

Trade, Tariff and Crop Market Outlook

Frayne Olson, PhD

*Crop Economist/Marketing Specialist
Director – Burdick Center for Cooperatives
frayne.olson@ndsu.edu 701-231-7377 (o) 701-715-3673 (c)*

NDSU Extension
N.D. Agricultural Experiment Station
Dept. of Agribusiness & Applied Economics

EXTENDING KNOWLEDGE >> CHANGING LIVES

NDSU

EXTENSION

U.S. – China Trade War

- U.S. and China have agreed to a Phase One agreement; Eight Chapters with 94 pages.
 - 1) Intellectual Property
 - 2) Technology Transfer
 - 3) Trade in Food and Agricultural Products
 - 4) Financial Services
 - 5) Macroeconomic Policies and Exchange Rate Matters and Transparency
 - 6) Expanding Trade
 - 7) Bilateral Evaluations and Dispute Resolutions
 - 8) Final Provisions



U.S. – China Trade War

- China has committed to purchase an additional \$200 billion of U.S. goods over two years:
 - Manufacture Goods = \$77.7 billion
 - **Agriculture = \$32 billion**
 - Energy = \$52.4 billion
 - Services = \$37.9 billion



U.S. – China Trade War

- Agricultural provisions:
 - China will purchase an **additional** \$32 billion in agricultural products over the next two years.
 - At least an additional \$12.5 billion in 2020.
 - At least an additional \$19.5 billion in 2021
 - Baseline is \$24 billion in 2017.
 - China imported about \$124 billion in ag. products last year.



U.S. – China Trade War

Agriculture	Year 1	Year 2	2-Year Total
Oilseeds	??	??	??
Meat	??	??	??
Cereals	??	??	??
Cotton	??	??	??
Other agricultural commodities	??	??	??
Seafood	??	??	??
Total	\$12.5 Billion	\$19.5 Billion	\$32.0 Billion



U.S. – China Trade War

- North Dakota Ag. Products:
 - Oilseeds: Soybeans (food grade soybeans?)
 - Meat: Bovine, Swine, Sheep & Goats, Edible Offal (fresh, chilled and frozen)
 - Cereals:
 - Wheat, Barley, Oats, Corn, Rice (also wild), Grain Sorghum, Buckwheat, Millet
 - Wheat Flour and other cereal flours, Legume Flour, Malt, Groats, Gluten



U.S. – China Trade War

- North Dakota Ag. Products:
 - Other Ag:
 - Live animals (bovine, swine, sheep, goats, poultry)
 - Honey
 - Potatoes
 - Rye, Flaxseed, Sunflower, Rapeseed (Canola)
 - Soybean Oil, Sunflower Oil, Rapeseed Oil
 - Sugar, Pasta, Bread
 - Beer, Hides, Leguminous Vegetables
 - Ethanol



U.S. – China Trade War

- Agricultural provisions:
 - “**Parties project** that **the trajectory of increases in** the amounts of manufacture goods, **agricultural goods**, energy products, and service purchased and imported into China from the United States **will continue in calendar years 2022 through 2025.**”
 - “**Parties acknowledge** that **purchase will be made at market prices based on commercial considerations and that market conditions**, particularly in the case of agricultural goods, **may dictate the timing of purchases within any given year.**”
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U.S. – China Trade War

- Agricultural provisions (cont.):
 - China will be free to buy products when “it’s the perfect time in the market to buy things,” according to Robert Lighthizer.
 - Reuters News – 12-14-19
 - Chinese firms will buy American products “based on market conditions,” said Chinese Vice Premier Liu He
 - Reuters News – 01-15-20



U.S. – China Trade War

- Agricultural provisions (cont.):
 - China will import more U.S. wheat, corn and rice according to China's vice agricultural minister.
 - China has not formally commented on existing tariffs for U.S. agricultural products.
 - Additional 30% on U.S. soybeans
 - Additional 25% on U.S. corn, wheat, cotton & sorghum
 - Additional 60% on U.S. pork
 - Additional 35% on U.S. beef
 - Additional 40% on U.S. ethanol

U.S. – China Trade War

- Agricultural provisions (cont.):
 - Rumored Chinese buying strategy:
 - Retaliatory tariffs will remain in place.
 - Tariff Rate Quotas (TRQs) will be used to regulate the import timing and levels by commodity.
 - TRQ for corn, wheat and rice will not be increased.
 - Corn – 7.2 million metric tons (283.45 million bushels)
 - Wheat – 9.64 million metric tons (354.21 million bushels)
 - Rice – 5.32 million metric tons (260.63 million bushels)
 - China has changed Genetic Modified crop import application process to more transparent, timely and based upon scientific methods.



U.S. – China Trade War

- China will purchase more U.S. manufacture goods, energy and service
 - Agreement includes specific targets for these broad areas, which will be published later.
 - Specific targets for specific products will remain classified.
- U.S. will suspend tariffs on \$160 billion in Chines made cell phones, laptop computers and other consumer goods scheduled for December 15, 2019.

U.S. – China Trade War

- U.S. will reduce existing tariffs on \$120 billion of other goods, including smart speakers and Bluetooth headphones, from 15% to 7.5%.
- U.S. will leave 25% tariffs on \$250 billion of Chinese goods unchanged.

U.S. – China Trade War

- Phase Two?
 - Expected to address more difficult issues including forced technology transfer and non-financial services.
 - Negotiations will begin before the 2020 elections.
 - What is the probability of a Phase Two agreement?
 - Will a Phase One agreement be used as leverage during Phase Two negotiations?



Other Trade Agreements

- U.S., Mexico and Canada Agreement
 - U.S. has ratified the agreement.
 - Mexican Congress was first to pass agreement.
 - Canadian Parliament must still ratify.
 - Allows more access for U.S. dairy products into Canada.
 - Faster approval of biotechnologies, including new technologies like gene editing.
 - Canada agreed to grade U.S. wheat the same as Canadian wheat and not require country of origin statement.
 - Enhanced rules for science-based sanitary and phytosanitary measures.
 - Includes language to block future efforts for country-of-origin labeling laws.
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Other Trade Agreements

- U.S – Japan Trade Agreement.
 - Takes effect January 1, 2020.
 - Tariff **elimination** on fruits and vegetables and staged tariff elimination on processed pork, beef offal, frozen poultry, frozen potatoes, ethanol and other fruits.
 - Tariff **reductions** to match CP-TPP countries on fresh and frozen beef and pork.



Other Trade Agreements

- U.S – Japan Trade Agreement.
 - Country Specific Quotas (CSQ) at preferential tariff rates for wheat, wheat products, malt, glucose, fructose, corn and potato starch and inulin.
 - Wheat grows from 120,000 metric tons to 150,000 metric tons over six years.
 - “Mark Up” – Japan will provide the same reductions to its wheat and barley mark up as provided to CP-TPP suppliers.



Other Trade Agreements

- Comprehensive Economic and Trade Agreement (CETA).
 - Canada – EU agreement expected to be signed soon.
 - Canadian Parliament has ratified the agreement.
- U.S. and EU have just begun negotiations.
 - Steel (25%) and Aluminum (10%) tariffs are still in place.
 - **Agriculture is one of the key hurdles in future negotiations.**
- What role will Brexit play?



Other Trade Agreements

- “Brexit” – The exit of Britain from the European Union.
 - British and the EU leaders have agreed to an outline for an exit plan.
 - British Parliament and EU Parliament have approve the plan and Britain left the EU on January 31, 2020
 - “Transition Period” will end on December 31, 2020.
 - Britain is seeking a trade agreement with the U.S.



JCI estimate of China's annual purchase volume of U.S. farm products under Phase 1 of the U.S.-China trade deal

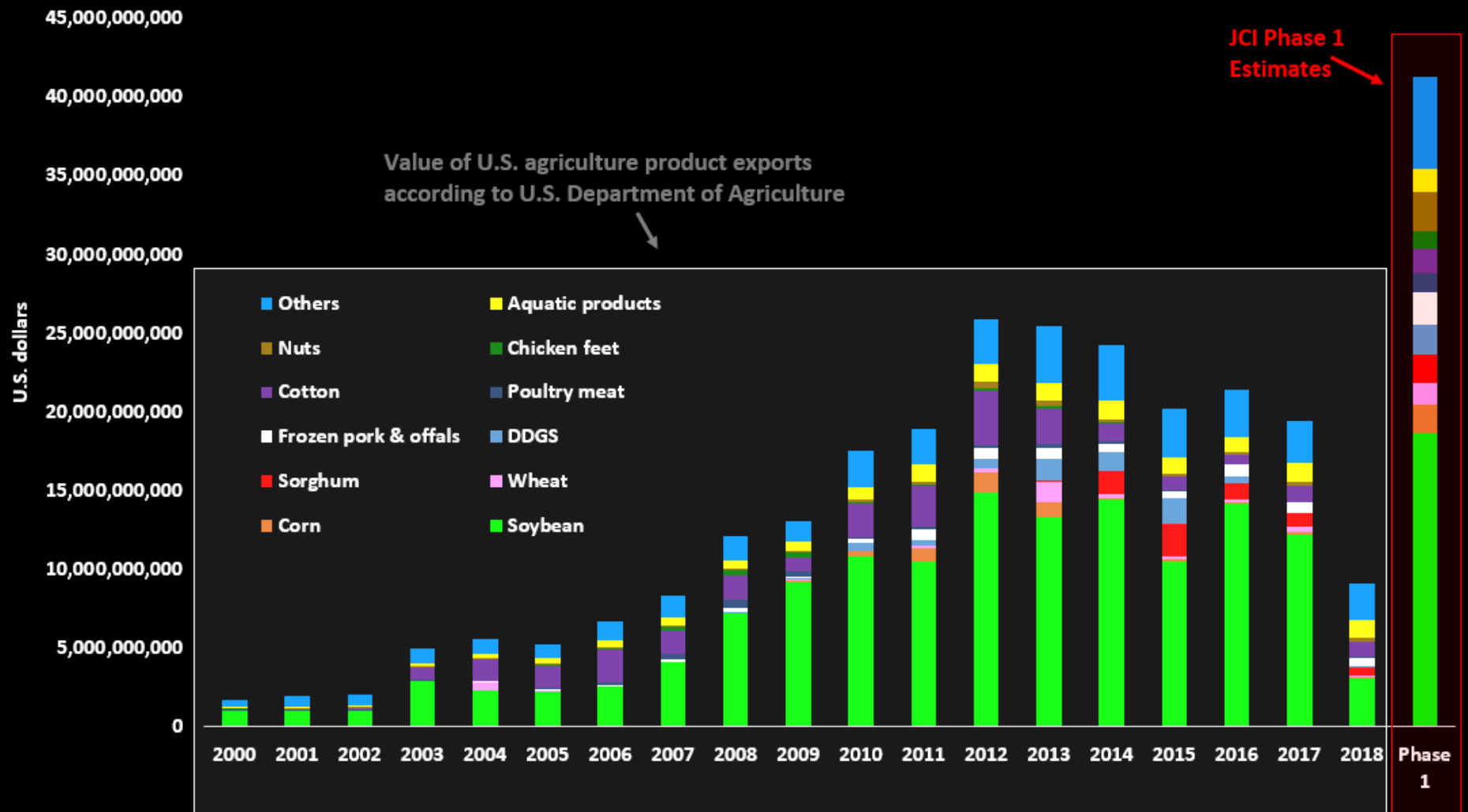
Products	Projected import volume (Tonnes)	Projected import value (USD)	Record high import volume (Tonnes)	Year of record import volume	Projected volume change vs record
Soybean	45,000,000 	18,675,000,000	33,660,000	2016	34%
Corn	8,000,000 	1,760,000,000	5,110,000	2012	57%
Wheat	5,000,000 	1,425,000,000	3,820,000	2013	31%
Sorghum	8,000,000 	1,832,000,000	8,970,000	2015	-11%
DDGS	8,000,000 	1,840,000,000	6,820,000	2015	17%
Frozen pork & offals	1,000,000 	2,073,000,000	300,000	2011	233%
Poultry meat	450,000 	1,203,000,000	350,000	2013	29%
Cotton	800,000 	1,567,000,000	530,000	2018	51%
Chicken feet	500,000 	1,071,000,000	140,000	2017	257%
Nuts	-	2,500,000,000			
Aquatic products	460,000	1,478,000,000			
Others		5,900,000,000			
Total		41,324,000,000			

Notes:

1. The estimate JCI made regarding the purchase volume in the table is under the ideal situation that the weather, the quality and the prices are all favorable for China's purchase.
2. The volume here does not include the purchase volume that may be recruited for Chinese state reserves
3. The volume here does not include transit trade from Hong Kong to mainland China and the volume smuggled to China.
4. The volume here does not include the import volume of agricultural machinery and forestry products.

Source: JCI

JCI estimates of China imports of U.S. agriculture products in Phase 1 of the U.S. - China trade deal



Source: U.S. Department of Agriculture, JCI

CPTPP Wheat Tariff Reductions

Date	Japanese Wheat Tariff Rate (Yen/Kg)	Tariff in USD/Bu	Tariff in USD/MT	Difference USD/Bu	Difference USD/MT
2018	17.0	4.28	157.41	0.00	0.00
Jan 2019	16.2	4.08	150.00	0.20	7.41
Apr 2019	15.3	3.86	141.67	0.43	15.74
Apr 2020	14.5	3.65	134.26	0.63	23.15
Apr 2021	13.6	3.43	125.93	0.86	31.48
Apr 2022	12.8	3.23	118.52	1.06	38.89
Apr 2023	11.9	3.00	110.19	1.29	47.22
Apr 2024	11.1	2.80	102.78	1.49	54.63
Apr 2025	10.2	2.57	94.44	1.71	62.96
Apr 2026	9.4	2.37	87.04	1.92	70.37

Assumes 108 Japanese Yen = 1.00 U.S. Dollar

U.S. Corn Supply & Demand Table

U.S. Corn	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	88.9 Mill. A.	89.7 Mill. A.
Harvested A.	82.7 Mill. A.	81.3 Mill. A.	81.5 Mill. A.
Yield/Harvest A.	176.6 bu.	176.4 bu.	168.0 bu.
Beginning Stocks	2,293 Mill. Bu.	2,140 Mill. Bu.	2,221 Mill. Bu.
Production	14,609 Mill. Bu.	14,340 Mill. Bu.	13,692 Mill. Bu.
Imports	36 Mill. Bu.	28 Mill. Bu.	50 Mill. Bu.
Total Supply	16,939 Mill. Bu.	16,509 Mill. Bu.	15,962 Mill. Bu.
Feed & Residual	5,304 Mill. Bu.	5,432 Mill. Bu.	5,525 Mill. Bu.
Food, Seed, Ind.	7,057 Mill. Bu.	6,791 Mill. Bu.	6,820 Mill. Bu.
Ethanol	5,605 Mill. Bu.	5,376 Mill. Bu.	5,425 Mill. Bu.
Exports	2,438 Mill. Bu.	2,065 Mill. Bu.	1,725 Mill. Bu.
Total Use	14,798 Mill. Bu.	14,288 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	1,892 Mill. Bu.

2020 USDA WASDE – Feb. 11, 2020

U.S. Corn Supply & Demand Table

U.S. Corn	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	88.9 Mill. A.	89.7 Mill. A.
Harvested A.	82.7 Mill. A.	81.3 Mill. A.	81.5 Mill. A.
Yield/Harvest A.	176.6 bu.	176.4 bu.	168.0 bu.
Beginning Stocks	2,202 Mill. Bu.	2,140 Mill. Bu.	2,221 Mill. Bu.
Production			13,692 Mill. Bu.
Imports			50 Mill. Bu.
Total Supply			16,963 Mill. Bu.
Feed & Fodder			10,000 Mill. Bu.
Food, Seed, & Other			4,000 Mill. Bu.
Exports			2,963 Mill. Bu.
Total Use			14,070 Mill. Bu.
Ending Stocks	2,202 Mill. Bu.	2,140 Mill. Bu.	1,892 Mill. Bu.

