

Corn & Soybeans

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CORN

Estimate for 2015-16 Season

- ▶ **Global corn production** for 2015-16 is projected at **967.93 Mio t**, -5.9 Mio t from last month, on lower production for South Africa and the United States, more than offsetting an increase for Ukraine.
- ▶ Corn production is lowered 4 Mio t for **South Africa** at 8 Mio t as continued heat and dryness during December further reduced prospects for area and yields.
- ▶ Projected **U.S. corn production** is **345.49 Mio t**. Harvested area for corn is raised slightly, but the national average yield is estimated 0.9 bushel per acre lower than the previous forecast at 168.4 bushels per acre (10.69 tons/hectare).
- ▶ **Exports** are still lower (-2.9%) based on the slow pace of sales and shipments to date and continued strong competition from South American suppliers. Corn used to produce **ethanol** is unchanged, but projected use for **sweeteners** is lowered.
- ▶ **Global 2015-16 corn ending stocks** remain **record** large at 208.98 Mio t, 2.9 Mio t lower from December estimates. However more than half of those stocks are held in **China**.



CORN – **Global** and **US** outlook: Estimate for the 2015-16 Season



	Million tons	From December 2015 (projections)
Beginning stocks	207.23	-0.5%
Production	967.93	-0.6%
Total use	966.22	-0.4%
Ending stocks	208.94	-1.4%



	Billion bushels	Million tons	From December 2015 (projections)
Beginning stocks	1.73	43.97	0.0%
Production	13.60	345.49	-0.4%
Total use	11.87	301.51	-0.1%
Export	1.70	43.18	-2.9%
Ending stocks	1.80	45.78	+1.0%
Price projection	3,60 \$/bushel	142 \$/ton	130 €/ton ↓
1 month ago	3,65 \$/bushel	144 \$/ton	131 €/ton

CORN conversion factors
1 bushel = 0.025 metric ton
1 metric ton = 39.38 bushel



SOYBEANS

Estimate for 2015-16 Season

- ▶ **Global soybean production** for 2015-16 is projected at **319.01 Mio t**, down 1.1 Mio t from the December forecast, on smaller crops in the United States and South Africa.
- ▶ **U.S. soybean production** is estimated at 106.95 Mio t (-1.3%), on **lower harvested area and yields**. Harvested area is estimated at 81.8 million acres. Yield is estimated at 48 bushels per acre (3.27 tons/hectare), but still a **record**.
- ▶ With lower supplies, **U.S. exports** are reduced. **Canada** exports more than offset lower U.S. soybean exports.
- ▶ **Production in China** is projected larger at 12 Mio t.
- ▶ **Global soybean ending stocks** are projected at **79.28 Mio t**, lower from December estimates but they remain **record** high.



SOYBEANS – **Global** and **US** outlook: Estimate for the 2015-16 Season



	Million tons	From December 2015 (projections)
Beginning stocks	76.93	-0.9%
Production	319.01	-0.3%
Total use	314.04	+0.6%
Ending stocks	79.28	-4.0%



	Billion bushels	Million tons	From December 2015 (projections)
Beginning stocks	0.19	5.19	-0.4%
Production	3.93	106.95	-1.3%
Total use	2.02	55.00	-0.1%
Export	1.69	45.99	-1.5%
Ending stocks	0.44	11.96	-5.5%
Price projection	8.80 \$/bushel	323 \$/ton	274 €/ton ↓
1 month ago	8.90 \$/bushel	327 \$/ton	298 €/ton

SOYBEANS conversion factors
1 bushel = 0.027 metric ton
1 metric ton = 36.74 bushel



Chicago Mercantile Exchange (CME)

Corn prices

- ▶ Corn price trend as listed by the [CME of Chicago](#):

CBOT:ZCH2016, W 368'2 ▲ +5'0 (+1.38%) O:364'0 H:368'2 L:364'0 C:368'2



 **CME Group**
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Chicago Mercantile Exchange (CME) Soybean prices

- ▶ Soybean price trend as listed by the [CME of Chicago](#):

