

# Great Expectations

## Outlook for the Global Grain & Oilseed Market

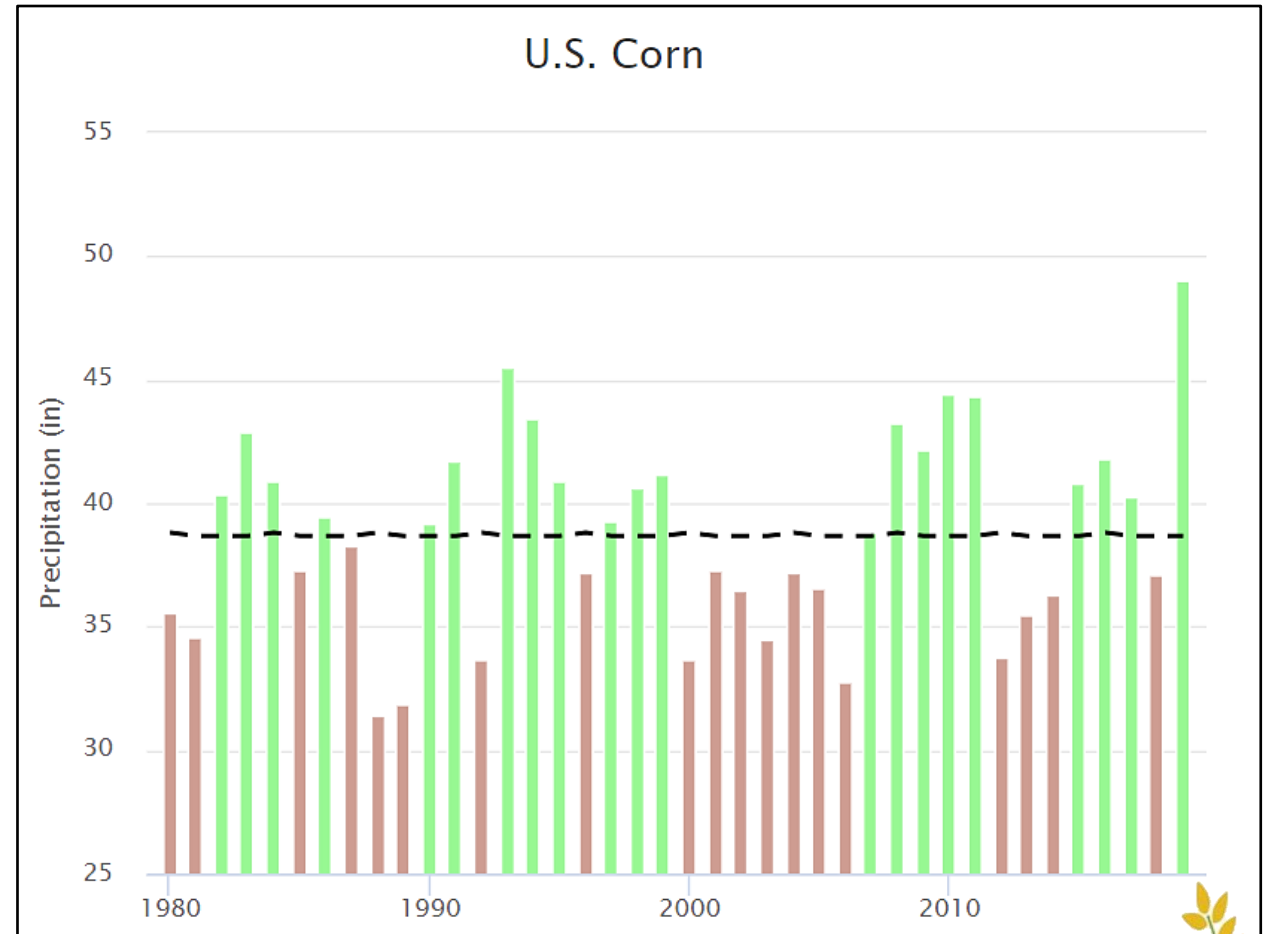
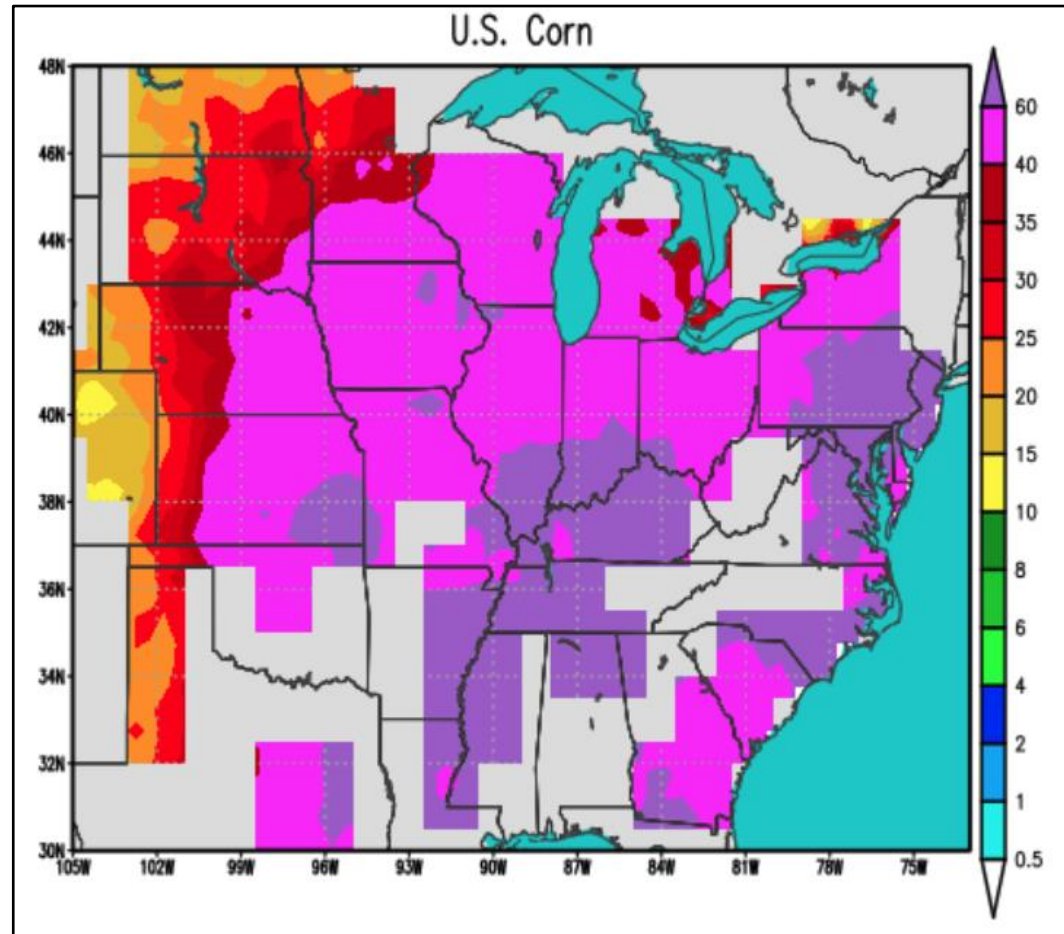
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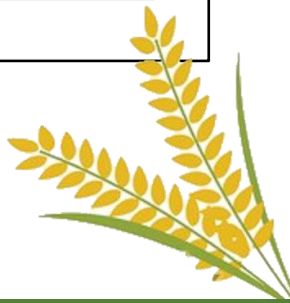


# The 2019 US Planting Season- A YEAR LIKE NO OTHER

RECORD HIGH US RAINFALL JULY-JUNE



Source: CWG





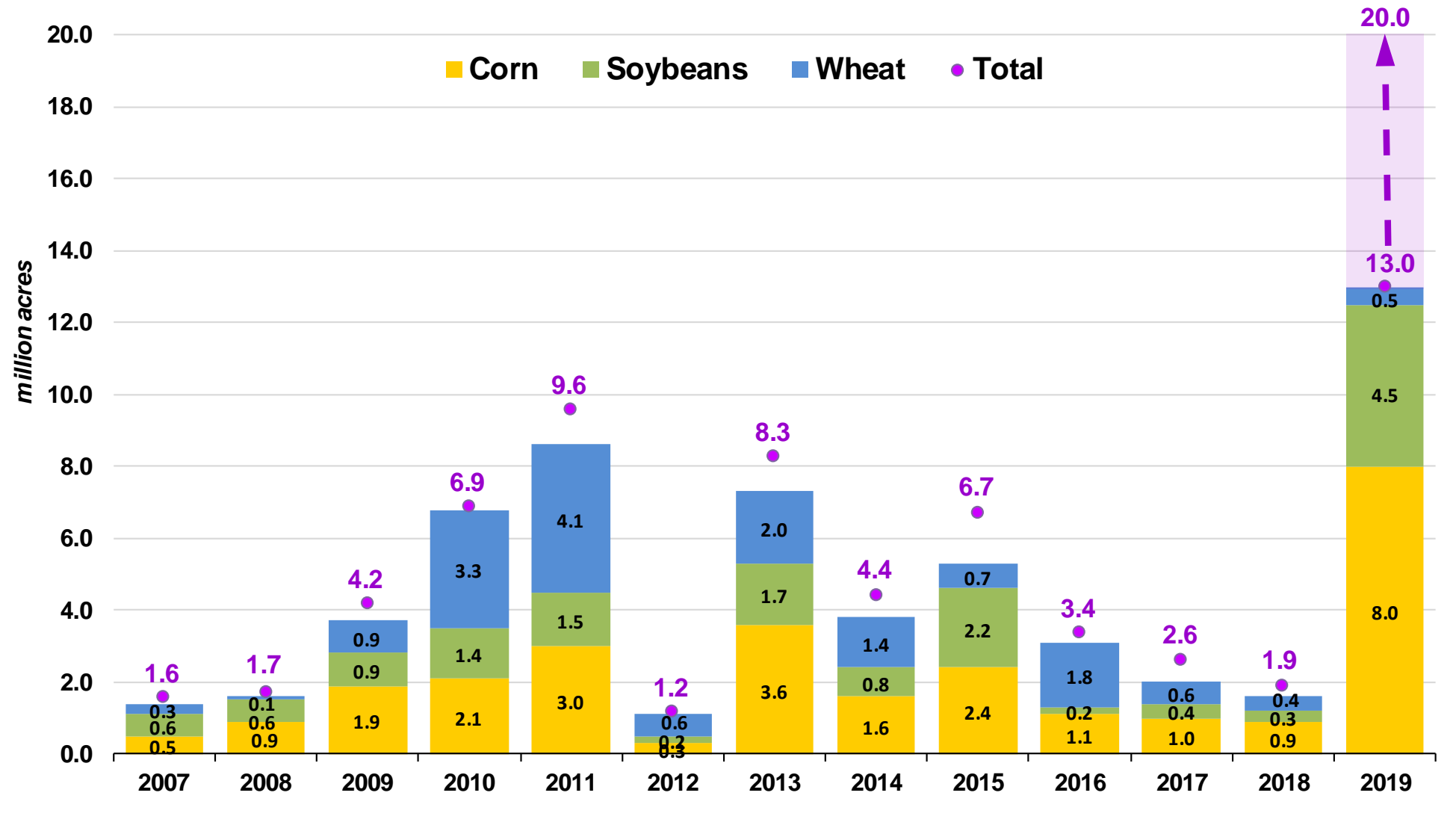
# Prevent Plant Field



Source: DC Analysis



# Annual Prevent Planting in US Corn, Soybeans & Wheat



Source: FSA & DC Analysis



# Records Established

- Record US rainfall
- Record late corn planting-near record late soybean planting
- Record late corn emergence-poor root development
- Record decline in US planted corn acreage (3.0 million) from March Intentions to USDA's June S&D
- Record large decline in the US corn yield of 10.0 bushels (from trend) in USDA's June WASDE
- Delayed corn pollination, but above average heating units in July pushed crop maturity
- Delayed corn harvest- increased chance for loss with normal frost dates
- Creates tremendous uncertainty regarding US corn acreage and yield.
- Acreage resurvey results on August 12th- Use FSA acreage data for October crop report
- Will need the November crop production report to determine corn yield

