



Food & Agricultural  
Policy Research Institute  
University of Missouri

# Strategies for Putting the Marketing Puzzle Together

Food and Agricultural Policy Research Institute (FAPRI)  
Division of Applied Social Sciences  
University of Missouri

[www.fapri.missouri.edu](http://www.fapri.missouri.edu)

June 11, 2019

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# U.S. corn supply and use

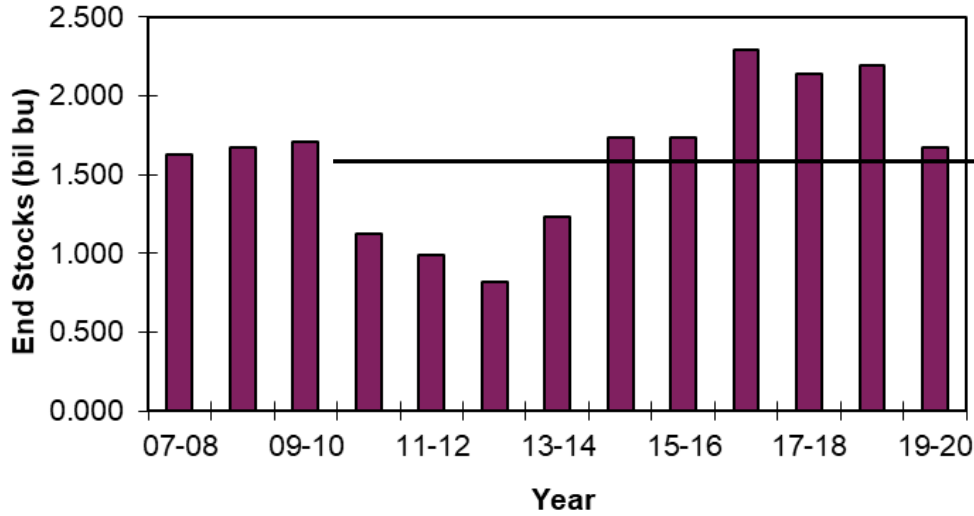
	2018/19 (USDA Jun 11)	2019/20 (USDA Jun 11)	2018/19 (FAPRI April 2019)	2019/20 (FAPRI April 2019)
Area planted (mil. acres)	89.1	89.8	89.1	91.7
Yield (bu./harvested acre)	176.4	166.0	176.4	173.8
Production (mil. bu.)	14,420	13,680	14,420	14,633
Feed and residual use (mil. bu.)	5,300	5,150	5,373	5,344
Ethanol and coproduct use	5,450	5,500	5,581	5,682
Other domestic use	1,450	1,450	1,468	1,475
Exports	2,200	2,150	2,454	2,264
Ending stocks	2,195	1,675	1,723	1,629
Marketing yr. avg. price (\$/bu.)	3.60	3.80	3.53	3.81

Source: USDA WASDE, June 2019.

# WASDE USDA Corn Summary June 11 , 2019

- 1) U.S. Average Farm Price – **Moderate Increase**
  - 2019-20 USDA: \$3.80
  - 2018-19 USDA: \$3.60
  - 2017-18 USDA: \$3.36
  - 2016-17 USDA: \$3.36
- 2) U.S. Ending Stocks-**Moderate decline**
  - 2019-20 USDA: (1,675 Million Bushels)
  - 2018-19 USDA: (2,195 Million Bushels)
  - 2017-18 USDA: (2,140 Million Bushels)
  - 10 Year Average 09/10-18/19: (1,597 Million Bushels)
  - 20 Year Average 99/00-18/19: (1,595 Million Bushels)
- 3) World Ending Corn Stocks – **Declining**
  - 2019-20 World: (291 Million Metric Tons)
  - 2018-19 World: (325 Million Metric Tons)
  - 2017-18 World: (339 Million Metric Tons)
  - 10 Year Average 09/10-18/19: (241 Million Metric Tons)
- 4) U.S. Export – **Declining**
  - 2019- 20 USDA: (2,150 Million Bushels)
  - 2018- 19 USDA: (2,200 Million Bushels)
  - 2017- 18 USDA: (2,438 Million Bushels)

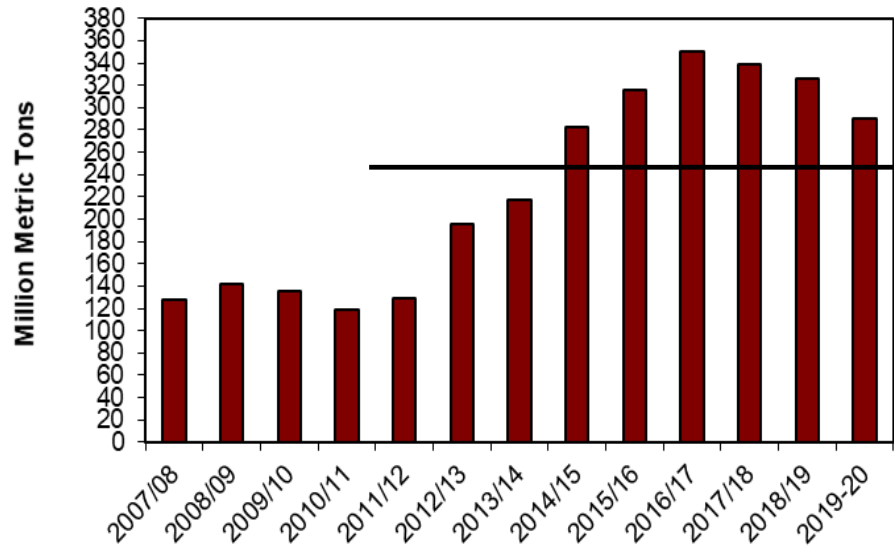
### Corn: U.S. End Stocks



10-Yr  
AVG

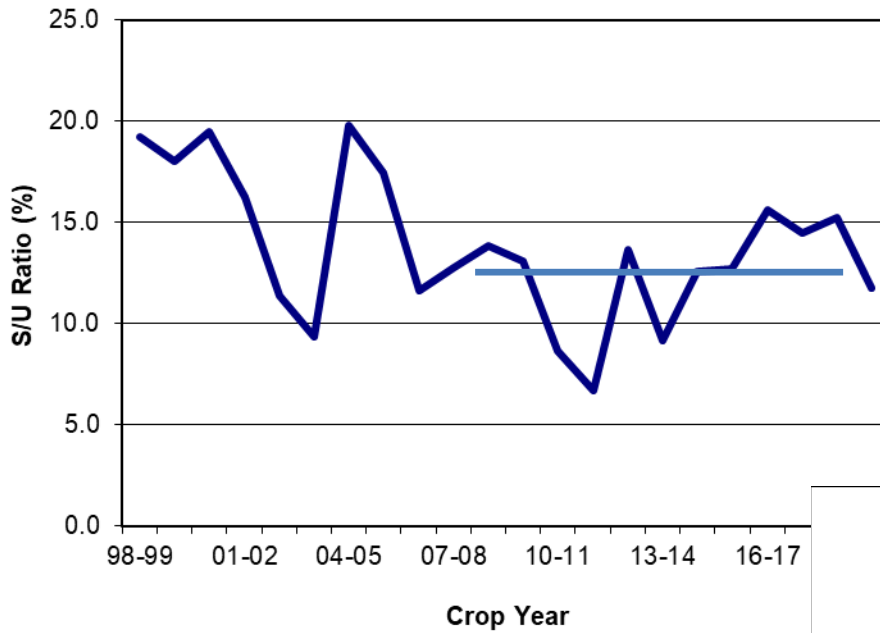
Domestic and Global corn ending stocks declining.

