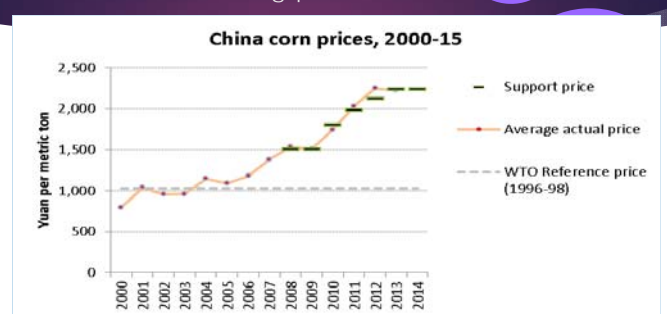
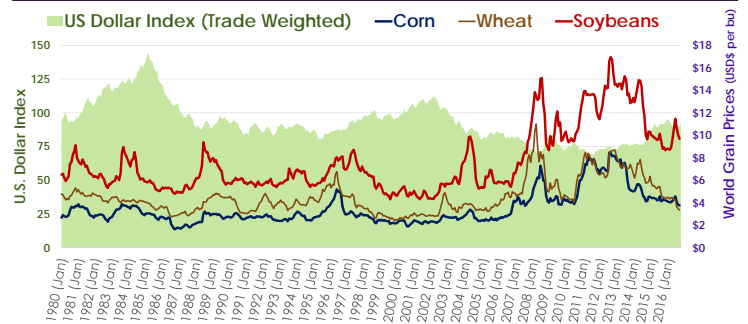
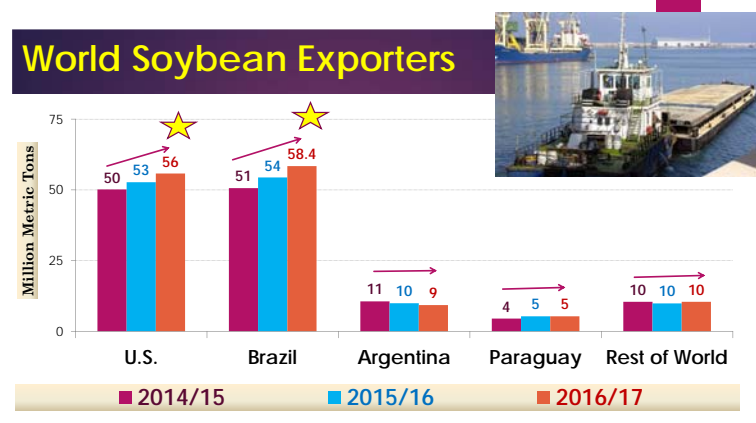
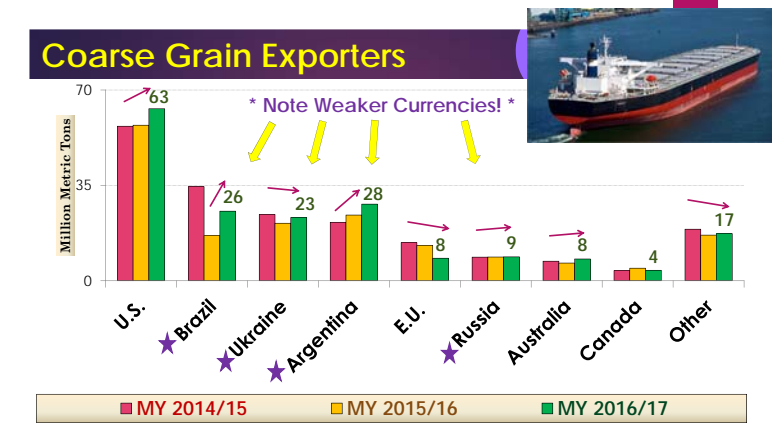
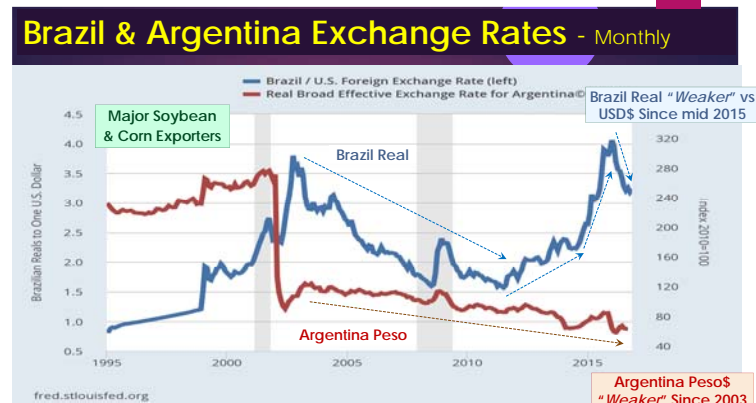
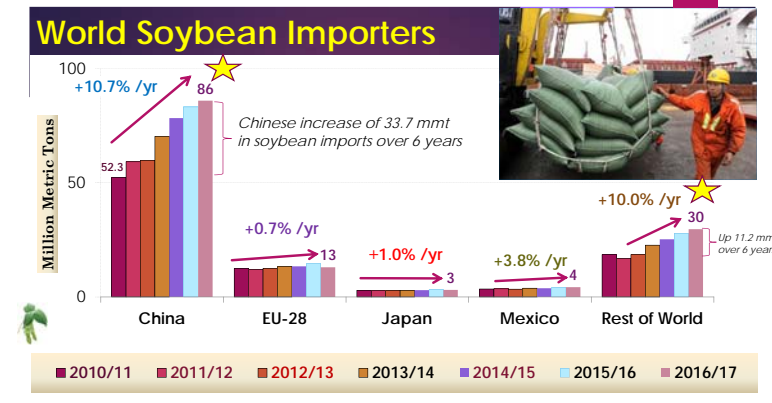
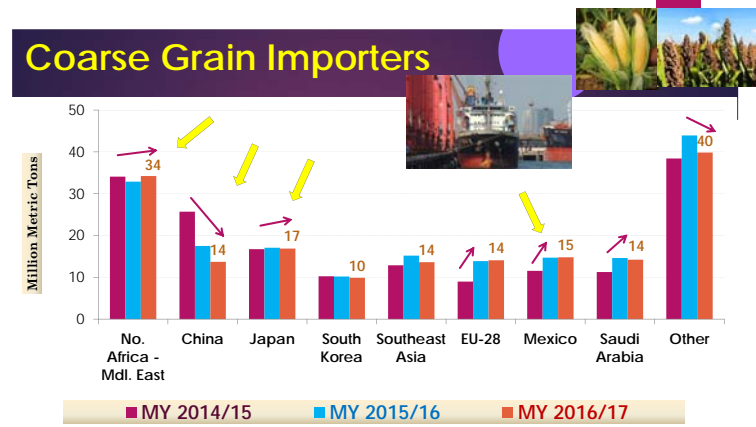
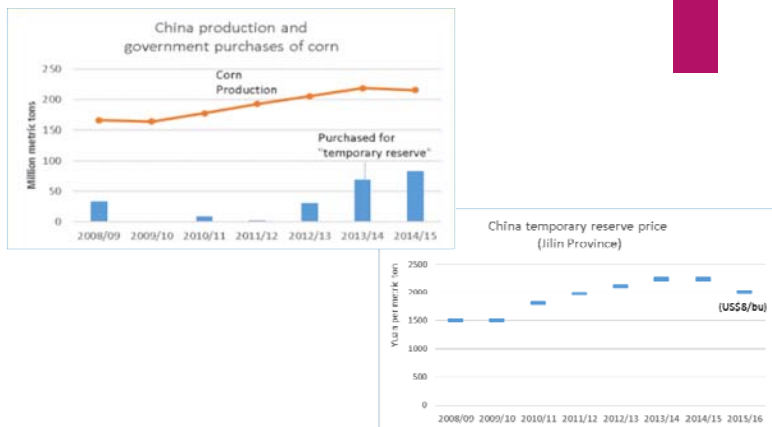




