Corn & Soybean Situation and Outlook

AAEA & ACCI
2009 Joint Annual Meeting
Milwaukee, Wisconsin
July 27, 2009

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U.S. Corn Supply and Use

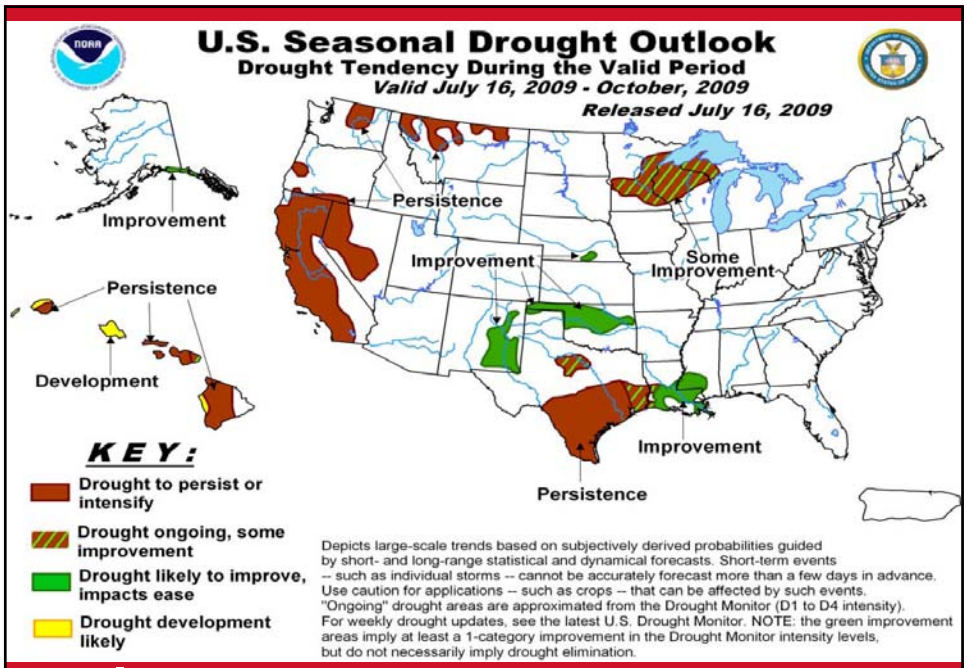
		2007	2008	2009
Area Planted	(mil. acres)	93.5	86.0	87.0
Yield	(bu./acre)	150.7	153.9	153.4
Production	(mil. bu.)	13,038	12,101	12,290
Beg. Stocks	(mil. bu.)	1,304	1,624	1,770
Imports	(mil. bu.)	20	15	15
Total Supply	(mil. bu.)	14,362	13,740	14,075
Feed & Residual	(mil. bu.)	5,938	5,250	5,200
Ethanol	(mil. bu.)	3,026	3,650	4,100
Food, Seed, & Other	(mil. bu.)	1,337	1,270	1,275
Exports	(mil. bu.)	2,436	1,800	1,950
Total Use	(mil. bu.)	12,737	11,970	12,525
Ending Stocks	(mil. bu.)	1,624	1,770	1,550
Season-Average Price	($/bu.)	4.20	4.05	3.75