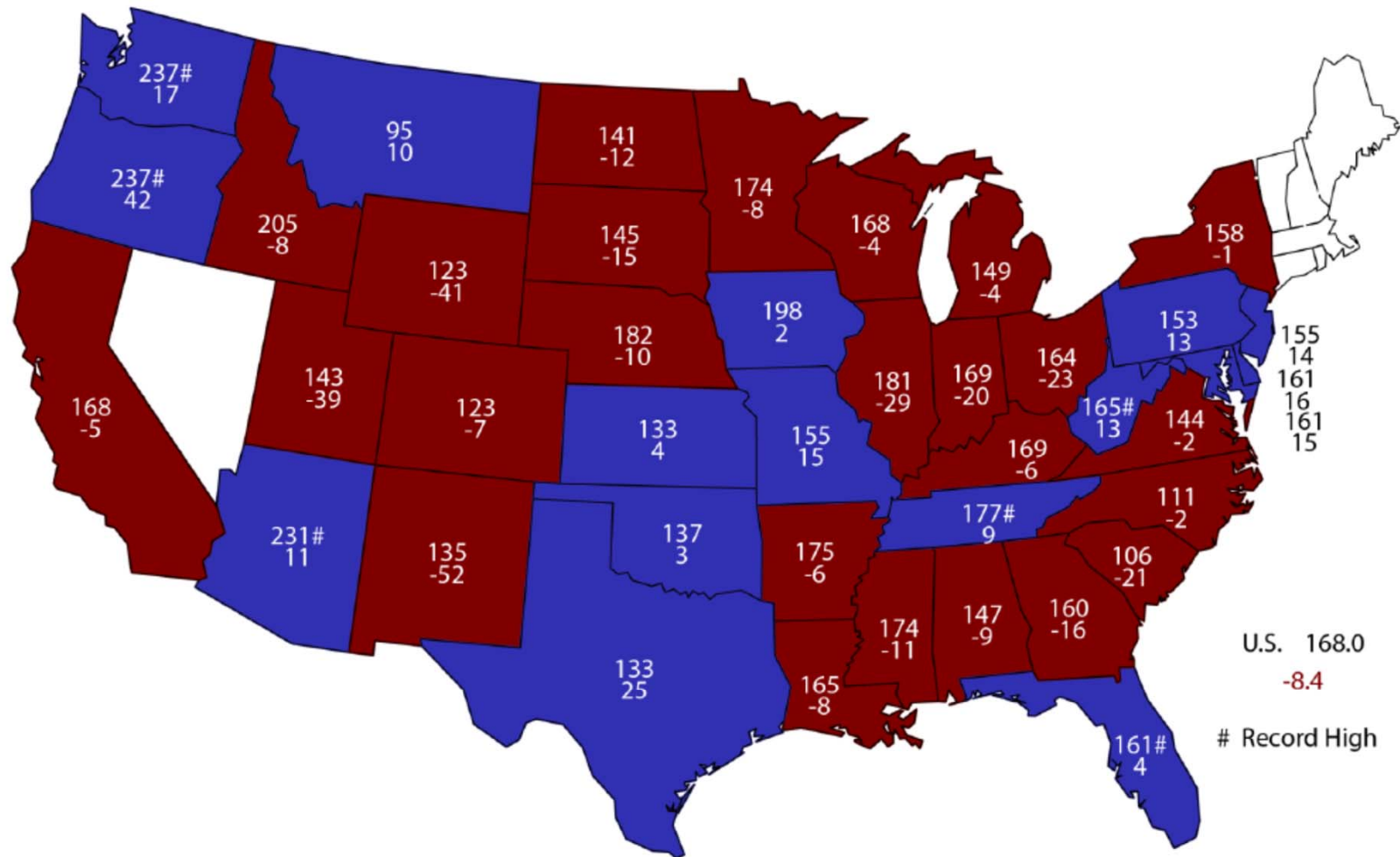
Harvested Acres was reduced from 81.8 mill. a. in Dec.

Yield was increased from 167.0 bu. in Dec.



2019 Corn Yield

Bushels and Change From Previous Year



U.S. Corn Supply & Demand Table

U.S. Corn	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	88.9 Mill. A.	89.7 Mill. A.
Harvested A.	82.7 Mill. A.	81.3 Mill. A.	81.5 Mill. A.
Yield/Harvest A.	176.6 bu.	176.4 bu.	168.0 bu.
Beginning Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	2,221 Mill. Bu.
Production	13,692 Mill. Bu.	13,692 Mill. Bu.	13,692 Mill. Bu.
Imports	50 Mill. Bu.	50 Mill. Bu.	50 Mill. Bu.
Feed	5,962 Mill. Bu.	5,962 Mill. Bu.	5,962 Mill. Bu.
Food, Stocking	5,525 Mill. Bu.	5,525 Mill. Bu.	5,525 Mill. Bu.
Ethanol	6,820 Mill. Bu.	6,820 Mill. Bu.	6,820 Mill. Bu.
Exports	5,425 Mill. Bu.	5,425 Mill. Bu.	5,425 Mill. Bu.
Total Use	14,798 Mill. Bu.	14,288 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	1,892 Mill. Bu.

USDA will resurvey corn farmers in Michigan, Minnesota, North Dakota, South Dakota and Wisconsin;

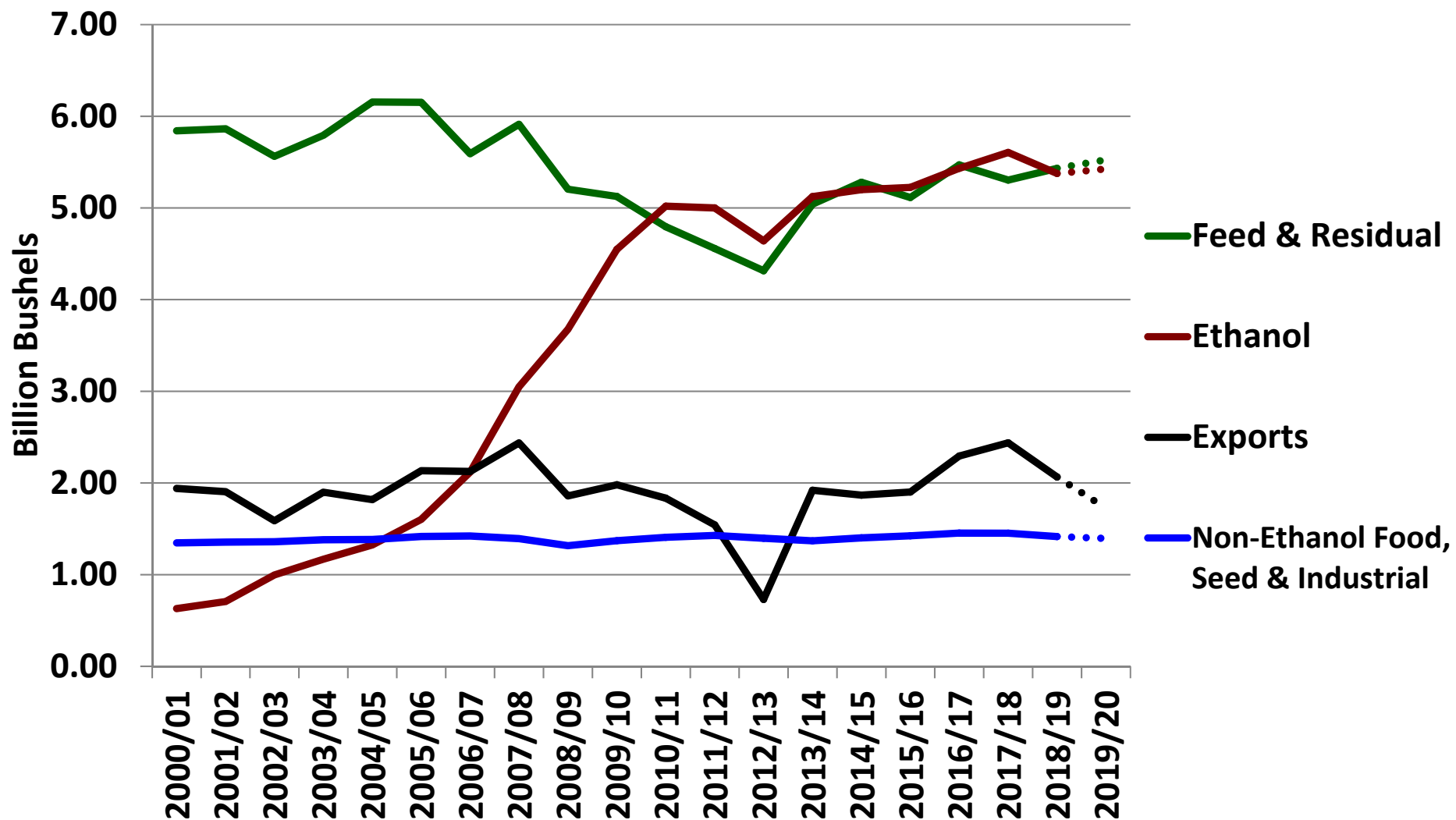
U.S. Corn Supply & Demand Table

U.S. Corn	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	88.9 Mill. A.	89.7 Mill. A.
Harvested A.	82.7 Mill. A.	81.3 Mill. A.	81.5 Mill. A.
Yield/Harvest A.	176.6 bu.	176.4 bu.	168.0 bu.
Beginning Stocks	2,293 Mill. Bu.	2,140 Mill. Bu.	2,221 Mill. Bu.
Production	14,609 Mill. Bu.	14,340 Mill. Bu.	13,692 Mill. Bu.
Imports	36 Mill. Bu.	28 Mill. Bu.	50 Mill. Bu.
Total Supply	16,939 Mill. Bu.	16,509 Mill. Bu.	15,962 Mill. Bu.
Feed & Residual	5,432 Mill. Bu.	5,432 Mill. Bu.	5,525 Mill. Bu.
Food, Seed	6,820 Mill. Bu.	6,820 Mill. Bu.	6,820 Mill. Bu.
Exports	5,425 Mill. Bu.	5,425 Mill. Bu.	5,425 Mill. Bu.
Total Use	14,288 Mill. Bu.	14,288 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	1,892 Mill. Bu.

**Production is 4.5%
lower than last year.**

U.S. Corn - Total Use

(Billion Bushels)



U.S. Corn Supply & Demand Table

U.S. Corn	<i>Feed & Residual</i> is forecast to be 1.7% higher than last year.		2019/2020 (Feb)
Production			13,692 Mill. Bu.
Imports	36 Mill. Bu.	28 Mill. Bu.	50 Mill. Bu.
Total Supply	16,939 Mill. Bu.	16,509 Mill. Bu.	15,962 Mill. Bu.
Feed & Residual	5,304 Mill. Bu.	5,432 Mill. Bu.	5,525 Mill. Bu.
Food, Seed, Ind.	7,057 Mill. Bu.	6,791 Mill. Bu.	6,820 Mill. Bu.
Ethanol	5,605 Mill. Bu.	5,376 Mill. Bu.	5,425 Mill. Bu.
Exports	2,438 Mill. Bu.	2,065 Mill. Bu.	1,725 Mill. Bu.
Total Use	14,798 Mill. Bu.	14,288 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	1,892 Mill. Bu.

Forecast was increased from 5,275 mill. bu. in Dec.

U.S. Corn Supply & Demand Table

U.S. Corn	2018/2019 (Est.)	2019/2020 (Feb)
Plantings		89.7 Mill. A.
Harvest		81.5 Mill. A.
		168.0 bu.
		2,221 Mill. Bu.
Processing		13,692 Mill. Bu.
Imports		50 Mill. Bu.
Total Supply	16,509 Mill. Bu.	15,962 Mill. Bu.
Feed & Residual	5,304 Mill. Bu.	5,525 Mill. Bu.
Food, Seed, Ind.	7,057 Mill. Bu.	6,820 Mill. Bu.
Ethanol	5,605 Mill. Bu.	5,425 Mill. Bu.
Exports	2,438 Mill. Bu.	1,725 Mill. Bu.
Total Use	14,798 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	1,892 Mill. Bu.

Ethanol use is forecast to increase slightly (1.0%). Revised RFS may increase use, but ethanol crush margins remain thin.

U.S. Corn Supply & Demand Table

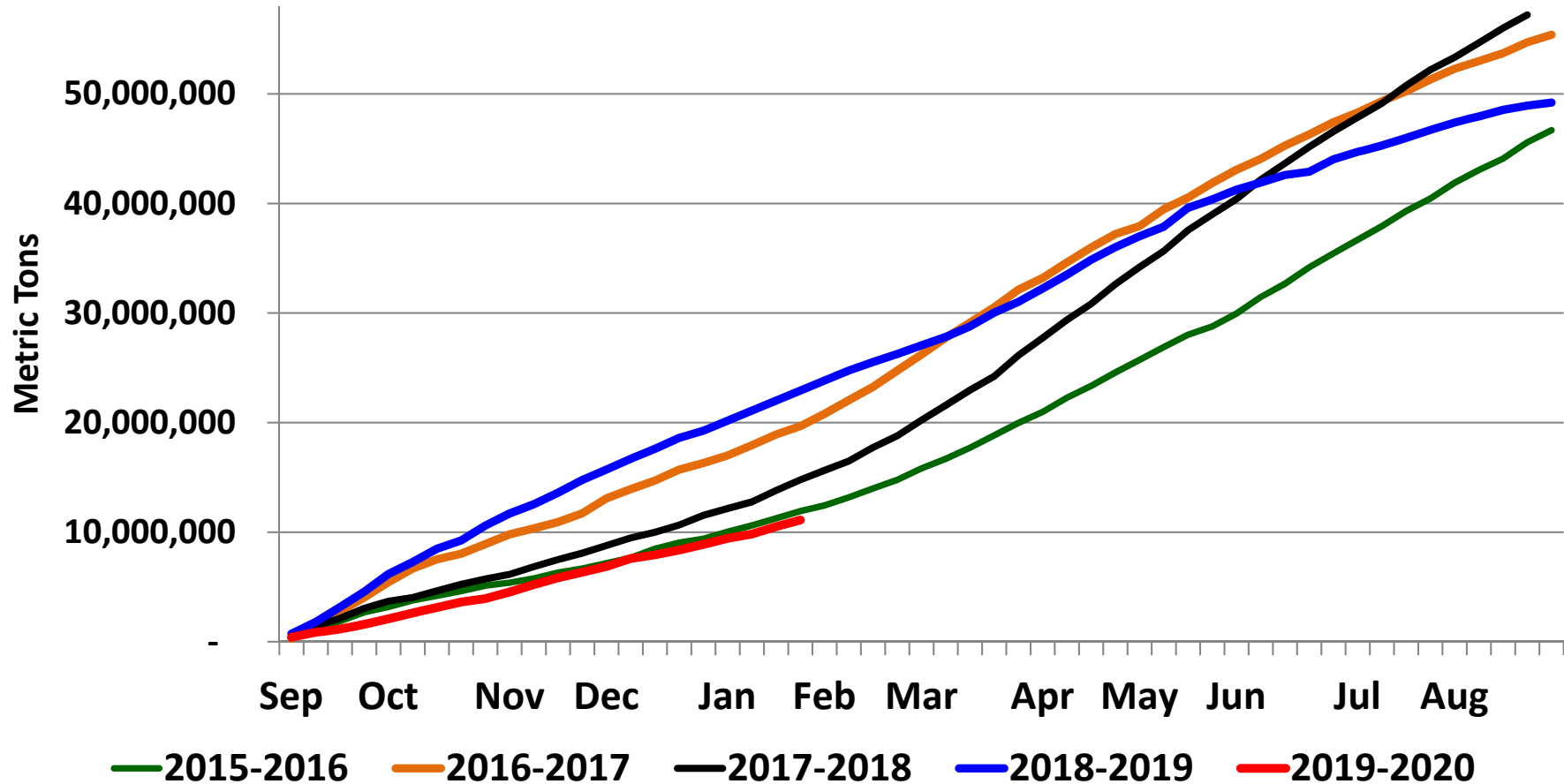
U.S. Corn	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.		88.9 Mill. A.	89.7 Mill. A.
Harvested A.		88.9 Mill. A.	81.5 Mill. A.
Yield A./Acre			168.0 bu.
Production		15,090 Mill. Bu.	2,221 Mill. Bu.
Beginning Stocks		13,692 Mill. Bu.	13,692 Mill. Bu.
Imports		50 Mill. Bu.	50 Mill. Bu.
Total Supply		16,509 Mill. Bu.	15,962 Mill. Bu.
Feed & Residual	5,304 Mill. Bu.	5,432 Mill. Bu.	5,525 Mill. Bu.
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Exports	2,438 Mill. Bu.	2,065 Mill. Bu.	1,725 Mill. Bu.
Total Use	14,798 Mill. Bu.	14,288 Mill. Bu.	14,070 Mill. Bu.
Ending Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	1,892 Mill. Bu.

Export forecast was reduced by 50 mill. bu. from January report due to slow export pace.