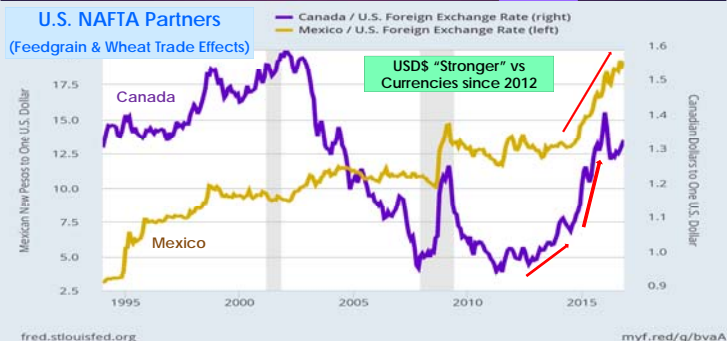
- ❖ “Revenue Insurance Planning & Harvest Price Perspective for Corn & Soybeans”

- More soybeans are likely in 2017 in South America & U.S.
- Lower U.S. & World wheat acres with some World crop risk emerging
- 2017 U.S. Corn acres to be same or higher – lower in Brazil & Argentina

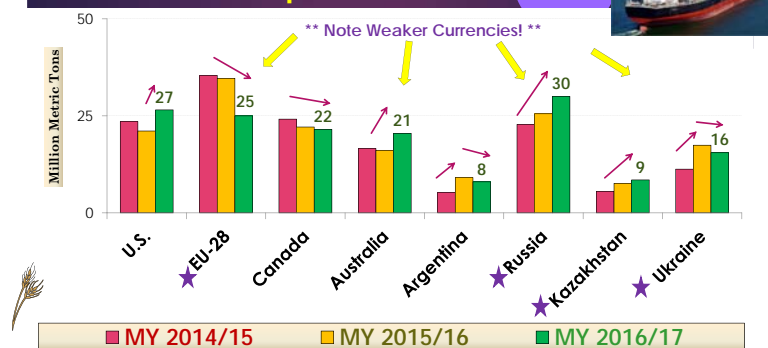




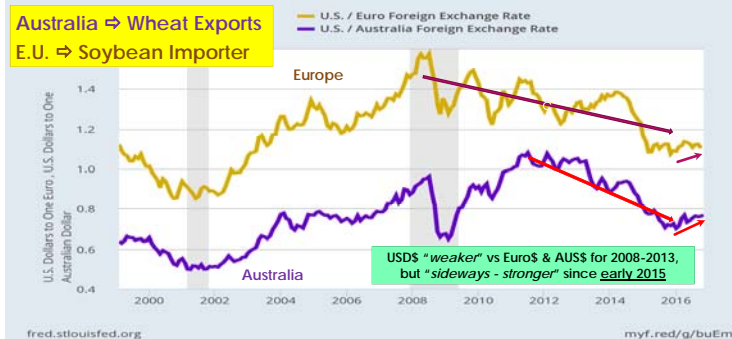
Canada & Mexico Exchange Rates - Monthly



World Wheat Exporters



Euro & Australia Currency per U.S. Dollar



The Corn Market



U.S. Feedgrain Market Prospects:

Low Prices "helping" Use, but Large Supplies are "limiting prices"

- Record large World & U.S. feedgrain supplies
- Low Corn \$'s have supported U.S. domestic use
 - Livestock Feed^{2016/17} = 5.650 bln bu (9 year high - vs 5.858 bb in 2007/08)
 - Corn Ethanol^{2016/17} = 5.300 bln bu (record high - vs 5.200 bb last 2 yrs)
 - Other FSI^{2016/17} = 1.435 bln bu (4 year high - vs 1.424 bb in 2011/12)
 - Exports^{2016/17} = 2.225 bln bu (9 year high - vs 2.437 bb in 2007/08)
- Sorghum exports declining from China "run" last 2-3 yrs

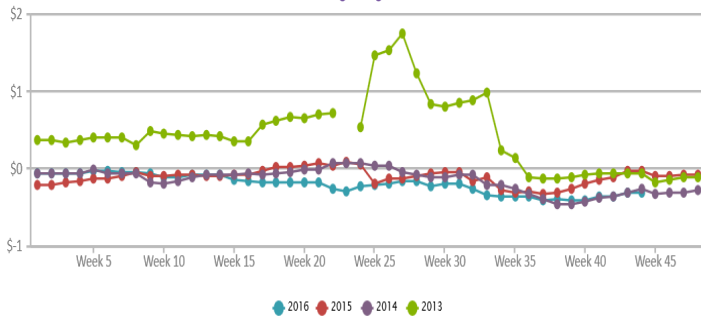
CME Corn Futures

Monthly Chart: Sept. 2007 - October 2016 + 11/29/2016 close



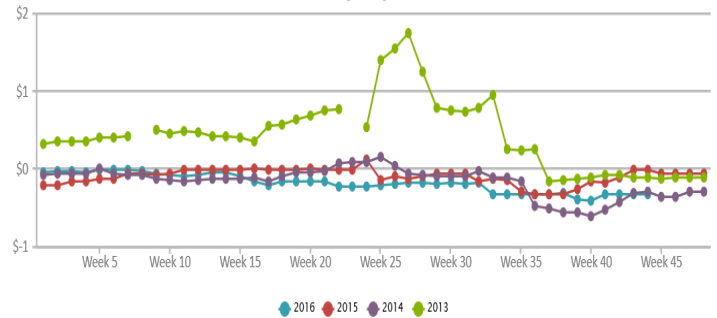
TOPEKA, KS: Corn Basis - CARGILL

www.AgManager.info



ATCHISON, KS: Corn Basis - BLAIR MILLING & ELEVATOR CO, INC.

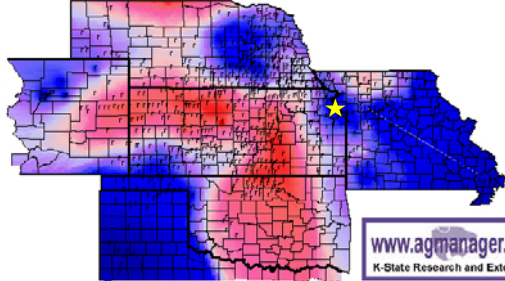
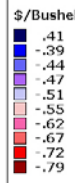
www.AgManager.info



Corn Basis, 11-23-2016

Basis = Cash Price - Nearby Futures Price

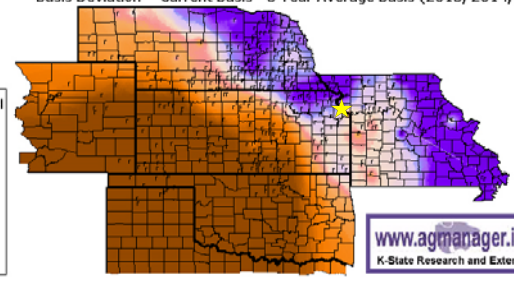
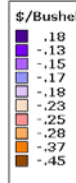
CBT Dec
Futures
Price: \$3.51



