

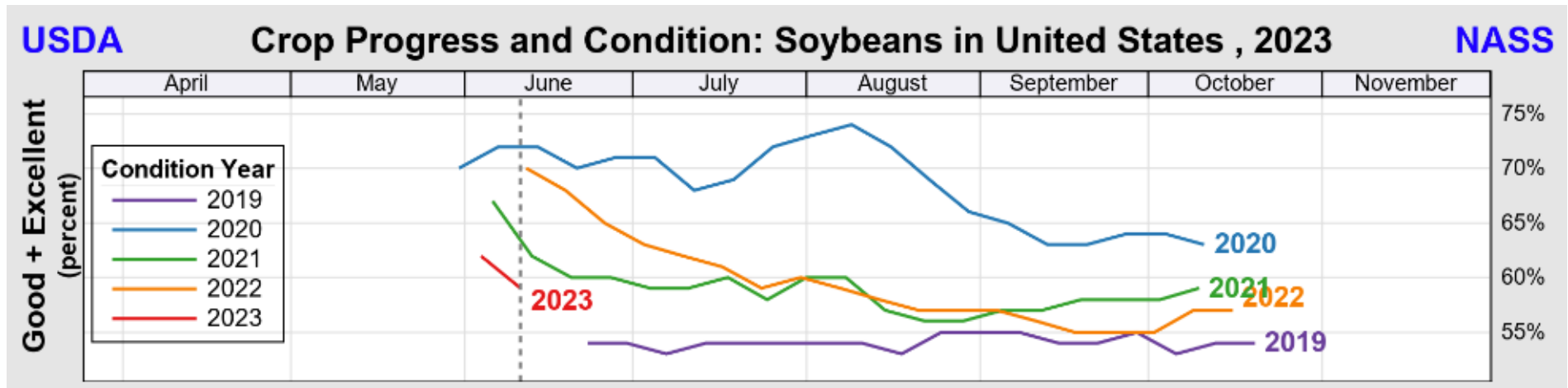
***SOYBEAN UPDATE PODCAST***  
***JUNE 15, 2023***

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

**Purdue Commercial AgCast Podcast**  
**[Purdue.edu/commercialag](https://Purdue.edu/commercialag)**

# U.S. Soybean Crop Is Not Off To A Good Start

As of June 13th, 51% of U.S. Soybean Crop & 57% of U.S. Corn Crop Was in D1 to D4 Drought Category



# Soybean Crop Conditions Declined Last Week in Nearly All Key Growing Regions

## Could Be Headed for Another Decline on Upcoming Report

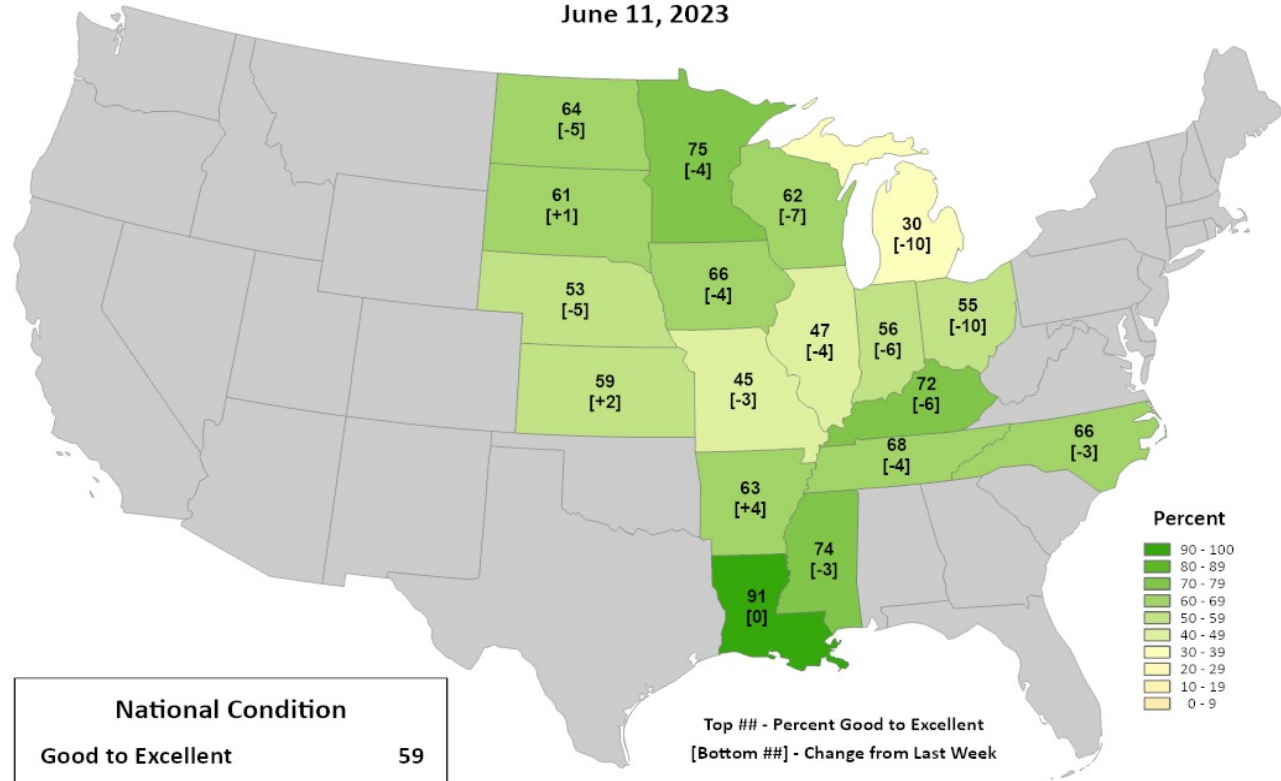


This product was prepared by the  
USDA Office of the Chief Economist (OCE)  
World Agricultural Outlook Board (WAOB)