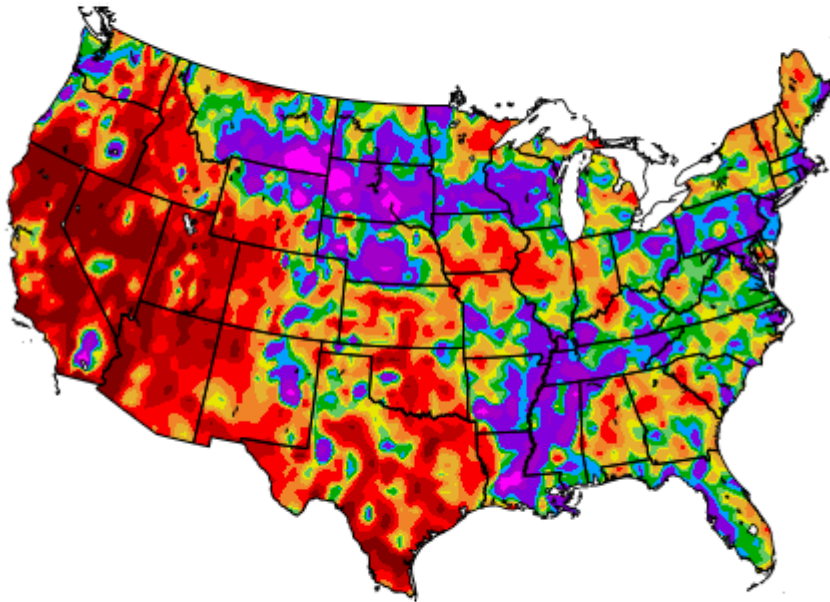




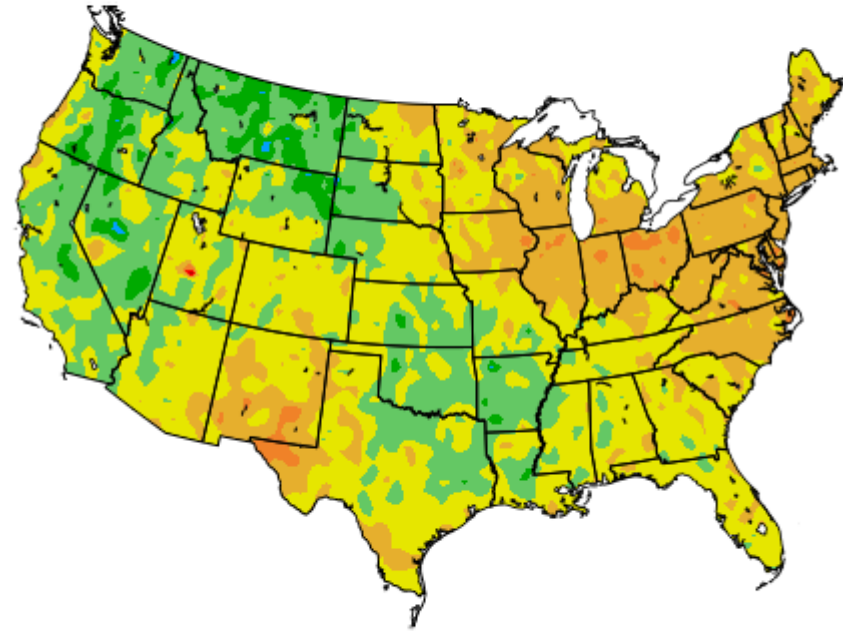
# Temperature and Precipitation Anomaly

HPRCC MAPS JULY 1 CURRENT

Percent of Normal Precipitation (%)  
7/1/2019 – 7/25/2019



Departure from Normal Temperature (F)  
7/1/2019 – 7/25/2019



# US Corn Supply & Demand

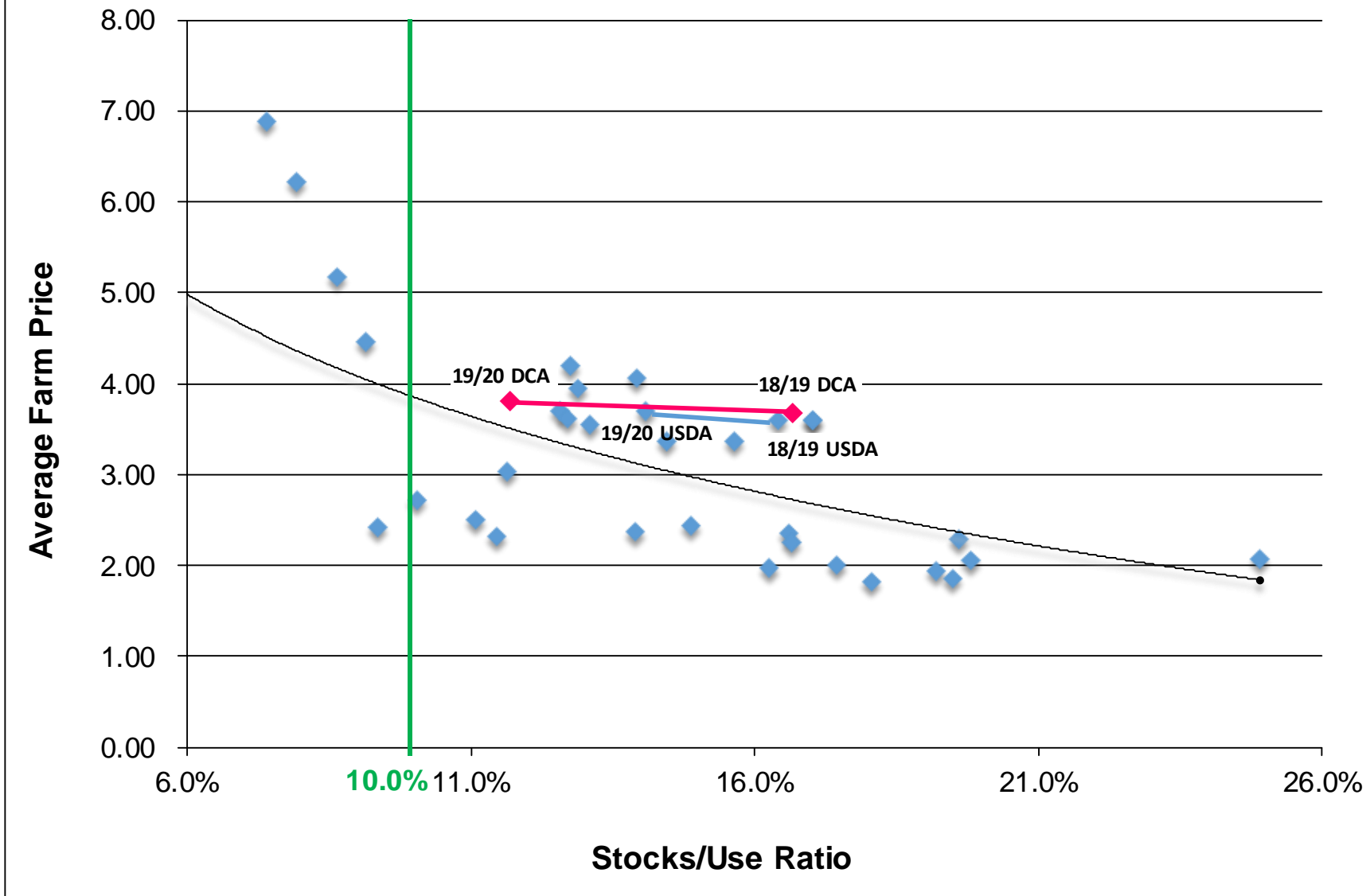
SEP-AUG· MILLION BUSHEL/ACRES

						USDA		JULY	
	13-14	14-15	15-16	16-17	17-18	18-19	DCA	USDA	DCA
						18-19	18-19	19-20	19-20
Planted Acres	95.4	90.6	88.0	94.0	90.2	89.1	89.1	91.7	89.8
Harvested Acres	87.5	83.1	80.8	86.7	82.7	81.7	81.7	83.6	81.9
Difference	7.9	7.5	7.2	7.3	7.5	7.4	7.4	8.1	7.9
Yield	158.1	171.0	168.4	174.6	176.6	176.4	176.4	166.0	164.0
Sept 1 Stocks	821	1232	1731	1737	2293	2140	2140	2340	2415
<b>Production</b>	<b>13831</b>	<b>14217</b>	<b>13602</b>	<b>15148</b>	<b>14609</b>	<b>14420</b>	<b>14420</b>	<b>13875</b>	<b>13432</b>
Imports	36	32	68	57	36	35	35	50	50
<b>TOTAL SUPPLY</b>	<b>14688</b>	<b>15480</b>	<b>15401</b>	<b>16942</b>	<b>16939</b>	<b>16595</b>	<b>16595</b>	<b>16265</b>	<b>15897</b>
Feed	5003	5281	5118	5470	5304	5275	5275	5175	5150
F/S/I	6532	6601	6647	6885	7057	6880	6855	6930	6930
Ethanol	5124	5200	5224	5432	5605	5450	5425	5500	5500
Exports	1921	1867	1899	2294	2438	2100	2050	2150	2000
<b>TOTAL USAGE</b>	<b>13456</b>	<b>13749</b>	<b>13664</b>	<b>14649</b>	<b>14798</b>	<b>14255</b>	<b>14180</b>	<b>14255</b>	<b>14080</b>
<b>Ending Stocks</b>	<b>1232</b>	<b>1731</b>	<b>1737</b>	<b>2293</b>	<b>2140</b>	<b>2340</b>	<b>2415</b>	<b>2010</b>	<b>1817</b>
Stocks/Use Ratio	9.2%	12.6%	12.7%	15.7%	14.5%	16.4%	17.0%	14.1%	12.9%
Price (\$/bushel)	4.46	3.70	3.61	3.36	3.36	3.60	3.60	3.70	3.95

