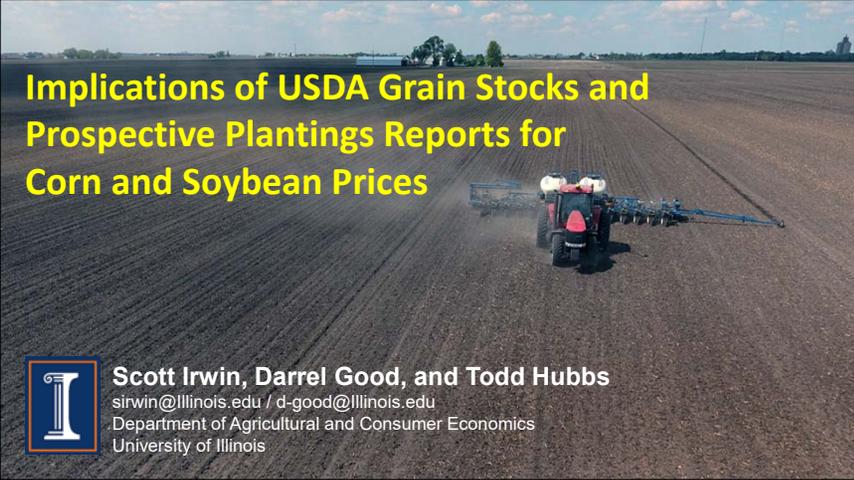


# Implications of USDA Grain Stocks and Prospective Plantings Reports for Corn and Soybean Prices



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

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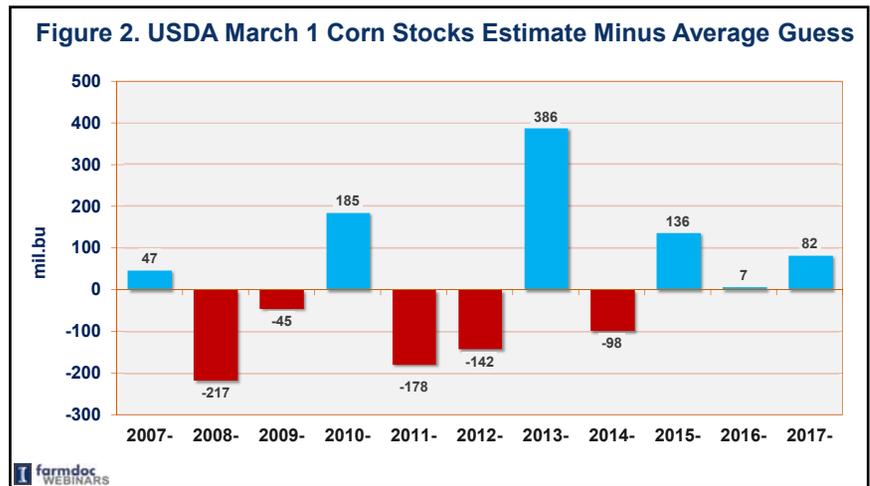
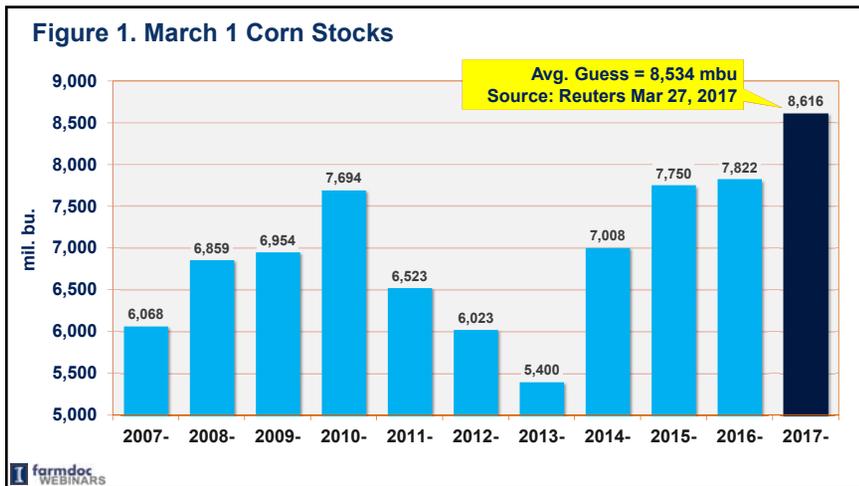
## Presentation Materials

