



# Grains and Oilseeds Situation and Outlook

*Return to Normal—High Stocks and Prices Under Pressure*

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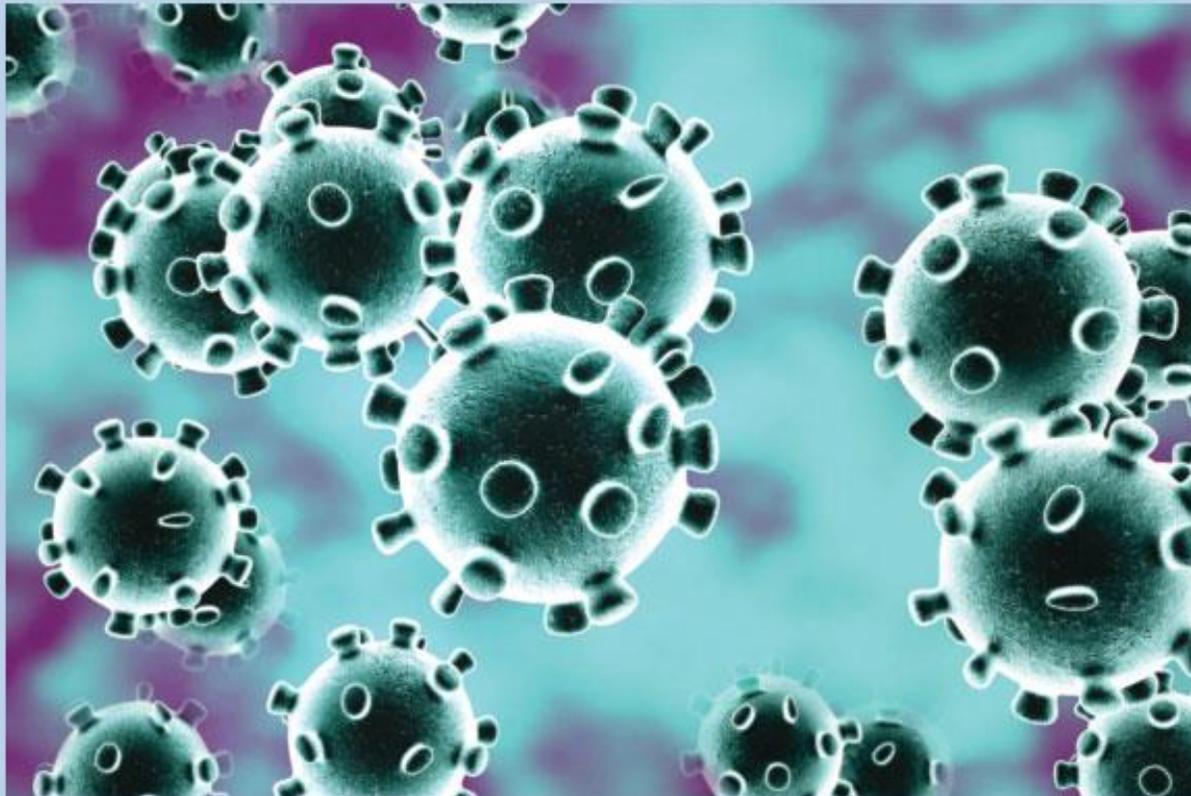


## I. Macro Look



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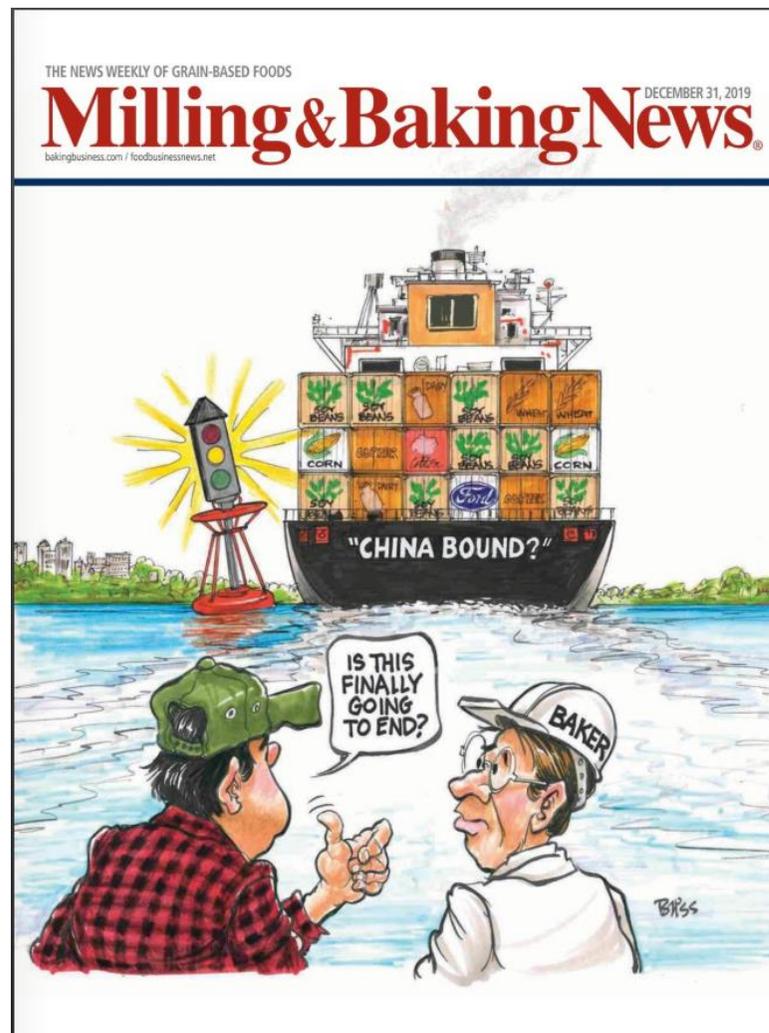
# Impacts of Coronavirus



# The Phase I Agreement is Signed—More Questions than Answers, but there is much more work to do, more thorny issues are yet to come.

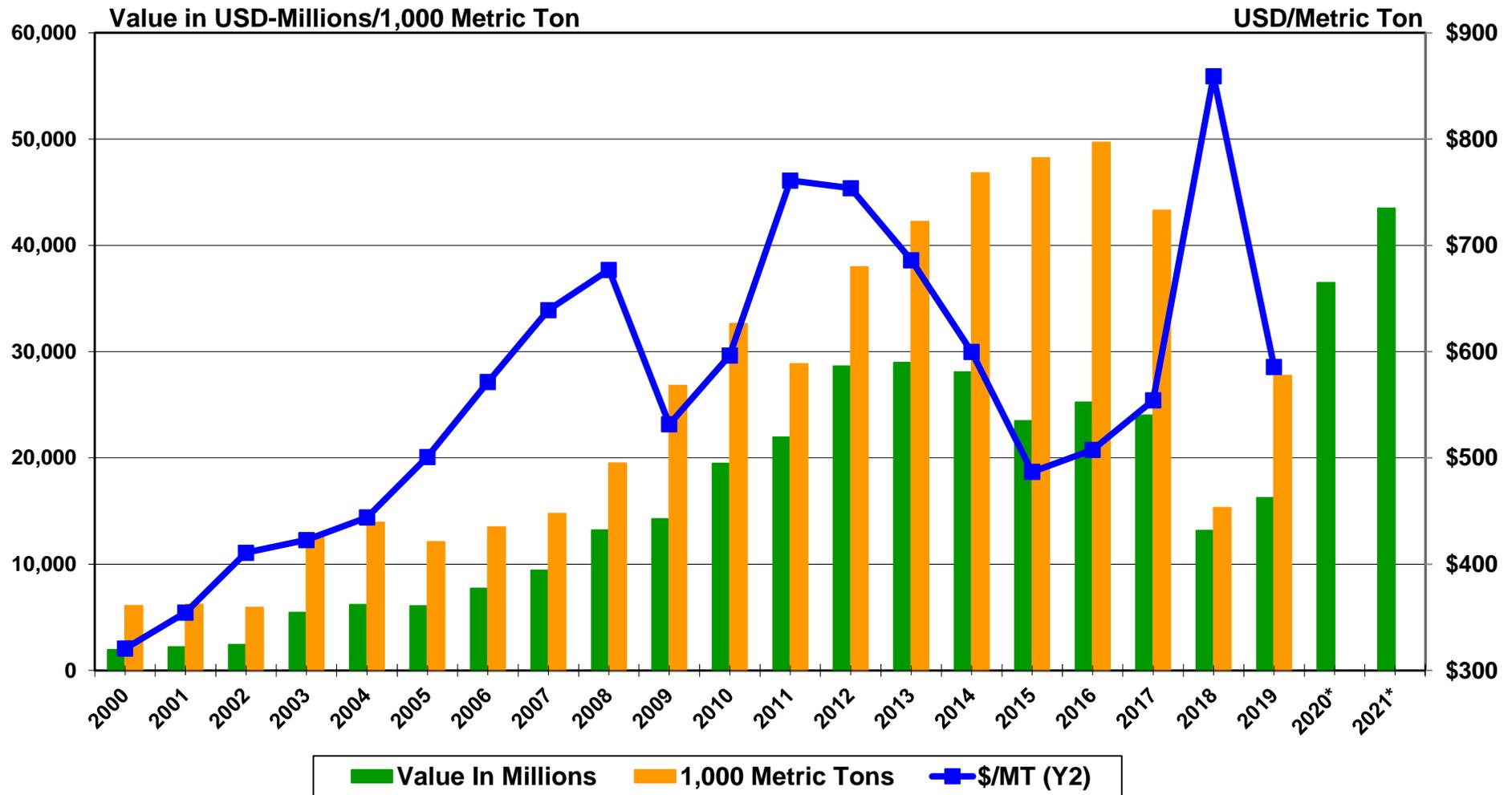
## • Key Provisions of the Phase I Agreement

- No New Tariffs
- Many phyto-sanitary regulations have been eased
- Winners: U.S. animal protein and dairy sector
- Chinese TRQs (corn, rice & wheat) are still in place as are retaliatory tariffs
- Chinese have stated that retaliatory tariffs will be removed soon.
- Increases to U.S. exports to China are significant
  - Base year is 2017
  - In 2020: +\$12.5 bln
  - In 2021: +\$19.5 bln
- Chinese have stated their purchases will be dependent upon demand.
- After the signing, futures market moved lower
  - “Buy the rumor sell the fact”
  - Or is the market was disappointed and is waiting to see the Chinese uphold their end of the bargain
- **The rules of trade are changing from Multi-lateral trade agreements to bilateral agreements**
  - Less efficient, more expensive
  - Everybody plays by different rules



# Total U.S. Agriculture and Related Product Exports to China

China purchase of \$40-\$50 bln in U.S.ag products looks like a stretch



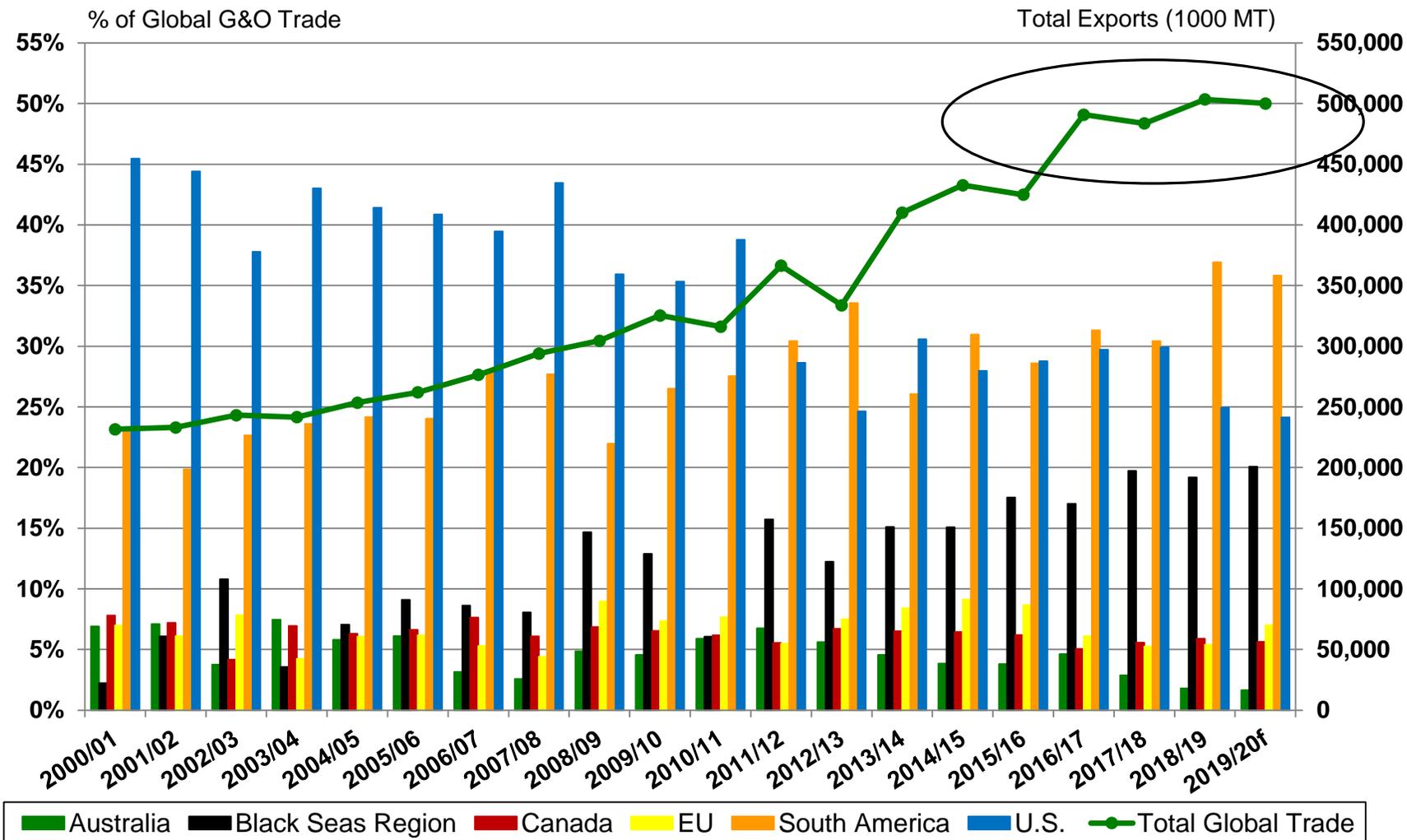
Source: Department of Commerce, USDA-FAS, Rabobank 2020  
 \* Projections

# Global Grain & Soybean Trade—Leveling Off

## U.S. continues to lose “market share”



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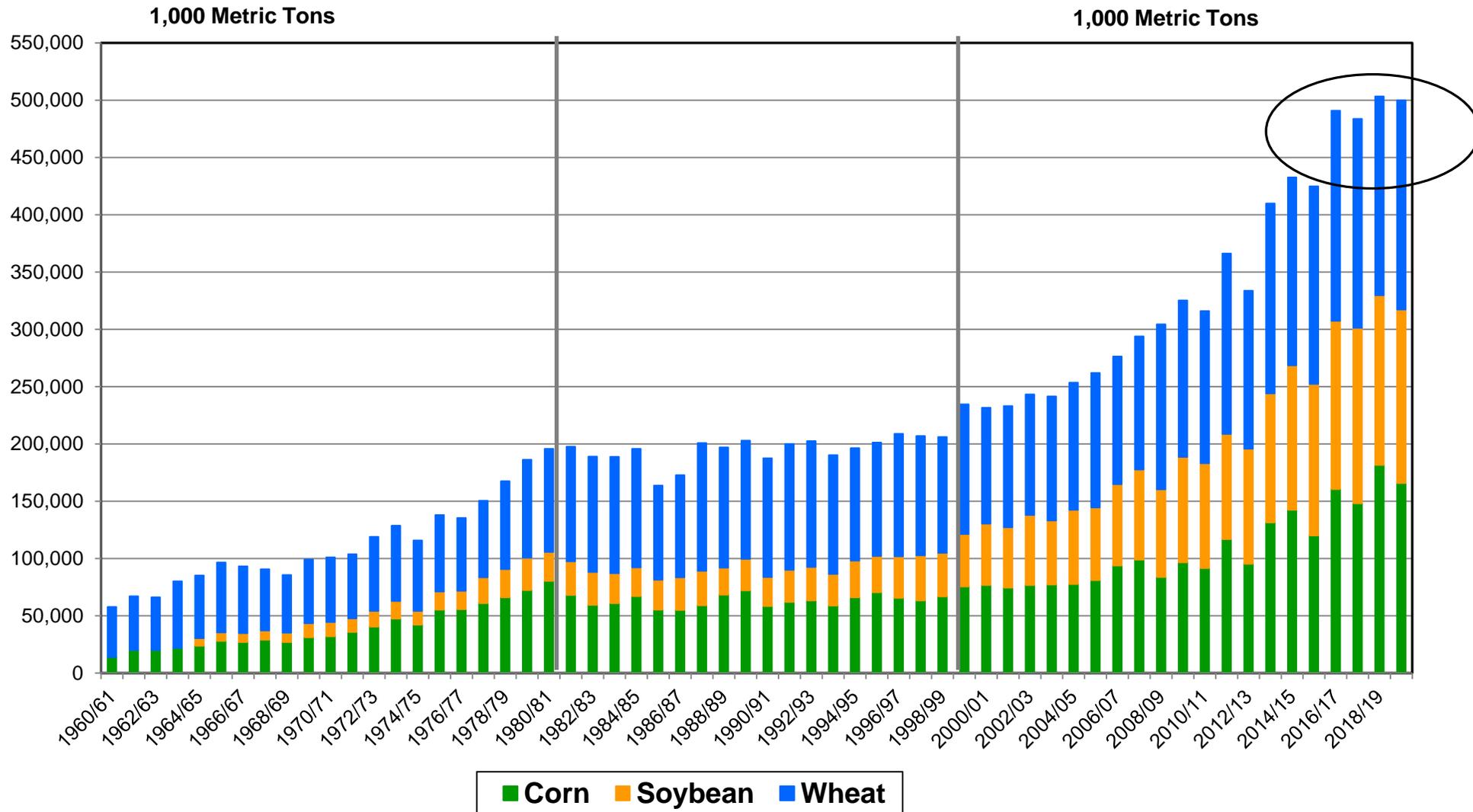
Note: Accounts for Total Exports of Corn, Soybeans and Wheat.  
 Source: USDA-FAS, Rabobank 2020

# Global Grain Exports (corn, soybeans and wheat)

Have global grains exports leveled out—20 year cycles



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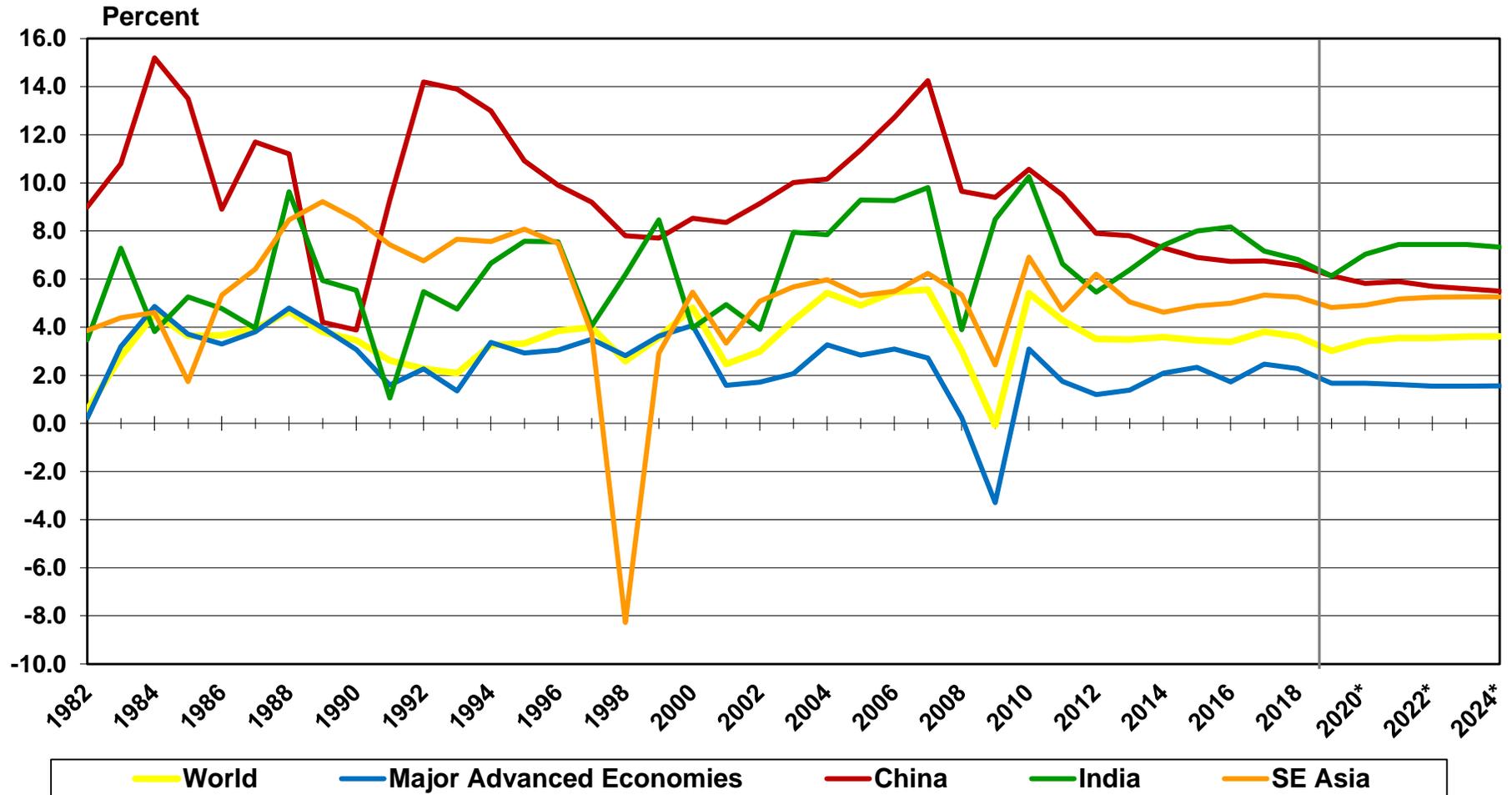


# Global Economic Growth Has Been Dialed Back

Trade tensions, market volatility, pullback on QE by Central Banks & increasing rates are likely to slow economic growth further.



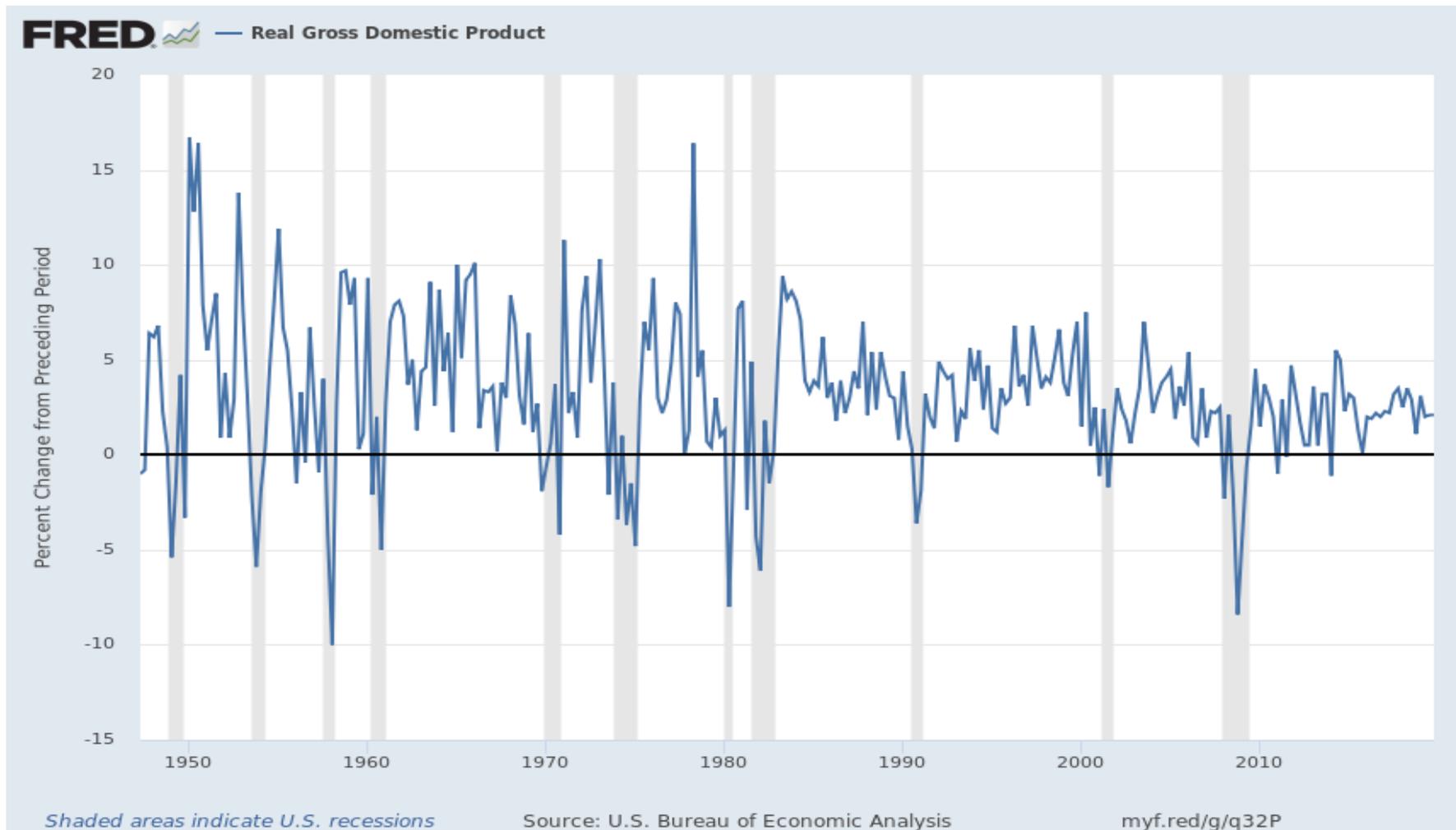
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Source: IMF, October 2019, Rabobank 2020  
SE Asia includes Indonesia, Malaysia, Philippines, Thailand & Vietnam  
\* Projections



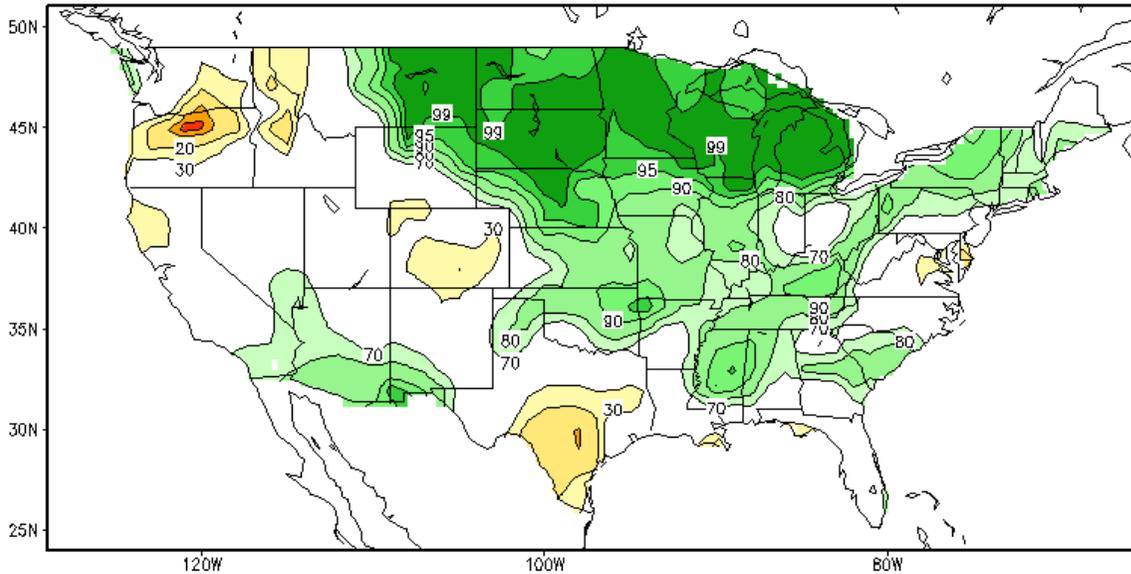
# Growth in Real Gross Domestic Product (GDP) has Slowed