### Corn World End Stocks (MMT)



10-Yr  
AVG

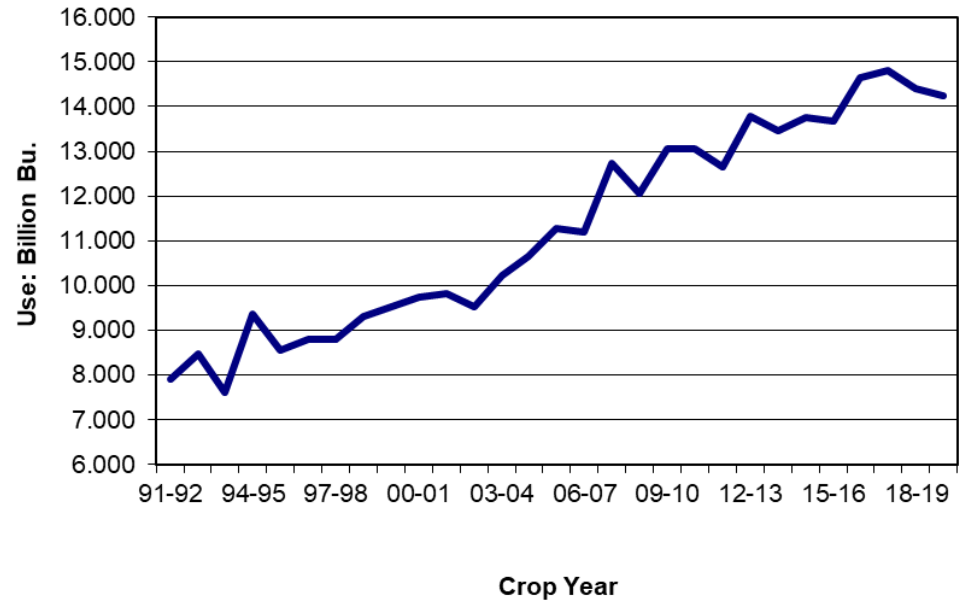
### Corn: End Stocks/Use Ratio



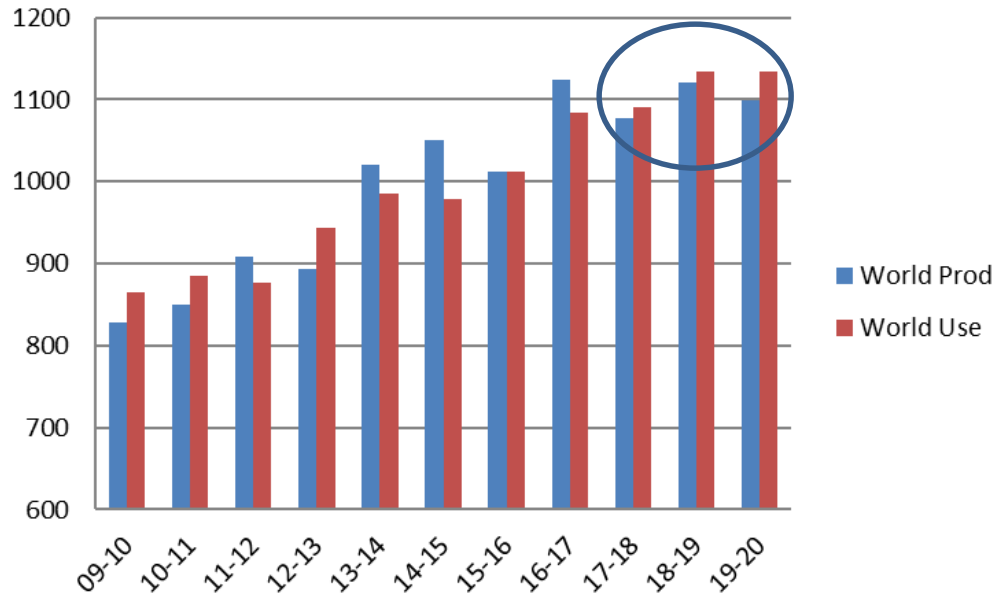
Corn use lower, but ending stocks/use ratio declining to slightly below average of previous 10 years.

10-Yr  
AVG

### Use: Corn Total Use

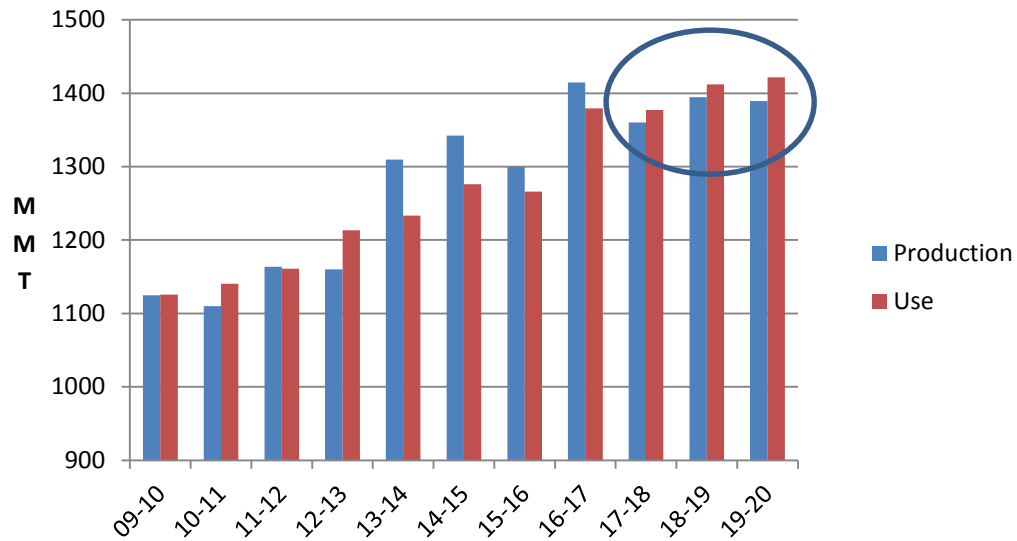


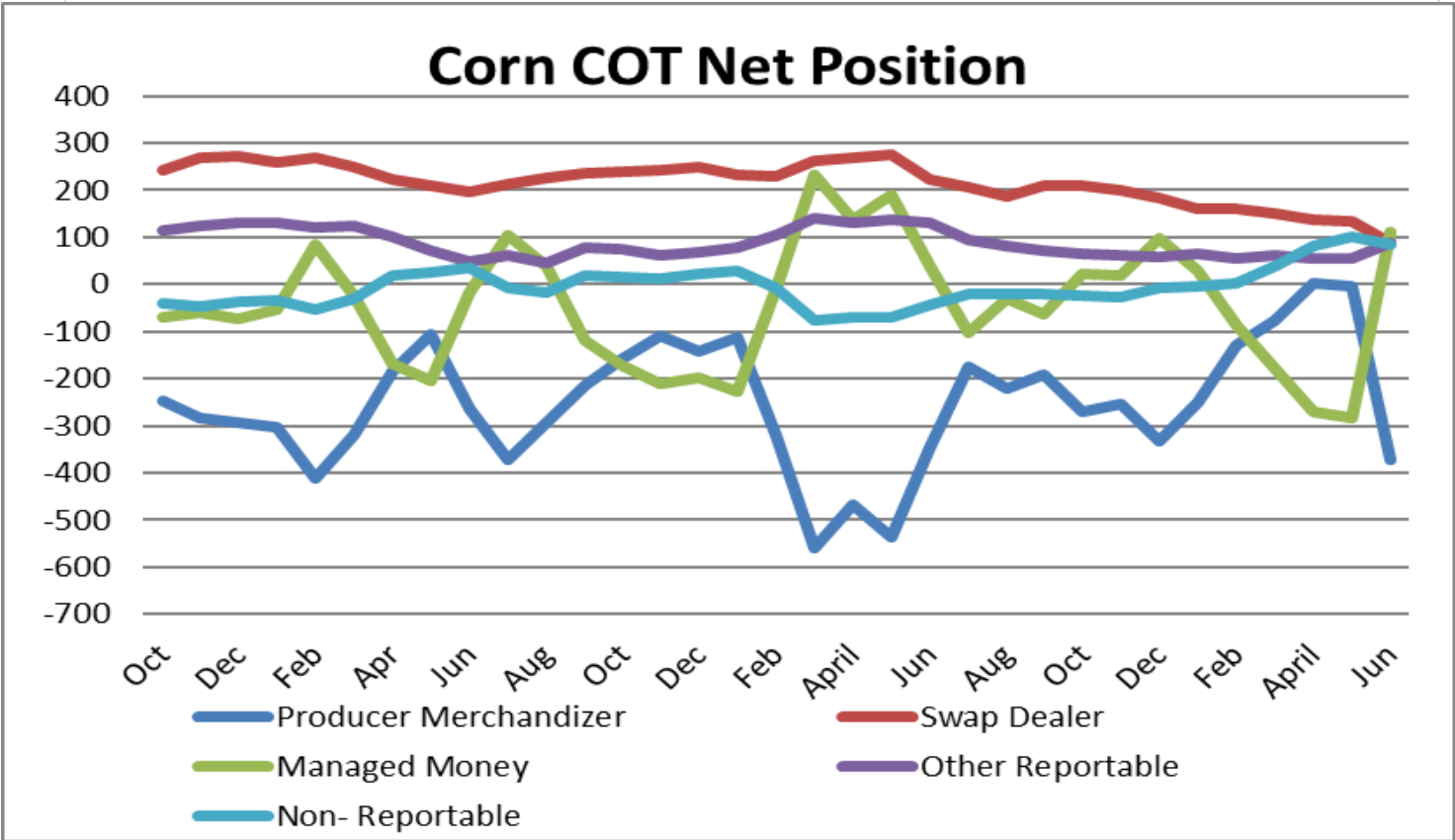
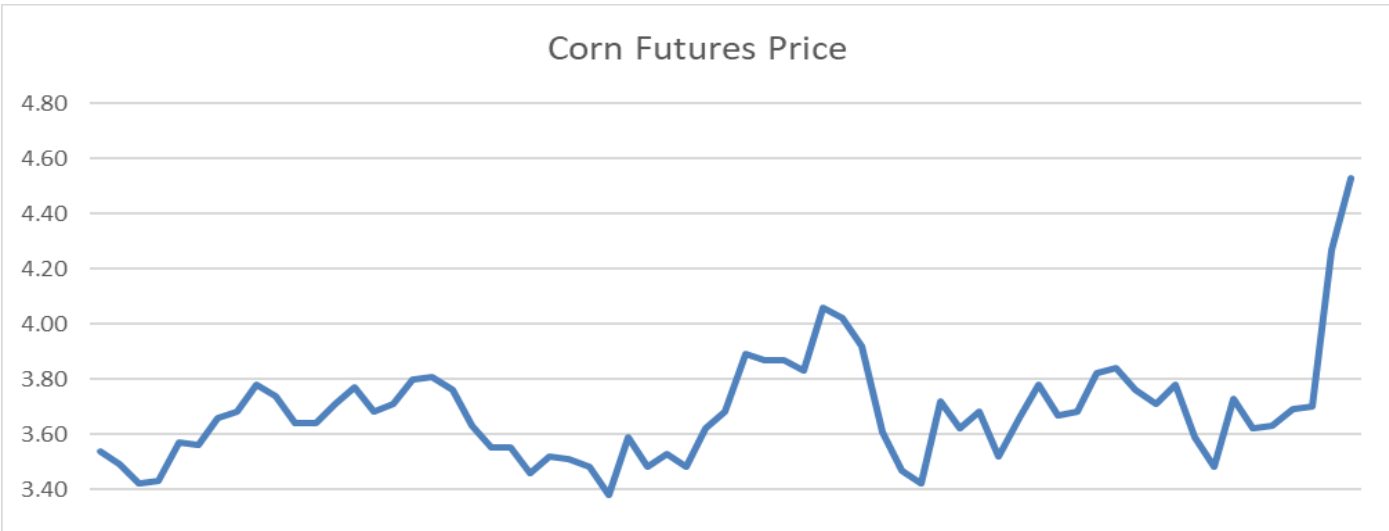
## Corn World Production & Use



