

# 2020 Soybean Market Outlook

**Atchison, Kansas**

**January 22, 2020**

**DANIEL O'BRIEN**

EXTENSION AGRICULTURAL ECONOMIST

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



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**Marysville, Kansas**

**January 22, 2020**

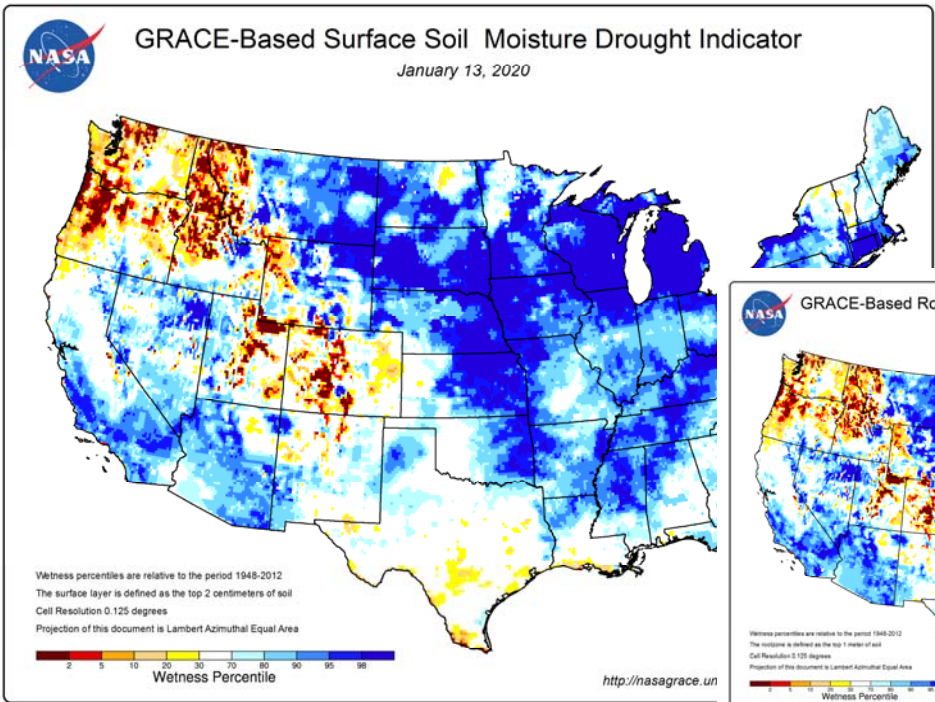
**DANIEL O'BRIEN**

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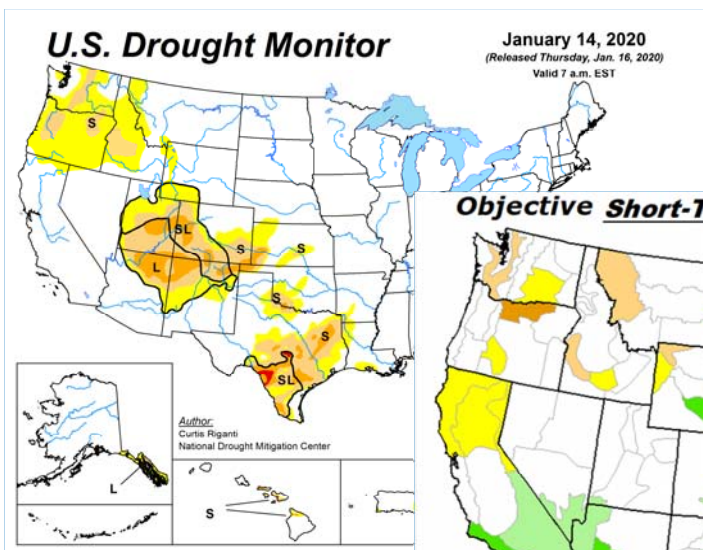
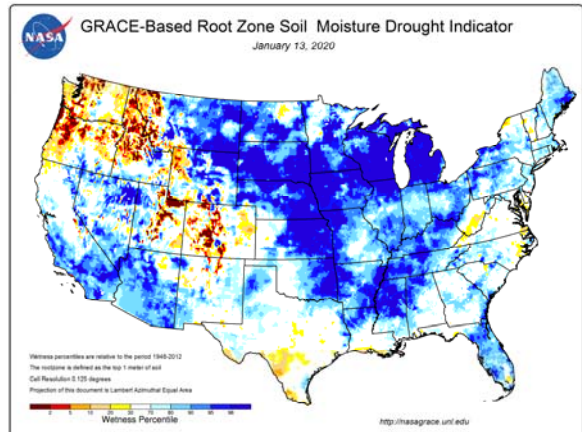
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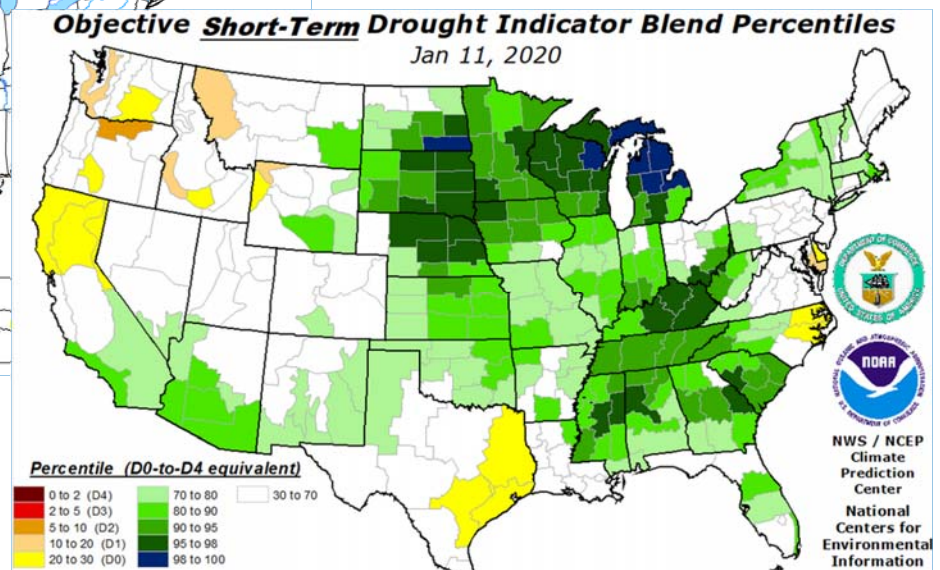


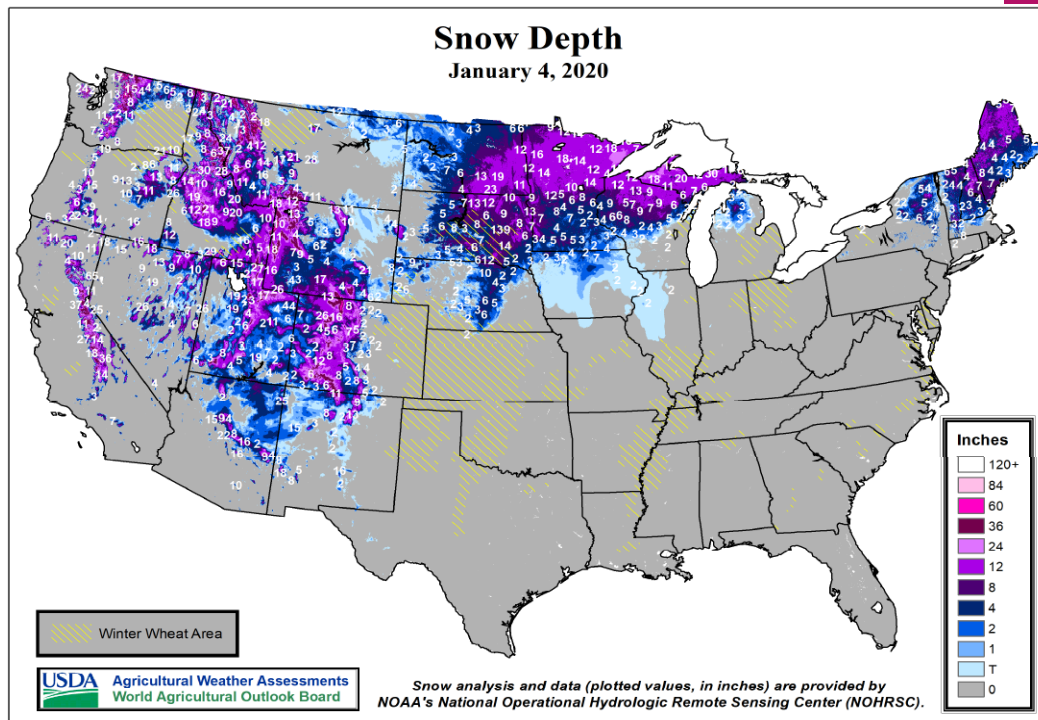


3



4





## 2019 December APS Reinterview States

| State        | Crop(s)        |
|--------------|----------------|
| Michigan     | Corn, Soybeans |
| Minnesota    | Corn           |
| North Dakota | Corn, Soybeans |
| South Dakota | Corn           |
| Wisconsin    | Corn, Soybeans |

## AUSTRALIA – Highlight: Unfavorable Conditions Affecting Poor Summer Crop Prospects While Fanning the Drought

- Hot, sometimes windy weather and limited rainfall are affecting poor summer crop prospects while fanning the drought in southern Australia.

INTERNATIONAL CROP AND WEATHER HIGHLIGHTS  
USDA/WAOB Joint Agricultural Weather Facility

January 14, 2020

## AUSTRALIA – Highlight: Limited Drought Relief

- In the east, isolated showers brought little relief to drought-stressed cotton and sorghum.
- Slightly cooler weather filtered into the southeast late in the week, helping wildfire containment efforts.

## SOUTH AMERICA – Highlight: Rain Brought Some Relief From Local Dryness

- Moderate to heavy rain brought much-needed relief from heat and dryness to reproductive corn and soybeans in Rio Grande do Sul, Brazil. Timely showers also covered Brazil's northeastern soybean areas.
- Locally heavy showers increased moisture for corn and soybeans in Argentina, including previously dry southwestern farming areas.

## EUROPE – Highlight: Showers In The North, Dry In The South

- Showers improved moisture reserves for dormant winter crops in Germany and Poland.
- Sunny skies in southern Europe benefited winter grain development in Spain and Italy but maintained drought in the lower Danube River Valley.

## EAST ASIA – Highlight: Wet, Mild Weather In Eastern China

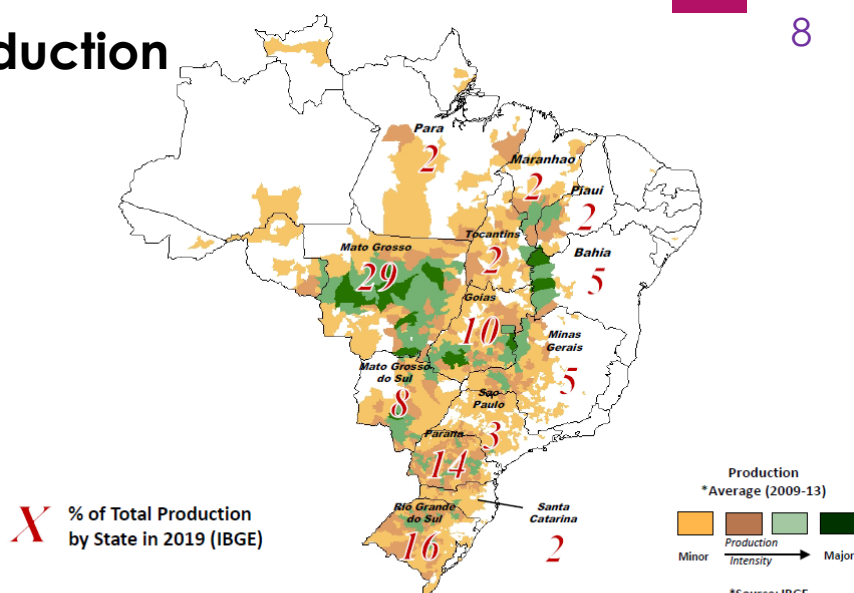
- More rain, at times heavy, in eastern China maintained high moisture reserves for overwintering wheat and rapeseed, although warmer-than-normal weather reduced cold hardiness.