### Soybean Conditions

#### Percent Good to Excellent

June 11, 2023

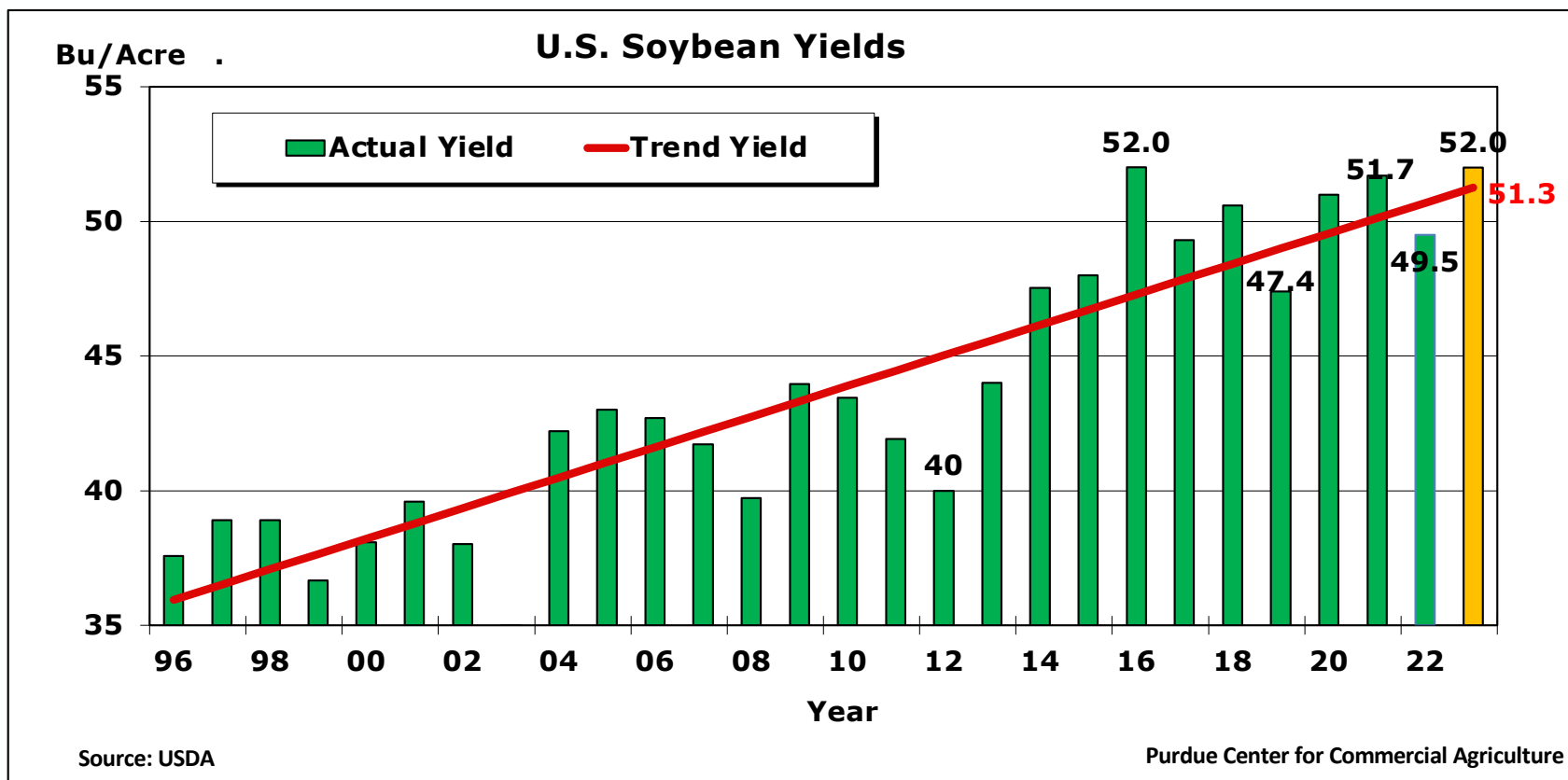


National Condition	
Good to Excellent	59
Change from Last Week	-3

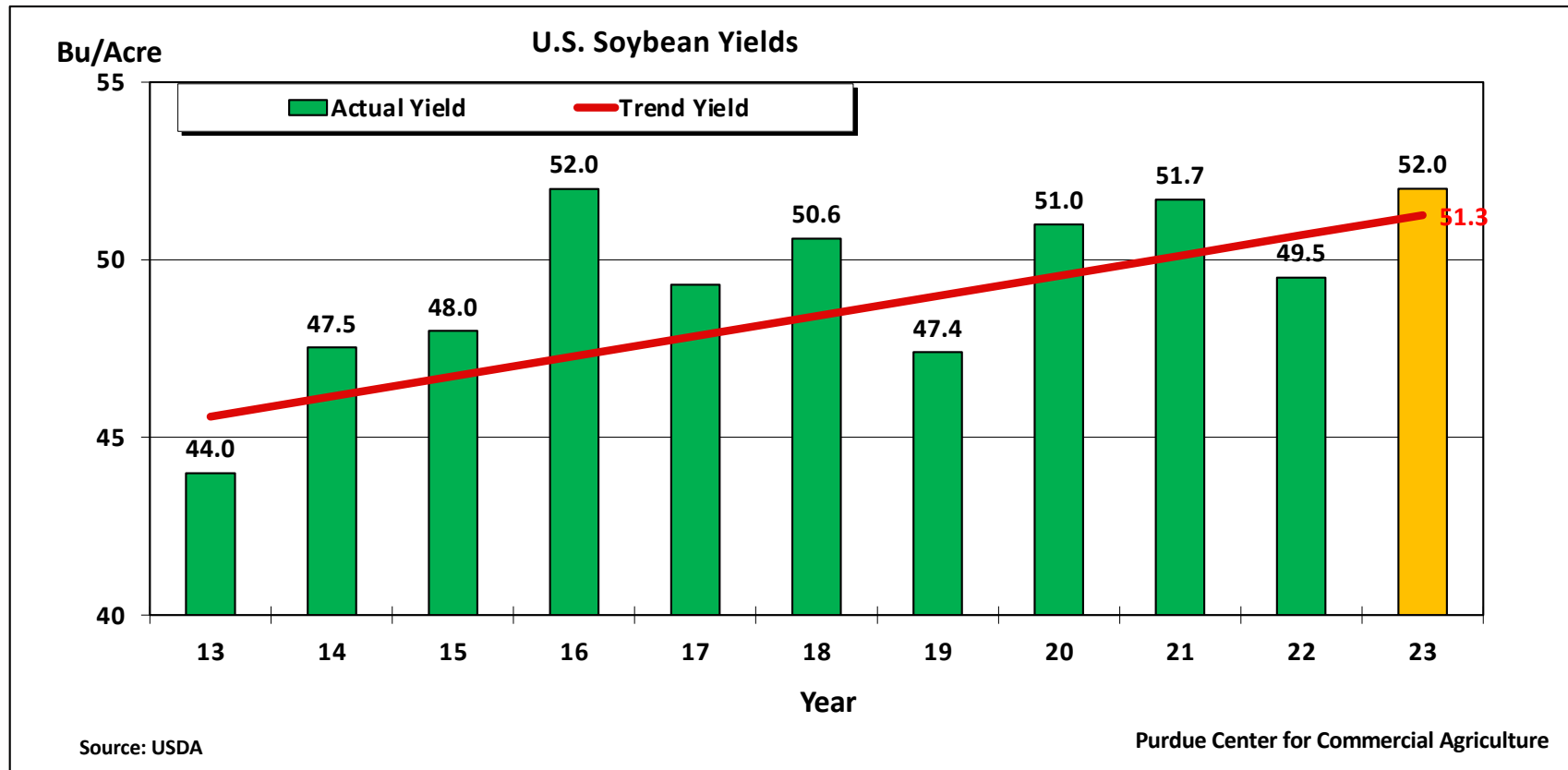
Top ## - Percent Good to Excellent  
[Bottom ##] - Change from Last Week

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

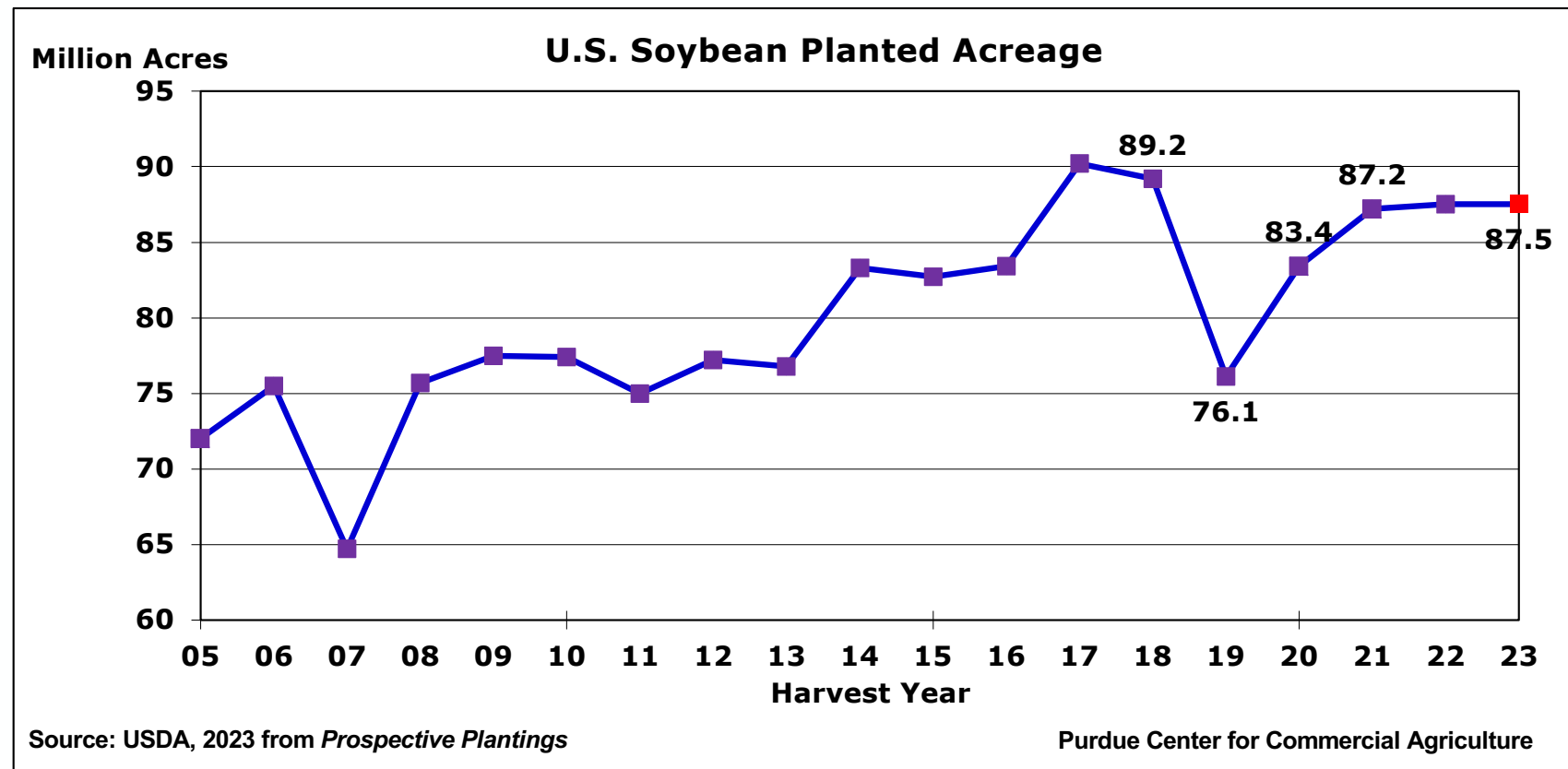
# USDA Normally Sticks with Trend Yield Until At Least the July WASDE



