

2012-2013 Situation & Outlook for Soybeans

2012 Southern Region Agricultural
Outlook Conference

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Under Further Review....



World Agricultural Supply and Demand Estimates

United States Department of Agriculture

Office of the
Chief Economist

Agricultural Marketing Service
Farm Service Agency

Economic Research Service
Foreign Agricultural Service

WASDE - 510

Approved by the World Agricultural Outlook Board

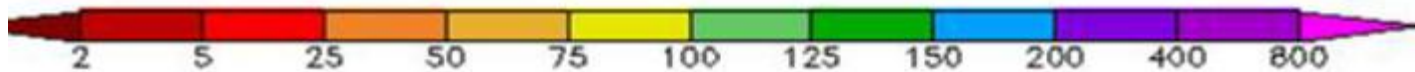
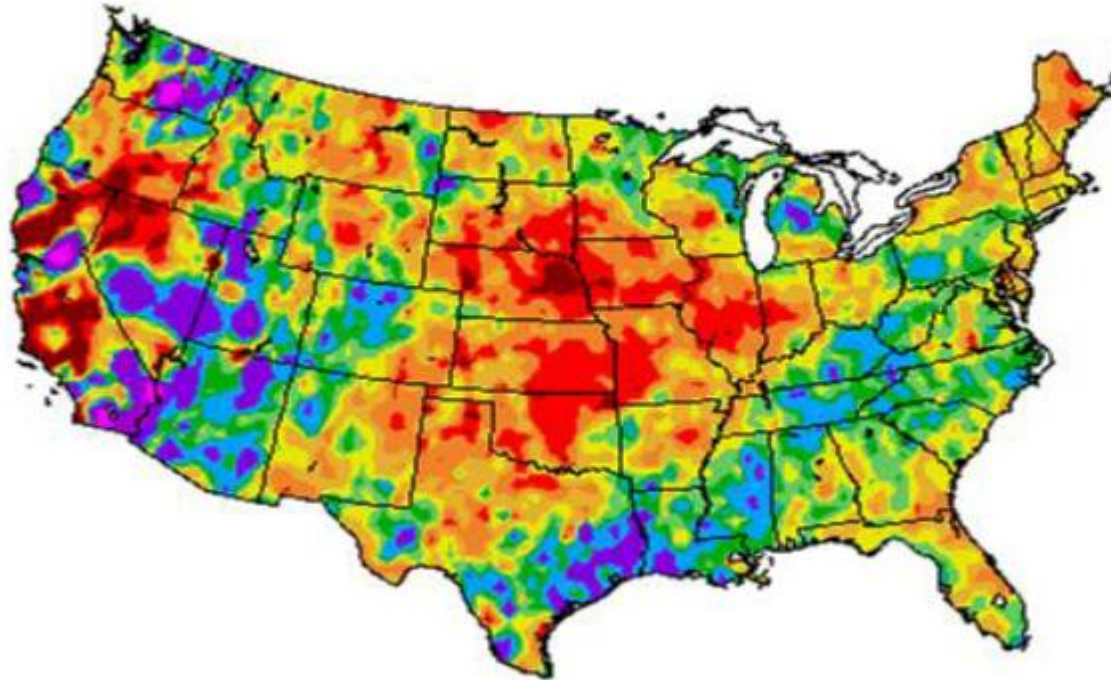
September 12, 2012

2012/13	September	August
Soybeans (\$/bushel)	15.00-17.00	15.00-17.00
Soybean Meal (\$/ton)	485-515	460-490
Soybean Oil (cents/Lb)	.54-.58	.53-57

