

GRAIN OUTLOOK

Risk and Profit Conference 2007

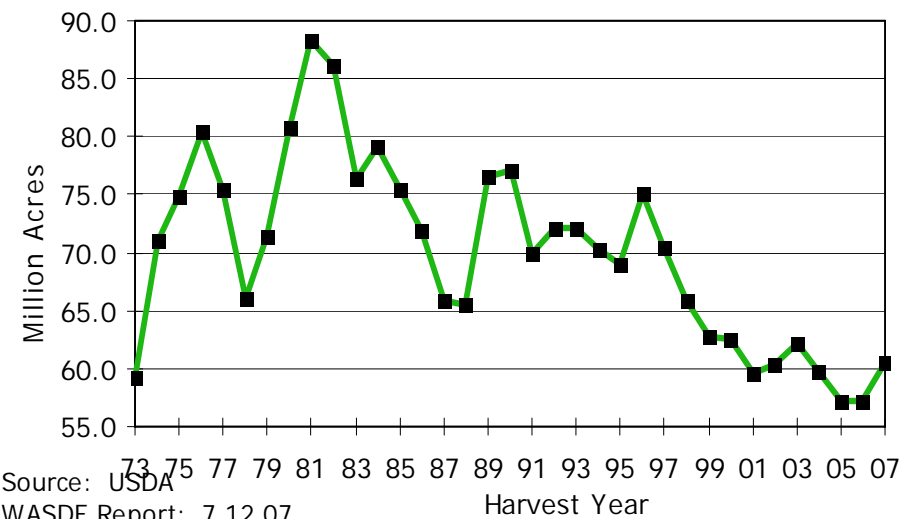
Mike Woolverton
Kansas State University
mikewool@agecon.ksu.edu

WHEAT

PRODUCTION PROJECTIONS, MAJOR WHEAT EXPORTERS, 2006/07 - 2007/08 (MMT)

	<u>2006/07</u>	<u>2007/08</u>
■ EU-27	124.80	124.93
■ United States	49.32	57.53
■ Canada	27.28	21.50
■ Australia	10.50	23.00
■ Argentina	14.20	14.00
Total World Prod.	594.09	610.40
Ending Stocks	121.95	114.78

