

# Crops & Feed Outlook

Farming for the Future Conference

Ames, Iowa

Sept. 9, 2011



Chad Hart

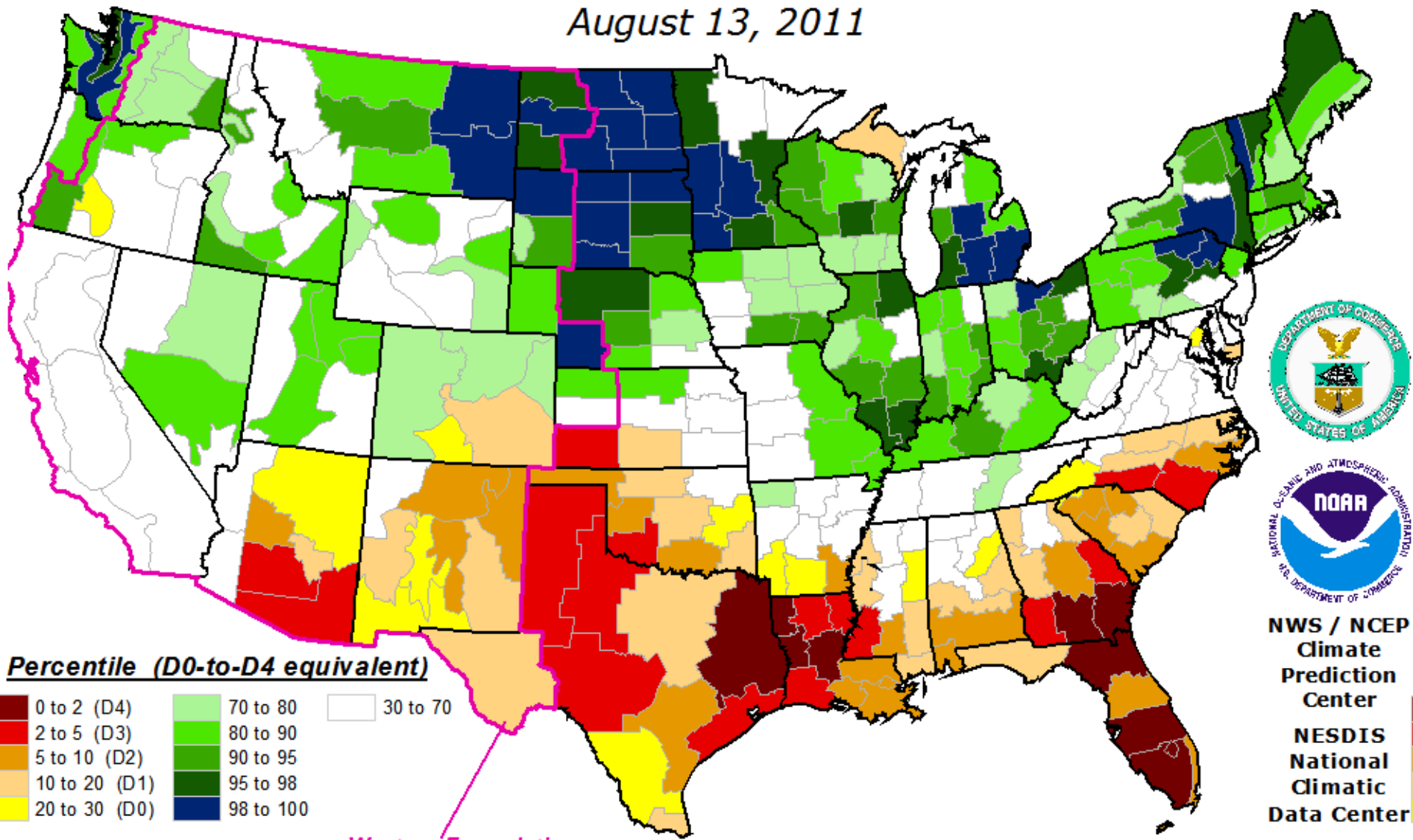
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515-294-9911

# Objective Long-Term Drought Indicator Blend Percentiles

August 13, 2011



# U.S. Corn Supply and Use

		2008	2009	2010	2011
Area Planted	(mil. acres)	86.0	86.4	88.2	92.3
Yield	(bu./acre)	153.9	164.7	152.8	153.0
Production	(mil. bu.)	12,092	13,092	12,447	12,914
Beg. Stocks	(mil. bu.)	1,624	1,673	1,708	940
Imports	(mil. bu.)	14	8	30	20
Total Supply	(mil. bu.)	13,729	14,774	14,185	13,874
Feed & Residual	(mil. bu.)	5,182	5,140	5,000	4,900
Ethanol	(mil. bu.)	3,709	4,568	5,020	5,100
Food, Seed, & Other	(mil. bu.)	1,316	1,371	1,400	1,410
Exports	(mil. bu.)	1,849	1,987	1,825	1,750
Total Use	(mil. bu.)	12,056	13,066	13,245	13,160
Ending Stocks	(mil. bu.)	1,673	1,708	910	714
Season-Average Price	(\$/bu.)	4.06	3.55	5.25	6.70

