

Corn & Soybeans

- ▶ **Corn** (source WASDE)
 - ▶ Estimate for the 2016-17 Season
 - ▶ Global and US outlook
 - ▶ Production, utilization and stocks
- ▶ **Soybean** (source WASDE)
 - ▶ Estimate for the 2016-17 Season
 - ▶ Global and US outlook
 - ▶ Production, utilization and stocks
- ▶ **Corn and Soybeans prices** (Source CME)
- ▶ **Price connections** (Clal's processing)
- ▶ **Focus on Italy** (Milan Chamber of Commerce)
 - ▶ Simulated Feed Ration



CORN

Estimate for 2016-17 Season

- ▶ **Global Corn production for 2016-17** (new marketing year starting September 1st) is projected at **1028.40 Mio t**, +1.7% from July estimates, with higher production in the United States (+3.4%), in Argentina (+7.4%), India and Mexico (+1.2%).
- ▶ **U.S. production** is forecast at a record 384.92 Mio t. The season's first survey-based **Corn yield forecast**, at **175.1 bushels per acre**, is +7.1 bushels from last month's trend-based projection and above the record 171 bushels in 2014-15. Nearly all *Corn Belt* states, with the exception of Minnesota and South Dakota, are forecast to have yields above a year ago.
- ▶ U.S. imports are raised as the pace of **Organic Corn imports** through June has been above expectations.
- ▶ Corn area is raised in **Argentina** on an expected reduction in planted area for wheat and small grains. For **India**, Corn area is increased as favorable rainfall has boosted plantings to date. Abundant summer rainfall in **Mexico** boosts Corn yield prospects.
- ▶ Persistent dryness in Ontario reduces the outlook for production in **Canada**.
- ▶ **EU** Corn production is lowered (from 63.83 Mio t to 62.10) mostly on reductions for Spain and France.



CORN – **Global** and **US** outlook: Estimate for the 2016-17 Season



	Million tons	From July 2016 (projections)
Beginning stocks	209.34	+1.2%
Production	1028.40	+1.7%
Total use	1016.93	+0.8%
Ending stocks	220.81	+6.0%



	Billion bushels	Million tons	From July 2016 (projections)
Beginning stocks	1.71	43.33	+0.3%
Production	15.16	384.92	+4.2%
Total use	12.33	313.07	+1.4%
Export	2.18	55.25	+6.1%
Ending stocks	2.41	61.20	+15.8%
Price projection	3,15 \$/bushel	124 \$/ton	110 €/ton ↓
1 month ago	3,40 \$/bushel	134 \$/ton	121 €/ton

