Illinois Farm Economic Summit 2021

2021/22 Market Outlook for Corn and Soybeans

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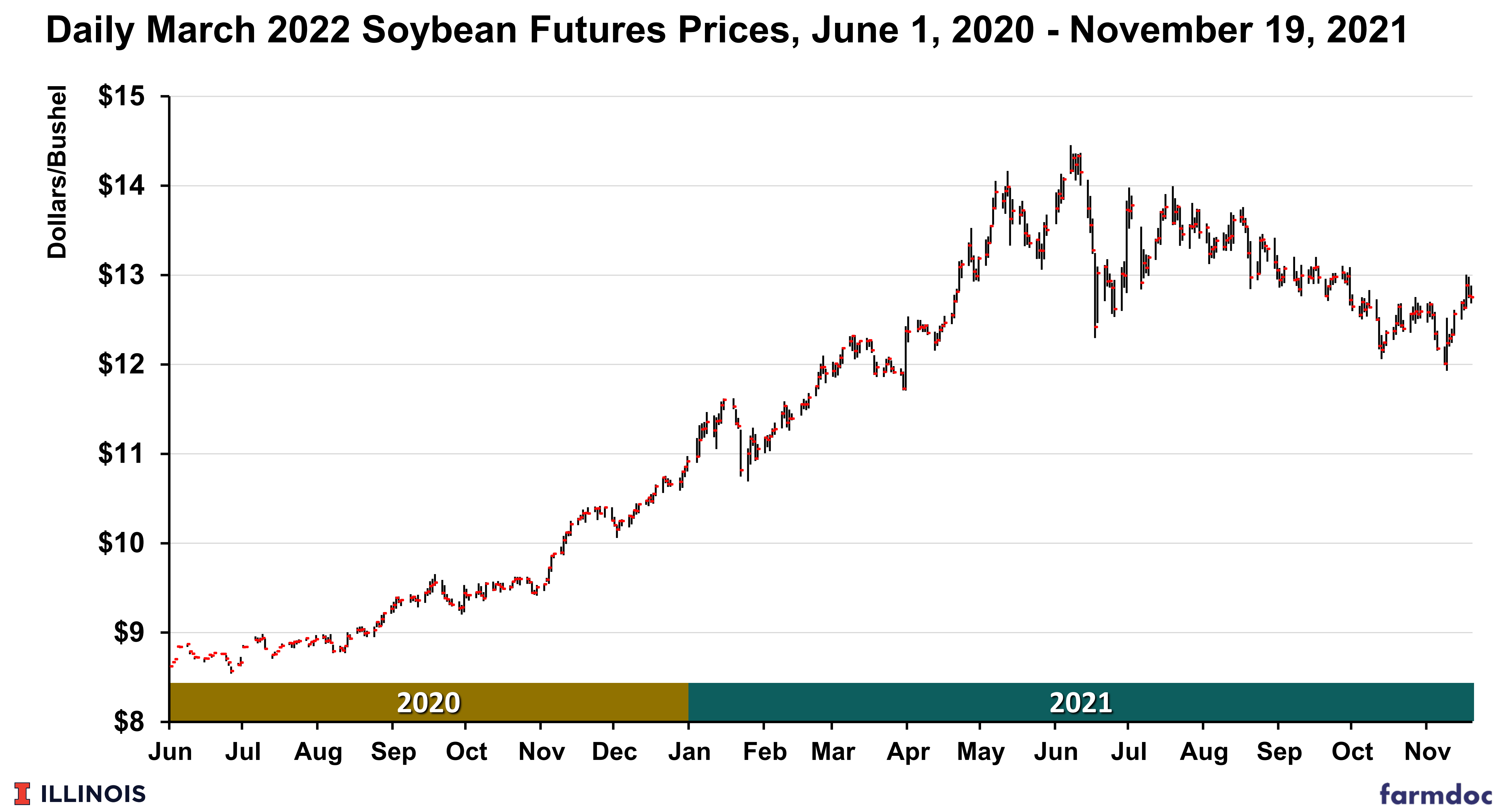
Daily March 2022 Corn Futures Prices, June 1, 2020 - November 19, 2021



Daily March 2022 Soybean Futures Prices, June 1, 2020 - November 19, 2021
Dollars/Bushel
$15
$14
$13
$12
$11
$10
$9
$8
2020
2021
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
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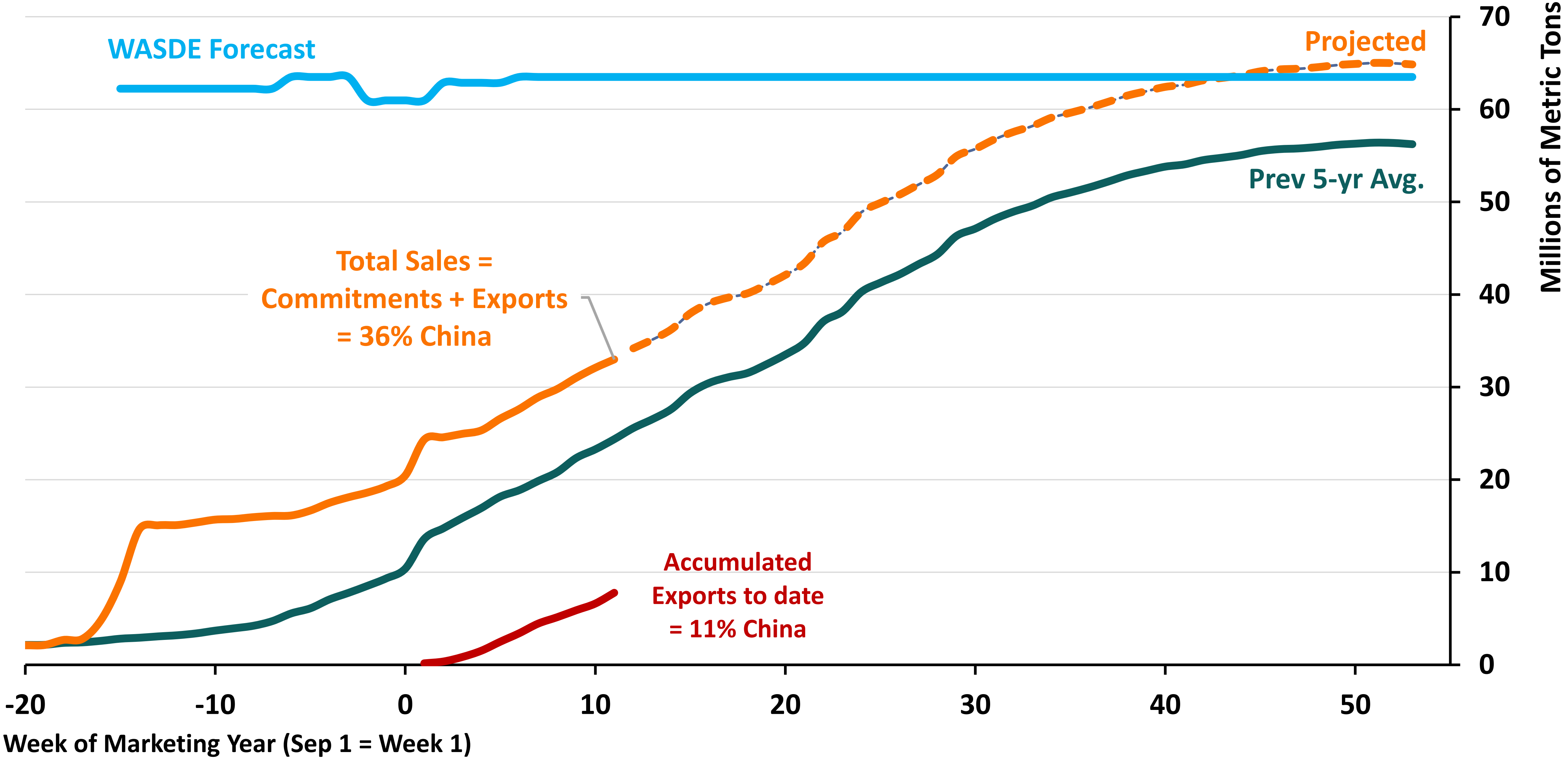
2021/22 World Corn and Soybean Supply and Use (in mmt)