Weekly U.S. Corn Export Sales

(09/01/2014 – 01/30/2020)

Accumulated Exports

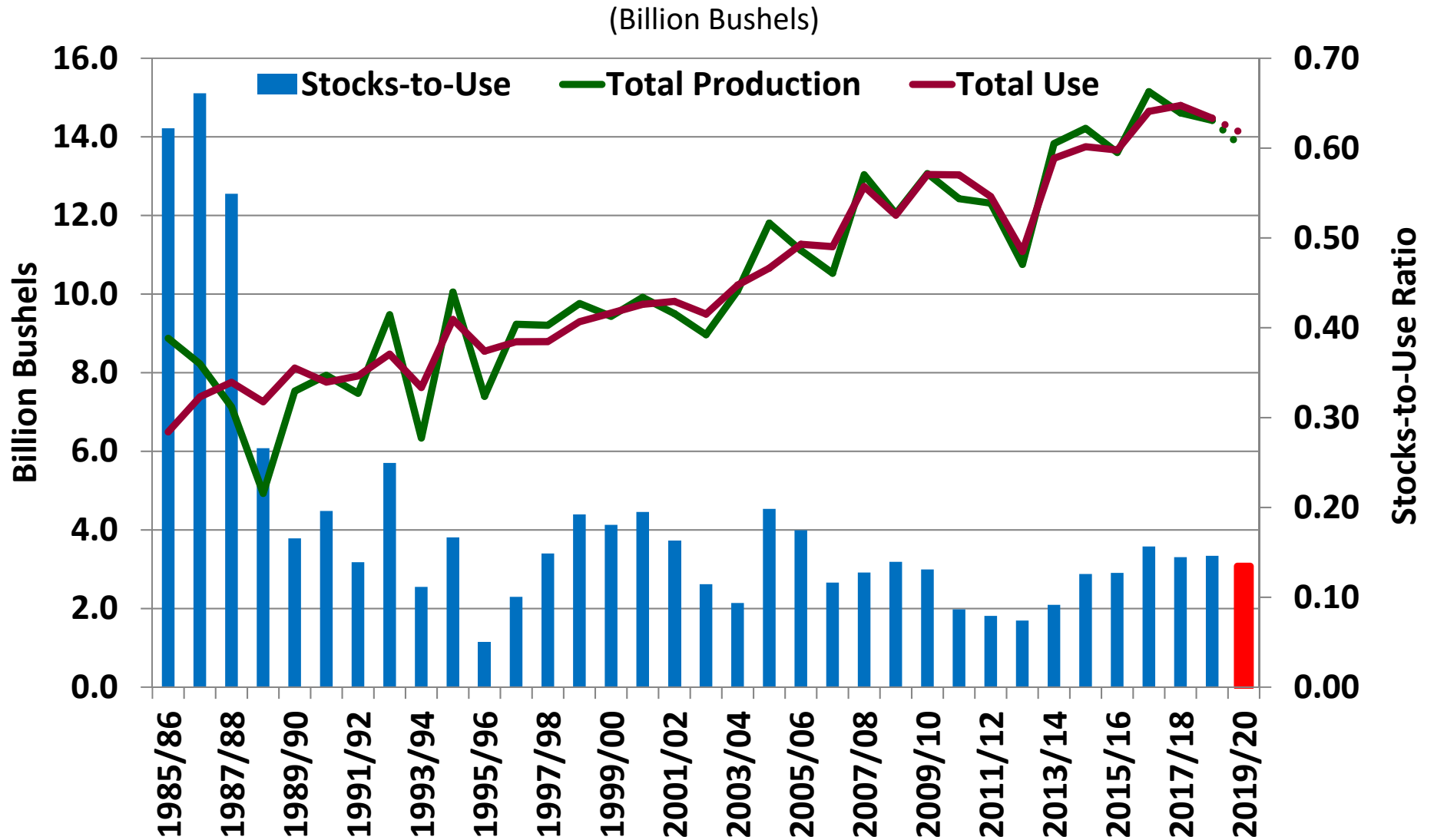


U.S. Corn Export Destinations

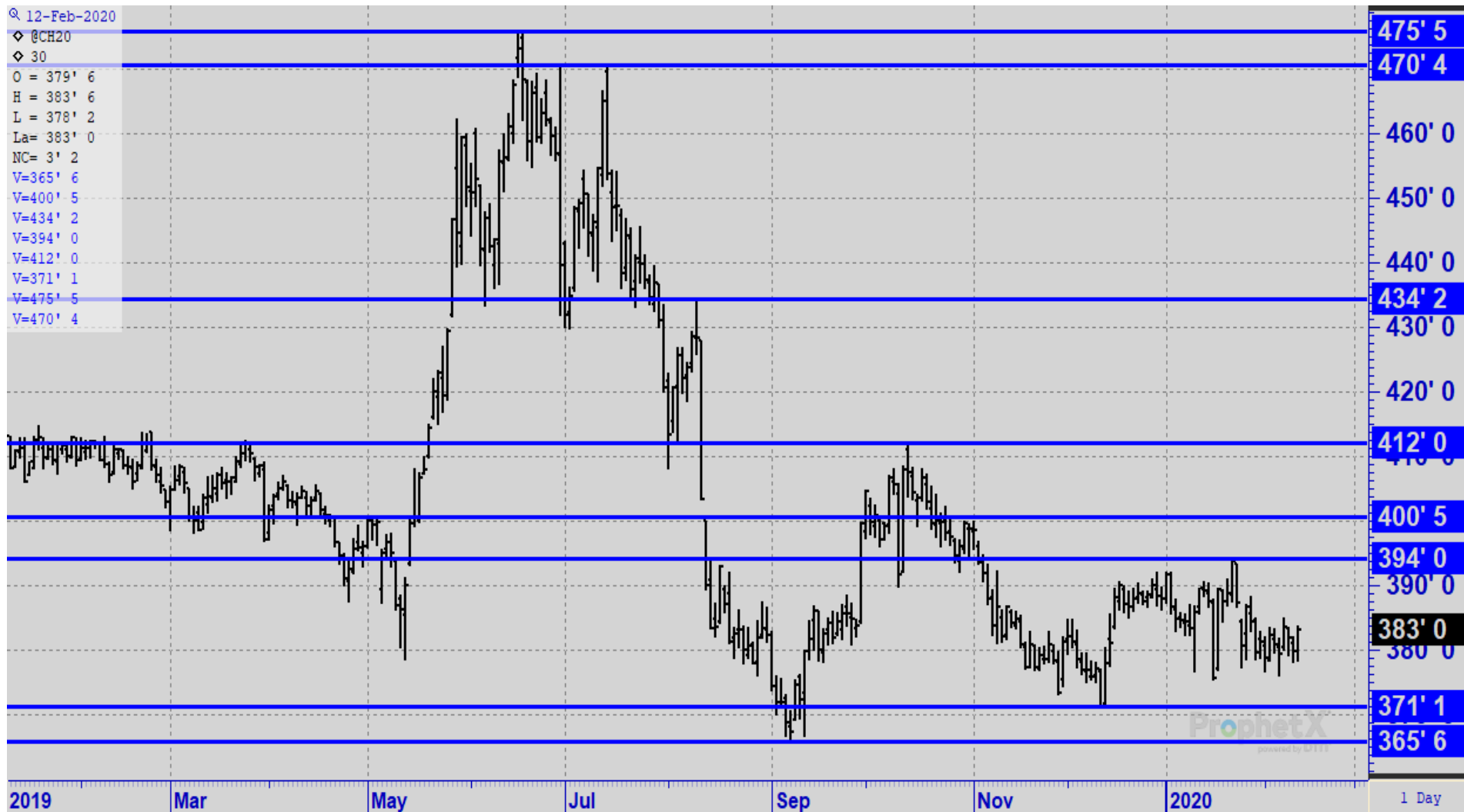
(1,000 Metric Ton)

Country	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Mexico	10,526.3	10,793.8	12,558.6	13,539.7	14,974.7	15,461.1
Japan	11,487.0	11,858.6	10,506.6	11,983.4	11,249.8	12,631.8
Colombia	3,359.4	4,413.3	4,629.5	4,438.9	4,965.0	4,672.7
South Korea	4,844.2	3,927.2	3,021.6	5,588.5	5,651.0	3,691.3
Peru	1,414.5	2,421.0	2,490.9	3,166.7	3,266.4	1,991.5
Taiwan	1,936.4	1,755.0	2,045.2	2,773.2	2,312.7	1,863.3
China	2,759.4	473.5	184.8	717.9	357.5	259.6
ROW	13,807.3	10,676.6	11,431.7	13,904.4	15,054.1	10,881.9
Total	47,375.1	45,845.5	46,684.1	55,394.8	57,473.7	49,202.1

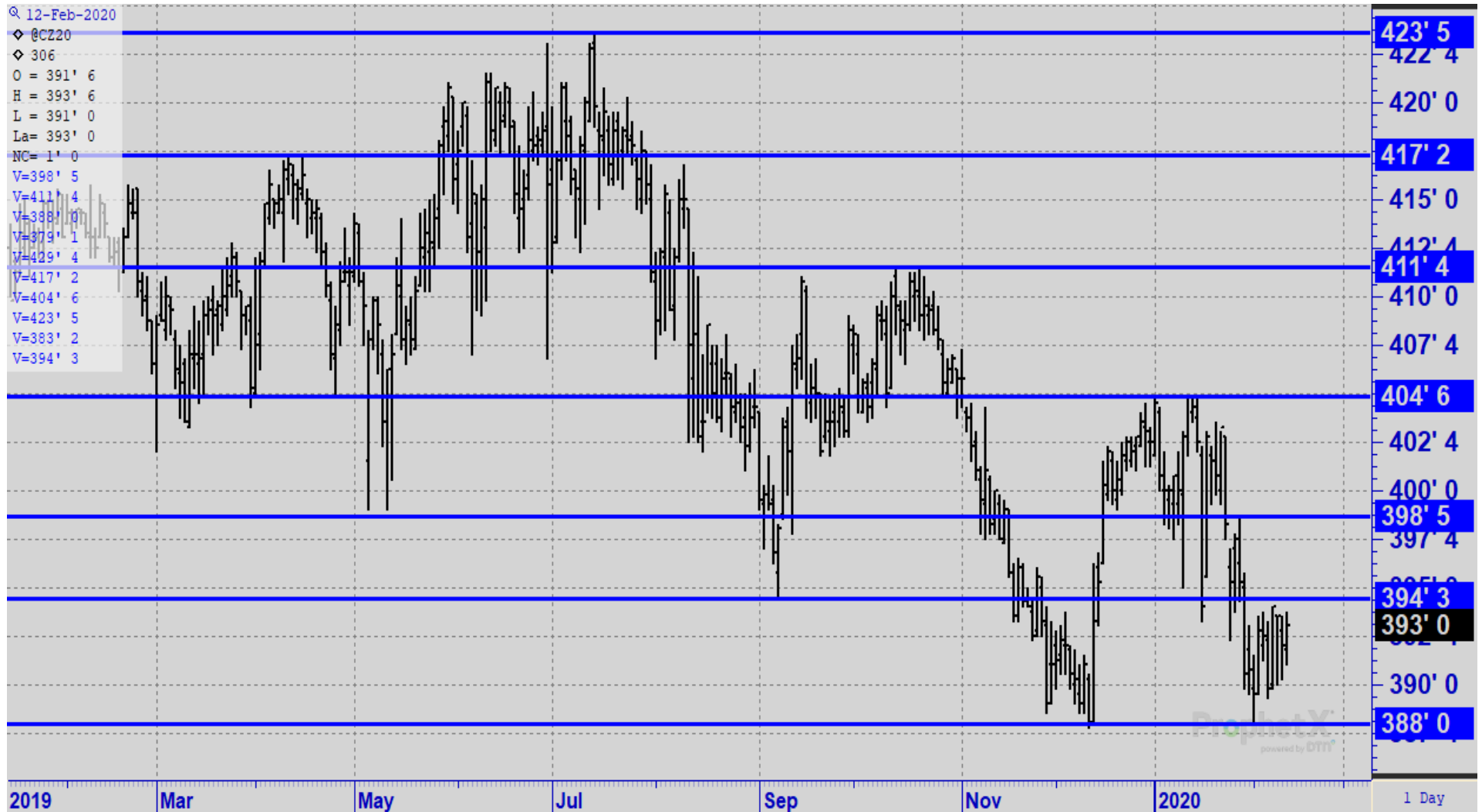
U.S. Corn – Total Production & Use



March CBOT Corn Futures



December CBOT Corn Futures



U.S. Soybean Supply & Demand Table

U.S. Soybean	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	89.2 Mill. A.	76.1 Mill. A.
Harvested A.	89.5 Mill. A.	87.6 Mill. A.	75.0 Mill. A.
Yield/Harvest A.	49.3 bu.	50.6 bu.	47.4 bu.
Beginning Stocks	302 Mill. Bu.	438 Mill. Bu.	909 Mill. Bu.
Production	4,412 Mill. Bu.	4,428 Mill. Bu.	3,558 Mill. Bu.
Imports	22 Mill. Bu.	14 Mill. Bu.	15 Mill. Bu.
Total Supply	4,735 Mill. Bu.	4,880 Mill. Bu.	4,482 Mill. Bu.
Crushings	2,055 Mill. Bu.	2,092 Mill. Bu.	2,105 Mill. Bu.
Exports	2,134 Mill. Bu.	1,748 Mill. Bu.	1,825 Mill. Bu.
Seed	104 Mill. Bu.	88 Mill. Bu.	96 Mill. Bu.
Residual	5 Mill. Bu.	43 Mill. Bu.	32 Mill. Bu.
Total Use	4,297 Mill. Bu.	3,971 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	438 Mill. Bu.	909 Mill. Bu.	425 Mill. Bu.

U.S. Soybean Supply & Demand Table

U.S. Soybean	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	90.2 Mill. A.	89.2 Mill. A.	76.1 Mill. A.
Harvested A.	89.5 Mill. A.	87.6 Mill. A.	75.0 Mill. A.
Yield/Harvest A.	49.3 bu.	50.6 bu.	47.4 bu.
Beginning Stocks	202 Mill. Bu.	128 Mill. Bu.	90 Mill. Bu.
Production			3,558 Mill. Bu.
Imports			15 Mill. Bu.
Total Supply			3,722 Mill. Bu.
Crushing			1,100 Mill. Bu.
Exports			1,100 Mill. Bu.
Seed			16 Mill. Bu.
Residual			32 Mill. Bu.
Total Use			4,058 Mill. Bu.
Ending Stocks			425 Mill. Bu.

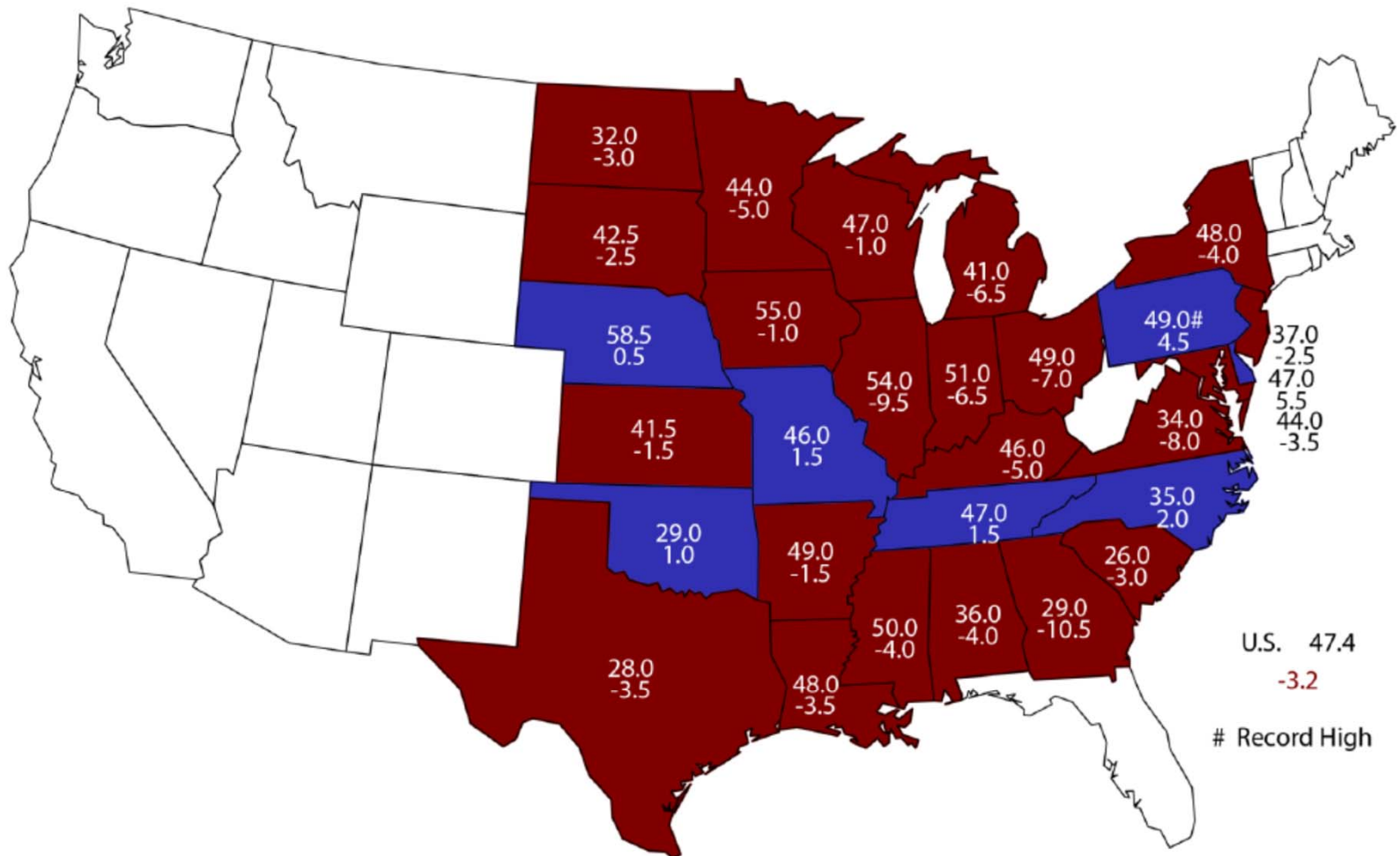
Harvested Acres was reduced from 75.6 mill. a. in Dec.

Yield was increased from 46.9 bu. in Dec.



2019 Soybean Yield

Bushels and Change From Previous Year



U.S. Soybean Supply & Demand Table

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Yield/Harvest A.	49.3 bu.	50.6 bu.	47.4 bu.
Beginning Stocks	438 Mill. Bu.	909 Mill. Bu.	909 Mill. Bu.
Production	3,558 Mill. Bu.	3,558 Mill. Bu.	3,558 Mill. Bu.
Imports	15 Mill. Bu.	15 Mill. Bu.	15 Mill. Bu.
Total	4,291 Mill. Bu.	4,482 Mill. Bu.	4,482 Mill. Bu.
Crushing	2,105 Mill. Bu.	2,105 Mill. Bu.	2,105 Mill. Bu.
Exports	1,825 Mill. Bu.	1,825 Mill. Bu.	1,825 Mill. Bu.
Seed	96 Mill. Bu.	96 Mill. Bu.	96 Mill. Bu.
Residual	32 Mill. Bu.	32 Mill. Bu.	32 Mill. Bu.
Total Use	4,291 Mill. Bu.	3,971 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	438 Mill. Bu.	909 Mill. Bu.	425 Mill. Bu.

