



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



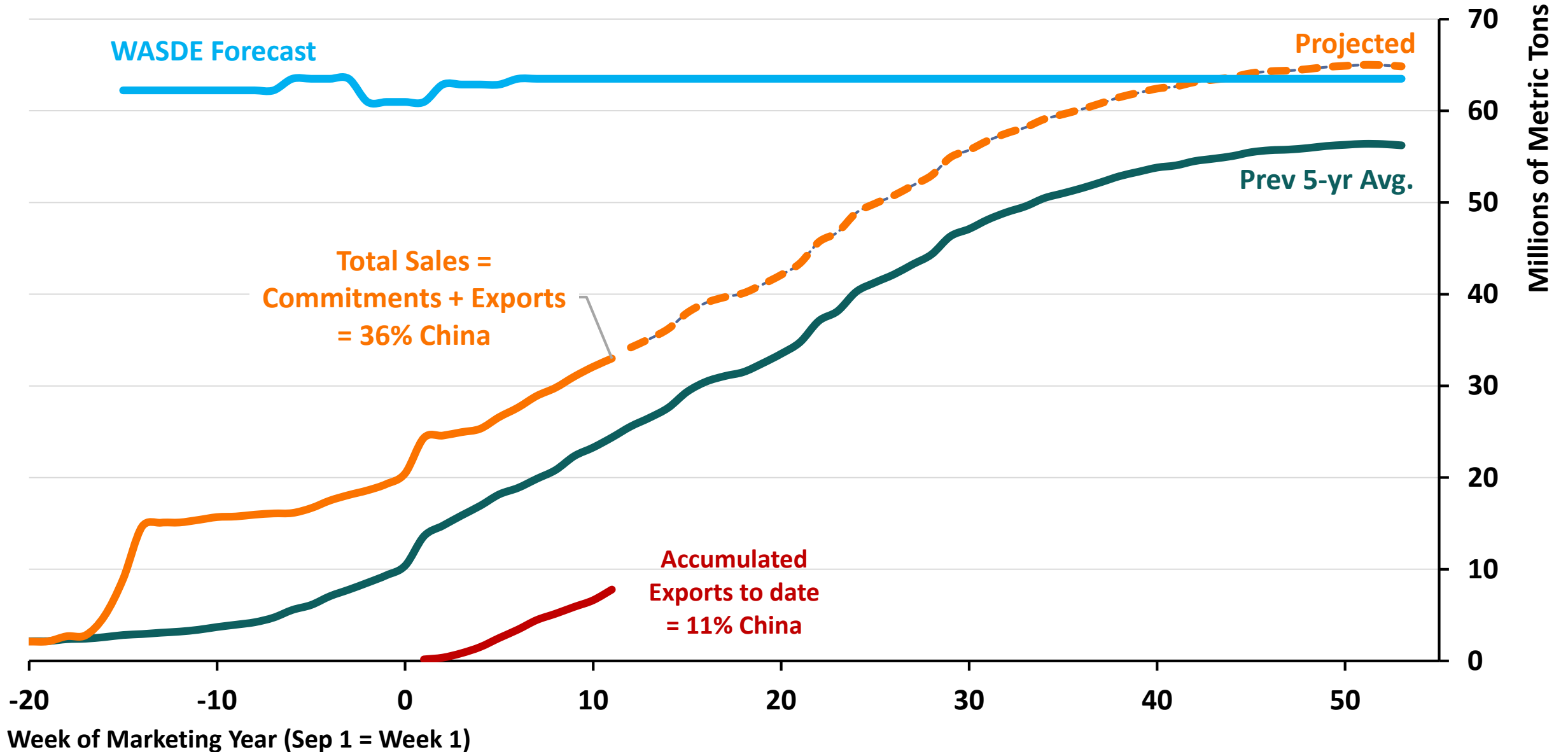
# Daily March 2022 Soybean Futures Prices, June 1, 2020 - November 19, 2021