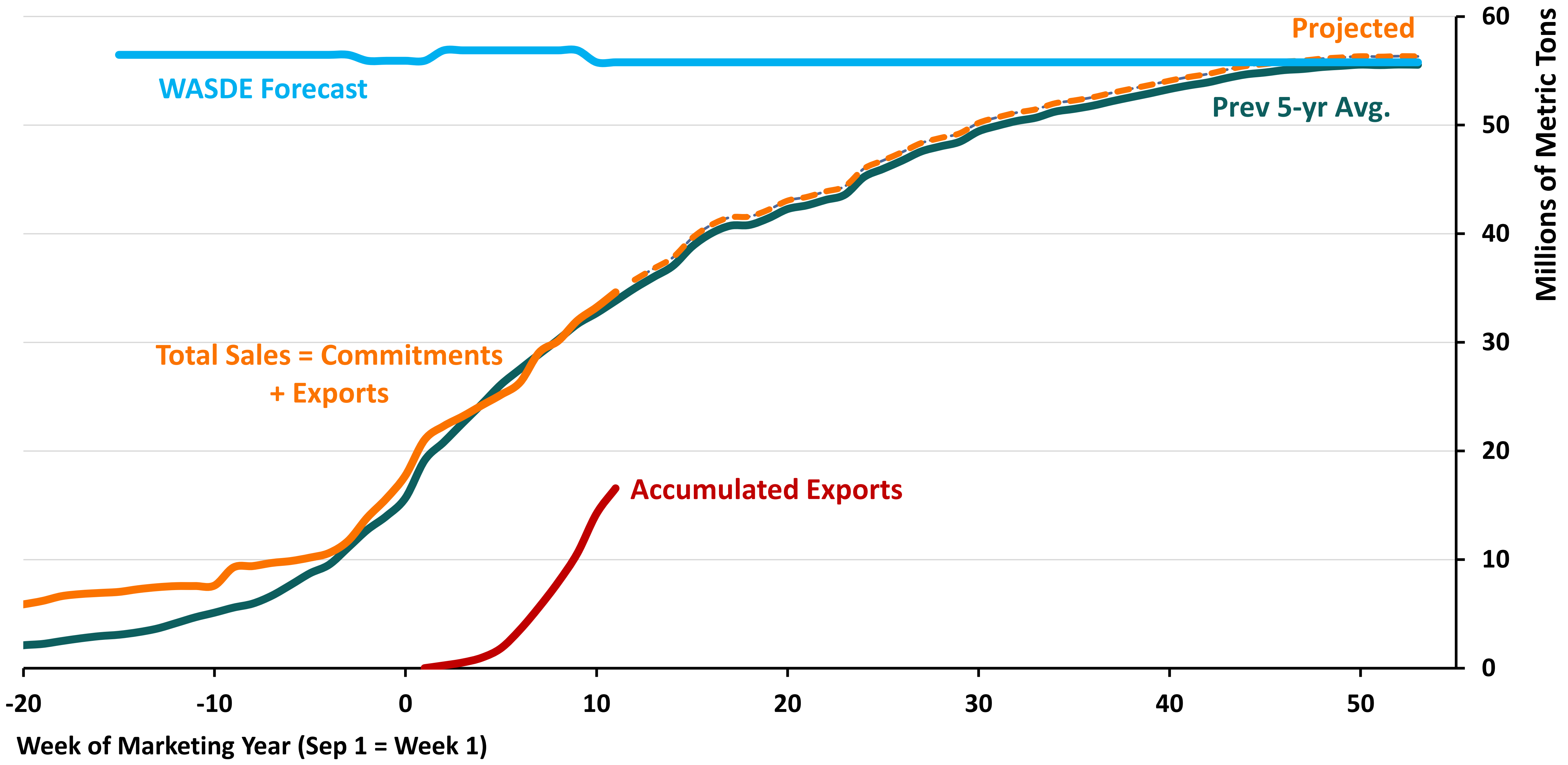
CORN	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	291.9	1204.6	183.4	747.2	1,192.1	203.5	304.4
United States	31.4	382.6	0.6	143.5	313.2	**63.5**	37.9
Argentina	1.6	54.5	0.0	10.5	14.5	**39.0**	2.6
Brazil	5.2	118.0	1.7	62.0	73.0	**43.0**	8.9
Ukraine	0.9	38.0	0.0	5.3	6.5	**31.5**	0.9
Japan	1.5	0.0	**15.6**	12.3	15.9	0.0	1.2
Mexico	3.0	28.0	**17.0**	26.0	44.2	0.7	3.1
China	205.7	273.0	**26.0**	214.0	294.0	0.0	210.7
SOYBEANS	**Beginning Stocks**	**Production**	**Imports**	**Domestic Crush**	**Domestic Total**	**Exports**	**Ending Stocks**
World	100.1	384.0	169.8	328.8	378.0	172.1	103.8
United States	7.0	120.4	0.4	59.6	62.8	**55.8**	9.3
Argentina	25.1	49.5	4.8	42.0	49.4	**5.4**	24.6
Brazil	28.0	144.0	0.7	47.7	50.4	**94.0**	28.3
China	34.5	19.0	**100.0**	98.0	117.7	0.1	35.7
European Union	1.1	2.8	**15.0**	15.9	17.6	0.2	1.0
Mexico	0.1	0.3	**6.2**	6.4	6.5	0.0	0.2

