

Crop Outlook and Management Strategy

Chris Hurt, Professor, Department of Agricultural Economics

Michael Langemeier, Assoc. Director, Center for Commercial Agriculture

David Widmar, Sr. Research Assoc., Center for Commercial Agriculture



Center for
Commercial Agriculture

July 1, 2015

**email your questions to
dwidmar@purdue.edu**

PURDUE
UNIVERSITY

Center for
Commercial Agriculture

July 1, 2015

Three stage rocket to higher corn and soybean prices



1. Lower 2014 Stocks

2. Lower 2015 Acres

3. Adverse Weather

-Lowering yields

-Reducing acres

ZSX15 - Soybeans - Daily OHLC Chart



Grain Stocks--June 30

	<u>Corn</u>	<u>Soybeans</u>
Expected	4.512 B	674 M
Actual	4.447 B	625 M
Difference	- 65 million bushels	-49 million bu.
Price Impact	Bullish 8-12 cents	Bullish 25 – 30 cents

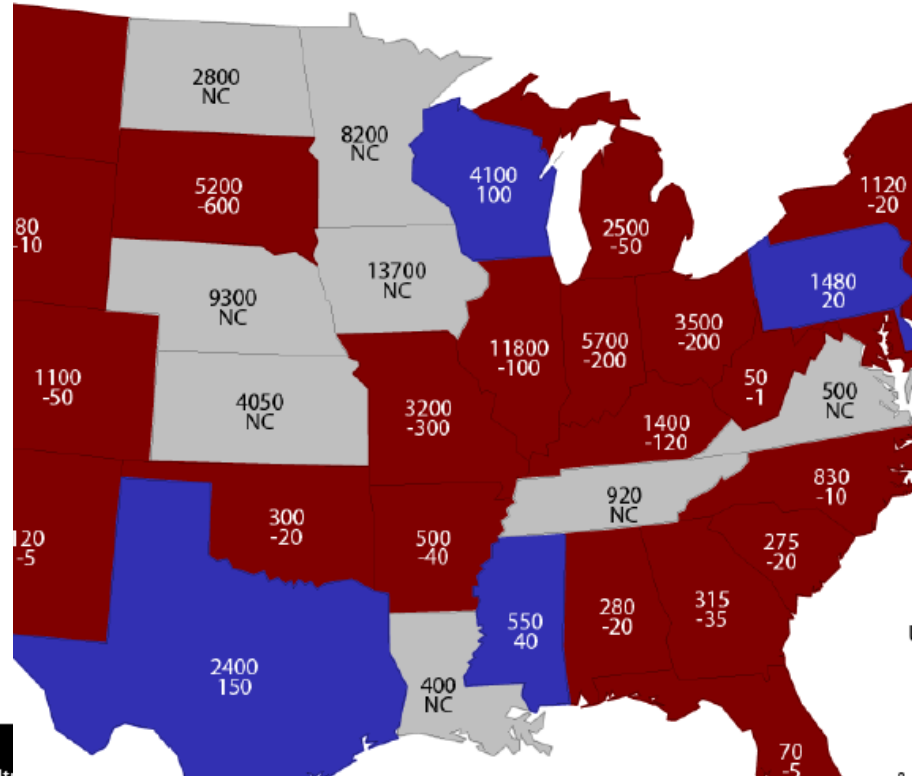
Acresage

	Corn	Soybeans
USDA March 31	89.199 M	84.635 M
Expected June 30	89.170 M	85.190 M
Actual June 30	88.897 M	85.139 M
Difference	-273,000 Acres	-51,000 Acres