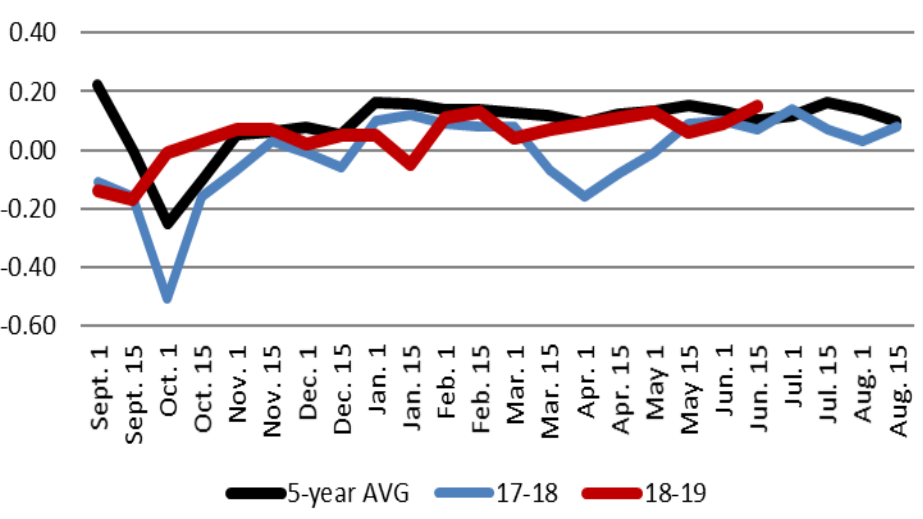
**Global corn and coarse grain use expected to exceed World production for third straight year!**

