



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)

April 8, 2020

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# U.S. corn supply and use

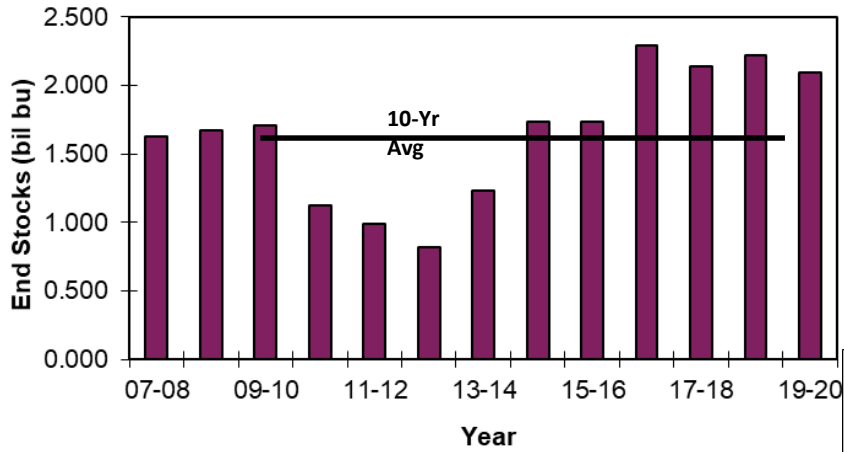
	2018/19 (USDA Apr 8 )	2019/20 (USDA Apr 8)	2019/20 (FAPRI Mar 2020)	2020/21 (FAPRI Mar 2020)
Area planted (mil. acres)	88.9	89.7	89.7	92.9
Yield (bu./harvested acre)	171.4	168.0	168.0	176.3
Production (mil. bu.)	14,340	13,692	13,692	14,996
Feed and residual use (mil. bu.)	5,430	5,655	5,480	5,638
Ethanol and coproduct use	5,378	5,050	5,385	5,408
Other domestic use	1,415	1,415	1,396	1,407
Exports	2,065	1,725	1,811	2,246
Ending stocks	2,221	2,092	1,890	2,226
Marketing yr. avg. price (\$/bu.)	3.61	3.60	3.78	3.57

Source: USDA WASDE, April 2020.

# WASDE USDA Corn Summary Apr. 8, 2020

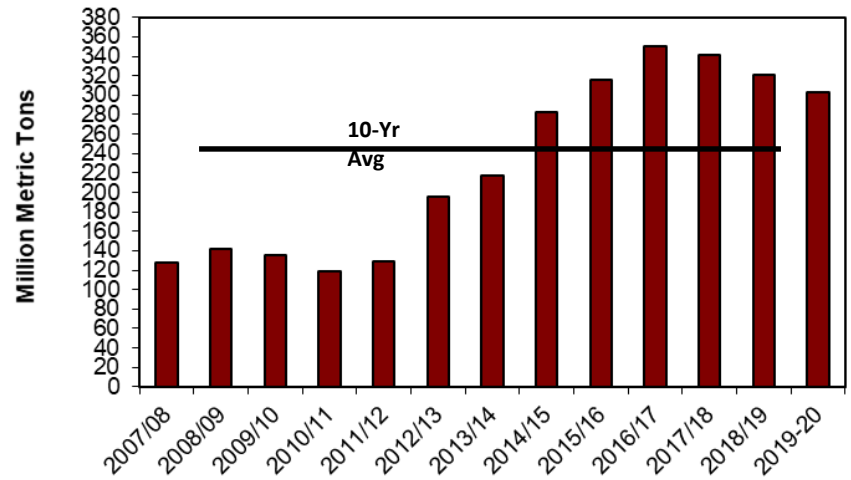
- 1) U.S. Average Farm Price – **Significant increase since 2017-2018**
  - 2019-20 USDA: \$3.60
  - 2018-19 USDA: \$3.61
  - 2017-18 USDA: \$3.36
- 2) U.S. Ending Stocks – **Significantly above 10 and 20 year Average**
  - 2019-20 USDA: (2,092 Million Bushels)
  - 2018-19 USDA: (2,221 Million Bushels)
  - 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: (303 Million Metric Tons)
  - 2018-19 World: (320 Million Metric Tons)
  - 2017-18 World: (342 Million Metric Tons)
  - 10 Year Average 09/10-18/19: (241 Million Metric Tons)
- 4) U.S. Export – **Moderate decline since 2017-18**
  - 2019- 20 USDA: (1,725 Million Bushels)
  - 2018- 19 USDA: (2,065 Million Bushels)
  - 2017- 18 USDA: (2,438 Million Bushels)

