Grain Market Outlook for Fall 2015-2016

KSU Futures Trading Class

DANIEL O'BRIEN
EXTENSION AGRICULTURAL ECONOMIST
Kansas State University
Department of Agricultural Economics

Grain Market "Drivers"

Key issues affecting grain markets over 1998-2015 Period

- **Soybean exports (to China) & ethanol use (by 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: August 2006 – September 2015 + 10/21/2015

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

CME Kansas Hard Red Winter Wheat

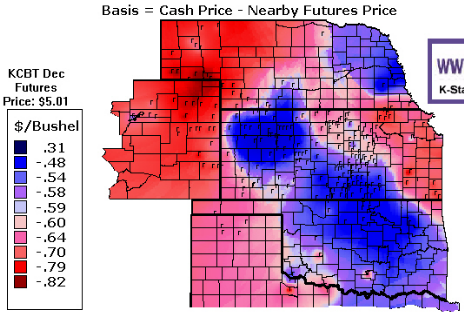
Weekly Chart: Sept 2014 – October 16, 2015 + 10/21/2015

CME Kansas Hard Red Winter Wheat

Monthly Chart: August 2006 – October 2015 + 10/21/2015

Wheat Basis, 10-14-2015

Basis = Cash Price - Nearby Futures Price



Wheat $Price & Basis

$4.19 /bu

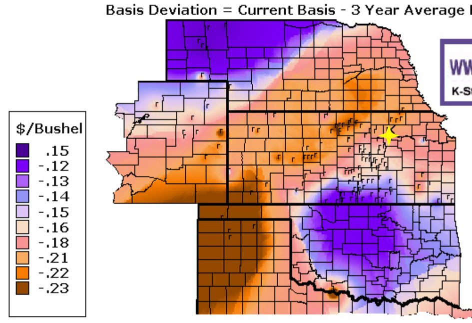
Basis = ($0.64) /bu

Junction City, KS

Tuesday, 10/21/2015

Wheat Basis Deviation, 10-14-2015

Basis Deviation = Current Basis - 3 Year Average Basis (2012, 2013, 2014)



World Wheat Market Prospects:

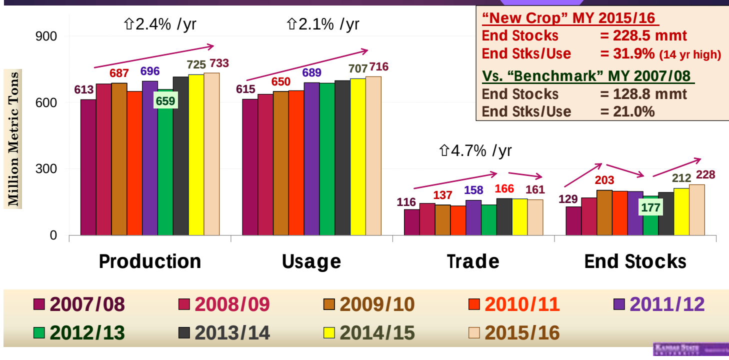
Large Supplies ⇨ A "*Buyer's* Market"

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

World Wheat Supply & Use – Oct. 9th WASDE

		2014/15 Estimate		2015/16 Forecast	2015/16 vs 2014/15
		mmt		mmt	percent
Beginning Stocks		194	#1	212	+9.5%
Production	#2 2015/16	725	#1	733	+1.0%
Total Supply	#2 2015/16	**919**	#1	**945**	**+2.8%**
Food, Seed, Other Use	#2 2015/16	574	#1	579	+0.8%
Feed Use		133	*3 yr high*	138	+3.6%
Total Domestic Use	#2 2015/16	**707**	#1	**716**	**+1.3%**
Export Trade	#2 2013/14	165	#3 2013/14	161	-2.4%
Ending Stocks	#2 2013/14	**212**	#1	**228**	**+7.7%**
% Stocks / Use		*30.0%*	**14 yr high**	*31.9%*	*+1.9%*

World Wheat Supply, Use & Stocks



Monthly Crop Calendar for Wheat 9/11/2015

Plant · Headed · Harvest

	USDA Prod Est. 15/16	Change	Sep		Oct		Nov		Dec		Jan		Feb		Mar		Apr		May		Jun		Jul		Aug	
Brazil	6.00	(0.50)	H	H	H	H	H	H	H	H							P	P	P	P	P	P		HE	HE	HE
Canada Spring	25.00	(1.50)	H	H	H													P	P	P	P	HE	HE	HE		H
US Spring	58.13	0.00	H															P	P	P		HE	HE	HE	H	H
Australia	26.00	0.00					H	H	H	H								P	P	P	P	P				
Russia Spring	61.00	1.00	H	H															P	P	P	HE	HE	HE	H	H
Kazakhstan	14.00	0.00	H	H															P	P					H	H
China Spring	130.00	0.00	H	H															P	P	P	P			H	H
Ukraine Spring	26.50	1.00	H	H															P	P	P	HE	HE	HE		H
Argentina	11.00	(0.10)	HE	HE	HE	HE	H	H	H	H	H	H							P	P	P	P	P	P		
Russia Winter			P	P	P															HE	HE	HE	H	H	H	P
Ukraine Winter			P	P																HE	HE			H	H	P
EU Winter	154.13	6.31	P	P	P	P	P	P															H	H	H	H
Turkey	19.50	0.00	P	P	P	P	P	P													H	H	H	H	H	H
Egypt	8.36	0.00	P	P	P	P											H	H	H	H	H	H				
US Winter				P	P	P												HE	HE	HE	HE	H	H	H	H	
India	88.94	(1.06)			P	P	P	P	P	P							H	H	H	H						
China Winter					P	P	P	P											H	H	H	H				

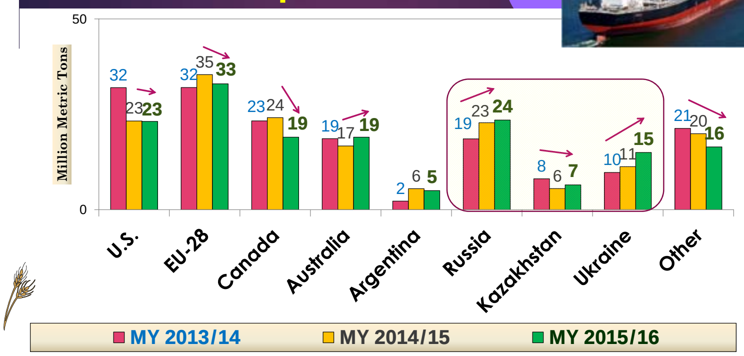
CHS Hedging Jenna Roe

Sources: USDA and AMIS

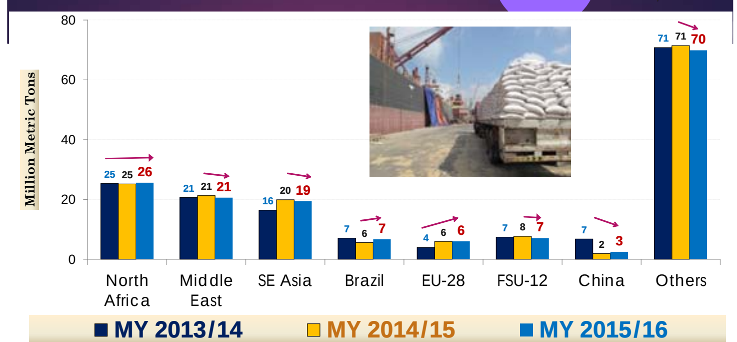
*Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