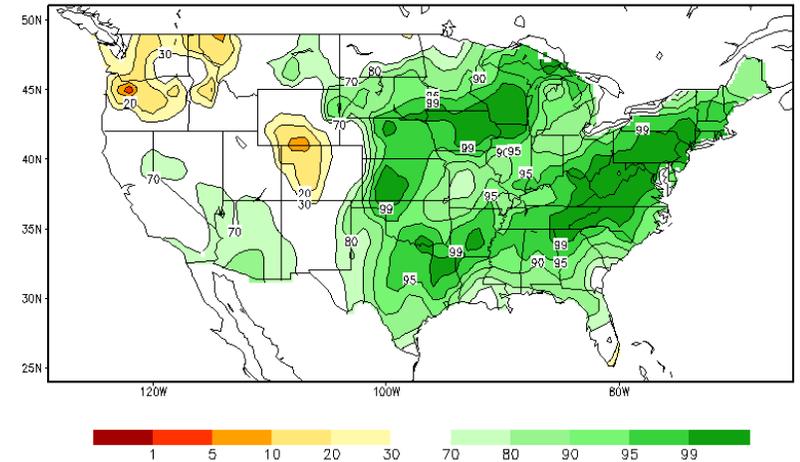
# Soil Moisture Remains High Across the Northern U.S., Illinois and Western Corn Belt



Calculated Soil Moisture Ranking Percentile  
JAN, 2020

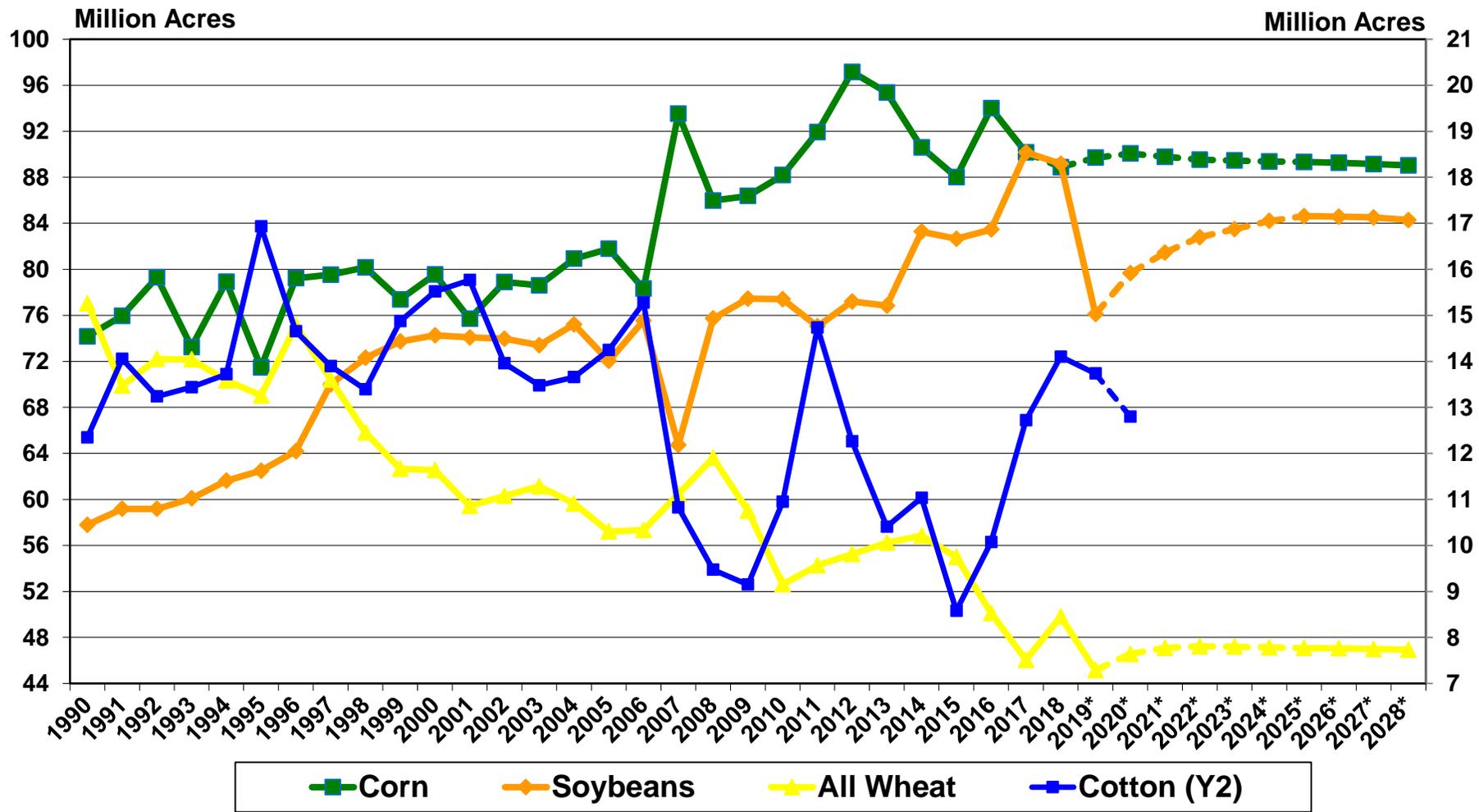


Calculated Soil Moisture Ranking Percentile  
FEB, 2019





# Major U.S. Row Crop Planted Acres



\* Rabobank projections  
Source: USDA, Economic Research Service, Rabobank 2020



## II. Corn



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# Corn--Bulls and Bears

## ***Bullish Factors***

- U.S. & global corn production, stocks & stocks-to-use ratio declining
- Farmers are holding corn
- Growing livestock numbers
- Strong basis bids
- Tight Brazilian corn stocks & increasing domestic demand

## ***Bearish Factors***

- U.S. stocks remain burdensome at nearly 2.0 billion bushels
- Little or not growth in U.S. demand side of balance sheet
- Weak U.S. exports & global grain trade
- Farmers are holding corn—large stocks in country

## ***Swing Factors***

- 2020 planted acres
- Chinese corn imports
- 2020 Brazilian corn production & exports
- Ethanol
- USD
- African Swine Fever
- Argentina export taxes

# U.S. Corn Balance Sheet

(million bushels, unless otherwise noted)



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	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	USDA 2019/20	USDA (Feb) 2020/21	Rabo 2020/21
Planted Acres (mln)	97.3	95.4	90.6	88.0	94.0	90.2	88.9	89.7	94.0	90.1
Harvested Acres (mln)	87.4	87.5	83.1	80.8	86.7	82.7	81.3	81.5	86.6	82.6
Yield (bu./acre)	123.1	158.1	171.0	168.4	174.6	176.6	176.4	168.0	178.5	174.7
<b>Supply</b>										
Beginning Stocks (9/1)	989	819	1,232	1,731	1,737	2,293	2,140	2,220	1,891	1,891
Production	10,755	13,829	14,216	13,602	15,148	14,609	14,340	13,692	15,460	14,428
<b>Imports</b>	160	36	32	68	57	36	28	50	25	48
<b>Total Supply</b>	<b>11,904</b>	<b>14,686</b>	<b>15,479</b>	<b>15,402</b>	<b>16,942</b>	<b>16,939</b>	<b>16,508</b>	<b>15,961</b>	<b>17,377</b>	<b>16,367</b>
<b>Disappearance</b>										
Feed	4,309	5,001	5,280	5,114	5,470	5,304	5,432	5,525	5,800	5,237
Food, Seed & Industrial	6,044	6,532	6,601	6,648	6,885	7,057	6,791	6,820	6,840	6,934
<i>Ethanol of Fuel</i>	<i>4,641</i>	<i>5,124</i>	<i>5,200</i>	<i>5,224</i>	<i>5,432</i>	<i>5,605</i>	<i>5,376</i>	<i>5,425</i>	<i>5,450</i>	<i>5,506</i>
Exports	730	1,921	1,867	1,901	2,294	2,438	2,065	1,725	2,100	2,178
<b>Total Disappearance</b>	<b>11,083</b>	<b>13,454</b>	<b>13,748</b>	<b>13,664</b>	<b>14,649</b>	<b>14,799</b>	<b>14,288</b>	<b>14,070</b>	<b>14,740</b>	<b>14,349</b>
<b>Ending Stocks</b>	<b>821</b>	<b>1,232</b>	<b>1,731</b>	<b>1,737</b>	<b>2,293</b>	<b>2,140</b>	<b>2,220</b>	<b>1,891</b>	<b>2,637</b>	<b>2,018</b>
<b>Stocks-to-Use Ratio (%)</b>	<b>7.2%</b>	<b>8.7%</b>	<b>12.6%</b>	<b>12.7%</b>	<b>15.7%</b>	<b>14.5%</b>	<b>15.5%</b>	<b>13.4%</b>	<b>17.9%</b>	<b>14.1%</b>
<b>Average Farm Price (\$/bu.)</b>	<b>\$6.89</b>	<b>\$4.46</b>	<b>\$3.70</b>	<b>\$3.61</b>	<b>\$3.36</b>	<b>\$3.36</b>	<b>\$3.61</b>	<b>\$3.85</b>	<b>\$3.60</b>	<b>\$3.40- \$3.60</b>

\* Projections

# Major Highlights from the Rabobank 2019 Grains Baseline Outlook

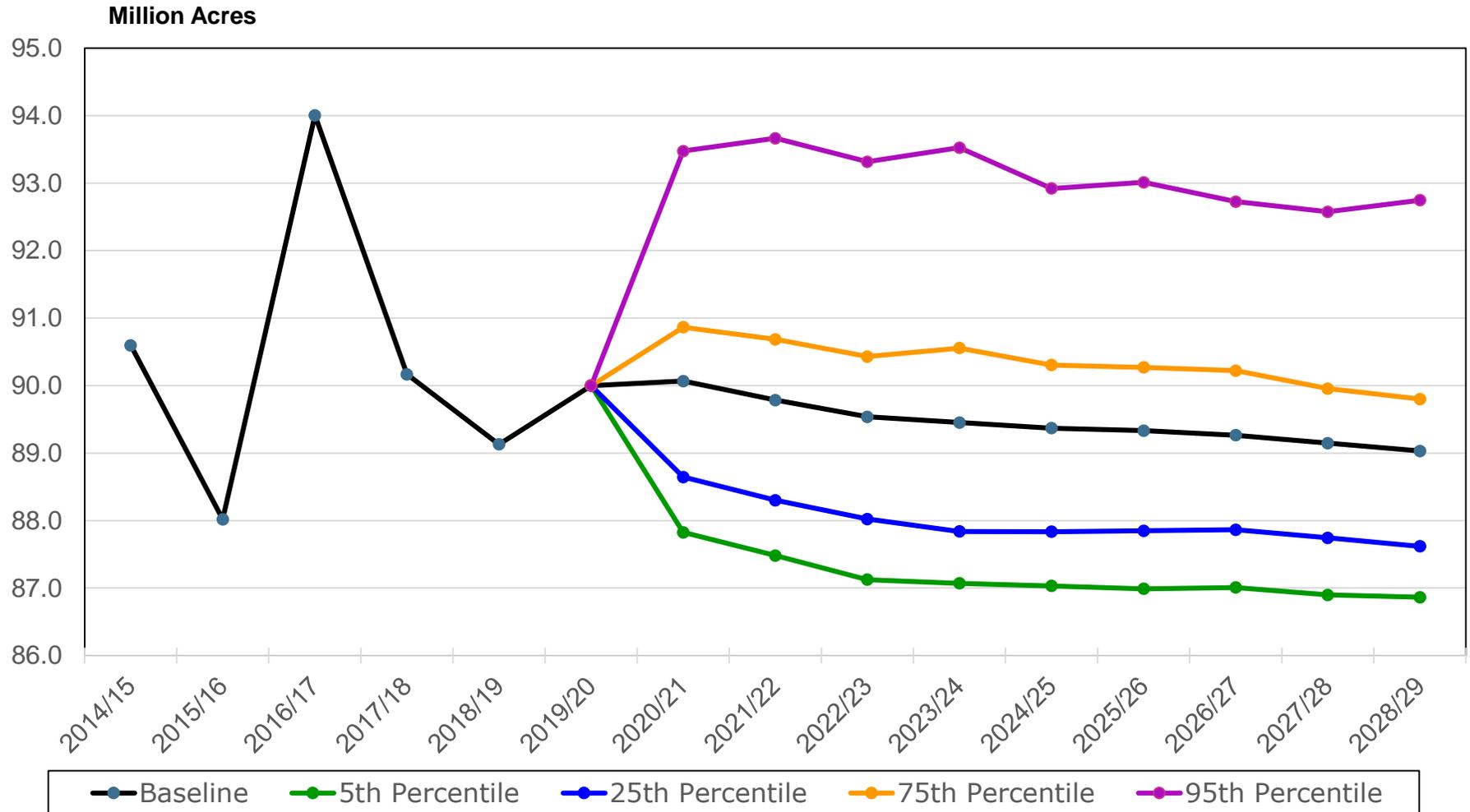
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- One of the most important highlights of Rabobank's annual baseline is that projected ending stocks for U.S. corn, soybeans and wheat for the next ten years will be higher than the previous decade.
- With higher stocks the norm, there will be a lid on corn prices.
- Long-run growth in domestic use is one of the larger challenges for U.S. grain markets.
- Exports from the U.S. grain sector are largely stagnant over the ten-year baseline.
- High stocks and low prices will keep profitability challenged along the entire supply chain.

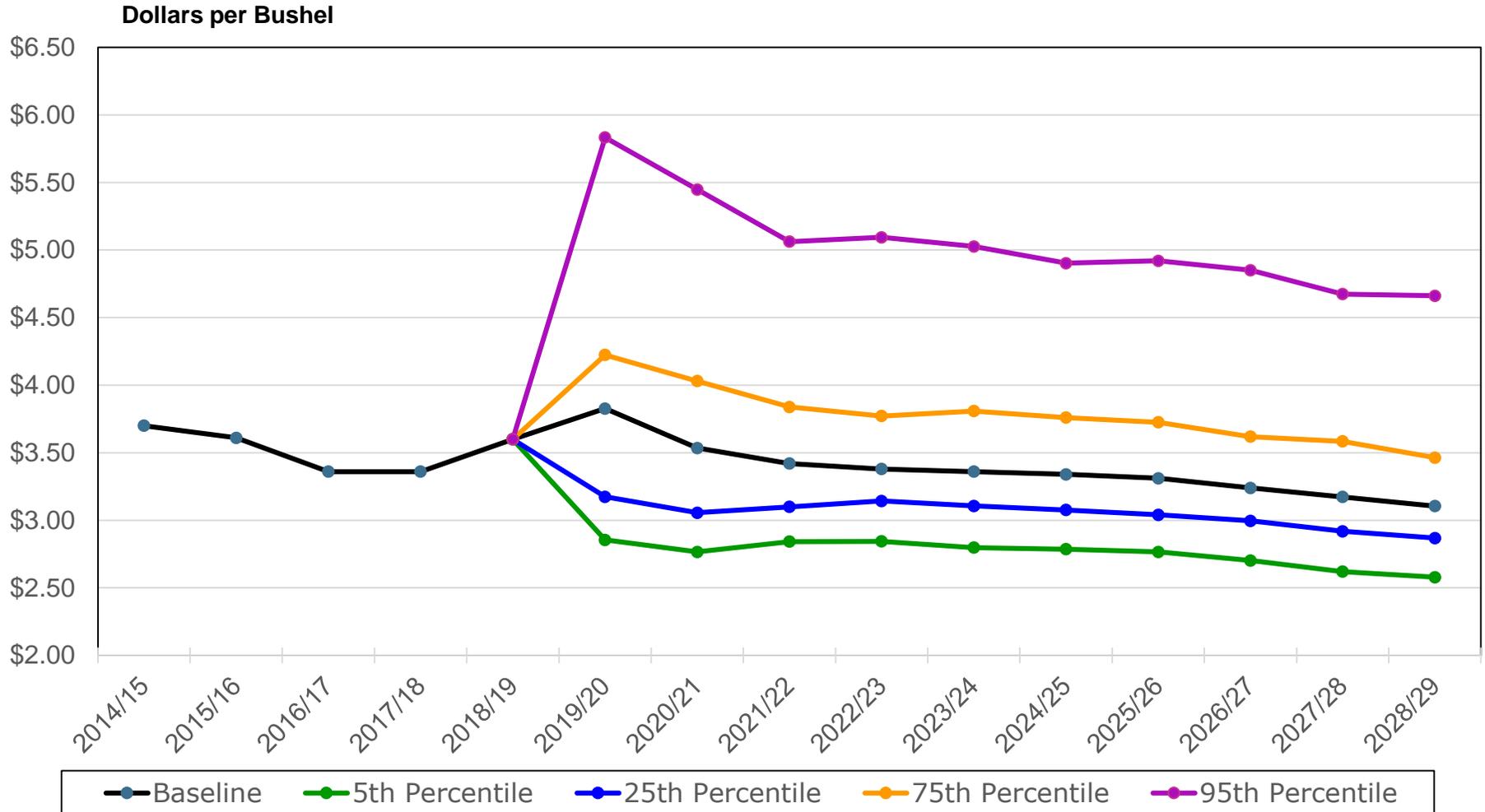
# Planted Corn Acres

75% probability planted corn acres will be remain under 91.0 million



# National Average Farm Received Prices--Corn

75% probability that prices will be under \$4.25 per bushel--after 2020/21 prices fall below \$4.00

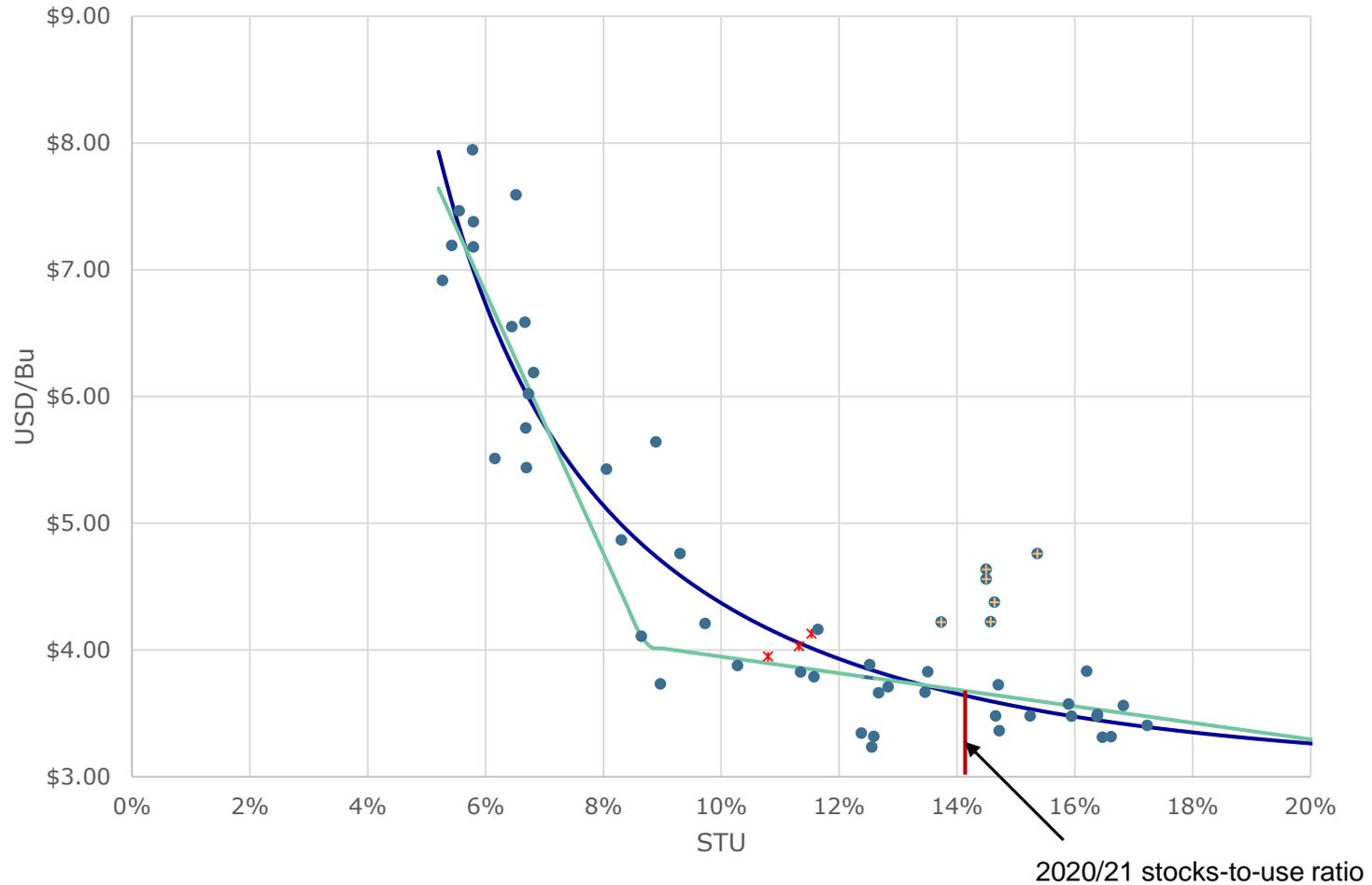


# Corn Price Curve Shows Trade's Stock-to-Use Expectations

CZ20 trading approximately \$0.20-\$0.30 per bushel risk premium

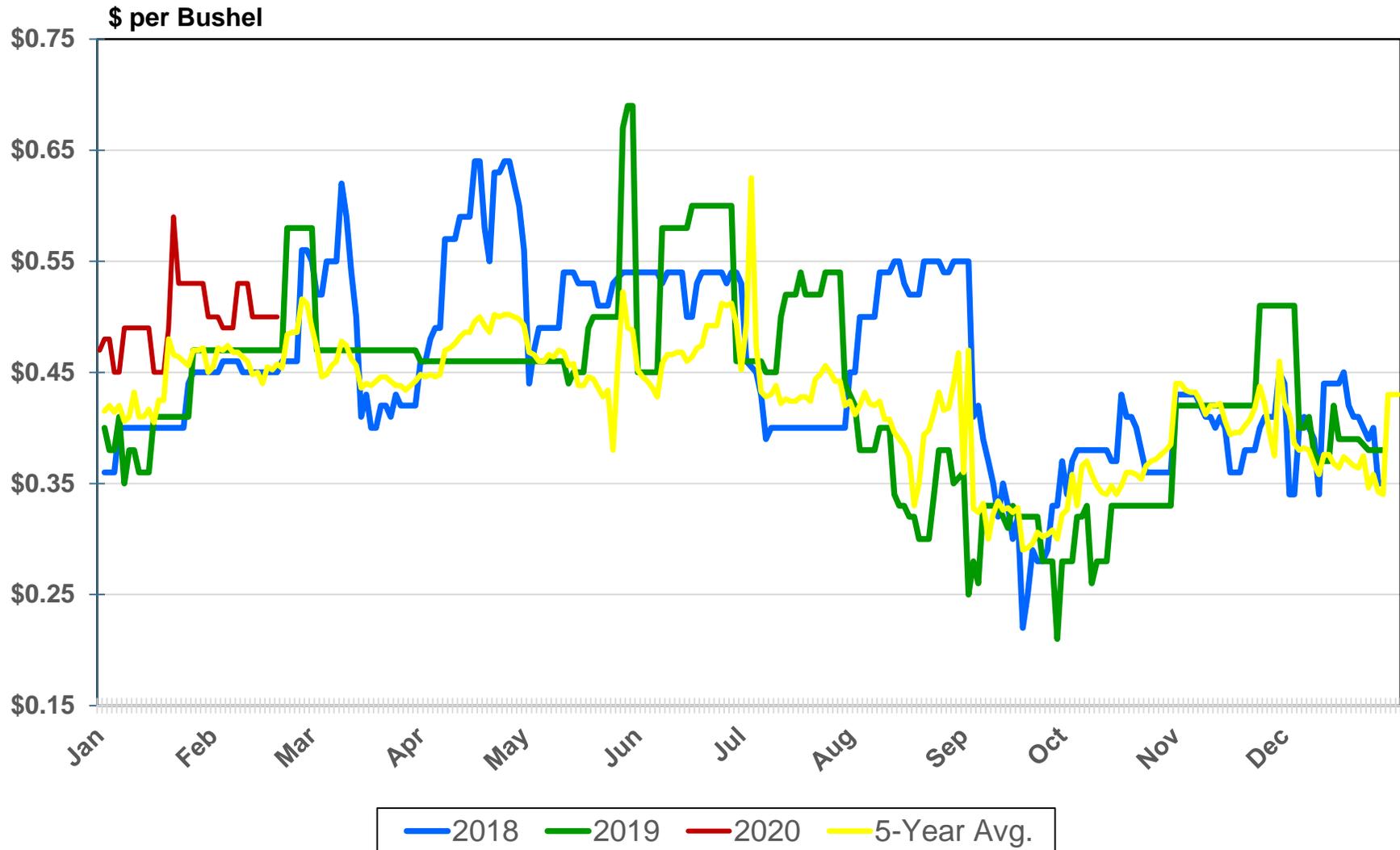


Time adjusted December Corn Futures



# Gulf CIF Corn Basis

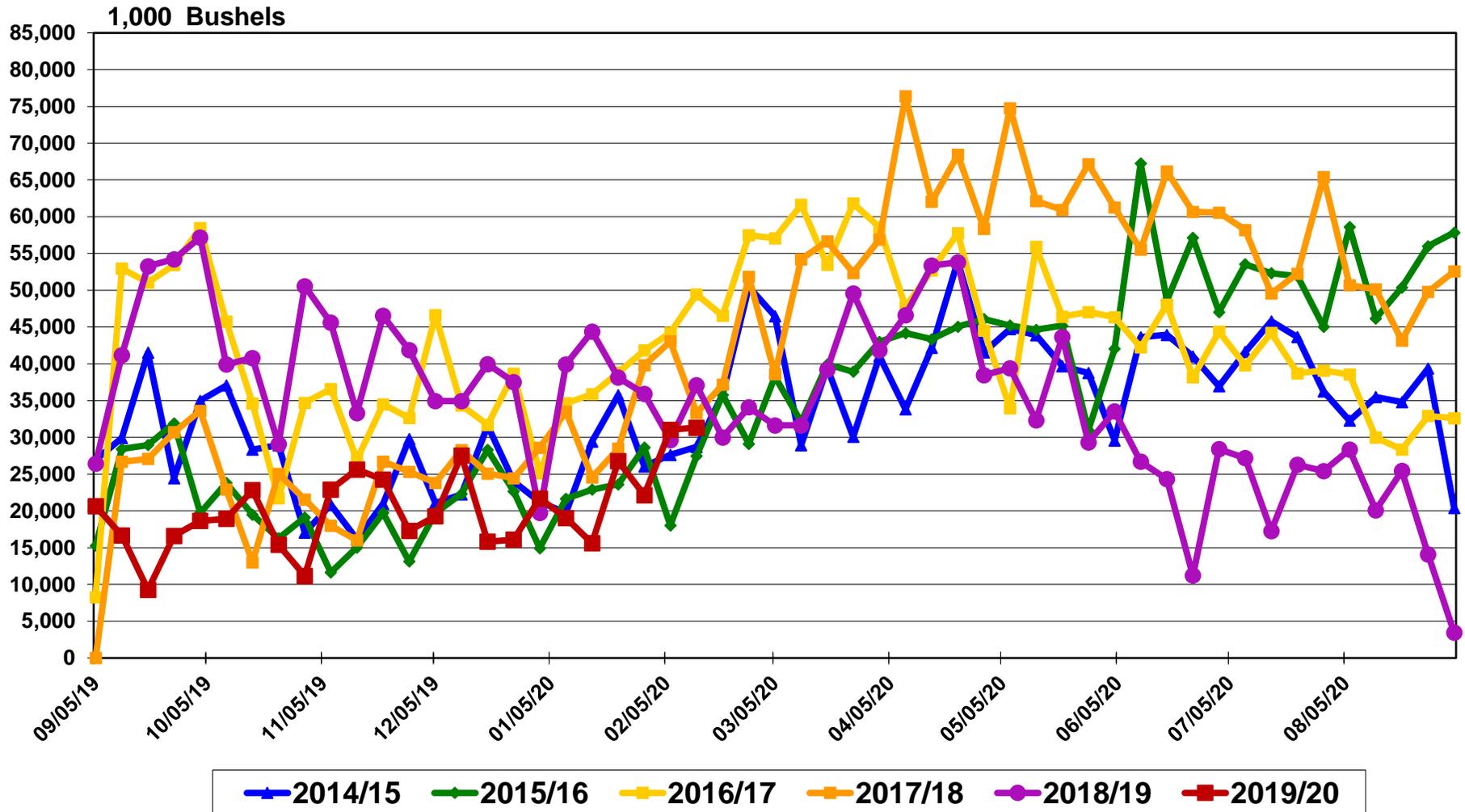
CIF values have been trending up as producers hold on to corn and market anticipates Chinese purchases



Source: DTN, Rabobank 2020

# U.S. Corn Export Inspections

Year-to-date 2019/20 corn export inspections are down 49.1%



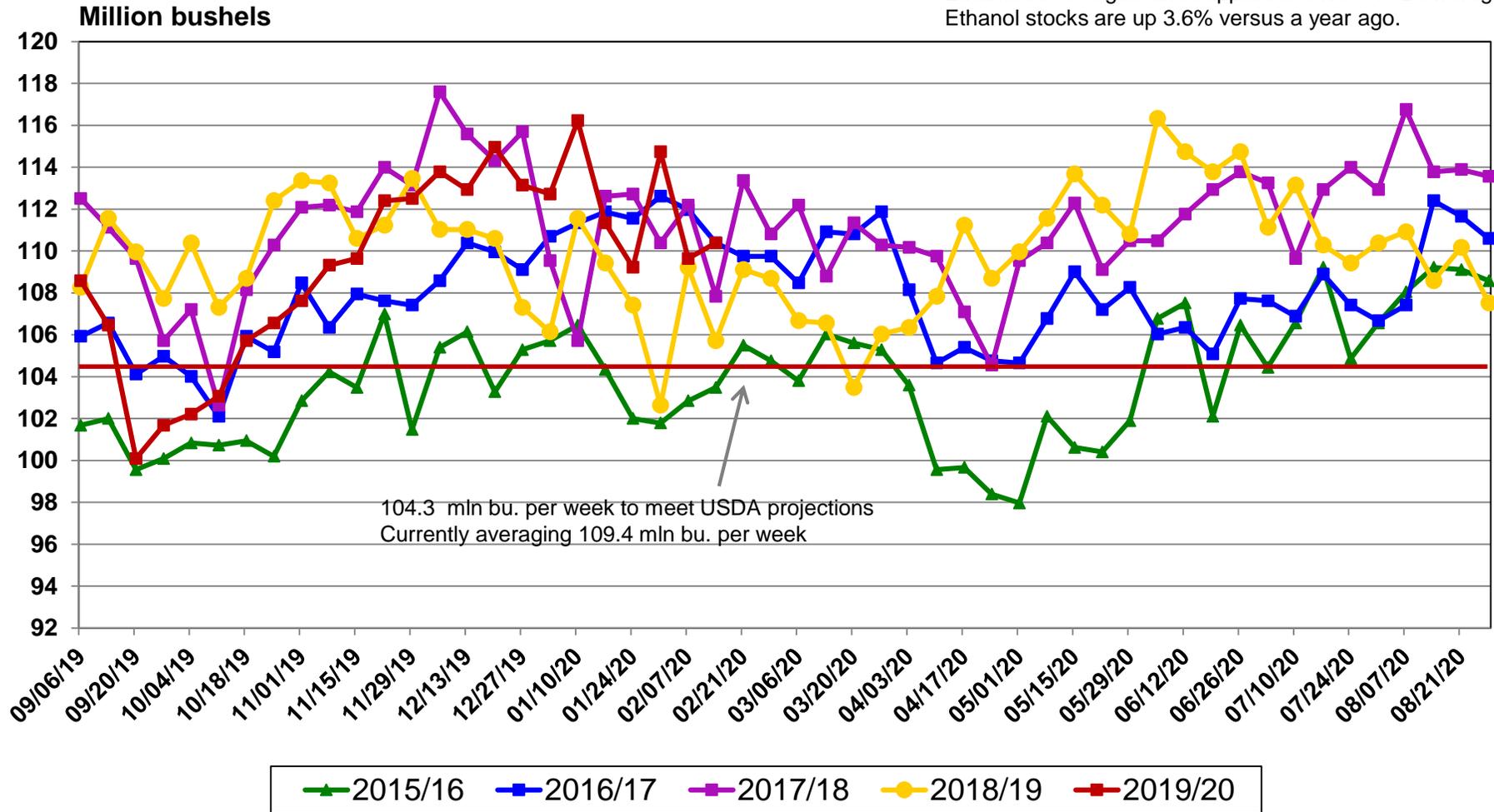
Source: USDA/AMS, Rabobank 2020

# Weekly Corn Usage for Ethanol Production

2019/20 ethanol production & corn usage are down 0.2% versus last year



Ethanol as % of gasoline supplied is 11.3% YTD Average  
Ethanol stocks are up 3.6% versus a year ago.

