

CORN & SOYBEAN OUTLOOK UPDATE

AUGUST 12, 2022

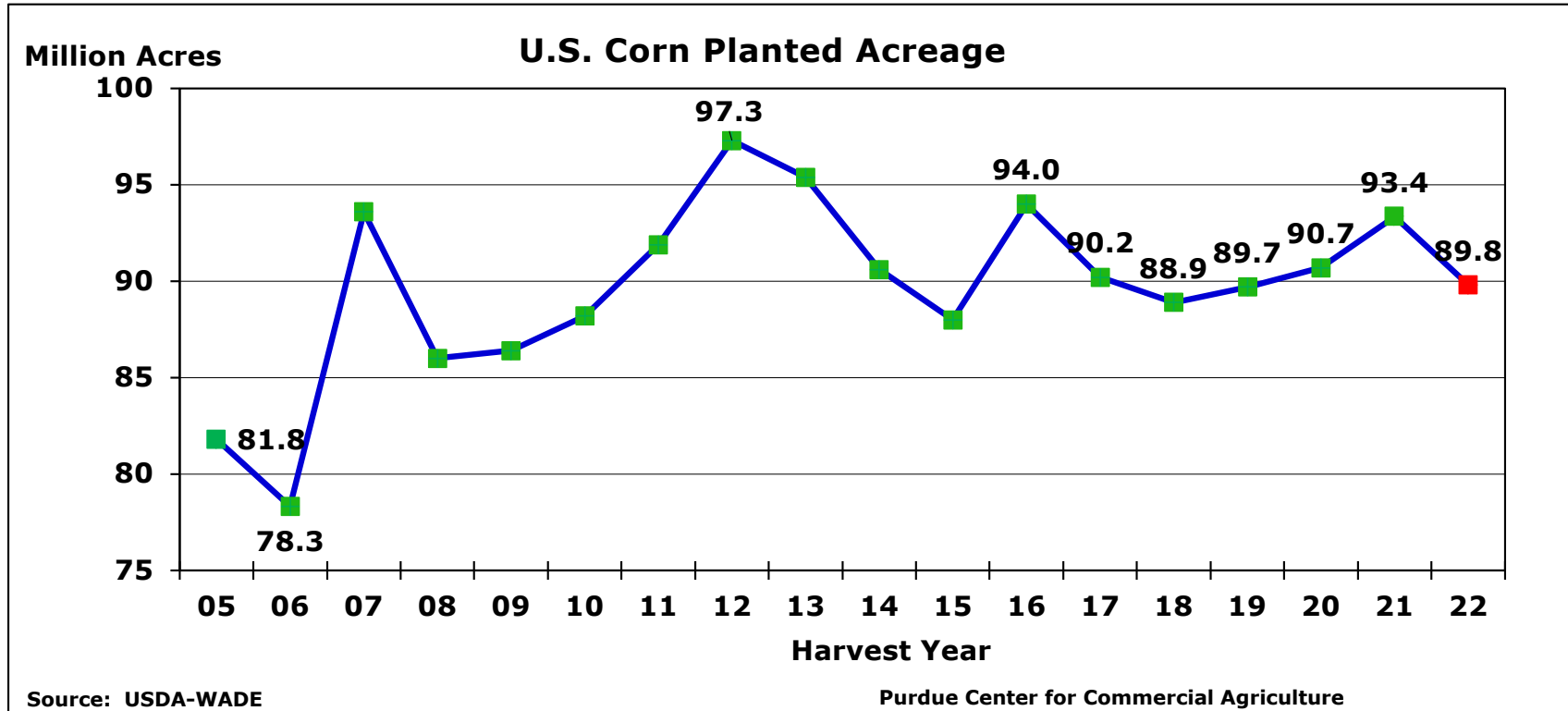
James Mintert, Professor & Director, Center for Commercial Agriculture