Visit the 'Downloads' page at [www.farmdoc.illinois.edu/webinars](http://www.farmdoc.illinois.edu/webinars)

- PDF of slides available soon
- Video available tomorrow

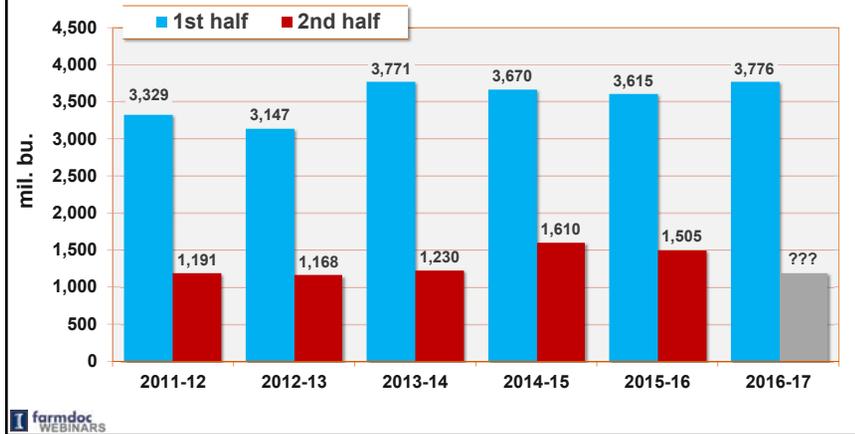
## Questions

Please submit questions during the presentation

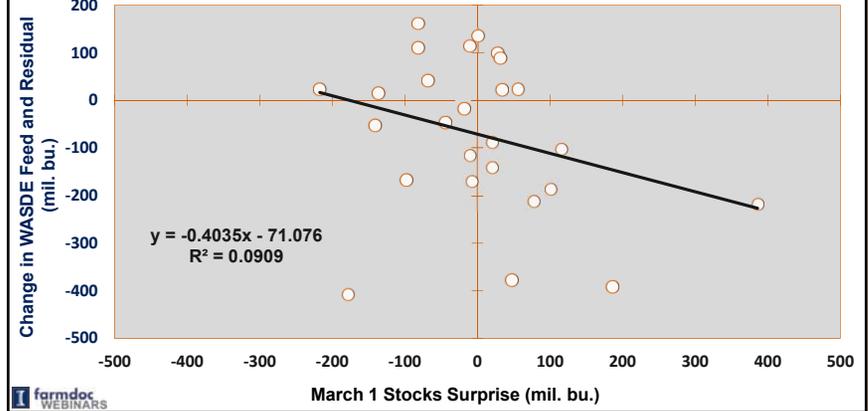


## Implications of USDA Grain Stocks and Prospective Plantings Reports for Corn and Soybean Prices

**Figure 3. First Half and Second Half MY Feed and Residual Use of Corn**



**Figure 4. Relationship Between March 1 Corn Stocks Surprise and Change in WASDE Feed and Residual Estimates from March to Final, 1991-2015**