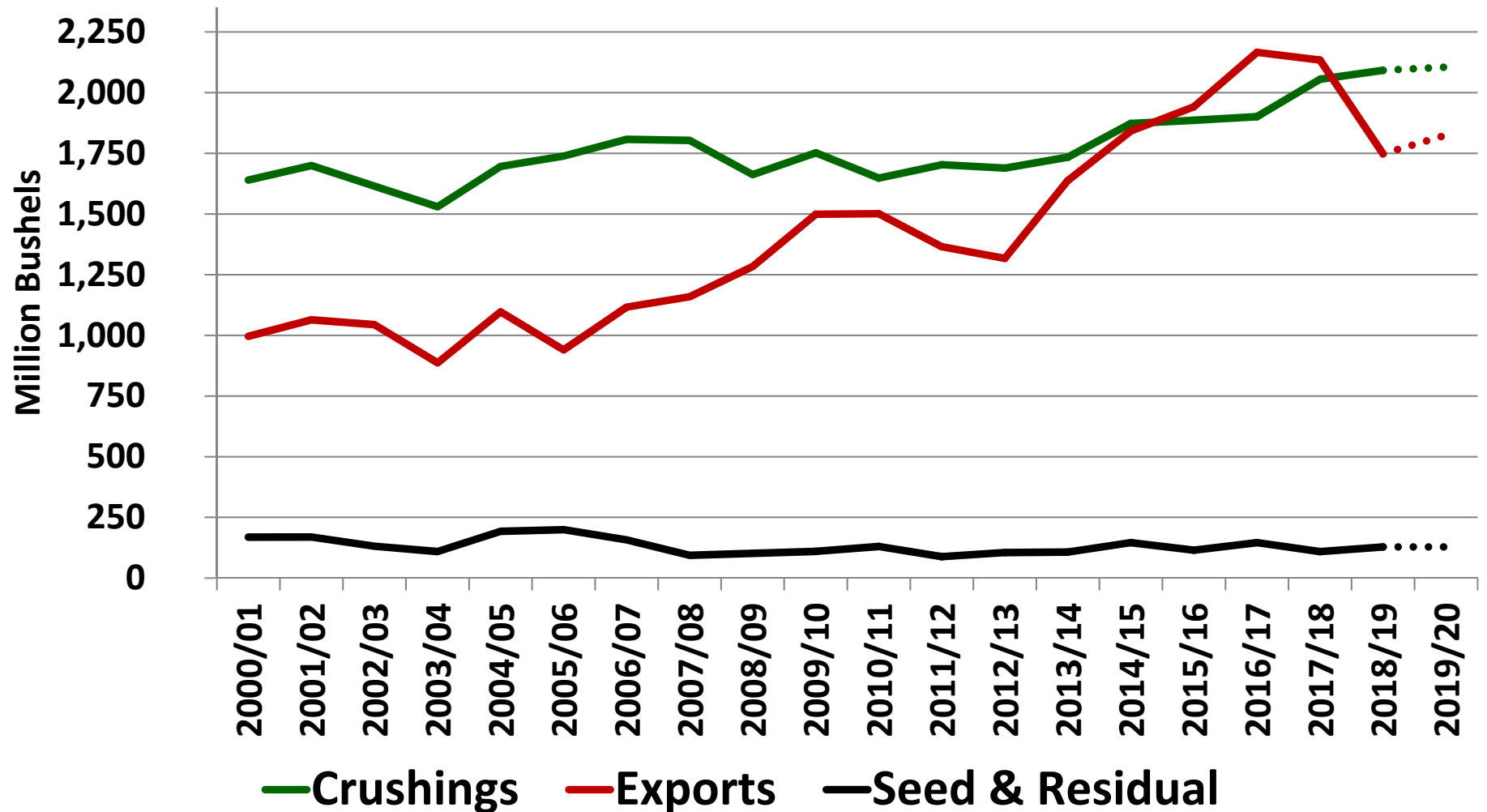
**USDA will resurvey
soybean farmers in
Michigan, North
Dakota and Wisconsin.**

U.S. Soybean Supply & Demand Table

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Yield/Harvest A.	49.3 bu.	50.6 bu.	47.4 bu.
Beginning Stocks	302 Mill. Bu.	438 Mill. Bu.	909 Mill. Bu.
Production	4,412 Mill. Bu.	4,428 Mill. Bu.	3,558 Mill. Bu.
Imports	22 Mill. Bu.	14 Mill. Bu.	15 Mill. Bu.
Total Supply	4,735 Mill. Bu.	4,880 Mill. Bu.	4,482 Mill. Bu.
Crushings	1,992 Mill. Bu.	2,092 Mill. Bu.	2,105 Mill. Bu.
Exports	1,825 Mill. Bu.	1,825 Mill. Bu.	1,825 Mill. Bu.
Seed	96 Mill. Bu.	96 Mill. Bu.	96 Mill. Bu.
Residual	32 Mill. Bu.	32 Mill. Bu.	32 Mill. Bu.
Total Use	4,058 Mill. Bu.	4,058 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	509 Mill. Bu.	509 Mill. Bu.	425 Mill. Bu.

Production is forecast to be 19.6% lower than last year.

U.S. Soybean Use



U.S. Soybean Supply & Demand Table

U.S. Soybean Supply and Demand (Mill. Bu.)			2019/2020 (Feb)
Plantings			76.1 Mill. A.
Yield			47.4 bu.
Beginning Stocks			909 Mill. Bu.
Production		3,558 Mill. Bu.	3,558 Mill. Bu.
Imports	22 Mill. Bu.	14 Mill. Bu.	15 Mill. Bu.
Total Supply	4,735 Mill. Bu.	4,880 Mill. Bu.	4,482 Mill. Bu.
Crushings	2,055 Mill. Bu.	2,092 Mill. Bu.	2,105 Mill. Bu.
Exports	2,134 Mill. Bu.	1,748 Mill. Bu.	1,825 Mill. Bu.
Seed	104 Mill. Bu.	88 Mill. Bu.	96 Mill. Bu.
Residual	5 Mill. Bu.	43 Mill. Bu.	32 Mill. Bu.
Total Use	4,297 Mill. Bu.	3,971 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	438 Mill. Bu.	909 Mill. Bu.	425 Mill. Bu.

Crushings are forecast to remain stable. Crush margins are good but will be dependent upon livestock production.

U.S. Soybean Supply & Demand Table

U.S. Soybean Supply and Demand (Mill. Bu.)			2019/2020 (Feb)
Plantings			76.1 Mill. A.
Yield			45.0 Mill. A.
Beginning Stocks			47.4 bu.
Production		3,428 Mill. Bu.	3,558 Mill. Bu.
Imports	22 Mill. Bu.	14 Mill. Bu.	15 Mill. Bu.
Total Supply	4,735 Mill. Bu.	4,880 Mill. Bu.	4,482 Mill. Bu.
Crushings	2,055 Mill. Bu.	2,092 Mill. Bu.	2,105 Mill. Bu.
Exports	2,134 Mill. Bu.	1,748 Mill. Bu.	1,825 Mill. Bu.
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Total Use	4,297 Mill. Bu.	3,971 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	438 Mill. Bu.	909 Mill. Bu.	425 Mill. Bu.

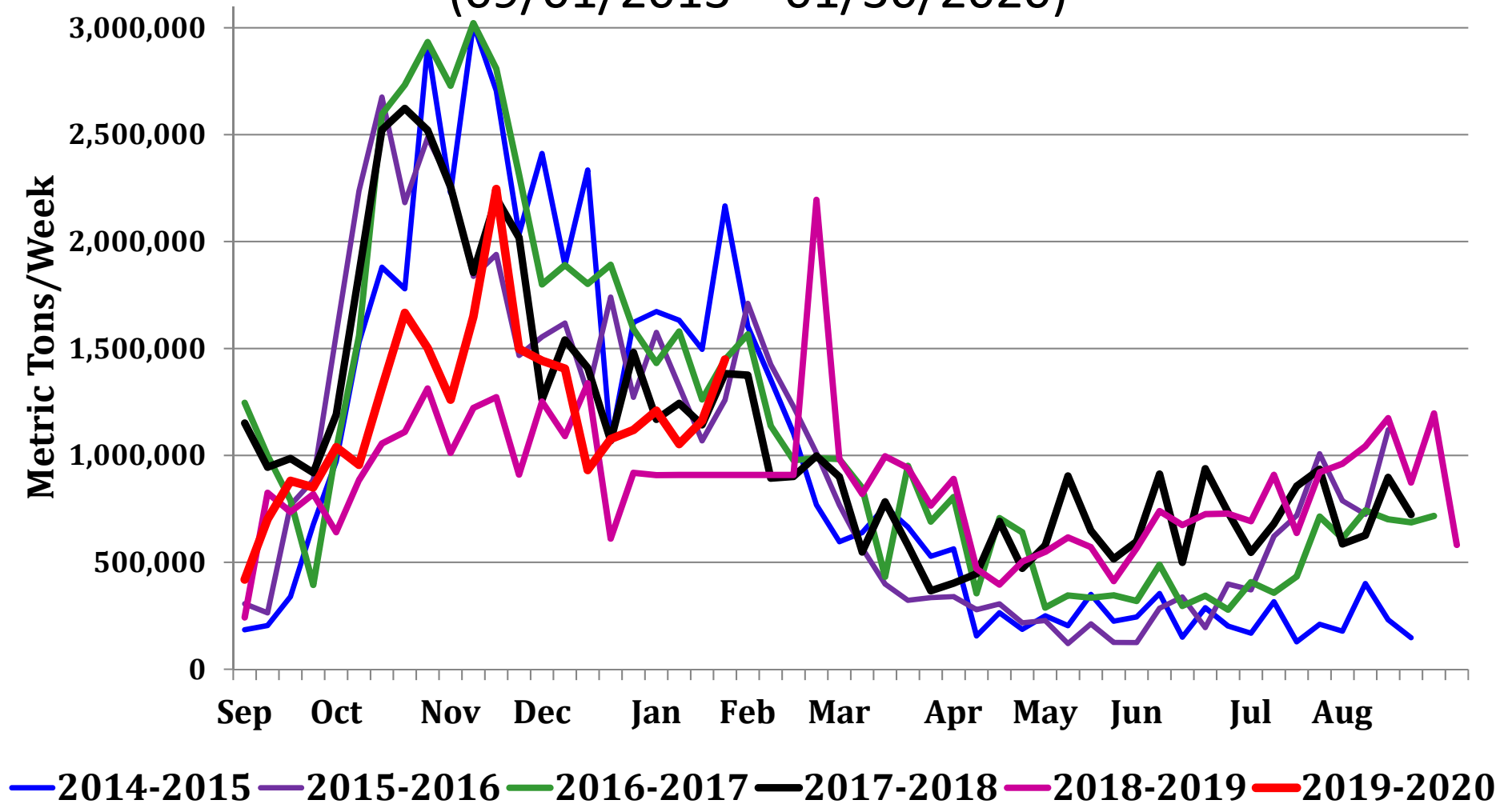
**Export forecast was increased
50 mill. bu. from January report.**

U.S. Soybean Supply & Demand Table

U.S. Soybean	2018/2019 (Est.)		2019/2020 (Feb)
Planted	Stocks-to-Use Ratio is forecast to fall from 22.9% to 10.5% but still above the 10-year average. Reduction is primarily due to lower production levels.		76.1 Mill. A.
Harvested			75.0 Mill. A.
Yield			47.4 bu.
Production			909 Mill. Bu.
Imports			3,558 Mill. Bu.
Total Supply			15 Mill. Bu.
Crushings			4,482 Mill. Bu.
Exports	2,134 Mill. Bu.	2,092 Mill. Bu.	2,105 Mill. Bu.
Seed	104 Mill. Bu.	88 Mill. Bu.	1,825 Mill. Bu.
Residual	5 Mill. Bu.	43 Mill. Bu.	96 Mill. Bu.
Total Use	4,297 Mill. Bu.	3,971 Mill. Bu.	4,058 Mill. Bu.
Ending Stocks	438 Mill. Bu.	909 Mill. Bu.	425 Mill. Bu.

Weekly U.S. Soybean Exports

(09/01/2013 – 01/30/2020)

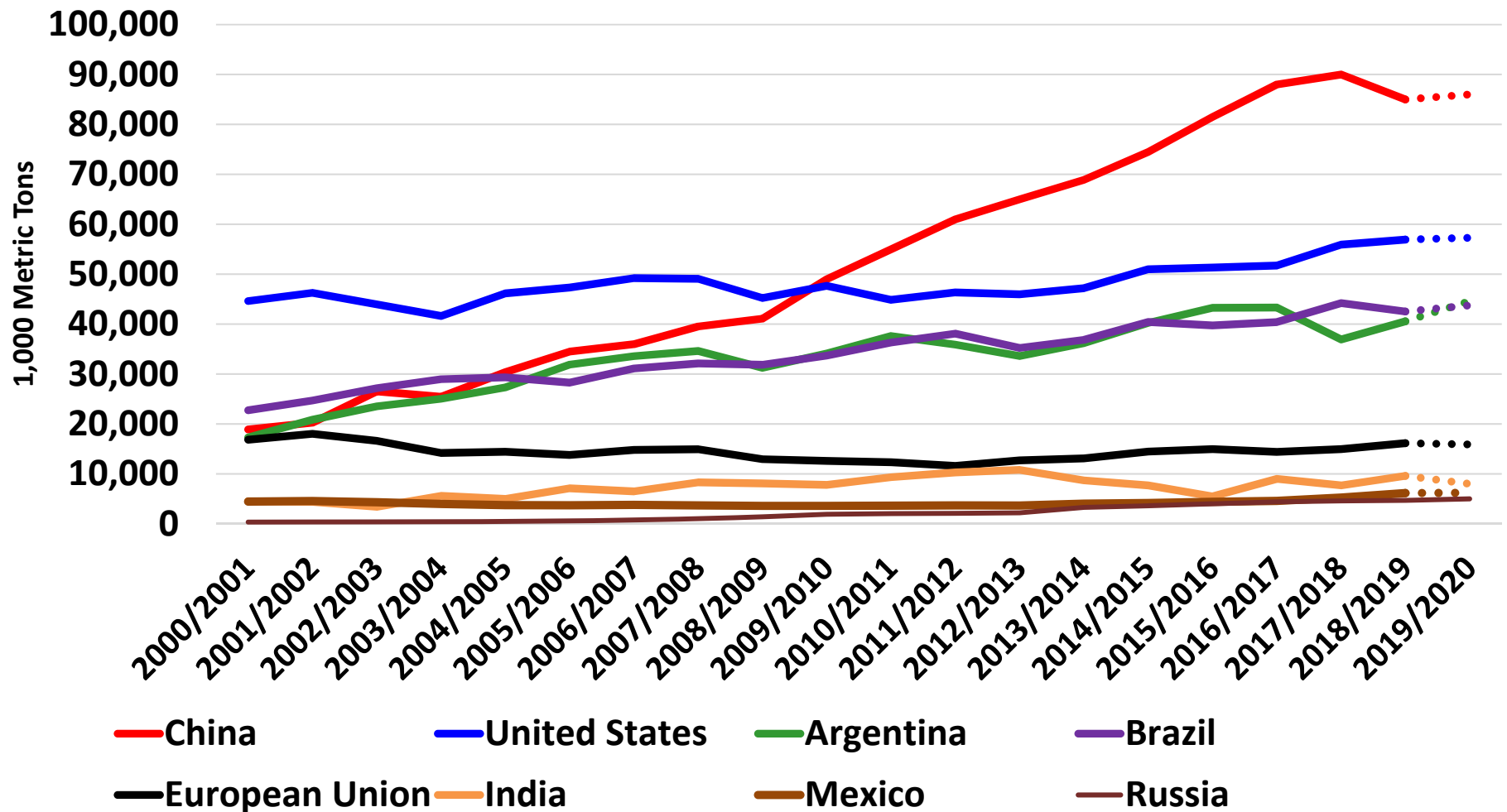


U.S. Soybean Export Destinations

(1,000 Metric Ton)

Country	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
China	27,602.2	29,640.8	29,855.0	36,148.3	27,681.8	13,369.9
Mexico	3,194.5	3,438.8	3,252.6	3,665.0	4,231.1	4,918.1
Egypt	604.6	712.4	295.4	807.2	2,436.5	2,704.7
Japan	1,826.4	2,011.4	2,145.6	2,137.2	2,153.5	2,437.1
Indonesia	2,291.5	1,875.9	2,028.6	2,296.9	2,424.8	2,435.7
Netherlands	1,015.6	1,879.4	2,037.7	2,044.9	2,544.2	2,110.9
Spain	1,099.5	852.4	964.1	731.8	848.1	1,928.7
ROW	6,891.8	9,390.2	10,260.2	10,286.4	14,030.0	16,865.2
Total	44,526.1	49,801.3	50,839.2	58,117.7	56,350.0	46,770.3