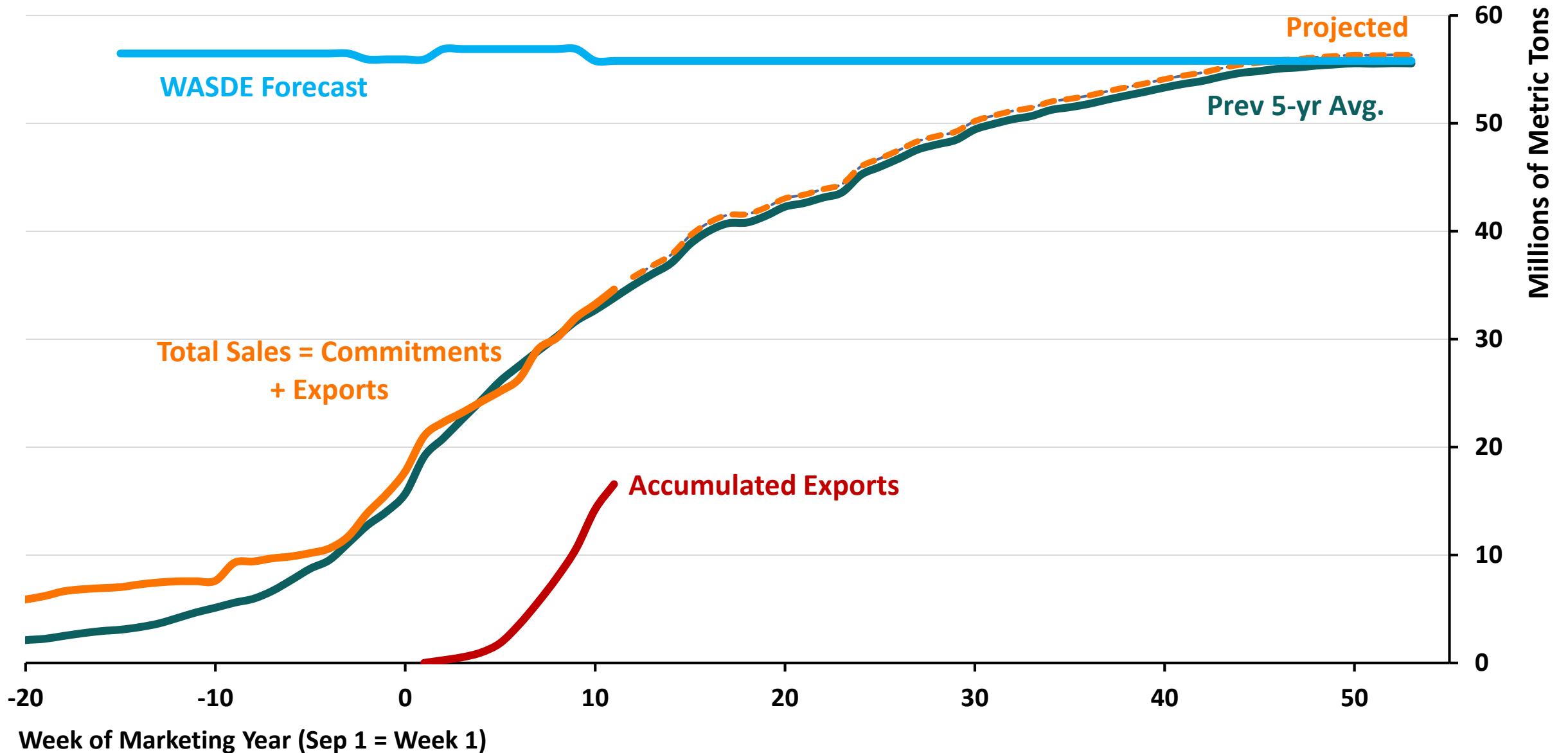
# 2021/22 World Corn and Soybean Supply and Use (in mmt)

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

# US Corn Export Sales by Week of Marketing Year



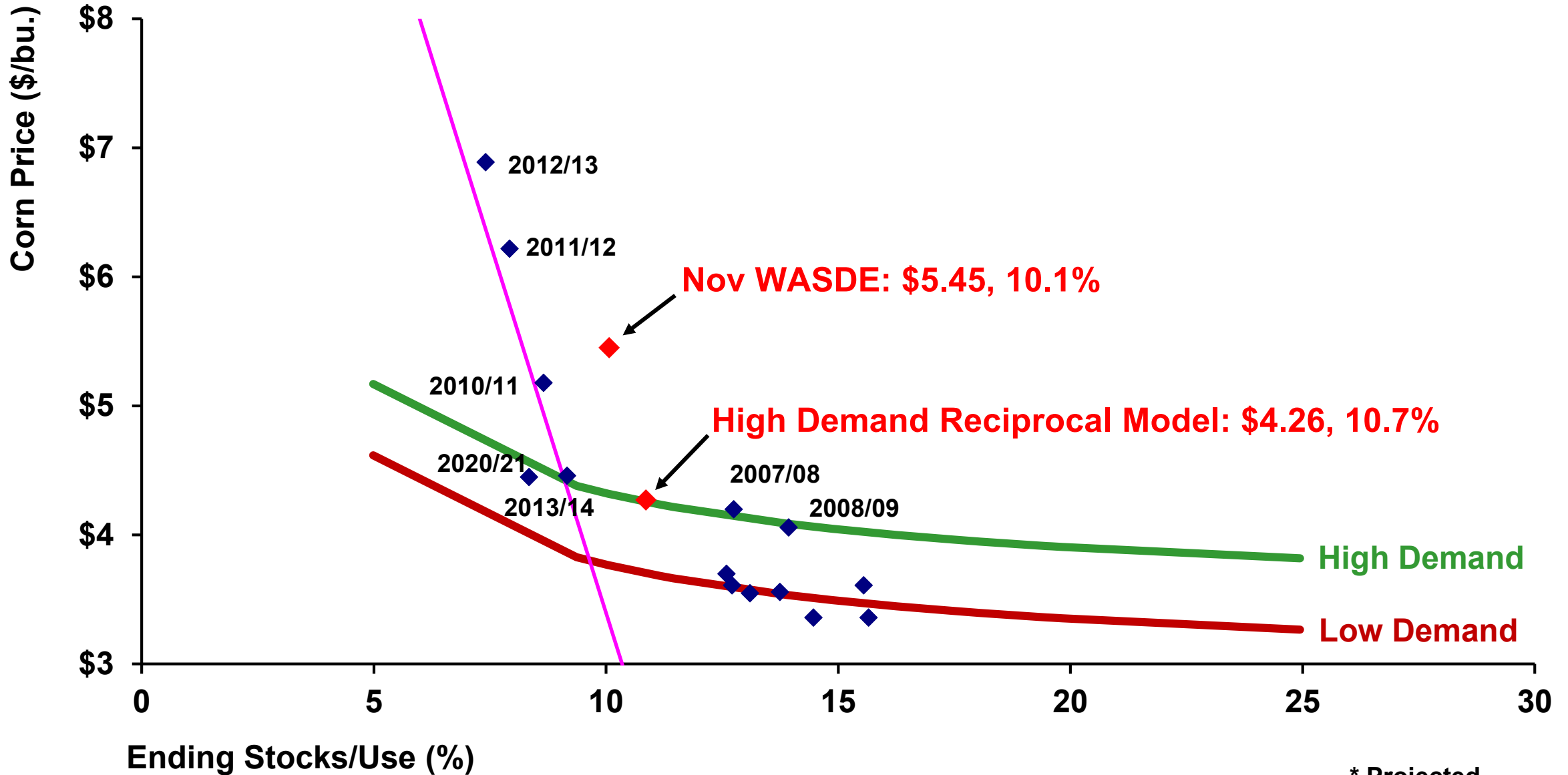
# US Soybean Export Sales by Week of Marketing Year



