0	-1.9	-14.1

### Wheat Stx/Use: Top 7 Exporters vs ROW











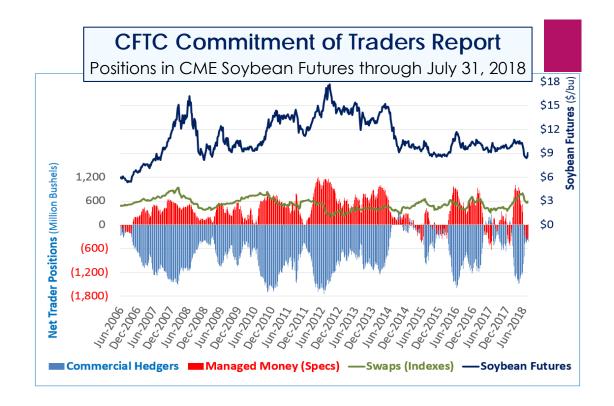


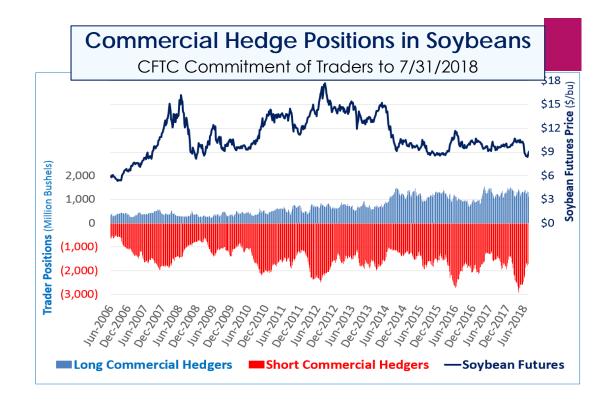


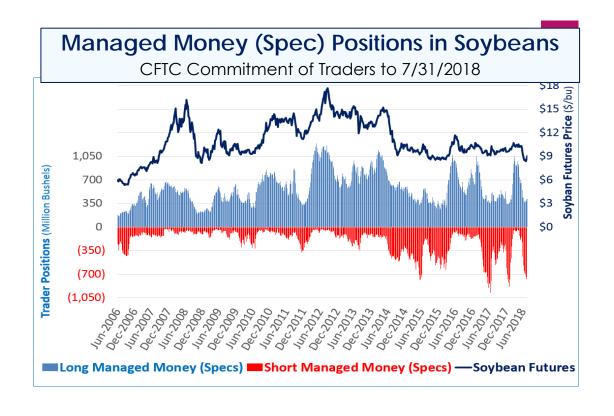




Department of Agricultural Economics







### U.S. Soybean Market Prospects in 2018-19

#### A. <u>U.S.-China Trade Dispute</u>

 HAS affected U.S. Soybean <u>prices</u>, but so far NO EFFECT on U.S. export <u>shipments</u> & <u>forward purchases</u>

#### B. <u>USDA forecasts U.S. Exports</u> to be *large* <u>despite</u> Tariffs

Foreign buyers "switching" between U.S. & South America

#### C. Market Focus in Fall-Winter 2018-19

• So. America crop prospects – their response to high 2018 \$'s



# U.S. Soybean Supply-Use

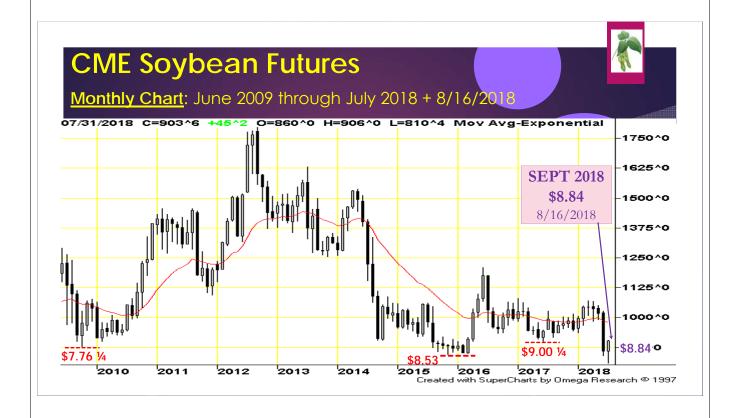
- Soybean "<u>issues</u>" in the August Crop Production Report?
- Large Global Soybean Stocks limit Price\$'s
- Low Price\$'s support "New Crop" MY 2018/19 Use \*\*\*
  - o Soy Crush  $^{2018/19}$  = 2.060 bln bu (Record vs 2.040 bb & 1.901 bb last 2 years)
  - o **Exports**  $^{2018/19}$  = 2.060 bln bu (vs 2.110 bb & 2.166 bb last 2 years)
  - o Total Use 2018/19 = 4.256 bln bu (vs 4.286 bb & 4.214 bb last 2 years)
  - o SBM Use  $^{2018/19}$  = 24,200 bln lbs (vs 23.35 in 2017/18 & 22.4 in 2016/17)