# Brazil Soybean Production

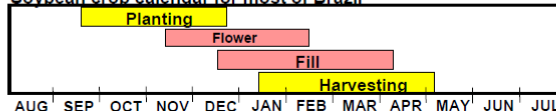
2020 % of Crop

Projections by Region

January 10, 2020



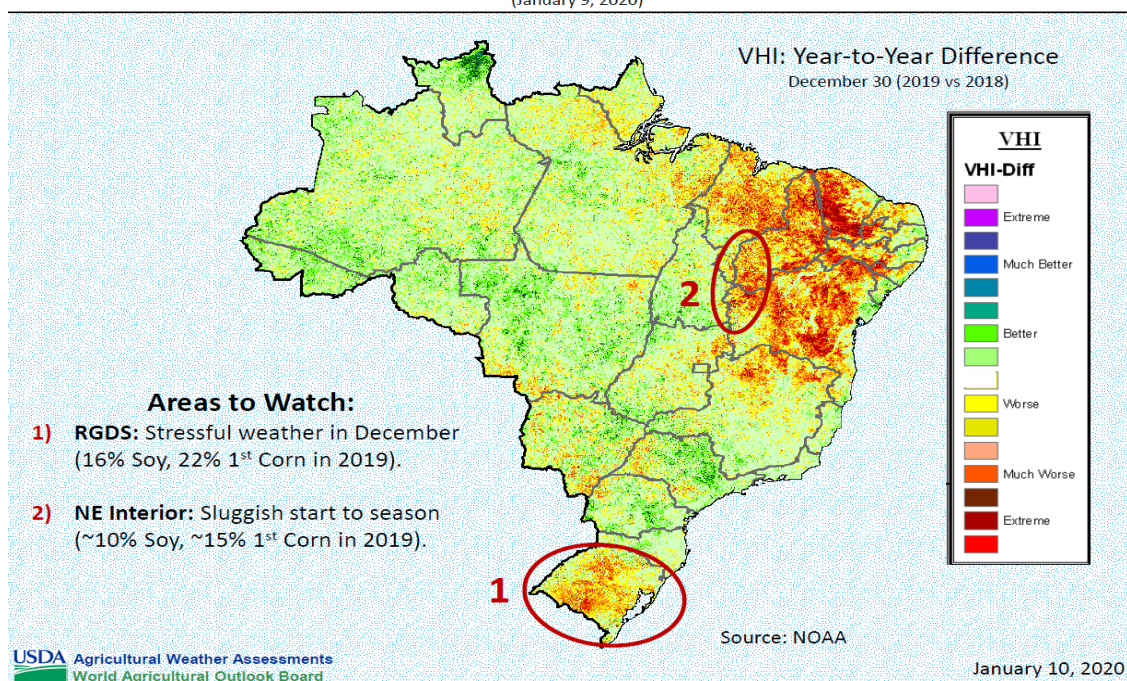
Soybean crop calendar for most of Brazil



## Brazil: Crop Weather Summary

(January 9, 2020)

9



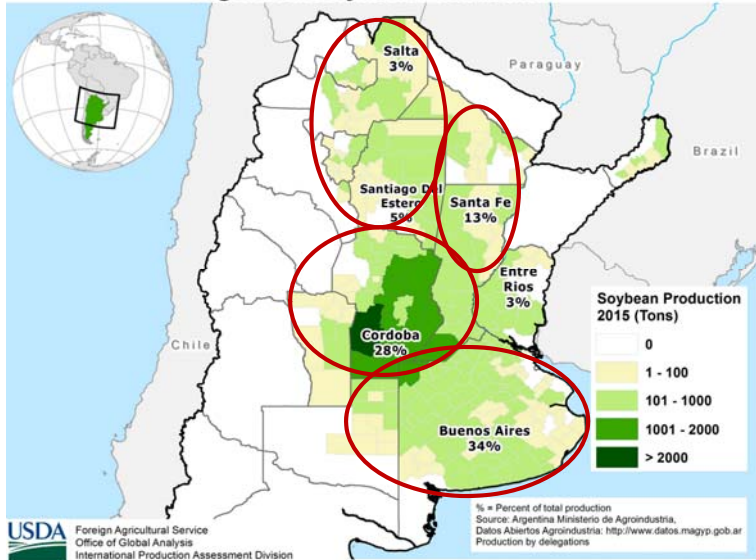
10

## Brazil 2019/20 Soybean Summary

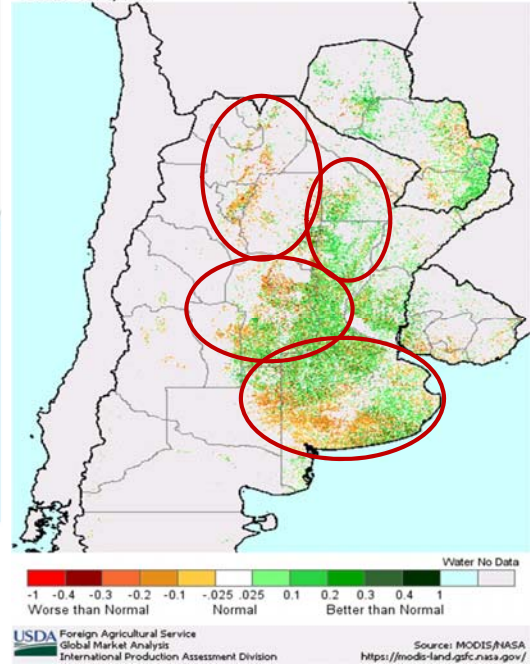
- No change in soybean area, yield or production
  - Planting progress behind national average pace but harvest started in January.
  - Trend yield because weather cooperated from Sept-Dec.
- Excellent crop conditions in Mato Grosso
  - Harvest starts in January (if planted on Sept. 16).
- December drought delayed planting in Northeast & Rio Grande do Sul
  - Planted area could be slightly less than intended.

January 10, 2020

## Argentina: Soybean Production



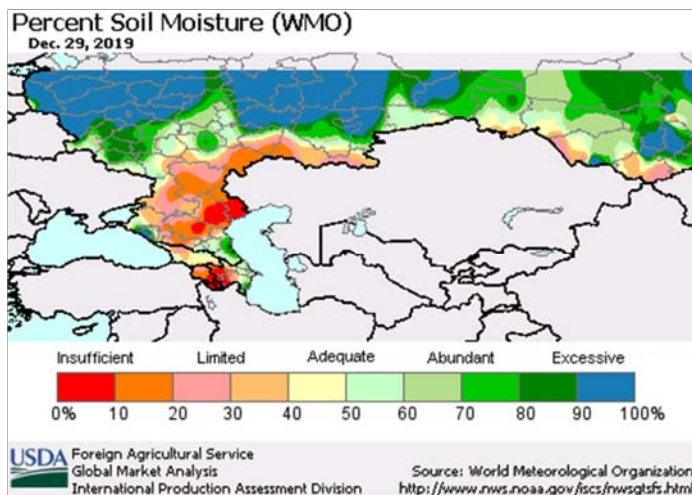
## NDVI Crop-masked Departure from Average (MODIS-Terra)



11

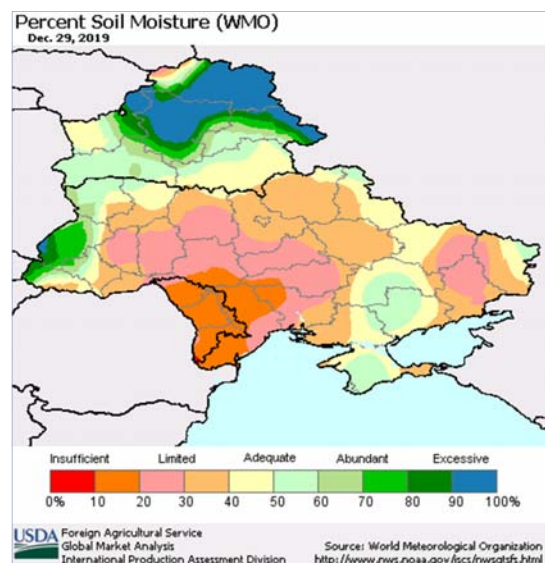
## Russia, Azerbaijan, Armenia & Georgia

### Percent Soil Moisture



## Ukraine, Moldova, & Belarus

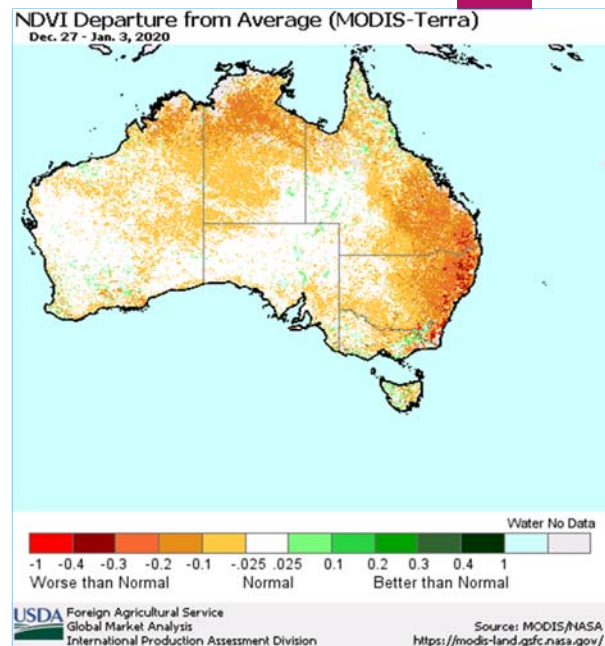
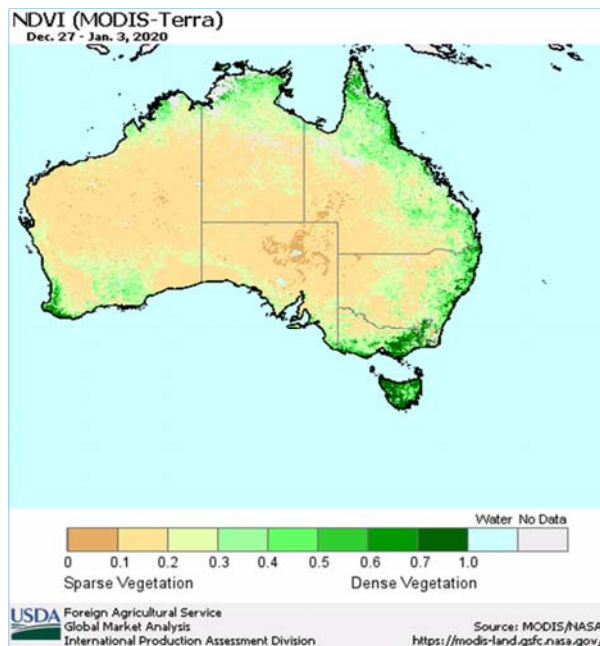
### Percent Soil Moisture



12

## Australia – Vegetation Measures in late Dec. / early Jan. 2020

13



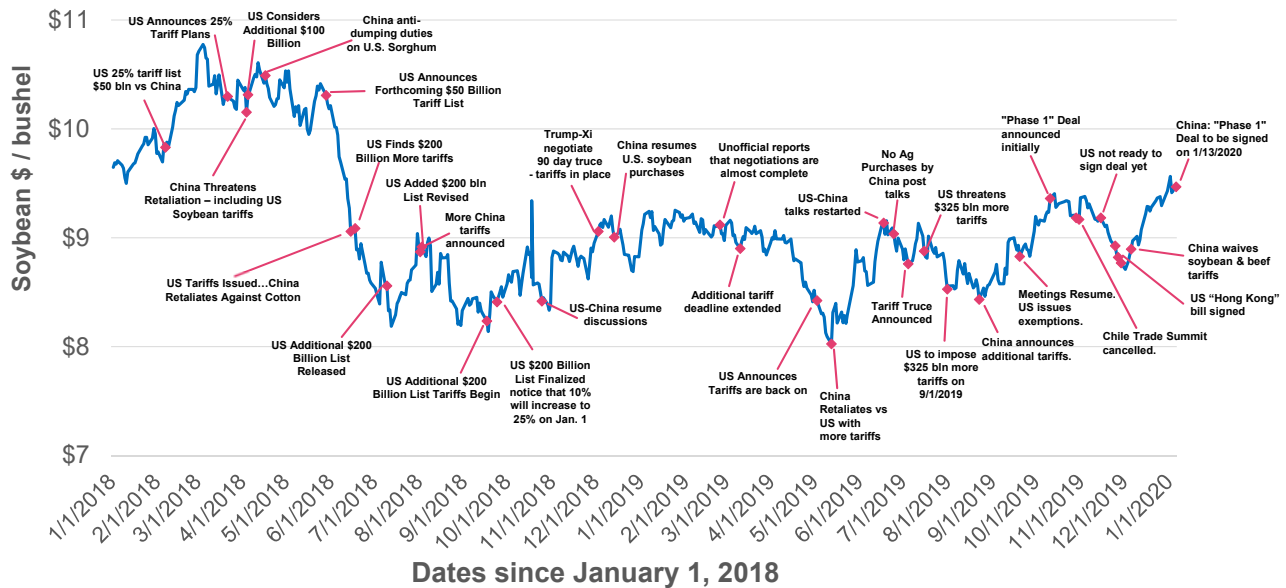
## Unpredictable Grain Markets in Year 2020 11

### ❑ The “Ups & Downs” of U.S. Trade Tensions

- **U.S.-Japan Trade Agreement (+)**
  - Likely positive impact on U.S. grain exports vs TPP Countries
- **USMCA Trade Agreement** U.S.-Mexico-Canada ⇒ *To be ratified (+)*
  - **Mexico** grain purchases from the U.S.
  - **Canada** grain export competition vs U.S. (Wheat, Oilseeds)
- **U.S. vs China (?)**
  - Soybeans, Sorghum, Beef (*Working at resolution in “Phases”*)

# Trade War Effects on Soybean Futures

13



## AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA

DECEMBER 13, 2019

16

The United States and China have reached an historic and enforceable agreement on a Phase One trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The Phase One agreement also includes a commitment by China that it will make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution system that ensures prompt and effective implementation and enforcement. The United States has agreed to modify its Section 301 tariff actions in a significant way.

**Intellectual Property:**  
**Technology Transfer:**  
**Agriculture:**  
**Financial Services:**  
**Currency:**  
**Expanding Trade:**  
**Dispute Resolution:**

**Agriculture:** The Agriculture Chapter addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture and seafood product exports, increasing American farm and fishery income, generating more rural economic activity, and promoting job growth. A multitude of non-tariff barriers to U.S. agriculture and seafood products are addressed, including for meat, poultry, seafood, rice, dairy, infant formula, horticultural products, animal feed and feed additives, pet food, and products of agriculture biotechnology.