U.S. Wheat Planted Acreage

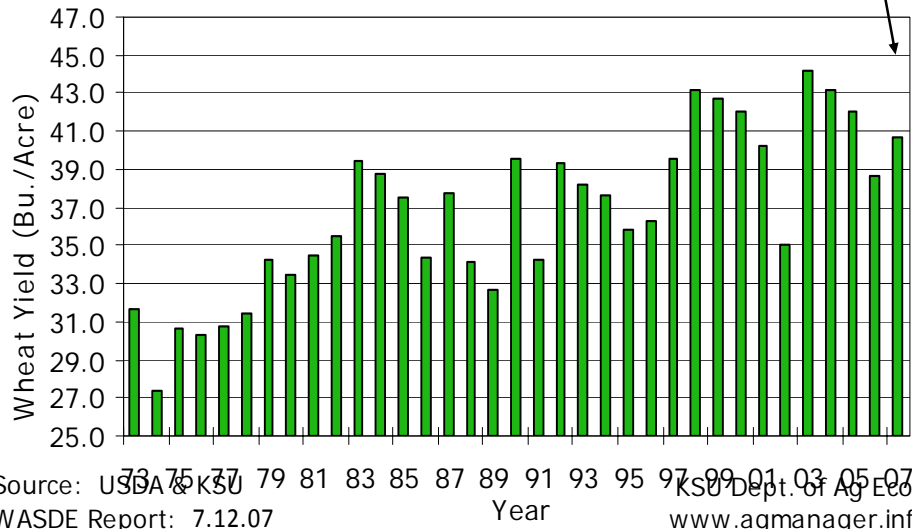


Source: USDA
WASDE Report: 7.12.07

KSU Dept. of Ag Eco
www.agmanager.info

U.S. Wheat Yields

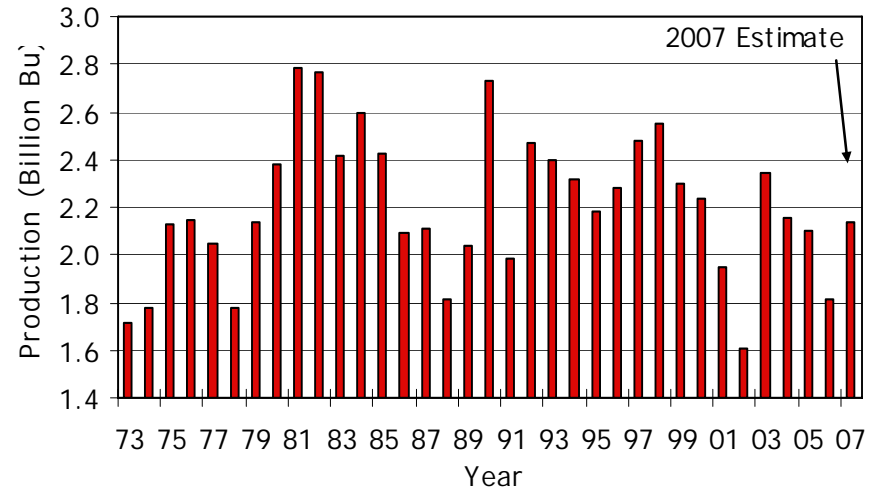
2007 Estimate



Source: USDA & KSU
WASDE Report: 7.12.07
www.agmanager.info

U.S. Wheat Production

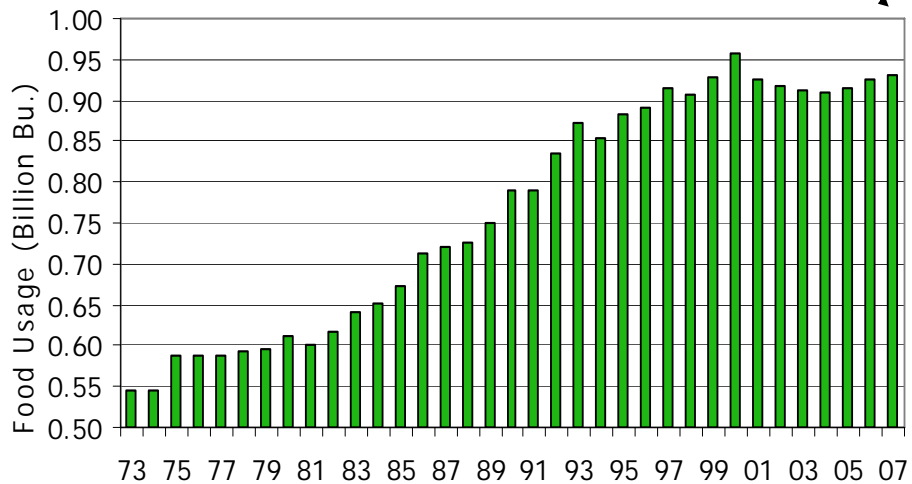
2007 Estimate



Source: USDA
WASDE Report: 7.12.07
KSU Dept. of Ag Econ
www.agmanager.info

U.S. Food Wheat Usage

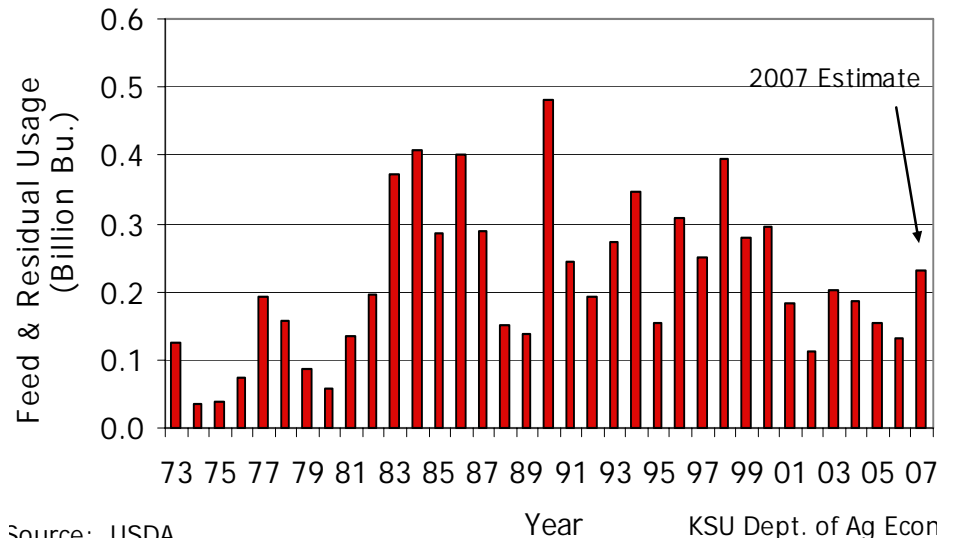
2007 Estimate



Source: USDA
WASDE Report: 7.12.07
KSU Dept. of Ag Econ
www.agmanager.info

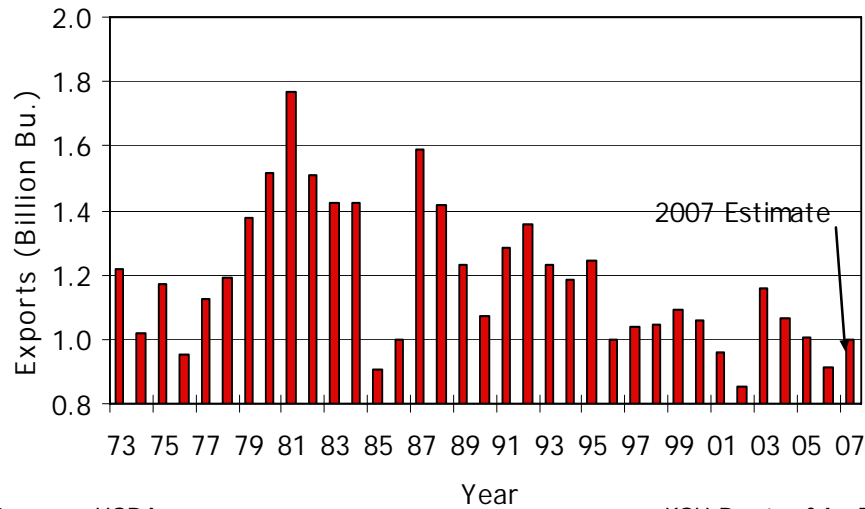
U.S. Feed & Residual Wheat Usage

2007 Estimate



Source: USDA
WASDE Report: 7.12.07
KSU Dept. of Ag Econ
www.agmanager.info

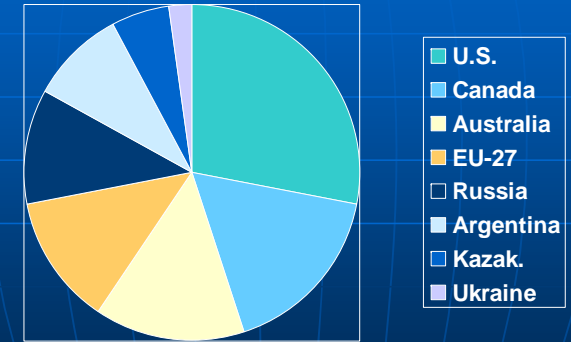
U.S. Wheat Exports



Source: USDA
WASDE Report: 7.12.07

KSU Dept. of Ag Econ
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Share of World Wheat Exports, 2007/08, USDA