Source: USDA, November 2021 WASDE Report

US Corn Export Sales by Week of Marketing Year



US Soybean Export Sales by Week of Marketing Year

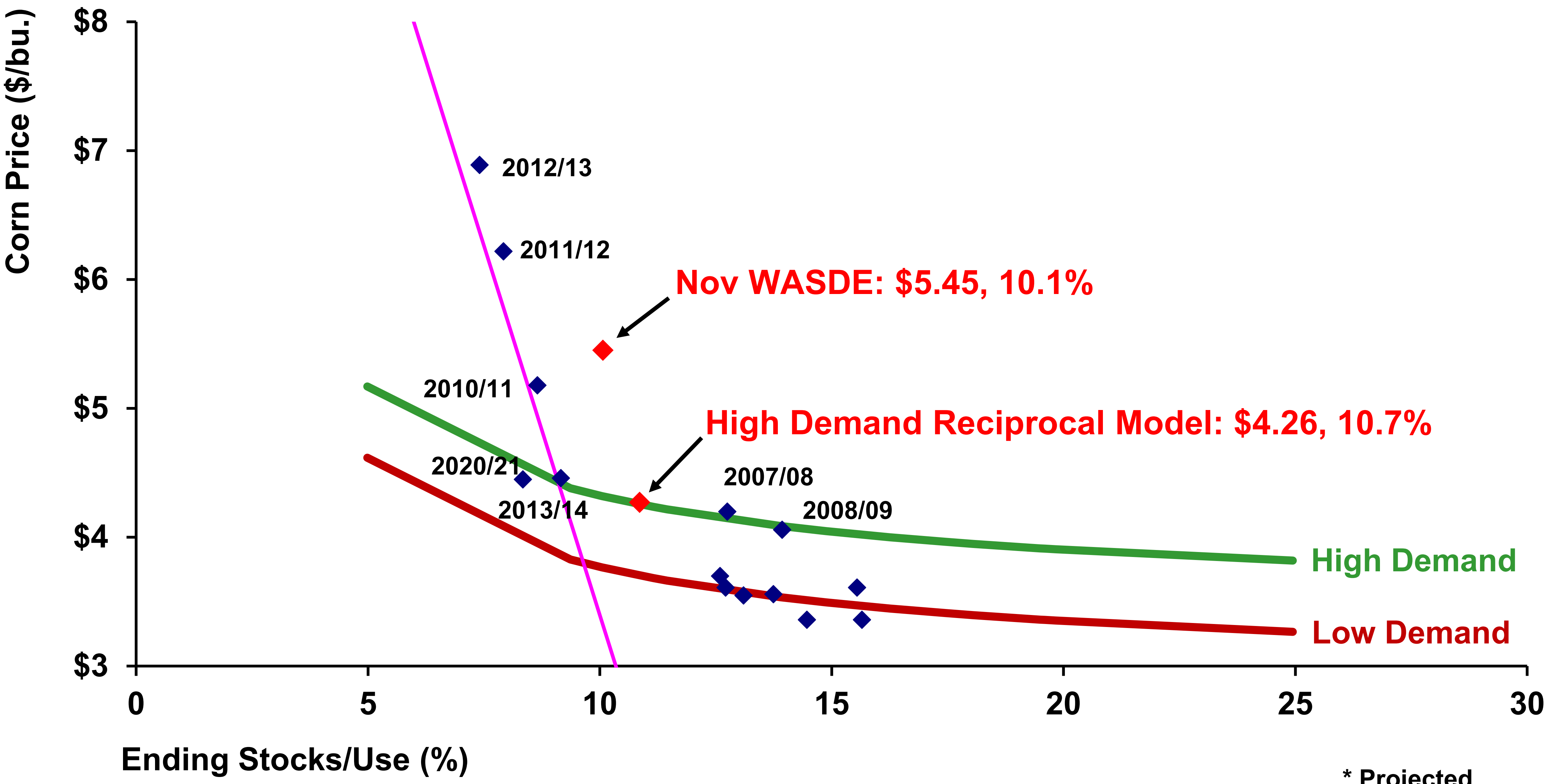


Source: USDA FAS Export Sales Reporting to November 11, 2021

Latest 2021/22 U.S. Corn Supply and Use

	2018/19	2019/20	2020/21	2021/22 USDA Nov WASDE	2021/22 Forecast
Area Planted (mil. acres)	88.9	89.7	90.7	93.3	93.5
Area Harvested (mil. acres)	81.3	81.3	82.3	85.1	85.3
Yield (bu./acre)	176.4	167.5	171.4	177.0	177.3
Beginning Stocks (mil. bu.)	2,140	2,221	1,919	1,236	1,236
Production (mil. bu.)	14,340	13,620	14,111	15,062	15,124
Imports (mil. bu.)	28	42	24	25	25
Total Supply (mil. bu.)	16,509	15,883	16,055	16,323	16,385
Feed and Residual (mil. bu.)	5,429	5,903	5,601	5,650	5,650
Food, Seed, and Industrial (mil. bu.)	6,793	6,282	6,465	6,680	6,680
Ethanol (mil. bu.)	5,378	4,852	5,028	5,250	5,250
Exports (mil. bu.)	2,066	1,778	2,753	2,500	2,475
Total Use (mil. bu.)	14,288	13,963	14,819	14,830	14,805
Ending Stocks (mil. bu.)	**2,221**	**1,919**	**1,236**	**1,493**	**1,580**
Stocks/Use (%)	15.5	13.7	8.3	10.1	10.7
Season Average Price ($/bu.)	**$3.61**	**$3.56**	**$4.53**	**$5.45**	**$4.85**

