

# 2019 Grain Sorghum Market Outlook

## 2019 Sorghum School

Hays, Kansas

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## Non-Irrigated Grain Sorghum in NC KS

KFMA Enterprise Records: Years 2012-2017

	Years 2012 - 2016	Year 2017
Number of Farms	63 farms	50 farms
<b>Yield /acre</b>	<b>91.7 bu/ac</b>	<b>89.6 bu/ac</b>
Gross Income /acre	\$314 /ac	\$259 /ac
Variable Cost /acre	\$225 /ac	\$197 /ac
<b>Total Expense /acre</b>	<b>\$320 /ac</b>	<b>\$287 /ac</b>
Gross Income /bushel	\$4.20 /bu	\$3.60 /bu
<b>Total Expense /bushel</b>	<b>\$4.28 /bu</b>	<b>\$3.99 /bu</b>

## Non-Irrigated Grain Sorghum in NC KS

### Sorghum Sales & Other Revenues

	2012-2016 \$/Bu	2012-2016 \$/Acre	2017 \$/Bu	2017 \$/Acre
Sorghum Sales	\$3.78 /bu	\$282 /ac	\$3.20 /bu	\$230 /ac
Other Income	\$0.43 /bu	\$32 /ac	\$0.40 /bu	\$29 /ac
Total Income	\$4.20 /bu	\$314 /ac	\$3.60 /bu	\$259 /ac

## Non-Irrigated Grain Sorghum in NC KS

### Variable, Fixed, & Total Costs

	2012-2016 \$/Bu	2012-2016 \$/Acre	2017 \$/Bu	2017 \$/Acre
Variable Costs	\$3.00 /bu	\$225 /ac	\$2.73 /bu	\$197 /ac
Fixed Costs	\$1.28 /bu	\$96 /ac	\$1.26 /bu	\$91 /ac
Total Costs	\$4.28 /bu	\$320 /ac	\$3.99 /bu	\$287 /ac

## Non-Irrigated Grain Sorghum in NC KS

### Total Costs & Net Returns

	2012-2016 \$/Bu	2012-2016 \$/Acre	2017 \$/Bu	2017 \$/Acre
<b>Total Costs</b>	\$4.28 /bu	\$320 /ac	\$3.99 /bu	\$287 /ac
<b>Net Returns to Management</b>	(\$0.07) /bu	(\$6) /ac	(\$0.39) /bu	(\$28) /ac
<b>Net Returns to Labor + Mgmt</b>	+\$0.46 /bu	+\$34 /ac	+\$0.16 /bu	+\$12 /ac

Non-Irrigated Sorghum North Central KS	2012-2016 \$/Bu	2012-2016 \$/Acre	2017 \$/Bu	2017 \$/Acre
<b>Sorghum Sales</b>	\$3.78 /bu	\$282 /ac	\$3.20 /bu	\$230 /ac
Other Income	\$0.43 /bu	\$32 /ac	\$0.40 /bu	\$29 /ac
<b>Total Income</b>	\$4.20 /bu	\$314 /ac	\$3.60 /bu	\$259 /ac
<b>Variable Cost</b>	\$3.00 /bu	\$225 /ac	\$2.73 /bu	\$197 /ac
Fixed Cost	\$1.28 /bu	\$96 /ac	\$1.26 /bu	\$91 /ac
<b>Total Cost</b>	\$4.28 /bu	\$320 /ac	\$3.99 /bu	\$287 /ac
Net Return to Mgmt	(\$0.07) /bu	(\$6) /ac	(\$0.39) /bu	(\$28) /ac
<b>Net Return to Labor+Mgmt</b>	+\$0.46 /bu	+\$34 /ac	+\$0.16 /bu	+\$12 /ac

