

2017 Crop Market Outlook & Strategies

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ND Agricultural Experiment Station
Dept. of Agribusiness & Applied Economics**

One Question:

Are you frustrated yet?



Key Points

- U.S. production (yield) is current focus, but will shift to export pace and S.A. production soon.
- Picking the top is nearly impossible!
- Strategies:
 - Make several smaller sales.
 - Place sell orders in at key price levels in advance.
 - Options (puts or calls) can be effective, but could be expensive. (short-term time line will work best)



U.S. Corn Supply & Demand Table

U.S. Corn	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	88.0 Mill. A.	94.0 Mill. A.	90.9 Mill. A.
Harvested A.	80.8 Mill. A.	86.7 Mill. A.	83.5 Mill. A.
Yield/Harvest A.	168.4 bu.	174.6 bu.	169.9 bu.
Beginning Stocks	1,731 Mill. Bu.	1,737 Mill. Bu.	2,350 Mill. Bu.
Production	13,602 Mill. Bu.	15,148 Mill. Bu.	14,184 Mill. Bu.
Imports	68 Mill. Bu.	55 Mill. Bu.	50 Mill. Bu.
Total Supply	15,401 Mill. Bu.	16,940 Mill. Bu.	16,585 Mill. Bu.
Feed & Residual	5,113 Mill. Bu.	5,425 Mill. Bu.	5,475 Mill. Bu.
Food, Seed, Ind.	6,650 Mill. Bu.	6,870 Mill. Bu.	6,925 Mill. Bu.
Ethanol	5,224 Mill. Bu.	5,435 Mill. Bu.	5,475 Mill. Bu.
Exports	1,737 Mill. Bu.	2,295 Mill. Bu.	1,850 Mill. Bu.
Total Use	13,664 Mill. Bu.	14,590 Mill. Bu.	14,250 Mill. Bu.
Ending Stocks	1,737 Mill. Bu.	2,350 Mill. Bu.	2,335 Mill. Bu.

USDA – WASDE – Sep. 12, 2017

U.S. Corn Supply & Demand Table

U.S. Corn	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	88.0 Mill. A.	94.0 Mill. A.	90.9 Mill. A.
Harvested A.	80.8 Mill. A.	86.7 Mill. A.	83.5 Mill. A.
Yield/Harvest A.	168.4 bu.	174.6 bu.	169.9 bu.
Beginning Stocks	2,350 Mill. Bu.	2,350 Mill. Bu.	2,350 Mill. Bu.
Production	14,184 Mill. Bu.	14,184 Mill. Bu.	14,184 Mill. Bu.
Total Supply	16,534 Mill. Bu.	16,534 Mill. Bu.	16,534 Mill. Bu.
Feed & Residual	5,113 Mill. Bu.	5,425 Mill. Bu.	5,475 Mill. Bu.
Food, Seed, Ind.	6,650 Mill. Bu.	6,870 Mill. Bu.	6,925 Mill. Bu.
Ethanol	5,224 Mill. Bu.	5,435 Mill. Bu.	5,475 Mill. Bu.
Exports	1,737 Mill. Bu.	2,295 Mill. Bu.	1,850 Mill. Bu.
Total Use	13,664 Mill. Bu.	14,590 Mill. Bu.	14,250 Mill. Bu.
Ending Stocks	1,737 Mill. Bu.	2,350 Mill. Bu.	2,335 Mill. Bu.

Reduction in *Planted Acreage* was not as large as expected.

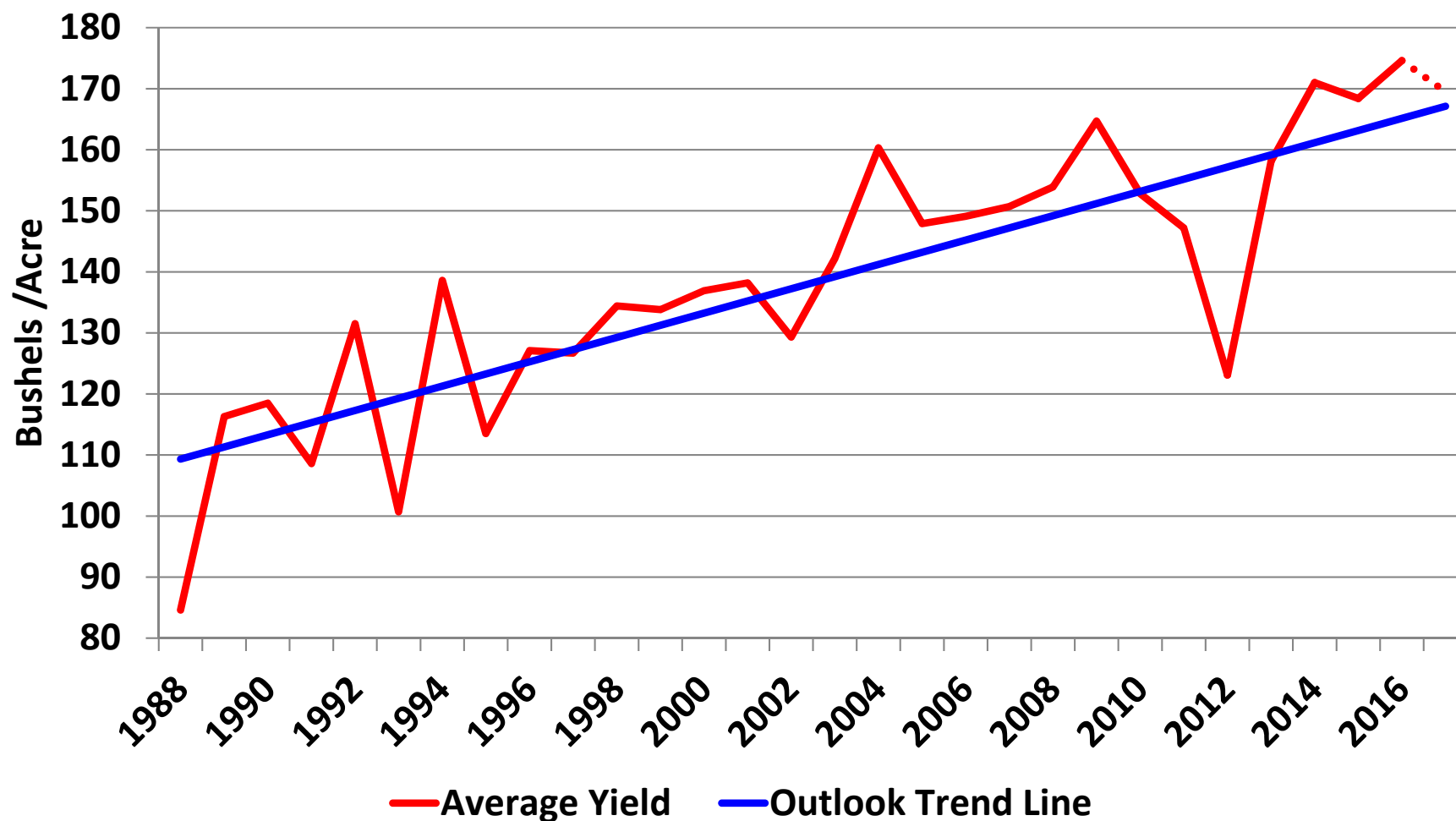
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U.S. Corn	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
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Harvested A.	80.8 Mill. A.	86.7 Mill. A.	83.5 Mill. A.
Yield/Harvest A.	168.4 bu.	174.6 bu.	169.9 bu.
Beginning Stocks	1,731 Mill. Bu.	1,737 Mill. Bu.	2,350 Mill. Bu.
Production	13,602 Mill. Bu.	15,148 Mill. Bu.	14,184 Mill. Bu.
Imports			50 Mill. Bu.
Total Supply			16,585 Mill. Bu.
Feed			11,000 Mill. Bu.
Export			5,000 Mill. Bu.
Ending Stock			500 Mill. Bu.
Total Demand			16,500 Mill. Bu.
Ending Stock			2,335 Mill. Bu.

**September Production Report updated
“objective” yield estimates.**

Private estimates:
Average = 168.2
High = 170.9
Low = 166.7

What is the “new” U.S. trend line yield?





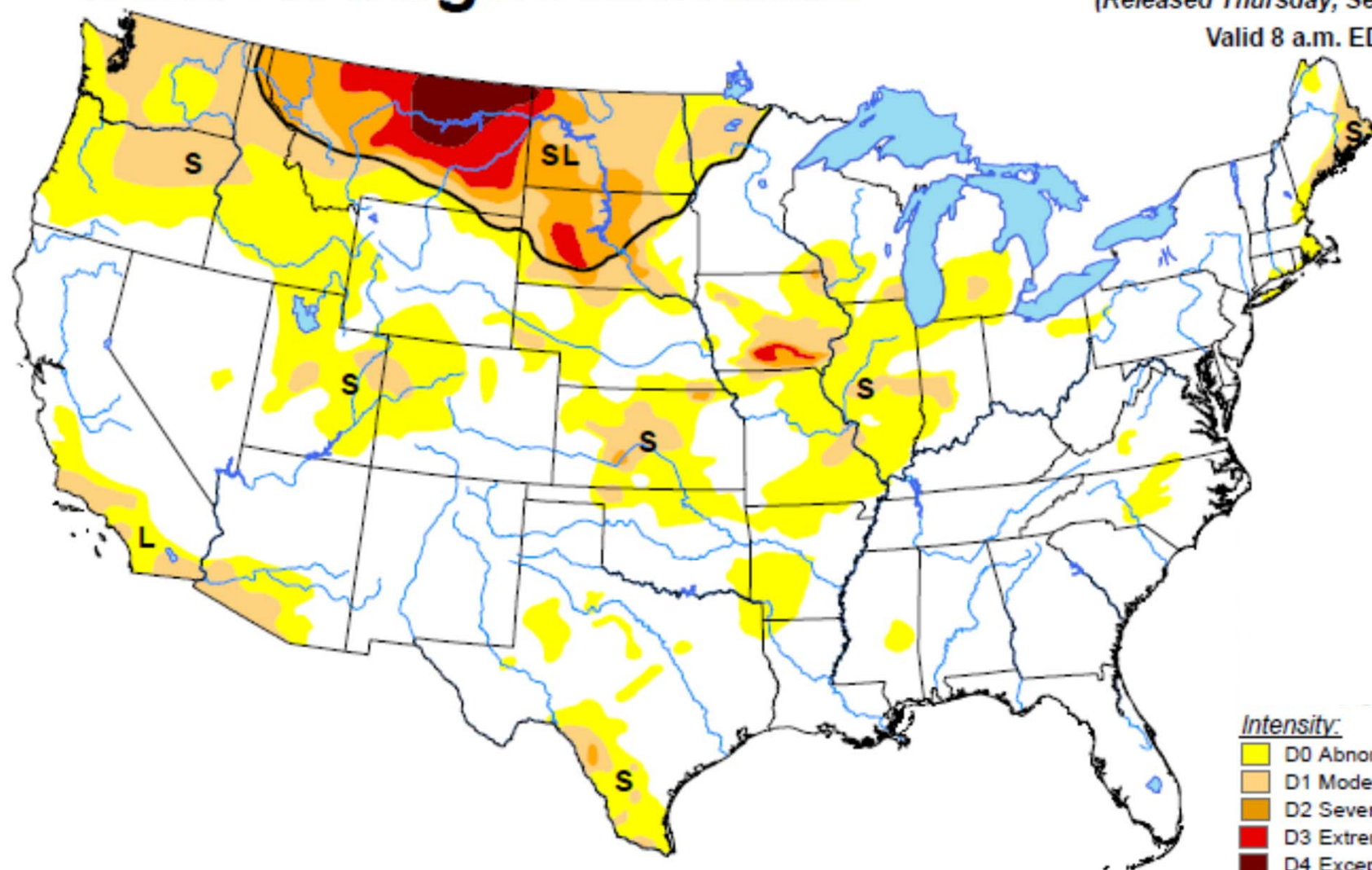
Condition vs Yield Data

	Condition Ratings	Yield Surveys
How Many Reports?	~3,000	21,654 Farmers 4,544 Field Plots
Who Reports?	Extension Agents FSA Employees	Farmers Actual Field Analysis
What is Reported?	Overall Crop Condition (V Poor, Poor, Fair, Good, Excellent)	Expected Yield Plant & Fruit Counts/Fruit Weight

U.S. Drought Monitor

September 19, 2017
(Released Thursday, Sep. 21, 2017)

Valid 8 a.m. EDT

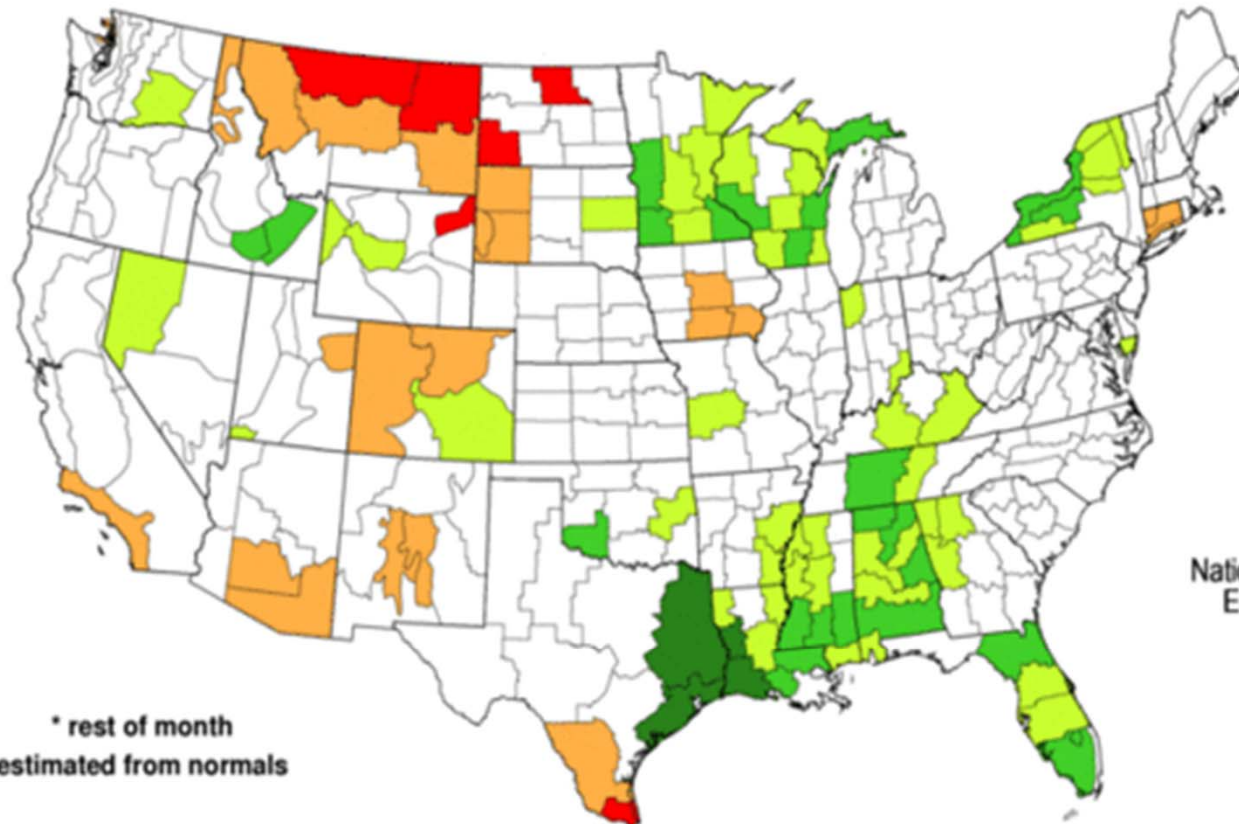


Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Palmer Drought Index Long-Term (Meteorological) Conditions

September 2017: through September 23 2017*



National Centers for
Environmental
Information



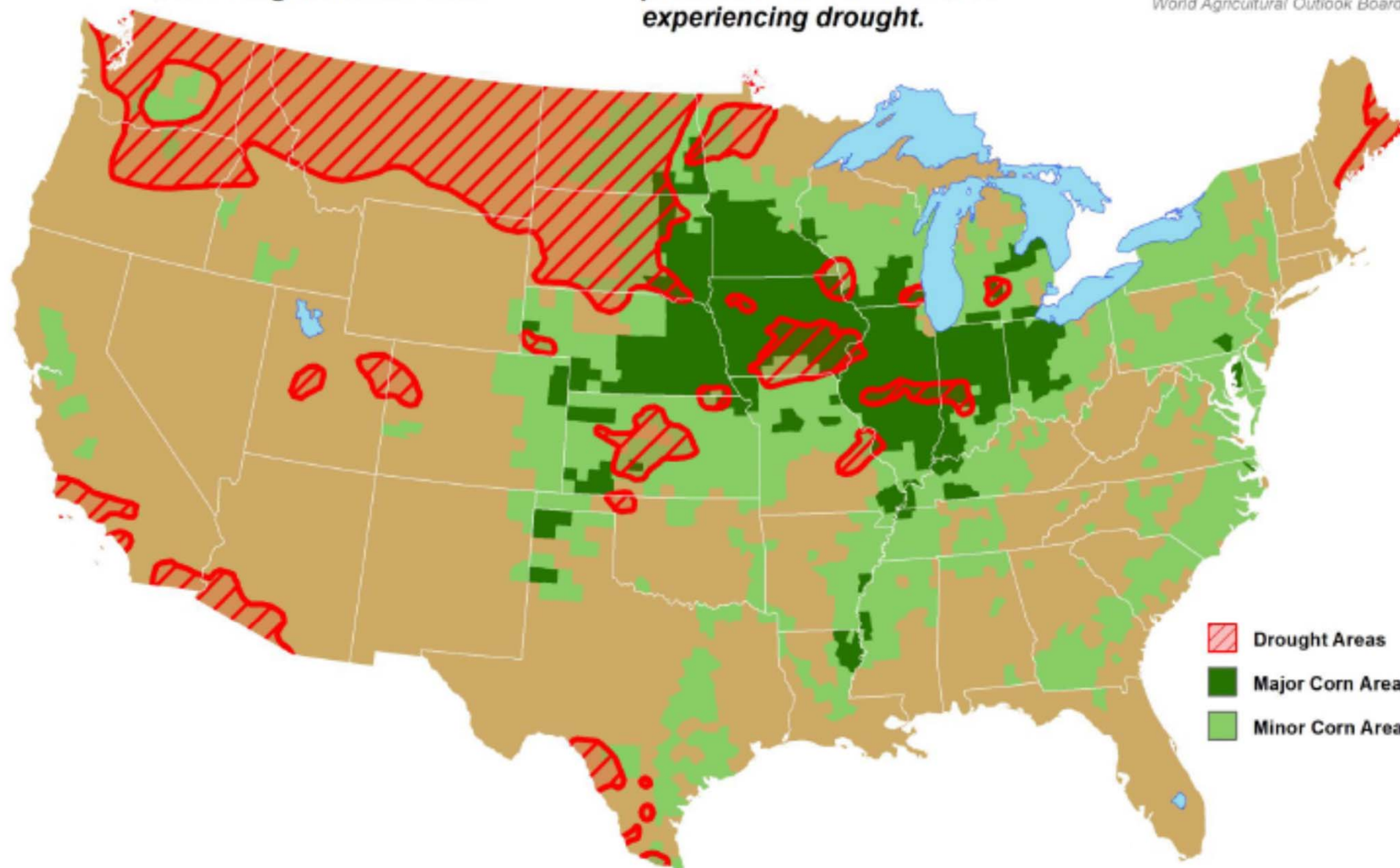
U.S. Corn Areas Experiencing Drought

Reflects **September 19, 2017**
U.S. Drought Monitor data

Approximately **14%** of corn
production is within an area
experiencing drought.