US Corn, Farm Price vs. Ending Stocks/Total Use, 2007/08-2021/22*

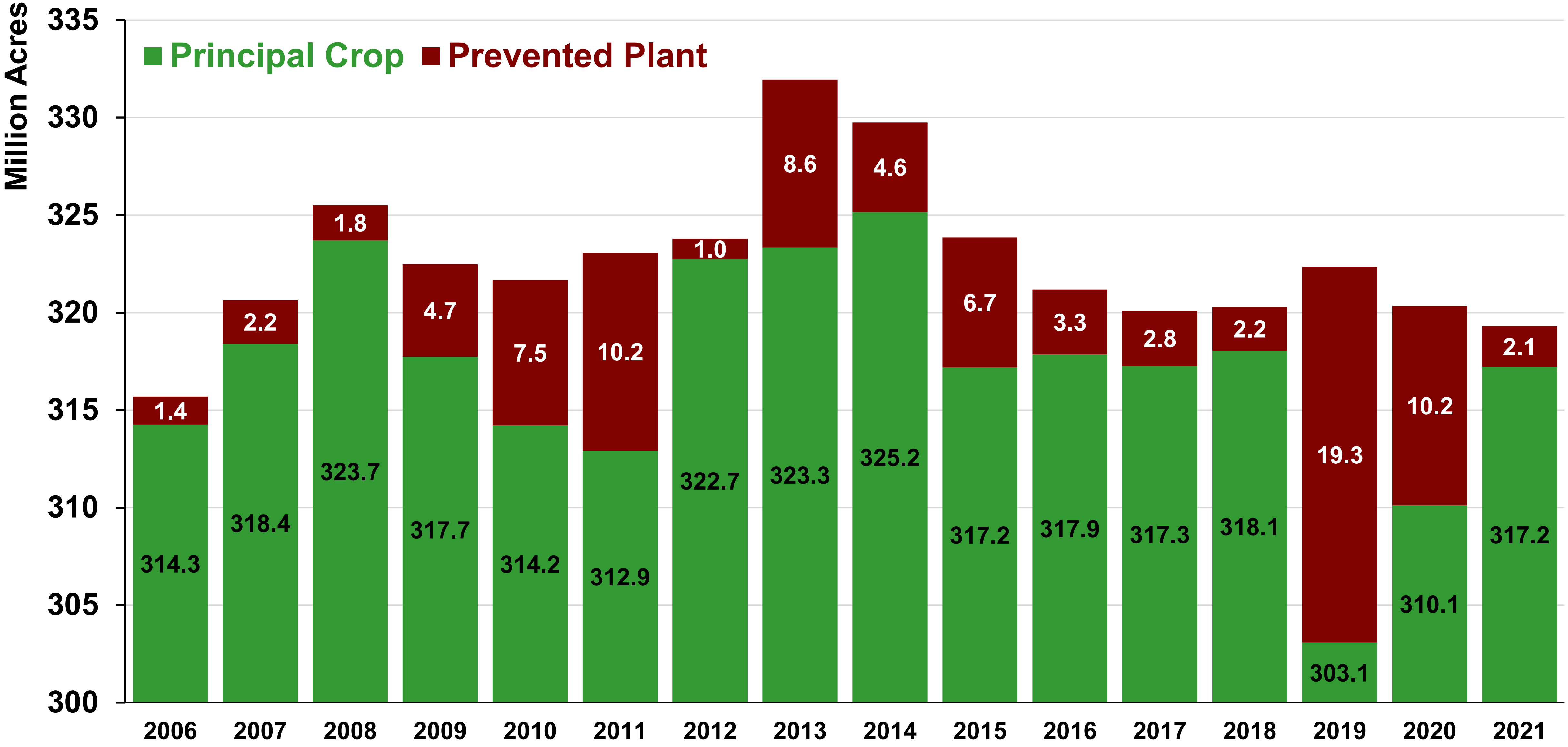


* Projected

Latest 2021/22 U.S. Soybean Supply and Use

	2018/19	2019/20	2020/21	2021/22 USDA Nov WASDE	2021/22 Forecast
Area Planted (mil. acres)	89.2	76.1	83.4	87.2	87.2
Area Harvested (mil. Acres)	87.6	74.9	82.6	86.4	86.4
Yield (bu./acre)	50.6	47.4	51.0	51.2	51.5
Beginning Stocks (mil. bu.)	438	909	525	256	256
Production (mil. bu.)	4,428	3,552	4,216	4,425	4,450
Imports (mil. bu.)	14	15	20	15	15
Total Supply (mil. bu.)	4,880	4,476	4,761	4,696	4,721
Crush (mil. bu.)	2,092	2,165	2,141	2,190	2,190
Exports (mil. bu.)	1,752	1,682	2,265	2,050	2,050
Seed (mil. bu.)	88	96	101	102	102
Residual (mil. bu.)	39	9	-3	15	15
Total Use (mil. bu.)	3,971	3,952	4,505	4,356	4,356
Ending Stocks (mil. bu.)	**909**	**525**	**256**	**340**	**365**
Stocks/Use (%)	22.9	13.3	5.7	7.8	8.4
Season Average Price ($/bu.)	$8.48	$8.57	$10.80	$12.10	$12.10

Composition of Total Planted Crop Acreage in the U.S., 2006-2021



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Source: USDA

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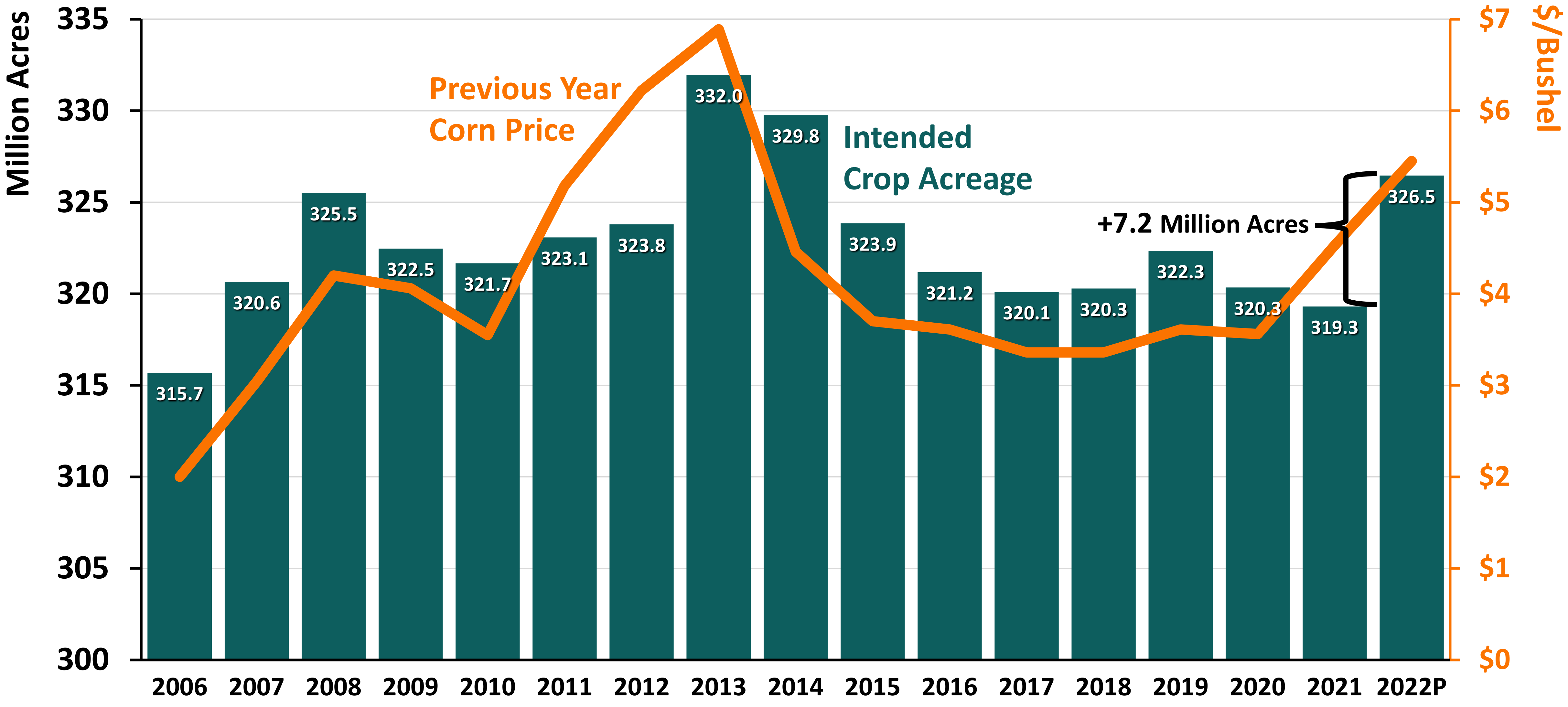
Intended Total Planted Crop Acreage in the U.S. and the Price of Corn in the Previous Year



