



# **Agricultural Market Outlook**

**January 21, 2015**

**University of Missouri Extension**

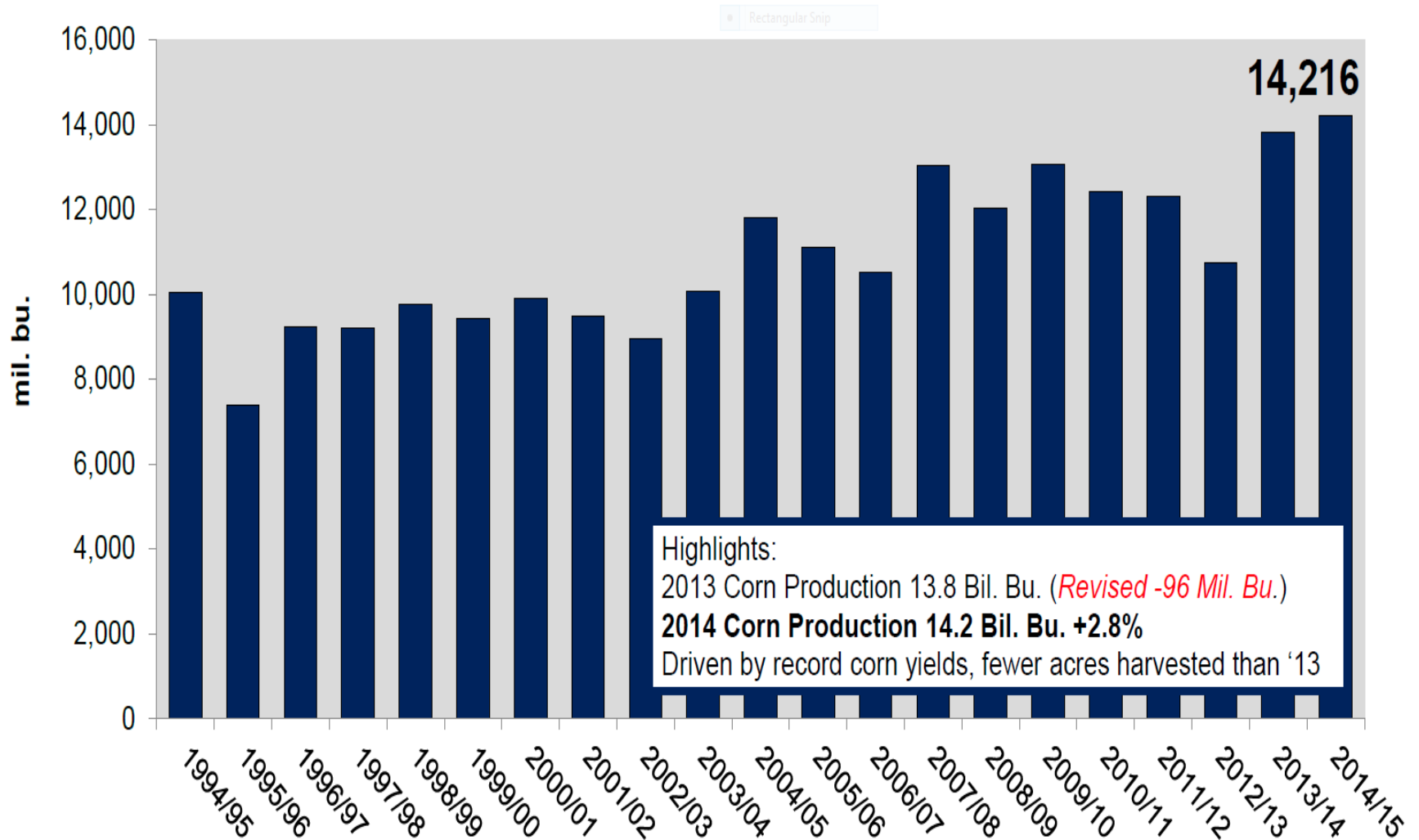


# **Corn Outlook**

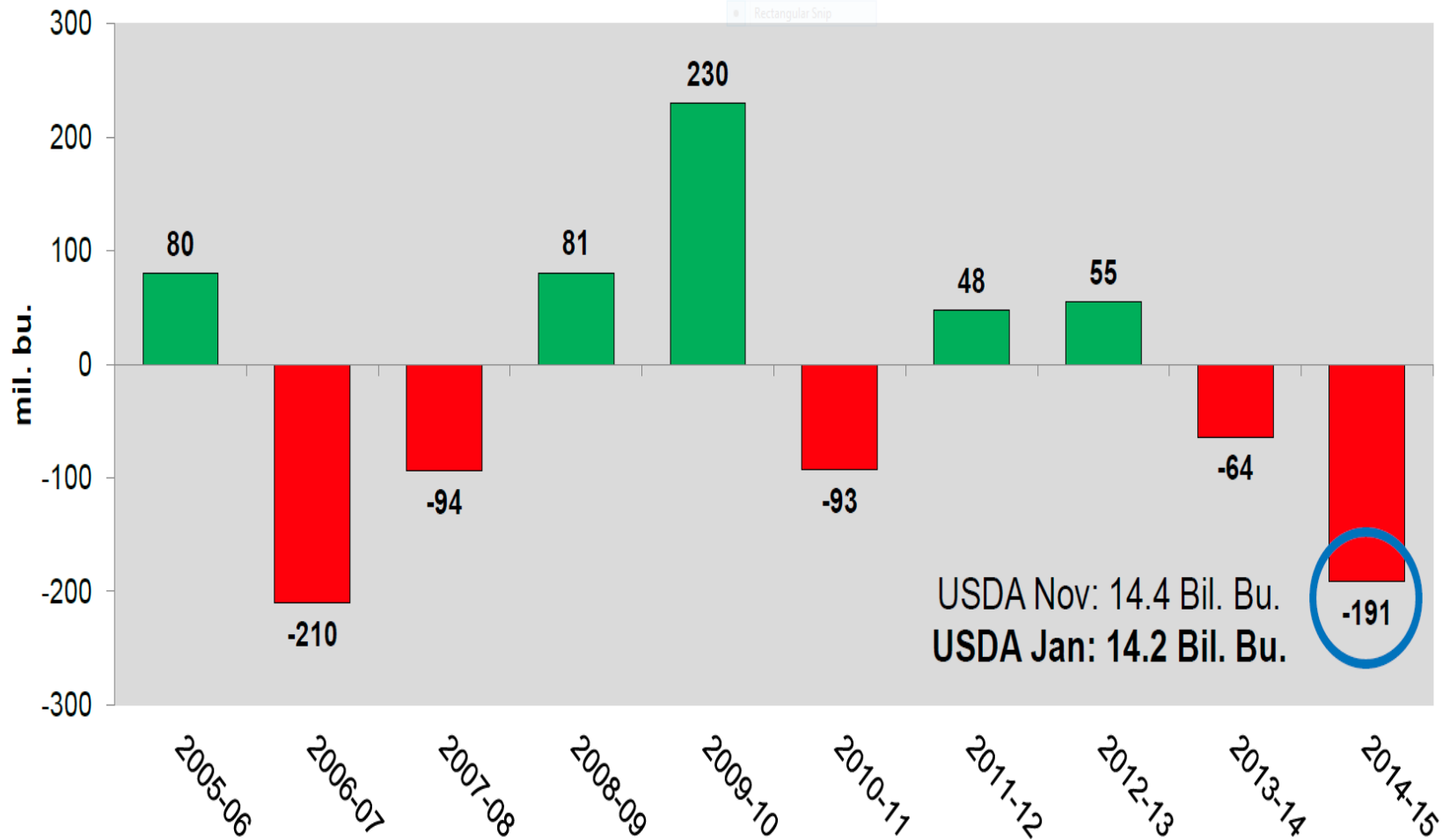
**David Reinbott**

January 21, 2015

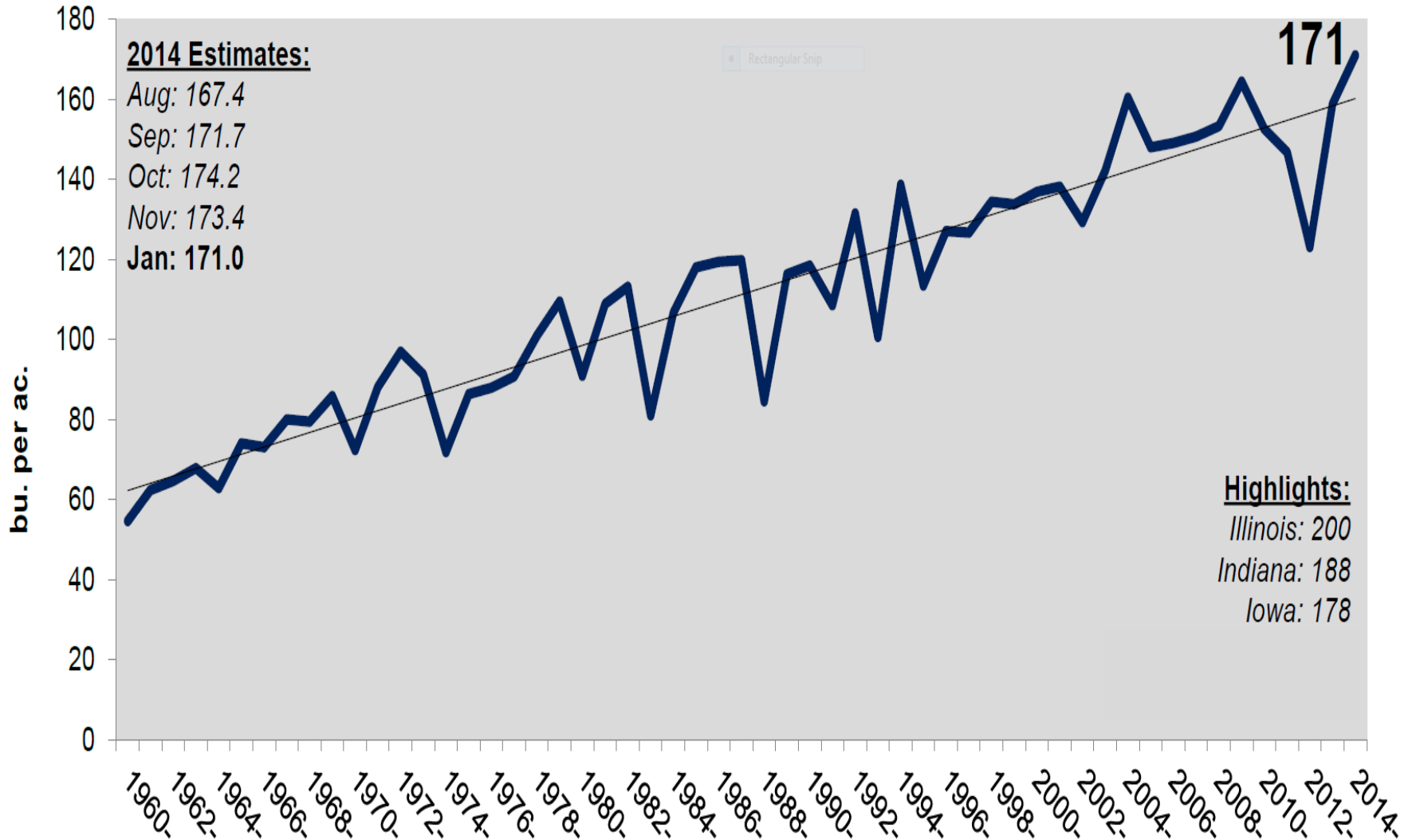
# U.S Corn Production, 1994 to 2014



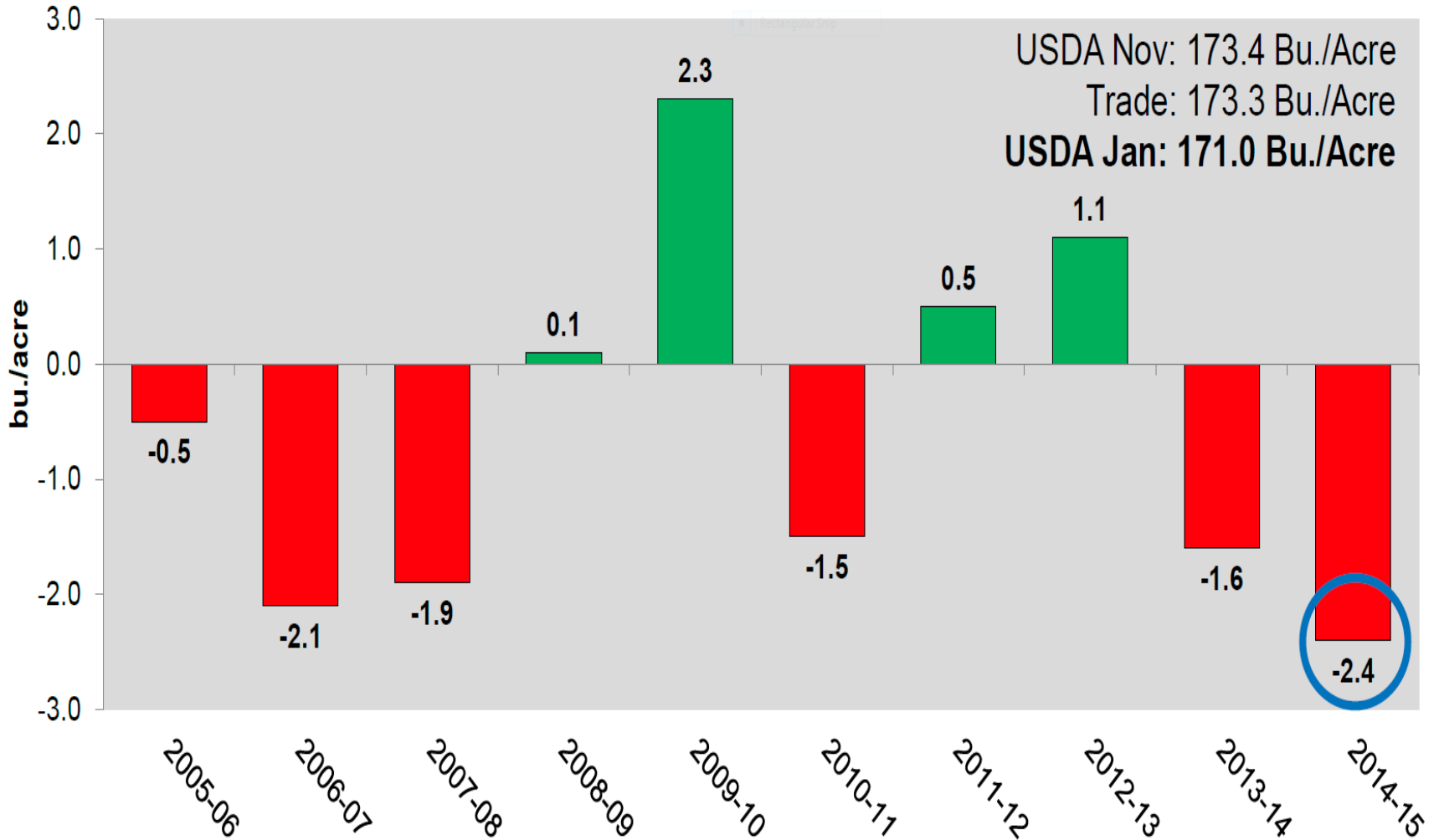
# January Corn Production Estimate Minus November Forecast 2005/06 to 2014/15



# U.S. Average Corn Yield, 1960 to 2014



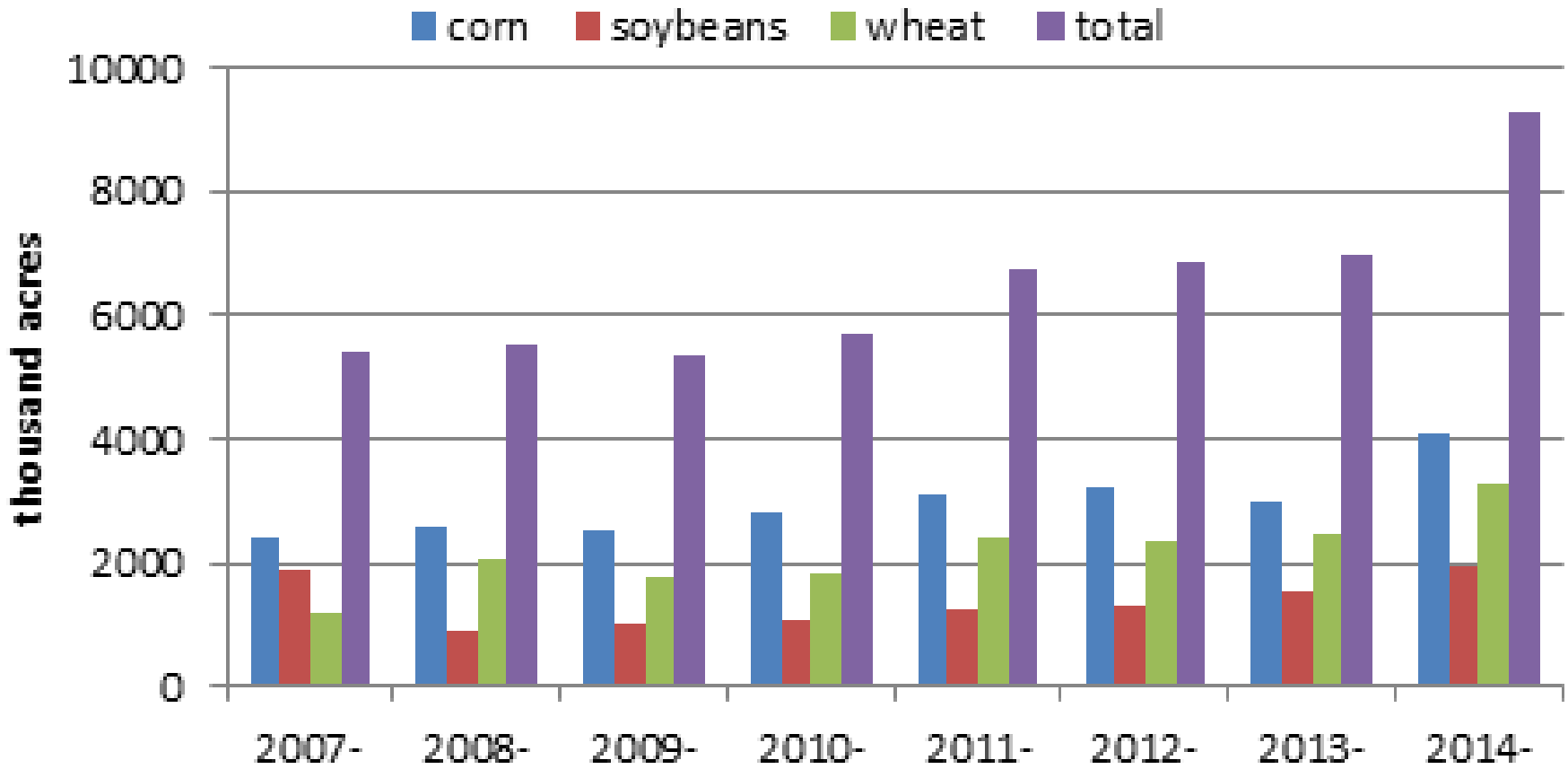
# January Corn Yield Estimate Minus November Forecast 2005/06 to 2014/15



## NASS and FSA Planted Acres of Corn, 2007 to 2014

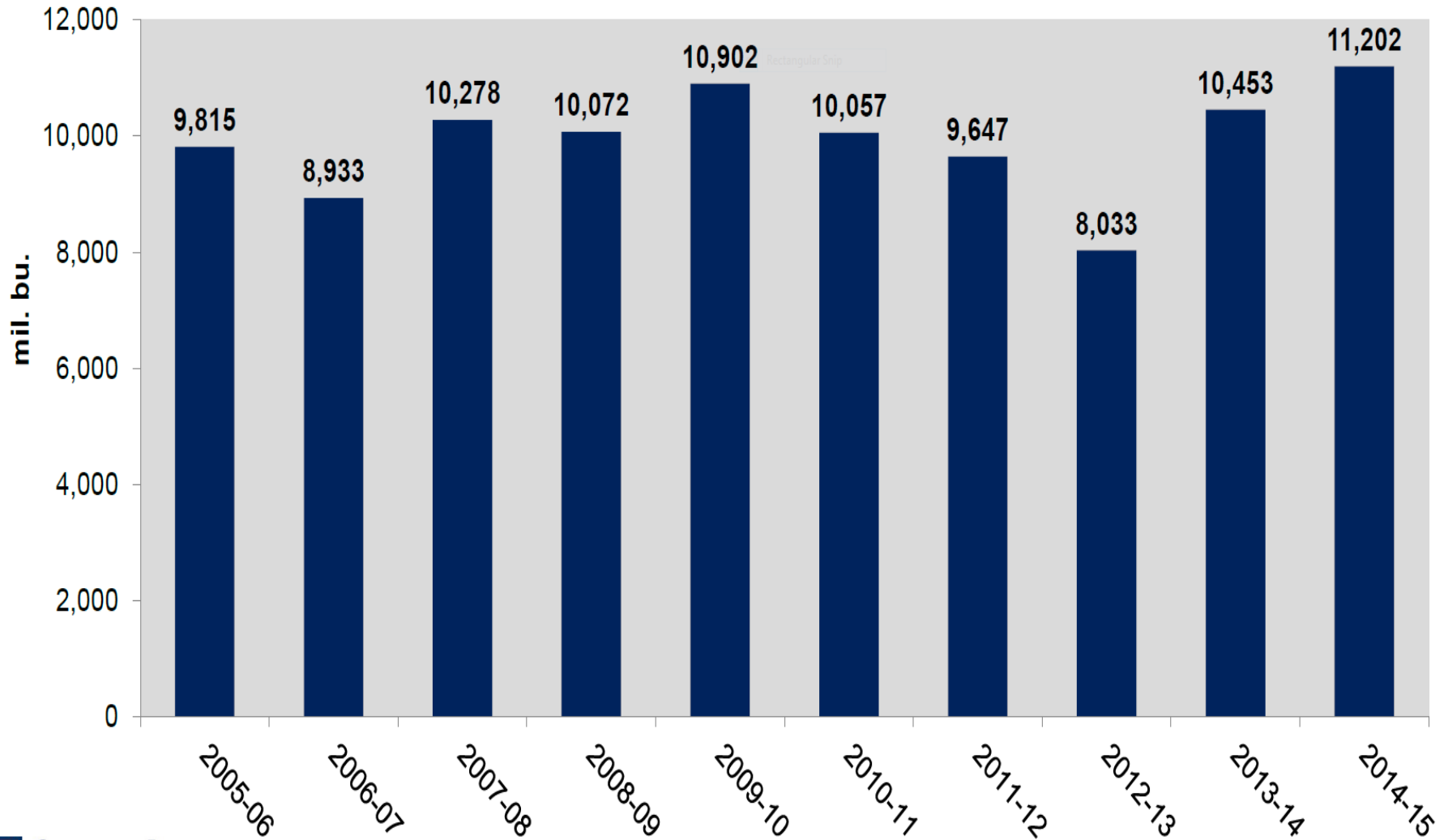
Year	NASS	FSA	Difference	%
2007	93,527	91,146	2,381	97.45
2008	85,982	83,394	2,588	96.99
2009	86,382	83,842	2,540	97.06
2010	88,192	85,373	2,819	96.80
2011	91,936	88,864	3,072	96.66
2012	97,291	94,070	3,221	96.79
2013	95,365	92,399	2,966	96.89
<b>2014</b>	<b>90,597</b>	<b>86,285*</b>	<b>4,312</b>	<b>95.24</b>
Jan 15 FSA update		86,504 +219 th	4,093	95.48%