www.agmanager.info
K-State Research and Extension

Corn Basis Deviation, 11-23-2016

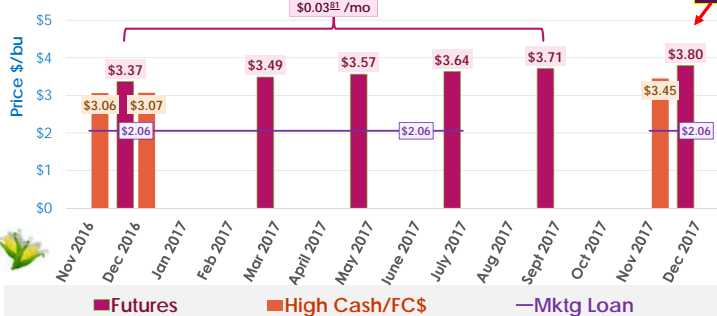
Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)



www.agmanager.info
K-State Research and Extension

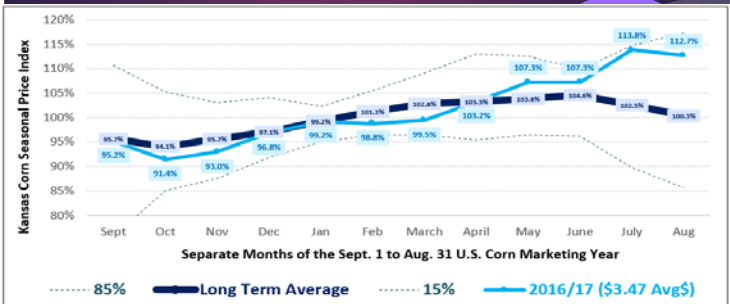
Corn Cash & Futures Prices – Topeka, KS

Local Elevators – November 29, 2016

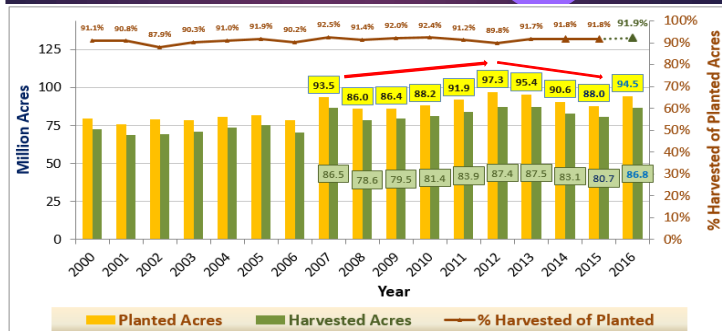


Kansas Corn Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 + Forecast MY 2016/17

