

2020 Grain Market Outlook

Wellington, Kansas

January 16, 2020

DANIEL O'BRIEN

EXTENSION AGRICULTURAL ECONOMIST

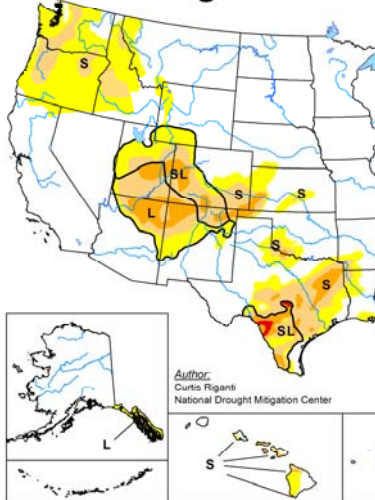
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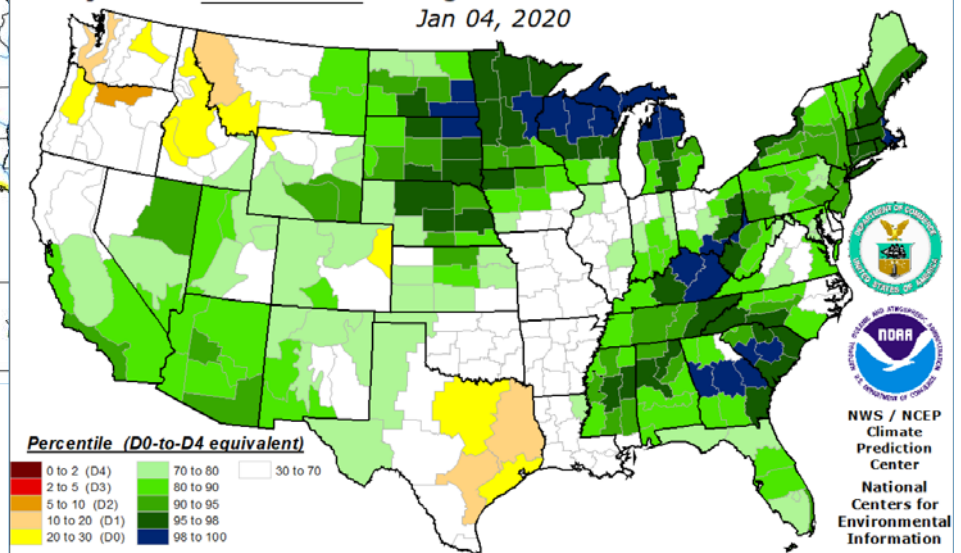
U.S. Drought Monitor

January 7, 2020
(Released Thursday, Jan. 9, 2020)
Valid 7 a.m. EST

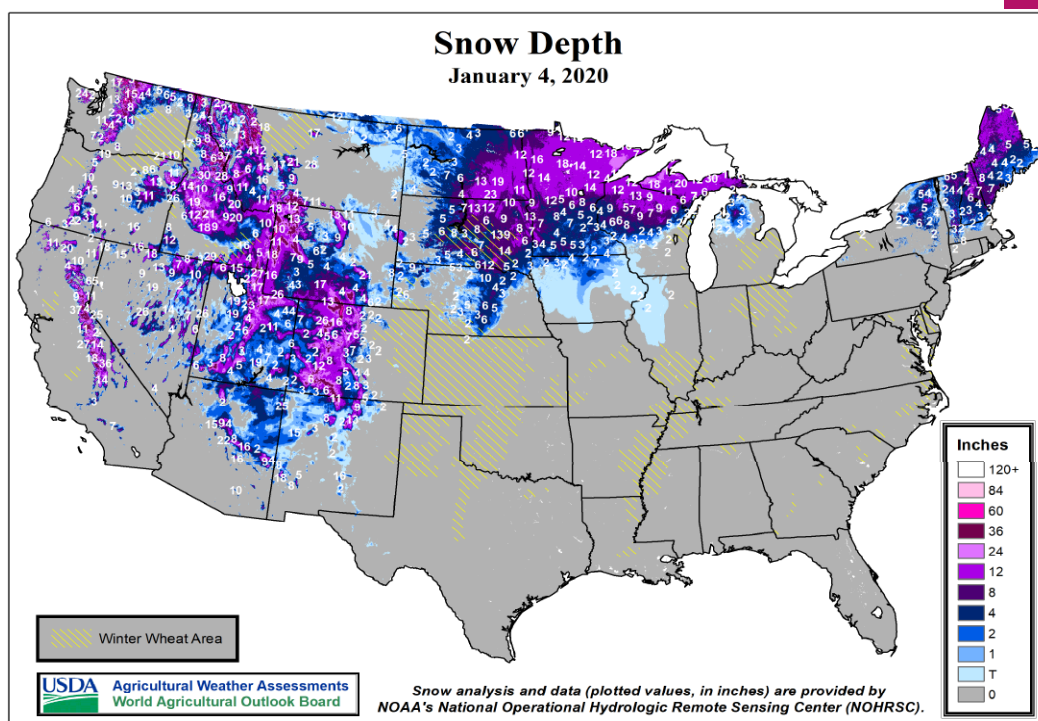
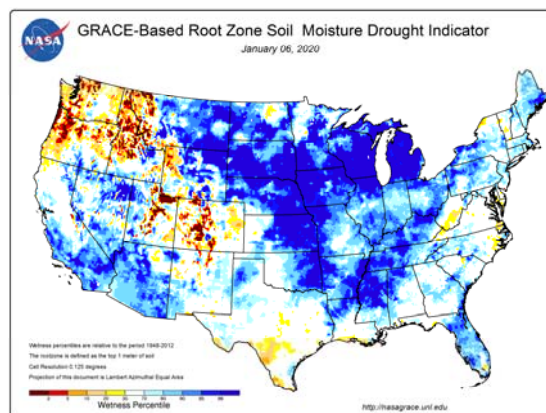
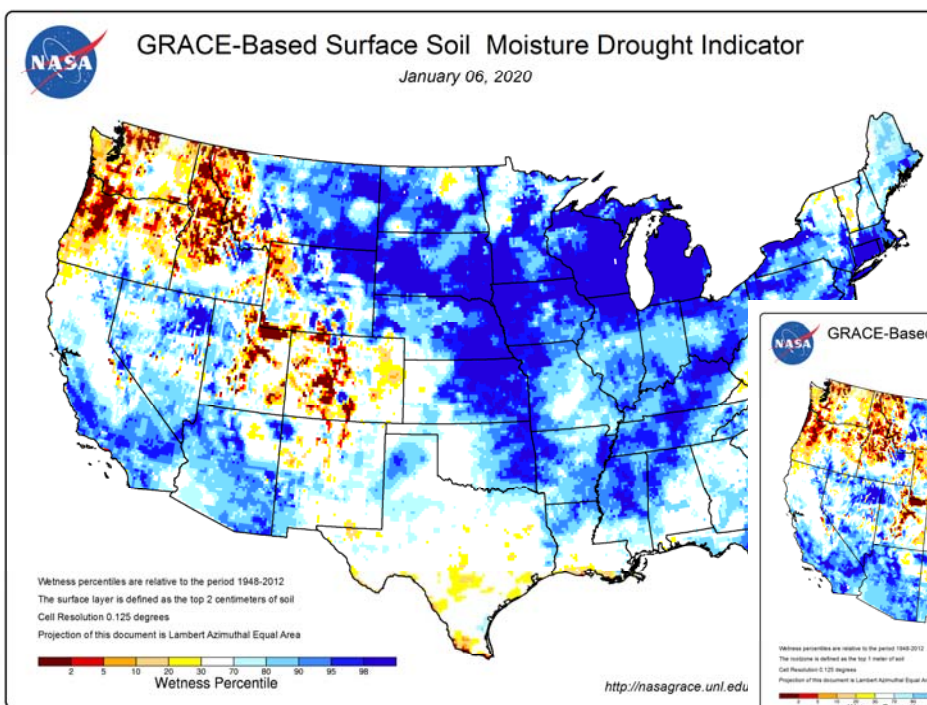


Objective Short-Term Drought Indicator Blend Percentiles

Jan 04, 2020



2



2019 December APS Reinterview States

State	Crop(s)
Michigan	Corn, Soybeans
Minnesota	Corn
North Dakota	Corn, Soybeans
South Dakota	Corn
Wisconsin	Corn, Soybeans

INTERNATIONAL CROP AND WEATHER HIGHLIGHTS USDA/WAOB Joint Agricultural Weather Facility

January 7, 2020

AUSTRALIA – Highlight: Unfavorably Hot, Mostly Dry Weather Persisted

- Hot, sometimes windy weather exacerbated the effects of severe drought, maintaining poor summer crop prospects while fanning the wildfires burning across large portions of rural **eastern Australia**.

SOUTH AMERICA – Highlight: More Heavy Rain In Central Argentina; Dry Pockets In Brazil

- Locally heavy showers maintained generally favorable conditions for summer grains and oilseeds in or nearing reproduction in **central Argentina**.
- Warm, showery weather promoted rapid growth of soybeans and first-crop corn, though pockets of unseasonable warmth and dryness persisted in some **southern production areas**.

EUROPE – Highlight: Drier Weather Returned

- Drier weather returned to much of Europe save for lingering rain and snow in the **far north**.
- Despite overall favorable moisture supplies, pockets of drought lingered in **Germany** and **Poland**.
- Mostly warmer-than-normal weather kept primary winter crop areas devoid of a protective snow cover.

EAST ASIA – Highlight: Mild

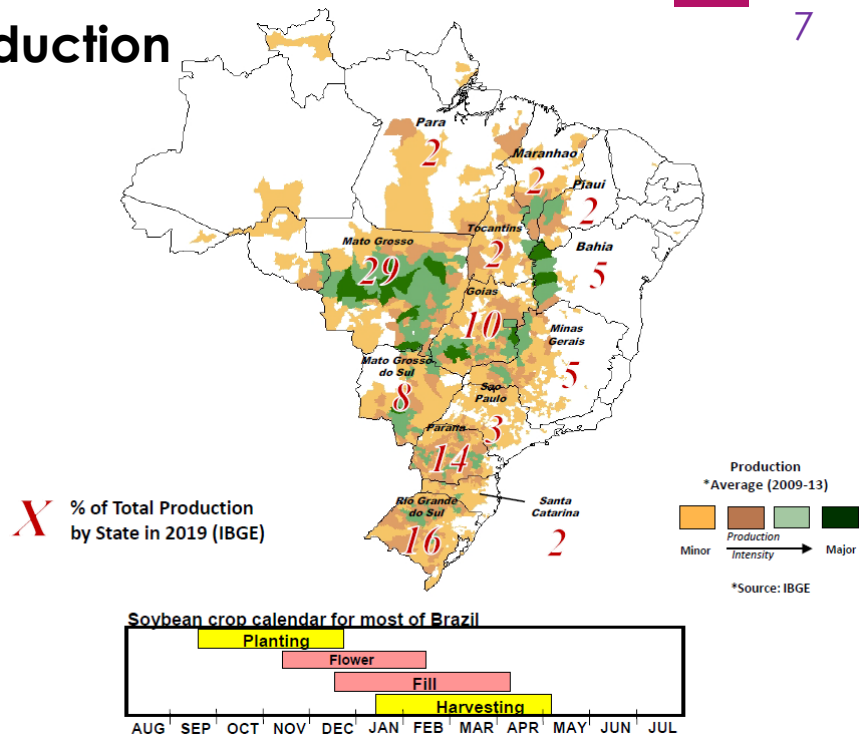
- Mild weather and light showers in **eastern China** maintained good crop conditions for overwintering wheat and rapeseed, but the warmer-than-normal weather reduced cold hardiness.

Brazil Soybean Production

2020 % of Crop

Projections by Region

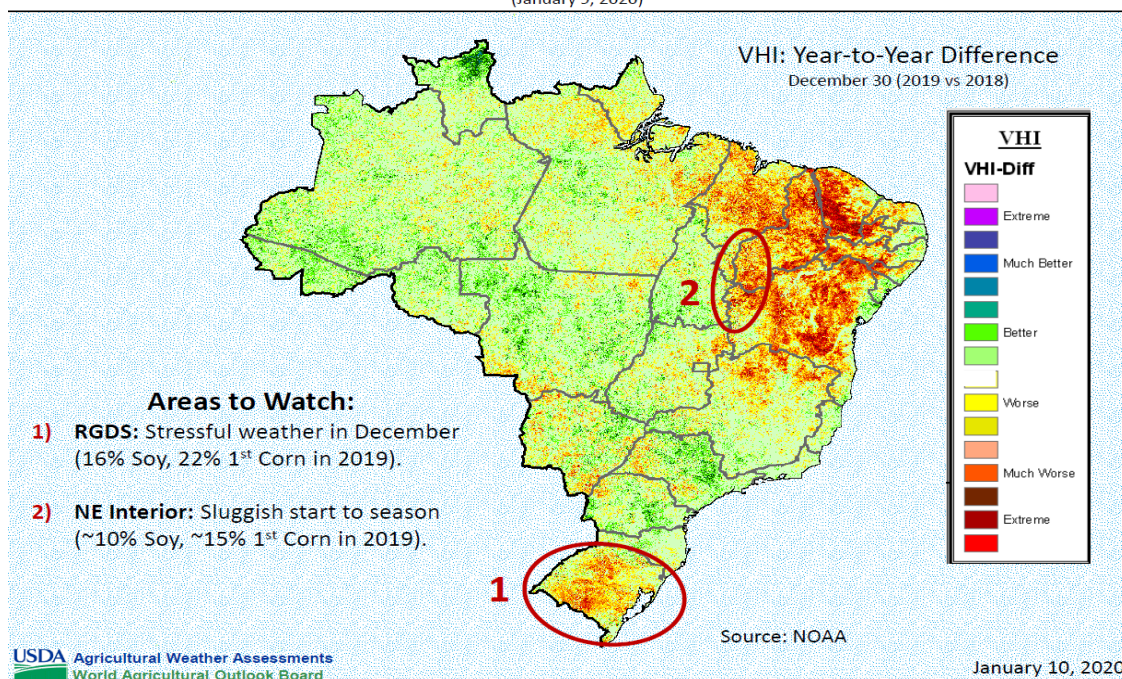
January 10, 2020



USDA Agricultural Weather Assessments
World Agricultural Outlook Board

Brazil: Crop Weather Summary

(January 9, 2020)



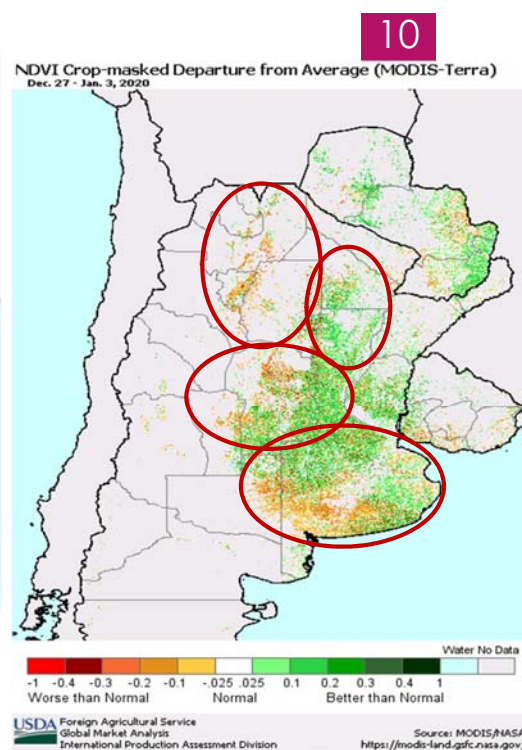
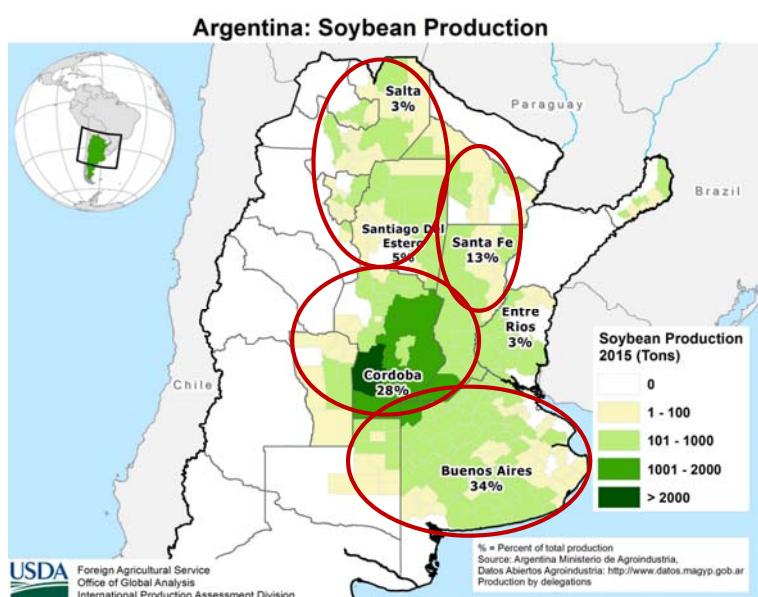
USDA Agricultural Weather Assessments
World Agricultural Outlook Board

January 10, 2020

Brazil 2019/20 Soybean Summary

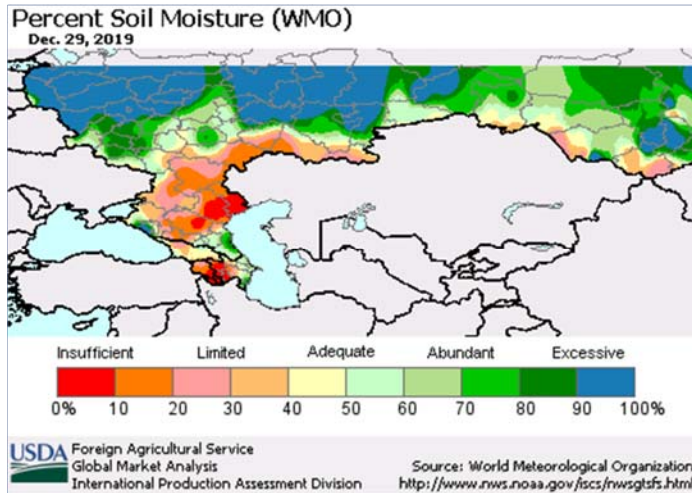
- No change in soybean area, yield or production
 - Planting progress behind national average pace but harvest started in January.
 - Trend yield because weather cooperated from Sept-Dec.
- Excellent crop conditions in Mato Grosso
 - Harvest starts in January (if planted on Sept. 16).
- December drought delayed planting in Northeast & Rio Grande do Sul
 - Planted area could be slightly less than intended.

