

Grain Market Outlook for 2020

2020 Ag Lenders Conferences

Salina, Kansas

September 30, 2020

DANIEL O'BRIEN

EXTENSION AGRICULTURAL ECONOMIST

KANSAS STATE
UNIVERSITY

Department of Agricultural Economics



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I. Grain Futures Closes, Changes & Carry on Thursday, Sept. 24, 2020

| Corn Futures | | | | Soybean Futures | | | | Kansas HRW Wheat Futures | | | |
|---------------------------|-----------------|------------------|-----------|---------------------------|-----------------|--------------------|-----------|----------------------------|-----------------|--------------------|-----------|
| Month | Close | Change | Carry /mo | Month | Close | Change | Carry /mo | Month | Close | Change | Carry /mo |
| Dec^H 20 | \$3.63 ½ | ⬇️ \$0.05 | --- | Nov^H 20 | \$10.00 | ⬇️ \$0.1450 | --- | Dec^L 20 | \$4.83 | ⬇️ \$0.0125 | --- |
| Mar 21 | \$3.72 ¼ | ⬇️ \$0.0525 | \$0.02917 | Jan 21 | \$10.03 ¼ | ⬇️ \$0.1550 | \$0.01625 | Mar 21 | \$4.93 ½ | ⬇️ \$0.0150 | \$0.0350 |
| May 21 | \$3.77 ¾ | ⬇️ \$0.0525 | \$0.0275 | Mar 21 | \$9.97 ¼ | ⬇️ \$0.1625 | No Carry | May 21 | \$5.01 | ⬇️ \$0.0125 | \$0.0375 |
| July 21 | \$3.81 ½ | ⬇️ \$0.05 | \$0.01875 | May 21 | \$9.94 ¾ | ⬇️ \$0.1550 | No Carry | July^H 21 | \$5.07 ½ | ⬇️ \$0.01 | \$0.0325 |
| Sept 21 | \$3.77 ¾ | ⬇️ \$0.0450 | No Carry | July 21 | \$9.97 | ⬇️ \$0.0550 | \$0.01125 | Sept 21 | \$5.15 ¼ | ⬇️ \$0.0075 | \$0.03375 |
| Dec^H 21 | \$3.83 ¼ | ⬇️ \$0.04 | \$0.01833 | Aug 21 | \$9.91 ¼ | ⬇️ \$0.1450 | No Carry | Dec 21 | \$5.26 ¼ | ⬇️ \$0.0050 | \$0.03667 |
| Mar 22 | \$3.91 ½ | ⬇️ \$0.0350 | \$0.0275 | Sept 21 | \$9.66 ½ | ⬇️ \$0.1225 | No Carry | Mar 22 | \$5.33 ¾ | ⬇️ \$0.0125 | \$0.0250 |
| May 22 | \$3.96 | ⬇️ \$0.0025 | \$0.0225 | Nov^H 21 | \$9.46 ¼ | ⬇️ \$0.0975 | No Carry | May 22 | \$5.34 ½ | ⬇️ \$0.0125 | \$0.0150 |

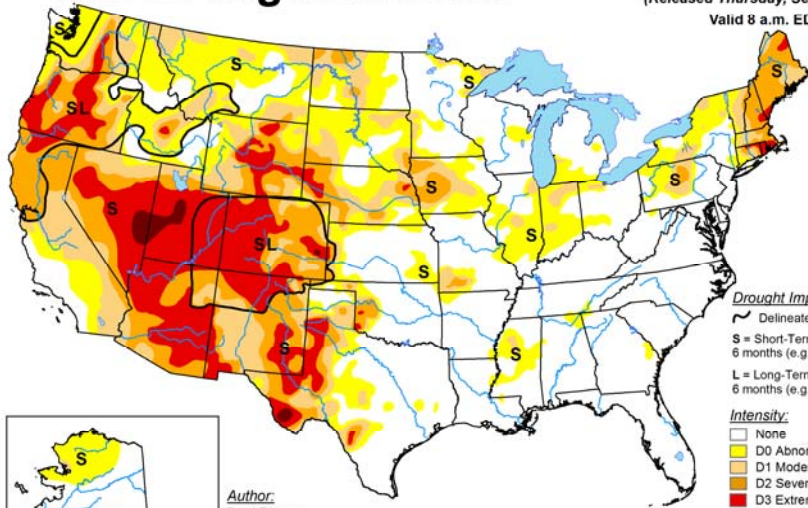
Futures & Cash Price Ratios on September 24, 2020:

- "Current Crop^{2020/21}" ⇒ $\$NOV^{2020} \text{ Soybeans} \div \$DEC^{2020} \text{ Corn} = \$10.00 \div \$3.63 \frac{1}{2} = 2.75$
- "Next Crop^{2021/22}" ⇒ $\$NOV^{2021} \text{ Soybeans} \div \$DEC^{2021} \text{ Corn} = \$9.46 \frac{1}{4} \div \$3.83 \frac{1}{4} = 2.47$
- "HRW Wheat/Corn^{9/25/2020}" ⇒ $\text{Wheat}^{HRW\text{-Garden City, KS}} \div \text{Corn}^{Garden City, KS} = \$4.53 \div \$3.69 = 1.23 \text{ ***}$
- "Sorghum/Corn^{9/25/2020}" ⇒ $\text{Sorghum}^{Garden City, KS} \div \text{Corn}^{Garden City, KS} = \$4.21 \div \$3.69 = 1.14 \text{ ***}$



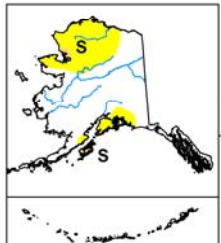
U.S. Drought Monitor

September 22, 2020
(Released Thursday, Sep. 24, 2020)
Valid 8 a.m. EDT



Drought Impact Types:
 ~ Delineates dominant impacts
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

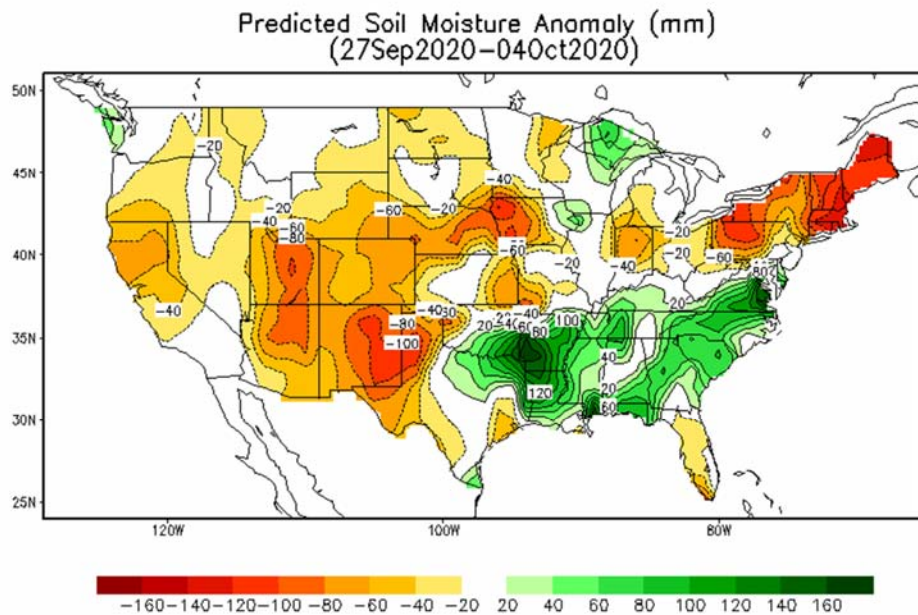


Author:
Brad Rippey
U.S. Department of Agriculture



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>





Unpredictable Grain Markets in 2019-20 6

1) The "Ups & Downs" of U.S.- China Trade Relations

- **"Phase 1" Trade Agreement fulfillment**
 - Strong U.S. Soybean & Sorghum Exports to China in MY 2020/21
- **Chinese Crop & Livestock Production problems**
 - 2020 Flooding from excess rainfall & major storms in recent months
 - *Recovery of swine industry from recent ASF disease, etc....*
- **@ Risk of Political Tensions Affecting U.S.-China Trade**
 - Possible "*flash points*" of geopolitical conflict

Key Grain Market Factors....

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2) U.S. Corn & Soybean Supply-Demand (Fall 2020)

- **Corn^{2020/21}** < 14.9 bln bu? ➔ End Stocks < 2.500 bb?
- **Soybeans^{2020/21}** < 4.3 bln bu? ➔ End Stocks < 460 mb?

3) U.S. Soybean Exports ^{9/17/2020} (wk 3/52 – 5.8%)

- **Shipments:** 130 mb of 2.125 bb^{USDA est} (63.8% to **China**)
 - **Forward Sales:** 624 mb of 2.125 bb^{USDA est} (53.1% to **China**)
- ⇒ Need 40.7 mb/wk for USDA^{est} for 49 weeks (or 91 mb for 25 weeks)

U.S. Sorghum & Corn Exports....

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4) U.S. Sorghum Exports ^{9/17/2020} (wk 3/52 – 5.8%)

- **Shipments:** 7 mb of 260 mb^{USDA est} (98.1% to **China**)
 - **Forward Sales:** 102 mb of 260 mb^{USDA est} (62.9% to **China**)
- ⇒ Need 5.2 mb/wk for USDA^{est} for 49 weeks

5) U.S. Corn Exports ^{9/17/2020} (wk 3/52 – 5.8%)

- **Shipments:** 79 mb of 2.325 bb^{USDA est} (24.2% to **China**)
 - **Forward Sales:** 811 mb of 2.325 bb^{USDA est} (45.3% to **China**)
- ⇒ Need 45.8 mb/wk for USDA^{est} for 49 weeks

Corn Ethanol Production....

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6) U.S. Corn Ethanol Production – To 87.5% Pre-COVID-19

- **Ethanol Corn Use** ^{MY 2020/21}: 5.100 bb ^{USDA est}
 - *vs 4.8-5.0 bb* ^{KSU AgEcon}
- **Ethanol plant losses** = \$0.03 /gallon in 1st 3 weeks of Sept.
 - *-\$0.19 /gallon @ \$3.50 / corn prices for 3^d week of Sept.*

Wheat Market Factors....

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7) U.S. Wheat Supply-Demand (Sept 2020)

- **All Wheat** ^{2020/21} < 1.828 bln bu? ➡ End Stocks < 925 mb?
- **HRW Wheat** ^{2020/21} < 0.695 bln bu? ➡ End Stocks < 385 mb?

8) U.S. Wheat Exports ^{9/17/2020} (wk 16/52 – 30.8%)

- **Shipments:** 299 mb of 975 mb ^{USDA est} (9.7% to **China**)
 - **Forward Sales:** 196 mb of 975 mb ^{USDA est} (12.7% to **China**)
- ⇒ **All U.S. Wheat:** Need 18.8 mb/wk for *USDA^{est}* of 975 mb
- ⇒ **U.S. HRW Wheat:** Need 8.0 mb/wk for *USDA^{est}* of 410 mb

Major Export Competitor Issues....

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9) Grain Export Production by U.S. Export Competitors in “New Crop” MY 2020/21

- **Soybeans** So-Am 2021 ⇒ *Up 6%* vs 2020 due to ‘China demand
- **Corn** So-Am + Ukraine 2021 ⇒ *Up 6%* vs 2020, & *UP 59%* over 5 years to compete with the U.S.
- **Argentina & Brazil:** *Politics, export taxes, weak currencies*
- **Ukraine & Russia:** *Geopolitical issues, logistics, weak currencies*

What to anticipate in early 2021

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5) 2021 U.S. Spring Plantings

- **1st determine U.S. crops in fall 2020**
 - *Short U.S. crops not emerging to date in Fall 2020* D. O'Brien
- **Soybeans** U.S. 2021 *Up++* ⇌ ↑↓ ≈ **U.S.-China Trade Status**
- **Corn** U.S. 2021 *Same?* ⇌ ↑ ≈ **U.S. Ethanol & Feed Demand**
- **Sorghum** U.S. 2021 *Up**** ⇌ ↑ ≈ **IF China Imports Continue**

Corn & Sorghum Markets

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U.S. Corn & Sorghum Stocks.....

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□ Corn: “*Large*” Stocks & % S/U @ \$3.50 /bu^{U.S. Farm\$}

- End Stocks^{2020/21} ⇒ 2.503 bln bu (vs 2.253 bb last year)
- % Stocks/Use^{2020/21} ⇒ 17.1% S/U (vs 16.5% S/U last year)

□ Grain Sorghum: “*Strong*” Exports @ \$3.50 /bu^{U.S. Farm\$}

- End Stocks^{2020/21} ⇒ 23 mln bu (↑ *Exports* & ↓ *Ethanol Use*)
- % Stocks/Use^{2020/21} ⇒ 6.2% S/U (↓ vs 9.5% S/U last year)

Table 1b. U.S. Corn Supply-Demand Balance Sheet: "Current" MY 2019/20 & Projected "Next Crop" MY 2020/21 as of the September 11, 2020 USDA WASDE report with Alternative KSU Marketing Year Scenarios

| Item | USDA 2019/20 9/11/2020 WASDE | USDA 2020/21 9/11/2020 WASDE | KSU Scenario #2 MY 2020/21 Less 200 mb 2020 Corn Crop | KSU Scenario #3 MY 2020/21 Less 400 mb 2020 Corn Crop | KSU Scenario #4 MY 2020/21 14,700 bb Crop + 200 mb more use | KSU Scenario #5 MY 2020/21 14,500 bb Crop + 400 mb more use |
|--|------------------------------------|------------------------------------|--|--|--|--|
| % Probability of Occurring (KSU) | | 40% ^{KSUest} | 25% ^{KSUest} | 15% ^{KSUest} | 15% ^{KSUest} | 5% ^{KSUest} |
| Planted Area (million acres) | 89.700 | 92.006 | 92.006 | 92.006 | 92.006 | 92.006 |
| Harvested Area (million acres) | 81.332 | 83.473 | 83.473 | 83.473 | 83.473 | 83.473 |
| % Harvested/Planted Area | 90.7% | 90.7% | 90.7% | 90.7% | 90.7% | 90.7% |
| Yield / harvested acre (bu/ac) | 167.4 | 178.5 | 176.1 | 173.7 | 176.1 | 173.7 |
| Million Bushels | | | | | | |
| Beginning Stocks (million bushels) | 2,221 | 2,253 | 2,253 | 2,253 | 2,253 | 2,253 |
| Production (million bu.) | 13,617 | 14,900 | 14,700 | 14,500 | 14,700 | 14,500 |
| Imports (million bu.) | 45.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| Total Supply (million bu.) | 15,883 | 17,178 | 16,978 | 16,778 | 16,978 | 16,778 |
| Ethanol for fuel Use (million bu.) | 4,855 | 5,100 | 5,100 | 5,100 | 5,200 | 5,300 |
| Food & Industrial Use (million bu.) | 1,378 | 1,393 | 1,393 | 1,393 | 1,393 | 1,393 |
| Seed Use (million bu.) | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 |
| Exports (million bu.) | 1,765 | 2,325 | 2,325 | 2,325 | 2,375 | 2,425 |
| Feed & Residual Use (million bu.) | 5,600 | 5,825 | 5,825 | 5,825 | 5,875 | 5,925 |
| Total Use (million bu.) | 13,630 | 14,675 | 14,675 | 14,675 | 14,875 | 15,075 |
| Ending Stocks (million bu.) | 2,253 | 2,503 | 2,303 | 2,103 | 2,103 | 1,703 |
| % Ending Stocks-to-Use | 16.53% | 17.06% | 15.70% | 14.33% | 14.14% | 11.30% |
| Days of Supply (% S/U x 365 days) | 60.3 days | 62.3 days | 57.3 days | 52.3 days | 51.6 days | 41.2 days |
| U.S. Corn Average Farm Price (\$/bushel) | \$3.60 | \$3.50 | \$3.60 | \$3.70 | \$3.72 | \$4.00 |