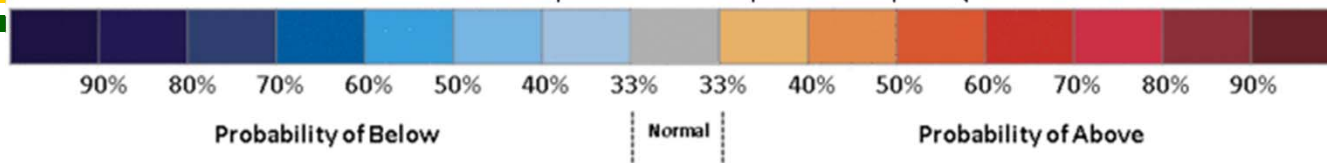
*This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board*





6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 27 SEP 2017
VALID OCT 03 - 07, 2017

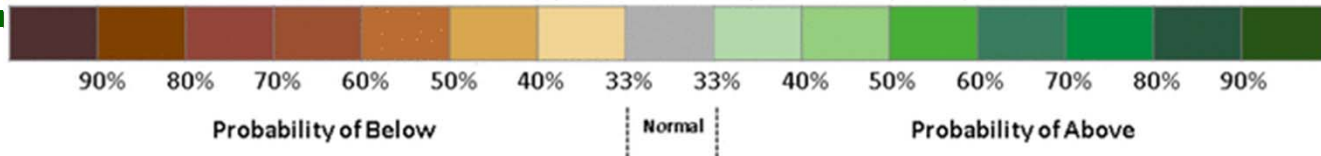
DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL

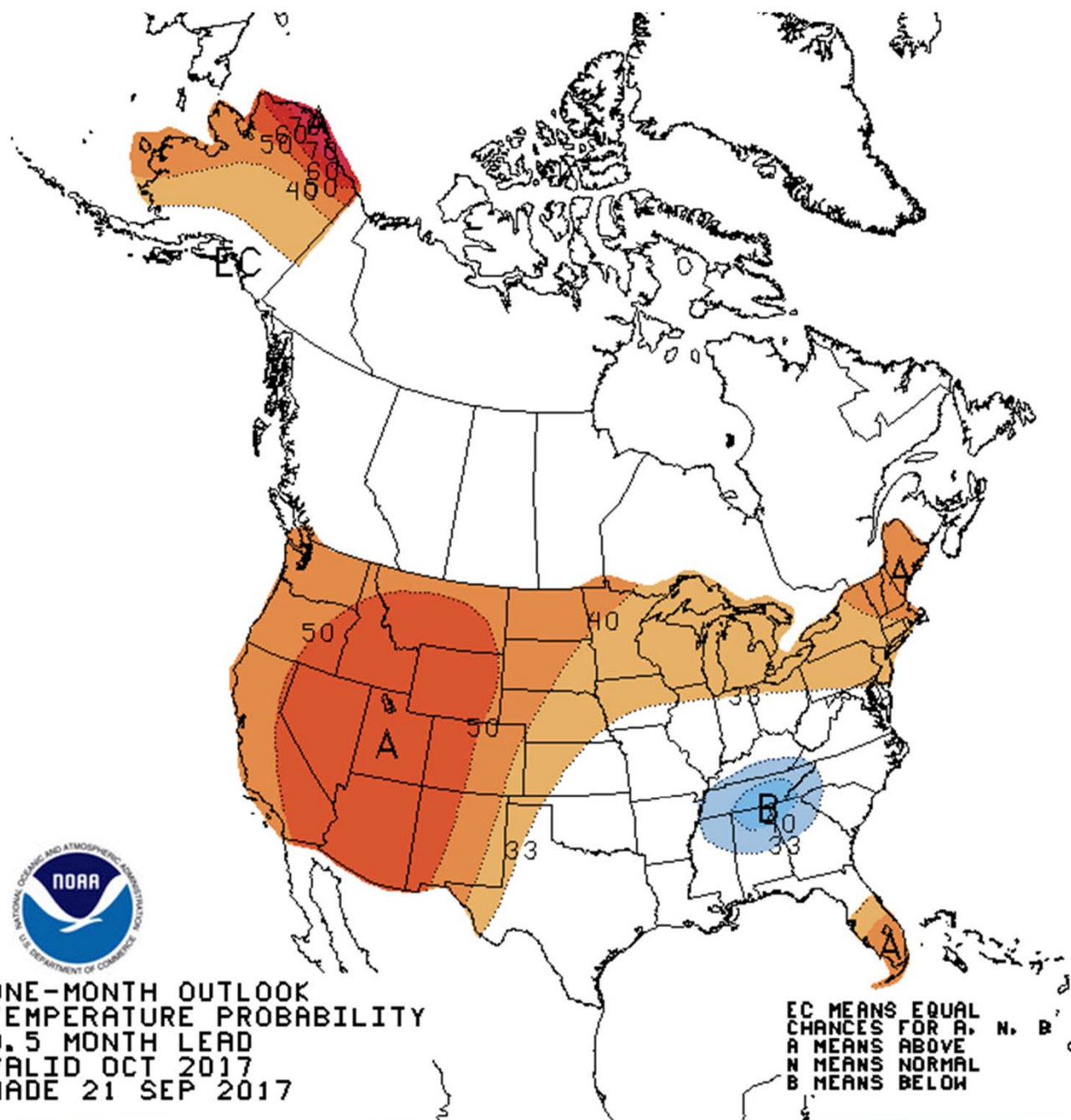




6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 27 SEP 2017
VALID OCT 03 - 07, 2017

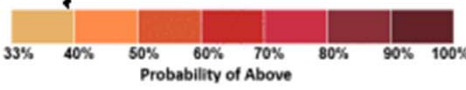
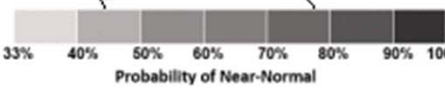
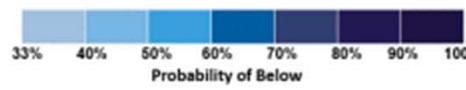
DASHED BLACK LINES ARE CLIMATOLOGY
(10THS OF INCHES) SHADED AREAS ARE FCS
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL

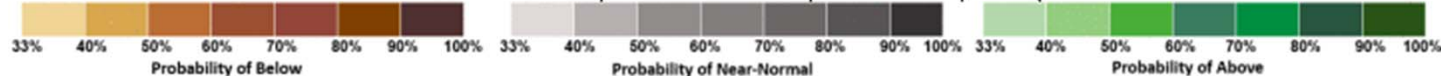
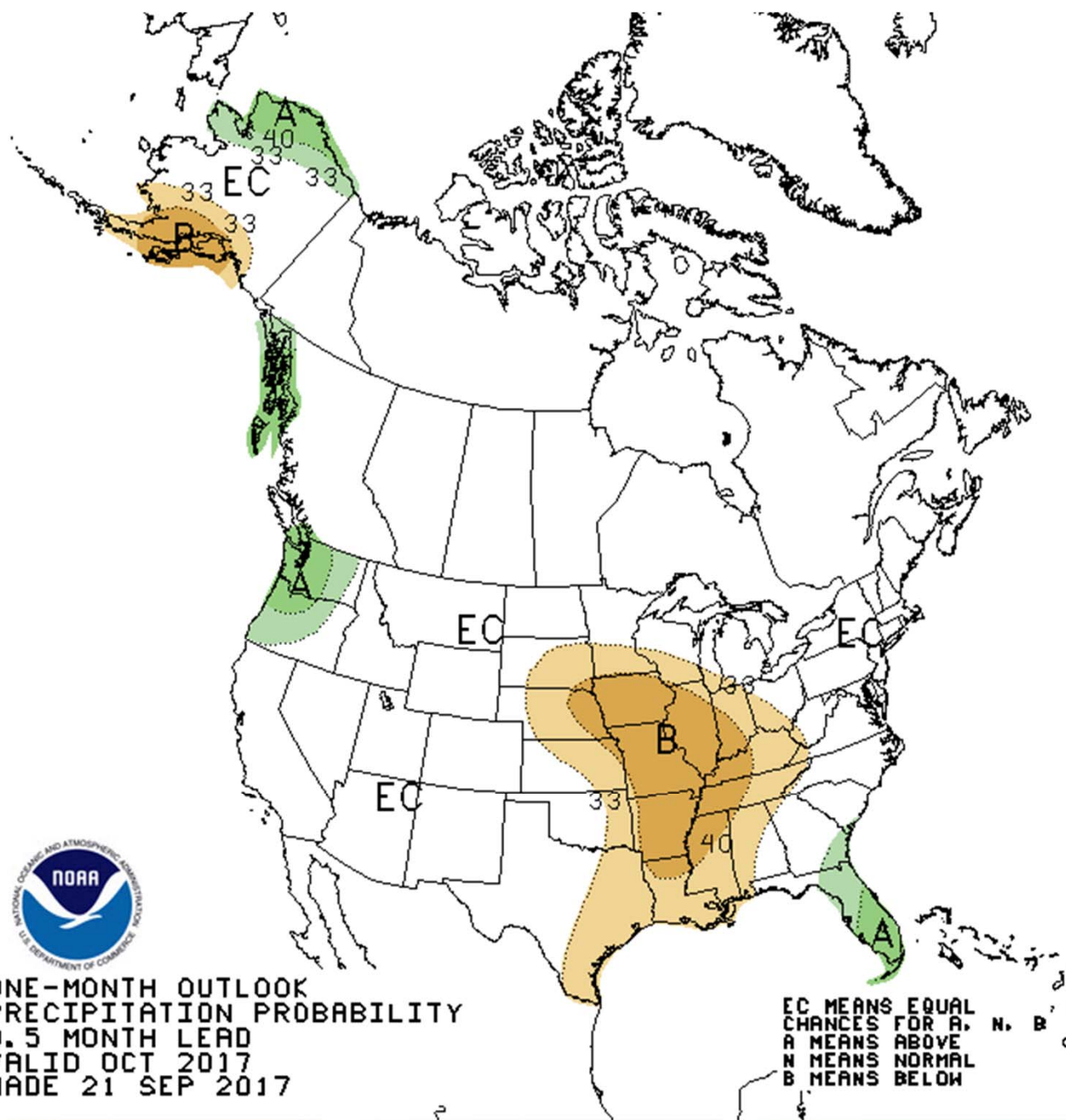




ONE-MONTH OUTLOOK
TEMPERATURE PROBABILITY
0.5 MONTH LEAD
VALID OCT 2017
MADE 21 SEP 2017

EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW





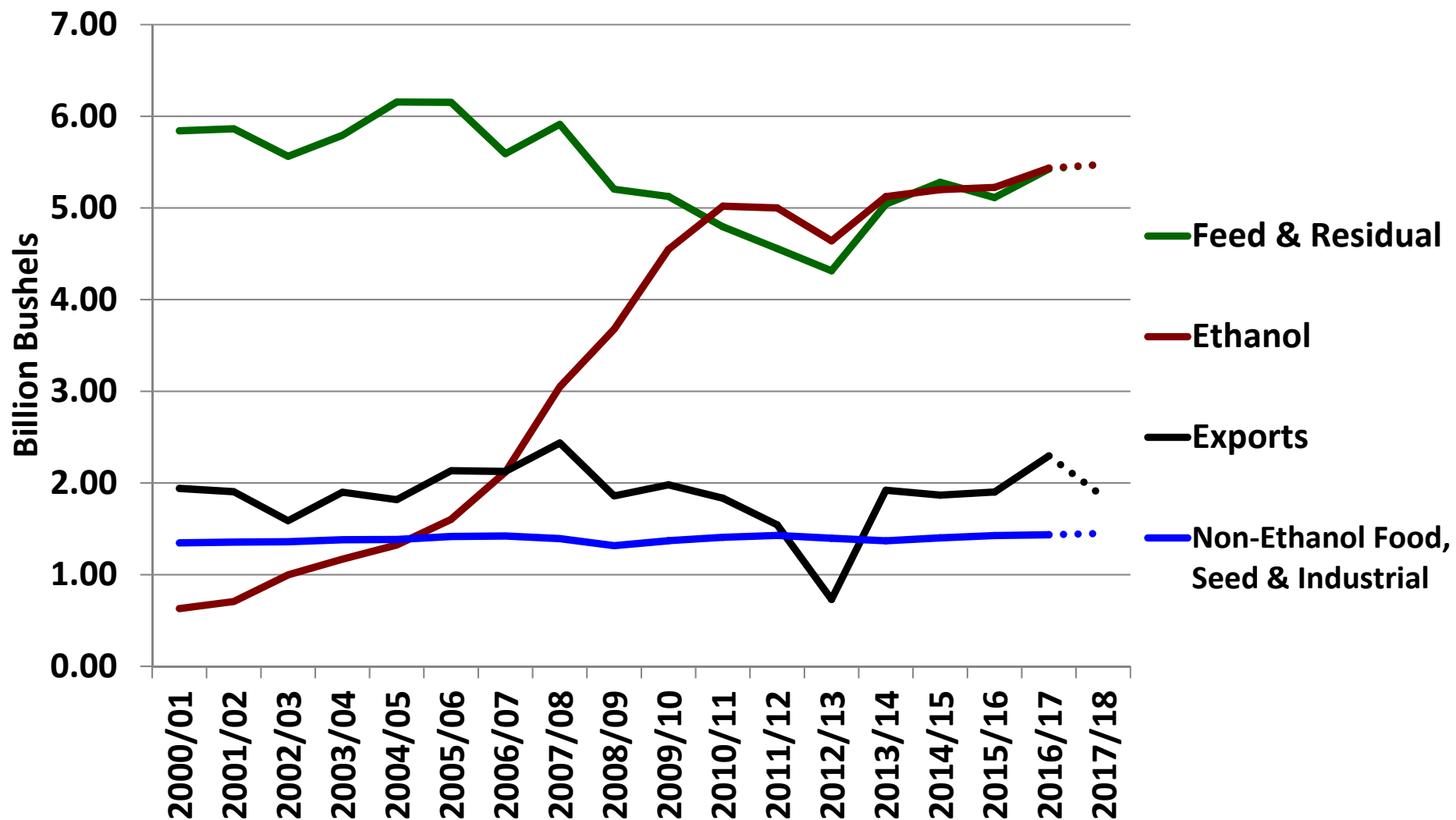
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Harvested A.	80.8 Mill. A.	86.7 Mill. A.	83.5 Mill. A.
Yield/Harvest A.	168.4 bu.	174.6 bu.	169.9 bu.
Beginning Stocks	1,731 Mill. Bu.	1,737 Mill. Bu.	2,350 Mill. Bu.
Production	13,602 Mill. Bu.	15,148 Mill. Bu.	14,184 Mill. Bu.
Imports	68 Mill. Bu.	55 Mill. Bu.	50 Mill. Bu.
Total Supply	15,401 Mill. Bu.	16,940 Mill. Bu.	16,585 Mill. Bu.
Feed & Residual		5,425 Mill. Bu.	5,475 Mill. Bu.
Food		6,925 Mill. Bu.	6,925 Mill. Bu.
		5,475 Mill. Bu.	5,475 Mill. Bu.
		1,850 Mill. Bu.	1,850 Mill. Bu.
		14,250 Mill. Bu.	14,250 Mill. Bu.
Ending		2,335 Mill. Bu.	2,335 Mill. Bu.

Total Production is forecast to be 6.4% below the 2016/17 record.

U.S. Corn - Total Use

(Billion Bushels)



U.S. Corn Supply & Demand Table

U.S. Corn		(est.)	2017/2018 (Sep)
Planted			90.9 Mill. A.
Harvested			83.5 Mill. A.
Yield/Ha.			169.9 bu.
Beginning Stocks		Mill. Bu.	2,350 Mill. Bu.
Production	13,602 Mill. Bu.	15,148 Mill. Bu.	14,184 Mill. Bu.
Imports	68 Mill. Bu.	55 Mill. Bu.	50 Mill. Bu.
Total Supply	15,401 Mill. Bu.	16,940 Mill. Bu.	16,585 Mill. Bu.
Feed & Residual	5,113 Mill. Bu.	5,425 Mill. Bu.	5,475 Mill. Bu.
Food, Seed, Ind.	6,650 Mill. Bu.	6,870 Mill. Bu.	6,925 Mill. Bu.
Ethanol	5,224 Mill. Bu.	5,435 Mill. Bu.	5,475 Mill. Bu.
Exports	1,737 Mill. Bu.	2,295 Mill. Bu.	1,850 Mill. Bu.
Total Use	13,664 Mill. Bu.	14,590 Mill. Bu.	14,250 Mill. Bu.
Ending Stocks	1,737 Mill. Bu.	2,350 Mill. Bu.	2,335 Mill. Bu.

Small increase in *Feed & Residual* use due to higher U.S. meat production.

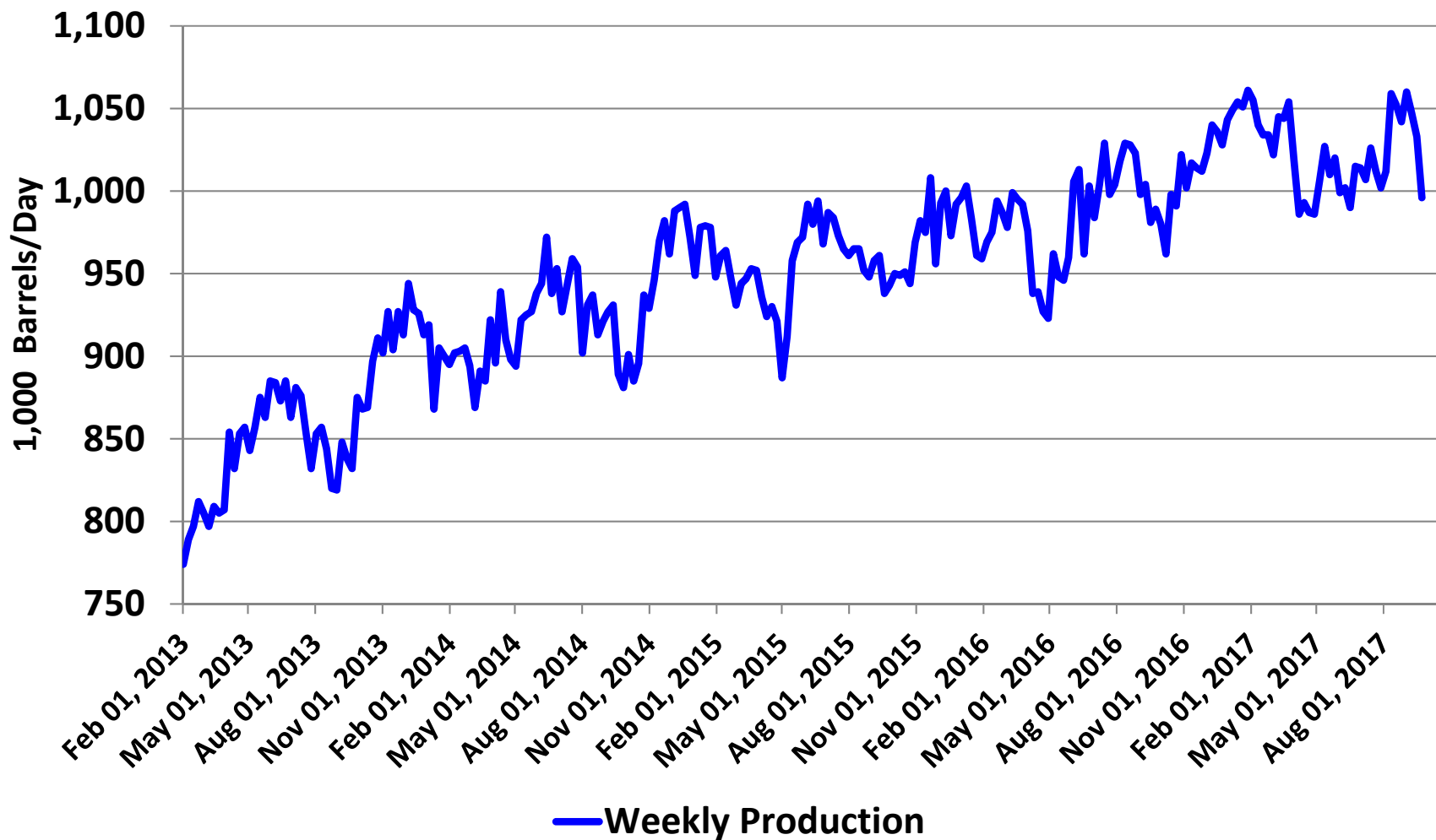
U.S. Corn Supply & Demand Table

U.S. Corn	2016/2017 (est.)		2017/2018 (Sep)	
Plantings	90.9 Mill. A.		90.9 Mill. A.	
Harvest	83.5 Mill. A.		83.5 Mill. A.	
Beginning Stocks	169.9 bu.		169.9 bu.	
Production	2,350	Mill. Bu.	2,350	Mill. Bu.
Imports	15,148	Mill. Bu.	14,184	Mill. Bu.
	55	Mill. Bu.	50	Mill. Bu.
Total Supply	15,401	Mill. Bu.	16,940	Mill. Bu.
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Ending Stocks	1,737	Mill. Bu.	2,350	Mill. Bu.
	2,335	Mill. Bu.	2,335	Mill. Bu.