2015 Corn Planted Area

Acres and Change From Previous Year

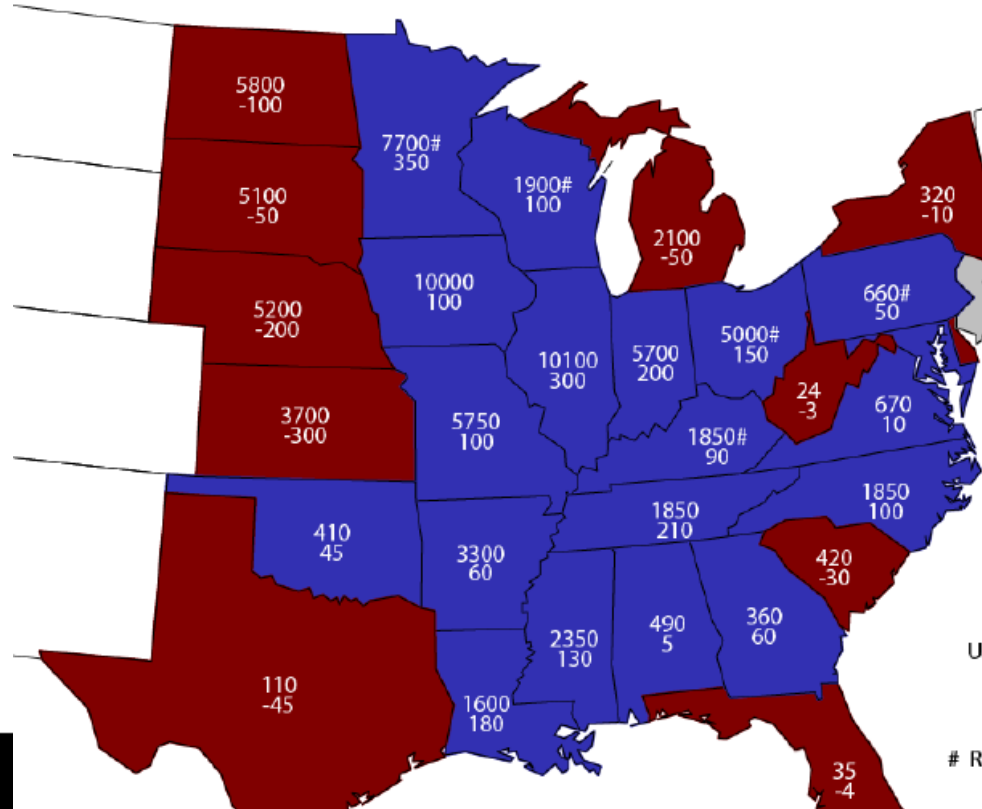
Source: USDA: NASS



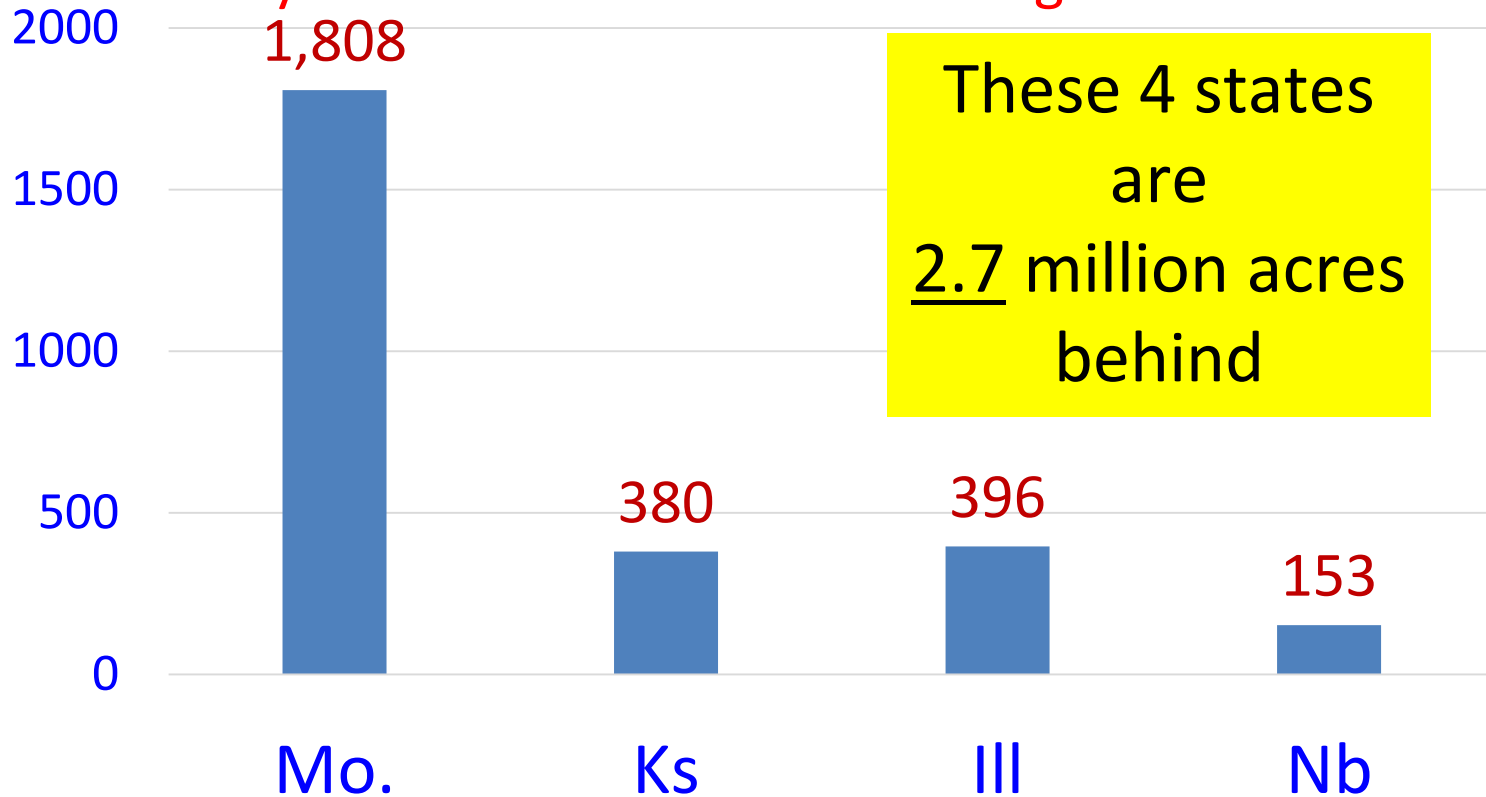
2015 Soybean Planted Area

(10) Acres and Change From Previous Year

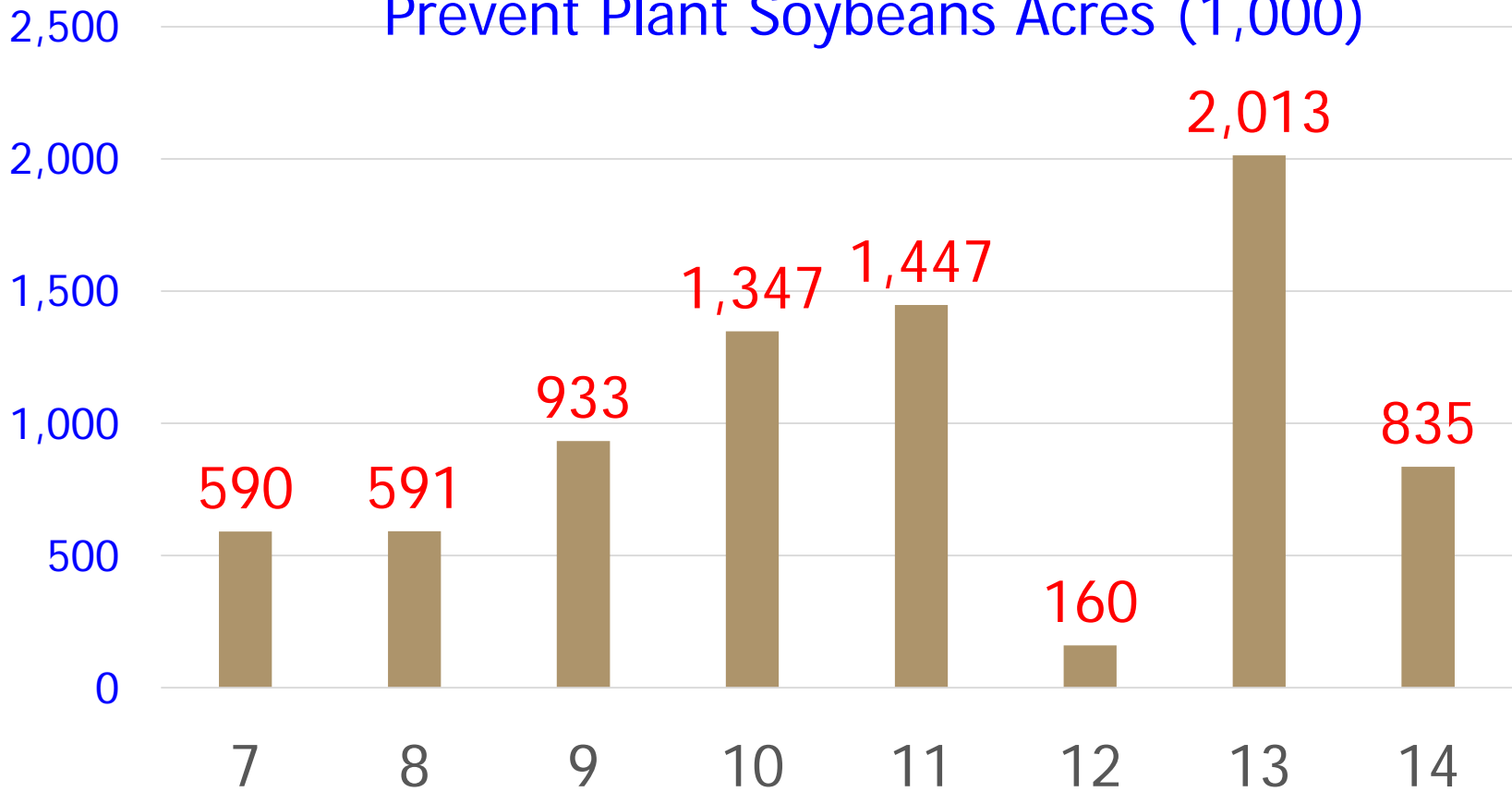
Source: USDA: NASS



