

# Feeds & Forage

Southern Region Outlook Conference  
September 25, 2012

John Michael Riley



# Which Is Worse?



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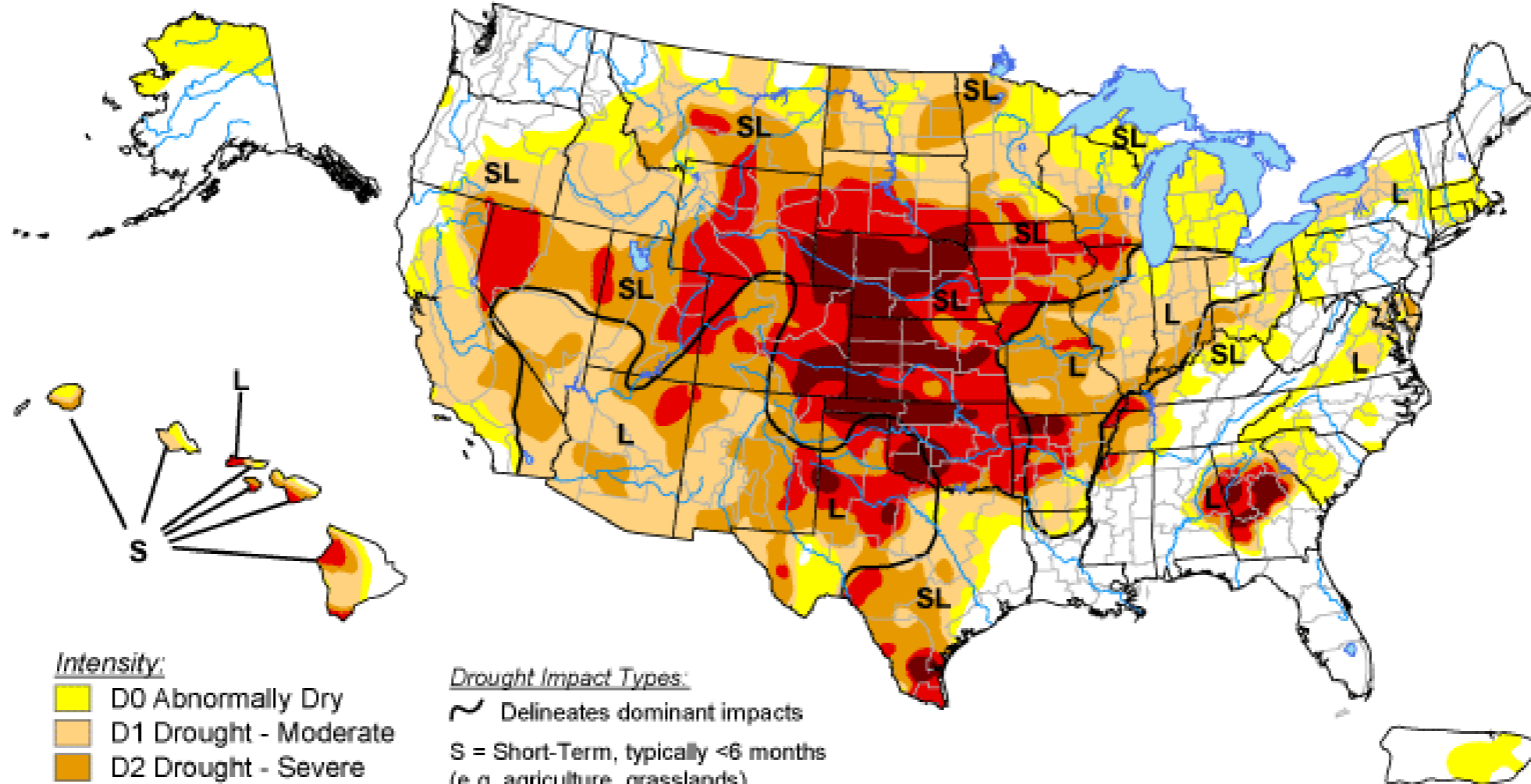
# Which Is Worse?








# U.S. Drought Monitor

September 18, 2012


Valid 7 a.m. EDT



## Intensity:

-  D0 Abnormally Dry
-  D1 Drought - Moderate
-  D2 Drought - Severe
-  D3 Drought - Extreme
-  D4 Drought - Exceptional

## Drought Impact Types:

-  Delineates dominant impacts
- S = Short-Term, typically <6 months  
(e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months  
(e.g. hydrology, ecology)

The Drought Monitor focuses on broad-scale conditions.  
Local conditions may vary. See accompanying text summary  
for forecast statements.

