



# **Agricultural Market Outlook**

**July 17, 2014**

**University of Missouri Extension**



# **Corn Outlook**

**David Reinbott**

**July 17, 2014**



# Issues Impacting Prices

- **Corn condition – 76% Good to Excellent**
- **Record corn yield – 170? 173.6?**
- **Weather next 2 months**
- **Harvested acres down 1 – 2 million**
- **Rebound in demand**

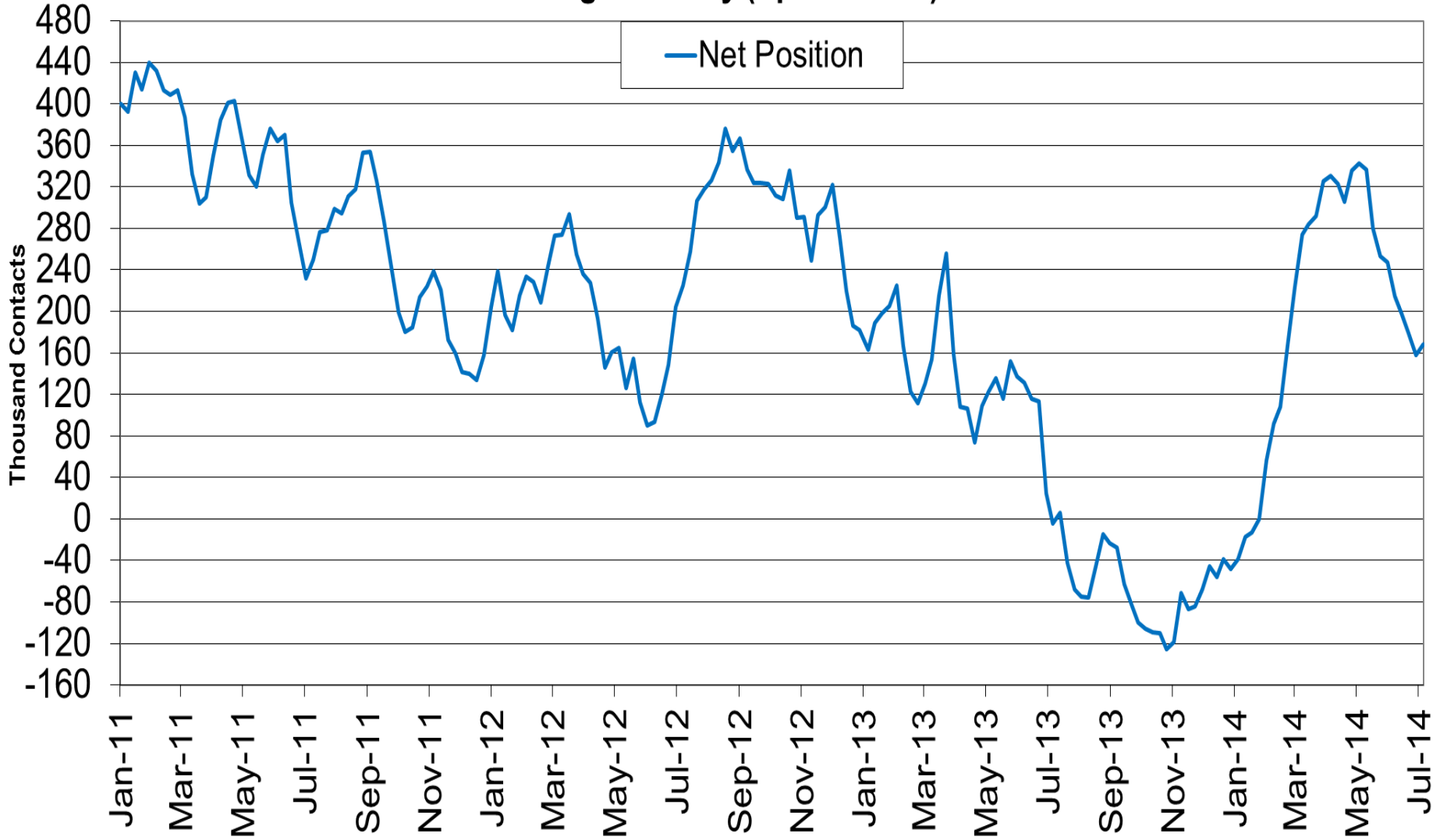
## Corn Condition – Selected States: Week Ending July 13, 2014

[National crop conditions for selected States are weighted based on 2013 planted acreage]

State	Very poor (percent)	Poor (percent)	Fair (percent)	Good (percent)	Excellent (percent)
Colorado .....	1	4	25	52	18
Illinois .....	1	3	15	53	28
Indiana .....	1	4	20	52	23
Iowa .....	2	5	17	52	24
Kansas .....	2	6	30	49	13
Kentucky .....	1	4	18	55	22
Michigan .....	1	4	15	60	20
Minnesota .....	2	6	28	49	15
Missouri .....	-	2	14	52	32
Nebraska .....	2	5	19	52	22
North Carolina .....	4	12	27	46	11
North Dakota .....	1	3	17	59	20
Ohio .....	1	4	21	53	21
Pennsylvania .....	1	4	14	48	33
South Dakota .....	1	2	15	67	15
Tennessee .....	-	3	18	56	23
Texas .....	-	4	30	47	19
Wisconsin .....	1	6	16	51	26
<b>18 States .....</b>	<b>1</b>	<b>4</b>	<b>19</b>	<b>54</b>	<b>22</b>
Previous week .....	1	4	20	54	21
Previous year .....	3	6	25	49	17

- Represents zero.

# Corn Managed Money (Spec Funds) Net Position



# Supply & Demand: Corn

June  
To July  
Change

	2011-12	2012-13	2013-14	
Acres Plant/Har (mil.)	91.9/84	97.2/87.4	95.4/87.7	
Avg. yield/acre (bu.)	147.2	123.4	158.8	
<b>Supply:</b> (bil. bu.)				
Beg. Stocks	1.128	0.989	0.821	
Production	12.360	10.780	13.925	
<b>Total Supply</b>	<b>13.517</b>	<b>11.932</b>	<b>14.781</b>	
<b>Use:</b>				
Feed	4.557	4.326	5.175	-125
Ethanol	5.000	4.648	5.075	+25
Exports	1.543	0.731	1.900	
<b>Total Use</b>	<b>12.528</b>	<b>11.111</b>	<b>13.535</b>	<b>-100</b>
Ending Stocks	0.989	0.821	1.246	+100
Avg. price/bu.	\$6.22	\$6.89	\$4.45	-0.10

# 2014 U.S. Average Corn Yield: Big or Really Big?

Scott Irwin and Darrel Good

**Table 1. Largest Positive Deviations  
From U.S. Trend Corn Yield, 1960-2013**

Year	Bushels	Percent
1972	12.8	15.2
1979	12.8	13.2
1982	11.1	10.9
1994	15.0	12.1
2004	18.8	13.2
2009	14.2	9.4
Average	14.1	12.3

$$\text{Trend Line Yield} = 159.4 + 14.1 = 173.5$$

# Supply & Demand: Corn 2014-2015

Acres planted (mil.)	91.6/83.8	91.6/83.8	91.6/83.3
Avg. yield/acre (bu.)	165.3	170.0	173.5
<b>Supply:</b> (bil. bu.)			
Beg. Stocks	1.246	1.246	1.246
Production	13.860	14.246	14.453
<b>Total Supply</b>	<b>15.136</b>	<b>15.522</b>	<b>15.729</b>
<b>Use:</b>			
Feed	5.200	5.335	5.335
Other	6.435	6.500	6.500
Exports	1.700	1.700	1.845
<b>Total Use</b>	<b>13.345</b>	<b>13.535</b>	<b>13.680</b>
Ending Stocks	1.801	1.987	2.049
Avg. price/bu.	\$4.00	\$3.80	\$3.75



<b>USDA 2014-15 Est. Beginning Stocks</b>	<b>1.246</b>	<b>Billion Bushels</b>	<b>Import</b>	<b>0.030</b>	<b>Billion Bushel</b>
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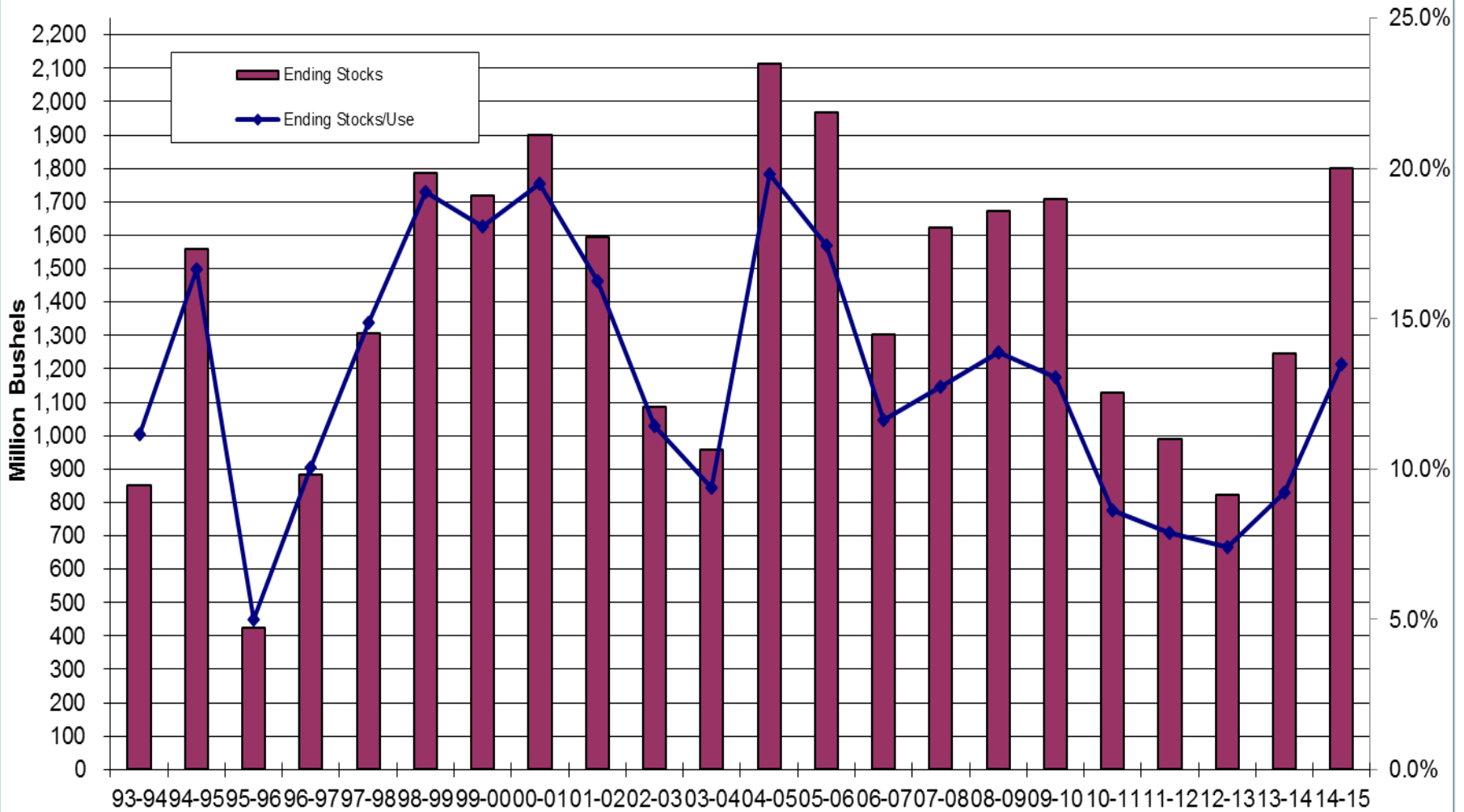
<b>Better 2014-15 Demand</b>	<b>13.54</b>	<b>Billion Bushels</b>			
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			<b>2013</b>					<b>June</b>				
			<b>158.8</b>					<b>USDA</b>				

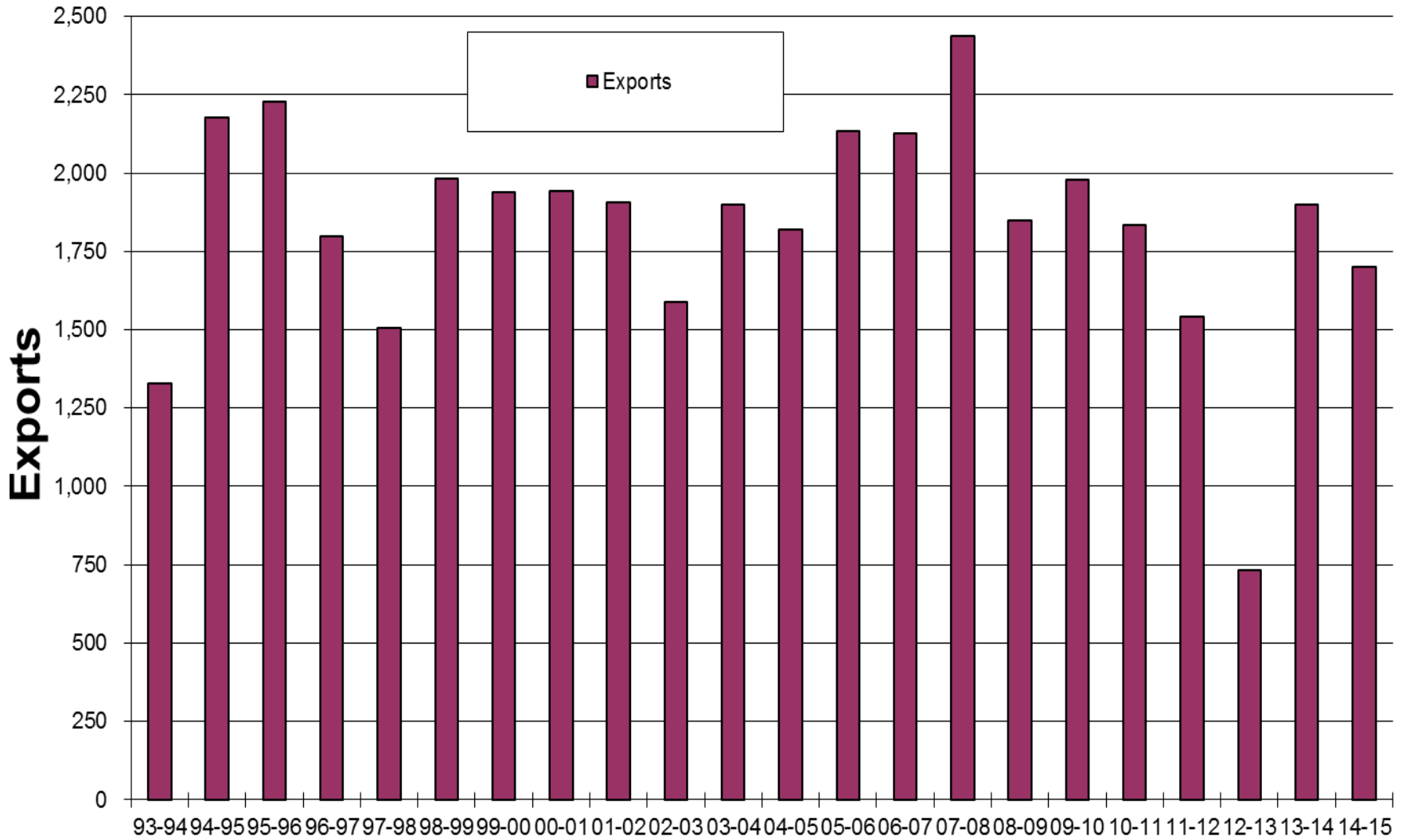
**Yield per Acre**

Planted Acres	Harvested Acres	160.3	161.3	162.3	163.3	164.3	<b>165.3</b>	166.3	167.3	168.3	169.3	170.3
89.1	81.6	0.814	0.895	0.977	1.058	1.140	<b>1.221</b>	1.303	1.385	1.466	1.548	1.629
89.6	82.0	0.887	0.969	1.051	1.133	1.215	<b>1.297</b>	1.379	1.461	1.543	1.625	1.707
90.1	82.5	0.960	1.043	1.125	1.208	1.290	<b>1.373</b>	1.455	1.538	1.620	1.703	1.785
90.6	82.9	1.034	1.117	1.200	1.282	1.365	<b>1.448</b>	1.531	1.614	1.697	1.780	1.863
91.1	83.4	1.107	1.190	1.274	1.357	1.441	<b>1.524</b>	1.607	1.691	1.774	1.857	1.941
<b>91.6</b>	<b>83.8</b>	<b>1.180</b>	<b>1.264</b>	<b>1.348</b>	<b>1.432</b>	<b>1.516</b>	<b>1.600</b>	<b>1.683</b>	<b>1.767</b>	<b>1.851</b>	<b>1.935</b>	<b>2.019</b>
92.1	84.3	1.254	1.338	1.422	1.507	1.591	<b>1.675</b>	1.759	1.844	1.928	2.012	2.097
92.6	84.8	1.327	1.412	1.497	1.581	1.666	<b>1.751</b>	1.836	1.920	2.005	2.090	2.175
93.1	85.2	1.400	1.486	1.571	1.656	1.741	<b>1.826</b>	1.912	1.997	2.082	2.167	2.252
93.6	85.7	1.474	1.559	1.645	1.731	1.816	<b>1.902</b>	1.988	2.073	2.159	2.245	2.330
94.1	86.1	1.547	1.633	1.719	1.805	1.891	<b>1.978</b>	2.064	2.150	2.236	2.322	2.408

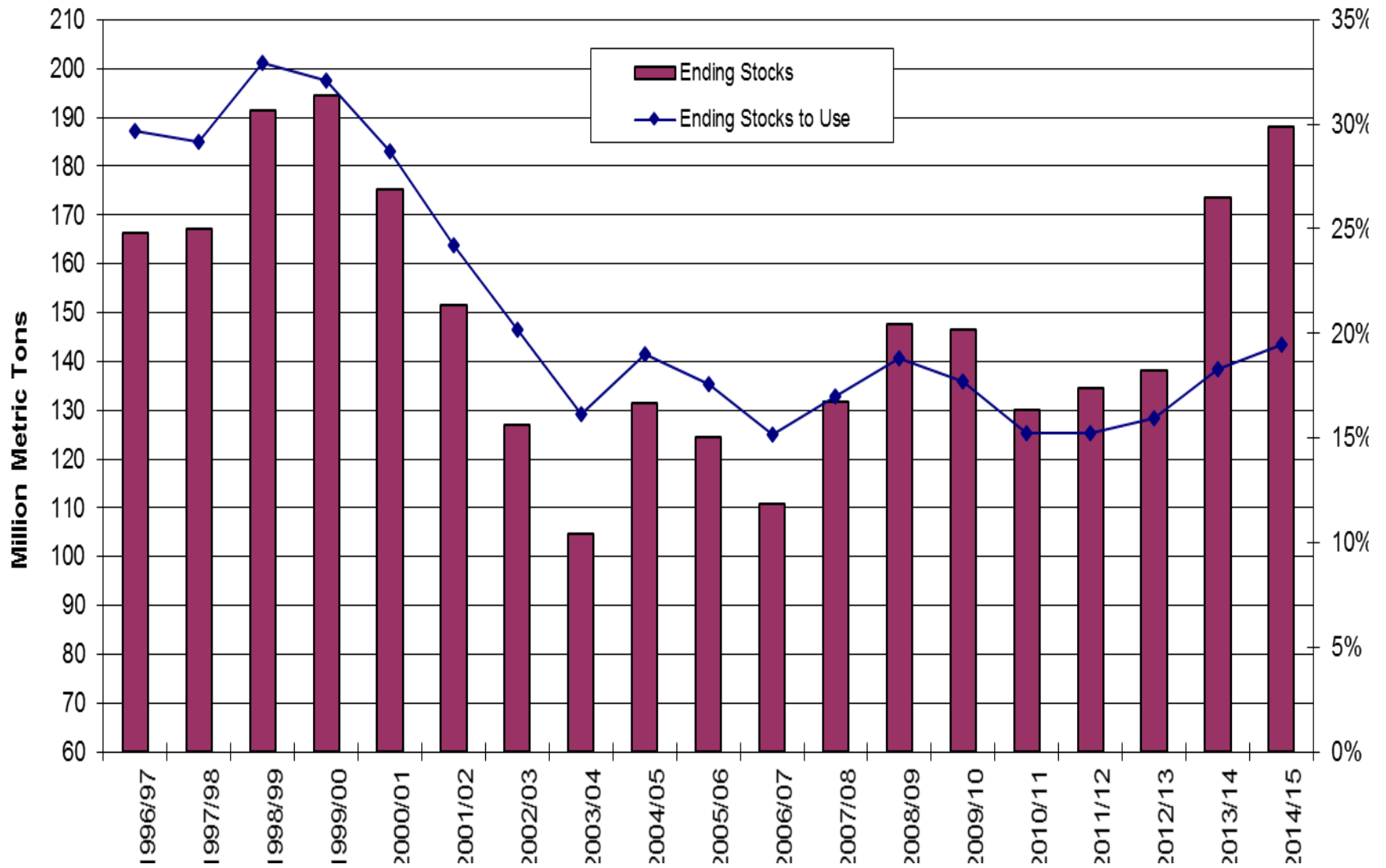
# United States Corn Stocks and Ending Stocks to Use



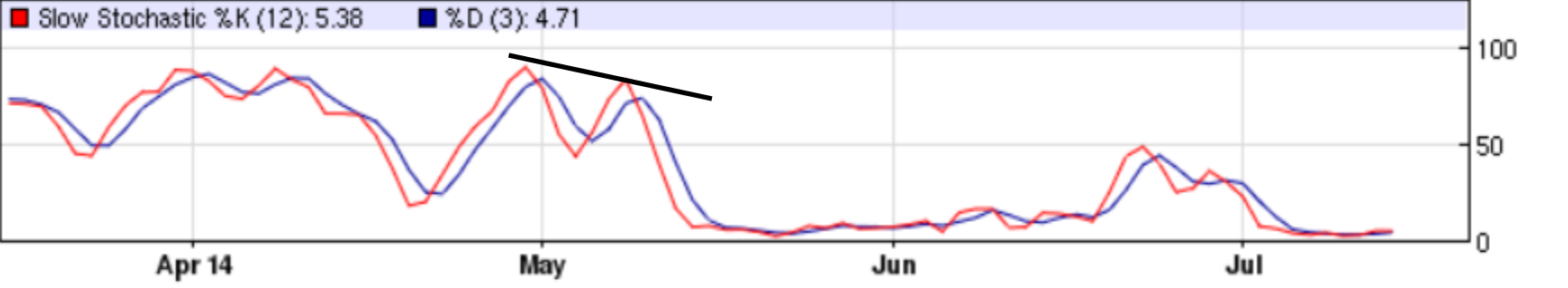
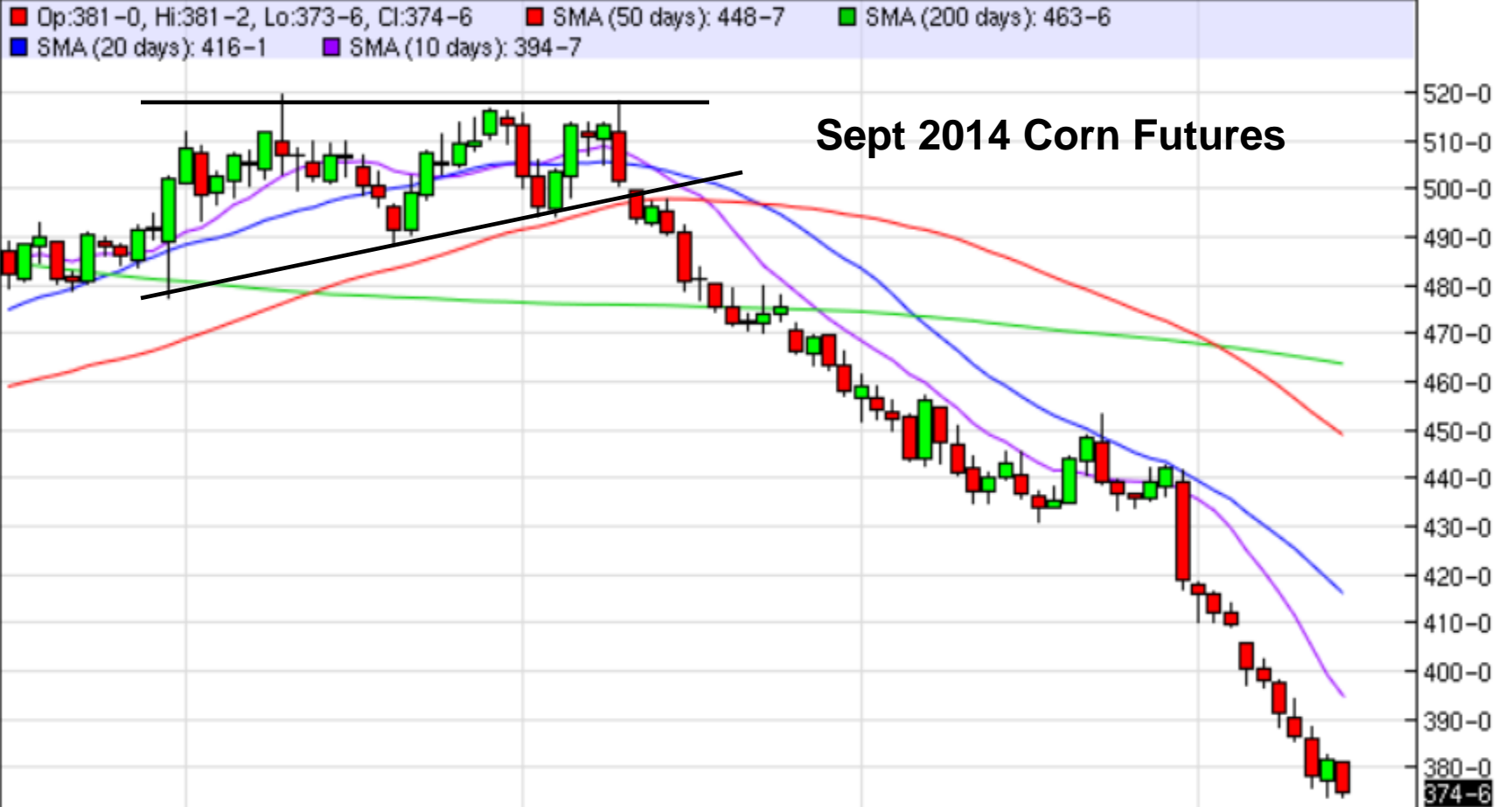
# United States Corn Exports