# 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.)	<b>2,221</b>	<b>1,919</b>	<b>1,236</b>	<b>1,493</b>	<b>1,580</b>
Stocks/Use (%)	15.5	13.7	8.3	10.1	10.7
Season Average Price (\$/bu.)	<b>\$3.61</b>	<b>\$3.56</b>	<b>\$4.53</b>	<b>\$5.45</b>	<b>\$4.85</b>

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



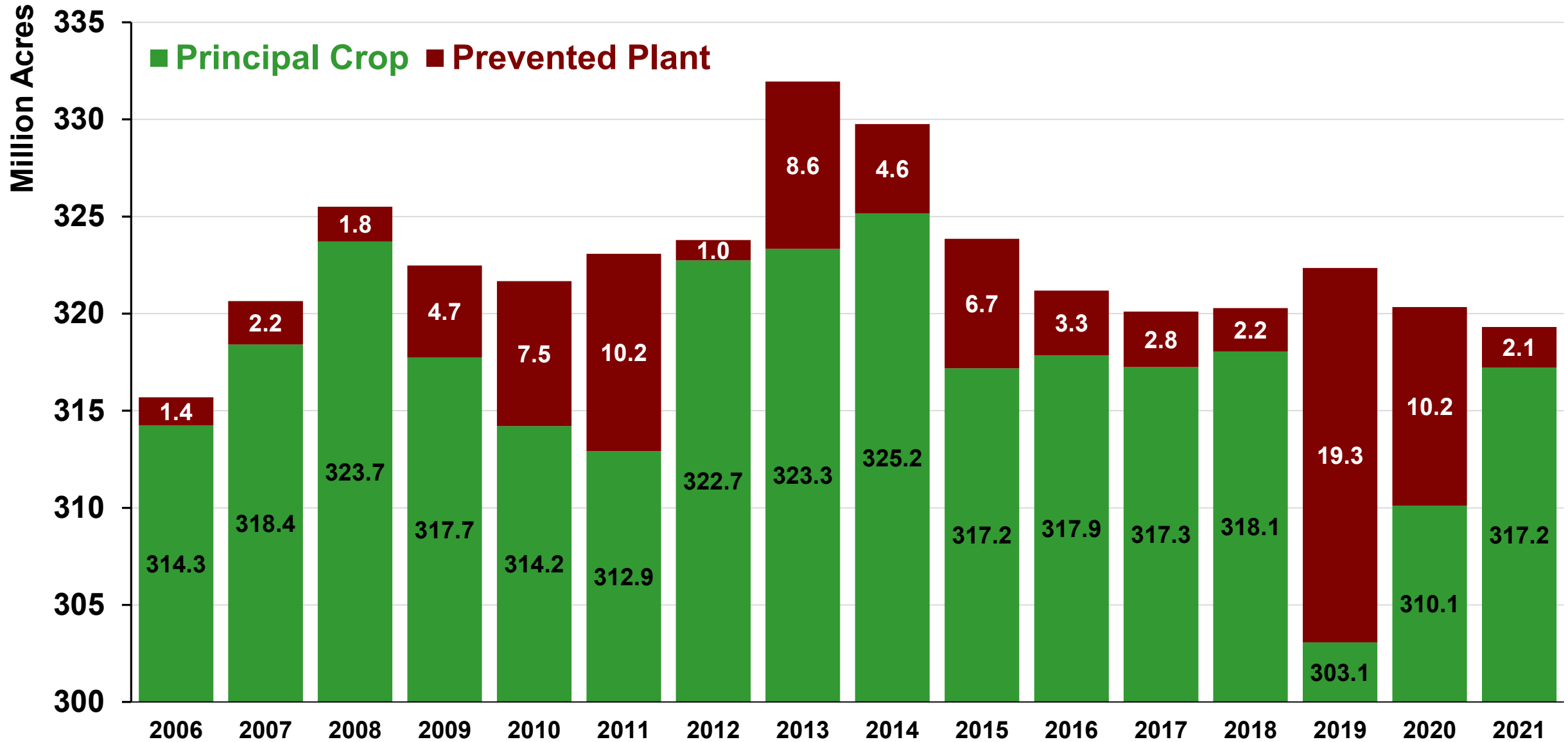
\* Projected



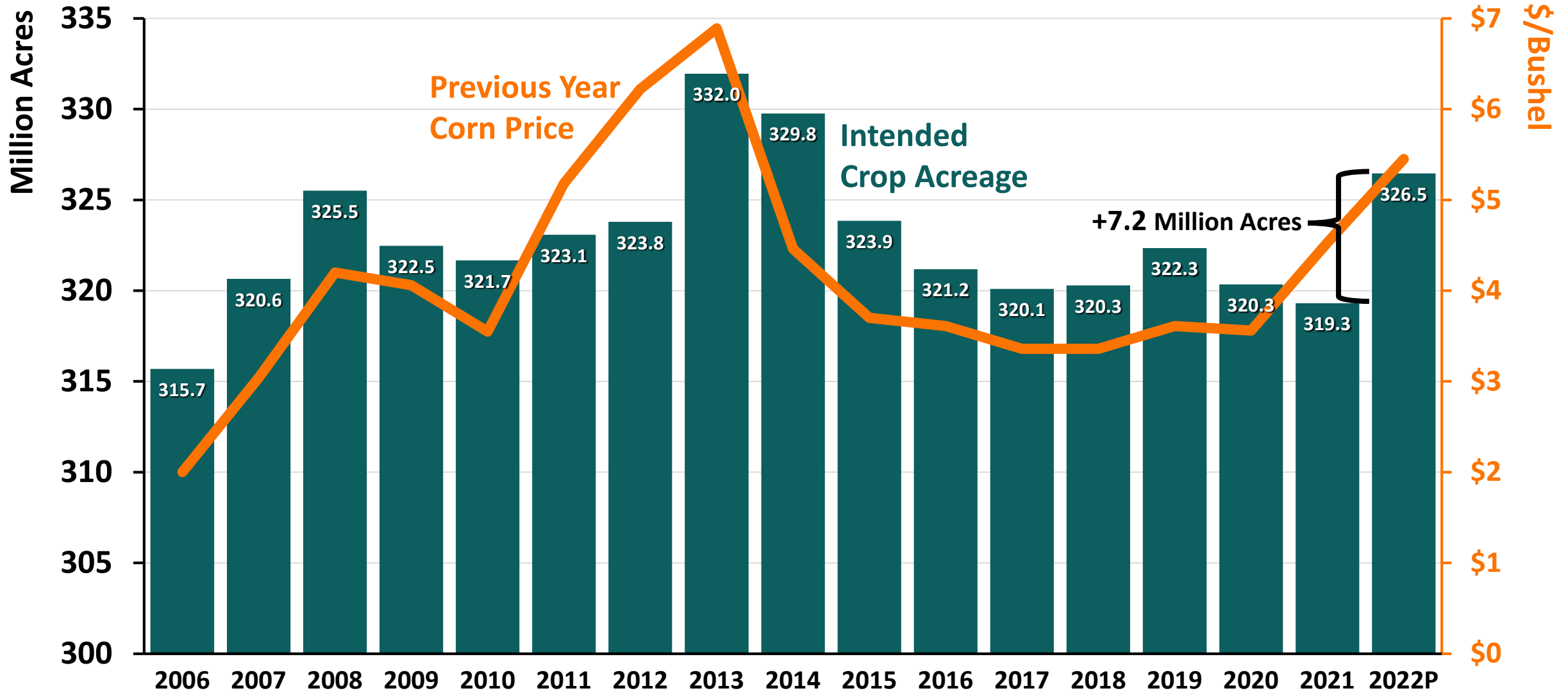
# Latest 2021/22 U.S. Soybean Supply and Use

	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
<b>Ending Stocks (mil. bu.)</b>	<b>909</b>	<b>525</b>	<b>256</b>	<b>340</b>	<b>365</b>
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



