GENERAL SESSION I

Grain Market Situation and Outlook

Dan O'Brien, Kansas State University

Daniel O'Brien was raised on a grain and livestock farm in south central Nebraska. He received bachelors and masters degrees in Agricultural Economics from the University of Nebraska-Lincoln. After completing his Ph.D. at Iowa State, he worked as the Extension Agricultural Economist at the Northwest Research and Extension Center in Colby and was Northwest Area Extension Administrative Director starting in 2003 before returning to his Extension Agricultural Economist position in January 2007. His ongoing extension and applied research interests and efforts are in the areas of a) grain market supply-demand analysis, bioenergy impacts and risk management strategies, b) grain industry market structure, conduct and performance – focusing on grain handling and transportation issues, and c) economic analysis of irrigated and dryland cropping systems, and associated cropland leasing arrangements.

Abstract/Summary

Since January 2015 the prevailing concensus in feedgrain, oilseed and wheat markets has been that a "buyers market" exists, and that the current "large stocks - low price" situation in grain markets will continue through the remainder of 2015 into 2016 and possibly longer.

Although over the next 12-18 months a number of possible threats to the size of U.S. and foreign corn, sorghum, soybean, sunflower, cotton, and wheat crops either now exist or have a tangible possibilitie of occurring that could change this current "large crop - low price" scenario, none of them has materially occurred to date to such a degree that grain markets have perceived the need to respond to them. In addition, the over-arching negative impact of financial and currency market trends (i.e., a high value for trade weighted U.S. dollars) and weak or uncertain demand for U.S. grain exports have also been negative factors affecting U.S. grain market price prospects.

In this session we will first describe the current grain market situation, and then examine the key grain factors to watch in determining the path of grain markets from fall 2015 through 2016. The likelihood of alternative outcomes for corn, sorghum, wheat and soybean markets will be examined, with the probability of each scenario provided.

Grain Market Outlook in 2015-2016

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Grain Market "Drivers"

Key issues affecting grain markets over 1998-2015 Period

- **Soybean exports (to China) & ethanol use (U.S.) have "driven" grain Supply-Demand**
  - ⇒ "***Demand-pull***" *has caused higher prices, crop acreage competition, & higher crop production*
- **Transportation Logistics have Impacted Grain Exports**
  - ⇒ *U.S. exports have been limited by* ***higher shipping costs*** *to key markets versus the Black Sea, Australia, & other competitors*
  - ⇒ ***Panama Canal improvements*** *may help the U.S. to Asia mkts*

More Grain Market "Drivers"

Key issues

- **Wheat has increasingly substituted for Feedgrains in World Livestock Feed Markets since 2012**
  - ⇒ Issues of **"Food" versus "Feed" quality wheat**, & the degree of adoption by foreign livestock feeders
- **U.S. Grain Exports have been limited by ⇧ U.S. Dollar**
  - ⇒ More impact for **wheat** (*several export competitors*) than **corn & soybeans** (*competing mainly with* ***South America*** *&* ***Ukraine***)

U.S. Dollar Index (ICE Futures)

Monthly Chart: June 2006 – July 2015 + 8/18/2015

Grain Market Price Behavior

Economic principles shown in market patterns over time

- **Prices tend to return to breakeven cost over time**
  - ⇒ **High grain prices & profits** lead to economic responses that eventually cause **lower prices & losses** (& vice verse)
  - ⇒ Evidence in **Corn**, **Soybean** & **Wheat** markets over 2005-2015
- **Market response to Supply Prospects & Prices**
  - **Price = f(Supply):** Varying $ response to "short" vs "abundant" Stocks/Use
  - **Use = f(Prices):** Usage affected conversely by "high" vs "low" prices

Wheat Markets

KANSAS STATE UNIVERSITY Department of Agricultural Economics

World Wheat Market Prospects: Large Supplies ⇨ A "*Buyer's* Market"

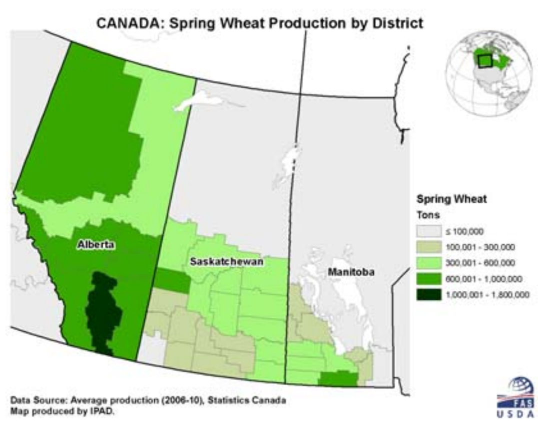
- **Record World Supplies & Usage Forecast in 2015/16**
  - o 3 consecutive record large World wheat crops
- **Varying 2015/16 Crop Prospects by Country**
  - ⇧ Australia, China, Russia, Kazakhstan, Ukraine, Turkey, Iran, U.S.
  - ⇩ Canada, E.U., India, Pakistan, Argentina
- **World wheat exports likely to remain a "buyer's market" unless or until World supplies & stocks decline**
  - o U.S. & World Crop Uncertainty in 2016? (El Nino…??)

CME Kansas HRW Wheat - DEC 2015

Weekly Chart: May 2014 – August 20, 2015

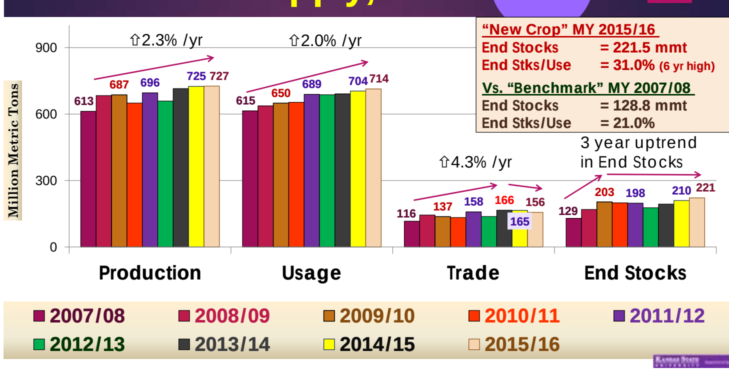
World Wheat Supply & Use – August 12th WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	193	*Record* 210	+8.4%
Production	725	*Record* 727	+0.2%
Total Supply	**919**	*Record* **936**	**+1.9%**
Food Use	574	*Record* 579	+0.7%
Feed Use	135	*3 yr high* 136	+1.2%
Total Use	**709**	*Record* **715**	**+0.8%**
Export Trade	165	⇩ 156	-5.4%
Ending Stocks	**210**	*Record* **222**	**+5.6%**
% Stocks / Use	*29.6%*	*6 yr high* *31.0%*	*+1.4%*



August 12, 2015

World Wheat Supply, Use & Stocks



Monthly Crop Calendar for Wheat

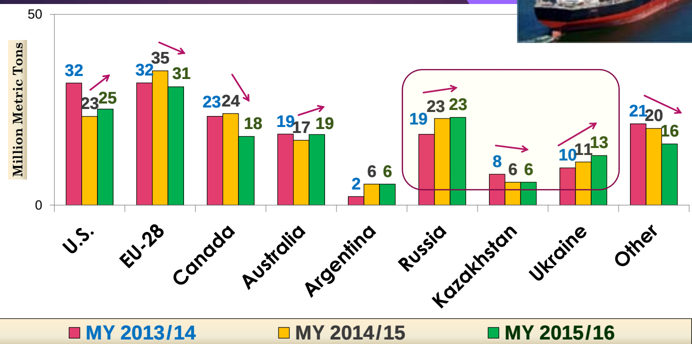
5/12/2015

Plant (P) · Headed (HE) · Harvest (H)