## Market “Realities” to be determined ....

17

### □ “Final” 2019 U.S. Corn & Soybean harvest (“Sometime” 2020)

- **Corn**<sup>2019</sup> < 13.692 bln bu? ➡ End Stocks < 1.892 bb?
- **Soybeans**<sup>2019</sup> < 3.558 bln bu? ➡ End Stocks < 475 mb?

## More Grain Market Events to Anticipate

18

### □ 2020 Production of Export Competitors

- **2020 Soybeans** <sup>So-Am</sup> → *Up 2.4% & Up 9.6% vs last 2 years*
- **2020 Corn** <sup>So-Am + Ukraine</sup> → *Up 22.6% vs 2015-2017 Average*
- **ARG-Brazil-Ukraine** ➡ Ag Export “Open Door” w. U.S.-China Trade Issue

### □ U.S. Dollar Strength ➡ Limiting U.S. grain exports

- **USD\$ Index** <sup>Trade Wghtd</sup> → **DEC 2019** up 7.3% since low in **FEB 2018**
- **Brazil Reals ÷ USD\$** ≈ 4.12 in **OCT-DEC 2019** (vs low of 1.56 in **JUNE 2011**)

# More Grain Market Events to Anticipate

19

## □ U.S. Spring Plantings (April-May 2020)

- **Corn**<sup>2020</sup>      *Up 5-10% ?* → ↑ ≈ *U.S. Ethanol & Feed Demand*
- **Soybeans**<sup>2020</sup>      *Up 10-15%+ ?* → ↑↓ ≈ *U.S.-China Trade Status*

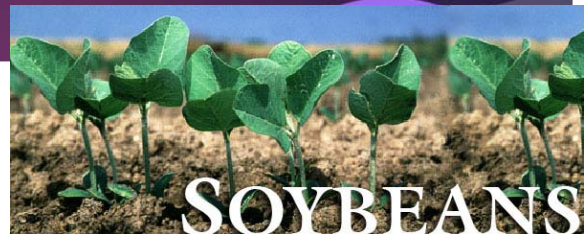
## □ "Bearish" Positions of Grain Futures' Traders.....

*BUT* – "Strong" local **Basis** in Cash Markets & Demand Centers

- **Corn** → *Strong* basis @ US. Ethanol Plants
- **Soybeans** → *Moderate-to-weak basis* in many areas – but improving
- **HRW Wheat** → *Strong basis* @ Elevators in the Central / Southern Plains

# Soybean Markets

51



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# U.S. Soybean Market Prospects in Year 2020

52

## A. U.S.-China Trade Dispute

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

## B. U.S. Exports forecast *down 17%+* vs 2-3 year ago *highs*

- Foreign buyer “*switching*” between *U.S.* & *South America*
- **U.S. China Trade Dispute Resolution** likely to be “*positive*”

## C. Market Focus in Winter-Spring of Year 2020

- **So. America** crops & **U.S. Acres, Planting Progress, etc.**

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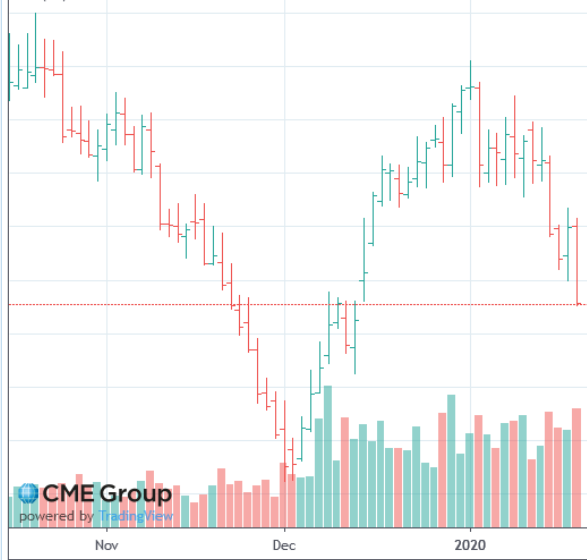
# CME Soybean Futures

Weekly Chart: Fall 2015 through January 21, 2020

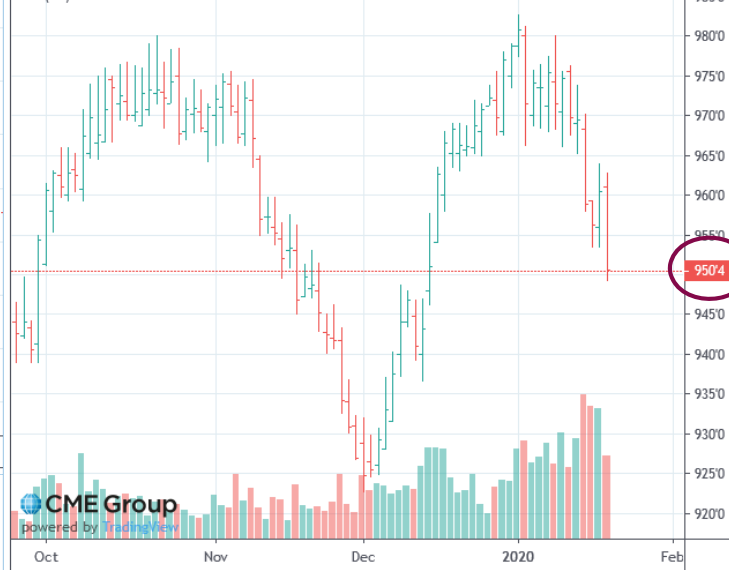
53



CBOT:ZSH2020, D 915'4 ▼ -14'2 (-1.53%) O:930'0 H:931'4 L:915'2 C:915'4

SOYBEAN FUTURES (MAR 2020), D, CBOT  
Vol (20)

CBOT:ZSX2020, D 950'4 ▼ -10'0 (-1.04%) O:961'0 H:962'6 L:949'2 C:950'4

SOYBEAN FUTURES (NOV 2020), D, CBOT  
Vol (20)

## ELEC. SOYBEANS (Jul 2020) [10 Minute Delay]

Refresh ↻

| Last   | Change | %Chg  | Open  | High  | Low   | Previous | Volume | Exchange | Trade Time     |
|--------|--------|-------|-------|-------|-------|----------|--------|----------|----------------|
| 943'4s | -12'0  | -1.26 | 955'6 | 957'2 | 942'4 | 955'4    | 25698  | CBOT     | 01/21/20 13:19 |

Symbol: @SN20 Go Symbol Search | Symbol Lookup Strike Range: Near-the-Money Chart | Options | Futures Chain

Mar 2020 | May 2020 | Jul 2020 | Aug 2020 | Sep 2020 | Nov 2020 | Jan 2021 | Mar 2021 | May 2021 | Nov 2021 Jul 2020

## Jul 2020 Options

Days Until Expiration: 157

| Calls   |        |       |      |      |      |        |          |        | Puts  |        |     |      |      |      |        |          |  |
|---|--------|-------|------|------|------|--------|----------|--------|---|--------|-----|------|------|------|--------|----------|--|
| Symbol  | Price  | Chg   | Open | High | Low  | Volume | Open Int | Strike | Symbol  | Price  | Chg | Open | High | Low  | Volume | Open Int |  |
| <input checked="" type="checkbox"/> @SN20C8400  | 105'2s | -11'5 | ---  | ---  | ---  | 0      | 2        | 8400   | <input checked="" type="checkbox"/> @SN20P8400  | 2'1s   | 0'2 | ---  | ---  | ---  | 0      | 2069     |  |
| <input checked="" type="checkbox"/> @SN20C8600  | 86'7s  | -11'3 | ---  | ---  | ---  | 0      | 41       | 8600   | <input checked="" type="checkbox"/> @SN20P8600  | 3'6s   | 0'5 | 3'5  | 3'5  | 3'5  | 6      | 3132     |  |
| <input checked="" type="checkbox"/> @SN20C8800  | 69'7s  | -10'6 | 76'0 | 76'0 | 69'6 | 51     | 100      | 8800   | <input checked="" type="checkbox"/> @SN20P8800  | 6'6s   | 1'2 | 6'1  | 6'6  | 6'1  | 47     | 3003     |  |
| <input checked="" type="checkbox"/> @SN20C9000  | 54'7s  | -9'6  | 55'2 | 55'2 | 55'2 | 1      | 575      | 9000   | <input checked="" type="checkbox"/> @SN20P9000  | 11'5s  | 2'1 | 10'0 | 11'7 | 10'0 | 323    | 7596     |  |
| <input checked="" type="checkbox"/> @SN20C9200  | 42'3s  | -8'5  | 47'4 | 47'4 | 42'4 | 101    | 620      | 9200   | <input checked="" type="checkbox"/> @SN20P9200  | 19'0s  | 3'3 | 18'0 | 19'1 | 18'0 | 72     | 1466     |  |
| <input checked="" type="checkbox"/> @SN20C9400  | 32'3s  | -7'3  | 33'2 | 34'1 | 33'2 | 117    | 1725     | 9400   | <input checked="" type="checkbox"/> @SN20P9400  | 28'7s  | 4'4 | 27'4 | 29'0 | 27'4 | 157    | 975      |  |
| <input checked="" type="checkbox"/> @SN20C9600  | 24'6s  | -6'2  | 25'6 | 26'3 | 24'5 | 302    | 3384     | 9600   | <input checked="" type="checkbox"/> @SN20P9600  | 41'1s  | 5'6 | 41'1 | 41'1 | 41'0 | 309    | 2906     |  |
| <input checked="" type="checkbox"/> @SN20C9800  | 18'7s  | -5'1  | 23'4 | 23'4 | 19'4 | 54     | 1721     | 9800   | <input checked="" type="checkbox"/> @SN20P9800  | 55'2s  | 6'7 | ---  | ---  | ---  | 1      | 475      |  |
| <input checked="" type="checkbox"/> @SN20C10000 | 14'4s  | -4'1  | 14'7 | 15'0 | 14'2 | 433    | 7292     | 10000  | <input checked="" type="checkbox"/> @SN20P10000 | 70'6s  | 7'7 | ---  | ---  | ---  | 0      | 133      |  |
| <input checked="" type="checkbox"/> @SN20C10200 | 11'1s  | -3'3  | ---  | ---  | ---  | 6      | 5239     | 10200  | <input checked="" type="checkbox"/> @SN20P10200 | 87'2s  | 8'5 | ---  | ---  | ---  | 0      | 30       |  |
| <input checked="" type="checkbox"/> @SN20C10400 | 8'5s   | -2'5  | 9'0  | 9'0  | 8'5  | 19     | 3521     | 10400  | <input checked="" type="checkbox"/> @SN20P10400 | 104'5s | 9'2 | ---  | ---  | ---  | 0      | 5        |  |

In the money At the money

Quotes generated on: Tue, Jan 21, 2020 2:38 PM CST

## ELEC. SOYBEANS (Nov 2020) [10 Minute Delay]

Refresh

25

| Last   | Change | %Chg  | Open  | High  | Low   | Previous | Volume | Exchange | Trade Time     |
|--------|--------|-------|-------|-------|-------|----------|--------|----------|----------------|
| 951'2s | -9'2   | -0.96 | 961'0 | 962'6 | 949'2 | 960'4    | 10326  | CBOT     | 01/21/20 13:19 |

Symbol: @SX20 Go Symbol Search | Symbol Lookup Strike Range: All Chart | Options | Futures Chain

Mar 2020 | May 2020 | Jul 2020 | Aug 2020 | Sep 2020 | Nov 2020 | Jan 2021 | Mar 2021 | May 2021 | Nov 2021 | Nov 2020

