

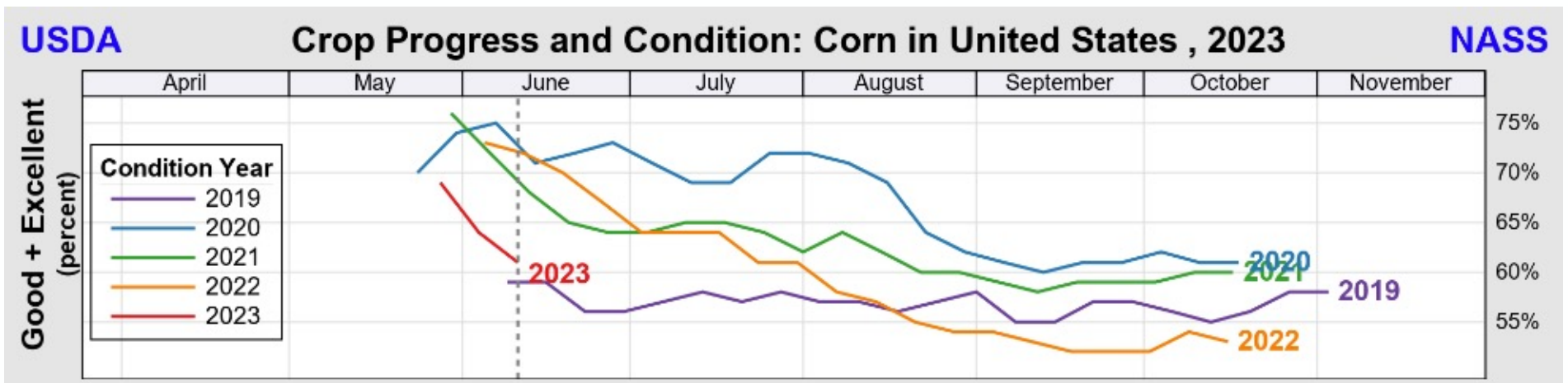
CORN UPDATE PODCAST
JUNE 13, 2023

James Mintert, Director, Center for Commercial Agriculture
Nathan Thompson, Associate Professor of Agricultural Economics

Purdue Commercial AgCast Podcast
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U.S. Corn Crop Is Not Off To A Good Start

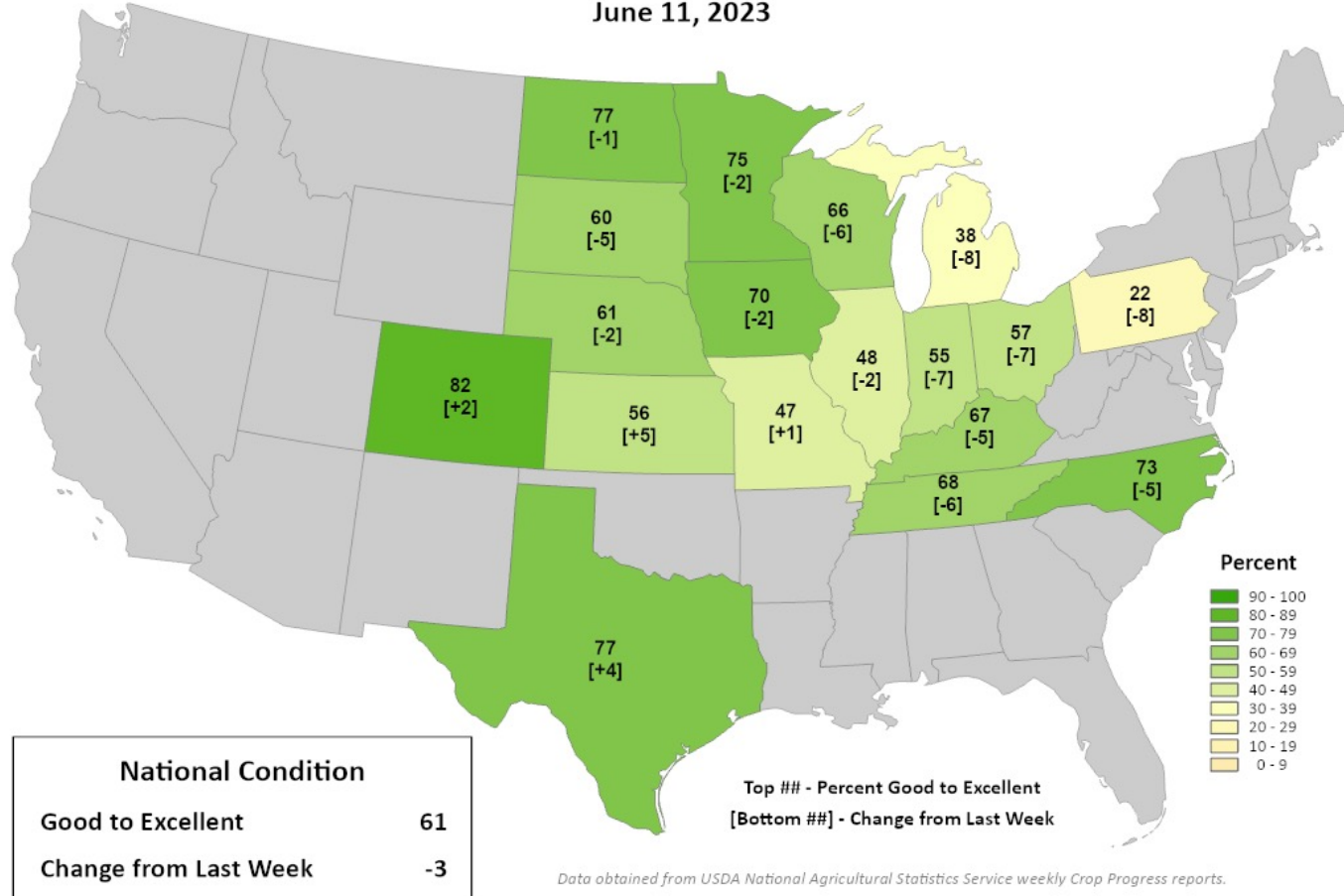
As of June 6th, 45% of U.S. Corn Crop Was in D1 to D4 Drought Category