Soybean Acres Behind 5 Year Avg. June 29

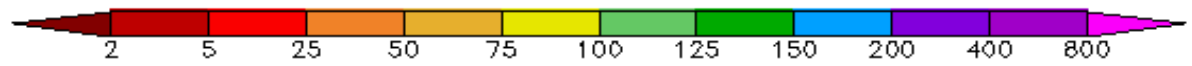
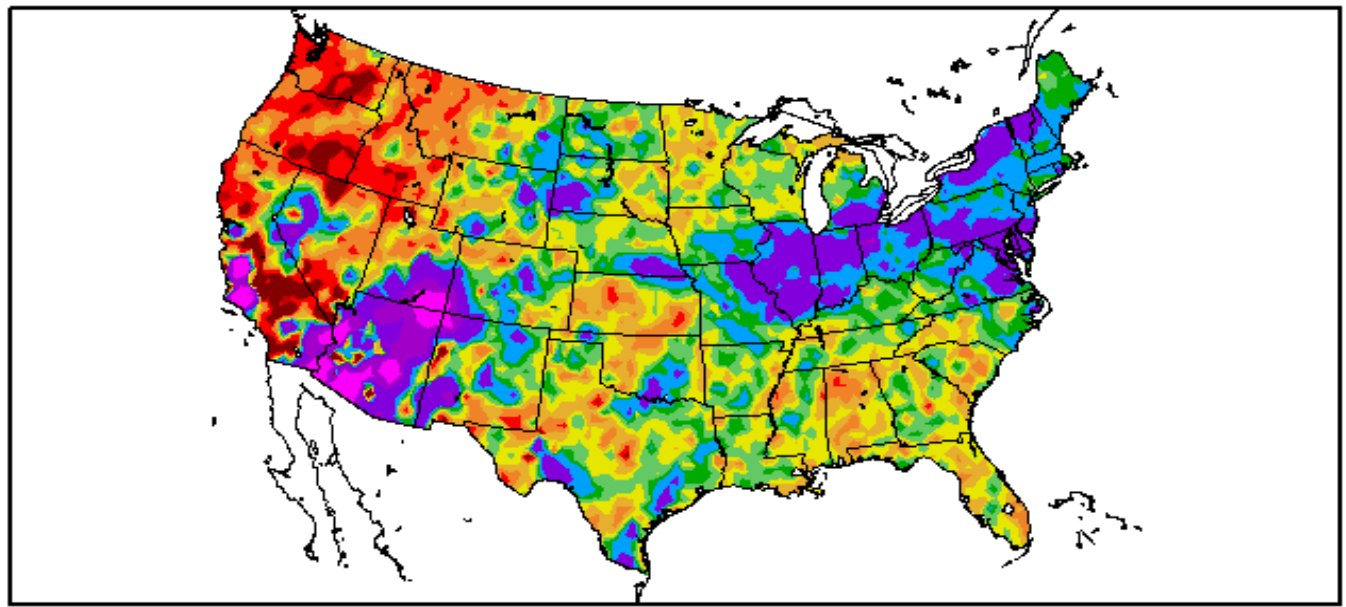


Prevent Plant Soybeans Acres (1,000)



Weather

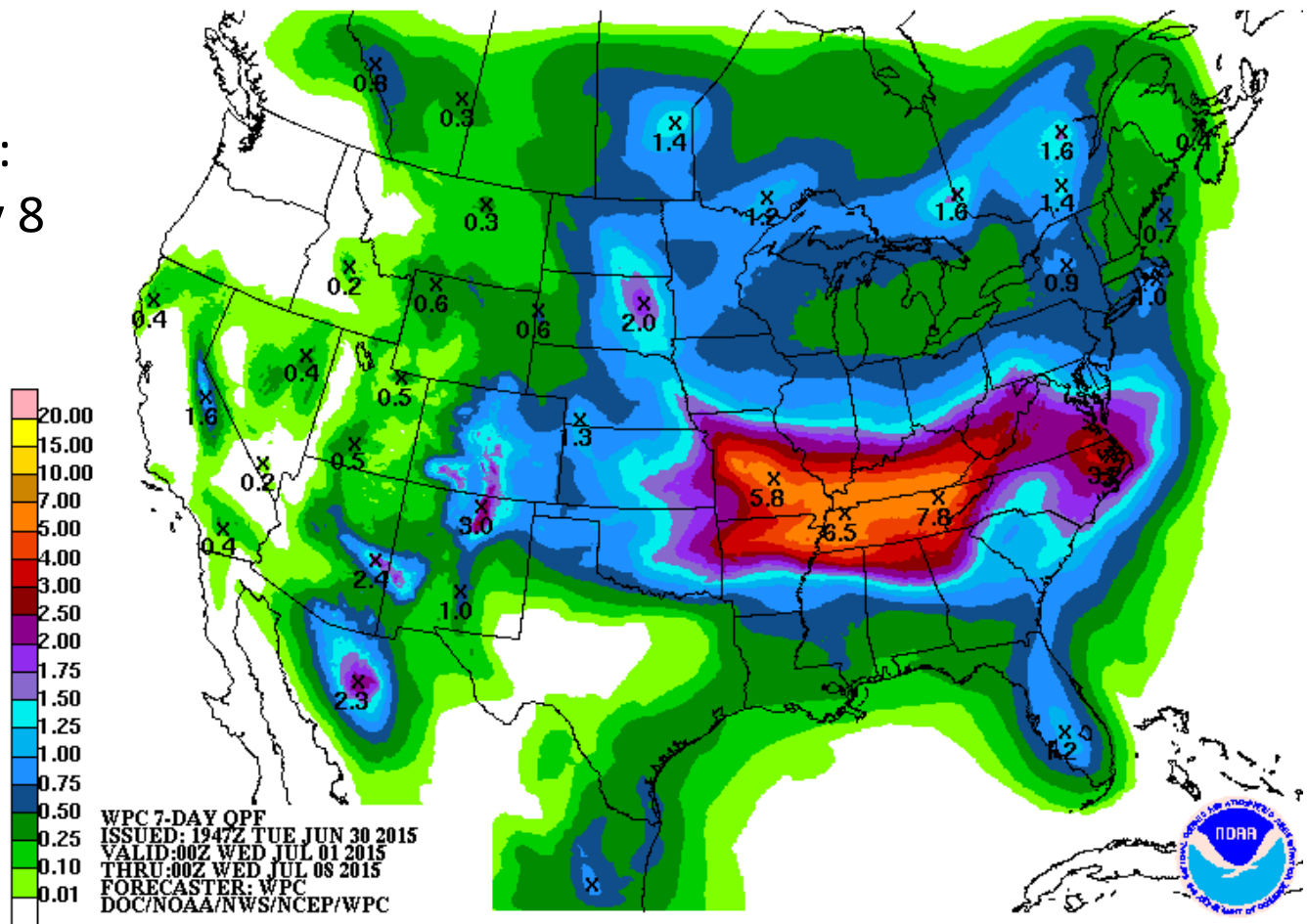
Percent of Normal Precipitation (%) 5/31/2015 – 6/29/2015