Source: USDA & DC Analysis



# Corn Stocks/Use Versus Average Farm Price

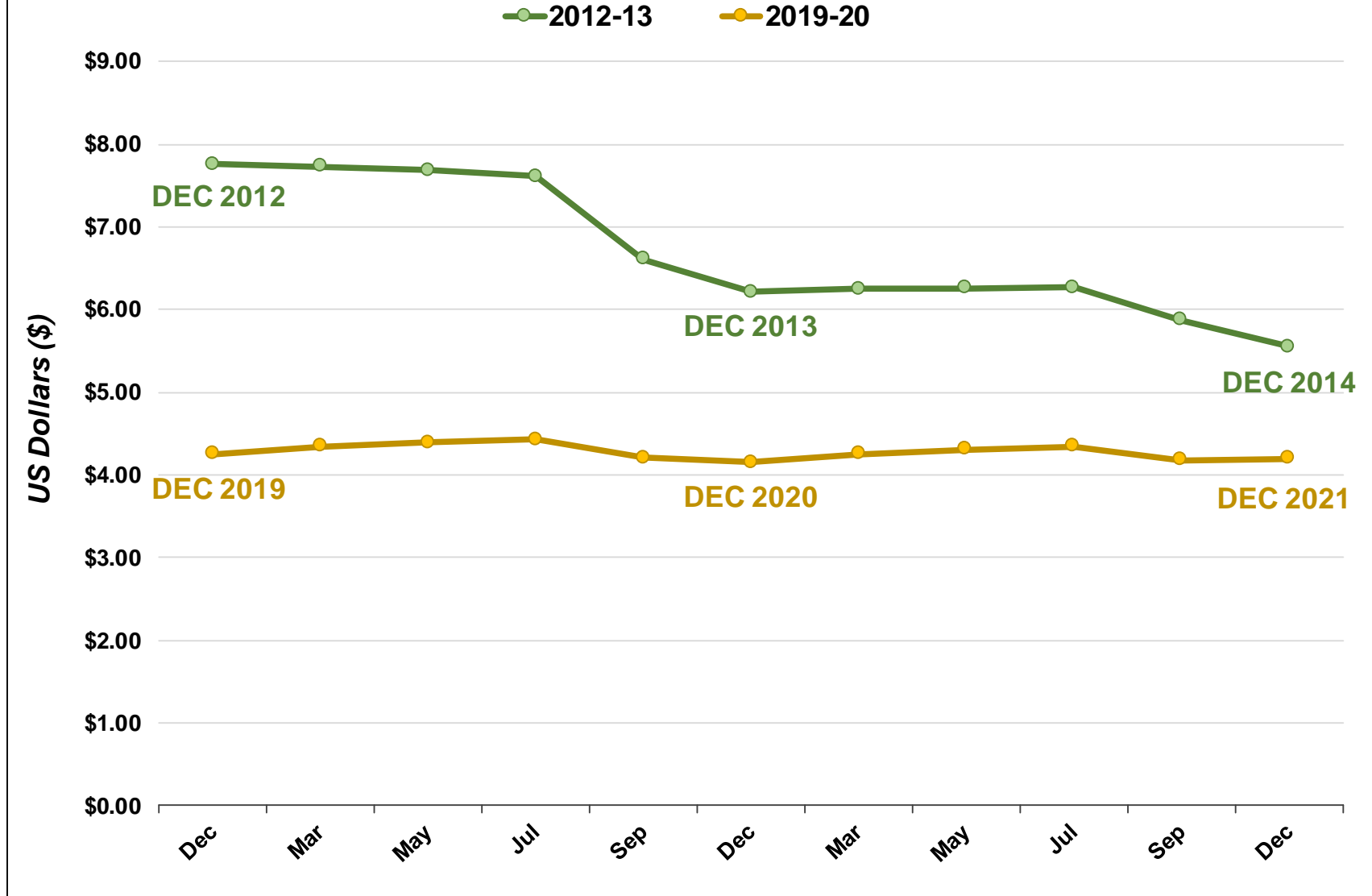


Source: USDA & DC Analysis





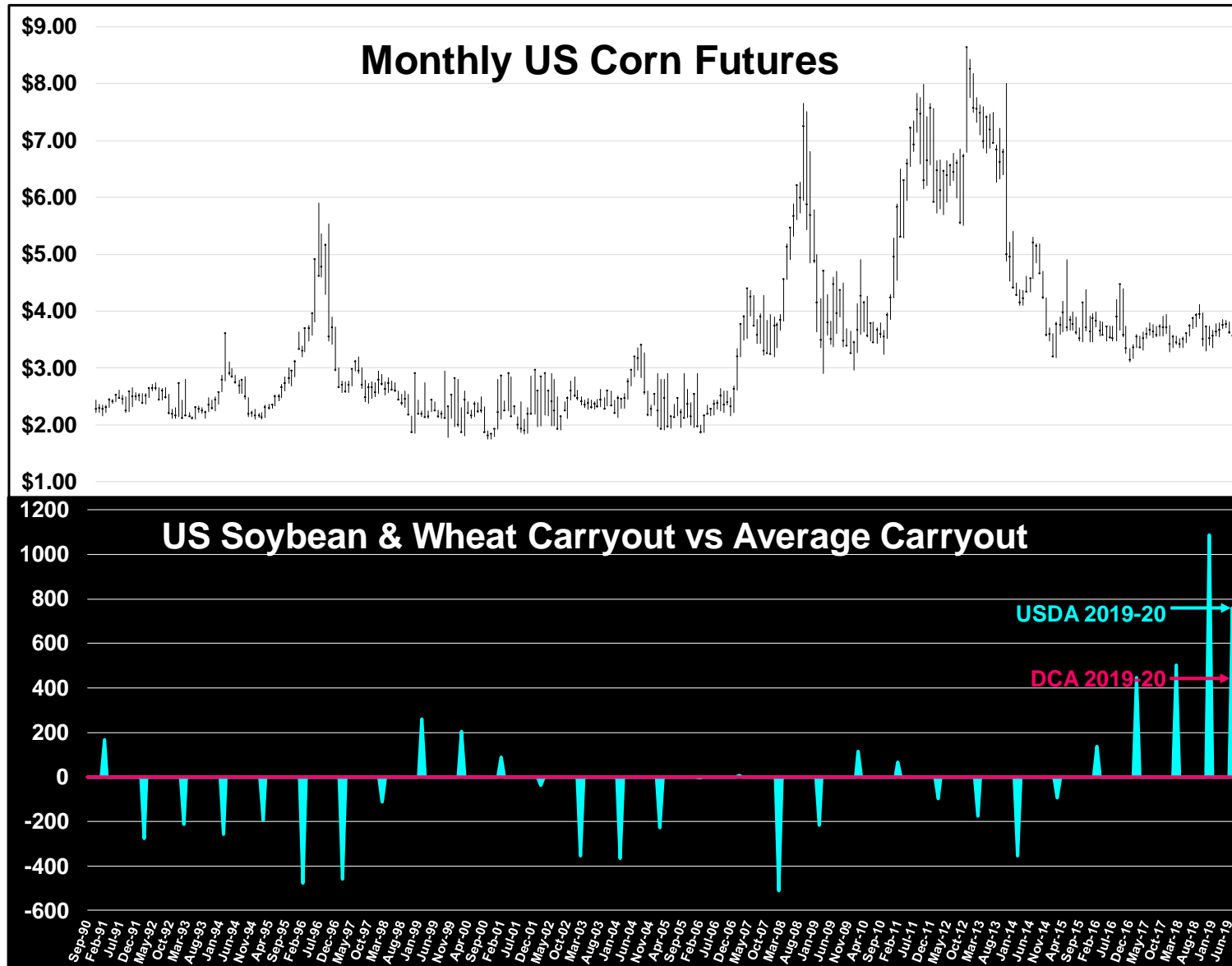
# CME Group Corn Futures Price Curve 2019 vs 2012



Source: CME Group & DC Analysis



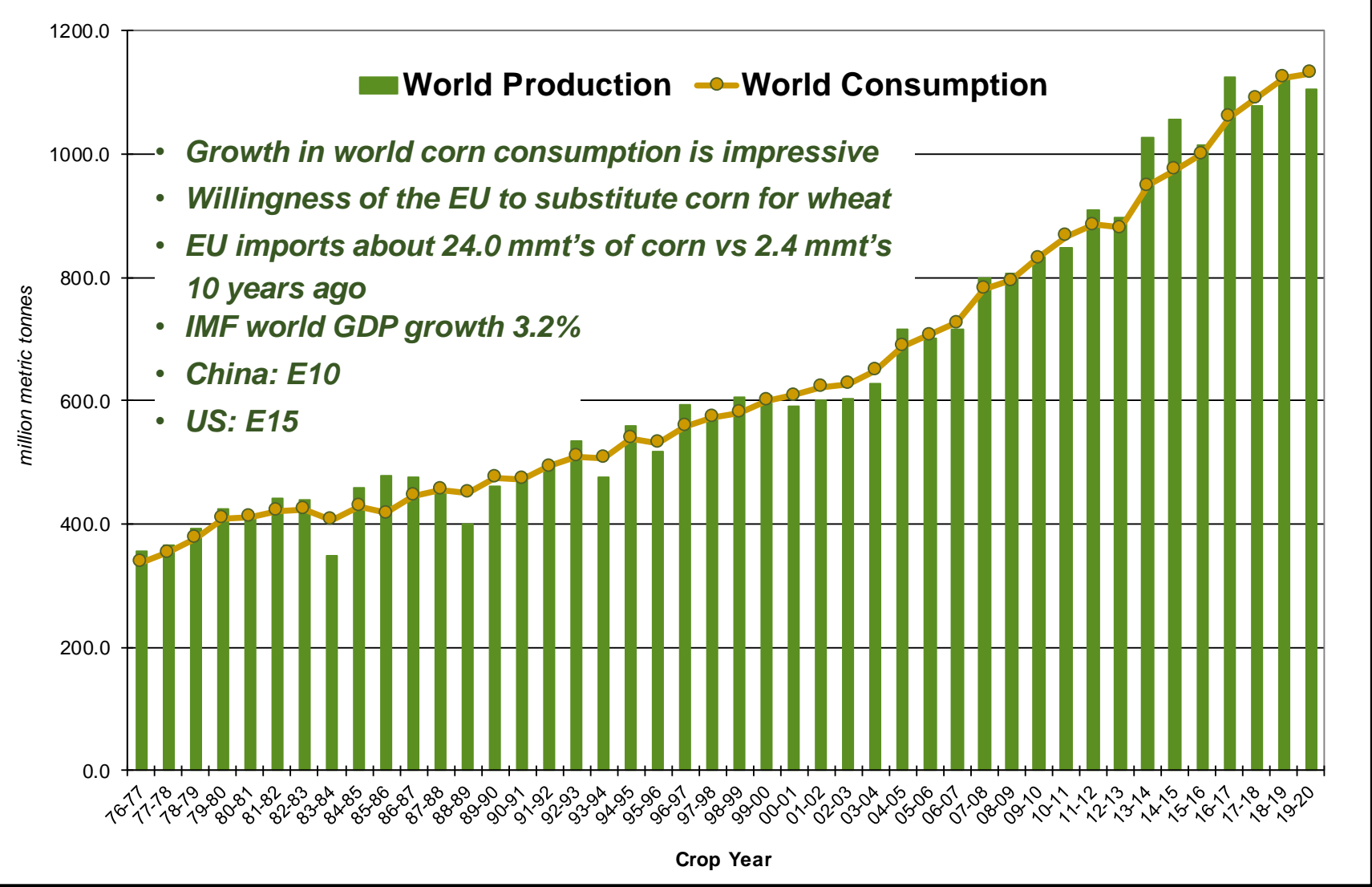
# Cross Commodity Catalyst/Contagion vs Corn Futures