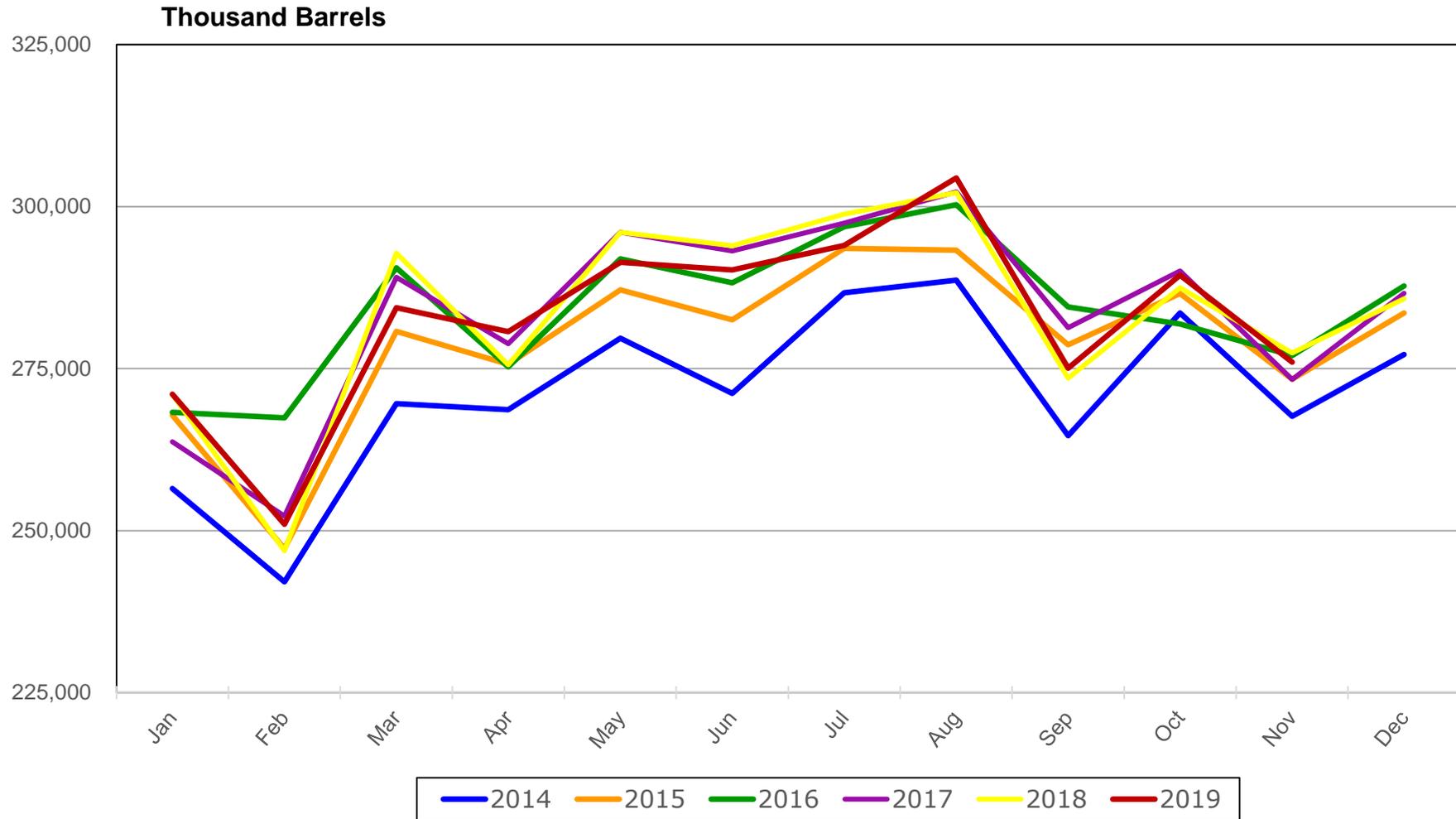


Source: Energy Information Agency, Rabobank 2020

# Monthly Supplied Finished Motor Fuel Gasoline

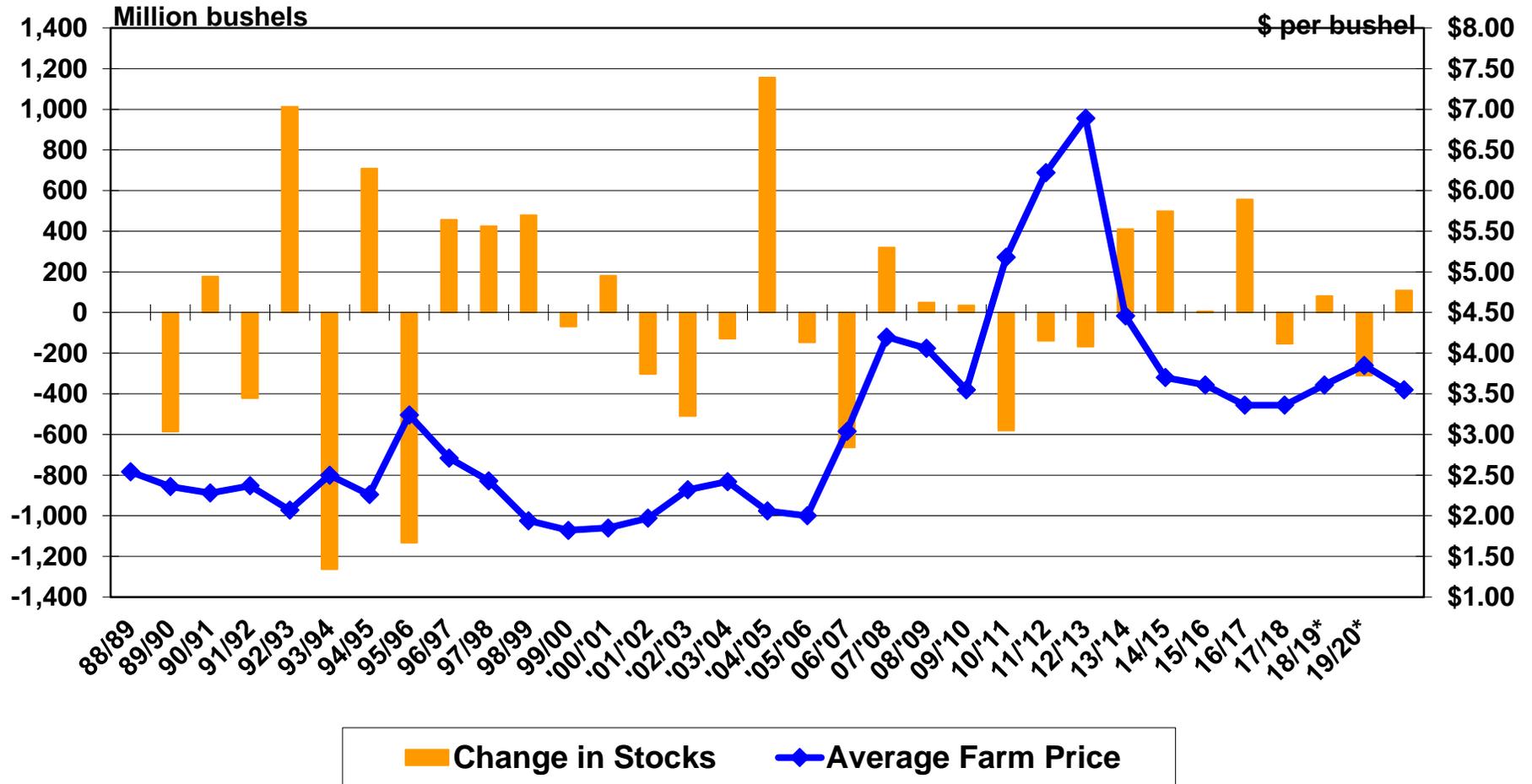
Accumulated through Week of Jan 31 is +0.12% versus last year

Long-term growth is flat at best



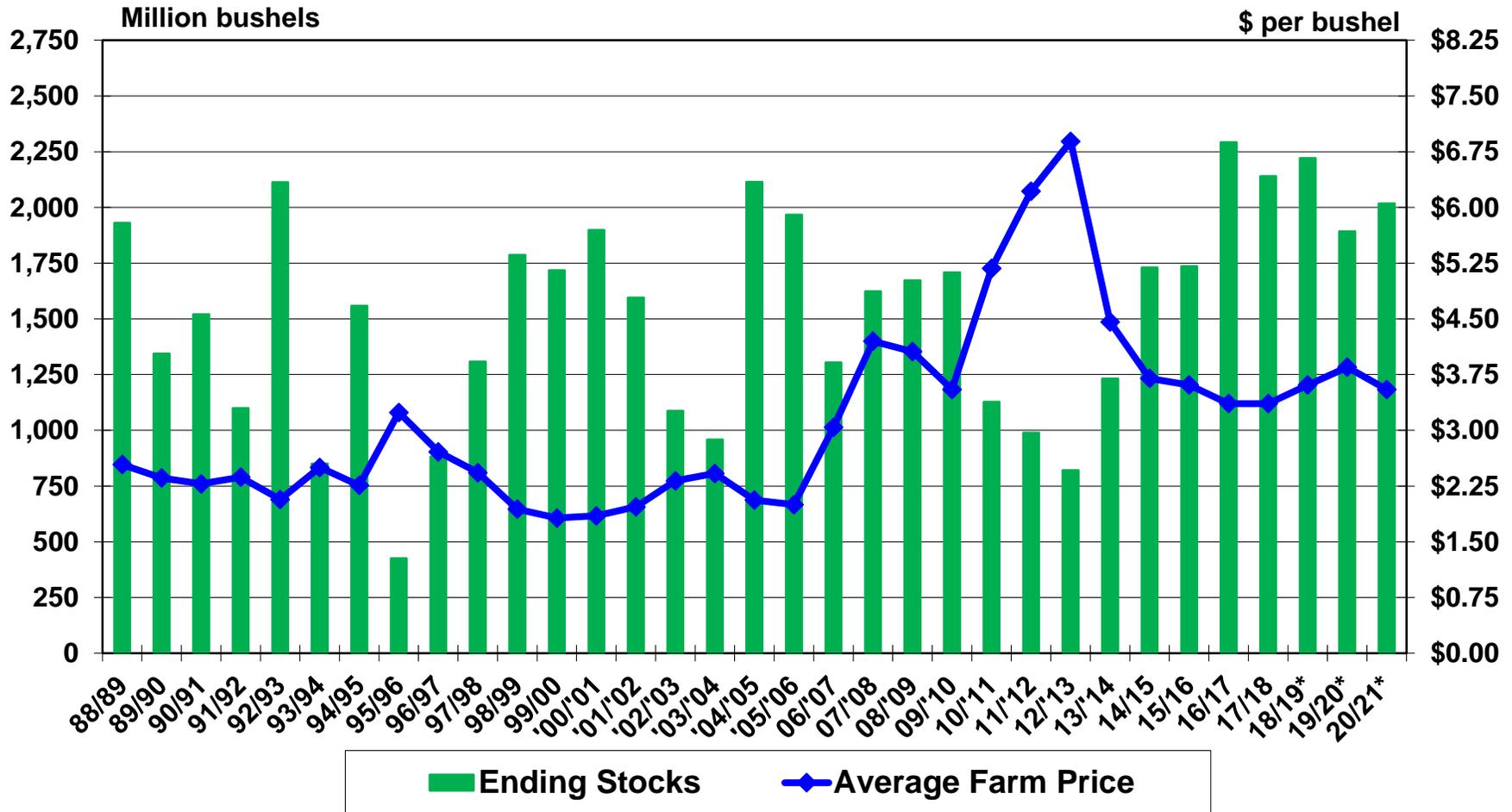
Source: Energy Information Administration, Rabobank 2020

# Trade Watches Changes in Stocks Levels



\* Rabobank Projection

# US Corn Ending Stocks Remain Burdensome



\* USDA & Rabobank Projection



### III. Soybeans



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# Soybeans--Bulls and Bears

## ***Bullish Factors***

- Hog and poultry numbers
- Strong crush and margins
- Strong demand for products
- Biodiesel production
- Contracting U.S. stocks
- Argentine export taxes

## ***Bearish Factors***

- Uncertainty surrounding Phase I
- Global soybean stocks
- Record 2020 Brazilian soybean production
- Strength of USD versus competitors—i.e. real, peso

## ***Swing Factors***

- Coronavirus
- South American weather
- 2020 U.S. planted soybean acres
- Asian Swine Fever (ASF)



# U.S. Soybean Balance Sheet (million bushels)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	USDA 2019/20*	Rabo 2020/21
Planted Acres (mln)	77.2	76.8	83.3	82.7	83.5	90.2	89.2	76.1	79.7
Harvested Acres (mln)	76.1	76.3	82.6	81.7	82.7	89.5	87.6	75.0	78.7
Yield (bu./acre)	40.0	44.0	47.5	48.0	51.9	49.3	50.6	47.4	50.1
<b>Supply</b>									
Beginning Stocks (9/1)	169	141	92	191	197	302	437	907	423
Production	3,042	3,358	3,927	3,926	4,296	4,412	4,428	3,558	3,946
Imports	41	72	33	24	22	22	14	15	20
<b>Total Supply</b>	<b>3,252</b>	<b>3,570</b>	<b>4,052</b>	<b>4,141</b>	<b>4,516</b>	<b>4,735</b>	<b>4,879</b>	<b>4,481</b>	<b>4,389</b>
<b>Disappearance</b>									
Crush	1,689	1,734	1,873	1,886	1,901	2,055	2,092	2,105	2,089
Exports	1,317	1,638	1,842	1,942	2,166	2,134	1,748	1,825	1,788
Seed, Feed & Residual	105	107	146	115	147	109	132	128	129
<b>Total Disappearance</b>	<b>3,111</b>	<b>3,478</b>	<b>3,862</b>	<b>3,943</b>	<b>4,214</b>	<b>4,298</b>	<b>3,972</b>	<b>4,058</b>	<b>4,006</b>
Ending Stocks	141	92	191	197	302	437	907	423	383
<b>Stocks-to-Use Ratio (%)</b>	<b>4.5%</b>	<b>2.6%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>7.2%</b>	<b>10.2%</b>	<b>22.8%</b>	<b>10.4%</b>	<b>9.6%</b>
<b>Average Farm Price (\$/bu.)</b>	<b>\$14.40</b>	<b>\$13.00</b>	<b>\$10.10</b>	<b>\$8.95</b>	<b>\$9.47</b>	<b>\$9.33</b>	<b>\$8.48</b>	<b>\$8.75</b>	<b>\$9.10- \$9.30</b>

\* Projections

# U.S. Soybean Balance Sheet Scenarios (mln bushels)

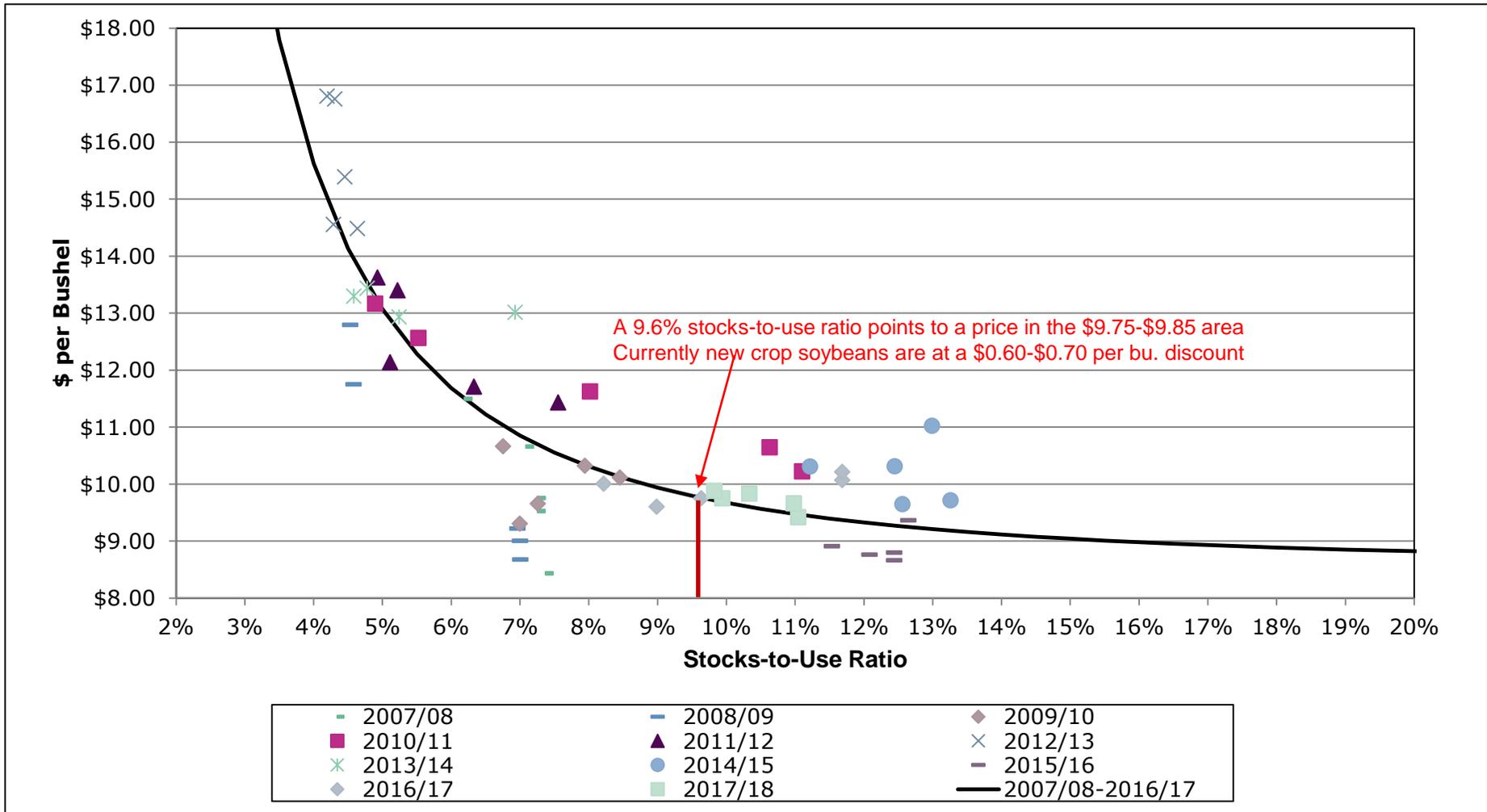


	2016/17	2017/18	2018/19	USDA 2019/20*	USDA (Feb) 2020/21		Low -Ac. 2020/21	Med-Ac. 2020/21	Hi-Ac. 2020/21
Planted Acres (mln)	83.5	90.2	89.2	76.1	85.0		79.7	84.0	87.0
Harvested Acres (mln)	82.7	89.5	87.6	75.0	84.2		78.8	83.0	86.0
Yield (bu./acre)	51.9	49.3	50.6	47.4	49.8		50.1	50.1	50.1
<b>Supply</b>									
Beginning Stocks (9/1)	197	302	437	907	423		423	423	423
Production	4,296	4,412	4,428	3,558	4,195		3,946	4,158	4,307
Imports	22	22	14	15	15		20	20	20
<b>Total Supply</b>	<b>4,516</b>	<b>4,735</b>	<b>4,879</b>	<b>4,481</b>	<b>4,635</b>		<b>4,389</b>	<b>4,602</b>	<b>4,750</b>
<b>Disappearance</b>									
Crush	1,901	2,055	2,092	2,105	2,130		2,089	2,089	2,089
Exports	2,166	2,134	1,748	1,825	2,050		1,788	1,788	1,788
Seed, Feed & Residual	147	109	132	128	134		129	129	129
<b>Total Disappearance</b>	<b>4,214</b>	<b>4,298</b>	<b>3,972</b>	<b>4,058</b>	<b>4,314</b>		<b>4,066</b>	<b>4,011</b>	<b>4,011</b>
<b>Ending Stocks</b>	<b>302</b>	<b>437</b>	<b>907</b>	<b>423</b>	<b>320</b>		<b>383</b>	<b>596</b>	<b>744</b>
<b>Stocks-to-Use Ratio (%)</b>	<b>7.2%</b>	<b>10.2%</b>	<b>22.8%</b>	<b>10.4%</b>	<b>7.4%</b>		<b>9.6%</b>	<b>14.9%</b>	<b>18.6%</b>
<b>Average Farm Price (\$/bu.)</b>	<b>\$9.47</b>	<b>\$9.33</b>	<b>\$8.48</b>	<b>\$8.75</b>	<b>\$8.80</b>		<b>\$9.00- \$9.25f</b>	<b>\$8.40- \$8.60f</b>	<b>\$8.30- \$8.50</b>

\* Projections

# U.S. Soybean Price Curve (Average for Q4 futures)

Currently 2020-Q4 soybean futures are trading at a \$0.30-\$0.40 per bushel discount



# Major Highlights from the Rabobank 2019 Soybean Baseline Outlook

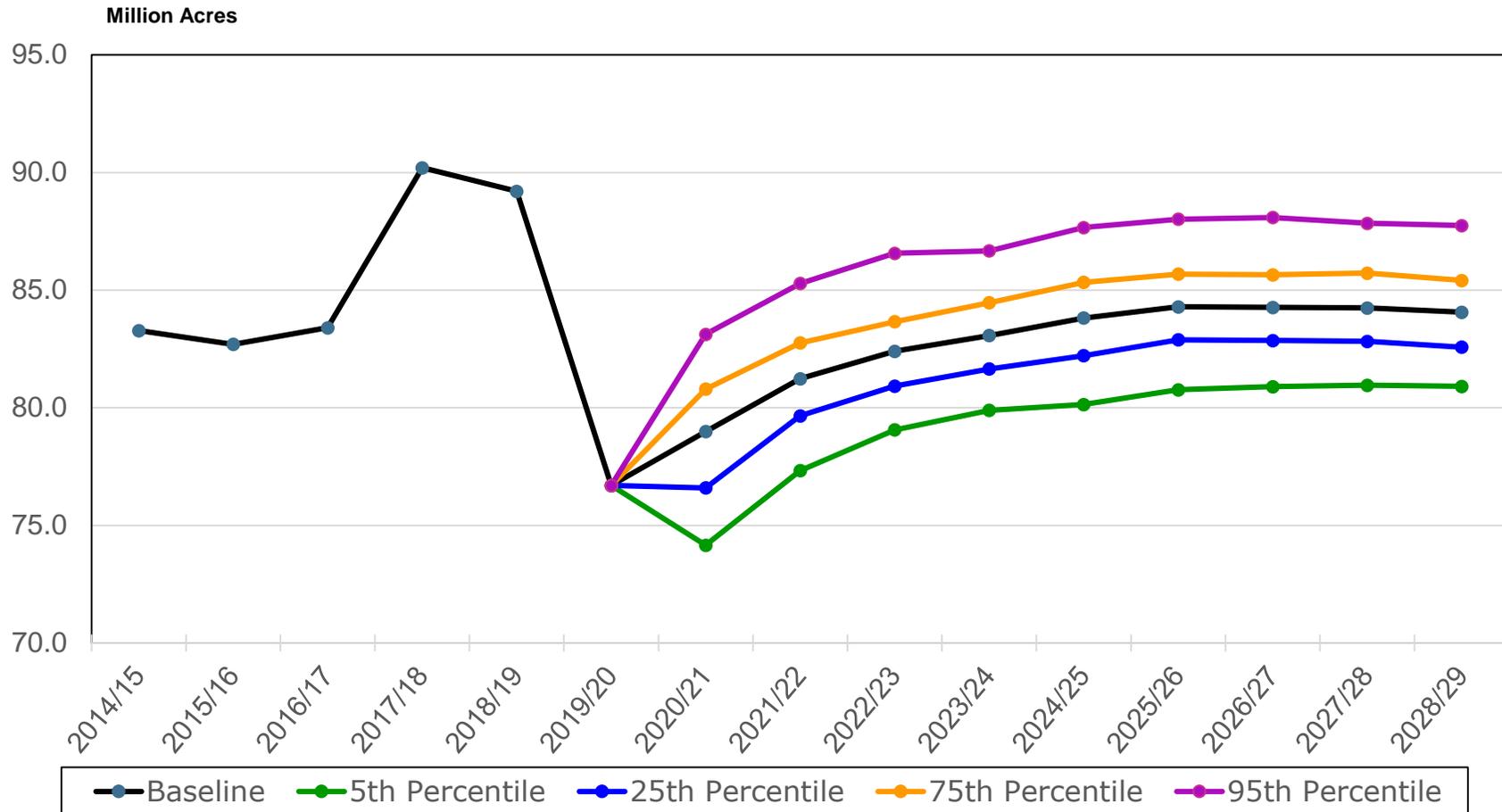
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- Baseline assumes trade disputes and African Swine Fever (ASF) is ongoing which limits U.S. soybean exports to under 2.0 billion bushels.
- Farm gate prices remain depressed, as do planted acres due to ongoing profitability challenges.
- U.S. production continues to increase, due to ongoing yield improvements which keeps ending stocks burdensome.
- Like corn, profitability along the supply chain will be challenging for all parties: producers, grain merchandisers, exporters and input suppliers.
- However, depressed soybean prices will be positive to crush margins.

