

# Corn & Soybeans

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# CORN

## Estimate for 2014-15 Season

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- ▶ **Global corn supplies** for 2014-15 season are projected at **980.96 Mio t**, almost unchanged compared to June estimates and lower from the current season, ending August 31<sup>st</sup> (984.45 Mio t).
- ▶ **United States** corn production is projected slightly lower (**352.06 Mio t**) based on harvested acres from the June 30 *Acreage* report. The national average corn yield remains projected at a record 165.3 bushels per acre ( = 10.50 tons/hectare). Favorable early July crop conditions and weather support an outlook for record yields across most of the **Corn Belt**, however, for much of the crop, the critical pollination period will be during middle and late July.
- ▶ Corn used to produced ethanol is projected higher for 2013-14.
- ▶ In **China**, the second largest producer of corn, the production is expected at 220 Mio t, +2 Mio t compared to the previous seasons and to the estimates made last month, based on higher area.
- ▶ Even in the **E.U.** the production is expected to rise, with larger crops in Germany and in France.
- ▶ Global 2014-15 corn **ending stocks** are projected at **188.05 Mio t**, with increases for China, Brazil and the United States, the world largest corn Producers.



# CORN – **Global** and **US** outlook: Estimate for the 2014-15 Season



	Million tons	From June 2014 (projections)
Beginning stocks	173.42	+2.6%
Production	<b>980.96</b>	<b>0,0%</b>
Total use	966.33	-0.1%
Ending stocks	188.05	+3.0%



	Billion bushels	Million tons	From June 2014 (projections)
Beginning stocks	1.25	31.66	+8.7%
Production	13.86	<b>352.06</b>	-0.5%
Total use	11.64	295.54	-0.4%
Export	1.70	<b>43.18</b>	<b>0,0%</b>
Ending stocks	1.80	45.76	+4.4%
<b>Price projection</b>	<b>4,00 \$/bushel</b>	<b>158 \$/ton</b>	<b>117 €/ton</b> ↓
<b>1 month ago</b>	<b>4,20 \$/bushel</b>	<b>165\$/ton</b>	<b>122 €/ton</b>

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



# SOYBEANS

## Estimate for 2014-15 Season

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- ▶ **Global Soybean production** for the season 2014-15 is projected at **304.79 Mio t**, +1.6% from last month and +7.4% compared to the current season 2013-14, ending September 30<sup>th</sup>.
- ▶ Higher Soybean production is projected for the United States, Russia and Ukraine, reflecting higher harvested area.
- ▶ The **United States** are confirmed as the main Soybean Producer and Exporter. Harvested area, forecast at 84.1 Mio acres (equivalent to 33.64 million hectares) in the June 30 *Acreage* report, is +3.6 Mio above the June forecast.
- ▶ The Soybean yield is projected at 45.2 bushels per acre, unchanged from last month.
- ▶ Soybean Exports are estimated to increase +3.1% reflecting record U.S. supplies and lower prices.
- ▶ In **China**, the major Importer of Soybeans, the Production is expected unchanged at 12 Mio t, while **Imports** are expected to increase at **73 Mio t** (+1 Mio t from last month estimates, +4 Mio t from 2013/14 and +13 Mio t from 2012/13).



# SOYBEANS – **Global** and **US** outlook: Estimate for the 2014-15 Season



	Million tons	From June 2014 (projections)
Beginning stocks	67.24	+0.1%
Production	<b>304.79</b>	+1.6%
Total use	283.31	+0.9%
Ending stocks	85.31	+2.9%



	Billion bushels	Million tons	From June 2014 (projections)
Beginning stocks	0.14	3.82	+12.4%
Production	3.80	<b>103.42</b>	+4.5%
Total use	1.87	50.78	+2.2%
Export	1.68	45.59	+3.1%
Ending stocks	0.41	11.28	+27.6%
<b>Price projection</b>	<b>10.50 \$/bushel</b>	<b>386 \$/ton</b>	<b>285 €/ton ↓</b>
1 month ago	10.75 \$/bushel	395 \$/ton	292 €/ton