## World Coarse Grains: Production & Use

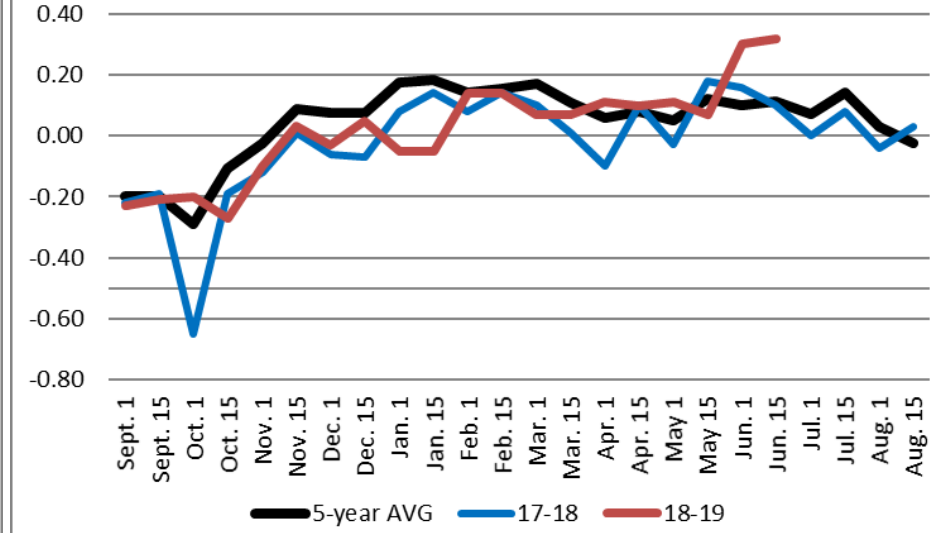




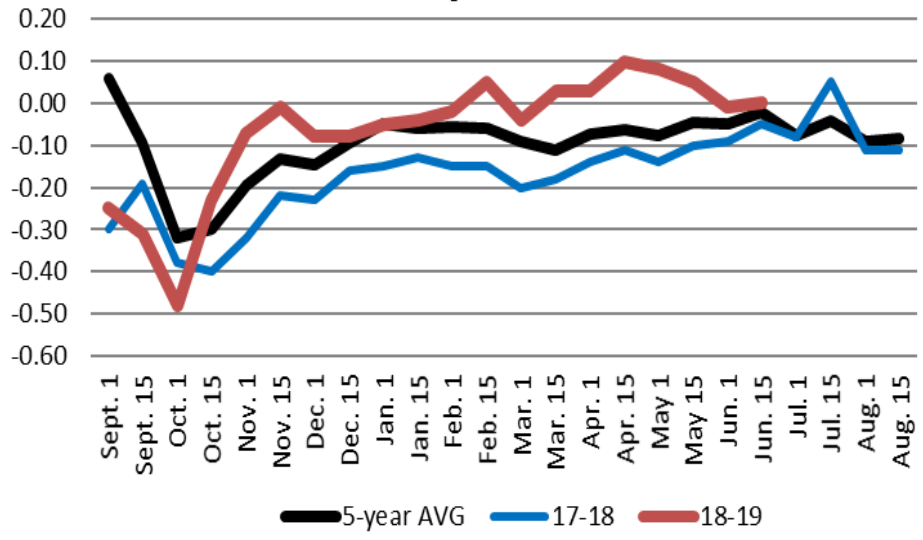
### St Louis Corn Basis



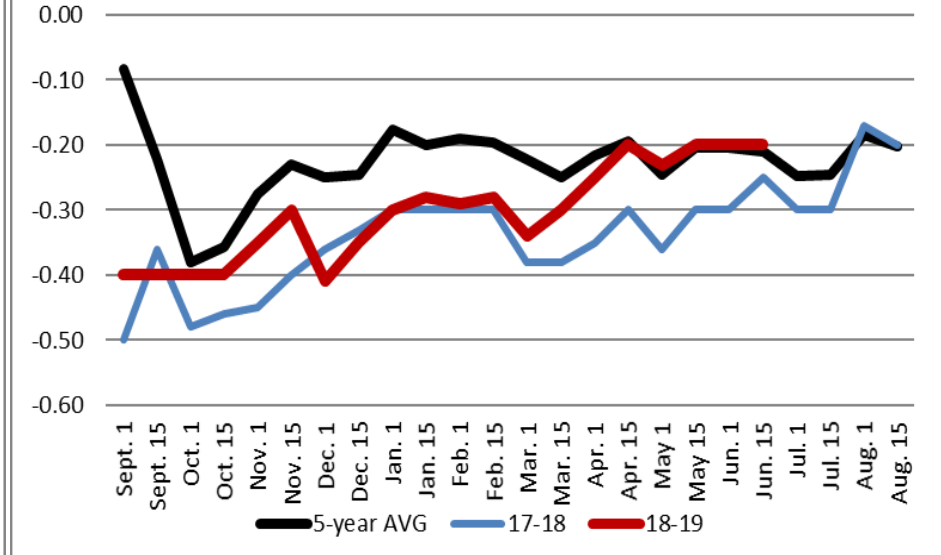
### SE MO Corn Basis



### Kansas City Corn Basis



### Central MO Corn Basis

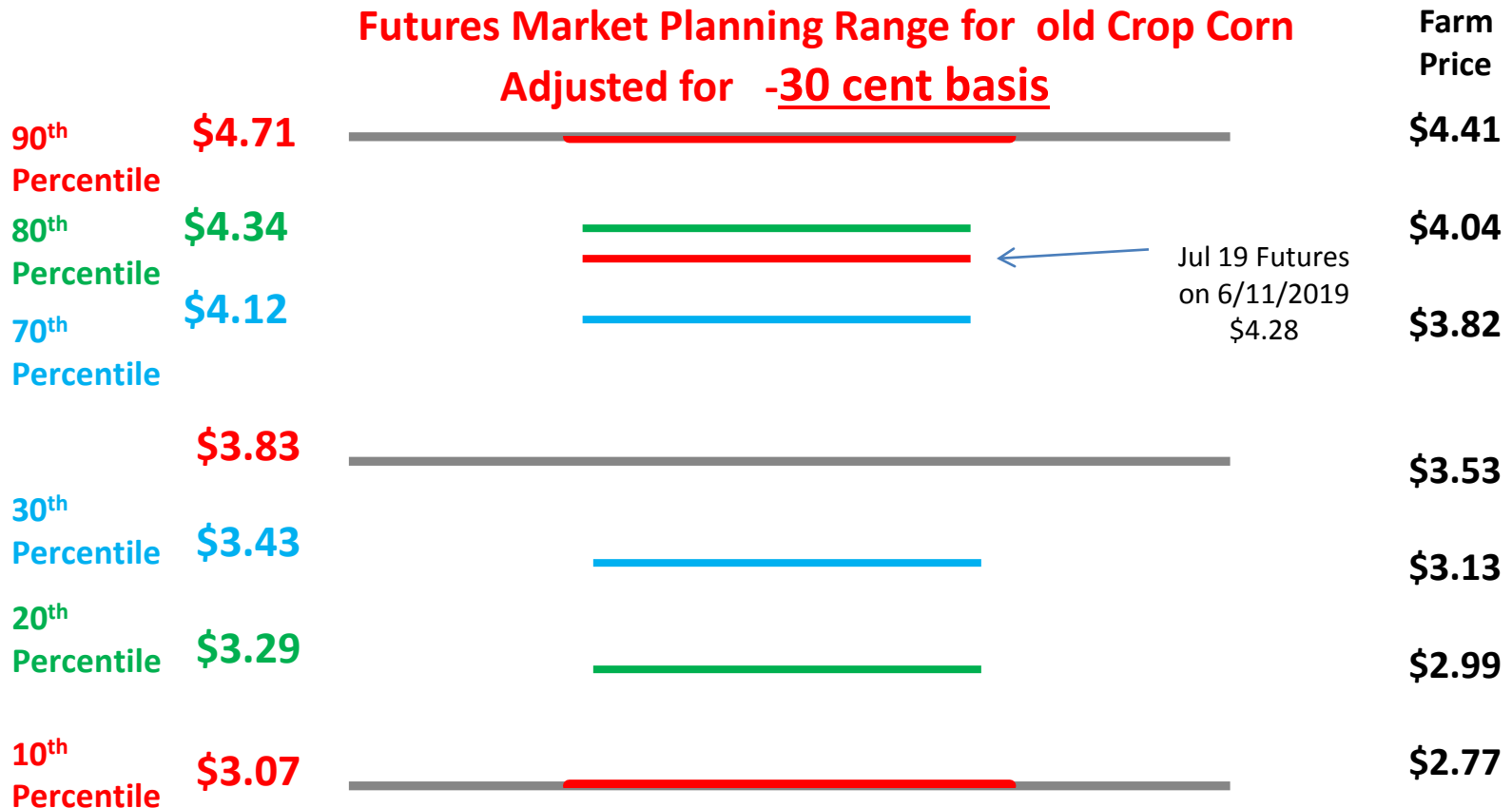




# Old Crop – (18-19) Corn FAPRI Baseline Ranges April 2019

April 2019 FAPRI Price: **Adjusted for \$0.30 basis**

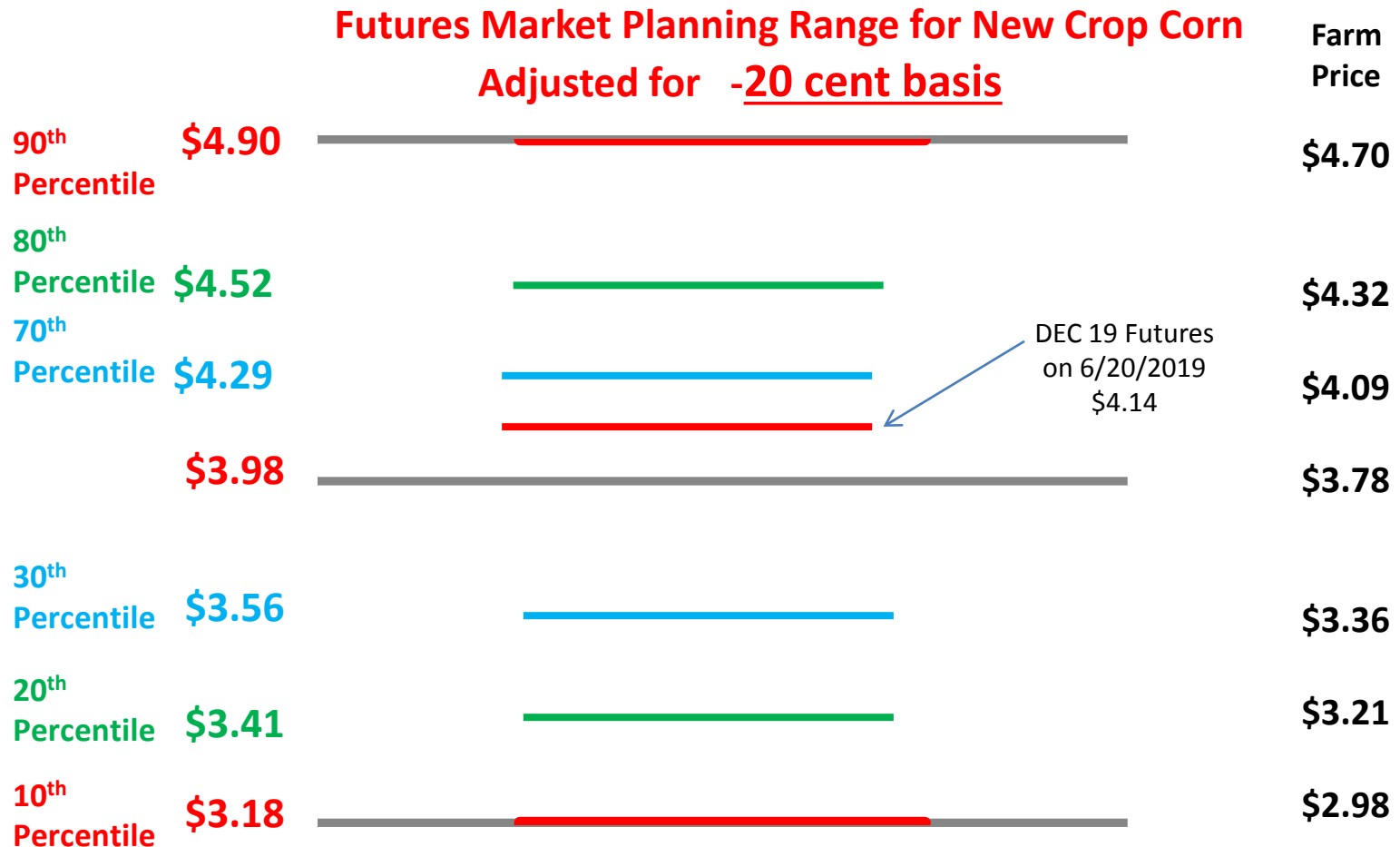
- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$3.83**
- Futures Price Equivalent of FAPRI Range: **\$3.29 – \$4.34 @ 80 Percentile**
- Futures Price Equivalent of 6/11/19 USDA Avg Price: **\$4.10**



# New Crop – (19-20) Corn FAPRI Baseline Ranges April 2019

April 2019 FAPRI Projected Farm Price: **Adjusted for \$0.20 basis**

- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$3.98**
- Futures Price Equivalent of FAPRI Range: **\$3.41 - \$4.52 @ 80 Percentile**