# U.S. Planted Soybean Acres

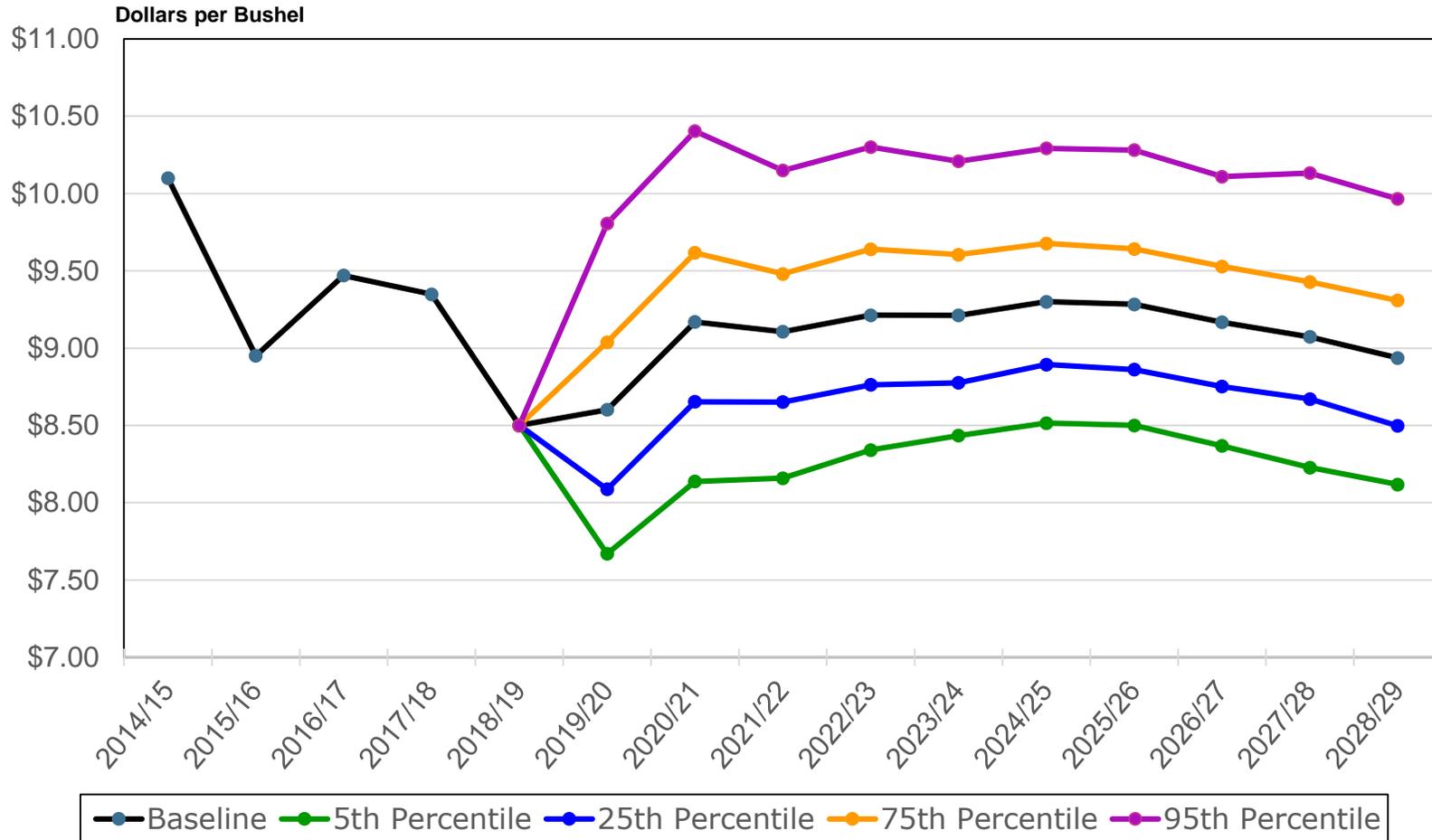
75% probability that planted acres will under 86.0 million acres



Source: Rabobank 2020

# National Average Farm Received Prices—Soybeans

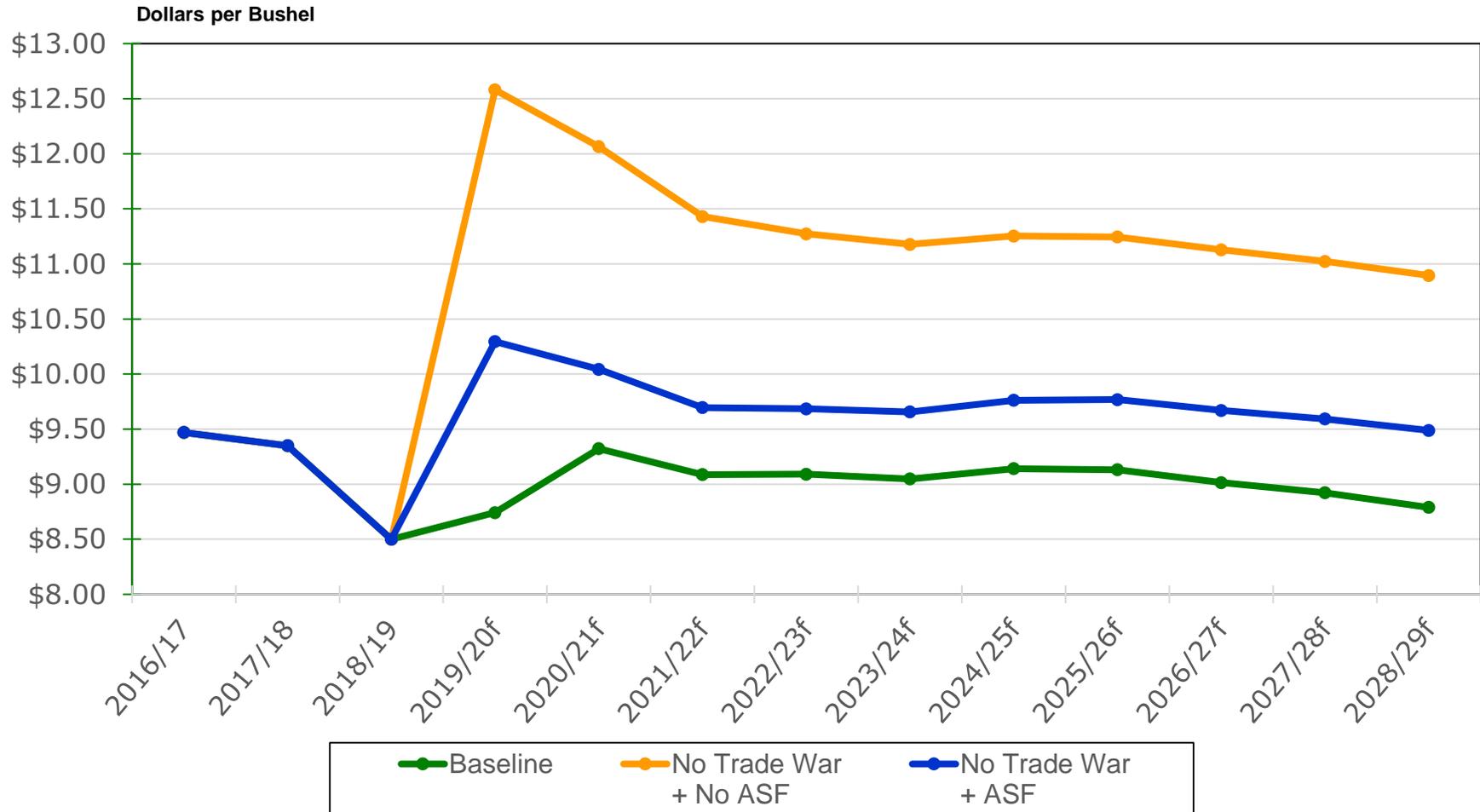
75% probability that prices will be under \$9.60 per bushel



Source: Rabobank 2020

# The Costs of Trade War and ASF on U.S. Soybeans

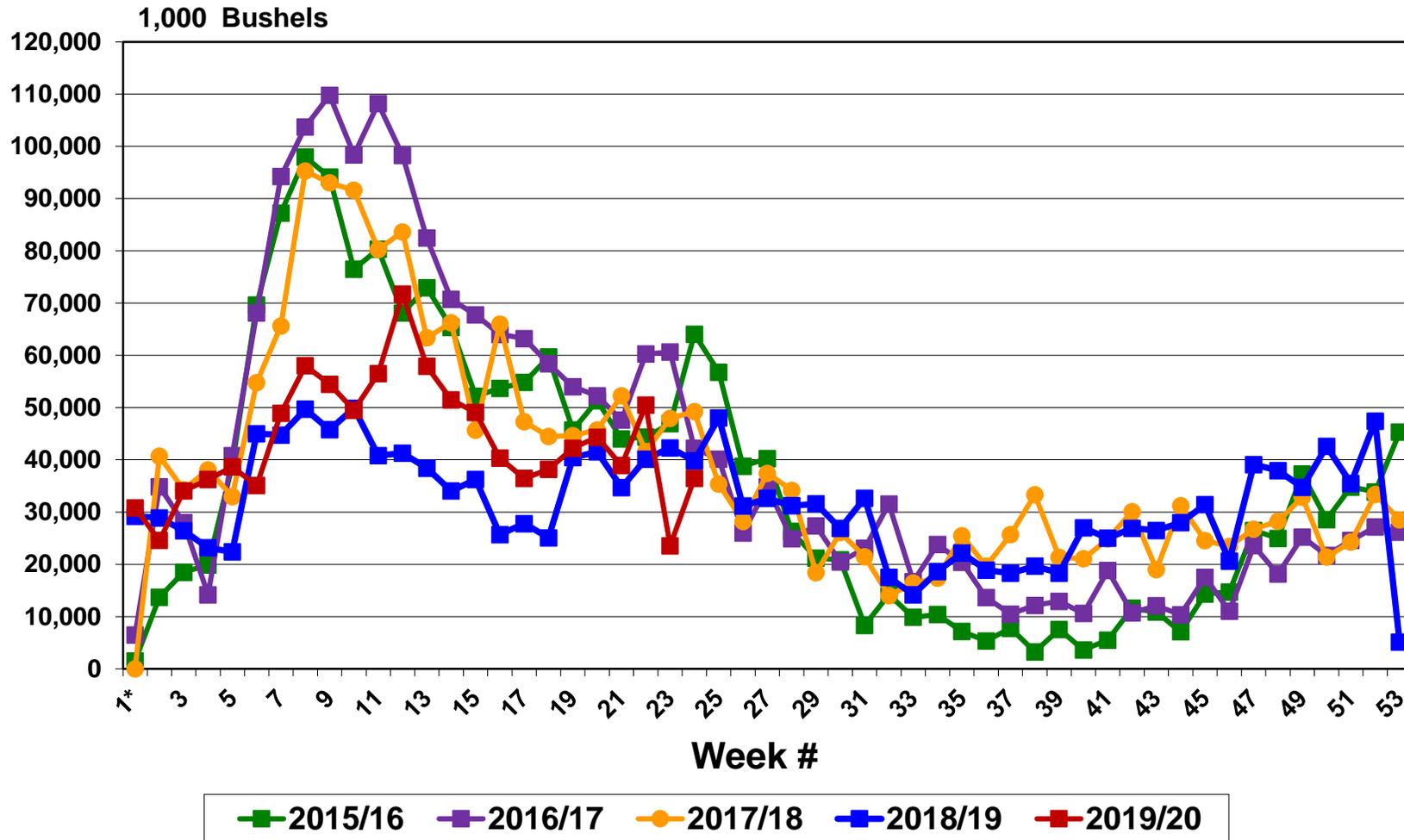
Trade war is worth \$1.00-\$1.50 per bu off U.S. soybean prices and ASF is worth \$0.50-\$1.00 per bu.



Source: Rabobank 2020

# U.S. Soybean Export Inspections

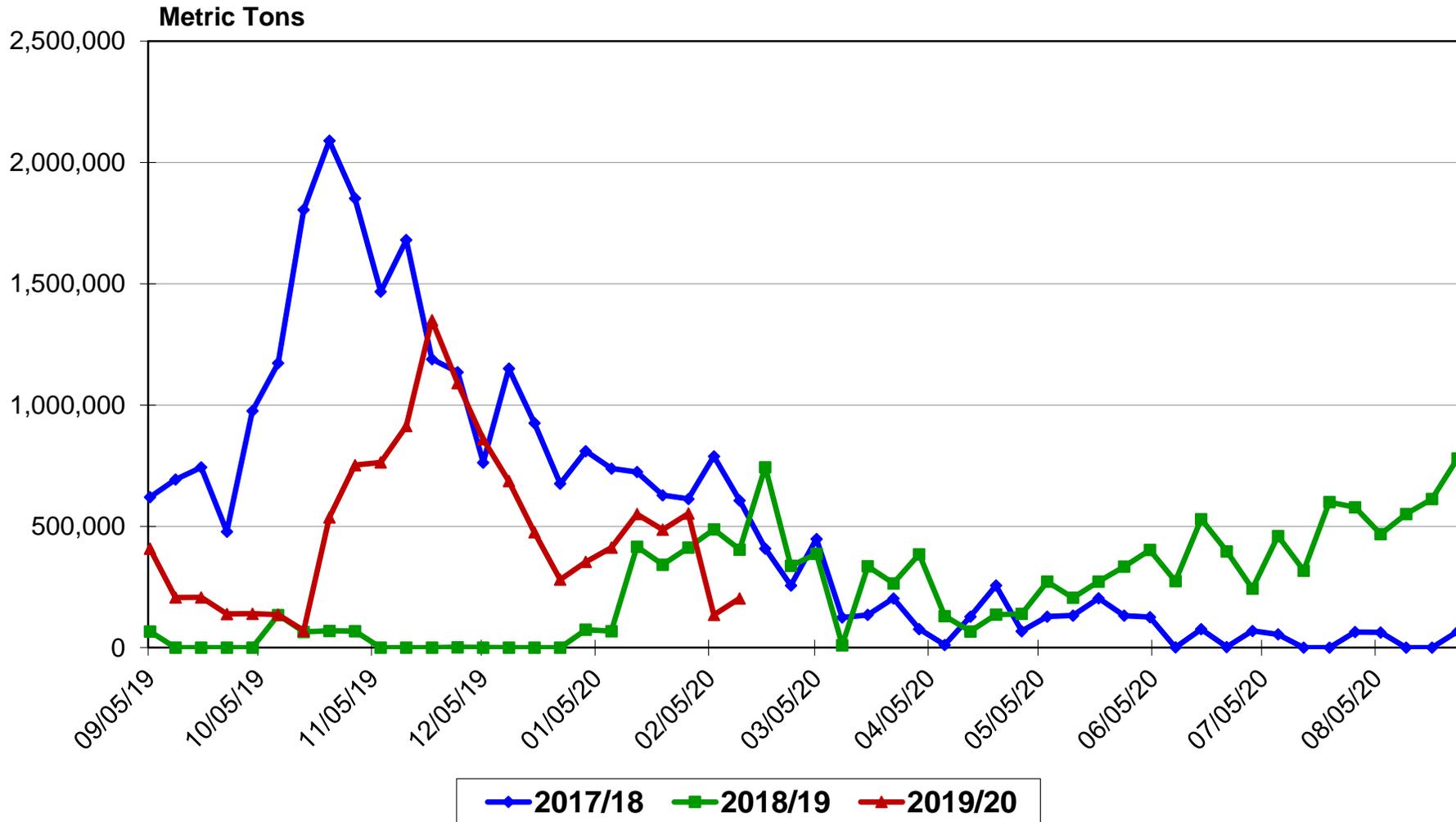
YTD up 18.8%, Chinese shipments (export inspections) up 348.3% in 2019/20 versus 2018/19.



Source: USDA/AMS, Rabobank 2020

# Weekly U.S. Soybean Export Inspections to China

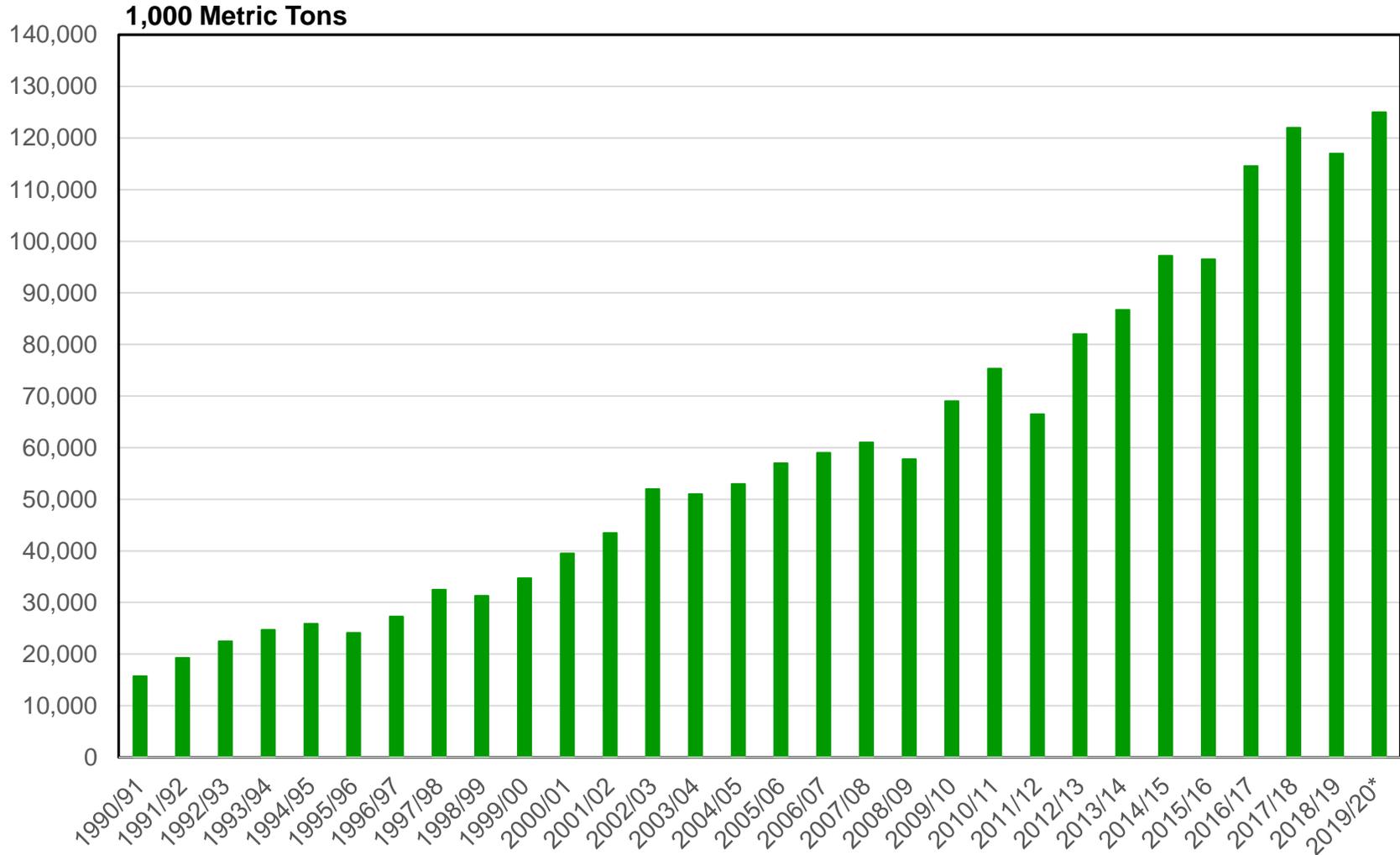
The pace is beginning to slow as Brazil starts to harvest a record crop.



Source: USDA/FAS, Rabobank 2020

# Brazil Soybean Production

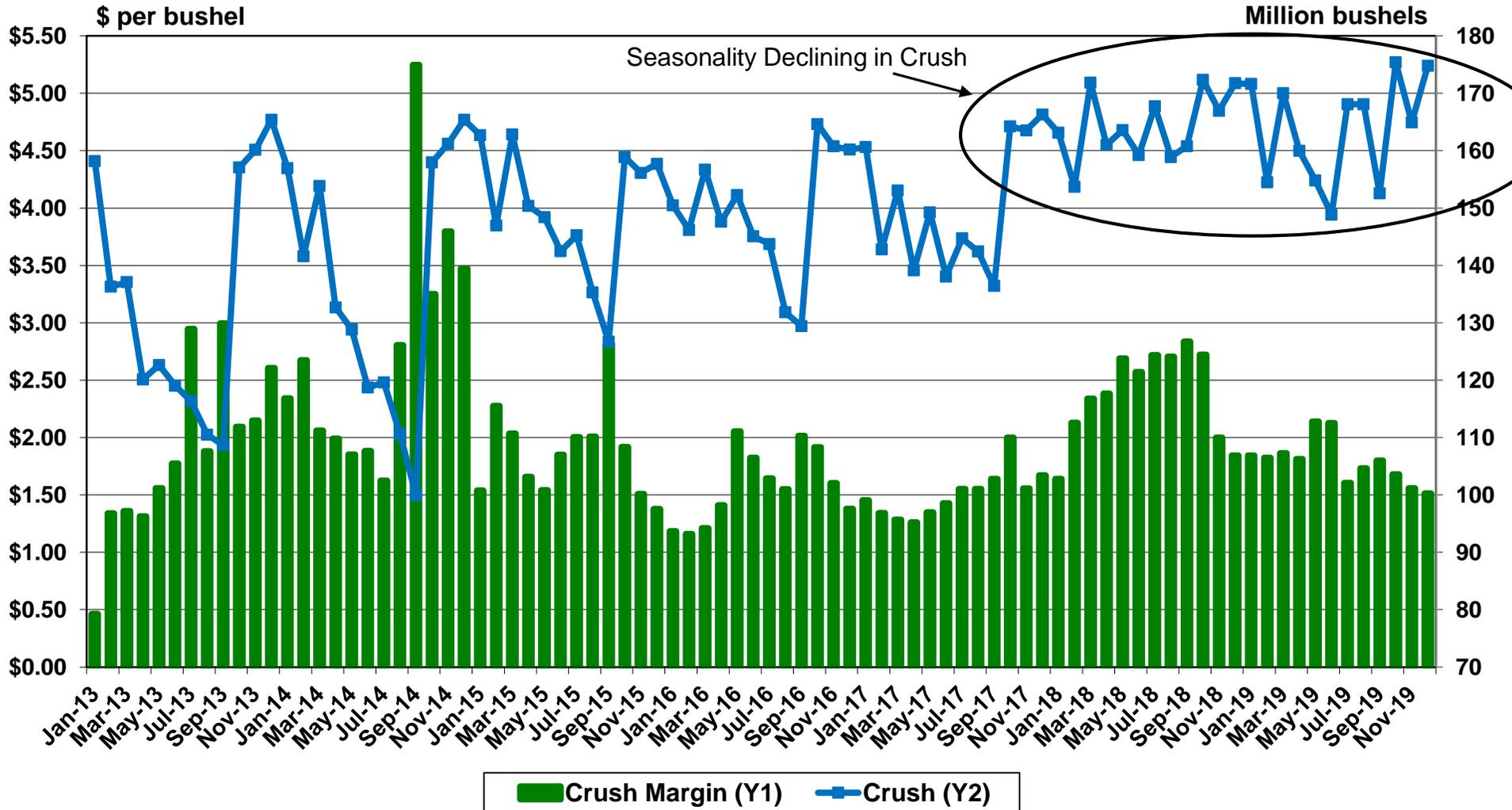
2020 crop is estimated to be around 122-125 MMT



Source: USDA, Rabobank 2020

# U.S. Crush Margins Are Remain Strong

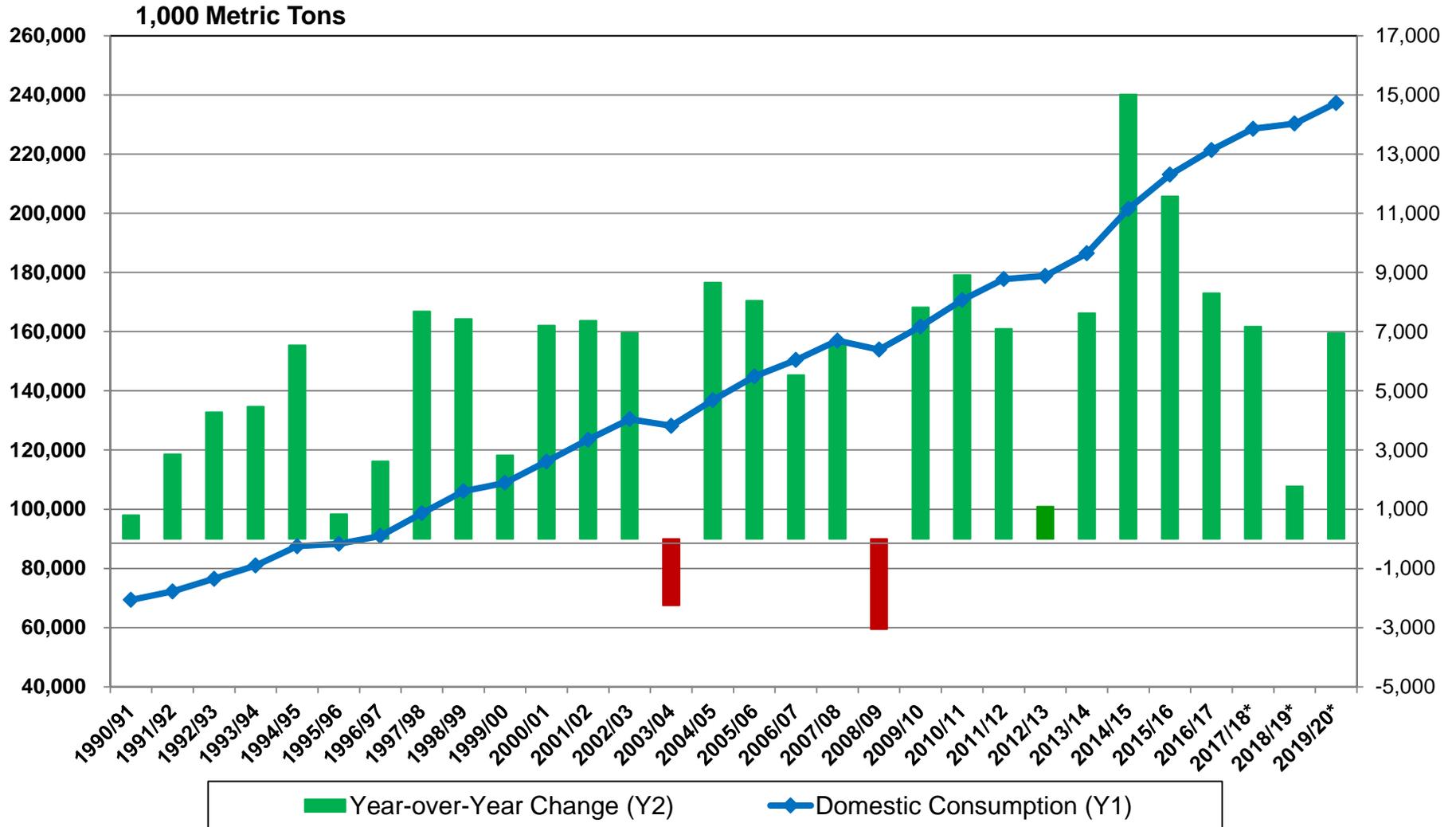
Strong crush margins will keep soybean demand up and crushers crushing



Source: NOPA, Rabobank 2020

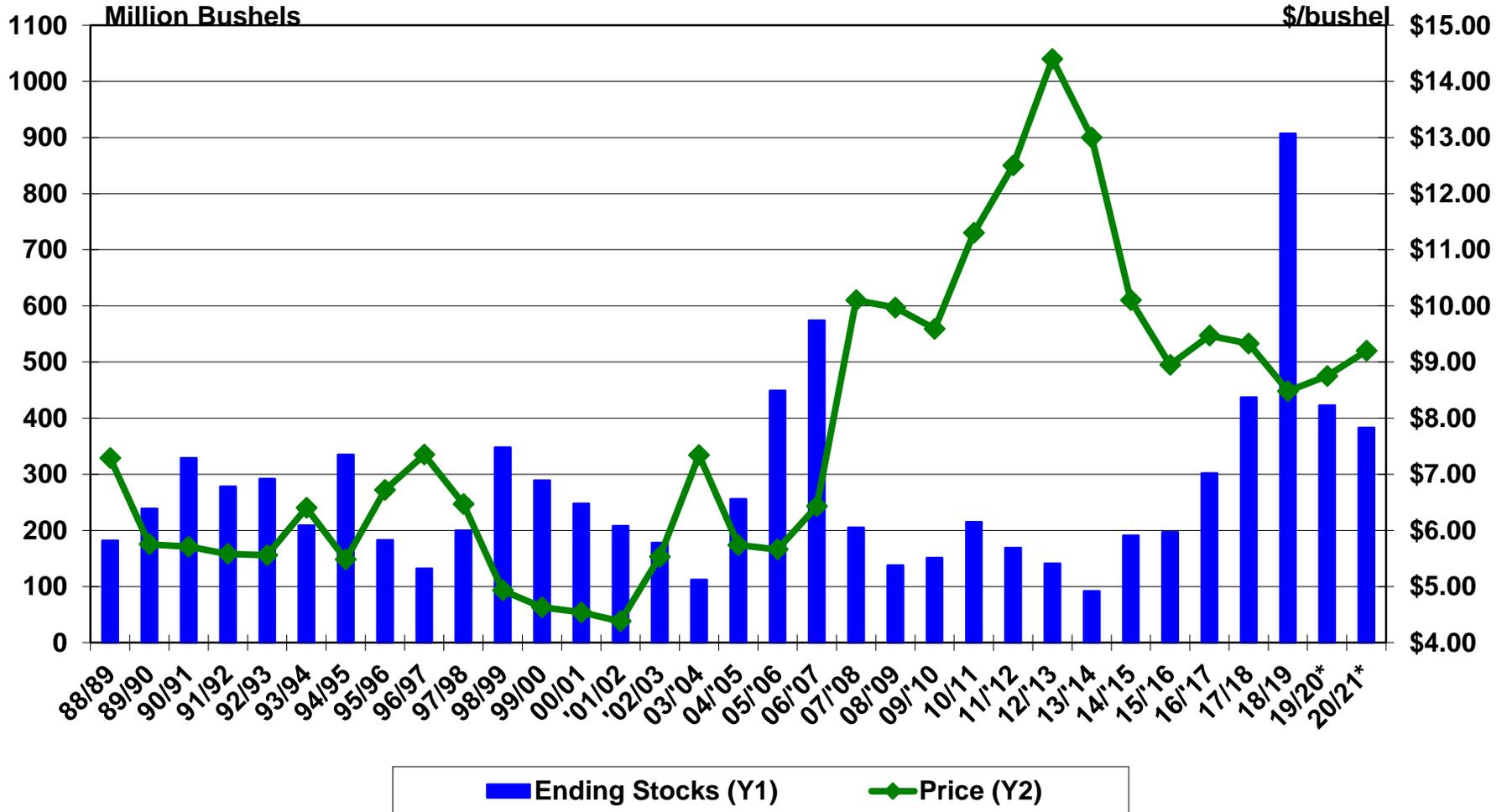
# Global Soybean Meal Domestic Consumption Continues to Increase

African Swine Fever has had an impact, but demand projected to rebound in 2019/20



# U.S. Soybean Ending Stocks

## Stocks have declined, but still historically high



Source: USDA, Rabobank 2020  
 \*Rabobank Projection



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## IV. Vegetable Oils



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# Vegetable Oil--Bulls and Bears

## ***Bullish Factor***

- *Strong domestic food demand*
- Global vegetable oil stocks and stocks-to-use down
- *Reinstating \$1.00 biodiesel tax credit*
- *Malaysian palm oil stocks contracting, seasonal decline in production and strong palm oil prices (3-year high)*
- Soybean oil price vs palm oil price
- *Increasing biodiesel mandates in Indonesia, Malaysia & Brazil*
- Tight U.S. stocks
- Strong Q1 U.S. soybean oil exports

## ***Bearish Factors***

- Strong crush have kept supplies plentiful
- Decreasing canola oil prices--spread between soybean and canola oil prices is narrow
- Seasonal demand from biodiesel sector is down.