**Corn: U.S. End Stocks**

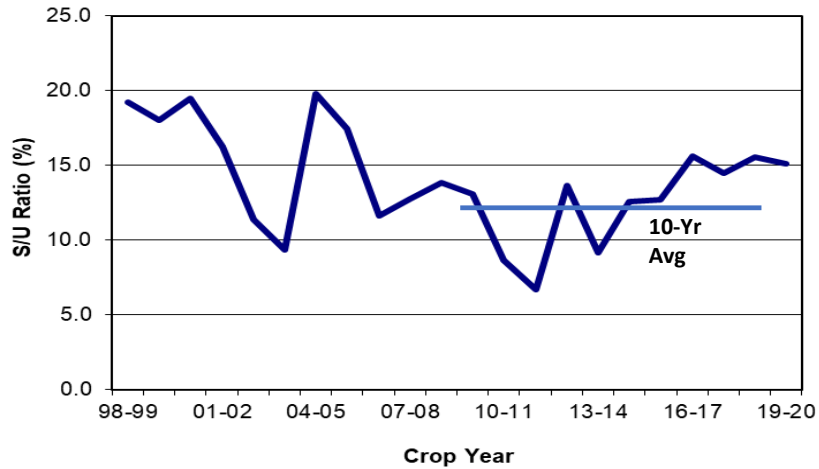


**Domestic and World corn ending stocks remain large but declining**

**Corn World End Stocks (MMT)**

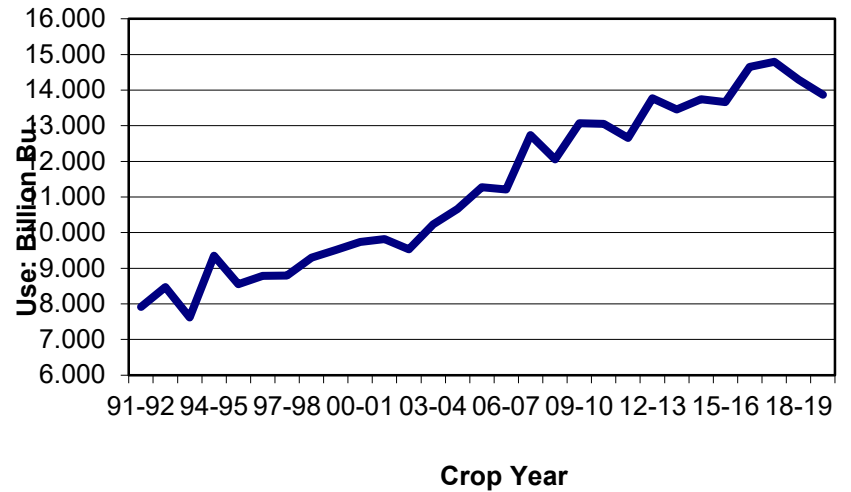


**Corn: End Stocks/Use Ratio**

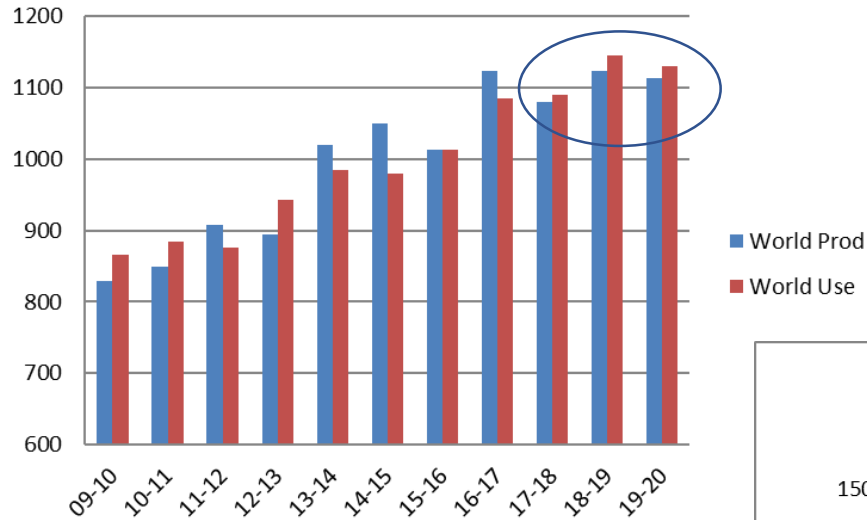


**Above average stocks/use ratio with disappointing use.**

**Use: Corn Total Use**

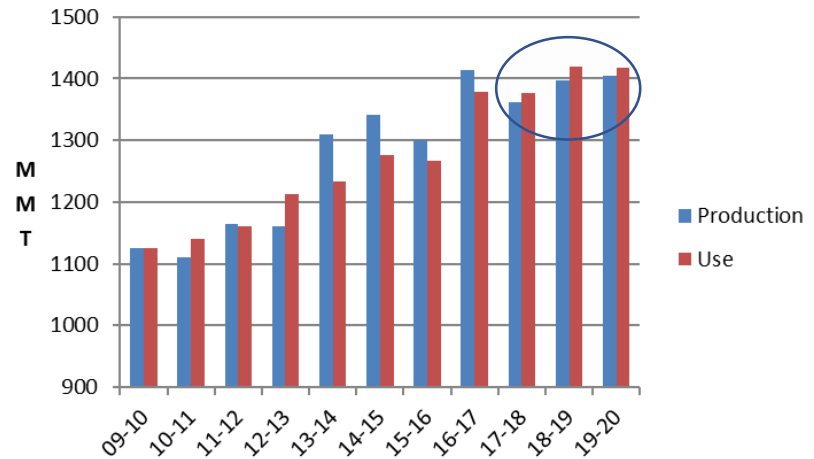


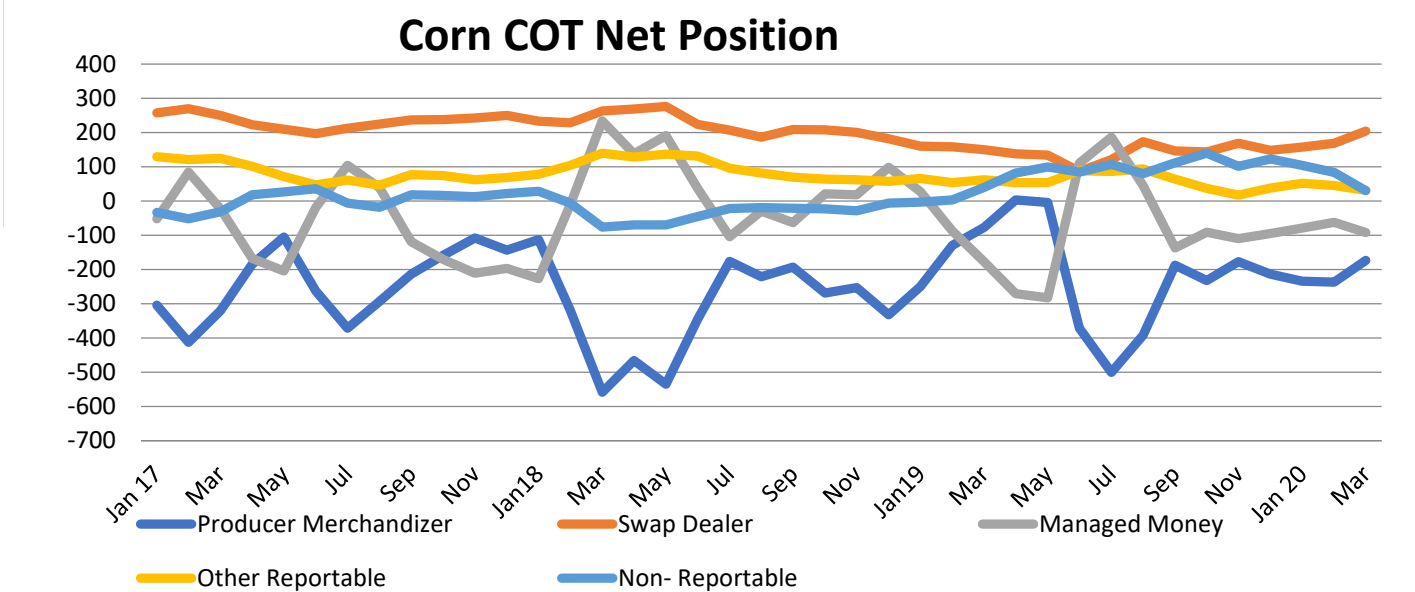
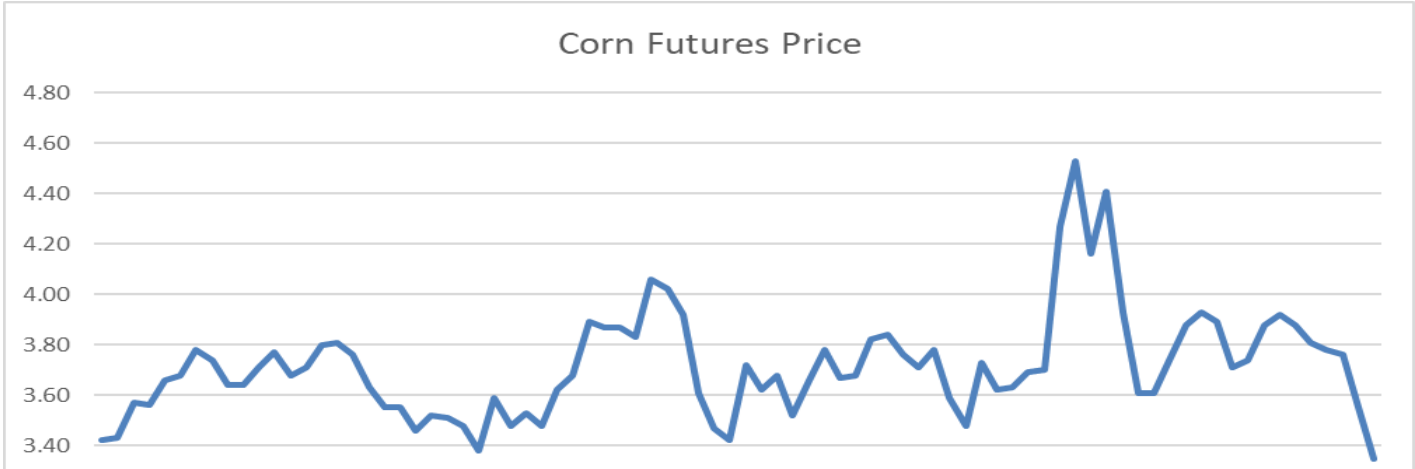
## Corn World Production & Use



