

Implications of USDA Grain Stocks and Prospective Plantings Reports for Corn and Soybean Prices

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Presentation Materials

Visit the 'Downloads' page at www.farmdoc.illinois.edu/webinars

- PDF of slides available soon
- Video available tomorrow

• Questions

- Please submit questions during the presentation

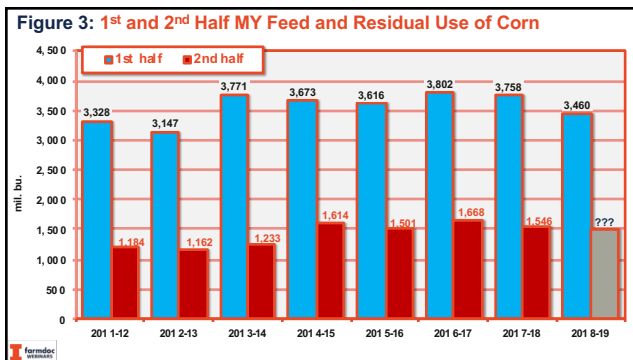
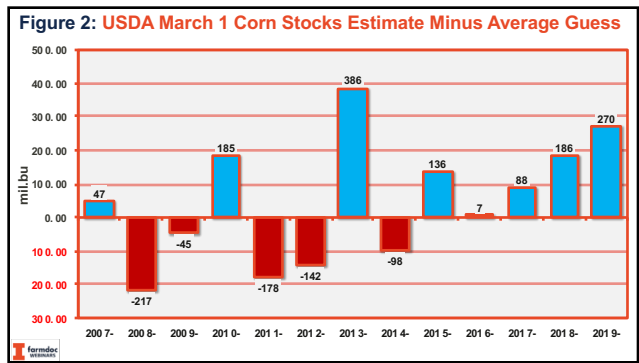
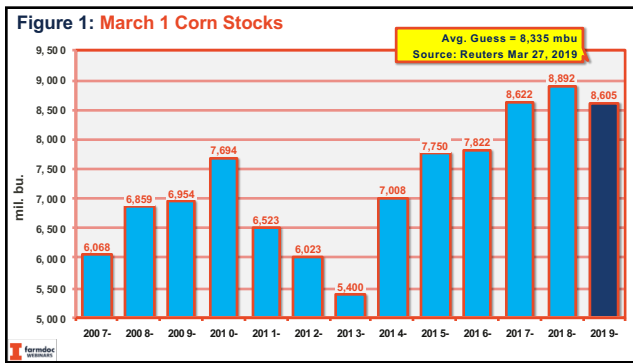


Figure 4: Projections for 2018/19 Marketing Year Feed and Residual Use of Corn

Rate of First Half Disappearance	Implied 17/18 MY Feed and Residual Use
64% Observed During 1996/97-2005/06	5,406
68% Observed During 2006/07-2009/10	5,088
74% Observed During 2010/11-2013/14	4,676
70% Observed During 2014/15-2017/18	4,943
USDA 18/19 Projection	5,375 mbu

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Figure 5: Corn Balance

	2018/19 WASDE Mar 8	2018/19
Supply:		
Planted Acreage (million acres)	89.1	89.1
Harvested Acreage (million acres)	81.7	81.7
Yield (Bushels / Acre)	176.4	176.4
Beginning Stocks (million bushels)	2,140	2,140
Total Production (million bushels)	14,420	14,420
Imports (million bushels)	40	40
Total Supply (million bushels)	16,600	16,600
Consumption:		
Feed and Residual (million bushels)	5,375	5,240
Food, Seed, and Industrial (million bushels)	7,015	7,000
Ethanol (million bushels)	5,550	5,535
Exports (million bushels)	2,375	2,350
Total Consumption (million bushels)	14,765	14,590
Ending Stocks (million bushels)	1,835	2,010
Ending Stocks/Total Consumption (%)	12.4%	13.8%
Average Price (\$/bu.)	\$3.55	\$3.50

