

Fall 2016 Crop Outlook Webinar

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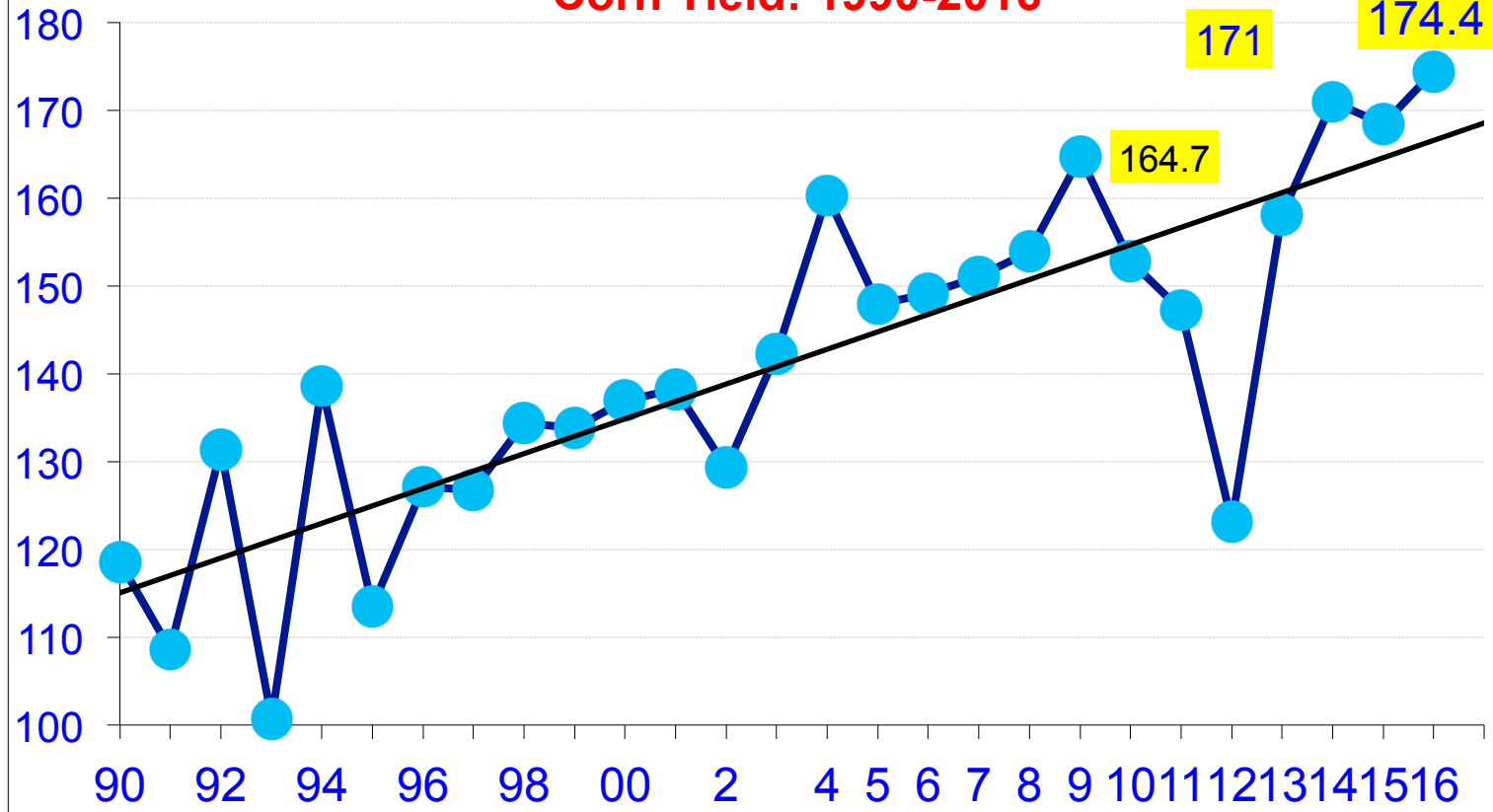
James Mintert, Professor & Director