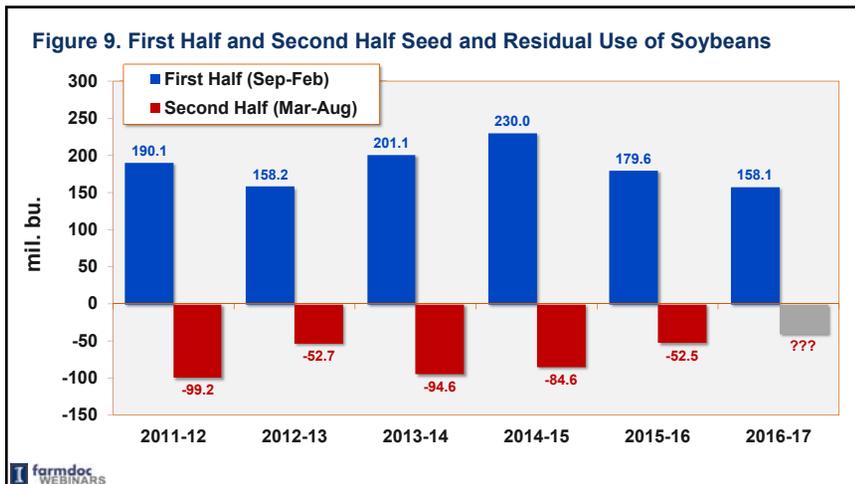
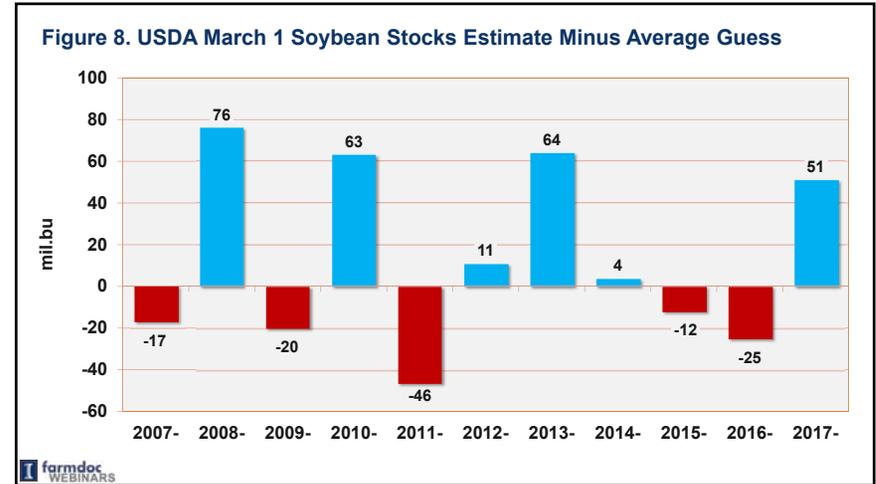
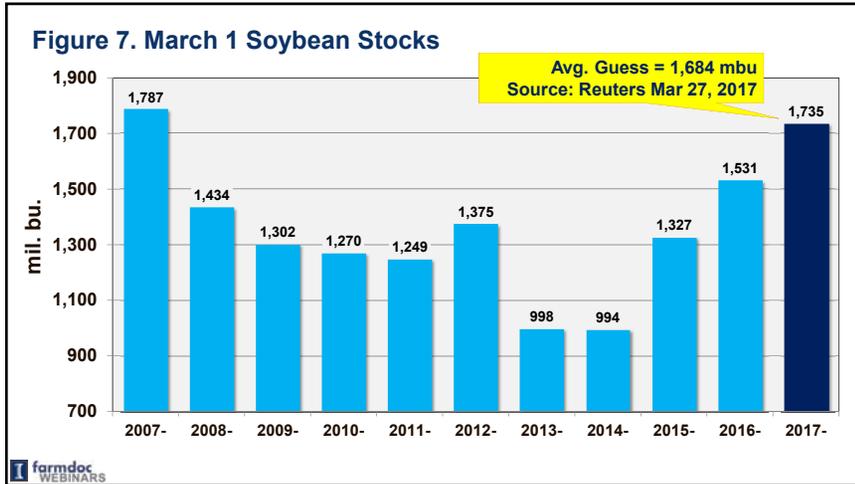
**Figure 5. Projections for 2015/16 Marketing Year Feed and Residual Use of Corn**

Rate of First Half Disappearance	Implied 16/17 MY Feed and Residual Use
<b>64%</b> <i>Observed During 1996/97-2005/06</i>	<b>5,900</b>
<b>68%</b> <i>Observed During 2006/07-2009/10</i>	<b>5,552</b>
<b>74%</b> <i>Observed During 2010/11-2013/14</i>	<b>5,103</b>
<b>70%</b> <i>Observed During 2014/15-2015/16</i>	<b>5,394</b>
USDA 16/17 Projection	<b>5,550 mbu</b>