Figure 6: March 1 Soybean Stocks

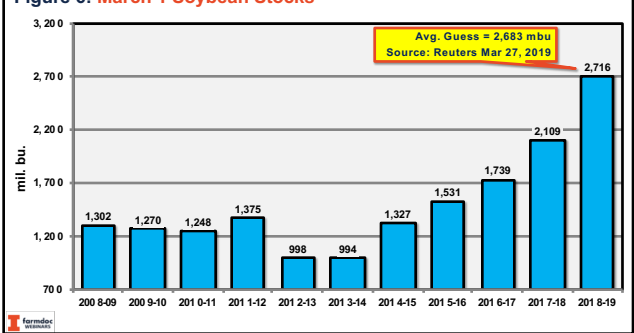


Figure 7: USDA March 1 Soybean Stocks Estimate Minus Average Guess

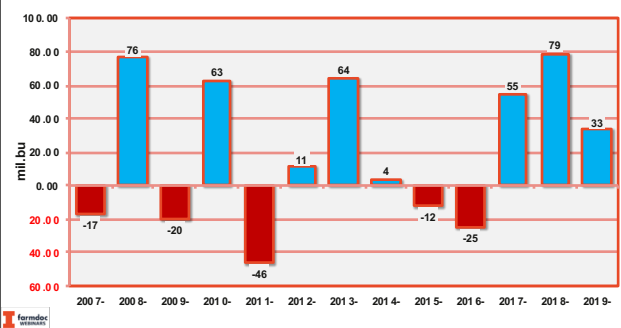


Figure 8: First Half and Second Half Seed and Residual Use of Soybeans

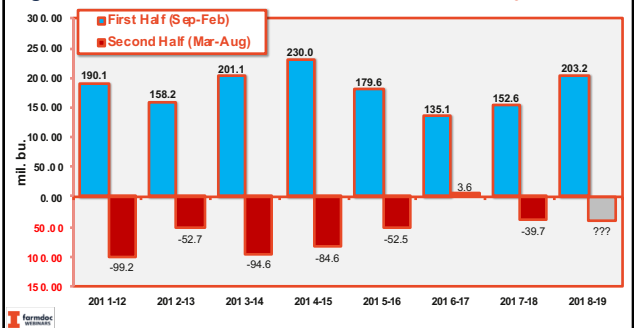
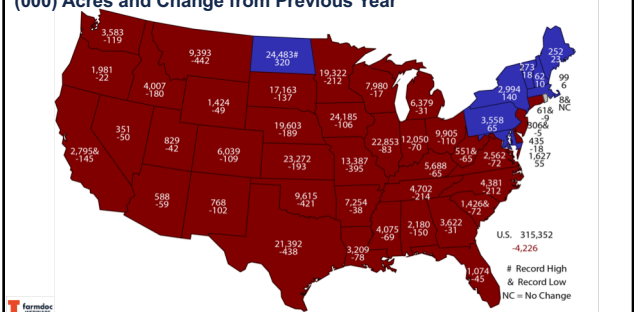