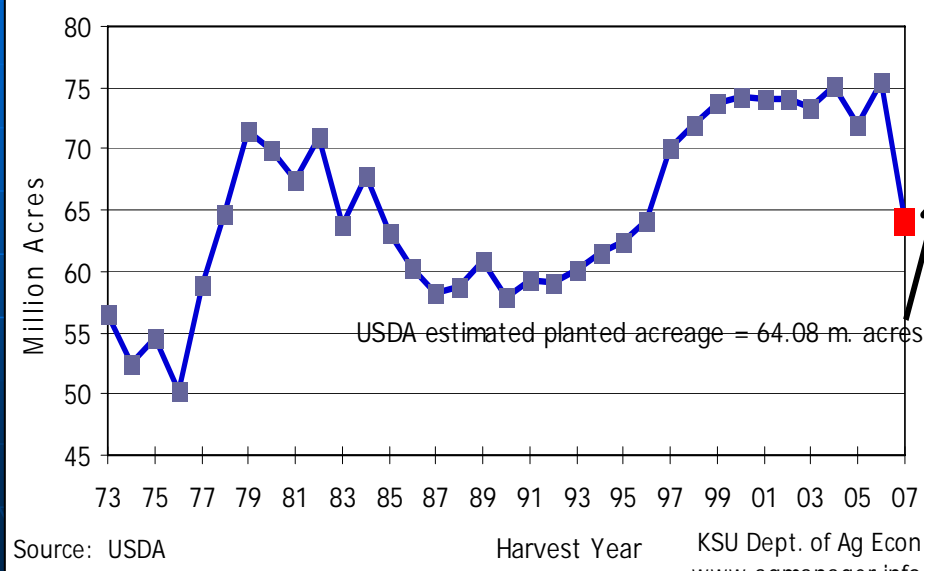


Wheat Balance Sheet

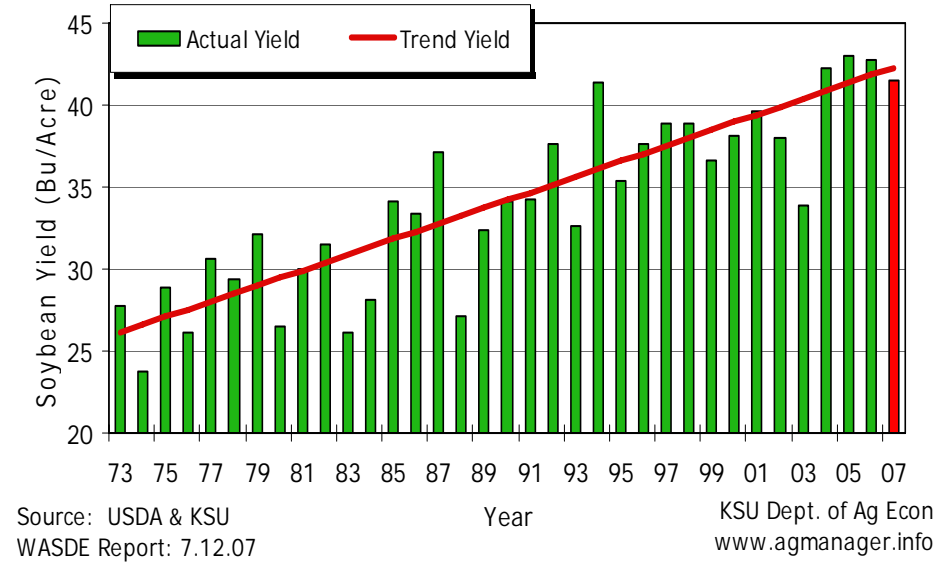
	05-06	06-07	07/08
Plant A. (mil.)	57.2	57.3	60.5
Harvest A. (mil.)	50.1	46.8	52.1
Bu./A.	42.0	38.7	40.6
Production	2,105	1,812	2,114
Imports	82	120	100
Carryover	540	571	456
Total Supply	2,727	2,503	2,670
Utilization:			
Feed and Residual	154	131	180
Food	914	910	930
Seed	78	81	81
Exports	1,009	910	1,075
Total Utilization	2,155	2,048	2,266
Carryover	571 (26%)	456 (22%)	404 (18%)
U.S. Farm Price	\$3.42	\$4.26	\$5.10-5.70

