



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

July 10, 2020

Melvin Brees, Abner Womack,

U.S. corn supply and use

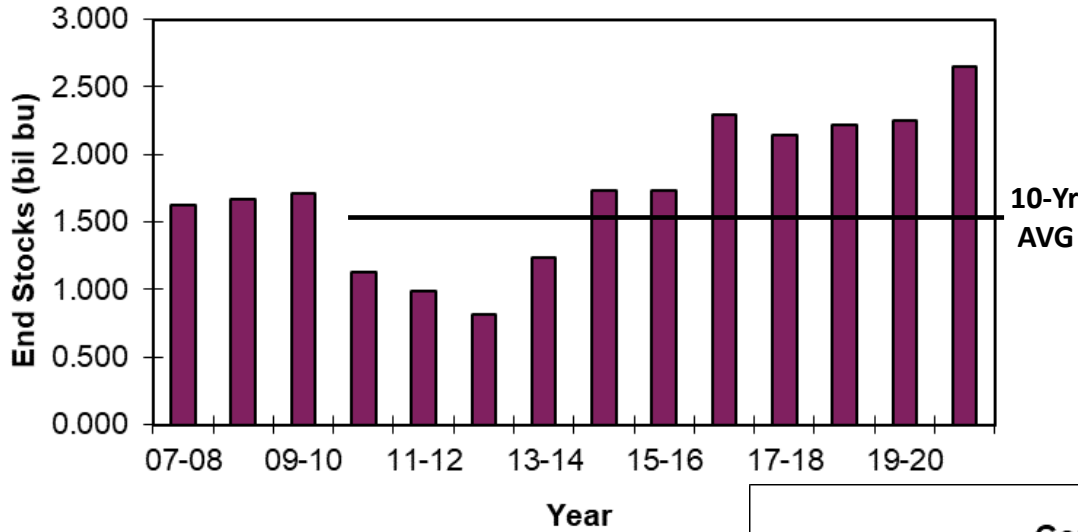
	2019/20 (USDA July 10)	2020/21 (USDA July 10)	2019/20 (FAPRI) June 2020)	2020/21 (FAPRI) June 2020)
Area planted (mil. acres)	89.7	92.0	89.7	96.0
Yield (bu./harvested acre)	167.4	178.5	167.8	175.9
Production (mil. bu.)	13,617	15,000	13,663	15,459
Feed and residual use (mil. bu.)	5,600	5,850	5,692	5,999
Ethanol and coproduct use	4,850	5,200	4,989	5,114
Other domestic use	1,410	1,428	1,396	1,404
Exports	1,775	2,150	1,764	2,173
Ending stocks	2,248	2,648	2,096	2,900
Marketing yr. avg. price (\$/bu.)	3.60	3.35	3.61	3.06

Source: USDA WASDE, July 2020.

WASDE USDA Corn Summary July 10, 2020

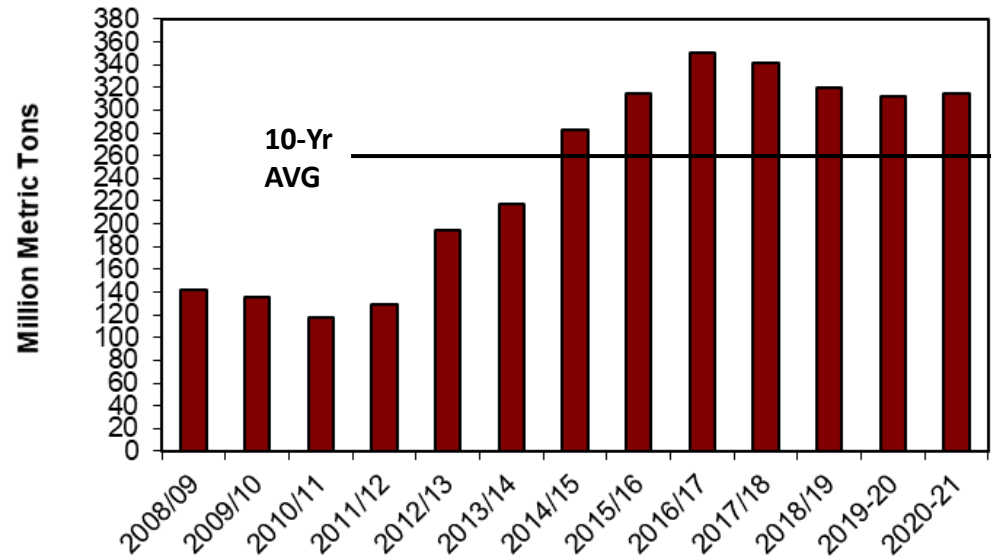
- 1) U.S. Average Farm Price – **Significant decrease since 2018-2019**
 - 2020-21 USDA: \$3.35
 - 2019-20 USDA: \$3.60
 - 2018-19 USDA: \$3.61
- 2) U.S. Ending Stocks- **Significantly above 10 and 20 year Average**
 - 2020-21 USDA: (2,648 Million Bushels)
 - 2019-20 USDA: (2,248 Million Bushels)
 - 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: (338 Million Metric Tons)
 - 2019-20 World: (313 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: (2,150 Million Bushels)
 - 2019-20 USDA: (1,775 Million Bushels)
 - 2018- 19 USDA: (2,066 Million Bushels)

Corn: U.S. End Stocks

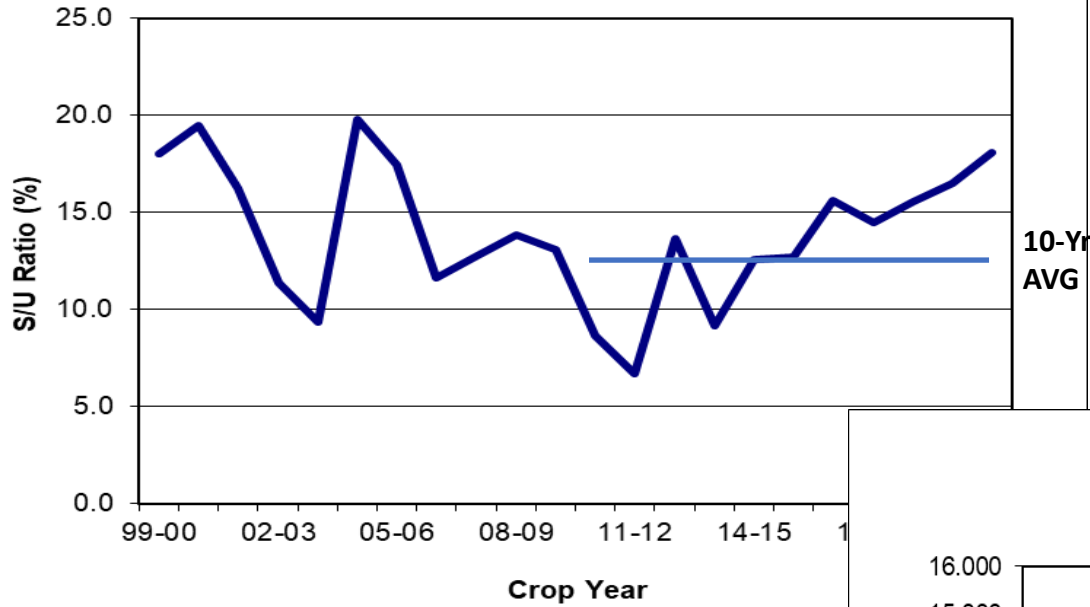


Very large US ending stocks along with large world supplies

Corn World End Stocks (MMT)

