Soybean Outlook

2014 Southern Outlook Conference
September 23, 2014

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Overview

- Market Share
- U.S. Supply and Demand
  - Acreage, Yield, Stocks, Crush,& Exports
- Global Supply and Demand
  - Foreign Production
  - Exports, Use, Imports, & Stocks
- Futures Markets
  - Trends
  - Prices
- Price Projections

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Market Share (2014/15 Marketing Year Est.)

- United States
  - 34% of global production
  - 40% of world exports
  - 14.3% of world stocks
  - 18% of global domestic use
  - 13.26% stocks to use ratio (previous 3-years: 3.85%, 4.54%, & 5.36%)
- Argentina
  - 17.7% of world production
  - 37% of world ending stocks
  - 7% of world exports
- Brazil
  - 30.2% of global production
  - 40.5% of global exports
  - 27% of ending stocks
- China
  - 30% of global use
  - 15.5% of world stocks

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U.S. Soybean Supply and Demand (Sept WASDE)

	2013/14 estimate	2014/15 forecast	Change from August 12	Change from 2013/14
			Percent	*Percent*
Planted area (million acres)	76.5	84.8	0.0	10.9
Harvested area (million acres)	75.9	84.1	0.0	10.8
Yield (bushels per acre)	43.3	46.6	2.6	7.4
	Million bushels			
Beginning stocks	141	130	-7.1	-7.3
Production	3,289	3,913	2.6	19.0
Imports	80	15	0.0	-81.3
Total supply	3,509	4,058	2.2	15.6
Crush	1,730	1,770	0.9	2.3
Seed and residual	4	113	2.2	2,709.7
Domestic use	1,734	1,883	0.9	8.6
Exports	1,645	1,700	1.5	3.3
Total use	3,379	3,583	1.2	6.0
Ending stocks	130	475	10.4	264.5
	Percent			
Stocks to use ratio	3.9	13.3		
	Dollars per bushel			
Average market price	13.00	9.00/11.00	-3.4	-23.1

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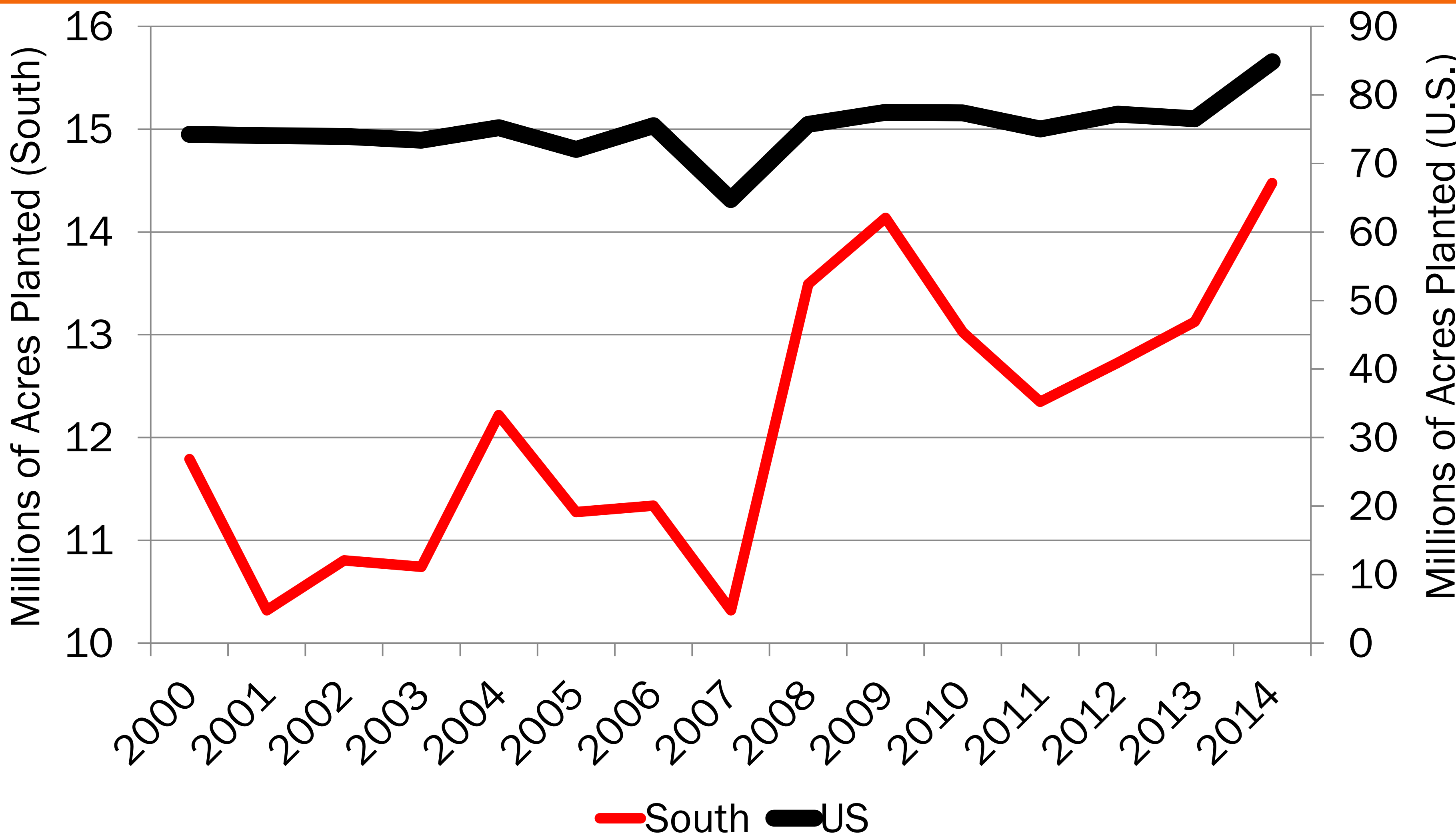
Soybean Acres Planted U.S. and Southern Region



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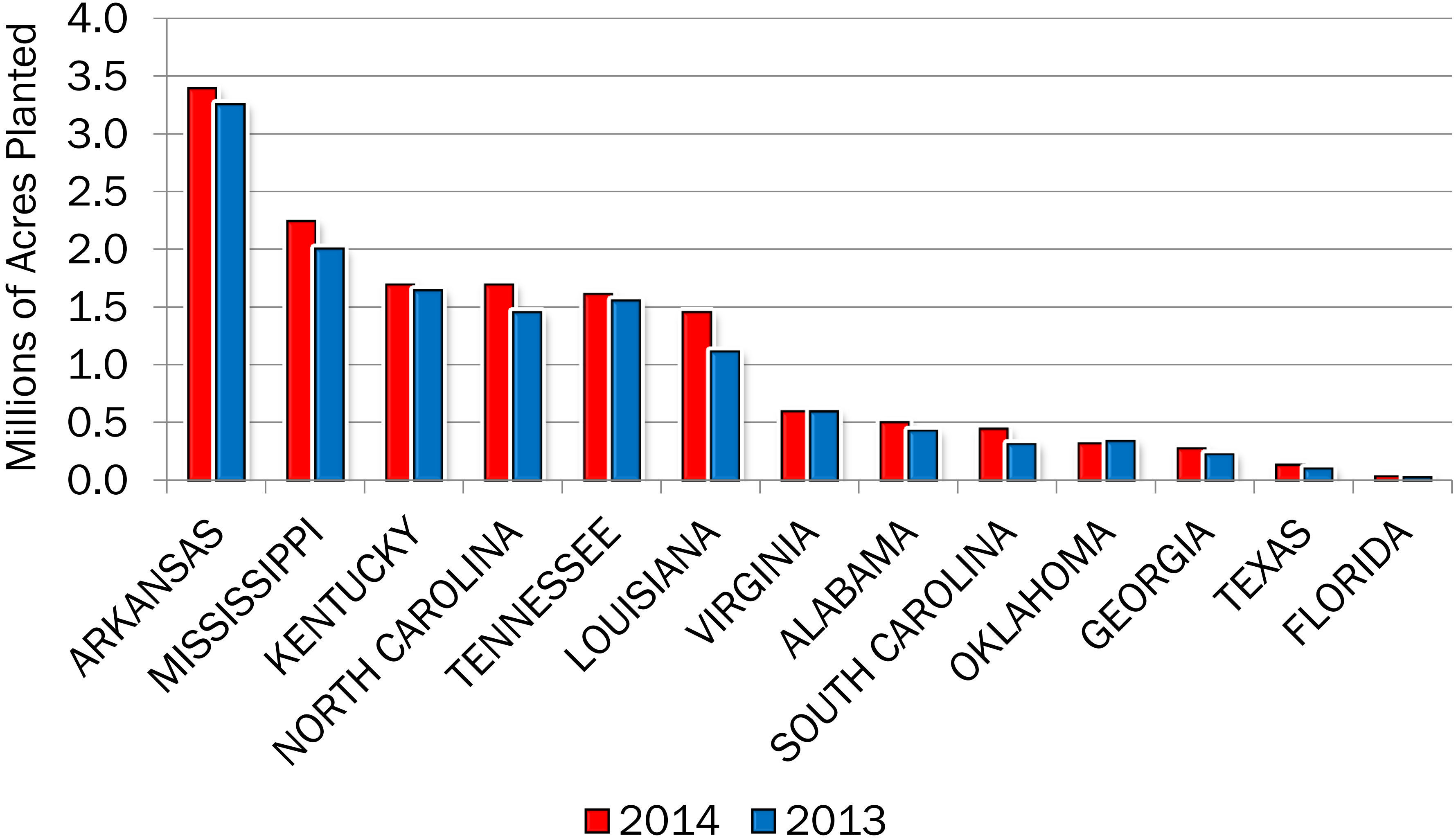
Soybean Acres Planted by State