**Production estimates are for ALL WHEAT. Numbers will be listed next to the variety that comes first in the chart.

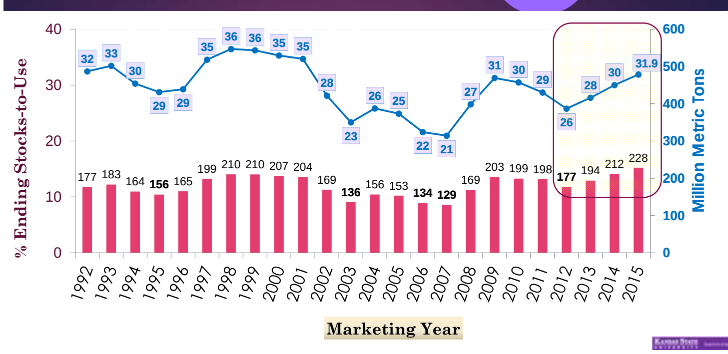
World Wheat Exporters



World Wheat Importers



World Wheat Ending Stocks & % Stx/Use



U.S. Wheat Market Prospects:

Slow Exports, Growing Stocks, & Weak Prices

- **<u>U.S. wheat exports</u> are likely to remain *<u>weak</u>* until the high U.S. dollar &/or record World stocks situation changes**
- **<u>U.S. Spring Wheat[2015]</u>** ⇨ 14.2% protein & 61.4 lb test, 1.0% defects
  - Versus 13.6% protein, 60.8 lb test wt, 1.1% defects in 2014
- **<u>U.S. HRW Wheat[2015]</u>** ⇨ 12.3% protein, 59.2 lb test, 1.7% defects
  - Versus 13.3% protein, 60.7 lb test wt, 1.4% defects in 2014
- **<u>U.S. SRW Wheat[2015]</u>** ⇨ 9.9% protein & 56.9 lb test, 4.1% defects
  - Versus 9.9% protein, 58.1 lb test wt, 1.7% defects in 2014

All U.S. Wheat Supply-Use & Prices

		2011/12	2012/13	2013/14	2014/15	2015/16
Area Harvested	(mil. acres)	45.7	48.8	45.3	46.4	47.1
Yield	(bu./acre)	43.6	46.2	47.1	43.7	43.6
Production	**(mil. bu.)**	**1,993**	**2,252**	**2,135**	**2,026**	**2,052**
Beginning Stocks	(mil. bu.)	863	743	718	590	753
Imports	(mil. bu.)	113	124	173	149	125
Total Supply	**(mil. bu.)**	**2,969**	**3,119**	**3,026**	**2,766**	**2,930**
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**	**850**
Feed & Residual	(mil. bu.)	159	365	228	120	180
Total Use	**(mil. bu.)**	**2,227**	**2,401**	**2,436**	**2,013**	**2,069**
Ending Stocks *(%S/U)*	(mil. bu.)	*33.4%* 743	*29.9%* 718	*24.2%* 590	*37.4%* 753	*41.6%* 861
Season-Avg. Price	($/bu.)	$7.24	$7.77	$6.87	**$5.99**	**$5.00**

U.S. Wheat Production in 2015

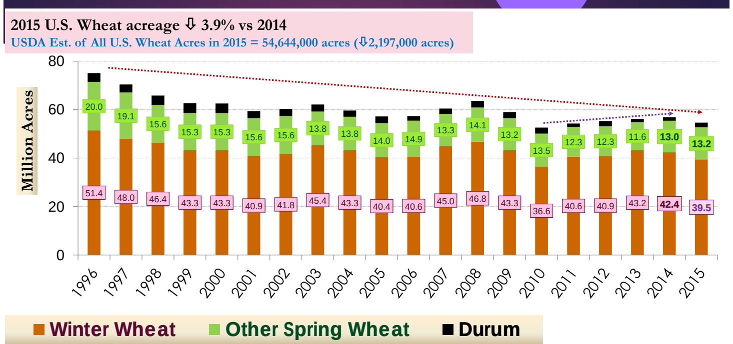
Planted Acres = 54.6 million2015
vs 56.8 million2014

Harvested Acres = 47.1 million2015
vs 46.4 million2014

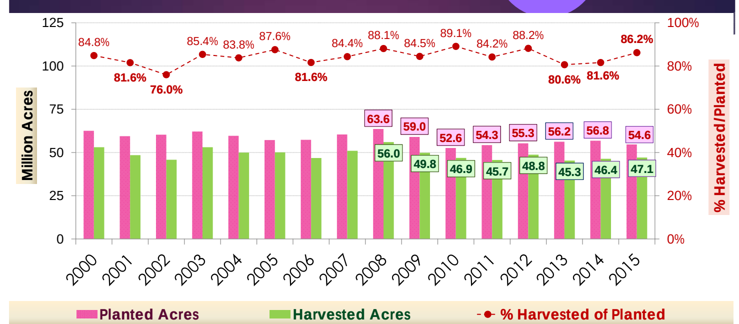
Yield = 43.6 bu/ac2015
vs 43.7 bu/ac2014

