

Corn & Soybean Situation and Outlook

AAEA & ACCI
2009 Joint Annual Meeting

Milwaukee, Wisconsin
July 27, 2009



Chad Hart
Assistant Professor/Grain Markets Specialist
chart@iastate.edu
515-294-9911

IOWA STATE UNIVERSITY
Department of Economics

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

IOWA STATE UNIVERSITY
Department of Economics

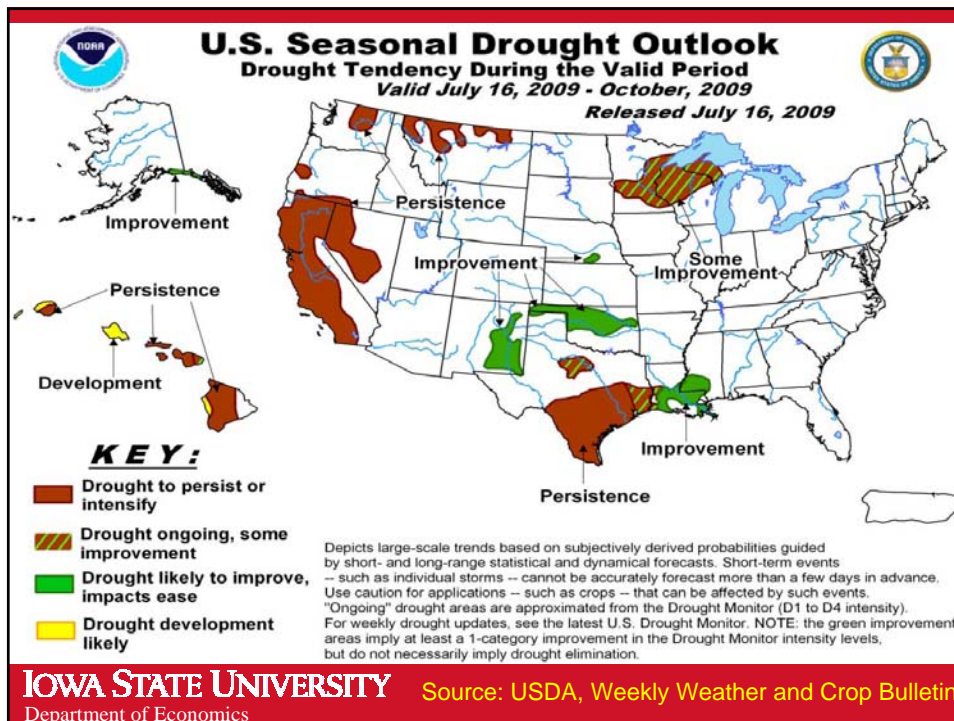
Source: USDA

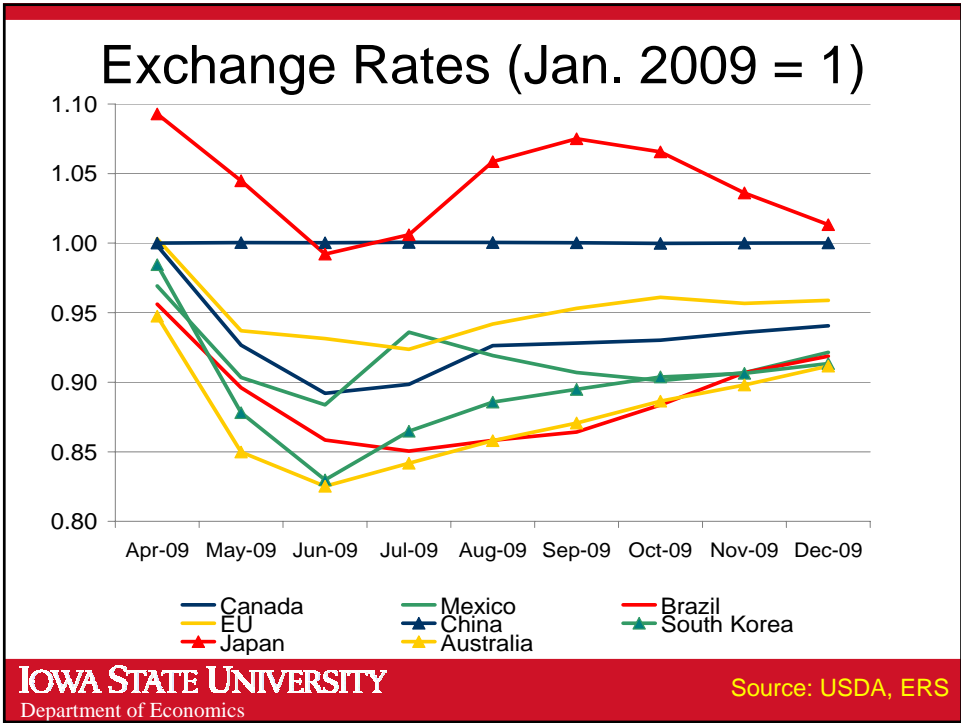
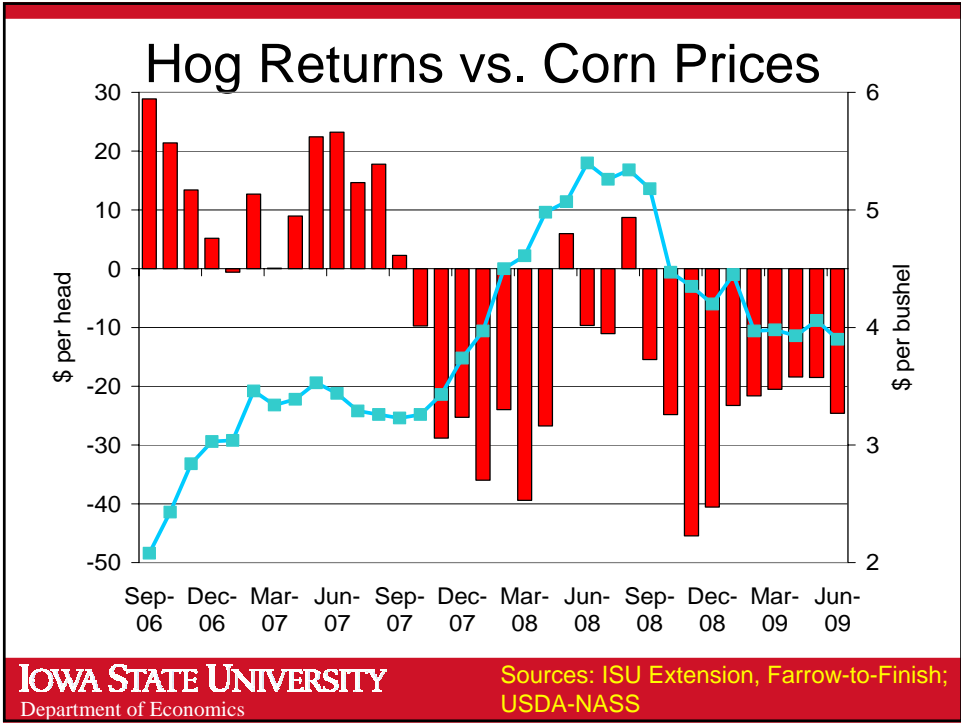
U.S. Soybean Supply and Use

		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

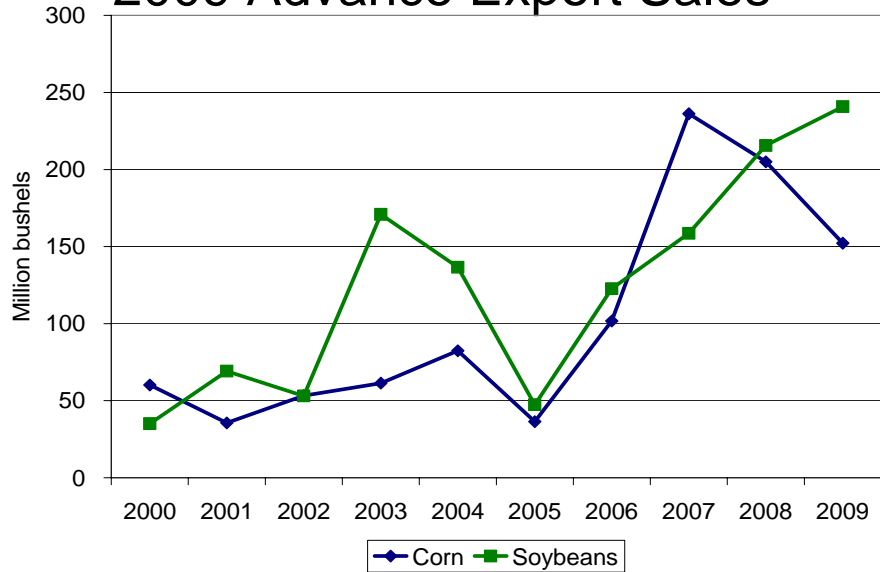
IOWA STATE UNIVERSITY
Department of Economics

