

# Corn & Soybeans

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# CORN

## Estimate for 2016-17 Season

- ▶ **Global Corn production** for 2016-17 (new marketing year starting September 1<sup>st</sup>) is projected at **1011.77 Mio t**, +0.70 Mio t from last month estimates.
- ▶ The increase is driven by **larger Corn production in Mexico** (24.20 Mio t), reflecting a favorable start to the rainy season. Mexico is one of the major Importers.
- ▶ **Brazil** Corn production for 2015-16 is lowered 3.5 Mio t to 77.5 Mio t, as an early end to the rainy season in west-central Brazil has reduced yields for second-crop Corn.
- ▶ Projected U.S. Corn production for 2016-17 is unchanged at a record 366.54 Mio t. **Reduced corn production in Brazil** and **harvest delays in Argentina** have improved the relative competitiveness of U.S. Corn in recent weeks. The **U.S. Corn export projection for 2016-17 is raised 2.6%** as U.S. supplies are expected to remain more competitive with less production for Brazil.
- ▶ **Global Corn ending stocks** for 2016-17 are projected lower at **205.12 Mio t**, mainly reflecting the decrease in the U.S. (-3.68 Mio t) due to the higher exports.



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



	Million tons	From May 2016 (projections)
Beginning stocks	206.45	-0.7%
Production	<b>1011.77</b>	+0.1%
Total use	1013.09	+0.1%
Ending stocks	205.12	-0.9%



	Billion bushels	Million tons	From May 2016 (projections)
Beginning stocks	1.71	43.38	-5.3%
Production	14.43	<b>366.54</b>	0.0%
Total use	12.22	310.40	0.0%
Export	1.95	<b>49.53</b>	+2.6%
Ending stocks	2.01	51.00	-6.7%
<b>Price projection</b>	<b>3,50 \$/bushel</b>	<b>138 \$/ton</b>	<b>122 €/ton</b> ↑
1 month ago	3,35 \$/bushel	131 \$/ton	115 €/ton

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



# SOYBEANS

## Estimate for 2016-17 Season

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- ▶ **Global Soybean production** for 2016-17 season (new marketing year starting October 1<sup>st</sup>) is projected at 323.70 Mio t, -0.50 Mio t from May estimates.
- ▶ Changes for 2015-16 include **reduced Soybean production for Brazil Uruguay and China**. The Brazil Soybean crop is reduced 2 Mio t to 97 Mio t as hot and dry conditions in parts of the Center-West and northeast resulted in reduced yields.
- ▶ U.S. lower beginning stocks for 2016-17 reflect higher crush and export projections for the current season. **U.S. ending stocks** for 2016-17 are reduced 1.23 Mio t on lower beginning stocks and increased exports.
- ▶ **Global ending stocks for 2016-17** are projected at **66.31 Mio t, -1.9 Mio t** from last month, with lower global Soybean beginning stocks and production.



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



	Million tons	From May 2016 (projections)
Beginning stocks	72.29	-2.7%
Production	<b>323.70</b>	-0.2%
Total use	327.99	0.0%
Ending stocks	66.31	-2.8%