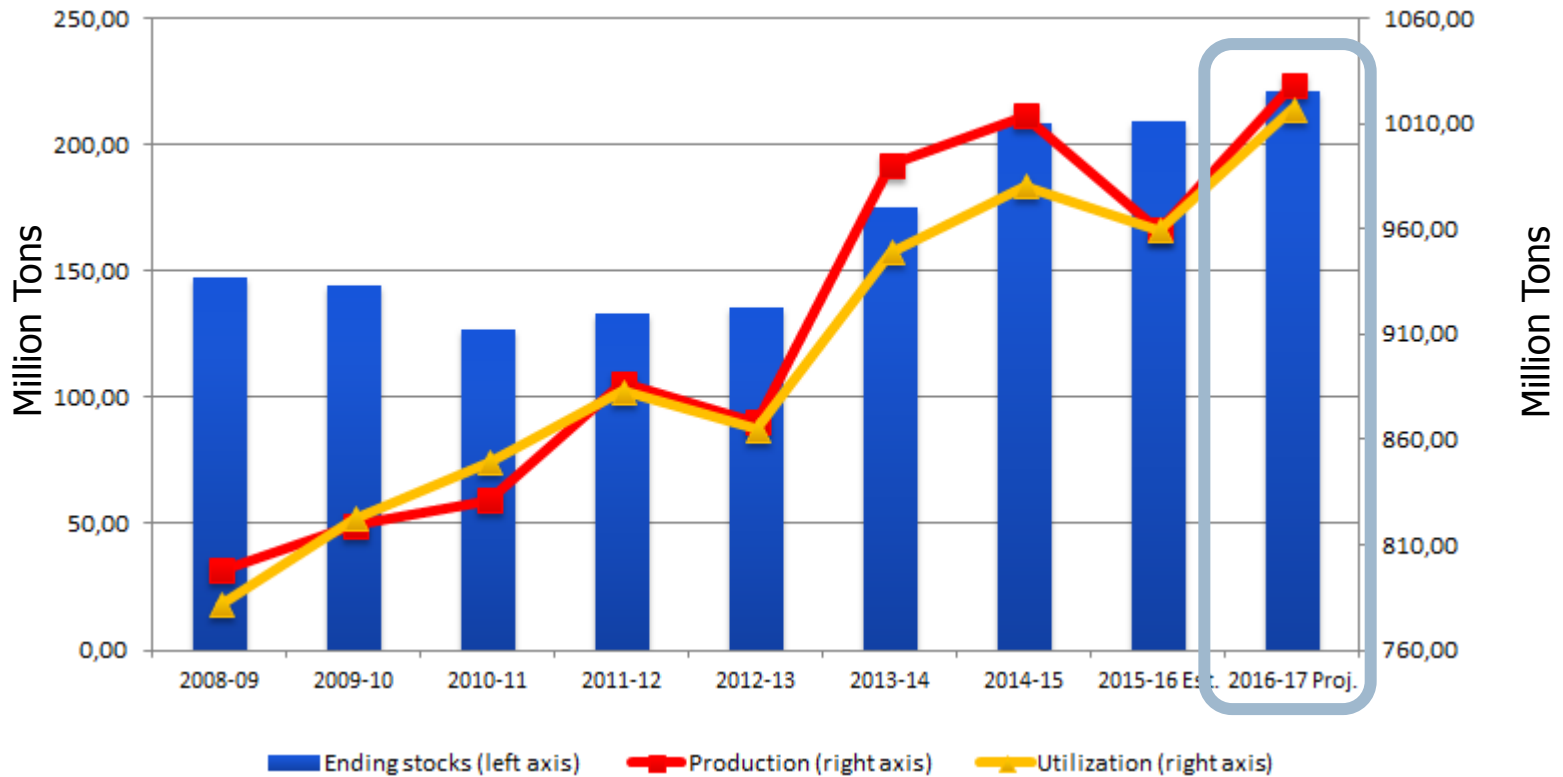
CORN conversion factors
1 bushel = 0.025 metric ton
1 metric ton = 39.38 bushel



CORN – **Global** outlook: production, utilization and stocks

World – Corn Production, Utilization and Stocks

Processed by CLAL on WASDE data





SOYBEANS

Estimate for 2016-17 Season

- ▶ **Global Soybean production for 2016-17** (new marketing year starting October 1st) is projected at a record **330.4 Mio t**, +4.5% from last month.
- ▶ **U.S. Soybean production** is forecast at **110.50 Mio t**, due to increased yields. The first survey-based Soybean yield forecast of **48.9 bushels per acre** is 2.2 bushels above last month and +0.9 bushels above last year's record.
- ▶ 2016-17 **beginning stocks** are projected at 6.95 Mio t, down 2.59 from last month. The Soybean crush is raised reflecting increased domestic use and exports of Soybean meal.
- ▶ The U.S. production increase is partly offset by **reductions for both India and Ukraine**, with the latest planting data for both countries indicating lower forecasts for harvested area.
- ▶ **Global ending stocks** for 2016-17 are projected higher at 71.24 Mio t, with increased stocks in the major exporters (U.S., Argentina and Brazil) and decreased stocks in China.