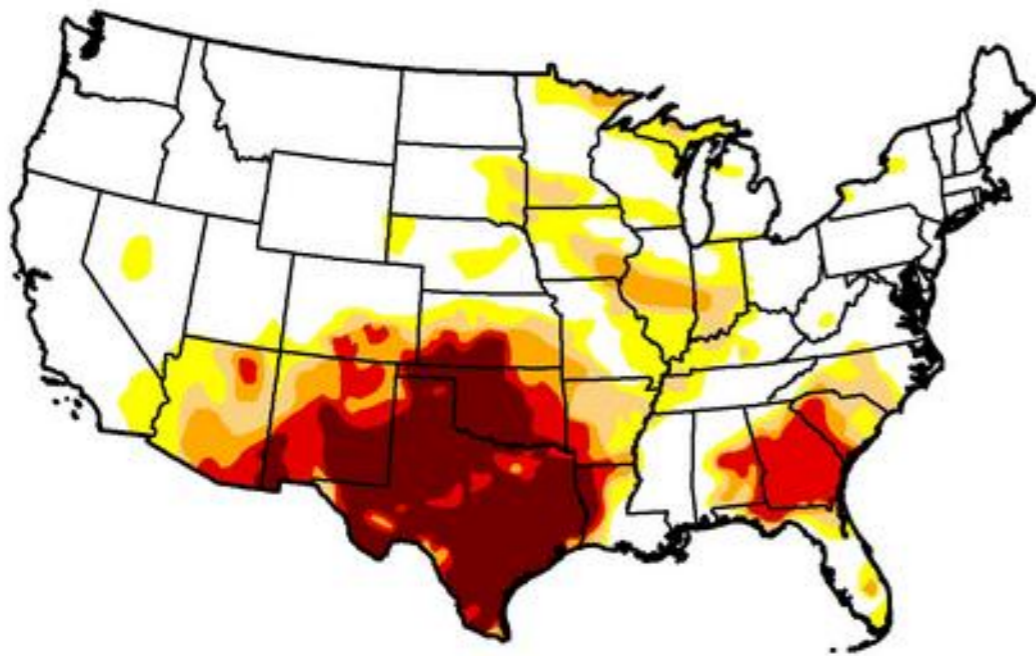
<http://droughtmonitor.unl.edu/>



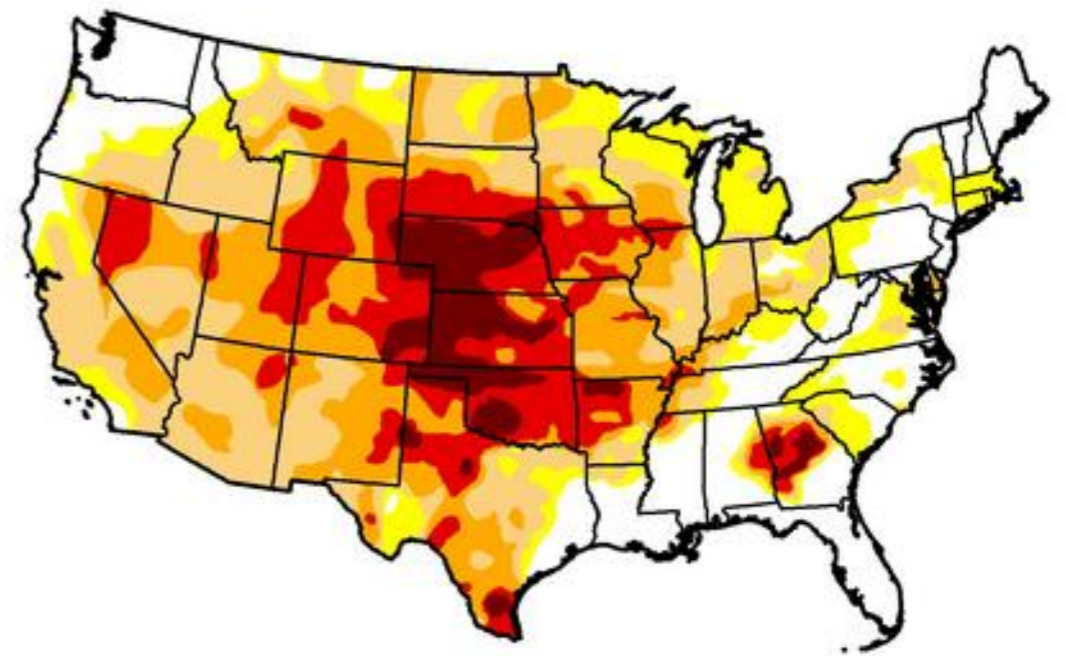
Released Thursday, September 20, 2012

Author: David Simeral, Western Regional Climate Center

# Changes 2011 vs 2012

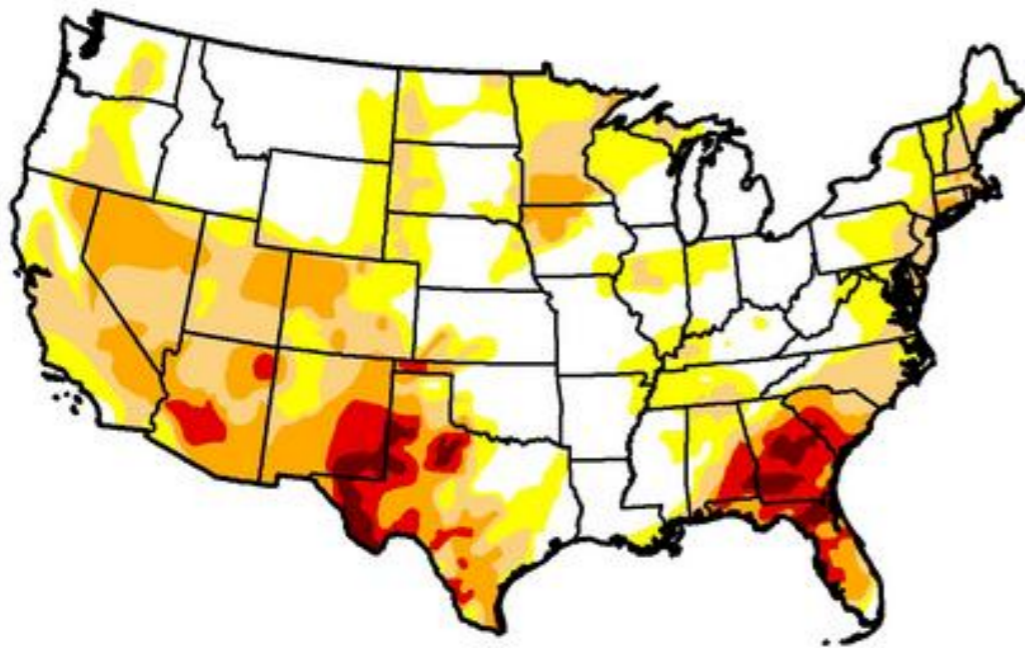


September 20, 2011



September 18, 2012

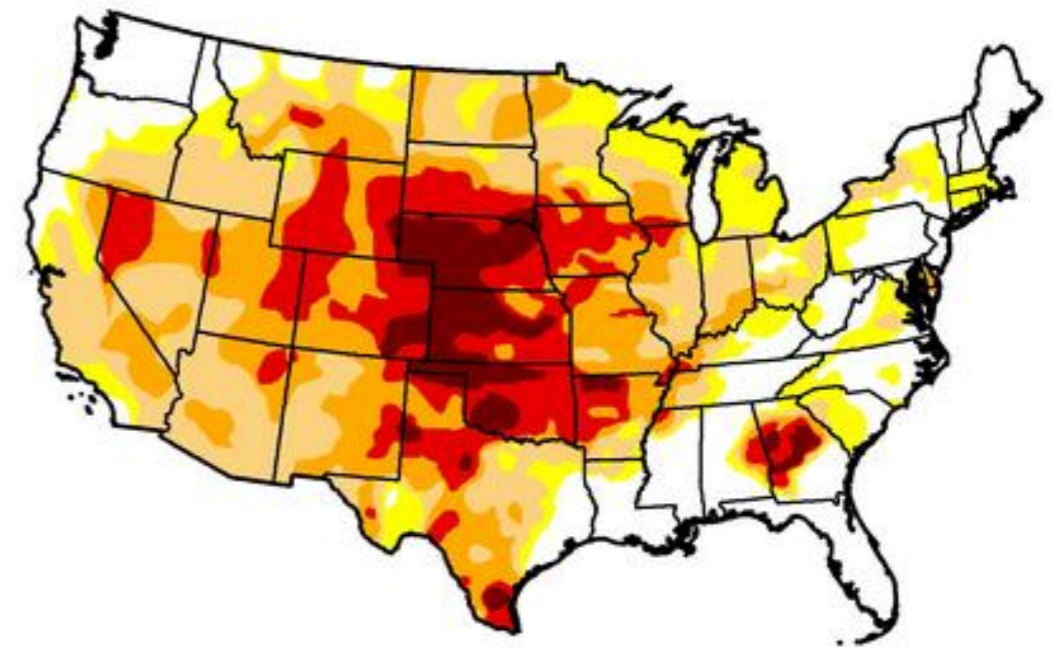
# Changes in 2012



May 1, 2012



September 18, 2012



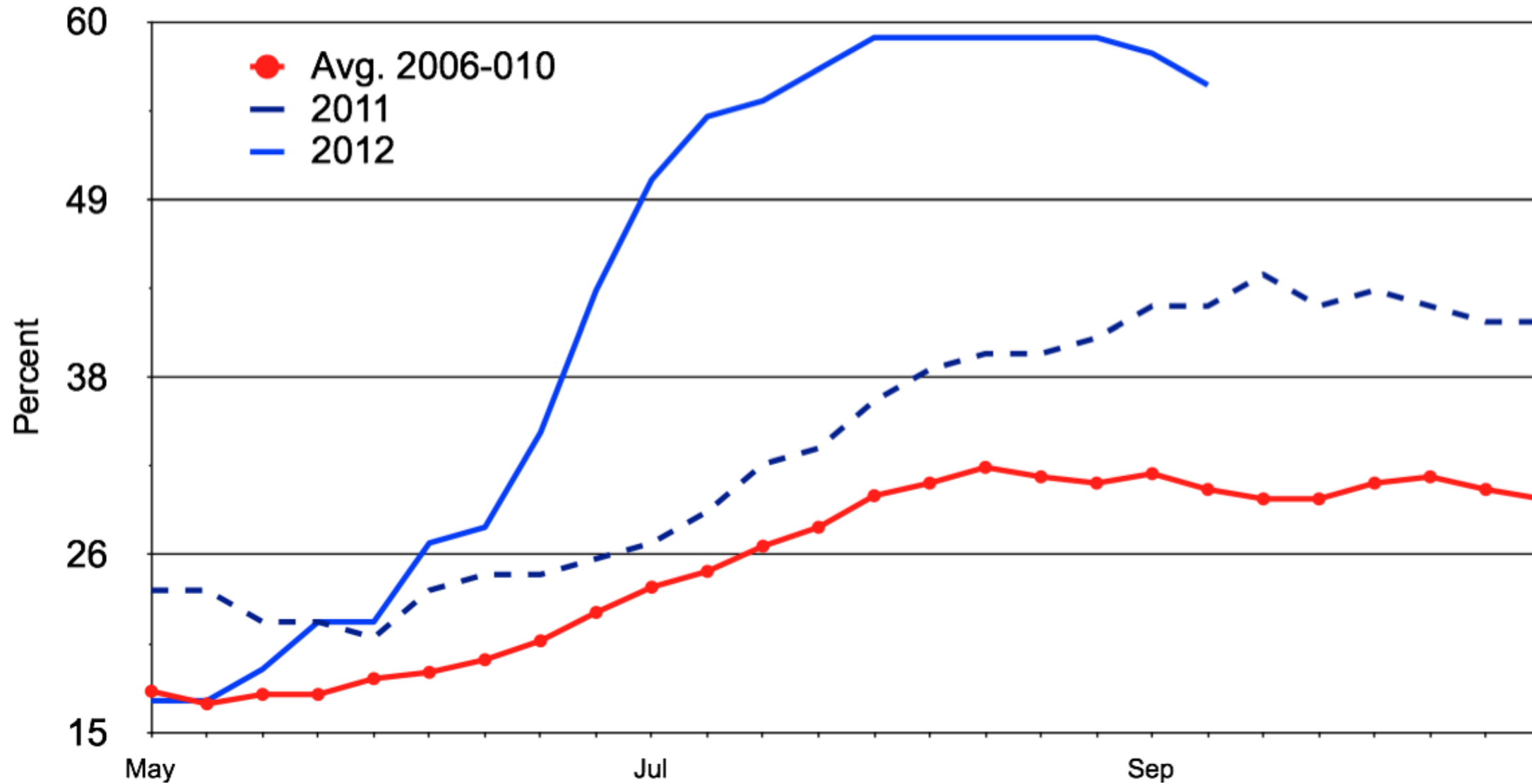


# Forages

- A case of 'haves' and 'have nots'
- Opportunities exist for those with forages
- Similar story as 2011 – just more widespread
- Hay stocks are diminishing