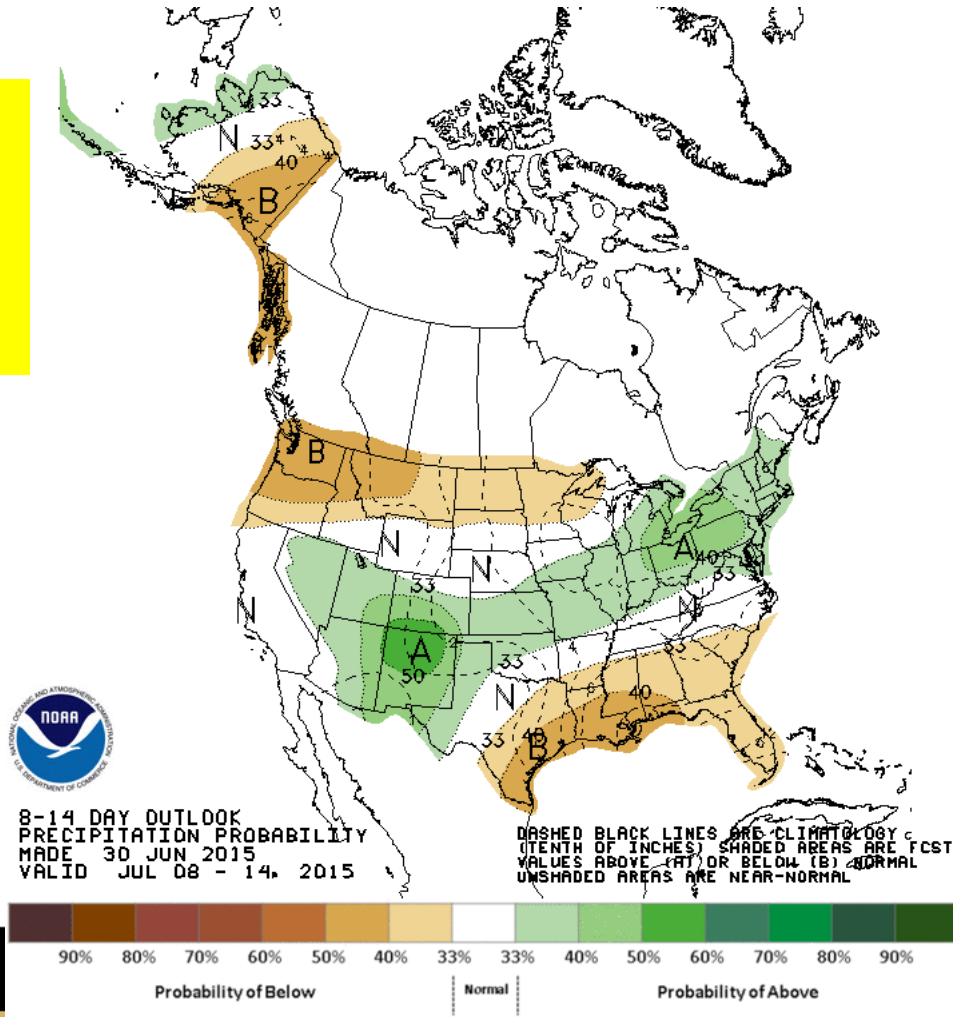
Generated 6/30/2015 at HPRCC using provisional data.