Figure 9: Soybean Balance

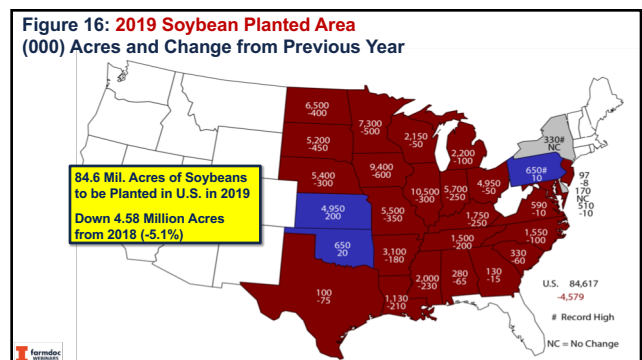
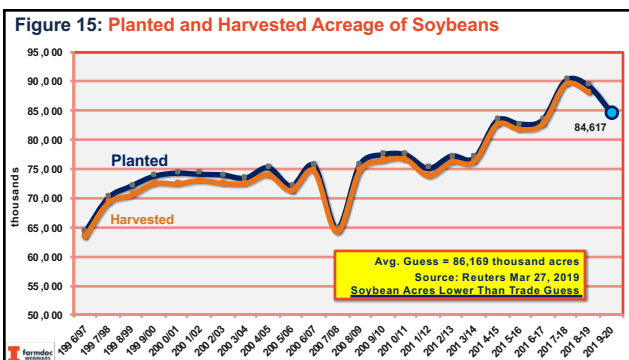
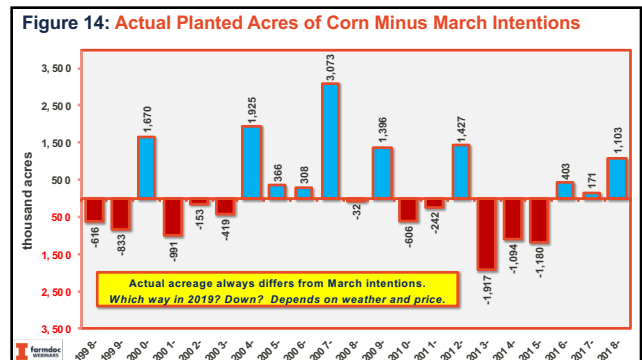
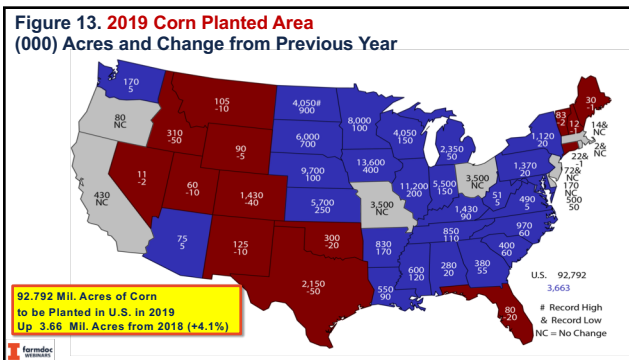
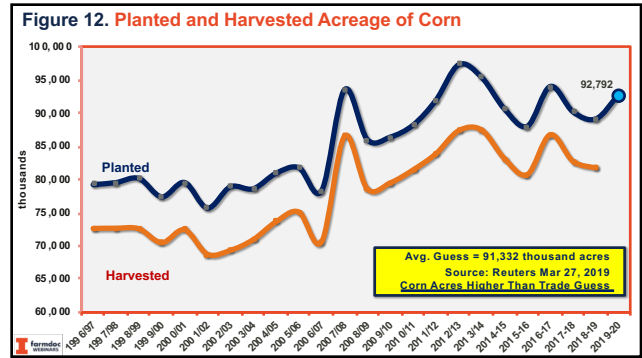
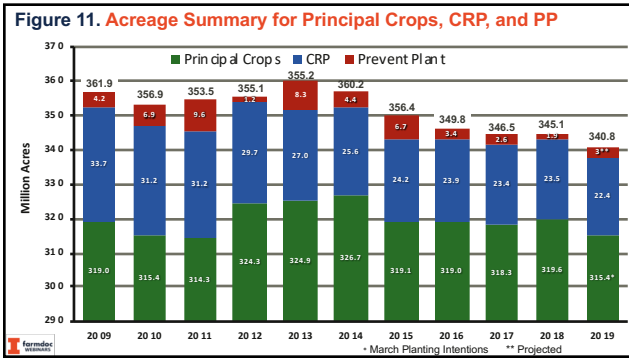
	2018/19 WASDE Mar 8	2018/19
Supply:		
Planted Acreage (mil.)	89.2	89.2
Harvested Acreage (mil.)	88.2	88.2
Yield (bu./ac.)	51.6	51.6
Production (mil. bu.)	4,544	4,544
Beginning stocks (mil. bu.)	438	438
Imports (mil. bu.)	20	20
Total Supply (mil. bu.)	5,002	5,002
Consumption:		
Crush (mil. bu.)	2,100	2,085
Export (mil. bu.)	1,875	1,830
Seed and Residual (mil. bu.)	127	127
Total Consumption (mil. bu.)	4,102	4,042
Ending stocks (mil. bu.)	900	960
Stocks-to-use	21.9%	23.7%
Average farm price (\$/bu.)	\$8.60	\$8.50

Figure 10: 2019 Principal Crops Planted Area (000) Acres and Change from Previous Year