# US RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



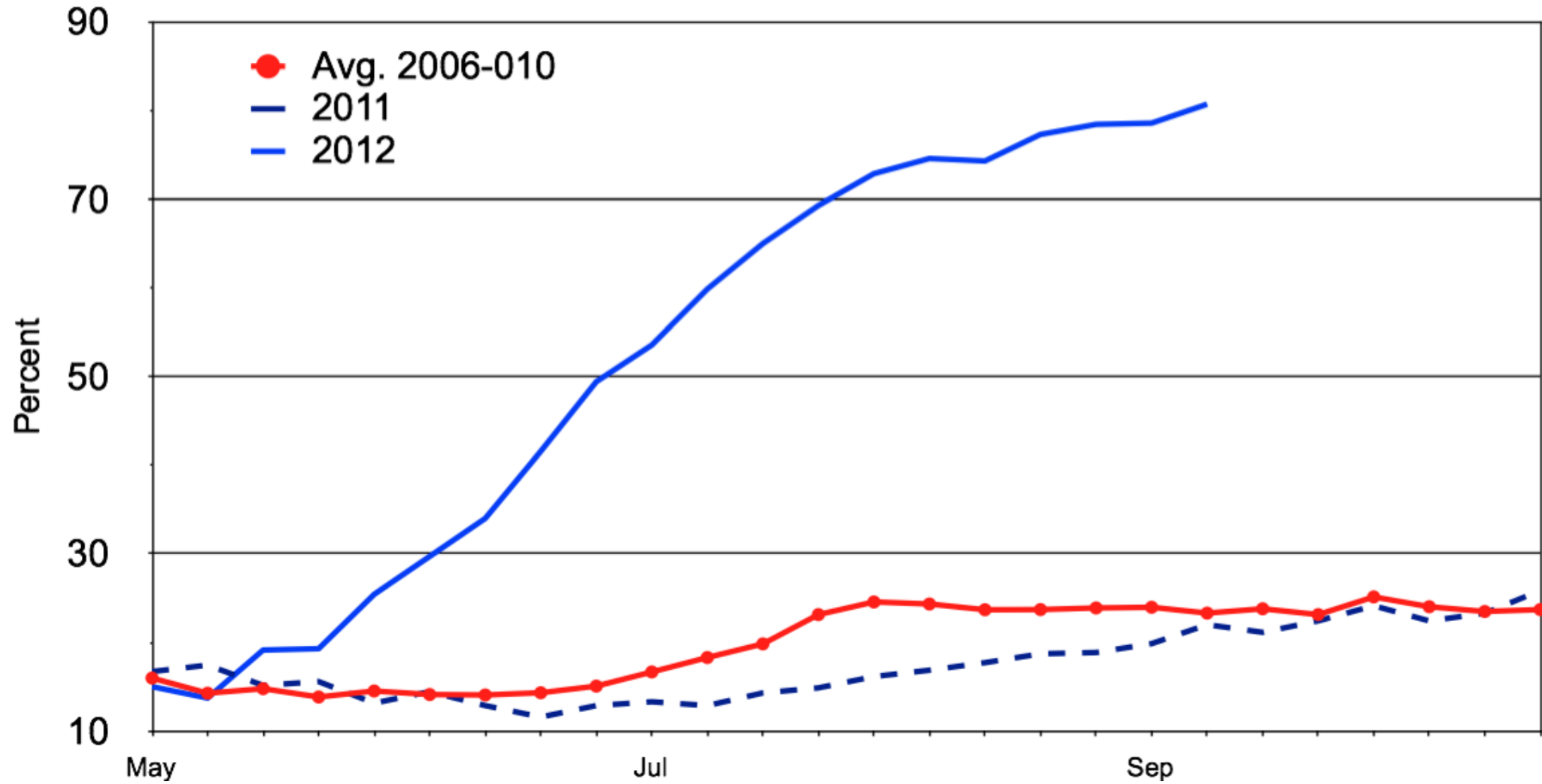
G-NP-30  
09/17/12

Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Analysis by LMIC

# GREAT PLAINS RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



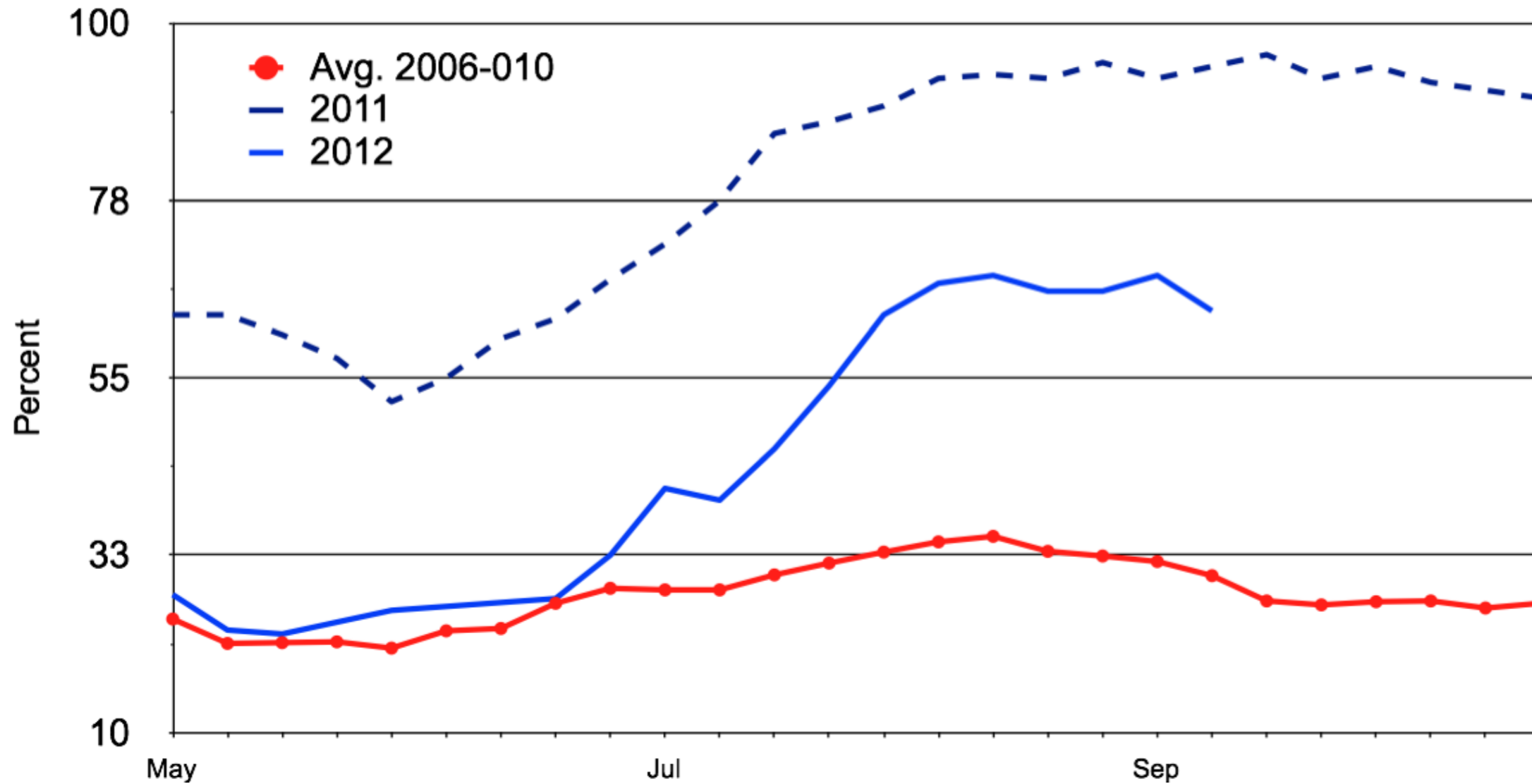
G-NP-32  
09/17/12

Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Analysis by LMIC

# SOUTHERN PLAINS RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



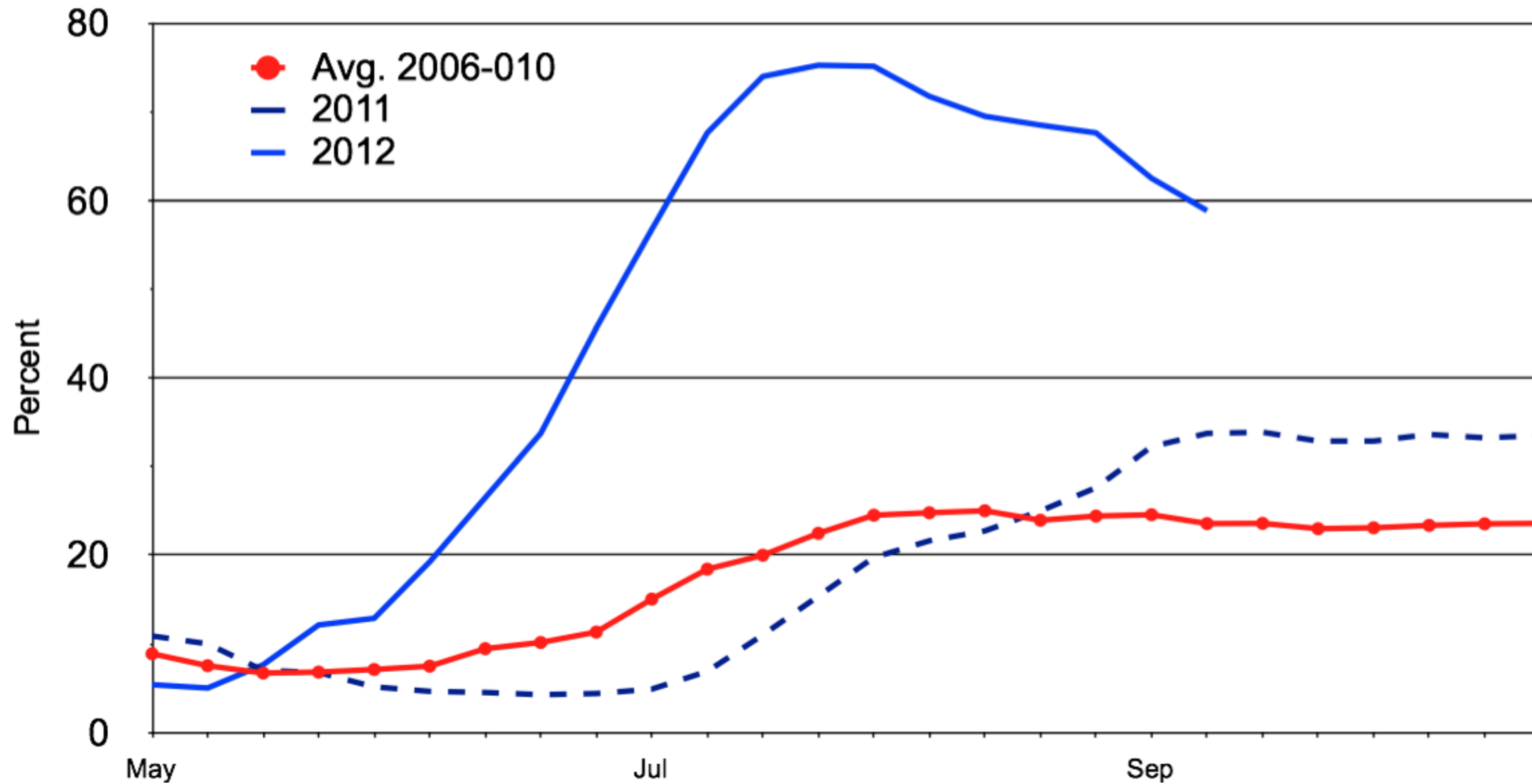
G-NP-33  
09/17/12

Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Analysis by LMIC

# CORNBELT RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



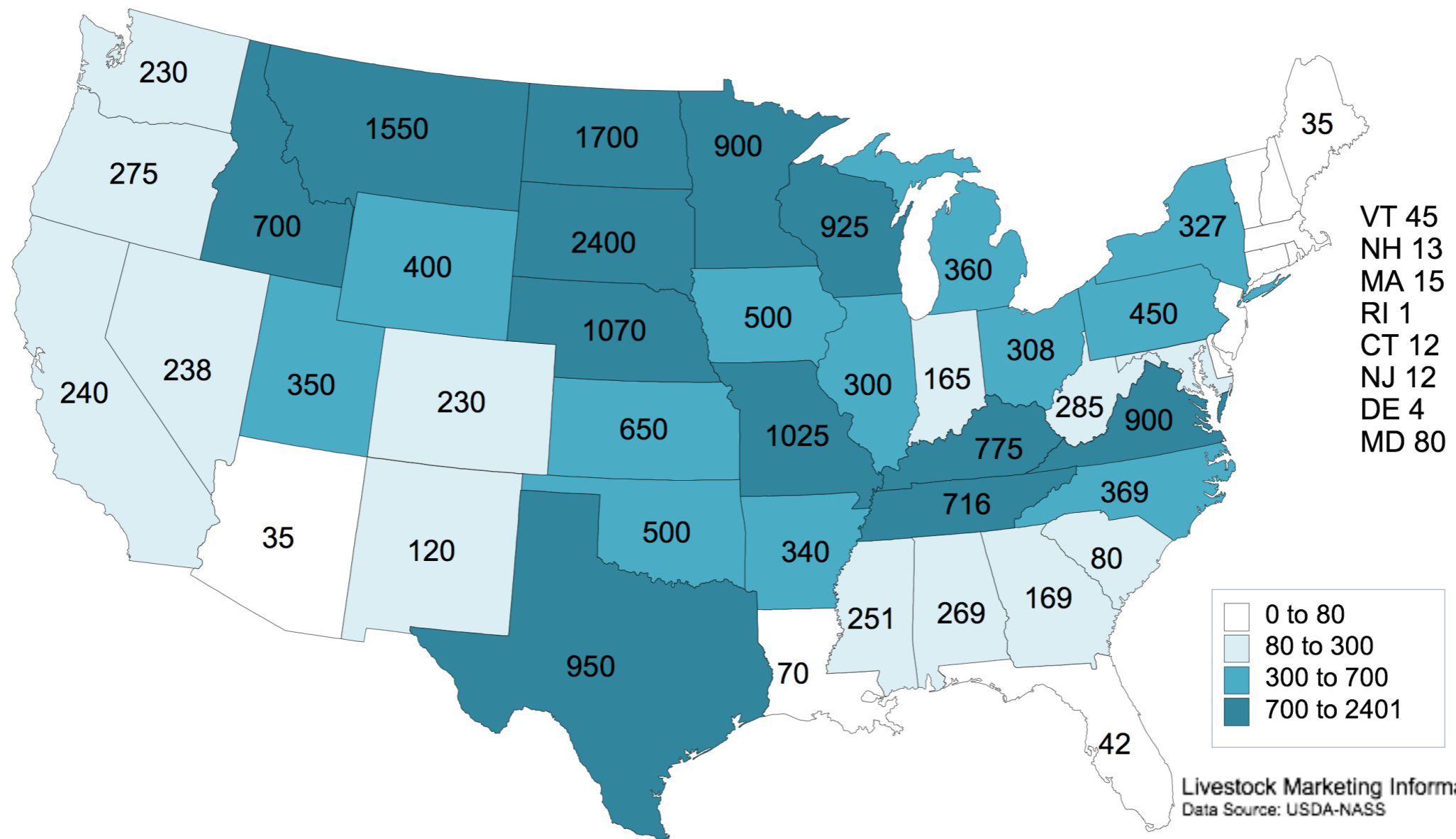
G-NP-34  
09/17/12

Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Analysis by LMIC



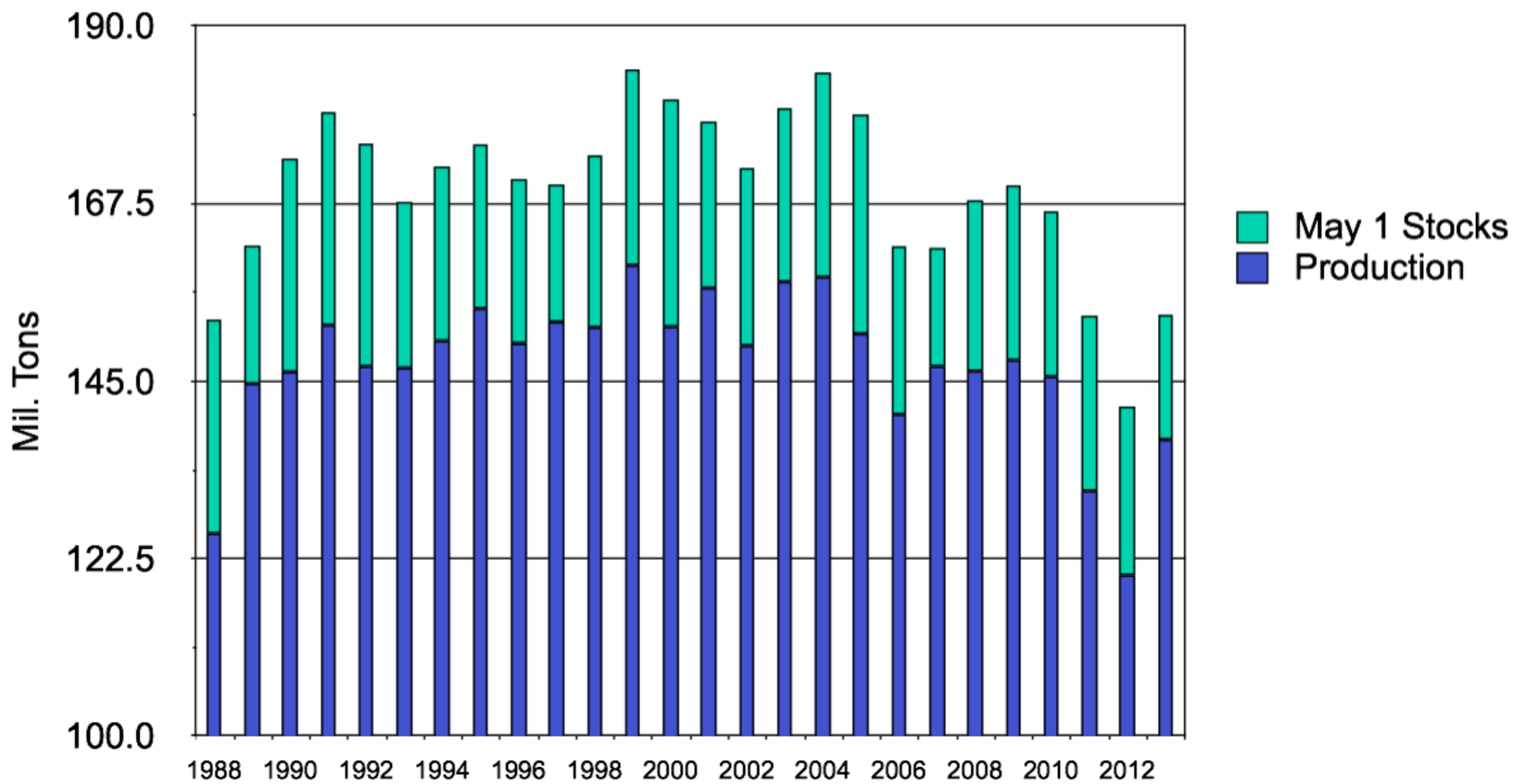
# May 1 Hay Stocks







# U S ALL HAY SUPPLY Crop Year

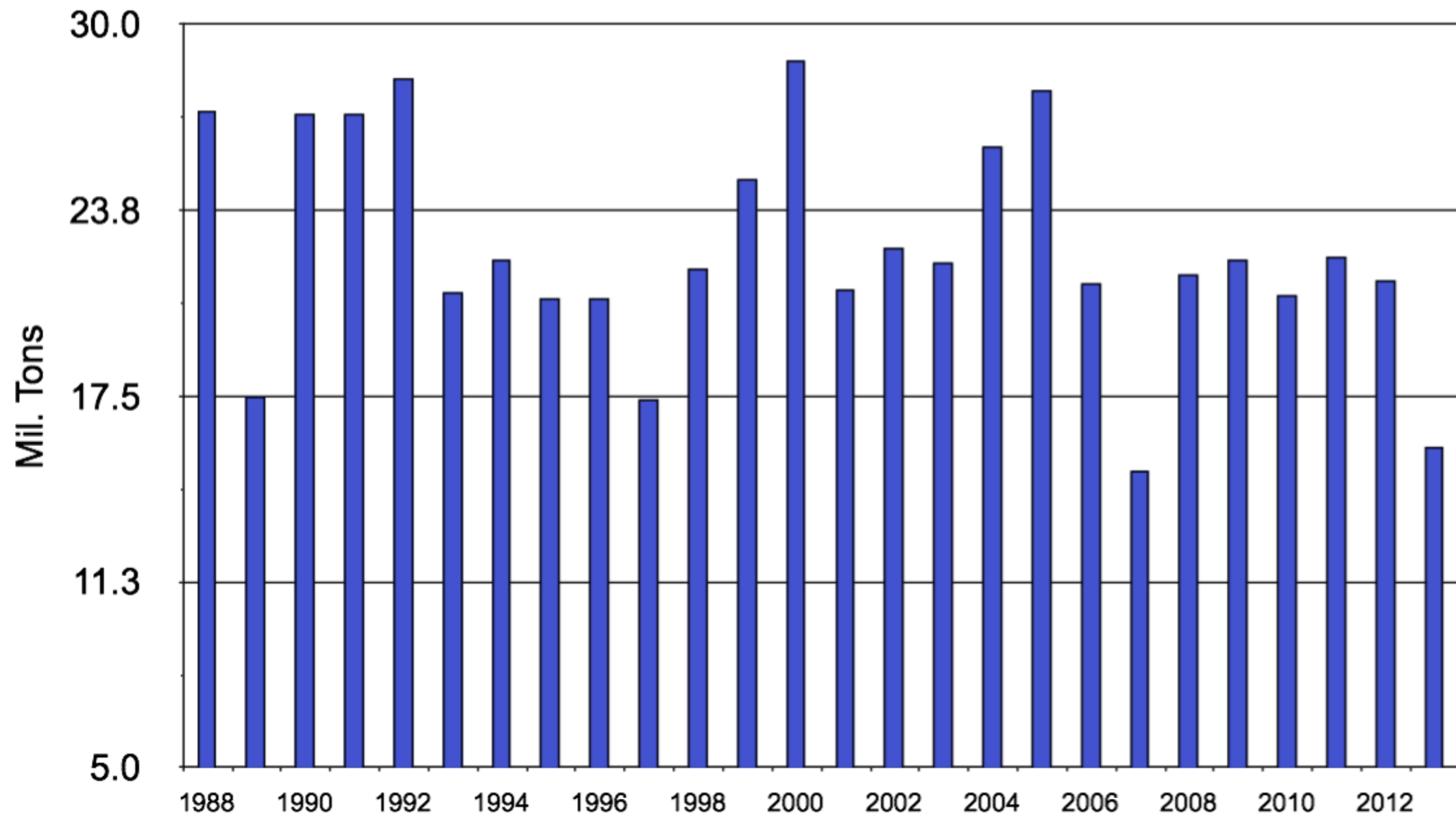


Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Forecasts by LMIC

G-NP-19  
08/10/12

## U S ALL HAY STOCKS May 1 (Beginning of Crop Year)



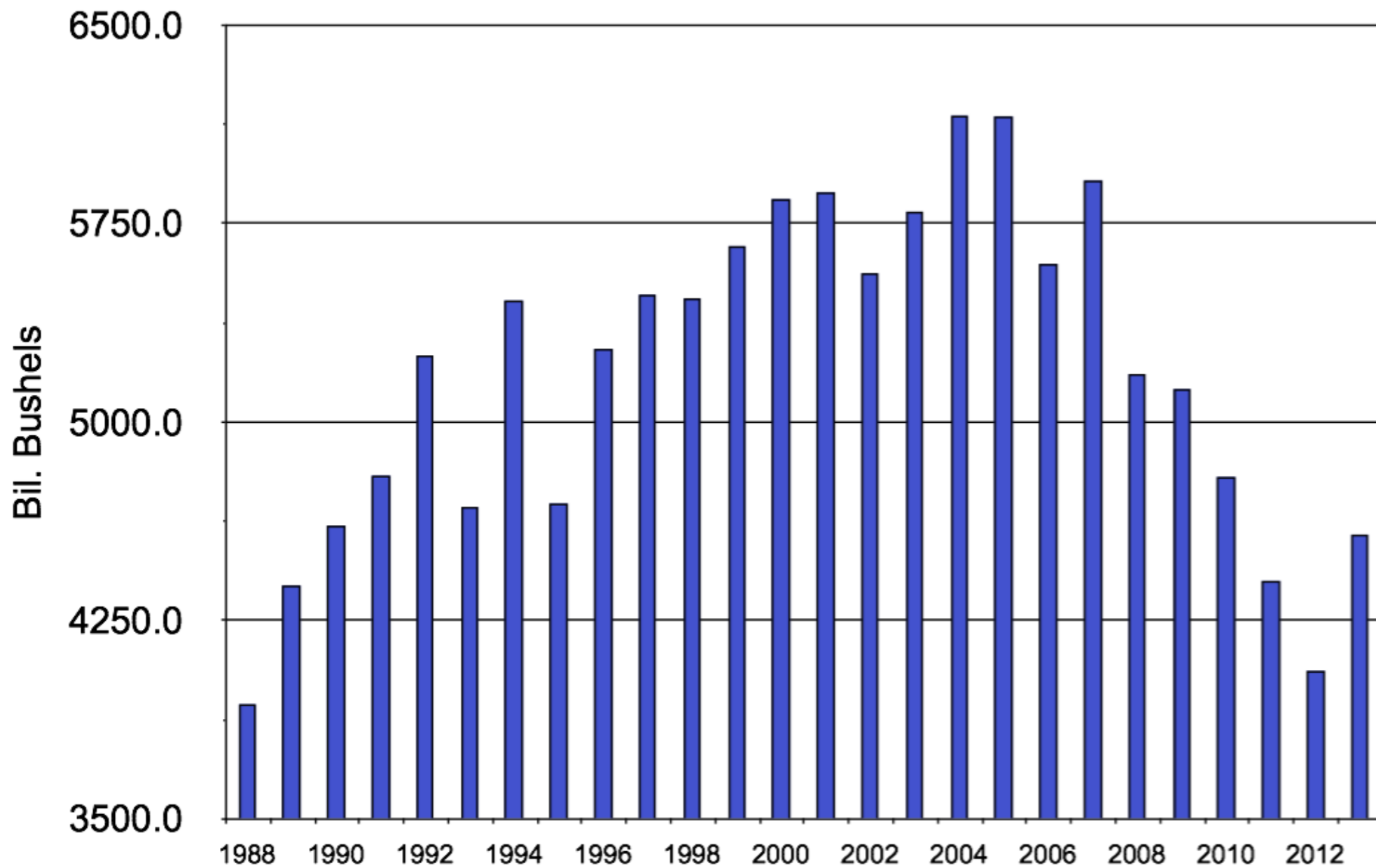
Livestock Marketing Information Center  
Data Source: USDA-NASS, Compiled & Forecasts by LMIC

G-NP-21  
08/10/12

# Feed Prices

- Drought has pushed prices higher as supplies have tighten
- Another case of 'haves' and 'have nots'
- Cost of gain continues to rise
- Substituting feed ingredients not a long term viable answer
- Global feed demand is growing