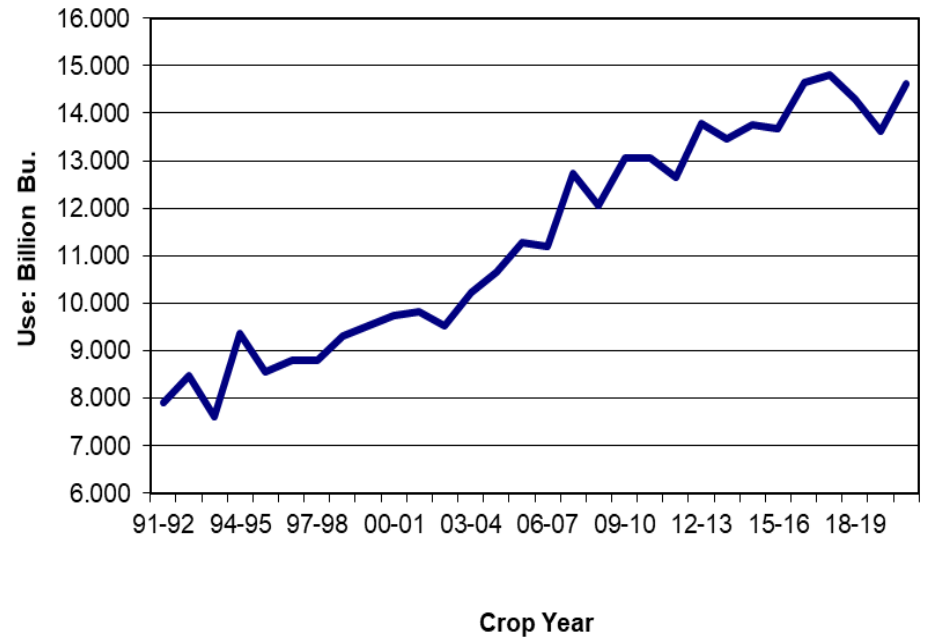


Corn: End Stocks/Use Ratio

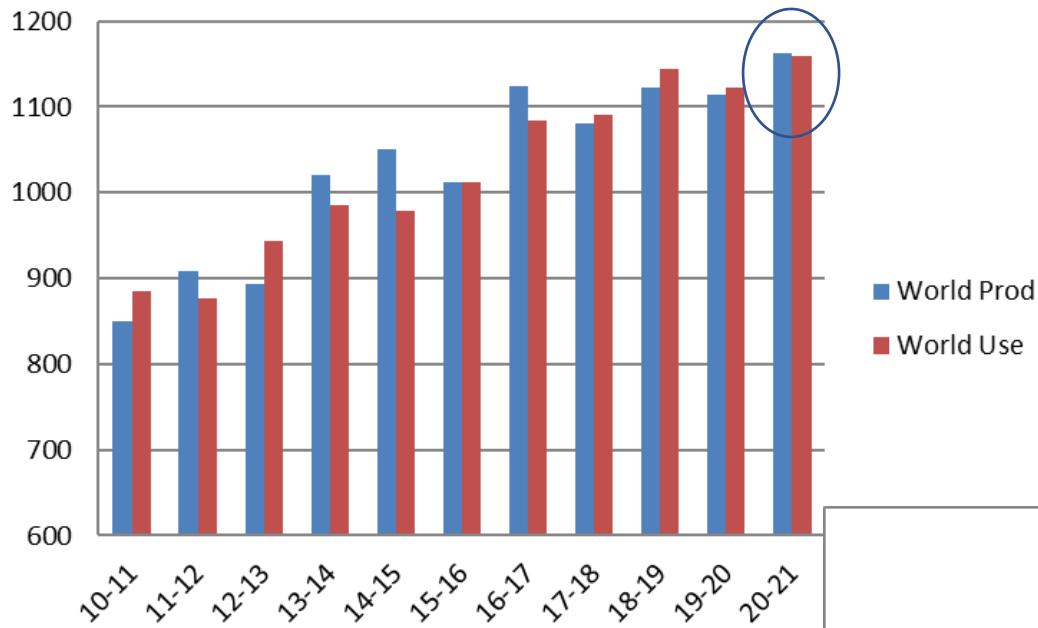


**Much above average
stocks/use ratio with
somewhat higher use.**

Use: Corn Total Use

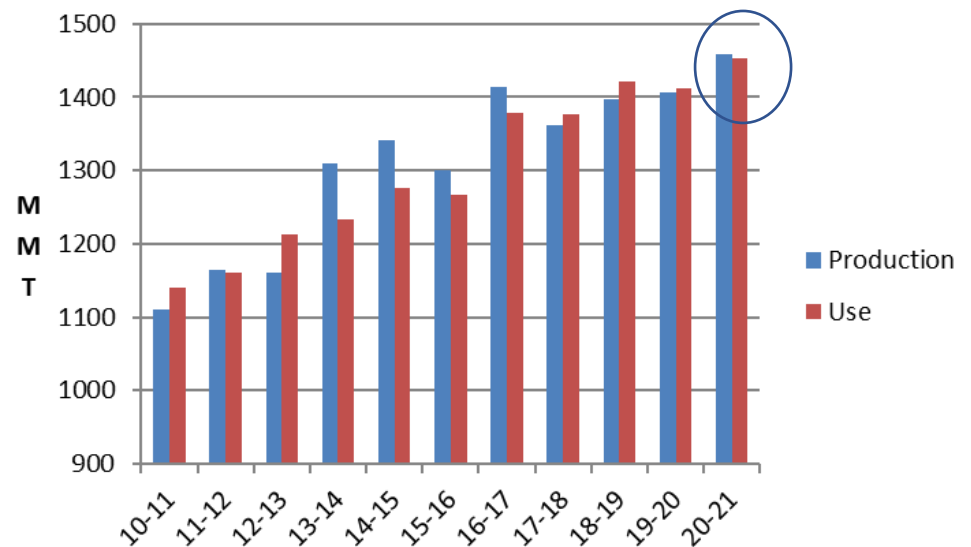


Corn World Production & Use

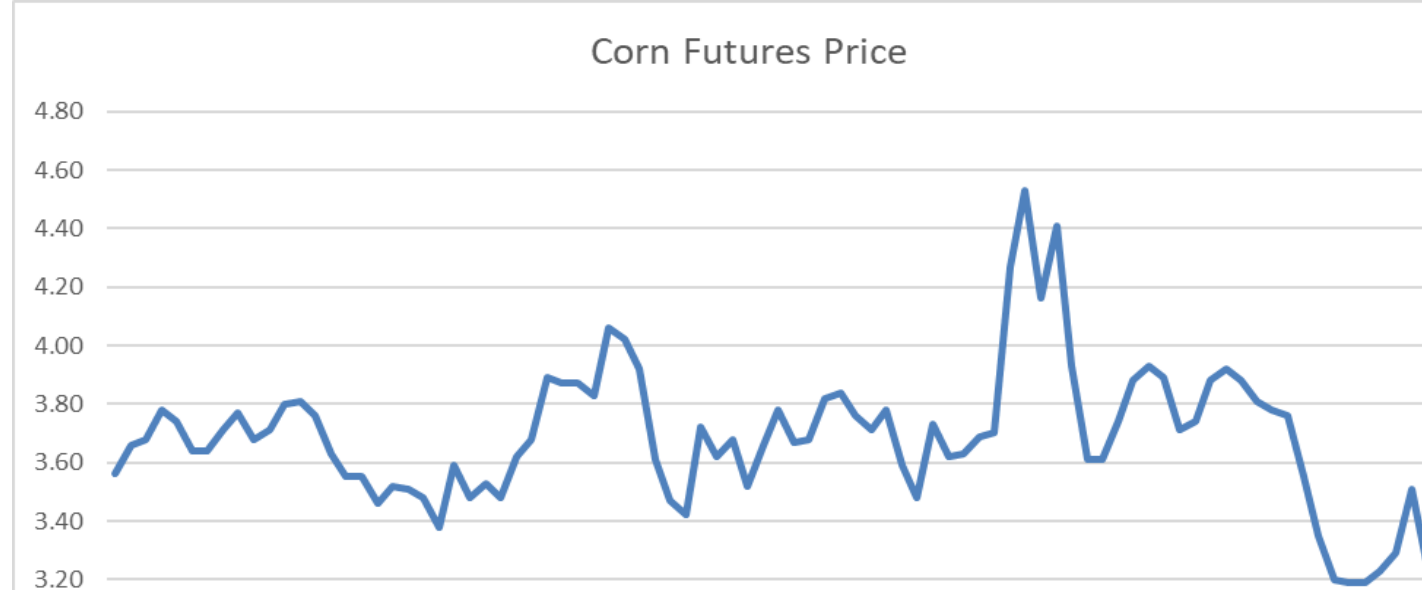


Global consumption remains strong, but 2020-21 corn and coarse grain production expected to exceed use with large carryovers.