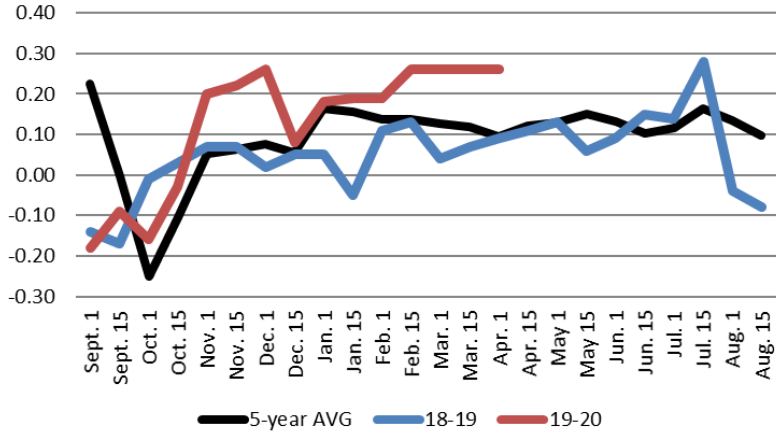
**Global consumption remains strong, corn and coarse grain use has exceeded production for last 3-years**

## World Coarse Grains: Production & Use

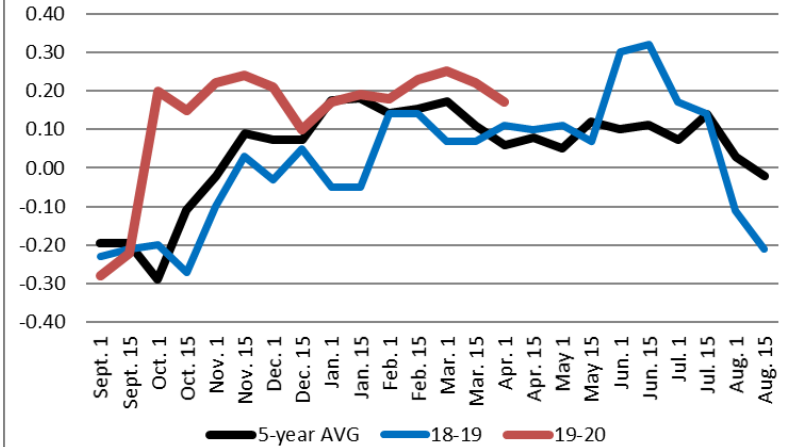




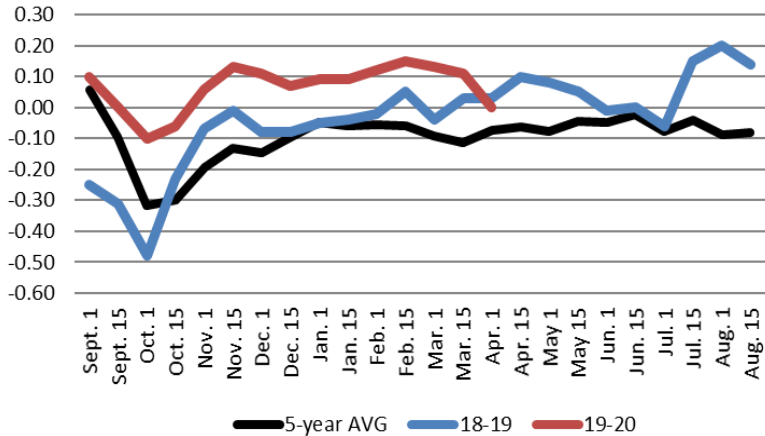
### St Louis Corn Basis



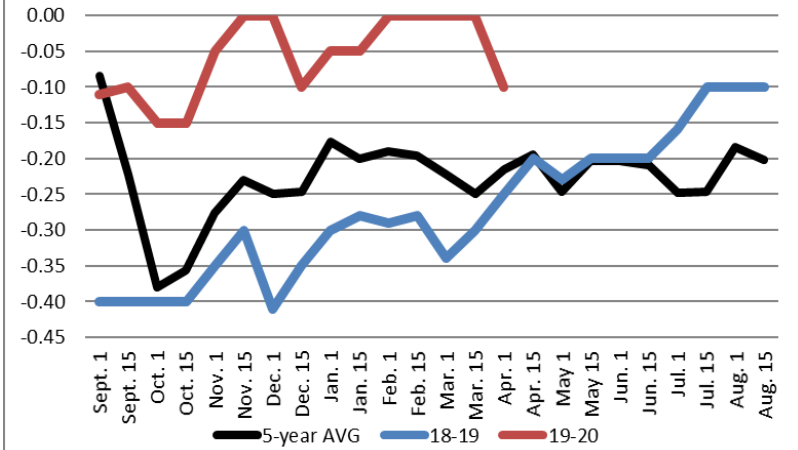
### SE MO Corn Basis



### Kansas City Corn Basis



### Central MO Corn Basis

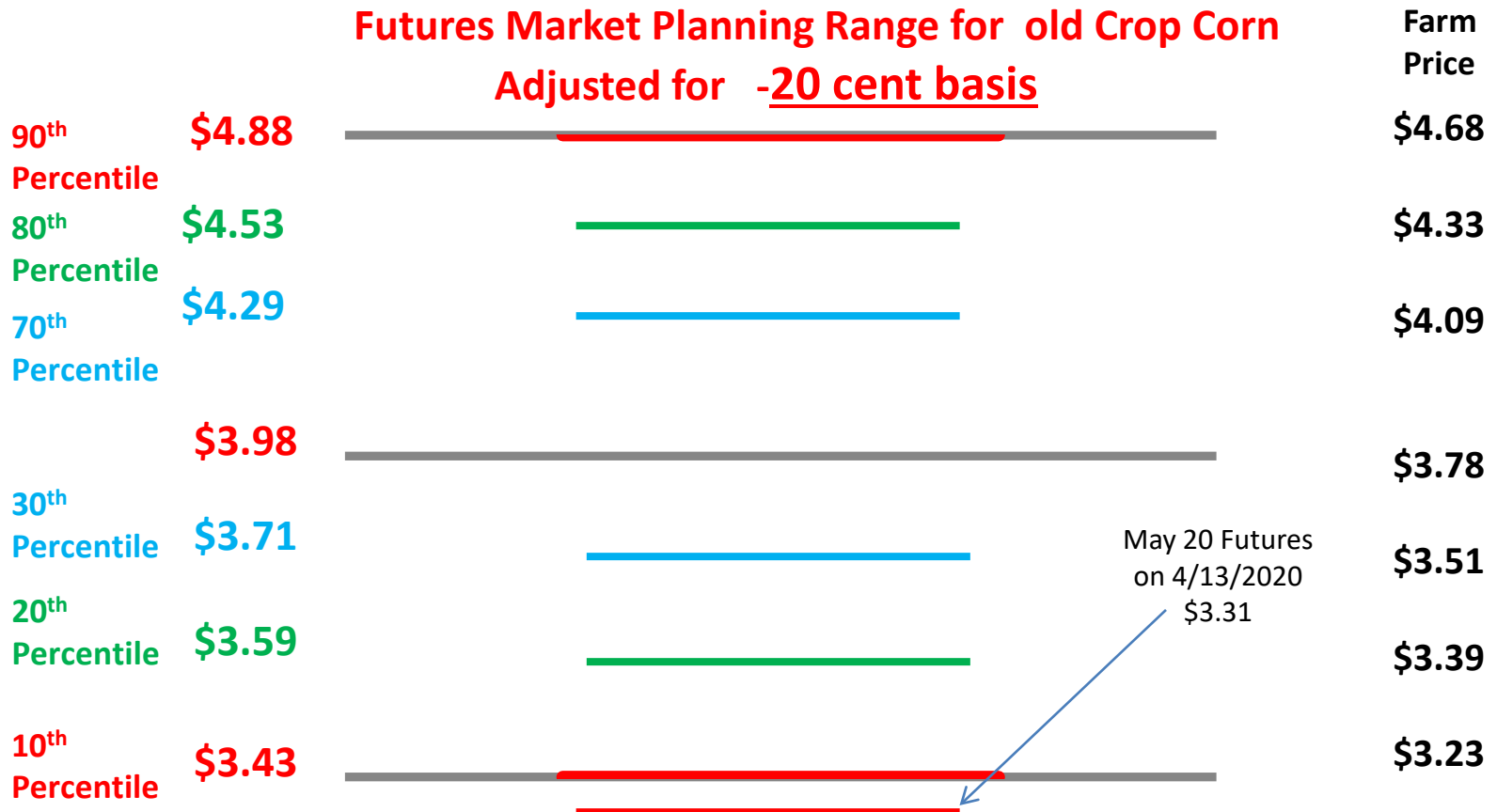




# Old Crop – (19-20) Corn FAPRI Baseline Ranges Mar 2020

March 2019 FAPRI Price: **Adjusted for -\$0.20 basis**

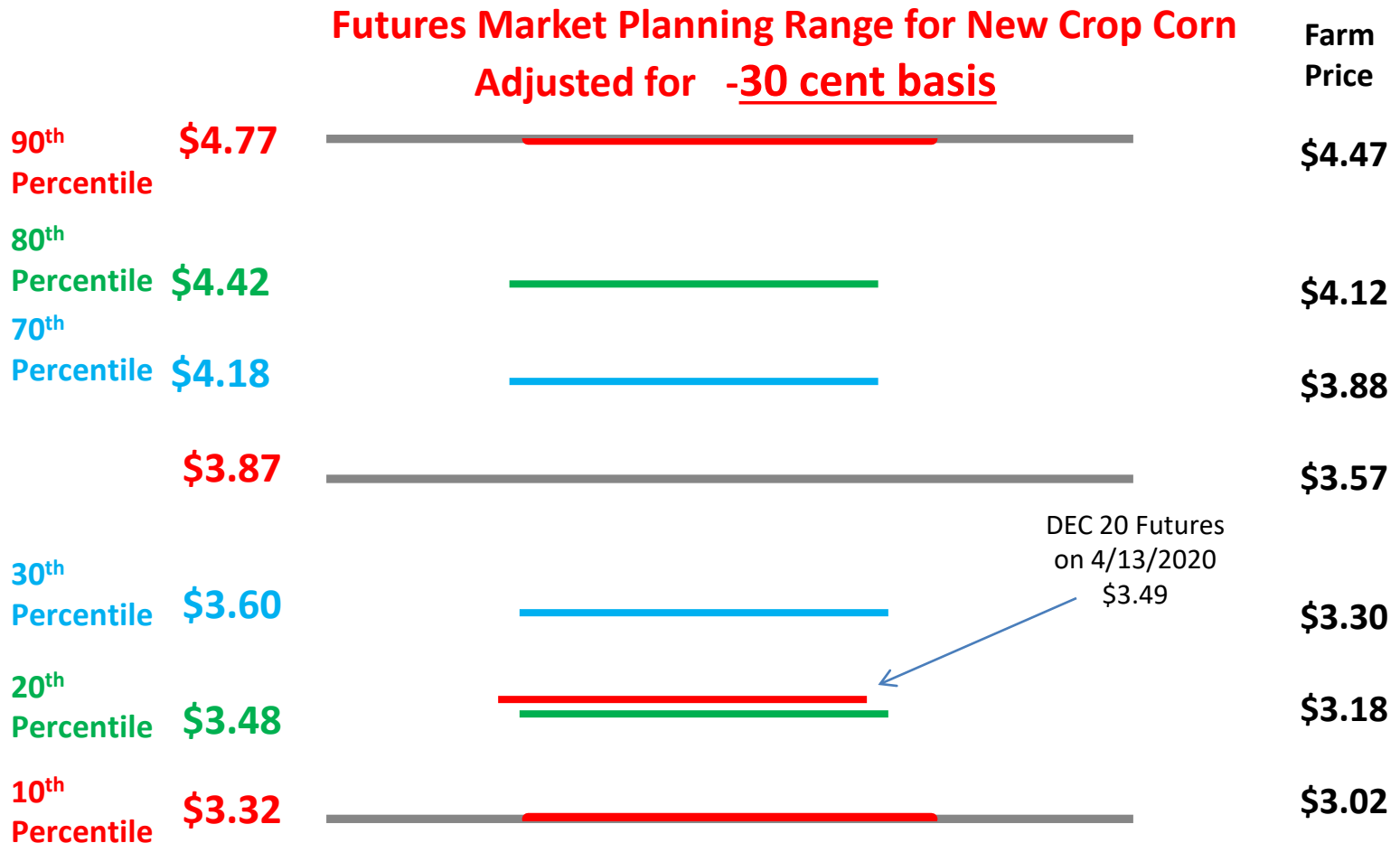
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$3.98**
- Futures Price Equivalent of FAPRI Range: **\$3.59 – \$4.53 @ 80 Percentile**
- Futures Price Equivalent of 3/9/20 USDA Avg Price: **\$3.80**



