

Corn & Soybeans

- ▶ **Corn** (source WASDE)
 - ▶ Estimate for the 2013-14 Season
 - ▶ Global and US outlook
- ▶ **Soybeans** (source WASDE)
 - ▶ Estimate for the 2013-14 Season
 - ▶ Global and US outlook
- ▶ **Corn and Soybeans prices** (Source CME)
- ▶ **Price connections** (Clal's processing)
- ▶ **Focus on Italy** (Source Milan Chamber of Commerce)
 - ▶ The Milk:Feed Ratio 



CORN

Estimate for 2013-14 Season

- ▶ **Global Corn supplies** for 2013-14 are projected at **967.52 Mio t**, higher (+0.1%) compared to February estimates, reflecting higher production in **China**, the world's No.2 Corn producer after the United States.
- ▶ **U.S. Corn Exports** are projected higher (+0.64 Mio t) on **stronger world Imports** (+1.12 Mio t) and the rising pace of shipments in recent weeks. The demand from Indonesia and the European Union is increasing.
- ▶ **U.S. Corn stocks** reflect this trend (-0.64 Mio t).
- ▶ In the U.S., Corn Production and Consumption are expected unchanged compared with forecasts of January and February.
- ▶ Despite the growing tensions in **Ukraine**, a major Exporter of Corn and Wheat, there are no changes in the estimates: Production 30.90 Mio t; Export 18.50 Mio t.



CORN – **Global** and **US** outlook: Estimate for the 2013-14 Season



	Million tons	From Feb 2014 (projections)
Beginning stocks	134.67	+0.5%
Production	967.52	+0.1%
Total use	943.72	+0.0%
Ending stocks	158.47	+0.7%



	Billion bushels	Million tons	From Feb 2014 (projections)
Beginning stocks	0.82	20.86	+0.0%
Production	13.93	353.72	+0.0%
Total use	11.70	297.19	+0.0%
Export	1.63	41.28	+1.6%
Ending stocks	1.46	36.99	-1.7%
Price projection	4,50 \$/bushel	177 \$/ton	128 €/ton ↓
1 month ago	4,40 \$/bushel	177\$/ton	129€/ton

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



SOYBEANS

Estimate for 2013-14 Season

- ▶ **Global Soybean Production** for the season 2013-14 is expected at 285.43 Mio t, slightly lower compared with February estimates. **Brazil** and **Paraguay** Soybean Production is projected lower reflecting hot and dry weather (Brazil: -1.5 Mio t; Paraguay: -1.2 Mio t).
- ▶ **U.S.** Soybean Exports are raised to 41.64 Mio t, then ending stocks were revised downwards. The use in biodiesel is expected to decrease.
- ▶ Soybean crush is projected higher in the European Union and in Paraguay, while in the U.S. is reduced reflecting weaker-than-expected domestic soybean meal use through the first quarter of the marketing year.



SOYBEANS – **Global** and **US** outlook: Estimate for the 2013-14 Season



	Million tons	From Feb 2014 (projections)
Beginning stocks	57.79	-1.5%
Production	285.43	-0.8%
Total use	269.70	+0.1%
Ending stocks	70.64	-3.2%



	Billion bushels	Million tons	From Feb 2014 (projections)
Beginning stocks	0.14	3.83	+0.0%
Production	3.29	89.51	+0.0%
Total use	1.79	48.69	-0.6%
Export	1.53	41.64	+1.3%
Ending stocks	0.15	3.95	-3.4%
Price projection	12,95 \$/bushel	476 \$/ton	346 €/ton ↑
1 month ago	12,70 \$/bushel	467 \$/ton	341 €/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](#):

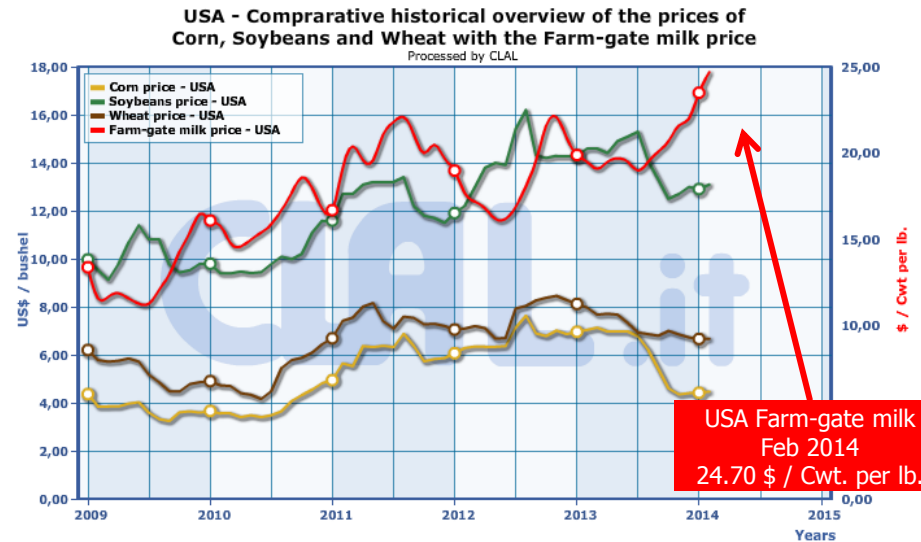


- ▶ Soybean price trend as listed by the [CME of Chicago](#):

