



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)

August 12, 2020

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# U.S. corn supply and use

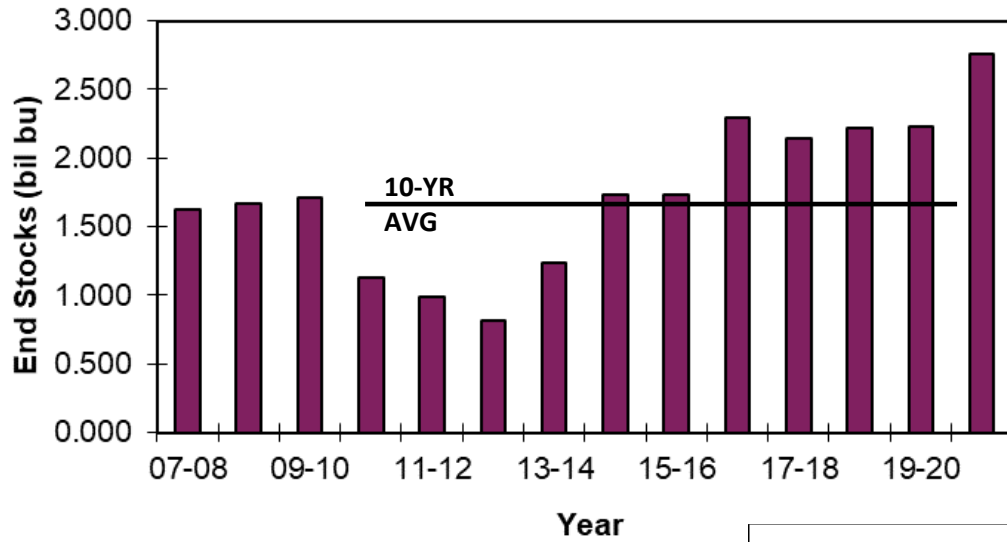
	2019/20 (USDA Aug 12 )	2020/21 (USDA Aug 12)	2019/20 (FAPRI ) June 2020)	2020/21 (FAPRI ) June 2020)
Area planted (mil. acres)	89.7	92.0	89.7	96.0
Yield (bu./harvested acre)	167.4	181.8	167.8	175.9
Production (mil. bu.)	13,617	15,278	13,663	15,459
Feed and residual use (mil. bu.)	5,600	5,925	5,692	5,999
Ethanol and coproduct use	4,850	5,200	4,989	5,114
Other domestic use	1,412	1,425	1,396	1,404
Exports	1,795	2,225	1,764	2,173
Ending stocks	2,228	2,756	2,096	2,900
Marketing yr. avg. price (\$/bu.)	3.60	3.10	3.61	3.06

Source: USDA WASDE, August 2020.

# WASDE USDA Corn Summary Aug 12, 2020

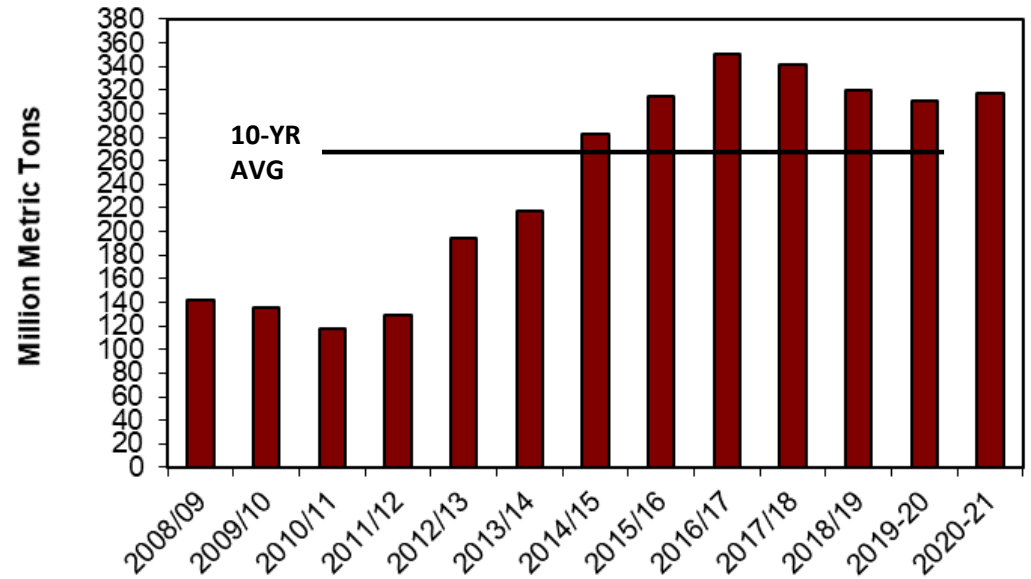
- 1) U.S. Average Farm Price – **Significant decrease since 2018-2019**
  - 2020-21 USDA: \$3.10
  - 2019-20 USDA: \$3.60
  - 2018-19 USDA: \$3.61
- 2) U.S. Ending Stocks- **Significantly above 10 and 20 year Average**
  - 2020-21 USDA: (2,756 Million Bushels)
  - 2019-20 USDA: (2,228 Million Bushels)
  - 2018-19 USDA: (2,221 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 – **Significantly above 10 year Average**
  - 2020-21 World: (317 Million Metric Tons)
  - 2019-20 World: (311 Million Metric Tons)
  - 2018-19 World: (320 Million Metric Tons)
  - 10 Year Average 09/10-18/19: (241 Million Metric Tons)
- 4) U.S. Export – **Moderate increase since 2018-19**
  - 2020- 21 USDA: (2,225 Million Bushels)
  - 2019-20 USDA: (1,795 Million Bushels)
  - 2018- 19 USDA: (2,066 Million Bushels)