Sept Yld 35.3 and 2.63 billion bushel production



Percent of Normal Precipitation (%) 7/1/2012 - 7/31/2012



Source: USDA NASS Crop Production 8/10/12

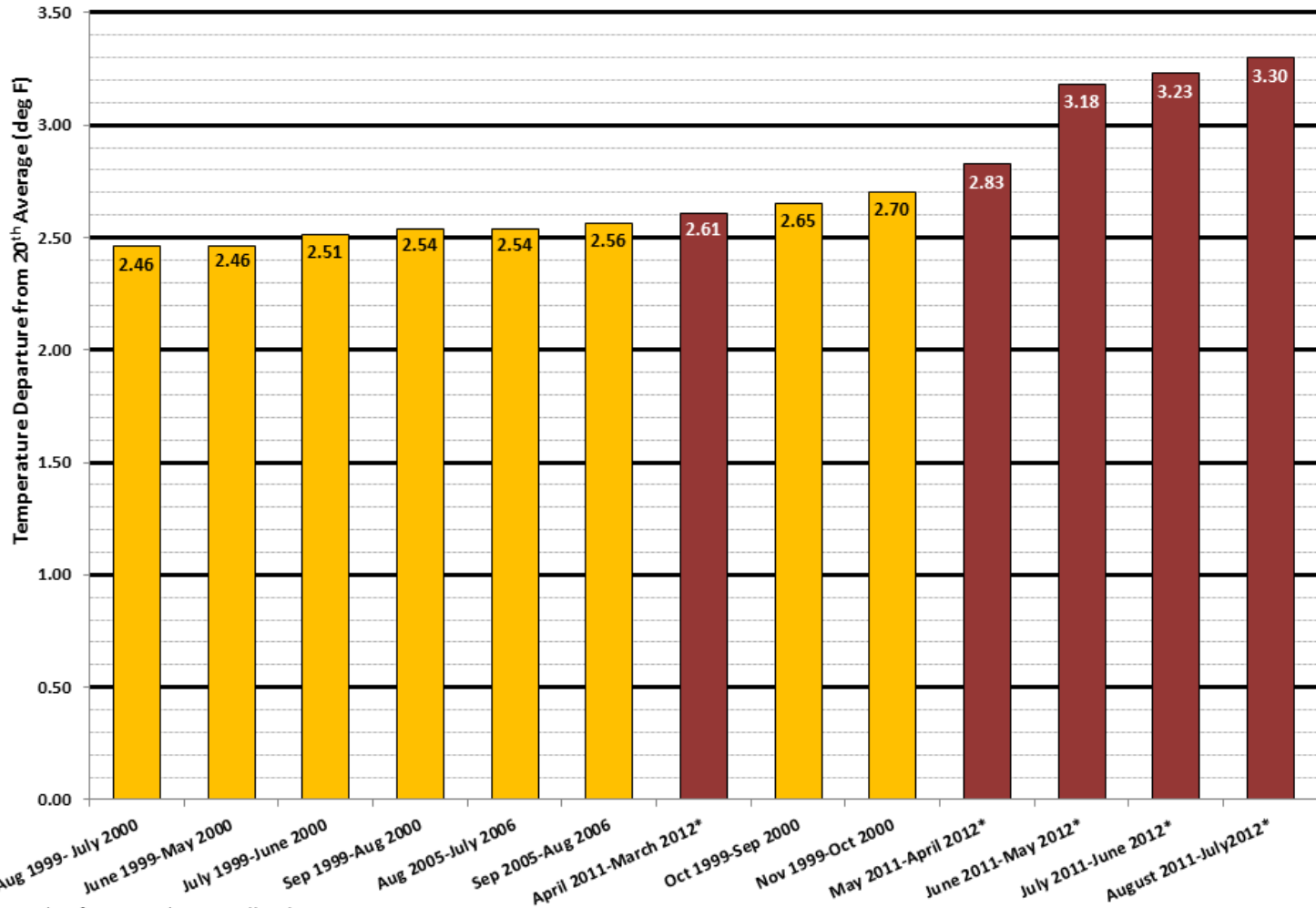




NOAA's
National Climatic Data Center

Warmest 12-month periods for Contiguous US: 1895-2012

NOAA's National Climatic Data Center

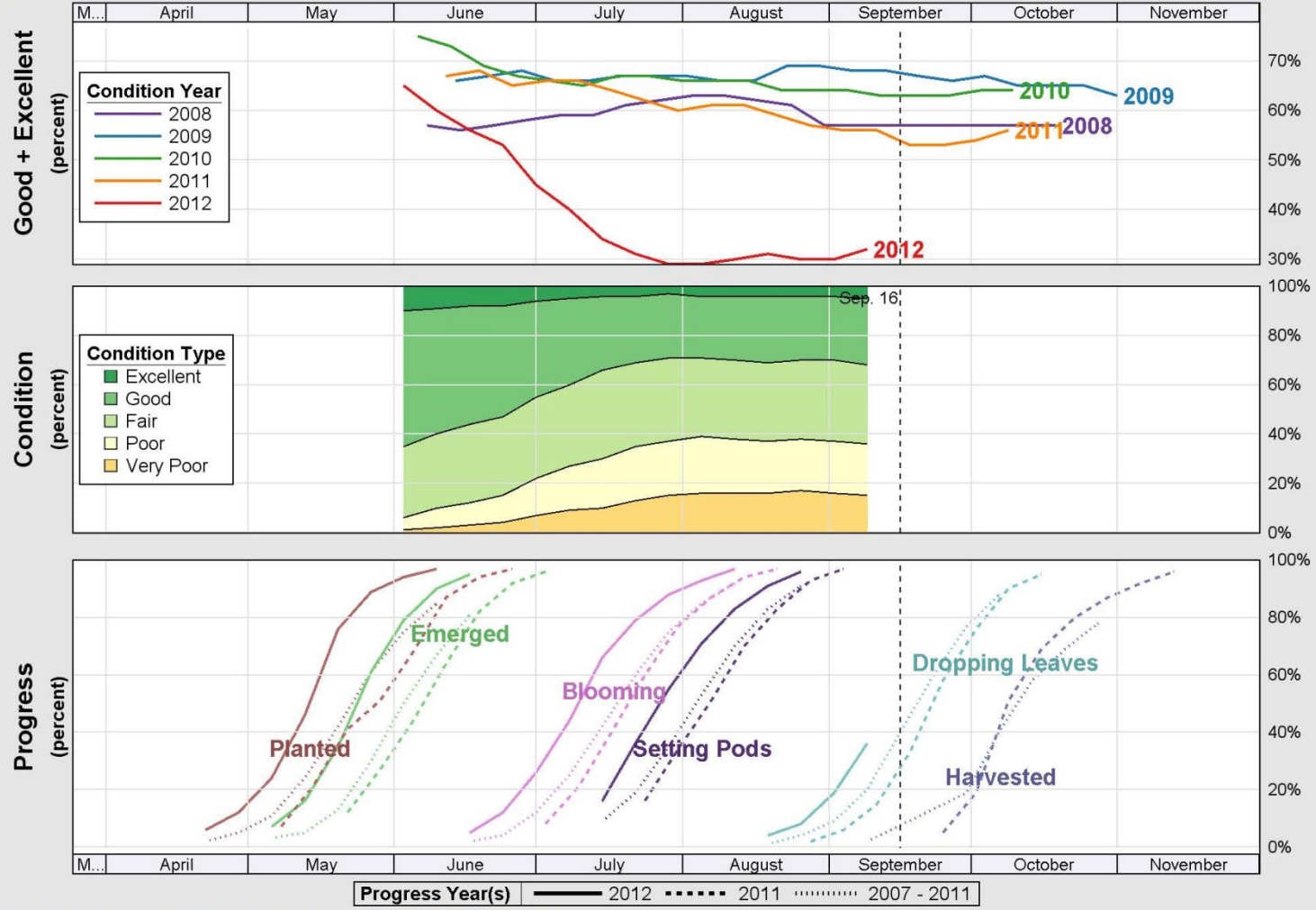


*Notes data from 2012 that are still preliminary



ALABAMA COOPERATIVE
Extension
SYSTEM

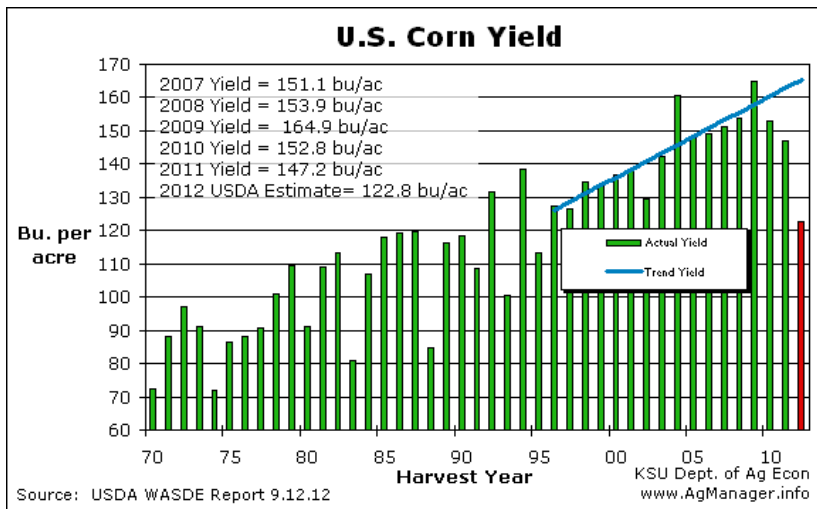
Alabama A&M and Auburn Universities



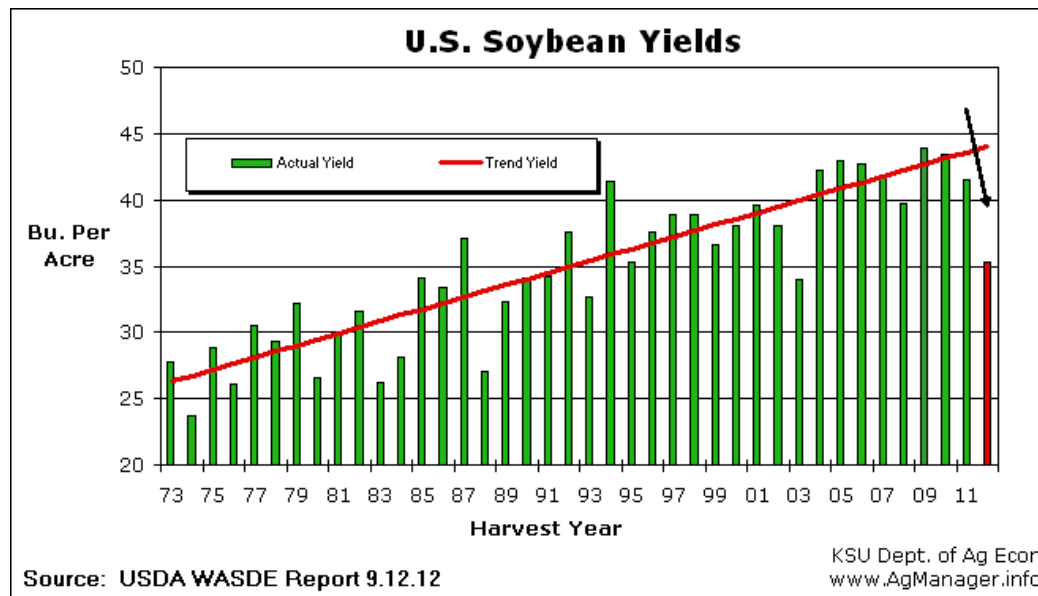
Source: National Agricultural Statistics Service (NASS), Crop Progress Report

22%
5 yr ave 8%





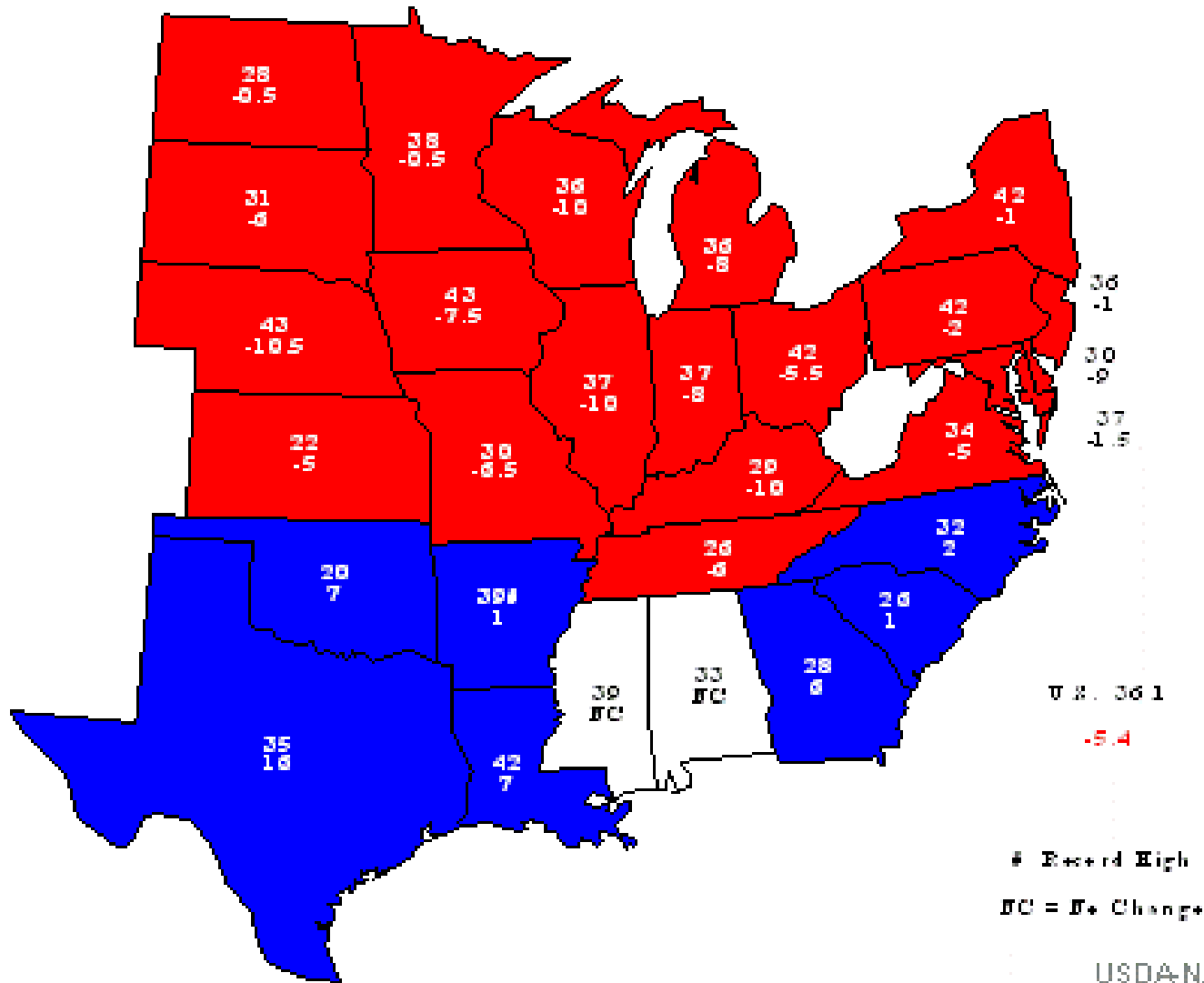
USDA, NASS 9/12/12
 US Corn Yield Est. 122.8
 US Soybean 35.3





