



Agricultural Trade – The Long View

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Introduction

- Trade has become a critical issue in U.S. agriculture
- Due to trade re-arrangement, MFP payments to farmers are important income stabilizers
 - \$38,007 per KFMA farm in 2018
 - \$60,417 per KFMA farm in 2019
- Uptick in trade has increased the price prospects in 2020

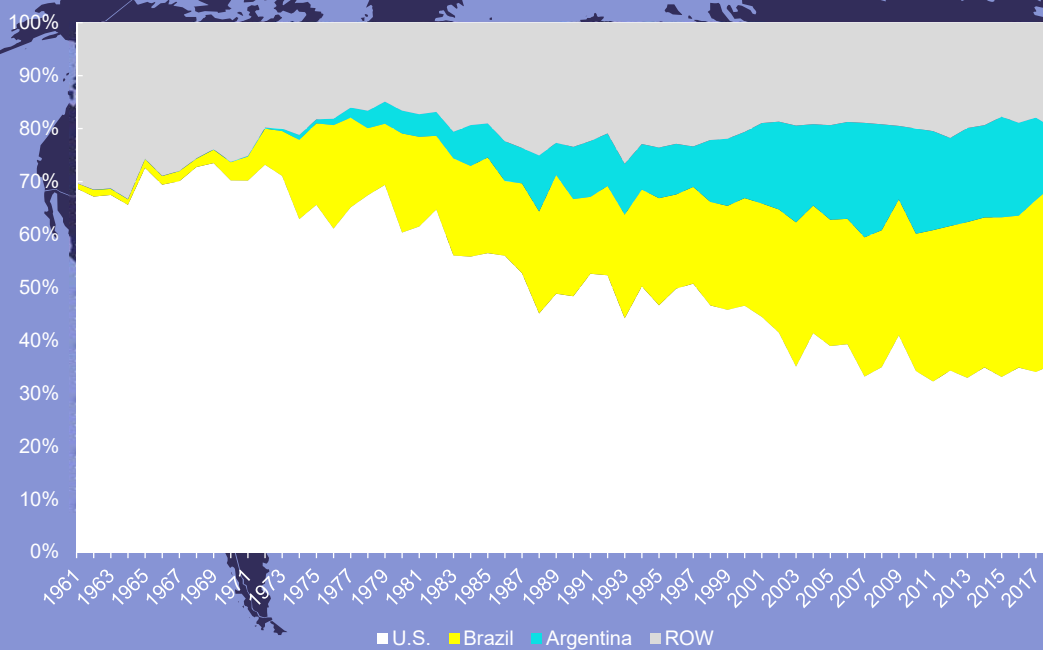


Introduction

- **Goal of the session is to examine the trade of Soybeans, Maize, Wheat, and Sorghum**
 - Share of global production
 - Importance of trade in commodities for certain countries
 - Importance of China
 - Mix of importers of U.S. commodities
 - Mix of global importers