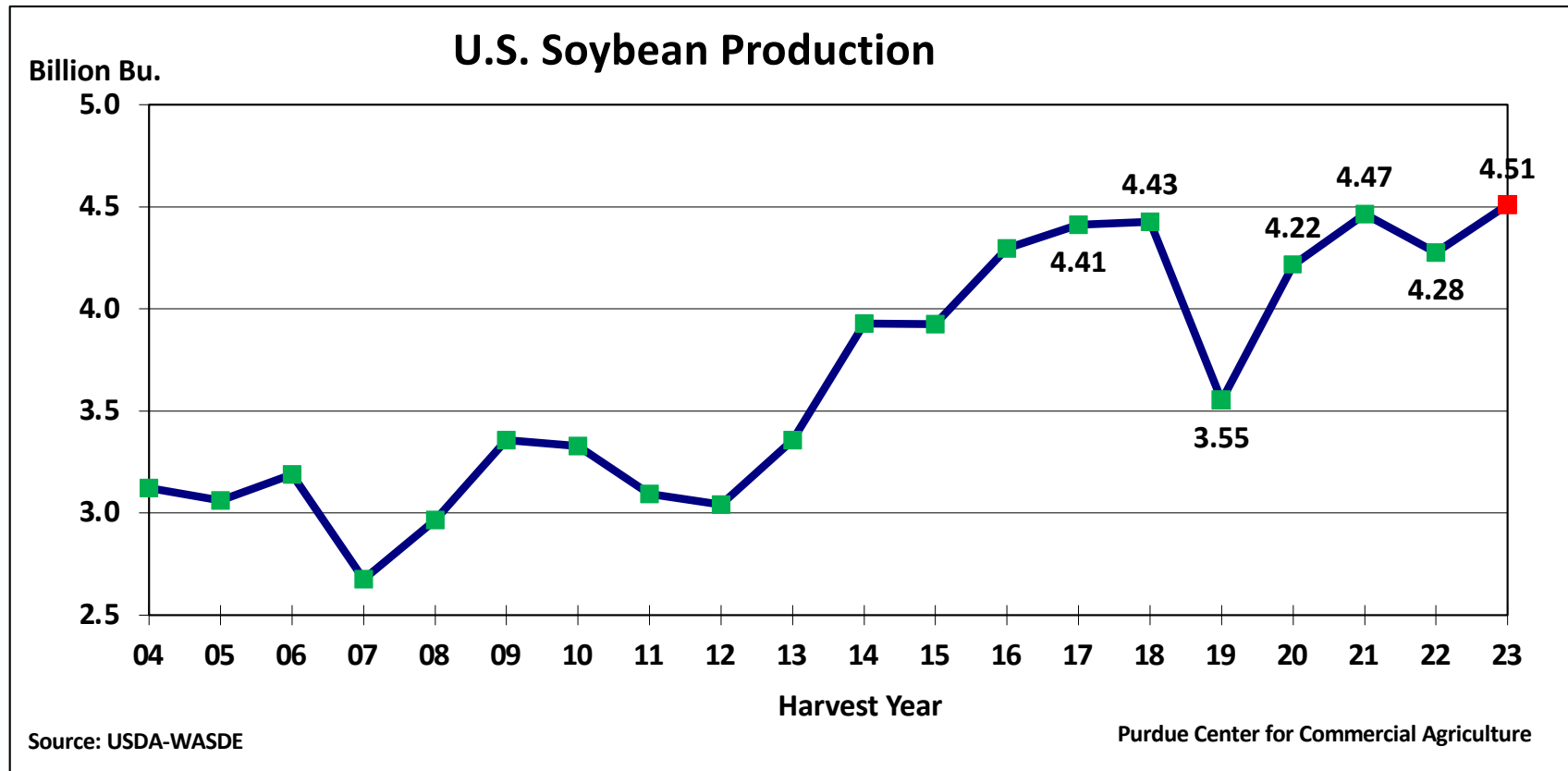
# *But Trend Yield Is Just That, It Is Not Adjusted for Current Crop Conditions*



## USDA Releases Planted Acreage Estimates on June 30<sup>th</sup> ...

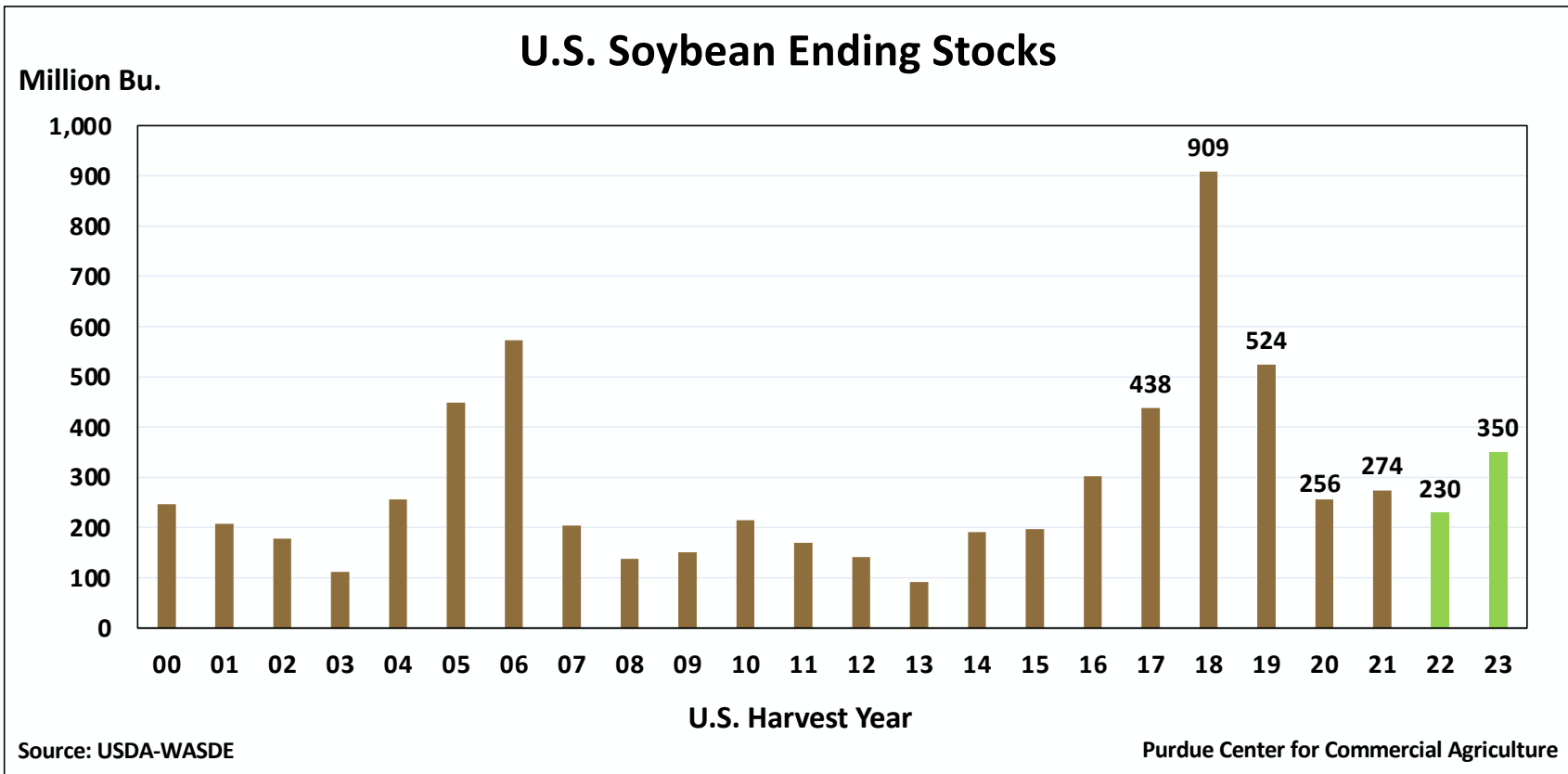


*Record Large Production Forecast By USDA, But Only If We Planted 87.5 M. Acres & Reach the Trend Yield of 52 Bu./acre  
U.S. Yield Equal to 2022's Could Pull Production Back Near 2022's Level*