Soybean Yields, August 1, 2012

Bushels and Change From Previous Year



Record High
 FC = No Change

USDA-NASS
 08-10-12

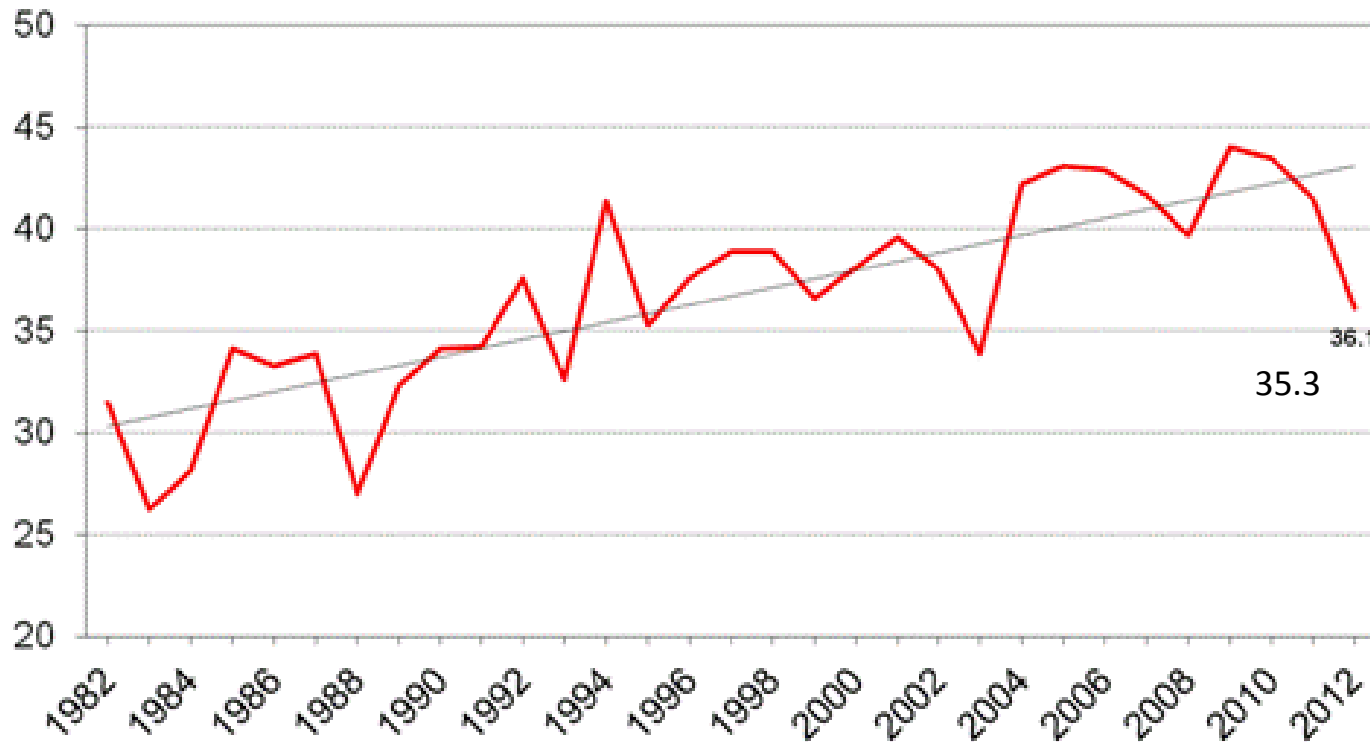




U.S. Soybean Yield



Bushels/acre



Aug
Sep

USDA-NASS
08-10-12



Alabama A&M and Auburn Universities

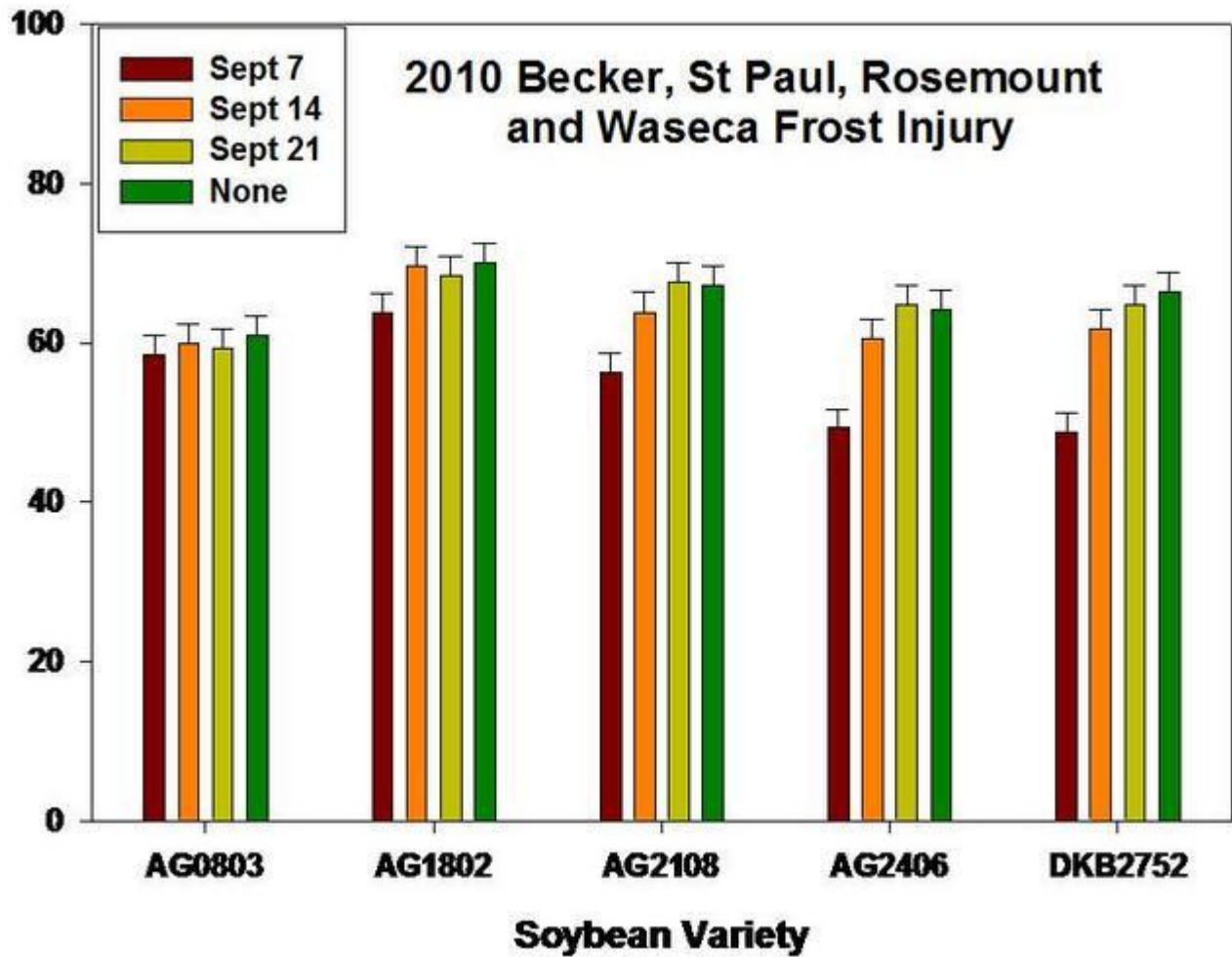
Teachable Moments (?)