# New Crop – (20-21) Corn FAPRI Baseline Ranges Mar 2020

March 2019 FAPRI Projected Farm Price: **Adjusted for -\$0.30 basis**

- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$3.77**
- Futures Price Equivalent of FAPRI Range: **\$3.38 - \$4.32 @ 80 Percentile**



# U.S. soybean supply and use

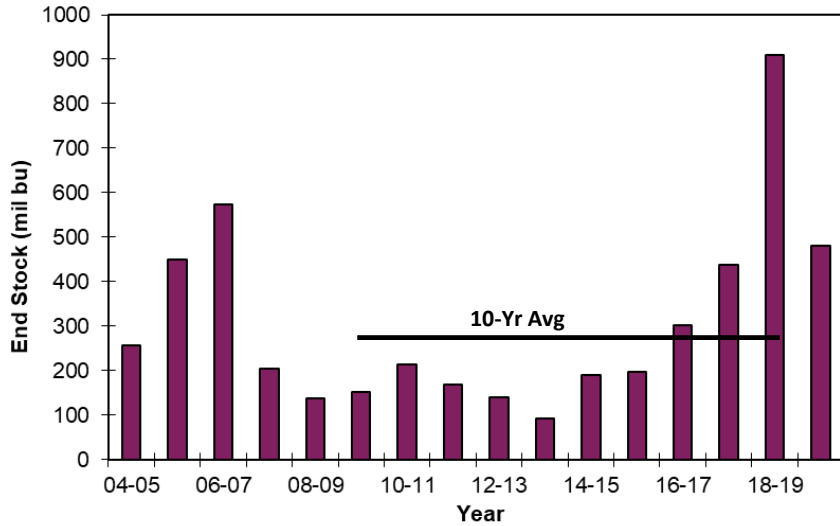
	2018/19 (USDA Apr 8)	2019/20 (USDA Apr 8)	2019/20 (FAPRI Mar2020)	2020/21 (FAPRI Mar 2020)
Area planted (mil. acres)	89.2	76.1	76.1	86.5
Yield (bu./harvested acre)	50.6	47.4	47.4	49.7
Production (mil. bu.)	4,428	3,558	3,558	4,244
Crush (mil. bu.)	2,092	2,125	2,107	2,179
Other domestic use	131	102	127	139
Exports	1,748	1,775	1,767	1,891
Ending stocks	909	480	482	532
Marketing yr. avg. price (\$/bu.)	8.48	8.65	8.80	8.48

Sources: USDA WASDE, April 2020.