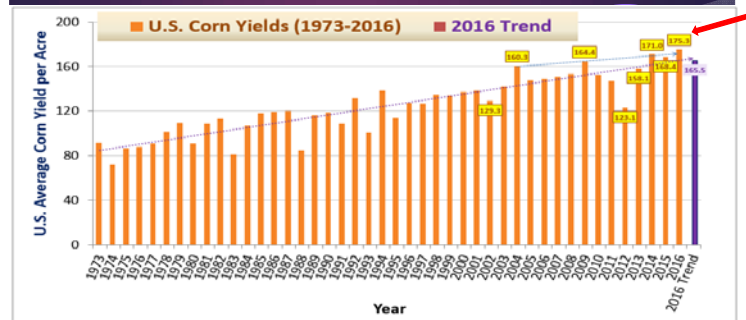


U.S. Corn Acreage: 2000-2016



U.S. Corn Yields: 1973-2016

USDA 2016 USDA Forecast = 175.3 bu/acre



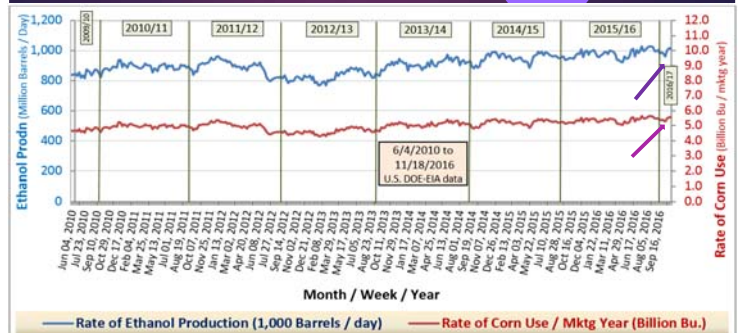
U.S. Corn Production & Supplies



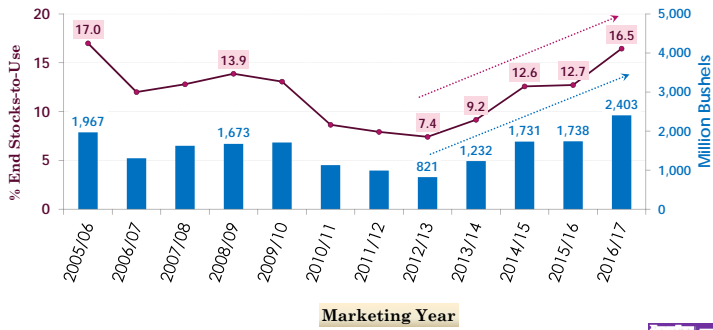
U.S. Corn Use - By Category



U.S. Ethanol Production & Corn Use



U.S. Corn Ending Stocks & % Stocks/Use

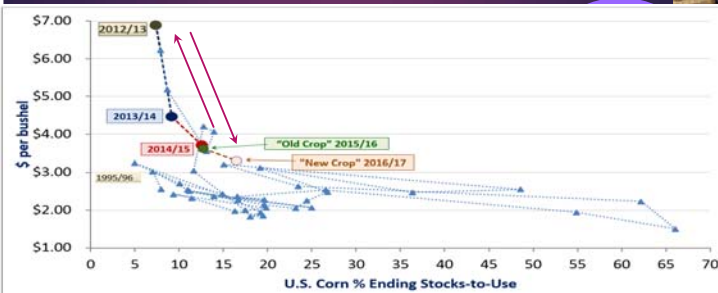


U.S. Corn % Stocks/Use vs Price\$

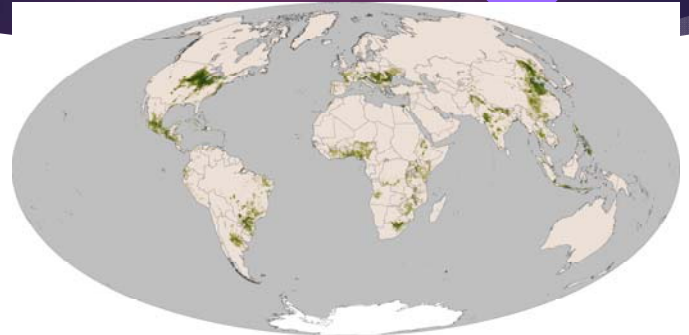


U.S. Corn Price\$ vs U.S. % Stocks-to-Use

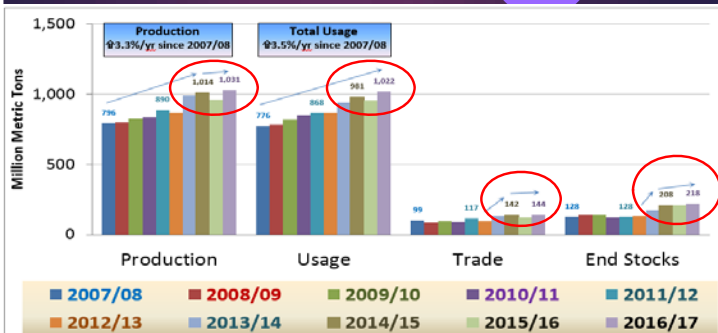
MY 1973/74 through "New Crop" MY 2016/17



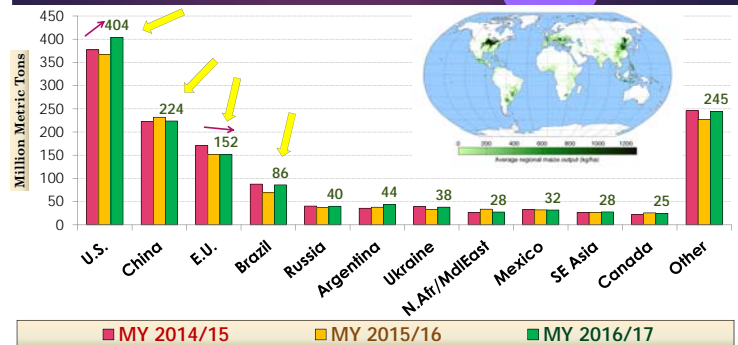
World Corn (Maize) Production Regions



World Corn Supply, Use & Stocks



World Coarse Grain Producers



Soybean Markets



KANSAS STATE UNIVERSITY Department of Agricultural Economics

U.S. Soybean Market Prospects:

"Strong" Use & Exports – but with Large Stocks & Weak Prices

- **U.S. soybean exports in 2016/17 to remain historically large** in spite of higher U.S. Dollar exchange rate
 - Depends on China imports & 2017 South American crops
- **Low Prices have supported record high U.S. Soybean Use**
 - **Crush**^{2016/17} = 1.930 bln bu (record > 1.886 bb in MY 2015/16)
 - **Exports**^{2016/17} = 2.050 bln bu (record > 1.936 bb vs MY 2015/16)
 - "Uncertainty" re: 2017 South American soybean crop size

