

Corn & Soybeans

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CORN

Estimate for 2016-17 Season

- ▶ **Global Corn production** for 2016-17 is projected almost unchanged from last month outlook, remaining at a record high of **1025.69 Mio t**.
 - ▶ **U.S. Corn production** is lowered at **382.48 Mio t**, -0.2% from September estimates, as a lower forecast yield more than offsets an increase in harvested area. Corn ending stocks are expected to decrease, reflecting the lower production and the stronger exports.
 - ▶ In **Brazil**, the third largest Corn producer, after the U.S. and China, the production is raised at 83.5 Mio t on higher area, based on the latest "CONAB" report indicating a forecast level of first crop corn area above prior expectations.
 - ▶ Corn production is lowered for the **EU**, while domestic feed demand and competitive world Corn prices underpin larger projected imports.
 - ▶ **Global Corn stocks** are projected -1.2% to **216.8 Mio t**, but are still record high.
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CORN – **Global** and **US** outlook: Estimate for the 2016-17 Season



	Million tons	From September 2016 (projections)
Beginning stocks	210.05	+0.4%
Production	1025.69	-0.1%
Total use	1018.93	+0.2%
Ending stocks	216.81	-1.2%



	Billion bushels	Million tons	From September 2016 (projections)
Beginning stocks	1.74	44.14	+1.3%
Production	15.06	382.48	-0.2%
Total use	12.30	312.43	0.0%
Export	2.23	56.52	+2.2%
Ending stocks	2.32	58.94	-2.7%
Price projection	3,25 \$/bushel	128 \$/ton	117 €/ton ↑
1 month ago	3,20 \$/bushel	126 \$/ton	112 €/ton

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



SOYBEANS

Estimate for 2016-17 Season

- ▶ **Global Soybean production** for 2016-17 season is projected higher **at 333.22 Mio t**, +0.8% from last month estimates, with higher forecasts for the United States, Brazil and Canada partly offset by a reduction for Russia.
- ▶ **Soybean production in the U.S.**, the largest world Producer, is projected at 116.18 Mio t, on higher yields (51.4 bushel per acre, equivalent to 3.50 tons per hectare).
- ▶ U.S. **exports** are projected higher. Soybean crush is unchanged.
- ▶ **Brazil** Soybean production is projected at a record 102.0 Mio t on higher area reflecting the most recent "CONAB" survey.
- ▶ The Soybean crop in Russia is projected lower on the most recent harvest results.
- ▶ **Global Soybean ending stocks** are projected at **77.36 Mio t**, mainly on higher Soybean stocks in the United States, Brazil, Argentina and China (the main global producers).



SOYBEANS – **Global** and **US** outlook: Estimate for the 2016-17 Season



	Million tons	From September 2016 (projections)
Beginning stocks	75.45	+3.5%
Production	333.22	+0.8%
Total use	328.67	0.0%
Ending stocks	77.36	+7.2%



	Billion bushels	Million tons	From September 2016 (projections)
Beginning stocks	0.20	5.36	-23.5%
Production	4.27	116.18	+1.62%
Total use	2.08	56.51	0.0%
Export	2.02	55.11	+2.0%
Ending stocks	0.39	10.74	+8.0%
Price projection	9.05 \$/bushel	332 \$/ton	303 €/ton ↑
1 month ago	9.05 \$/bushel	332 \$/ton	296 €/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:ZCZ2016, W 353'4 ▼-0'2 (-0.07%) O:353'0 H:357'6 L:350'2 C:353'4