## ***Swing Factors***

- Asian Swine Fever
- Global and domestic soybean meal demand
- New export taxes in Argentina



# U.S. Soybean Oil Balance Sheet (million pounds)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	USDA 2019/20	USDA (Feb) 2020/21
<b>Supply</b>									
Beginning Stocks (10/1)	2,591	1,657	1,167	1,857	1,689	1,713	1,997	1,777	1,517
Production	19,820	20,130	21,399	21,950	22,123	23,772	24,195	24,290	24,685
Imports	196	165	264	287	319	335	398	450	450
<b>Total Supply</b>	<b>22,606</b>	<b>21,952</b>	<b>22,830</b>	<b>24,094</b>	<b>24,131</b>	<b>25,820</b>	<b>26,590</b>	<b>26,517</b>	<b>26,650</b>
<b>Disappearance</b>									
<b>Domestic Use</b>	<b>18,787</b>	<b>18,908</b>	<b>18,959</b>	<b>20,162</b>	<b>19,862</b>	<b>21,380</b>	<b>22,872</b>	<b>23,100</b>	<b>23,500</b>
<i>Biodiesel</i>	4,689	5,010	5,039	5,670	6,200	7,134	7,863	8,200	8,500
Exports	2,163	1,877	2,014	2,243	2,556	2,443	1,941	1,900	1,600
<b>Total Disappearance</b>	<b>20,949</b>	<b>20,785</b>	<b>20,973</b>	<b>22,405</b>	<b>22,418</b>	<b>23,823</b>	<b>24,813</b>	<b>25,000</b>	<b>25,100</b>
<b>Ending Stocks</b>	<b>1,657</b>	<b>1,167</b>	<b>1,857</b>	<b>1,689</b>	<b>1,713</b>	<b>1,995</b>	<b>1,777</b>	<b>1,517</b>	<b>1,550</b>
<b>Stocks-to-Use Ratio (%)</b>	<b>7.9%</b>	<b>5.6%</b>	<b>8.9%</b>	<b>7.5%</b>	<b>7.6%</b>	<b>8.4%</b>	<b>7.2%</b>	<b>6.1%</b>	<b>6.2%</b>
<b>Price-Decatur (cents/lb.)</b>	<b>47.13</b>	<b>38.23</b>	<b>31.60</b>	<b>29.86</b>	<b>32.48</b>	<b>30.04</b>	<b>28.26</b>	<b>33.50</b>	<b>33.0</b>
<b>Crush (mln bushels)</b>	<b>1,680</b>	<b>1,725</b>	<b>1,903</b>	<b>1,890</b>	<b>1,906</b>	<b>2,079</b>	<b>2,085</b>	<b>2,105</b>	<b>2,135</b>
<b>Yield (lbs. per bu.)</b>	<b>11.80</b>	<b>11.67</b>	<b>11.24</b>	<b>11.61</b>	<b>11.61</b>	<b>11.43</b>	<b>11.60</b>	<b>11.54</b>	<b>11.59</b>

# Continuous Soybean Oil Futures (cents per pound)

Futures have come all the way back...buying opportunity

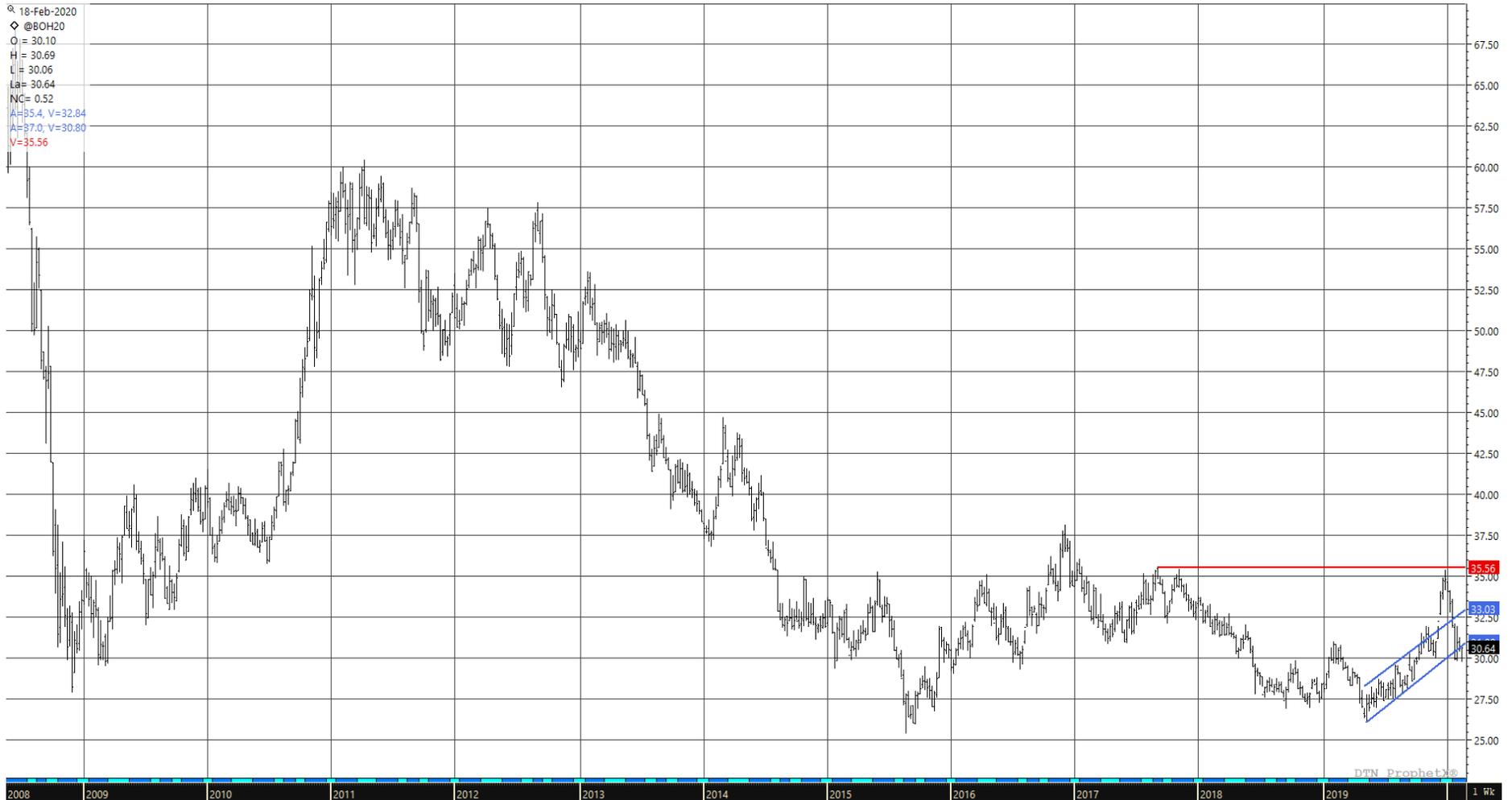


# Weekly Soybean Oil Futures (cents per pound)

Found long-term top and backed away quickly.

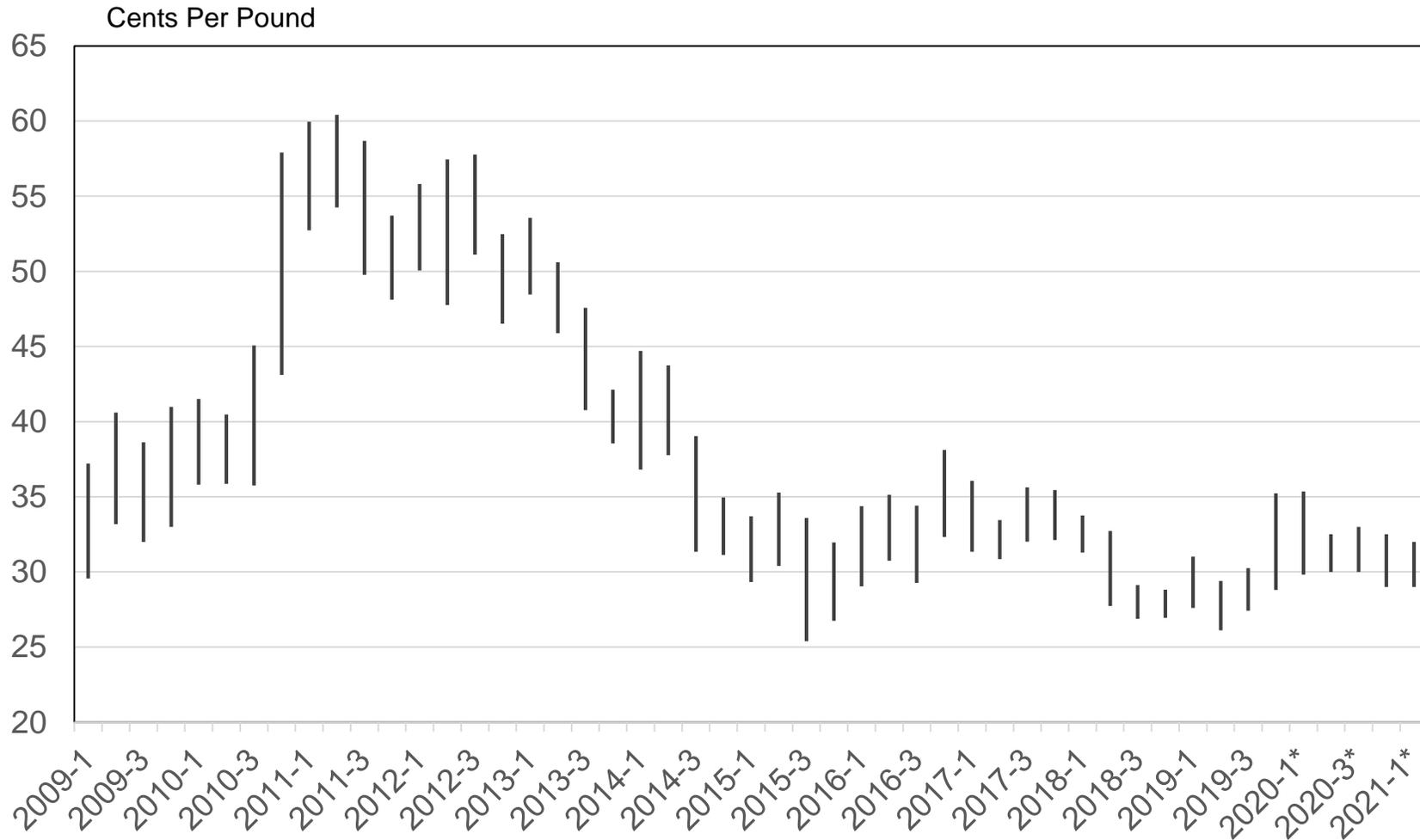


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# Nearby CBOT Futures Price Forecast for Soybean Oil

Futures for the remainder of 2019 and into 2020 are expected to remain in narrow trading range



# Nearby CBOT Futures Price Forecast for Soybean Oil (cents per pound)

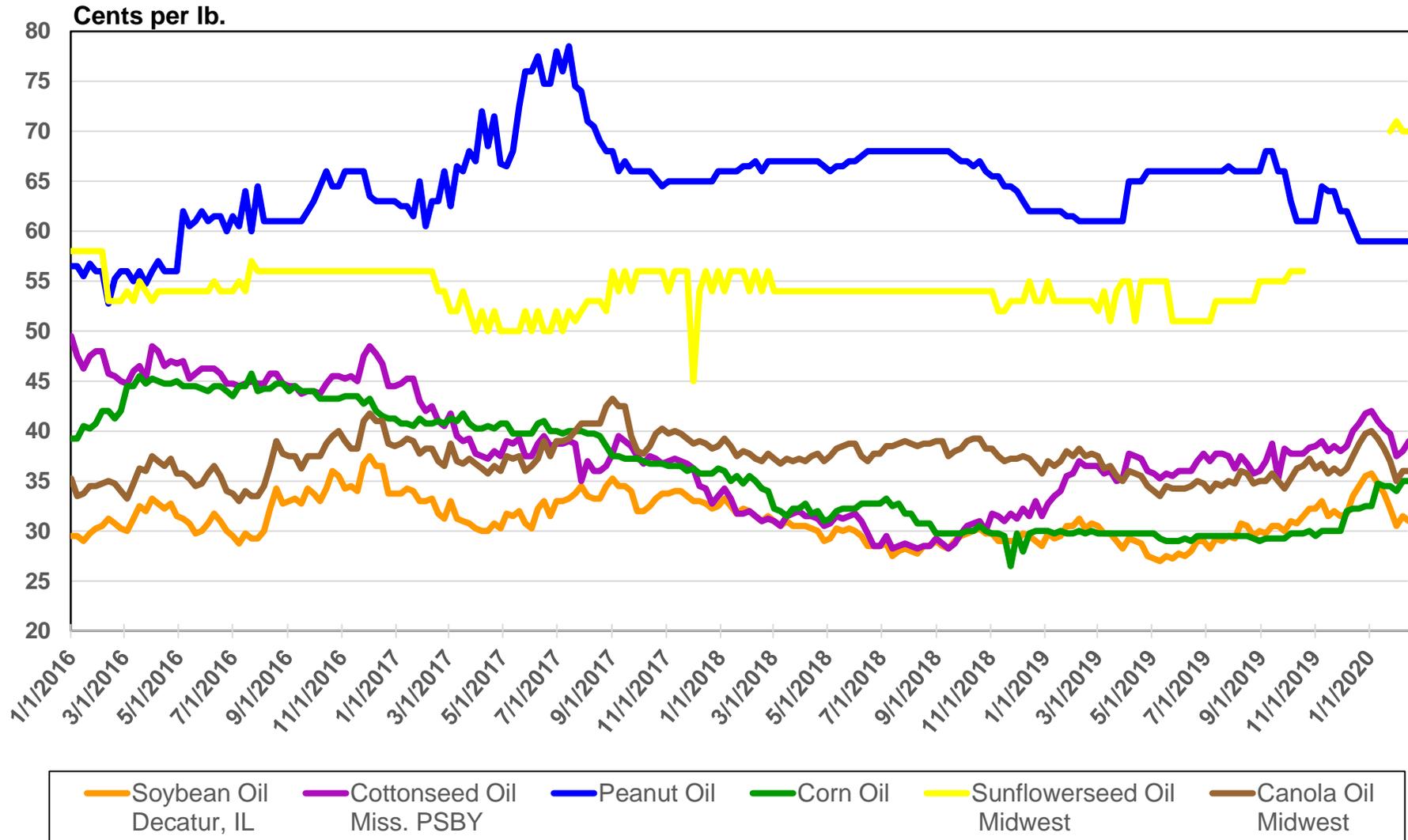


Year	Jan-Feb-Mar	Apr-May-Jun	Jul-Aug-Sep	Oct-Nov-Dec
2012	\$50.05-\$55.82	\$47.76-\$57.45	\$51.11-\$57.78	\$46.52-\$52.47
2013	\$48.46-\$53.57	\$45.88-\$50.61	\$40.76-\$47.57	\$38.54-\$42.12
2014	\$36.80-\$44.70	\$37.76-\$43.74	\$31.34-\$39.04	\$31.12-\$34.95
2015	\$29.32-\$33.71	\$30.39-\$35.29	\$25.38-\$33.60	\$26.74-\$31.96
2016	\$29.04-\$34.37	\$30.74-\$35.14	\$29.28-\$34.41	\$32.33-\$38.11
2017	\$31.35-\$36.07	\$30.86-\$33.44	\$32.01-\$35.60	\$32.12-\$35.44
2018	\$31.28-\$33.75	\$27.72-\$32.73	\$26.88-\$29.12	\$26.95-\$28.82
2019	\$27.60-\$31.01	\$26.11-\$29.40	\$27.42-\$30.26	\$28.80-\$35.22
2020	\$29.78-\$35.36	\$30.00-\$32.50	\$30.00-\$33.00	29.00-\$32.50
2021	\$29.00-\$32.00			

\*Shaded area indicates Projection

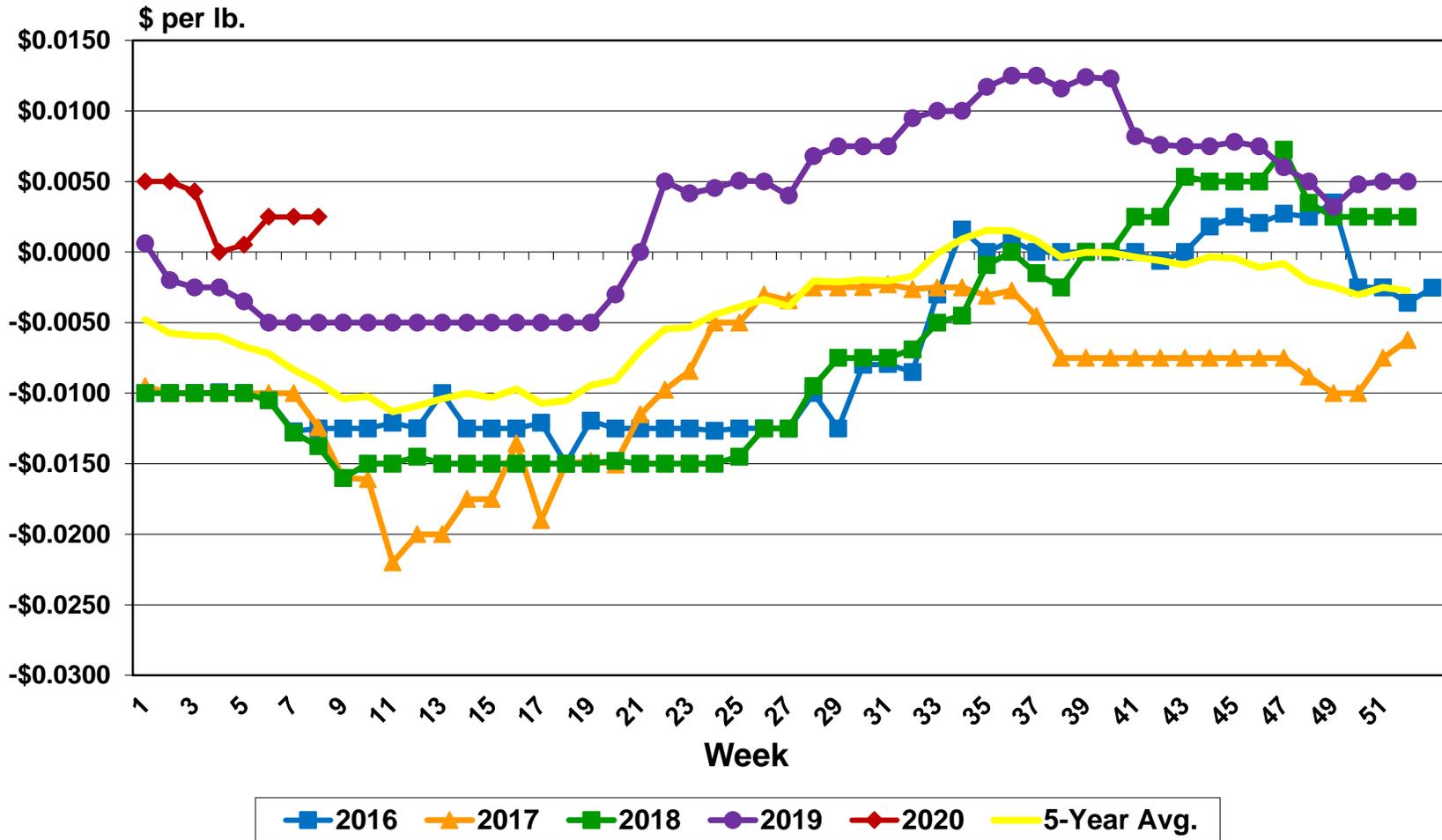
# U.S. Vegetable Oil Prices—trending higher

Note: sunflower oil has not been bid at times



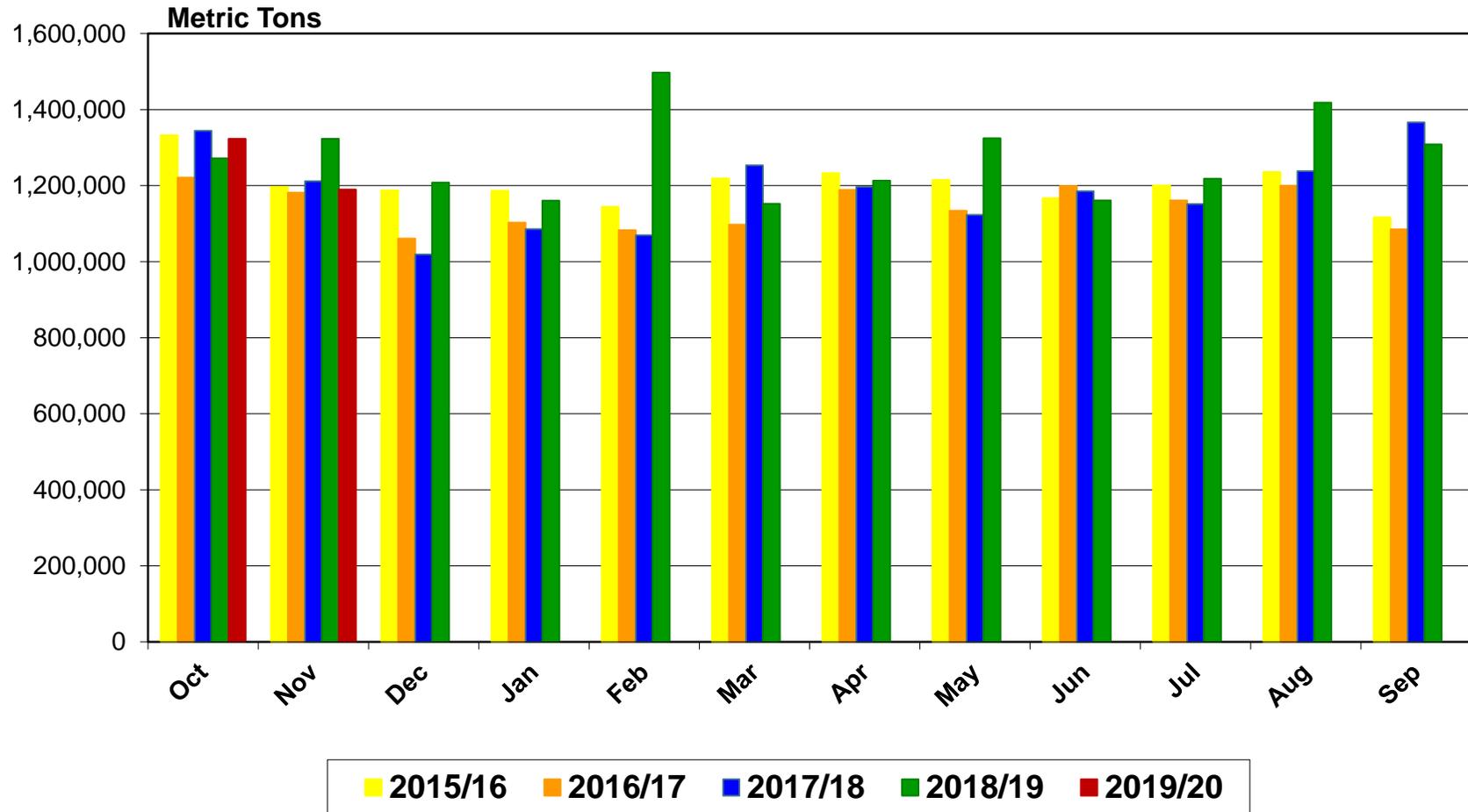
# U.S. Soybean Oil Basis---Central Illinois