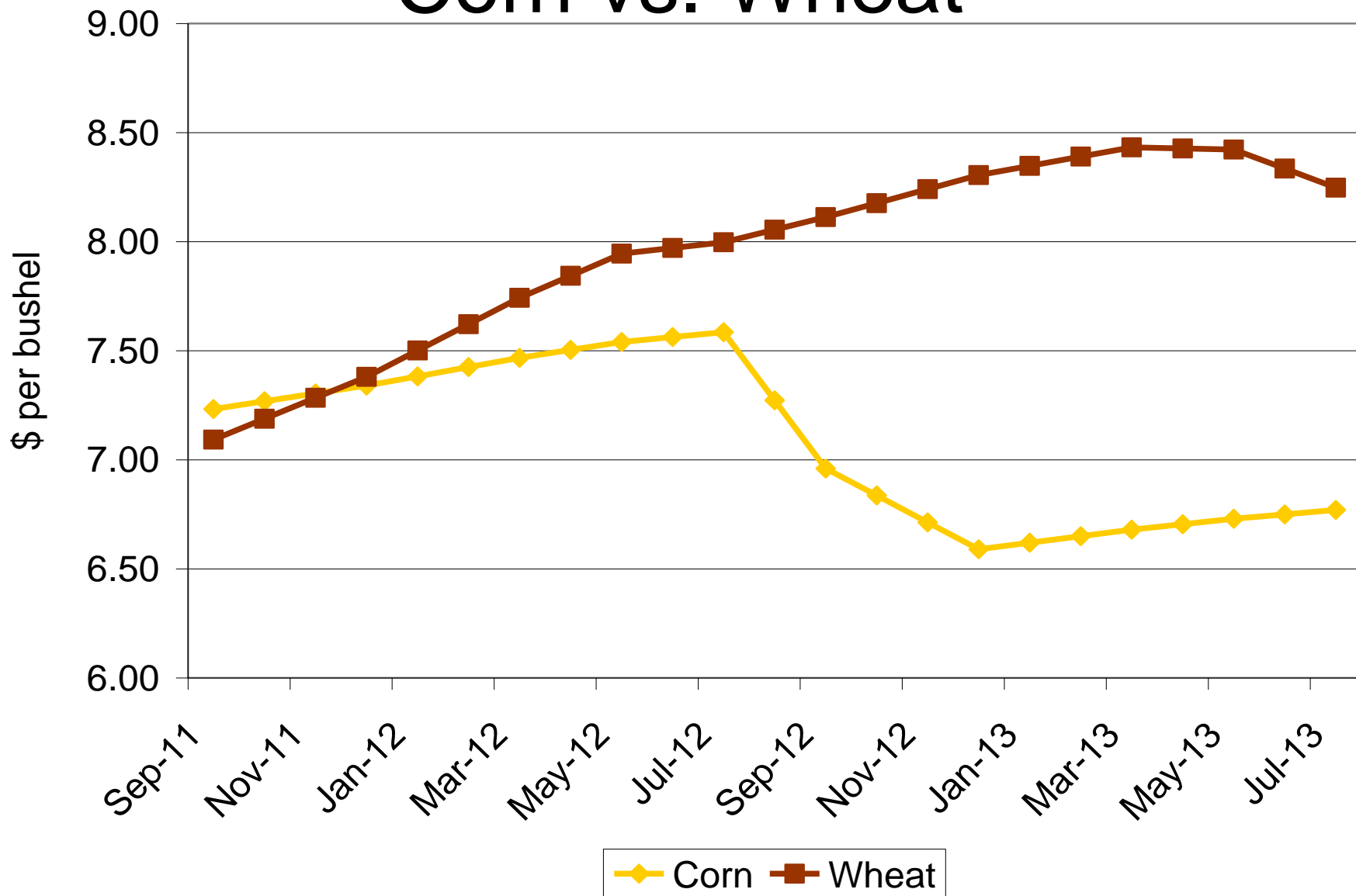
# U.S. Soybean Supply and Use

		2008	2009	2010	2011
Area Planted	(mil. acres)	75.7	77.5	77.4	75.0
Yield	(bu./acre)	39.7	44.0	43.5	41.4
Production	(mil. bu.)	2,967	3,359	3,329	3,056
Beg. Stocks	(mil. bu.)	205	138	151	230
Imports	(mil. bu.)	13	15	15	15
Total Supply	(mil. bu.)	3,185	3,512	3,495	3,301
Crush	(mil. bu.)	1,662	1,752	1,645	1,635
Seed & Residual	(mil. bu.)	106	110	125	111
Exports	(mil. bu.)	1,279	1,499	1,495	1,400
Total Use	(mil. bu.)	3,047	3,361	3,265	3,146
Ending Stocks	(mil. bu.)	138	151	230	155
Season-Average Price	(\$/bu.)	9.97	9.59	11.35	13.50

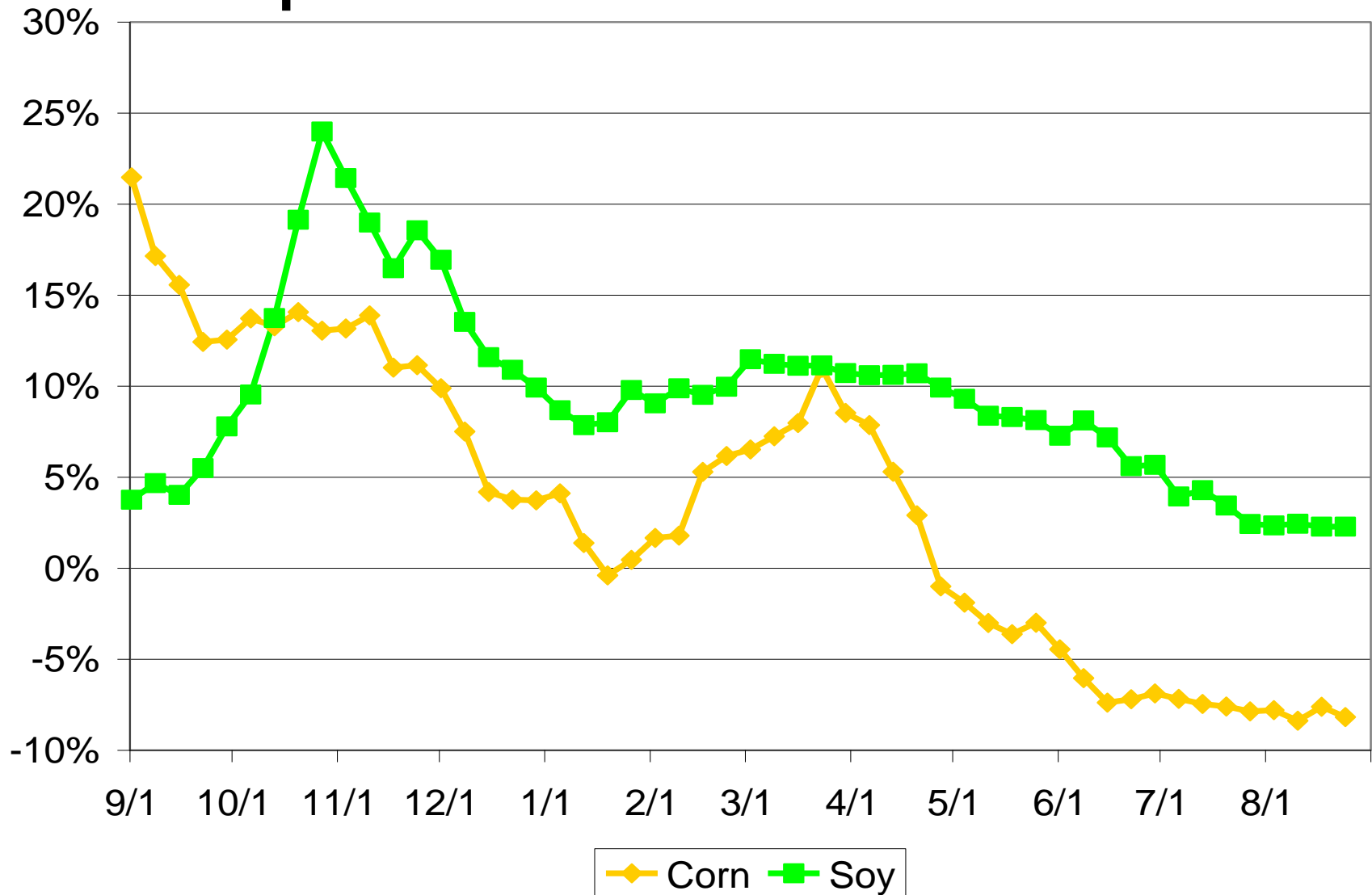
# U.S. Soybean Meal Supply and Use

		2009	2010	2011
Production	(thou. short tons)	41,707	39,608	38,885
Beg. Stocks	(thou. short tons)	235	302	300
Imports	(thou. short tons)	160	190	165
Total Supply	(thou. short tons)	42,101	40,100	39,350
Domestic	(thou. short tons)	30,640	30,750	30,500
Exports	(thou. short tons)	11,160	9,050	8,550
Total Use	(thou. short tons)	41,800	39,800	39,050
Ending Stocks	(thou. short tons)	302	300	300
Season-Average Price	(\$/short ton)	311.27	345.00	370.00