CBOT:ZSH2016, W 885'6 ▲ +4'2 (+0.48%) O:882'2 H:887'0 L:871'0 C:885'6



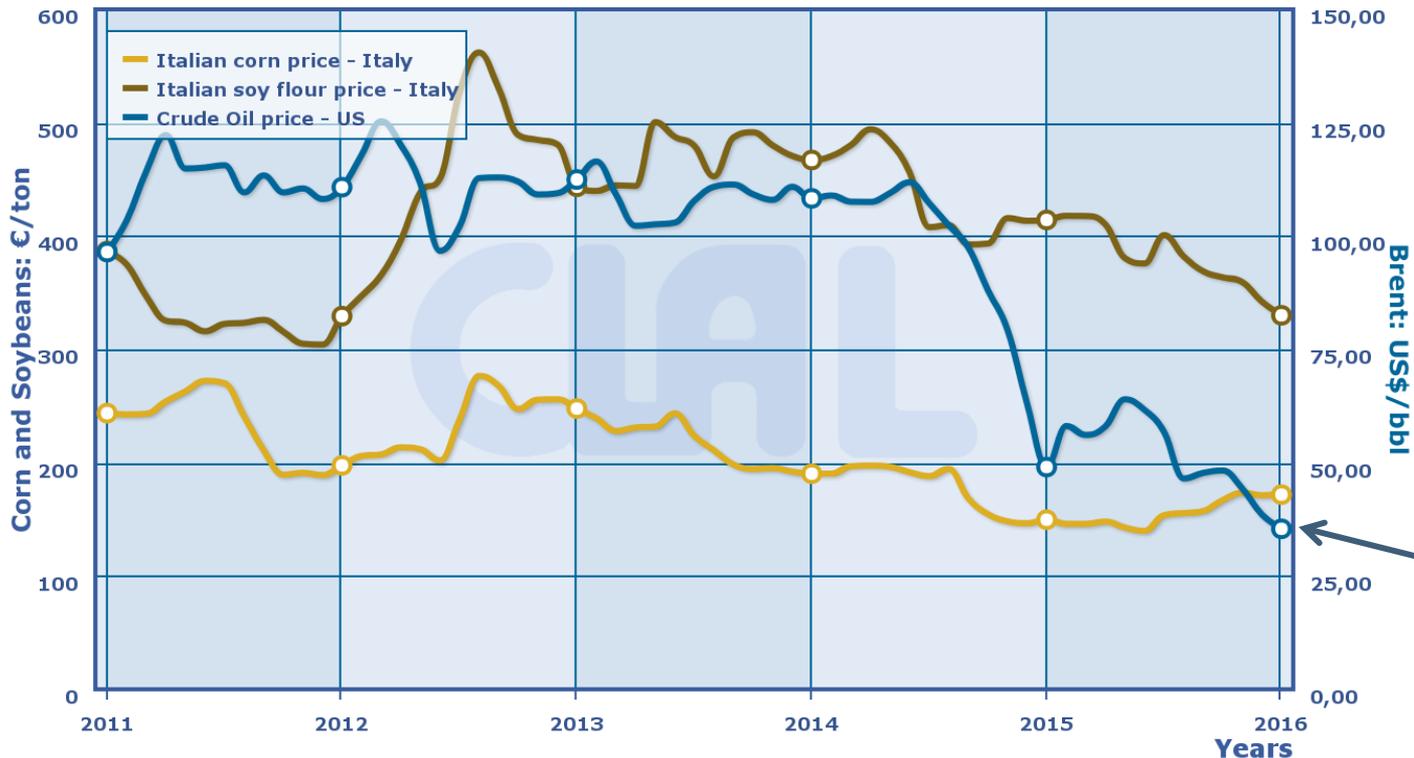
 **CME Group**
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Agricultural and Energy Inputs Correlations

- ▶ Price comparison: Corn (Italy), Soy flour (Italy) and Crude Oil (US)

Historical comparative overview between Italian Corn and Soy Flour price with the Crude Oil price