# Grain Sorghum Markets

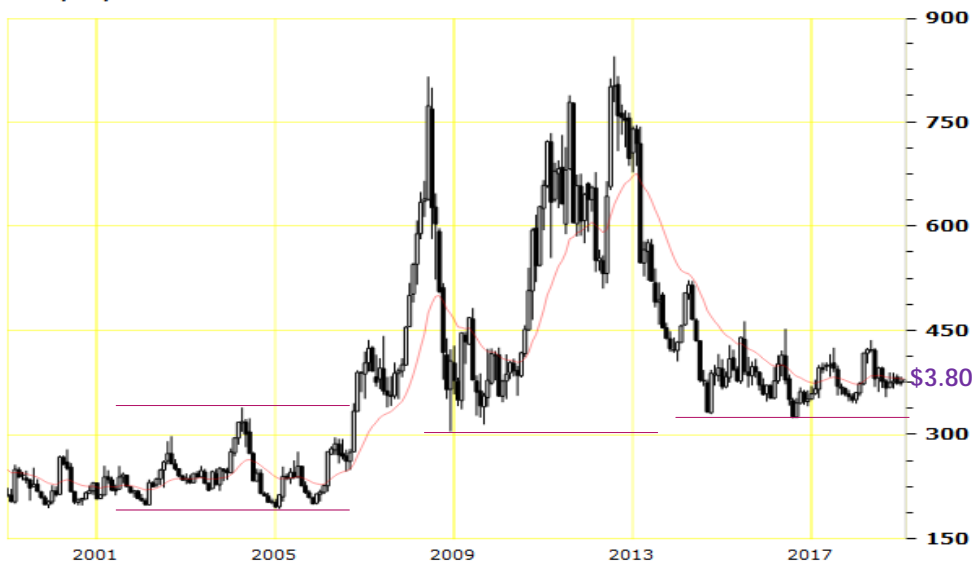


**KANSAS STATE UNIVERSITY** Department of Agricultural Economics

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

TFC Commodity Charts

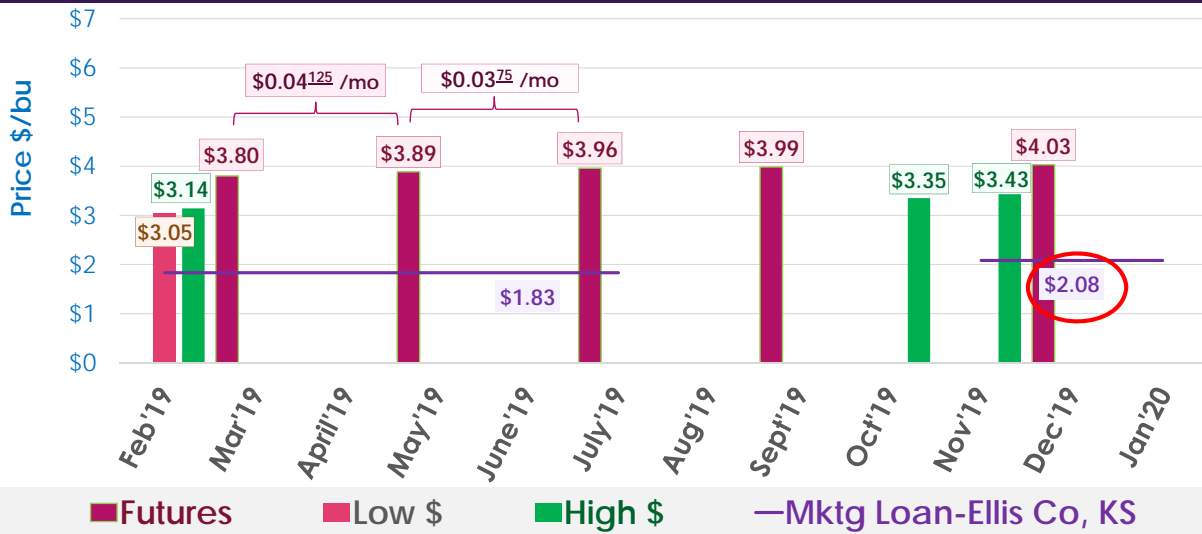
ZC - Corn (Globex) - Monthly Chart  
02/05/2019 O: 376.5 H: 380.75 L: 376.5 C: 379.75 Vol: 94292 OI: 338486 Session Change: -3.250



**MAR 2019**  
**\$3.80 1/4**  
2/5/2018

# Grain Sorghum Cash & Corn Futures \$'s

Hays, KS Local Elevators – February 5, 2019



DC\_GR110  
 Dodge City, KS      Tue, Feb 05, 2019      USDA-KS Dept of Ag Market News

Western Kansas Grain Markets

Tuesday's closing elevator grain bids:

	Bids	US NO 2 SORGHUM Change (¢/cwt)	Basis	Change
Dodge City	5.73	UP 3	-60H	UNCH
Colby	5.64	UP 3	-65H	UNCH
Garden City	5.82	UP 3	-55H	UNCH
Goodland	5.55	UP 3	-70H	UNCH
Protection	5.73	UP 3	-60H	UNCH
Scott City	5.73	UP 3	-60H	UNCH
Sublette	5.91	UP 3	-50H	UNCH
Syracuse	5.82	UP 3	-55H	UNCH
Ulysses	5.82	UP 3	-55H	UNCH



**Sorghum - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
<b>Kansas:</b>	3.4925 - 3.5425	↑	-30H to -25H	-27.50

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

	Cash Bids	Chg	Basis	Avg:
<b>Iowa-Eastern:</b>	3.5425 - 3.6525	↓	-25H to -14H	-19.50
<b>Iowa-Western:</b>	3.4425 - 3.6625	↓	-35H to -13H	-24.00
<b>Kansas:</b>	3.7825 - 4.0425	↑	-1H to 25H	12.00
<b>Nebraska:</b>	3.2725 - 3.6725	↓	-52H to -12H	-32.00

