

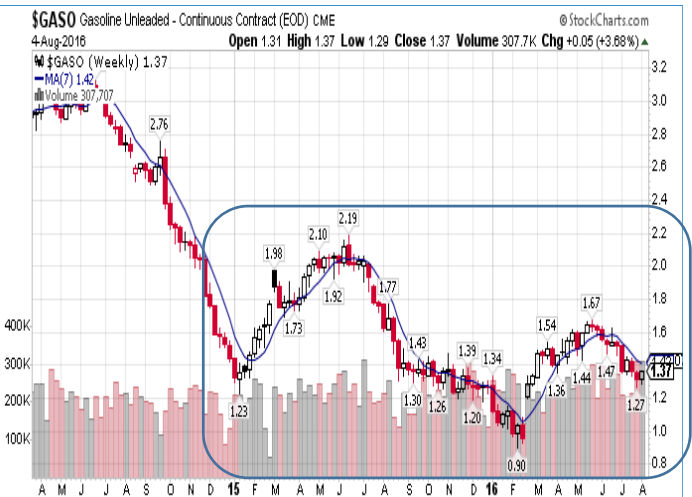
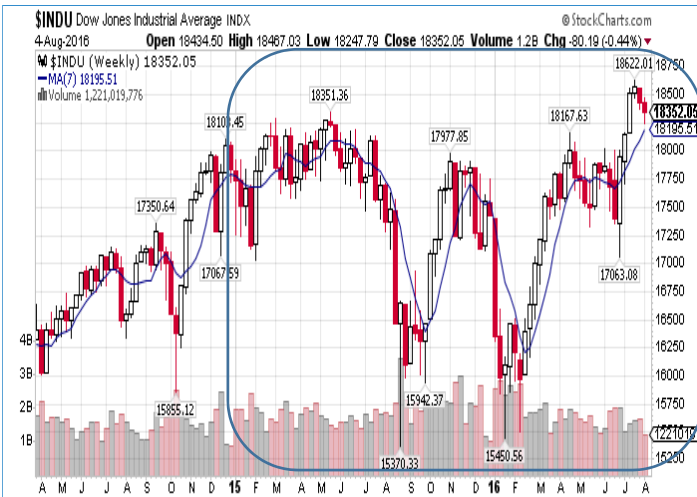
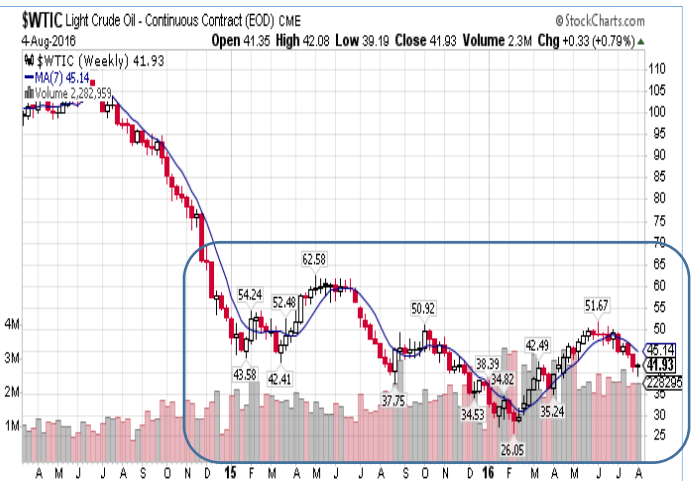
# KSU Agriculture Today Radio Notes

Daniel O'Brien, Extension Agricultural Economist, Kansas State University

For Radio Program to be aired 10:00-10:15 a.m., Friday, August 5, 2016

## I. Grain Futures Closes, Changes & Carry on Thursday, August 4, 2016

Corn Futures				Soybean Futures				Kansas Wheat Futures			
Month	Close	Change	Carry/mo	Month	Close	Change	Carry/mo	Month	Close	Change	Carry/mo
Sept 16	\$3.20 <sup>3</sup> / <sub>4</sub>	↓ \$0.0425	---	Aug 16	\$ 9.90 <sup>1</sup> / <sub>2</sub>	No change	---	Sept 16	\$4.05 <sup>3</sup> / <sub>4</sub>	↓ \$0.065	---
Dec 16	<b>\$3.31</b>	↓ \$0.04	\$0.03 <sup>417</sup>	Sept 16	\$ 9.73 <sup>1</sup> / <sub>2</sub>	No change	No carry	Dec 16	\$4.32	↓ \$0.065	\$0.08 <sup>75</sup>
Mar 17	\$3.41 <sup>1</sup> / <sub>2</sub>	↓ \$0.035	\$0.03 <sup>50</sup>	Nov 16	<b>\$ 9.56 <sup>3</sup>/<sub>4</sub></b>	↑ \$0.0125	No carry	Mar 17	\$4.49	↓ \$0.0625	\$0.05 <sup>667</sup>
May 17	\$3.48 <sup>1</sup> / <sub>4</sub>	↓ \$0.035	\$0.03 <sup>375</sup>	Jan 17	\$ 9.57	↑ \$0.015	\$0.00 <sup>125</sup>	May 17	\$4.59 <sup>3</sup> / <sub>4</sub>	↓ \$0.06	\$0.05 <sup>375</sup>
July 17	\$3.55	↓ \$0.0275	\$0.03 <sup>375</sup>	Mar 17	\$ 9.50 <sup>1</sup> / <sub>4</sub>	↑ \$0.025	No carry	July 17	\$4.69 <sup>1</sup> / <sub>4</sub>	↓ \$0.0625	\$0.04 <sup>75</sup>
Sept 17	\$3.62	↓ \$0.0275	\$0.03 <sup>50</sup>	May 17	\$ 9.49 <sup>1</sup> / <sub>4</sub>	↑ \$0.0225	No carry	Sept 17	\$4.85 <sup>1</sup> / <sub>4</sub>	↓ \$0.06	\$0.08
Dec 17	\$3.70	↓ \$0.025	\$0.02 <sup>667</sup>	July 17	\$ 9.52 <sup>3</sup> / <sub>4</sub>	↑ \$0.025	\$0.00 <sup>175</sup>	Dec 17	\$5.09 <sup>1</sup> / <sub>2</sub>	↓ \$0.065	\$0.08 <sup>083</sup>
Mar 18	\$3.79 <sup>1</sup> / <sub>2</sub>	↓ \$0.0225	\$0.03 <sup>167</sup>	Aug 17	\$ 9.46 <sup>1</sup> / <sub>2</sub>	↑ \$0.02	No carry	Mar 18	\$5.23 <sup>3</sup> / <sub>4</sub>	↓ \$0.06	\$0.04 <sup>75</sup>



Central Kansas Terminal and Processor Daily Grain Report

TERMINAL HRW WHEAT ORD US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.3075	DN 6.5	-75U	UNCH
Topeka	3.4575	DN 6.5	-60U	UNCH
Concordia	3.0575	DN 6.5	-100U	UNCH
Salina	3.1575-3.2075	DN 6.5	-90U to -85U	UNCH
Great Bend	3.0575	DN 6.5	-100U	UNCH
Newton	2.8675	DN 6.5	-119U	UNCH
Hutchinson	2.9675-3.2575	DN 6.5	-109U to -80U	UNCH
Wichita	3.0375-3.2075	DN 6.5-DN 8.5	-102U to -85U	UNCH-DN 2
Wellington	3.0175-3.1075	DN 11.5-DN 6.5	-104U to -95U	DN 5-UNCH
Arkansas City	2.9575	DN 11.5	-110U	DN 5

TERMINAL HWW WHEAT ORD US NO 2				
	Bids	Change (¢/bu)	Basis	Change
Wichita	3.2075	DN 8.5	-85U	DN 2

TERMINAL US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.0575	DN 4.25	-15U	UNCH
Topeka	2.9875	DN 4.25	-22U	UNCH
Salina	2.5575-2.6575	DN 4.25	-65U to -55U	UNCH
Newton	2.3975	DN 4.25	-81U	UNCH
Hutchinson	2.5975-2.6575	DN 4.25	-61U to -55U	UNCH
Wellington	2.5575	DN 9.25	-65U	DN 5
Arkansas City	2.5375	DN 11.25	-67U	DN 7

TERMINAL US NO 2 SORGHUM				
	Bids	Change (¢/cwt)	Basis	Change
Topeka	4.48	DN 7	-80Z	UNCH
Concordia	4.21	DN 8	-85U	UNCH
Salina	4.39-4.48	DN 7	-75U to -80Z	UNCH
Newton	4.08	DN 8	-92U	UNCH
Hutchinson	4.23-4.75	DN 7	-84U to -55U	UNCH
Wichita	NA	NA	NA	NA
Wellington	4.21	DN 13	-85U	DN 3
Arkansas City	4.17	DN 17	-87U	DN 5

TERMINAL US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Atchison	9.2675	UP 1.25	-30X	UNCH
Topeka	9.2675	UP 1.25	-30X	UNCH
Salina	8.9175-8.9675	UP 1.25	-65X to -60X	UNCH
Newton	9.1475	UP 1.25	-42X	UNCH
Hutchinson	8.9675-9.1075	UP 1.25	-60X to -46X	UNCH
Wichita	9.1475	UP 1.25	-42X	UNCH
Wellington	9.1075	UP 1.25	-46X	UNCH
Arkansas City	9.1275	UP 1.25	-44X	UNCH

PROCESSOR HRW WHEAT US NO 1				
	Bids	Change (¢/bu)	Basis	Change
Wichita-11%	3.4575	DN 6.5	-60U	UNCH
Wichita-12%	3.8075	DN 6.5	-25U	UNCH
Wichita-13%	4.1075	DN 6.5	5U	UNCH

PROCESSOR US NO 2 YELLOW CORN				
	Bids	Change (¢/bu)	Basis	Change
Atchison	3.0275	DN 4.25	-18U	UNCH

PROCESSOR US NO 2 SOYBEANS				
	Bids	Change (¢/bu)	Basis	Change
Emporia	9.6675	UP 1.25	10X	UNCH
Wichita	9.5175	UP 1.25	-5X	UNCH

\* All bids are \$/bu except Sorghum, which is \$/cwt.