# U S ANNUAL CORN FEED USE & RESIDUAL Crop

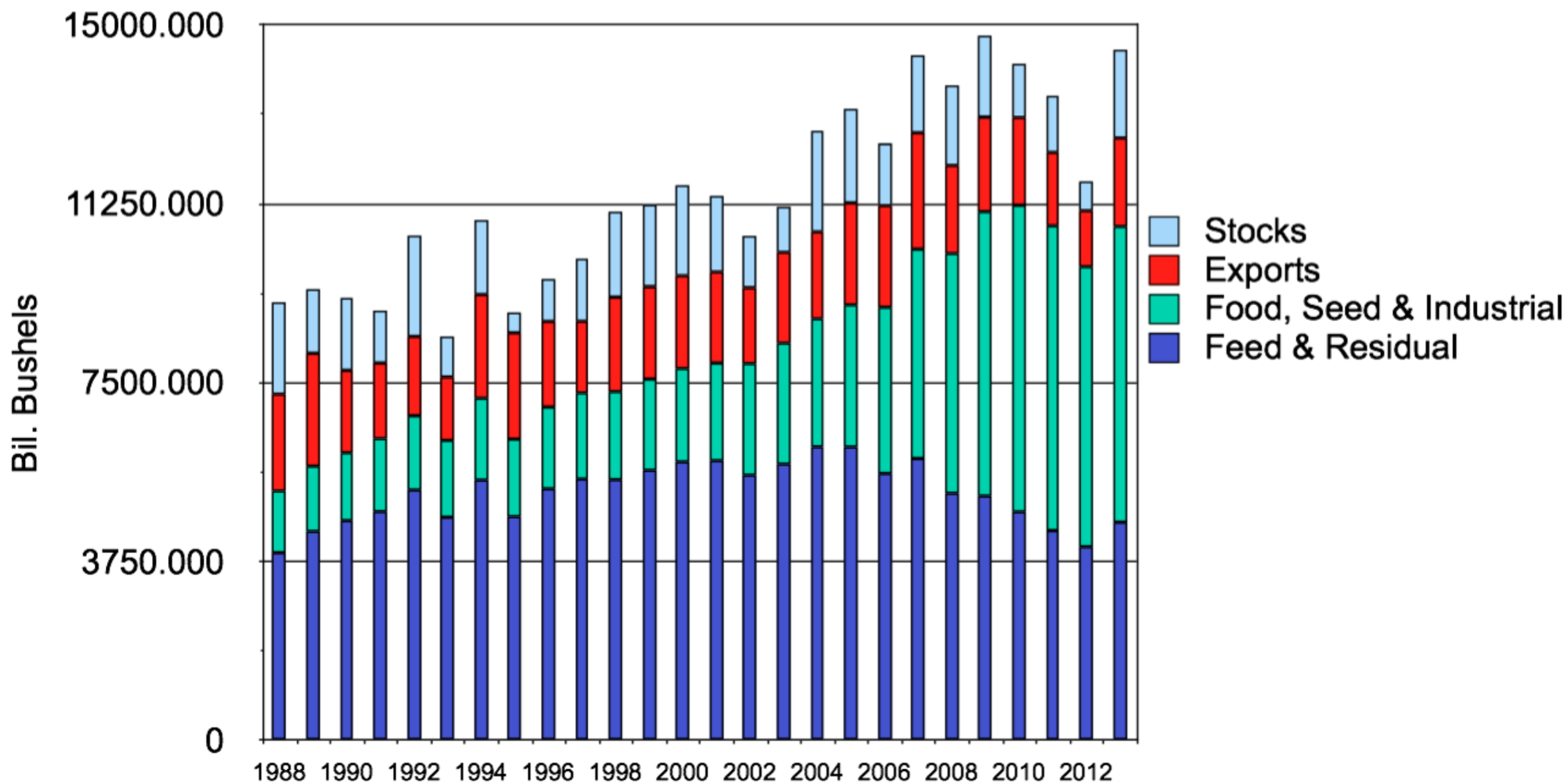


Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Forecasts by LMIC

G-NP-06  
09/12/12

# U.S. CORN DISAPPEARANCE AND STOCKS Crop Year

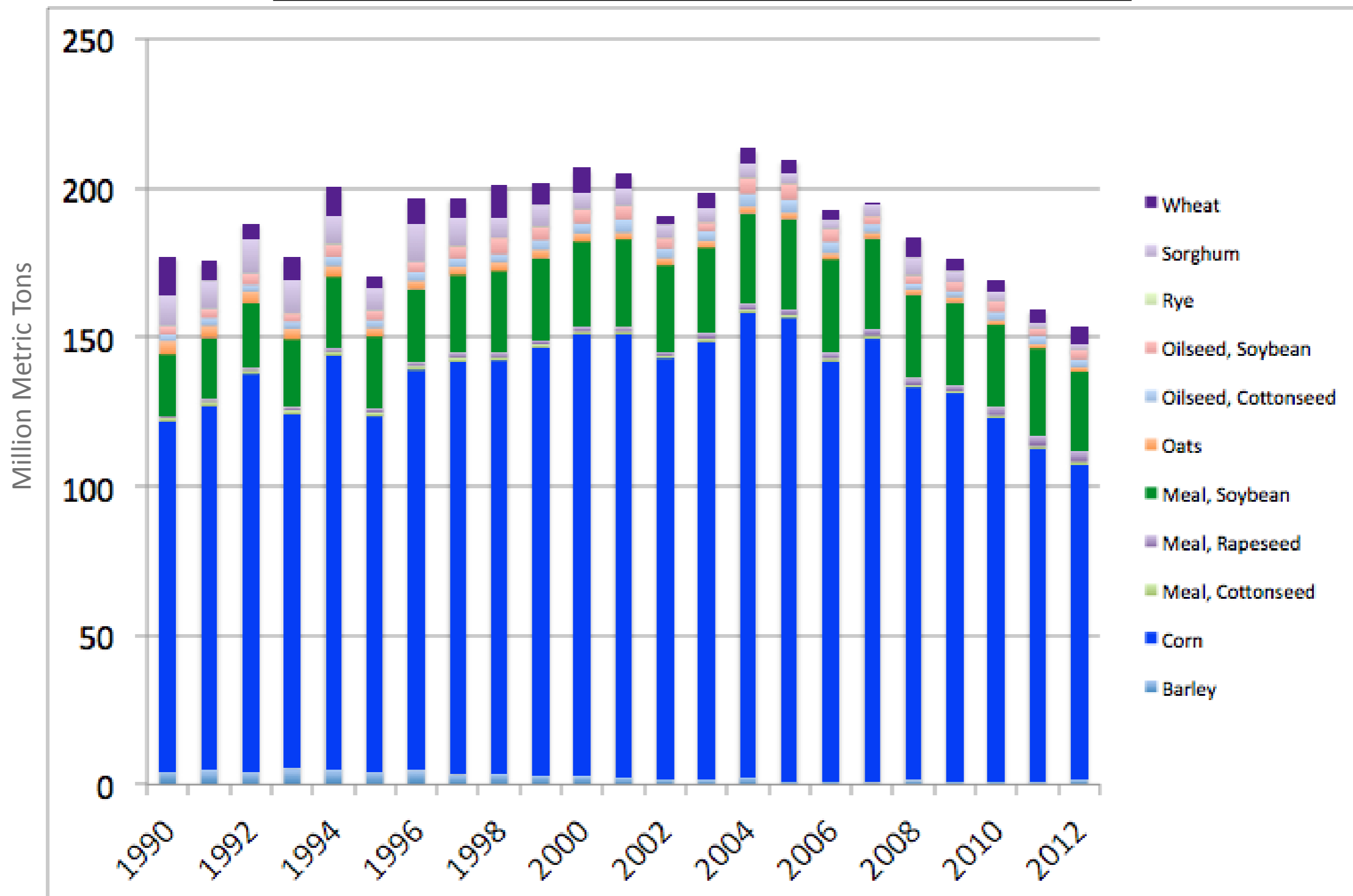


Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Forecasts by LMIC

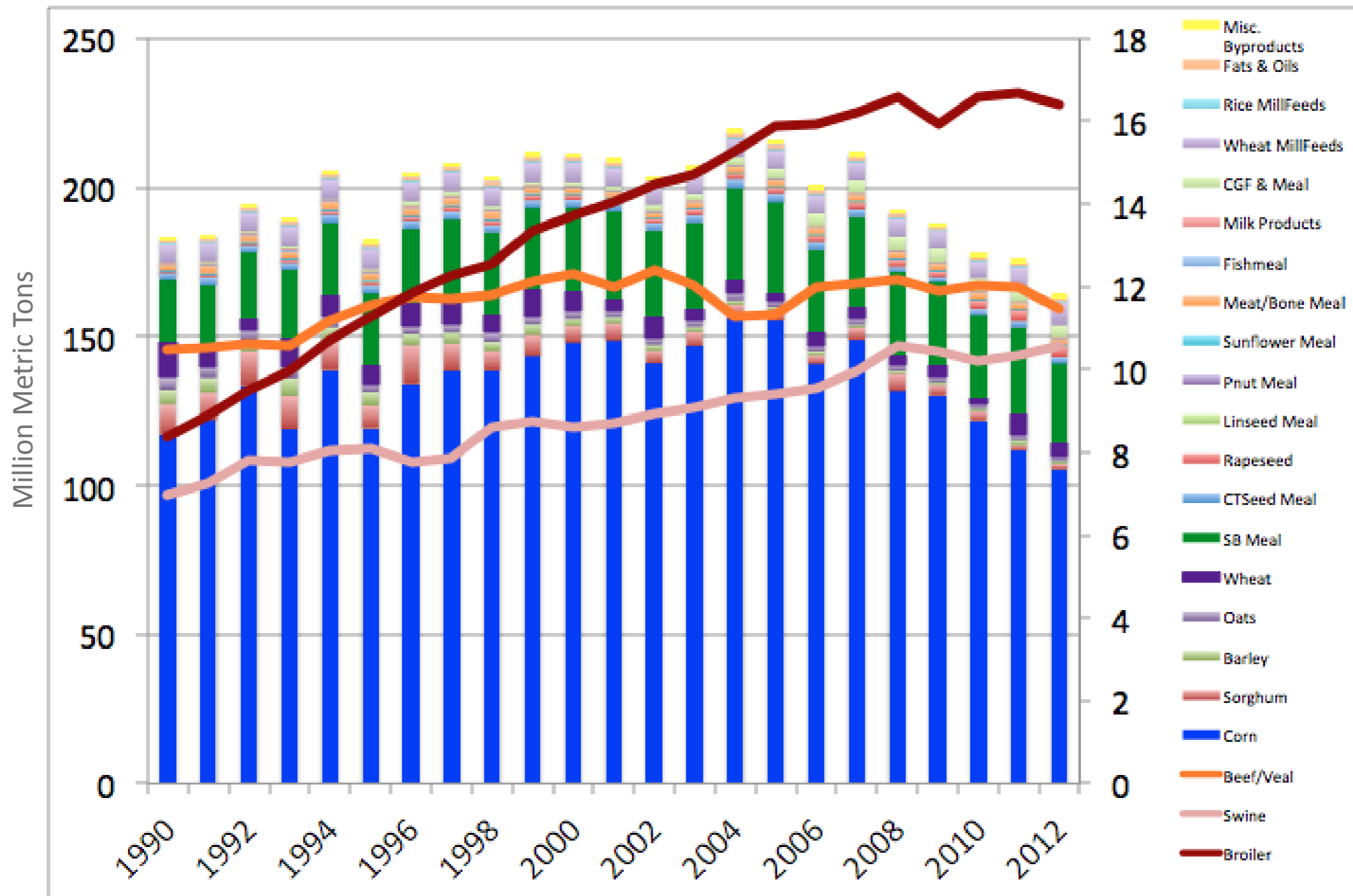
G-NP-12  
09/12/12

# U.S. Feed Use



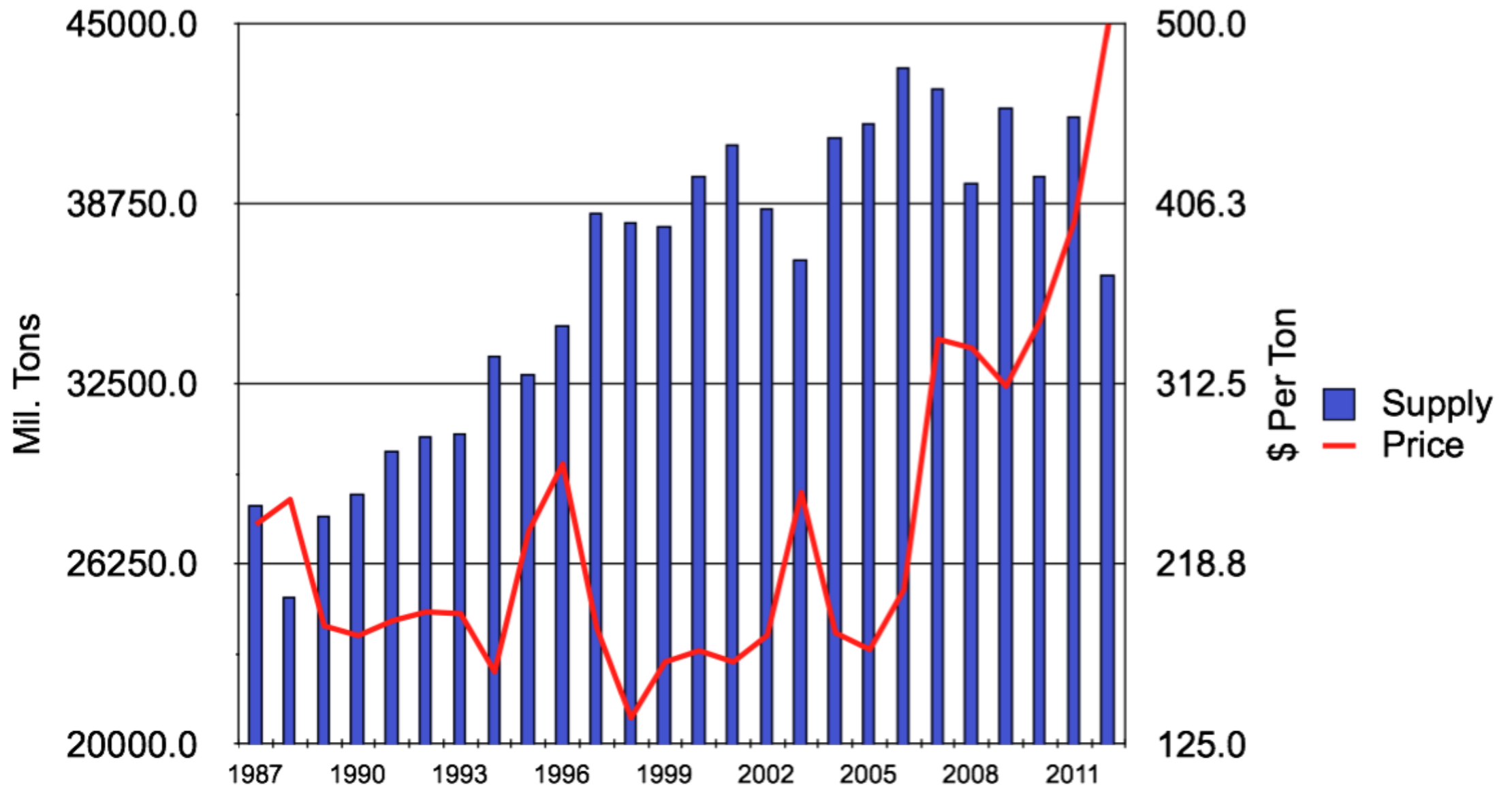


# U.S. Feed Use vs Production





# TOTAL SOYBEAN MEAL SUPPLY AND PRICE Crop Year

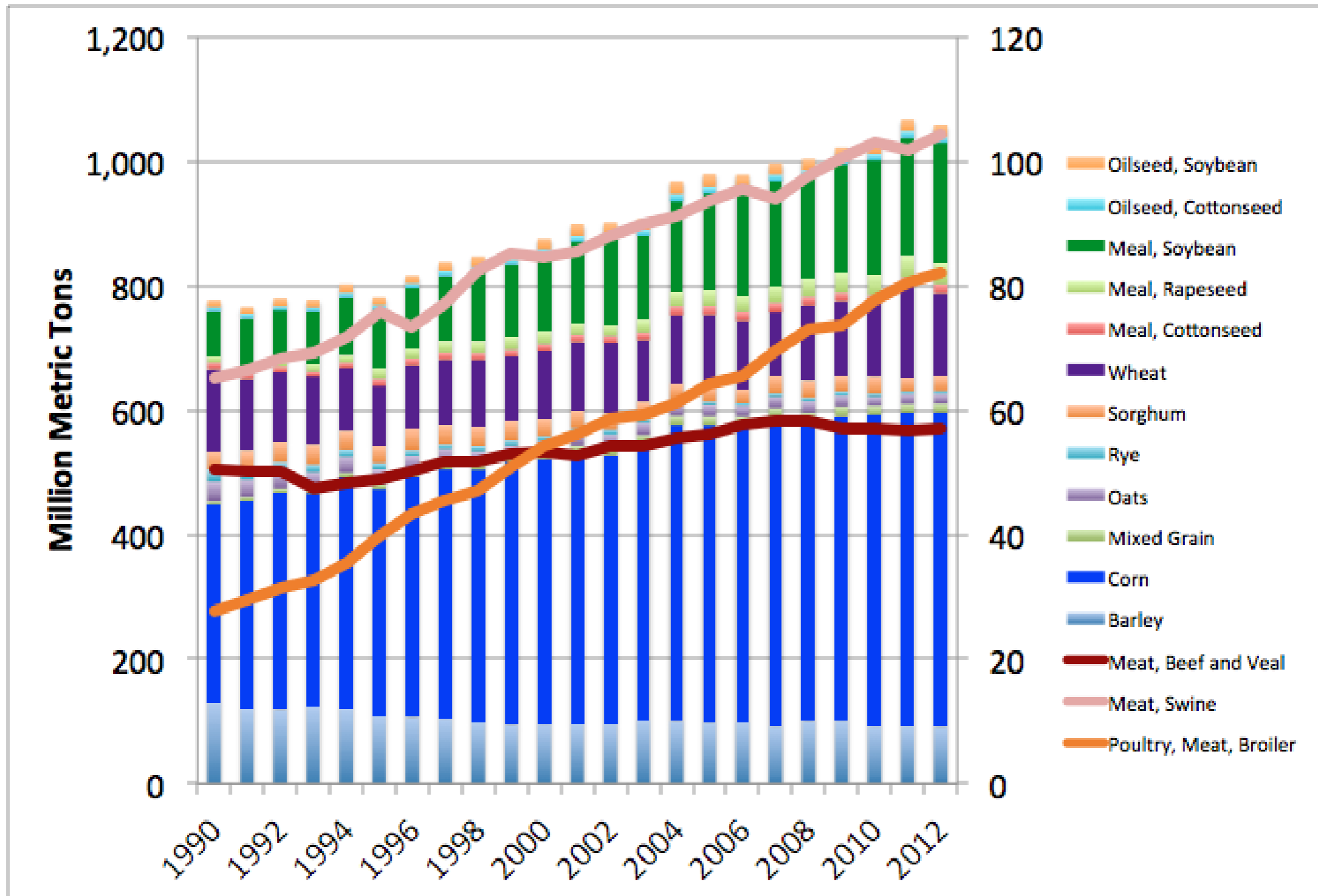


Livestock Marketing Information Center

Data Source: USDA-ERS, Compiled by LMIC

G-NP-14  
09/12/12

# World Feed Use vs Production



# Correlations

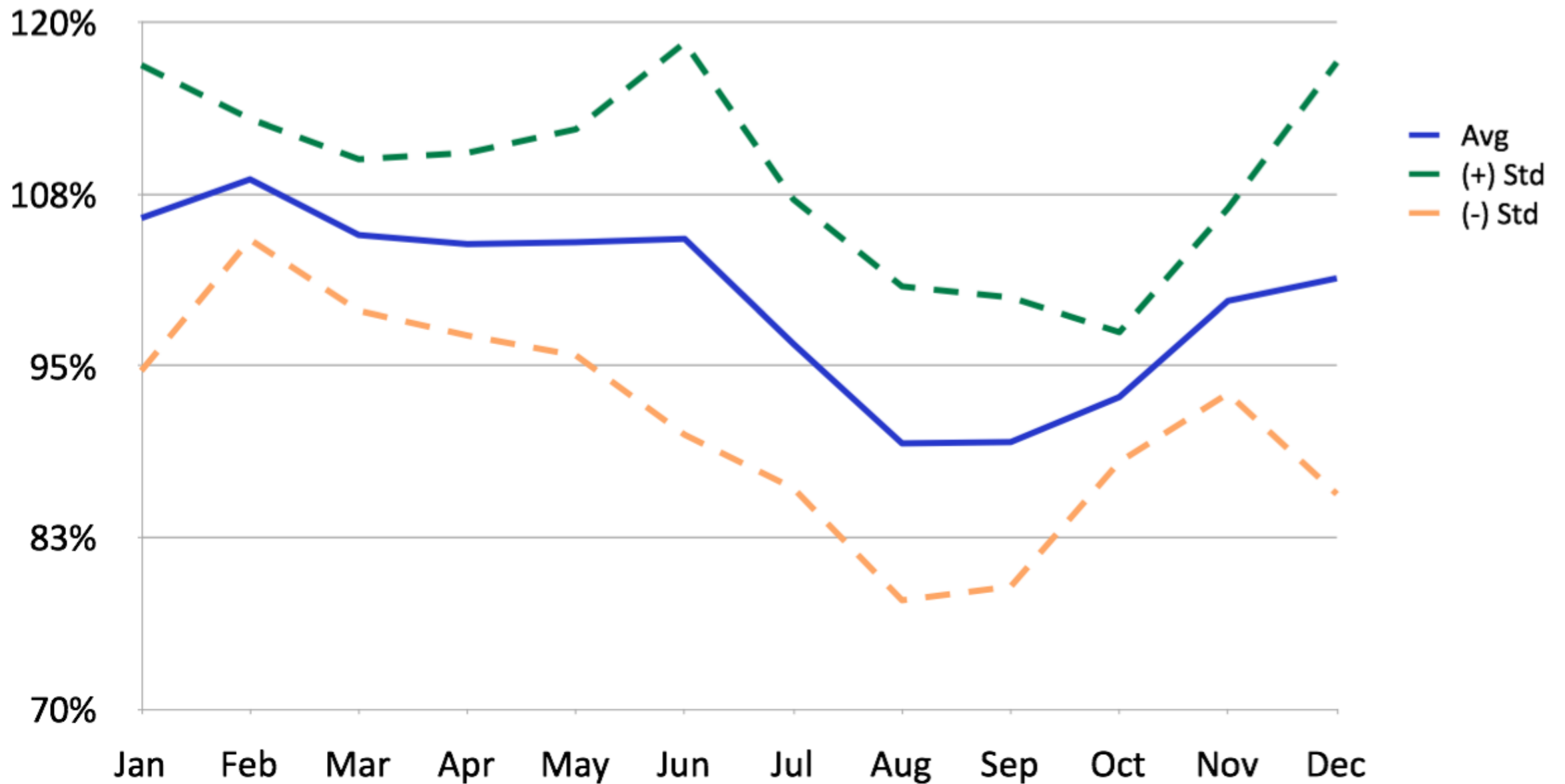