DC\_GR112

Dodge City, KS

Tue, Feb 05, 2019

USDA-KS Dept of Ag Market News

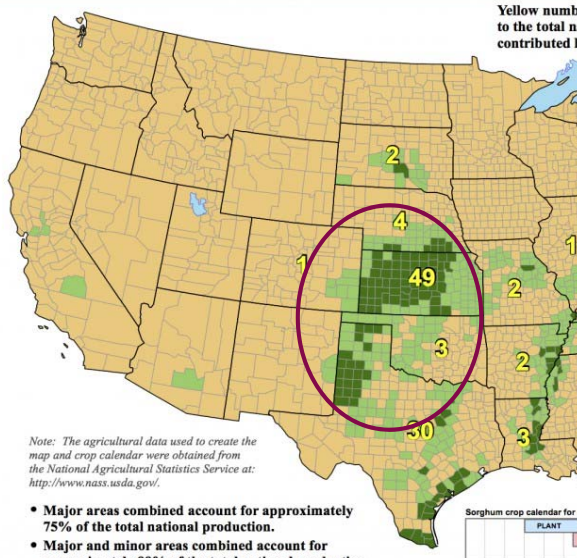
Central Kansas Terminal and Processor Daily Grain Report

TERMINAL US NO 2 SORGHUM

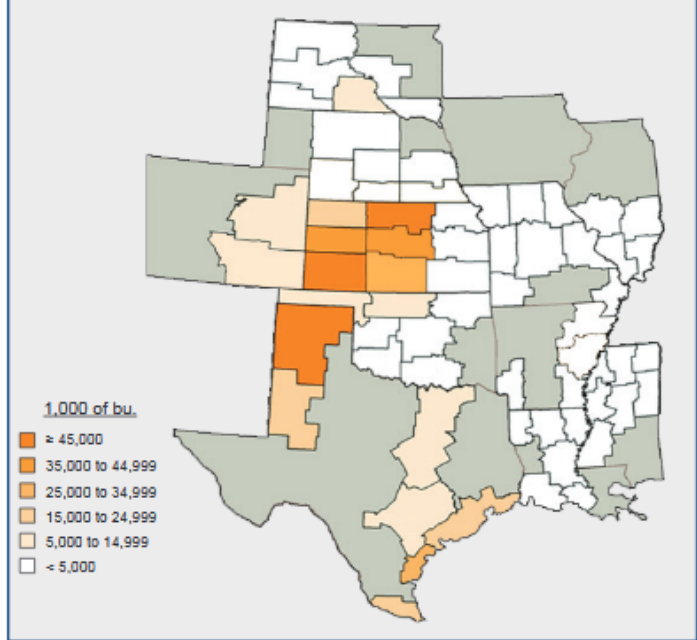
	Bids	Change (¢/cwt)	Basis	Change
Topeka	6.85	UP 2	3H	UNCH
Concordia	5.82	UP 3	-55H	UNCH
Salina	6.17-6.23	UP 2-UP 3	-35H to -32H	UNCH
Hutchinson	5.64-6.08	UP 3-UP 2	-65H to -40H	UNCH
Wellington	5.80-6.17	UP 3-UP 2	-56H to -35H	UNCH
Arkansas City	5.78	UP 3	-57H	UNCH
Great Bend	5.78	UP 3	-57H	UNCH



## United States: Sorghum



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



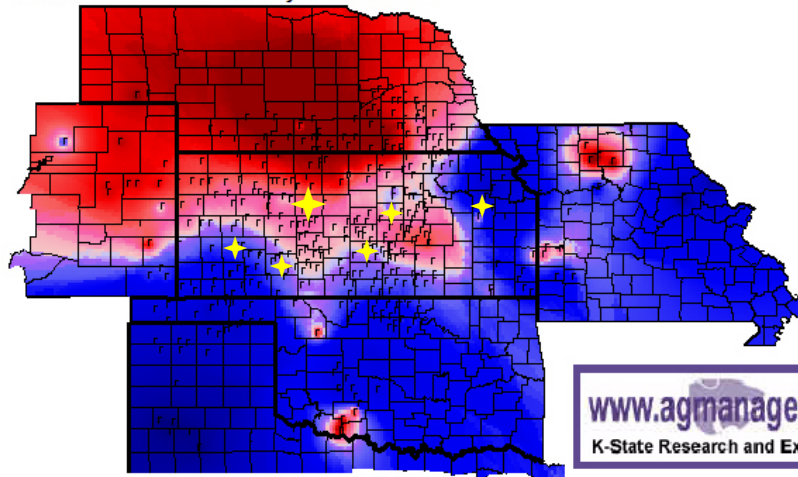
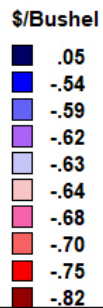
USDA Agricultural Weather Assess World Agricultural Outlook