Basis values remain elevated on strong demand from food & biodiesel sectors



# Monthly U.S. Soybean Oil Food Usage

Nine of the last 12 months, food usage has exceeded previous year



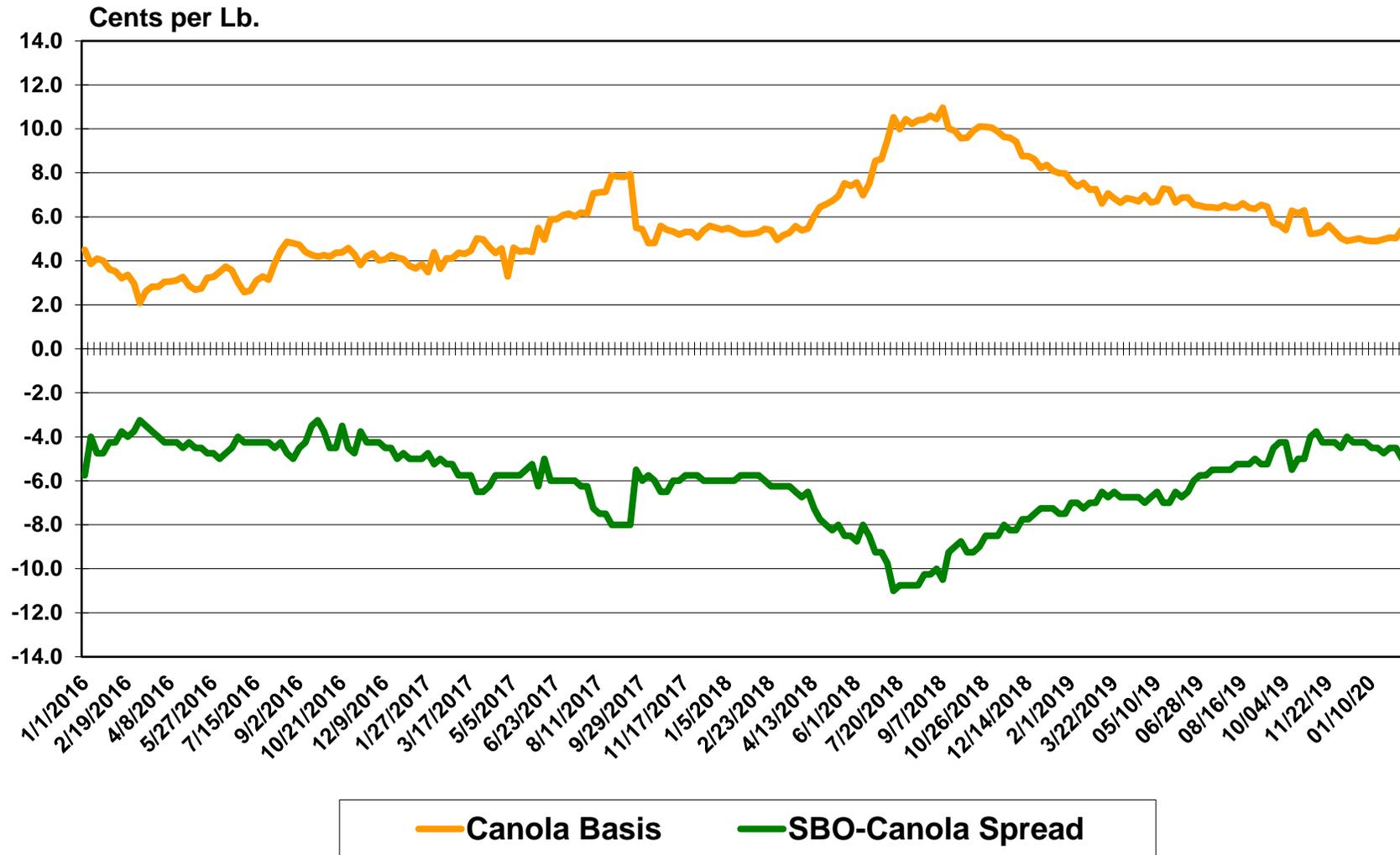
Source: USDA/FAS-GATS, Rabobank 2020

# Canola Oil Basis and Premium to Soybean Oil

Canola oil basis values remain attractive—spread is starting to widen back out

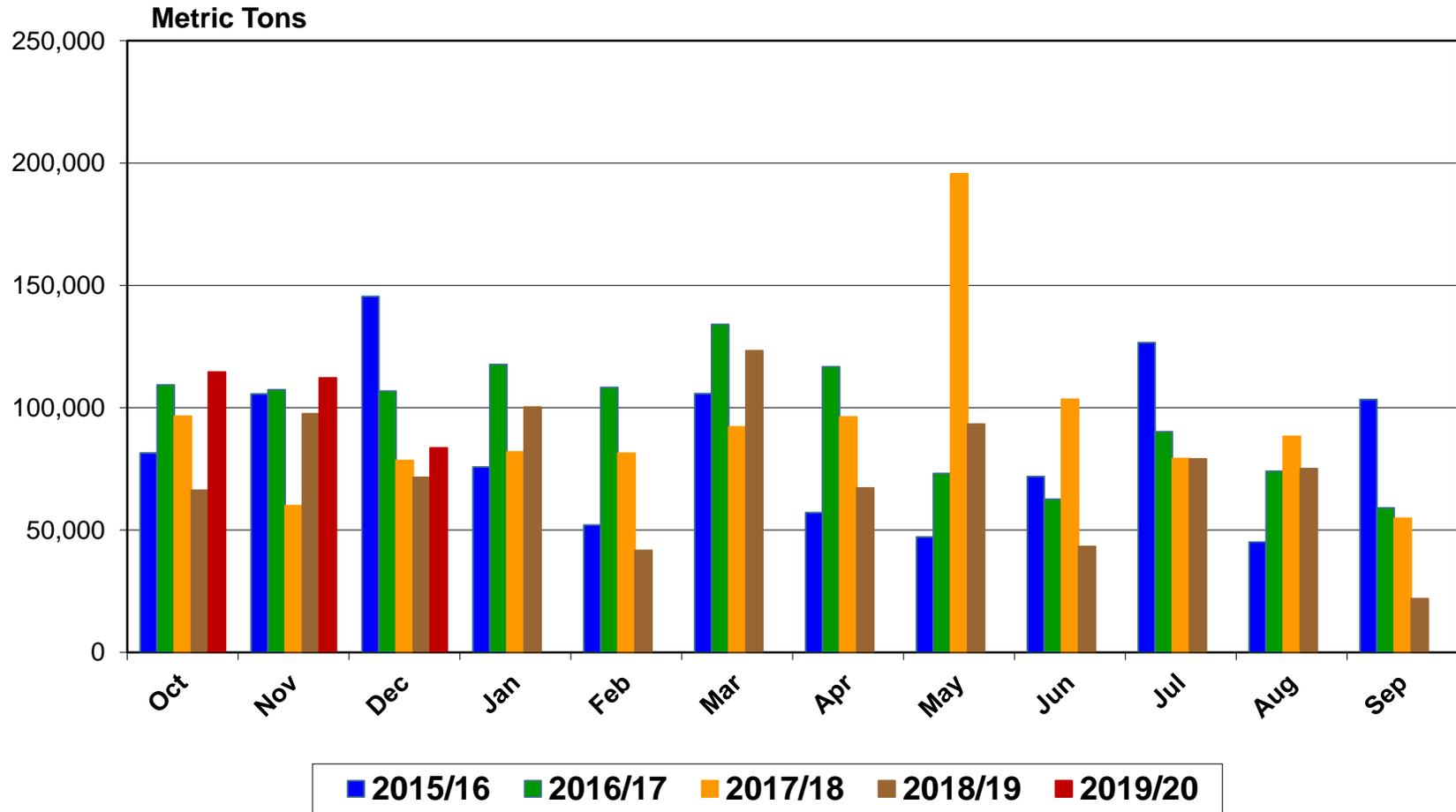


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# Monthly U.S. Soybean Oil Exports

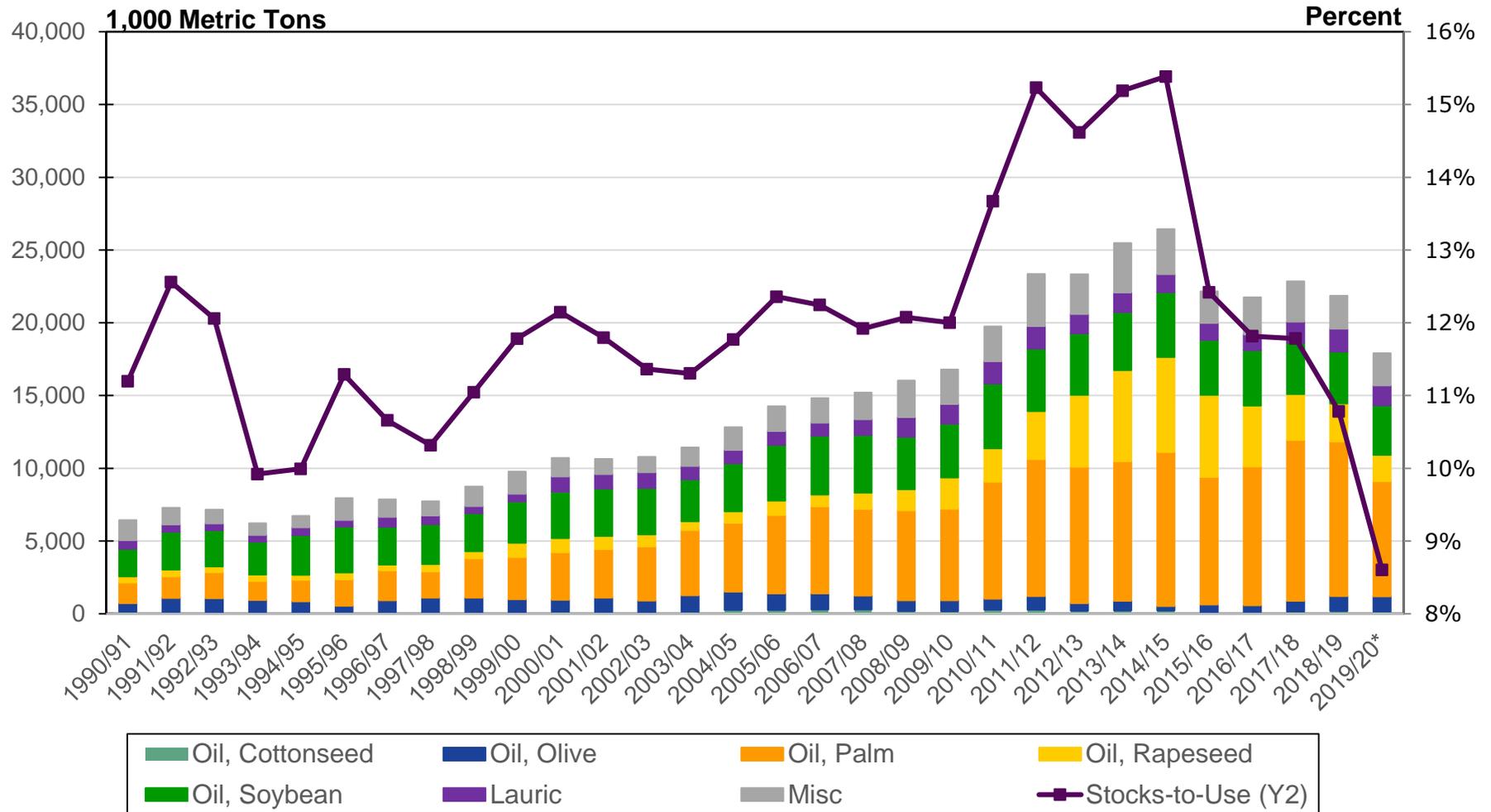
U.S. soybean oil exports off to strong start, Q1 exports up 31.8% versus year ago



Source: USDA/FAS-GATS, Rabobank 2020

# Global Vegetable Oil Stocks

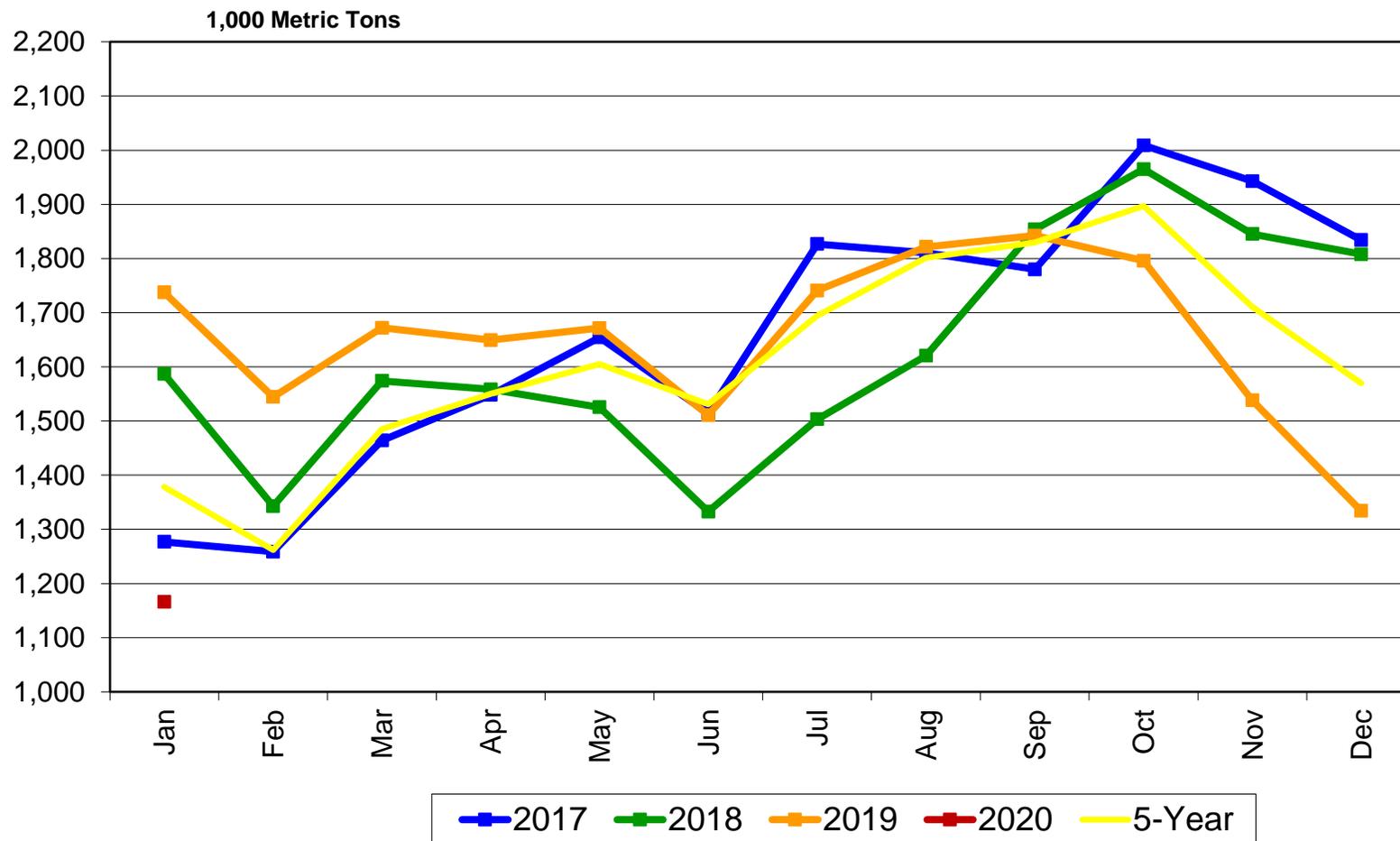
Demand remains strong relative to production—declining stocks-to-use ratio



Source: USDA-FAS

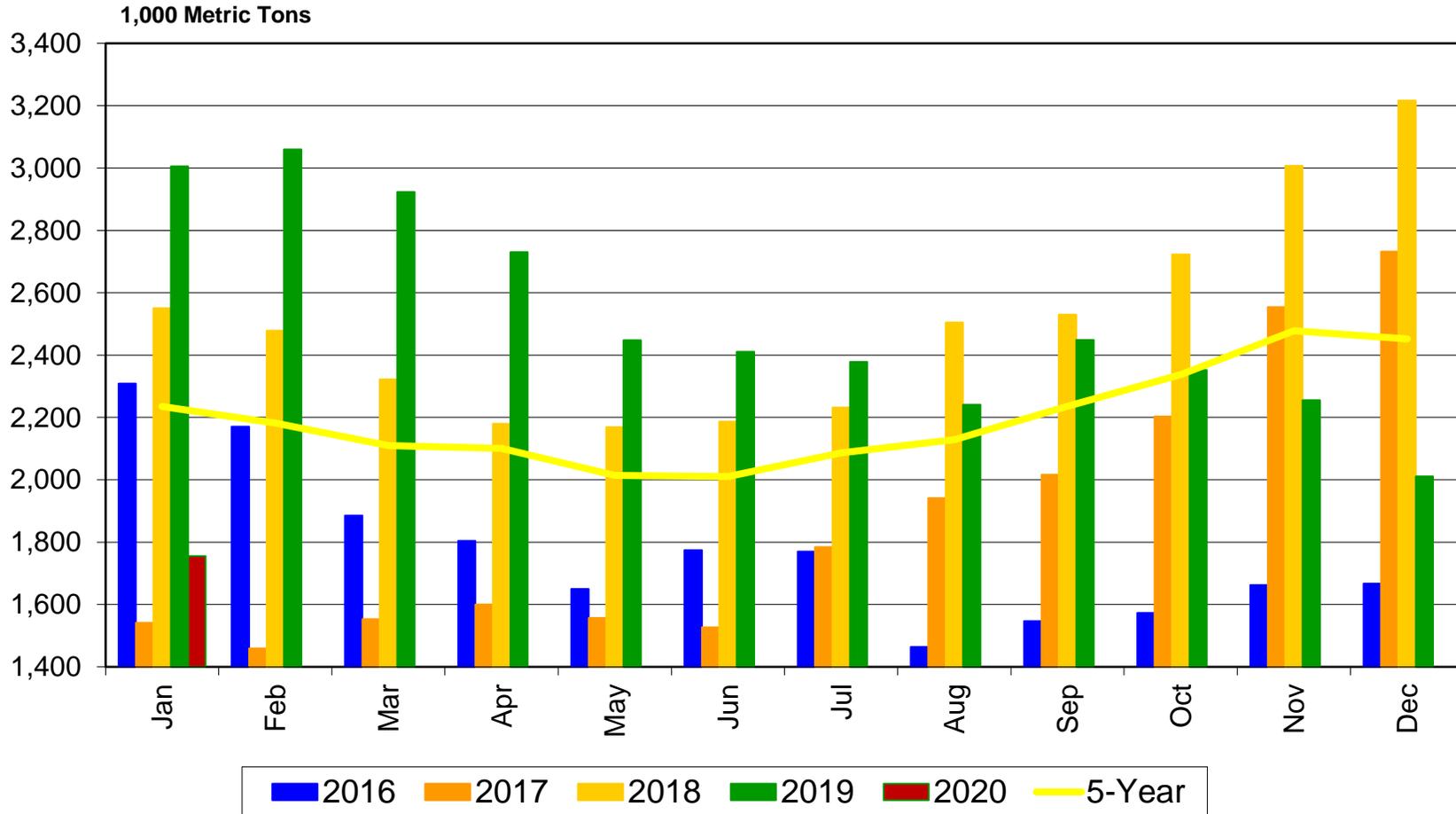


# Malaysia Palm Oil Production at Lowest Since 2016



Source: MPOB, Rabobank 2020

# Malaysia Palm Oil Stocks at Lowest Level since 2017

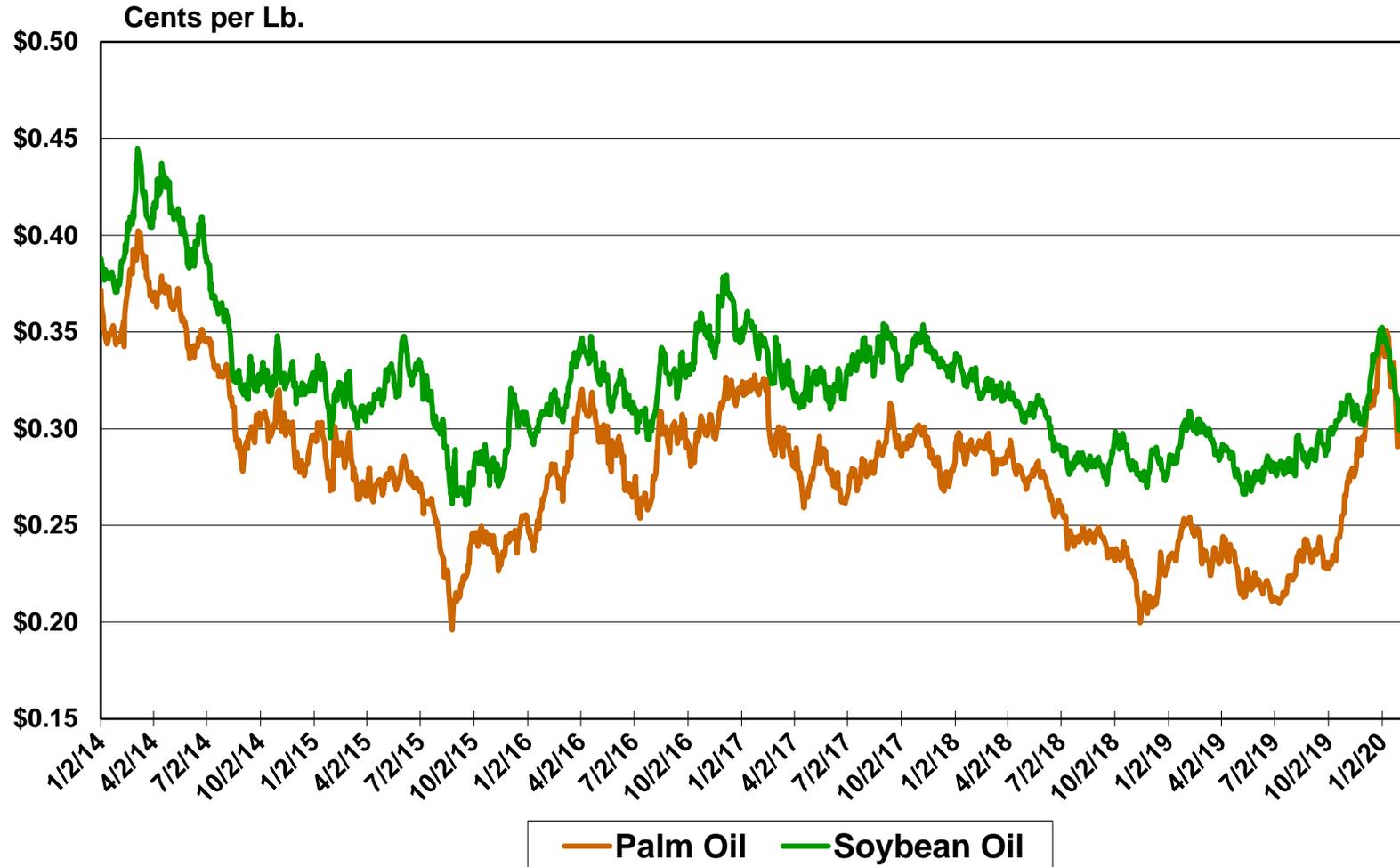


Source: MPOB. Rabobank 2020

# Crude Palm Oil Future vs Soybean Oil Futures

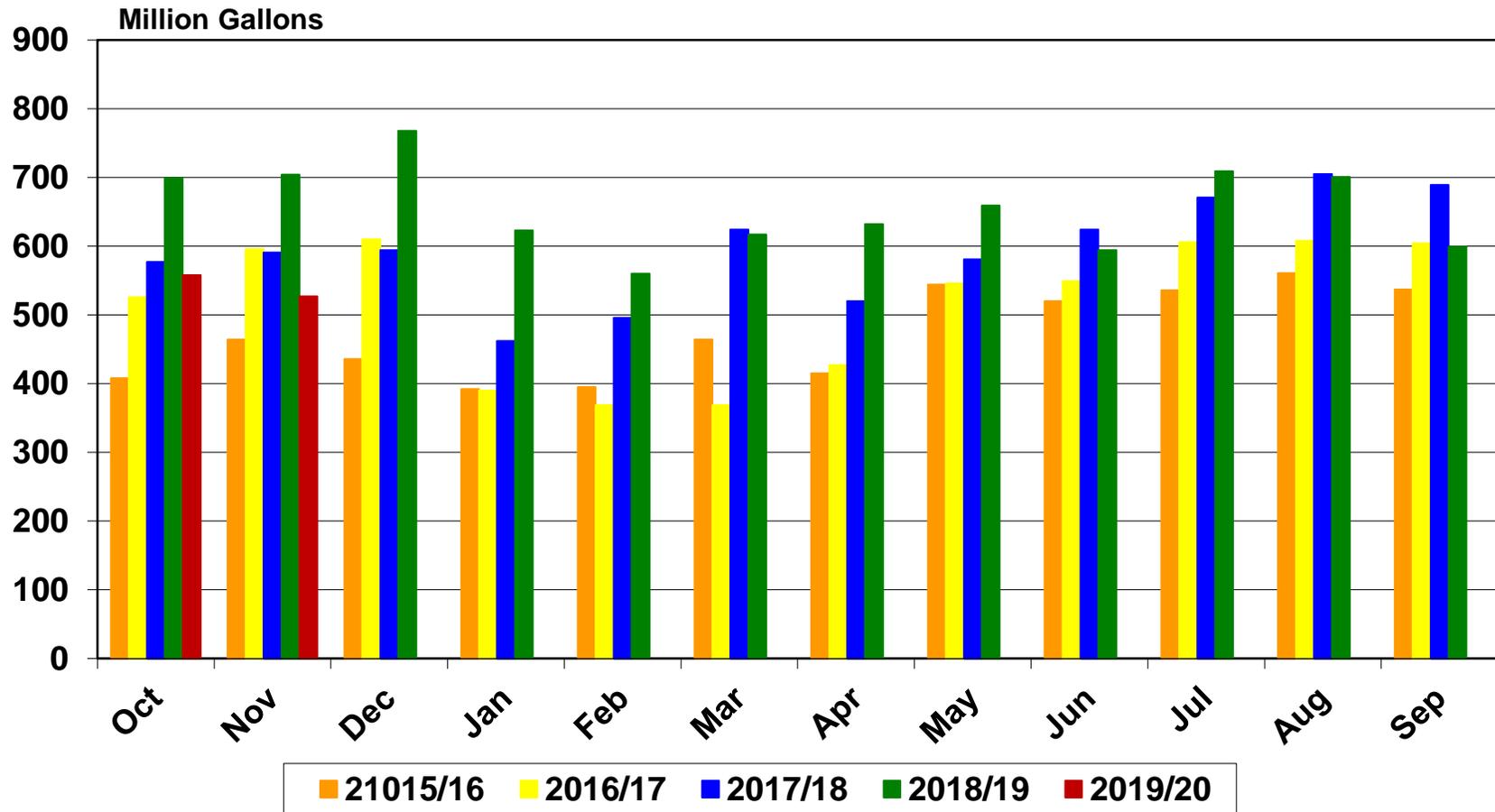
Palm oil futures adjusted for currency converted to cents per lb.

Soybean oil futures show, soybean oil at discount to palm



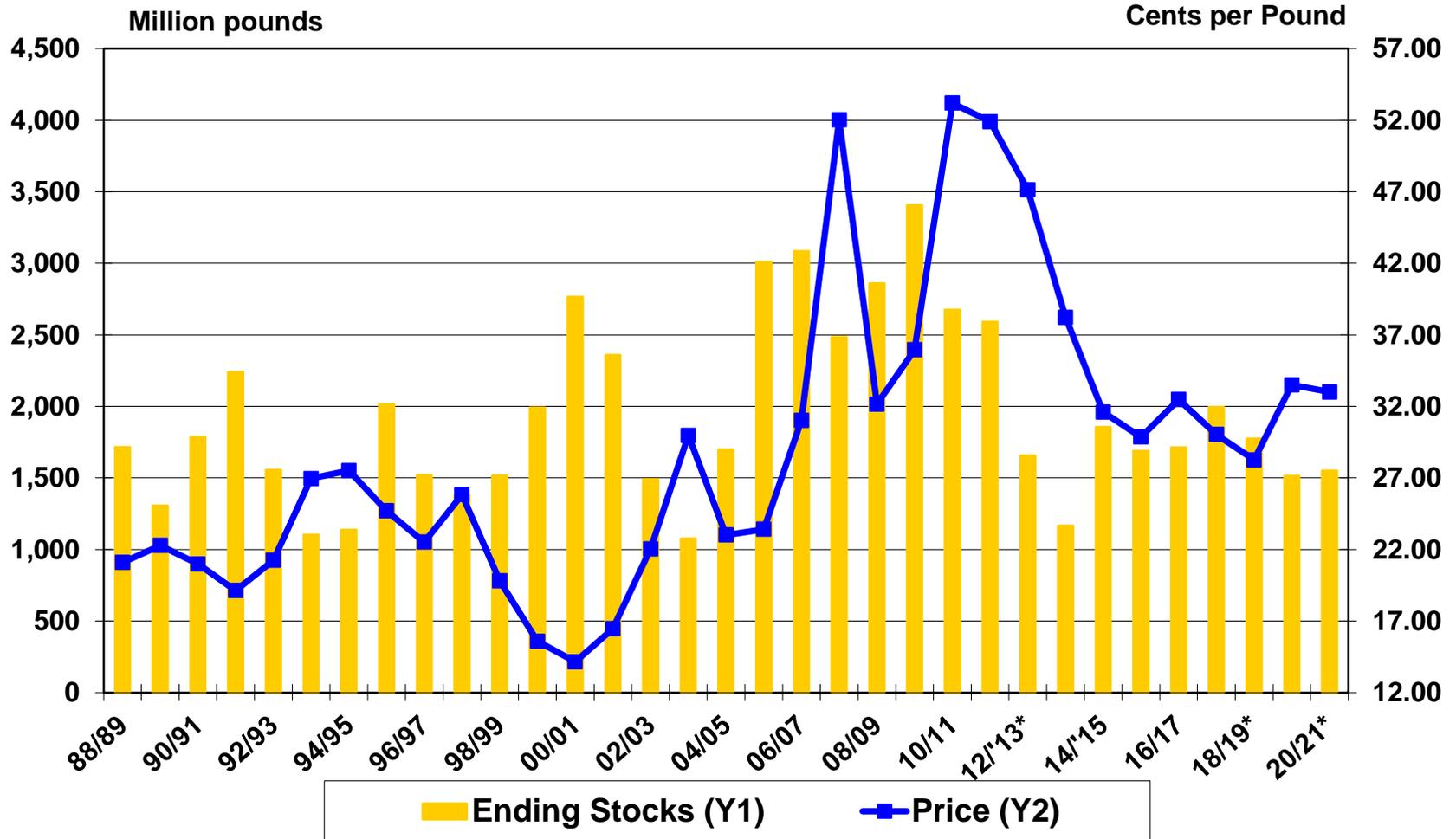
# Monthly Soybean Oil Usage for Biodiesel Production

Soybean oil usage for biodiesel has slowed in the last four months, down 22.7% through Nov.