Nathan Thompson, Associate Professor, Department of Agricultural Economics



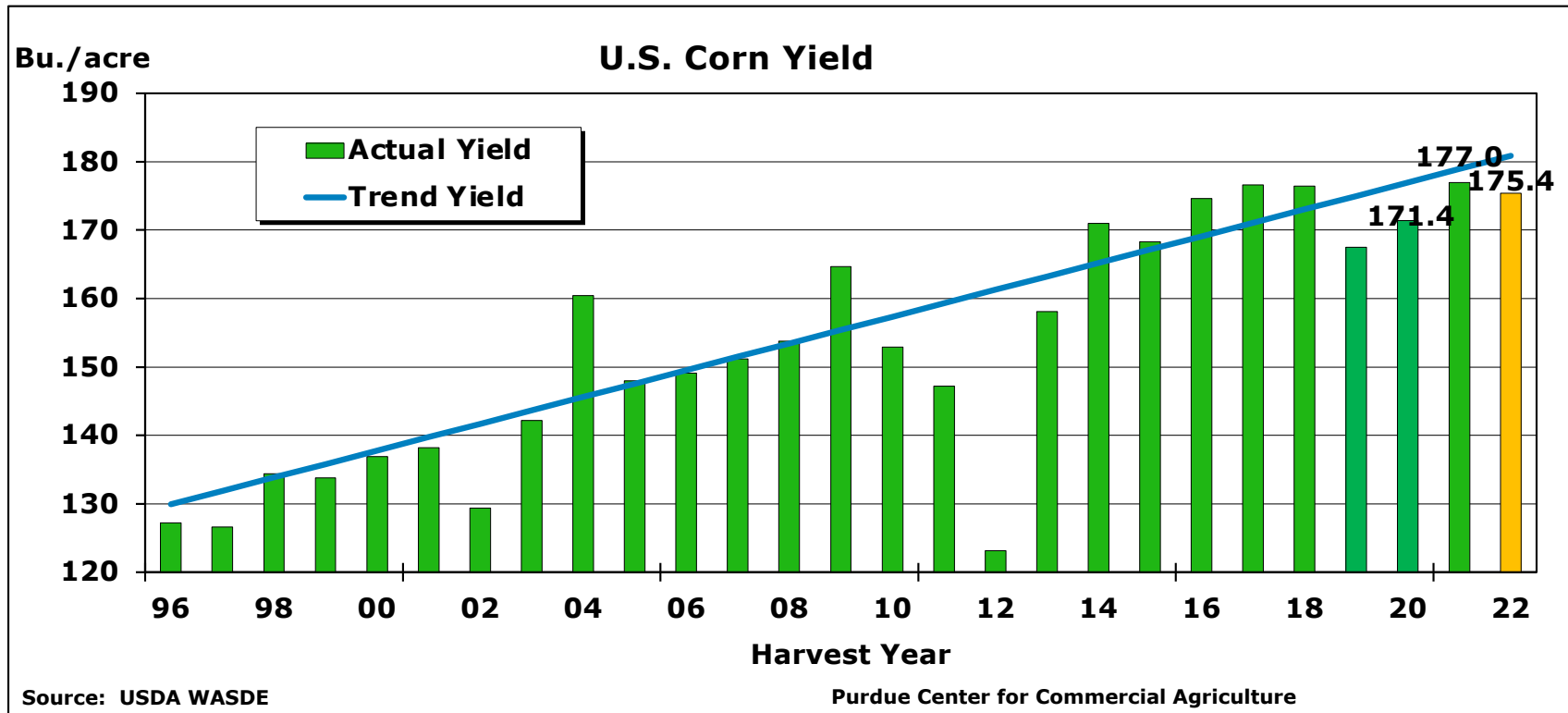
Center for Commercial Agriculture

Reduced Corn Acreage By 0.1 Million Acres

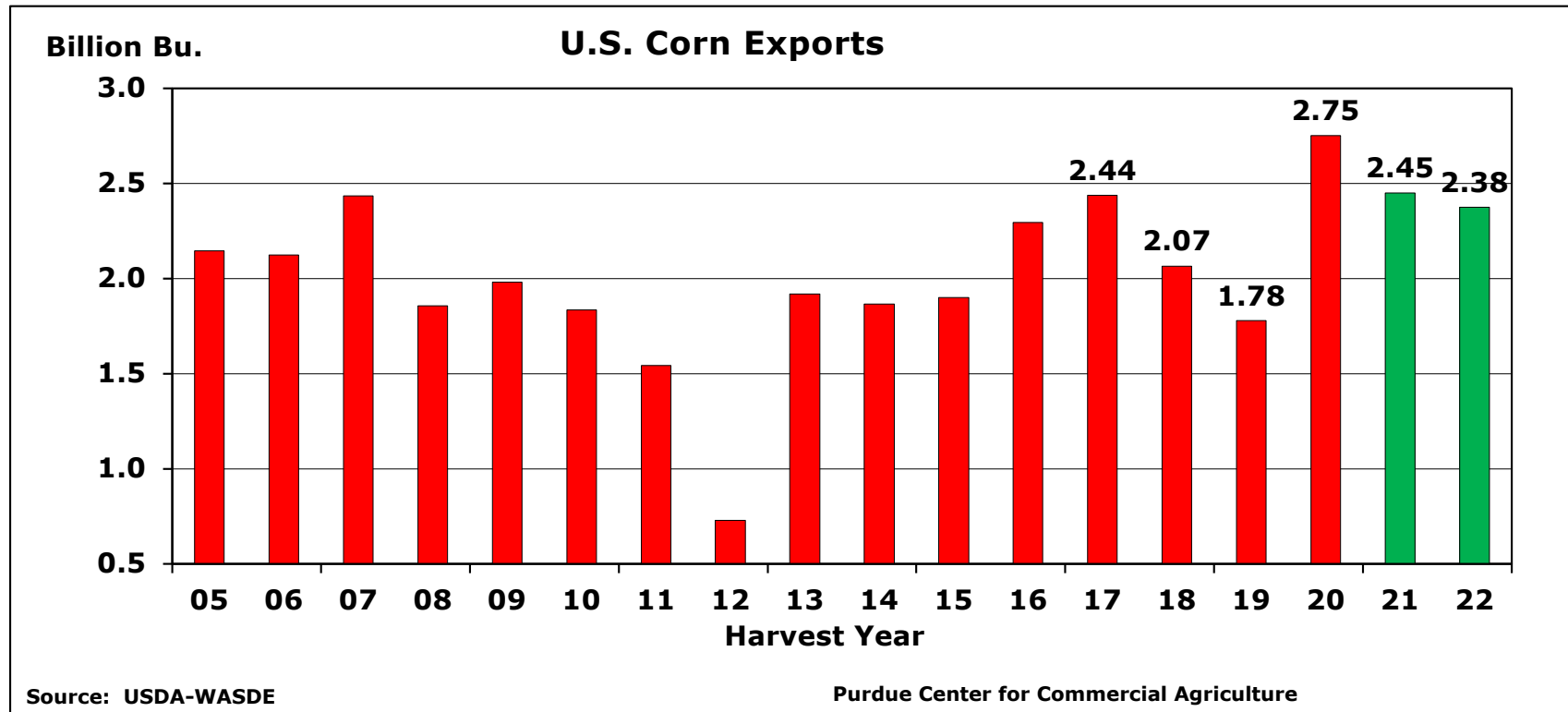


Center for Commercial Agriculture

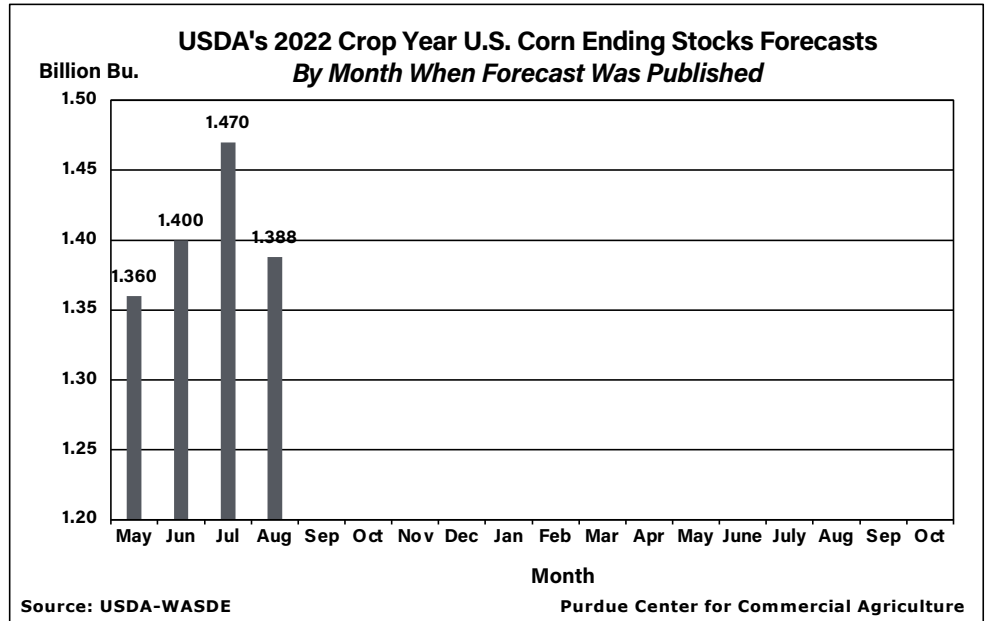
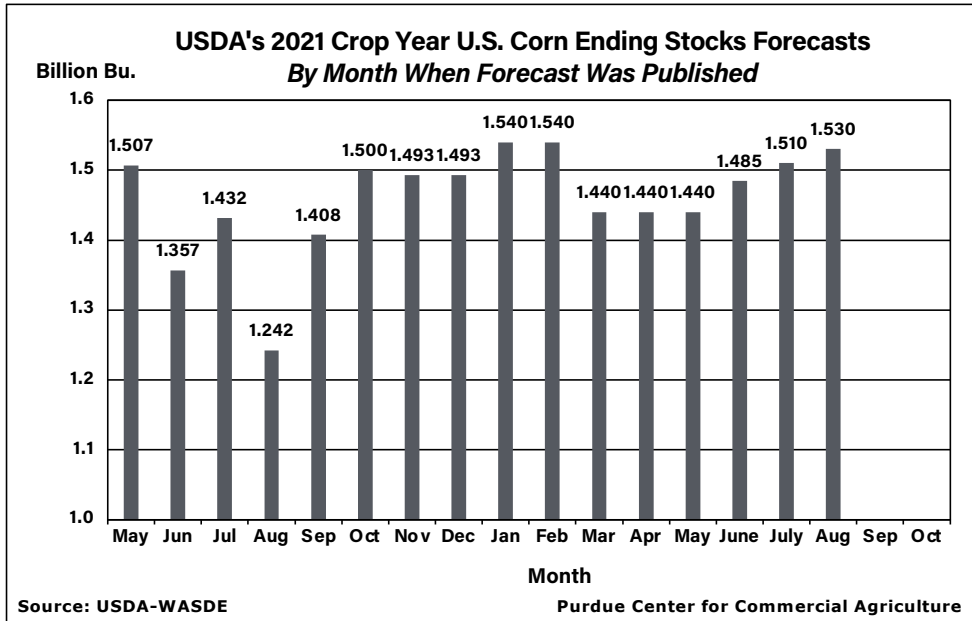
USDA Reduced Corn Yield Estimate from 177 to 175.4



Disappointing Corn Exports Led USDA to Reduce '22 Crop Export Forecast by 25 m. bu.

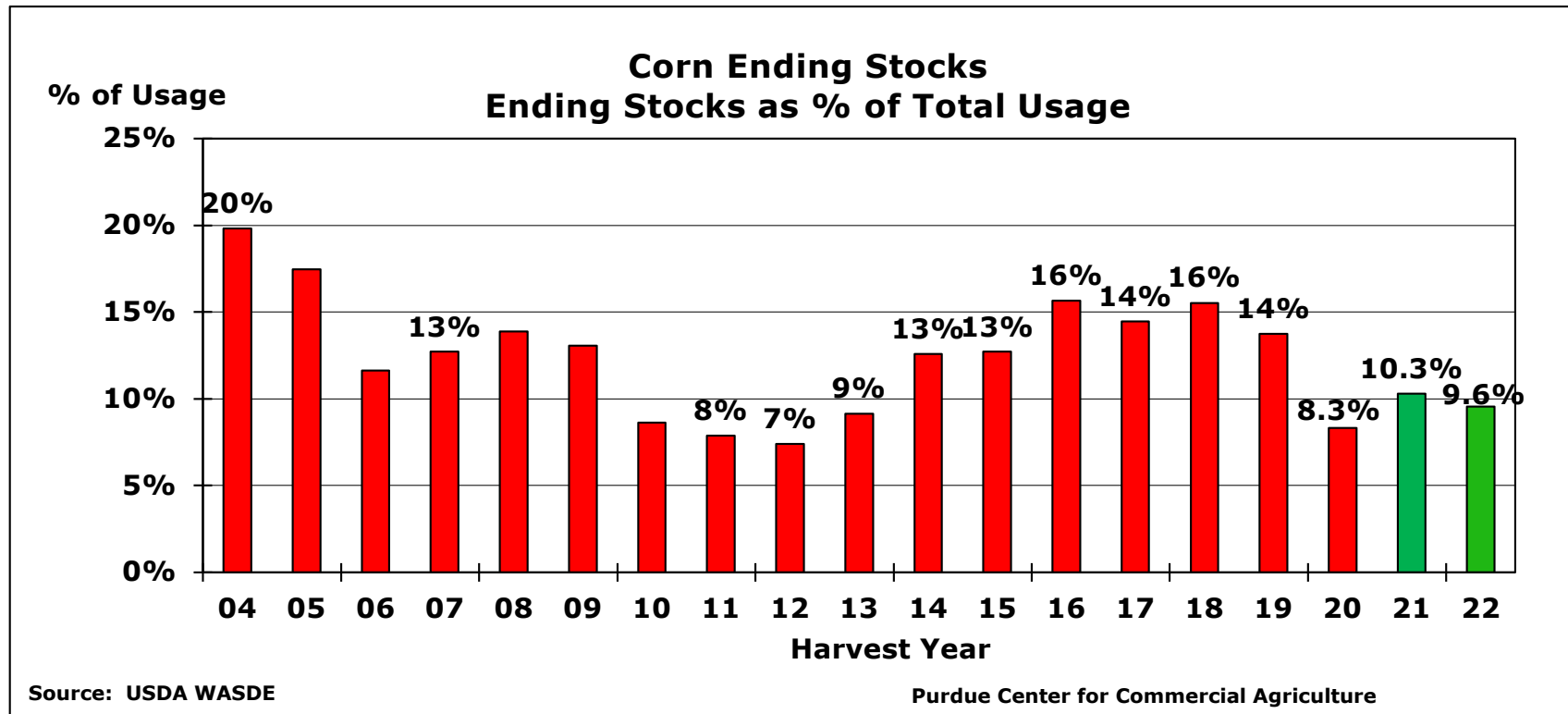


*USDA Has Been Gradually Increasing '21 Crop U.S. Ending Stocks Estimates Since May
But '22 Crop Acreage & Yield Reduction Tighten '22 Crop Ending Stocks*



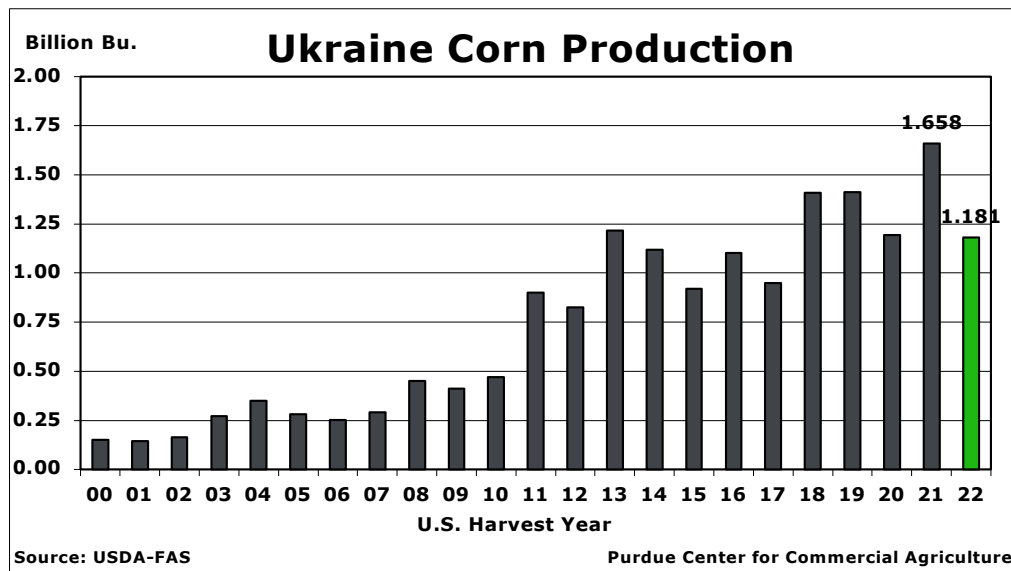
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Projected '22 Ending Stocks Remain Near 10% of Usage