Source: USDA NASS and Centrec Estimates

## Grain Sorghum Basis, 01-30-2019

Basis = Cash Price - Nearby Futures Price

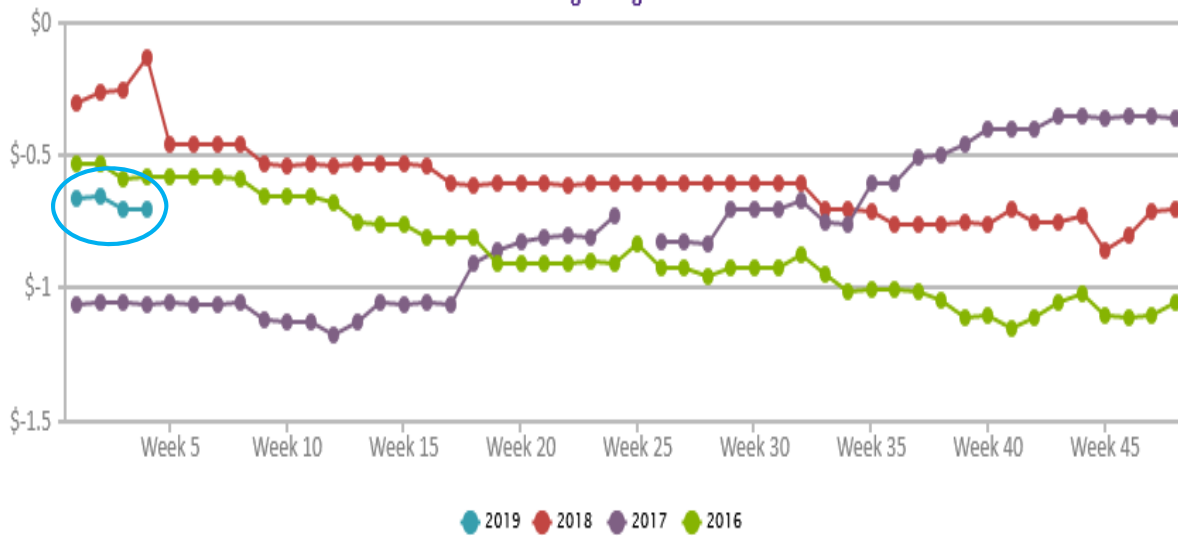
CBT Corn  
Mar Futures  
Price: \$3.80



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

# HAYS, KS: Grain Sorghum Basis - MIDLAND MARKETING

www.AgManager.info





# U.S. Sorghum & Corn Stocks

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