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

# Chicago Mercantile Exchange (CME)

## Corn and Soybeans prices

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

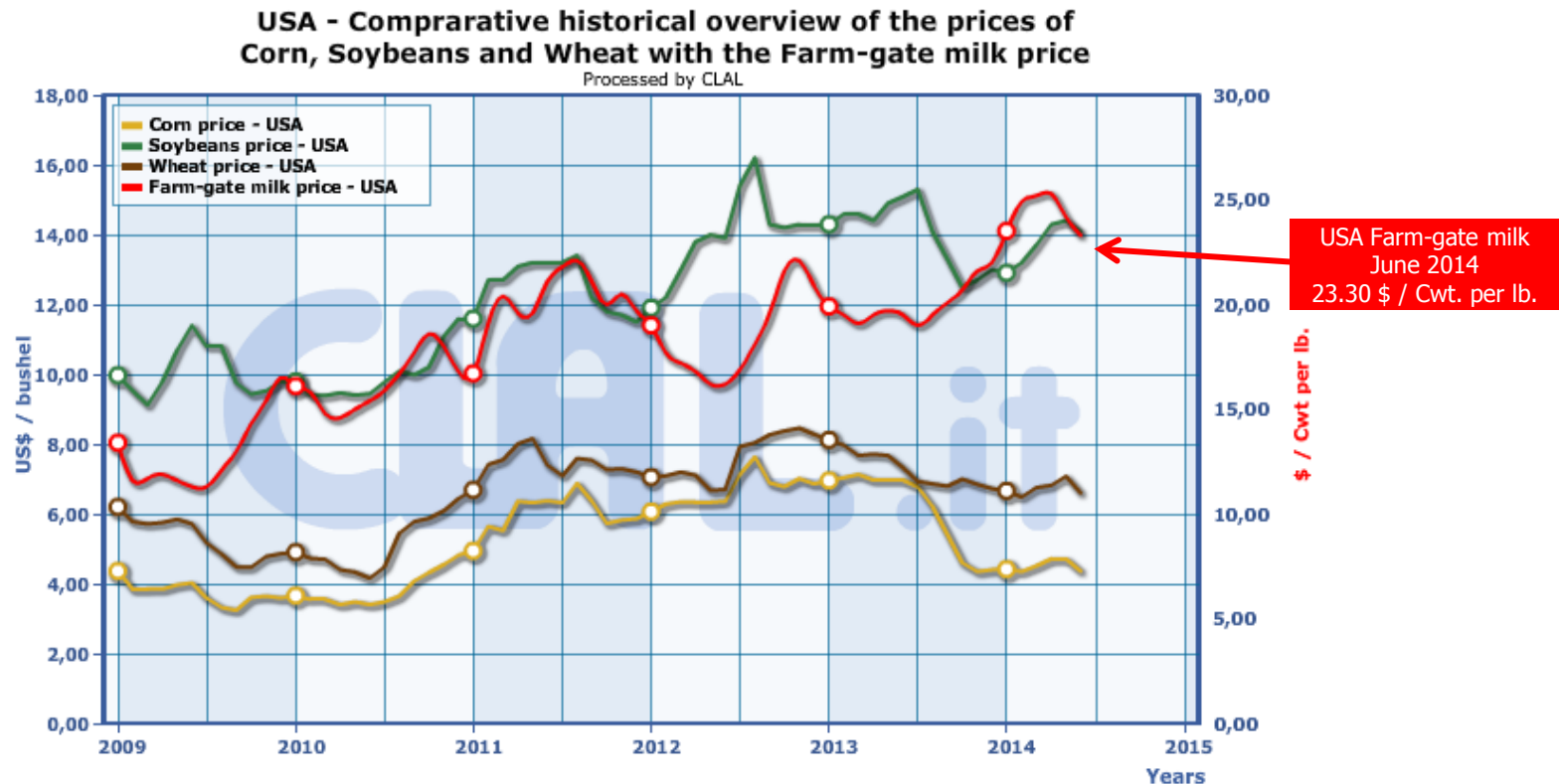


- ▶ Soybean price trend as listed by the [CME of Chicago](#):