CME Corn Futures

TFC Commodity Charts

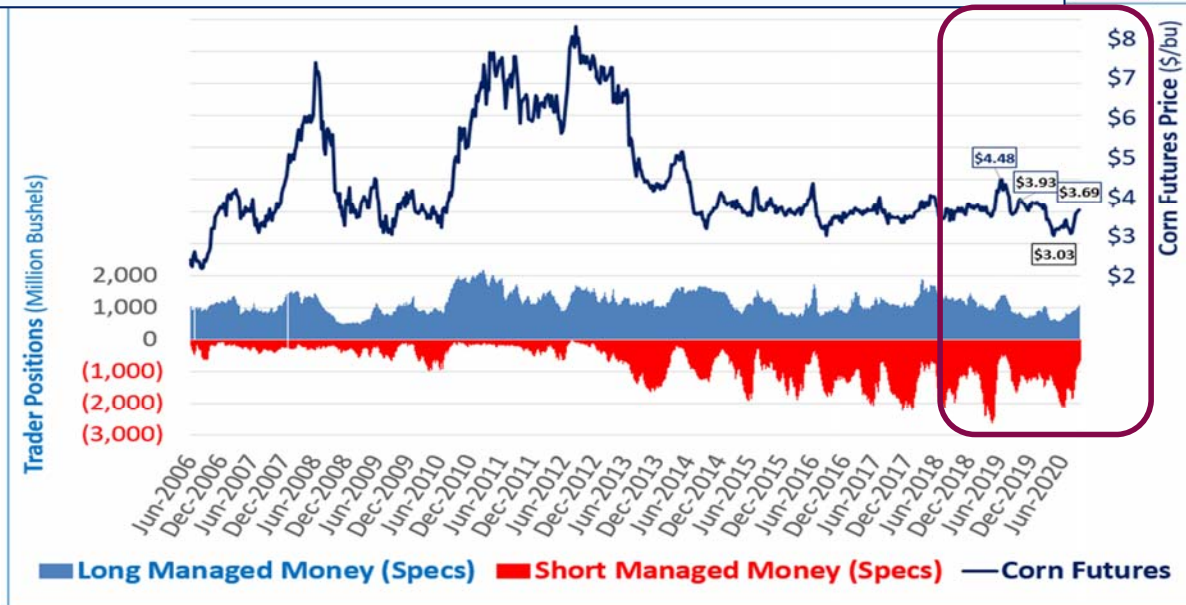
Weekly Chart: October 6, 2018 – September 28, 2020



Managed Money (Spec) Positions in CME Corn

CFTC Commitment of Traders to 9/22/2020

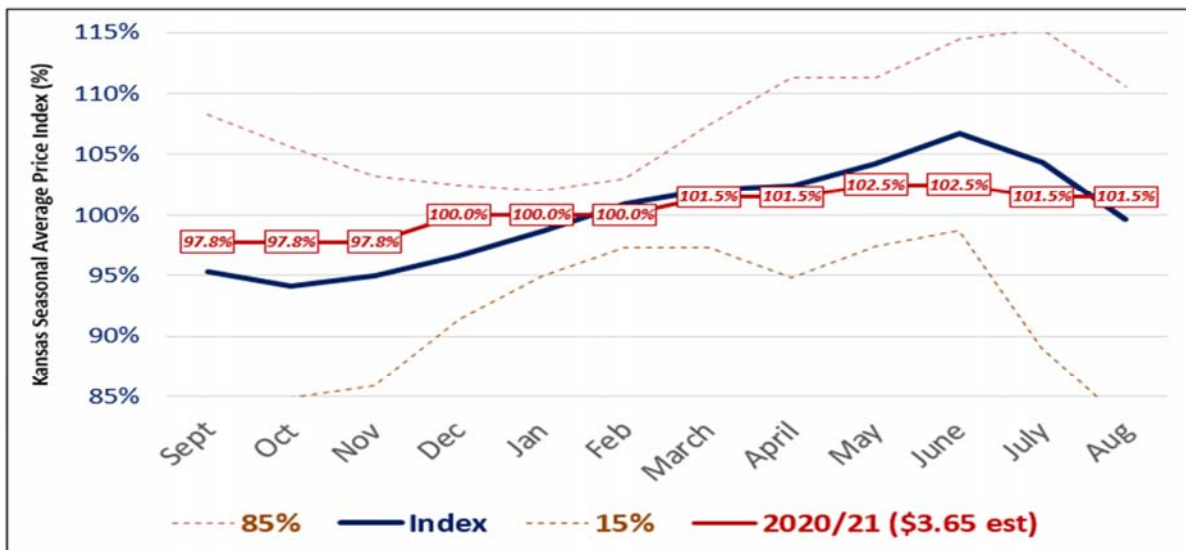
17



KS Corn Seasonal Avg. Price Index (%)

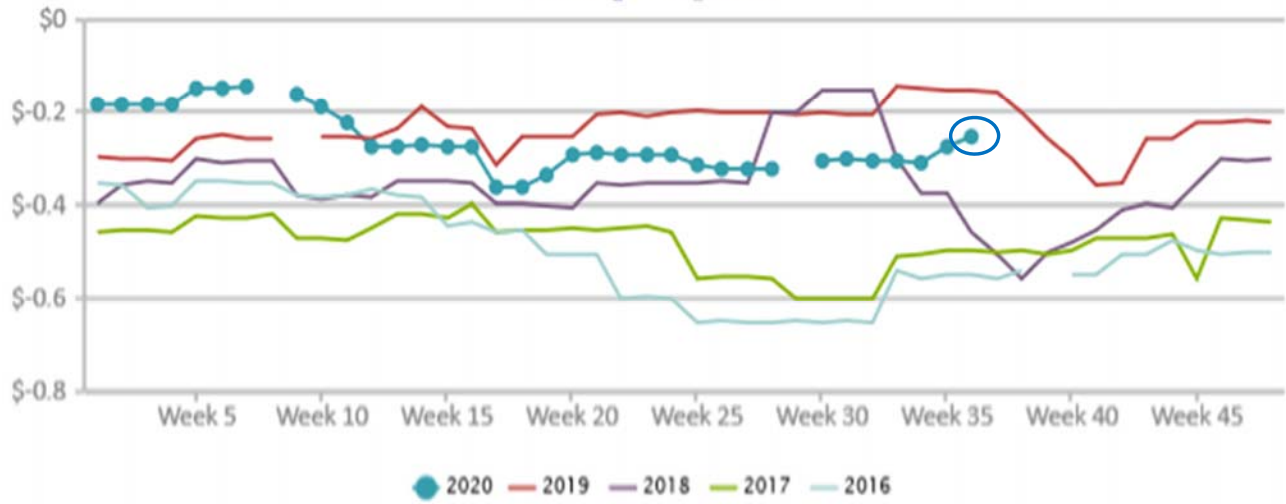
Monthly: Index of last 20 years + "New Crop" MY 2020/21

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SALINA, KS: Corn Basis - CARGILL

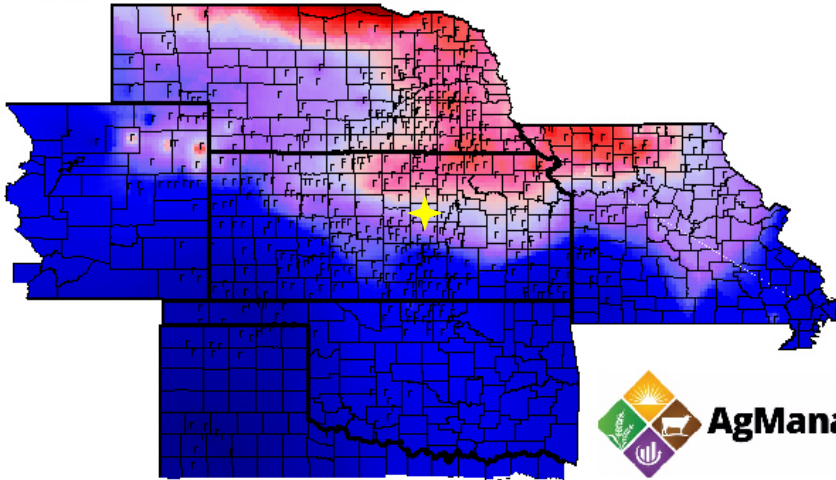
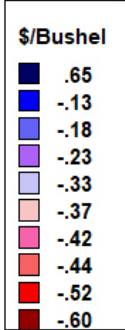
www.AgManager.info



Corn Basis, 09-23-2020

Basis = Cash Price - Nearby Futures Price

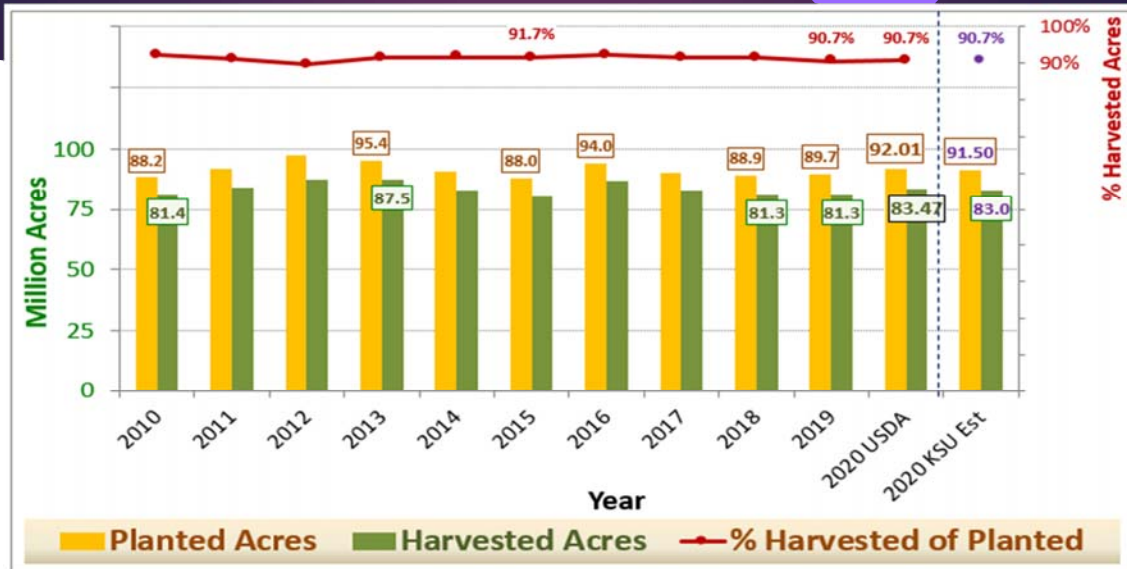
CBT Dec
Futures
Price: \$3.69



U.S. Corn Acreage

Final 2020 ?
U.S. Corn Harvested Acres

21



U.S. Corn Yields

USDA 2018 USDA Forecast = 178.5 bu/ac

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U.S. Corn Production & Supplies

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Final 2020 ?
U.S. Corn Production

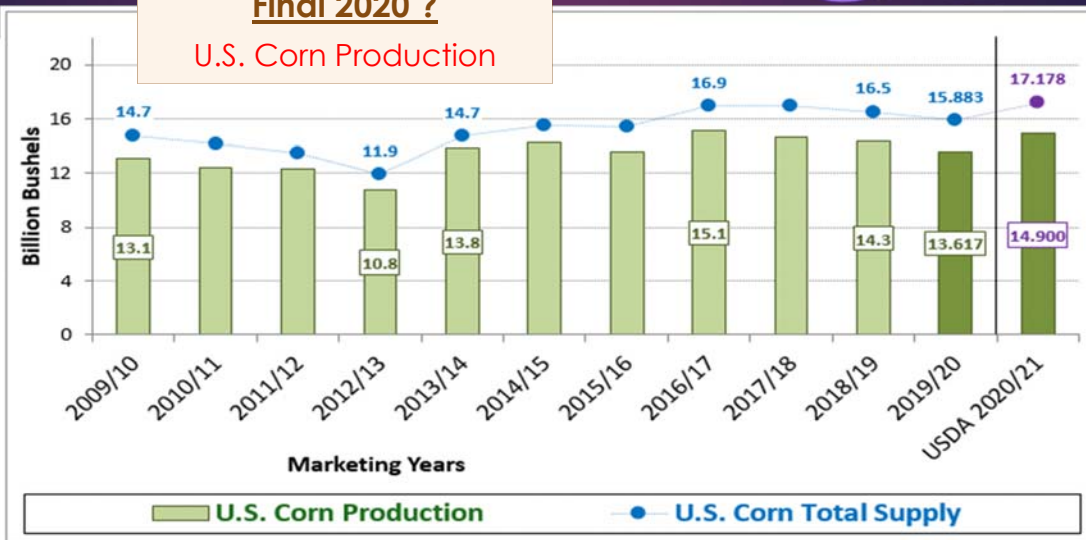


Figure 11b. U.S. Corn Exports for MY 2012/13 & 2016/17 through "New Crop" MY 2020/21 based on USDA Foreign Agricultural Service Weekly Export reports through 9/17/2020 (End of marketing year on 8/31)

