

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
Yield /acre	91.7 bu/ac	89.6 bu/ac
Gross Income /acre	\$314 /ac	\$259 /ac
Variable Cost /acre	\$225 /ac	\$197 /ac
Total Expense /acre	\$320 /ac	\$287 /ac
Gross Income /bushel	\$4.20 /bu	\$3.60 /bu
Total Expense /bushel	\$4.28 /bu	\$3.99 /bu

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
Total Costs	\$4.28 /bu	\$320 /ac	\$3.99 /bu	\$287 /ac
Net Returns to Management	(\$0.07) /bu	(\$6) /ac	(\$0.39) /bu	(\$28) /ac
Net Returns to Labor + Mgmt	+\$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
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
Variable Cost	\$3.00 /bu	\$225 /ac	\$2.73 /bu	\$197 /ac
Fixed Cost	\$1.28 /bu	\$96 /ac	\$1.26 /bu	\$91 /ac
Total Cost	\$4.28 /bu	\$320 /ac	\$3.99 /bu	\$287 /ac
Net Return to Mgmt	(\$0.07) /bu	(\$6) /ac	(\$0.39) /bu	(\$28) /ac
Net Return to Labor+Mgmt	+\$0.46 /bu	+\$34 /ac	+\$0.16 /bu	+\$12 /ac

Grain Sorghum Markets

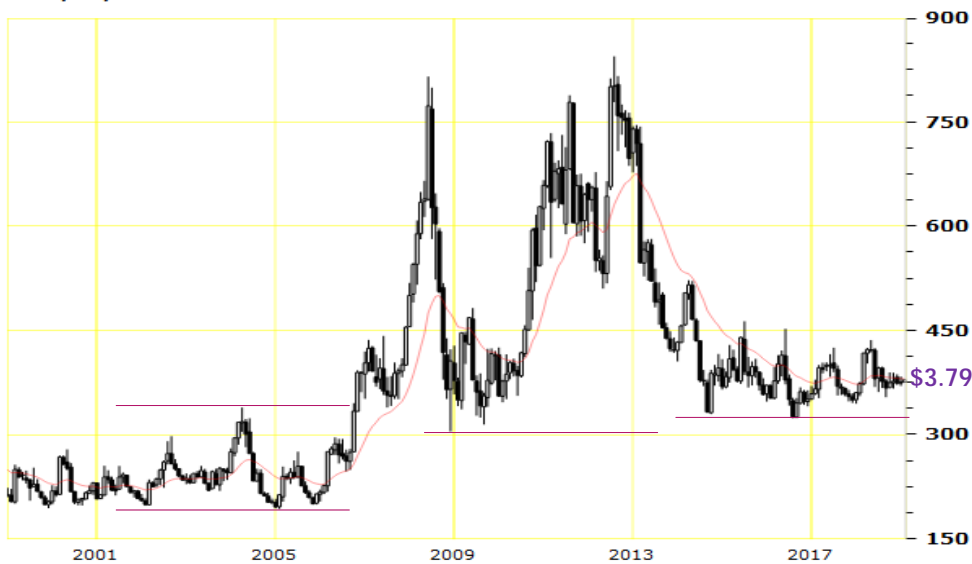


KANSAS STATE UNIVERSITY Department of Agricultural Economics

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

TFC Commodity Charts

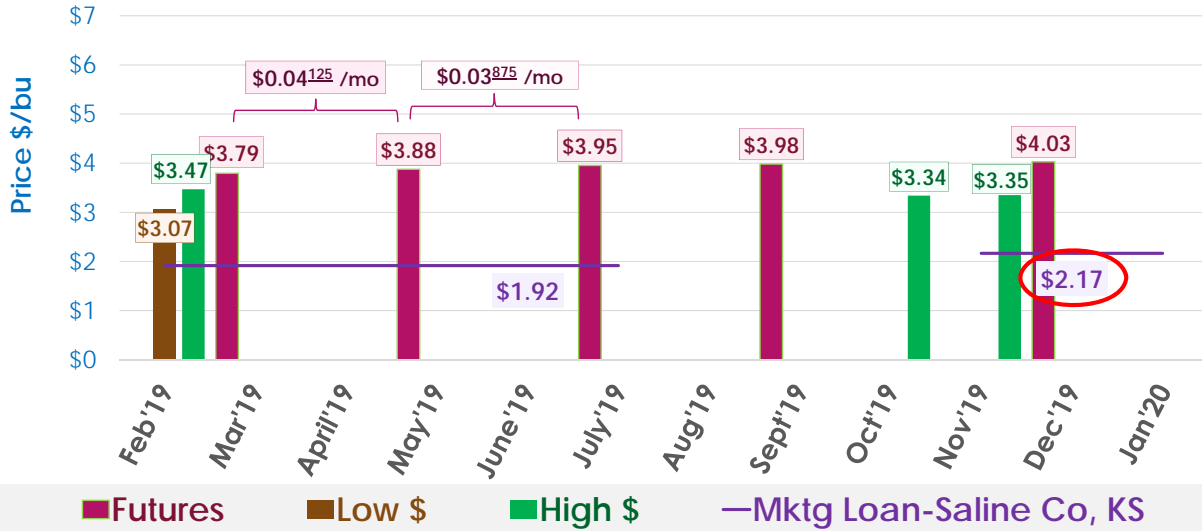
ZC - Corn (Globex) - Monthly Chart
02/05/2019 O: 376.5 H: 380.75 L: 376.5 C: 379.75 Vol: 94292 OI: 338486 Session Change: -3.250



