FALL CORN & SOYBEAN OUTLOOK

FRIDAY, SEPTEMBER 11, 3:30 P.M. (EDT)

James Mintert, Professor & Director, Center for Commercial Agriculture

Michael Langemeier, Professor & Associate Director, Center for Commercial Agriculture

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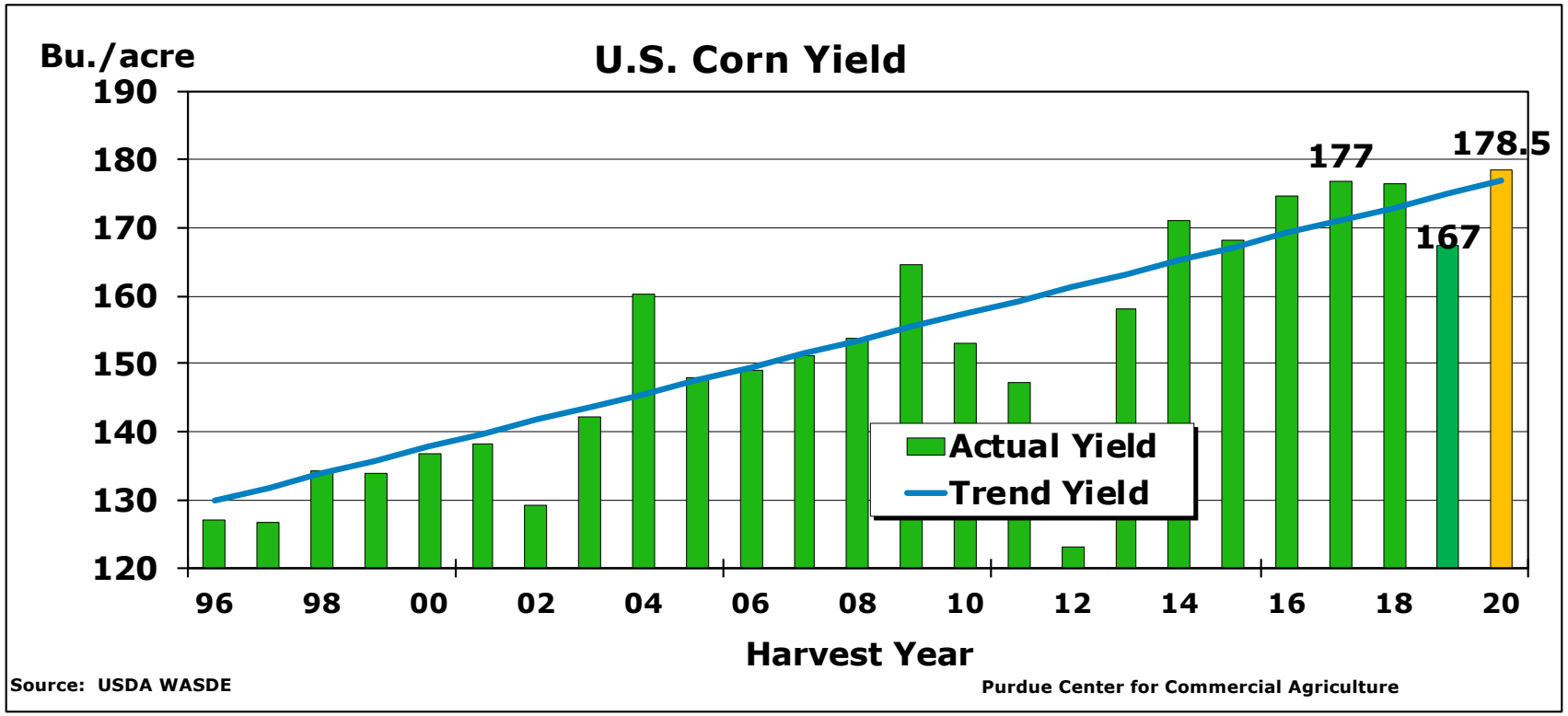
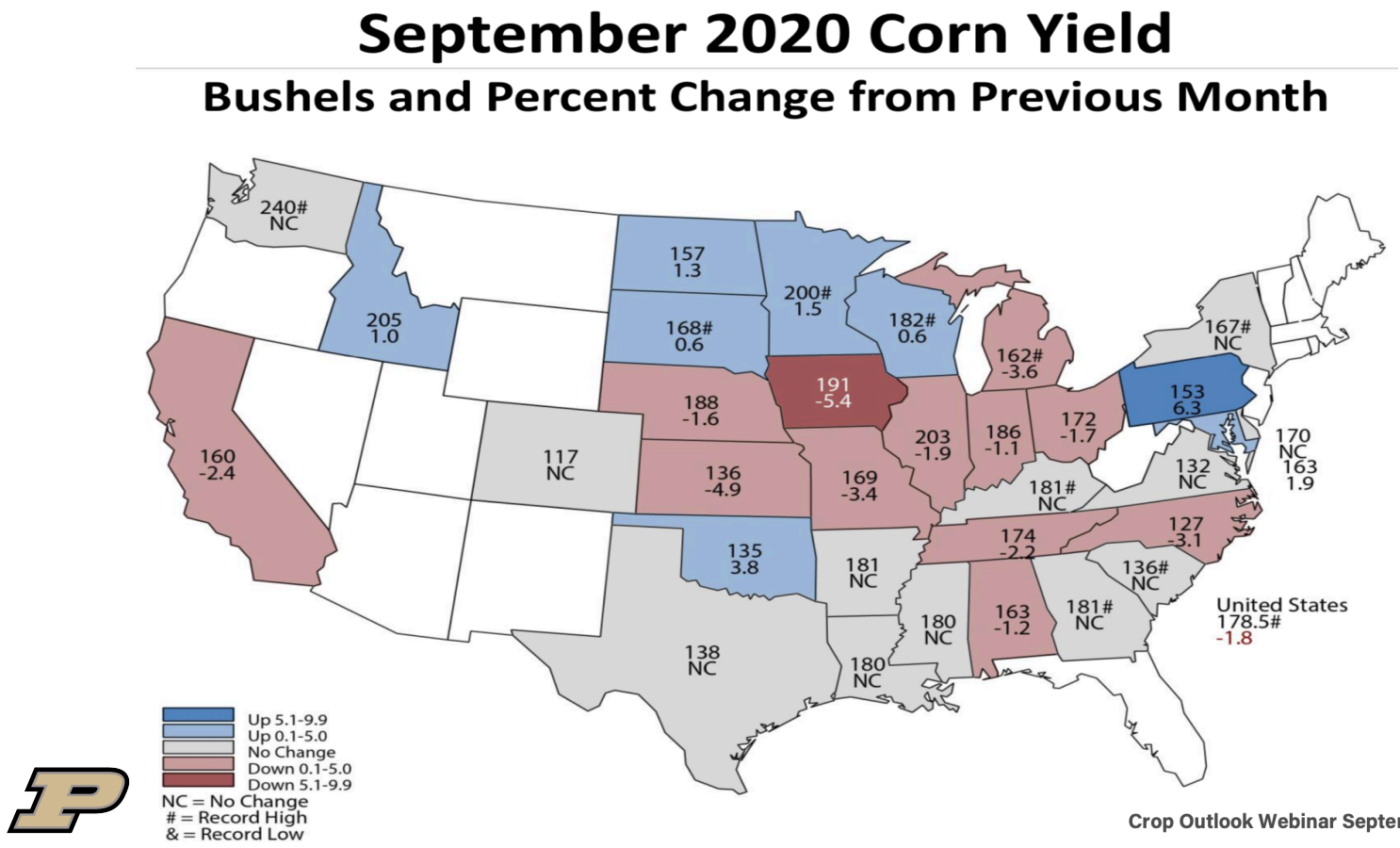
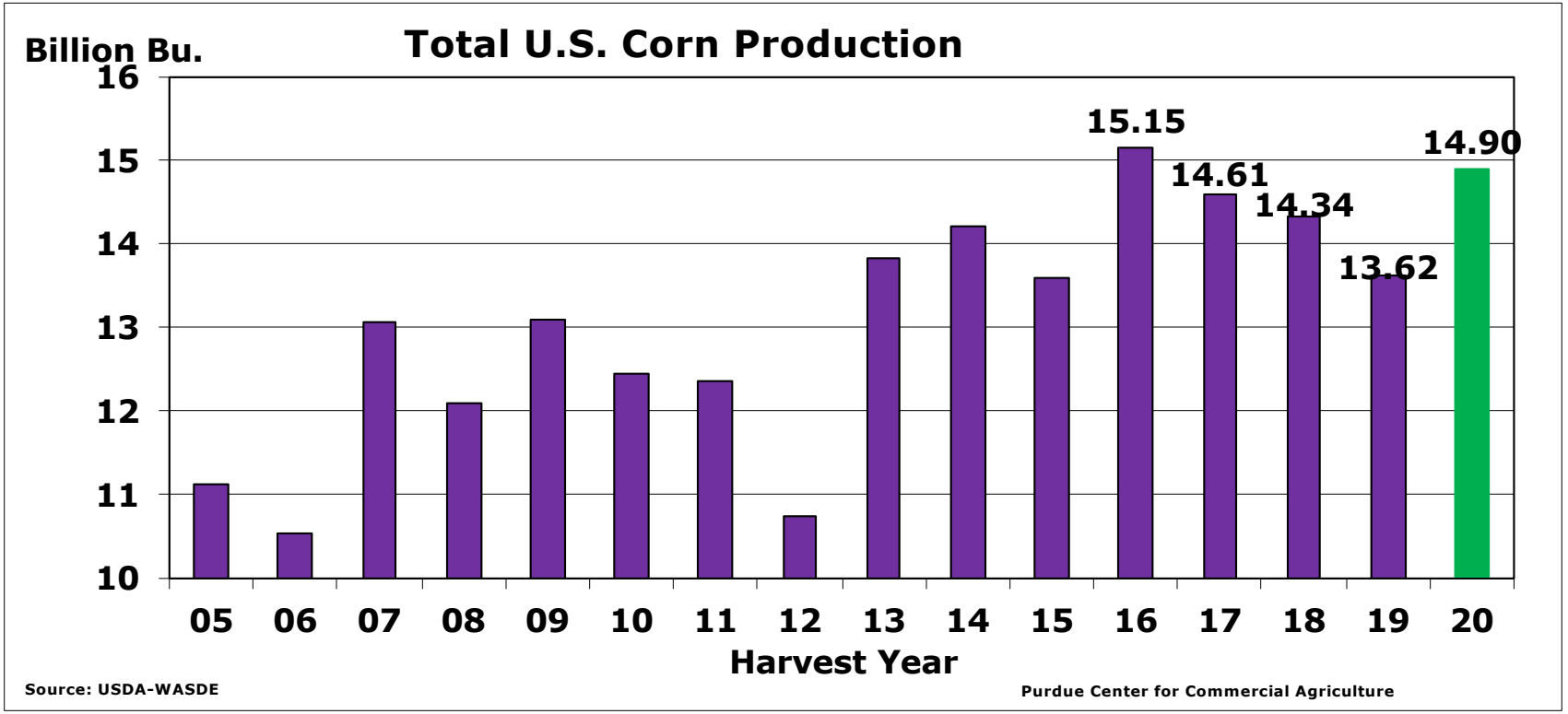
USDA Reduced Corn Yield By Nearly 3 bu./acre Compared to August Estimate