Source: USDA

U.S. Soybean Supply and Use

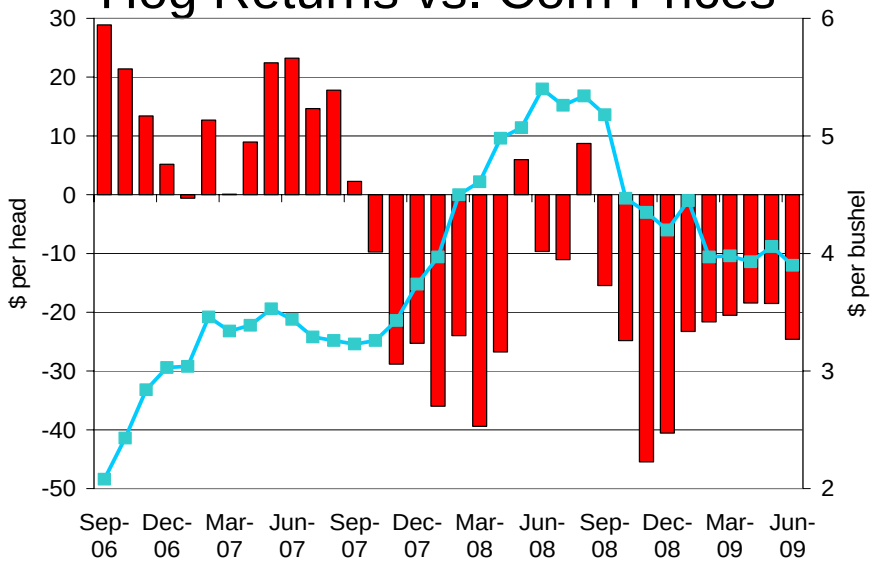
		2007	2008	2009
Area Planted	(mil. acres)	64.7	75.7	77.5
Yield	(bu./acre)	41.7	39.6	42.6
Production	(mil. bu.)	2,677	2,959	3,261
Beg. Stocks	(mil. bu.)	574	205	110
Imports	(mil. bu.)	10	15	10
Total Supply	(mil. bu.)	3,261	3,179	3,380
Crush	(mil. bu.)	1,803	1,655	1,680
Seed & Residual	(mil. bu.)	91	154	175
Exports	(mil. bu.)	1,161	1,260	1,275
Total Use	(mil. bu.)	3,056	3,070	3,130
Ending Stocks	(mil. bu.)	205	110	250
Season-Average Price	($/bu.)	10.10	10.00	9.30

Source: USDA



Source: USDA, Weekly Weather and Crop Bulletin

Hog Returns vs. Corn Prices



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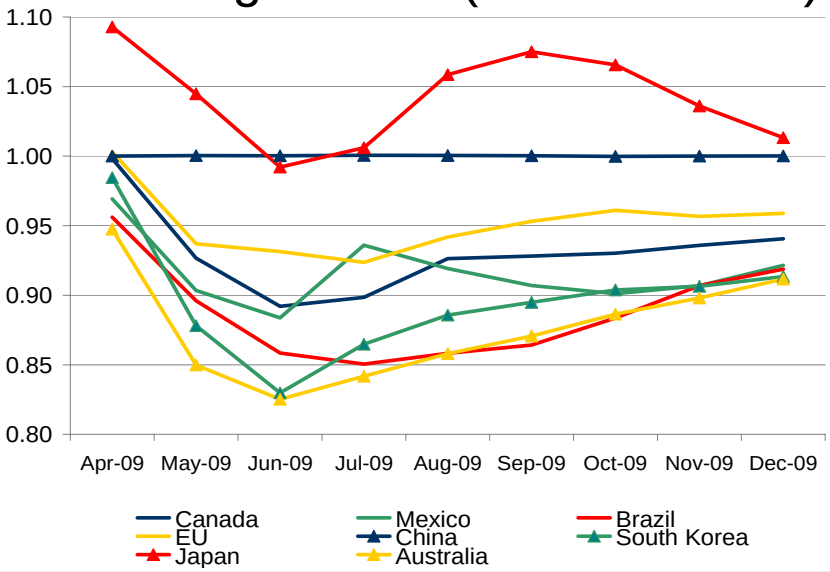
Sources: ISU Extension, Farrow-to-Finish; USDA-NASS

Exchange Rates (Jan. 2009 = 1)