Chicago Board of Trade month symbols: F January, G February, H March, J April, K May, M June, N July, Q August, U September, V October, X November, Z December

Source: USDA-KS Department of Ag Market News Service, Dodge City, KS

DC\_GR110

Dodge City, KS

Thu, Aug 04, 2016

USDA-KS Dept of Ag Market News

## Western Kansas Grain Markets

Thursday's closing elevator grain bids:

	Bids	Change (¢/bu)	Basis	Change
HRW WHEAT ORD US NO 1				
Dodge City	2.86	DN 6.5	-120U	UNCH
Colby	2.83	DN 6.5	-123U	UNCH
Garden City	2.86	DN 6.5	-120U	UNCH
Goodland	2.81	DN 6.5	-125U	UNCH
Protection	2.86	DN 6.5	-120U	UNCH
Scott City	2.81-2.84	DN 6.5	-125U to -122U	UNCH
Sublette	2.89-2.96	DN 6.5	-117U to -110U	UNCH
Syracuse	2.86	DN 6.5	-120U	UNCH
Ulysses	2.86	DN 6.5	-120U	UNCH

	Bids	Change (¢/bu)	Basis	Change
US NO 2 YELLOW CORN				
Dodge City	2.81	DN 4.25	-40U	UNCH
Colby	2.74	DN 4.25	-47U	UNCH
Garden City	2.83-2.86	DN 4.25	-38U to -35U	UNCH
Goodland	2.56	DN 4.25	-65U	UNCH
Protection	2.86	DN 4.25	-35U	UNCH
Scott City	2.73-2.78	DN 4.25	-48U to -43U	UNCH
Sublette	2.89	DN 4.25	-32U	UNCH
Syracuse	2.86	DN 4.25	-35U	UNCH
Ulysses	2.91	DN 4.25	-30U	UNCH

	Bids	Change (¢/cwt)	Basis	Change
US NO 2 SORGHUM				
Dodge City	4.12	DN 8	-90U	UNCH
Colby	4.21	DN 8	-85U	UNCH
Garden City	3.94-4.16	DN 8-DN 7	-100U to -88U	UNCH
Goodland	NA	NA	NA	NA
Protection	4.21	DN 8	-85U	UNCH
Scott City	3.85-3.91	DN 8-DN 7	-105U to -102U	UNCH
Sublette	4.12-4.21	DN 8	-90U to -85U	UNCH
Syracuse	4.03	DN 8	-95U	UNCH
Ulysses	4.03	DN 8	-95U	UNCH

	Bids	Change (¢/bu)	Basis	Change
US NO 2 YELLOW SOYBEANS				
Dodge City	8.86	UNCH	-105Q	UNCH
Colby	NA	NA	NA	NA
Garden City	8.57-8.77	UP 1.25	-100X to -80X	UNCH
Protection	8.72	UP 1.25	-85X	UNCH
Scott City	8.69	UNCH	-105U	UNCH
Sublette	8.57-8.77	UP 1.25	-100X to -80X	UNCH
Ulysses	8.54	UP 1.25	-103X	UNCH

	Bids	Change (¢/bu)	Basis	Change
US NO 2 YELLOW CORN - FEEDMILL BID				
Ashland	NA	NA	NA	NA

	Bids	Change (¢/cwt)	Basis	Change
US NO 2 SORGHUM - FEEDMILL BID				
Ashland	4.92	DN 8	-45U	UNCH

Cotton Grade 41, Leaf 4, Staple 34, West Texas base price 72.50 cents per pound  
FOB Railcar or Truck

\* All bids are \$/bu except Sorghum, which is \$/cwt.

Chicago Board of Trade month symbols: F January, G February, H March, J April,  
K May, M June, N July, Q August, U September, V October, X November, Z December

Source: USDA-KS Department of Ag Market News Service, Dodge City, KS  
Richard Hruska 620-227-8881 DodgeCity.LPGMN@ams.usda.gov  
www.ams.usda.gov/mnreports/DC\_GR110.txt  
www.ams.usda.gov/LPSMarketNewsPage



**USDA Daily Ethanol Report**  
Agricultural Marketing Service  
Livestock, Poultry & Grain Market News



Thu. Aug 4, 2016

**US #2 Yellow Corn - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	2.8500 - 3.3000	↑	-40U to 5U	-17.50
Iowa-Western:	2.8500 - 3.0900	↑	-40U to -18U	-28.00
Illinois:	3.2400 - 3.4200	↑	-1U to 17U	8.00
Indiana:	3.1800 - 3.4500	↓	-7U to 20U	6.50
Ohio:	3.3500 - 3.5000	↑	10U to 25U	17.50
Michigan:	3.1300 - 3.4100	↑	-12U to 18U	2.00
Kansas:	3.0200 - 3.3500	↑	-23U to 10U	-6.50
Minnesota:	2.7500 - 3.0200	↑	-50U to -23U	-36.50
Nebraska:	2.9000 - 3.1500	↑	-35U to -10U	-22.50
Wisconsin:	2.9500 - 3.0100	↑	-30U to -24U	-27.00
South Dakota:	2.8500 - 3.0400	↑	-40U to -21U	-30.50
Missouri:	2.9000 - 3.1500	↓	-35U to -10U	-22.50

**Sorghum - dollars/bushel**

	Cash Bids	Chg	Basis	Avg:
Kansas:	2.7500	↑	-50U to -50U	-50.00
Missouri:	2.8000	↑	-45U to -45U	-45.00

**Corn Oil - cents/pound**

W/E 7/29/16	Range	Chg:	Avg:
Iowa:	24.00 - 27.00	↓	25.50
Eastern Cornbelt:	24.00 - 26.00	↓	25.00
Nebraska:	25.00 - 27.50	↑	26.25
South Dakota:	NA	NA	NA

**Ethanol - dollars/gallon**

W/E 7/29/16	Range	Chg:	Avg:
Iowa:	1.32 - 1.40	↓	1.36
Eastern Cornbelt:	1.40 - 1.45	↓	1.43
Kansas:	1.40 - 1.40	↓	1.40
Minnesota:	1.30 - 1.35	↓	1.33
Nebraska:	1.30 - 1.38	↓	1.34
Wisconsin:	NA	NA	NA
South Dakota:	1.30 - 1.35	↓	1.33

**Daily Nearby Futures**

	Today	Yesterday	Last year
<b>CME group</b>			
Corn (\$/bu)	3.2300	3.2500	3.6975
Ethanol (\$/gal)	1.3890	1.3750	1.4570
<b>NYMEX:</b>			
RBOB Gasoline (\$/gal)	1.3285	1.3499	1.6478
Natural Gas (mmBtu)	2.8330	2.8390	2.8130

**BIO-ENERGY REPORT NOTES**

Yellow corn : US #2 spot bids at ethanol plants reported as \$/per bushel

Distiller grains: Spot bids FOB the ethanol plant reported as \$/per ton. Protein content 28-30% for most distiller grains on a dry matter basis.

Ethanol: Spot bids FOB the ethanol plant reported as \$/gallon.

Distiller corn oil: Spot bids FOB the ethanol plant reported as ¢/lb. Distiller corn oil is intended for animal feed or biofuel and is not Generally Regarded

As Safe (GRAS) for human consumption. It may also be referred to as inedible crude corn oil or crude corn oil.