- \$4/bu corn & \$10/bu soybeans
- Drought
- \$10/bu corn & \$20/bu soybeans
- “Double” Crop soybeans
- Satellite photo \neq boots on the ground
- Twitter



Current Issues



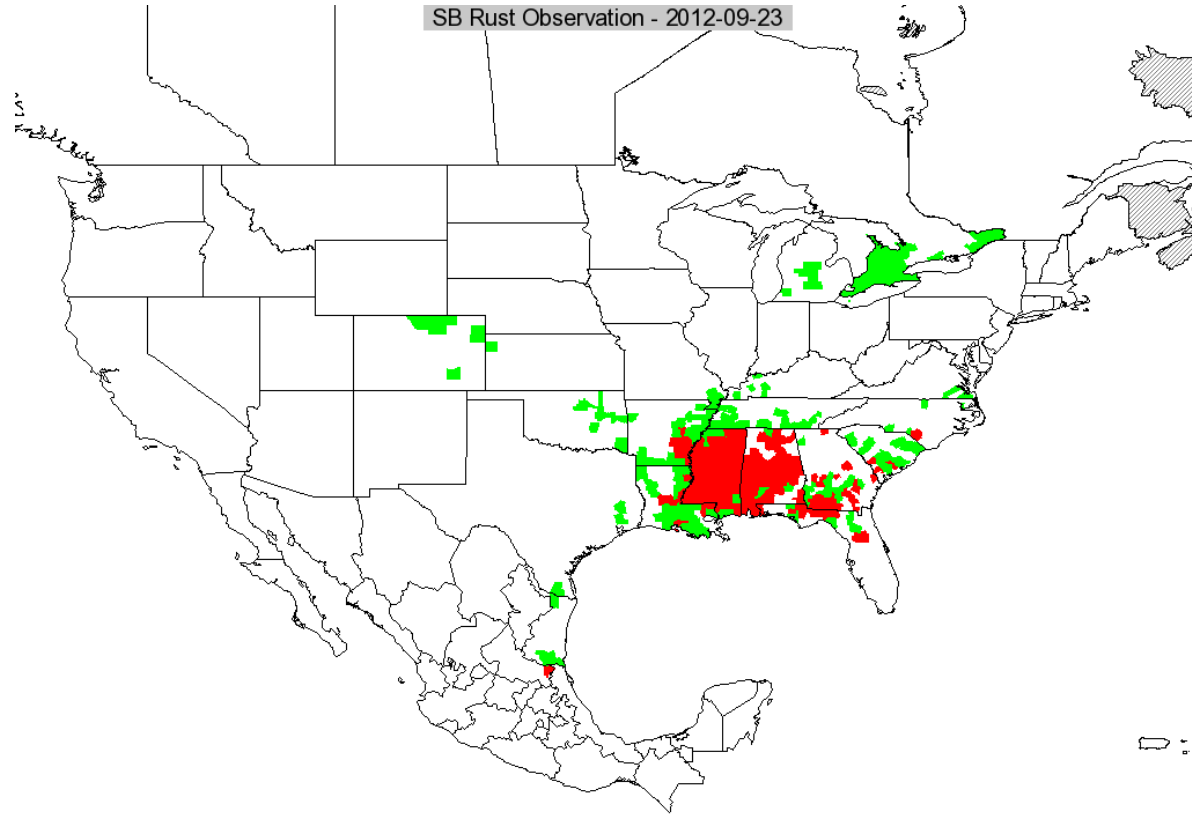


Research from University of Minnesota
 Very little if any yield loss after September 21

<http://blog.lib.umn.edu/efans/cropnews/2011/09/soybean-yield-loss-estimates-f.html>



Soybean Rust



173 counties as of Sep 23, 2012

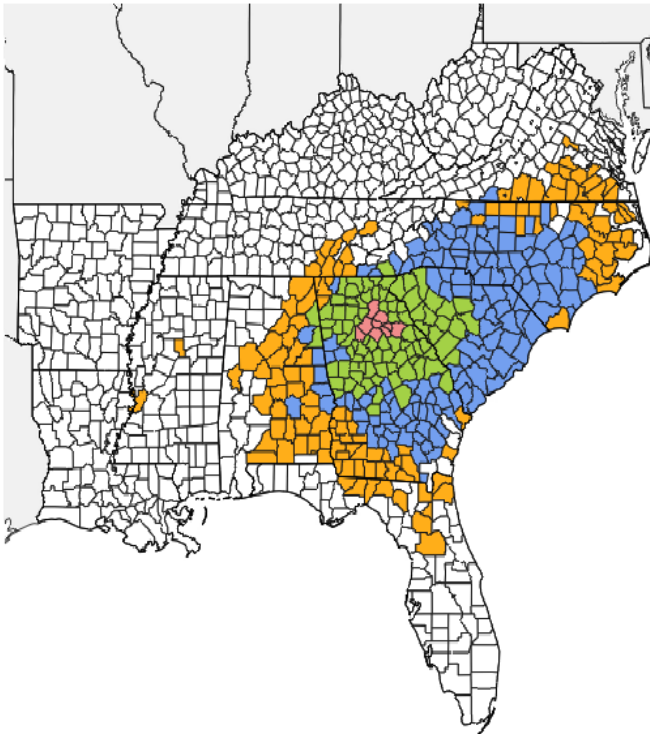
Recently scouted, not found Scouted, confirmed Confirmed, no longer found