### Corn: U.S. End Stocks

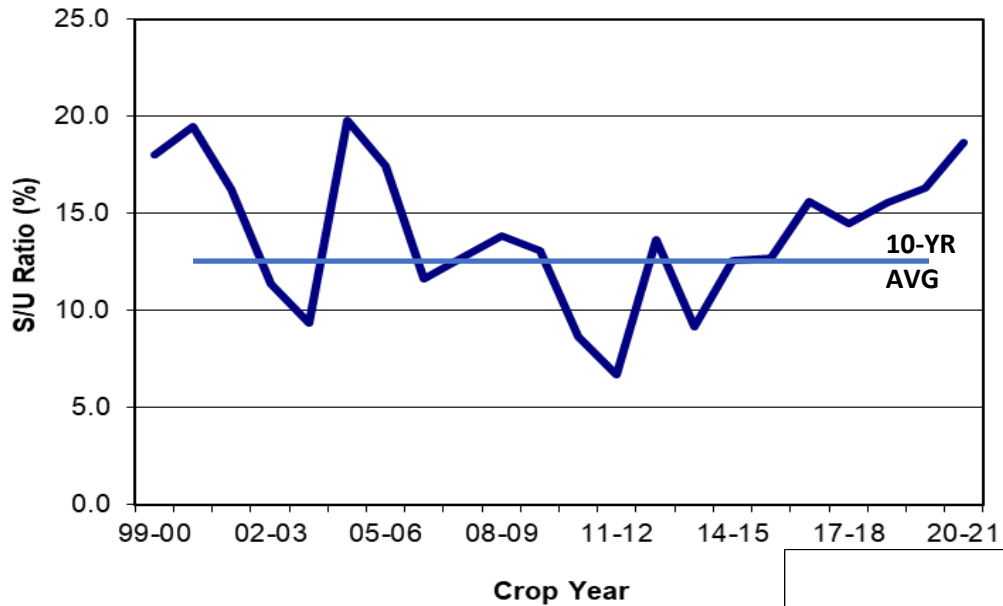


**Very large US ending stocks  
along with large world supplies**

### Corn World End Stocks (MMT)

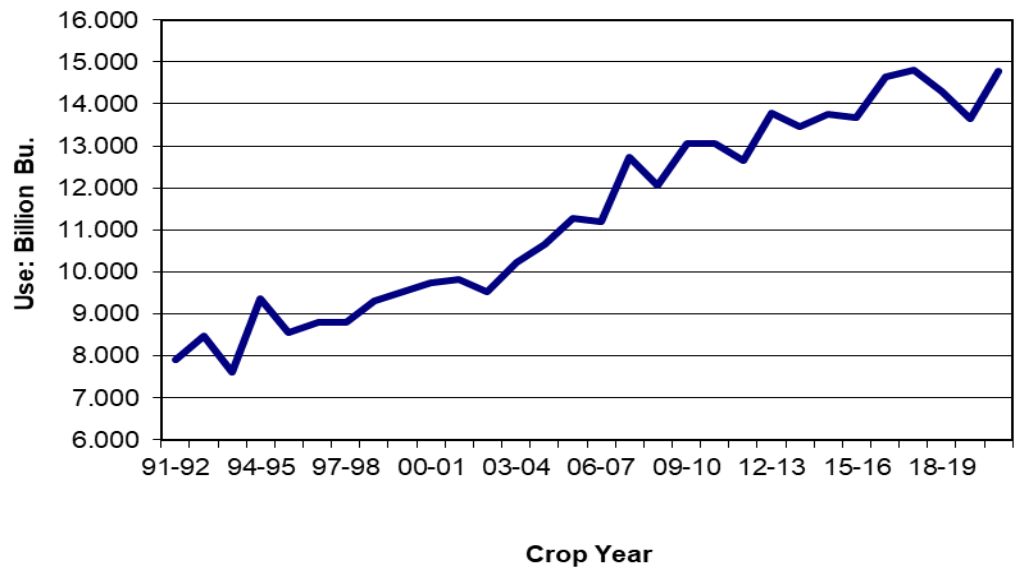


### Corn: End Stocks/Use Ratio

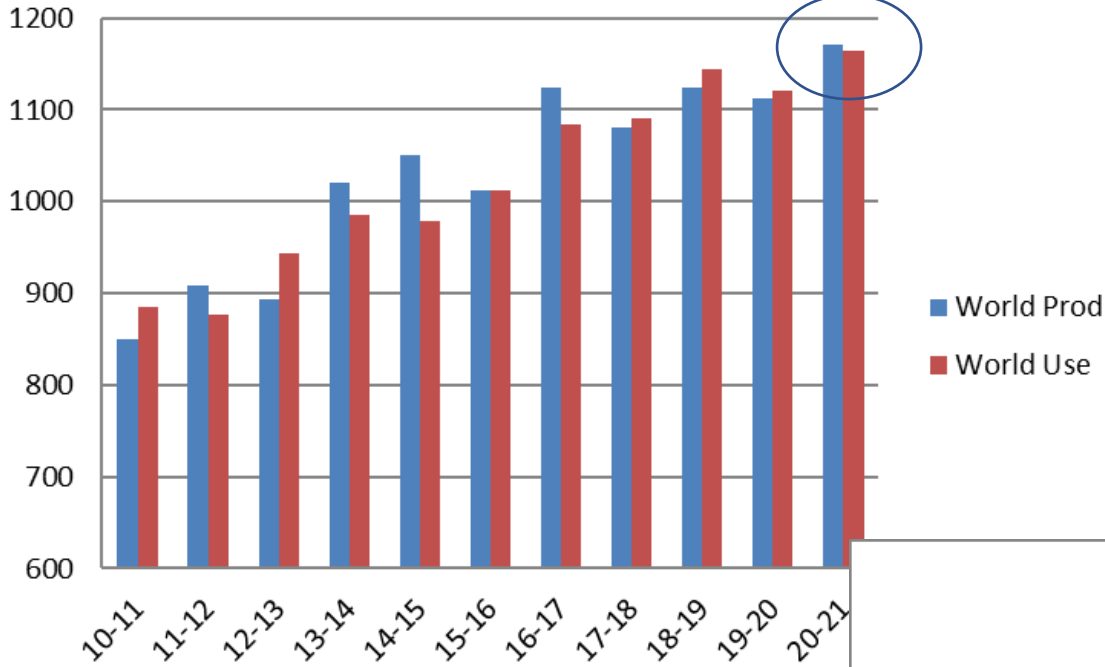


**Much above average  
stocks/use ratio with  
somewhat higher use.**

### Use: Corn Total Use

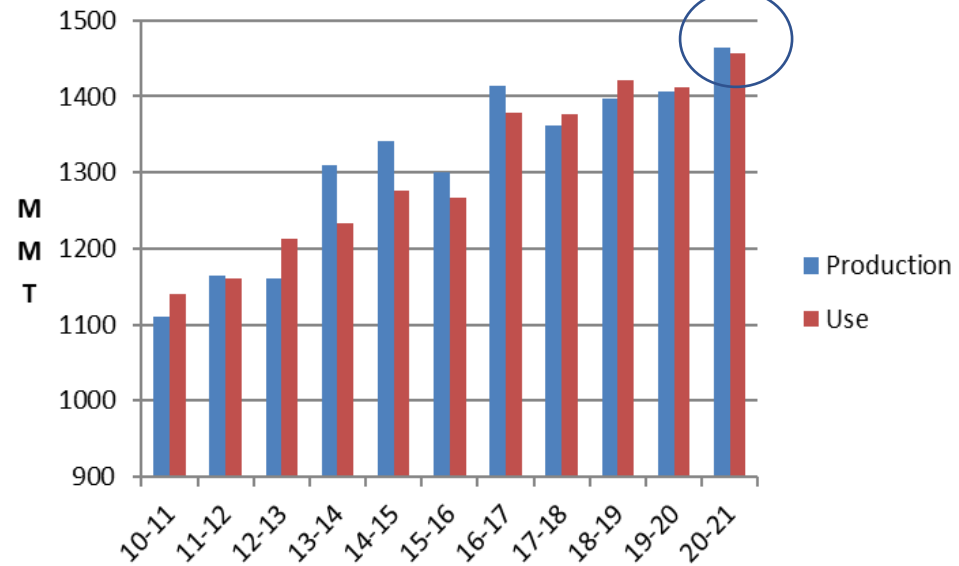


## Corn World Production & Use

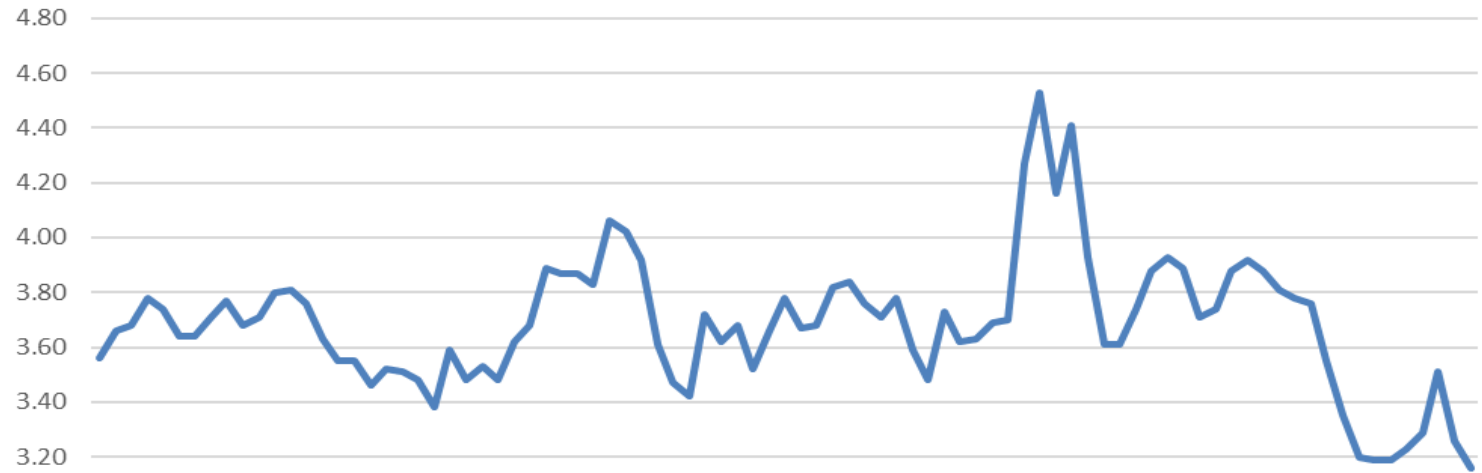


**Global consumption remains strong, but 2020-21 corn and coarse grain production expected to exceed use-- adding to large carryovers.**

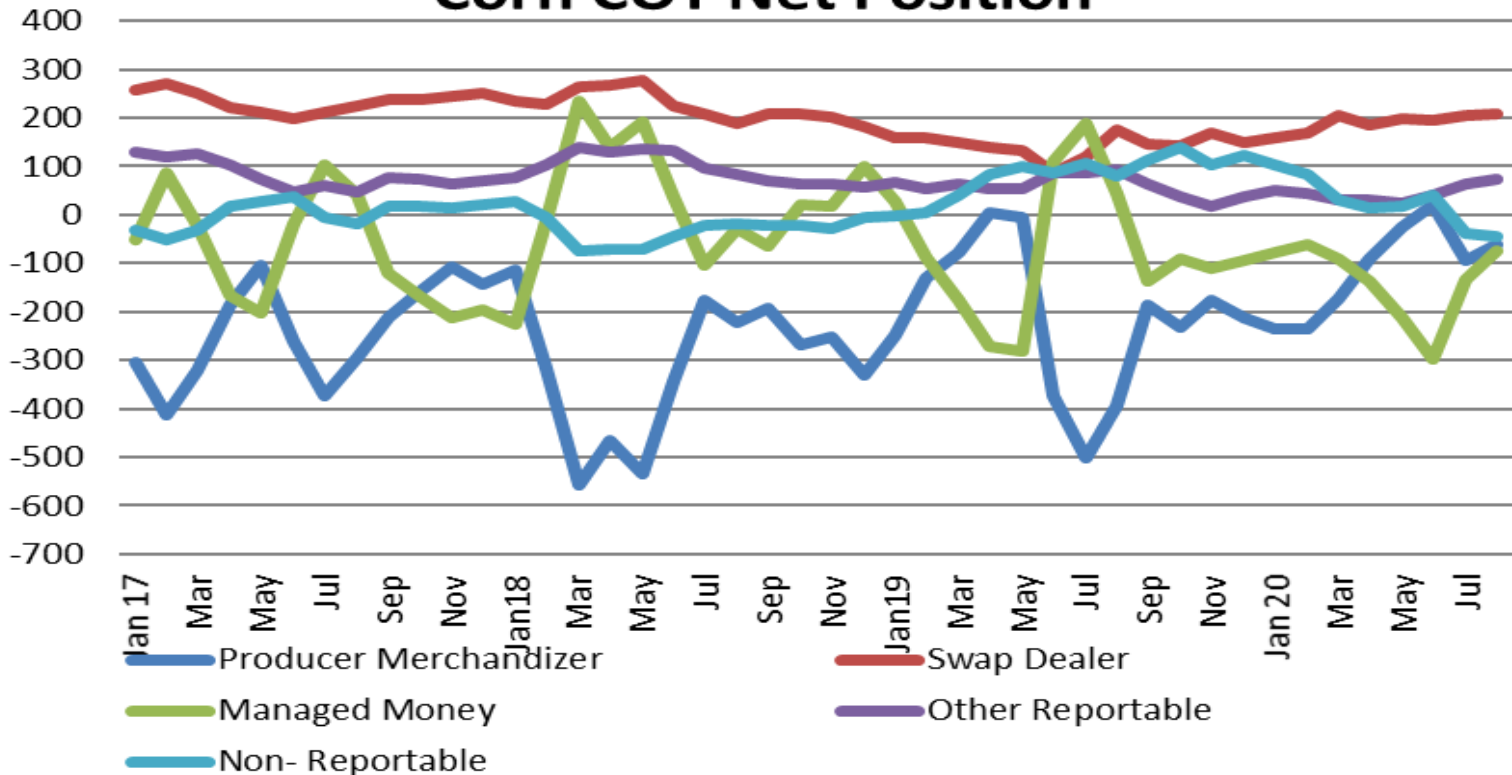
## World Coarse Grains: Production & Use