# World Corn Ending Stocks and Ending Stocks to Use



# ZCU14 - Corn - Daily Candlestick Chart



# ZC - Corn - Monthly Continuation Candlestick Chart





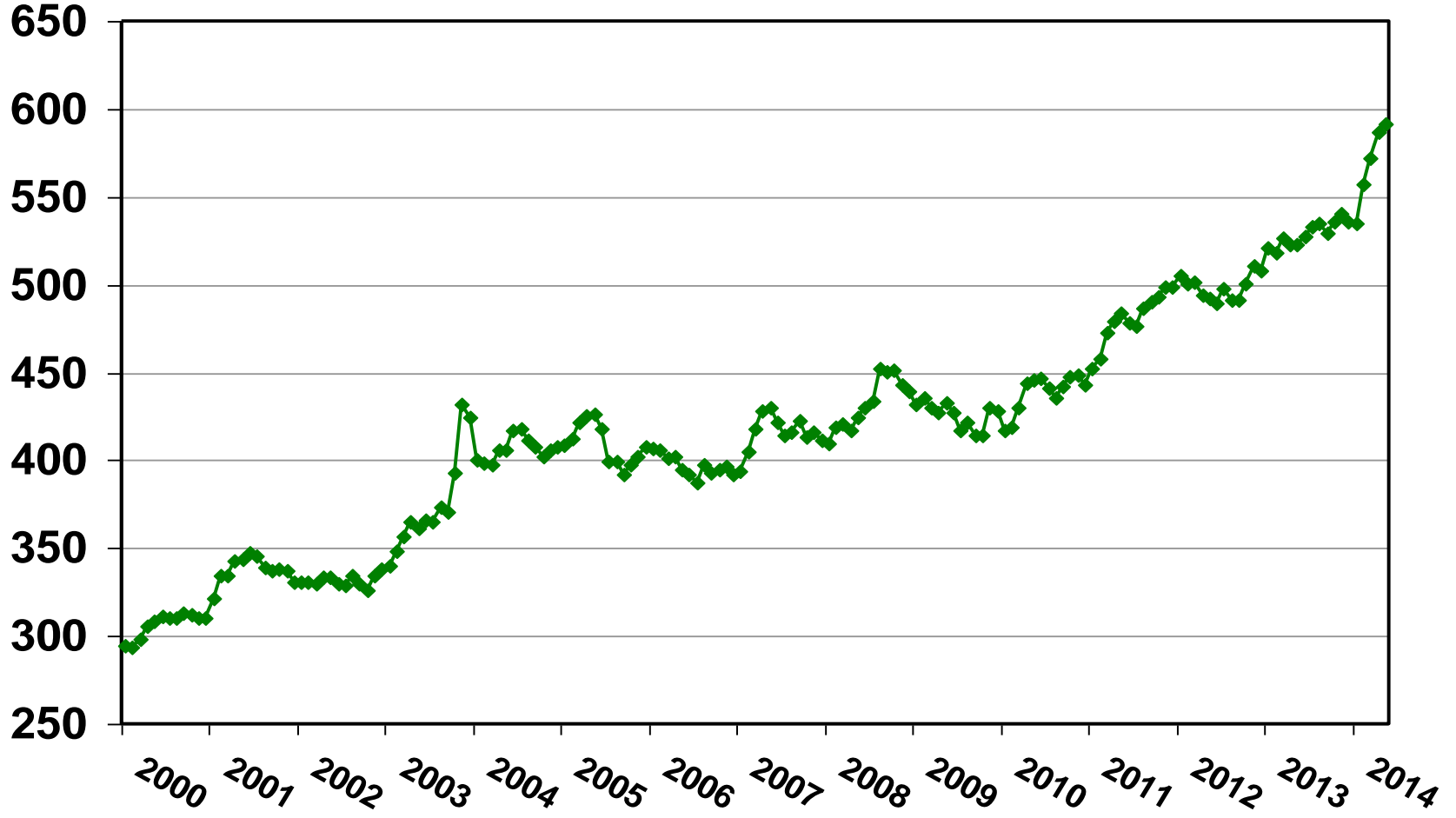
# **Cattle Outlook**

**Ron Plain**

**July 17, 2014**

# Retail Choice Beef Prices, Monthly

Cents per  
Pound

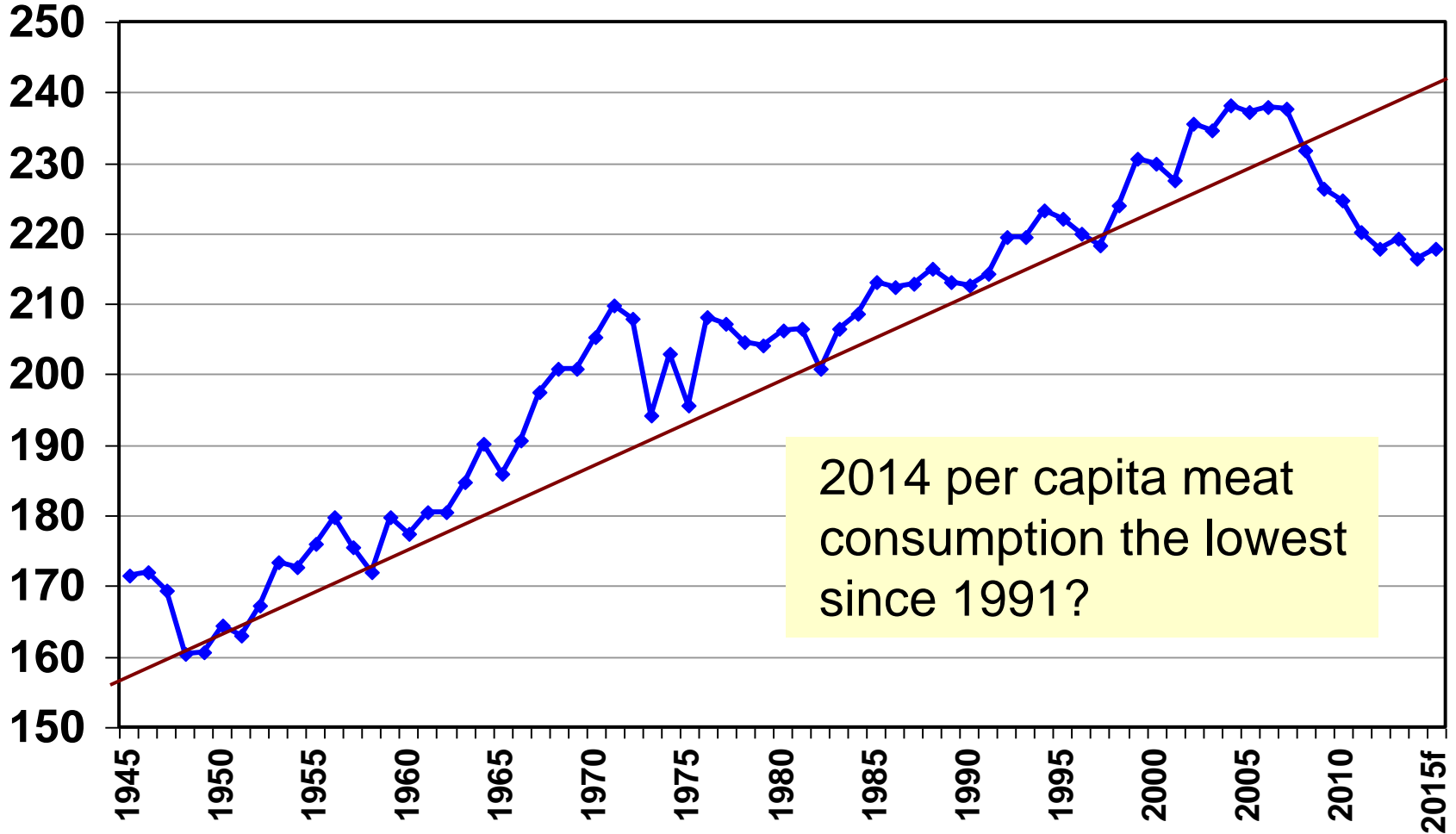


Source: USDA/ERS



# U.S. Per Capita Meat Consumption

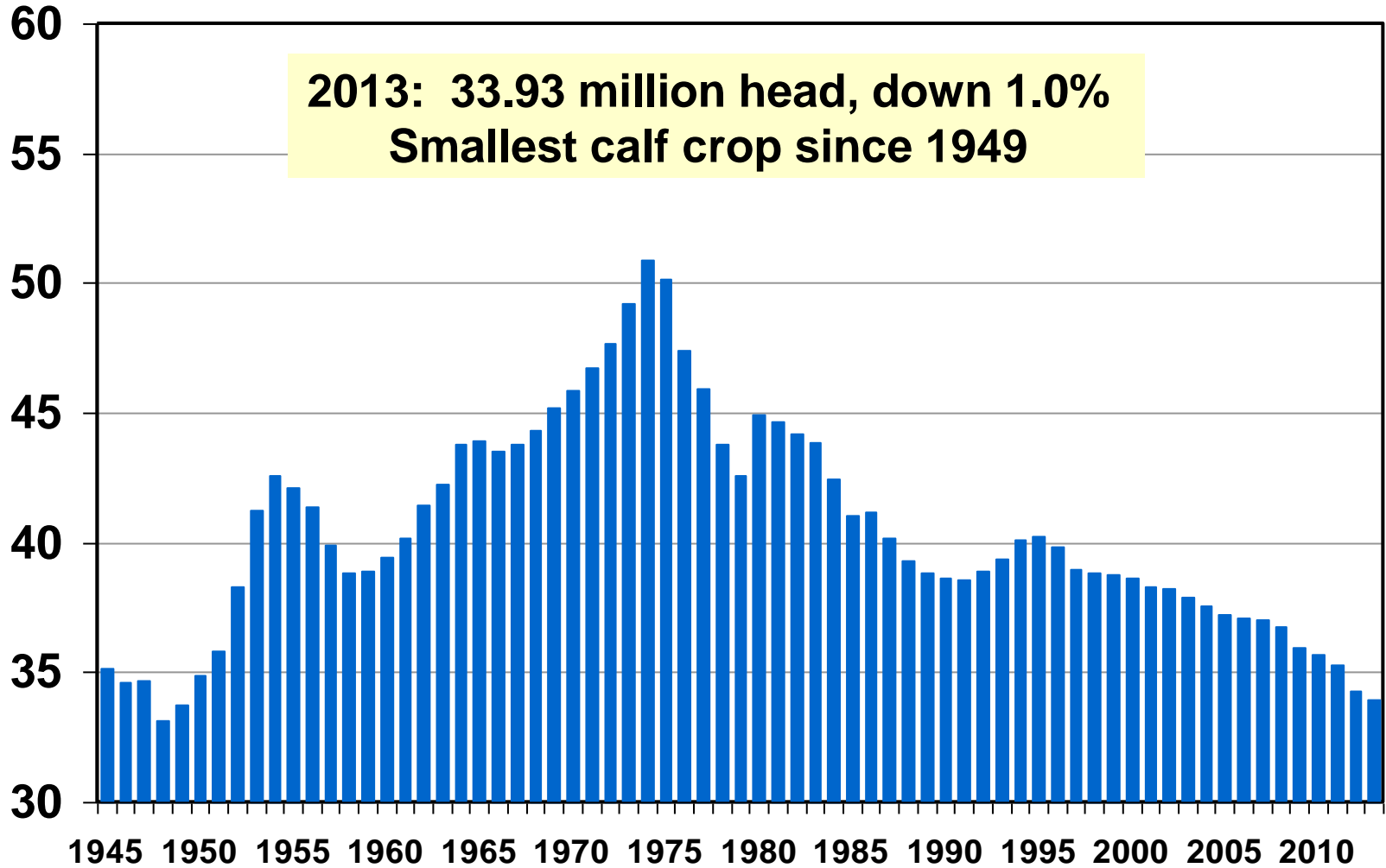
Pounds



Source: USDA/ERS

# U.S. Calf Crop, 1945-2013

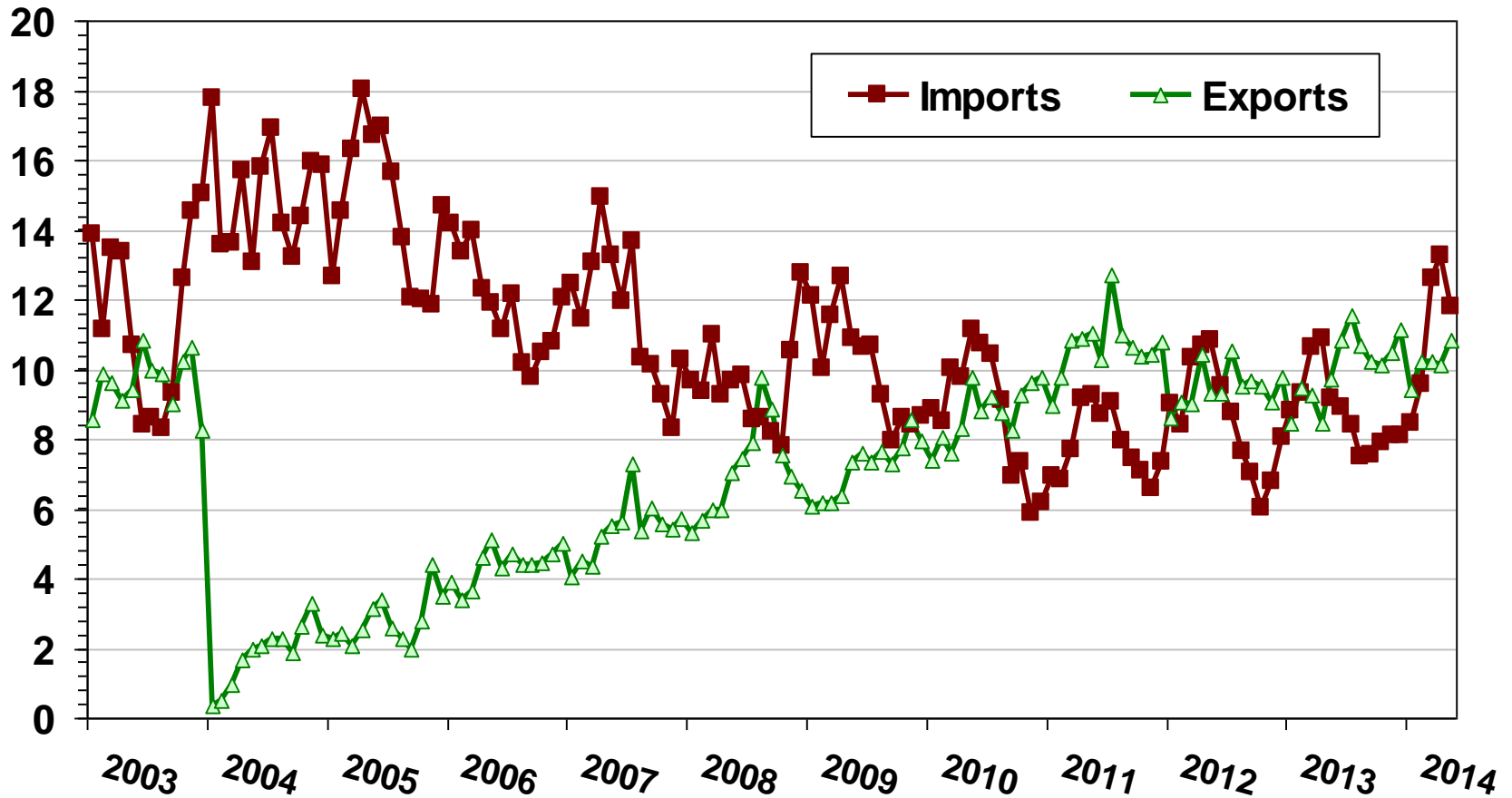
Million Head



Source: USDA/NASS

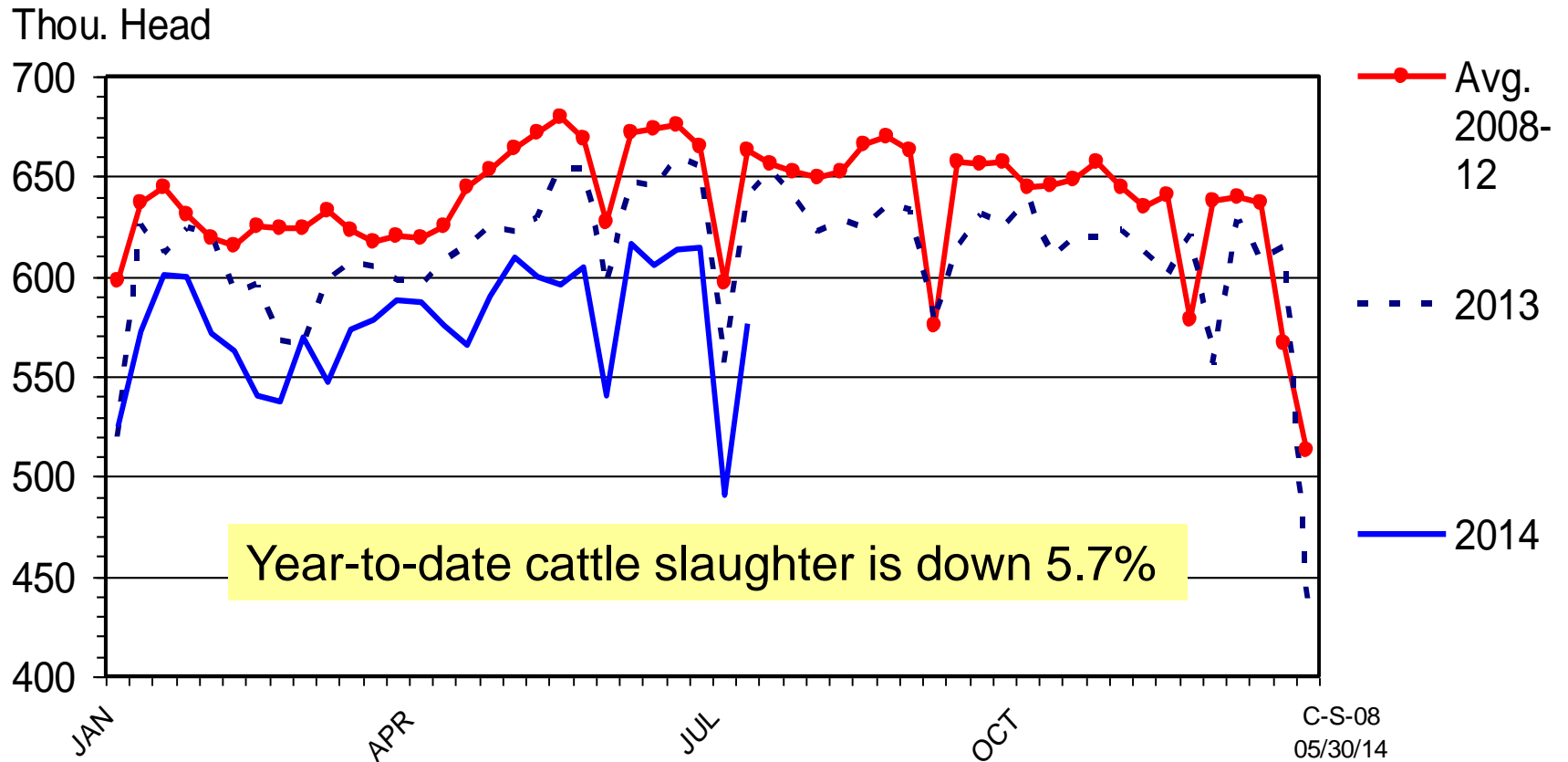
# U.S. Beef Imports & Exports as % of U.S. Production, monthly

