

# GRAIN MARKET OUTLOOK - 2021/2022

## REVENUE PROTECTION PRICE PROSPECTS

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2021 Kansas Crop Insurance Workshop

Salina, Kansas – October 21, 2021

## Key U.S. Grain Market Issues.....

### ❑ Feedgrains

- **Corn:** 15.0 bb crop<sup>2021</sup>, (+) Domestic Use, (-/? ) Inputs<sup>2022</sup>
- **Sorghum:** (+) U.S. Export prospects<sup>2022</sup>, (-/? ) Inputs<sup>2022</sup>

### ❑ Oilseeds

- **Soybeans:** 4.45 bb crop<sup>2021</sup>, ↑ U.S. & South America<sup>2022</sup>
- **Cotton:** Strong World Mkts, ↑ \$0.90 /lb<sup>2021/22</sup>, (-/? ) Inputs<sup>2022</sup>

❑ **Wheat:** “Tight” U.S., World End Stocks<sup>Exptd</sup>, (+) HRW U.S. Crop 2022

## I. Grain Futures Closes, Changes & Market Carry on Friday, October 15, 2021

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo
<b>Dec<sup>H</sup> 21</b>	<b>\$5.25 ¾</b>	↑ \$0.09	---	<b>Nov<sup>H</sup> 21</b>	<b>\$12.17 ¾</b>	↑ \$0.11 ½	---	<b>Dec<sup>H</sup> 21</b>	<b>\$7.43 ¾</b>	↑ \$0.12 ¾	---
Mar 22	\$5.34 ¼	↑ \$0.08 ½	\$0.02 <sup>833</sup>	Jan 22	\$12.26 ¼	↑ \$0.10 ¾	\$0.04 <sup>25</sup>	Mar 22	\$7.50 ¾	↑ \$0.12 ¾	\$0.02 <sup>333</sup>
May 22	\$5.38 ¾	↑ \$0.07 ¾	\$0.02 <sup>25</sup>	Mar 22	\$12.35 ¼	↑ \$0.11	\$0.04 <sup>50</sup>	May 22	\$7.53 ¾	↑ \$0.11 ½	\$0.01 <sup>50</sup>
July 22	\$5.39 ½	↑ \$0.07 ¾	\$0.00 <sup>375</sup>	May 22	\$12.44 ½	↑ \$0.10 ¾	\$0.04 <sup>625</sup>	<b>July 22</b>	<b>\$7.45 ¾</b>	↑ \$0.10 ¾	No Carry
Sept 22	\$5.25 ½	↑ \$0.06 ½	No Carry	July 22	\$12.50 ½	↑ \$0.10 ½	\$0.03	Sept 22	\$7.47 ¾	↑ \$0.09 ½	\$0.01
<b>Dec<sup>H</sup> 22</b>	<b>\$5.23</b>	↑ \$0.06 ¾	No Carry	Aug 22	\$12.46 ½	↑ \$0.10 ¾	No Carry	<b>Dec<sup>H</sup> 22</b>	<b>\$7.55 ¼</b>	↑ \$0.08 ¾	\$0.02 <sup>50</sup>
Mar 23	\$5.29 ½	↑ \$0.07	\$0.02 <sup>167</sup>	Sep 22	\$12.28 ½	↑ \$0.10	No Carry	Mar 23	\$7.55 ¼	↑ \$0.07 ¾	No Carry
May 23	\$5.31 ¼	↑ \$0.07	\$0.00 <sup>875</sup>	<b>Nov<sup>H</sup> 22</b>	<b>\$12.22 ¼</b>	↑ \$0.10 ½	No Carry	May 23	\$7.47 ¼	↑ \$0.09 ½	No Carry

## Kansas Cash & Futures Prices

Cash Market Spot & FC Bids	Kansas Grain Elevator Locations					
	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$5.36	\$5.26	\$5.08	\$5.08	\$5.51	\$5.06
Corn Harvest FC\$: October <sup>2022</sup>	\$4.98	\$4.98	\$4.88	\$5.23	\$5.03	\$4.83
Grain Sorghum Spot Cash\$	\$5.36	\$5.40	\$5.55	\$4.70	\$5.36	\$5.26
Grain Sorghum Harvest FC\$: October <sup>2022</sup>	\$4.73	\$4.93	\$4.63	\$4.88	\$4.88	\$4.63
Soybean Spot Cash\$	\$11.53	\$11.88	\$11.76	\$11.12	\$11.88	\$11.48
Soybean Harvest FC\$	\$11.22	\$11.57	\$11.67	\$11.27	\$11.42	\$11.72
KC HRW Wheat Spot Cash\$	\$7.08	\$7.29	\$7.44	\$7.24	\$7.44	\$6.93
KC HRW Wheat FC\$ - Harvest 2022	\$7.06	\$7.26	\$7.19	\$7.06	\$7.12	\$7.06

# Corn & Sorghum Markets



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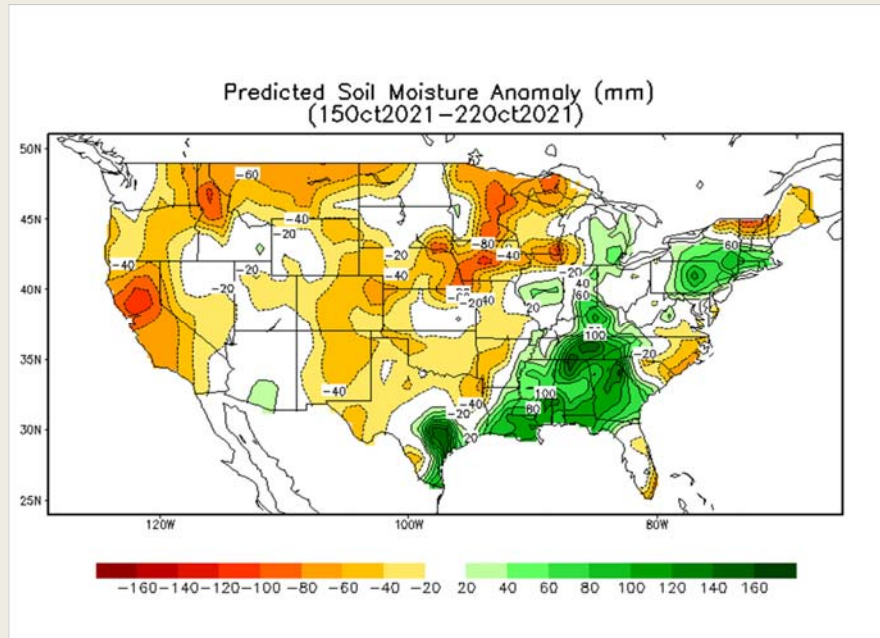
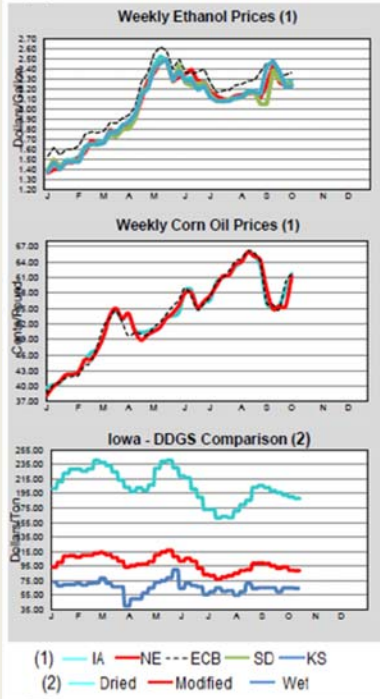
## Daily CME DEC 2021 Corn:

**\$5.25  $\frac{3}{4}$  /bu close**  
on Friday, October 15, 2021 DTN

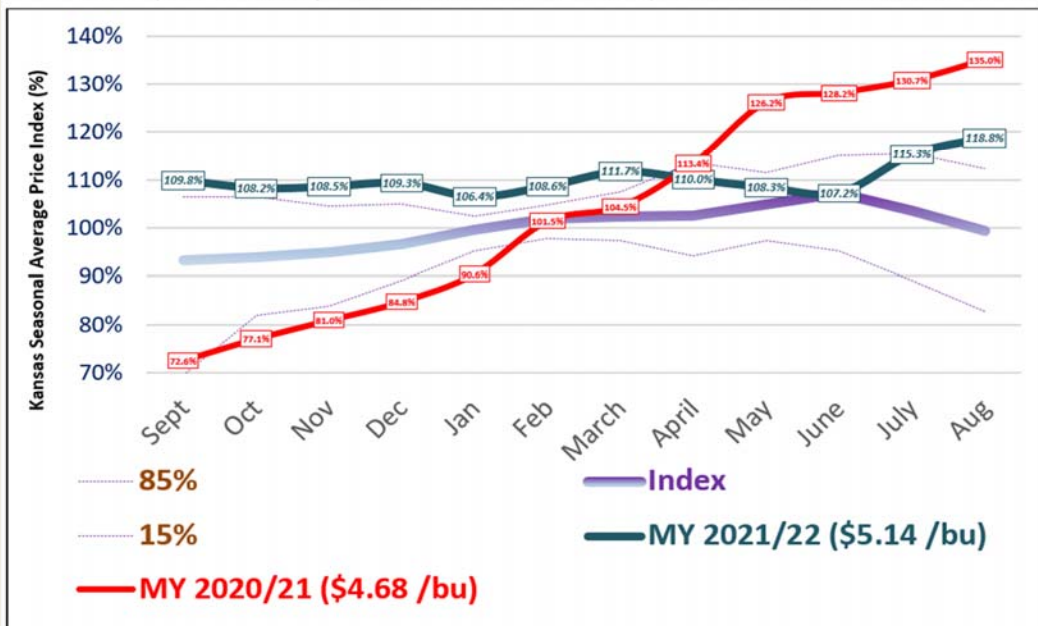


6

RSI  
≈ 50%



### Kansas Corn Seasonal Price Index: MY 1999/00 – MY 2019/20 plus "Old Crop" MY 2020/21 & "New Crop" MY 2021/22 as of October 18, 2021