SOYBEANS

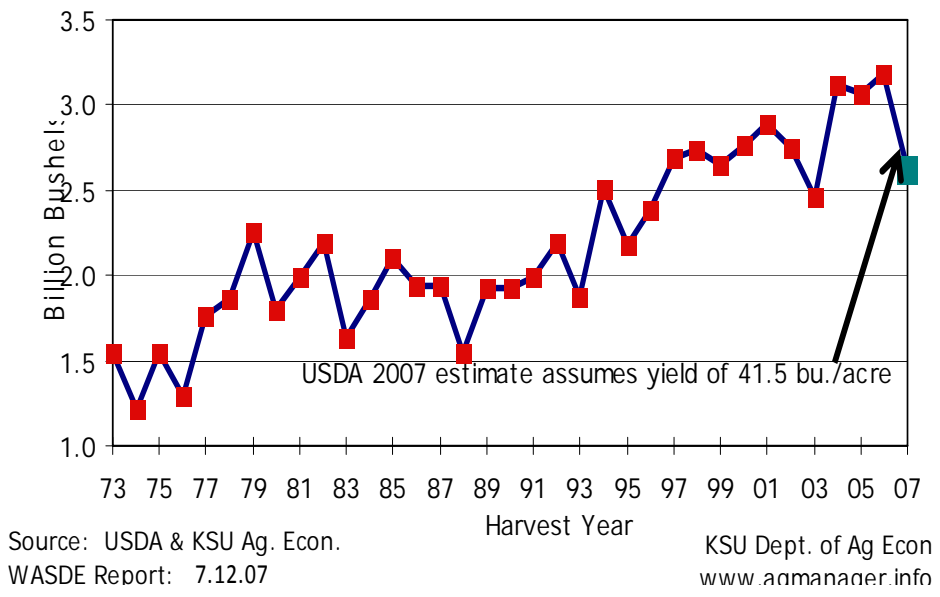
U.S. Soybean Planted Acreage



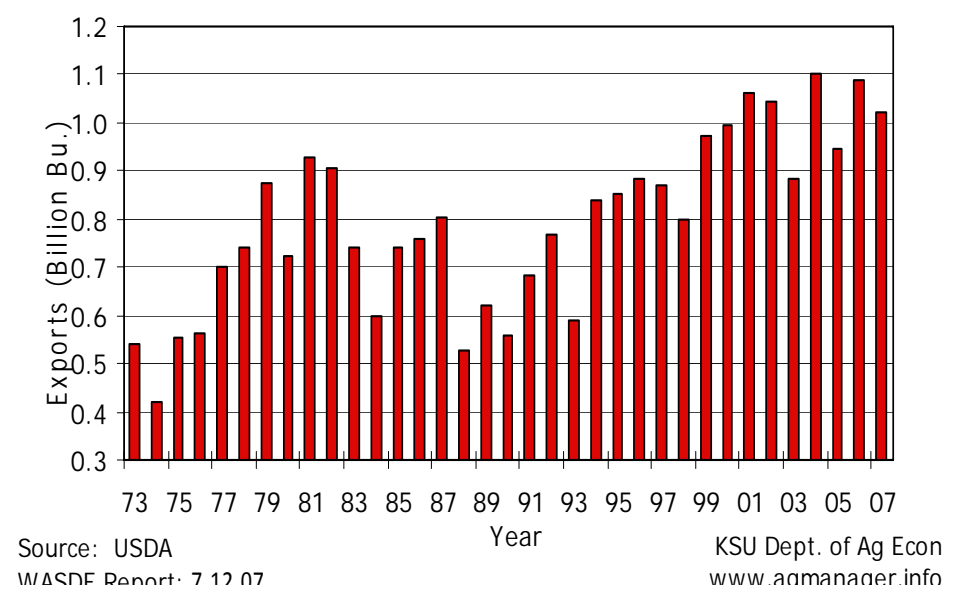
U.S. Soybean Yields



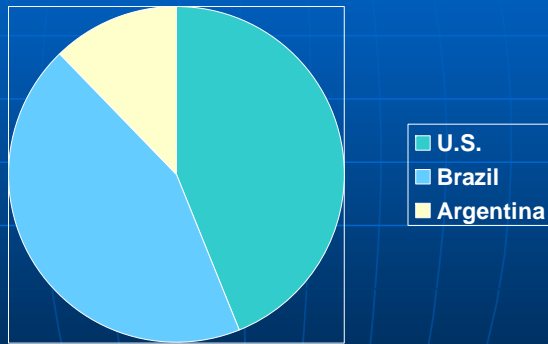
U.S. Soybean Production



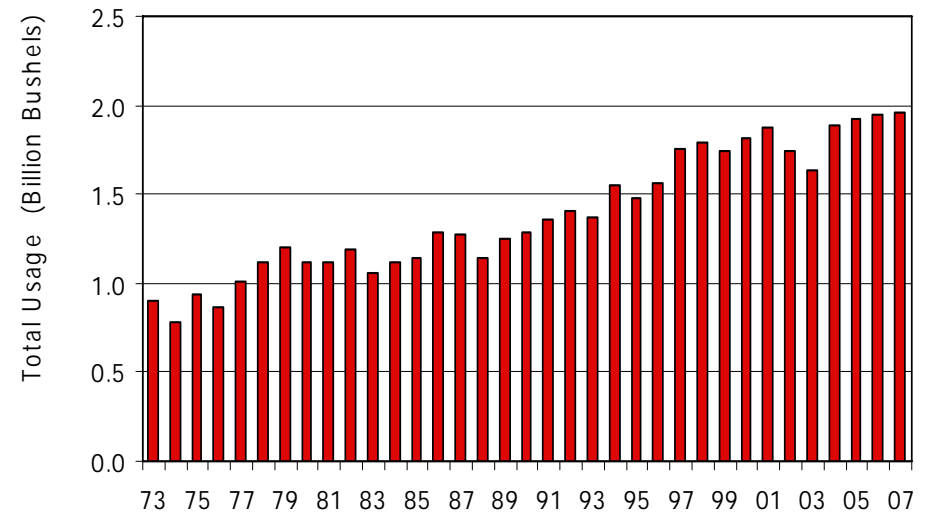
U.S. Soybean Exports



Share of World Soybean Exports, 2007/08, USDA



U.S. Total Soybean Usage

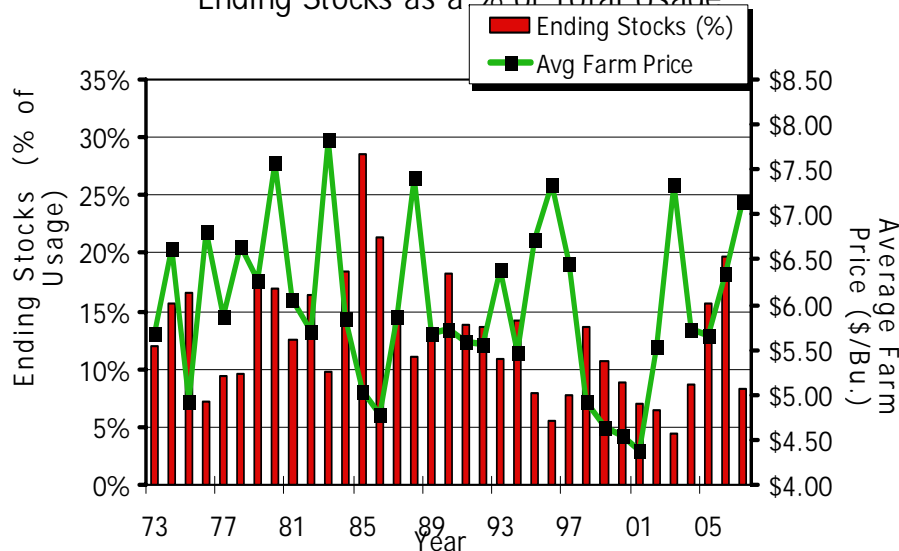


Source: USDA
WASDE Report: 7.12.07

Harvest Year

KSU Dept. of Ag Econ
www.agmanager.info

Soybean Price vs. Ending Stocks



Source: USDA
WASDE Report: 7.12.07