Largest Yield Reduction Was in Iowa…Almost All But Northern Corn Belt Was Reduced



Yield Reduction & Decline in Harvested Acreage Reduced Estimated 2020 Corn Production by 378 Million Bushels



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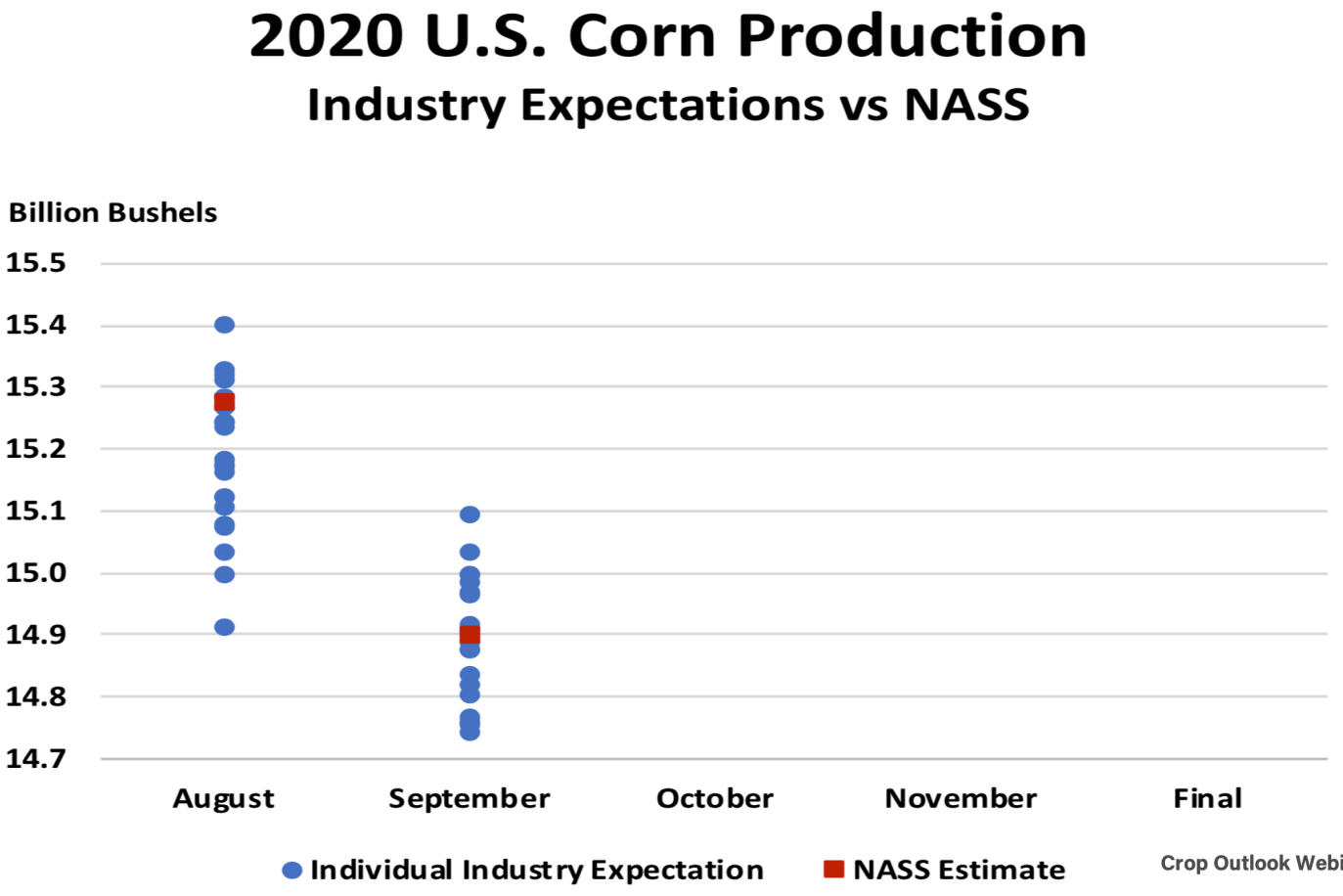
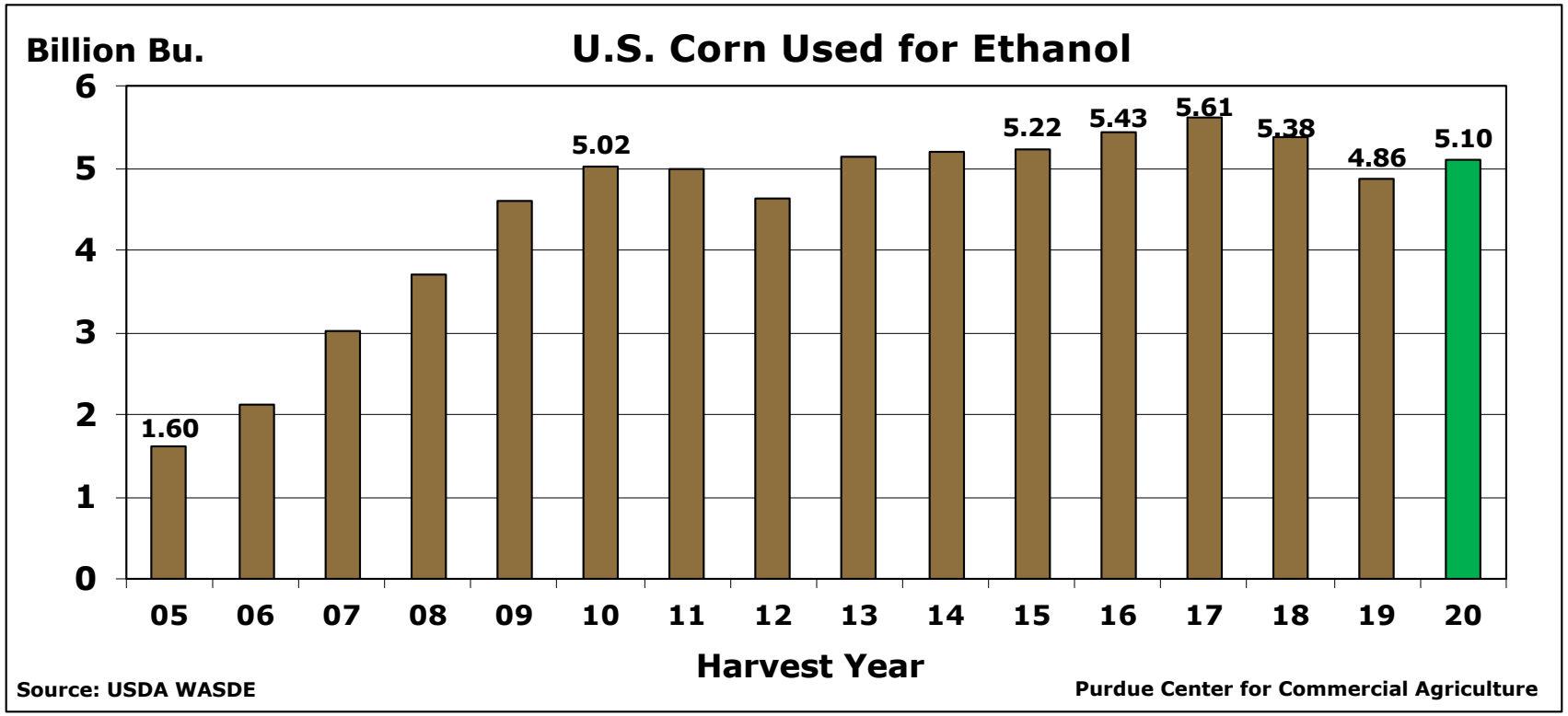
Production Estimate Was Near The Middle of Industry Pre-Release Expectations



USDA Was Less Optimistic About Ethanol Usage Than A Month Earlier…But Still Projecting Recovery