MAR 2019
\$3.79 1/4
2/6/2018

Grain Sorghum Cash & Corn Futures \$'s

Salina, KS Local Elevators – February 6, 2019



DC_GR112

Dodge City, KS

Wed, Feb 06, 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	6.84	DN 1	3H	UNCH
Concordia	5.80	DN 2	-55H	UNCH
Salina	6.16-6.21	DN 1-DN 2	-35H to -32H	UNCH
Hutchinson	5.68-6.07	UP 4-DN 1	-62H to -40H	UP 3-UNCH
Wellington	5.79-6.16	DN 1	-56H to -35H	UNCH
Arkansas City	5.77	DN 1	-57H	UNCH
Great Bend	5.77	DN 1	-57H	UNCH



Sorghum - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
Kansas:	3.5075 - 3.5575	↑	-30H to -25H	-27.50

US #2 Yellow Corn - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	3.5575 - 3.6575	↑	-25H to -15H	-20.00
Iowa-Western:	3.4575 - 3.6975	↑	-35H to -11H	-23.00
Kansas:	3.7975 - 4.0575	↑	-1H to 25H	12.00
Nebraska:	3.3575 - 3.6875	↑	-45H to -12H	-28.50

DC GR110

Dodge City, KS

Wed, Feb 06, 2019

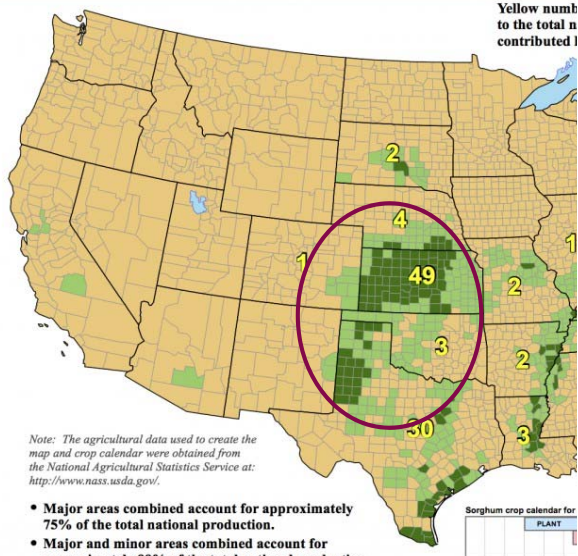
USDA-KS Dept of Ag Market News

Western Kansas Grain Markets

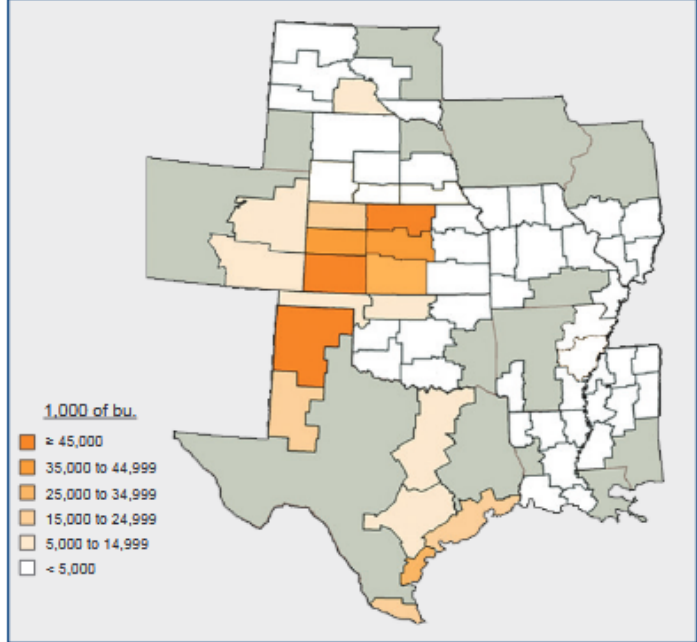
Wednesday's closing elevator grain bids:

	Bids	US NO 2 SORGHUM Change (¢/cwt)	Basis	Change
Dodge City	5.71	DN 2	-60H	UNCH
Colby	5.63	DN 1	-65H	UNCH
Garden City	5.80	DN 2	-55H	UNCH
Goodland	5.54	DN 1	-70H	UNCH
Protection	5.71	DN 2	-60H	UNCH
Scott City	5.71	DN 2	-60H	UNCH
Sublette	5.89	DN 2	-50H	UNCH
Syracuse	5.80	DN 2	-55H	UNCH
Ulysses	5.80	DN 2	-55H	UNCH

United States: Sorghum



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



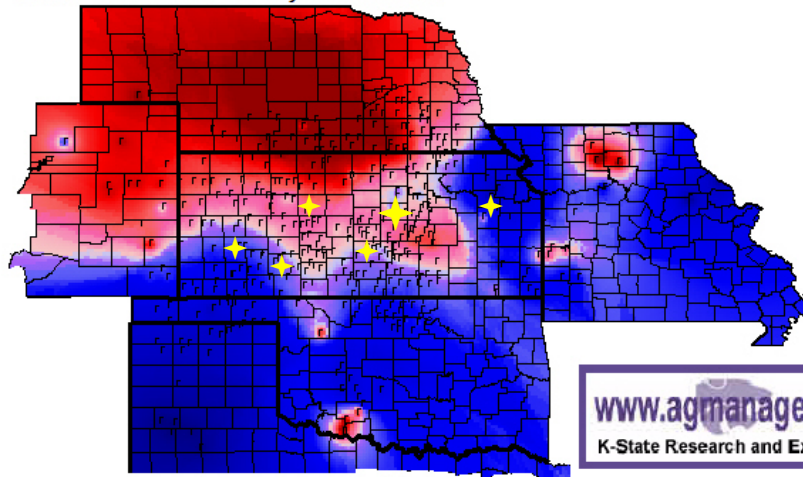
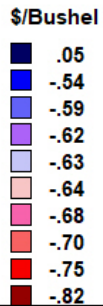
USDA Agricultural Weather Assess World Agricultural Outlook