Annual Soybean Crush by Country



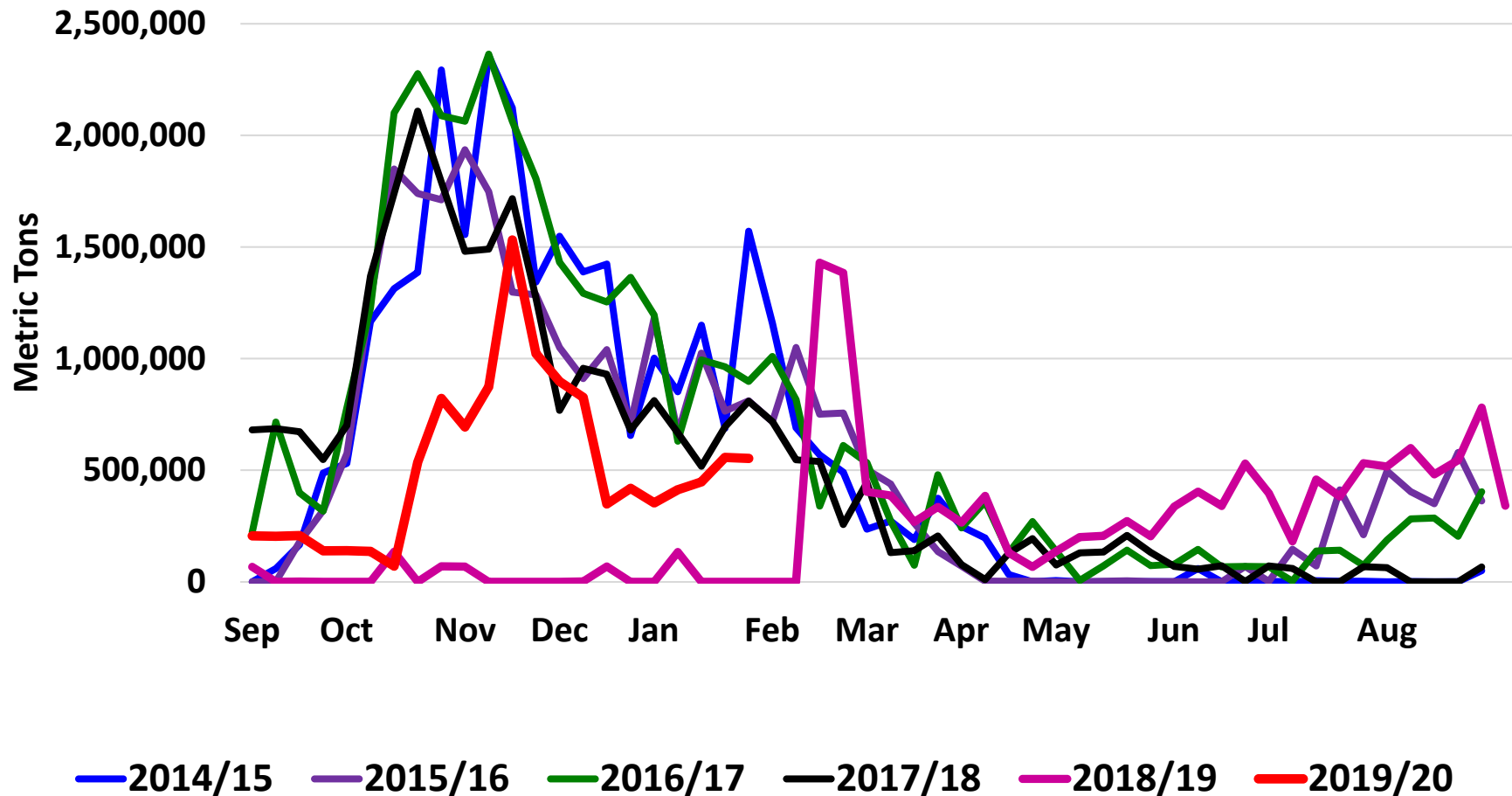
U.S. Soybean Meal Export Destinations

(1,000 Metric Ton)

Country	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Philippines	1,259.0	1,445.6	1,979.8	1,885.1	2,062.1	1,948.1
Mexico	1,310.1	1,676.1	2,191.3	1,894.3	1,726.5	1,645.6
Colombia	311.5	810.1	663.9	876.9	1,029.9	1,195.4
Canada	1,027.1	728.0	631.5	762.9	833.0	822.9
Vietnam	316.3	403.7	50.9	297.3	703.7	630.0
Dominical Republic	359.1	507.1	392.0	480.5	518.6	529.4
Ecuador	313.7	393.3	354.9	127.8	286.7	514.9
Guatemala	288.4	326.3	368.0	351.0	408.1	425.1

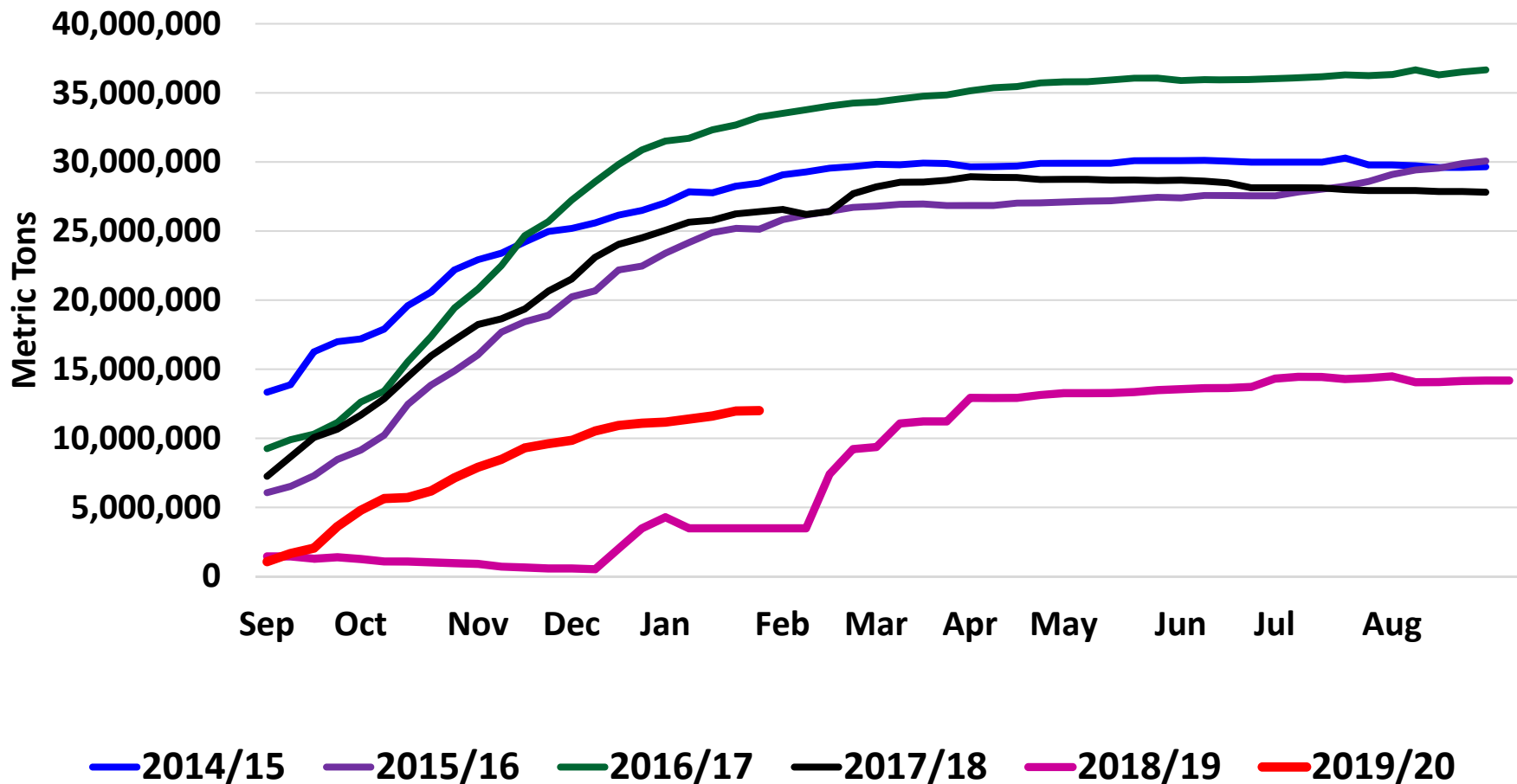
Weekly U.S. Soybean Export Sales to China

(09/01/2014 – 01/30/2020)



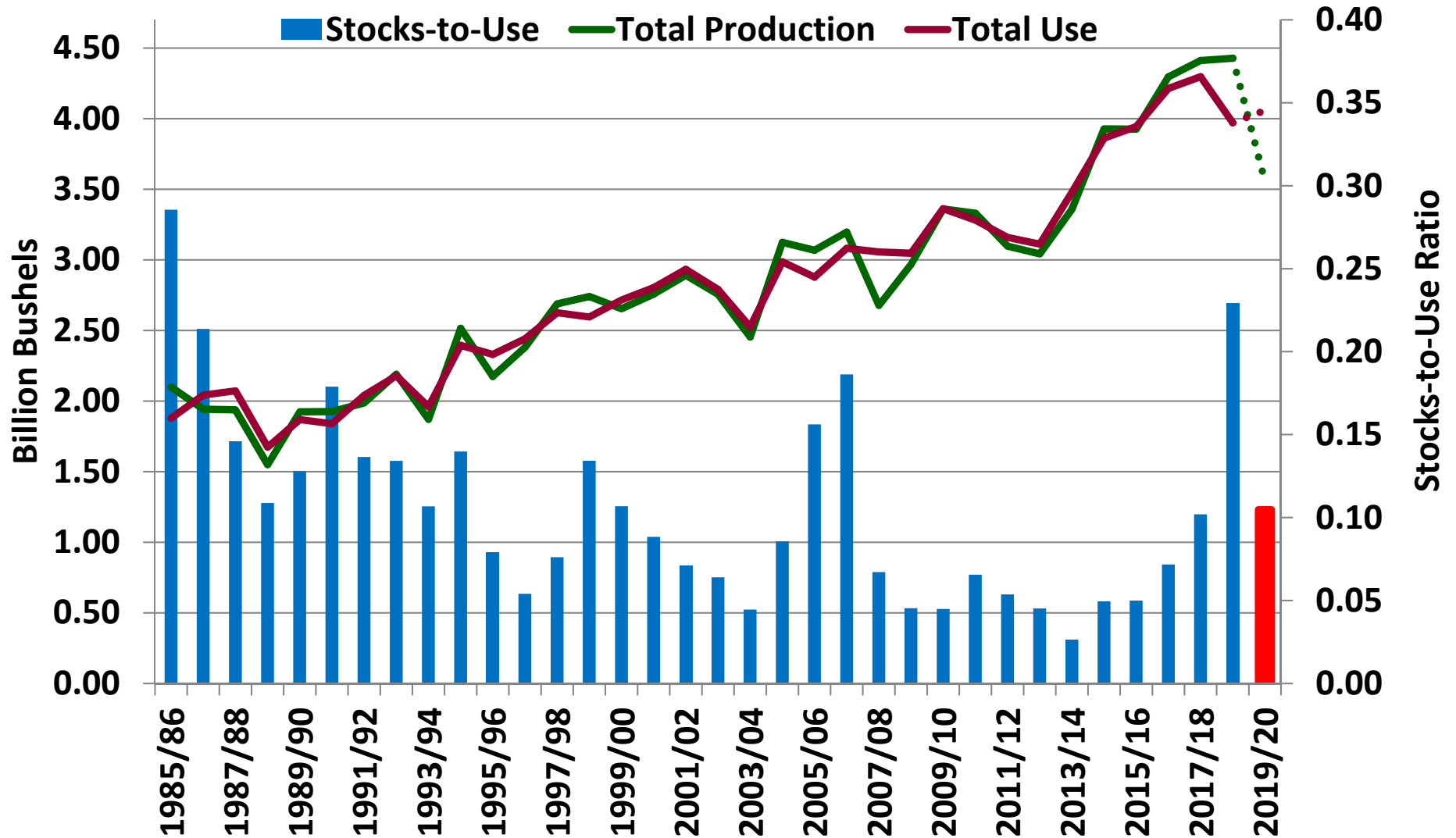
Weekly U.S. Soybean Total Commitments by China

(09/01/2014 – 01/30/2020)

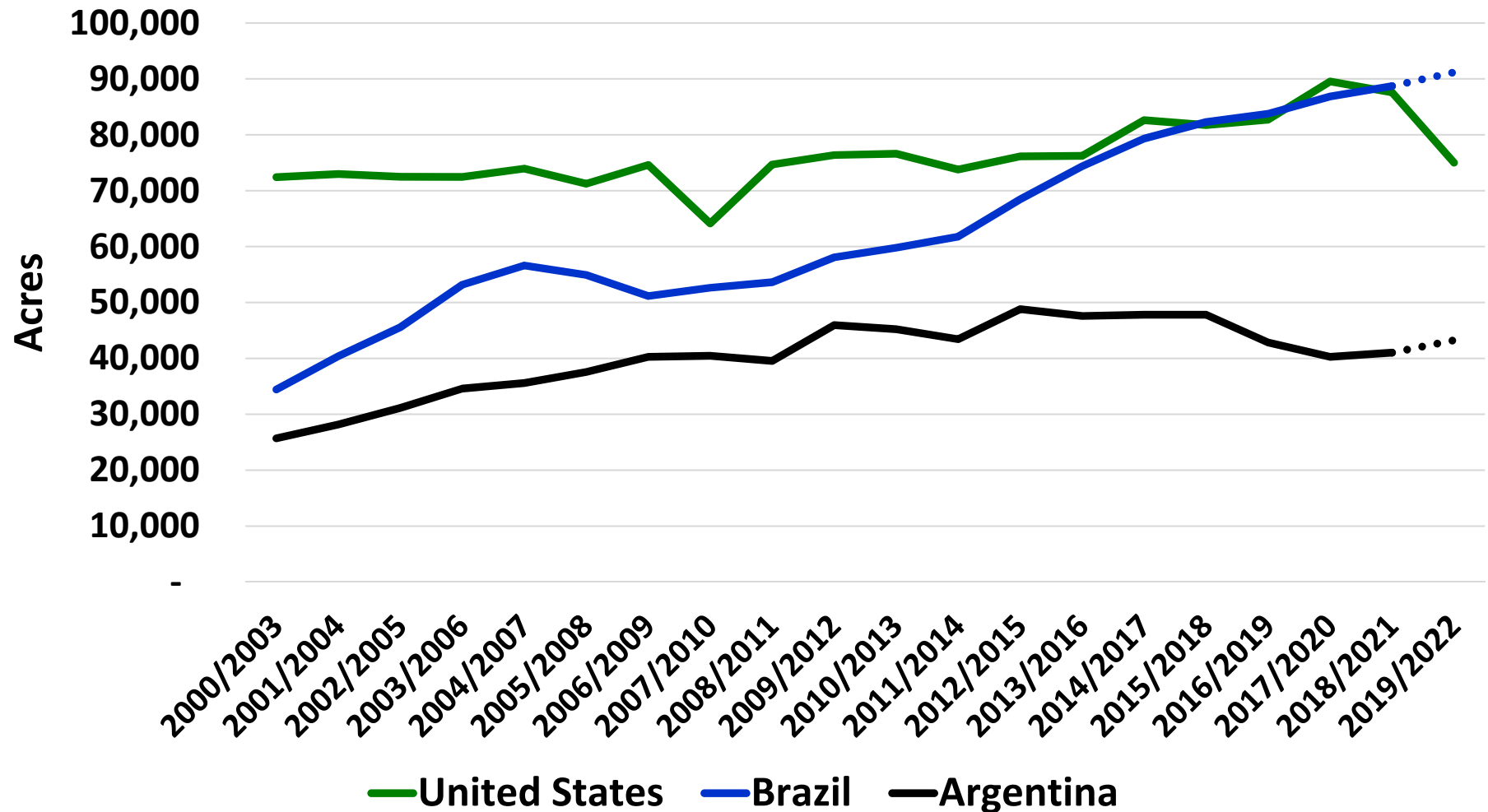


U.S. Soybean – Total Prod. & Use

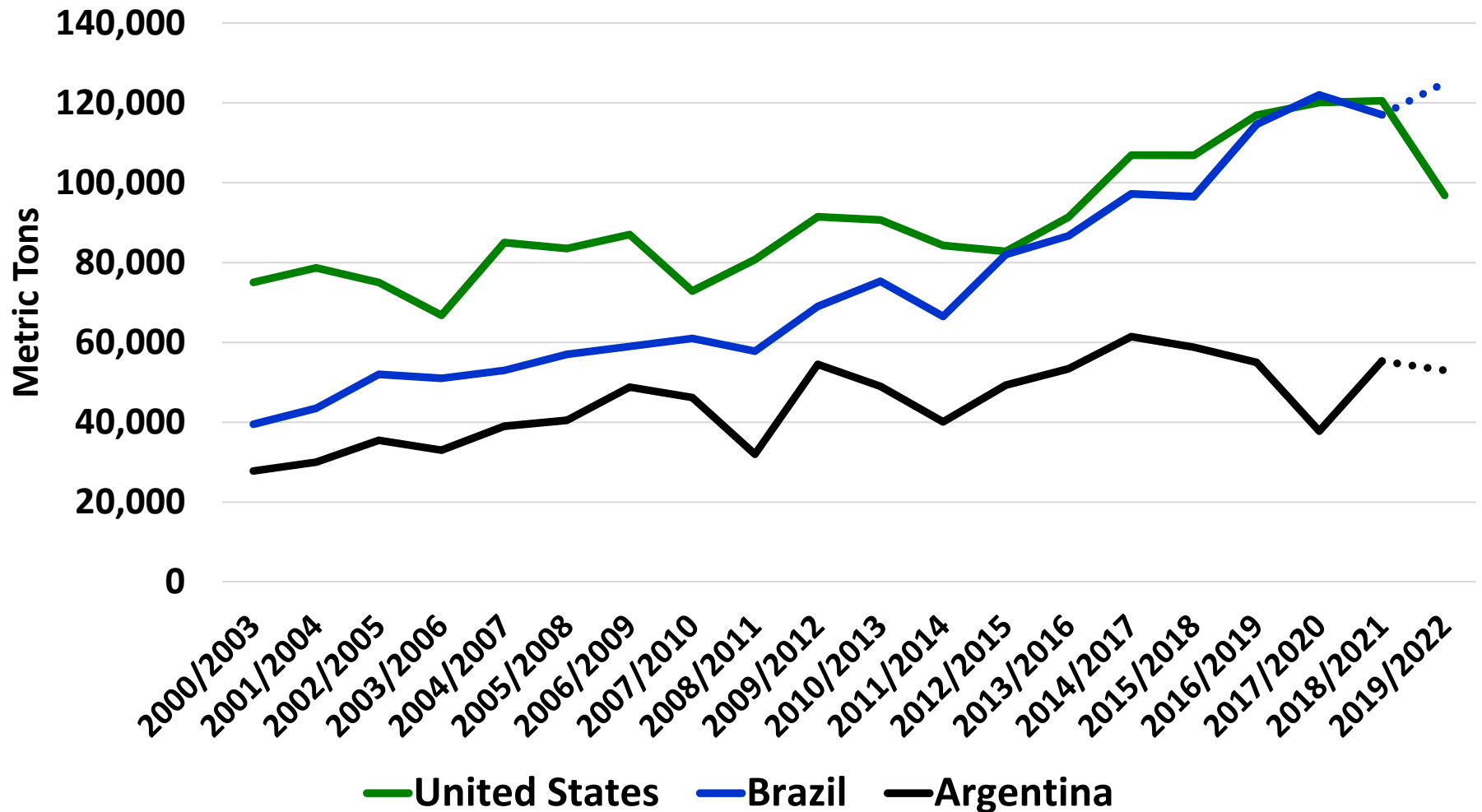
(Billion Bushels)