## U.S. Soybean & Cotton Stocks.....

- Soybean: "Large" Stocks & % S/U
  - o End Stocks <sup>2018/19</sup> ⇒ 785 mln bu (High vs 574 mb in 2006/07)
  - o % Stocks/Use <sup>2018/19</sup> ⇒ 18.4% S/U (High vs 18.6% in 2006/07)
- Cotton: "Growing" Stocks BUT "Strong" World S-D
  - o **Production** <sup>2018/19</sup> ⇒ 19.2 mln bales (20.9 & 17.2 mb last 2 years)
  - o **End Stocks** <sup>2018/19</sup> ⇒ 4.6 mln bales (4.4 & 2.75 mb last 2 years)
  - o % Stocks/Use <sup>2018/19</sup> ⇒ 24.3% S/U (23.0% & 15.1% last 2 years)

WATERS STATE Description



#### SALINA, KS: Soybeans Basis - CARGILL

\$-1.5

Week 5

Week 10

Week 15

Week 20

www.AgManager.info

Week 25

◆ 2018 ◆ 2017 ◆ 2016 ◆ 2015

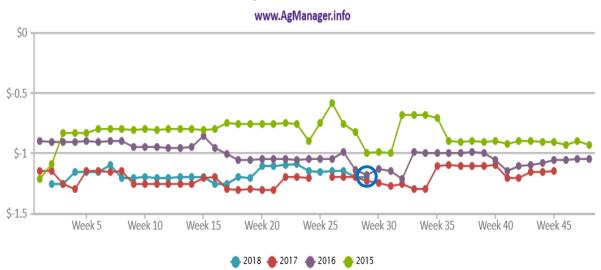
Week 35

Week 30

Week 40

Week 45

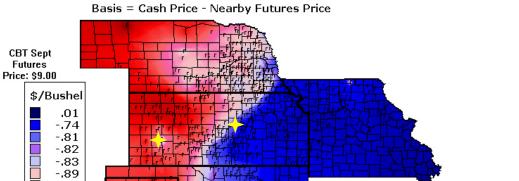




#### Soybean Basis, 08-08-2018

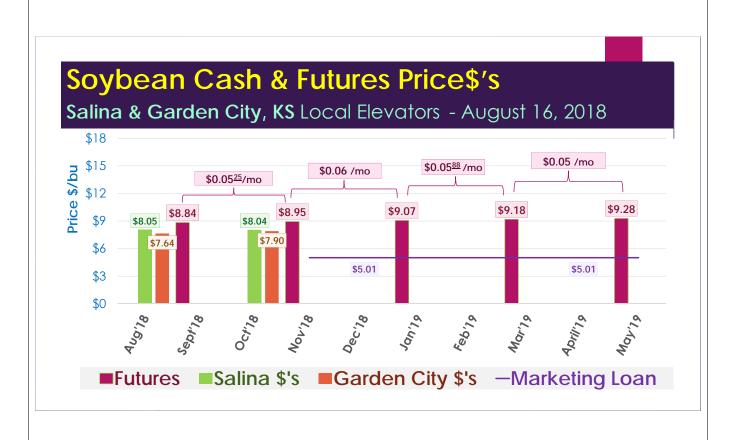
-.94 -.99 -1.08

-1.23



www.agmanager.info

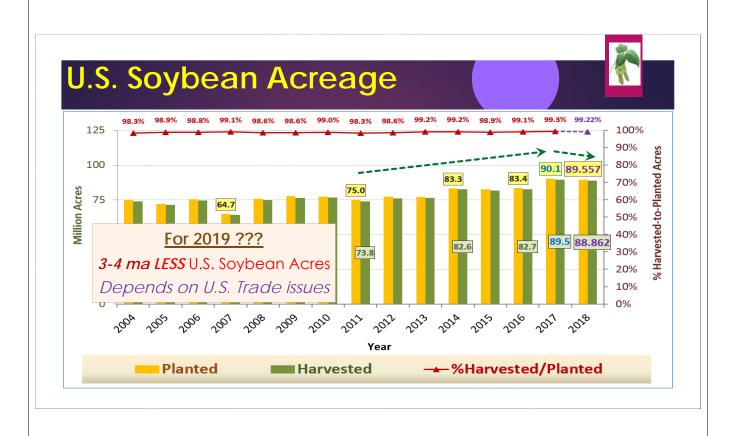
K-State Research and Extension

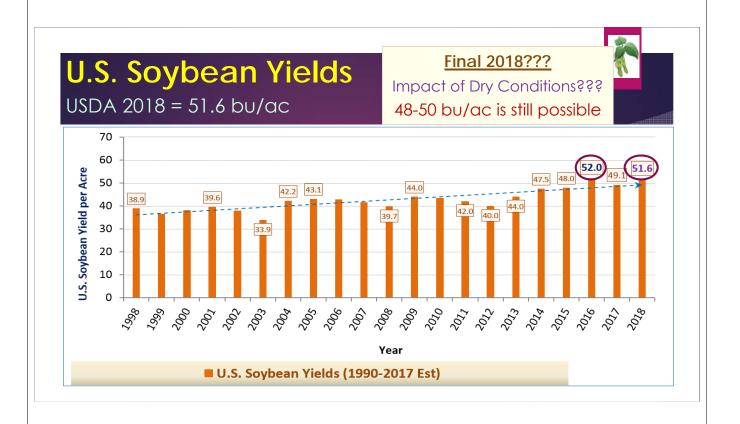


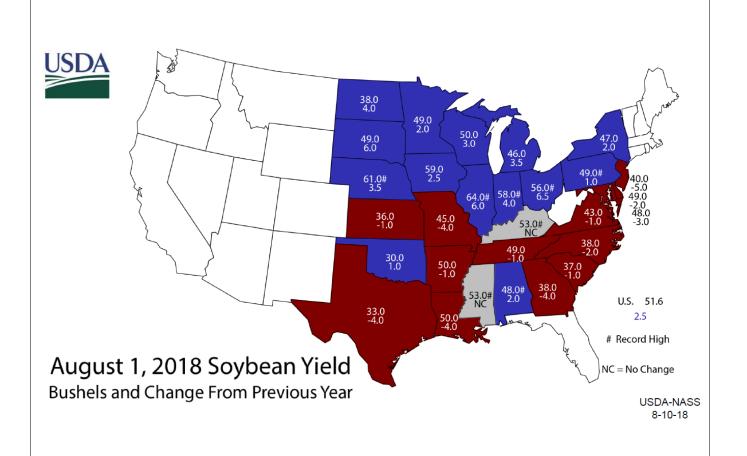
### Kansas Soybean Seasonal Cash \$ Index

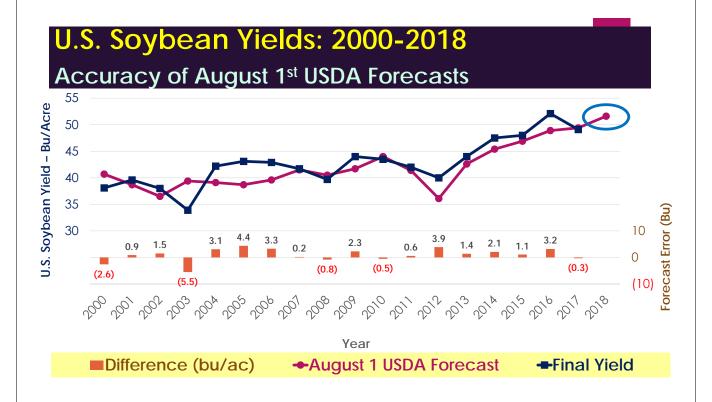
Monthly Prices: 1999/00 - 2016/17 + "Old Crop" MY 2017/18