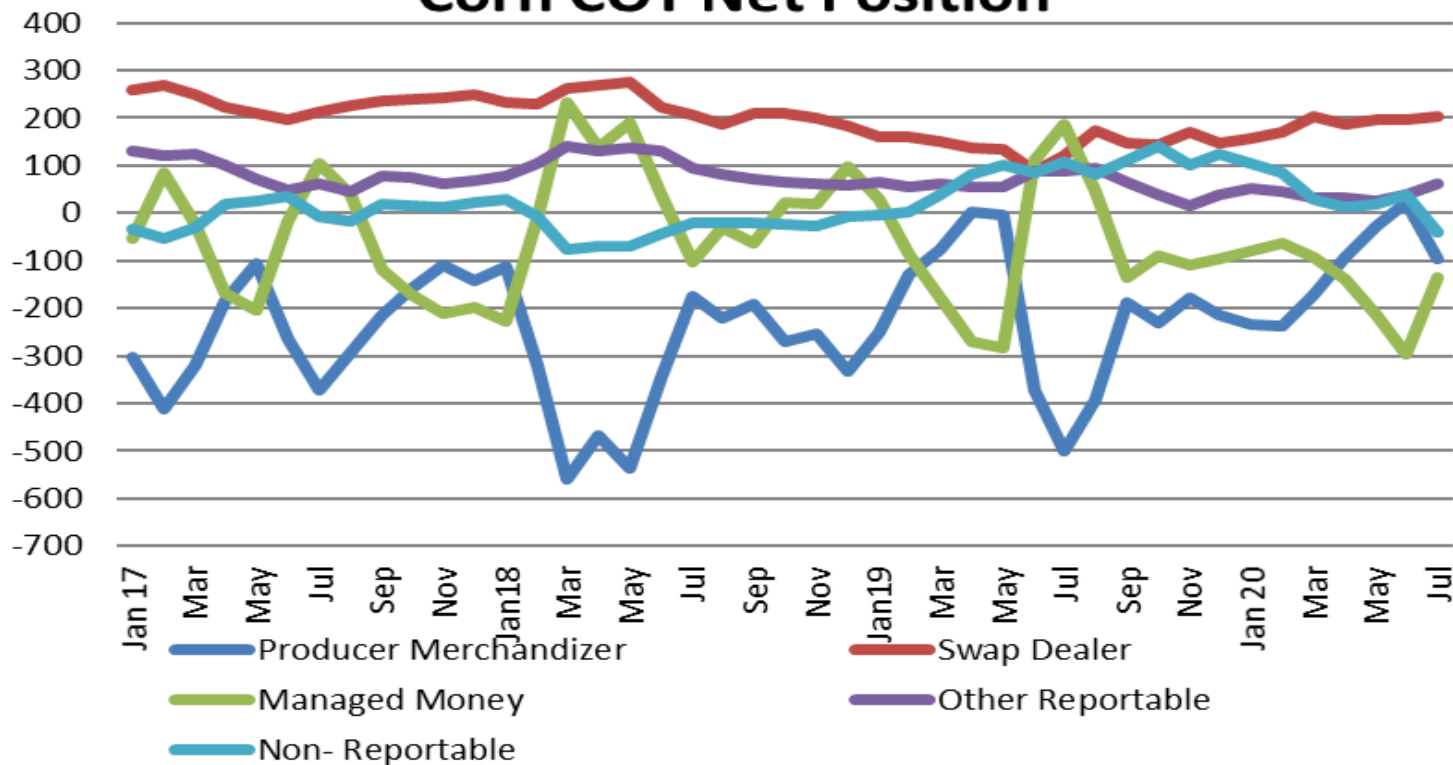
World Coarse Grains: Production & Use



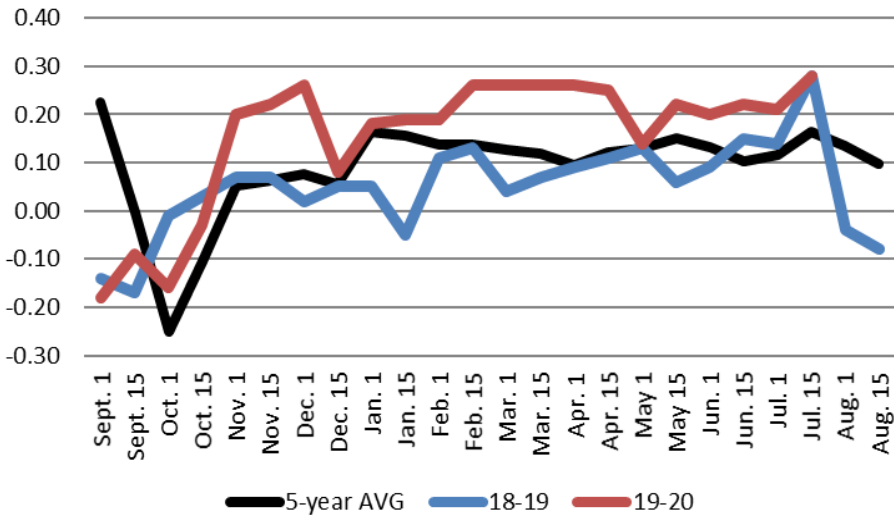
Corn Futures Price



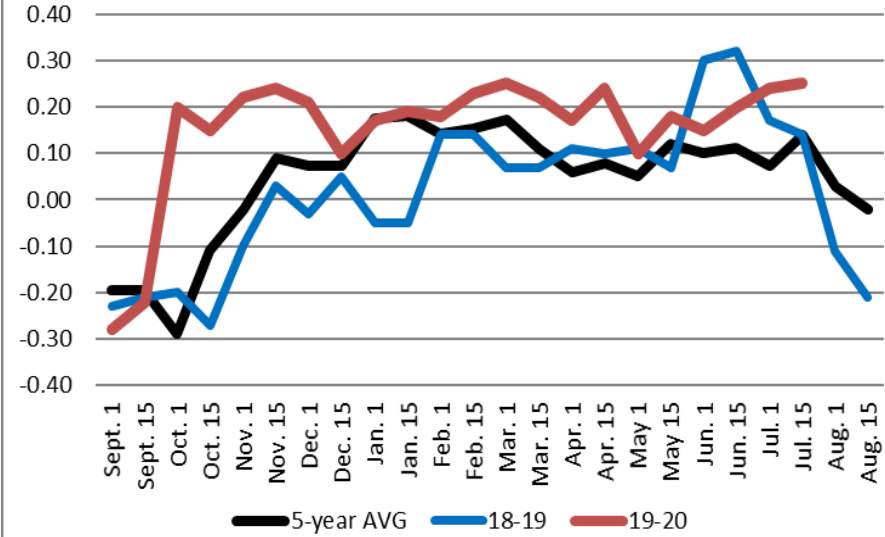
Corn COT Net Position



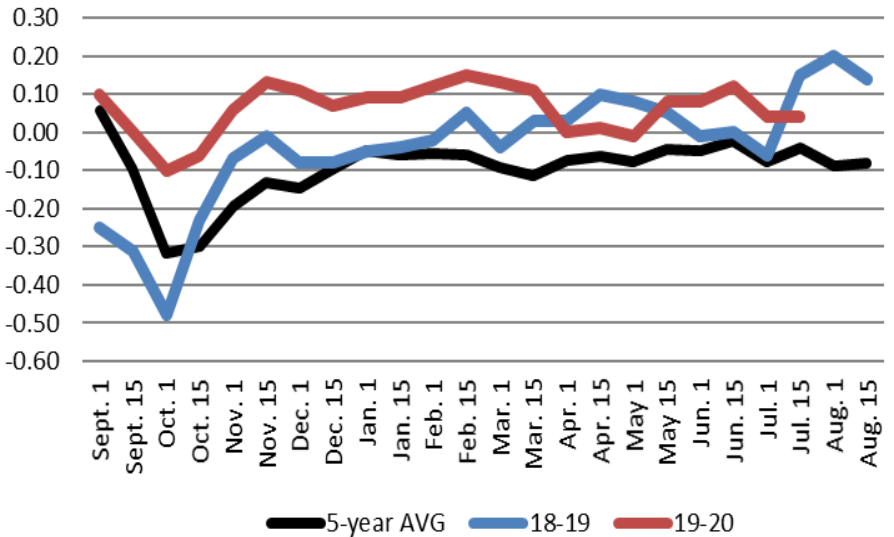
St Louis Corn Basis



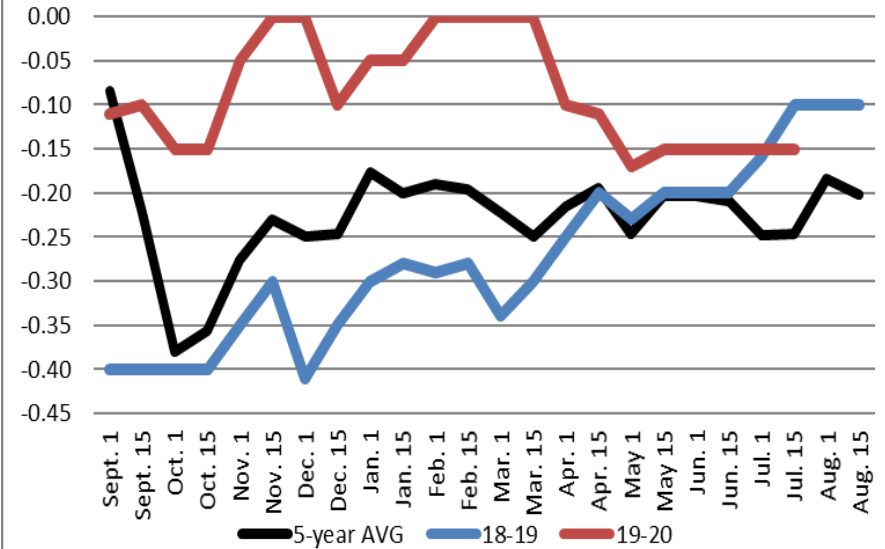
SE MO Corn Basis



Kansas City Corn Basis



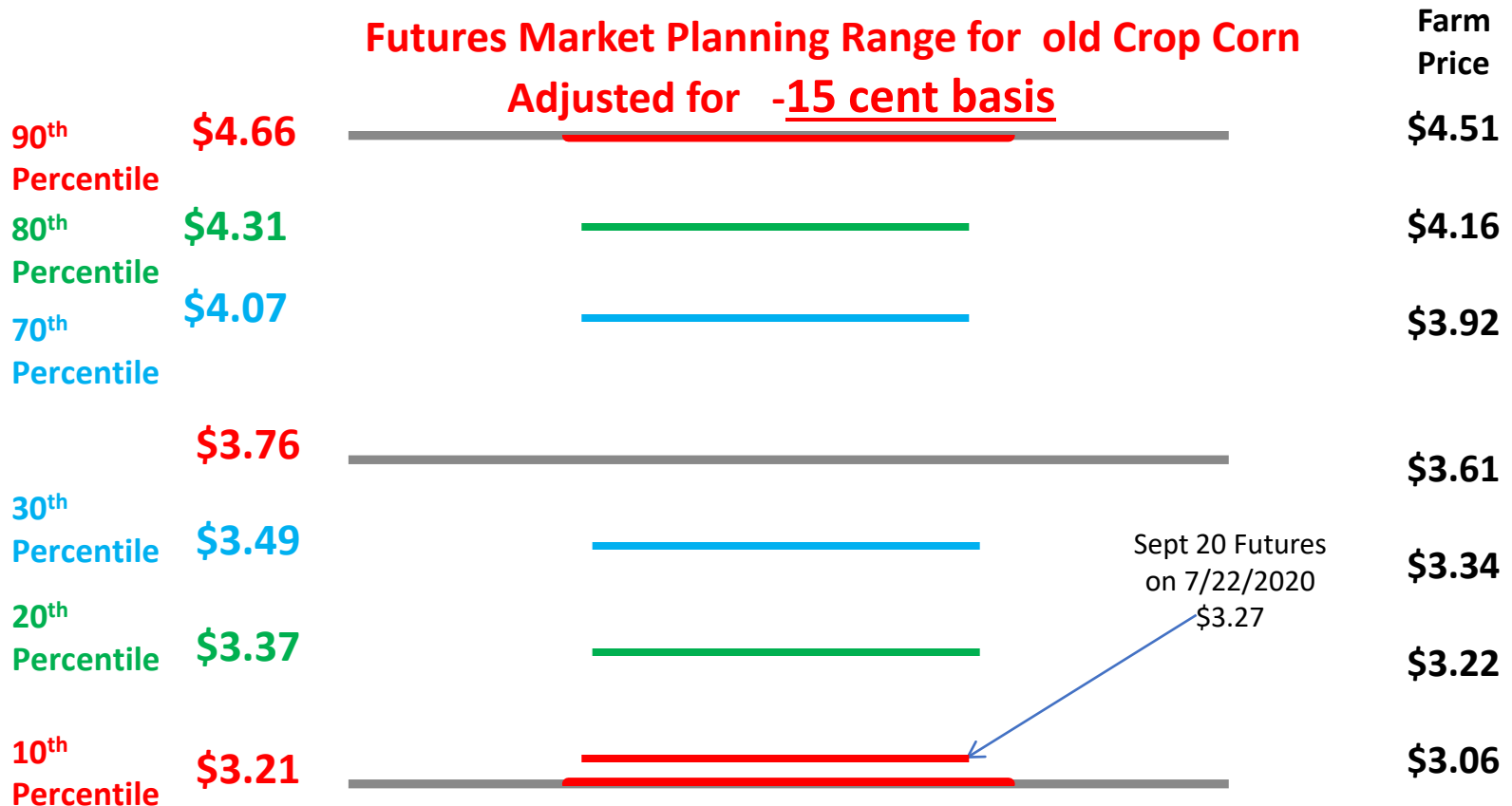
Central MO Corn Basis



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

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

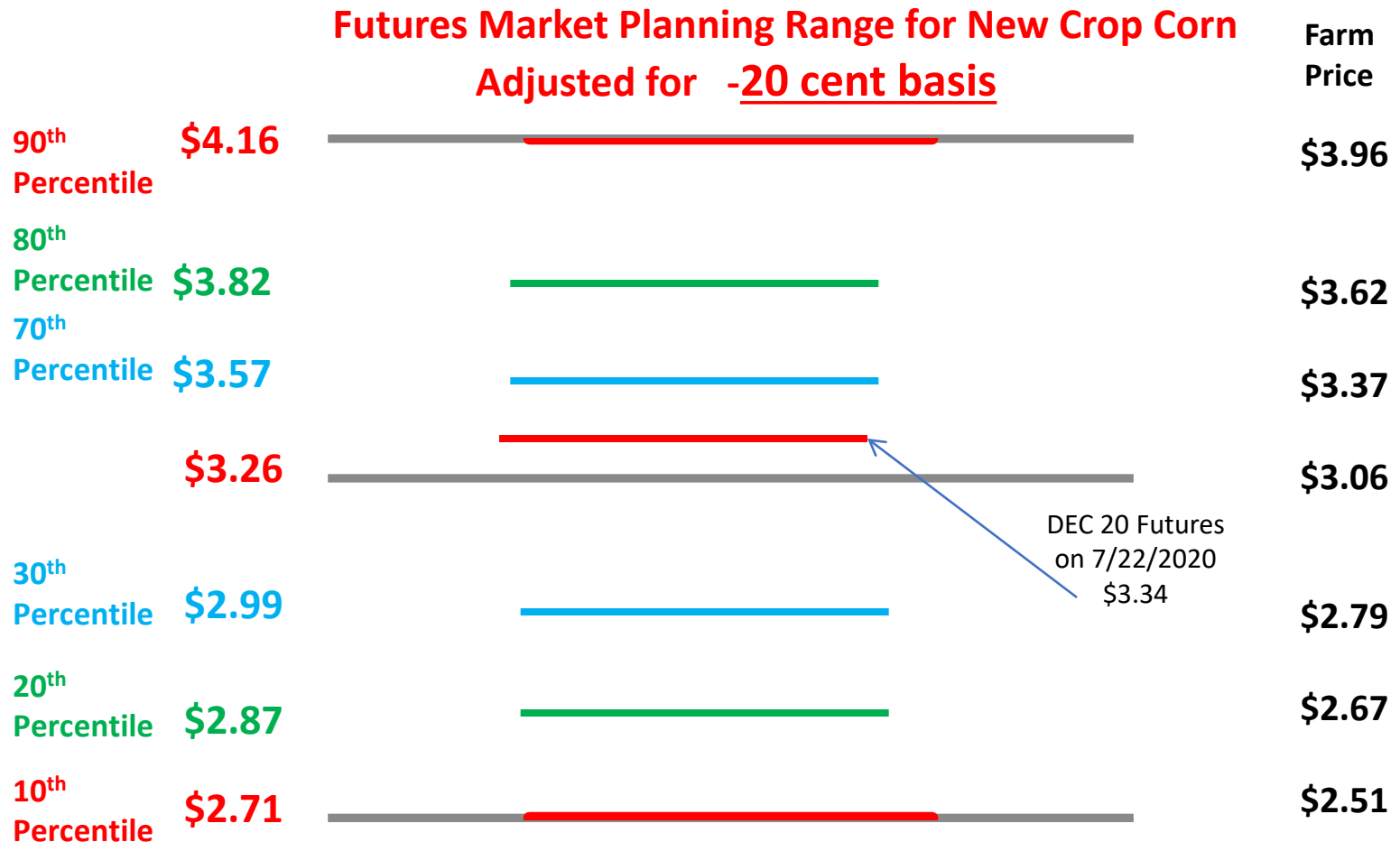
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$3.76**
- Futures Price Equivalent of FAPRI Range: **\$3.37 – \$4.31 @ 80 Percentile**
- Futures Price Equivalent of 7/10/20 USDA Avg Price: **\$3.75**



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 7/10/20 USDA Avg Price: **\$3.55**



U.S. soybean supply and use

	2019/20 (USDA July 10)	2020/21 (USDA July 10)	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	49.8	47.4	49.5
Production (mil. bu.)	3,552	4,135	3,557	4,129
Crush (mil. bu.)	2,155	2,160	2,127	2,143
Other domestic use	51	135	101	137
Exports	1,650	2,050	1,677	1,902
Ending stocks	620	425	576	538
Marketing yr. avg. price (\$/bu.)	8.55	8.50	8.54	8.21

Sources: USDA WASDE, July 2020.

