



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)

July 11, 2019

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# U.S. corn supply and use

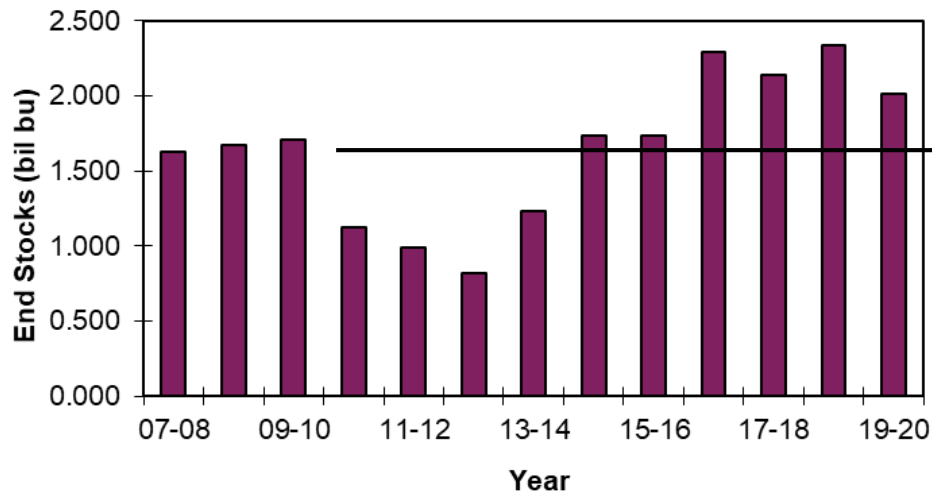
	2018/19 (USDA Jul 11)	2019/20 (USDA Jul 11)	2018/19 (FAPRI April 2019)	2019/20 (FAPRI April 2019)
Area planted (mil. acres)	89.1	91.7	89.1	91.7
Yield (bu./harvested acre)	176.4	166.0	176.4	173.8
Production (mil. bu.)	14,420	13,875	14,420	14,633
Feed and residual use (mil. bu.)	5,275	5,175	5,373	5,344
Ethanol and coproduct use	5,450	5,500	5,581	5,682
Other domestic use	1,430	1,430	1,468	1,475
Exports	2,100	2,150	2,454	2,264
Ending stocks	2,340	2,010	1,723	1,629
Marketing yr. avg. price (\$/bu.)	3.60	3.70	3.53	3.81

Source: USDA WASDE, July 2019.

# WASDE USDA Corn Summary July 11, 2019

- 1) U.S. Average Farm Price – **Moderate Increase**
  - 2019-20 USDA: \$3.70
  - 2018-19 USDA: \$3.60
  - 2017-18 USDA: \$3.36
  - 2016-17 USDA: \$3.36
- 2) U.S. Ending Stocks- **Significantly above 10 and 20 year Average**
  - 2019-20 USDA: (2,010 Million Bushels)
  - 2018-19 USDA: (2,340 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 – **High level relative to 10 year average**
  - 2019-20 World: (299 Million Metric Tons)
  - 2018-19 World: (329 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 – **Moderate increase**
  - 2019- 20 USDA: (2,150 Million Bushels)
  - 2018- 19 USDA: (2,100 Million Bushels)
  - 2017- 18 USDA: (2,438 Million Bushels)

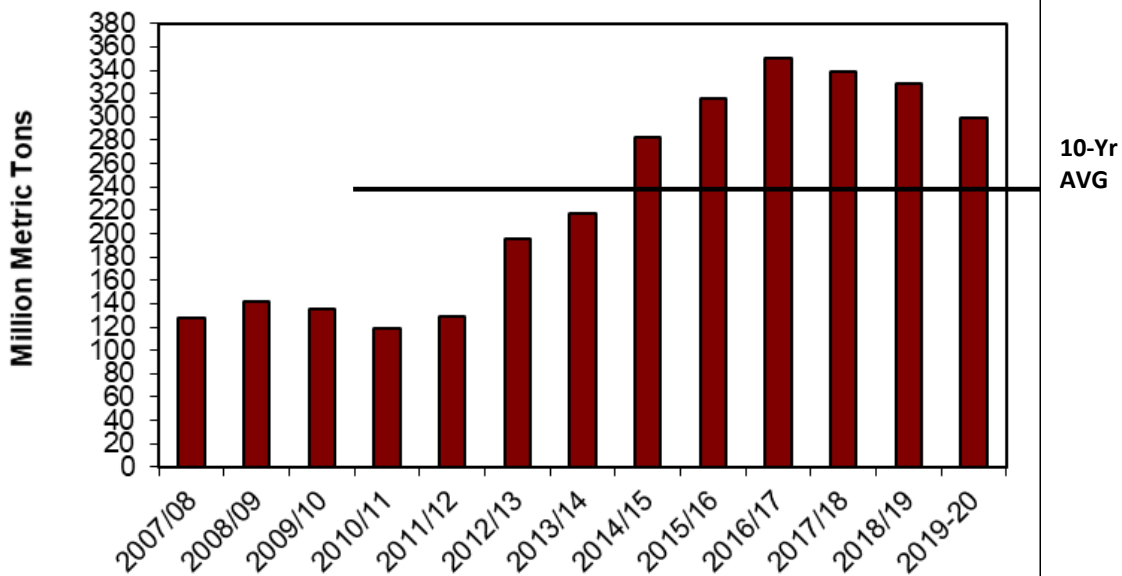
### Corn: U.S. End Stocks



10-Yr  
AVG

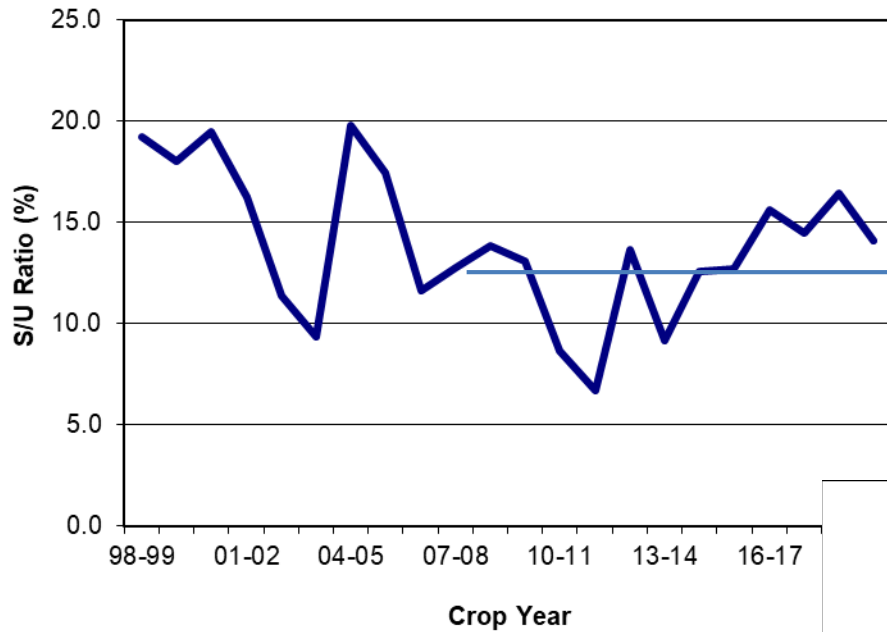
Domestic and Global corn ending stocks declining.