Production = 2.052 bln bu2015
vs 2.026 bln bu2014

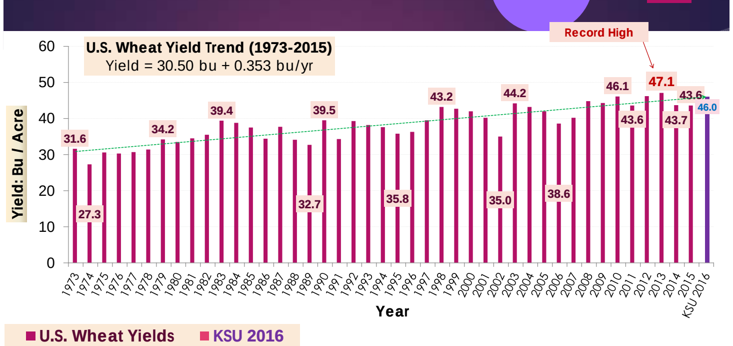
U.S. Wheat Seeded Acreage



U.S. Wheat Acreage

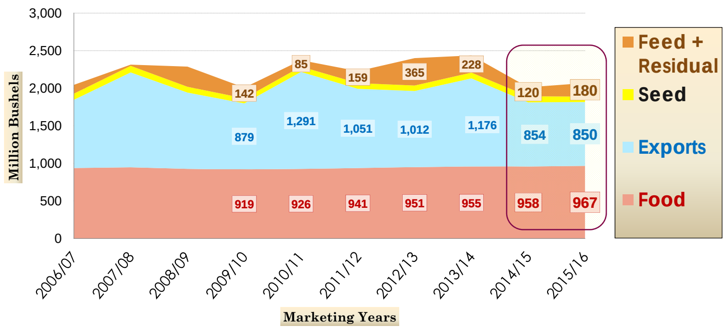


U.S. Wheat Yields

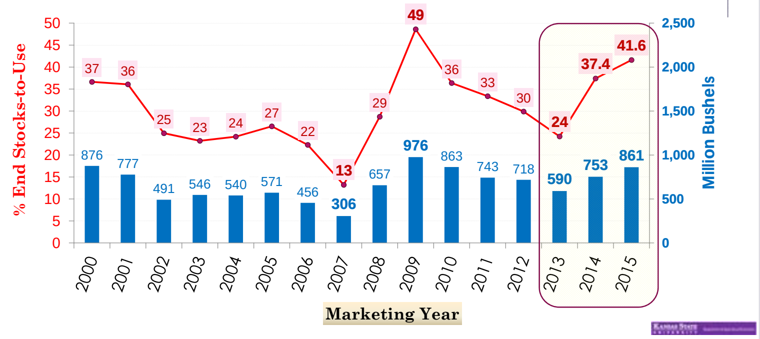


U.S. Wheat Production & Supplies

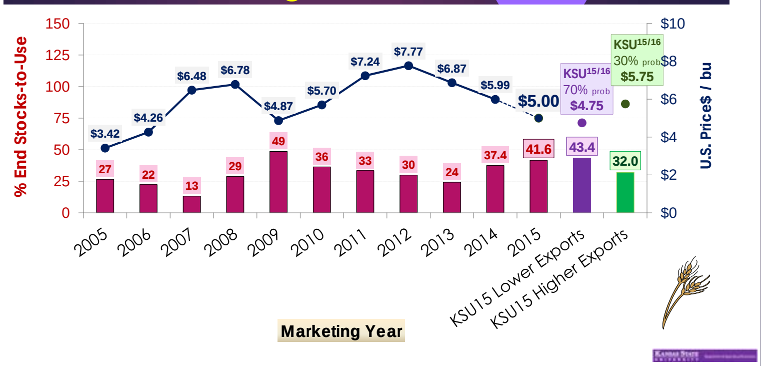
U.S. Wheat Use by Category



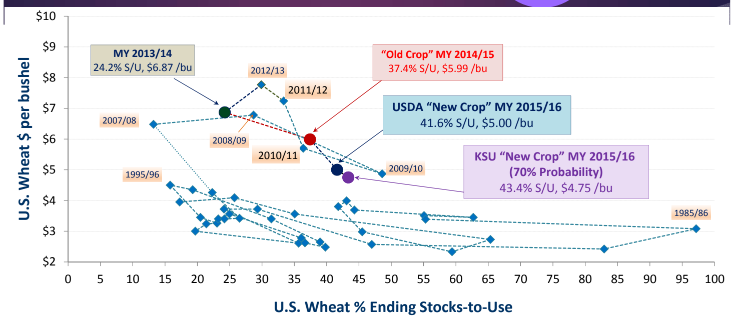
U.S. Wheat Ending Stocks & % Stx/Use



U.S. Wheat Ending Stocks & Prices

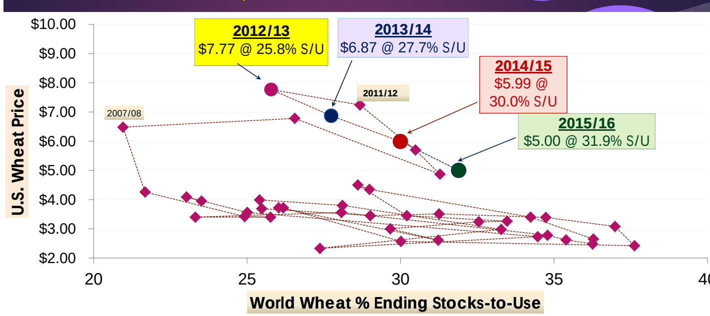


U.S. Wheat Price vs U.S. Stocks-to-Use



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

MY 1973/74 – "New Crop" MY 2015/16

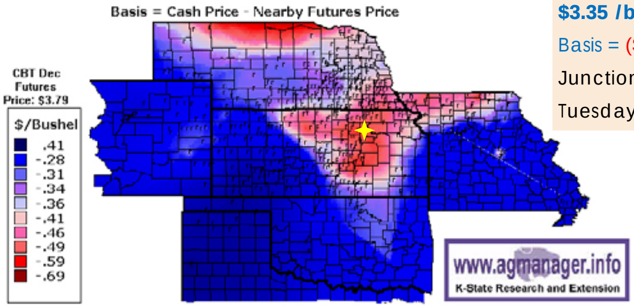


Corn & Sorghum Markets

CME Corn Futures
Weekly Chart: September 2014 – October 16, 2015 + 10/21/2015

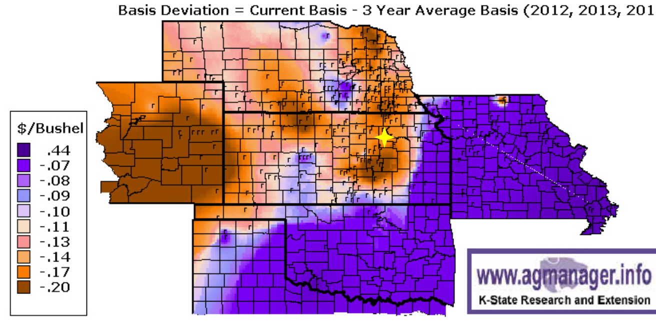
CME Corn Futures
Monthly Chart: August 2006 – September 30, 2015 + 10/21/2015

Corn Basis, 10-14-2015
Basis = Cash Price - Nearby Futures Price



Corn $Price & Basis
$3.35 /bu
Basis = ($0.47) /bu
Junction City, KS
Tuesday, 10/20/2015

Corn Basis Deviation, 10-14-2015
Basis Deviation = Current Basis - 3 Year Average Basis (2012, 2013, 2014)



World Corn & Sorghum Market Prospects:
Large Supplies ⇨ A "*Buyer's* Market"

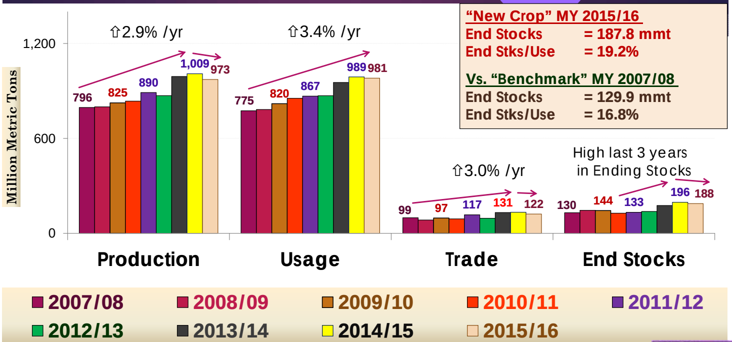
- **Record World Supplies & Usage in 2015/16**
  - 3 record World coarse grain crops in last 3 years (like wheat)
- **Varying 2015/16 Coarse Grain Crop Prospects**
  - ⇧ Australia, Canada, No. Africa/Mid. East, SE Asia, China
  - ⇩ U.S., Argentina*, Brazil*, E.U., Mexico, Russia, Ukraine
- **Coarse grain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

Kansas State University

World Corn Supply & Use – October 9th WASDE

	2014/15 Estimate		2015/16 Forecast		2015/16 vs 2014/15
		mmt		Mmt	percent
Beginning Stocks		176	#3 1986/87	196	+11.4%
Production	#1	1,009	#3 2013/14	973	-3.8%
Total Supply	#1	**1,185**	#2 2014/15	**1,169**	-1.3%
Feed Use	#2 2015/16	600	#1	602	+0.5%
Food, Seed, Industrial	#1	389	#2 2014/15	378	-2.7%
Total Use	#1	**989**	#2 2014/15	**981**	-0.8%
Export Trade	#1	133	#3 2013/14	122	-8.4%
Ending Stocks	#3 1986/87	**196**	#5	**188**	**-4.2%**
% Stocks / Use		***19.8%***		***19.2%***	***-0.6%***