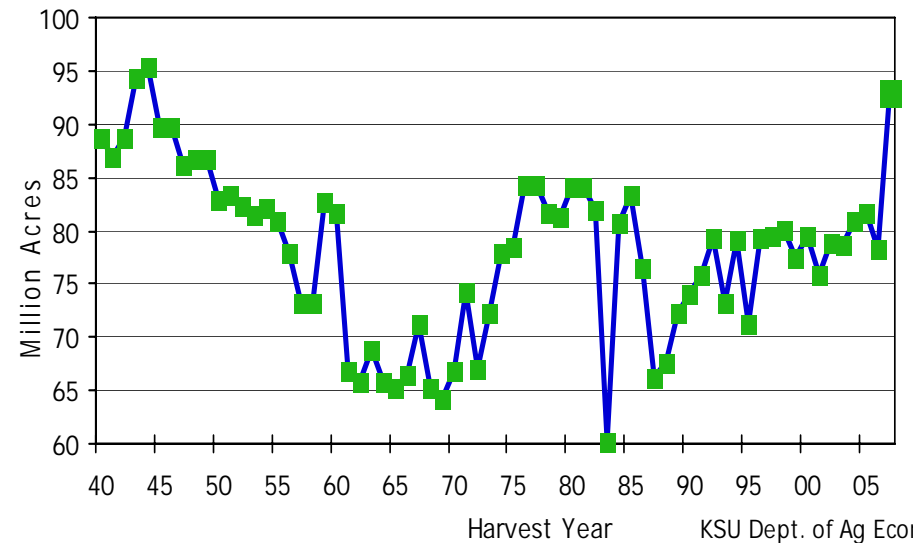
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Soybean Balance Sheet

	05-06	06-07	07/08
Plant A. (mil.)	72.0	75.5	64.1
Harvest A. (mil.)	71.3	74.6	63.3
Bu./A.	43.0	42.7	41.5
Production	3,063	3,188	2,625
Imports	3	4	4
Beginning Carryover	256	449	575
Total Supply	3,322	3,642	3,205
Utilization:			
Crushings	1,739	1,795	1,800
Seed	93	79	85
Exports	947	1,100	1,020
Residual	93	79	79
Total Utilization	2,873	3,066	2,985
Ending Carryover	449 (16%)	575 (20%)	220 (7%)
U.S. Farm Price	\$5.66	\$6.40	\$7.25-8.25