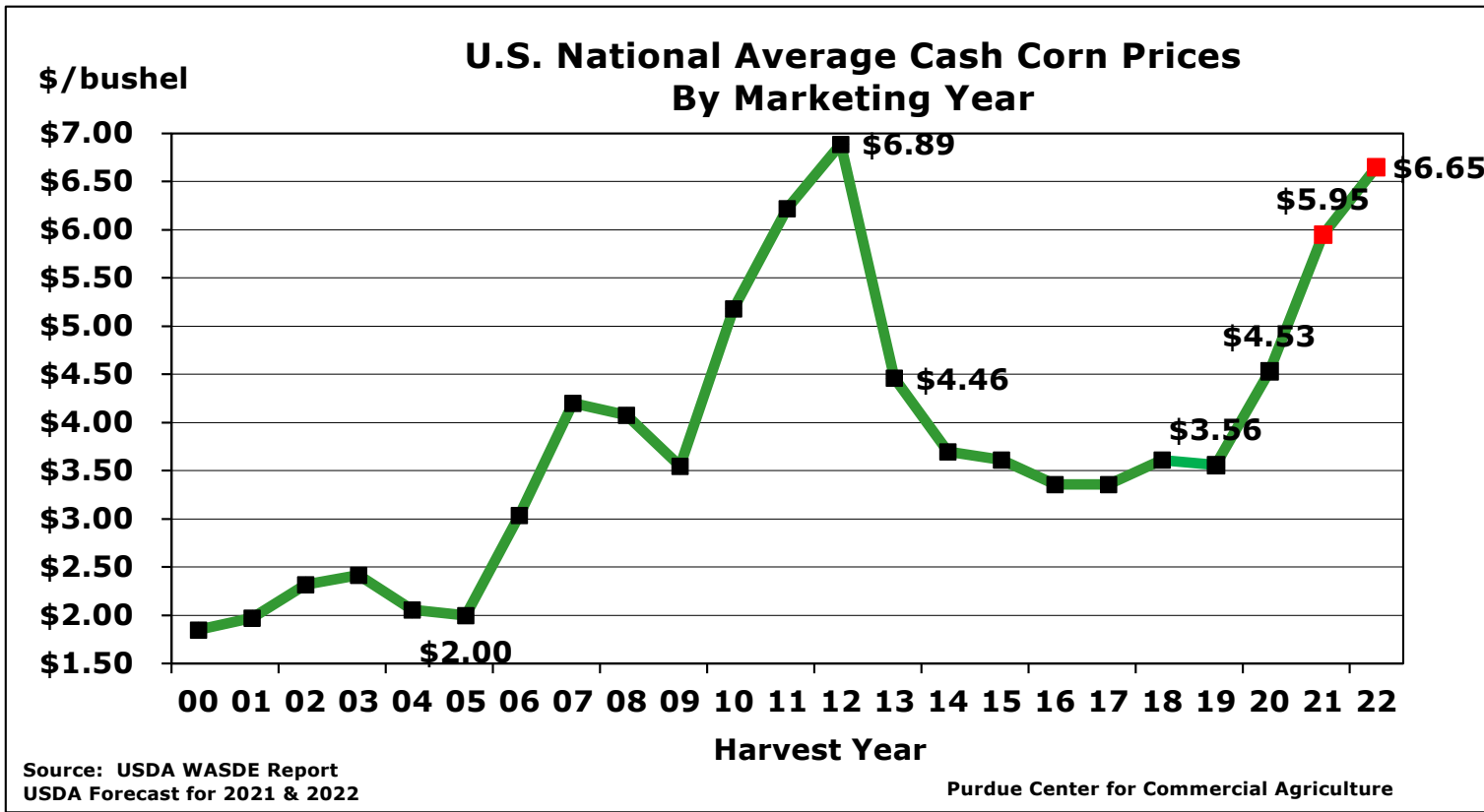
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Compared to July Estimates, USDA Raised Ukraine's '22 Corn Production Estimate 197 Million Bushels



- Exports from Ukraine Also Increased vs. July
 - '21 crop exports raised by 59 million bu.
 - '22 crop exports raised by 138 million bu.
 - Offsetting reduction in EU production of 315 million bu. which led to increasing EU imports by 118 million bu.

No Change in USDA's Marketing Year Average Price Forecasts

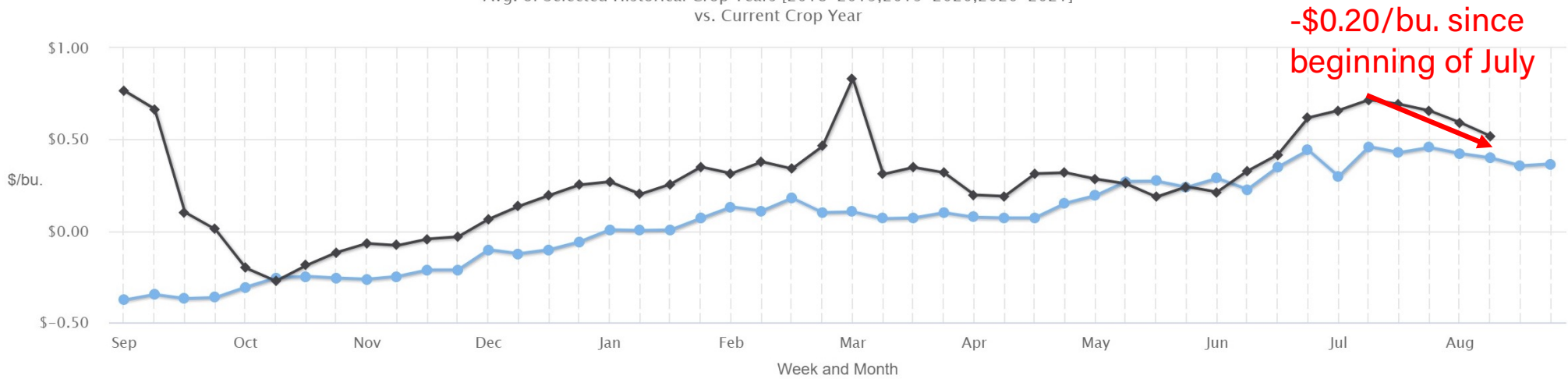


Center for Commercial Agriculture

Corn basis - Central Indiana - 3 year average - September Corn Futures

Purdue Center for Commercial Agriculture Crop Basis Tool

Corn: IN CENTRAL Region, September Contract Basis, Weekly
 Avg. of Selected Historical Crop Years [2018-2019,2019-2020,2020-2021]
 vs. Current Crop Year



◆ Historical September Contract Basis, Avg of Selected Crop Years
 ◆ 2021-2022 Regional September Contract Basis

<https://www.purdue.edu/commercialag>

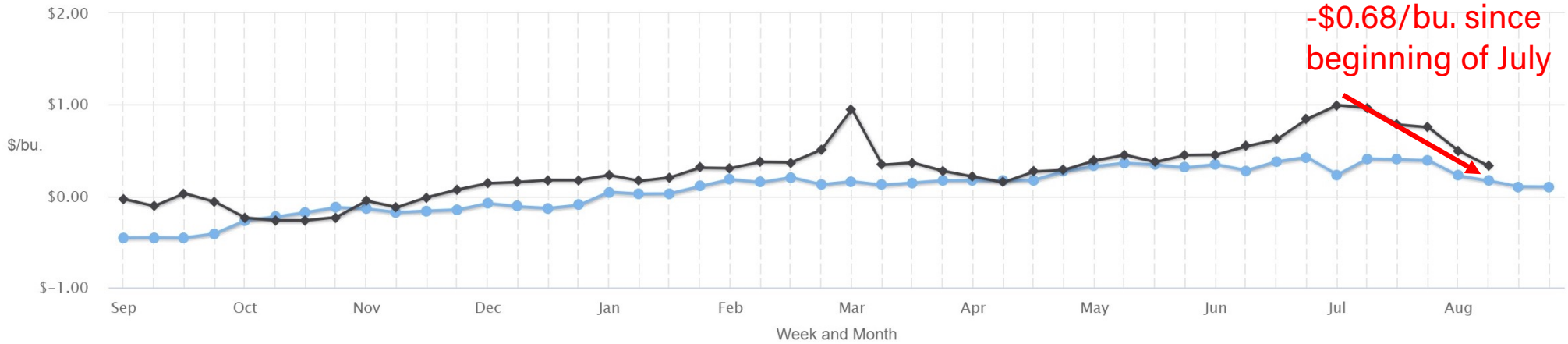


Center for Commercial Agriculture

Corn basis - Southwest Indiana - 3 year average - September Corn Futures

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 Avg. of Selected Historical Crop Years [2018-2019,2019-2020,2020-2021]
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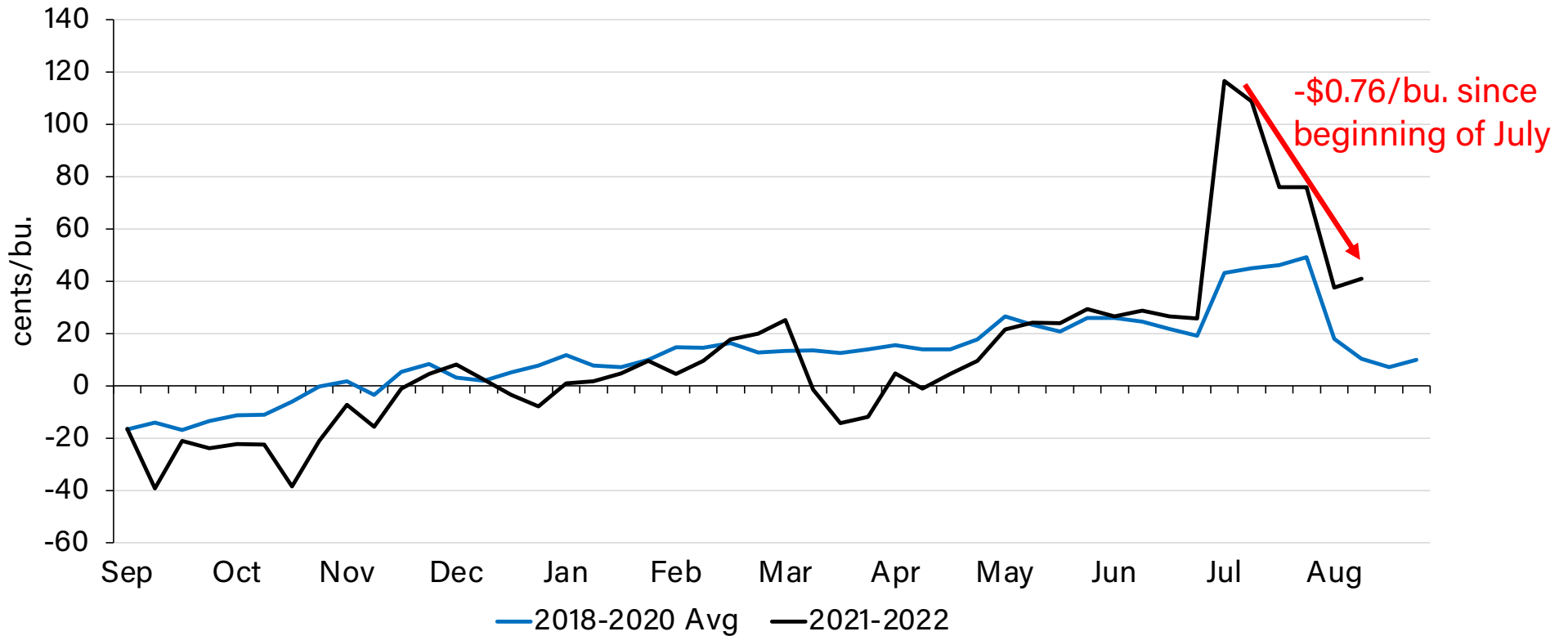
● Historical September Contract Basis, Avg of Selected Crop Years ◆ 2021-2022 Regional September Contract Basis