World Corn Supply, Use & Stocks



Monthly Crop Calendar for Corn 9/11/2015

Plant Silk Harvest

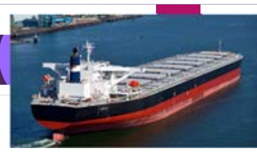
	USDA Prod Est. 15/16	Change	Sep		Oct		Nov		Dec		Jan		Feb		Mar		Apr		May		Jun		Jul		Aug	
EU	58.00	(4.25)	H	H	H	H	H	H									P	P	P	P					H	H
US	345.07	(2.57)		H	H	H	H											P	P	P			S	S	S	
Mexico *Summer*	23.50	0.00			H	H	H	H	H	H	H	H	H	H	H			P	P	P	P	P	P	P	P	P
Ukraine	27.00	0.00		H	H	H	H											P	P	P			S	S		
Russia	13.50	0.00			H	H	H	H											P	P			S	S	S	
China	225.00	0.00	H	H	H	H													P	P	P	P				
Indonesia *Dry Region*	9.60	0.00	H	H	H	H													P	P	P	P	P	P	H	H
Philippines *Main*	8.00	(0.30)	H	H					P	P	P	P	P	P	H	H	H	H	P	P	P	P	P	P	H	H
Canada	12.30	0.00		H	H	H	H	H											P	P	P	P	S	S	S	S
India	23.50	0.00	P	P	H	H	H	H	H	H	H	H									P	P	P	P	P	P
Brazil *1st crop*	79.00	0.00	P	P	P	P	P	P	P	P	H	H	H	H	H	H	H	H	H	H						P
Argentina	25.00	0.00	P	P	P	P	P	P		S	S	S			H	H	H	H	H	H						
Philippines *2nd Crop*			P	P	P	P	P	P	H	H	H	H	H	H												
South Africa	13.50	0.00			P	P	P	P	P	P	P	S	S					H	H	H	H	H	H	H		
Mexico *Winter*											P	P	P	P	P	P		H	H	H	H	H	H	H		
Brazil *2nd crop*												P	P	P	P				H	H	H	H	H	H	H	H
Indonesia *Rainy Region*					H	H	H	H	H	H			P	P	P	P	P	P								
Nigeria	7.00	0.00	H	H											P	P	P	P	P	P	P	P	H	H	H	H

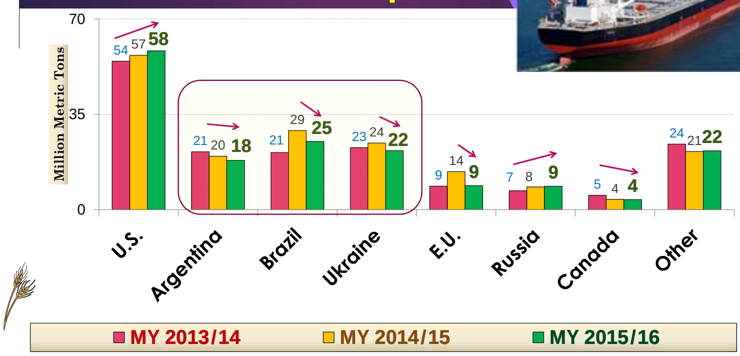
Sources: USDA, AMIS, and CHS, Inc. locations

*Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

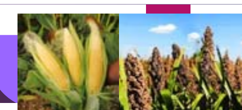
**Production estimates are for ALL CORN. Numbers will be listed next to the variety that comes first in the chart.

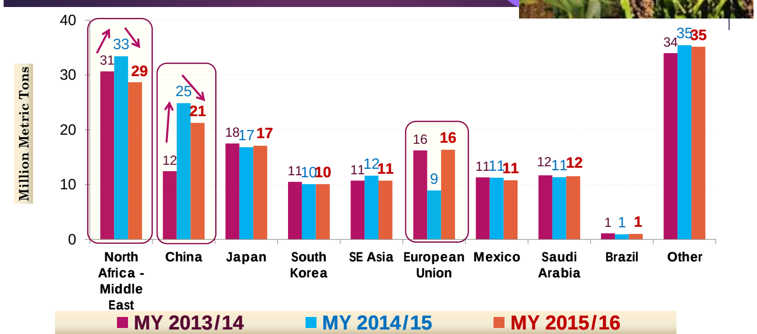
World Coarse Grain Exporters





Coarse Grain Importers





U.S. Feedgrain Market Prospects:

Strong domestic use, ⇧⇩ Exports, & Weak Prices

- **Strong U.S. sorghum exports to China in question?**
  - Depends on Chinese Ag Policy wrt managing corn reserves
- **Low Corn Prices have supported U.S. domestic use**
  - **Livestock Feed**[2015/16] = 5.275 bln bu *(2nd highest since 2007/08)*
  - **Corn Ethanol**[2015/16] = 5.250 bln bu *(record, up 45 mb vs 2014/15)*
  - **Other FSI**[2015/16] = 1.380 bln bu *(up 121 mb, ≈ average since 1998/99)*
  - **Exports**[2015/16] = 1.850 bln bu *(down vs 2.437 bb high in 2007/08)*
- **Still Some Uncertainty about 2015 U.S. corn production**

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	88.4
Yield	(bu./acre)	147.2	123.1	158.1	171.0	168.0
Production	**(mil. bu.)**	**12,314**	**10,755**	**13,829**	**14,216**	**13,555**
Beginning Stocks	(mil. bu.)	1,128	989	821	1,232	1,731
Imports	(mil. bu.)	29	160	36	32	30
Total Supply	**(mil. bu.)**	**13,471**	**11,904**	**14,686**	**15,479**	**15,316**
Ethanol	(mil. bu.)	5,000	4,641	**5,124**	**5,207**	**5,250**
Food, Seed, & Other	(mil. bu.)	1,424	1,397	1,369	1,365	1,380
Exports	(mil. bu.)	1,539	730	1,920	1,864	1,850
Feed & Residual	(mil. bu.)	4,519	4,315	**5,040**	**5,317**	**5,275**
Total Use	**(mil. bu.)**	**12,528**	**11,083**	**13,454**	**13,748**	**13,755**
Ending Stocks *(%S/U)*	(mil. bu.)	*7.9%* 989	*7.4%* 821	*9.2%* 1,232	*12.6%* 1,731	*11.4%* 1,561
Season-Avg. Price	($/bu.)	$6.22	$6.89	$4.46	**$3.70**	**$3.80**

U.S. Corn Production in 2015

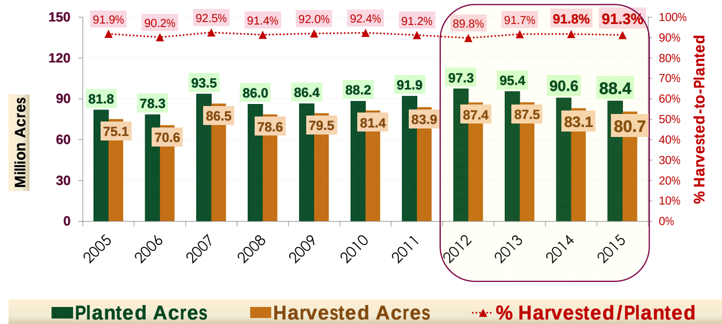
Planted Acres = 88.4 million[2015] ????
vs 90.6 million[2014]

Harvested Acres = 80.7 million[2015] ????
vs 83.1 million[2014]