January 10, 2020



Russia, Azerbaijan, Armenia & Georgia

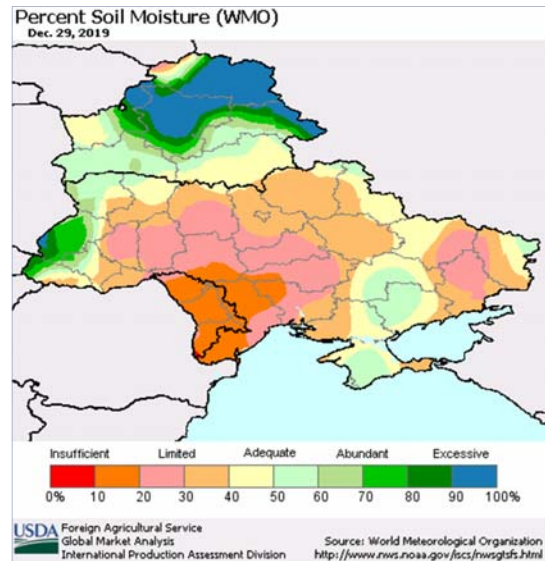
Percent Soil Moisture



11

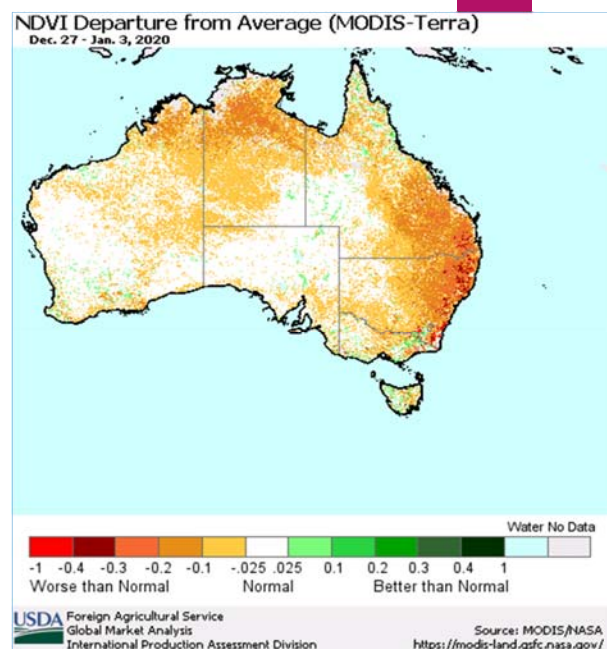
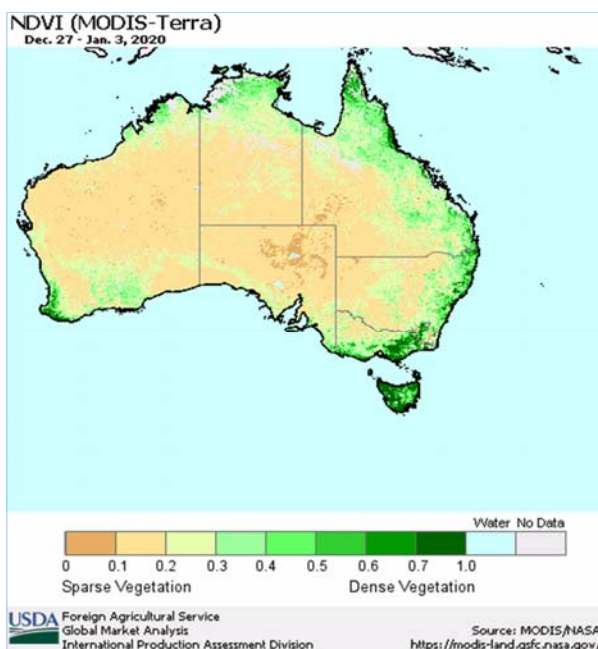
Ukraine, Moldova, & Belarus

Percent Soil Moisture



Australia – Vegetation Measures in late Dec. / early Jan. 2020

12



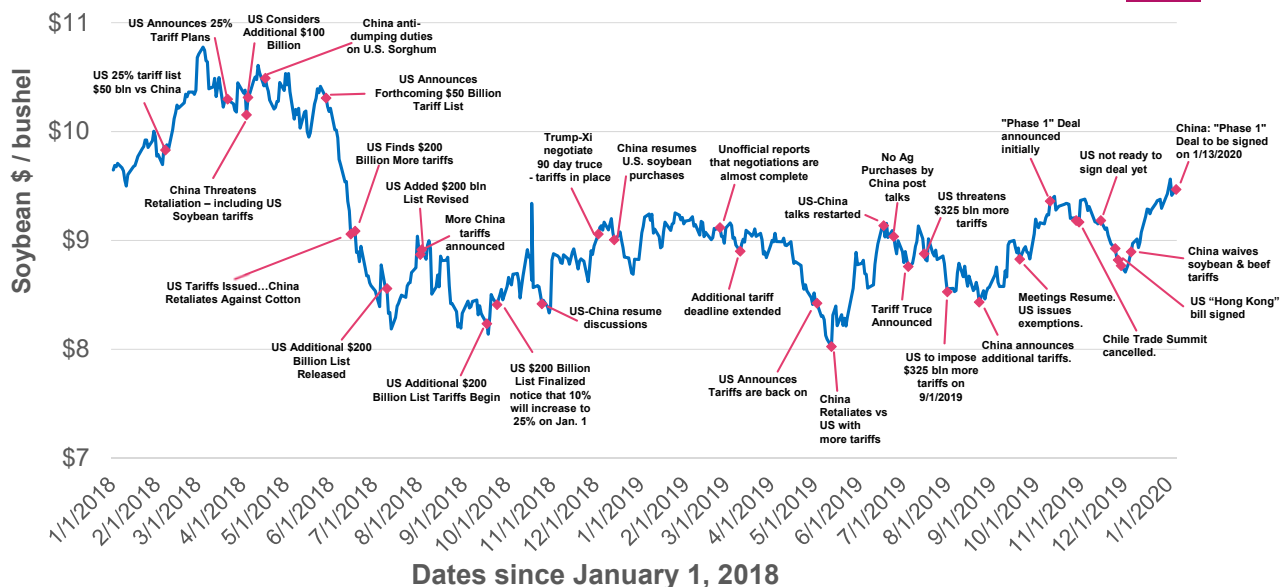
Unpredictable Grain Markets in Year 2020 11

□ The “Ups & Downs” of U.S. Trade Tensions

- **U.S.-Japan Trade Agreement (+)**
 - Likely positive impact on U.S. grain exports vs TPP Countries
- **USMCA Trade Agreement** U.S.-Mexico-Canada ⇒ *To be ratified (+)*
 - **Mexico** grain purchases from the U.S.
 - **Canada** grain export competition vs U.S. (Wheat, Oilseeds)
- **U.S. vs China (?)**
 - Soybeans, Sorghum, Beef (*Working at resolution in “Phases”*)

Trade War Effects on Soybean Futures

13





AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA

DECEMBER 13, 2019

15

The United States and China have reached an historic and enforceable agreement on a Phase One trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The Phase One agreement also includes a commitment by China that it will make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution system that ensures prompt and effective implementation and enforcement. The United States has agreed to modify its Section 301 tariff actions in a significant way.

Intellectual Property:
Technology Transfer:
Agriculture:
Financial Services:
Currency:
Expanding Trade:
Dispute Resolution:

Agriculture: The Agriculture Chapter addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture and seafood product exports, increasing American farm and fishery income, generating more rural economic activity, and promoting job growth. A multitude of non-tariff barriers to U.S. agriculture and seafood products are addressed, including for meat, poultry, seafood, rice, dairy, infant formula, horticultural products, animal feed and feed additives, pet food, and products of agriculture biotechnology.



16

ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA FACT SHEET

AGRICULTURE AND SEAFOOD RELATED PROVISIONS

Key outcomes of the Phase One agreement are:

- **Purchases:** China will purchase and import on average at least \$40 billion of U.S. food, agricultural, and seafood products annually for a total of at least \$80 billion over the next two years. Products will cover the full range of U.S. food, agricultural, and seafood products. On top of that, China will strive to import an additional \$5 billion per year over the next two years.

- **Feed Products, including Distillers' Dried Grains with Solubles (DDGS):** China has agreed to immediately update its list of traditionally-traded feed additive products with 23 U.S. products and to streamline the registration process for feed additives, premixes, and compound feed. With regard to DDGS, China has also agreed to speed up license renewals for DDGS manufacturers.
- **Geographical Indications (GI):** China has agreed to not undermine market access for U.S. exports to China using trademarks and generic terms through any GI measures taken in connection with an international agreement, to use certain relevant factors when making determinations for genericness, and to not provide GI protection to individual components of multi-component terms if the individual component is generic.

- **Tariff Rate Quota Administration:** China has agreed to comply with its WTO obligations and to make specific improvements to its administration of wheat, corn, and rice tariff-rate quotas (TRQs), including the allocation methodology, treatment of non-state trading quota applicants, and increased transparency. Separate from this Agreement, as part of a WTO dispute brought and won by the United States, China agreed to comply with its WTO obligations for the administration of TRQs for wheat, corn, and rice by December 31, 2019.
- **Sanitary and Phytosanitary Measures:** The Parties agreed to not implement food safety regulations or require actions of the other Party's regulatory authorities that are not science- and risk-based and shall only apply such regulations and require such actions to the extent necessary to protect human life or health. In addition, recognizing the importance of ensuring that sanitary and phytosanitary (SPS) measures are science-based, non-discriminatory, and account for regional differences, the Parties have agreed that China will improve SPS measures affecting a wide variety of products, which will facilitate exports of U.S. food and agricultural products to China.

FACTBOX-What's in the U.S.-China Phase 1 trade deal

19

15-Jan-2020 12:10:01 PM

Jan 15 (Reuters) - U.S. President Donald Trump and Chinese Vice Premier Liu He signed a deal on Wednesday in the White House that cut some U.S. tariffs on Chinese goods in exchange for Chinese pledges to purchase more of American farm, energy and manufactured goods and address some U.S. complaints about intellectual property practices.

Following are details of the deal released by the United States Trade Representative. Beijing has not yet released a version of the deal in Chinese, after an extended translation process that continued until Tuesday night.

China "shall ensure" additional purchases of U.S. agriculture products by \$32 billion over two years, the deal says, including \$12.5 billion above the corresponding 2017 baseline of \$24 billion in 2020 and \$19.5 billion above the baseline in 2021.

That would give an average annual total of about \$40 billion, a number Trump has touted before.

TARIFFS

The United States will cut by half the tariff rate it imposed on Sept 1. on a \$120 billion list of Chinese goods, to 7.5%.

U.S. tariffs of 25% on \$250 billion worth of Chinese goods put in place earlier will remain immediately unchanged. These could be rolled back as part of a Phase 2 trade negotiation, U.S. Treasury Secretary Steven Mnuchin said on Wednesday.

Tariffs that were scheduled to go into effect on Dec. 15 on nearly \$160 billion worth of Chinese goods, including cellphones, laptop computers, toys and clothing, are suspended indefinitely. China's retaliatory Dec. 15 tariffs, including a 25% tariff on U.S.-made autos, have also be suspended.

Market "Realities" to be determined

20

☐ "Final" 2019 U.S. Corn & Soybean harvest ("Sometime" 2020)

- **Corn**²⁰¹⁹ < 13.692 bln bu? ➡ End Stocks < 1.892 bb?
- **Soybeans**²⁰¹⁹ < 3.558 bln bu? ➡ End Stocks < 475 mb?

Market “Realities” to be determined

21

□ U.S. HRW Wheat Seedings (Jan ²⁰²⁰)

- *Struggling profitability* for 2013-2019 HRW Wheat
- **USDA: 21.8 mln acres Year²⁰²⁰** – ↓3% vs 2019
- **Dry soils** may ↓ 2020 HRW crop prospects (*BUT – is still early*)

More Grain Market Events to Anticipate

22

□ 2020 Production of Export Competitors

- **2020 Soybeans** ^{So-Am} → *Up 2.4% & Up 9.6% vs last 2 years*
- **2020 Corn** ^{So-Am + Ukraine} → *Up 22.6% vs 2015-2017 Average*
- **ARG-Brazil-Ukraine** ⇨ Ag Export “Open Door” w. U.S.-China Trade Issue

□ U.S. Dollar Strength ⇨ Limiting U.S. grain exports

- **USD\$ Index** ^{Trade Wgtd} → **DEC 2019** up 7.3% since low in **FEB 2018**
- **Brazil Reals ÷ USD\$** ≈ 4.12 in **OCT-DEC 2019** (vs low of 1.56 in **JUNE 2011**)

More Grain Market Events to Anticipate

23

□ U.S. Spring Plantings (April-May 2020)

- **Corn**²⁰²⁰ Up 5-10% ? → ↑ ≈ *U.S. Ethanol & Feed Demand*
- **Soybeans**²⁰²⁰ Up 10-15%+ ? → ↑↓ ≈ *U.S.-China Trade Status*

□ "Bearish" Positions of Grain Futures' Traders.....

BUT – "Strong" local **Basis** in Cash Markets & Demand Centers

- **Corn** → *Strong* basis @ US. Ethanol Plants
- **Soybeans** → *Moderate-to-weak basis* in many areas – but improving
- **HRW Wheat** → *Strong basis* @ Elevators in the Central / Southern Plains

Wheat Markets

21



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CME Kansas HRW Wheat

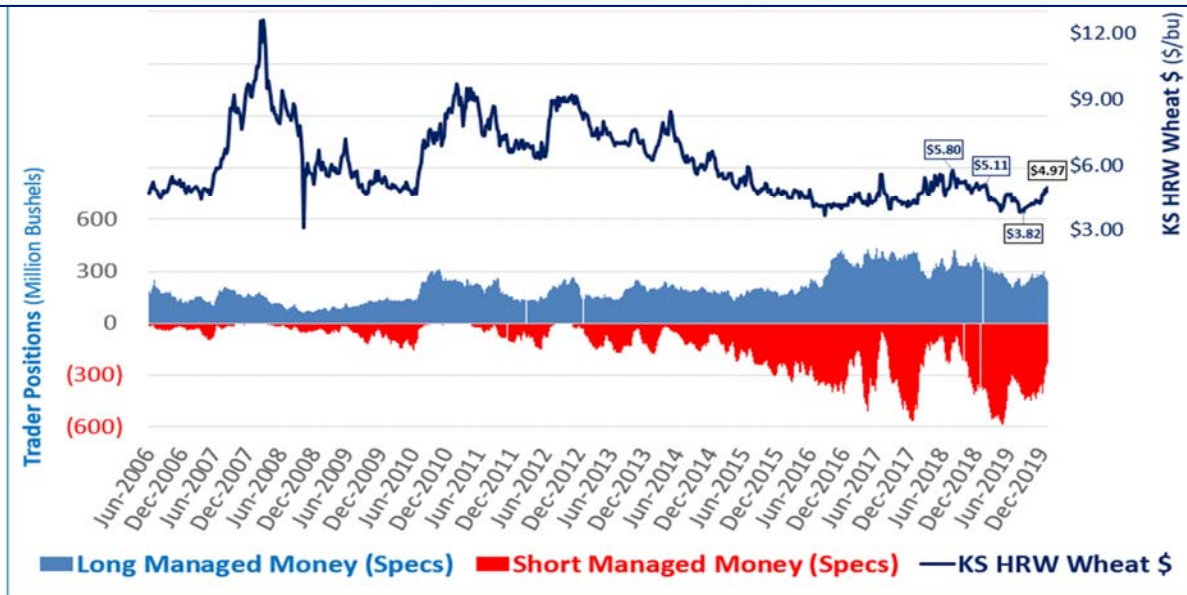
Weekly Chart: December 2015 – January 15, 2020

22



Managed Money (Spec) Positions in CME KS HRW Wheat

CFTC Commitment of Traders to January 7, 2020 (Futures on 1/14/2020)

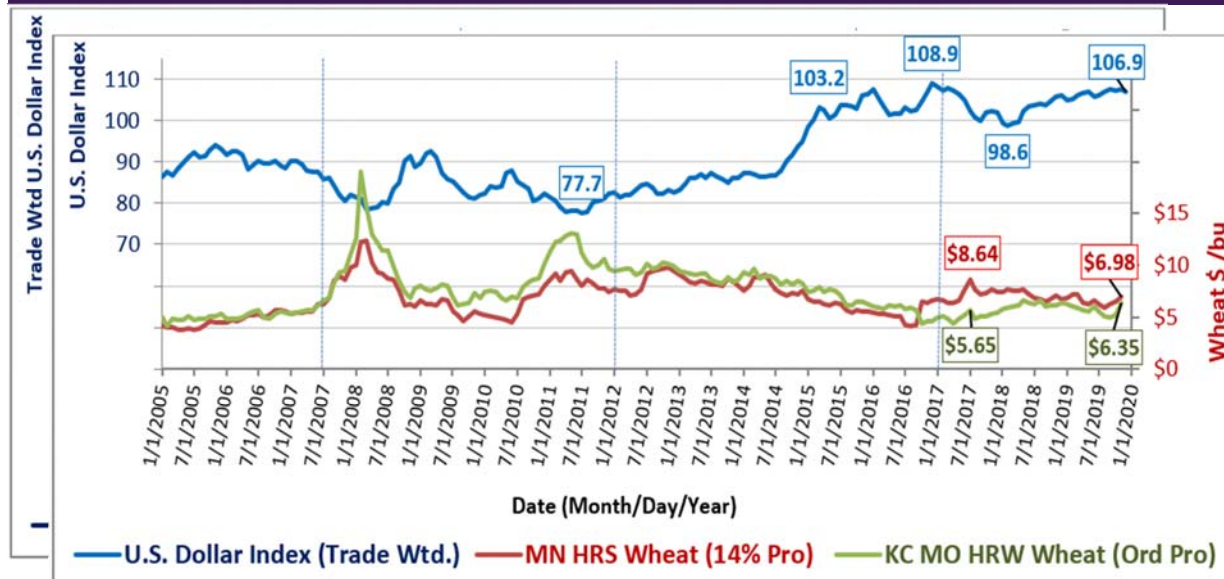


26

U.S. Dollar Index vs Major Trading Countries

20

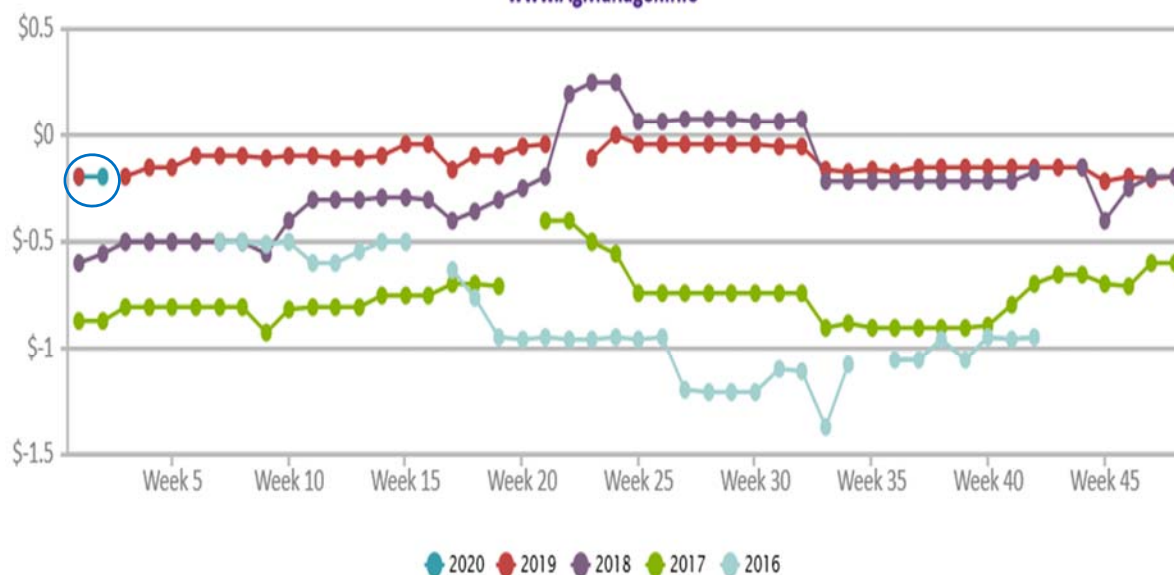
vs HRS Wheat 14% Pro + HRW Wheat – Ord Pro



WELLINGTON, KS: Hard Red Winter Wheat Basis - SCOLAR GRAIN CO

28

www.AgManager.info



HRW Wheat Cash Bids – Near Wellington, KS

29

Wednesday, January 15, 2020 (Source: DTN Grains)

Elevator/Location	Jan 2020	Jul 2020
SCOLAR GRAIN CO WELLINGTON, KS	4.74	---
PROGRESSIVE AG COOP WELLINGTON, KS	4.70	4.83
PROGRESSIVE AG COOP MAYFIELD, KS	4.70	4.83
PROGRESSIVE AG COOP OXFORD, KS	4.70	4.83
FARMERS COOP GRAIN ASSOC. BELLE PLAINE, KS	4.69	4.79
VALLEY COOP WINFIELD, KS	4.69	4.83
TWO RIVERS COOP- ARK CITY WEST ASHTON, KS	4.69	4.79
TWO RIVERS COOP GEUDA SPRINGS, KS	4.69	4.79
MID KANSAS COOP MILAN, KS	4.84	4.99

2020 KSU Cost of Production Budget Estimates

Non-Irrigated Wheat
South Central KS
@ \$45 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$4.29 /bu
- All Cost (With Cash Rent) = \$5.31 /bu

DC_GR112

Dodge City, KS

Wed, Jan 15, 2020

USDA-KS Dept of Ag Market News

30

Central Kansas Terminal and Processor Daily Grain Report

TERMINAL HRW WHEAT ORD US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Atchison	4.47	UNCH	-50H	UNCH
Topeka	4.87	UNCH	-10H	UNCH
Concordia	4.77	UNCH	-20H	UNCH
Salina	4.82-4.87	UNCH	-15H to -10H	UNCH
Great Bend	4.70	UNCH	-27H	UNCH
Newton	4.64	UNCH	-33H	UNCH
Hutchinson	4.64-4.87	UNCH	-33H to -10H	UNCH
Wichita	4.80-4.87	UNCH	-17H to -10H	UNCH
Wellington	4.73-4.77	UNCH	-24H to -20H	UNCH
Arkansas City	4.72	UNCH	-25H	UNCH
TERMINAL HWW WHEAT ORD US NO 2				
	Bids	Change (¢/bu)	Basis	Change
Wichita	4.87	UNCH	-10H	UNCH

U.S. Wheat Stocks.....