Chicago Board of Trade month symbols: F January, G February, H March, J April, K May, M June, N July, Q August, U September, V October, X November, Z December

Dillian Howe, Ethanol Market Reporter St. Joseph, MO (816) 676-7000 Email: StJoe.LPGMN@ams.usda.gov

Prepared: 04-Aug-16 9:14 AM Central Time

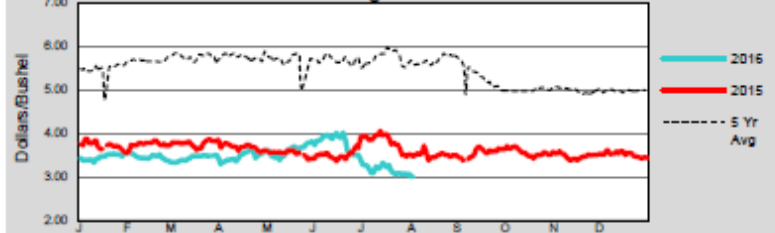
**Distillers Grain - dollars/ton**

Dried 10%	Chg	Avg:	Modified 50-55%	Chg	Avg:	Wet 65-70%	Chg	Avg:
120.00 - 130.00	↓	125.00	45.00 - 58.00	↓	51.50	NA	NA	NA
115.00 - 137.00	↓	126.00	46.00 - 60.00	↓	53.00	32.00 - 39.00	↓	35.50
129.00 - 155.00	↓	142.00	NA	NA	NA	NA	NA	NA
130.00 - 145.00	↓	137.50	70.00	↓	70.00	NA	NA	NA
127.00 - 149.00	↓	138.00	NA	NA	NA	NA	NA	NA
120.00 - 150.00	↓	135.00	55.00 - 64.00	↓	59.50	NA	NA	NA
125.00 - 155.00	↓	140.00	NA	NA	NA	36.00 - 46.00	↓	41.00
115.00 - 130.00	↓	122.50	53.00	↓	53.00	30.00	↓	30.00
110.00 - 130.00	↓	120.00	48.00 - 63.00	↓	55.00	28.00 - 38.50	↓	33.25
125.00 - 150.00	↓	137.50	55.00	↓	55.00	NA	NA	NA
112.00 - 126.00	↓	119.00	51.00 - 62.50	↓	56.75	28.00 - 40.00	↓	34.00
140.00 - 170.00	↓	155.00	65.00	↓	65.00	35.00 - 43.00	↓	39.00

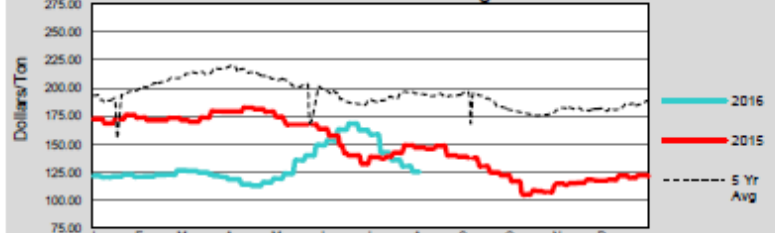
**Daily Market Review**

Dry distillers grains have saw price declines within the Eastern Corn Belt, ranging from 1.00 to 8.00 lower. Last week's export sales totaled 13.0 million bushels, with shipments at 44.8 million bushels. Corn continues to remain under pressure, as forecasts are moderate and the crops continue to look good.

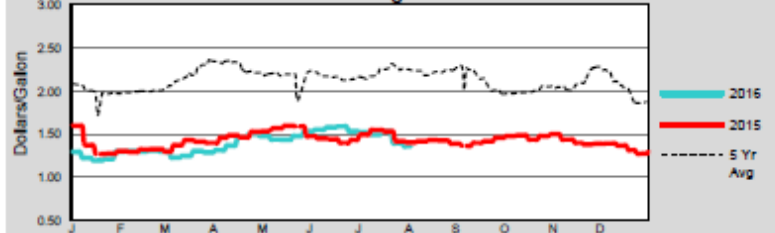
**Iowa Corn Avg Prices**



**Iowa Distiller Grains 10% Moisture Avg Prices**

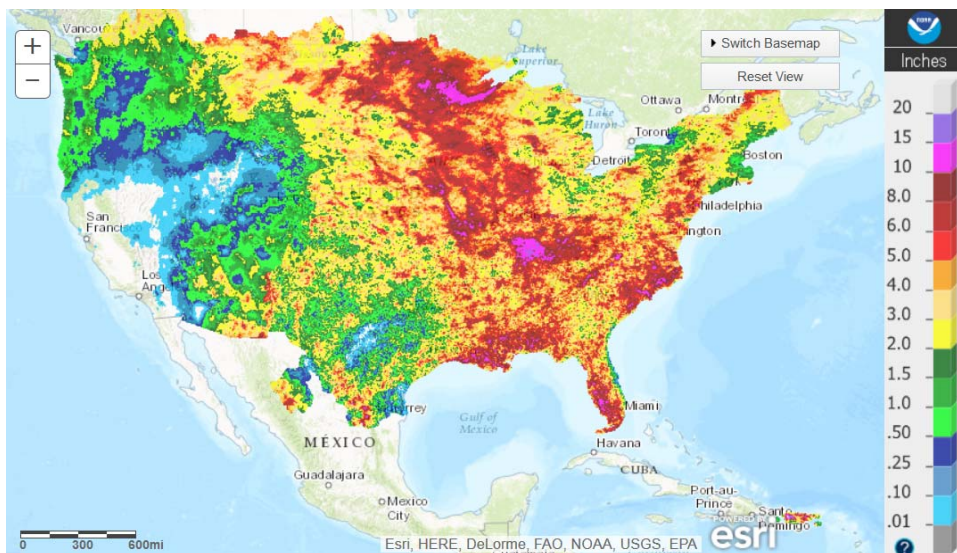
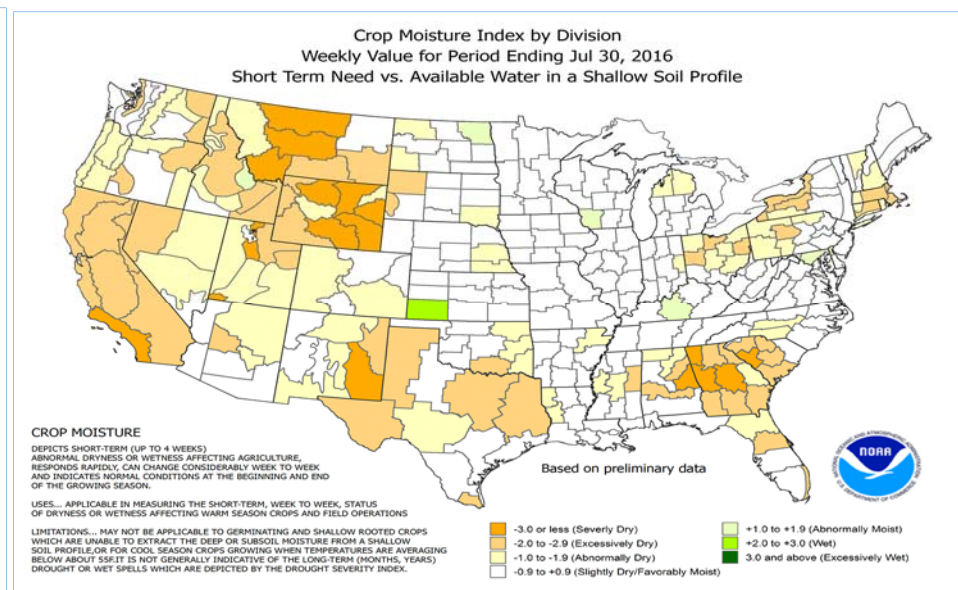
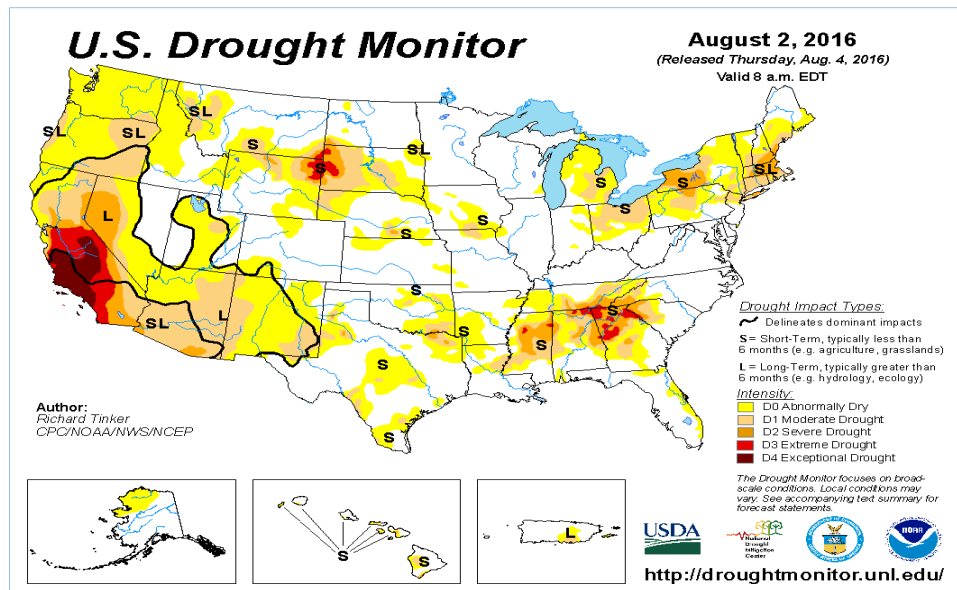


