

Corn & Soybean Outlook: Following USDA's *Acreage* Report July 2 Edition

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The Crop Progress and Planted Acres Situation

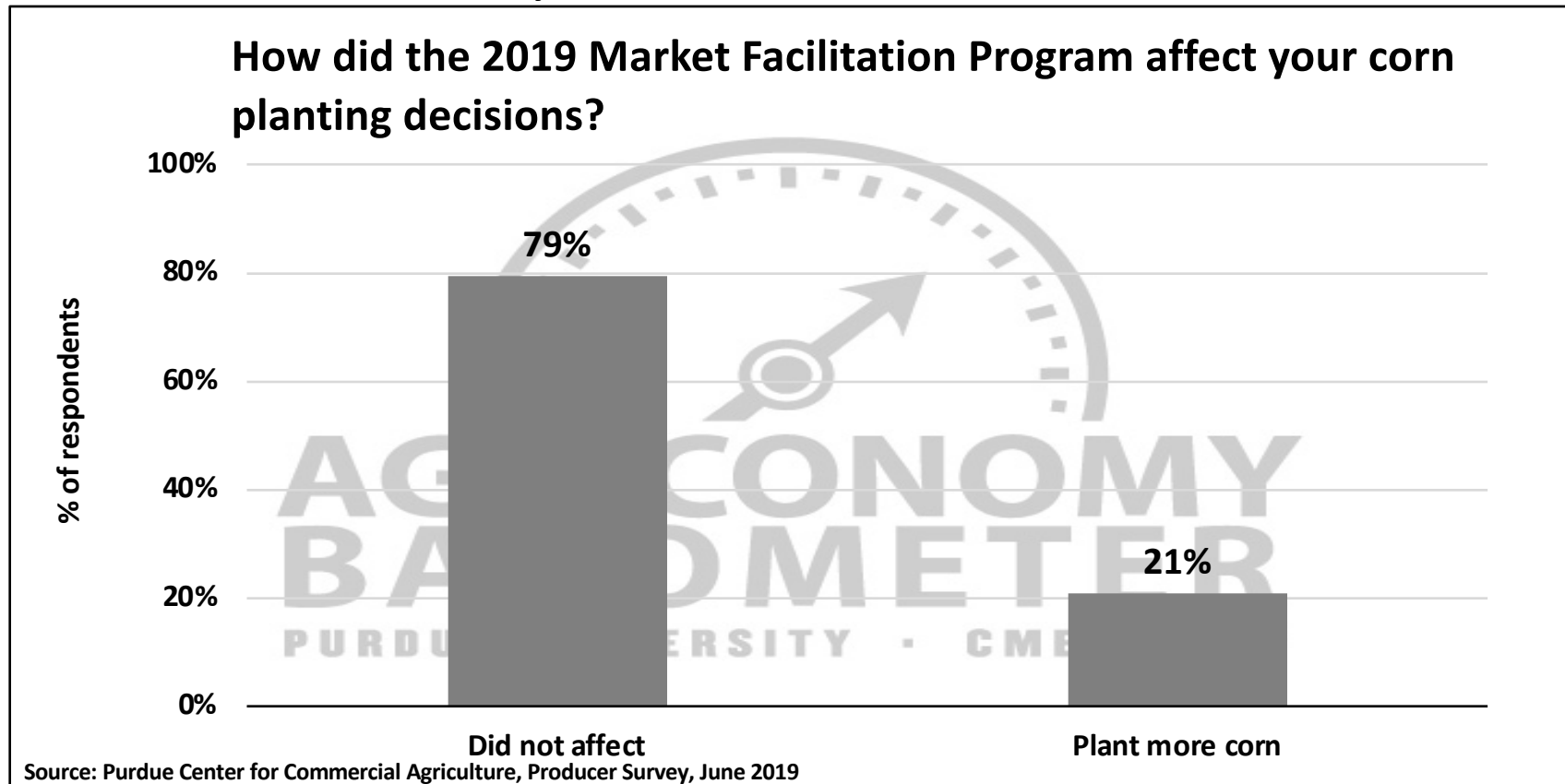
Based on USDA's *Crop Progress* reports, as of 6/9/19

1. Approximately 15.8 (17% of March intentions) million acres of intended U.S. corn acreage was not planted
2. Approximately 33.8 (40% of March intentions) million acres of intended U.S. soybean acreage not planted
3. After June 9th report, many *Crop Progress* reporters started to capture Prevented Planting acres as “planted” since farmers in some areas quit planting corn
4. How many of the “unplanted acres” either were actually planted (corn) or will be ultimately be planted (soybeans)?