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

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

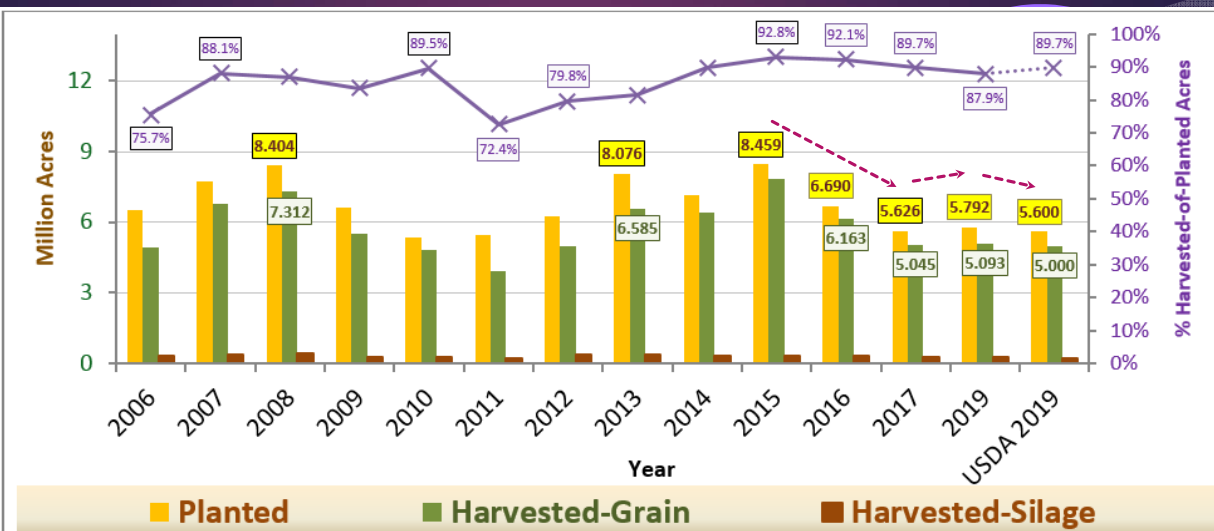
- Corn: "*Moderate*" Stocks & % Stx/Use

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

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

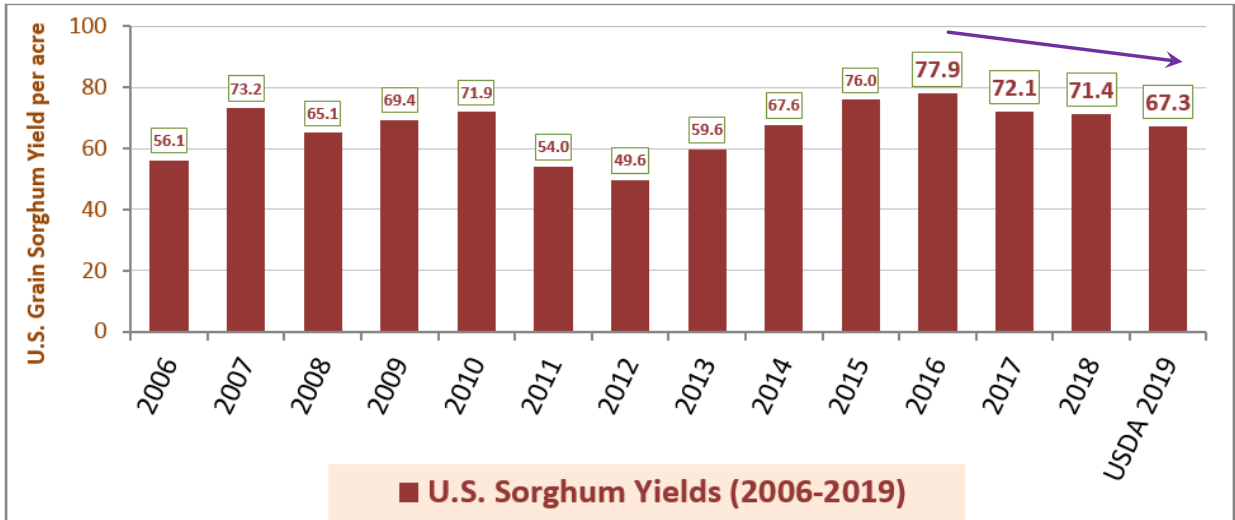


## U.S. Sorghum Acreage

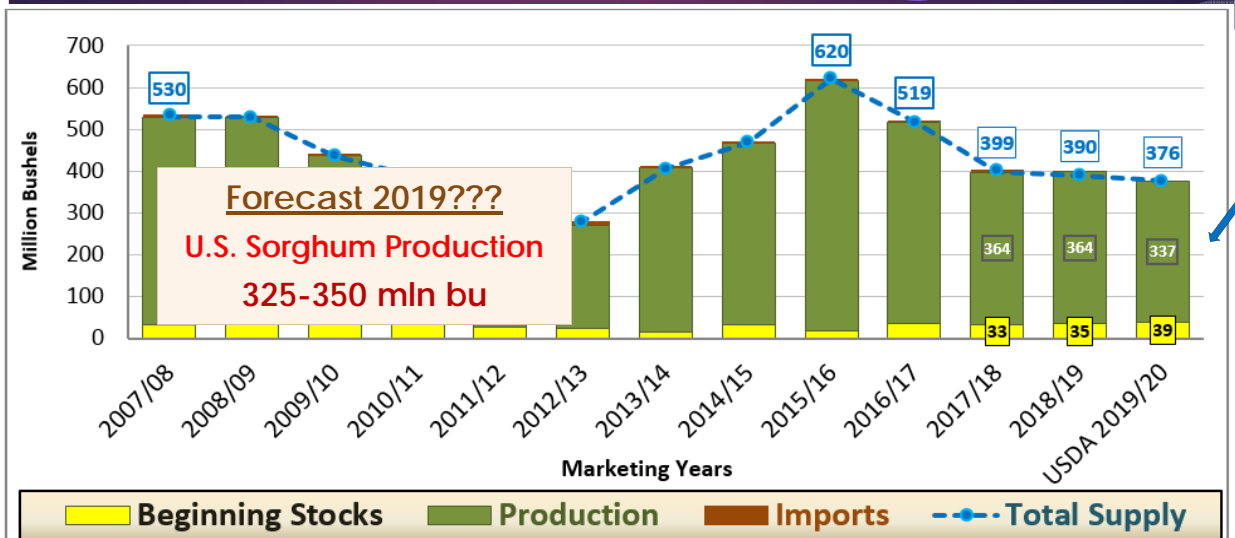


# U.S. Sorghum Yields

USDA 2019 USDA Forecast = 67.3 bu/ac