	Corn	Soybean	Soybean Meal
DDG	<b>0.94</b>	0.88	0.82
Rice Bran	0.82	0.77	0.71
Soybean Hulls	<b>0.90</b>	0.83	0.76
Wheat Midds	<b>0.91</b>	0.84	0.80
Corn Gluten Feed Meal	0.85	<b>0.93</b>	<b>0.93</b>
Cottonseed Meal	0.81	0.88	<b>0.90</b>
Whole Cottonseed	0.89	<b>0.91</b>	0.87
Soybean Meal	0.86	<b>0.97</b>	<b>0.99</b>

Source: USDA AMS & CBOE | Compiled by Dr. Andrew Griffith

# Feed Price Seasonality

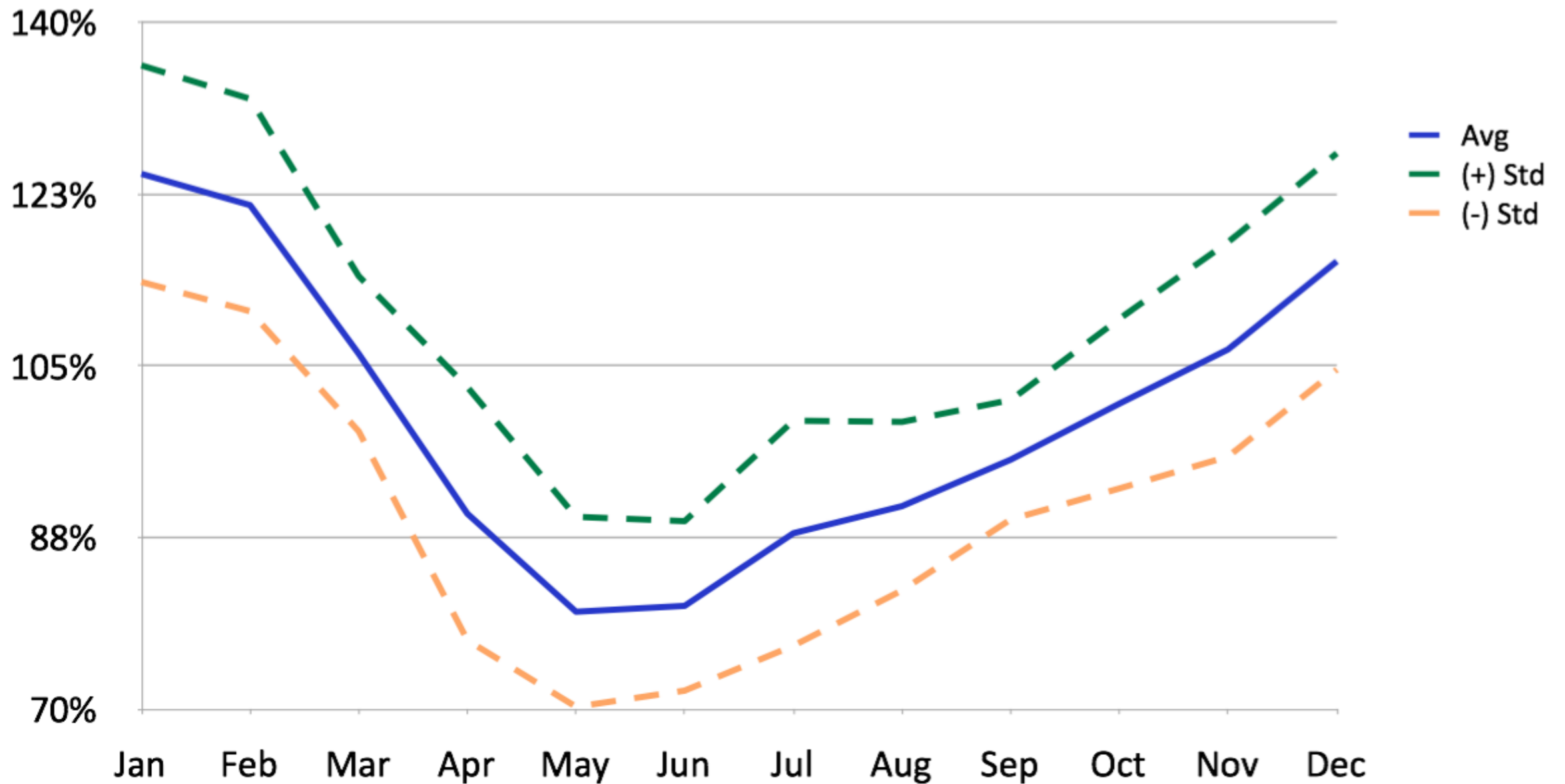
- Like most other ag commodities feed ingredient prices follow a typical seasonal pattern
- Patterns have shifted slightly in recent years to reflect the changing market dynamics
- Volatility of prices has risen
  - Although relative volatility is not much different