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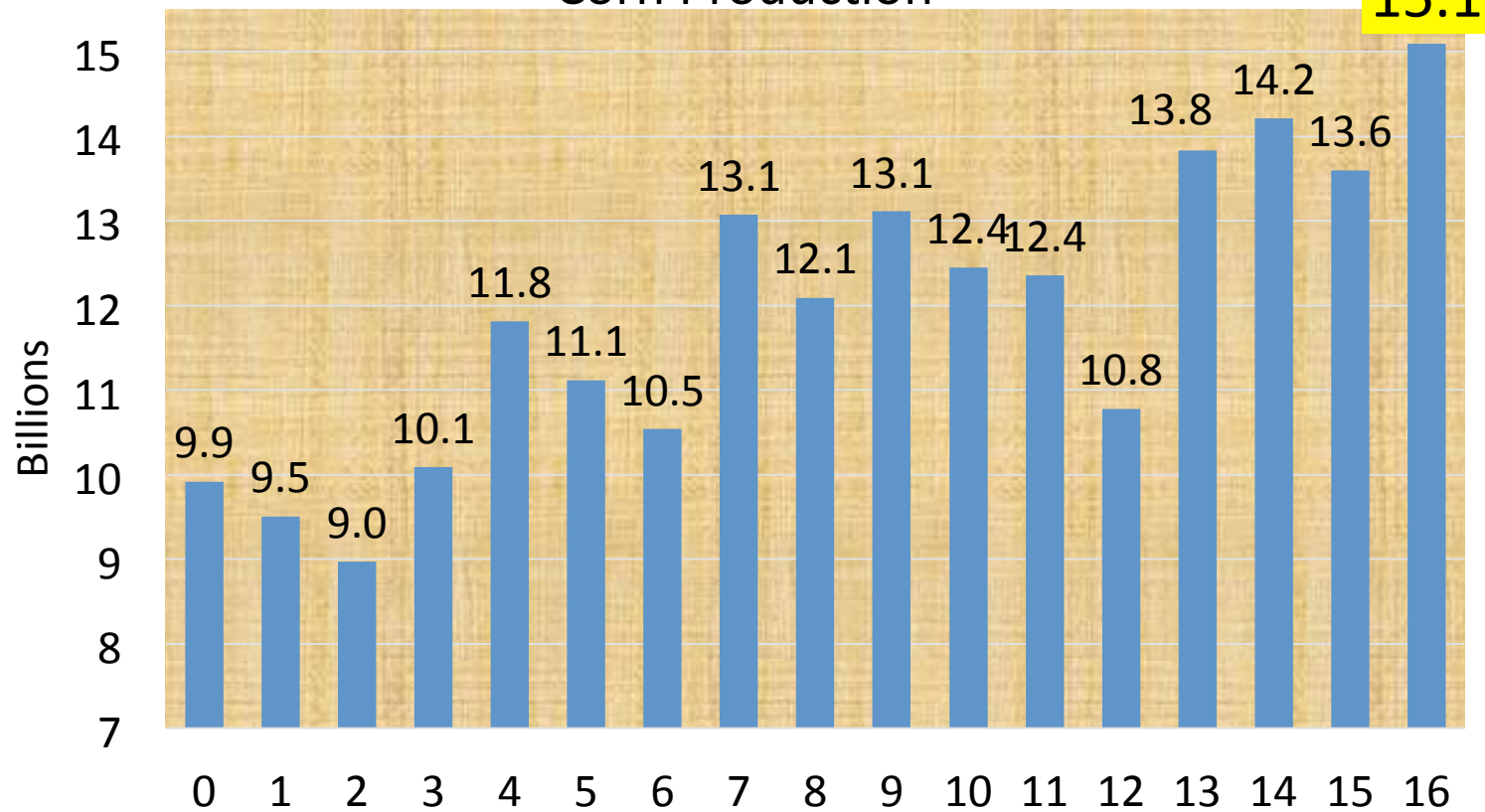
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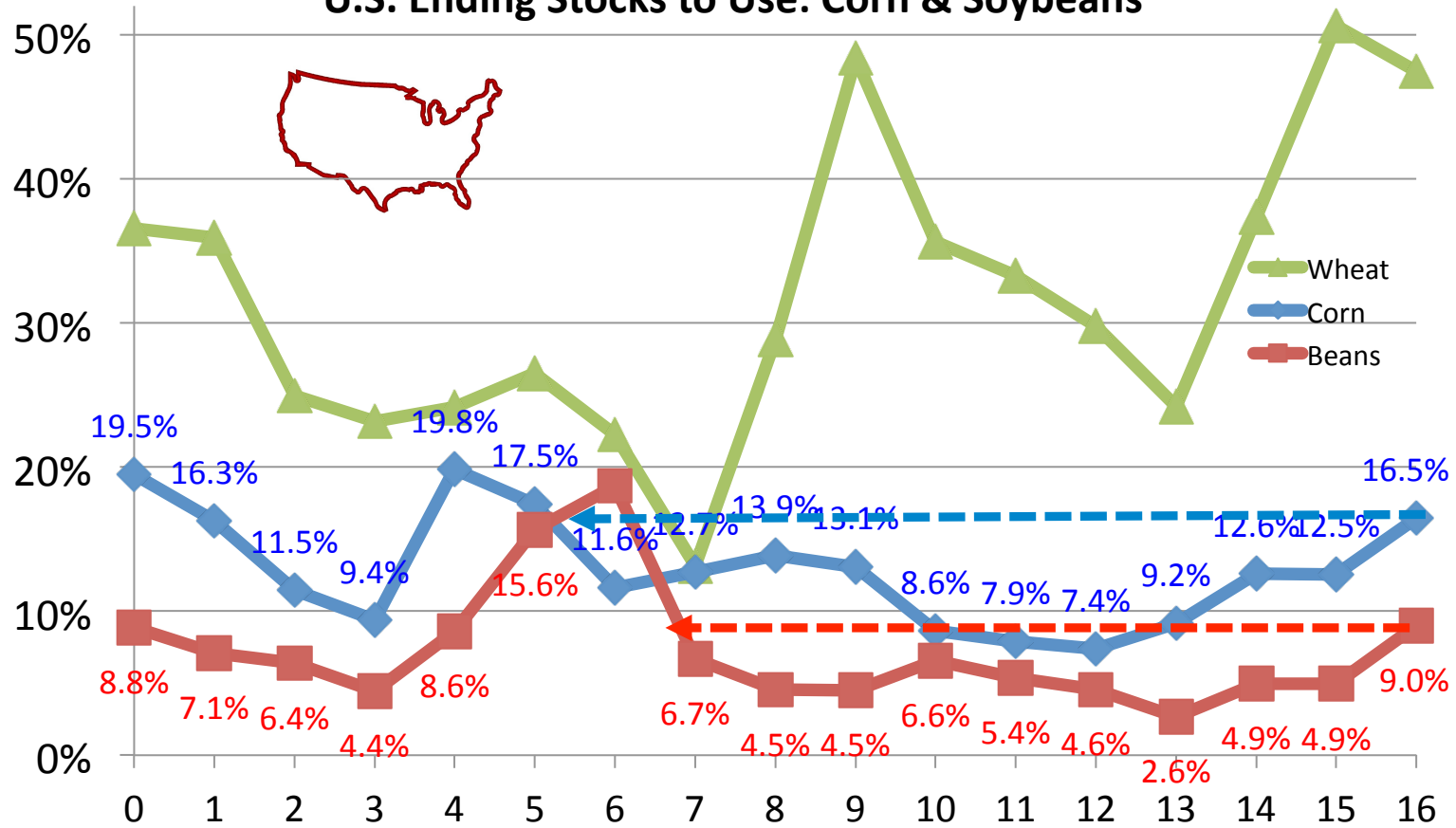
Corn Yield: 1990-2016