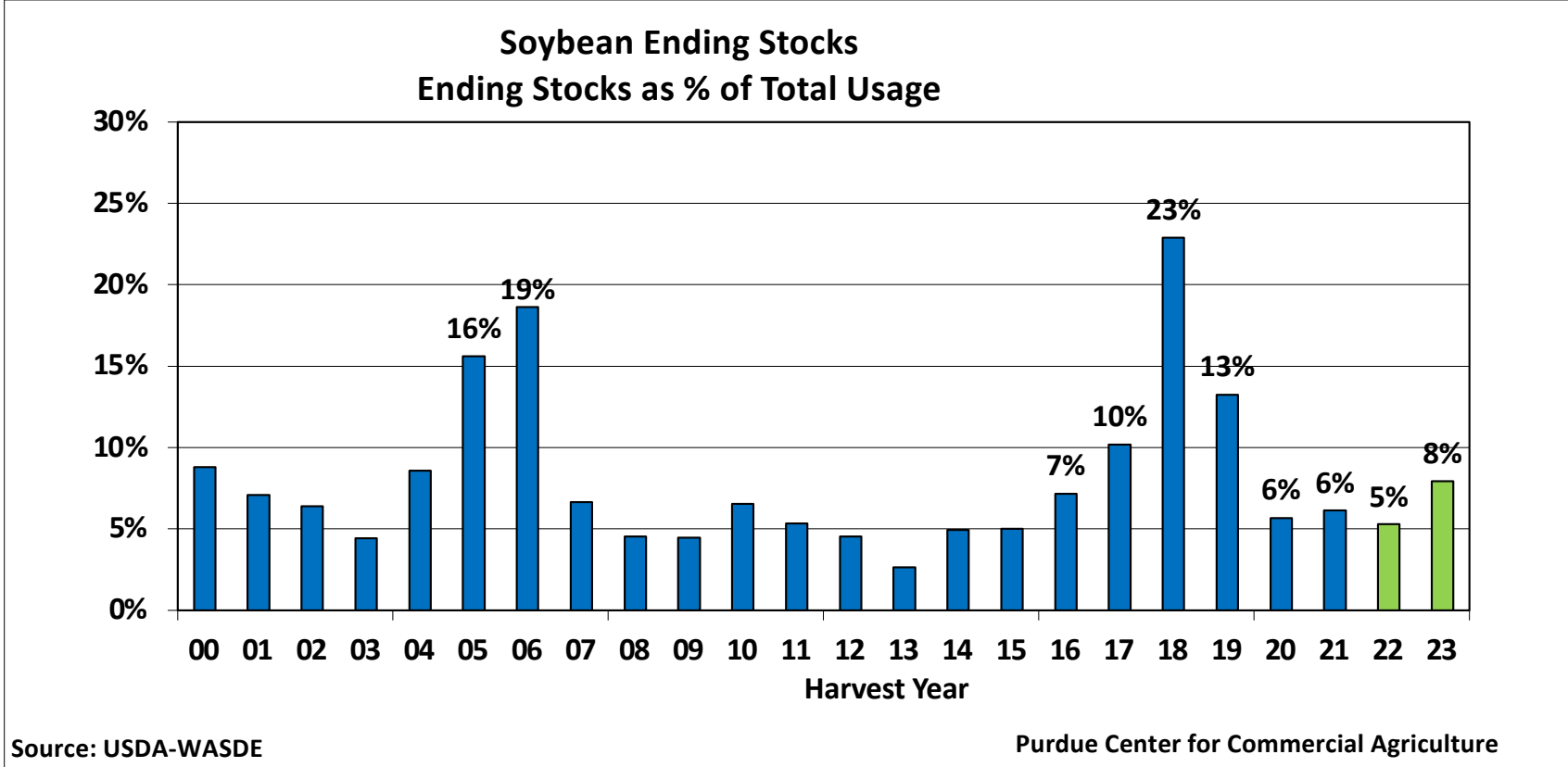
Center for Commercial Agriculture

*With 87.5 Million Acres of Soybeans & Trend Yields, USDA Expects a Big Increase in Soybean Carryover  
But the Increase in Soybean Stocks Is Dependent on Achieving Trend Yield*





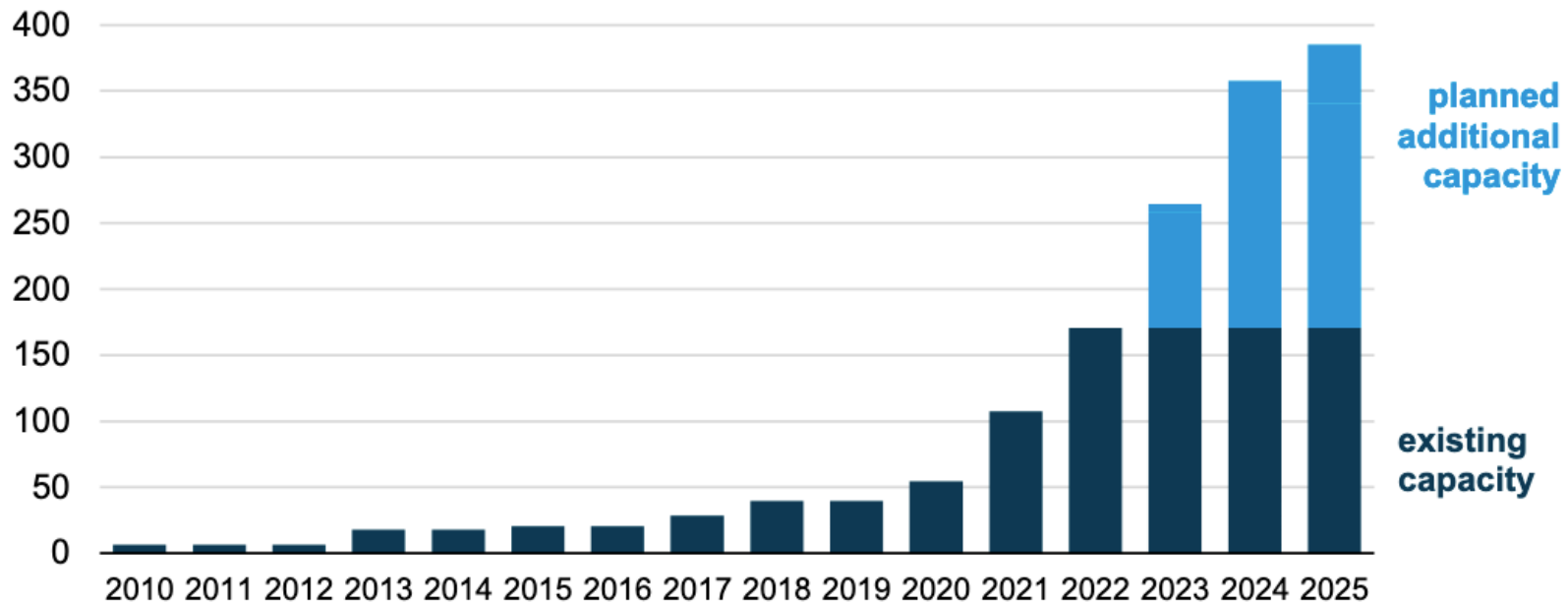
*USDA's Production & Usage Estimates Would Push Ending Stocks Up to 8% of Usage*



Center for Commercial Agriculture

## *Renewable Diesel Is Increasing Soybean Oil Demand But How Much of Planned Additional Capacity Will Actually Be Built Is A Wildcard*