Source: U.S. Energy Information Administration, Rabobank 2020

# U.S. Soybean Oil Stocks vs Price



Source: USDA, Rabobank 2020



## V. Wheat



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# Wheat--Bulls and Bears

## ***Bullish Factors***

- Ongoing drought in eastern Australia
- Contracting supplies in Argentina and Russia
- Contracting of U.S. stocks
- YTD solid U.S. wheat exports
- Strong basis values for protein—decline in protein content in 2019 crop
- Argentine export tax increase
- Record low U.S. winter wheat acres

## ***Bearish Factors***

- 25% Chinese tariff on U.S. wheat imports
- U.S. and world wheat stocks are more than adequate—record global stocks
- Large supplies of feed wheat
- Increasing global production
- U.S. exports expected to slow
- China maintaining TRQ on wheat

## ***Swing Factors***

- U.S. spring wheat acres
- Wheat demand from China
- Protein supplies



# U.S. All-Wheat Balance Sheet (million bushels)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	USDA 2019/20	USDA (Feb) 2020/21	Rabo 2020/21
Planted Acres (mln)	55.3	56.2	56.8	55.0	50.1	46.1	47.8	45.2	45.0	46.6
Harvested Acres (mln)	48.8	45.3	46.4	47.3	43.9	37.6	39.6	37.2	38.1	39.4
Yield (bu./acre)	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	48.2	49.3
<b>Supply</b>										
Beginning Stocks (6/1)	743	718	590	752	976	1,182	1,101	1,081	941	941
Production	2,253	2,135	2,026	2,062	2,309	1,741	1,885	1,920	1,836	1,942
Imports	123	173	151	113	118	158	135	105	140	134
<b>Total Supply</b>	<b>3,118</b>	<b>3,026</b>	<b>2,768</b>	<b>2,927</b>	<b>3,403</b>	<b>3,081</b>	<b>3,121</b>	<b>3,106</b>	<b>2,917</b>	<b>3,017</b>
<b>Disappearance</b>										
Food	945	955	958	957	949	964	955	955	955	970
Exports	1,012	1,176	864	778	1,051	906	936	1,000	1,000	1,001
Seed, Feed & Residual	443	305	193	216	221	110	149	210	184	162
<b>Total Disappearance</b>	<b>2,400</b>	<b>2,436</b>	<b>2,015</b>	<b>1,951</b>	<b>2,221</b>	<b>1,980</b>	<b>2,040</b>	<b>2,165</b>	<b>2,139</b>	<b>2,133</b>
<b>Ending Stocks</b>	<b>718</b>	<b>590</b>	<b>752</b>	<b>976</b>	<b>1,182</b>	<b>1,101</b>	<b>1,081</b>	<b>941</b>	<b>778</b>	<b>884</b>
<b>Stocks-to-Use Ratio (%)</b>	<b>29.9%</b>	<b>24.2%</b>	<b>37.3%</b>	<b>50.0%</b>	<b>53.2%</b>	<b>55.6%</b>	<b>53.0%</b>	<b>43.5%</b>	<b>36.4%</b>	<b>41.5%</b>
<b>Average Farm Price (\$/bu.)</b>	<b>\$7.77</b>	<b>\$6.87</b>	<b>\$5.99</b>	<b>\$4.89</b>	<b>\$3.89</b>	<b>\$4.72</b>	<b>\$5.16</b>	<b>\$4.55</b>	<b>\$4.90</b>	<b>\$5.00- \$5.20f</b>

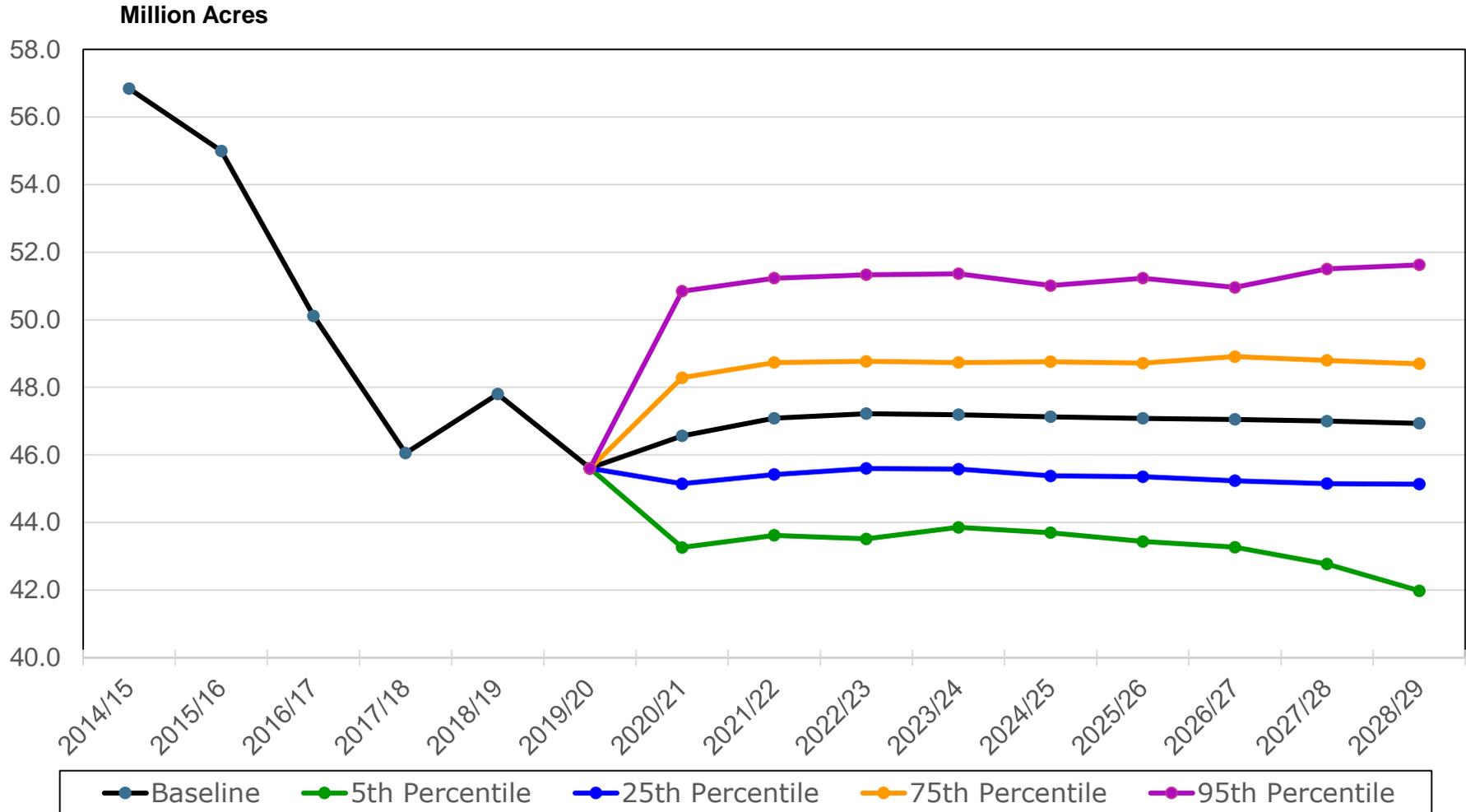
Source: USDA, Rabobank 2020

# U.S. HRW Balance Sheet (million bushels)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	USDA 2019/20*
Planted Acres (mln)	28.5	29.6	29.7	30.5	29.2	26.6	23.4	22.9	22.5
Harvested Acres (mln)	21.5	24.6	20.4	21.9	23.2	21.9	17.6	16.9	17.3
Yield (bu./acre)	36.4	40.6	36.6	33.7	35.8	49.5	42.5	39.1	48.2
<b>Supply</b>									
Beginning Stocks (6/1)	387	317	343	237	293	445	589	580	515
Production	783	998	747	739	830	1,082	750	662	833
Imports	0	18	19	10	6	5	7	5	5
<b>Total Supply</b>	<b>1,170</b>	<b>1,333</b>	<b>1,109</b>	<b>985</b>	<b>1,130</b>	<b>1,532</b>	<b>1,346</b>	<b>1,247</b>	<b>1,353</b>
<b>Disappearance</b>									
Food	404	404	370	370	391	385	392	384	380
Exports	397	382	446	272	227	453	373	331	390
Seed, Feed & Residual	52	204	56	50	67	106	1	17	100
<b>Total Disappearance</b>	<b>853</b>	<b>990</b>	<b>872</b>	<b>692</b>	<b>685</b>	<b>944</b>	<b>766</b>	<b>732</b>	<b>870</b>
<b>Ending Stocks</b>	<b>317</b>	<b>343</b>	<b>237</b>	<b>294</b>	<b>445</b>	<b>588</b>	<b>580</b>	<b>515</b>	<b>483</b>
<b>Stocks-to-Use Ratio (%)</b>	<b>37.2%</b>	<b>34.6%</b>	<b>27.1%</b>	<b>42.4%</b>	<b>64.9%</b>	<b>62.4%</b>	<b>75.7%</b>	<b>70.3%</b>	<b>55.5%</b>
<b>Average Farm Price (\$/bu.)</b>	<b>\$6.92</b>	<b>\$7.56</b>	<b>\$7.03</b>	<b>\$6.02</b>	<b>\$4.68</b>	<b>\$3.37</b>	<b>\$4.18</b>	<b>\$5.01</b>	<b>\$5.05- \$5.15f</b>

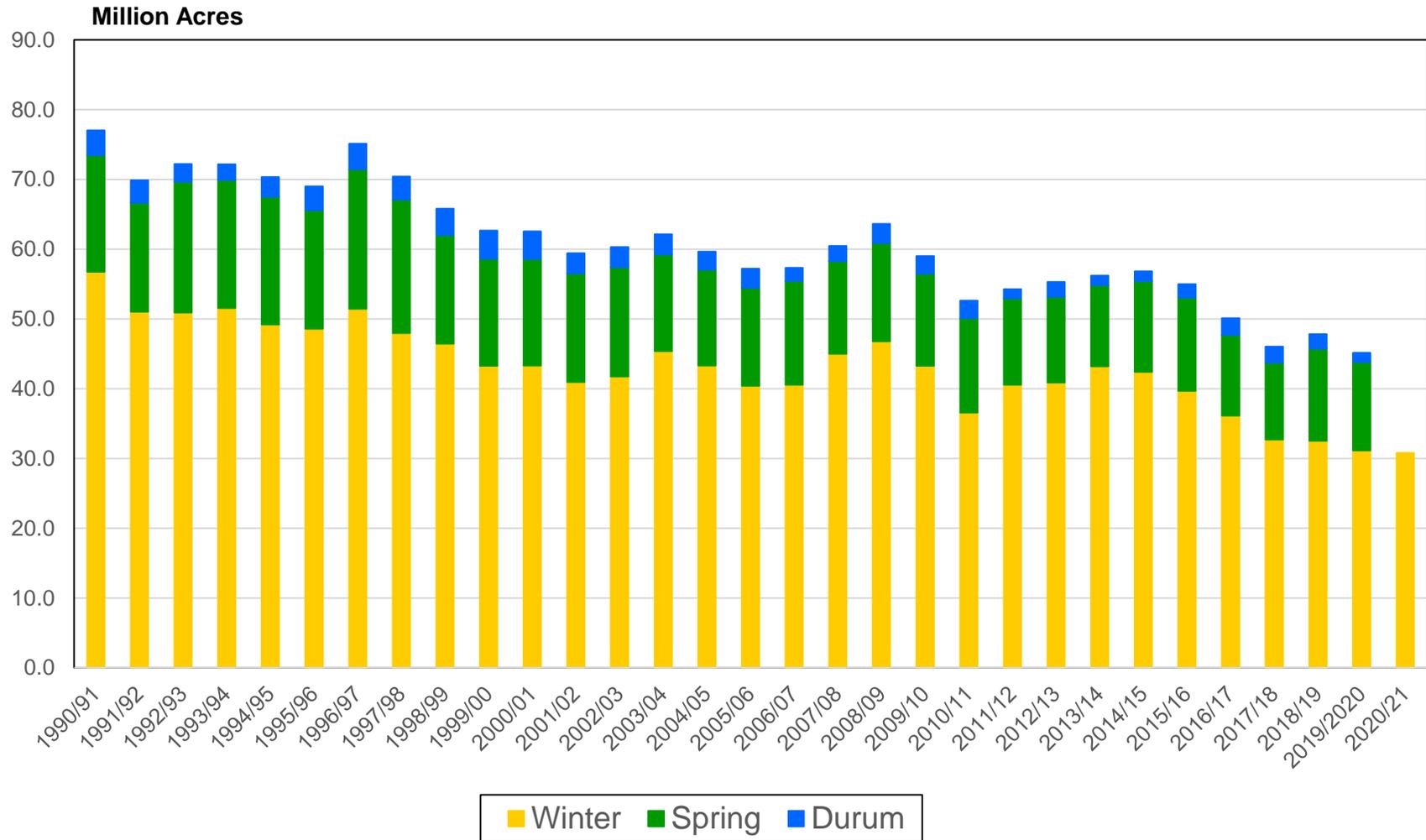
# Planted Wheat Acres

75% probability planted corn acres will be under 49.0 million



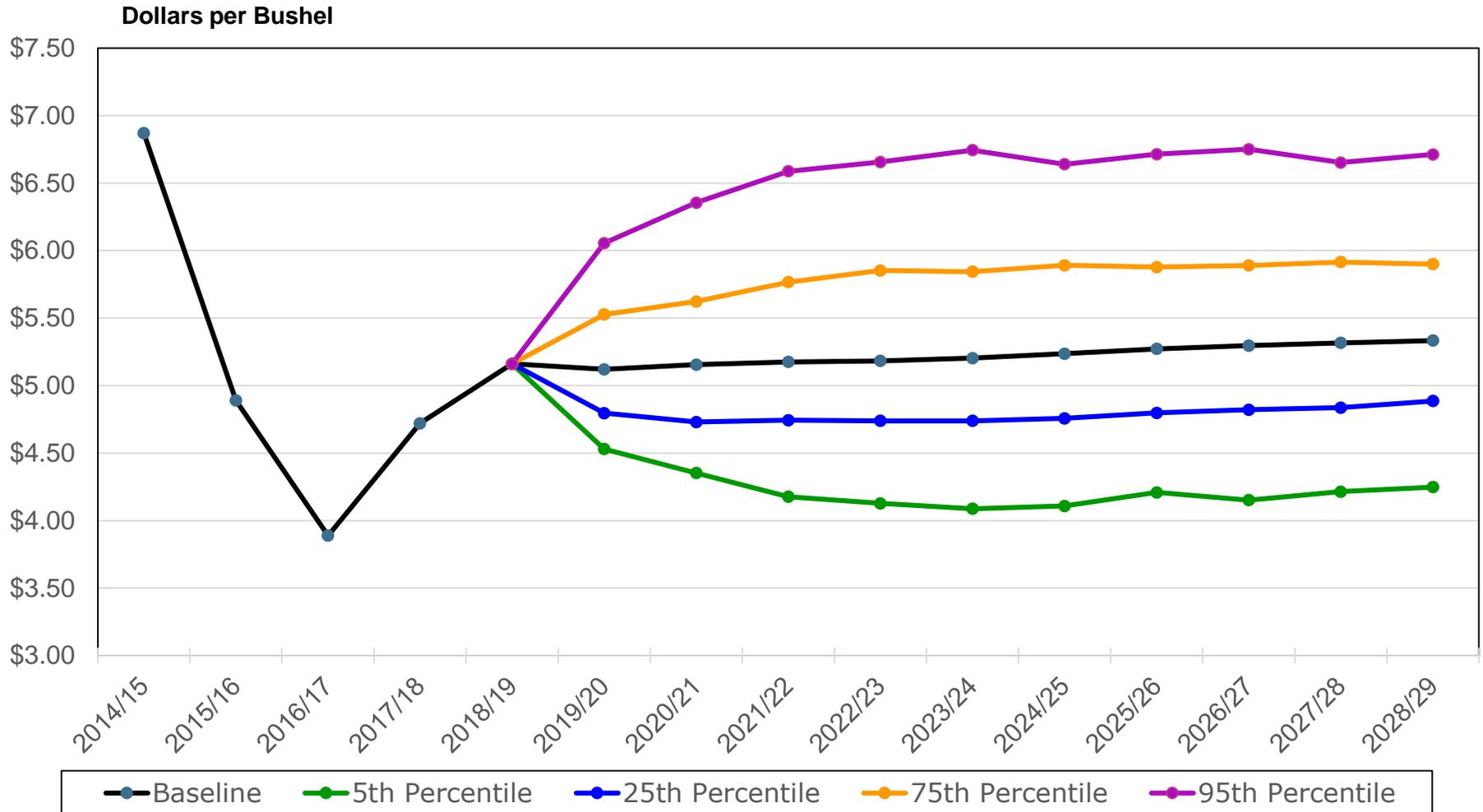
# Planted U.S. Wheat Acres Continue to Contract

The expansion of SRW acres was offset by the decline HRW acres



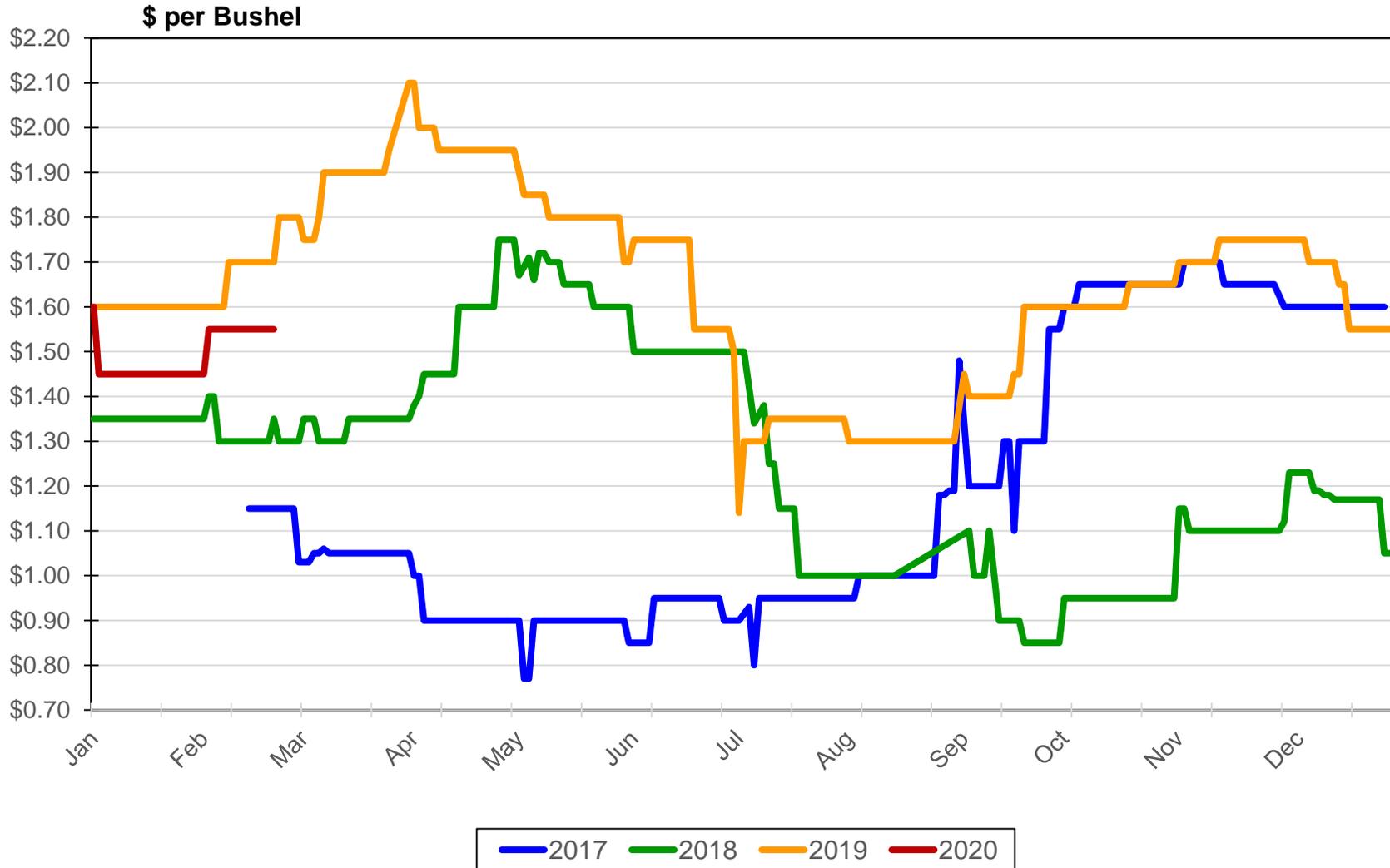
# National Average Farm Received Prices--Wheat