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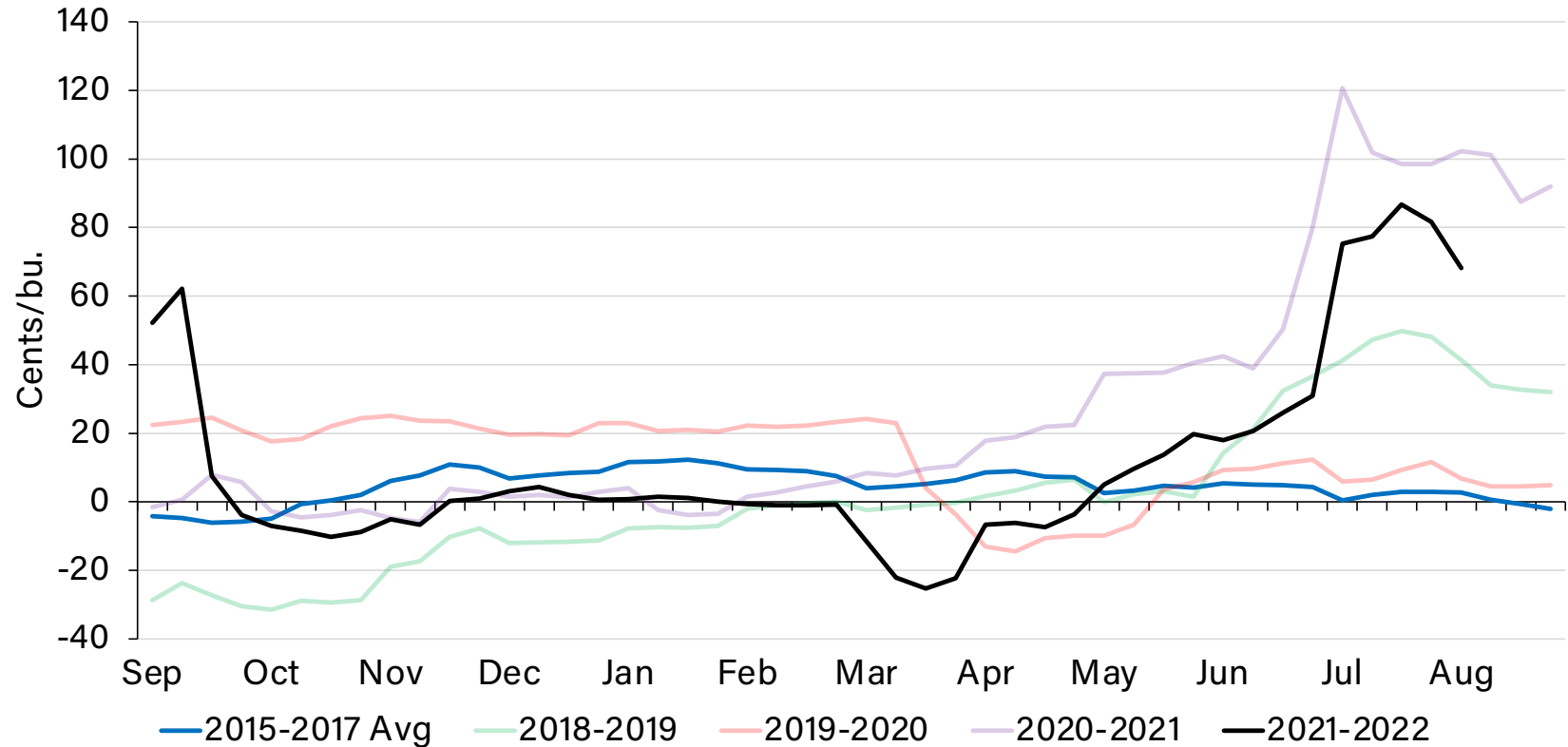


Center for Commercial Agriculture

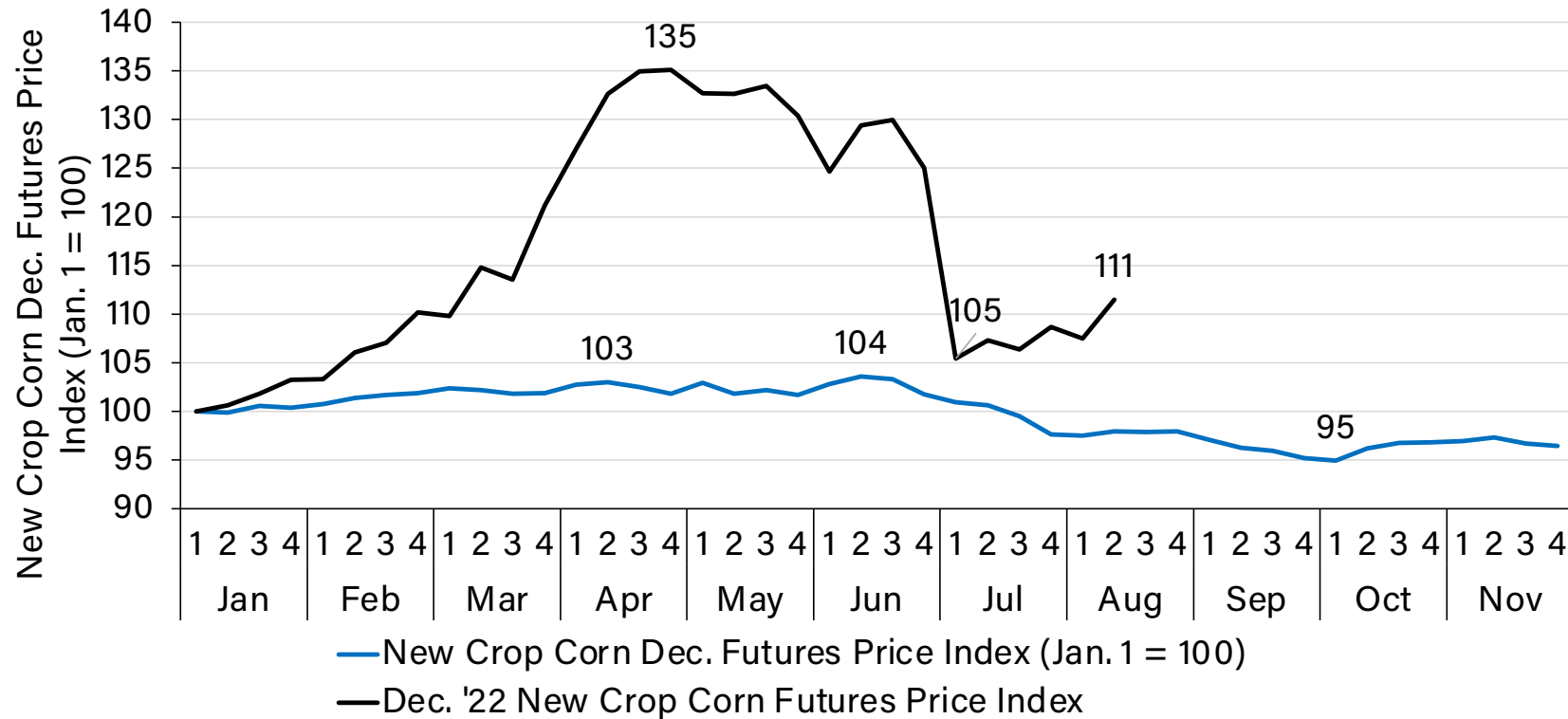
Nearby Corn River Basis-Southern Indiana and Southern Illinois River Terminals



Nearby Indiana ethanol plant basis

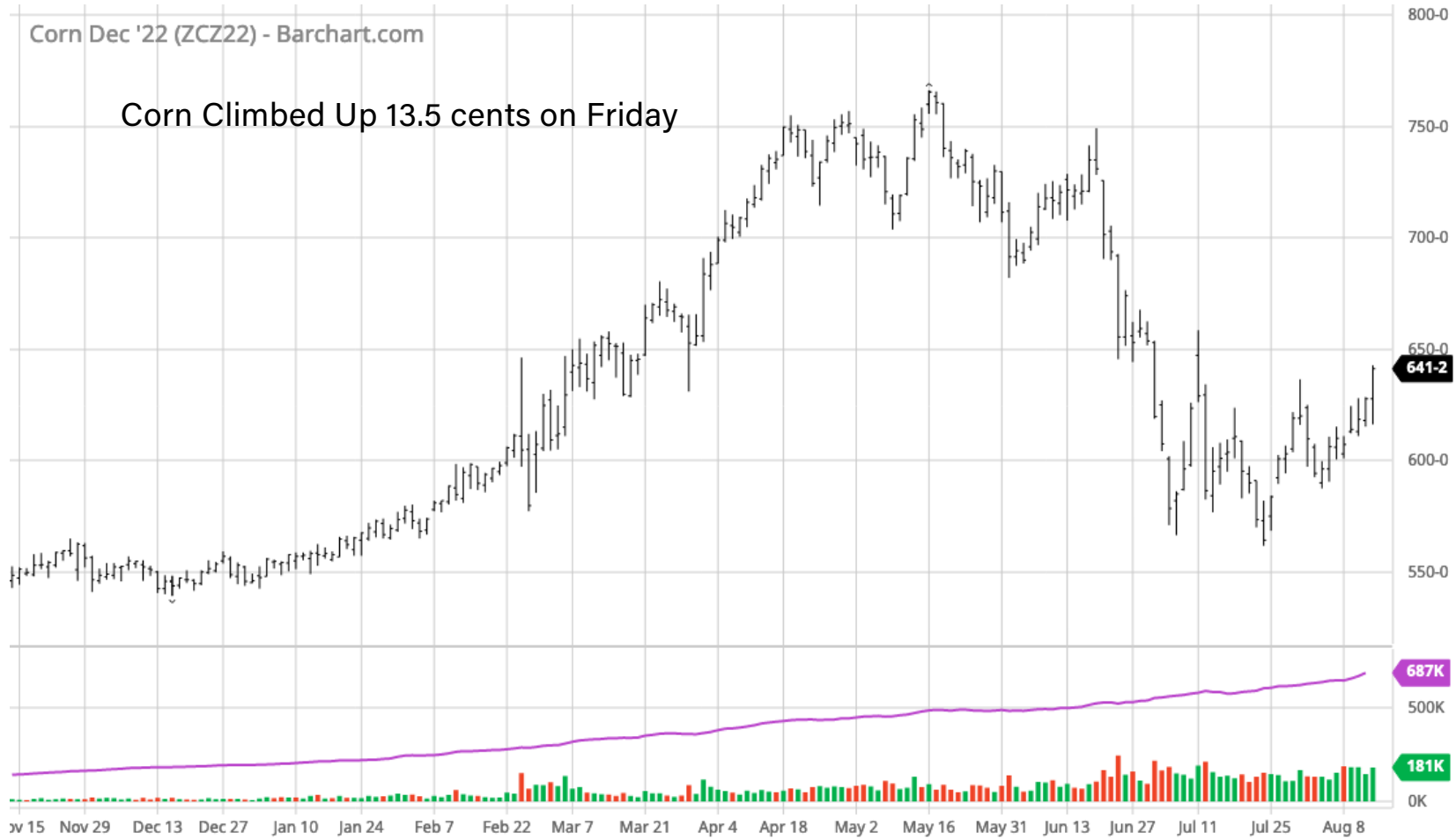


30-Year Average New Crop Corn Dec. Futures Price Index (Jan. 1 = 100), 1990-2021



Corn Dec '22 (ZCZ22) - Barchart.com

Corn Climbed Up 13.5 cents on Friday



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Price at Expiration	Probability Below
\$5.50	22.37%
\$5.75	30.81%
\$6.00	39.99%
\$6.25	49.35%
\$6.50	58.39%
\$6.75	66.69%
\$7.00	73.99%
\$7.25	80.15%
\$7.50	85.18%