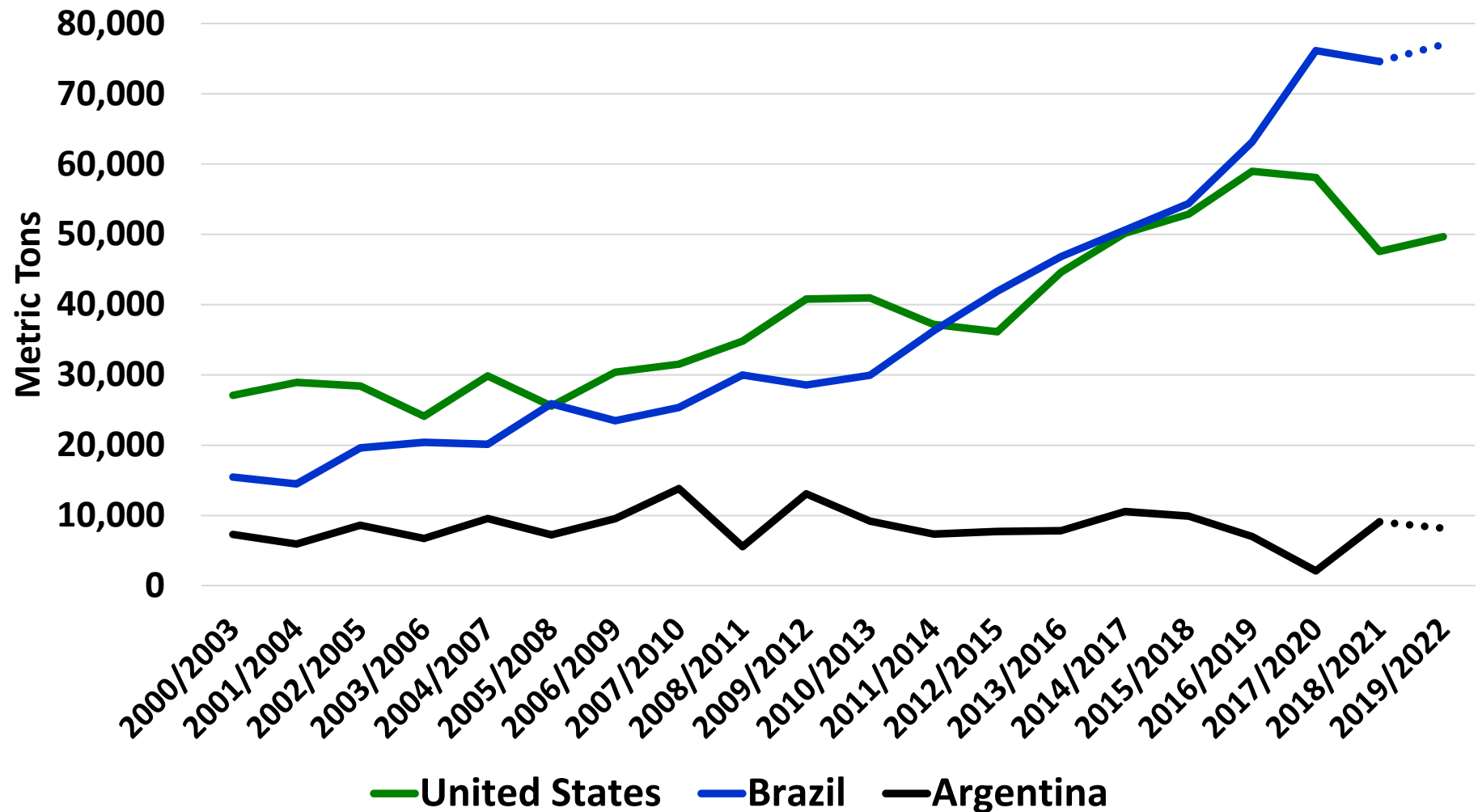
Soybean Harvested Acres



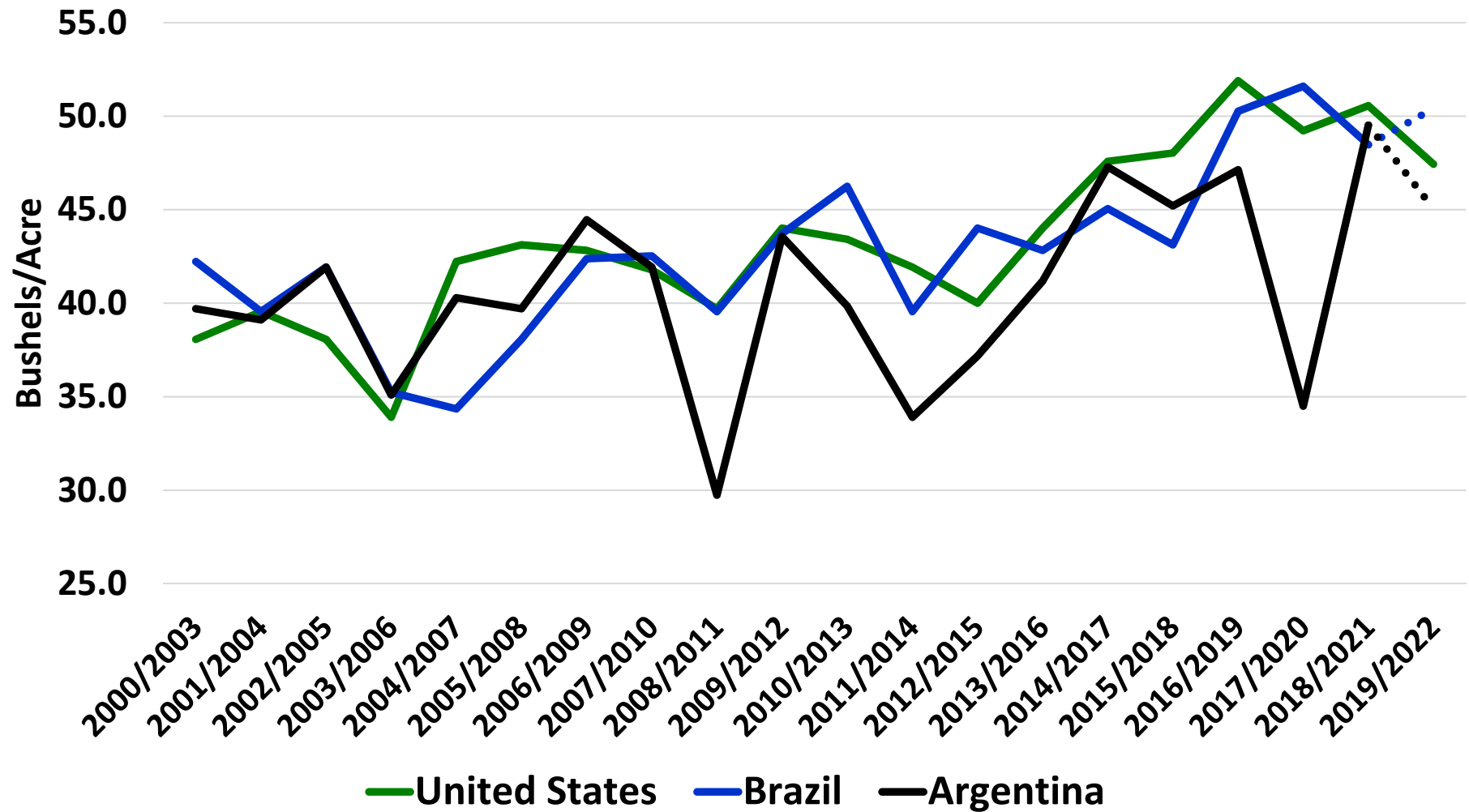
Soybean Total Production



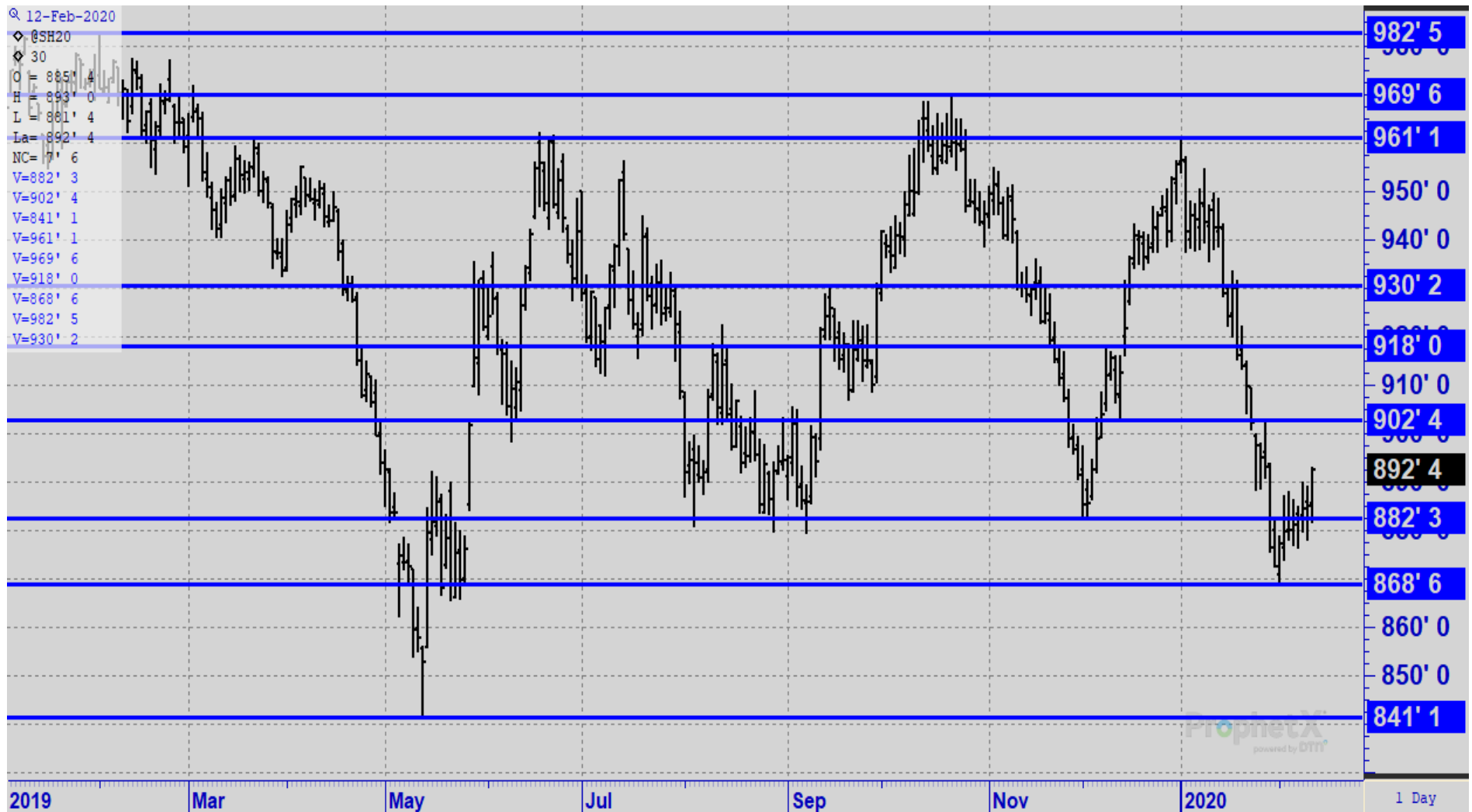
Soybean Exports



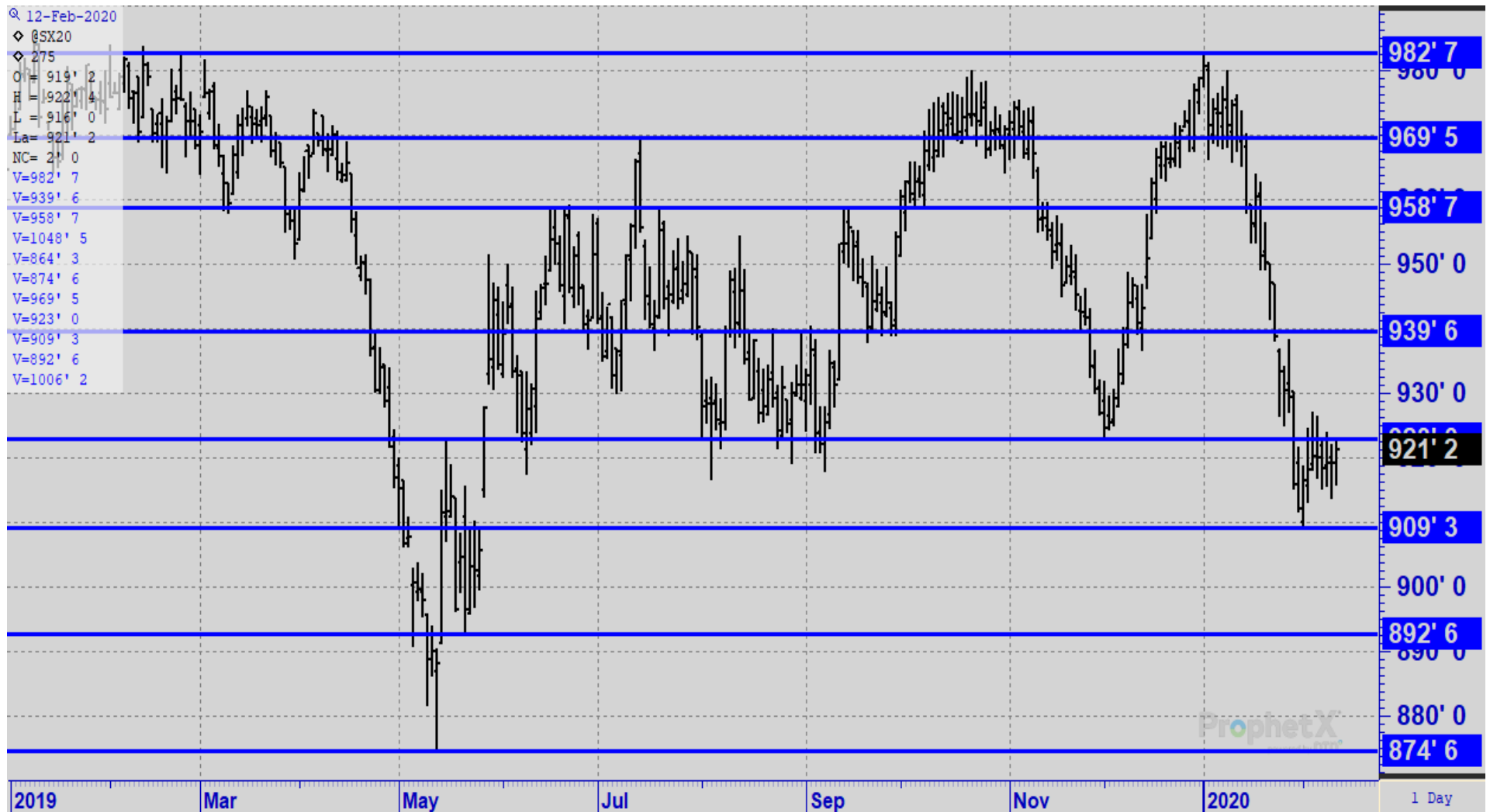
National Average Yield



March CBOT Soybean Futures



November CBOT Soybean Futures



U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	46.1 Mill. A.	47.8 Mill. A.	45.2 Mill. A.
Harvested A.	37.6 Mill. A.	39.6 Mill. A.	37.2 Mill. A.
Yield/Harvest A.	46.4 bu.	47.6 bu.	51.7 bu.
Begin Stocks	1,181 Mill. Bu.	1,099 Mill. Bu.	1,080 Mill. Bu.
Production	1,741 Mill. Bu.	1,885 Mill. Bu.	1,920 Mill. Bu.
Imports	158 Mill. Bu.	135 Mill. Bu.	105 Mill. Bu.
Total Supply	3,080 Mill. Bu.	3,119 Mill. Bu.	3,105 Mill. Bu.
Food	964 Mill. Bu.	955 Mill. Bu.	955 Mill. Bu.
Seed	63 Mill. Bu.	59 Mill. Bu.	60 Mill. Bu.
Feed & Residual	47 Mill. Bu.	90 Mill. Bu.	150 Mill. Bu.
Exports	906 Mill. Bu.	936 Mill. Bu.	1,000 Mill. Bu.
Total Use	1,981 Mill. Bu.	2,039 Mill. Bu.	2,165 Mill. Bu.
Ending Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	940 Mill. Bu.