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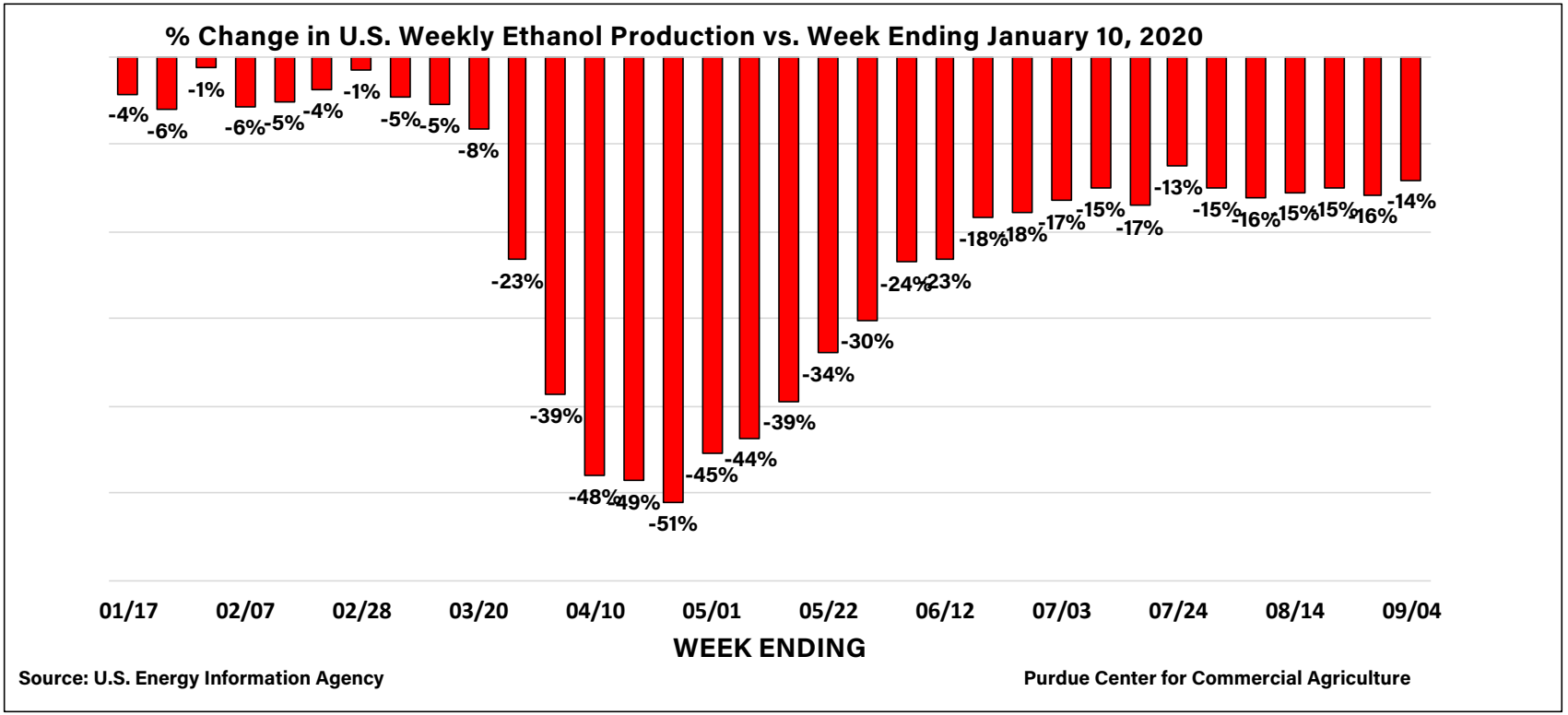
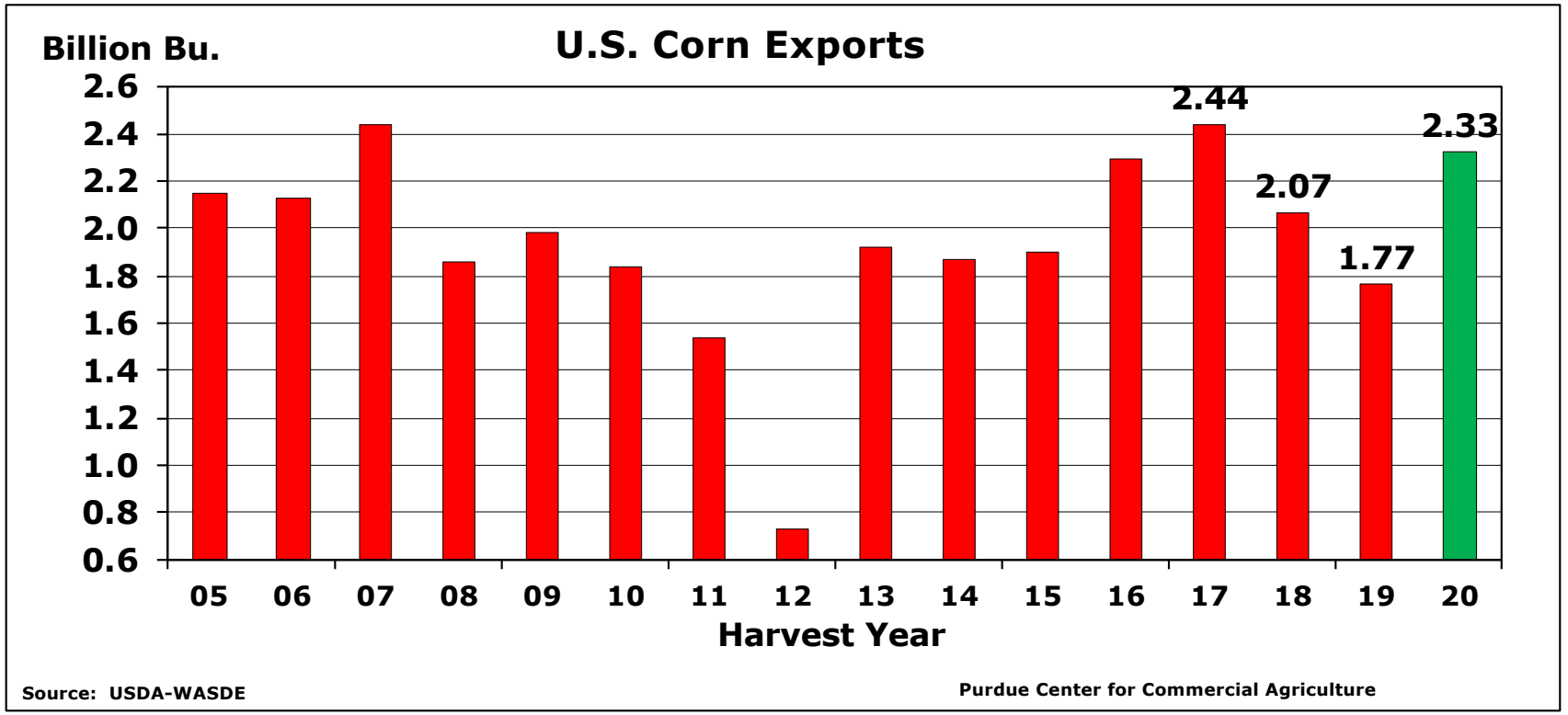
Recovery In Ethanol Production Seems to Have Stalled



USDA's Projecting A 32% Increase In Exports for 2020 Corn Crop...100 m. bu. increase from August



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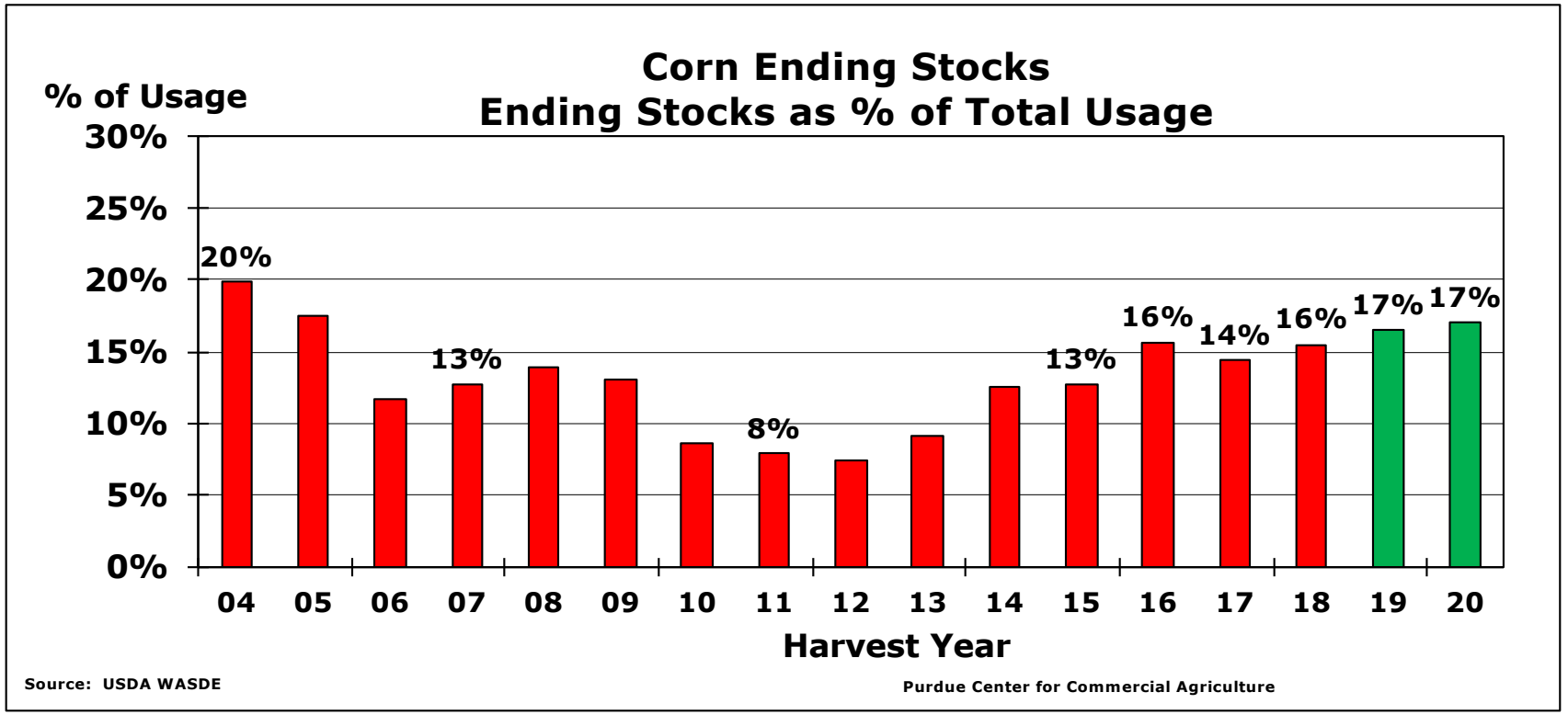
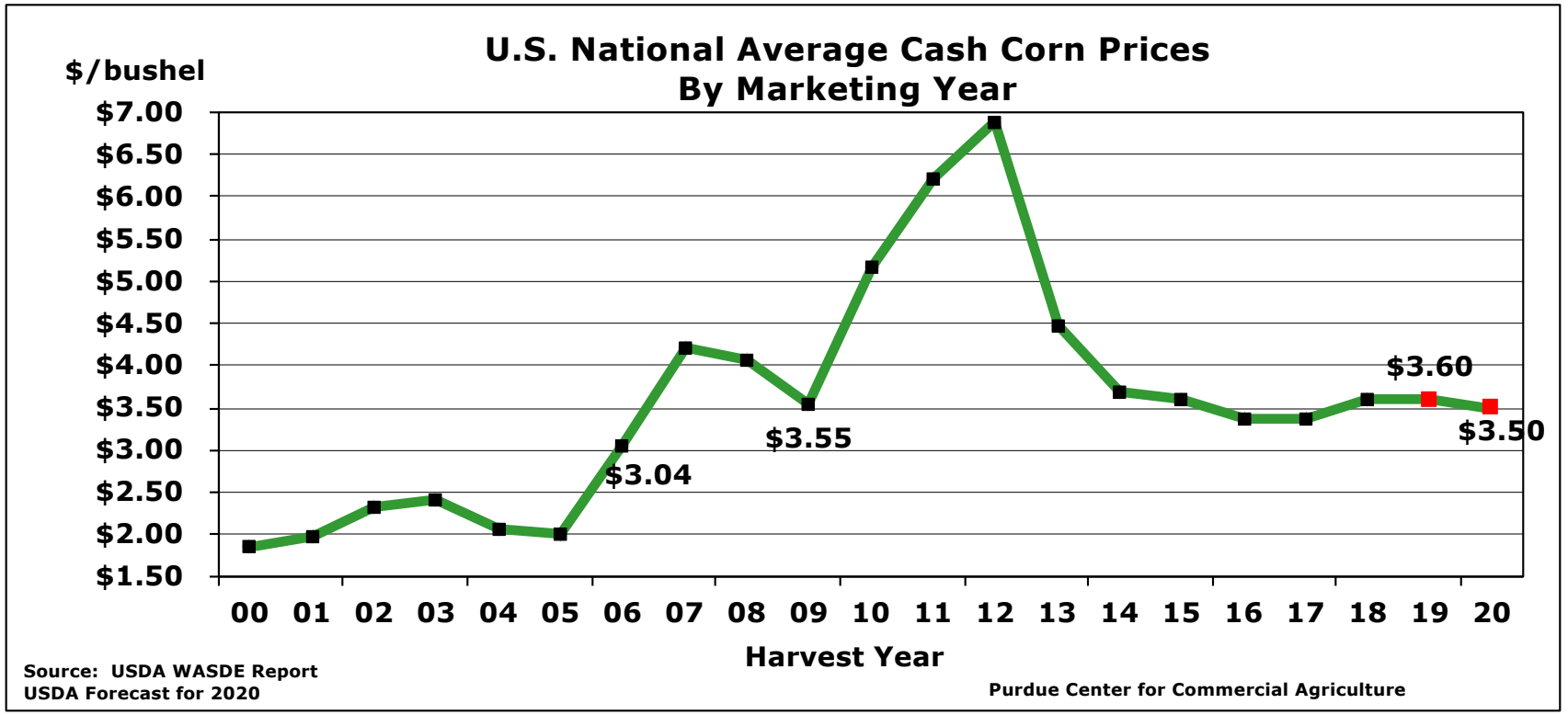
Reduced Production & Increased Usage Pulled Down Ending Stocks from 19% in August to 17% This Month