<http://sbr.ipmpipe.org/cgi-bin/sbr/public.cgi>



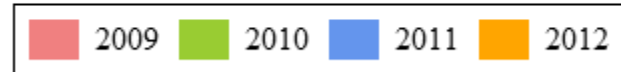
Kudzu Bug

DISTRIBUTION MAP



Unprotected Yield Loss
0% to 47%, ave 18%
In GA and SC research

Legend



<http://www.kudzubug.org/>

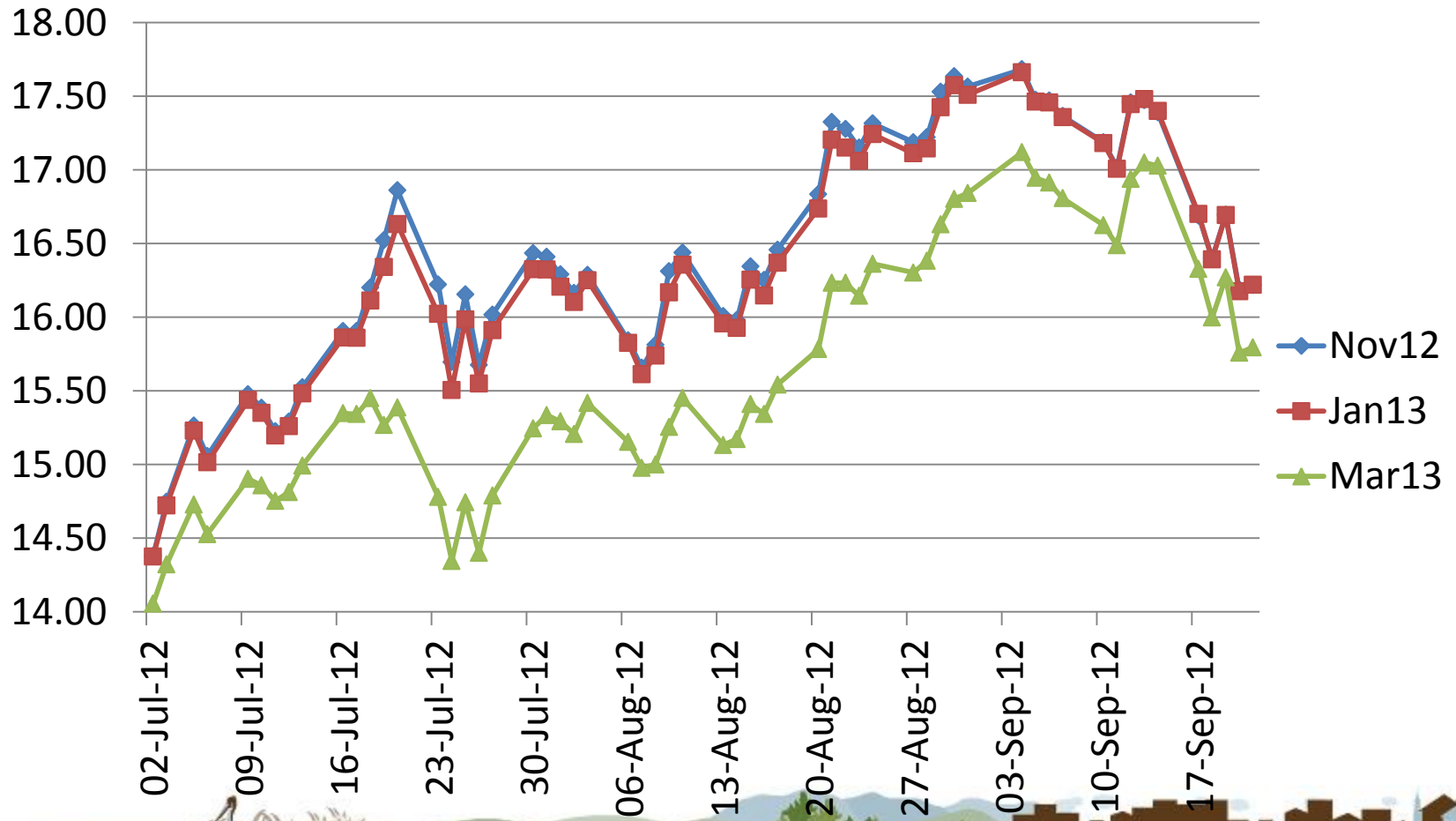


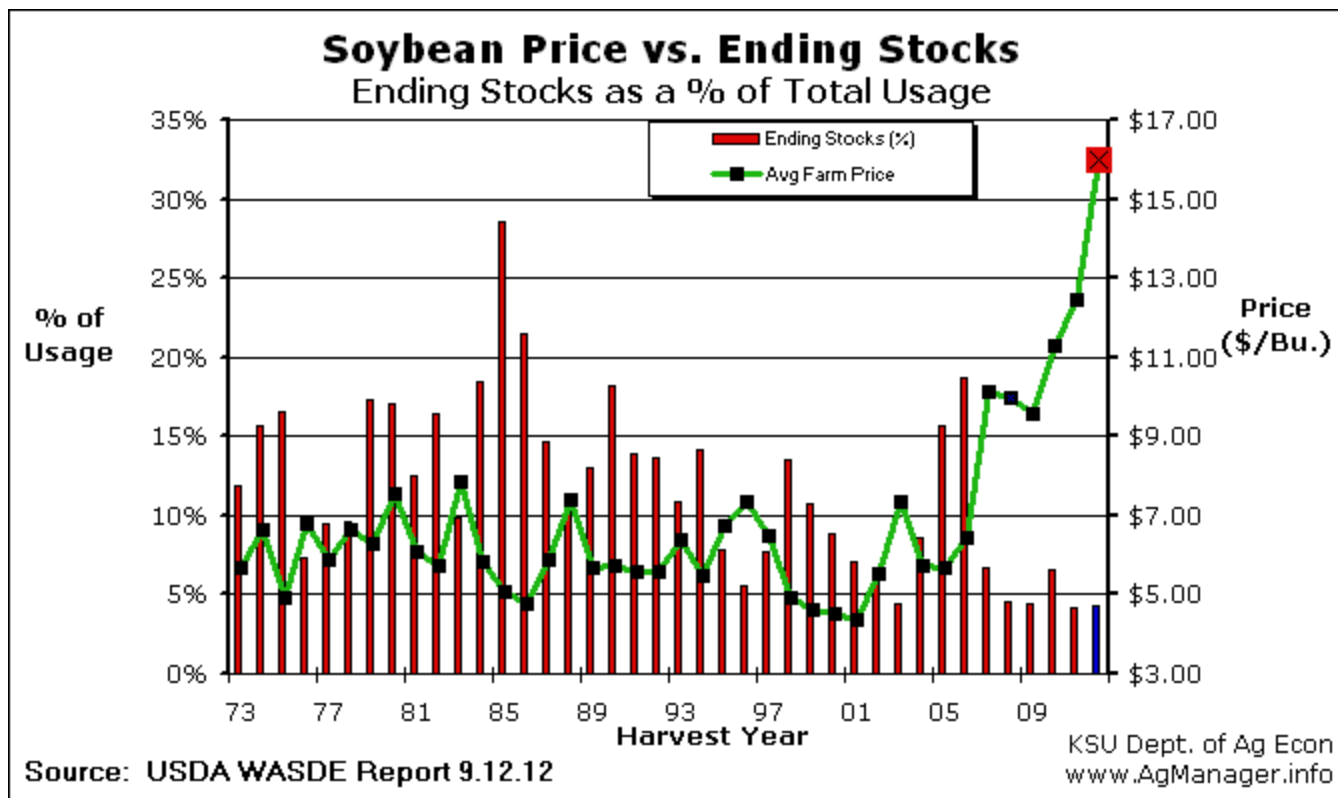
Soybean Iron Chlorosis

- Physiological Disease
- Plenty of Iron but not available
- High pH Soils
- Wide Area, South to North
 - Expanded acres



Inverted Nov – Mar Prices





Soybeans

	Beginning					Seed			
	Stocks	Production	Imports	Total	Crush	Residual	Total	Ending	Stocks
----- Million Bushels -----									
2010/11	151.0	3.3	14.0	3,495.0	1,648.0	130.0	3,280.0		215.0
2011/12*	212.0	3,056.0	15.0	3,286.0	3,286.0	91.0	3,156.0		130.0
2012/13**	130.0	2,784.0	20.0	2,784.0	2,784.0	114.0	2,669.0		115.0

*Estimated

** Forecast

Sources: USDA, National Agricultural Statistics Service, *Crop Production and Grain Stocks* and U.S. Department of Commerce, U.S. Census Bureau, *Foreign Trade Statistics*.



Soybean Meal

Year beginning	Beginning	Supply			Disappearance			Ending	
		Production	Imports	Total	Domestic	Exports	Total		
October 1	stocks	1,000 short tons							stocks
2010/11	302	39,251	179	39,731	30,278	9,104	39,381	350	
2011/12 ¹	350	41,250	200	41,800	32,000	9,500	41,500	300	
2012/13 ²	300	35,700	300	36,300	29,200	6,800	36,000	300	

¹ Estimated. ² Forecast.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates.

Last update: 9/26/2012



Percent Change World Soybean Supply and Use, 2012/13 vs 2011/12

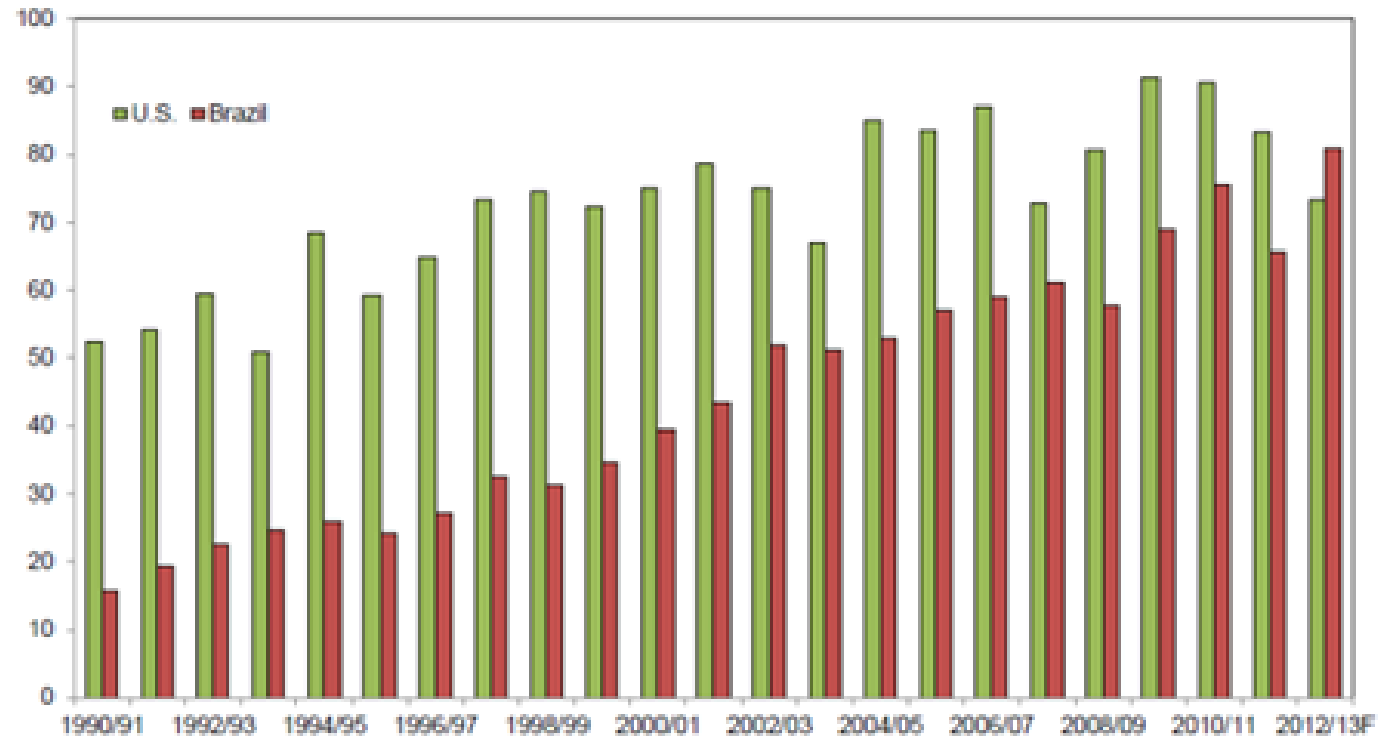
	Beg Stocks	Production	Imports	Domestic Crush	Exports	End Stocks
World	-23.64	8.87	1.04	.66	4.07	-1.02
U.S	-39.31	-13.80	N/A	-12.02	-22.42	-11.83
Total Foreign	-22.21	21.13	.94	3.94	22.56	-.026
Argentina	-19	34	N/A	6.11	73.08	8.93
Brazil	-38.88	21.80	N/A	.27	9.22	16.15
Major Importers	-.25	-6.38	1.26	4.3	N/A	-22.55
China	2.43	-6.67	2.59	6.68	N/A	-21.26

Source: September 12, 2012 WASDE



U.S. crop losses may make Brazil the top soybean-growing country for the first time