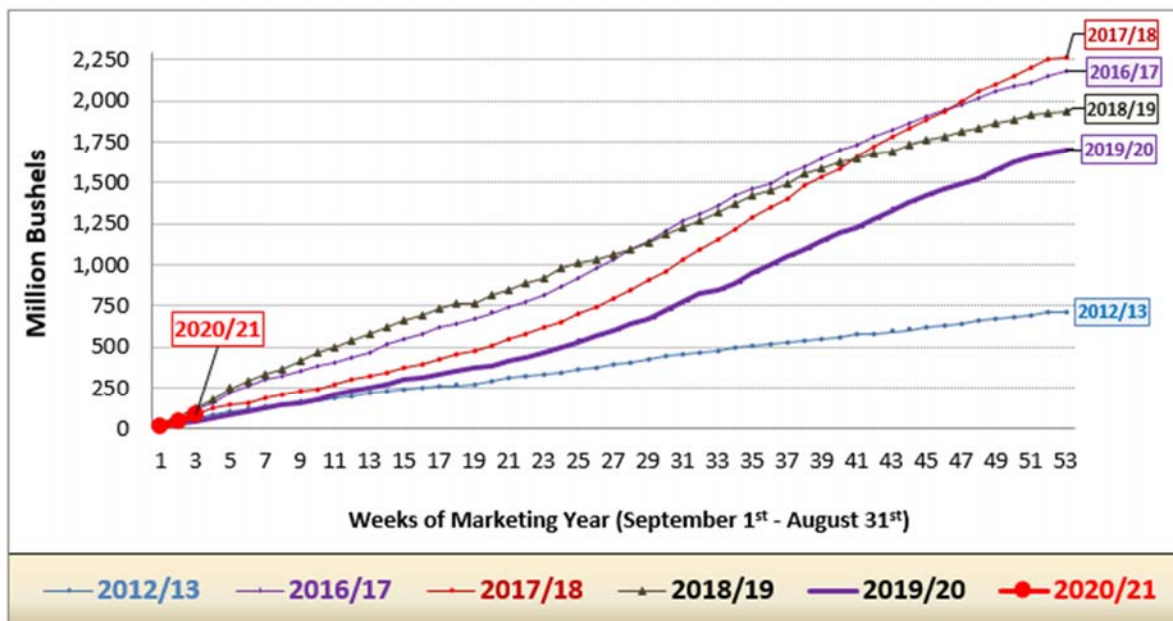
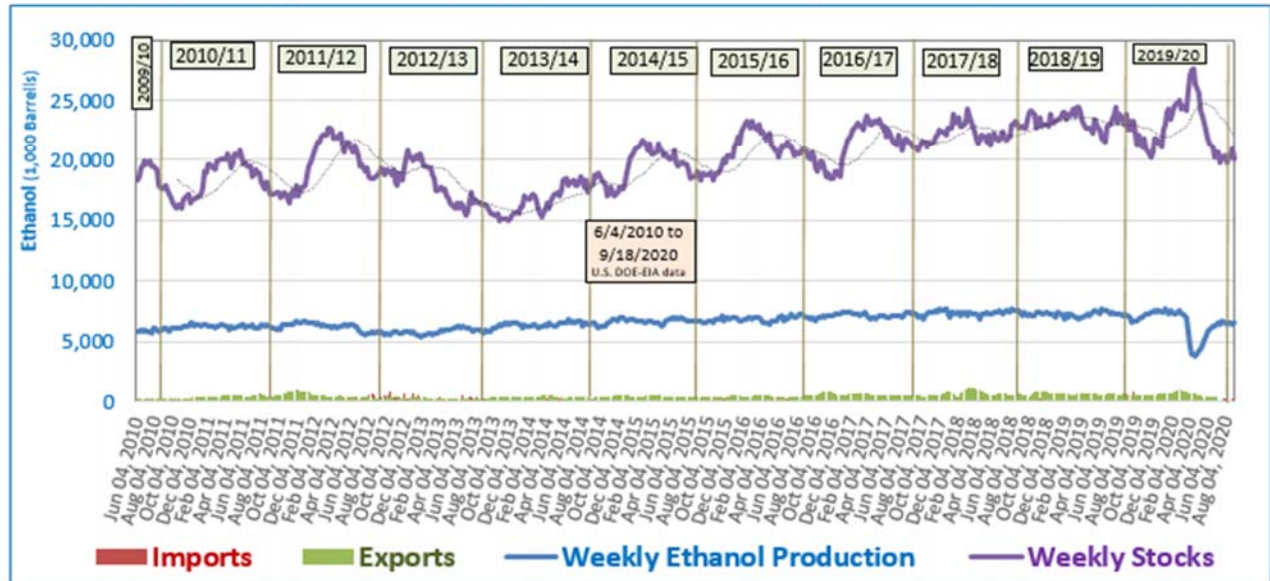
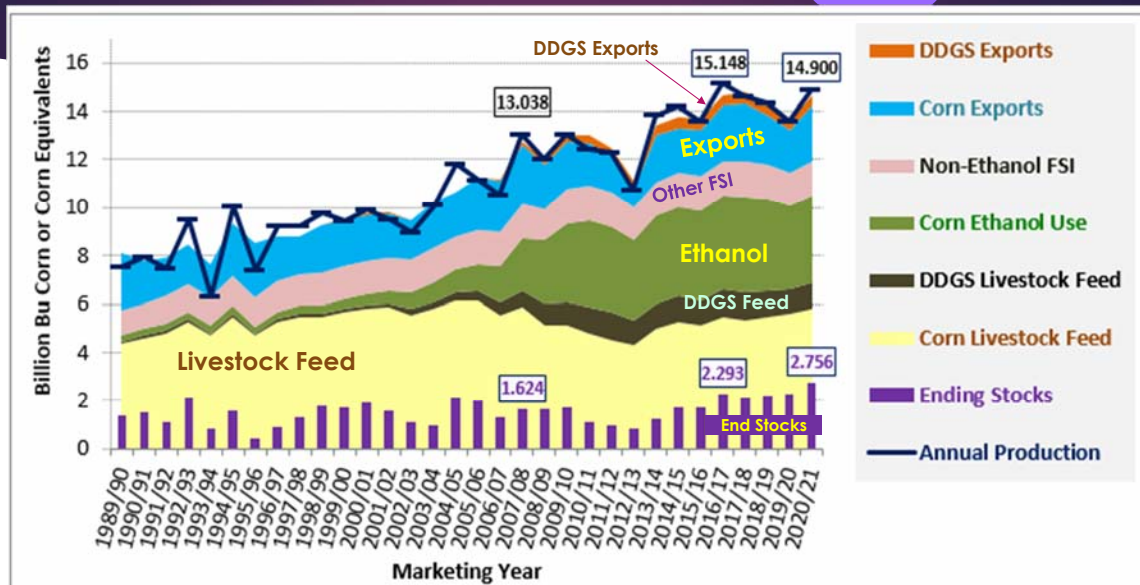


Figure 9b. Weekly U.S. Ethanol Production, Use, Imports, Exports & Stocks based on U.S. Department of Energy – Energy Information Agency data on U.S. Ethanol Industry Trends as of 9/18/2020

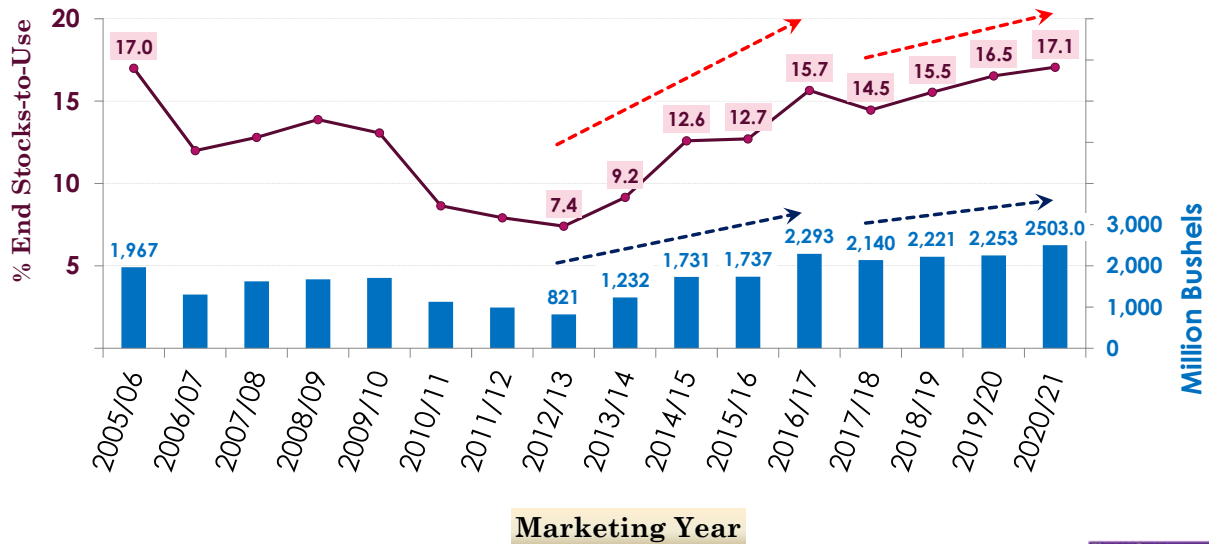


U.S. Corn Use – By Category



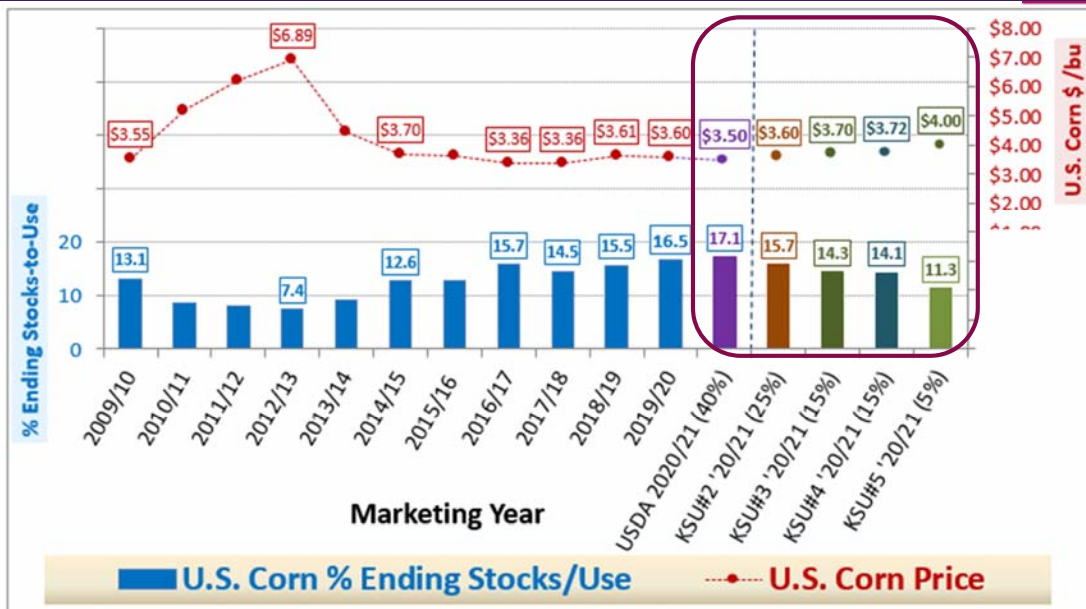
U.S. Corn Ending Stocks & % Stx/Use

27



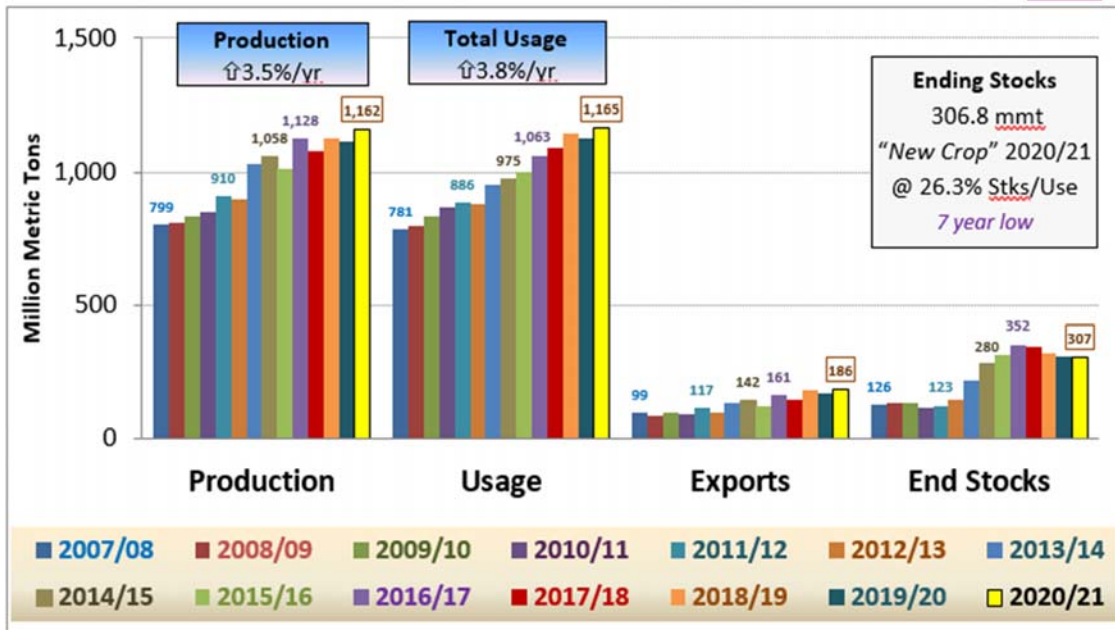
U.S. Corn % Stocks/Use vs Price\$

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World Corn Supply, Use & Stocks

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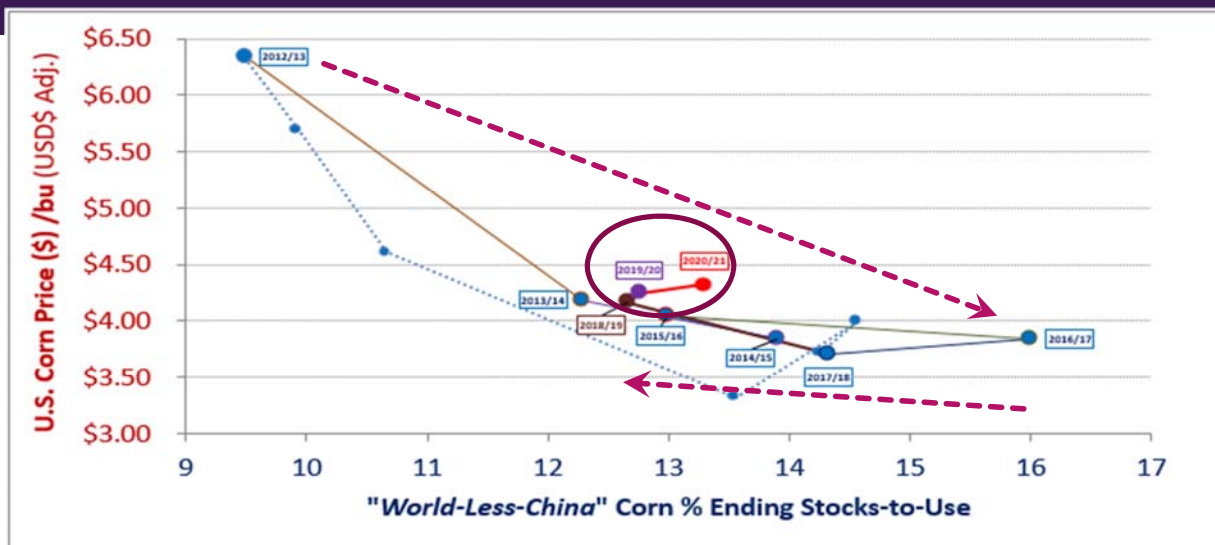


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U.S. Corn $\$$ USD-adj vs World^{Less China} %Stx/Use

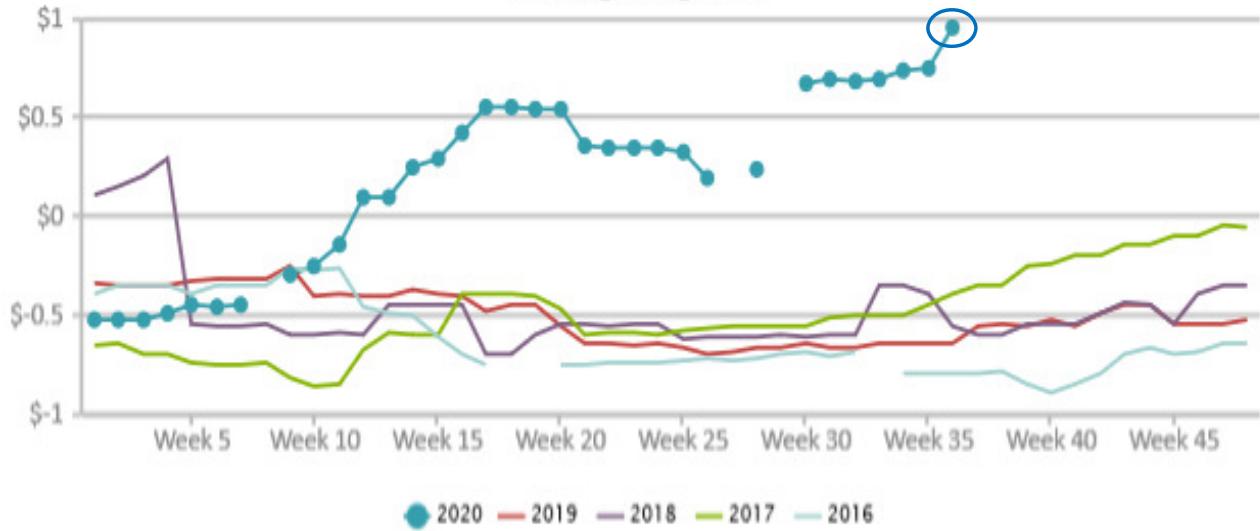
MY 2007/08 through "New Crop" MY 2020/21