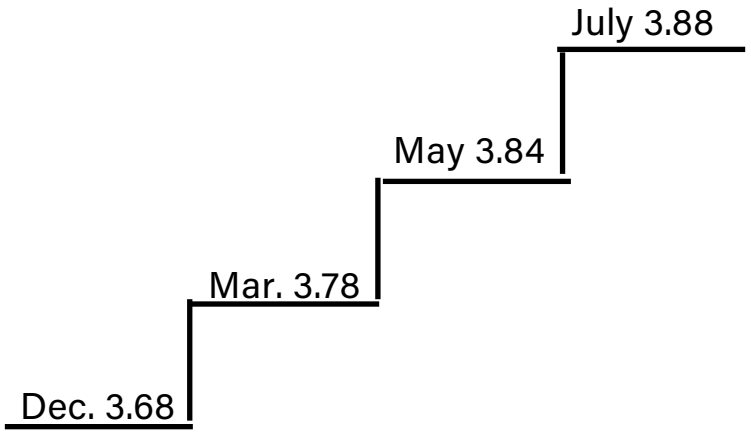


USDA Increased MYA Corn Price Forecast By $0.40/Bu. Compared to August Forecast



Modest Storage Premium in Futures Today, But Seasonally Spreads Tend to Widen Into Late Harvest

This Afternoon's Corn Futures Market Pricing Structure



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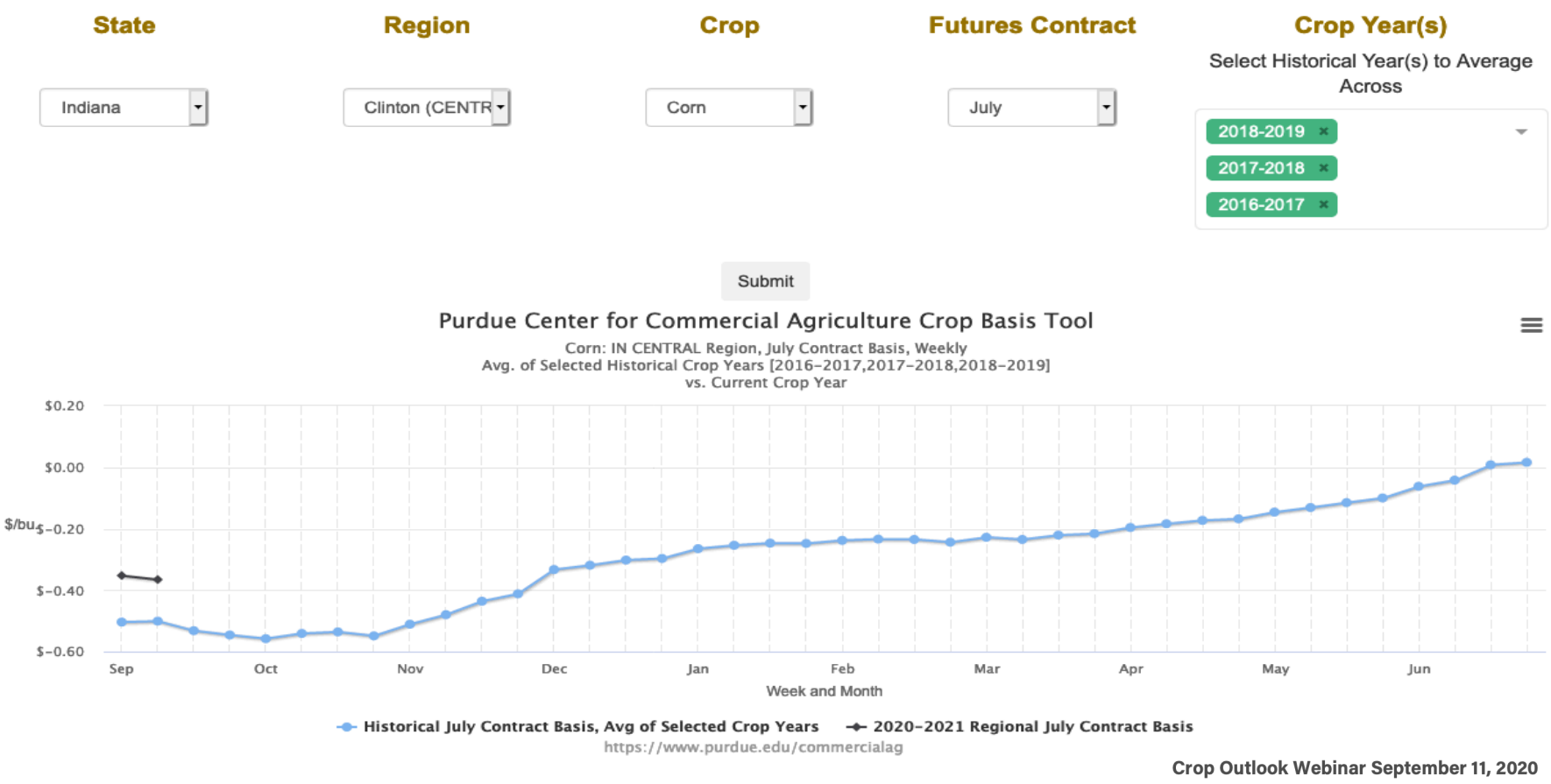
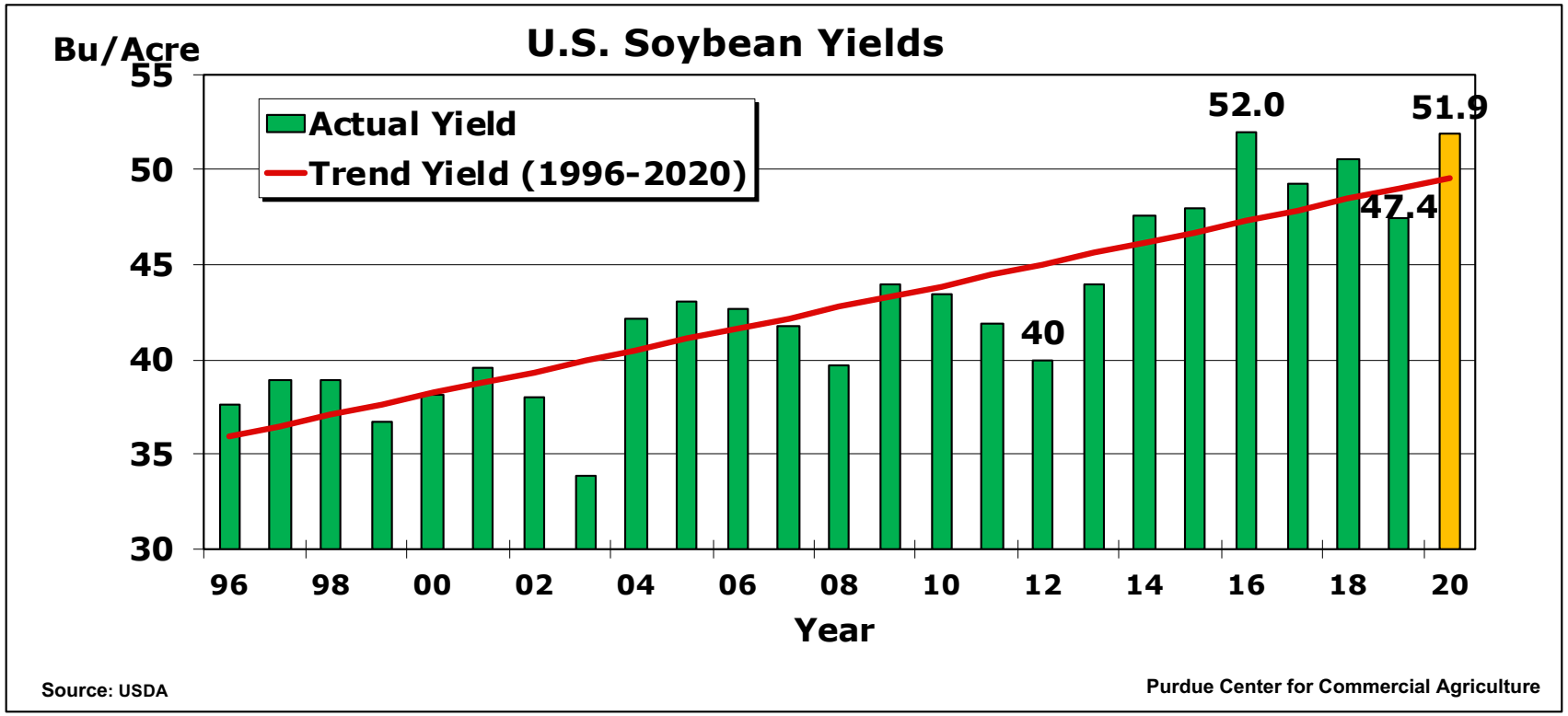
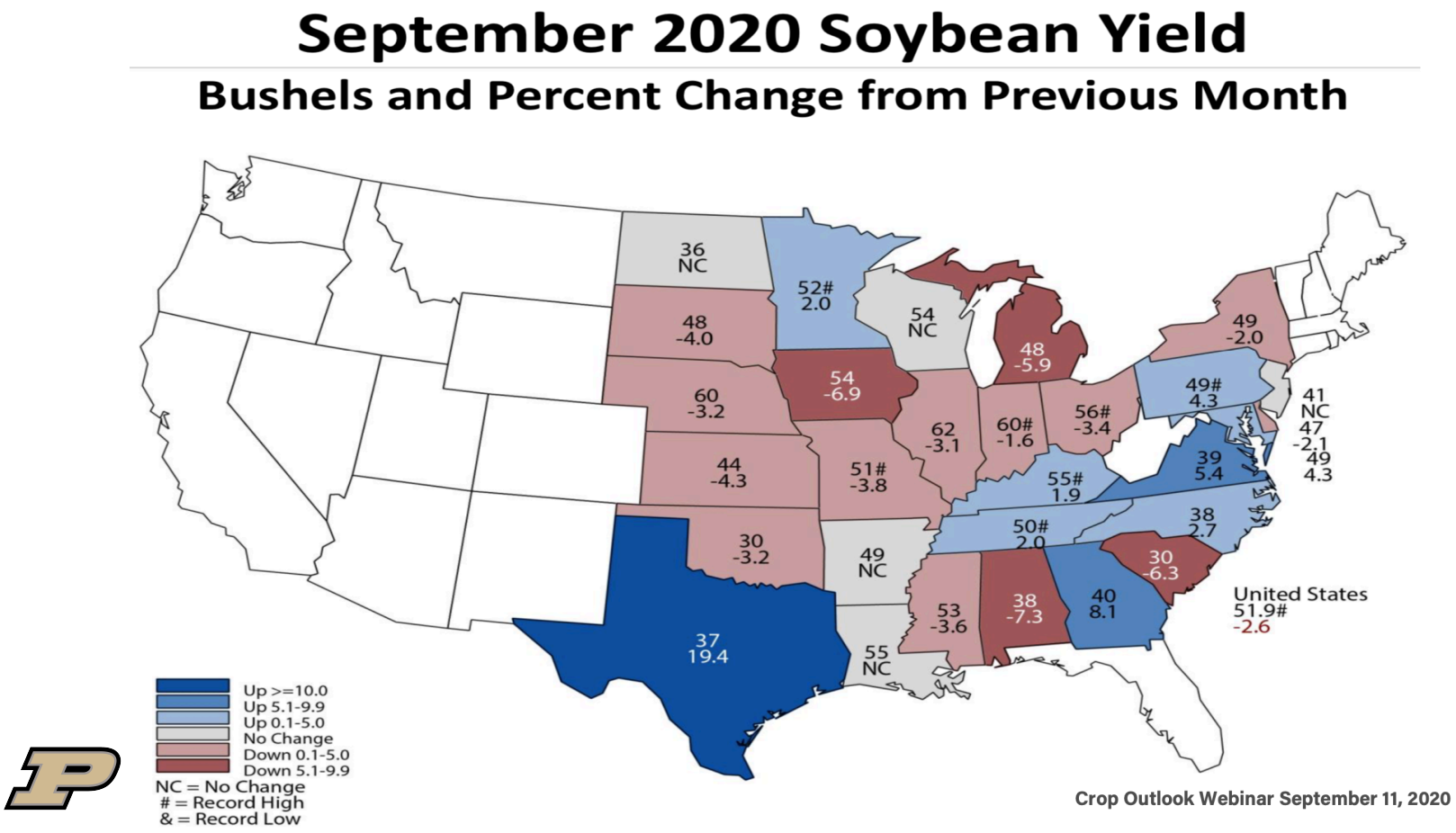
E. Corn Belt Basis This Fall Is Likely to Weaken Into Harvest, But Should Strengthen Seasonally Into Spring