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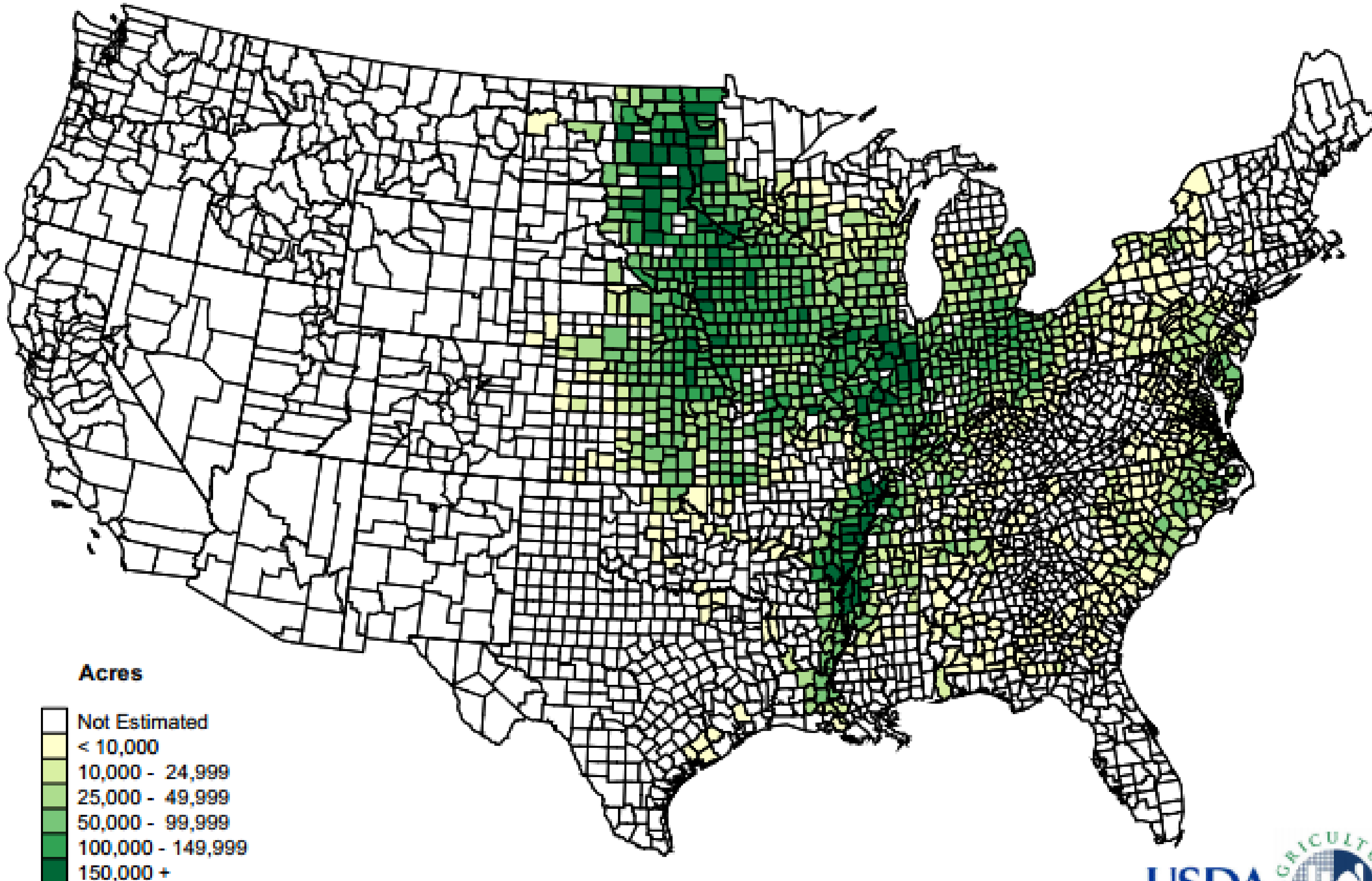
Soybeans 2013
Harvested Acres by County
for Selected States



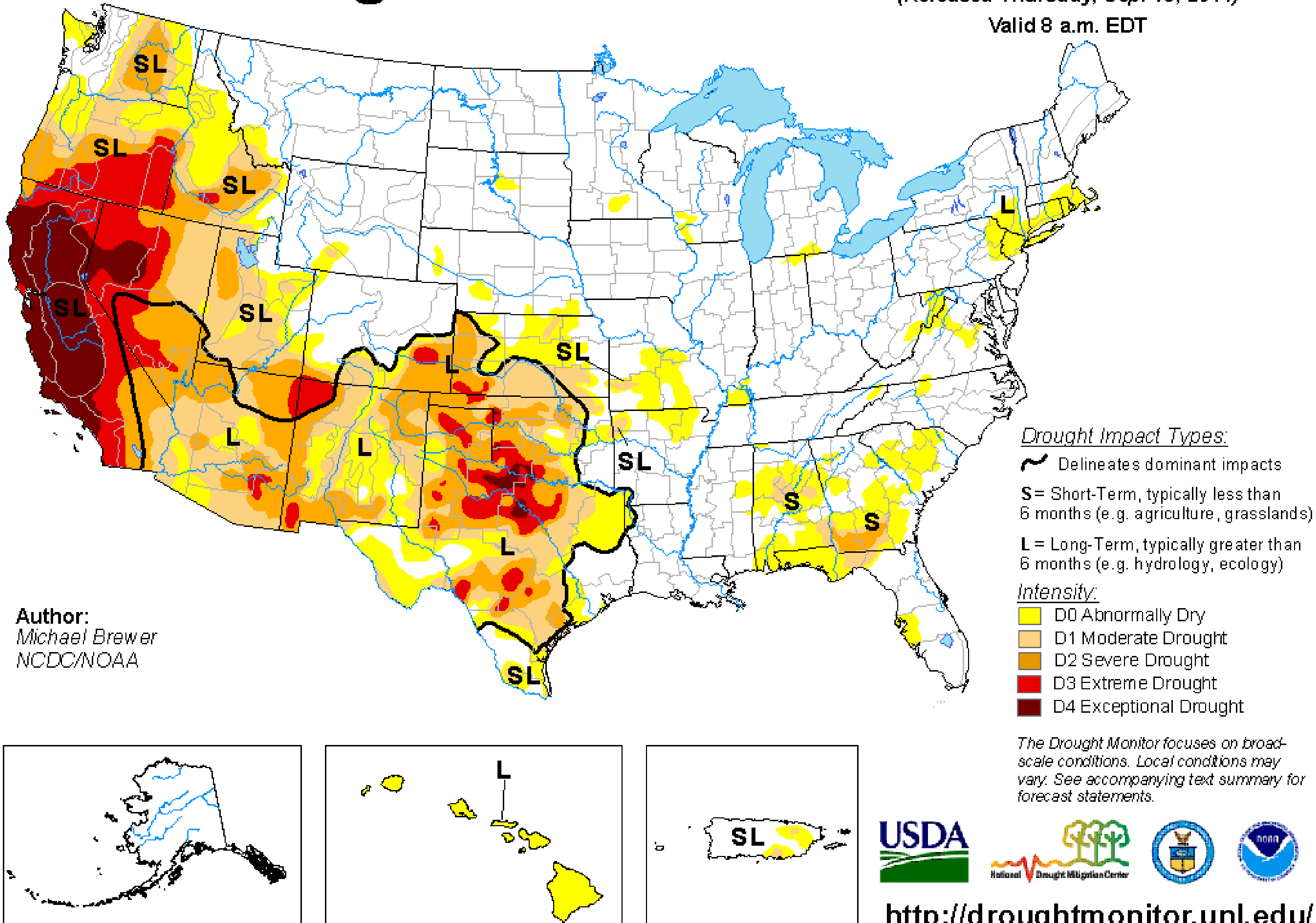
U.S. Department of Agriculture, National Agricultural Statistics Service

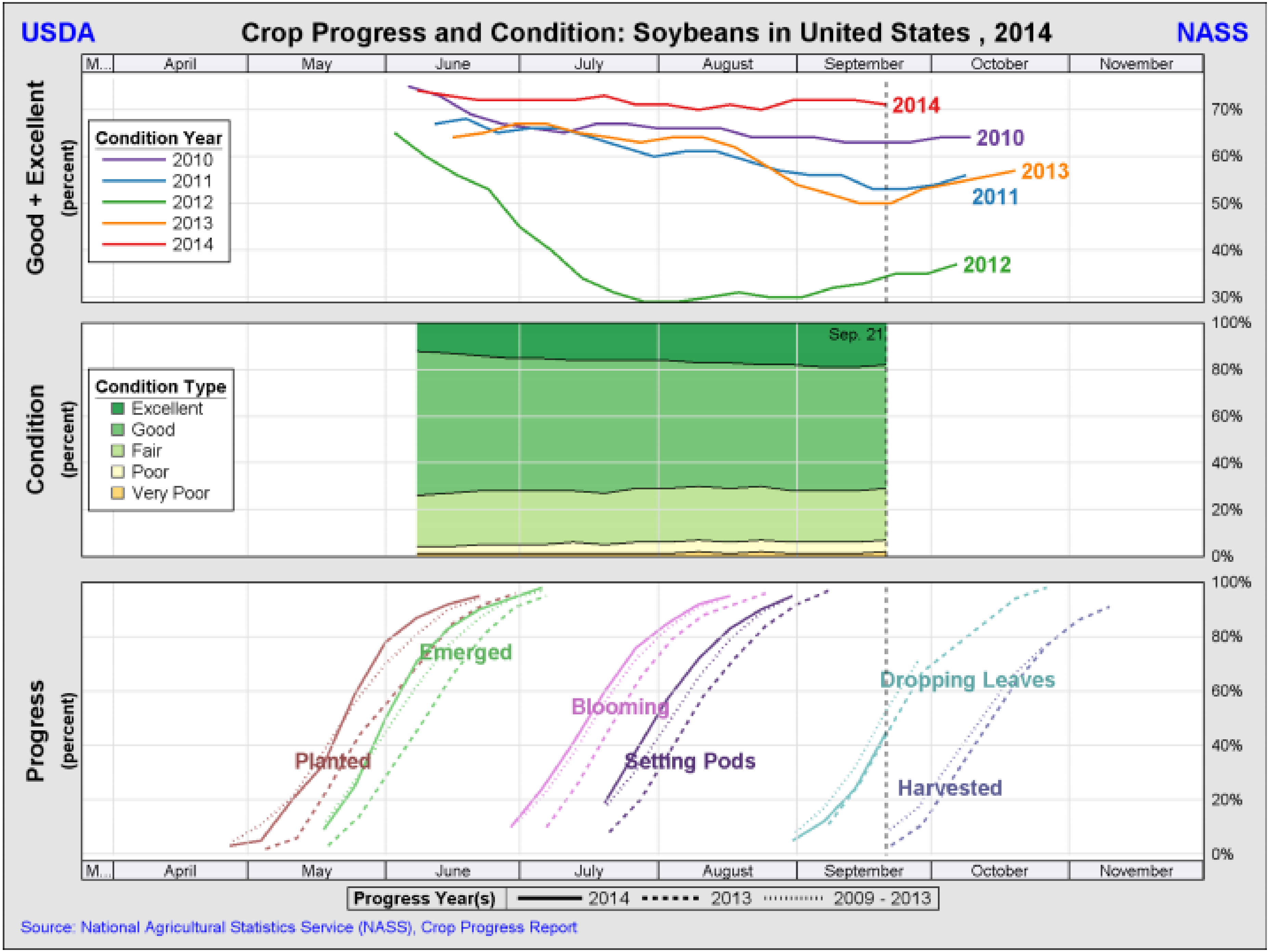
U.S. Drought Monitor

September 16, 2014

(Released Thursday, Sep. 18, 2014)