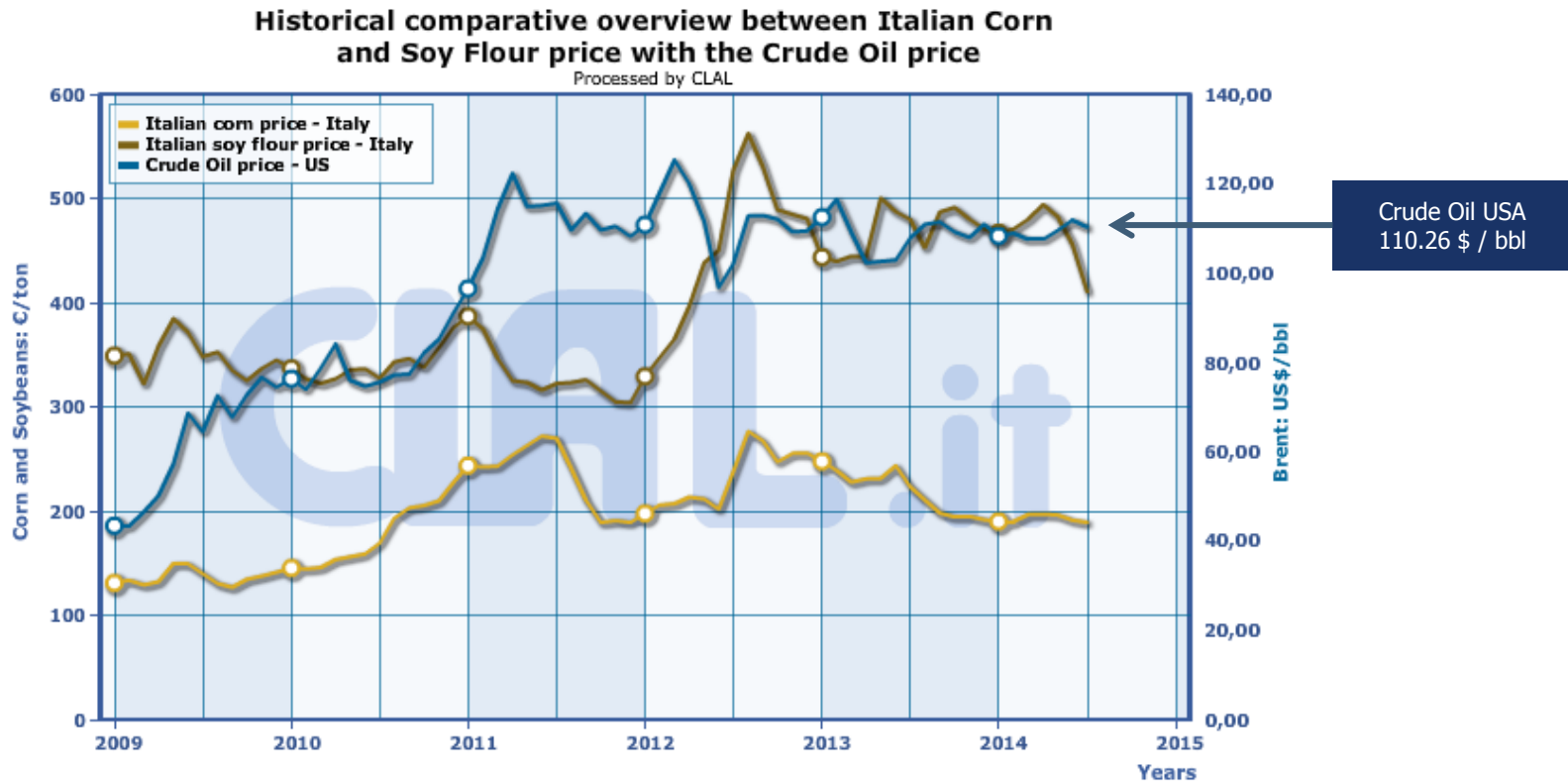
# Agricultural and Energy Inputs Correlations