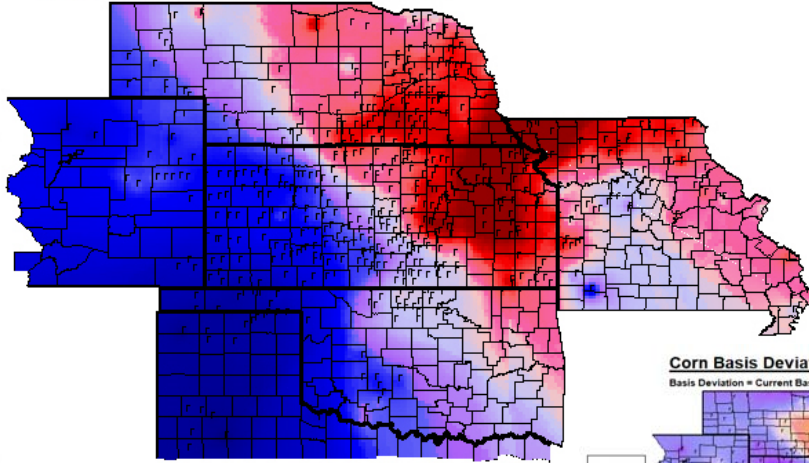
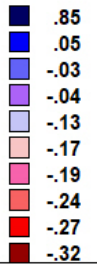


## Corn Basis, 10-13-2021

Basis = Cash Price - Nearby Futures Price

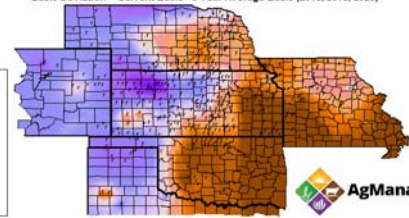
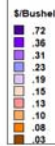
CBT Dec  
Futures  
Price: \$5.12

\$/Bushel



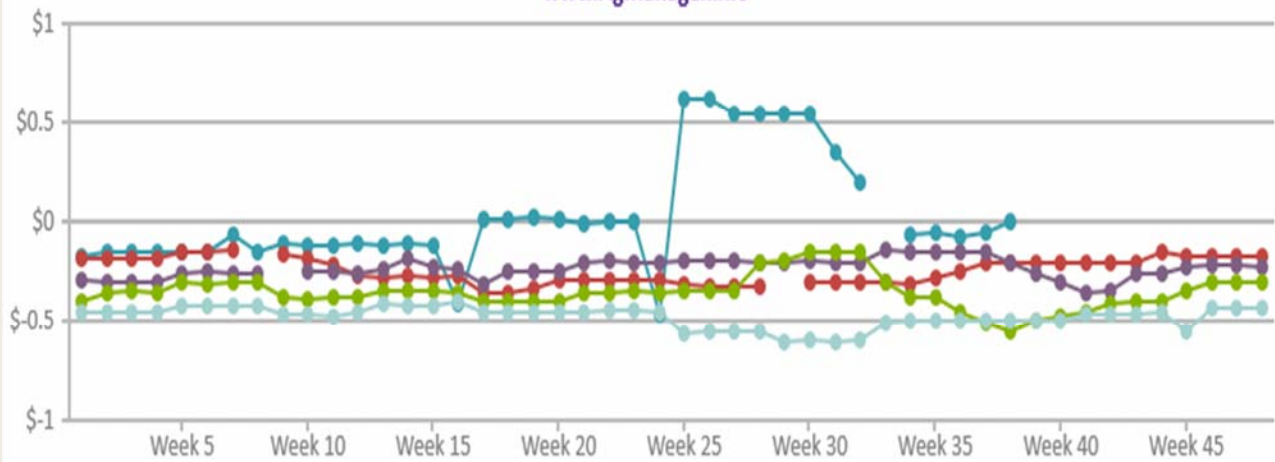
### Corn Basis Deviation, 10-13-2021

Basis Deviation = Current Basis - 3 Year Average Basis (2018, 2019, 2020)



## SALINA, KS: Corn Basis - CARGILL

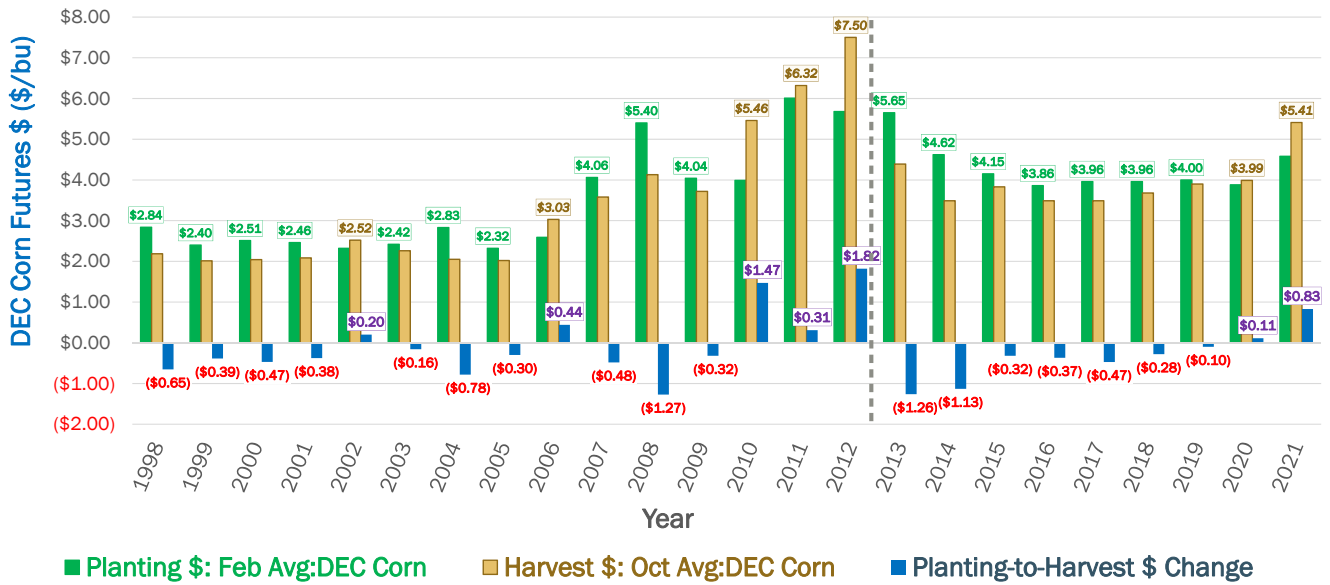
[www.AgManager.info](http://www.AgManager.info)