**Figure 6. Corn Balance**

	2016/17 WASDE Mar 9	2016/17
<b>Supply:</b>		
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)	15,148	15,148
Imports (million bushels)	55	55
<b>Total Supply (million bushels)</b>	<b>16,940</b>	<b>16,940</b>
<b>Consumption:</b>		
Feed and Residual (million bushels)	5,550	5,475
Food, Seed, and Industrial (million bushels)	6,845	6,845
Ethanol (million bushels)	5,400	5,400
Exports (million bushels)	2,225	2,225
<b>Total Consumption (million bushels)</b>	<b>14,620</b>	<b>14,545</b>
Ending Stocks (million bushels)	2,320	2,395
Ending Stocks/Total Consumption (%)	15.9%	16.5%
<b>Average Price (\$/bu.)</b>	<b>\$3.40</b>	<b>\$3.40</b>

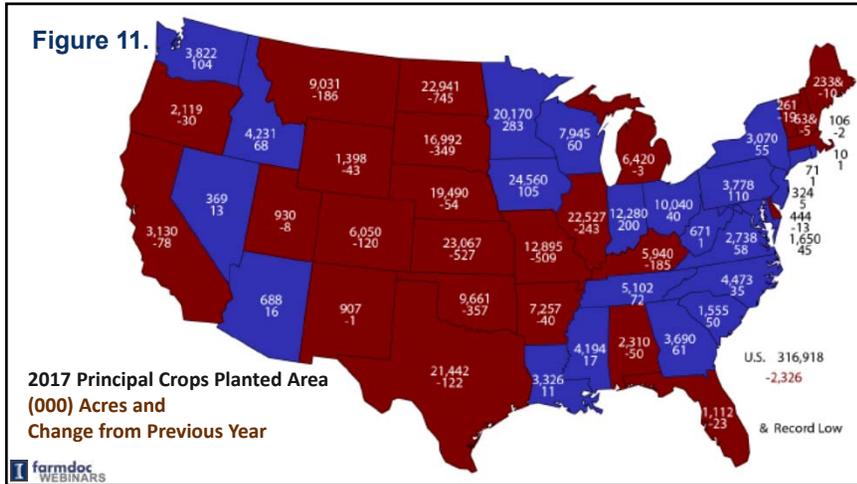
# Implications of USDA Grain Stocks and Prospective Plantings Reports for Corn and Soybean Prices



**Figure 10. Soybean Balance**

	2016/17 WASDE Mar 9	2016/17
<b>Supply:</b>		
Planted Acreage (mil.)	83.4	83.4
Harvested Acreage (mil.)	82.7	82.7
Yield (bu./ac.)	52.1	52.1
Production (mil. bu.)	4,307	4,307
Beginning stocks (mil. bu.)	197	197
Imports (mil. bu.)	25	25
<b>Total Supply (mil. bu.)</b>	<b>4,528</b>	<b>4,528</b>
<b>Consumption:</b>		
Crush (mil. bu.)	1,940	1,940
Export (mil. bu.)	2,025	2,025
Seed and Residual (mil. bu.)	128	128
<b>Total Consumption (mil. bu.)</b>	<b>4,093</b>	<b>4,093</b>
Ending stocks (mil. bu.)	435	435
Stocks-to-use	10.6%	10.6%
Average farm price (\$/bu.)	\$9.60	\$9.60