**Annual existing and expected U.S. renewable diesel production capacity (2010–2025)**  
thousand barrels per day

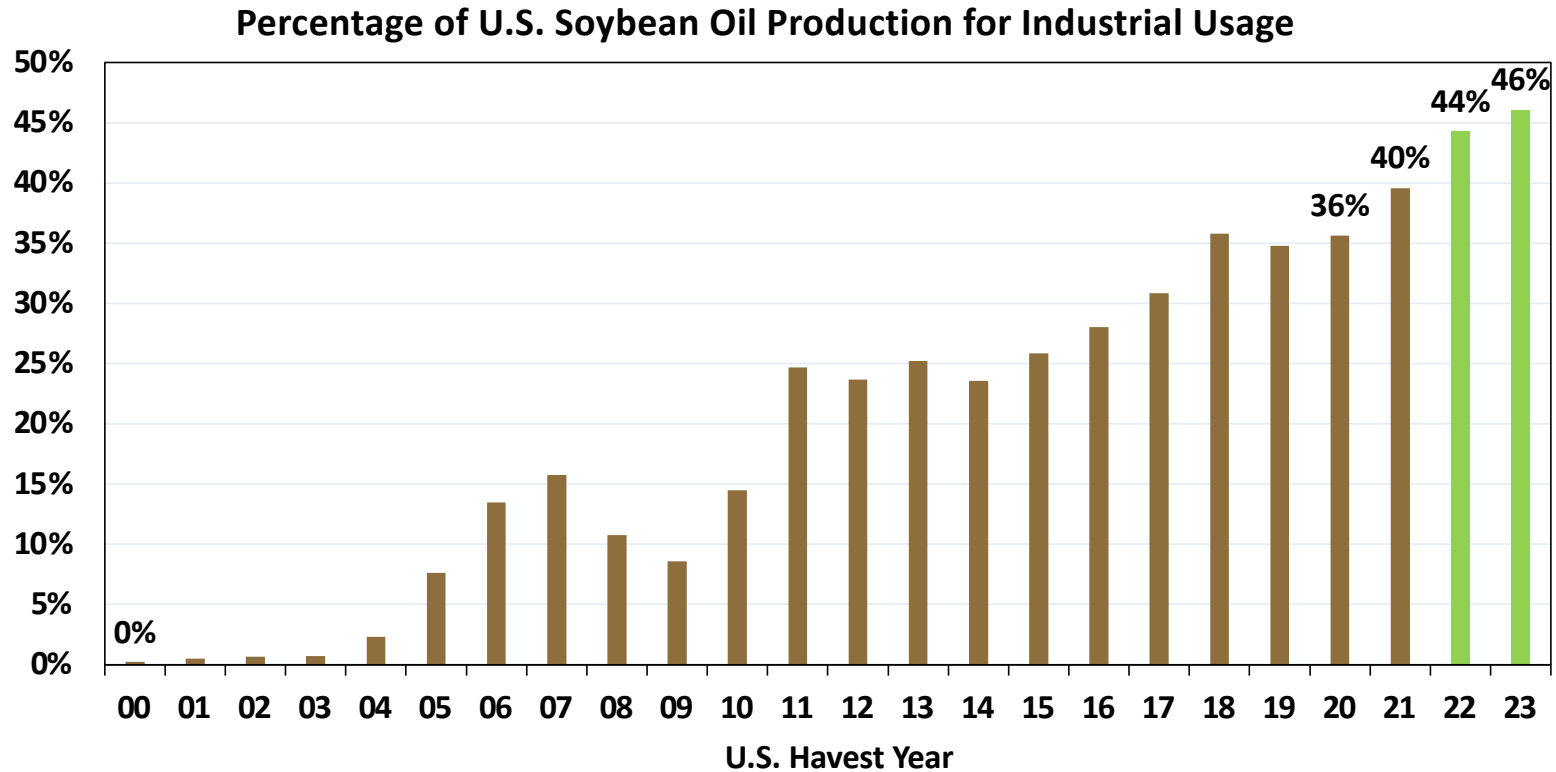


Data source: Company announcements and trade press



Center for Commercial Agriculture

## *Growth in Demand for Soybean Oil for Renewable Diesel Continues to Improve*



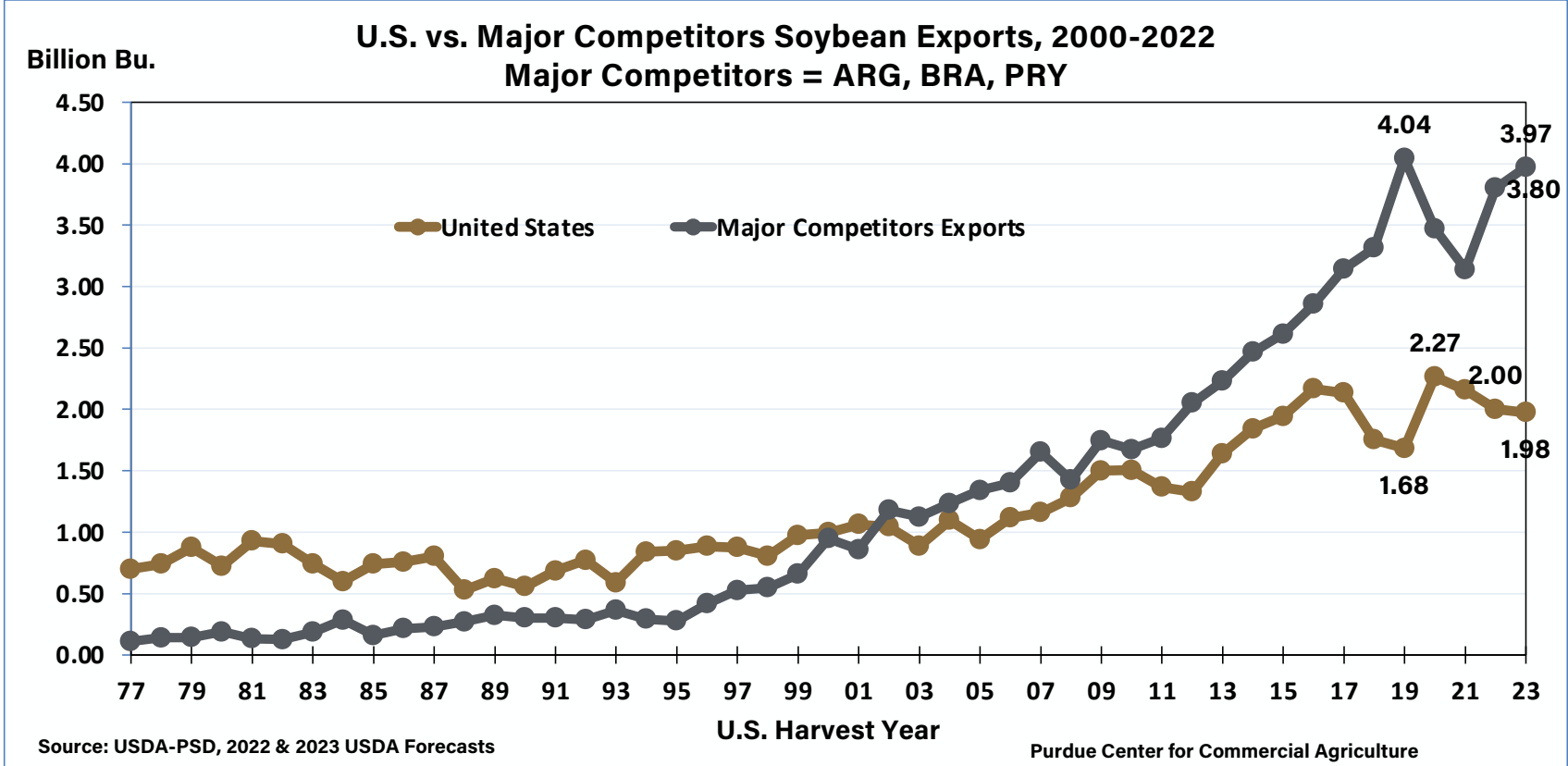
Source: USDA-WASDE, 2022 & 2023 USDA Forecasts

Purdue Center for Commercial Agriculture



Center for Commercial Agriculture

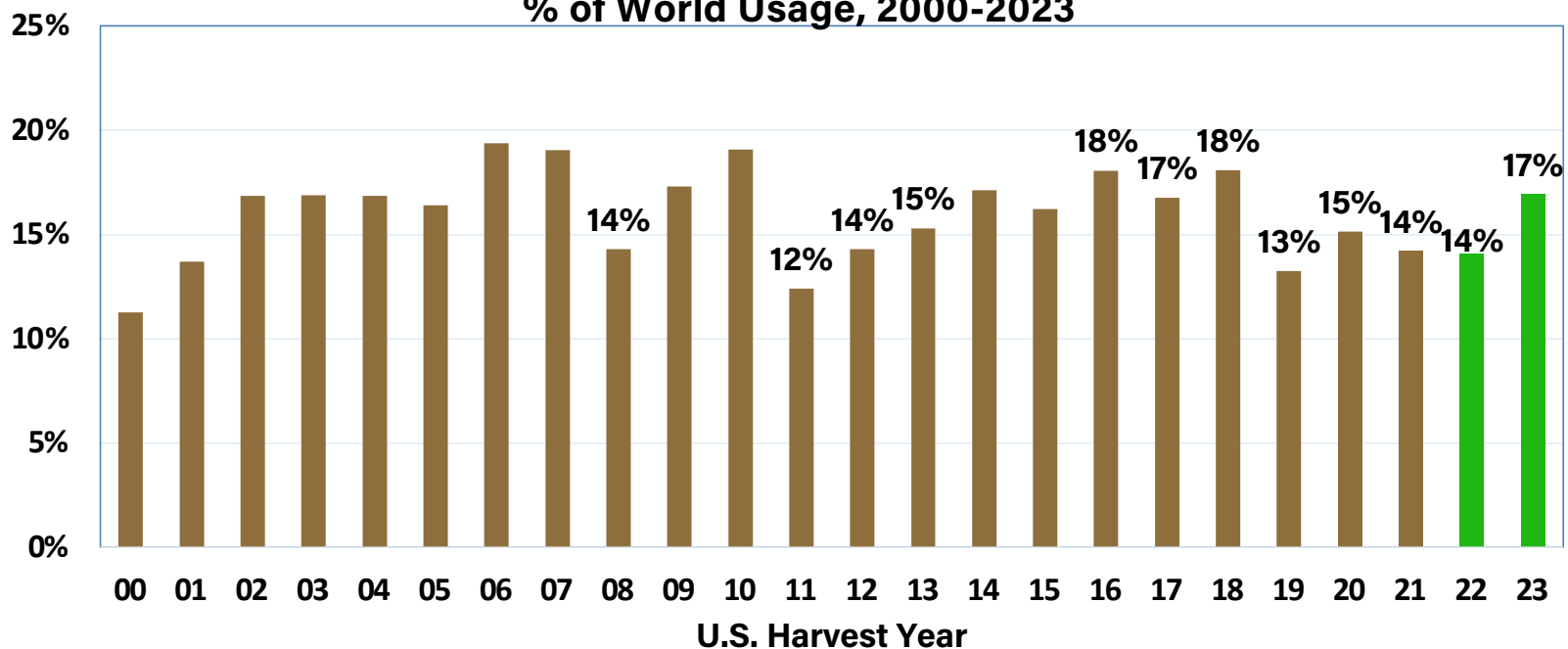
# U.S. Has Lost Ground in Export Channels vs. Major Competitors