Percent



# CATTLE SLAUGHTER

## Federally Inspected, Weekly

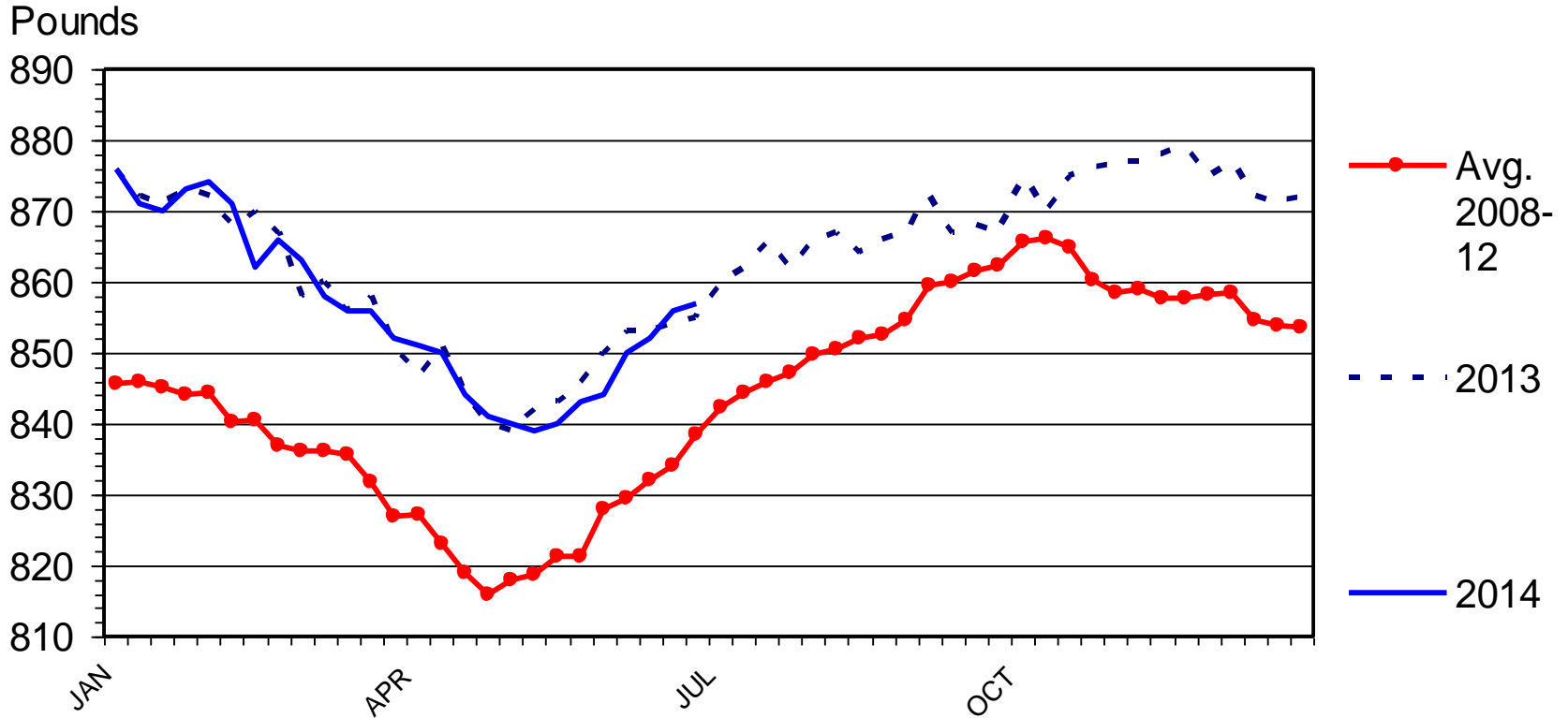


Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# STEER DRESSED WEIGHT

## Federally Inspected, Weekly



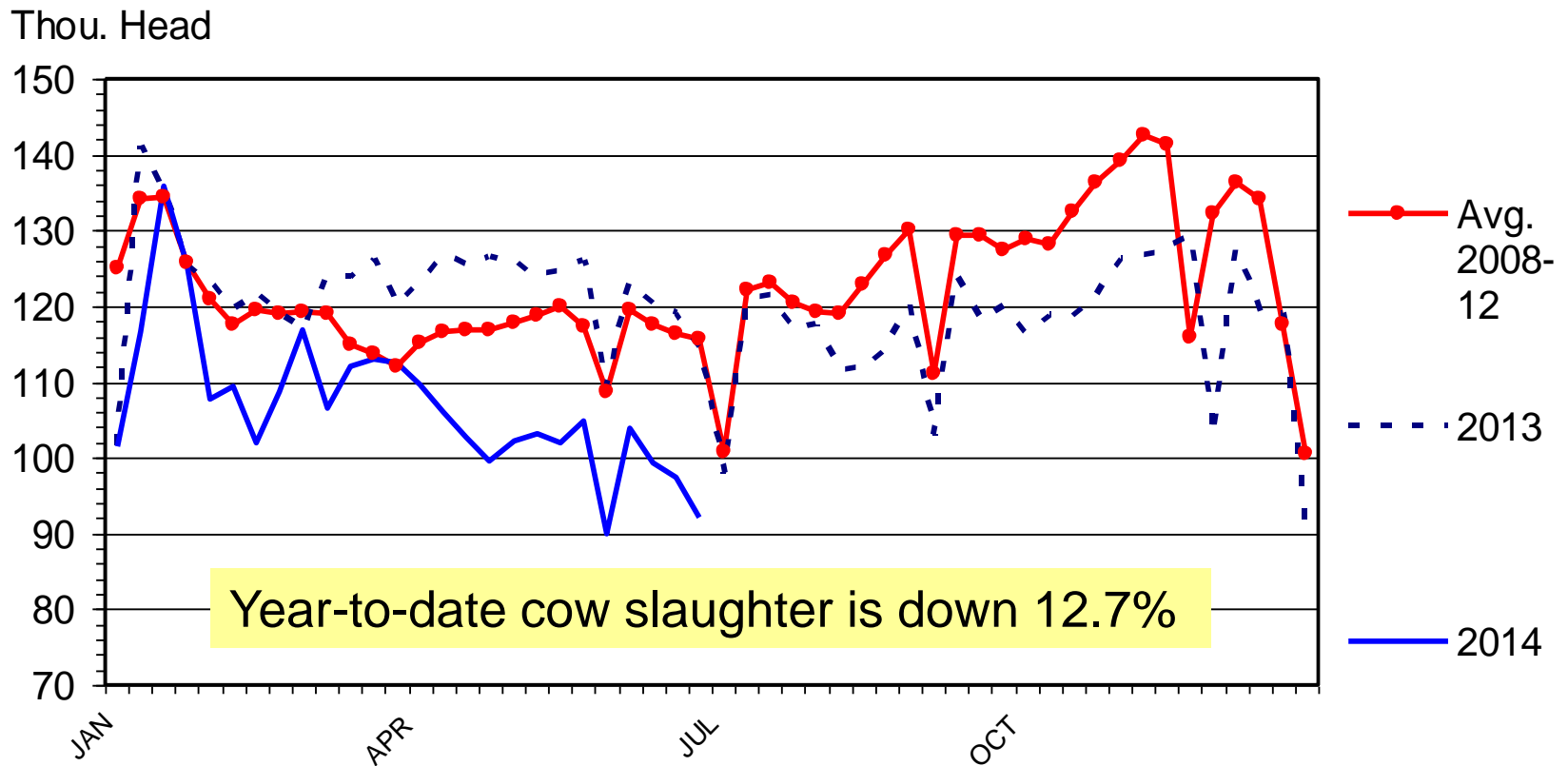
C-S-18  
05/30/14

Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# TOTAL COW SLAUGHTER

## Federally Inspected, Weekly



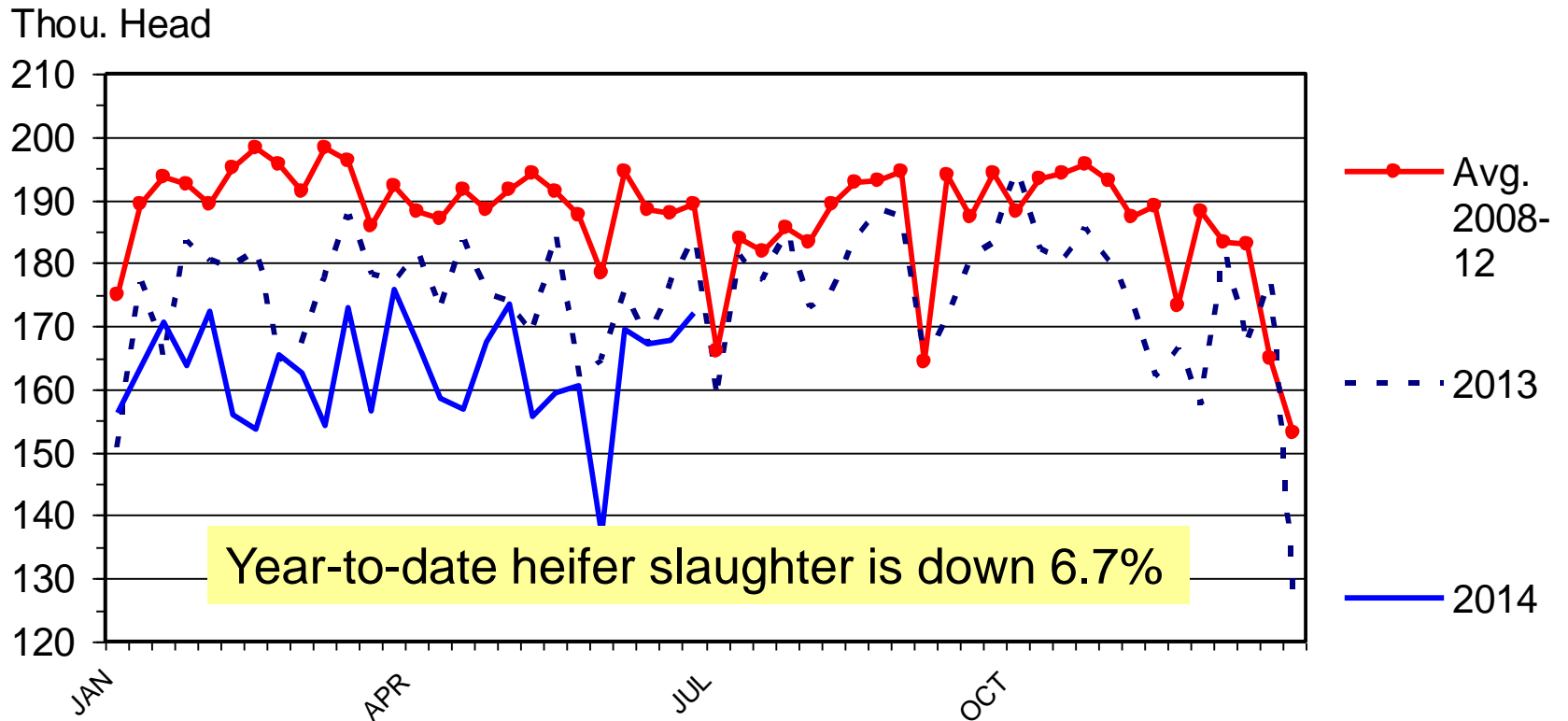
C-S-14  
05/30/14

Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# HEIFER SLAUGHTER

## Federally Inspected, Weekly

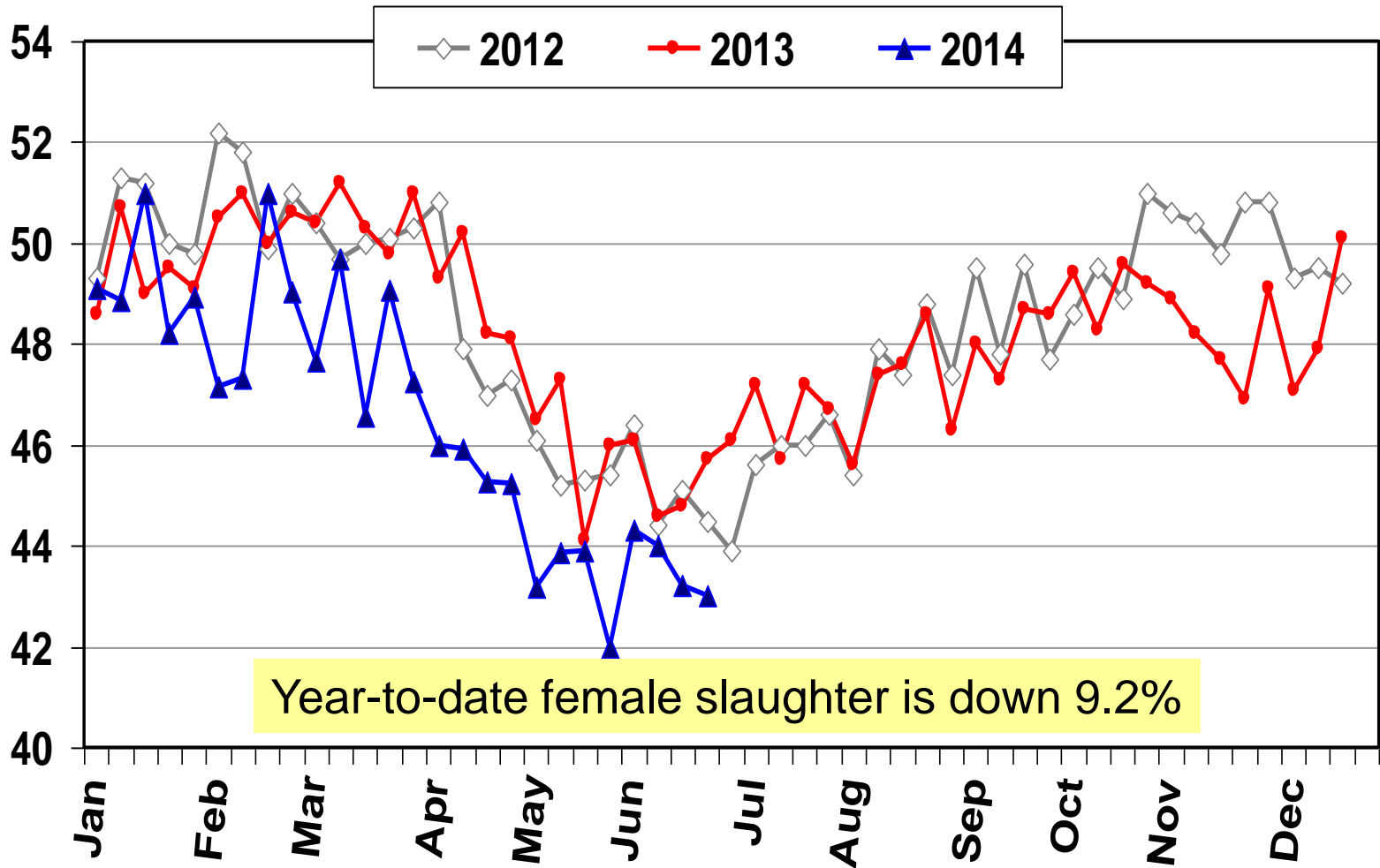


Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

# Female Share of Slaughter

U.S. Federally Inspected Cattle Slaughter



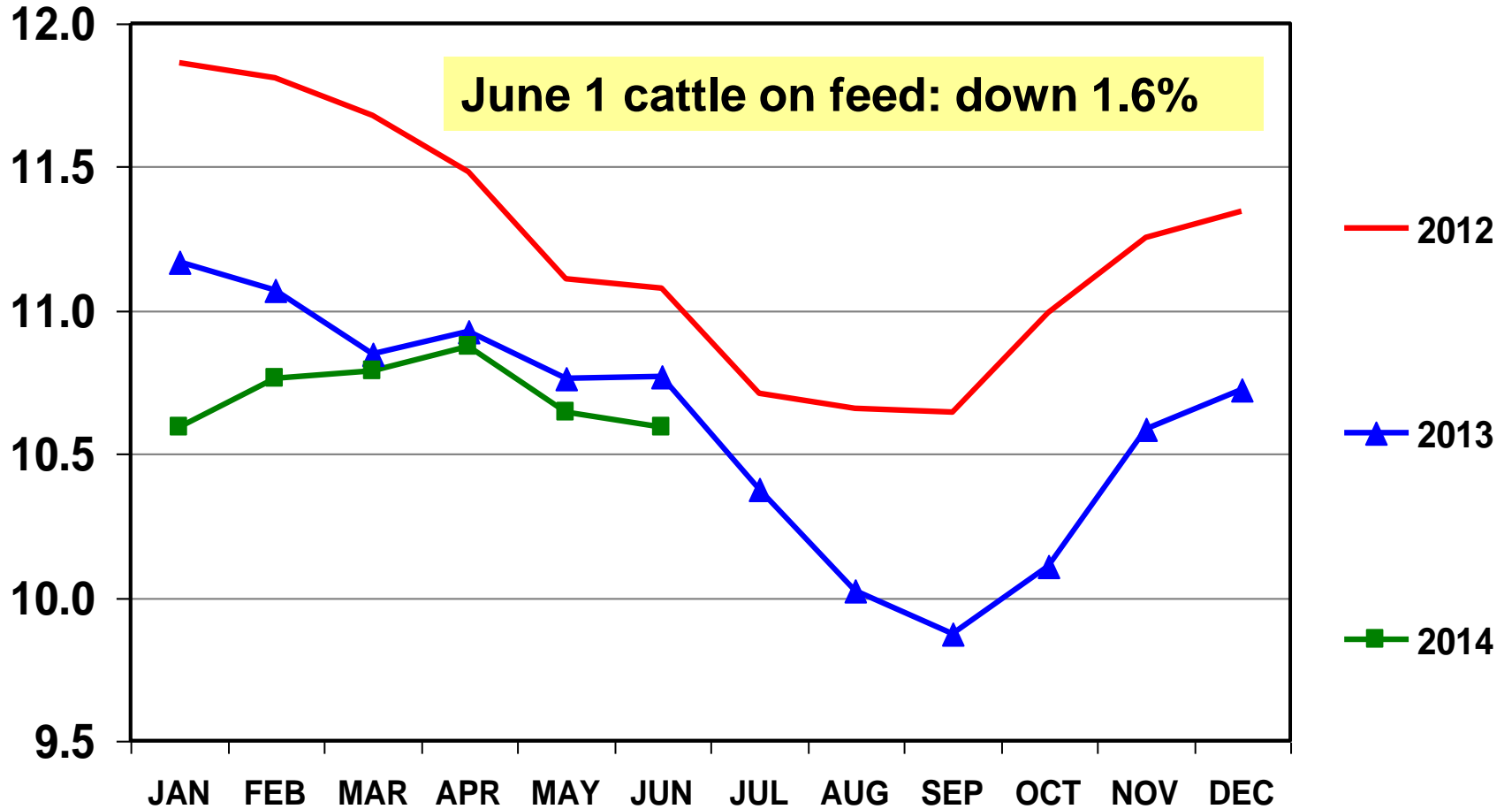
Source: USDA/AMS



# Cattle On Feed

## Large U.S. Feedlots, Monthly

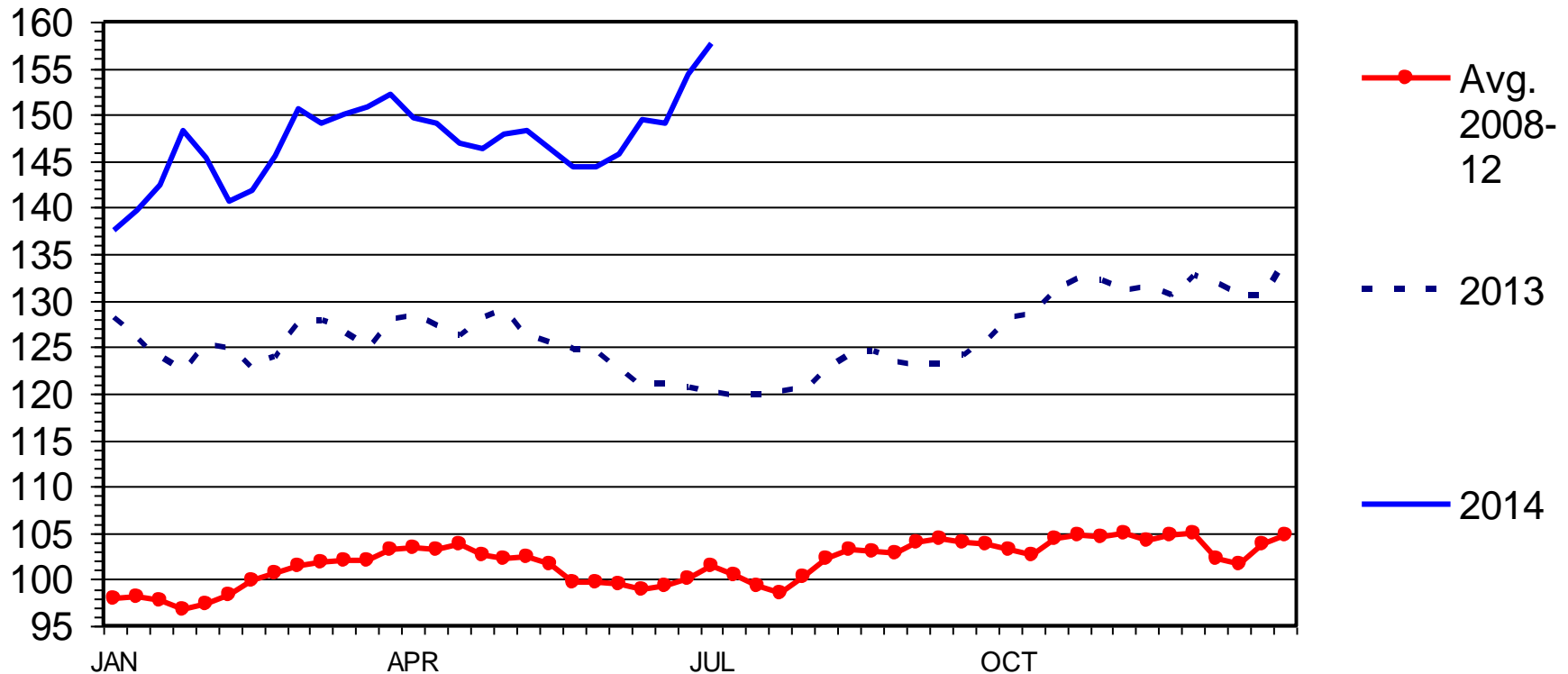
Mil. Head



# SLAUGHTER STEER PRICES

## 5 Market Weighted Average, Weekly

\$ Per Cwt.

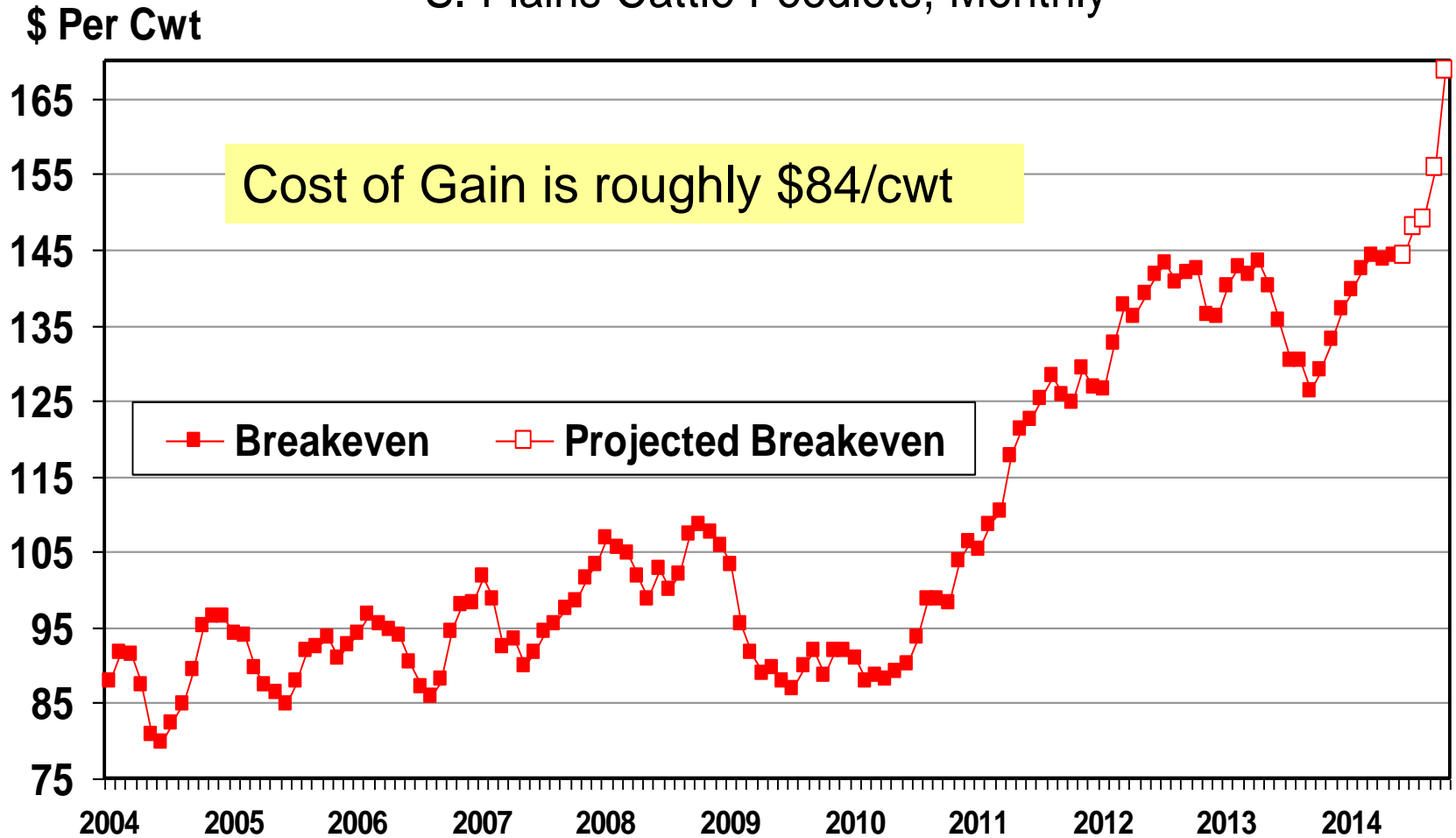


Livestock Marketing Information Center

Data Source: USDA-AMS

# Choice Steer Breakeven Price

S. Plains Cattle Feedlots, Monthly



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	5,855*	- 4.9%	- 0.2%
Qtr 2	6,516	6,190	6,240*	- 5.0%	+ 0.8%
Qtr 3	6,609	6,330*	6,230*	- 4.2%	- 1.6%
Qtr 4	6,423	6,150*	6,050*	- 4.3%	- 1.6%
<b>Year</b>	<b>25,720</b>	<b>24,538*</b>	<b>24,375*</b>	- 4.6%	- 0.7%