Yield = 168.0 bu/ac[2015] ????
vs 171.0 bu/ac[2014] **(record)**

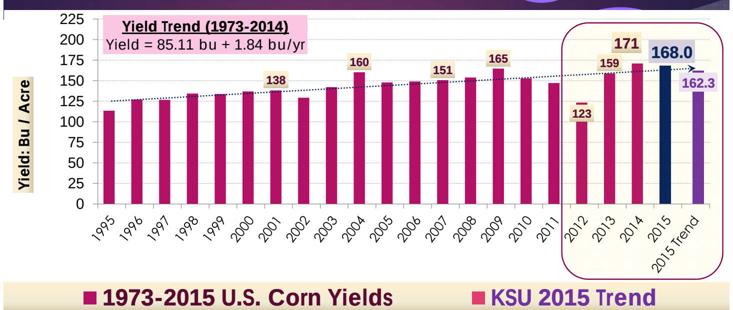
Production = 13.555 bln bu[2015] ????
vs 14.216 bln bu[2014] **(record)**

U.S. Corn Acreage

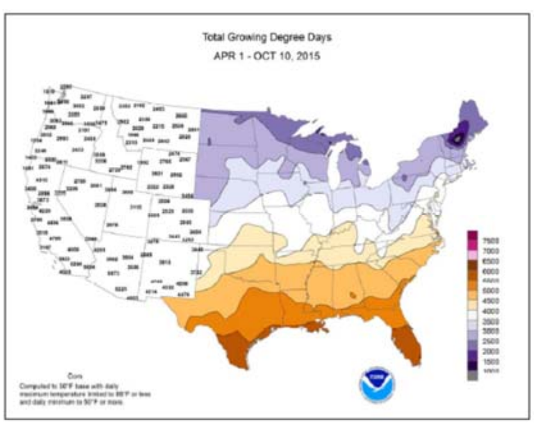


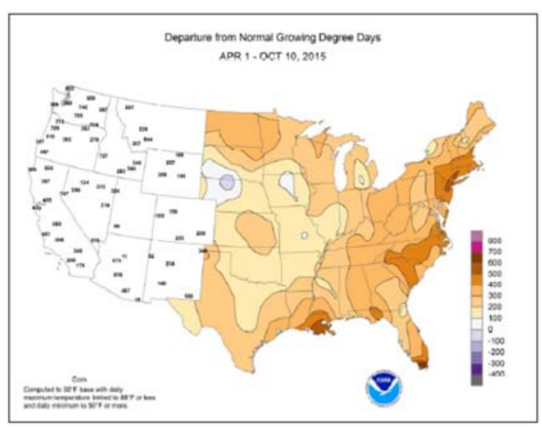
U.S. Corn Yields

USDA 2015 = 168.0 bu/ac; 2015 Trend[1973-2014] = 162.3

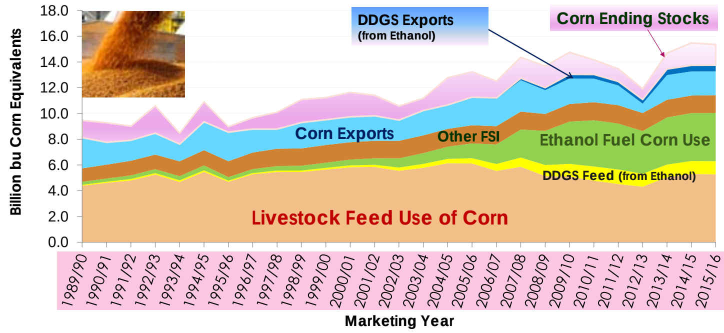


U.S. Corn Production & Supplies

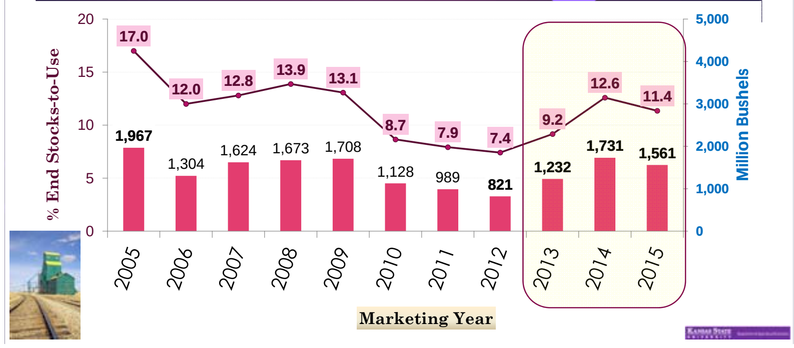




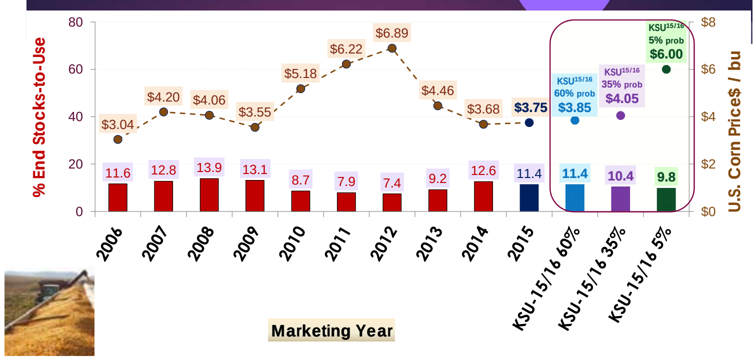
U.S. Corn Use - With DDGS #s



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

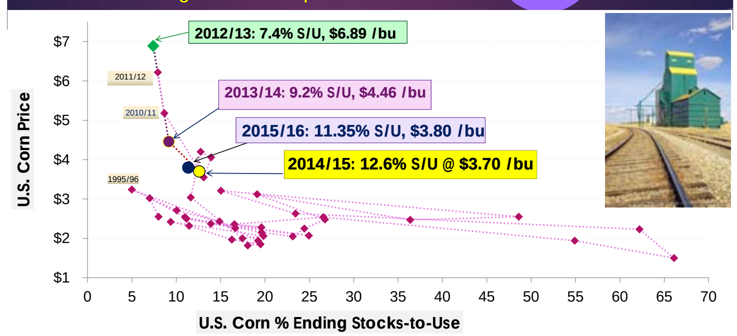


U.S. Corn % Stocks/Use vs Price$



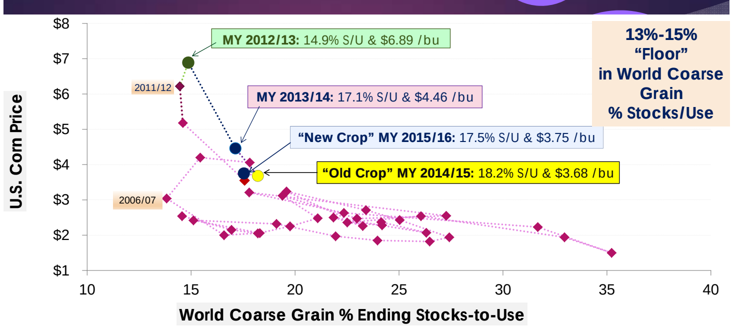
U.S. Corn Price$ vs U.S. % Stocks-to-Use

