Updated Supply/Demand/Price Prospects for Corn and Soybeans

June 30, 2017

Presentation Materials

• Visit the ‘Downloads’ page at www.farmdoc.illinois.edu/webinars
  – PDF of slides are available
  – Video available Monday

• Questions
  – Please submit questions during the presentation

Figure 1. June 1 Corn Stocks

Figure 2. June 1 Corn Stocks Minus Average Trade Guess

Figure 3. Third Quarter Feed and Residual Use of Corn

Figure 4. Feed & Residual Use of Corn First Three Quarters
Updated Supply/Demand/Price Prospects for Corn and Soybeans

June 30, 2017

Figure 5. Fourth Quarter Feed and Residual Use of Corn

Figure 6. Relationship Between June 1 Corn Stocks Surprise and Change in WASDE Feed and Residual Estimates from June to July, 1991 - 2016

Figure 7. Relationship between June 1 Corn Stocks Surprise and Change in WASDE Feed and Residual Estimates from June to Final, 1991 - 2016

Figure 8. Corn Balance 2016/17

2016/17

2015/17

Supply:

Planted Acreage (million acres) 94.0 94.0
Harvested Acreage (million acres) 86.7 86.7
Yield (Bushels/Acre) 174.6 174.6
Beginning Stocks (million bushels) 1,737 1,737
Total Production (million bushels) 15,548 15,548
Imports (million bushels) 55 55
Total Supply (million bushels) 16,940 16,940

Consumption:

Feed and Residual (million bushels) 5,500 5,400
Food, Seed, and Industrial (million bushels) 6,920 6,920
Ethanol (million bushels) 5,450 5,450
Exports (million bushels) 2,225 2,250
Total Consumption (million bushels) 14,645 14,570

Ending Stocks (million bushels) 2,295 2,370
Ending Stocks/Total Consumption (%) 15.7% 16.3%
Average Price ($/bu.) 3.35 3.35

Figure 9. Acreage Summary for Principal Crops, CRP, and PP (Million Acres)


Principal Crops 325.6 319.0 315.4 314.3 324.3 324.9 326.4 318.5 319.2 318.2

CRP 34.6 33.7 31.2 31.2 29.7 27.0 25.6 24.2 23.9 23.4

Prevent Plant 1.7 4.2 6.9 9.6 12.2 8.3 4.4 6.7 3.4 2.5

Total 361.9 356.9 353.5 356.1 355.2 360.2 356.4 349.4 346.5 344.1

* March Estimate = 316.9
**Projected

Figure 10. Planted and Harvested Acreage of Corn

Avg. Guess = 93,883
Source: Reuters Jan 31, 2017
March = 93,996
2017 Corn Planted Area
1,000 Acres and Change From Previous Year

Figure 11. Planted Acreage of Corn by State

Figure 12. Planted Acres of Corn Minus June Intentions

Figure 13. Planted Minus Harvested Acreage of Corn

Figure 14. U.S. Average Corn Yield

Figure 15. Corn Balance

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<td>Supply:</td>
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<td>Planted Acreage (million acres)</td>
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<td>Harvested Acreage (million acres)</td>
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<td>Yield (Bushels / Acre)</td>
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<tr>
<td>Beginning Stocks (million bushels)</td>
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<td>Total Production (million bushels)</td>
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<td>Imports (million bushels)</td>
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<td>Total Supply (million bushels)</td>
<td>16,400</td>
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<th>2017/18 USDA-6/7</th>
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<td>Consumption:</td>
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<td>Feed and Residual (million bushels)</td>
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<td>Food, Seed, and Industrial (million bushels)</td>
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<td>Ethanol (million bushels)</td>
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<td>Exports (million bushels)</td>
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<td>Total Consumption (million bushels)</td>
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<td>Ending Stocks (million bushels)</td>
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<td>Ending Stocks/Total Consumption (%)</td>
<td>14.8%</td>
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<td>Average Price ($/bu.)</td>
<td>$3.40</td>
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Figure 16. Reciprocal Regression Model Specifications of U.S. Farm Price of Corn and Ending Stocks/Total Use, 1990-91 - 2016-17*
Figure 17. June 1 Soybean Stocks

Figure 18. June 1 Soybean Stocks Minus Trade Guess

Figure 19. Soybean Balance

Figure 20. Planted and Harvested Acreage of Soybeans

Figure 21. Planted Acreage of Soybeans by State

Figure 22. Planted Acres of Soybeans Minus June Intentions
Figure 23. Planted Minus Harvested Acreage of Soybeans

Figure 24. U.S. Soybean Average Yield with Linear Trend

Figure 25. U.S. Soybean Average Yield with Quadratic Trend

Figure 26. U.S. Soybean Average Yield with 1990 Breakpoint

Figure 27. Soybean Balance

Figure 28. Reciprocal Regression Model of U.S. Farm Price of Soybeans and Soybeans Ending Stocks/Total Use, 1990-91 - 2016-17

Source: USDA 2012-13

Strong Demand: y=7.03 (1/x) + 12.85
Moderate Demand: y=7.03 (1/x) + 10.59
Weak Demand: y=7.03 (1/x) + 8.43

* Projected
Questions?
Please continue to submit questions during this part of the webinar

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Next Webinar
Join us on August 11 at 8 a.m. for our next webinar looking at supply, demand, and price prospects in corn and soybeans