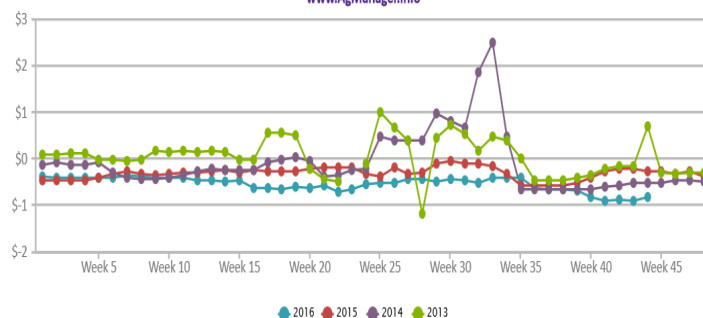
CME Soybean Futures

Monthly Chart: Sept. 2007 – October 2016 + 11/29/2016 close



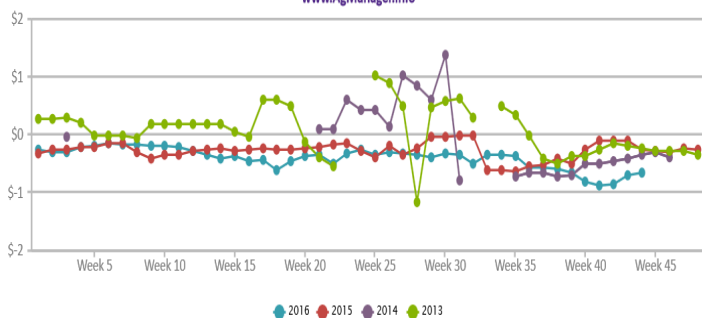
TOPEKA, KS: Soybeans Basis - CARGILL

www.AgManager.info



ATCHISON, KS: Soybeans Basis - BARTLETT GRAIN CO. LP

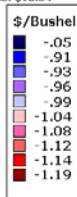
www.AgManager.info



Soybean Basis, 11-23-2016

Basis = Cash Price - Nearby Futures Price

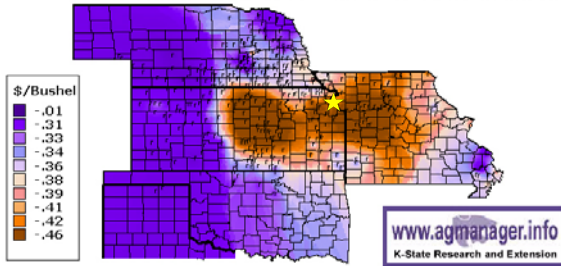
CBT Jan
Futures
Price: \$10.34



www.agmanager.info
K-State Research and Extension

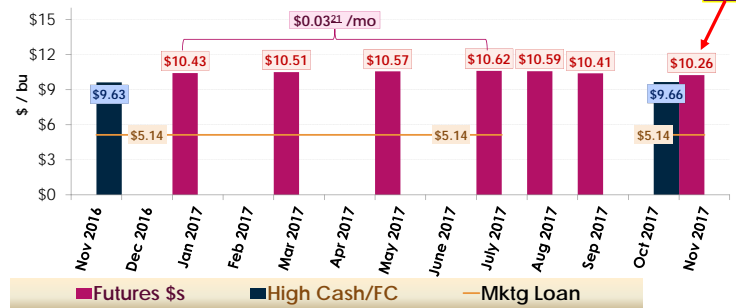
Soybean Basis Deviation, 11-23-2016

Basis Deviation = Current Basis - 3 Year Average Basis (2013, 2014, 2015)