### U.S. Soybean Supply & Demand

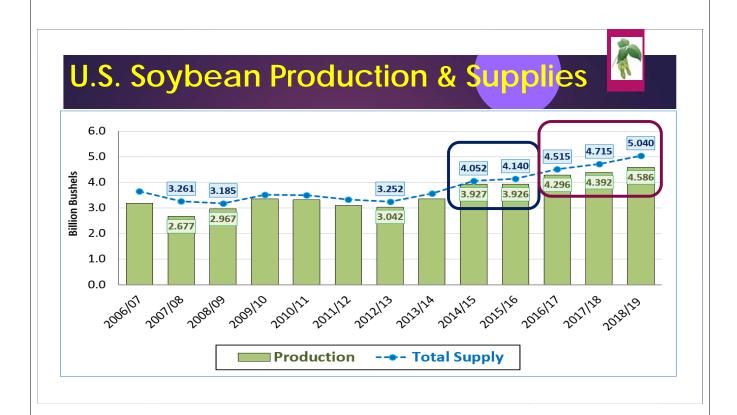
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	302	460	(35)	+128
Production	4,392	4,856	+276	+194
<u>Imports</u>	<u>22</u>	<u>25</u>		<u>+3</u>
Total Supply (mln bu)	4,715	5,040	+241	+325

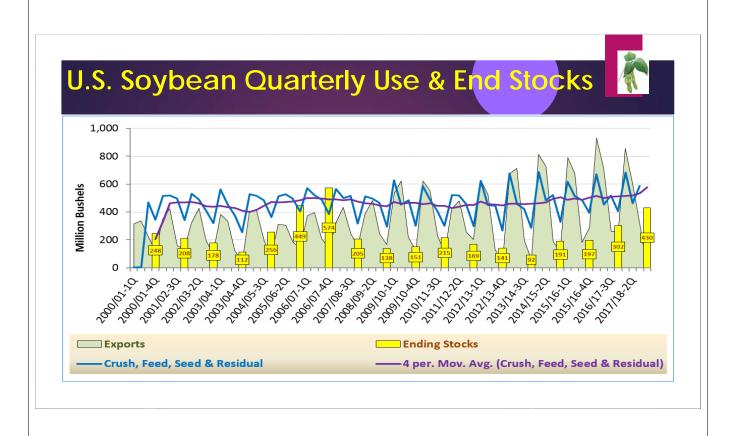
# U.S. Soybean Supply & Demand

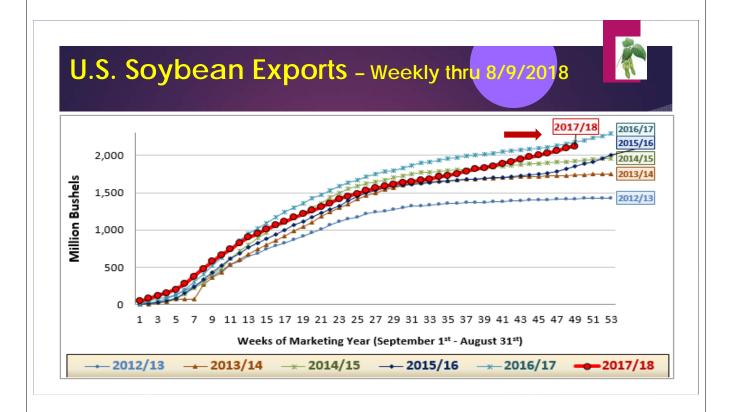
Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	302	460	(35)	+128
Production	4,392	4,856	+276	+194
<u>Imports</u>	<u>22</u>	<u>25</u>		<u>+3</u>
Total Supply (mln bu)	4,715	5,040	+241	+325
Domestic Crush	2,040	2,060	+15	+20
Exports	2,110	2,060	+20	(50)
Seed & Residual	<u>136</u>	<u>136</u>	<u>+1</u>	
Total Use (mln bu)	4,286	4,256	+36	(30)