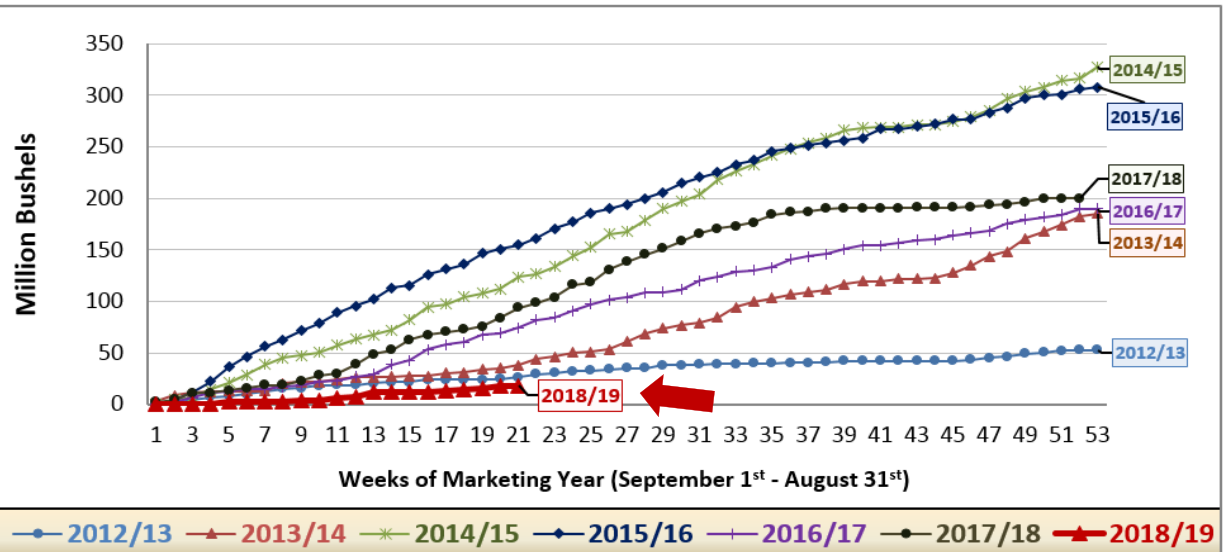


# U.S. Sorghum Crop & Supplies





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



# Where Is U.S. Sorghum Going?

## TOP U.S. EXPORT CUSTOMERS



### Dollar amount

1	CHINA	\$868 MILLION
2	MEXICO	\$103 MILLION
3	JAPAN	\$35 MILLION
4	SUDAN	\$22 MILLION
5	KENYA	\$14 MILLION
	Djibouti	\$12 million
	South Africa	\$11 million
	Somalia	\$11 million
	Cameroon	\$7 million
	Zimbabwe	\$3 million