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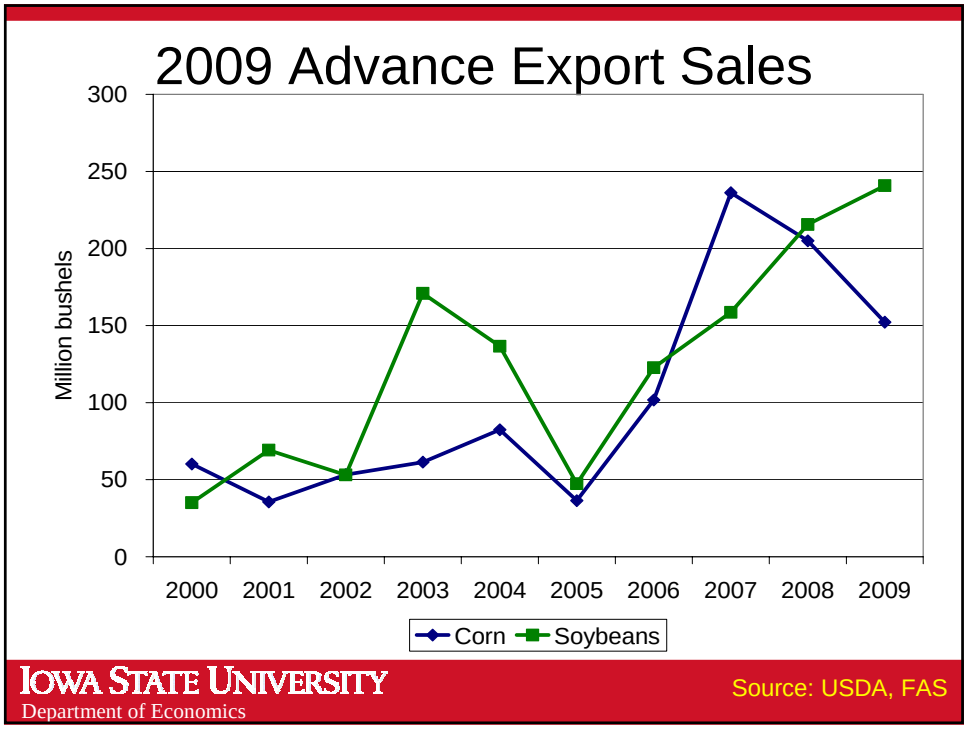
Source: USDA, ERS


2009 Advance Export Sales
Million bushels
300
250
200
150
100
50
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Corn
Soybeans
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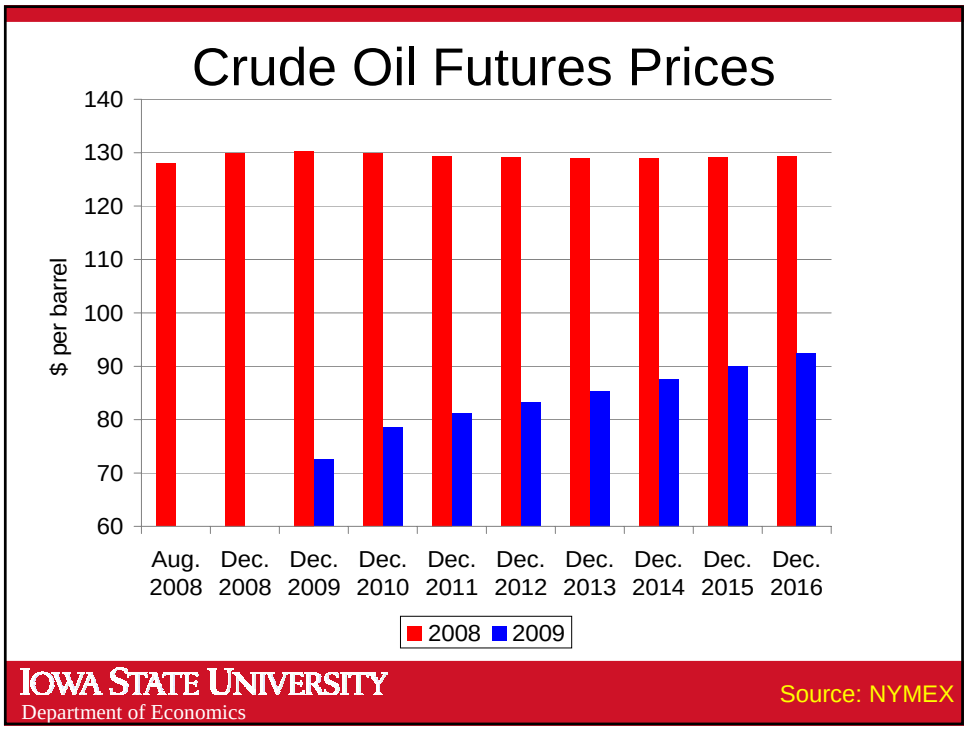
Source: USDA, FAS