Corn Production



U.S. Ending Stocks to Use: Corn & Soybeans

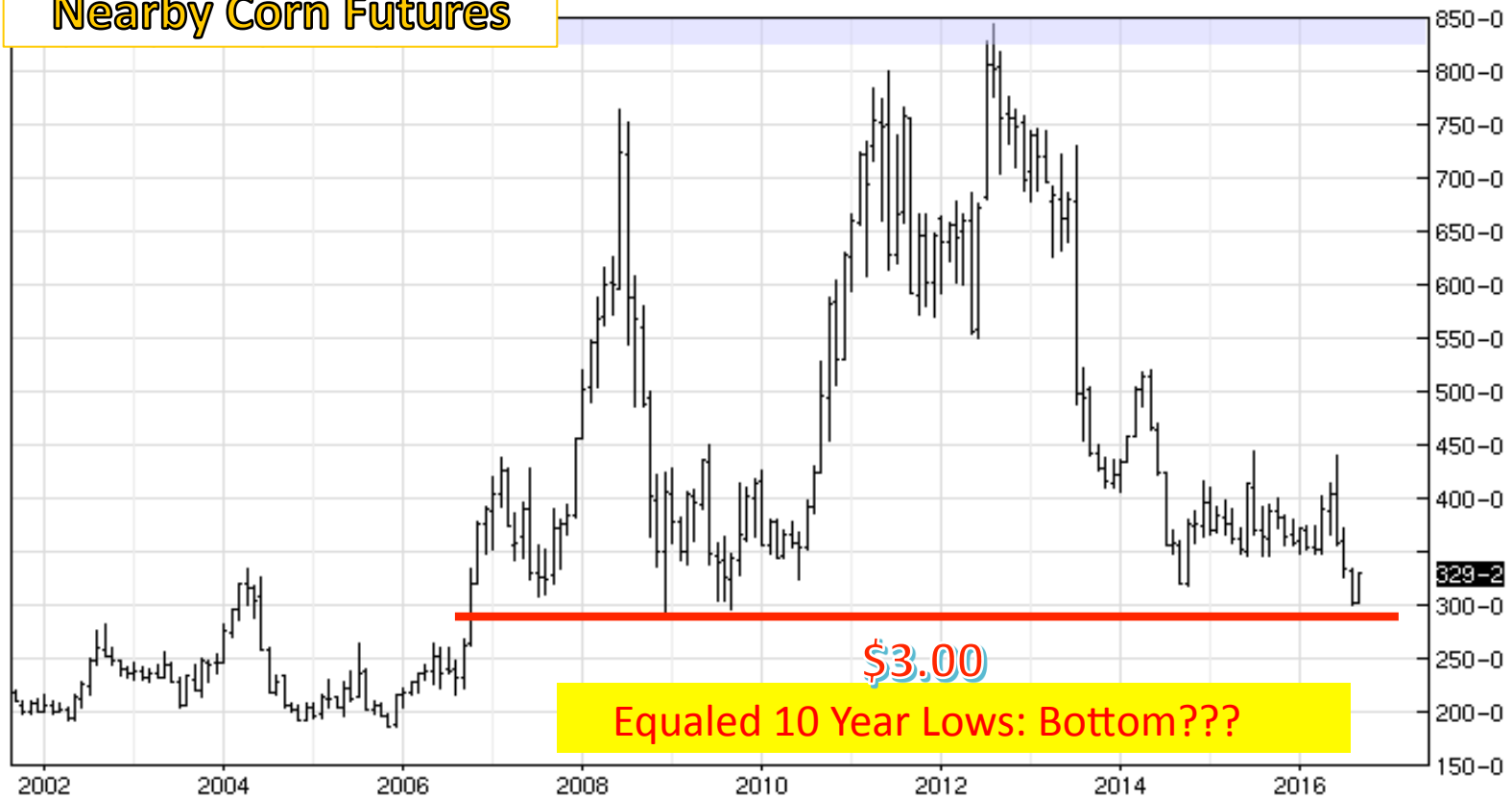


Corn: USDA					
9/12/16					USDA
	12/13	13/14	14/15	15/16	16/17

Carry In	989	821	1,232	1,731	1,716 (+10)
Production	10,755	13,829	14,216	13,601	15,093 (-60)
Total Supply	11,932	14,686	15,479	15,397	16,859
Feed	4,336	5,036	5,317	5,200	5,650 (-25)
FSI Non-Fuel	1,396	1,367	1,359	1,367	1,375
Ethanol	4,648	5,134	5,207	5,200	5,275
Exports	731	1,917	1,824	1,915(-10)	2,175
Total Use	11,111	13,454	13,748	13,682	14,475
Carry over	821	1,232	1,731	1,716 (+10)	2,384 (-25)
U.S. Price	\$6.89	\$4.46	\$3.70	\$3.60	\$3.20 (+.05)