# NASS Estimate of Planted Acres Minus FSA Planted Acres-2007 to 2014

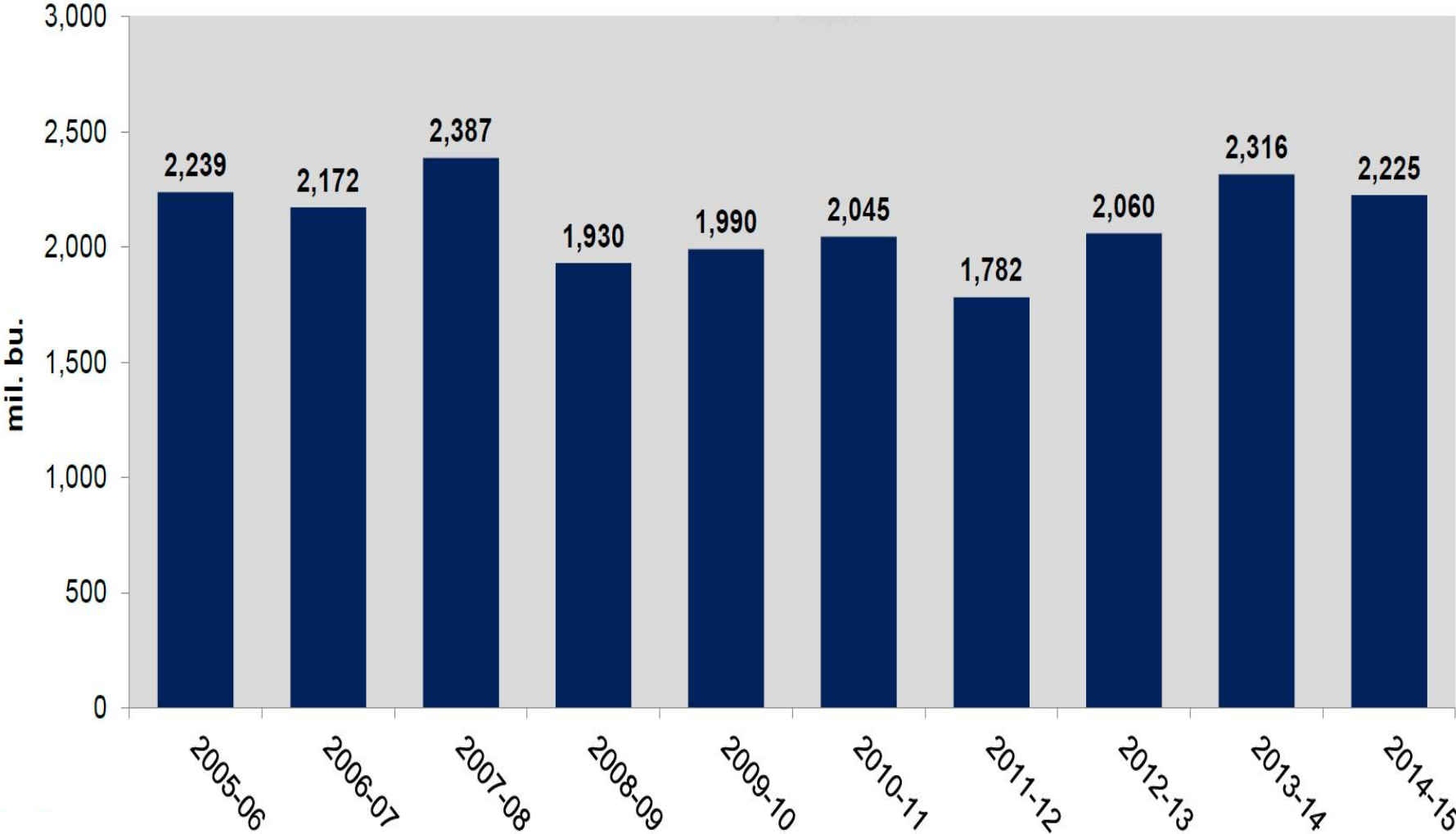




# December 1 Corn Stocks, 2005/06 to 2014/15

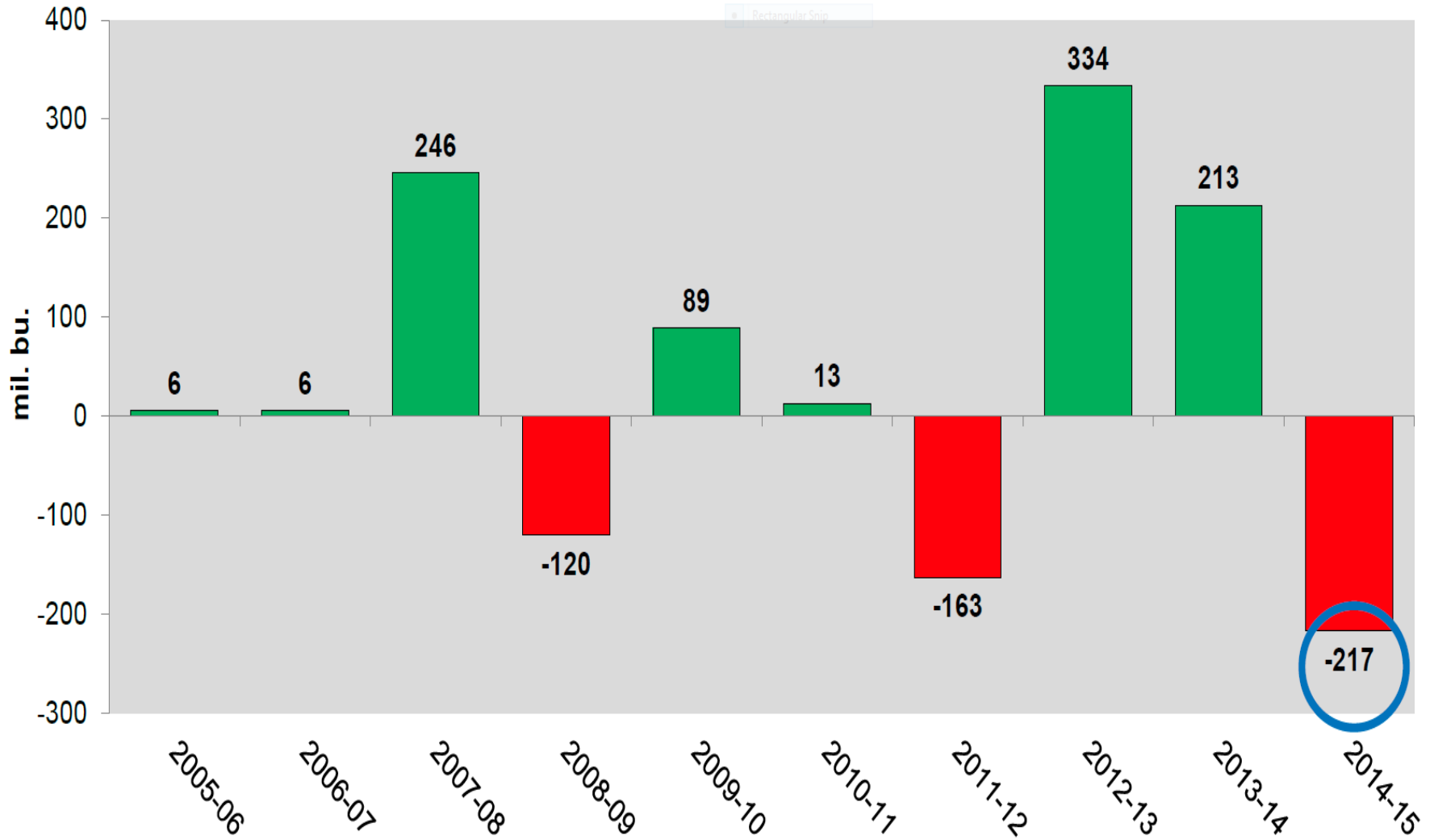


# First Quarter Feed and Residual Use of Corn 2005/06 to 2014/15

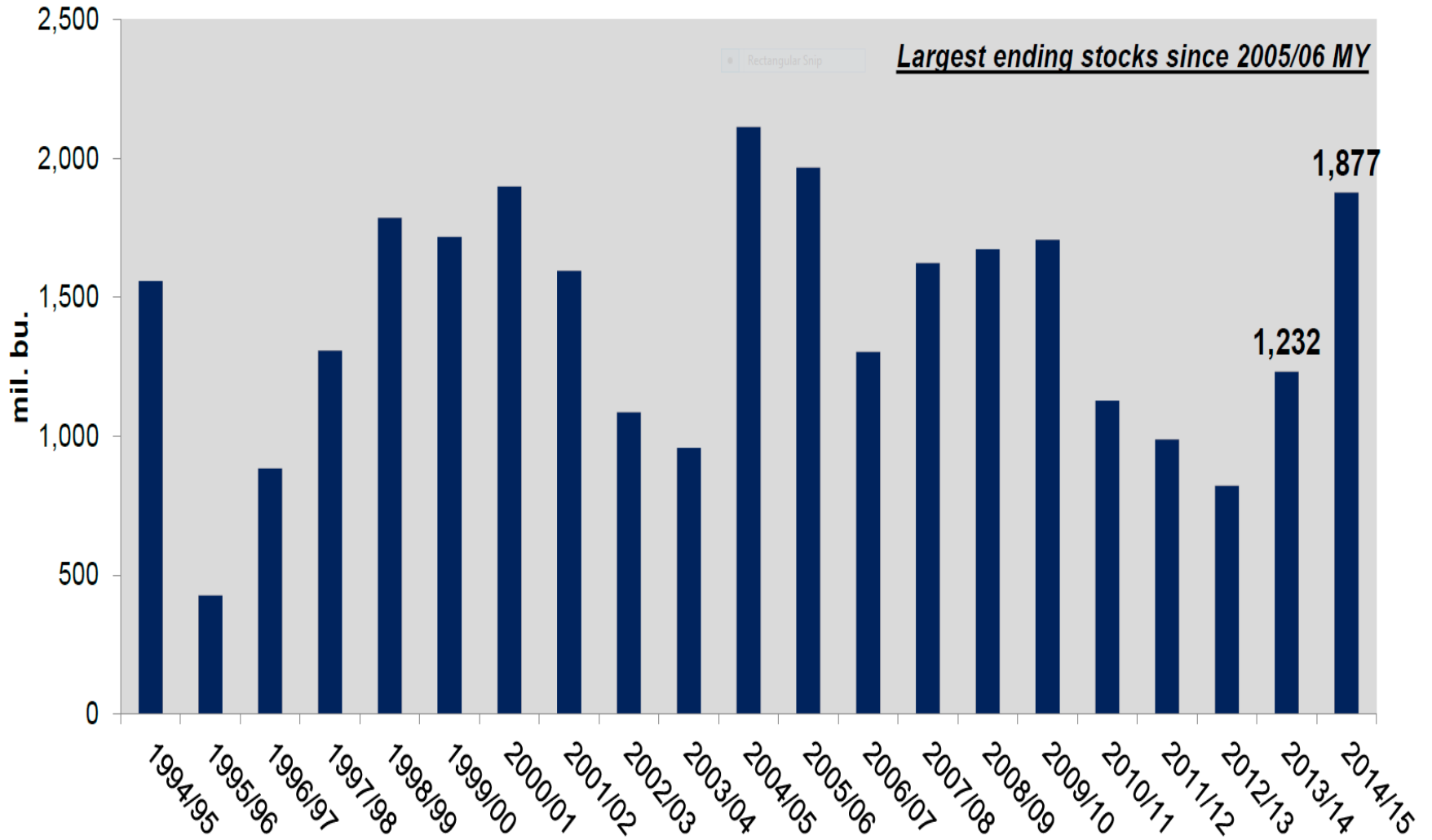


*2013-14 Revised Down from 2,412 (-96 Mil. Bu.)*

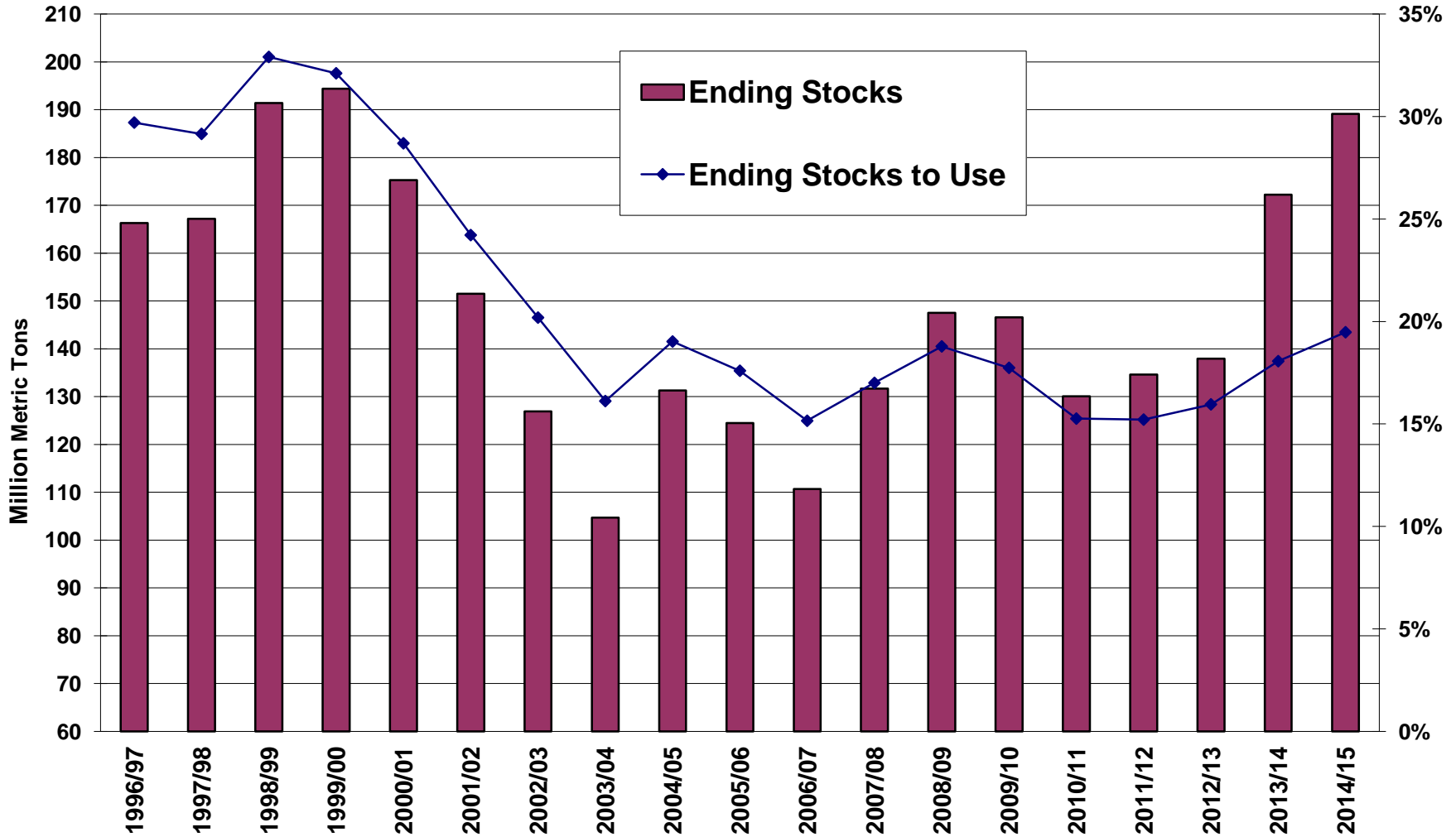
# First Quarter Corn Consumption Minus Trade Guess 2005/06 to 2014/15



# Ending Stocks of U.S. Corn



# World Corn Ending Stocks and Ending Stocks to Use



# 2014-15 Corn Balance Sheet

	2013/14	December	January	Change
Planted Acreage (mil.)	95.4	90.9	90.6	-0.3
Harvested Acreage	87.5	83.1	83.1	0.0
Yield (bu/ac.)	158.1	173.4	171.0	-2.4

Production (mil. bu.)	13,829	14,407	14,216	-191
Beginning stocks	821	1,236	1,232	-4
Imports	36	25	25	0
<b>Total</b>	<b>14,686</b>	<b>15,668</b>	<b>15,472</b>	<b>-196</b>

Export (mil. bu.)	1,917	1,750	1,750	0
Feed and residual	5,036	5,375	5,275	-100
Ethanol	5,134	5,150	5,175	+25
Other Processing	1,367	1,395	1,395	0
<b>Total</b>	<b>13,454</b>	<b>13,670</b>	<b>13,595</b>	<b>-75</b>

Ending stocks\* 1,232 1,998 1,877 -121

Average price\*\* \$4.46 \$3.50 \$3.65 +\$0.15

\*Trade guess: 1,710 (L) 1,927 (A) 2,081 (H)

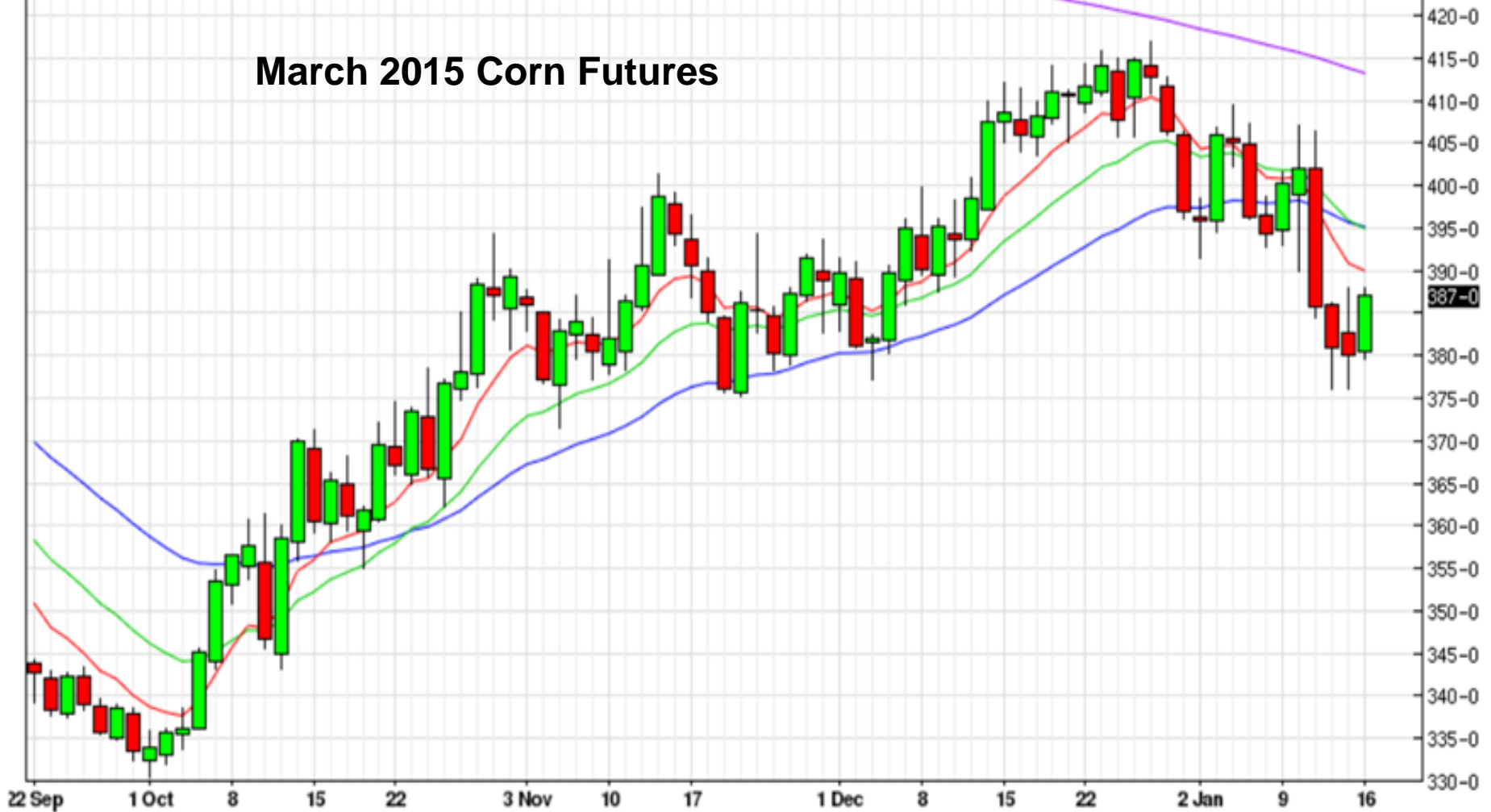
\*\*WASDE Price Range \$3.35 to \$3.95

<b>Corn Balance Sheet</b>			
	<b>2014-15</b>	<b>2015-16 FAPRI</b>	<b>2015-16</b>
<b>Planted Acreage (mil.)</b>	<b>90.6</b>	<b>87.9</b>	<b>88.6</b>
<b>Harvested Acreage</b>	<b>83.1</b>	<b>80.3</b>	<b>80.9</b>
<b>Yield (bu/ac.)</b>	<b>171</b>	<b>165</b>	<b>165</b>
<b>Production (mil. bu.)</b>	<b>14,216</b>	<b>13,250</b>	<b>13,350</b>
<b>Beginning stocks</b>	<b>1,232</b>	<b>1,883</b>	<b>1,877</b>
<b>Imports</b>	<b>25</b>	<b>25</b>	<b>20</b>
<b>Total</b>	<b>15,472</b>	<b>15,158</b>	<b>15,247</b>
<b>Export (mil. bu.)</b>	<b>1,750</b>	<b>1,775</b>	<b>1,850</b>
<b>Feed and residual</b>	<b>5,275</b>	<b>5,146</b>	<b>5,400</b>
<b>Ethanol</b>	<b>5,175</b>	<b>5,175</b>	<b>5,175</b>
<b>Other Processing</b>	<b>1,395</b>	<b>1,410</b>	<b>1,400</b>
<b>Total</b>	<b>13,595</b>	<b>13,506</b>	<b>13,825</b>
<b>Ending stocks</b>	<b>1,877</b>	<b>1,652</b>	<b>1,422</b>
<b>Average price</b>	<b>\$3.65</b>	<b>\$3.81</b>	<b>\$4.10</b>

# ZCH15 - Corn - Daily Candlestick Chart

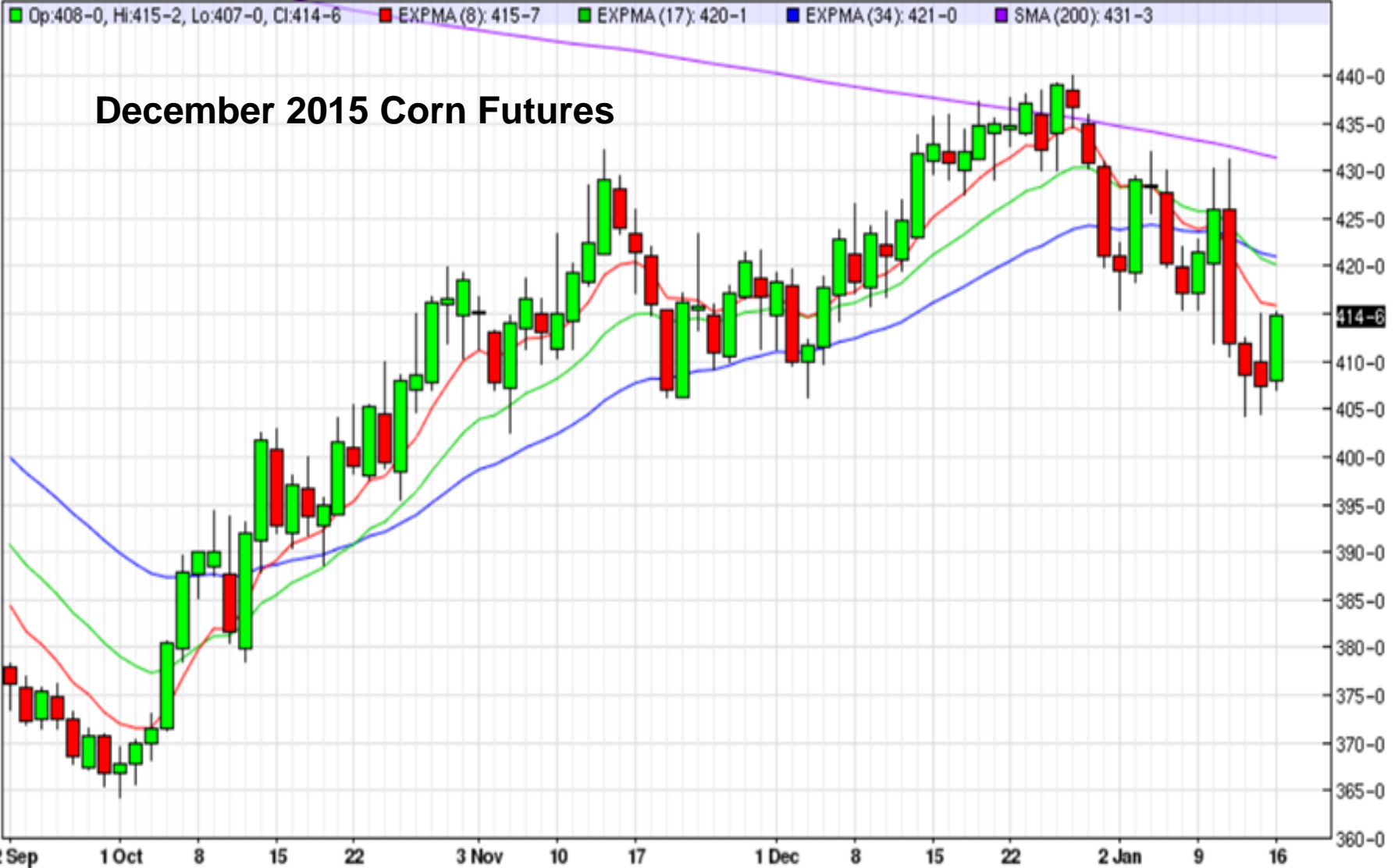
Op:380-4, Hi:388-0, Lo:379-4, Cl:387-0    EXPMA(8): 390-0    EXPMA(17): 395-0    EXPMA(34): 395-1    SMA(200): 413-2