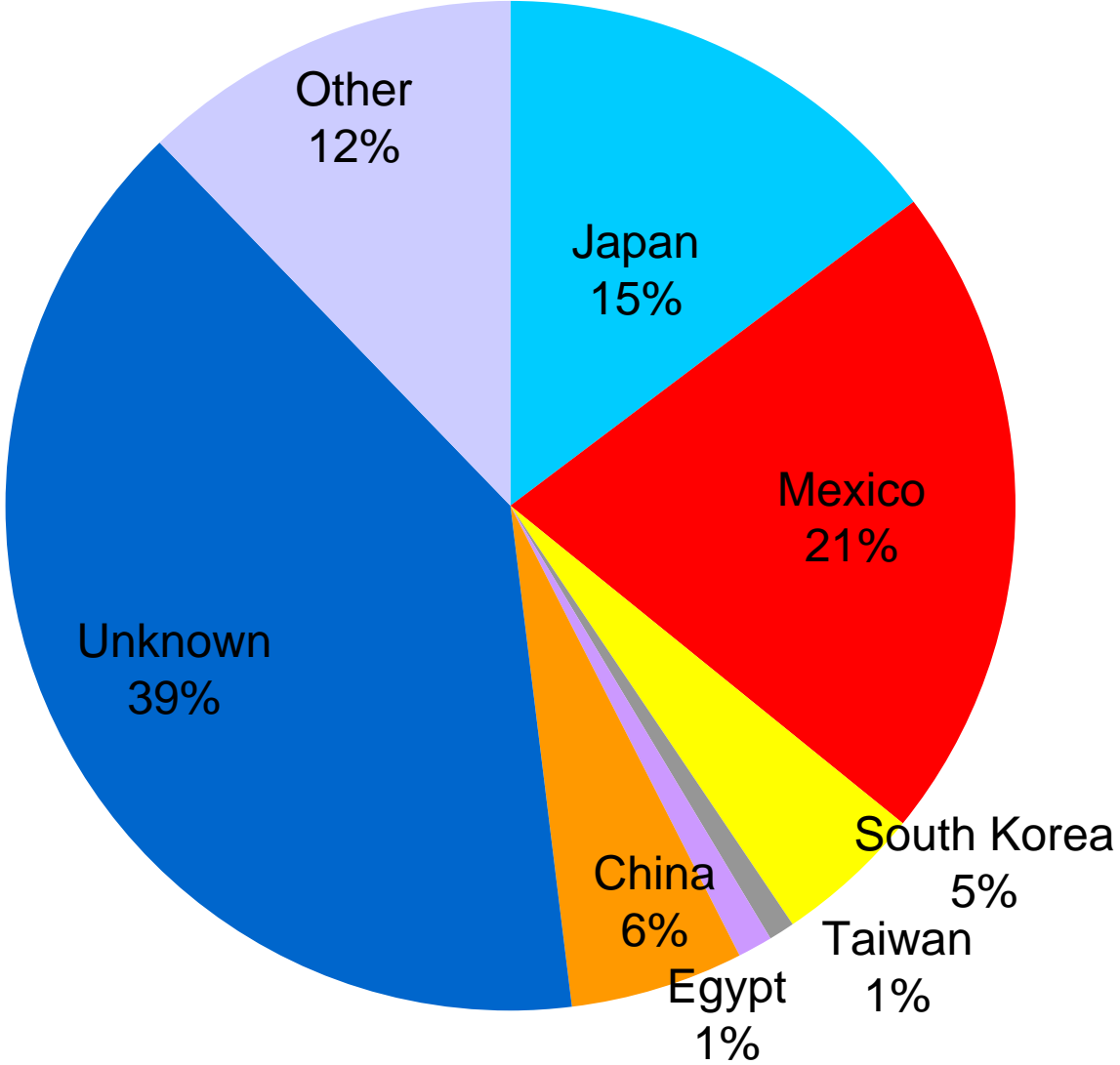
# Corn vs. Wheat



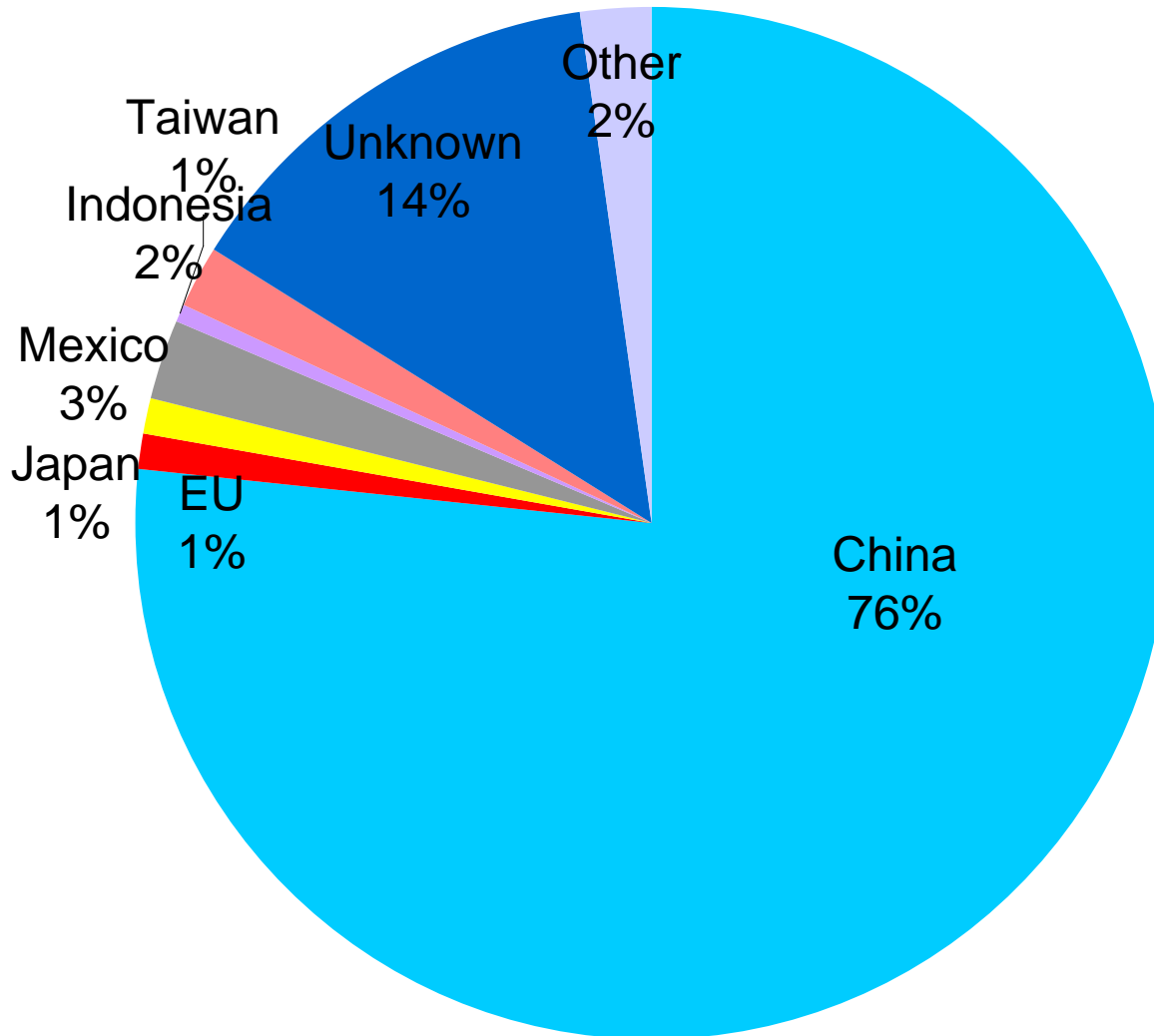
# Export Pace vs. Last Year



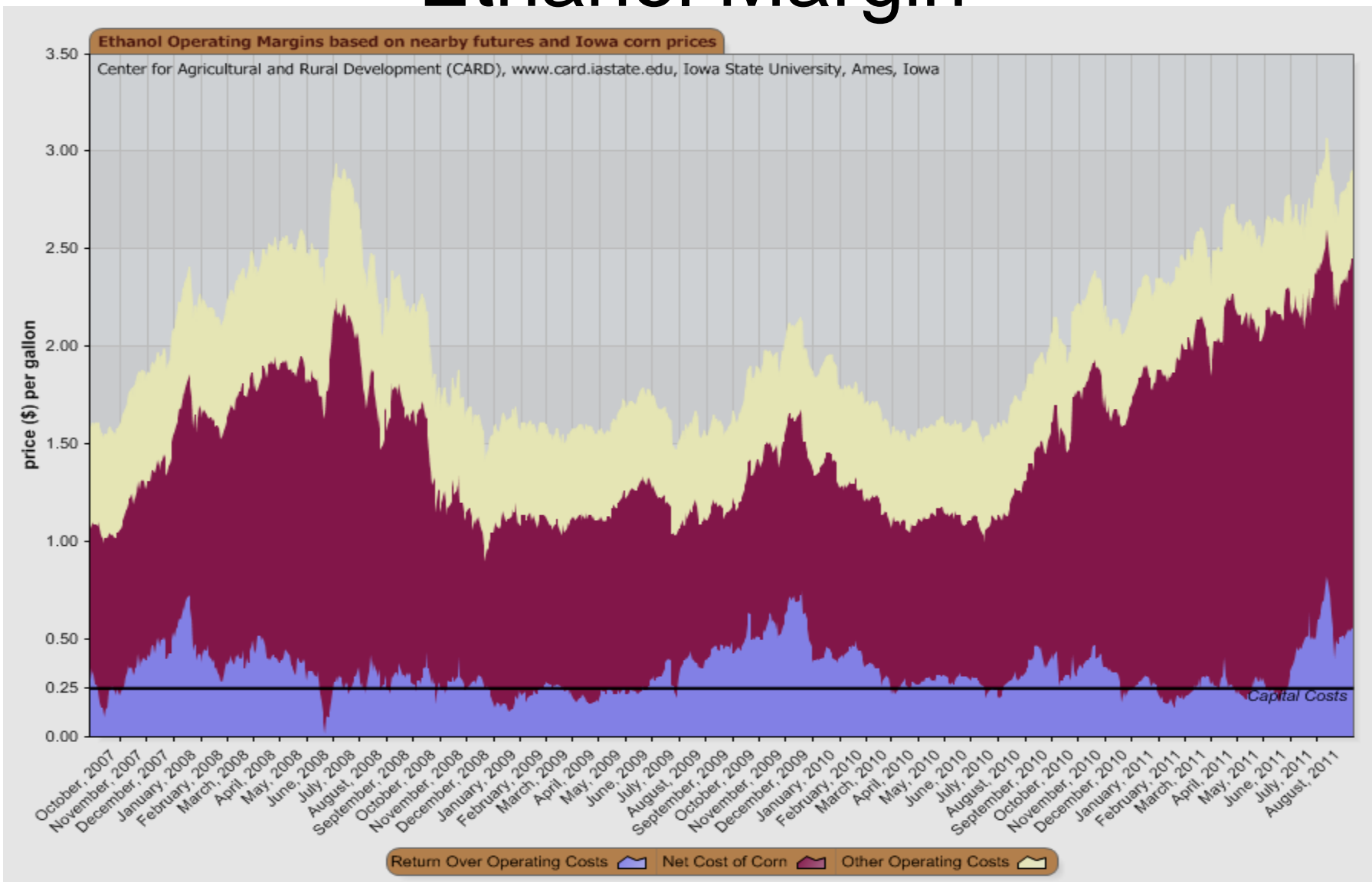
# Corn Advance Export Sales



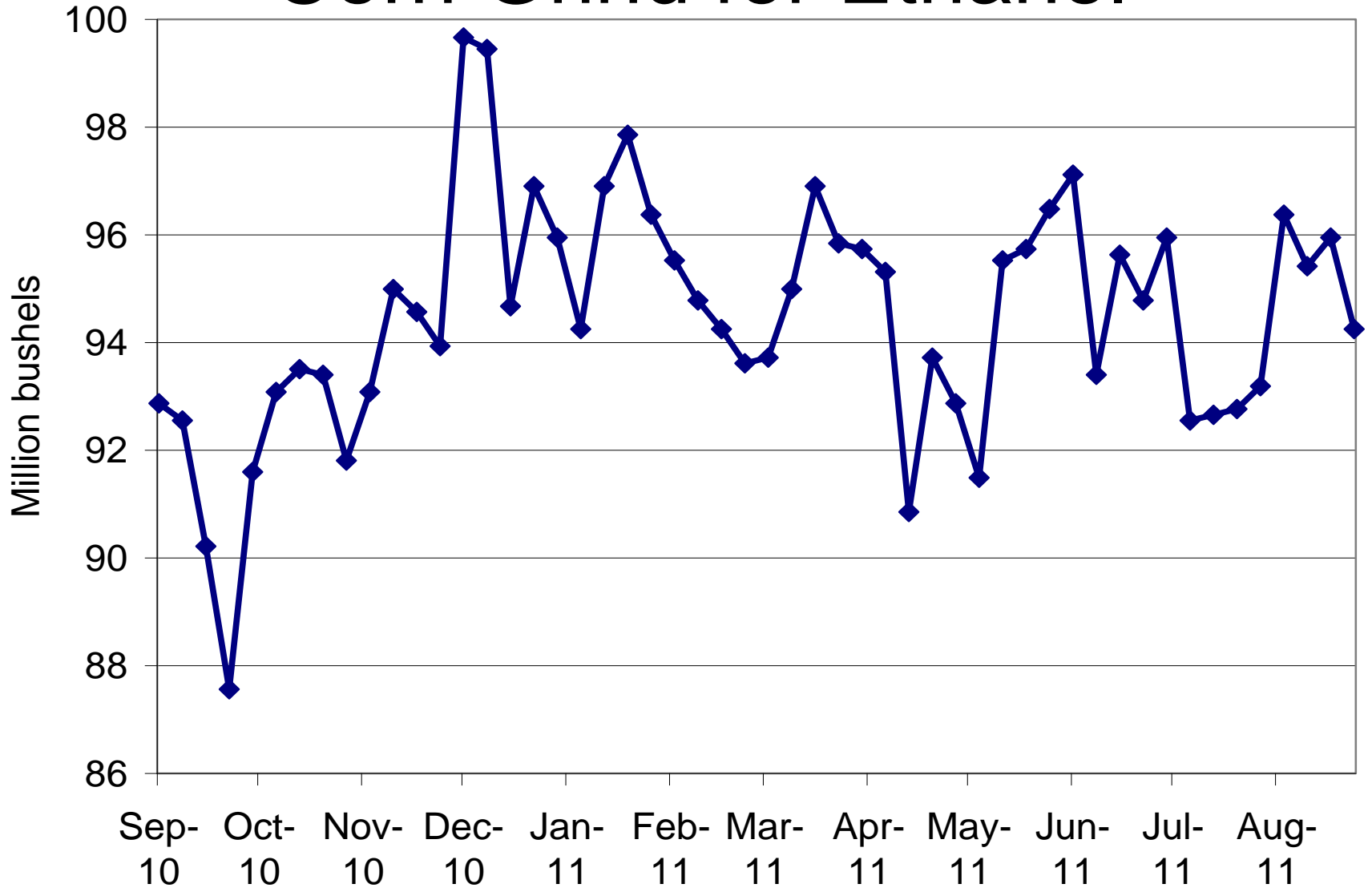