Source: USDA, CME Group & DC Analysis



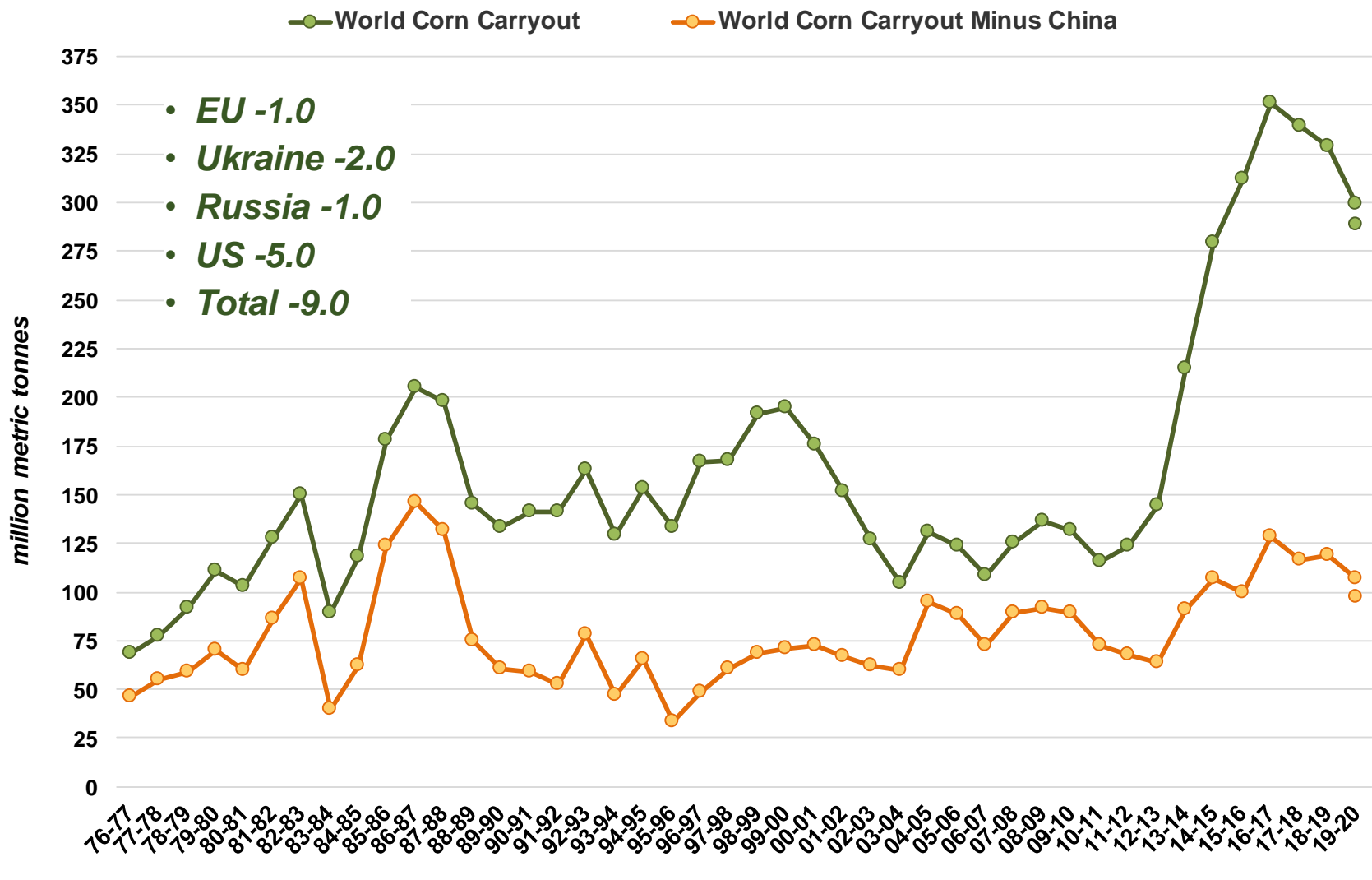
# World Corn Production & Consumption



Source: FAS & DC Analysis



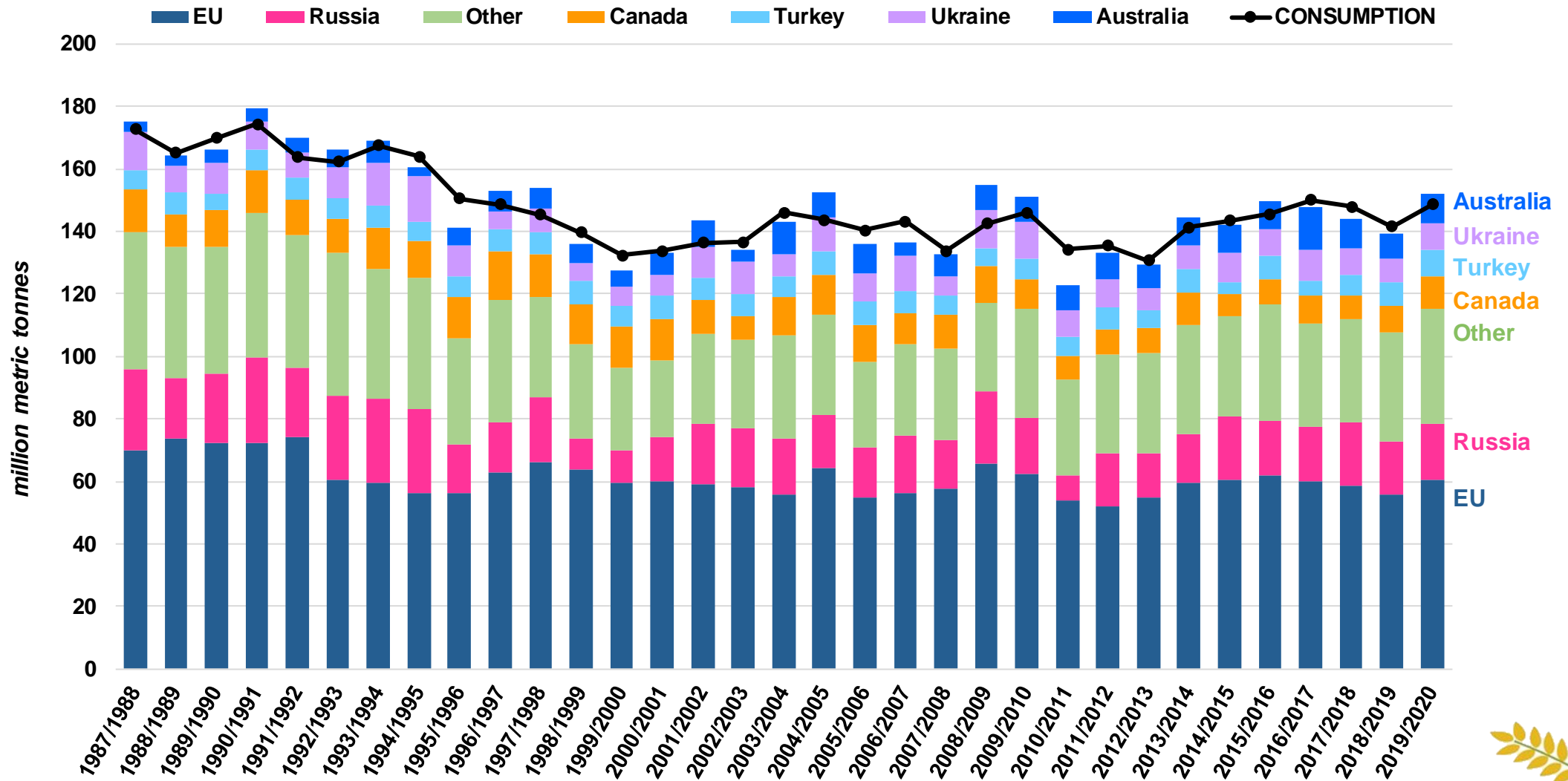
# World Corn Carryout & World Corn Carryout Minus China