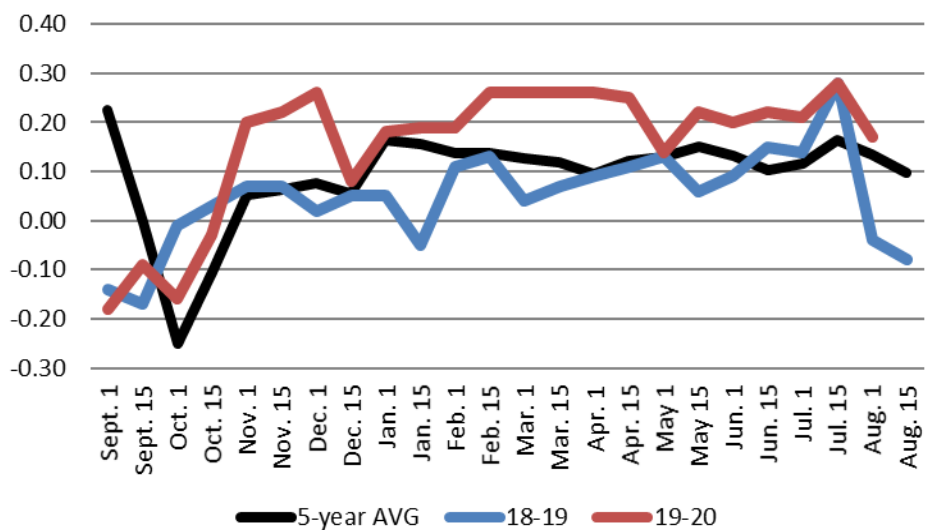
Corn Futures Price



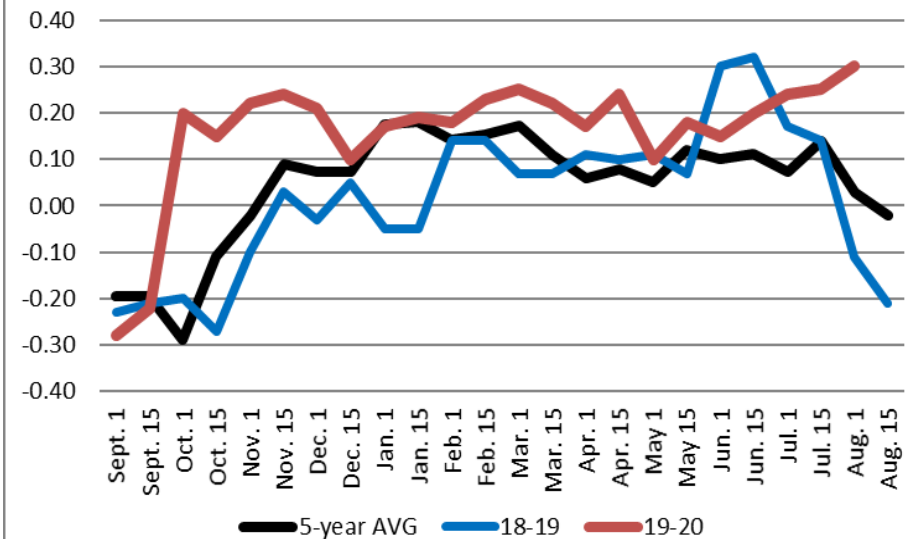
Corn COT Net Position



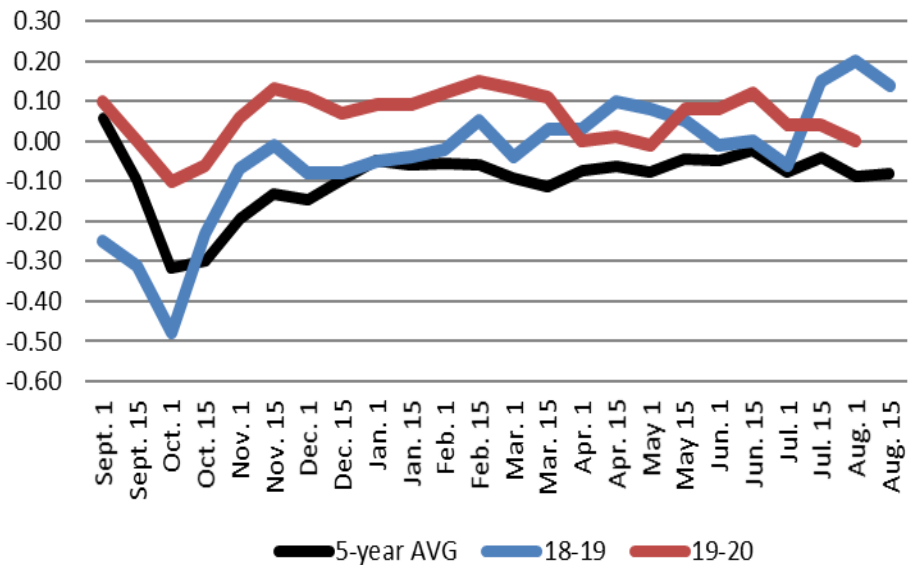
### St Louis Corn Basis



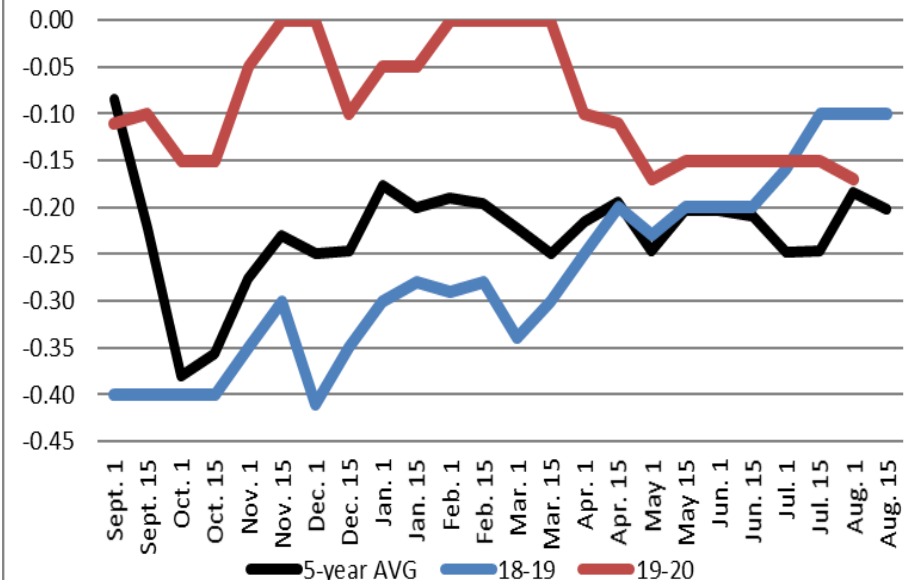
### SE MO Corn Basis



### Kansas City Corn Basis



### Central MO Corn Basis

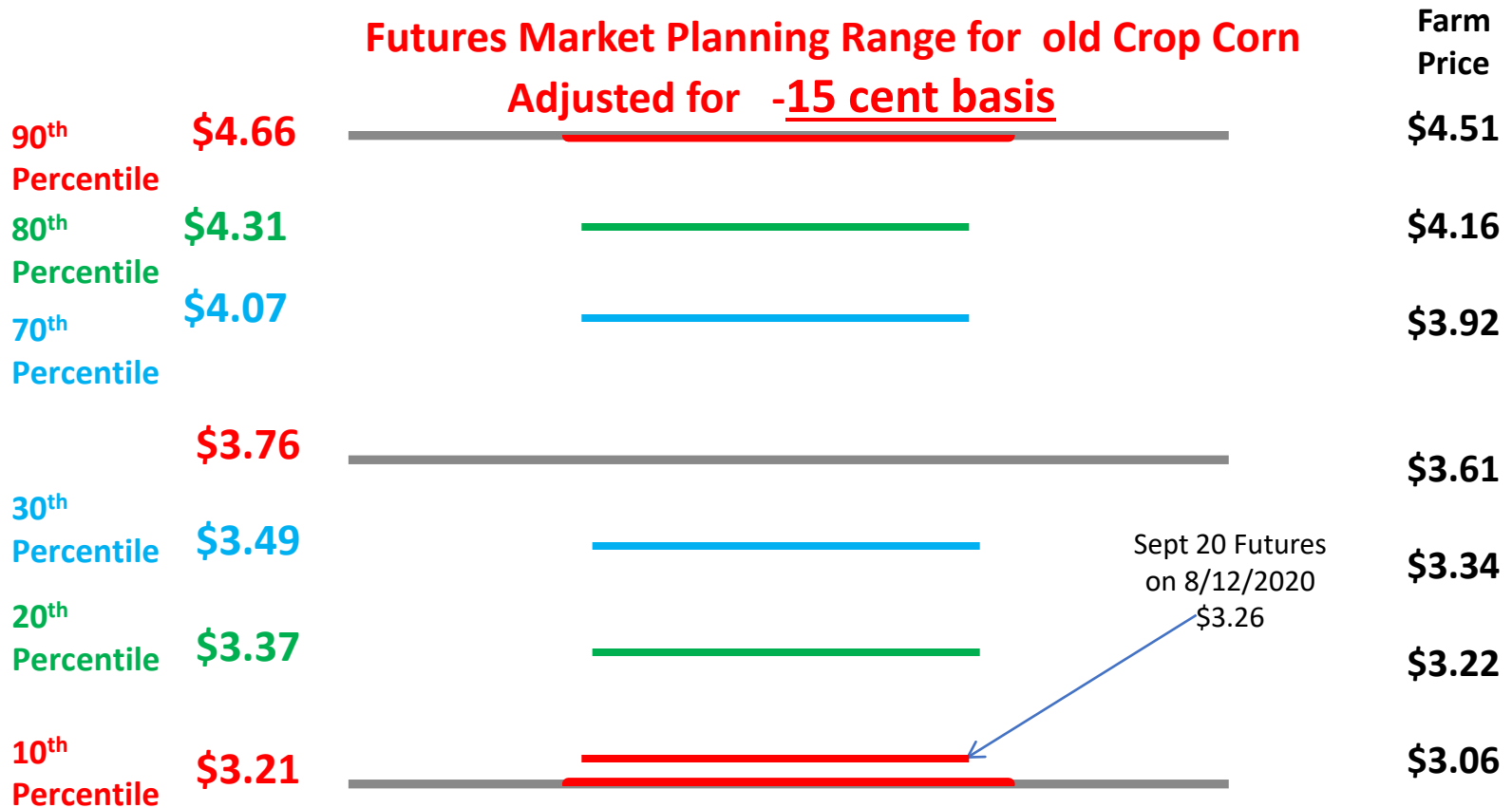




# Old Crop – (19-20) Corn FAPRI Baseline Ranges Jun 2020

June 2020 FAPRI Price: **Adjusted for -\$0.15 basis**

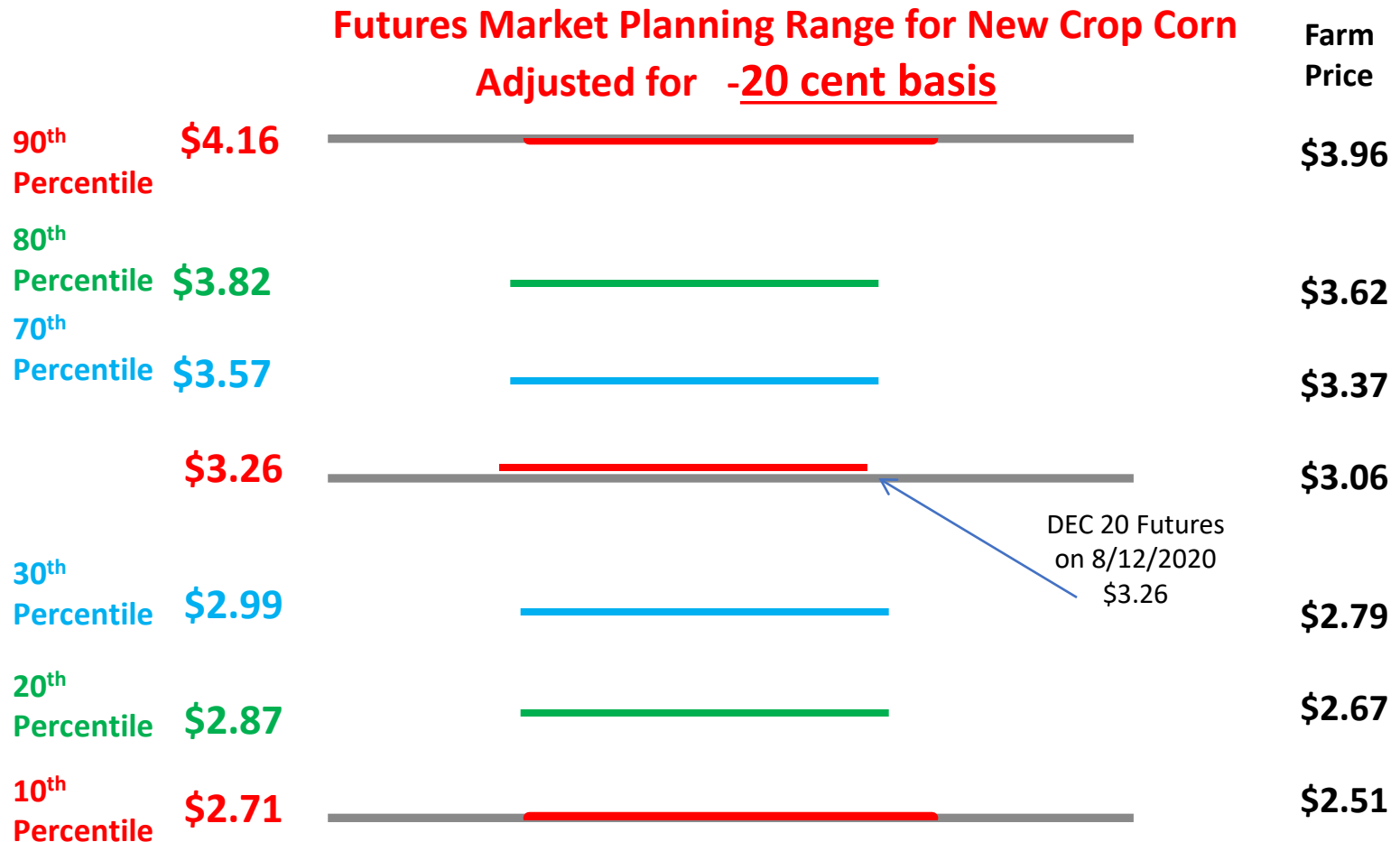
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$3.76**
- Futures Price Equivalent of FAPRI Range: **\$3.37 – \$4.31 @ 80 Percentile**
- Futures Price Equivalent of 8/12/20 USDA Avg Price: **\$3.75**



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

June 2020 FAPRI Projected Farm Price: **Adjusted for  $-\$0.20$  basis**

- Futures Price Equivalent of 2020-2021 Projected Farm Price:  **$\$3.26$**
- Futures Price Equivalent of FAPRI Range:  **$\$2.87 - \$3.82$**  @ 80 Percentile
- Futures Price Equivalent of 8/12/20 USDA Avg Price:  **$\$3.30$**