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



# U.S. Corn and Soybean Planted Acreage, 2016-2022

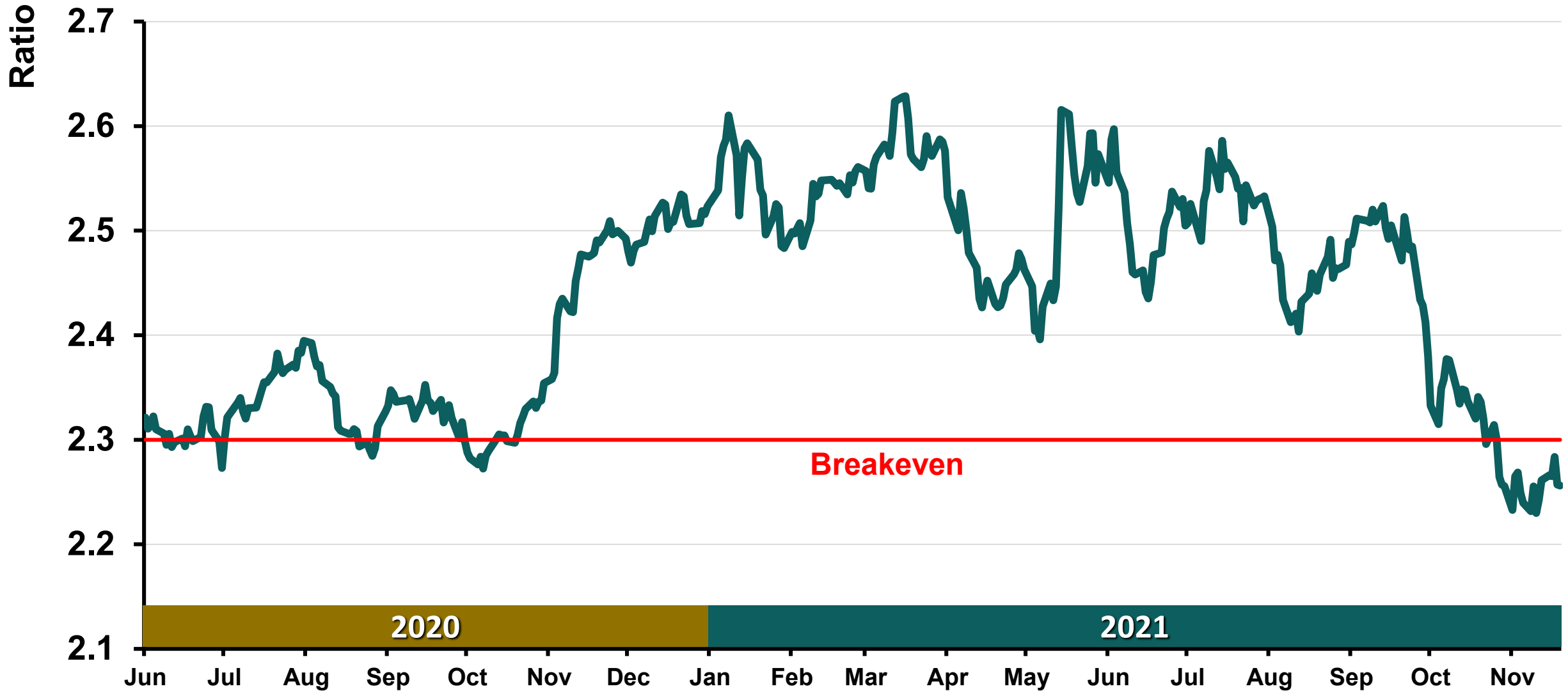
## in Million Acres

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

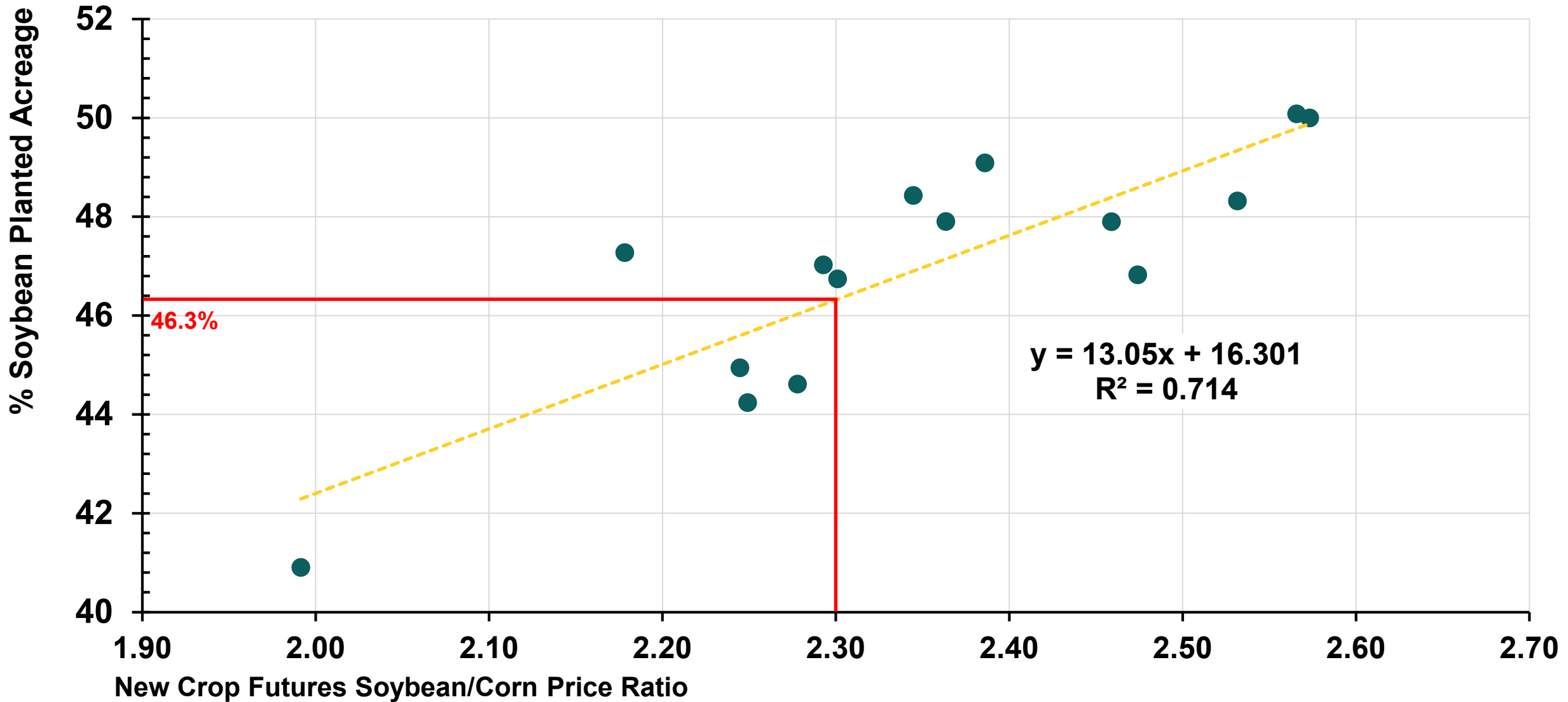
\* = Estimate \*\* = Projected

# 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)



# U.S. Corn and Soybean Planted Acreage, 2016-2022

## in Million Acres

	2016	2017	2018	2019	2020	2021*	2022**
<b>Corn and Soybeans</b>							
<b>Total Intended</b>	178.7	181.7	179.2	181.7	181.7	181.5	183.0
<b>Prevented Plant</b>	1.3	1.4	1.2	15.9	7.7	1.0	1.5
<b>Planted</b>	177.5	180.3	178.0	165.8	174.0	180.5	181.5
<b>Corn</b>							
<b>Total Intended</b>	95.1	91.1	89.8	101.2	96.8	93.9	97.0
<b>Prevented Plant</b>	1.1	1.0	0.9	11.4	6.2	0.6	1.0
<b>Planted</b>	94.0	90.2	88.9	89.7	90.7	93.3	96.0
<b>Soybeans</b>							
<b>Total Intended</b>	83.7	90.6	89.4	80.6	84.8	87.6	86.0