MY 1973/74 through "New Crop" MY 2015/16



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

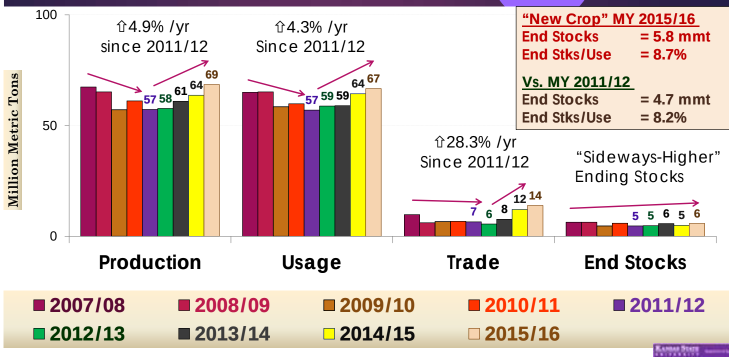
MY 1973/74 through "New Crop" MY 2015/16



World Sorghum Supply & Use – 10/9 WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	6	5	-13.5%
Production	64	*high since 1996* 69	+7.6%
Total Supply	**72**	***high since 1987* 74**	**+1.5%**
Feed Use	30	*high since 1996* 33	+9.1%
Food, Seed, Industrial	34	34	-1.3%
Total Use	**64**	**#1 67**	**+3.6%**
Export Trade	12	*high since 1980* 14	+14.7%
Ending Stocks	**5**	**6**	**+16.4%**
% Stocks / Use	***7.7%***	***8.7%***	***+1.0%***

World Sorghum Supply, Use & Stocks

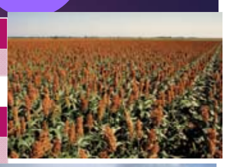


U.S. Sorghum Supply-Use & Prices

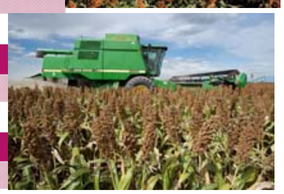
		2011/12	2012/13	2013/14	2014/15	2015/16
Area Planted	(mil. acres)	5.5	6.3	8.1	7.1	8.7
Yield	(bu./acre)	54.0	49.6	59.6	67.6	74.9
Production	**(mil. bu.)**	**213**	**248**	**392**	**433**	**574**
Beginning Stocks	(mil. bu.)	27	23	15	34	18
Imports	(mil. bu.)	0.1	10	0.1	0.4	0
Total Supply	**(mil. bu.)**	**241**	**280**	**408**	**467**	**592**
Alcohol-Industrial, Food	(mil. bu.)	84	94	69	**14**	**14**
Seed	(mil. bu.)	1	1	1	1	1
Exports	(mil. bu.)	63	76	**211**	**353**	**430**
Feed & Residual	(mil. bu.)	69	93	93	80	105
Total Use	**(mil. bu.)**	**218**	**265**	**374**	**449**	**550**
Ending Stocks *(%S/U)*	(mil. bu.)	*10.6%* 23	*5.7%* 15	*9.1%* 34	*4.1%* 18	*7.6%* 42
Season-Avg. Price	($/bu.)	$5.99	$6.33	$4.28	**$4.03**	**$4.00**

U.S. Sorghum Production in 2015

Planted Acres = 8.7 million[2015]
vs 7.1 million[2014]

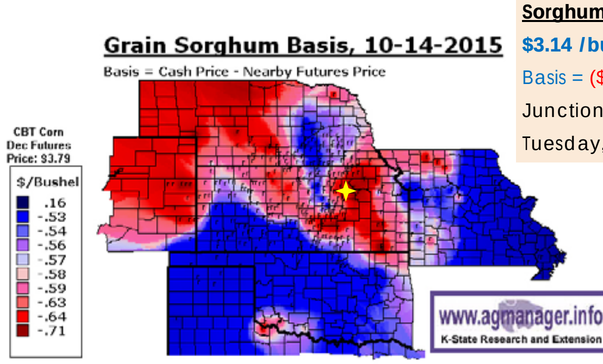


Harvested Acres = 7.6 million[2015]
vs 6.4 million[2014]

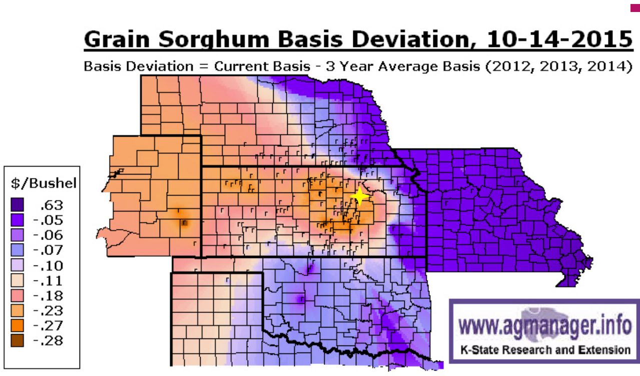


Yield = 75.0 bu/ac[2015]
vs 67.6 bu/ac[2014]

Production = 574 mln bu[2015]
vs 433 mln bu[2014]



Sorghum $Price & Basis
$3.14 /bu
Basis = ($0.68) /bu
Junction City, KS
Tuesday, 10/21/2015



Soybean Markets

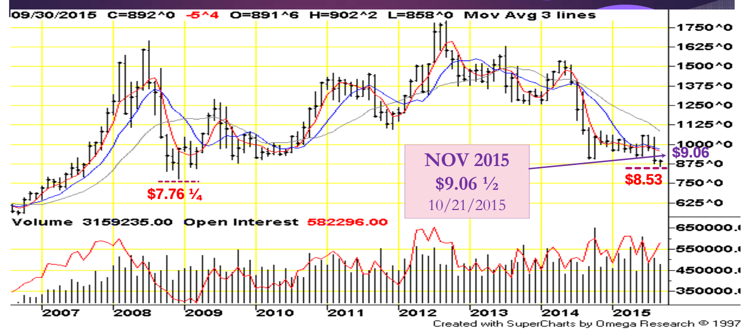
Kansas State University — Department of Agricultural Economics

CME Soybean Futures

Weekly Chart: September 2014 – October 16, 2015 + 10/21/2015

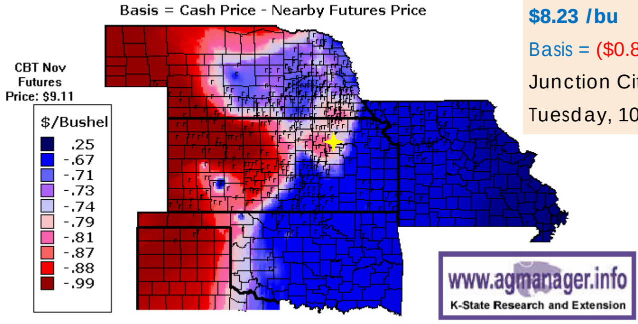
CME Soybean Futures

Monthly Chart: Sept. 2014 – Sept. 30, 2015 + 10/21/2015



Soybean Basis, 10-14-2015

Basis = Cash Price - Nearby Futures Price



Soybean $Price & Basis

$8.23 /bu

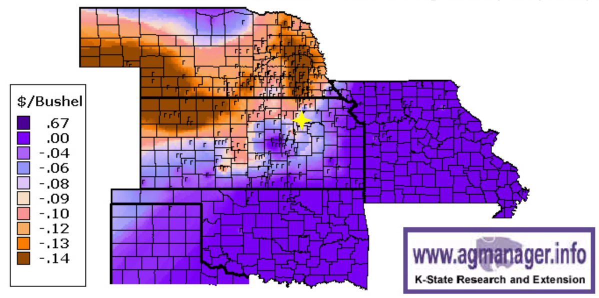
Basis = ($0.83) /bu

Junction City, KS

Tuesday, 10/21/2015

Soybean Basis Deviation, 10-14-2015

Basis Deviation = Current Basis - 3 Year Average Basis (2012, 2013, 2014)