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

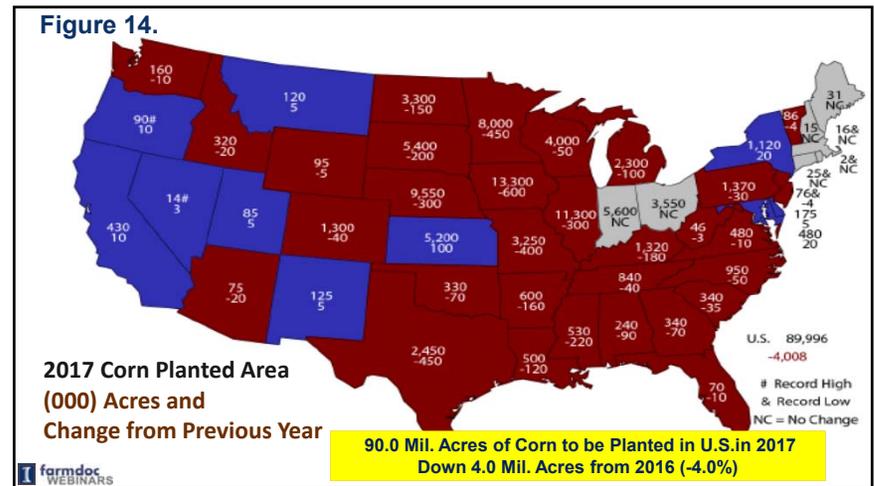
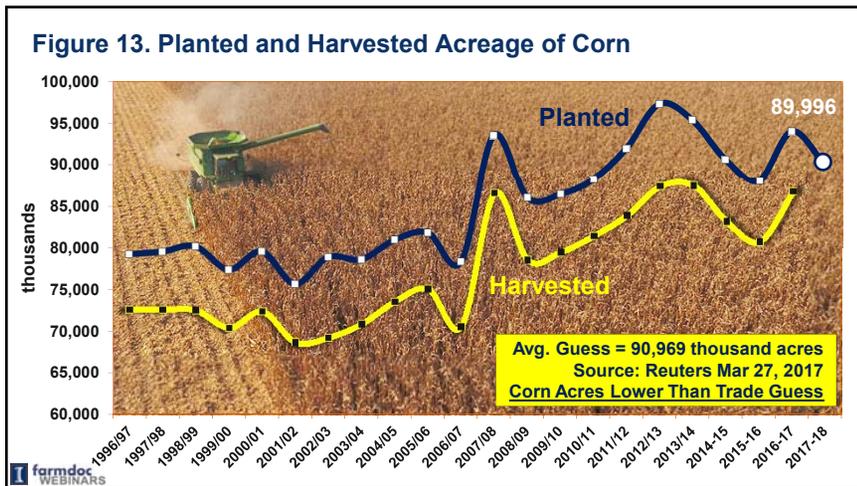


**Figure 12. Acreage Summary for Principal Crops, CRP, and PP (Million Acres)**

Crop	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal Crops	325.6	319.0	315.4	314.3	324.3	324.9	326.4	318.9	319.2	316.9*
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	1.2	8.3	4.4	6.7	3.4	2.5**
<b>Total</b>	<b>361.9</b>	<b>356.9</b>	<b>353.5</b>	<b>355.1</b>	<b>355.2</b>	<b>360.2</b>	<b>356.4</b>	<b>349.8</b>	<b>346.5</b>	<b>342.8</b>

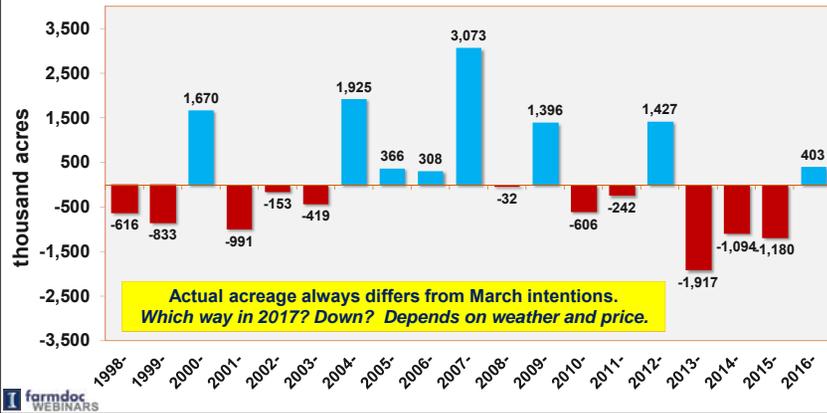
\* March Planting Intentions  
\*\* Projected