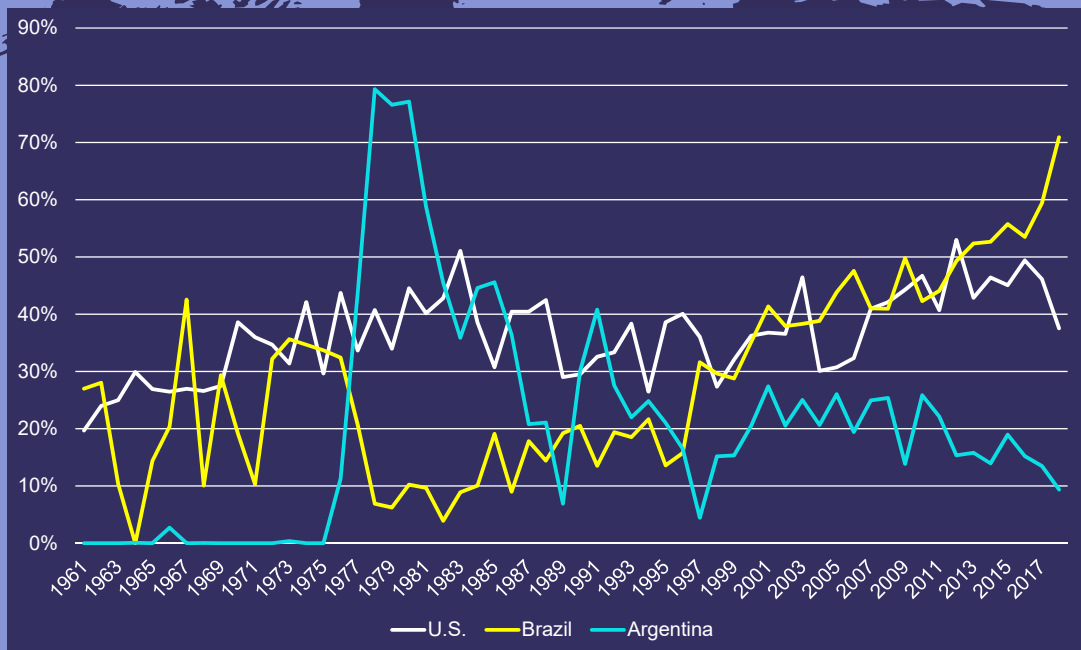


Share of World Soybean Production

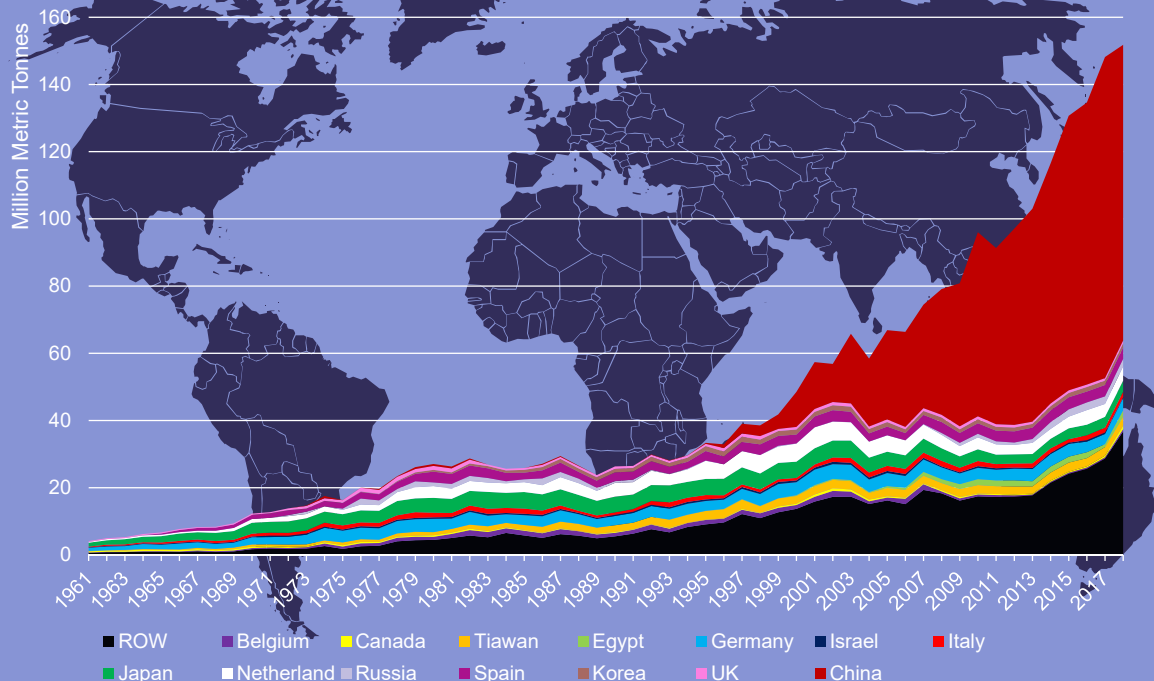




Exports as a Percent of Soybean Production



Soybean Importing Countries





Top Soybean Importing Countries, 2018

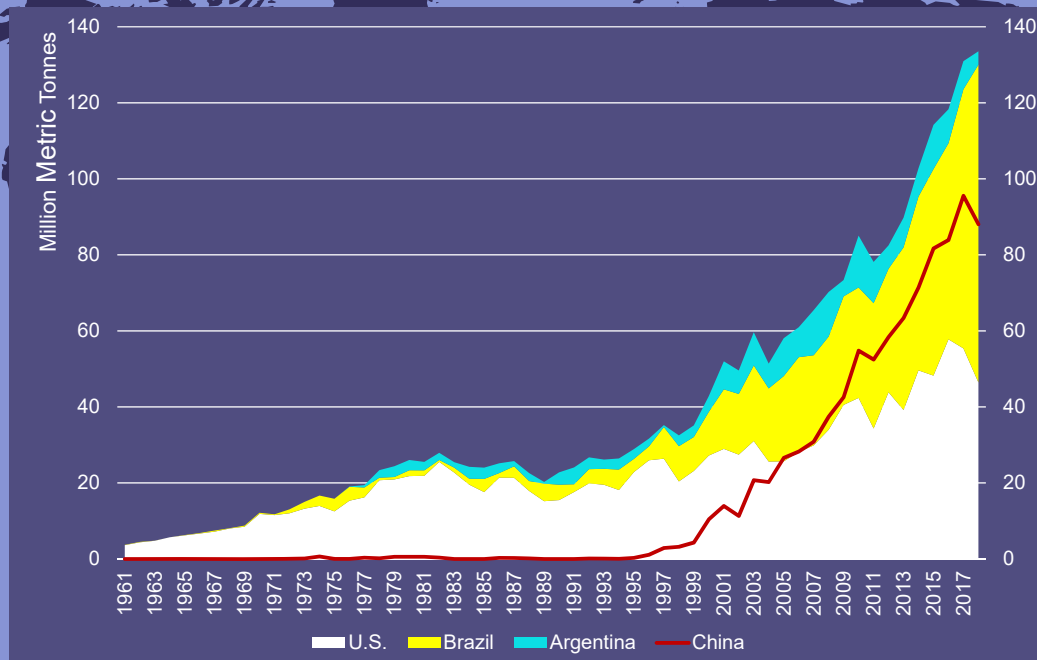
Country	Market Share
China	58.0%
Argentina	4.2%
Mexico	3.4%
Netherlands	2.8%
Germany	2.4%