- ▶ US – Price comparison: Corn, Soybeans, Wheat and Farm-gate milk price



# Agricultural and Energy Inputs Correlations

- ▶ Price comparison: Corn (Italy), Soy flour (Italy) and Crude Oil (US)





# Focus on **Italy**

## Corn and Soy prices

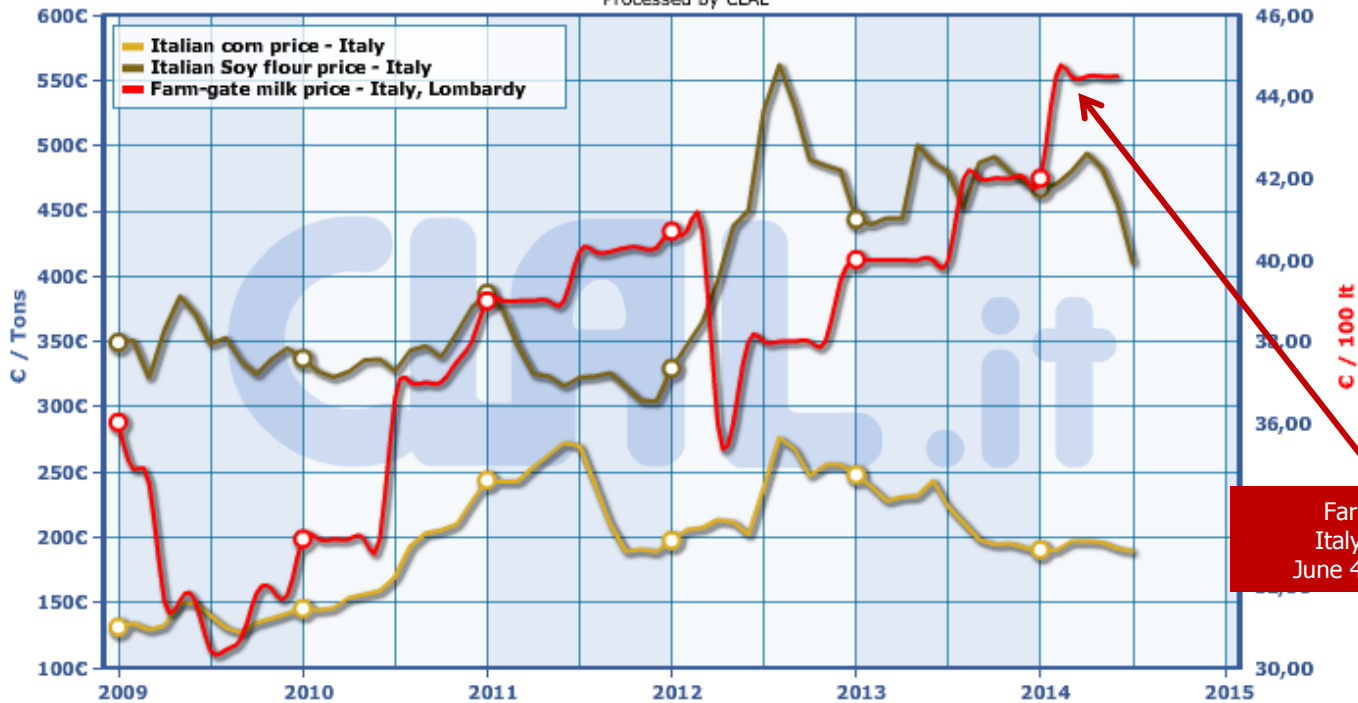
▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 188 ÷ 189 €/ton (-3 € from last month)
- ▶ Italian Soy flour: 396 ÷ 397 €/ton (-68 € 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 44.50 € / 100 lt

