

Corn & Soybeans

- ▶ **Corn** (source WASDE)
 - ▶ Estimate for the 2015-16 Season
 - ▶ Global and US outlook
- ▶ **Soybean** (source WASDE)
 - ▶ Estimate for the 2015-16 Season
 - ▶ Global and US outlook
- ▶ **Global ending stocks**
- ▶ **Corn and Soybeans prices** (Source CME)
- ▶ **Price connections** (Clal's processing)
- ▶ **Focus on Italy** (Milan Chamber of Commerce)



CORN

Estimate for 2015-16 Season

- ▶ **Global Corn production** for 2015-16 season is projected at **970.08 Mio t**, +2.15 Mio t from last month, reflecting higher production expected for Brazil and Argentina.
- ▶ **Brazil** Corn production on Aug. 31 is raised 2.5 Mio t to 84 Mio t based on higher first-crop yields and indications that strong domestic Corn prices, reflecting the devalued local currency, will increase second-crop plantings. **Argentina** Corn production is increased 1.4 Mio t to 27 Mio t on higher area. **South Africa** Corn production for 2015-16 is lowered 1 Mio t, as continued historic draught conditions further reduce crop prospects.
- ▶ The Corn production in the **United States**, the main Producer, is unchanged from last month. U.S. Corn ending stocks are projected higher this month with imports raised and exports lowered, as larger supplies of South American further increase competition.
- ▶ **Russia will suspend the importation of Corn and Soybeans from the US as of February 15, according to an official at the Federal Service for Veterinary and Phytosanitary Surveillance.**
- ▶ In **China** Corn feed use is expected to increase by 2 Mio t (152 Mio t) as relative internal market prices are expected to support greater corn feeding at the expense of wheat.



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



	Million tons	From January 2016 (projections)
Beginning stocks	206.18	-0.5%
Production	970.08	+0.2%
Total use	967.45	+0.1%
Ending stocks	208.81	-0.1%



	Billion bushels	Million tons	From January 2016 (projections)
Beginning stocks	1.73	43.97	0.0%
Production	13.60	345.49	0.0%
Total use	11.89	302.15	+0.2%
Export	1.65	41.91	-2.9%
Ending stocks	1.84	46.67	+1.9%
Price projection	3,60 \$/bushel	142 \$/ton	126 €/ton ↓
1 month ago	3,60 \$/bushel	142 \$/ton	130 €/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 **320.51 Mio t**, +1.5 Mio t compared to January forecast.
- ▶ The rise reflects the yields increase for Argentina, the third largest producer after the US and Brazil.
- ▶ The Soybean production in the **United States** is unchanged. U.S. **ending stocks** are projected higher (+2.3%) due to a lower crush (the process of converting Soybeans into Soybean meal and Soybean oil). Meal exports are reduced on sluggish shipments and sales as well as greater competition from Argentina where larger projected Soybean supplies boost Soybean meal exports.
- ▶ **Russia will suspend the importation of Corn and Soybeans from the US as of February 15, according to an official at the Federal Service for Veterinary and Phytosanitary Surveillance.**
- ▶ **Global ending stocks** are projected at **80.42 Mio t**, +1.4% compared to the estimates of last month, due to higher Soybean stocks in Argentina, the United States and Turkey.



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



	Million tons	From January 2016 (projections)
Beginning stocks	77.08	+0.2%
Production	320.51	+0.5%
Total use	314.52	+0.2%
Ending stocks	80.42	+1.4%

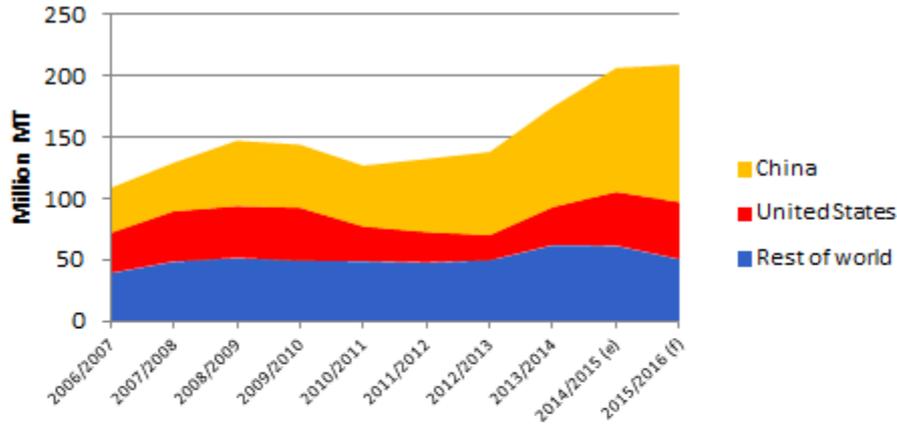


	Billion bushels	Million tons	From January 2016 (projections)
Beginning stocks	0.19	5.19	0.0%
Production	3.93	106.95	0.0%
Total use	2.01	54.73	-0.5%
Export	1.69	45.99	0.0%
Ending stocks	0.45	12.23	+2.3%
Price projection	8.80 \$/bushel	323 \$/ton	286 €/ton ↓
1 month ago	8.80 \$/bushel	323 \$/ton	298 €/ton

