

Corn & Soybeans

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CORN

Estimate for 2013-14 Season

- ▶ **Global Corn supplies** for 2013-14 are projected at **973.90 Mio t**, higher (+6.38 Mio t) compared to March estimates, reflecting higher production in some important Exporting Countries.
- ▶ In **Brazil**, favorable precipitation in March and early April has supported the developing *safrinha* Corn crop, and production is projected 2 Mio t higher, compared with last month forecasts.
- ▶ In **South Africa**, improved rains in late February and March have boosted yield prospects for Corn grown in the normally lower-yielding western areas; Corn production is increased 1 Mio t.
- ▶ In the **United States**, Corn Production and Consumption are expected unchanged compared with forecasts of recent months.
- ▶ A 3.17 Mio t increase in projected Corn **Exports** reduces ending stocks by the same amount. Continued strong export sales and a rising weekly shipment pace for U.S. Corn during March support the higher expected export level as does an increase in projected global Corn demand.



CORN – **Global** and **US** outlook: Estimate for the 2013-14 Season



	Million tons	From Mar 2014 (projections)
Beginning stocks	134.40	-0.2%
Production	973.90	+0.7%
Total use	950.30	+0.7%
Ending stocks	158.00	-0.3%



	Billion bushels	Million tons	From Mar 2014 (projections)
Beginning stocks	0.82	20.86	+0.0%
Production	13.93	353.72	+0.0%
Total use	11.70	297.19	+0.0%
Export	1.75	44.45	+7.7%
Ending stocks	1.33	33.82	-8.6%
Price projection	4,60 \$/bushel	181 \$/ton	131 €/ton ↑
1 month ago	4,50 \$/bushel	177\$/ton	128 €/ton

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



SOYBEANS

Estimate for 2013-14 Season

- ▶ **Global soybean production** for 2013-14 is projected at **284.05 Mio t**, down 1.4 Mio t from last month but still a record.
- ▶ **Brazil** soybean is forecast at 87.5 Mio, -1 Mio t from last month with lower yields reflecting the effect of warm temperatures and limited rainfall through mid-February in the south. **India** soybean production is reduced 0.8 Mio t to 11 Mio t reflecting lower-than-average yields resulting from excessive rainfall during much of the growing season.
- ▶ **U.S. Soybean Exports** have remained strong (+1.36 Mio t), especially to **China**, despite relatively high prices and record harvests in South America.
- ▶ **Imports** are projected higher (+86%) based on trade reported through February and prospective large shipments from South America during the second half of the marketing year.
- ▶ Soybean crush is reduced with lower domestic Soybean meal consumption.



SOYBEANS – **Global** and **US** outlook: Estimate for the 2013-14 Season



	Million tons	From Mar 2014 (projections)
Beginning stocks	57.87	+0.1%
Production	284.05	-0.5%
Total use	269.00	-0.3%
Ending stocks	69.42	-1.7%



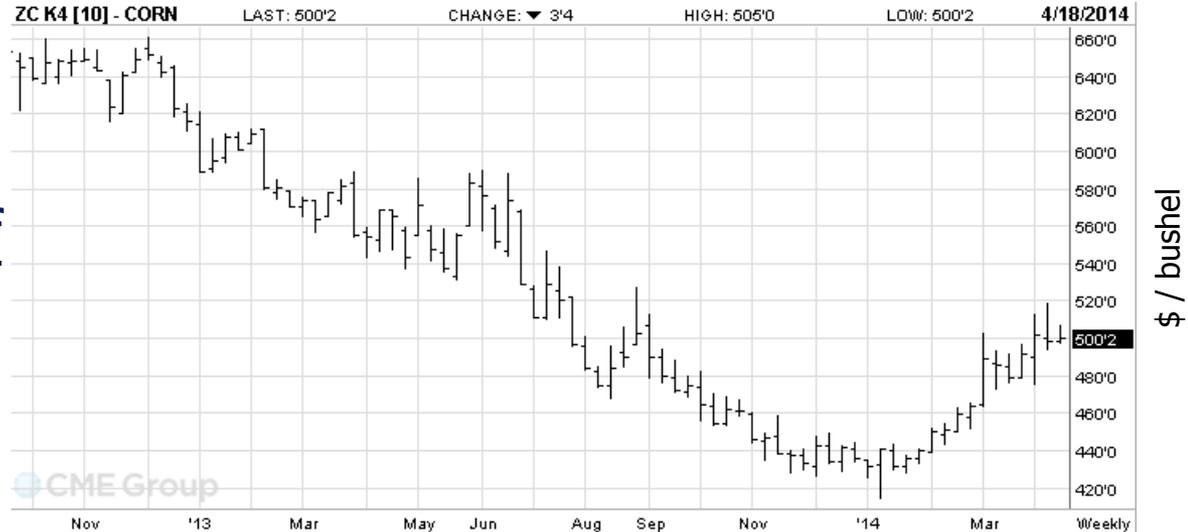
	Billion bushels	Million tons	From Mar 2014 (projections)
Beginning stocks	0.14	3.83	+0.0%
Production	3.29	89.51	+0.0%
Total use	1.78	48.43	-0.5%
Export	1.58	43.00	+3.3%
Ending stocks	0.13	3.67	-7.1%
Price projection	13 \$/bushel	478 \$/ton	345 €/ton ↓
1 month ago	12,95 \$/bushel	476 \$/ton	346 €/ton