Market Share of top 5 importing countries – 70.9%

Market Share of top 10 importing countries – 80.5%

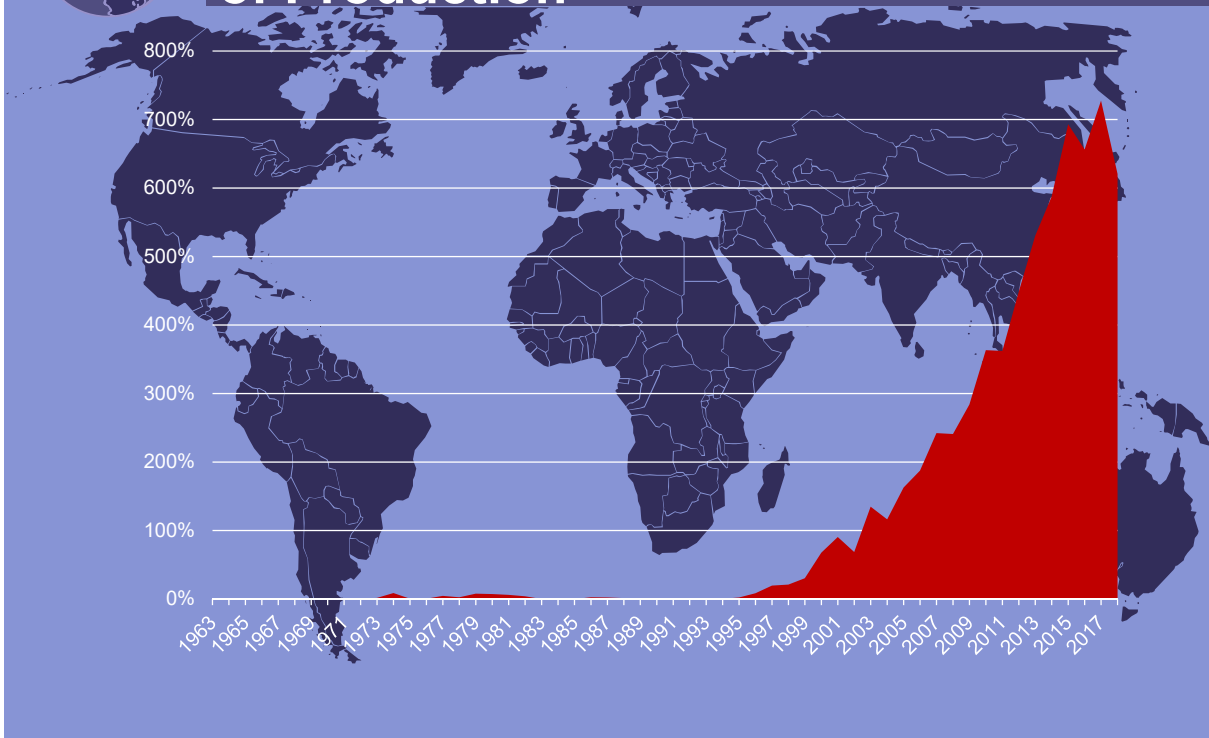


Argentina, Brazil, and U.S. Soybean Exports and China's Imports

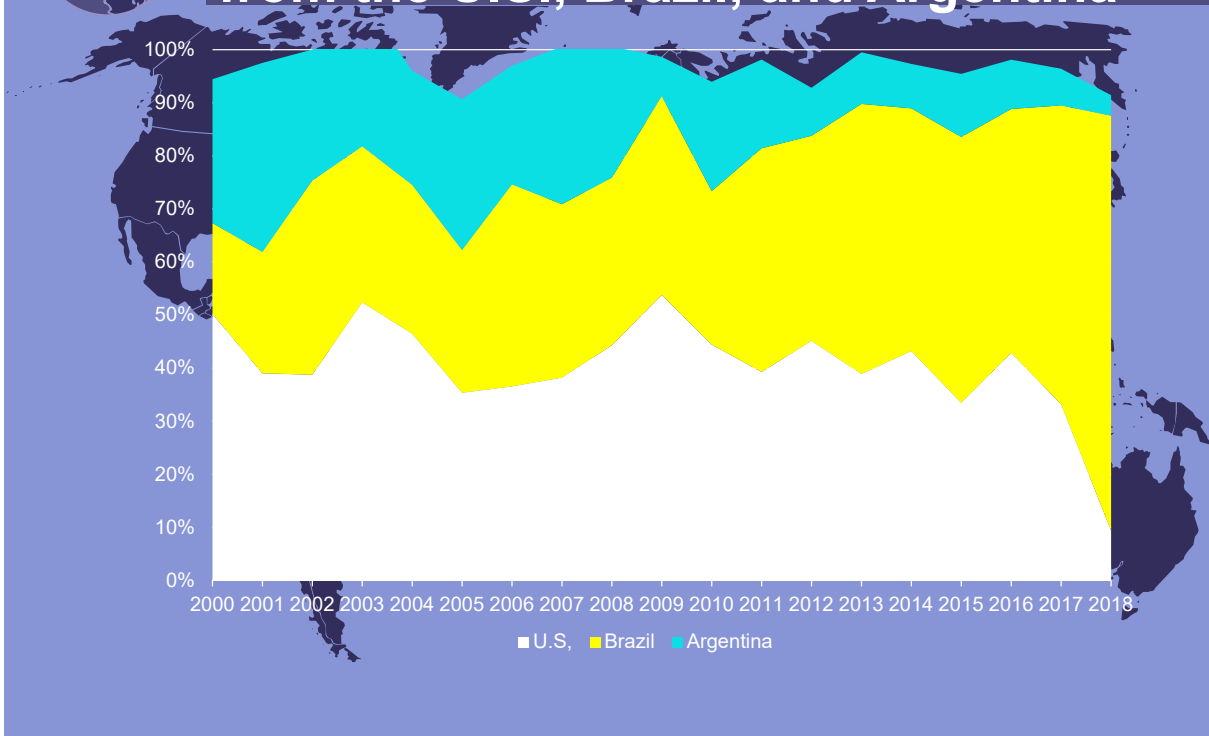




China's Soybean Imports as a Percent of Production



Percent of China's Soybean Imports from the U.S., Brazil, and Argentina





Top Soybean Exporting Countries, 2018

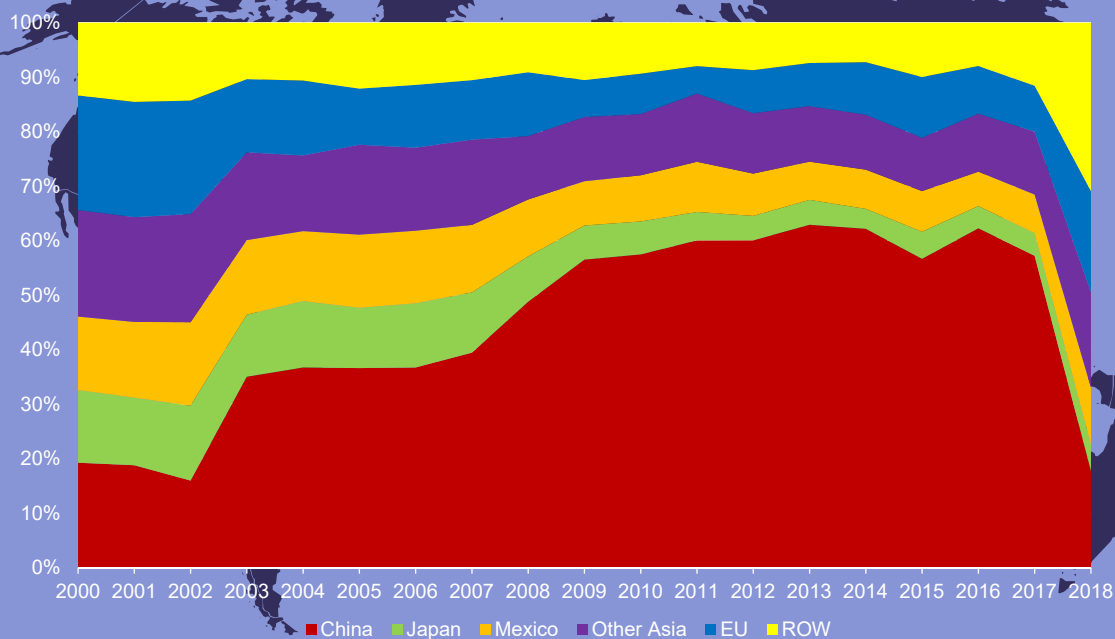
Country	Market Share
Brazil	54.8%
U.S.	30.4%
Paraguay	4.0%
Canada	4.0%
Argentina	3.3%

Market Share of top 5 exporting countries – 95.1%

Market Share of top 10 exporting countries – 98.9%



Share of U.S. Soybean Exports



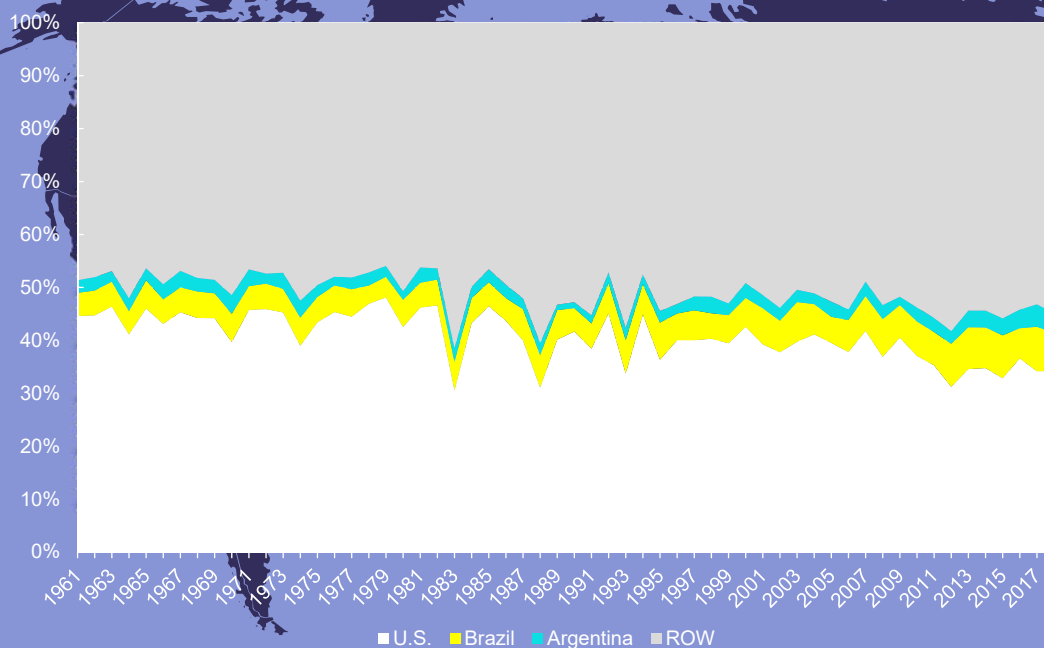


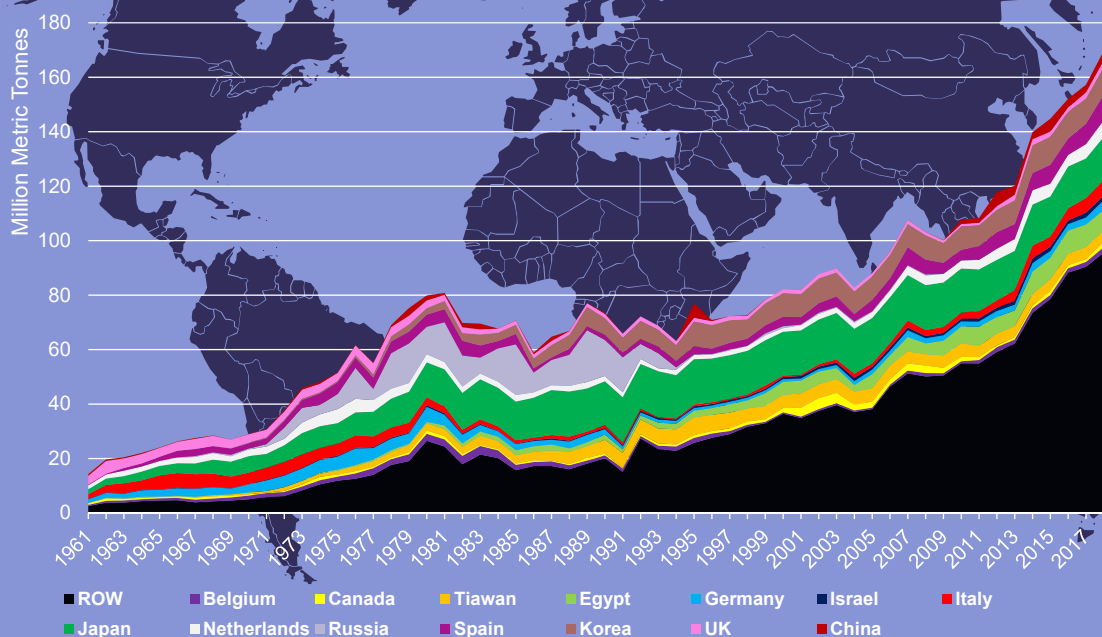
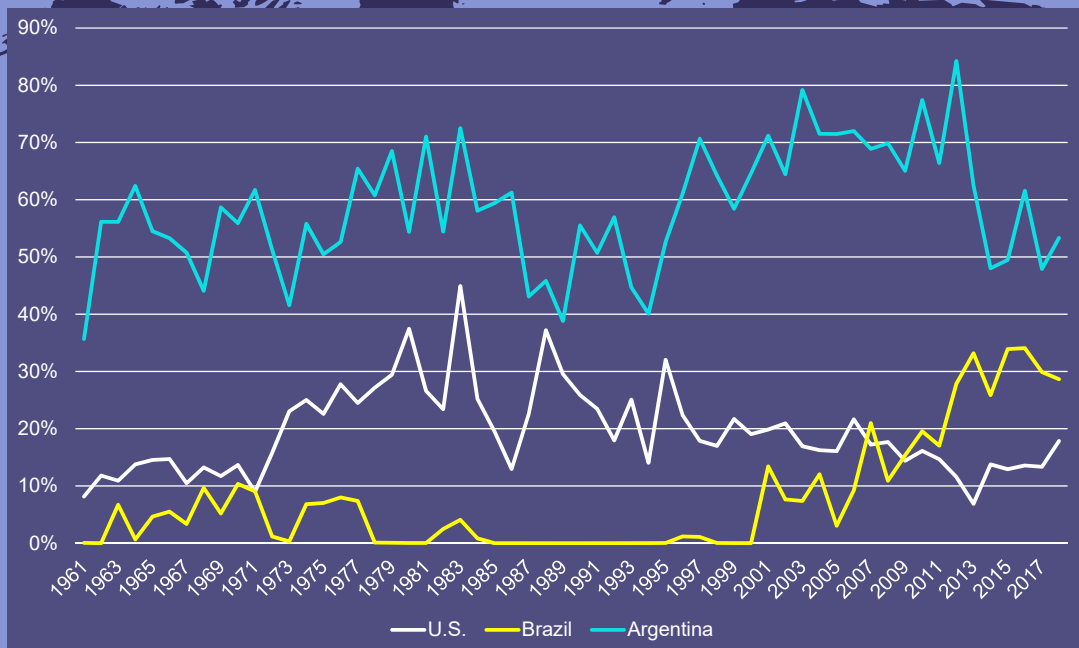
Soybean Analysis