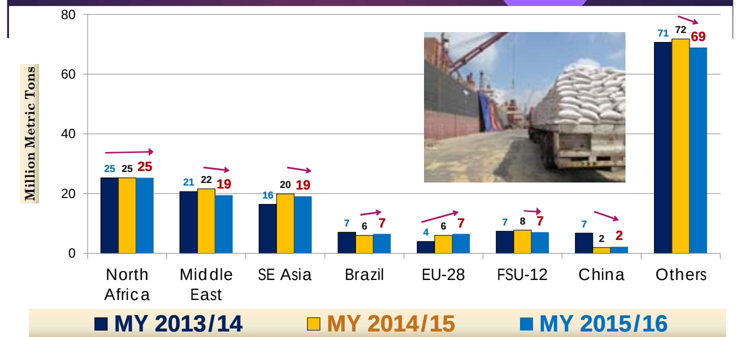
	USDA Prod Est. 15/16	Change	May		Jun		Jul		Aug		Sep		Oct		Nov		Dec		Jan		Feb		Mar		Apr	
Brazil	6.50		P	P	P	P		HE	HE	HE	H	H	H	H	H	H	H	H							P	P
Canada Spring	29.00		P	P	P	HE	HE	HE		H	H	H	H													P
US Spring	56.81		P	P		HE	HE	HE	H	H	H															P
Australia	26.00		P	P	P	P									H	H	H	H								P
Russia Spring	53.50		P	P	P	HE	HE	HE	H	H	H	H														
Kazakhstan	12.50		P	P					H	H	H	H														
China Spring	130.00		P	P	P	P			H	H	H	H														
Ukraine Spring	22.00		P	P	P	HE	HE	HE		H	H	H														
Argentina	12.00		P	P	P	P	P	P			HE	HE	HE	HE	H	H	H	H	H	H						
Russia Winter				HE	HE	HE	H	H	H	P	P	P	P													
Ukraine Winter				HE	HE			H	H	P	P	P														
EU Winter	150.29						H	H	H	H	P	P	P	P	P	P										
Turkey	18.50				H	H	H	H	H	H	P	P	P	P	P	P										
Egypt	8.36		H	H	H	H					P	P	P	P											H	H
US Winter			HE	HE	HE	H	H	H	H			P	P	P												HE
India	90.00		H	H									P	P	P	P	P	P							H	H
China Winter			H	H	H	H							P	P	P	P										

CHS Hedging
Jenna Roe

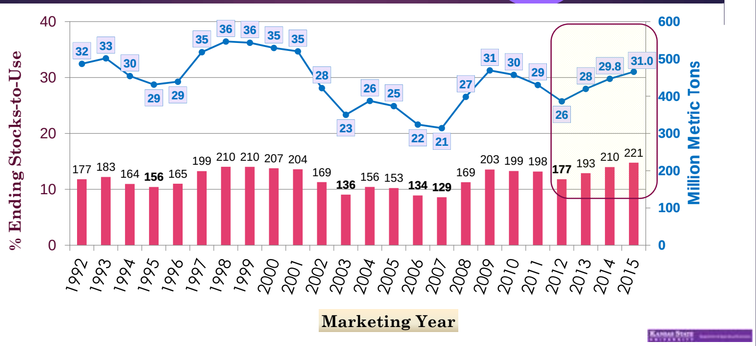
World Wheat Exporters



World Wheat Importers



World Wheat Ending Stocks & % Stx/Use



U.S. Wheat Market Prospects:

Slow Exports, Growing Stocks, & Weak Prices

- **U.S. wheat exports are likely to remain *weak* until the high U.S. dollar &/or record World stocks situation changes**
  - U.S. & World Crop Uncertainty in 2016? (El Nino…??)
- **U.S. Spring Wheat²⁰¹⁵** ⇨ Record yields, Large crop forecast
- **U.S. HRW Wheat²⁰¹⁵** ⇨ 12.3% protein, 58.9 lb test, 0.5% damage
  - Versus 13.3% protein, 60.7 lb test wt, 0.5% damage in 2014
- **U.S. SRW Wheat²⁰¹⁵** ⇨ 9.9% protein & 56.9 lb test, 3.4% damage
  - Versus 9.9% protein, 58.1 lb test wt, 0.9% damage in 2014

U.S. Wheat Production in 2015

Planted Acres = 56.1 million^{2015}
vs 56.8 million^{2014}

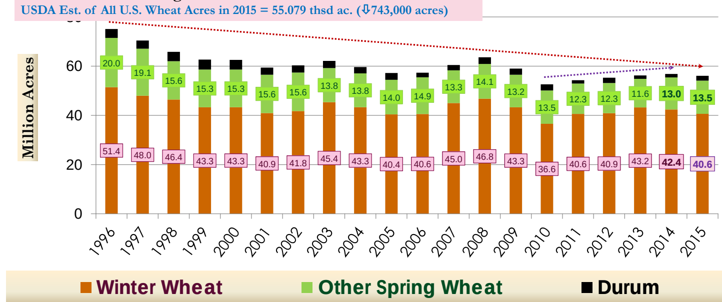
Harvested Acres = 48.4 million^{2015}
vs 46.4 million^{2014}

Yield = 44.1 bu/ac^{2015}
vs 43.7 bu/ac^{2014}

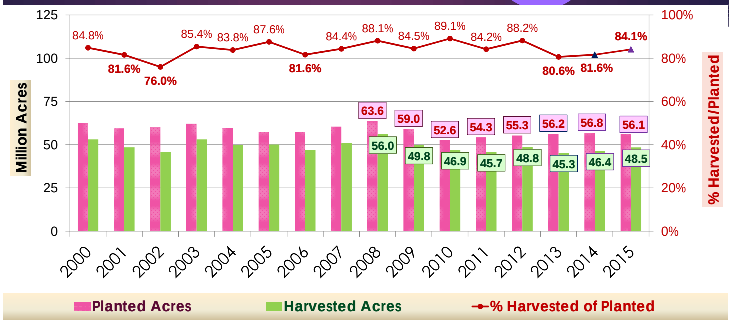
Production = 2.136 bln bu^{2015}
vs 2.026 bln bu^{2014} (record)

U.S. Wheat Seeded Acreage

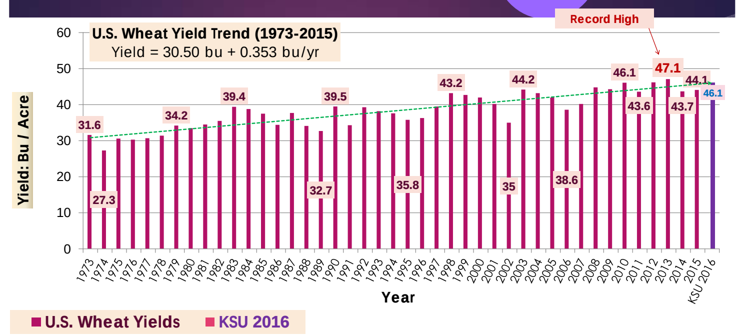
2015 U.S. Wheat acreage ⇩ 1.3% vs 2014
USDA Est. of All U.S. Wheat Acres in 2015 = 55.079 thsd ac. (⇩743,000 acres)



U.S. Wheat Acreage



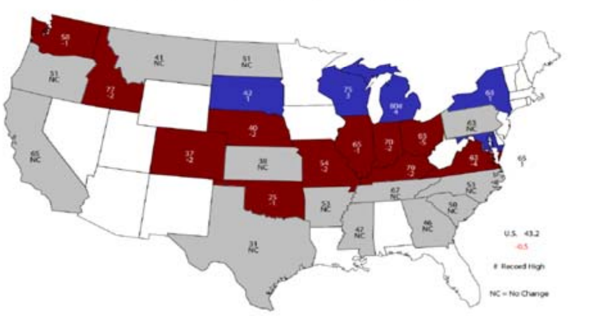
U.S. Wheat Yields



USDA

August 1, 2015 Winter Wheat Yield

Bushels and Change From Previous Month

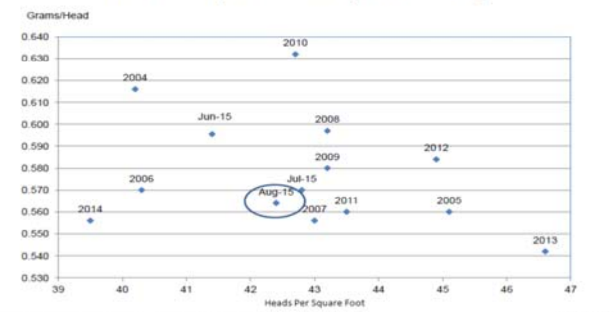


USDA-NASS
8-12-15

USDA

Wheat Objective Yield Region

Heads Per Square Foot vs. Implied Head Weight



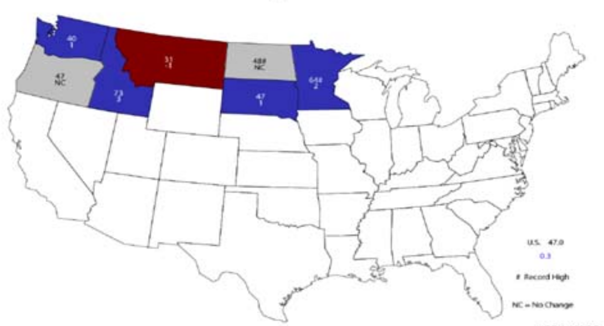
Implied Head Weight = Published Yield / (Heads*1.6006)