Processed by CLAL



Crude Oil USA
34.19\$ / bbl

Focus on **Italy**

Corn and Soy prices

▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 174 ÷ 175 €/ton (+3.50 € from last month)
- ▶ Italian Soy flour: 335 ÷ 336 €/ton (+1.00 € from last month)

Historical comparative overview between Italian Corn and Soy Flour price with the Farm-gate Milk price

Processed by CLAL



Focus on Italy

The value of the Simulated Feed Ration

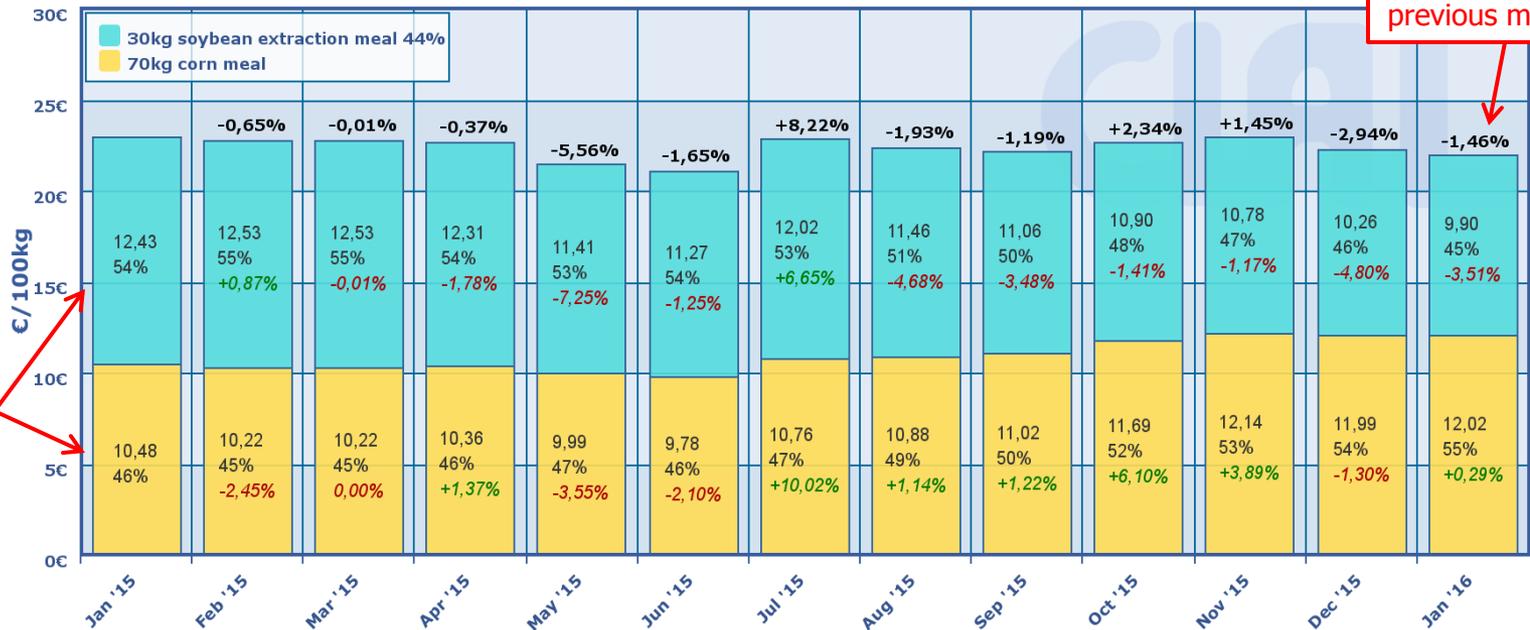
- The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



Simulated Feed Ration: value of 100kg
70kg of domestic corn meal + 30kg of soybean extraction meal 44% protein

Above the columns the % variation of the total cost
Inside the columns the % weight of each component on the total cost and % variation versus the previous month
Quotations of the Milan Chamber of Commerce - Processed by CLAL

Price % variation compared to the previous month



Weight of the price of the components