SALINA, KS: Grain Sorghum Basis - CARGILL

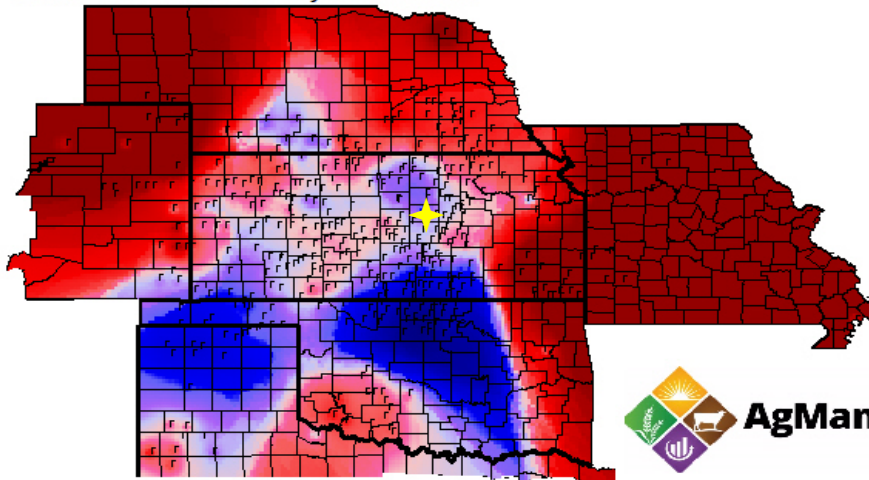
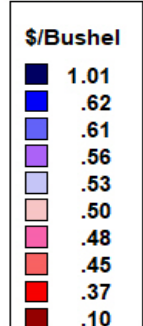
www.AgManager.info



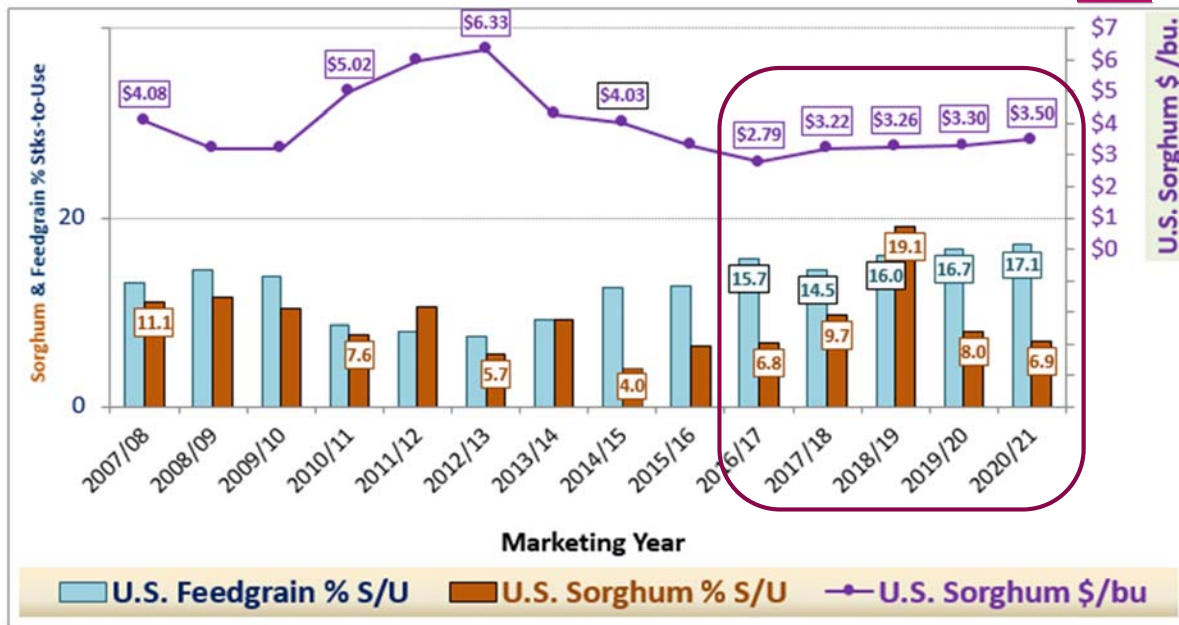
Grain Sorghum Basis, 09-23-2020

Basis = Cash Price - Nearby Futures Price

CBT Corn
Dec Futures
Price: \$3.69



U.S. Sorghum % Stocks/Use vs Price\$ 33



Wheat Markets

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U.S. Wheat Stocks.....

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- **All U.S. Wheat:** “Large but Declining” Stocks
 - End Stocks ^{2020/21} ⇒ 925 mln bu (1.044 bb last year)
 - % Stocks/Use ^{2020/21} ⇒ 44.3% S/U (50.7% Stx/Use last year)
- **U.S. HRW Wheat:** “Large but trending Lower” Carryover
 - End Stocks ^{2020/21} ⇒ 385 mln bu (521 mb last year)
 - % Stocks/Use ^{2020/21} ⇒ 46.1% S/U (62.8% Stx/Use last year)

Table 1a. U.S. Wheat Supply-Demand Balance Sheet: “New Crop” MY 2020/21 as of the September 11, 2020 USDA WASDE report with KSU Adjustments

| Item | USDA 2020/21 | KSU Scenario #2 MY 2020/21 <i>Lower 2020 Production</i> | KSU Scenario #3 MY 2020/21 <i>Higher U.S. Exports</i> |
|---|-----------------|---|---|
| % Probability of Occurring (KSU est.) | 50% prob. | 25% prob. | 25% prob. |
| Planted Area (million acres) | 44,250 | 44,250 | 44,250 |
| Harvested Area (million acres) | 36,678 | 36,678 | 36,678 |
| % Harvested/Planted Area | 82.89% | 82.89% | 82.89% |
| Yield / harvested acre (bu/ac) | 50.1 | 48.75 | 50.1 |
| | Million Bushels | | |
| Beginning Stocks (million bushels) | 1,044 | 1,044 | 1,044 |
| Production (million bu.) | 1,838 | 1,788 | 1,838 |
| Imports (million bu.) | 130 | 130 | 130 |
| Total Supply (million bu.) | 3,011 | 2,961 | 3,011 |
| Food Use | 960 | 960 | 960 |
| Seed Use | 61 | 61 | 61 |
| Exports | 975 | 975 | 1,025 |
| Feed & Residual Use | 90 | 90 | 90 |
| Total Use | 2,086 | 2,086 | 2,136 |
| Ending Stocks (million bu.) | 925 | 875 | 875 |
| % Ending Stocks-to-Use | 44.34% | 41.95% | 40.96% |
| Days of Supply (% S/U x 365 days) | 162 days | 153 days | 149 days |
| U.S. Wheat Avg. Farm Price (\$/bushel) | \$4.50 | \$4.70 | \$4.90 |

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CME Kansas HRW Wheat Futures

Weekly Chart: October 14, 2018 – September 25, 2020

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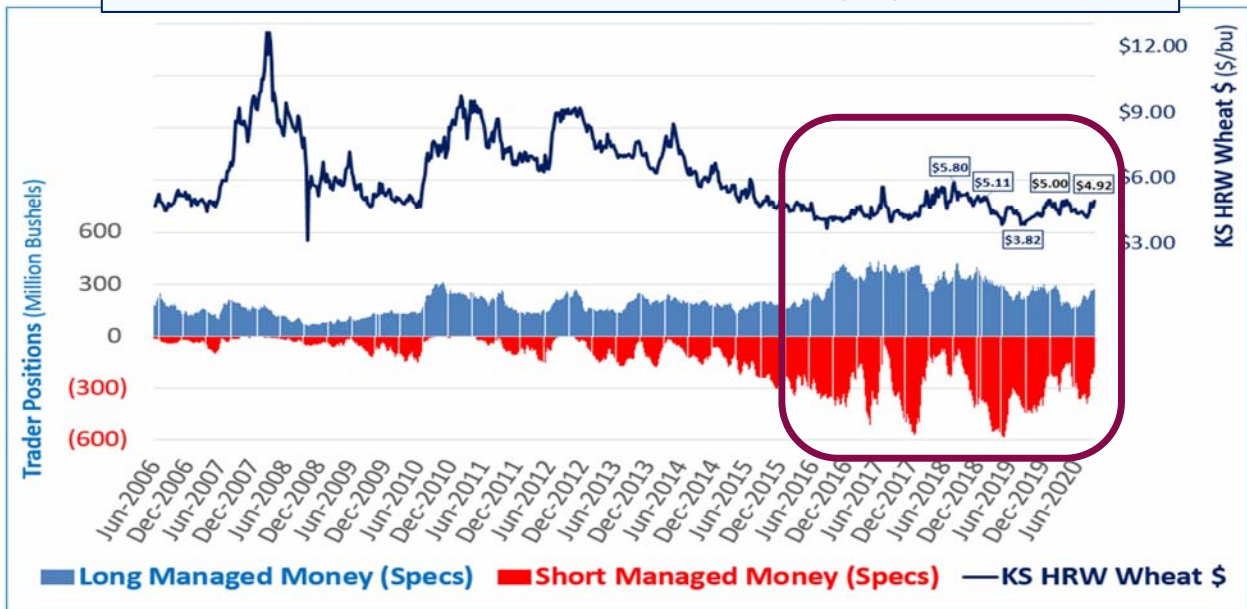


TFC Commodity Charts



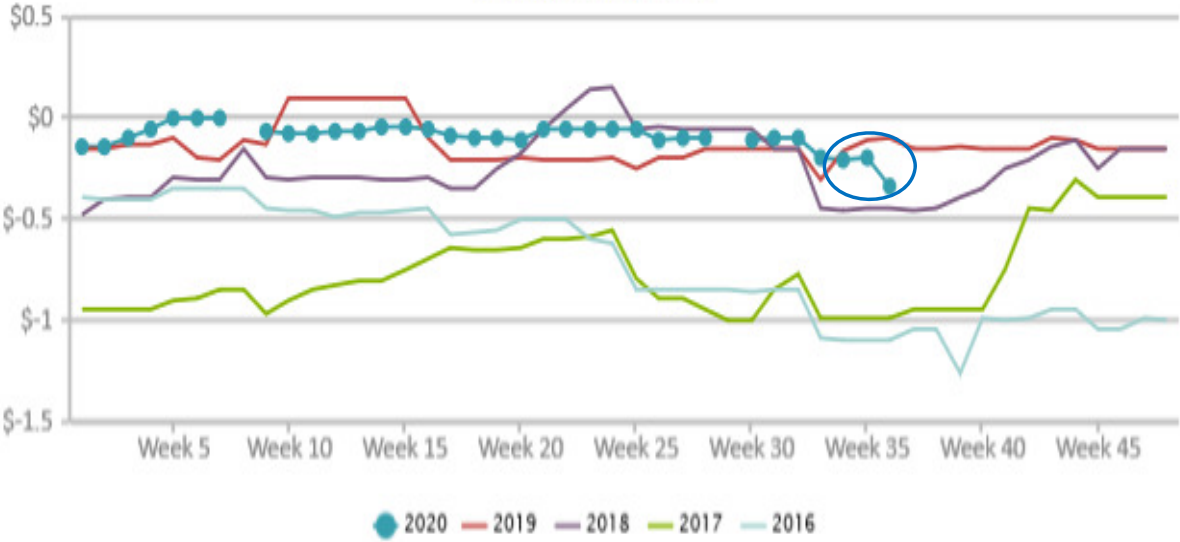
Managed Money (Spec) Positions in HRW Wheat

CFTC Commitment of Traders to 9/22/2020



SALINA, KS: Hard Red Winter Wheat Basis - CARGILL

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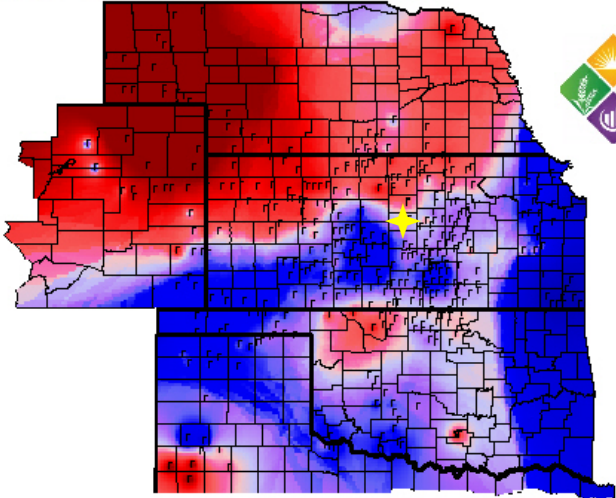


Wheat Basis, 09-23-2020

Basis = Cash Price - Nearby Futures Price

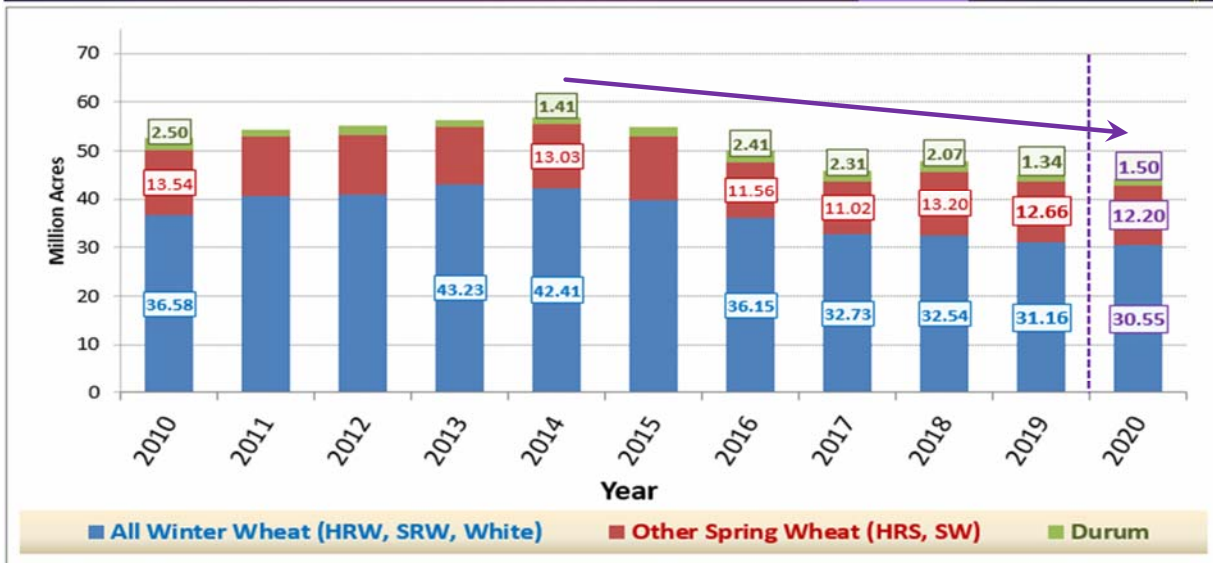
KCBT Dec
Futures
Price: \$4.84

| \$/Bushel | |
|-----------------|------|
| Dark Blue | .15 |
| Blue | -.32 |
| Light Blue | -.33 |
| Very Light Blue | -.34 |
| White | -.36 |
| Light Pink | -.37 |
| Medium Pink | -.38 |
| Red | -.39 |
| Dark Red | -.44 |
| Black | -.49 |