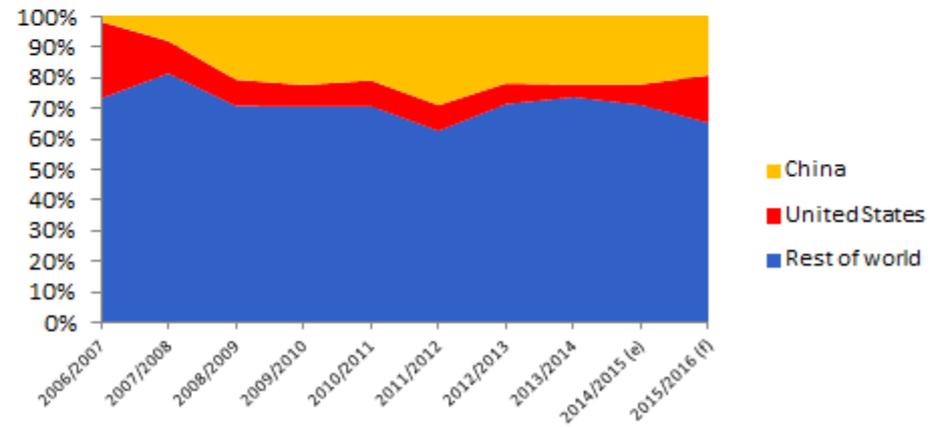
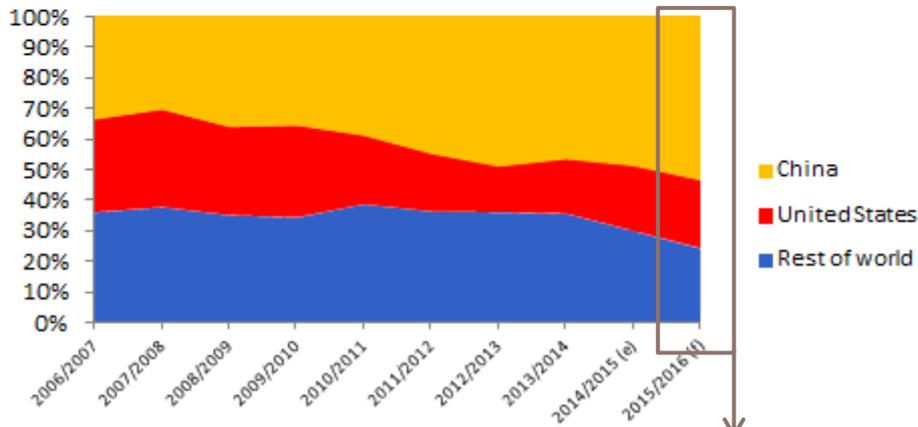
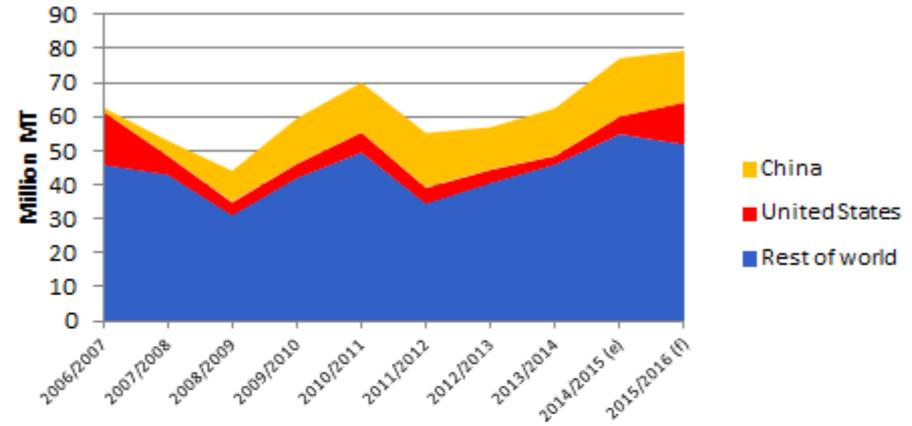
SOYBEANS conversion factors
1 bushel = 0.027 metric ton
1 metric ton = 36.74 bushel

Corn and Soybean **Ending Stocks** with FOCUS ON CHINA AND THE UNITED STATES

CORN



SOYBEAN



**54% of world's 2015-16
ending stocks are expected
to be held in China**



Chicago Mercantile Exchange (CME)

Corn prices

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

CBOT:ZCH2016, W 359'6 ▼-1'2 (-0.35%) O:366'0 H:367'0 L:359'2 C:359'6



 **CME Group**
Powered by TradingView.com



Chicago Mercantile Exchange (CME) Soybean prices

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

CBOT:ZSH2016, W 864'6 ▲ +1'4 (+0.17%) O: 867'4 H: 868'6 L: 859'4 C: 864'6



 **CME Group**
Powered by TradingView.com

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



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 (**unchanged** from last month)
- ▶ Italian Soy flour: 327 ÷ 328 €/ton (**-8 €** from last month)

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

Processed by CLAL



Farm-gate milk
Italy (Lombardy)
December 2015
36 € / 100 lt