Source: USDA





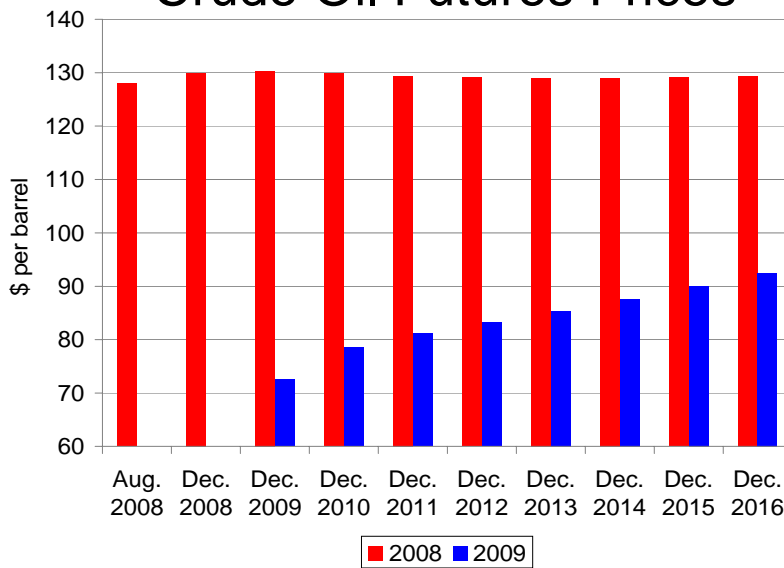
2009 Advance Export Sales



IOWA STATE UNIVERSITY
Department of Economics

Source: USDA, FAS

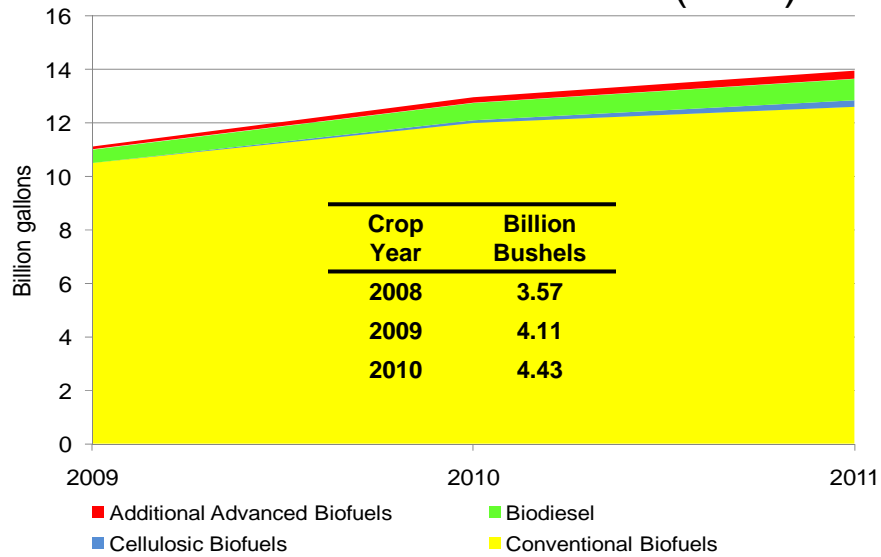
Crude Oil Futures Prices



IOWA STATE UNIVERSITY
