

# Soybean outlook

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Food and Agricultural Policy Research Institute  
(FAPRI) at the University of Missouri–Columbia  
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Food and Agricultural  
Policy Research Institute  
 **FAPRI**  
University of Missouri

## Agenda

- 2008/09 supply, use and prices
- 2009/10 and beyond

## USDA estimates of soybean supplies

	2007/08	2008/09
Area planted (mil. acres)*	63.6	74.5
Area harvested (mil. acres)*	62.8	72.1
Yield (bu. per harvested acre)**	41.2	41.6
Production (mil. bu.)**	2,585	3,000
Beginning stocks (mil. bu.)**	574	125
Imports (mil. bu.)**	10	10
Total supplies (mil. bu.)**	3,169	3,135

\*June Acreage report

\*\*July World Agricultural Supply and Demand Estimates

## USDA estimates of soybean supplies

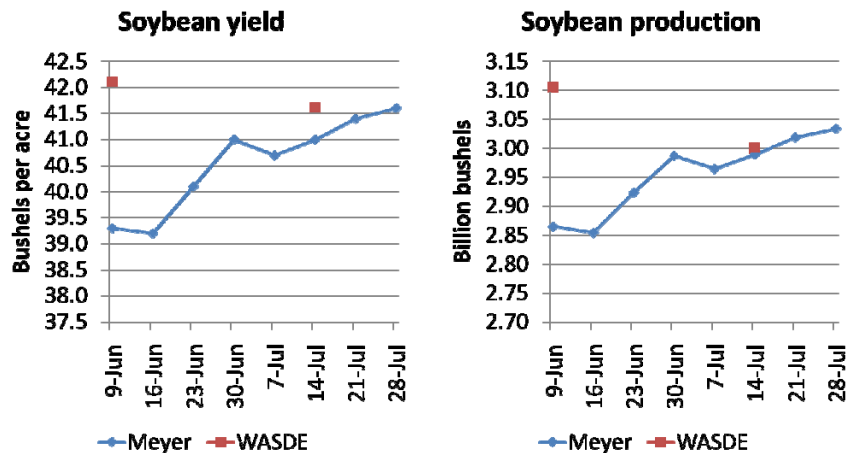
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9 million more acres planted, higher yields per harvested acre and lower supplies!

## Condition-based estimates of US soybean production



Estimates courtesy of Seth Meyer (meyerse@missouri.edu)

## USDA estimates\* of US soybean use and prices

	2007/08	2008/09
Crush	1,840	1,830
Seed	94	90
Residual	-35	76
Total domestic use	1,899	1,996
Exports	1,145	1,000
Total use	3,044	2,996
Ending stocks	125	140
Farm price per bushel	\$10.15	\$12.00-\$13.50

\*July World Agricultural Supply and Demand Estimates.  
All use figures in million bushels

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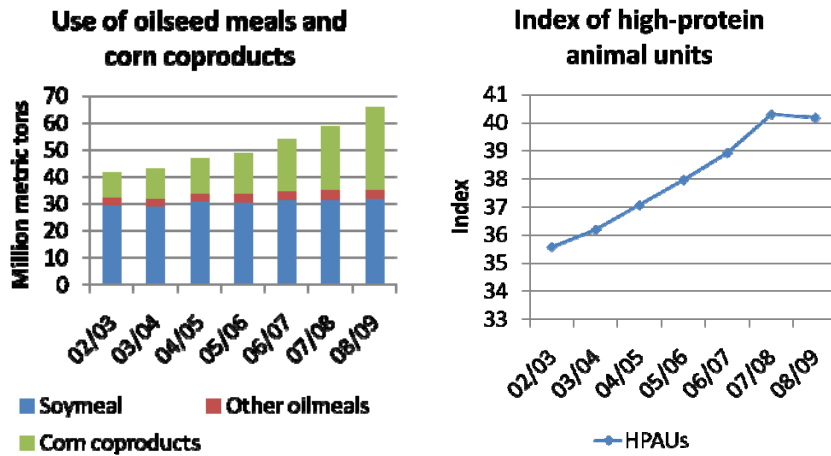
111 mil. bushel swing just from residual category: underestimate of 2007 crop?

