

Corn & Soybeans

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CORN

Estimate for 2016-17 Season

- ▶ **Global Corn production** for 2016-17 (new marketing year starting September 1st) is projected at **1011.07 Mio t**, +42.2 Mio t from 2015-16, and just short of the record 1013.5 Mio t in 2014-15.
- ▶ **U.S. Corn production** is projected at **366.54 Mio t** for 2016-17 with a 5.6-million-acre increase in Corn plantings, which more than offsets a reduction in yields.
- ▶ U.S. **exports** are projected 4.44 Mio t higher 2015-16. More competitive prices and reduced supplies and competition from Brazil supports gains in U.S export for 2016-17 and 2015-16.
- ▶ U.S. **ending stocks** for 2016-17 are projected at **54.68 Mio t**, +8.89 Mio t from 2015-16. If realized, stocks would be the highest since the mid-1980s.
- ▶ **Corn production** is forecast **higher** for most of the major producing countries, with production rebounds for **South Africa** and **EU**, and higher area in **Argentina, Russia, and Ukraine**.
- ▶ **China Corn production** is lowered 6.6 Mio t, as changes in support policies and lower domestic prices reduce incentives for Corn planting.
- ▶ China Corn **consumption** is projected +9.5 Mio t.



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



	Million tons	From 2015-16
Beginning stocks	207.87	0.0%
Production	1011.07	+4.4%
Total use	1011.90	+4.4%
Ending stocks	207.04	-0.4%



	Billion bushels	Million tons	From 2015-16
Beginning stocks	1.80	45.79	+4.1%
Production	14.42	366.54	+6.1%
Total use	12.22	310.40	+3.0%
Export	1.90	48.26	+10.1%
Ending stocks	2.15	54.68	+19.4%
Price projection	3,35 \$/bushel	131 \$/ton	115 €/ton ↓
2015-16	3,60 \$/bushel	142 \$/ton	125 €/ton

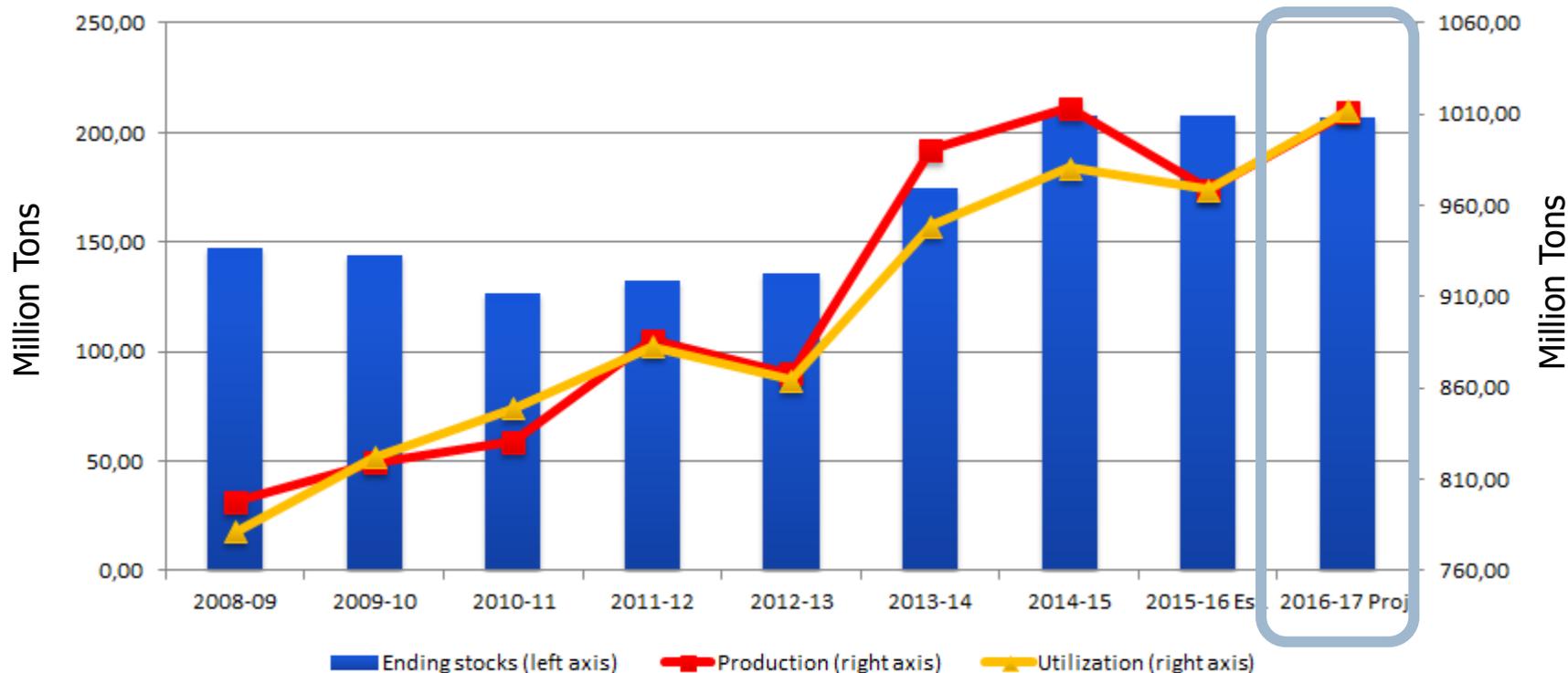
CORN conversion factors
1 bushel = 0.025 metric ton
1 metric ton = 39.38 bushel