29

- **U.S. HRW Wheat:** “Still Large” **Carryover** (BUT declining)
 - **End Stocks** MY 2019/20 → 489 mln bu (516 mb last year)
 - **% Stocks/Use** MY 2019/20 → 56.5% S/U (70.5% Stx/Use last year)
- **All U.S. Wheat:** “Large” but “Moderating” **Stocks**
 - **End Stocks** 2019/20 → 965 mln bu (1.080 bb last year)
 - **% Stocks/Use** 2019/20 → 45.1% S/U (47.8% Stx/Use last yr)

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U.S. Wheat Supply and Demand

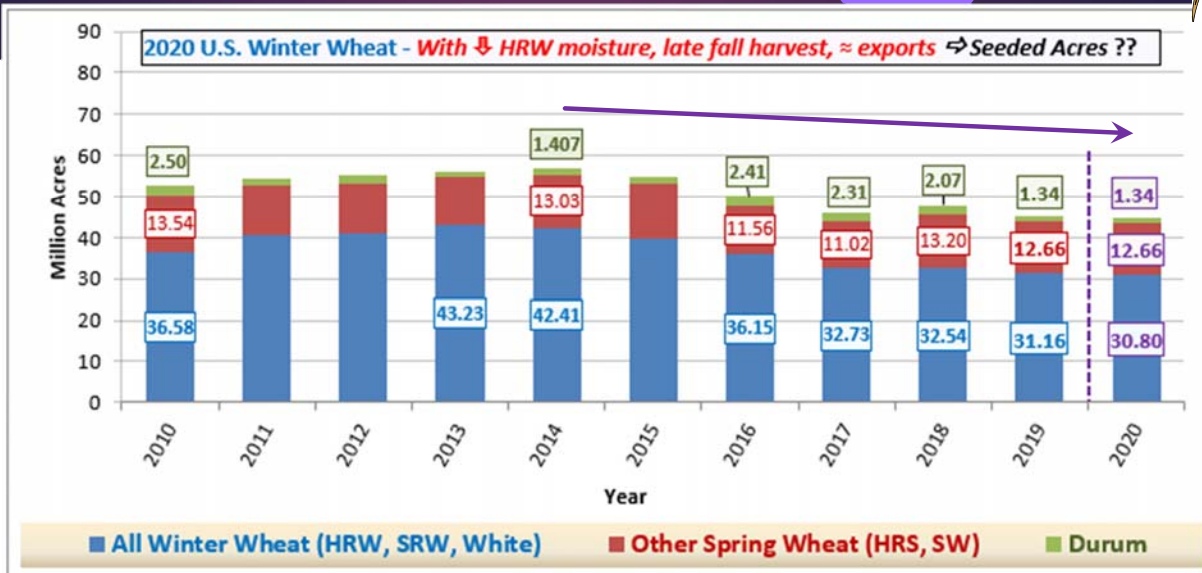
32

Item	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
Planted area (million acres)	47.8	45.2	--	-2.7
Harvested area (million acres)	39.6	37.2	--	-2.5
Yield (bushels per acre)	47.6	51.7	--	4.1
----- Million bushels -----				
Beginning stocks	1,099	1,080	--	-19
Production	1,885	1,920	--	35
Imports	135	105	--	-30
Total supply	3,119	3,105	--	-14
Food use	955	955	--	**
Seed	59	60	-1	1
Feed and residual	90	150	10	60
Domestic use	1,103	1,165	9	62
Exports	936	975	--	39
Total use	2,039	2,140	9	101
Ending stocks	1,080	965	-9	-115
----- Percent -----				
Stocks to use ratio	52.9	45.1	-0.6	-7.9
----- Dollars per bushel -----				
Average market price	5.16	4.55	--	-0.61

-- No change. ** Rounds to zero.

U.S. Wheat Seeded Acreage

31



U.S. Wheat Planted & Harvested Acres

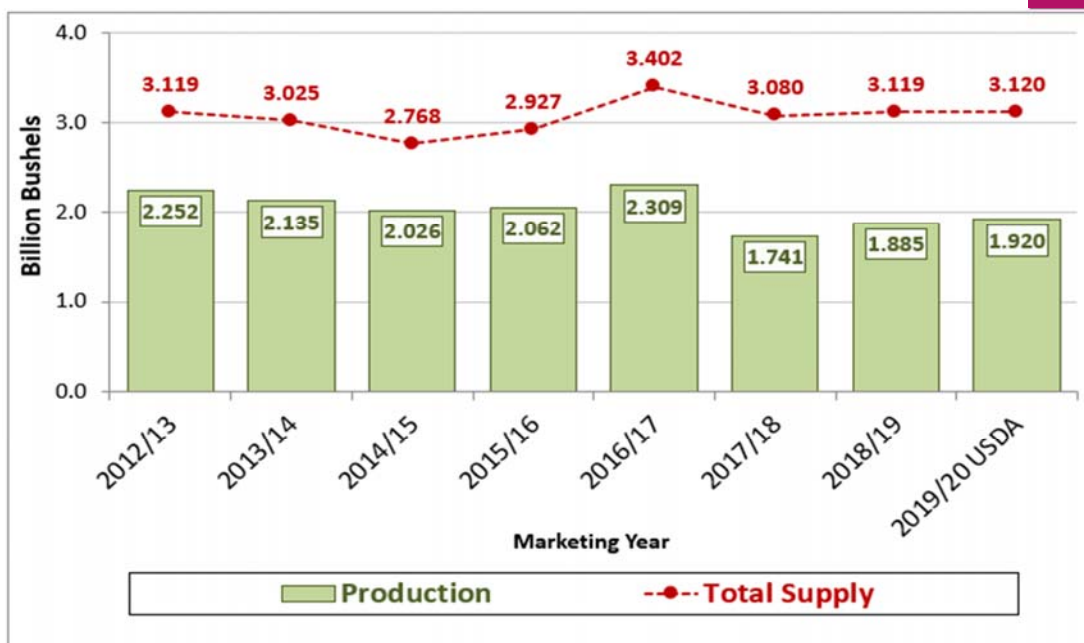
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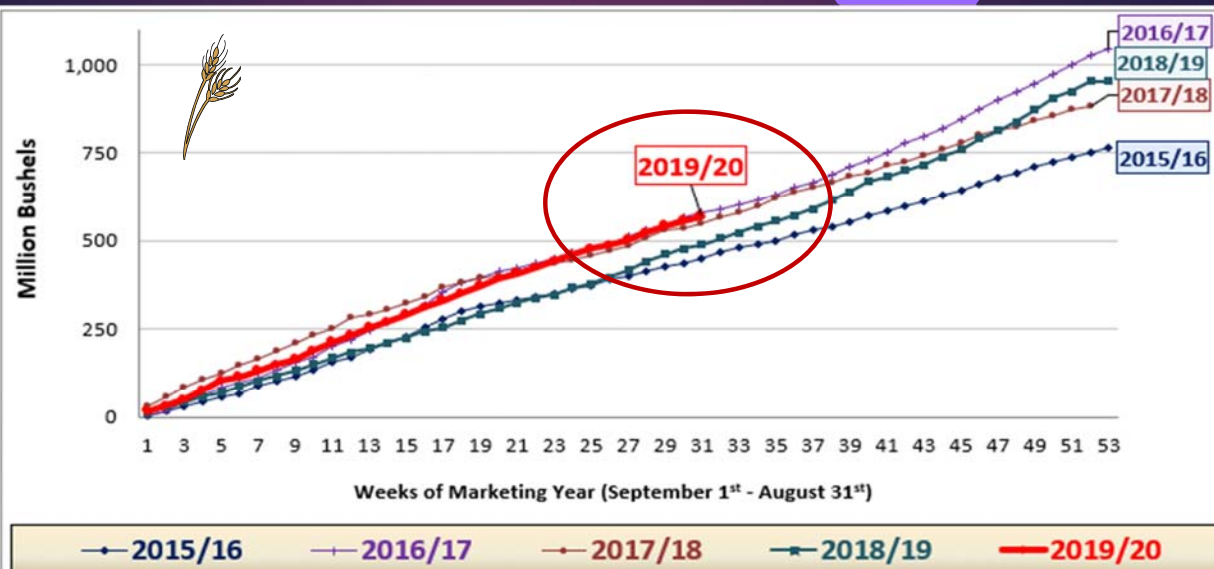
U.S. Wheat Yields



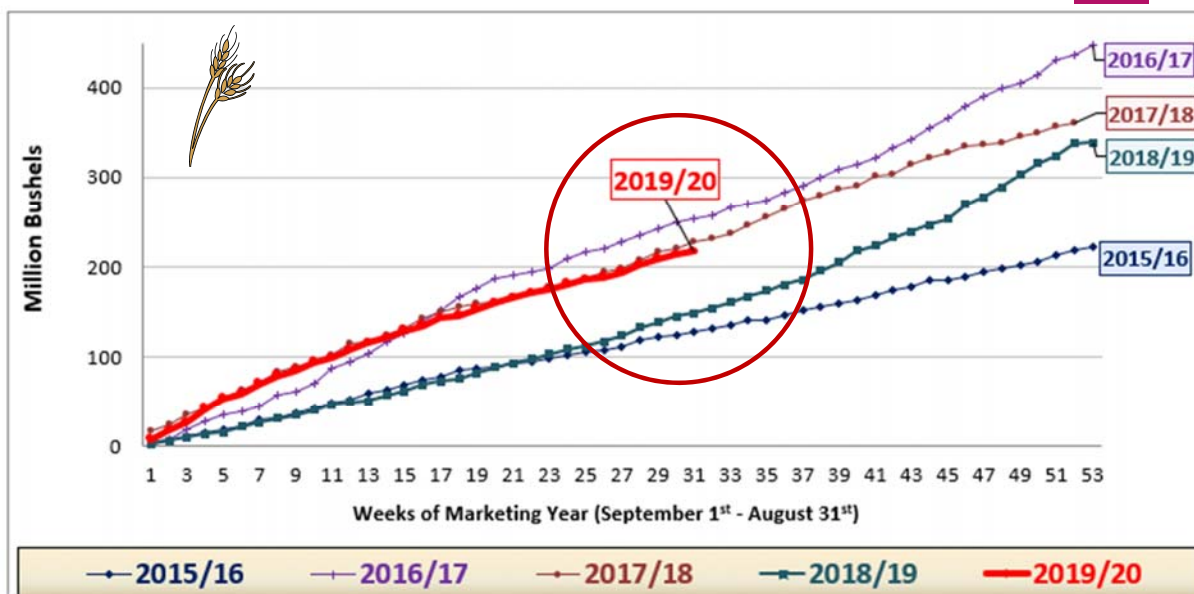
U.S. Wheat Production & Supplies



U.S. Wheat Exports – Weekly thru January 2, 2020

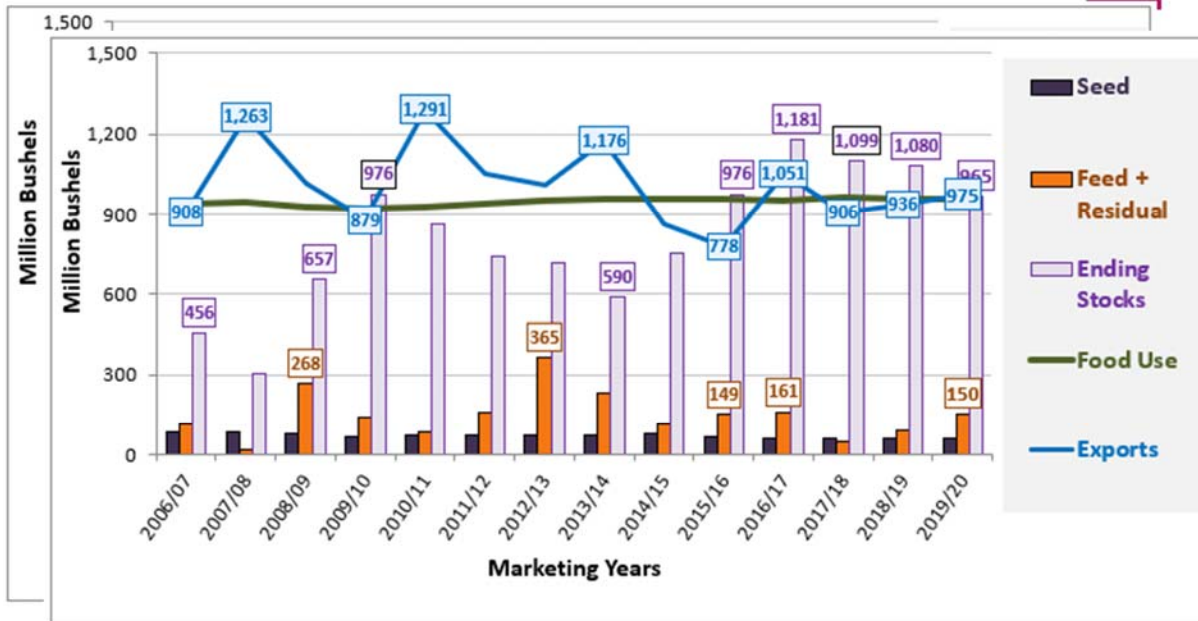


U.S. HRW Wheat Exports – Weekly thru January 2, 2020



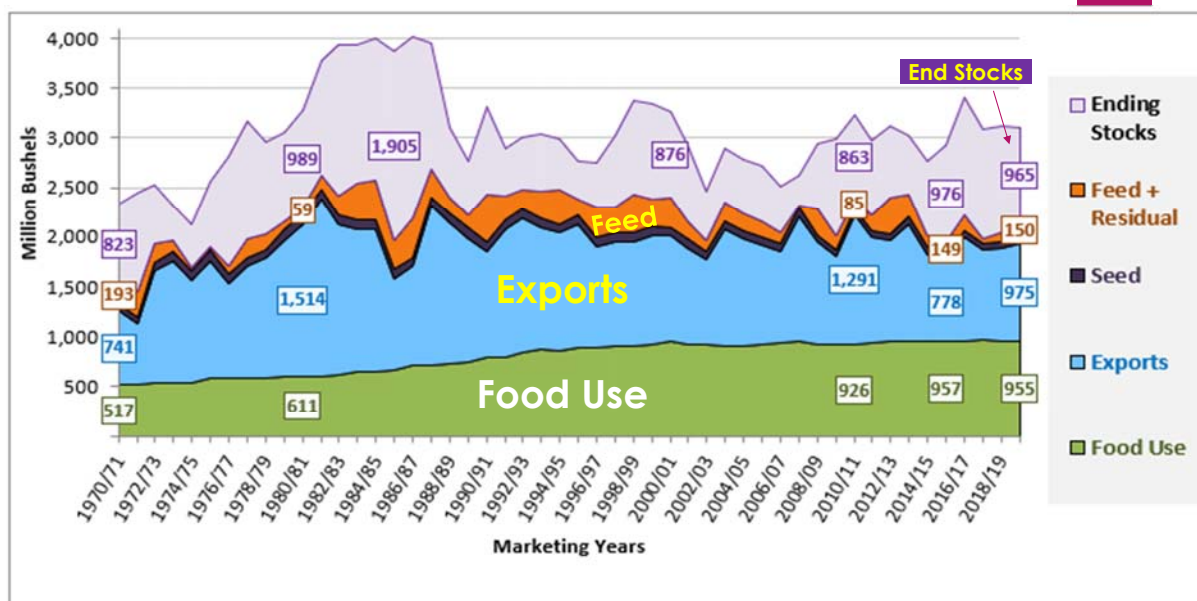
U.S. Wheat Use – By Category

38



U.S. Wheat Use – By Category

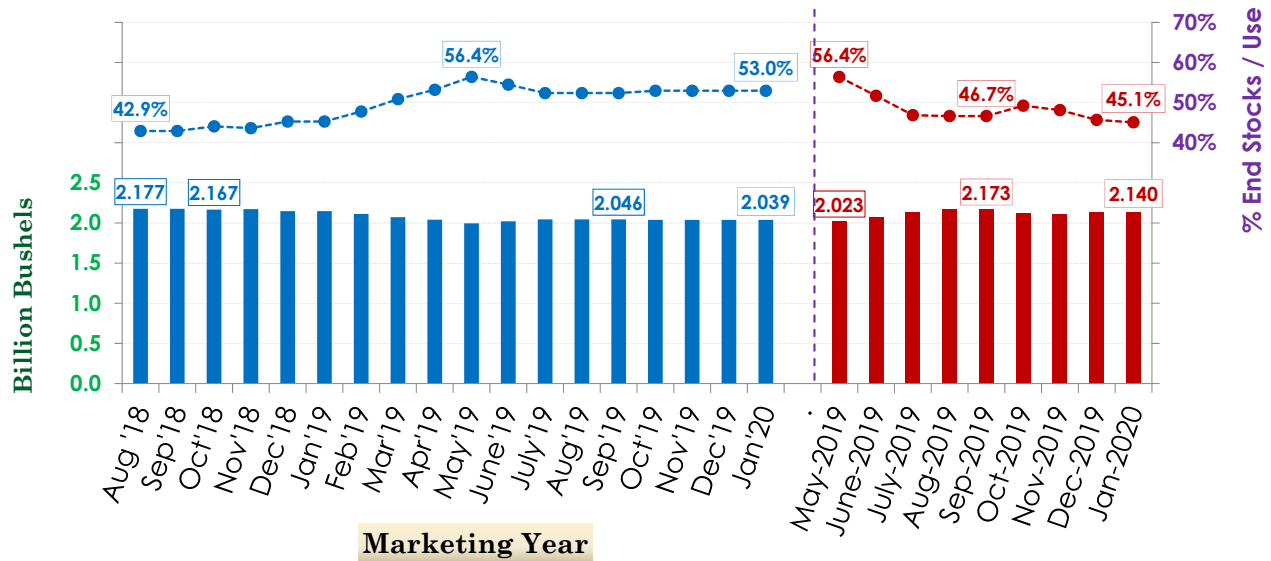
39



U.S. Wheat Total Use Projections (USDA)

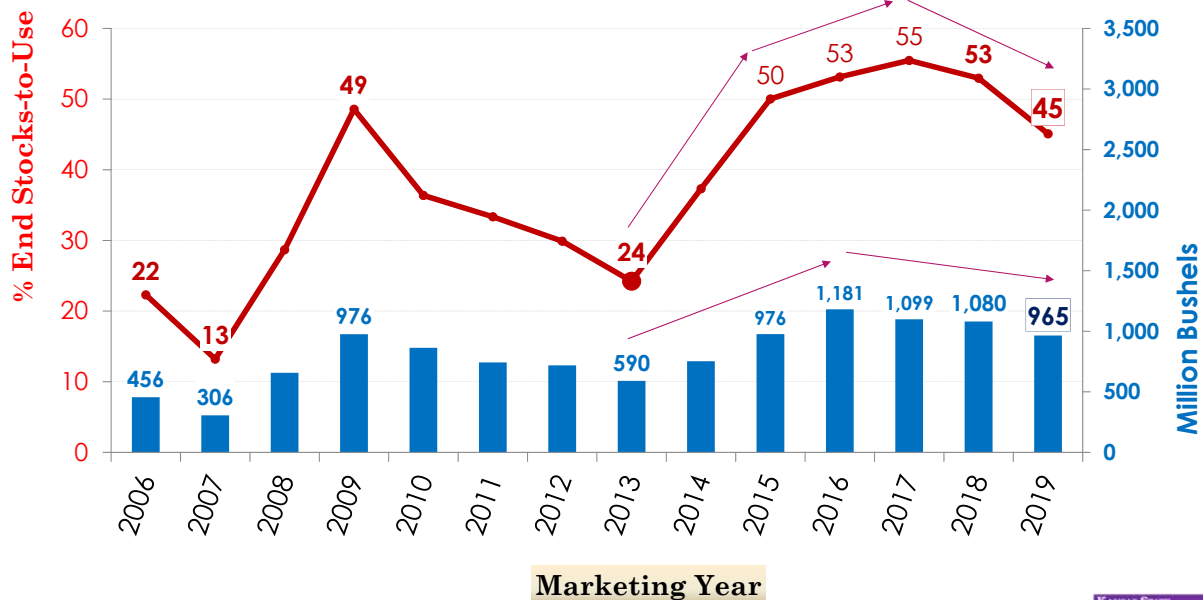
For "Old Crop" MY 2018/19 & "New Crop" MY 2019/20

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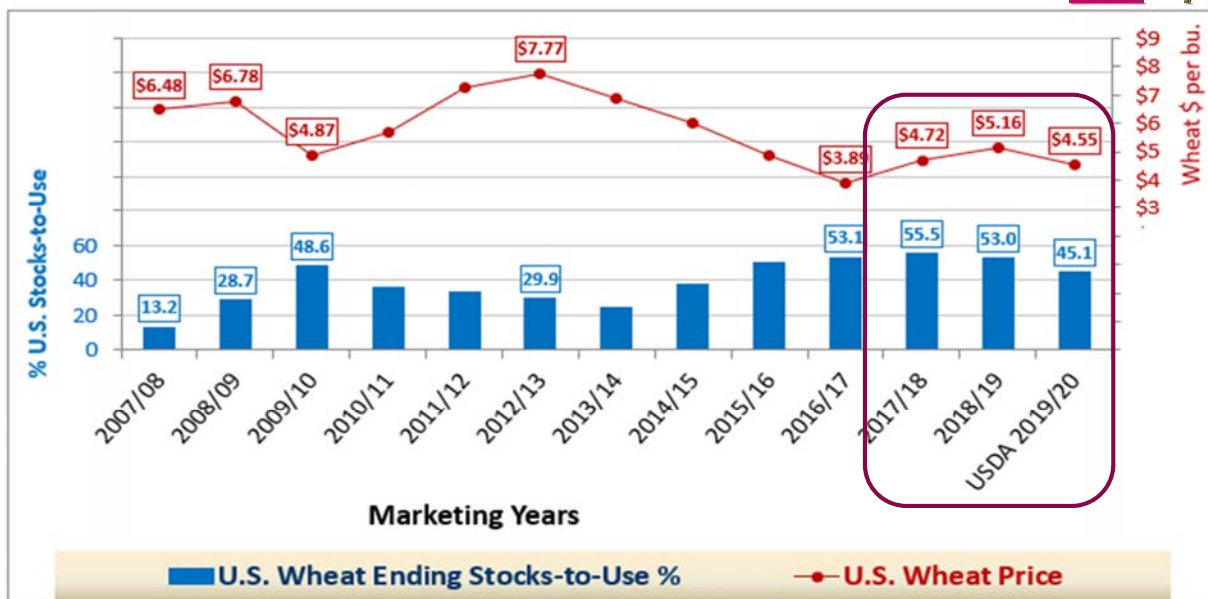
U.S. Wheat Ending Stocks & % Stx/Use