## March 2015 Corn Futures





# ZCZ15 - Corn - Daily Candlestick Chart



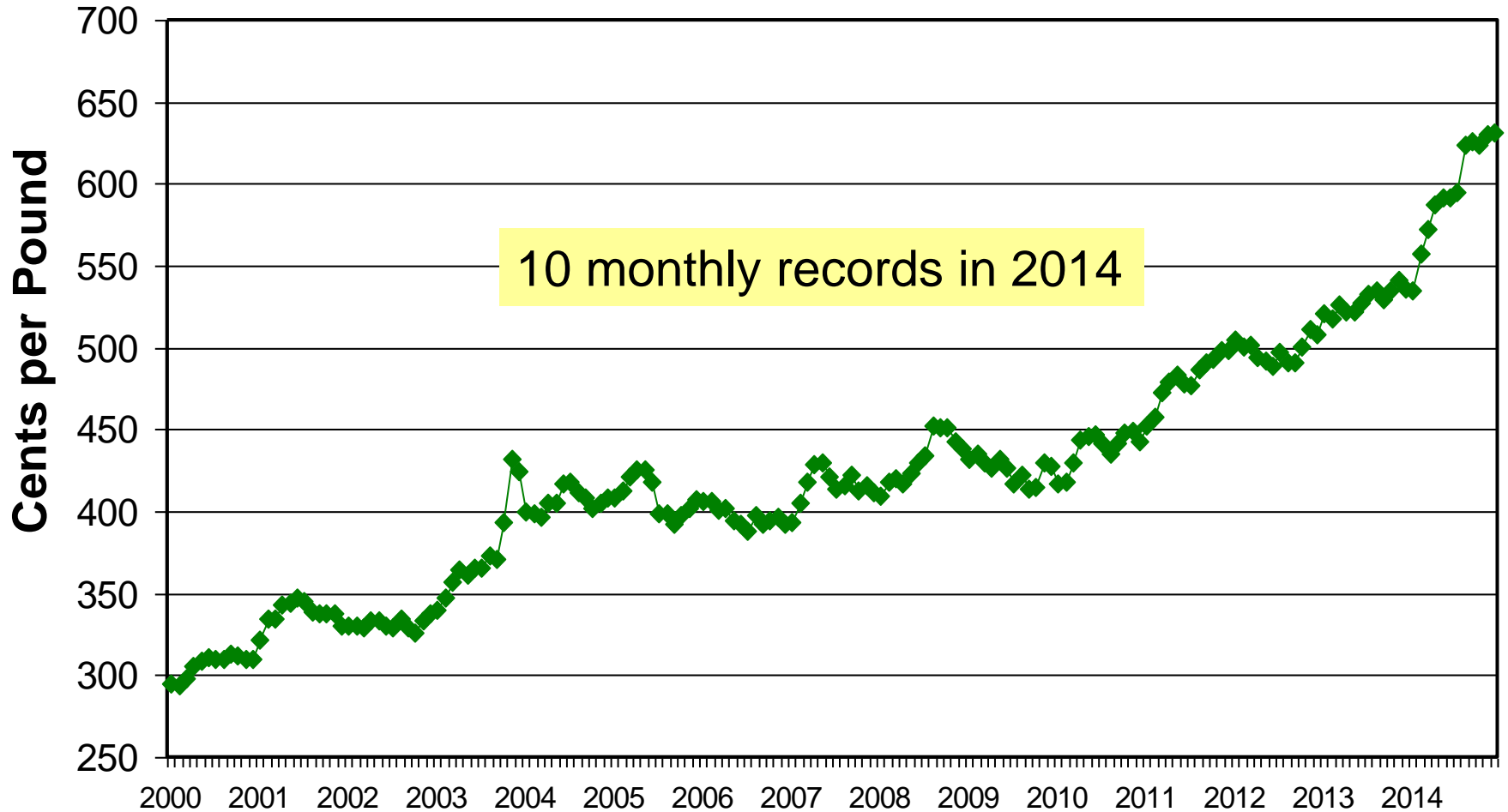


# **Cattle Outlook**

**Ron Plain**

January 21, 2015

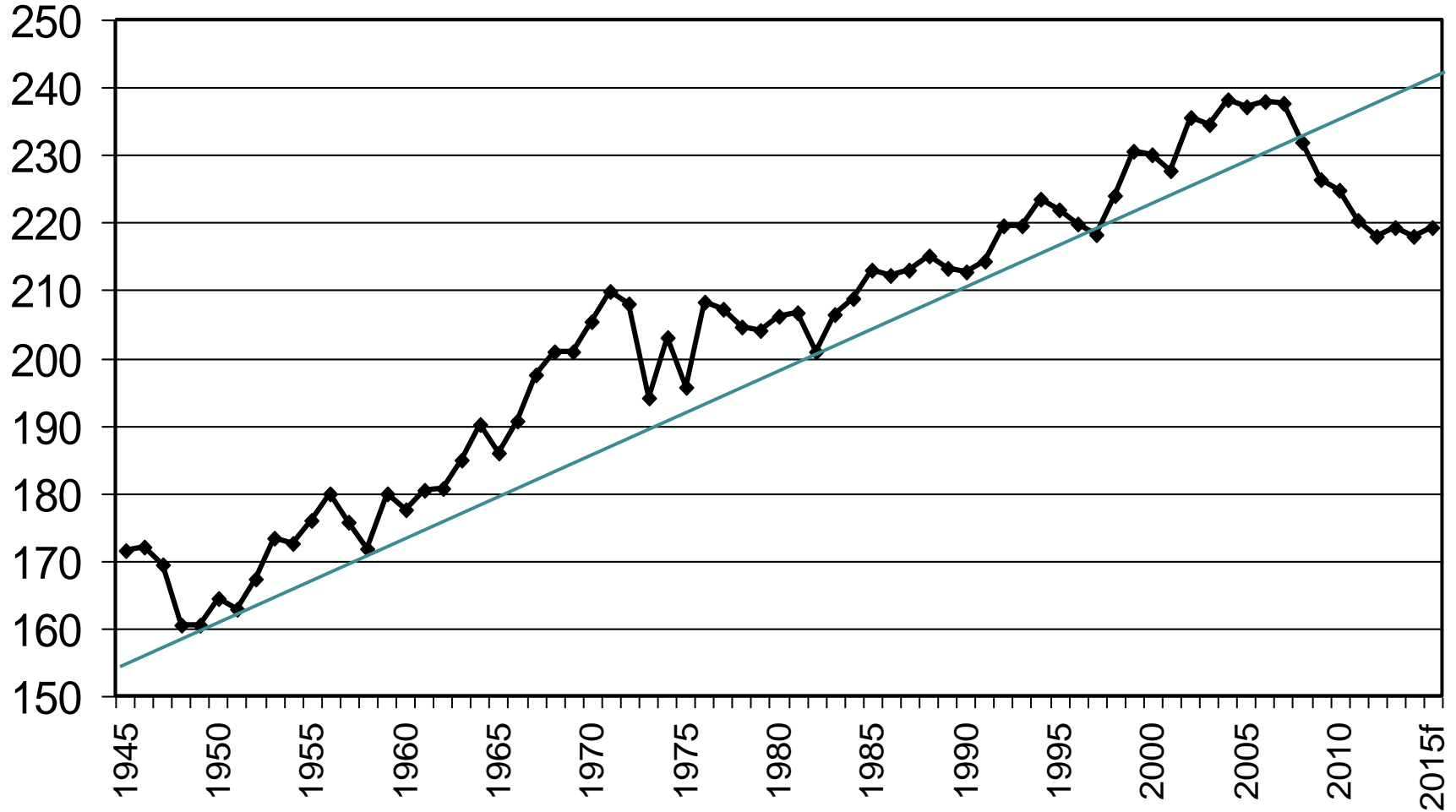
# Retail Choice Beef Prices, Monthly



Source: USDA/ERS

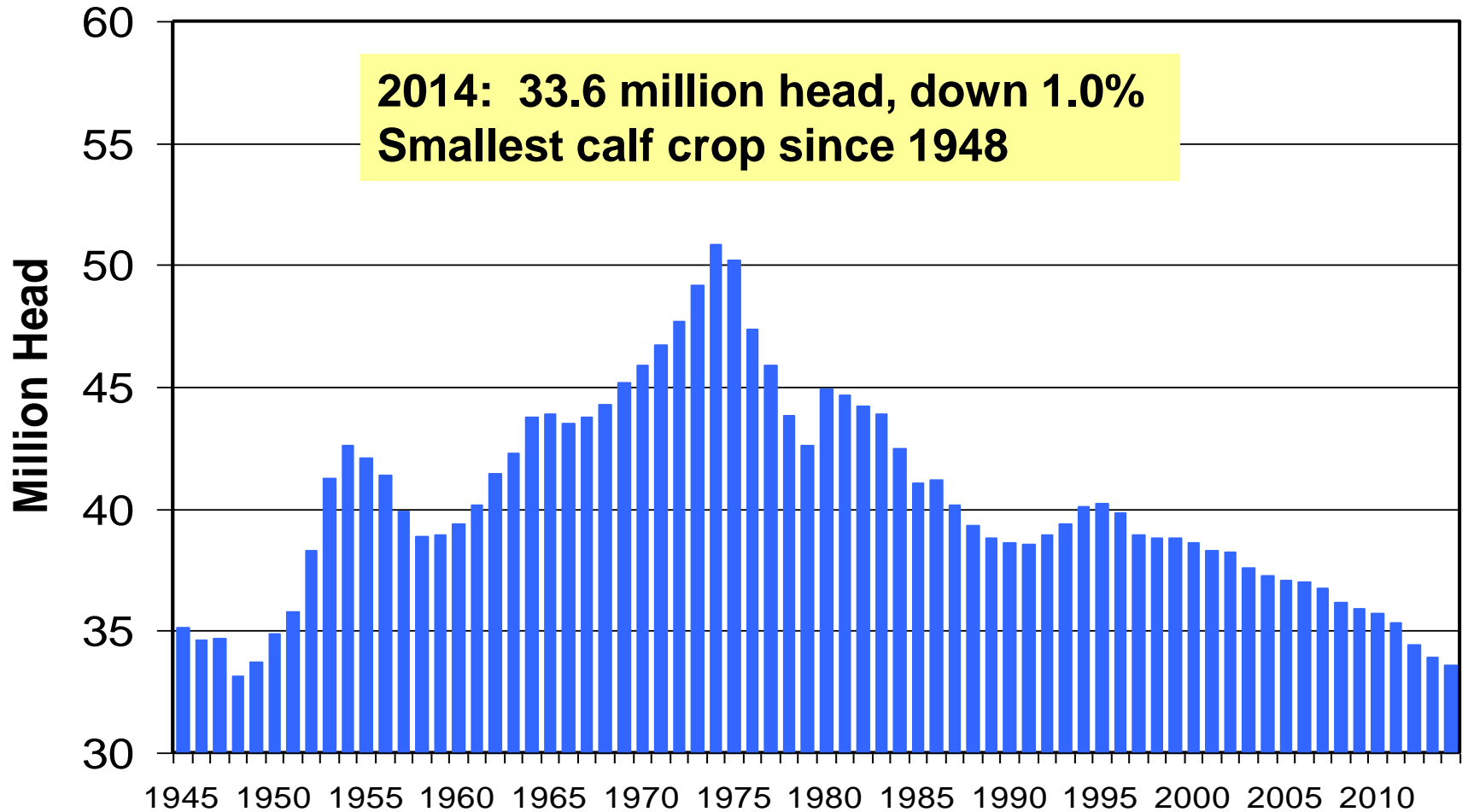
# U.S. Per Capita Meat Consumption

Pounds



Source: USDA/ERS

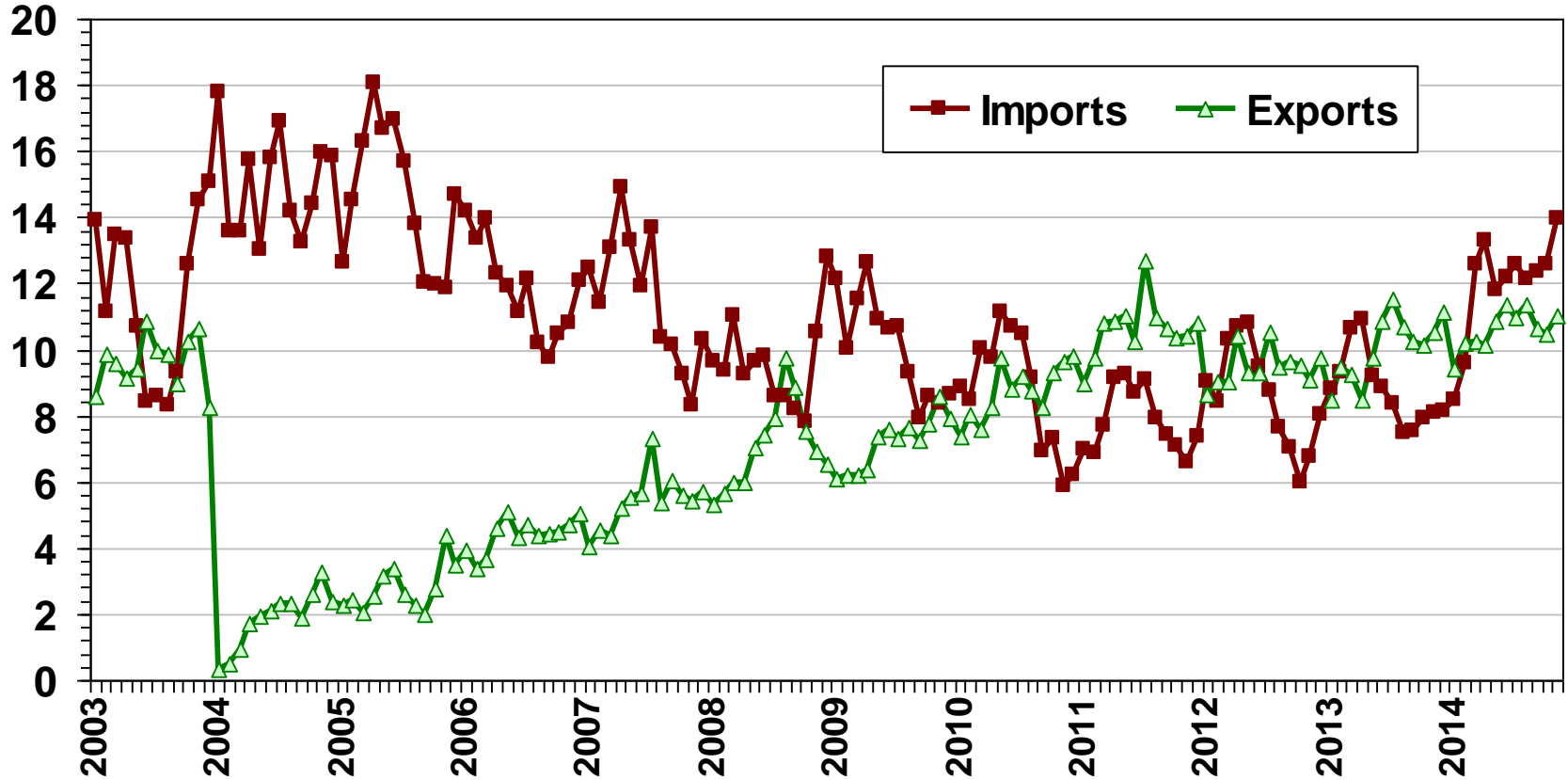
# U.S. Calf Crop, 1945-2014



Source: USDA/NASS

# U.S. Beef Imports & Exports as % of U.S. Production, monthly

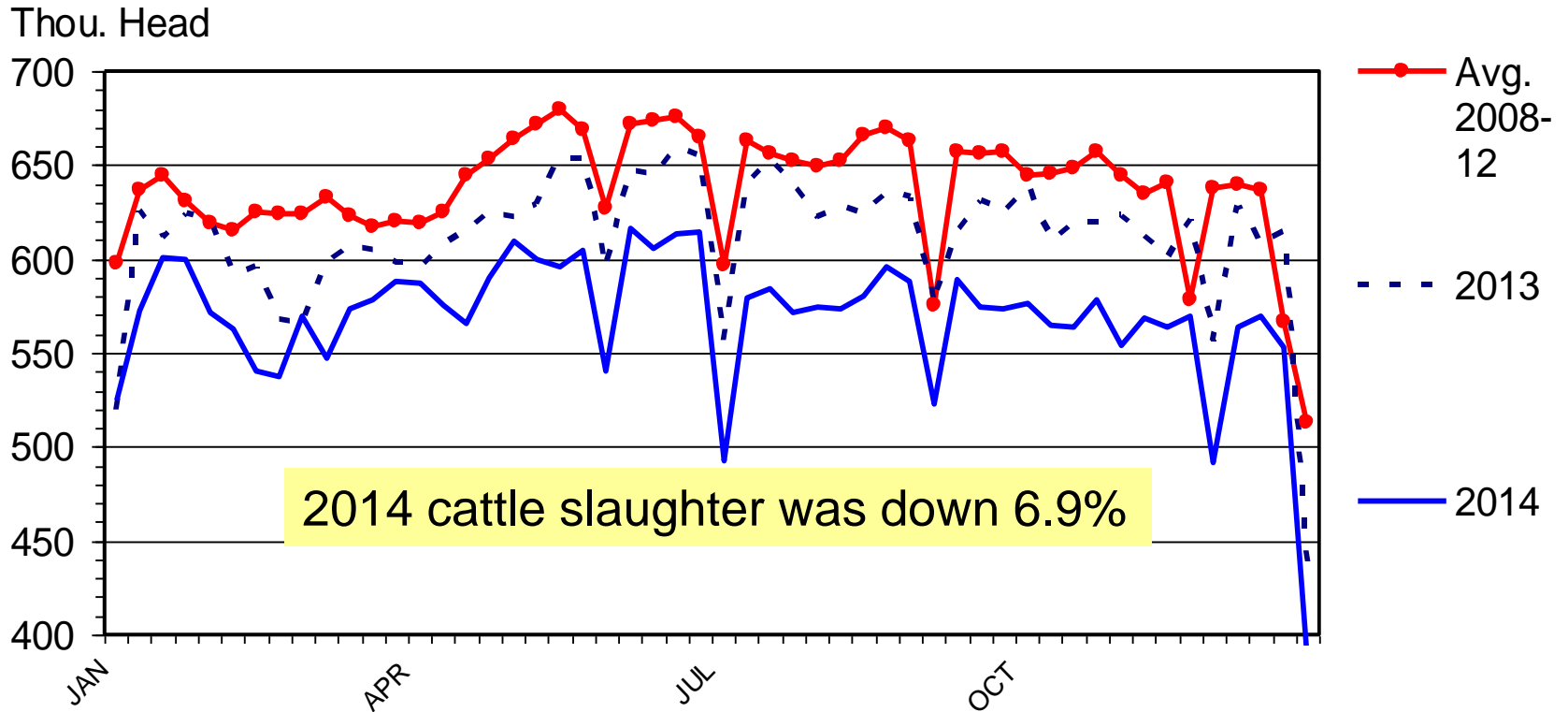
Percent



Source: USDA/ERS

# CATTLE SLAUGHTER

## Federally Inspected, Weekly

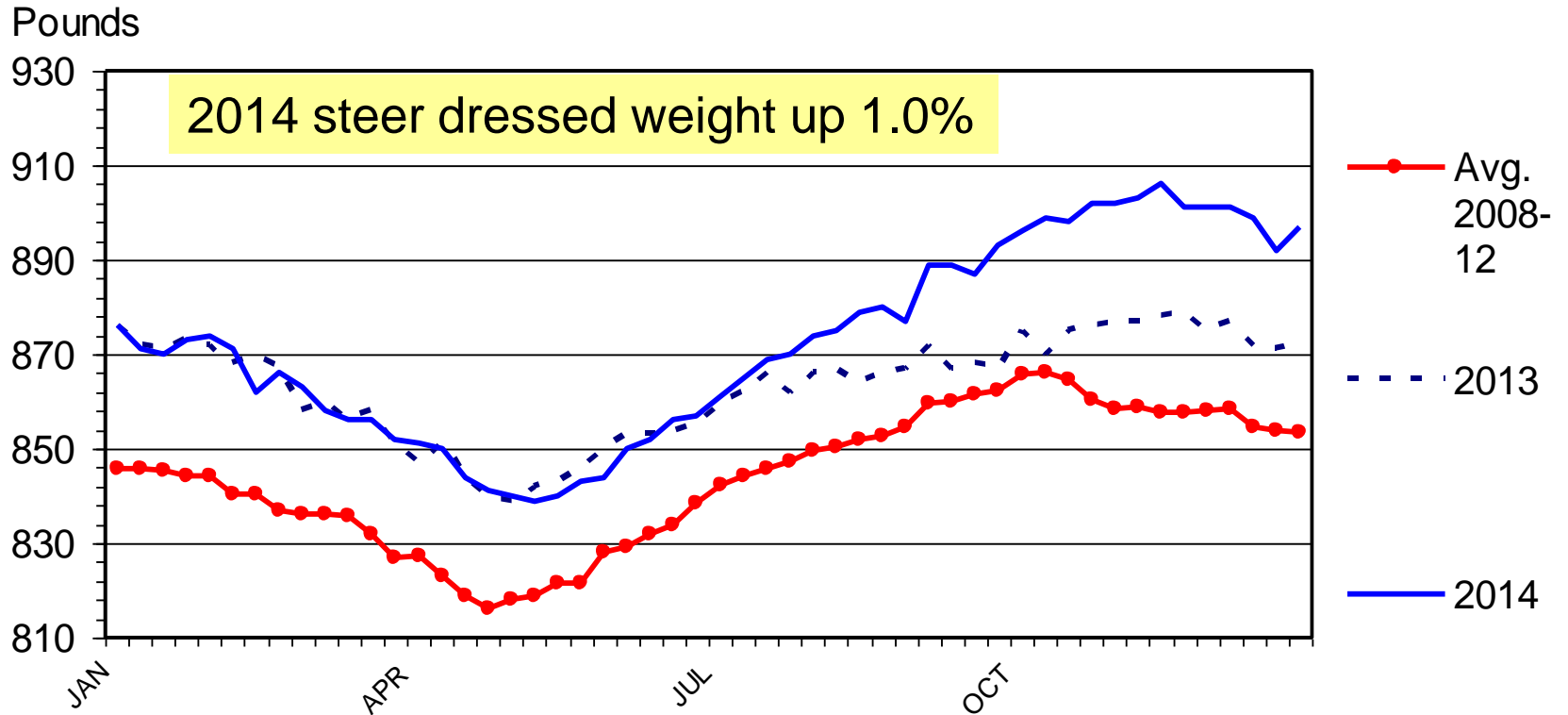


Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# STEER DRESSED WEIGHT

## Federally Inspected, Weekly



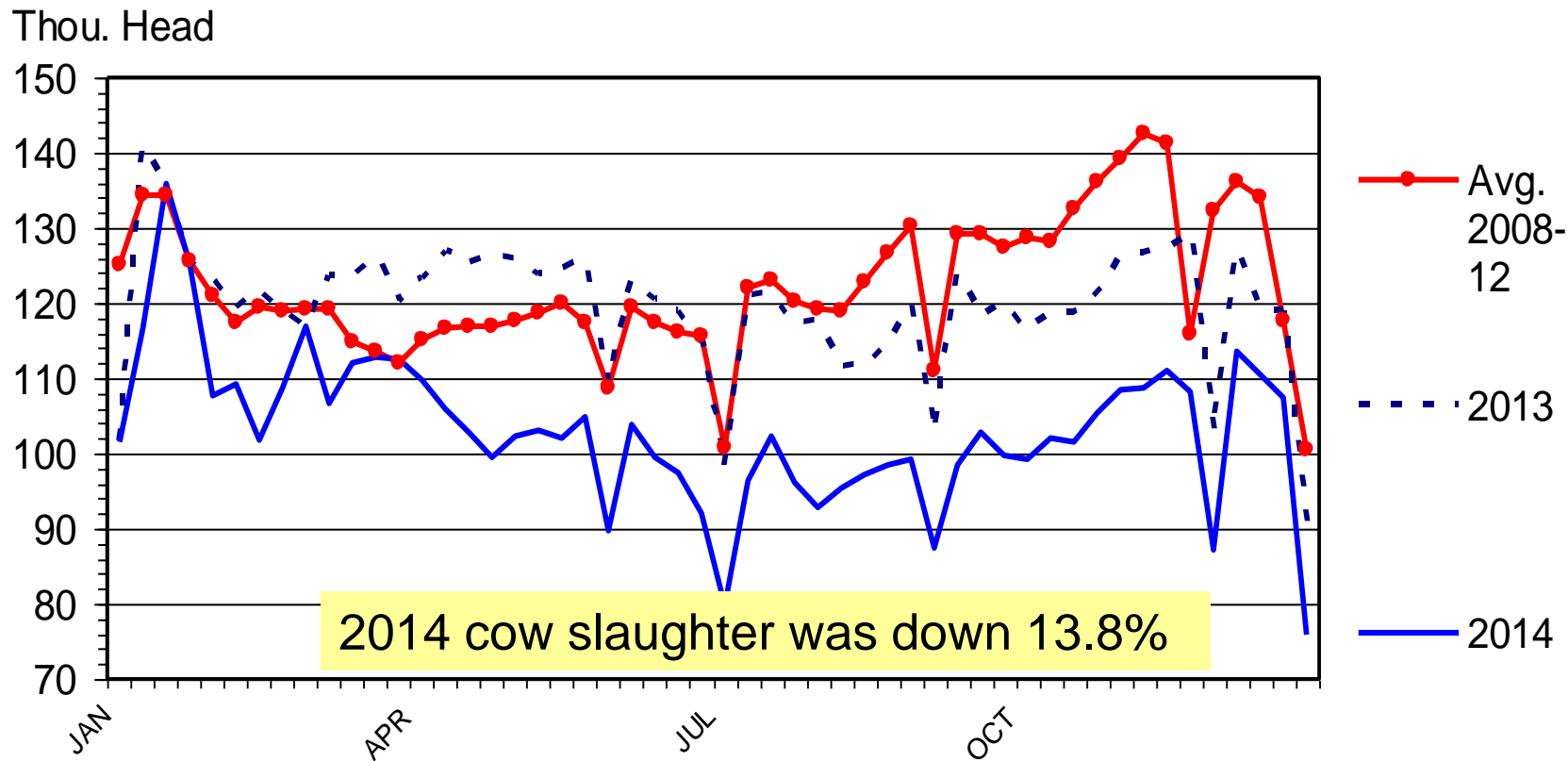
Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS



# TOTAL COW SLAUGHTER

## Federally Inspected, Weekly

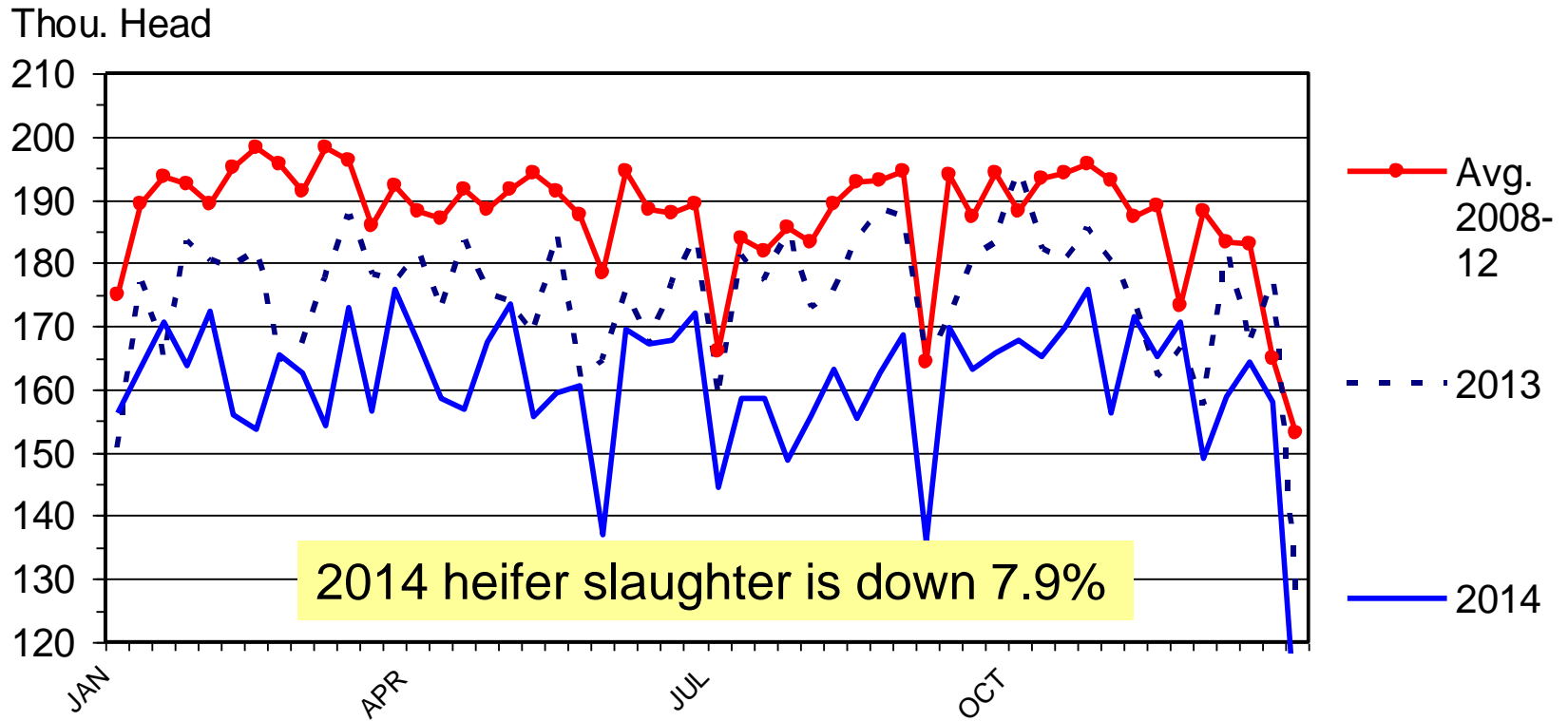


Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# HEIFER SLAUGHTER

## Federally Inspected, Weekly

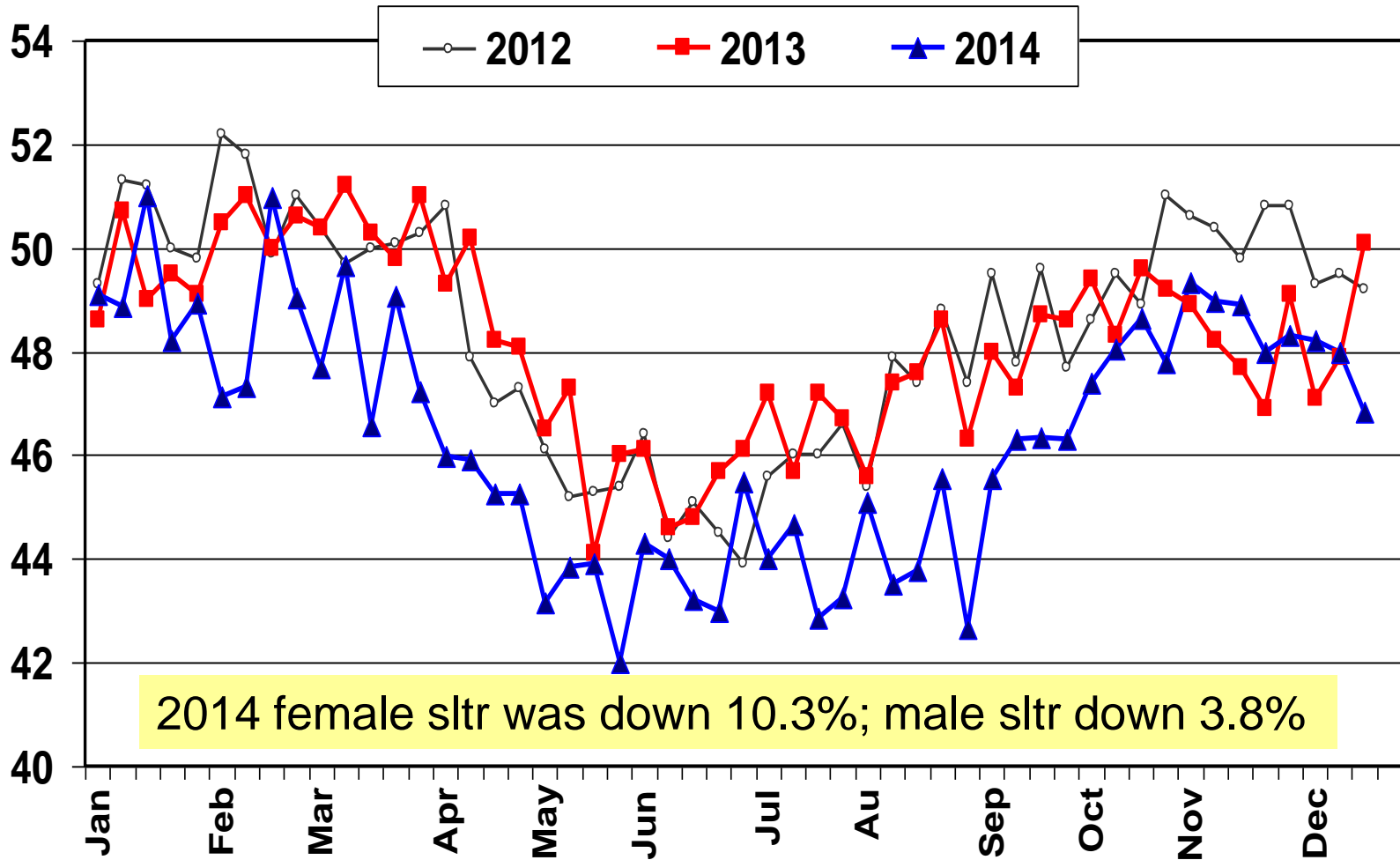


Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# Female Share of Slaughter

## U.S. Federally Inspected Cattle Slaughter

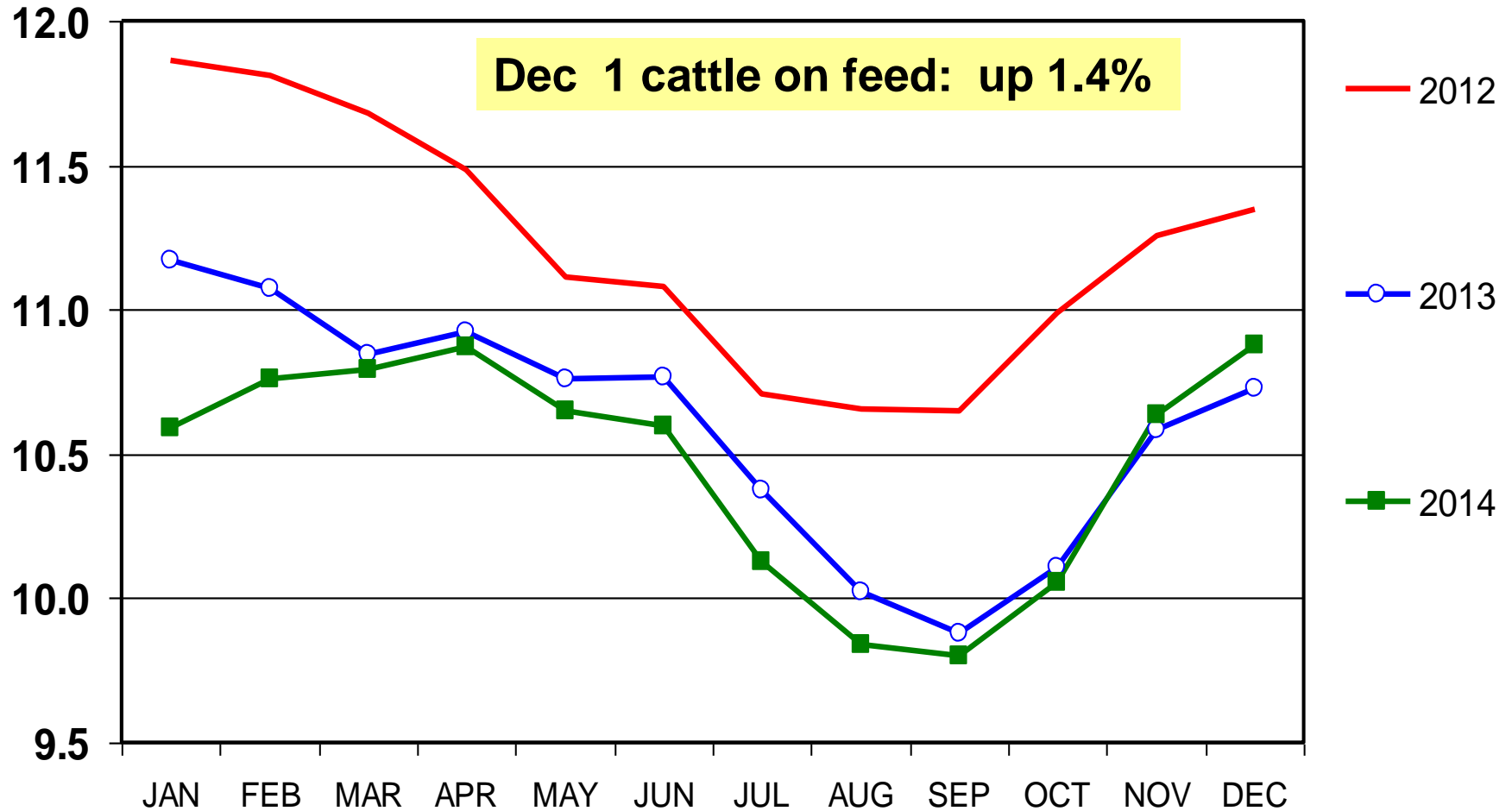


Source: USDA/AMS

# Cattle on Feed

## Large U.S. Feedlots, Monthly

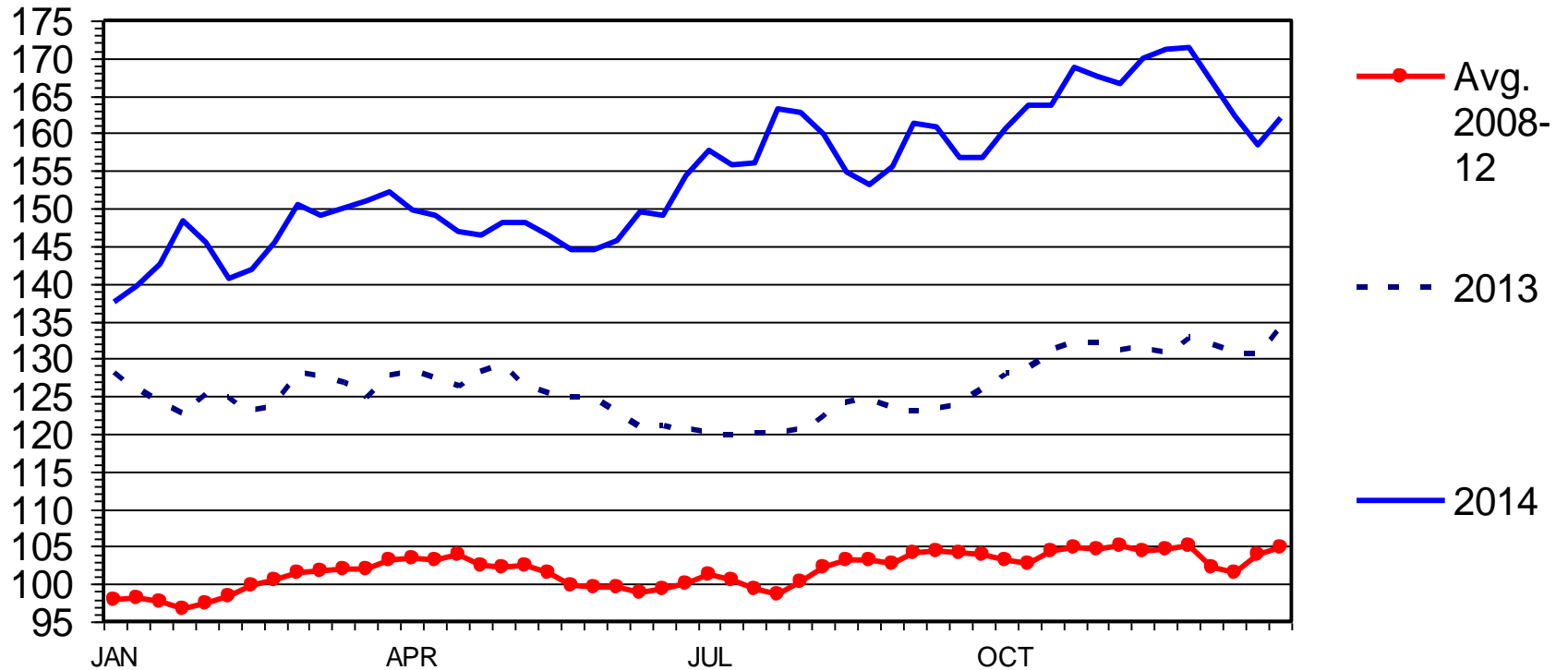
Mil. Head



# SLAUGHTER STEER PRICES

## 5 Market Weighted Average, Weekly

\$ Per Cwt.