Corn Conditions

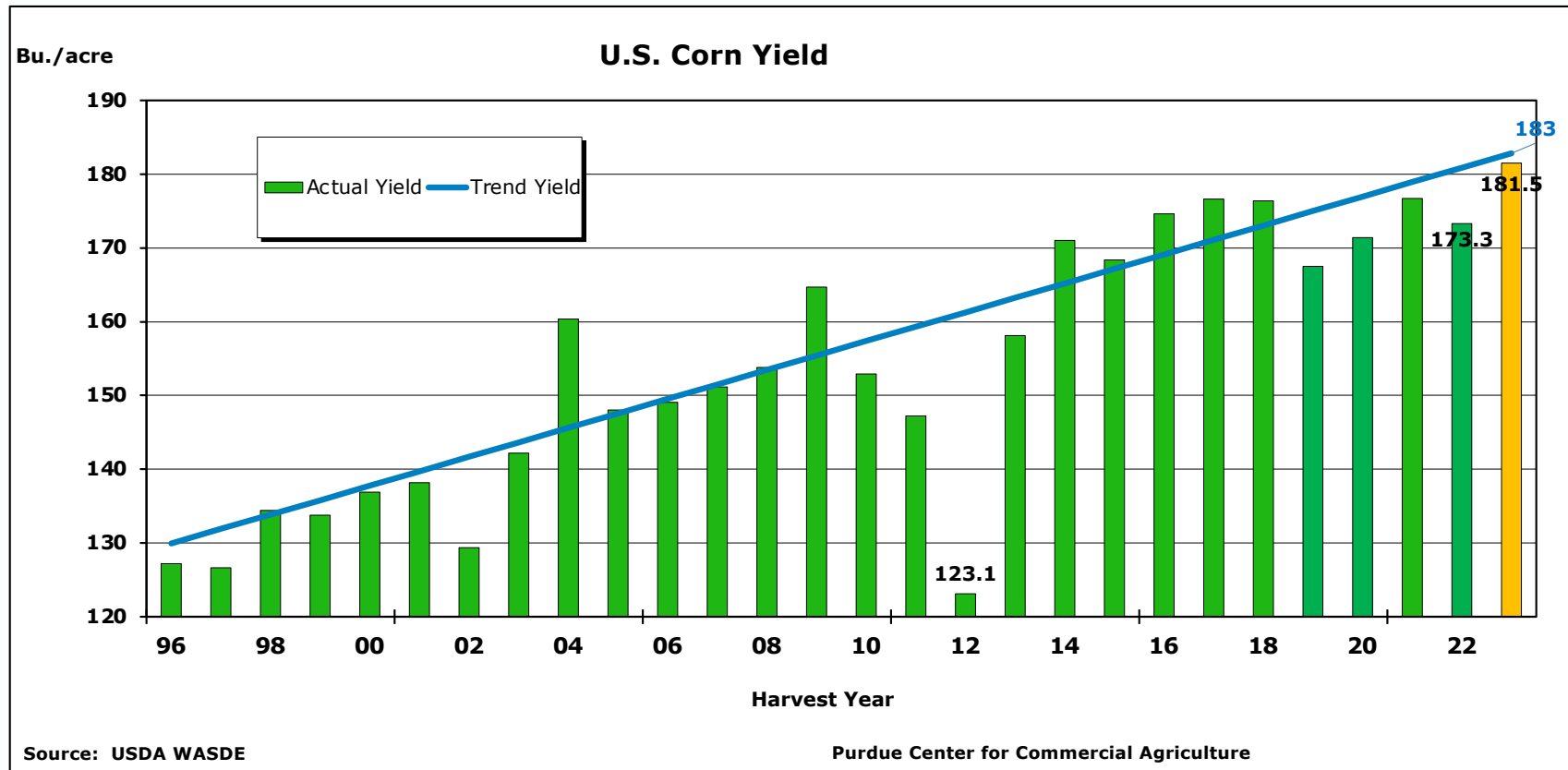
Percent Good to Excellent

June 11, 2023

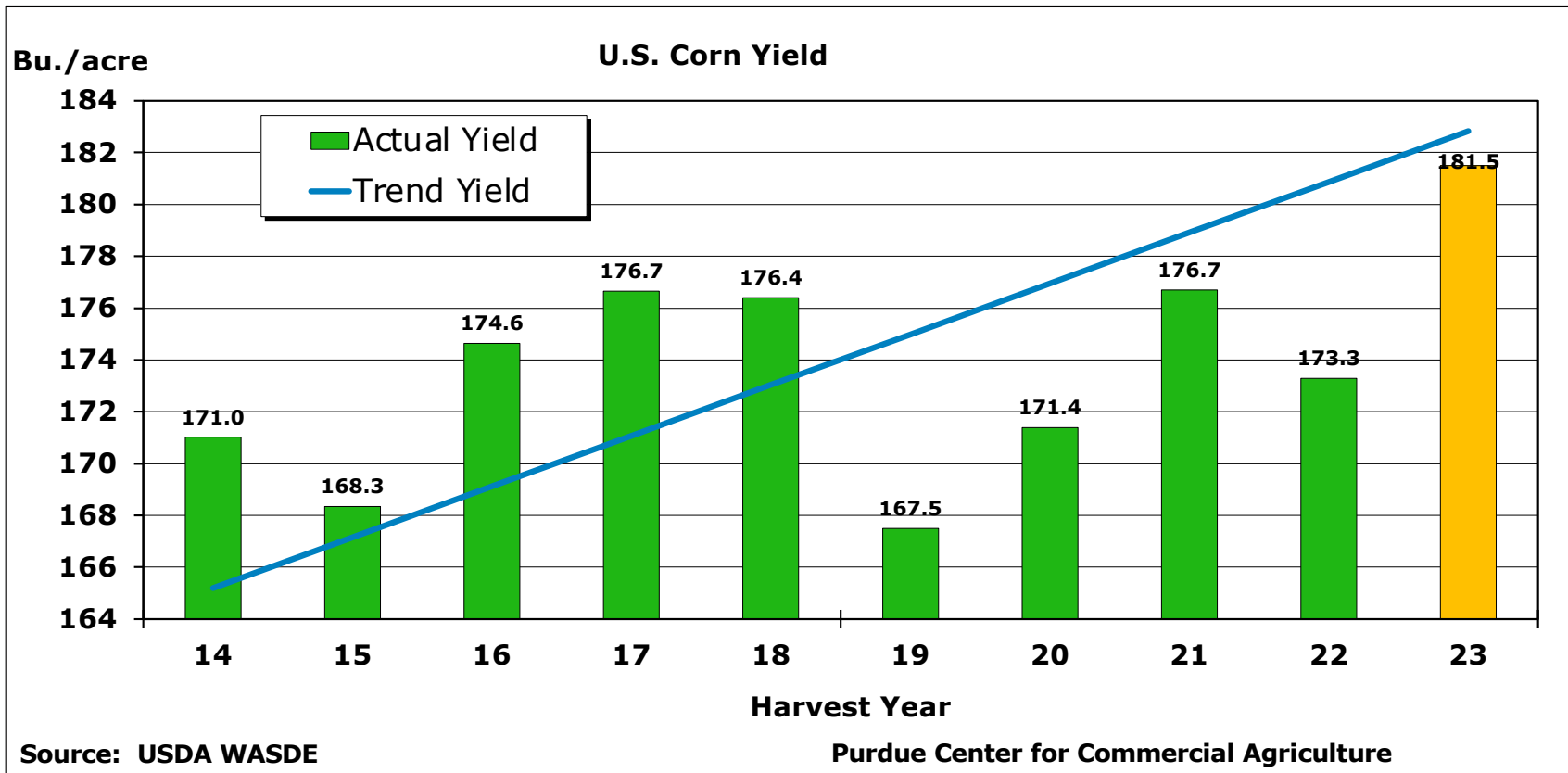


Data obtained from USDA National Agricultural Statistics Service weekly Crop Progress reports.

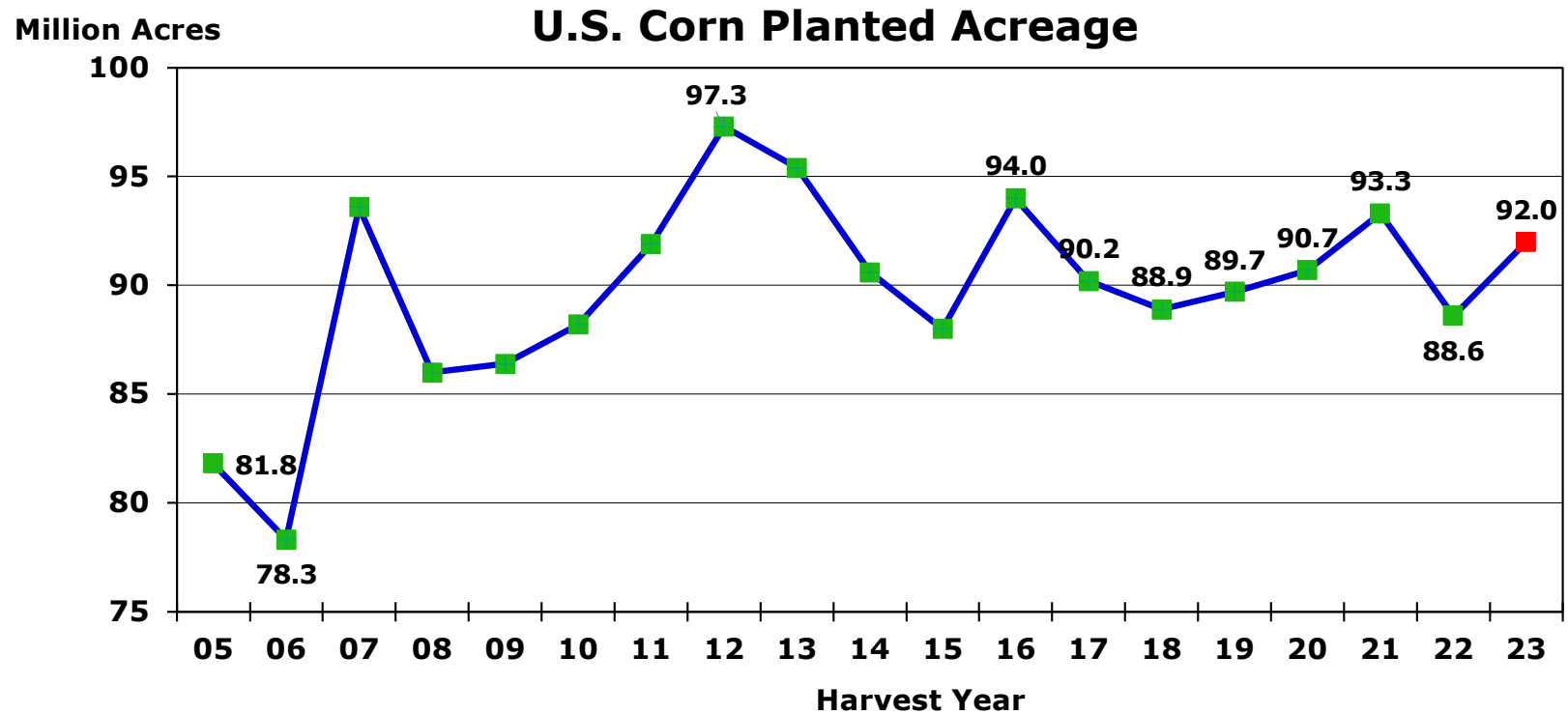
USDA Normally Sticks with Trend Yield Until At Least the July WASDE



But Trend Yield Is Just That, It Is Not Adjusted for Current Crop Conditions



USDA Releases Planted Acreage Estimates on June 30th ...