Department of Economics

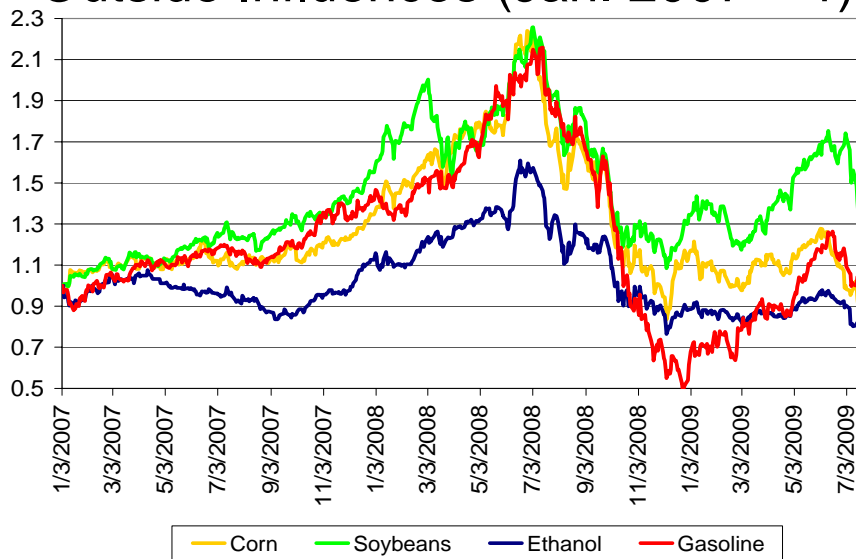
Source: NYMEX

Renewable Fuels Standard (RFS)



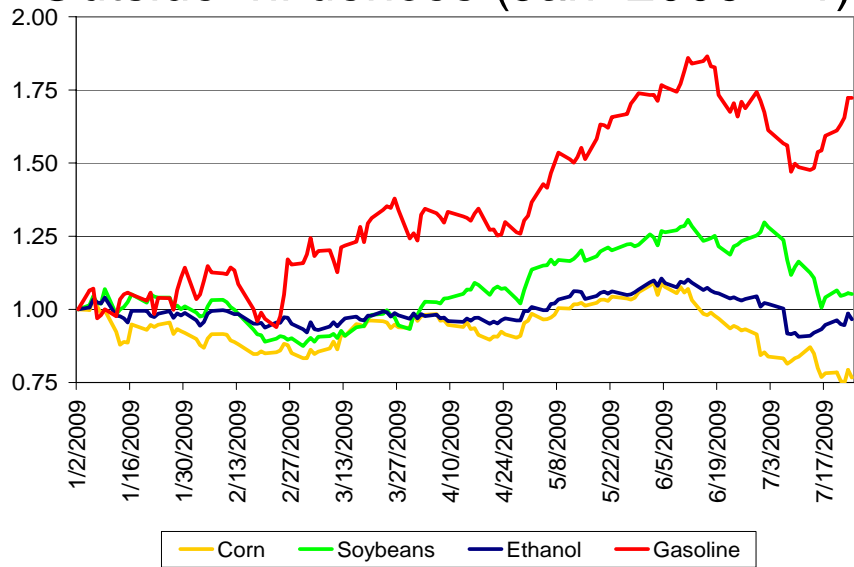
IOWA STATE UNIVERSITY
Department of Economics

Outside Influences (Jan. 2007 = 1)