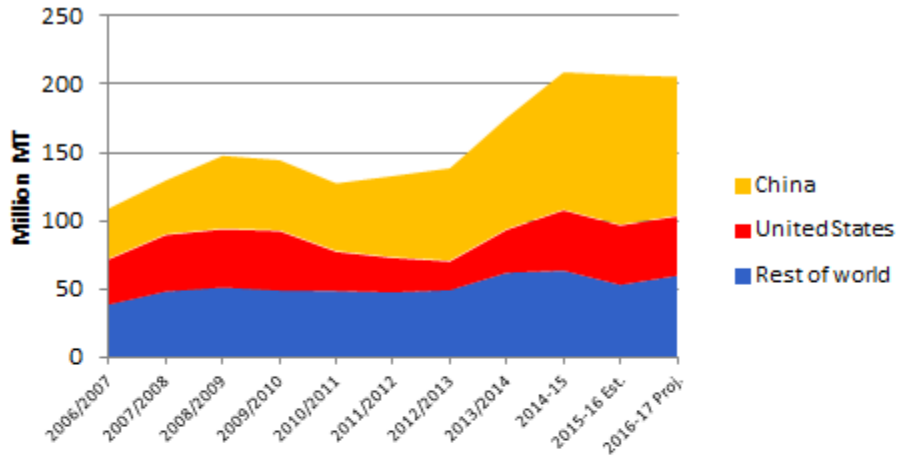


	Billion bushels	Million tons	From May 2016 (projections)
Beginning stocks	0.37	10.07	-7.5%
Production	3.80	<b>103.42</b>	0.0%
Total use	2.04	55.53	0.0%
Export	1.90	51.71	+0.8%
Ending stocks	0.26	7.06	-14.8%
<b>Price projection</b>	<b>9.50 \$/bushel</b>	<b>349 \$/ton</b>	<b>310 €/ton ↑</b>
1 month ago	9.10 \$/bushel	334 \$/ton	294 €/ton

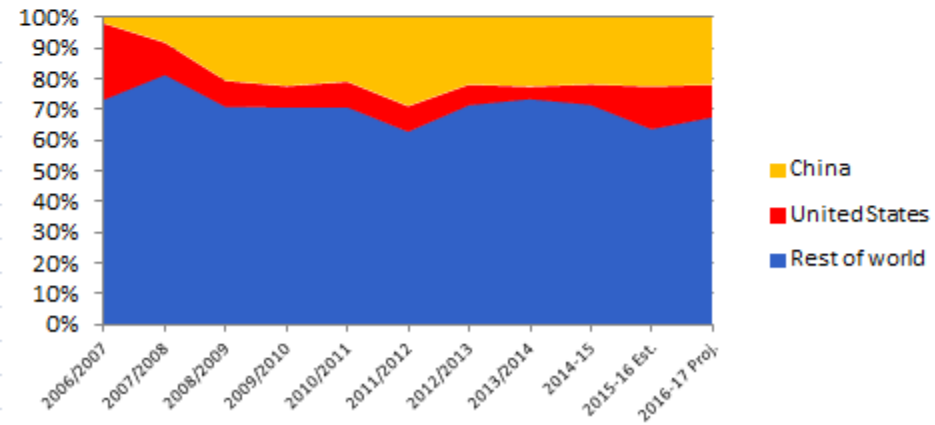
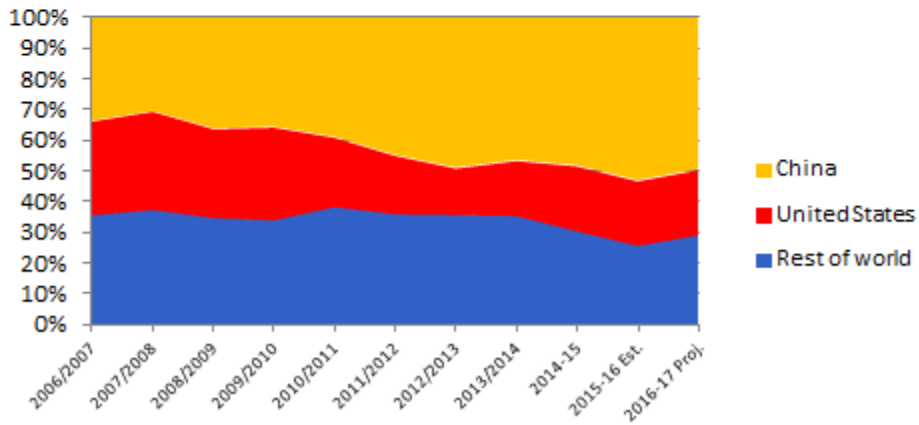
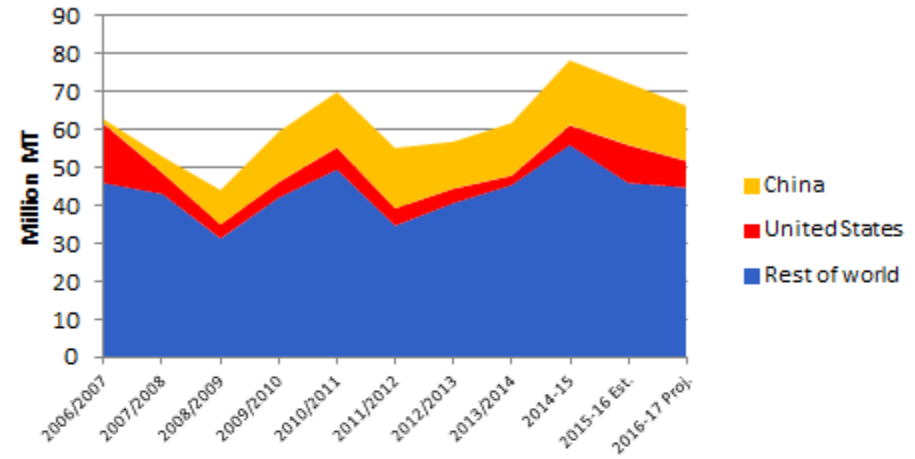
SOYBEANS conversion factors  
1 bushel = 0.027 metric ton  
1 metric ton = 36.74 bushel