41



U.S. Wheat Ending Stocks/Use & Prices

42

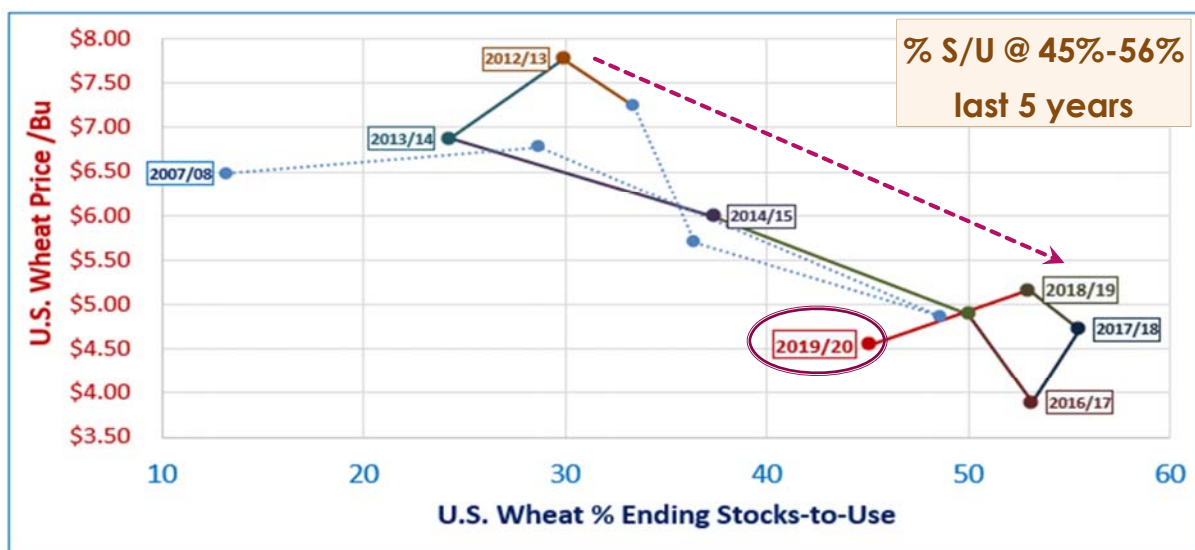


U.S. Wheat Price (\$) vs U.S. % Stocks/Use

43

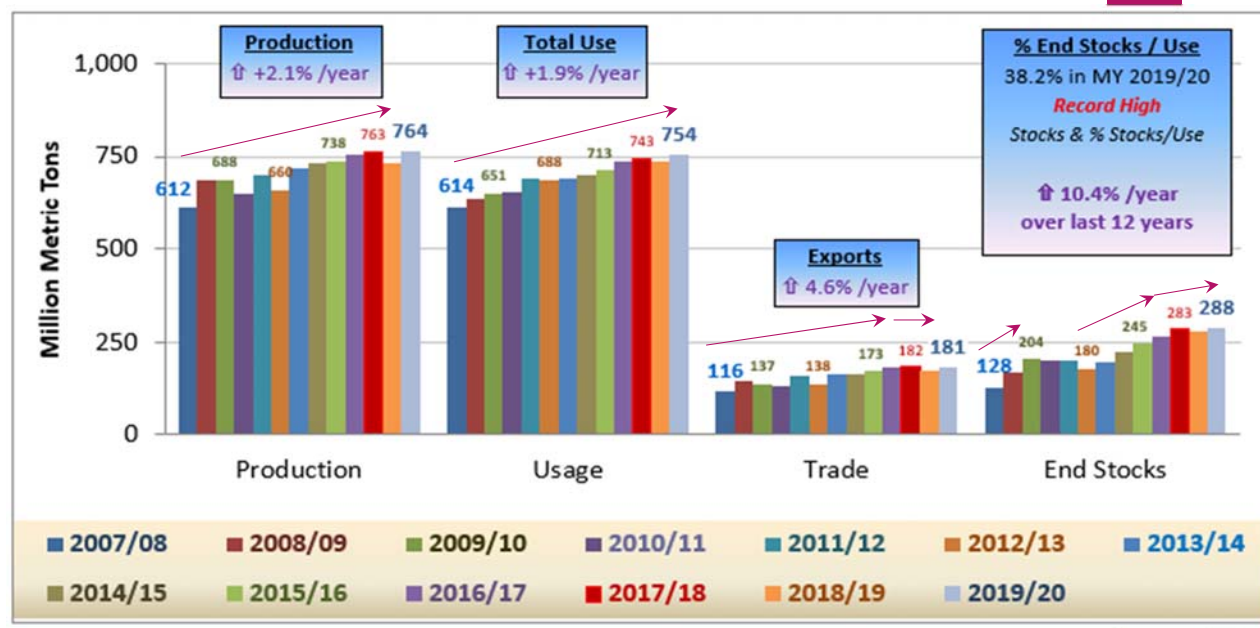


MY 2007/08 – “New Crop” MY 2019/20



World Wheat Supply, Use & Stocks

44



World Wheat Production

46

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
World	731.4	764.4	-1.0	32.9
United States	51.3	52.3	--	1.0
Foreign	680.1	712.1	-1.0	32.0
Argentina	19.5	19.0	--	-0.5
Canada	32.2	32.3	--	0.1
Australia	17.3	15.6	-0.5	-1.7
European Union	136.9	154.0	0.5	17.1
Turkey	19.0	19.0	--	--
Russia	71.7	73.5	-1.0	1.8
Ukraine	25.1	29.0	--	3.9
Kazakhstan	13.9	11.5	--	-2.4
China	131.4	133.6	--	2.2
India	99.9	102.2	--	2.3
Northwest Africa	12.3	9.9	--	-2.5

-- No change.

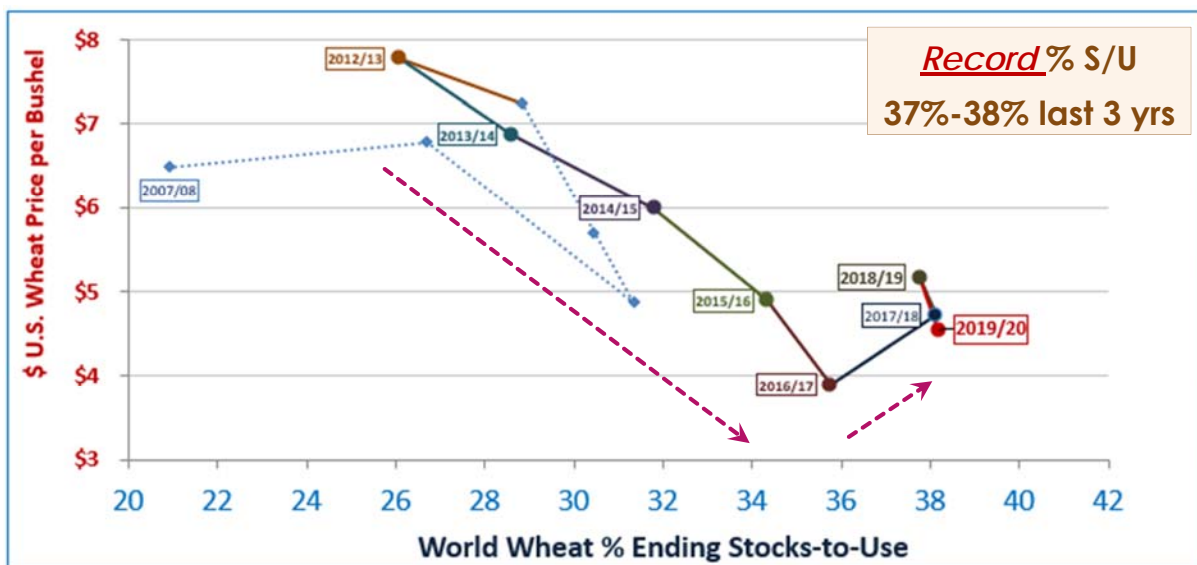
World Wheat Supply and Use

Item	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
Beginning stocks	283.1	278.1	0.2	-5.0
Production	731.4	764.4	-1.0	32.9
Total Supply	1,014.5	1,042.4	-0.8	27.9
Feed use	139.4	148.4	-0.3	8.9
Total use	736.4	754.4	0.6	17.9
Trade	173.1	181.1	1.3	8.0
Ending Stocks	278.1	288.1	-1.4	10.0

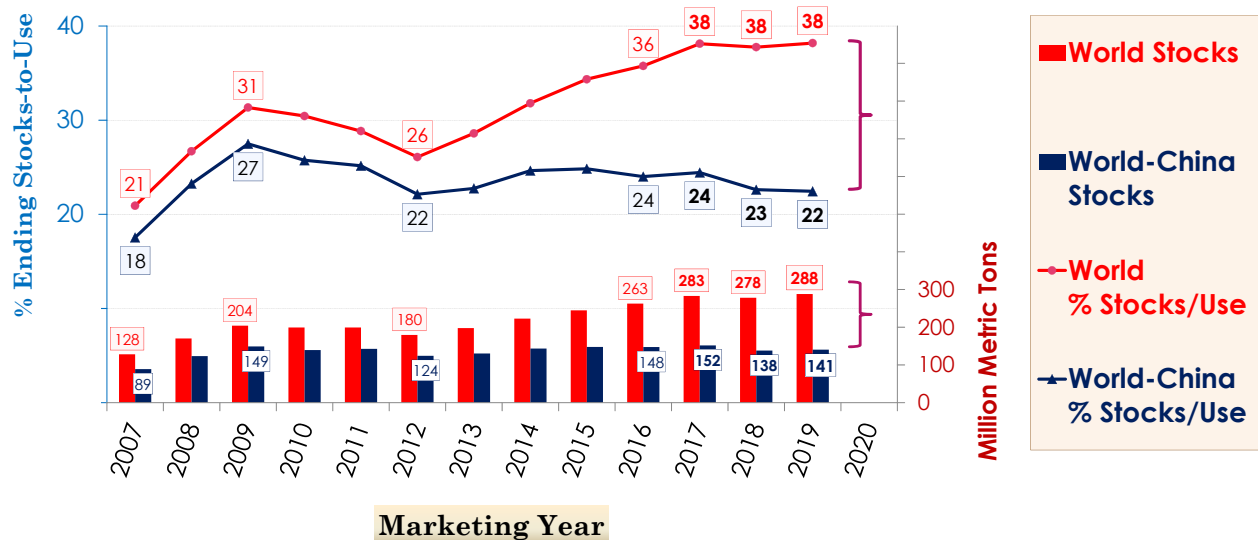
U.S. Wheat Price (\$) vs World % Stx/Use

MY 2007/08 – “New Crop” MY 2019/20

47

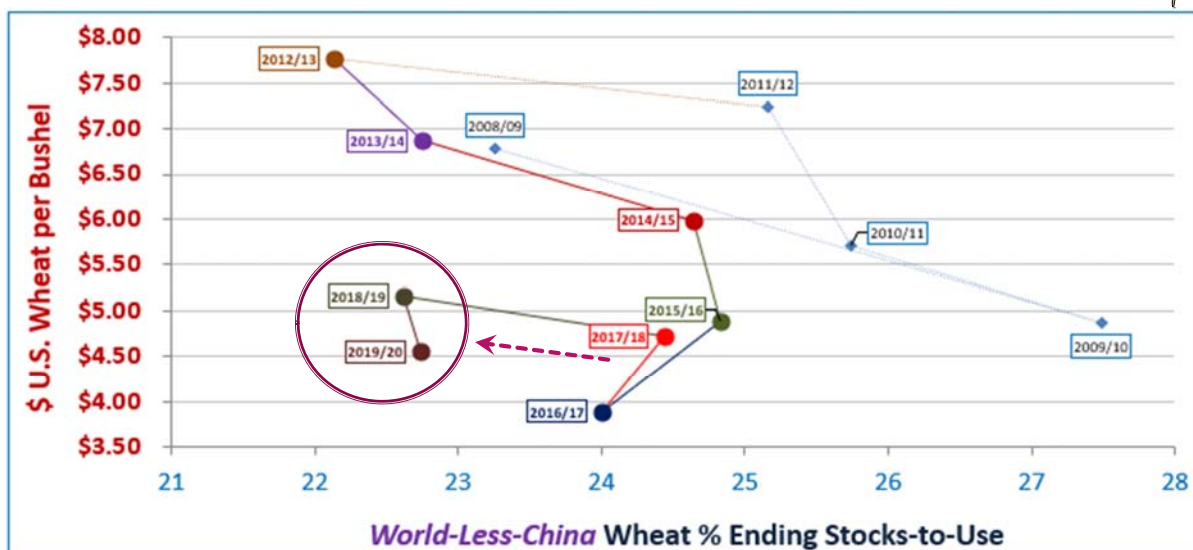


World & World-less-China WHEAT Stocks & %S/U



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

MY 1973/74 – “New Crop” MY 2019/20



World Wheat Market Prospects:

Large Supplies \Rightarrow Less of a “*Buyer's Market*”

50

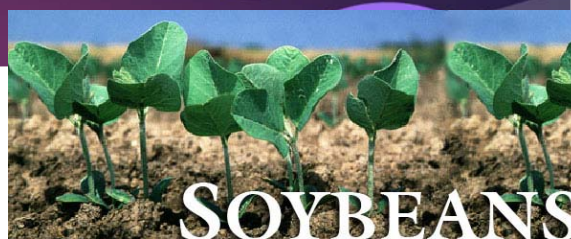


- Record Supplies & Record Use in MY 2019/20
 - **Production** \uparrow 2.1% /yr vs **Use** \uparrow 1.9% \Rightarrow **Stocks** \uparrow 10.4% Since 2007/08
- **MY 2019/20 crops:** \downarrow Argentina, Australia; \uparrow EU, Russia, Ukraine, China
- **Ongoing “competitive buying pressure” in World Trade**
 - Slowed growth in % *Stocks/Use* over last 2-3 years
 - **BUT** “Tighter” supplies from a *“World-Less-China” perspective*

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Soybean Markets

51



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U.S. Soybean Market Prospects in Year 2020

52

A. U.S.-China Trade Dispute

- *HAS* affected U.S. Soybean export shipments, forward purchases & prices, with recent positive negotiation news

B. U.S. Exports forecast *down 17%+* vs 2-3 year ago *highs*

- Foreign buyer “*switching*” between *U.S.* & *South America*
- **U.S. China Trade Dispute Resolution** likely to be “*positive*”

C. Market Focus in Winter-Spring of Year 2020

- **So. America** crops & **U.S. Acres, Planting Progress, etc.**

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CME Soybean Futures

Weekly Chart: Fall 2015 through January 15, 2020

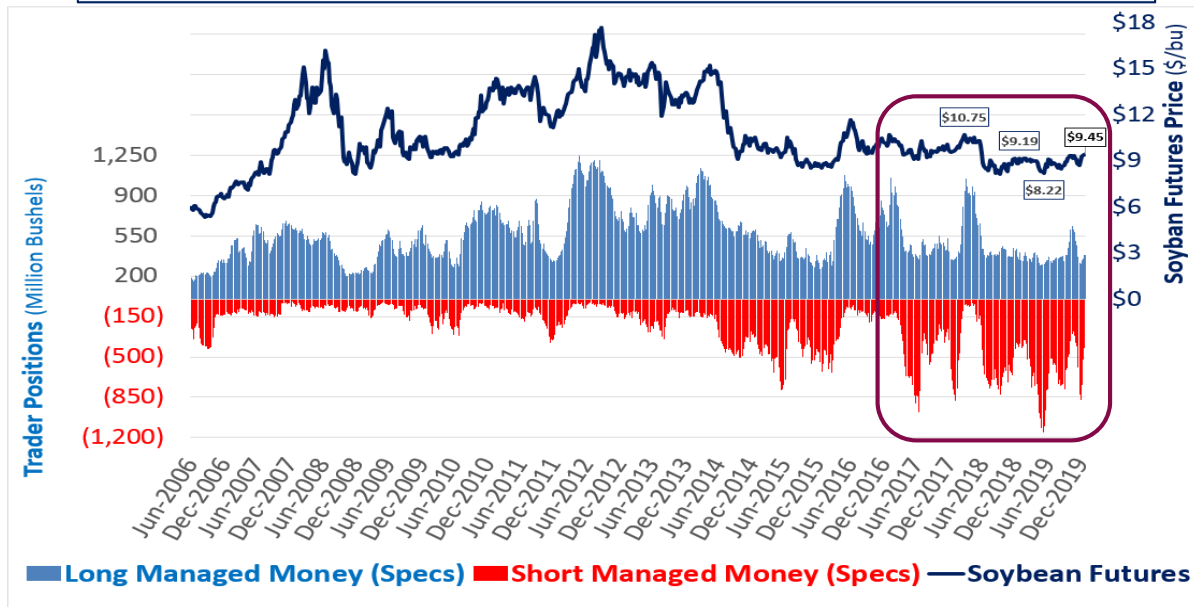
53



Managed Money (Spec) Positions in Soybeans

CFTC Commitment of Traders to January 7, 2020

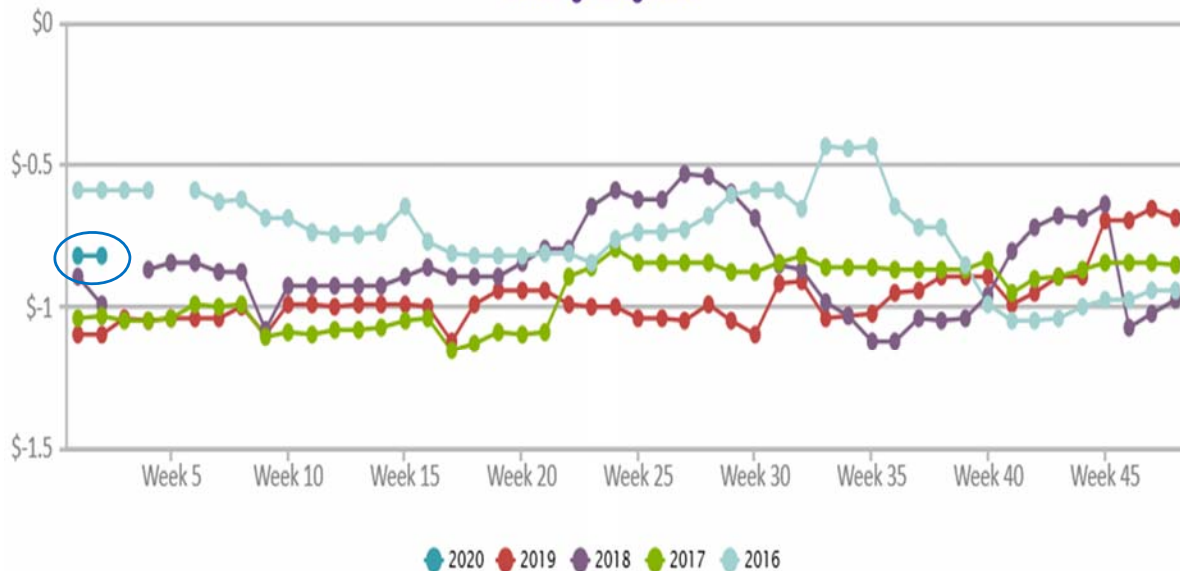
55



WICHITA, KS: Soybeans Basis - MID KANSAS COOP

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56



Soybean Cash Bids – Near Wellington, KS

57

Wednesday, January 15, 2020 (Source: DTN Grains)

Elevator/Location	Jan 2020	Feb 2020	Mar 2020	Oct 2020
SCOLAR GRAIN CO WELLINGTON, KS	8.43	---	---	---
PROGRESSIVE AG COOP WELLINGTON, KS	8.43	---	---	8.64
PROGRESSIVE AG COOP MAYFIELD, KS	8.43	---	---	8.64
PROGRESSIVE AG COOP OXFORD, KS	8.43	---	---	8.64
FARMERS COOP GRAIN ASSOC. BELLE PLAINE, KS	8.48	---	---	8.64
VALLEY COOP WINFIELD, KS	8.43	---	---	8.64
TWO RIVERS COOP- ARK CITY WEST ASHTON, KS	8.41	---	---	8.64
TWO RIVERS COOP GEUDA SPRINGS, KS	8.41	---	---	8.64
MID KANSAS COOP MILAN, KS	8.48	---	---	8.69

2020 KSU Cost of Production

Budget Estimates

Non-Irrigated Soybeans

South Central KS

@ \$31 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$6.97 /bu
- All Cost (With Cash Rent) = \$8.27 /bu

DC_GR112

Dodge City, KS

Wed, Jan 15, 2020

USDA-KS Dept of Ag Market News

58

Central Kansas Terminal and Processor Daily Grain Report

TERMINAL US NO 2 SOYBEANS

	Bids	Change (¢/bu)	Basis	Change
Atchison	8.86	DN 13	-43H	UNCH
Topeka	8.79	DN 13	-50H	UNCH
Salina	8.59	DN 8-DN 13	-70H	UP 5-UNCH
Newton	8.38	DN 13	-91H	UNCH
Hutchinson	8.36-8.59	DN 13	-93H to -70H	UNCH
Wichita	8.48	DN 13	-81H	UNCH
Wellington	8.44	DN 13	-85H	UNCH
Arkansas City	8.42	DN 13	-87H	UNCH

PROCESSOR US NO 2 SOYBEANS

	Bids	Change (¢/bu)	Basis	Change
Emporia	9.09	DN 13	-20H	UNCH
Wichita	9.06	DN 13	-23H	UNCH

U.S. Soybeans Supply and Demand

59

Item	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
Planted area (million acres)	89.2	76.1	-0.4	-13.1
Harvested area (million acres)	87.6	75.0	-0.6	-12.6
Yield (bushels per acre)	50.6	47.4	0.5	-3.1
----- Million bushels -----				
Beginning stocks	438	909	-4	471
Production	4,428	3,558	8	-870
Imports	14	15	-5	1
Total supply	4,880	4,482	-1	-398
Crush	2,092	2,105	--	13
Seed and Residual	132	128	**	-4
Domestic use	2,224	2,233	**	9
Exports	1,748	1,775	--	27
Total use	3,971	4,008	**	37
Ending stocks	909	475	**	-435
----- Percent -----				
Stocks to use ratio	22.9	11.8	**	-11.1
----- Dollars per bushel -----				
Average market price	8.48	9.00	0.15	0.52

-- No change. ** Rounds to zero.