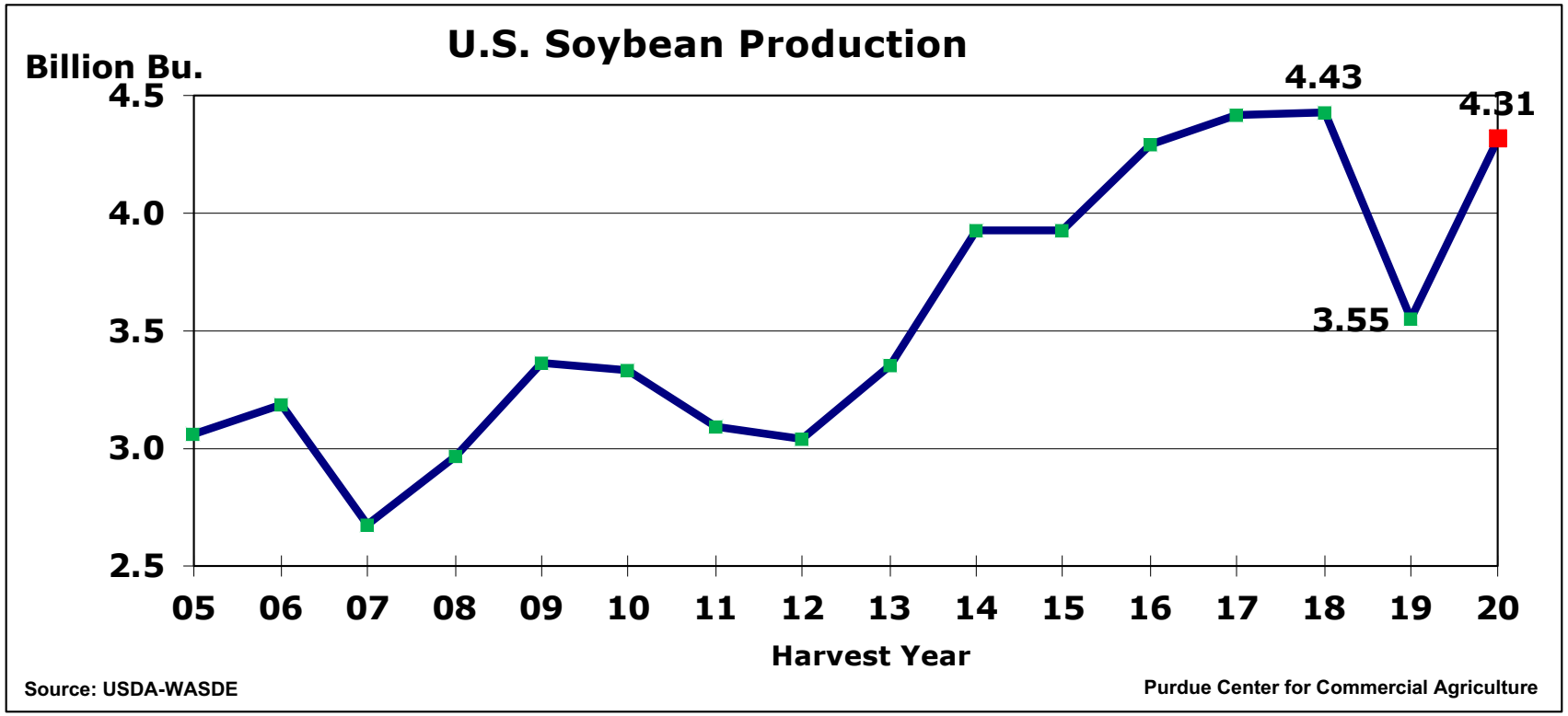
USDA Reduced Soybean Yield Estimate by 1.4 bu/acre Compared to August Estimate