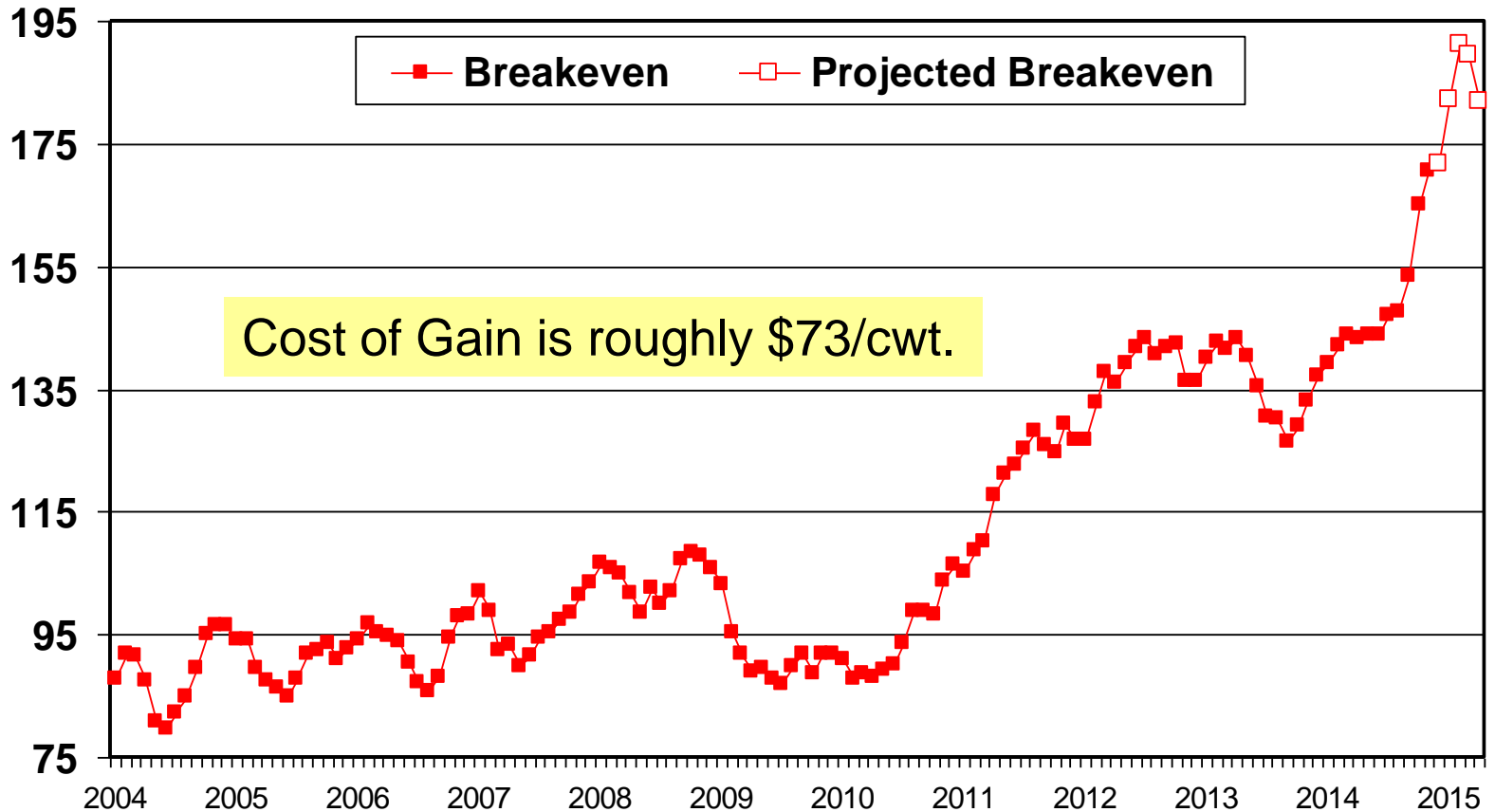
Livestock Marketing Information Center

Data Source: USDA-AMS

# Choice Steer Breakeven Price

S. Plains Cattle Feedlots, Monthly

\$ Per Cwt



Source: LMIC

# U.S. Commercial Beef Production

Million Pounds

	<u>2013</u>	<u>2014</u>	<u>2015</u>	----- % Change -----	
				<u>2013-14</u>	<u>2014-15</u>
Qtr 1	6,172	5,868	5,685*	- 4.9%	- 5.8%
Qtr 2	6,516	6,183	6,225*	- 5.1%	- 1.3%
Qtr 3	6,609	6,178	5,955*	- 6.4%	- 0.9%
Qtr 4	6,423	6,020	5,965*	- 4.7%	- 1.4%
<b>Year</b>	<b>25,720</b>	<b>24,249</b>	<b>23,830*</b>	- 5.3%	- 2.3%

**\*forecast**

# 5 Area Slaughter Steer Prices

Choice Steers Per Live Hundredweight

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Qtr 1	\$125.29	\$125.52	\$146.34	\$162-168*
Qtr 2	\$121.91	\$124.95	\$147.82	\$160-172*
Qtr 3	\$119.69	\$122.30	\$158.49	\$157-171*
Qtr 4	\$125.54	\$130.77	\$165.62	\$158-172*
Year	<b>\$122.86</b>	<b>\$125.89</b>	<b>\$154.56</b>	<b>\$159-171*</b>

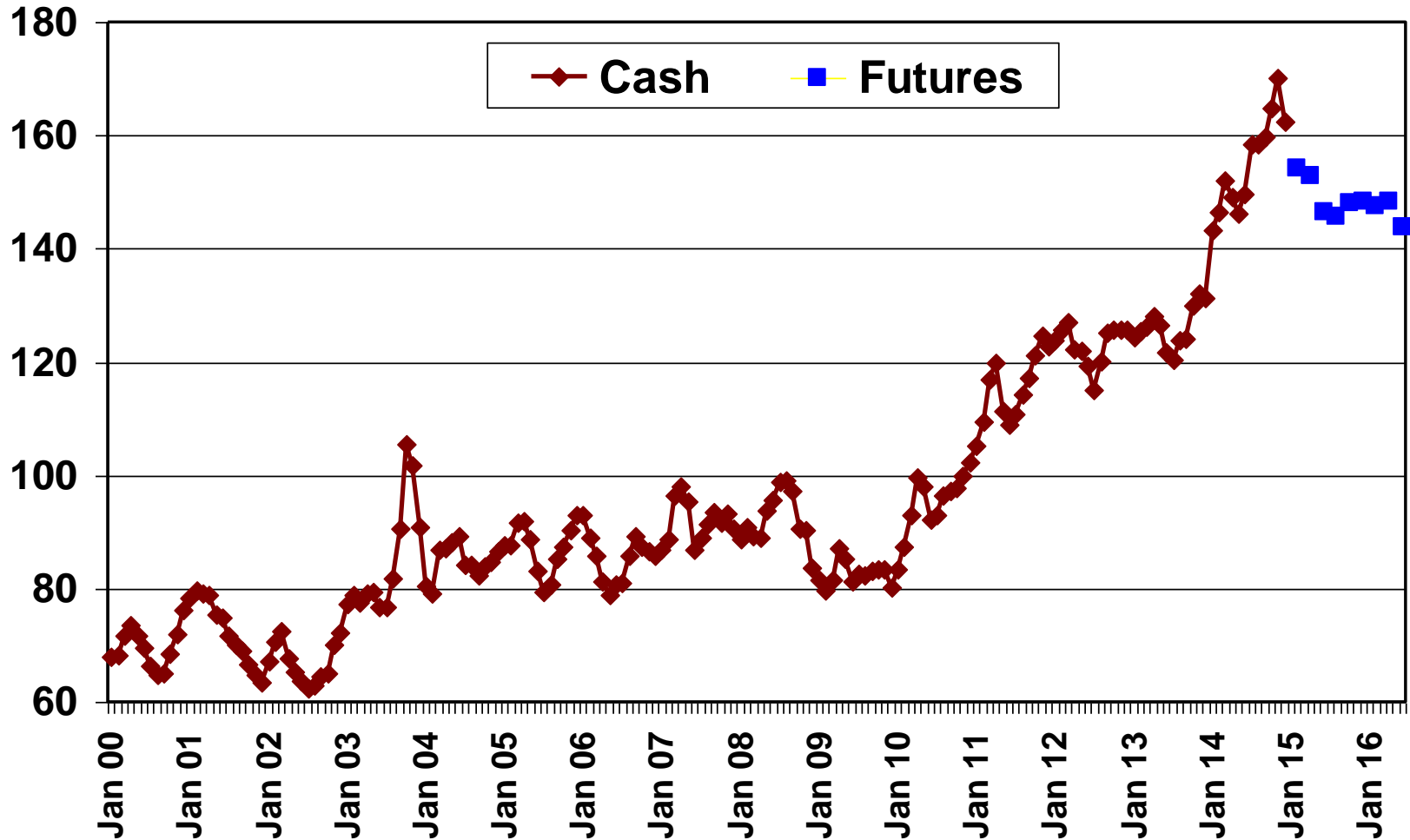
**\*forecast**



# Nebraska Slaughter Steer Price

## Monthly Average 2000-2014

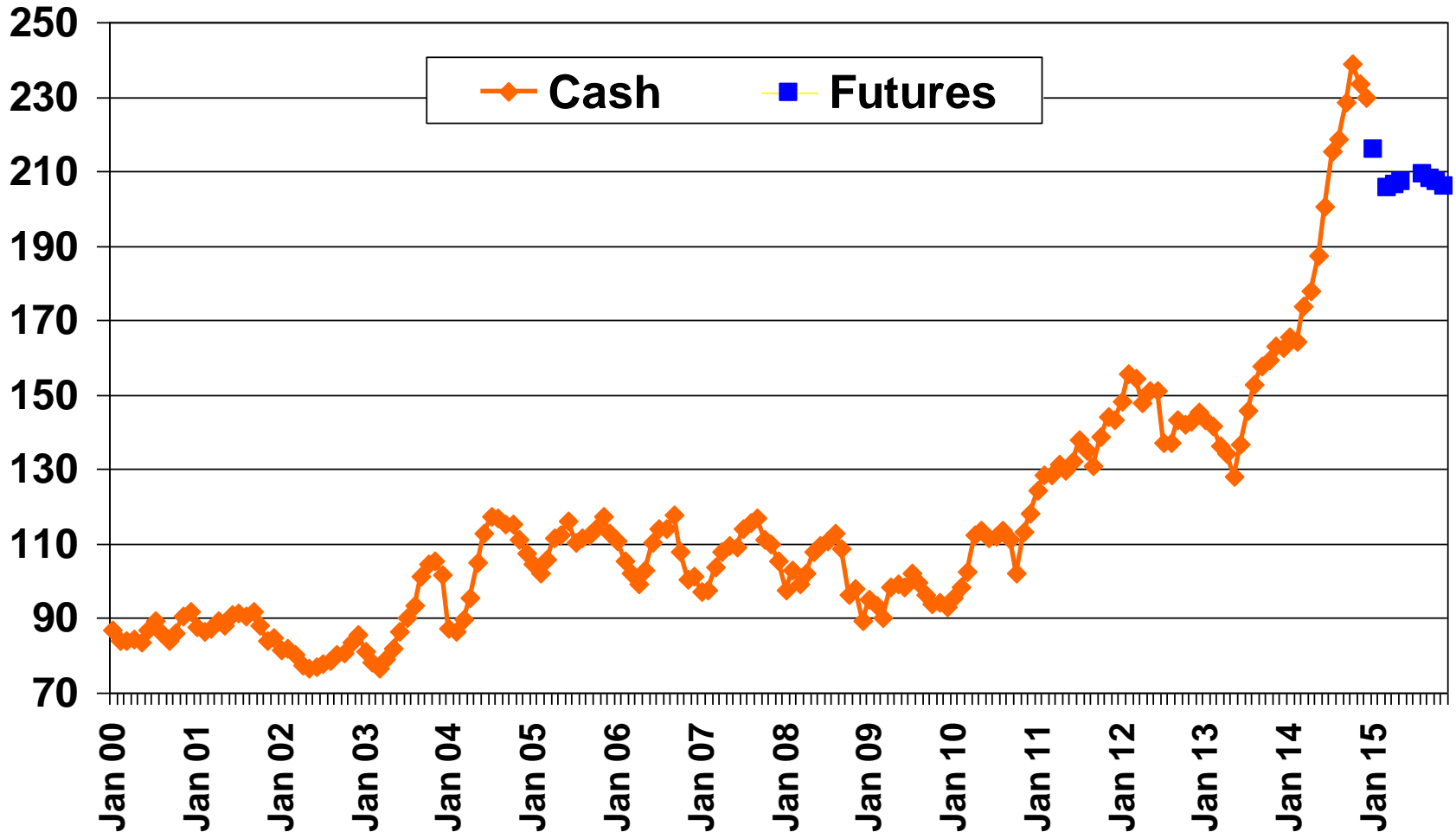
\$ Per Cwt.



# OKC 750-800# Feeder Steer Price

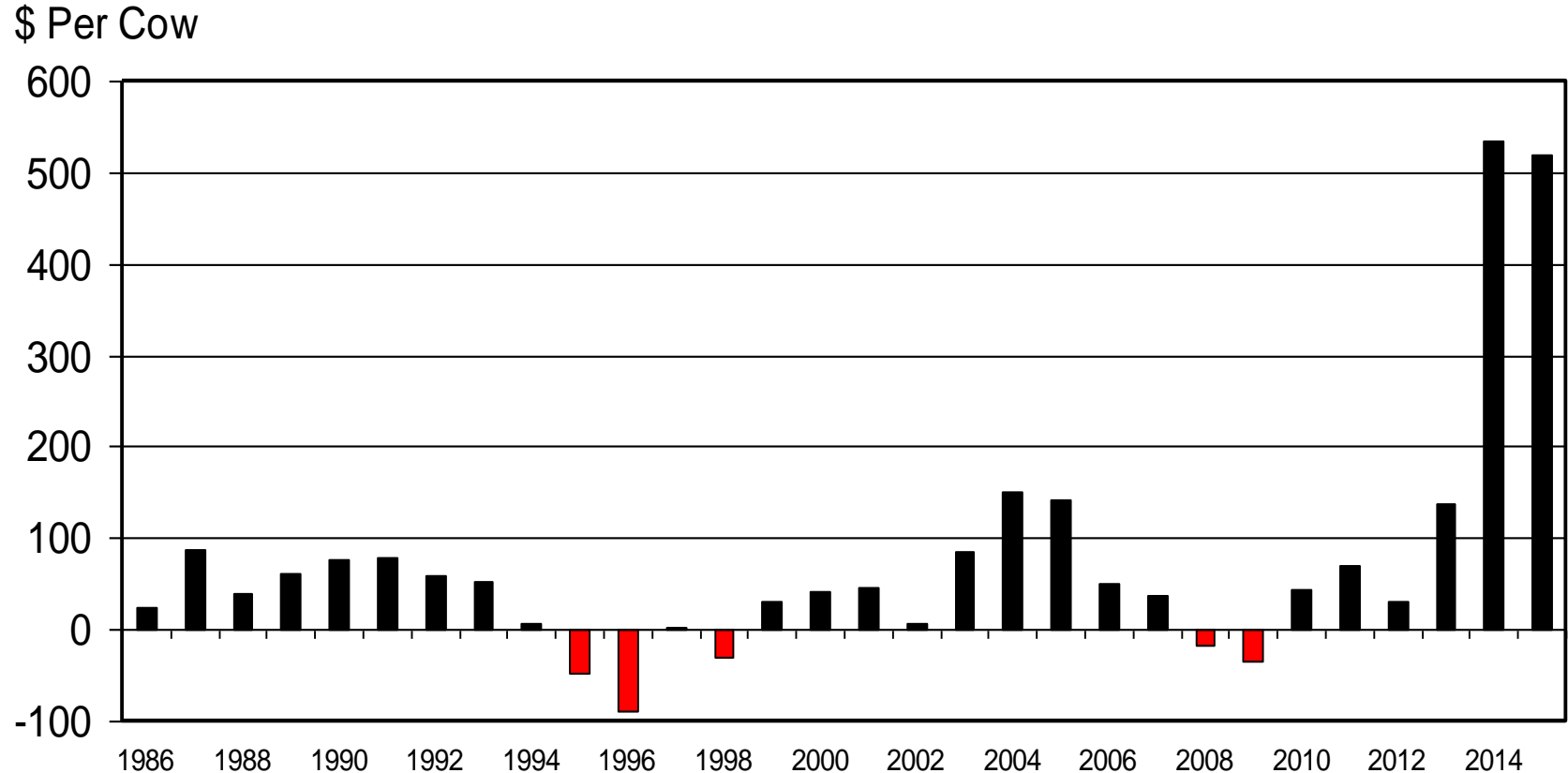
## Monthly Average 2000-2014

\$ Per Cwt.



# ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual



Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS, Compiled & Analysis by LMIC