**\*forecast**

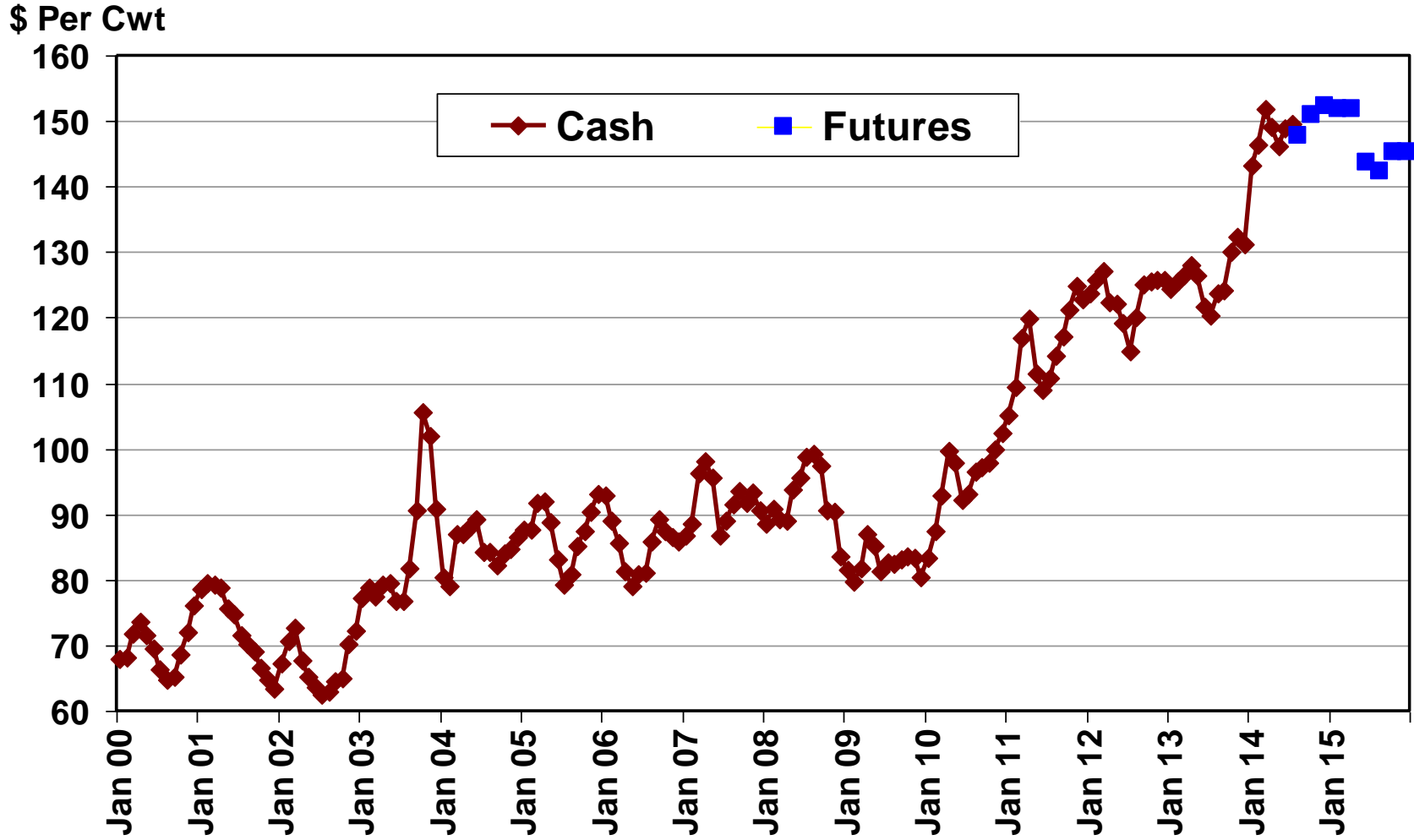
# 5 Area Slaughter Steer Prices

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	\$147-159*
Qtr 2	\$121.91	\$124.95	\$147.82	\$146-158*
Qtr 3	\$119.69	\$122.30	\$145-151*	\$143-155*
Qtr 4	\$125.54	\$130.77	\$145-155*	\$144-156*
Year	<b>\$122.86</b>	<b>\$125.89</b>	<b>\$146-150*</b>	<b>\$145-157*</b>

**\*forecast**

# Nebraska Slaughter Steer Price, Monthly Average 2000-2014

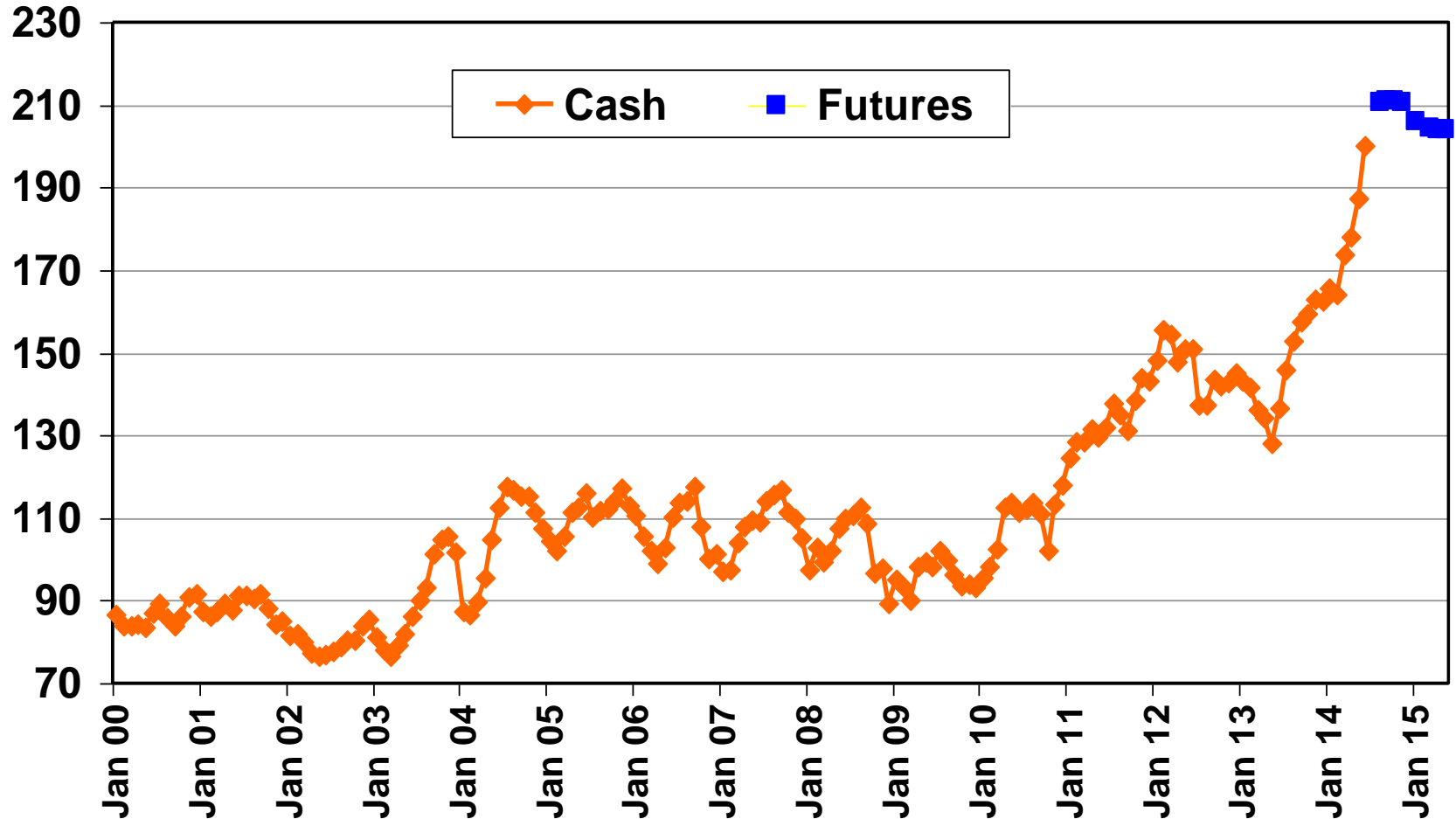


**Thru Dec 2015 all cattle futures contracts are above \$142 per cwt**

# OKC 750-800# Feeder Steer Price

## Monthly Average 2000-2014

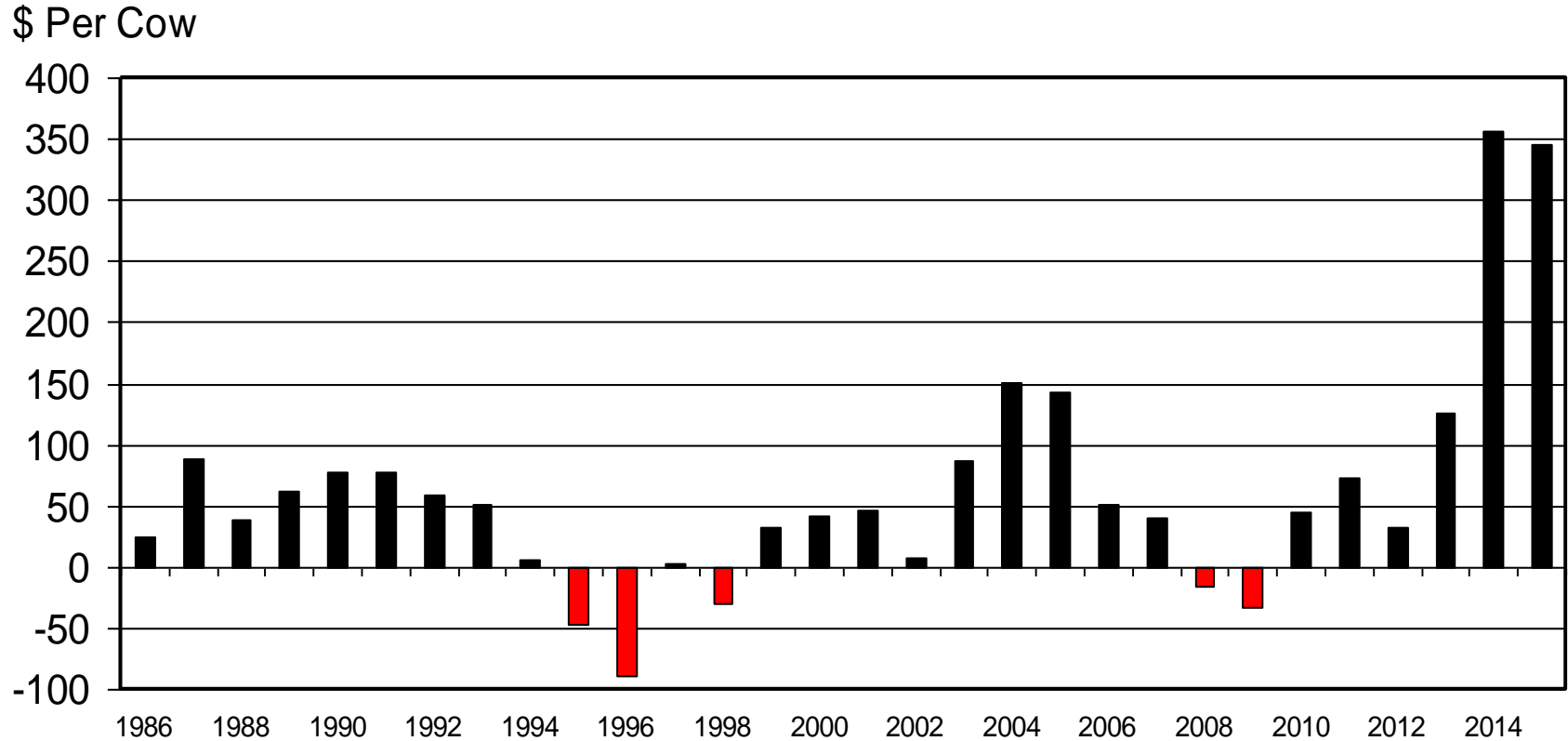
\$ Per Cwt



**Thru May 2015 all feeder cattle futures contracts are above \$200 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**

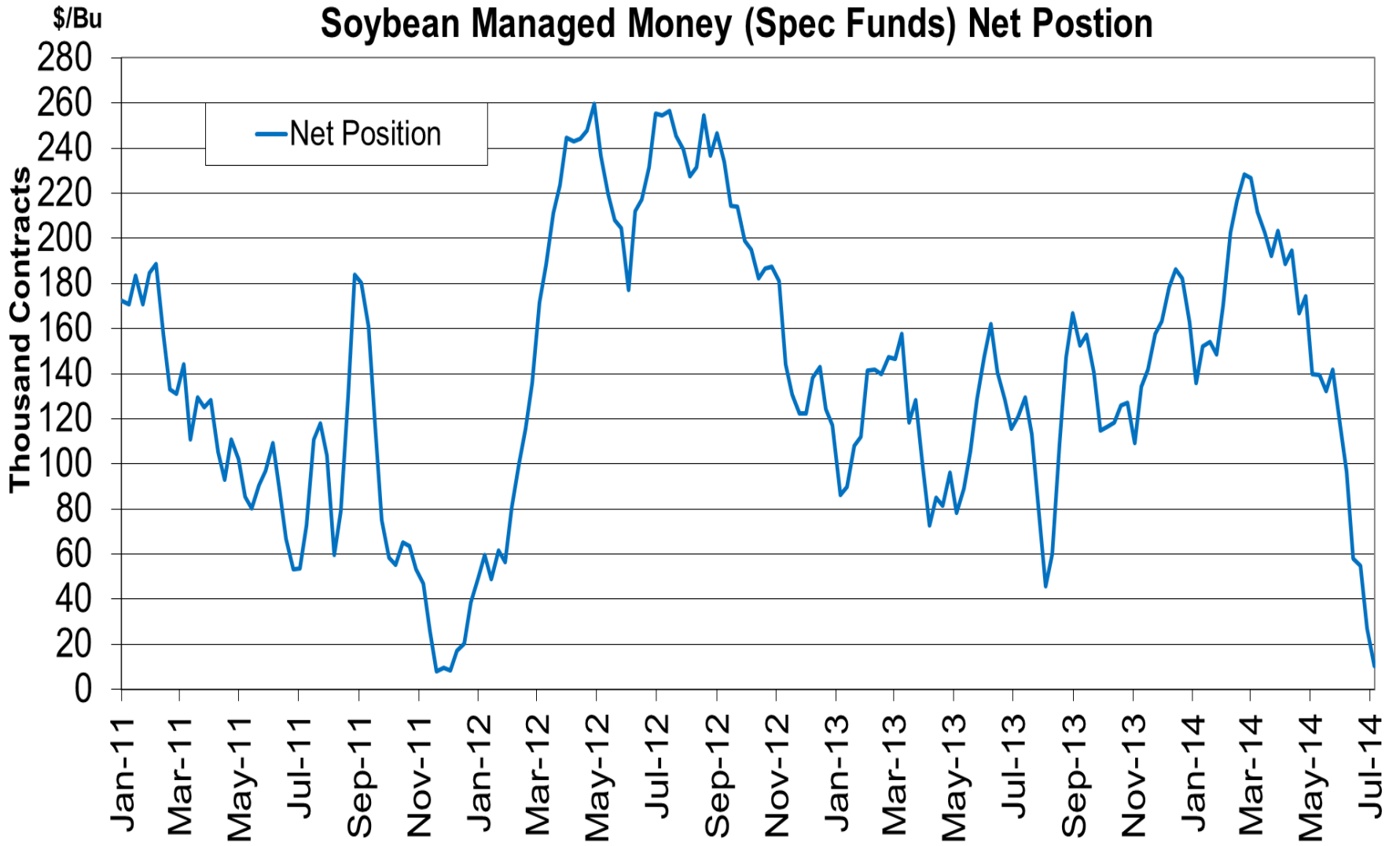
**July 17, 2014**

Two vertical bars are located on the left side of the slide. The leftmost bar is blue and the bar to its right is green. Both bars are thin and extend from the top to the bottom of the slide.

# Issues Impacting Prices

- **U.S. acres – up 3.3/3.6 million acres**
- **Weather – August**
- **South American soybean crop**
- **China**

# Soybean Managed Money (Spec Funds) Net Postion



# Supply & Demand: Soybean

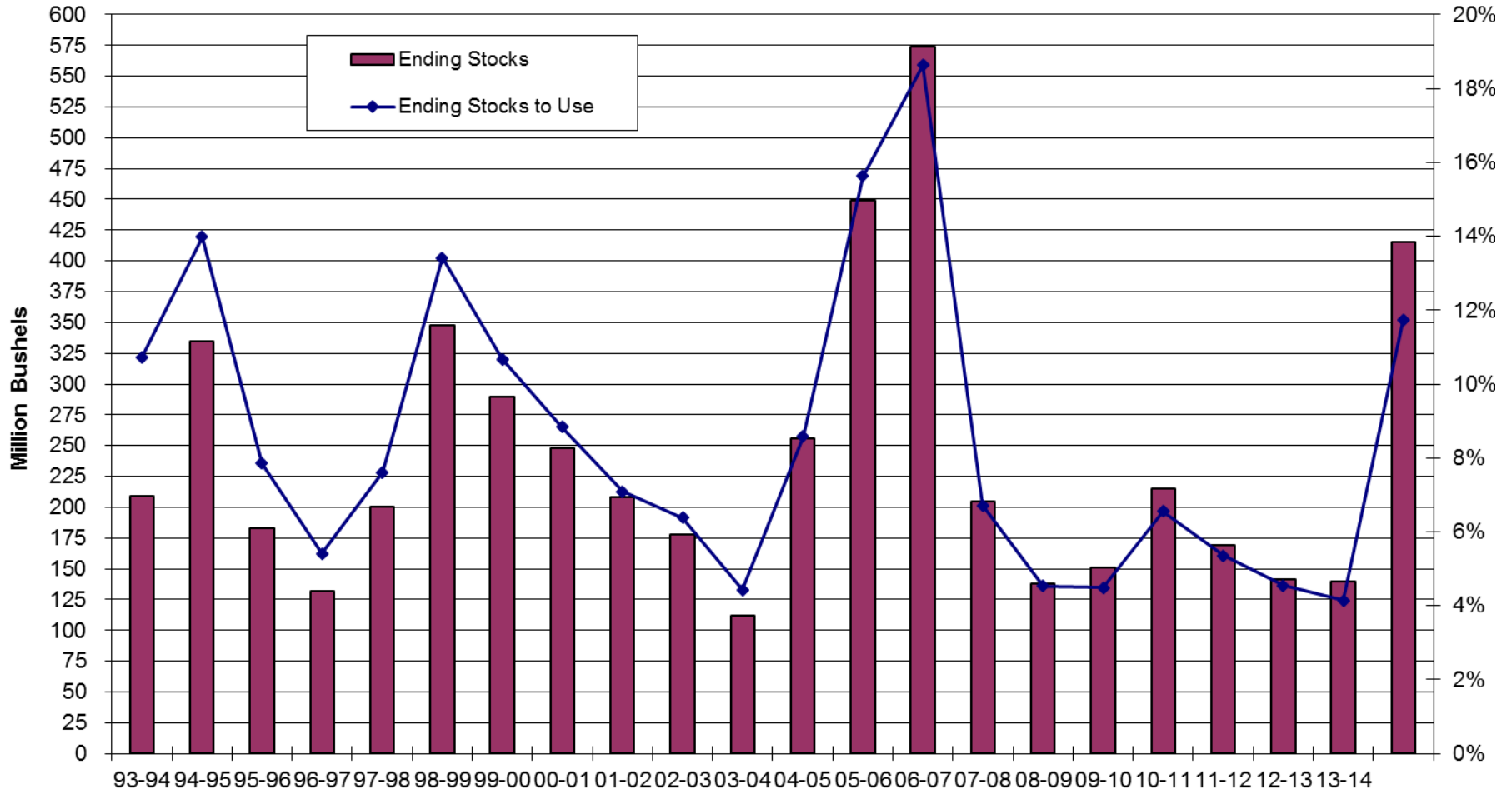
	2011-12	2012-13	2013-14	
Acres Planted (mil.)	75.0	77.2	76.5	June to July change
Avg. yield/acre (bu.)	41.9	39.8	43.3	
<b>Supply:</b> (bil. bu.)				
Beg. Stocks	0.215	0.169	0.141	Imports
Production	3.094	3.034	3.289	-5
<b>Total Supply</b>	<b>3.325</b>	<b>3.239</b>	<b>3.514</b>	
<b>Use:</b>				
Crush	1.703	1.689	1.725	+25
Other	0.088	0.090	0.030	-65
Exports	1.365	1.320	1.620	+20
<b>Total Use</b>	<b>3.155</b>	<b>3.099</b>	<b>3.374</b>	<b>-21</b>
Ending Stocks	0.169	0.141	0.140	+15
Avg. price/bu.	\$12.50	\$14.40	\$13.00	-0.10

# Supply & Demand: Soybeans 2014-2015

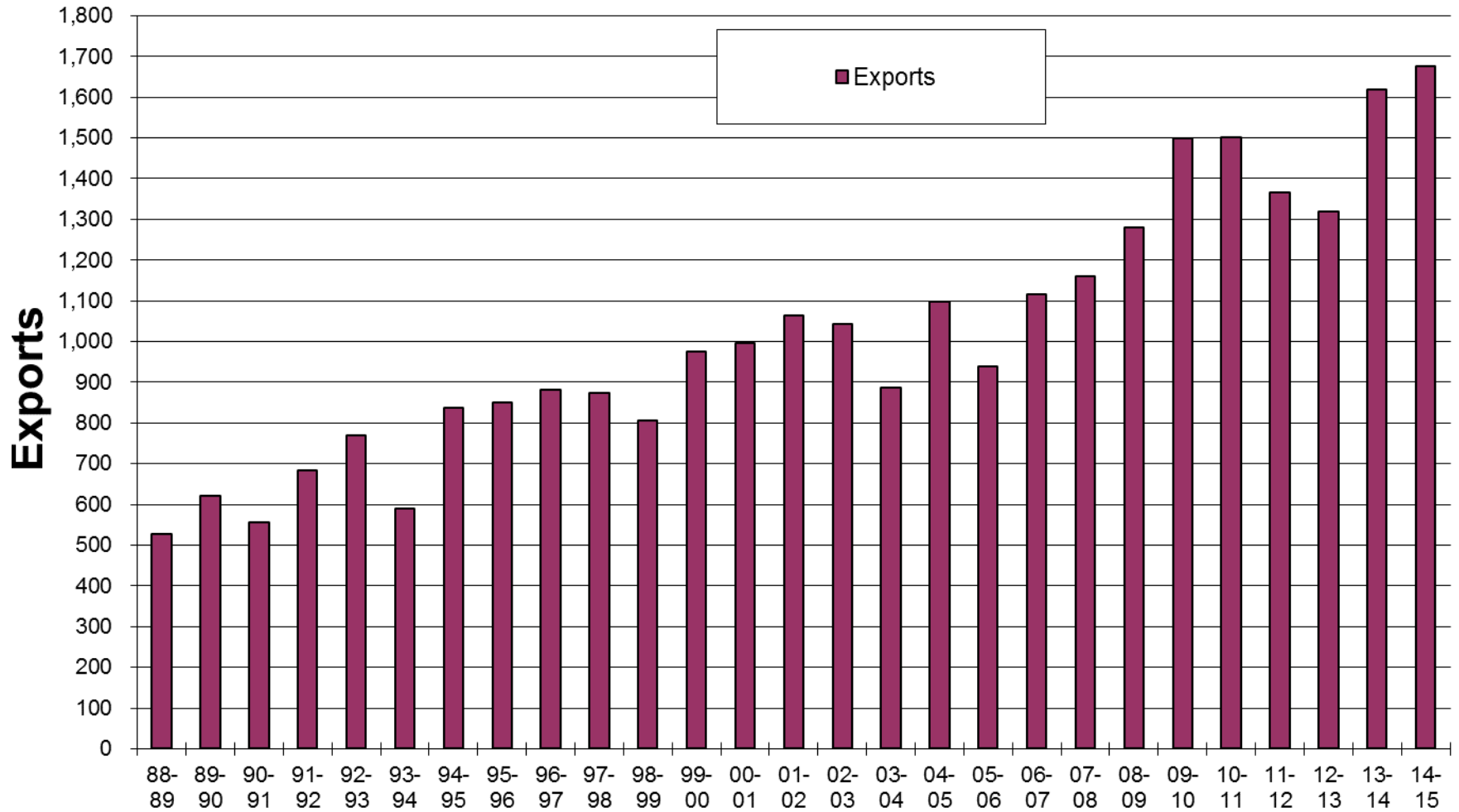
Acres planted (mil.)	84.8/84.1	84.8/84.1	84.8/84.1
Avg. yield/acre (bu.)	42.2	45.2	46.2
<b>Supply:</b> (bil. bu.)			
Beg. Stocks	0.140	0.140	0.140
Production	3.549	3.800	3.886
<b>Total Supply</b>	<b>3.704</b>	<b>3.955</b>	<b>4.041</b>
<b>Use:</b>			
Crush	1.755	1.755	1.780
Other	0.111	0.111	0.111
Exports	1.675	1.675	1.700
<b>Total Use</b>	<b>3.541</b>	<b>3.541</b>	<b>3.591</b>
Ending Stocks	0.163	0.415	0.450
Avg. price/bu.	\$13.00	\$10.50	\$9.50