USDA-NASS
8-12-15

USDA

August 1, 2015 Other Spring Wheat Yield

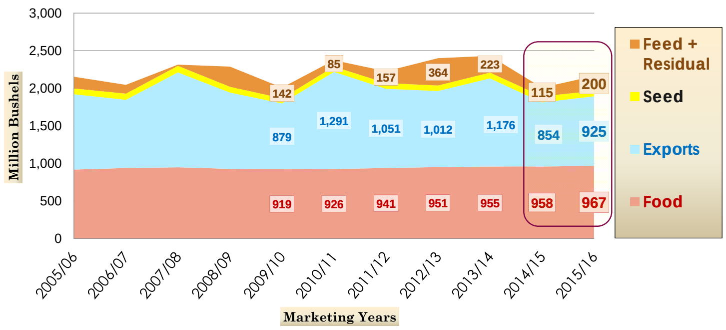
Bushels and Change From Previous Month



USDA-NASS
8-12-15

U.S. Wheat Production & Supplies

U.S. Wheat Use by Category



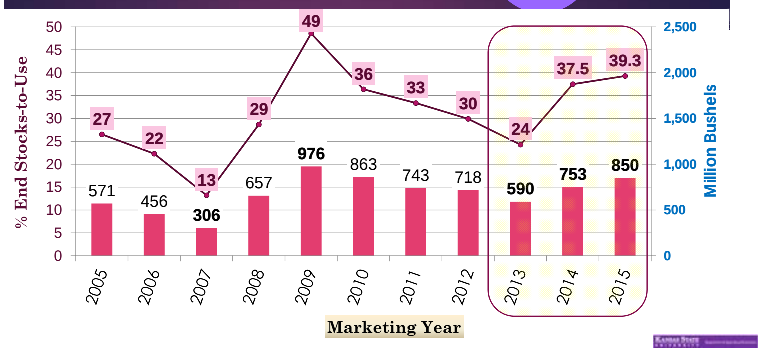
All U.S. Wheat Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	54.3	55.3	56.2	56.8	56.1
Yield	(bu./acre)	43.6	46.2	47.1	43.7	44.1
Production	**(mil. bu.)**	**1,993**	**2,252**	**2,134**	**2,025**	**2,136**
Beginning Stocks	(mil. bu.)	863	743	718	590	753
Imports	(mil. bu.)	112	123	169	144	125
Total Supply	**(mil. bu.)**	**2,968**	**3,118**	**3,022**	**2,760**	**3,014**
Food Use	(mil. bu.)	941	951	955	958	967
Seed Use	(mil. bu.)	76	73	77	81	72
Exports	(mil. bu.)	1,051	1,012	1,176	**854**	**925**
Feed & Residual	(mil. bu.)	157	364	223	115	200
Total Use	**(mil. bu.)**	**2,226**	**2,400**	**2,431**	**2,008**	**2,164**
Ending Stocks *(%S/U)*	(mil. bu.)	*33.4%* 743	*29.9%* 718	*24.3%* 590	*37.5%* 753	*39.3%* 850
Season-Avg. Price	($/bu.)	$7.24	$7.77	$6.87	**$5.99**	**$5.10**

U.S. HRW Wheat Supply-Use & Prices

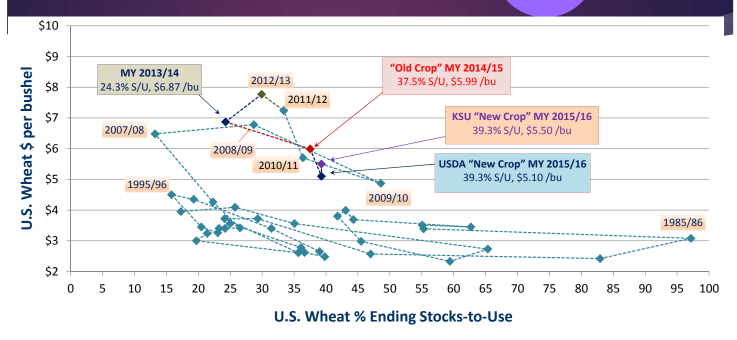
		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	28.5	29.6	29.7	30.5	29.6
Yield	(bu./acre)	36.4	40.6	36.6	33.7	36.3
Production	**(mil. bu.)**	**782**	**998**	**747**	**738**	**856**
Beginning Stocks	(mil. bu.)	387	317	343	237	294
Imports	(mil. bu.)	0.5	18	19	10	10
Total Supply	**(mil. bu.)**	**1,170**	**1,333**	**1,109**	**985**	**1,160**
Food Use	(mil. bu.)	404	404	370	370	395
Seed Use	(mil. bu.)	33	33	34	33	31
Exports	(mil. bu.)	397	382	446	**269**	**285**
Feed & Residual	(mil. bu.)	19	171	22	19	85
Total Use	**(mil. bu.)**	**853**	**990**	**872**	**691**	**796**
Ending Stocks *(%S/U)*	(mil. bu.)	*37.2%* 317	*34.6%* 343	*27.2%* 237	*42.5%* 294	*45.7%* 364
Season-Avg. Price	($/bu.)	$6.92	$7.56	$7.03	**$6.02**	**⇩$5.10**

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



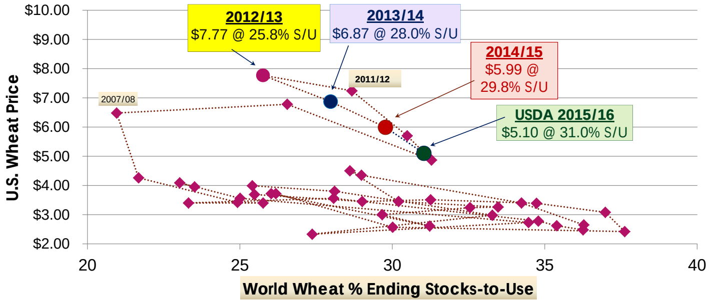
U.S. Wheat Ending Stocks & Prices

U.S. Wheat Price vs U.S. Stocks-to-Use



U.S. Wheat Price ($) vs World %Stx/Use

MY 1973/74 – "New Crop" MY 2015/16



Corn & Sorghum Markets

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World Corn & Sorghum Market Prospects:

Large Supplies ⇨ A "*Buyer's* Market"

- **Record World Supplies & Usage in 2015/16**
  - 3 consecutive record large World coarse grain crops (like wheat)
- **Varying 2015/16 Crop Prospects by Country**
  - ⇧ Canada, No. Africa/Middle East, SE Asia, China, & Russia
  - ⇩ U.S., Argentina*, Australia, Brazil*, E.U., Mexico, Ukraine
- **Coarse grain exports likely to remain a "buyer's market" until World stocks decline**
  - U.S. & World Crop Uncertainty in 2016? (El Nino…??)