December 2022 CBT Corn Futures

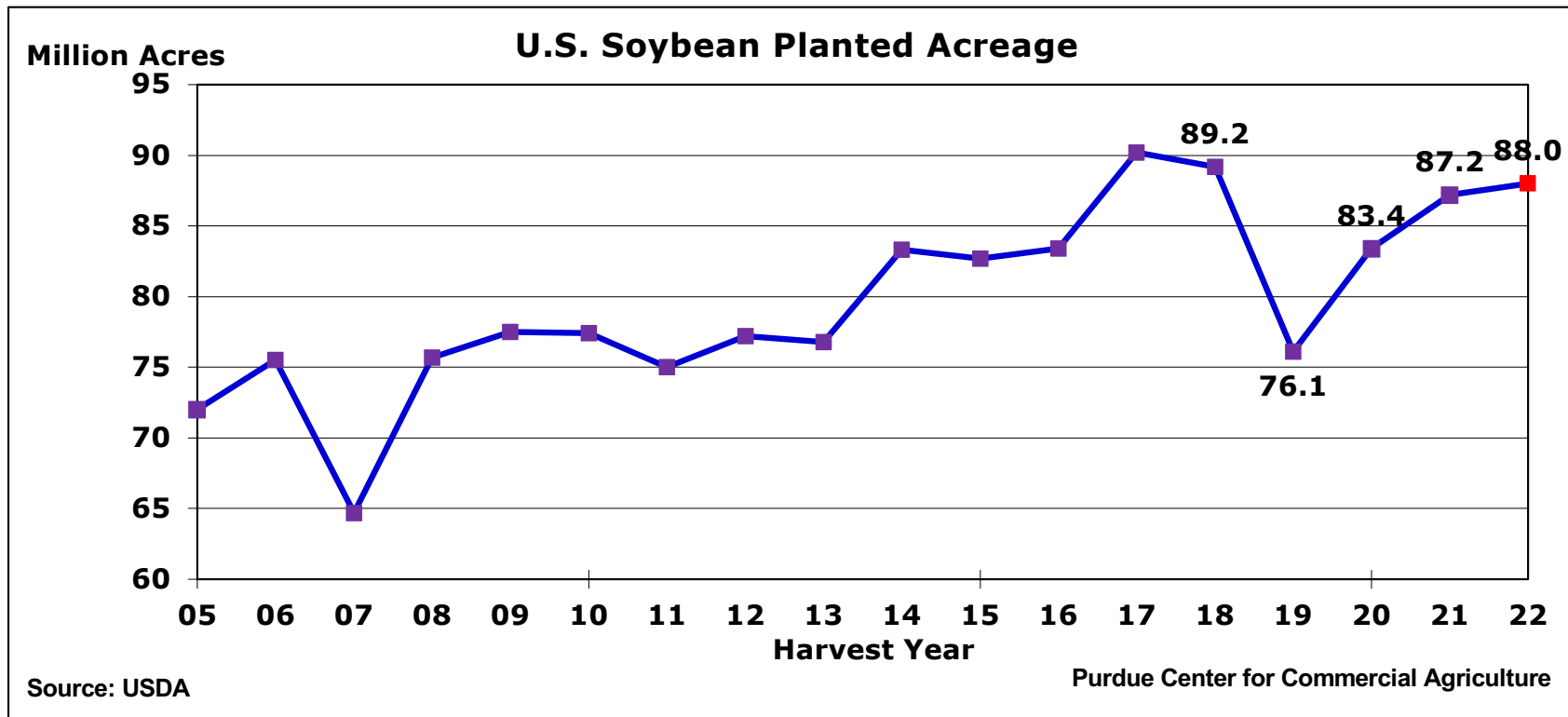


Probability Below	Price at Expiration
5%	\$4.72
15%	\$5.24
25%	\$5.58
35%	\$5.87
45%	\$6.13
50%	\$6.27
55%	\$6.40
65%	\$6.70
75%	\$7.04
85%	\$7.49
95%	\$8.31

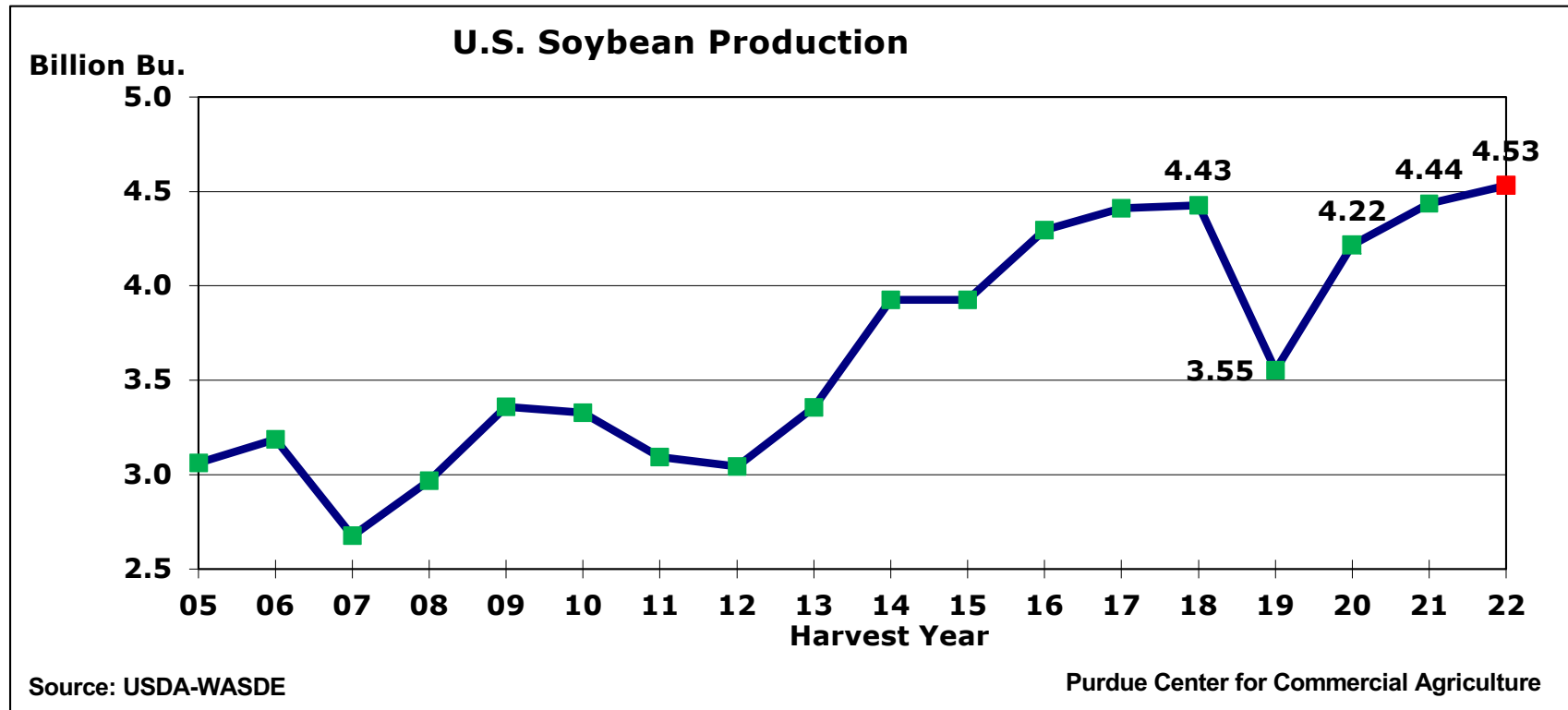
Enter Price to Evaluate: \$ 6.42

The implied distribution indicates that there is a 55.56% probability that the price will be below \$6.42 at expiration.

Soybean Acreage Down 0.3 m. acres vs. July Report, But Yield Up to 51.9 vs. 51.5 in July Report



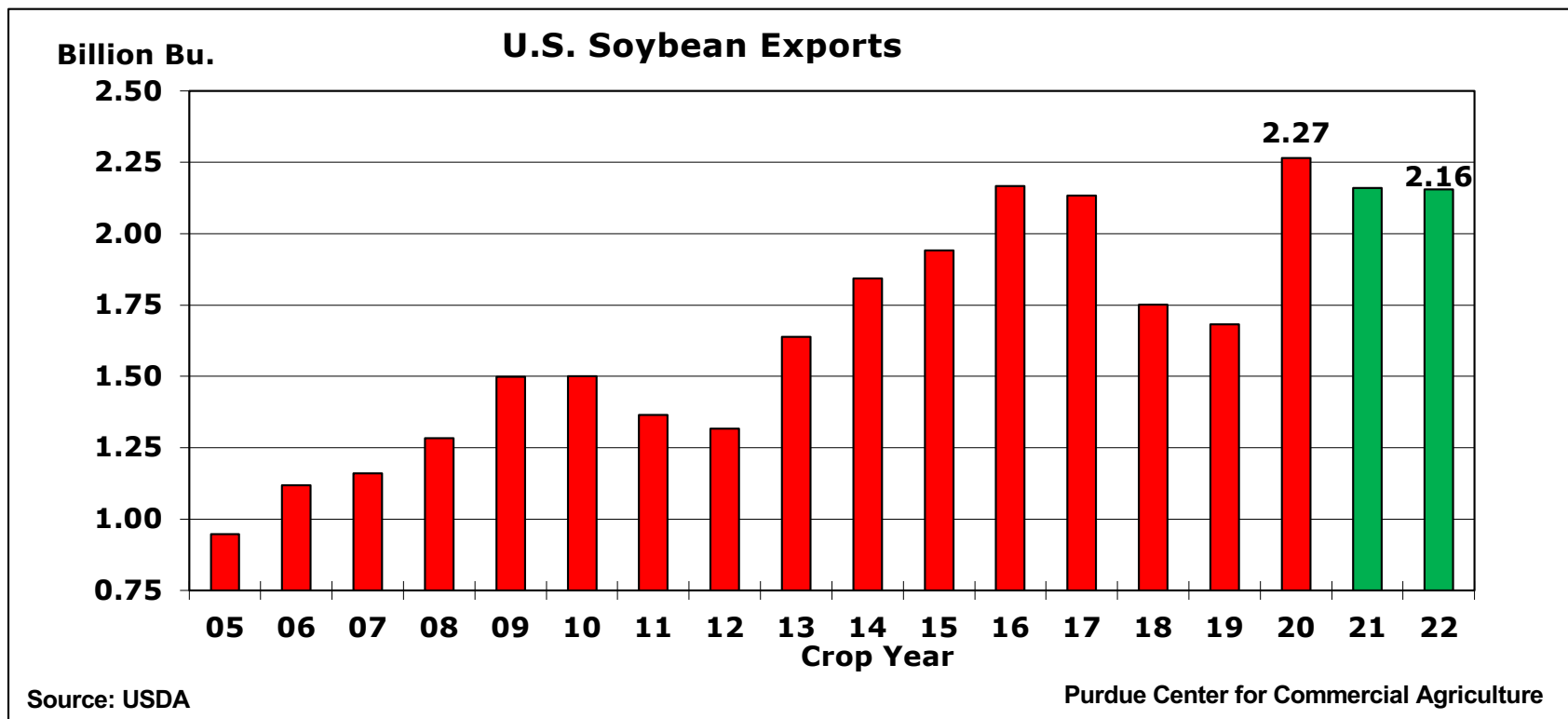
'22 Production Estimate Up to Record High of 4.53 Billion Bu. Vs. 4.51 Billion Bu. On July Report