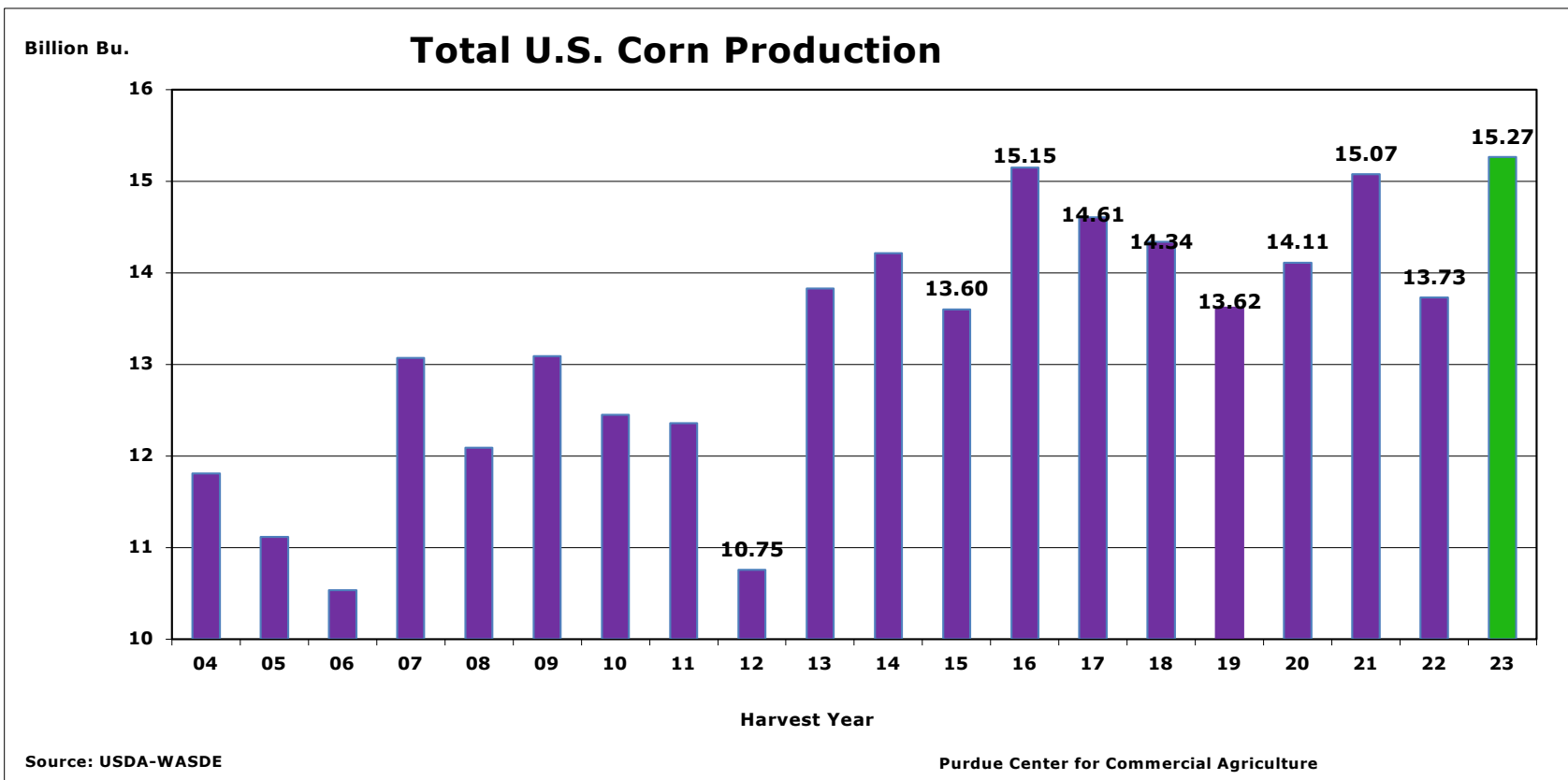
Source: USDA-WADE

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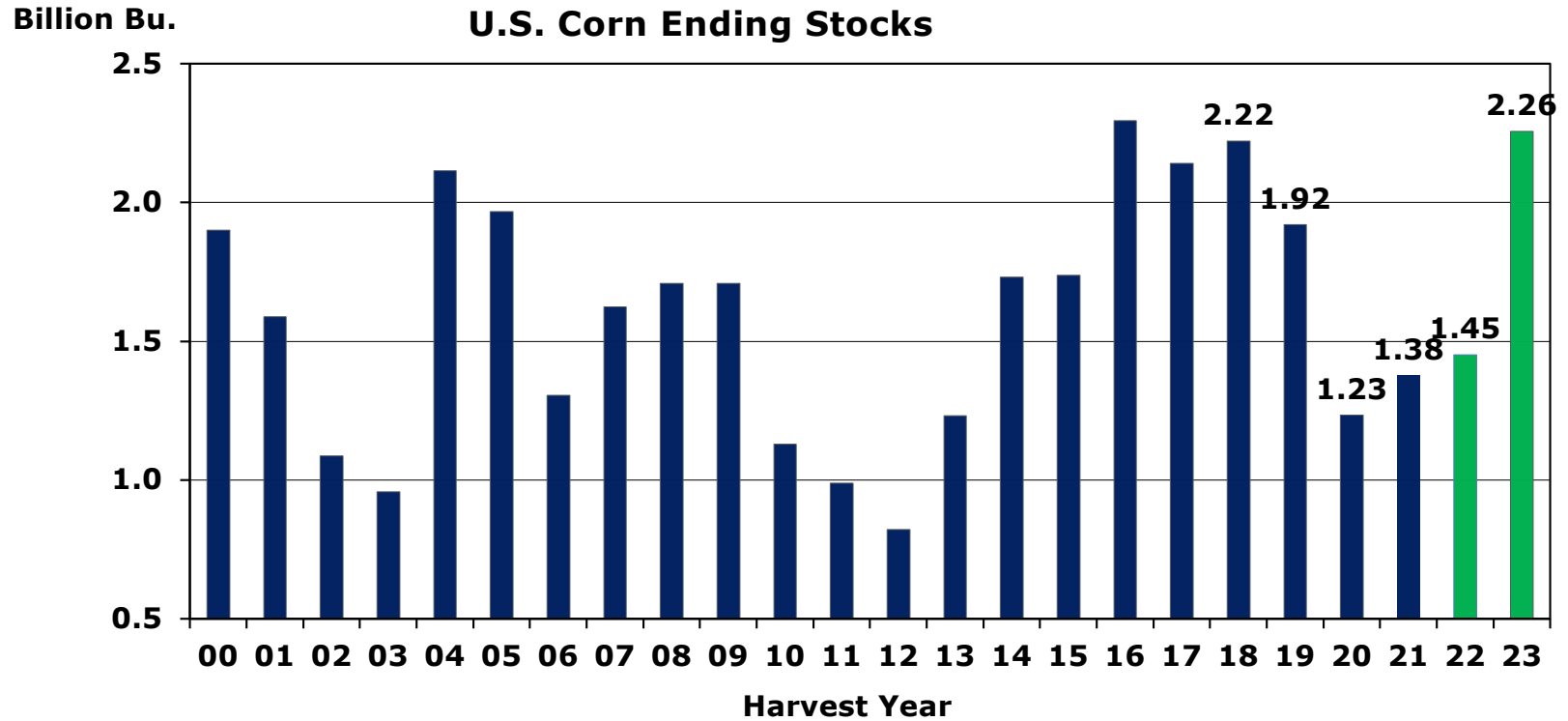
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With 92 Million Acres of Corn, It Doesn't Take a 2012 Type Drought to Make a Difference



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With 92 Million Acres of Corn & Trend Yields, USDA Expects a Big Increase in Corn Carryover