CORN

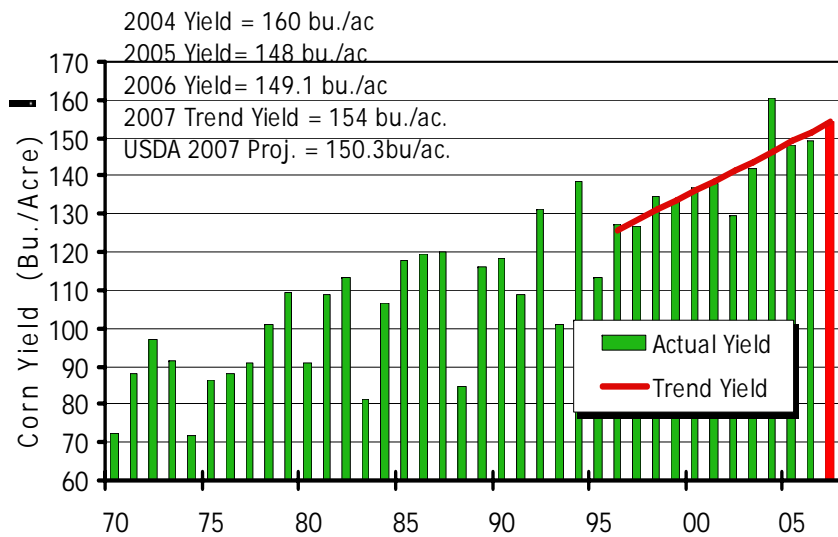
U.S. Corn Planted Acreage



Source: USDA Acreage Report: 6.29.07

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U.S. Corn Yield



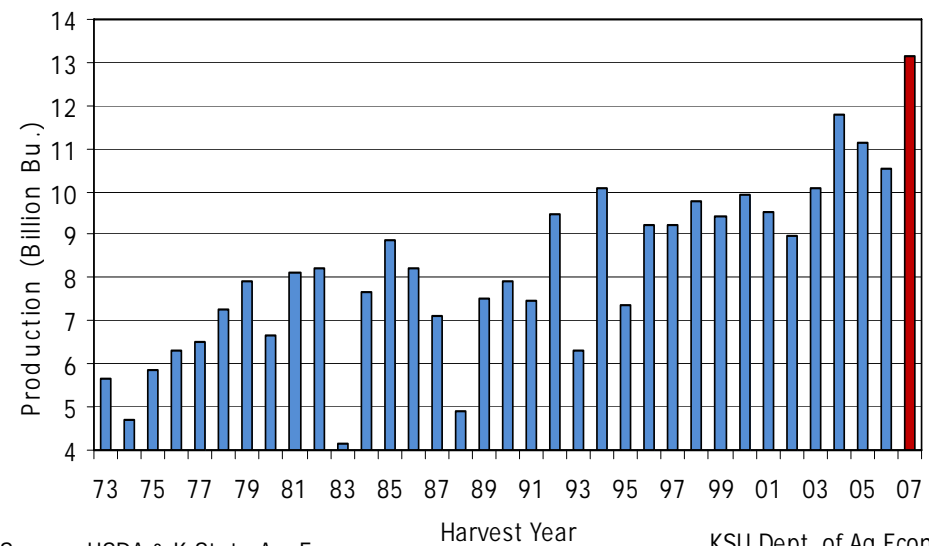
Source: USDA & K-State Ag. Econ.
WASDE Report: 7.12.07

Harvest Year

KSU Dept. of Ag Econ
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Total U.S. Corn Production

K-State estimate assumes trend yield of 154.1 bu/acre →

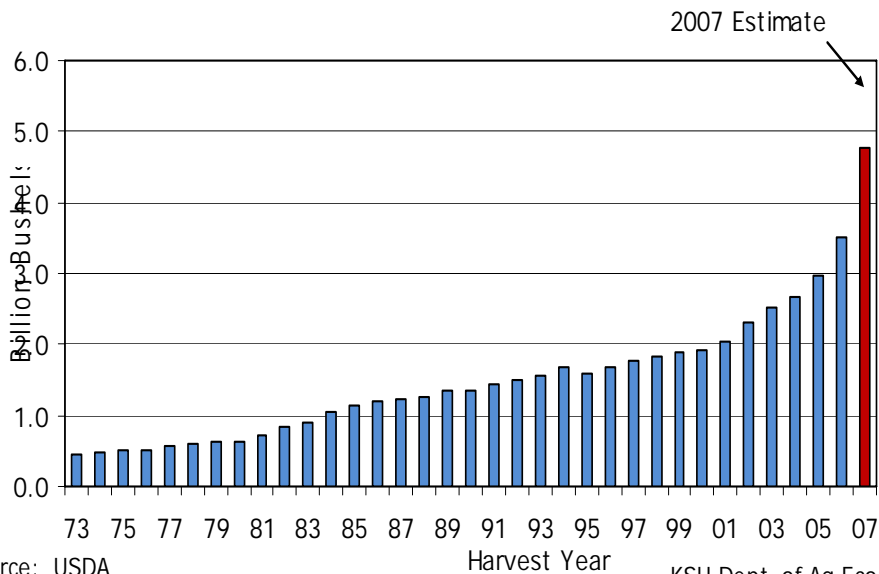


Source: USDA & K-State Ag. Econ.
WASDE Report: 7.12.07

Harvest Year

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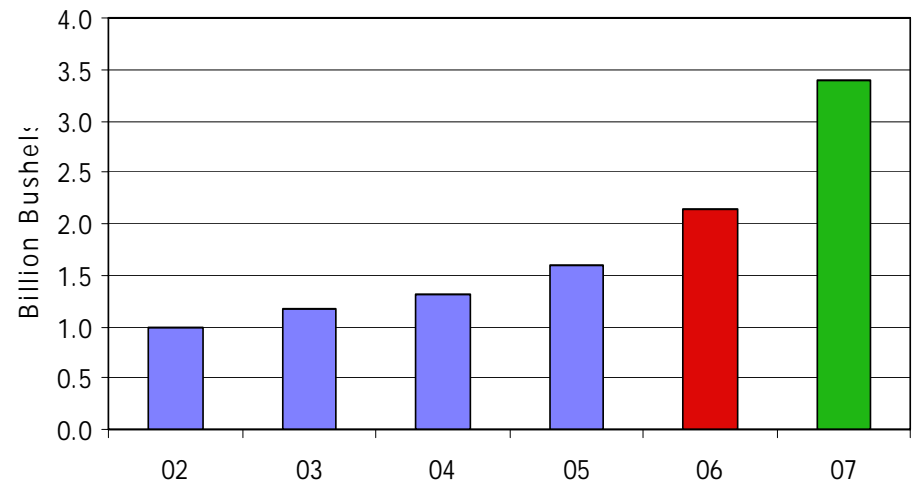
Food, Alcohol, & Industrial Corn Usage