Regional Climate Centers

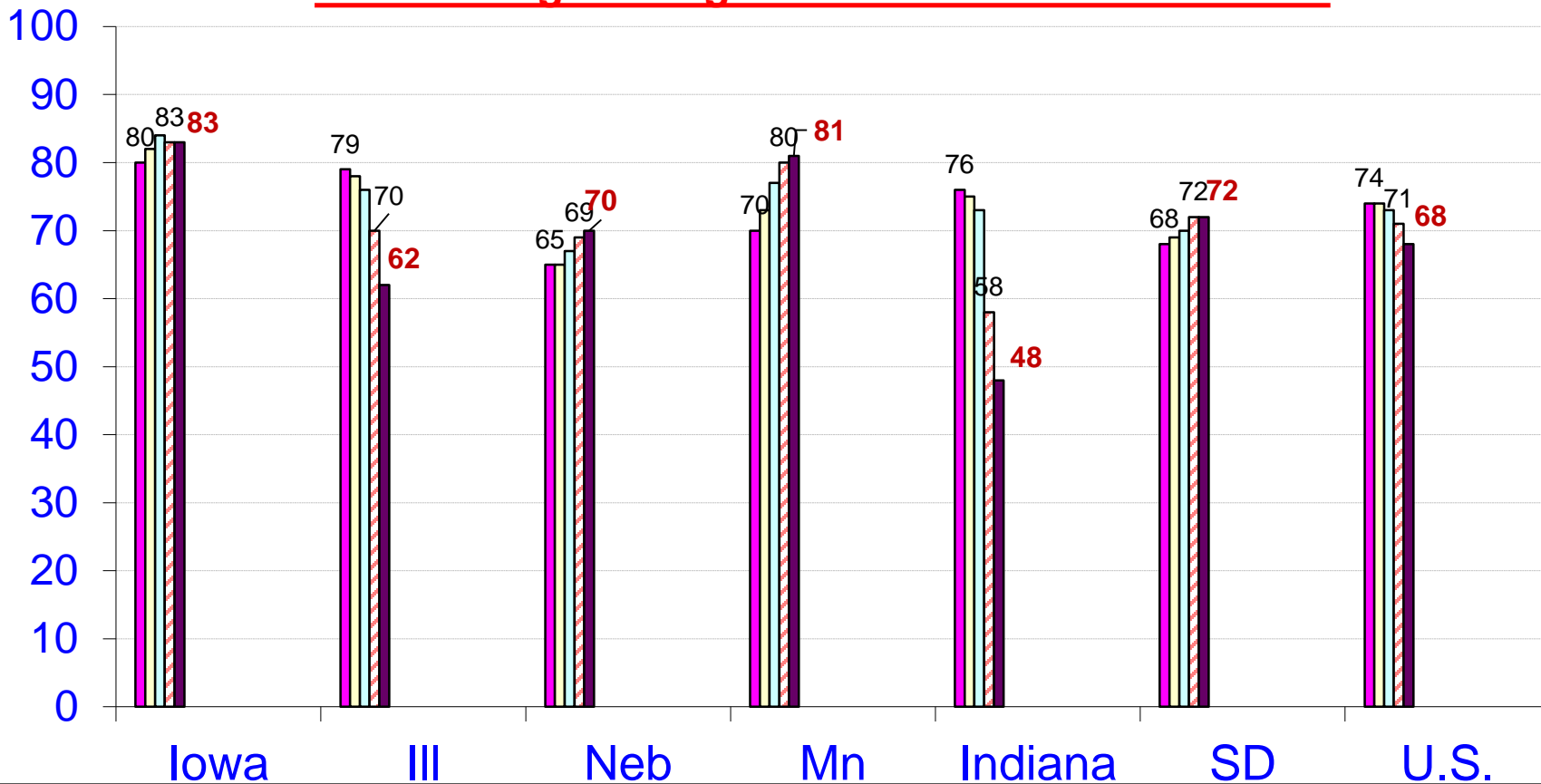
Next 7 days:
NWS to July 8



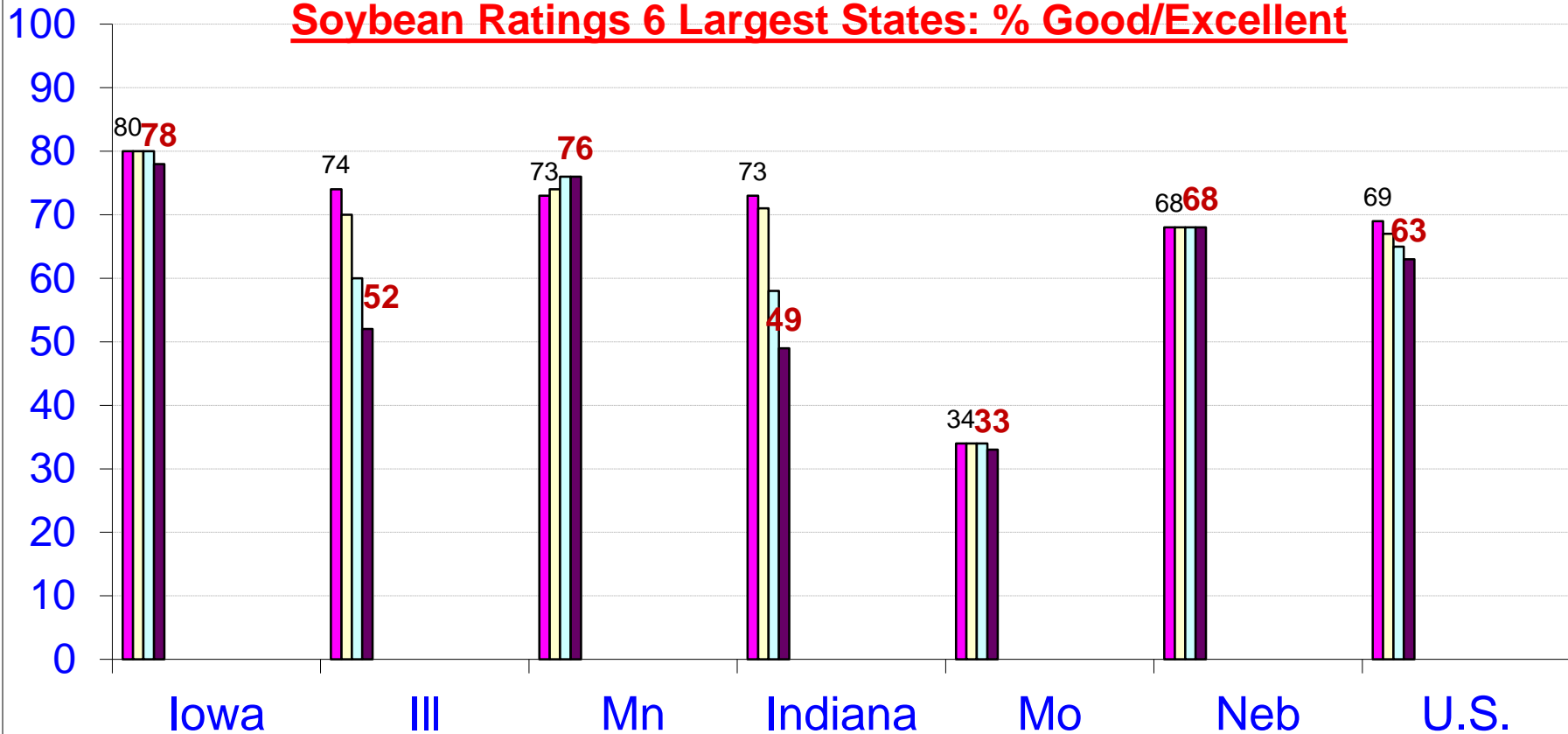
Precipitation
2nd week out
8-14 day forecast
NWS



Corn Ratings 6 Largest States: % Good/Excellent



Soybean Ratings 6 Largest States: % Good/Excellent



National Yield Estimates

from USDA Crop Conditions ratings

	Normal Weather Corn = 165 bu. (USDA = 166.8 bu.)	Normal Weather Soybeans = 45.1 bu. (USDA = 46.0)
6/7/15	167.7	45.7
6/14/15	167.4	45.5
6/21/15	166.0	45.1
6/28/15	164.7	45.0

Indiana Yield Estimates

from USDA Crop Conditions ratings

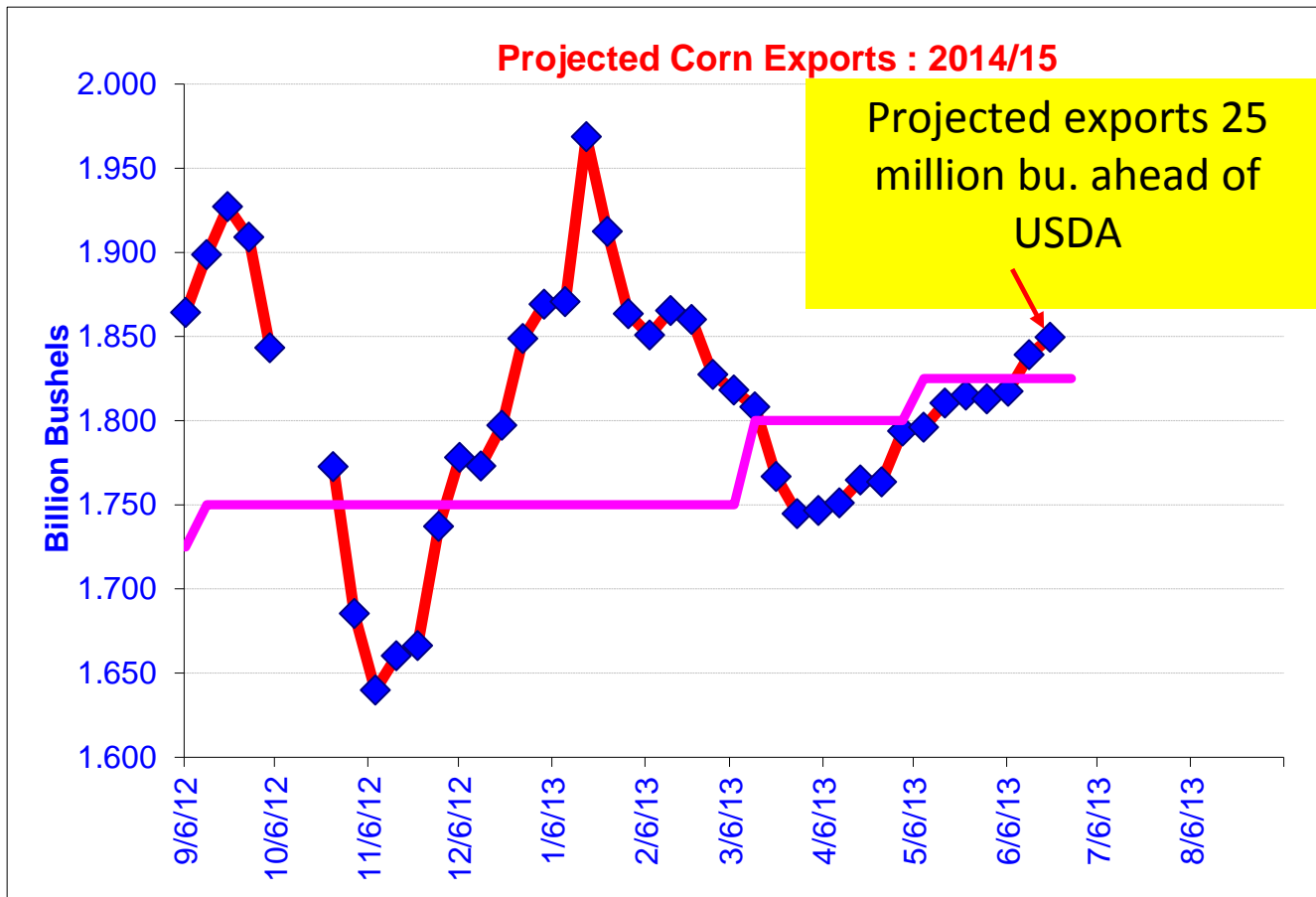
	Normal Weather Corn = 172 bu.	Normal Weather Soybeans = 51.0 bu.
6/7/15	178.1	N.A.
6/14/15	177.9	52.8
6/21/15	168.5	50.7
6/28/15	162.6	49.4