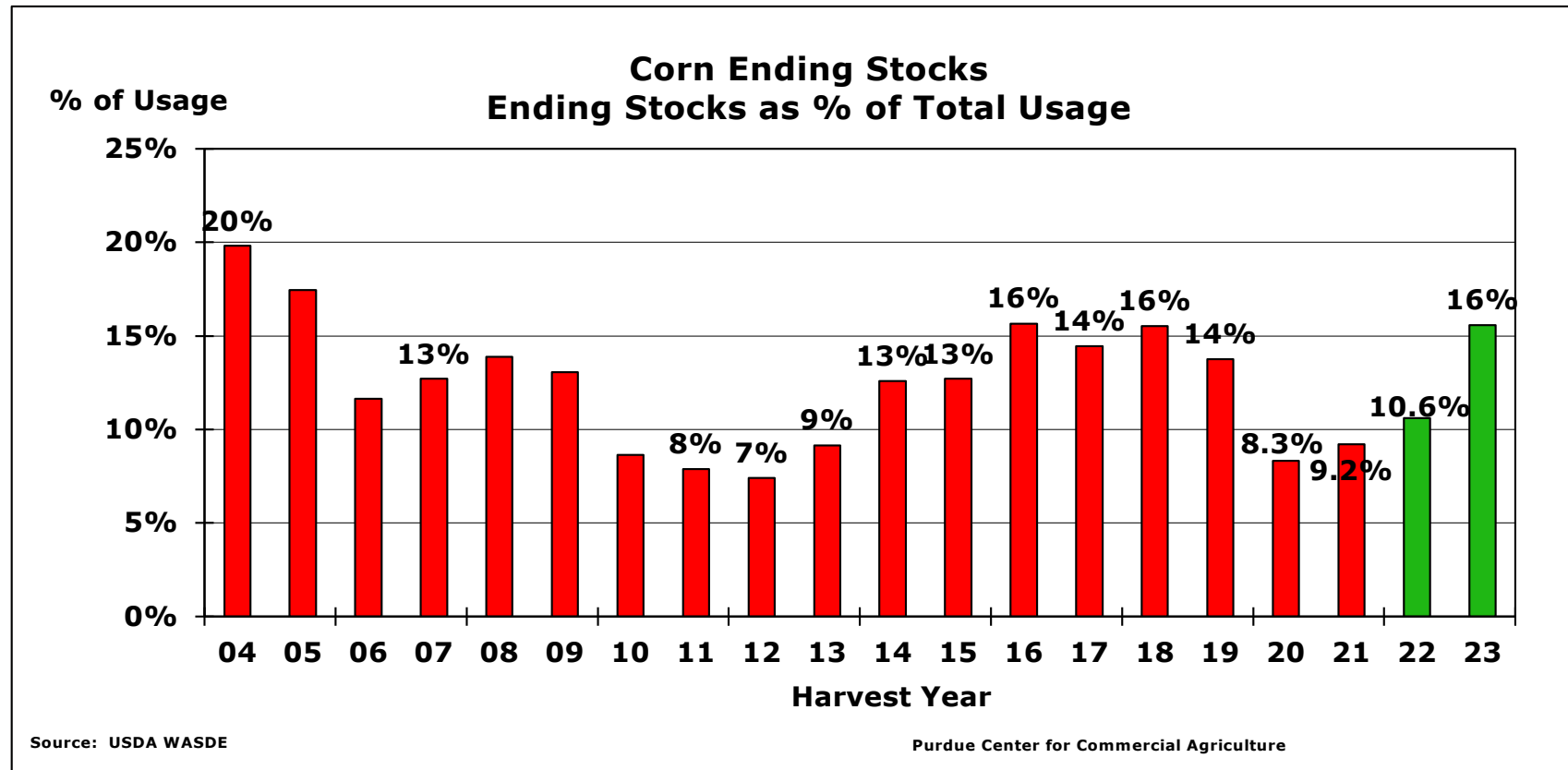


Source: USDA WASDE

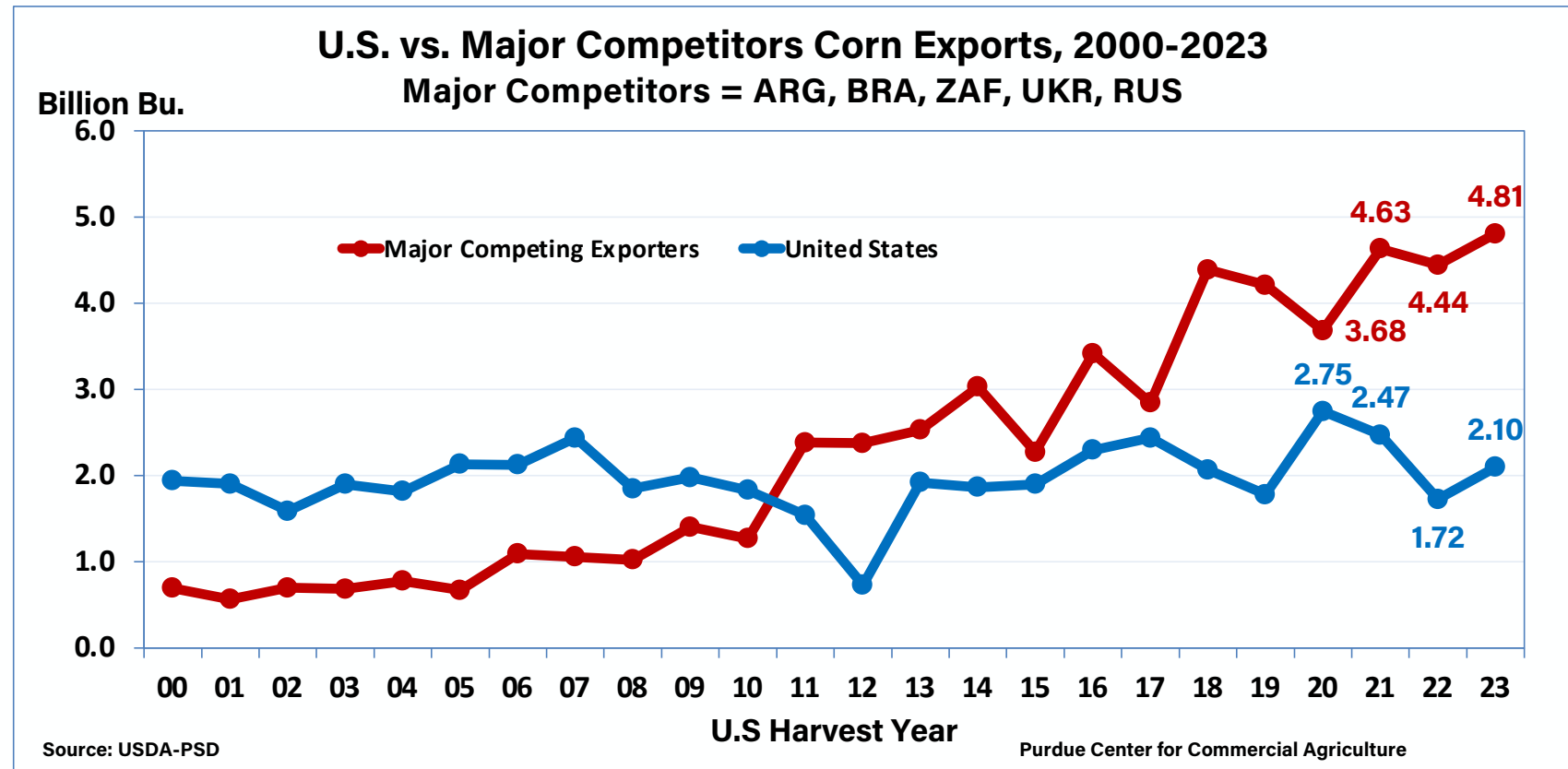


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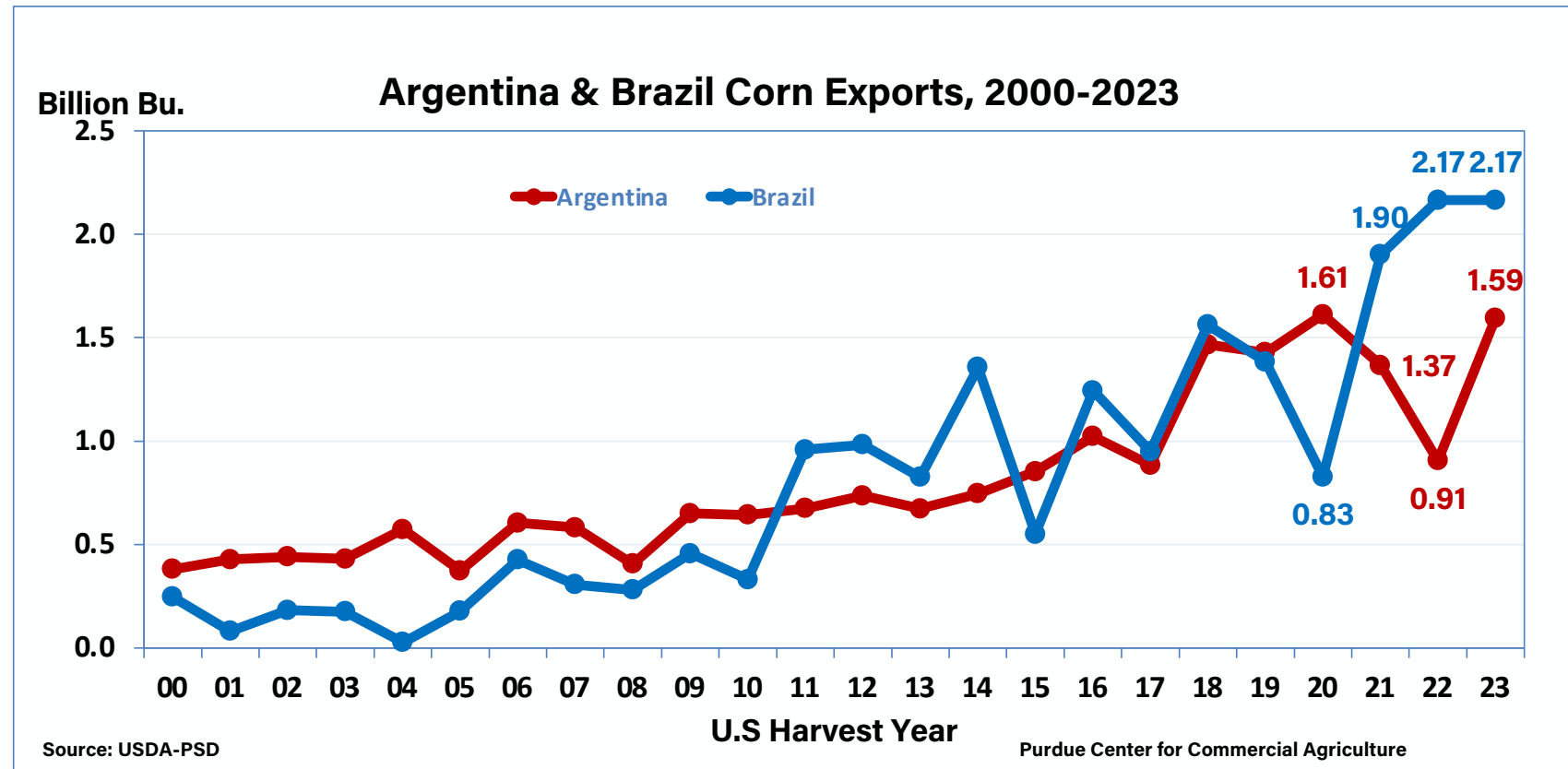
And That Could Push the Ending Stocks Up to 16%, Similar to 2016 & 2018