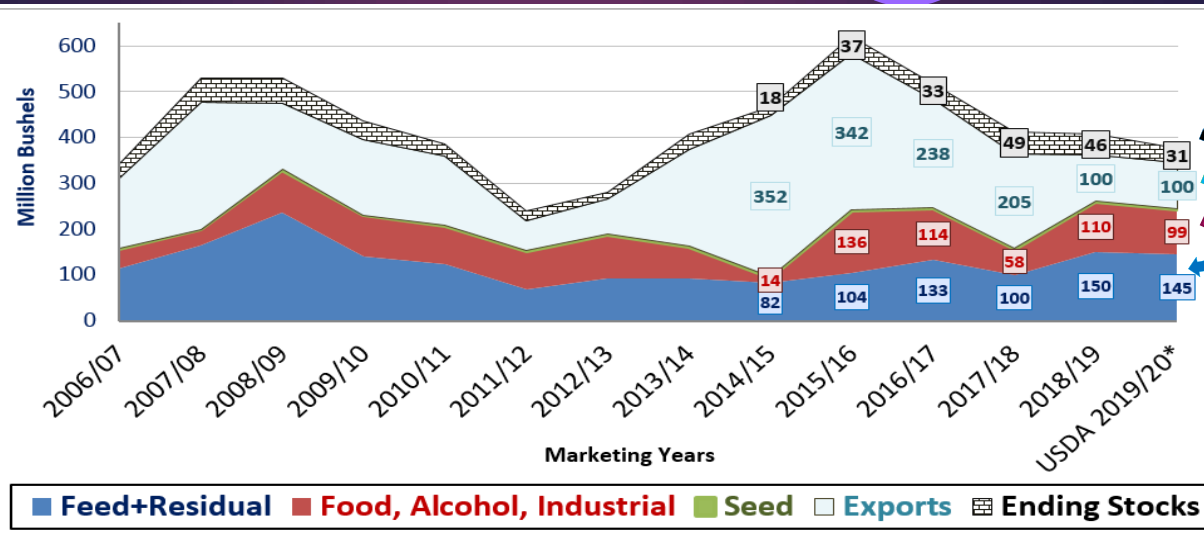
### Metric tons

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

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

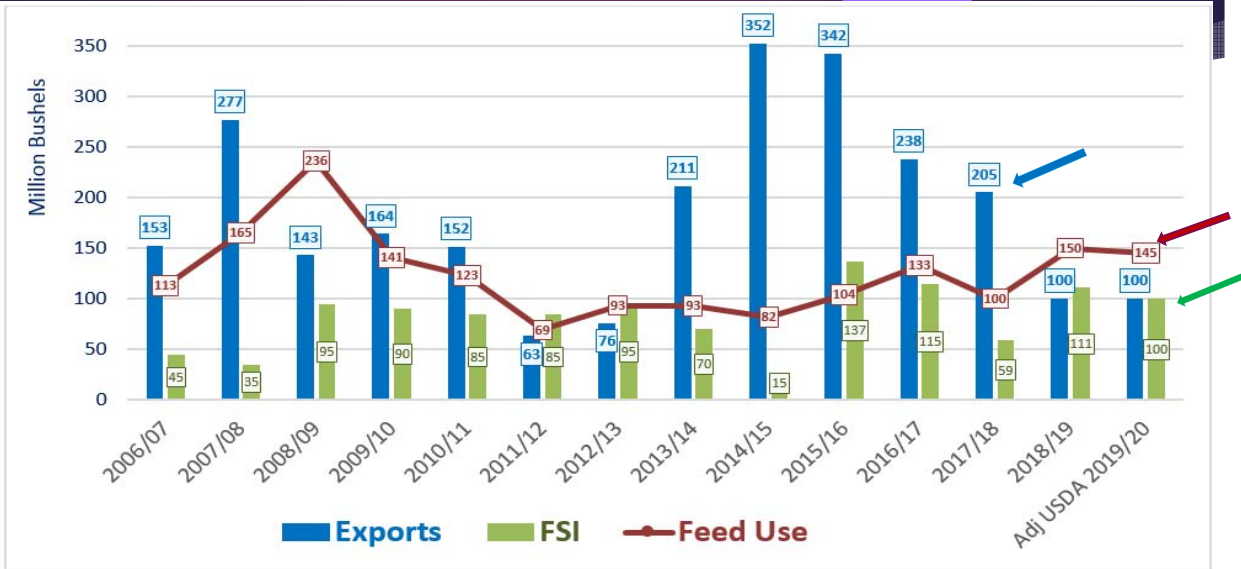


# U.S. Sorghum Use - By Category



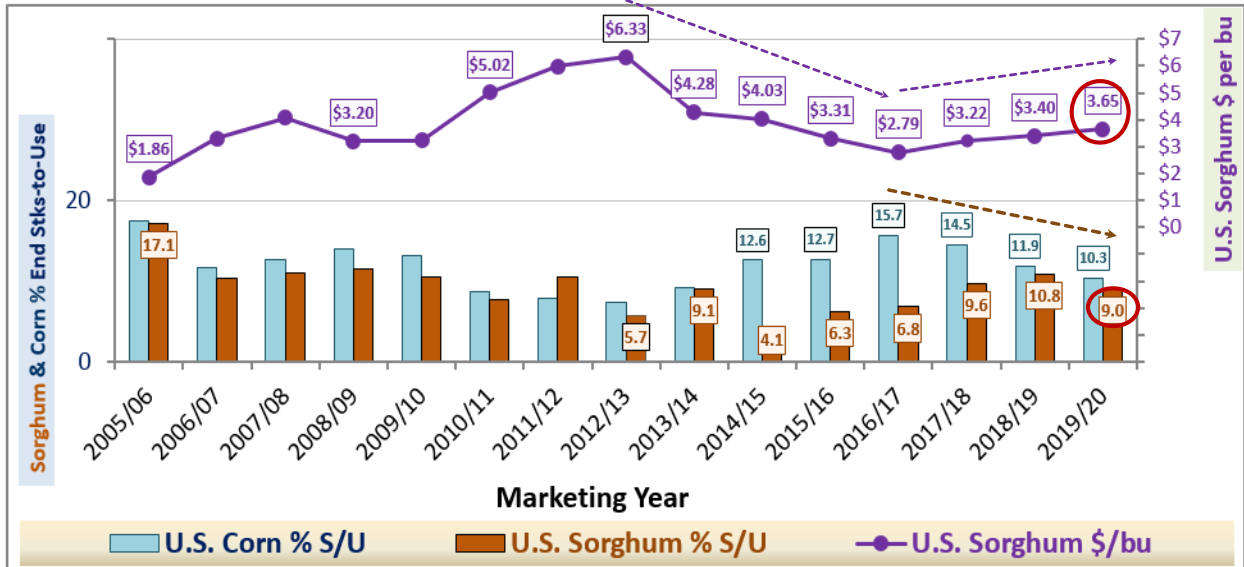


# U.S. Sorghum Use – By Category



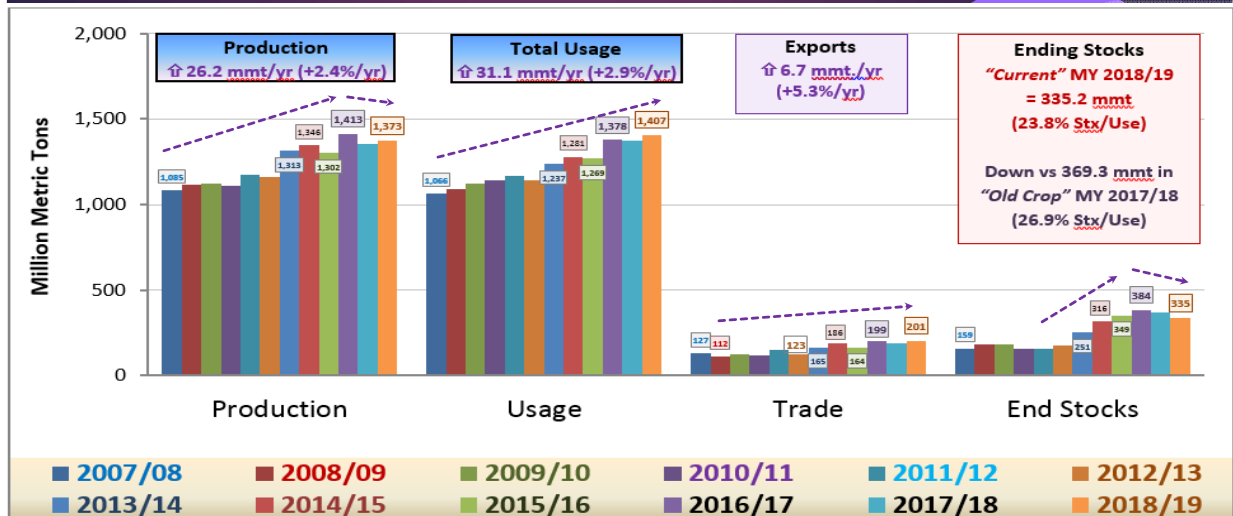


# U.S. Feedgrain % Stocks/Use vs Price\$



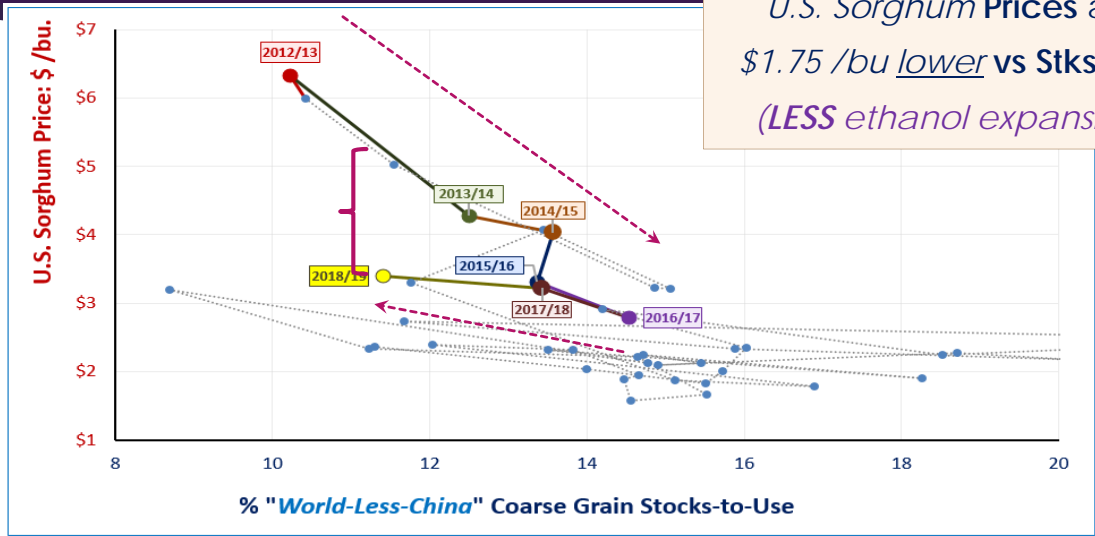
# World Feedgrain Supply-Demand Trends

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



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

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



U.S. Sorghum Prices are \$1.75 /bu. lower vs Stks/Use (LESS ethanol expansion)



## Questions?

Daniel O'Brien – Extension Ag Economist

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

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