Center for Commercial Agriculture

# Competing Exporters Stocks Rising...But Linger Concerns Over Size of Argentina's Crop

### Competing Major Exporters Soybean Ending Stocks (Brazil, Argentina, Paraguay) % of World Usage, 2000-2023



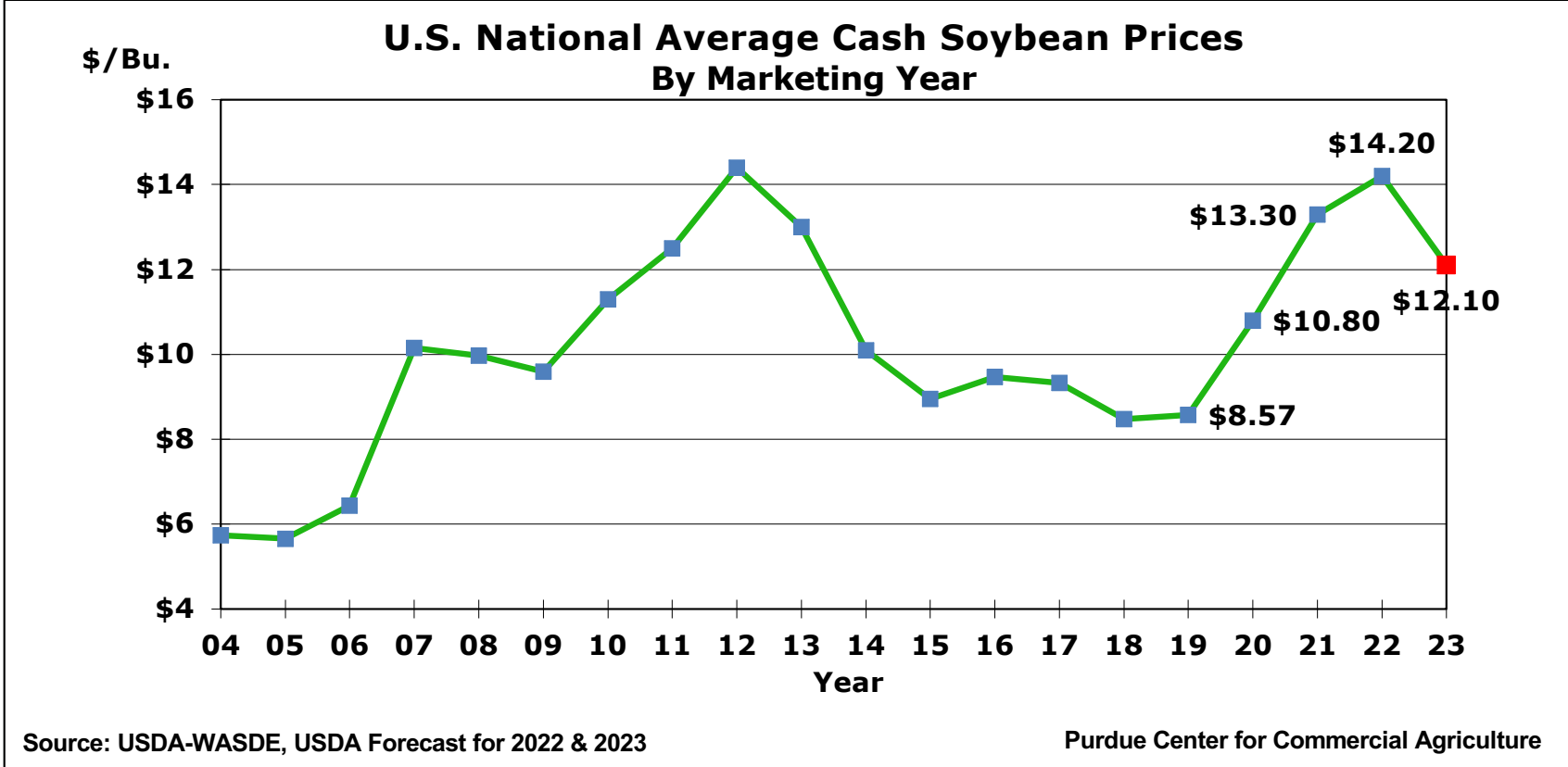
Source: USDA

Purdue Center for Commercial Agriculture



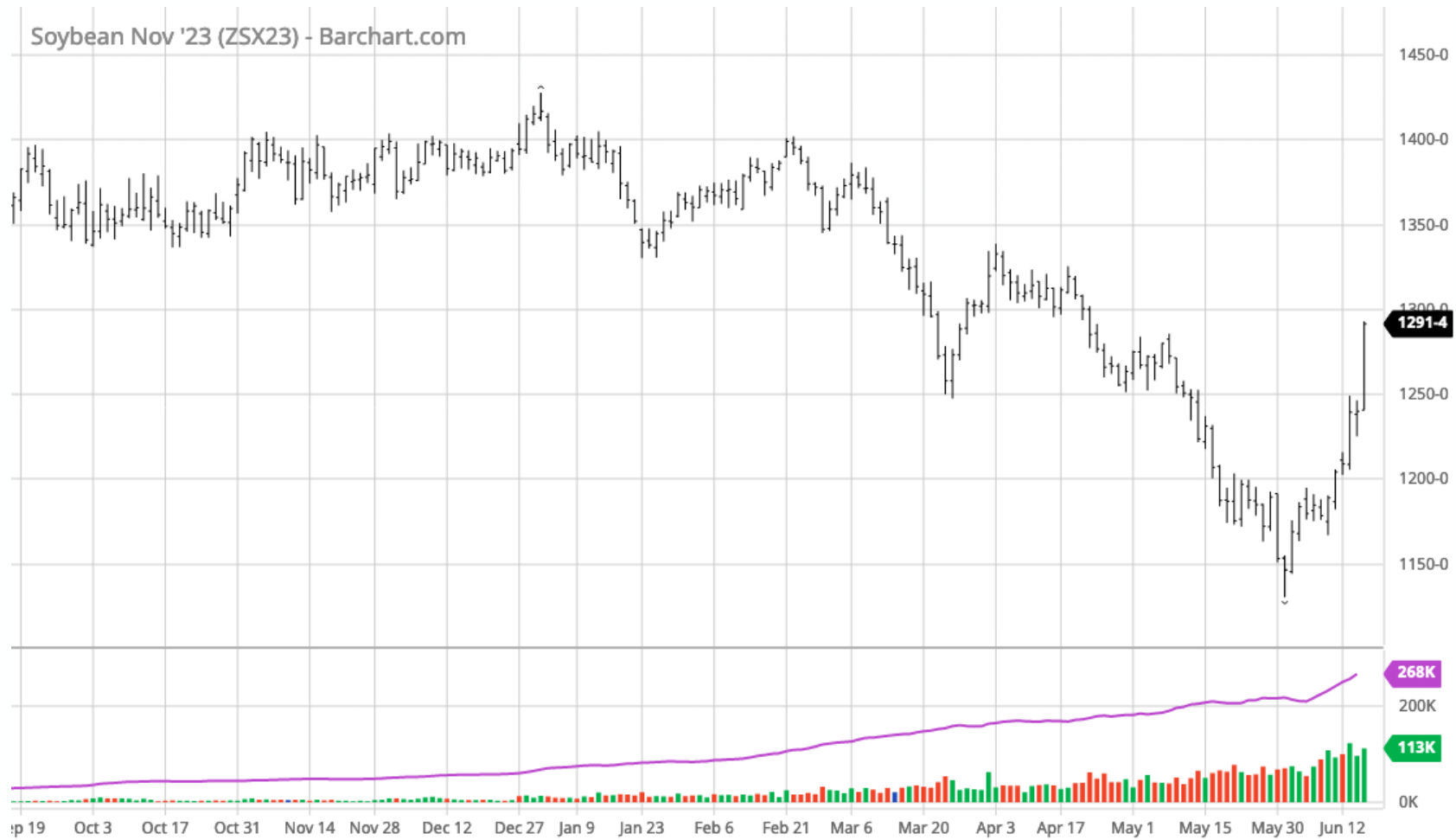
Center for Commercial Agriculture

**USDA's '23 Marketing Year Average Is Down Over \$2.00 Compared to '22's Average**



Center for Commercial Agriculture

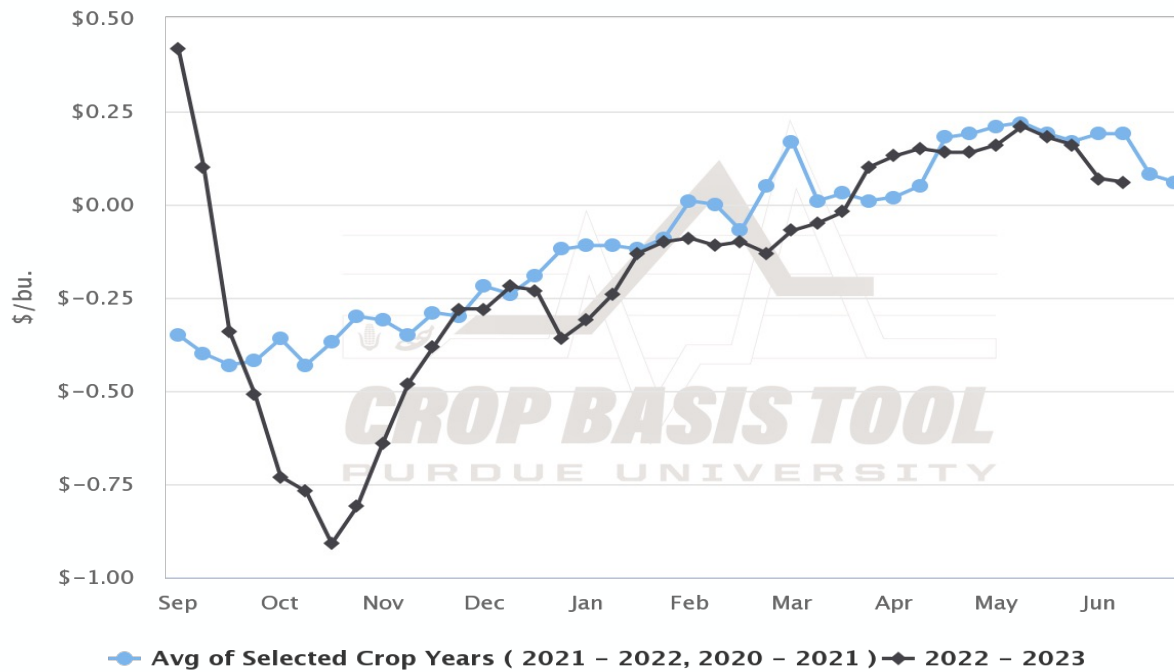
# *Drought Concerns Propelled \$1.60 Rally in Nov. Futures Since Low Was Established on May 31st*