Source: USDA NASS and Centrec Estimates

Grain Sorghum Basis, 01-30-2019

Basis = Cash Price - Nearby Futures Price

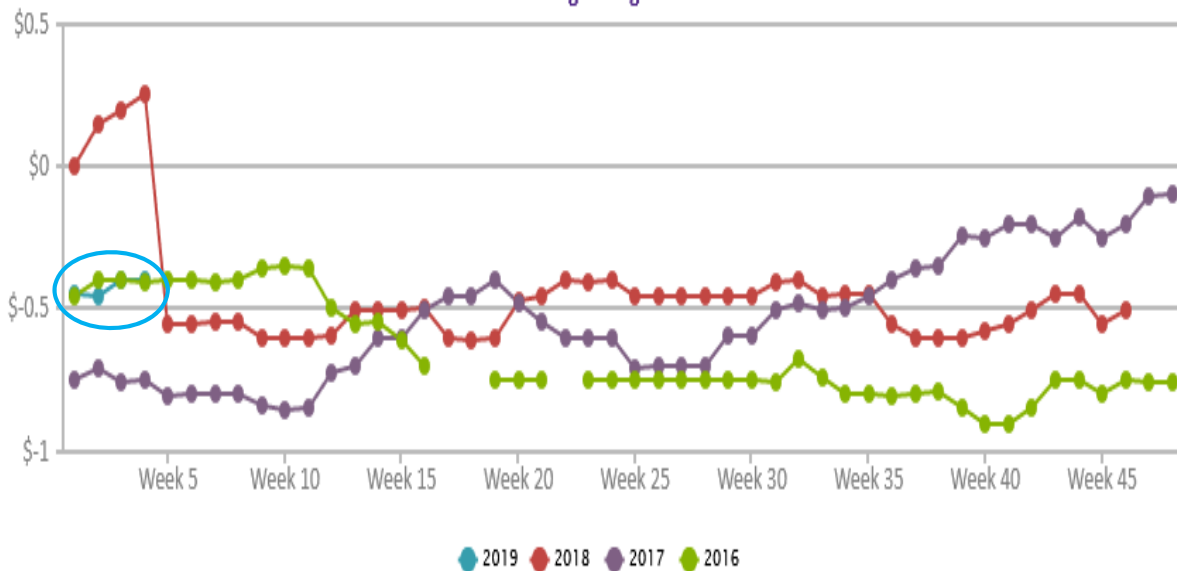
CBT Corn
Mar Futures
Price: \$3.80



www.agmanager.info
K-State Research and Extension

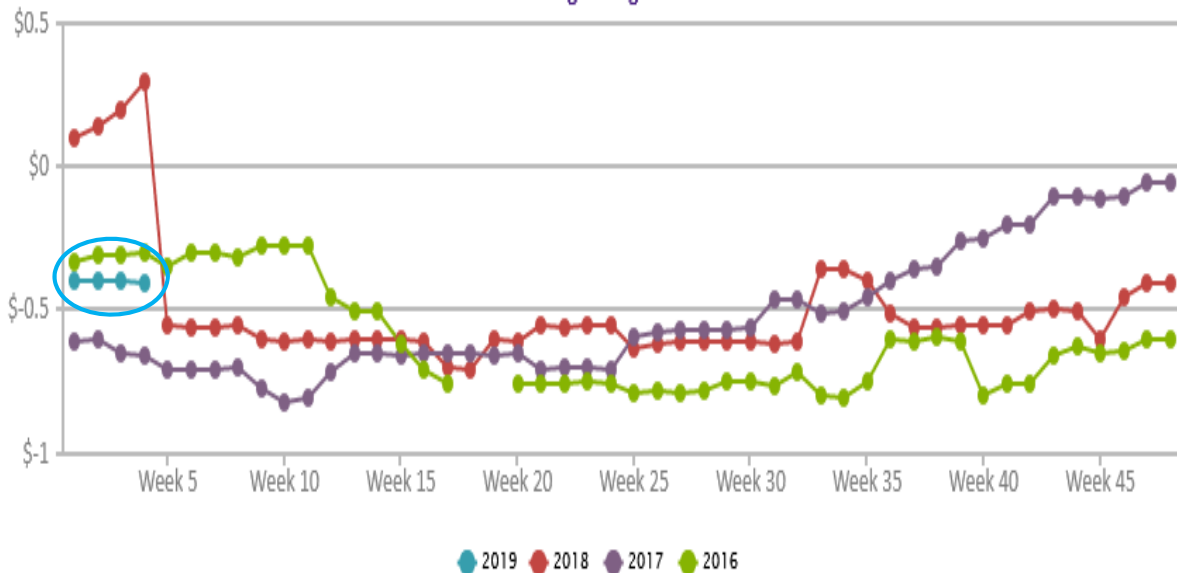
SALINA, KS: Grain Sorghum Basis - SCOLAR GRAIN CO

www.AgManager.info



HUTCHINSON, KS: Grain Sorghum Basis - CARGILL

www.AgManager.info





U.S. Sorghum & Corn Stocks

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

- End Stocks ^{2018/19} ⇒ 39 Mln bu (15 - 55 mb since 2008/09)

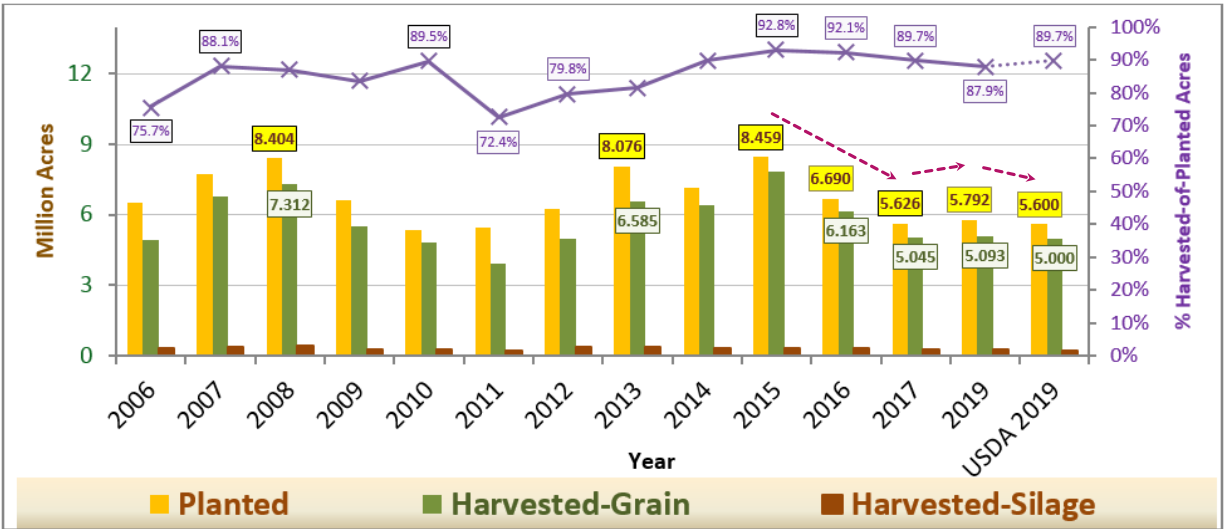
- % Stocks/Use ^{2018/19} ⇒ 10.8% S/U (vs 9.6% & 6.8% last 2 years)