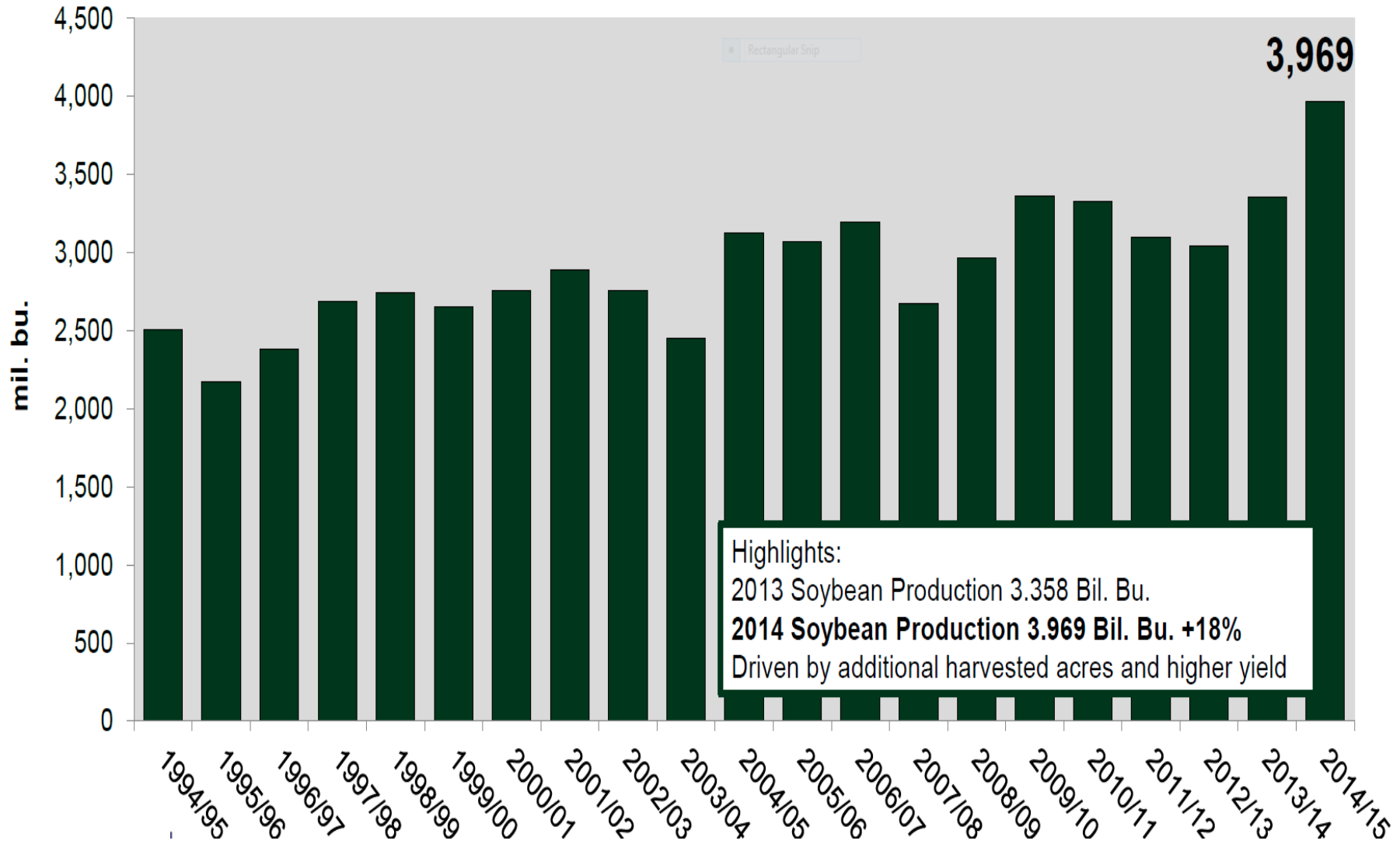


# **Soybean Outlook**

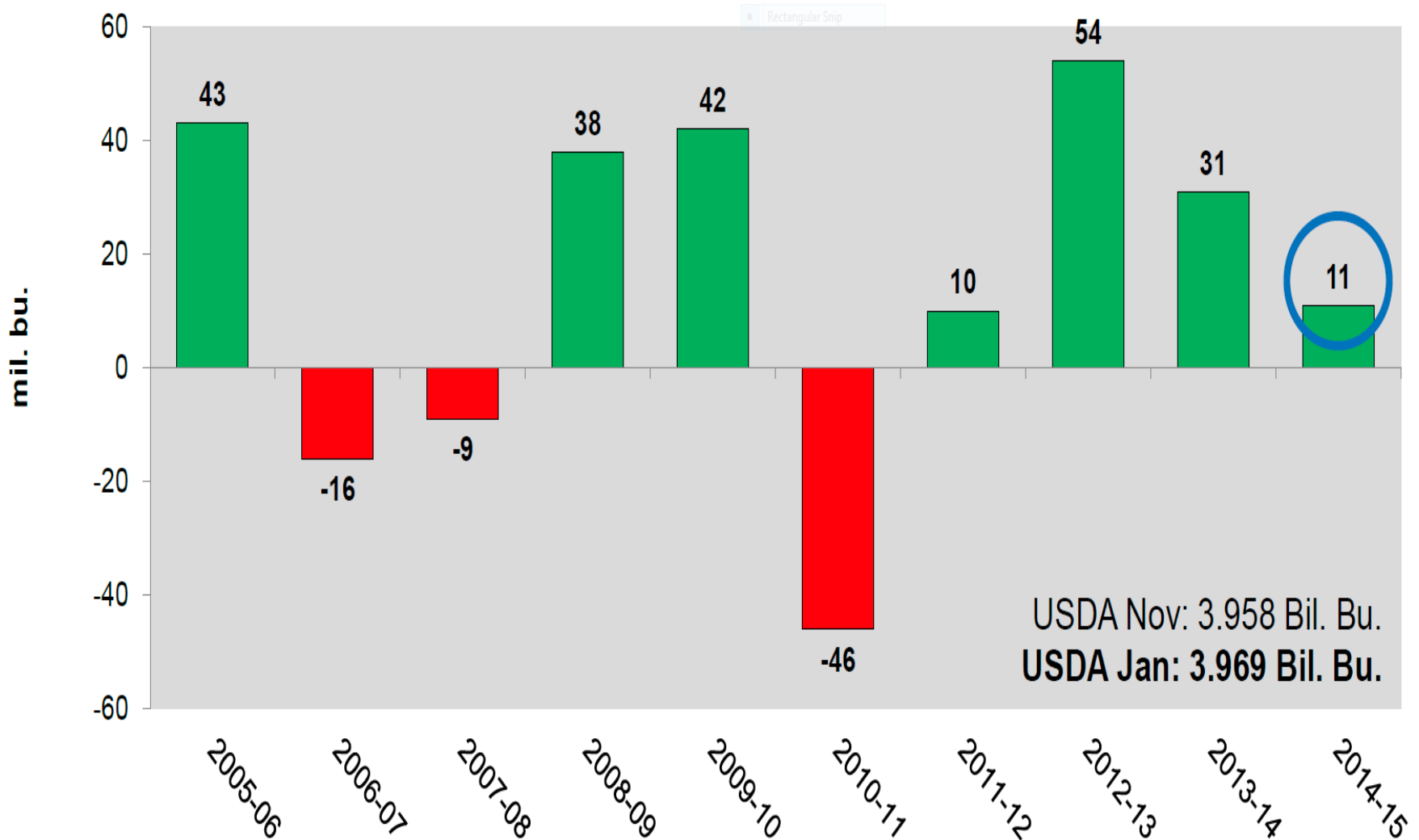
**David Reinbott**

January 21, 2015

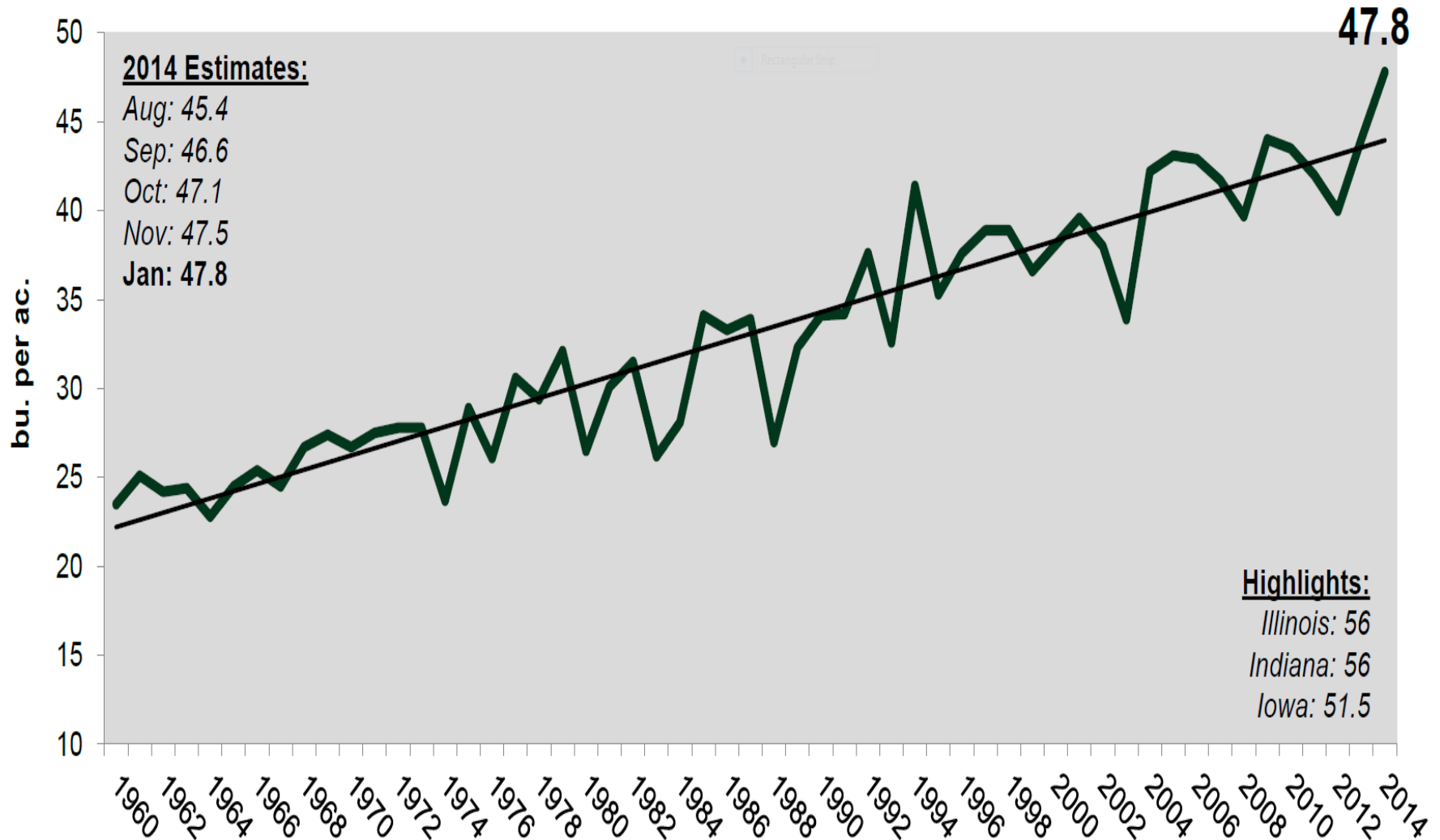
# U.S. Soybean Production, 1994 to 2014



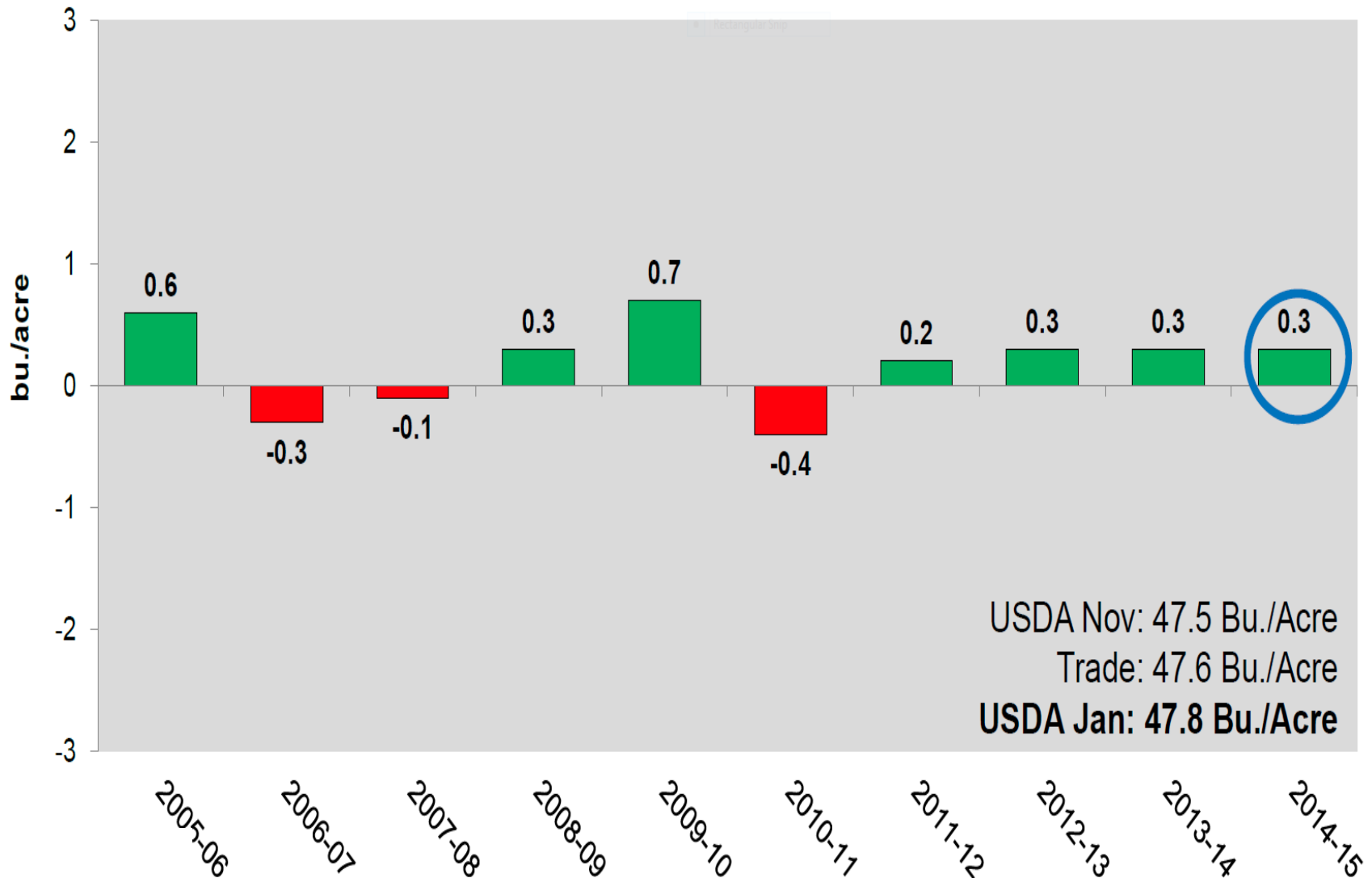
# January Soybean Production Estimate Minus November Forecast: 2005/06 to 2014/15



# U.S. Average Soybean Yield, 1960 to 2014



# January Soybean Yield Estimate Minus November Forecast 2005/06 – 2014/15

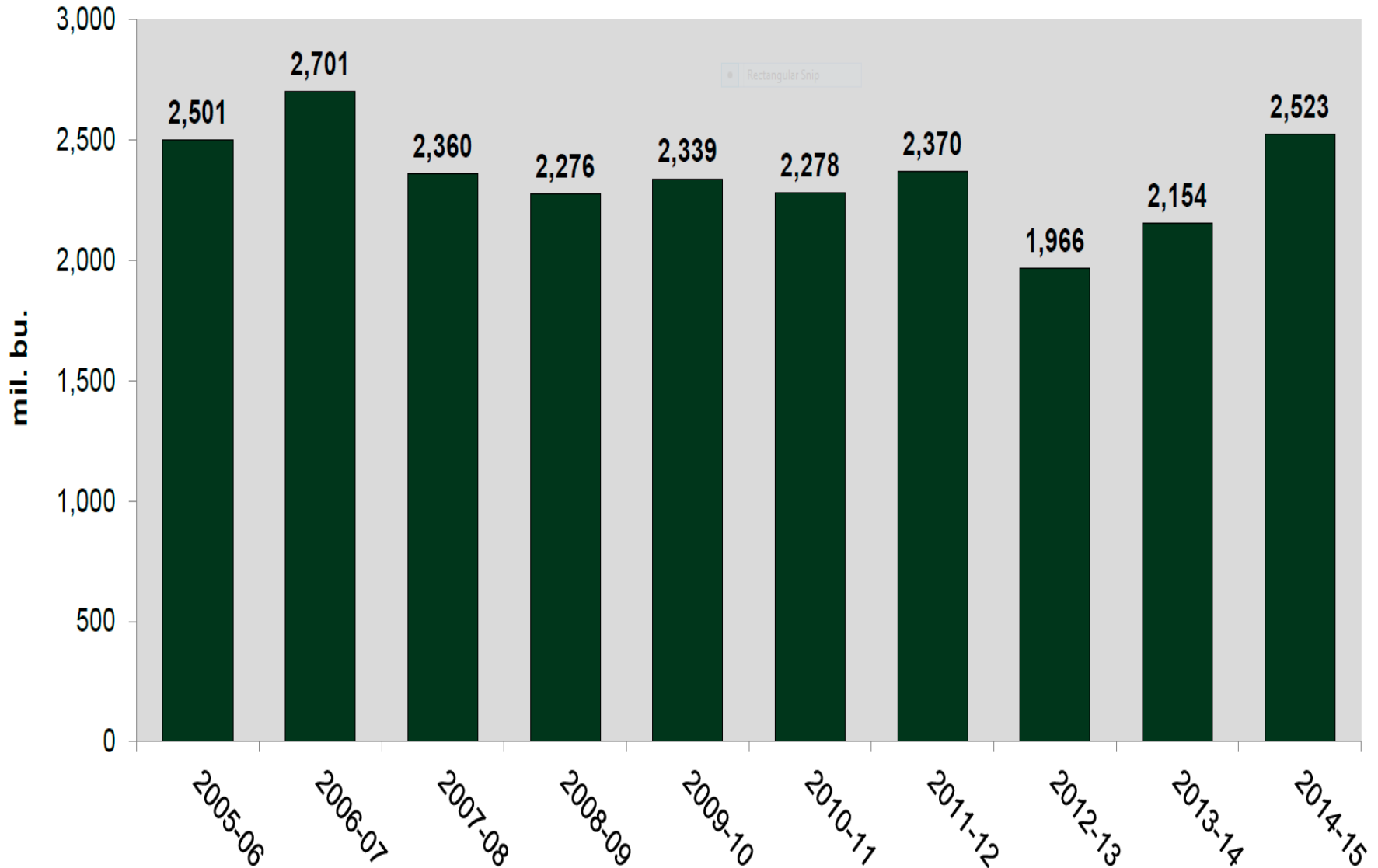




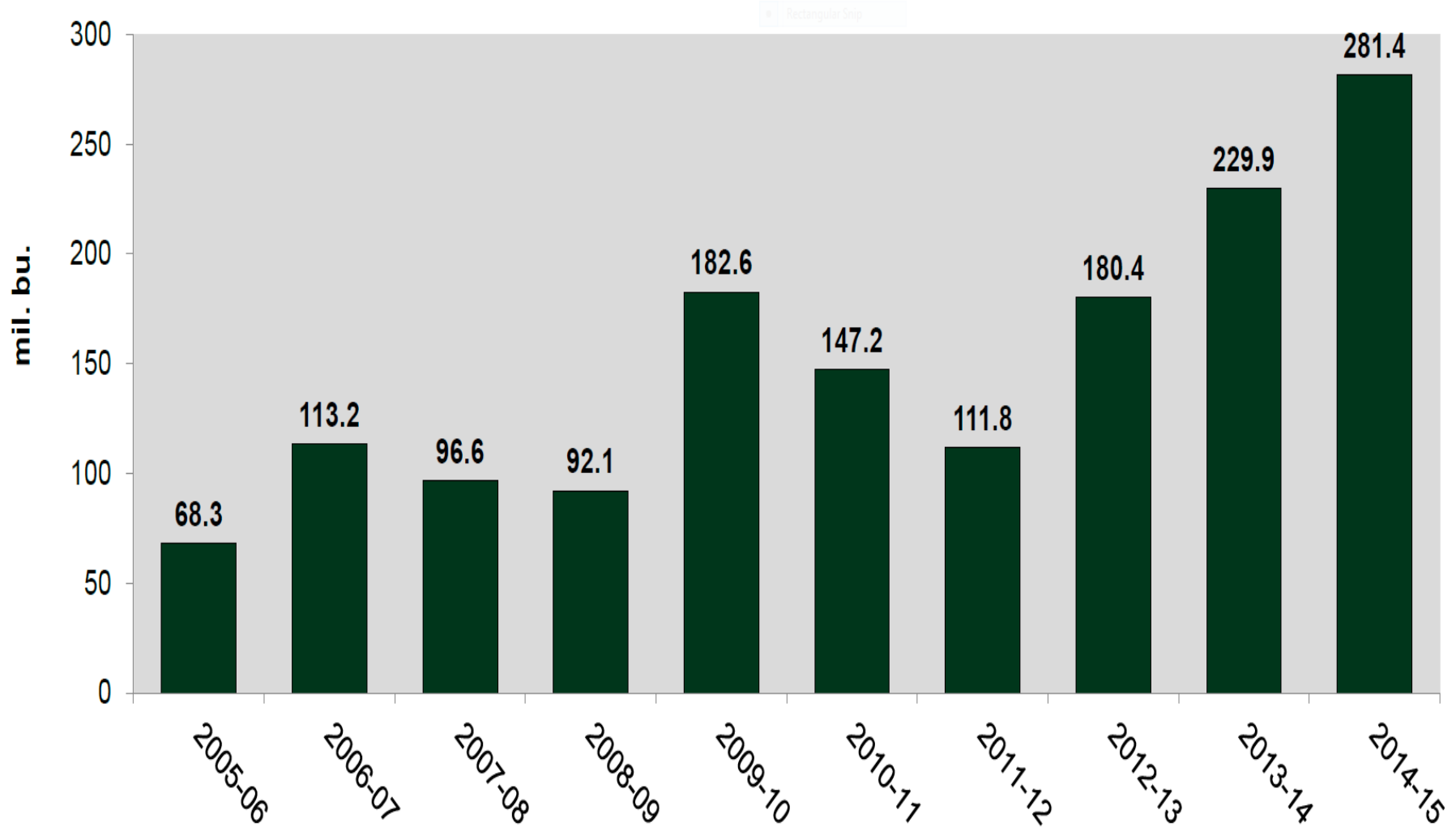
# NASS and FSA Planted Acres of Soybeans, 2007 to 2014

Year	NASS	FSA	Difference	%
2007	64,741	62,857	1,866	97.09
2008	75,718	74,801	917	98.79
2009	77,451	76,406	1,045	98.65
2010	77,404	76,318	1,086	98.60
2011	75,046	73,773	1,273	98.30
2012	77,198	75,879	1,319	98.29
2013	76,840	75,299	1,541	97.99
<b>2014</b>	<b>83,701</b>	<b>81,626*</b>	<b>2,075</b>	<b>97.52</b>
Jan 15 FSA update		81,757 +131 th	1,944	97.67%

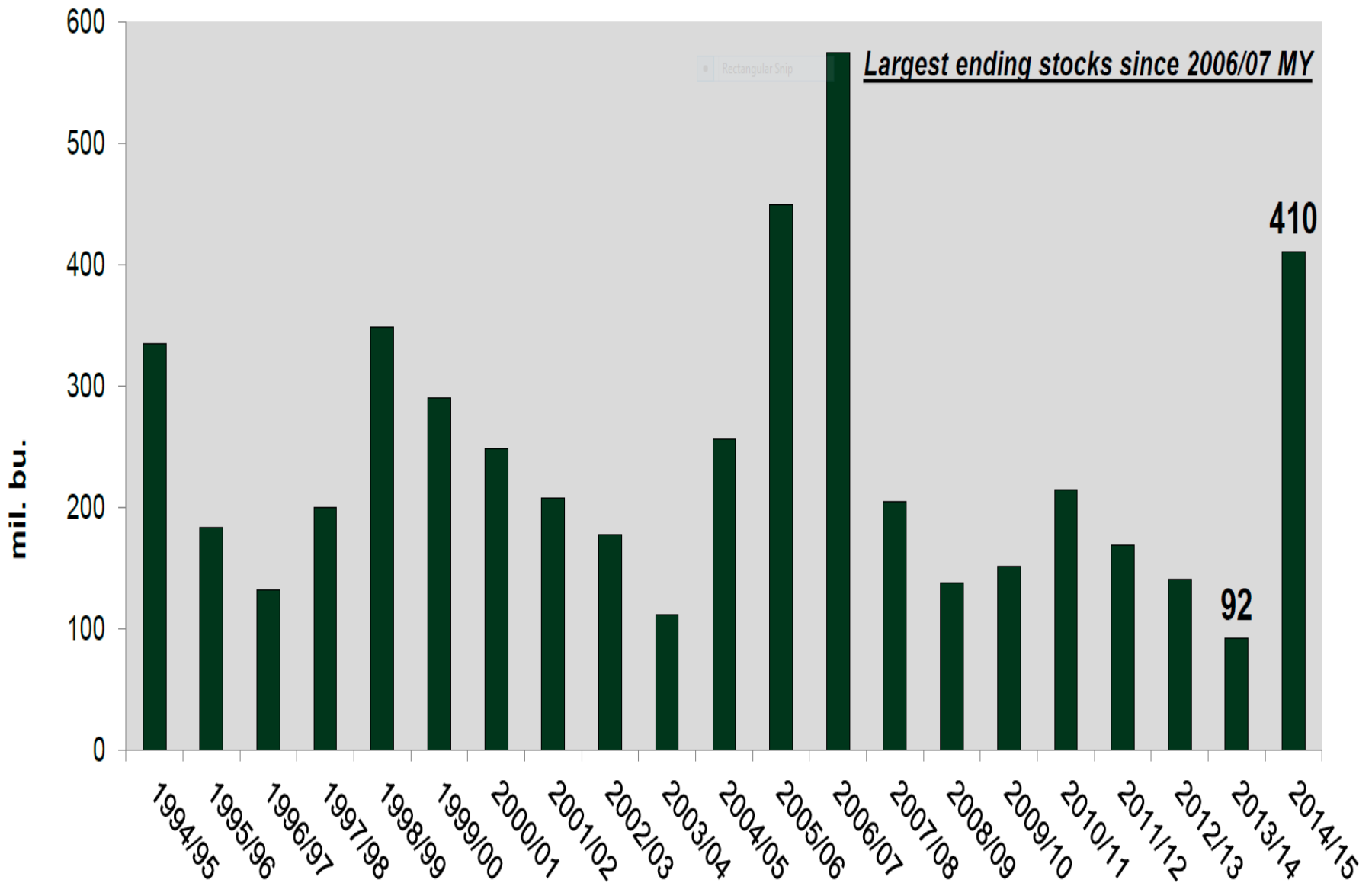
# December 1 Soybean Stocks, 2005/06 to 2014/15



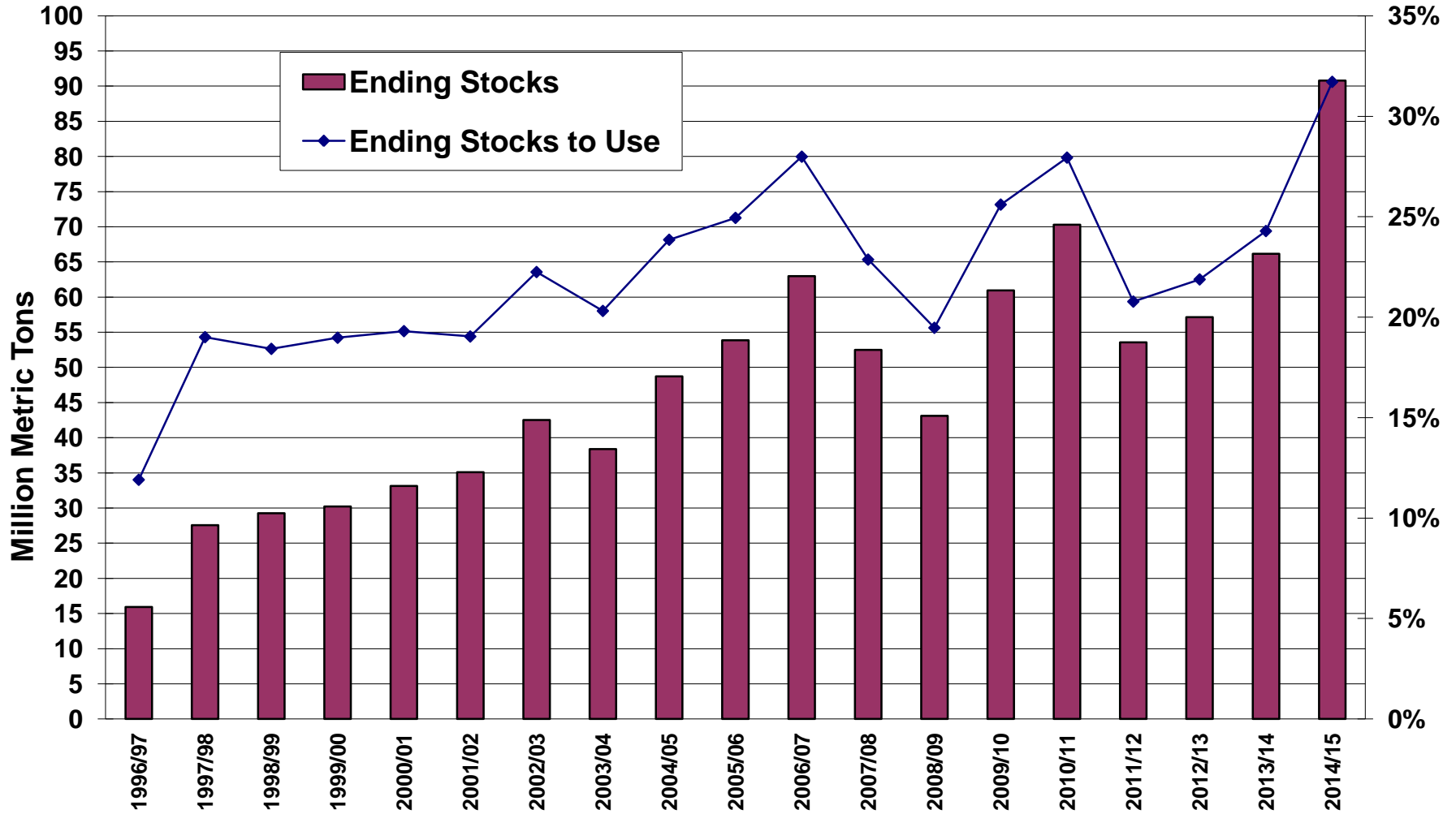
# First Quarter Feed and Residual Use of Soybeans, 2005/06 to 2014/15



# Ending Stocks of U.S. Soybeans



# World Soybean Ending Stocks and Ending Stocks to Use



**2014-15**

**Soybean**

**Balance Sheet**

	2013/14	December	January	Change
Planted Acreage (mil.)	76.8	84.2	83.7	-0.5
Harvested Acreage	76.3	83.4	83.1	-0.3
Yield (bu./ac.)	44.0	47.5	47.8	+0.3

Production (mil. bu.)	3358	3,958	3,969	+11
Beginning stocks	141	92	92	0
Imports	72	15	15	0
<b>Total</b>	<b>3570</b>	<b>4,065</b>	<b>4,076</b>	<b>+11</b>

Crush (mil. bu.)	1734	1,780	1,780	0
Export	1647	1,760	1,770	+10
Seed and feed	97	115	116	+1
<b>Total</b>	<b>3478</b>	<b>3,655</b>	<b>3,666</b>	<b>+11</b>

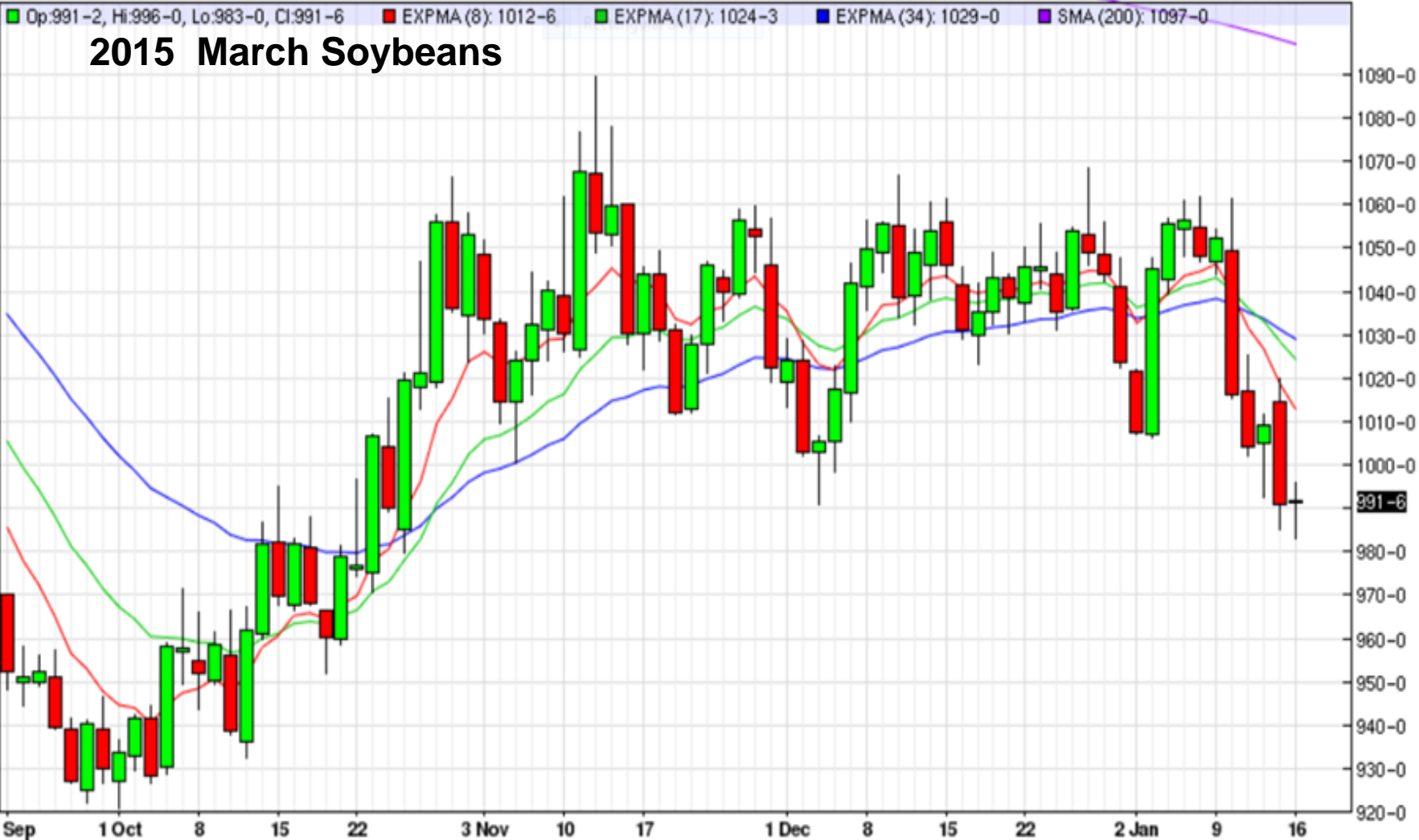
Ending stocks\* 92 410 410 0

Average price\*\* \$13.00 \$10.00 \$10.20 +\$0.20

\*Trade guess: 355 (L) 393 (A) 452 (H)  
\*\*WASDE Price Range \$9.45 to \$10.95

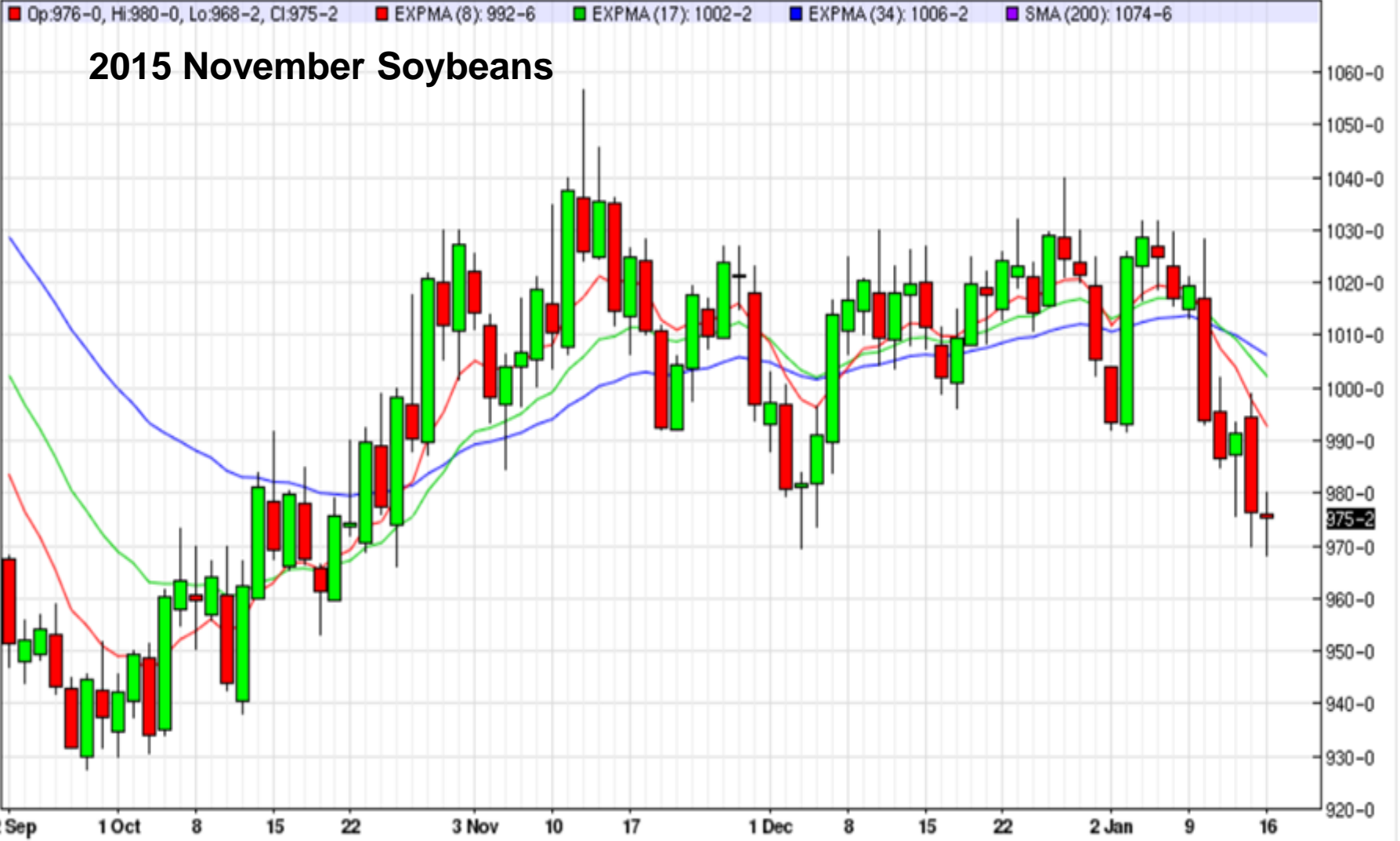
<b>Soybean Balance Sheet</b>			
	<b>2014-15</b>	<b>2015-16 FAPRI</b>	<b>2015-16</b>
<b>Planted Acreage (mil.)</b>	<b>83.7</b>	<b>86.7</b>	<b>88.0</b>
<b>Harvested Acreage</b>	<b>83.1</b>	<b>83.6</b>	<b>84.8</b>
<b>Yield (bu/ac.)</b>	<b>47.8</b>	<b>44.5</b>	<b>44.0</b>
<b>Production (mil. bu.)</b>	<b>3,969</b>	<b>3,720</b>	<b>3,733</b>
<b>Beginning stocks</b>	<b>92</b>	<b>396</b>	<b>410</b>
<b>Imports</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Total</b>	<b>4,076</b>	<b>4,131</b>	<b>4,158</b>
<b>Export (mil. bu.)</b>	<b>1,770</b>	<b>1,723</b>	<b>1,825</b>
<b>Crush</b>	<b>1,780</b>	<b>1,851</b>	<b>1,830</b>
<b>Seed &amp; Feed</b>	<b>116</b>	<b>112</b>	<b>120</b>
<b>Total</b>	<b>3,666</b>	<b>3,686</b>	<b>3,775</b>
<b>Ending stocks</b>	<b>410</b>	<b>445</b>	<b>383</b>
<b>Average price</b>	<b>\$10.20</b>	<b>\$8.76</b>	<b>\$9.25</b>