Source: USDA

U.S. Corn and Soybean Planted Acreage, 2016-2022
in Million Acres

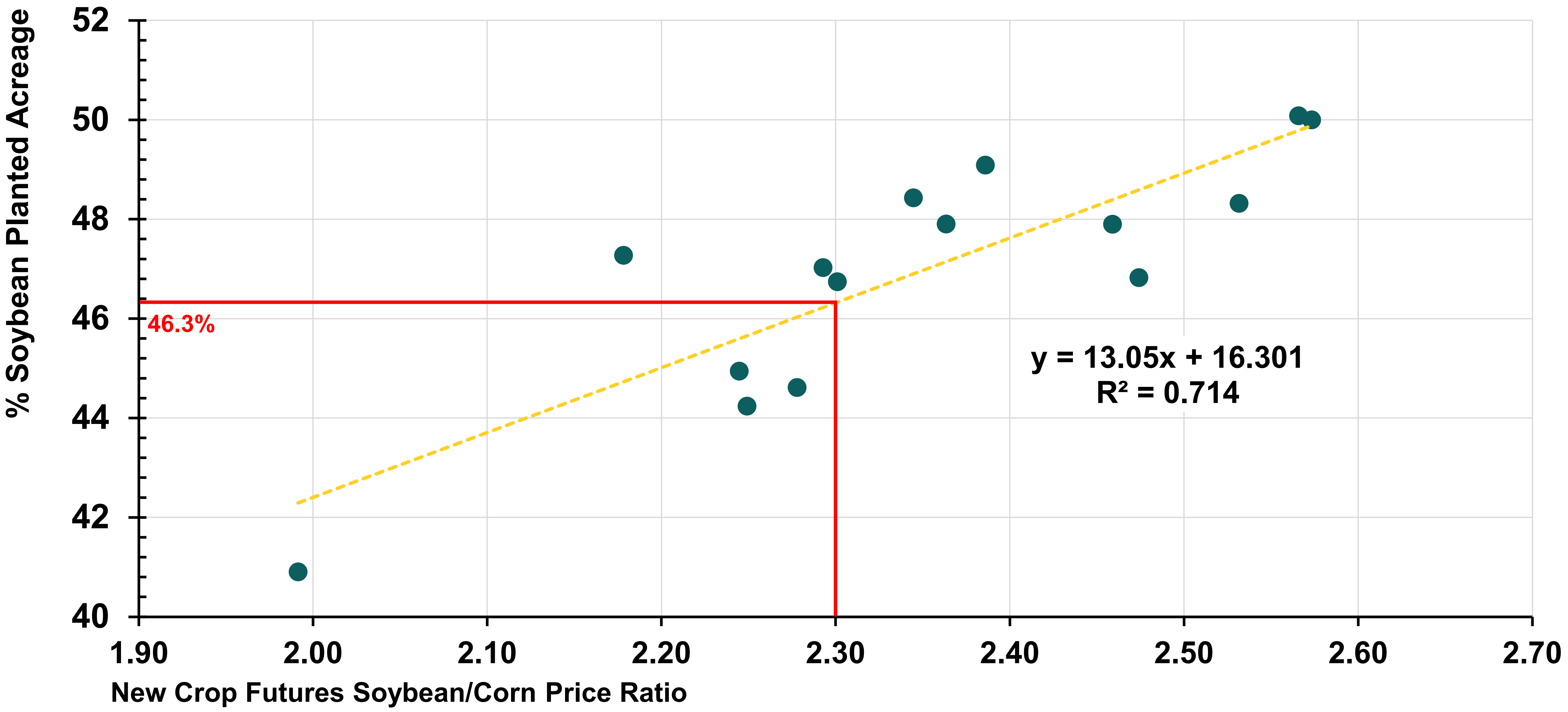
	2016	2017	2018	2019	2020	2021*	2022**
Corn and Soybeans							
Total Intended	**178.7**	**181.7**	**179.2**	**181.7**	**181.7**	**181.5**	**183.0**
Prevented Plant	1.3	1.4	1.2	15.9	7.7	1.0	1.5
Planted	177.5	180.3	178.0	165.8	174.0	180.5	181.5
Corn							
Total Intended	**95.1**	**91.1**	**89.8**	**101.2**	**96.8**	**93.9**	
Prevented Plant	1.1	1.0	0.9	11.4	6.2	0.6	
Planted	94.0	90.2	88.9	89.7	90.7	93.3	
Soybeans							
Total Intended	**83.7**	**90.6**	**89.4**	**80.6**	**84.8**	**87.6**	
Prevented Plant	0.2	0.4	0.3	4.5	1.5	0.3	
Planted	83.5	90.2	89.2	76.1	83.4	87.2	

* = Estimate ** = Projected

Daily Ratio of Nov 2022 Soybean and Dec 2022 Corn Futures Prices

June 1, 2020 - November 19, 2021

Relationship between February Average New Crop Soybean/Corn Price Ratio & Percentage of Combined Corn and Soybean Planted Acreage in Soybeans, 2006-2021 (excluding 2019)



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Prevented Plant	1.3	1.4	1.2	15.9	7.7	1.0	1.5
Planted	177.5	180.3	178.0	165.8	174.0	180.5	181.5
Corn							
Total Intended	**95.1**	**91.1**	**89.8**	**101.2**	**96.8**	**93.9**	**97.0**
Prevented Plant	1.1	1.0	0.9	11.4	6.2	0.6	1.0
Planted	94.0	90.2	88.9	89.7	90.7	93.3	96.0
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Total Intended	**83.7**	**90.6**	**89.4**	**80.6**	**84.8**	**87.6**	**86.0**
Prevented Plant	0.2	0.4	0.3	4.5	1.5	0.3	0.5
Planted	83.5	90.2	89.2	76.1	83.4	87.2	85.5

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First Look at 2022/23 U.S. Corn Supply and Use

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Area Planted (mil. acres)	88.9	89.7	90.7	93.3	96.0
Area Harvested (mil. acres)	81.3	81.3	82.3	85.1	88.7
Yield (bu./acre)	176.4	167.5	171.4	177.0	179.5
Beginning Stocks (mil. bu.)	2,140	2,221	1,919	1,236	1,493
Production (mil. bu.)	14,340	13,620	14,111	15,062	15,922
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Total Use (mil. bu.)	14,288	13,963	14,819	14,830	14,830
Ending Stocks (mil. bu.)	**2,221**	**1,919**	**1,236**	**1,493**	**2,610**
Stocks/Use (%)	15.5	13.7	8.3	10.1	17.6
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Area Planted (mil. acres)	89.2	76.1	83.4	87.2	85.5
Area Harvested (mil. Acres)	87.6	74.9	82.6	86.4	84.7
Yield (bu./acre)	50.6	47.4	51.0	51.2	51.0
Beginning Stocks (mil. bu.)	438	909	525	256	340
Production (mil. bu.)	4,428	3,552	4,216	4,425	4,320
Imports (mil. bu.)	14	15	20	15	25
Total Supply (mil. bu.)	4,880	4,476	4,761	4,696	4,685
Crush (mil. bu.)	2,092	2,165	2,141	2,190	2,225
Exports (mil. bu.)	1,752	1,682	2,265	2,050	2,050
Seed (mil. bu.)	88	96	101	102	104
Residual (mil. bu.)	39	9	-3	15	14
Total Use (mil. bu.)	3,971	3,952	4,505	4,356	4,393
Ending Stocks (mil. bu.)	**909**	**525**	**256**	**340**	**292**
Stocks/Use (%)	22.9	13.3	5.7	7.8	6.6
Season Average Price ($/bu.)	$8.48	$8.57	$10.80	$12.10	$11.00