U.S. Has Lost Ground in Export Channels vs. Major Competitors



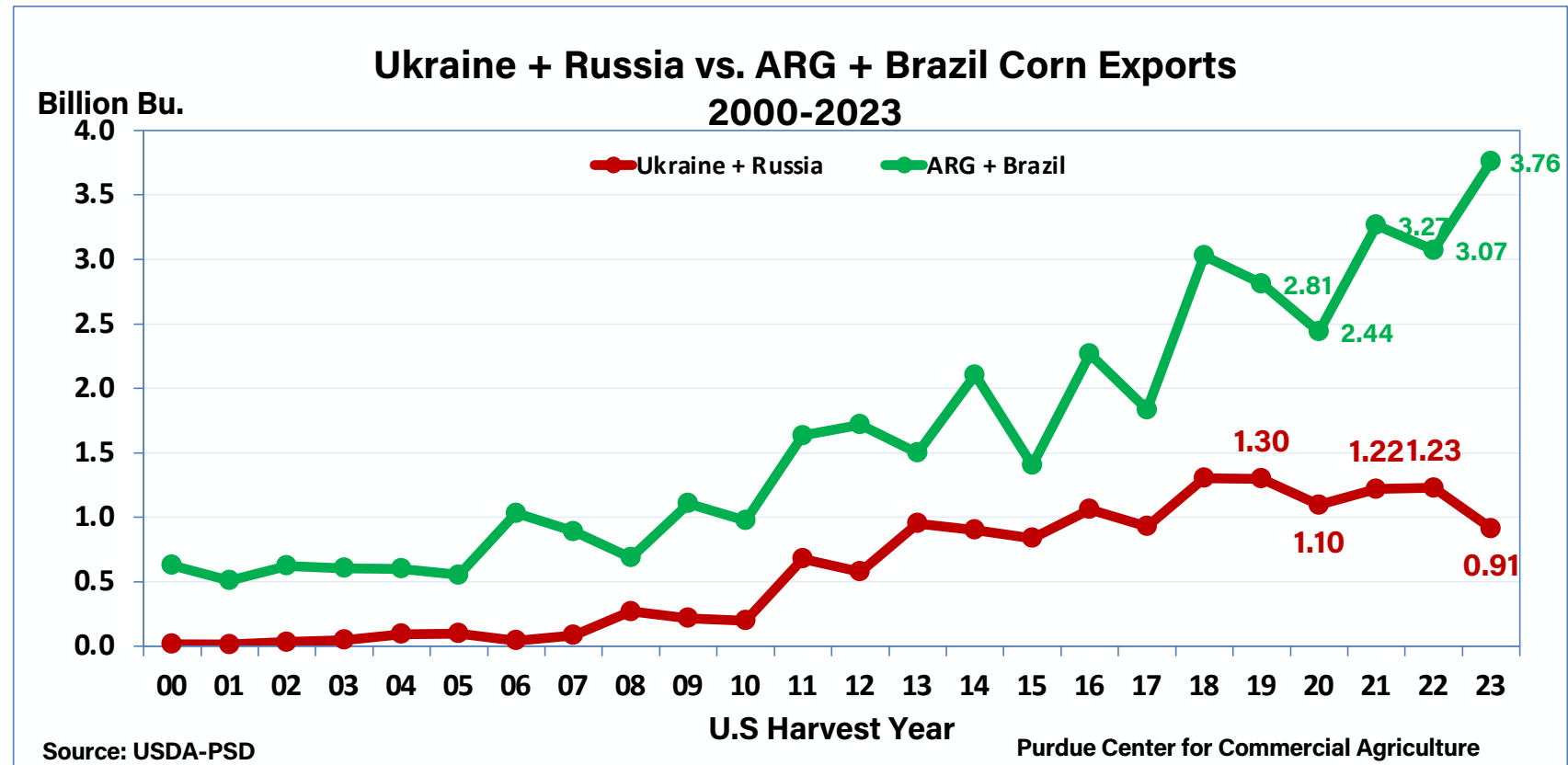
S. American Corn Exports Have Been Growing Rapidly



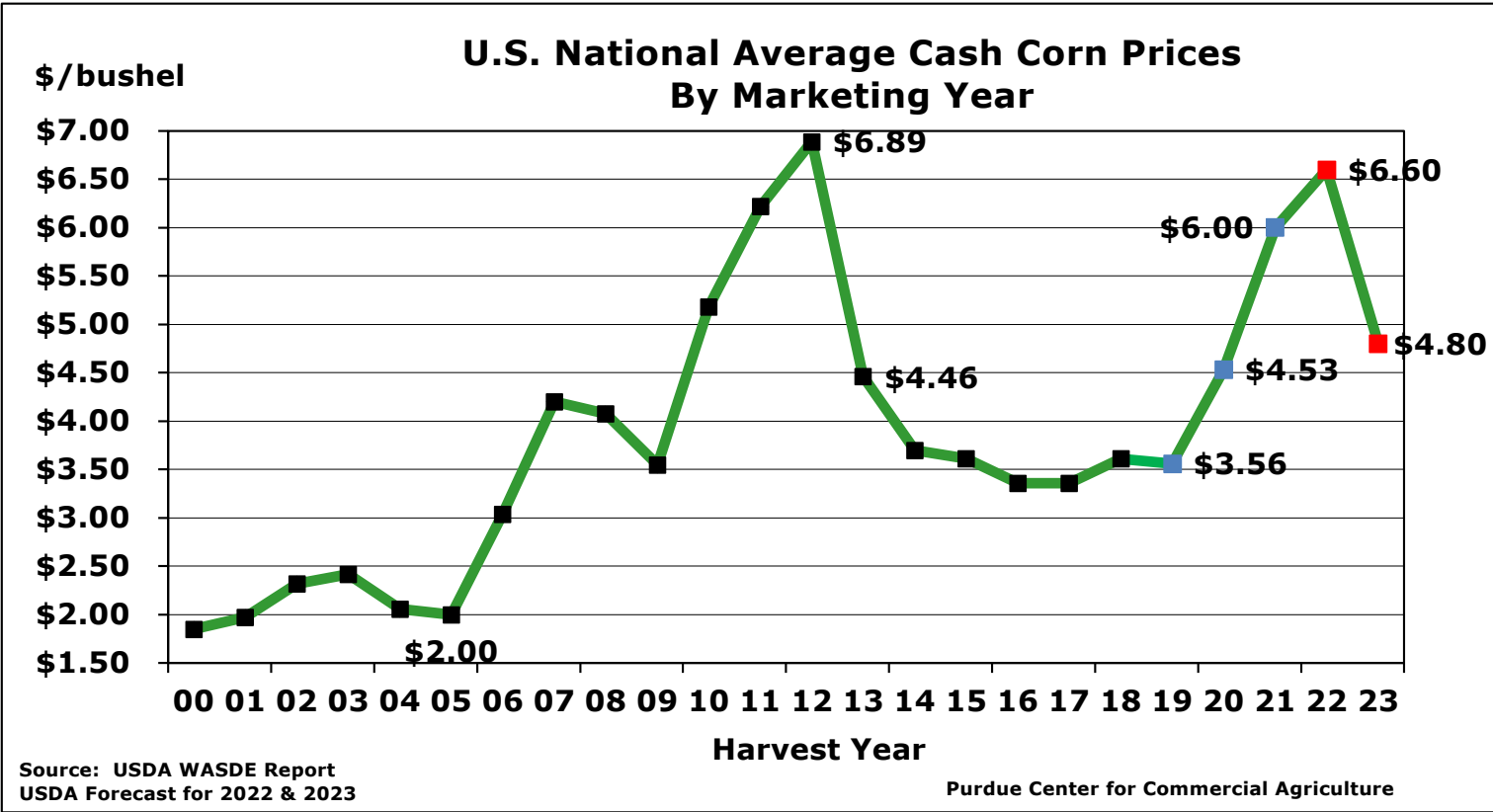
Exports from the Black Sea Region Held Up Much Better Than Expected in 2022