- Soybean production dominated by three countries, United States, Brazil, and Argentina
 - Over 80% of production
 - 40% of the U.S. and 70% of the Brazilian crop are exported
 - Over 90% of China's imports are from these three countries
- Soybean imports dominated by China
 - Nearly 60% of imports
 - Top ten countries market share is nearly 81% of imports
- U.S. heavily dependent on China for exports



Share of World Maize Production







Top Maize Importing Countries, 2018

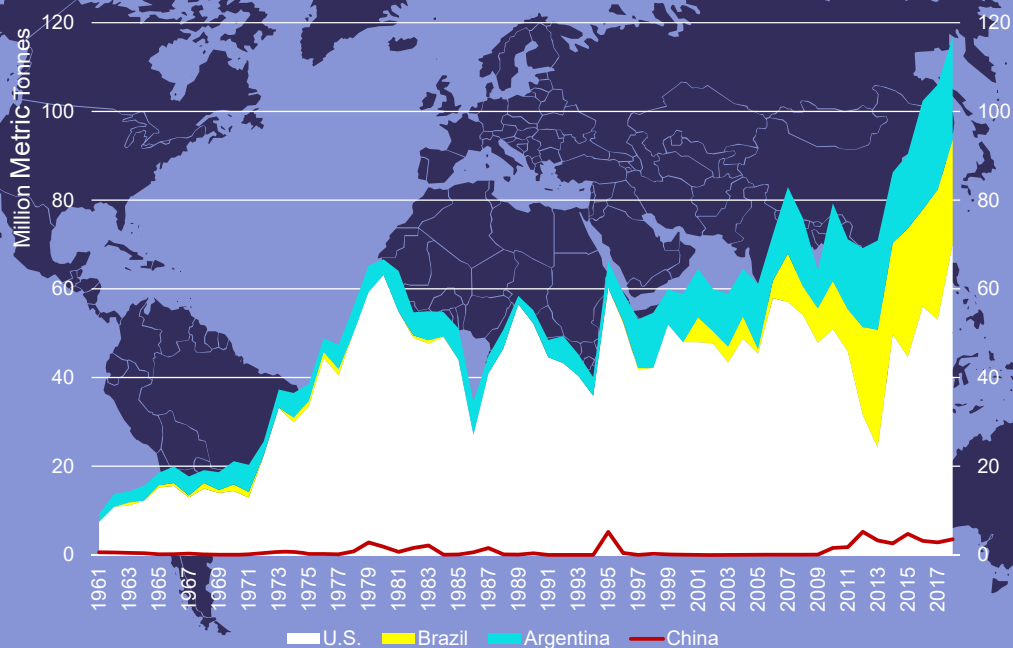
Country	Market Share
Mexico	10.1%
Japan	9.3%
Vietnam	6.1%
South Korea	6.0%
Spain	5.6%

Market Share of top 5 importing countries – 37.1%

Market Share of top 10 importing countries – 56.9%

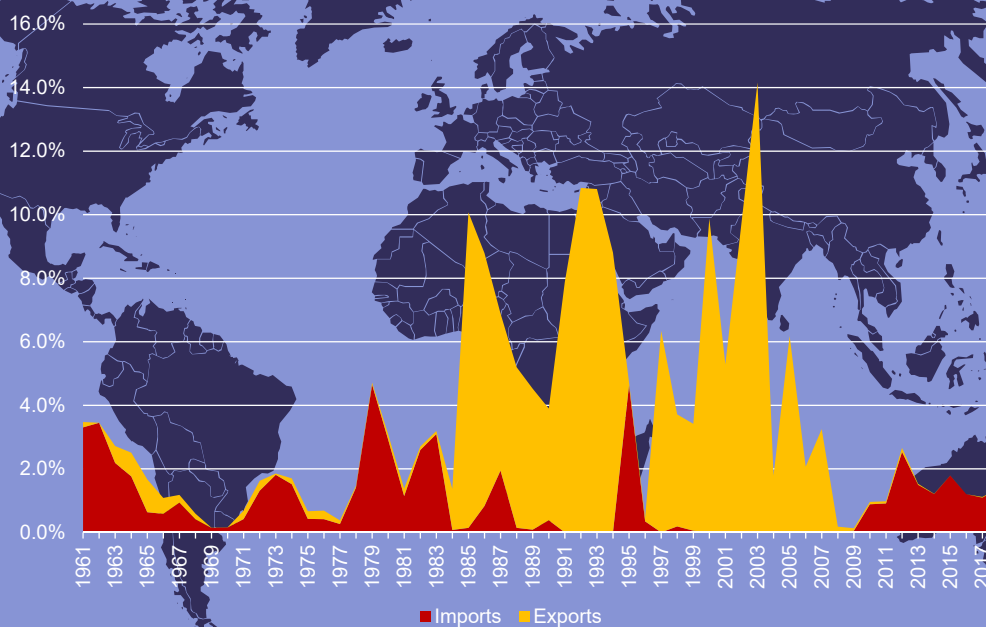


Argentina, Brazil, and U.S. Maize Exports and China's Imports





China's Maize Imports and Exports as a Percent of Production



Top Maize Exporting Countries, 2018

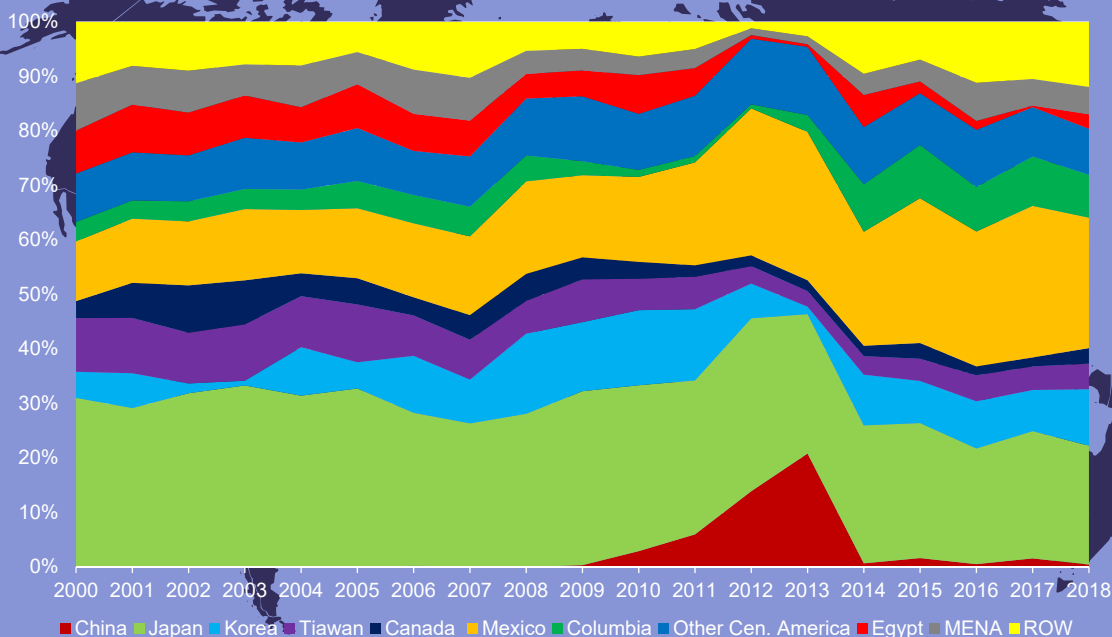
Country	Market Share
U.S.	40.4%
Brazil	13.6%
Argentina	13.3%
Ukraine	12.3%
France	2.9%