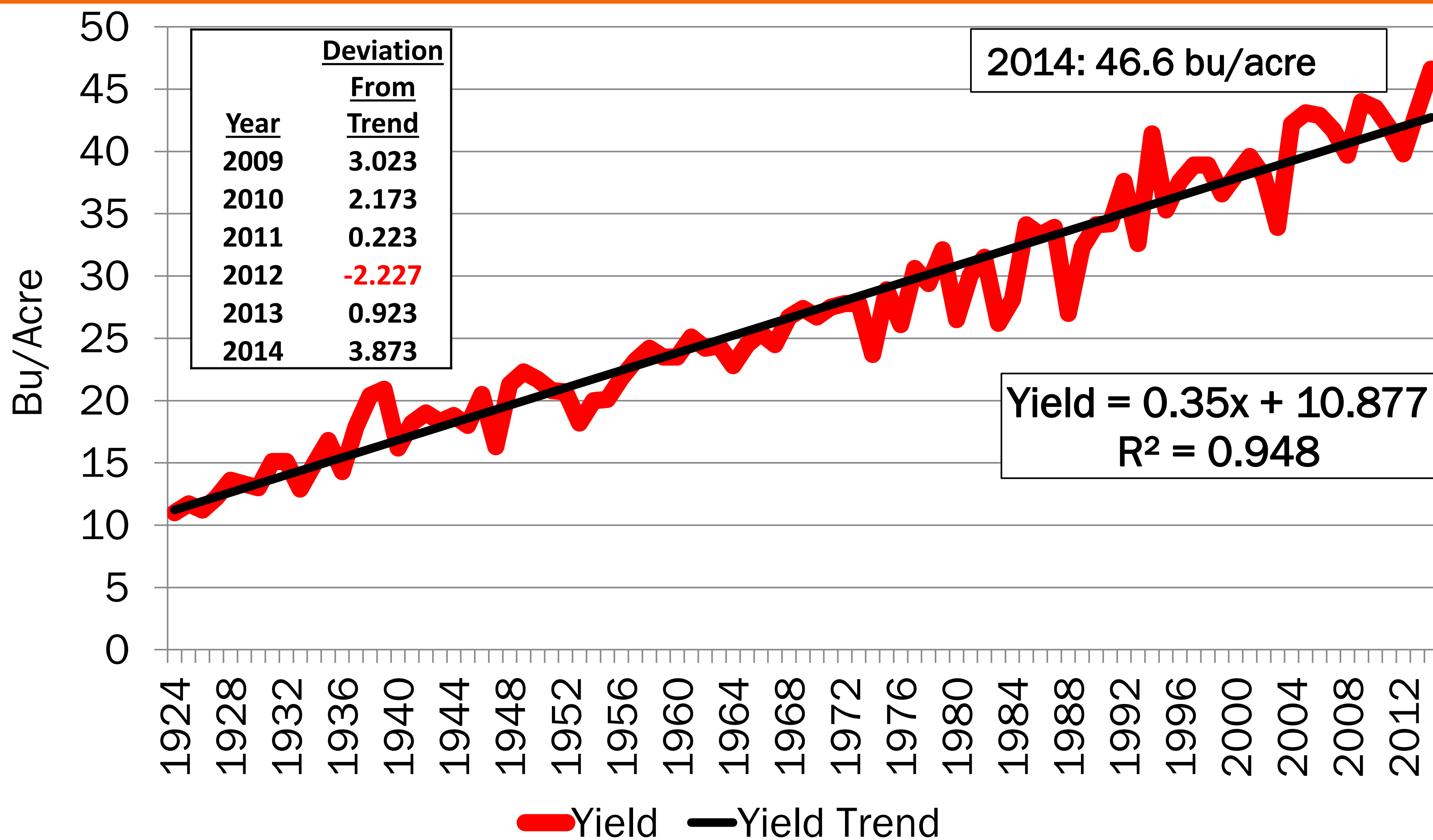
Valid 8 a.m. EDT





USDA
Crop Progress and Condition: Soybeans in United States , 2014
NASS
Good + Excellent (percent)
Condition Year
2010
2011
2012
2013
2014
Condition (percent)
Condition Type
Excellent
Good
Fair
Poor
Very Poor
Sep. 21
Progress (percent)
Planted
Emerged
Blooming
Setting Pods
Dropping Leaves
Harvested
M...
April
May
June
July
August
September
October
November
Progress Year(s)
2014
2013
2009 - 2013
Source: National Agricultural Statistics Service (NASS), Crop Progress Report

U.S. Soybean Yield and Trend Yield



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Soybean Yields

Southern Region

	2013	**2014***
ALABAMA	43	41
ARKANSAS	43.5	**46**
FLORIDA	41	-
GEORGIA	40	39
KENTUCKY	49.5	46
LOUISIANA	48	**51**
MISSISSIPPI	45	**49**
NORTH CAROLINA	33	**37**
OKLAHOMA	30	**31**
SOUTH CAROLINA	28	28
TENNESSEE	46	**47**
TEXAS	25	**32**
VIRGINIA	38	**41**

Corn Belt and Northern Plains

	2013	**2014***
ILLINOIS	49	**56**
INDIANA	51	**52**
IOWA	44.5	**51**
NEBRASKA	53	53
MINNESOTA	41	**42**
NORTH DAKOTA	30	**33**
SOUTH DAKOTA	40	**42**
WISCONSIN	38	**46**

*Estimated
Lower than 2013
Higher than 2013
Unchanged from 2013

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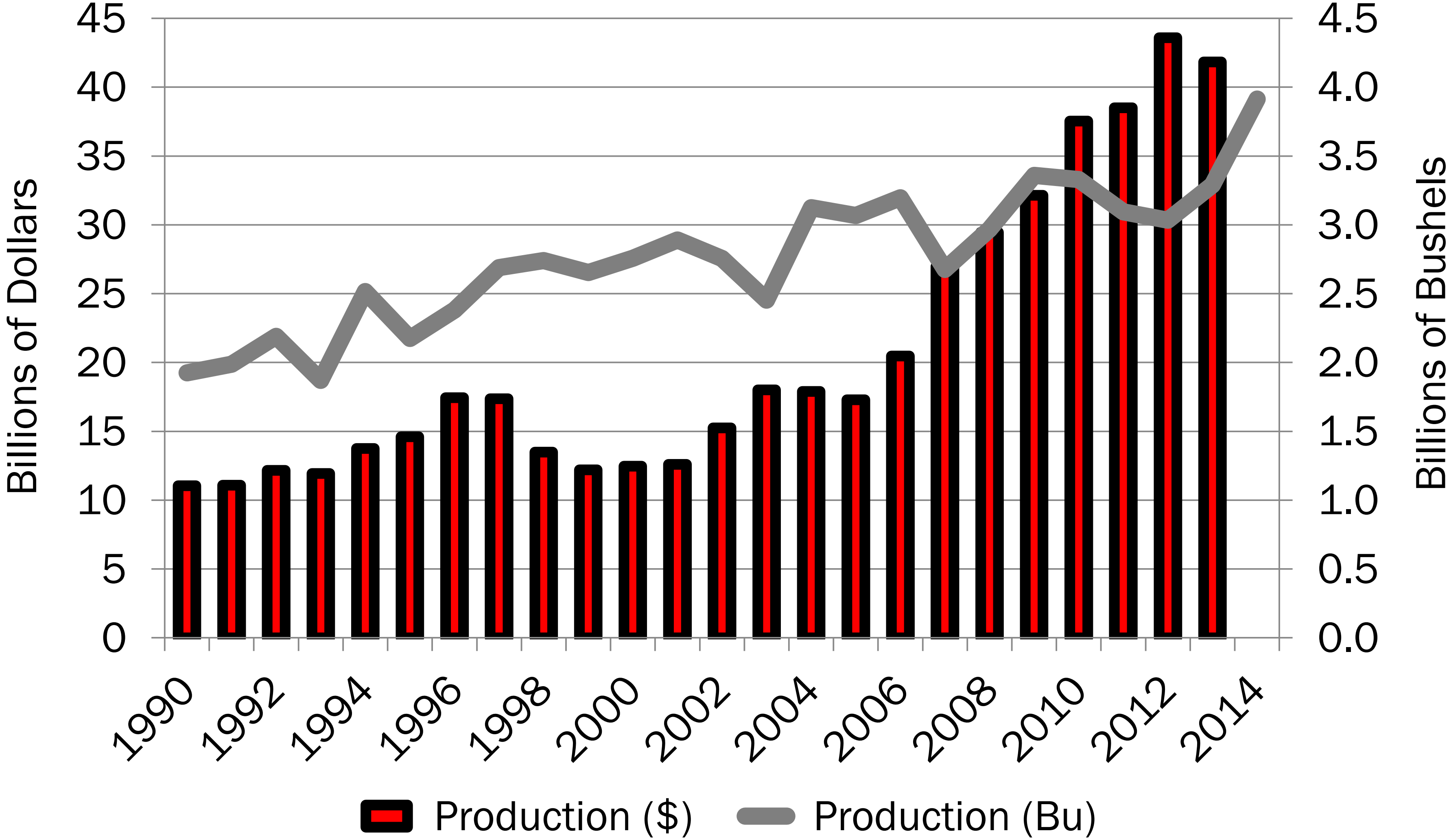
U.S. Soybean Production ($ & Bu)