# WASDE-USDA Soybean Summary Apr 8, 2020

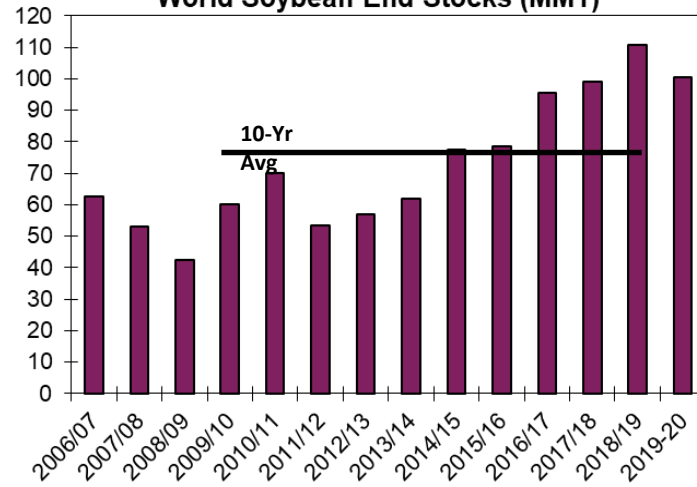
- 1) U.S. Average Farm Price – **Slight increase from 2018-19**
  - 2019-20 USDA: \$8.65
  - 2018-19 USDA: \$8.48
  - 2017-18 USDA: \$9.33
  
- 2) U.S. Ending Stocks – **Significantly above 20 Year Average**
  - 2019- 20 USDA: (480 Million Bushels)
  - 2018- 19 USDA: (909 Million Bushels)
  - 2017- 18 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 – **Moderately above 10 Year average**
  - 2019- 20 World: (100 Million Metric Tons)
  - 2018- 19 World: (111 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 over 2018-19**
  - 2019- 20 USDA: (1,775 Million Bushels)
  - 2018- 19 USDA: (1,748 Million Bushels)
  - 2017- 18 USDA: (2,134 Million Bushels)