Source: FAS & DC Analysis



# World Barley Production by Major Producing Countries & World Barley Consumption

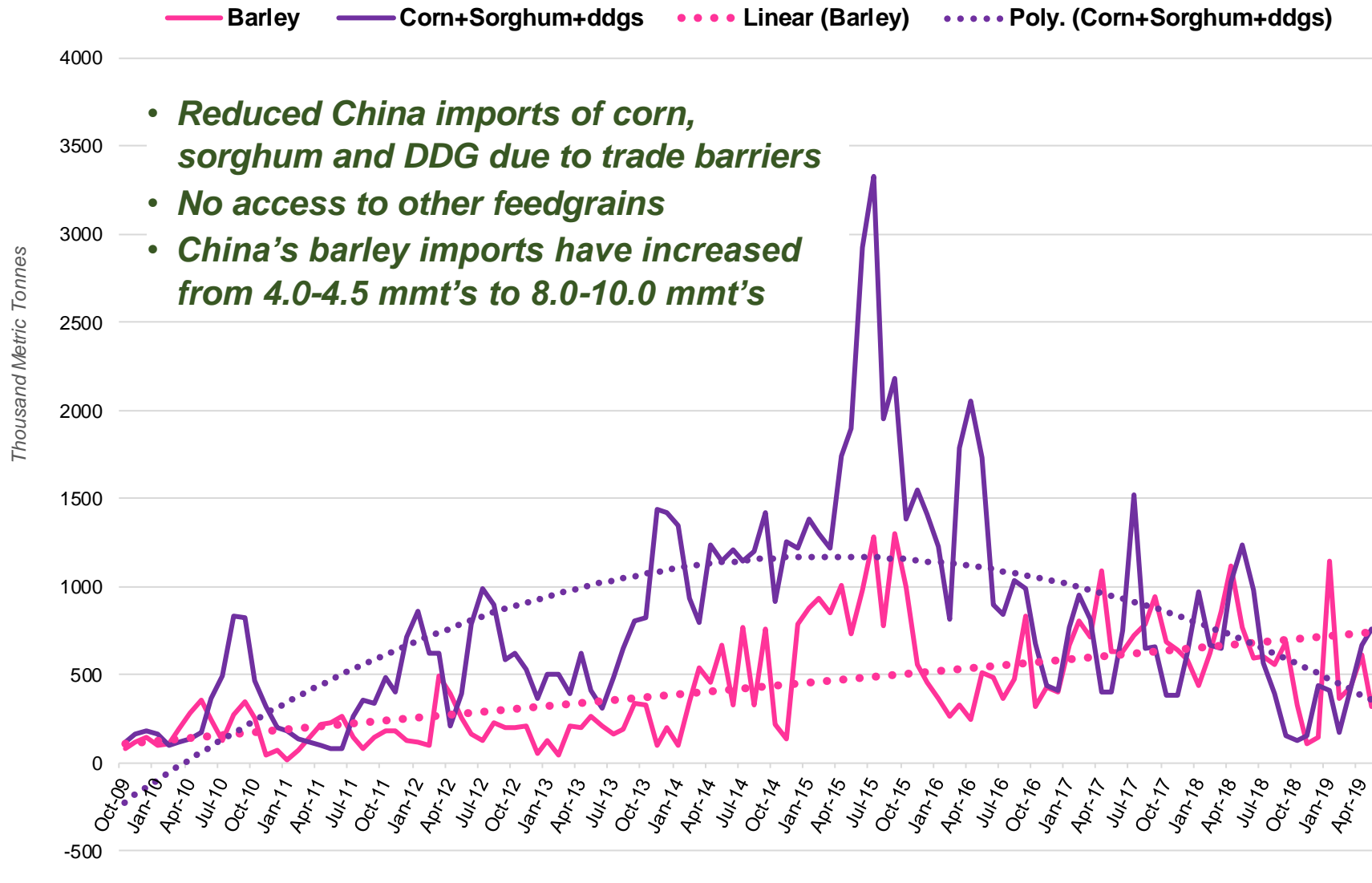


Source: FAS & DC Analysis





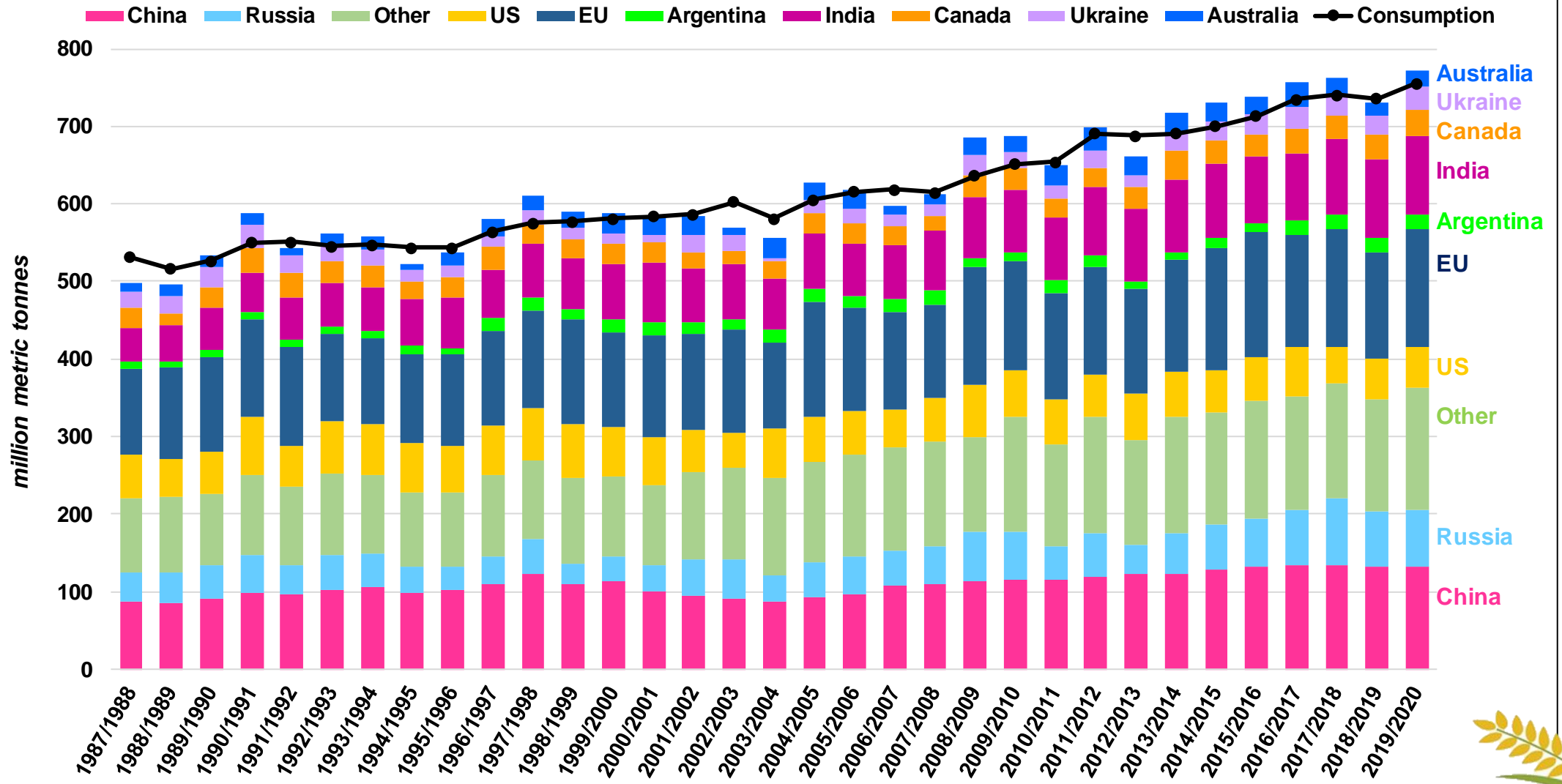
# China Monthly Barley Imports



Source: China Customs & DC Analysis



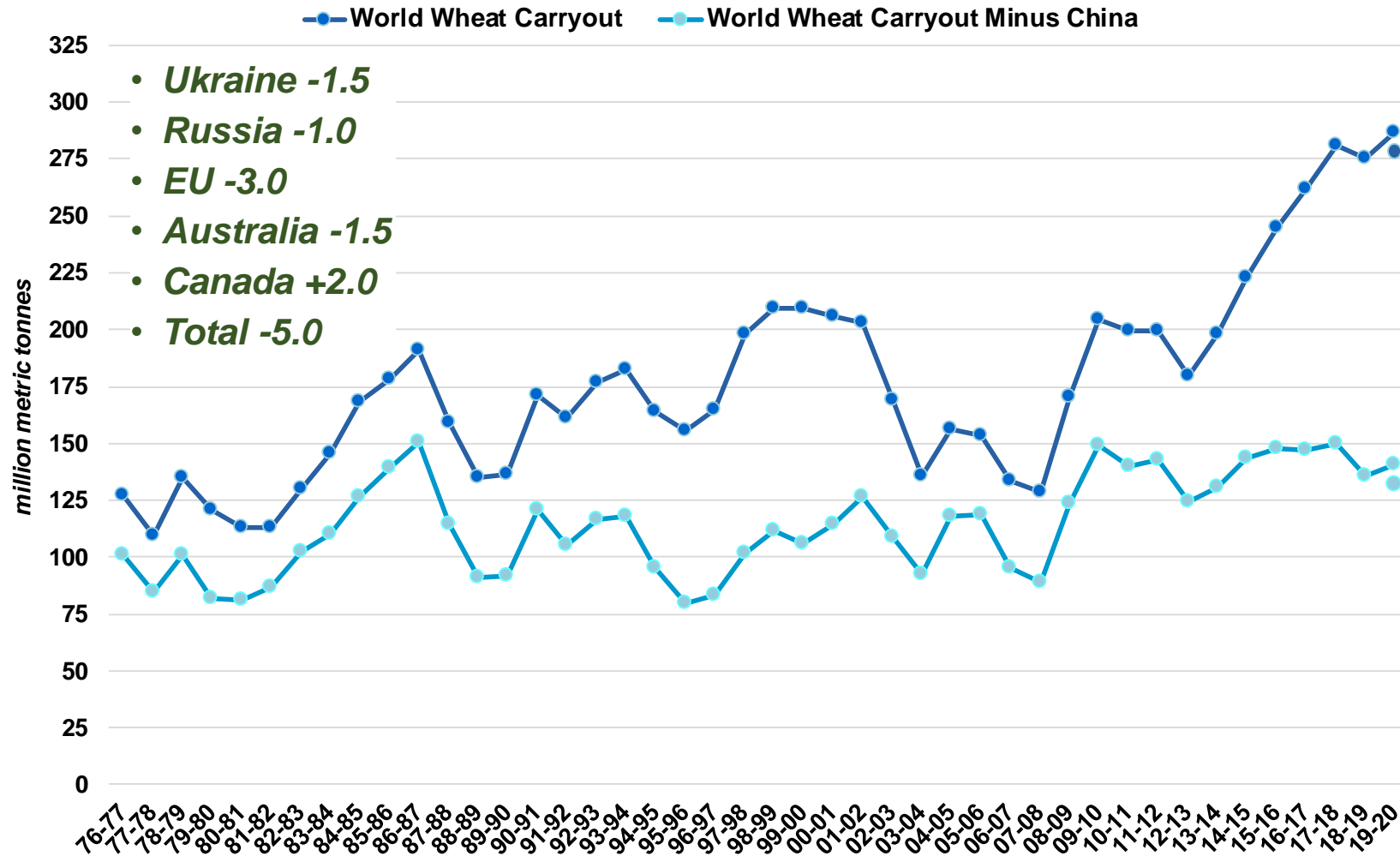
# World Wheat Production by Major Producing Countries & World Wheat Consumption



Source: FAS & DC Analysis



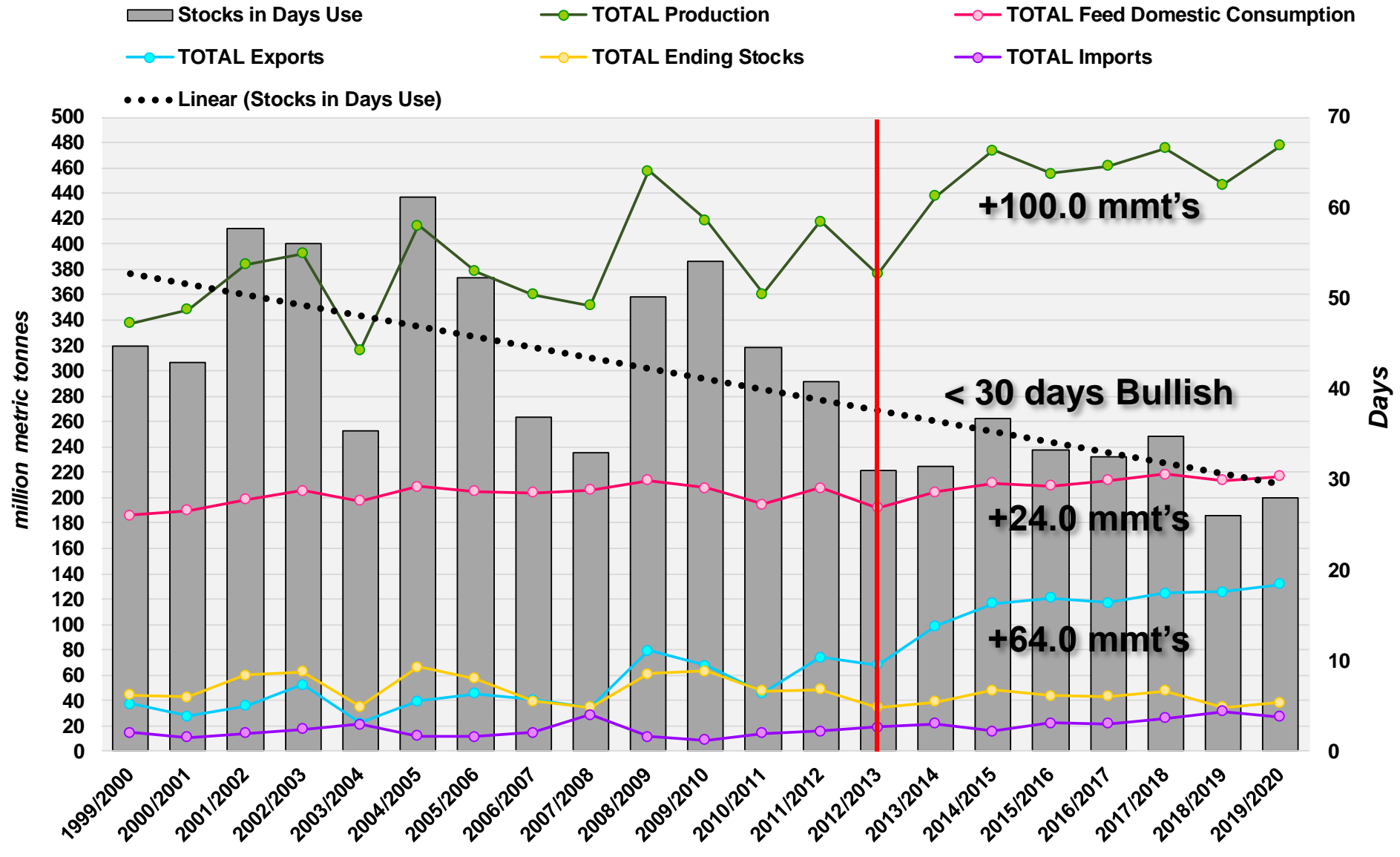
## World Wheat Carryout & World Wheat Carryout Minus China



Source: FAS & DC Analysis



# Western Black Sea Supply/Demand (EU, Russia & Ukraine)



Source: FAS & DC Analysis



# US Wheat Supply & Demand

JUN-MAY • MILLION BUSHEL/ACRES

	13-14	14-15	15-16	16-17	17-18	18-19	JULY USDA 19-20	DCA 19-20
Planted Acres	56.2	56.8	55.0	50.1	46.1	47.8	45.6	45.6
Harvested Acres	45.3	46.4	47.3	43.8	37.6	39.6	38.4	38.4
% Abandoned	19.3	18.3	14.0	12.5	18.5	17.1	15.8	15.8
Yield	47.1	43.7	43.6	52.7	46.4	47.6	50.0	50.4
June 1 Stocks	718	590	752	976	1181	1099	1072	1072
<b>Production</b>	<b>2135</b>	<b>2026</b>	<b>2062</b>	<b>2309</b>	<b>1741</b>	<b>1884</b>	<b>1921</b>	<b>1936</b>
Imports	173	151	113	118	158	135	140	140
<b>TOTAL SUPPLY</b>	<b>3026</b>	<b>2768</b>	<b>2927</b>	<b>3402</b>	<b>3080</b>	<b>3118</b>	<b>3133</b>	<b>3148</b>
Food	955	958	957	949	964	960	965	965
Seed	77	79	67	61	63	60	68	68
Feed	228	113	149	160	47	91	150	300
Exports	1176	864	778	1051	906	936	950	950
<b>TOTAL USAGE</b>	<b>2436</b>	<b>2015</b>	<b>1952</b>	<b>2222</b>	<b>1981</b>	<b>2046</b>	<b>2133</b>	<b>2283</b>
<b>Ending Stocks</b>	<b>590</b>	<b>752</b>	<b>976</b>	<b>1181</b>	<b>1099</b>	<b>1072</b>	<b>1000</b>	<b>865</b>
CARRYOUT / USE	24.2%	37.3%	50.0%	53.2%	55.5%	52.4%	46.9%	37.9%
Price (\$/bushel)	\$6.87	\$5.99	\$4.89	\$3.89	\$4.72	\$5.16	\$5.20	\$5.40

