

Corn & Soybeans

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 - ▶ Estimate for the 2014-15 Season
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- ▶ **Soybeans** (source WASDE)
 - ▶ Estimate for the 2014-15 Season
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CORN

Estimate for 2014-15 Season

- ▶ **Global Corn supplies** for 2014-15 are projected at **991.29 Mio t**, 3.2 Mio t higher compared to January estimates.
- ▶ The largest production change is a 1.5 Mio t increase for **Ukraine** based on the latest government statistics. **Argentina** Corn production is raised 1 Mio t reflecting mostly favorable growing conditions. Corn exports are raised to the same extent for Argentina and Ukraine.
- ▶ **US** Corn production is projected at **361.09 Mio t**, unchanged from last forecast. The ending stocks are projected lower (from 47.69 to 46.42 Mio t), with projected **use in ethanol production raised** 75 million bushels on higher forecast 2015 gasoline consumption by the Energy Information Administration.
- ▶ Corn production is unchanged for **China** (215.50 Mio t), the second largest Corn Producer, while the **imports are higher** (from 2.00 to 2.50 Mio t).
- ▶ **EU** Corn production is raised 0.2 Mio t and Corn imports are 1 Mio t higher.



CORN – **Global** and **US** outlook: Estimate for the 2014-15 Season



	Million tons	From January 2014 (projections)
Beginning stocks	173.80	+0.9%
Production	991.29	+0.3%
Total use	975.45	+0.4%
Ending stocks	189.64	+0.3%



	Billion bushels	Million tons	From January 2014 (projections)
Beginning stocks	1.23	31.29	0.0%
Production	14.22	361.09	0.0%
Total use	11.90	302.15	+0.4%
Export	1.75	44.45	0.0%
Ending stocks	1.83	46.42	-2.7%
Price projection	3,65 \$/bushel	144 \$/ton	126 €/ton ↑
1 month ago	3,65 \$/bushel	144 \$/ton	124 €/ton

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



SOYBEANS

Estimate for 2014-15 Season

- ▶ **Global Soybean production** for 2014-15 is raised 0.7 Mio t to a record **315.06 Mio t**, compared to January estimates.
- ▶ Prospects for the **Argentina**, the third largest Soybean Producer, Soybean crop have improved (from 55 to **56 Mio t**) with ample moisture and mild temperatures. Soybean production is also raised for China, Russia and Ukraine.
- ▶ Soybean production for the **US** is projected unchanged. Soybean production for **Brazil** is projected at 94.50 Mio t, -1 Mio t on lower yields reflecting the impact of limited rainfall in eastern growing areas.
- ▶ Global Soybean ending stocks are projected lower at **89.26 Mio t**: decreased stocks in the US and in Brazil are partly offset by higher stocks in China.



SOYBEANS – **Global** and **US** outlook: Estimate for the 2014-15 Season



	Million tons	From January 2015 (projections)
Beginning stocks	66.25	+0.1%
Production	315.06	+0.2%
Total use	288.53	+0.8%
Ending stocks	89.26	-1.7%



	Billion bushels	Million tons	From January 2015 (projections)
Beginning stocks	0.09	2.50	0.0%
Production	3.97	108.01	0.0%
Total use	1.91	52.00	+0.8%
Export	1.79	48.72	+1.1%
Ending stocks	0.39	10.48	-6.1%
Price projection	10.20 \$/bushel	375 \$/ton	328 €/ton ↑
1 month ago	10.20 \$/bushel	375 \$/ton	324 €/ton