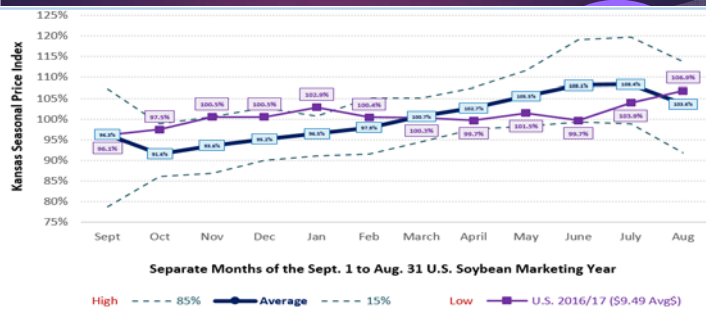
Soybean Cash, Futures – Topeka, KS

Local Elevators – November 29, 2016

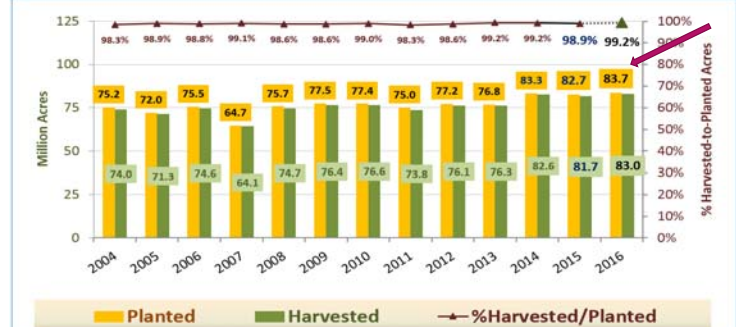


Kansas Soybean Seasonal Cash \$ Index

Monthly Prices: 1999/00 – 2015/16 + “New Crop” MY 2016/27

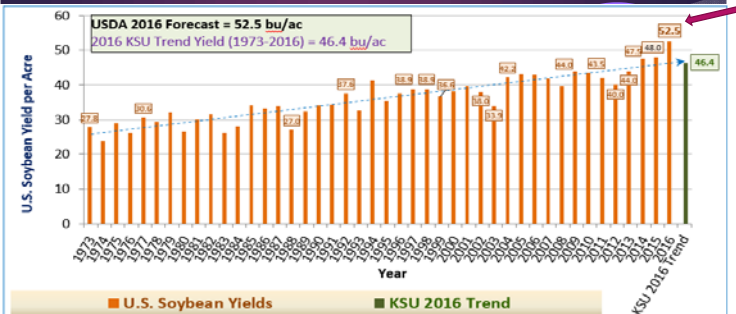


U.S. Soybean Acreage: 2004-2016



U.S. Soybean Yields: 1990-2016

USDA 2016 = 52.5 bu/ac; 2016 Trend¹⁹⁷³⁻²⁰¹⁵ = 46.4



U.S. Soybean Production & Supplies

MY 2001/02 – “New Crop” MY 2016/17





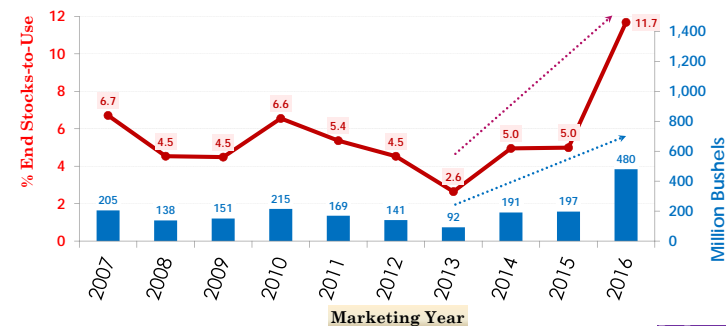
U.S. Soybean Use & Ending Stocks

MY 2004/05 – “New Crop” MY 2016/17



U.S. Soybean Ending Stocks & % Stx/Use

MY 2007/08 – “New Crop” MY 2016/17



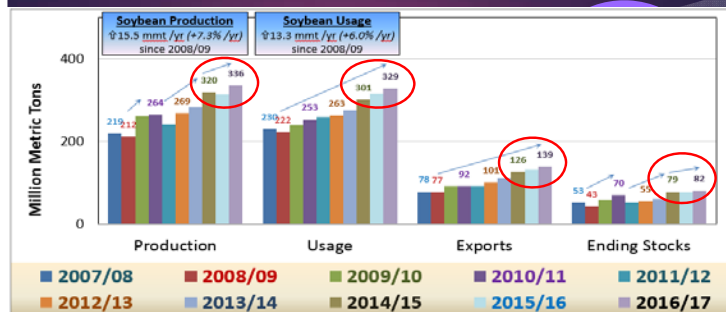
U.S. Soybean % Stocks/Use vs Price\$

MY 2006/07 – “New Crop” MY 2016/17



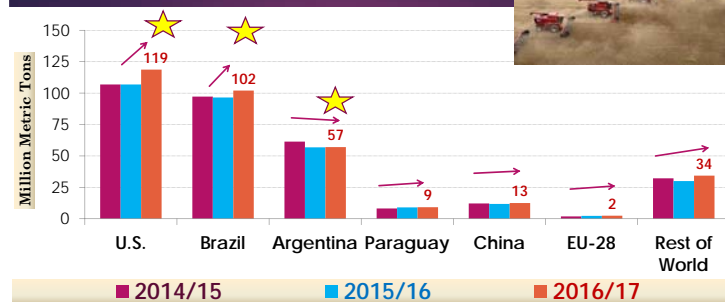
World Soybean Supply, Use & Stocks

MY 2007/08 – MY 2016/17



World Soybean Producers