2014 - 15 Soybean Ending Stocks Projections Matrix														
	USDA 2014-15 Est. Beginning Stocks					0.14	Billion Bushels			Import	0.015	Billion Bushels		
	Estimated 2014-15 Demand					3.541	Billion Bushels							
									June USDA					
			Yield per Acre											
	Planted Acres	Harvested Acres												
			42.7	43.2	43.7	44.2	44.7	<b>45.2</b>	45.7	46.2	46.7	47.2	47.7	
	82.3	<b>81.6</b>	0.100	0.141	0.182	0.223	0.263	0.304	0.345	0.386	0.427	0.467	0.508	
	82.8	<b>82.1</b>	0.121	0.162	0.203	0.244	0.286	0.327	0.368	0.409	0.450	0.491	0.532	
	83.3	<b>82.6</b>	0.142	0.184	0.225	0.266	0.308	0.349	0.390	0.432	0.473	0.514	0.556	
	83.8	<b>83.1</b>	0.164	0.205	0.247	0.288	0.330	0.371	0.413	0.455	0.496	0.538	0.579	
	84.3	<b>83.6</b>	0.185	0.227	0.268	0.310	0.352	0.394	0.436	0.478	0.519	0.561	0.603	
<b>June USDA</b>	<b>84.8</b>	<b>84.1</b>	0.206	0.248	0.290	0.332	0.374	0.416	0.458	0.500	0.542	0.585	0.627	
	85.3	<b>84.6</b>	0.227	0.269	0.312	0.354	0.396	0.439	0.481	0.523	0.566	0.608	0.650	
	85.8	<b>85.1</b>	0.248	0.291	0.333	0.376	0.419	0.461	0.504	0.546	0.589	0.631	0.674	
	86.3	<b>85.6</b>	0.270	0.312	0.355	0.398	0.441	0.484	0.526	0.569	0.612	0.655	0.698	
	86.8	<b>86.1</b>	0.291	0.334	0.377	0.420	0.463	0.506	0.549	0.592	0.635	0.678	0.721	
	87.3	<b>86.6</b>	0.312	0.355	0.398	0.442	0.485	0.528	0.572	0.615	0.658	0.702	0.745	

## Soybean Stocks and Ending Stocks to Use

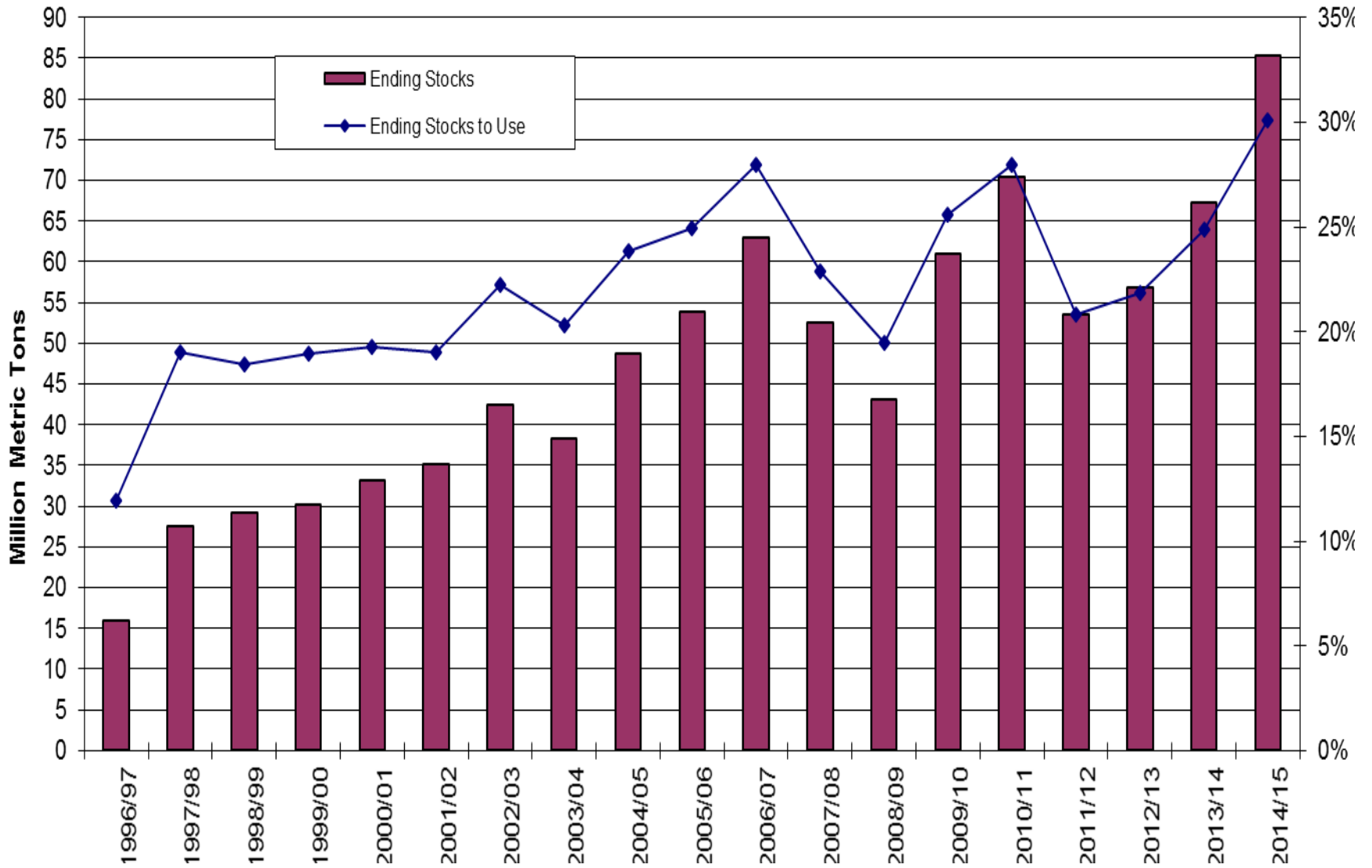


# United States Soybeans Exports

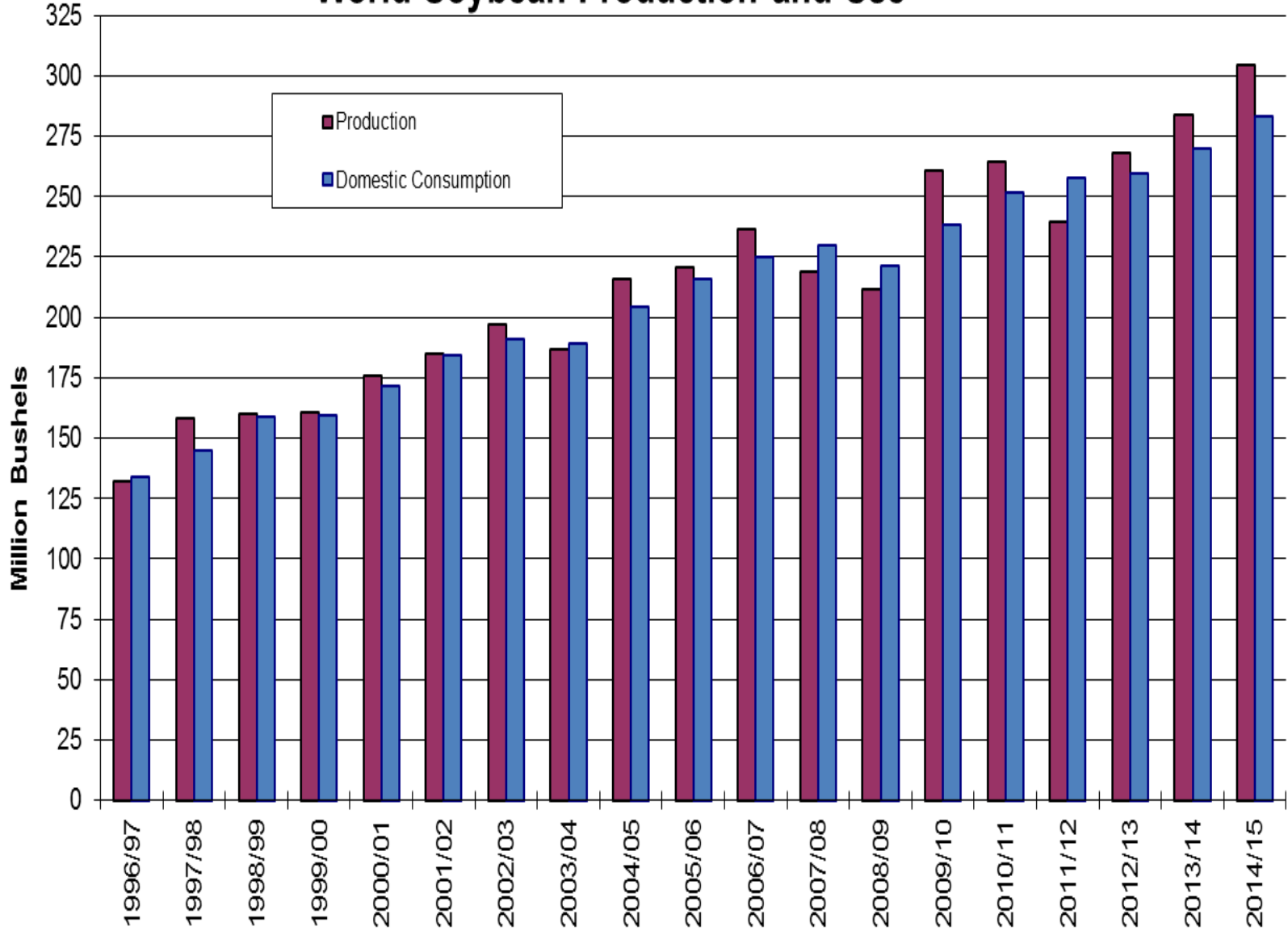




# World Soybean Ending Stocks and Ending Stocks to Use



# World Soybean Production and Use



# ZSX14 - Soybeans - Daily Candlestick Chart



# ZS - Soybeans - Weekly Nearest Candlestick Chart





# Hog Outlook

**Ron Plain**

**July 17, 2014**

# Cost of Slaughter Hog Production, 2000-2014

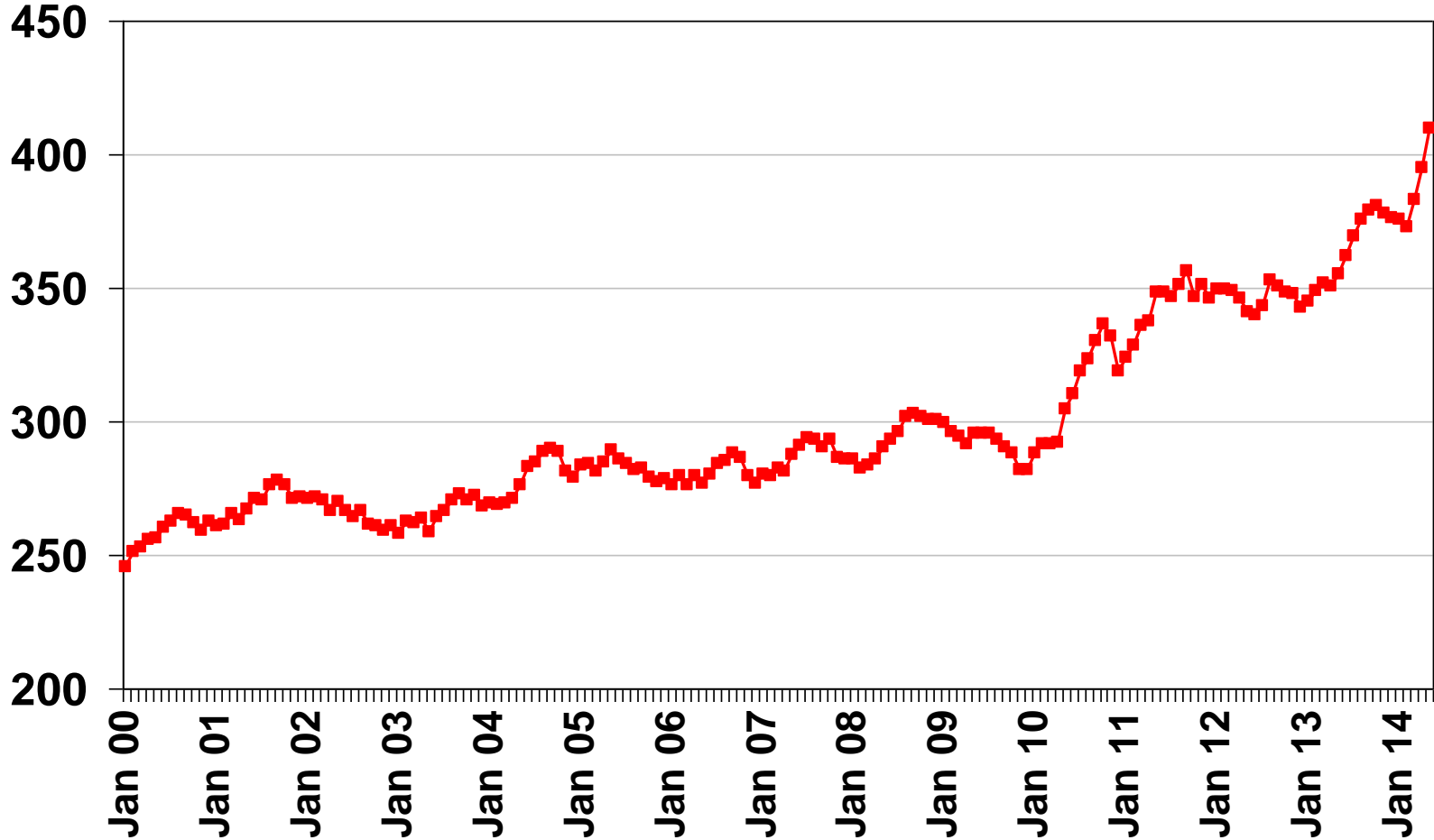
\$ Per Live Cwt



Source: Iowa State University

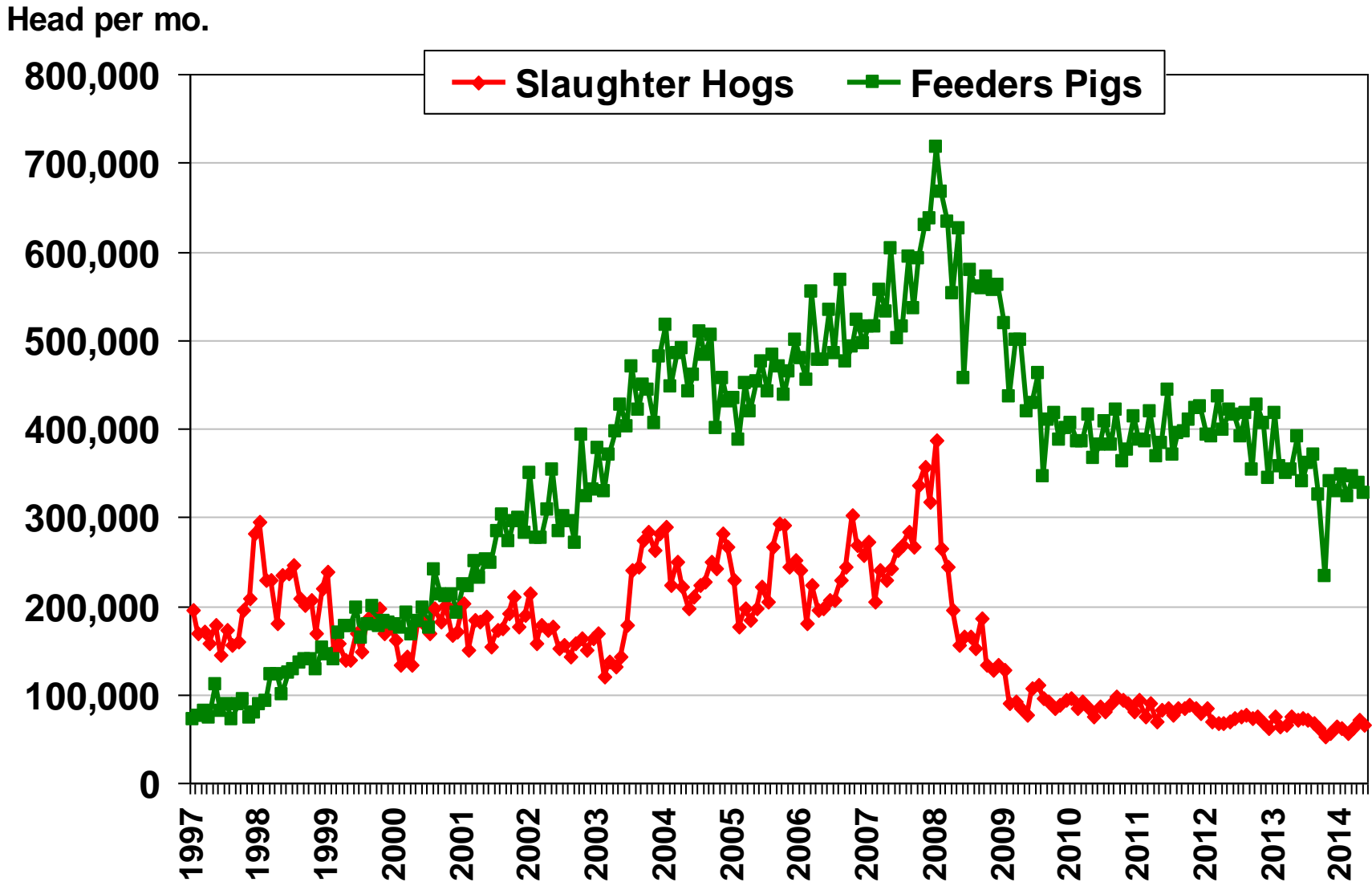
# U.S. Retail Pork Prices, 2000-2014

Cents Per  
Pound



Source: USDA/ERS

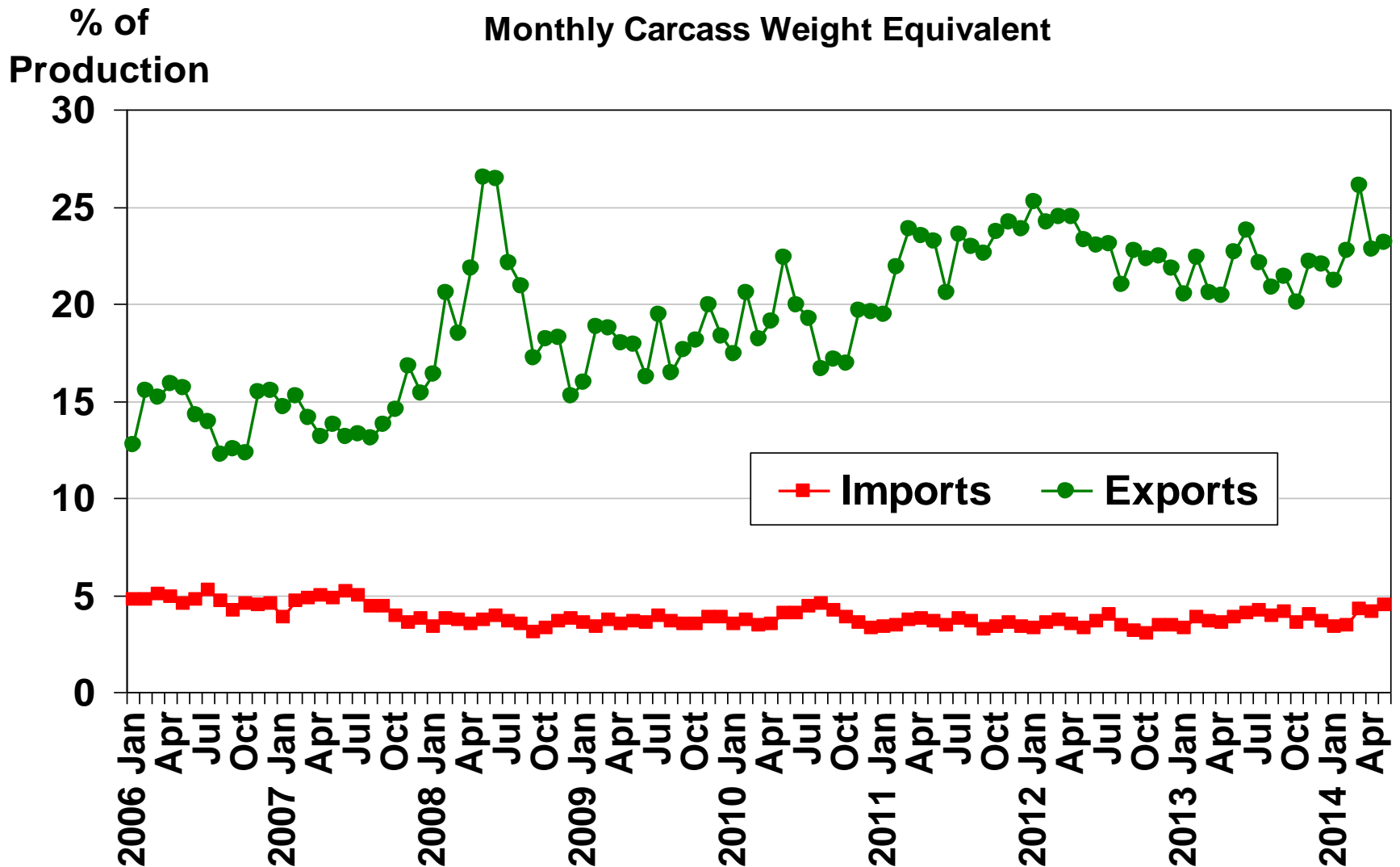
# U.S. Hog Imports from Canada



Source: USDA/ERS



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

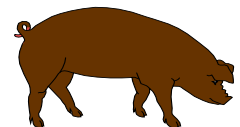


Source: USDA/ERS

# June 2014 Hog Inventory

<b>All Hogs &amp; Pigs</b>	<b>95.3</b>
<b>Kept for Breeding</b>	<b>99.5</b>
<b>Kept for Marketing</b>	<b>94.9</b>
<b>Under 50 lbs</b>	<b>94.1</b>
<b>50-119 lbs.</b>	<b>94.1</b>
<b>120-179 lbs.</b>	<b>96.1</b>
<b>180 lbs. and over</b>	<b>96.2</b>
<b>Sep-Nov Farrowings</b>	<b>96.3</b>
<b>Dec-Feb Farrowings</b>	<b>102.8</b>
<b>Mar-May Farrowings</b>	<b>99.7</b>
<b>Jun-Aug Farrowing Intentions</b>	<b>100.1</b>
<b>Sep-Nov Farrowing Intentions</b>	<b>103.6</b>

Source: USDA NASS



# **PED Virus**

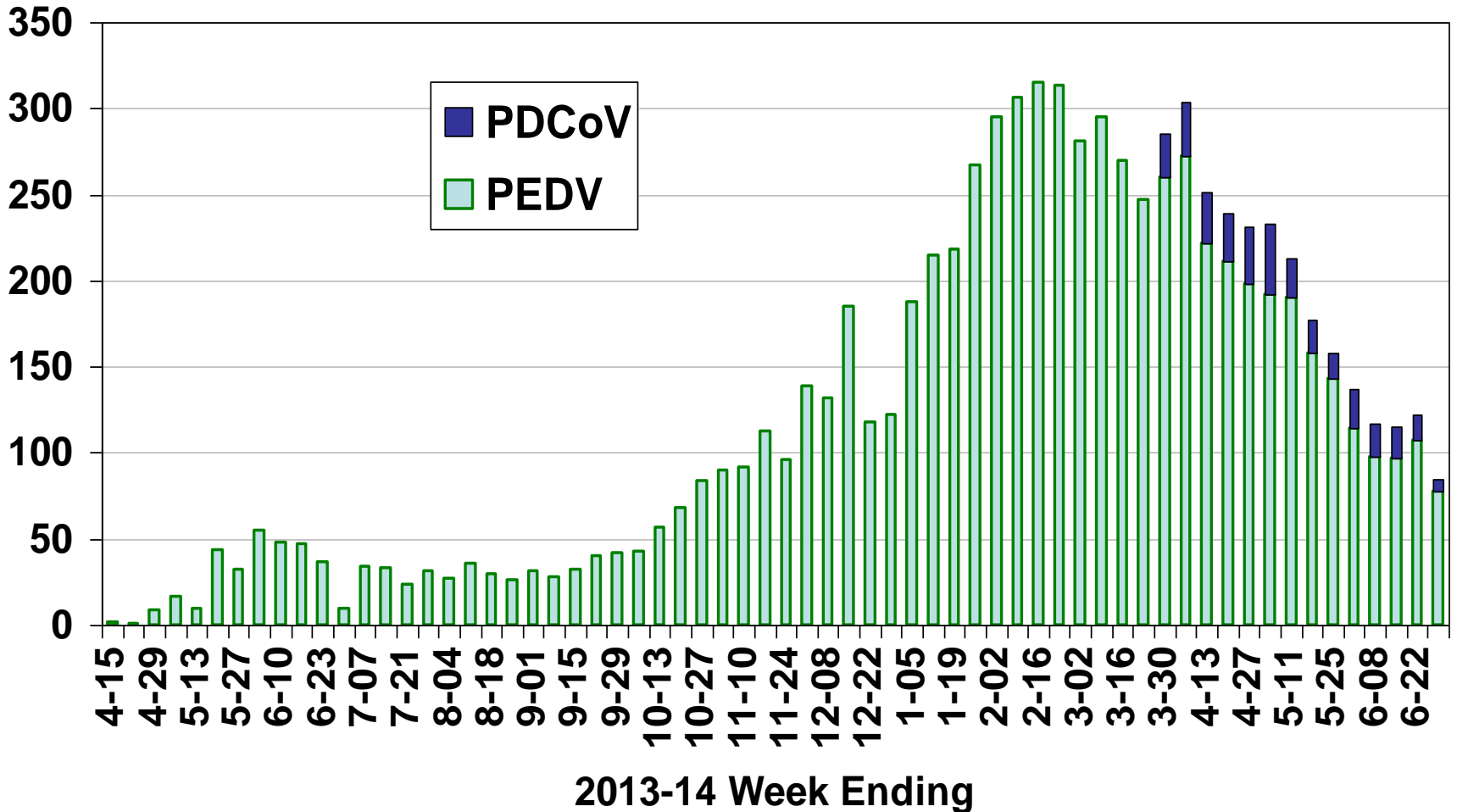
- Identified in Europe in 1971
- First cases in Asia in 1982
- First cases in U.S. in April 2013
- First identified in May
- Found on 7,603\* hog farms by 6/29/14
- Near 100% death loss in young pigs
- Not a zoonotic disease (no risk to people)
- Not a food safety concern