Implications of current outlook for 2022 Pre-harvest marketing

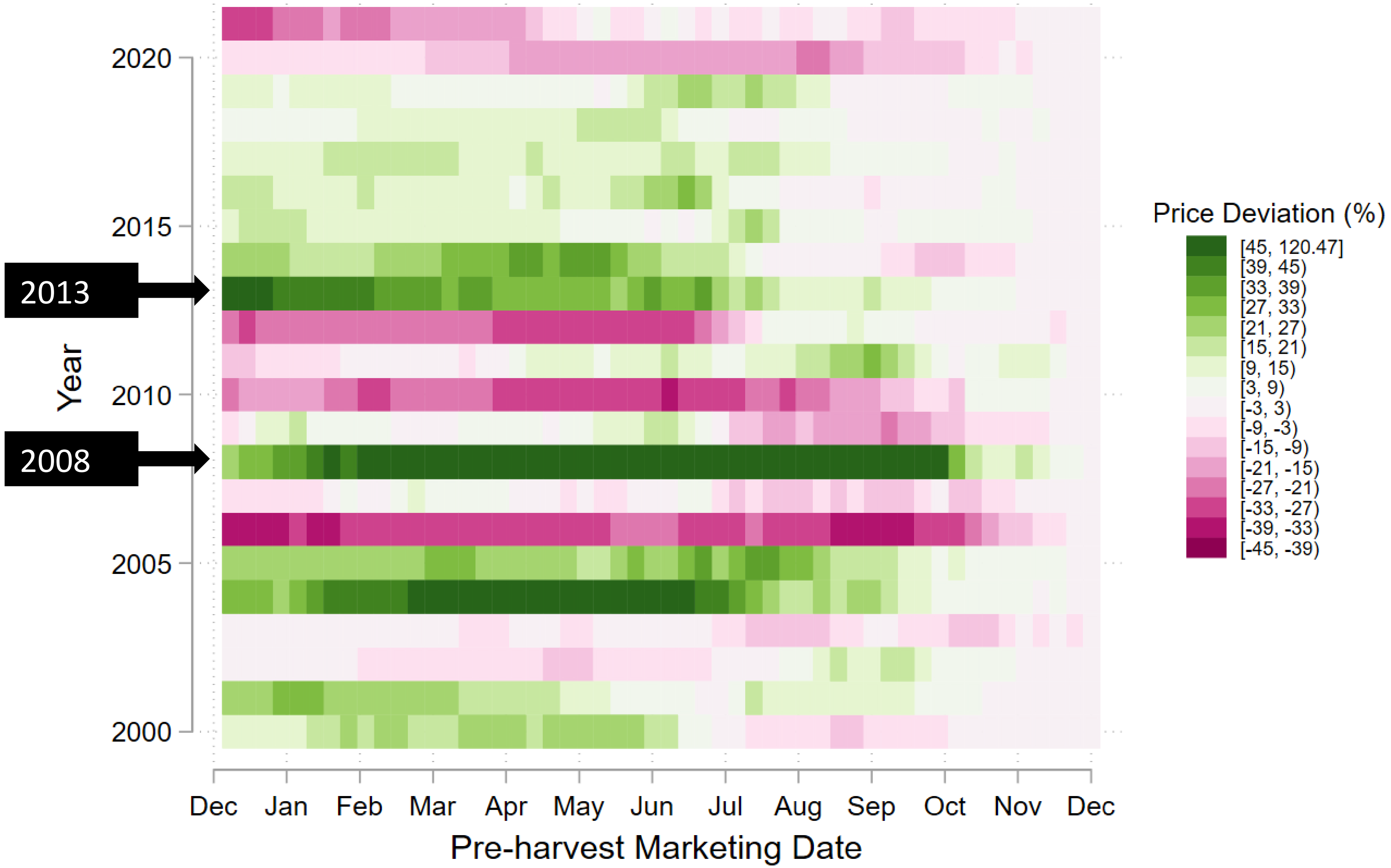
Current new-crop (2022) futures prices:

- Corn (Dec22): $5.61/bu
- Soybeans (Nov22): $12.40/bu

Do new-crop forward sales pay?

- We don't know what prices will be in Fall 2022
- We can assess tendencies in historical pre-harvest marketing period prices to eventual harvest-time price

New-crop Corn Futures Deviations from Harvest-time Price
in Week of Dec 1 by Week and Year, 2000-2021



New-crop Soybean Futures Deviations from Harvest-time Price
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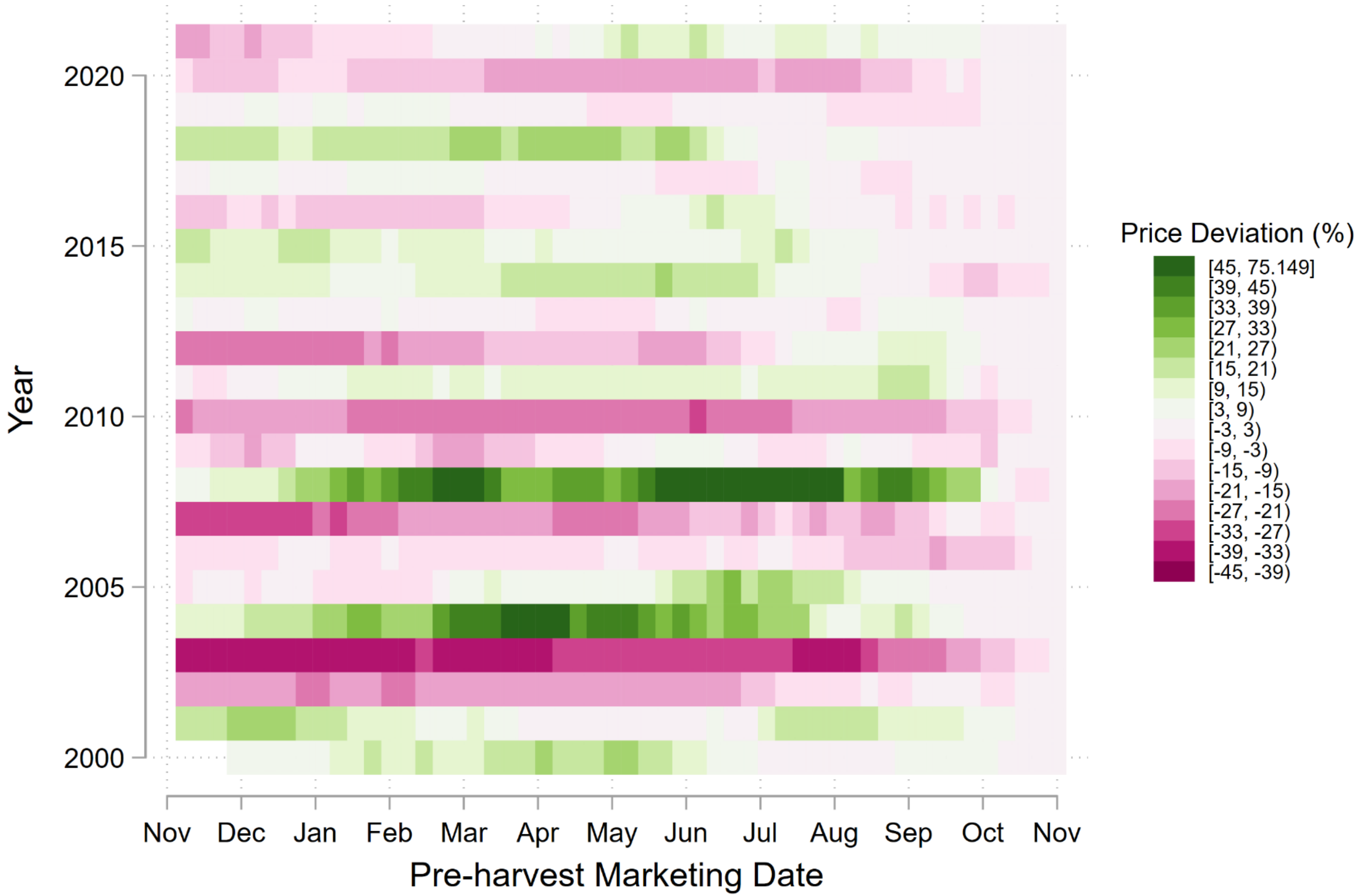