# U.S. soybean supply and use

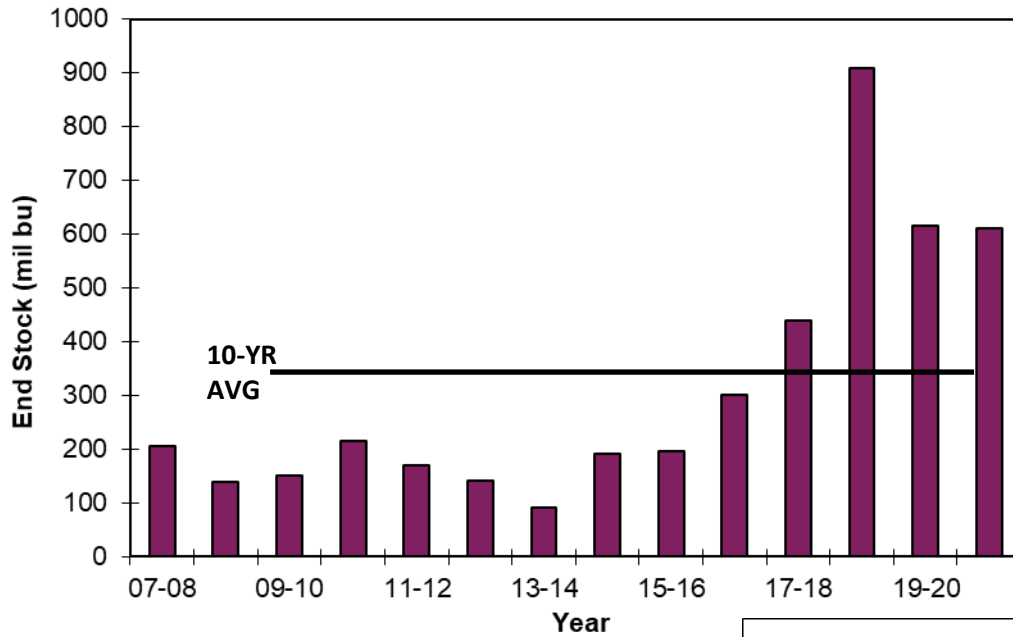
	2019/20 (USDA Aug 12)	2020/21 (USDA Aug 12)	2019/20 (FAPRI June 2020)	2020/21 (FAPRI June 2020)
Area planted (mil. acres)	76.1	83.8	76.1	84.5
Yield (bu./harvested acre)	47.4	53.3	47.4	49.5
Production (mil. bu.)	3,552	4,425	3,557	4,129
Crush (mil. bu.)	2,160	2,180	2,127	2,143
Other domestic use	51	140	101	137
Exports	1,650	2,125	1,677	1,902
Ending stocks	615	610	576	538
Marketing yr. avg. price (\$/bu.)	8.55	8.35	8.54	8.21

Sources: USDA WASDE, Aug 2020.

# WASDE-USDA Soybean Summary Aug 12, 2020

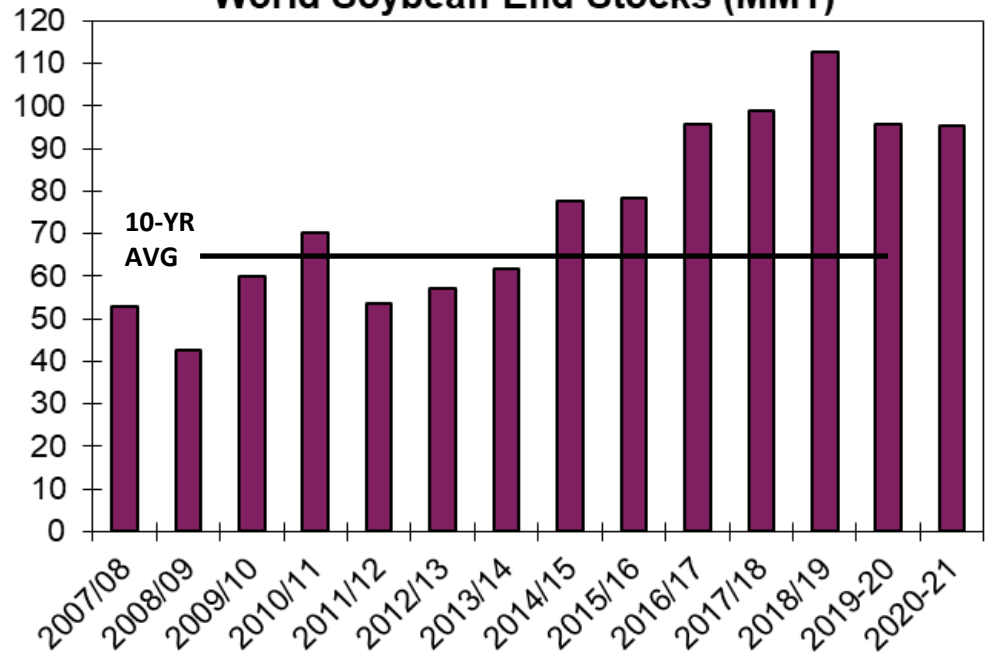
- 1) U.S. Average Farm Price- **Small decline since 2018-19**
  - 2020-21 USDA: \$8.35
  - 2019-20 USDA: \$8.55
  - 2018-19 USDA: \$8.48
  
- 2) U.S. Ending Stocks- **Significantly above 20 Year Average**
  - 2020- 21 USDA: (610 Million Bushels)
  - 2019- 20 USDA: (615 Million Bushels)
  - 2018- 19 USDA: (909 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**
  - 2020- 21 World: (95 Million Metric Tons)
  - 2019- 20 World: (96 Million Metric Tons)
  - 2018- 19 World: (113 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 – **Significant increase over 2018-19**
  - 2020- 21 USDA: (2,125 Million Bushels)
  - 2019- 20 USDA: (1,650 Million Bushels)
  - 2018- 19 USDA: (1,752 Million Bushels)