Ethanol Use is forecast to increase slightly. Ethanol exports may impact this estimate.

Weekly Ethanol Production

(02/01/2013 – 09/22/2017)



U.S. Corn Supply & Demand Table

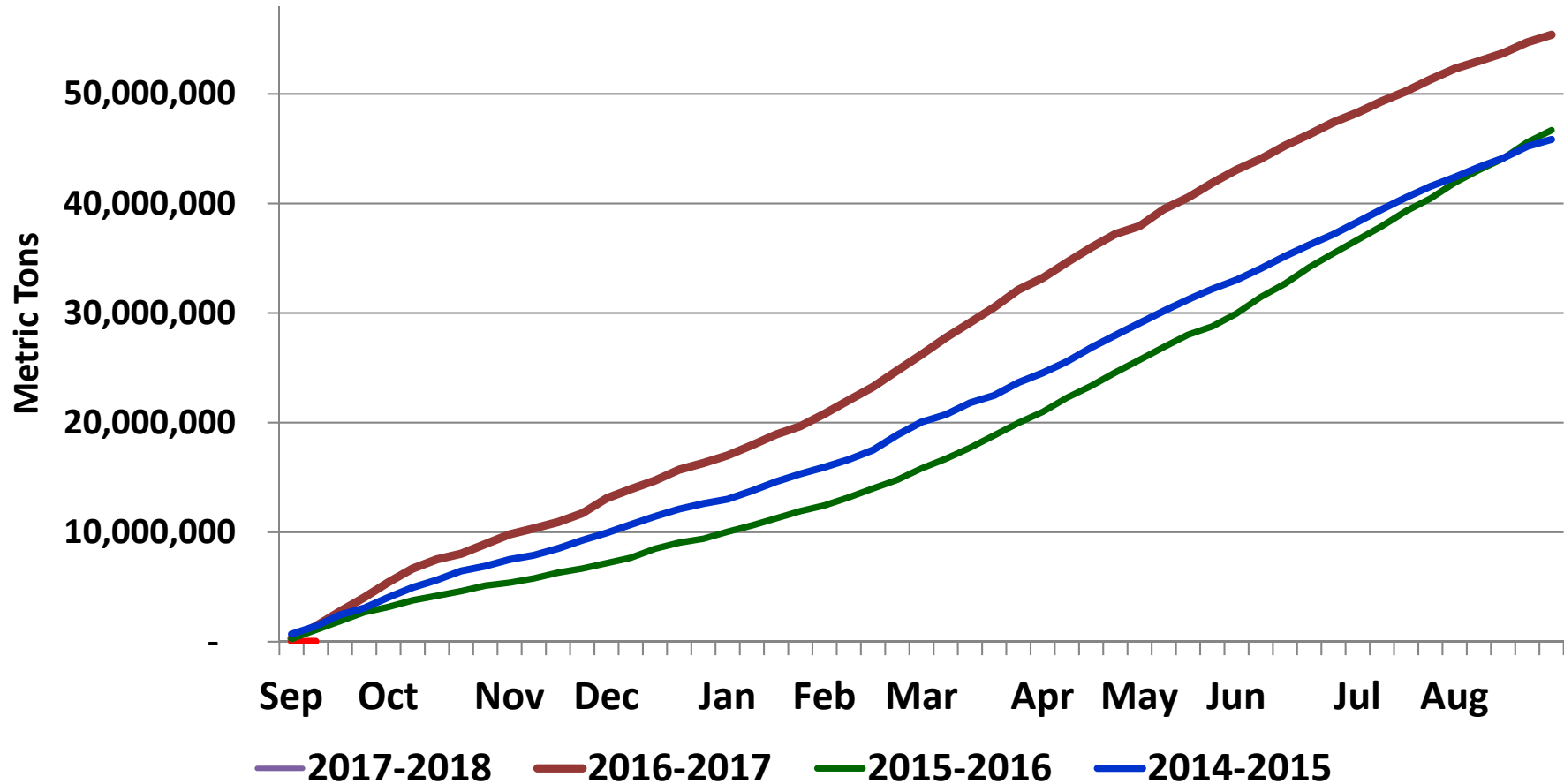
U.S. Corn	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	88.0 Mill. A.	94.0 Mill. A.	90.9 Mill. A.
Harvested A.	89.8 Mill. A.	86.7 Mill. A.	83.5 Mill. A.
Yield/Ha.	174.6 bu.		169.9 bu.
Exports		Mill. Bu.	2,350 Mill. Bu.
Food, Seed, Ind.		Mill. Bu.	14,184 Mill. Bu.
Industrial		Mill. Bu.	50 Mill. Bu.
Total Supply		16,940 Mill. Bu.	16,585 Mill. Bu.
Feed & Residual	5,113 Mill. Bu.	5,425 Mill. Bu.	5,475 Mill. Bu.
Food, Seed, Ind.	6,650 Mill. Bu.	6,870 Mill. Bu.	6,925 Mill. Bu.
Ethanol	5,224 Mill. Bu.	5,435 Mill. Bu.	5,475 Mill. Bu.
Exports	1,737 Mill. Bu.	2,295 Mill. Bu.	1,850 Mill. Bu.
Total Use	13,664 Mill. Bu.	14,590 Mill. Bu.	14,250 Mill. Bu.
Ending Stocks	1,737 Mill. Bu.	2,350 Mill. Bu.	2,335 Mill. Bu.

Exports are forecast to decrease 19.4%, but above 2015/16 levels.

Weekly U.S. Corn Export Sales

(09/01/2014 – 09/14/2017)

Accumulated Exports



U.S. Corn Export Destinations

(1,000 Metric Ton)

Country	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Mexico	9,537.5	4,370.0	10,526.3	10,793.8	12,558.6	13,539.7
Japan	11,748.6	7,000.2	11,487.0	11,858.6	10,506.6	11,983.4
South Korea	3,635.3	416.2	4,844.2	3,927.2	3,021.6	5,588.5
Columbia	275.1	94.9	3,359.4	4,413.3	4,629.5	4,438.9
Peru	0.0	0.0	1,414.5	2,421.0	2,490.9	3,166.7
Taiwan	1,265.4	511.8	1,936.4	1,755.0	2,045.2	2,773.2

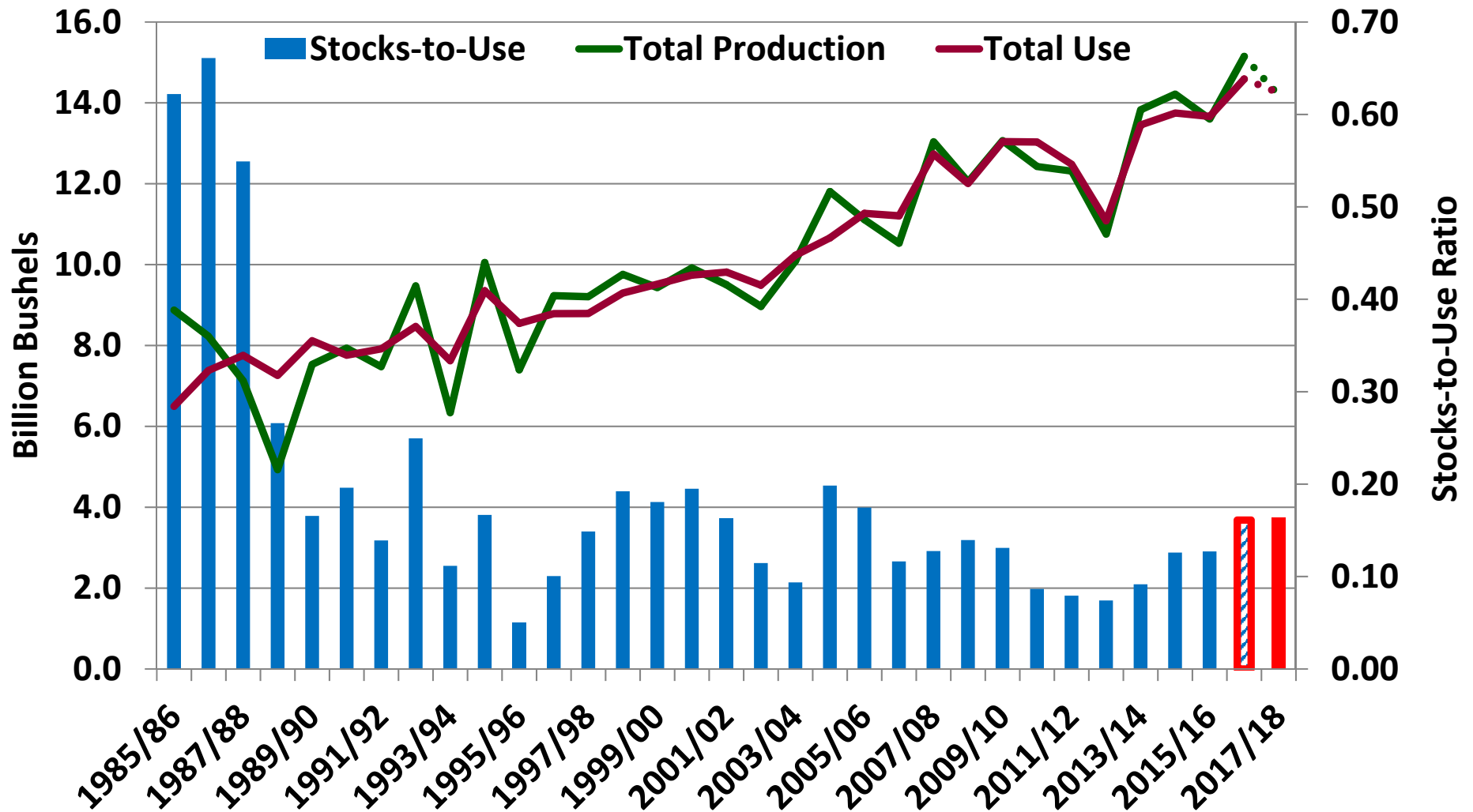
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Imports	55 Mill. Bu.	50 Mill. Bu.	50 Mill. Bu.
Total Supply	16,940 Mill. Bu.	16,585 Mill. Bu.	16,585 Mill. Bu.
Feed & Res.	5,425 Mill. Bu.	5,425 Mill. Bu.	5,475 Mill. Bu.
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Total Use	13,664 Mill. Bu.	14,590 Mill. Bu.	14,250 Mill. Bu.
Ending Stocks	1,737 Mill. Bu.	2,350 Mill. Bu.	2,335 Mill. Bu.

**Stocks-to-Use Ratio is
forecast to decrease
from 16.1% to 16.4%**

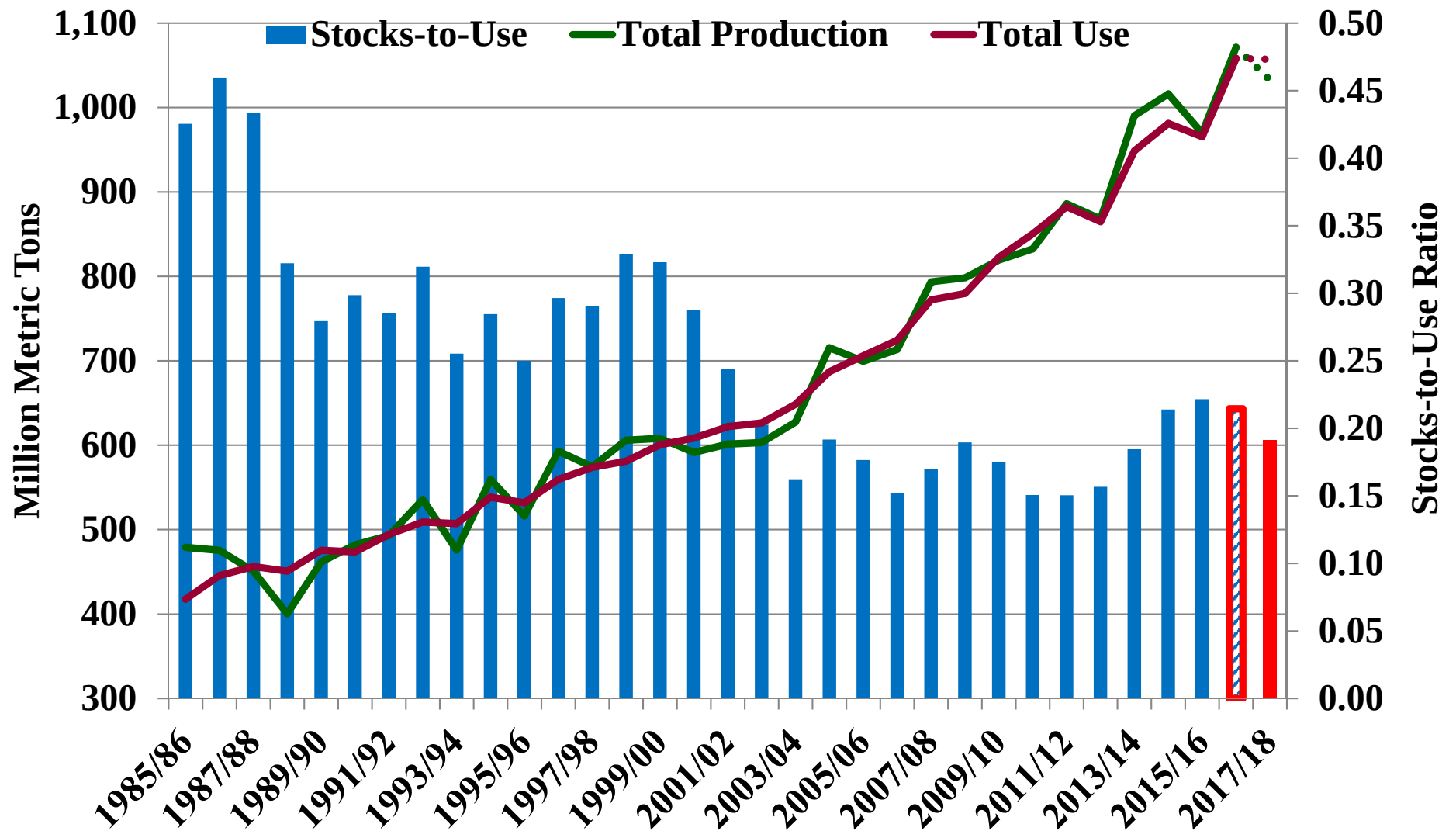
U.S. Corn – Total Production & Use

(Billion Bushels)



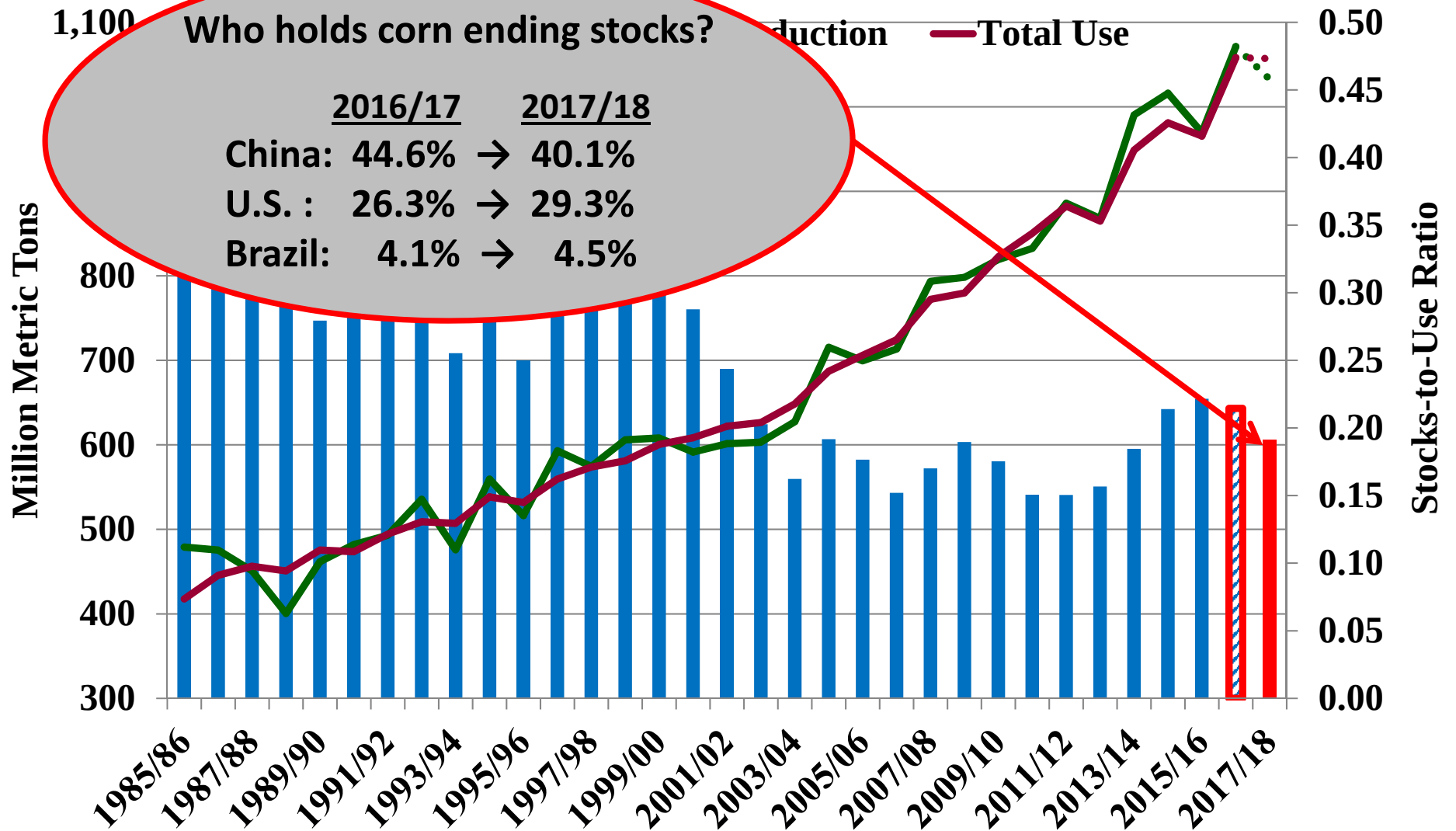
World Corn Prod, Use & Stocks/Use

(Million Metric Ton)