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

Chicago Mercantile Exchange (CME)

Corn and Soybeans prices

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

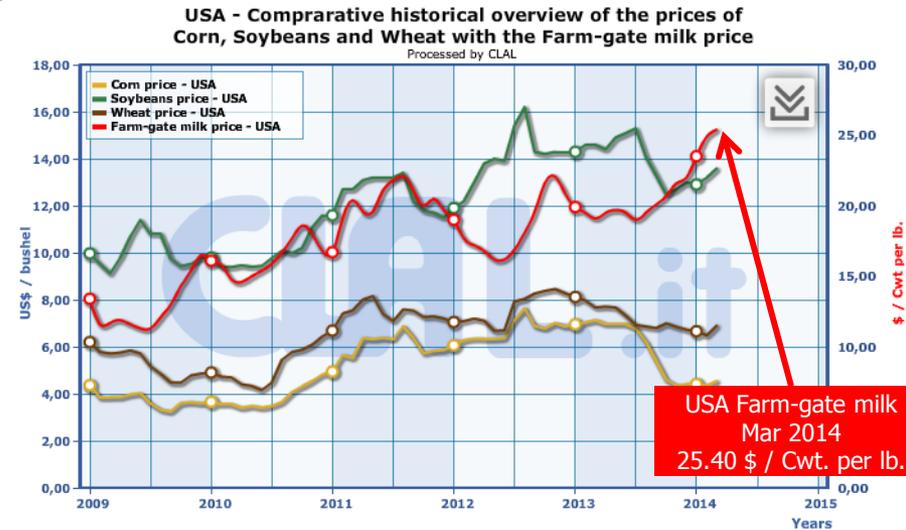


- ▶ Soybean price trend as listed by the [CME of Chicago](#):