SOYBEANS – **Global** and **US** outlook: Estimate for the 2016-17 Season



	Million tons	From July 2016 (projections)
Beginning stocks	73.00	+1.1%
Production	330.41	+1.4%
Total use	329.82	+0.3%
Ending stocks	71.24	+6.2%



	Billion bushels	Million tons	From July 2016 (projections)
Beginning stocks	0.26	6.95	-27.1%
Production	4.06	110.50	+4.6%
Total use	2.07	56.22	+0.8%
Export	1.95	53.07	+1.5%
Ending stocks	0.33	8.97	+13.5%
Price projection	9.10 \$/bushel	334 \$/ton	295 €/ton ↓
1 month ago	9.50 \$/bushel	349 \$/ton	316 €/ton

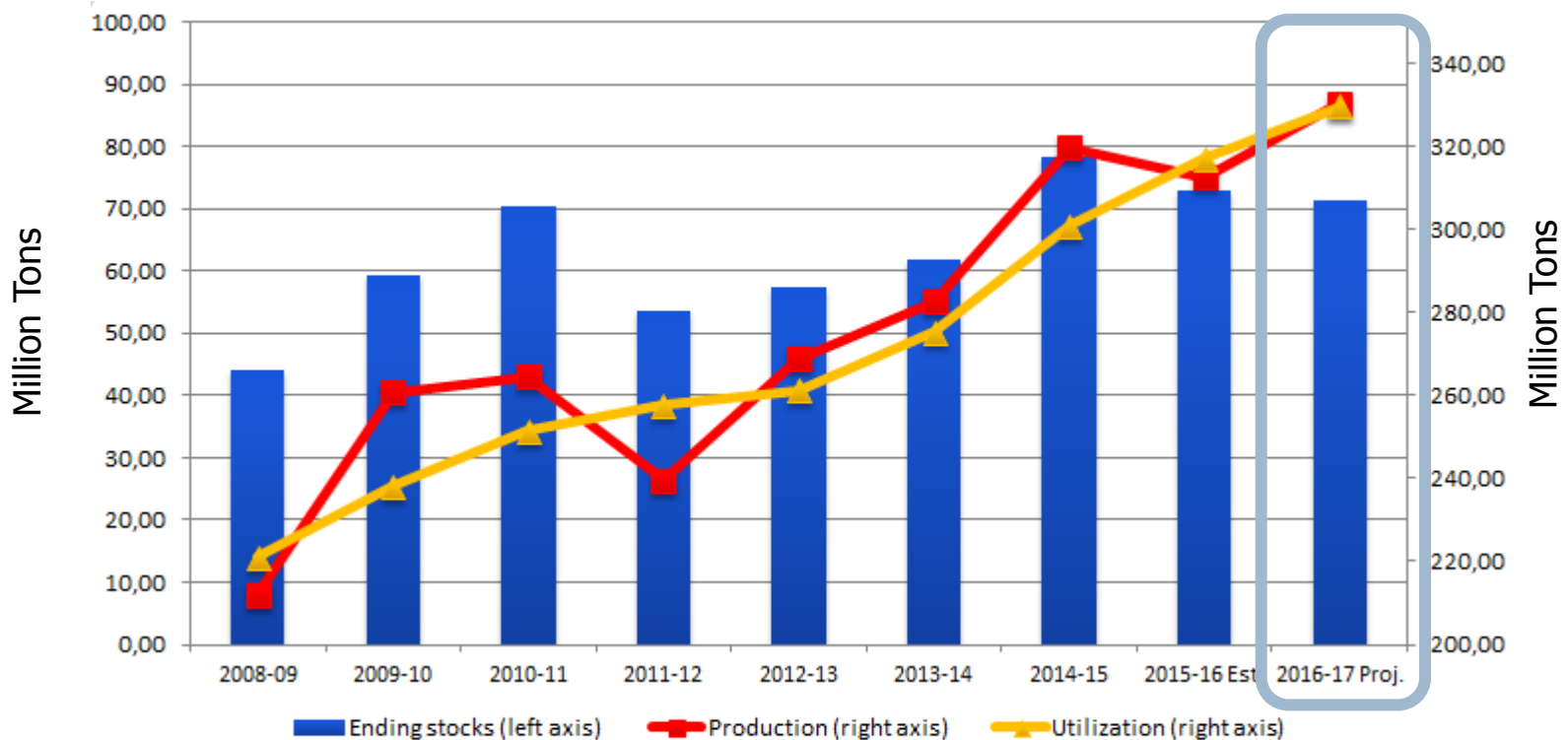
SOYBEANS conversion factors
1 bushel = 0.027 metric ton
1 metric ton = 36.74 bushel