WASDE-USDA Soybean Summary July 10, 2020

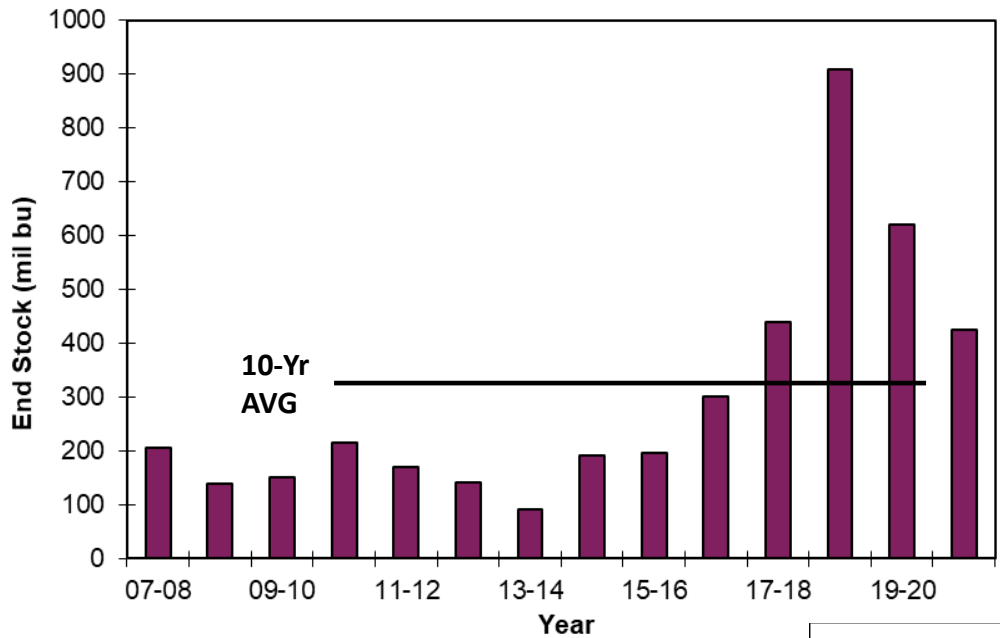
- 1) U.S. Average Farm Price- **Small change since 2018-19**
 - 2020-21 USDA: \$8.50
 - 2019-20 USDA: \$8.55
 - 2018-19 USDA: \$8.48

- 2) U.S. Ending Stocks- **Significantly above 20 Year Average**
 - 2020- 21 USDA: (425 Million Bushels)
 - 2019- 20 USDA: (620 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: (99 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)

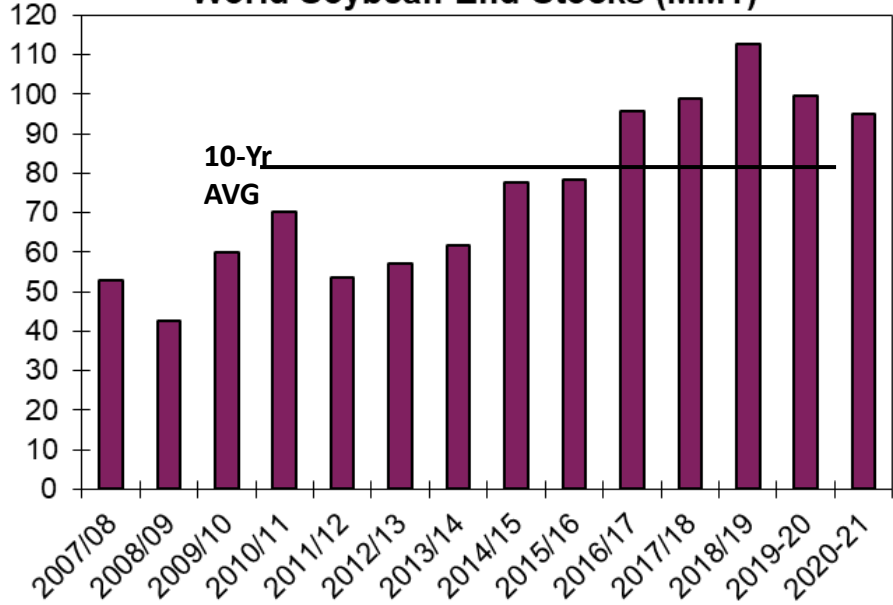
- 4) U.S. Export – **Significant increase over 2018-19**
 - 2020- 21 USDA: (2,050 Million Bushels)
 - 2019- 20 USDA: (1,650 Million Bushels)
 - 2018- 19 USDA: (1,752 Million Bushels)

Soybean: U.S. End Stocks

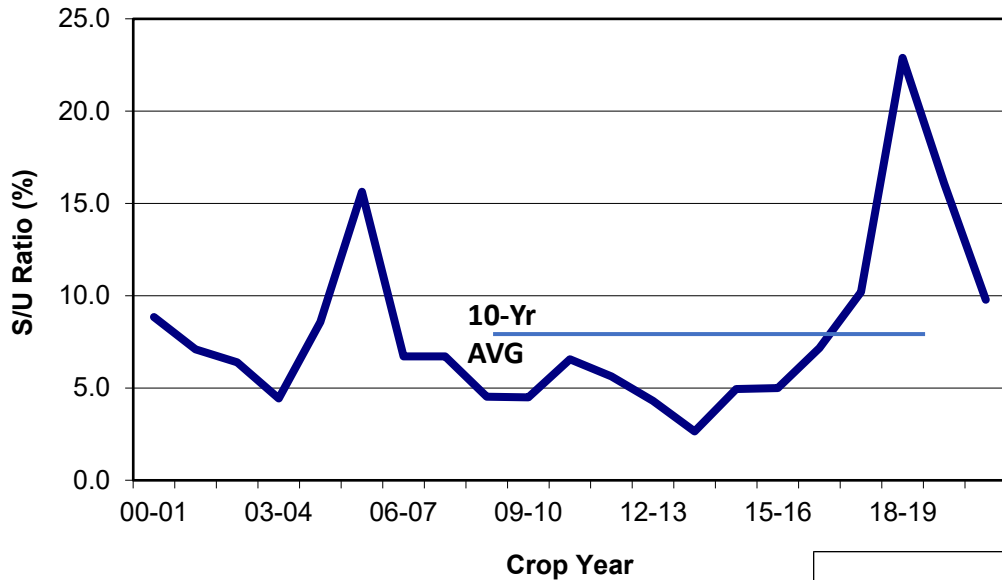


Domestic and global ending stocks remain above average, but US carryover down significantly from record highs

World Soybean End Stocks (MMT)