● 2021 ● 2020 ● 2019 ● 2018 ● 2017

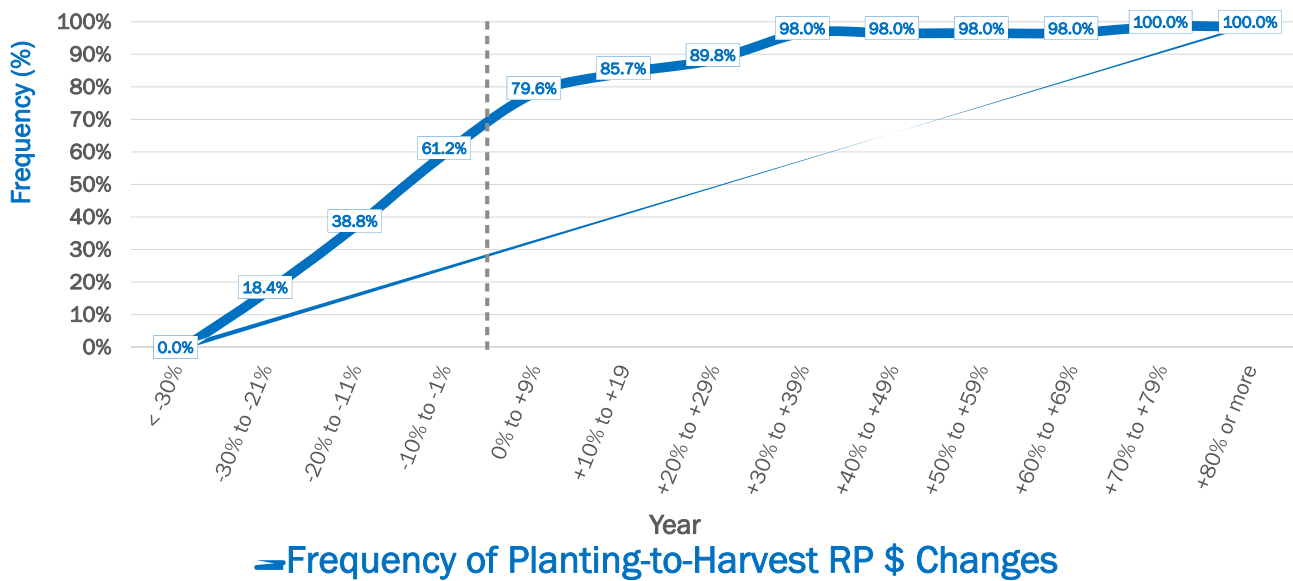
# Corn - Revenue Protection

Planting & Harvest Prices Kansas - Years 1998-2021



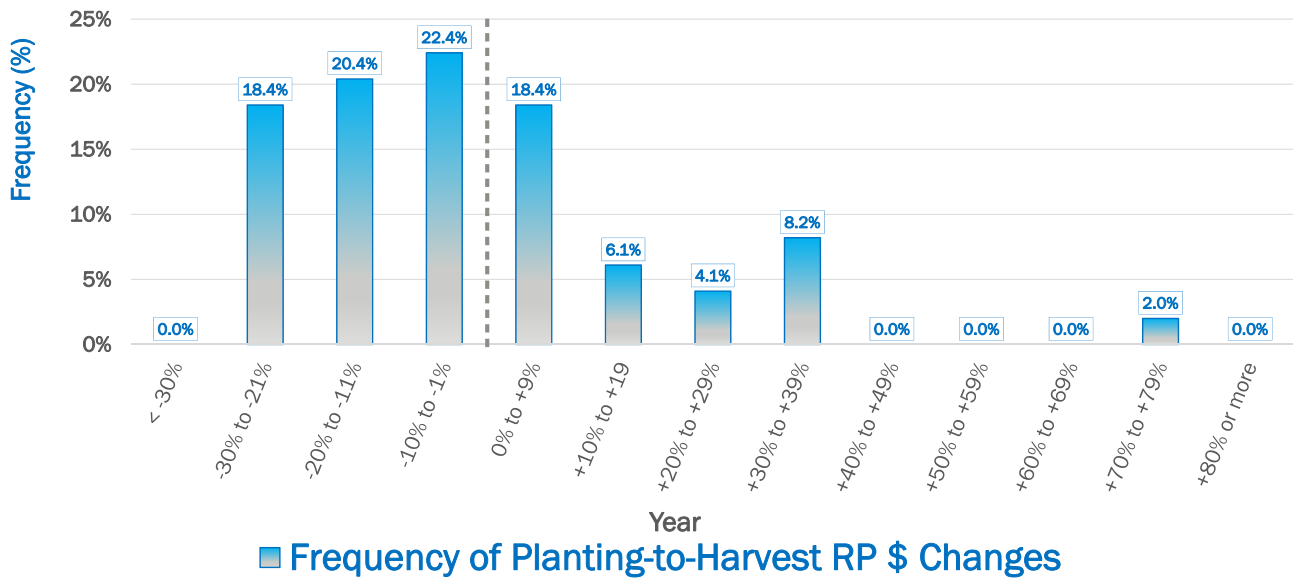
# Corn – Distribution of RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



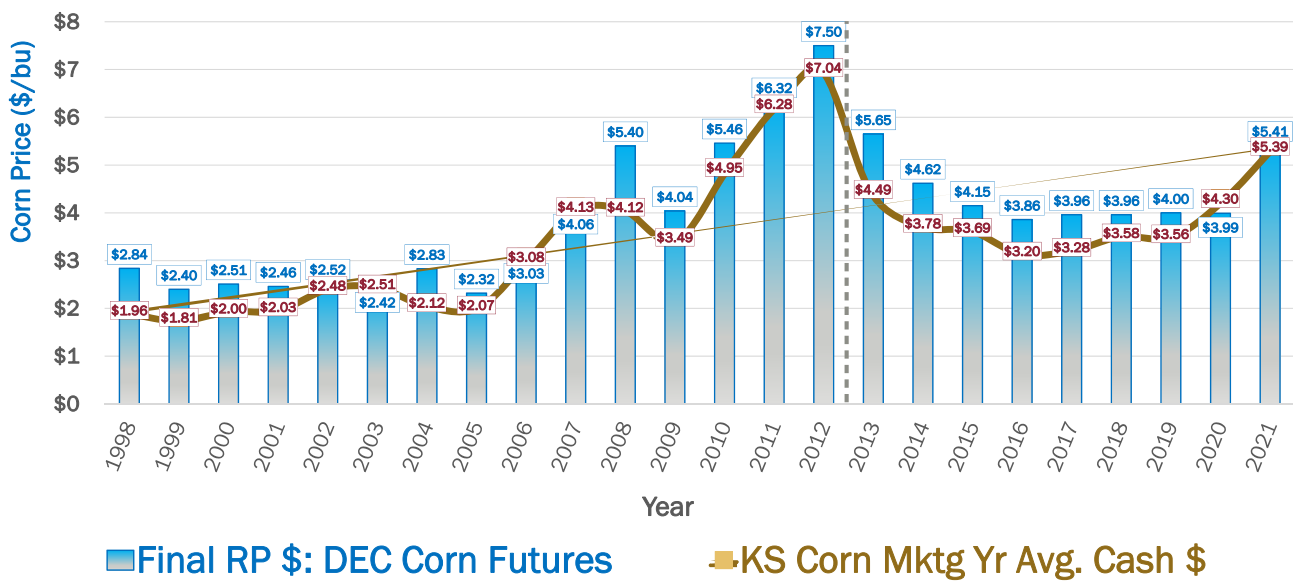
# Corn – Revenue Protection Price Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



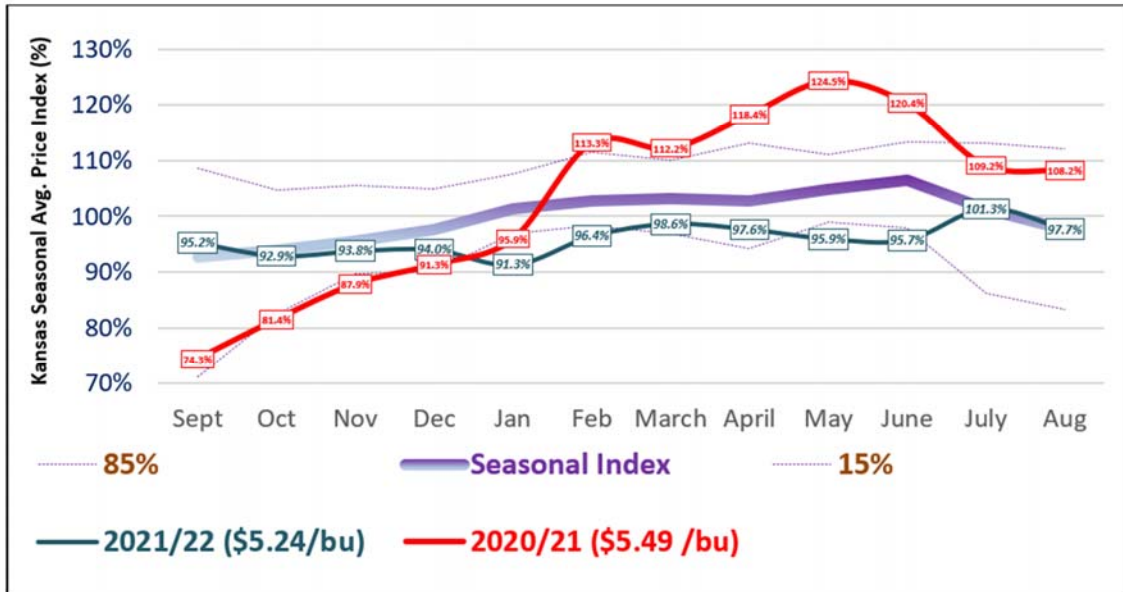
# Corn – Revenue Protection vs Cash \$ Prices

Final RP \$ Kansas vs MY Avg. \$ Kansas: Years 1998-2021



# Kansas Grain Sorghum Seasonal Price Index:

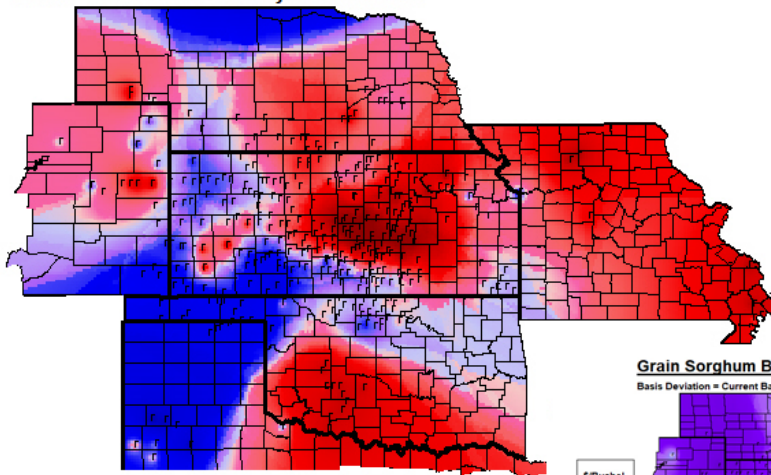
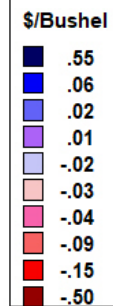
MY 1999/00 – MY 2020/21 plus MY 2020/21 & “New Crop” MY 2021/22 as of October 18, 2021



## Grain Sorghum Basis, 10-13-2021

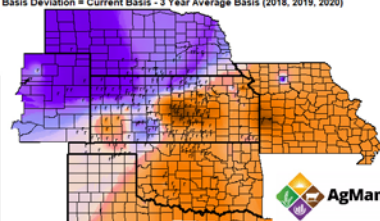
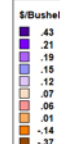
Basis = Cash Price - Nearby Futures Price

CBT Corn  
Dec Futures  
Price: \$5.12



### Grain Sorghum Basis Deviation, 10-13-2021

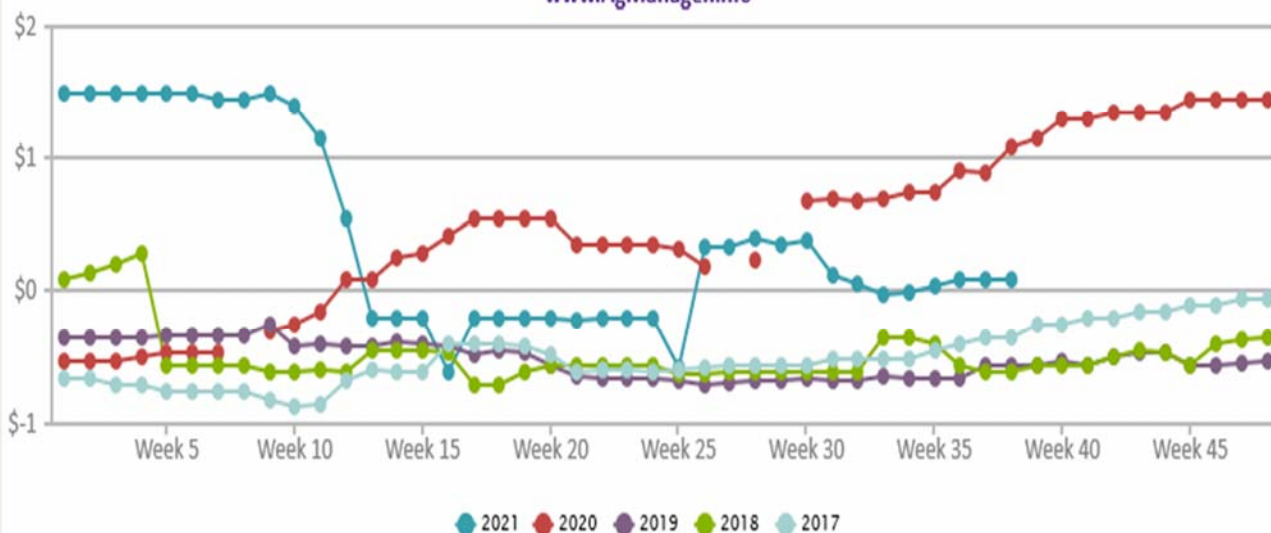
Basis Deviation = Current Basis - 3 Year Average Basis (2018, 2019, 2020)





