


Corn & Soybeans

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- ▶ **Soybeans** (source WASDE)
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CORN

Estimate for 2013-14 season

- ▶ **Global corn supplies** for 2013-14 are projected at **956.67 Mio t**, slightly down from August estimates, with reductions for Argentina, Canada, Serbia and Paraguay, reflecting smaller expected areas.
- ▶ In **South Korea** wheat feeding is reduced and corn imports and consumption is raised accordingly (+0,5 Mio t).
- ▶ The outlook for **U.S. corn supplies** is at a record **351.64 Mio t**. The national average corn yield is forecast at 155.3 bushels per acre, +0.9 bushels from last months.
- ▶ Projected imports are reduced and beginning stocks are expected lower (-8%).
- ▶ For 2012-13, corn used in the **production of ethanol** has increased substantially based on stronger-than-expected August ethanol production. The 2012-13 season-average farm price for corn is 6.90 \$/bushel, well above the previous record of 6.22 \$ in 2011-12.



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



	Million tons	From Aug 2013 (projections)
Beginning stocks	122.59	-0.4%
Production	956.67	-0.1%
Total use	927.84	-0.2%
Ending stocks	151.42	+0.8%



	Billion bushels	Million tons	From Aug 2013 (projections)
Beginning stocks	0.66	16.80	-8.0%
Production	13.85	351.64	+0.6%
Total use	11.45	290.84	+0.0%
Export stocks	1.23	31.12	+0.0%
Ending stocks	1.85	47.11	+0.9%
Price projection	4.80 \$/bushel	189 \$/ton	142 €/ton ↓
1 month ago	4.90 \$/bushel	193\$/ton	145 €/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 2013-14 is projected almost unchanged at a record 281.7 Mio t, as larger crop forecasts for Brazil and Paraguay mostly offset reductions for the United States, Canada, China and Russia.
- ▶ Soybean production for **China**, the main Importer, is reduced 0.3 Mio t on lower yields resulting from excess rainfall and flooding in the northeast. If realized, this would be China's smallest soybean harvest since 1992-93.
- ▶ **U.S. soybean production** is projected lower (-3.3%) due to lower yield prospects, especially in the western Corn Belt. The soybean yield is forecast at 41.2 bushels per acre, -1.4 bushels/acre from last month.
- ▶ Soybean exports are reduced reflecting lower supplies and increased competition from South America.



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



	Million tons	From Jul 2013 (projections)
Beginning stocks	61.55	-0.1%
Production	281.66	+0.0%
Total use	268.89	+0.1%
Ending stocks	71.54	-1.0%



	Billion bushels	Million tons	From Jul 2013 (projections)
Beginning stocks	0.13	3.41	+0.0%
Production	3.15	85.71	-3.3%
Total use	1.77	48.16	-1.2%
Export stocks	1.37	37.29	-1.1%
Ending stocks	0.15	4.08	-32%
Price projection	12.50 \$/bushel	459 \$/ton	344 €/ton ↑
1 month ago	11.35 \$/bushel	417 \$/ton	313 €/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](#):

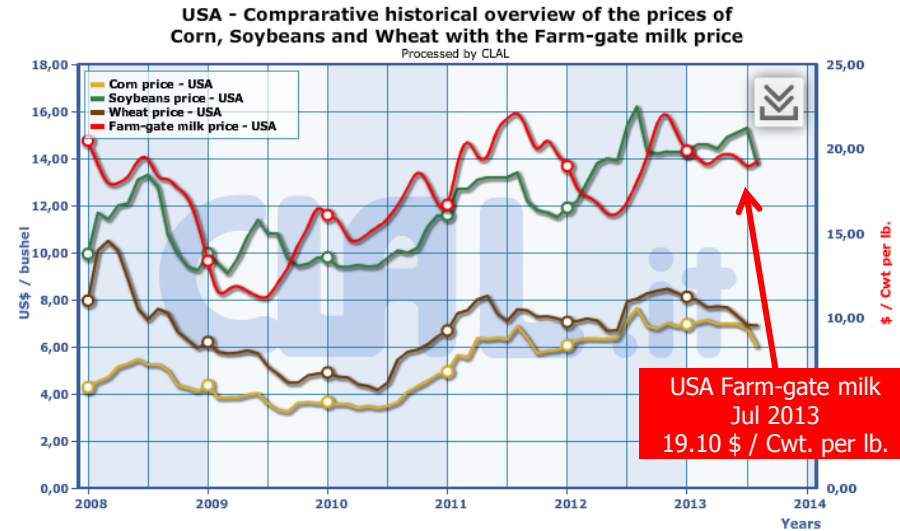


- ▶ Soybean price trend as listed by the [CME of Chicago](#):