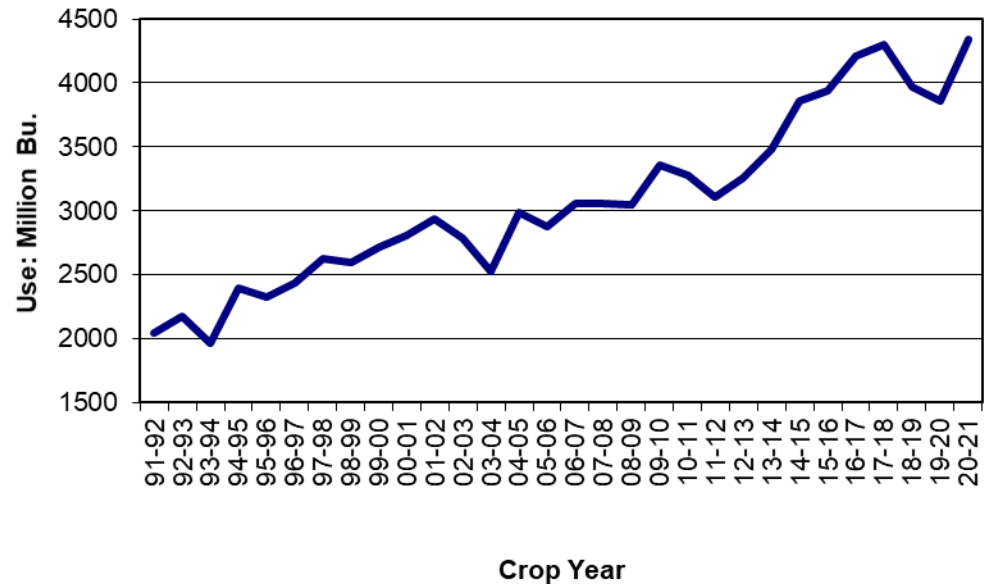


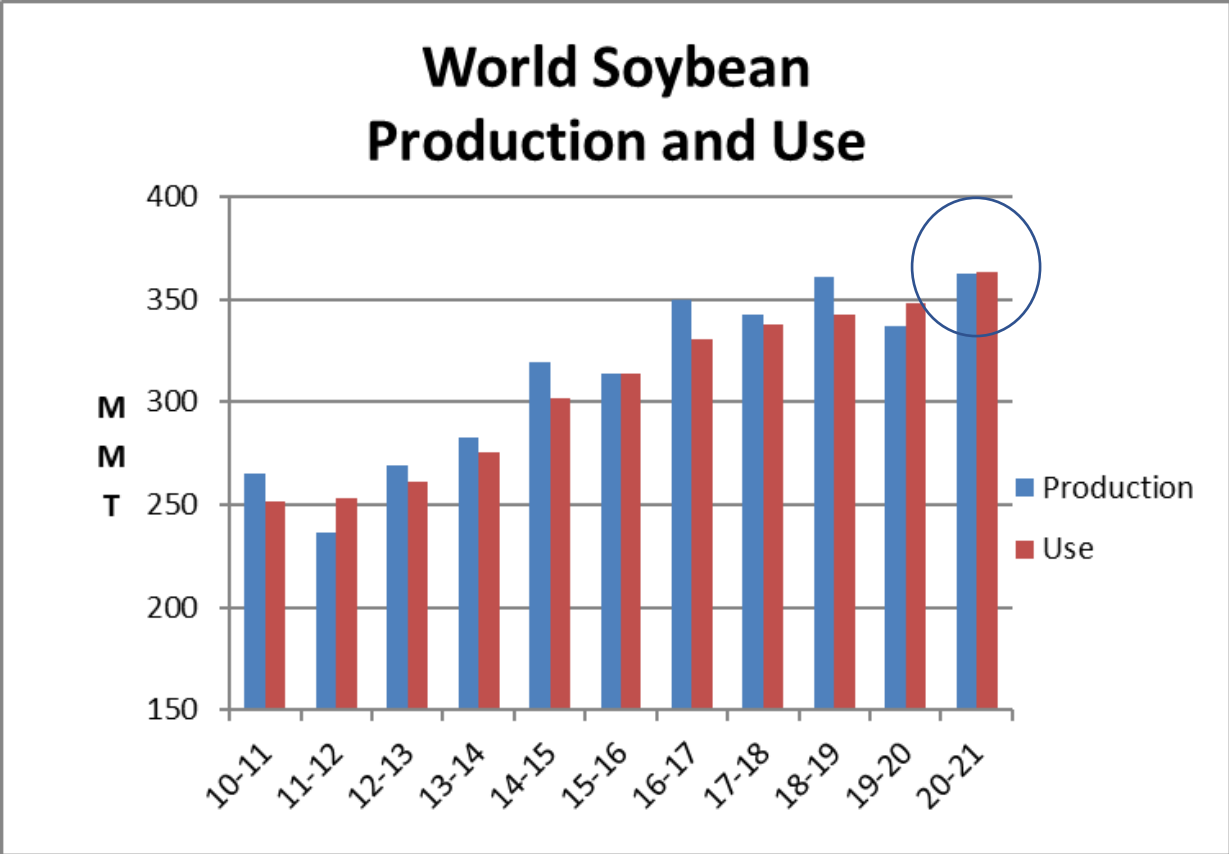
Soybeans: End Stocks/Use Ratio



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

Soybean: Total Use



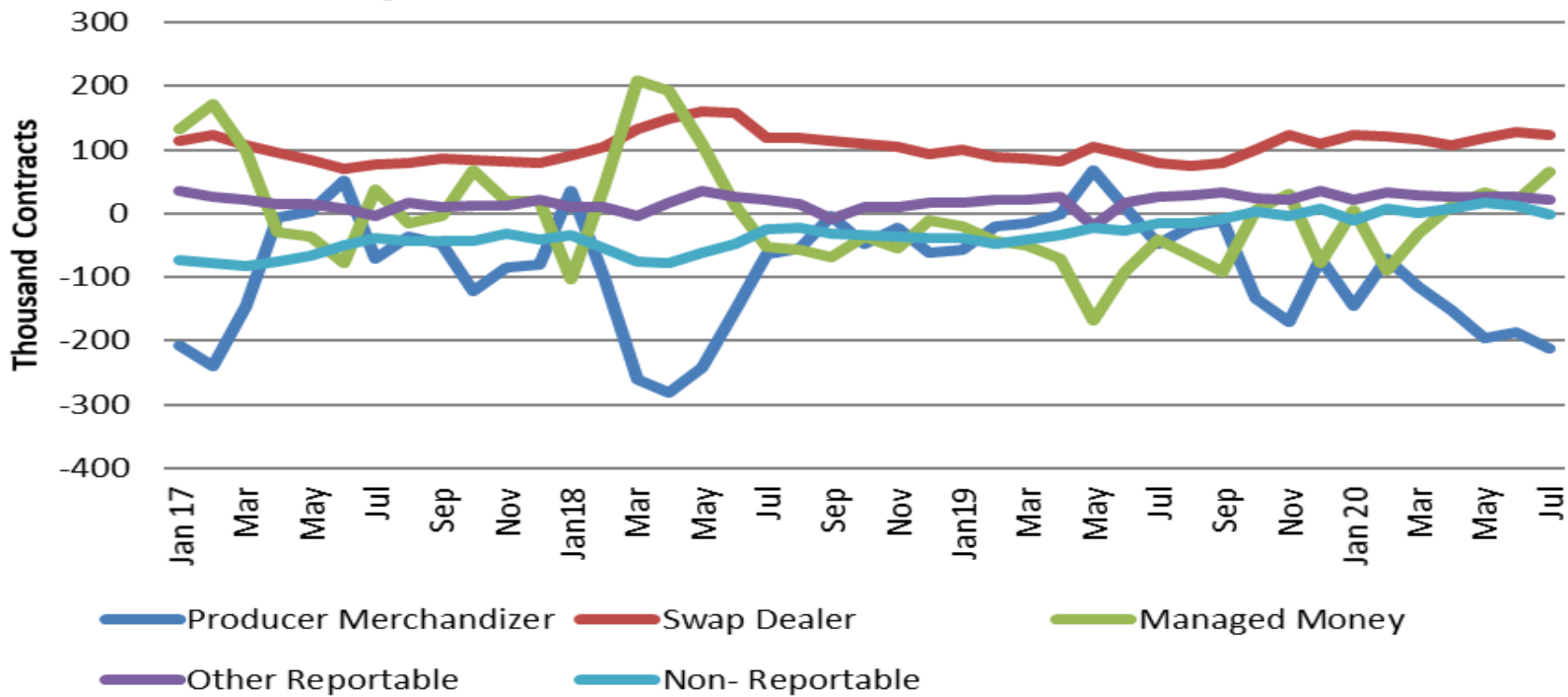


2019-20 Global use is expected to slightly exceed production.