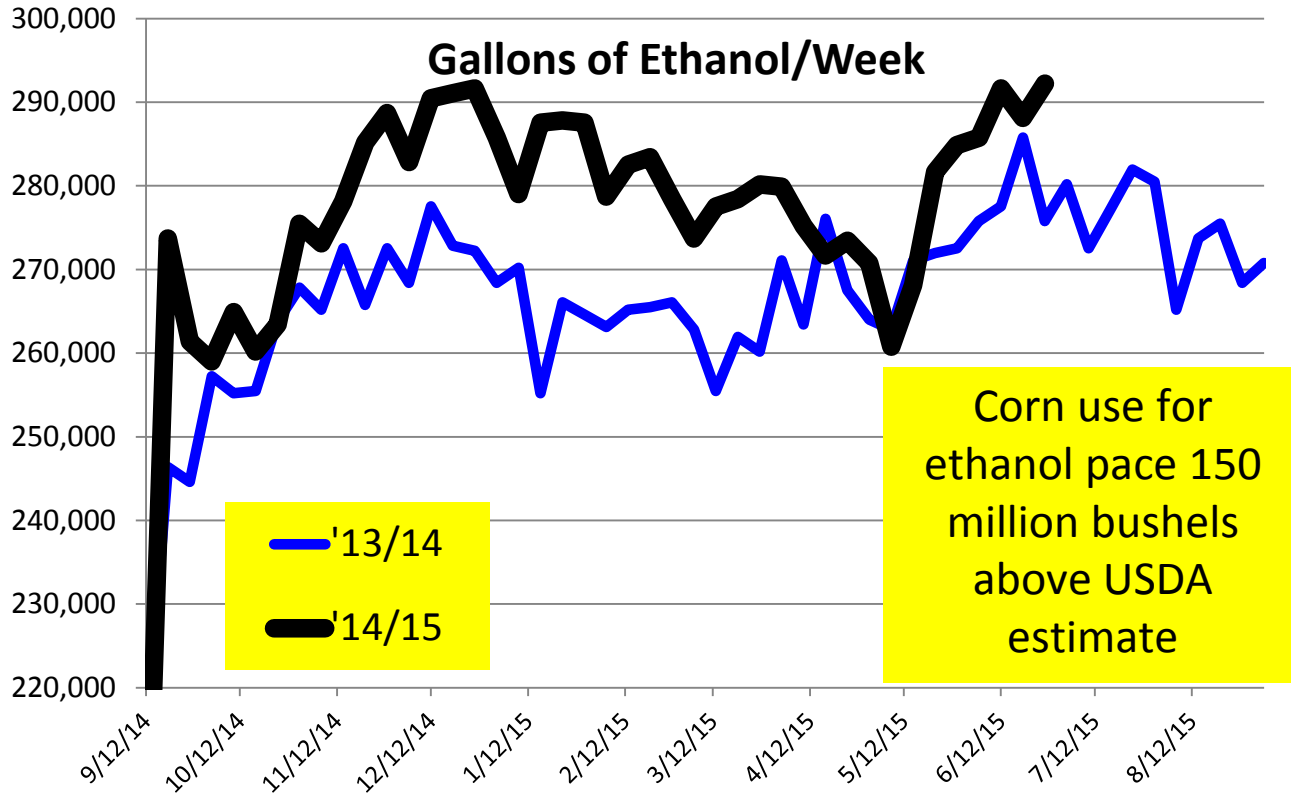
	USDA		USDA	HURT
	14/15	15/16		15/16
Carryin	1,232	1,876	1,820	-56
Production	14,216	13,630	13,324	-306
Total Supply	15,473	15,531	15,164	-367
Feed & Residual	5,250	5,300	5,325	25
FSI Non-Fuel	1,347	1,360	1,370	10
FSI Fuel (Ethanol)	5,175	5,200	5,200	0
Export	1,825	1,900	1,875	-25
Total Use	13,597	13,760	13,770	10
Ending Stocks	1,876	1,771	1,394	-377
US Farm Price	\$3.65	\$3.50	\$4.25	\$0.75