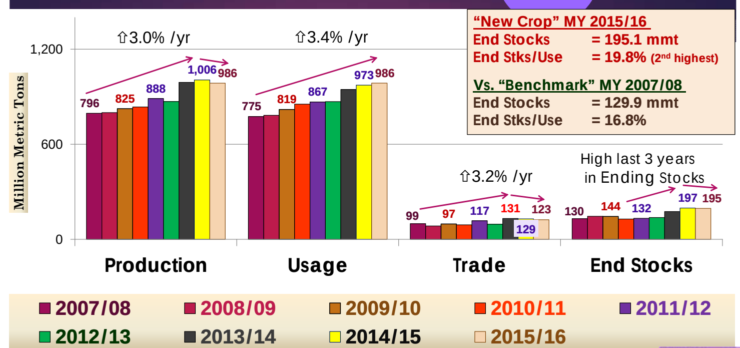
CME Corn Futures - DEC 2015

Weekly Chart: May 2014 – August 20, 2015

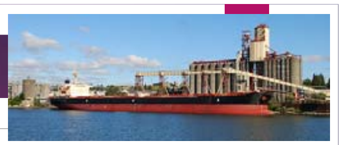
World Corn Supply & Use – August 12th WASDE

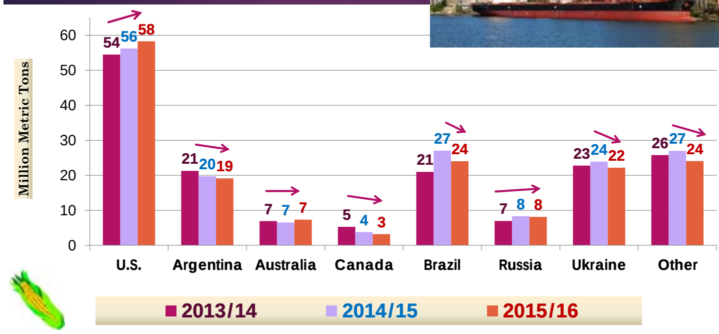
	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	175	*2nd highest* 197	+12.8%
Production	*record* 1,006	986	+0.2%
Total Supply	**1,181**	*record* **1,183**	**+0.2%**
Feed Use	597	*record* 606	+1.4%
Food, Seed, Industrial	387	*record* 382	-1.2%
Total Use	**984**	*record* **988**	**+0.4%**
Export Trade	*2nd highest* 129	123	-4.4%
Ending Stocks	*3rd highest* **197**	*4th highest* **195**	**-1.2%**
% Stocks / Use	***20.1%***	***19.8%***	***+0.3%***

World Corn Supply, Use & Stocks

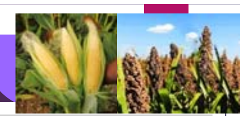


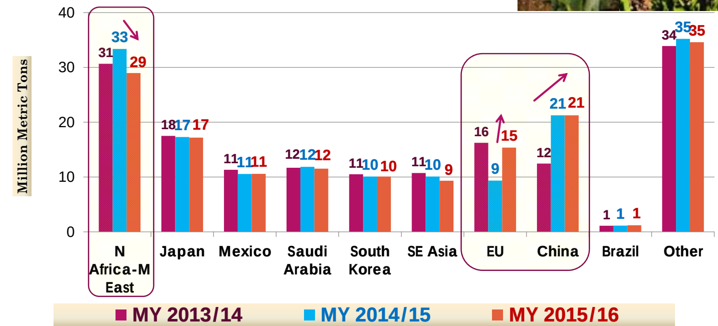
Coarse Grain Exporters





Coarse Grain Importers





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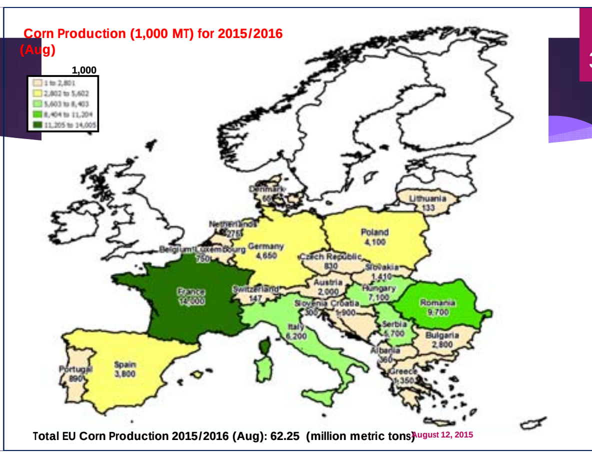

U.S. Feedgrain Market Prospects:

Strong domestic use, ⇧⇩ Exports, & Weak Prices

- **Strong U.S. sorghum exports to China to continue**
  - o Depends on Chinese Ag Policy wrt managing corn reserves
- **Low Corn Prices have supported U.S. domestic use**
  - o **Livestock Feed**$^{2015/16}$ = 5.300 bln bu *(tied for high since 2007/08)*
  - o **Corn Ethanol**$^{2015/16}$ = 5.250 bln bu *(record, up 50 mb vs 2014/15)*
  - o **Other FSI**$^{2015/16}$ = 1.375 bln bu *(up 20 mb, = average since 1998/99)*
  - o **Exports**$^{2015/16}$ = 1.850 bln bu *(down vs 2.437 bb high in 2007/08)*
- o **Uncertainty about 2015 U.S. corn crop through harvest**

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U.S. Corn Production in 2015

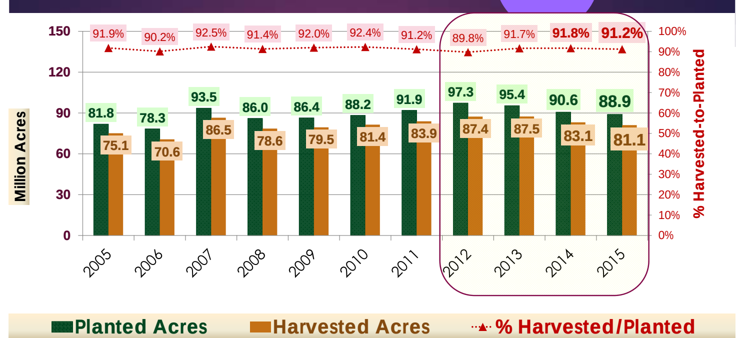
Planted Acres = 88.9 million^{2015}
vs 90.6 million^{2014}

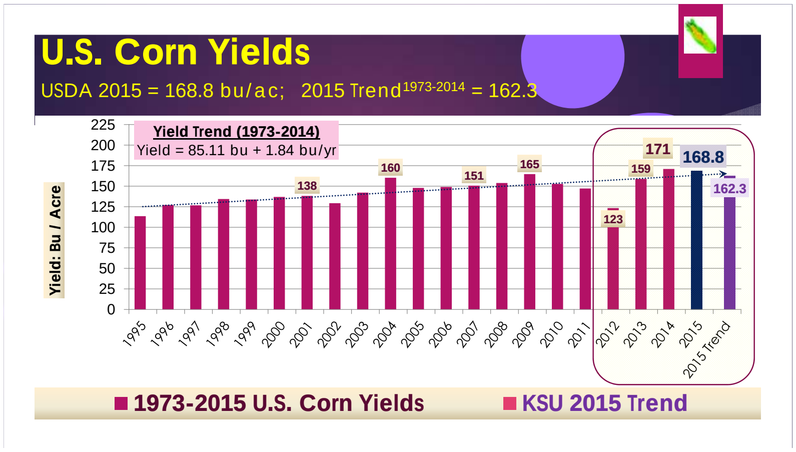
Harvested Acres = 81.1 million^{2015}
vs 83.1 million^{2014}