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

- End Stocks ^{2018/19} ⇒ 1.781 bln bu (Trending lower)

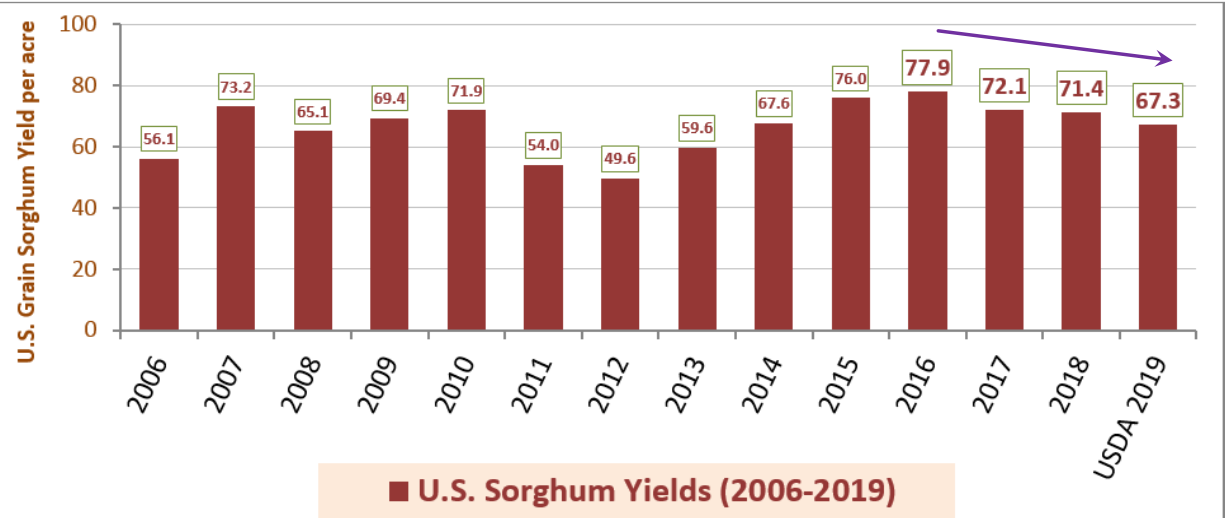
- % Stocks/Use ^{2018/19} ⇒ 11.85% S/U (Trending lower)