### Soybean: U.S. End Stocks

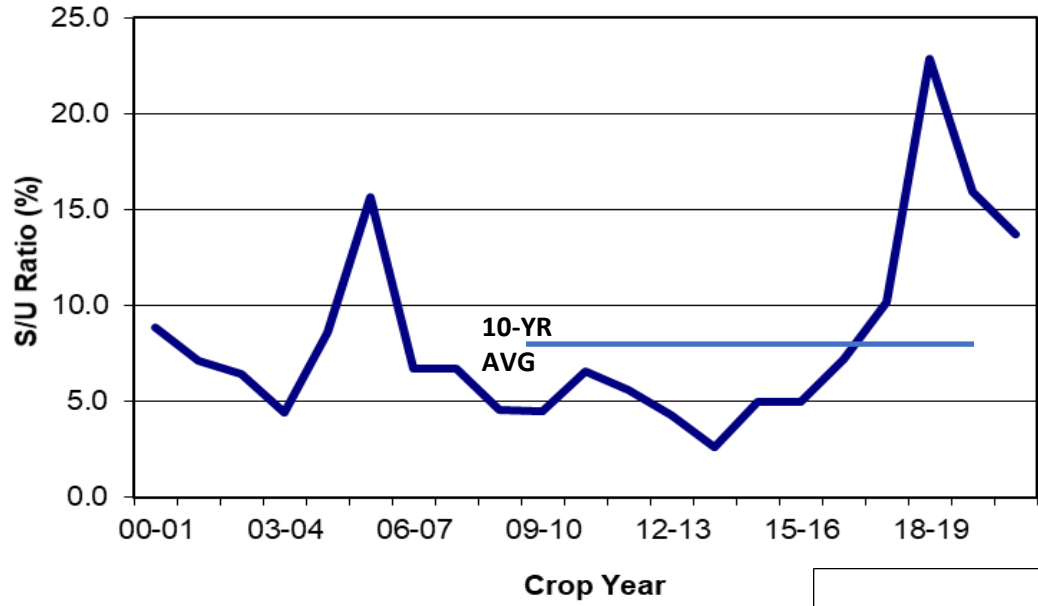


**Domestic and global ending stocks remain above average, but US carryover down significantly from record highs**

### World Soybean End Stocks (MMT)

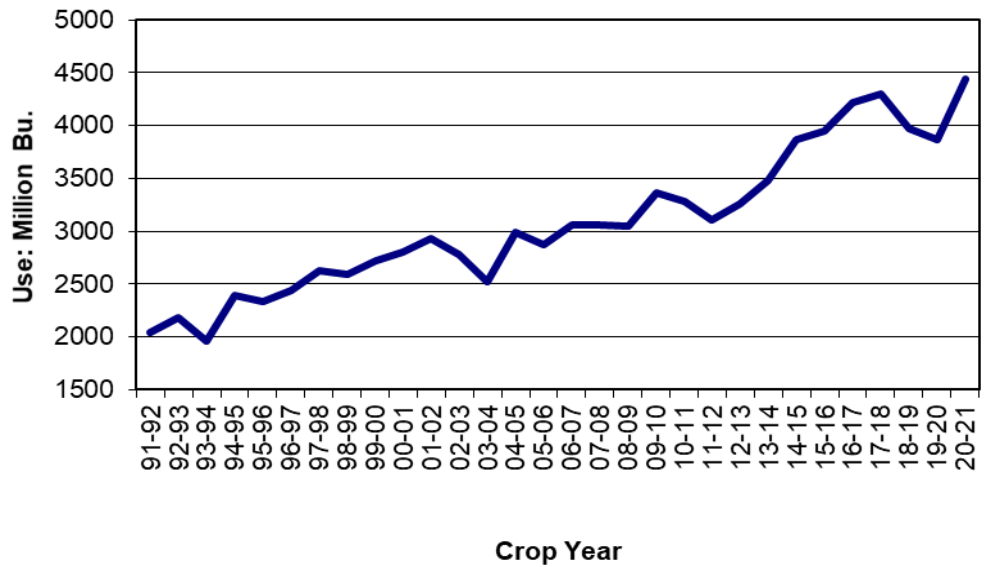


### Soybeans: End Stocks/Use Ratio

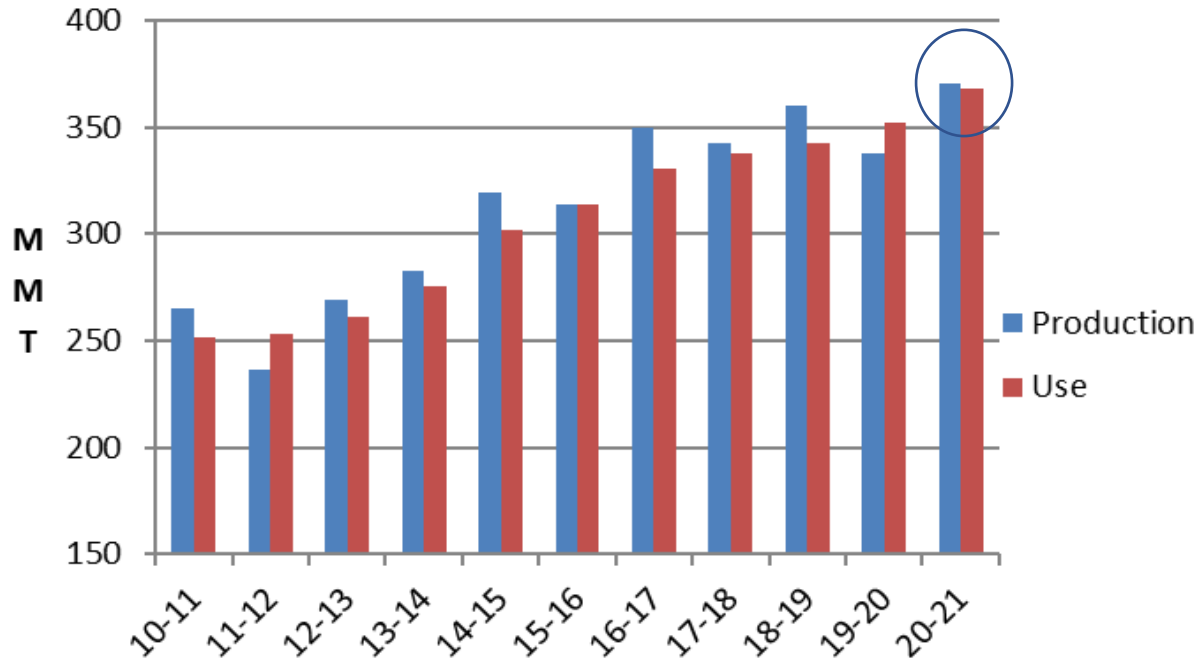


**Stocks/Use Ratio is lower, but remains above average. Use rebounding.**

### Soybean: Total Use



# World Soybean Production and Use

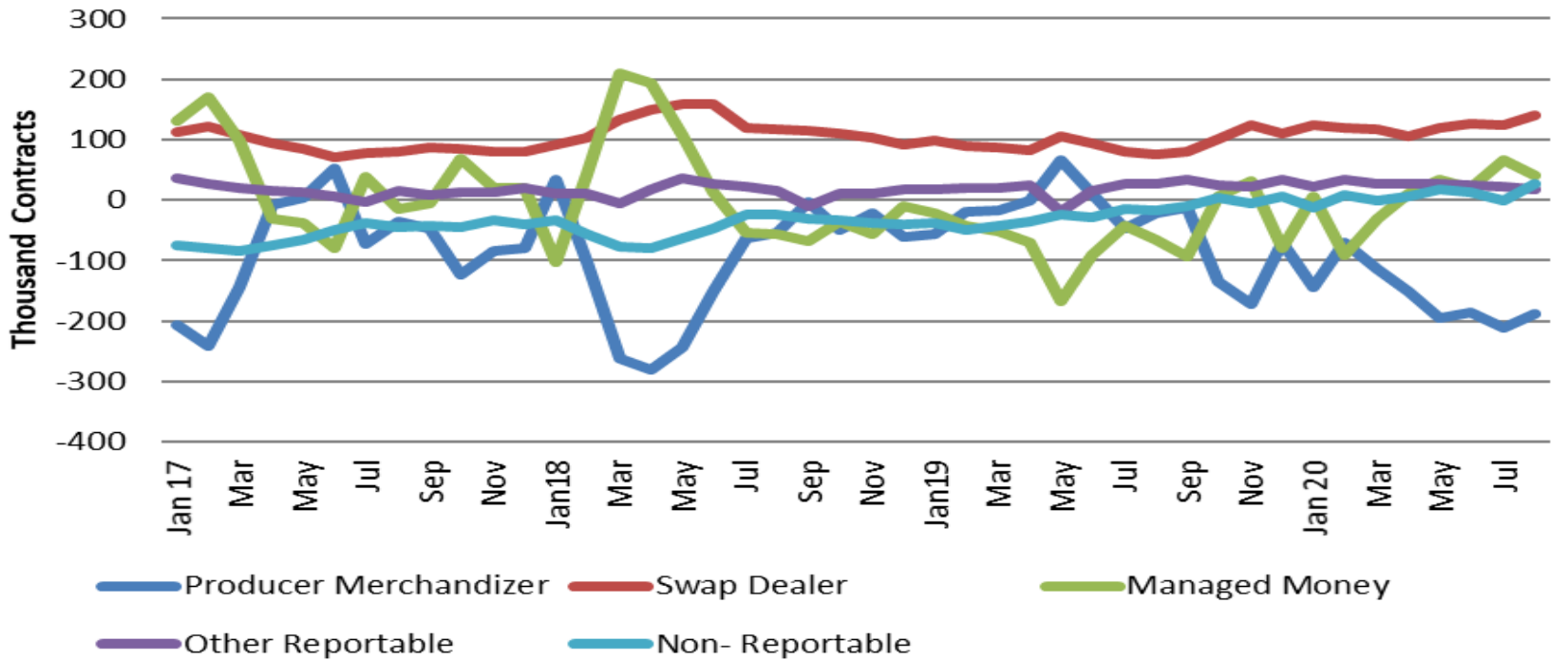


**2019-20 Global production is expected to slightly exceed use.**

### Soybean Futures Prices

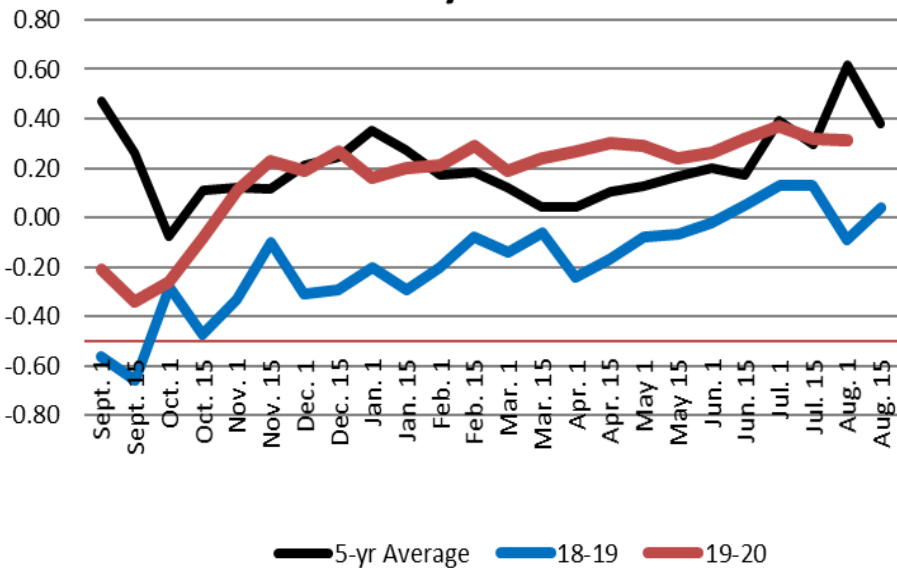