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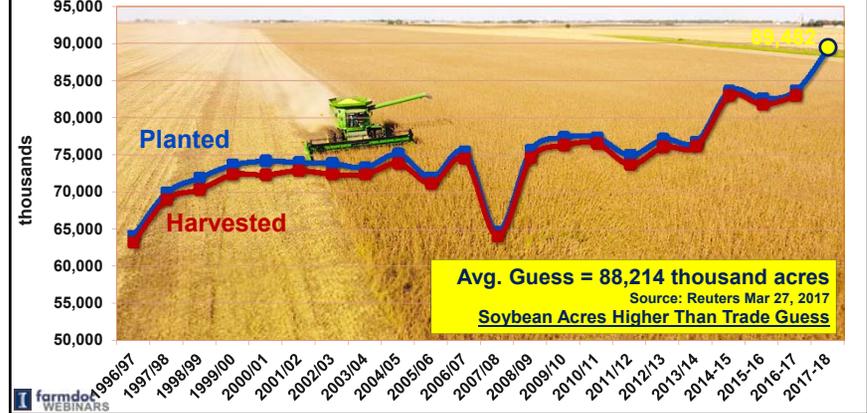


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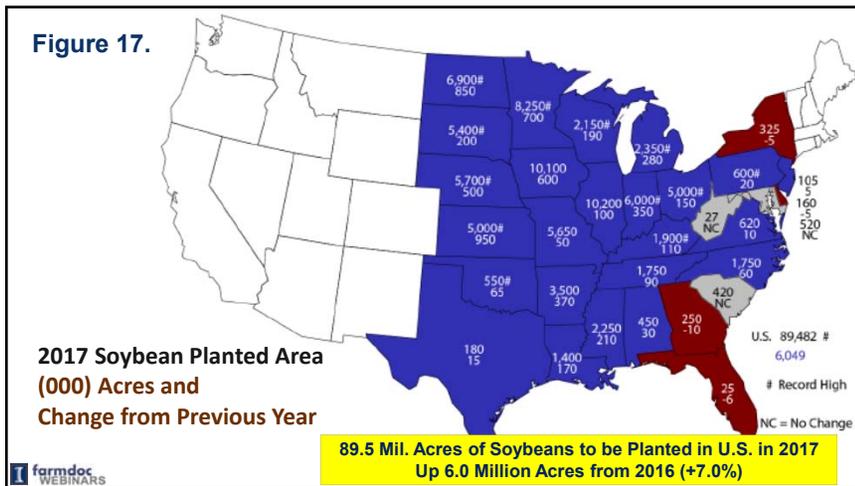
**Figure 15. Actual Planted Acres of Corn Minus March Intentions**



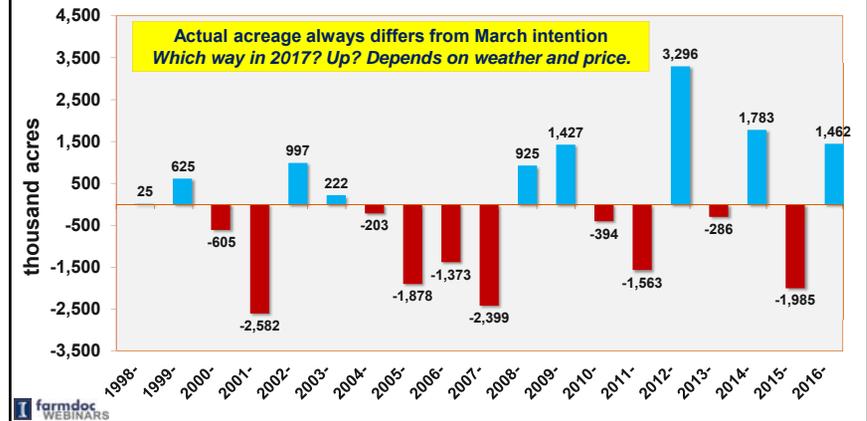
**Figure 16. Planted and Harvested Acreage of Soybeans**