## USDA estimates\* of US soymeal supply, use and prices

	2007/08	2008/09
Production	43,739	43,435
Imports	165	165
Domestic use	34,450	34,700
Exports	9,500	8,900
Ending stocks	300	300
Decatur price, 48% protein, per ton	\$345	\$355-\$415

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All use figures in thousand tons

## Meal use and livestock numbers



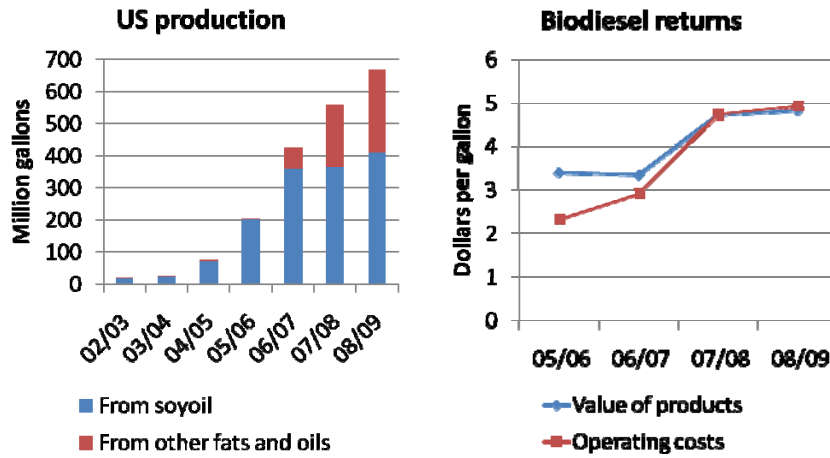
Source: FAPRI-MU estimates, July 2008

## USDA estimates\* of US soyoil supply, use and prices

	2007/08	2008/09
Production	21,345	20,860
Imports	50	50
Domestic use	18,400	18,500
(Biodiesel)	2,800	3,000
(All other)	15,600	15,500
Exports	3,150	2,650
Ending stocks	2,930	2,690
Decatur price, cents per pound	54.5	59.0-63.0

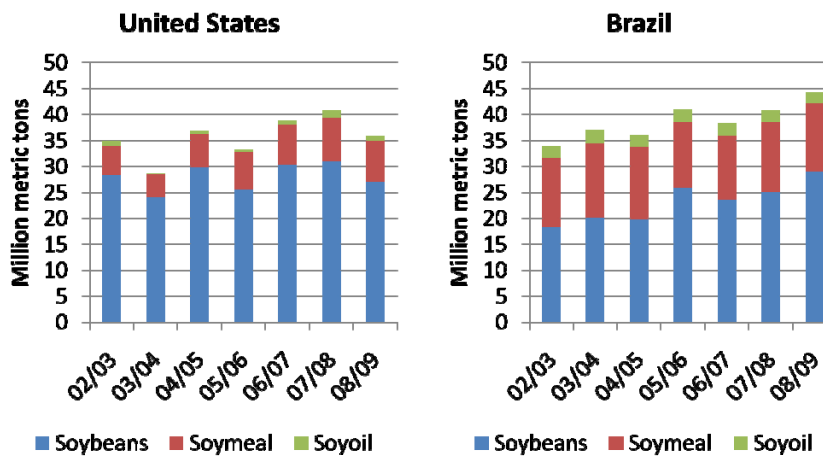
\*July World Agricultural Supply and Demand Estimates.  
All use figures in million pounds