U.S. Soybean Stocks.....

60

• Soybean: “Moderate-Large” Stocks & % S/U

○ End Stocks ^{2019/20} → 475 mln bu (vs 909 mb last yr)

○ % Stocks/Use ^{2019/20} → 11.8% S/U (vs 23.0% last yr)

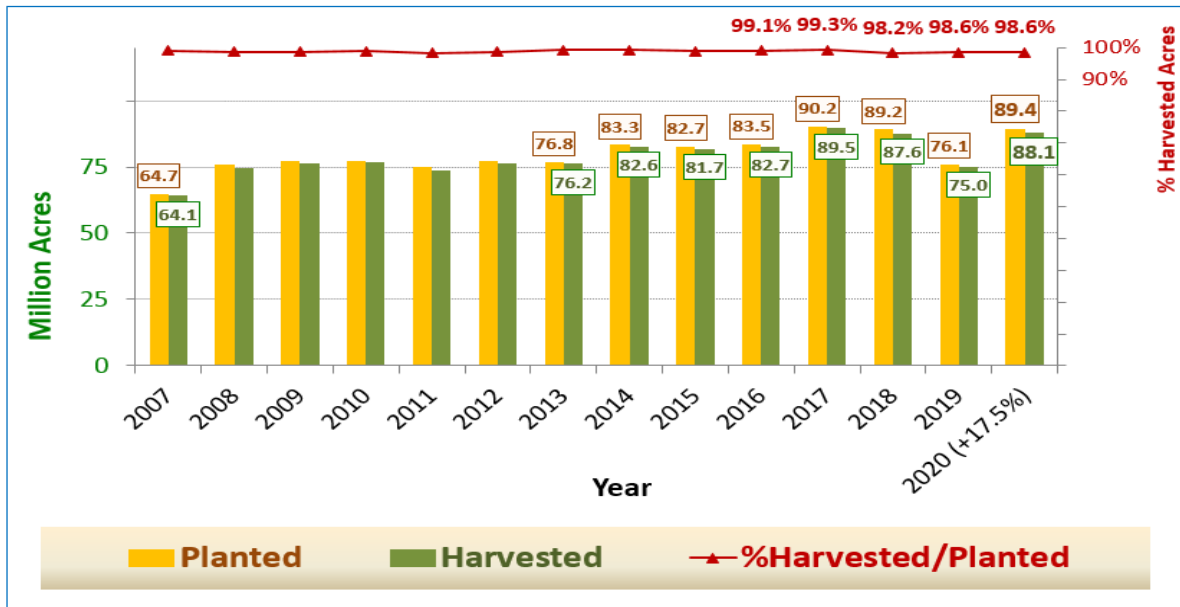
○ USDA WASDE January 10, 2020 Pre-Report Estimates

	Survey Results			USDA
2019-20 Crop:	Avg	Low	High	Dec.
Soybeans	431	310	520	475

U.S. Soybean Acreage

For 2020 ???
Increase of 10-15%+

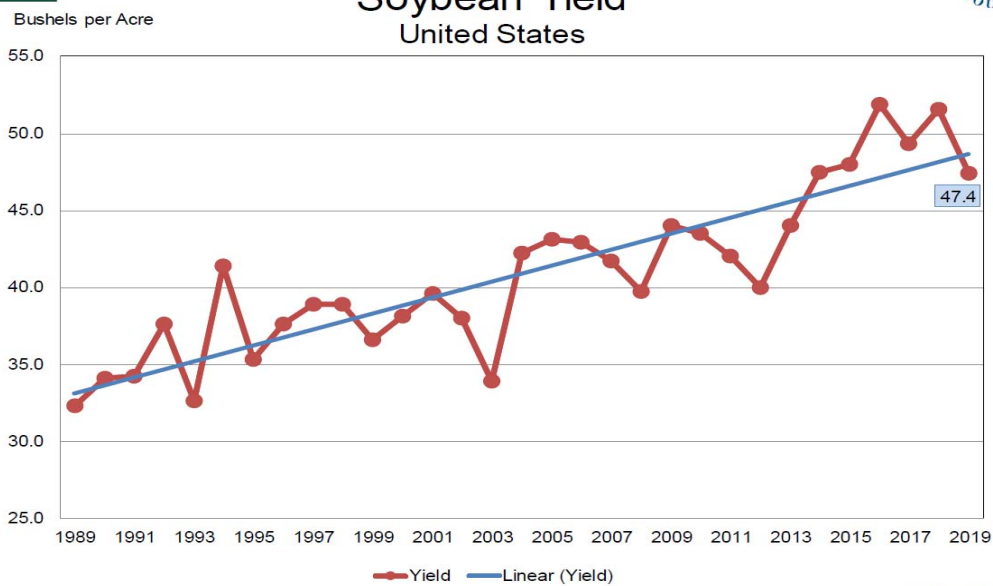
61



Soybean Yield United States



62



USDA-NASS
1-10-20

U.S. Soybean Yields

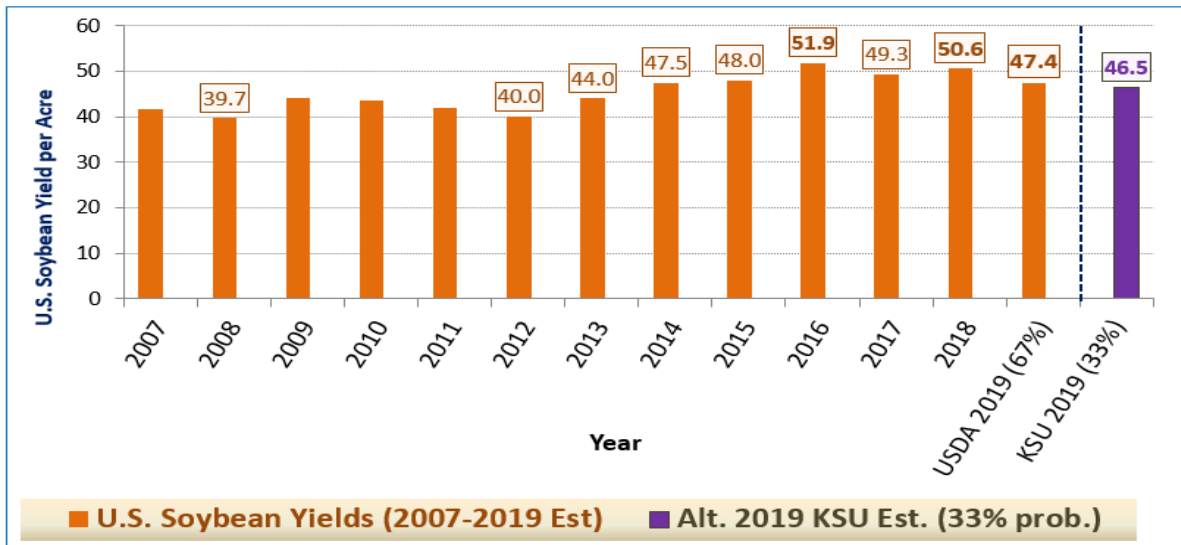
USDA 2019 = 47.4 bu/ac

Final 2019???

Impact of Late Harvest???

IS 46.5 bu/ac near final #?

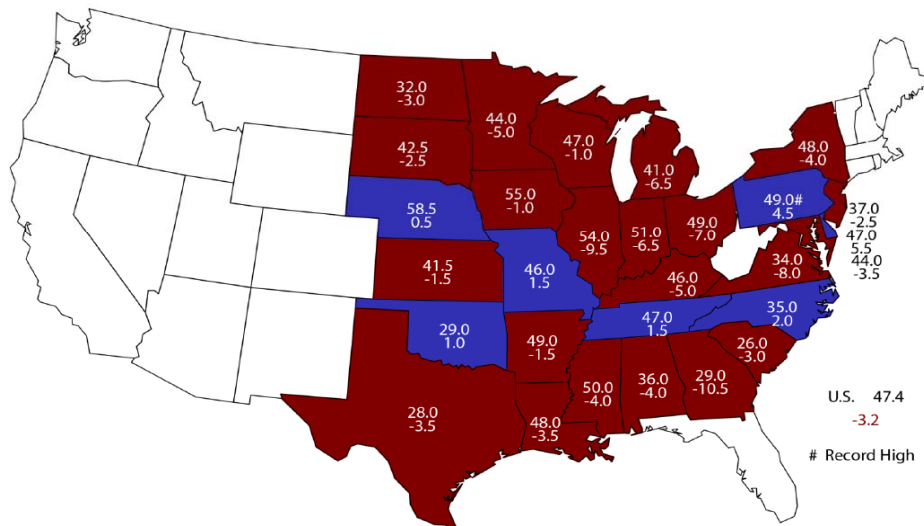
63



2019 Soybean Yield Bushels and Change From Previous Year



64



USDA-NASS
1-10-20

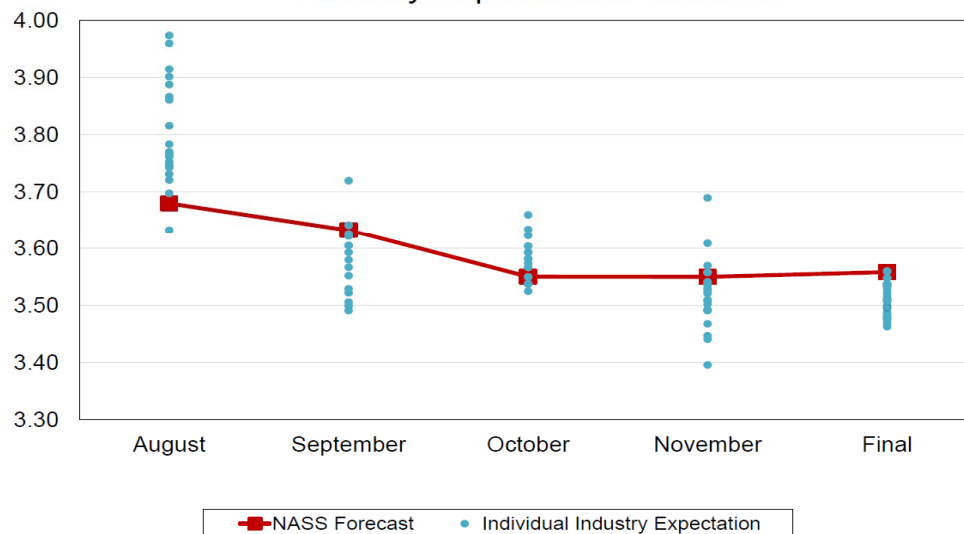


Billion Bushels

2019 United States Soybean Production Industry Expectations vs NASS



65



USDA-NASS
1-10-20



Percent of Acres Remaining To Be Harvested



66

Crop	2009	2016	2017	2018	2019
Corn	9.9	0.5	1.1	2.5	8.0
Soybeans	3.0	0.2	0.5	3.4	2.0
Sorghum	7.0	0.4	0.3	4.0	0.9

KSU Estimate of
Crops Not Yet
Harvested

≈ 1,095 mb

≈ 71 mb

≈ 6 mb

USDA-NASS
1-10-20

Soybeans Harvested – Selected States

[These 18 States harvested 96% of the 2018 soybean acreage]

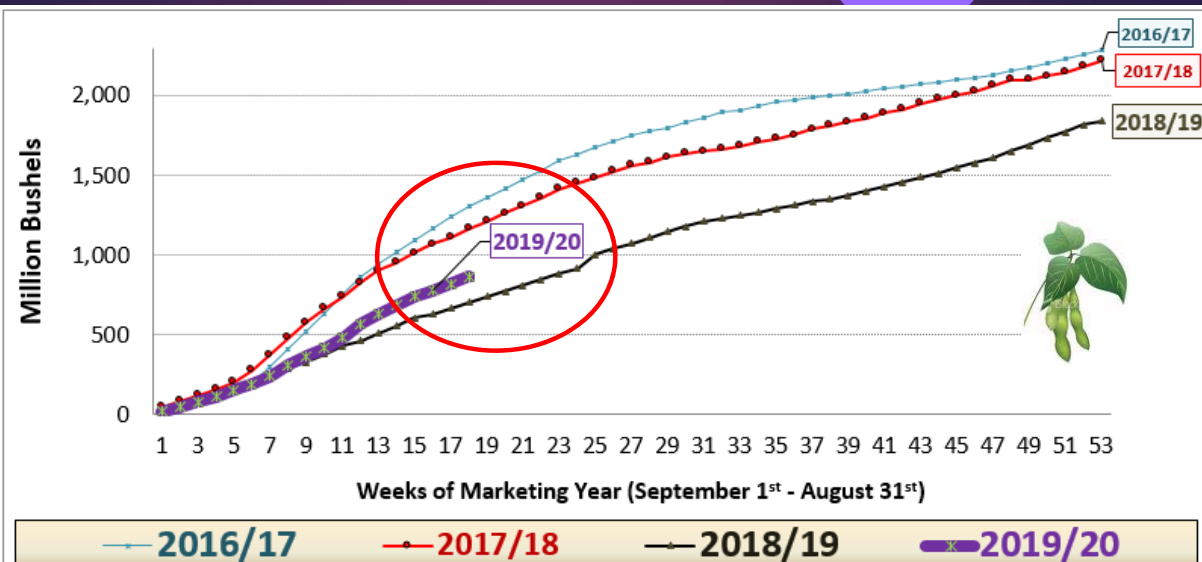
State	Week ending			2014-2018 Average
	December 1, 2018	November 24, 2019	December 1, 2019	
	(percent)	(percent)	(percent)	(percent)
Arkansas	93	96	98	98
Illinois	100	95	100	100
Indiana	98	94	96	99
Iowa	100	97	98	100
Kansas	95	95	97	98
Kentucky	90	92	96	95
Louisiana	99	100	100	100
Michigan	92	80	85	97
Minnesota	100	98	99	100
Mississippi	98	98	99	99
Missouri	98	91	96	96
Nebraska	100	100	100	100
North Carolina	71	67	75	77
North Dakota	95	89	92	99
Ohio	97	93	95	99
South Dakota	100	99	100	100
Tennessee	88	91	95	95
Wisconsin	99	82	86	99
18 States	97	94	96	99

U.S. Soybean Production & Supplies



Likely to have
Acres & Production
Increase in Yr 2020

U.S. Soybean Exports – Weekly thru January 2, 2020



U.S. Soybean Export Sales & Shipments

As of January 2, 2020

In 1,000 metric tons

For "New Crop"

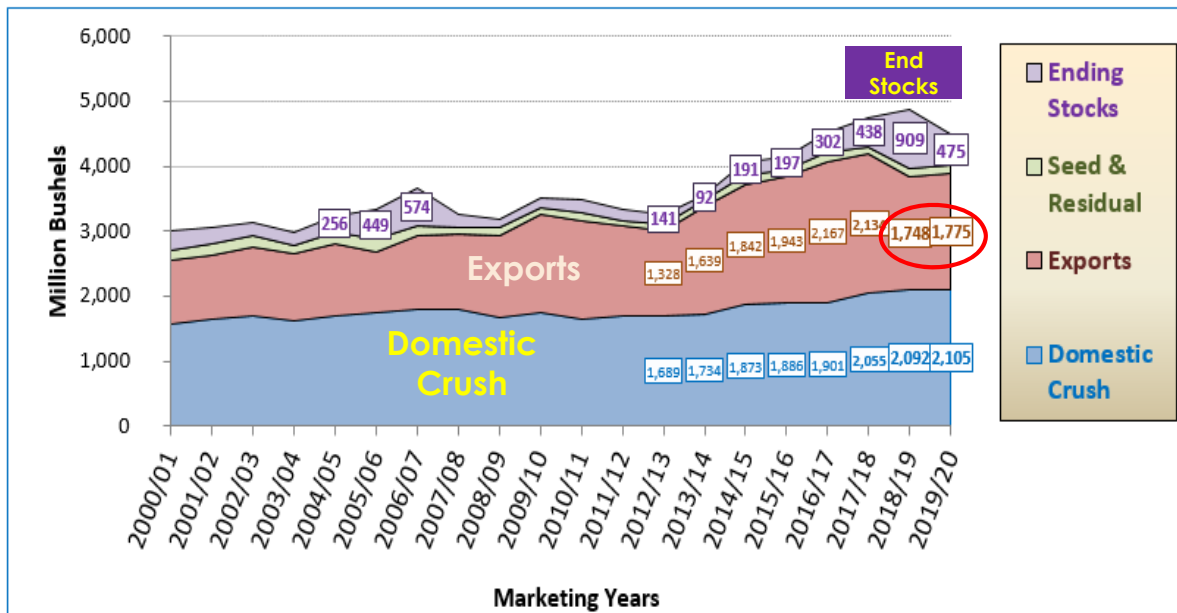
MY 2019/20

Sept. 1, 2019 thru August 31, 2020

DESTINATION	OUTSTANDING SALES ACCUM'ATED EXPORTS			
	THIS WEEK	YR AGO	THIS WEEK:	YR AGO
EUROPEAN UNION - 27	55.0	275.0	2824.9	5038.6
GERMANY	0.0	0.0	647.4	698.7
ITALY	*	60.0	117.1	543.6
NETHLD	0.0	0.0	580.4	1311.4
PORTUGL	0.0	40.0	328.6	374.8
SPAIN	55.0	115.0	939.6	1372.1
JAPAN	441.0	469.5	767.7	907.3
TAIWAN	402.0	308.5	935.7	775.2
CHINA	1745.8	3009.5	9426.0	474.0
OTHER ASIA AND OCEANIA:	1020.0	1263.9	4478.5	4881.8
BANGLADH	220.0	2.5	698.1	353.0
INDNSIA	220.0	377.5	736.4	785.8
KOR REP	43.0	45.2	416.5	437.3
PAKISTN	132.0	262.0	798.2	749.3
THAILND	158.7	299.7	756.7	867.0
VIETNAM	68.2	53.6	446.1	429.2
AFRICA	108.0	202.0	1318.6	1315.4
EGYPT	108.0	172.0	1129.9	1054.8
TUNISIA	0.0	30.0	188.7	214.1
WESTERN HEMISPHERE	1281.0	3006.4	2212.5	4417.0
ARGENT	0.0	226.0	0.0	1713.8
CANADA	6.5	152.0	28.6	494.1
COLOMB	31.1	28.8	207.8	217.8
MEXICO	1131.4	2383.6	1718.5	1716.3
TOTAL KNOWN & UNKNOWN	7807.5	12517.3	21963.8	17851.9

U.S. Soybean Use & End Stocks

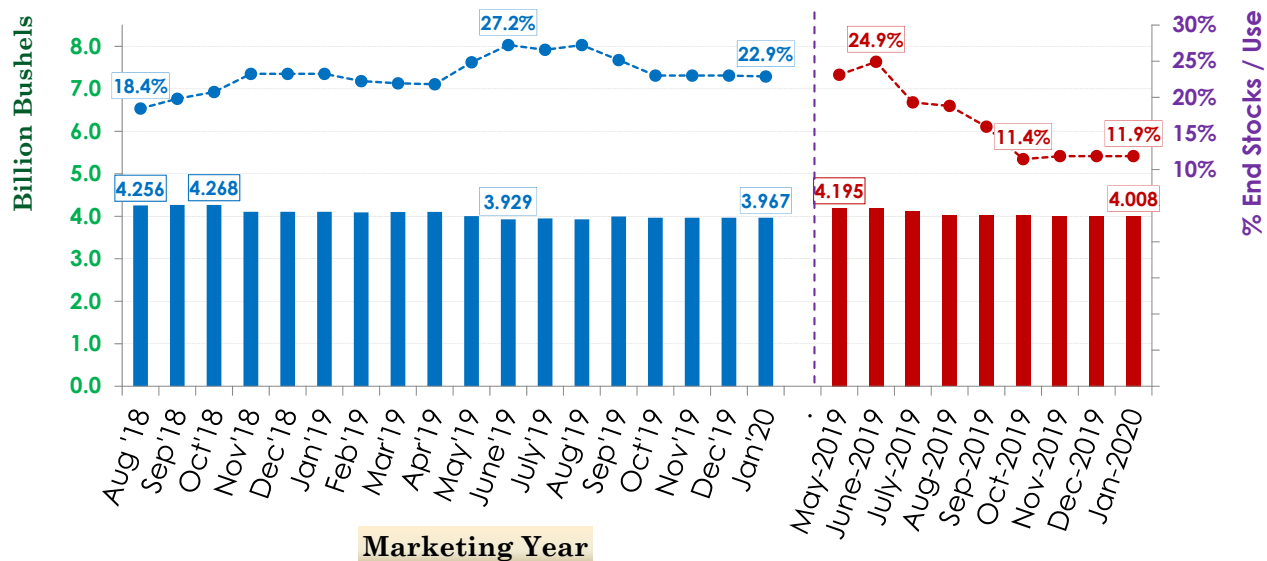
66



U.S. Soybean Total Use Projections (USDA)