SOYBEANS - **Global** outlook: production, utilization and stocks

World – Soybeans Production, Utilization and Stocks

Processed by CLAL on WASDE data

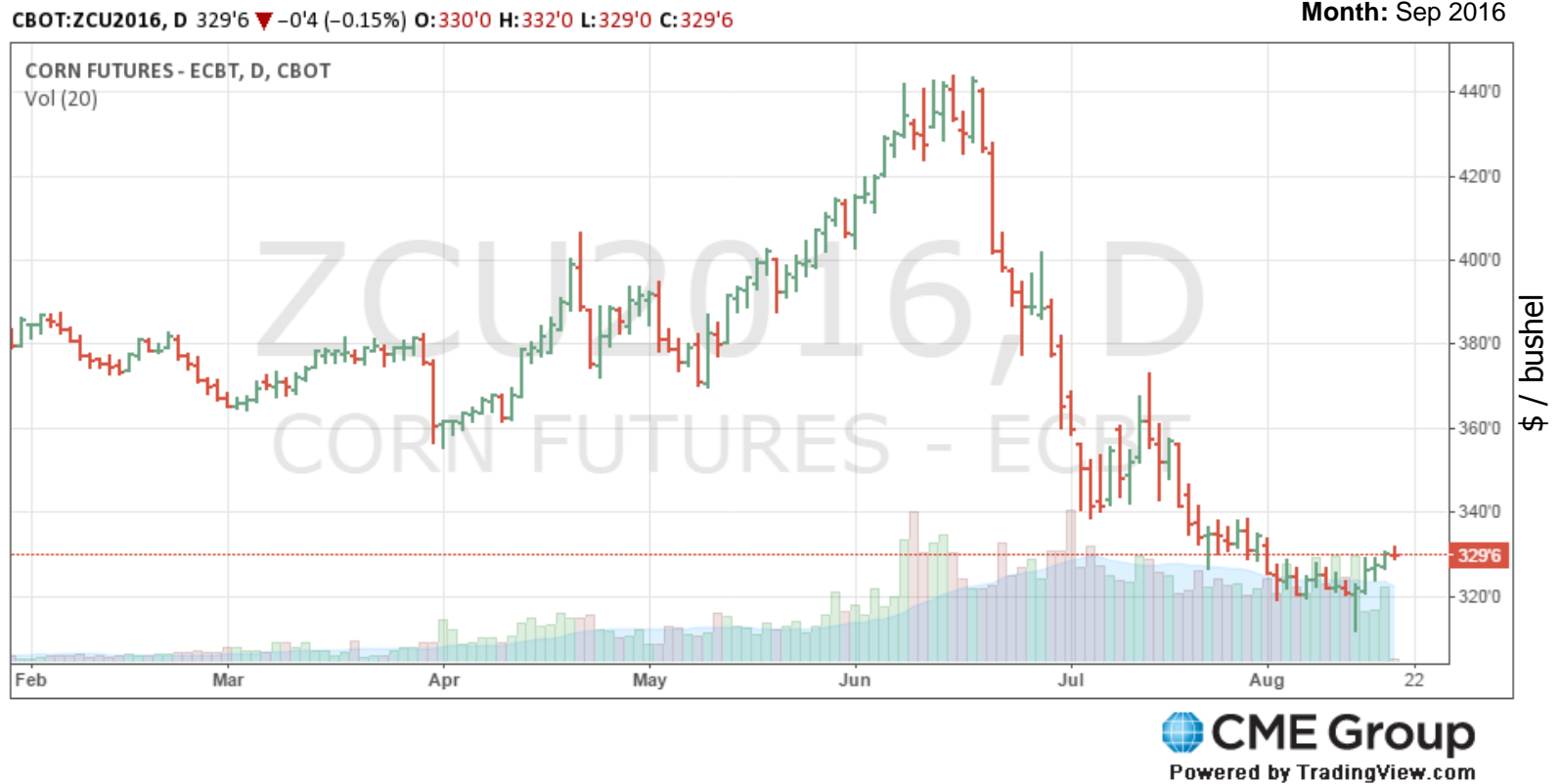




Chicago Mercantile Exchange (CME)