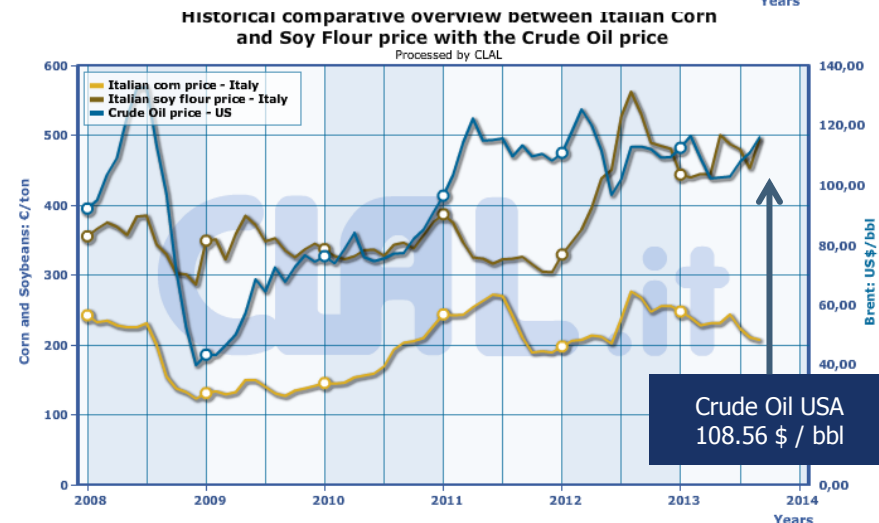


Agricultural and Energy Inputs Correlations

- ▶ 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

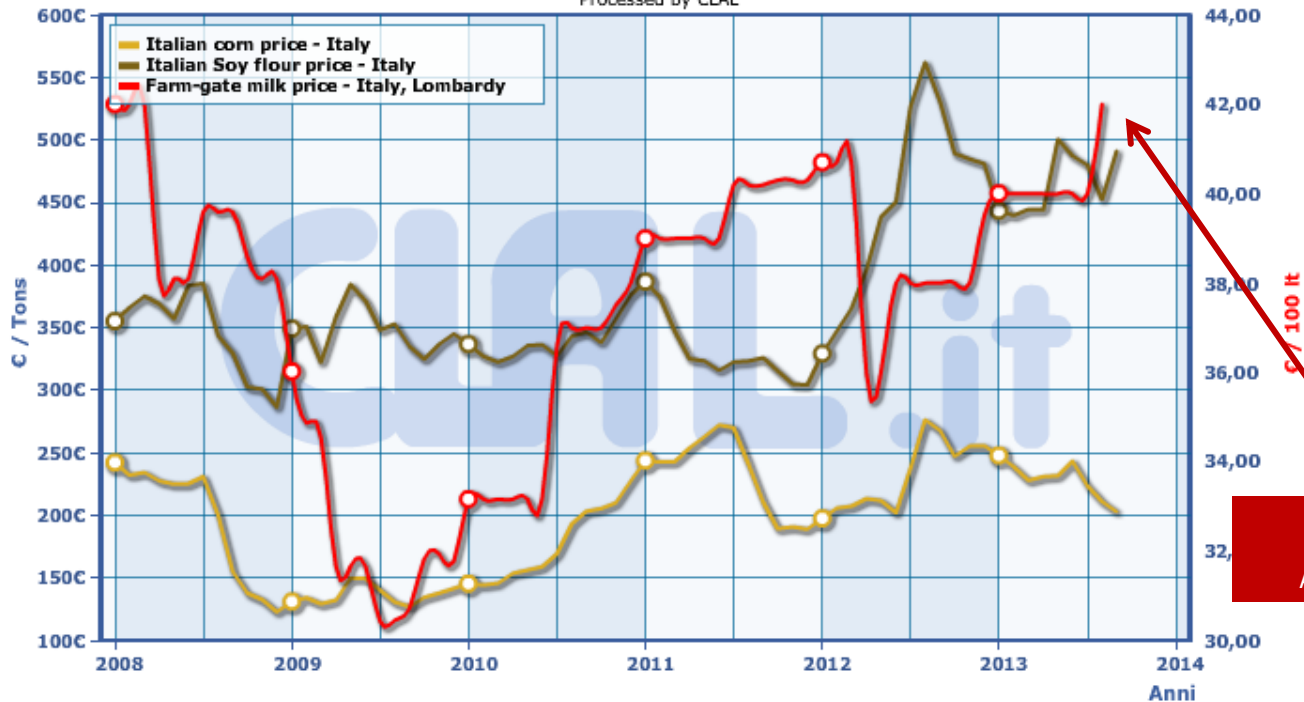
▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 194 ÷ 195 €/ton (-17 € from last month)
- ▶ Italian Soy flour: 484 ÷ 485 €/ton (+59 € 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)
August 42 € / 100 lt