Increase in S. American Exports Expected to More Than Offset Losses From Black Sea Region

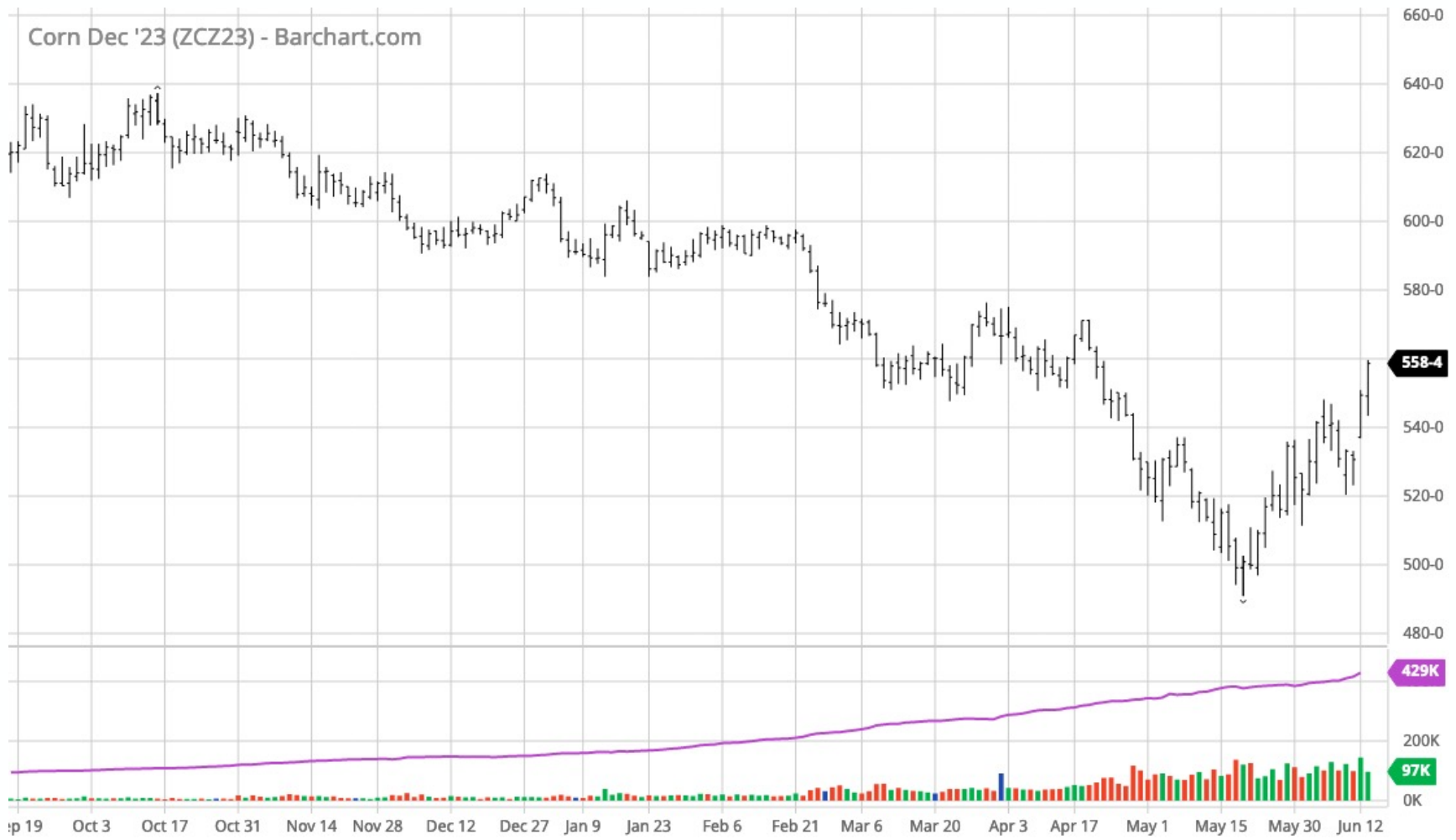


USDA's '23 Marketing Year Average Is Down \$1.80 Compared to '22's Average



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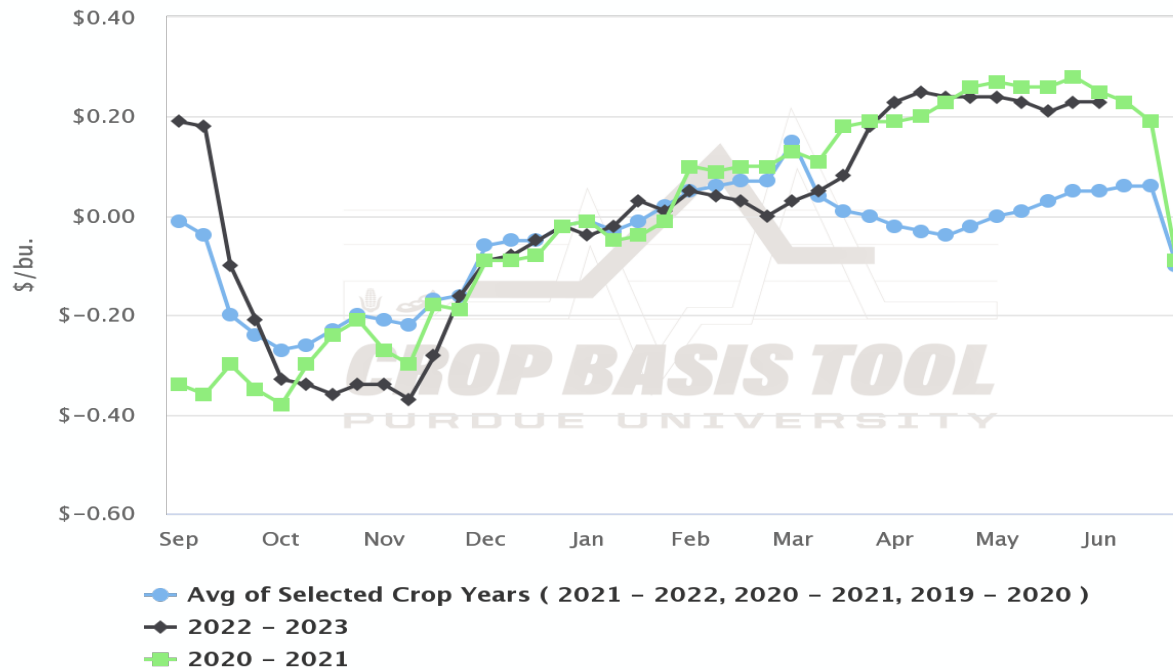
Corn Dec '23 (ZCZ23) - Barchart.com