MY 2014/15 – MY 2016/17





U.S. Soybean \$ per bushel

World Soybean % Ending Stocks-to-Use

1976/77

1983/84

2004/07

2008/09

2011/12

2012/13

2013/14

2014/15

2016/17 "New Crop"

2015/16 "Old Crop"

A collage of images related to corn production. It includes: a bundle of harvested ears of corn; a corn plant growing in a field; a close-up of a corn cob with green husks; a corn plant with yellow flowers; a corn cob with yellow kernels; and a large industrial corn silo.

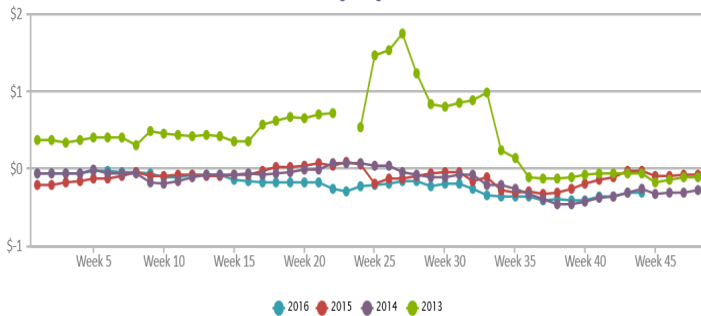
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TOPEKA, KS: Corn Basis - CARGILL

www.AgManager.info



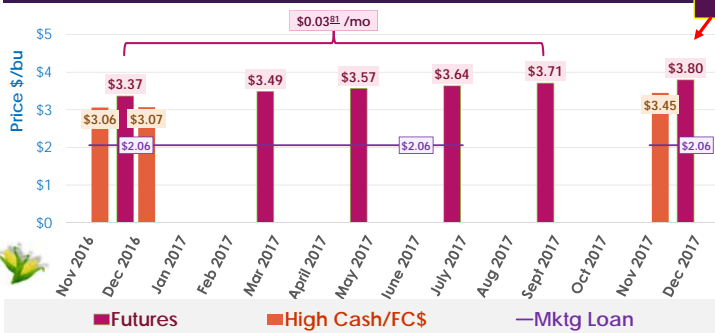
Northeast KS Corn Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 + Forecast MY 2016/17



Corn Cash & Futures Prices – Topeka, KS

Local Elevators – November 29, 2016



What Corn Marketing Strategies are Likely to Work Best in 2017 in Northeast Kansas?