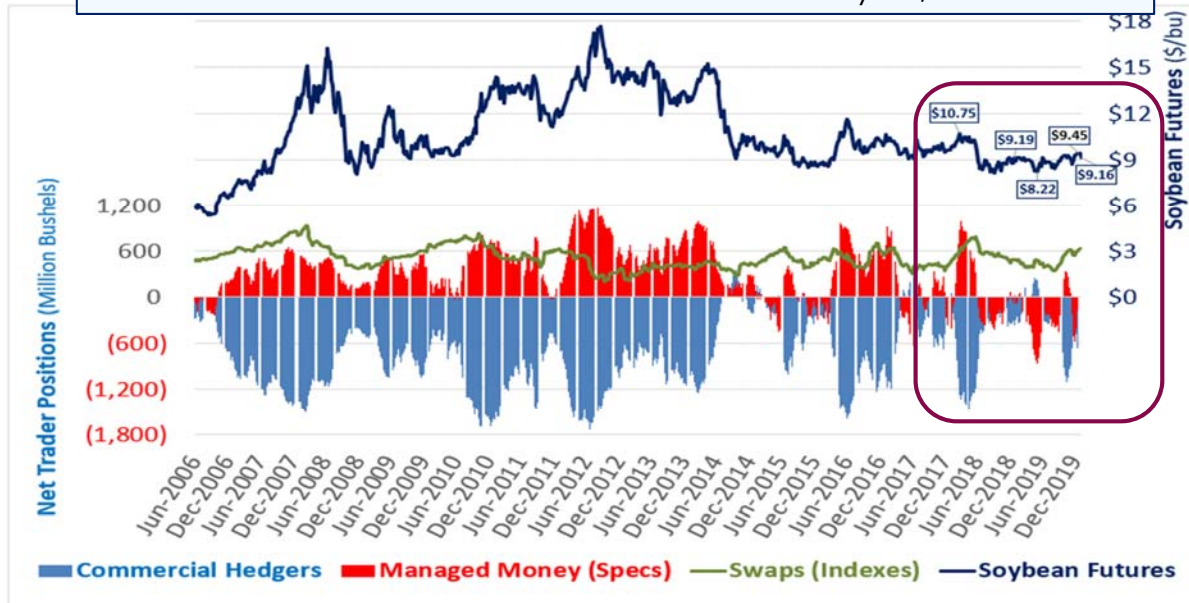
### Nov 2020 Options

| Calls       |                       |        |       |       |      |       |       |       |             | Puts   |          |        |      |      |     |          |        |      |      |
|-------------|-----------------------|--------|-------|-------|------|-------|-------|-------|-------------|--------|----------|--------|------|------|-----|----------|--------|------|------|
| Symbol      | Days Until Expiration | Strike | Delta | Gamma | Vega | Theta | Rho   | Open  | High        | Low    | Previous | Volume | Open | High | Low | Previous | Volume | Open | High |
| @SX20C8000  | 152'5s                | -9'0   | ---   | ---   | ---  | 0     | 6     | 8000  | @SX20P8000  | 2'3s   | 0'2      | ---    | ---  | ---  | 0   | 3945     |        |      |      |
| @SX20C8200  | 134'1s                | -8'7   | ---   | ---   | ---  | 0     | 0     | 8200  | @SX20P8200  | 3'7s   | 0'4      | ---    | ---  | ---  | 0   | 965      |        |      |      |
| @SX20C8400  | 116'4s                | -8'5   | ---   | ---   | ---  | 0     | 5     | 8400  | @SX20P8400  | 6'1s   | 0'5      | 6'2    | 6'2  | 6'1  | 40  | 1681     |        |      |      |
| @SX20C8600  | 100'0s                | -8'3   | ---   | ---   | ---  | 0     | 0     | 8600  | @SX20P8600  | 9'4s   | 0'7      | 9'4    | 9'4  | 9'4  | 71  | 1648     |        |      |      |
| @SX20C8800  | 85'0s                 | -8'0   | ---   | ---   | ---  | 0     | 7     | 8800  | @SX20P8800  | 14'3s  | 1'2      | 14'2   | 14'3 | 14'2 | 291 | 1875     |        |      |      |
| @SX20C9000  | 71'5s                 | -7'4   | ---   | ---   | ---  | 43    | 3660  | 9000  | @SX20P9000  | 20'6s  | 1'5      | 20'0   | 21'3 | 20'0 | 115 | 2291     |        |      |      |
| @SX20C9200  | 59'7s                 | -7'1   | ---   | ---   | ---  | 0     | 3584  | 9200  | @SX20P9200  | 28'7s  | 2'0      | 29'0   | 29'4 | 29'0 | 6   | 1651     |        |      |      |
| @SX20C9400  | 49'7s                 | -6'5   | 49'3  | 49'3  | 49'3 | 1     | 2034  | 9400  | @SX20P9400  | 38'6s  | 2'5      | 38'2   | 39'5 | 38'2 | 80  | 2004     |        |      |      |
| @SX20C9600  | 41'3s                 | -6'0   | 41'4  | 41'4  | 41'4 | 315   | 2537  | 9600  | @SX20P9600  | 50'0s  | 3'1      | ---    | ---  | ---  | 244 | 1594     |        |      |      |
| @SX20C9800  | 34'2s                 | -5'2   | 38'0  | 38'0  | 34'2 | 11    | 3239  | 9800  | @SX20P9800  | 62'6s  | 3'7      | 62'4   | 62'4 | 62'4 | 77  | 1111     |        |      |      |
| @SX20C10000 | 28'3s                 | -4'4   | 32'5  | 33'0  | 28'0 | 123   | 6696  | 10000 | @SX20P10000 | 76'5s  | 4'5      | ---    | ---  | ---  | 0   | 113      |        |      |      |
| @SX20C10200 | 23'4s                 | -3'7   | 25'1  | 25'1  | 23'0 | 1939  | 3868  | 10200 | @SX20P10200 | 91'5s  | 5'2      | ---    | ---  | ---  | 0   | 3        |        |      |      |
| @SX20C10400 | 19'3s                 | -3'4   | 22'6  | 22'6  | 19'4 | 125   | 3601  | 10400 | @SX20P10400 | 107'3s | 5'6      | ---    | ---  | ---  | 0   | 6        |        |      |      |
| @SX20C10600 | 16'1s                 | -3'0   | 16'4  | 16'4  | 16'1 | 151   | 10111 | 10600 | @SX20P10600 | 124'0s | 6'2      | ---    | ---  | ---  | 0   | 0        |        |      |      |
| @SX20C10800 | 13'3s                 | -2'5   | 15'0  | 15'0  | 13'6 | 14    | 3792  | 10800 | @SX20P10800 | 141'1s | 6'5      | ---    | ---  | ---  | 0   | 0        |        |      |      |
| @SX20C11000 | 11'2s                 | -2'2   | 11'5  | 11'5  | 11'1 | 33    | 3303  | 11000 | @SX20P11000 | 158'6s | 6'7      | ---    | ---  | ---  | 0   | 1        |        |      |      |

## Net Position of Traders in Soybeans

CFTC Commitment of Traders to January 14, 2020

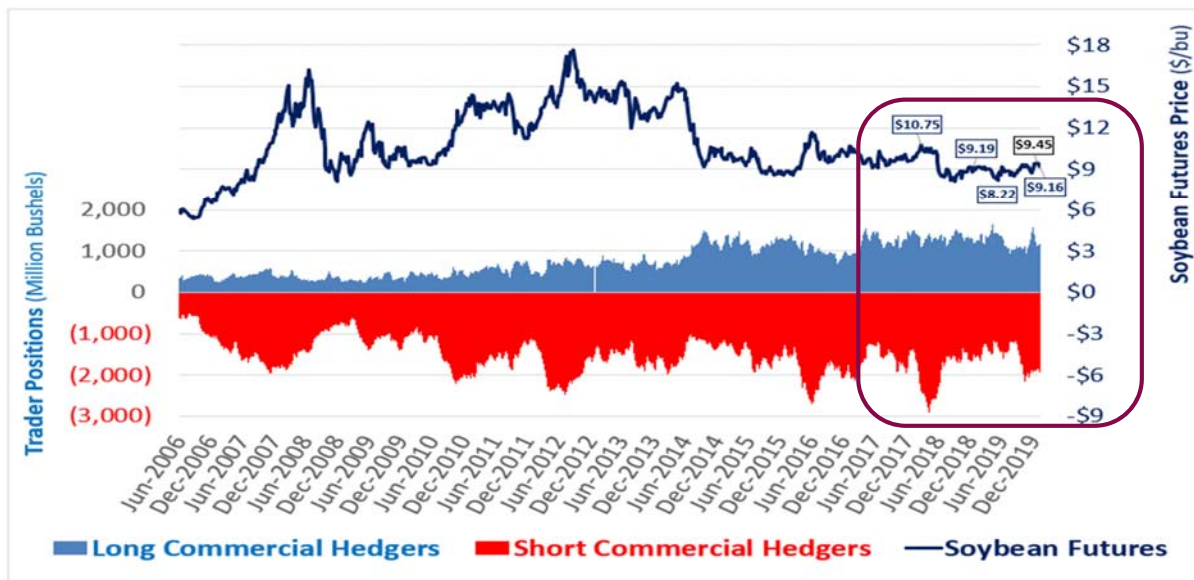
26



## Commercial Traders (Hedge) Positions in Soybeans

CFTC Commitment of Traders to January 14, 2020

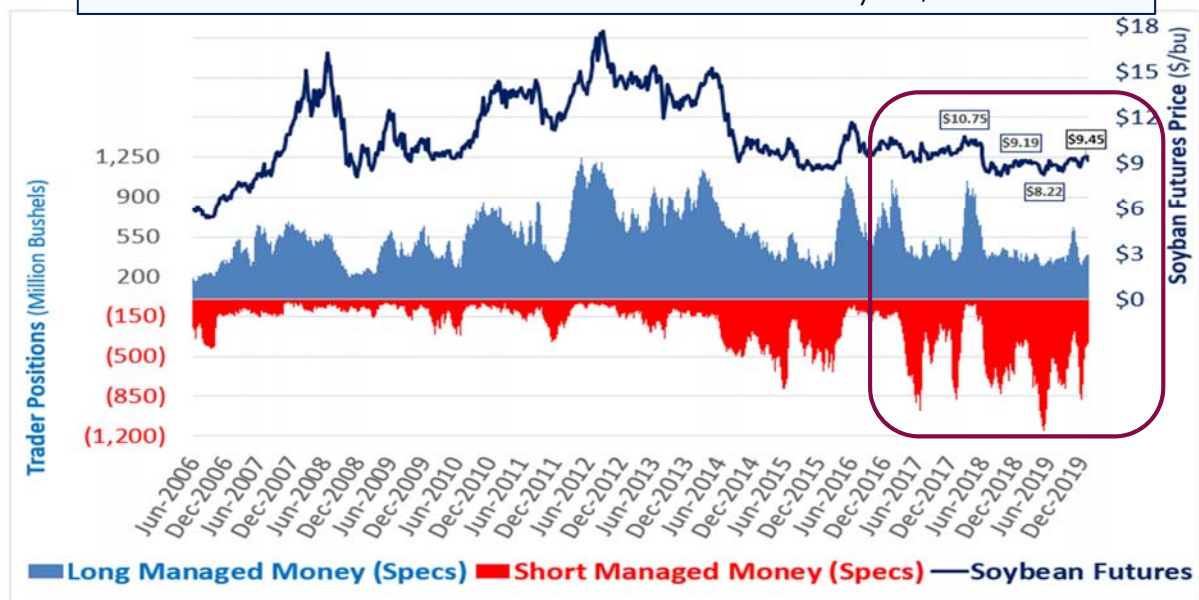
27



## Managed Money (Spec) Positions in Soybeans

CFTC Commitment of Traders to January 14, 2020

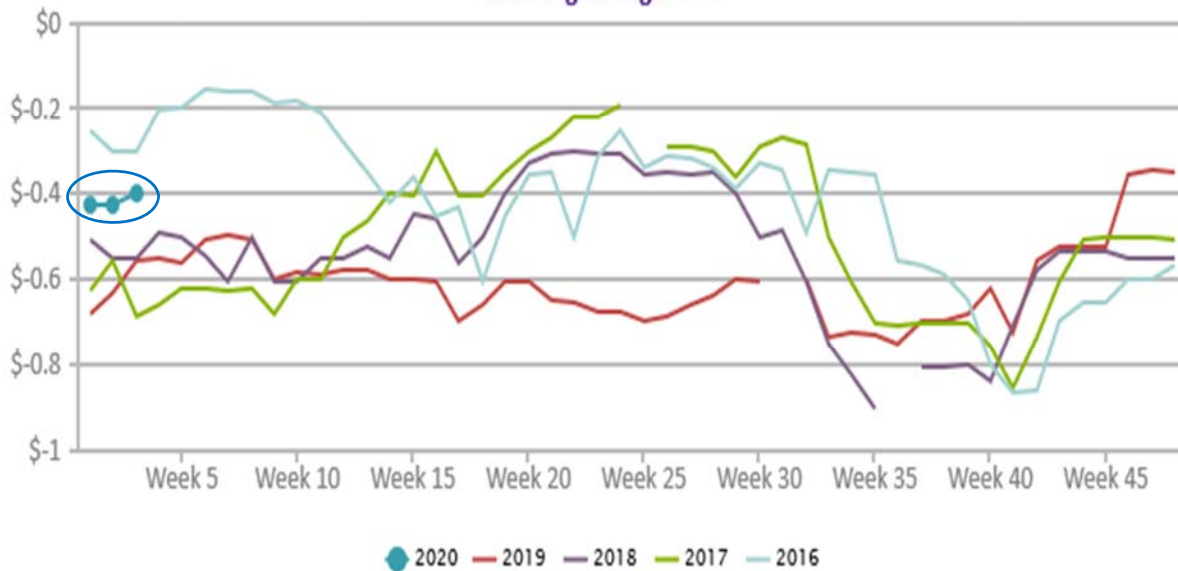
28



## ATCHISON, KS: Soybeans Basis - BARTLETT GRAIN CO. LP

29

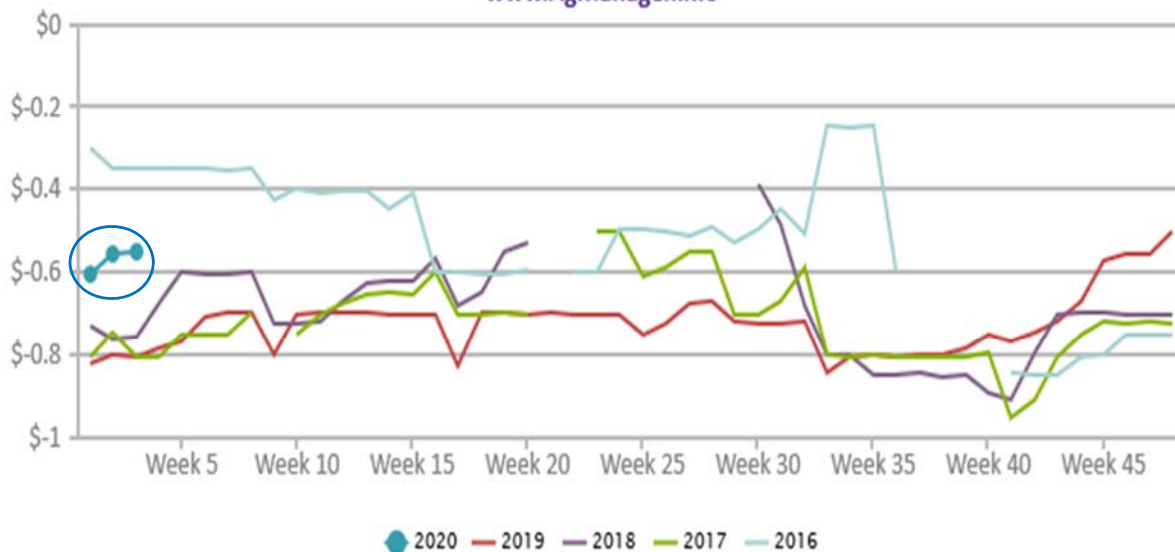
[www.AgManager.info](http://www.AgManager.info)