<b>Prevented Plant</b>	0.2	0.4	0.3	4.5	1.5	0.3	0.5
<b>Planted</b>	83.5	90.2	89.2	76.1	83.4	87.2	85.5

\* = Estimate \*\* = Projected

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

	2018/19	2019/20	2020/21	2021/22 USDA Nov WASDE	2022/23 Forecast
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
Imports (mil. bu.)	28	42	24	25	25
Total Supply (mil. bu.)	16,509	15,883	16,055	16,323	17,440
Feed and Residual (mil. bu.)	5,429	5,903	5,601	5,650	5,700
Food, Seed, and Industrial (mil. bu.)	6,793	6,282	6,465	6,680	6,730
Ethanol (mil. bu.)	5,378	4,852	5,028	5,250	5,300
Exports (mil. bu.)	2,066	1,778	2,753	2,500	2,400
Total Use (mil. bu.)	14,288	13,963	14,819	14,830	14,830
<b>Ending Stocks (mil. bu.)</b>	<b>2,221</b>	<b>1,919</b>	<b>1,236</b>	<b>1,493</b>	<b>2,610</b>
Stocks/Use (%)	15.5	13.7	8.3	10.1	17.6
Season Average Price (\$/bu.)	\$3.61	\$3.56	\$4.53	\$5.45	\$4.25