U.S. Sorghum Acreage

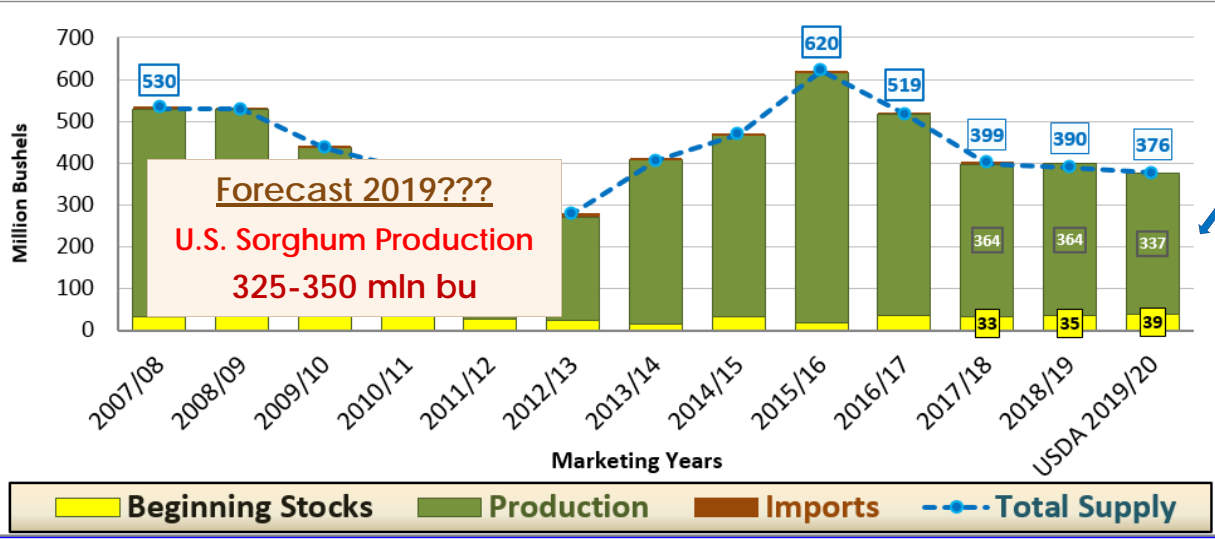


U.S. Sorghum Yields

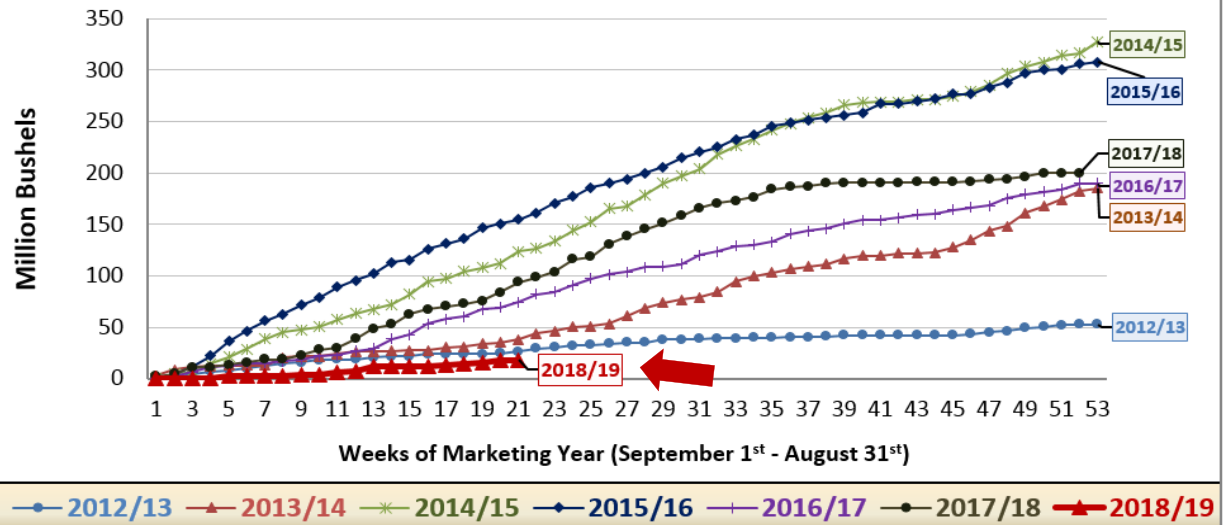
USDA 2019 USDA Forecast = 67.3 bu/ac



U.S. Sorghum Crop & Supplies



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



Where Is U.S. Sorghum Going?

TOP U.S. EXPORT CUSTOMERS



Dollar amount

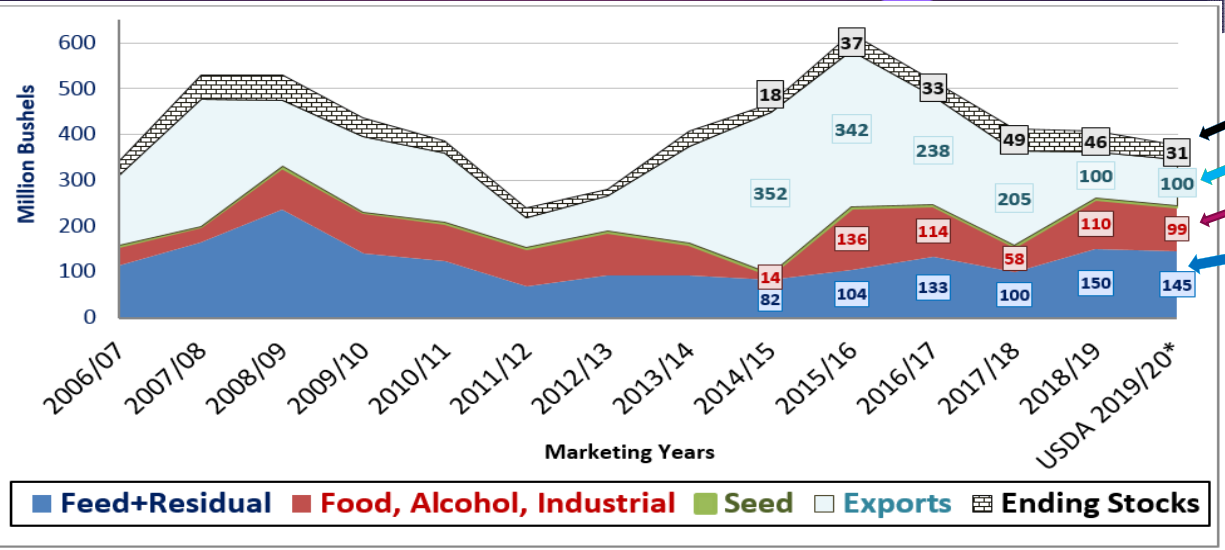
1	CHINA	\$888 MILLION
2	MEXICO	\$103 MILLION
3	JAPAN	\$35 MILLION
4	SUDAN	\$22 MILLION
5	KENYA	\$14 MILLION
	Djibouti	\$12 million
	South Africa	\$11 million
	Somalia	\$11 million
	Cameroon	\$7 million
	Zimbabwe	\$3 million