U.S. Wheat Seeded Acreage

41



U.S. Wheat Planted & Harvested Acres

42

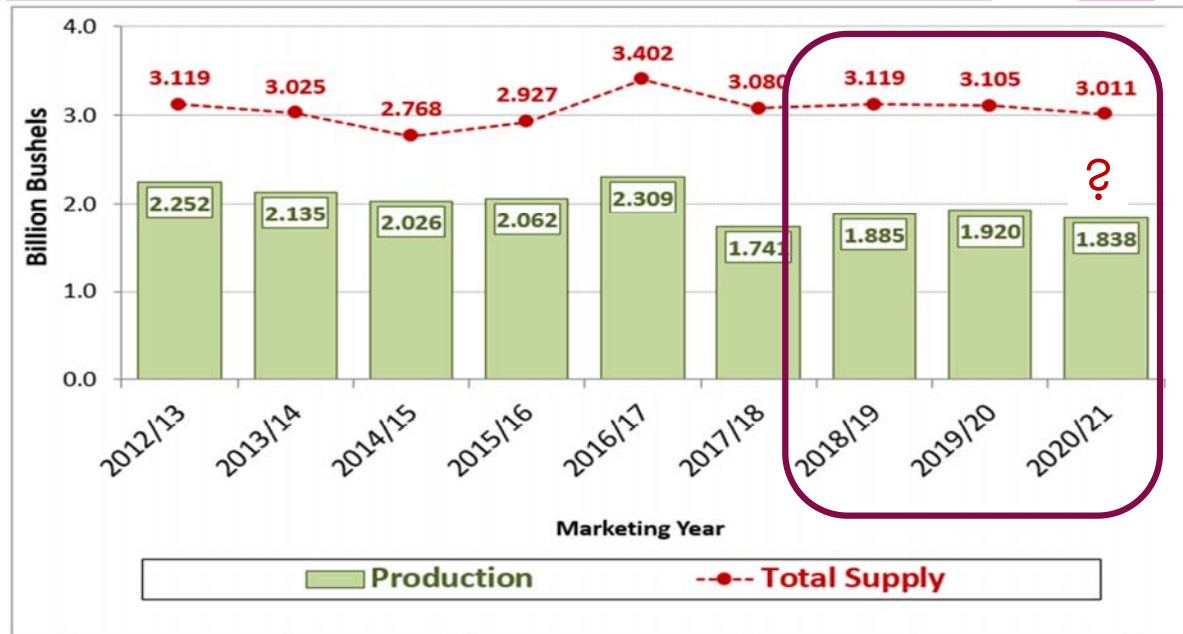




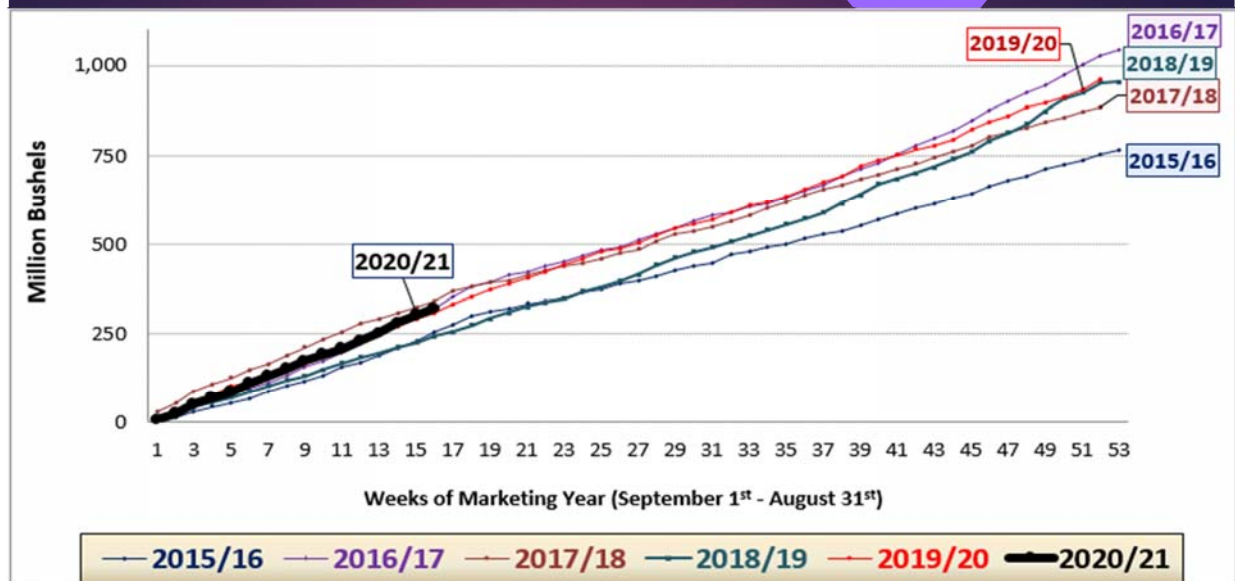
U.S. Wheat Yield



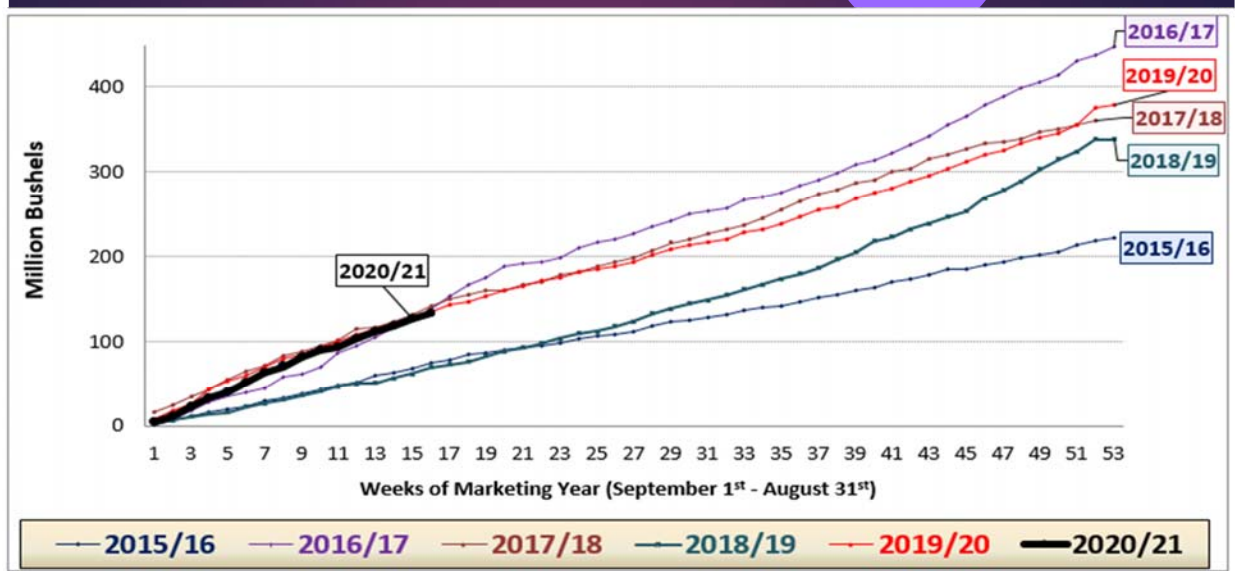
U.S. Wheat Production & Supplies



U.S. All Wheat Exports – Weekly thru September 17, 2020

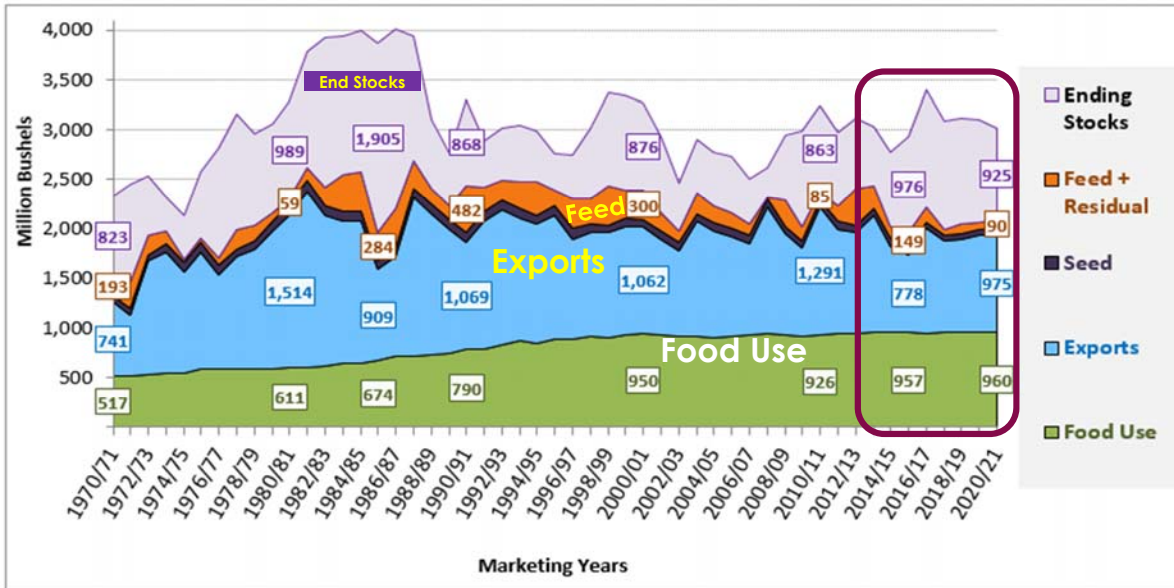


U.S. HRW Wheat Exports – Weekly thru Sept. 17, 2020



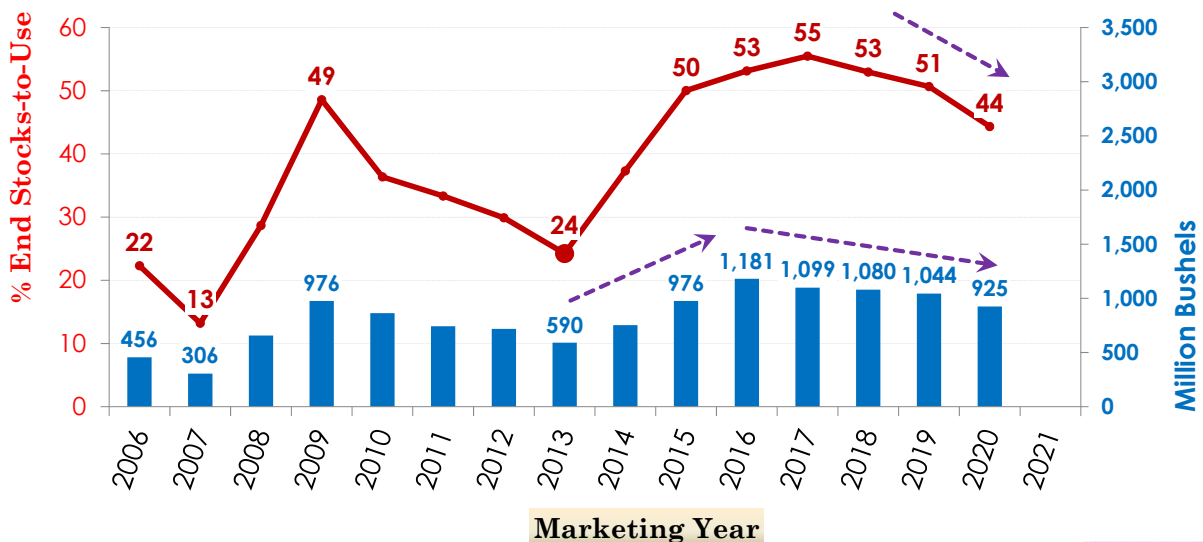
U.S. Wheat Use – By Category

47



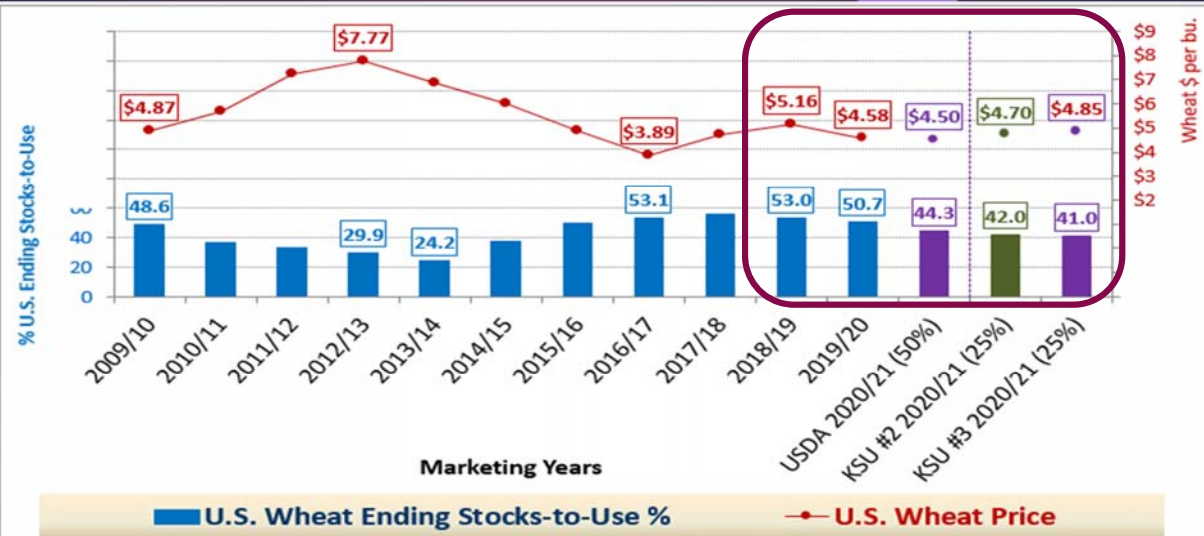
U.S. Wheat Ending Stocks & % Stx/Use

48



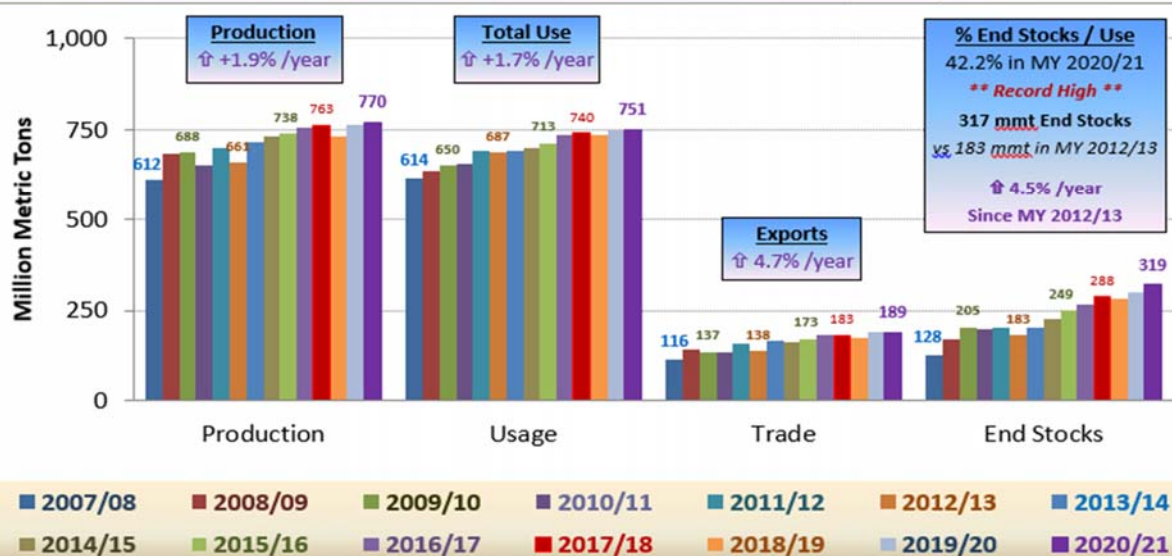
U.S. Wheat Ending Stocks/Use & Prices

49



World Wheat Supply, Use & Stocks

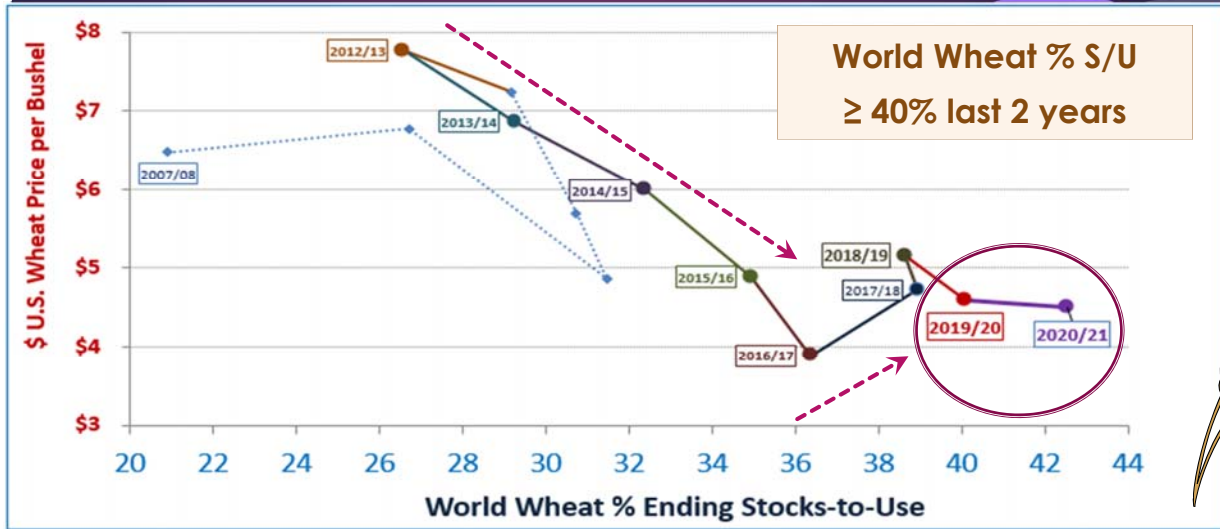
50



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

51

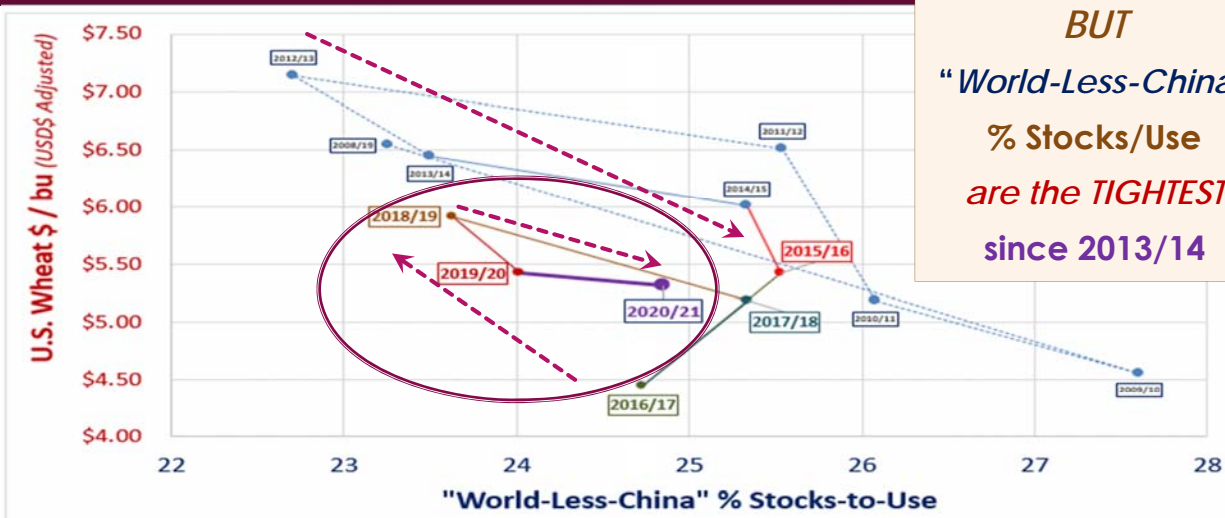
MY 2007/08 – “New Crop” MY 2020/21



U.S. Wheat \$ vs Non-China % Stx/Use

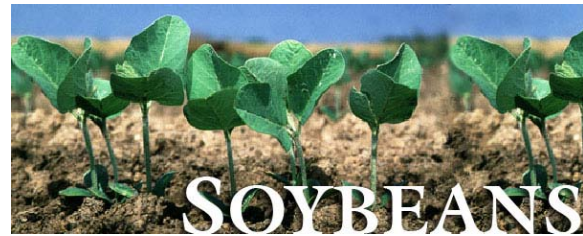
52

MY 2008/09 – “New Crop” MY 2020/21



Soybean & Cotton Markets

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KANSAS STATE
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Department of Agricultural Economics

U.S. Soybean Market Prospects in 2018-19

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A. U.S.-China Trade Dispute

- *HAD* affected U.S. Soybean export shipments, forward purchases & prices, with recent positive negotiation news

B. BUT U.S. Exports forecast *UP 26.5%+* vs 1 year ago

- Aggressive buying *from U.S. &/or South America* by China

C. Market Focus in Fall-Winter 2020-21

- **2021 So. America** crops in response to 2020 China demand

U.S. Soybean & Cotton Stocks.....

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- **Soybean: “Large” Stocks & % S/U**
 - **End Stocks** 2020/21 ⇒ 460 mln bu (Down vs 575 mb last year)
 - **% Stocks/Use** 2020/21 ⇒ 10.4% S/U (Down vs 14.7% last year)

- **Cotton: Large % Stocks/Use & Lower \$'s in MY 2020/21**
 - **Production** 2020/21 ⇒ 17.1 mln bales (19.9 & 18.4 mb last 2 years)