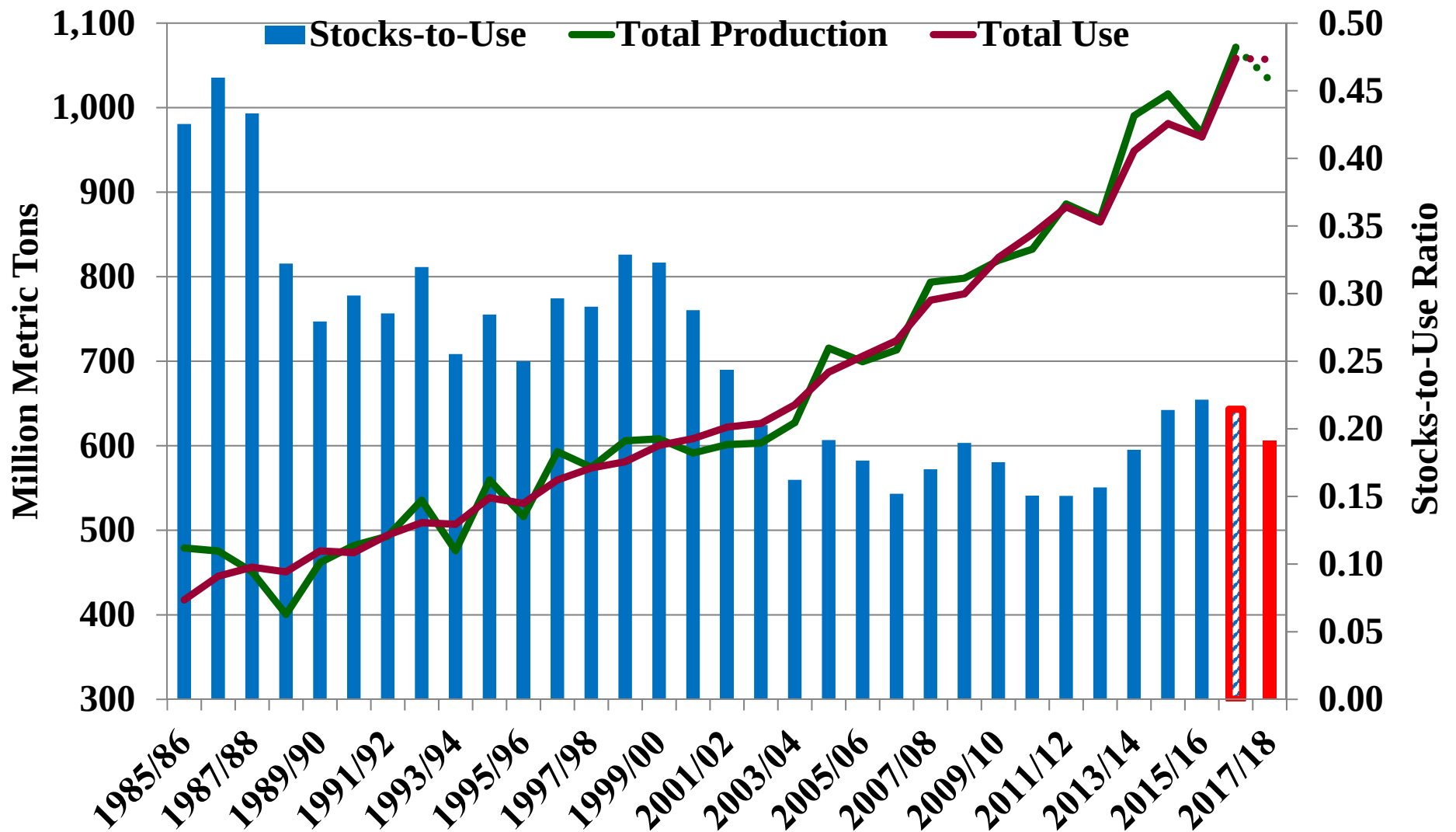
World Corn Prod, Use & Stocks/Use

(Million Metric Ton)



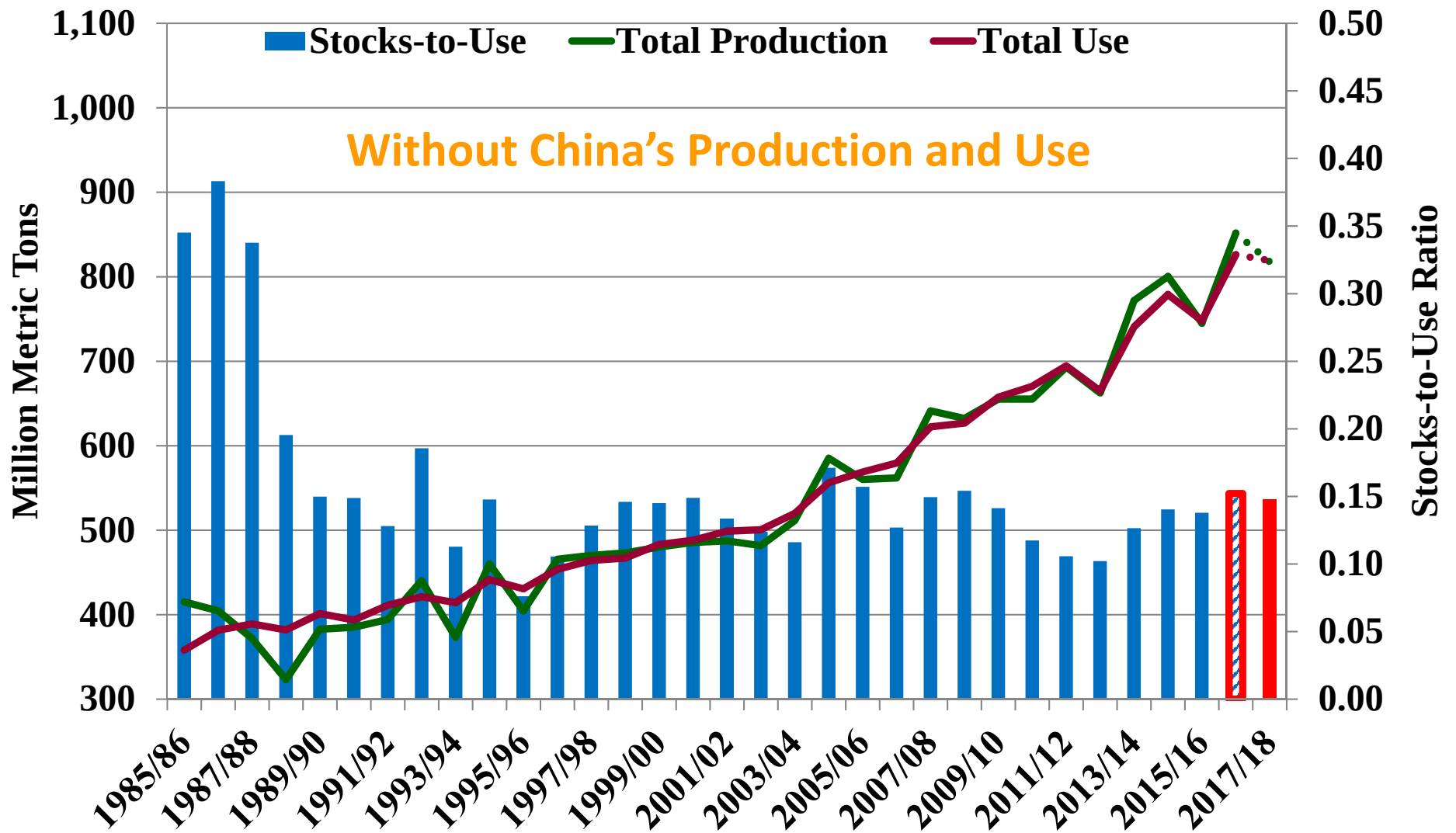
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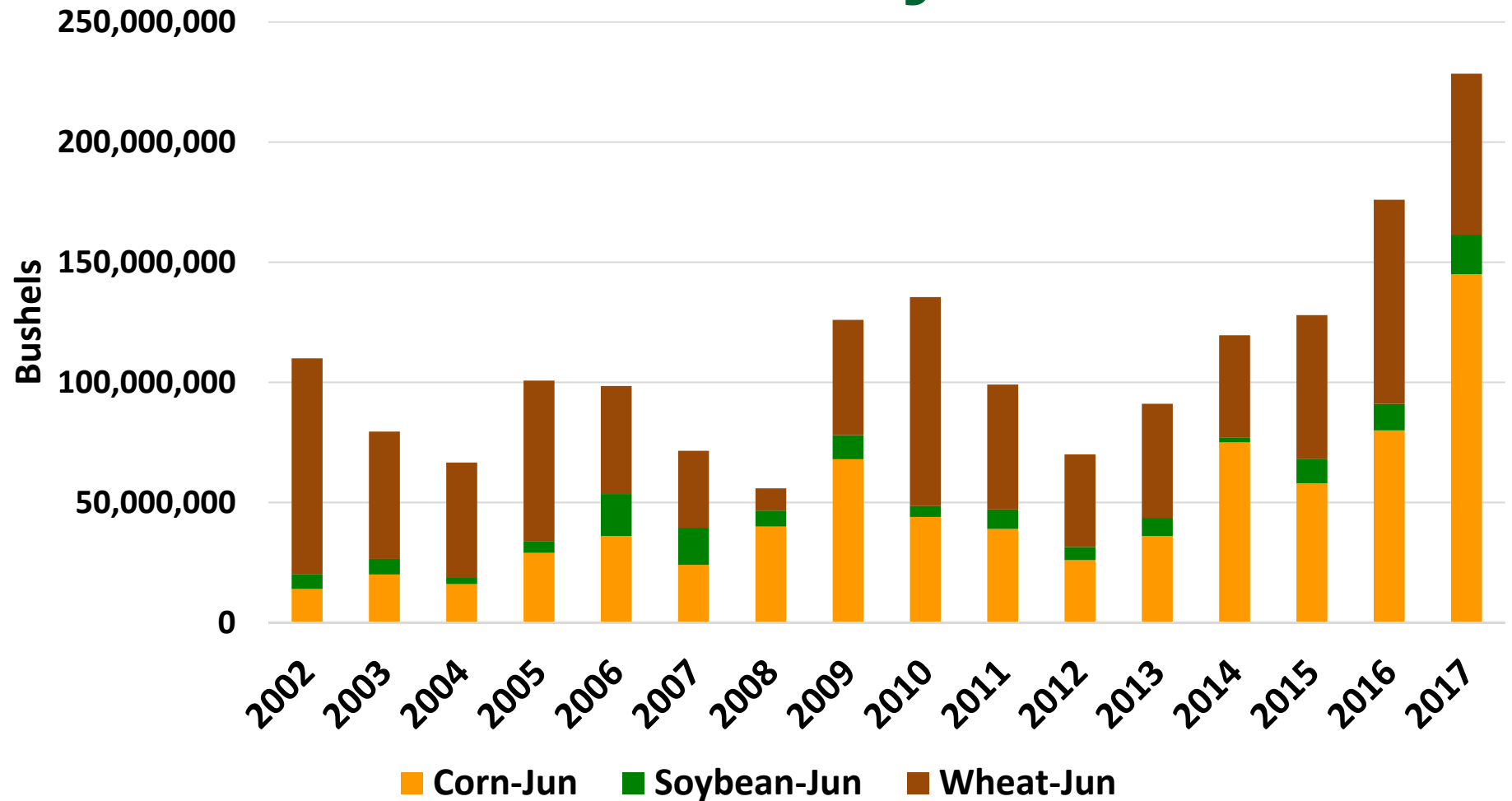


World Corn Prod, Use & Stocks/Use

(Million Metric Ton)



North Dakota June 1 On-Farm Inventory



U.S. Soybean Supply & Demand Table

U.S. Soybean	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	82.7 Mill. A.	83.4 Mill. A.	89.5 Mill. A.
Harvested A.	81.7 Mill. A.	82.7 Mill. A.	88.7 Mill. A.
Yield/Harvest A.	48.0 bu.	52.1 bu.	49.9 bu.
Beginning Stocks	191 Mill. Bu.	197 Mill. Bu.	345 Mill. Bu.
Production	3,926 Mill. Bu.	4,307 Mill. Bu.	4,431 Mill. Bu.
Imports	24 Mill. Bu.	25 Mill. Bu.	25 Mill. Bu.
Total Supply	4,140 Mill. Bu.	4,528 Mill. Bu.	4,801 Mill. Bu.
Crushings	1,886 Mill. Bu.	1,895 Mill. Bu.	1,940 Mill. Bu.
Exports	1,942 Mill. Bu.	2,170 Mill. Bu.	2,250 Mill. Bu.
Seed	97 Mill. Bu.	104 Mill. Bu.	101 Mill. Bu.
Residual	18 Mill. Bu.	14 Mill. Bu.	35 Mill. Bu.
Total Use	3,944 Mill. Bu.	4,183 Mill. Bu.	4,326 Mill. Bu.
Ending Stocks	197 Mill. Bu.	345 Mill. Bu.	475 Mill. Bu.

U.S. Soybean Supply & Demand Table

U.S. Soybean	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	82.7 Mill. A.	83.4 Mill. A.	89.5 Mill. A.
Harvested A.	81.7 Mill. A.	82.7 Mill. A.	88.7 Mill. A.
Yield/Harvest A.	48.0 bu.	52.1 bu.	49.9 bu.
Beginning Stocks	187 Mill. Bu.	345 Mill. Bu.	345 Mill. Bu.
Production			4,431 Mill. Bu.
Imports			25 Mill. Bu.
			301 Mill. Bu.
Crush			1,940 Mill. Bu.
Exports			2,250 Mill. Bu.
Seed	97 Mill. Bu.	104 Mill. Bu.	101 Mill. Bu.
Residual	18 Mill. Bu.	14 Mill. Bu.	35 Mill. Bu.
Total Use	3,944 Mill. Bu.	4,183 Mill. Bu.	4,326 Mill. Bu.
Ending Stocks	197 Mill. Bu.	345 Mill. Bu.	475 Mill. Bu.

***Planted Acreage* increased slightly less than expected. FSA data suggests final acreage may increase.**

U.S. Soybean Supply & Demand Table

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Harvested A.	81.7 Mill. A.	82.7 Mill. A.	88.7 Mill. A.
Yield/Harvest A.	48.0 bu.	52.1 bu.	49.9 bu.
Beginning Stocks	191 Mill. Bu.	197 Mill. Bu.	345 Mill. Bu.
Production	3,926 Mill. Bu.	4,307 Mill. Bu.	4,431 Mill. Bu.
Imports	24 Mill. Bu.	25 Mill. Bu.	25 Mill. Bu.
Total Supply			4,801 Mill. Bu.
Crushing			10 Mill. Bu.
Exports			11 Mill. Bu.
Ending Stocks			175 Mill. Bu.

September *Production Report* provided updated “objective” yield estimates.

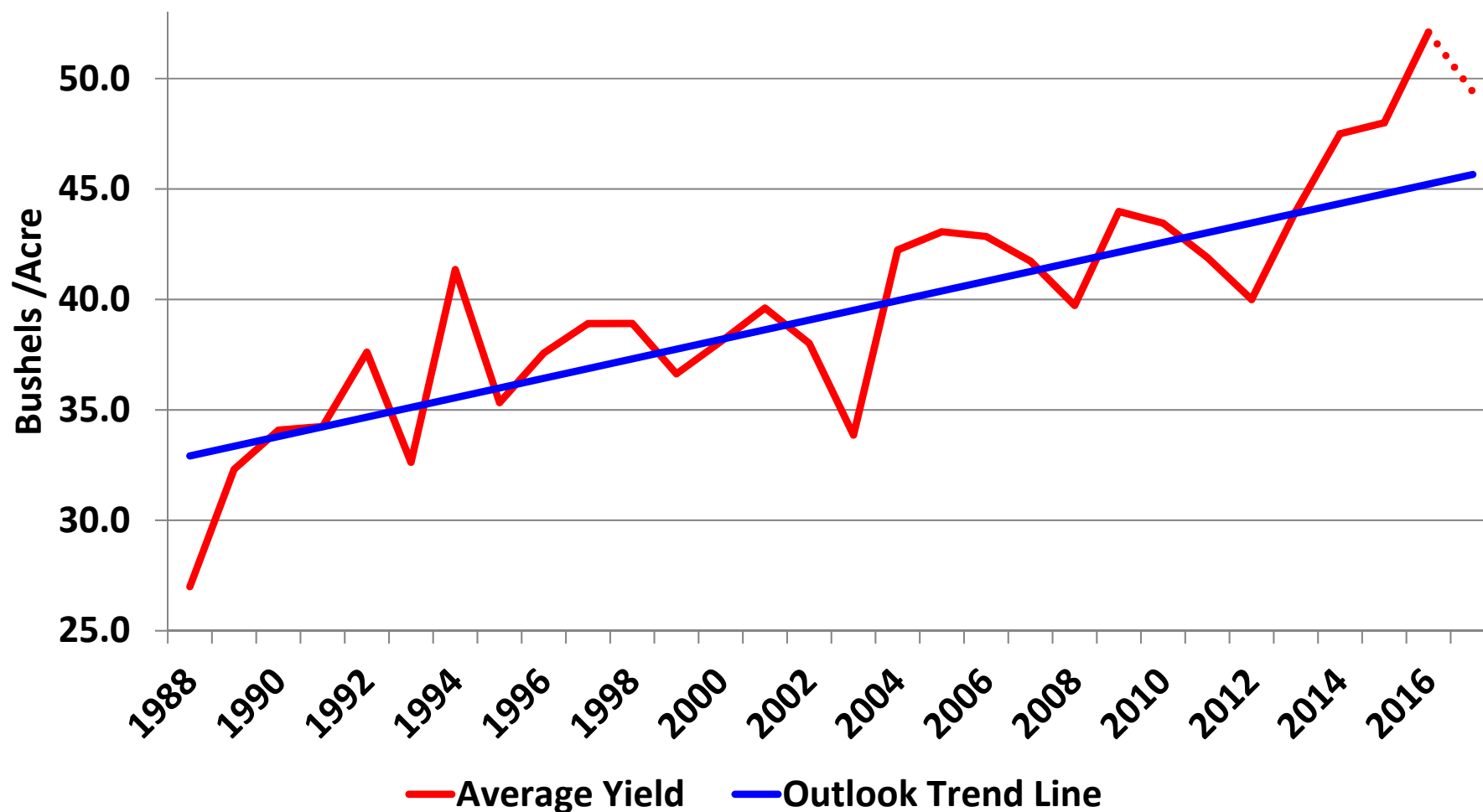
Private estimates:

Average = 48.8

High = 49.8

Low = 47.1

What is the “new” U.S. trend line yield?