# U.S. soybean supply and use

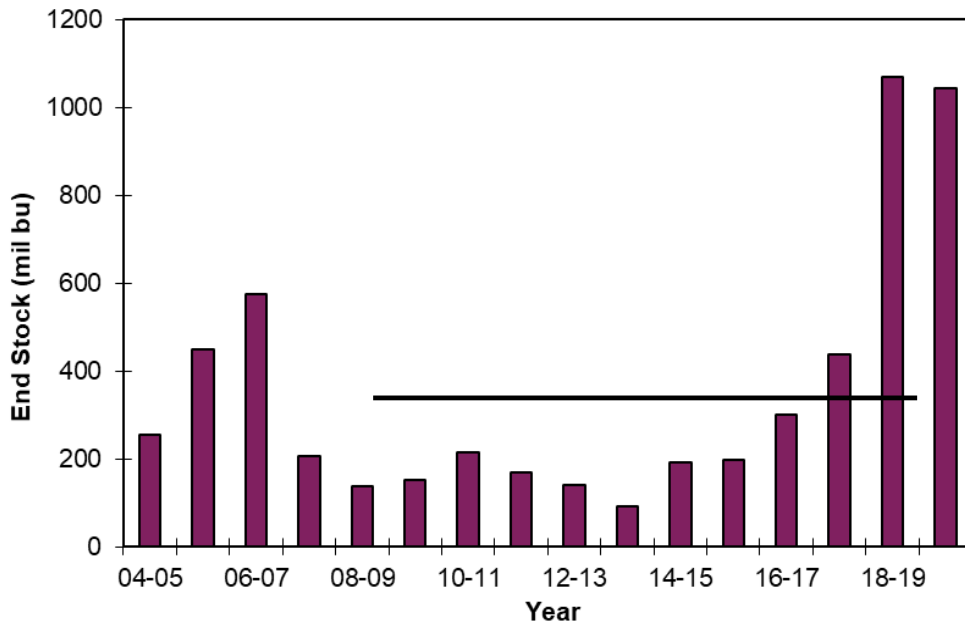
	2018/19 (USDA Jun 11)	2019/20 (USDA Jun 11)	2018/19 (FAPRI Apr, 2019)	2019/20 (FAPRI Apr, 2019)
Area planted (mil. acres)	89.2	84.6	89.2	85.0
Yield (bu./harvested acre)	51.6	49.5	51.6	48.7
Production (mil. bu.)	4,544	4,150	4,544	4,100
Crush (mil. bu.)	2,100	2,115	2,105	2,133
Other domestic use	129	130	129	119
Exports	1,700	1,950	1,923	1,966
Ending stocks	1,070	1,045	844	746
Marketing yr. avg. price (\$/bu.)	8.50	8.25	8.42	8.78

Sources: USDA WASDE, June 2019.

# WASDE-USDA Soybean Summary Mar 8, 2019

- 1) U.S. Average Farm Price- **Significant Decline**
  - 2019-20 USDA: \$8.25
  - 2018-19 USDA: \$8.50
  - 2017-18 USDA: \$9.33
  
- 2) U.S. Ending Stocks- **Significantly above 20 Year Average**
  - 2019-20 USDA: ( 1,045 Million Bushels)
  - 2018- 19 USDA: (1,070 Million Bushels)
  - 2017- 18 USDA: (438 Million Bushels)
  - 10 Year Average 09/10-18/19: (297 Million Bushels)
  - 20 Year Average 99/00-18/19: (281 Million Bushels)
  
- 3) World Ending Soybean Stocks- **Significantly above 10 Year average**
  - 2019- 20 World: (113 Million Metric Tons)
  - 2018- 19 World: (113 Million Metric Tons)
  - 2017- 18 World: (99 Million Metric Ton)
  - 10 Year Average 09/10-18/19: (77 Million Metric Tons)
  - 20 Year Average 99/00-18/19: (60 Million Metric Tons)
  
- 4) U.S. Export - **Moderate decline**
  - 2019- 20 USDA: (1,950 Million Bushels)
  - 2019- 19 USDA: (1,700 Million Bushels)
  - 2017- 18 USDA: (2,129 Million Bushels)