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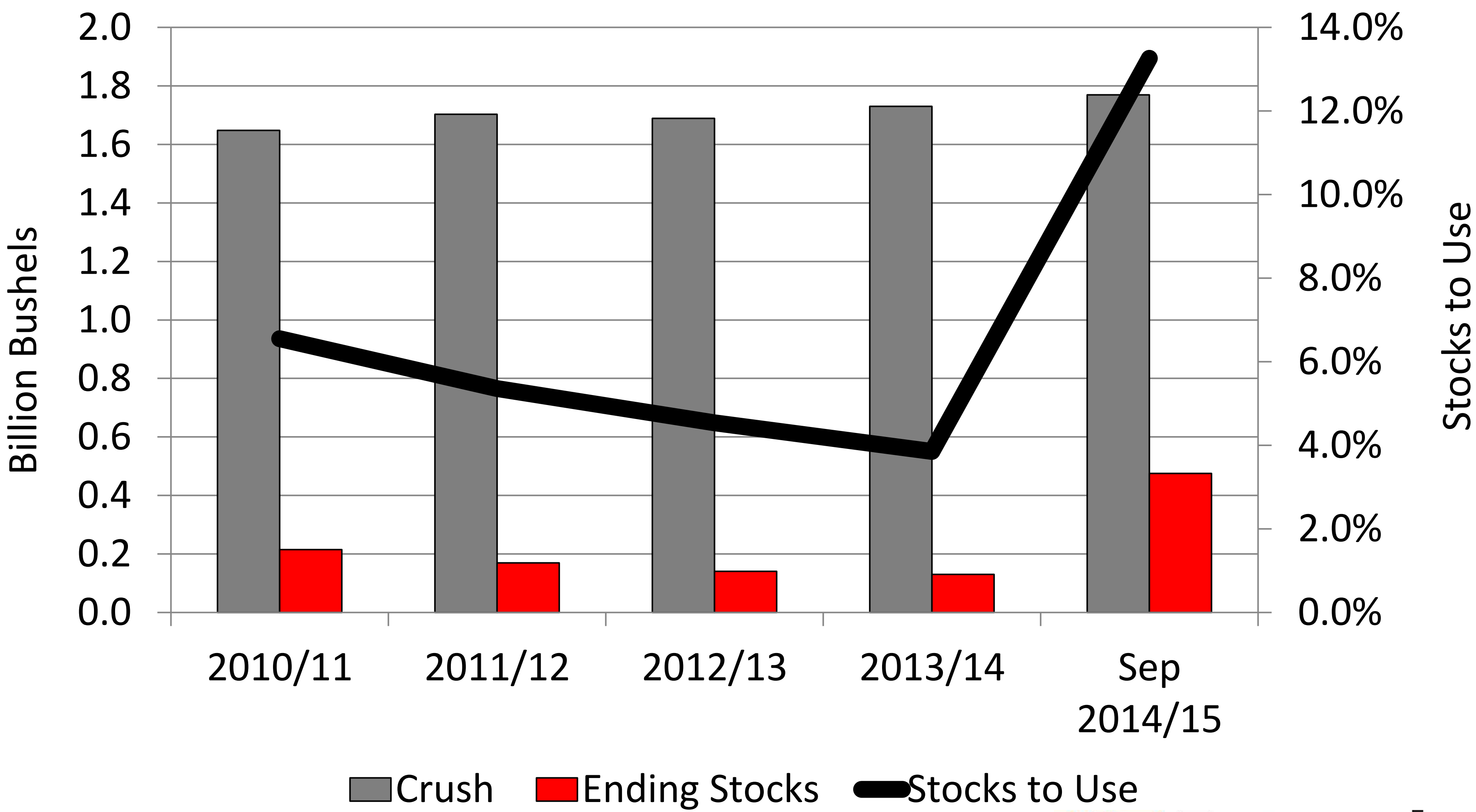
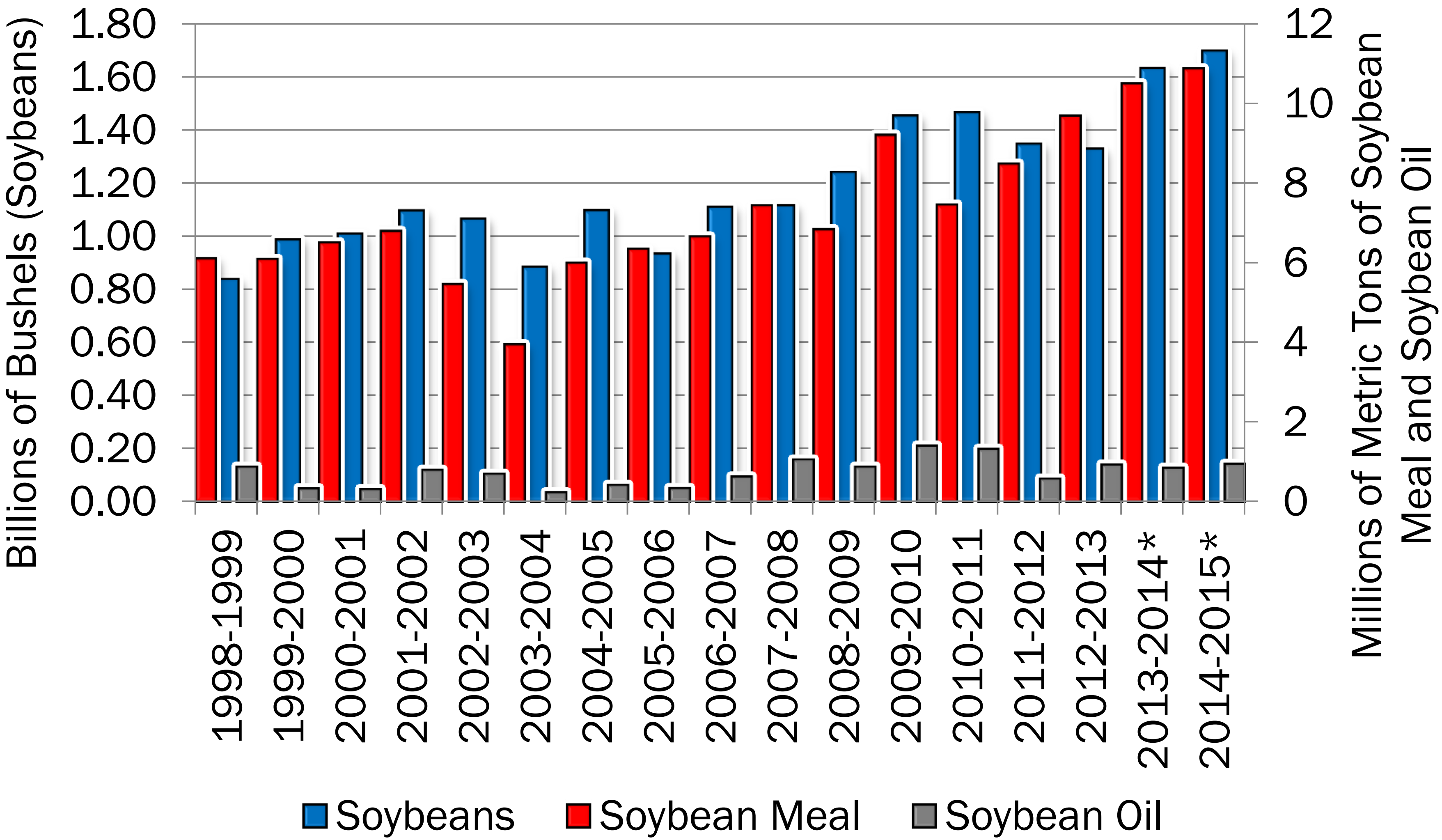
U.S. Soybean Stocks, Stocks to Use, and Domestic Crush



U.S. Soybean, Soybean Meal, and Soybean Oil Exports by Marketing Year



Source: USDA/FAS/Export Sales Reporting
* denotes estimate

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World Soybean Production Sept WASDE

Country or Region	2013/14 estimate	2014/15 forecast	Change from August 12	Change from 2013/14
	Million Tons		*Percent*	*Percent*
World	283.1	311.1	**2.1**	**9.9**
United States	89.5	106.5	**2.6**	**19.0**
Foreign	193.6	204.6	**1.9**	**5.7**
Argentina	54.0	55.0	**1.9**	**1.9**
Brazil	86.7	94.0	**3.3**	**8.4**
Paraguay	8.1	8.2	**0.0**	**1.2**
Ukraine	2.8	3.5	**0.0**	**26.2**
India	11.0	11.0	**0.0**	**0.0**
China	12.2	12.0	**0.0**	**-1.6**