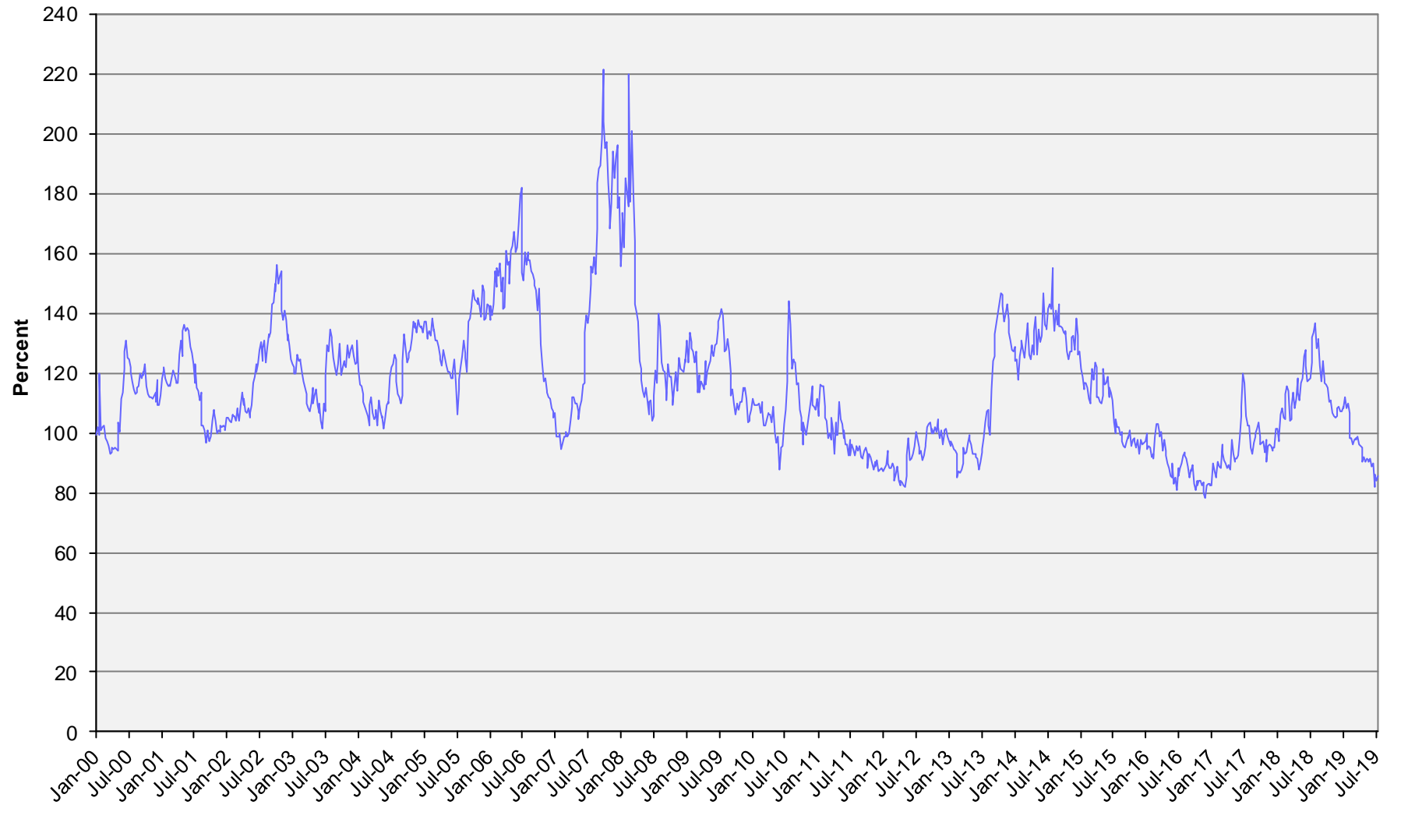
← **Lowest acreage since records began in 1919**



Source: USDA & DC Analysis



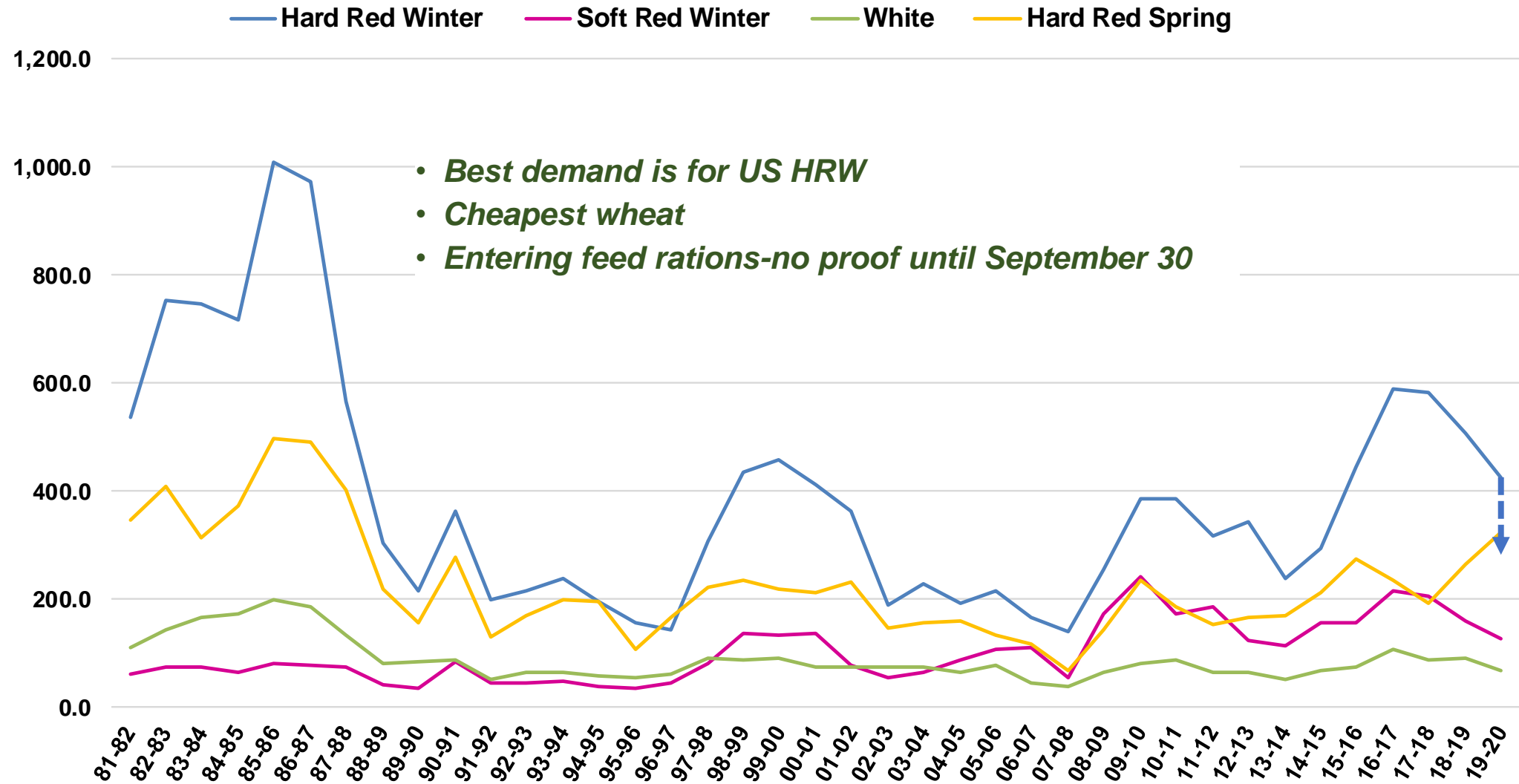
# Wheat/Corn Spread Triangle Area from Plainview to Canyon to Farwell