# U.S. Soybean Supply & Demand

Items	MY 2017/18	MY 2018/19	Vs July 2018	Vs Year Ago
Beginning Stocks (mln bu)	302	460	(35)	+128
Production	4,392	4,856	+276	+194
<u>Imports</u>	<u>22</u>	<u>25</u>		<u>+3</u>
Total Supply (mln bu)	4,715	5,040	+241	+325
Domestic Crush	2,040	2,060	+15	+20
Exports	2,110	2,060	+20	(50)
<u>Seed &amp; Residual</u>	<u>136</u>	<u>136</u>	<u>+1</u>	
Total Use (mln bu)	4,286	4,256	+36	(30)
Ending Stocks (mln bu)	430	785	+205	+355
% Ending Stocks-to-Use	10.0%	18.4%	+4.7%	+8.4%
U.S. Avg. Price\$ (\$/bu)	\$9.35	\$8.90	(\$0.35)	(\$0.45)



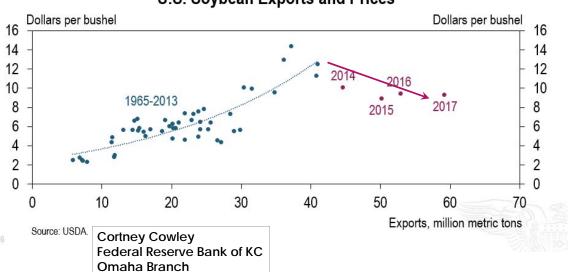


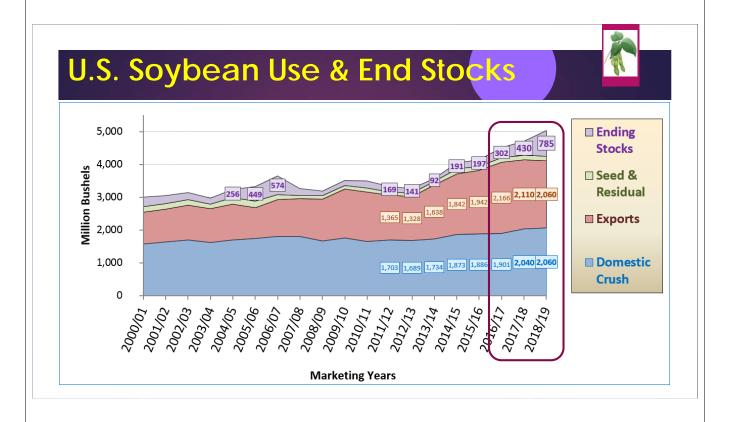


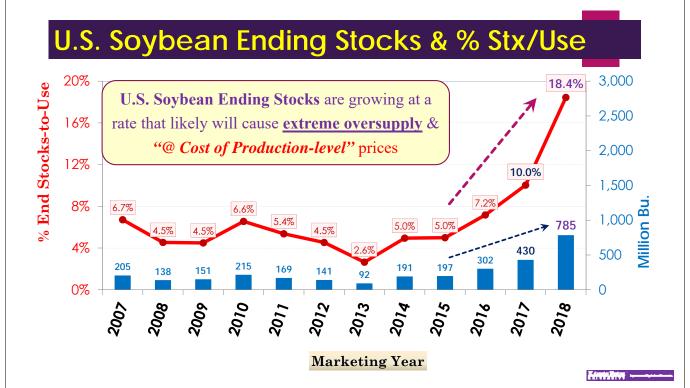
#### FEDERAL RESERVE BANK OF KANSAS CITY - OMAHA BRANCH