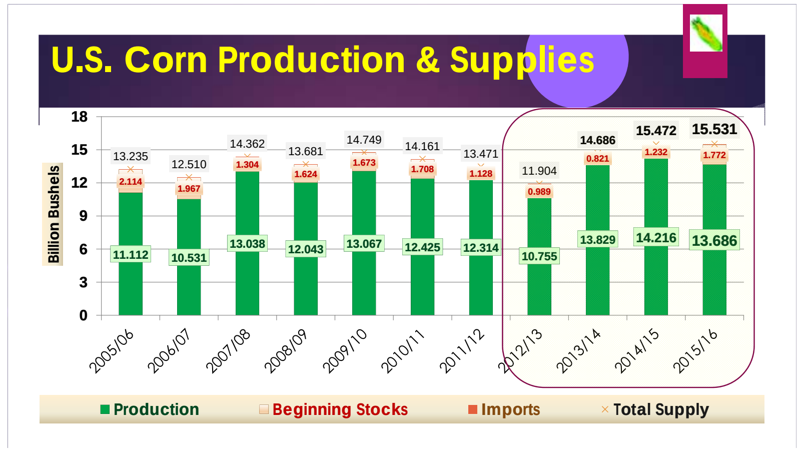
Yield = 168.8 bu/ac^{2015}
vs 171.0 bu/ac^{2014} **(record)**

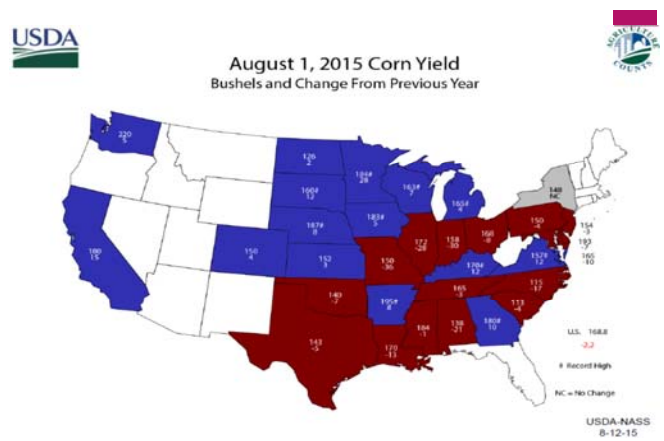
Production = 13.686 bln bu^{2015}
vs 14.216 bln bu^{2014} **(record)**

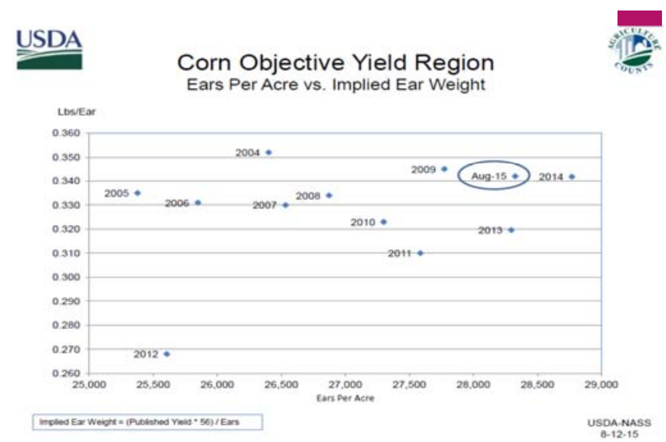
U.S. Corn Acreage

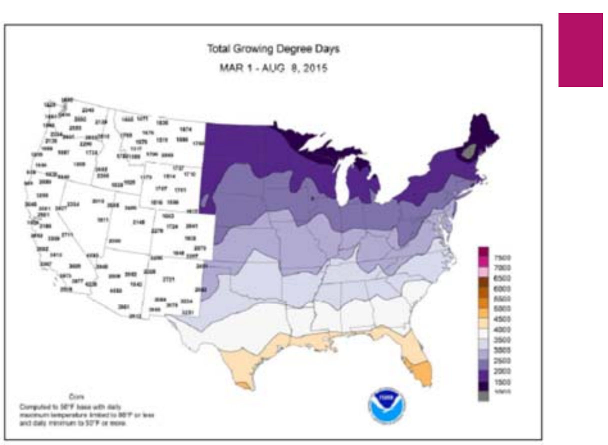


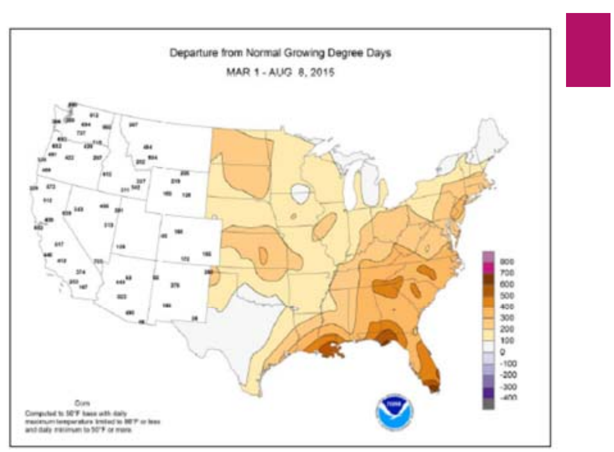

U.S. Corn Yields
USDA 2015 = 168.8 bu/ac; 2015 Trend1973-2014 = 162.3
Yield Trend (1973-2014)
Yield = 85.11 bu + 1.84 bu/yr
Yield: Bu / Acre
138
160
151
165
123
159
171
168.8
162.3
1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2015 Trend
1973-2015 U.S. Corn Yields
KSU 2015 Trend


U.S. Corn Production & Supplies
Billion Bushels
13.235 12.510 14.362 13.681 14.749 14.161 13.471 11.904 14.686 15.472 15.531
2.114 1.967 1.304 1.624 1.673 1.708 1.128 0.989 0.821 1.232 1.772
11.112 10.531 13.038 12.043 13.067 12.425 12.314 10.755 13.829 14.216 13.686
2005/06 2006/07 2007/08 2008/09 2009/10 2010/11 2011/12 2012/13 2013/14 2014/15 2015/16
Production
Beginning Stocks
Imports
Total Supply

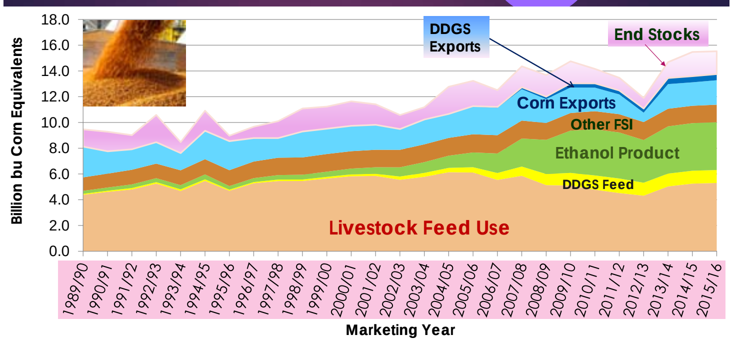

USDA
August 1, 2015 Corn Yield
Bushels and Change From Previous Year
USDA-NASS
8-12-15


USDA
Corn Objective Yield Region
Ears Per Acre vs. Implied Ear Weight
Lbs/Ear
2004
2009
Aug-15
2014
2005
2006
2007
2008
2010
2013
2011
2012
Ears Per Acre
USDA-NASS
8-12-15


Total Growing Degree Days
MAR 1 - AUG 8, 2015


Departure from Normal Growing Degree Days
MAR 1 - AUG 8, 2015

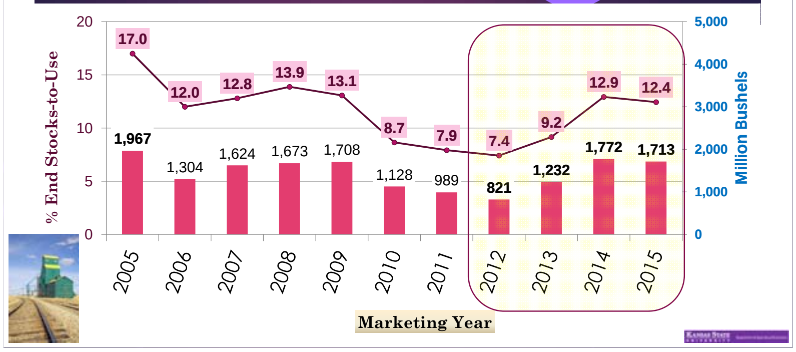
U.S. Corn Use - With estimated DDGS #s



U.S. Corn Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	91.9	97.3	95.4	90.6	88.9
Yield	(bu./acre)	147.2	123.1	158.1	171.0	168.8
Production	**(mil. bu.)**	**12,360**	**10,755**	**13,829**	**14,216**	**13,686**
Beginning Stocks	(mil. bu.)	1,128	989	821	1,232	1,772
Imports	(mil. bu.)	29	160	36	30	30
Total Supply	**(mil. bu.)**	**13,517**	**11,904**	**14,686**	**15,477**	**15,488**
Ethanol	(mil. bu.)	5,000	4,641	**5,134**	**5,200**	**5,250**
Food, Seed, & Other	(mil. bu.)	1,428	1,397	1,369	1,355	1,375
Exports	(mil. bu.)	1,543	730	1,917	1,850	1,850
Feed & Residual	(mil. bu.)	4,557	4,315	**5,034**	**5,300**	**5,300**
Total Use	**(mil. bu.)**	**12,528**	**11,083**	**13,454**	**13,705**	**13,775**
Ending Stocks *(%S/U)*	(mil. bu.)	*7.9%* 989	*7.4%* 821	*9.2%* 1,232	*12.9%* 1,772	*12.4%* 1,713
Season-Avg. Price	($/bu.)	$6.22	$6.89	$4.46	**$3.70**	**$3.65**