\$2.90-\$3.50

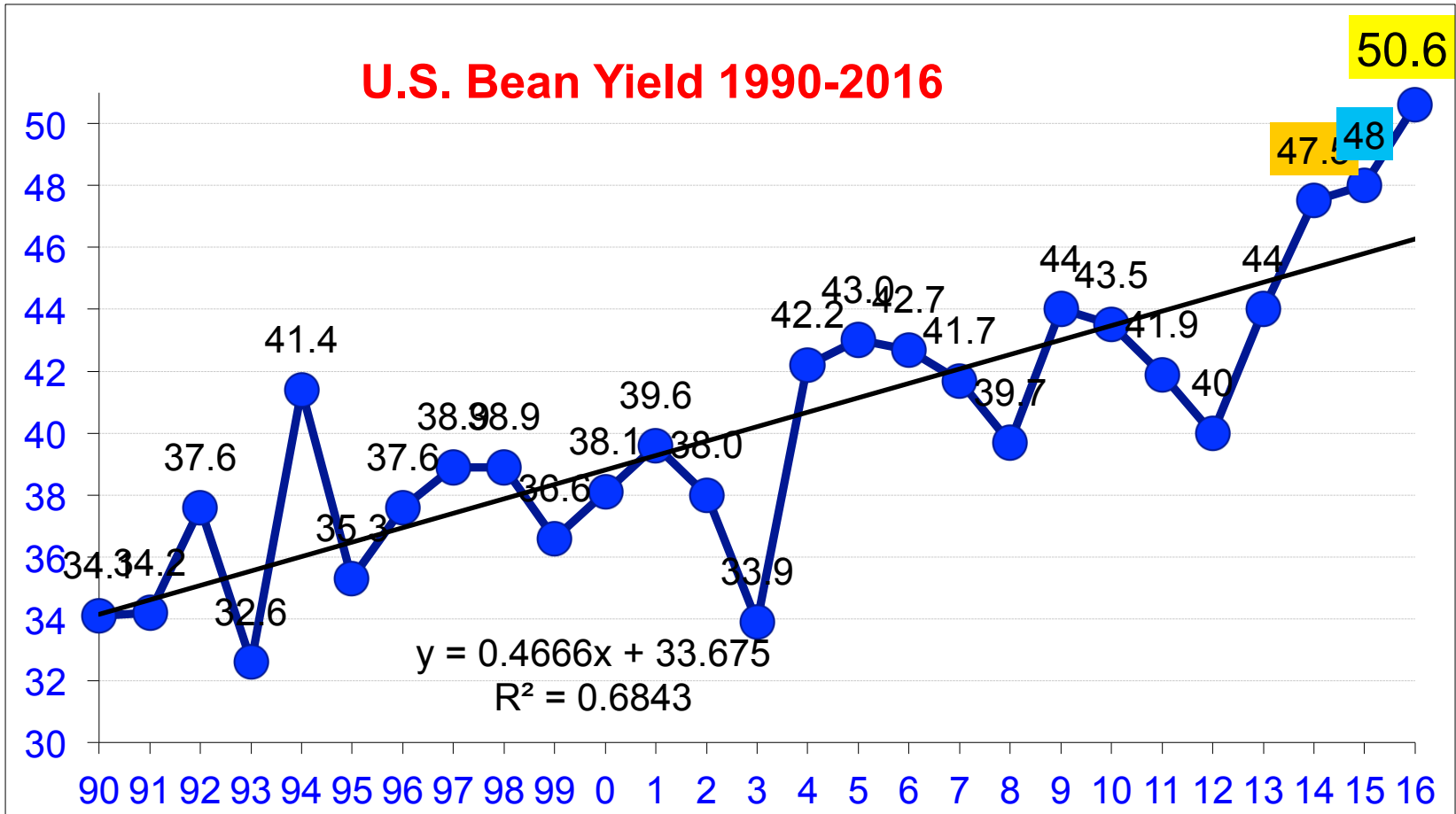
Nearby Corn Futures

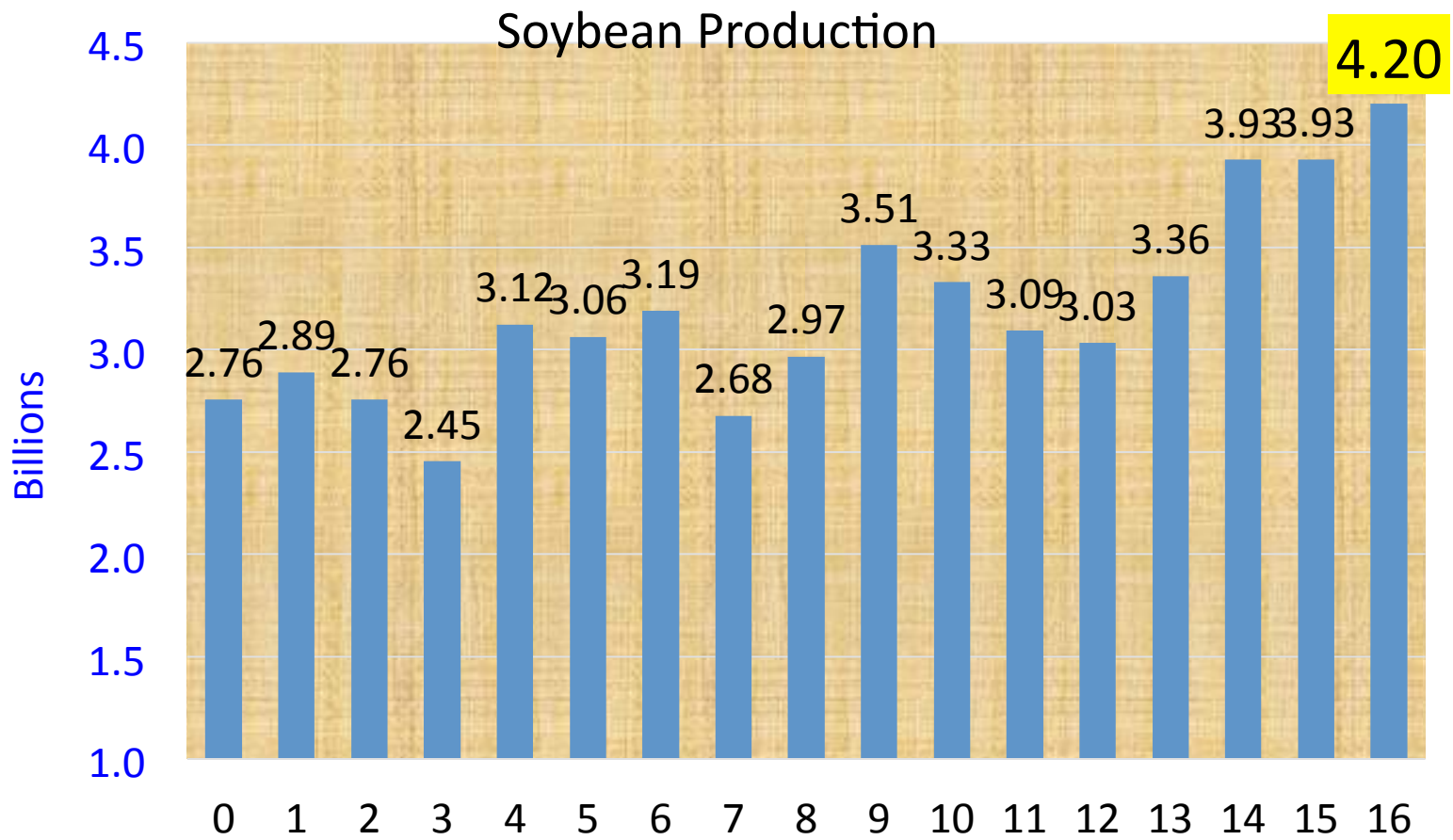


Corn Summary

- -Record large crop, but Record large usage
- -Growing inventories-highest in 11 years. USDA MYA price \$3.20
- -Indiana storage fully utilized
- -Some basis erosion if storage is short at harvest
- -Farmers expected to hold tightly at harvest
- -Market carry of about 37 cents per bushel into spring/summer
- -On-farm storage returns expected to be favorable
- -Price range of cash price from low-\$3.00 to \$3.70
- -Less corn in 2017 and 30-40 cent higher prices
- -Short Storage?? Corn storage returns expected to be higher for corn than soybeans