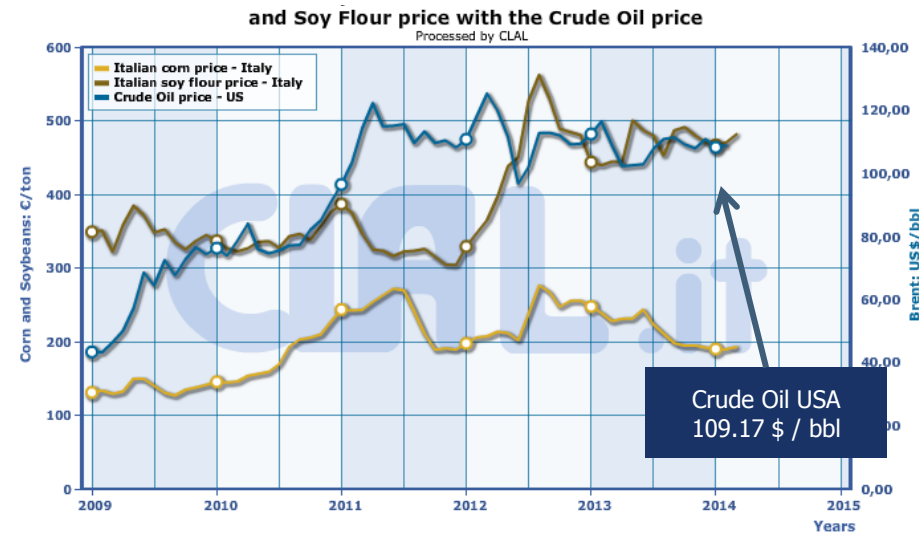


Agricultural and Energy Inputs Correlations

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



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



Focus on **Italy**

Corn and Soy prices

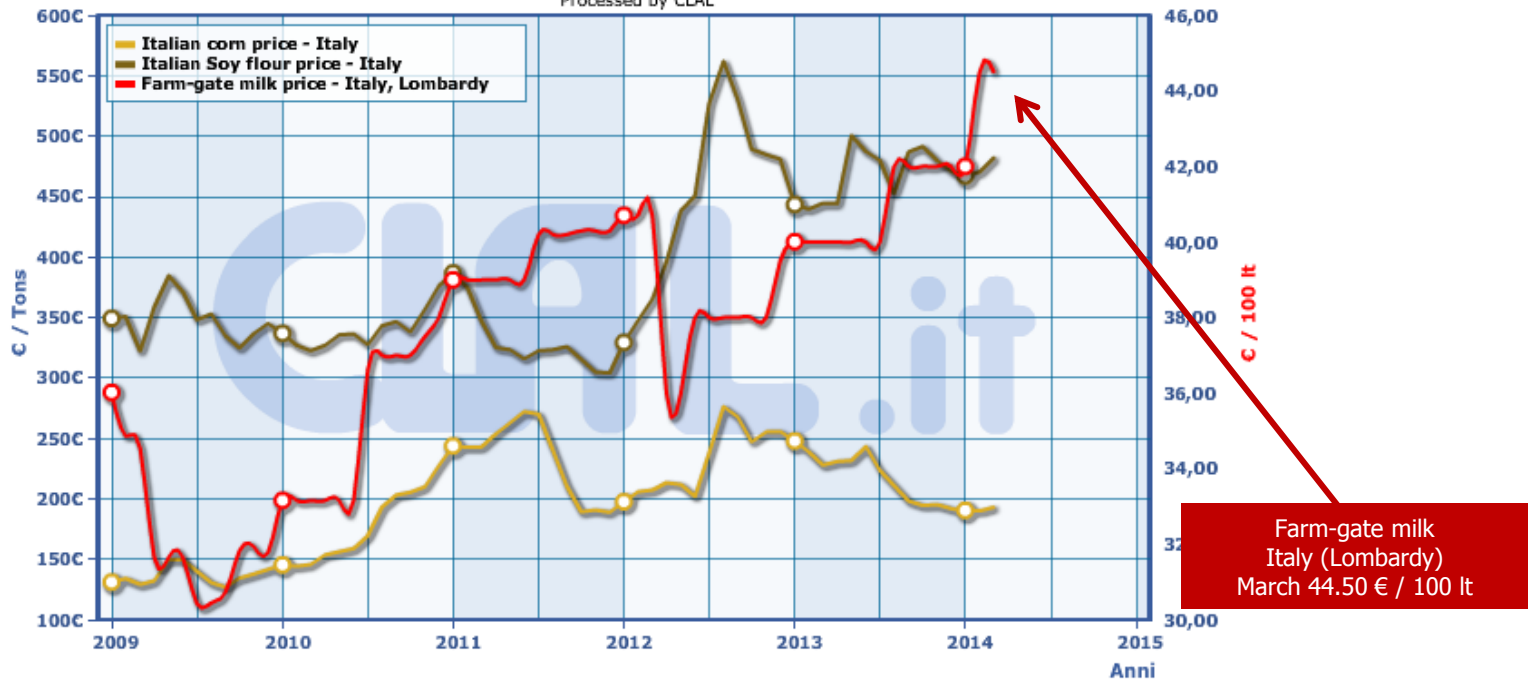
- ▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 194 ÷ 195 €/ton (+5€ from last month)
- ▶ Italian Soy flour: 474 ÷ 475 €/ton (+10 € from last month)