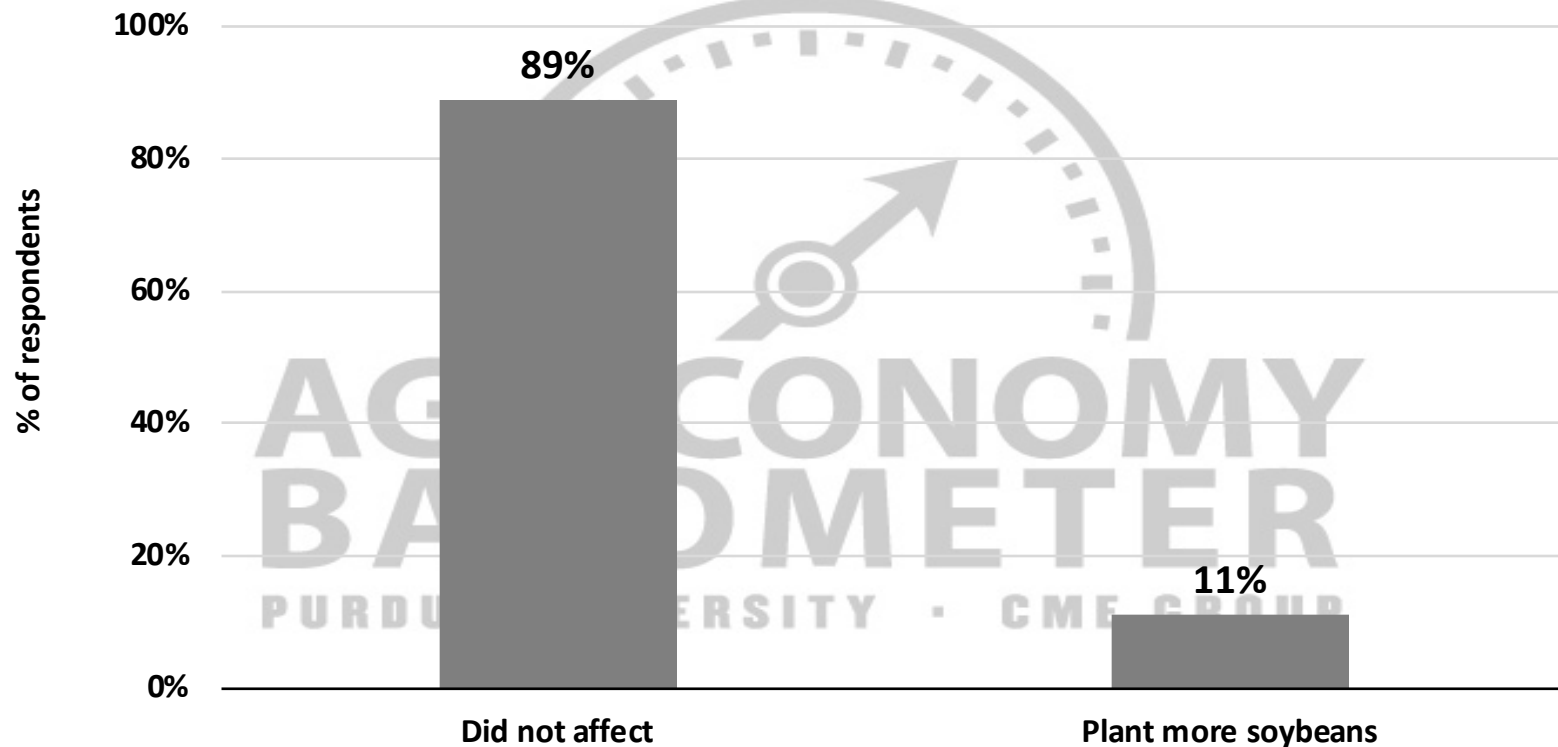
Data for USDA's June 1 *Acreage* report was collected from 5/30/19 through 6/14/19...so to some extent the report still reflected *Intentions to Plant*