Million metric tons

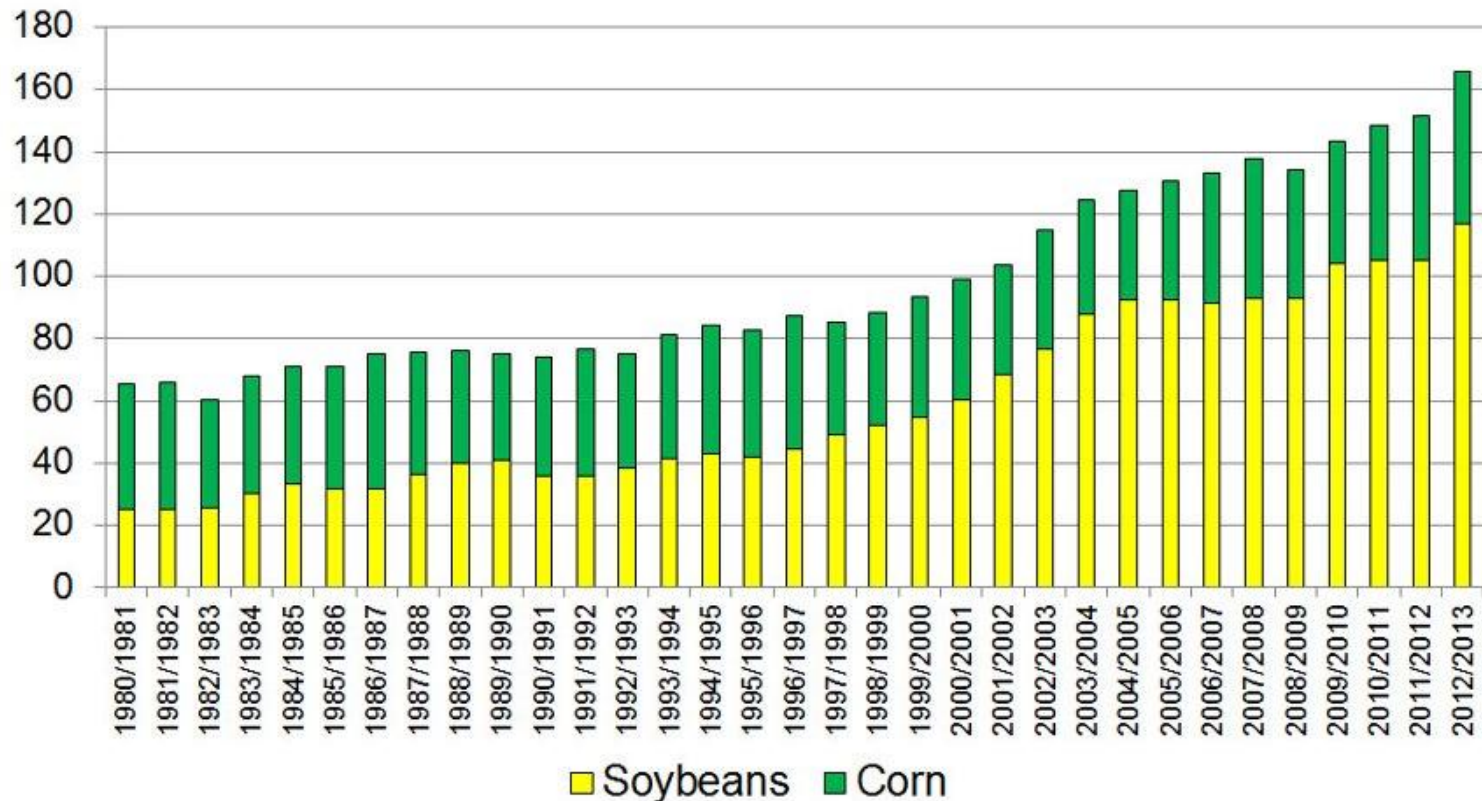


Source: USDA, Foreign Agricultural Service, PS&D Online.



Corn and Soybean Harvested Area in Brazil and Argentina Combined

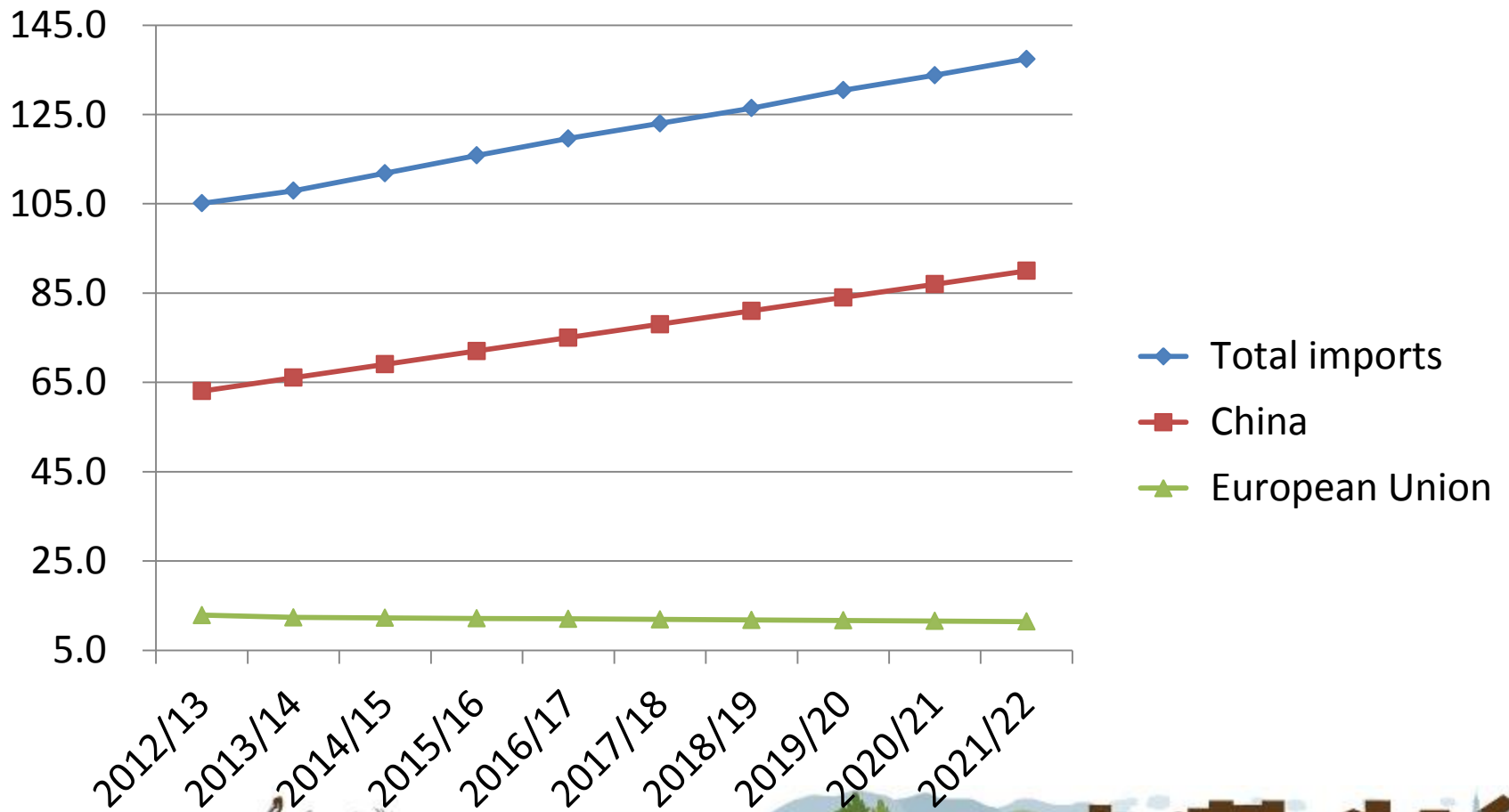
Million acres



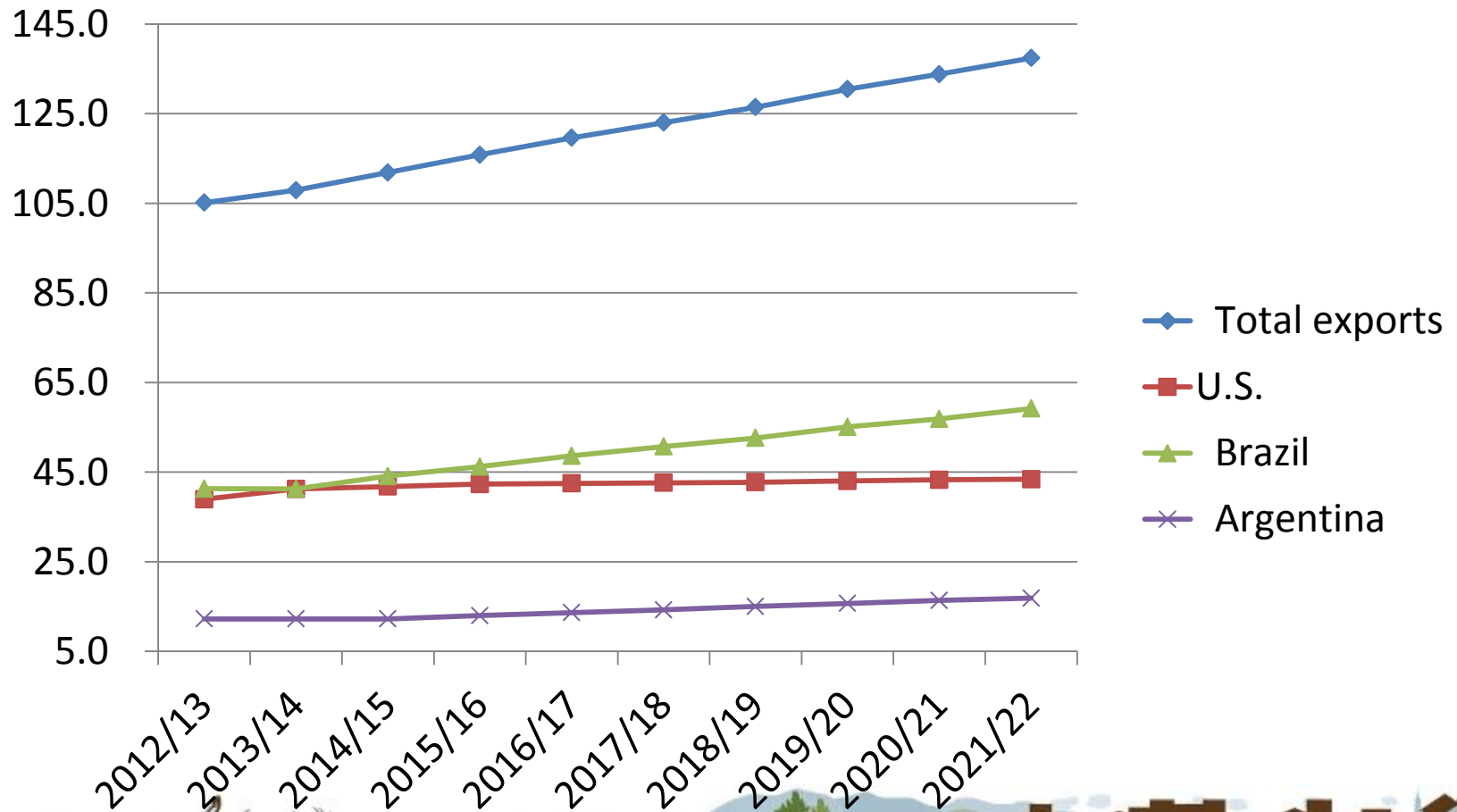
2012/2013—all time record highs for both crops. Compared to last year: corn +6%, soybeans +11%