### Corn World End Stocks (MMT)



10-Yr  
AVG

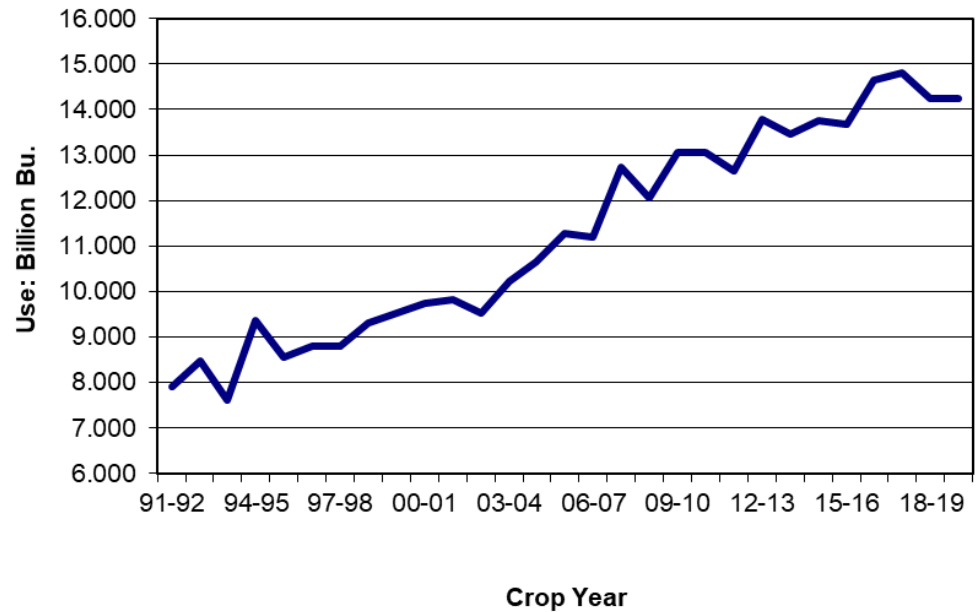
**Corn: End Stocks/Use Ratio**



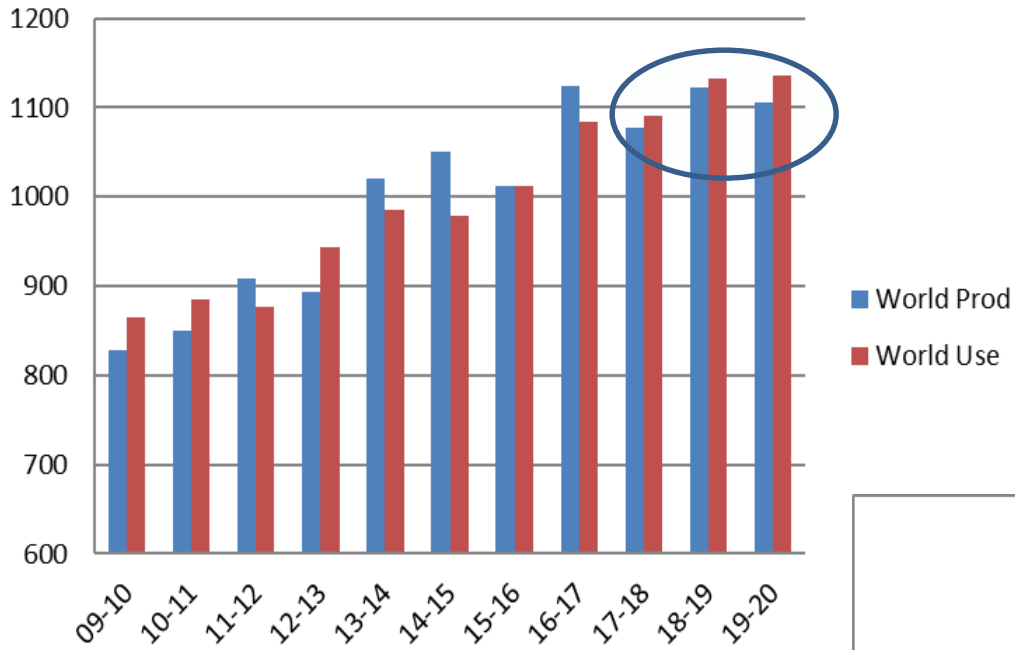
**Corn use steady, but ending stocks/use ratio declining slightly.**

10-Yr  
AVG

**Use: Corn Total Use**

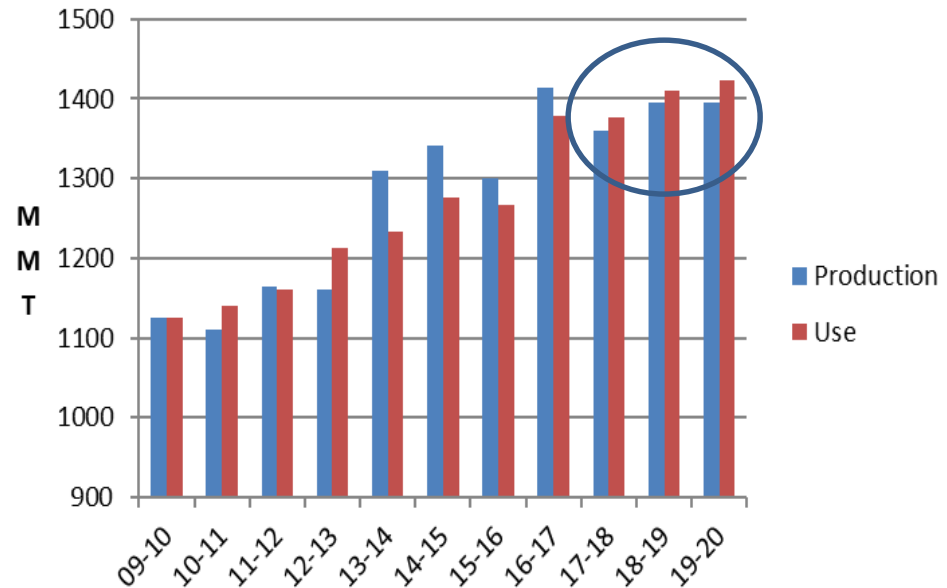


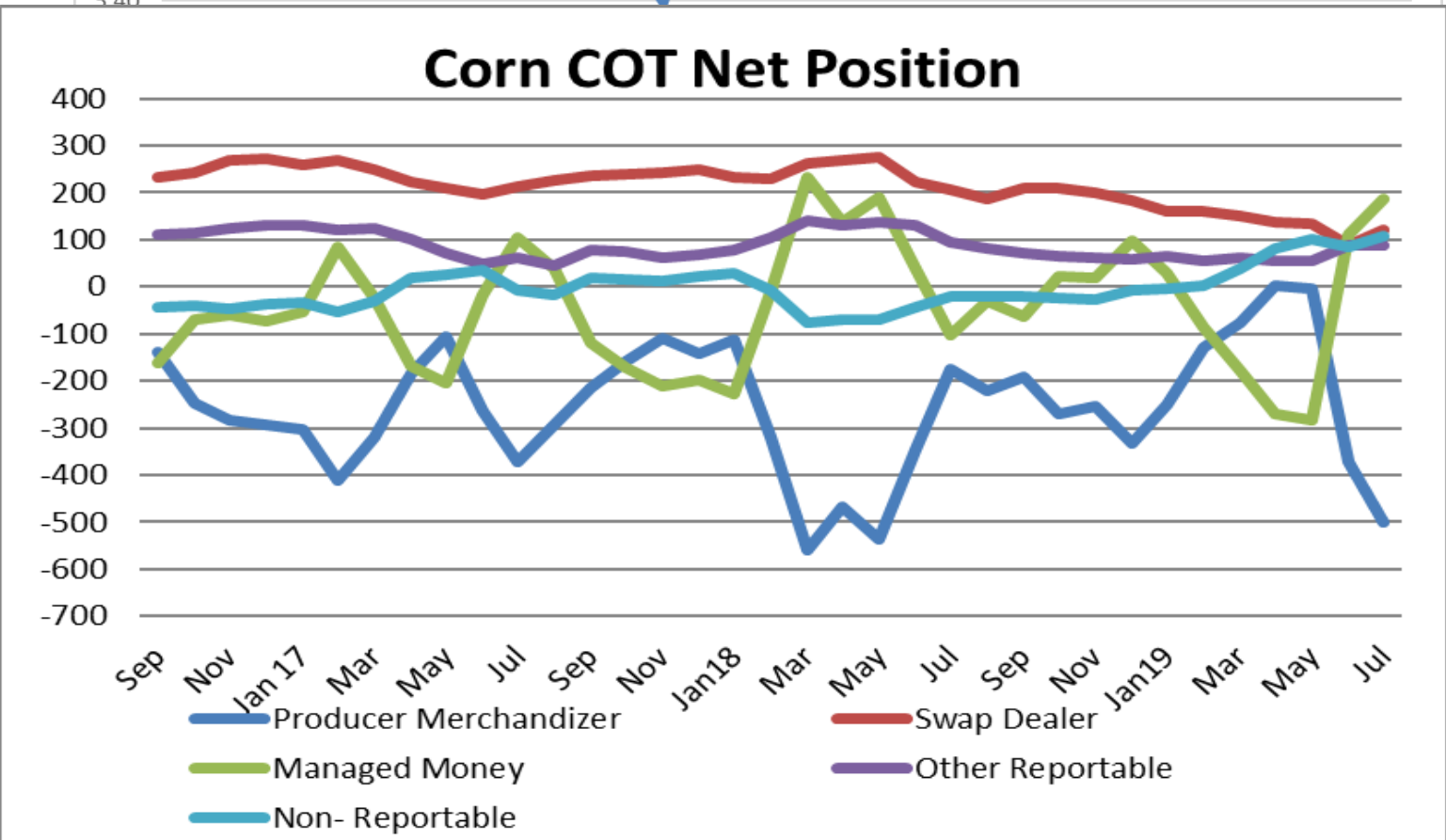
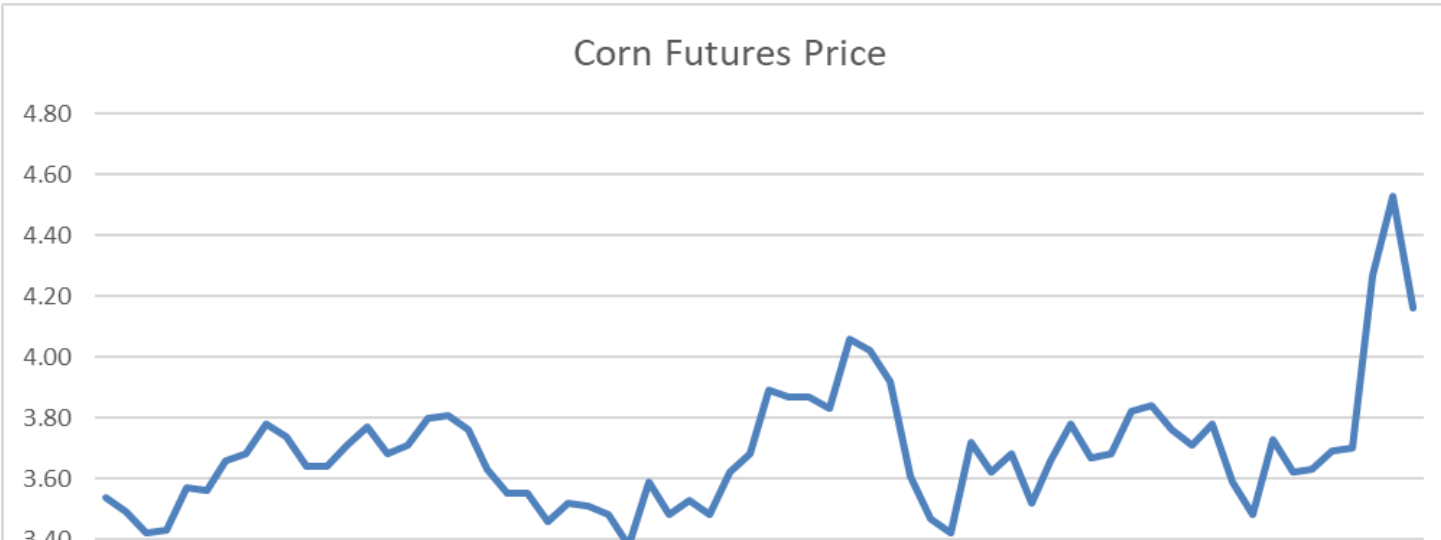
## Corn World Production & Use