\*unknown amount of double counting

# PEDV & PDCoV Cases by Week

## NAHLN Reports

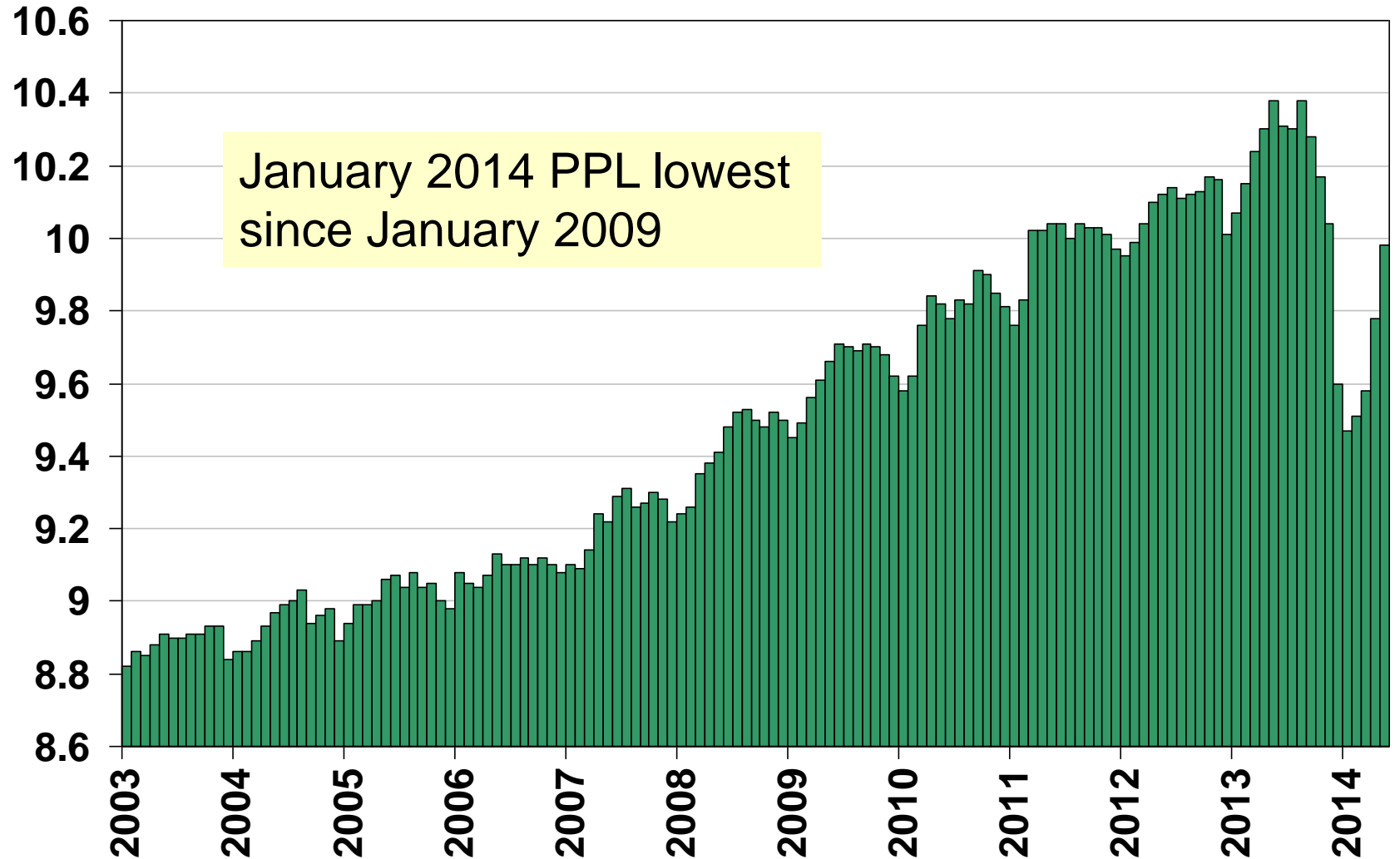
New Cases



Source: AASV & NAHLN

# U.S. Pigs Per Litter by Month

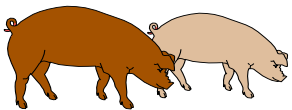
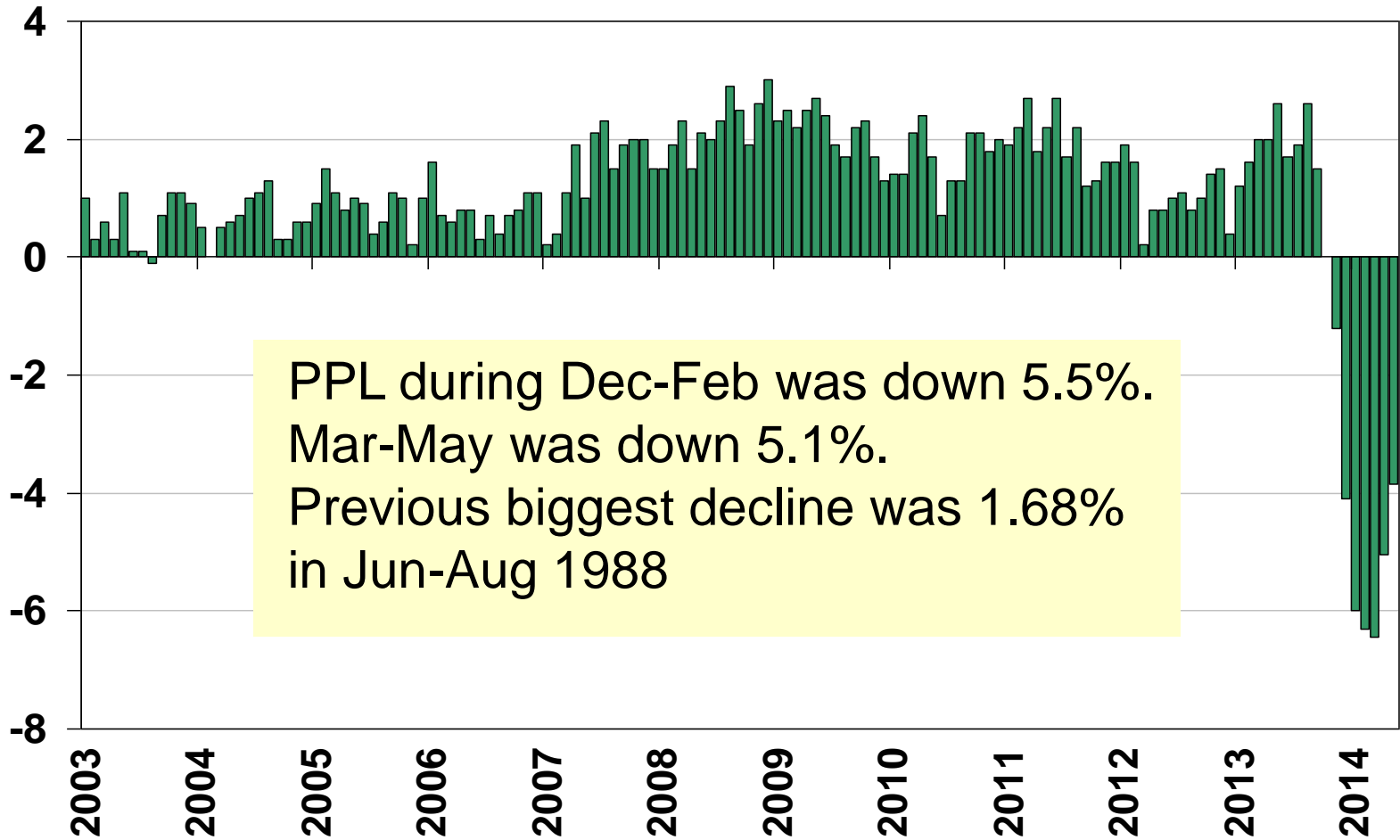
Head



January 2014 PPL lowest since January 2009

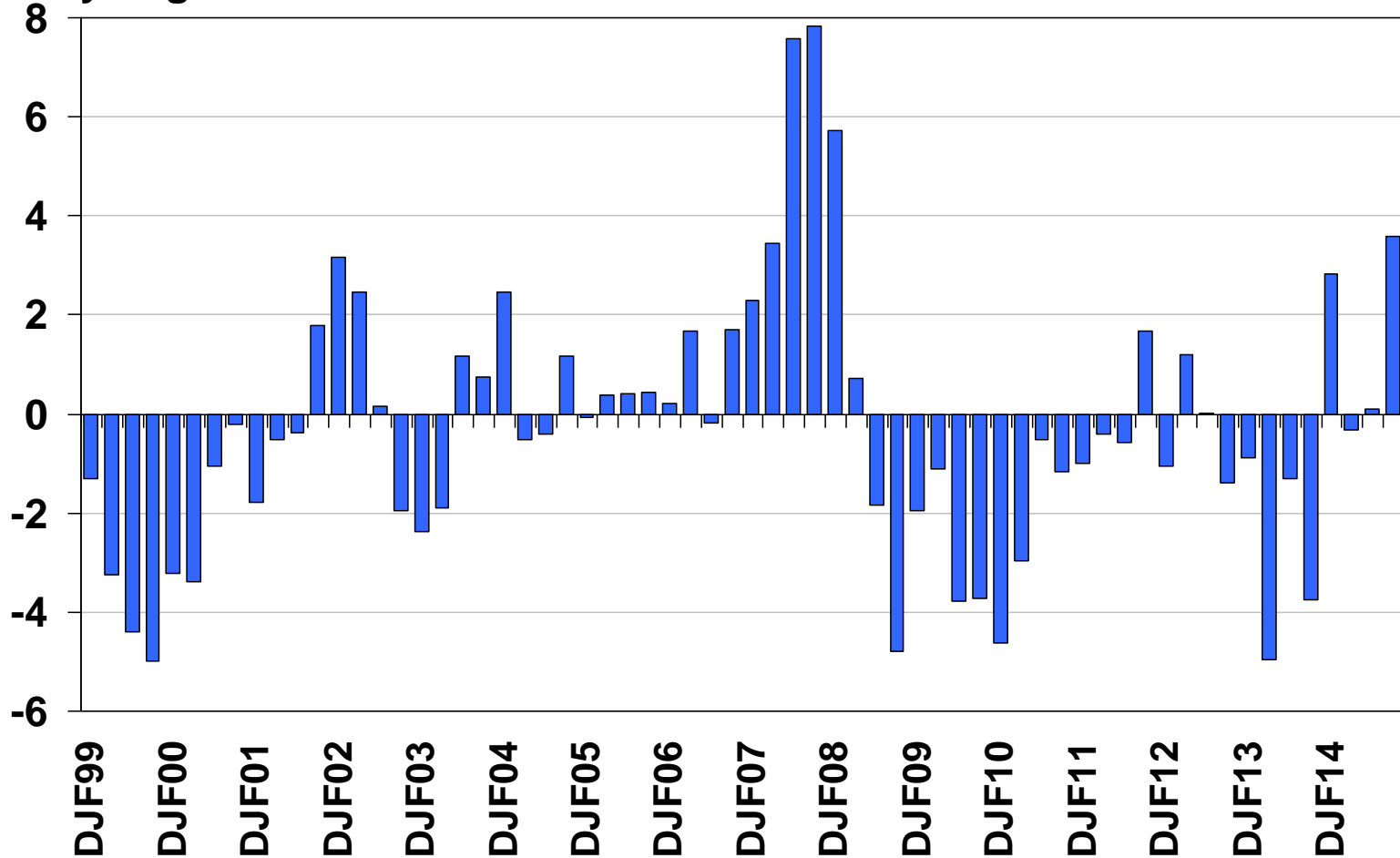
# U.S. Pigs Per Litter by Month

% Change from  
Year Ago



# Sows Farrowed by Quarter - U.S.

% change  
from yr. ago

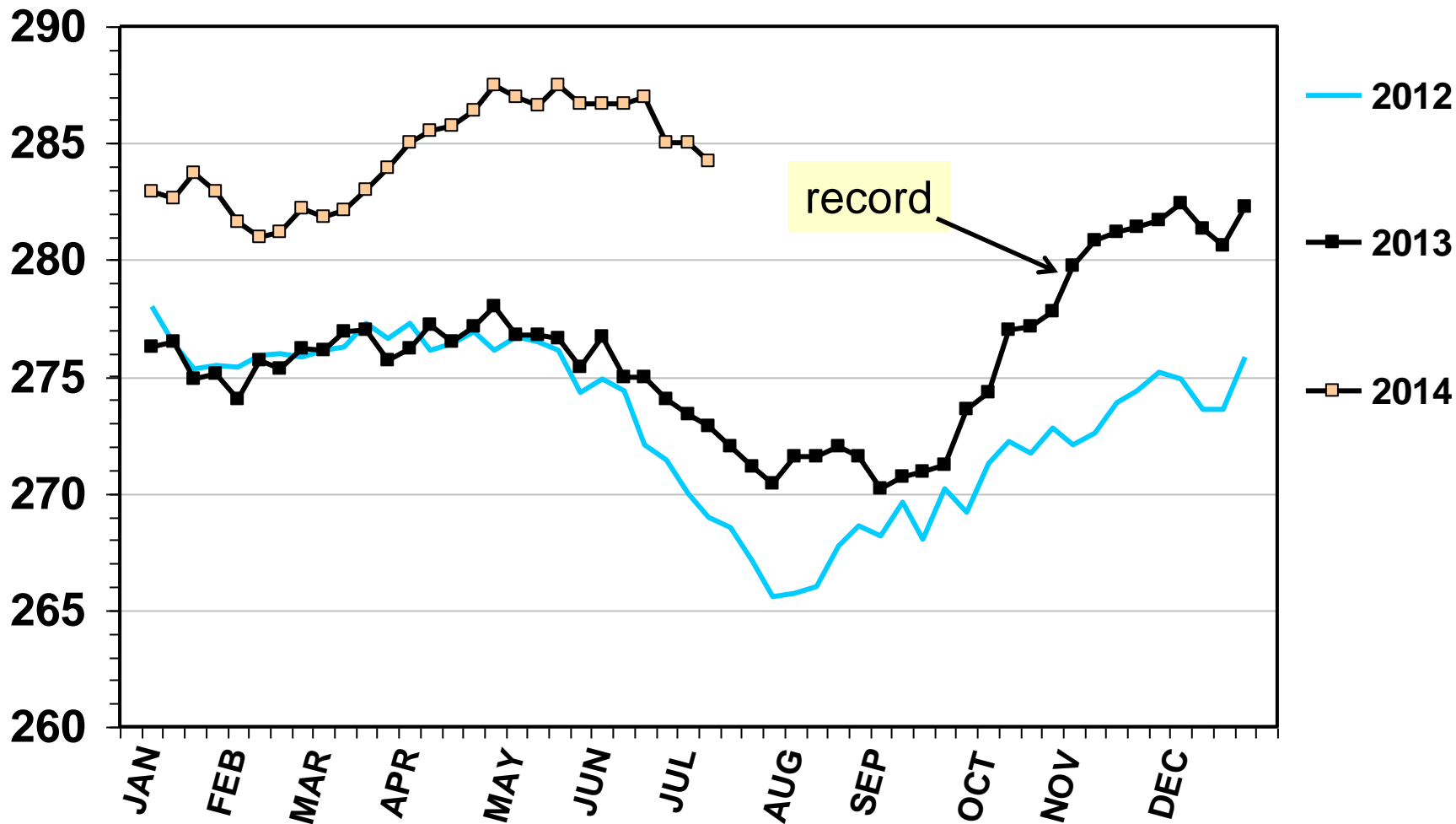


Source: USDA/NASS

# Barrow & Gilt Live Weights

## Iowa-Minnesota Weekly Average

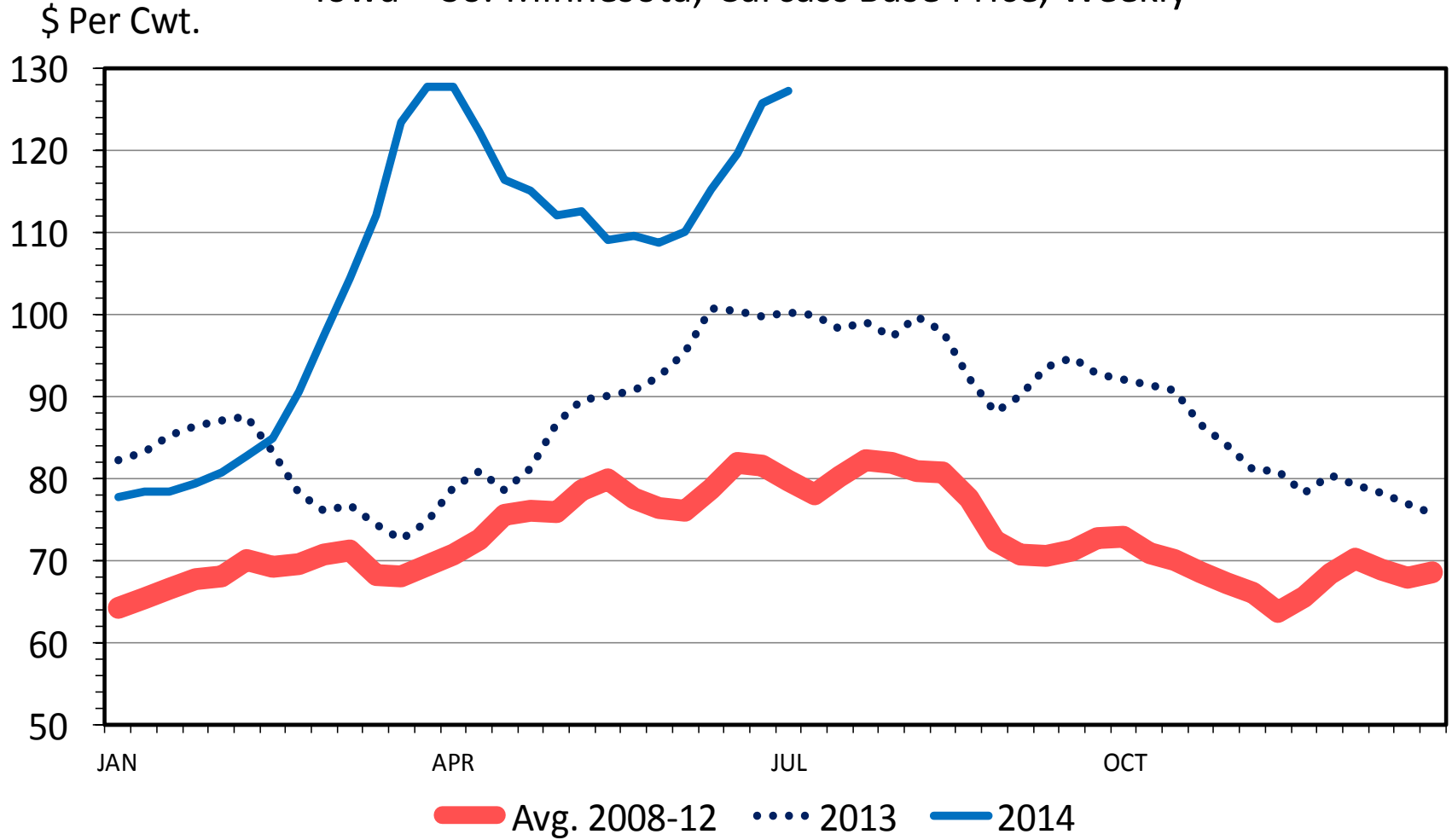
Pounds





# BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly



# 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	5,775	5,785	5,640*	+0.2%	- 2.5%
Qtr 2	5,516	5,505	5,440*	- 0.2%	- 1.2%
Qtr 3	5,622	5,490*	5,760*	- 2.3%	+4.9%
Qtr 4	6,274	5,980*	6,400*	- 4.7%	+7.0%
<b>Year</b>	<b>23,187</b>	<b>22,760*</b>	<b>23,240*</b>	<b>- 1.8%</b>	<b>+2.1%</b>

**\*forecast**

# Iowa-Minn Hog Price, Quarterly

Negotiated Base Price Per Carcass Hundredweight

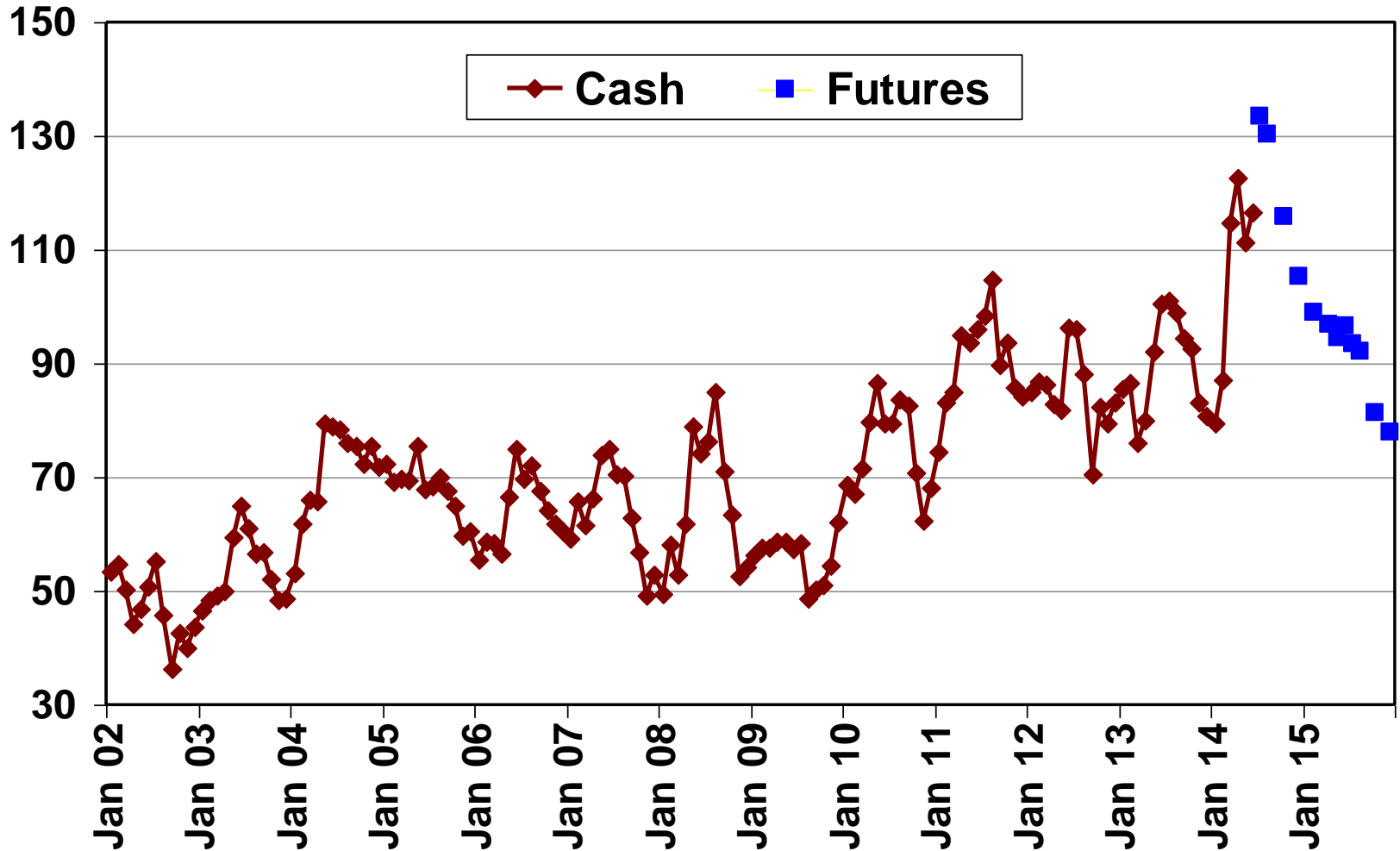
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Qtr 1	\$84.78	\$80.15	\$94.97	\$90-100*
Qtr 2	\$85.45	\$89.62	\$115.41	\$89-99*
Qtr 3	\$83.15	\$95.36	\$125-130*	\$83-93*
Qtr 4	\$79.93	\$82.36	\$103-113*	\$73-83*
<b>Year</b>	<b>\$83.36</b>	<b>\$86.87</b>	<b>\$109-114*</b>	<b>\$83-93*</b>