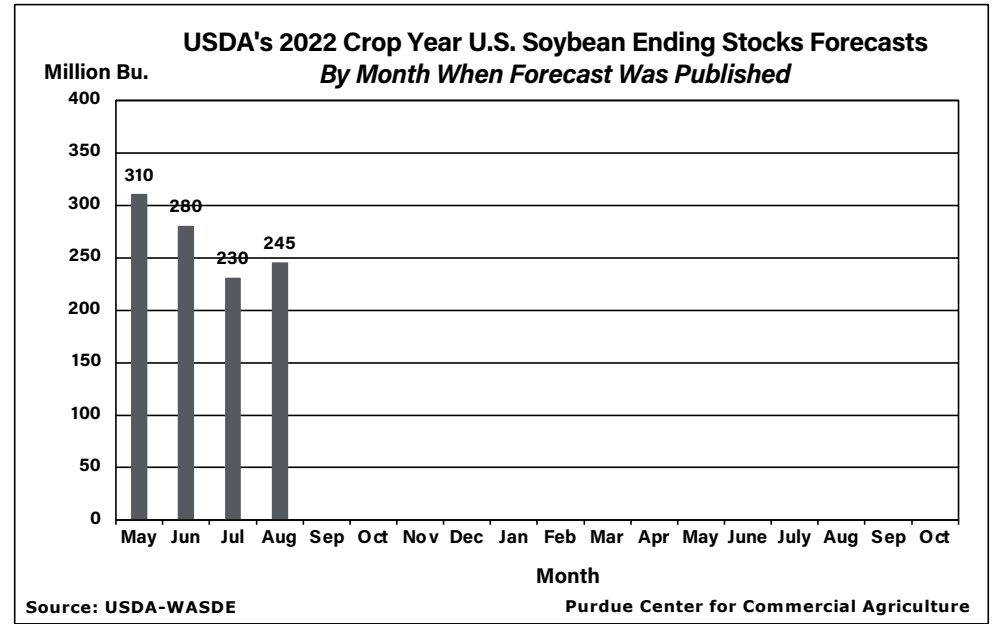
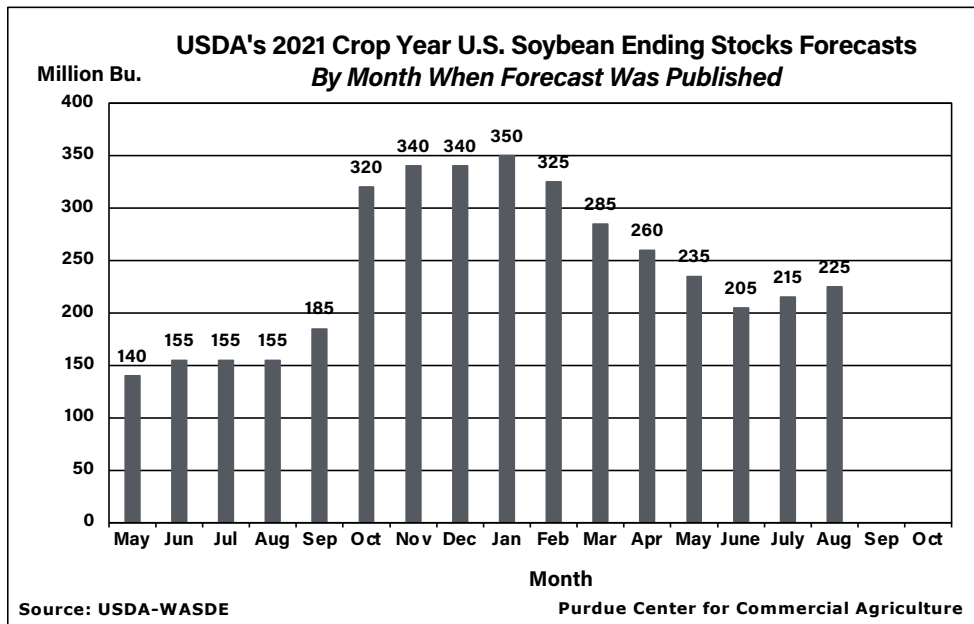
Center for Commercial Agriculture

1/14/22 |

*USDA Reduced '21 Crop Exports by 10 million bushels
But Raised '22 Crop Export Forecast from 2.14 to 2.16 Billion Bu. Bushels*

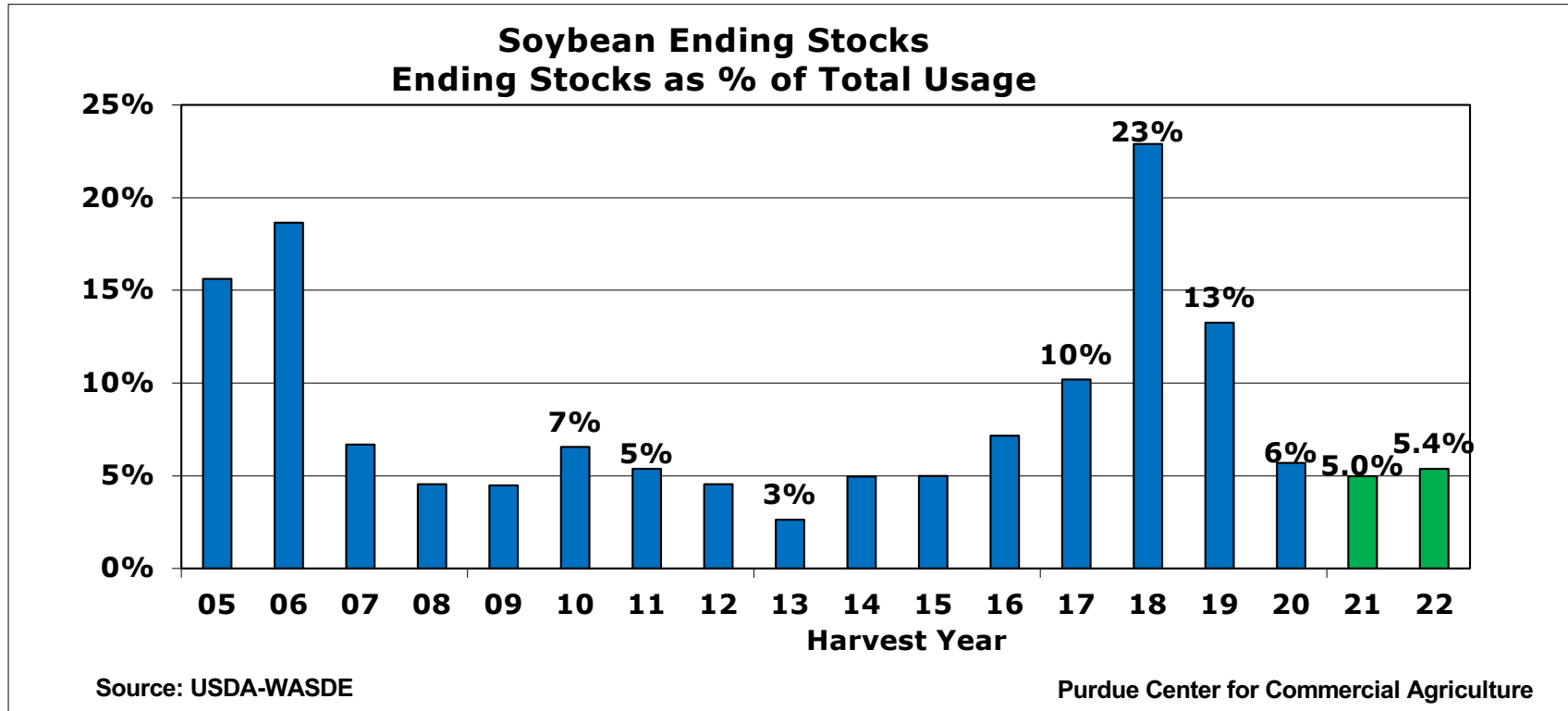


'21 Crop Carryover Bumped Up 10 m. bu. And '22 Crop Carryover Now @ 245 m. bu.



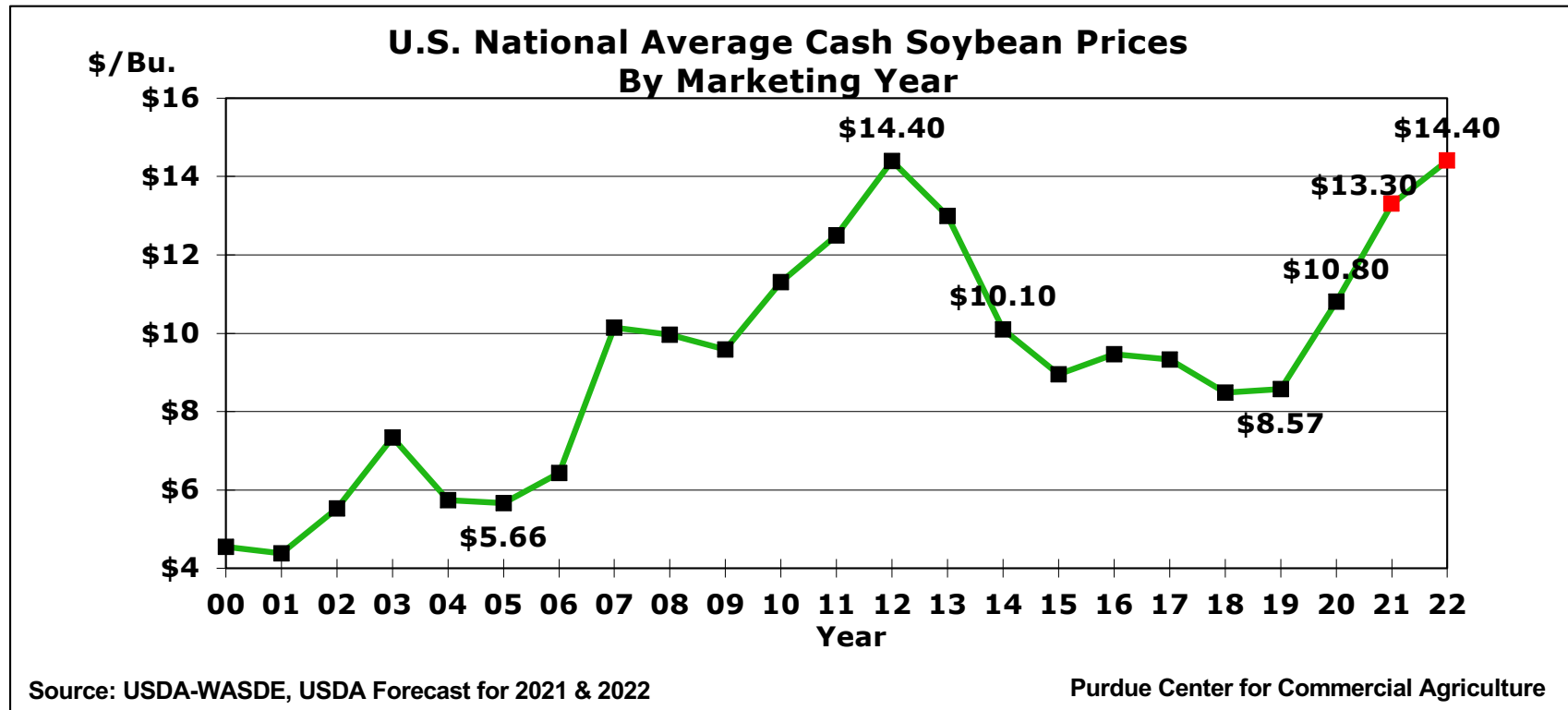
Center for Commercial Agriculture

Changes Leave Projected Carryover Near 5% of Estimated Usage



Center for Commercial Agriculture

USDA Pulled Back Price Estimate for both '21 & '22 Crops By \$0.05/bu.