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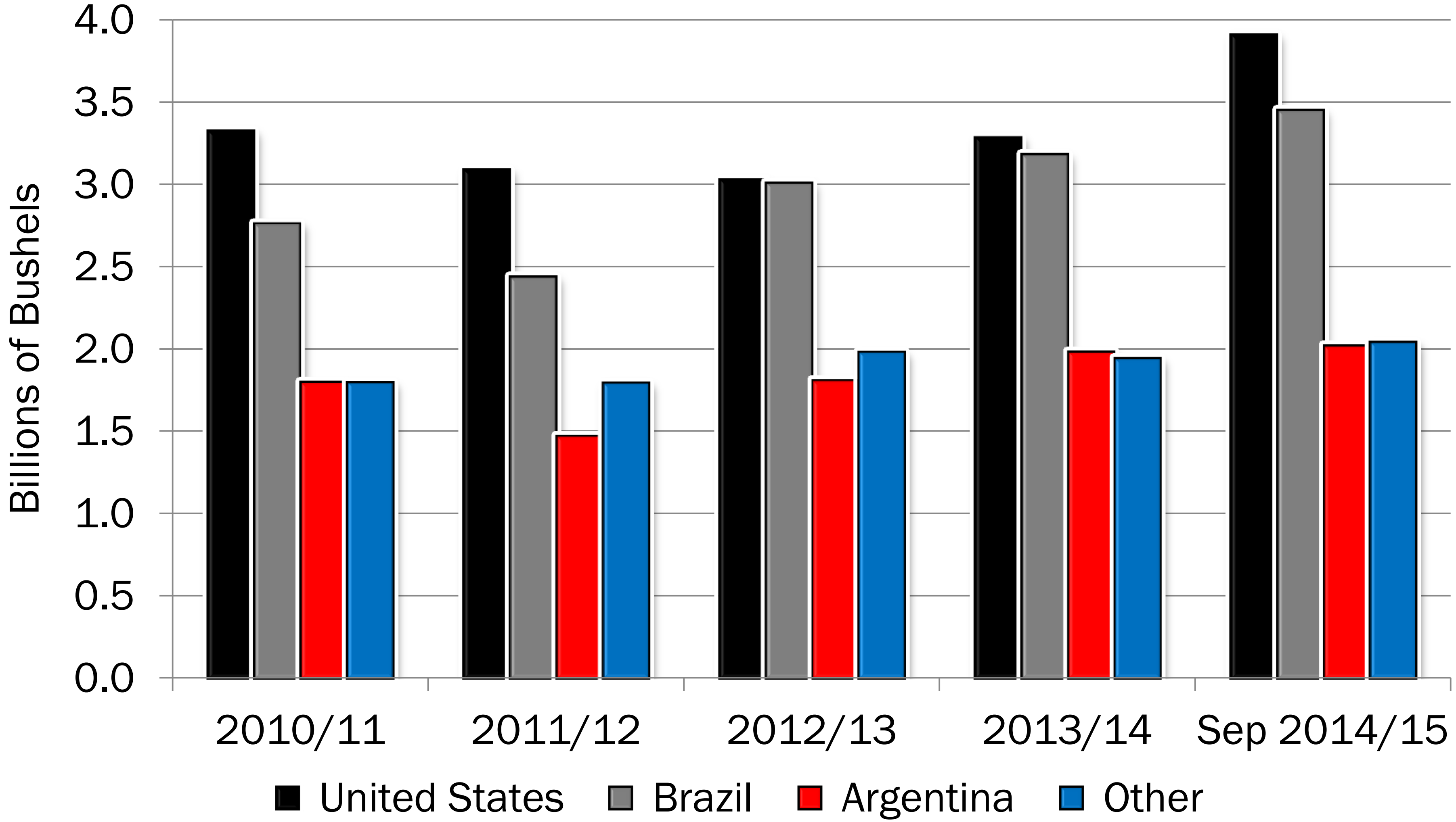
Global Soybean Production



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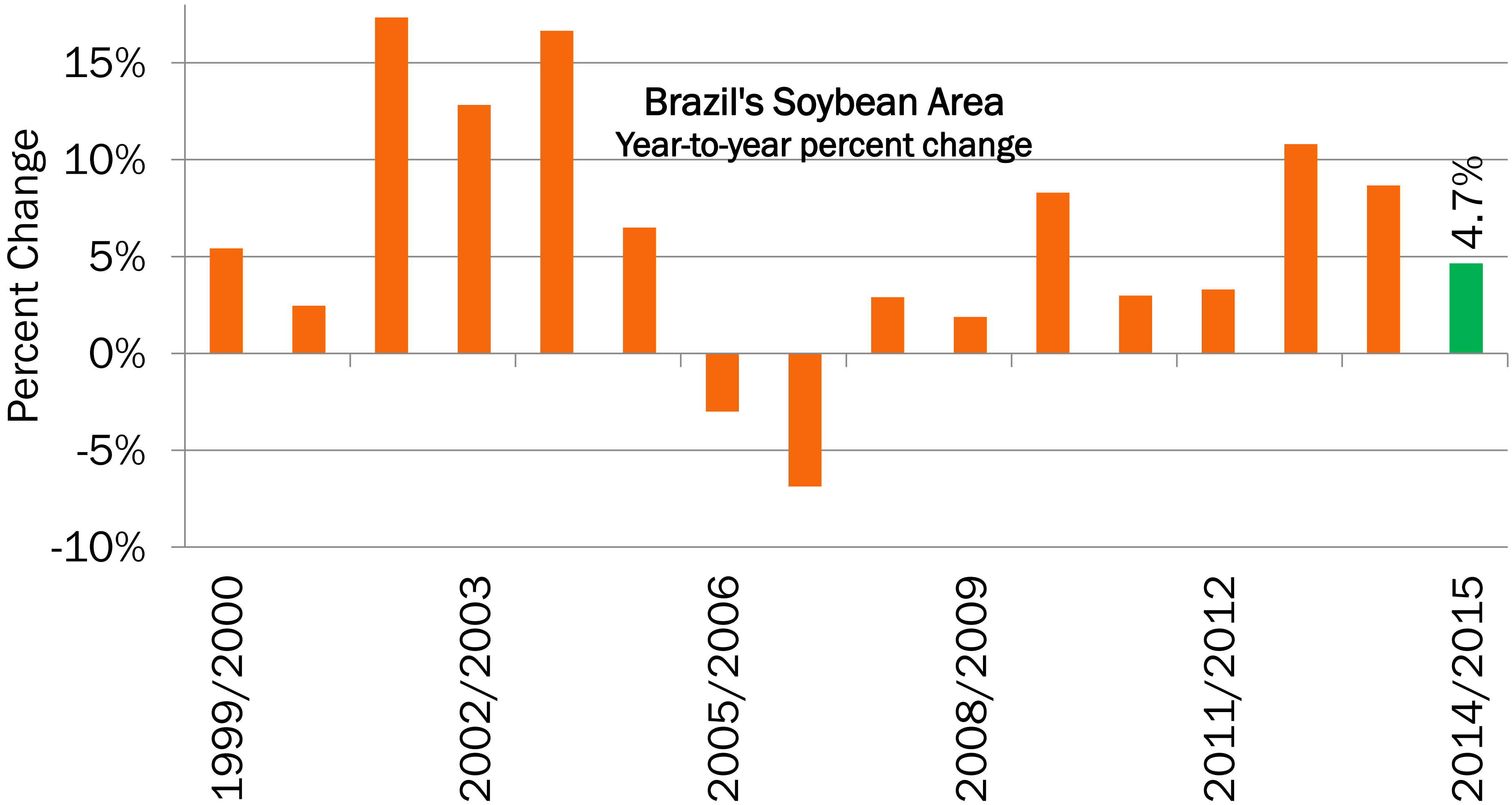
Brazil 2014/15 Area Estimated up 4.7% from last year



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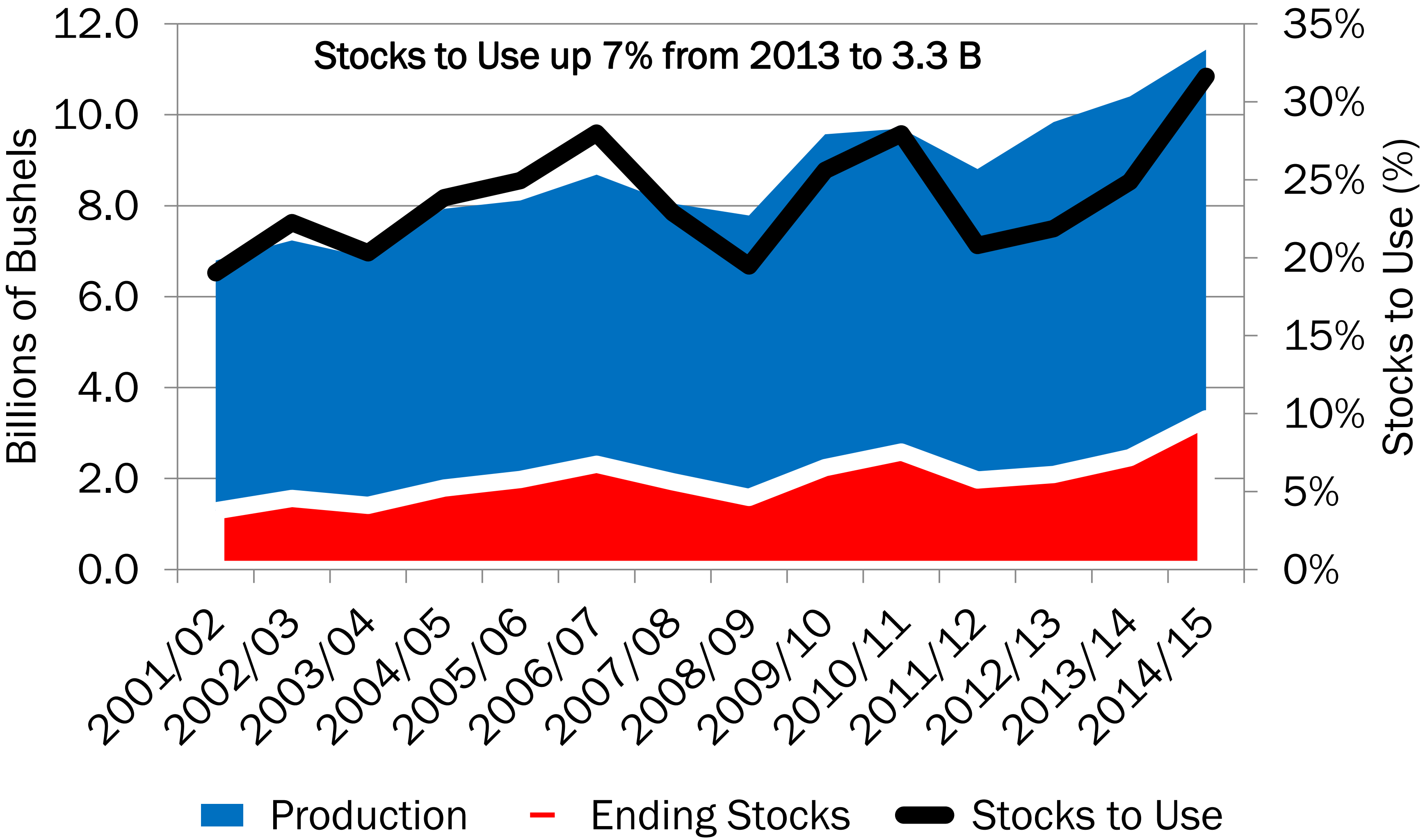
Global Soybean Production, Ending Stocks, and Stocks to Use