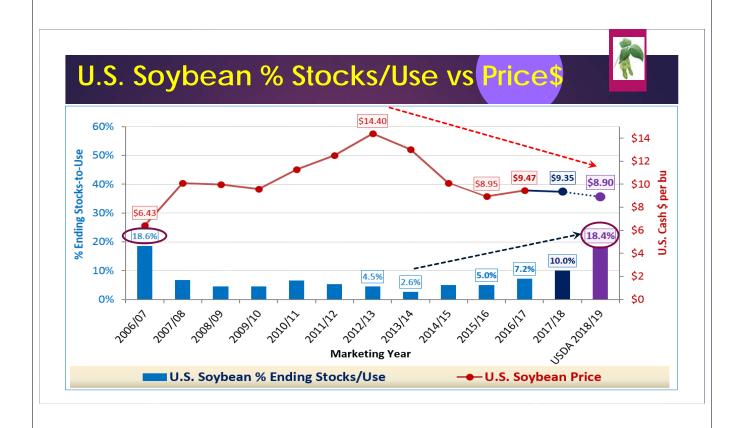
#### Inventories have weighed on prices, even as trade has expanded.

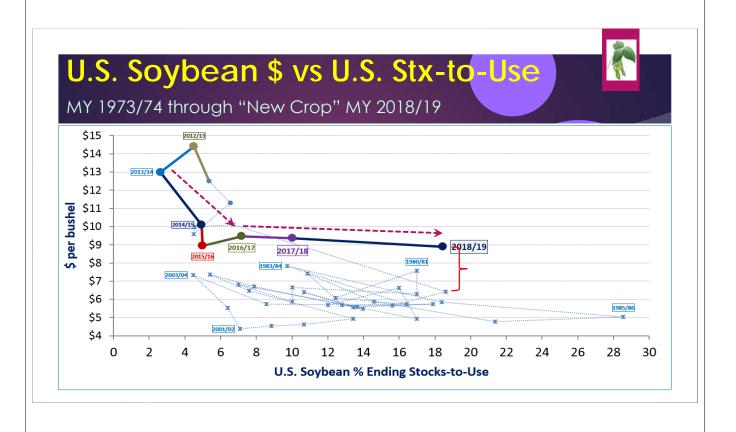


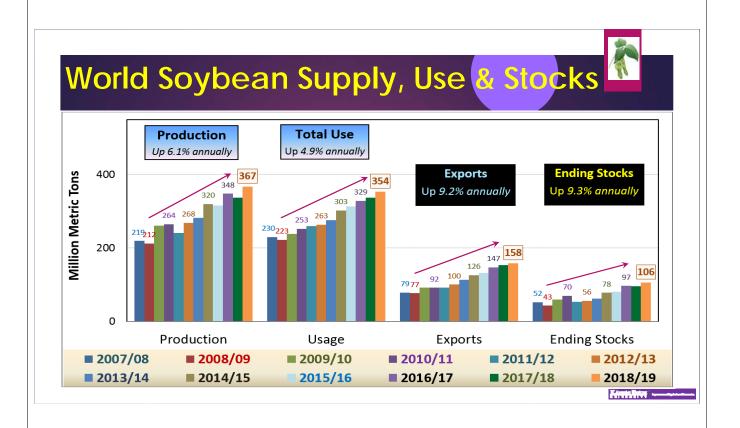




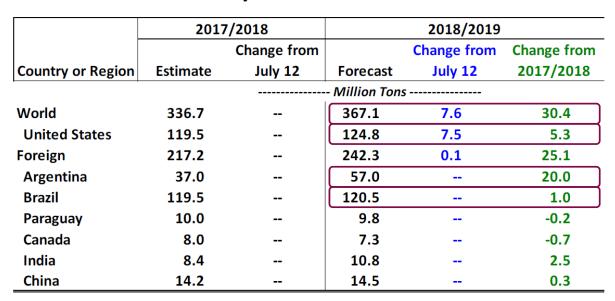








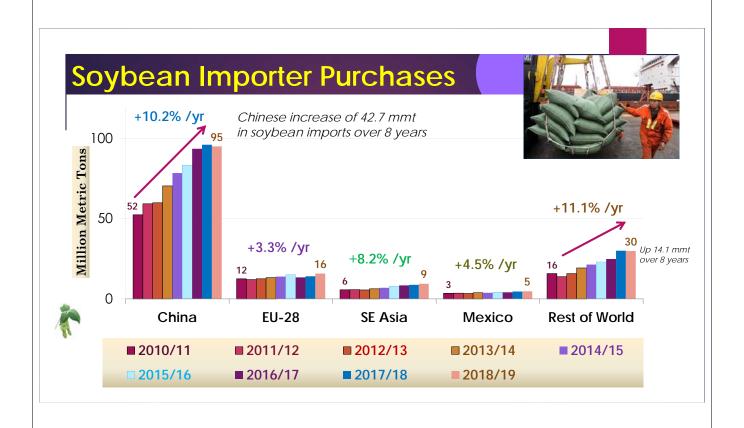
# World Soybean Production

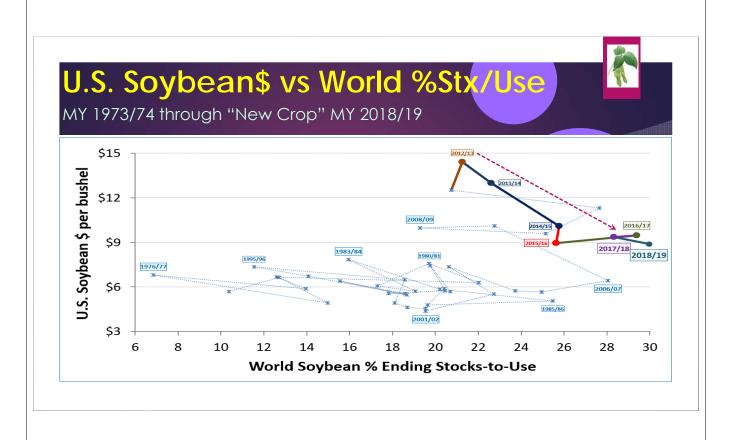


# World Soybean Supply and Use

	2017/2018		2018/2019		
	Change from			Change from Change f	
Item	Estimate	July 12	Forecast	July 12	2017/2018
			Million Tons		
Beginning stocks	96.7		95.6	-0.4	-1.1
Production	336.7		367.1	7.6	30.4
Total Supply	433.4		462.7	7.2	29.3