# ZSH15 - Soybeans - Daily Candlestick Chart





# ZSX15 - Soybeans - Daily Candlestick Chart



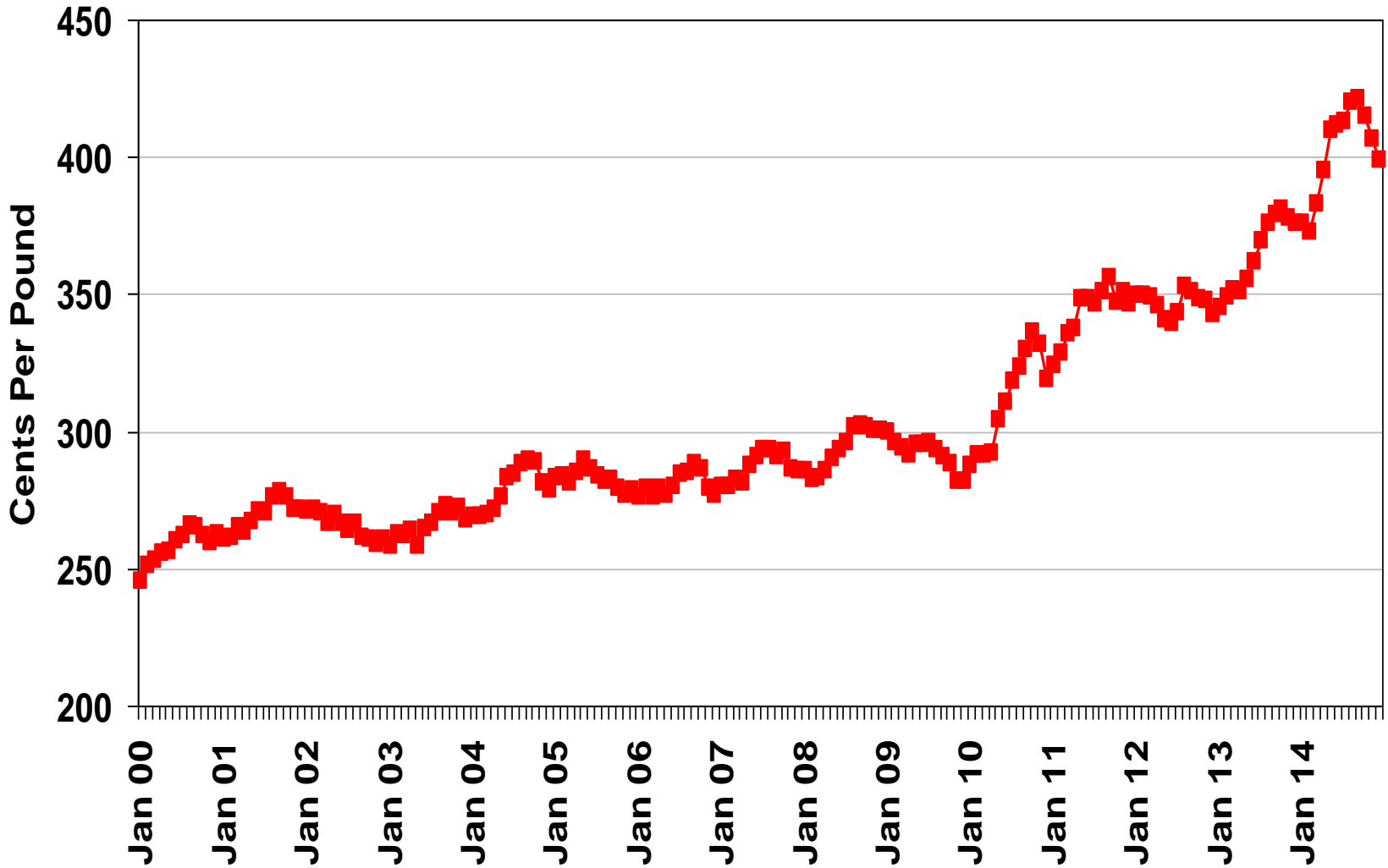


# Hog Outlook

**Ron Plain**

January 21, 2015

# U.S. Retail Pork Prices, 2000-2014



Source: USDA/ERS

# Cost of Slaughter Hog Production, 2000-2015



Source: Iowa State University & University of Missouri

# U.S. Hog Imports from Canada

Head per mo.

800,000

700,000

600,000

500,000

400,000

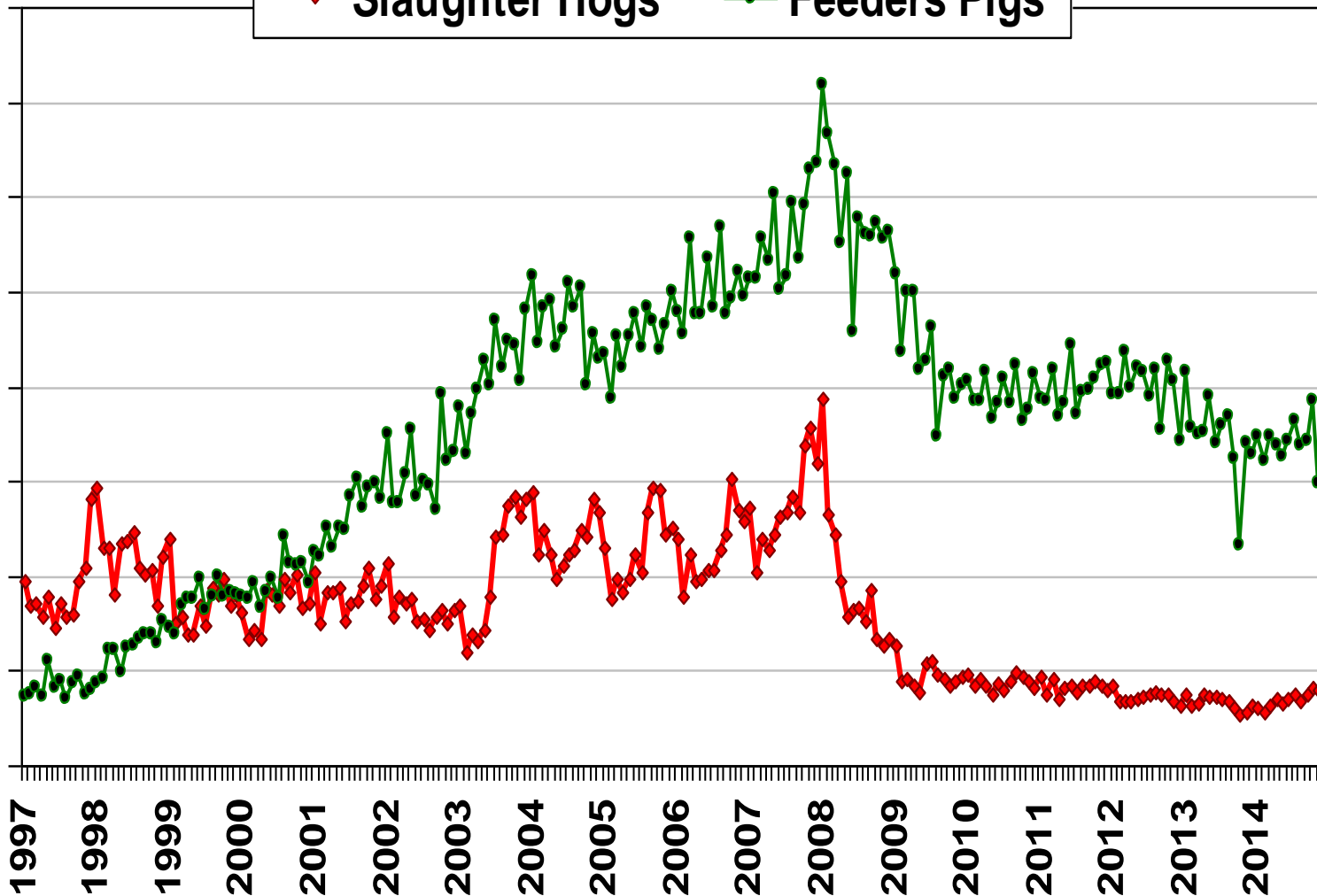
300,000

200,000

100,000

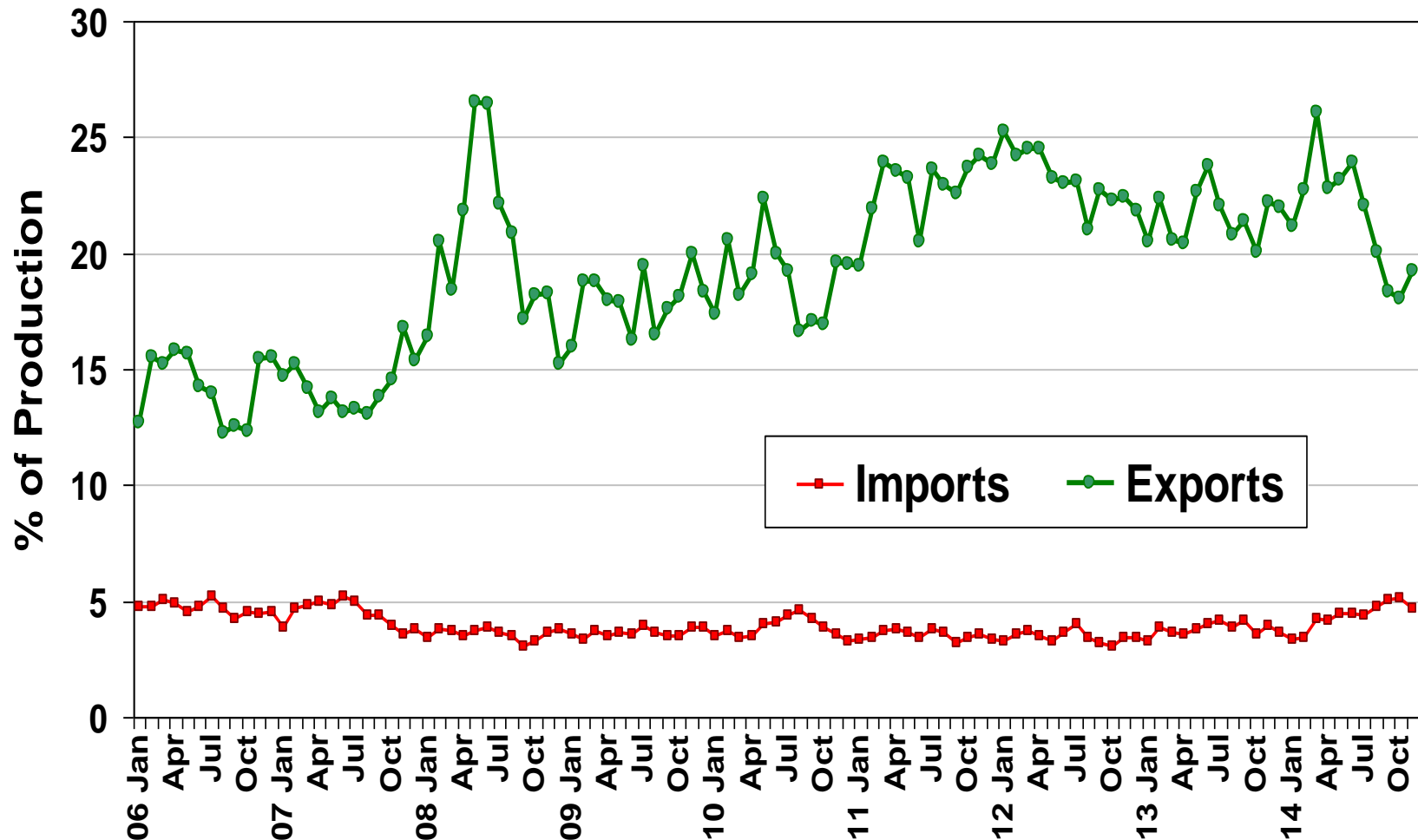
0

◆ Slaughter Hogs    ● Feeders Pigs



# U.S. Pork Imports & Exports as % of U.S. Pork Production, 2006-2014

Monthly Carcass Weight Equivalent

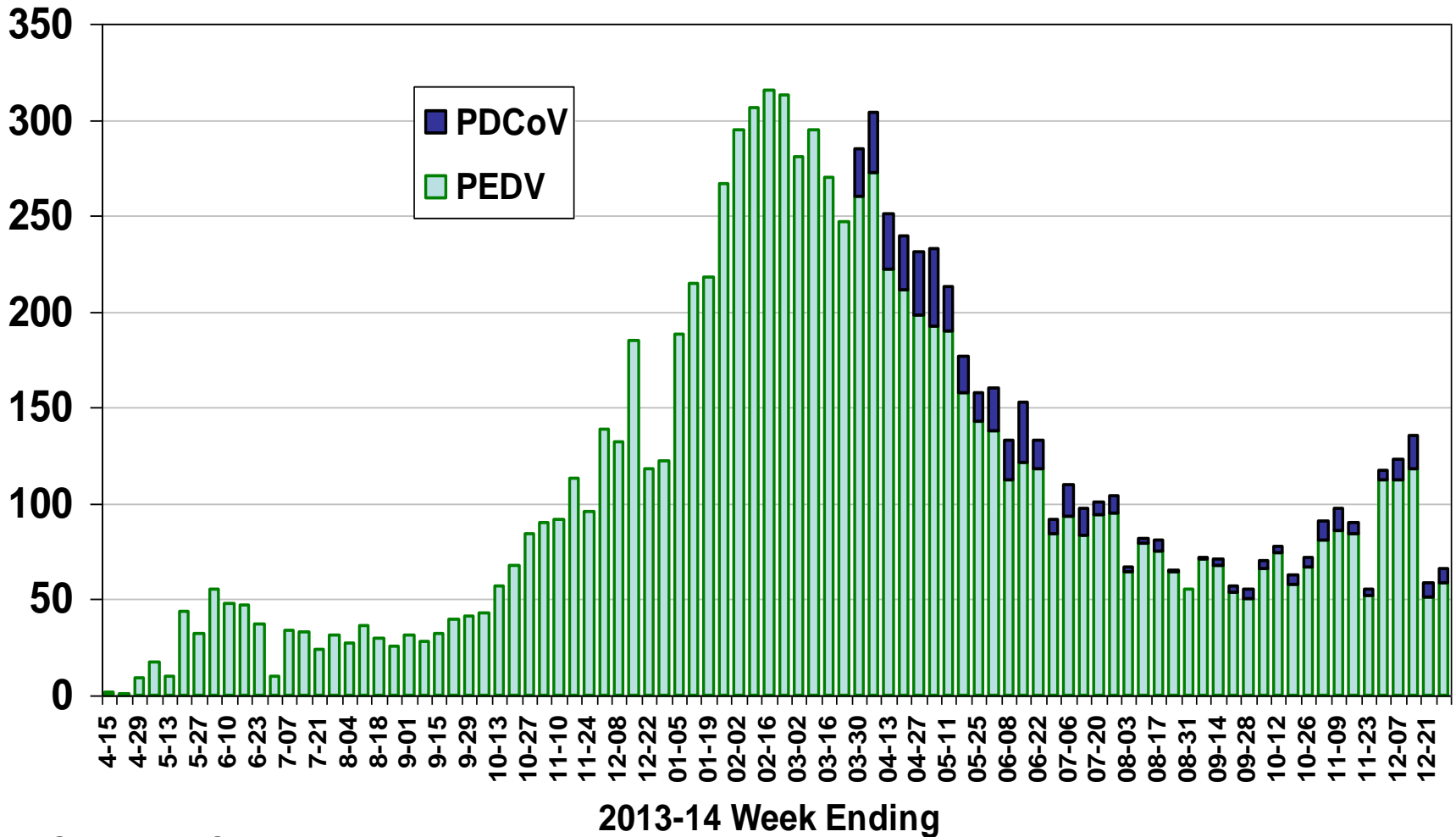


Source: USDA/ERS

# New PEDV & PDCoV Cases by Week

## NAHLN Reports

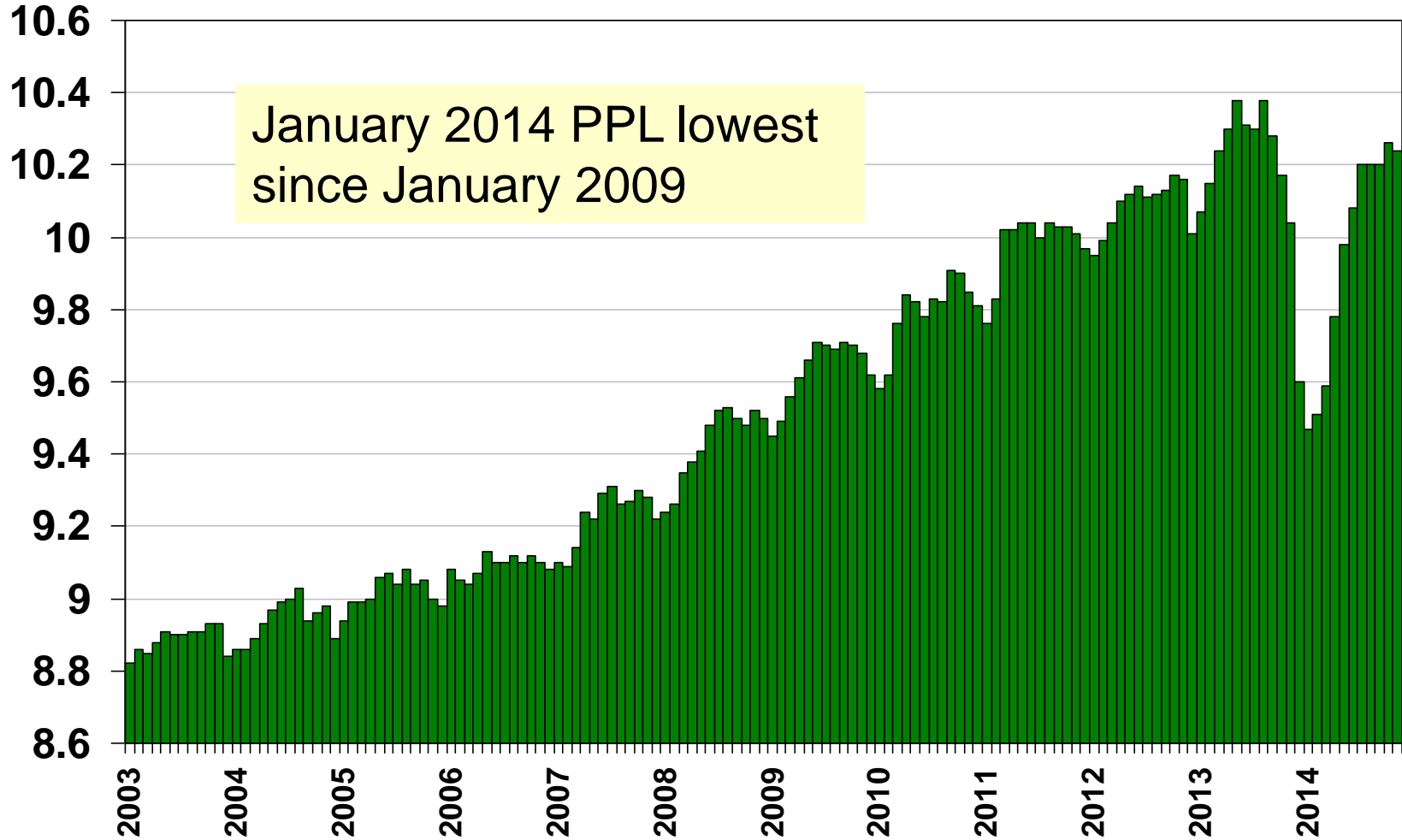
New Cases



Source: AASV & NAHLN

# U.S. Pigs Per Litter by Month

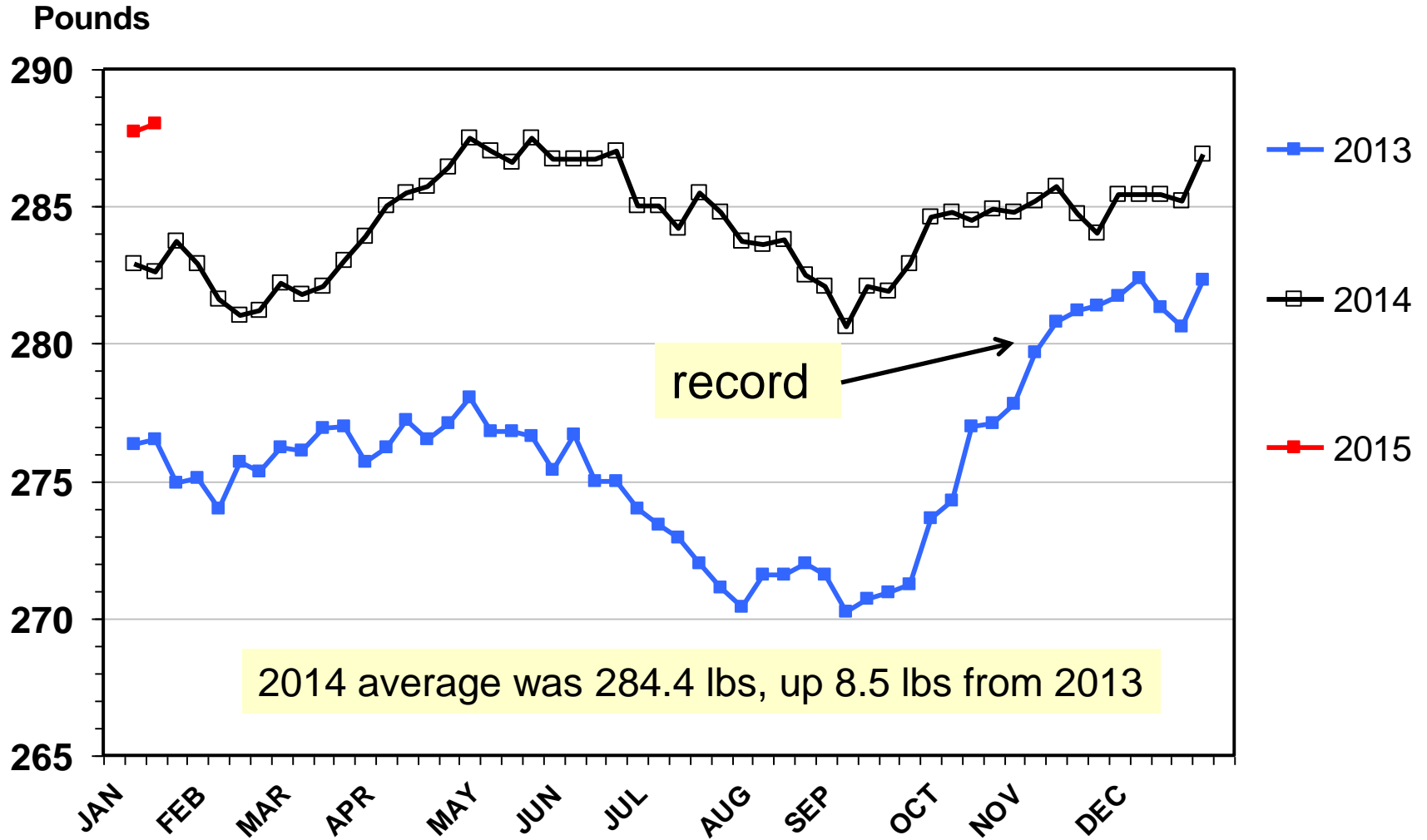
Head





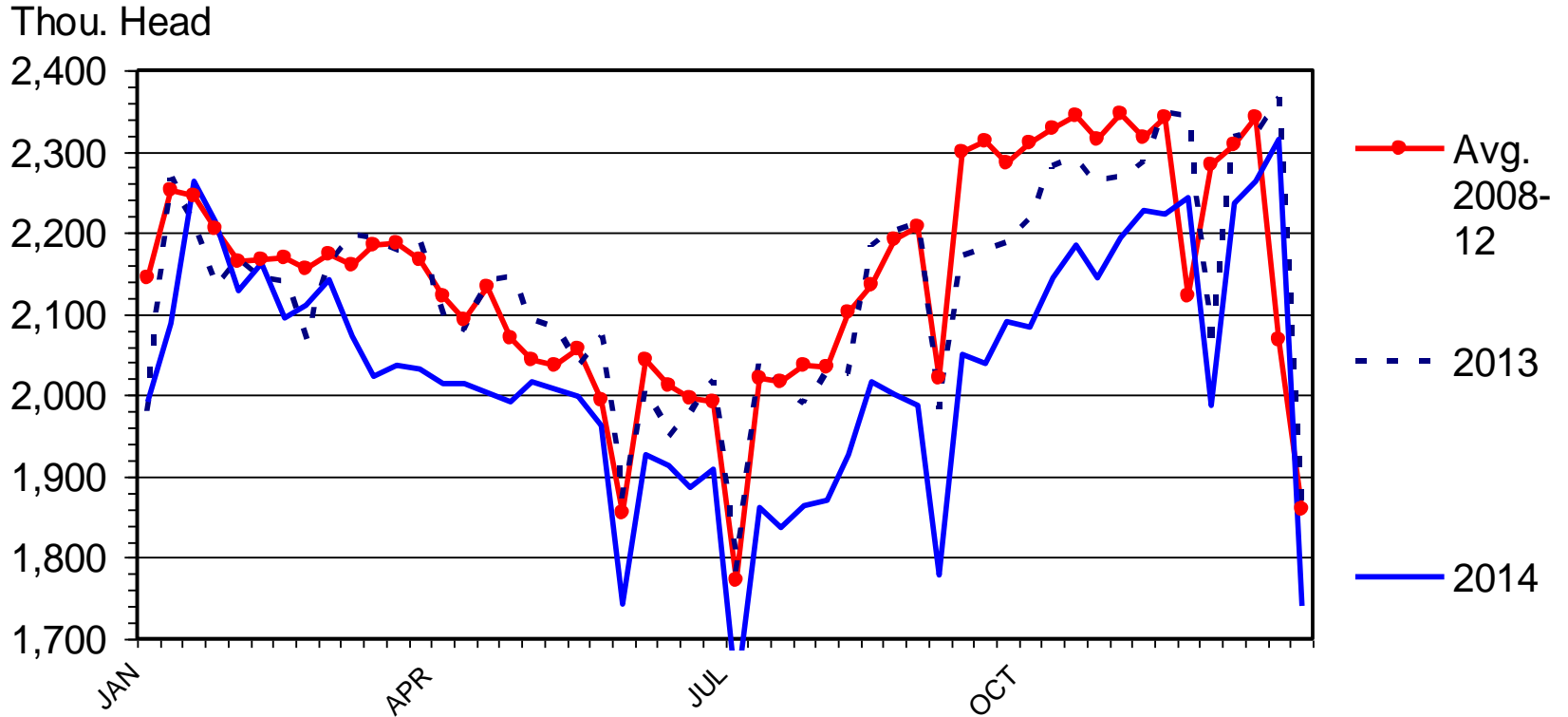
# Barrow & Gilt Live Weights

## Iowa-Minnesota Weekly Average



# HOG SLAUGHTER

## Federally Inspected, Weekly



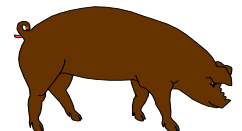
Livestock Marketing Information Center  
 Data Source: USDA-AMS & USDA-NASS