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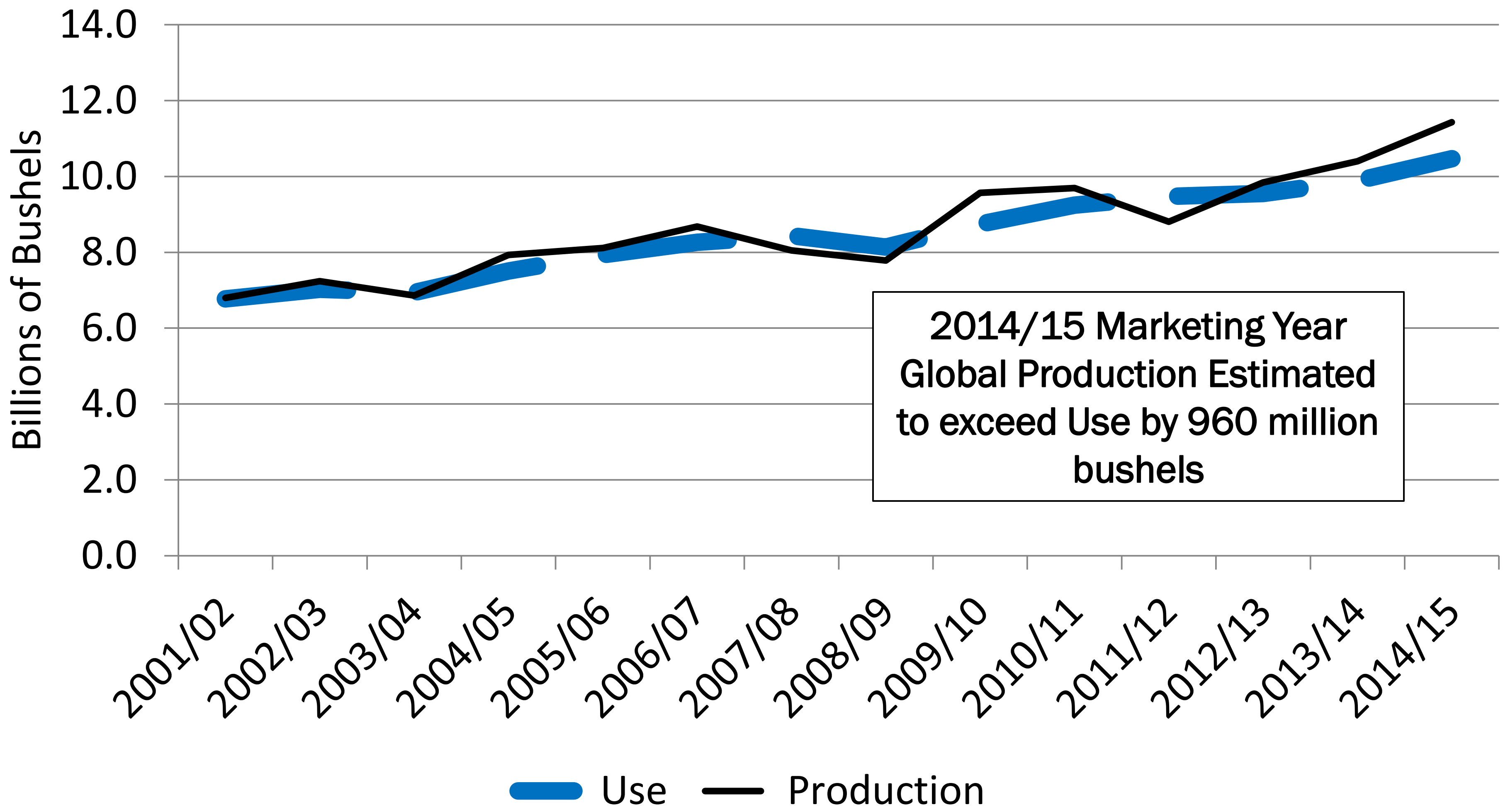
Global Soybean Production and Use



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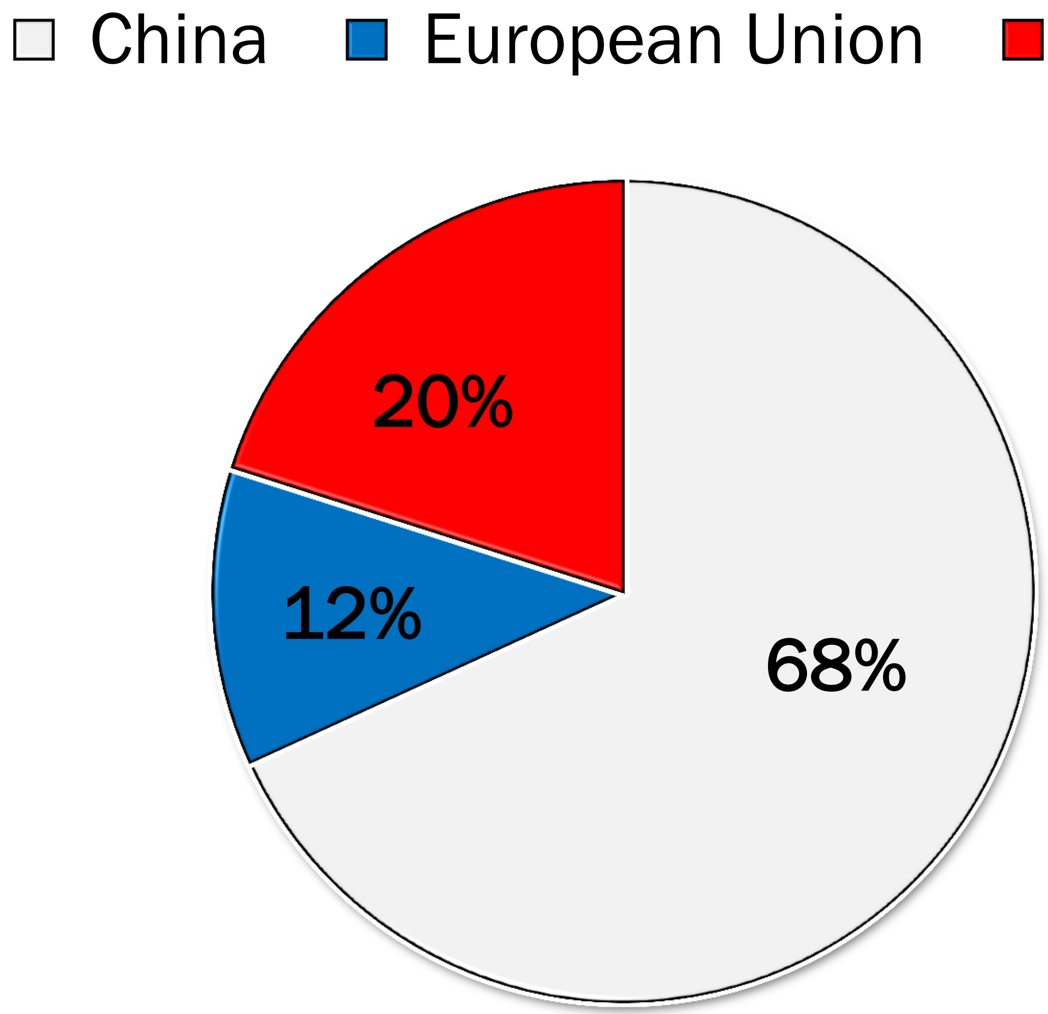
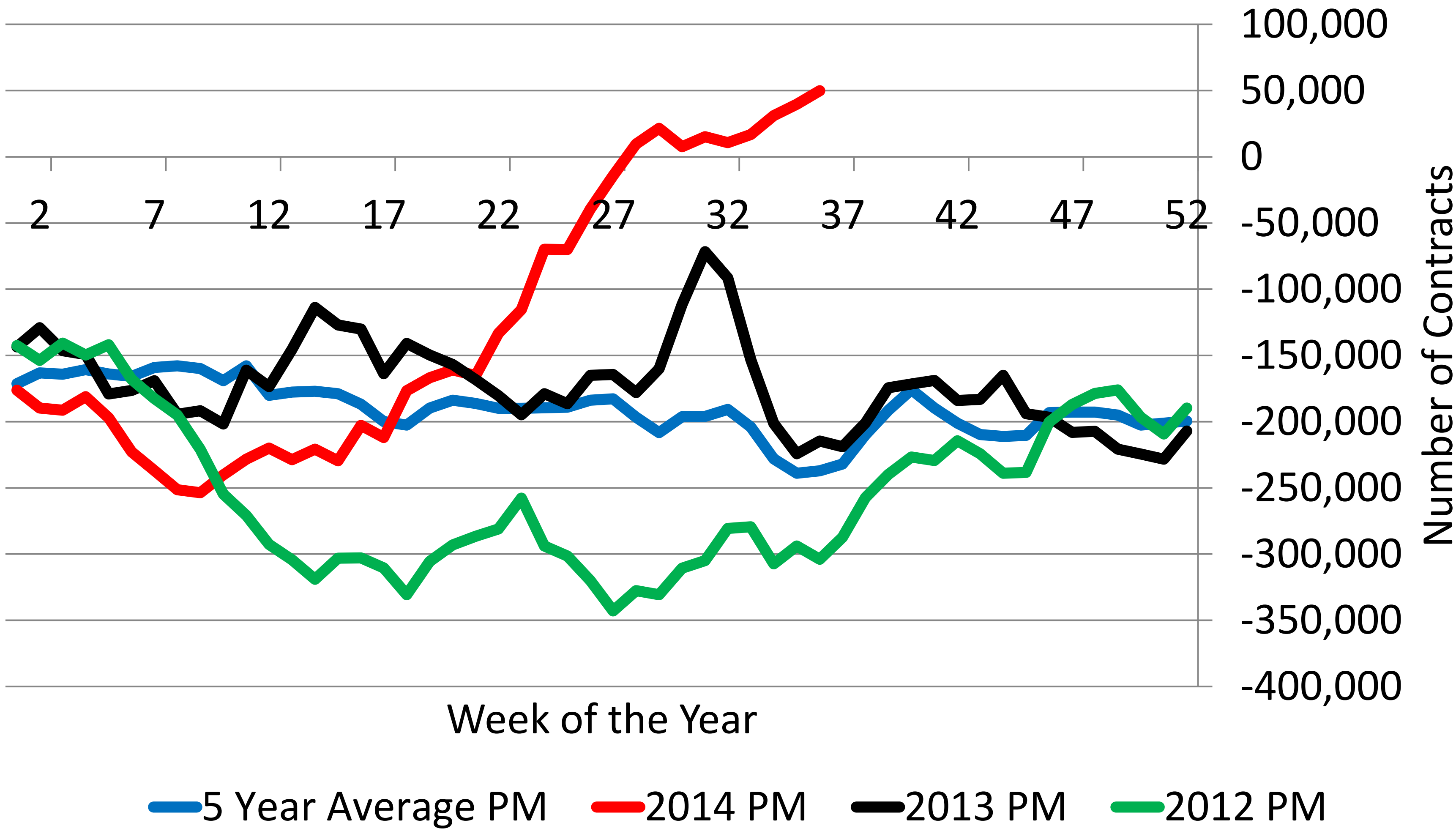
Soybean Imports 2014/15 Marketing Year Estimates