Market Share of top 5 exporting countries – 82.5%

Market Share of top 10 exporting countries – 91.8%



Share of U.S. Maize Exports

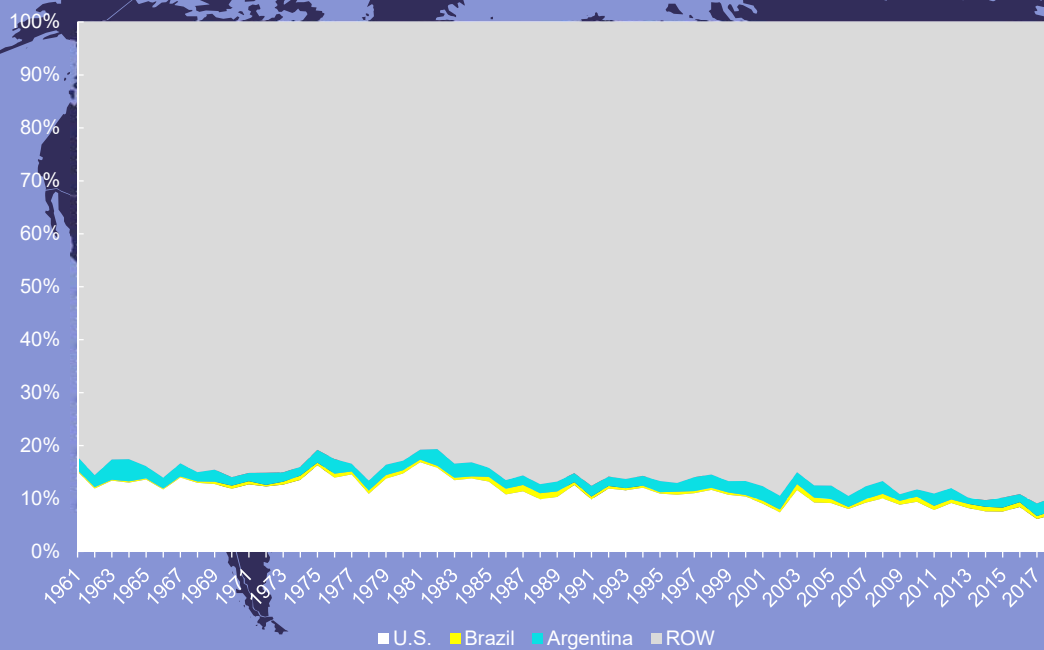


Maize Analysis

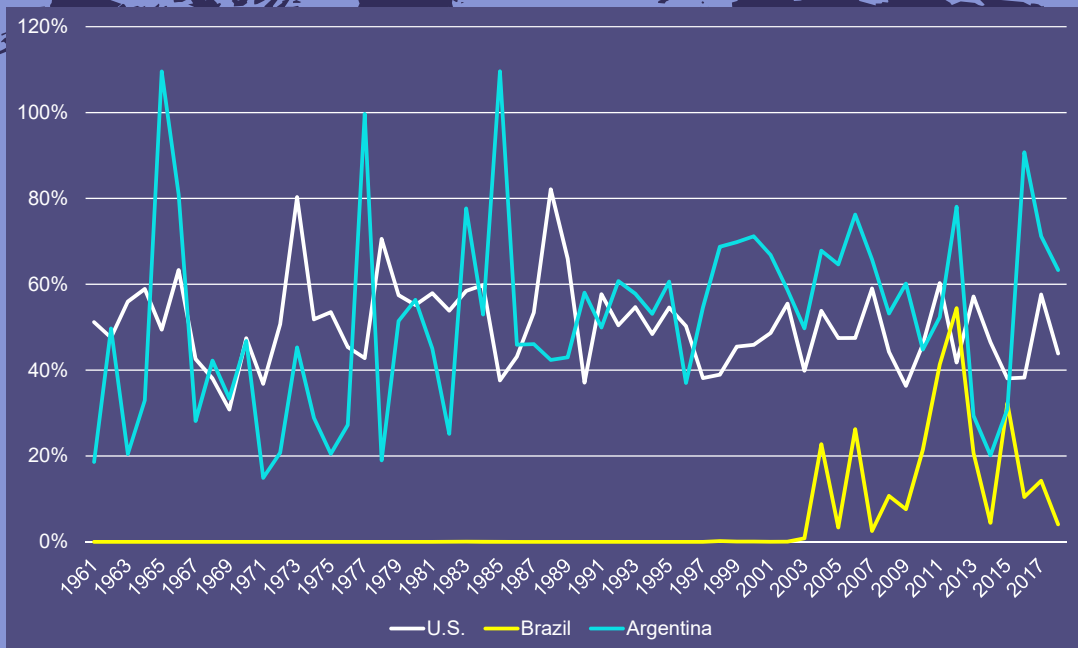
- **U.S. produces more than 1/3 of world corn crop**
 - Less than 20% of U.S. production is exported
- **Corn imports are not that important for China**
 - Virtually self-sufficient
- **Major importers are Japan, Mexico, Vietnam, and South Korea**
 - Top ten countries market share is nearly 57% of imports
- **U.S. heavily dependent on Japan, Mexico, and Korea**