## TOPEKA , KS: Soybeans Basis - OTTAWA COOP GRAIN

30

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



# Soybean Cash Bids – Near Atchison, KS

31

Tuesday, January 21, 2020 (Source: DTN Grains)

| Elevator/Location                     | Jan 2020 | Feb 2020 | Oct 2020 | Nov 2020 |
|---------------------------------------|----------|----------|----------|----------|
| BARTLETT GRAIN CO LP<br>ATCHISON, KS  | 8.79     | ---      | ---      | ---      |
| CARGILL<br>CUMMINGS, KS               | 8.77     | ---      | ---      | ---      |
| JACKSON FARMERS<br>LANCASTER, KS      | 8.54     | ---      | ---      | ---      |
| MIDWEST FERTILIZER<br>NORTONVILLE, KS | 8.62     | ---      | 8.59     | ---      |
| AG PARTNERS<br>DENTON, KS             | 8.58     | ---      | ---      | 8.74     |
| ADM KANSAS CITY<br>KANSAS CITY, KS    | 9.04     | 9.00     | ---      | 9.14     |
| AG PARTNERS<br>HIAWATHA, KS           | 8.58     | ---      | ---      | 8.74     |
| AG PARTNERS<br>POWHATTAN, KS          | 8.58     | ---      | ---      | 8.74     |

## 2020 KSU Cost of Production Budget Estimates

Non-Irrigated Soybeans

Northeast KS

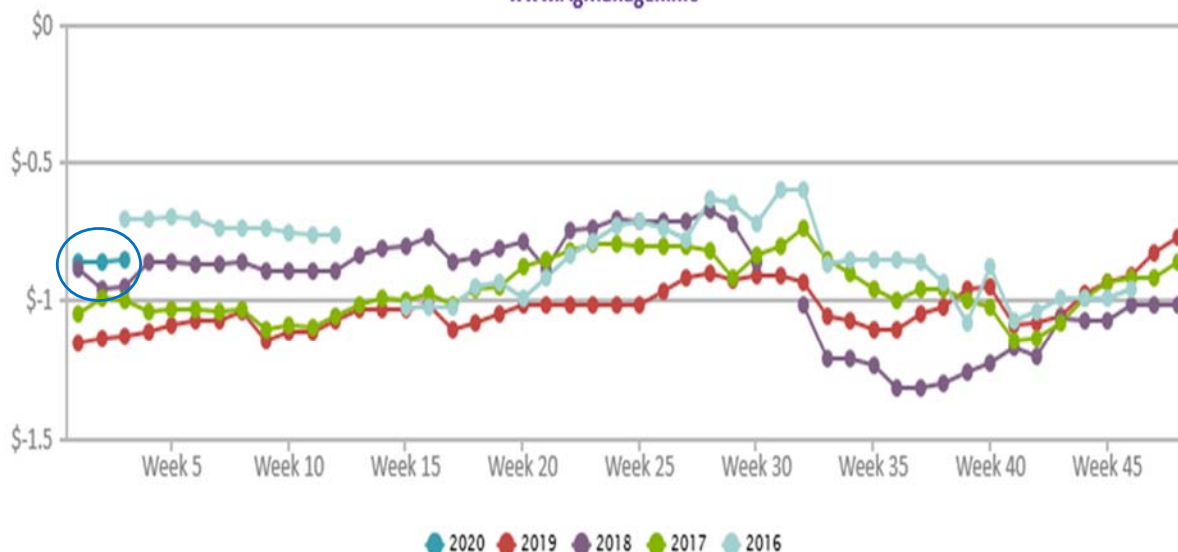
@ \$45 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$6.01 /bu
- All Cost (With Cash Rent) = \$8.21 /bu

## MARIETTA, KS: Soybeans Basis - BEATTIE COOP - MARIETTA

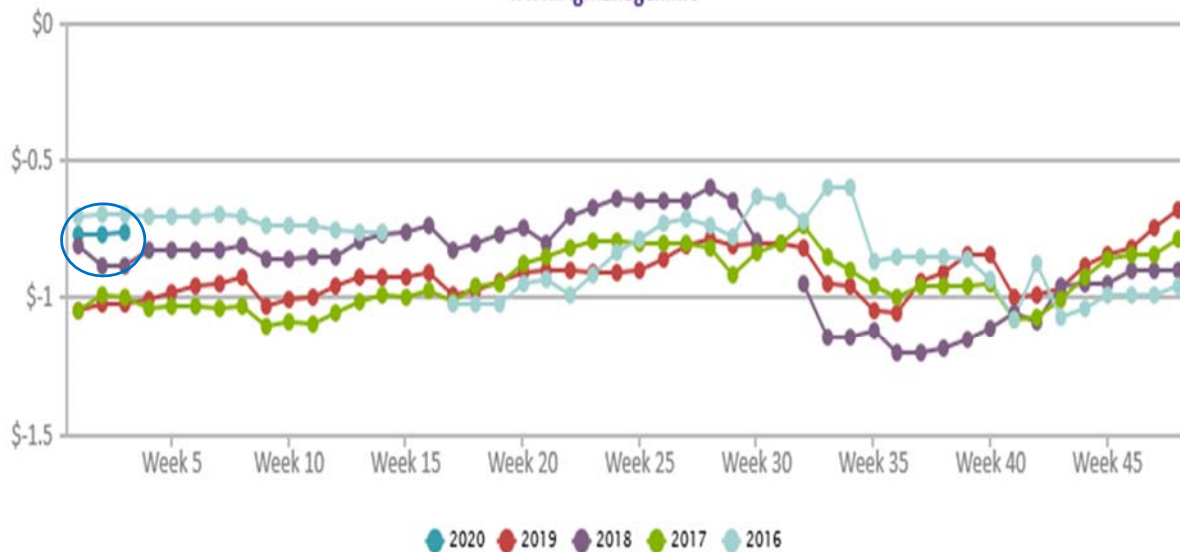
2

www.AgManager.info



## FRANKFORT, KS: Soybeans Basis - BEATTIE COOP

www.AgManager.info



## Soybean Cash Bids – Near Marysville, KS

Tuesday, January 21, 2020 (Source: DTN Grains)

| Elevator/Location                    | Jan 2020 | Feb 2020 | Oct 2020 | Nov 2020 |
|--------------------------------------|----------|----------|----------|----------|
| FARMERS COOP HERKIMER, KS            | 8.30     | 8.23     | 8.50     | 8.50     |
| FARMERS COOP - MARIETTA MARIETTA, KS | 8.34     | 8.27     | 8.54     | 8.54     |
| FARMERS COOP BLUE RAPIDS, KS         | 8.34     | 8.27     | 8.60     | 8.60     |
| FARMERS COOP WATERVILLE, KS          | 8.34     | 8.27     | 8.53     | 8.53     |
| FARMERS COOP BEATTIE, KS             | 8.39     | 8.32     | 8.59     | 8.59     |
| FARMERS COOP SHUTTLE FRANKFORT, KS   | 8.43     | 8.36     | 8.74     | 8.74     |
| FARMERS COOP HANOVER, KS             | 8.39     | 8.32     | 8.63     | 8.63     |

### 2020 KSU Cost of Production Budget Estimates

#### Non-Irrigated Soybeans

#### Northeast KS

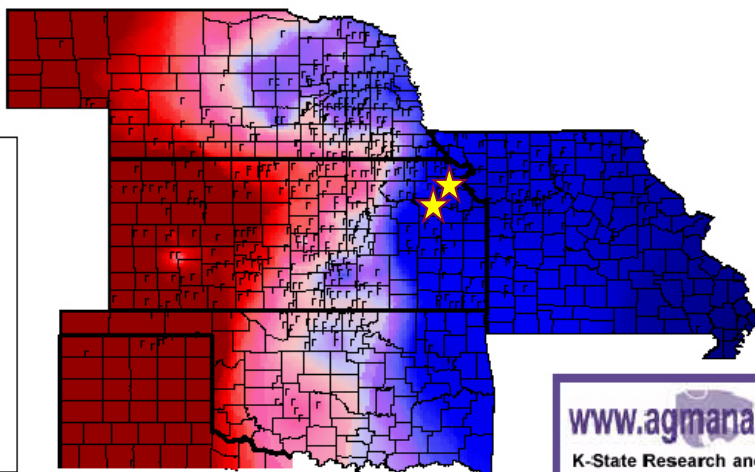
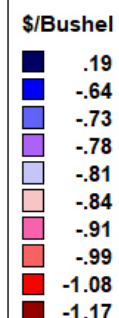
@ \$45 bu/ac Yield

- Direct Cost (w/o Cash Rent) = \$6.01 /bu
- All Cost (With Cash Rent) = \$8.21 /bu

## Soybean Basis, 01-15-2020

Basis = Cash Price - Nearby Futures Price

CBT Mar  
Futures  
Price: \$9.29



[www.agmanager.info](http://www.agmanager.info)  
K-State Research and Extension

DC\_GR112

Dodge City, KS

Tue, Jan 21, 2020

USDA-KS Dept of Ag Market News

### Central Kansas Terminal and Processor Daily Grain Report

#### TERMINAL US NO 2 SOYBEANS

|               | Bids      | Change (¢/bu) | Basis        | Change |
|---------------|-----------|---------------|--------------|--------|
| Atchison      | 8.73      | DN 14         | -43H         | UNCH   |
| Topeka        | 8.66      | DN 14         | -50H         | UNCH   |
| Salina        | 8.46      | DN 14         | -70H         | UNCH   |
| Newton        | 8.25      | DN 14         | -91H         | UNCH   |
| Hutchinson    | 8.23-8.46 | DN 14         | -93H to -70H | UNCH   |
| Wichita       | 8.35      | DN 14         | -81H         | UNCH   |
| Wellington    | 8.31      | DN 14         | -85H         | UNCH   |
| Arkansas City | 8.29      | DN 14         | -87H         | UNCH   |

#### PROCESSOR US NO 2 SOYBEANS

|         | Bids | Change (¢/bu) | Basis | Change |
|---------|------|---------------|-------|--------|
| Emporia | 8.96 | DN 14         | -20H  | UNCH   |
| Wichita | 8.93 | DN 14         | -23H  | UNCH   |

# U.S. Soybeans Supply and Demand

37

| Item                           | 2018/2019<br>estimate | 2019/2020<br>forecast | Change from<br>December 10 | Change from<br>2018/2019 |
|--------------------------------|-----------------------|-----------------------|----------------------------|--------------------------|
| Planted area (million acres)   | 89.2                  | 76.1                  | -0.4                       | -13.1                    |
| Harvested area (million acres) | 87.6                  | 75.0                  | -0.6                       | -12.6                    |
| Yield (bushels per acre)       | 50.6                  | 47.4                  | 0.5                        | -3.1                     |
| ----- Million bushels -----    |                       |                       |                            |                          |
| Beginning stocks               | 438                   | 909                   | -4                         | 471                      |
| Production                     | 4,428                 | 3,558                 | 8                          | -870                     |
| Imports                        | 14                    | 15                    | -5                         | 1                        |
| Total supply                   | 4,880                 | 4,482                 | -1                         | -398                     |
| Crush                          | 2,092                 | 2,105                 | --                         | 13                       |
| Seed and Residual              | 132                   | 128                   | **                         | -4                       |
| Domestic use                   | 2,224                 | 2,233                 | **                         | 9                        |
| Exports                        | 1,748                 | 1,775                 | --                         | 27                       |
| Total use                      | 3,971                 | 4,008                 | **                         | 37                       |
| Ending stocks                  | 909                   | 475                   | **                         | -435                     |
| ----- Percent -----            |                       |                       |                            |                          |
| Stocks to use ratio            | 22.9                  | 11.8                  | **                         | -11.1                    |
| ----- Dollars per bushel ----- |                       |                       |                            |                          |
| Average market price           | 8.48                  | 9.00                  | 0.15                       | 0.52                     |

-- No change. \*\* Rounds to zero.