Producer/Merchandiser Long minus Short Positions CBOT Soybeans



Source: Commodity Futures Trading Commission's (CFTC) Commitment of Traders report

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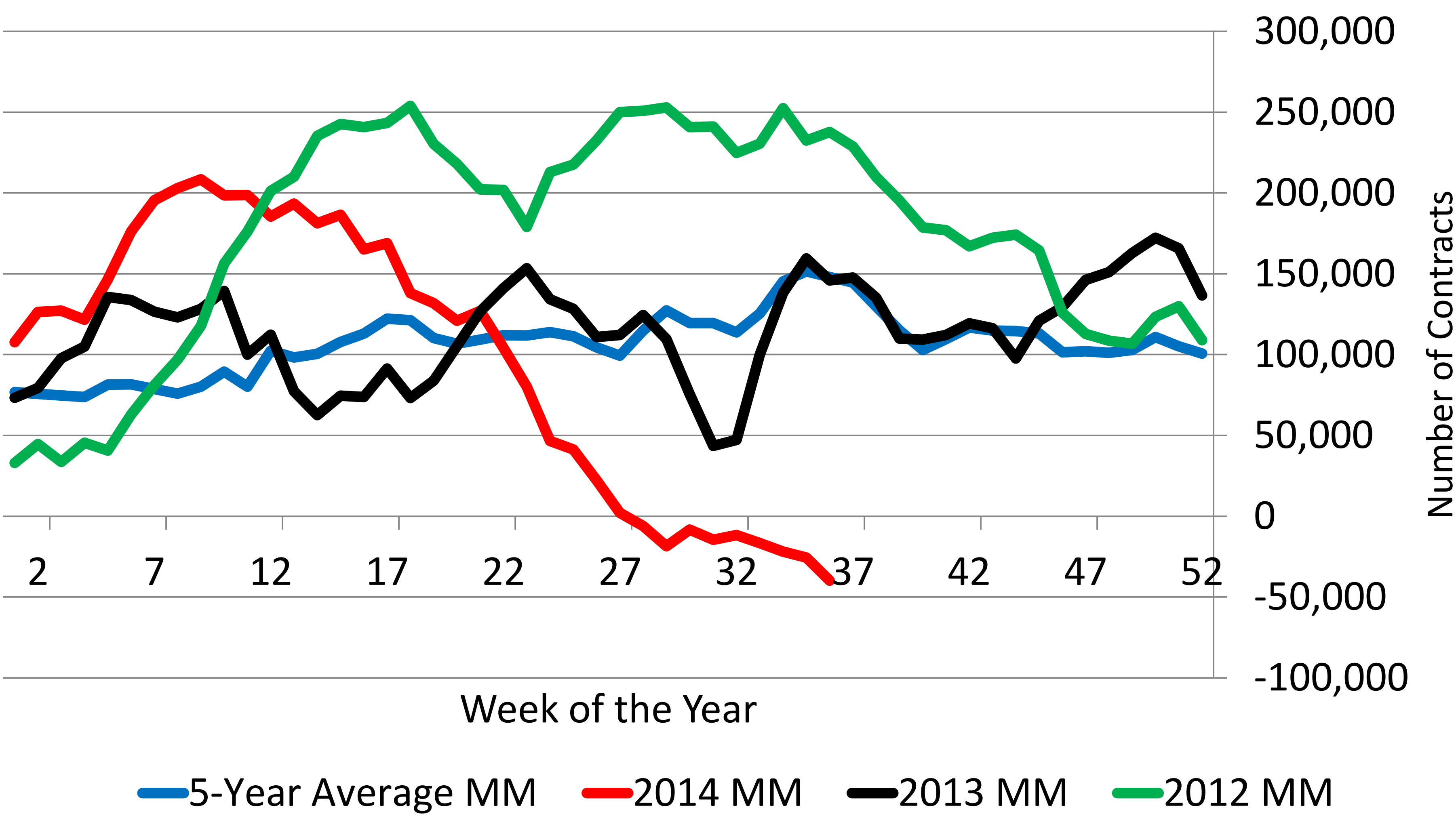
Managed Money Long minus Short Positions CBOT Soybeans



Source: Commodity Futures Trading Commission's (CFTC) Commitment of Traders report

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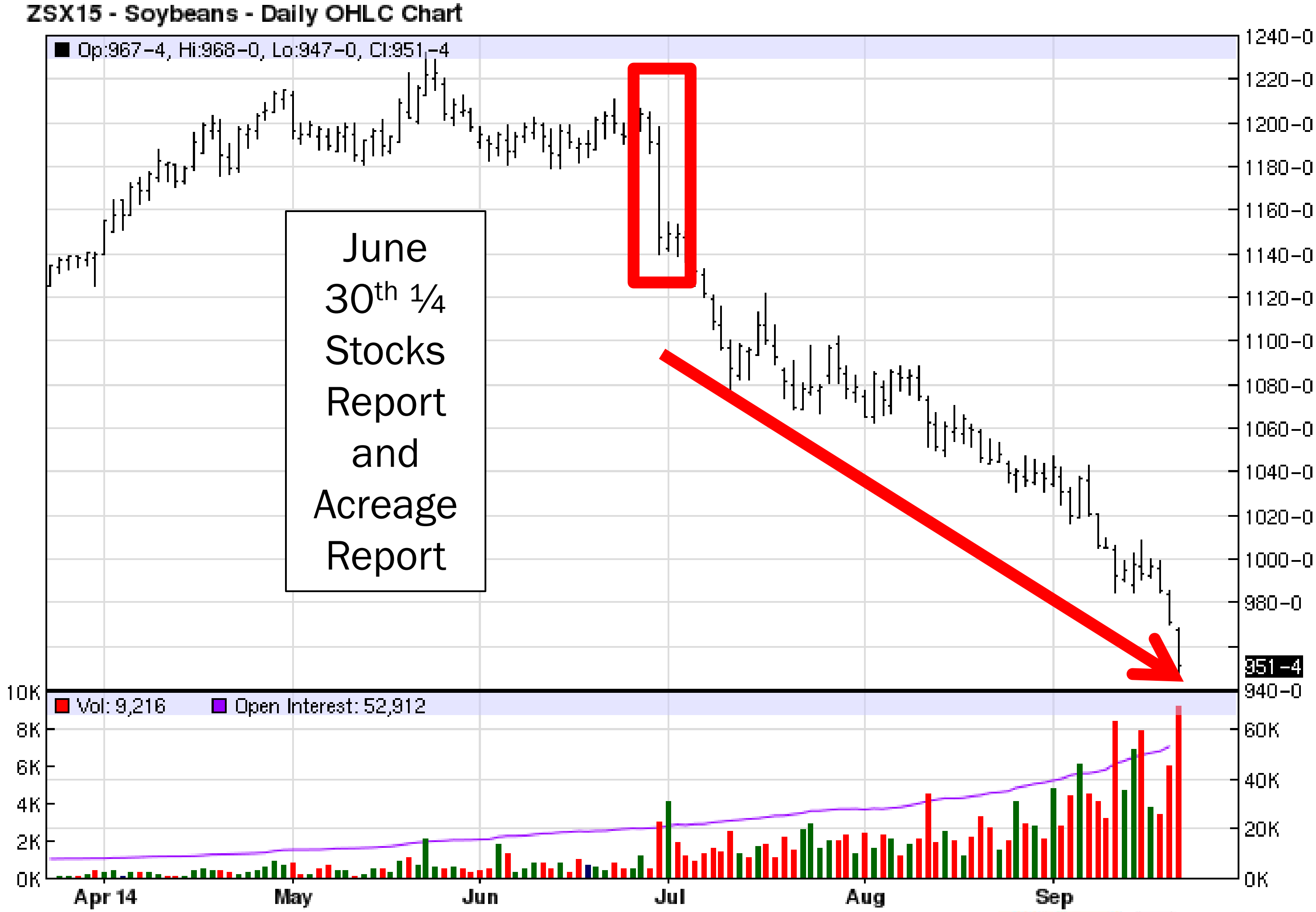
Soybean Futures Contracts