Metric tons

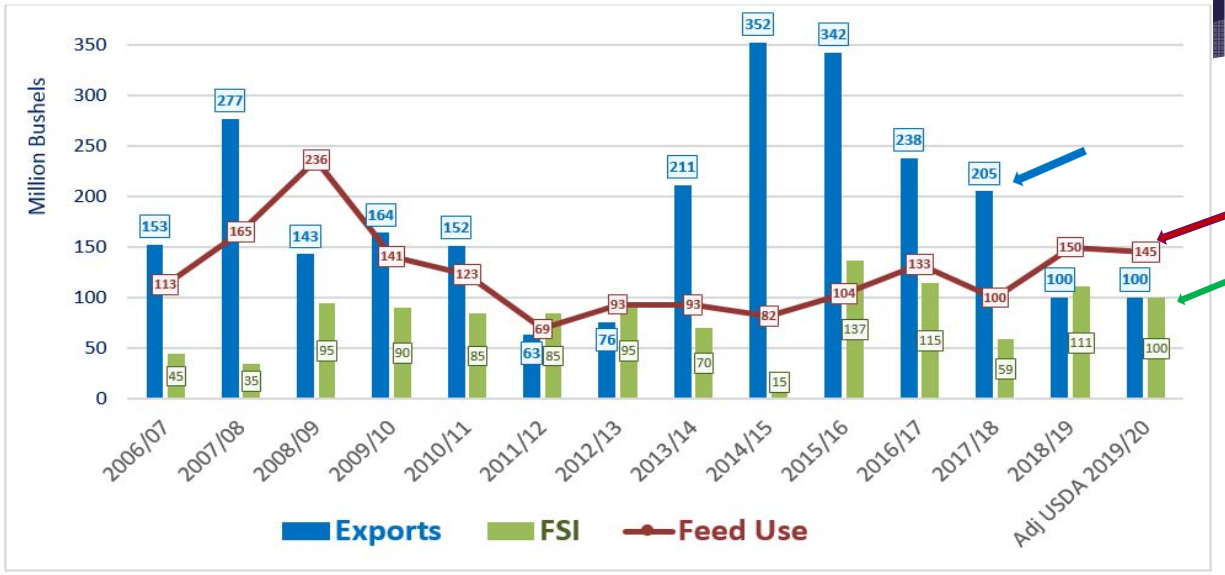
1	CHINA	4,800,480
2	MEXICO	568,254
3	JAPAN	182,665
4	SUDAN	125,834
5	KENYA	74,099
	Djibouti	69,063
	South Africa	68,936
	Somalia	53,076
	Cameroon	34,459
	Zimbabwe	15,400