U.S. Soybean Areas Experiencing Drought

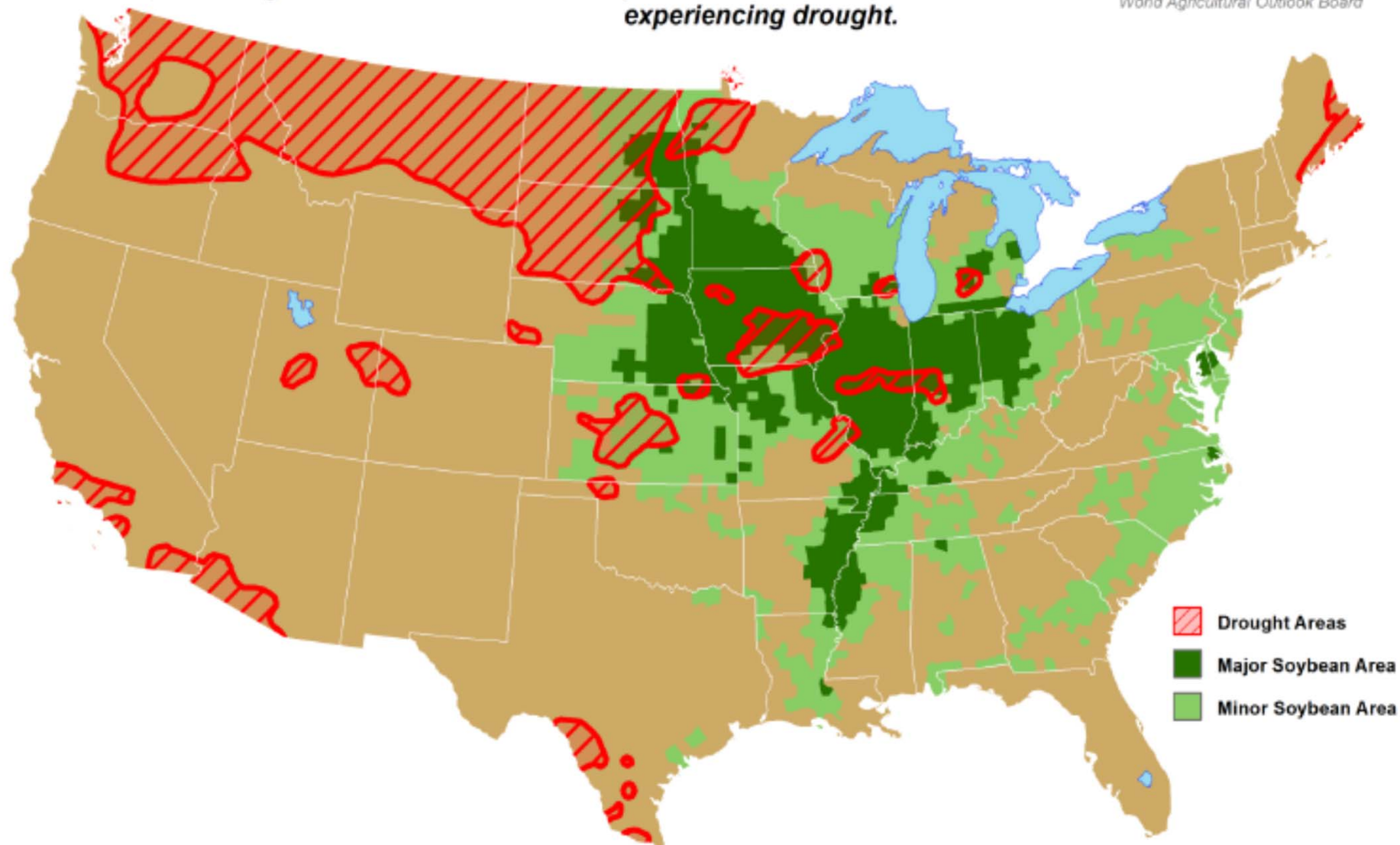
Reflects **September 19, 2017**
U.S. Drought Monitor data

Approximately **15%** of soybean
production is within an area
experiencing drought.



United States
Department of
Agriculture

*This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board*



-  Drought Areas
-  Major Soybean Area
-  Minor Soybean Area

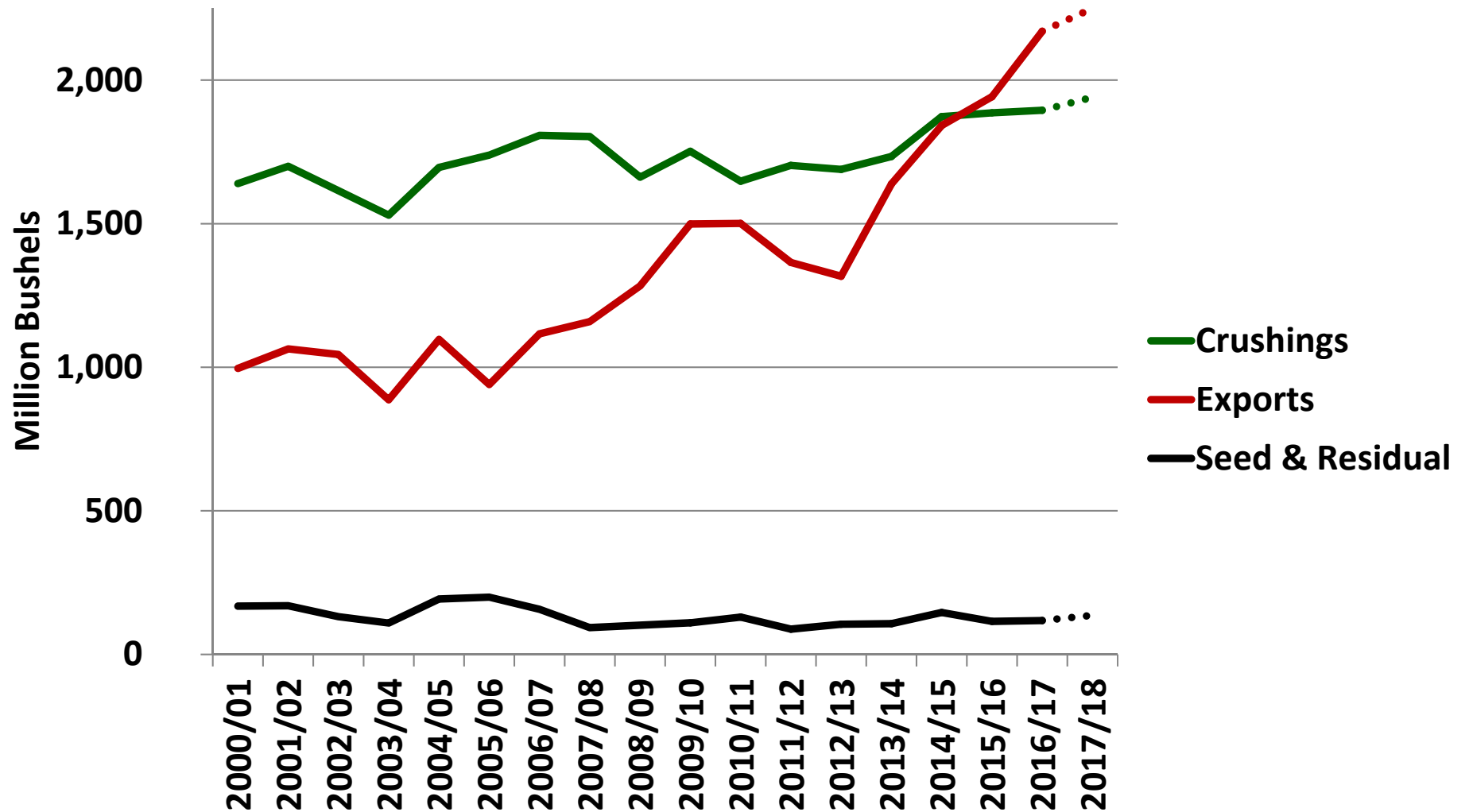
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Production	3,926 Mill. Bu.	4,307 Mill. Bu.	4,431 Mill. Bu.
Imports	24 Mill. Bu.	25 Mill. Bu.	25 Mill. Bu.
Total Supply	4,140 Mill. Bu.	4,528 Mill. Bu.	4,801 Mill. Bu.
Crushings			1,940 Mill. Bu.
Exports			2,250 Mill. Bu.
Seed			101 Mill. Bu.
Residual			35 Mill. Bu.
Total Demand			4,326 Mill. Bu.
Ending Stocks			475 Mill. Bu.

Total Production is **fifth record
year in a row!
(2.9% above last year's record)**

Will yield estimates hold?

U.S. Soybean Use



U.S. Soybean Supply & Demand Table

U.S. Soybean Supply and Demand (Mill. Bu.)			2017/2018 (Sep)
Plantings			89.5 Mill. A.
Harvest			83.7 Mill. A.
Beginning Stocks			49.9 bu.
Production			345 Mill. Bu.
Imports			4,431 Mill. Bu.
Total Supply	4,140 Mill. Bu.	4,528 Mill. Bu.	4,801 Mill. Bu.
Crushings	1,886 Mill. Bu.	1,895 Mill. Bu.	1,940 Mill. Bu.
Exports	1,942 Mill. Bu.	2,170 Mill. Bu.	2,250 Mill. Bu.
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Total Use	3,944 Mill. Bu.	4,183 Mill. Bu.	4,326 Mill. Bu.
Ending Stocks	197 Mill. Bu.	345 Mill. Bu.	475 Mill. Bu.

If correct, *Crushings* would be a
another new record due to
increased feed usage and strong
export demand for meal.
(2.4% increase)

U.S. Soybean Supply & Demand Table

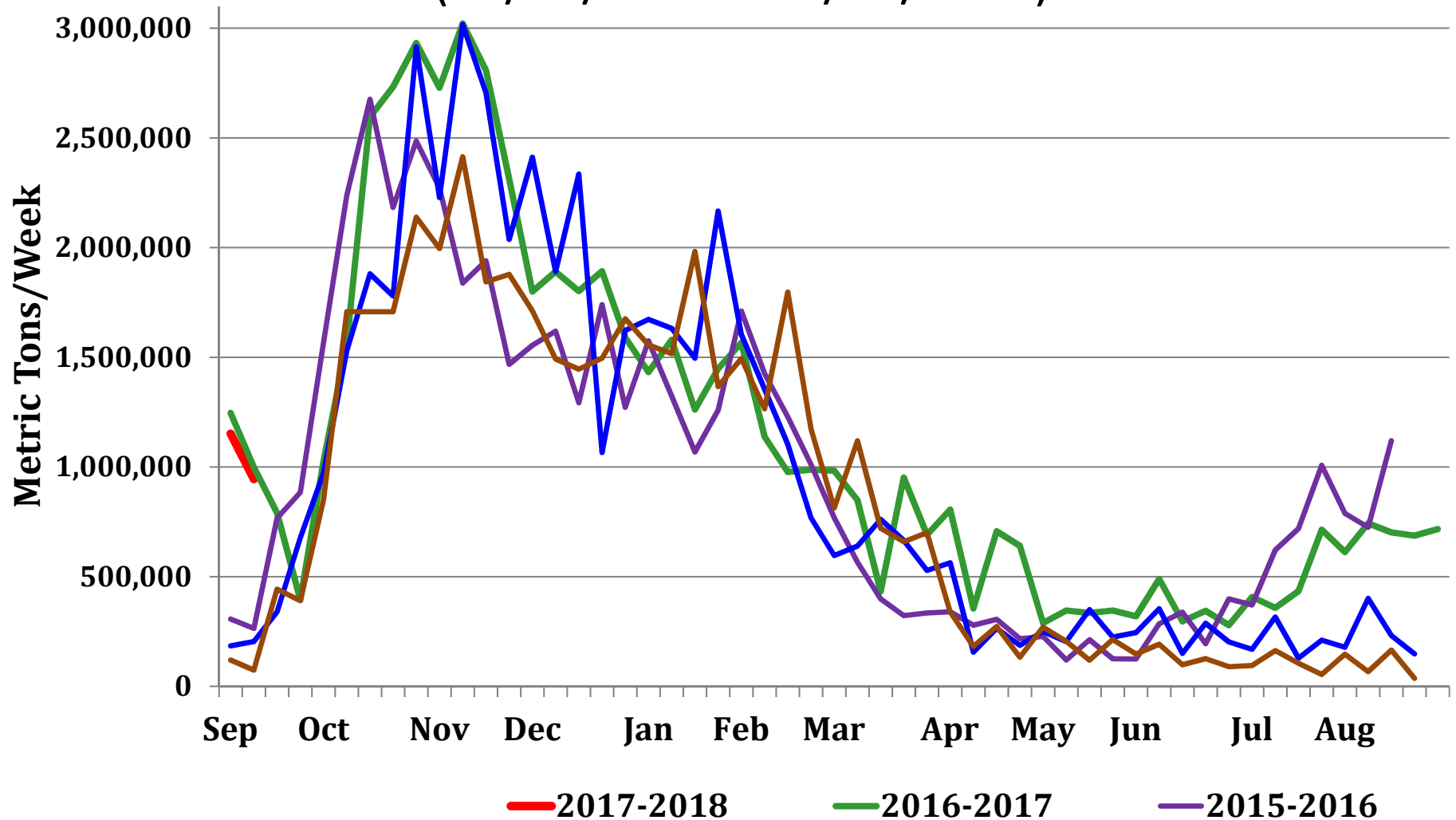
U.S. Soybean Supply (est.)		2017/2018 (Sep)	
Plantings		89.5 Mill. A.	
Harvest		88.7 Mill. A.	
Beginning Stocks		49.9 bu.	
Production		345 Mill. Bu.	
Imports		4,431 Mill. Bu.	
		25 Mill. Bu.	
Total Supply	4,140 Mill. Bu.	4,528 Mill. Bu.	4,801 Mill. Bu.
Crushings	1,886 Mill. Bu.	1,895 Mill. Bu.	1,940 Mill. Bu.
Exports	1,942 Mill. Bu.	2,170 Mill. Bu.	2,250 Mill. Bu.
Seed	97 Mill. Bu.	104 Mill. Bu.	101 Mill. Bu.
Residual	18 Mill. Bu.	14 Mill. Bu.	35 Mill. Bu.
Total Use	3,944 Mill. Bu.	4,183 Mill. Bu.	4,326 Mill. Bu.
Ending Stocks	197 Mill. Bu.	345 Mill. Bu.	475 Mill. Bu.

If correct, *Exports* would also be a new record (3.7% increase).

This is the third year that *Exports* will exceed *Crushings*

Weekly U.S. Soybean Export Sales

(09/01/2013 – 09/14/2017)



U.S. Soybean Export Destinations

(1,000 Metric Ton)

Country	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
China	23,506.9	21,522.4	27,602.2	29,640.8	29,855.0	36,148.3
Mexico	3,153.1	2,565.4	3,194.5	3,438.8	3,252.6	3,665.0
Indonesia	1,711.0	1,682.4	2,291.5	1,875.9	2,028.6	2,296.9
Japan	1,673.6	1,751.0	1,826.4	2,011.4	2,145.6	2,137.2
Netherlands	606.8	734.6	1,015.6	1,879.4	2,037.7	2,044.9
Taiwan	912.6	1,120.0	1,133.6	1,310.8	1,232.9	1,292.7

U.S. Soybean Supply & Demand Table

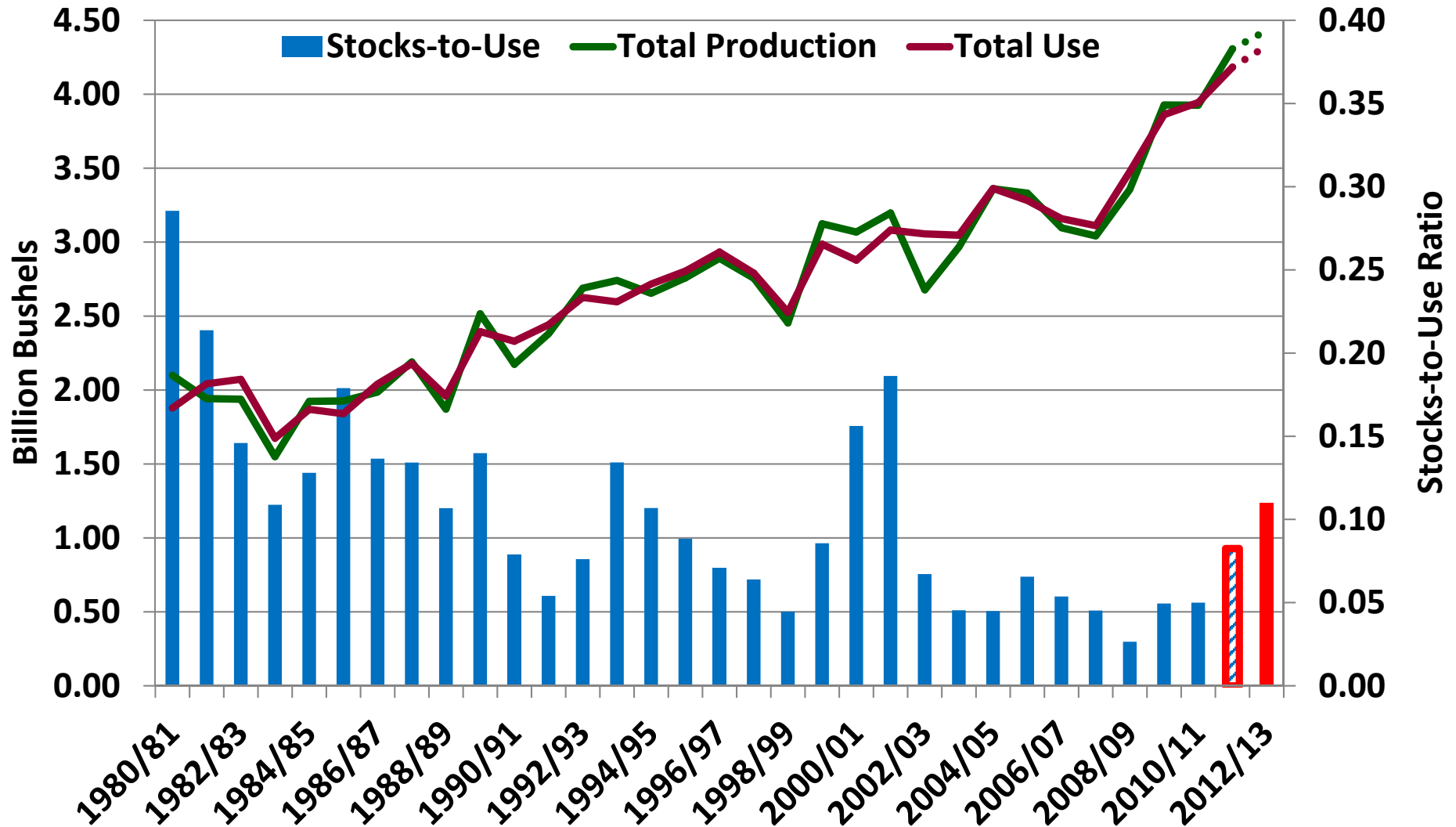
U.S. Soybean	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.		89.4 Mill. A.	89.5 Mill. A.
Harvested A.			88.7 Mill. A.
Yield A.			49.9 bu.
Production			345 Mill. Bu.
Imports			4,431 Mill. Bu.
Total Supply			4,801 Mill. Bu.
Crushings		1,895 Mill. Bu.	1,940 Mill. Bu.
Exports	1,942 Mill. Bu.	2,170 Mill. Bu.	2,250 Mill. Bu.
Seed	97 Mill. Bu.	104 Mill. Bu.	101 Mill. Bu.
Residual	18 Mill. Bu.	14 Mill. Bu.	35 Mill. Bu.
Total Use	3,944 Mill. Bu.	4,183 Mill. Bu.	4,326 Mill. Bu.
Ending Stocks	197 Mill. Bu.	345 Mill. Bu.	475 Mill. Bu.