Source: AMS & DC Analysis



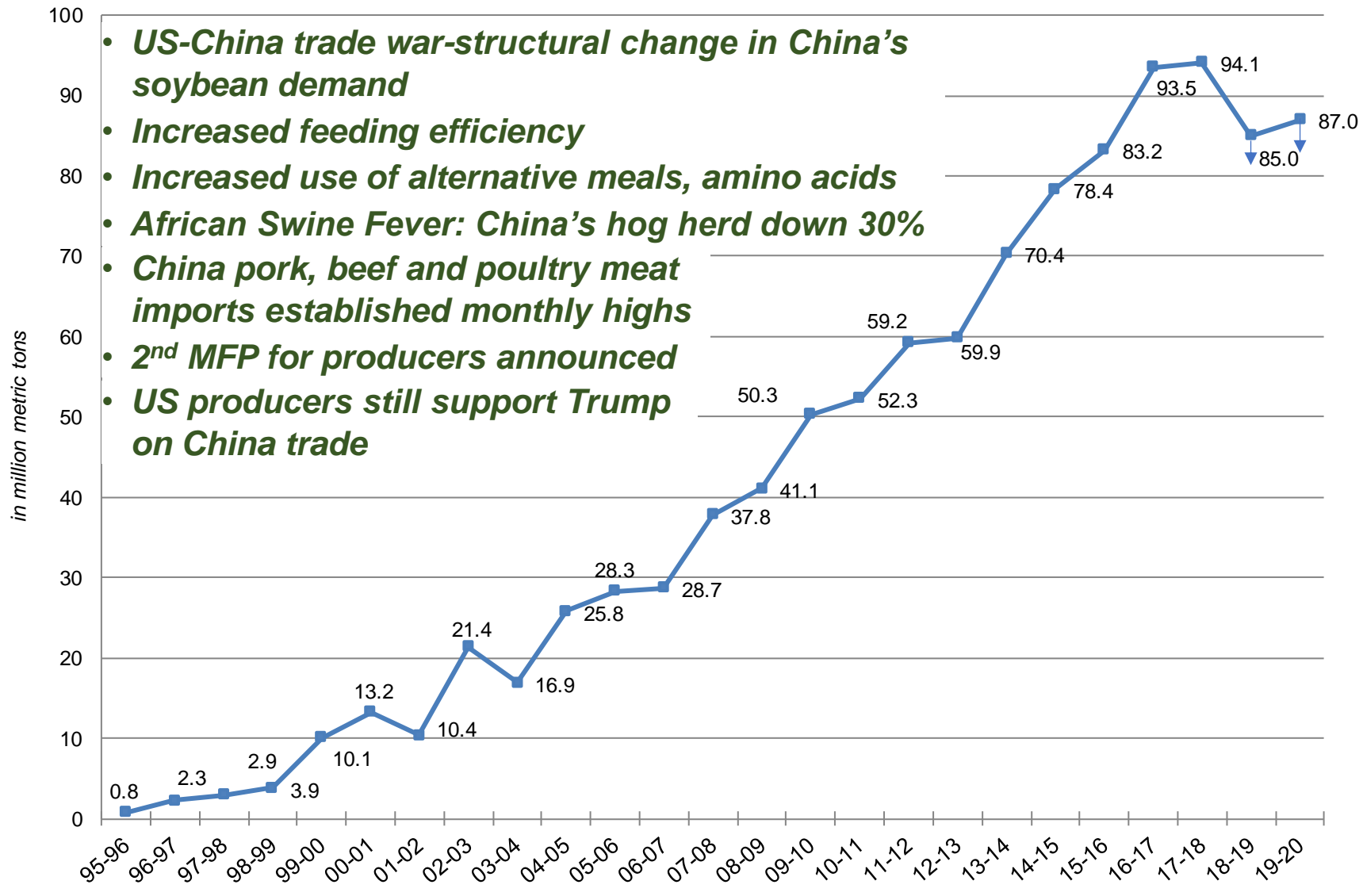
# US Wheat Carryout by Class



Source: FAS & DC Analysis



# China Soybean Imports

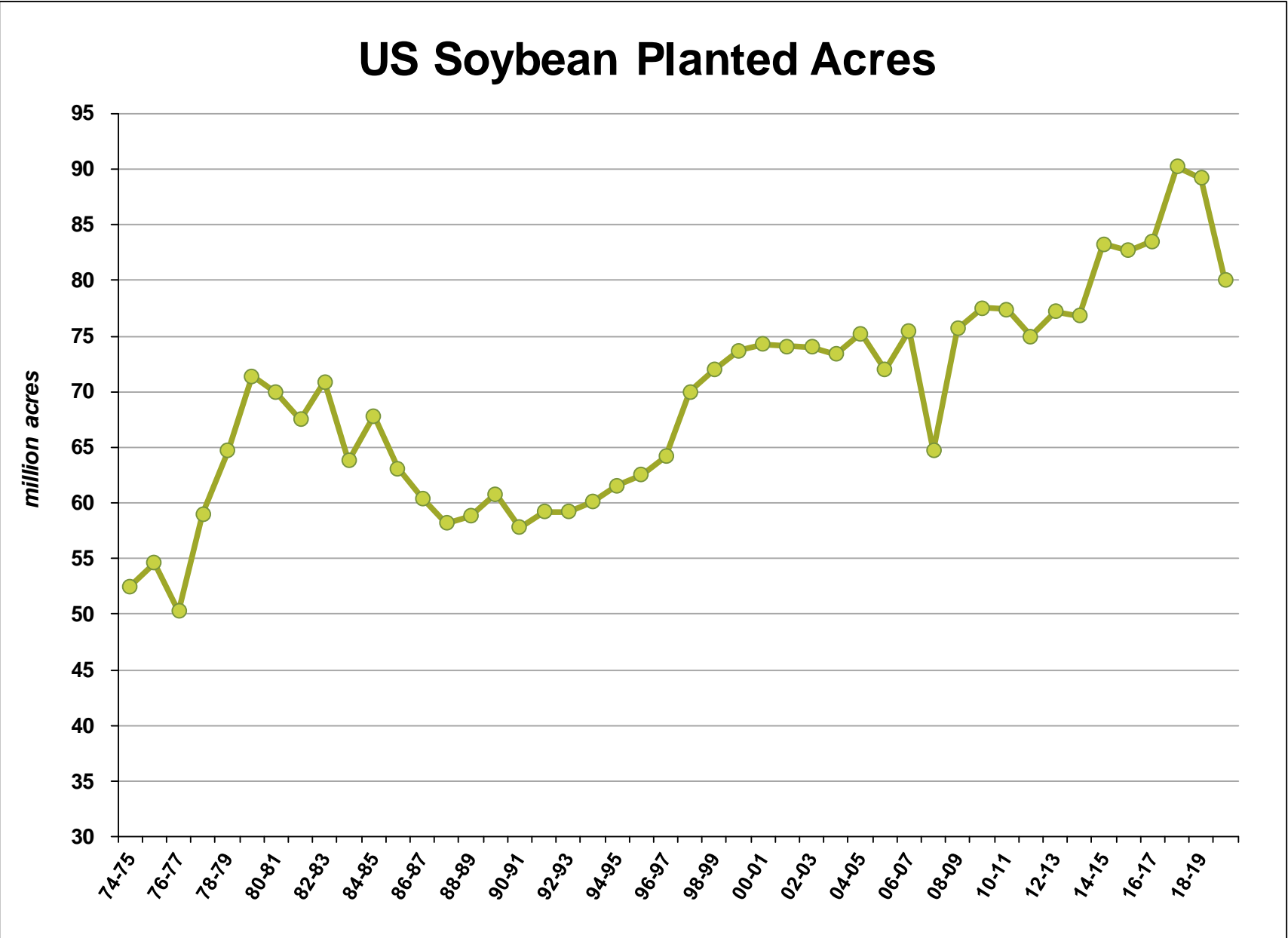


- **US-China trade war-structural change in China's soybean demand**
- **Increased feeding efficiency**
- **Increased use of alternative meals, amino acids**
- **African Swine Fever: China's hog herd down 30%**
- **China pork, beef and poultry meat imports established monthly highs**
- **2<sup>nd</sup> MFP for producers announced**
- **US producers still support Trump on China trade**

Source: FAS & DC Analysis



# US Soybean Planted Acres



Source: USDA & DC Analysis



# US Soybean Supply & Demand

SEP-AUG • MILLION BUSHELLS/ACRES

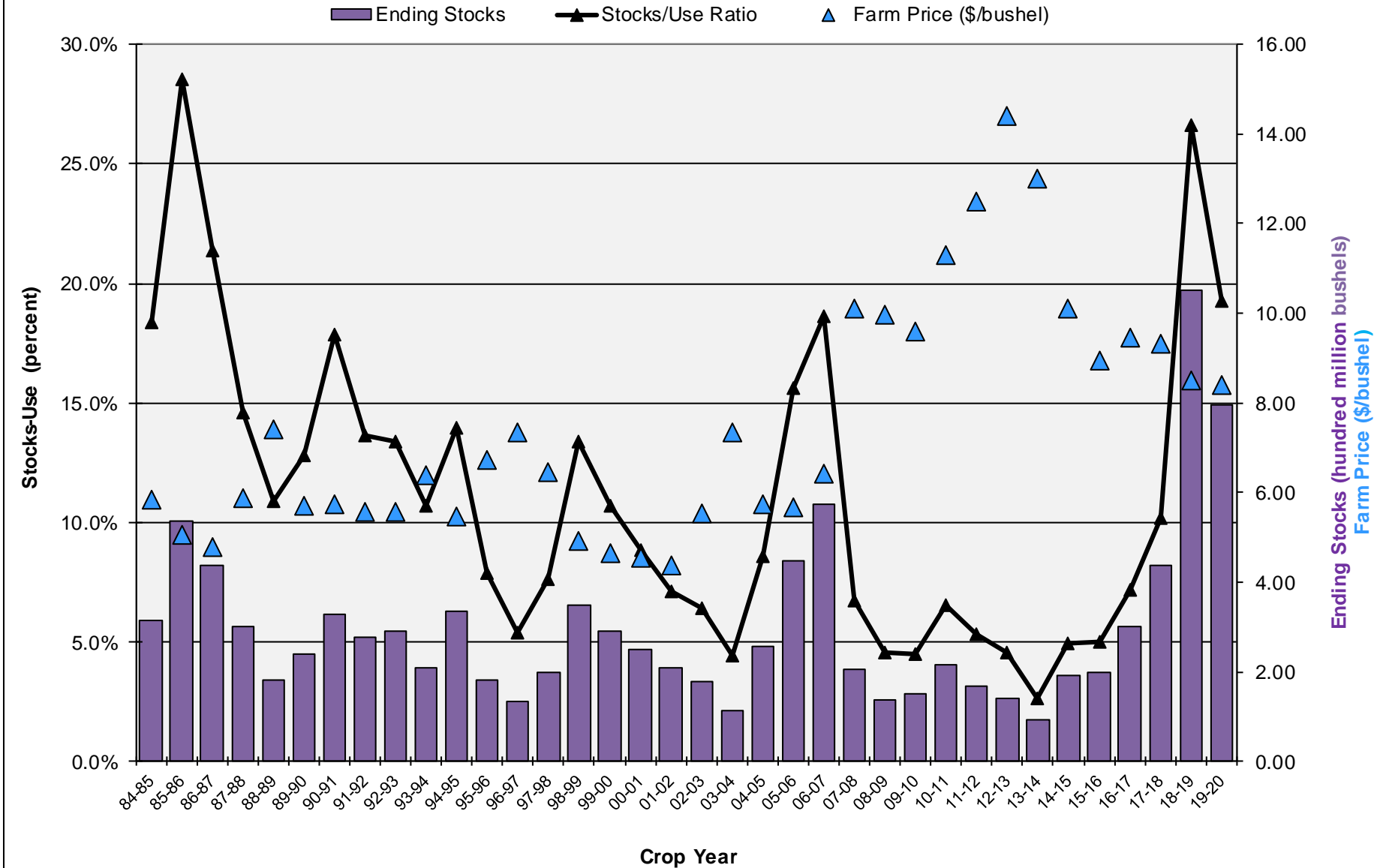
	13-14	14-15	15-16	16-17	17-18	USDA 18-19	DCA 18-19	JULY USDA 19-20	DCA 19-20
Planted Acres	76.8	83.3	82.7	83.5	90.2	89.2	89.2	80.0	78.0
Harvested Acres	76.2	82.6	81.7	82.7	89.5	88.1	88.1	79.3	77.3
Percent Harvested	99.1	99.2	98.8	99.2	99.3	98.8	98.8	99.0	99.1
Yield	44.0	47.5	48.0	51.9	49.3	51.6	51.6	48.5	47.0
Sept 1 Stocks	141	92	191	197	302	438	438	1050	1059
<b>Production</b>	<b>3357</b>	<b>3928</b>	<b>3927</b>	<b>4296</b>	<b>4412</b>	<b>4544</b>	<b>4544</b>	<b>3845</b>	<b>3633</b>
Imports	72	33	24	22	22	17	17	20	18
<b>TOTAL SUPPLY</b>	<b>3569</b>	<b>4053</b>	<b>4141</b>	<b>4516</b>	<b>4735</b>	<b>4999</b>	<b>4999</b>	<b>4915</b>	<b>4710</b>
Crush	1734	1873	1886	1901	2055	2085	2085	2115	2100
Seed/Feed	97	96	97	105	104	93	95	96	95
Residual	9	51	19	42	5	72	60	34	33
Exports	1638	1842	1942	2166	2134	1700	1700	1875	1875
<b>TOTAL USAGE</b>	<b>3477</b>	<b>3863</b>	<b>3945</b>	<b>4214</b>	<b>4298</b>	<b>3949</b>	<b>3940</b>	<b>4120</b>	<b>4103</b>
<b>Ending Stocks</b>	<b>92</b>	<b>191</b>	<b>197</b>	<b>302</b>	<b>438</b>	<b>1050</b>	<b>1059</b>	<b>795</b>	<b>607</b>
Stocks/Use Ratio	2.6%	4.9%	5.0%	7.2%	10.2%	26.6%	26.9%	19.3%	14.8%
Loan Rate (\$/bushel)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Farm Price (\$/bushel)	\$13.00	\$10.10	\$8.95	\$9.47	\$9.33	\$8.50	\$8.55	\$8.40	\$9.20