Month: December 2016



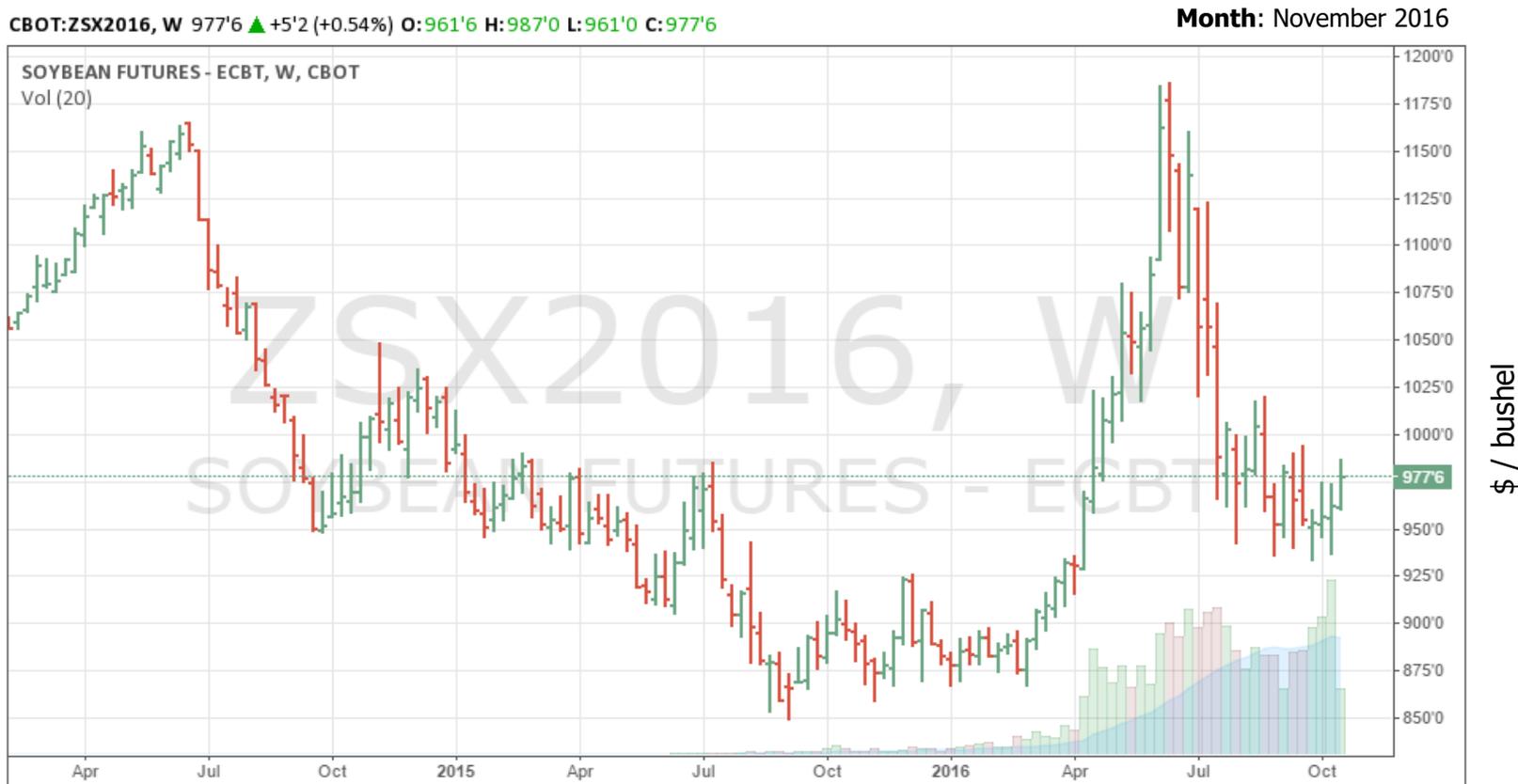
 **CME Group**
Powered by TradingView.com



Chicago Mercantile Exchange (CME)