## U.S. Soybean Stocks.....

60

### • Soybean: “Moderate-Large” Stocks & % S/U

○ End Stocks <sup>2019/20</sup> → 475 mln bu (vs 909 mb last yr)

○ % Stocks/Use <sup>2019/20</sup> → 11.8% S/U (vs 23.0% last yr)

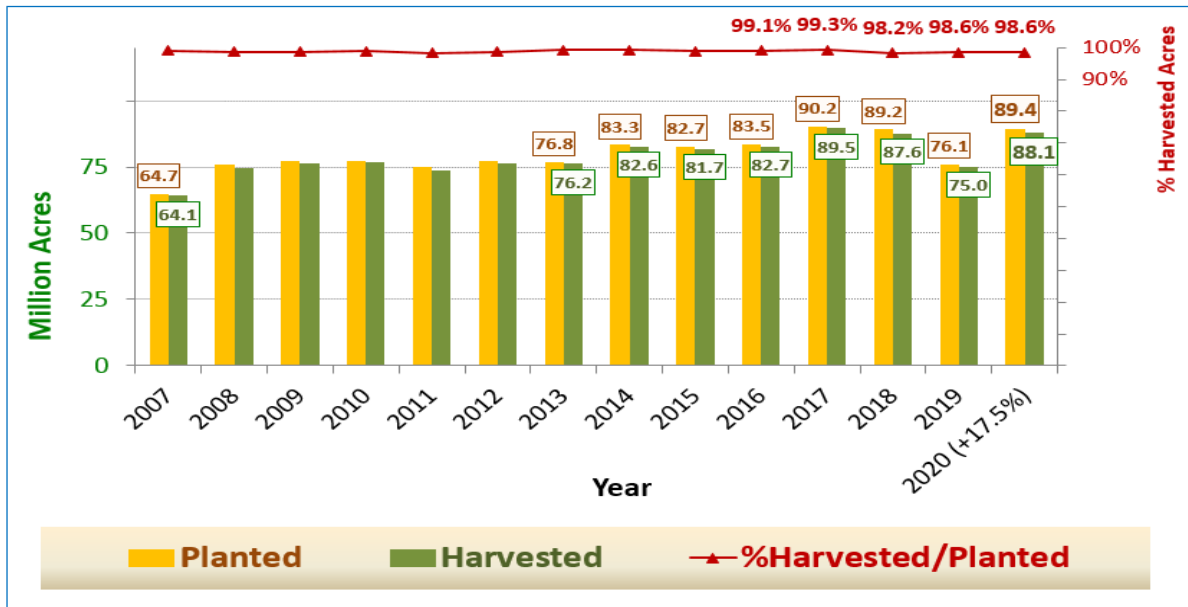
### ○ USDA WASDE January 10, 2020 Pre-Report Estimates

|               | Survey Results |     |      | USDA |
|---------------|----------------|-----|------|------|
| 2019-20 Crop: | Avg            | Low | High | Dec. |
| Soybeans      | 431            | 310 | 520  | 475  |

# U.S. Soybean Acreage

For 2020 ???  
Increase of 10-15%+

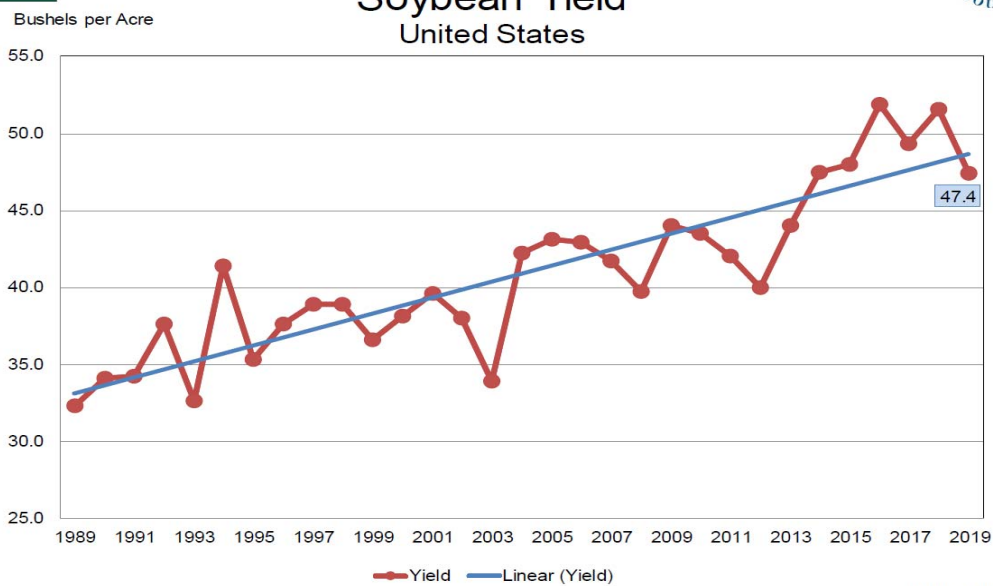
61



## Soybean Yield United States



40



USDA-NASS  
1-10-20

# U.S. Soybean Yields

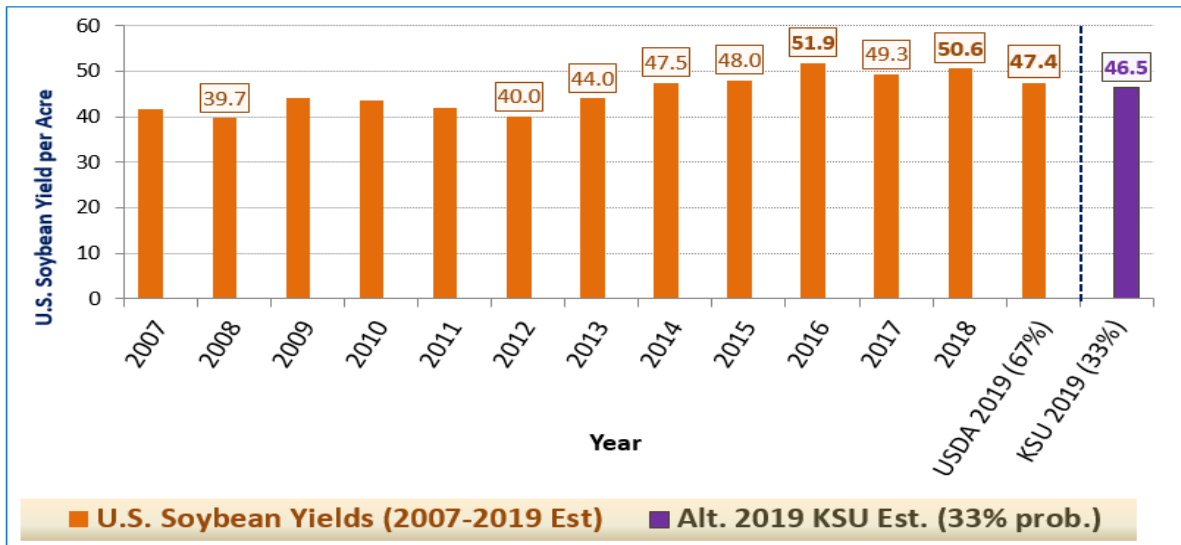
USDA 2019 = 47.4 bu/ac

**Final 2019???**

Impact of Late Harvest???

*IS 46.5 bu/ac near final #?*

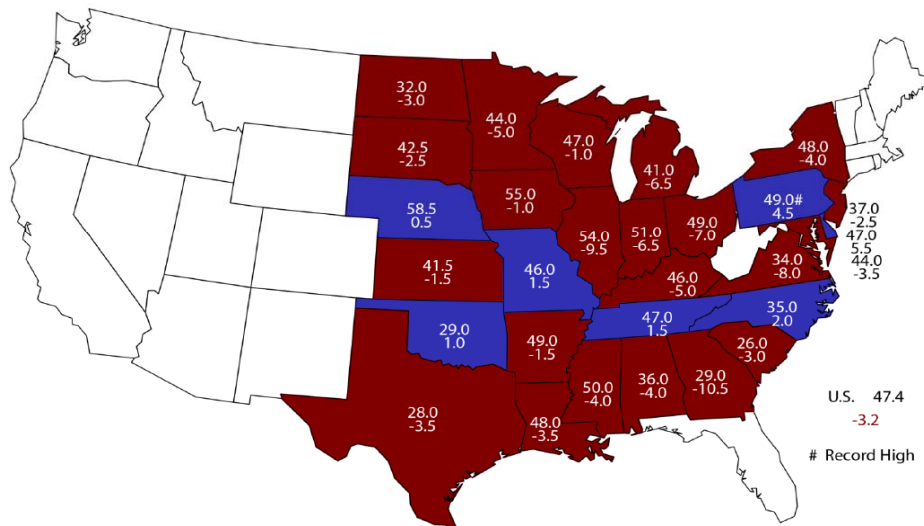
63



## 2019 Soybean Yield Bushels and Change From Previous Year



42



USDA-NASS  
1-10-20

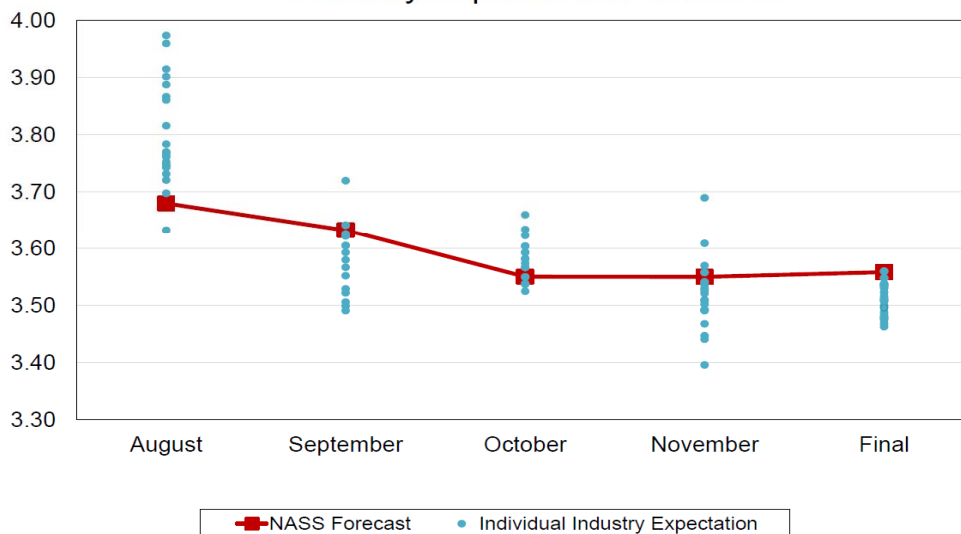


Billion Bushels

## 2019 United States Soybean Production Industry Expectations vs NASS



43



USDA-NASS  
1-10-20



## Percent of Acres Remaining To Be Harvested



44

| Crop     | 2009 | 2016 | 2017 | 2018 | 2019 |
|----------|------|------|------|------|------|
| Corn     | 9.9  | 0.5  | 1.1  | 2.5  | 8.0  |
| Soybeans | 3.0  | 0.2  | 0.5  | 3.4  | 2.0  |
| Sorghum  | 7.0  | 0.4  | 0.3  | 4.0  | 0.9  |

KSU Estimate of  
Crops Not Yet  
Harvested

≈ 1,095 mb

≈ 71 mb

≈ 6 mb

USDA-NASS  
1-10-20

## Soybeans Harvested – Selected States

[These 18 States harvested 96% of the 2018 soybean acreage]

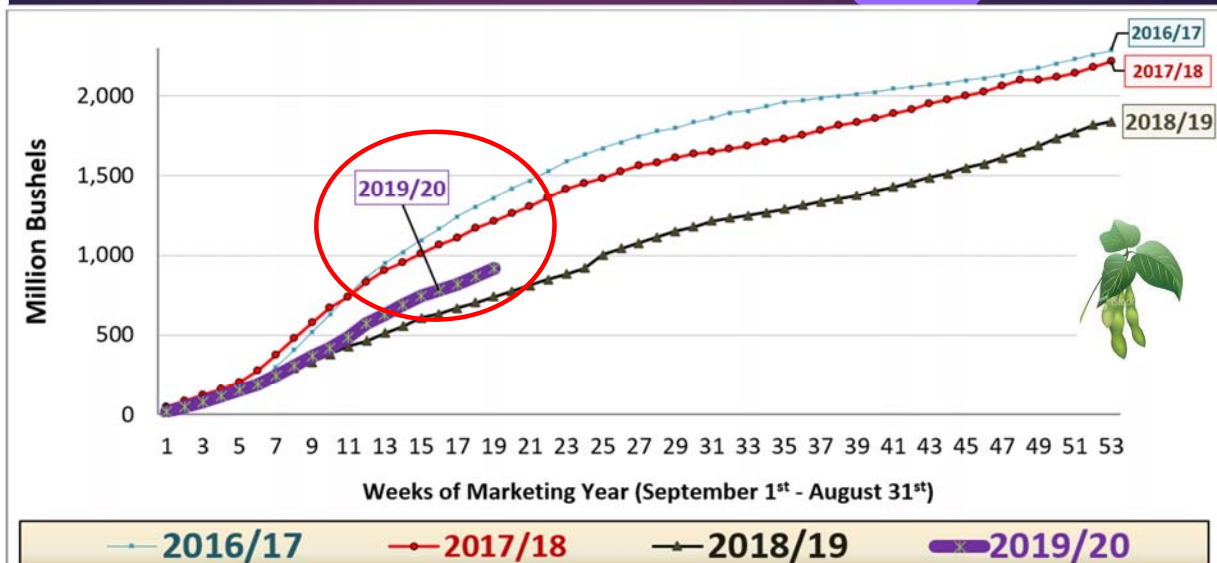
| State                | Week ending      |                   |                  | 2014-2018 Average |
|----------------------|------------------|-------------------|------------------|-------------------|
|                      | December 1, 2018 | November 24, 2019 | December 1, 2019 |                   |
|                      | (percent)        | (percent)         | (percent)        | (percent)         |
| Arkansas .....       | 93               | 96                | 98               | 98                |
| Illinois .....       | 100              | 95                | 100              | 100               |
| Indiana .....        | 98               | 94                | 96               | 99                |
| Iowa .....           | 100              | 97                | 98               | 100               |
| Kansas .....         | 95               | 95                | 97               | 98                |
| Kentucky .....       | 90               | 92                | 96               | 95                |
| Louisiana .....      | 99               | 100               | 100              | 100               |
| Michigan .....       | 92               | 80                | 85               | 97                |
| Minnesota .....      | 100              | 98                | 99               | 100               |
| Mississippi .....    | 98               | 98                | 99               | 99                |
| Missouri .....       | 98               | 91                | 96               | 96                |
| Nebraska .....       | 100              | 100               | 100              | 100               |
| North Carolina ..... | 71               | 67                | 75               | 77                |
| North Dakota .....   | 95               | 89                | 92               | 99                |
| Ohio .....           | 97               | 93                | 95               | 99                |
| South Dakota .....   | 100              | 99                | 100              | 100               |
| Tennessee .....      | 88               | 91                | 95               | 95                |
| Wisconsin .....      | 99               | 82                | 86               | 99                |
| 18 States .....      | 97               | 94                | 96               | 99                |