# Focus on Italy

## The value of the Simulated Feed Ration

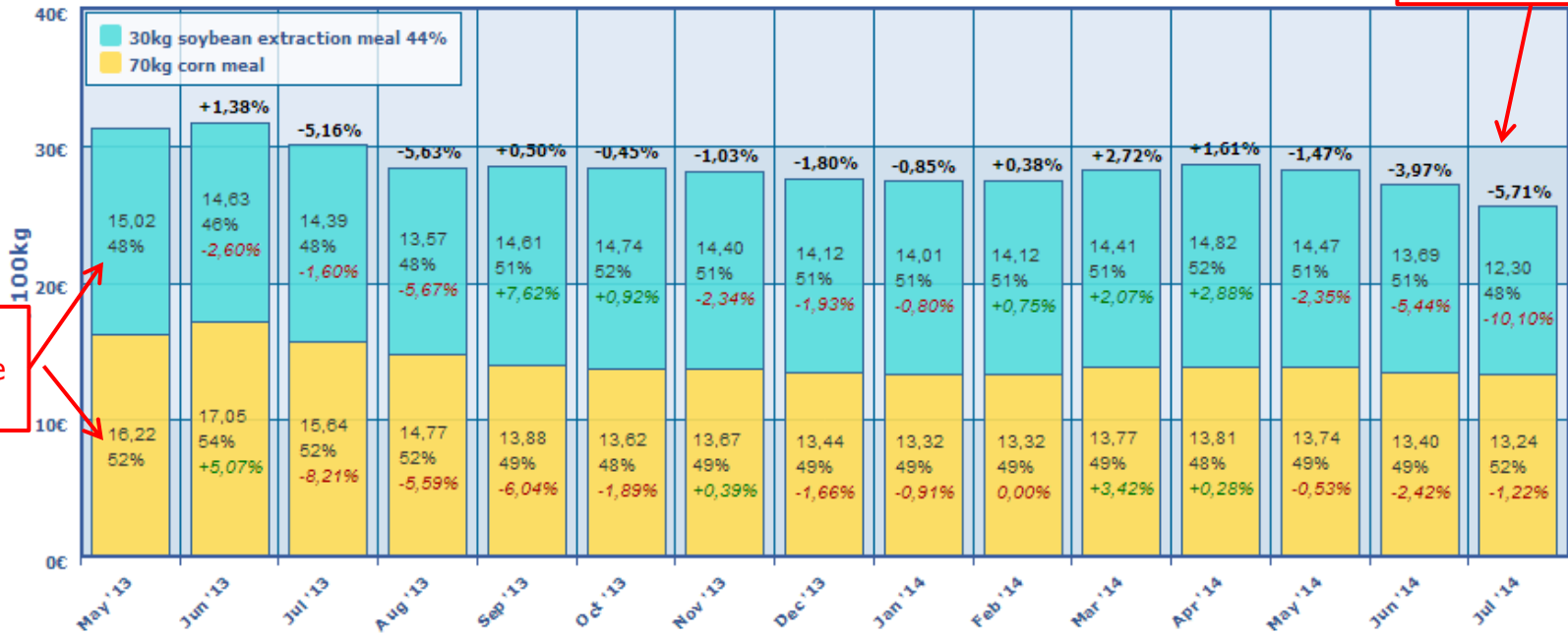
- ▶ The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



**Simulated Feed Ration: value of 100kg**  
70kg of domestic corn meal + 30kg 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 CLAL

Price % variation compared to the previous month

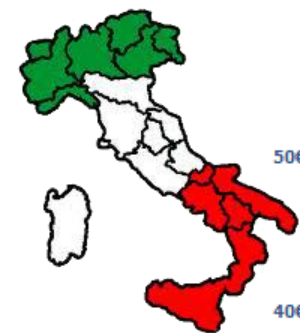


Weight % of the price of the components



# Focus on Italy

## The value of the Simulated Feed Ration over the years



**Simulated Feed Ration Cost and Farm-gate Milk Price  
in Lombardy and Germany: value of 100kg**  
70kg of domestic corn meal + 30kg of soybean extraction meal 44% protein  
Quotations of the Milan Chamber of Commerce - Processed by CLAL