## Seasonal Price Index - DDG, 2006-2011 St. Louis



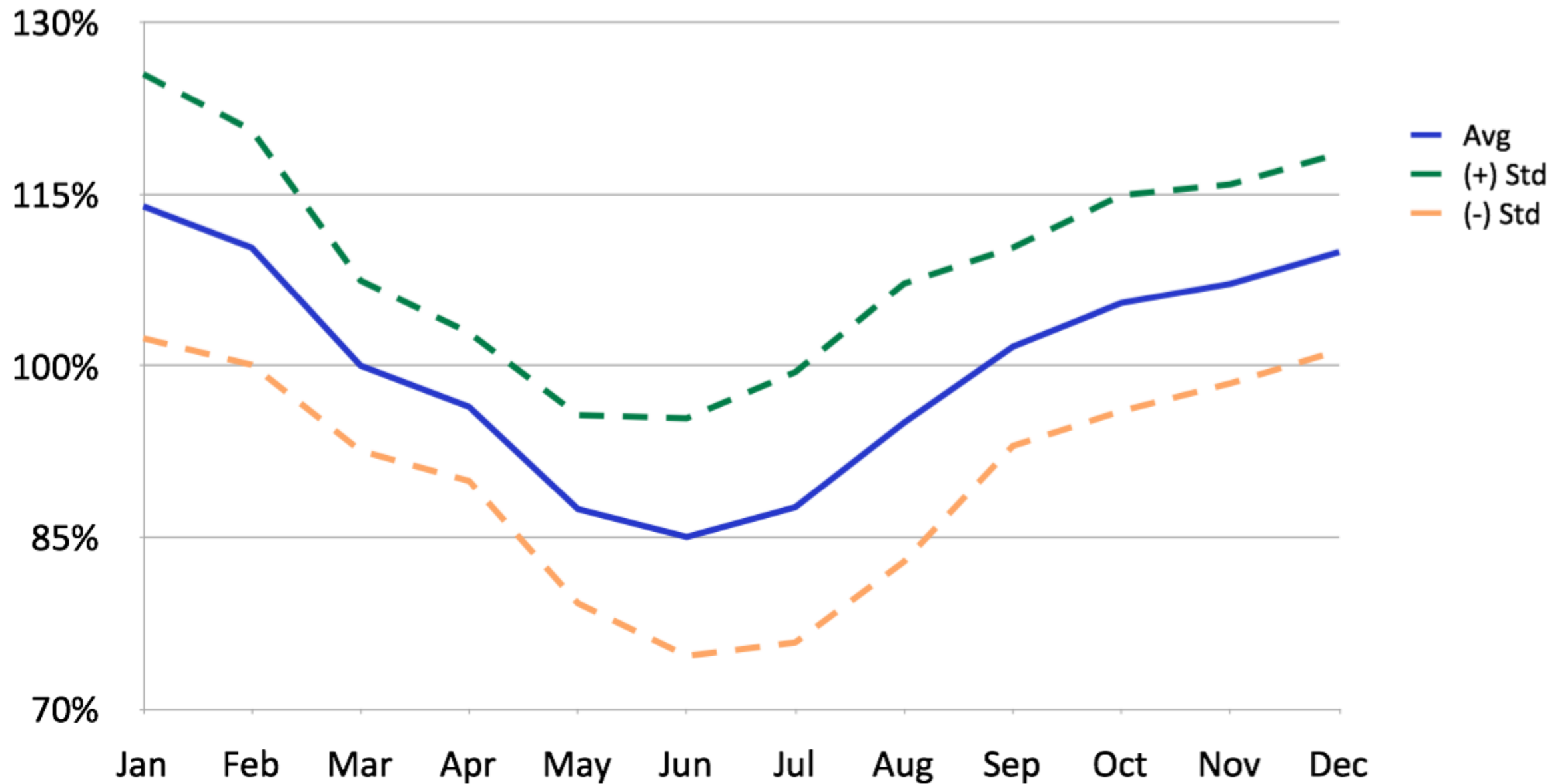
Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Seasonal Price Index - Rice Bran, 2001-2011 Arkansas



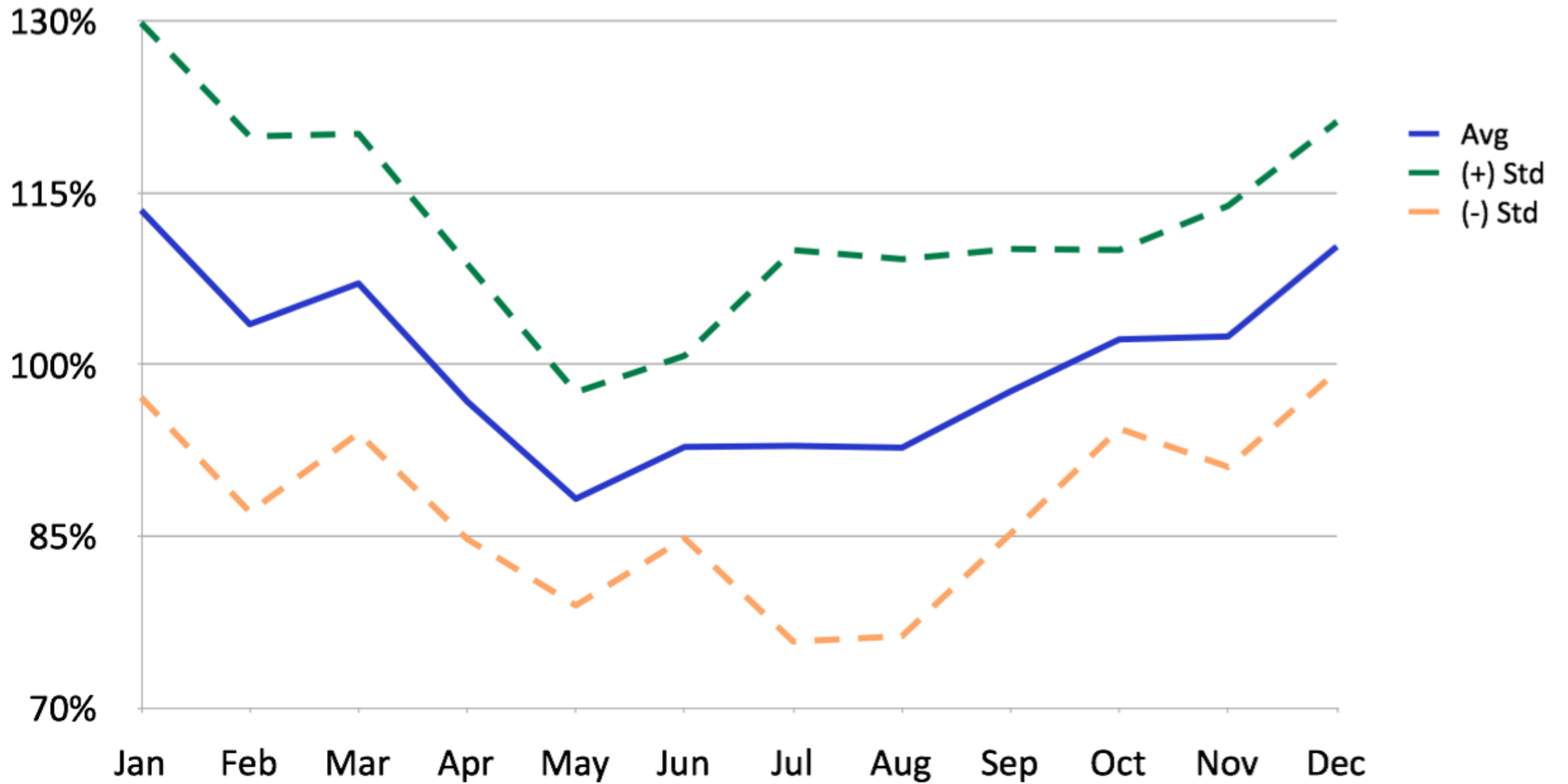
Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Seasonal Price Index - Soybean Hulls, 2001-2011 Memphis



Source: USDA, AMS | Compiled by Dr. Andrew Griffith

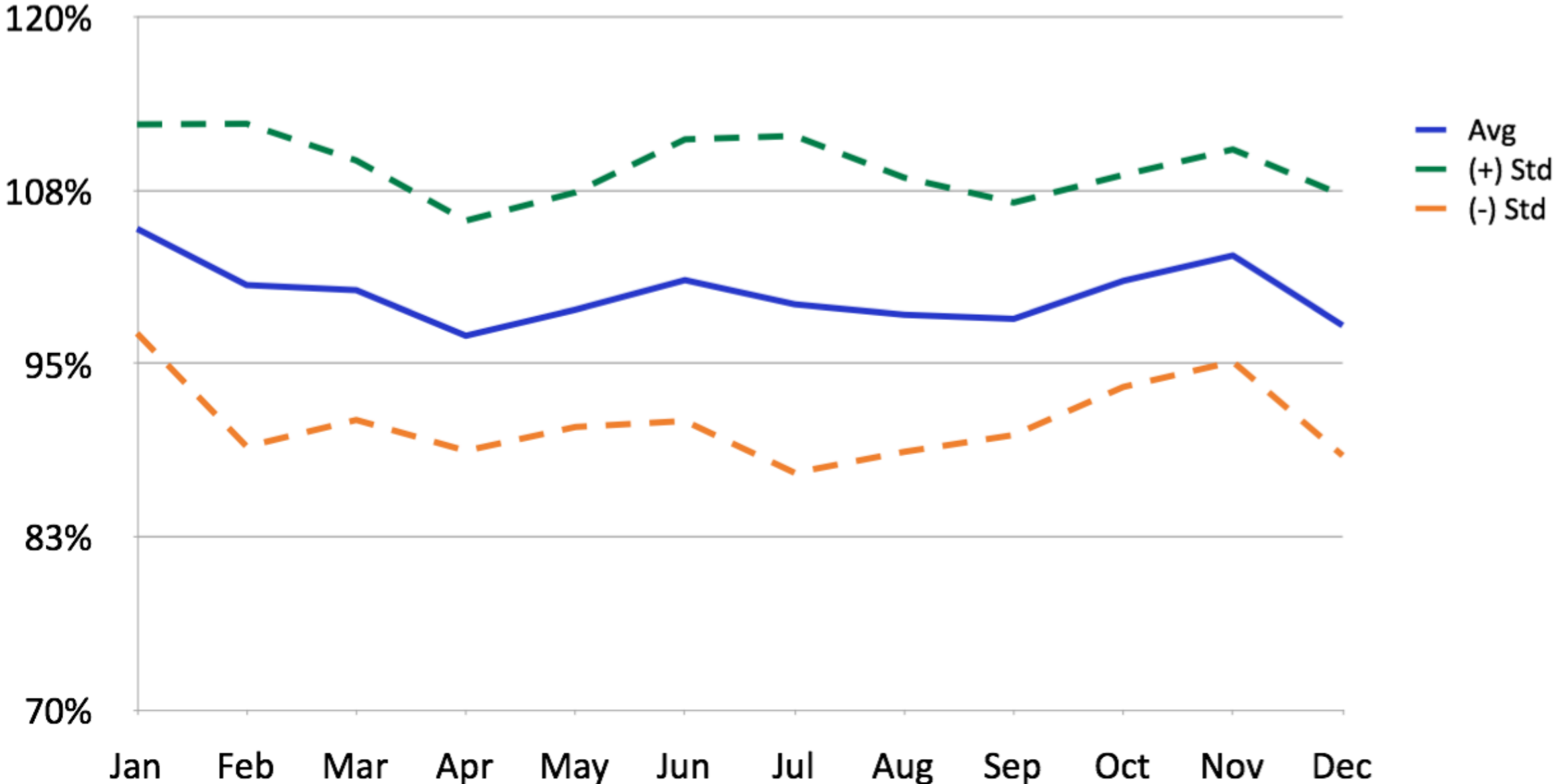
# Seasonal Price Index - Wheat Midds, 2001-2011 Memphis