**Iowa Ethanol Avg Prices**

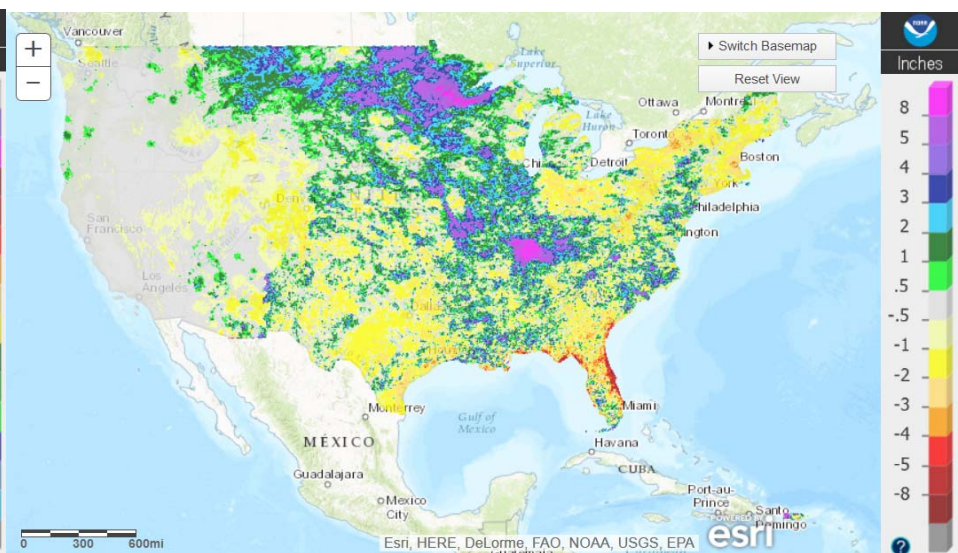




## II. U.S. & World Drought Monitor, Moisture Accumulations & Forecasts (Weekly Weather and Crop Bulletin)

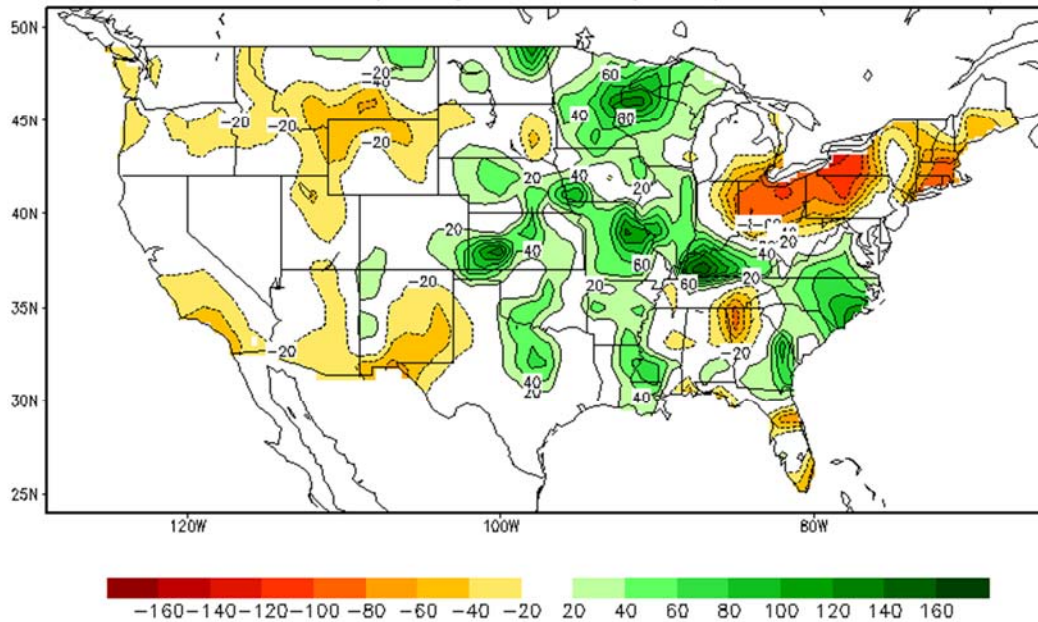


Displaying Last 30-Day Observed Precipitation  
Valid on: August 04, 2016 12:00 UTC



Displaying Last 30-Day Departure from Normal Precipitation  
Valid on: August 04, 2016 12:00 UTC

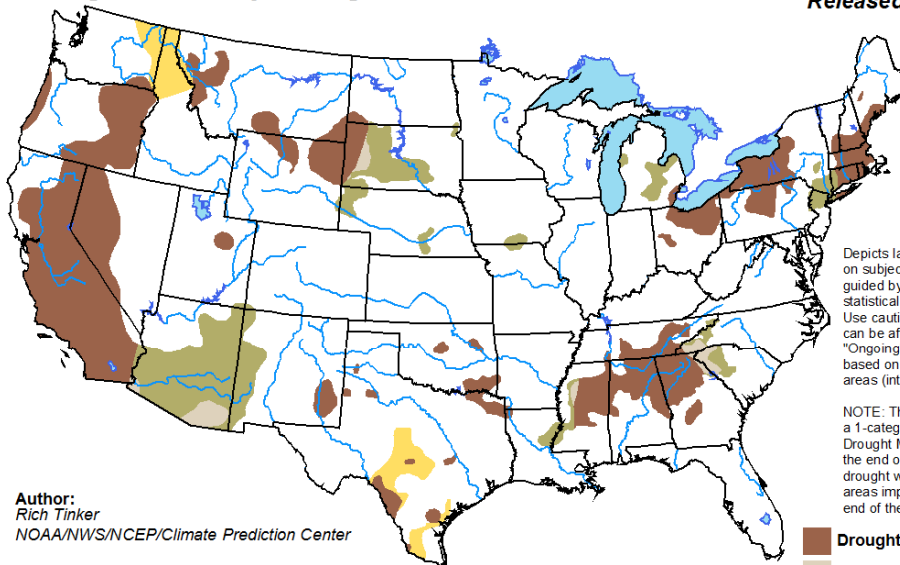
Predicted Soil Moisture Anomaly (mm)  
(11Aug2016–04Aug2016)



## U.S. Monthly Drought Outlook

Drought Tendency During the Valid Period

Valid for August 2016  
Released July 31, 2016

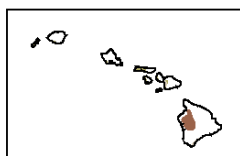
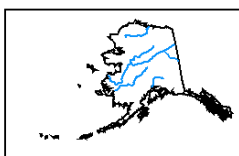


Author:  
Rich Tinker  
NOAA/NWS/NCEP/Climate Prediction Center

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

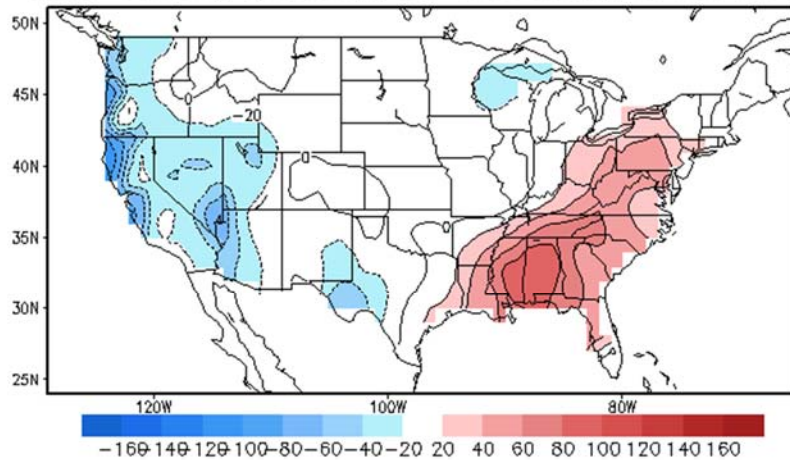
- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely



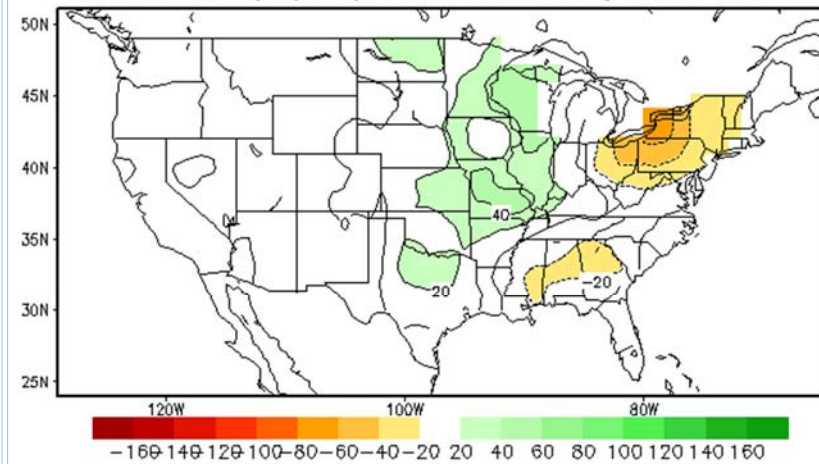
<http://go.usa.gov/3eZGd>



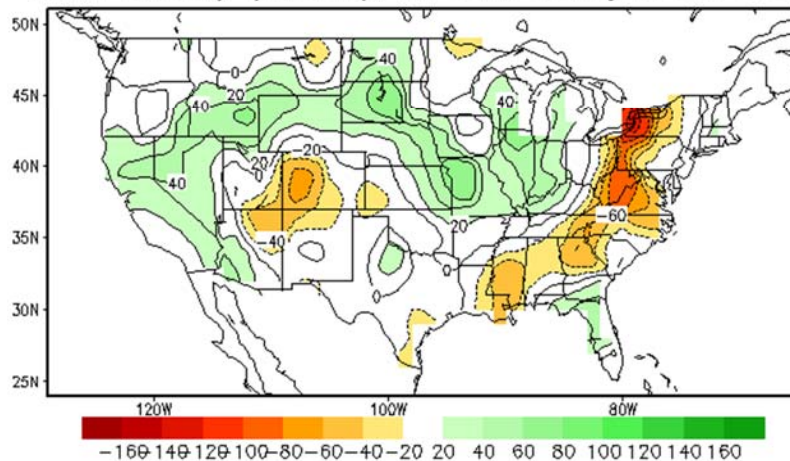
Lagged Averaged Temperature Outlook for AUG 2016  
units: anomaly (sdX100), SM data ending at 20160803



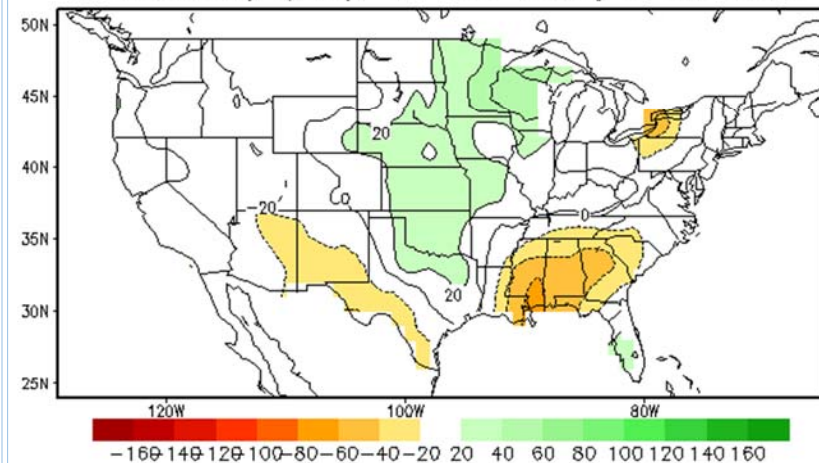
Lagged Averaged Soil Moisture Outlook for End of AUG2016  
units: anomaly (mm), SM data ending at 20160803



Lagged Averaged Precipitation Outlook for AUG 2016  
units: anomaly (sdX100), SM data ending at 20160803



Lagged Averaged Soil Moisture Outlook for End of OCT2016  
units:anomaly (mm), SM data ending at 20160803



**INTERNATIONAL CROP AND WEATHER HIGHLIGHTS**  
**USDA/WAOB Joint Agricultural Weather Facility**

**August 2, 2016**

**EUROPE – Highlight:** Mostly Favorable Conditions For Summer Crops

- Outside of heat stress in **Spain**, prospects remained good to excellent for reproductive summer crops.
- Mostly sunny skies promoted winter crop harvesting early in the week across **France** and **southern England**, while showers slowed harvesting in **Germany** and the **northern Balkans**.

**MIDDLE EAST – Highlight:** Summer Crops Approaching Maturity

- In **Turkey**, corn, cotton, and sunflowers progressed toward the filling stages of development under seasonably warm, dry weather.

**FSU – Highlight:** Rain Shifted North And East

- Early-week showers and somewhat cooler weather eased recent heat stress on reproductive corn in southern portions of **Ukraine** and **Russia**.
- Cool, wet weather benefited heading to flowering spring wheat in central **Russia** and **Kazakhstan**.
- Sunny skies in central and western **Uzbekistan** promoted the development of open-boll cotton.

**SOUTH ASIA – Highlight:** Monsoon Showers Throughout India

- Monsoon showers prevailed across **India**, maintaining adequate to locally excessive soil moisture for summer (kharif) crops, while also improving moisture conditions for cotton in **Gujarat**.

**EAST ASIA – Highlight:** Favorable Rainfall In Northeastern China

- Showers alleviated short-term dryness for reproductive corn and soybeans in northeastern **China**, although pockets of lingering dryness continued in western **Heilongjiang**.
- Hot, dry weather in southern **China** eased flooding and excessive wetness for rice and other summer crops.

**SOUTHEAST ASIA – Highlight:** Good Rainfall In Indochina; T.C. Nida Near The Philippines

- Showers across most of **Indochina** kept rice well watered and continued to improve irrigation supplies.
- Tropical Cyclone Nida brought flooding rainfall to portions of the eastern **Philippines** as the storm moved along the **northeastern coast**.

**AUSTRALIA – Highlight:** Favorable Weather Continued

- Scattered showers maintained near ideal growing conditions for vegetative winter grains and oilseeds in western and southeastern **Australia**.
- Dry, mild weather benefited winter wheat in northern **New South Wales** and southern **Queensland**.

**SOUTH AMERICA – Highlight:** Cool, Showery Weather Slowed Argentine Fieldwork

- Rain disrupted corn harvesting and wheat planting in central **Argentina**.
- Warm, sunny weather promoted wheat development in southern **Brazil**.

**MEXICO – Highlight:** Showers Benefited Summer Corn

- Widespread showers benefited corn and other rain-fed summer crops.

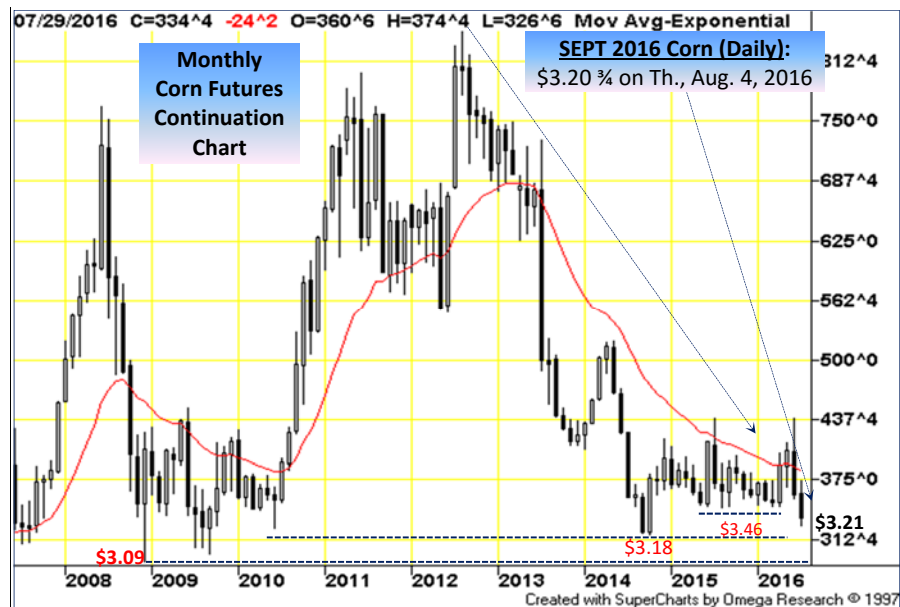
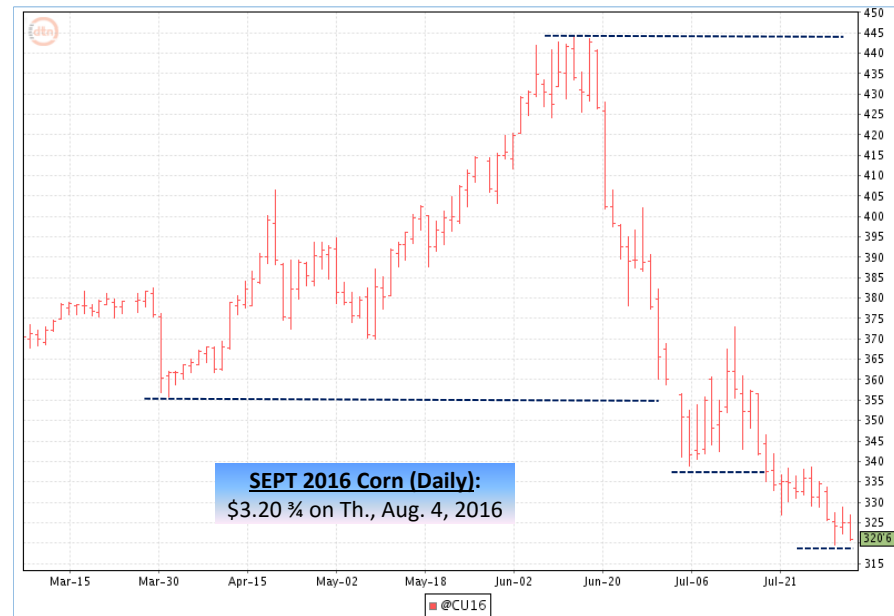
**CANADA – Highlight:** Rain Brought Some Relief To Ontario

- Rain helped to stabilize conditions for corn and soybeans in key production areas of **Ontario**.
- Showers intensified over the western **Prairies** as warm, sunny weather developed farther east.