Crush	294.4	-1.9	308.7	-0.6	14.3
Total use	337.5	-1.9	353.6	-0.6	16.1
Trade	153.7	1.5	158.0	0.6	4.3
<b>Ending Stocks</b>	95.6	-0.4	105.9	7.7	10.3
Addendum					
Beginning stocks					
Argentina plus Brazil	61.9		55.0	0.6	-7.0
Imports*					
China	96.0	-1.0	95.0		-1.0



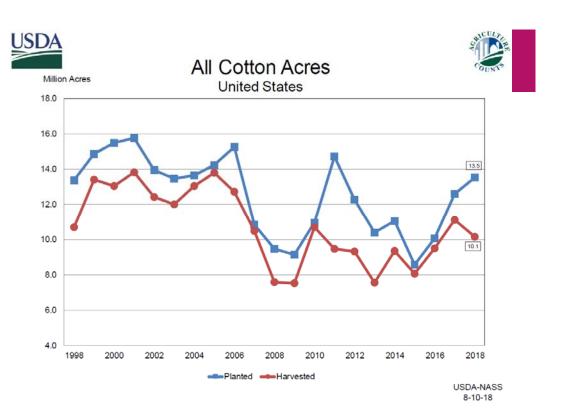




### 2018 U.S. Cotton Production

August 2018 USDA Reports

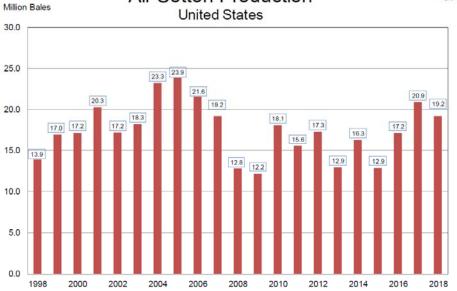
Crop	Unit	August 2018	% Change From Previous Forecast	% Change From Previous Season
All Cotton				
Planted	Mil Ac	13.5	NC	+7.2
Harvested	Mil Ac	10.1	NA	-8.7
Yield	Lb/Ac	911	NA	+0.7
Production	Mil Bls	19.2	NA	-8.1



