

Corn & Soybeans

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



CORN

Estimate for 2015-16 Season

- ▶ **Global Corn supplies** for 2015-16 (new marketing year started September 1st) are projected at **978.10 Mio t**, down 0.8% from August estimates, with reductions in the United States (-0.7%) and in the European Union (-6.8%).
- ▶ Small reductions are also made for the Philippines, Moldova, Serbia, and Thailand.
- ▶ **Corn ending stocks** are projected at **189.69 Mio t** (-2.8%).

- ▶ **U.S. Corn production** for 2015-16 is forecast 0.8% lower with the **national average yield** expected at 167.5 bushels per acre (-1.3 bushels from the August forecasts).
- ▶ Despite higher projected global import demand, projected corn exports for 2015-16 are unchanged with tighter supplies. U.S. **ending stocks** are projected lower (-7.1%).

- ▶ Higher **EU** Barley and Wheat feeding more than offset reductions for Corn and Oats.
- ▶ EU Corn imports are raised 1 Mio t at 16 Mio t.



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



	Million tons	From August 2015 (projections)
Beginning stocks	197.21	-0.1%
Production	978.10	-0.8%
Total use	985.62	-0.2%
Ending stocks	189.69	-2.8%



	Billion bushels	Million tons	From August 2015 (projections)
Beginning stocks	1.73	44.01	-2.2%
Production	13.59	345.07	-0.7%
Total use	11.91	302.40	-0.2%
Export	1.85	46.99	0.0%
Ending stocks	1.59	40.45	-7.1%
Price projection	3,75 \$/bushel	148 \$/ton	131 €/ton ↑
1 month ago	3,65 \$/bushel	144 \$/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 (new marketing year starting October 1st) is projected at **319.61 Mio t**, -0.44 from August estimates.
- ▶ **U.S. Soybean production** is forecast at **107.10 Mio t**, +0.5% due to a higher yield forecast. Changes for 2014-15 include higher exports and crush, resulting in reduced ending stocks. With **lower beginning stocks** and **higher use**, Soybean **ending stocks** for 2015-16 are projected lower at 12.26 Mio t.
- ▶ Soybean production is reduced for **Ukraine**, where dry conditions in August lowered yield expectations. Soybean production is also reduced for **Canada**, with lower yields more than offsetting increased harvested area as reported by Statistics Canada.
- ▶ **Imports in China**, the biggest Soybean importer, are expected unchanged at 79 Mio t for 2015-16, +2 Mio t from 2014-15 and +8.64 from 2013-14.



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



	Million tons	From August 2015 (projections)
Beginning stocks	78.73	-2.3%
Production	319.61	-0.1%
Total use	310.10	+0.1%
Ending stocks	84.98	-2.2%



	Billion bushels	Million tons	From August 2015 (projections)
Beginning stocks	0.21	5.71	-12.6%
Production	3.94	107.10	+0.5%
Total use	2.00	54.43	+0.4%
Export	1.73	46.95	0.0%
Ending stocks	0.45	12.26	-4.1%
Price projection	9.15 \$/bushel	336 \$/ton	297 €/ton ↓
1 month ago	9.15 \$/bushel	336 \$/ton	303 €/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:ZCZ2015 O: 376'4 H: 381'4 L: 375'0 C: 380'4