# Soy Advance Export Sales



# Ethanol Margin



# Corn Grind for Ethanol

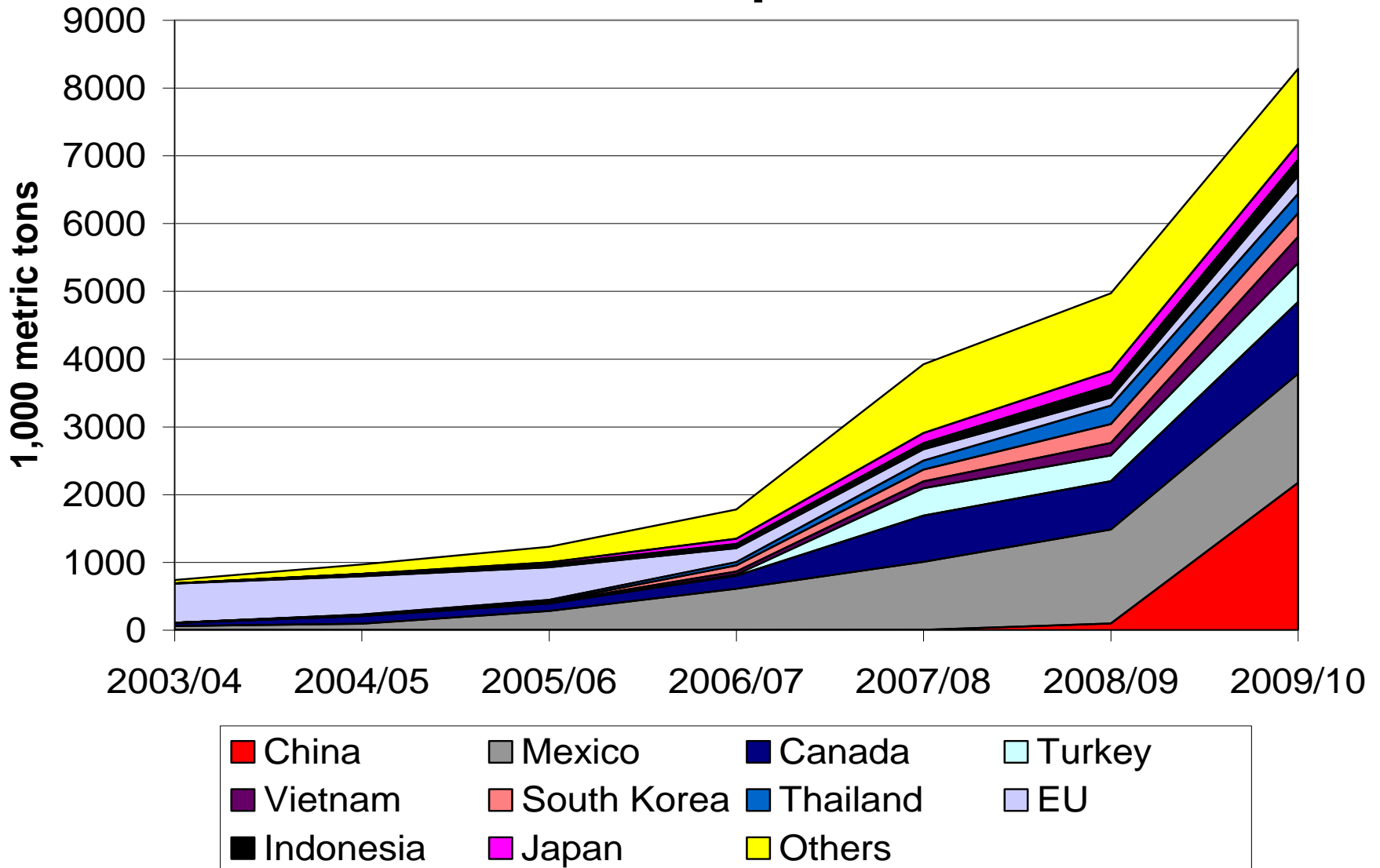


# U.S. DDG Supply and Use

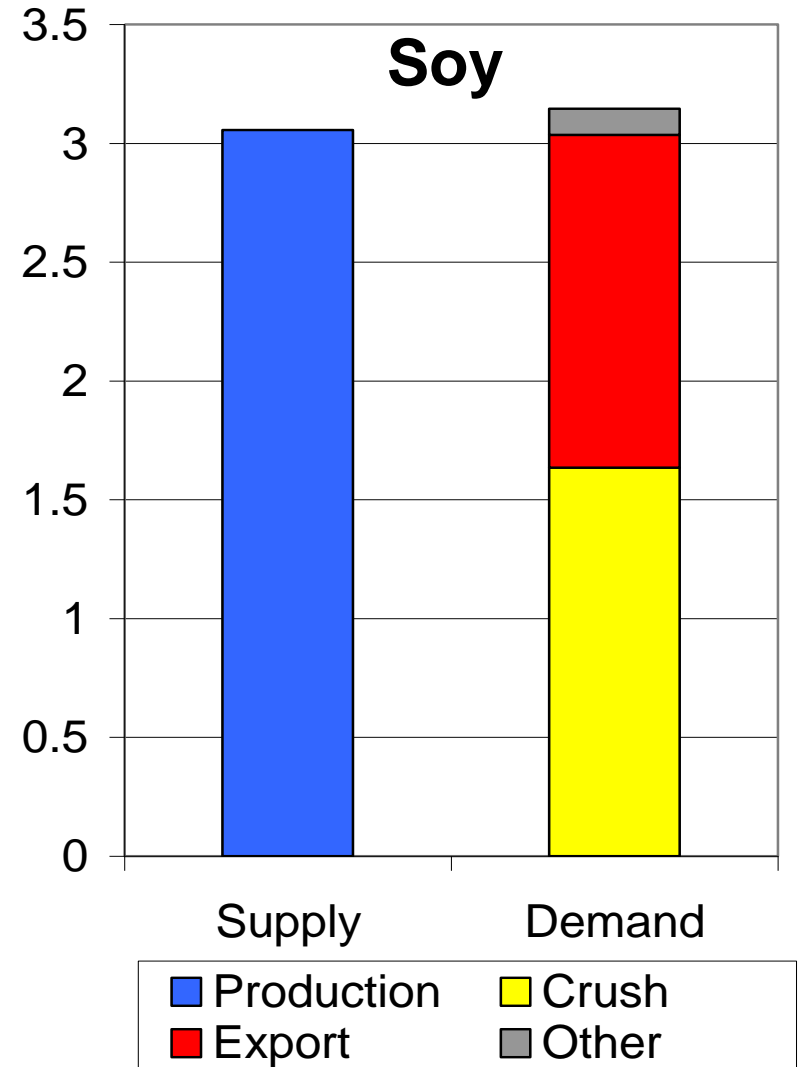
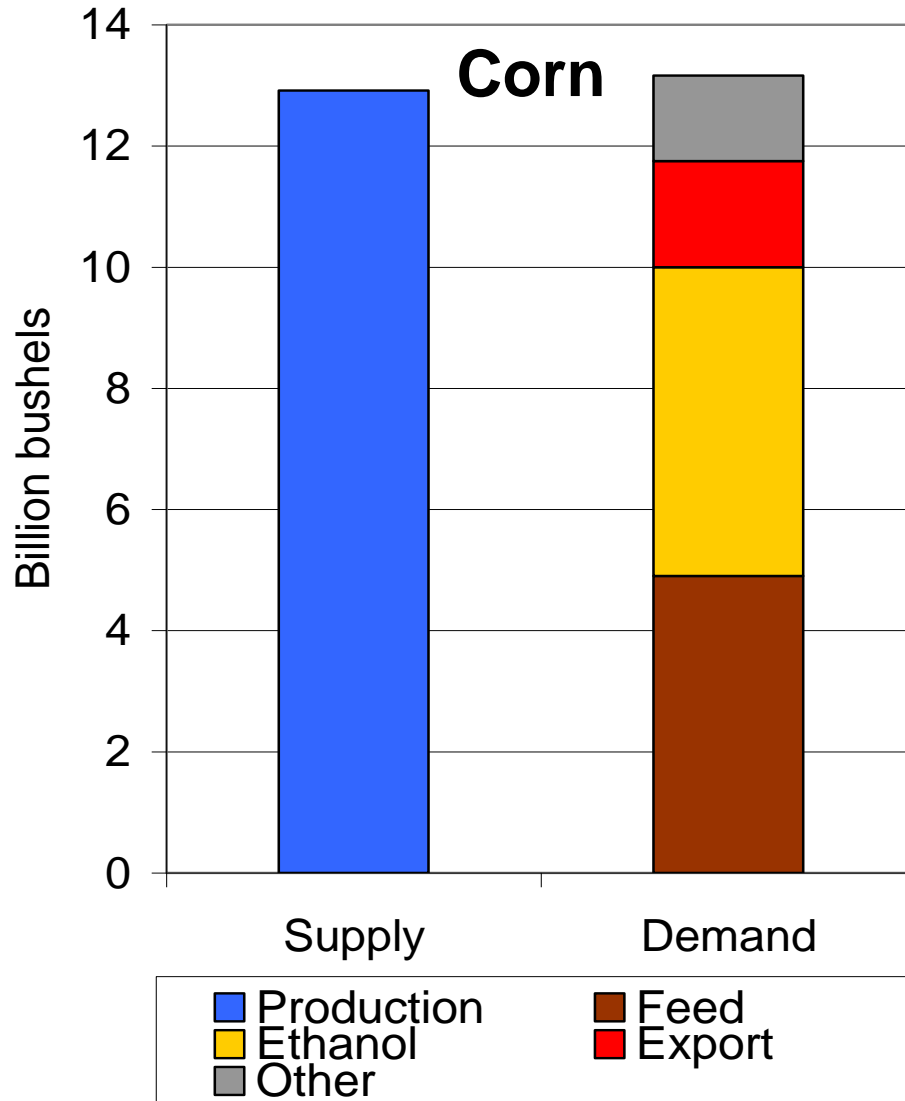
		2008	2009	2010	2011
Production	(mil. metric tons)	28.6	35.4	38.7	39.3
Imports	(mil. metric tons)	0.3	0.4	0.5	0.5
Total Supply	(mil. metric tons)	28.9	35.8	39.2	39.8
Domestic	(mil. metric tons)	23.9	27.5	30.3	30.4
Exports	(mil. metric tons)	5.0	8.3	8.9	9.5
Total Use	(mil. metric tons)	28.9	35.8	39.2	39.8
Average Price	(\$/ton)	122	113	179	189