**Stocks-to-Use Ratio is
forecast to increase from
8.2% to 11.0%**

***Total Production is increasing
faster than Use.***

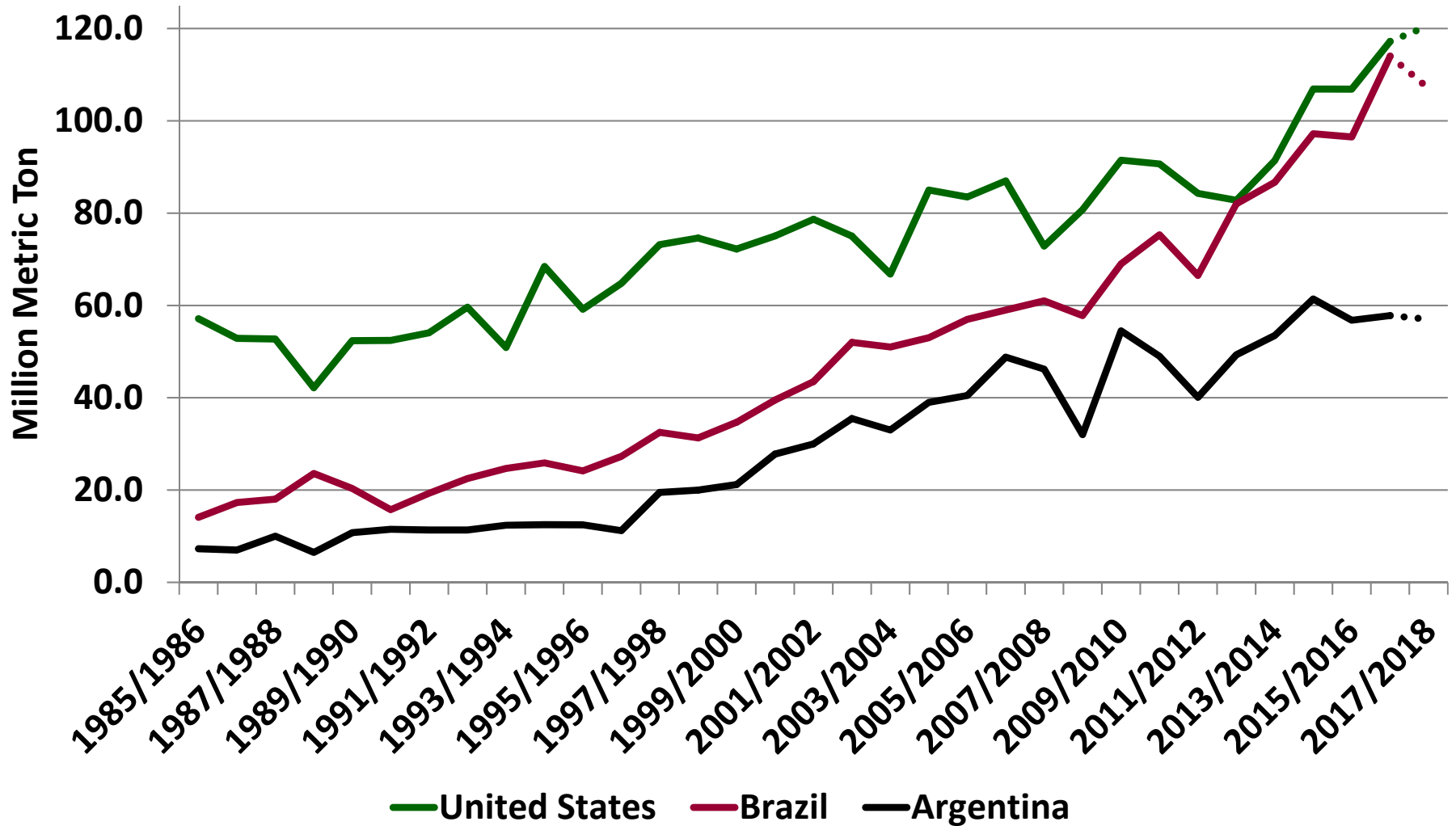
U.S. Soybean – Total Prod. & Use

(Billion Bushels)



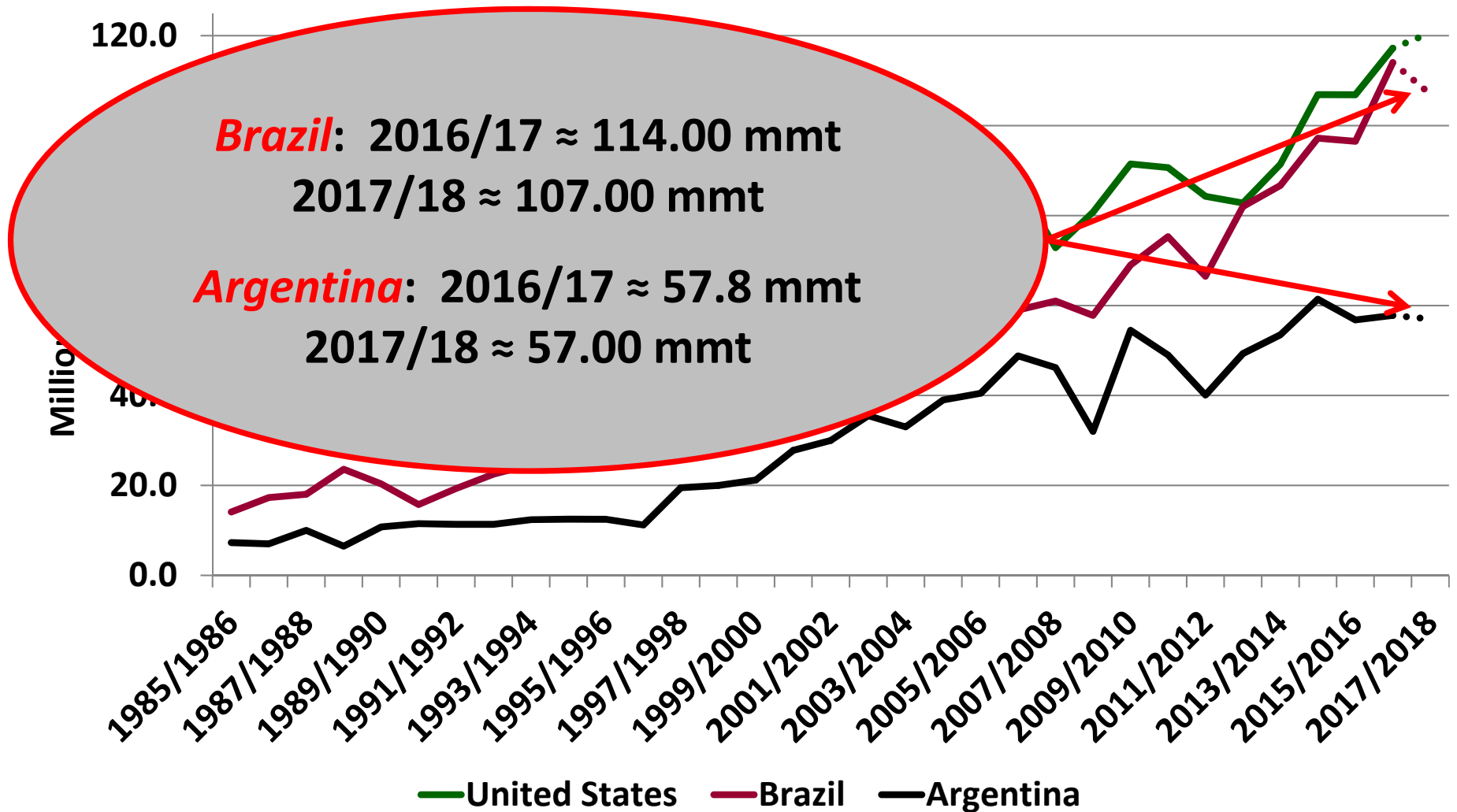
Historical Soybean Production

(Million Metric Ton)



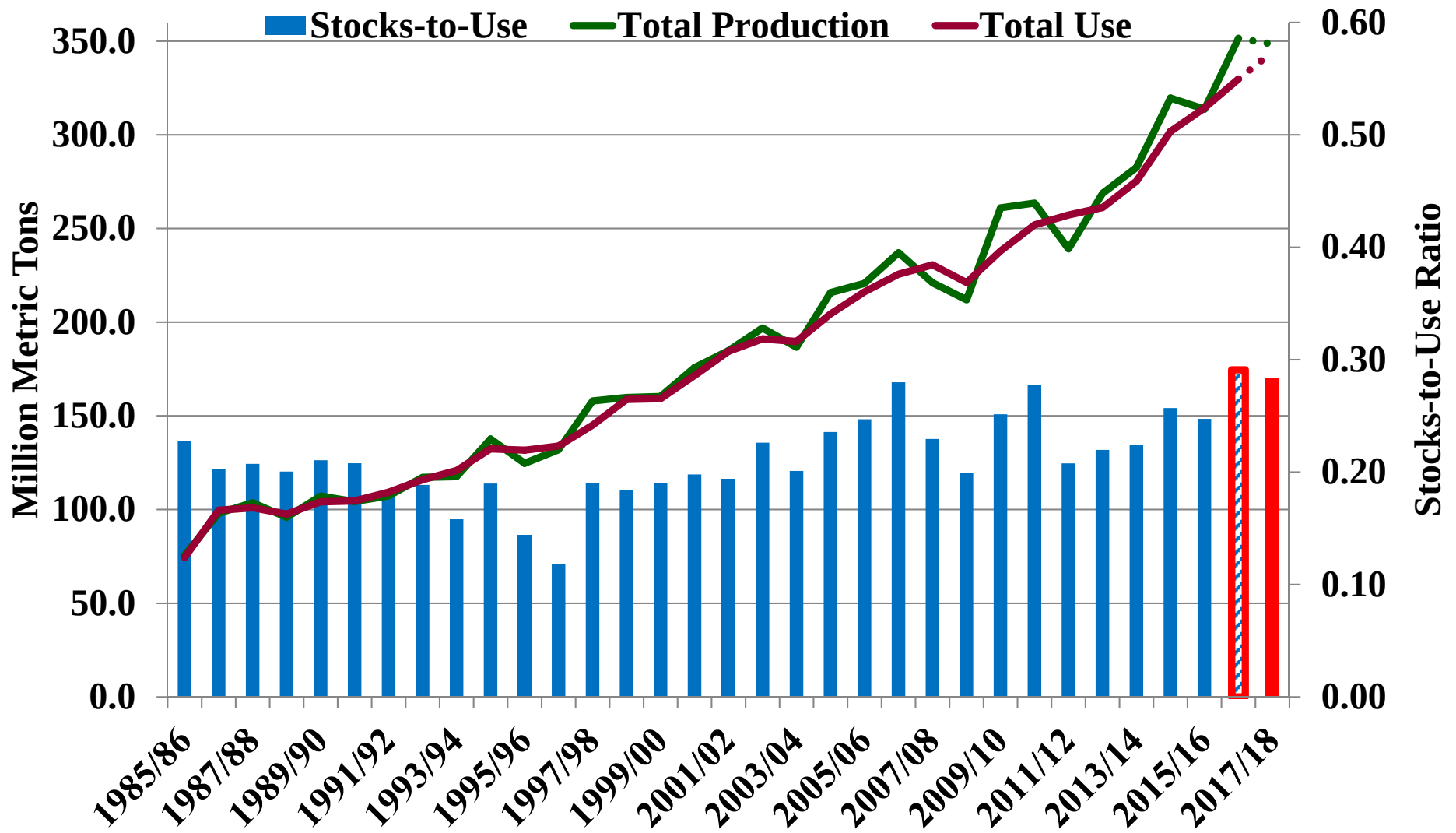
Historical Soybean Production

(Million Metric Ton)



World Soybean Prod, Use & Stocks/Use

(Million Metric Ton)



U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production	2,062 Mill. Bu.	2,310 Mill. Bu.	1,739 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	150 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,403 Mill. Bu.	3,074 Mill. Bu.
Food	957 Mill. Bu.	949 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	66 Mill. Bu.
Feed & Residual	149 Mill. Bu.	154 Mill. Bu.	150 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

USDA – WASDE – Sep. 12, 2017

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production			1,739 Mill. Bu.
Imports			150 Mill. Bu.
			3,074 Mill. Bu.
Food			950 Mill. Bu.
Seed			66 Mill. Bu.
Feed & Residual	149 Mill. Bu.	154 Mill. Bu.	150 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Planted Acreage is lowest since 1919, when USDA first began to track wheat plantings.

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production	2,210 Mill. Bu.	1,739 Mill. Bu.	1,739 Mill. Bu.
Imports			150 Mill. Bu.
			3,074 Mill. Bu.
Feed & Residual		154 Mill. Bu.	950 Mill. Bu.
Seed		66 Mill. Bu.	66 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	150 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Harvested Acreage will likely be reduced due to spring wheat haying and abandonment.

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production	2,062 Mill. Bu.	2,310 Mill. Bu.	1,739 Mill. Bu.
Imports	112 Mill. Bu.	118 Mill. Bu.	150 Mill. Bu.
Total Supply	3,524 Mill. Bu.	3,404 Mill. Bu.	3,073 Mill. Bu.
Feed	1,100 Mill. Bu.	1,100 Mill. Bu.	1,100 Mill. Bu.
Exports	975 Mill. Bu.	975 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Average Yield was cut 1.1 bu./a. in July

Average Yield was cut 0.6 bu./a. in Aug.

Average Yield was unchanged in Sep.

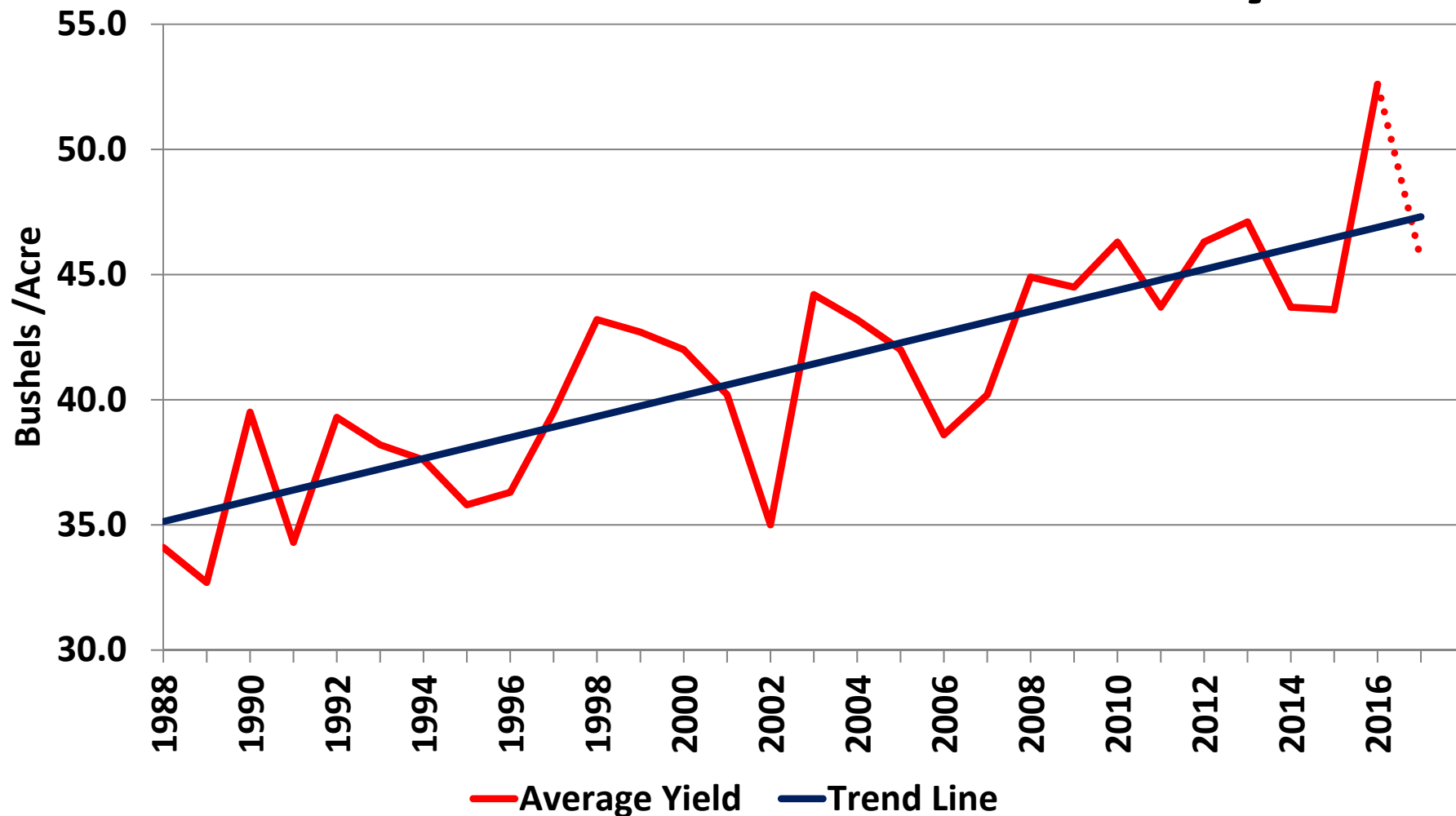
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production	2,062 Mill. Bu.	2,310 Mill. Bu.	1,739 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	150 Mill. Bu.
Total Supply	3,925 Mill. Bu.	4,404 Mill. Bu.	3,074 Mill. Bu.
Food			950 Mill. Bu.
Seed			66 Mill. Bu.
Industrial			150 Mill. Bu.
Exports			975 Mill. Bu.
Total Use	2,141 Mill. Bu.	2,141 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

2017 U.S. Spring Wheat = 38.3 bu./a.
2016 U.S. Spring Wheat = 47.2 bu./a.

2017 N.D. Avg. HRSW = 27.2 bu./a.
2016 N.D. Avg. HRSW = 46.0 bu./a.

What is the “new” U.S. trend line yield?



U.S. Spring Wheat Areas Experiencing Drought

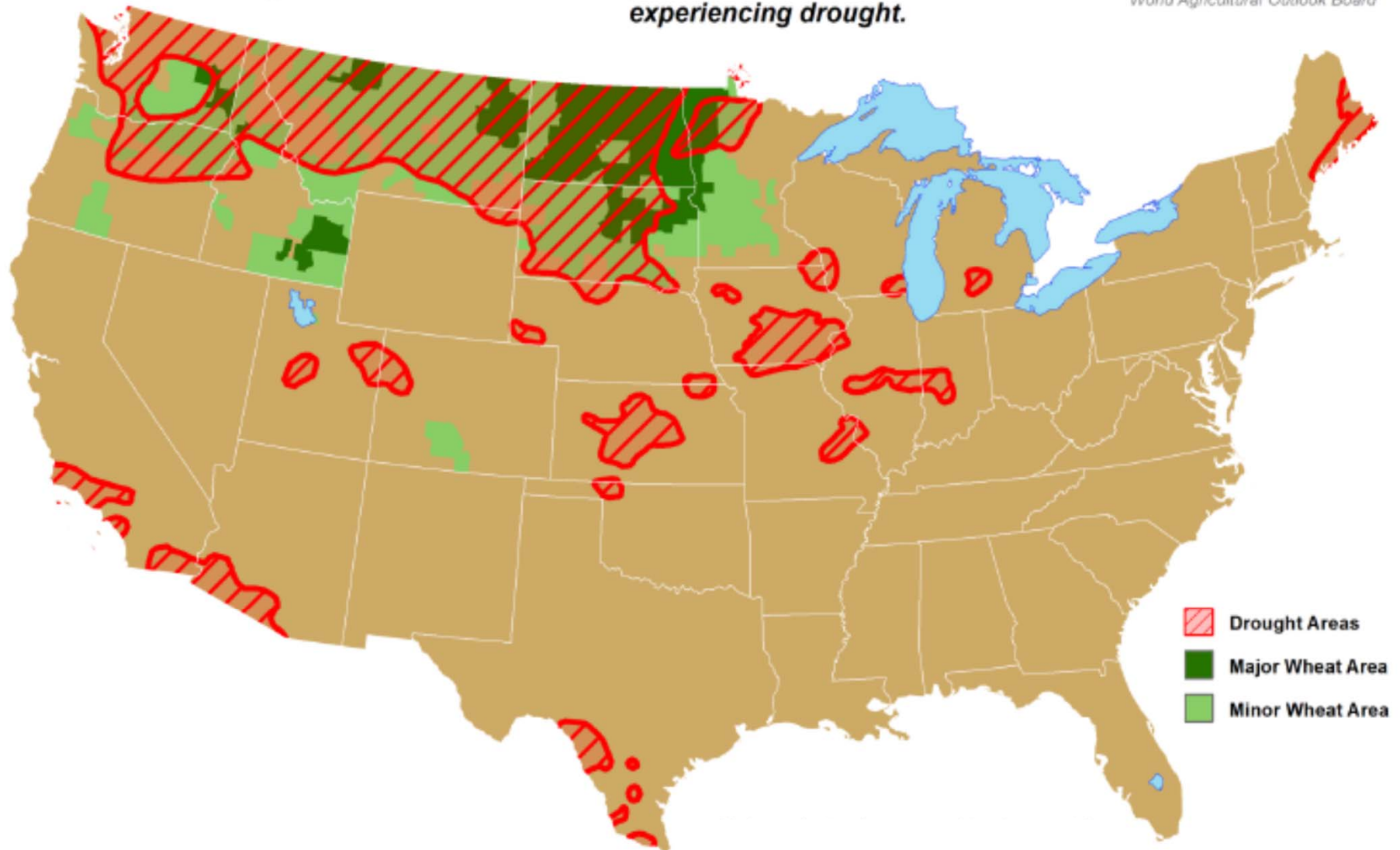
Reflects **September 19, 2017**
U.S. Drought Monitor data

Approximately **77%** of spring wheat
production is within an area
experiencing drought.