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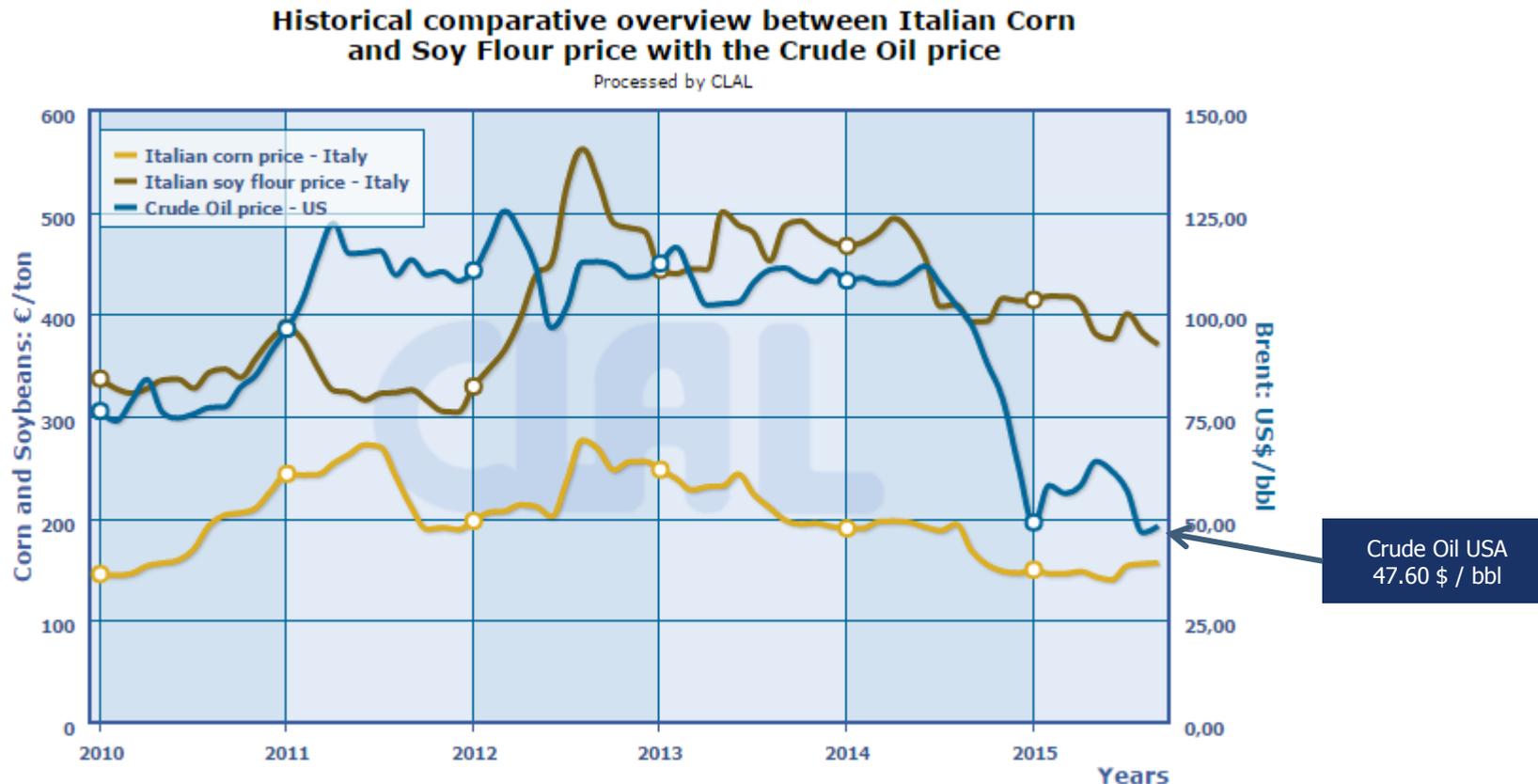
Chicago Mercantile Exchange (CME) Soybean prices

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



Agricultural and Energy Inputs Correlations

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



Focus on **Italy**

Corn and Soy prices

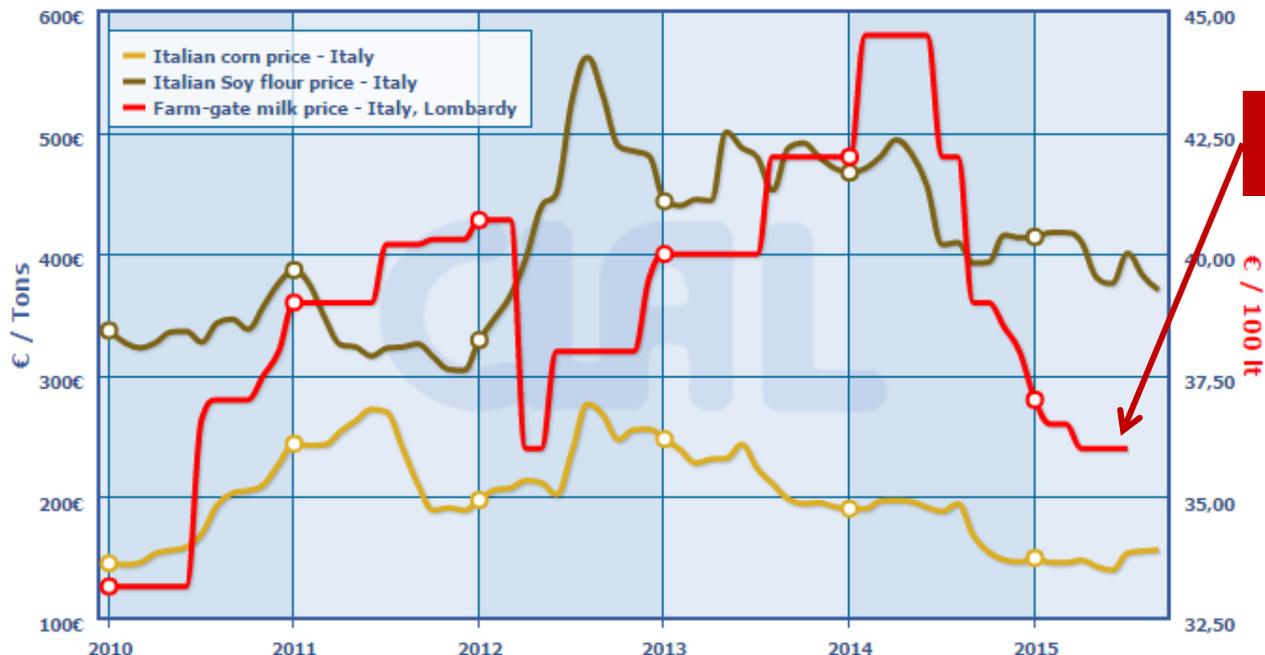
- ▶ National Corn and Soy prices as listed by the Milan Chamber of Commerce, in comparison with the Farm-gate milk price:

- ▶ Italian Corn: 156 ÷ 158 €/ton (-3 € from last month)
- ▶ Italian Soy flour: 393 ÷ 395 €/ton (-15 € 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)
June 36 € / 100 It

Focus on **Italy**

The value of the **Simulated Feed Ration**

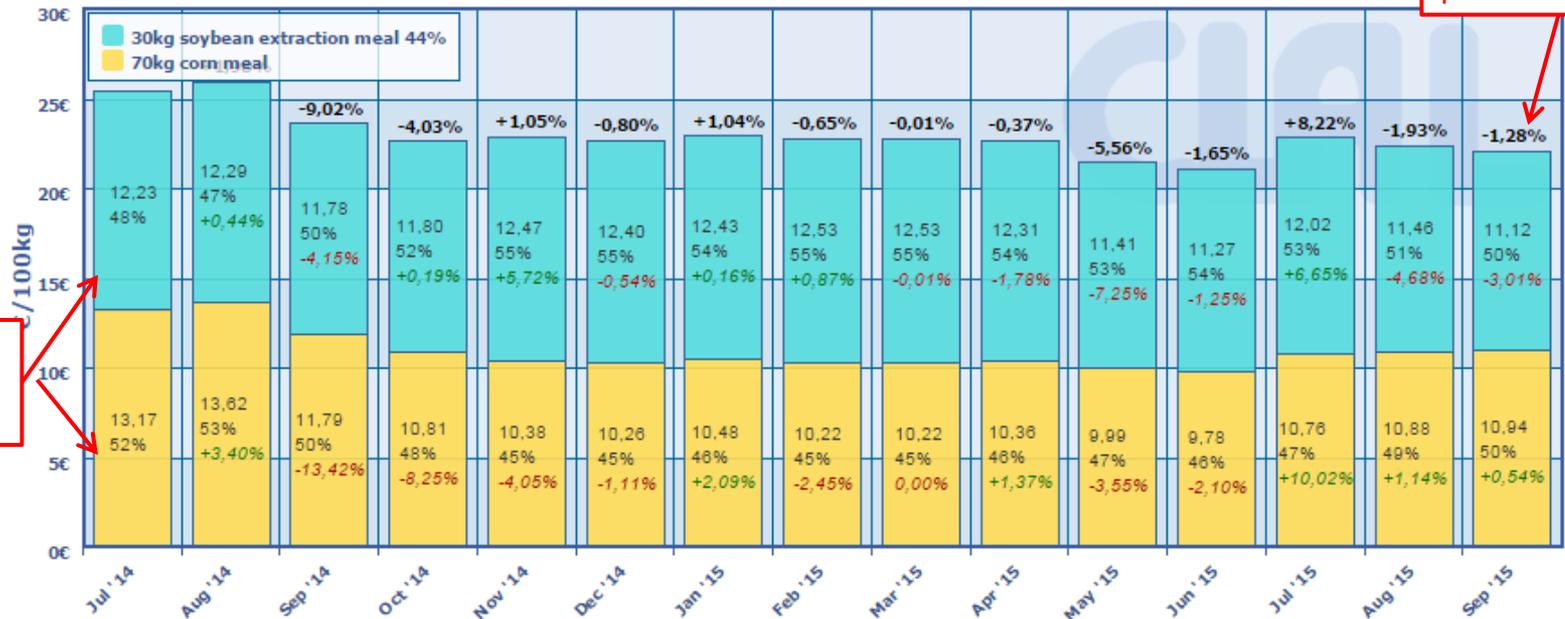
- ▶ The **Simulated Feed Ration** is a theoretical feed model exclusively based on the use of domestic corn and soybean extraction meal 44%; this has been taken as a model since the two constituent ingredients are the price drivers for all the raw materials available on the market.



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

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