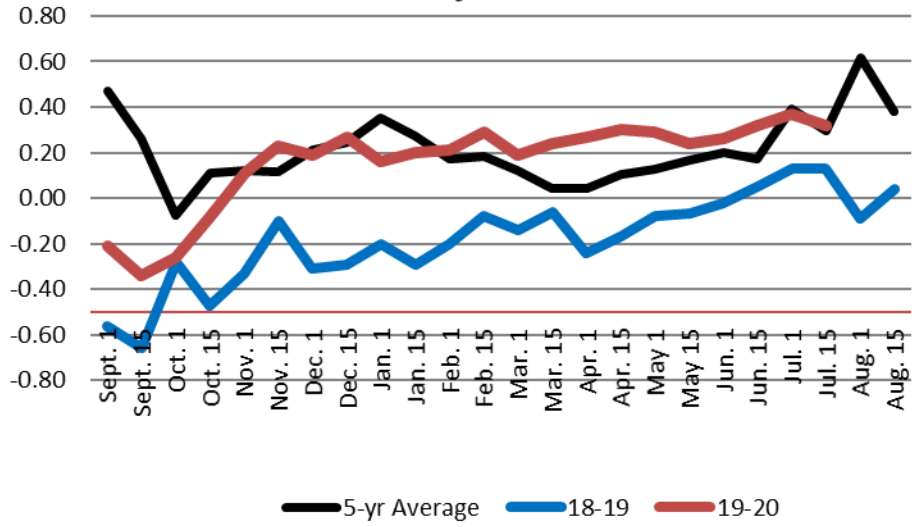
Soybean Futures Prices



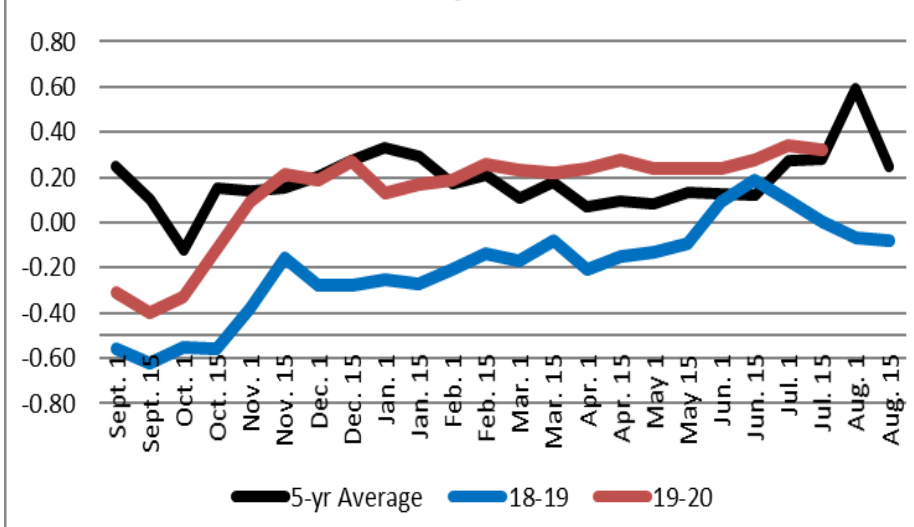
Soybean: COT Net Positions



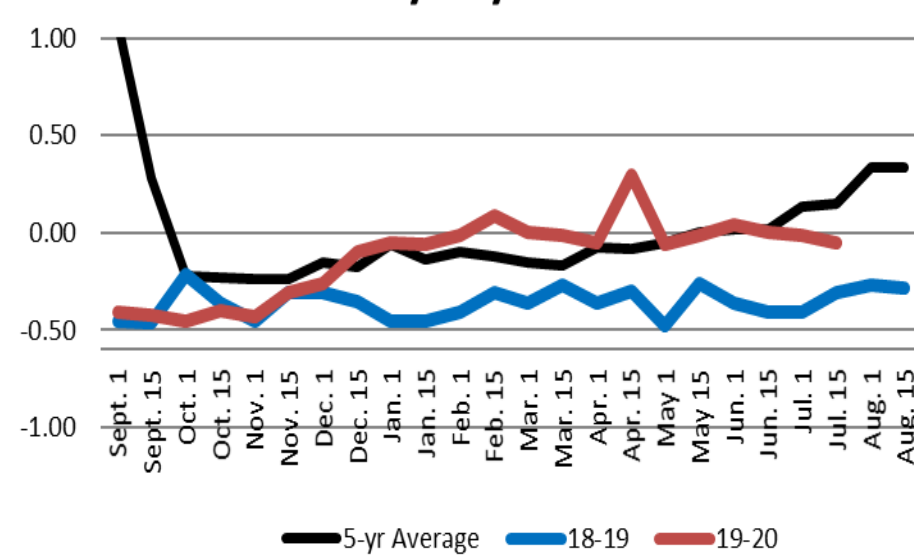
St Louis Soybean Basis



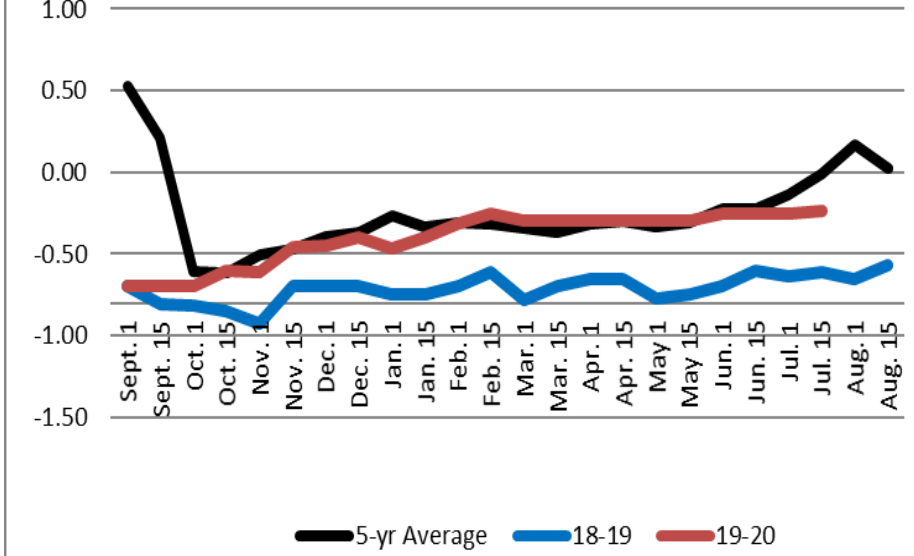
SE MO Soybean Basis



Kansas City Soybean Basis



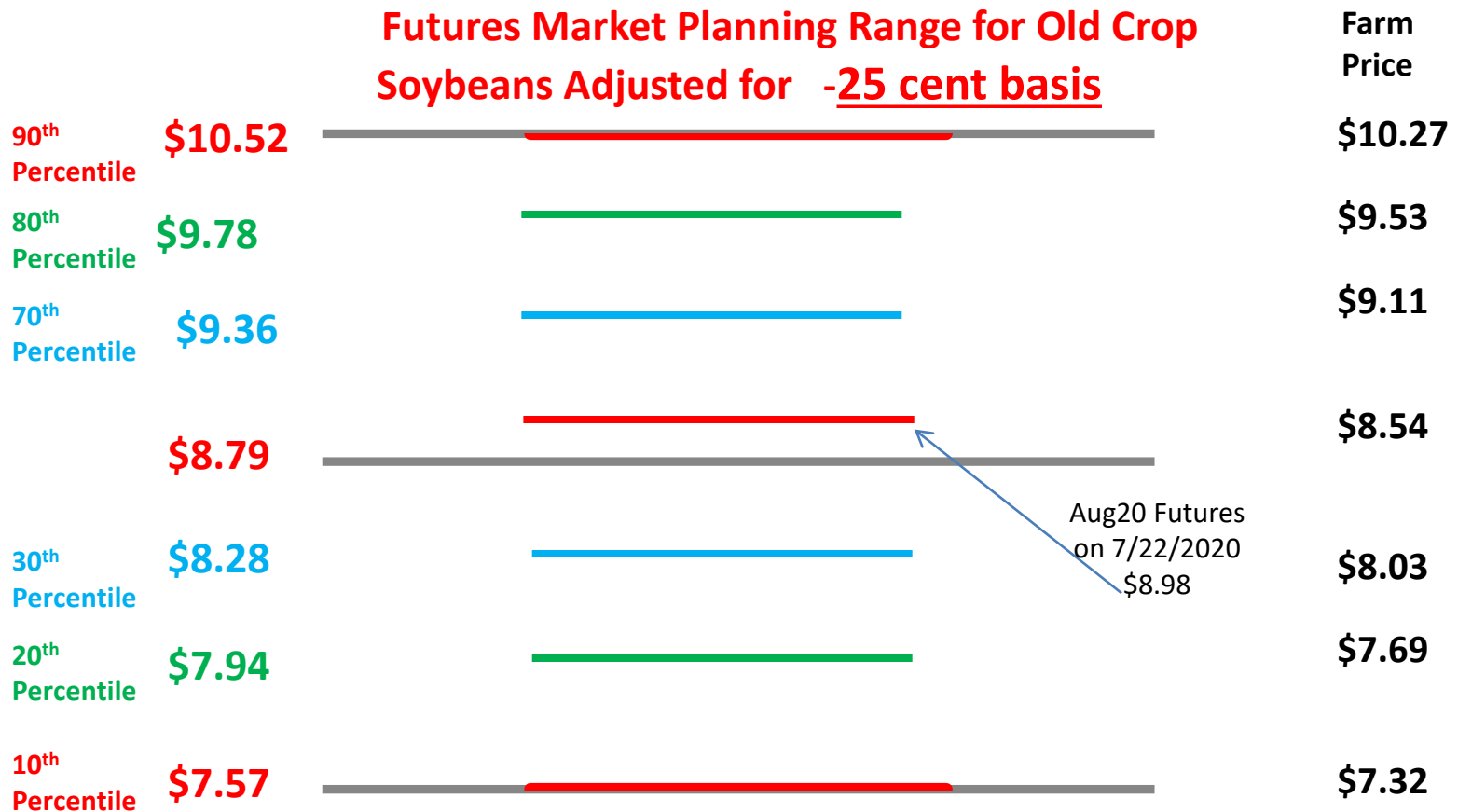
Central MO Soybean Basis



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

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

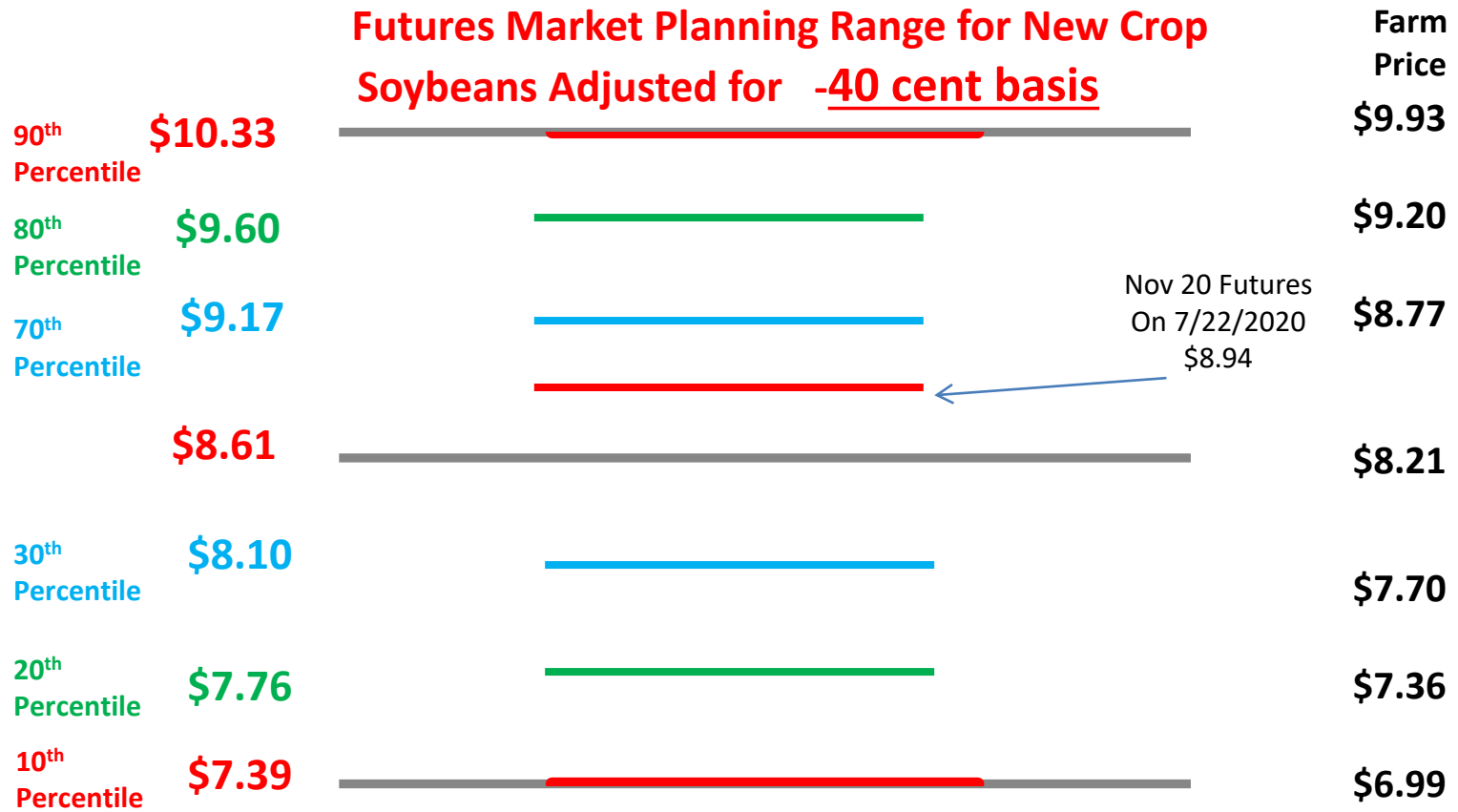
- Futures Price Equivalent of 2019-2020 Projected Farm Price: **\$8.79**
- Futures Price Equivalent of FAPRI Range: **\$7.94 - \$9.78 @ 80 Percentile**