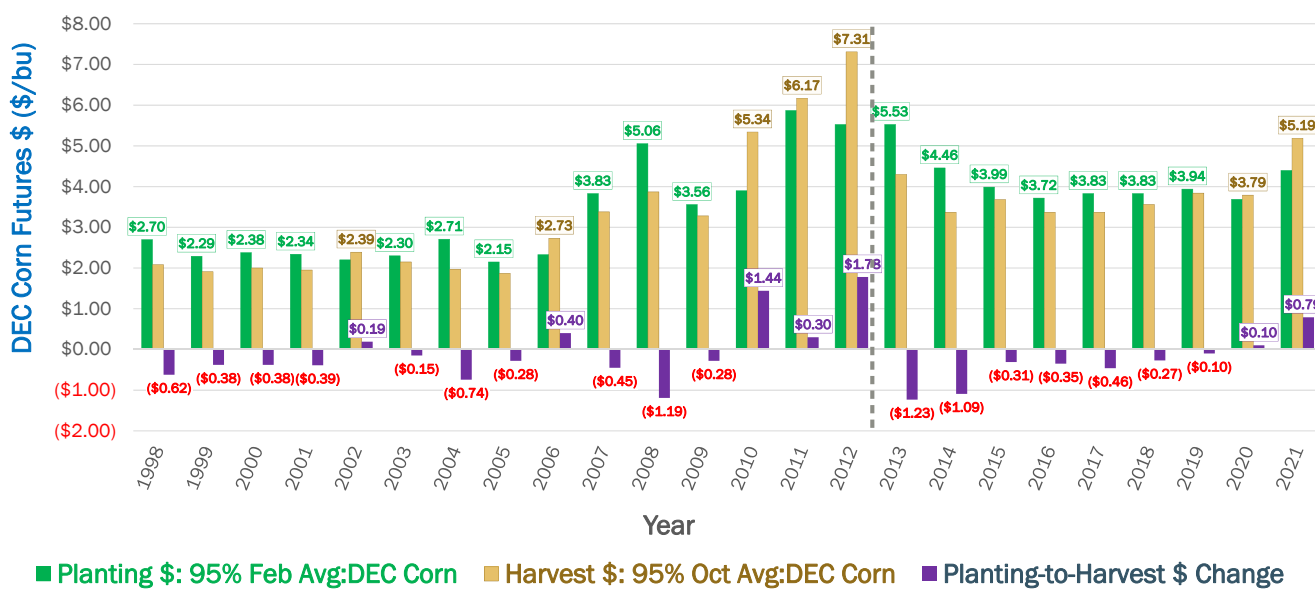
## SALINA, KS: Grain Sorghum Basis - CARGILL

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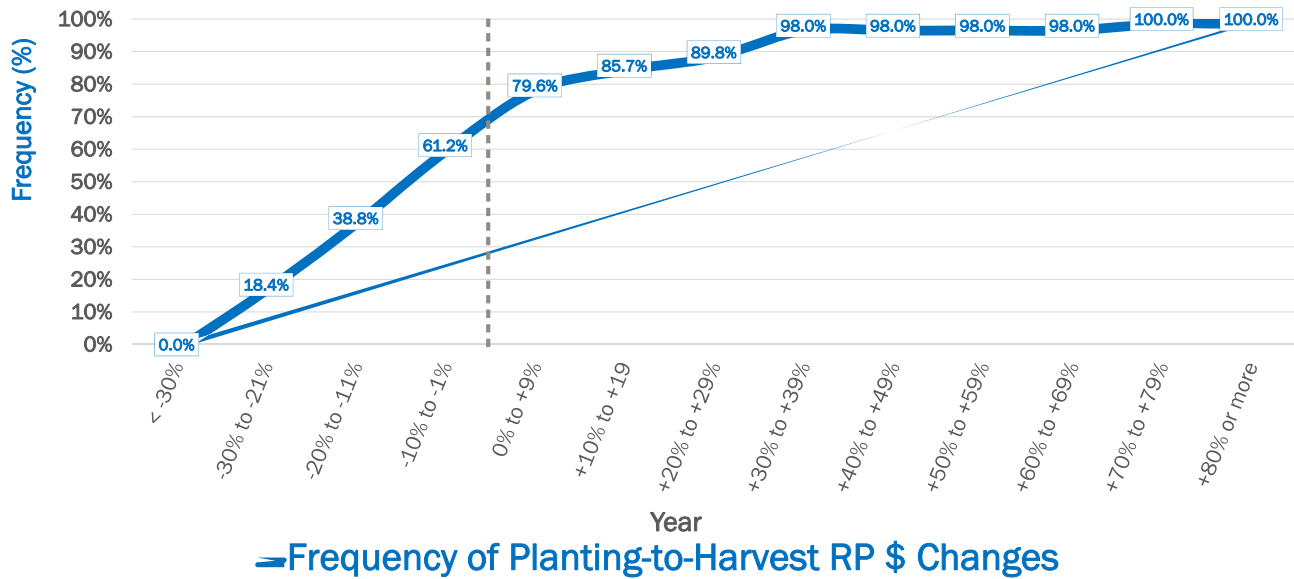
## Sorghum - Revenue Protection

Planting & Harvest Prices Kansas - Years 1998-2021



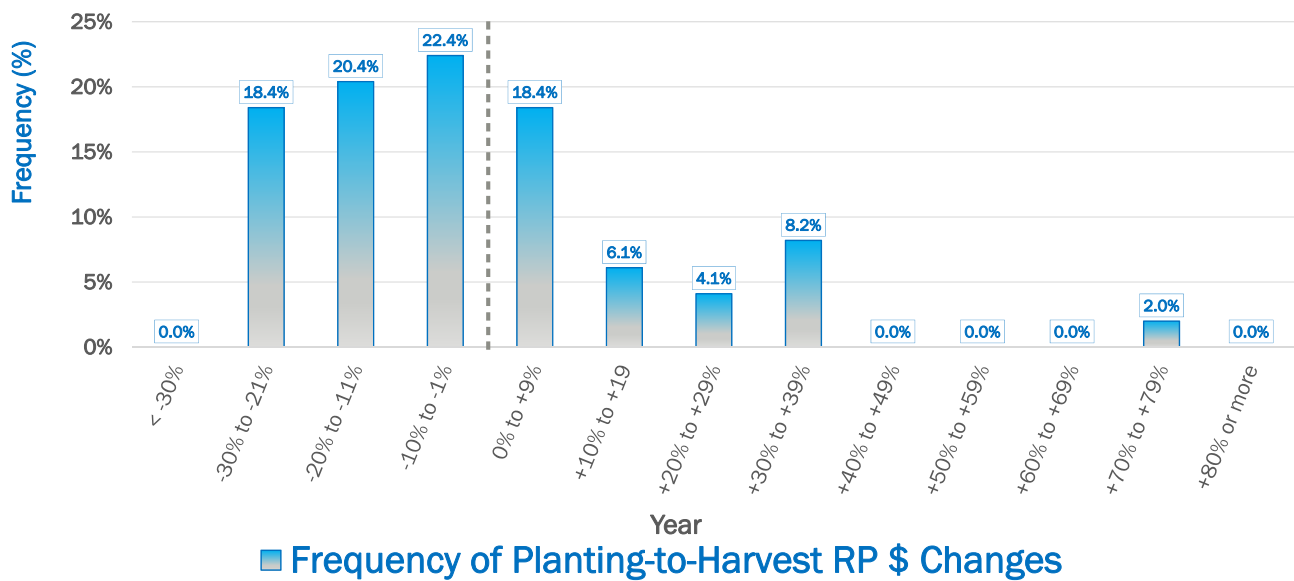
# Sorghum – Distribution of RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



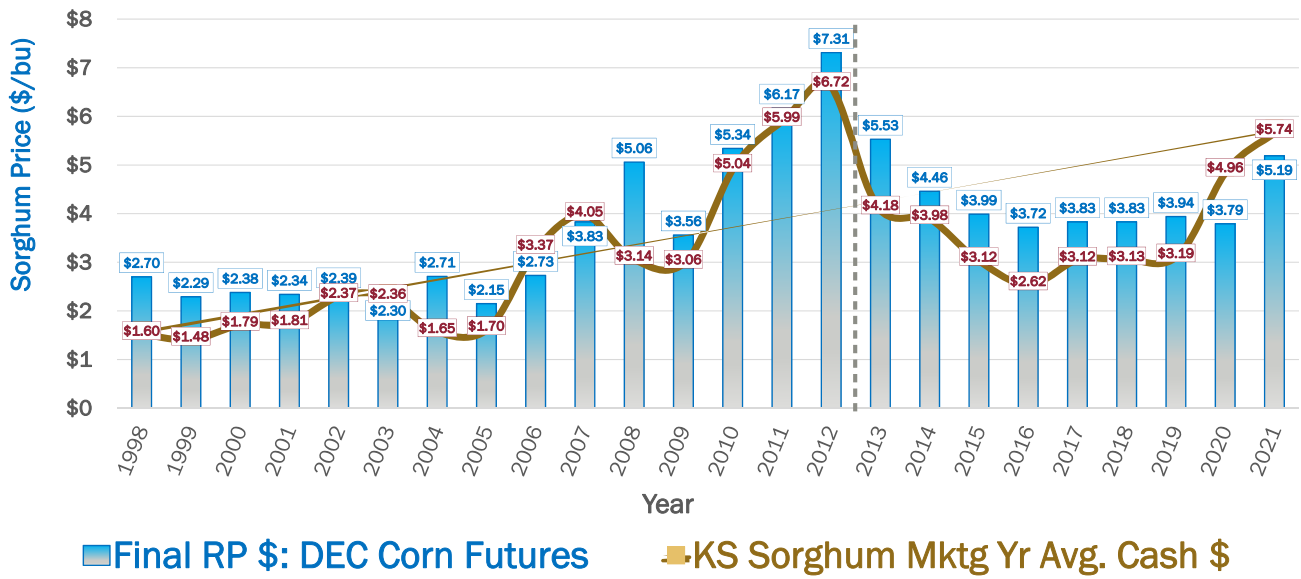
# Sorghum – RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