World Soybean Market Prospects:

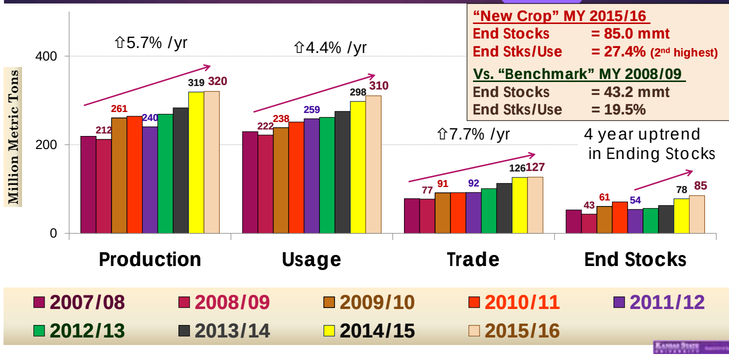
Large Supplies ⇨ A "*Buyer's* Market"

- **Record World Supplies & Usage in 2015/16**
  - 3 consecutive record large World soybean crops (like wheat & corn)
- **Varying MY 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…??)

World Soybean Supply & Use – 10/9/2015 WASDE

	2014/15 Estimate	2015/16 Forecast	2015/16 vs 2014/15
	mmt	mmt	percent
Beginning Stocks	63	#1 78	+24.2%
Production	#2 2015/16 319	#1 320	+0.5%
Total Supply	#2 2015/16 **382**	#1 **398**	**+4.4%**
Domestic Crush	#2 2015/16 261	#1 272	+4.5%
Food, Seed, Other Use	#2 2015/16 37	#1 38	+2.0%
Total Use	#2 2015/16 **298**	#1 **310**	**+4.2%**
Export Trade	#2 2015/16 126	#1 127	+0.6%
Ending Stocks	#2 2015/16 **78**	#1 **85**	**+9.2%**
% Stocks / Use	#4 2010/11 *26.2%*	#3 2010/11 *27.4%*	*+1.2%*

World Soybean Supply, Use & Stocks



Monthly Crop Calendar for Soybeans — 9/11/2015

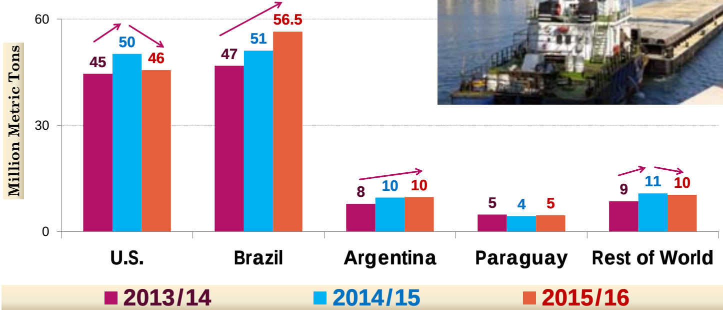
Plant (P) · Bloom (B) · Harvest (H)

	USDA Prod Est. 15/16	Change	Sep		Oct		Nov		Dec		Jan		Feb		Mar		Apr		May		Jun		Jul		Aug	
Ukraine	4.00	(0.70)	H	H													P	P	P	P					H	H
EU	1.95	0.00	H	H	H	H											P	P	P	P						
Russia	2.70	0.00	H	H	H	H	H	H									P	P	P	P						
US	107.10	0.51		H	H	H	H												P	P	P		B	B	B	
China	11.50	0.00	H	H	H	H													P	P	P	P				
Canada	5.95	(0.25)		H	H	H	H												P	P	P	P	B	B	B	B
Indonesia	0.60	0.00	H	H	H	H													P	P	P	P	P	P	H	H
Mexico	0.36	0.00	P	P	H	H	H	H	H	H	H	H	H	H					P	P	P	P	P	P	P	P
India	11.50	0.00					H	H	H	H											P	P	P	P	P	P
Paraguay	8.80	0.00			P	P	P	P	P	P	H	H	H	H	H	H	H	H	H	H	H	H				
Brazil	97.00	0.00				P	P	P	P	P	H	H	H	H	H	H	H	H	H	H						
Argentina	57.00	0.00					P	P	P	P	P		B	B			H	H	H	H	H	H				
South Africa	1.30	0.00						P	P	P			H	H	H	H										

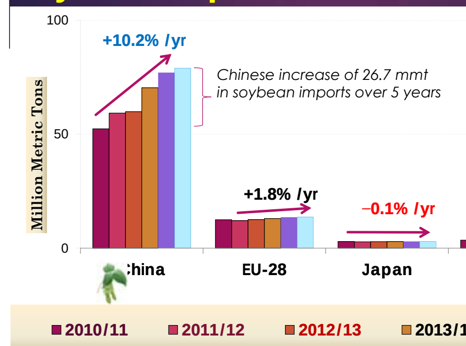
Sources: USDA, AMIS, and CHS, Inc. locations

*Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

Soybean Exporter Sales



Soybean Importer Purchases



U.S. Soybean Market Prospects:
Strong Use & Exports, Large Stocks, & Weak Prices

- **U.S. soybean exports in 2015/16 to remain historically large 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 = 1.880 bln bu *(record, > 1.875 bb in MY 2014/15)*
  - **Exports** 2015/16 = 1.675 bln bu *(2nd high, ⇩ 176 mb vs MY 2014/15)*
- **Some Uncertainty re: final 2015 U.S. soybean crop size**

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	83.3	83.2
Yield	(bu./acre)	42.0	40.0	44.0	47.5	47.2
Production	**(mil. bu.)**	**3,097**	**3,042**	**3,358**	**3,927**	**3,888**
Beginning Stocks	(mil. bu.)	215	169	141	92	191
Imports	(mil. bu.)	16	41	72	33	30
Total Supply	**(mil. bu.)**	**3,328**	**3,252**	**3,570**	**4,052**	**4,109**
Domestic Crush	(mil. bu.)	1,703	1,689	**1,734**	**1,875**	**1,880**
Exports	(mil. bu.)	1,365	1,317	**1,638**	**1,843**	**1,675**
Seed, Feed, Residual	(mil. bu.)	91	105	107	143	130
Total Use	**(mil. bu.)**	**3,159**	**3,111**	**3,478**	**3,861**	**3,685**
Ending Stocks *(%S/U)*	(mil. bu.)	*5.4%* 169	*4.5%* 141	*2.6%* 92	*4.9%* 191	*11.5%* 425
Season-Avg. Price	($/bu.)	$12.50	$14.40	$13.00	**$10.10**	**$9.15**

U.S. Soybean Production in 2015

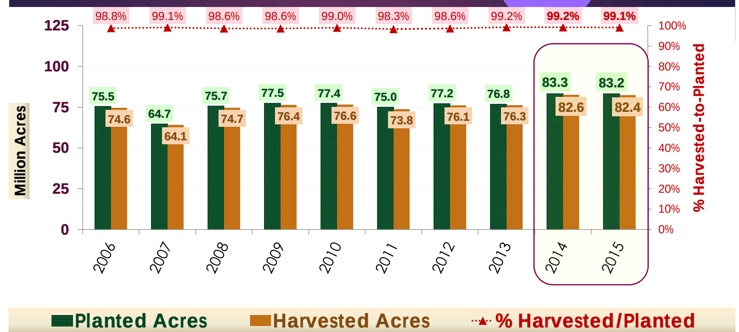
Planted Acres = 83.2 million2015 **#2 2014**
vs 83.3 million2014 **#1**