\*forecast price

# Net Slaughter Hog Price

## Monthly Average 2002-2014

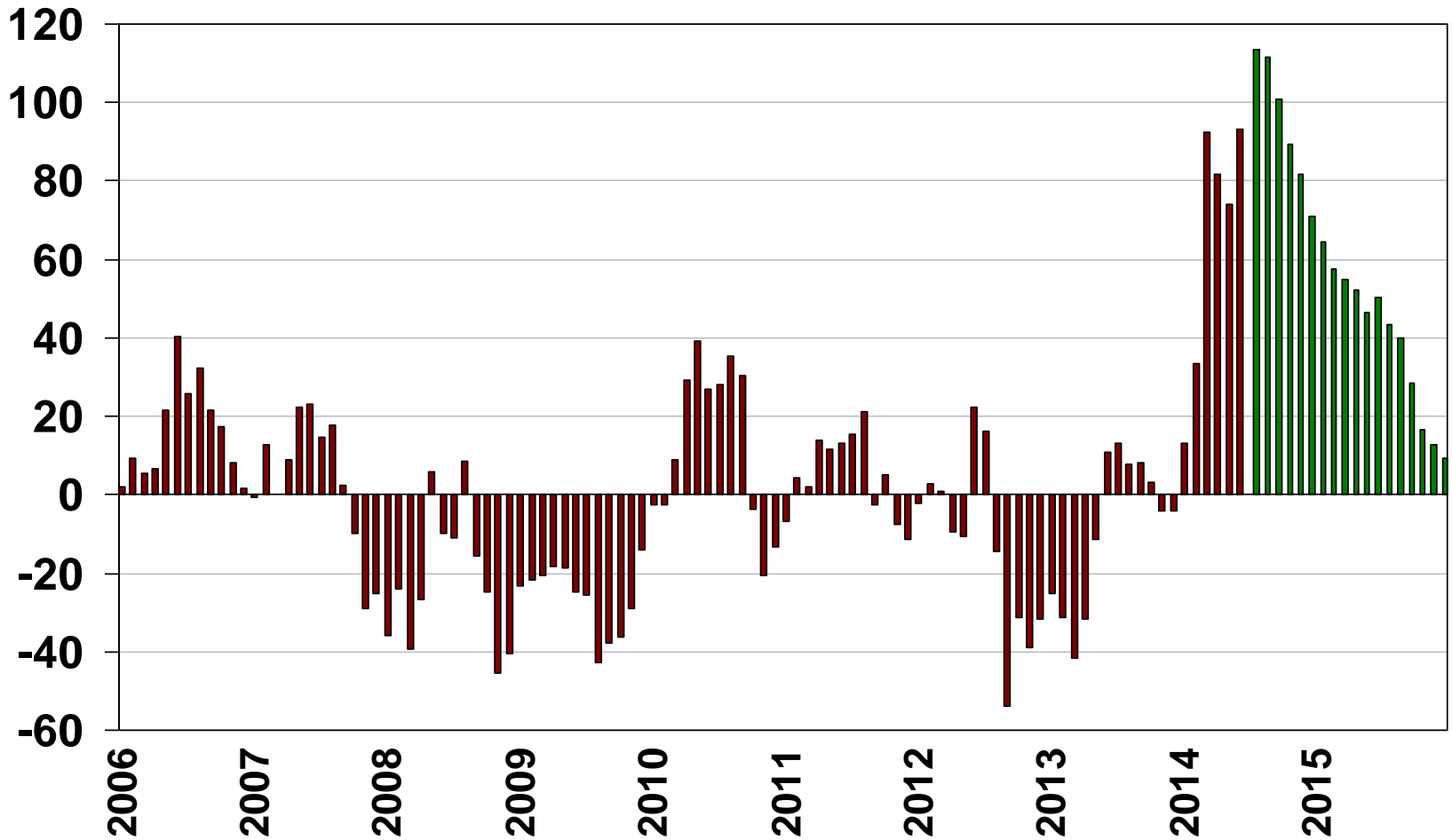
\$ Per Cwt



# Iowa Farrow to Finish Profits, 2006-2015

## Iowa State University Calculations

\$ Per Head



Forecast Source: Ron Plain, University of Missouri



# **Wheat Outlook**

**David Reinbott**

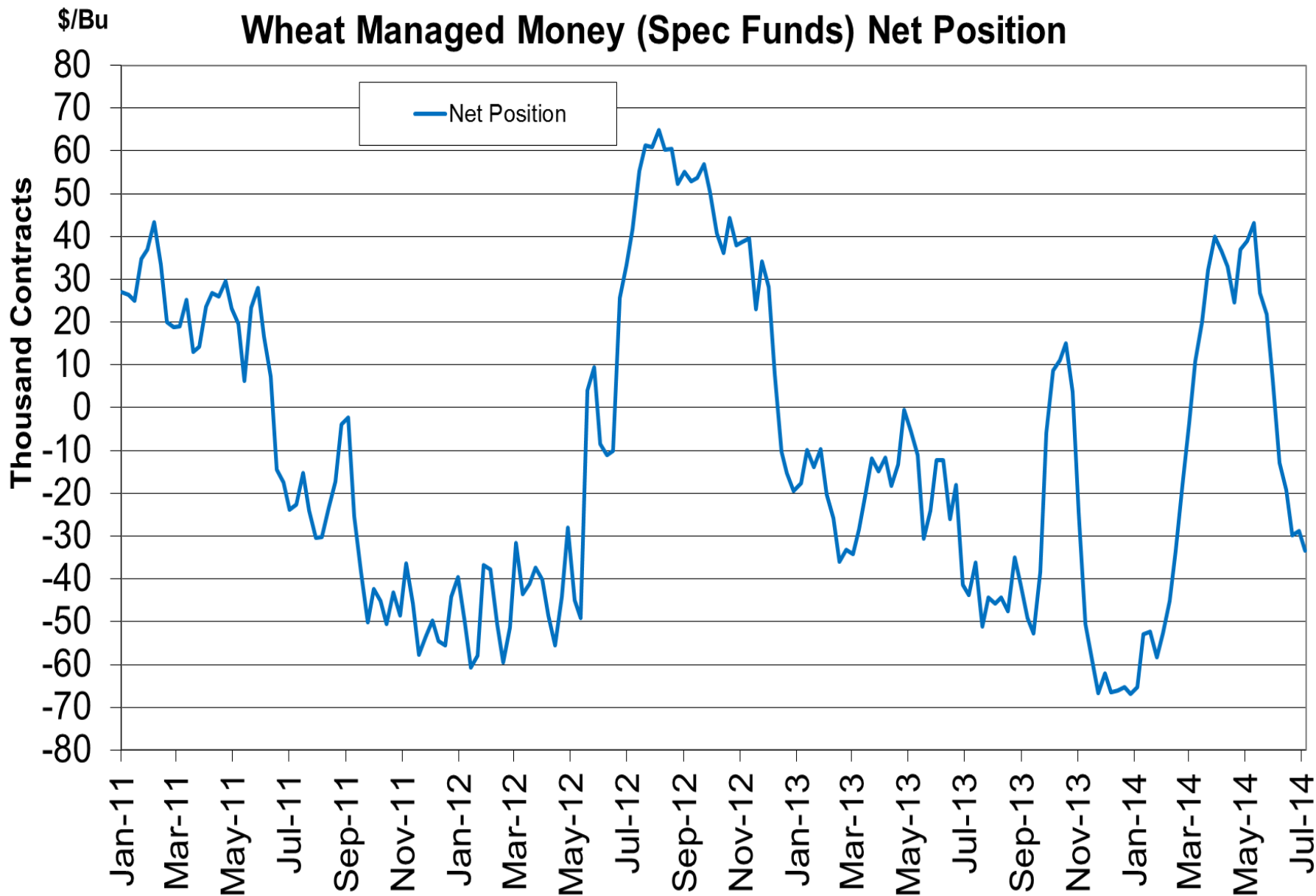
**July 17, 2014**

Two vertical bars are located on the left side of the slide. The leftmost bar is blue and the bar to its right is teal. Both bars extend from the top to the bottom of the slide.

# Issues Impacting Prices

- **Poor quality Soft Red Winter**
- **Yields decline**
- **World production and demand**

# Wheat Managed Money (Spec Funds) Net Position





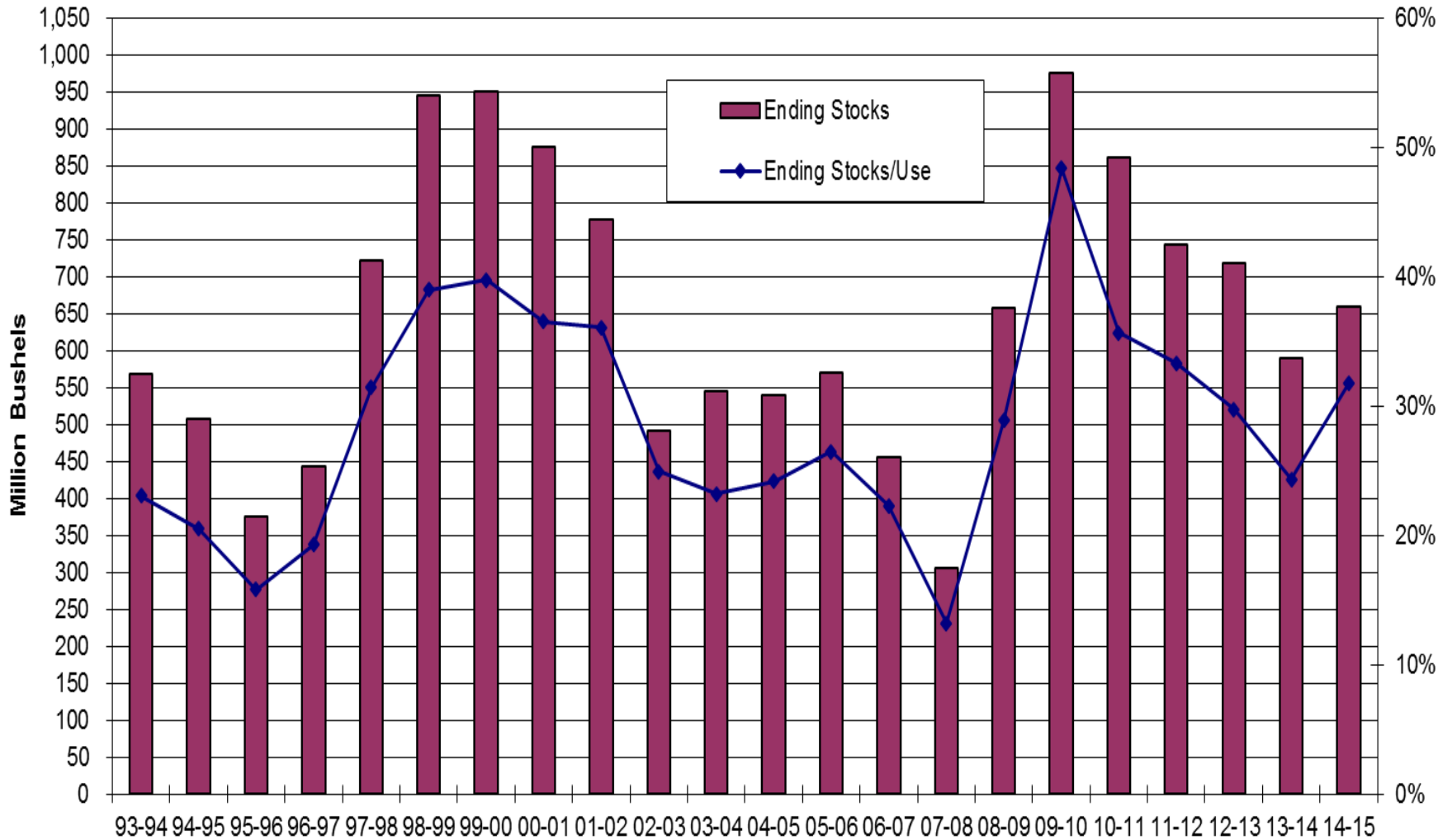
# Supply & Demand: Wheat

	2011-12	2012-13	2013-14	June to July change
Acres planted (mil.)	54.4	55.7	56.2	
Avg. yield/acre (bu.)	43.7	46.3	47.2	
<b>Supply: (bil. bu.)</b>				
Beg. Stocks	0.862	0.743	0.718	+0
Production	1.999	2.266	2.130	+0
<b>Total Supply</b>	<b>2.974</b>	<b>3.131</b>	<b>3.016</b>	<b>-2</b>
<b>Use:</b>				
Feed	0.162	0.388	0.217	-3
Food & Seed	1.017	1.018	1.027	+3
Exports	1.051	1.007	1.182	+2
<b>Total Use</b>	<b>2.231</b>	<b>2.414</b>	<b>2.426</b>	<b>+2</b>
Ending Stocks	0.743	0.718	0.590	-3
Avg. price/bu.	\$7.24	\$7.77	\$6.87	-0.00

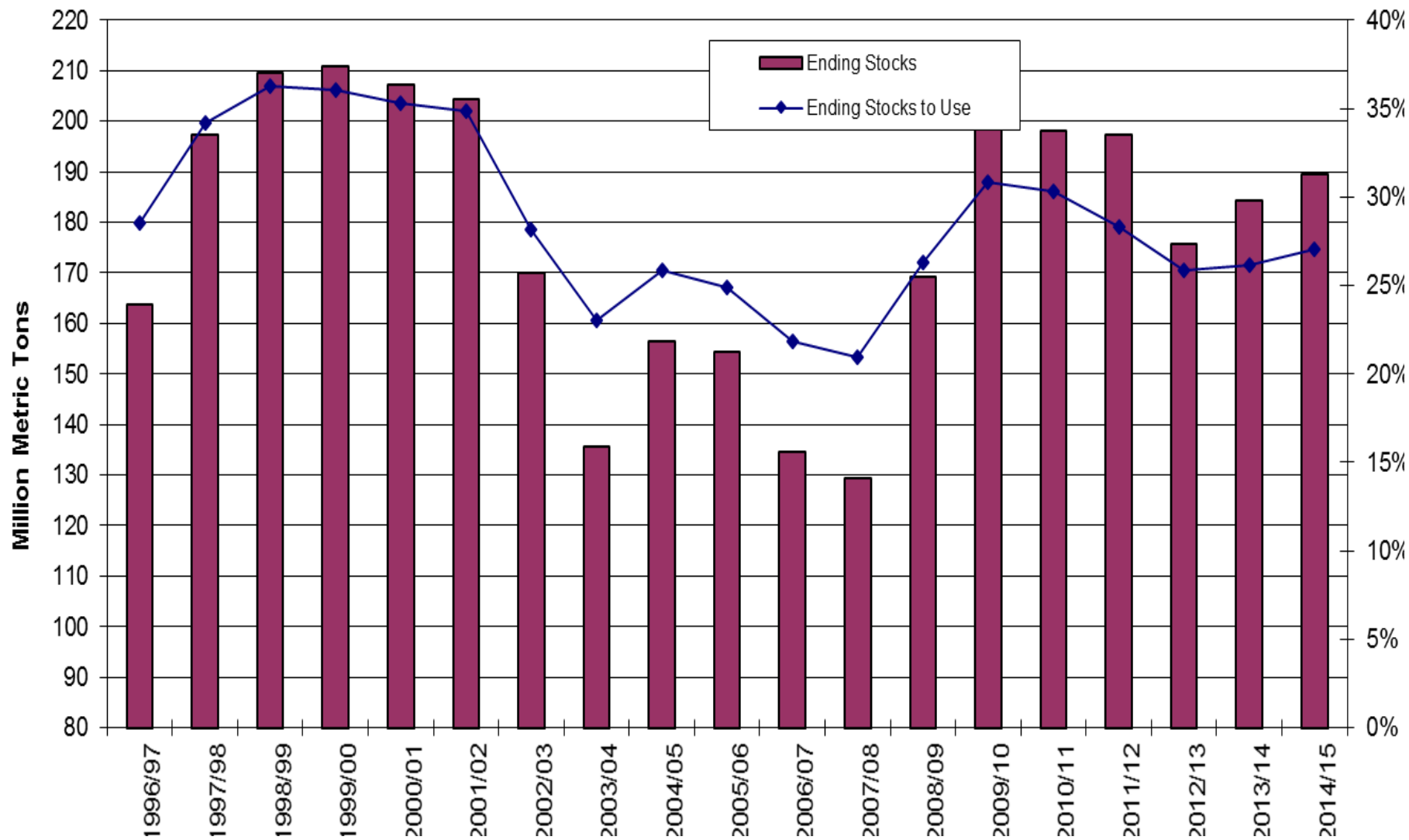
# Supply & Demand: Wheat 2014-15

Acres planted (mil.)	56.5/46.2	56.5/46.2	56.5/46.2
Avg. yield/acre (bu.)	42.1	43.1	44.1
<b>Supply:</b> (bil. bu.)			
Beg. Stocks	0.590	0.590	0.590
Production	1.945	1.992	2.037
<b>Total Supply</b>	<b>2.695</b>	<b>2.741</b>	<b>2.787</b>
<b>Use:</b>			
Feed	0.145	0.145	0.145
Food & Seed	1.036	1.036	1.036
Exports	0.900	0.900	0.900
<b>Total Use</b>	<b>2.081</b>	<b>2.081</b>	<b>2.081</b>
Ending Stocks	0.614	0.660	0.706
Avg. price/bu.	\$6.80	\$6.60	\$6.50

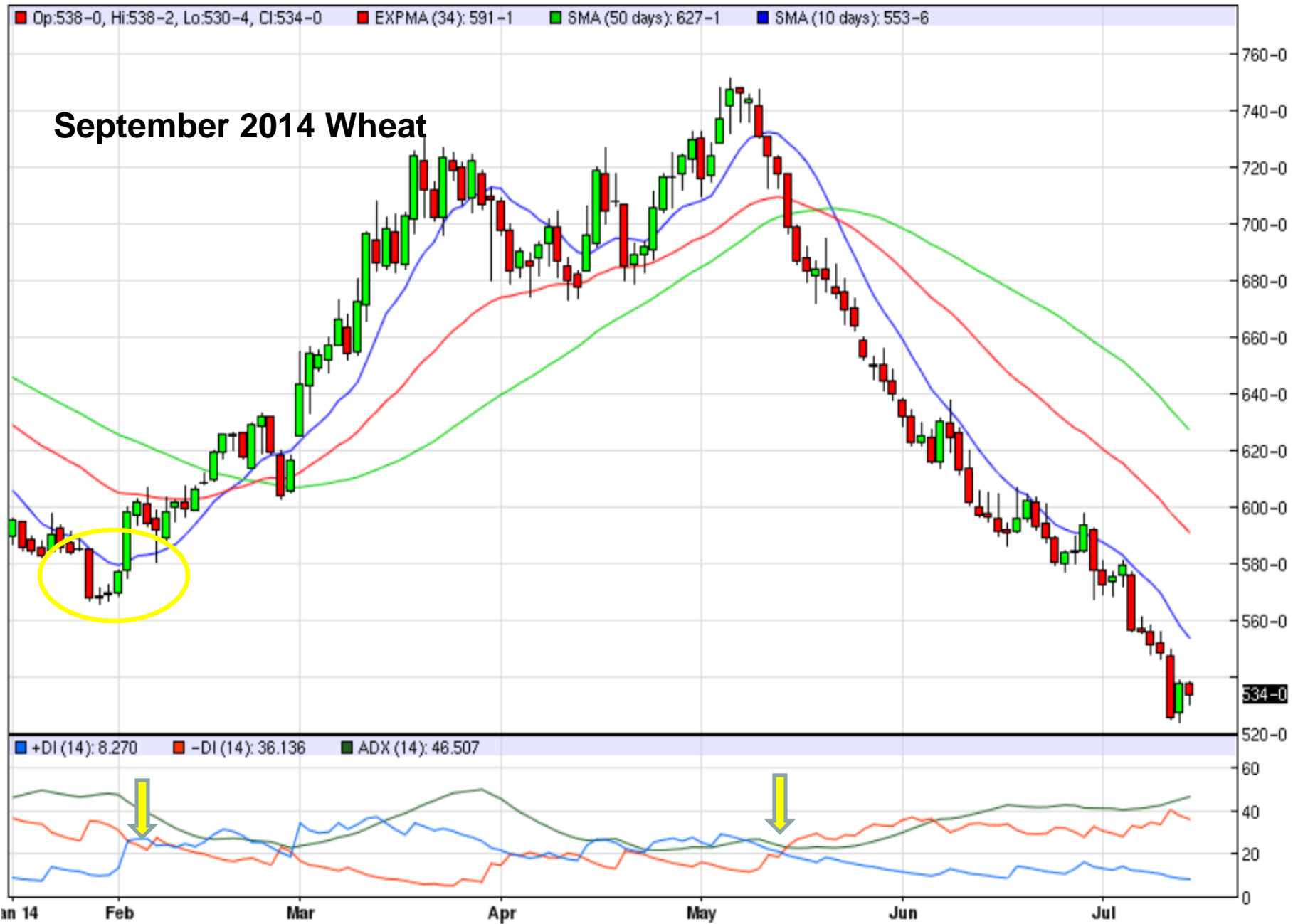
# Wheat Stocks and Ending Stocks to Use



# World Wheat Ending Stocks and Ending Stocks to Use



# ZWU14 - Wheat - Daily Candlestick Chart



# ZW - Wheat - Weekly Nearest Candlestick Chart

Op:527-2, Hi:539-0, Lo:524-2, Cl:533-0

## Weekly Wheat



**\$4.25**

**\$5.50 - \$5.60**

**533-0**



# **Dairy Outlook**

**Joe Horner**

**July 17, 2014**

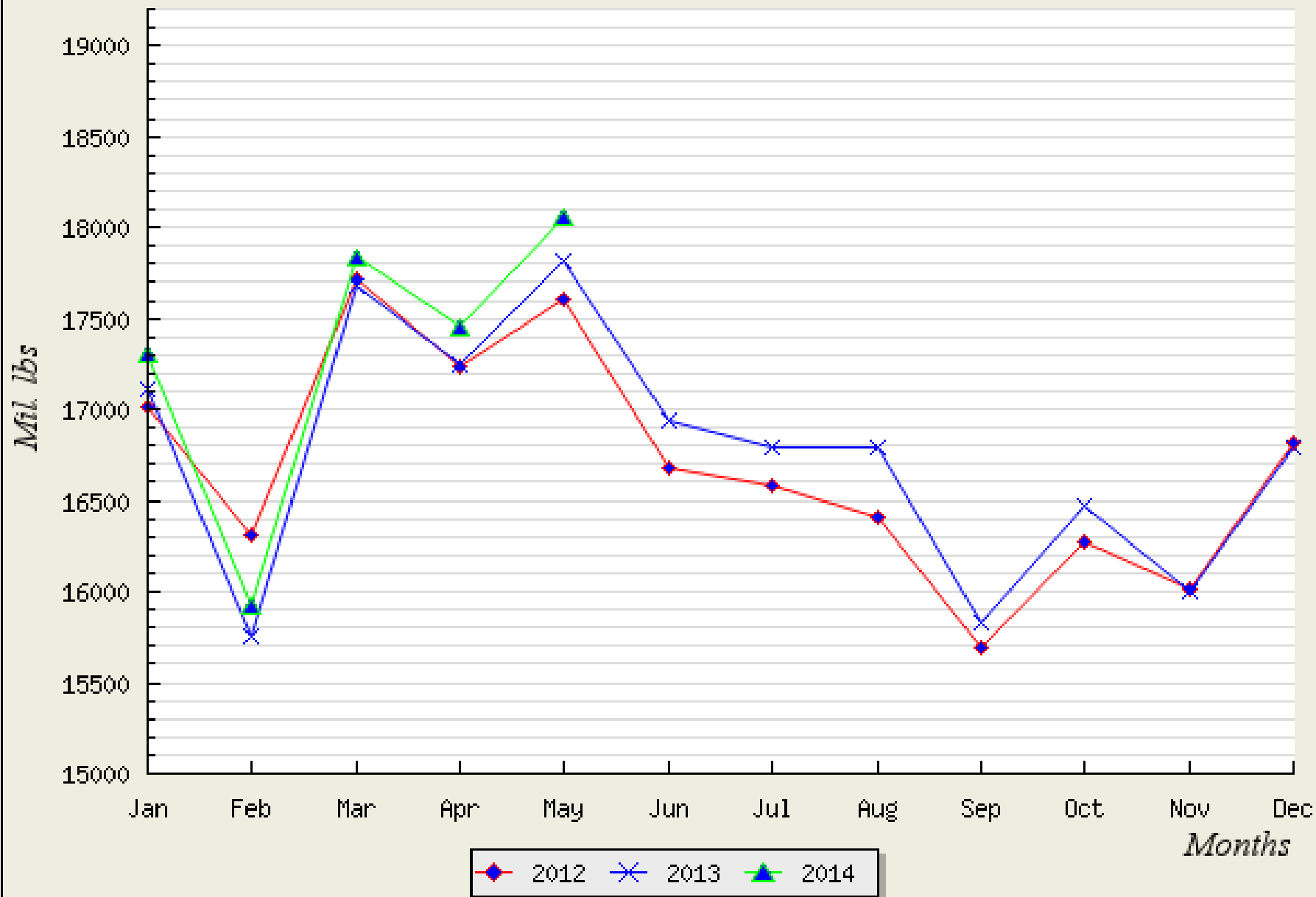
# Dairy Outlook in a Nutshell

- **Supply Neutral**
  - US cow numbers – rising slowly
  - US milk per cow – rising slowly
  - US milk production – rising at 1.5% long term average
  - US dairy product stocks slowly rebuilding
- **Demand Bearish**
  - Domestic – Sticker shock weakening demand
  - Exports – NZ/AU coming on strong, China imports slowing
- **Outlook Profitable**
  - Margins strong as feed costs drop faster than milk prices
  - Production constrained by cull prices & cow numbers