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



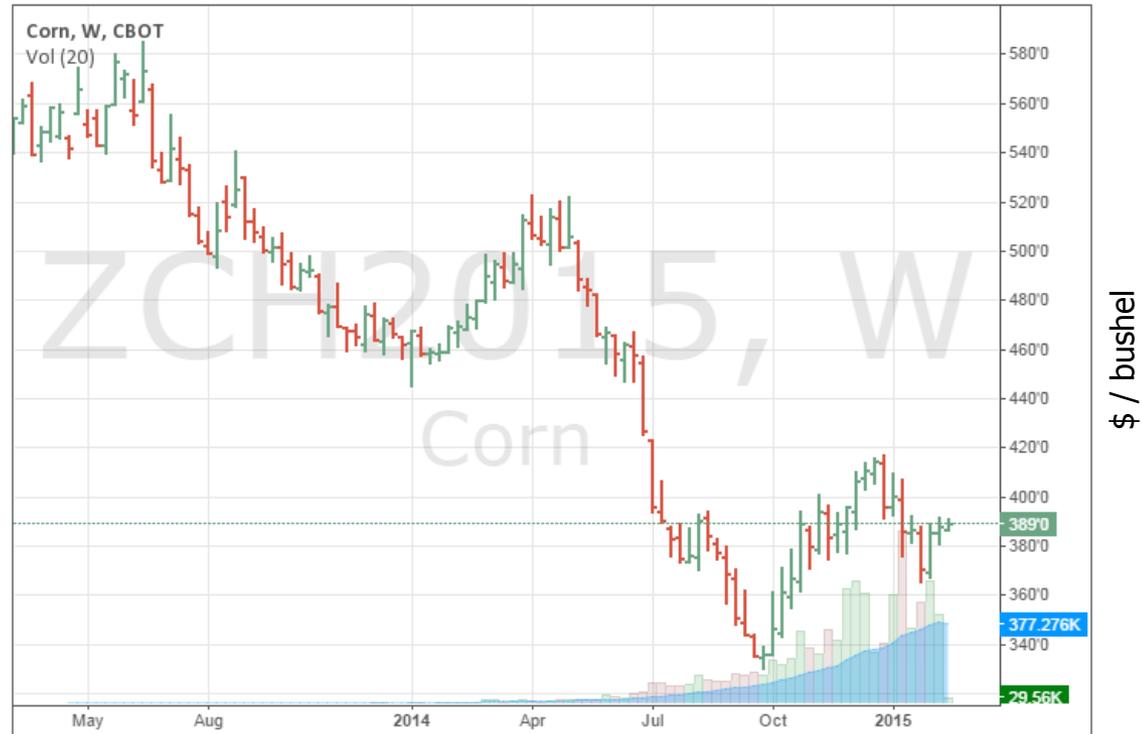
Chicago Mercantile Exchange (CME)

Corn prices

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

February 17, 2015

CBOT:ZCH2015 389'0 ▲ +1'2 (+0.32%) O:387'0 H:391'0 L:386'6 C:389'0



CME Group
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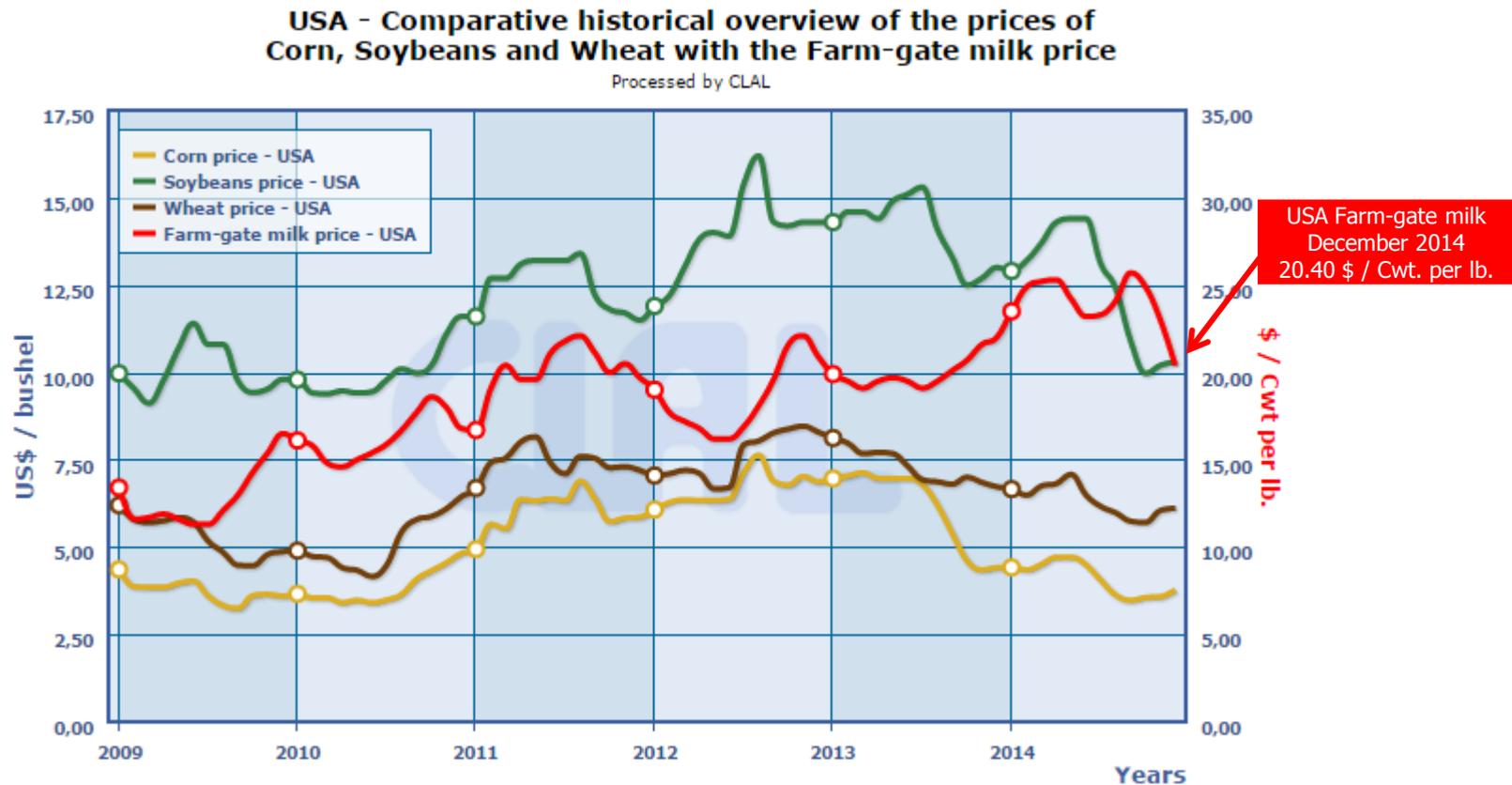
Chicago Mercantile Exchange (CME) Soybean prices