Harvested Acres = 82.4 million2015 **#2 2014**
vs 82.6 million2014 **#1**

Yield = 47.2 bu/ac2015 **#2 2014**
vs 47.5 bu/ac2014 **#1**

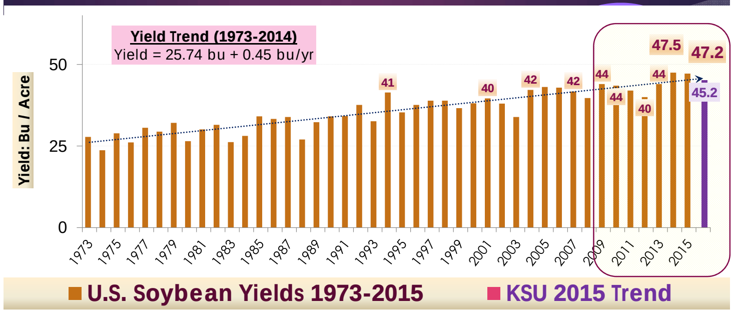
Production = 3.888 bln bu2015 **#2 2014**
vs 3.927 bln bu2014 **#1**

U.S. Soybean Acreage



U.S. Soybean Yields

USDA 2015 = 47.2 bu/ac; 2015 Trend1973-2014 = 45.2

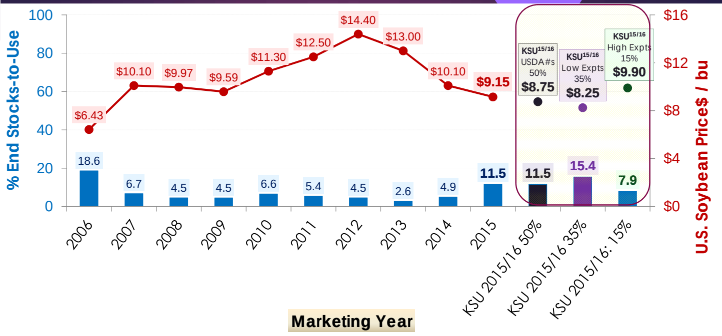


U.S. Soybean Production & Supplies

U.S. Soybean Use & End Stocks

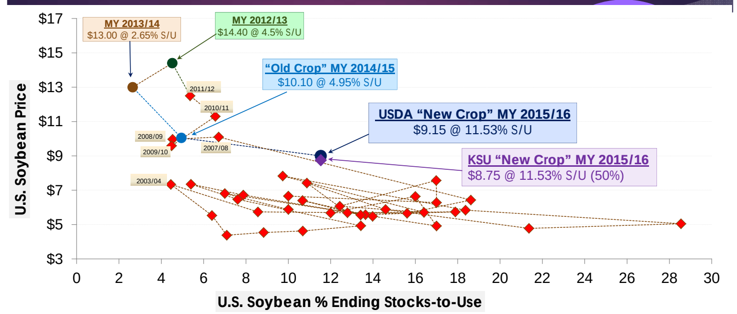
U.S. Soybean Ending Stocks & % Stx/Use

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



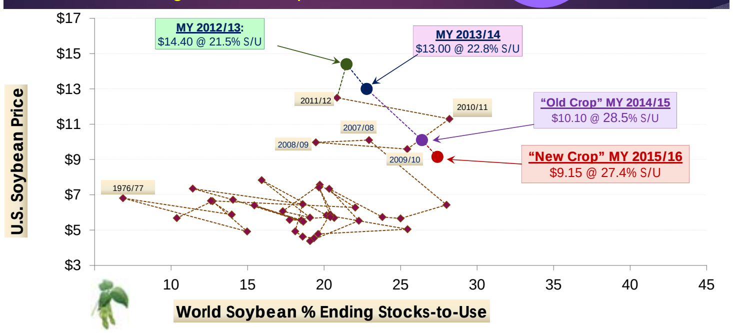
U.S. Soybean $ vs U.S. Stx-to-Use

MY 1973/74 through "New Crop" MY 2015/16



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

MY 1973/74 through "New Crop" MY 2015/16

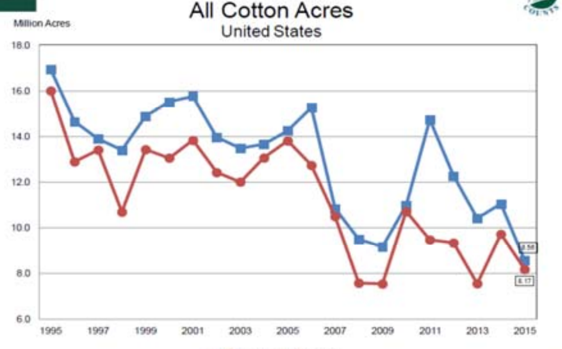


World Cotton Supply & Use – 9/11/2015 WASDE

	MY 2014/15 Estimate	MY 2015/16 Forecast	MY 2015/16 vs MY 2014/15
	Million bales	Million bales	percent
Beginning Stocks	103	111	+8.7%
Production	119	109	-8.6%
Total Supply	**222**	**220**	**-1.0%**
Domestic Use	112	113	+1.7%
Export Trade	35.4	34.3	-3.2%
World Ending Stocks	**111**	**106**	**-4.2%**
China Ending Stocks	**(60%) 67**	**(61%) 65**	-3.4%
Non-China End Stocks	***(40%) 44***	***(39%) 41***	**-5.3%**

USDA

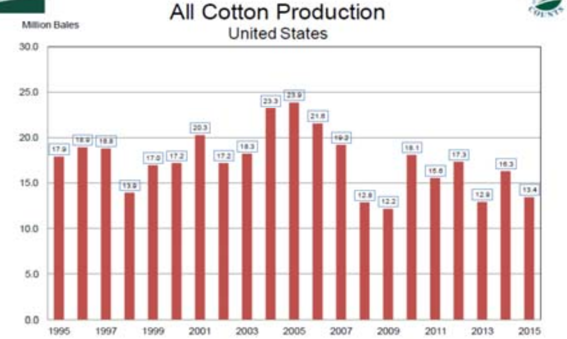
All Cotton Acres
United States



USDA-NASS
9-11-15

USDA

All Cotton Production
United States



USDA-NASS
9-11-15

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	8.6
Yield	(Lbs./ hvstd. acre)	790	887	821	838	784
Production	**(thsd short tons)**	**15,573**	**17,314**	**12,909**	**16,319**	**13,340**
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**	**17,050**
Domestic Use	(thsd 40# bales)	3,128	3,848	3,550	3,580	3,700
Exports	(thsd 40# bales)	11,714	13,026	10,530	11,250	**10,200**
Total Use	(thsd 40# bales)	**14,842**	**16,874**	**14,080**	**14,820**	**13,900**
Ending Stocks *(%S/U)*	(thsd 40# bales)	*22.6%* 3,350	*22.5%* 3,800	*16.7%* 2,350	*25.0%* 3,700	*22.3%* 3,100
Season-Avg. Price	($0.00/lb)	$0.883	$0.720	$0.779	**$0.605**	**$0.59**

Questions?

Daniel O'Brien – Extension Agricultural Economist

Kansas State university

dobrien@ksu.edu

KSUGrains on Twitter & Facebook

www.AgManager.info

Kansas State University Department of Agricultural Economics