Corn basis—Central Indiana—July futures contract

Purdue Center for Commercial Agriculture Crop Basis Tool

Corn Basis, July Contract
CENTRAL Indiana



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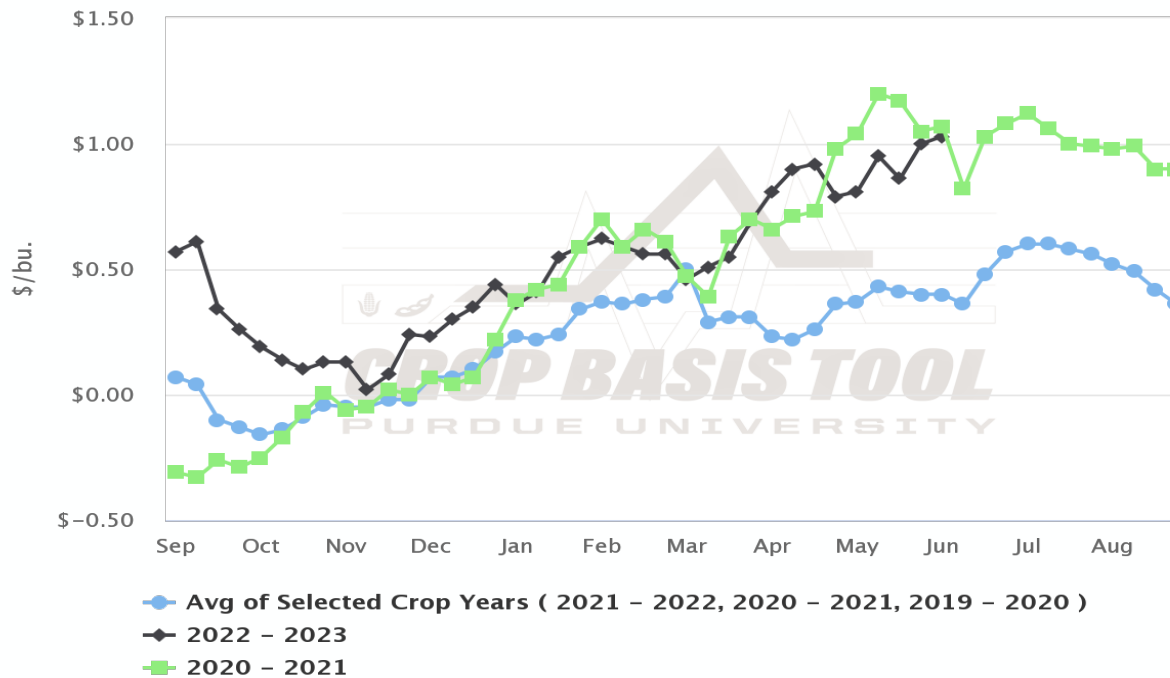


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Corn basis—Central Indiana—September futures contract

Purdue Center for Commercial Agriculture Crop Basis Tool

Corn Basis, September Contract
CENTRAL Indiana



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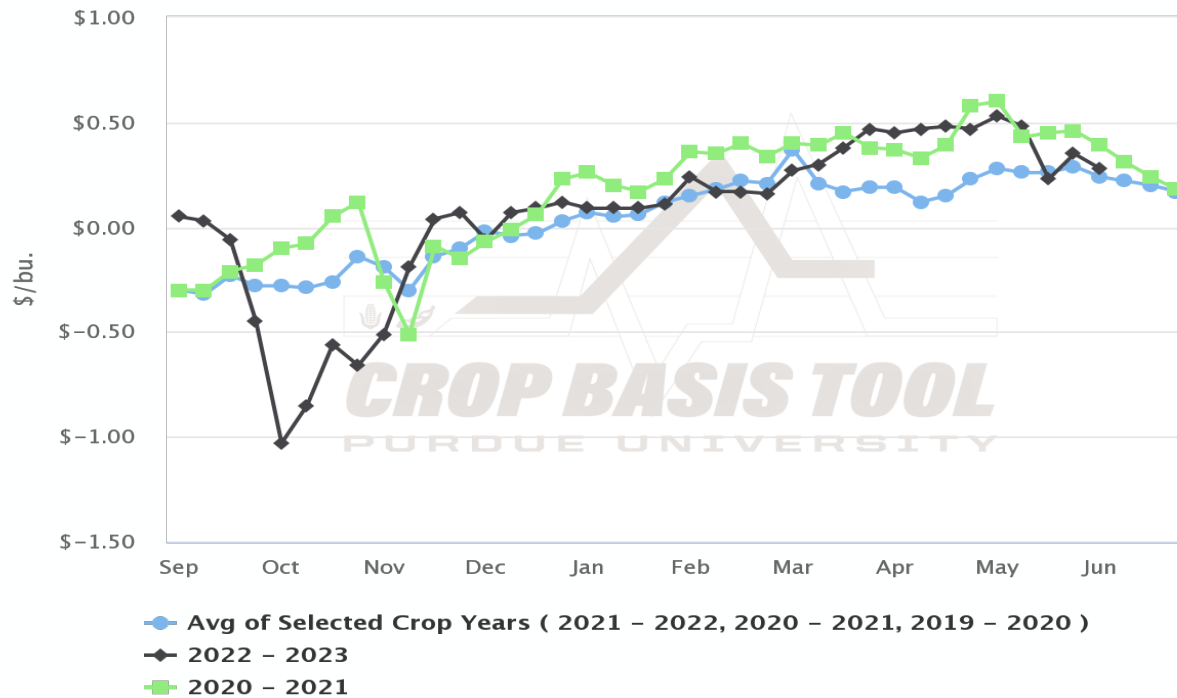


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Ohio River Corn Basis—Southern Ohio, Southern Indiana, and Southern Illinois River Terminals

Purdue Center for Commercial Agriculture Crop Basis Tool

Ohio River Corn Basis, July Contract



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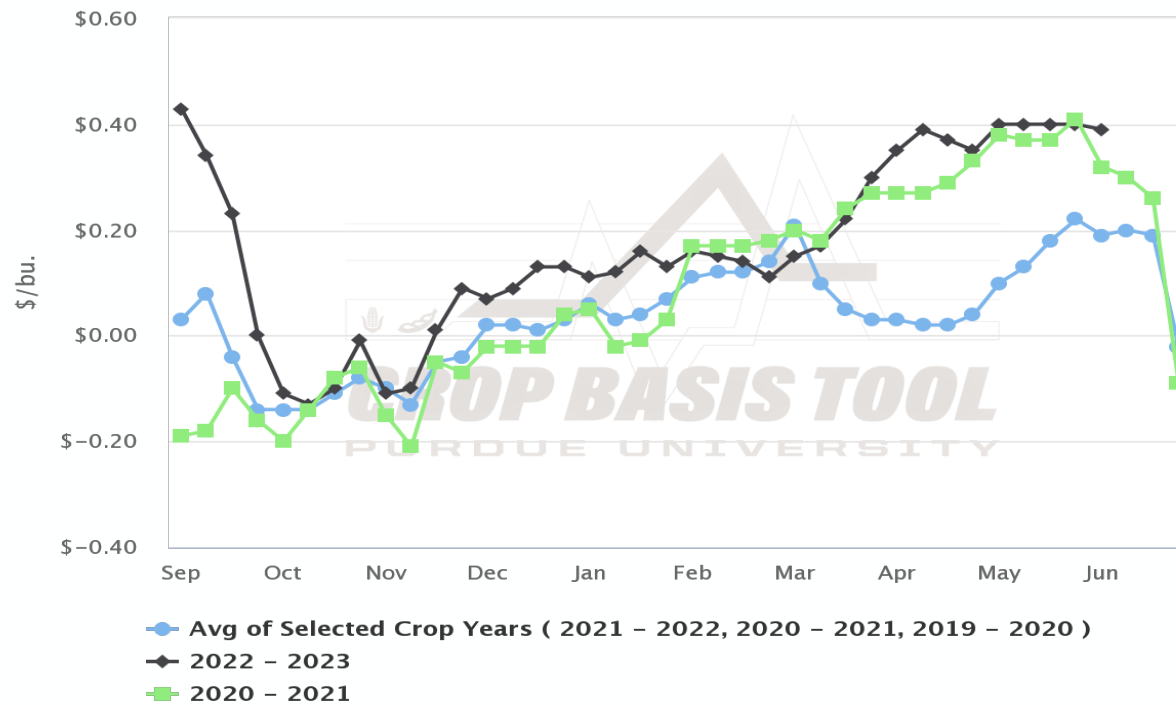