Source: USDA
WASDE Report: 7.12.07

KSU Dept. of Ag Econ
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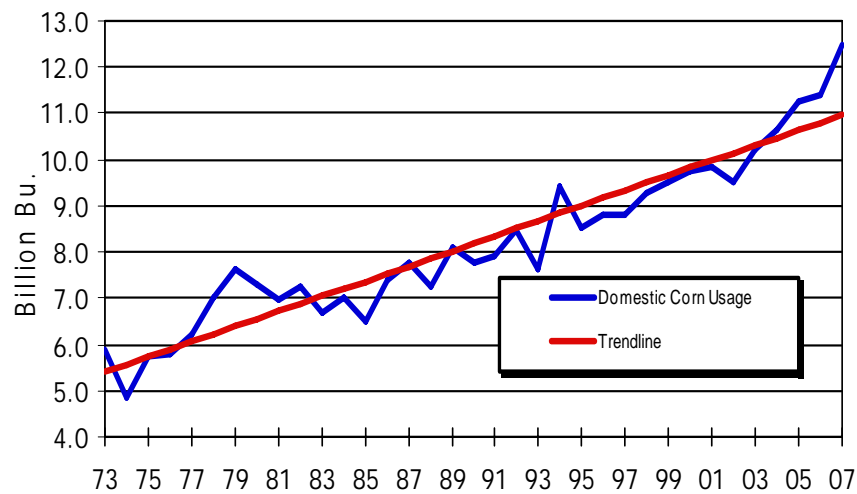
Corn Used for Ethanol



Source: USDA
WASDE Report: 7.12.07

KSU Dept. of Ag Econ
www.agmanager.info

U.S. Total Corn Usage



Source: USDA
WASDE Report: 7.12.07

KSU Dept. of Ag Econ
www.agmanager.info

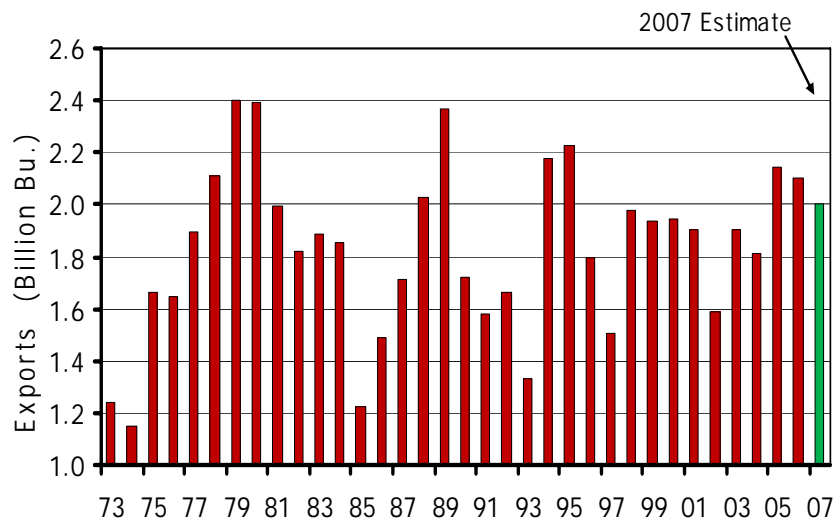
Corn Usage Estimates (Millions of Bushels)

	USDA/WASDE 2006/07	USDA/WASDE 2007/08 est.
Feed and Residual	5,750	5,750 ¹ (---)
Food, Seed, and Industrial	1,375	1,390 ² (+1%)
Ethanol for Fuel	2,150	3,400 (+58%)
Exports	2,100	2,150 (+2%)
Ending Stocks	1,137	1,516
Total Usage	12,512	14,206 (+14%)

¹ Assumes DDGS retain 30% of the feed value of corn and are included in the feed and residual category by the USDA.

² Industrial, food, and seed less ethanol.

U.S. Corn Exports



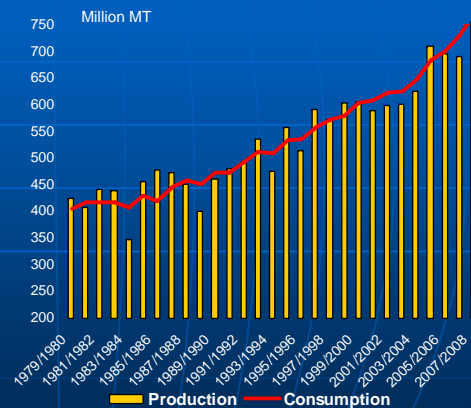
Source: USDA
WASDE Report: 7.12.07

Harvest Year

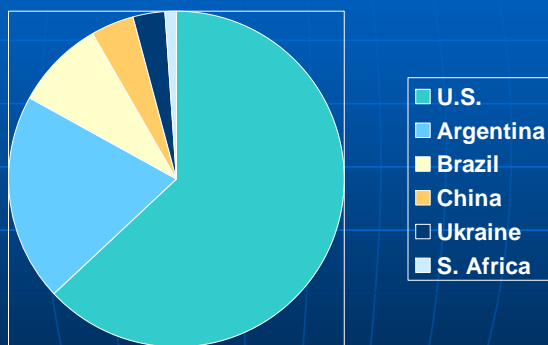
KSU Dept. of Ag Econ
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World Corn Production and Consumption