U.S. Bean Yield 1990-2016





Soybeans: USDA

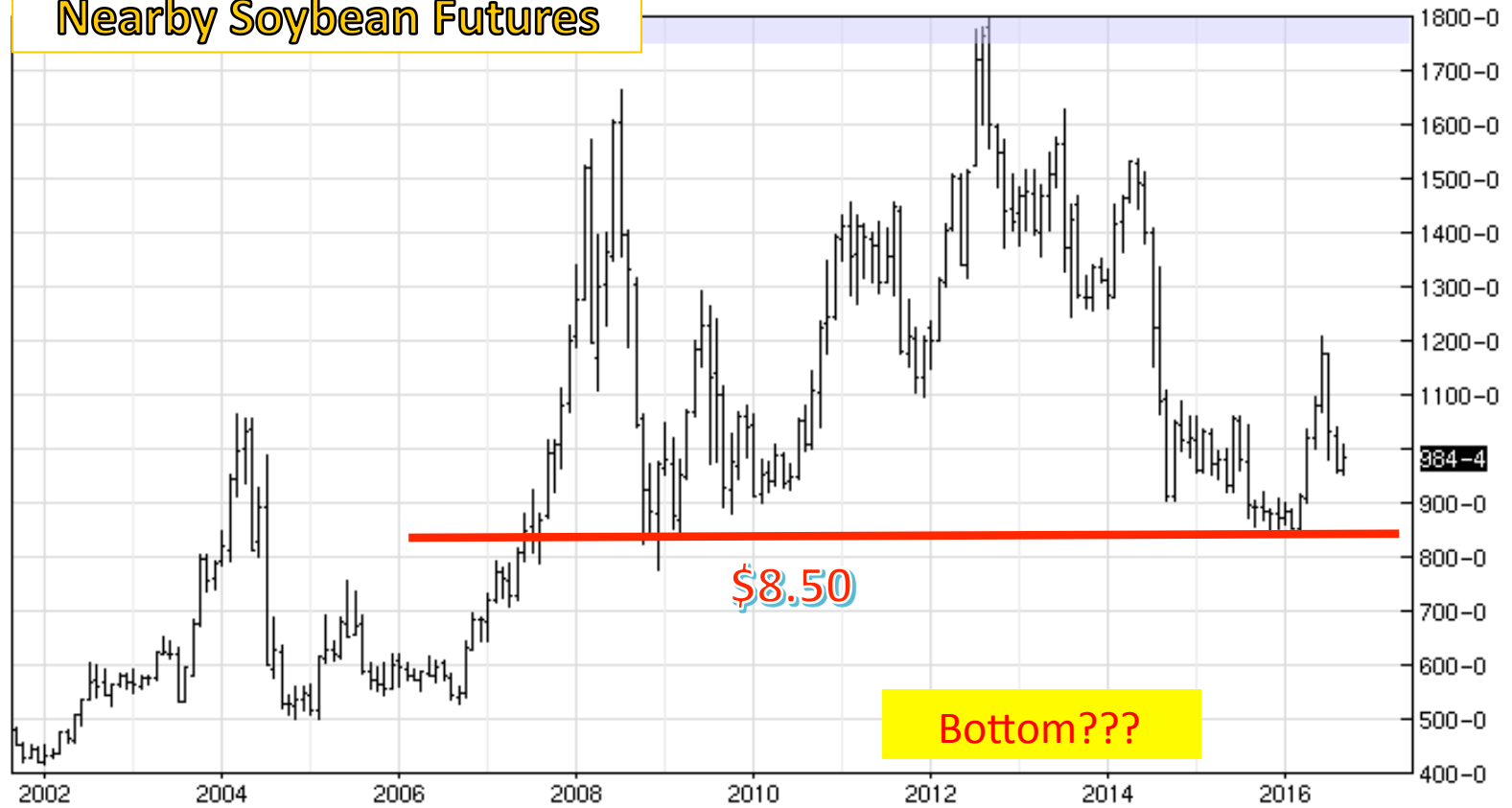
9/12/16

USDA

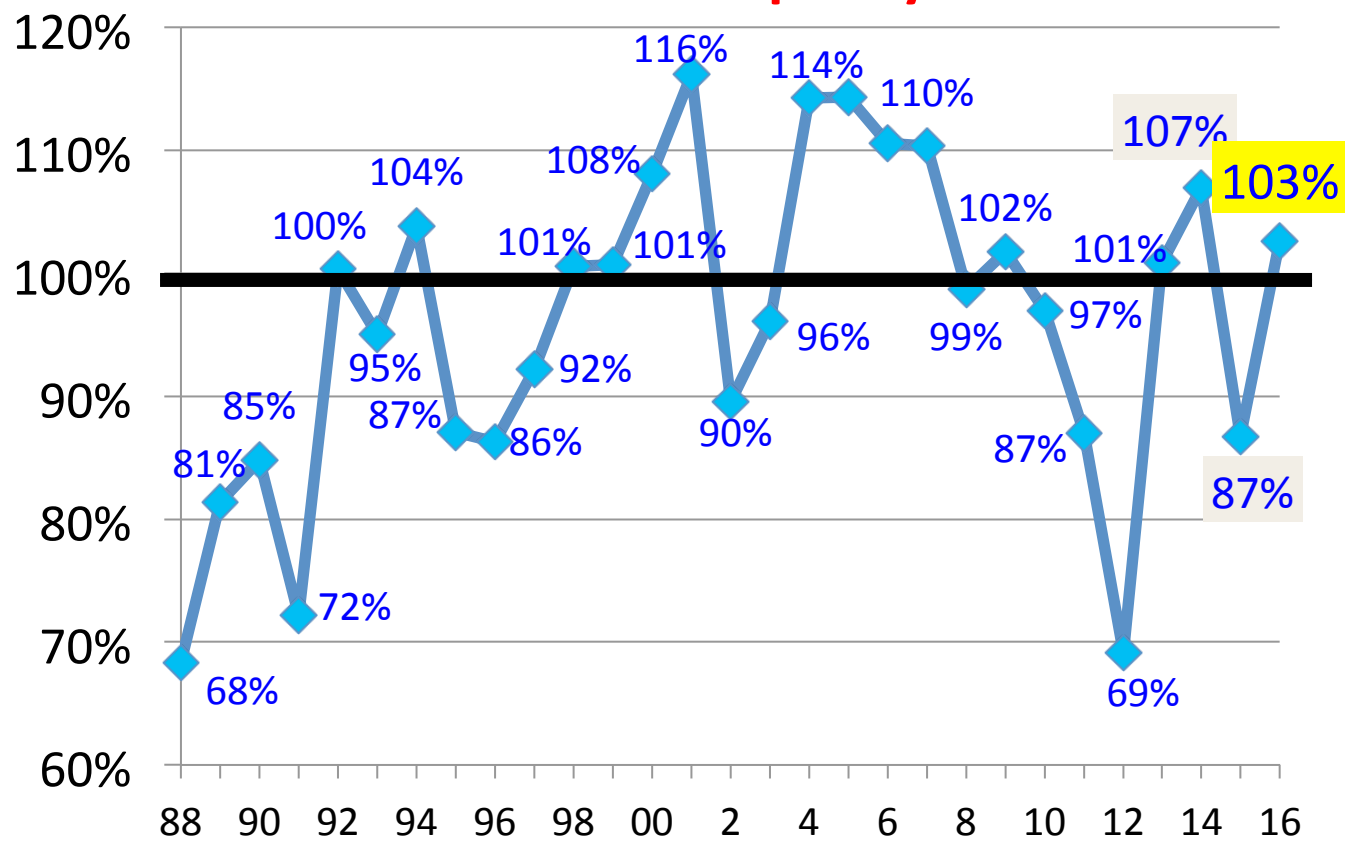
	12/13	13/14	14/15	15/16	16/17
Carry In	169	141	92	191	195 (-60)
Production	3,034	3,358	3,927	3,930	4,201 (+141)
Total Supply	3,239	3,570	4,052	4,145	4,426 (+80)
Seed & Res.	89	97	143	110	126
Crush	1,689	1,734	1,875	1,900	1,950 (+10)
Exports	1,320	1,647	1,843	1,940 (+60)	1,985 (+35)
Total Use	3,098	3,478	3,861	3,949	4,061 (+35)
Carry Over	141	92	191	195 (-60)	365 (+35)
U.S. Price	\$14.40	\$13.00	\$10.10	\$8.95	\$9.05 (-.05)