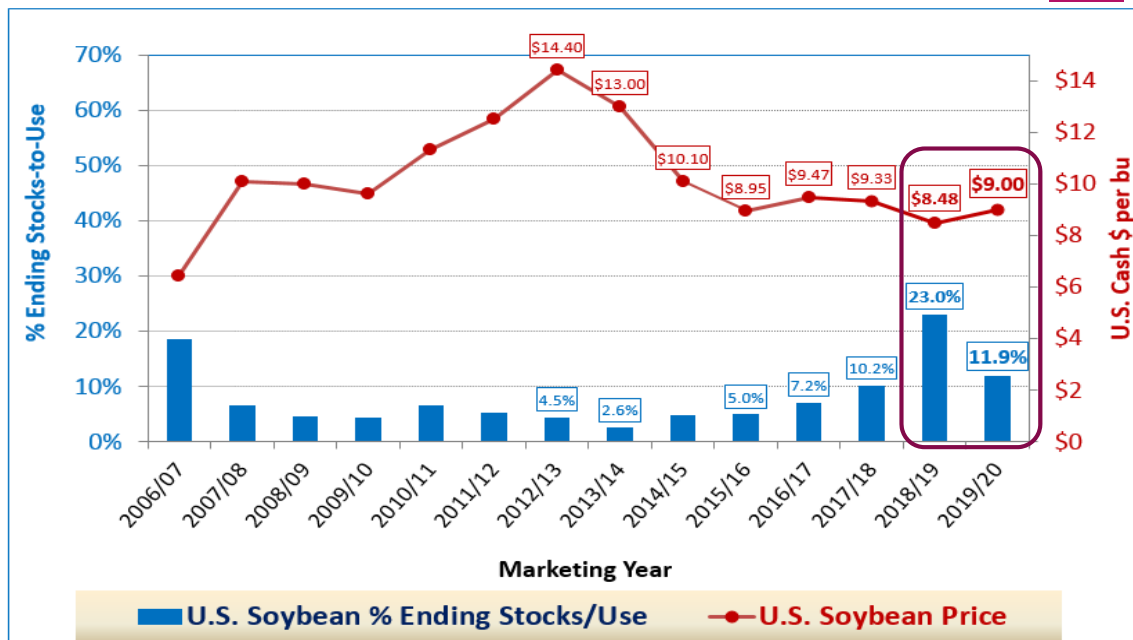
For "Old Crop" MY 2018/19 & "New Crop" MY 2019/20

72



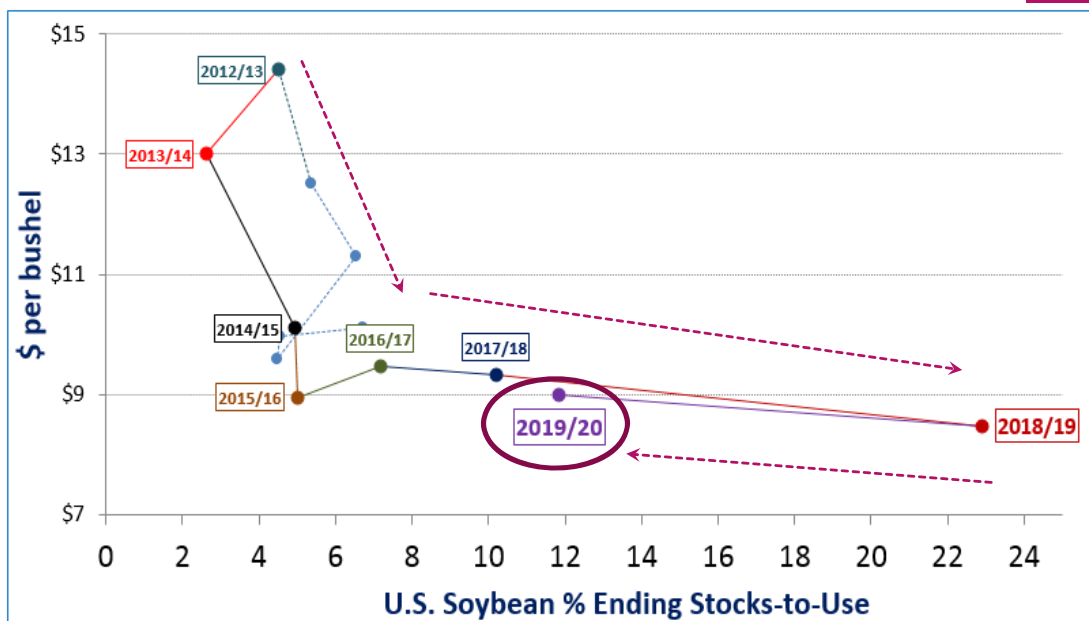
U.S. Soybean % Stocks/Use vs Price\$

68



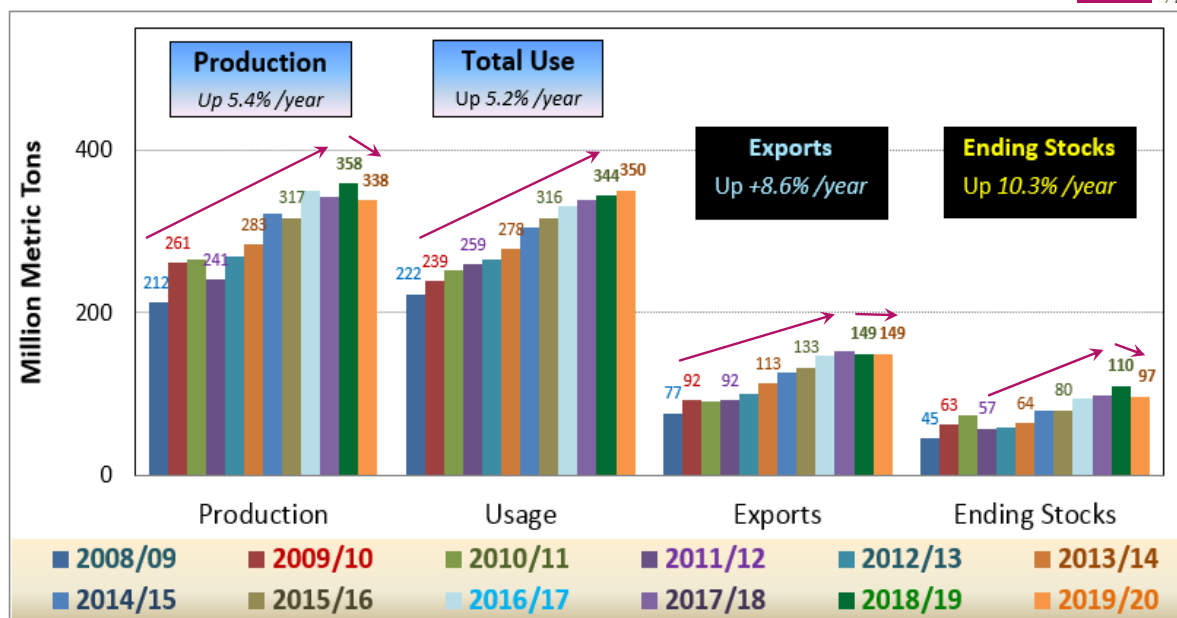
U.S. Soybean % Stocks/Use vs Price\$

69



World Soybean Supply, Use & Stocks

70



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World Soybean Production

76

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
World	358.3	337.7	0.2	-20.6
United States	120.5	96.8	0.2	-23.7
Foreign	237.8	240.9	**	3.1
Argentina	55.3	53.0	--	-2.3
Brazil	117.0	123.0	--	6.0
Paraguay	8.8	10.2	--	1.3
Canada	7.3	6.0	--	-1.3
India	10.9	9.0	--	-1.9
China	16.0	18.1	--	2.1

-- No change. ** Rounds to zero.

World Soybean Supply and Use

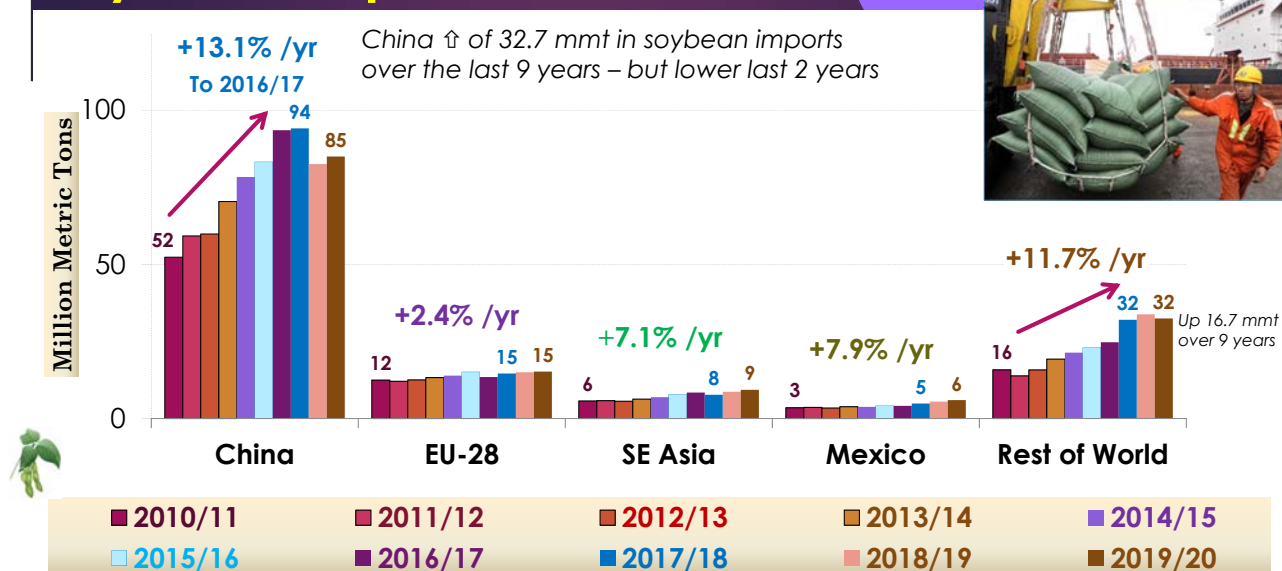
77

Item	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
Beginning stocks	98.9	110.3	0.5	11.4
Production	358.3	337.7	0.2	-20.6
Total Supply	457.2	448.0	0.7	-9.2
Crush	298.3	303.6	0.8	5.2
Total use	343.6	350.1	0.4	6.5
Trade	149.2	149.1	--	-0.1
Ending Stocks	110.3	96.7	0.3	-13.6
Addendum				
Beginning stocks				
Argentina plus Brazil	56.5	59.2	0.5	2.7
Imports*				
China	82.5	85.0	--	2.5

January 10, 2020

Soybean Importer Purchases

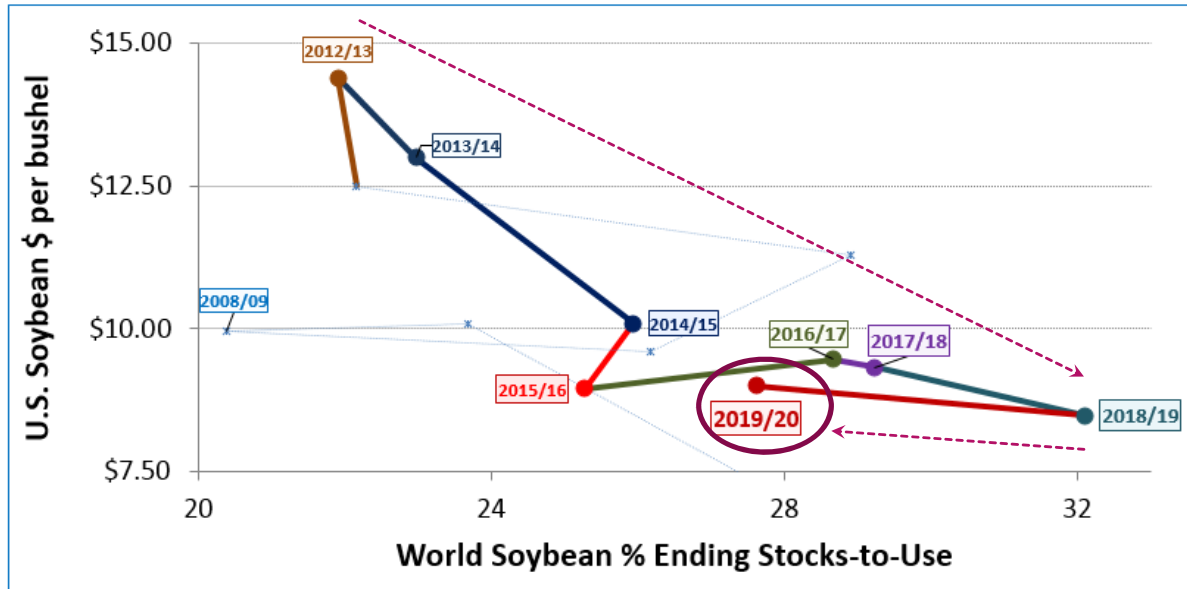
73



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

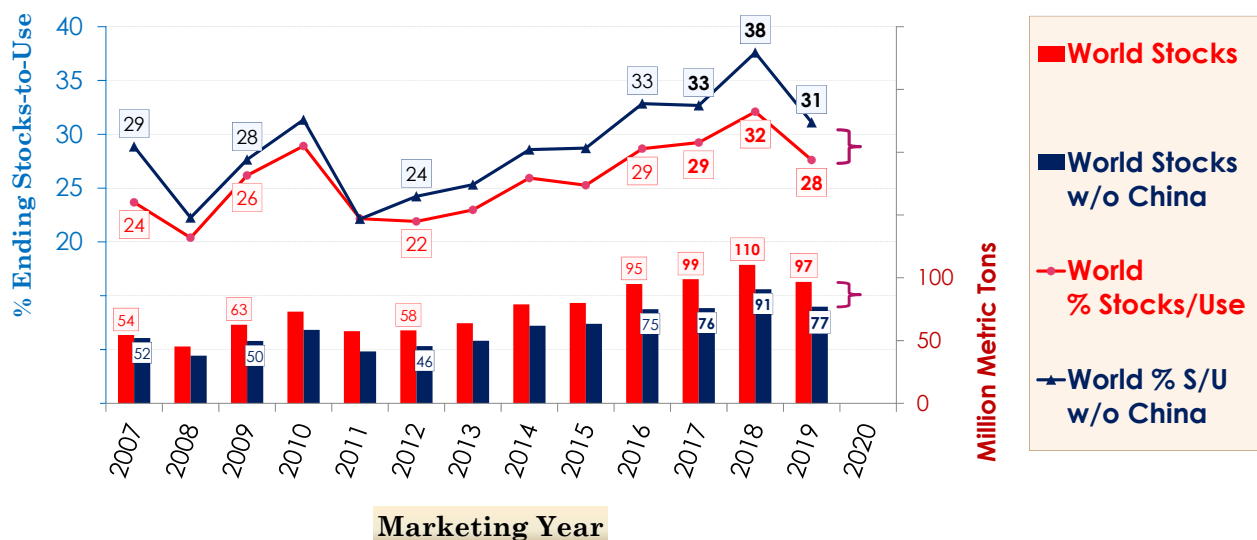
MY 2007/08 through "New Crop" MY 2019/20

74



75

World & World-less-China SOYBEAN Stocks & %S/U



Corn Markets

81



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CME Corn Futures

Weekly Chart: November 2014 – January 15, 2020

82



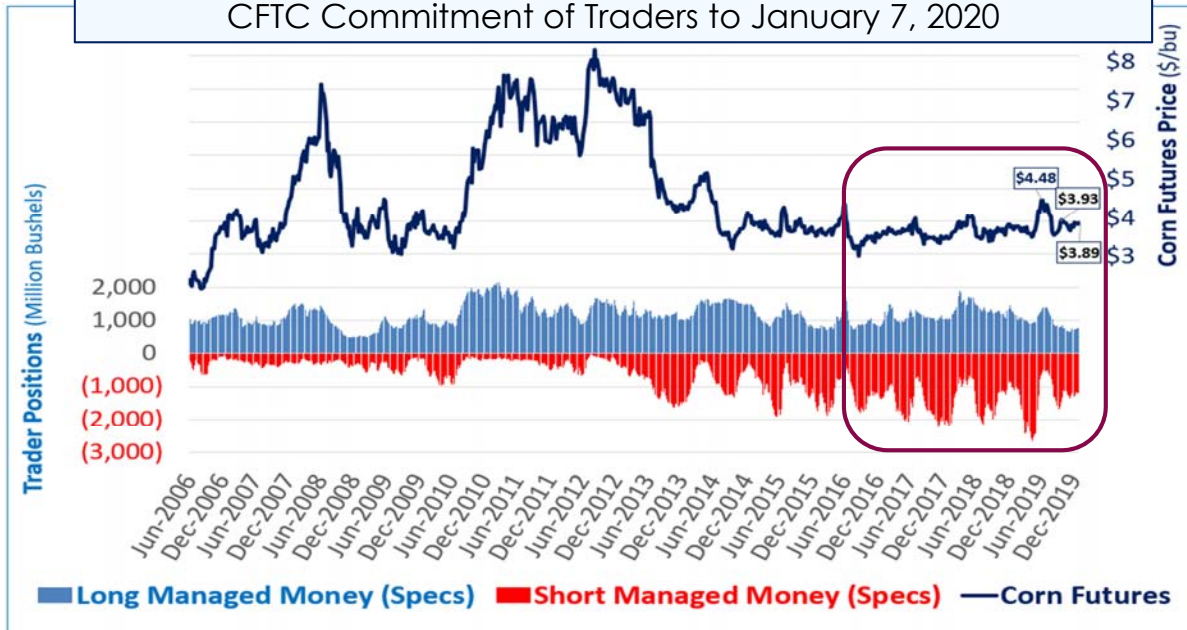
TFC Commodity Charts



Managed Money (Spec) Positions in CME Corn

CFTC Commitment of Traders to January 7, 2020

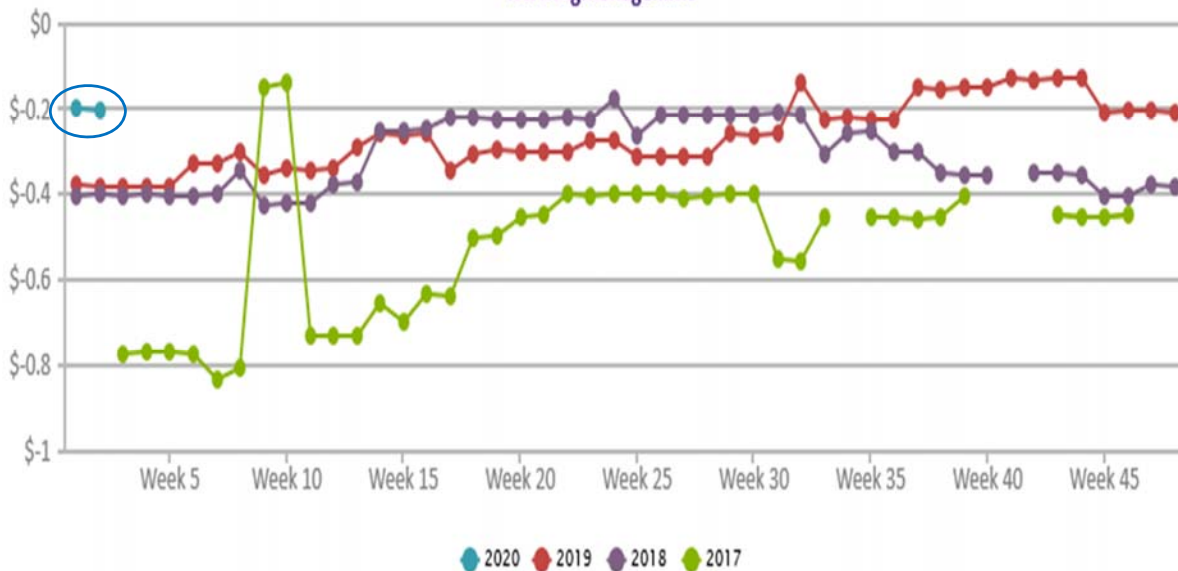
83



ARGONIA, KS: Corn Basis - PROGRESSIVE AG COOP

www.AgManager.info

4



Corn Cash Bids – Near Wellington, KS

85

Wednesday, January 15, 2020 (Source: DTN Grains)

Elevator/Location	Jan 2020	Oct 2020	Nov 2020
SCOLAR GRAIN CO WELLINGTON, KS	3.70	---	---
PROGRESSIVE AG COOP WELLINGTON, KS	3.65	---	3.67
PROGRESSIVE AG COOP MAYFIELD, KS	3.64	---	3.67
PROGRESSIVE AG COOP OXFORD, KS	3.65	---	3.67
FARMERS COOP GRAIN ASSOC. BELLE PLAINE, KS	3.65	---	3.67
VALLEY COOP WINFIELD, KS	3.65	---	3.67
TWO RIVERS COOP- ARK CITY WEST ASHTON, KS	3.63	---	3.67
TWO RIVERS COOP GEUDA SPRINGS, KS	3.63	---	3.67