# Biodiesel



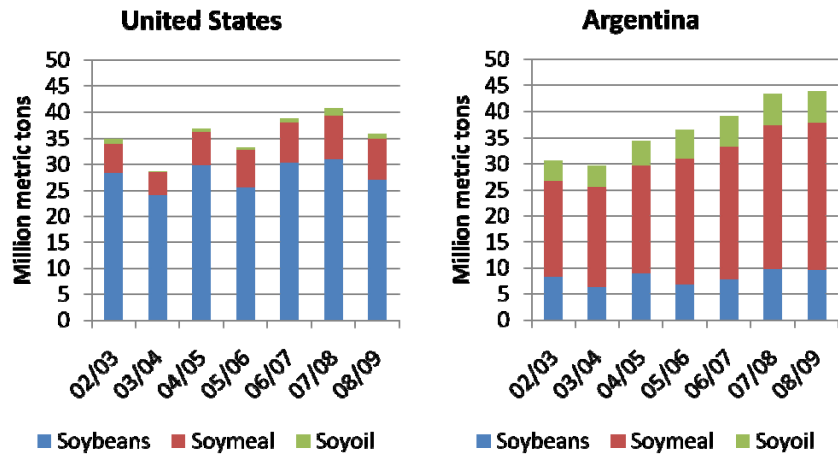
Source: FAPRI-MU estimates, July 2008

# Soybean sector net trade



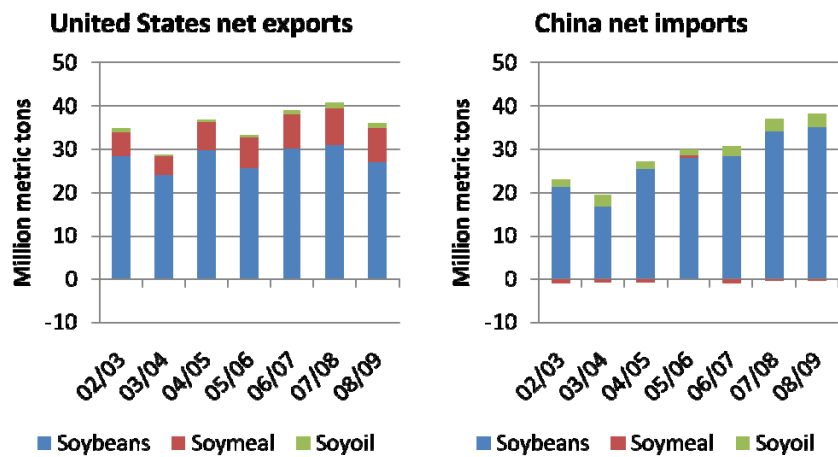
Source: USDA PSD Online, July 2008

## Soybean sector net trade



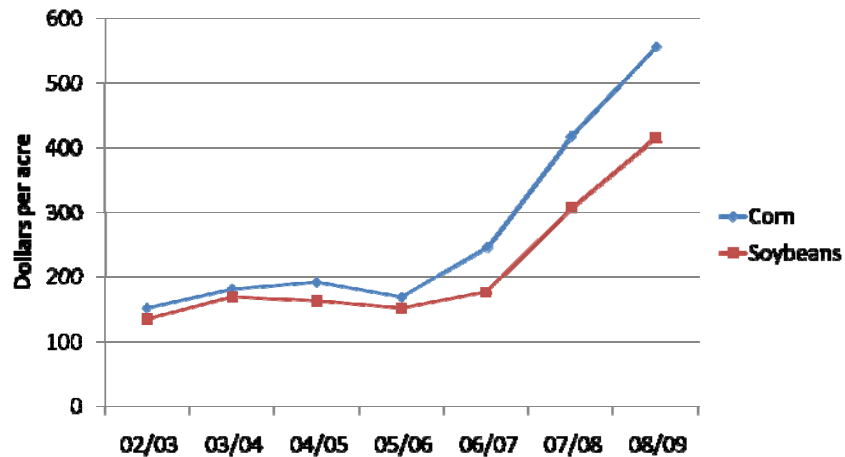
Source: USDA PSD Online, July 2008

## Soybean sector net trade



Source: USDA PSD Online, July 2008

## Net returns over variable expenses



Source: FAPRI-MU estimates, July 2008. Defined as market value plus LDPs minus variable expenses (excludes land and fixed expenses). Assumes 2008/09 prices of \$5.87 for corn and \$13.24 for soybeans, with expenses up \$86/acre from 2007/08 for corn and \$25 for soybeans.

## 2009 acreage projections

	2008	2009
Corn	87.3	94.9
Soybeans	74.5	73.9
Wheat	63.5	60.3
Upland cotton	9.0	8.1
9 other crops*	24.3	25.1
13-crop total	258.7	262.3
Hay area harvested	60.4	60.2
Conservation reserve	34.7	33.0
13 crops + hay + CRP	353.8	355.5

\*Sorghum, barley, oats, rice, peanuts, sunflowers, canola, sugar cane and sugar beets

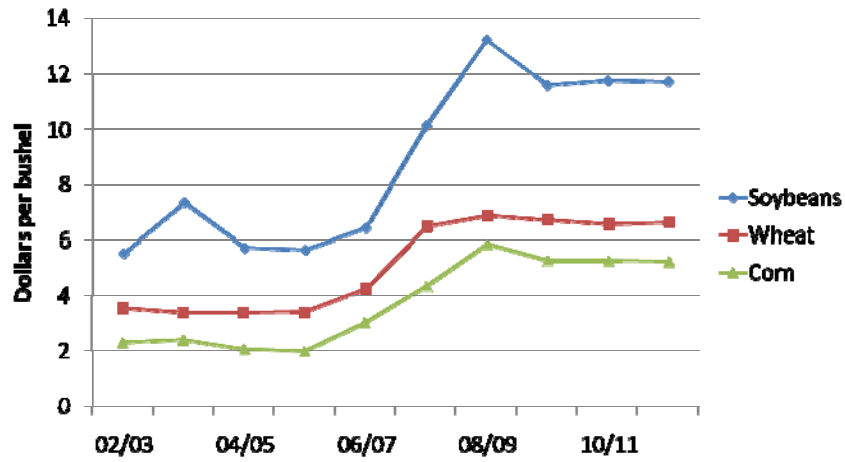
Source: FAPRI-MU estimates, July 2008.

All figures in million acres

The sum of 13 crops, hay and CRP was 346.5 mil. a. in 2006 and 351.5 mil. a. in 2007



## FAPRI-MU price projections, July 2008



Source: FAPRI-MU estimates, July 2008.

## November 2008 soybean futures



Thanks!

- Contact me at [westhoffp@missouri.edu](mailto:westhoffp@missouri.edu) or 573-882-4647
- Visit FAPRI-MU web page at [www.fapri.missouri.edu](http://www.fapri.missouri.edu)