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 season (new marketing year starting October 1st) is projected at **324.2 Mio t**, +8.3 Mio t, with gains for China, India, Brazil, Ukraine and Argentina, partly offset by a lower U.S. production.
- ▶ **U.S. Soybean production** is projected at **103.42 Mio t** (-3.3% from 2015-16 season), on lower harvested area and trend yields. **U.S. ending stocks** for 2016-17 are forecast at 8.29 Mio t, -2.6 Mio t from the revised 2015-16 projection.
- ▶ The **Brazil Soybean crop** is projected at **103.0 Mio t**, +4.0 Mio t on higher area and yields, also the **Argentina Soybean crop** increased to 57.0 Mio t (+0.5 Mio t from the revised 2015-16 crop).
- ▶ **China Soybean production** is projected higher (+0.4 Mio t) on increased harvested area as policy changes reduce incentives to plant Corn.
- ▶ **Global Soybean exports** are forecast at **138.3 Mio t**, +4.3% from 2015-16, led by increases for the U.S., Argentina and Brazil (the major Exporters).
- ▶ **China Soybean imports** are projected at 87.0 Mio t (+4.0 Mio t from 2015-16).



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



	Million tons	From 2015-16
Beginning stocks	74.25	-4.9%
Production	324.20	+2.6%
Total use	327.96	+3.1%
Ending stocks	68.21	-8.1%



	Billion bushels	Million tons	From 2015-16
Beginning stocks	0.40	10.89	+109.8%
Production	3.80	103.42	-3.3%
Total use	2.04	55.53	+1.5%
Export	1.88	51.30	+8.3%
Ending stocks	0.30	8.29	-23.9%
Price projection	9.10 \$/bushel	334 \$/ton	294 €/ton ↑
2015-16	8.85 \$/bushel	325 \$/ton	286 €/ton