 - **End Stocks** 2020/21 ⇒ 7.2 mln bales (7.25 & 4.85 mb last 2 years)
 - **% Stocks/Use** 2020/21 ⇒ 42.1% S/U (41.0% & 27.2% last 2 years)

Table 1a. U.S. Soybean Supply-Demand Balance Sheet: “Current” MY 2019/20 and “New Crop” MY 2020/21 as of the September 11, 2020
 USDA WASDE reports, with Alternative KSU Soybean Market Scenarios

| Item | 2019/20 | USDA Scenario #1 Sept. 11, 2020 2020/21 | KSU Scenario #2 +100 mb Exports 2020/21 | KSU Scenario #3 +200 mb Exports 2020/21 | KSU Scenario #3 -250 mb Production 2020/21 |
|---|-----------|---|---|---|--|
| <i>% Probability of Occurring (KSU)</i> | | 40% ^{KSUest} | 35% ^{KSUest} | 15% ^{KSUest} | 10% ^{KSUest} |
| Planted Area (million acres) | 76.100 | 83.825 | 83.825 | 83.825 | 83.825 |
| Harvested Area (million acres) | 74.951 | 83.020 | 83.020 | 83.020 | 83.020 |
| % Harvested/Planted Area | 98.49% | 99.04% | 99.04% | 99.04% | 99.04% |
| Yield / harvested acre (bu/ac) | 47.4 | 51.9 | 51.9 | 51.8 | 48.3 |
| Beginning Stocks (million bushels) | 909 | 575 | 575 | 575 | 575 |
| Production (million bu.) | 3,552 | 4,313 | 4,313 | 4,313 | 4,063 |
| Imports (million bu.) | 16 | 15 | 15 | 15 | 15 |
| Total Supply (million bu.) | 4,477 | 4,903 | 4,903 | 4,903 | 4,653 |
| Domestic Crushings | 2,170 | 2,180 | 2,180 | 2,180 | 2,180 |
| Exports | 1,680 | 2,125 | 2,225 | 2,325 | 2,125 |
| Seed | 97 | 100 | 100 | 100 | 100 |
| Residual | -45 | 38 | 38 | 38 | 38 |
| Total Use | 3,903 | 4,442 | 4,542 | 4,642 | 4,442 |
| Ending Stocks | 575 | 460 | 360 | 260 | 211 |
| % Ending Stocks-to-Use | 14.73% | 10.36% | 7.95% | 5.60% | 4.75% |
| Days of Supply (% S/U x 365 days) | 53.8 days | 37.8 days | 29.0 days | 20.4 days | 17.3 days |
| U.S. Avg. Farm Price (\$/bu) | \$8.55 | \$9.25 | \$9.75 | \$11.00 | \$12.25 |

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CME Soybean Futures

Weekly Chart: November 4, 2017 – September 25, 2020

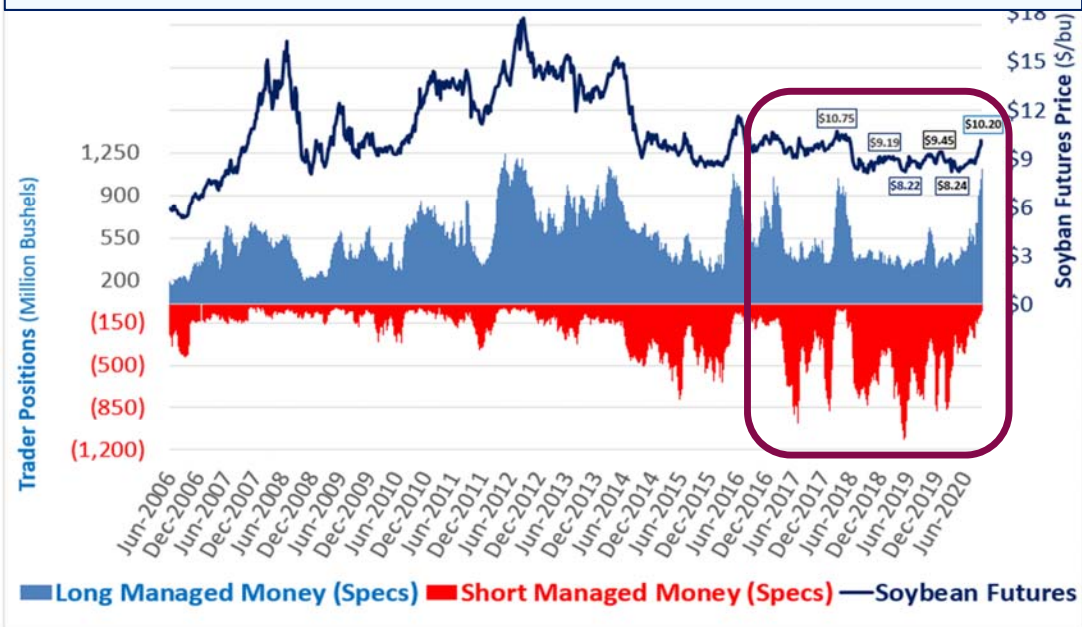
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TFC Commodity Charts