United States
Department of
Agriculture

*This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board*



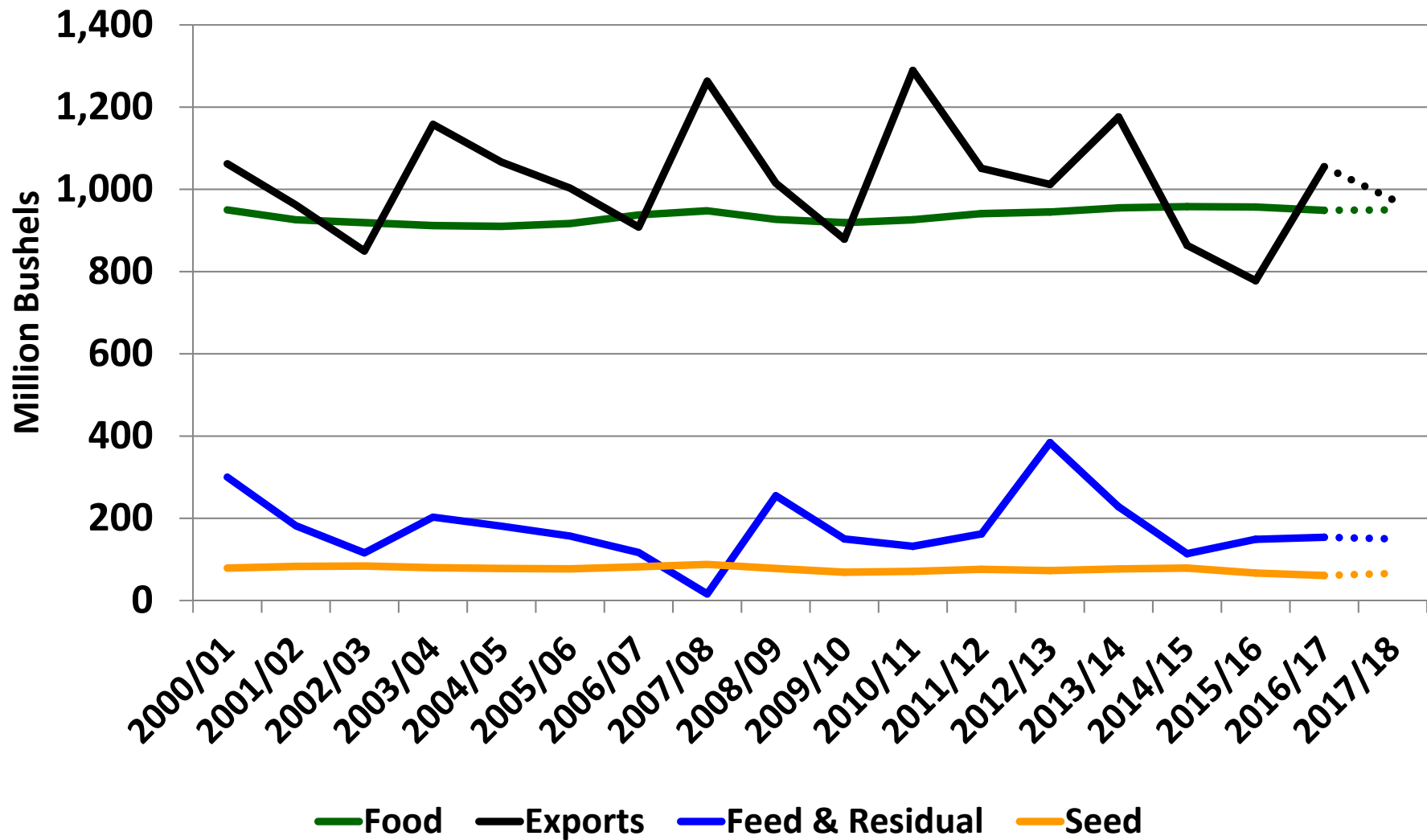
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,184 Mill. Bu.
Production	2,062 Mill. Bu.	2,310 Mill. Bu.	1,739 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	150 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,403 Mill. Bu.	3,074 Mill. Bu.
Food		949 Mill. Bu.	950 Mill. Bu.
Seed		61 Mill. Bu.	66 Mill. Bu.
Export		1,299 Mill. Bu.	1,500 Mill. Bu.
Total Use		2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

**Total Production is
24.7% below 2016, and
lowest since 2002.**

U.S. All Wheat Use

(Million Bushels)



U.S. All Wheat Supply & Demand Table

U.S. All Wheat		2016/2017 (est.)	2017/2018 (Sep)
Planting		50.2 Mill. A.	45.7 Mill. A.
Harvest		43.9 Mill. A.	38.1 Mill. A.
Yield		52.6 bu.	45.6 bu.
Beginning Stocks		976 Mill. Bu.	1,184 Mill. Bu.
Production		2,310 Mill. Bu.	1,739 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	150 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,403 Mill. Bu.	3,074 Mill. Bu.
Food	957 Mill. Bu.	949 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	66 Mill. Bu.
Feed & Residual	149 Mill. Bu.	154 Mill. Bu.	150 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Food use changes with U.S. population growth and flour extraction rates.

U.S. All Wheat Supply & Demand Table

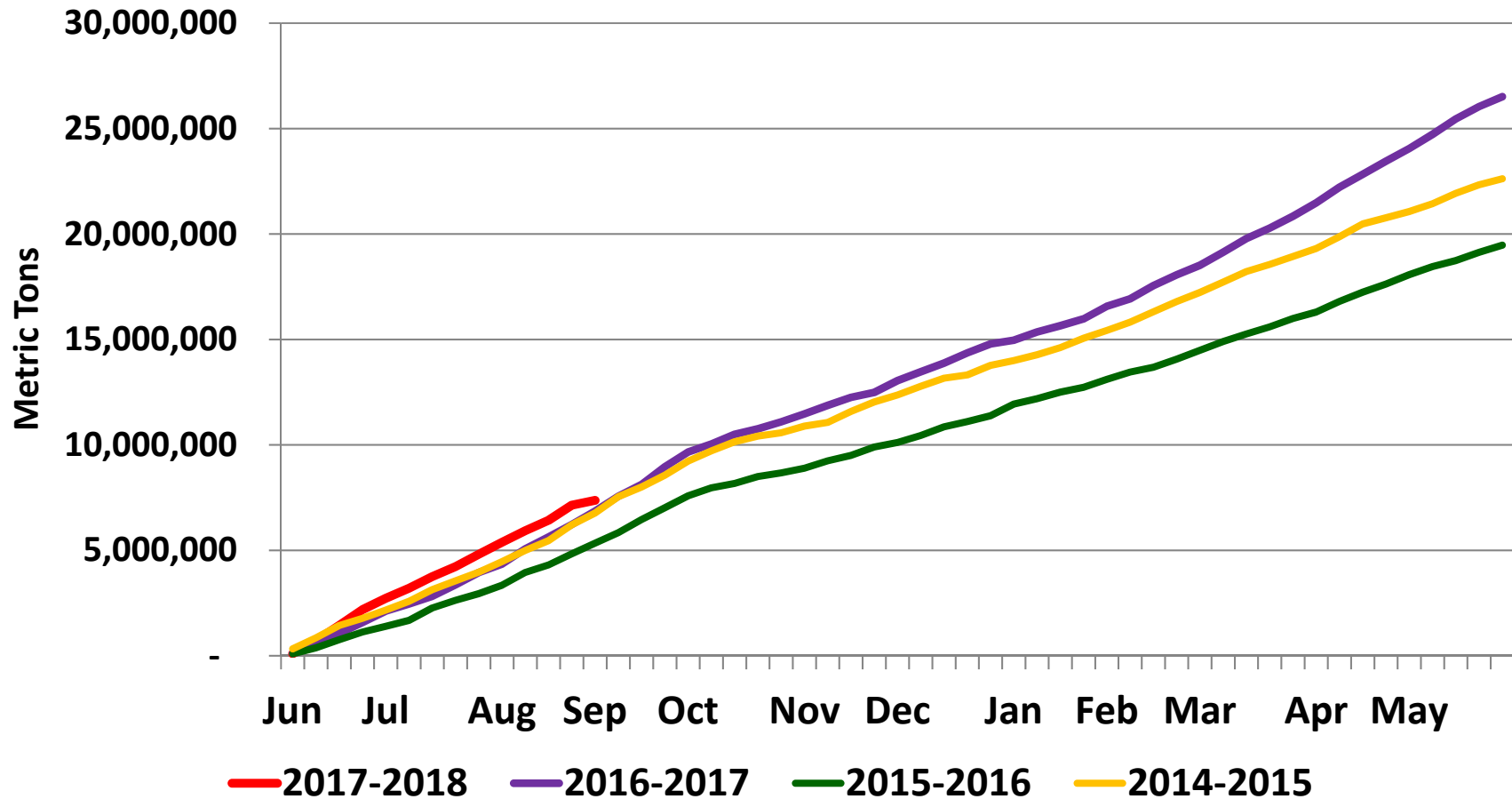
U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	43.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks	752 Mill. Bu.	876 Mill. Bu.	1,184 Mill. Bu.
Production	1,739 Mill. Bu.	1,739 Mill. Bu.	1,739 Mill. Bu.
Imports	50 Mill. Bu.	50 Mill. Bu.	50 Mill. Bu.
Total Supply	3,074 Mill. Bu.	3,074 Mill. Bu.	3,074 Mill. Bu.
Food	950 Mill. Bu.	950 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	66 Mill. Bu.
Feed & Residual	149 Mill. Bu.	154 Mill. Bu.	150 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Exports are critical for U.S. wheat prices and are forecast to decrease 16.2%.

Weekly U.S. All Wheat Export Sales

(06/01/2014 – 09/14/2017)

Accumulated Exports



U.S. All Wheat Export Destinations

(1,000 Metric Ton)

Country	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Mexico	3,495.9	2,760.5	2,940.3	2,721.1	2,318.1	3,089.7
Japan	3,512.1	3,544.0	2,674.3	3,120.5	2,434.0	2,819.7
Philippines	2,038.6	1,965.2	2,013.1	2,337.9	2,118.4	2,729.2
Nigeria	3,248.0	3,002.1	2,629.4	1,904.0	1,401.2	1,540.4
South Korea	1,983.0	1,385.0	1,287.0	1,148.1	1,073.7	1,275.5
Taiwan	887.9	1,038.1	980.0	1,001.6	1,033.7	1,049.1

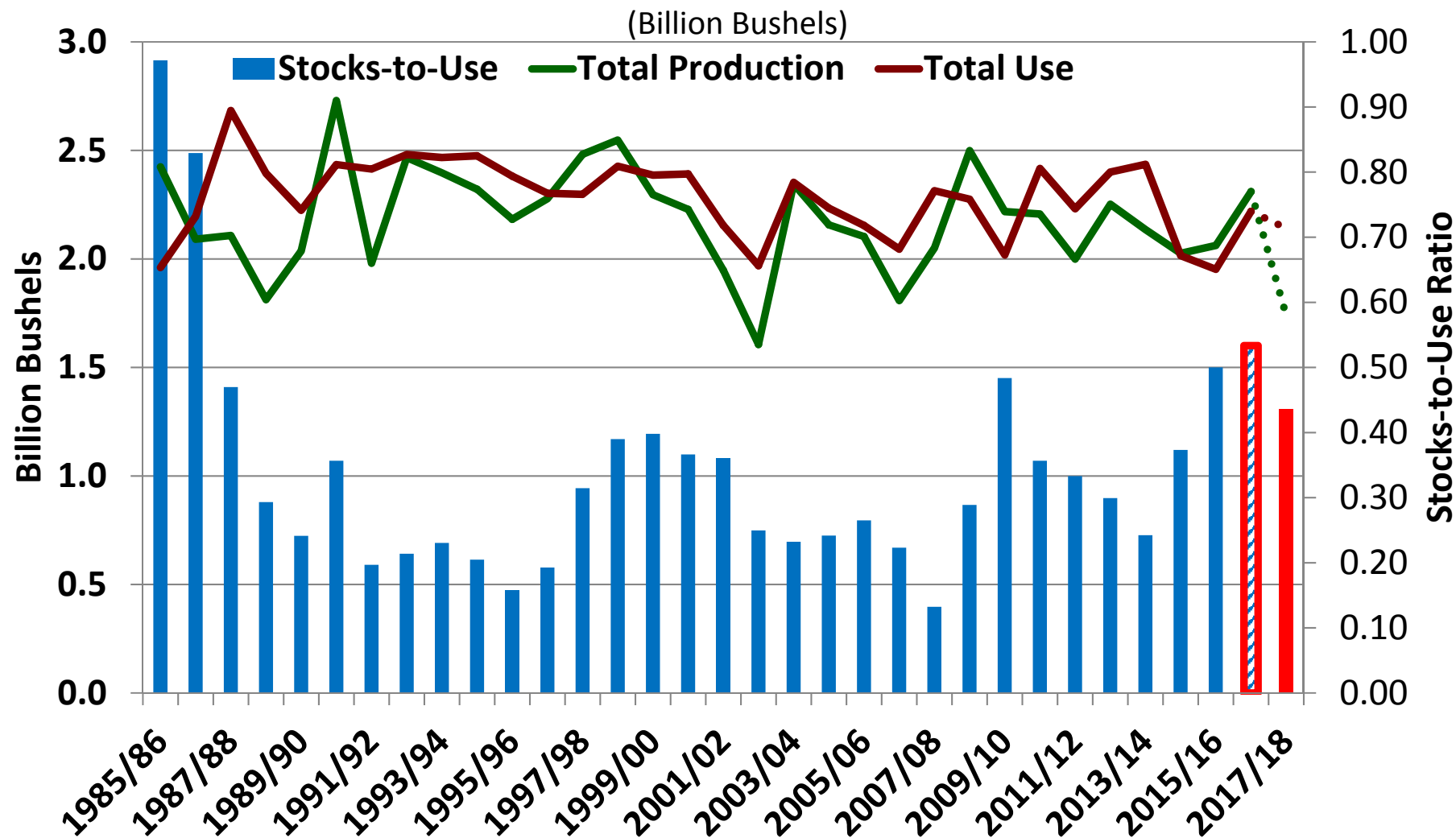
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Sep)
Planted A.	55.0 Mill. A.	50.2 Mill. A.	45.7 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	38.1 Mill. A.
Yield/Harvest A.	42.6 bu.	52.6 bu.	45.6 bu.
Begin Stocks		1,184 Mill. Bu.	1,184 Mill. Bu.
Production		1,739 Mill. Bu.	1,739 Mill. Bu.
Imports		150 Mill. Bu.	150 Mill. Bu.
		3,074 Mill. Bu.	3,074 Mill. Bu.
Food		950 Mill. Bu.	950 Mill. Bu.
Seed		66 Mill. Bu.	66 Mill. Bu.
Feed & Residual		154 Mill. Bu.	150 Mill. Bu.
Exports	778 Mill. Bu.	1,164 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,219 Mill. Bu.	2,141 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,184 Mill. Bu.	933 Mill. Bu.

Ending Stocks remain large.

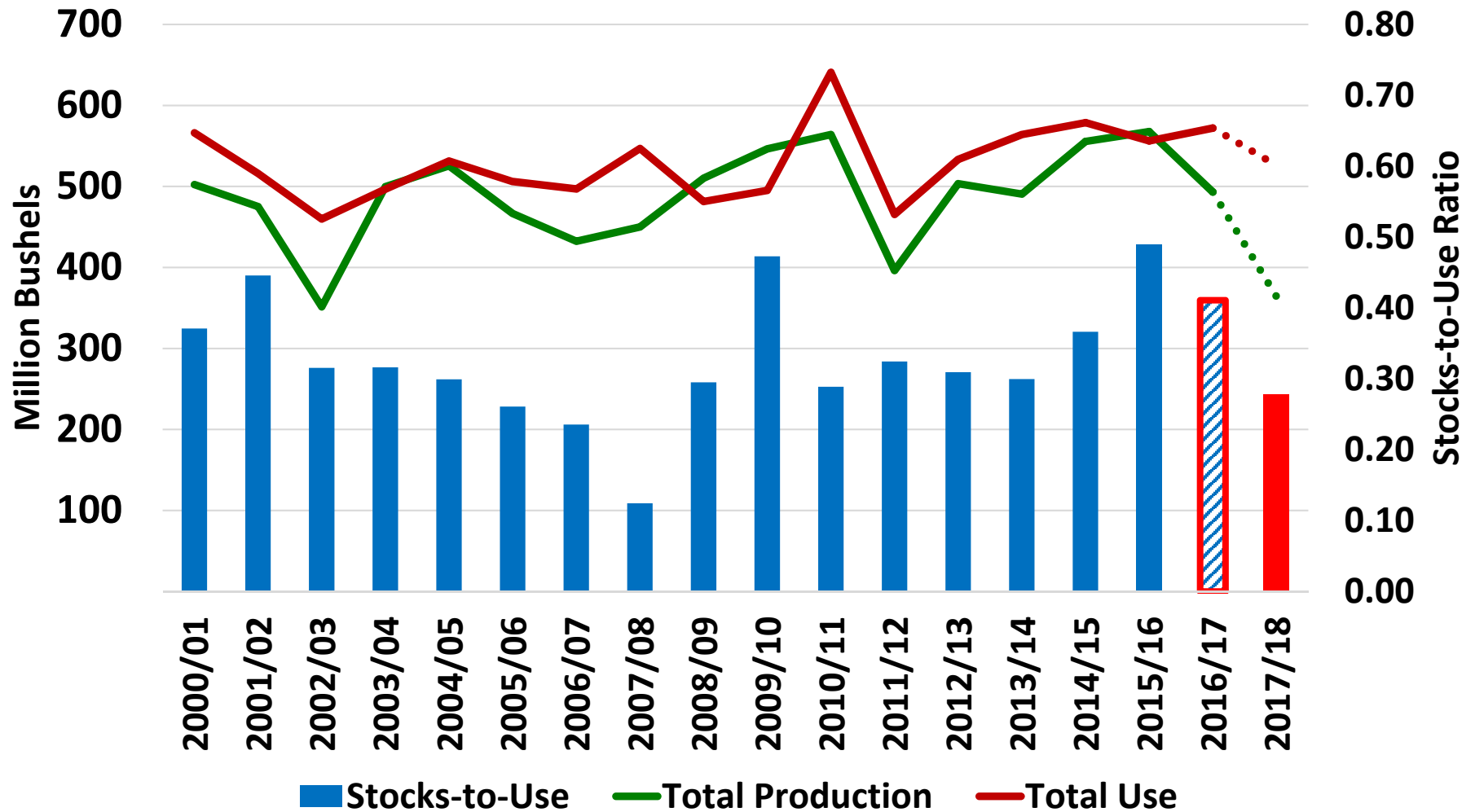
**Stocks-to-Use Ratio is
forecast to decrease from
53.3% to 43.6%**