Share of World Wheat Production

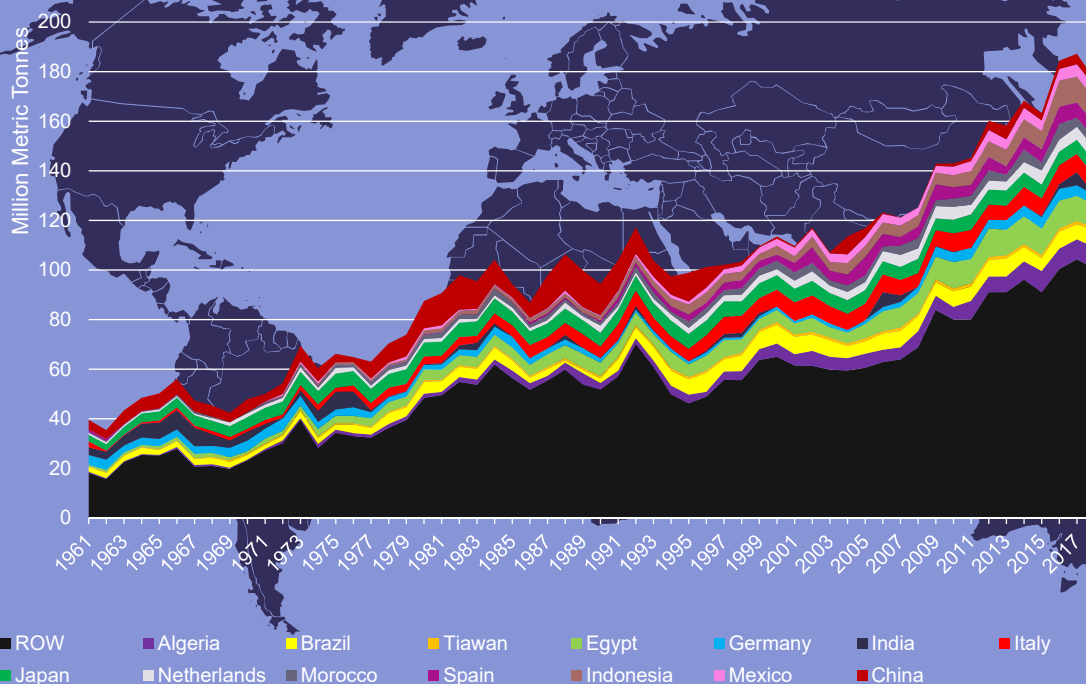


Exports as a Percent of Wheat Production





Wheat Importing Countries



Top Wheat Importing Countries, 2018

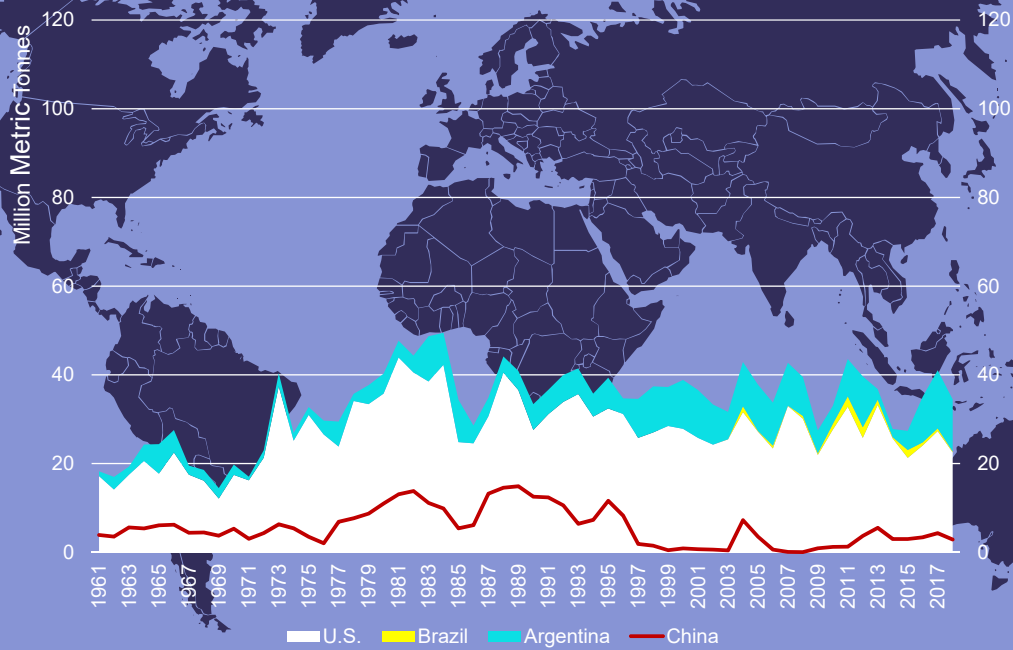
Country	Market Share
Indonesia	5.6%
Egypt	5.2%
Algeria	4.6%
Italy	4.2%
Brazil	3.8%

Market Share of top 5 importing countries – 23.3%

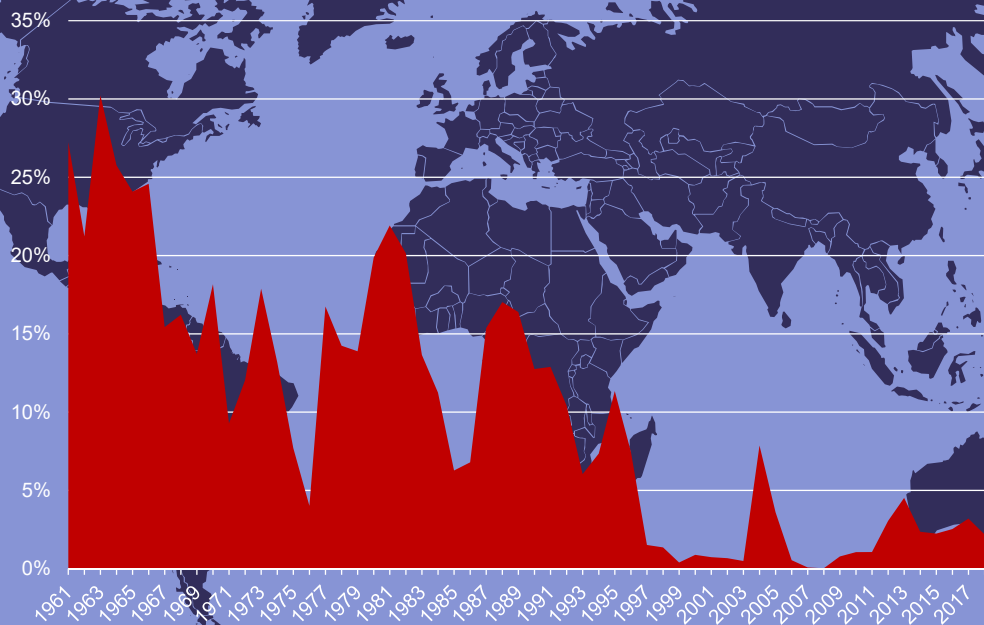
Market Share of top 10 importing countries – 39.7%



Argentina, Brazil, and U.S. Wheat Exports and China's Imports



China's Wheat Imports as a Percent of Production





Top Wheat Exporting Countries, 2018

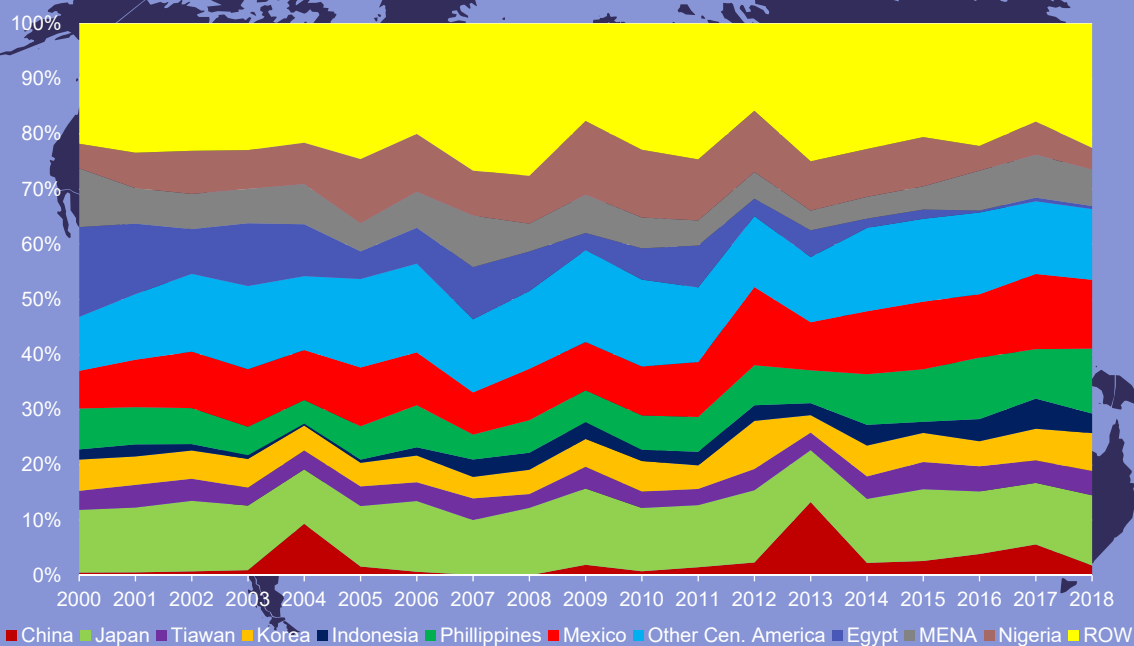
Country	Market Share
Russia	23.0%
Canada	12.0%
U.S.	11.8%
France	9.9%
Ukraine	8.6%