# Corn and Soybean **Ending Stocks** with FOCUS ON CHINA AND THE UNITED STATES

## CORN



## SOYBEAN





# Chicago Mercantile Exchange (CME)

## Corn prices

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

CBOT:ZCN2016, W 431'6 ▲ +8'6 (+2.07%) O:427'4 H:436'0 L:427'4 C:431'6



 **CME Group**  
Powered by TradingView.com



# Chicago Mercantile Exchange (CME) Soybean prices

- ▶ Soybean price trend as listed by the CME of Chicago:

CBOT:ZSN2016, W 1190'6 ▲ +12'4 (+1.06%) O:1191'6 H:1198'6 L:1187'4 C:1190'6

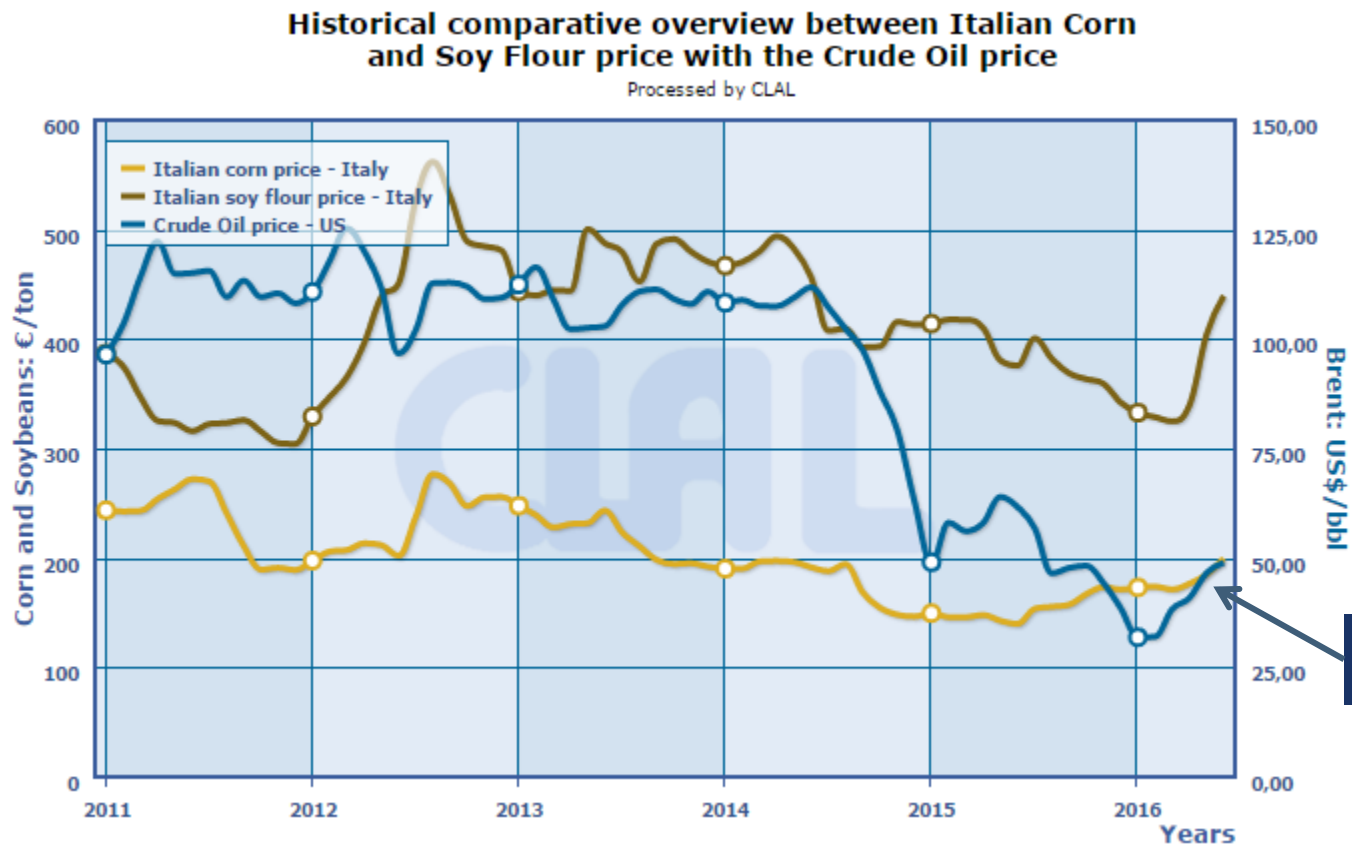


 **CME Group**  
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# Agricultural and Energy Inputs Correlations

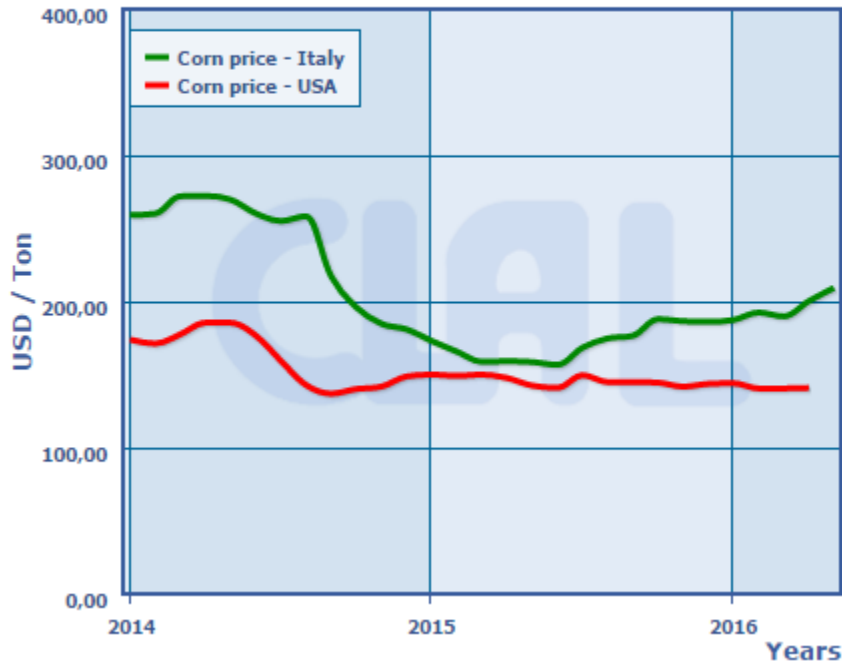
- ▶ Price comparison: Corn (Italy), Soy flour (Italy) and Crude Oil (US)