Yield Reductions A Bit More Widespread Than Corn…Iowa Hit Hard, As In Corn



Compared to August Estimate, Production Reduced by 112 Million Bushels



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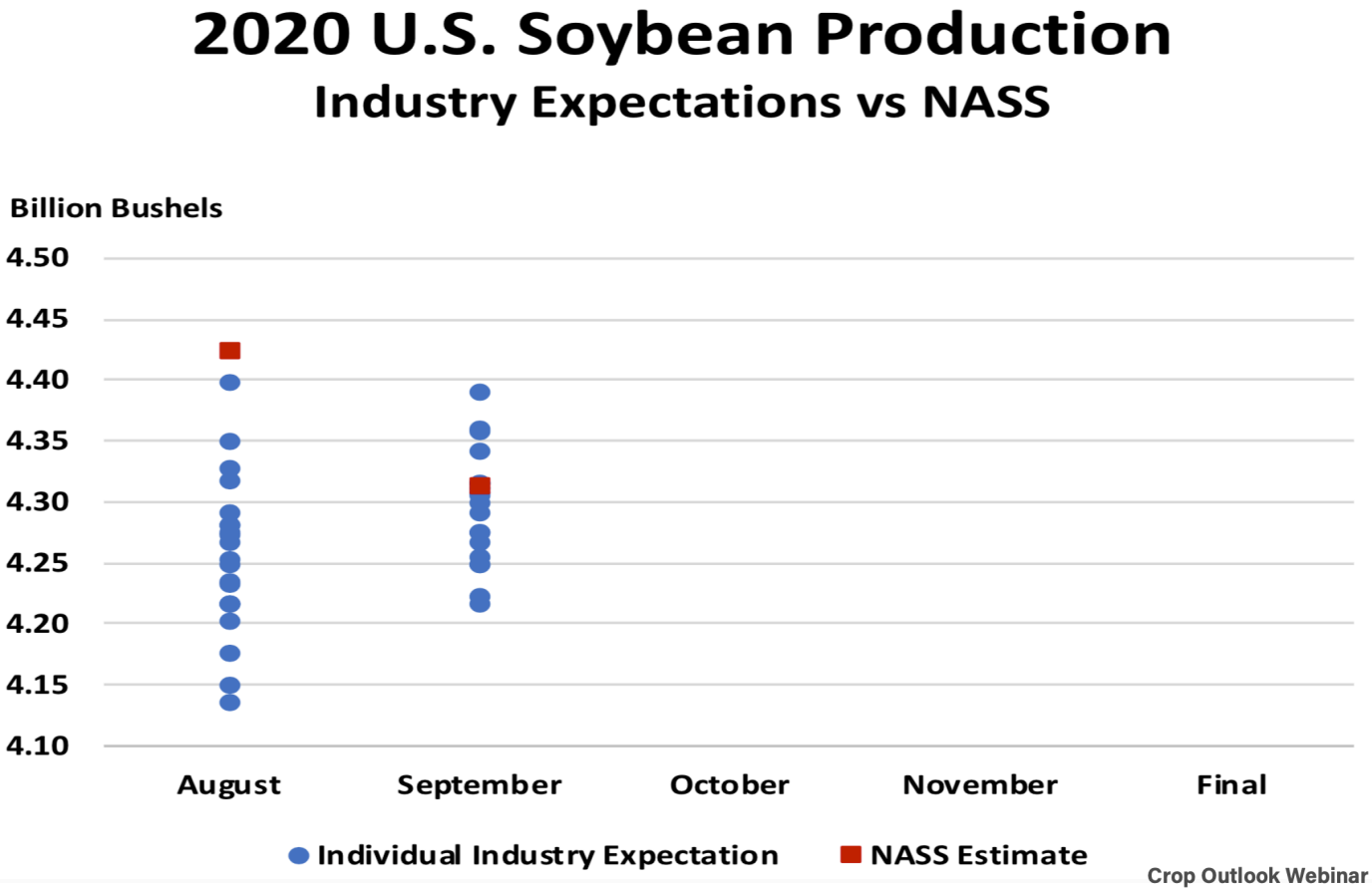
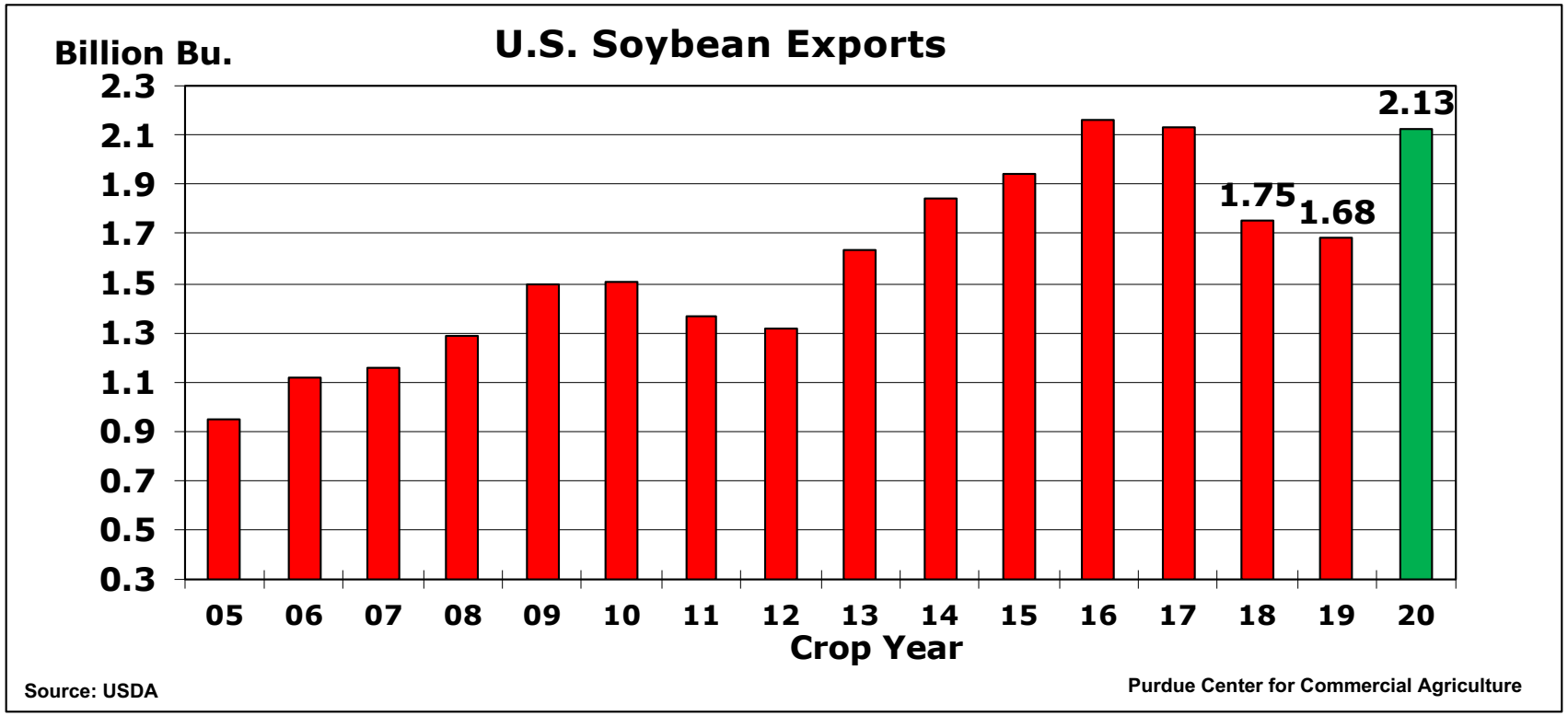
Unlike August, USDA Production Estimate Within Range of Industry Expectations



USDA DID Not Change Export Forecast From August…But the Forecast Was Already 27% Above 2019's Exports



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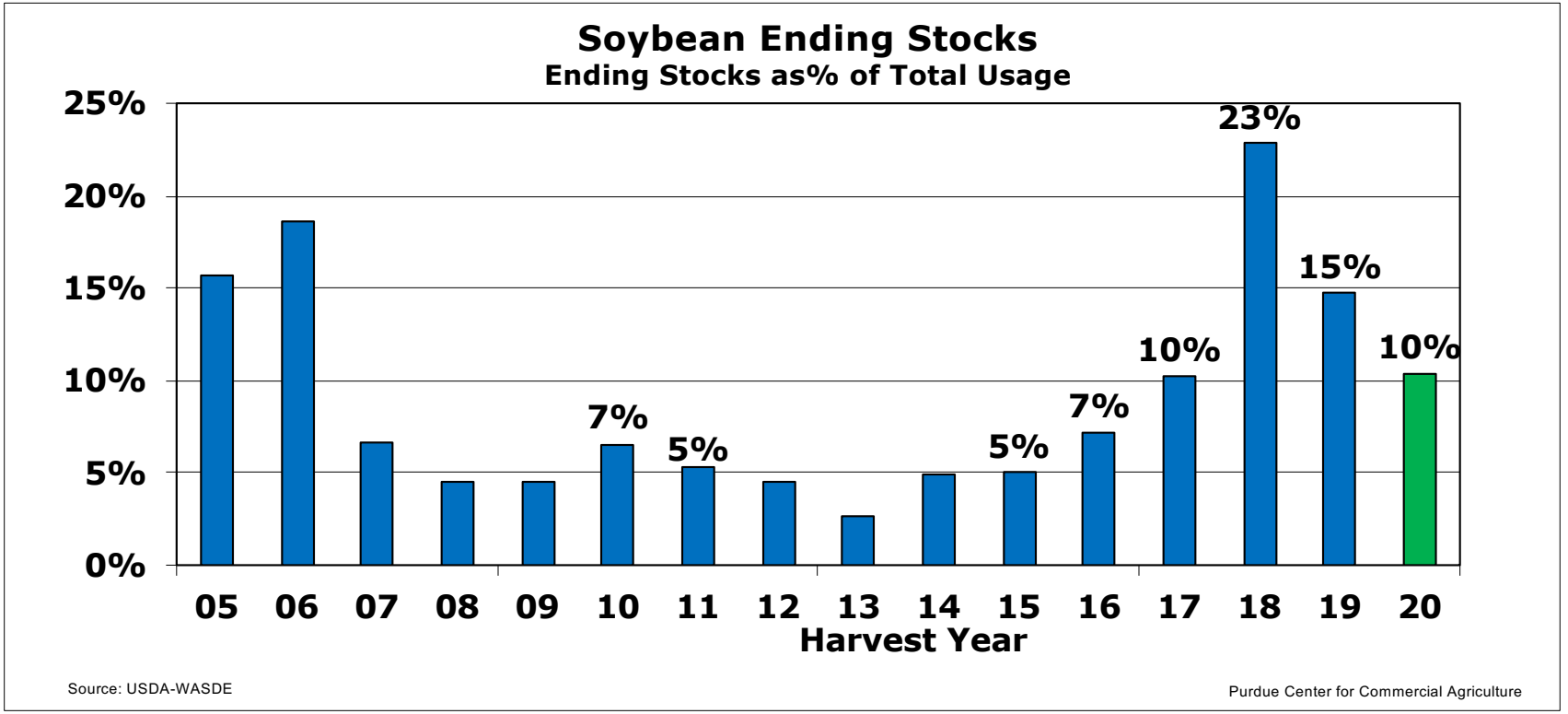
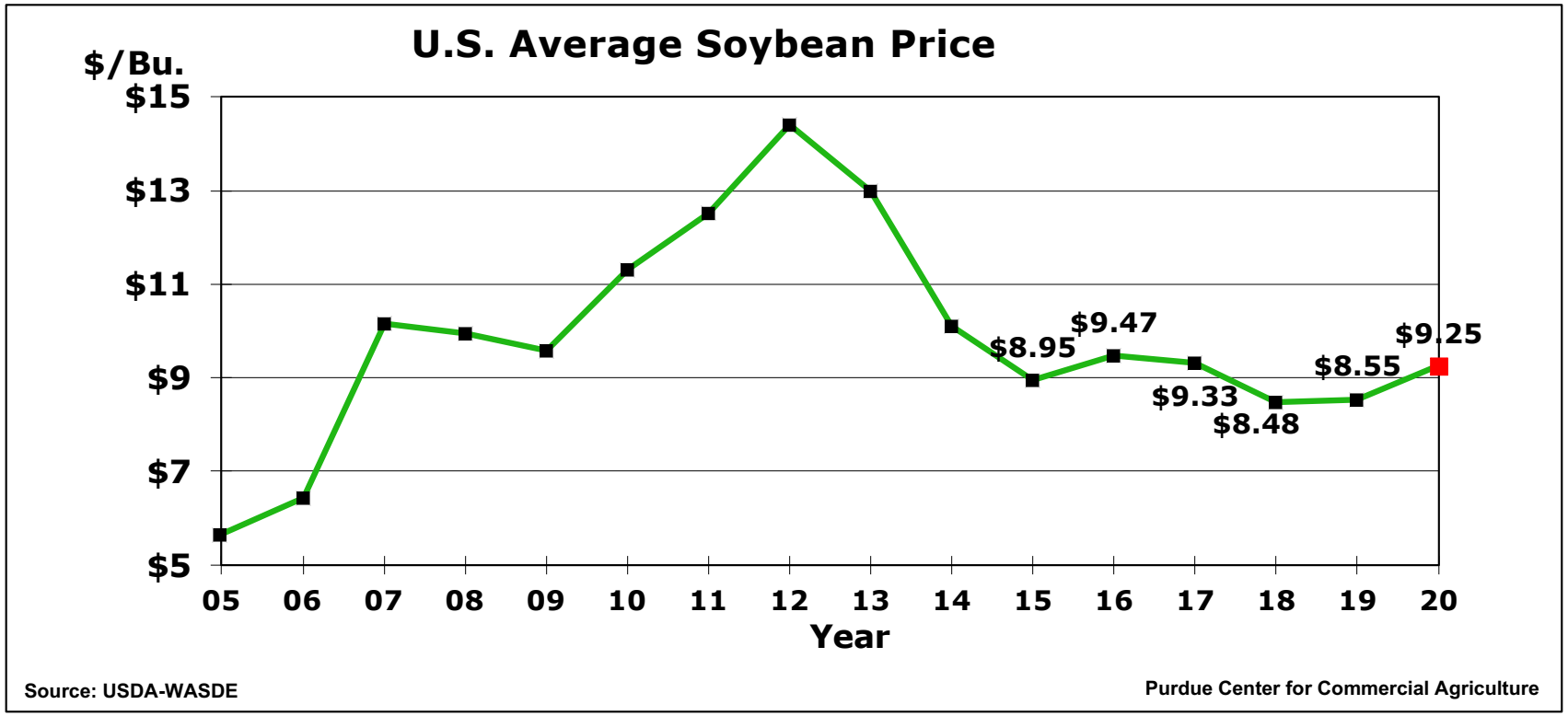
Yield Reduction & Reduced Carryover from 2019 Forecast to Pull Ending Stocks Down to 10% of Usage