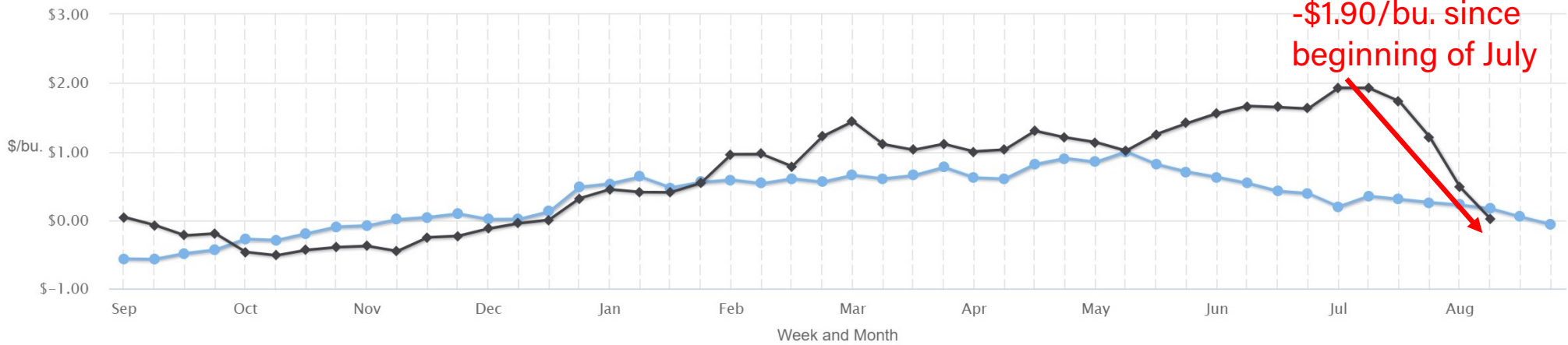


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Soybean basis - Central Indiana - 2 year average - September Soybean Futures

Purdue Center for Commercial Agriculture Crop Basis Tool

Soybeans: IN CENTRAL Region, September Contract Basis, Weekly
 Avg. of Selected Historical Crop Years [2019-2020,2020-2021]
 vs. Current Crop Year



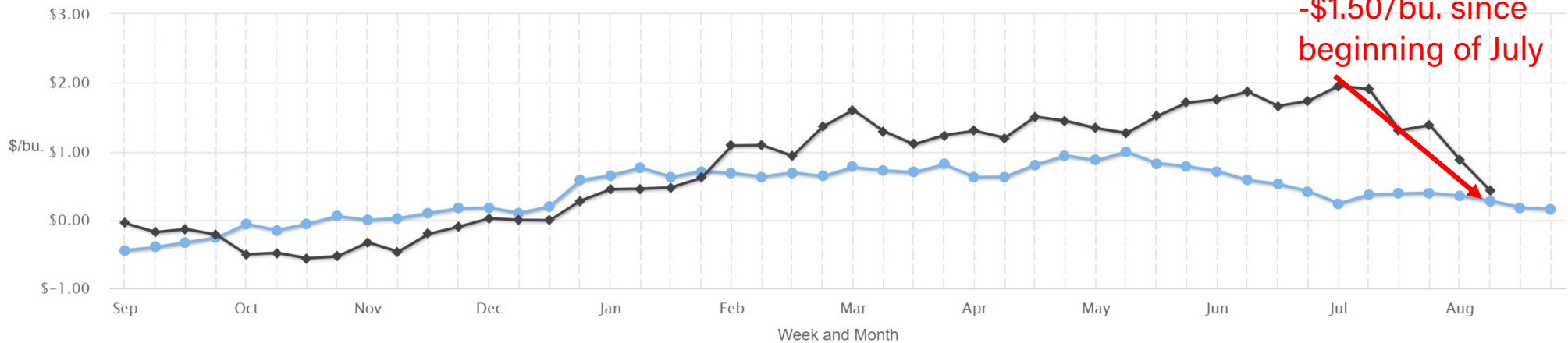
◆ Historical September Contract Basis, Avg of Selected Crop Years
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<https://www.purdue.edu/commercialag>

Soybean basis - Southwest Indiana - 2 year average - September Soybean Futures

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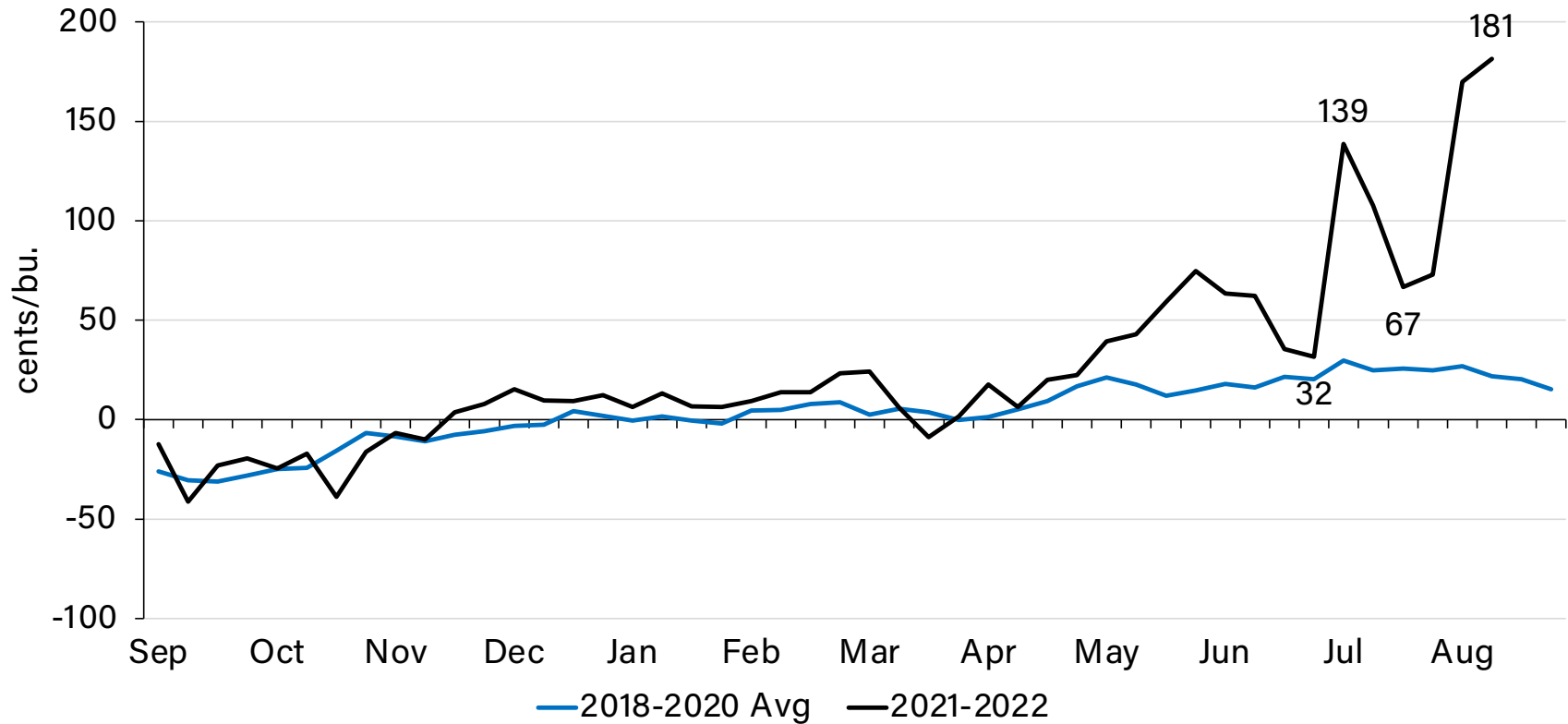
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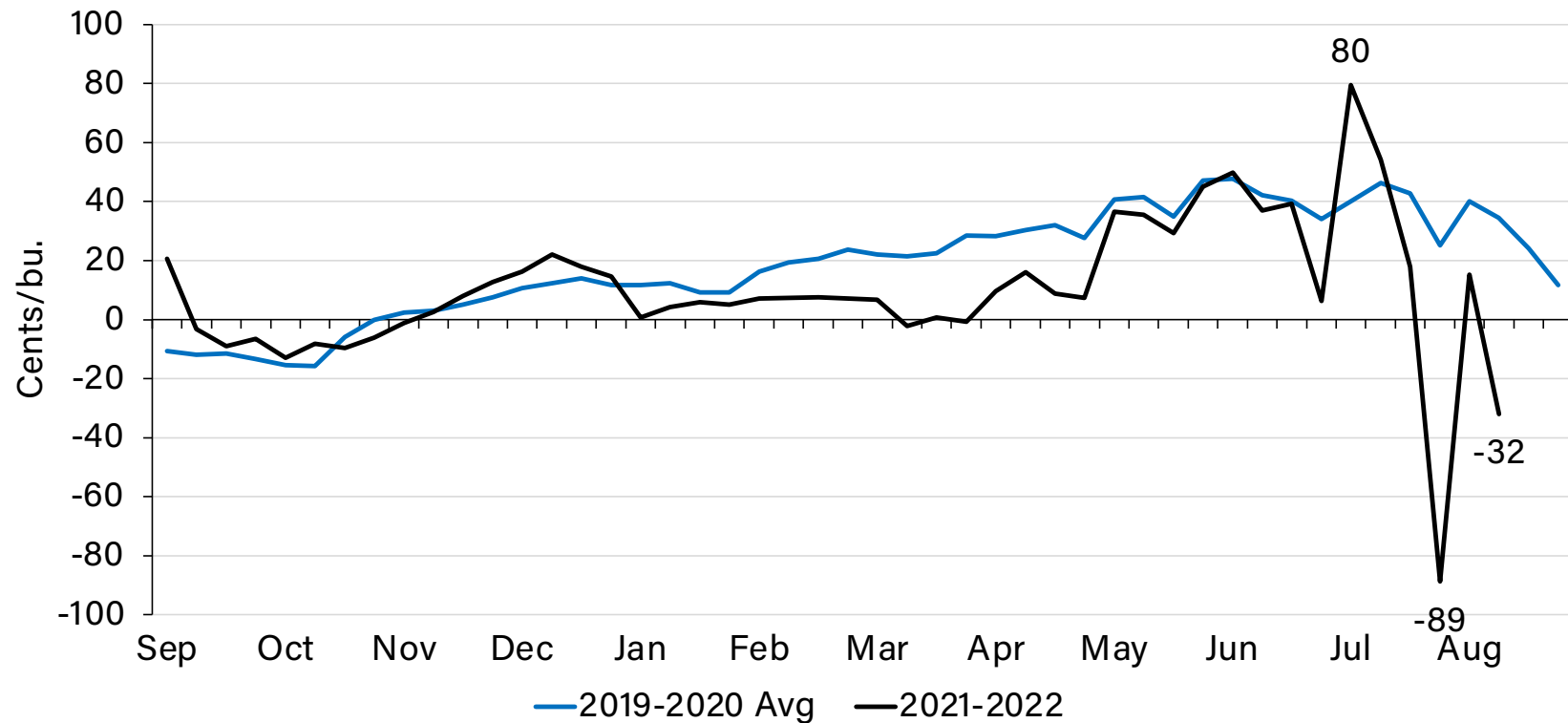