USDA WASDE – Feb. 11, 2020

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	46.1 Mill. A.	47.8 Mill. A.	45.2 Mill. A.
Harvested A.	37.6 Mill. A.	39.6 Mill. A.	37.2 Mill. A.
Yield/Harvest A.	46.4 bu.	47.6 bu.	51.7 bu.
Begin Stocks	1,181 Mill. Bu.	1,099 Mill. Bu.	1,080 Mill. Bu.
Production	1,741 Mill. Bu.	1,885 Mill. Bu.	1,920 Mill. Bu.
Imports			105 Mill. Bu.
Total Supply			1,955 Mill. Bu.
Food			1,100 Mill. Bu.
Seed			100 Mill. Bu.
Processing			100 Mill. Bu.
Exports			100 Mill. Bu.
Total Demand			1,400 Mill. Bu.
Ending Stocks			555 Mill. Bu.

USDA resurveyed spring wheat and durum farmers to update harvested acres and average yields.

Updates were published in Nov. 8, 2019 *Crop Production* report.

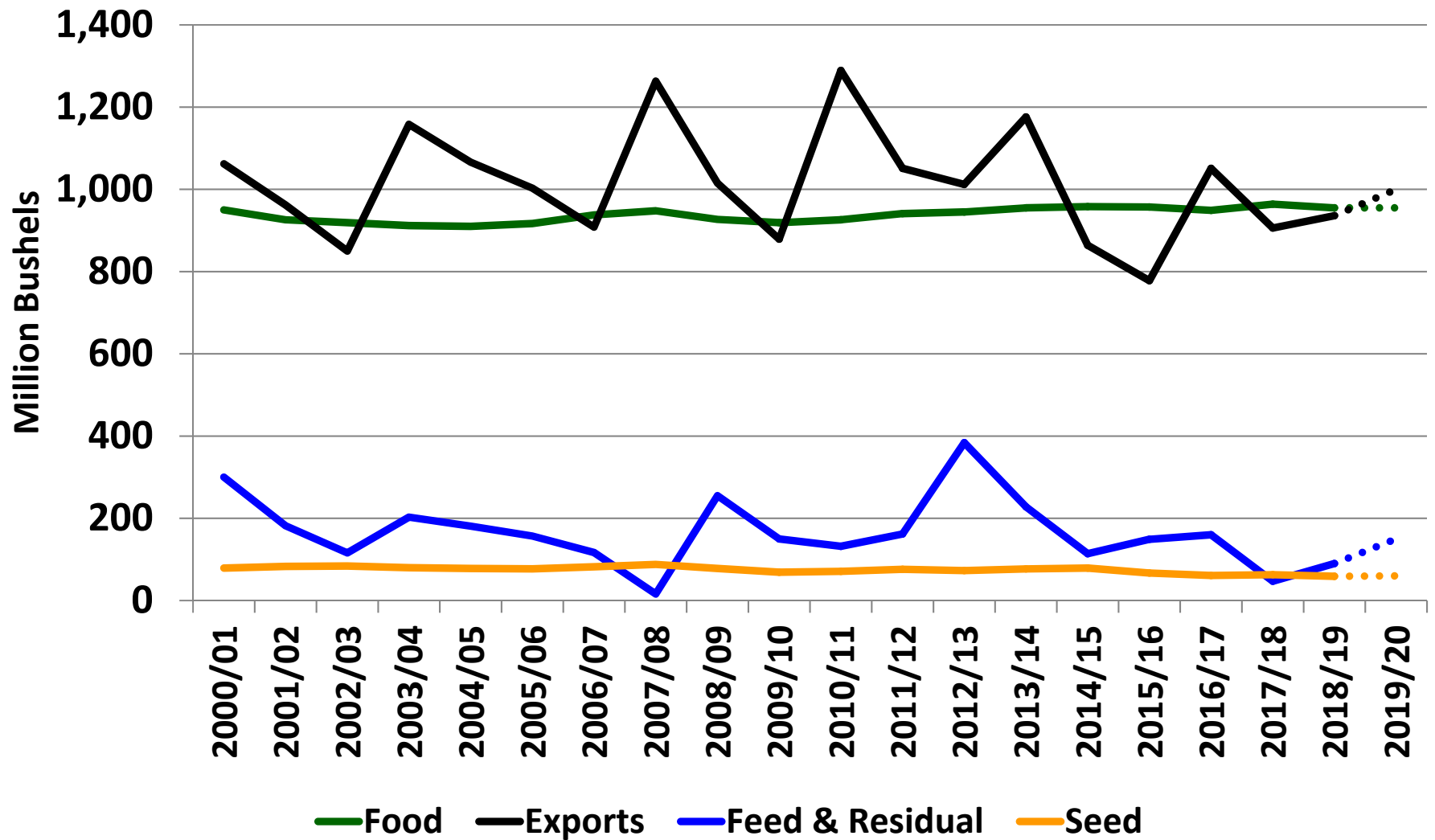
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
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Total Supply	3,080 Mill. Bu.	3,119 Mill. Bu.	3,105 Mill. Bu.
Food		955 Mill. Bu.	955 Mill. Bu.
Seed		59 Mill. Bu.	60 Mill. Bu.
Export		1,000 Mill. Bu.	1,000 Mill. Bu.
Total Use		2,039 Mill. Bu.	2,165 Mill. Bu.
Ending Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	940 Mill. Bu.

**Total Production
increased 1.8% from
last year.**

U.S. All Wheat Use

(Million Bushels)



U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2019/2020 (Feb)		
Population	45.2 Mill. A.		
Harvested Area	37.2 Mill. A.		
Yield	51.7 bu.		
Beginning Stocks	1,080 Mill. Bu.		1,080 Mill. Bu.
Production	1,885 Mill. Bu.		1,920 Mill. Bu.
Imports	158 Mill. Bu.	135 Mill. Bu.	105 Mill. Bu.
Total Supply	3,080 Mill. Bu.	3,119 Mill. Bu.	3,105 Mill. Bu.
Food	964 Mill. Bu.	955 Mill. Bu.	955 Mill. Bu.
Seed	63 Mill. Bu.	59 Mill. Bu.	60 Mill. Bu.
Feed & Residual	47 Mill. Bu.	90 Mill. Bu.	150 Mill. Bu.
Exports	906 Mill. Bu.	936 Mill. Bu.	1,000 Mill. Bu.
Total Use	1,981 Mill. Bu.	2,039 Mill. Bu.	2,165 Mill. Bu.
Ending Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	940 Mill. Bu.

Food use is relatively stable and varies based upon population growth and flour extraction rates.

U.S. All Wheat Supply & Demand Table

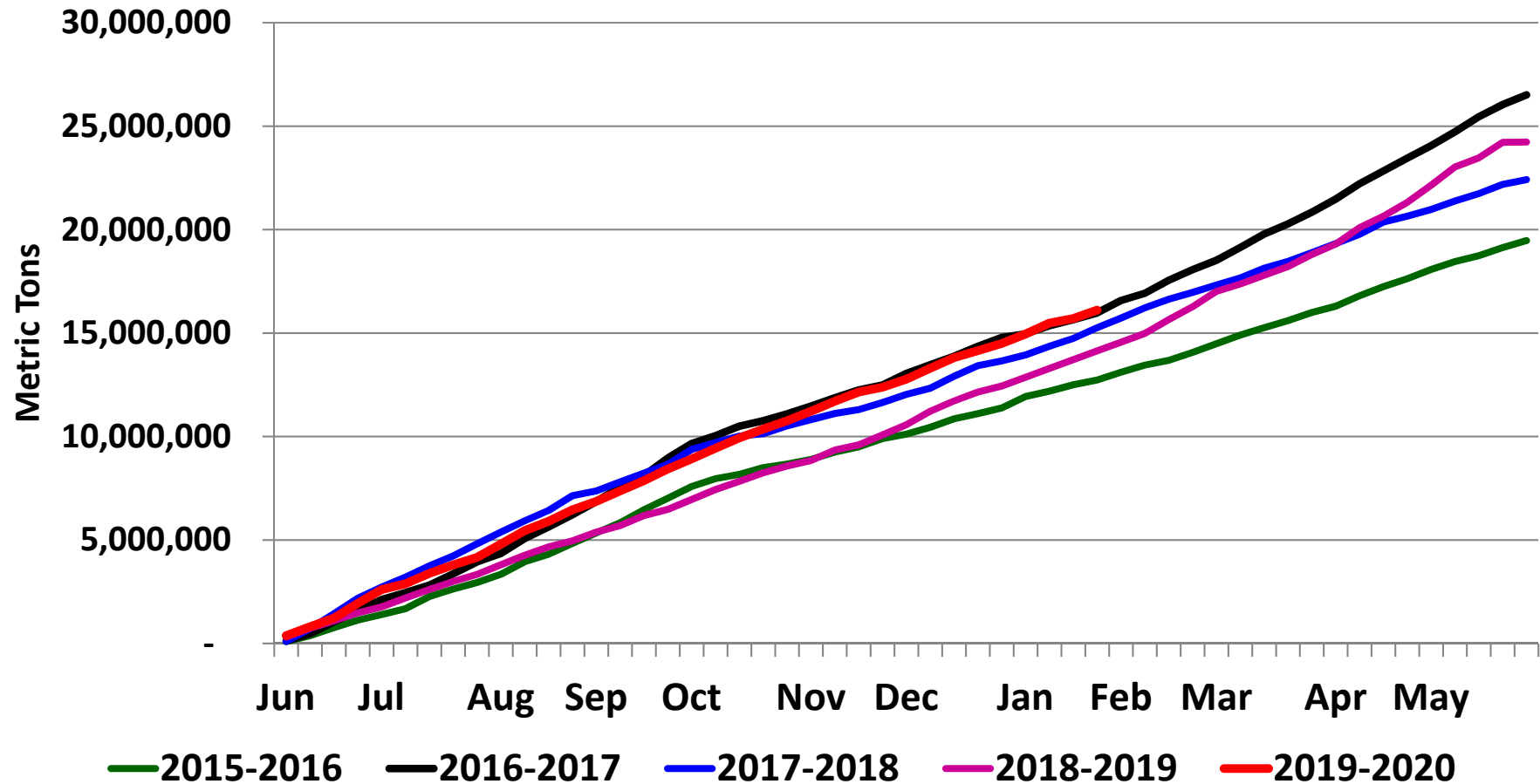
U.S. All Wheat	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	46.1 Mill. A.	47.8 Mill. A.	45.2 Mill. A.
Harvest	3.6 Mill. A.	37.2 Mill. A.	
Yield			51.7 bu.
Beginning Stocks		Mill. Bu.	1,080 Mill. Bu.
Production	2,885 Mill. Bu.	1,920 Mill. Bu.	
Imports	158 Mill. Bu.	135 Mill. Bu.	105 Mill. Bu.
Total Supply	3,080 Mill. Bu.	3,119 Mill. Bu.	3,105 Mill. Bu.
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Total Use	1,981 Mill. Bu.	2,039 Mill. Bu.	2,165 Mill. Bu.
Ending Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	940 Mill. Bu.

**Exports are key to U.S.
price movements.**

Weekly U.S. All Wheat Export Sales

(06/01/2014 – 01/30/2020)

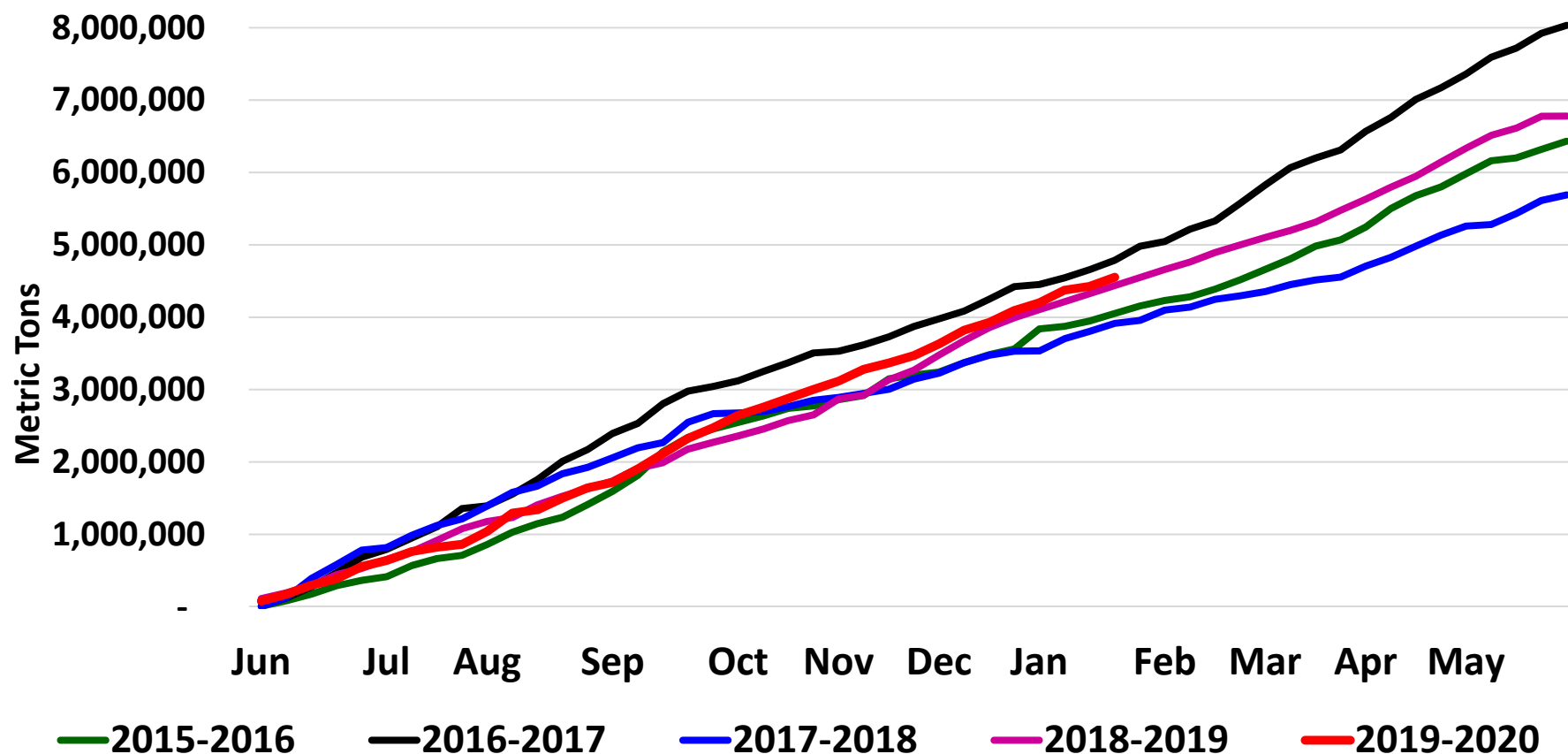
Accumulated Exports



Weekly U.S. HRSW Export Sales

(06/06/2013 – 01/30/2020)

Accumulated Exports



U.S. All Wheat Export Destinations

(1,000 Metric Ton)

Country	2014/15	2015/16	2016/17	2017/18	2018/19
Philippines	2,337.9	2,118.4	2,729.2	2,474.2	3,046.7
Mexico	2,721.1	2,318.1	3,089.7	2,935.0	3,033.6
Japan	3,120.5	2,434.0	2,819.7	2,692.7	2,695.4
Nigeria	1,904.0	1,401.2	1,540.4	1,170.7	1,563.9
Indonesia	643.0	607.8	1,083.5	1,141.0	1,381.7
South Korea	1,148.1	1,073.7	1,275.5	1,420.4	1,355.3
Taiwan	1,001.6	1,033.7	1,049.1	1,114.4	1,163.9
China	332.2	763.5	1,562.7	902.4	42.0
ROW	9,414.1	2,252.5	11,363.0	8,568.4	9,949.1
Total	22,622.5	19,473.1	26,512.8	22,419.2	24,231.6

U.S. Hard Red Spring Wheat Export Destinations

(1,000 Metric Ton)