Crude Oil Futures Prices
$ per barrel
140
130
120
110
100
90
80
70
60
Aug. 2008
Dec. 2008
Dec. 2009
Dec. 2010
Dec. 2011
Dec. 2012
Dec. 2013
Dec. 2014
Dec. 2015
Dec. 2016
2008
2009
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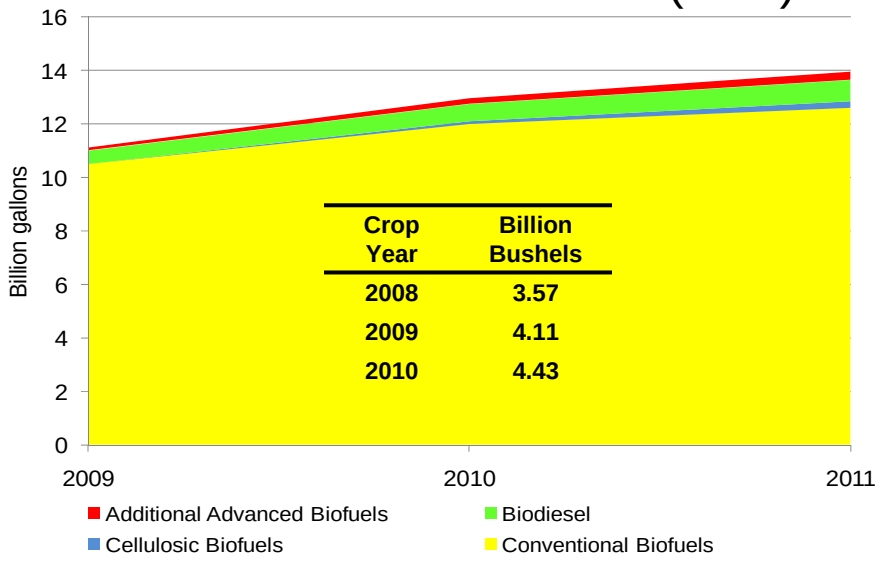
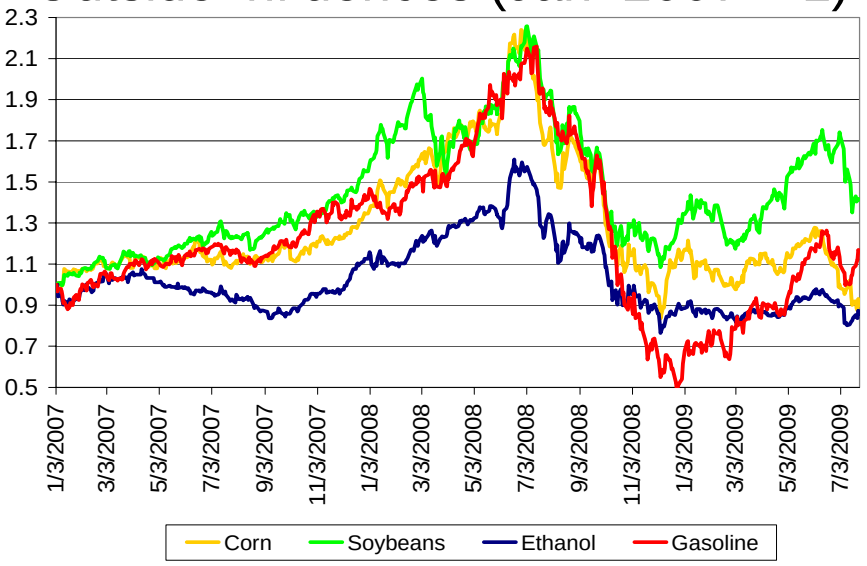
Source: NYMEX

Renewable Fuels Standard (RFS)

