USDA 2018/19
U.S. Grain and Oilseed Outlook

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USDA World Agricultural Outlook Board

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USDA ECONOMIST

This year the economy will collapse and the world will plunge into darkness.

Please never talk again. I get that a lot lately.
What are the factors shaping 2018/19?
Factors Shaping 2018: Stable Real GDP Growth in Developed Economies

World Bank: Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights
Factors Shaping 2018: Many developing economies out of recent recessions

World Bank: Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights
Factors Shaping 2018:
Large supplies of global grains and oilseeds from 2017

[Bar chart showing world stocks and major exporter stocks of corn, soybeans, and wheat from 2012-13 to 2017-18.]
Factors Shaping 2018:

- Declining U.S. share of global exports
- Strong soybean demand for China
- Slower growth in U.S. ethanol demand
- Weakening U.S. dollar
- La Niña
U.S. Farm Prices Remain Relatively Flat

$/BU

0 2 4 6 8 10 12 14 16


Corn Soybeans Wheat

3.40 4.70 9.25
Illinois new crop delivery soybean-to-corn ratio during February

Note: Midpoint of high and low values for Illinois as reported by AMS in GX_GR113.
*Value for 2018 is average of month to date.
Cotton to corn price ratio
December Futures Contract

More cotton and less corn area in Texas

More corn and less cotton area in Texas
Total 3-crop acreage projected slightly higher

<table>
<thead>
<tr>
<th>Year</th>
<th>Corn</th>
<th>Soybeans</th>
<th>Wheat</th>
<th>3-crop Prevent Plant*</th>
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<td>2010/11</td>
<td>88.2</td>
<td>91.9</td>
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<td>2011/12</td>
<td>91.9</td>
<td>75.0</td>
<td>54.3</td>
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<td>2012/13</td>
<td>97.3</td>
<td>77.2</td>
<td>55.3</td>
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<td>2013/14</td>
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<td>76.8</td>
<td>56.2</td>
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<td>2014/15</td>
<td>90.6</td>
<td>83.3</td>
<td>56.8</td>
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<td>82.7</td>
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<td>2016/17</td>
<td>94.0</td>
<td>83.4</td>
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<td>90.2</td>
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<tr>
<td>2018/19</td>
<td>90</td>
<td>90</td>
<td>46.5</td>
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* Ten-year average prevent plant for 2018/19
U.S. export rank for wheat declines as other countries increase share

- **United States**
- **Russia**
- **European Union**
- **Canada**
- **Australia**
- **Argentina**
Corn Yield

Bu/Ac


Yield
Weather-Adjusted Trend

174.0
U.S. remains top corn exporter but export share declining

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- United States
- Brazil
- Ukraine
- Argentina
- Paraguay
- European Union
- Russia
- India
- China
Area drives global soybean expansion

Growth Rate 2007-2016
Soybean Supply and Use

Supply

Beg. Stocks
Imports

Use

Crush
Seed & Resid.
Exports

<table>
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<tr>
<th>Year</th>
<th>Production</th>
<th>Begin Stocks</th>
<th>Imports</th>
<th>Crush</th>
<th>Seed &amp; Resid.</th>
<th>Exports</th>
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<td>4.320</td>
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<td>1.500</td>
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<tr>
<td>2018/19</td>
<td>4.000</td>
<td>0.600</td>
<td>0.400</td>
<td>3.000</td>
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<td>2.000</td>
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Brazil remains largest soybean exporter but U.S. market share to recover in 2018/19
Thank you!