# Sorghum – RP vs Cash \$ Prices

Final RP \$ Kansas vs MY Avg. \$ Kansas: Years 1998-2021



# Soybean Markets

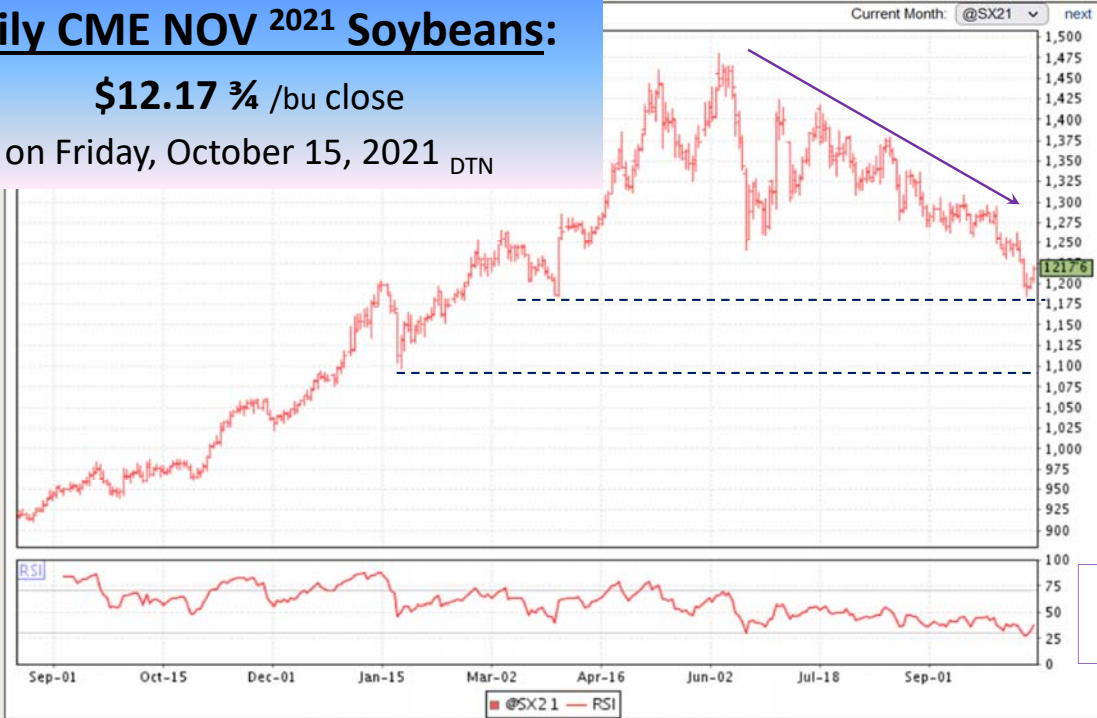


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# Daily CME NOV 2021 Soybeans:

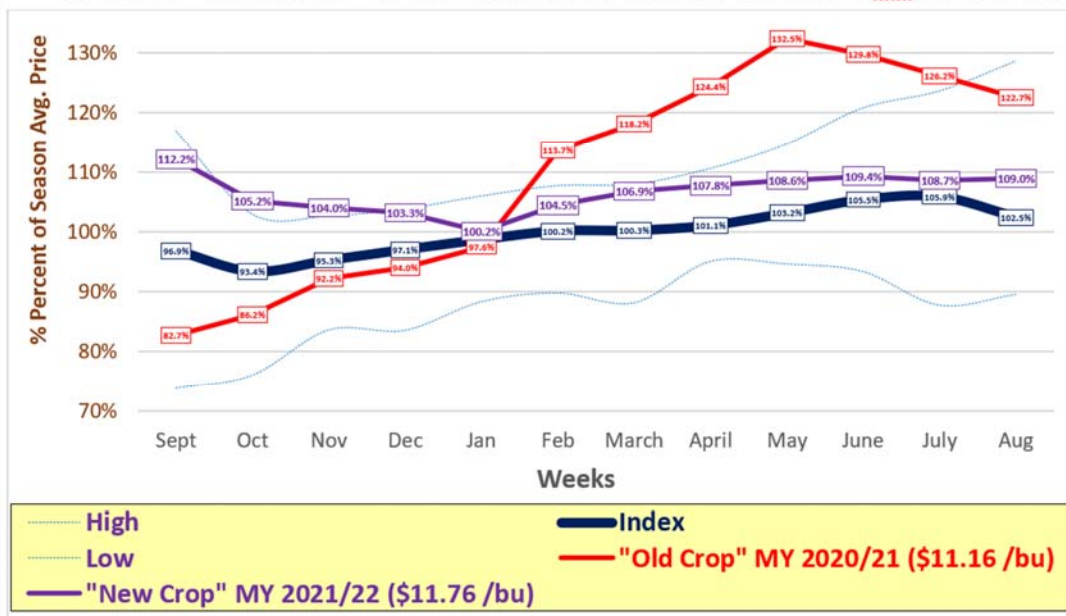
**\$12.17 <sup>3</sup>/<sub>4</sub> /bu close**  
 on Friday, October 15, 2021 DTN



RSI  
 < 50%

# Kansas Soybean Seasonal Price Index + U.S. \$'s:

MY 1999/00 – MY 2019/20 + "Old Crop" MY 2020/21 & "New Crop" MY 2021/22 Ests., October 18, 2021

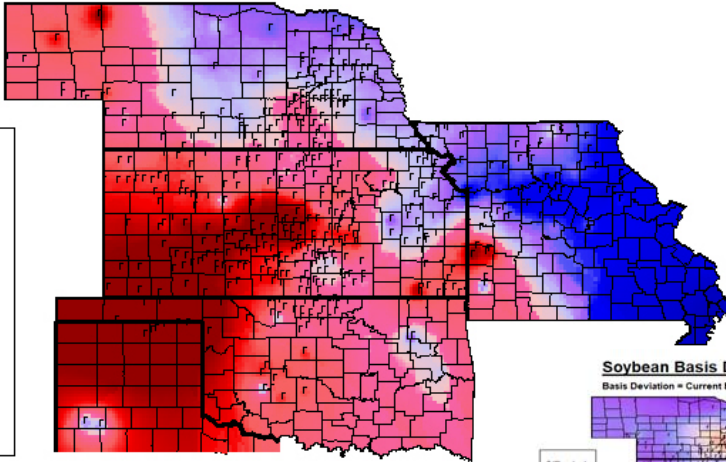
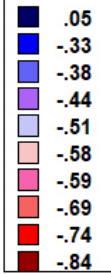


## Soybean Basis, 10-13-2021

Basis = Cash Price - Nearby Futures Price

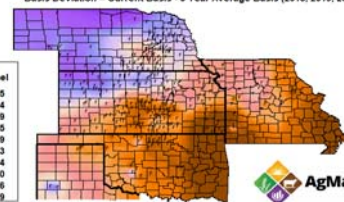
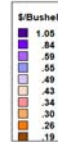
CBT Nov  
Futures  
Price: \$11.95

\$/Bushel



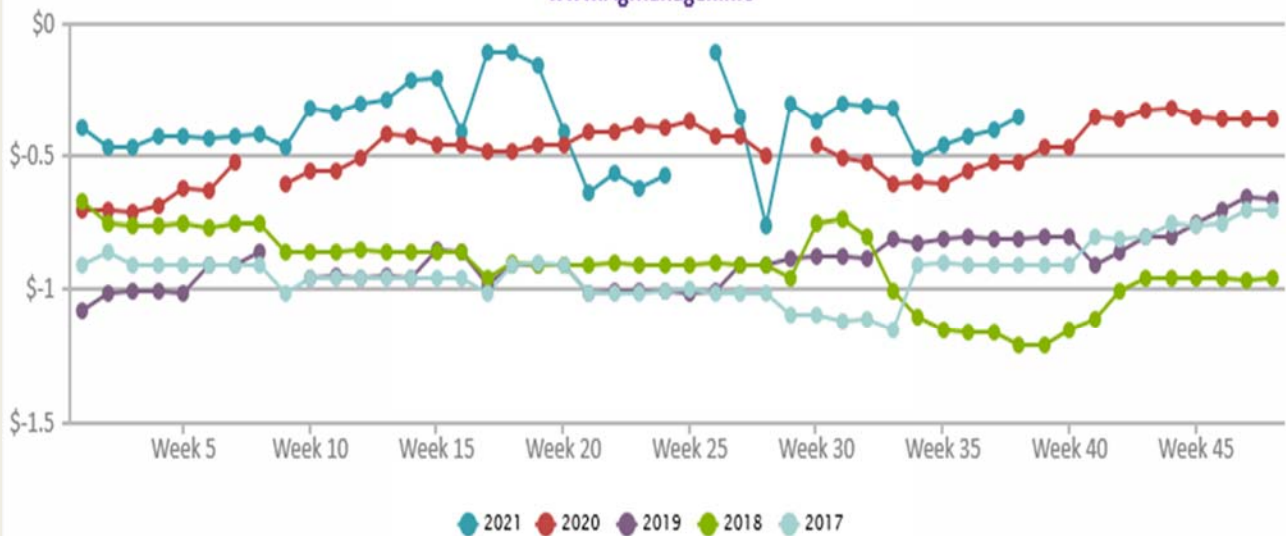
### Soybean Basis Deviation, 10-13-2021

Basis Deviation = Current Basis - 3 Year Average Basis (2018, 2019, 2020)