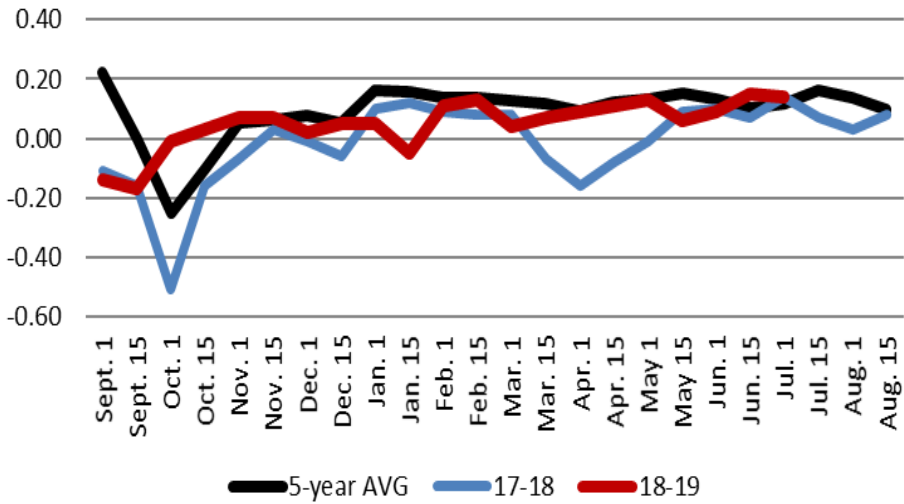
**Global corn and coarse grain use expected to exceed World production for third straight year!**