Corn prices

- ▶ Corn price trend as listed by the [CME of Chicago](#):

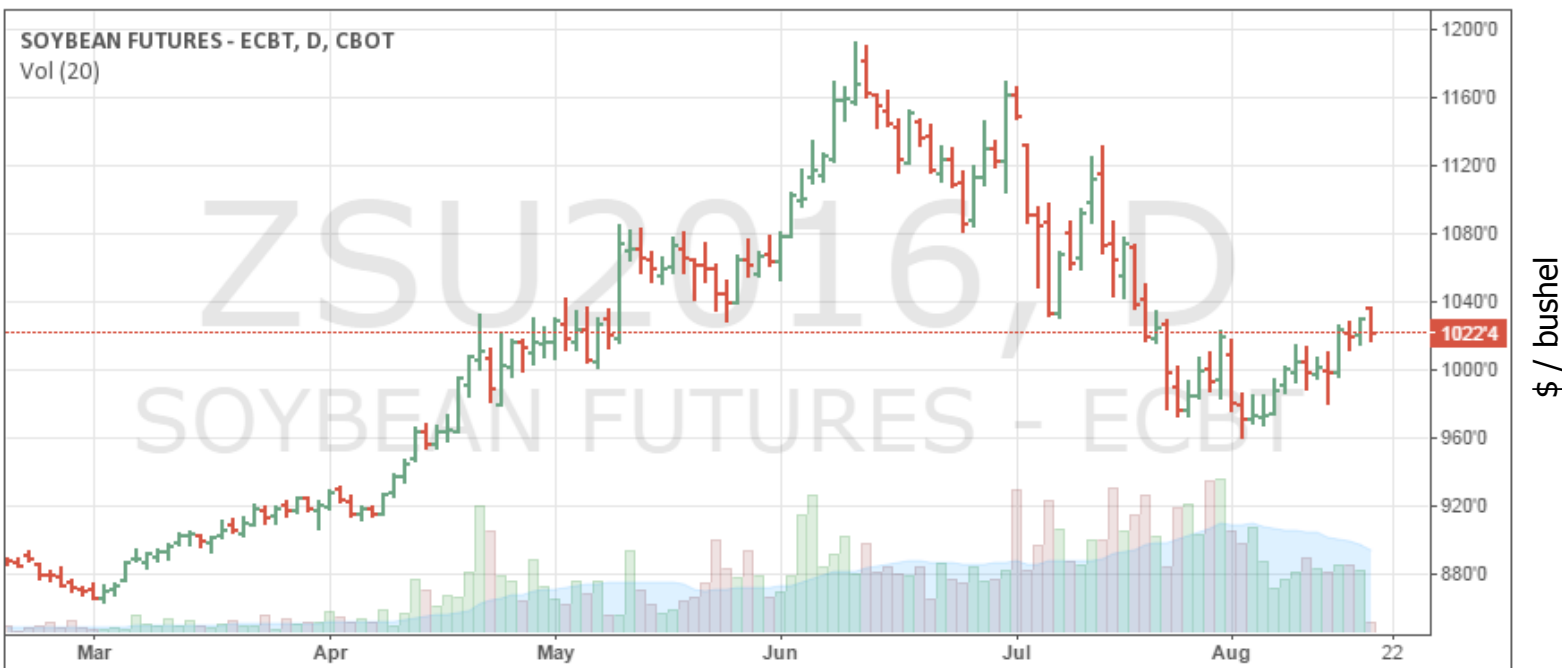




Chicago Mercantile Exchange (CME) Soybean prices

- ▶ Soybean price trend as listed by the [CME of Chicago](#):