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

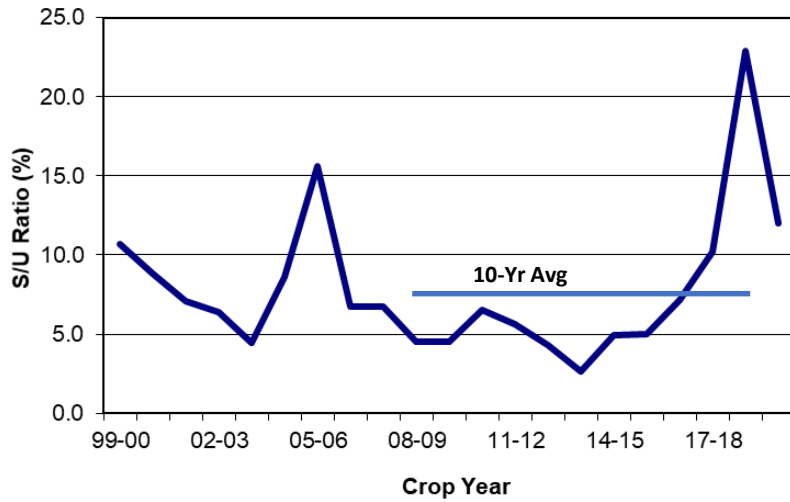


**Domestic and global ending stock well above average, but US carryover down significantly from record highs**

**World Soybean End Stocks (MMT)**

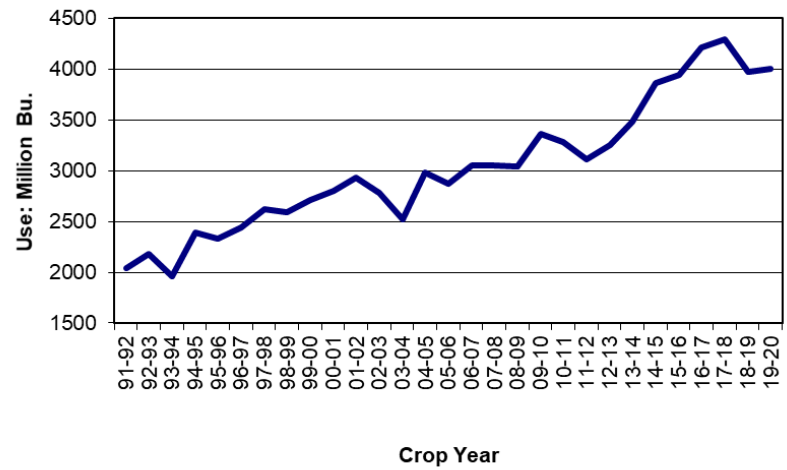


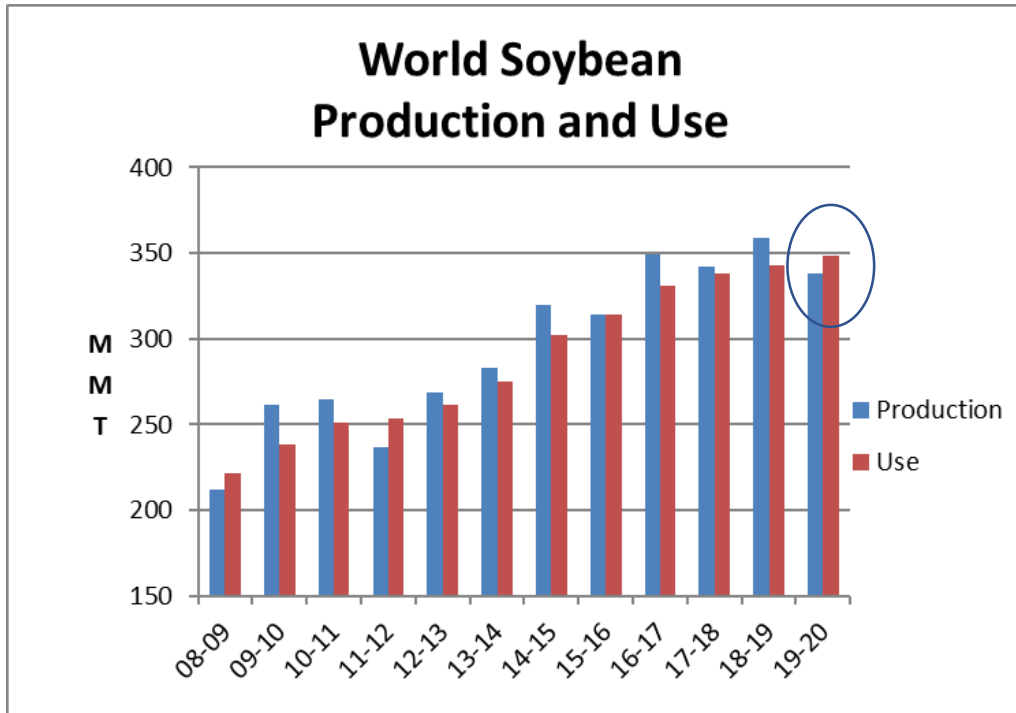
**Soybeans: End Stocks/Use Ratio**



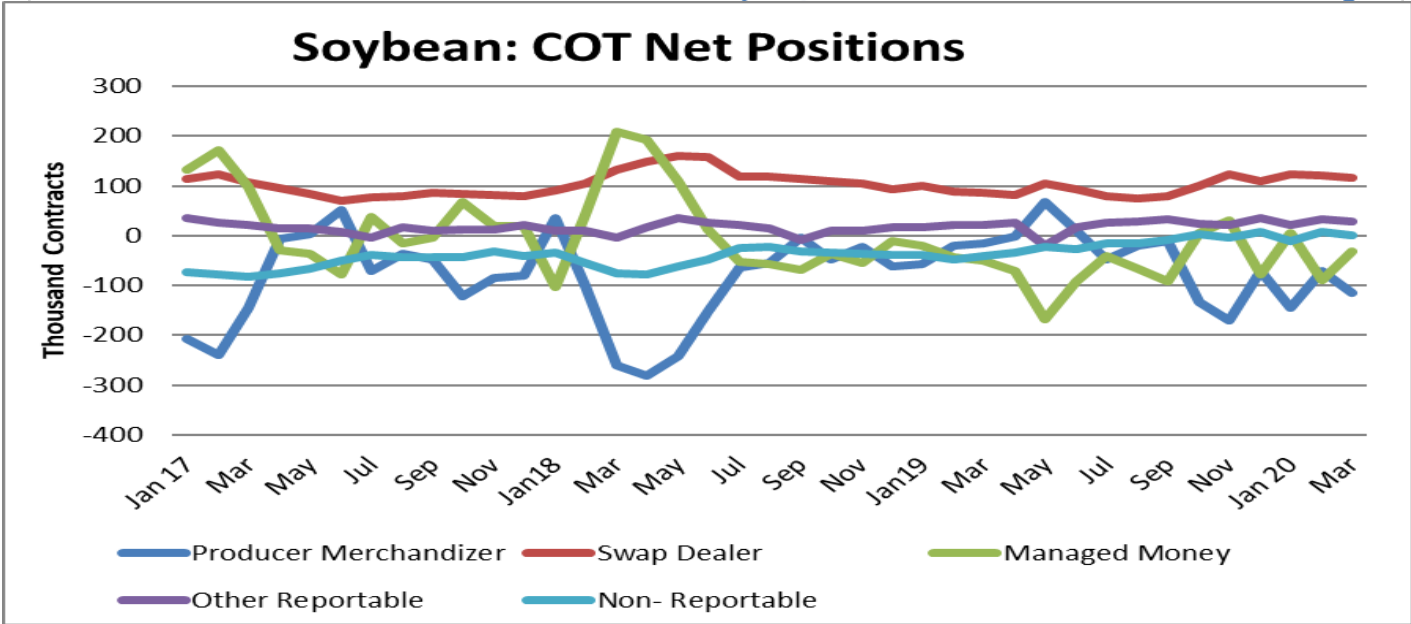
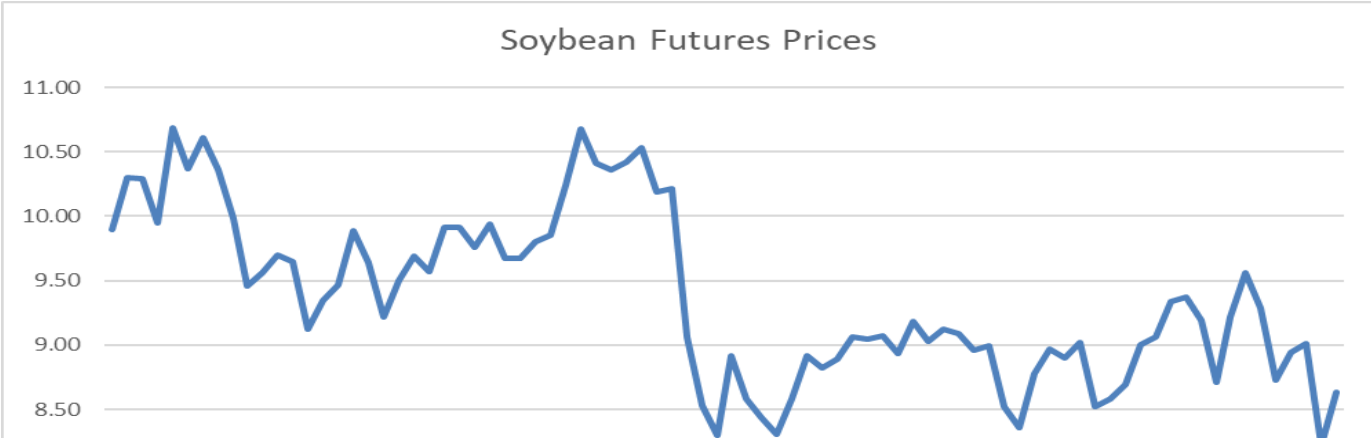
**Stocks/Use Ratio down sharply, but remains well above average. Slower exports have reduced growth in use.**