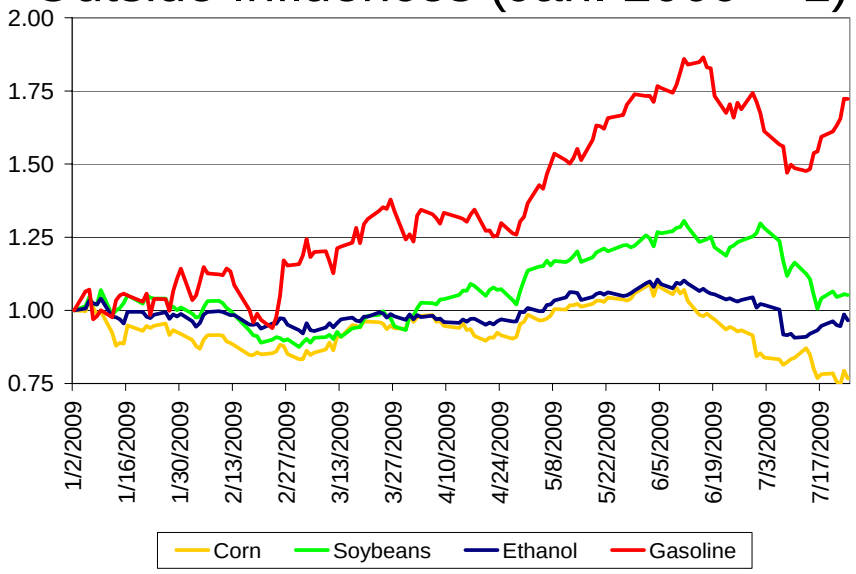


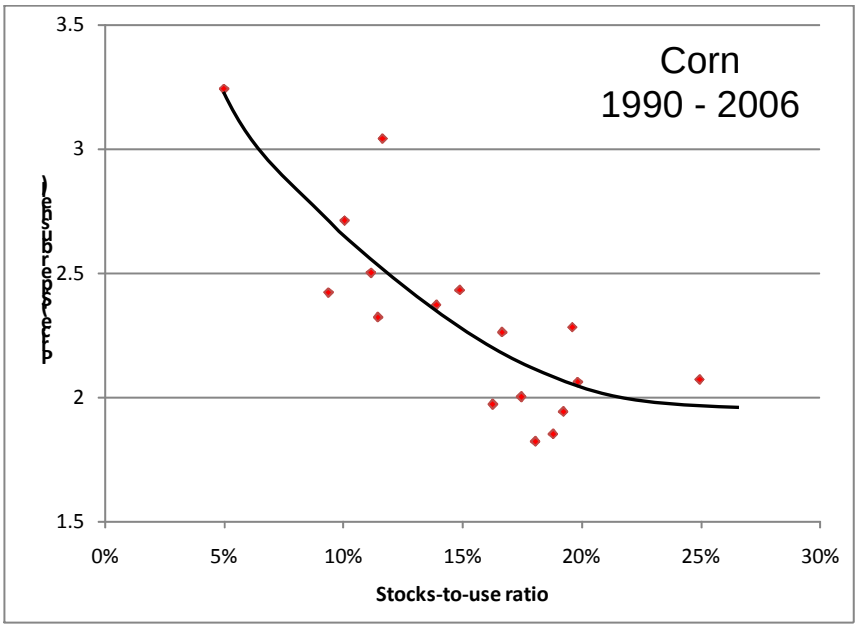
Crop Year	Billion Bushels
2008	3.57
2009	4.11
2010	4.43

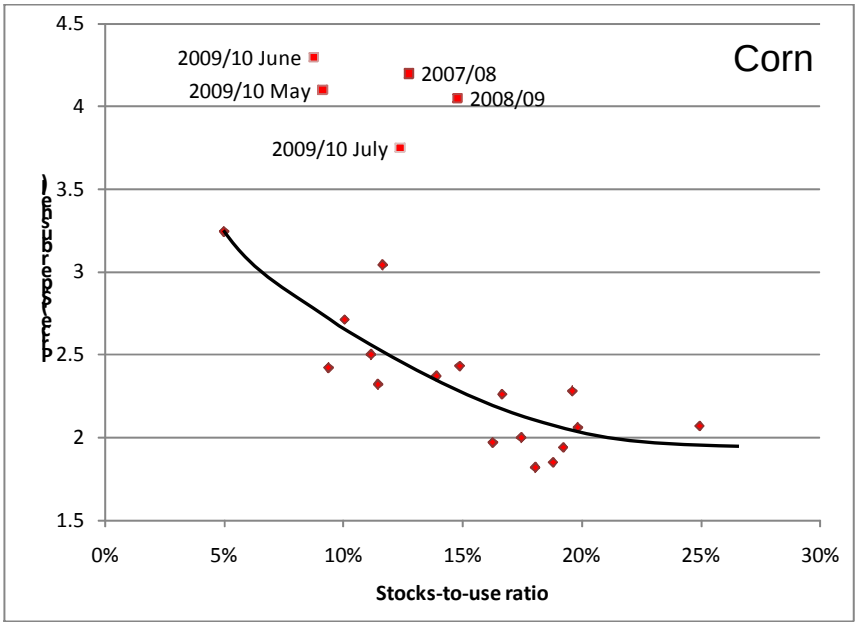
Outside Influences (Jan. 2007 = 1)