2014 hog slaughter was down 5.0%;  
 pork production is down 1.9%

# December Hog Inventory

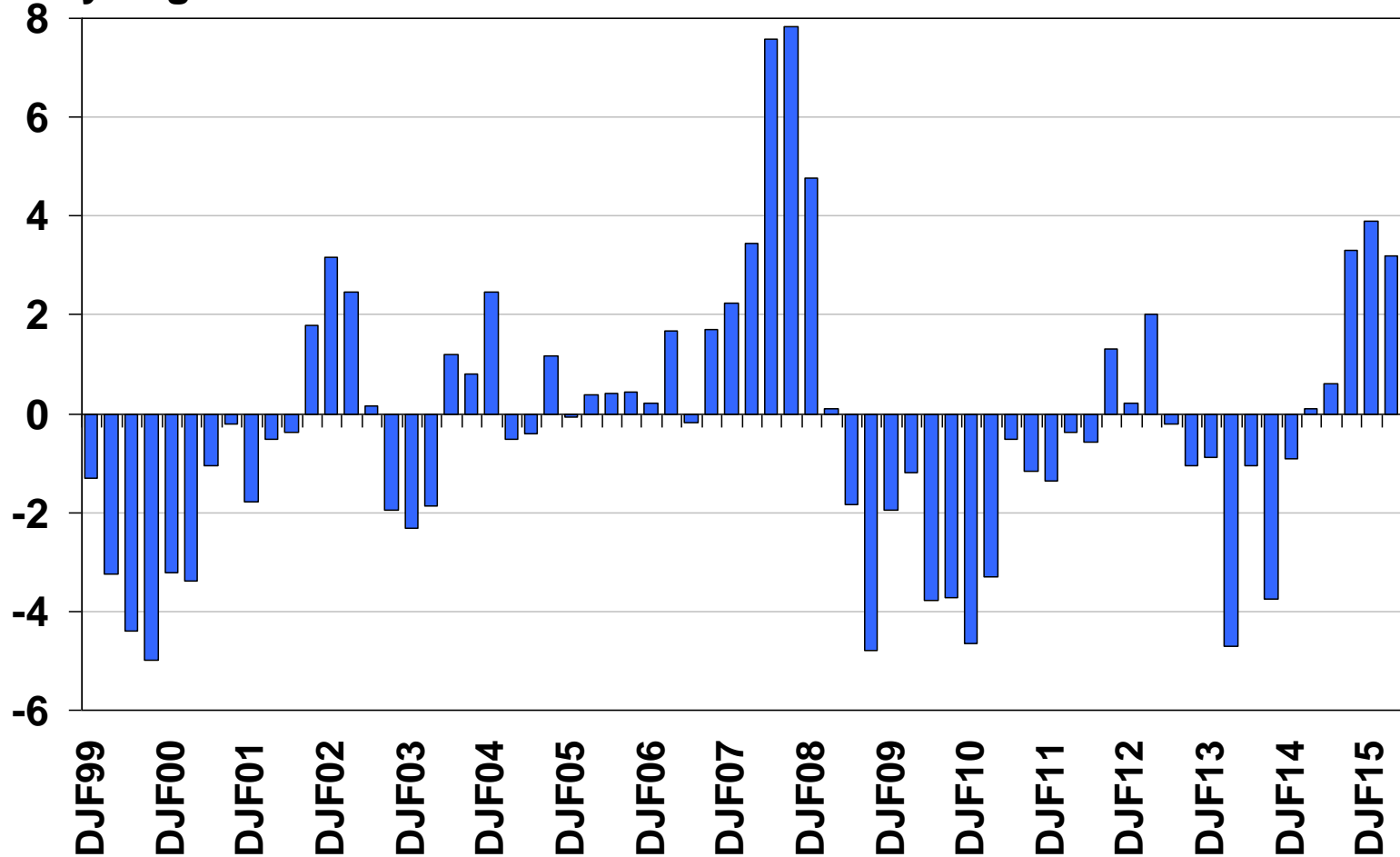
<b>All Hogs &amp; Pigs</b>	<b>102.0</b>
<b>Kept for Breeding</b>	<b>103.7</b>
<b>Kept for Marketing</b>	<b>101.8</b>
<b>Under 50 lbs</b>	<b>103.5</b>
<b>50-119 lbs.</b>	<b>103.3</b>
<b>120-179 lbs.</b>	<b>100.5</b>
<b>180 lbs. and over</b>	<b>98.5</b>
<b>Mar-May Farrowings</b>	<b>100.1</b>
<b>Jun-Aug Farrowings</b>	<b>100.6</b>
<b>Sep-Nov Farrowings</b>	<b>103.3</b>
<b>Dec-Feb Farrowing Intentions</b>	<b>103.9</b>
<b>Mar-May Farrowing Intentions</b>	<b>103.2</b>

Source: USDA NASS



# Sows Farrowed by Quarter - U.S.

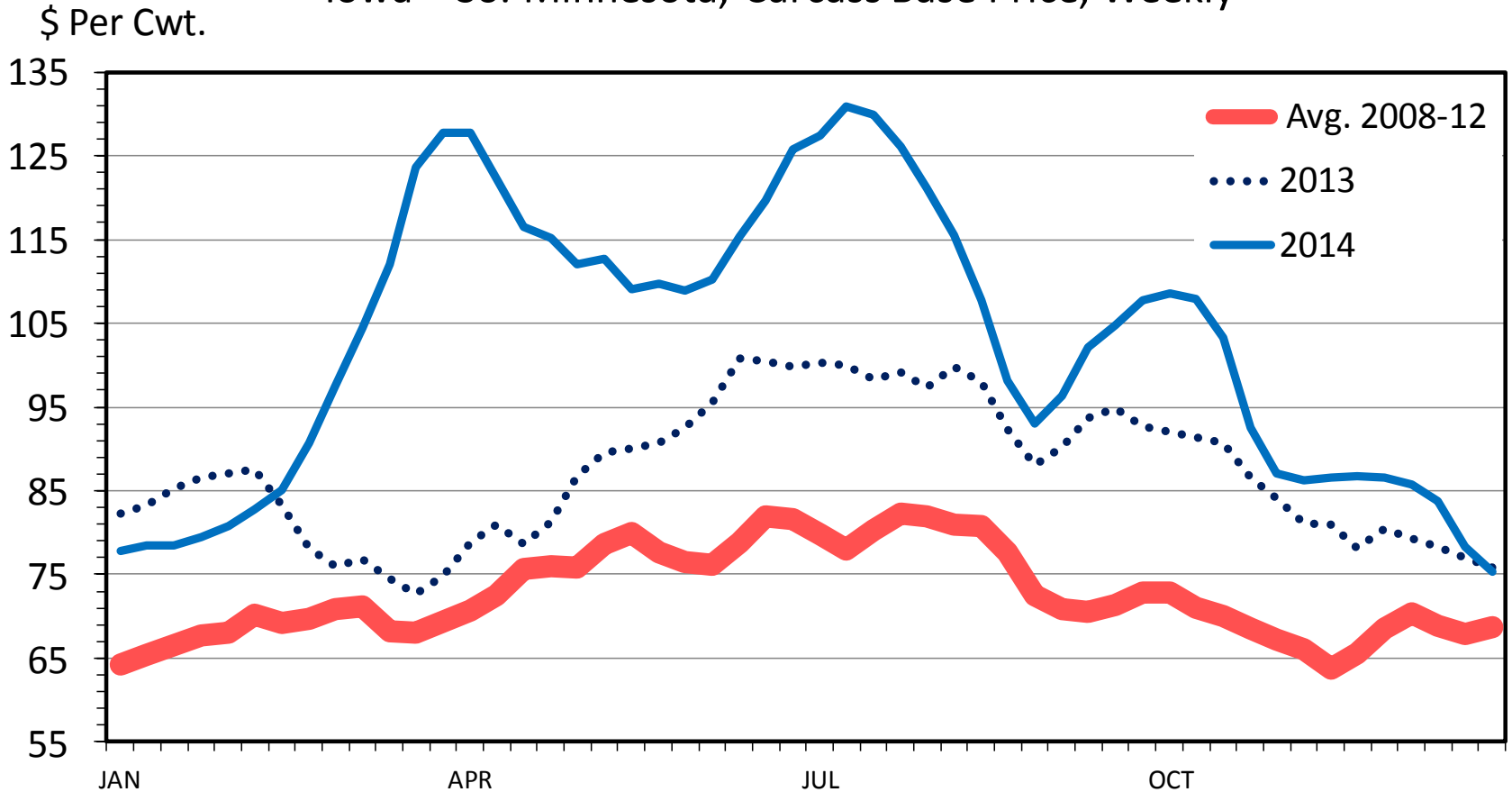
% change  
from yr. ago



Source: USDA/NASS

# BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly



Data Source: USDA-AMS, Compiled & Analysis by LMIC

Livestock Marketing Information Center

H-P-09  
10/06/14

# Commercial Pork Production Forecast

Million Pounds

	<u>2013</u>	<u>2014</u>	<u>2015</u>	-----Change-----	
				<u>2013-14</u>	<u>2014-15</u>
Qtr 1	5,777	5,785	5,935*	+ 0.1%	+2.6%
Qtr 2	5,519	5,504	5,735*	- 0.3%	+4.2%
Qtr 3	5,622	5,423	5,845*	- 3.6%	+7.8%
Qtr 4	6,274	6,140	6,380*	- 2.1%	+3.9%
<b>Year</b>	<b>23,187</b>	<b>22,852</b>	<b>23,895*</b>	<b>- 1.4%</b>	<b>+ 4.6%</b>

**\*forecast**

# Iowa-Minn Hog Price Forecast

Negotiated Base Price Per Carcass Hundredweight

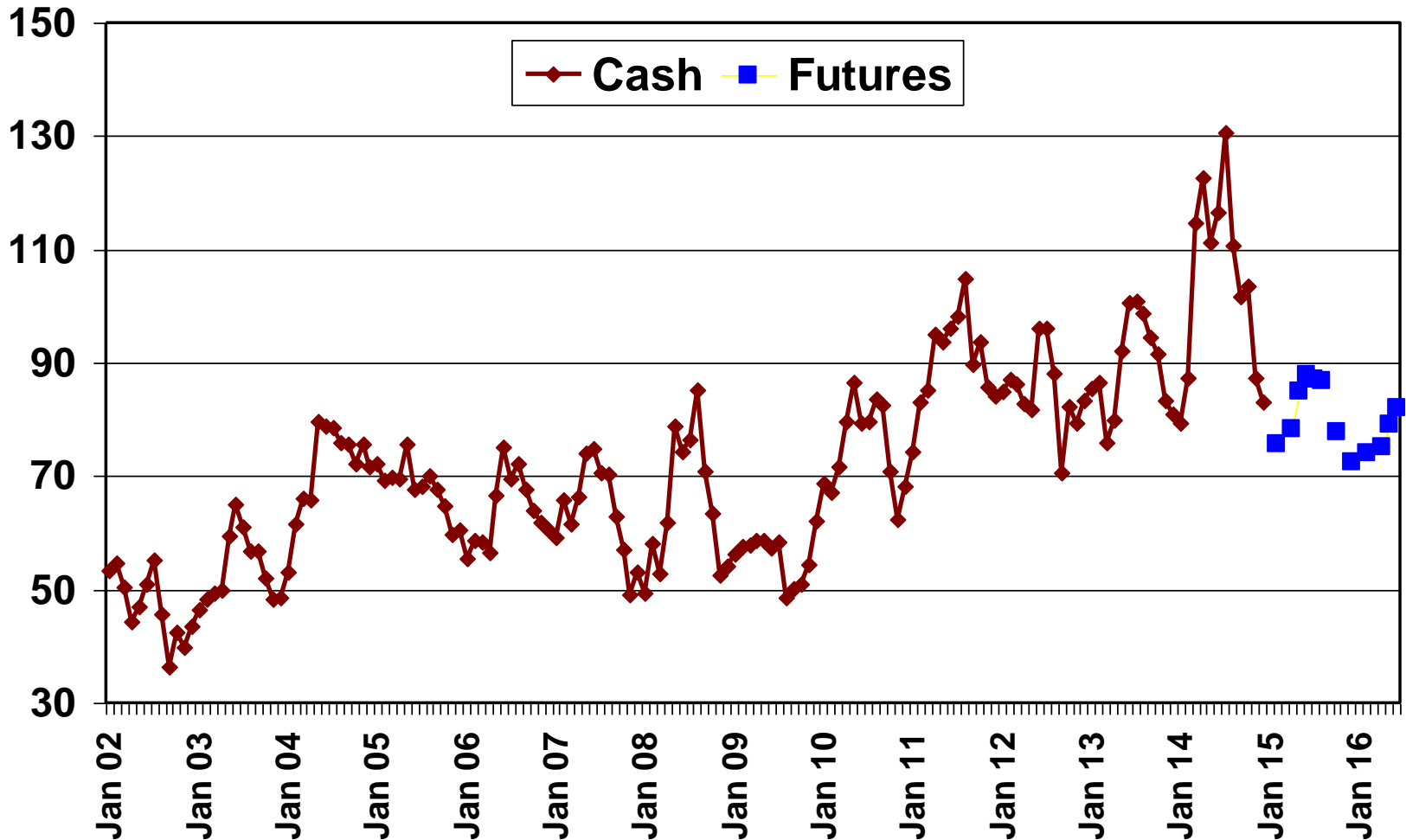
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Qtr 1	\$84.78	\$80.17	\$ 95.15	\$80-84*
Qtr 2	\$85.45	\$89.33	\$115.67	\$88-92*
Qtr 3	\$83.15	\$95.36	\$111.79	\$87-91*
Qtr 4	\$79.93	\$82.36	\$ 88.78	\$74-78*
<b>Year</b>	<b>\$83.36</b>	<b>\$86.87</b>	<b>\$102.85</b>	<b>\$82-86*</b>

\*forecast price – prior day purchased

# Net Slaughter Hog Price

## Monthly Average 2002-2014

\$ Per Cwt.

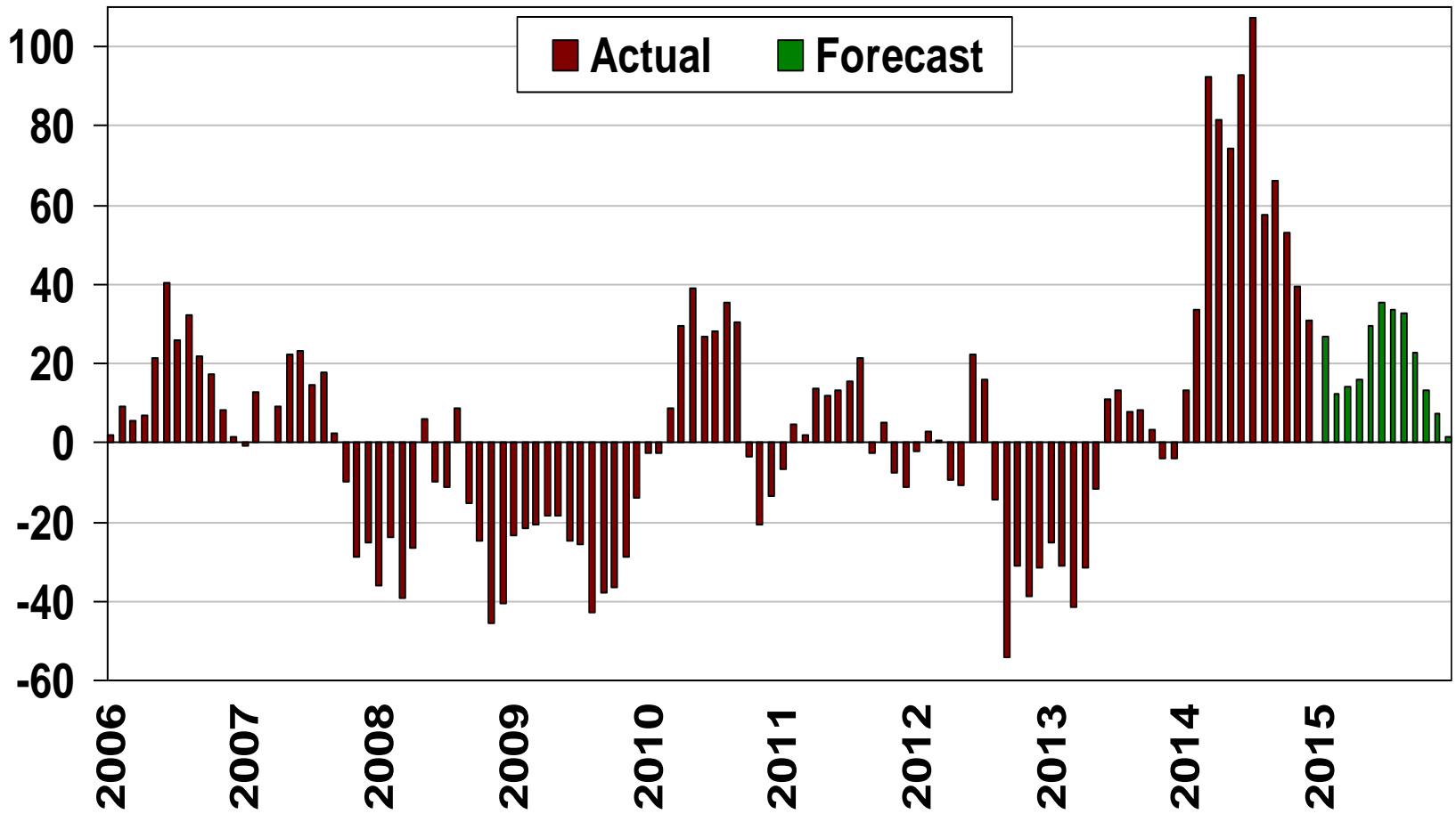




# Iowa Farrow to Finish Profits, 2006-2015

Iowa State University Calculations

\$ Per Head



Forecast Source: Ron Plain, University of Missouri



# **Wheat Outlook**

**David Reinbott**

January 21, 2015

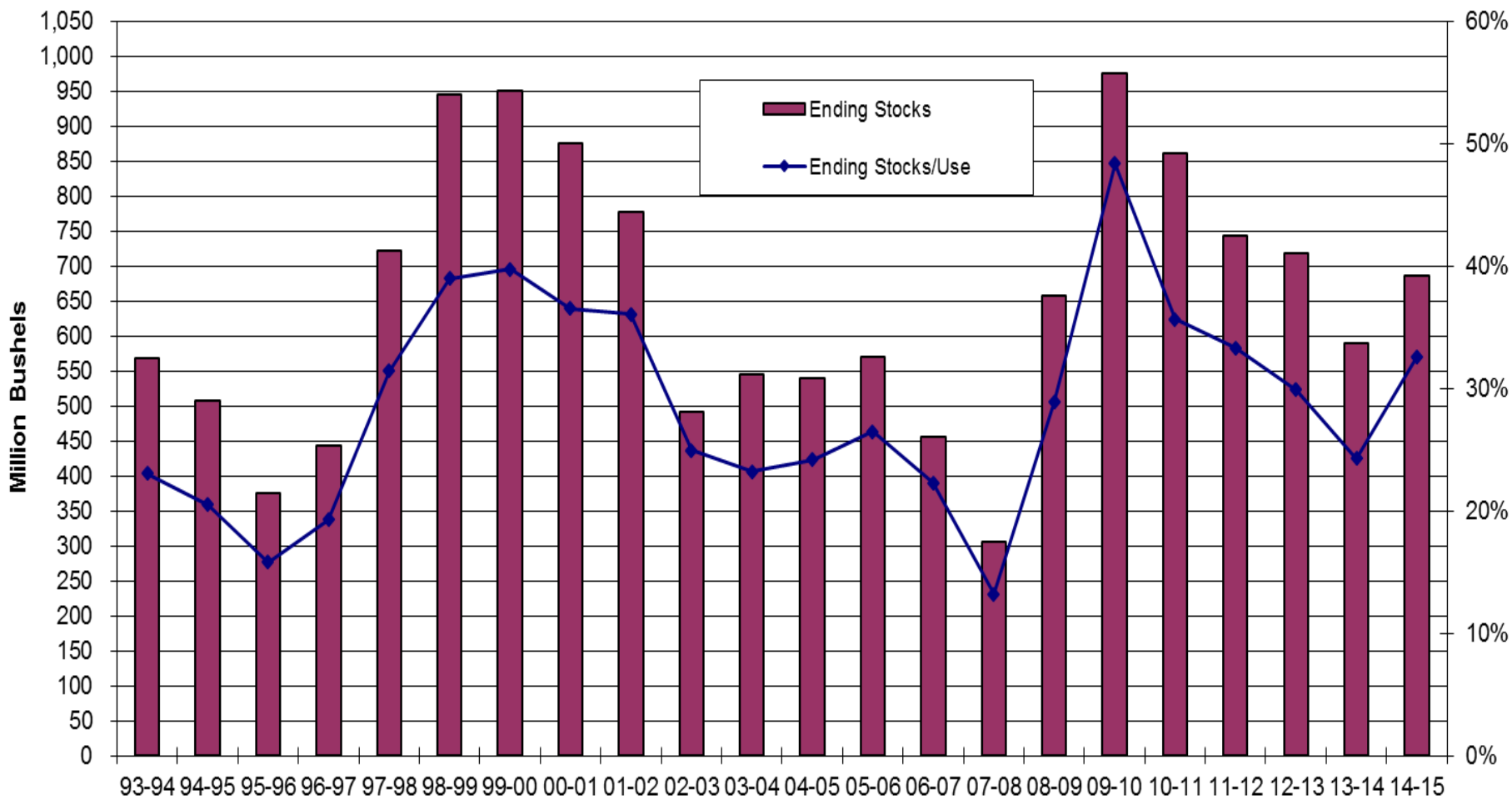
## USDA Reports on January 12

- Qtrly stocks 1.52 bil bu, 25 mil bu  avg trade est.
- Winter acres 40.5 mil ac down 2.0 from last yr and 2.0 million acres below trade estimates.
- Soft red winter – 7.5 mil ac down 1.0 from last yr. and 0.5 mil. ac. below trade estimates.
- Ending stocks up 33 mil bu at 687 mil bu. Feed down 30 mil bu.
- World ending stocks 196.0 mil tons, up 1.1 mt.
- Russia, U.S. winter wheat condition

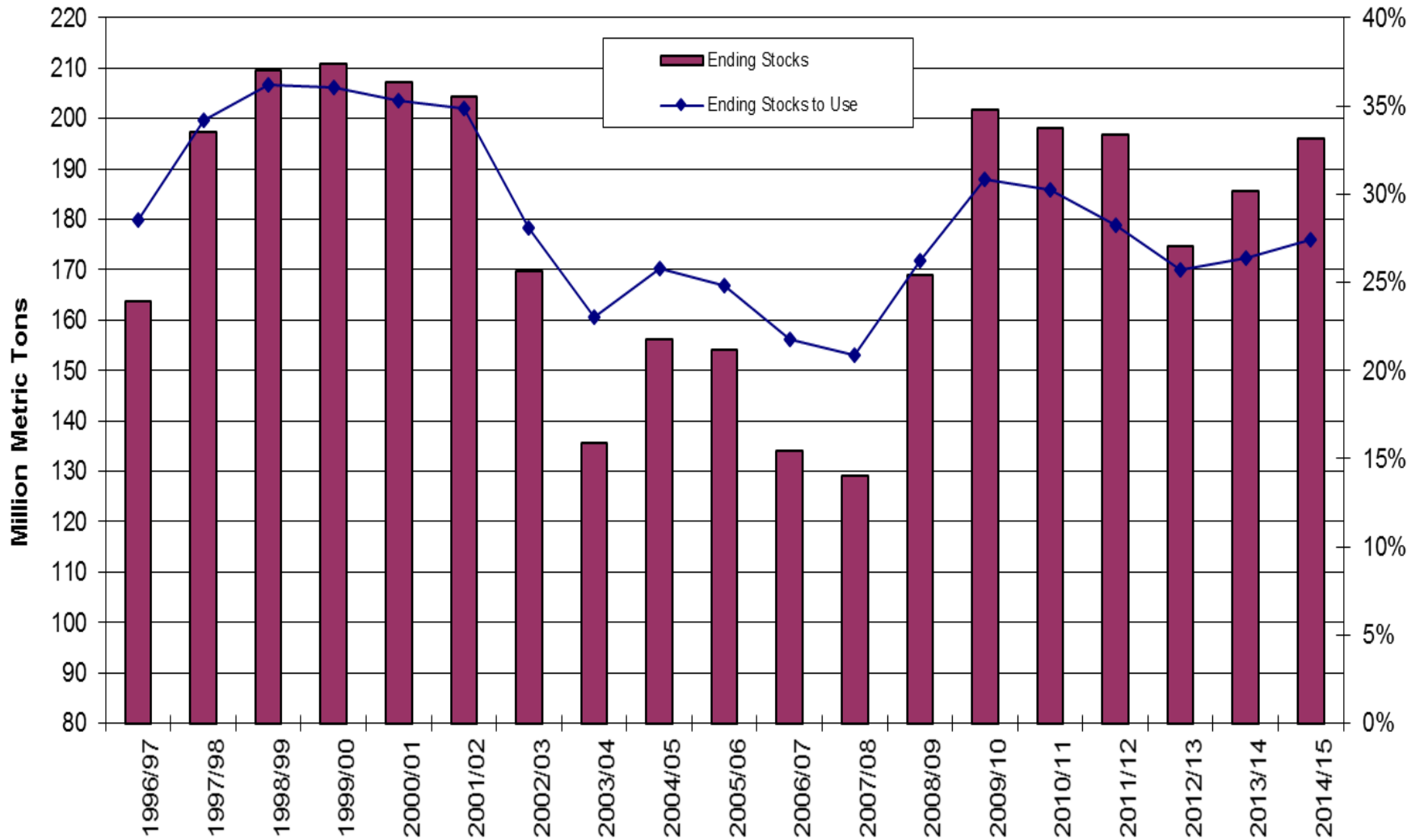
# Supply & Demand: Wheat

	2012-13	2013-14	2014-15
Acres Planted (mil.)	55.3	56.2	56.8
Avg. yield/acre (bu.)	46.2	47.1	43.7
<b>Supply:</b> (bil. bu.)			
Beg. Stocks	0.743	0.718	0.590
Production	2.252	2.135	2.026
<b>Total Supply</b>	<b>3.118</b>	<b>3.021</b>	<b>2.796</b>
<b>Use:</b>			
Feed	0.370	0.226	0.150
Food & Seed	1.018	1.029	1.034
Exports	1.012	1.176	0.925
<b>Total Use</b>	<b>2.400</b>	<b>2.4321</b>	<b>2.109</b>
Ending Stocks	0.718	0.590	0.687
Avg. price/bu.	\$7.77	\$6.87	\$6.10

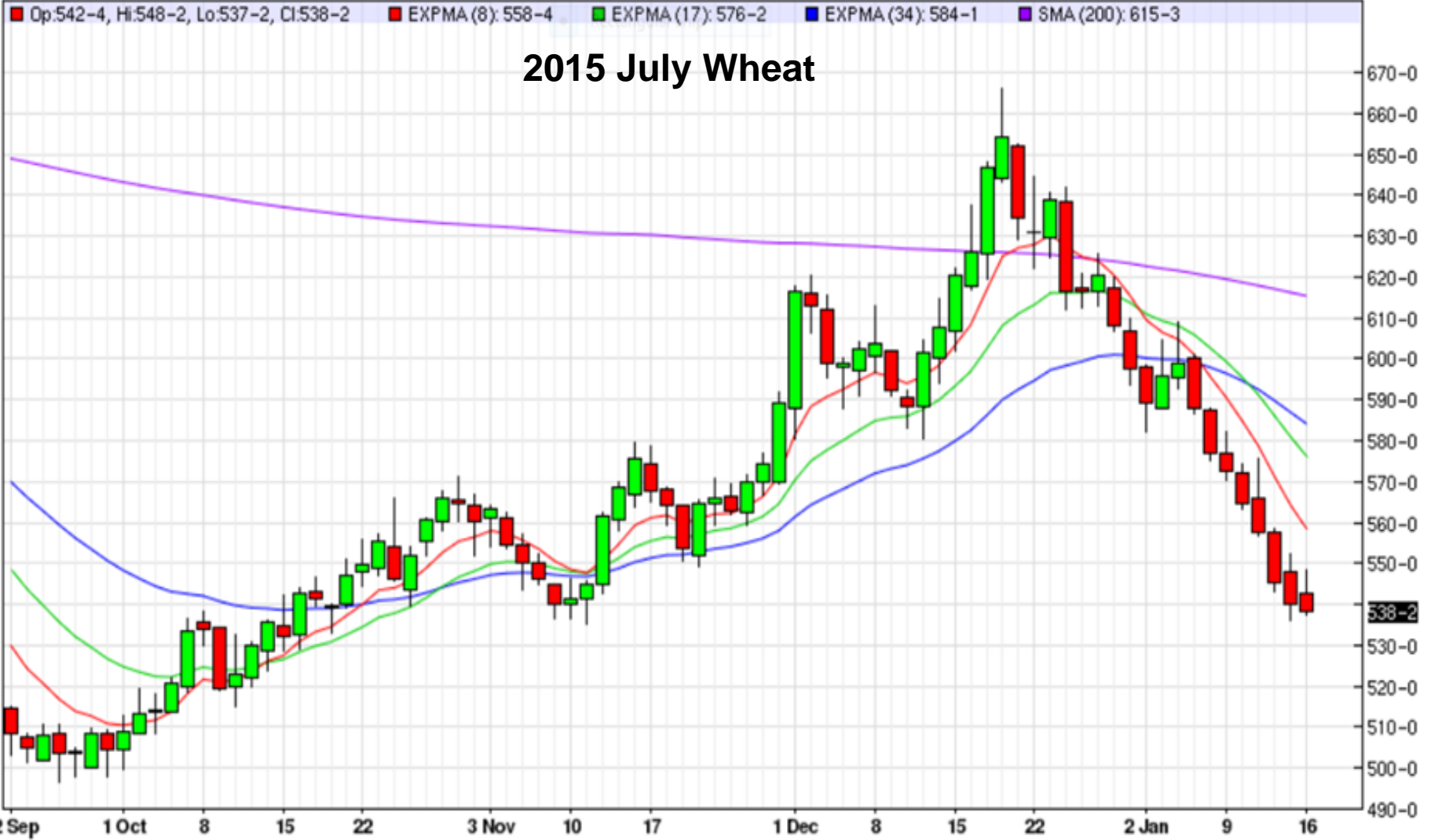
## Wheat Stocks and Ending Stocks to Use



