WELCOME

2015 Illinois Farm Economics Summit
Agricultural Commodity Price Outlook for 2016

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U.S. Average Corn Yield

\[ y = 1.8231x + 60.294 \]

\[ R^2 = 0.893 \]

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U.S. Corn Production

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U.S. Corn Exports

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Corn Used For Ethanol

2002-03: 953
2003-04: 1168
2004-05: 1323
2005-06: 1603
2006-07: 2119
2007-08: 3026
2008-09: 3709
2009-10: 4591
2010-11: 5019
2011-12: 5000
2012-13: 4641
2013-14: 5124
2014-15: 5209
2015-16: 5200

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Feed and Residual Use of Corn

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Grain Consuming Animal Units

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Ending Stocks of U.S. Corn

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U.S. Average Farm Price of Corn

$/bu.

Year

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## Corn Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planted Acreage (mil.)</strong></td>
<td>88.4</td>
<td>89.2</td>
</tr>
<tr>
<td><strong>Harvested Acreage</strong></td>
<td>80.7</td>
<td>81.5</td>
</tr>
<tr>
<td><strong>Yield (bu/ac.)</strong></td>
<td>169.3</td>
<td>167.0</td>
</tr>
<tr>
<td><strong>Production (mil. bu.)</strong></td>
<td>13,654</td>
<td>13,611</td>
</tr>
<tr>
<td><strong>Beginning stocks</strong></td>
<td>1,731</td>
<td>1,785</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,415</td>
<td>15,426</td>
</tr>
<tr>
<td><strong>Export (mil. bu.)</strong></td>
<td>1,750</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Feed and residual</strong></td>
<td>5,300</td>
<td>5,350</td>
</tr>
<tr>
<td><strong>Ethanol</strong></td>
<td>5,200</td>
<td>5,250</td>
</tr>
<tr>
<td><strong>Other Processing</strong></td>
<td>1,380</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,630</td>
<td>13,800</td>
</tr>
<tr>
<td><strong>Ending stocks</strong></td>
<td>1,785</td>
<td>1,626</td>
</tr>
<tr>
<td><strong>Average price</strong></td>
<td>$3.65</td>
<td>$3.85</td>
</tr>
</tbody>
</table>
U.S. Soybean Acreage

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U.S. Average Soybean Yield

\[ y = 0.4096x + 21.681 \]

\[ R^2 = 0.8887 \]
U.S. Soybean Production

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U.S. Soybean Crush

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Soybean Oil Used for Biodiesel

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U.S. Soybean Exports
South American Soybean Production

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Chinese Soybean Imports

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Ending Stocks of U.S. Soybeans

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Average Farm Price of Soybeans

[Bar chart showing the average farm price of soybeans from 1994/95 to 2015/16. The x-axis represents the years, and the y-axis represents the price per bushel, ranging from $0 to $16. The chart shows a general increase in prices, with a significant spike in 2012/13 and 2013/14.]
# Soybean Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted Acreage (mil.)</td>
<td>83.2</td>
<td>84.5</td>
</tr>
<tr>
<td>Harvested Acreage</td>
<td>82.4</td>
<td>83.7</td>
</tr>
<tr>
<td>Yield (bu./ac.)</td>
<td>48.3</td>
<td>45.5</td>
</tr>
<tr>
<td>Production (mil. bu.)</td>
<td>3,981</td>
<td>3,808</td>
</tr>
<tr>
<td>Beginning stocks</td>
<td>191</td>
<td>465</td>
</tr>
<tr>
<td>Imports</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>4,203</td>
<td>4,303</td>
</tr>
<tr>
<td>Crush (mil. bu.)</td>
<td>1,890</td>
<td>1,925</td>
</tr>
<tr>
<td>Export</td>
<td>1,715</td>
<td>1,775</td>
</tr>
<tr>
<td>Seed and feed</td>
<td>133</td>
<td>130</td>
</tr>
<tr>
<td>Total</td>
<td>3,738</td>
<td>3,830</td>
</tr>
<tr>
<td>Ending stocks</td>
<td>465</td>
<td>473</td>
</tr>
<tr>
<td>Average price</td>
<td>$8.90</td>
<td>$8.90</td>
</tr>
</tbody>
</table>
Summary

Projections for 2016 based on:
- Large South American production
- Trend yields in U.S.
- Continued exchange rate disadvantage

Price projections considered conservative:
- Some crop threats in other areas
- Elevated risk of lower U.S. yields in 2016
- More aggressive biodiesel production
- Stronger economic growth

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