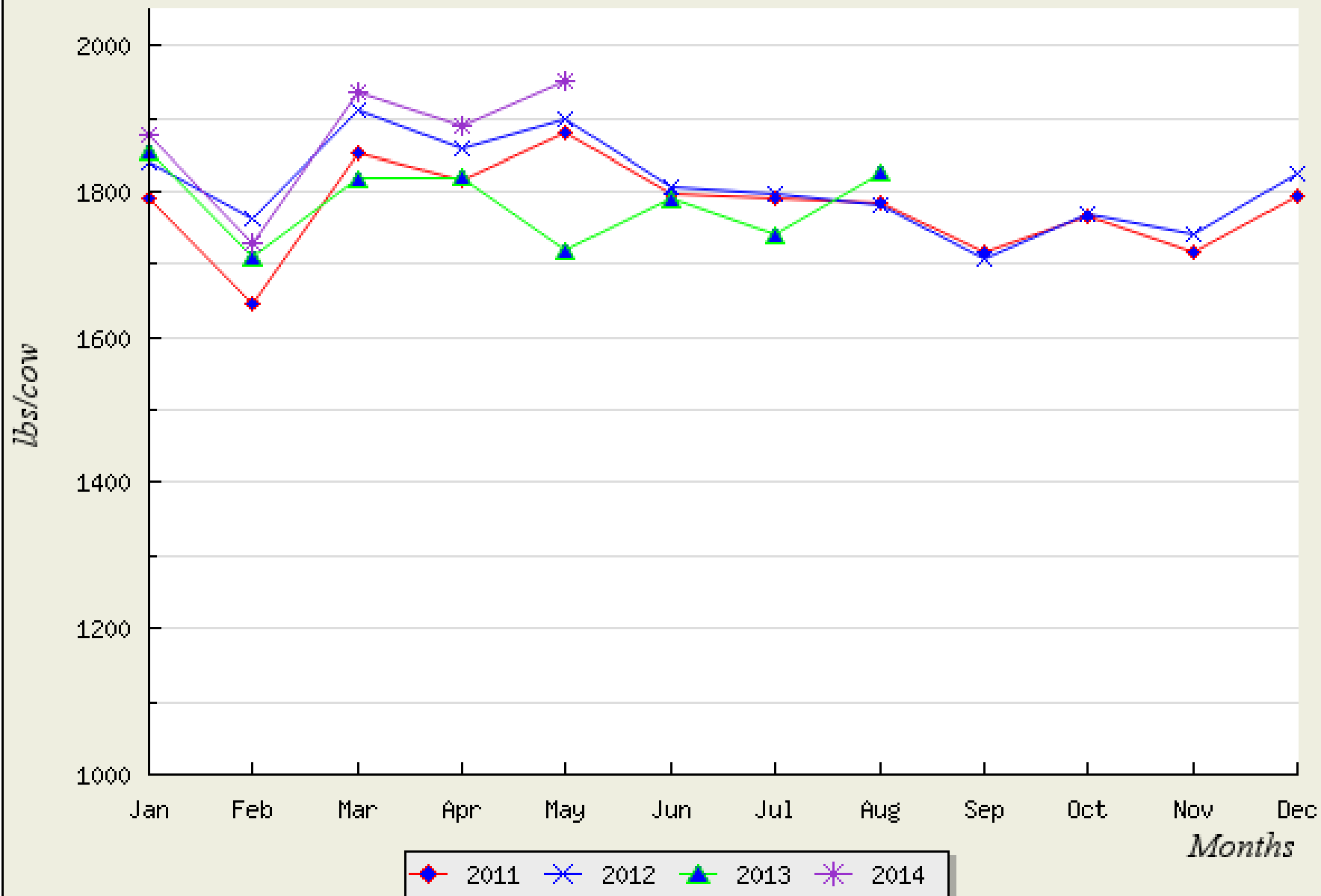
# Milk Production

Area: US



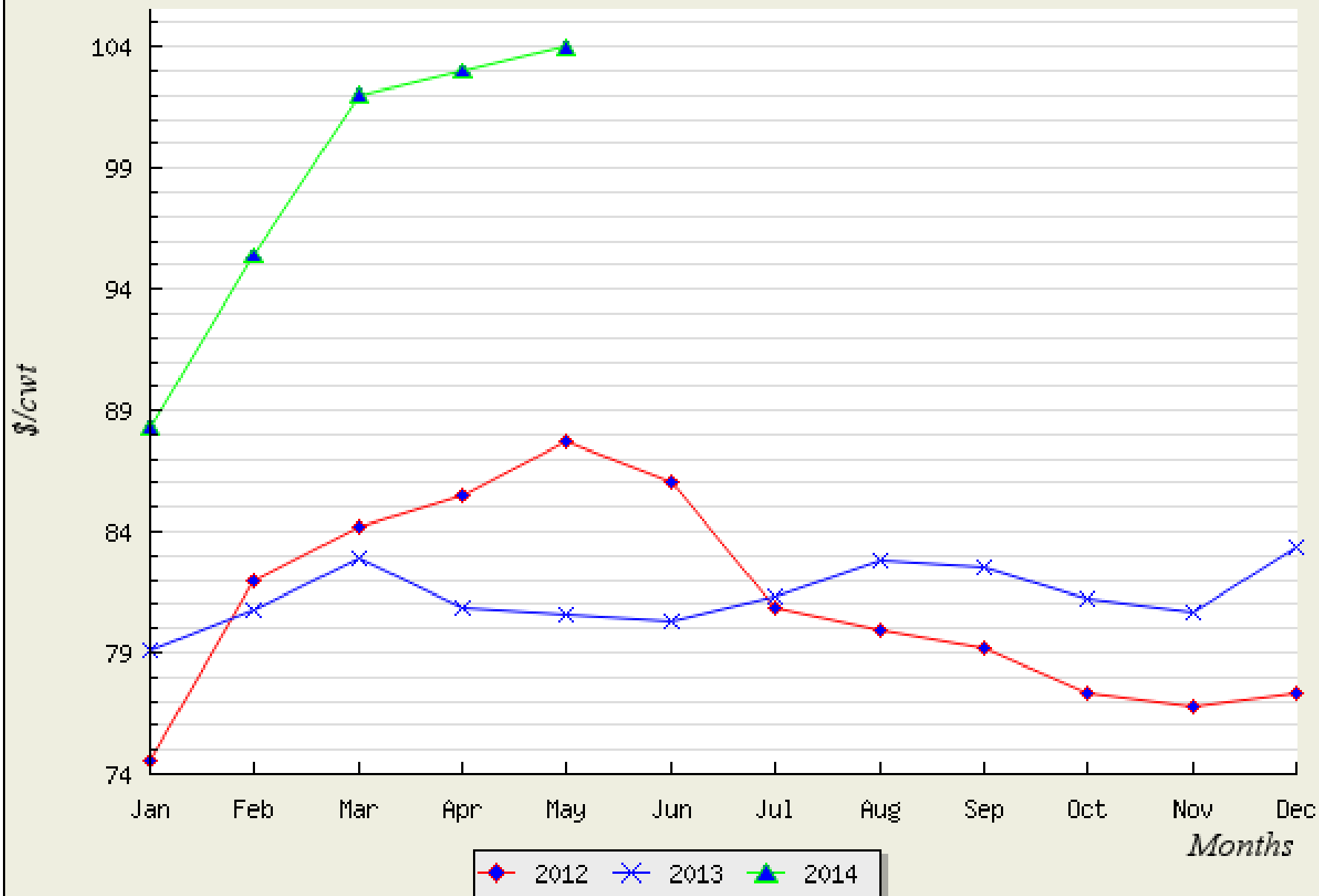
# Milk Prod. Per Cow

Area: US



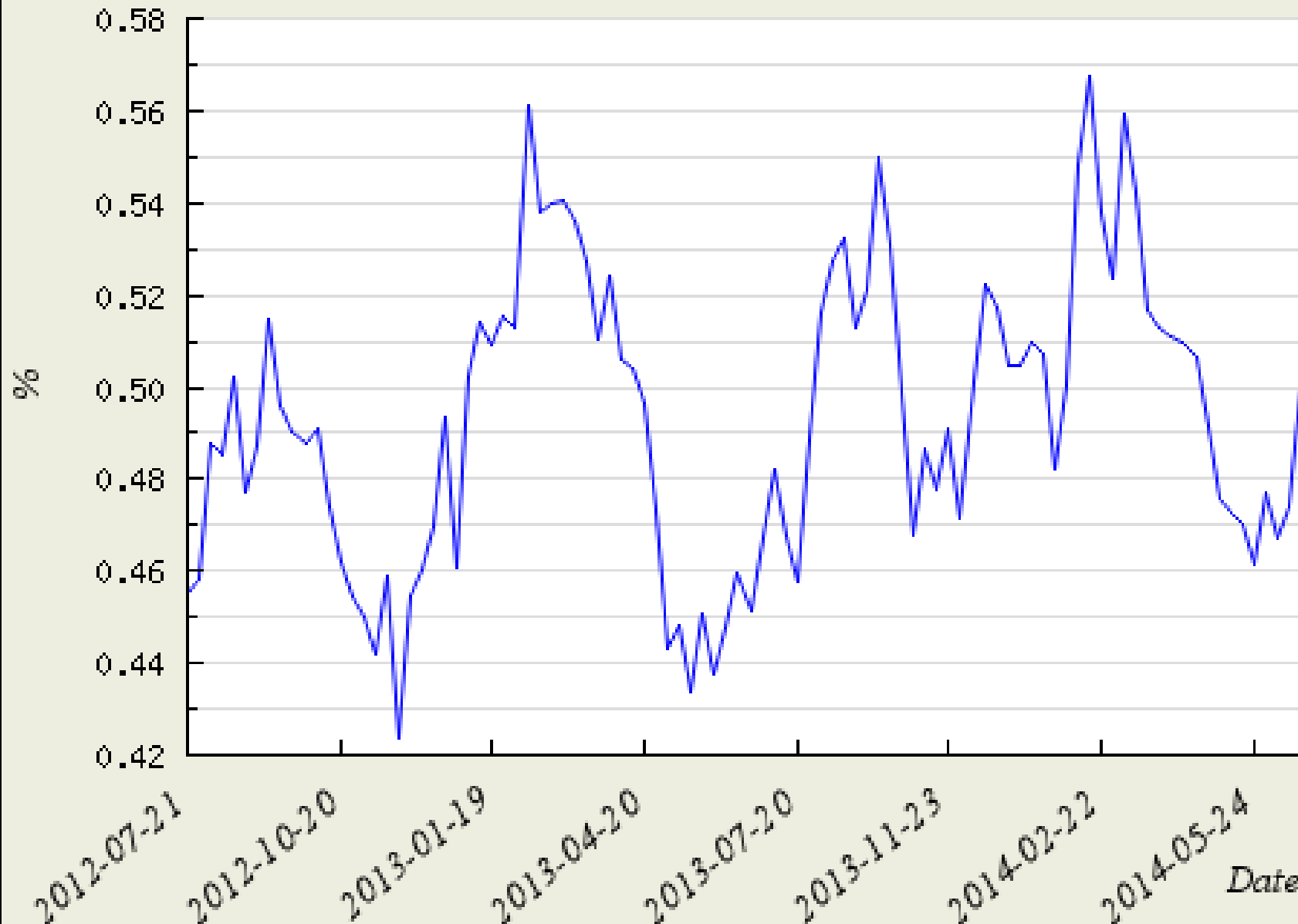
# Dairy Cow Slaughter Price

Area: US

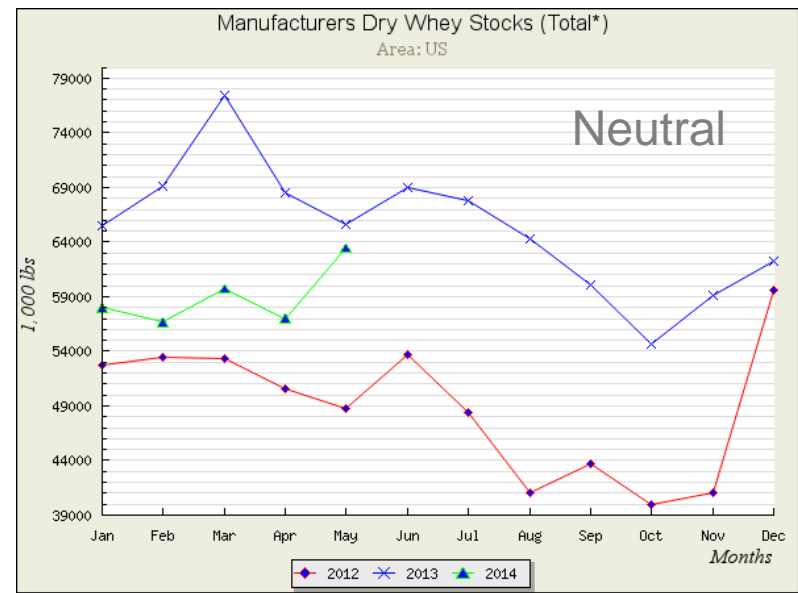
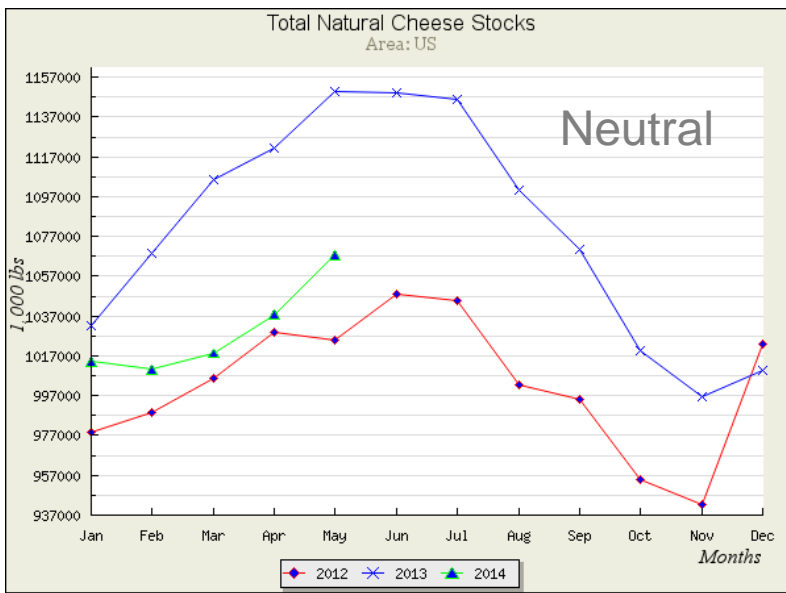
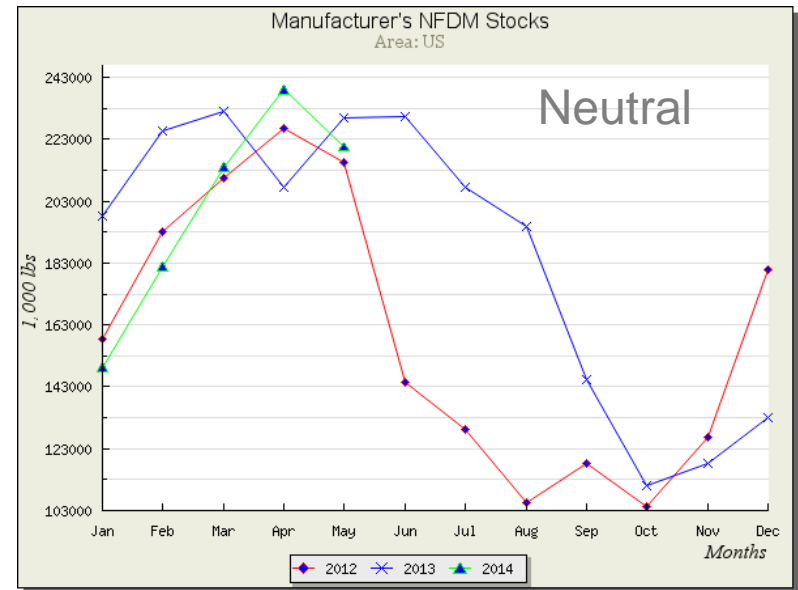
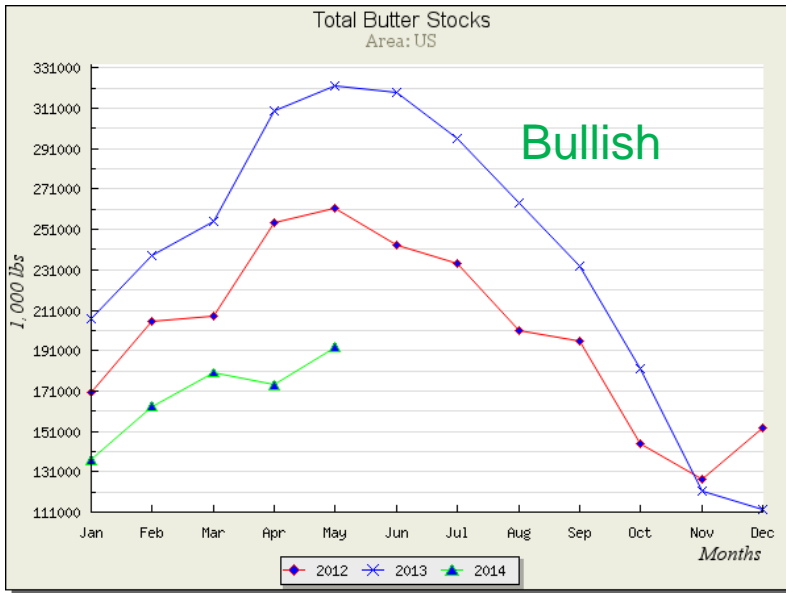


# Dairy Cattle Slaughter As % of Total

Area : US

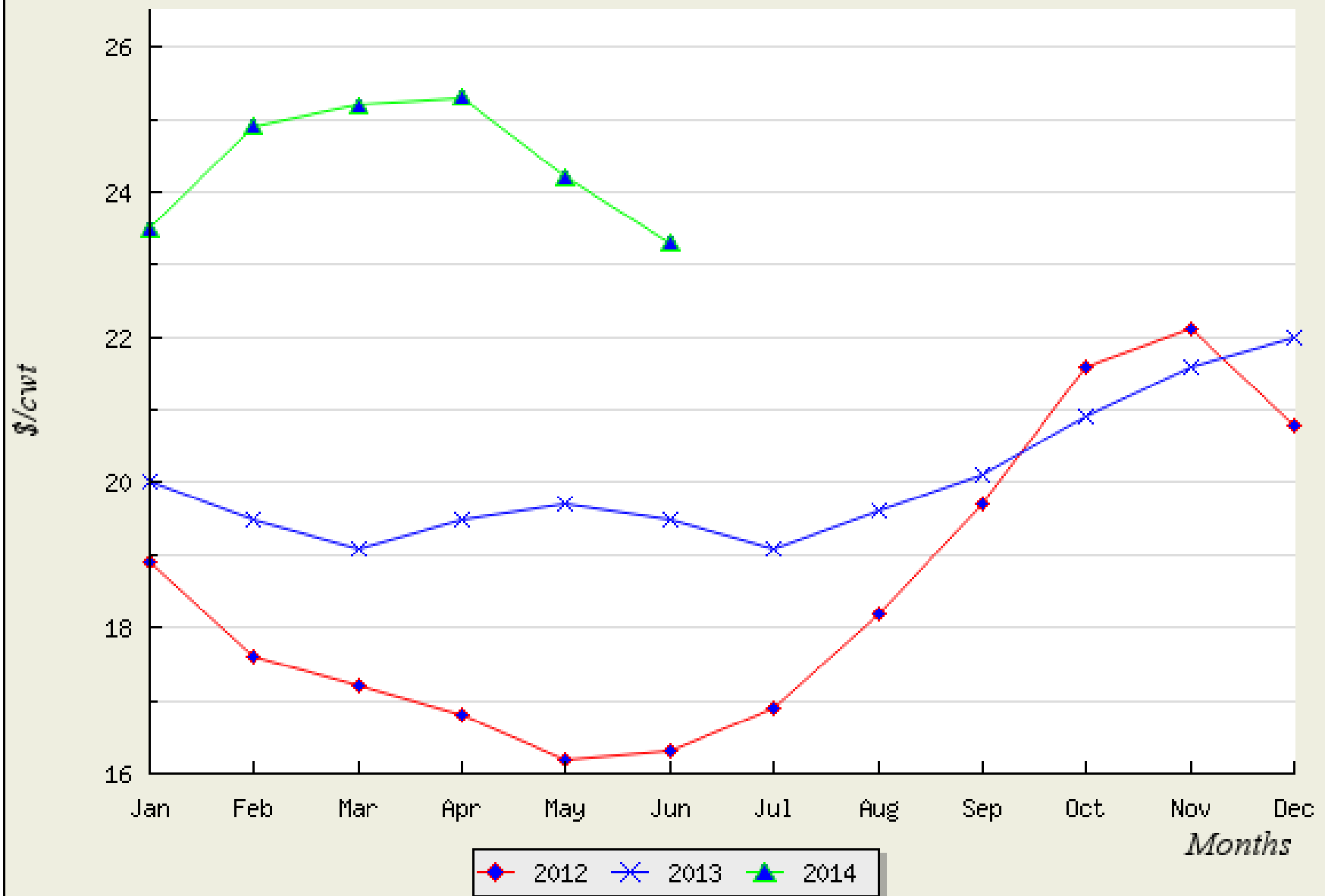


# Stocks – Neutral



# All Milk Price

Area: US



# Dairy Price Outlook

	<b>3<sup>rd</sup> Quarter 2014</b>	<b>4<sup>th</sup> Quarter 2014</b>	<b>2015</b>
<b>USDA – All Milk Price</b> <i>June 18, 2014</i>	<b>\$21.95 – \$22.45</b>	<b>\$20.85 – \$21.65</b>	<b>\$19.75 – \$20.75</b>
<b>CME Group Futures Class III</b> <i>July 10, 2014</i>	<b>20.62</b>	<b>19.40</b>	<b>18.08</b>
<b>CME Group Futures Class IV</b> <i>July 10, 2014</i>	<b>22.28</b>	<b>19.80</b>	<b>17.56</b>
<b>MO Farm Forecast</b>	<b>\$23.50</b>	<b>\$21.50</b>	<b>\$19.50</b>

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

**questions ?**