Market Share of top 5 exporting countries –65.3%

Market Share of top 10 exporting countries – 87.0%



Share of U.S. Wheat Exports



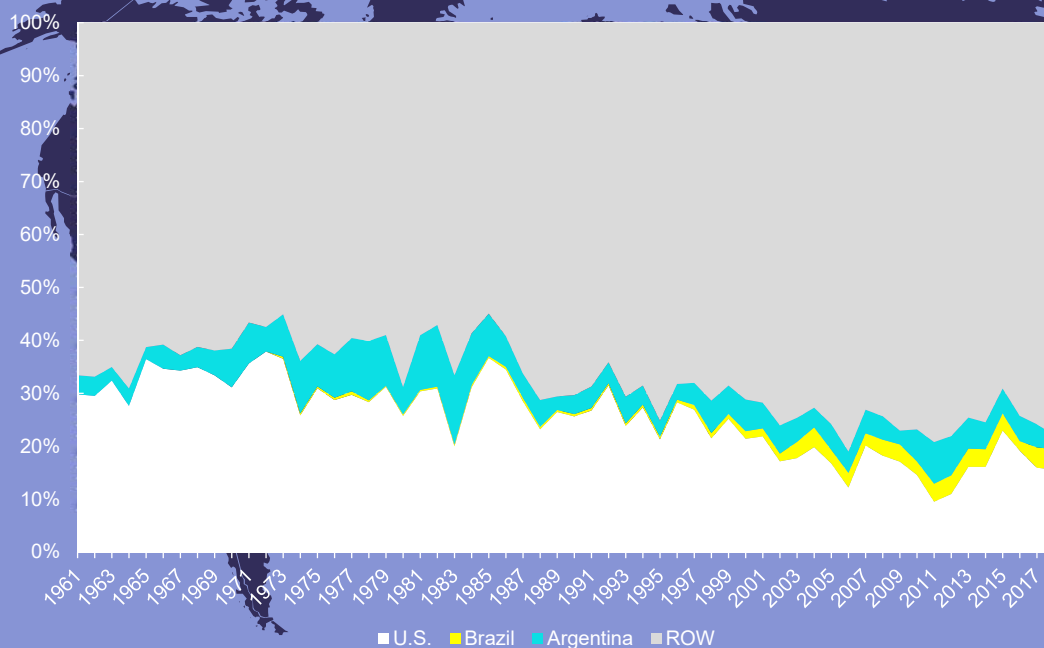


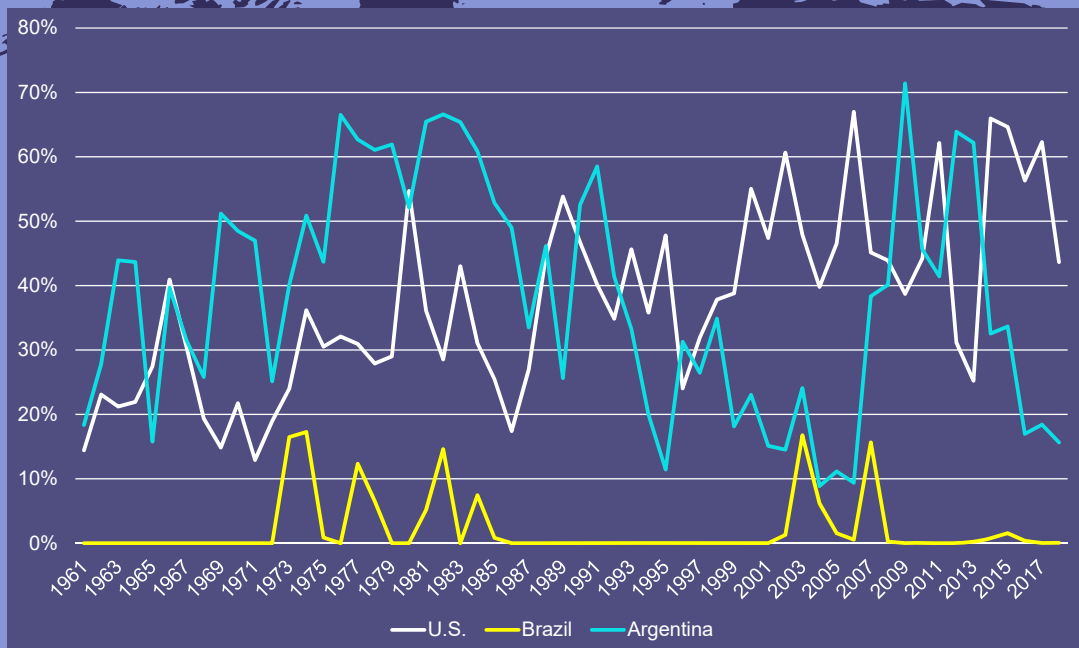
Wheat Analysis

- U.S. produces roughly 10% of world wheat crop
 - Roughly 40% of U.S. production is exported
- Wheat imports had historically been more important for China
 - Currently, they are virtually self-sufficient
- Major importers are Indonesia, Egypt, Algeria, Italy and Spain
 - Top ten countries market share is about 38% of imports
- U.S. heavily dependent on Japan, Mexico, and the Philippines
 - Central America is an important market

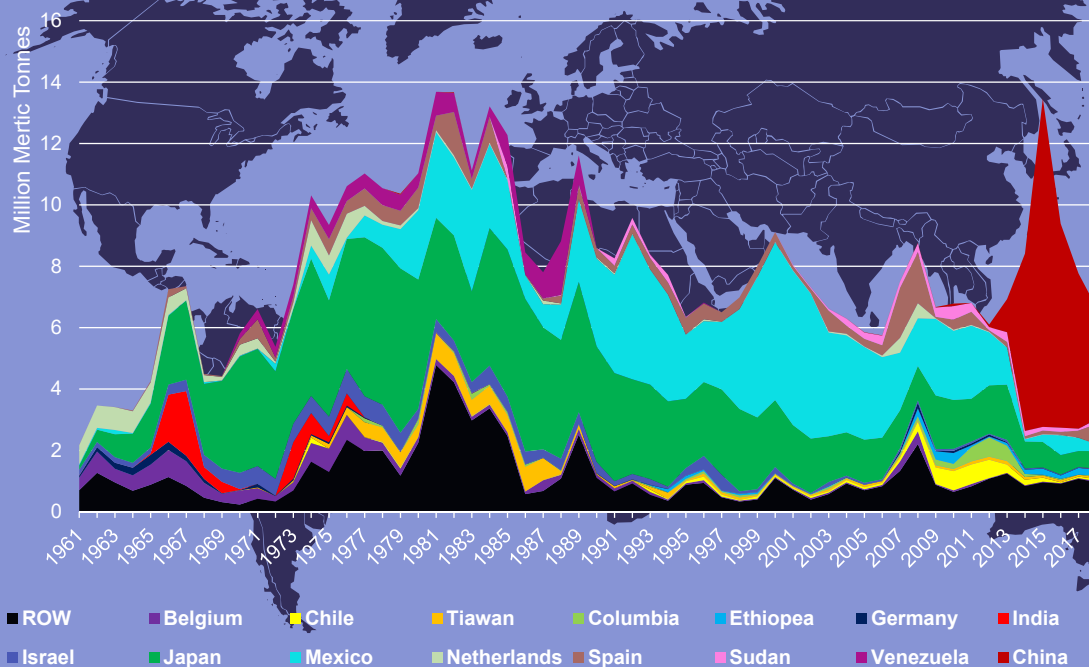


Share of World Sorghum Production





Sorghum Importing Countries





Top Sorghum Importing Countries, 2018

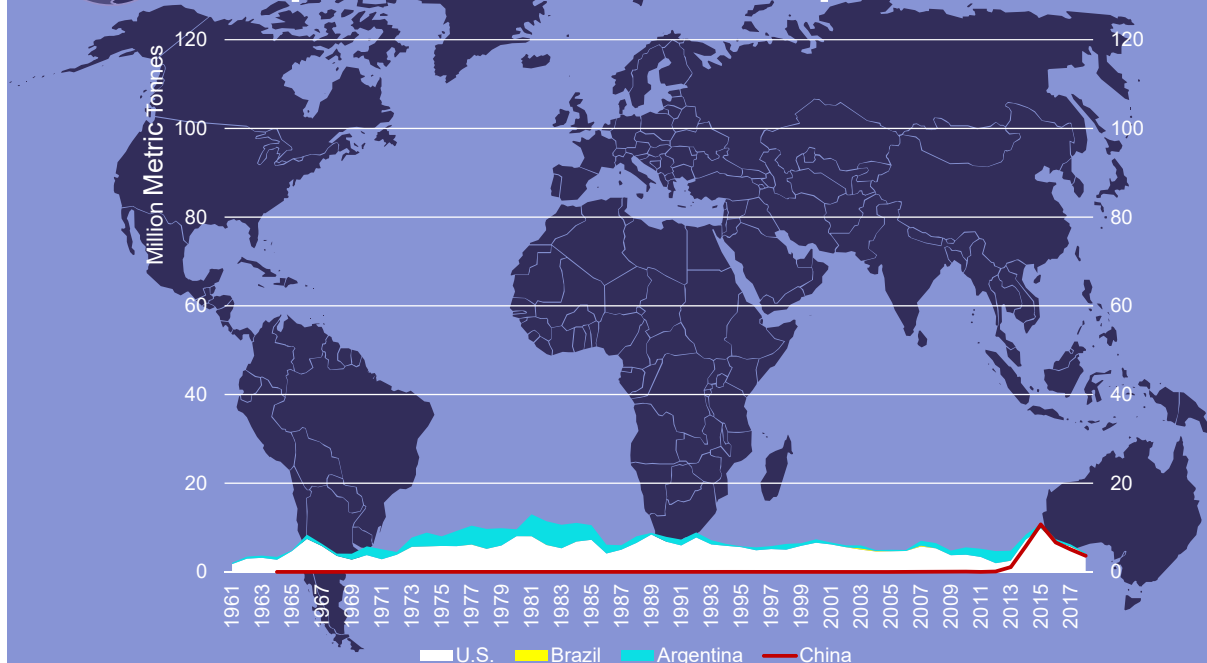
Country	Market Share
China	54.8%
Spain	9.6%
Japan	8.6%
Mexico	3.3%
South Sudan	3.1%