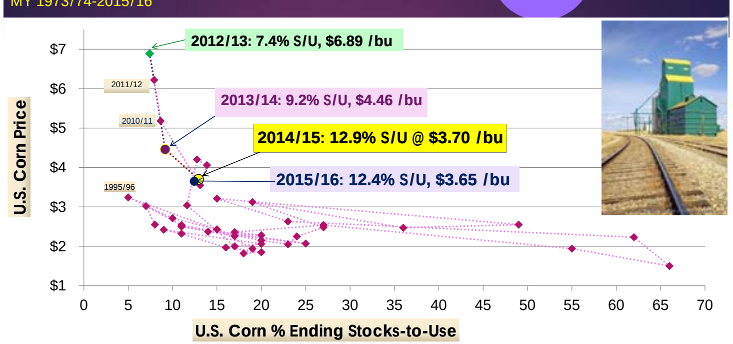
U.S. Corn Ending Stocks & % Stx/Use



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

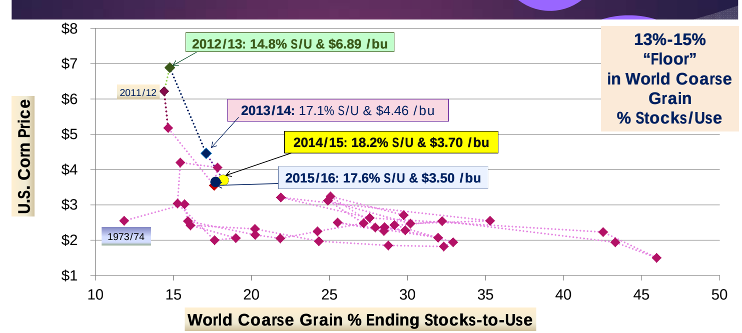
U.S. Corn Price$ vs U.S. % Stocks-to-Use

MY 1973/74-2015/16

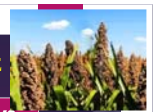


U.S. Corn$ vs World Coarse Grain %S/U

MY 1973/74 - 2015/16

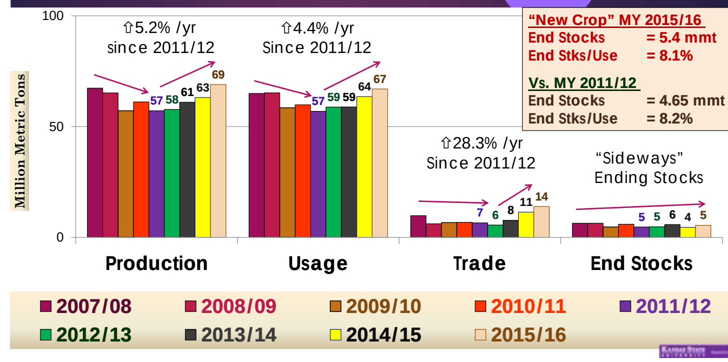


World Sorghum Supply & Use – 8/12 WASDE



	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	6	4	-21.8%
Production	63	*high since 1996* 69	+9.3%
Total Supply	**79**	*high since 1987* **86**	**+8.7%**
Feed Use	30	*high since 1996* 33	+10.9%
Food, Seed, Industrial	34	34	+0.5%
Total Use	**64**	*record* **67**	**+5.4%**
Export Trade	11	*high since 1980* 14	+22.3%
Ending Stocks	**4**	**5**	**+20.4%**
% Stocks / Use	***7.1%***	***8.1%***	***+1.0%***

World Sorghum Supply, Use & Stocks



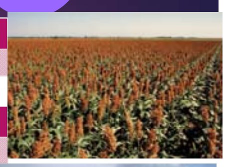
U.S. Sorghum Production in 2015

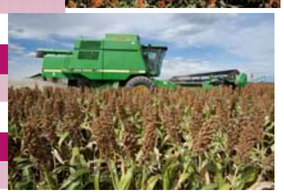
Planted Acres = 8.7 million2015
vs 7.1 million2014

Harvested Acres = 7.7 million2015
vs 6.4 million2014

Yield = 74.6 bu/ac2015
vs 67.6 bu/ac2014

Production = 573 mln bu2015
vs 433 mln bu2014





U.S. Sorghum Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	5.5	6.3	8.1	7.1	8.7
Yield	(bu./acre)	54.0	49.6	59.6	67.6	74.6
Production	**(mil. bu.)**	**213**	**248**	**392**	**432**	**573**
Beginning Stocks	(mil. bu.)	27	23	15	34	17
Imports	(mil. bu.)	0.1	10	0.1	0.4	0
Total Supply	**(mil. bu.)**	**241**	**280**	**408**	**467**	**589**
Alcohol-Industrial, Food	(mil. bu.)	84	94	69	**14**	**14**
Seed	(mil. bu.)	1	1	1	1	1
Exports	(mil. bu.)	63	76	**211**	**350**	**430**
Feed & Residual	(mil. bu.)	69	93	93	85	105
Total Use	**(mil. bu.)**	**218**	**265**	**374**	**450**	**550**
Ending Stocks *(%S/U)*	(mil. bu.)	*10.6%* 23	*5.7%* 15	*9.1%* 34	*3.8%* 17	*7.1%* 39
Season-Avg. Price	($/bu.)	$5.99	$6.33	$4.28	**$4.00**	**$3.90**

Soybean Markets

Kansas State University Department of Agricultural Economics

World Soybean Market Prospects: Large Supplies ⇨ A "*Buyer's* Market"

- **Record World Supplies & Usage in 2015/16**
  - 3 consecutive record large World soybean crops (like wheat & corn)
- **Varying 2015/16 Crop Prospects by Country**
  - ⇧ Brazil, Paraguay, & the European Union
  - ⇩ U.S., Argentina, & China
- **World soybean exports to remain a "buyer's market" until World supplies & stocks decline**
  - U.S. & World Crop Uncertainty in 2016? (El Nino…??)