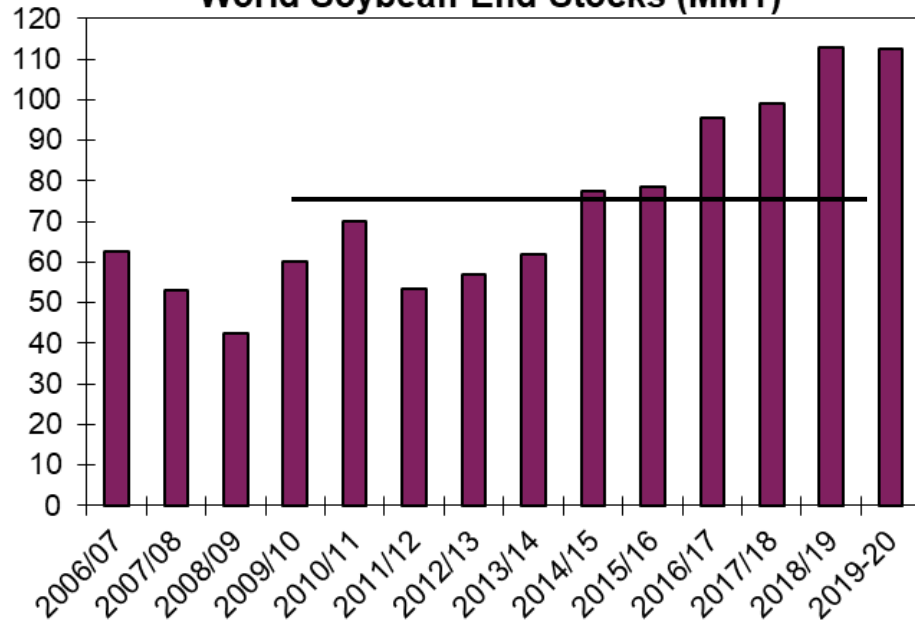
**Soybean: U.S. End Stocks**



**Domestic ending stocks at record levels!**

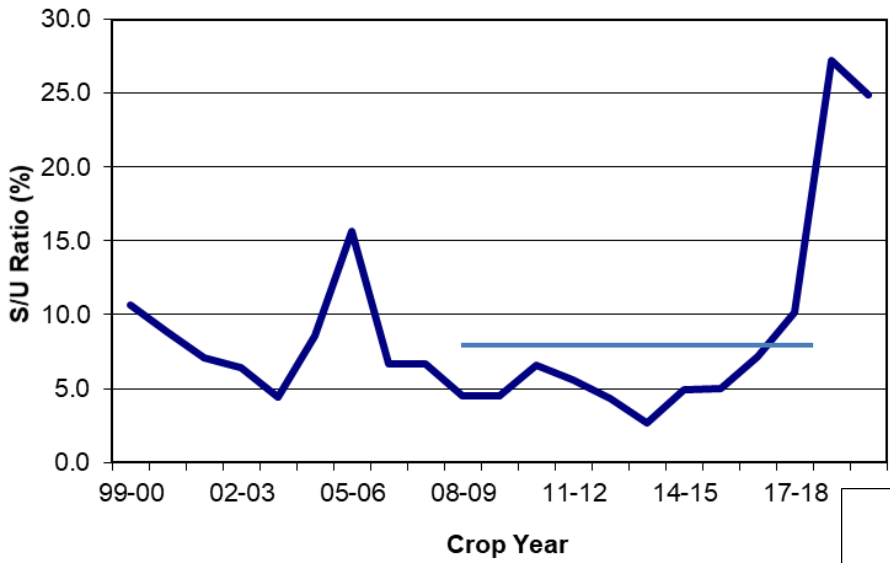
10-Yr  
AVG

**World Soybean End Stocks (MMT)**



10-Yr  
AVG

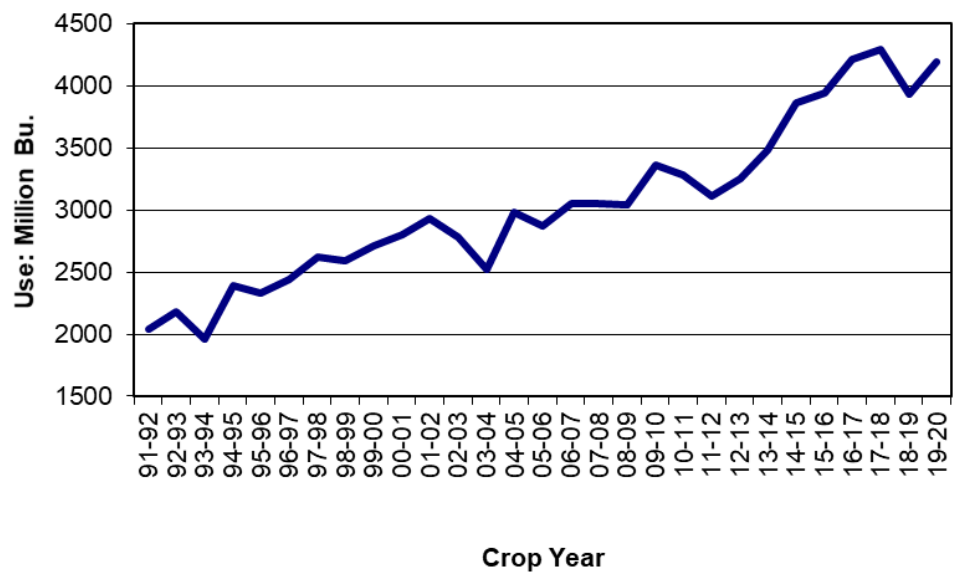
**Soybeans: End Stocks/Use Ratio**



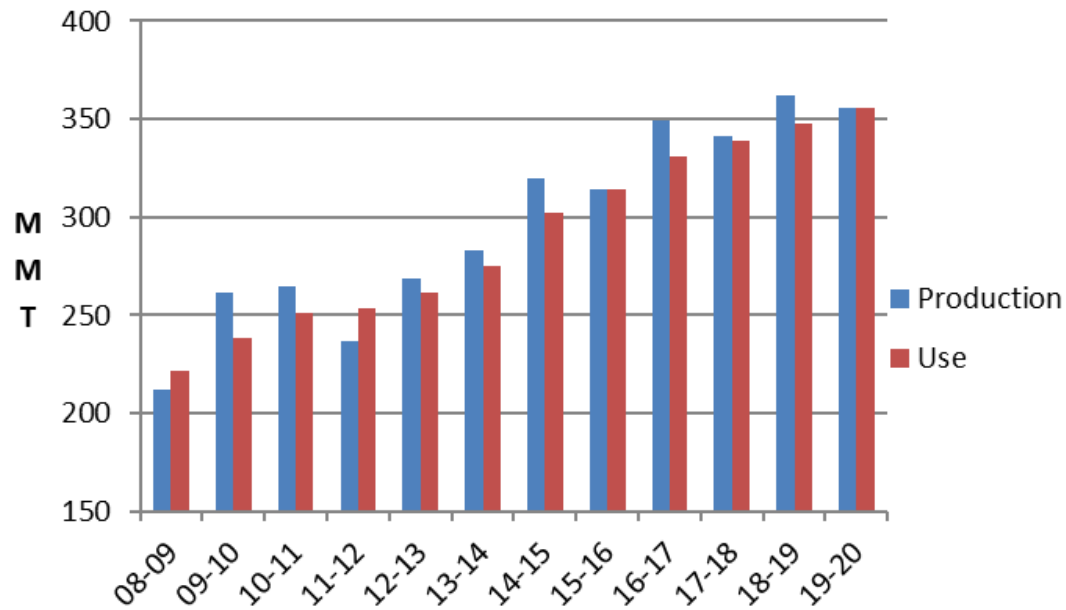
**Total soybean use expected to decline, ending stocks/use ratio to become very large.**