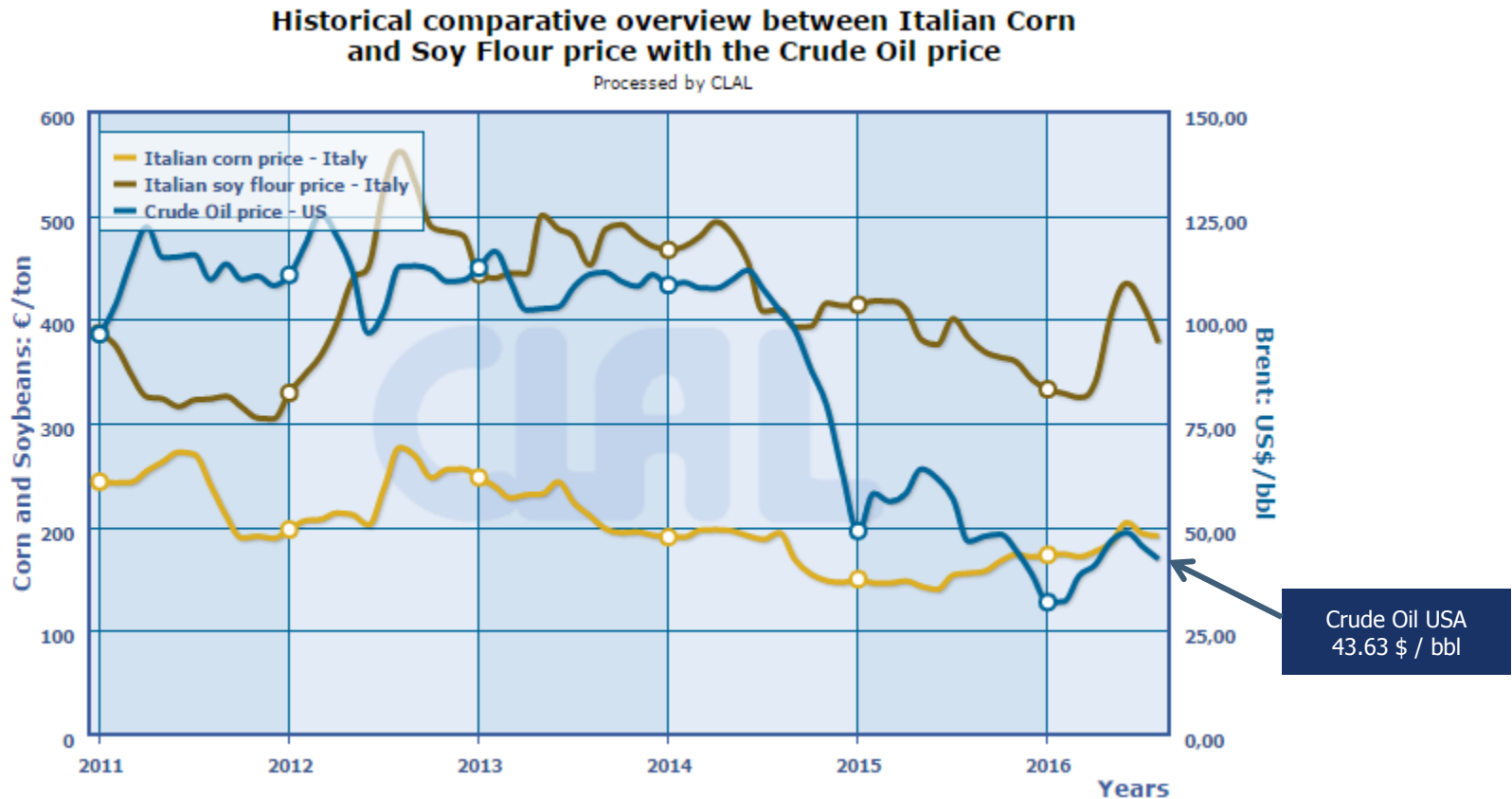
CBOT:ZSU2016, D 1022'4 ▼-8'0 (-0.78%) O:1037'0 H:1037'0 L:1018'2 C:1022'4 Month: Sep 2016



 **CME Group**
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Agricultural and Energy Inputs Correlations

- ▶ Price comparison: Corn (Italy), Soy flour (Italy) and Crude Oil (U.S.)