Source: USDA & DC Analysis





# US Soybean Ending Stocks, Stocks Usage Ratio & Farm Price



Source: USDA & DC Analysis



# Brazil Real & Argentine Peso



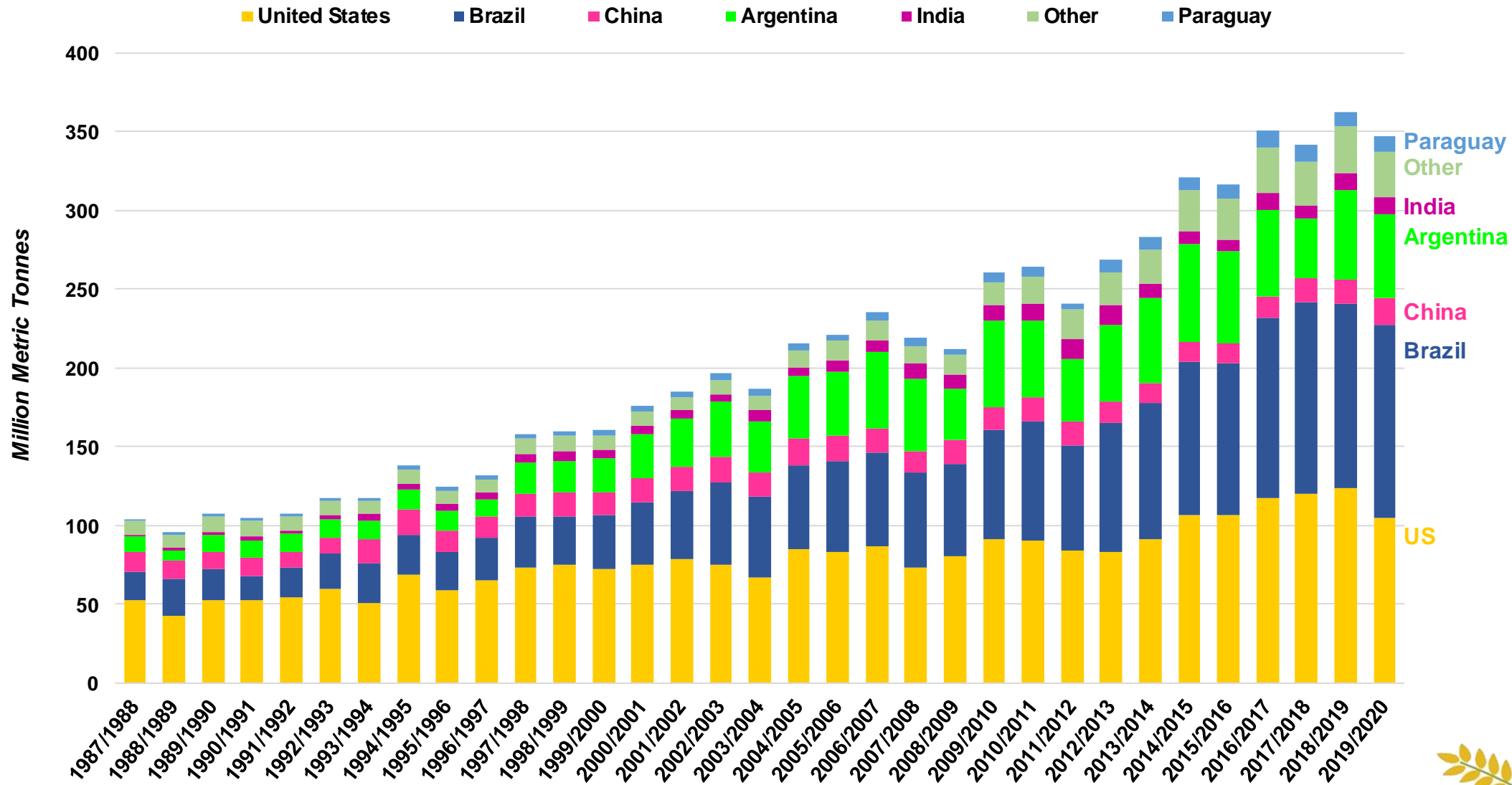
Source: Bloomberg Finance L.P. & DC Analysis



Source: Bloomberg Finance L.P. & DC Analysis



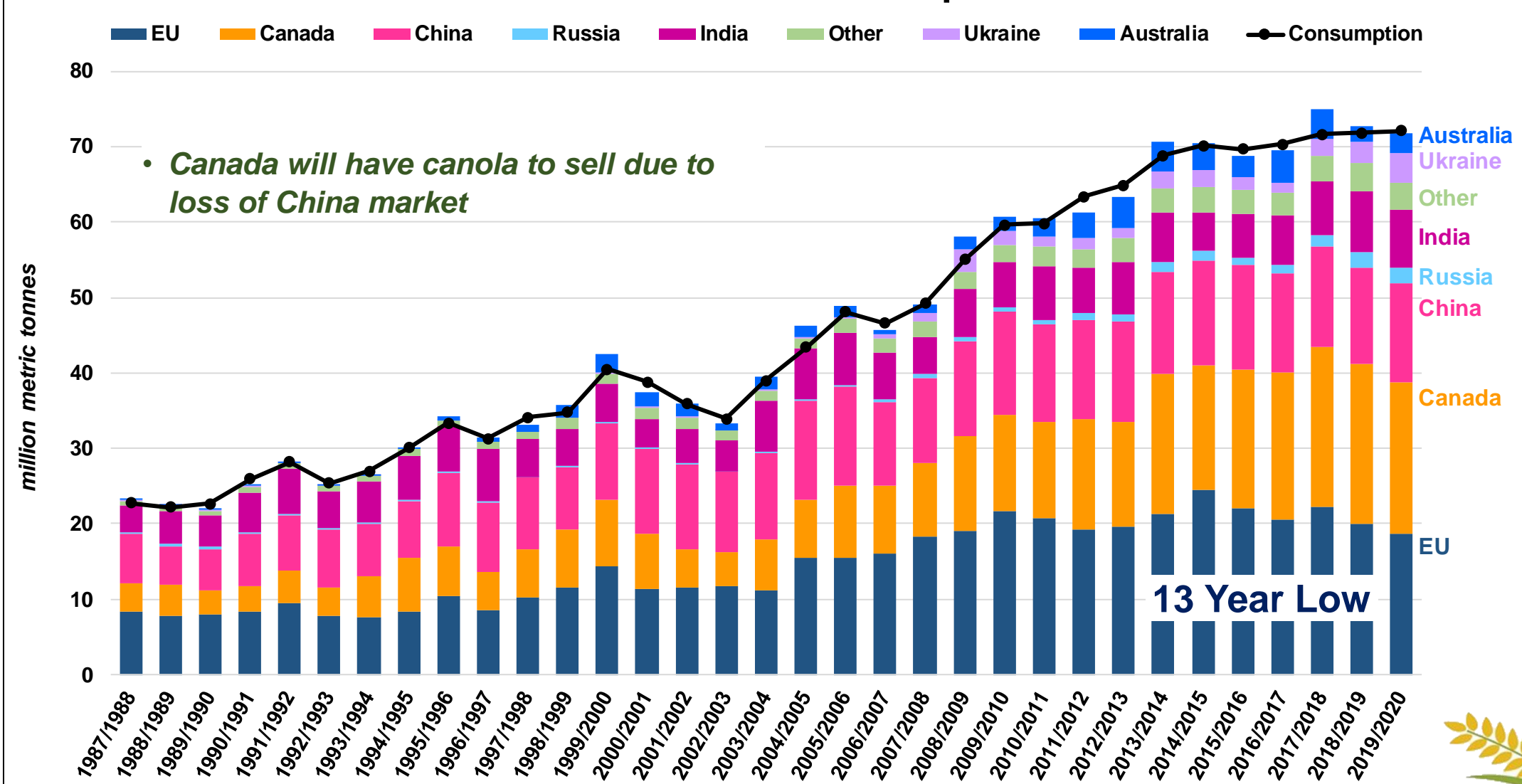
# World Soybean Production



Source: FAS & DC Analysis



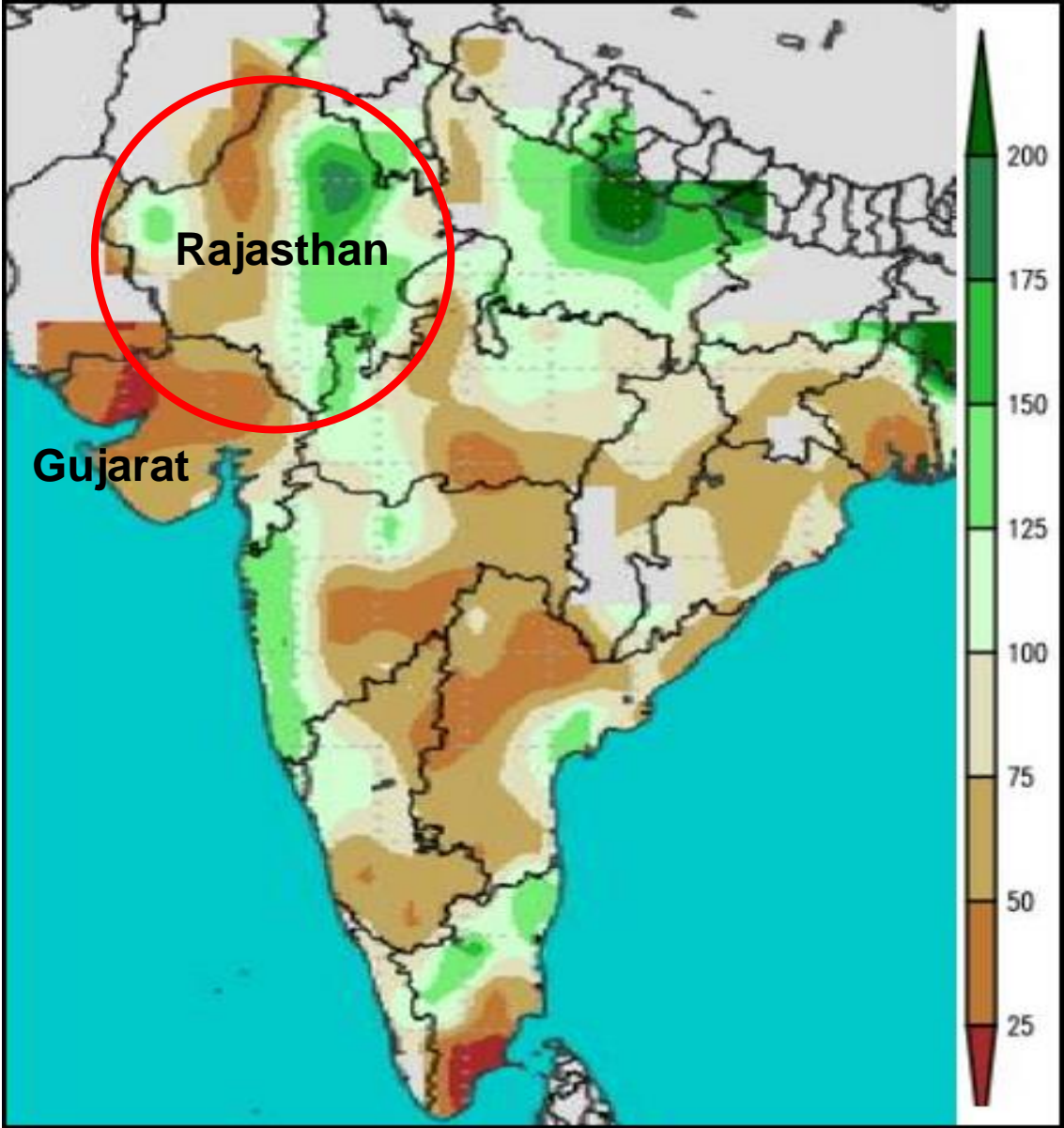
# World Canola Production by Major Producing Countries & World Canola Consumption



Source: FAS & DC Analysis



# India Kharif Pulse Area



Source: CWG & DC Analysis