2020 KSU Cost of Production

Budget Estimates

Non-Irrigated Corn

South Central KS

@ \$110 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$2.86 /bu
- All Cost (With Cash Rent) = \$3.28 /bu

DC_GR112

Dodge City, KS

Wed, Jan 15, 2020

USDA-KS Dept of Ag Market News

86

Central Kansas Terminal and Processor Daily Grain Report

TERMINAL US NO 2 YELLOW CORN

	Bids	Change (¢/bu)	Basis	Change
Atchison	3.98	DN 1	10H	UNCH
Topeka	3.88	DN 1	OptH	UNCH
Salina	3.70-3.73	DN 1	-18H to -15H	UNCH
Newton	3.64	DN 1	-24H	UNCH
Hutchinson	3.64-3.78	DN 1	-24H to -10H	UNCH
Wellington	3.66	DN 1	-22H	UNCH
Arkansas City	3.64	DN 1	-24H	UNCH



US #2 Yellow Corn - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	3.7400 - 3.9100	↑	-15H to 2H	-6.50
Iowa-Western:	3.7400 - 4.0000	↓	-15H to 11H	-2.00
Illinois:	3.7800 - 4.1500	↓	-11H to 26H	7.50
Indiana:	3.8000 - 4.2400	↓	-9H to 35H	13.00
Ohio:	4.1400 - 4.2400	↓	25H to 35H	30.00
Michigan:	3.7400 - 4.2900	↓	-15H to 40H	12.50
Kansas:	3.9400 - 4.1400	↓	5H to 25H	15.00
Minnesota:	3.6200 - 3.9100	↑	-27H to 2H	-12.50
Nebraska:	3.6900 - 3.9200	↓	-20H to 3H	-8.50
Wisconsin:	3.6900 - 3.7900	↓	-20H to -10H	-15.00
South Dakota:	3.4600 - 3.9400	↓	-43H to 5H	-19.00
Missouri:	3.7700 - 3.9900	↓	-12H to 10H	-1.00

U.S. Corn Supply and Demand

Item	2018/2019		2019/2020		
	Estimate	Change from December 10	Forecast	Change from December 10	Change from 2018/2019
Planted area (million acres)	88.9	-0.3	89.7	-0.2	0.8
Harvested area (million acres)	81.3	-0.5	81.5	-0.3	0.2
Yield (bushels per acre)	176.4	**	168.0	1.1	-8.4
----- Million bushels -----					
Beginning stocks	2,140	--	2,221	106	80
Production	14,340	-80	13,692	31	-649
Imports	28	--	50	--	22
Total supply	16,509	-80	15,962	137	-546
Feed and residual	5,432	-186	5,525	250	93
Food, seed, and industrial	6,791	**	6,770	-20	-21
Ethanol	5,376	--	5,375	--	-1
Domestic use	12,223	-186	12,295	230	72
Exports	2,065	--	1,775	-75	-290
Total use	14,288	-186	14,070	155	-218
Ending stocks	2,221	106	1,892	-18	-328
----- Percent -----					
Stocks to use ratio	15.5	0.9	13.4	-0.3	-2.1
----- Dollars per bushel -----					
Average market price	3.61	--	3.85	--	0.24

U.S. Corn Stocks.....

89

• Corn: “*Moderate*” Stocks & % S/U

- **End Stocks** ^{2019/20} → 1.892 bln bu (vs 2.221 bb last yr)
- **% Stocks/Use** ^{2019/20} → 13.5% S/U (vs 15.5% S/U last yr)
- **USDA WASDE January 10, 2020 Pre-Report Estimates**

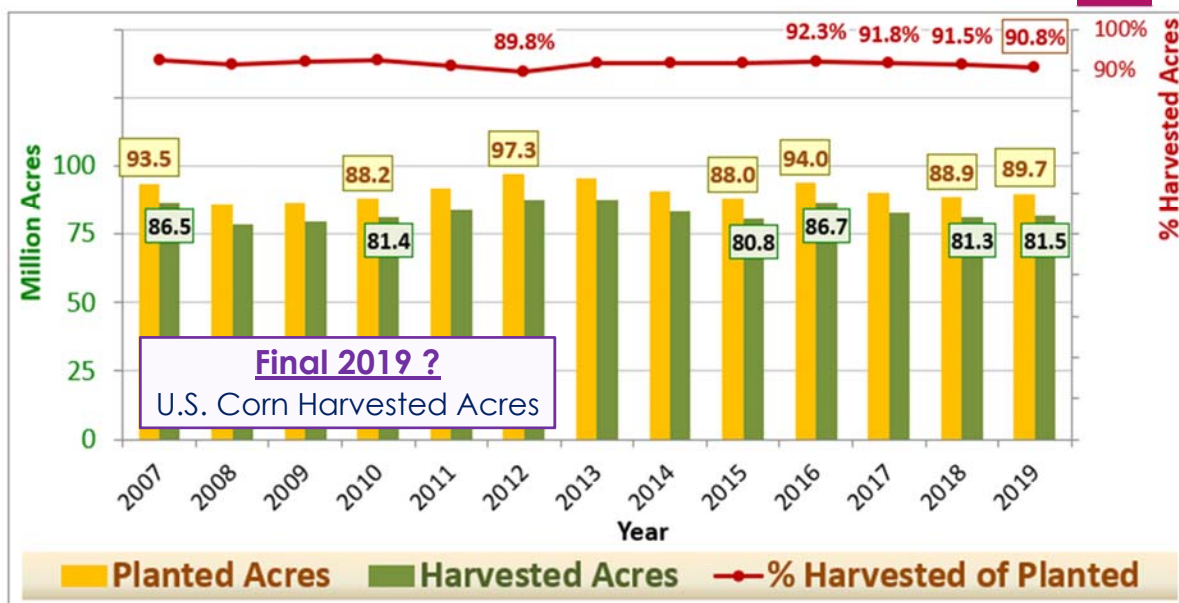
2019-20 Crop:	Survey Results			USDA
	Avg	Low	High	Dec.
Corn	1,776	1,479	2,124	1,910

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U.S. Corn Acreage

For 2020 ???
Increase of 5-10%?

90





Percent of Acres Remaining To Be Harvested

91



Crop	2009	2016	2017	2018	2019
Corn	9.9	0.5	1.1	2.5	8.0
Soybeans	3.0	0.2	0.5	3.4	2.0
Sorghum	7.0	0.4	0.3	4.0	0.9

KSU Estimate of
Crops Not Yet
Harvested

≈ 1,095 mb

≈ 71 mb

≈ 6 mb

USDA-NASS
1-10-20



Crop Progress

92

Corn Harvested – Selected States

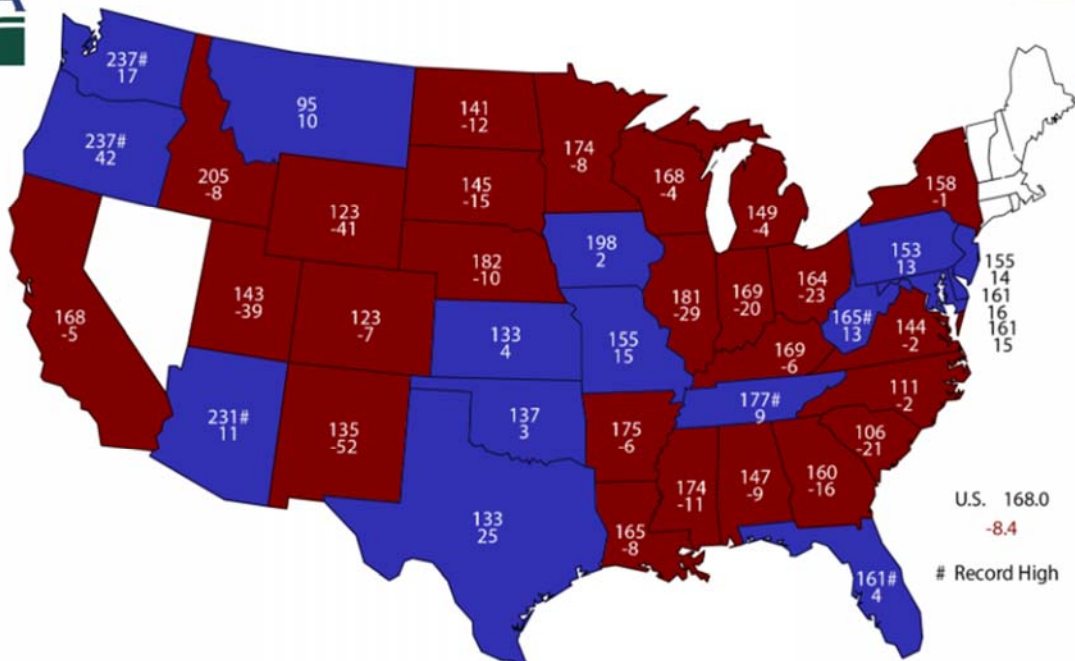
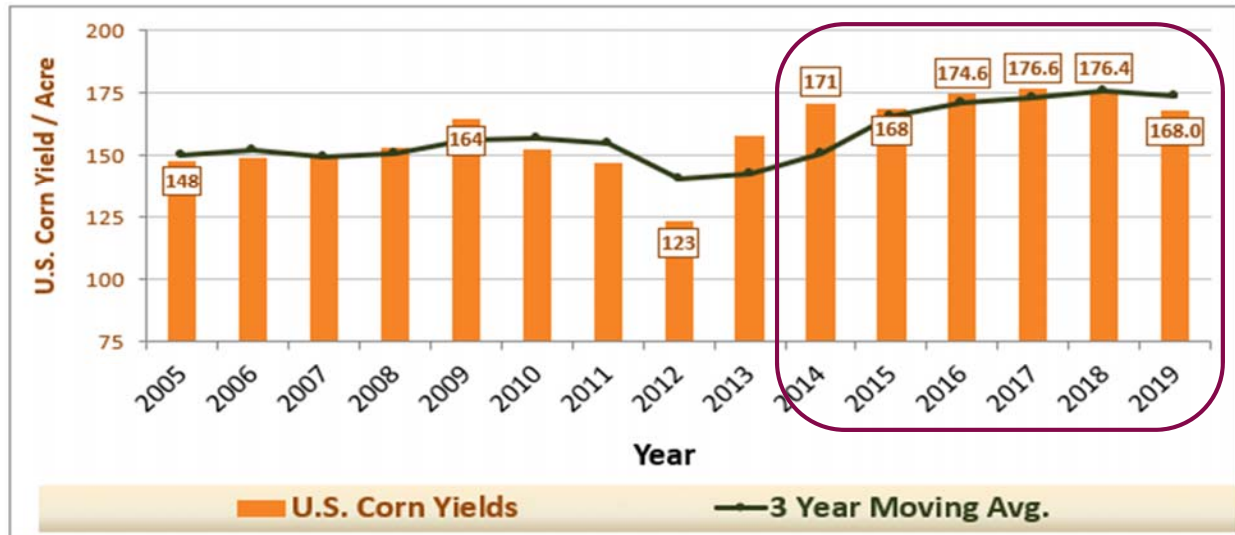
[These 18 States harvested 94% of the 2018 corn acreage]

State	Week ending			2014-2018 Average
	December 8, 2018	December 1, 2019	December 8, 2019	
	(percent)	(percent)	(percent)	(percent)
Colorado	100	98	99	100
Illinois	100	93	96	100
Indiana	100	93	96	99
Iowa	100	92	95	100
Kansas	98	99	100	99
Kentucky	100	100	100	100
Michigan	99	66	74	96
Minnesota	100	91	93	100
Missouri	100	95	98	100
Nebraska	(NA)	96	98	(NA)
North Carolina	100	100	100	100
North Dakota	(NA)	36	43	(NA)
Ohio	94	90	93	99
Pennsylvania	82	86	91	88
South Dakota	(NA)	80	83	(NA)
Tennessee	100	100	100	100
Texas	98	100	100	99
Wisconsin	96	66	74	95
18 States	100	89	92	100

U.S. Corn Yields

USDA 2019 USDA Forecast = 168.0 bu/ac

88



94

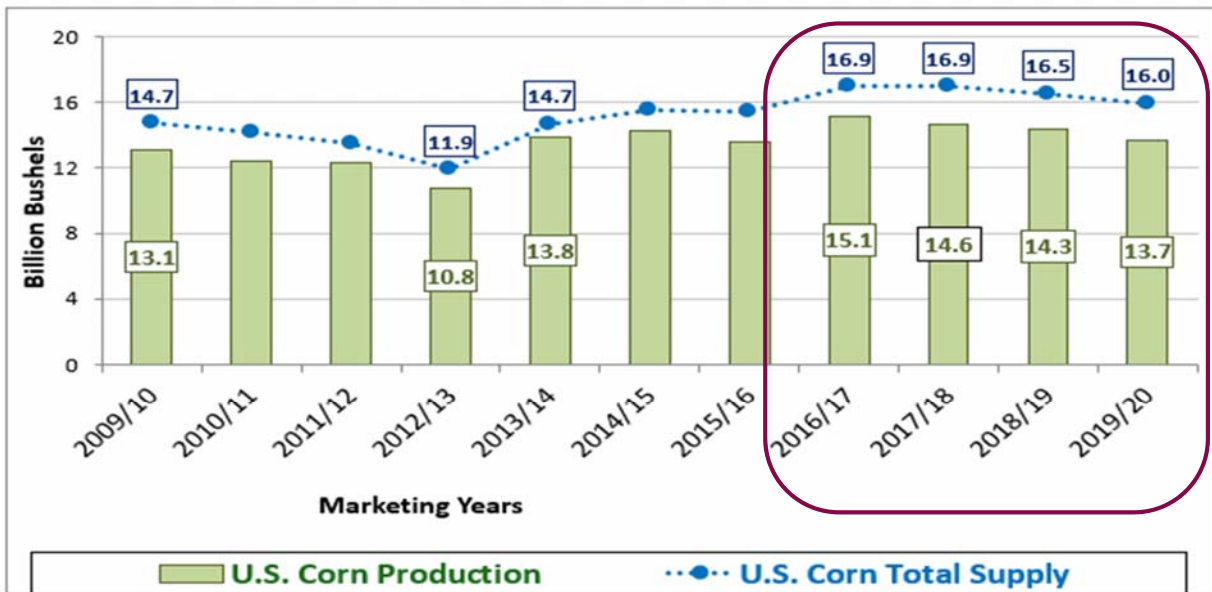


USDA-NASS
1-10-20

U.S. Corn Production & Supplies



89



2018 Corn Crop



96

	Previous Estimates	Jan 10 Estimates	Change
<i>Million Bushels</i>			
Sept 1, 2018 Stocks	2,140	2,140	NC
2018 Production	14,420	14,340	-80
Imports	*28	*28	NC
Total Supply	16,588	16,508	-80
Exports	*2,065	*2,065	NC
Food, Seed, and Industrial	*6,791	*6,791	NC
Measured Disappearance	8,856	8,856	NC
Ending Stocks	2,114	2,221	+107
Feed and Residual	*5,618	*5,432	-186