\$8.30-\$9.80

Nearby Soybean Futures

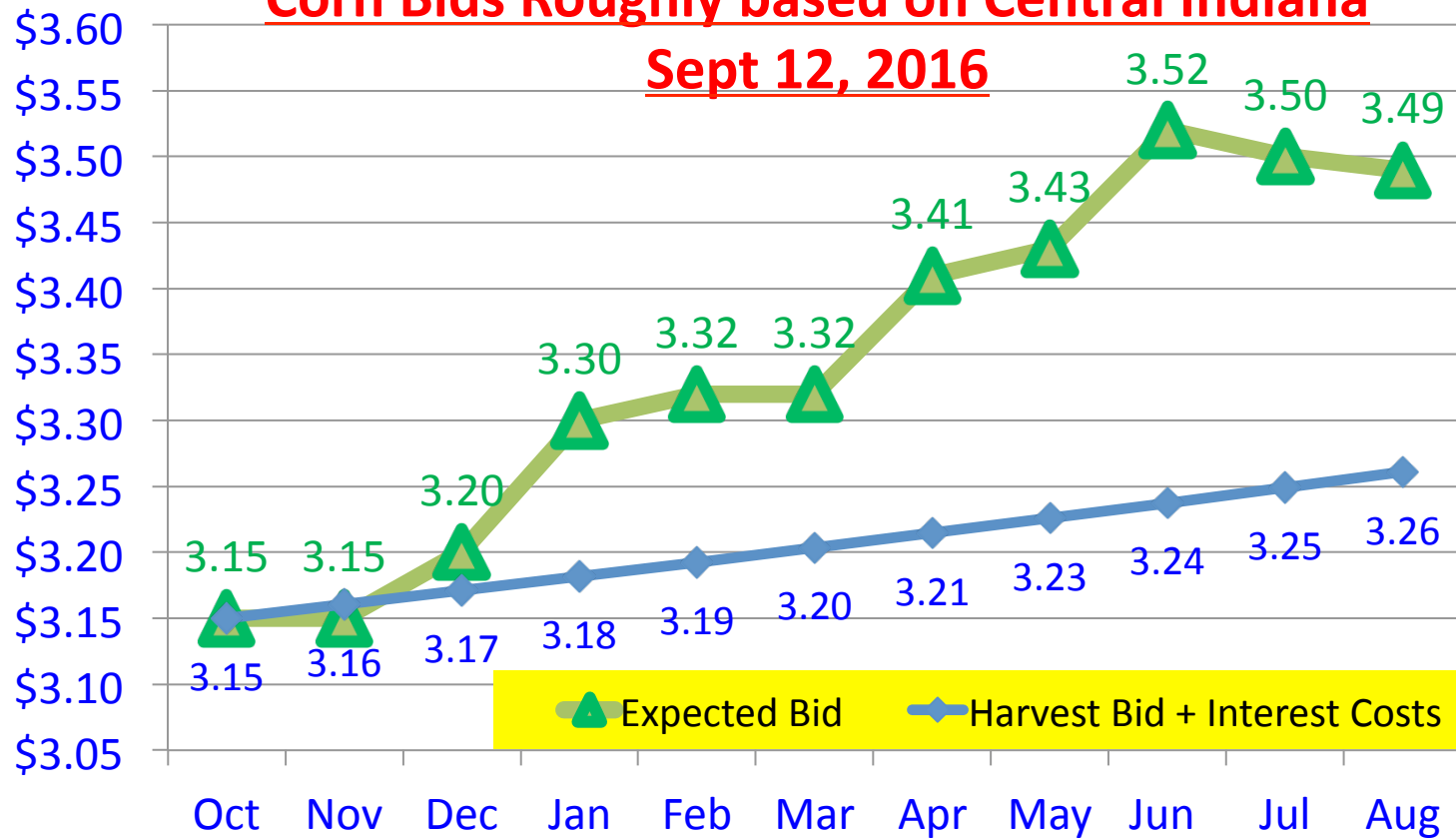


Indiana Grain Capacity Utilization

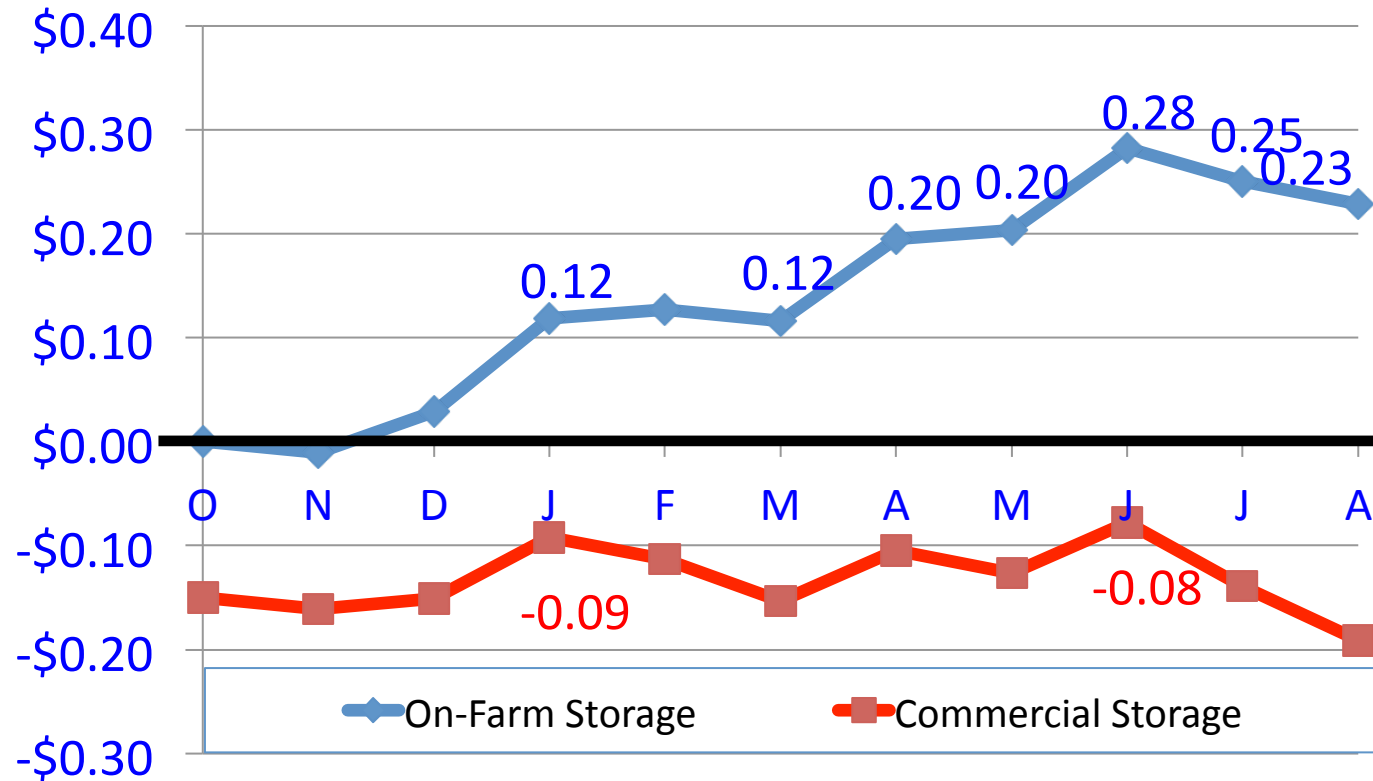


Corn Bids Roughly based on Central Indiana

Sept 12, 2016

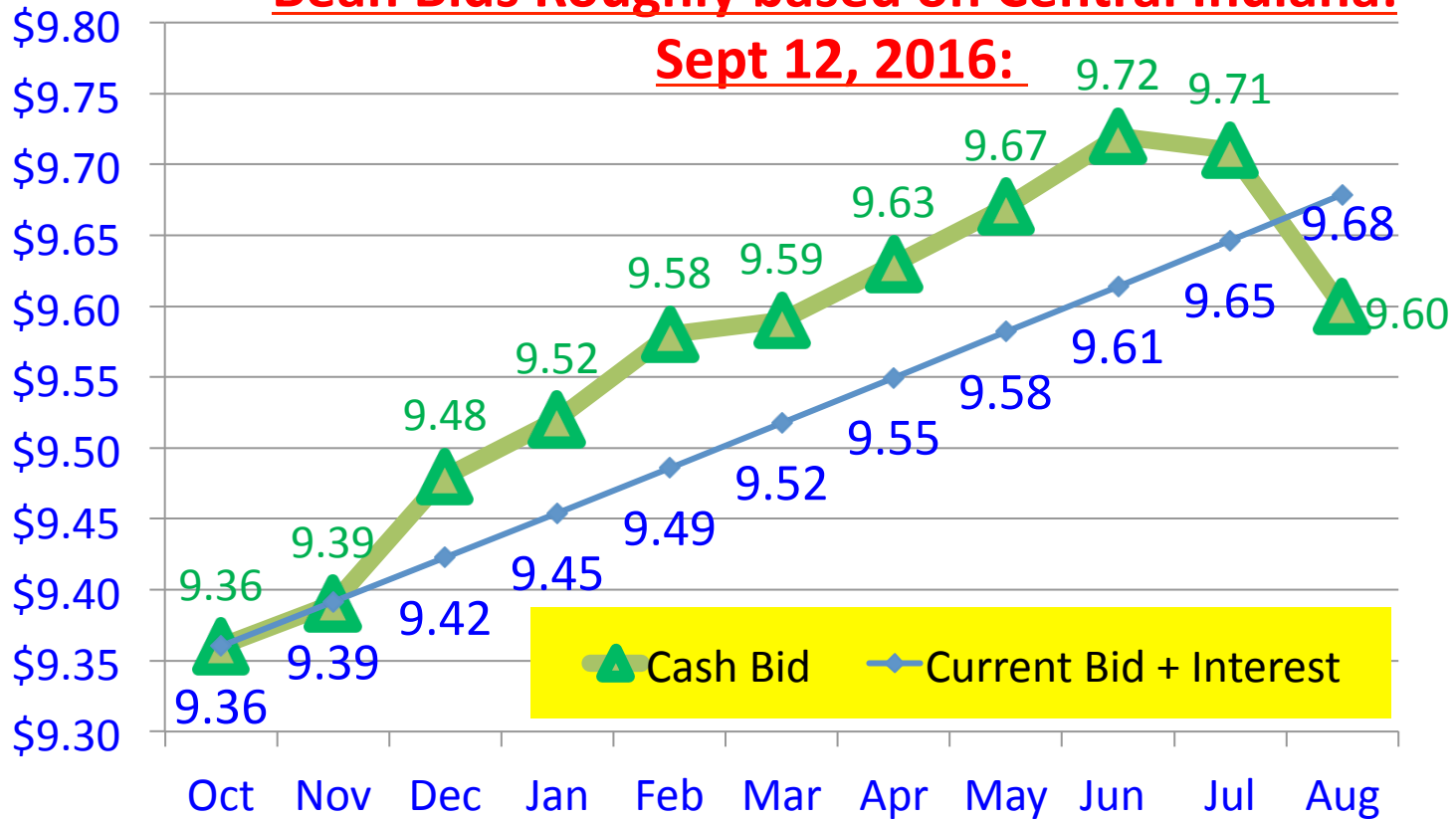


Estimated Net Corn Storage Returns:

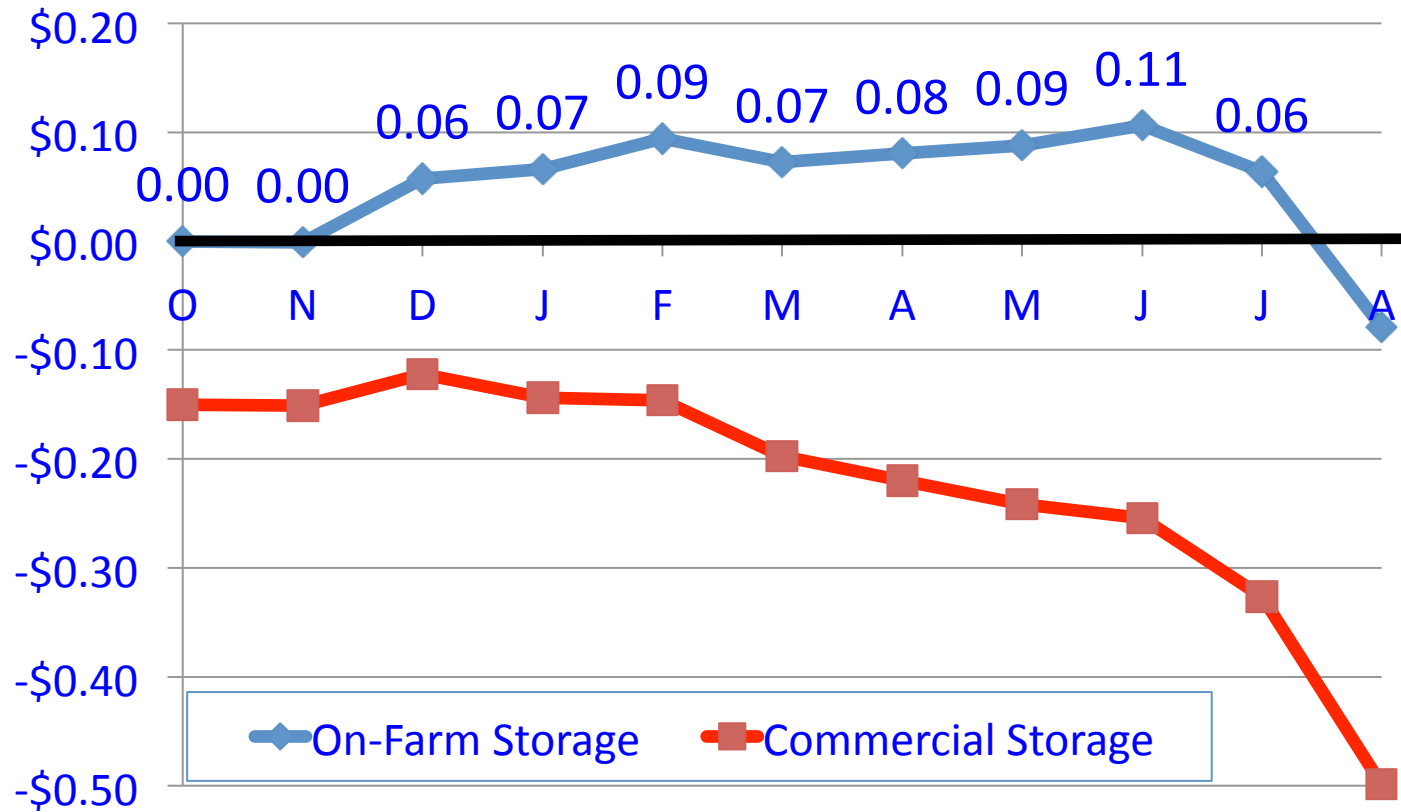


Bean Bids Roughly based on Central Indiana:

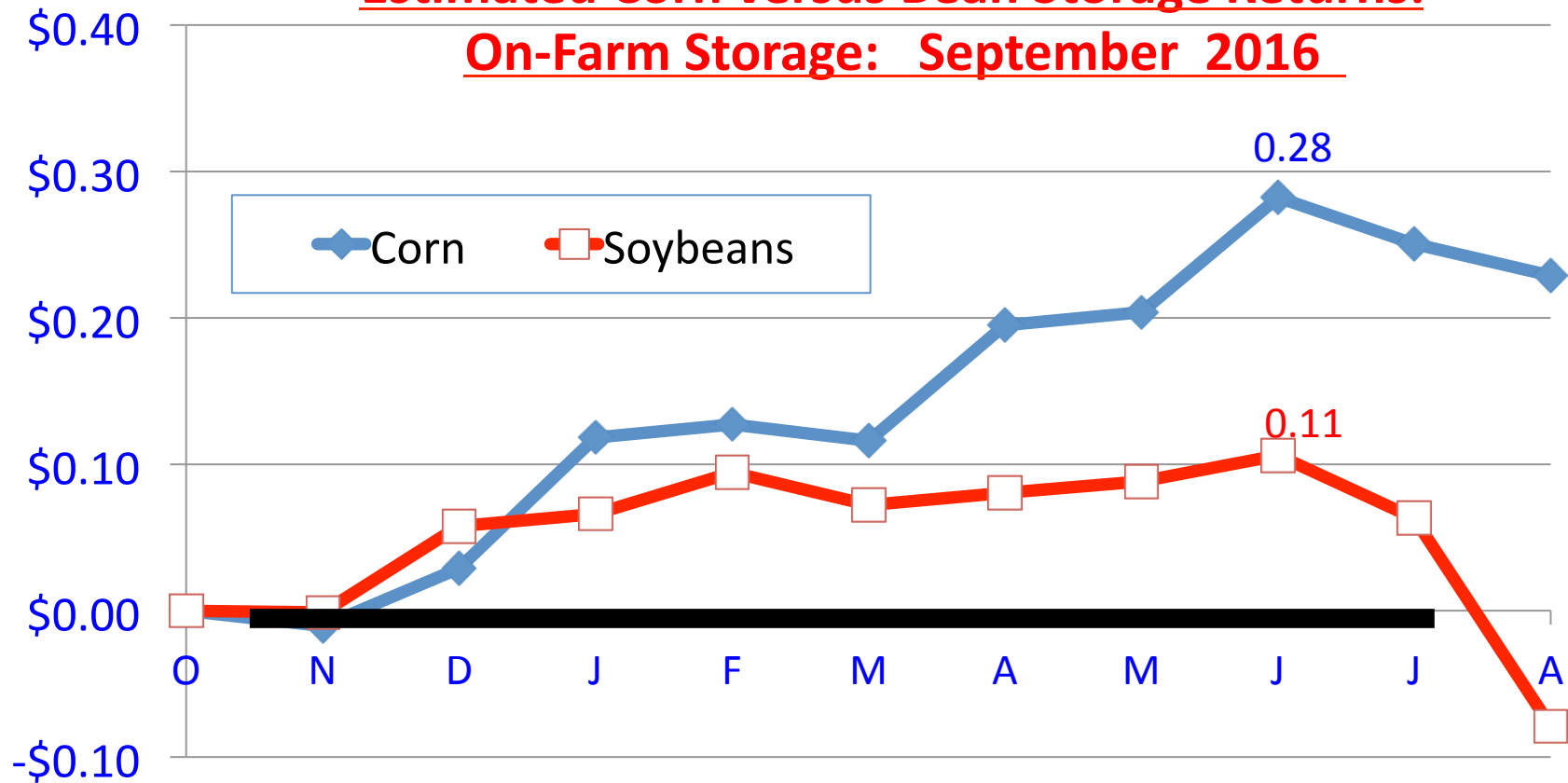
Sept 12, 2016:



Estimated Net Soybean Storage Returns:



Estimated Corn versus Bean Storage Returns: On-Farm Storage: September 2016



Soybean Summary

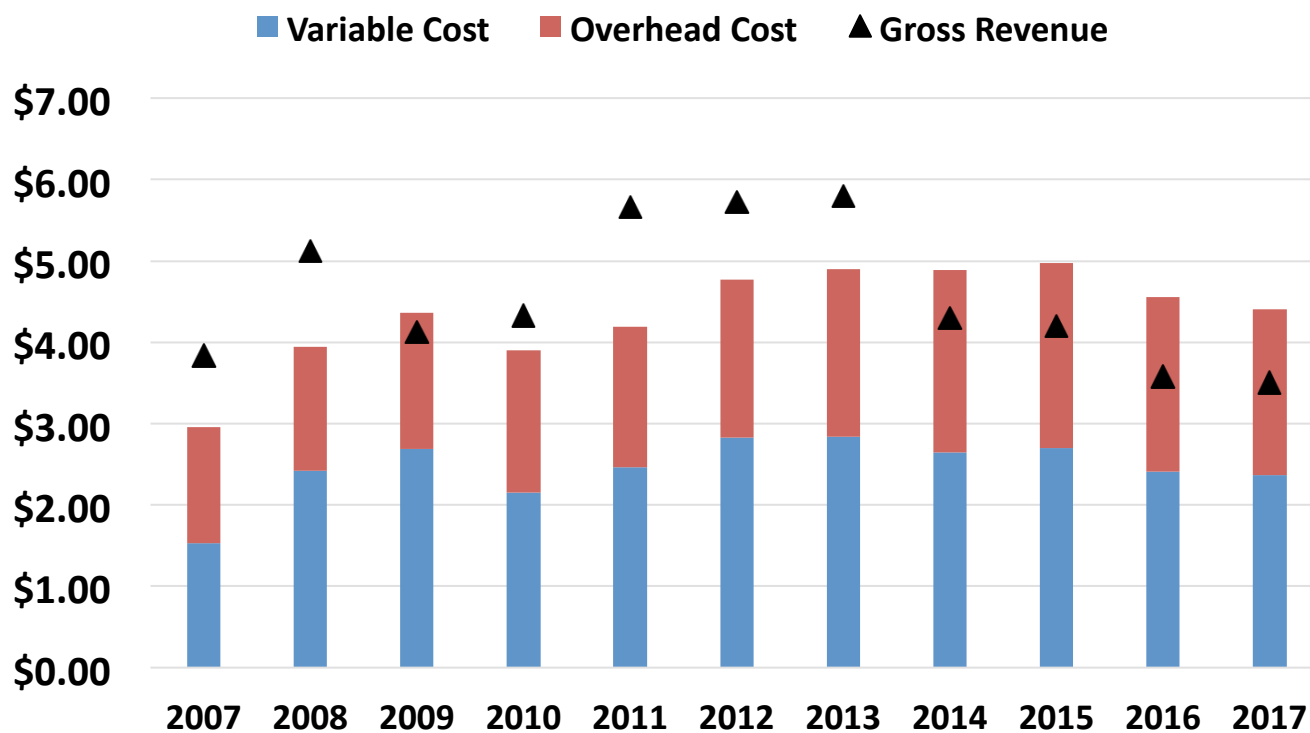
- -Huge record yield, record crop, and record usage
- -Inventories growing to highest level in 10 years
- -USDA MYA U.S. price at \$9.05
- -Exports will be front end loaded: Compensate for S.A. losses
- -If S. American crop is normal bean prices could struggle after Feb
- -Market carry in soybeans about 35 cents to spring/summer
- -Current expected storage returns for on-farm storage modest
- -Possible price range high-\$8.00's to \$10.25
- -More bean acres in 2017 and 20 to 30 cents lower prices

Fertilizer Prices (\$ per Ton)

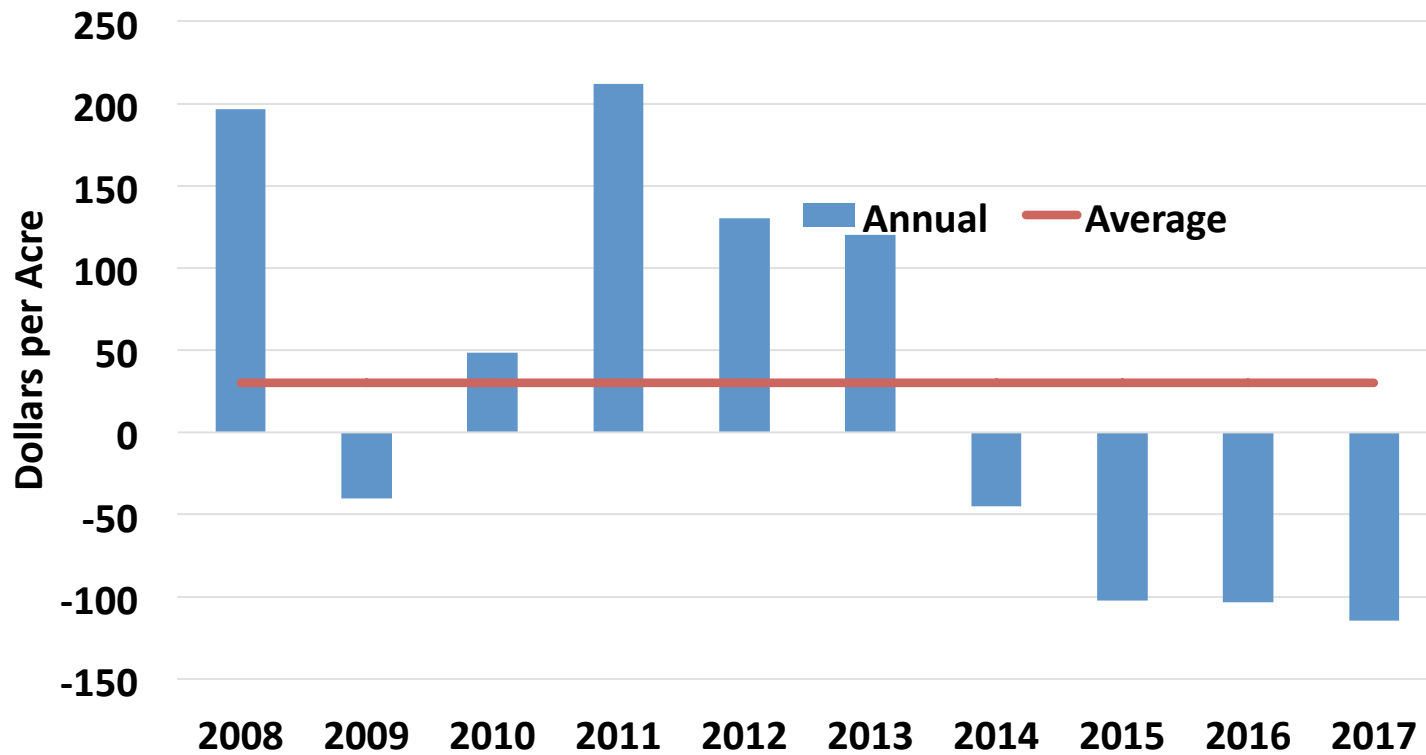
Source: USDA's *Illinois Production Cost Items Report*

Item	9/3/15	9/1/16	% Change
Anhydrous Ammonia	673.00	502.84	-25.3%
Urea	447.70	314.73	-29.7%
18-46-0	546.96	423.11	-22.6%
Potash	447.22	287.61	-35.7%

Variable Cost, Overhead Cost, and Gross Revenue per Bushel Rotation Corn in Indiana



Earnings per Acre for Corn/Soybean Rotation (Average Productivity Soil)



Corn Price Required to Generate Equivalent Corn and Soybean Returns @ Given Soybean Prices

Soybean Price	Low Productivity (C=132; SB=40)	Avg. Productivity (C=165; SB=50)	High Productivity (C=198; SB=60)
\$8.50	\$3.80	\$3.74	\$3.58
\$9.00	\$3.95	\$3.89	\$3.73
\$9.50	\$4.11	\$4.04	\$3.88
\$10.00	\$4.26	\$4.19	\$4.04
\$10.50	\$4.41	\$4.35	\$4.19
\$11.00	\$4.56	\$4.50	\$4.34

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