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

	2018/19	2019/20	2020/21	2021/22 USDA Nov WASDE	2022/23 Forecast
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
<b>Ending Stocks (mil. bu.)</b>	<b>909</b>	<b>525</b>	<b>256</b>	<b>340</b>	<b>292</b>
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

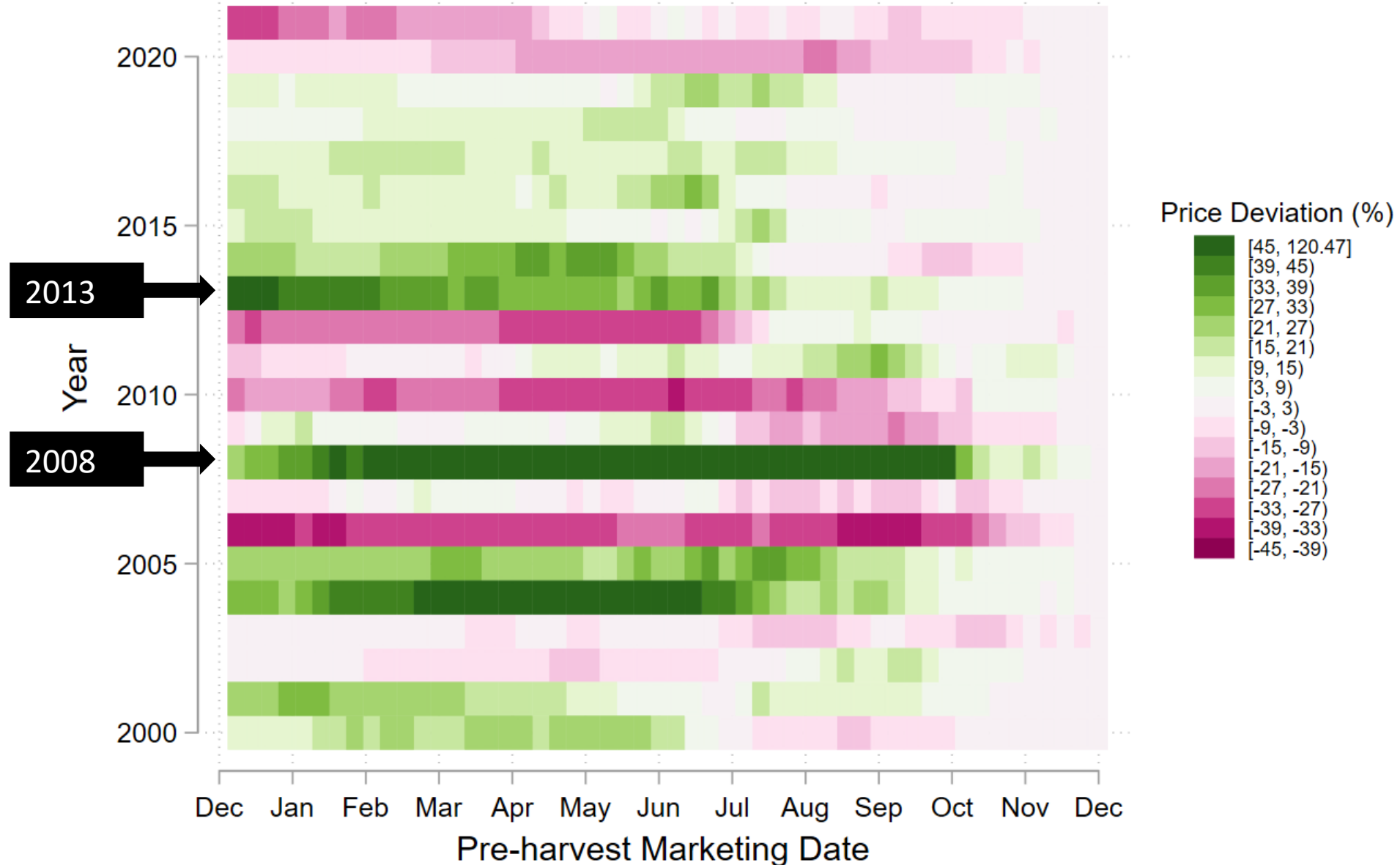
## Current new-crop (2022) futures prices:

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

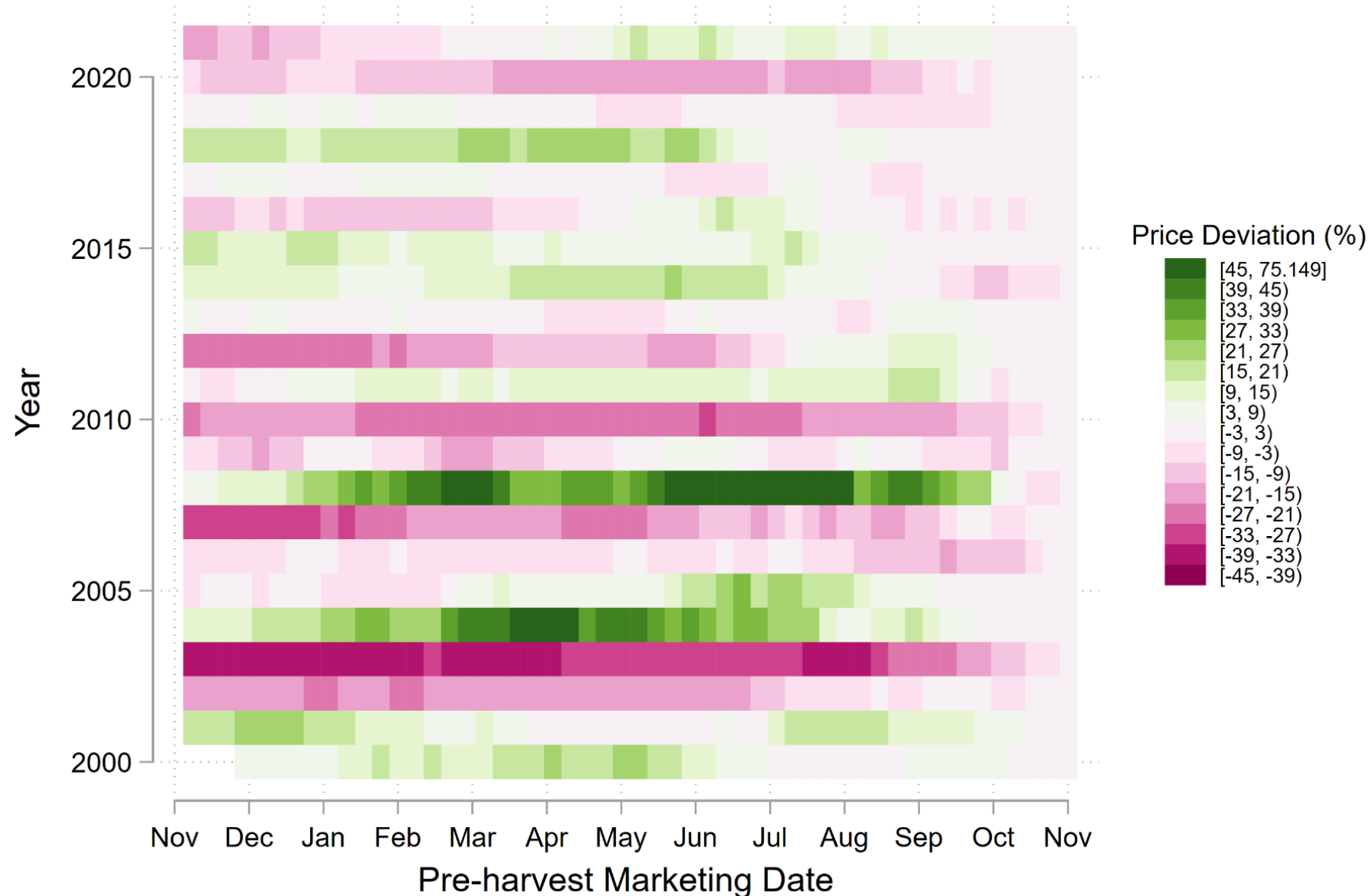
## Do new-crop forward sales pay?

- 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

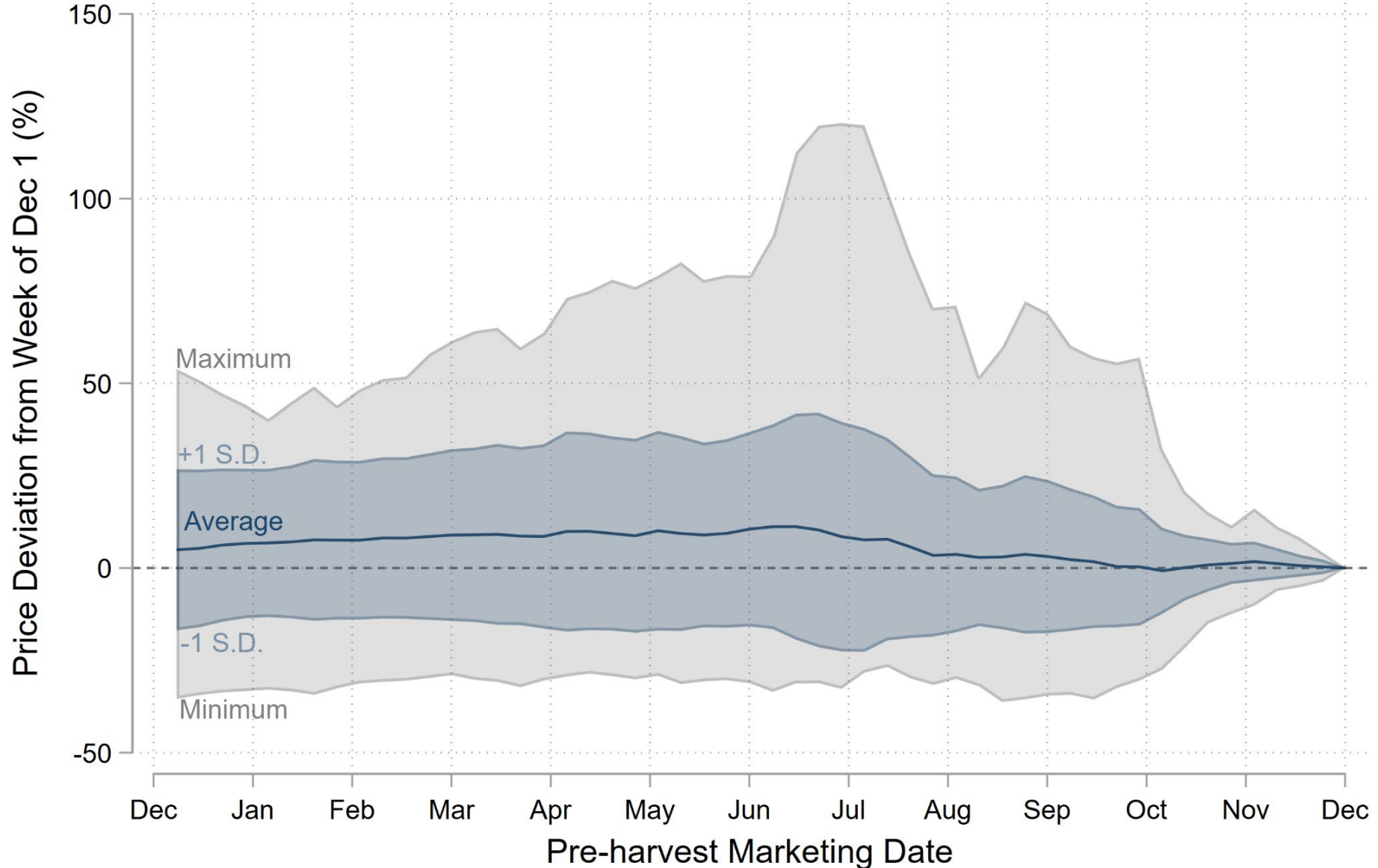
# New-crop Corn Futures Deviations from Harvest-time Price in Week of Dec 1 by Week and Year, 2000-2021