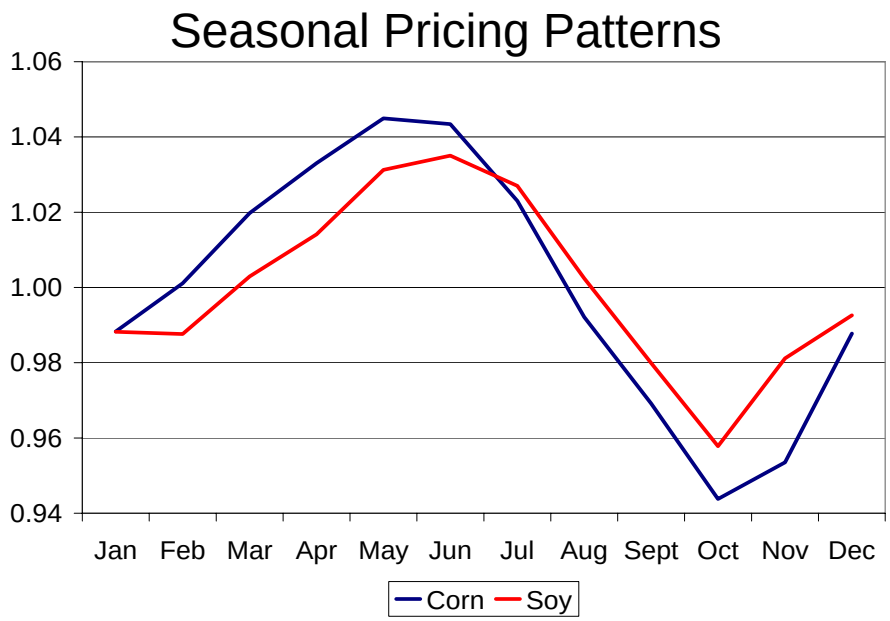


Outside Influences (Jan. 2009 = 1)