\$3.55 - **\$3.20-** **\$3.75-**
\$3.75 **3.80** **\$5.00**

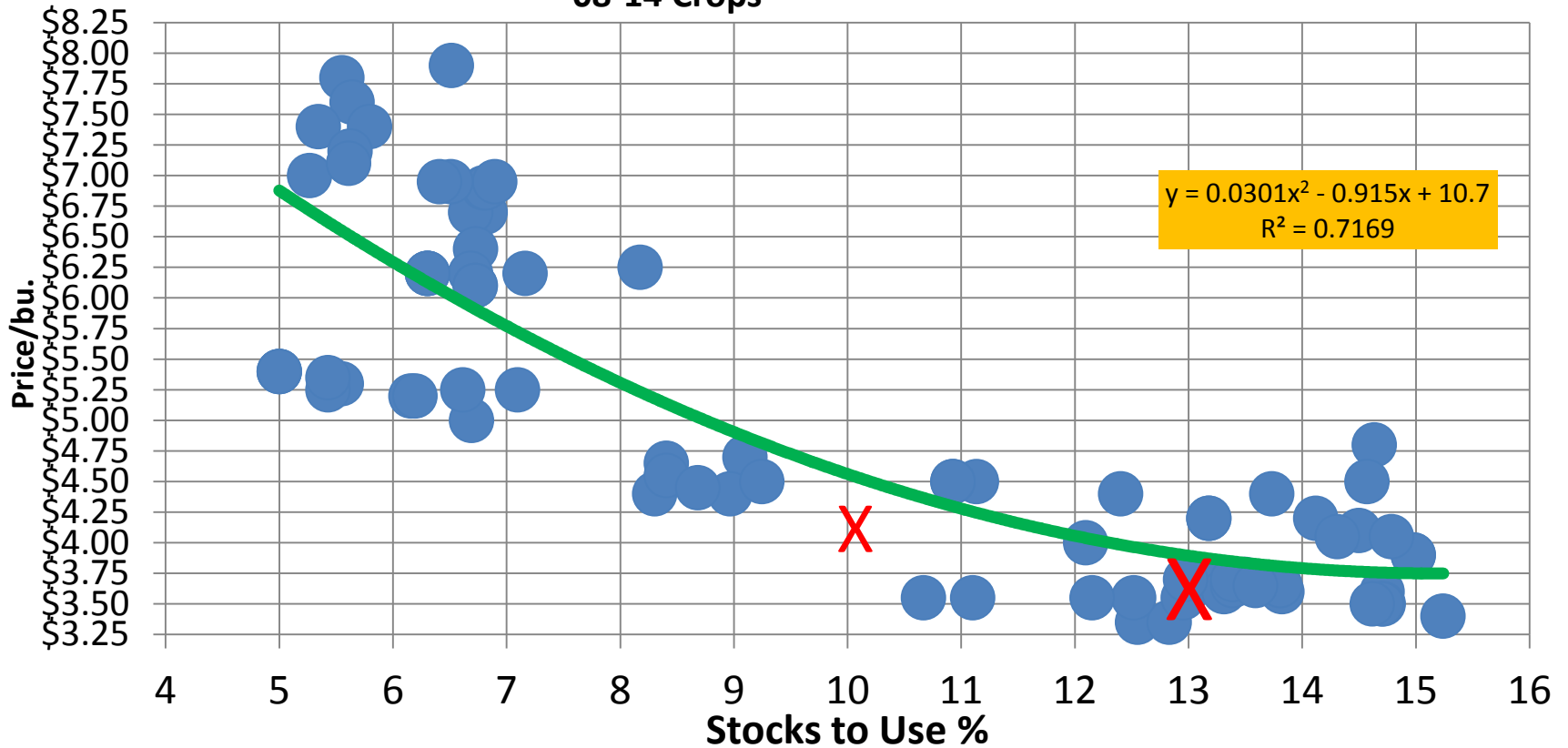
Ethanol % Of Use (By-products adjusted) 72.
Stocks/Use

27.6% 27.4% 27.3%
13.8% 12.9% 10.1%





USDA WASDE Ave. Yearly Corn Prices and Stocks to Use 08-14 Crops



ZCZ15 - Corn - Daily OHLC Chart



Soybeans	USDA	USDA	HURT	
	14/15	15/16	15/16	
Carryin	92	330	285	-45
Production	3,969	3,850	3,749	-102
Total Supply	4,091	4,210	4,064	-147
Seed & Residual	136	130	120	-10
Crush	1,815	1,830	1,830	0
Exports	1,810	1,775	1,800	25
Total Use	3,761	3,735	3,750	15
Ending Stock	330	475	314	-162
Farm Price	\$10.05	\$9.00	\$10.25	\$1.25