U.S. All Wheat – Total Prod. & Use



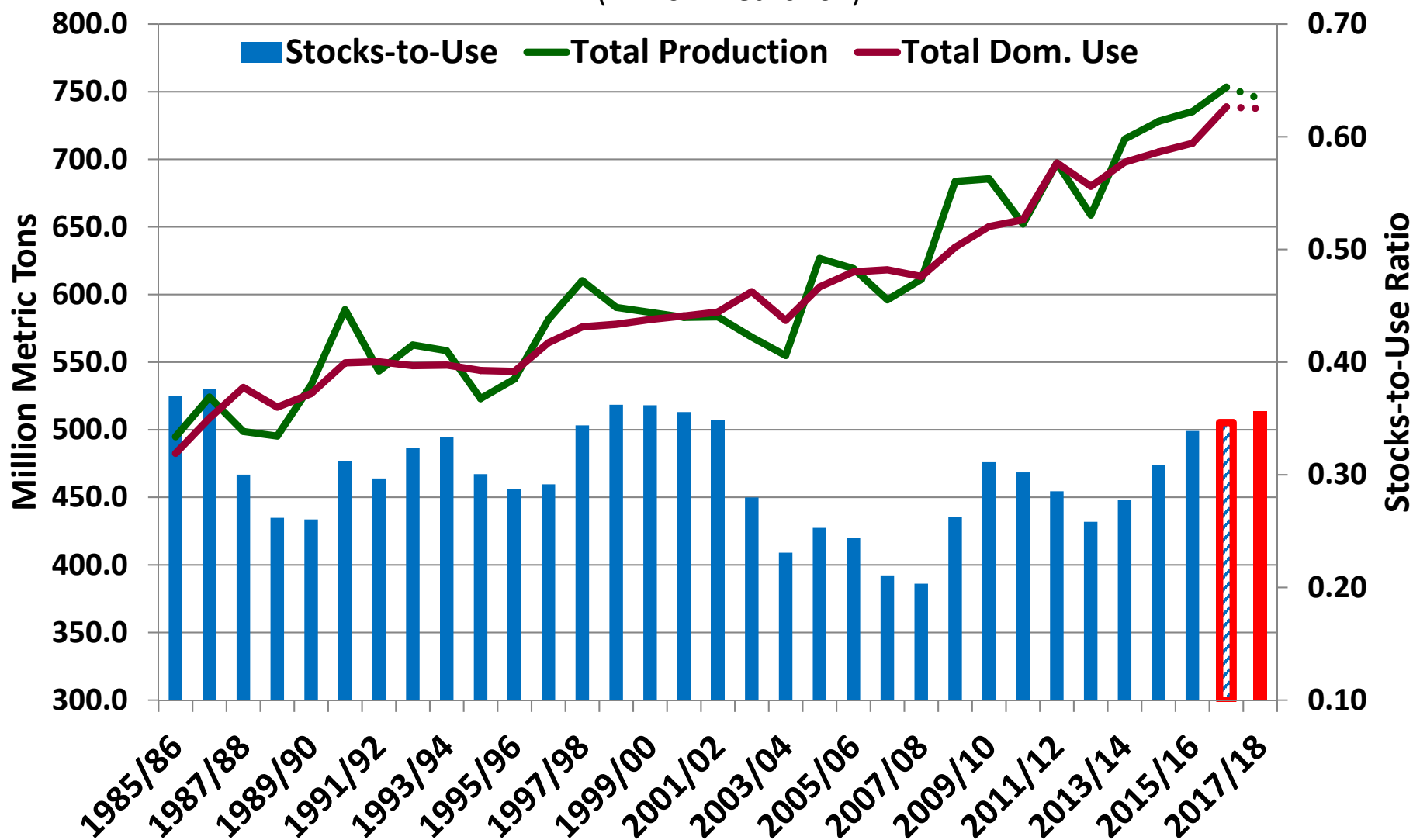
U.S. Spring Wheat – Total Prod. & Use

(Million Bushels)

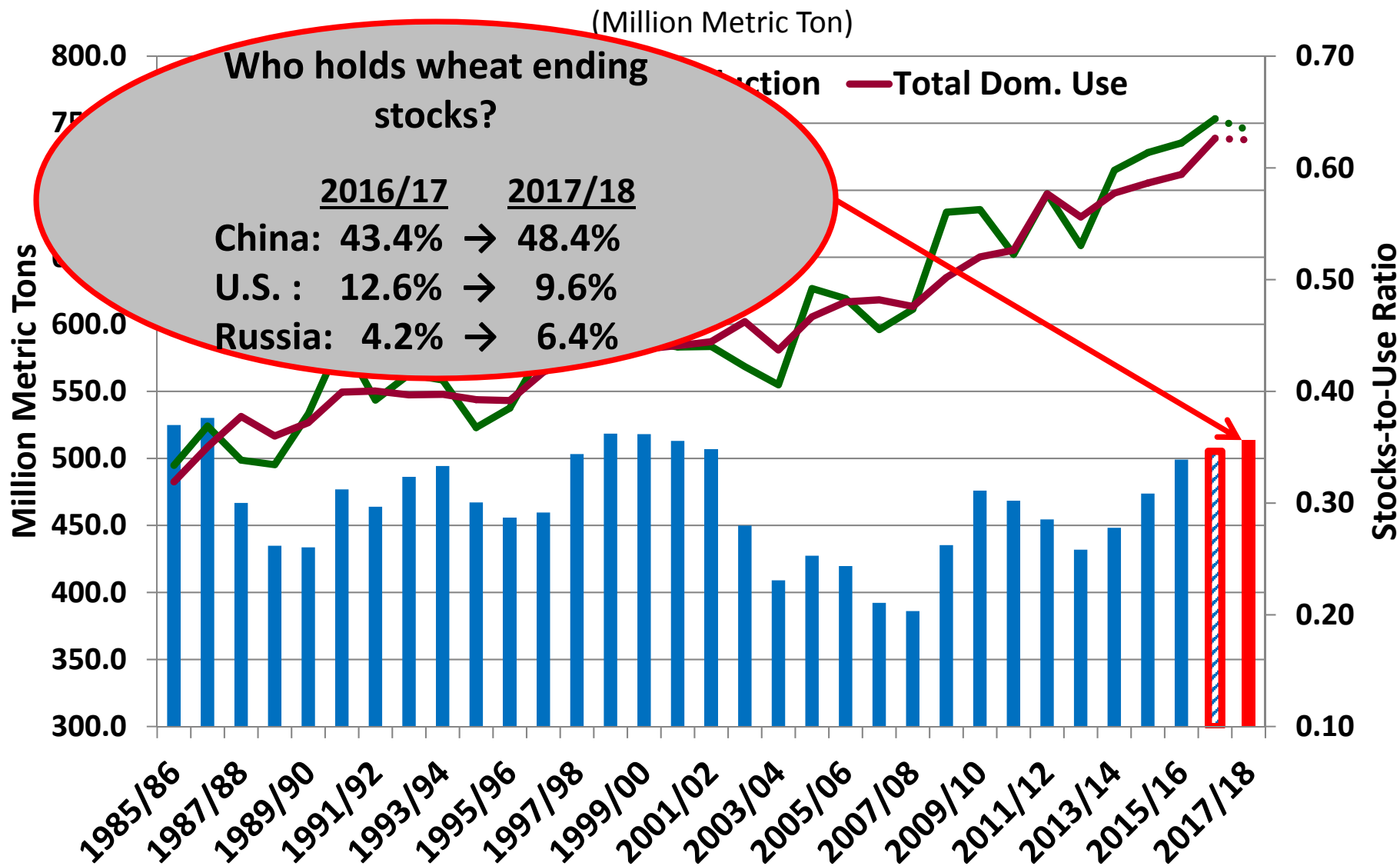


World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)

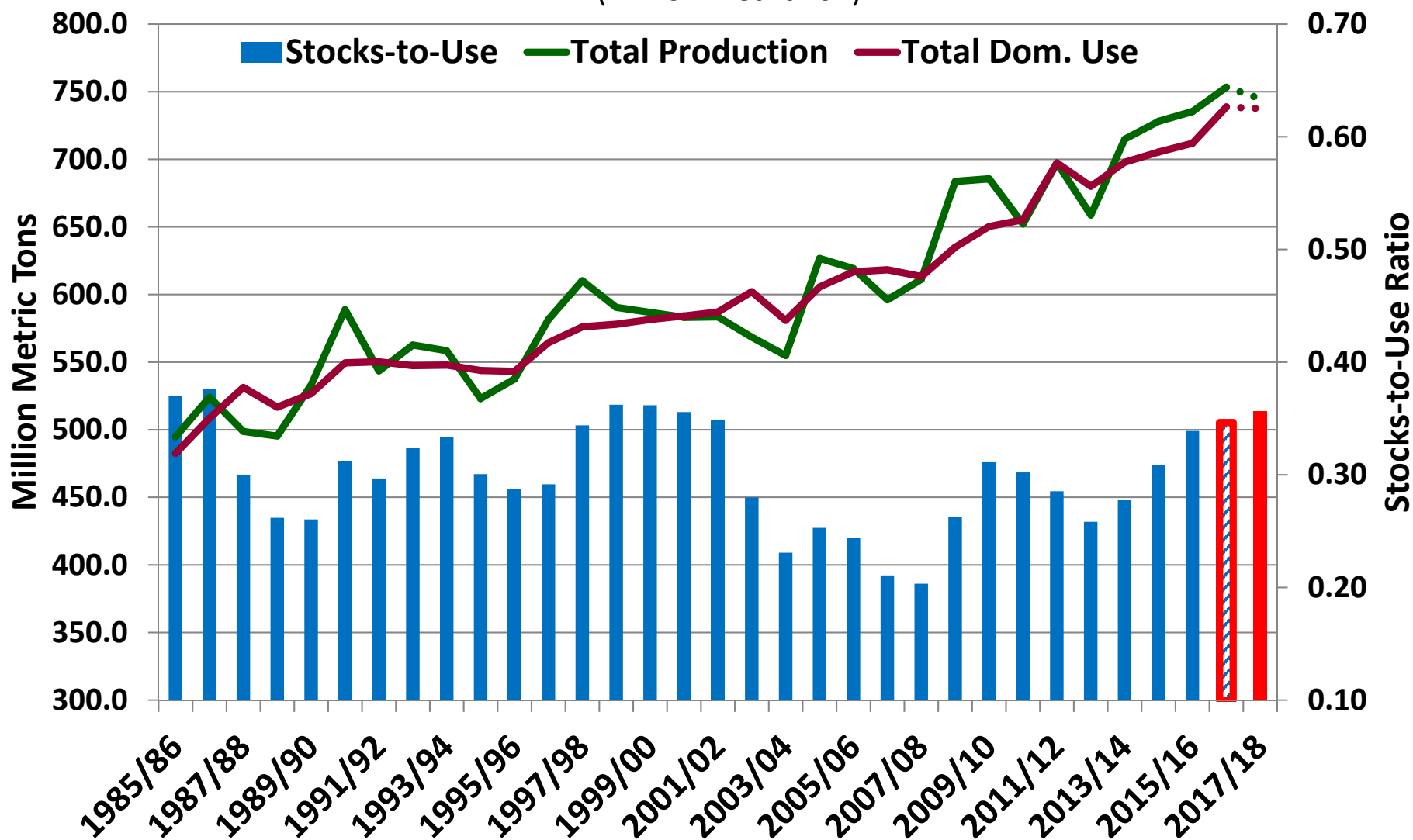


World Wheat Prod, Use & Stocks/Use



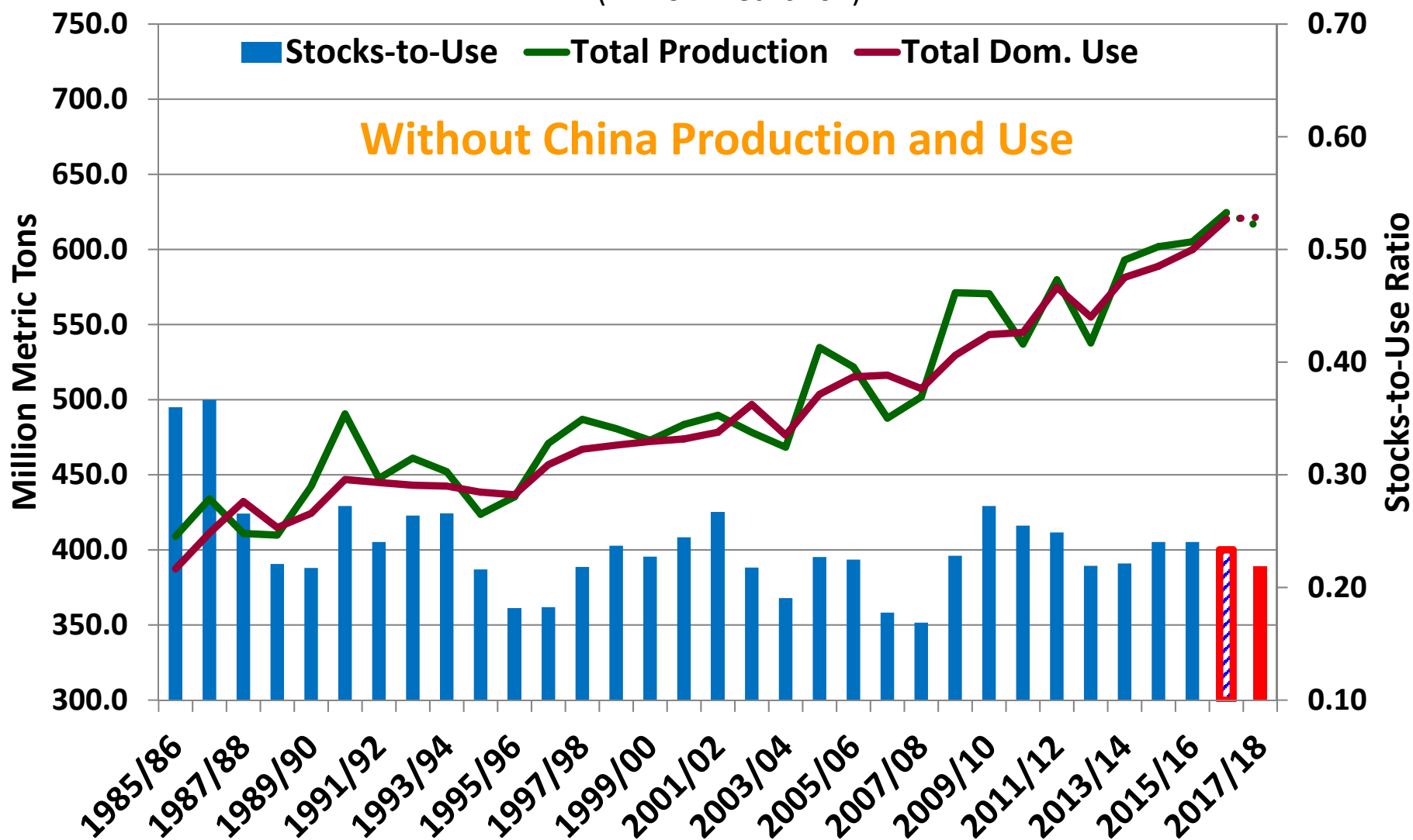
World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)



World Wheat Prod, Use & Stocks/Use

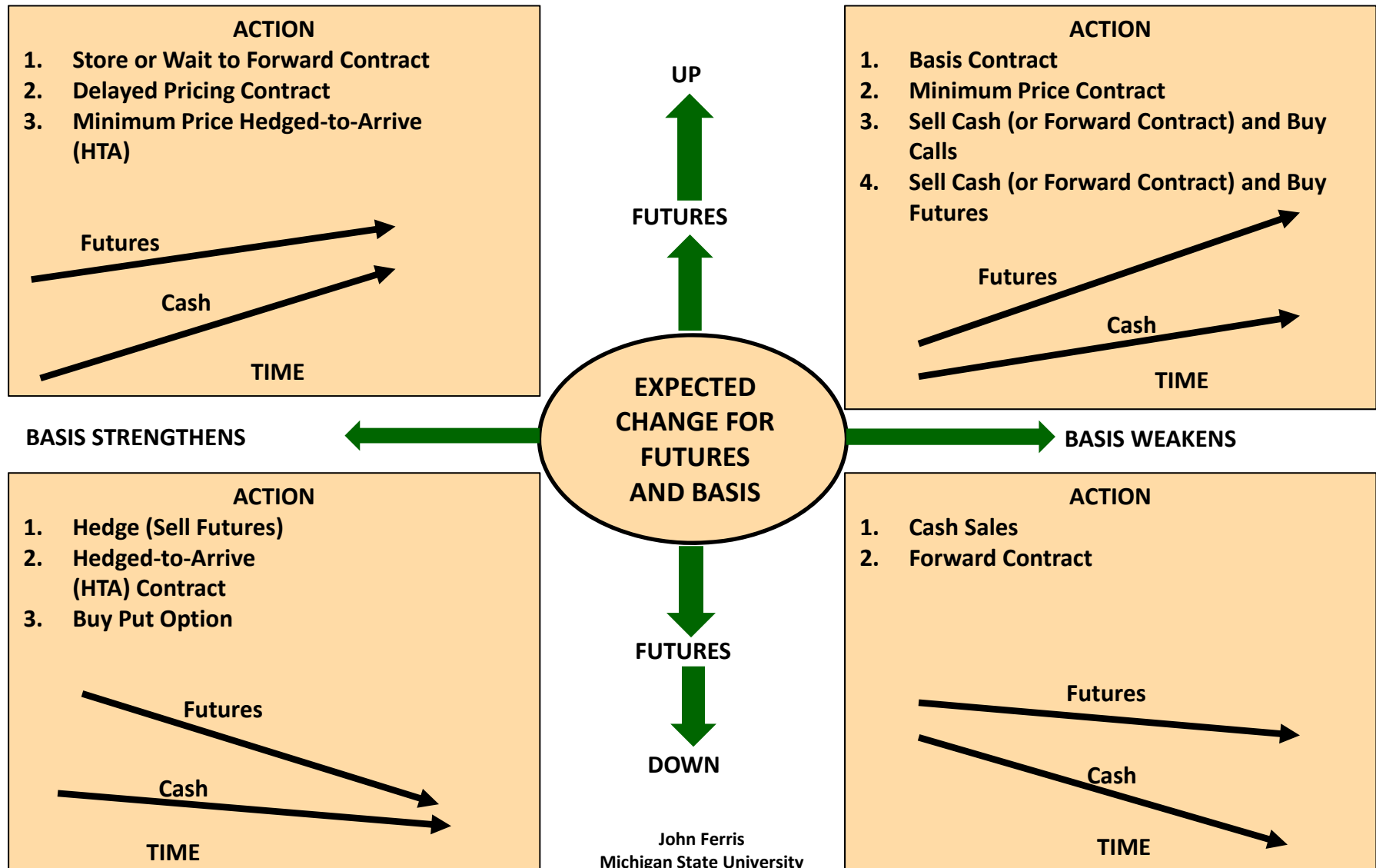
(Million Metric Ton)



Nearby MGEX Wheat – Nearby KC Wheat



Strategies for Product Sellers



Questions?