# Soybean basis—Central Indiana—July futures contract

Purdue Center for Commercial Agriculture Crop Basis Tool

Soybean Basis, July Contract  
CENTRAL Indiana



[purdue.edu/commercialag](http://purdue.edu/commercialag)



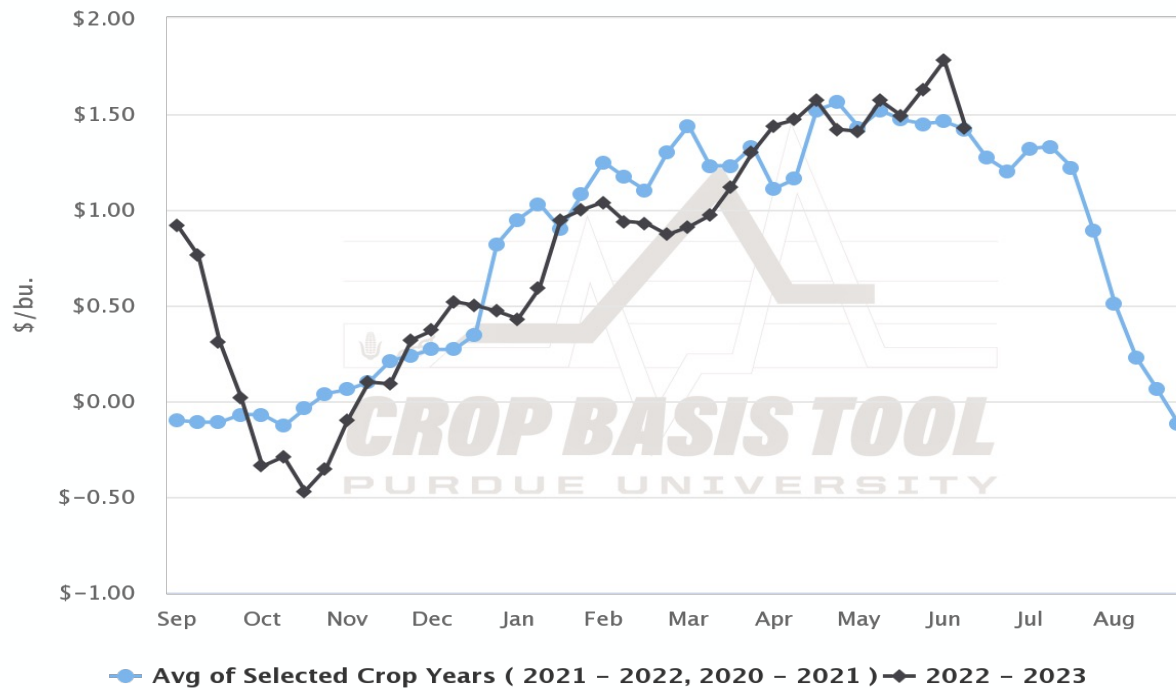
Center for Commercial Agriculture



# Soybean basis—Central Indiana—September futures contract

## Purdue Center for Commercial Agriculture Crop Basis Tool

Soybean Basis, September Contract  
CENTRAL Indiana



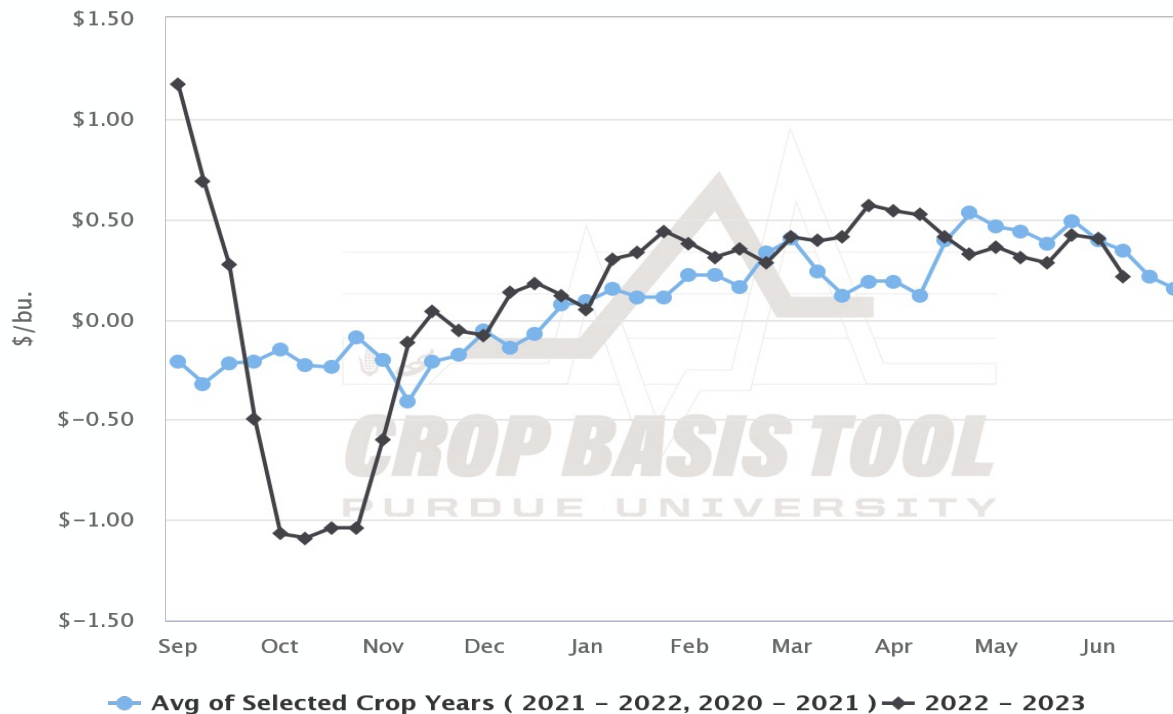
Center for Commercial Agriculture

[purdue.edu/commercialag](http://purdue.edu/commercialag)

# Ohio River Soybean Basis—Southern Ohio, Southern Indiana, and Southern Illinois River Terminals

## Purdue Center for Commercial Agriculture Crop Basis Tool

Ohio River Soybean Basis, July Contract



[purdue.edu/commercialag](http://purdue.edu/commercialag)

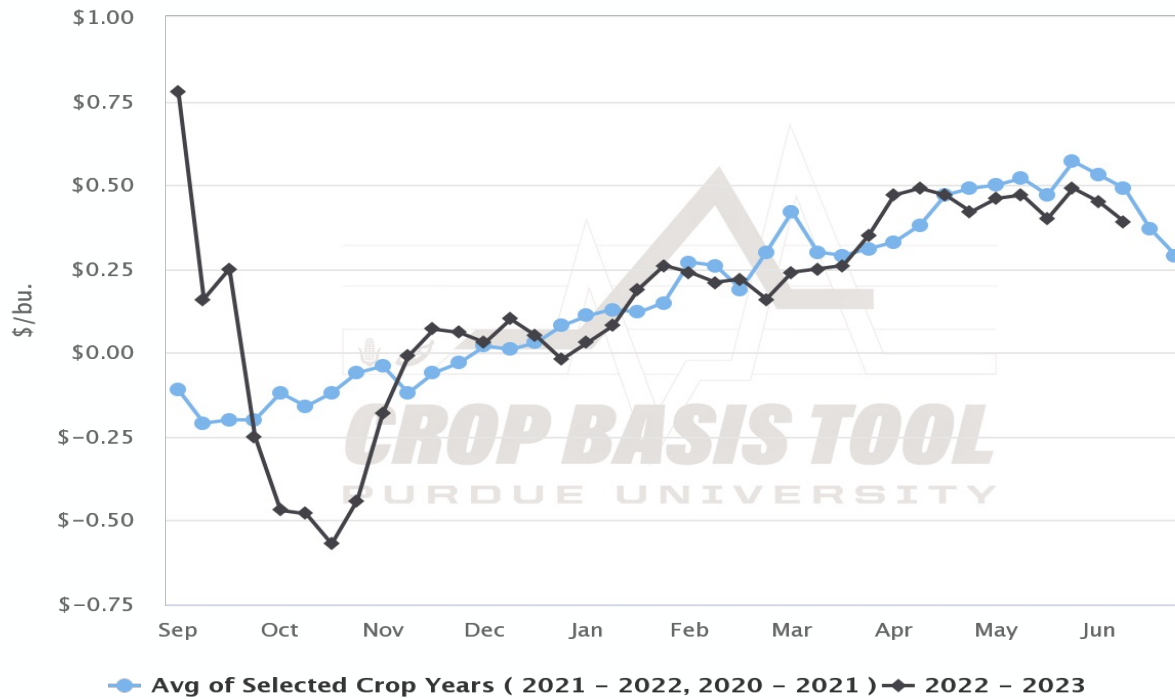


Center for Commercial Agriculture

# Indiana soybean processor basis

## Purdue Center for Commercial Agriculture Crop Basis Tool

Indiana Soybean Processor Basis, July Contract



[purdue.edu/commercialag](http://purdue.edu/commercialag)