Focus on **Italy**

Corn and Soy prices

▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 191 ÷ 192 €/ton (-2 € from last month)
- ▶ Italian Soybean meal: 377 ÷ 378 €/ton (-45 € from last month)



Historical comparative overview between Italian Corn and Soy Flour price with the Farm-gate Milk price

Processed by CLAL



Farm-gate milk
Italy (Lombardy)
June 2016
33.50 € / 100 lt

Focus on Italy

The value of the Simulated Feed Ration

- ▶ The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



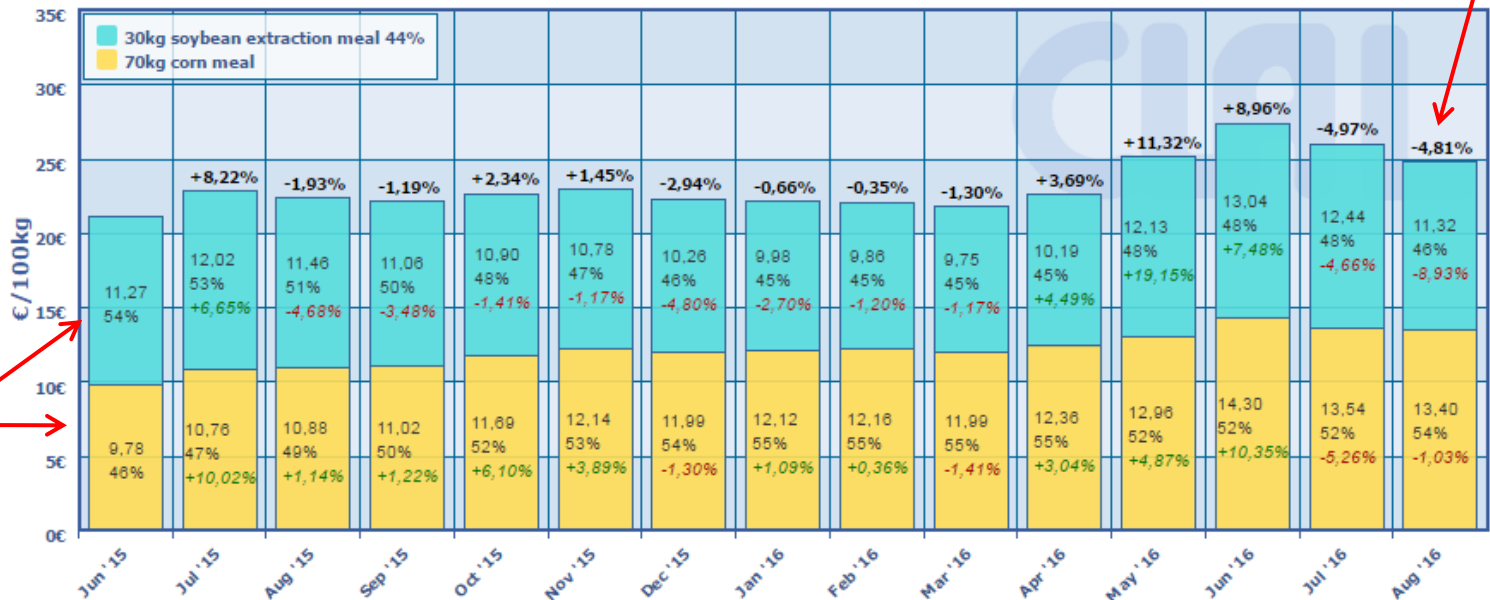
Simulated Feed Ration: value of 100kg
70ka of domestic corn meal + 30ka of soybean extraction meal 44% protein

Above the columns the % variation of the total cost

Inside the columns the % weight of each component on the total cost and % variation versus the previous month

Quotations of the Milan Chamber of Commerce - Processed by CIAL

Price % variation compared to the previous month



Weight of the price of the components