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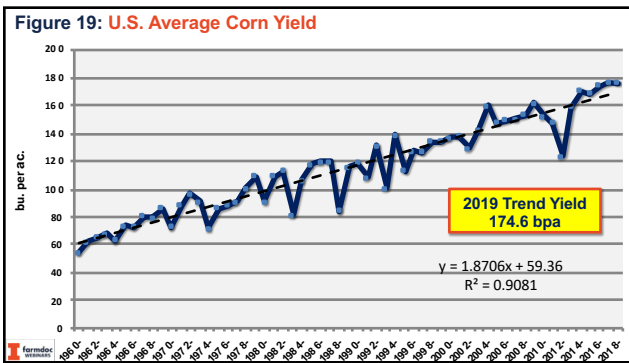
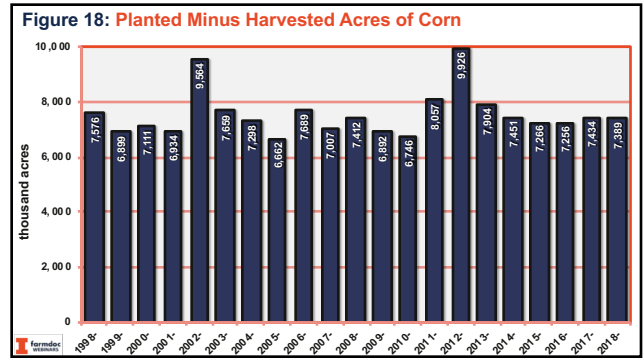
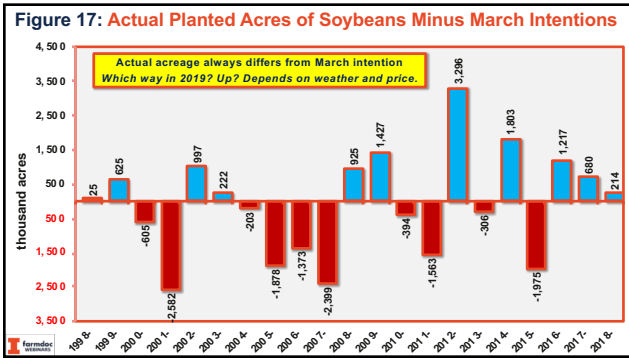
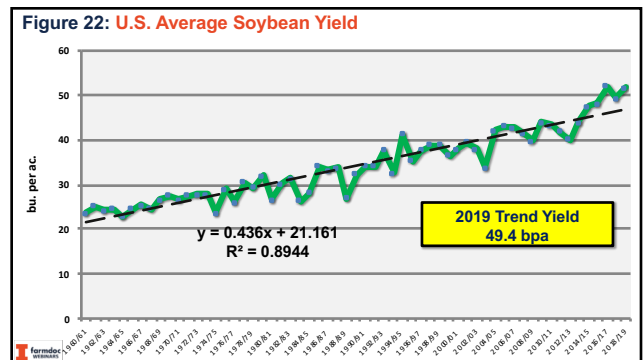
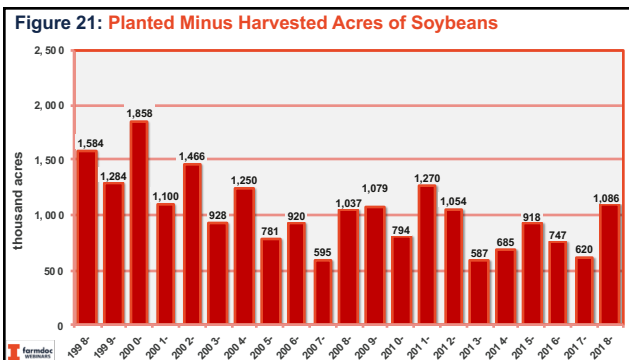


Figure 20: Corn Balance

	USDA Outlook Forum 2019/20	2019/20
Supply:		
Planted Acreage (million acres)	92.8	92.8
Harvested Acreage (million acres)	85.4	85.4
Yield (Bushels / Acre)	176.0	174.6
Total Production (million bushels)	15,030	14,911
Beginning Stocks (million bushels)	1,835	2,010
Imports (million bushels)	40	40
Total Supply (million bushels)	16,905	16,961
Consumption:		
Feed and Residual (million bushels)	5,500	5,450
Food, Seed, and Industrial (million bushels)	7,040	6,985
Ethanol (million bushels)	5,575	5,520
Exports (million bushels)	2,475	2,350
Total Consumption (million bushels)	15,015	14,785
Ending Stocks (million bushels)		
Ending Stocks (million bushels)	1,890	2,176
Ending Stocks/Total Consumption (%)	12.6%	14.7%
Average Price (\$/bu.)		
	\$3.65	\$3.45



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Figure 23: Soybean Balance

	USDA Outlook Forum	
	2019/20	2019/20
Supply:		
Planted Acreage (mil.)	84.6	84.6
Harvested Acreage (mil.)	83.6	83.6
Yield (bu./ac.)	49.5	49.4
Production (mil. bu.)	4,175	4,130
Beginning stocks (mil. bu.)	900	960
Imports (mil. bu.)	20	20
Total Supply (mil. bu.)	5,095	5,110
Consumption:		
Crush (mil. bu.)	2,105	2,090
Export (mil. bu.)	2,025	1,885
Seed and feed (mil. bu.)	130	124
Total Consumption (mil. bu.)	4,260	4,099
Ending stocks (mil. bu.)	835	1,011
Stocks-to-use	19.6%	24.7%
Average farm price (\$/bu.)	\$8.80	\$8.35



Closing Comments

- March 1 Stocks Report Showed:
 - March 1 corn and soybean stocks larger than expected
 - Forecast of feed and residual use of corn lowered 135 million bushels
- U.S. Farmers intend to plant:
 - 3.7 million more corn acres, 370K fewer spring wheat acres and 555K fewer sorghum acres
 - 4.6 million fewer soybean acres and 319K fewer cotton acres
- Balance Sheet Implications
 - Expect larger corn and smaller soybean crops in 2019
 - Expect corn stocks and soybean stocks to increase modestly
 - Lower corn and soybean prices MY 2019/20



Questions?

Please continue to submit questions



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