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

Processed by CLAL



Focus on **Italy**

The value of the **Simulated Feed Ration**

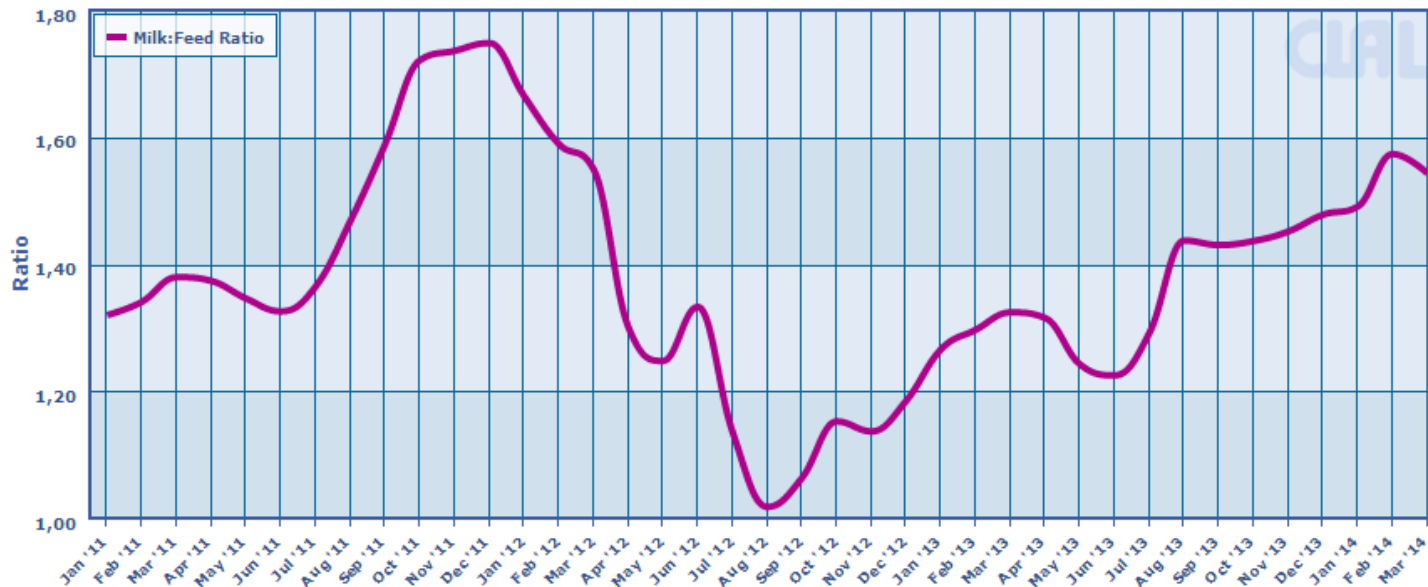
- ▶ The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



Milk:Feed Ratio - Farm-gate Milk Price in Lombardy (Italy) divided by the Simulated Feed Ration cost

Represents how many kg of Simulated Feed Ration could be purchased with the gross revenue from 1kg of milk

Quotations of the Milan Chamber of Commerce - Processed by CLAL



Milk:Feed Ratio

The price of 100 kg of Farm-gate Milk in Lombardy (I)
/
The cost of 100 kg of Simulated Feed Ration (70 kg of domestic corn meal+ 30 kg of soybean extraction meal 44% protein)