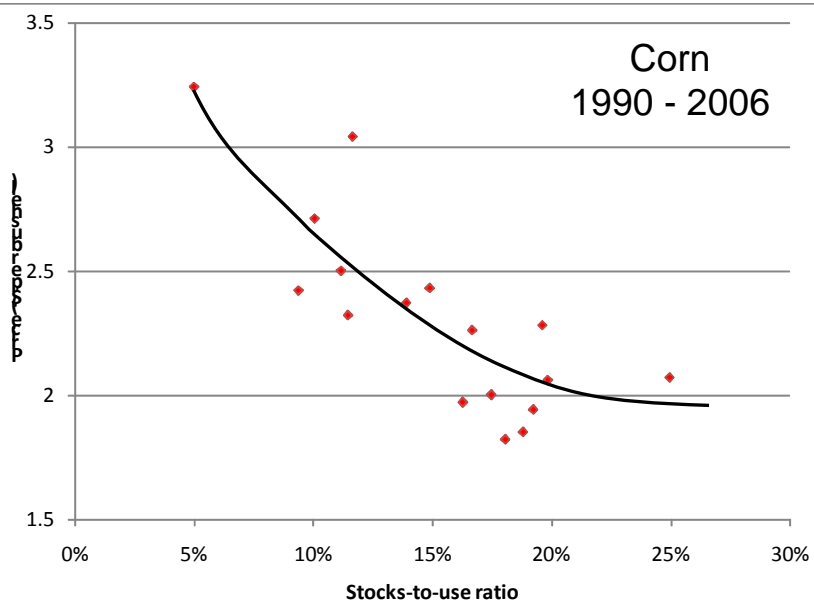


IOWA STATE UNIVERSITY
Department of Economics

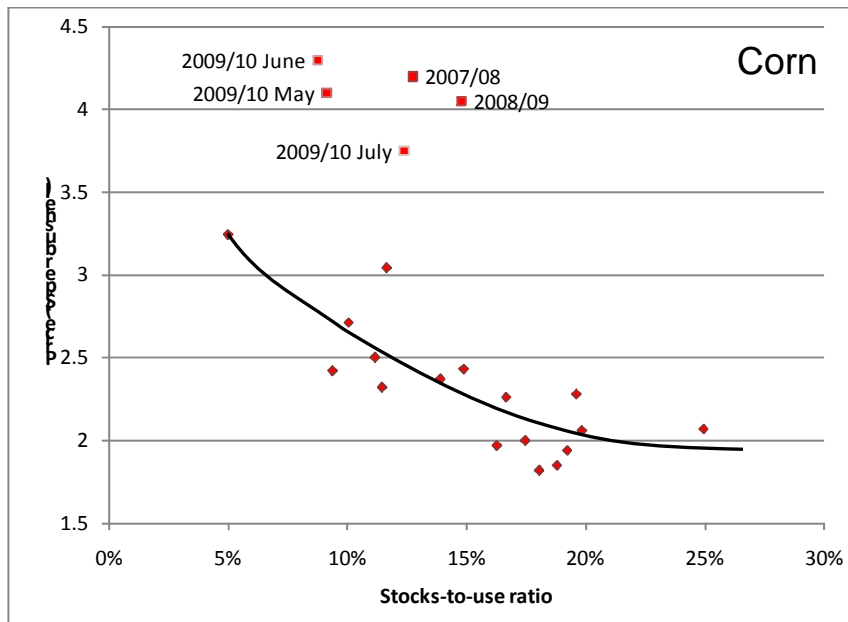
Outside Influences (Jan. 2009 = 1)



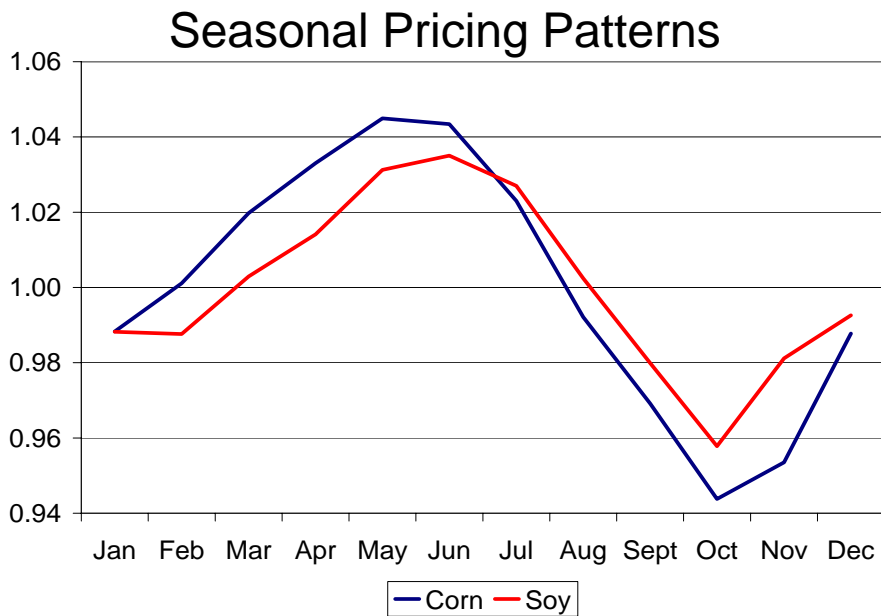
IOWA STATE UNIVERSITY
Department of Economics