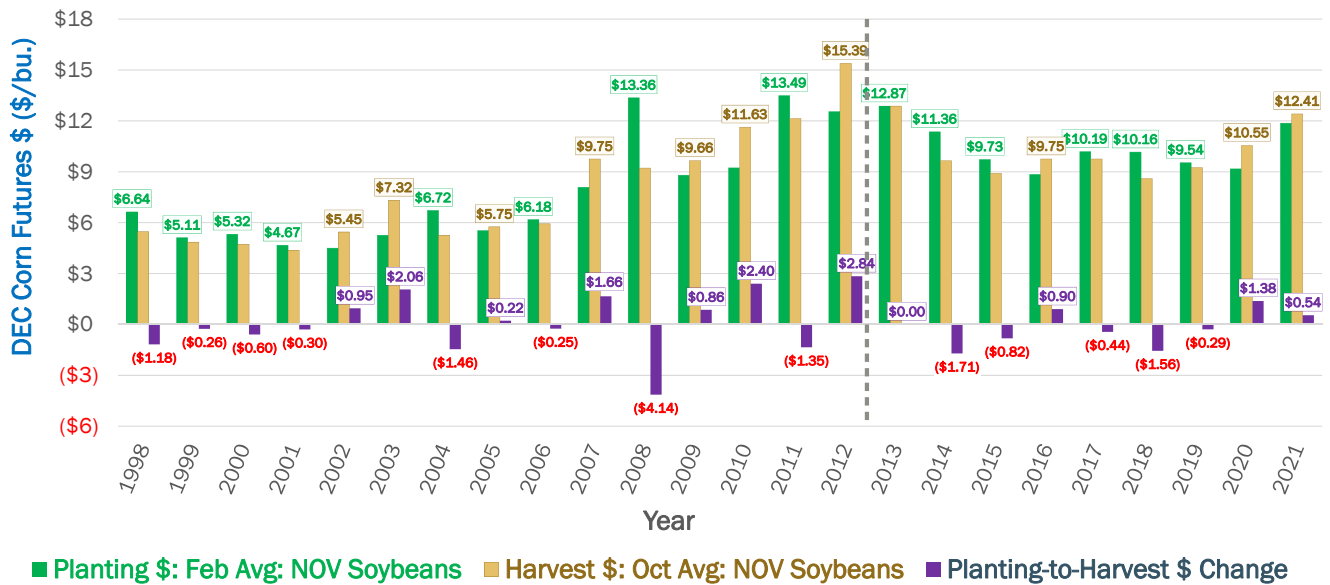
## SALINA, KS: Soybeans Basis - CARGILL

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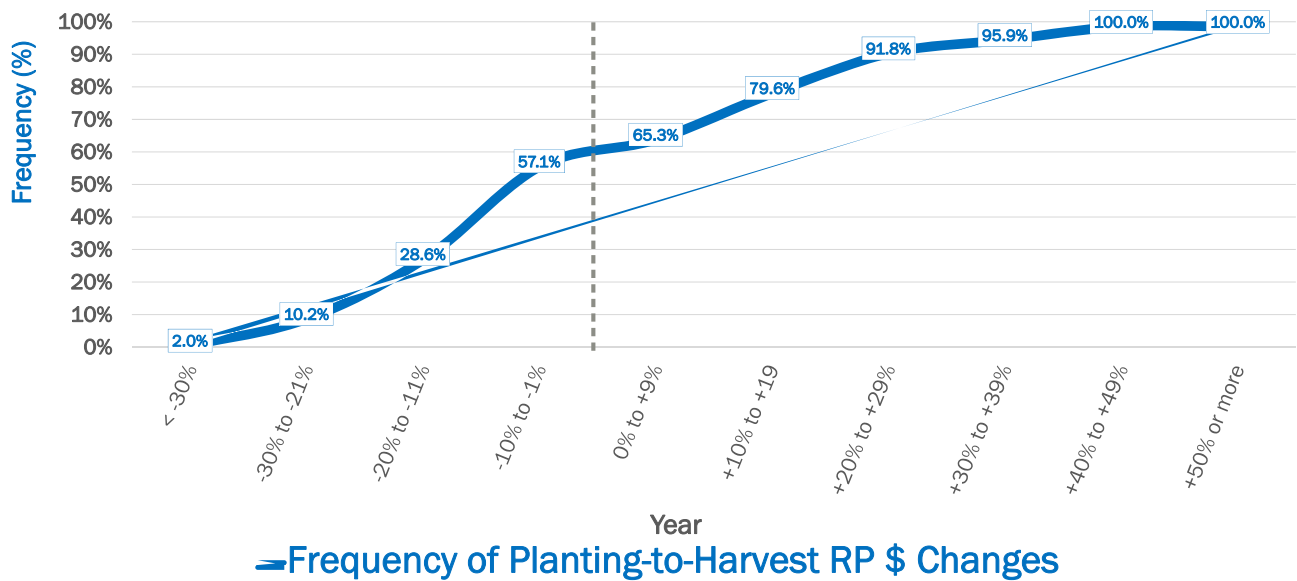
# Soybean - Revenue Protection

Planting & Harvest Prices Kansas - Years 1998-2021



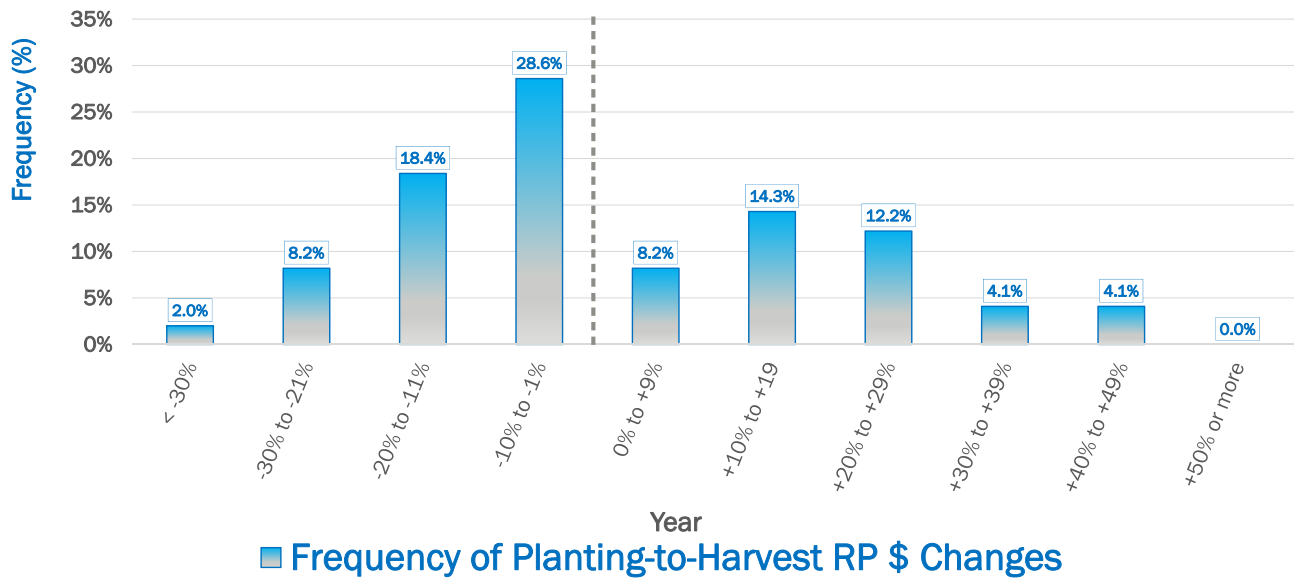
# Soybean - Distribution of RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



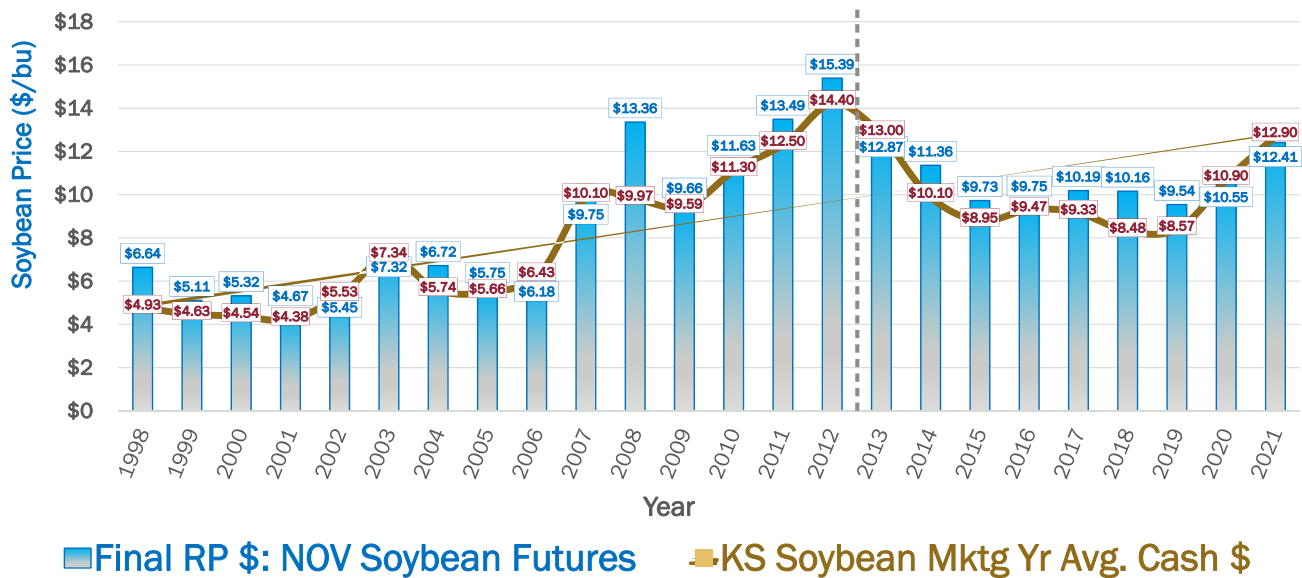
# Soybean – RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