Market Share of top 5 importing countries – 79.3%

Market Share of top 10 importing countries – 89.0%

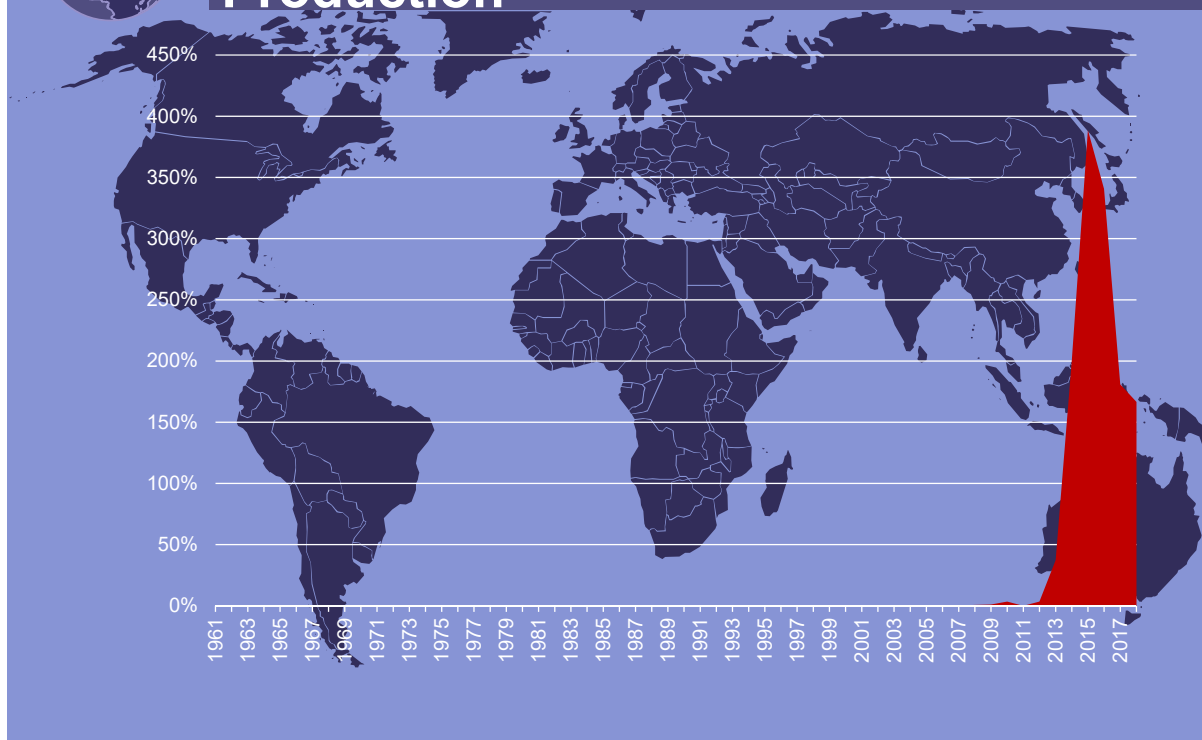


Argentina, Brazil, and U.S. Sorghum Exports and China's Imports





China's Wheat Imports as a Percent of Production



Top Sorghum Exporting Countries, 2018

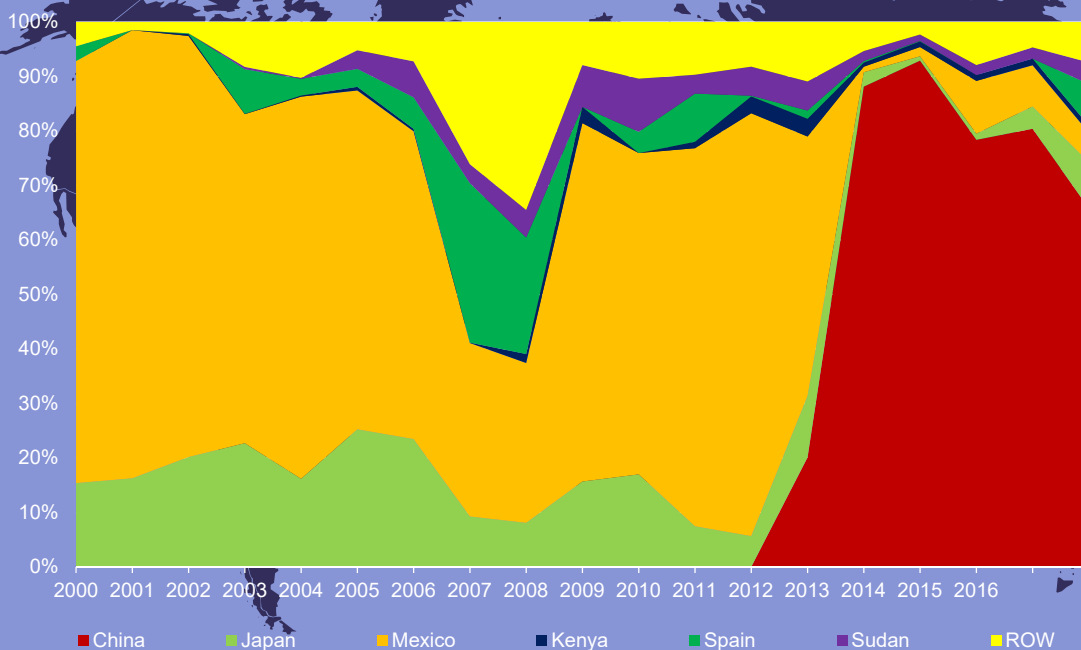
Country	Market Share
U.S.	72.8%
Australia	7.9%
Argentina	4.4%
France	2.8%
Kenya	2.3%

Market Share of top 5 exporting countries – 90.2%

Market Share of top 10 exporting countries – 97.7%



Share of U.S. Sorghum Exports



Sorghum Analysis

- U.S. produces roughly 20% of world sorghum crop
 - Roughly 45% to 55% of U.S. production is exported
- Sorghum imports are currently very important for China
- Major importers are China, Spain, and Japan
 - Top ten countries market share is about 89% of imports
- U.S. heavily dependent on China
- Previous was dependent on Mexico
- Major Exporter is the U.S. at 73%



Crop Conclusions

- The trade situation differs between soybeans, corn, wheat, and sorghum
- For Soybeans
 - Very concentrated in supply with the U.S., Brazil, and Argentina dominating
 - Very concentrated in demand with China dominating
- For Corn (Maize)
 - U.S. dominate in production, it exports less than 20% of production
 - USMCA and Japan negotiations were very important for the corn producer



Crop Conclusions

- The trade situation differs between soybeans, corn, wheat, and sorghum
- For Wheat
 - Very dispersed in production
 - U.S. exports nearly 40% of the crop
 - Demand is very dispersed with no country importing more than 5% of total imports
 - USMCA and Japan are important for the wheat market
- For Sorghum
 - Very concentrated in production
 - U.S. exports more than 30% of the crop
 - Export demand is very variable with China currently the major importer