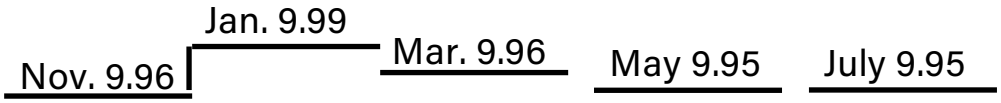


USDA Raised 2020 Their MYA Price Forecast by 90 cents/bu. Compared to August



Futures Not Providing Any Storage Incentive…But Look for Spreads To Widen Into Late Harvest

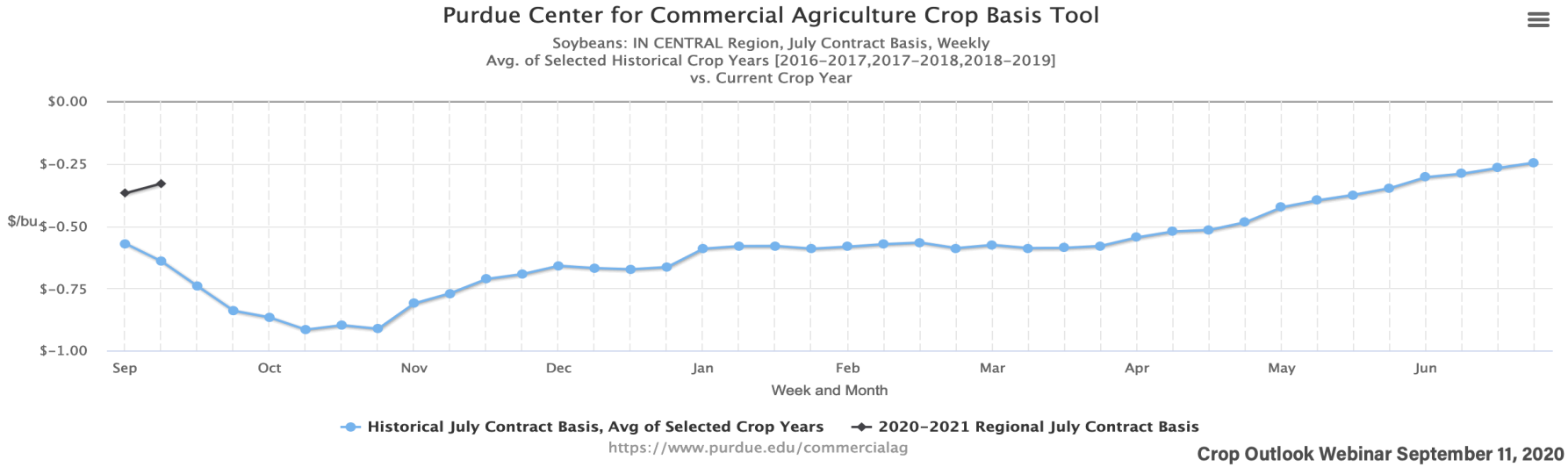
This Afternoon's Soybean Futures Market Pricing Structure



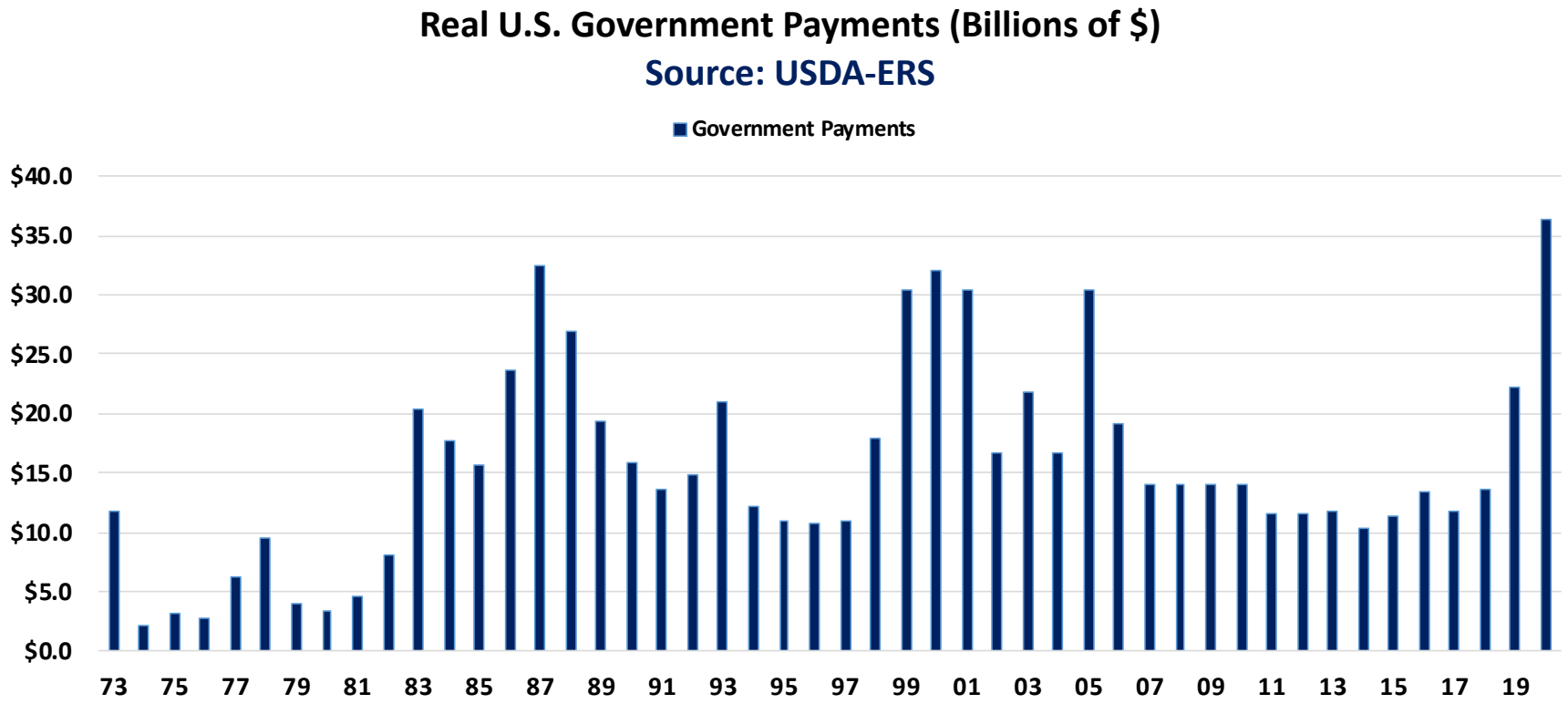
Basis Strong Now, But Likely to Weaken At Harvest Before Recovering Into Spring

State Indiana | **Region** Clinton (CENTR | **Crop** Soybeans | **Futures Contract** July | **Crop Year(s)** Select Historical Year(s) to Average Across: 2018-2019, 2017-2018, 2016-2017