Managed Money (Spec) Positions in Soybeans

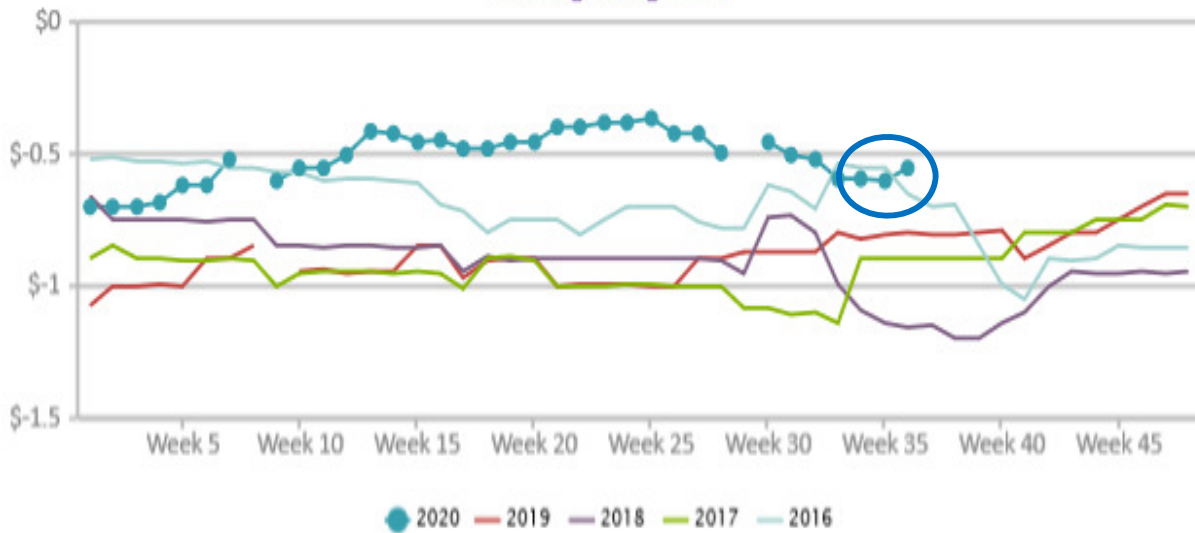
CFTC Commitment of Traders to 9/22/2020



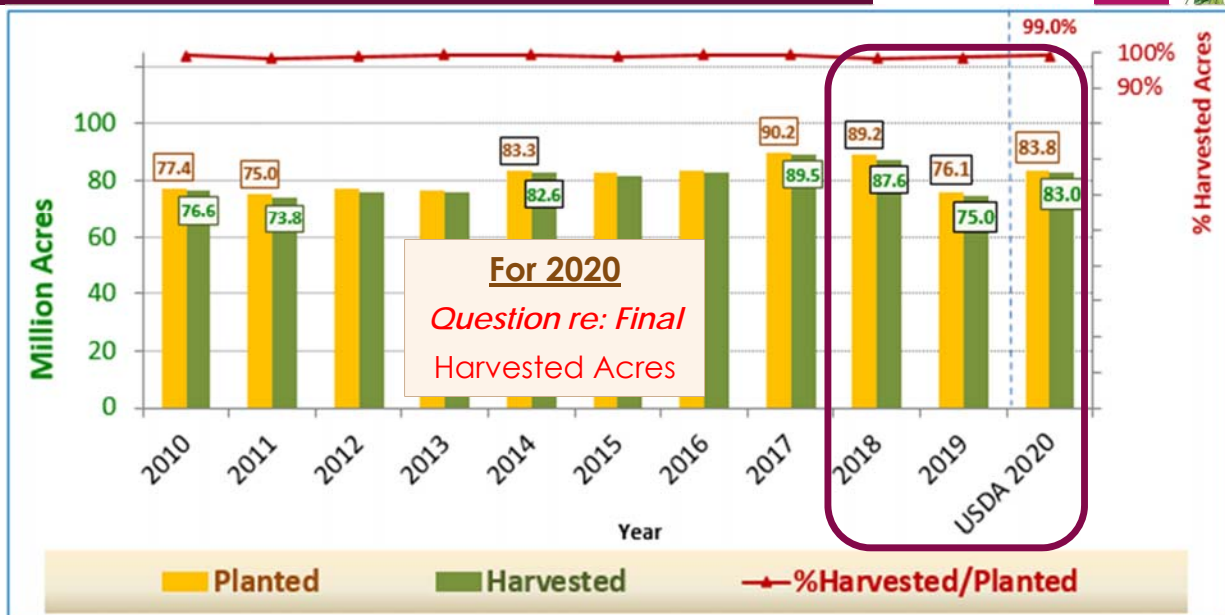


SALINA, KS: Soybeans Basis - CARGILL

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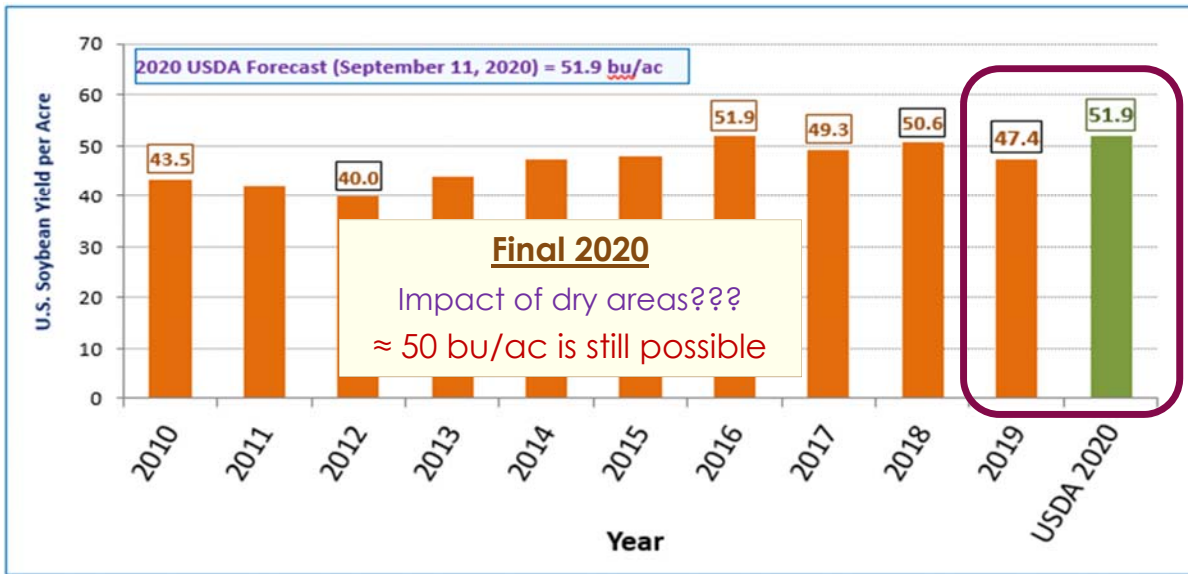
U.S. Soybean Acreage



U.S. Soybean Yields

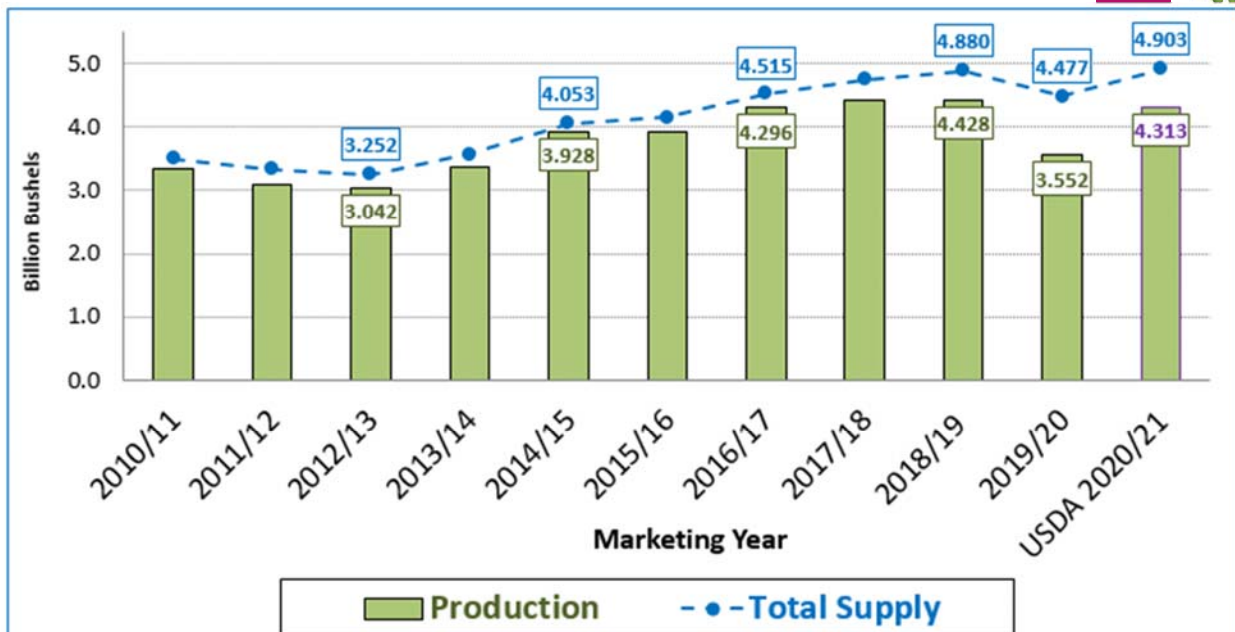
USDA 2020 = 51.9 bu/ac

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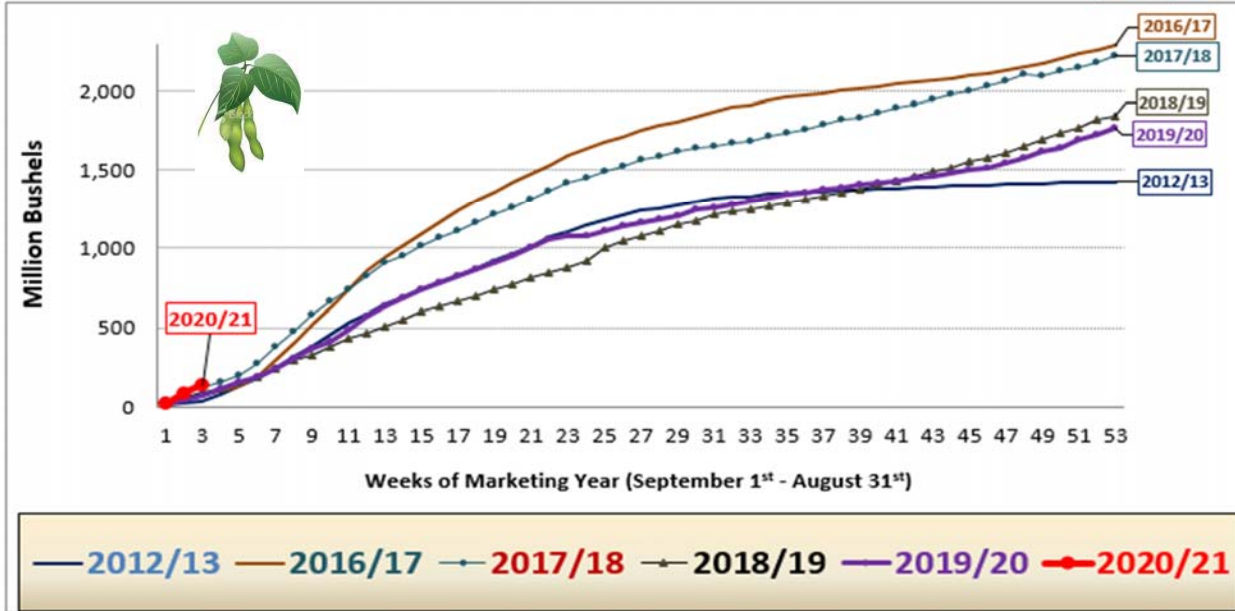


U.S. Soybean Production & Supplies

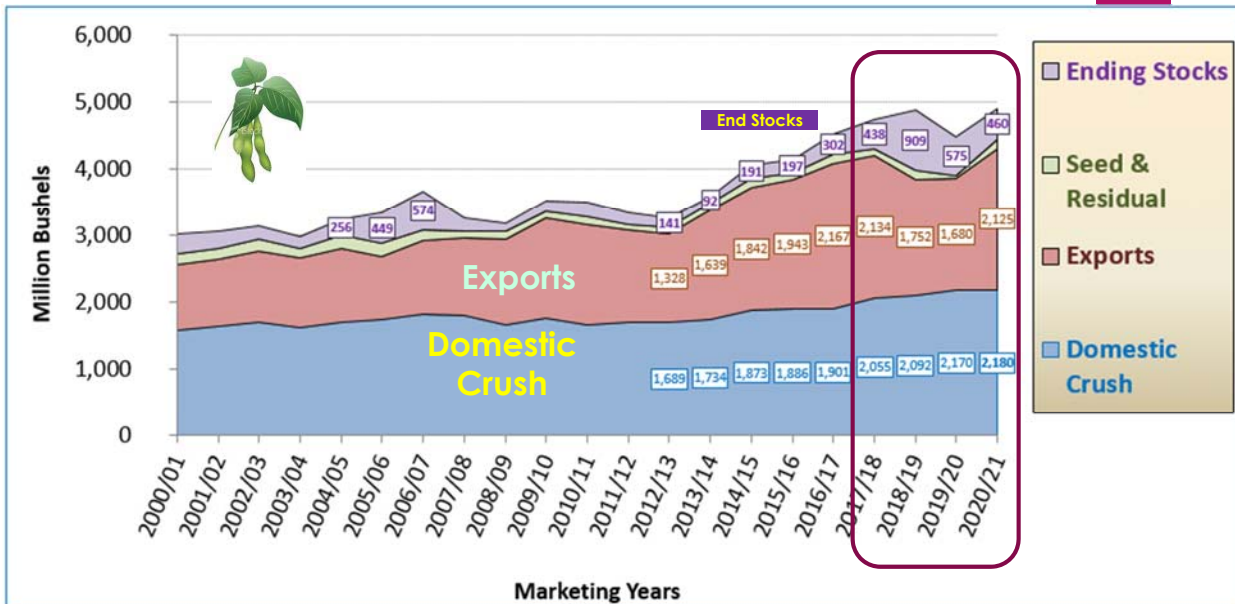
62



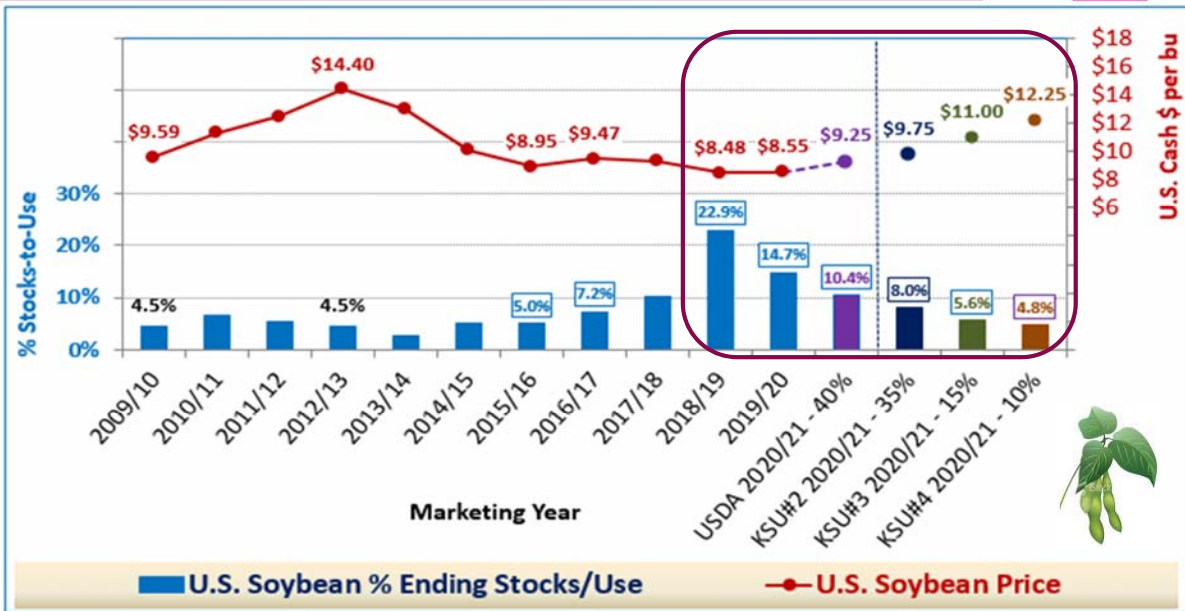
U.S. Soybean Exports – Weekly thru Sept. 17, 2020