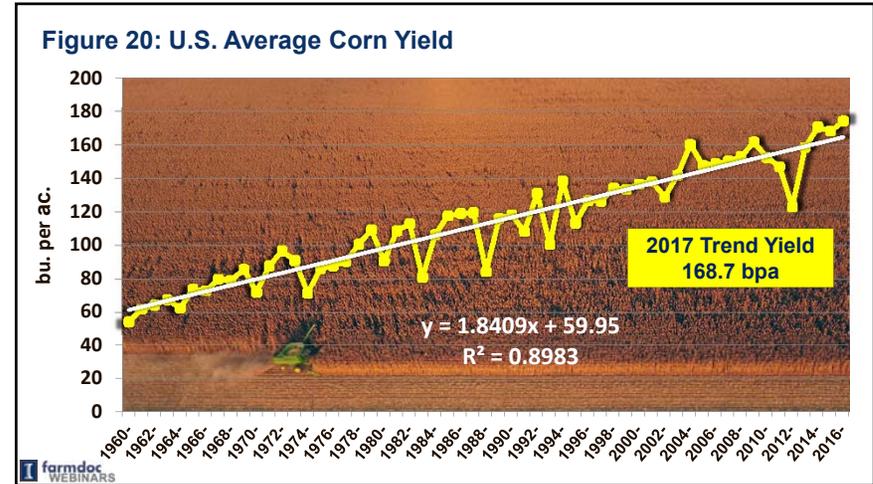
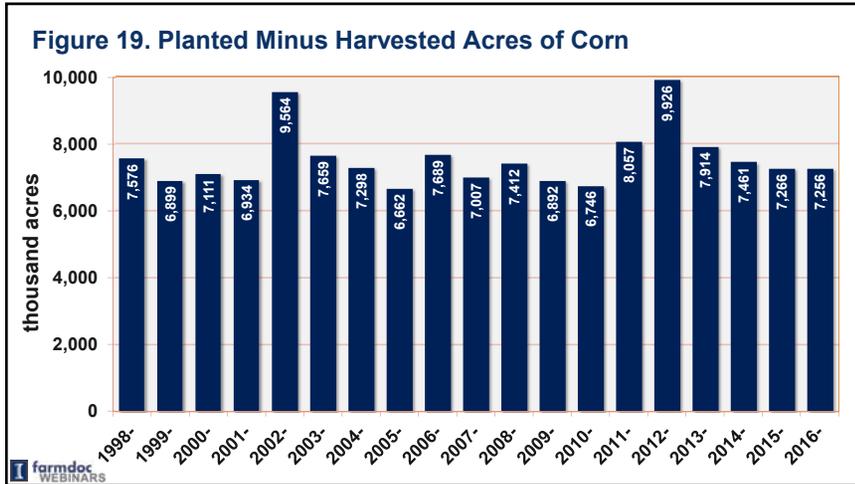
**Figure 17.**