# Soybeans – RP vs Cash \$ Prices

Final RP \$ Kansas vs MY Avg. \$ Kansas: Years 1998-2021



# Wheat Markets

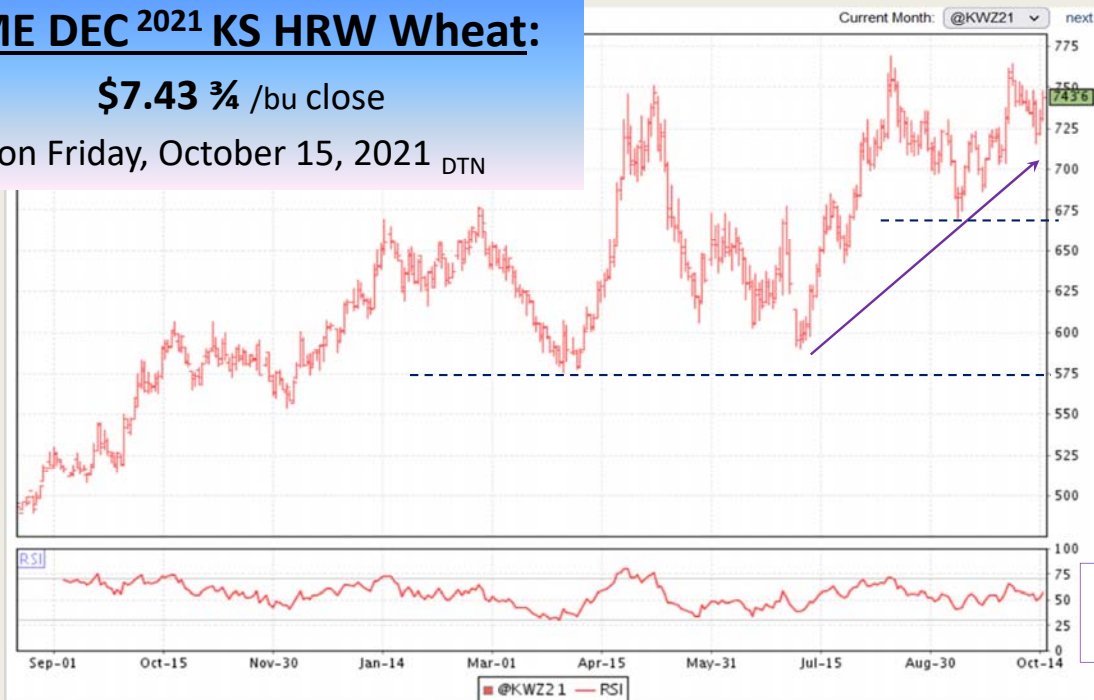


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## CME DEC 2021 KS HRW Wheat:

**\$7.43 <sup>3</sup>/<sub>4</sub> /bu close**

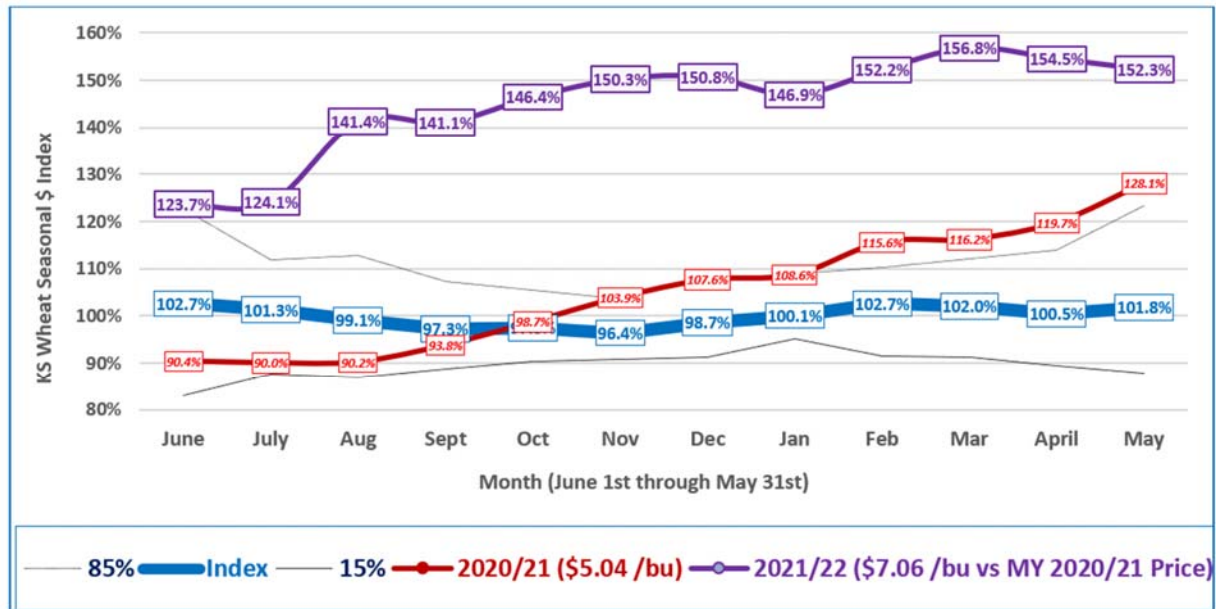
on Friday, October 15, 2021 DTN





# Seasonal \$ Index for KS Hard Red Winter (HRW) Wheat:

MY 1999/00 – 2019/20 + "New Crop" MY 2021/22 Ests. through October 18, 2021

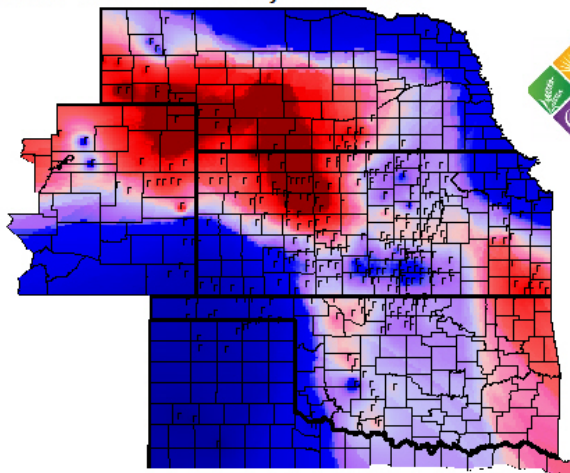
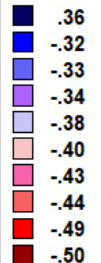


## Wheat Basis, 10-13-2021

Basis = Cash Price - Nearby Futures Price

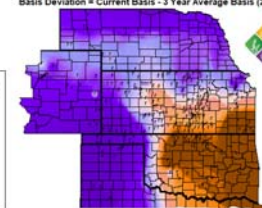
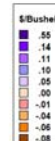
KCBT Dec  
Futures  
Price: \$7.22

\$/Bushel



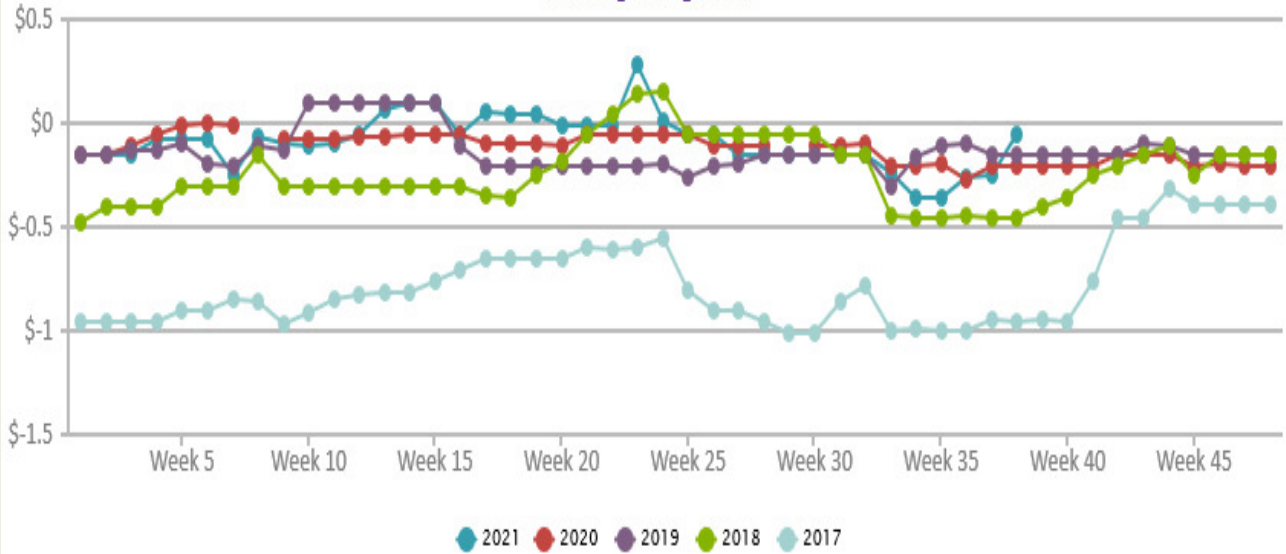
## Wheat Basis Deviation, 10-13-2021

Basis Deviation = Current Basis - 3 Year Average Basis (2018, 2019, 2020)