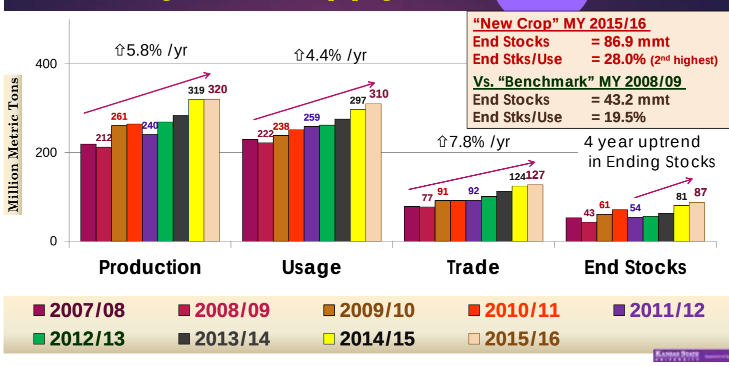
CME Soybean Futures NOV 2015

Weekly Chart: May 2014 – August 20, 2015

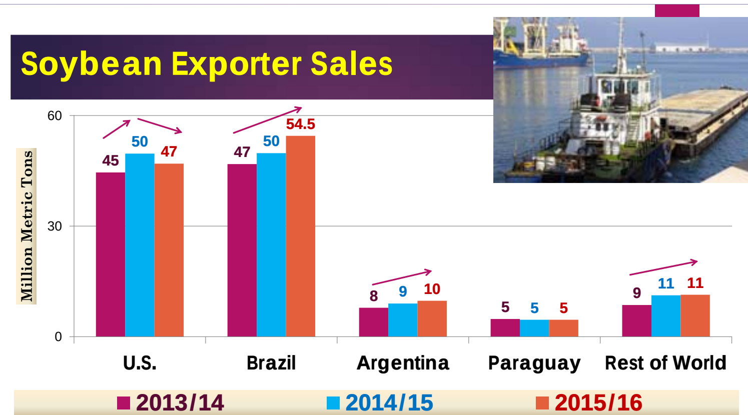
World Soybean Supply & Use – 8/12 WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	63	*record* 81	+28.4%
Production	*2nd highest* 319	*record* 320	+0.2%
Total Supply	*2nd highest* **382**	*record* **401**	**+4.8%**
Domestic Crush	*2nd highest* 258	*record* 272	+5.1%
Food, Seed, Other Use	*2nd highest* 39	*record* 38	-0.1%
Total Use	*2nd highest* **297**	*record* **310**	**+4.4%**
Export Trade	*2nd highest* 124	*record* 127	+2.3%
Ending Stocks	*2nd highest* **81**	*record* **87**	**+7.8%**
% Stocks / Use	*3rd high* ***27.4%***	*2nd high* ***28.0%***	**+0.6%**

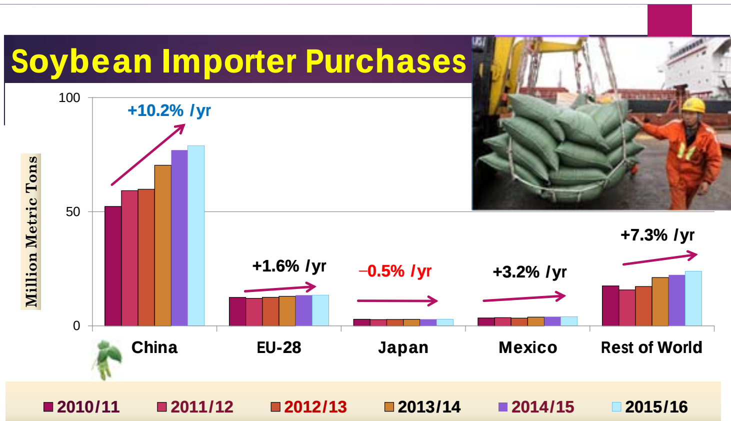
World Soybean Supply, Use & Stocks



Soybean Exporter Sales



Soybean Importer Purchases



U.S. Soybean Market Prospects:

Strong Use & Exports, Large Stocks, & Weak Prices

- **U.S. soybean exports to remain historically strong in spite of high U.S. Dollar**
  - Depends on China import demand & 2016 South American crops
- **Low Prices have supported U.S. Soybean Use**
  - **Crush**2015/16 = 1.860 bln bu *(record, up 15 mb vs 2014/15)*
  - **Exports**2015/16 = 1.725 bln bu *(2nd highest, ⇩ 100 mb vs 2014/15)*
- **Uncertainty about the 2015 U.S. corn crop through harvest**

U.S. Soybean Production in 2015

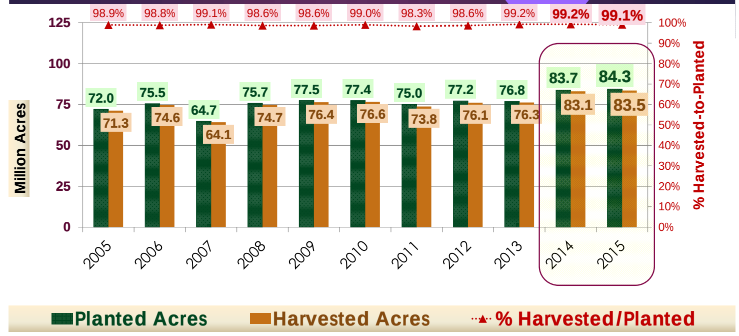
Planted Acres = 84.3 million2015
vs 83.7 million2014

Harvested Acres = 83.5 million2015
vs 83.1 million2014

Yield = 46.9 bu/ac2015
vs 47.8 bu/ac2014

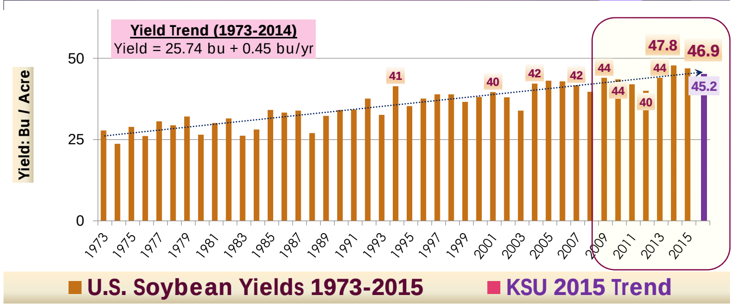
Production = 3.916 bln bu2015
vs 3.969 bln bu2014

U.S. Soybean Acreage

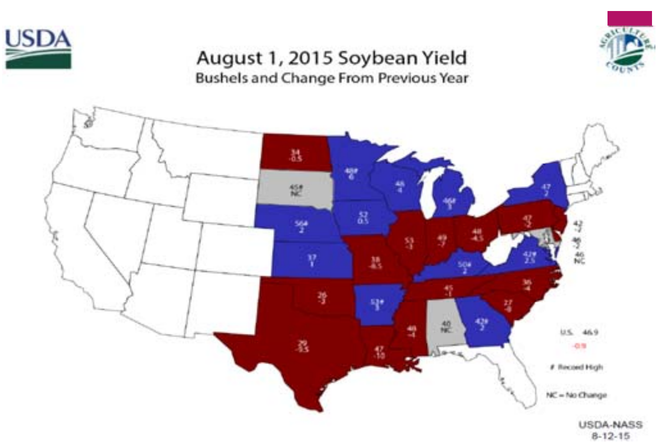


U.S. Soybean Yields

USDA 2015 = 46.9 bu/ac; 2015 Trend1973-2014 = 45.2



U.S. Soybean Production & Supplies

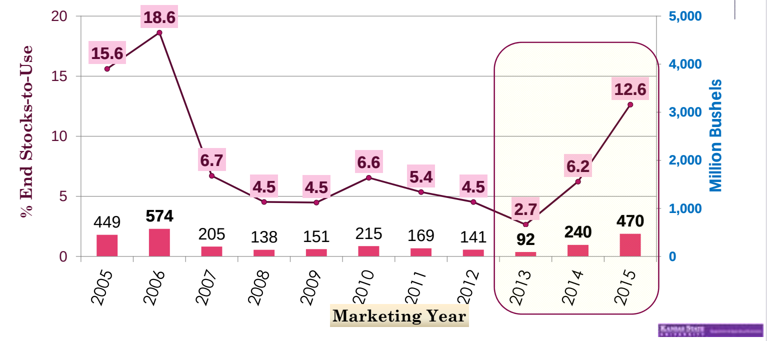


U.S. Soybean Use & End Stocks

U.S. Soybean Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	75.0	77.2	76.8	83.7	84.3
Yield	(bu./acre)	42.0	40.0	44.0	47.8	46.9
Production	**(mil. bu.)**	**3,097**	**3,042**	**3,358**	**3,969**	**3,916**
Beginning Stocks	(mil. bu.)	215	169	141	92	240
Imports	(mil. bu.)	16	41	72	30	30
Total Supply	**(mil. bu.)**	**3,328**	**3,252**	**3,570**	**4,091**	**4,186**
Domestic Crush	(mil. bu.)	1,703	1,689	**1,734**	**1,845**	**1,860**
Exports	(mil. bu.)	1,365	1,317	**1,638**	**1,825**	**1,725**
Seed, Feed, Residual	(mil. bu.)	91	105	106	181	132
Total Use	**(mil. bu.)**	**3,159**	**3,111**	**3,478**	**3,851**	**3,717**
Ending Stocks *(%S/U)*	(mil. bu.)	*5.4%* 169	*4.5%* 141	*2.7%* 92	*6.2%* 240	*12.6%* 470
Season-Avg. Price	($/bu.)	$12.50	$14.40	$13.00	**$10.05**	**$9.15**