Ag Economy Barometer Survey Results

Survey Conducted June 10-June 14, 2019

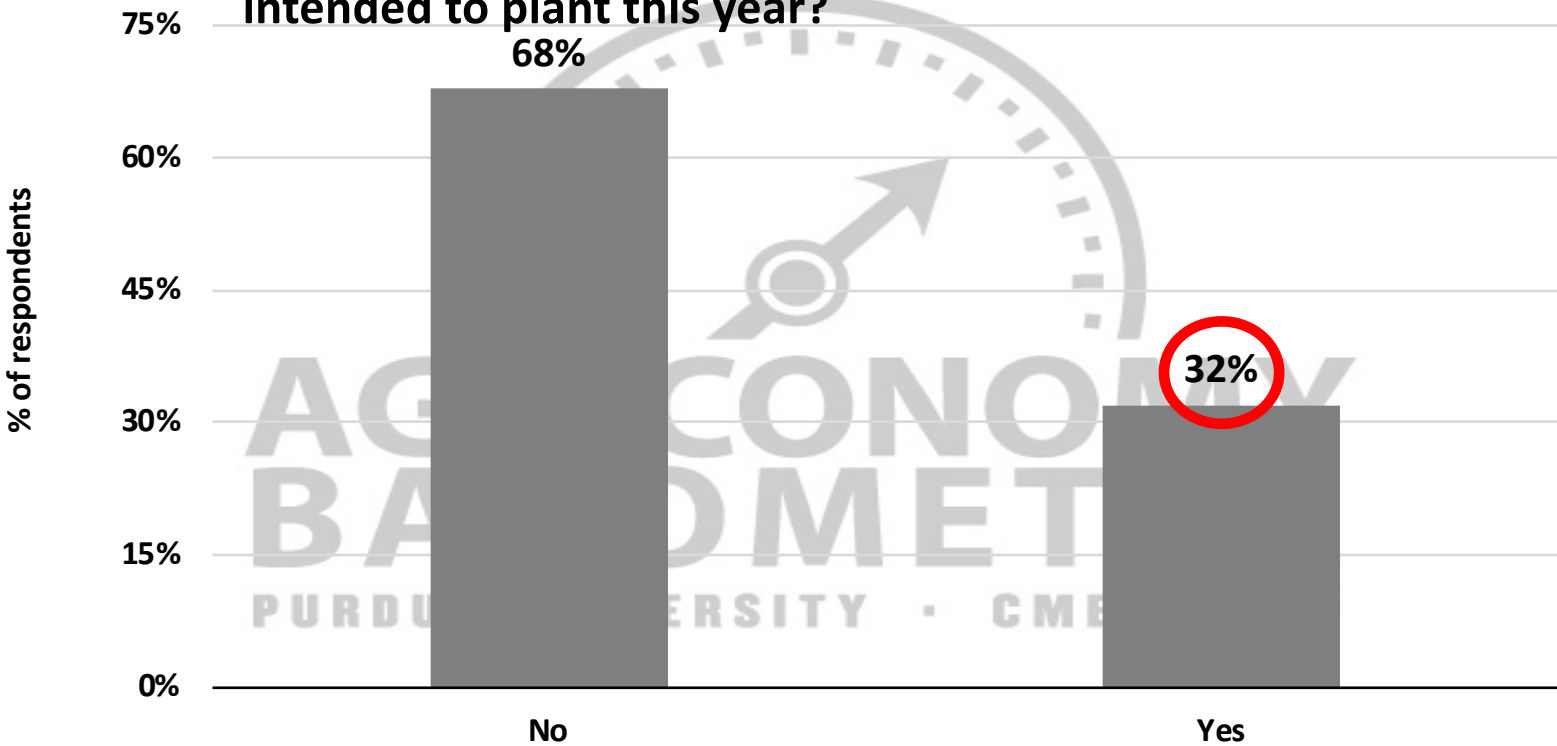


How did the 2019 Market Facilitation Program affect your soybean planting decisions?