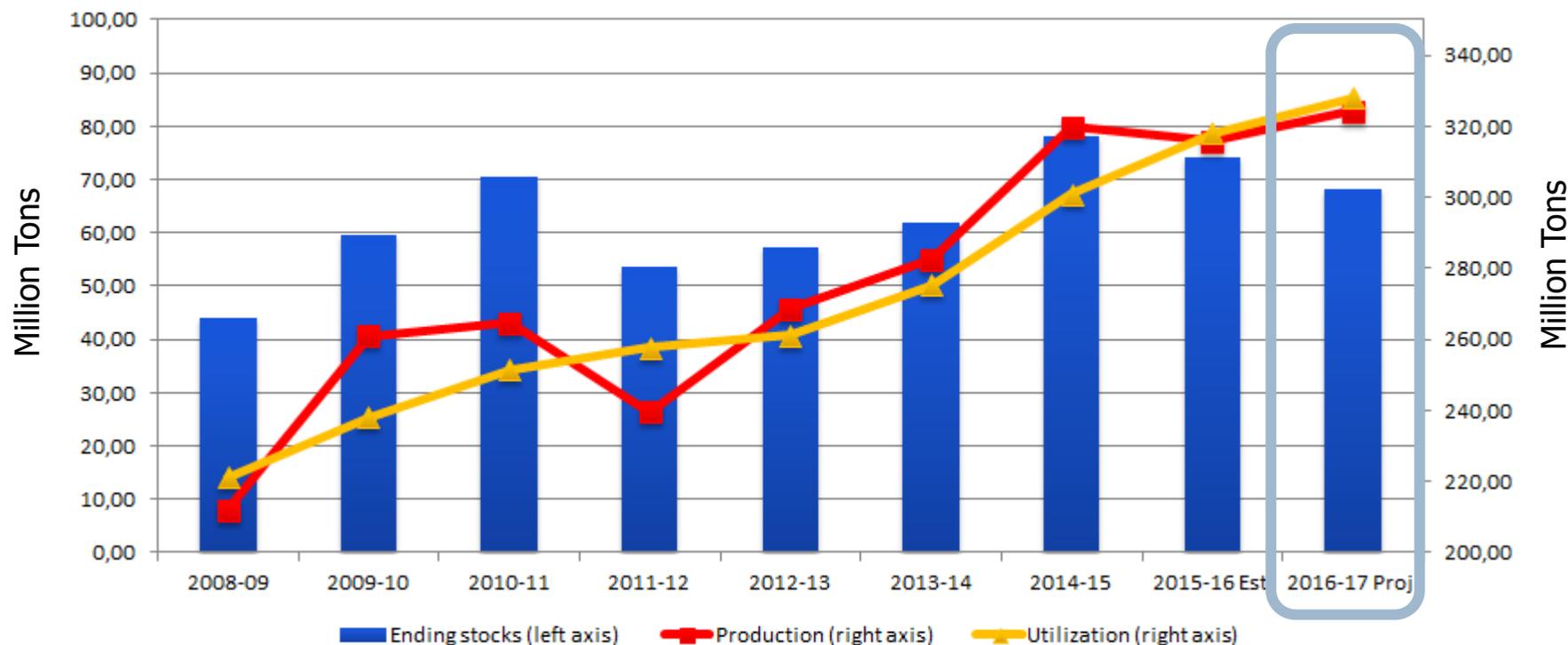
SOYBEANS conversion factors
1 bushel = 0.027 metric ton
1 metric ton = 36.74 bushel



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](#):

CBOT:ZCK2016, W 385'2 ▲ +11'2 (+3.01%) O: 379'4 H: 386'0 L: 367'0 C: 385'2



 **CME Group**
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Chicago Mercantile Exchange (CME)

Soybean prices

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

CBOT:ZSK2016, W 1064'4 ▼-5'2 (-0.49%) O:1031'2 H:1082'2 L:1012'0 C:1064'4



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Agricultural and Energy Inputs Correlations

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

Historical comparative overview between Italian Corn and Soy Flour price with the Crude Oil price

Processed by CLAL



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: 181 ÷ 182 €/ton (+7 € from last month)
- ▶ Italian Soybean meal: 384 ÷ 385 €/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)
March 2016
34.50 € / 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