## World Coarse Grains: Production & Use

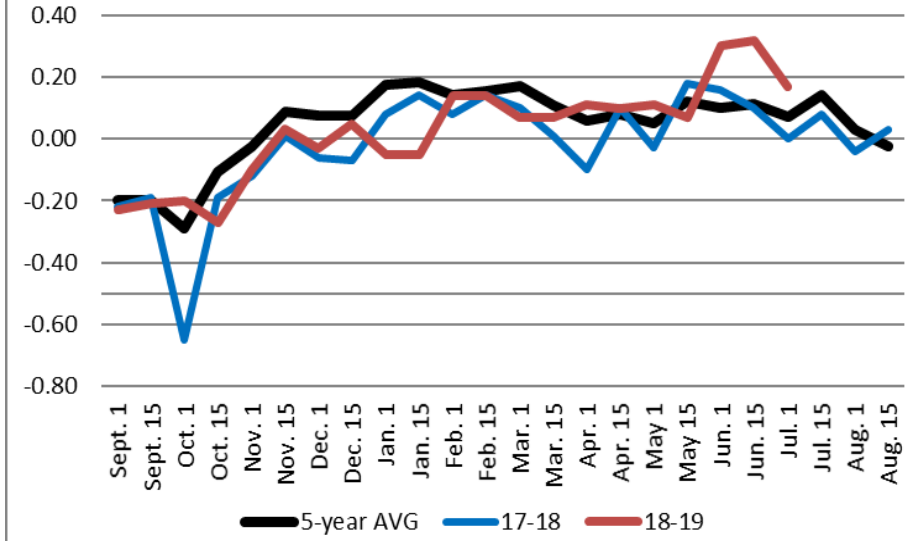




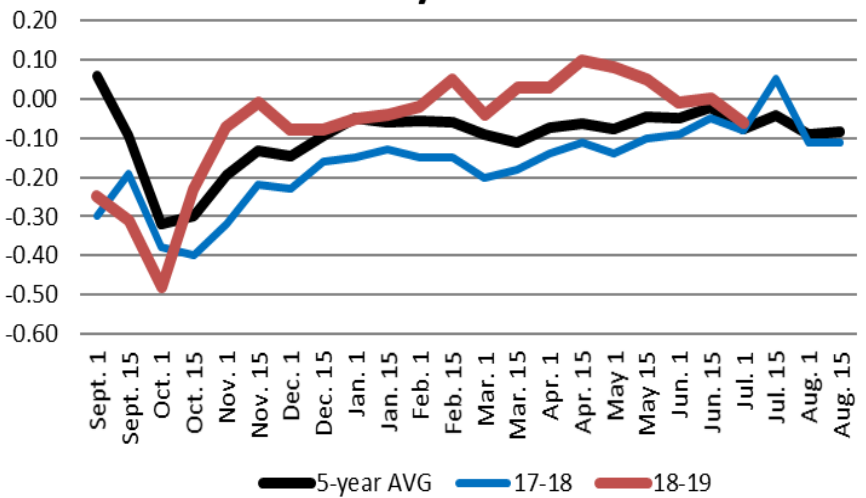
### St Louis Corn Basis



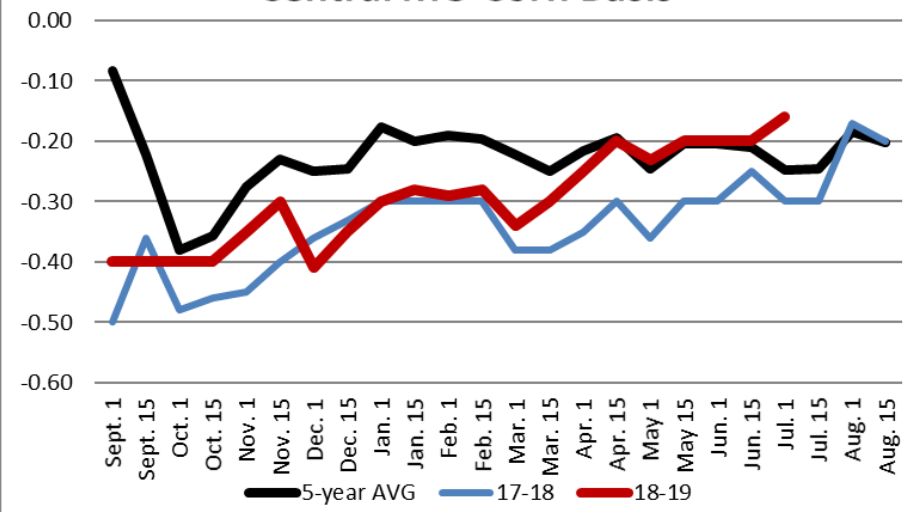
### SE MO Corn Basis



### Kansas City Corn Basis



### Central MO Corn Basis

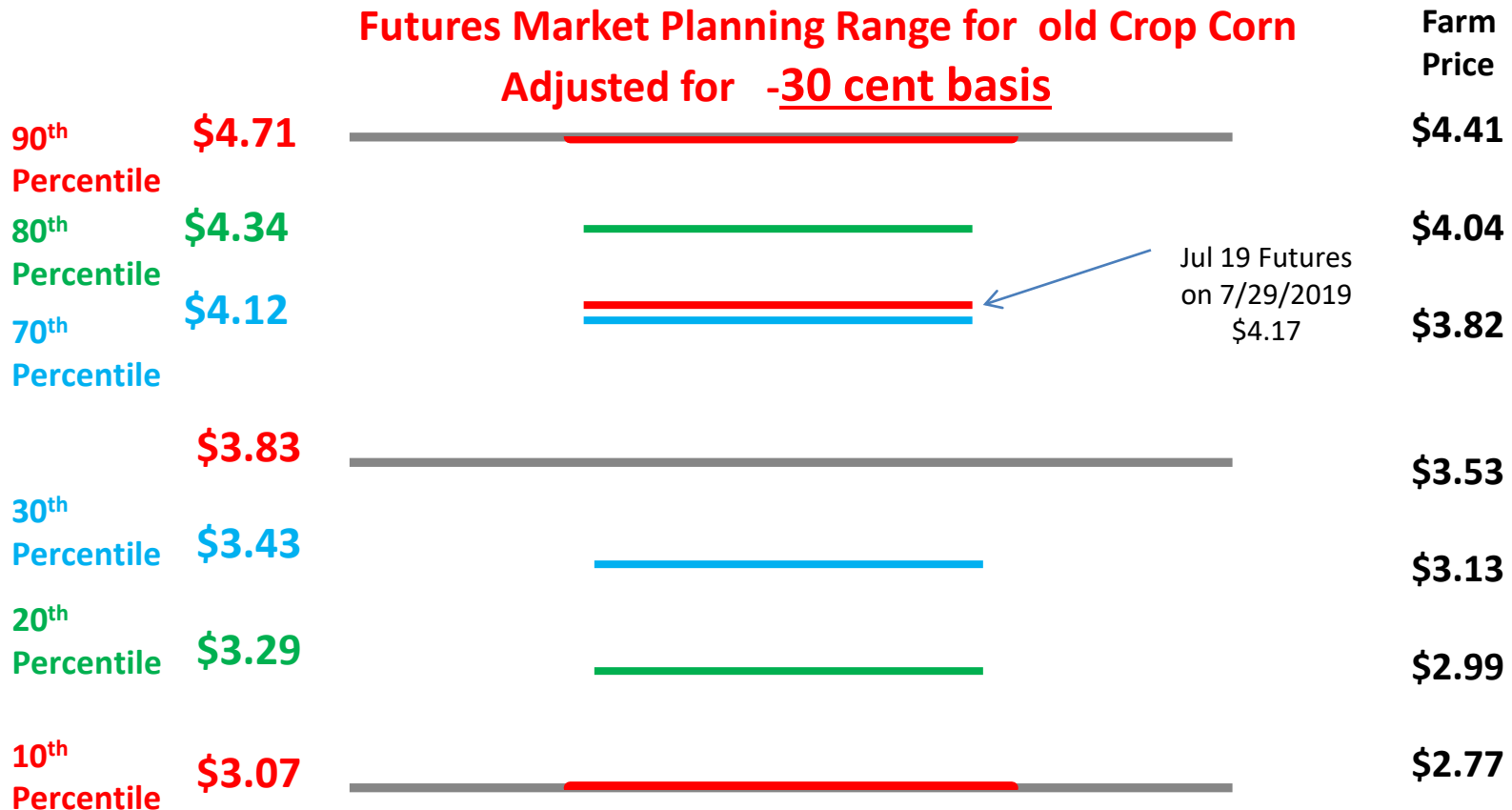




# Old Crop – (18-19) Corn FAPRI Baseline Ranges April 2019

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

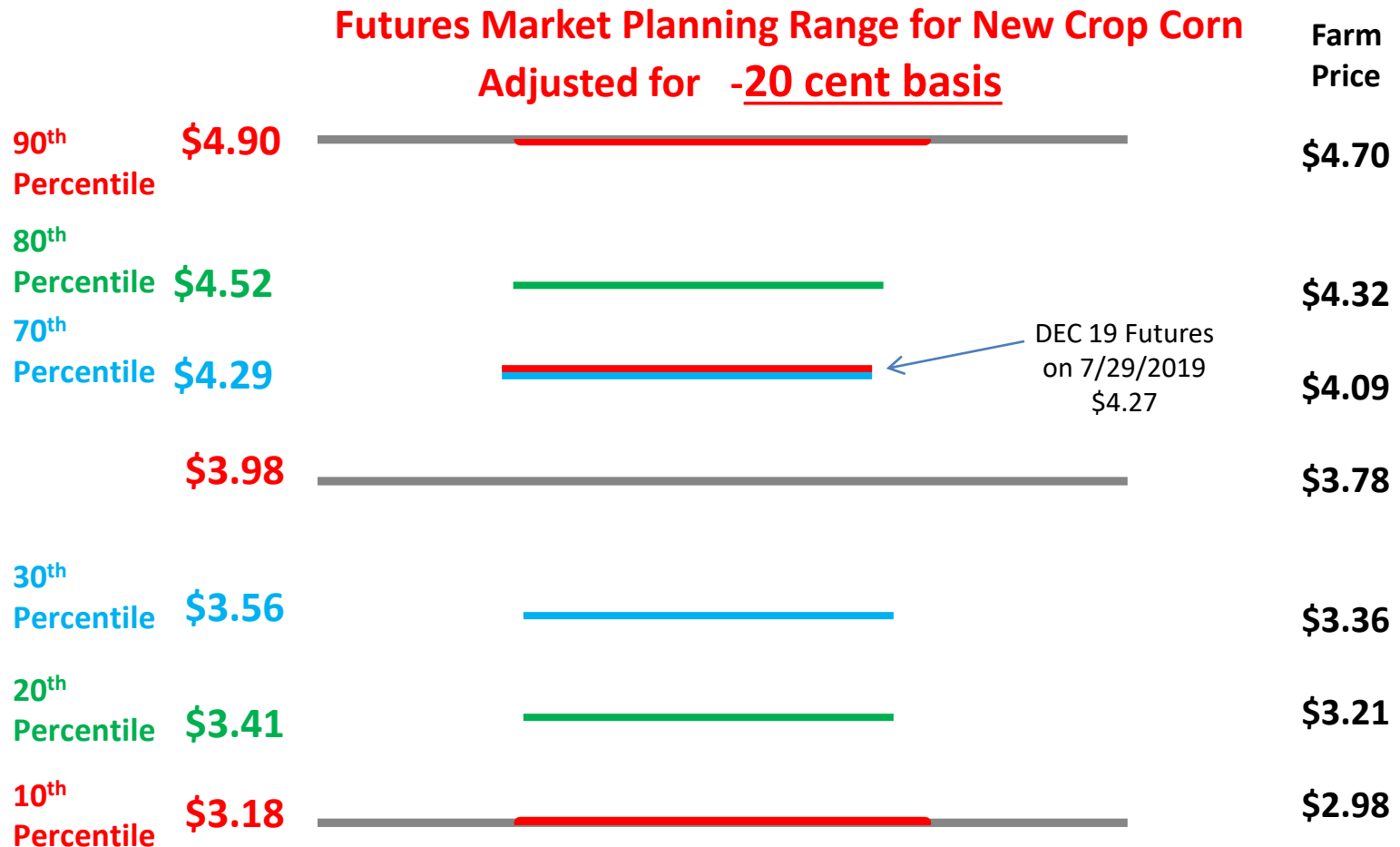
- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$3.83**
- Futures Price Equivalent of FAPRI Range: **\$3.29 – \$4.34 @ 80 Percentile**
- Futures Price Equivalent of 7/18/19 USDA Avg Price: **\$4.00**



# 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

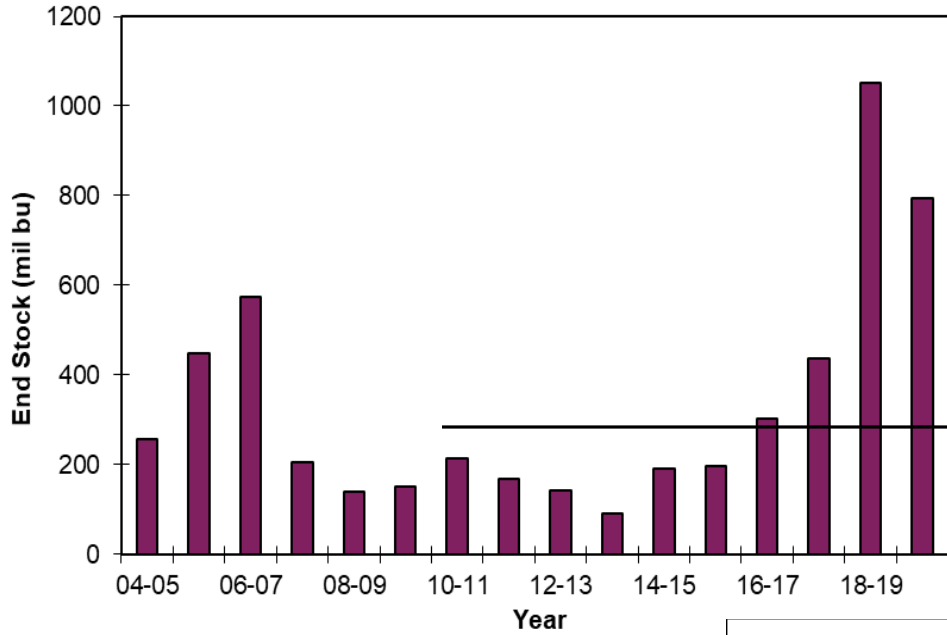
	2018/19 (USDA Jul 11)	2019/20 (USDA Jul 11)	2018/19 (FAPRI Apr, 2019)	2019/20 (FAPRI Apr, 2019)
Area planted (mil. acres)	89.2	80.0	89.2	85.0
Yield (bu./harvested acre)	51.6	48.5	51.6	48.7
Production (mil. bu.)	4,544	3,845	4,544	4,100
Crush (mil. bu.)	2,085	2,115	2,105	2,133
Other domestic use	165	130	129	119
Exports	1,700	1,875	1,923	1,966
Ending stocks	1,050	795	844	746
Marketing yr. avg. price (\$/bu.)	8.50	8.40	8.42	8.78

Sources: USDA WASDE, July 2019.