Source: USDA, AMS | Compiled by Dr. Andrew Griffith

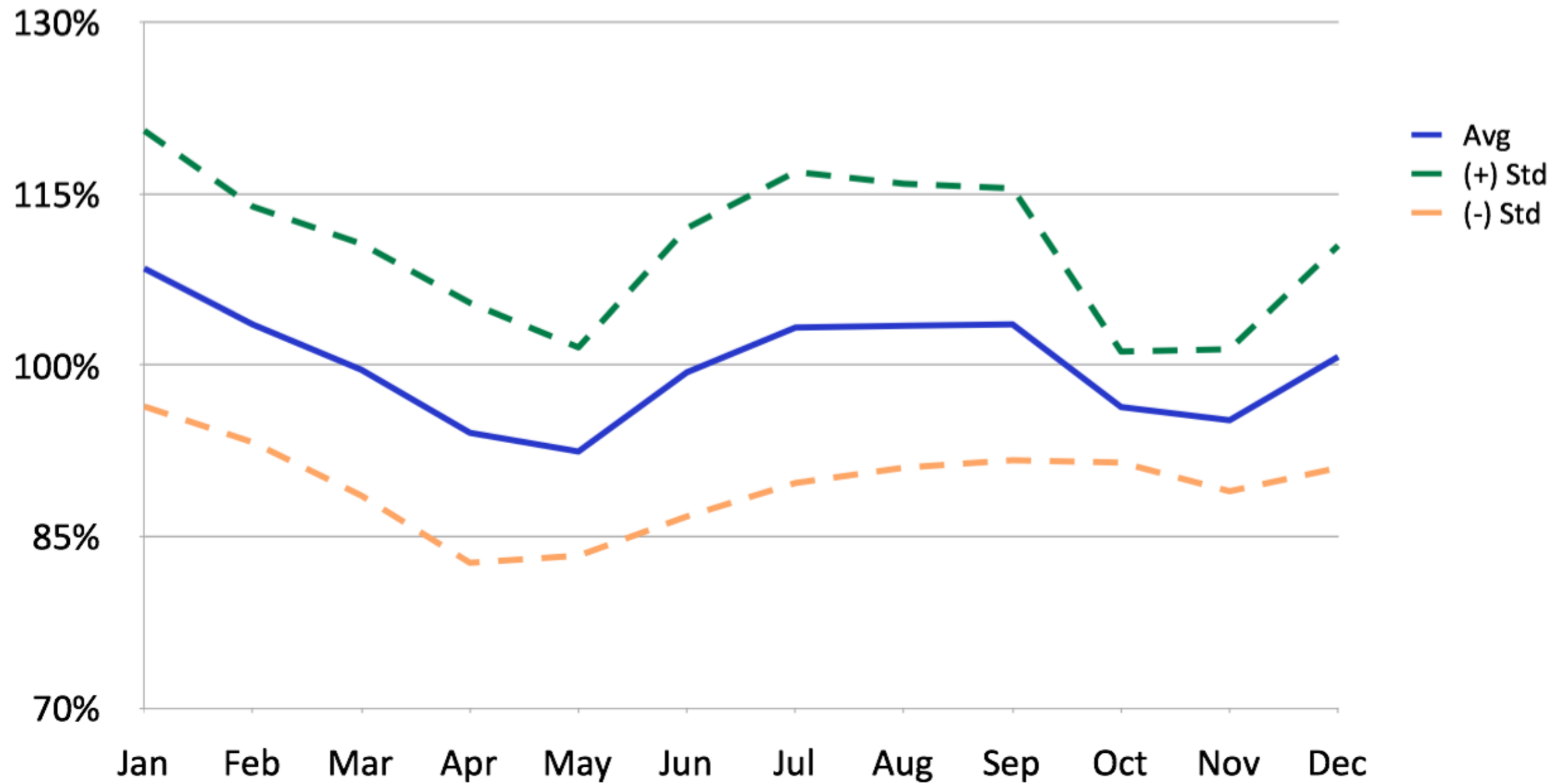


# Monthly Price Index - Corn Gluten Feed Meal, 2001-2011, Memphis



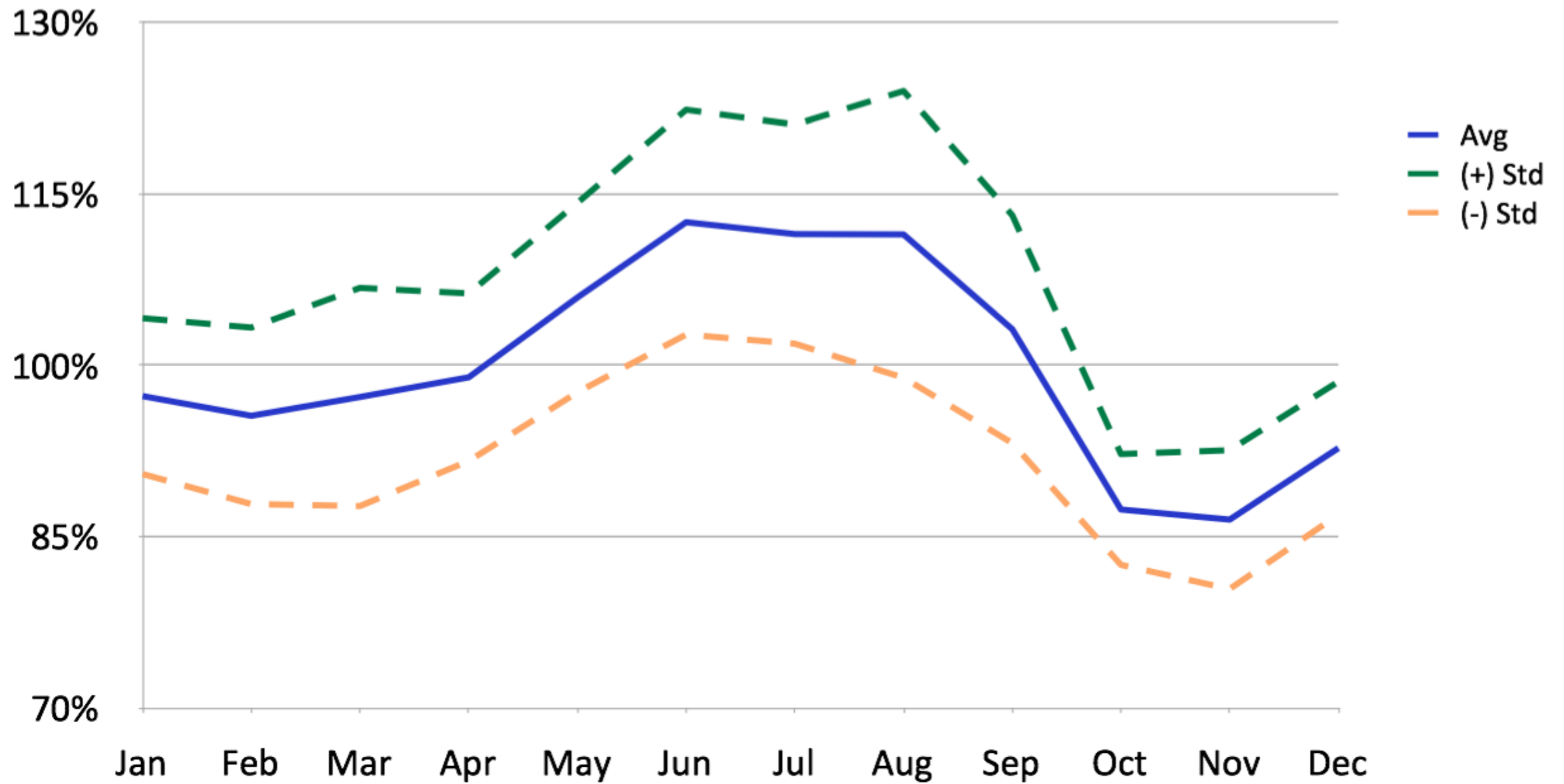
Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Seasonal Price Index - Cottonseed Meal, 2001-2011 Memphis



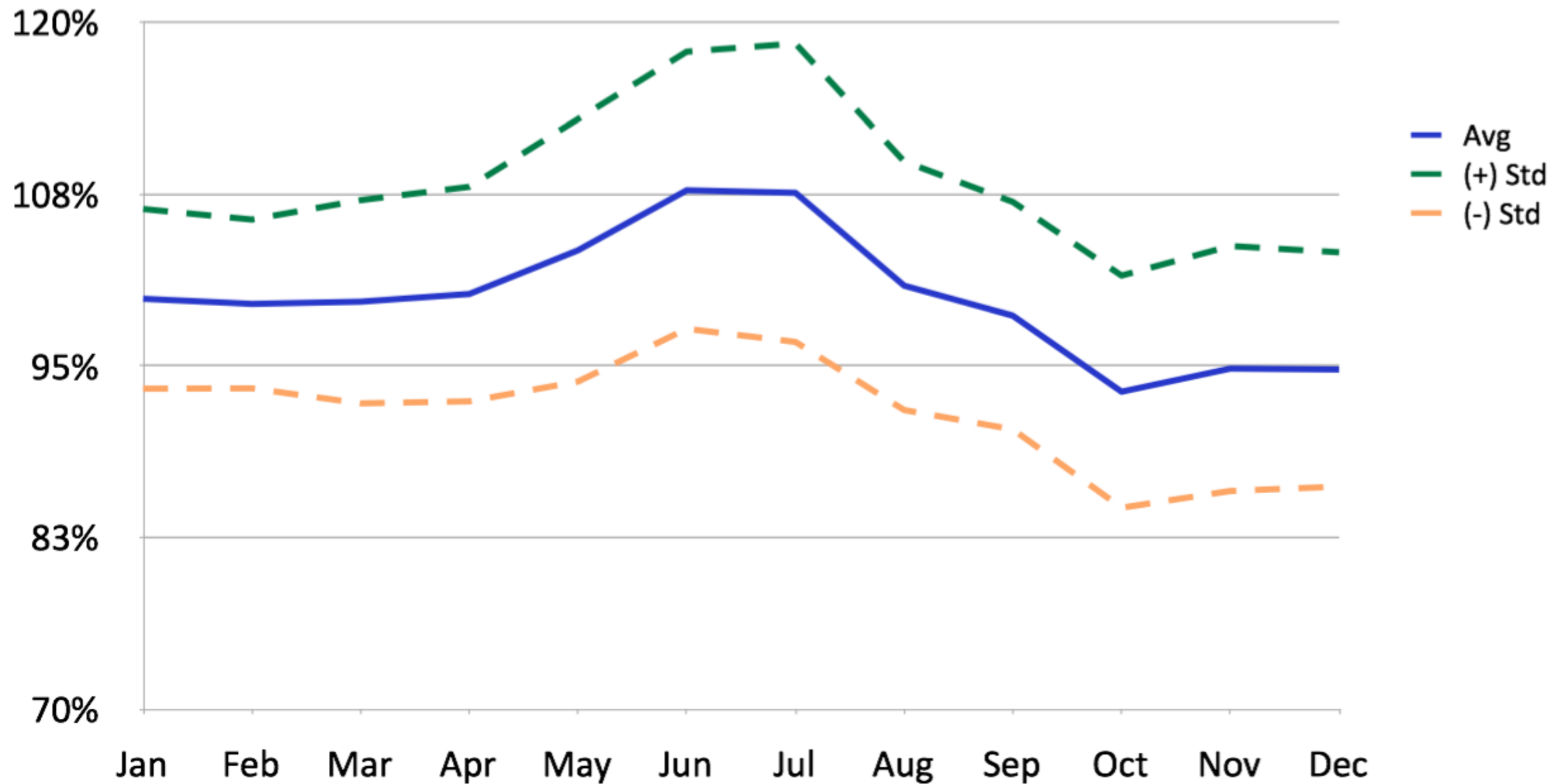
Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Seasonal Price Index - Whole Cottonseed, 2001-2011 Memphis



Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Seasonal Price Index - Soybean Meal, 2001-2011 Memphis



Source: USDA, AMS | Compiled by Dr. Andrew Griffith

# Outlook

- What's to say...

It's Dry...

It's [been] Hot

You do the math





# Thank You

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