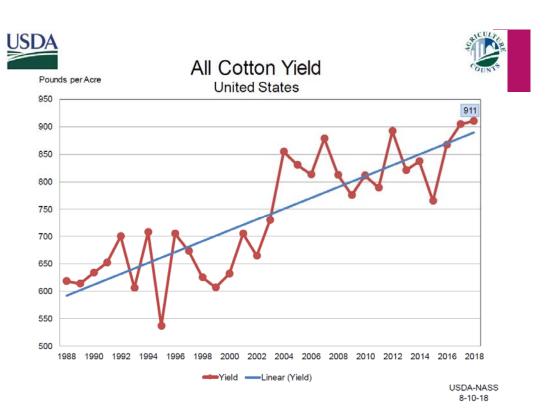


#### All Cotton Production





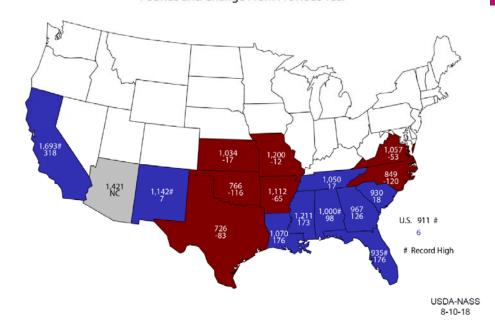
USDA-NASS 8-10-18











### U.S. Cotton Supply and Demand

	2017/2018			2018/2019		
		Change from		Change from	Change from	
Item	Estimate	July 12	Forecast	July 12	2017/2018	
DI . I . ( :II: )	12.61		42.52		0.04	
Planted area (million acres)	12.61		13.52		0.91	
Harvested area (million acres)	11.10		10.14	-0.37	-0.96	
Yield (pounds per acre)	905		911	66	6	
			Million bales -			
Beginning stocks	2.75		4.40	0.40	1.65	
Production	20.92		19.24	0.73	-1.69	
Imports	0.01		0.01			
Total supply	23.68		23.64	1.14	-0.04	
Mill use	3.25	-0.10	3.40	**	0.15	
Exports	15.85	-0.35	15.50	0.50	-0.35	
Total use	19.10	-0.45	18.90	0.50	-0.20	
Unaccounted	0.18	0.05	0.14	0.04	-0.04	
Ending stocks	4.40	0.40	4.60	0.60	0.20	
	Percent					
Stocks to use ratio	23.0	2.6	24.3	2.6	1.3	
	Cents per pound					
Average market price	68.00		70.00/80.00		7.00	

#### **World Cotton Production**

	2017/2018		2018/2019		
		Change from		Change from	Change from
Country or Region	Estimate	July 12	Forecast	July 12	2017/2018
<u></u>			- Million bales	\$	
World	123.5	-0.2	120.5	0.4	-3.0
<b>United States</b>	20.9		19.2	0.7	-1.7
Foreign	102.6	-0.2	101.3	-0.3	-1.3
Argentina	0.8		1.0	0.2	0.2
Brazil	9.2		9.5		0.3
Turkey	4.0		4.5	0.2	0.5
Australia	4.7	-0.2	3.6	-0.2	-1.2
China	27.5		26.5		-1.0
India	29.0		28.7		-0.3
Pakistan	8.2		8.5		0.3
Uzbekistan	4.0		3.3	-0.5	-0.7
Turkmenistan	1.4	1	1.3	-0.1	-0.1
African Franc Zone	5.2		5.3		0.1

# World Cotton Supply and Demand

	2017/2018		2018/2019		
		Change from		Change from	Change from
Item	Estimate	July 12	Forecast	July 12	2017/2018
	Million bales				
Beginning stocks	84.1	-0.3	84.5	-0.4	0.4
Production	123.5	-0.2	120.5	0.4	-3.0
Total Supply	207.6	-0.4	205.0	**	-2.6
Consumption	122.7	0.5	127.6	0.7	4.9
Trade	40.8	0.1	41.8	0.6	1.0
<b>Ending Stocks</b>	84.5	-0.4	77.1	-0.7	<b>-7.4</b>
Addendum					
China ending stocks	37.8	0.1	28.6	0.1	-9.2