10-Yr  
AVG

**Soybean: Total Use**



## World Soybean Production and Use

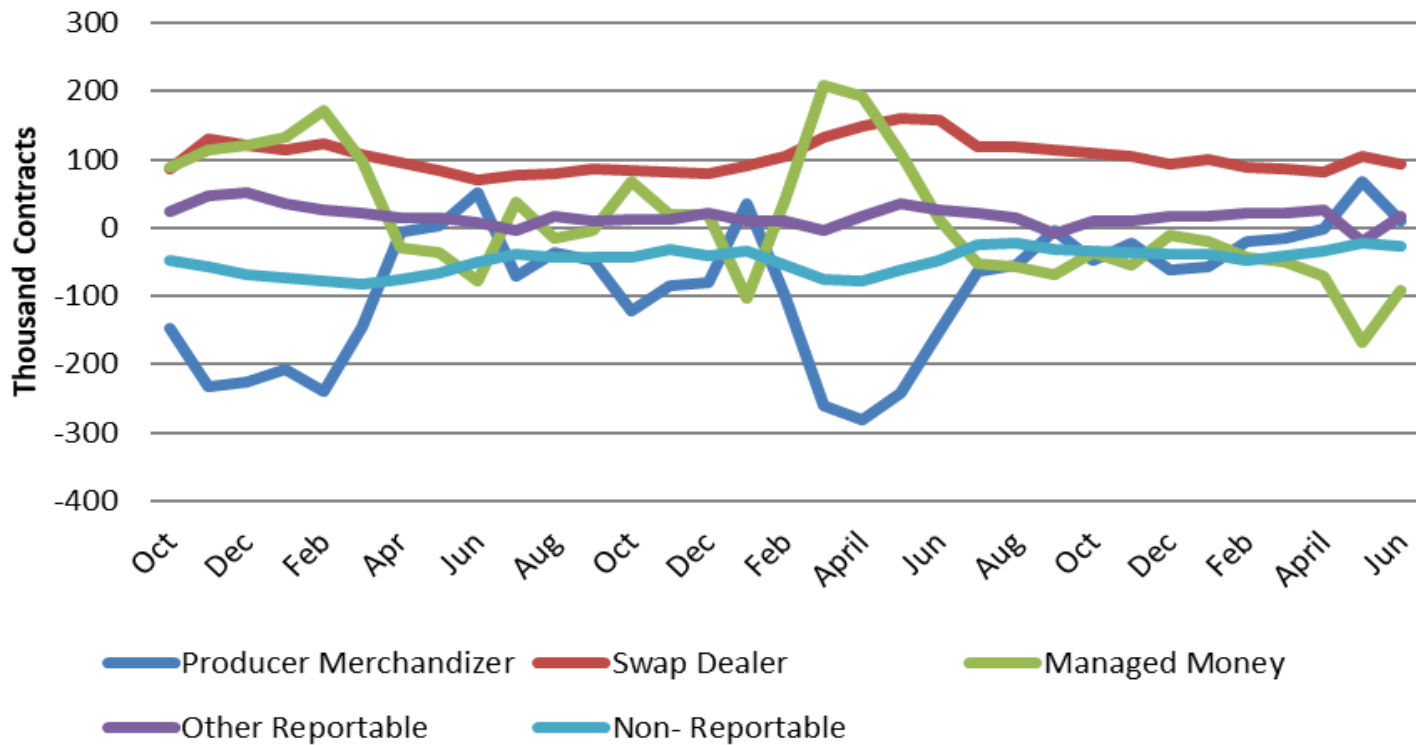


**World soybean production keeping pace with increasing global use!**

### Soybean Futures Prices

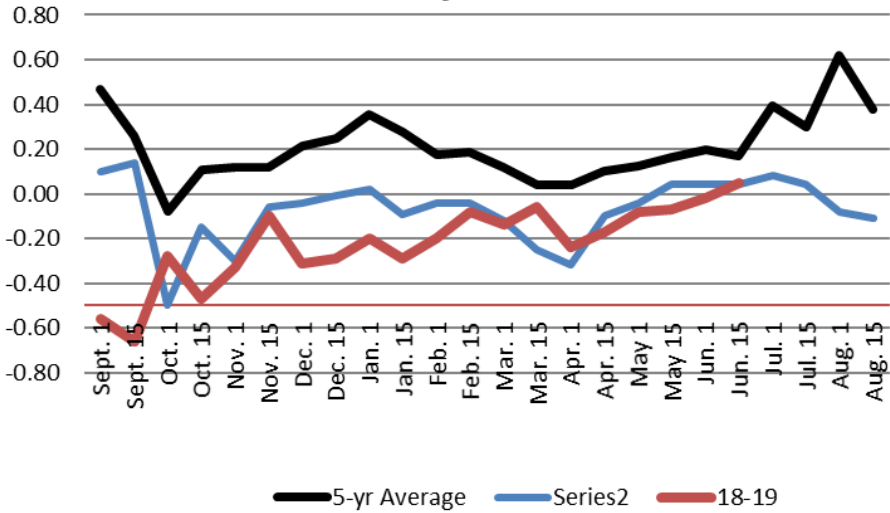


### Soybean: COT Net Positions

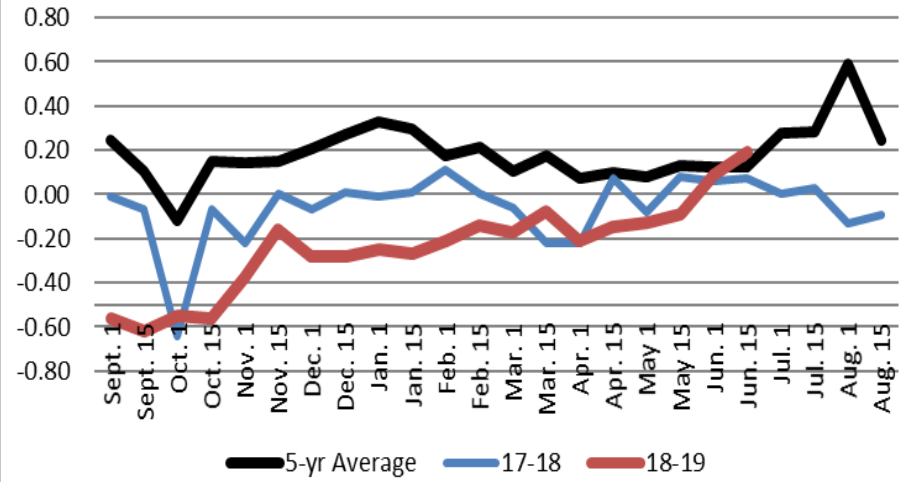




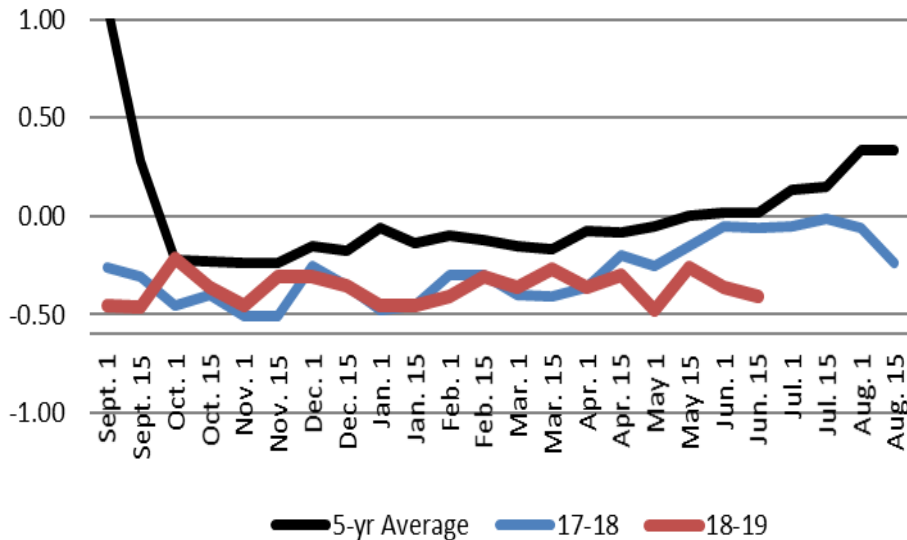
### St Louis Soybean Basis



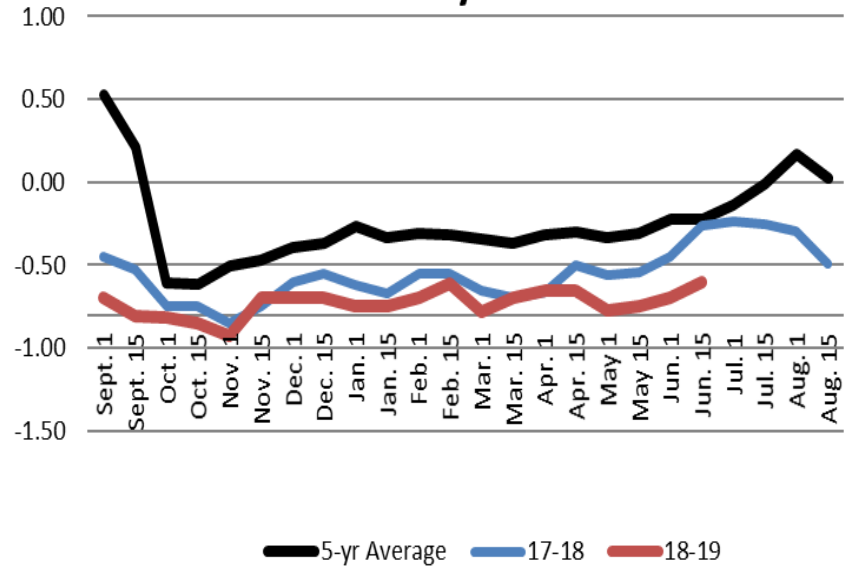
### SE MO Soybean Basis



### Kansas City Soybean Basis



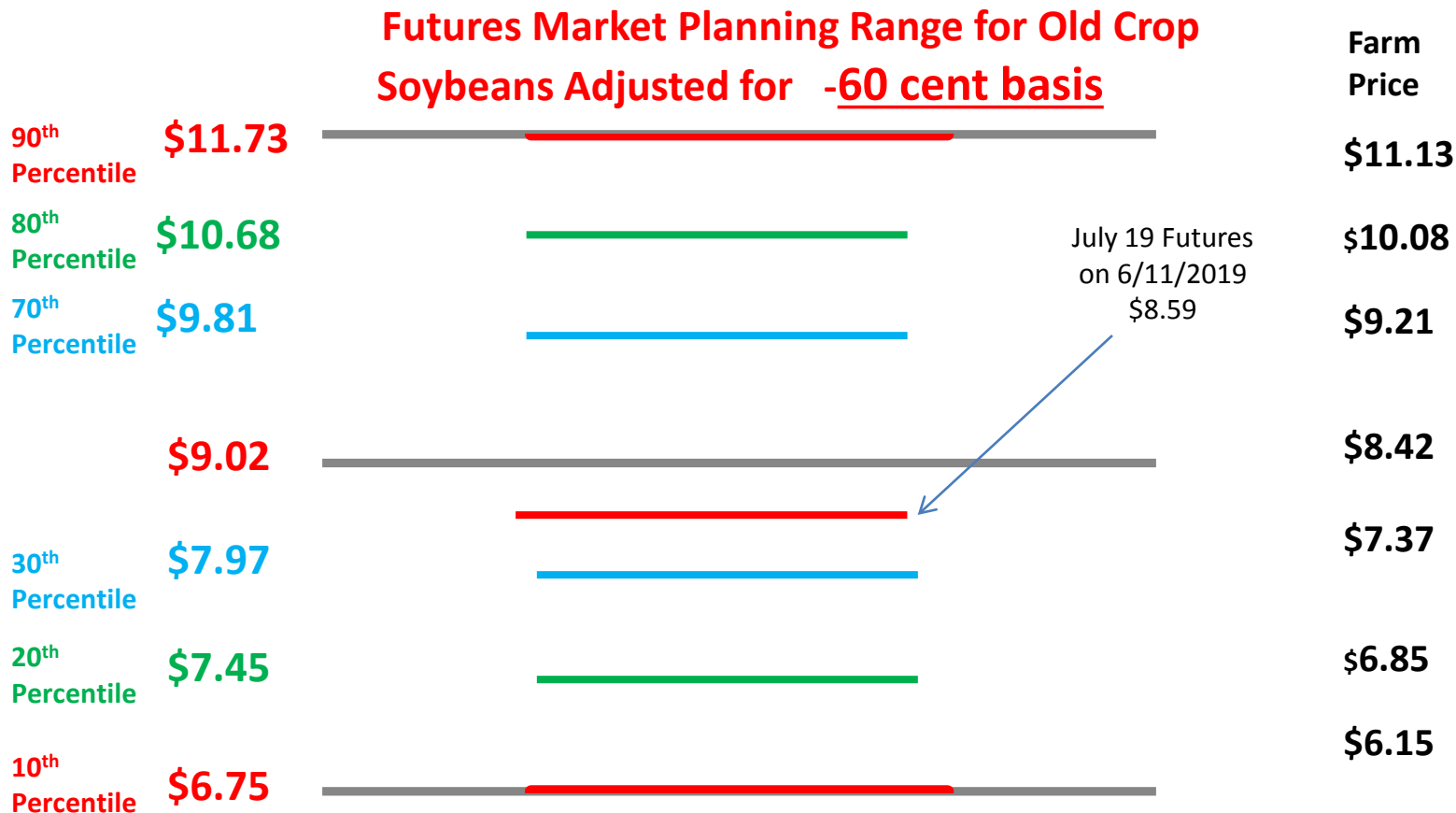
### Central MO Soybean Basis



# Old Crop – (18-19) Soybean FAPRI Baseline Ranges April 2019

April 2019 FAPRI Price: **Adjusted for \$0.60 basis**

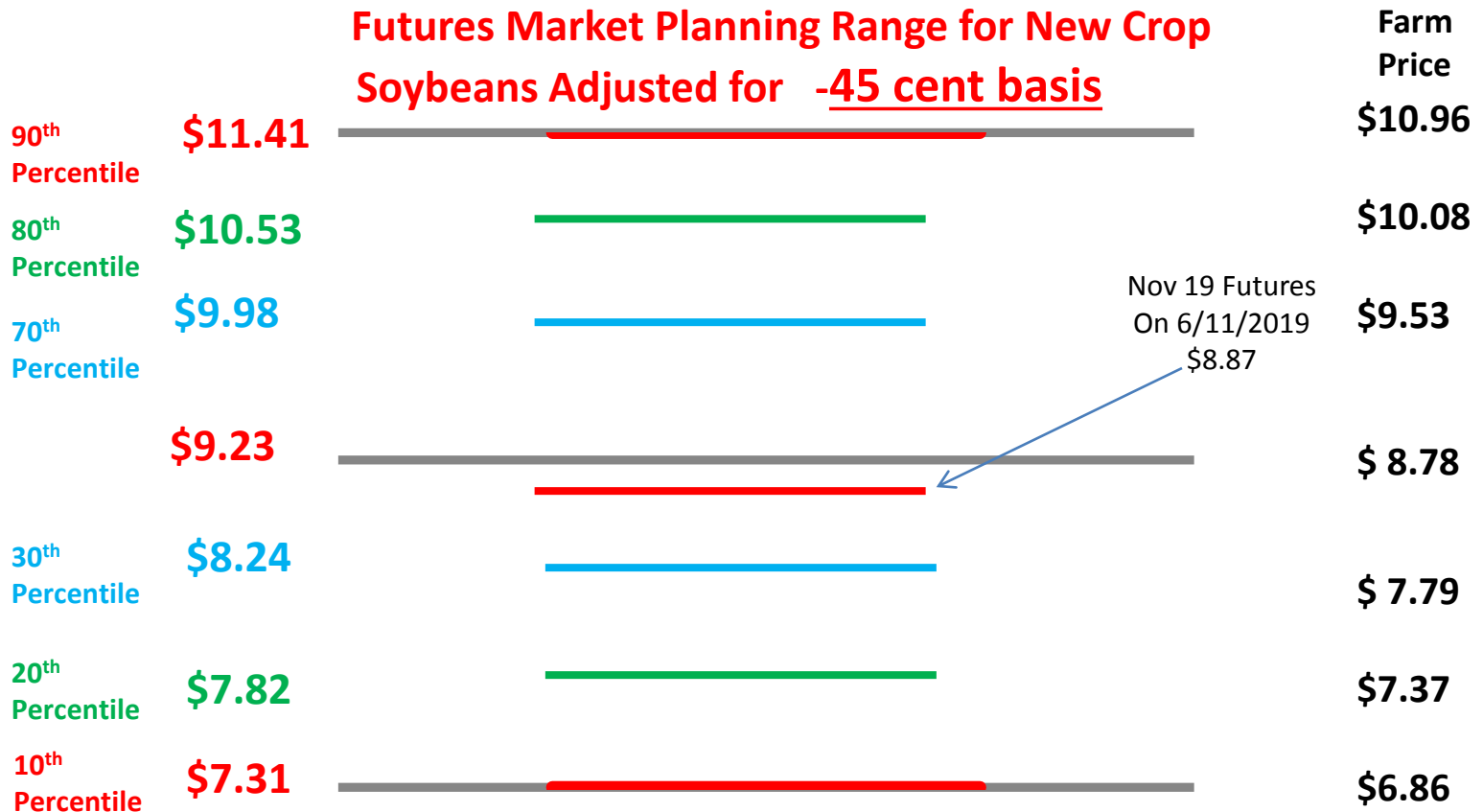
- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$9.02**
- Futures Price Equivalent of FAPRI Range: **\$7.45 - \$10.68 @ 80 Percentile**
- Futures Price Equivalent of 6/11/19 USDA Price: **Avg \$8.85**



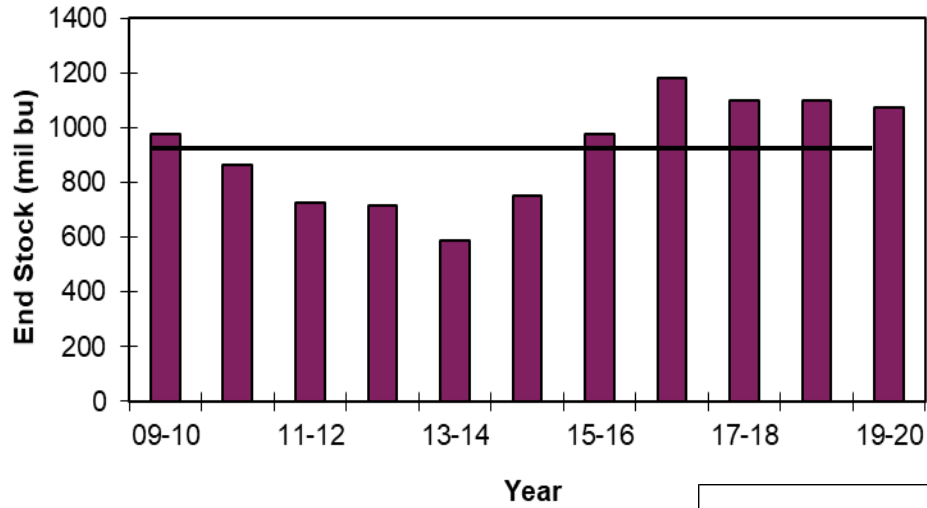
# New Crop – (19-20) Soybean FAPRI Baseline Ranges Apr, 2019

April, 2019 FAPRI Price: **Adjusted for \$0.45 basis**

- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$9.23**
- Futures Price Equivalent of FAPRI Range: **\$7.82 - \$10.53 @ 80 Percentile**

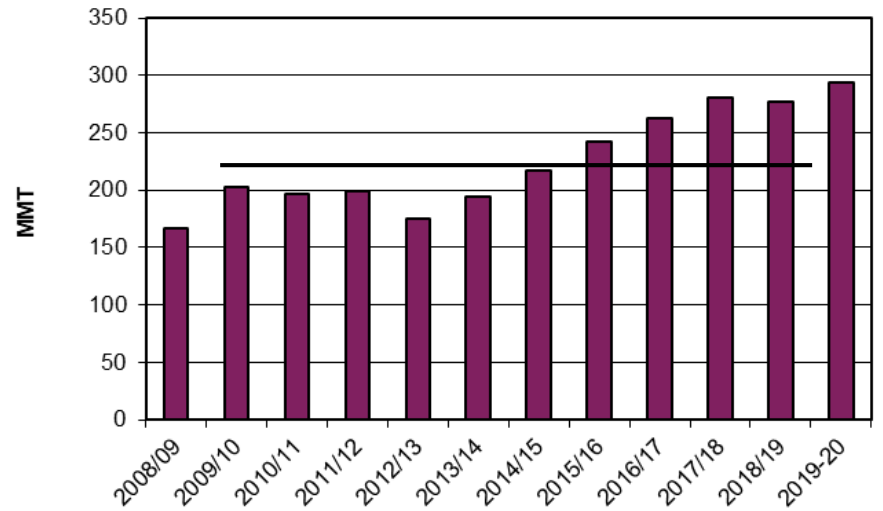


### Wheat: U.S. End Stocks



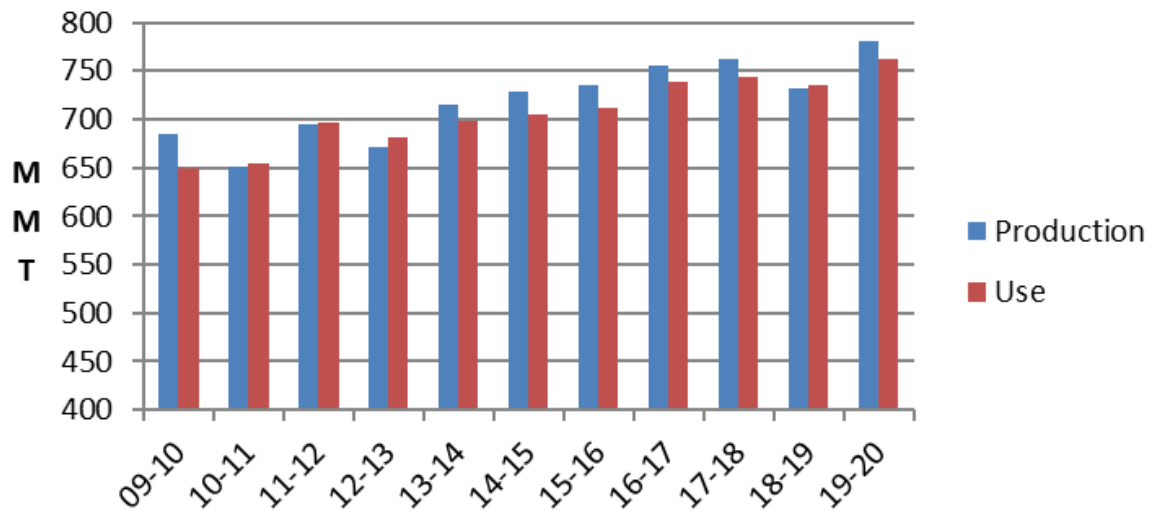
10-YR  
AVG

### World Wheat End Stocks



10-Yr  
AVG

## World Wheat Production and Use



**Global wheat production expected to exceed world use.**