\$8.25-

\$9.50-

\$9.75

\$11.00

Stocks/Use

8.8%

12.7%

8.4%

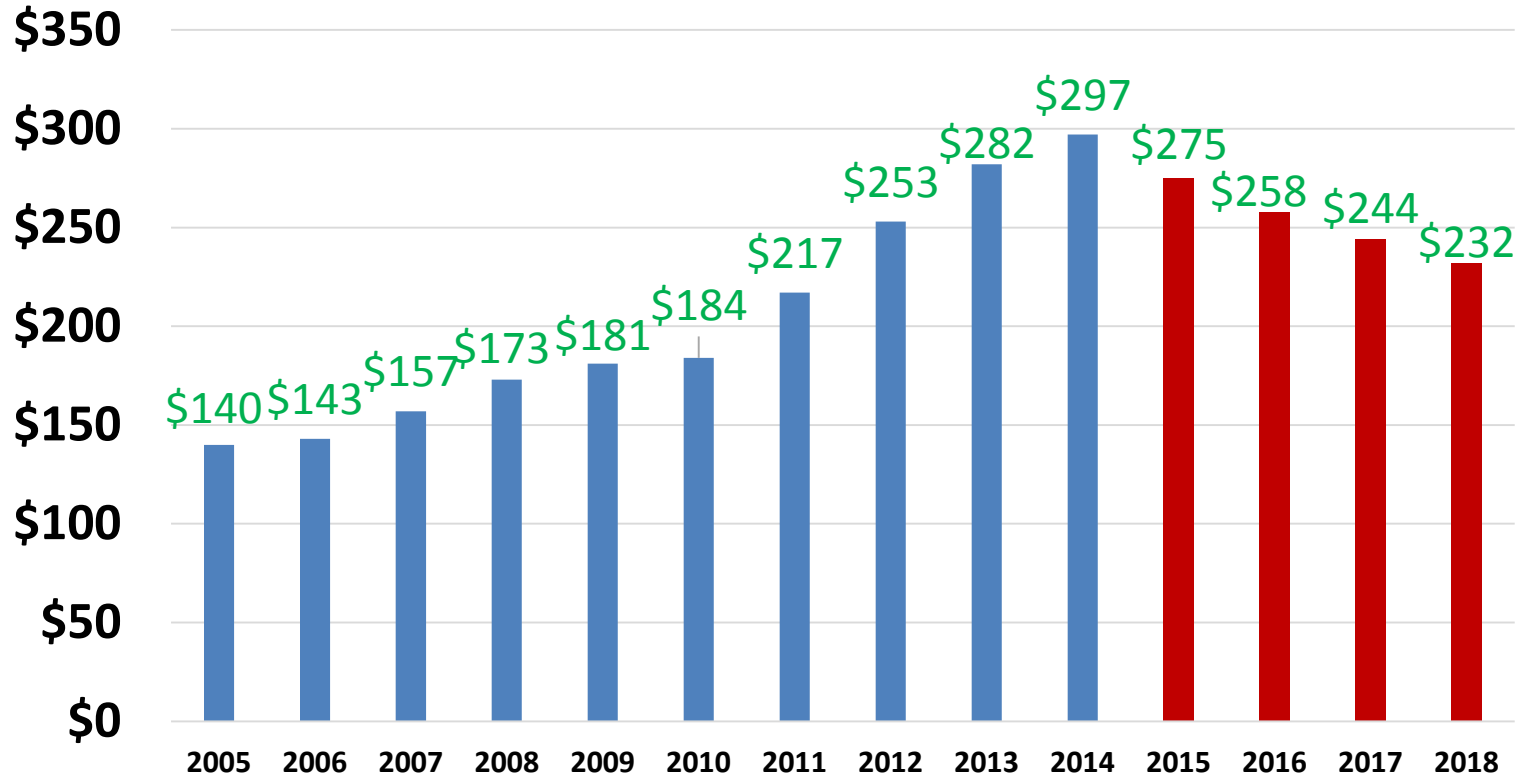
ZSX15 - Soybeans - Daily OHLC Chart



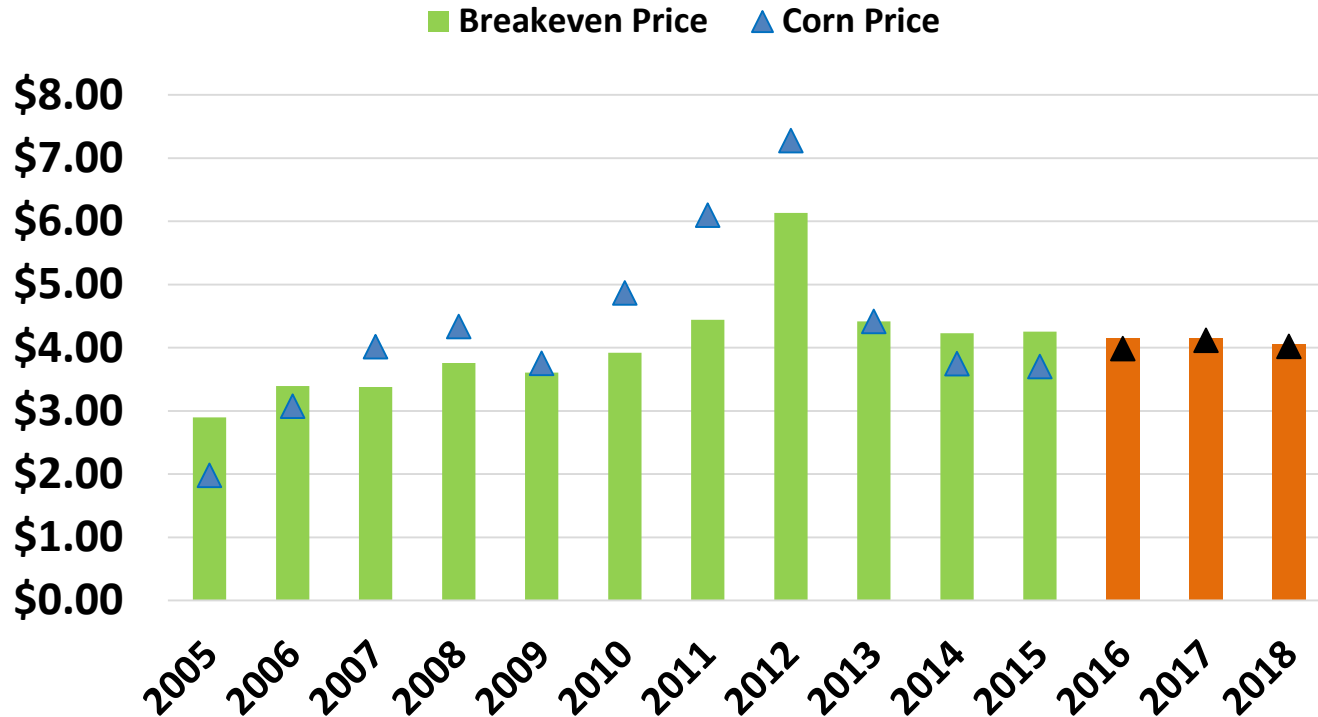
West Central Indiana Case Farm

- **Corn and Soybean Production**
- **2015**
 - Reduction in trend yield due to wet conditions
 - Decline in cash rent
- **2016-2018**
 - Trend yields
 - Declines in cash rent; all other costs held constant

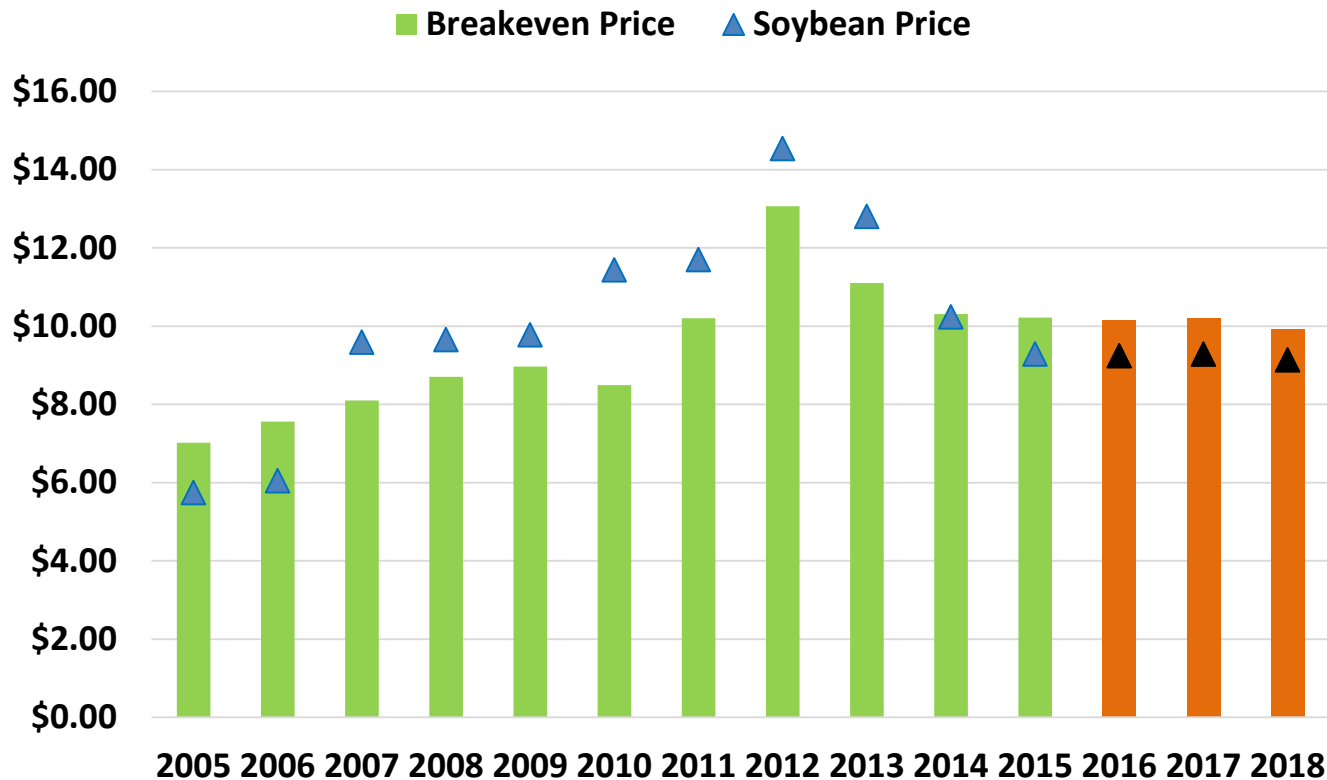
Cash Rent, West Central Indiana



Rotation Corn, Breakeven Price per Bushel



Rotation Soybeans, Breakeven Price per Bushel



Historical and Projected Earnings per Acre for Corn and Soybeans