My estimates, so take with a grain of salt  
Actually, you may want the whole salt block

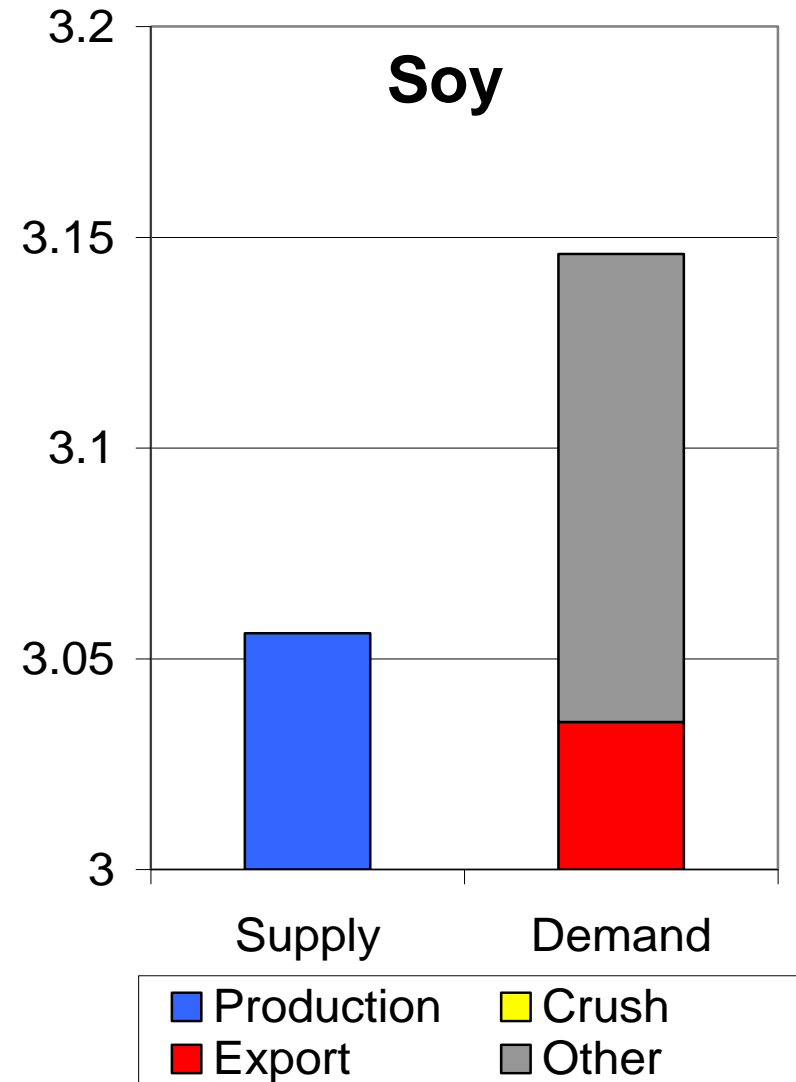
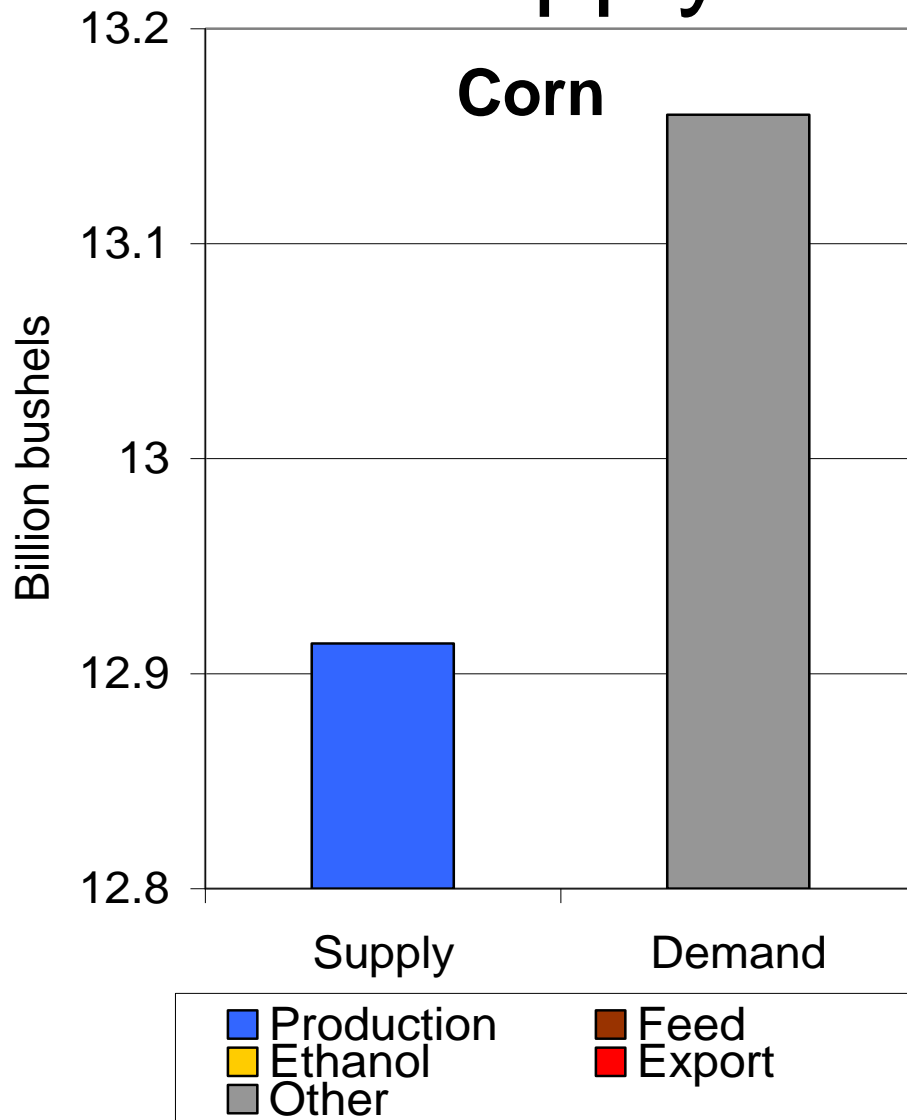
# DDG Exports