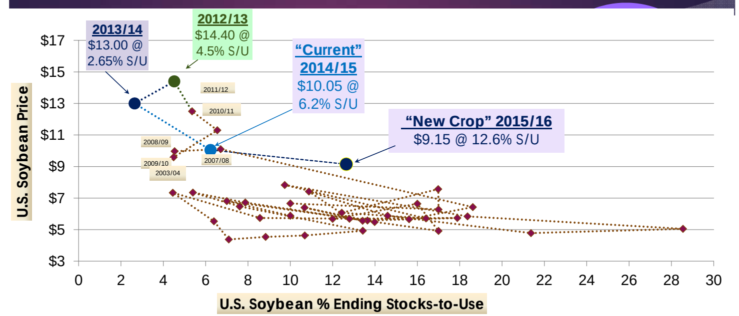
U.S. Soybean Ending Stocks & % Stx/Use



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

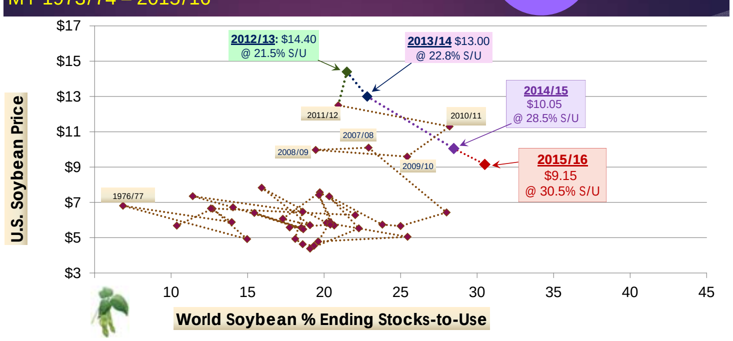
U.S. Soybean $ vs U.S. Stx-to-Use

MY 1973/74 – 2015/16



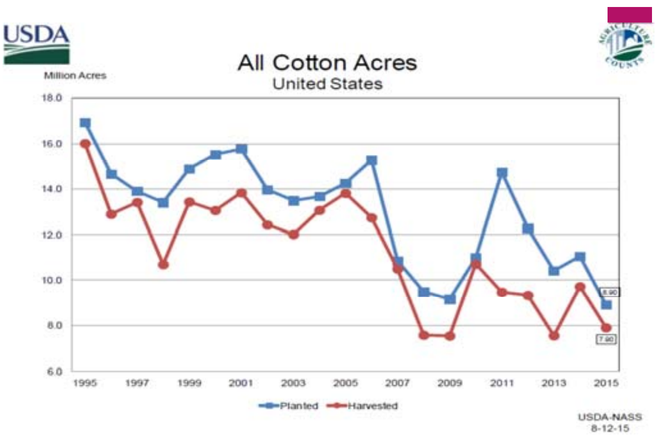
U.S. Soybean$ vs World %Stx/Use

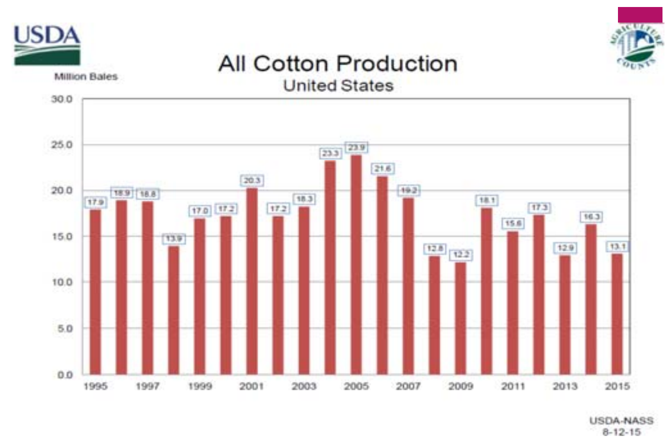
MY 1973/74 – 2015/16

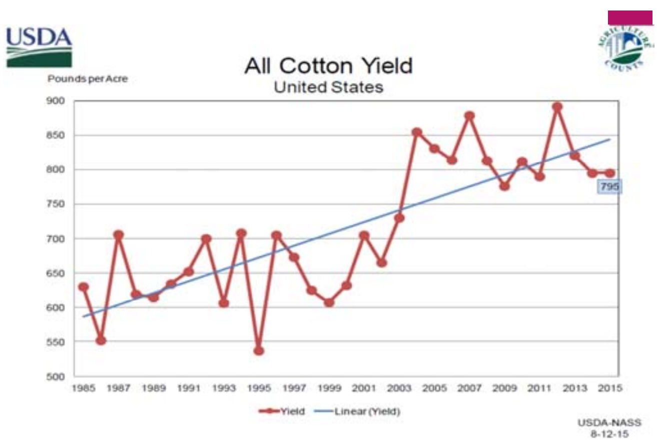


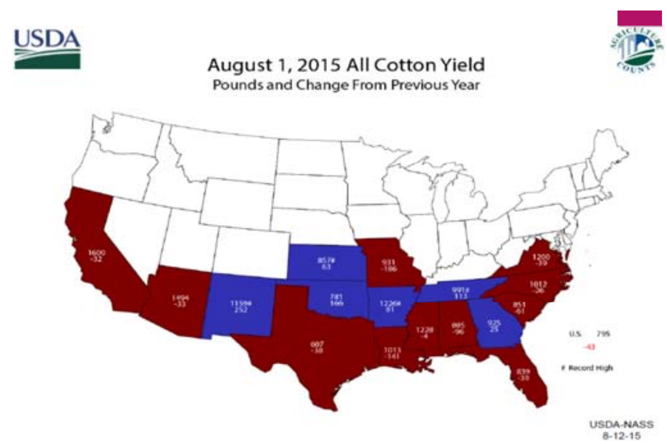
World Cotton Supply & Use – 8/12 WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	Million bales	Million bales	percent
Beginning Stocks	103	111	+7.4%
Production	119	109	-8.4%
Total Supply	**222**	**220**	**-1.1%**
Domestic Use	112	115	+2.5%
Export Trade	35.5	34.5	-2.9%
World Ending Stocks	**111**	**105**	**-5.0%**
China Ending Stocks	**(60%) 67**	**(62%) 65**	-3.4%
Non-China End Stocks	***(40%) 44***	***(38%) 41***	**-7.4%**









U.S. Cotton Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	14.7	12.3	10.4	11.0	8.9
Yield	(Lbs./ hvstd. acre)	790	887	821	838	795
Production	**(thsd short tons)**	**15,573**	**17,314**	**12,909**	**16,319**	**13,082**
Beginning Stocks	(thsd 40# bales)	2,600	3,350	3,800	2,350	3,700
Imports	(thsd 40# bales)	19	10	13	12	10
Total Supply	(thsd 40# bales)	**18,192**	**20,674**	**16,722**	**18,681**	**16,792**
Domestic Use	(thsd 40# bales)	3,128	3,848	3,842	3,781	3,692
Exports	(thsd 40# bales)	11,714	13,026	10,530	11,200	**10,000**
Total Use	(thsd 40# bales)	**14,842**	**16,874**	**14,372**	**14,981**	**13,692**
Ending Stocks *(%S/U)*	(thsd 40# bales)	*22.6%* 3,350	*22.5%* 3,800	*16.4%* 2,350	*24.7%* 3,700	*22.6%* 3,100
Season-Avg. Price	($0.00/lb)	$0.883	$0.720	$0.779	**$0.605**	**$0.65**

Questions?

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