## U.S. Soybean Production & Supplies



Likely to have  
Acres & Production  
Increase in Yr 2020

## U.S. Soybean Exports – Weekly thru January 9, 2020



## U.S. Soybean Export Sales & Shipments

As of January 9, 2020

In 1,000 metric tons

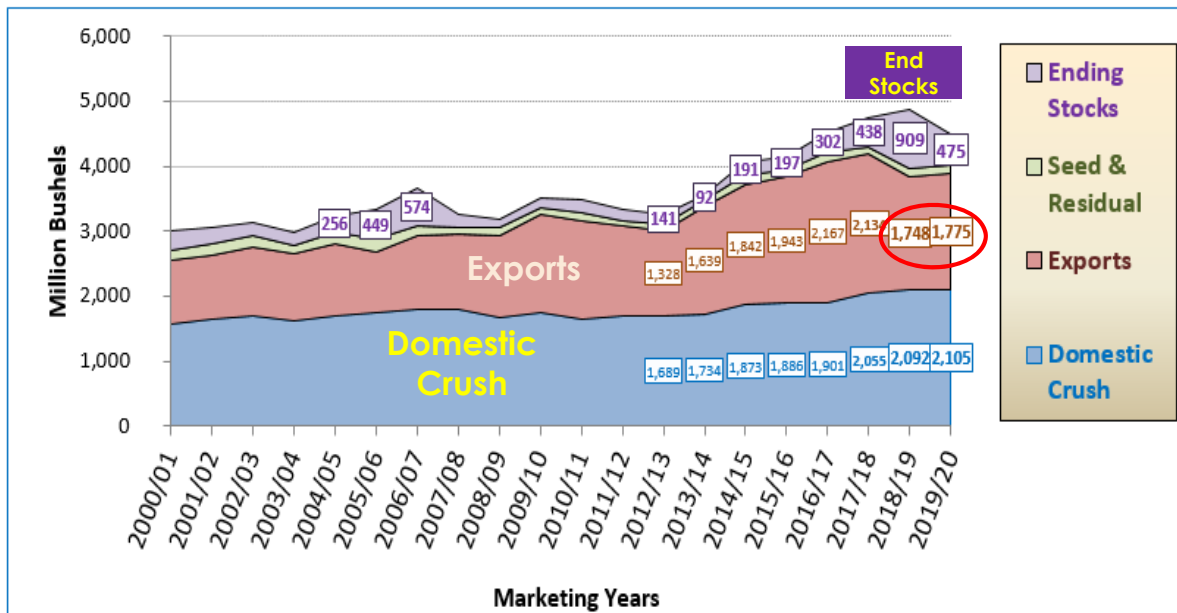
For “New Crop”  
MY 2019/20

Sept. 1, 2019 thru August 31, 2020

| DESTINATION           | OUTSTANDING SALES |                | ACCUMULATED EXPORTS |                | Future SALES |
|-----------------------|-------------------|----------------|---------------------|----------------|--------------|
|                       | THIS WEEK:        | YR AGO         | THIS WEEK:          | YR AGO         | SECOND YR:   |
| EUROPEAN UNION - 27   | 55.0              | 275.0          | 3,124.8             | 5,038.6        | 0.0          |
| GERMANY               | 0.0               | 0.0            | 647.4               | 698.7          | 0.0          |
| ITALY                 | *                 | 60.0           | 149.0               | 543.6          | 0.0          |
| NETHLDS               | 0.0               | 0.0            | 777.9               | 1,311.4        | 0.0          |
| PORTUGL               | 0.0               | 40.0           | 328.6               | 374.8          | 0.0          |
| SPAIN                 | 55.0              | 115.0          | 1,010.0             | 1,372.1        | 0.0          |
| <b>JAPAN</b>          | <b>479.9</b>      | <b>469.5</b>   | <b>814.9</b>        | <b>907.3</b>   | <b>58.5</b>  |
| <b>TAIWAN</b>         | <b>366.2</b>      | <b>308.5</b>   | <b>977.0</b>        | <b>775.2</b>   | <b>0.0</b>   |
| <b>CHINA</b>          | <b>1,549.8</b>    | <b>3,009.5</b> | <b>9,838.6</b>      | <b>474.0</b>   | <b>0.0</b>   |
| OTHER ASIA & OCEANIA: | 957.6             | 1,263.9        | 4,721.1             | 4,881.8        | 0.0          |
| BANGLADH              | 245.0             | 2.5            | 755.8               | 353.0          | 0.0          |
| INDNSIA               | 244.0             | 377.5          | 756.0               | 785.8          | 0.0          |
| KOR REP               | 43.6              | 45.2           | 416.9               | 437.3          | 0.0          |
| PAKISTN               | 0.0               | 262.0          | 935.2               | 749.3          | 0.0          |
| THAILND               | 160.9             | 299.7          | 764.6               | 867.0          | 0.0          |
| VIETNAM               | 70.3              | 53.6           | 457.8               | 429.2          | 0.0          |
| AFRICA                | 203.0             | 202.0          | 1,406.7             | 1,315.4        | 0.0          |
| EGYPT                 | 173.0             | 172.0          | 1,185.9             | 1,054.8        | 0.0          |
| TUNISIA               | 0.0               | 30.0           | 220.8               | 214.1          | 0.0          |
| WESTERN HEMISPHERE    | 1,251.7           | 3,006.3        | 2,359.2             | 4,417.0        | 0.0          |
| ARGENT                | 0.0               | 226.0          | 0.0                 | 1,713.8        | 0.0          |
| CANADA                | 6.7               | 151.9          | 29.3                | 494.1          | 0.0          |
| COLOMB                | 19.0              | 28.8           | 219.8               | 217.8          | 0.0          |
| <b>MEXICO</b>         | <b>1,138.1</b>    | <b>2,383.6</b> | <b>1,827.6</b>      | <b>1,716.3</b> | <b>0.0</b>   |
| TOTAL KNOWN & UNKNOWN | 7,240.6           | 12,517.2       | 23,242.2            | 17,851.9       | 183.5        |

# U.S. Soybean Use & End Stocks

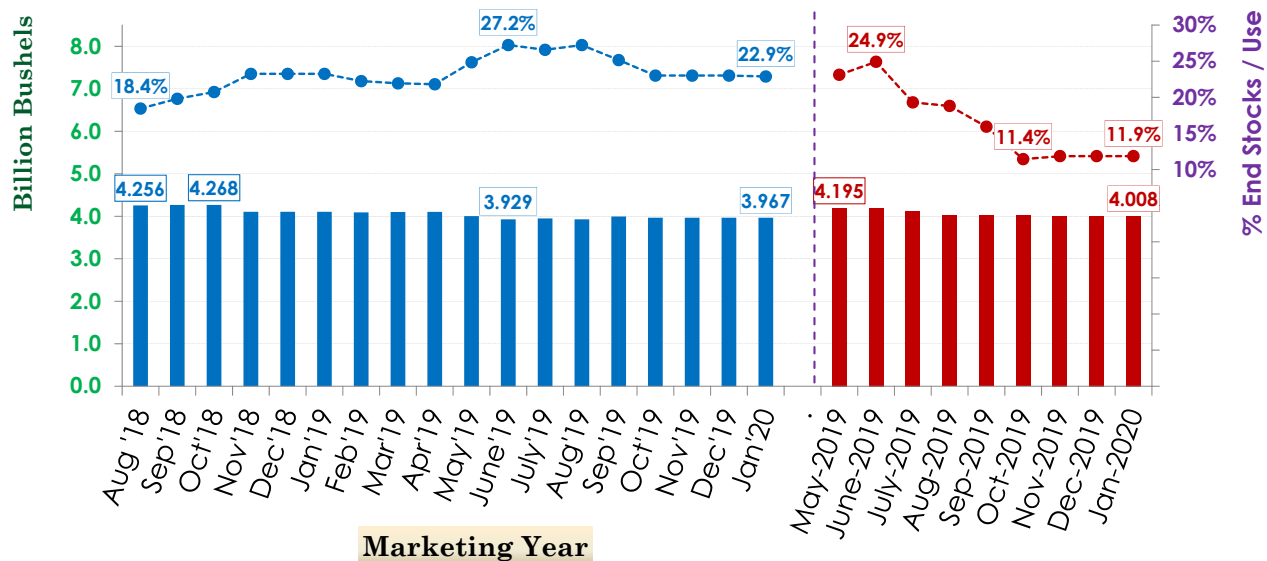
66



# U.S. Soybean Total Use Projections (USDA)

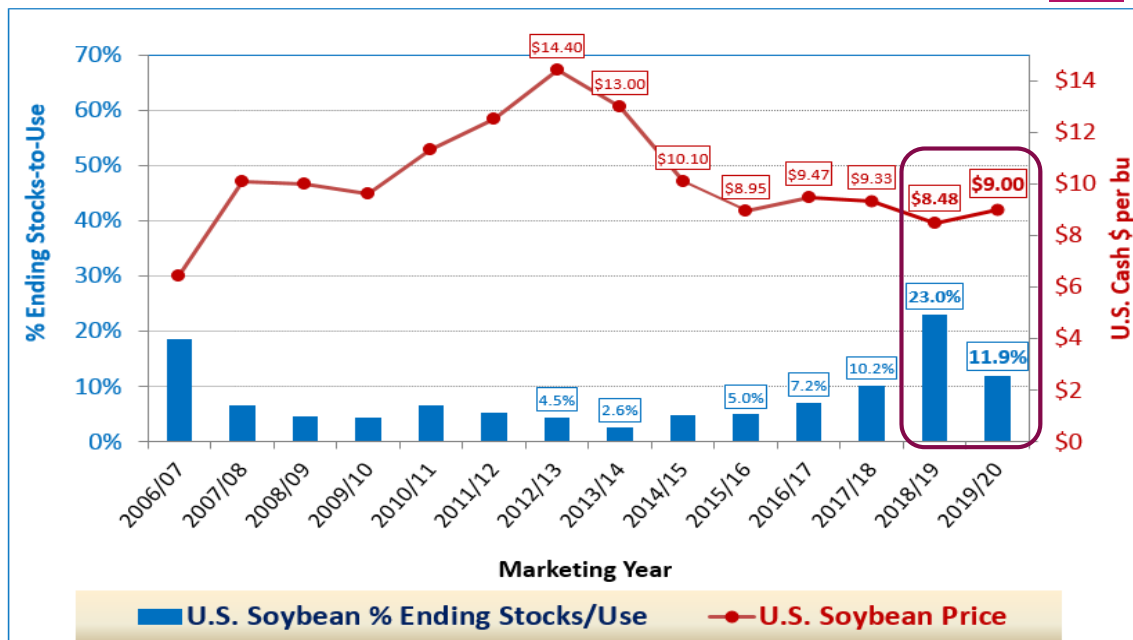
For "Old Crop" MY 2018/19 & "New Crop" MY 2019/20