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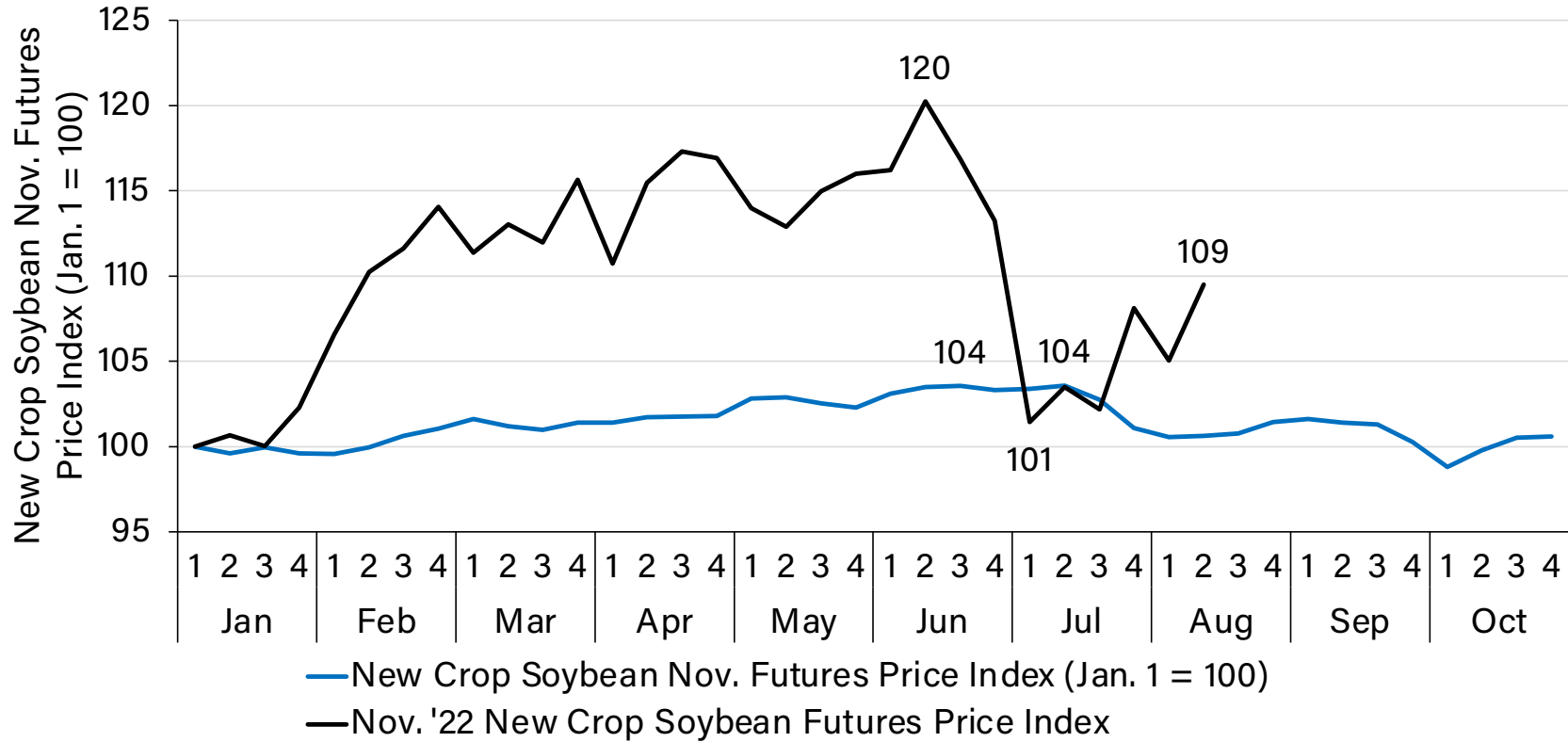
Nearby Soybean River Basis-Southern Indiana and Southern Illinois River Terminals



Nearby Indiana soybean processor basis

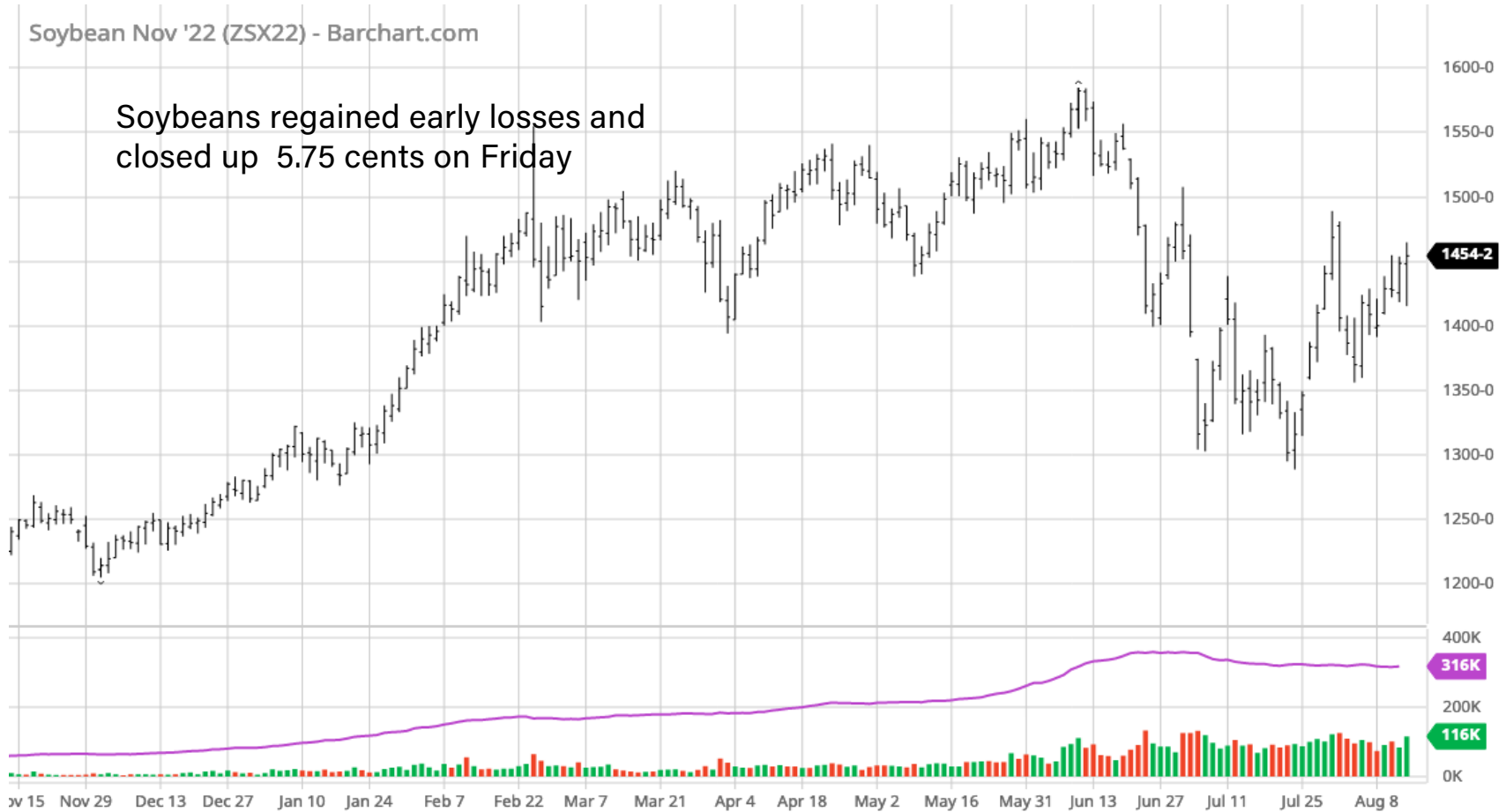


30-Year Average New Crop Nov. Soybean Futures Price Index (Jan. 1 = 100), 1990-2020



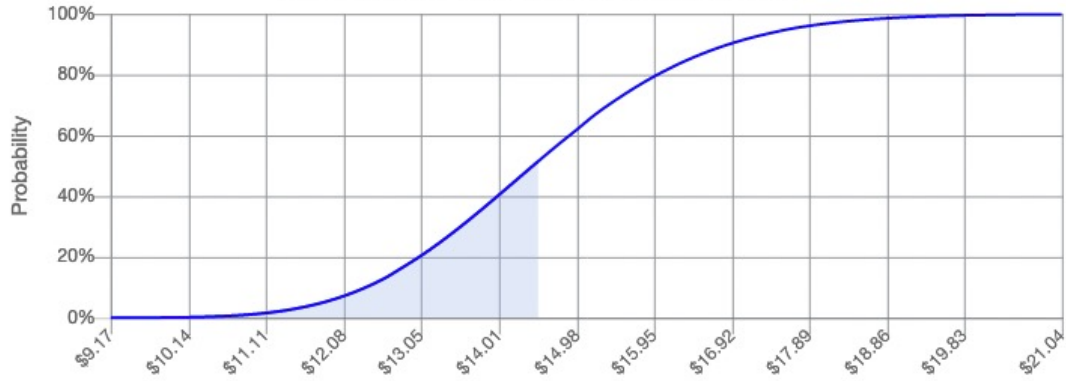
Soybean Nov '22 (ZSX22) - Barchart.com

Soybeans regained early losses and closed up 5.75 cents on Friday



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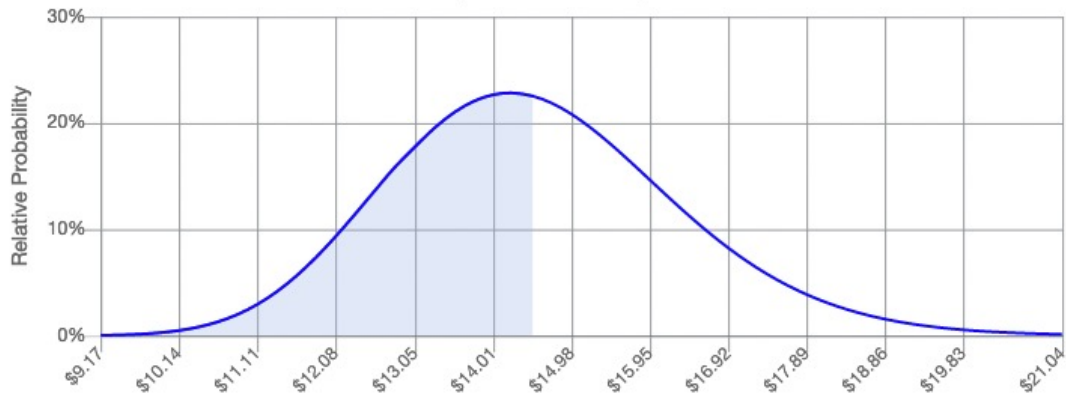
Cumulative Probability of Prices at Expiration



Price at Expiration	Probability Below
\$13.50	29.19%
\$13.75	34.56%
\$14.00	40.15%
\$14.25	45.84%
\$14.50	51.52%
\$14.75	57.08%
\$15.00	62.41%
\$15.25	67.43%
\$15.50	72.07%

November 2022 CBT Soybean Futures

Probability of Prices at Expiration



Probability Below	Price at Expiration
5%	\$11.81
15%	\$12.72
25%	\$13.29
35%	\$13.77
45%	\$14.21
50%	\$14.43
55%	\$14.66
65%	\$15.13
75%	\$15.67
85%	\$16.38
95%	\$17.64

Enter Price to Evaluate: \$ 14.54

The implied distribution indicates that there is a 52.42% probability that the price will be below \$14.54 at expiration.



MONTHLY OUTLOOK

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