# WASDE-USDA Soybean Summary July 11, 2019

- 1) U.S. Average Farm Price- **Slight Decline**
  - 2019-20 USDA: \$8.40
  - 2018-19 USDA: \$8.50
  - 2017-18 USDA: \$9.33
  
- 2) U.S. Ending Stocks- **Significantly above 20 Year Average**
  - 2019-20 USDA: ( 795 Million Bushels)
  - 2018- 19 USDA: (1,050 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: (105 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 – **Slight increase**
  - 2019- 20 USDA: (1,875 Million Bushels)
  - 2018- 19 USDA: (1,700 Million Bushels)
  - 2017- 18 USDA: (2,134 Million Bushels)

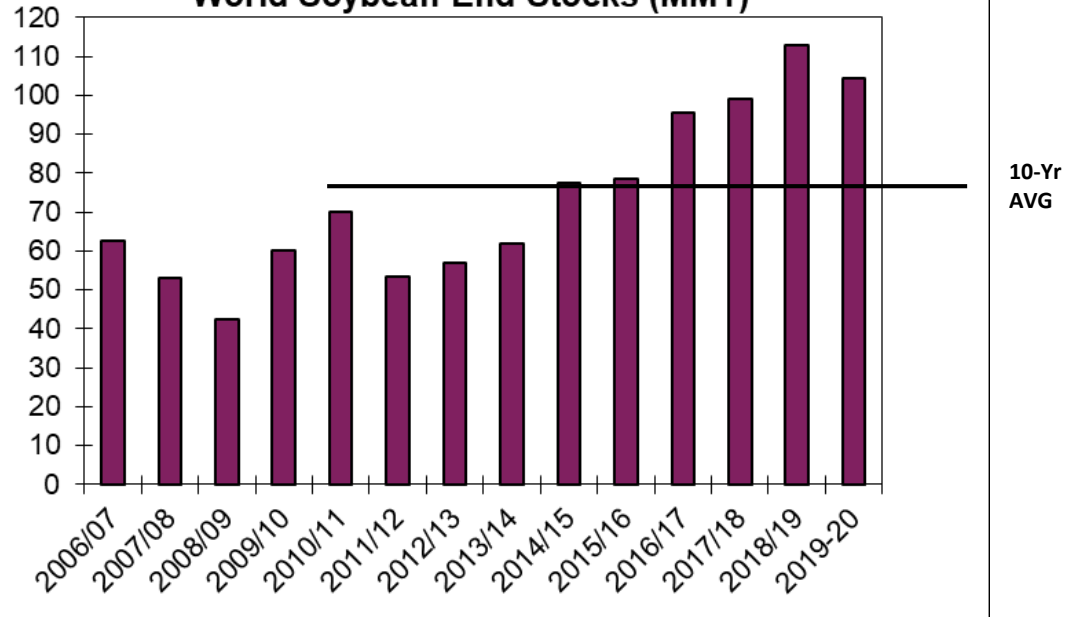
### Soybean: U.S. End Stocks



**Domestic ending stocks remain at very high levels!**

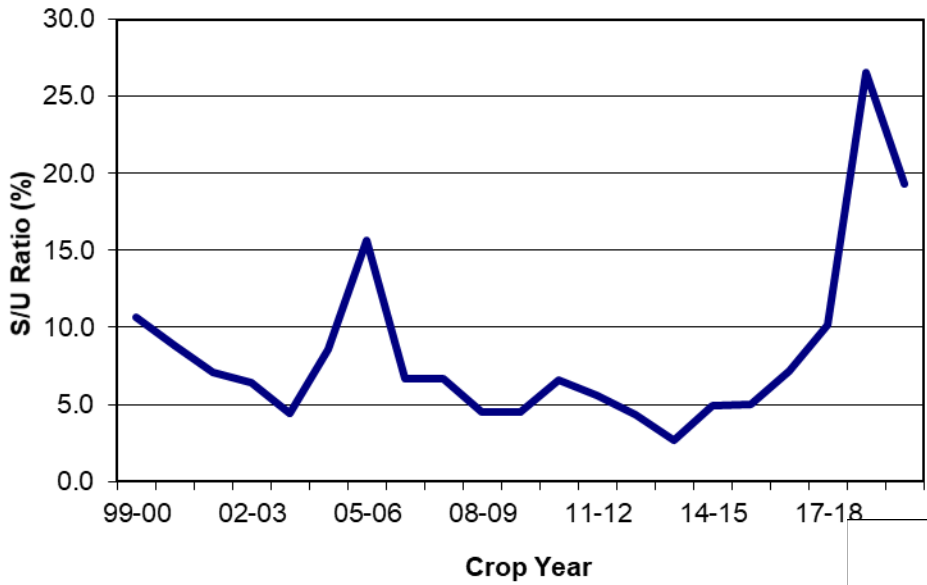
10-Yr  
AVG

### World Soybean End Stocks (MMT)



10-Yr  
AVG

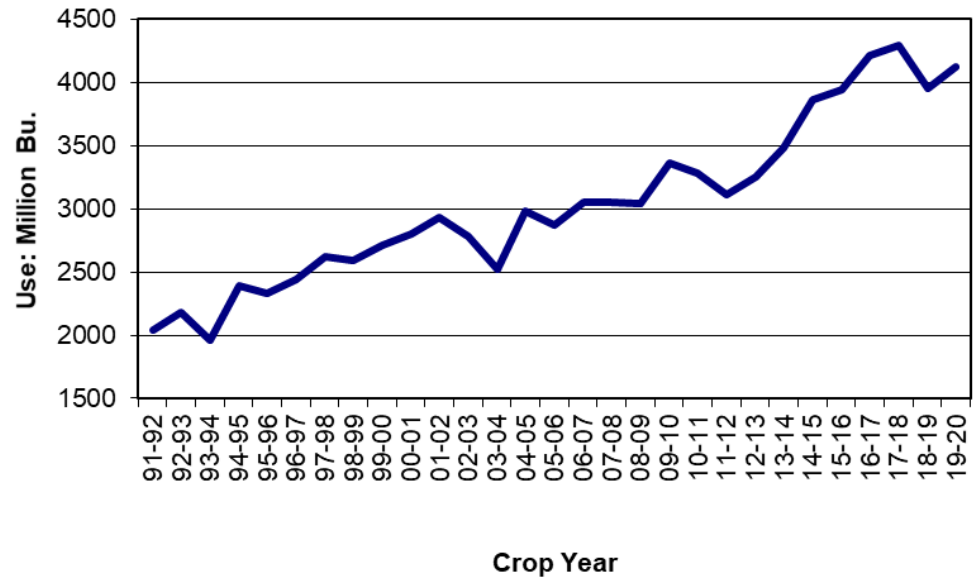
### Soybeans: End Stocks/Use Ratio



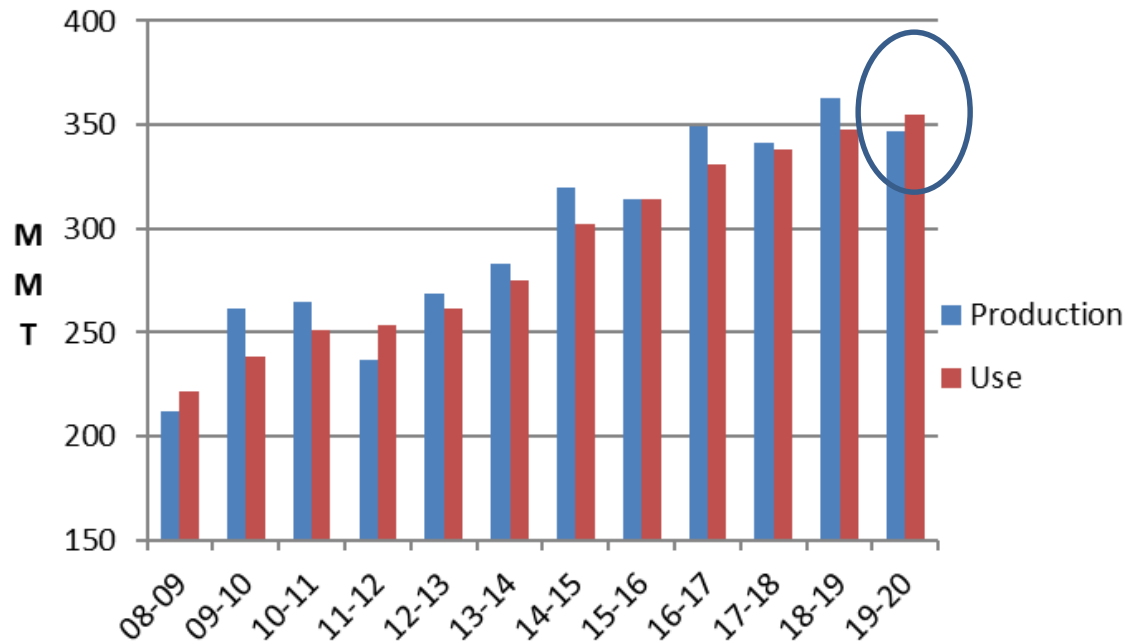
Total soybean use rebounding some, ending stocks/use ratio remains very large.