### Soybean: COT Net Positions

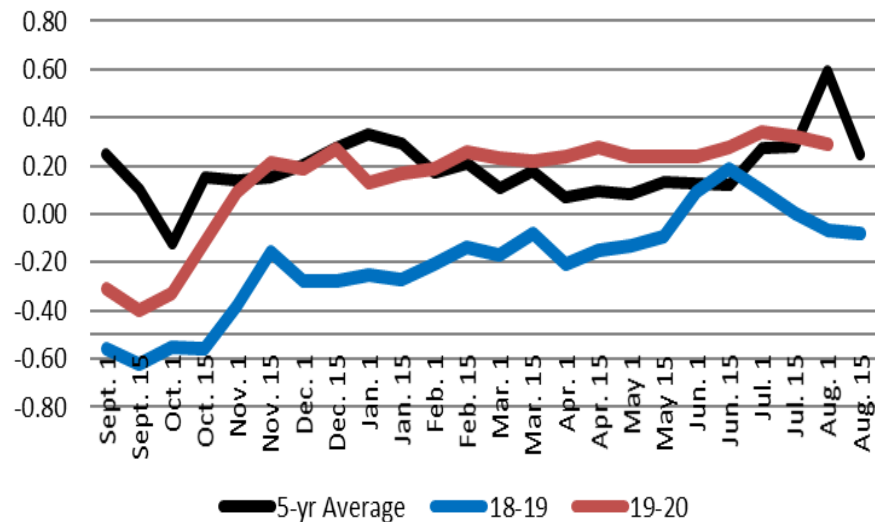




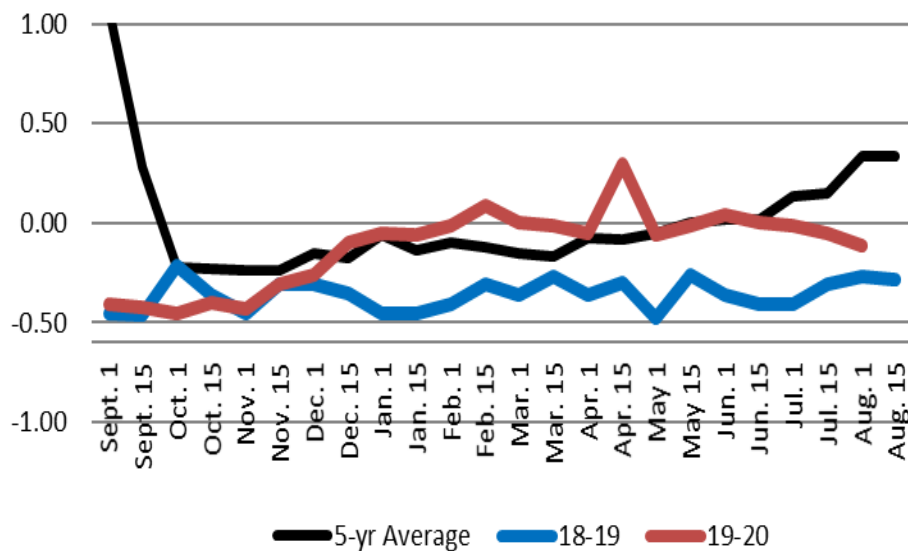
### St Louis Soybean Basis



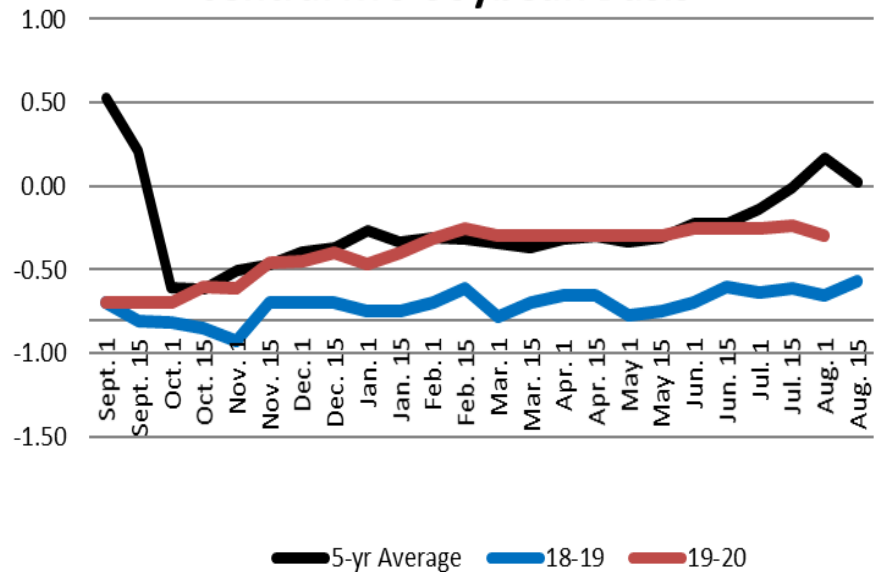
### SE MO Soybean Basis



### Kansas City Soybean Basis



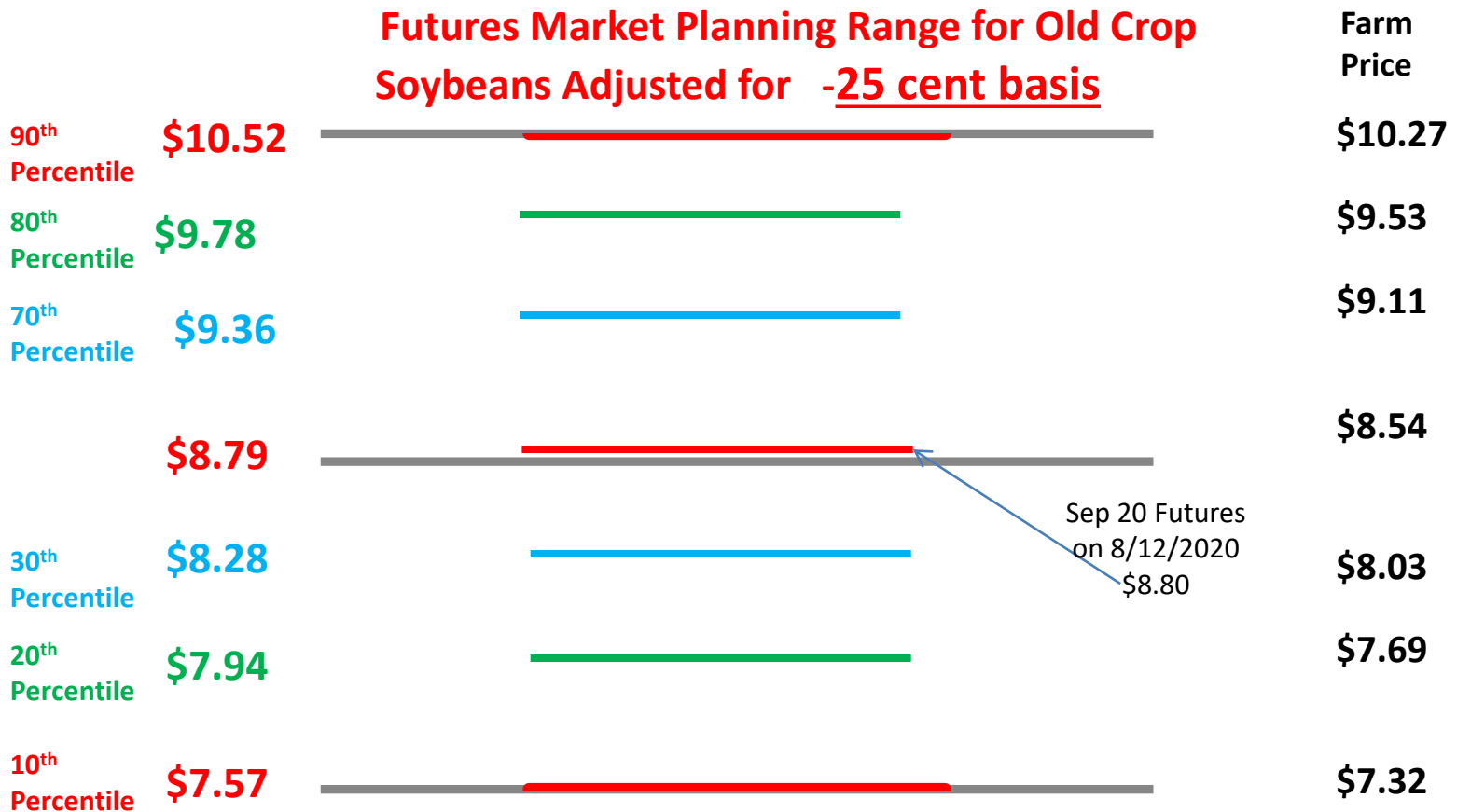
### Central MO Soybean Basis



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

June 2020 FAPRI Price: **Adjusted for -\$0.25 basis**

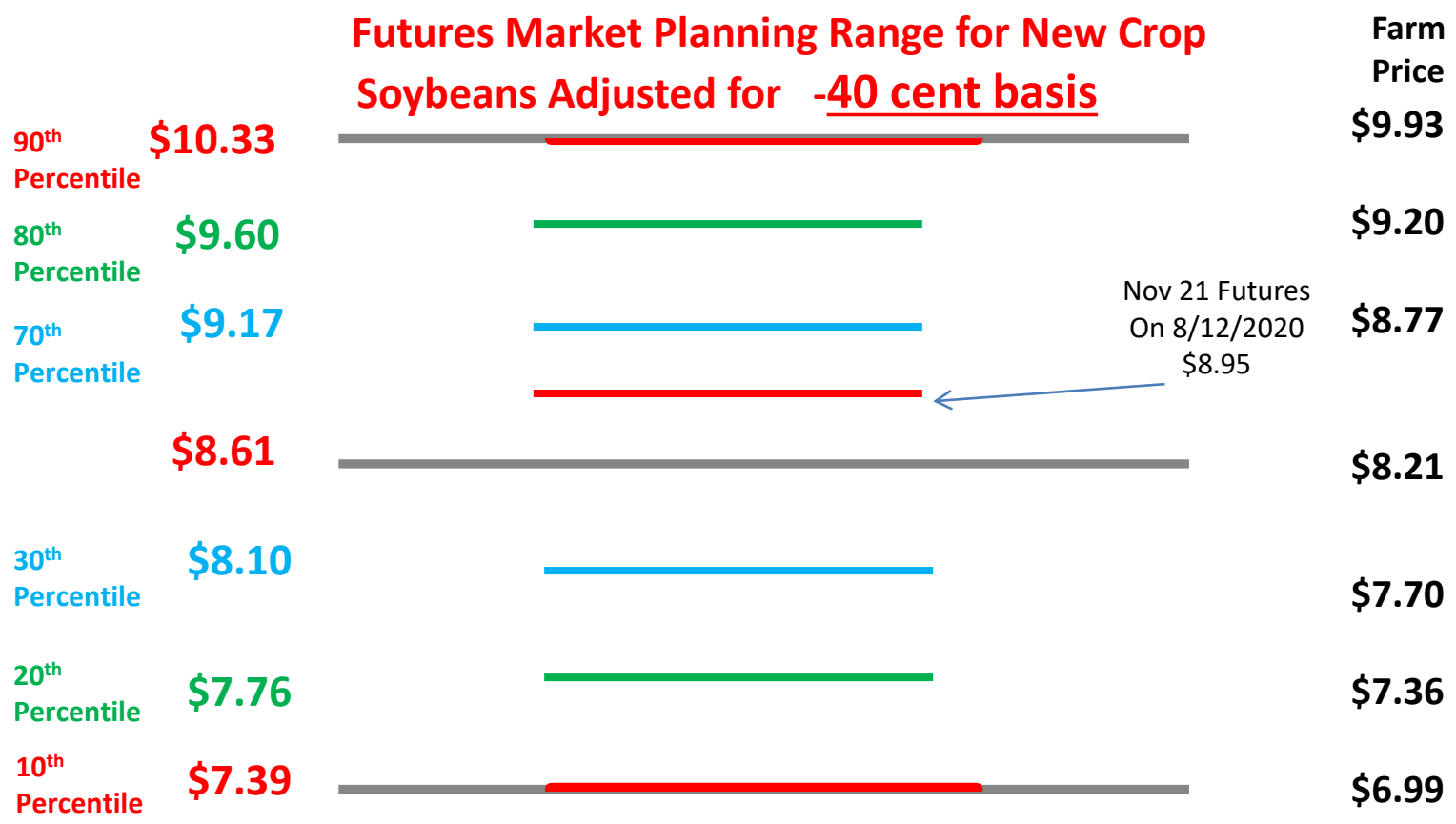
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$8.79**
- Futures Price Equivalent of FAPRI Range: **\$7.94 - \$9.78 @ 80 Percentile**
- Futures Price Equivalent of 8/12/20 USDA Price: **Avg \$8.80**



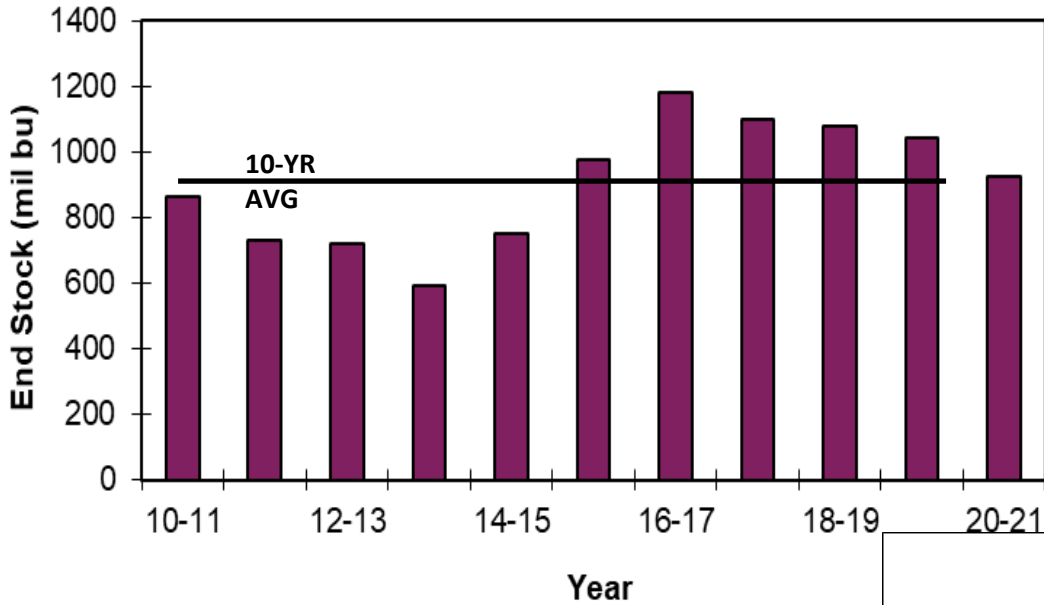