**Figure 18. Actual Planted Acres of Soybeans Minus March Intentions**

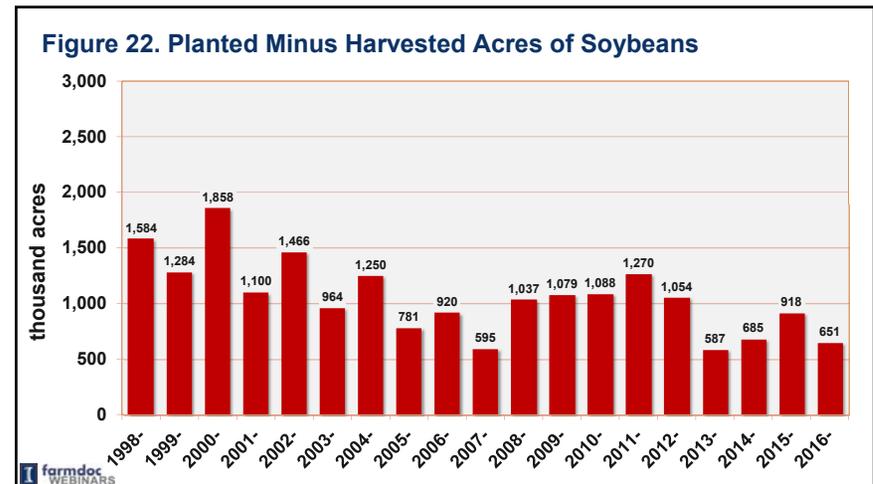


## Implications of USDA Grain Stocks and Prospective Plantings Reports for Corn and Soybean Prices



**Figure 21. Corn Balance**

	USDA Outlook Forum	
	2017/18	2017/18
<b>Supply:</b>		
Planted Acreage (million acres)	90.0	90.0
Harvested Acreage (million acres)	82.4	82.5
Yield (Bushels / Acre)	170.7	168.7
Total Production (million bushels)	14,065	13,918
Beginning Stocks (million bushels)	2,320	2,395
Imports (million bushels)	50	50
<b>Total Supply (million bushels)</b>	<b>16,435</b>	<b>16,363</b>
<b>Consumption:</b>		
Feed and Residual (million bushels)	5,450	5,500
Food, Seed, and Industrial (million bushels)	6,870	6,895
Ethanol (million bushels)	5,400	5,425
Exports (million bushels)	1,900	1,900
<b>Total Consumption (million bushels)</b>	<b>14,220</b>	<b>14,295</b>
<b>Ending Stocks (million bushels)</b>	<b>2,215</b>	<b>2,068</b>
Ending Stocks/Total Consumption (%)	15.6%	14.5%
<b>Average Price (\$/bu.)</b>	<b>\$3.50</b>	<b>\$3.60</b>



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

Figure 23. U.S. Average Soybean Yield



Figure 24. U.S. Average Soybean Yield

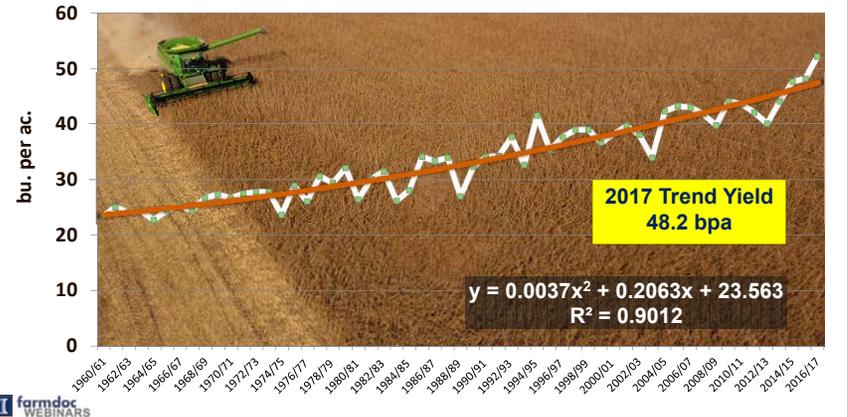


Figure 24.  
Soybean  
Balance

	USDA Outlook Forum	
	2017/18	2017/18
<b>Supply:</b>		
Planted Acreage (mil.)	88.0	89.5
Harvested Acreage (mil.)	87.1	88.7
Yield (bu./ac.)	48.0	48.2
Production (mil. bu.)	4,180	4,275
Beginning stocks (mil. bu.)	420	435
Imports (mil. bu.)	25	25
<b>Total Supply (mil. bu.)</b>	<b>4,625</b>	<b>4,735</b>
<b>Consumption:</b>		
Crush (mil. bu.)	1,945	1,945
Export (mil. bu.)	2,125	2,125
Seed and feed (mil. bu.)	135	135
<b>Total Consumption (mil. bu.)</b>	<b>4,205</b>	<b>4,205</b>
<b>Ending stocks (mil. bu.)</b>	<b>420</b>	<b>530</b>
Stocks-to-use	10.0%	12.6%
<b>Average farm price (\$/bu.)</b>	<b>\$9.60</b>	<b>\$8.95</b>

## 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 75 million bushels
- U.S. Farmers intend to plant:
  - 4 million fewer corn acres, 3.4 million fewer winter wheat acres and 900K fewer sorghum acres
  - 6 million more soybean acres, 2 million more cotton acres, and 156,000 more acres of other oilseeds
- Balance Sheet Implications
  - Expect a smaller corn crop and larger soybean crop in 2017
  - Expect corn stocks to decline modestly and soybean stocks to become surplus
  - Unchanged to higher corn prices and lower soybean prices in MY 2017/18

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## Questions?

Please continue to submit questions during this part of the webinar

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