Soybean prices

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



Corn and Soybean price U.S., Argentina and Italy

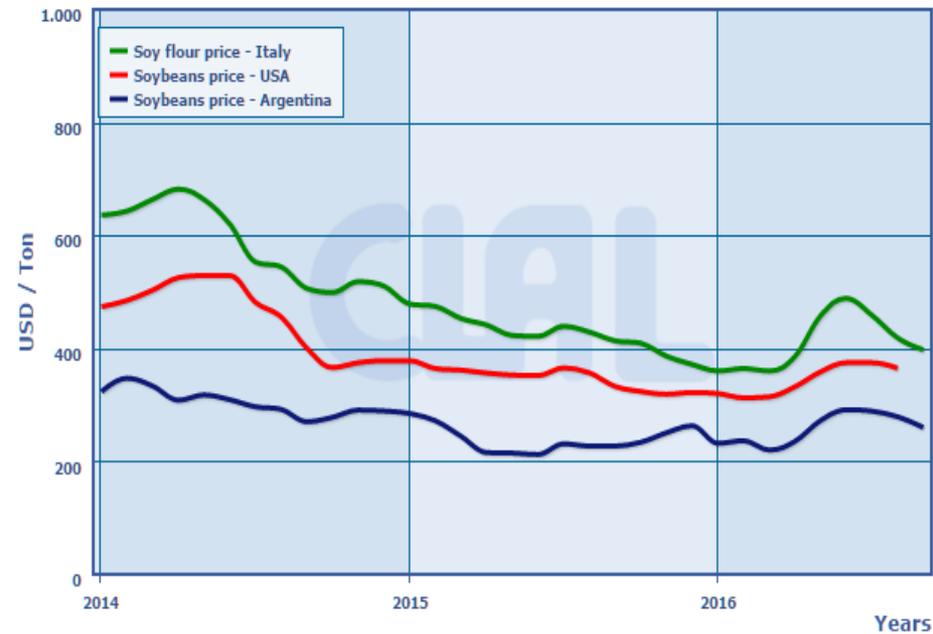
Comparison of Corn prices in
Italy, USA and Argentina

Processed by CLAL



Comparison of Soybeans prices in
Italy, USA and Argentina

Processed by CLAL



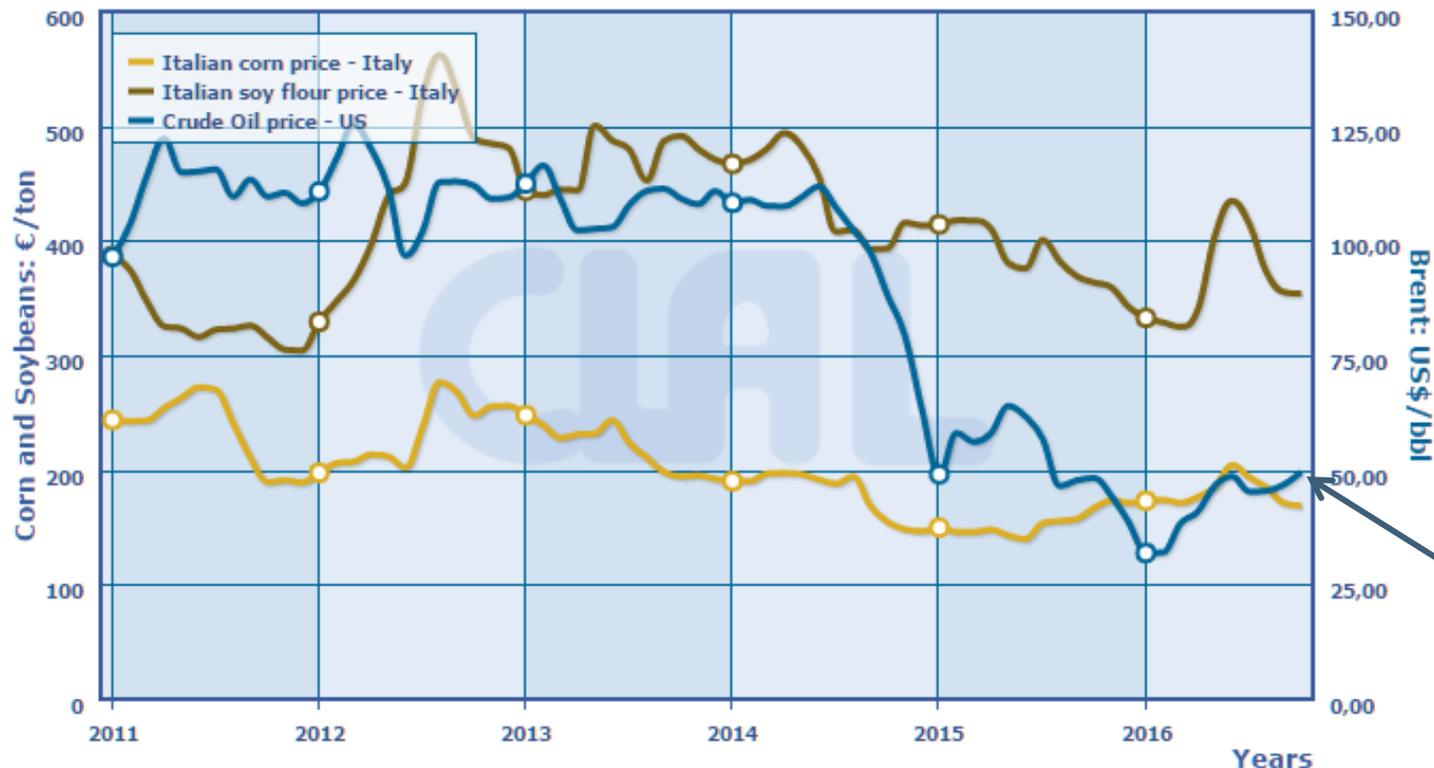
Source: USDA, Bolsa de Comercio de Rosario, CCIAA Milano