10-Yr  
AVG

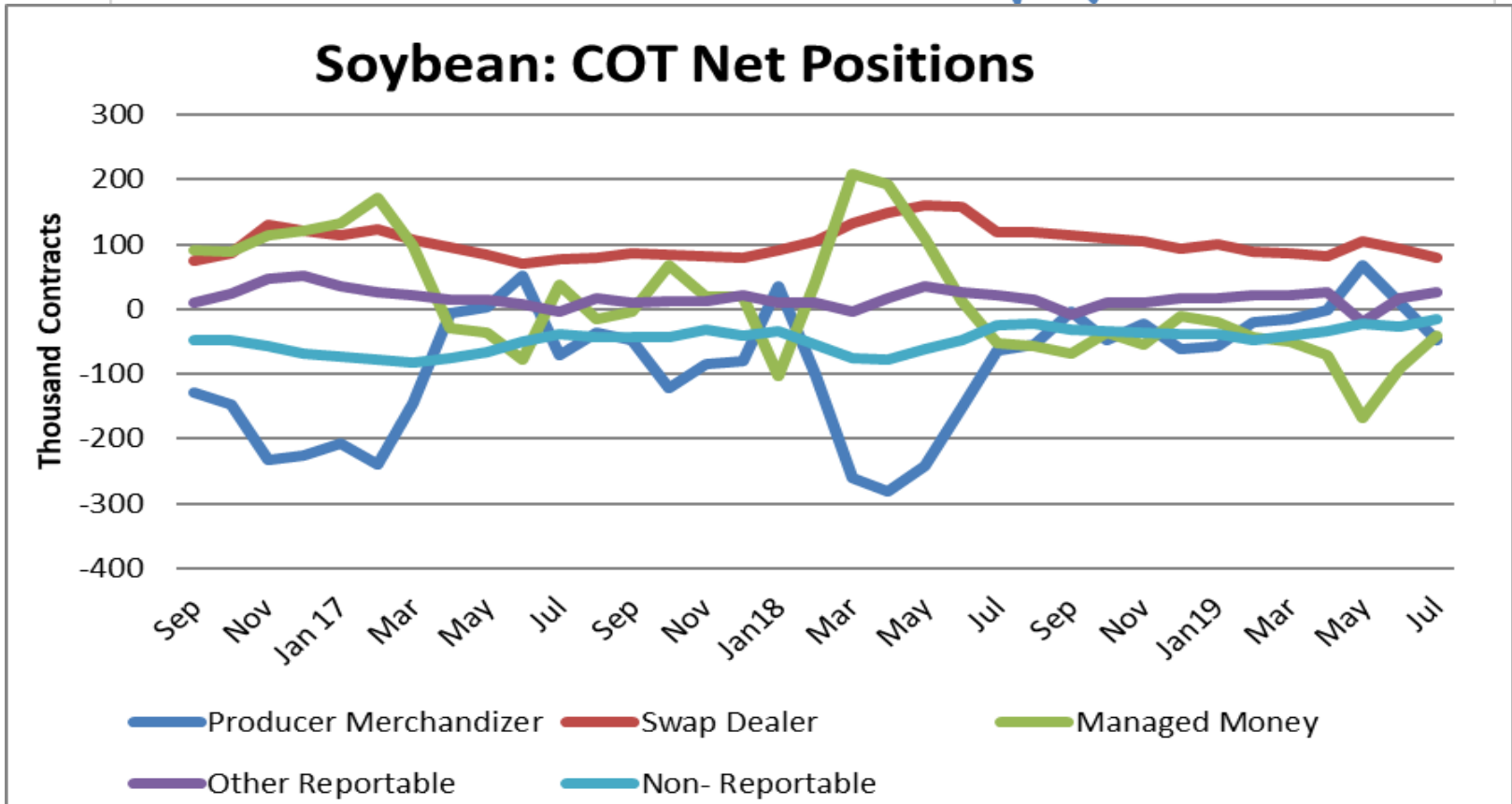
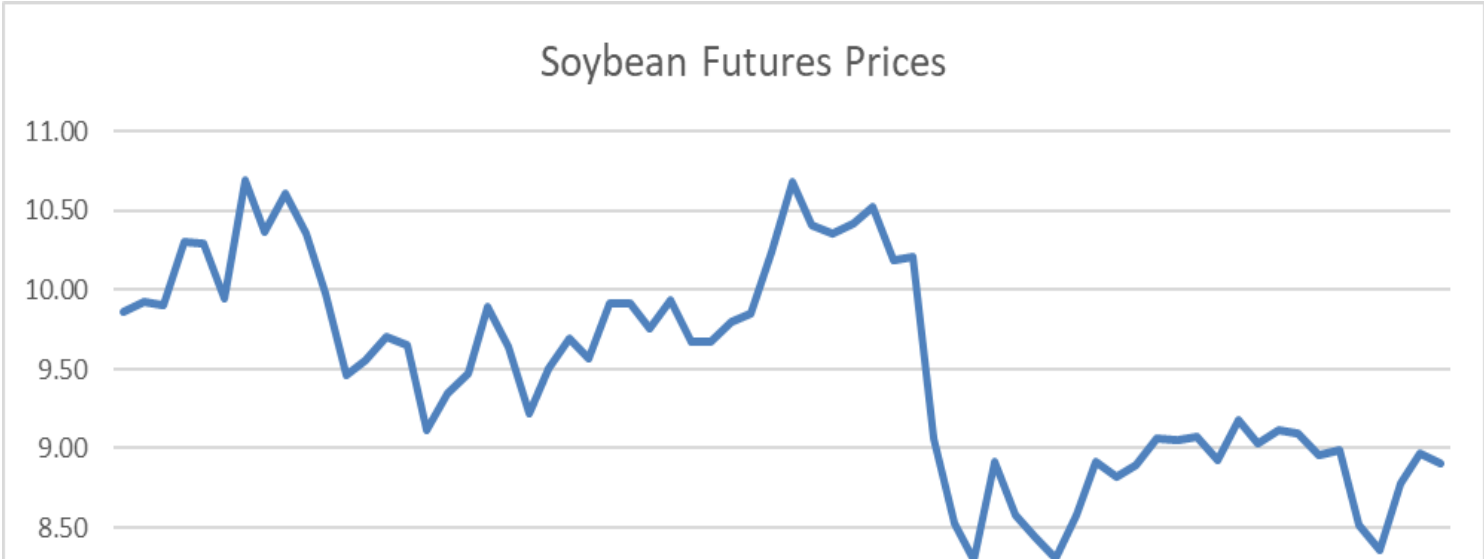
### Soybean: Total Use