# III. Corn Market Information

## Daily SEPT 2016 Corn Futures



## Key Corn & Grain Sorghum Supply-Demand Factors:

### ❖ U.S. Corn Exports: “Negative” short term MY 2015/16 U.S. corn export shipments with “positive” long term outlook

- Weekly Export Shipments week of 7/28/2016 for MY 2015/16 = 44.8 mb vs 61.6 mb/wk needed to meet USDA’s July 12<sup>th</sup> projn of 1.900 bb exports
- Total shipments through 7/28/2016 for MY 2015/16 = 1.592 bb i.e., 83.8% of 1.900 bb USDA projn with 90.3% of MY complete (47/52 weeks)
- Total shipments & new sales (7/28/2016) for “current” MY 2015/16 = 1.900 bb i.e., 101.6% of 1.930 bb USDA projn w. 90.3% of MY complete (47/52 weeks)
- Total sales (7/28/2016) for “new crop” MY 2016/17 = 0.317 bb i.e., 15.5% of 2.050 bb USDA projn w. 0.0% of MY complete (0/52 weeks)

### ❖ U.S. Grain Sorghum Exports: “Negative” short term MY 2015/16 Export Shipments & “positive” long term

- Weekly Export Shipments wk of 7/28/2016 for MY 2015/16 = 4.8 mb vs 8.42 mb/wk needed to meet USDA’s July 12<sup>th</sup> projn of 330 mb exports
- Total shipments through 7/28/2016 for MY 2015/16 = 287.9 mb i.e., 87.2% of 330 mb USDA projn with 90.3% of MY complete (47/52 weeks)
- Total shipments & new sales (7/28/2016) for “current” MY 2015/16 = 318.4 mb i.e., 96.5% of 330 mb USDA projn w. 90.3% of MY complete (47/52 weeks)
- Total new sales (7/28/2016) for “new crop” MY 2016/17 = 1.4 mb i.e., 0.7% of 220 mb USDA projn w. 0.0% of MY complete (0/52 weeks)

### ❖ World & U.S. Corn Supply-Demand Fundamentals

Mktg Yr	World % S/U	U.S. % S/U	U.S. \$/bu	
2007/08	16.5% S/U	12.8% S/U	\$4.20 /bu	
2008/09	18.3% S/U	13.9% S/U	\$4.06 /bu	
2009/10	17.2% S/U	13.1% S/U	\$3.55 /bu	
2010/11	14.5% S/U	8.7% S/U	\$5.18 /bu	
2011/12	14.8% S/U	7.9% S/U	\$6.22 /bu	
2012/13	15.3% S/U	7.4% S/U	\$6.89 /bu	
2013/14	18.6% S/U	9.2% S/U	\$4.46 /bu	
2014/15 <sup>USDA</sup>	21.3% S/U	12.6% S/U	\$3.70 /bu	
2015/16 <sup>USDA</sup>	21.5% S/U	12.4% S/U	\$3.65 /bu	13.601 bln bu crop
2016/17 <sup>USDA</sup>	20.6% S/U	14.6% S/U	\$3.40 /bu	14.540 bln bu crop

### ❖ U.S. Grain Sorghum Supply-Demand Fundamentals

2014/15 <sup>USDA</sup>	67.6 bu/ac <sup>US</sup>	4.1% S/U	\$4.03 /bu	433 mln bu crop
2015/16 <sup>USDA</sup>	76.0 bu/ac <sup>US</sup>	7.8% S/U	\$3.30 /bu	597 mln bu crop
2016/17 <sup>USDA</sup>	65.1 bu/ac <sup>US</sup>	10.9% S/U	\$3.15 /bu	420 mln bu crop

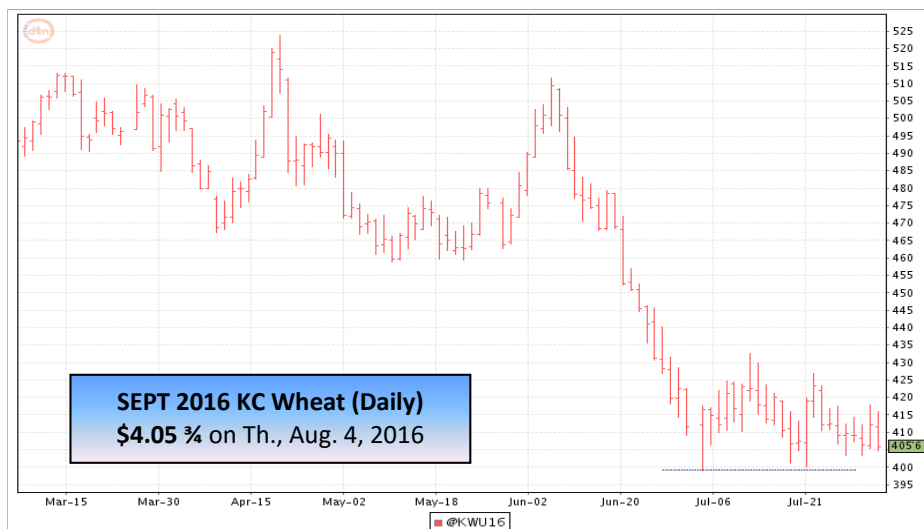
## Adjusted KSU Corn and Grain Sorghum Budget Breakeven Cost Calculations with 10% & 25% Higher Yields

	Projected Yield / acre	Total Cost per acre	Total Cost / bu @ KSU Yield	Cost / bu @ 10% Higher Yield	Cost / bu @ 25% Higher Yield
<b>2016 KSU Corn Budgets</b>					
A. Northeast Kansas – Non-irrigated	137 bu	\$495. <sup>92</sup>	\$3.62	\$3.32 (150.7 bu)	\$2.97 (171.2 bu)
B. Southeast Kansas – Non-irrigated	117 bu	\$410. <sup>91</sup>	\$3.51	\$3.25 (127.7 bu)	\$2.88 (146.2 bu)
C1. North Central Kansas – Non-irrigated	107 bu	\$385. <sup>35</sup>	\$3.60	\$3.31 (117.7 bu)	\$3.08 (133.7 bu)
C2. North Central Kansas – Irrigated	213 bu	\$757. <sup>06</sup>	\$3.55	\$3.29 (234.3 bu)	\$2.93 (266.2 bu)
D. South Central Kansas – Non-irrigated	94 bu	\$358. <sup>04</sup>	\$3.81	\$3.50 (103.4 bu)	\$3.13 (117.5 bu)
E1. Northwest Kansas – Non-irrigated	84 bu	\$308. <sup>68</sup>	\$3.67	\$3.38 (92.4 bu)	\$3.02 (105.0 bu)
E2. Northwest Kansas – Irrigated	239 bu	\$890. <sup>67</sup>	\$3.73	\$3.43 (262.9 bu)	\$3.06 (298.8 bu)
F1. Southwest Kansas – Non-irrigated	*75 bu	*\$301. <sup>75</sup>	*\$4.02	\$3.69 (82.5 bu)	\$3.09 (93.8 bu)
F2. Southwest Kansas – Irrigated	210 bu	\$860. <sup>03</sup>	\$4.10	\$3.76 (231.0 bu)	\$3.36 (262.5 bu)
<b>2016 KSU Grain Sorghum Budgets</b>					
A. Northeast Kansas – Non-irrigated	90 bu	\$375. <sup>31</sup>	\$4.17	\$3.83 (99.0 bu)	\$3.42 (112.5 bu)
B. Southeast Kansas – Non-irrigated	80 bu	\$282. <sup>67</sup>	\$3.53	\$3.25 (88.0 bu)	\$2.91 (100.0 bu)
C. North Central Kansas – Non-irrigated	93 bu	\$303. <sup>40</sup>	\$3.26	\$3.07 (102.3 bu)	\$2.69 (116.2 bu)
D. South Central Kansas – Non-irrigated	81 bu	\$268. <sup>24</sup>	\$3.31	\$3.05 (89.1 bu)	\$2.73 (101.2 bu)
E. Northwest Kansas – Non-irrigated	78 bu	\$252. <sup>09</sup>	\$3.23	\$2.98 (85.8 bu)	\$2.67 (97.5 bu)
F. Southwest Kansas – Non-irrigated	76 bu	\$255. <sup>41</sup>	\$3.36	\$3.09 (83.6 bu)	\$2.77 (95.0 bu)

\* Adjustments to the KSU Corn Southwest Kansas (non-irrigated) crop budget made by Daniel O'Brien, 8/4/2016 to reflect potential for a higher base yield given 2016 crop production conditions in Southwest Kansas.