Focus on Italy

The value of the Simulated Feed Ration

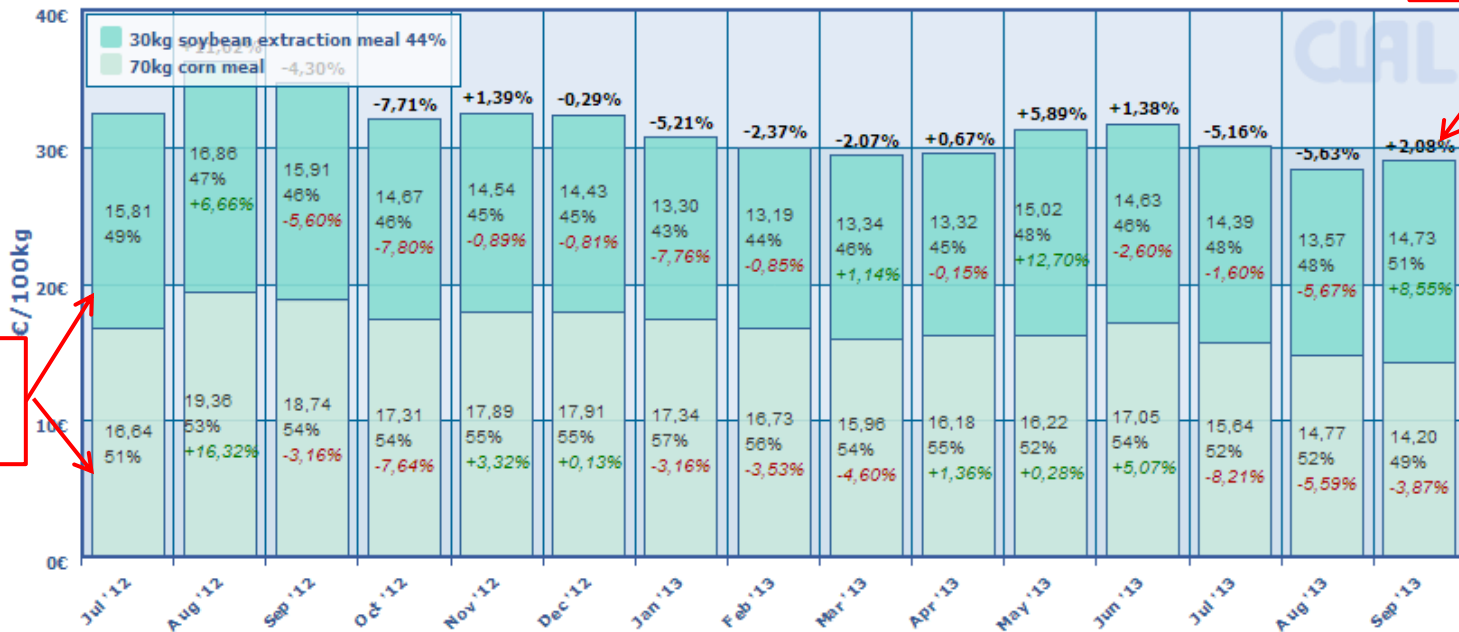
- The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



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