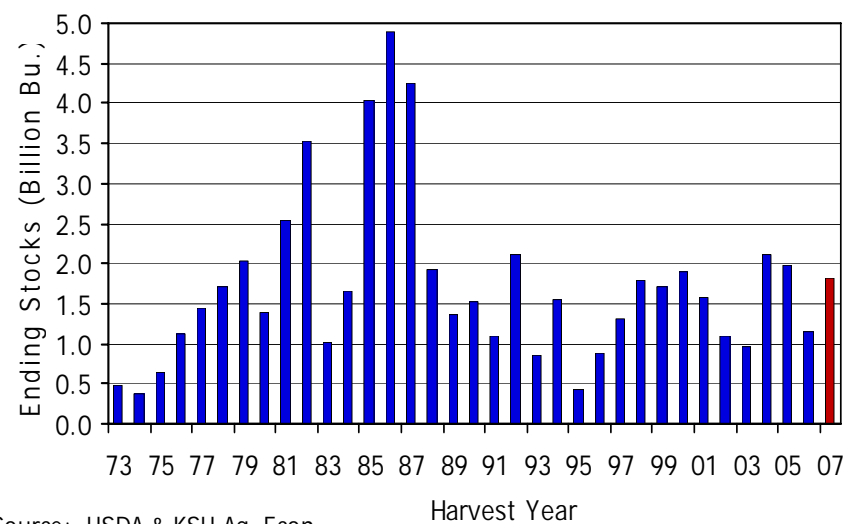
- Global production up 10% from 2006/07.
- Production will be 2 MMT (79 mil. Bu.) greater than consumption.
- Ending stocks forecast to increase slightly from last year to 13 % of usage.



Share of World Corn Exports, 2007/08, USDA



U.S. Corn Ending Stocks



Source: USDA & KSU Ag. Econ.
WASDE Reports: 7.12.07

Harvest Year

KSU Dept. of Ag Econ
www.agmanager.int

Corn Balance Sheet

	05-06	06-07	07/08
Plant A. (mil.)	81.8	78.3	92.9
Harvest A. (mil.)	75.1	70.6	85.4
Bu./A.	148.0	149.1	152.8
Production	11,114	10,535	13,054
Imports	9	10	15
Beginning Carryover	2,114	1,967	1,137
Total Supply	13,237	12,512	14,206
Utilization:			
Feed and Residual	6,141	5,750	5,750
Food, seed, industrial	2,981	3,525	4,790
Ethanol for fuel	1,603 (14%)	2,150 (20%)	3,400 (26%)
Exports	2,147	2,100	2,150
Total Utilization	11,270	11,375	12,690
Ending Carryover	1,967 (17%)	1,137 (10%)	1,516 (12%)
U.S. Farm Price	\$2.00	\$3.00	\$2.80-3.40

GRAIN SORGHUM

Sorghum Balance Sheet

	05-06	06-07	07-08
Plant A. (mil.)	6.5	6.5	7.8
Harvest A. (mil.)	5.7	4.9	6.7
Bu./A.	68.5	56.2	70.9
Production	393	278	475
Imports	0	0	0
Beginning Carryover	57	66	38
Total Supply	450	343	513
Utilization:			
Feed and Residual	140	110	180
Food, seed, industrial	50	45	65
Exports	195	150	200
Total Utilization	384	305	445
Ending Carryover	66 (17%)	38 (16%)	68 (15%)
U.S. Farm Price	\$1.86	\$3.30	\$2.46-\$3.20

Land in Crops

(Millions of acres)

	5_yr. Ave.	07/08USDA	Need 08/09
Corn	79.6	92.9	98.3 (+6%)
Soybeans	74.2	64.1	67.0 (4.5%)
Hay	62.4	61.8	
Wheat	59.5	60.5	
Cotton	14.1	11.1	
Grain Sorghum	8.1	7.8	
Principle Crops	322.0	320.1	
CRP		35.9	

Total crop land in the United States – 441.6 million acres

Grain Marketing Considerations

- Wheat – Global Shortage of Quality Milling Wheat
- Corn/G.S. – Increased Acres and Dry Conditions in Portions of the Corn Belt
- Soybeans – Reduced Acres and August Growing Conditions

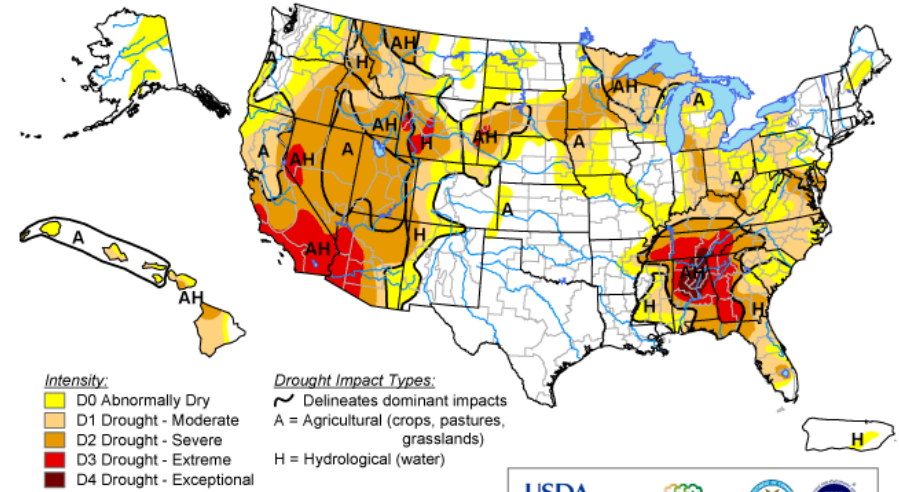
Factors to Watch:

- Southern Hemisphere Situation
- Battle for Acres
- Ethanol Price

U.S. Drought Monitor

July 31, 2007

Valid 8 a.m. EDT



Intensity:

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

Drought Impact Types:

- ~ Delineates dominant impacts
- A = Agricultural (crops, pastures, grasslands)
- H = Hydrological (water)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://drought.unl.edu/dm>



Released Thursday, August 2, 2007

Author: Brian Fuchs, National Drought Mitigation Center