Agricultural and Energy Inputs Correlations

- ▶ Price comparison: Corn (Italy), Soy flour (Italy) and Crude Oil (U.S.)

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

Processed by CLAL



Crude Oil USA
49.52\$ / 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: 171 ÷ 172 €/ton (**unchanged** from last month)
- ▶ Italian Soybean meal: 356 ÷ 357 €/ton (**+2 €** 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)
September 2016
34.00 € / 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.



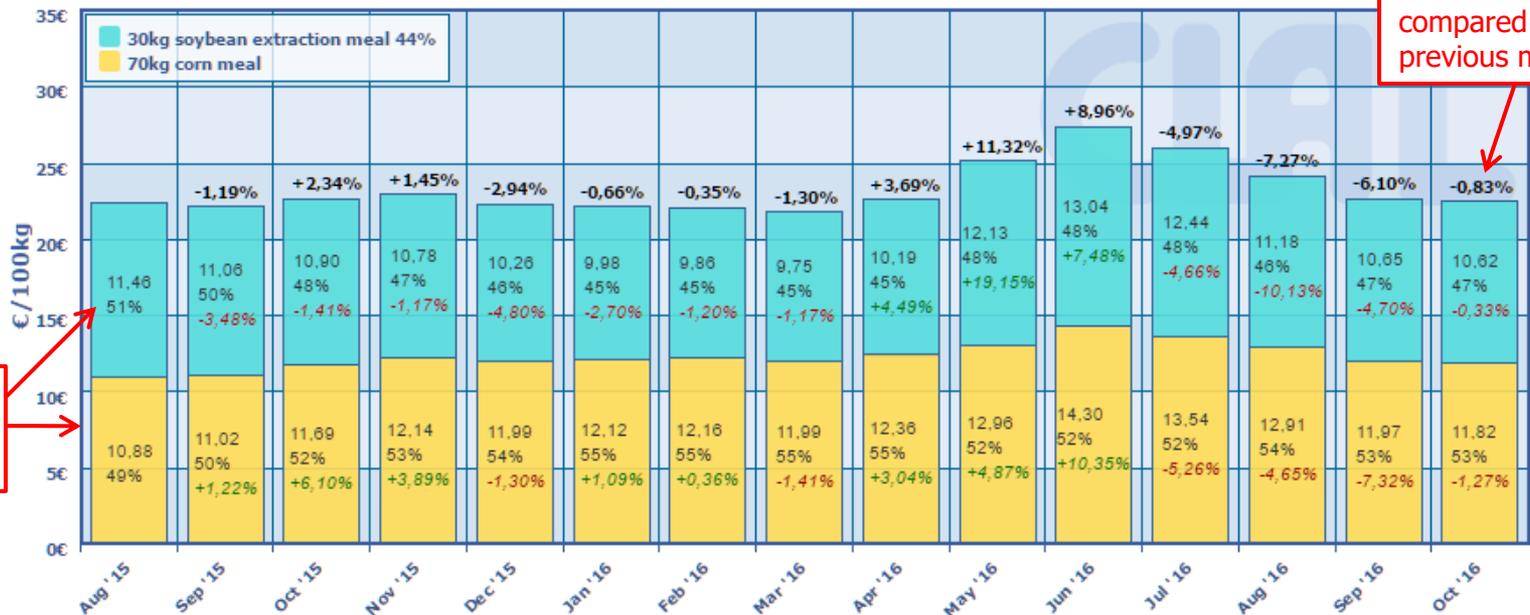
Simulated Feed Ration: value of 100kg

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