# IV. Wheat Market Outlook

## Daily SEPT 2016 HRW Futures



## Monthly Kansas HRW Wheat eFutures



## Key Wheat Supply-Demand Factors:

- ❖ **U.S. All Wheat Exports: “Positive” Short Term Export Shipments** with “neutral-positive” **long run** export prospects in “new crop” MY 2016/17 (Started 6/1/2016)
  - **Weekly Export Shipments** wk of 7/28/2016 for “new crop” MY 2016/17 = 21.2 mb vs 18.1 mb /wk needed to meet USDA’s July 12<sup>th</sup> projn of 925 mb exports
  - **Total shipments through 7/28/2016** for “new crop” MY 2016/17 = 145.0 mb i.e., 15.7% of 925 mb USDA projn with 17.3% of MY complete (9/52 weeks)
  - **Total shipments + new sales 7/28/2016** for “new crop” MY 2016/17 = 370.7 mb i.e., 40.1% of 925 mb USDA projn with 17.3% of MY complete (9/52 weeks)
- ❖ **U.S. HRW Wheat Exports: “Negative” Short Term Export Shipments** with “neutral-positive” **long run** export prospects in “new crop” MY 2016/17 (Started 6/1/2016)
  - **Weekly Export Shipments** wk of 7/28/2016 for “new crop” MY 2016/17 = 3.3 mb vs 6.2 mb /wk needed to meet USDA’s July 12<sup>th</sup> projn of 325 mb exports
  - **Total shipments through 7/28/2016** for “new crop” MY 2016/17 = 57.0 mb i.e., 17.5% of 325 mb USDA projn with 17.3% of MY complete (9/52 weeks)
  - **Total shipments + new sales 7/28/2016** for “new crop” MY 2016/17 = 147.9 mb i.e., 45.5% of 325 mb USDA projn with 17.3% of MY complete (9/52 weeks)

## ❖ “Negative” World & U.S. Wheat S/D Fundamentals

Mktg Yr	World % S/U	U.S. % S/U	U.S. \$/bu	
2007/08	20.9% S/U	13.2% S/U	\$6.48 /bu	1,263 mb exports
2008/09	26.6% S/U	28.7% S/U	\$6.78 /bu	1,015 mb exports
2009/10	31.3% S/U	48.6% S/U	\$4.87 /bu	879 mb exports
2010/11	30.4% S/U	36.4% S/U	\$5.70 /bu	1,291 mb exports
2011/12	28.7% S/U	33.4% S/U	\$7.24 /bu	1,051 mb exports
2012/13	25.8% S/U	29.9% S/U	\$7.77 /bu	1,012 mb exports
2013/14	28.1% S/U	24.2% S/U	\$6.87 /bu	1,176 mb exports
2014/15	30.8% S/U	37.4% S/U	\$5.99/bu	854 mb exports
2015/16 <sup>USDA</sup>	34.6% S/U	50.6% S/U	\$4.89 /bu	777 mb exports
2016/17 <sup>USDA</sup>	34.8% S/U	49.0% S/U	\$3.80 /bu	925 mb exports

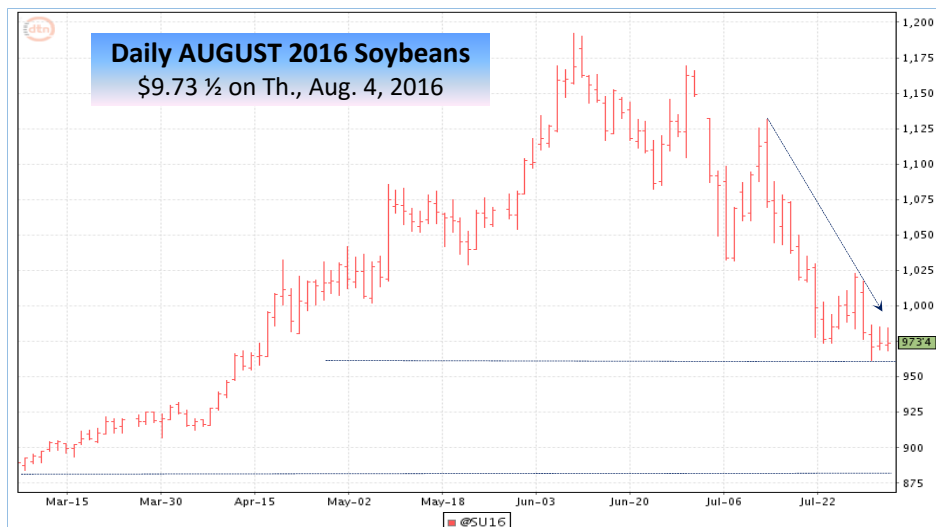


## Adjusted KSU Wheat Budget Breakeven Cost Calculations with 15% & 35% Higher Yields

	Projected Yield / acre	Total Cost per acre	Total Cost / bu @ KSU Yield	Cost / bu @ 15% Higher Yield	Cost / bu @ 35% Higher Yield
<b>KSU 2016 Wheat Crop Budgets</b>					
A1. Northeast Kansas – Continuous / Non-irrigated	56 bu	\$380. <sup>65</sup>	\$6.79	\$5.95 (64.4 bu)	\$5.14 (75.6 bu)
A2. Northeast Kansas – Rotation / Non-irrigated	56 bu	\$340. <sup>94</sup>	\$6.09	\$5.35 (64.4 bu)	\$4.61 (75.6 bu)
B. Southeast Kansas – Continuous / Non-irrigated	52 bu	\$256. <sup>27</sup>	\$4.92	\$4.33 (59.8 bu)	\$3.75 (70.2 bu)
C1. North Central Kansas – Continuous / Non-irrigated	56 bu	\$301. <sup>14</sup>	\$5.38	\$4.73 (64.4 bu)	\$4.09 (75.6 bu)
C2. North Central Kansas – Rotation / Non-irrigated	56 bu	\$262. <sup>66</sup>	\$4.69	\$4.45 (64.4 bu)	\$3.85 (75.6 bu)
D1. South Central Kansas – Continuous / Non-irrigated	52 bu	\$258. <sup>50</sup>	\$4.97	\$4.38 (59.8 bu)	\$3.79 (70.2 bu)
D1. South Central Kansas – Rotation / Non-irrigated	52 bu	\$239. <sup>68</sup>	\$4.61	\$4.06 (59.8 bu)	\$3.52 (70.2 bu)
E1. Northwest Kansas – Wheat-Summer Crop-Fallow / Non-irrigated	52 bu	\$240. <sup>90</sup>	\$4.63	\$4.08 (59.8 bu)	\$3.54 (70.2 bu)
E2. Northwest Kansas – Wheat-Fallow / Non-irrigated	52 bu	\$234. <sup>25</sup>	\$4.50	\$3.98 (59.8 bu)	\$3.45 (70.2 bu)
E3. Northwest Kansas – Center Pivot Irrigated	65 bu	\$490. <sup>93</sup>	\$7.55	\$6.70 (74.8 bu)	\$5.70 (87.8 bu)
F1. Southwest Kansas – Wheat-Summer Crop-Fallow / Non-irrigated	42 bu	\$233. <sup>66</sup>	\$5.56	\$4.89 (48.3 bu)	\$4.23 (56.7 bu)
F2. Southwest Kansas – Wheat- Fallow / Non-irrigated	42 bu	\$213. <sup>07</sup>	\$5.07	\$4.46 (48.3 bu)	\$3.88 (56.7 bu)
F3. Southwest Kansas – Center Pivot Irrigated	65 bu	\$490. <sup>93</sup>	\$7.55	\$6.70 (74.8 bu)	\$5.70 (87.8 bu)