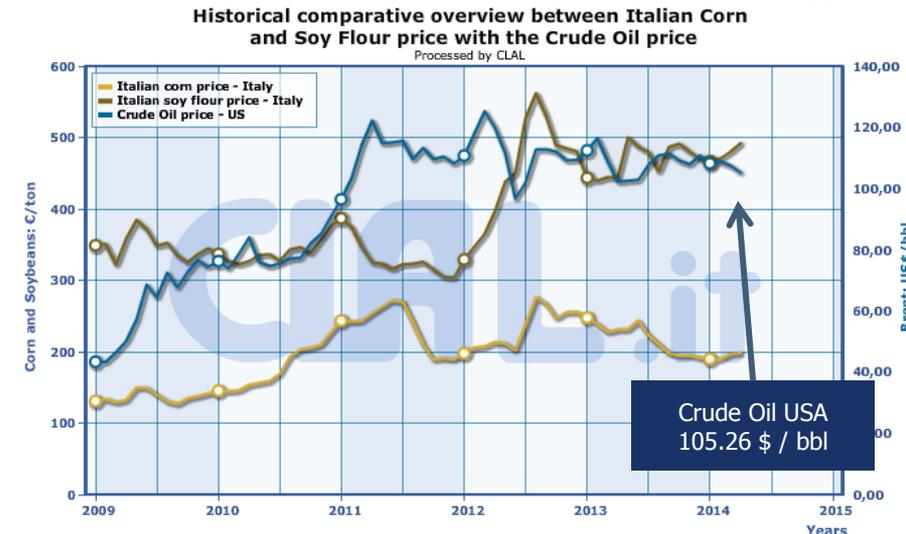


Agricultural and Energy Inputs Correlations

- ▶ US – Price comparison: Corn, Soybeans, Wheat and Farm-gate milk price



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



Focus on **Italy**

Corn and Soy prices

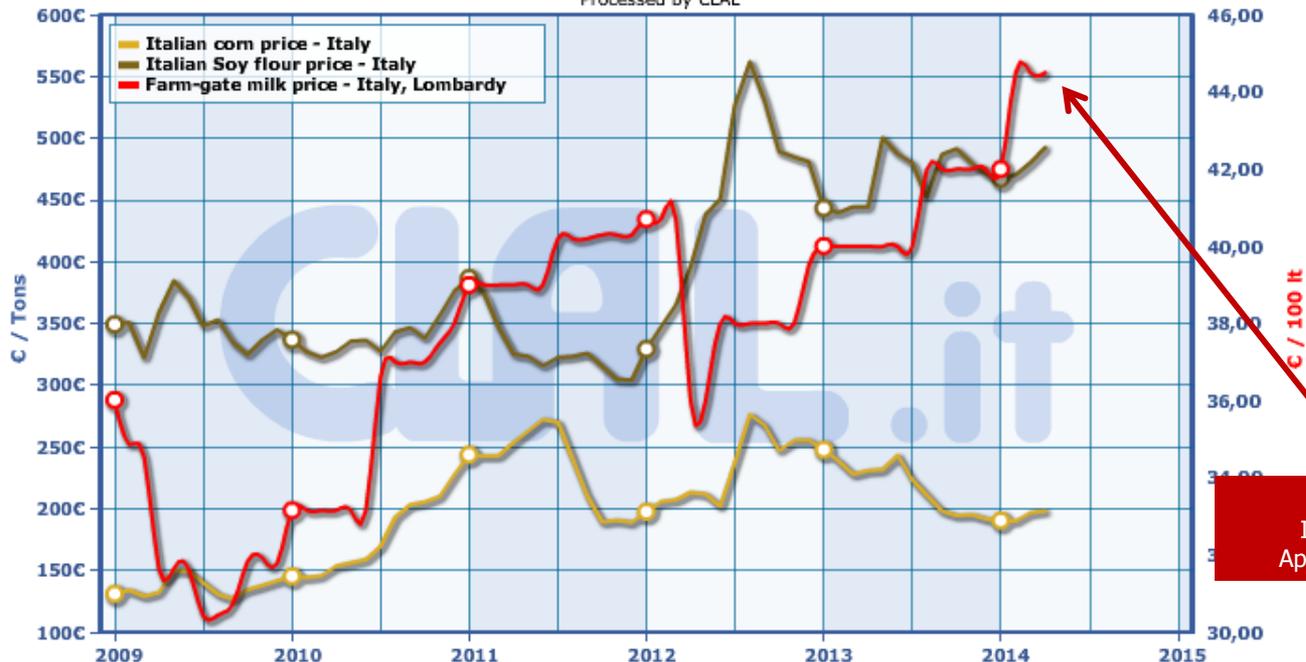
▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 195 ÷ 196 €/ton (+1€ from last month)
- ▶ Italian Soy flour: 492 ÷ 493 €/ton (+18€ 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)
April 44.50 € / 100 It

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.



Milk:Feed Ratio - Farm-gate Milk Price in Lombardy (Italy) divided by the Simulated Feed Ration cost

Represents how many kg of Simulated Feed Ration could be purchased
with the gross revenue from 1kg of milk

Quotations of the Milan Chamber of Commerce - Processed by CLAL



Milk:Feed Ratio

The price of 100 kg
of Farm-gate Milk in
Lombardy (I)

/
The cost of 100 kg
of Simulated Feed
Ration (70 kg of
domestic corn meal+ 30 kg
of soybean extraction meal
44% protein)