Country	2014/15	2015/16	2016/17	2017/18	2018/19
Philippines	1,161.3	1,138.5	1,657.3	1,247.6	1,760.4
Japan	1,269.9	850.6	1,048.3	995.9	863.7
Taiwan	621.4	593.0	568.0	626.0	624.5
South Korea	396.2	353.0	393.6	399.7	450.2
Bangladesh	0.0	0.0	110.5	0.0	391.7
Thailand	281.7	261.1	331.7	256.8	360.8
China	256.8	629.6	1,042.6	542.9	33.6
ROW	3,343.1	2,605.8	2,880.5	1,619.7	2,293.5
Total	7,330.4	6,431.6	8,032.5	5,688.6	6,778.4

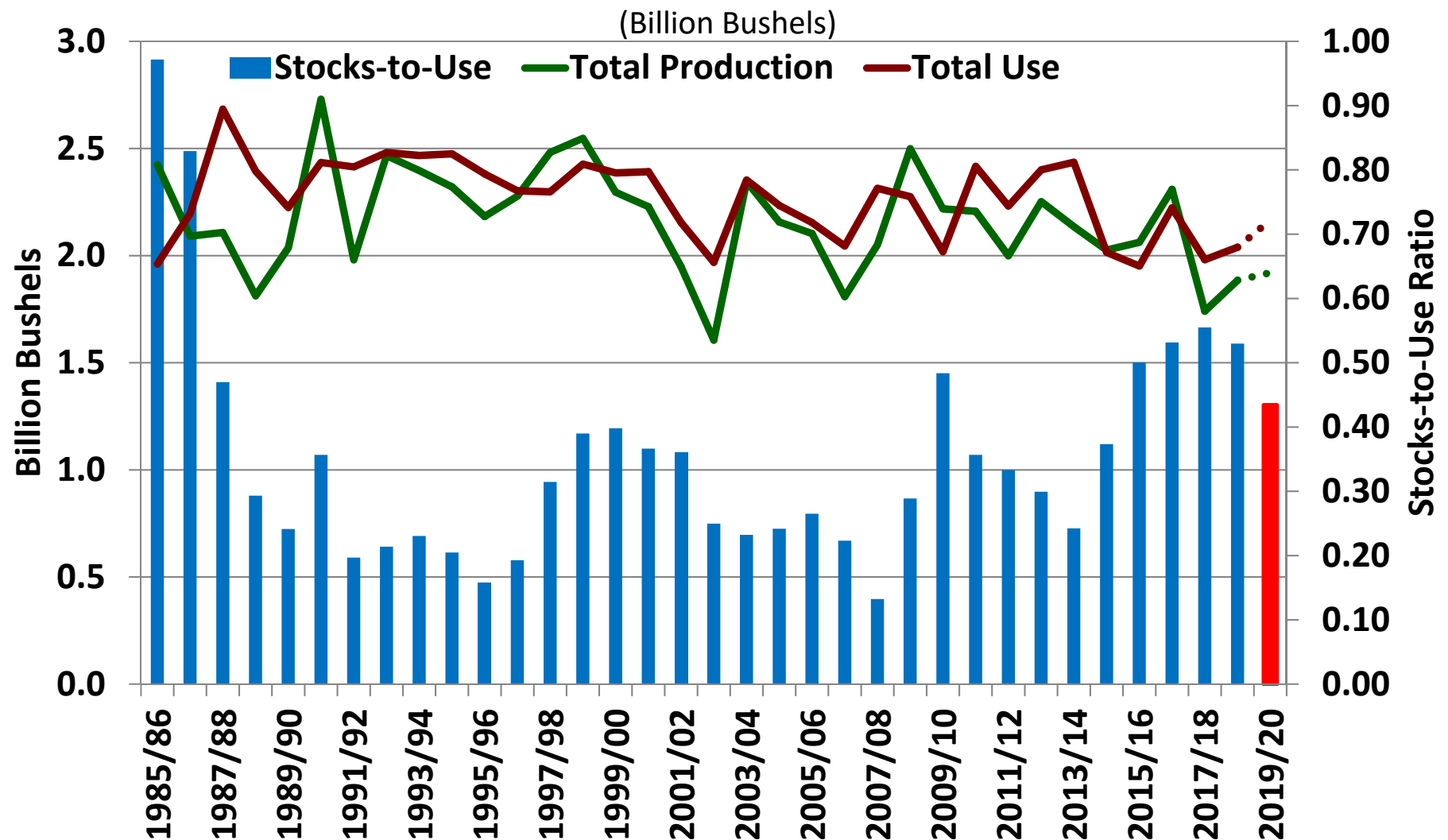
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2017/2018	2018/2019 (Est.)	2019/2020 (Feb)
Planted A.	46.1 Mill. A.	47.8 Mill. A.	45.2 Mill. A.
Harvested A.	37.6 Mill. A.	39.6 Mill. A.	37.2 Mill. A.
Yield/Harvest A.	46.4 bu.	47.6 bu.	51.7 bu.
Begin Stocks			1,080 Mill. Bu.
Production			1,920 Mill. Bu.
Imports			105 Mill. Bu.
			3,105 Mill. Bu.
Food			955 Mill. Bu.
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Feed & Residual		90 Mill. Bu.	150 Mill. Bu.
Exports	906 Mill. Bu.	936 Mill. Bu.	1,000 Mill. Bu.
Total Use	1,981 Mill. Bu.	2,039 Mill. Bu.	2,165 Mill. Bu.
Ending Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	940 Mill. Bu.

Ending Stocks remain large.

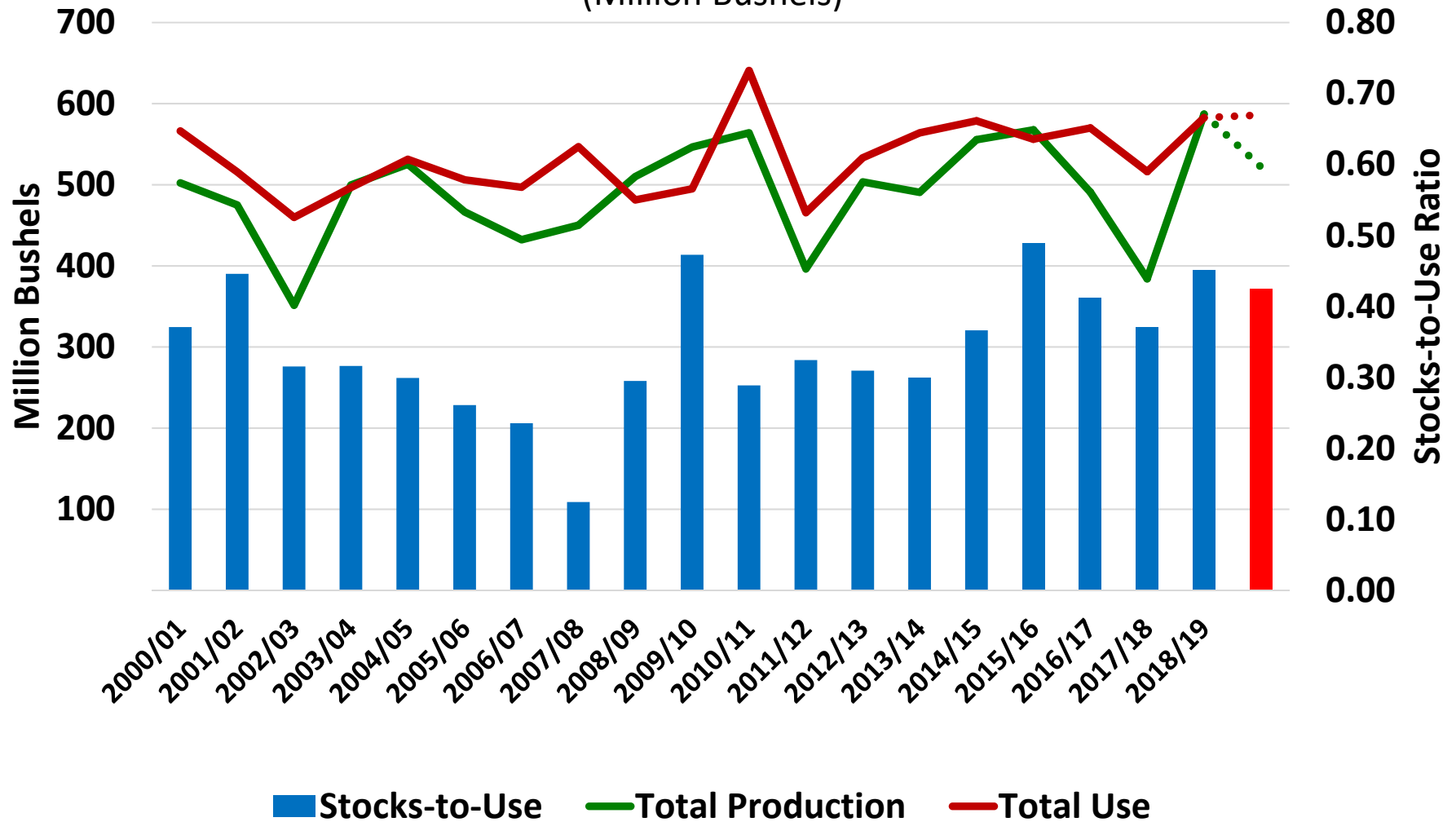
**Stocks-to-Use Ratio is
forecast to decrease from
53.0% to 43.4%**

U.S. All Wheat – Total Prod. & Use



U.S. HRSW – Total Prod. & Use

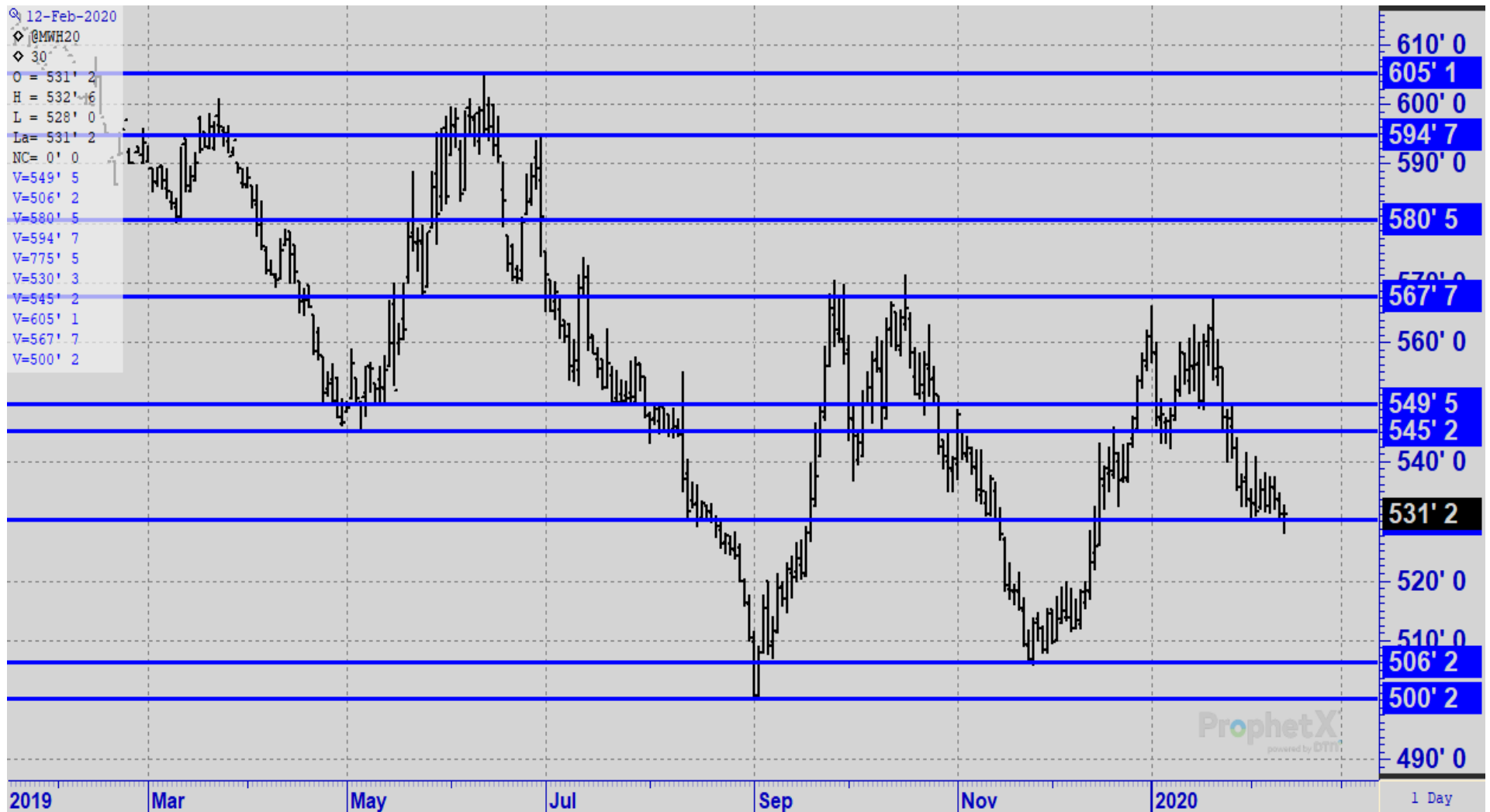
(Million Bushels)



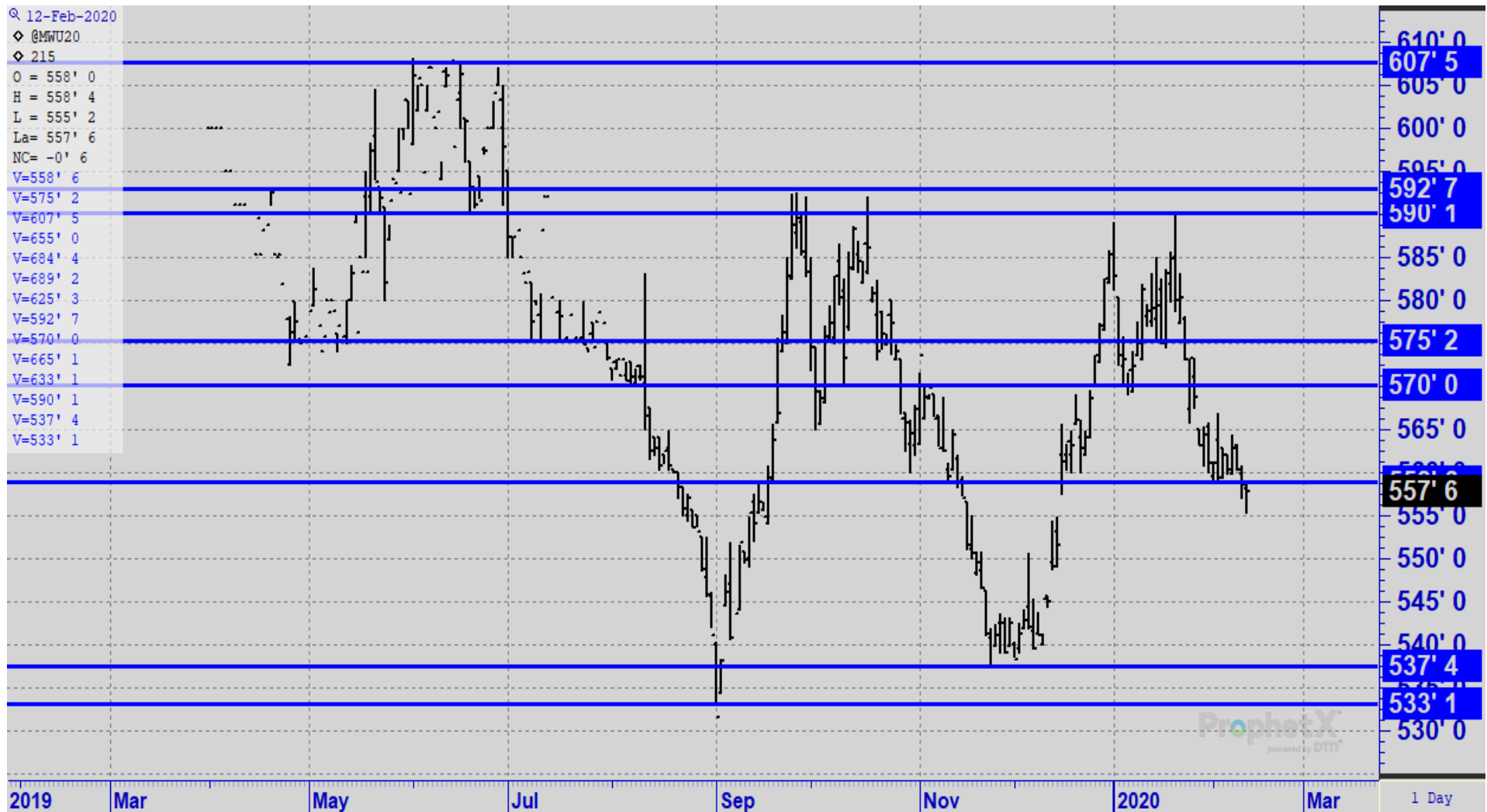
Winter Wheat Seedings Report

Winter Wheat Seedings (million acres)				
	Total Winter	Hard Red Winter	Soft Red Winter	White Winter
Average Trade Estimate	30.664	22.086	5.118	3.490
Highest Trade Estimate	32.180	23.090	5.557	3.600
Lowest Trade Estimate	29.900	21.400	4.600	3.400
USDA 2019 seedings	31.159	22.458	5.201	3.500
USDA 2020 seedings	30.804	21.800	5.640	3.370

March MEGX Spring Wheat Futures



Sep. MEGX Spring Wheat Futures



Questions?