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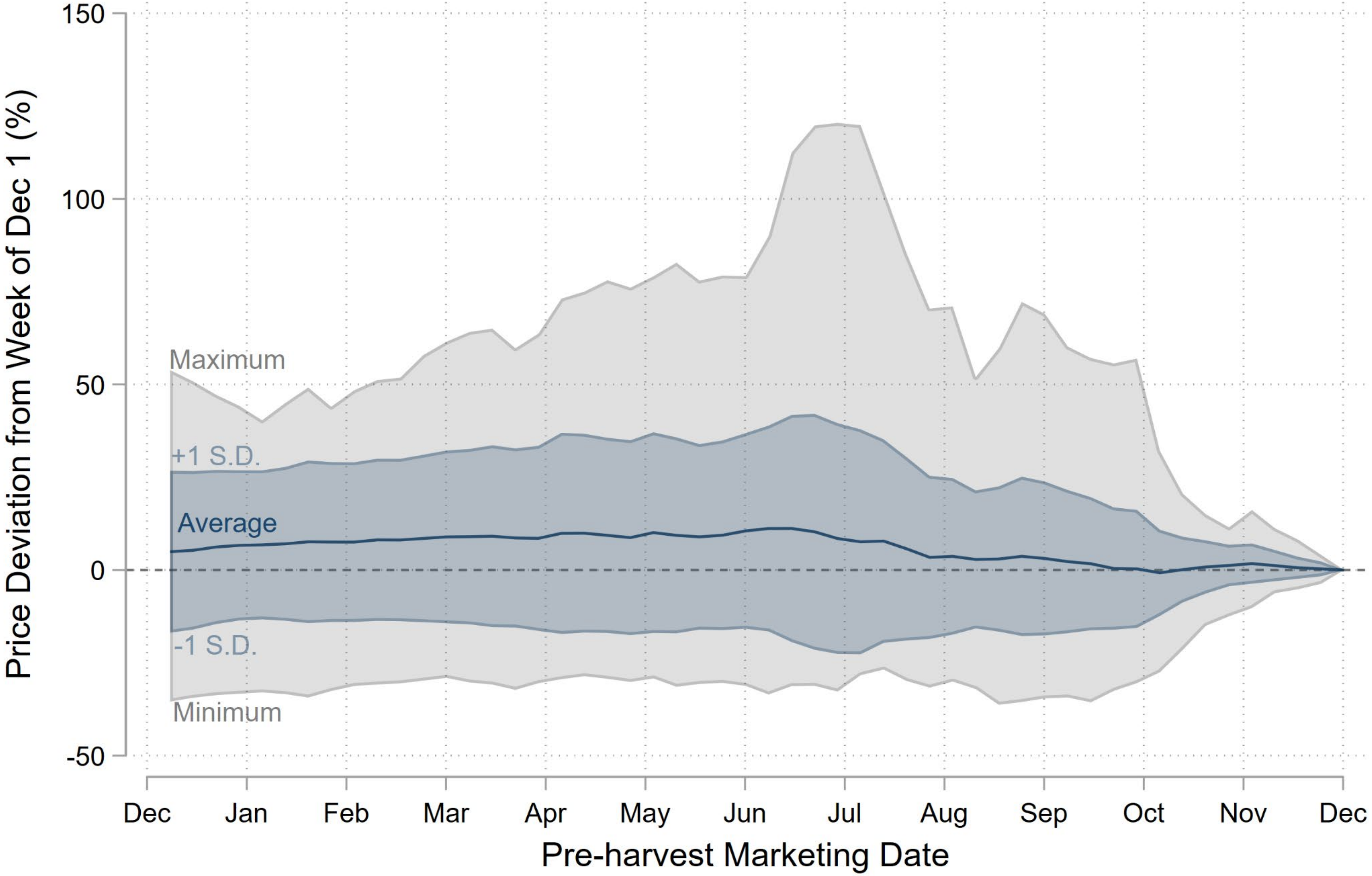
Distribution of New-Crop Corn Futures Price Deviations from the Harvest-Time Price by Week