75% probability that prices will be under \$6.00 per bushel

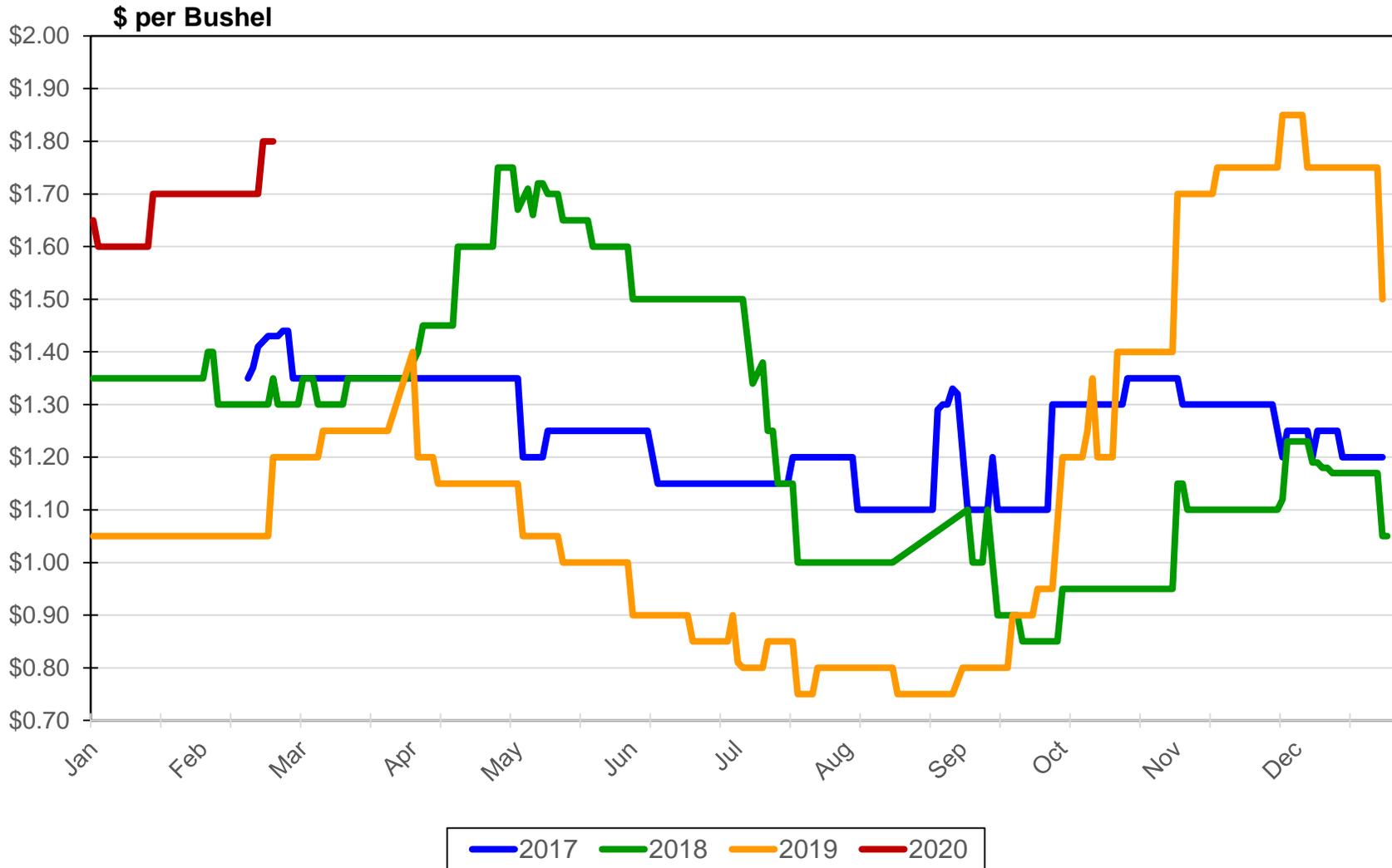


Source: Rabobank 2020

# HRW Portland CIF Basis

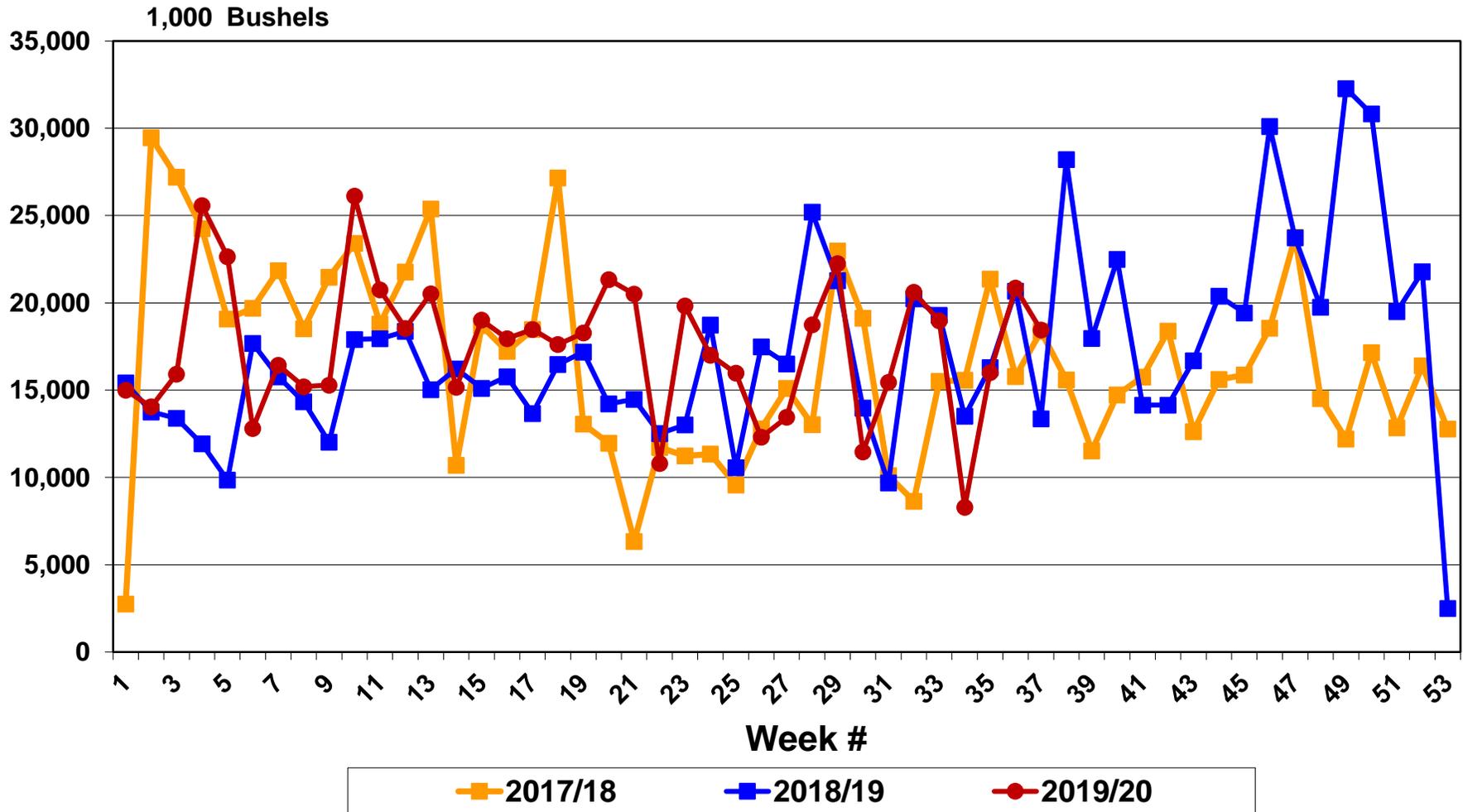


# HRS Portland CIF Basis Bids---Reflecting a Depleted Pipeline



# U.S. Wheat Export Inspections

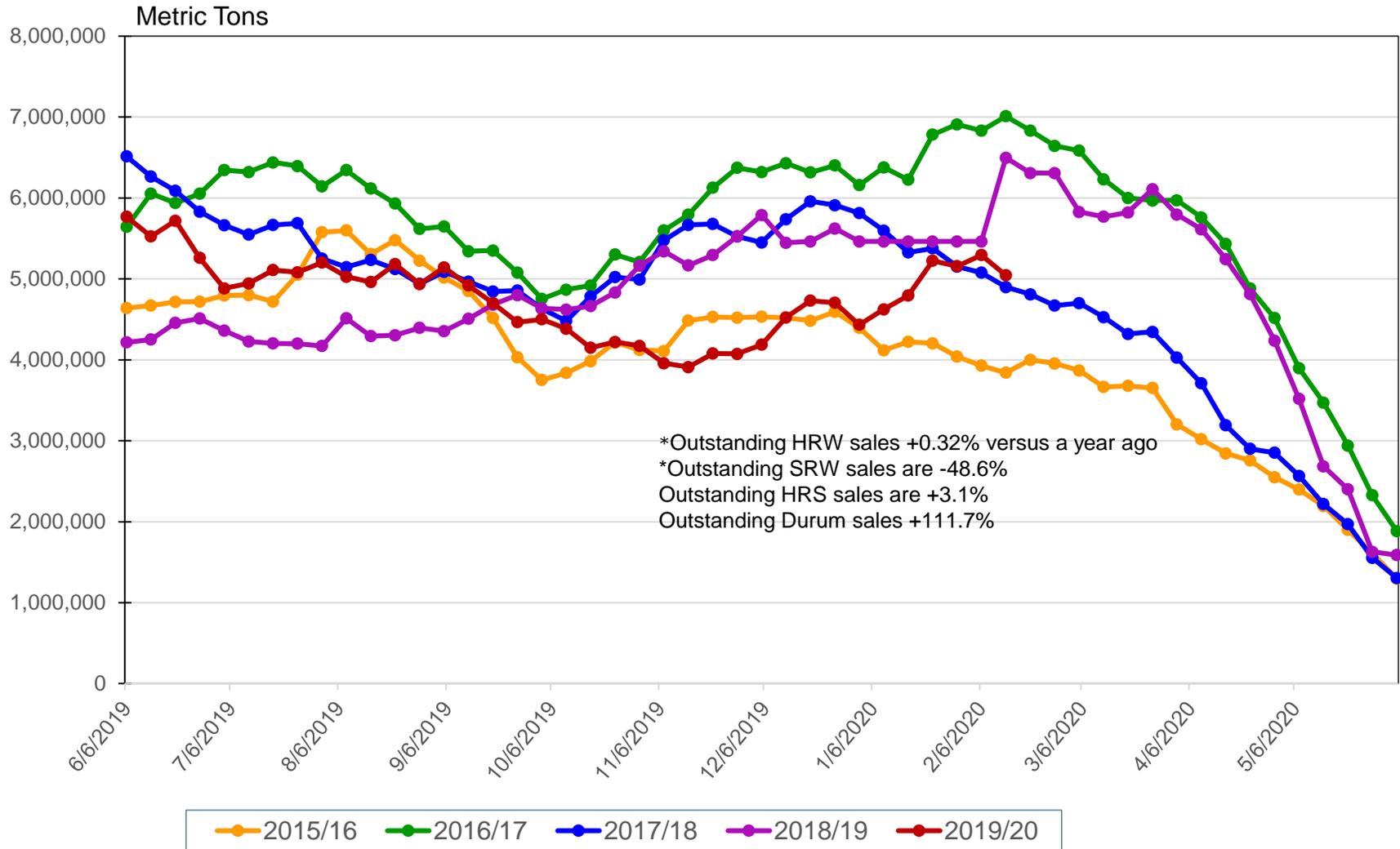
running 12.5% ahead of last year's pace, but is slowing



Source: USDA/AMS, Rabobank 2020

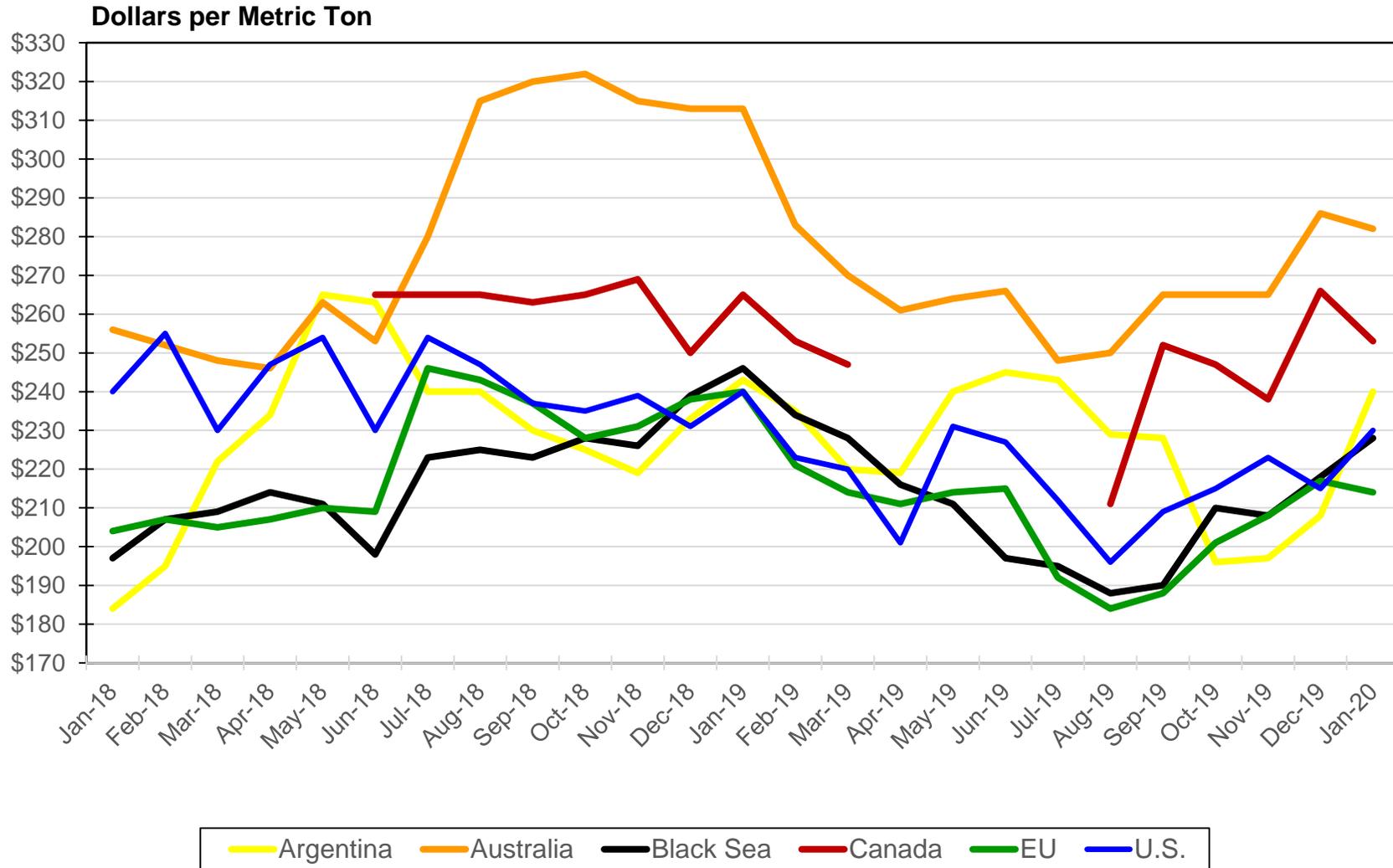
# U.S. All-Wheat Outstanding Sales, -22.4% versus prior crop year

Seasonal wheat exports will begin to slow



# Global Wheat Export Prices

## Price parity among exporters



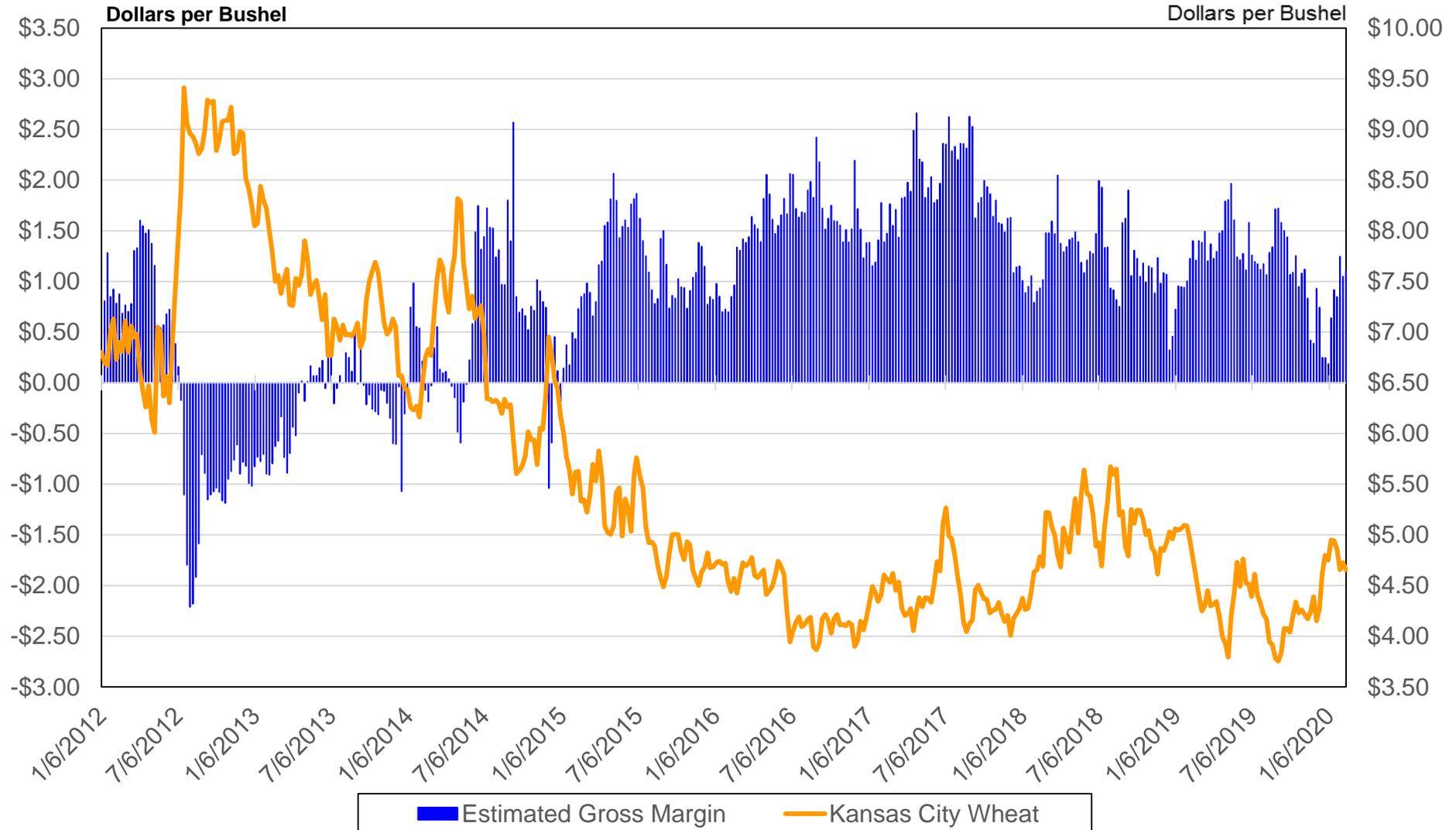
Source: USDA-FAS, Rabobank 2020

# Calculated Gross Flour Milling Margins

More volatile of late

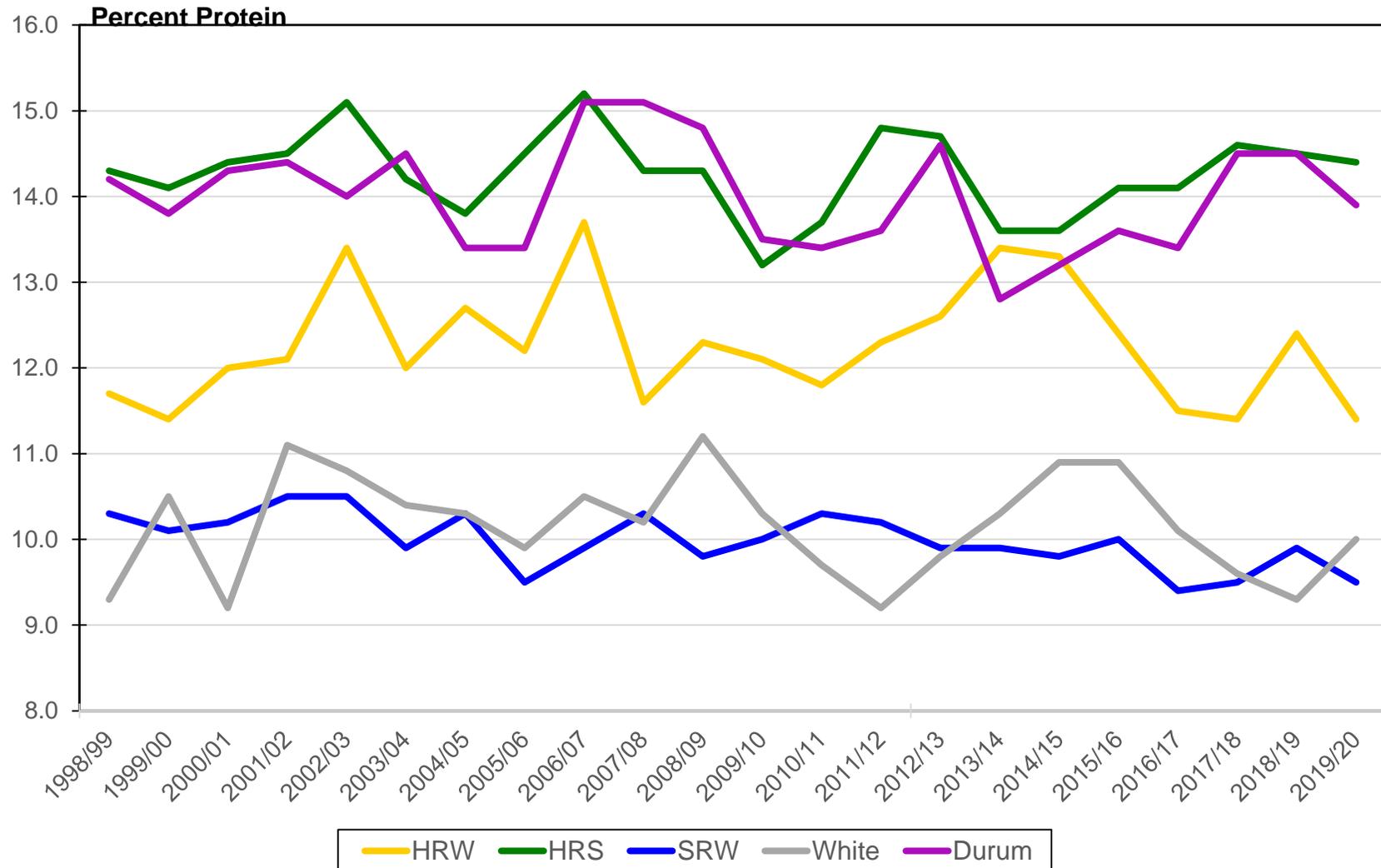


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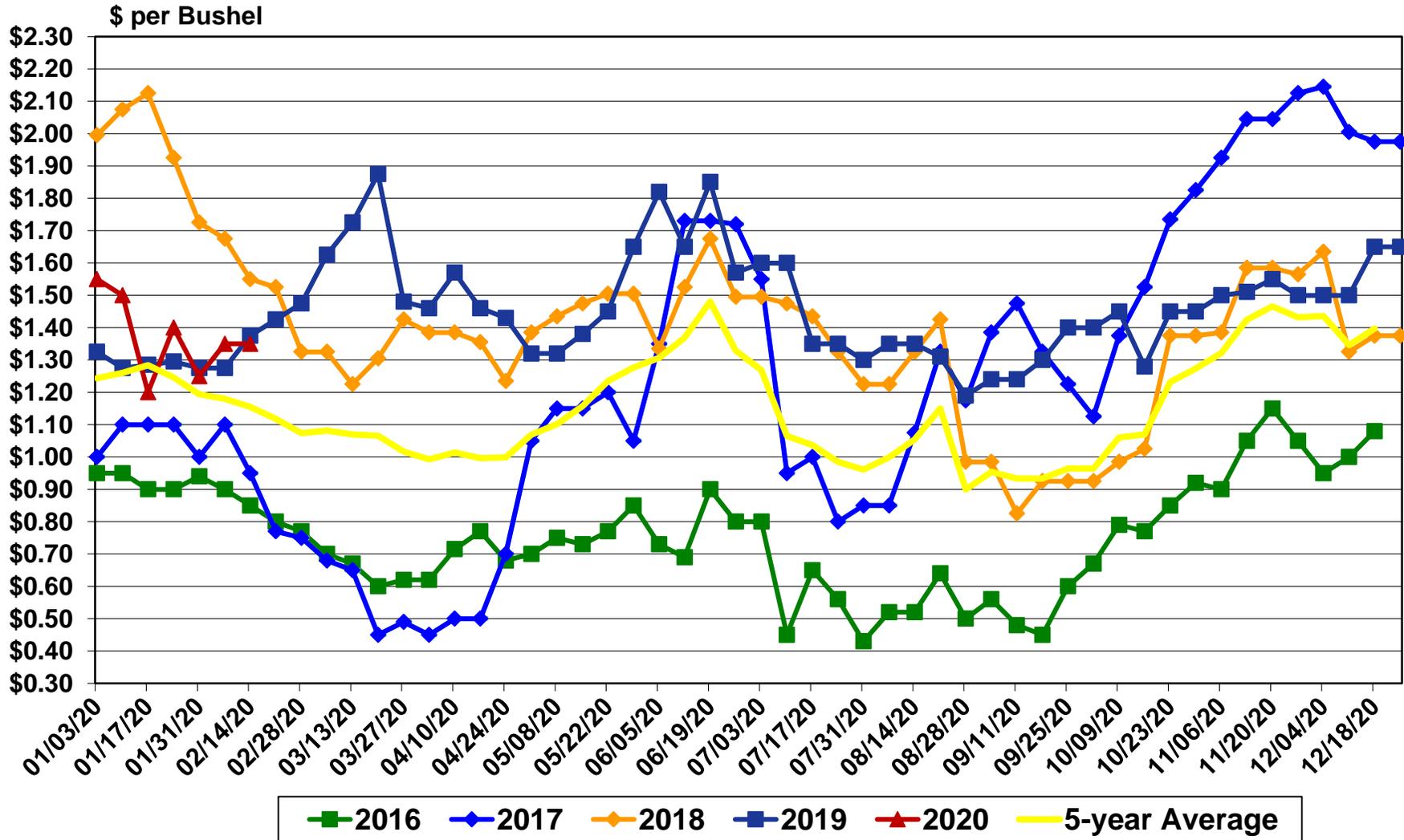
# U.S. Wheat Crop Protein Percentages

## Protein percent decreased in 2019, except white wheat



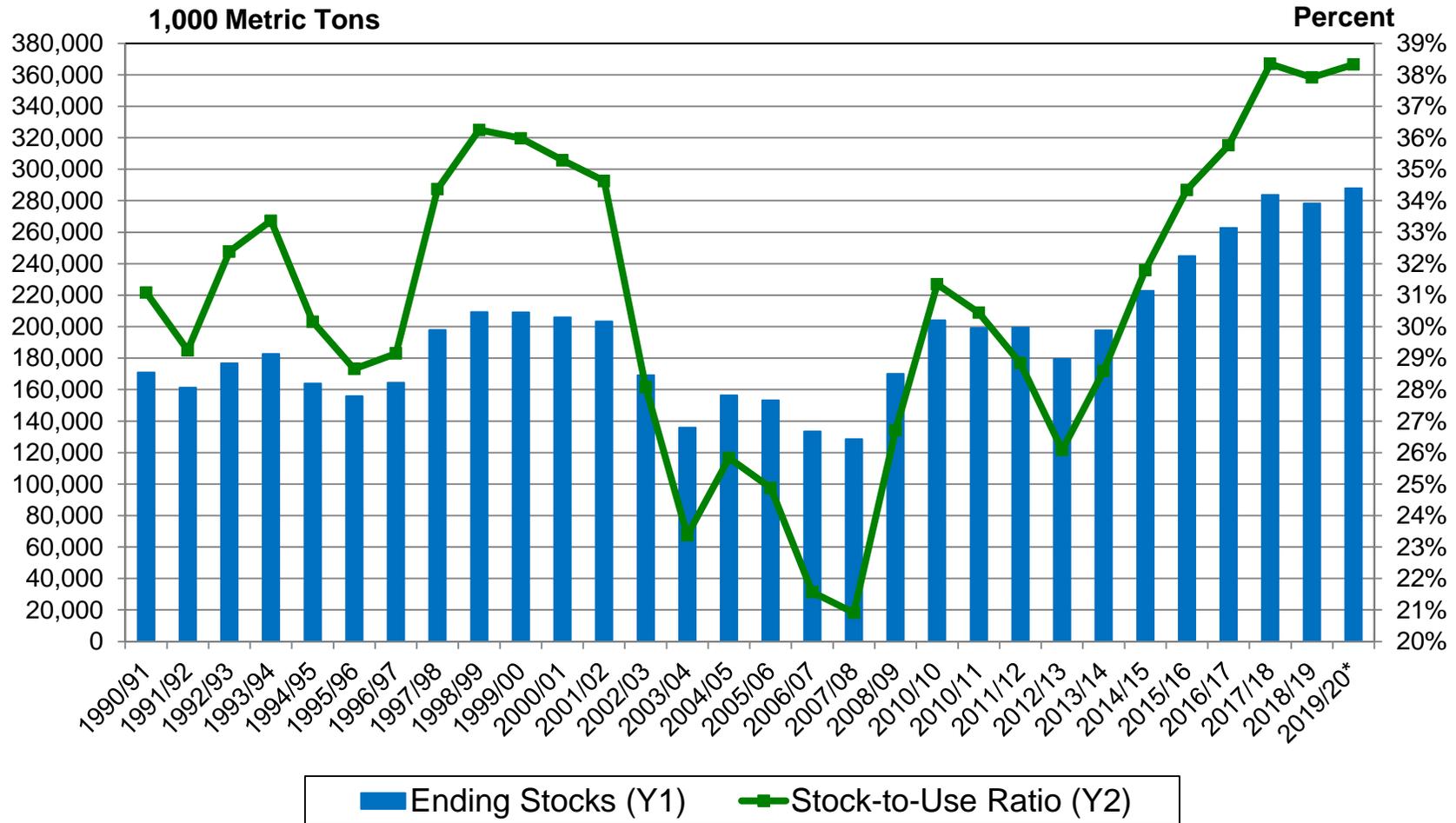
# 12% Kansas City Protein Premium

## Volatile, following Seasonal Trend



# World Wheat Stocks

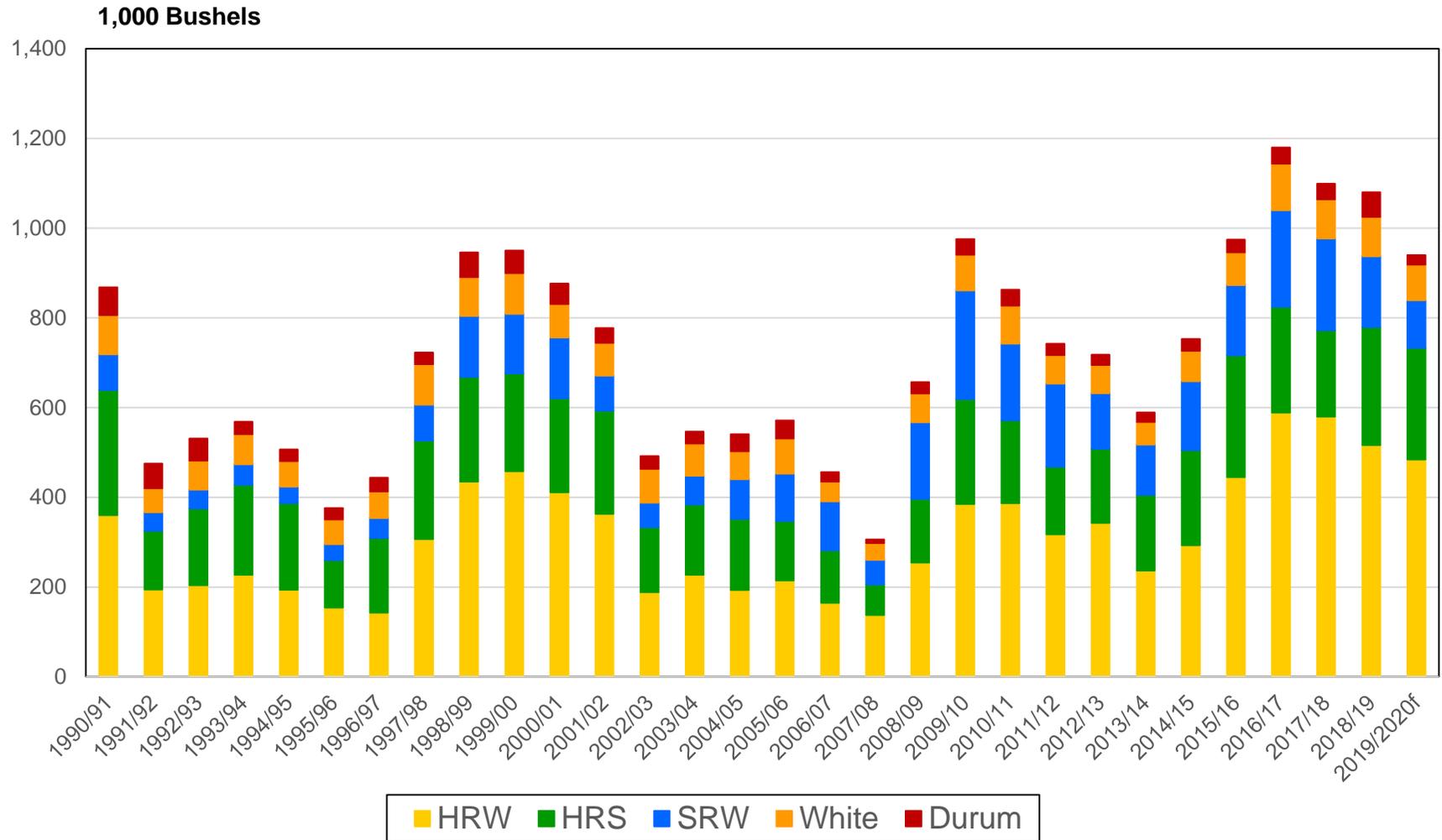
Projected highest stocks and stocks-to-use ratio on record



Source: USDA/FAS, Rabobank, 2020

# U.S. Wheat Stocks are Contracting, but...

...only SRW and Durum are tight



# Contact Information



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*RaboResearch* Food & Agribusiness



# Banking & Securities Disclosure

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