# Corn and Soybean price U.S., Argentina and Italy

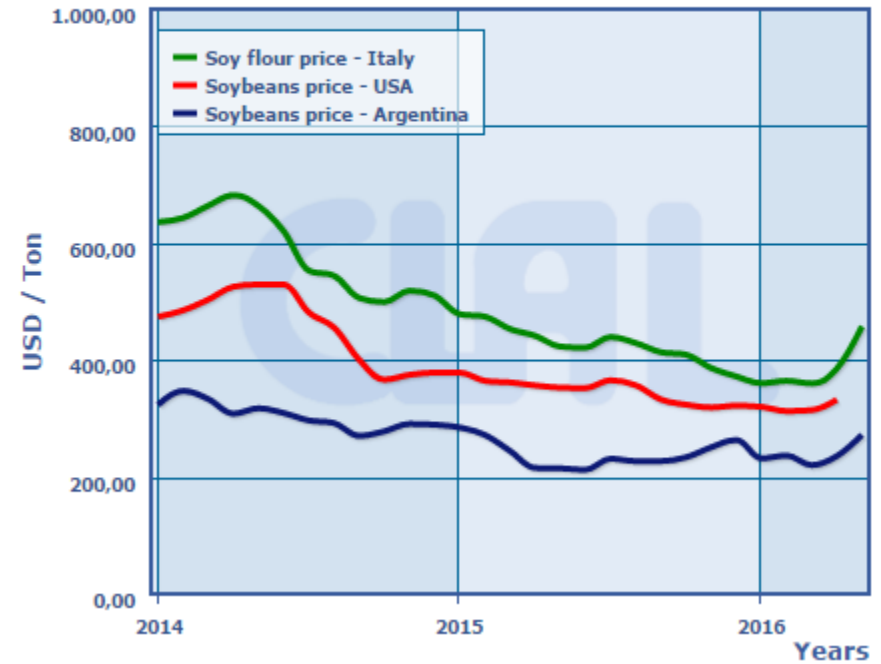
## Comparison of Corn prices in Italy and USA

Processed by CLAL



## Comparison of Soybeans prices in Italy, USA and Argentina

Processed by CLAL



Source: USDA, Bolsa de Comercio de Rosario, CCIAA Milano

# Focus on **Italy**

## Corn and Soy prices

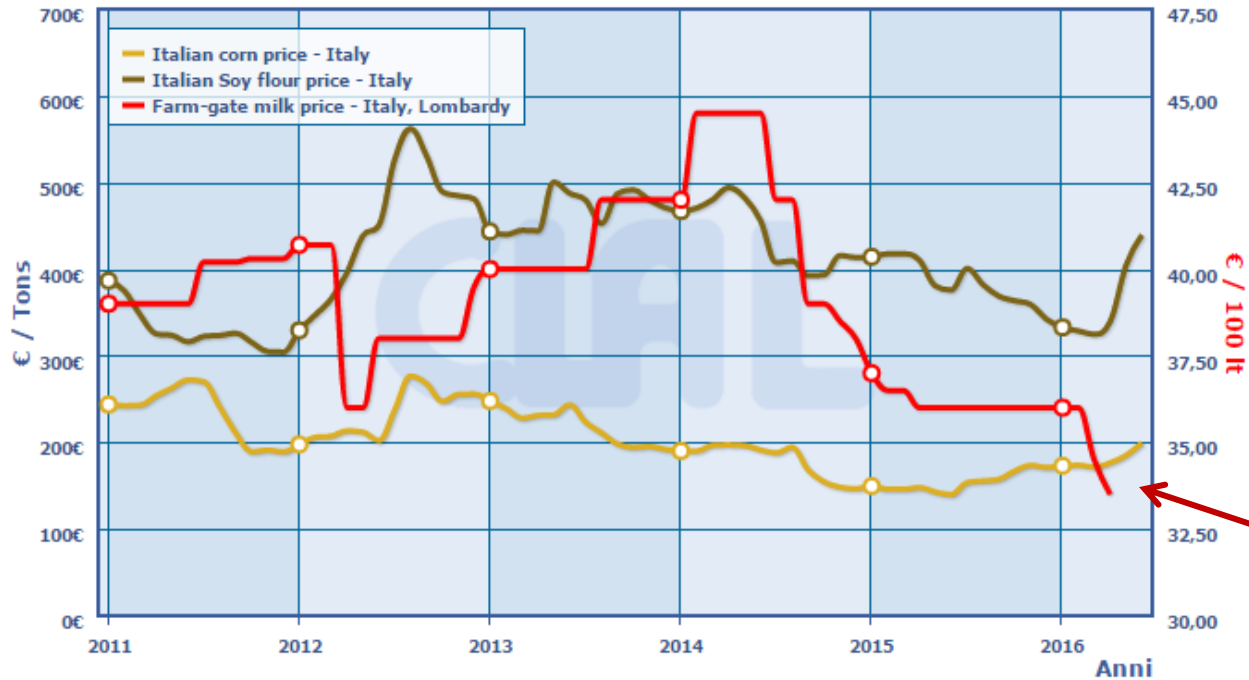
▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 199 ÷ 200 €/ton (+18 € from last month)
- ▶ Italian Soybean meal: 439 ÷ 440 €/ton (+55 € 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) April 2016  
33.50 € / 100 lt