# V. Soybean Market Outlook

## Daily AUGUST 2016 Soybean Futures



## Monthly Soybean eFutures



## Key Soybean Supply-Demand Issues:

### ❖ U.S. Soybean Exports: "positive" Short Run Export Shipments in MY 2015/16 and "positive" Forward Sales

- Export Shipments for week of 7/28/2016 for "current" MY 2015/16 = 26.4 mb vs 19.6 mb/wk needed to meet USDA's July 12<sup>th</sup> projn of 1.795 bb exports
- Total shipments through 7/28/2016 for "current" MY 2015/16 = 1.697 bb i.e., 94.6% of 1.795 bb USDA projn with 90.3% of MY complete (47/52 weeks)
- Total shipments & new sales (7/28/2016) for "current" MY 2015/16 = 1.926 bb i.e., 107.3% of 1.795 bb USDA projn with 90.3% of MY complete (47/52 weeks)
- Total new sales (7/28/2016) for "new crop" MY 2016/17 = 0.402 bb i.e., 21.0% of 1.920 bb USDA projn with 0.0% of MY complete (0/52 weeks)

### ❖ U.S. Soybean Meal Exports: "positive" Short Run Export Shipments in MY 2015/16 and "positive" Forward Sales

- Export Shipments for week of 7/28/2016 for "current" MY 2015/16 = 205,800 mt vs 198,333 mt/wk needed to meet USDA's July 12<sup>th</sup> projn of 10.614 mmt exports
- Total shipments through 7/28/2016 for "current" MY 2015/16 = 8.829 mmt i.e., 83.2% of 10.614 mmt USDA projn with 82.7% of MY complete (43/52 weeks)
- Total shipments & new sales (7/28/2016) for "current" MY 2015/16 = 10.334 mmt i.e., 97.4% of 10.614 mmt USDA projn with 82.7% of MY complete (43/52 weeks)
- Total new sales (7/28/2016) for "new crop" MY 2016/17 = 1.276 mmt i.e., 11.6% of 11.068 USDA projn with 0.0% of MY complete (0/52 weeks)

### ❖ World & U.S. Soybean Supply-Demand Fundamentals

Mktg Yr	World % S/U	U.S. % S/U	U.S. \$/bu	
2007/08	22.9% S/U	6.7% S/U	\$10.10 /bu	1.159 bb expts
2008/09	19.4% S/U	4.5% S/U	\$ 9.97 /bu	1.279 bb expts
2009/10	25.2% S/U	4.5% S/U	\$ 9.59 /bu	1.499 bb expts
2010/11	27.8% S/U	6.6% S/U	\$11.30 /bu	1.505 bb expts
2011/12	20.4% S/U	5.4% S/U	\$12.50 /bu	1.365 bb expts
2012/13	21.1% S/U	4.5% S/U	\$14.40 /bu	1.328 bb expts
2013/14	22.5% S/U	2.7% S/U	\$13.00 /bu	1.638 bb expts
2014/15	26.1% S/U	4.9% S/U	\$10.10 /bu	1.843 bb expts
2015/16 <sup>USDA</sup>	22.7% S/U	9.2% S/U	\$9.05 /bu	1.760 bb expts
2016/17 <sup>USDA</sup>	20.4% S/U	7.3% S/U	\$9.50 /bu	1.900 bb expts

## Adjusted KSU Soybean Budget Breakeven Cost Calculations with 10% & 25% Higher Yields

	Projected Yield / acre	Total Cost per acre	Total Cost / bu @ KSU Yield	Cost / bu @ 15% Higher Yield	Cost / bu @ 35% Higher Yield
<b>KSU 2016 Soybean Crop Budgets</b>					
A. Northeast Kansas – Non-irrigated	47 bu	\$348. <sup>54</sup>	\$7.42	\$6.36 (54.1 bu)	\$5.59 (63.5 bu)
B. Southeast Kansas – Non-irrigated	36 bu	\$290. <sup>43</sup>	\$8.07	\$7.07 (41.4 bu)	\$6.08 (48.6 bu)
C1. North Central Kansas – Non-irrigated	36 bu	\$304. <sup>72</sup>	\$8.46	\$7.41 (41.4 bu)	\$6.37 (48.6 bu)
C2. North Central Kansas – Center Pivot Irrigated	61 bu	\$494. <sup>66</sup>	\$8.11	\$7.10 (70.2 bu)	\$6.11 (82.4 bu)
D. South Central Kansas – Non-irrigated	31 bu	\$247. <sup>05</sup>	\$7.97	\$6.99 (35.7 bu)	\$6.01 (41.9 bu)
E1. Northwest Kansas – Non-irrigated	28 bu	\$220. <sup>89</sup>	\$7.89	\$6.92 (32.2 bu)	\$5.94 (37.8 bu)
E3. Northwest Kansas – Center Pivot Irrigated	61 bu	\$559. <sup>28</sup>	\$9.17	\$8.02 (70.2 bu)	\$6.90 (82.4 bu)
F1. Southwest Kansas – Non-irrigated	27 bu	\$214. <sup>73</sup>	\$7.95	\$6.96 (31.1 bu)	\$5.99 (36.5 bu)
F3. Southwest Kansas – Center Pivot Irrigated	61 bu	\$559. <sup>28</sup>	\$9.17	\$8.02 (70.2 bu)	\$6.90 (82.4 bu)



## VI. Grain Market Information & Articles

### U.S. grain handlers boost storage ahead of massive harvest - 03-Aug-2016 02:17:36 PM By Mark Weinraub

CHICAGO, Aug 3 (Reuters) - U.S. grain handlers are scrambling to find space for mountains of corn and soybeans that is expected to overwhelm their already jammed storage facilities in the coming weeks, leading to a surge in construction of temporary grain bins. Many elevators still are holding on to last year's supplies as weakness in the futures market has not provided them an opportunity to unload it for a profit. *"It is unlikely to get the grain bins emptied between now and harvest,"* said Kirk Nelson, director of marketing and sales for grain systems group at **Behlen Grain Systems**, which makes the bins.

Near-perfect growing conditions in the field have bolstered expectations of bumper yields and forced merchants to hastily erect temporary storage bins for crops. The biggest demand for bins is being seen in the western reaches of the U.S. Midwest in states such as Nebraska.

Industry-wide, orders for temporary storage bins, which typically hold between 750,000 and 1 million bushels of grain, were up at least 30 percent from a year ago, said Roger Price, director of North American grain sales and service at GSI. GSI manufactures steel farm bins, commercial storage grain bins and grain silos. Price said demand for GSI's bins was significantly higher but declined to give specific sales figures for the company.

The temporary storage bins are made of an array of steel panels arranged in a ring. The panels range in height from 3-1/2 feet (1.07 meters) to 8 feet. After the grain is loaded in the ring, operators place a tarp over it to protect it from the elements. The grain can be aerated with fans. Construction of the temporary bins takes about a week.

A speedy planting has pushed the crop development schedule forward, which compounds the need for storage at elevators. According to the U.S. Agriculture Department, 30 percent of corn has already reached the dough stage, five percentage points above the five-year average. The soybean crop also is ahead of schedule, with 54 percent of the crop setting pods, compared with the five-year average of 44 percent.

The amount of corn and soybeans at these stages of maturity is the third most ever for this time of year and will allow farmers to move up their harvest plans. But demand is unlikely to accommodate the faster-arriving crop, so grain handlers will have to hold on to it for longer than usual, even if they have contracts in place to sell it. That creates additional incentives to build temporary storage instead of just piling it outside elevators. Corn and soybeans left in the sun in hot temperatures are more susceptible to mold when the weather cools off.

Temporary storage bins generally cost 20 cents to 50 cents per bushel of capacity, according to Nelson. Grain handlers are more than willing to pay that as losses for crops piled on the ground can reach as much as 20 percent.

But the forecasted supply of massive crops will likely overwhelm the increased demand for temporary construction bins, forcing dealers to build traditional ground piles right next to their shiny new bins. *"You will see people putting it outside of their elevators,"* Price said. *"In fact, you will probably see more of that than you ever have."*

(Reporting by Mark Weinraub; Editing by Bill Trott) (( [mark.weinraub@thomsonreuters.com](mailto:mark.weinraub@thomsonreuters.com) ; +1 312 408 8587; Reuters Messaging: [mark.weinraub.thomsonreuters.com@reuters.net](mailto:mark.weinraub.thomsonreuters.com@reuters.net) ))

## **Linn & Associates projects U.S. 2016 corn crop at 14.775 bln bu - Reuters News** 03-Aug-2016 02:56:20 PM

CHICAGO, Aug 3 (Reuters) - Commodity brokerage Linn & Associates on Wednesday projected **U.S. 2016 corn production at 14.775 billion bushels**, a record high if realized, with an **average yield of 171.4 bushels per acre**.

**The firm forecast this year's U.S. soybean harvest at 4.073 billion bushels**, also a potential record, with an **average yield of 48.6 bushels per acre**.

Linn & Associates said it adopted the U.S. Department of Agriculture's U.S. corn acreage estimates but used a higher figure than USDA's for harvested soybean area.

(Reporting by Julie Ingwersen; Editing by David Gregorio) (( [Julie.ingwersen@thomsonreuters.com](mailto:Julie.ingwersen@thomsonreuters.com) ; 1-312-408-8710; Reuters Messaging: [julie.ingwersen.thomsonreuters.com@reuters.net](mailto:julie.ingwersen.thomsonreuters.com@reuters.net) ))