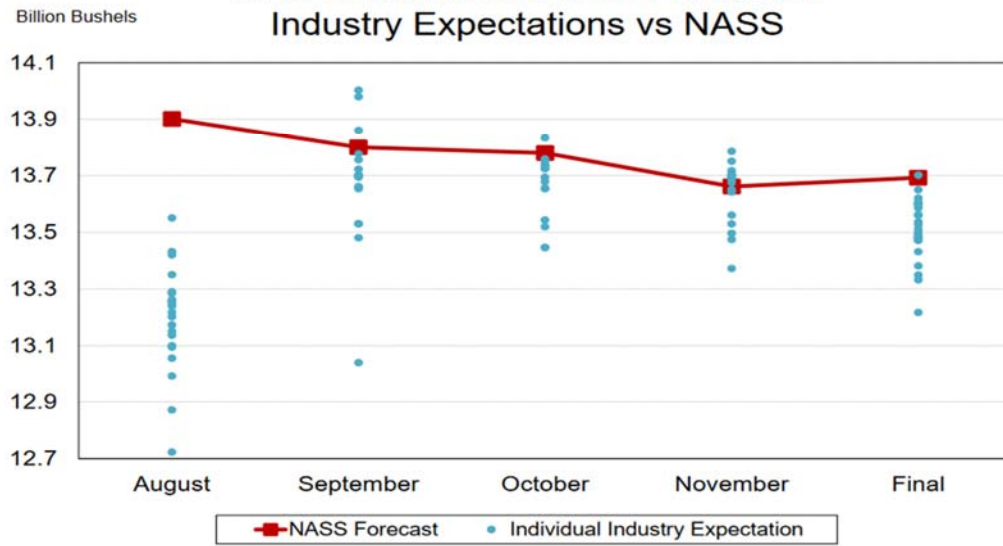
*From WASDE Report

USDA-NASS
1-10-20



97

2019 United States Corn Production Industry Expectations vs NASS

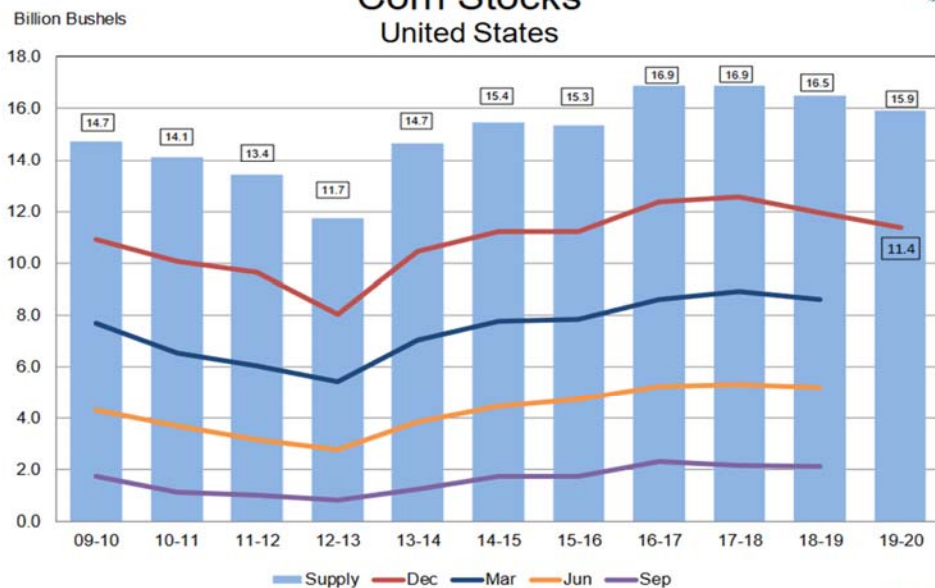


USDA-NASS
1-10-20



98

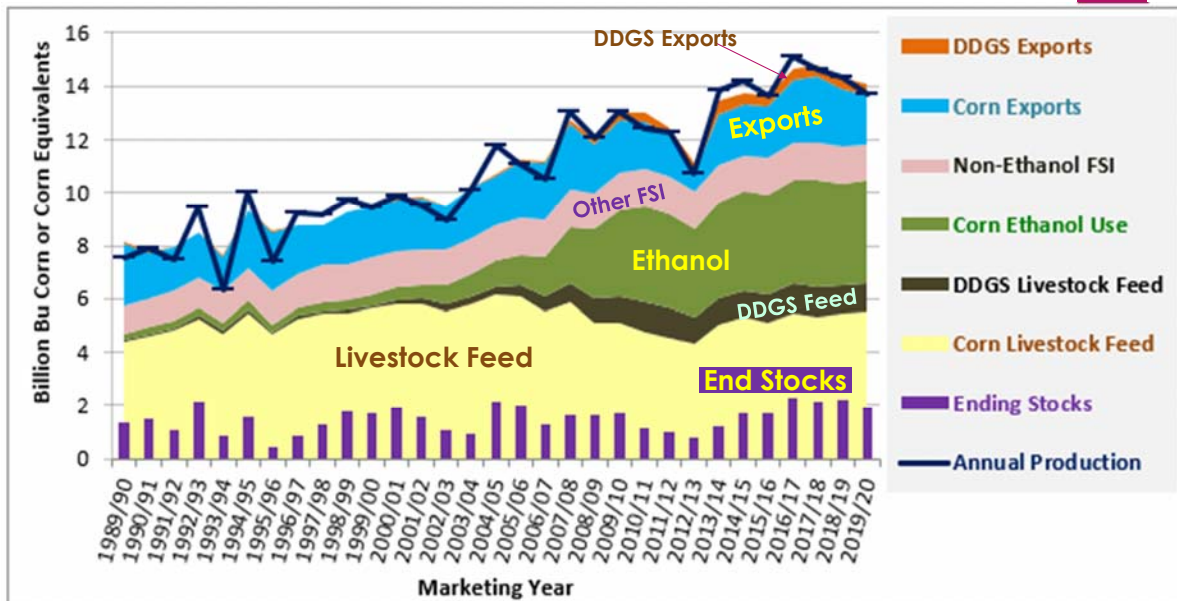
Corn Stocks United States



USDA-NASS
1-10-20

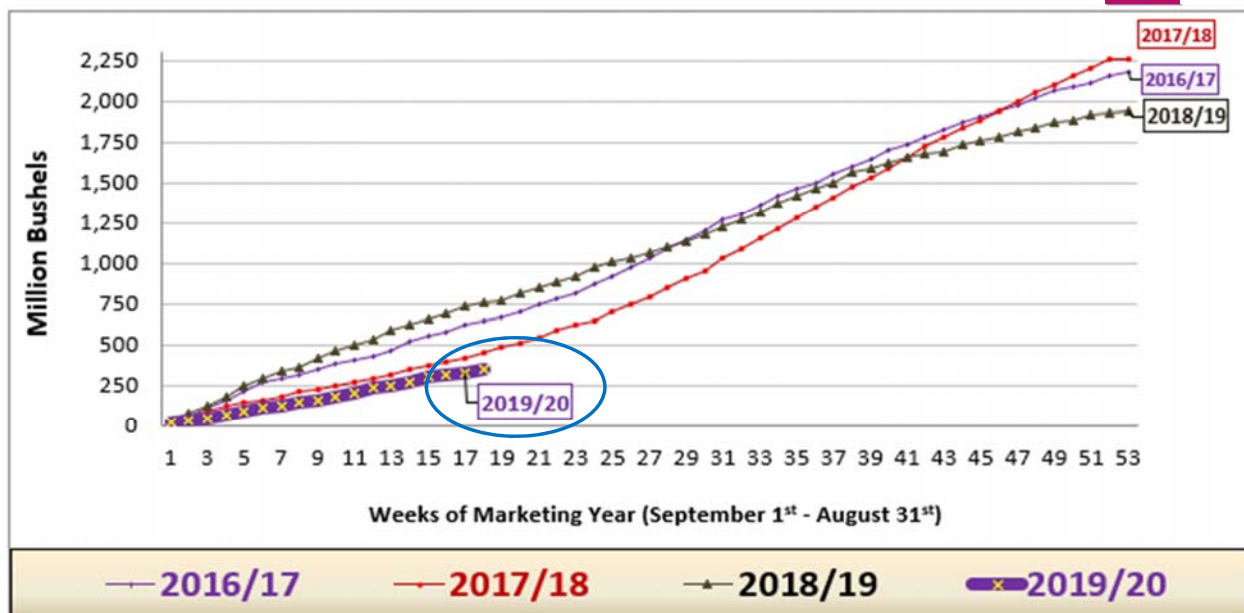
U.S. Corn Use – By Category

90



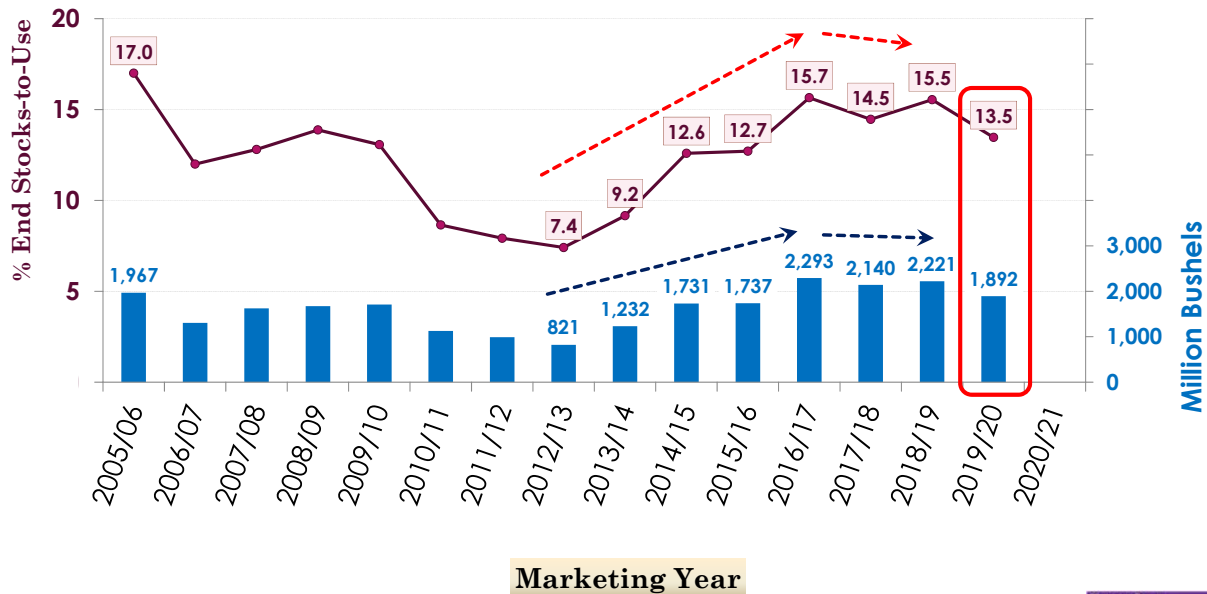
U.S. Corn Exports – Weekly thru 1/2/2020

100



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

92

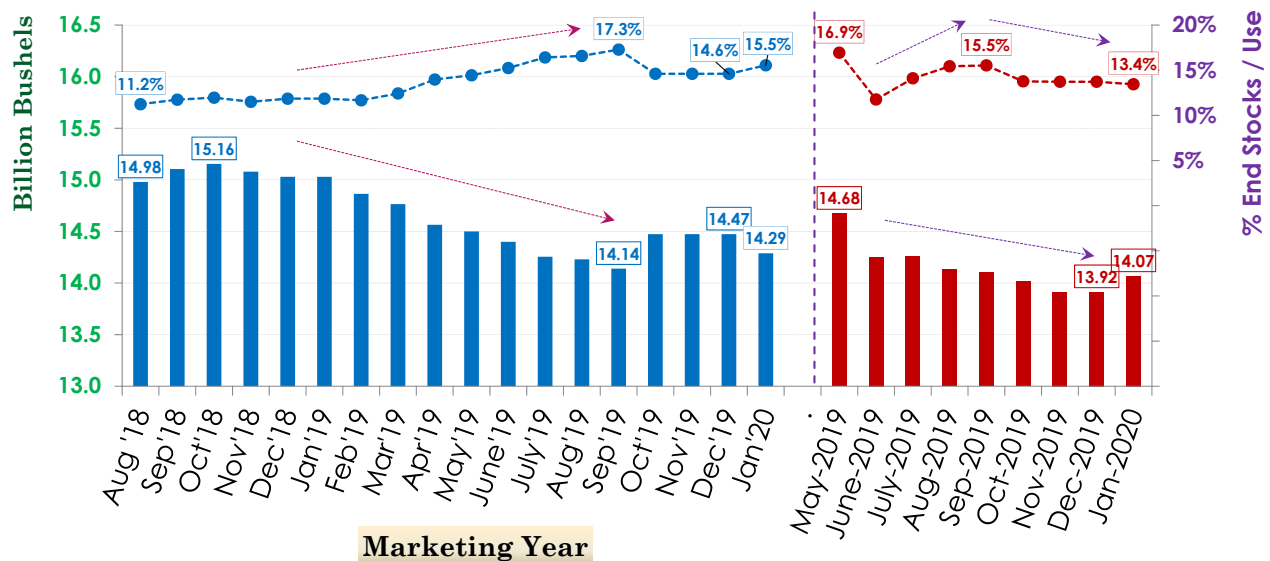


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U.S. Corn Total Use Projections (USDA)

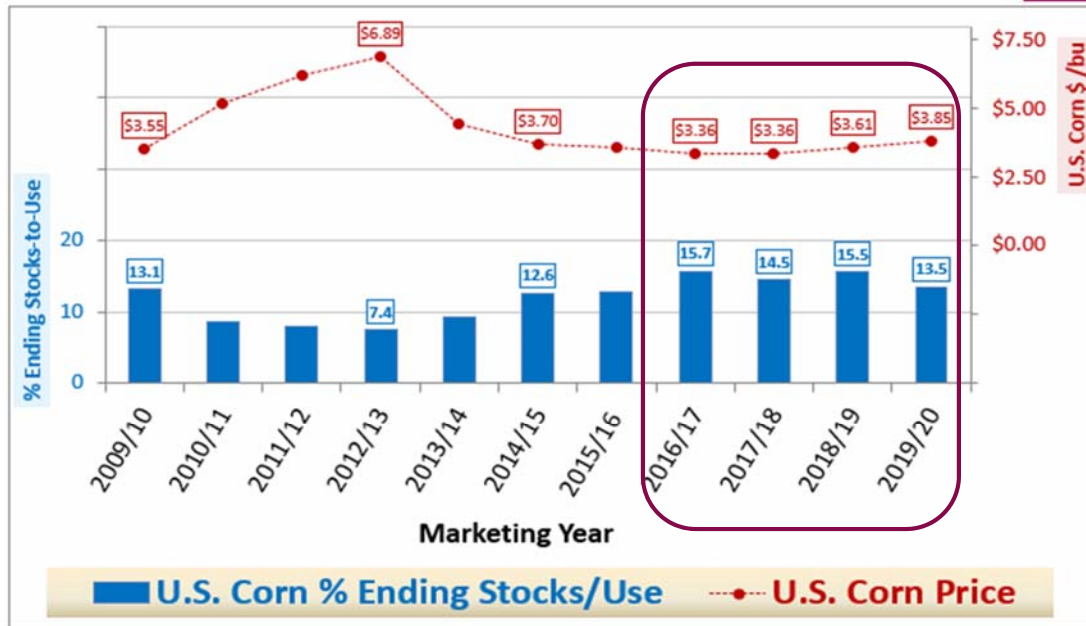
For "Old Crop" MY 2018/19 & "New Crop" MY 2019/20

102



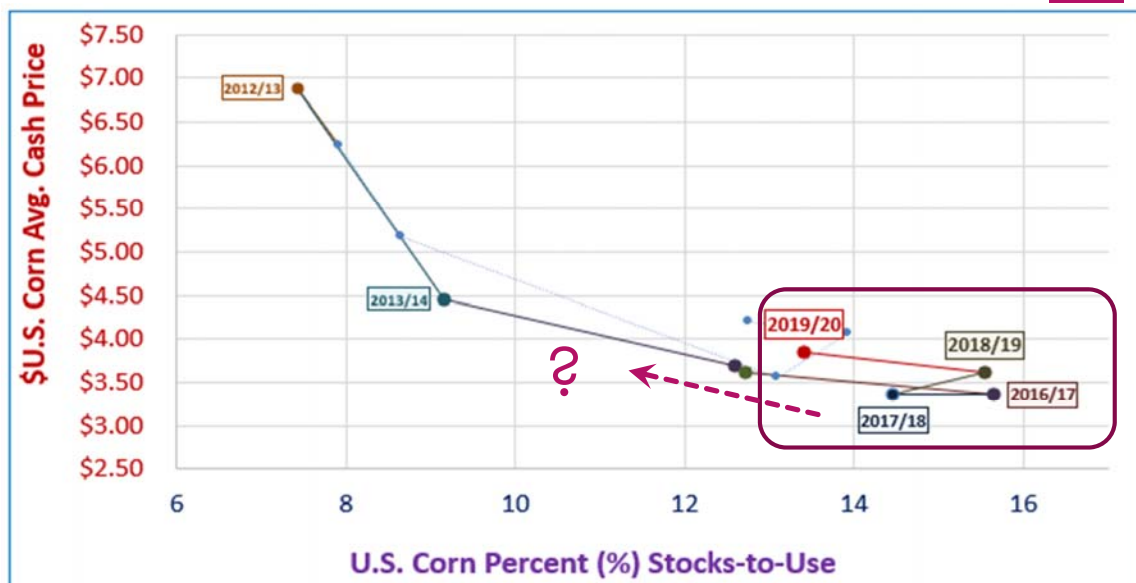
U.S. Corn % Stocks/Use vs Price\$

94



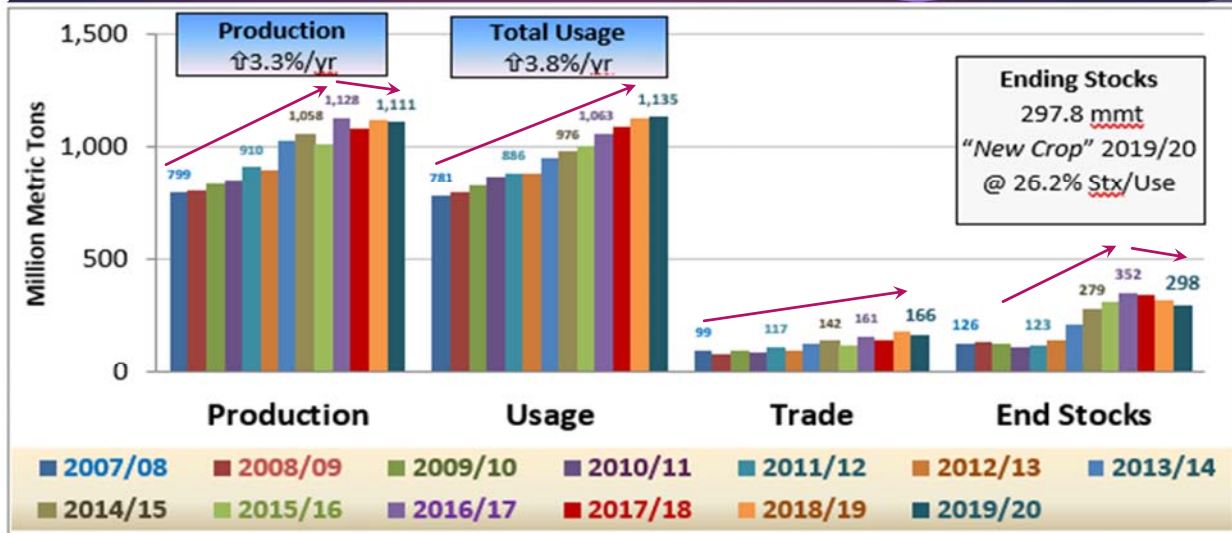
U.S. Corn % Stocks/Use vs Price\$

95



World Corn Supply, Use & Stocks

96



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World Corn Production

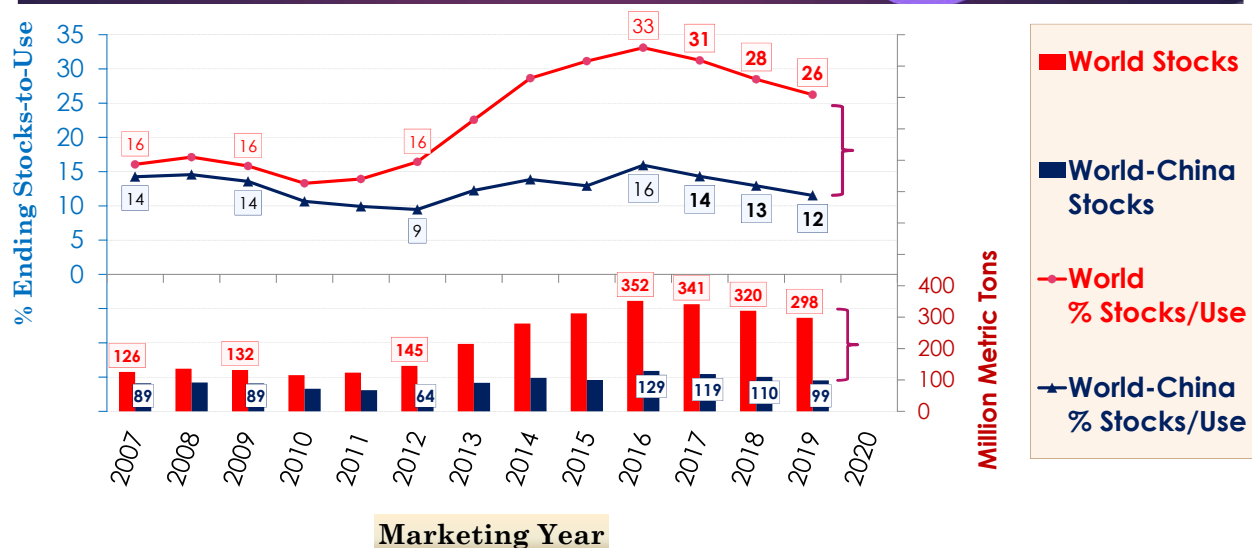
106

Country or Region	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
World	1,122.5	1,110.8	2.2	-11.6
United States	364.3	347.8	0.8	-16.5
Foreign	758.2	763.1	1.4	4.9
Argentina	51.0	50.0	--	-1.0
Brazil	101.0	101.0	--	--
Mexico	27.6	25.0	--	-2.6
Canada	13.9	13.4	--	-0.5
European Union	64.2	65.0	0.4	0.8
Serbia	7.0	6.8	--	-0.3
FSU-12	52.5	54.9	0.5	2.4
Ukraine	35.8	35.5	--	-0.3
Russia	11.4	14.5	0.5	3.1
South Africa	11.8	14.0	--	2.2
China	257.3	260.8	--	3.4
India	27.2	29.0	--	1.8

World Corn Supply and Use

Item	2018/2019 estimate	2019/2020 forecast	Change from December 10	Change from 2018/2019
----- Million Tons -----				
Beginning stocks	341.3	320.4	1.2	-20.9
Production	1,122.5	1,110.8	2.2	-11.6
Total Supply	1,463.8	1,431.2	3.4	-32.5
Feed use	700.6	703.9	7.6	3.3
Total use	1,143.4	1,133.4	6.2	-10.0
Trade	181.4	165.6	-1.0	-15.8
Ending Stocks	320.4	297.8	-2.8	-22.6

World & World-less-China CORN Stocks & %S/U



Grain Sorghum Markets

109



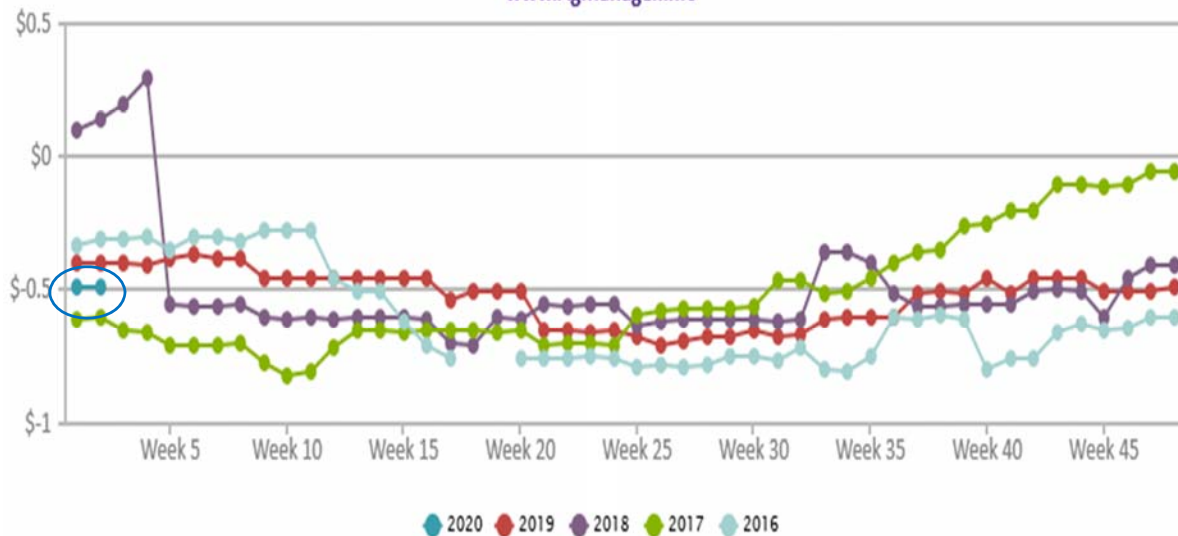
U.S. Grain Sorghum Stocks.....

110

- Sorghum: “*Moderate*” Stocks & % S/U
 - **End Stocks** ^{2019/20} → 45 mln bu (vs *64 mb* last yr)
 - **% Stocks/Use** ^{2019/20} → 12.5% S/U (vs *19.1%* S/U last yr)

HUTCHINSON, KS: Grain Sorghum Basis - CARGILL

www.AgManager.info



Corn Cash Bids – Near Wellington, KS

Wednesday, January 14, 2020 (Source: DTN Grains)

Elevator/Location	Jan 2020	Feb 2020	Mar 2020	Oct 2020	Nov 2020
SCOLAR GRAIN CO WELLINGTON, KS	3.36	---	---	---	---
PROGRESSIVE AG COOP WELLINGTON, KS	3.26	---	---	---	3.46
PROGRESSIVE AG COOP MAYFIELD, KS	3.26	---	---	---	3.46
PROGRESSIVE AG COOP OXFORD, KS	3.26	---	---	---	3.46
FARMERS COOP GRAIN ASSOC. BELLE PLAINE, KS	3.23	---	---	---	3.46
VALLEY COOP WINFIELD, KS	3.23	---	---	---	3.46
TWO RIVERS COOP- ARK CITY WEST ASHTON, KS	3.23	---	---	---	3.46
TWO RIVERS COOP GEUDA SPRINGS, KS	3.23	---	---	---	3.46

2020 KSU Cost of Production Budget Estimates

Non-Irrigated Grain Sorghum
South Central KS
@ \$115 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$2.32 /bu
- All Cost (With Cash Rent) = \$2.72 /bu

Questions?

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