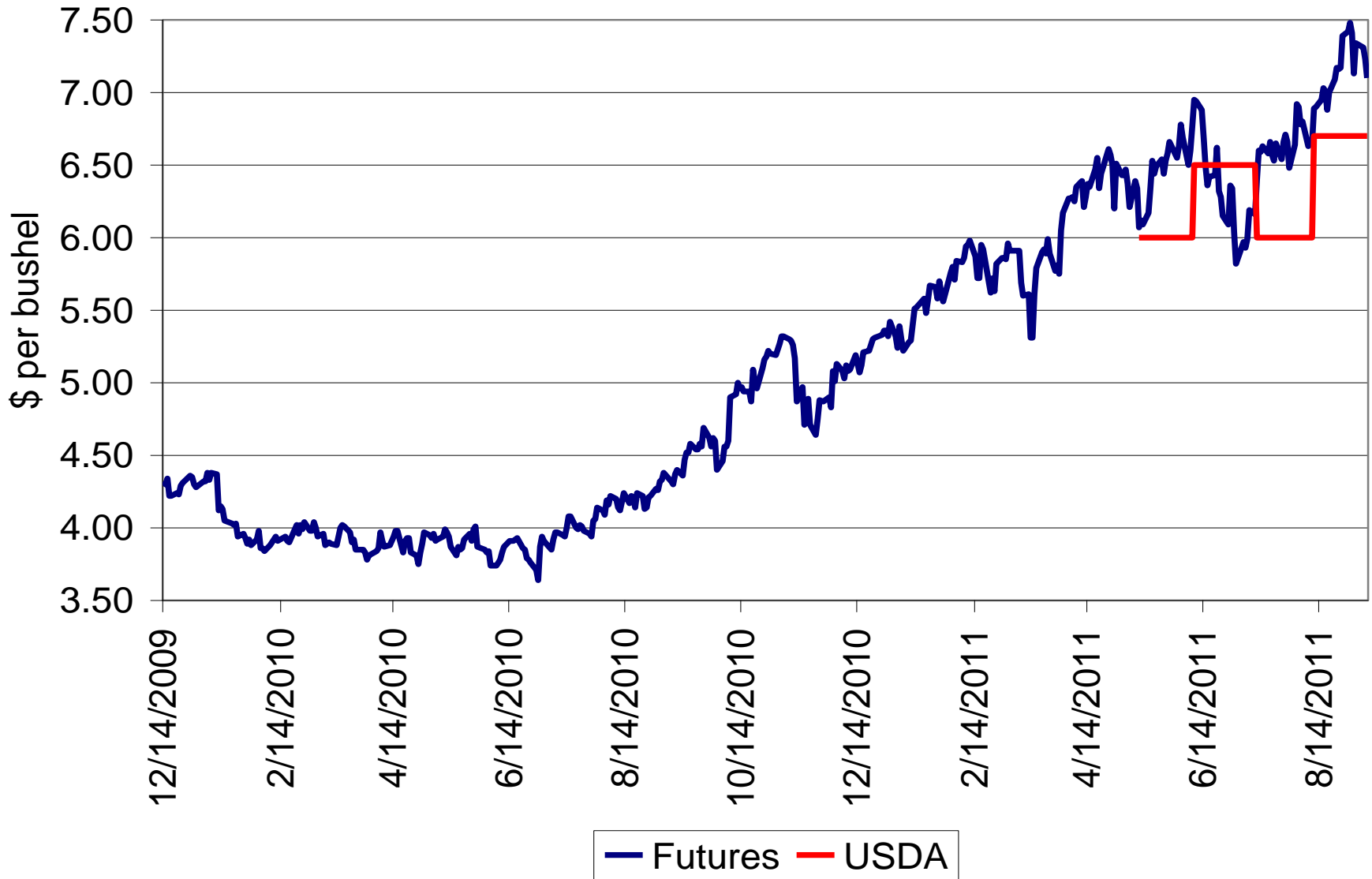
# Supply vs. Demand



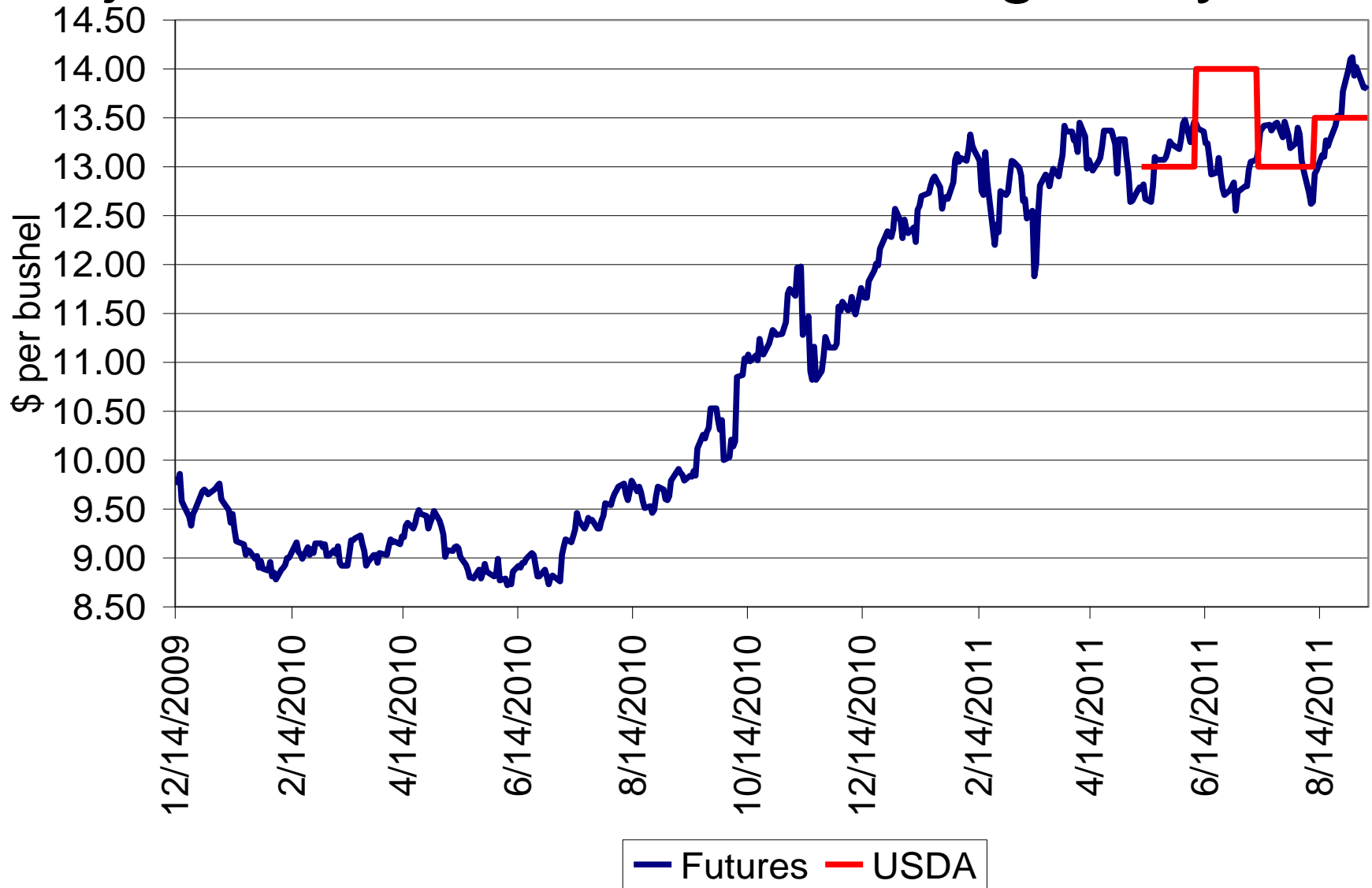
# Supply vs. Demand



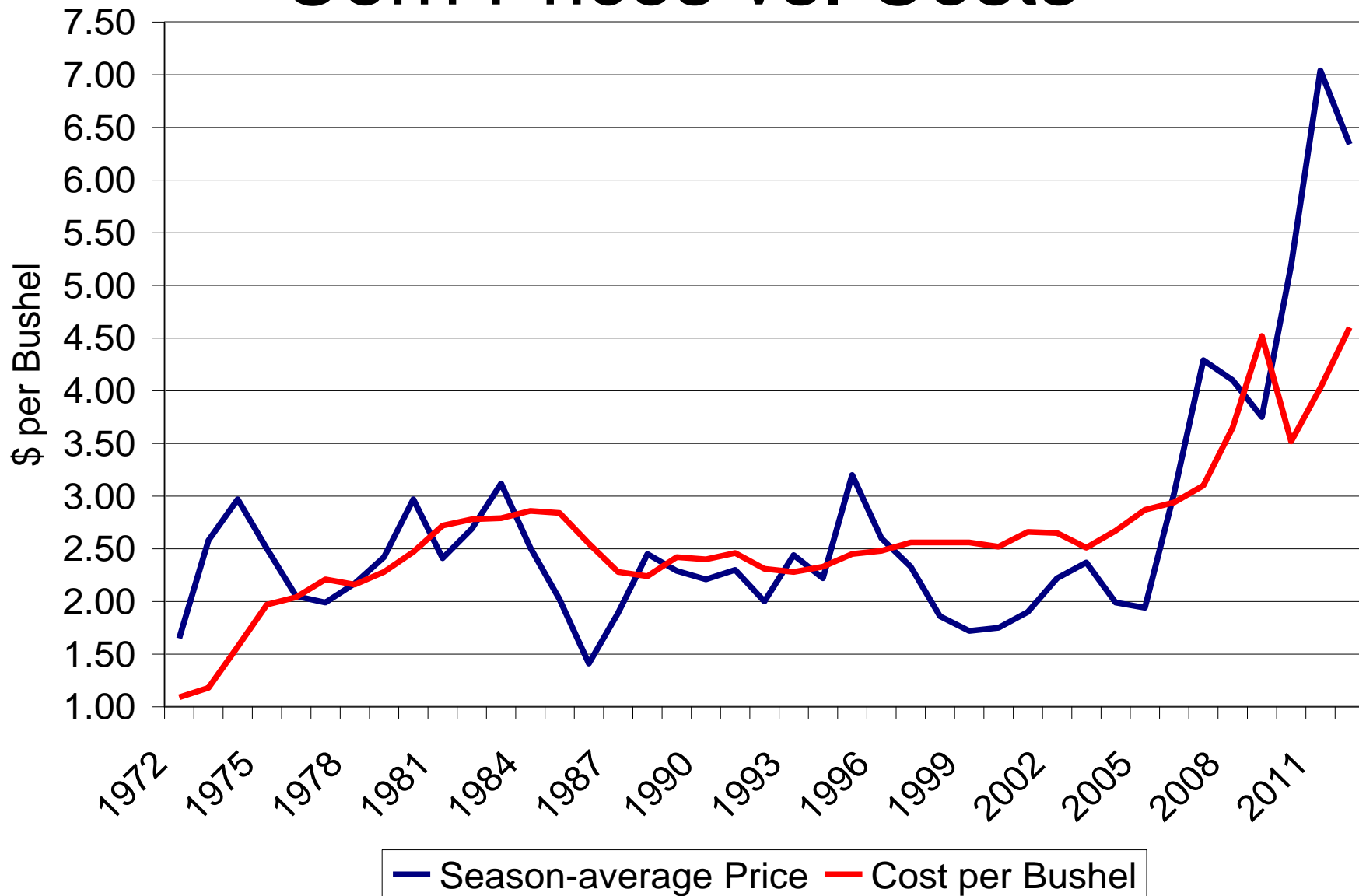
# Projected 2011 Season-Average Corn Price



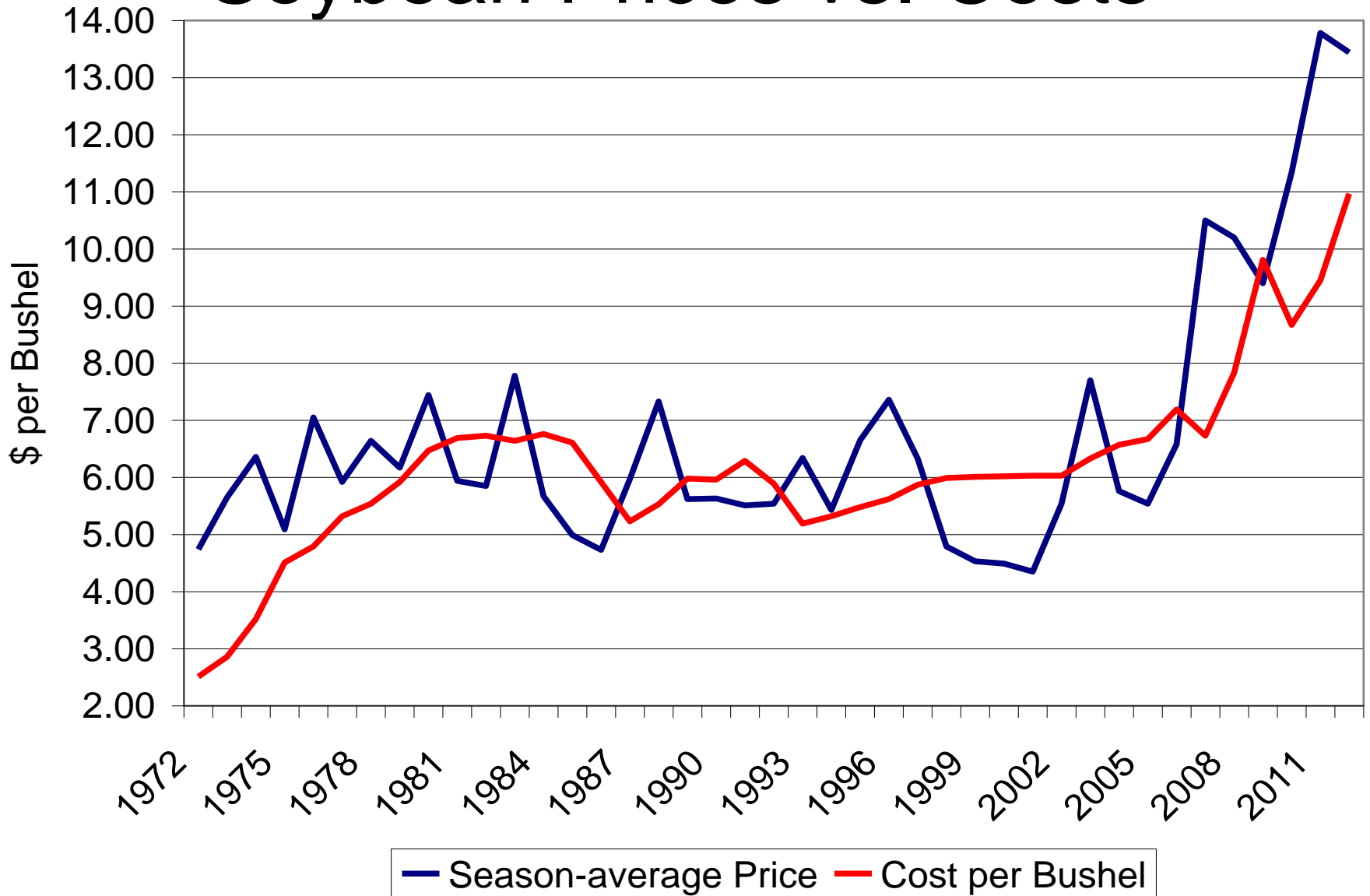
# Projected 2011 Season-Average Soy Price



# Corn Prices vs. Costs



# Soybean Prices vs. Costs



# Thoughts for 2011 and Beyond

## ➤ General economic conditions

- Continued worldwide economic recovery is a major key for crop prices
- Debt limit, US credit rating
- US job recovery, European financial concerns, Chinese inflation

## ➤ Supply/demand concerns

- Prevented planting, flooding, heat wave, nighttime temps?
- Biofuel growth and energy demand
- Will supply be able to keep pace with demand?

➤ 2010/11: USDA: Corn \$5.25, Soy \$11.35

➤ 2011/12: USDA: Corn \$6.70, Soy \$13.50

Futures (as of 9/8/2011): Corn \$7.10, Soy \$13.45

Thank you for your time!

Any questions?

My web site:

<http://www.econ.iastate.edu/~chart/>

Iowa Farm Outlook:

<http://www.econ.iastate.edu/ifo/>

Ag Decision Maker:

<http://www.extension.iastate.edu/agdm/>