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



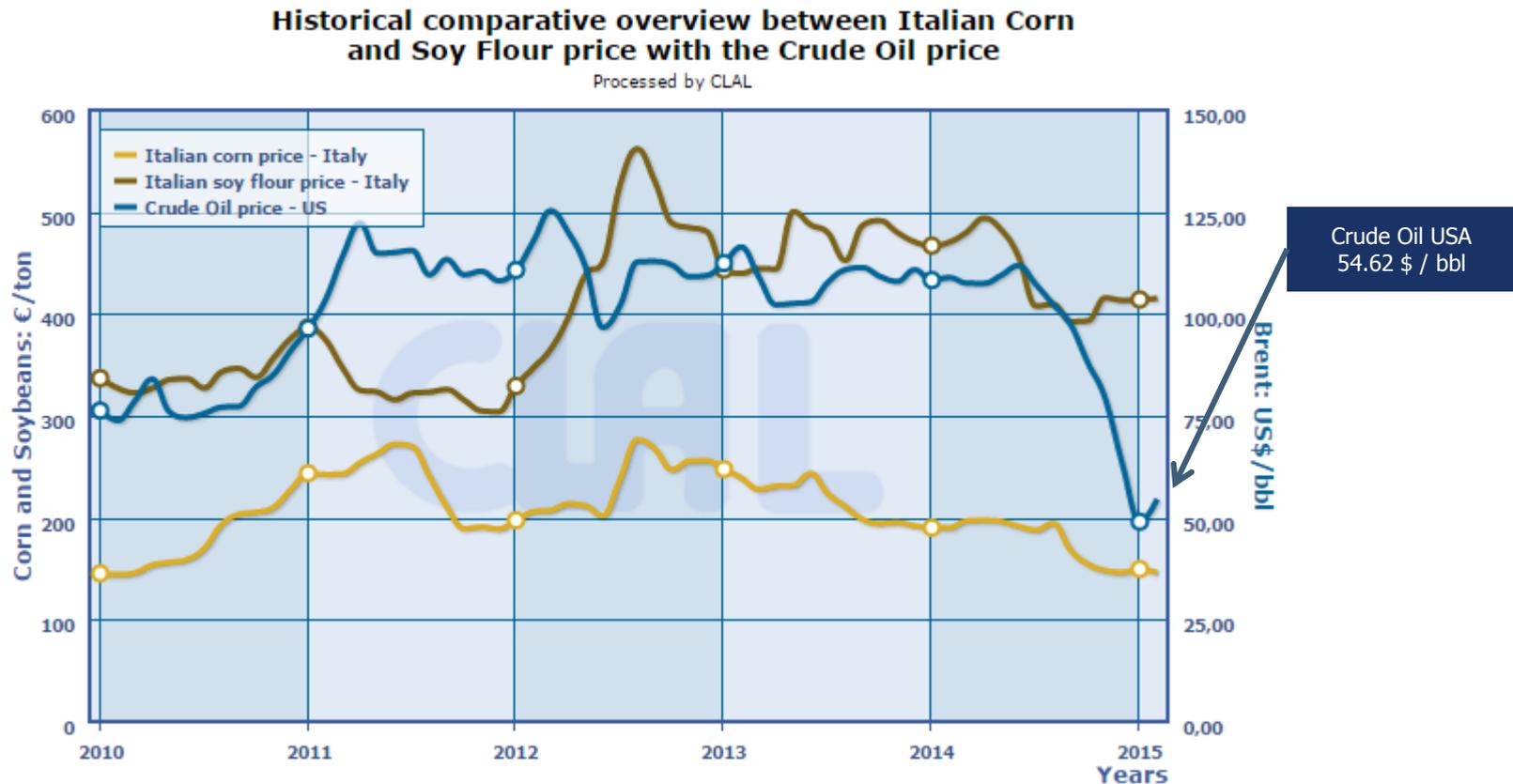
Agricultural and Energy Inputs Correlations

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



Agricultural and Energy Inputs Correlations

- ▶ 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: 145 ÷ 147 €/ton (-5 € from last month)
- ▶ Italian Soy flour: 415 ÷ 416 €/ton (+3 € 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 38 € / 100 lt

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)