- Futures Price Equivalent of 7/10/20 USDA Price: **Avg \$8.80**



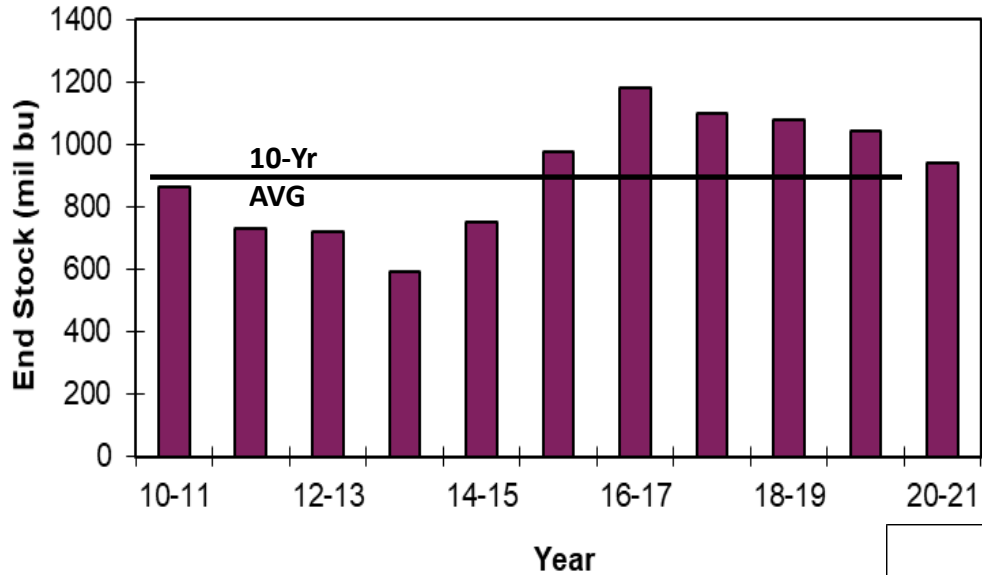
New Crop – (20-21) Soybean FAPRI Baseline Ranges June 2020

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 7/10/20 USDA Price: **Avg \$8.90**

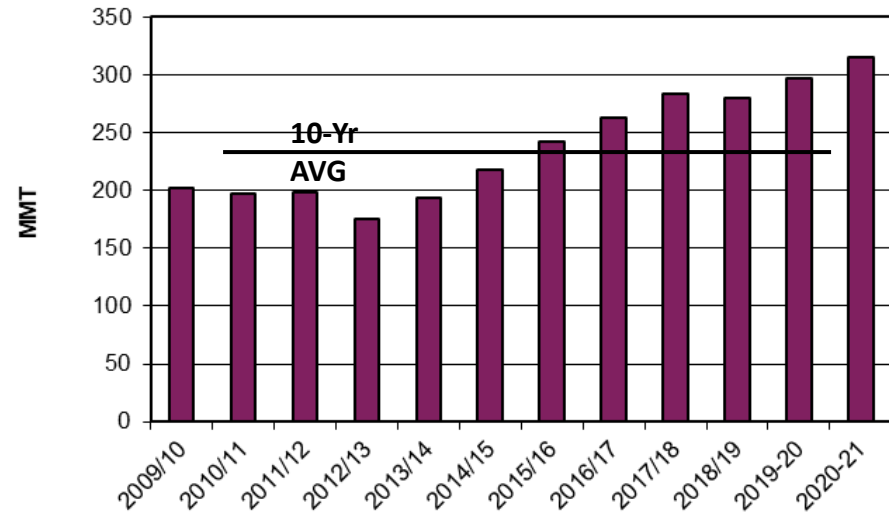


Wheat: U.S. End Stocks

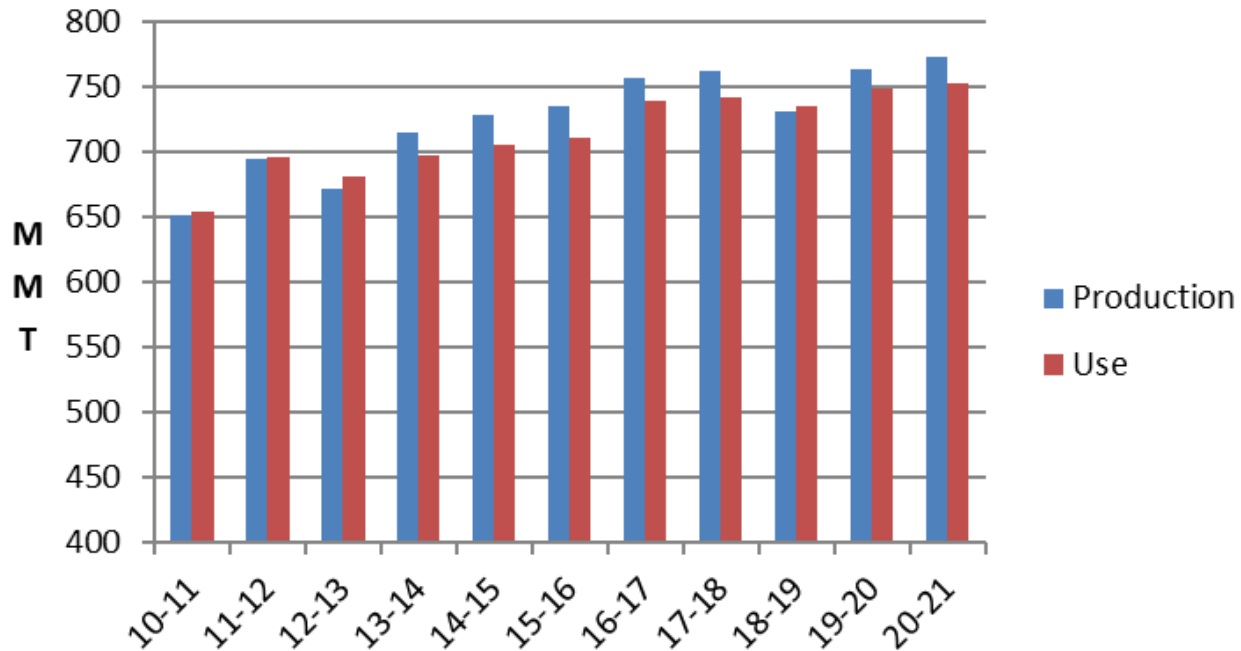


**US carryover declining somewhat, but slightly above average.
Large World ending stocks remain well above average.**

World Wheat End Stocks



World Wheat Production and Use



World wheat production expected to exceed global use.