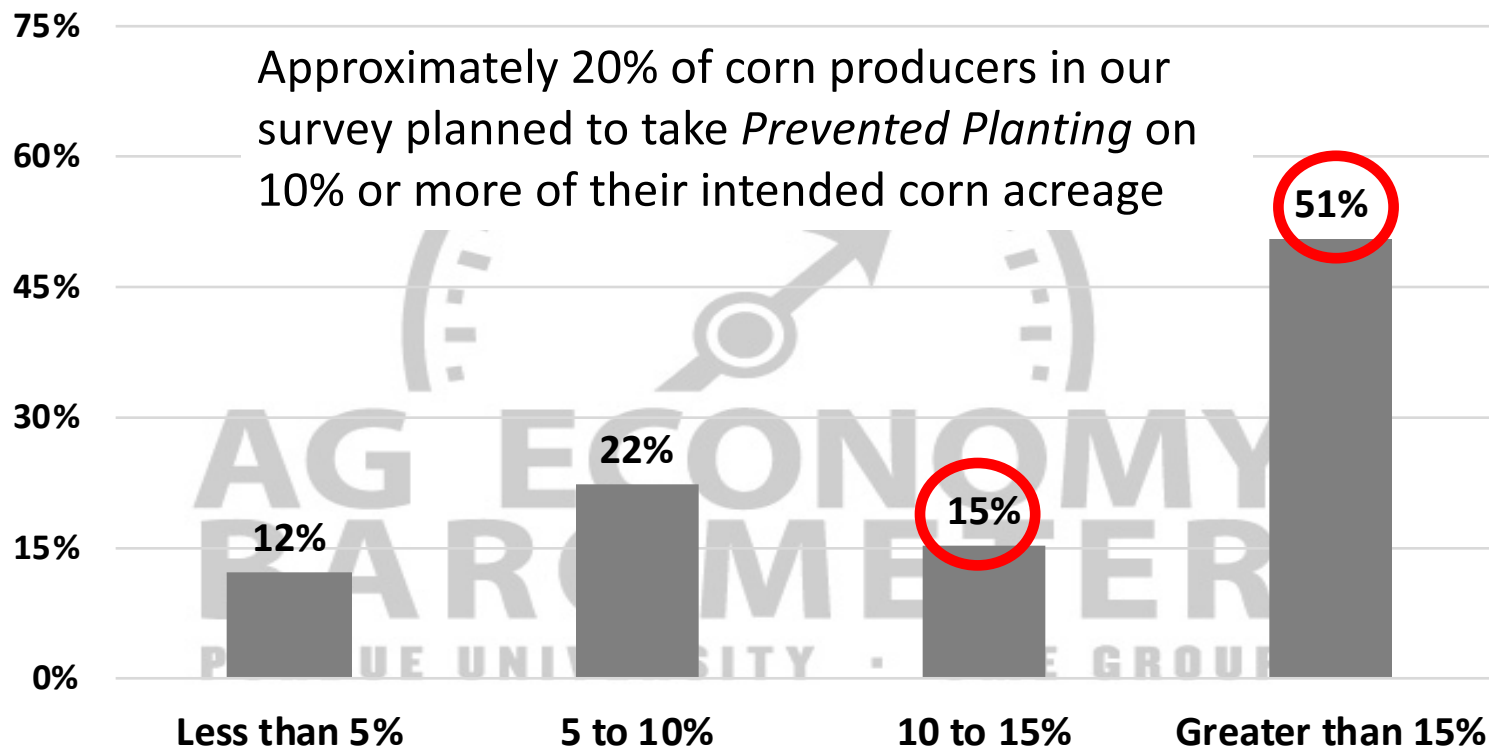
Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2019

Do you anticipate taking a Federal Crop Insurance Prevented Planting payment in 2019 on any of the corn acreage you intended to plant this year?



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2019

What percentage of your corn acreage do you expect to take a Federal Crop Insurance Prevented Planting payment on in 2019?



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2019

Percent of Acres Remaining To Be Planted

Source: USDA, Acreage report, released June 28, 2019

Crop	2015	2016	2017	2018	2019
Corn	1.7	1.4	2.0	1.6	16.7
Soybeans	15.5	12.4	10.9	8.5	41.2
Cotton	21.5	17.3	16.2	15.3	16.1
Other Spring Wheat	0.6	1.1	0.7	0.7	2.5
Durum Wheat	3.6	6.6	2.6	3.0	4.6
Sorghum	17.6	14.4	12.3	18.4	21.6

	U.S. Planted Acres (1,000s)			19 vs 18	19 vs 18	Trade Expected
	17	18	19	Change	Change %	
Corn	90,167	89,129	91,700	2,571	2.9%	87,000
Soybeans	90,162	89,196	80,040	-9,156	-10.3%	84,600
Wheat	46,052	47,800	45,609	-2,191	-4.6%	45,700
Cotton	12,718	14,100	13,720	-380	-2.7%	
Sorghum	5,629	5,690	5,125	-565	-9.9%	
Oats	2,589	2,746	2,549	-197	-7.2%	
Barley	2,486	2,543	2,857	314	12.3%	
Rice	2,463	2,946	2,756	-190	-6.4%	
Sunflower	1,403	1,301	1,380	79	6.1%	
Sum of 9 Major Crops	253,669	255,451	245,736	-9,715	-3.8%	