Center for Commercial Agriculture

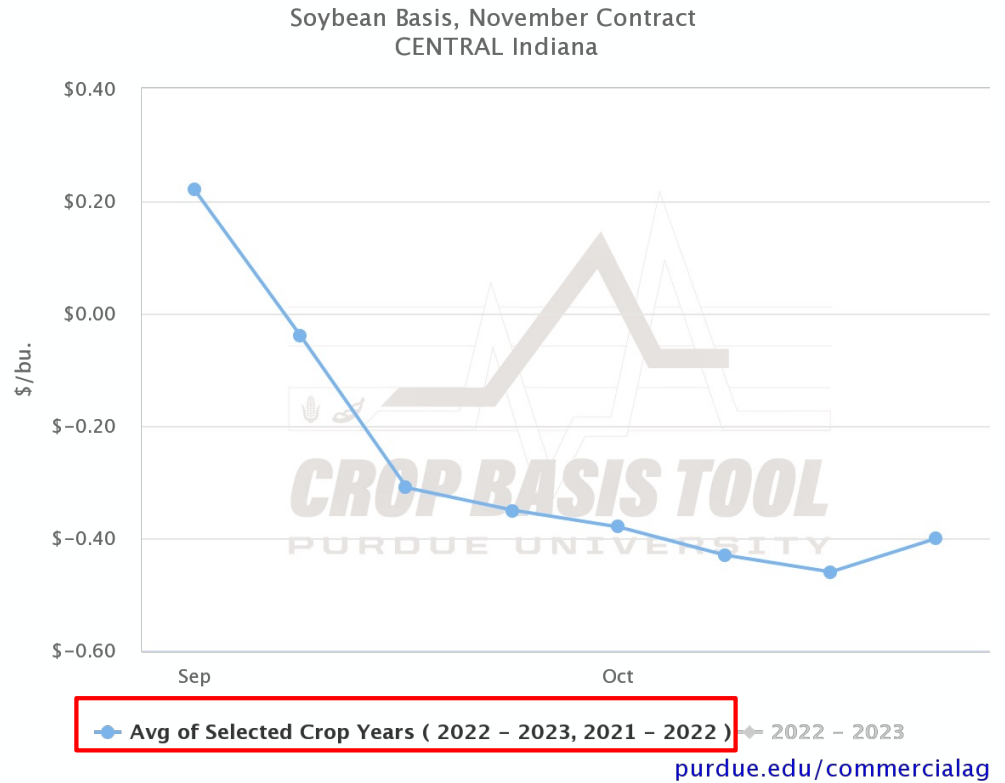
# New crop soybean pricing opportunities?

CBOT Nov. '23 Soybean futures \$12.63

Expected soybean basis Oct '23 in Central IN -\$0.40

Expected cash price Oct. '23 delivery \$12.23

## Purdue Center for Commercial Agriculture Crop Basis Tool



Center for Commercial Agriculture

# New crop soybean pricing opportunities?

CBOT Nov. '23 Soybean futures \$12.63

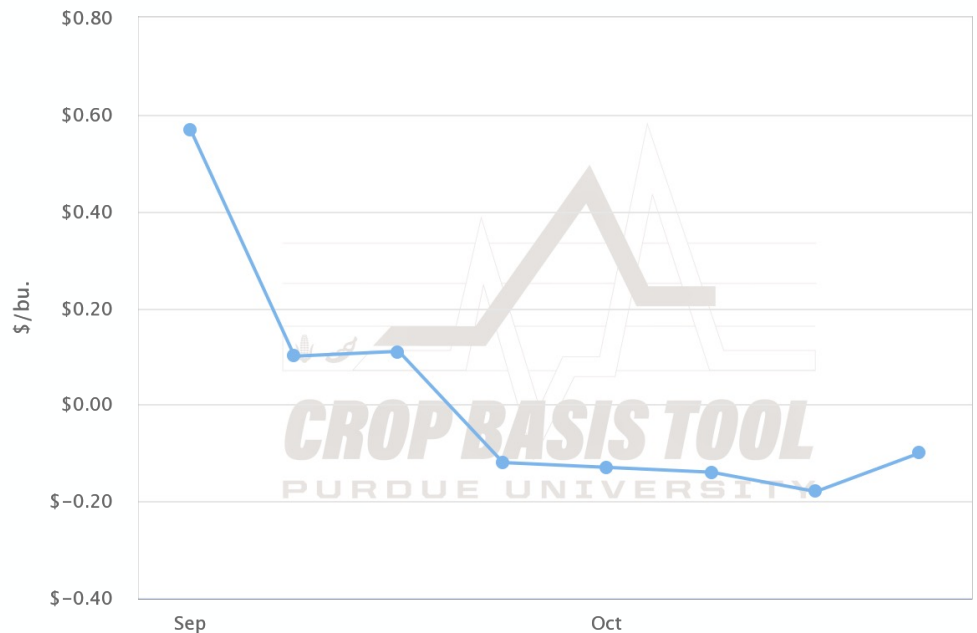
Expected soybean processor basis Oct '23 in Central IN -\$0.15

---

Expected cash price Oct. '23 delivery \$12.48

## Purdue Center for Commercial Agriculture Crop Basis Tool

Indiana Soybean Processor Basis, November Contract



— Avg of Selected Crop Years ( 2022 - 2023, 2021 - 2022 ) — 2022 - 2023

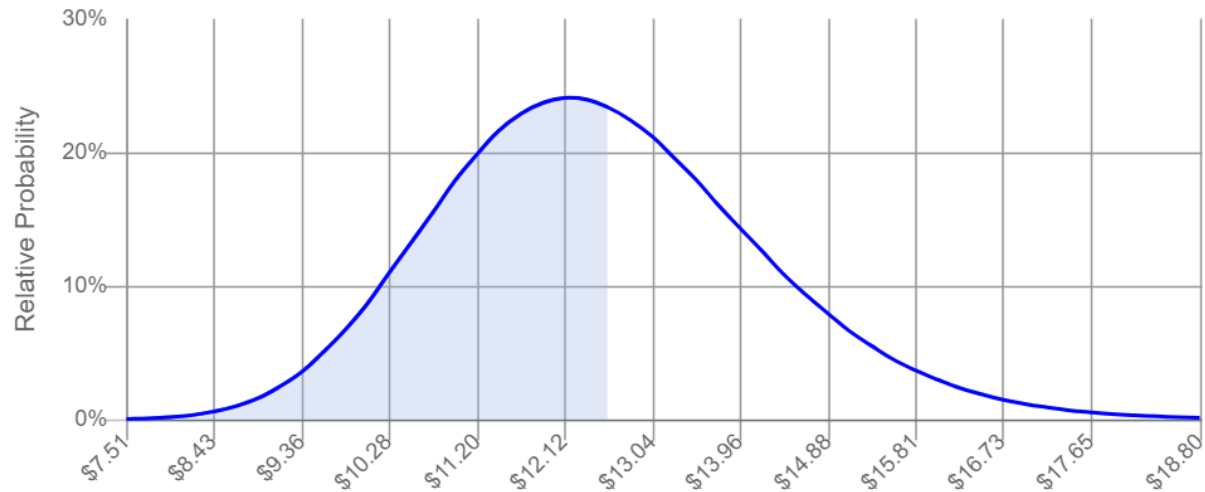
[purdue.edu/commercialag](http://purdue.edu/commercialag)



Center for Commercial Agriculture

# farmdoc's Nov. '23 Soybean Futures Price Distribution

Probability of Prices at Expiration



Enter Price to Evaluate: \$ 12.63

The implied distribution indicates that there is a 55.46% probability that the price will be below \$12.63 at expiration.

Probability Below ▲	Price at Expiration ▲
5%	\$9.94
15%	\$10.78
25%	\$11.32
35%	\$11.77
45%	\$12.19
50%	\$12.40
55%	\$12.61
65%	\$13.06
75%	\$13.58
85%	\$14.26
95%	\$15.47



Center for Commercial Agriculture