**Soybean: Total Use**



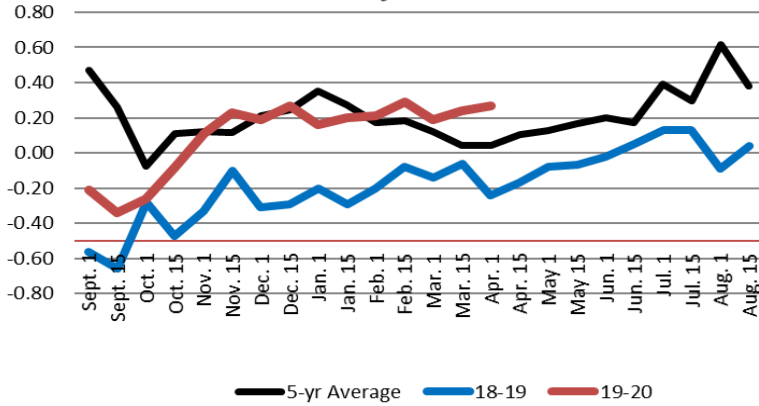


**2019-20 Global use is expected to exceed somewhat lower world production**

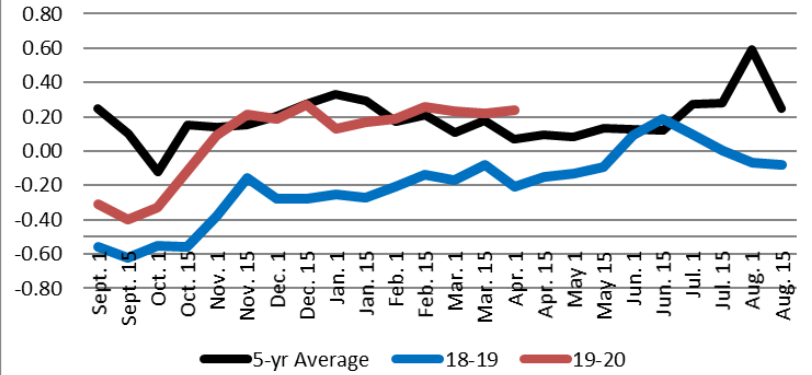




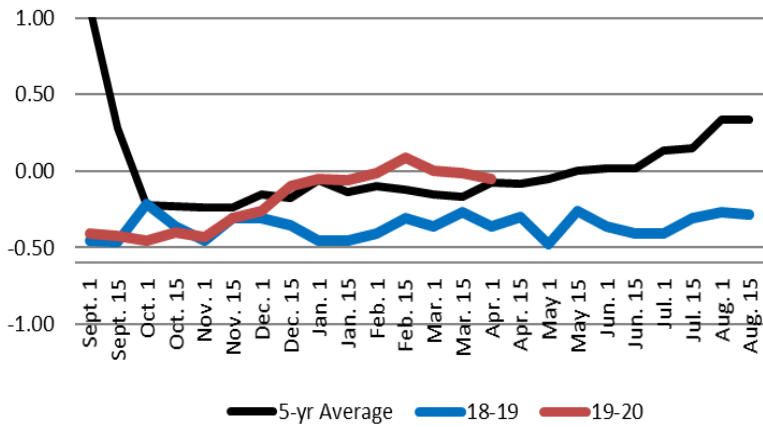
### St Louis Soybean Basis



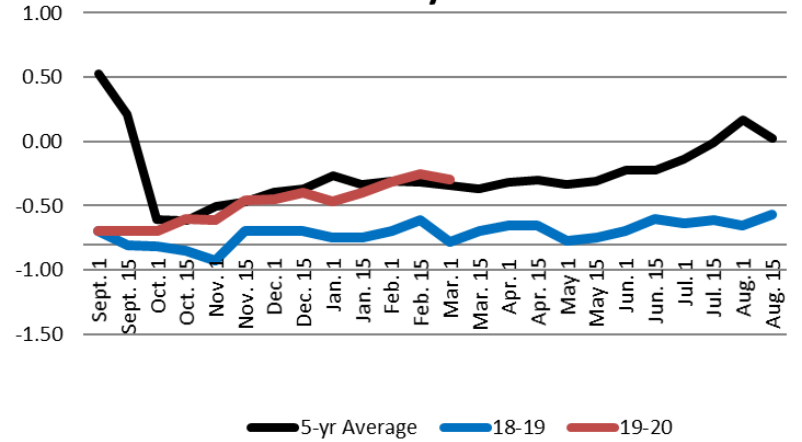
### SE MO Soybean Basis



### Kansas City Soybean Basis



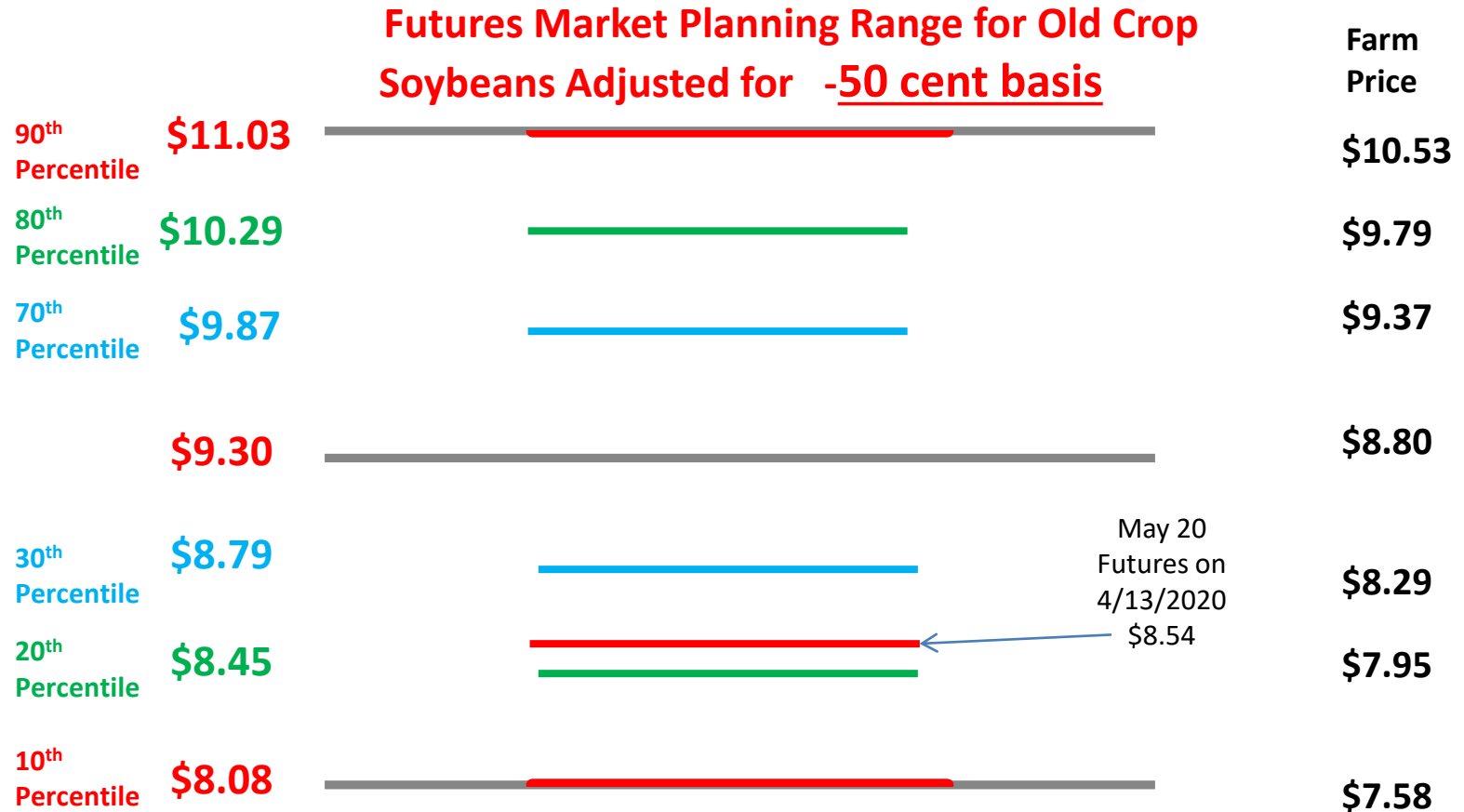
### Central MO Soybean Basis



# Old Crop – (19-20) Soybean FAPRI Baseline Ranges March 2020

March 2019 FAPRI Price: **Adjusted for -\$0.50 basis**

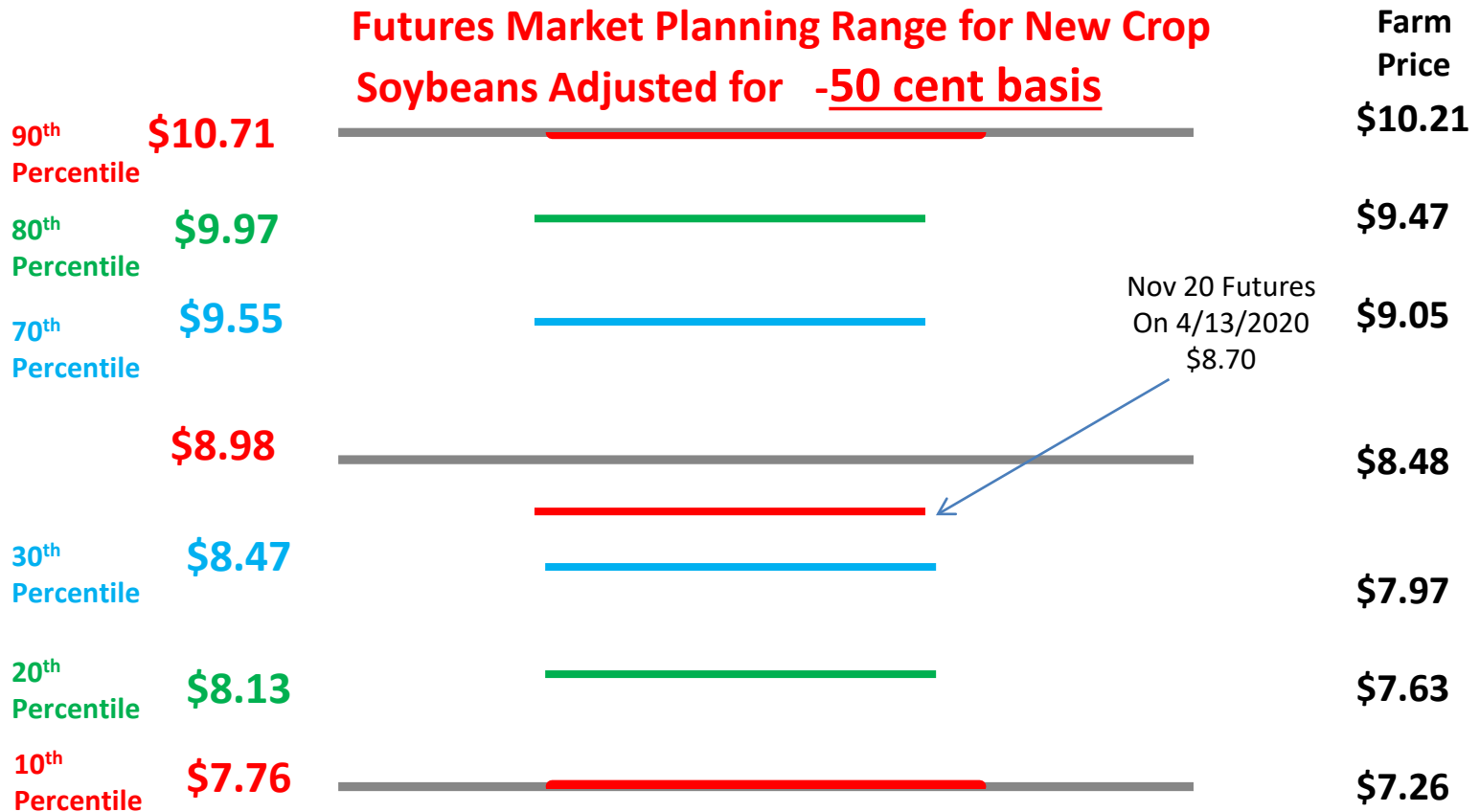
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$9.30**
- Futures Price Equivalent of FAPRI Range: **\$8.45 - \$10.29 @ 80 Percentile**