Principal Crop
Acres and Change

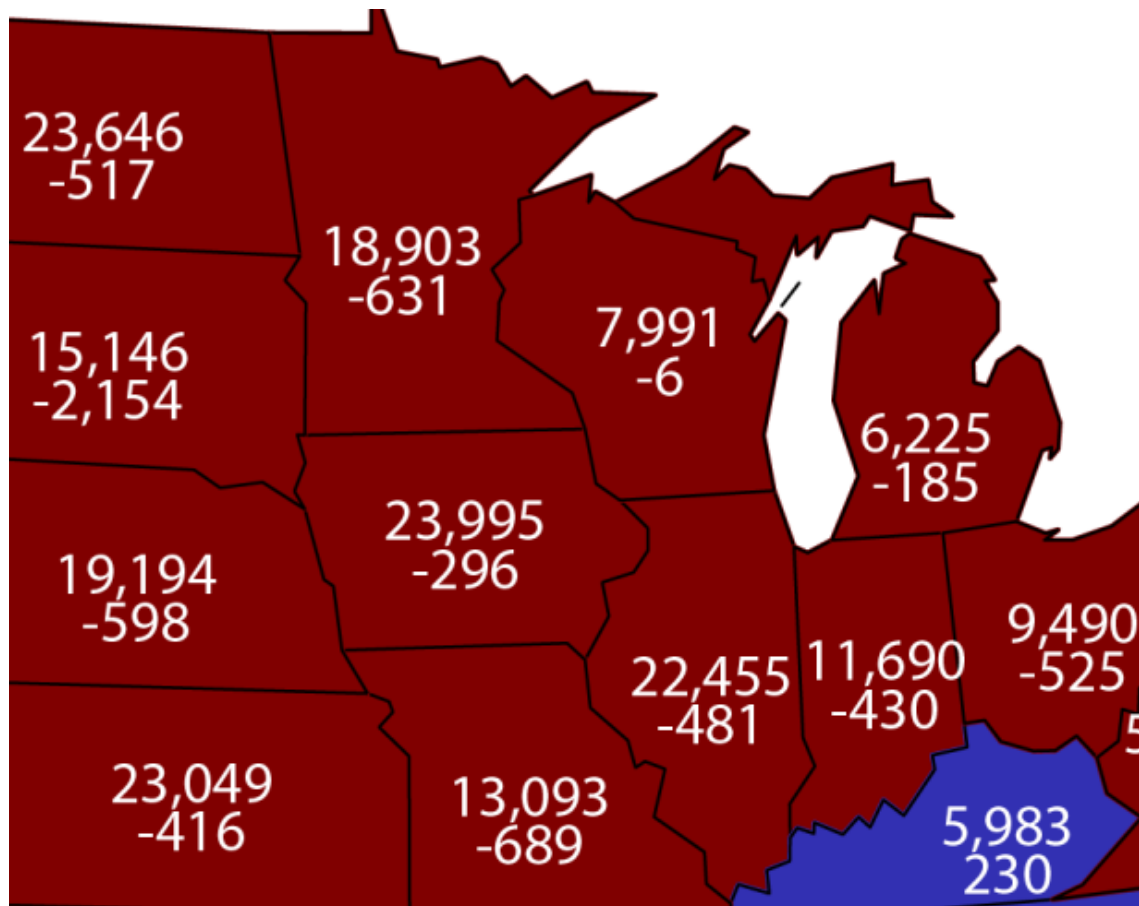
From 2018:

USDA-NASS

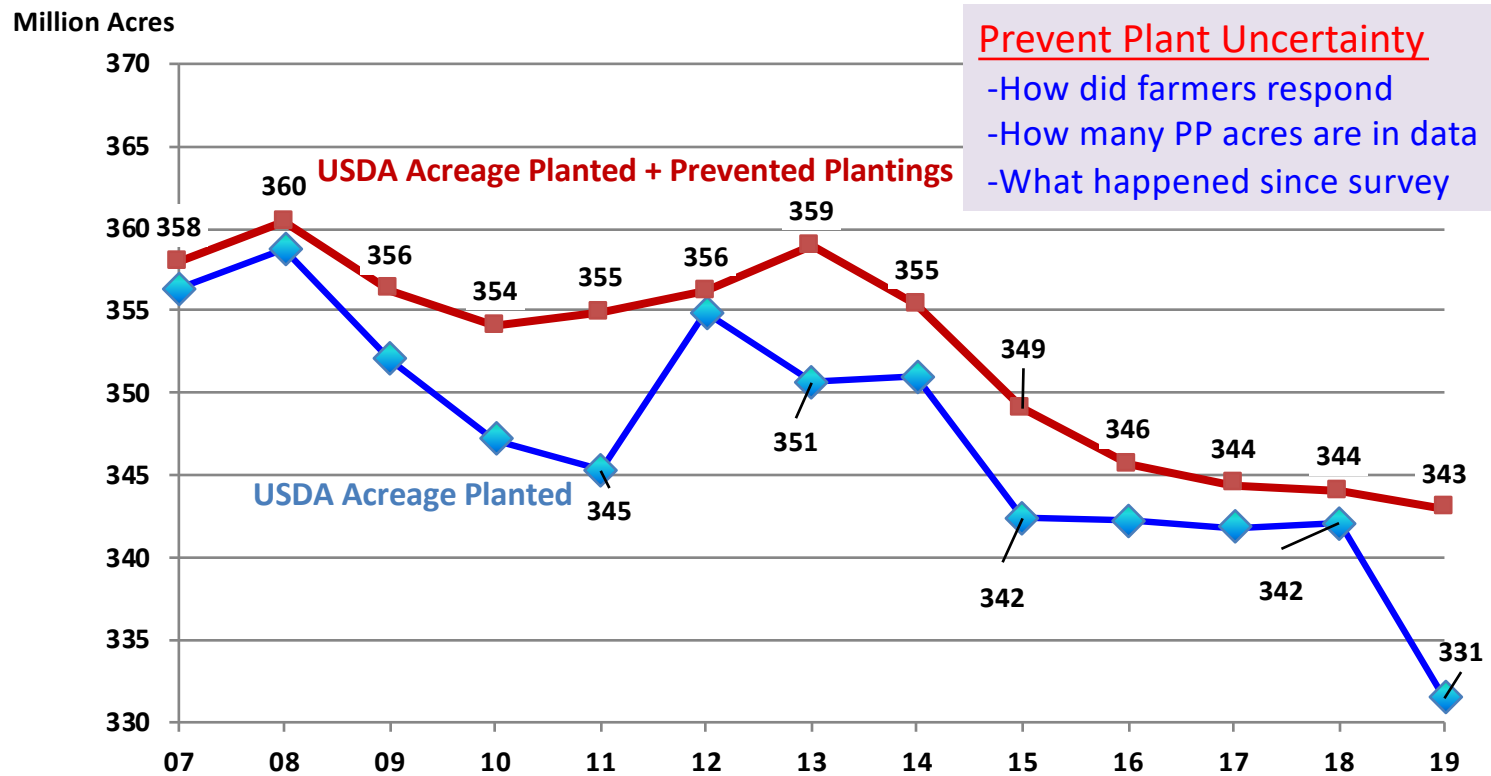
June 28, 2019

U.S. 309,312

-10,267

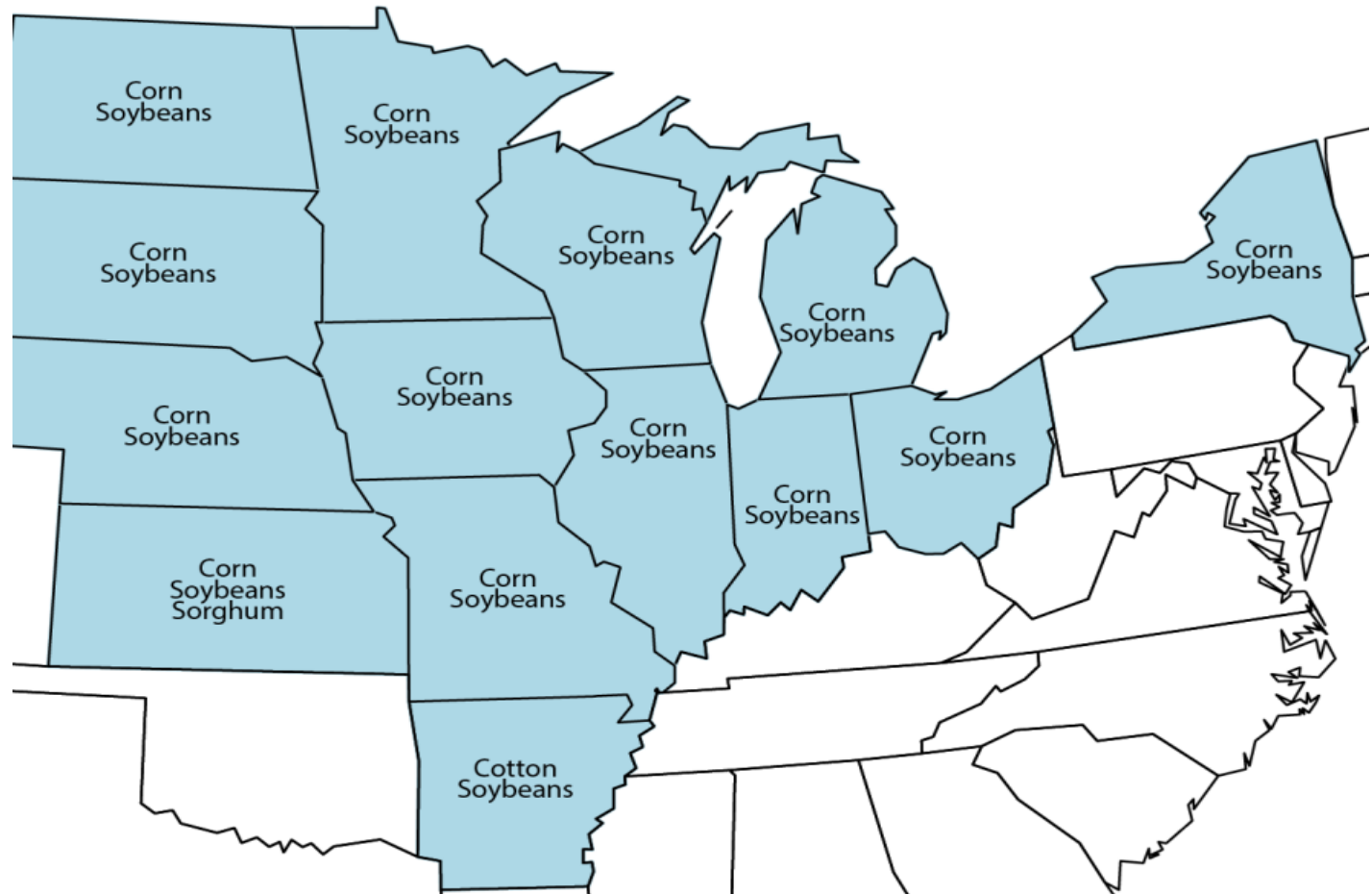


U.S. Planted Acres: 17 Crops + CRP + Hay Crops



USDA-NASS plans to re-interview in the states shaded in blue

Results to be published in August 12 *Crop Production* report



2019 Million Acres

USDA March Intentions

June Acreage

Prevent Plant-Not Counted?