► For “Old Crop” 2016 Corn

- **On-Farm Storage** ⇒ Yes, but not until spring-summer 2017
- **Off-Farm Storage** ⇒ Maybe, but will need larger 2017 rallies
- **Storage Hedges / Fwd Contracts** ⇒ No – discounted futures
- **Buying Puts or Marketing Loans** ⇒ + Mktg Loans (↓ put costs)
- **Selling Cash & Buy Call Options** ⇒ ↓ wide Basis (+ after sales)

What Corn Marketing Strategies are Likely to Work Best in 2017 in Northeast Kansas?

► For “New Crop” 2017 Corn

- **Storage Hedges** ⇒ Yes, but not until spring-summer 2017
- **Forward Contracts** ⇒ Maybe, but watch for wide basis bids
- **Buying Puts** ⇒ ???? – Maybe @ spring/summer rallies
- **Marketing Loans** ⇒ Be aware of Mktg Loan\$ vs Net Put\$
- **Forward Contract + Buy Calls** ⇒ ↓ wide Basis (+ rally protection)

Soybean Markets



KANSAS STATE UNIVERSITY Department of Agricultural Economics

CME Soybean Futures

Monthly Chart: Sept. 2007 – October 2016 + 11/29/2016 close



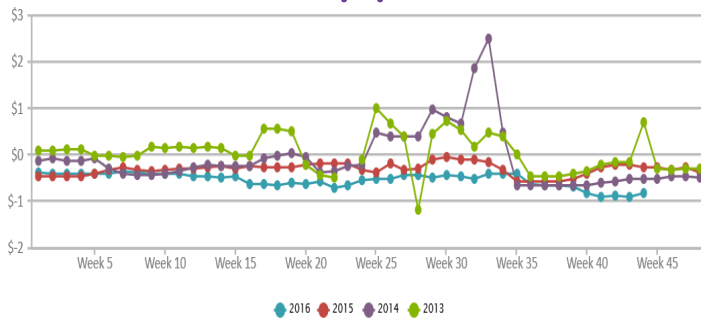
Northeast KS Soybean Seasonal Cash \$ Index

Monthly Prices: 1999/2000 – 2015/16 + Forecast MY 2016/17



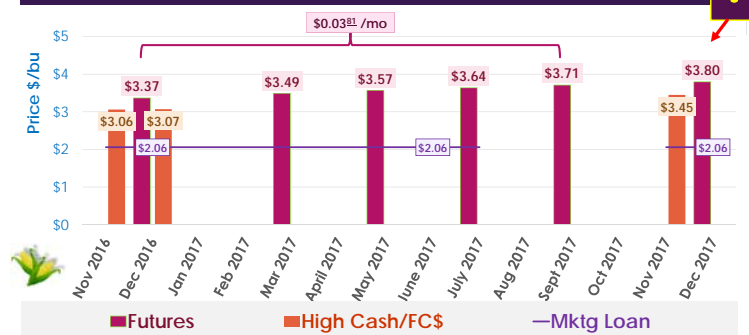
TOPEKA, KS: Soybeans Basis - CARGILL

www.AgManager.info



Corn Cash & Futures Prices – Topeka, KS

Local Elevators – November 29, 2016



What Soybean Marketing Strategies are Likely to Work Best in 2017 in Northeast Kansas?

► For “Old Crop” 2016 Soybeans

- **On-Farm Storage** ⇒ Yes, but @ risk to ↑ 2017 So. America crop
- **Off-Farm Storage** ⇒ Ditto On-Farm storage but at higher costs
- **Storage Hedges / Fwd Contracts** ⇒ No!! – discounted futures
- **Buying Puts or Marketing Loans** ⇒ + Buying Puts (↓ Mktg Loan)
- **Selling Cash & Buy Call Options** ⇒ Use after cash sales “IF”....

What Soybean Marketing Strategies are Likely to Work Best in 2017 in Northeast Kansas?

► For “New Crop” 2017 Soybeans

- **Storage Hedges** ⇒ ??? – How much risk of low fall 2017 \$s?
- **Forward Contracts** ⇒ Ditto, but watch for wide fall ‘17 basis bids
- **Buying Puts** ⇒ Yes – @ spring/summer rallies
- **Marketing Loans** ⇒ Extremely low Mktg Loan\$ vs Net Put\$
- **Forward Contract + Buy Calls** ⇒ Use as post-FC rally protection

Questions?

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