PSD, 9/19/2012

Soybean Trade, Long Term Projections, Imports

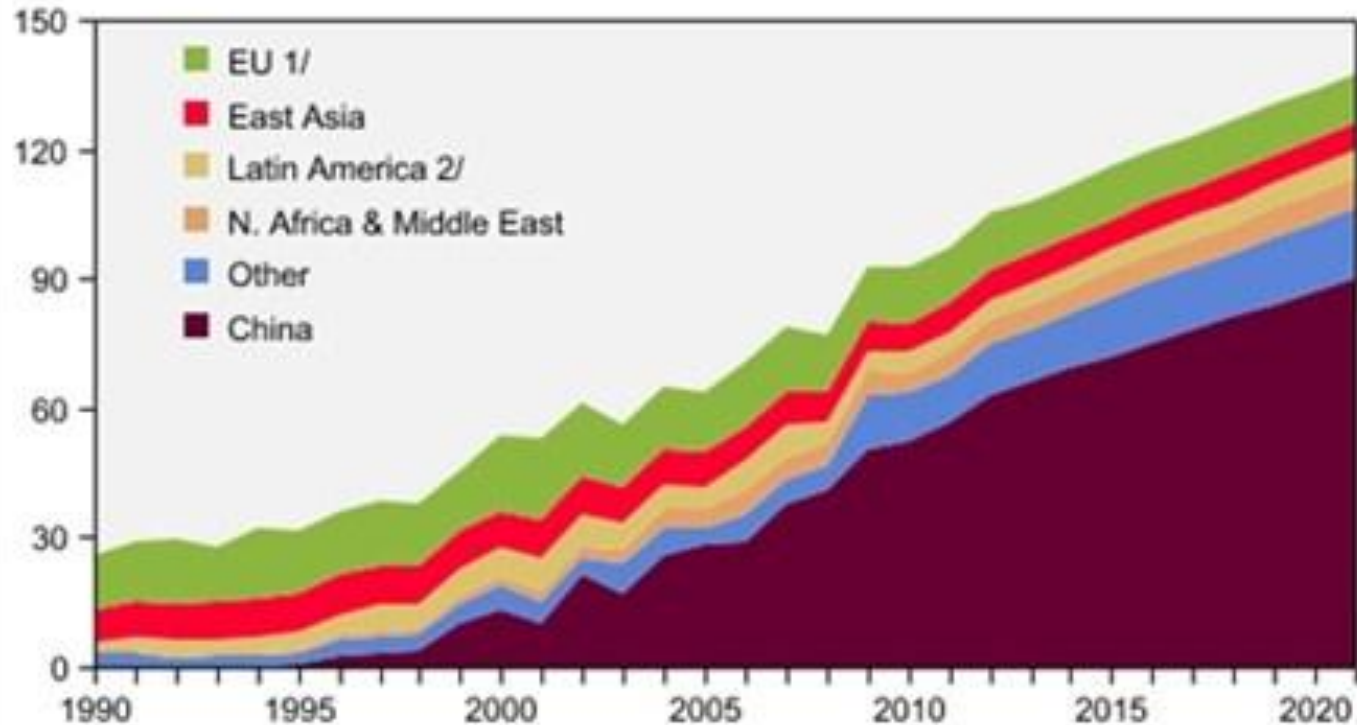


Soybean Trade, Long Term Projections, Exports



Global soybean imports

Million metric tons



1/ Excludes intra-EU trade. 2/ Includes Mexico.

Source: USDA Agricultural Projections to 2021 (OCE-121), February 2012.



Challenges Facing the World

By 2050...

- Global middle class projected to grow from 1 billion to 3 billion
- 70% of population living in cities
- Global food demand must double



Free trade is the driver of global economics

Under Further Review

- Inverted Market
- Expectations of large S. America Crop
- Feed Industry....cut backs?
- Mid-west acres?



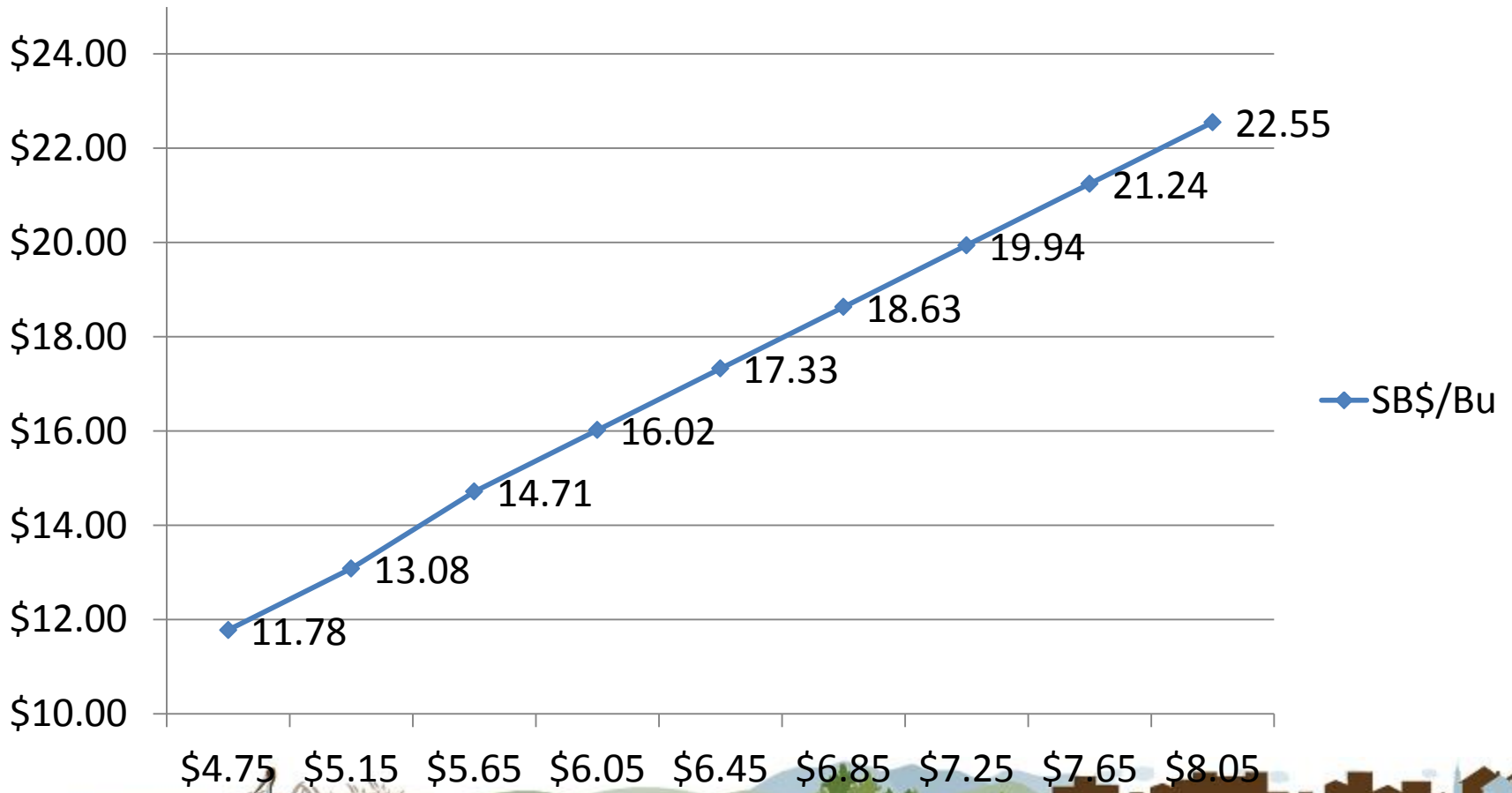
Table 1. 2013 Crop Budgets in Southern Illinois.