2019 Planted Estimate

Corn

Soybeans

92.8

84.6

91.7

80.0

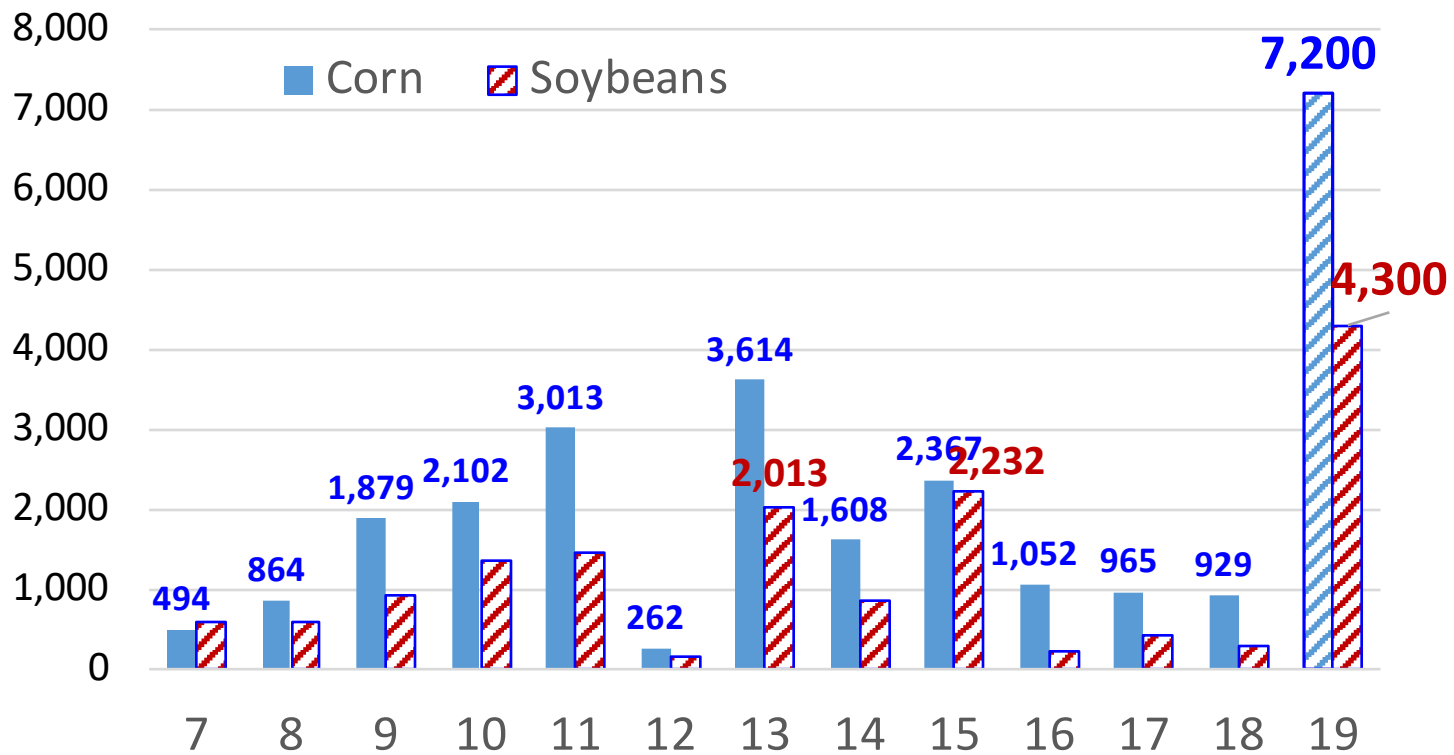
-4.0

-2.0

87.7

78.0

U.S. Prevented Planting Acres (1,000s)



Estimated U.S. Yields---

	Corn	Soybeans	Standard Deviation Corn Condition	Standard Deviation Bean Condition
USDA MAY	176	49.5		
-Impact Late Planting	-8	-3.0		
-Impact of Crop Condition	-6	-1.5	6.1 bu. (+ or -)	1.8 bu. (+ or -)
Estimated 2019 Yield	162	45.0		

July 2019 Corn Futures: Source Barchart.com



July 2019 Soybean Futures: Source Barchart.com



Comparison of Budgeted and Prevent Plant (PP) Contribution Margins

Scenario	Corn High Productivity, 209 bpa APH	Soybeans High Productivity, 65 bpa APH
March 2019 Purdue Crop Budget	\$303	\$322
PP; 75% RP Coverage \$30 Land Maintenance Charge Included	\$315	\$249
PP; 80% RP Coverage \$30 Land Maintenance Charge Included	\$338	\$268
PP; 85% RP Coverage \$30 Land Maintenance Charge Included	\$361	\$286

Contribution Margins for Corn and Soybean Price Scenarios

- **Assumptions:**
 - Budgeted Costs for High Productivity Soil
 - 85% Revenue Protection Coverage
 - Estimated MFP payment = \$50 per acre
 - Futures Prices Odds: Using U. of Illinois *iFarm Price Distribution Tool*
 - 25% probability of prices falling below: Corn = \$3.72 and Soybeans = \$8.46
 - Equal chance of prices being above or below: Corn = \$4.15 and Soybeans = \$9.03
 - 25% probability of prices rising above: Corn = \$4.64 and Soybeans = \$9.64

Estimated Contribution Margins for Corn
***iFarm Price Distribution Tool* Results, July 1 Futures Settlement**
Indiana, High Productivity Soil (209 bpa full season yield goal)

Yield Scenario	25% Chance of Margin Falling Below	Equal Chance of Margin Being Above or Below	25% Chance of Margin Rising Above
0% yield reduction	\$347	\$437	\$539
10% yield reduction, June 5, No Change in RP coverage	\$281	\$351	\$443
20% yield reduction June 10, 5% reduction in RP coverage	\$247	\$272	\$355
30% yield reduction June 15, 10% reduction in RP coverage	\$212	\$236	\$315

Estimated Contribution Margins for Soybeans
iFarm Price Distribution Tool Results, July 1 Futures Settlement
 Indiana, High Productivity Soil (65 bpa full season yield goal)

Yield Scenario	25% Chance of Margin Falling Below	Equal Chance of Margin Being Above or Below	25% Chance of Margin Rising Above
0% yield reduction	\$304	\$341	\$381
10% yield reduction June 5, No Change in RP coverage	\$281	\$282	\$318
20% yield reduction June 15, No Change in RP coverage	\$281	\$281	\$286
30% yield reduction June 25, 5% reduction in RP coverage	\$254	\$254	\$260

Download the slides from this video on our website

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Thank You

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