Contract	Last	Change	Open	High	Low	Previous	Volume	Time
ZSY00 (Cash)	1025-4s	-55-4	0-0	1025-4	1025-4	1081-0	0	09/19/14
ZSX14 (Nov '14)	932-2	-6-0	936-0	937-0	931-0	938-2	4,153	19:20
ZSF15 (Jan '15)	939-2	-6-4	943-0	944-0	938-2	945-6	1,012	19:20
ZSH15 (Mar '15)	946-0	-6-2	950-0	950-2	944-4	952-2	237	19:20
ZSK15 (May '15)	952-4	-6-2	956-6	957-0	951-4	958-6	69	19:16
ZSN15 (Jul '15)	957-6	-6-4	962-4	962-4	956-2	964-2	288	19:20
ZSQ15 (Aug '15)	966-6s	-21-4	974-2	974-4	964-0	988-2	398	09/22/14
ZSU15 (Sep '15)	956-0s	-21-6	962-4	962-4	953-4	977-6	226	09/22/14
ZSX15 (Nov '15)	945-0	-6-4	948-0	948-6	943-6	951-4	217	19:19
ZSF16 (Jan '16)	957-2s	-18-2	961-0	961-2	953-4	975-4	135	09/22/14
ZSH16 (Mar '16)	962-6s	-17-4	966-4	966-4	959-4	980-2	87	09/22/14
ZSK16 (May '16)	968-4s	-16-2	964-6	970-0	964-6	984-6	61	09/22/14

November 2015 Futures



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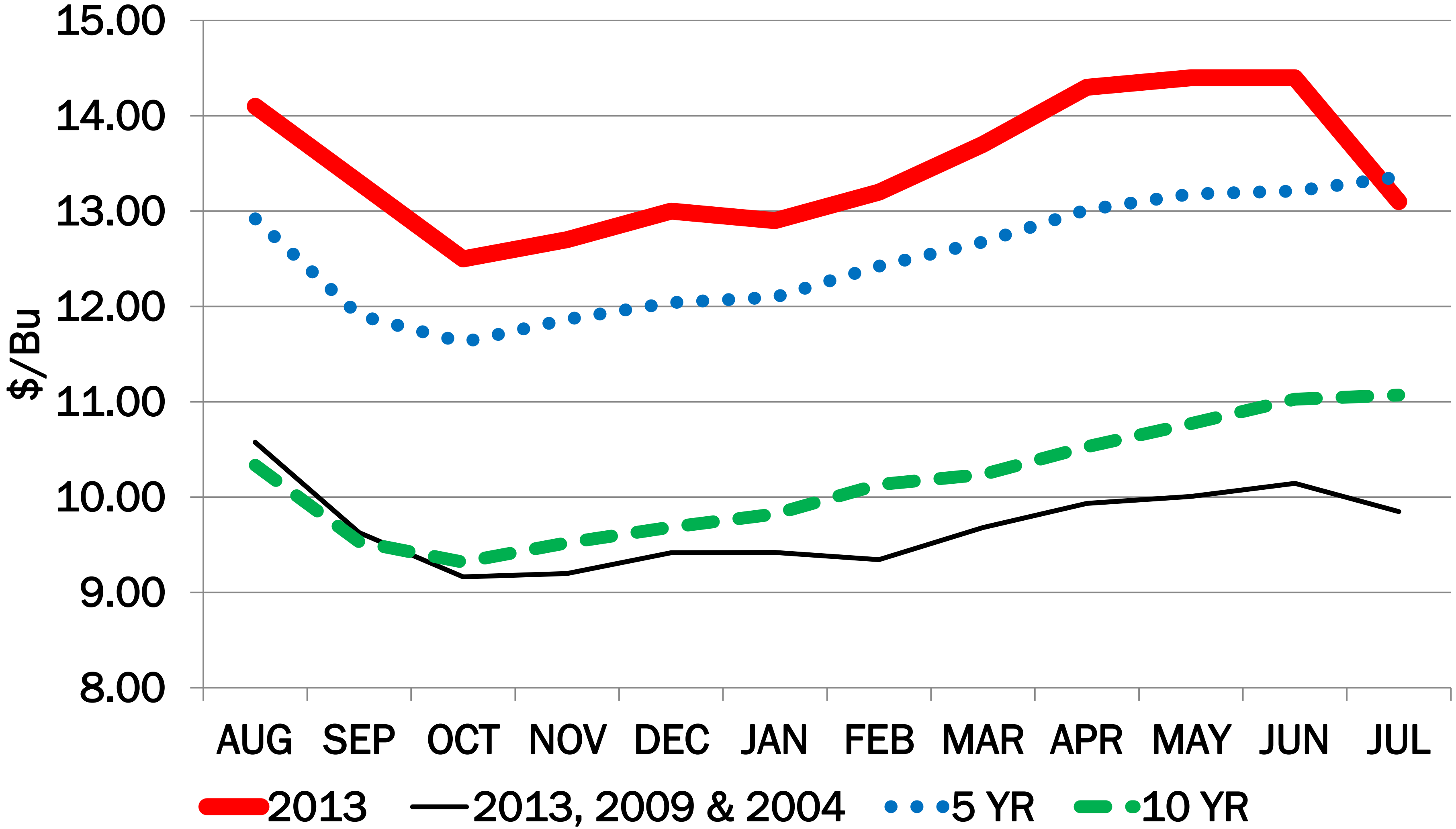
U.S. Monthly Farm Price ($/bu)



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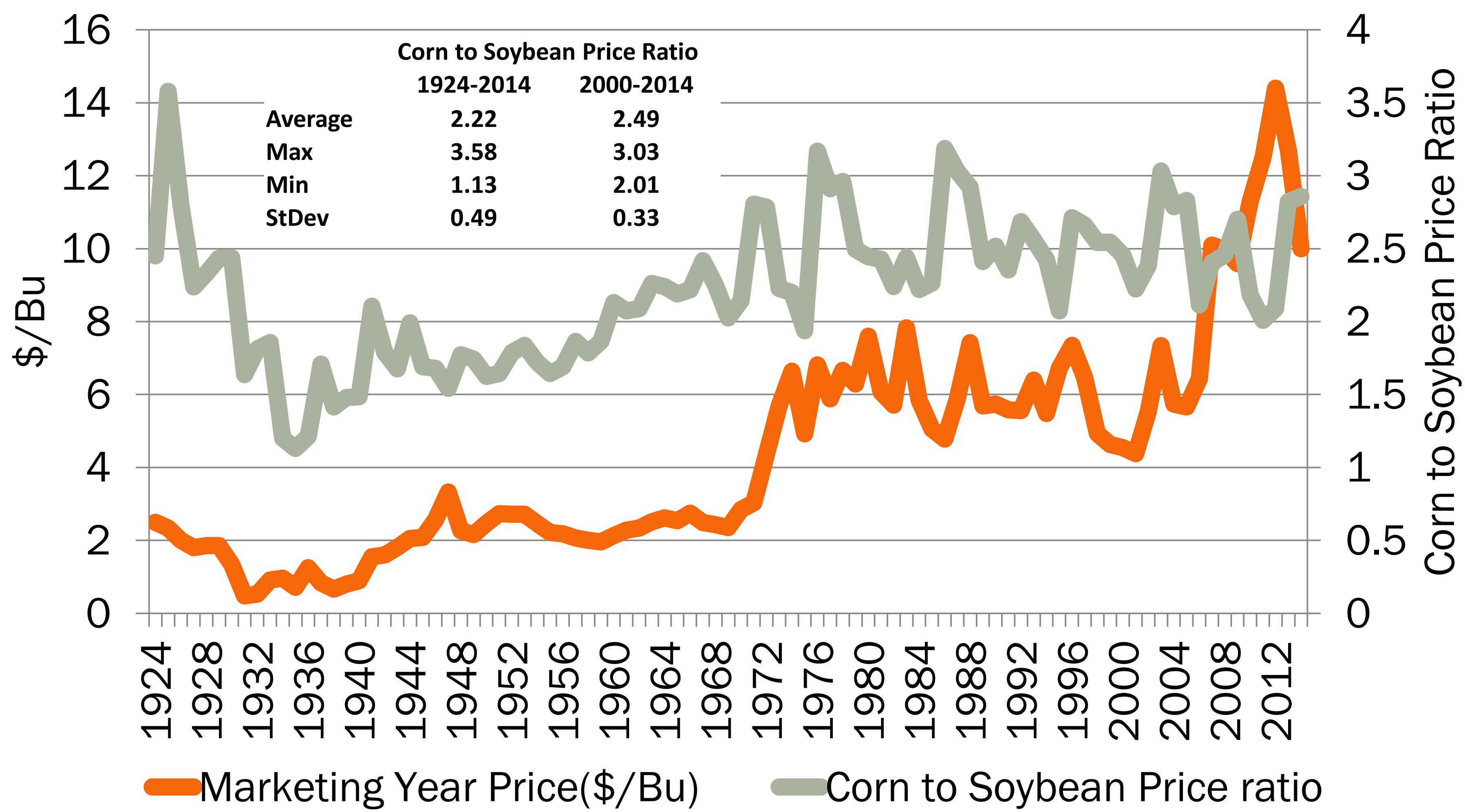
Soybean Marketing Year Average Price & Corn to Soybean Price Ratio



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Soybean Price Projections 2014/2015 to 2018/2019 Marketing Year

Marketing Year	USDA	FAPRI
2014/15	$ 10.75	$ 9.92
2015/16	$ 8.66	$ 9.04
2016/17	$ 9.00	$ 9.72
2017/18	$ 8.97	$ 10.32
2018/19	$ 9.19	$ 10.57

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2015 Crop Year: Key Factors

- Export demand
  - Exchange rates
  - China
    - Policy
    - Food/feed demand
    - DDG's
  - Other emerging markets
- Global supply
  - Brazil
    - Production
    - Logistics and infrastructure
  - Argentina
    - Production
    - Policy/currency fluctuation
- Domestic supply
  - 2015 acreage
    - Input prices
    - Relative prices (cotton, corn, wheat, canola...)
    - Farm Bill program selection and implementation
    - What will happen in the Dakota's and Minnesota
  - What will weather bring?

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Questions/Comments/Discussion

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