	Corn	Soybeans	Wheat	Double-Crop Soybeans
Yield (bushels per acre)	160	48	56	32
Price (per bushel)	\$6.00	\$13.00	\$8.35	\$13.00
Revenue (per acre)	960	624	468	416
Non-land costs (per acre)	493	310	316	212
Operator and land return (per acre)	467	314	152	204

Source: Yields, prices, and costs taken from 2013 Corn and Soybean budgets, with slight adjustments to yields and prices (management section of farmdoc).



Soybean Price Needed for Equal Returns to Corn, Southern Illinois



2011, 2012, 2013 Futures Prices

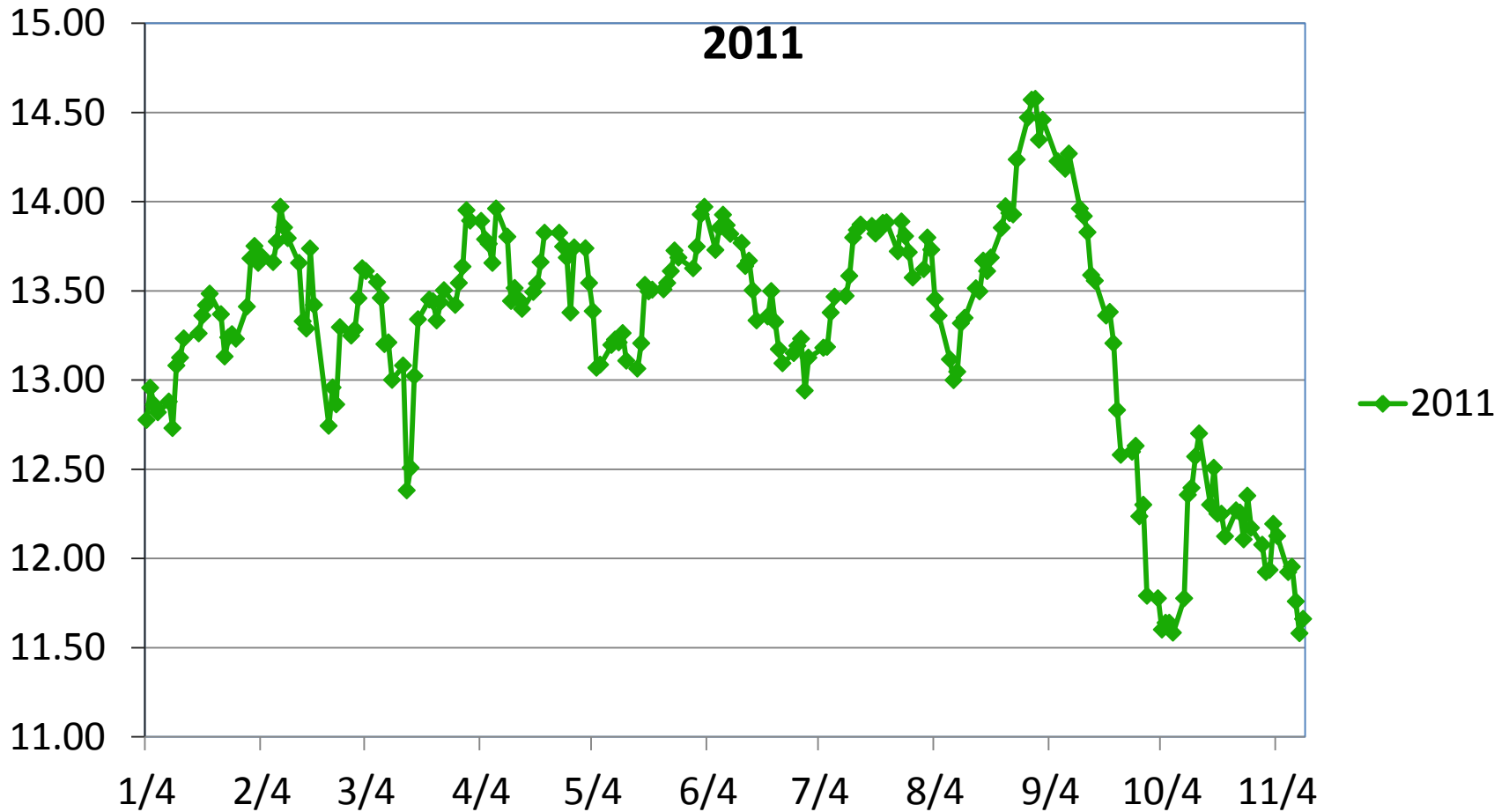
Futures Price	2011 Sep 26	2012 Sep 25	2013 Sep 25
Corn (Dec)	6.48	7.4375	6.3825
Soybeans (Nov)	12.5675	16.1125	13.52
Soybean Meal (Oct)	326.20	485.20	385.90



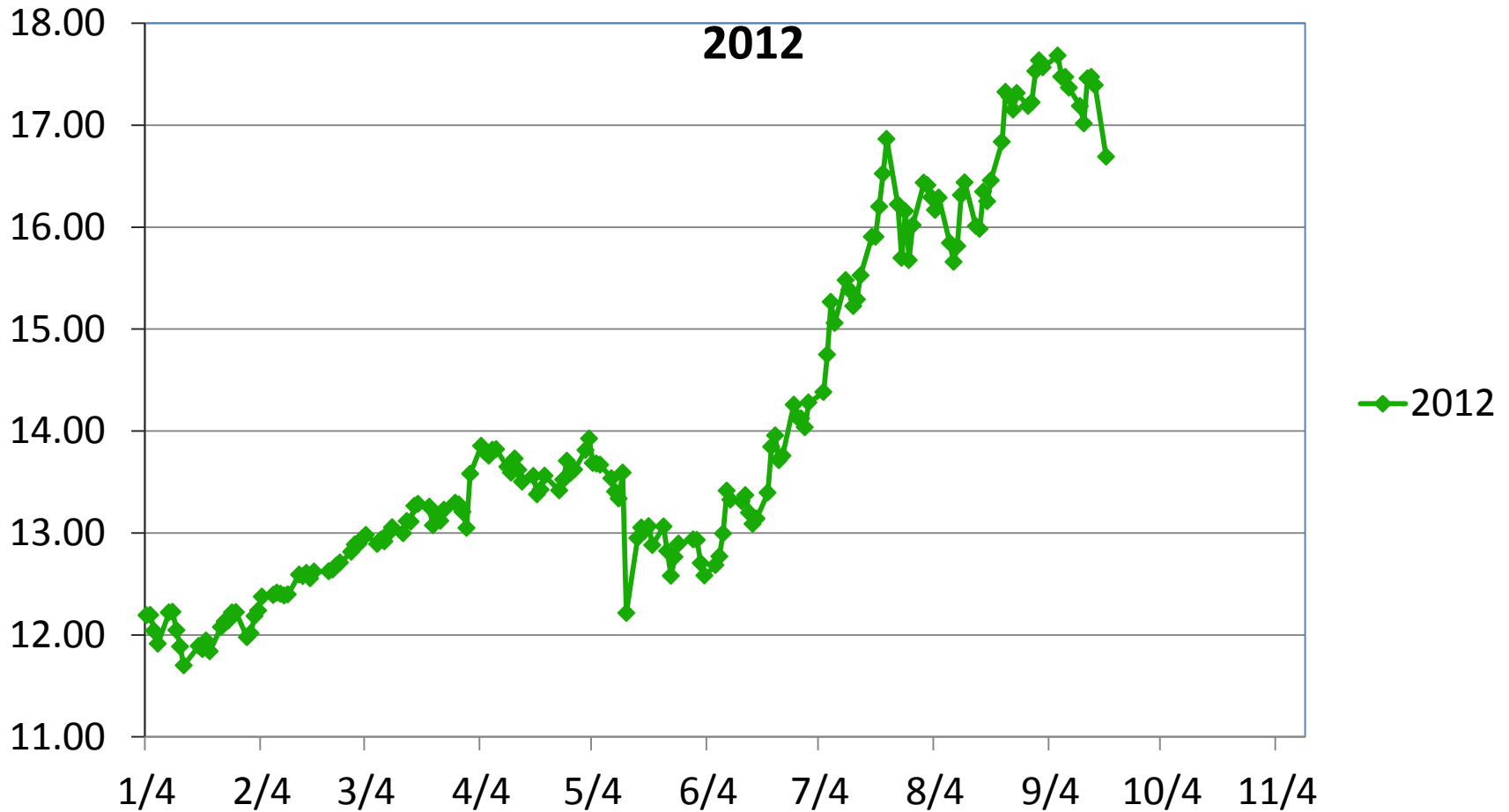
2010 Nov Soybeans



2011 Nov Soybeans



2012 Nov Soybeans



The Ruling Stands....



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However...for 2013/2014

- Watch S. America progress
- Prospective Plantings
 - Adverse weather
- July supplies
- Price 2013/2014
 - Spring “opportunities”
 - Growing season “opportunities”



Quote for 2012

“Don’t let your rearview mirror become larger than your windshield”

Guideposts January 2012 reader submitted



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Questions?

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