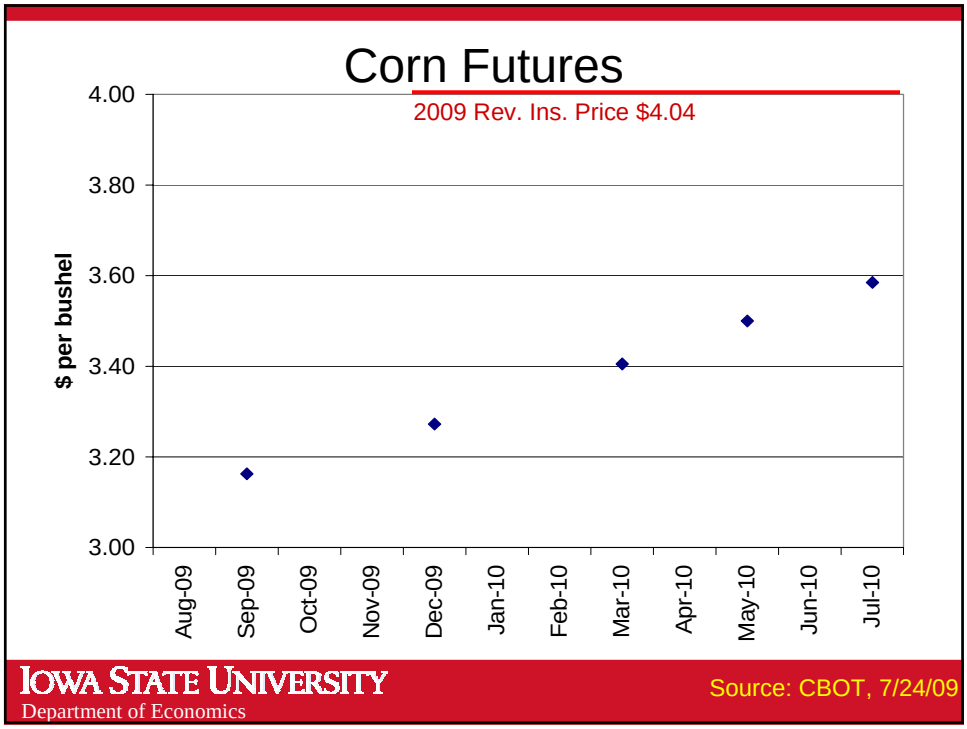








Source: USDA, NASS,
Monthly Price Data 1980-2008


Corn Futures
2009 Rev. Ins. Price $4.04
$ per bushel
4.00
3.80
3.60
3.40
3.20
3.00
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Jun-10
Jul-10
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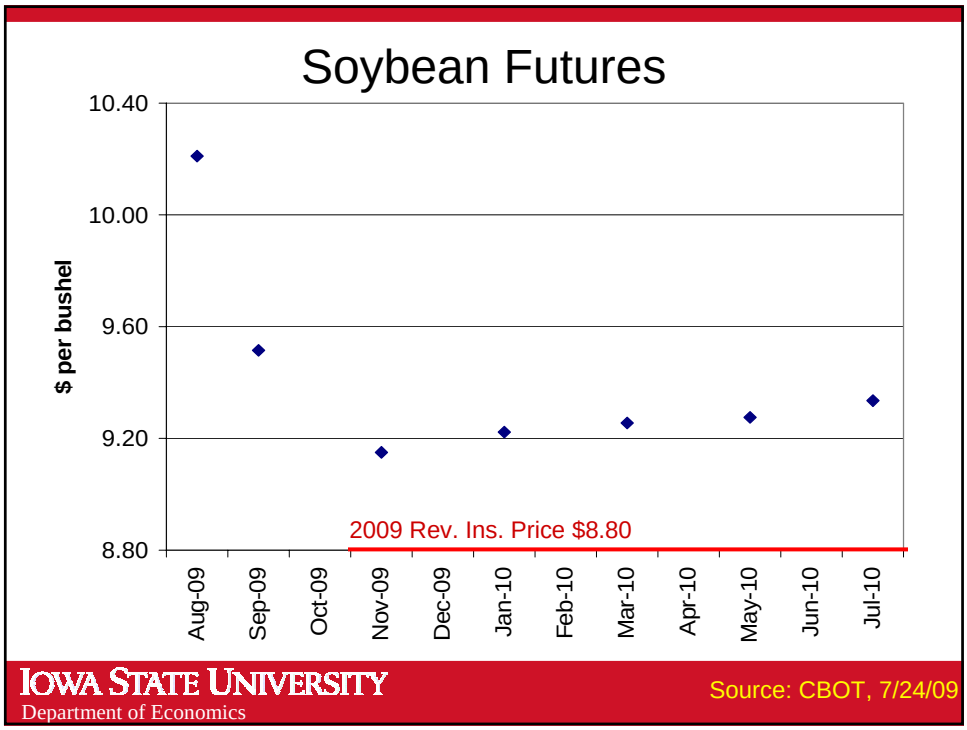
Source: CBOT, 7/24/09


Soybean Futures
$ per bushel
10.40
10.00
9.60
9.20
8.80
2009 Rev. Ins. Price $8.80
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Jun-10
Jul-10
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Source: CBOT, 7/24/09

Thoughts for 2009 and Beyond

- General economic conditions
  - Recession concerns still hold significant power in the markets
  - Projected economic recovery is a major key for crop prices for the 2009 crop year

- Most important ag. statistics:
  Crop yield and acreage estimates

- USDA is indicating 2009 season-average prices in the neighborhood of $3.75 for corn and $9.30 for soybeans *(Update coming Aug. 12)*
  - Current futures ⟶ Friday: Corn $3.08, Soy $8.71

Thank you for your time!

My web site:
http://www.econ.iastate.edu/faculty/hart/

Iowa Farm Outlook:
http://www.econ.iastate.edu/outreach/agriculture/periodicals/ifo/

Ag Decision Maker:
http://www.extension.iastate.edu/agdm/