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Indiana ethanol plant basis

Purdue Center for Commercial Agriculture Crop Basis Tool

Indiana Ethanol Basis, July Contract



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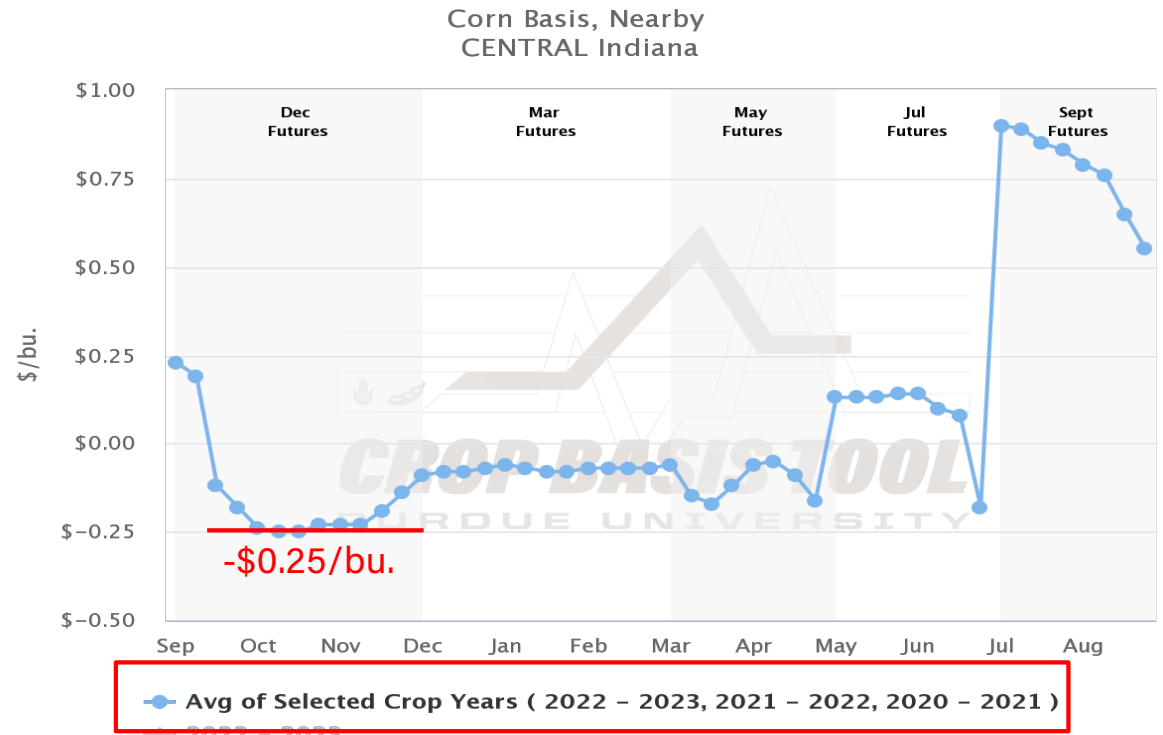


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New crop corn opportunities?

CBOT Dec. '23 Corn futures	\$5.53
<u>Expected corn basis Oct '23 in Central IN</u>	<u>-\$0.25</u>
Expected cash price Oct. '23 delivery	\$5.28

Purdue Center for Commercial Agriculture Crop Basis Tool



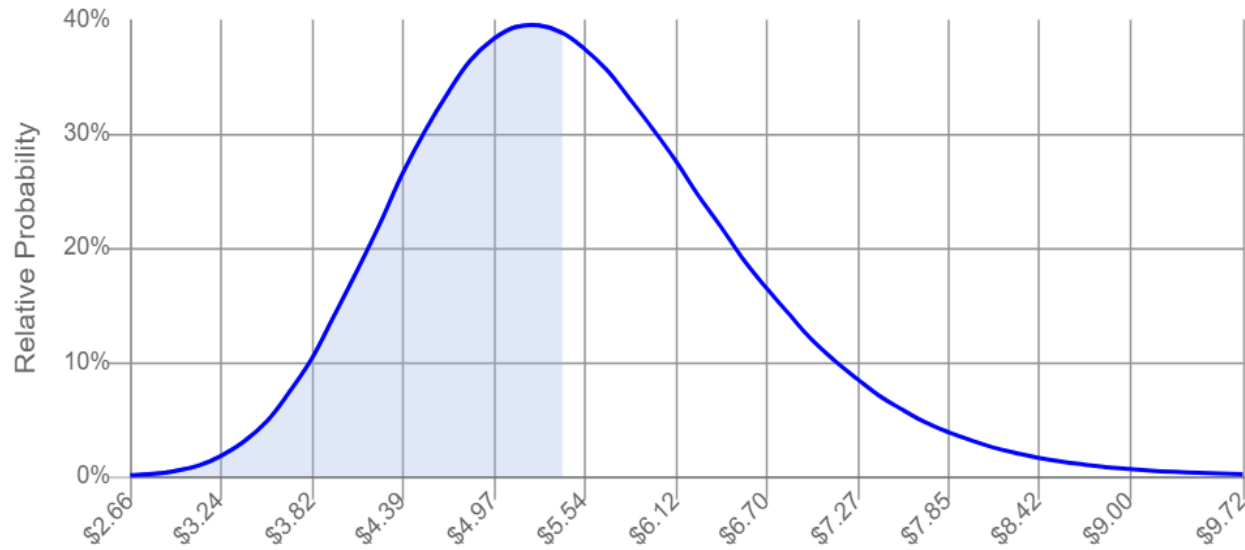
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farmdoc Dec. '23 Corn Futures Price Distribution

Probability of Prices at Expiration



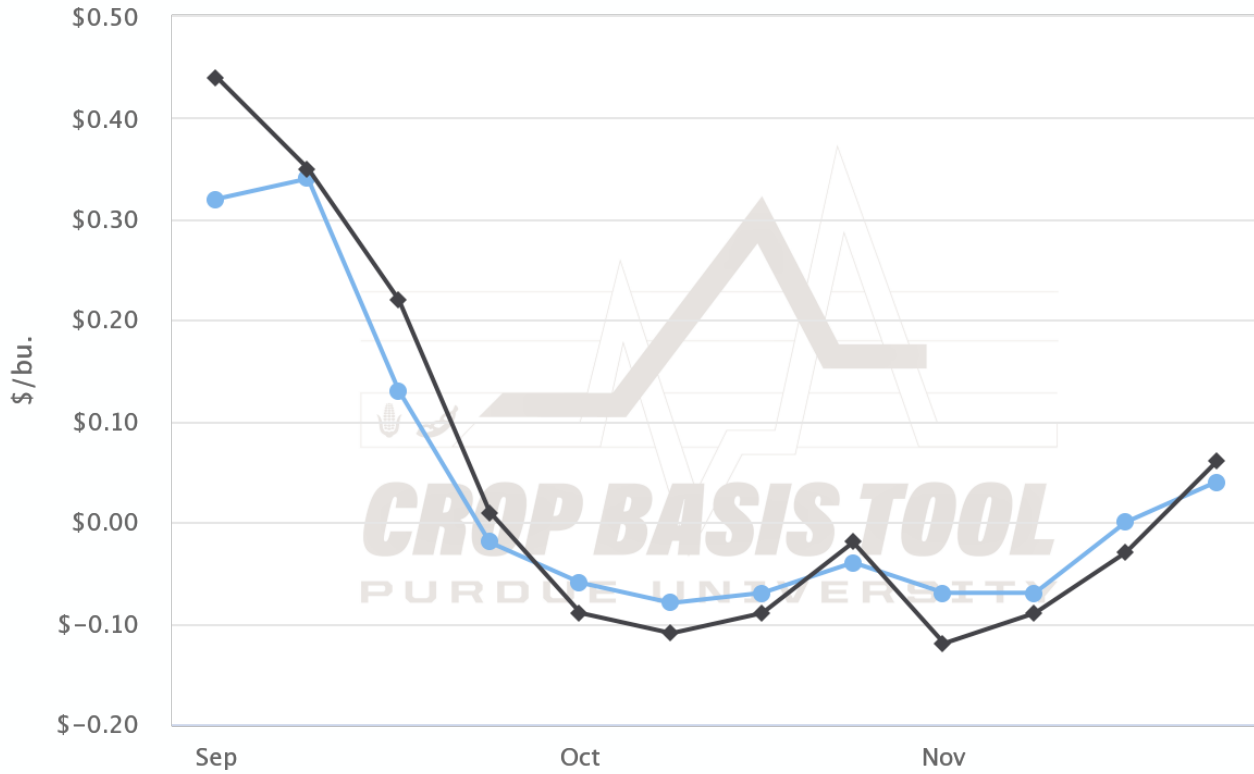
Enter Price to Evaluate: \$ 5.54

The implied distribution indicates that there is a 55.25% probability that the price will be below \$5.54 at expiration.

Probability Below ▲	Price at Expiration ▲
5%	\$3.95
15%	\$4.44
25%	\$4.75
35%	\$5.02
45%	\$5.28
50%	\$5.40
55%	\$5.53
65%	\$5.81
75%	\$6.14
85%	\$6.58
95%	\$7.38

Purdue Center for Commercial Agriculture Crop Basis Tool

Indiana Ethanol Basis, December Contract



● Avg of Selected Crop Years (2021 - 2022, 2020 - 2021, 2022 - 2023)
◆ 2022 - 2023

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