# Focus on **Italy**

## The value of the **Simulated Feed Ration**

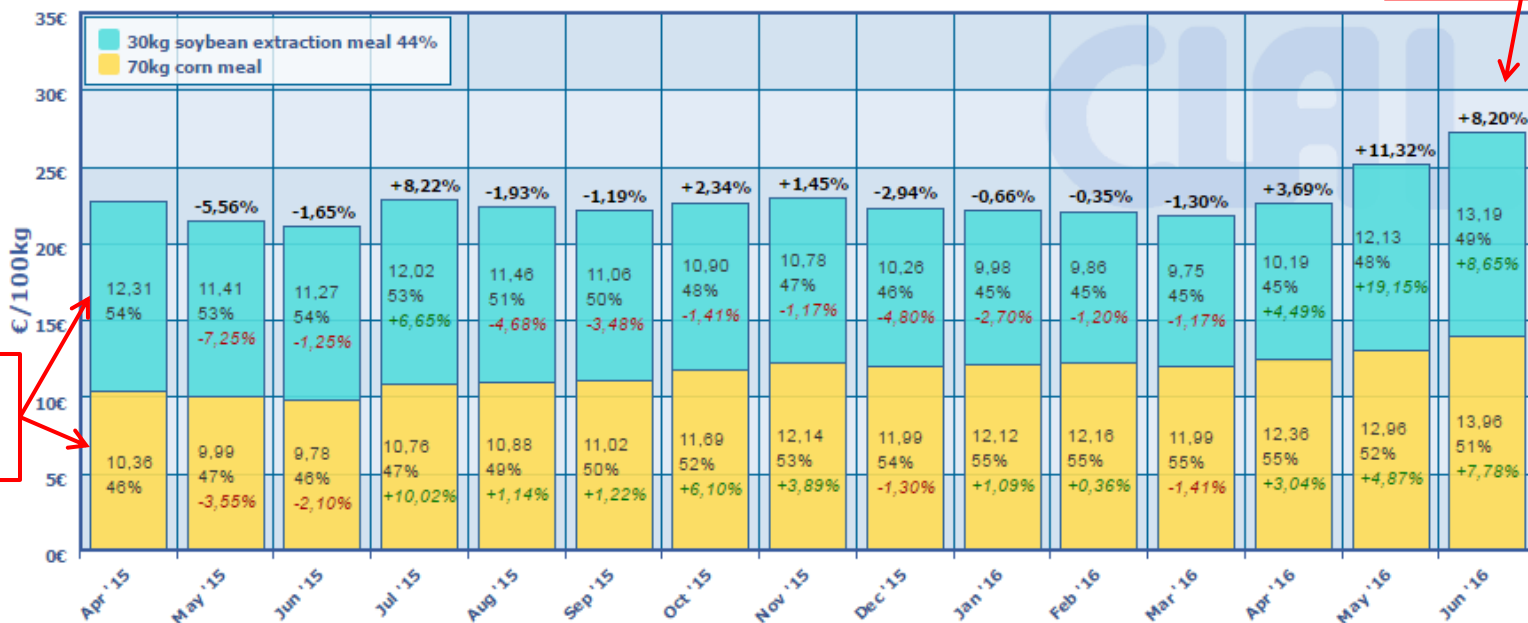
- ▶ The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



**Simulated Feed Ration: value of 100kg**  
 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