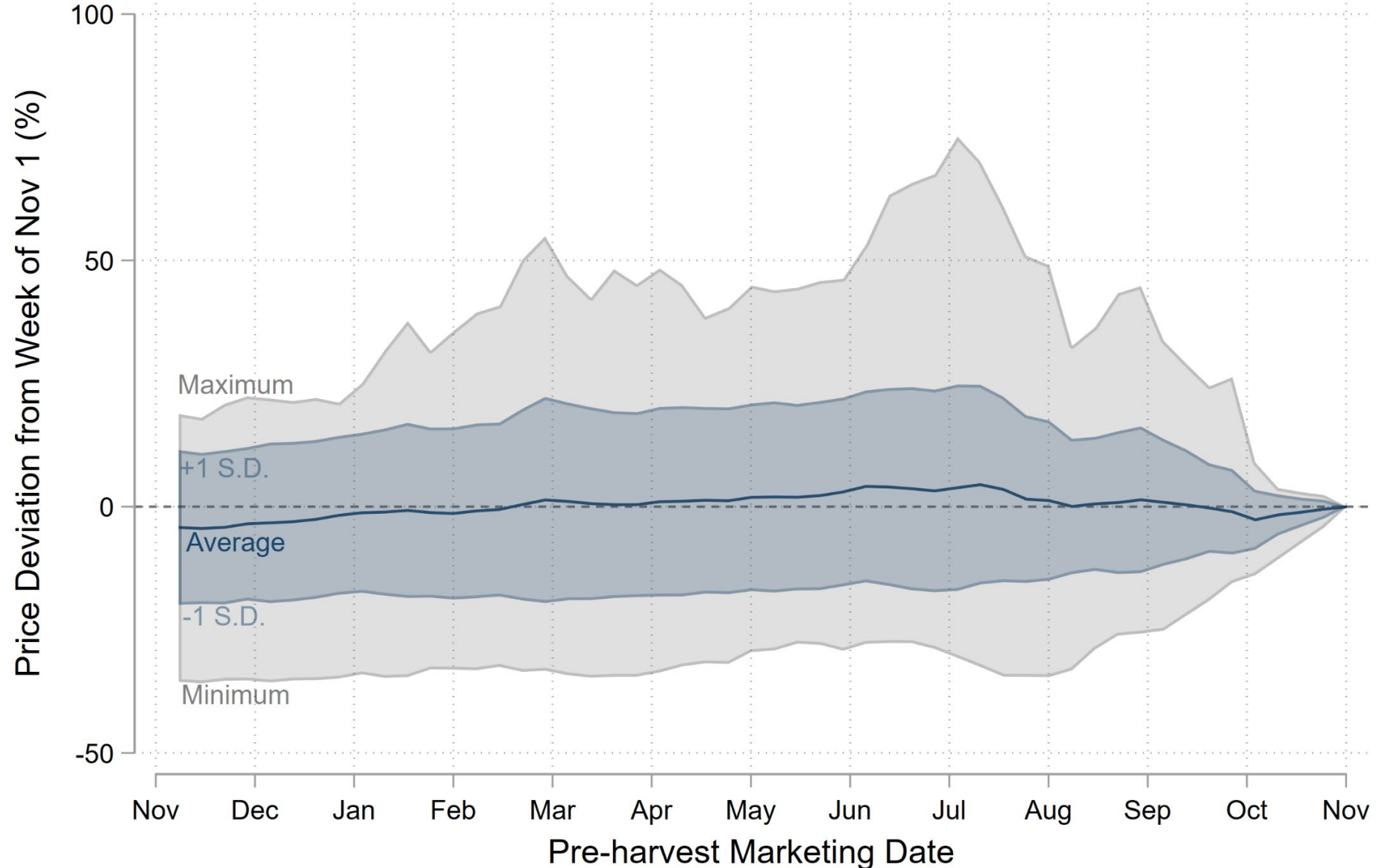
# New-crop Soybean Futures Deviations from Harvest-time Price in Week of Nov 1 by Week and Year, 2000-2021



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



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



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**Grain Market Outlook for 2022**  
*Scott Irwin and Joe Janzen*

**Wednesday, December 1<sup>st</sup>**  
**Farm Income Outlook for 2022**  
*Gary Schnitkey, Dale Lattz, and Krista Swanson*

**Friday, December 3<sup>rd</sup>**  
**Supply Bottlenecks and Management Decisions**  
*Gary Schnitkey and Nick Paulson*

**Monday, December 6<sup>th</sup>**  
**Farmland Values and Rental Rates for 2022**  
*Bruce Sherrick*

**Friday, December 10<sup>th</sup>**  
**Policy Update for 2022**  
*Nick Paulson, Krista Swanson and Jonathan Coppess*

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