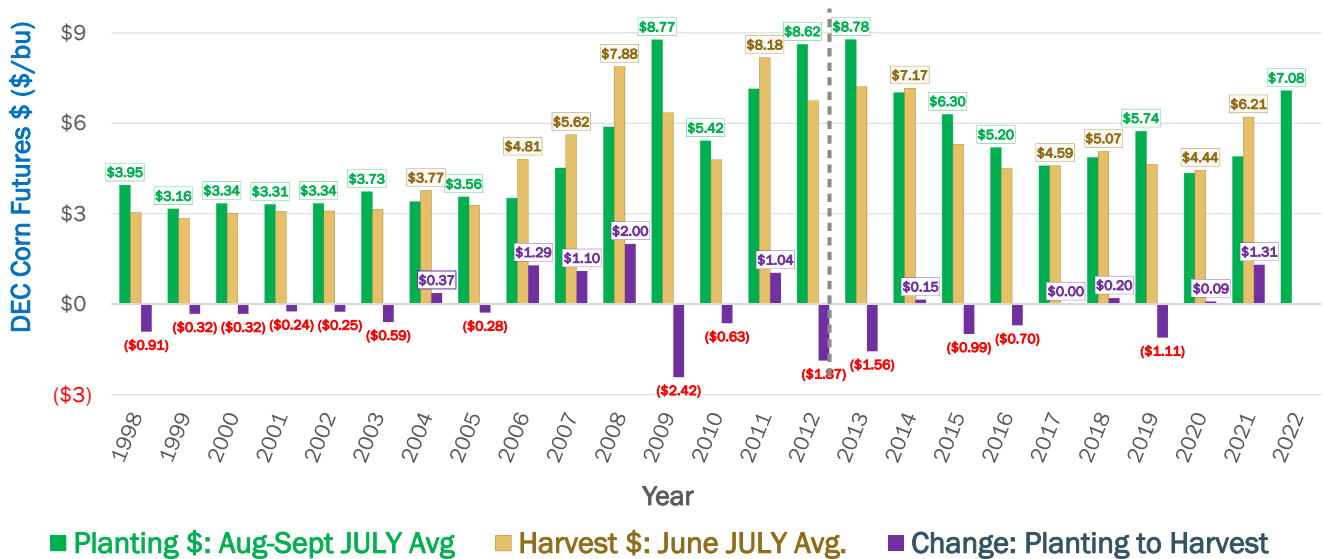
## SALINA, KS: Hard Red Winter Wheat Basis - CARGILL

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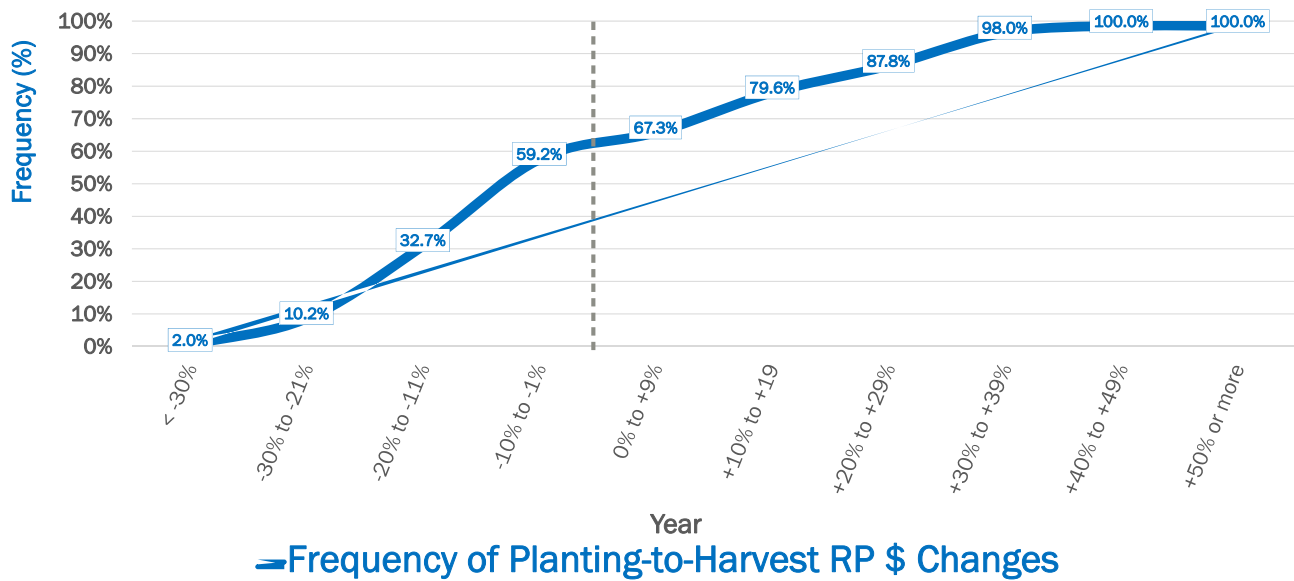
## Wheat <sup>KS</sup> HRW - Revenue Protection

Planting & Harvest Prices <sup>Kansas</sup> - Years 1998-2021



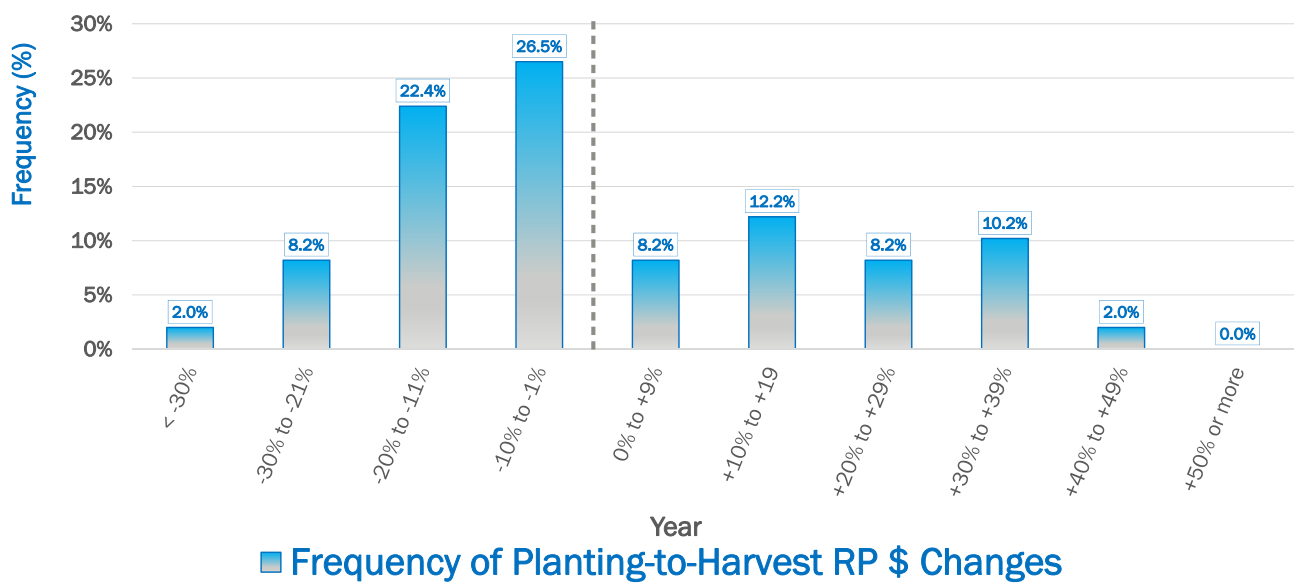
# Wheat<sup>KS HRW</sup> – Distribution of RP \$ Chgs.

% Changes from Planting-to-Harvest \$: Years 1998-2021



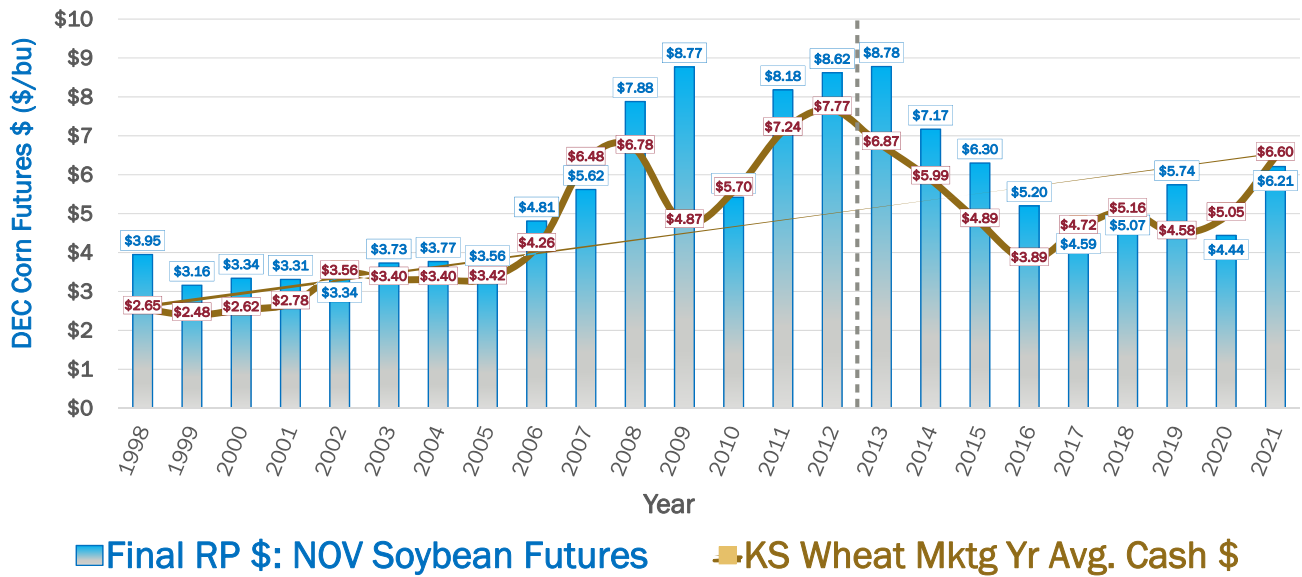
# Wheat<sup>KS HRW</sup> – RP \$ Changes

% Changes from Planting-to-Harvest \$: Years 1998-2021



# Wheat <sup>KS HRW</sup> – RP vs Cash \$ Prices

Final RP \$ <sup>Kansas</sup> vs MY Avg. \$ <sup>Kansas</sup>: Years 1998-2021



Questions?

Daniel O'Brien – Extension Ag Economist

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