- Futures Price Equivalent of 4/08/20 USDA Price: **Avg \$9.15.**



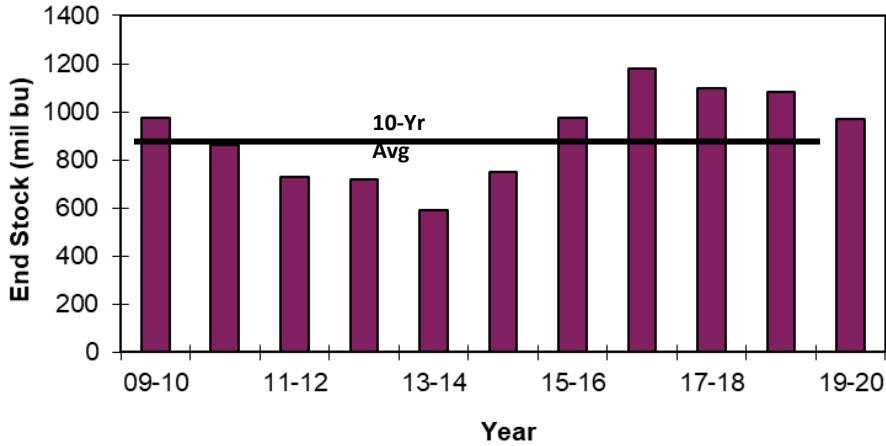
# New Crop – (20-21) Soybean FAPRI Baseline Ranges March 2020

April 2019 FAPRI Price: **Adjusted for -\$0.50 basis**

- Futures Price Equivalent of 2018- 2019 Projected Farm Price: **\$8.98**
- Futures Price Equivalent of FAPRI Range: **\$8.13 - \$9.97. @ 80 Percentile**

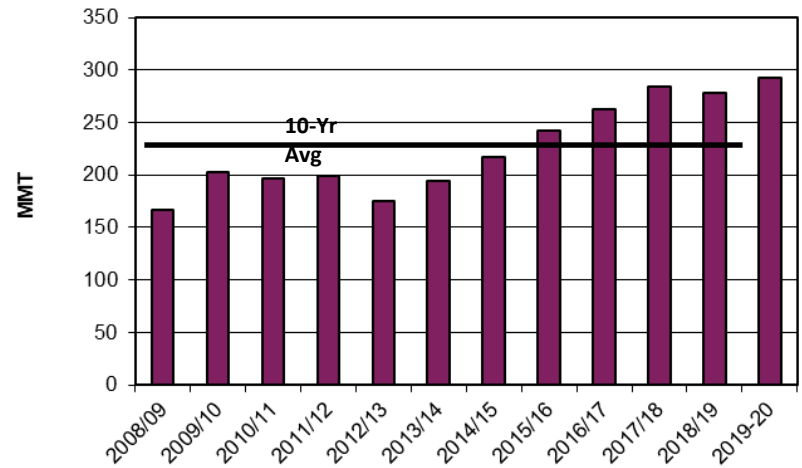


**Wheat: U.S. End Stocks**

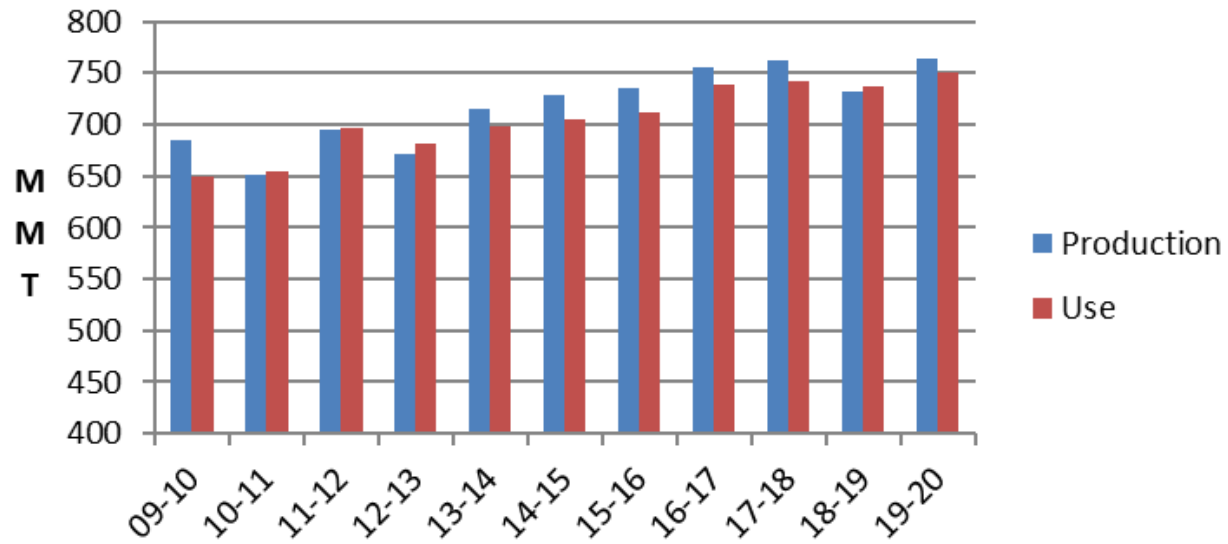


**US carryover declining somewhat,  
but domestic  
and world ending stocks remain  
above average.**

**World Wheat End Stocks**



## World Wheat Production and Use



**World wheat production expected to exceed global use.**