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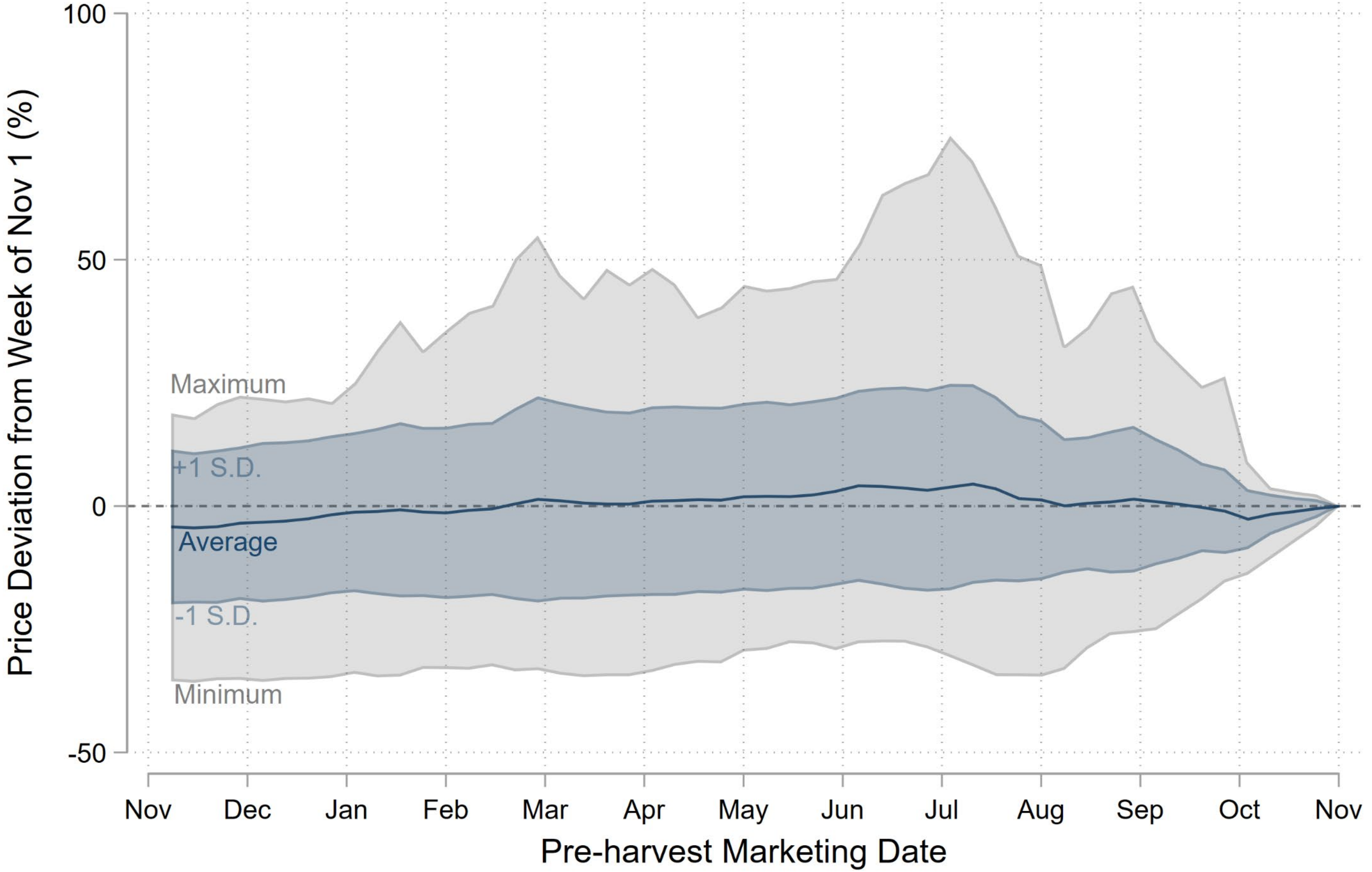

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2021 Virtual Illinois Farm Economic Summit

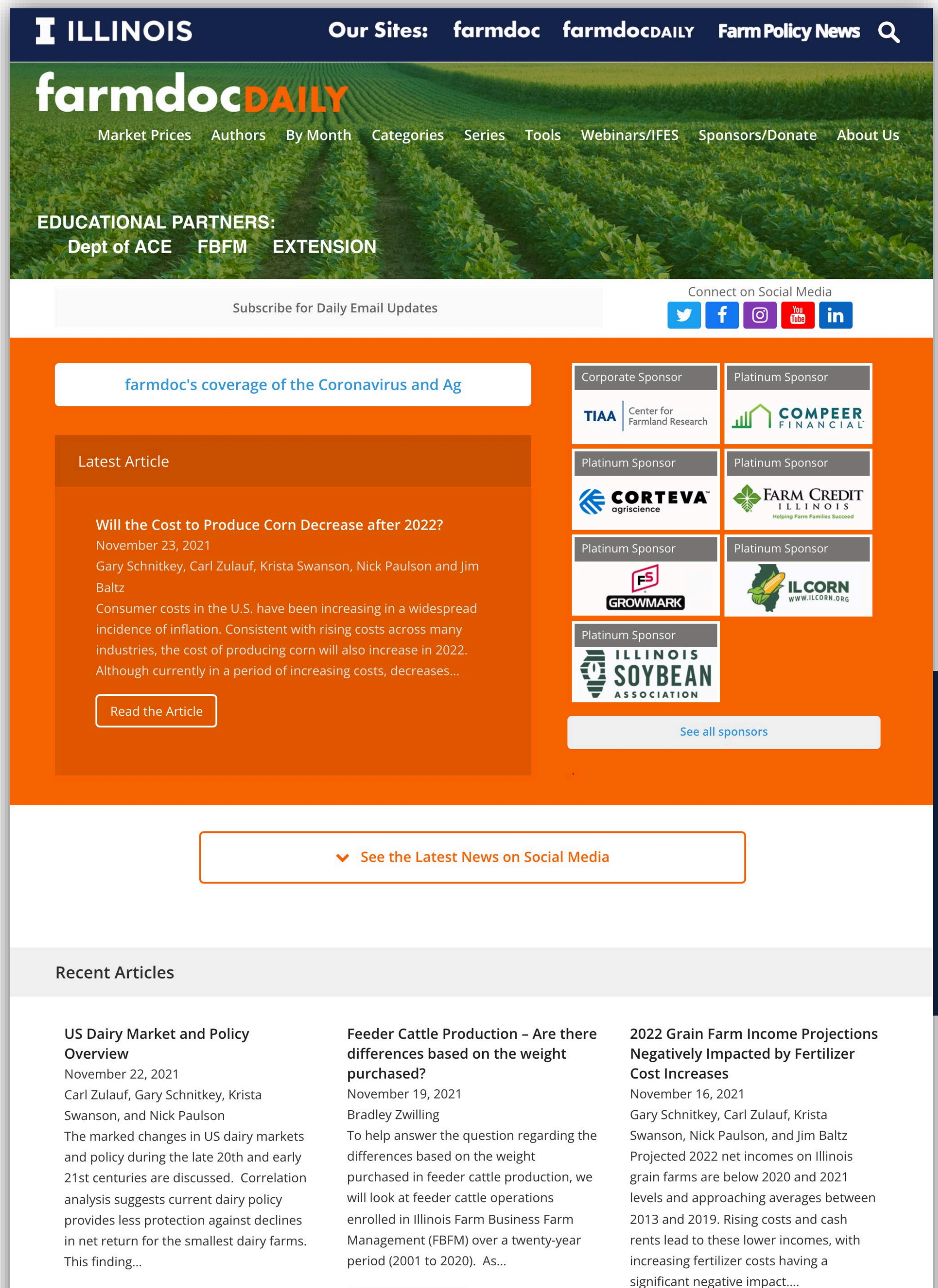
Monday, November 29th
Grain Market Outlook for 2022
Scott Irwin and Joe Janzen

Wednesday, December 1st
Farm Income Outlook for 2022
Gary Schnitkey, Dale Lattz, and Krista Swanson

Friday, December 3rd
Supply Bottlenecks and Management Decisions
Gary Schnitkey and Nick Paulson

Monday, December 6th
Farmland Values and Rental Rates for 2022
Bruce Sherrick

Friday, December 10th
Policy Update for 2022
Nick Paulson, Krista Swanson and Jonathan Coppess



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