IOWA STATE UNIVERSITY
Department of Economics

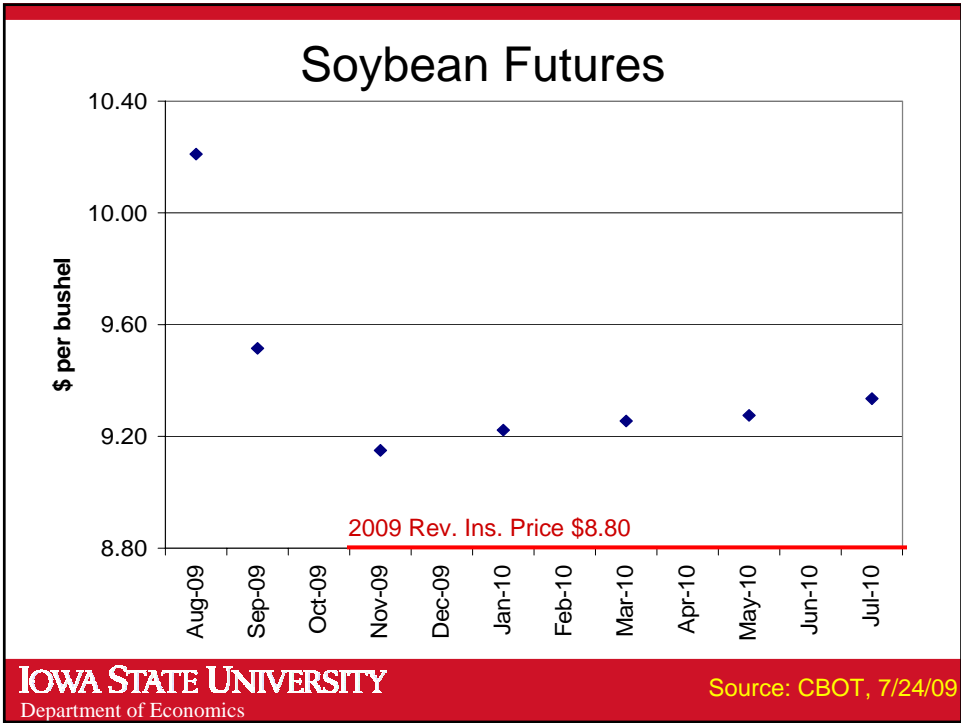
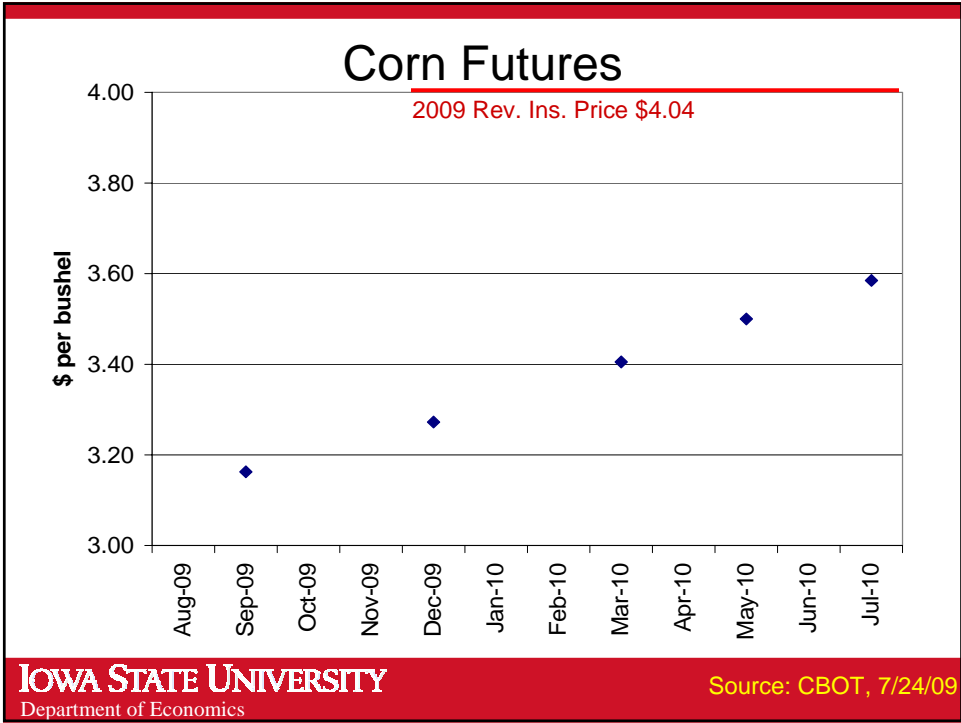


IOWA STATE UNIVERSITY
Department of Economics



IOWA STATE UNIVERSITY
Department of Economics

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



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

IOWA STATE UNIVERSITY
Department of Economics

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/>

IOWA STATE UNIVERSITY
Department of Economics