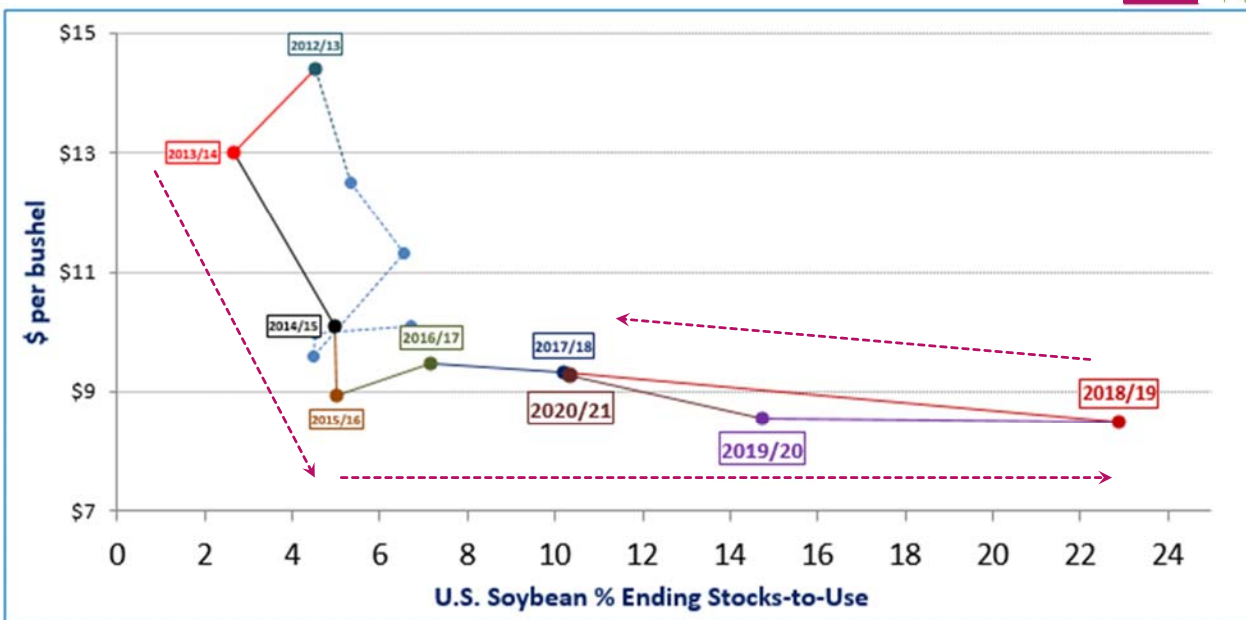
U.S. Soybean Use & End Stocks



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

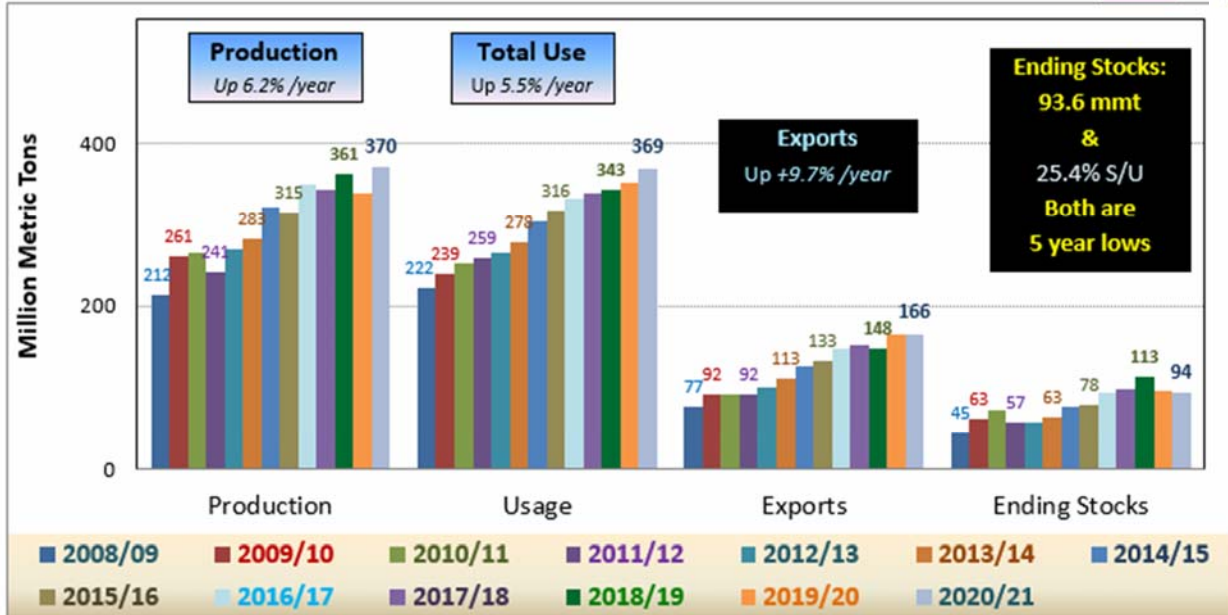


U.S. Soybean % Stocks/Use vs Price\$



World Soybean Supply, Use & Stocks

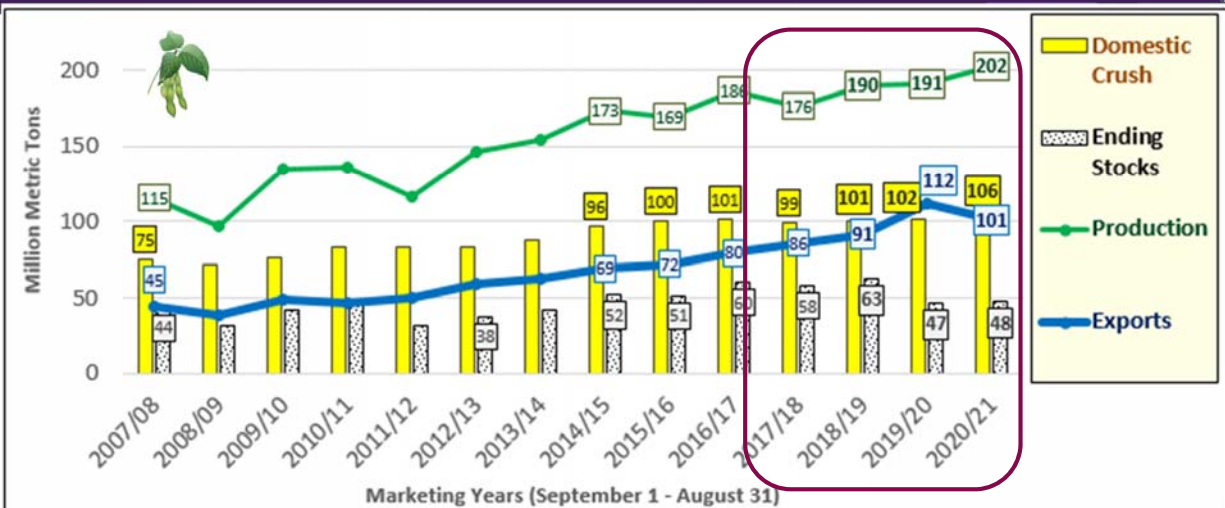
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So. America Soybean Supply-Demand

MY 2007/08 through "New Crop" MY 2020/21

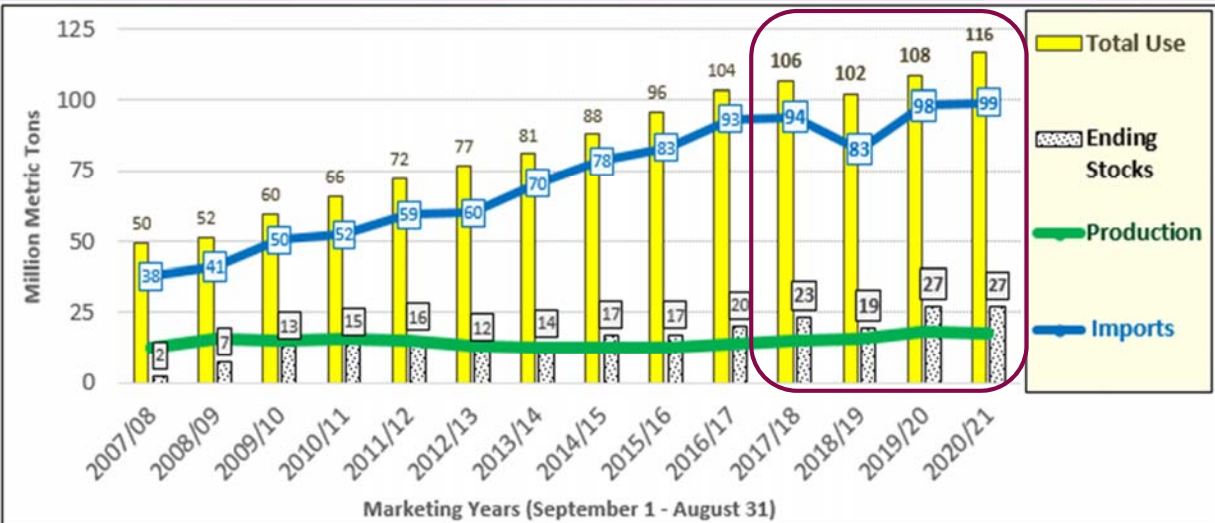


China Soybean Supply-Demand

69

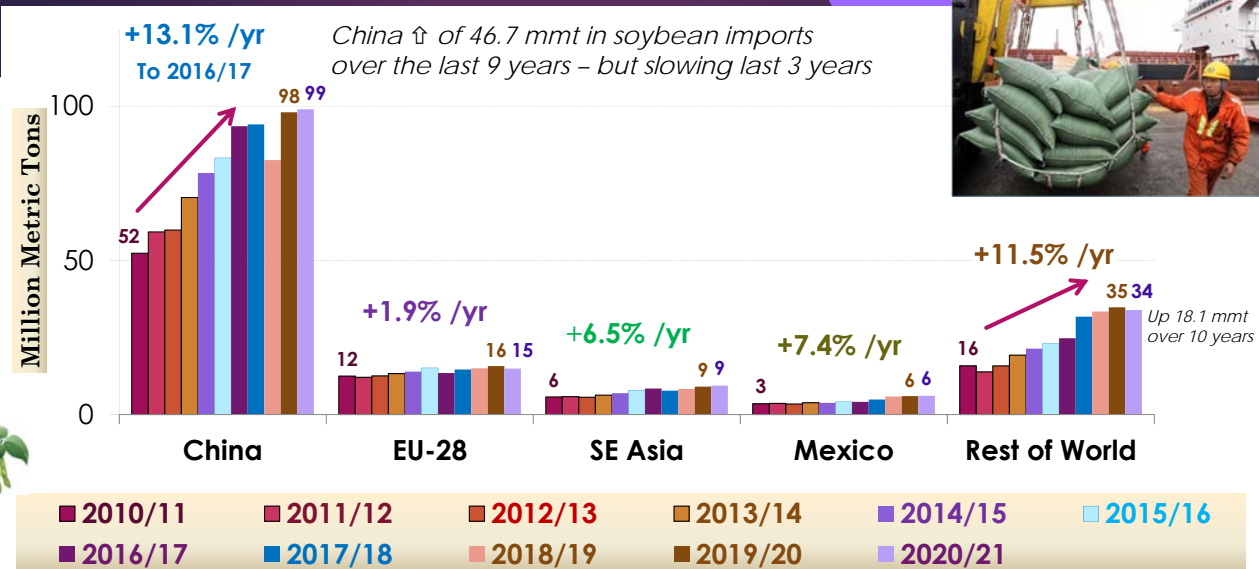


MY 2007/08 through "New Crop" MY 2020/21



Soybean Importer Purchases

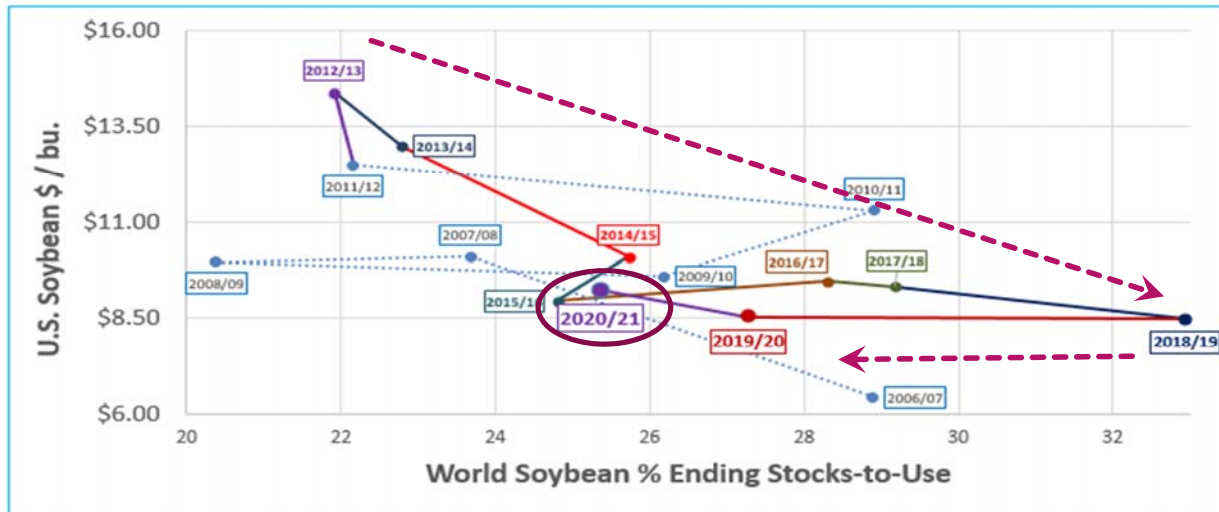
70



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

MY 2007/08 through "New Crop" MY 2020/21

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World Cotton Production

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| Country or Region | 2019/2020 estimate | 2020/2021 forecast | Change from August 10 | Change from 2019/2020 |
|---------------------------|--------------------|--------------------|-----------------------|-----------------------|
| ----- Million bales ----- | | | | |
| World | 122.0 | 117.2 | -0.3 | -4.8 |
| United States | 19.9 | 17.1 | -1.0 | -2.8 |
| Foreign | 102.1 | 100.1 | 0.7 | -1.9 |
| Argentina | 1.4 | 1.3 | -- | -0.1 |
| Brazil | 13.4 | 12.0 | -- | -1.4 |
| Turkey | 3.5 | 2.8 | -0.2 | -0.7 |
| Australia | 0.6 | 2.1 | 0.2 | 1.5 |
| China | 27.3 | 27.3 | 0.8 | -- |
| India | 29.5 | 30.0 | 0.3 | 0.5 |
| Pakistan | 6.2 | 6.2 | -0.3 | -- |
| Uzbekistan | 3.5 | 3.3 | -- | -0.3 |
| Turkmenistan | 0.9 | 1.0 | -- | 0.1 |
| African Franc Zone | 5.9 | 5.5 | -0.1 | -0.4 |

-- No change.

U.S. Cotton Supply and Demand

| Item | 2019/2020 | | 2020/2021 | | |
|--------------------------------|-----------|-----------------------|-----------|-----------------------|-----------------------|
| | Estimate | Change from August 10 | Forecast | Change from August 10 | Change from 2019/2020 |
| Planted area (million acres) | 13.74 | -- | 12.12 | -0.07 | -1.62 |
| Harvested area (million acres) | 11.61 | -- | 9.01 | -0.24 | -2.61 |
| Yield (pounds per acre) | 823 | -- | 910 | -28 | 87 |
| ----- Million bales ----- | | | | | |
| Beginning stocks | 4.85 | -- | 7.25 | 0.05 | 2.40 |
| Production | 19.91 | -- | 17.06 | -1.02 | -2.85 |
| Imports | 0.00 | -- | 0.00 | -- | -- |
| Total supply | 24.77 | -- | 24.32 | -0.97 | -0.45 |
| Mill use | 2.15 | -0.05 | 2.50 | -0.20 | 0.35 |
| Exports | 15.53 | 0.13 | 14.60 | -0.40 | -0.93 |
| Total use | 17.68 | 0.08 | 17.10 | -0.60 | -0.58 |
| Unaccounted | -0.16 | -0.13 | 0.02 | 0.03 | 0.18 |
| Ending stocks | 7.25 | 0.05 | 7.20 | -0.40 | -0.05 |
| ----- Percent ----- | | | | | |
| Stocks to use ratio | 41.0 | 0.1 | 42.1 | -0.8 | 1.1 |
| ----- Cents per pound ----- | | | | | |
| Average market price | 59.50 | -- | 59.00 | -- | -0.50 |

-- No change.

September 11, 2020



Questions?

Daniel O'Brien – Extension Ag Economist

Blog: www.ksugrains.wordpress.com

KSUGrains on Twitter

www.AgManager.info



KANSAS STATE UNIVERSITY

Department of Agricultural Economics