# New Crop – (20-21) Soybean FAPRI Baseline Ranges June 2020

June 2020 FAPRI Price: **Adjusted for -\$0.40 basis**

- Futures Price Equivalent of 2020- 2021 Projected Farm Price: **\$8.61**
- Futures Price Equivalent of FAPRI Range: **\$7.76 - \$9.60 @ 80 Percentile**
- Futures Price Equivalent of 8/12/20 USDA Price: **Avg \$8.75**

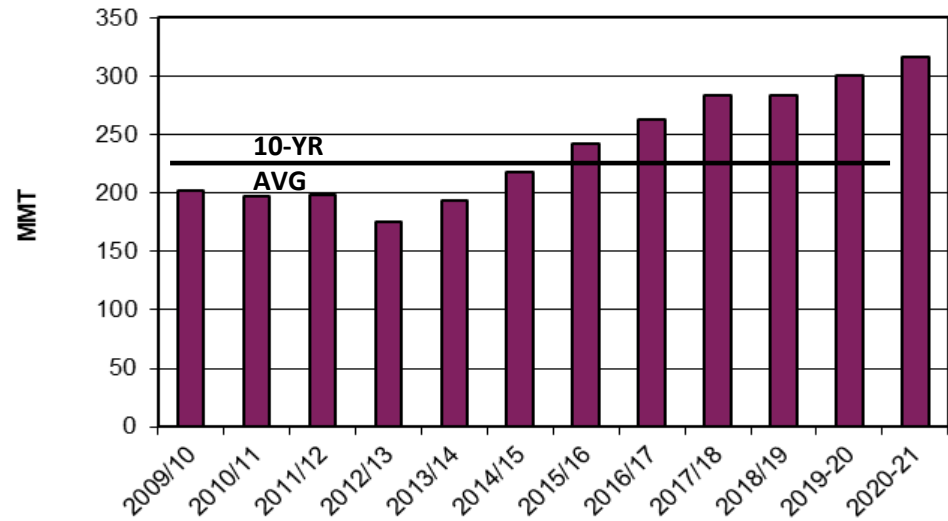


### Wheat: U.S. End Stocks

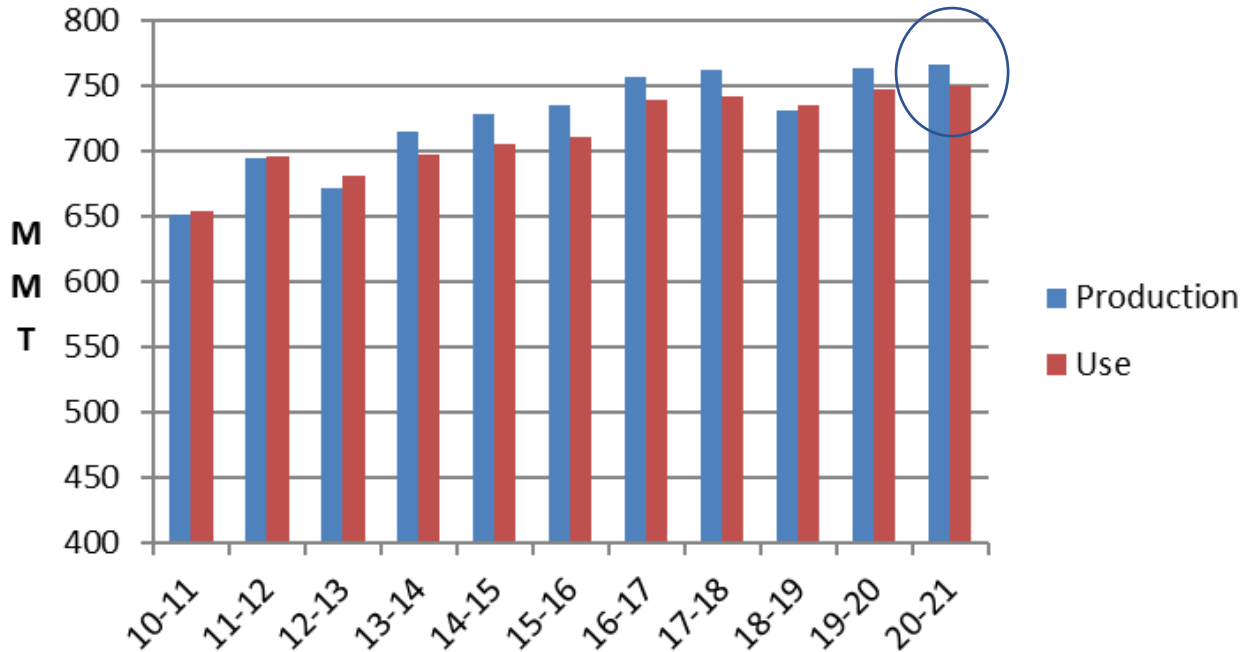


**US carryover declining somewhat, but slightly above average. Large World ending stocks remain well above average.**

### World Wheat End Stocks



## World Wheat Production and Use



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