# World Wheat Ending Stocks and Ending Stocks to Use



# ZWN15 - Wheat - Daily Candlestick Chart





# **Dairy Outlook**

**Joe Horner**

**January 21, 2015**

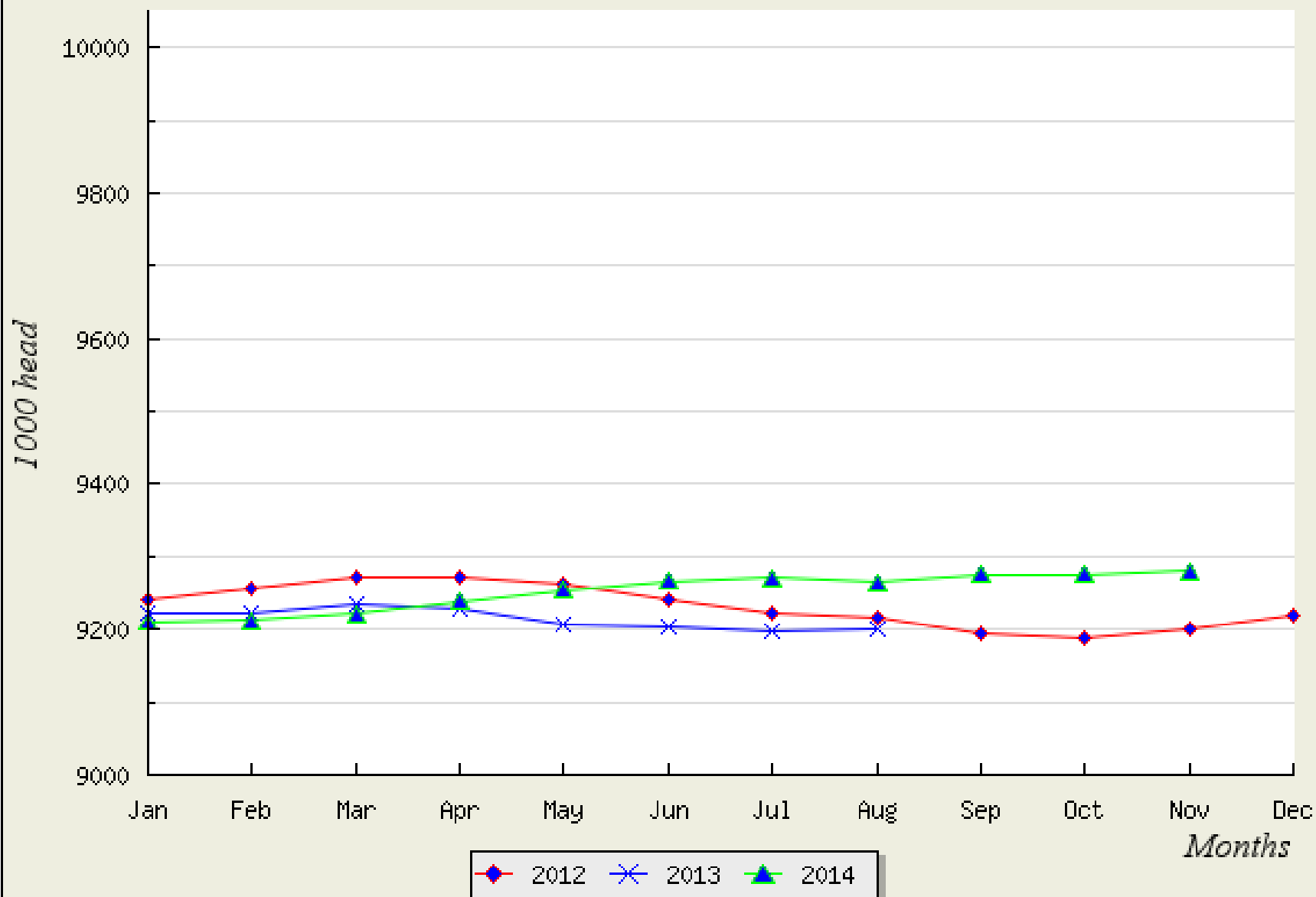


# Dairy Outlook in a Nutshell

- **Supply** **Bearish**
  - US cow numbers – rising slowly 0.9% (Dec 2014 year over year)
  - US milk per cow – rising 2.4% (Dec 2014 year over year)
  - US milk production – rising 3.4%
  - Concerns about where to go with spring flush milk
- **Demand** **Bearish**
  - Domestic – Product pipeline refilling
  - Exports – NZ up 3.8% thru Dec, strong \$ limits exports
  - Global – dairy product prices stabilizing
- **Outlook** **Bearish**
  - Margins squeezed till milk supply adjusts
  - Cull cow prices vs milk prices dictate length of low prices

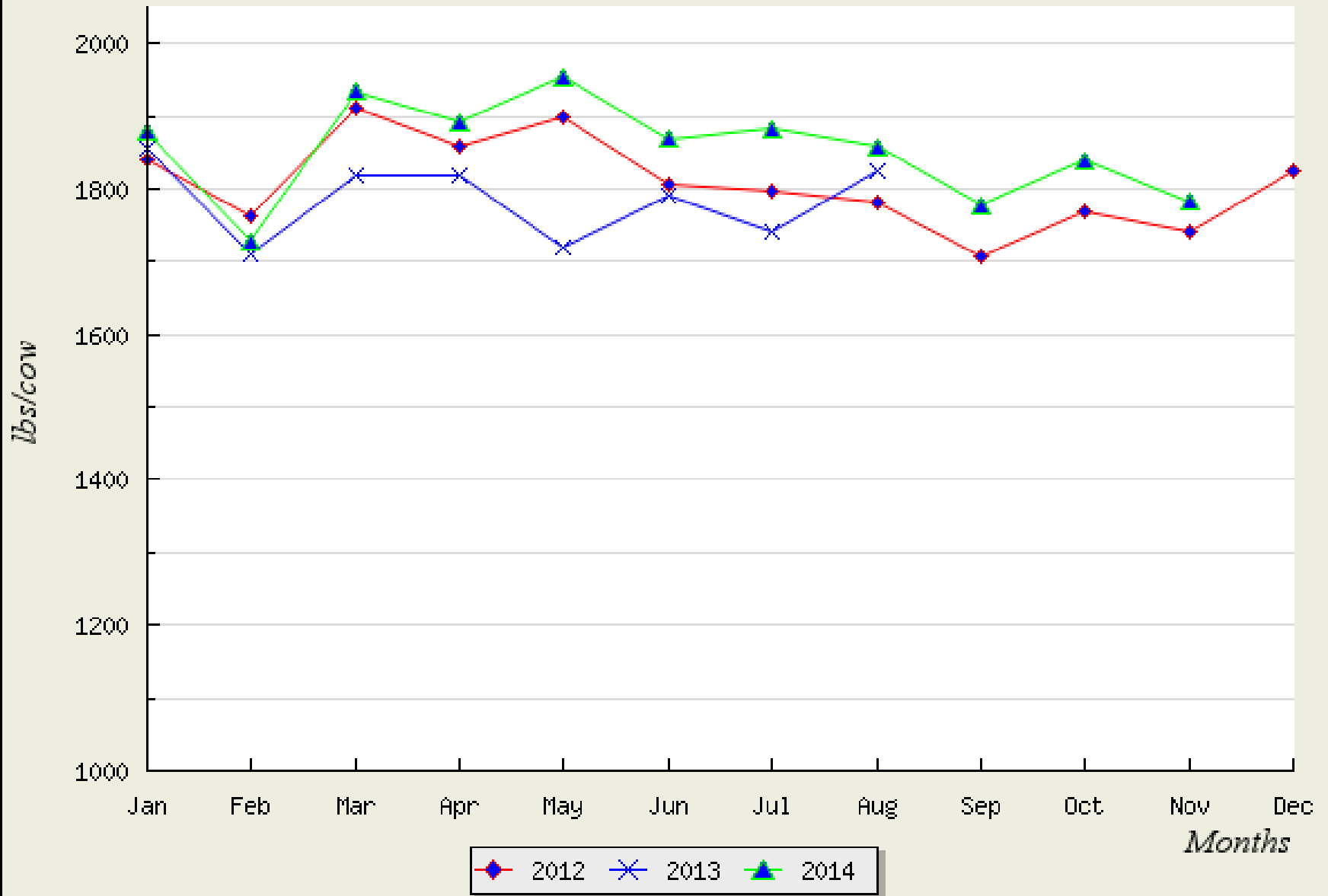
# Milk Cows on Farm

Area: US



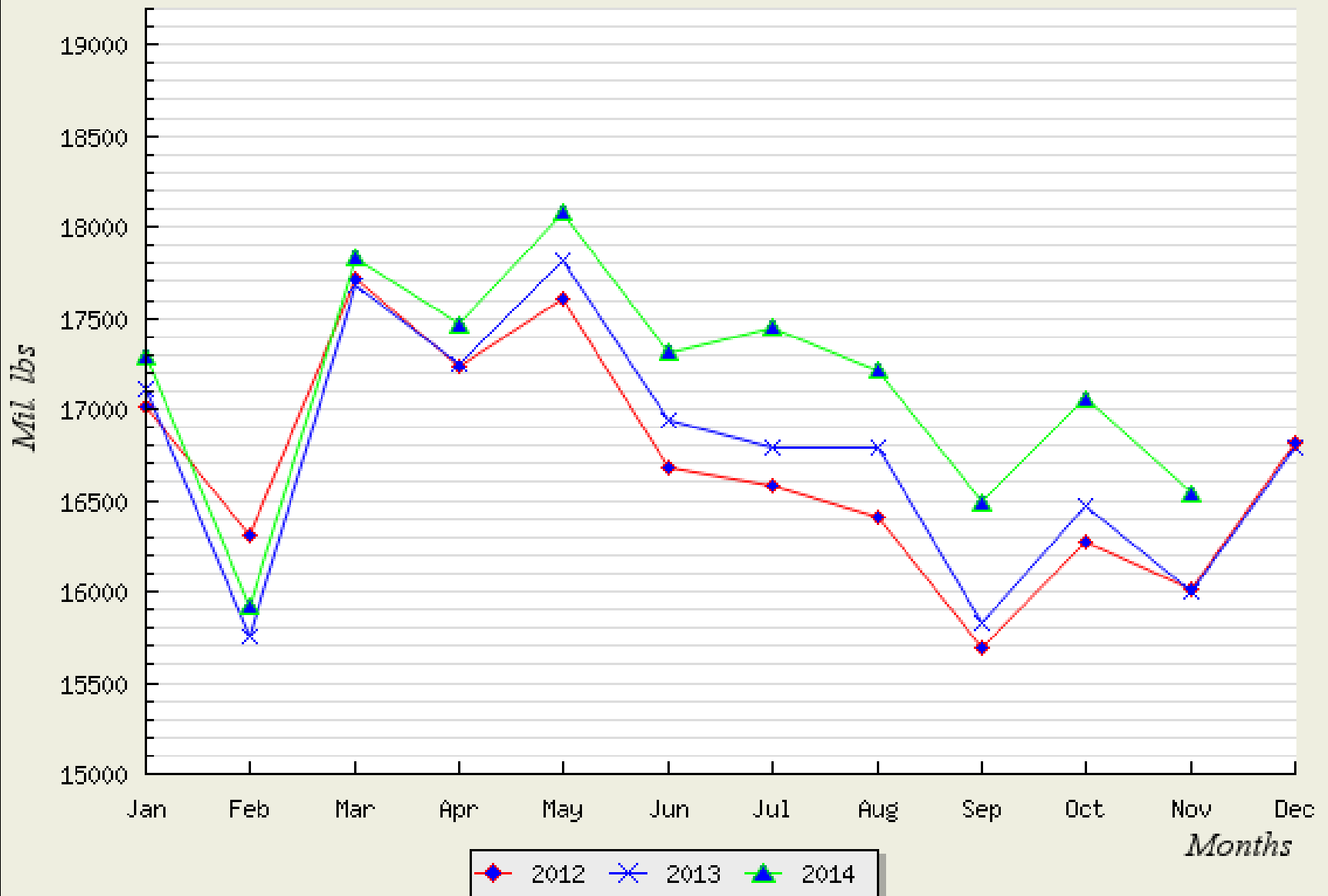
# Milk Prod. Per Cow

Area: US

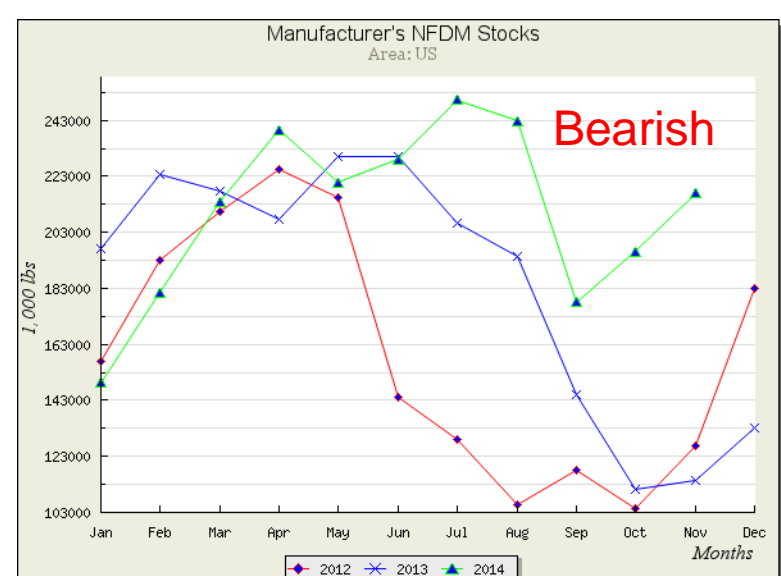
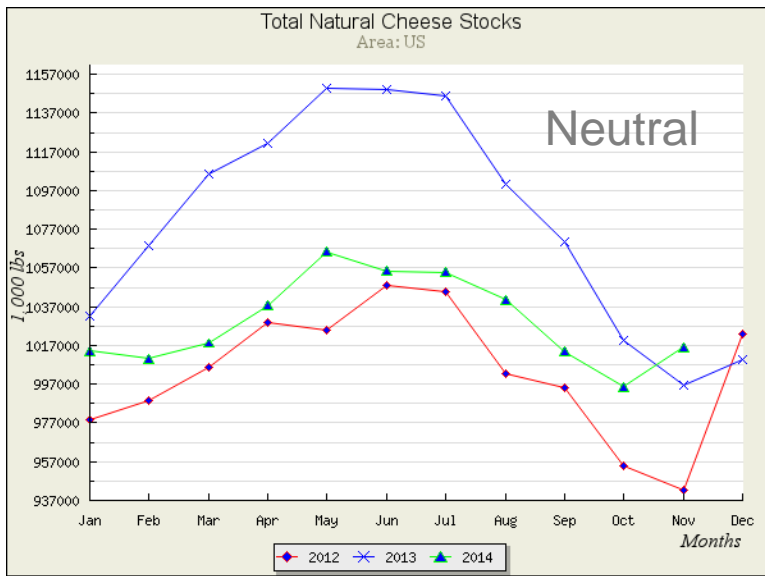
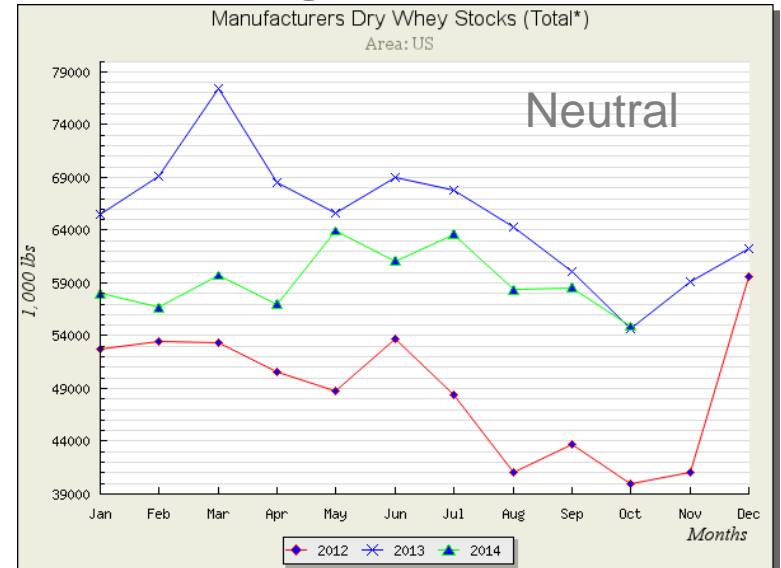
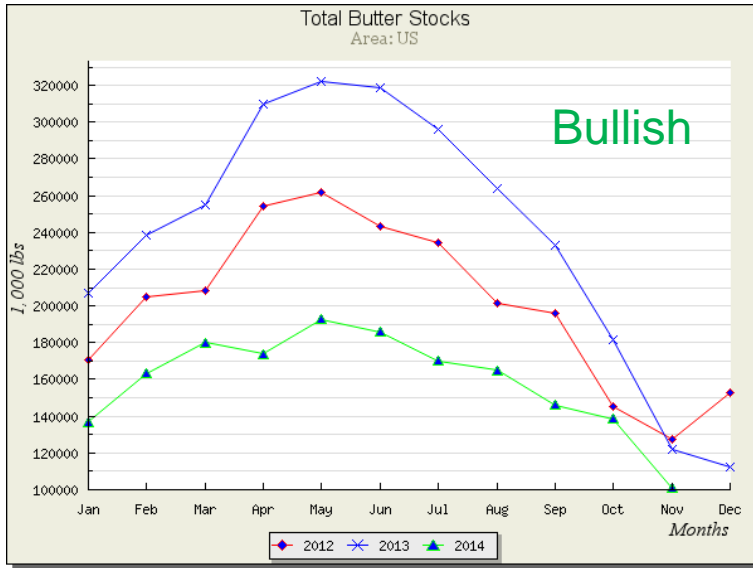


# Milk Production

Area: US

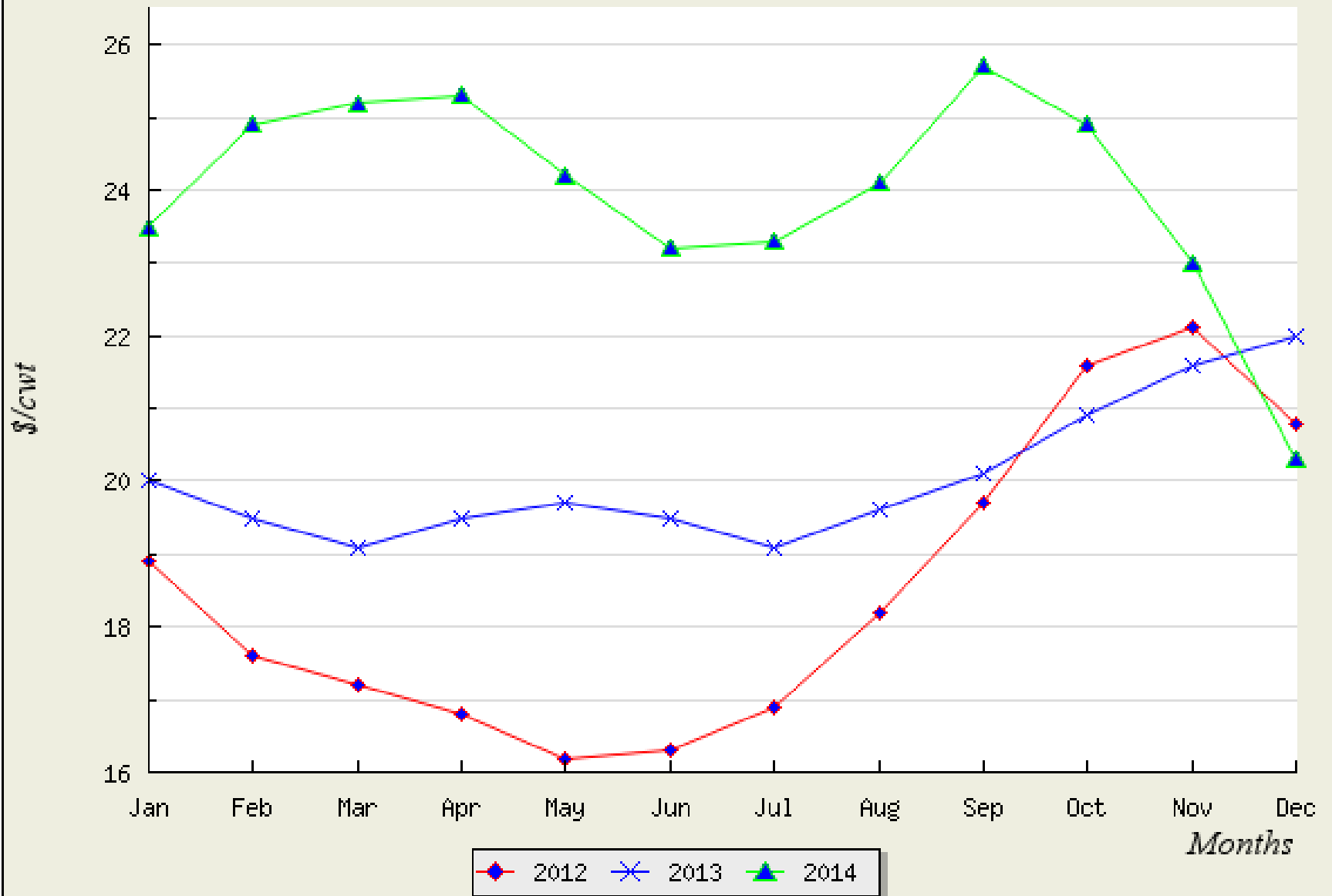


# Stocks – Rising



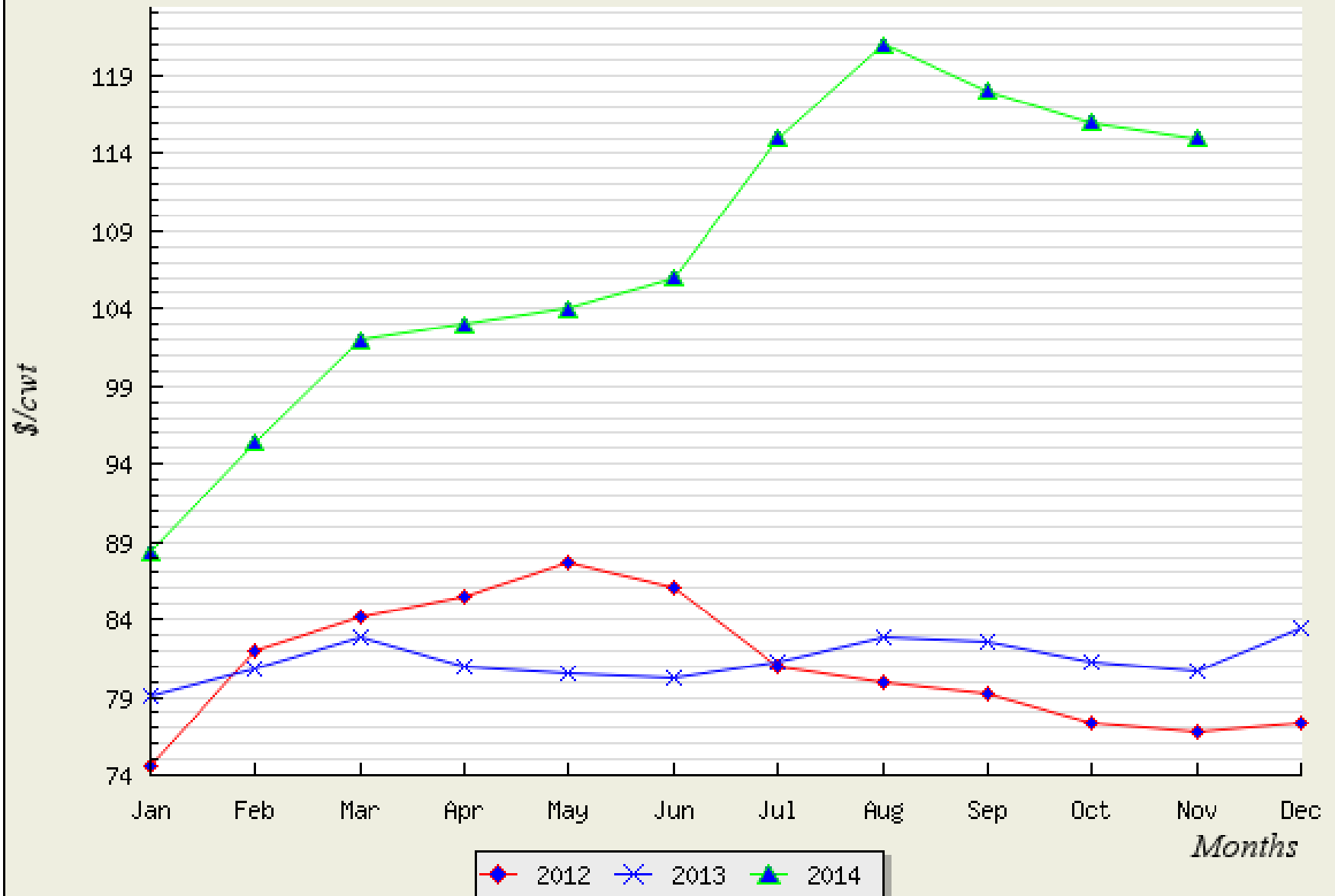
# All Milk Price

Area: US



# Dairy Cow Slaughter Price

Area: US



# USDA Margin Protection Program

MPP Signup	Missouri	USA
Signed up	70%	50%
> \$4.00 margin protection	79%	55%

MPP LGM

## Margin Protection Program Decision Tool

[www.DairyMarkets.org](http://www.DairyMarkets.org)

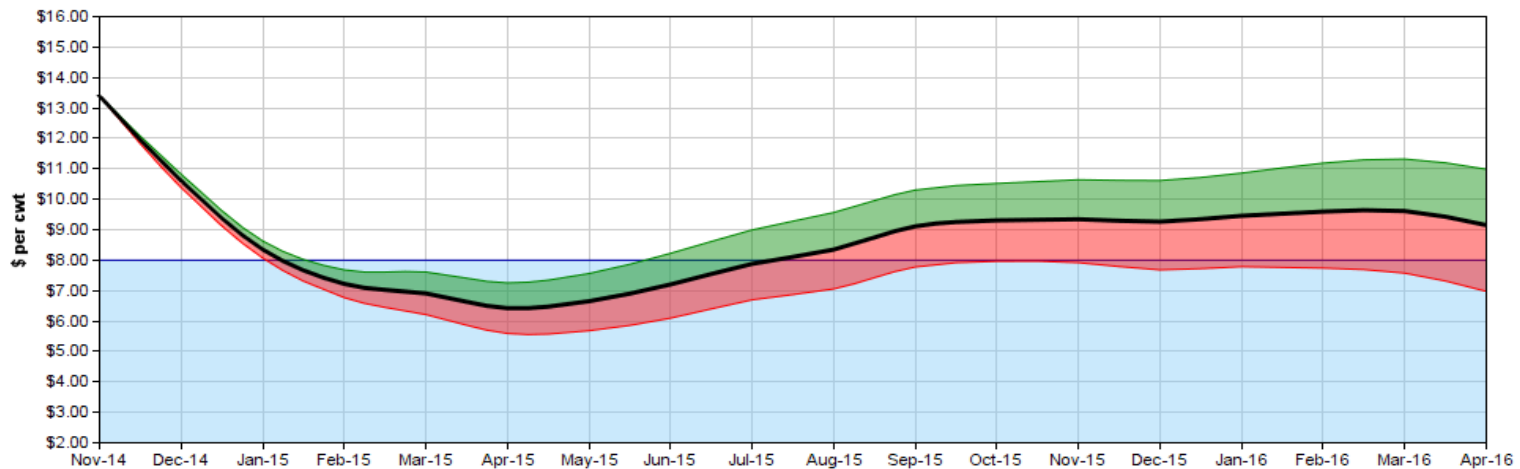
Farm Name:  Coverage Year:  Actual Production History:  lbs

Forecast Margin

Select Coverage

Probability Table  Forecast Graph

Include Actual Margins



The colored bands show the middle 50% probability interval for forecast margins. There is a 25% chance that the margin could be above the green band and a 25% chance that the margin could be below the red band. The graph data and probabilities are calculated from futures market

Margin Level	Nov-Dec 2014	Jan-Feb 2015	Mar-Apr 2015	May-Jun 2015	Jul-Aug 2015	Sep-Oct 2015	Nov-Dec 2015	Jan-Feb 2016	Mar-Apr 2016
Expected	\$12.0	\$7.78	\$6.66	\$6.93	\$8.11	\$9.21	\$9.30	\$9.52	\$9.38

[http://www.fsa.usda.gov/FSA/pages/content/farmBill/fb\\_MPPDTool.jsp](http://www.fsa.usda.gov/FSA/pages/content/farmBill/fb_MPPDTool.jsp)



# Dairy Price Outlook

	1 <sup>st</sup> Quarter 2014	2 <sup>nd</sup> Quarter 2015	2015
<b>USDA – All Milk Price</b> <i>December 16, 2014</i>	<b>\$20.00- \$20.50</b>	<b>\$17.00- \$17.80</b>	<b>\$18.45- \$19.25</b>
<b>CME Group Futures Class III</b> <i>January 16, 2014</i>	<b>14.82</b>	<b>14.29</b>	<b>15.25</b>
<b>CME Group Futures Class IV</b> <i>January 14, 2014</i>	<b>13.45</b>	<b>13.70</b>	<b>14.70</b>
<b>MO Farm Forecast</b>	<b>\$16.50</b>	<b>\$15.75</b>	<b>\$17.00</b>

Four vertical lines of varying colors (dark blue, green, dark blue, green) are positioned on the left side of the slide.

**questions ?**