## World Soybean Production and Use

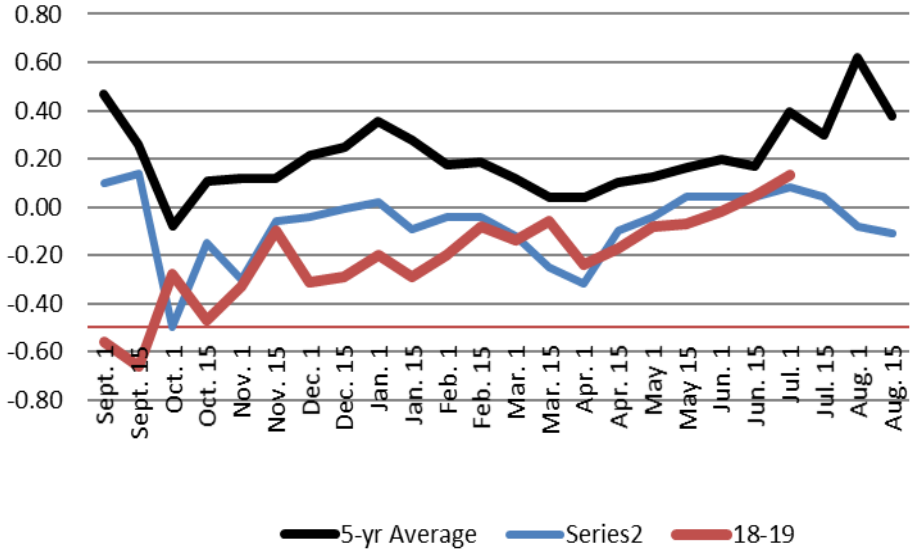


**Although stocks are large, global use may exceed 2019-20 production!**

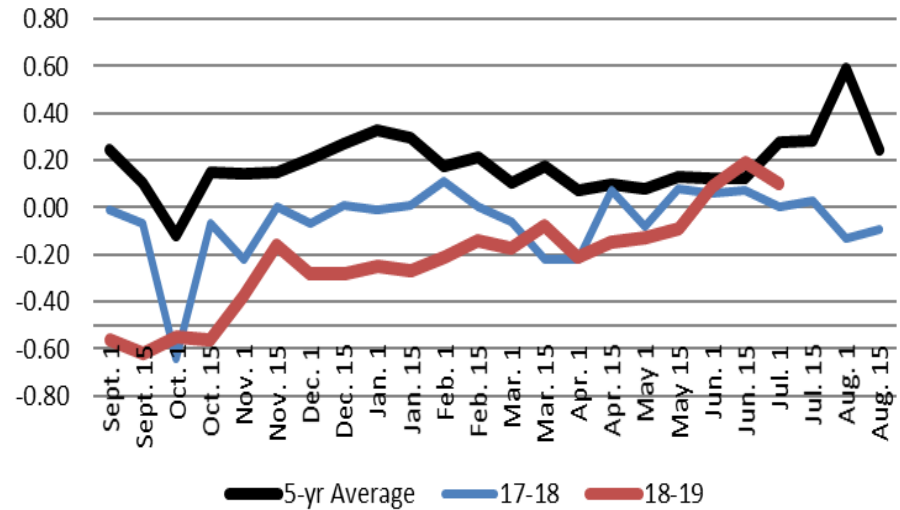




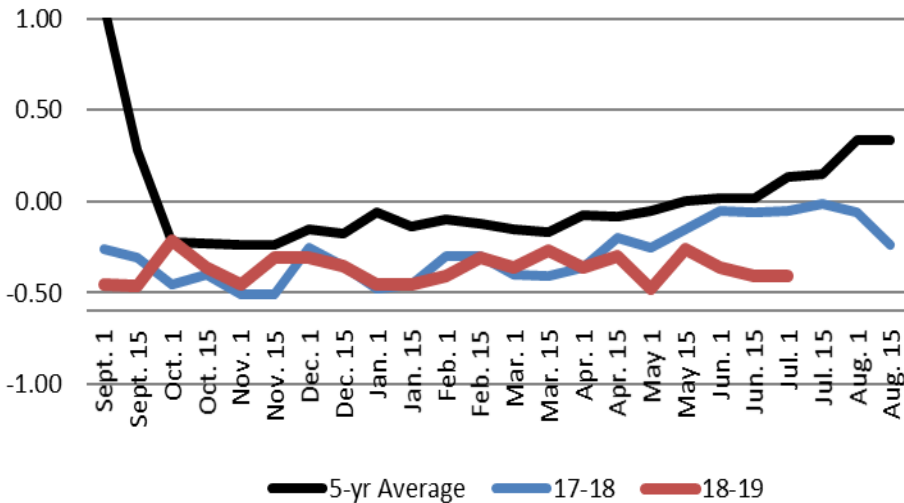
### St Louis Soybean Basis



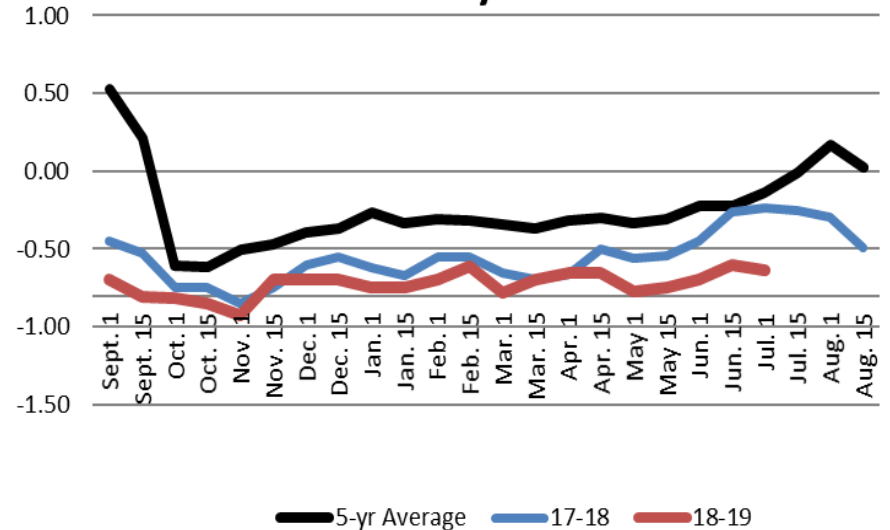
### SE MO Soybean Basis



### Kansas City Soybean Basis



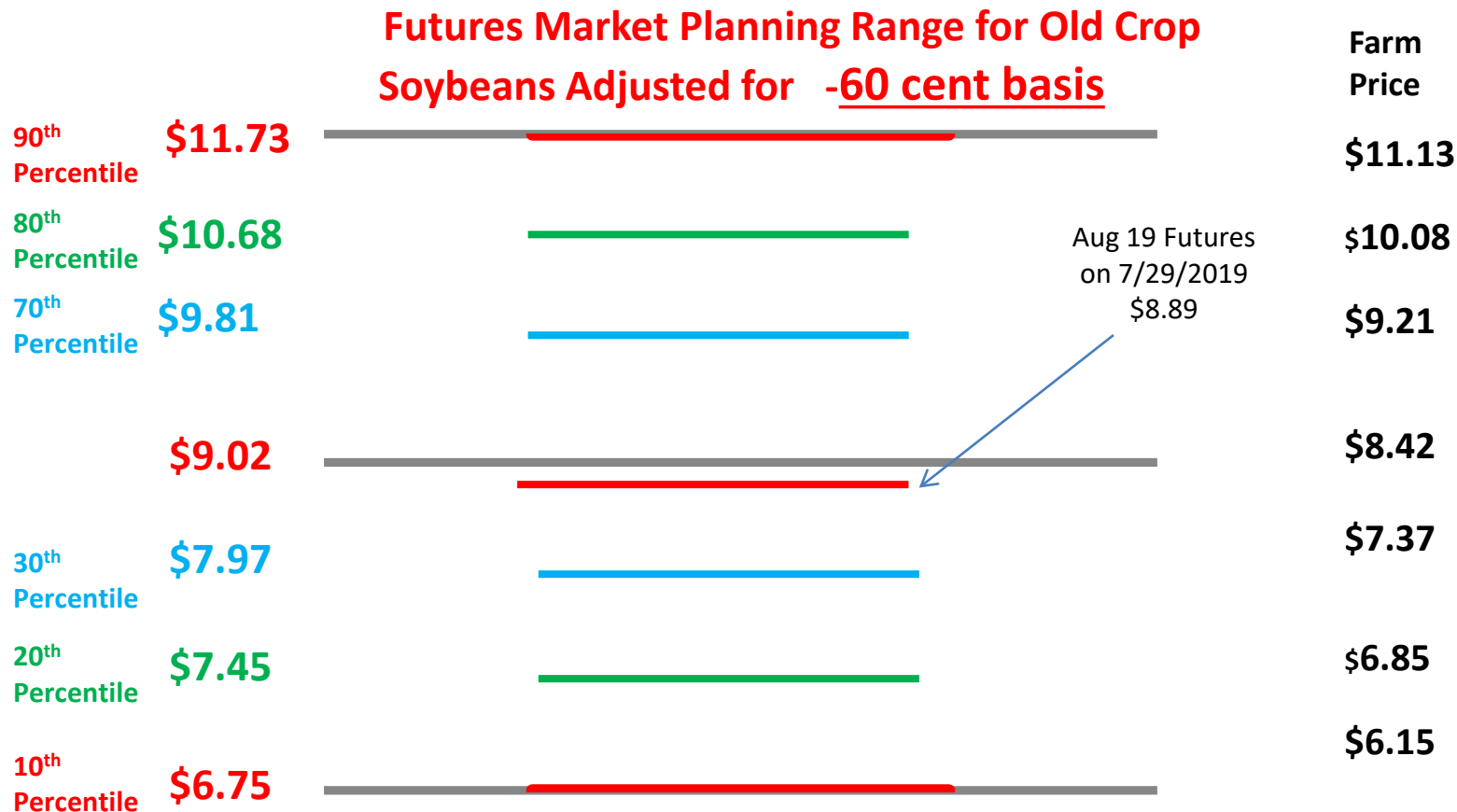
### Central MO Soybean Basis



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

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

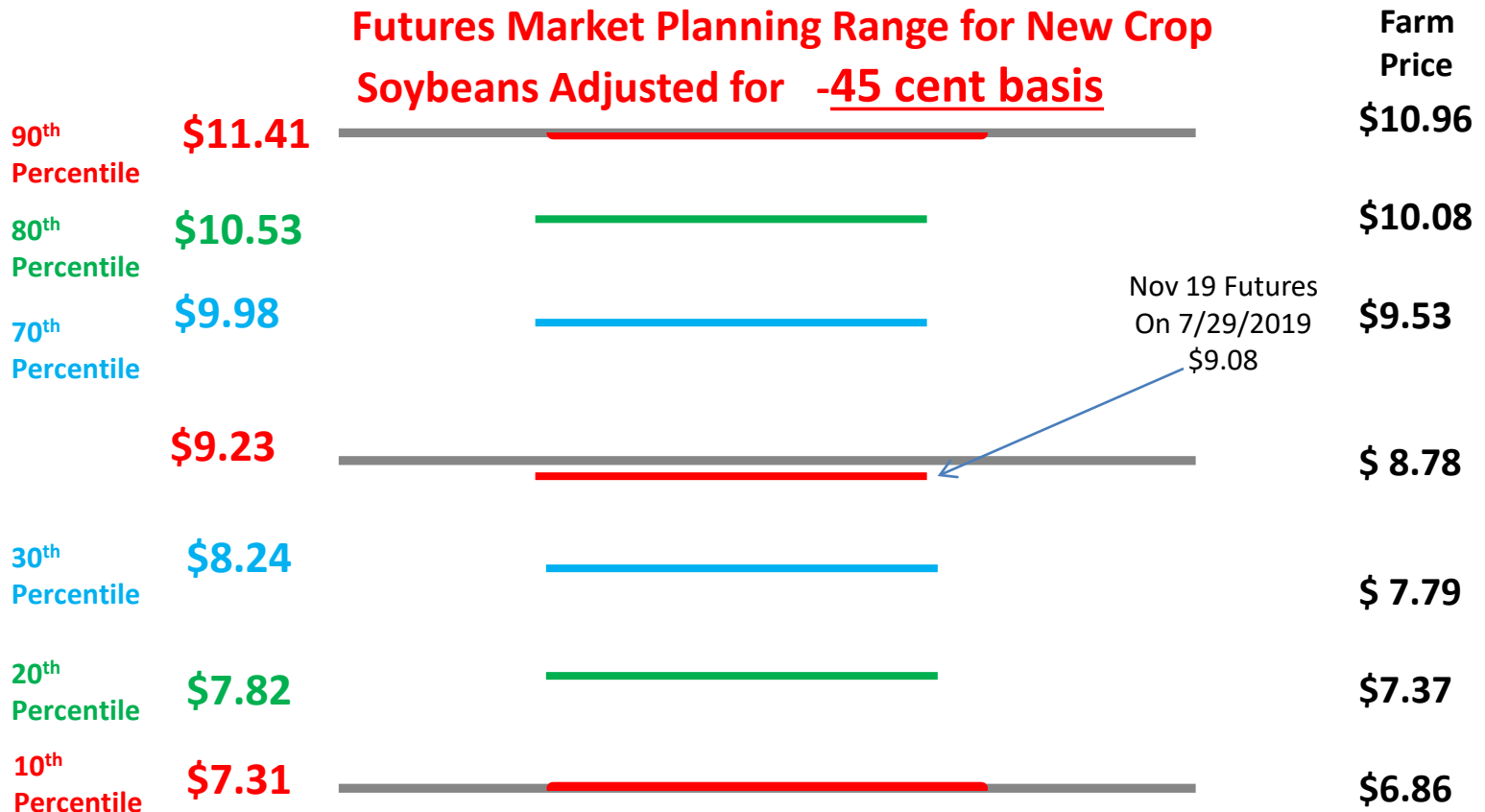
- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$9.02**
- Futures Price Equivalent of FAPRI Range: **\$7.45 - \$10.68 @ 80 Percentile**
- Futures Price Equivalent of 7/18/19 USDA Price: **Avg \$9.00**



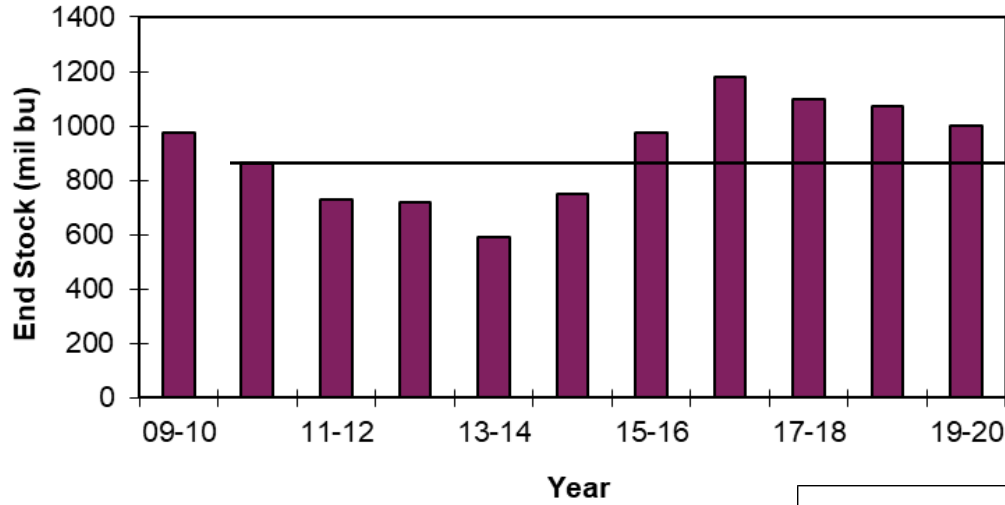
# New Crop – (19-20) Soybean FAPRI Baseline Ranges April 2019

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**

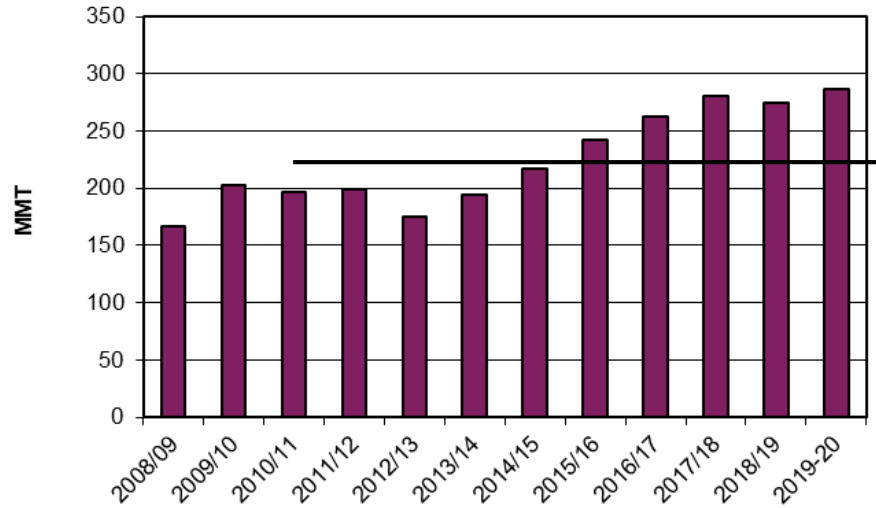


### Wheat: U.S. End Stocks



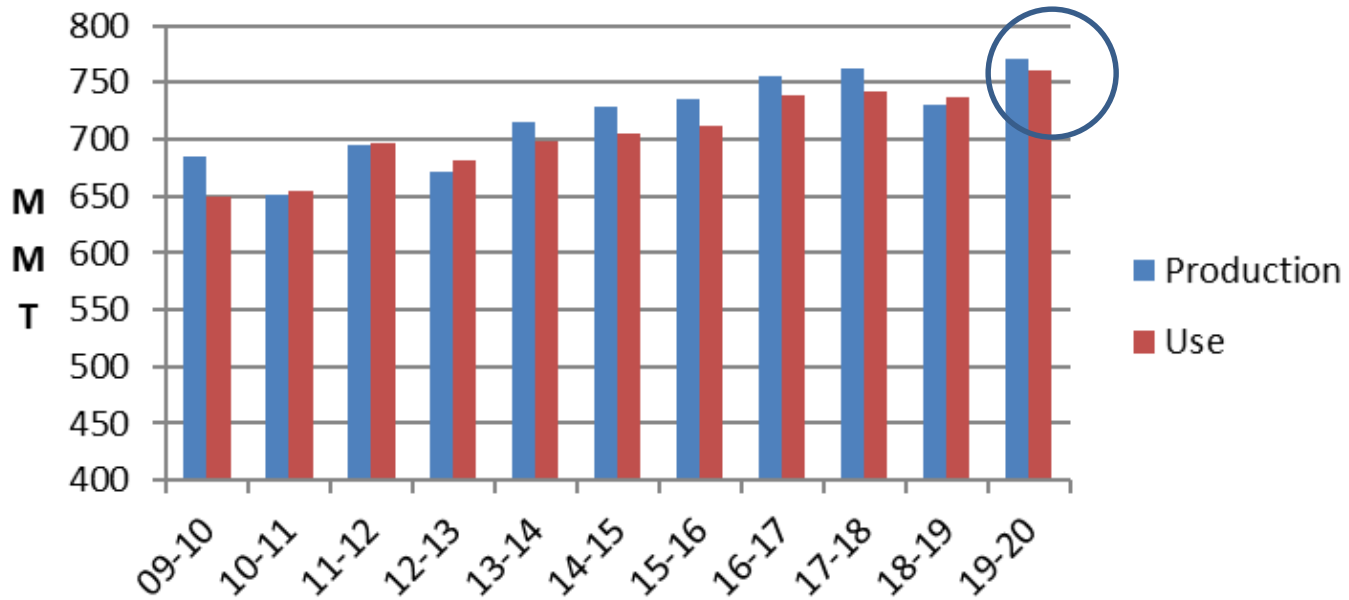
10-YR  
AVG

### World Wheat End Stocks



10-Yr  
AVG

# World Wheat Production and Use



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