50



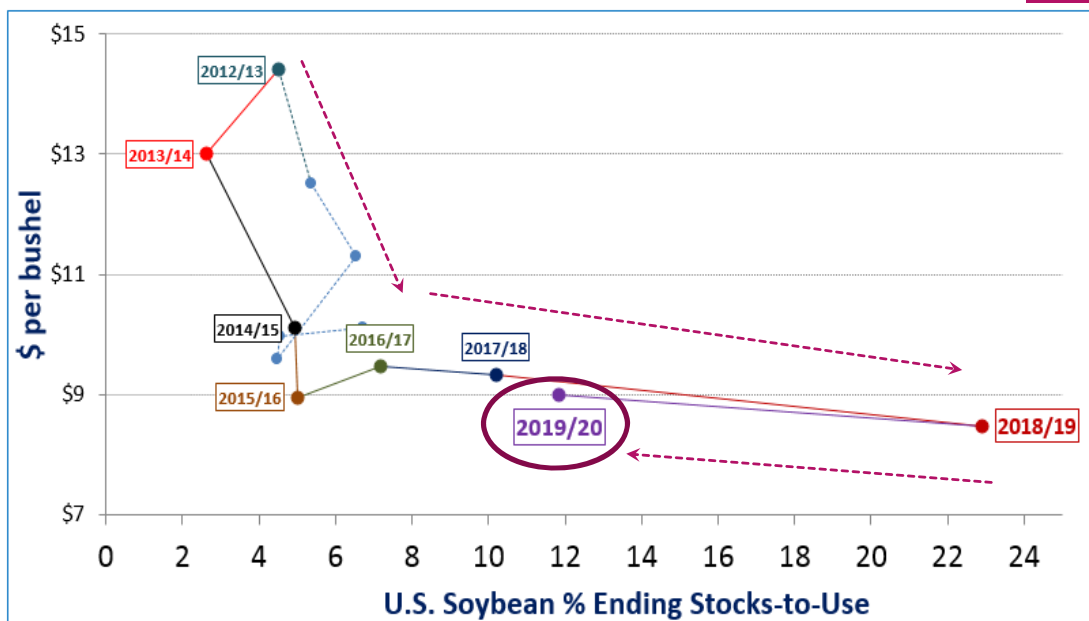
## U.S. Soybean % Stocks/Use vs Price\$

68



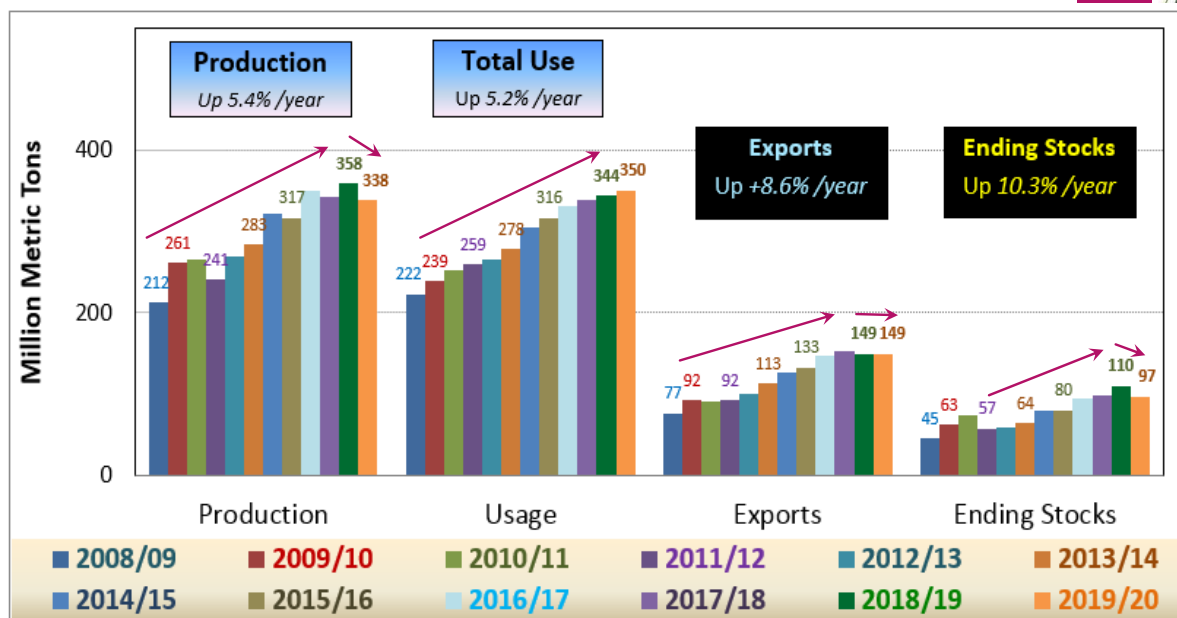
## U.S. Soybean % Stocks/Use vs Price\$

69



# World Soybean Supply, Use & Stocks

70



## World Soybean Production

54

| Country or Region        | 2018/2019<br>estimate | 2019/2020<br>forecast | Change from<br>December 10 | Change from<br>2018/2019 |
|--------------------------|-----------------------|-----------------------|----------------------------|--------------------------|
| ----- Million Tons ----- |                       |                       |                            |                          |
| World                    | 358.3                 | 337.7                 | 0.2                        | -20.6                    |
| United States            | 120.5                 | 96.8                  | 0.2                        | -23.7                    |
| Foreign                  | 237.8                 | 240.9                 | **                         | 3.1                      |
| Argentina                | 55.3                  | 53.0                  | --                         | -2.3                     |
| Brazil                   | 117.0                 | 123.0                 | --                         | 6.0                      |
| Paraguay                 | 8.8                   | 10.2                  | --                         | 1.3                      |
| Canada                   | 7.3                   | 6.0                   | --                         | -1.3                     |
| India                    | 10.9                  | 9.0                   | --                         | -1.9                     |
| China                    | 16.0                  | 18.1                  | --                         | 2.1                      |

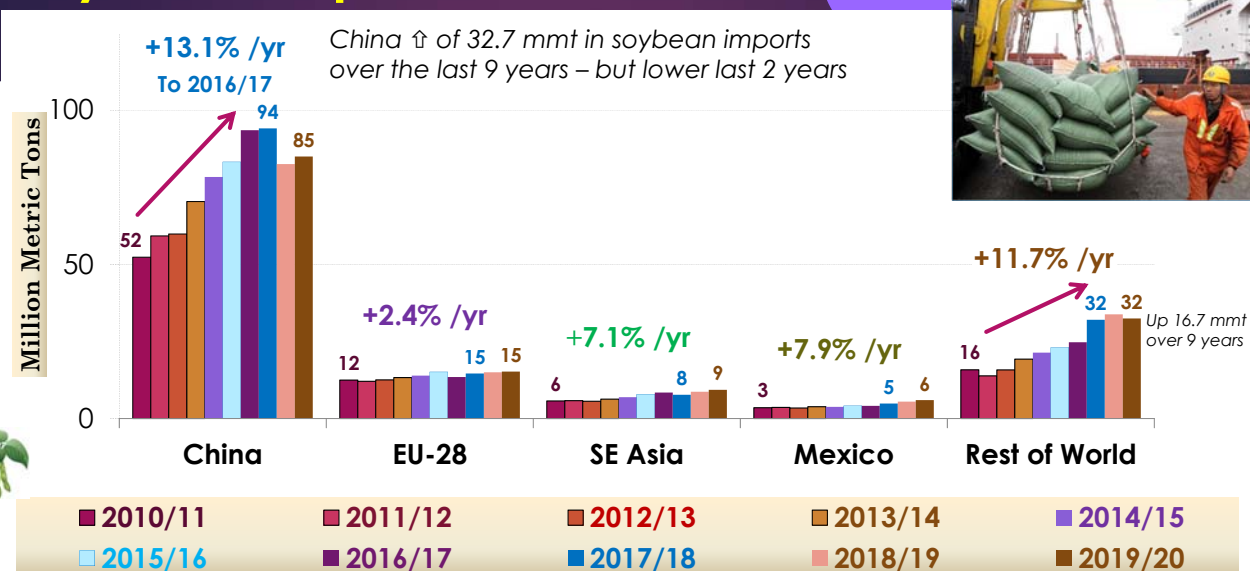
-- No change. \*\* Rounds to zero.

# World Soybean Supply and Use

| Item                     | 2018/2019<br>estimate | 2019/2020<br>forecast | Change from<br>December 10 | Change from<br>2018/2019 |
|--------------------------|-----------------------|-----------------------|----------------------------|--------------------------|
| ----- Million Tons ----- |                       |                       |                            |                          |
| Beginning stocks         | 98.9                  | 110.3                 | 0.5                        | 11.4                     |
| Production               | 358.3                 | 337.7                 | 0.2                        | -20.6                    |
| Total Supply             | 457.2                 | 448.0                 | 0.7                        | -9.2                     |
| Crush                    | 298.3                 | 303.6                 | 0.8                        | 5.2                      |
| Total use                | 343.6                 | 350.1                 | 0.4                        | 6.5                      |
| Trade                    | 149.2                 | 149.1                 | --                         | -0.1                     |
| Ending Stocks            | 110.3                 | 96.7                  | 0.3                        | -13.6                    |
| Addendum                 |                       |                       |                            |                          |
| Beginning stocks         |                       |                       |                            |                          |
| Argentina plus Brazil    | 56.5                  | 59.2                  | 0.5                        | 2.7                      |
| Imports*                 |                       |                       |                            |                          |
| China                    | 82.5                  | 85.0                  | --                         | 2.5                      |

January 10, 2020

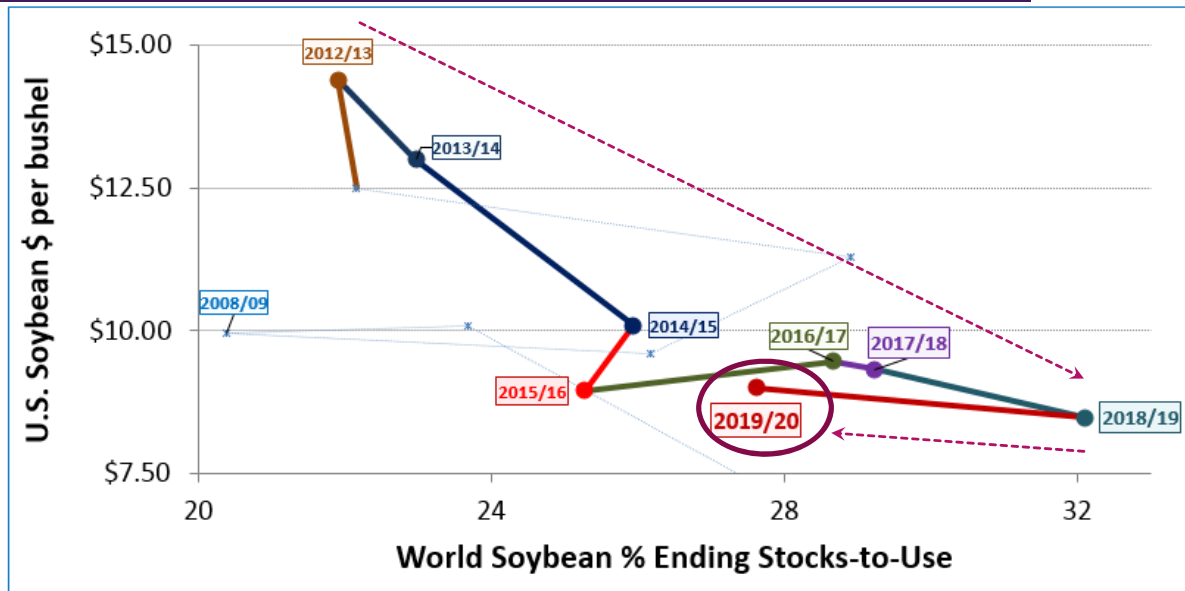
## Soybean Importer Purchases



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

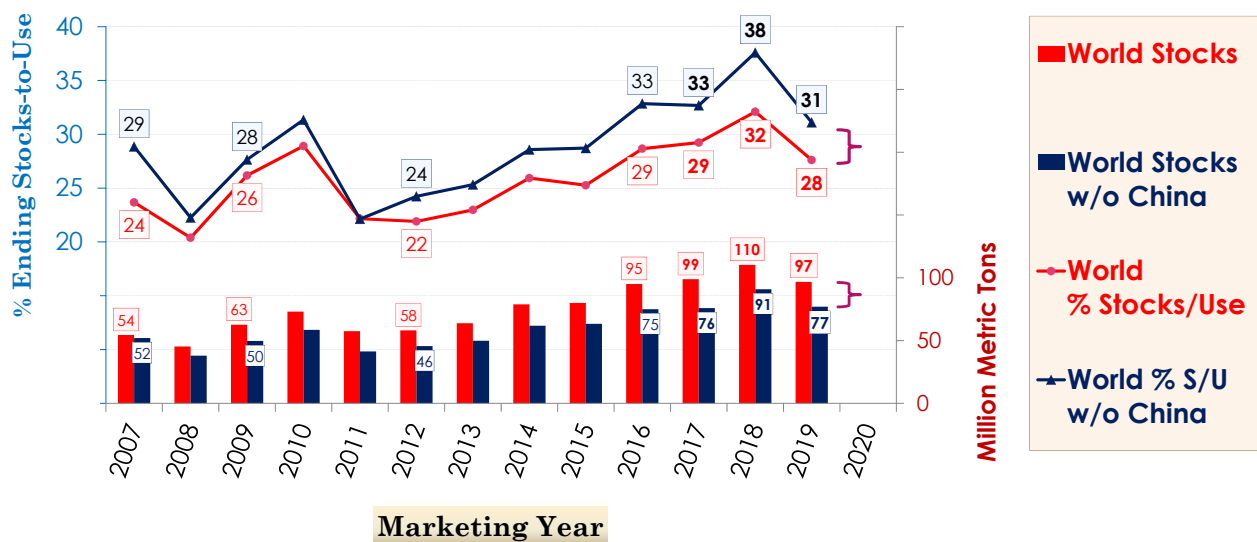
MY 2007/08 through "New Crop" MY 2019/20

74



75

## World & World-less-China SOYBEAN Stocks & %S/U



# Questions?

**Daniel O'Brien – Extension Ag Economist**

**Blog:** [www.ksugrains.wordpress.com](http://www.ksugrains.wordpress.com)

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