Submit



2020 Government Payments are Historically High



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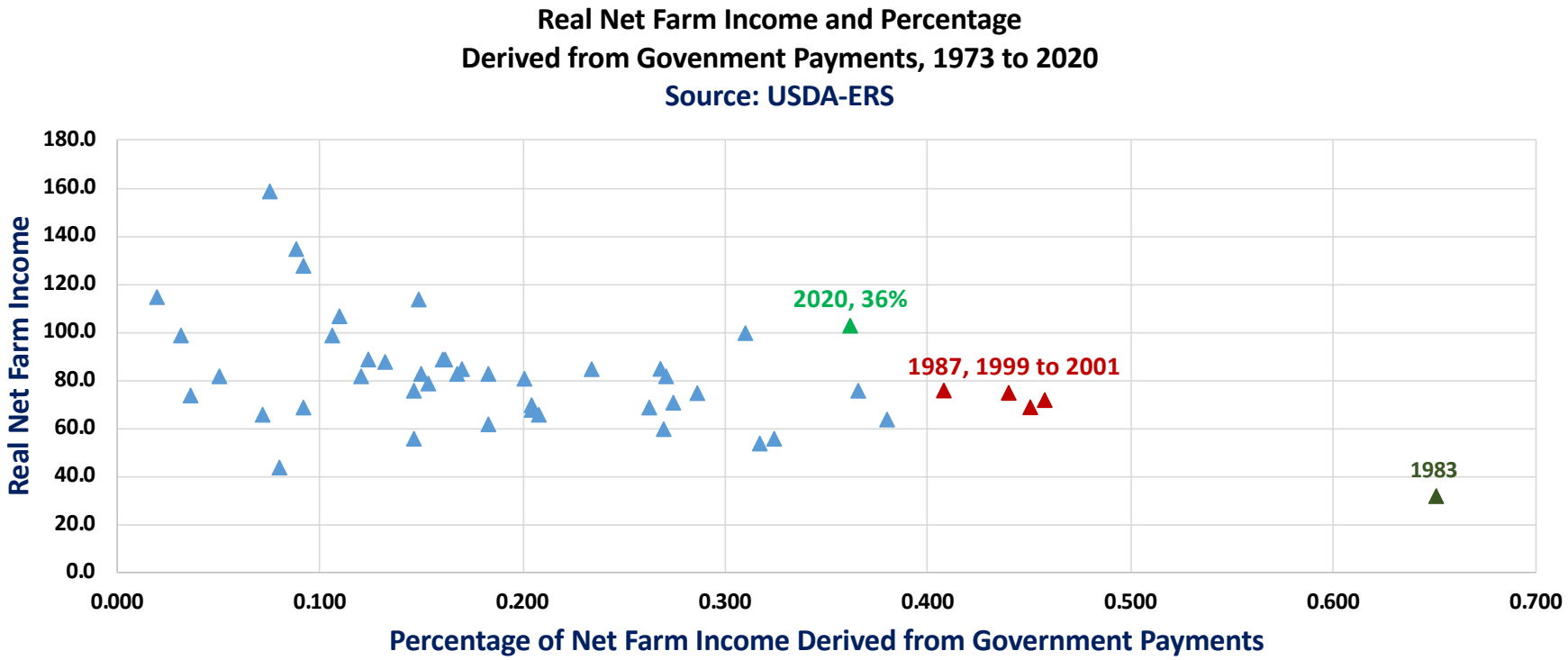
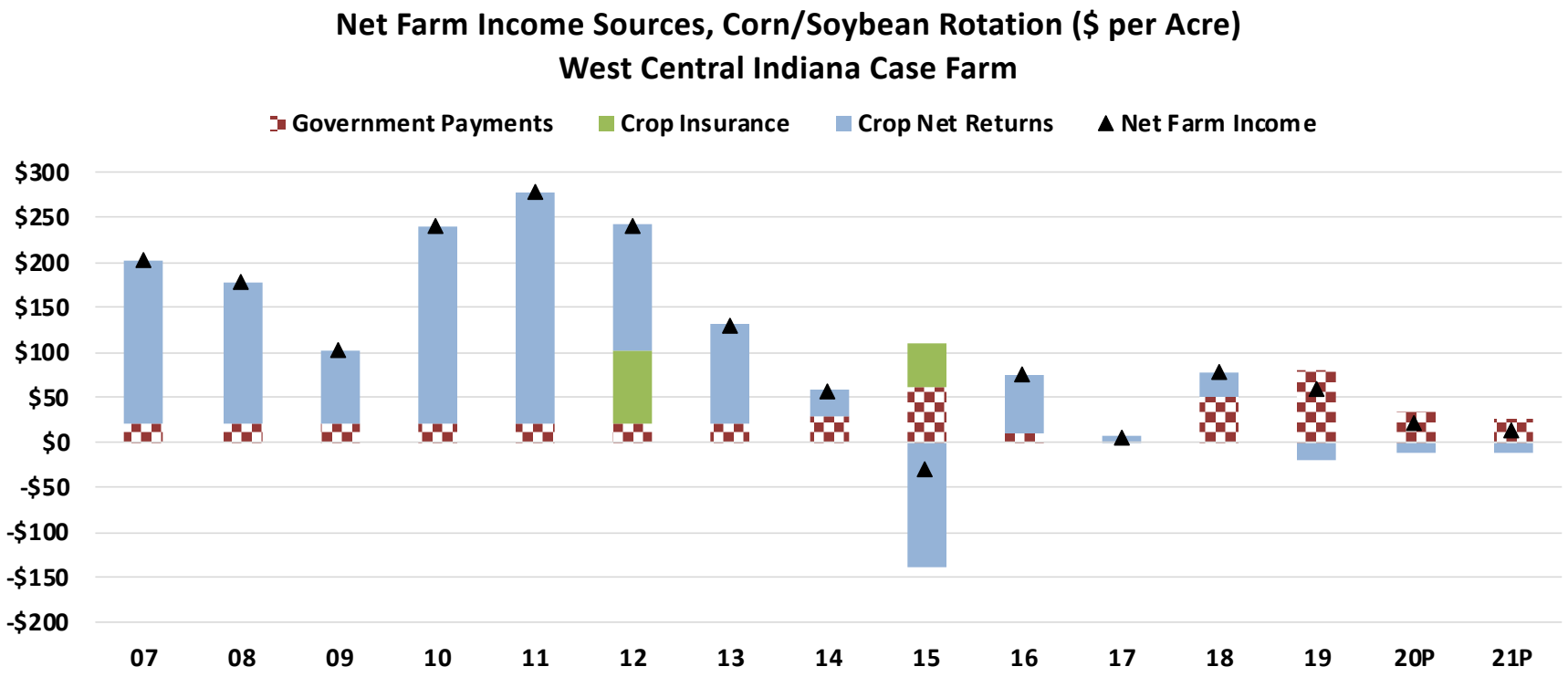
2020 Government Payments Are a Large Percentage of U.S. Net Farm Income



Even with the Recent Increases in Crop Prices, Net Farm Income per Acre is Still Low



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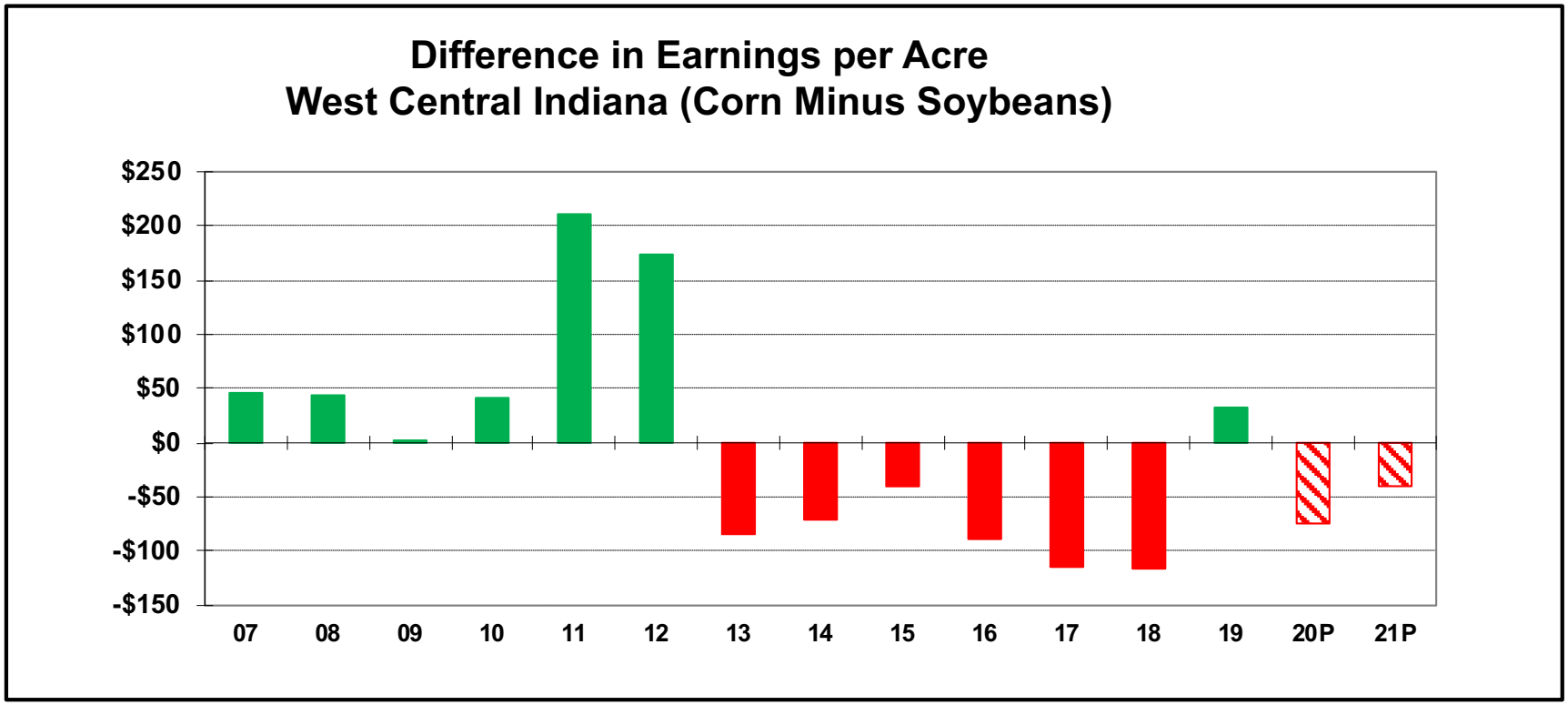
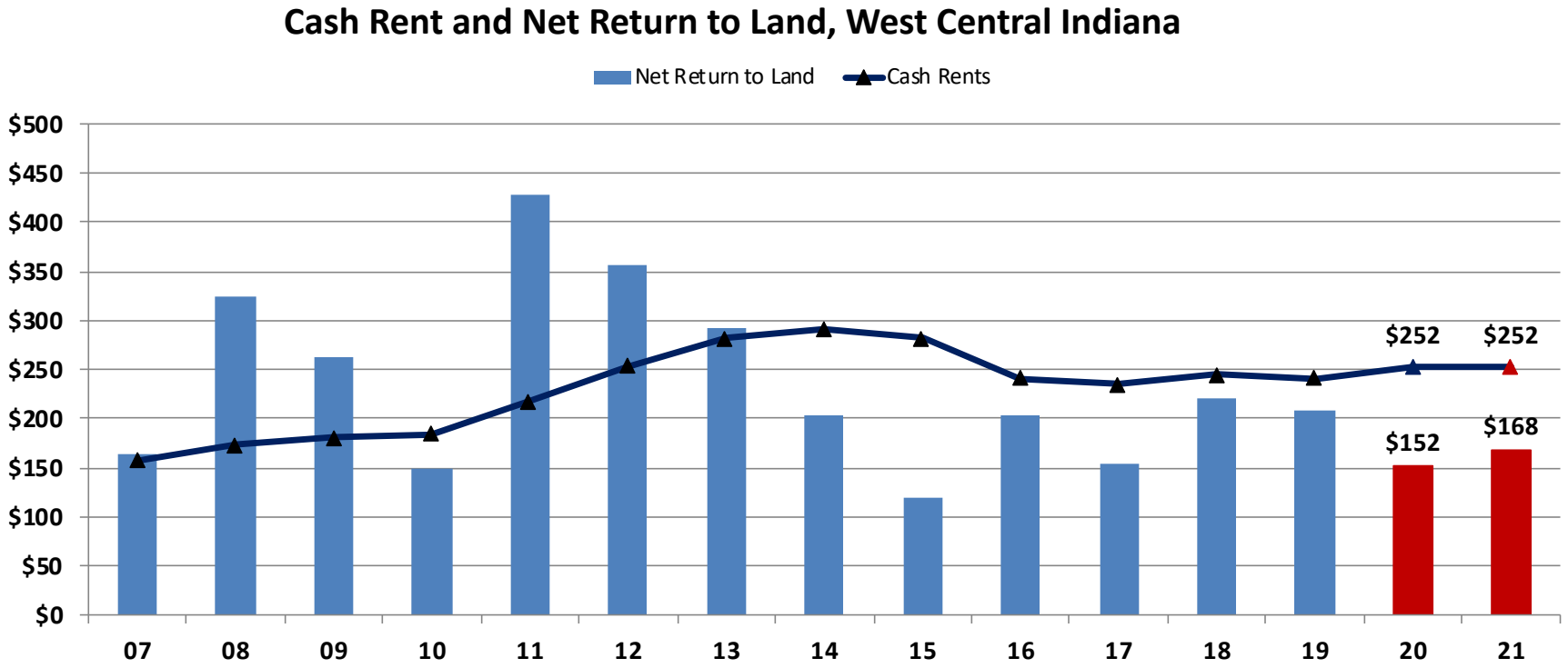
Net Return Prospects for Soybeans Still Look Strong Compared to Corn



2020 Net Returns Expected to Put Downward Pressure on 2021 Cash Rental Rates



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