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

U.S. Sorghum Use - By Category

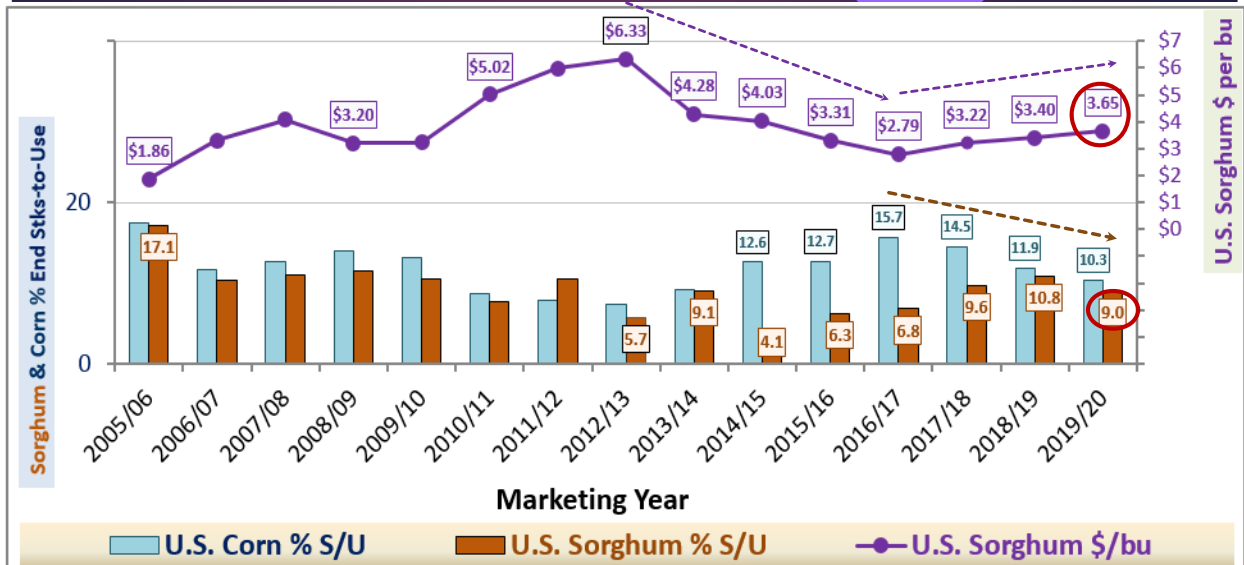


U.S. Sorghum Use - By Category



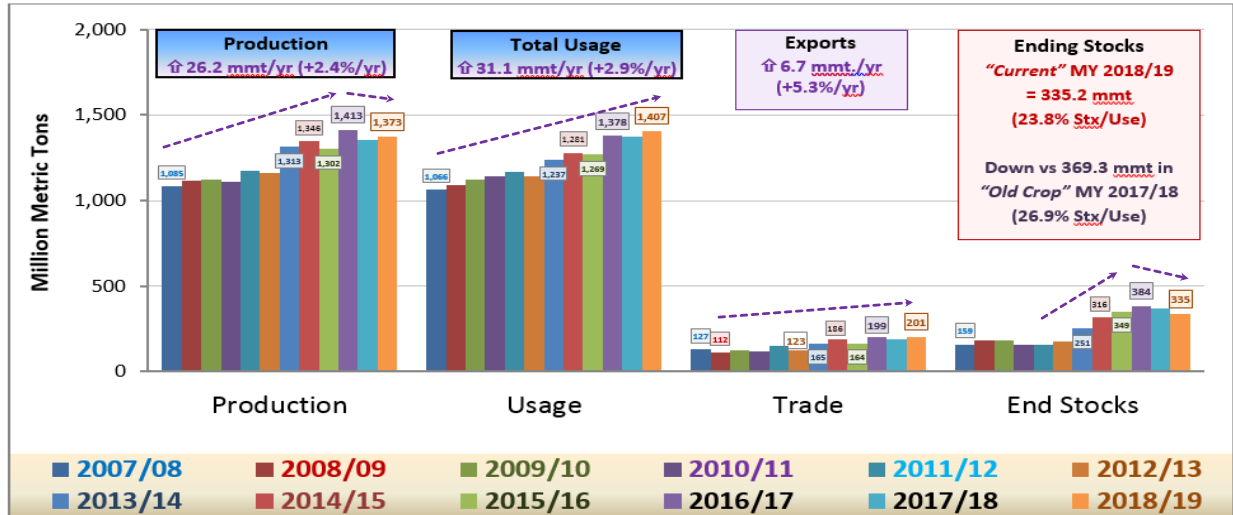


U.S. Feedgrain % Stocks/Use vs Price\$



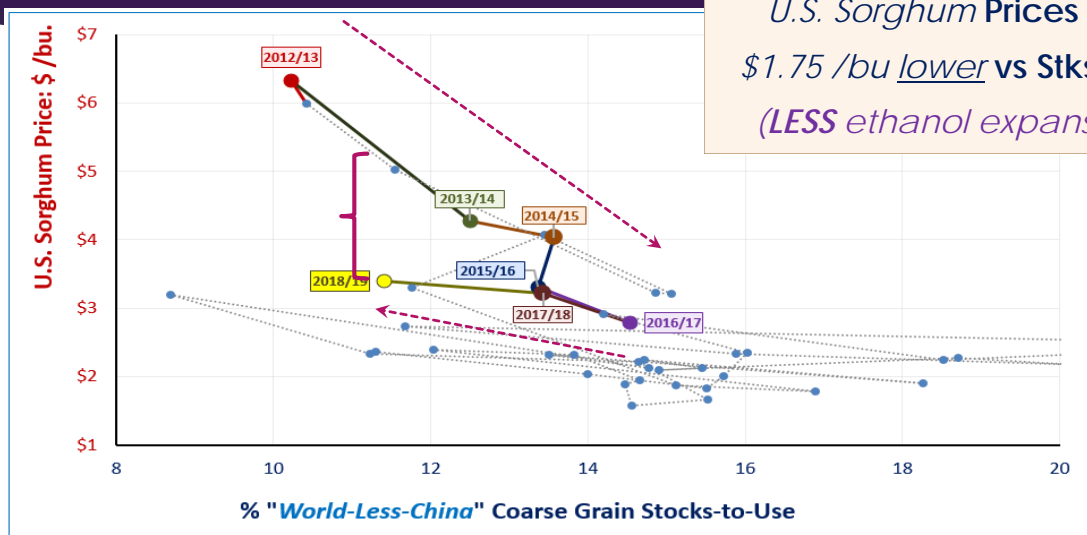
World Feedgrain Supply-Demand Trends

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



Sorghum^{U.S.} \$ 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

KSUGrains on Twitter & Facebook

www.AgManager.info



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