



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM

Institute of Ag Professionals

Proceedings of the

2015 Crop Pest Management Shortcourse &

Minnesota Crop Production Retailers Association Trade Show

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GRAIN MARKET OUTLOOK FOR 2016

(WELCOME TO A BEAR MARKET)

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Book link www.cffm.umn.edu/simple/

Corn & Soybean Digest Columnist <http://cornandsoybeandigest.com>

Quiz Time!

**Was that the second
Golden Age of American Agriculture?**

The Golden Age of American Agriculture

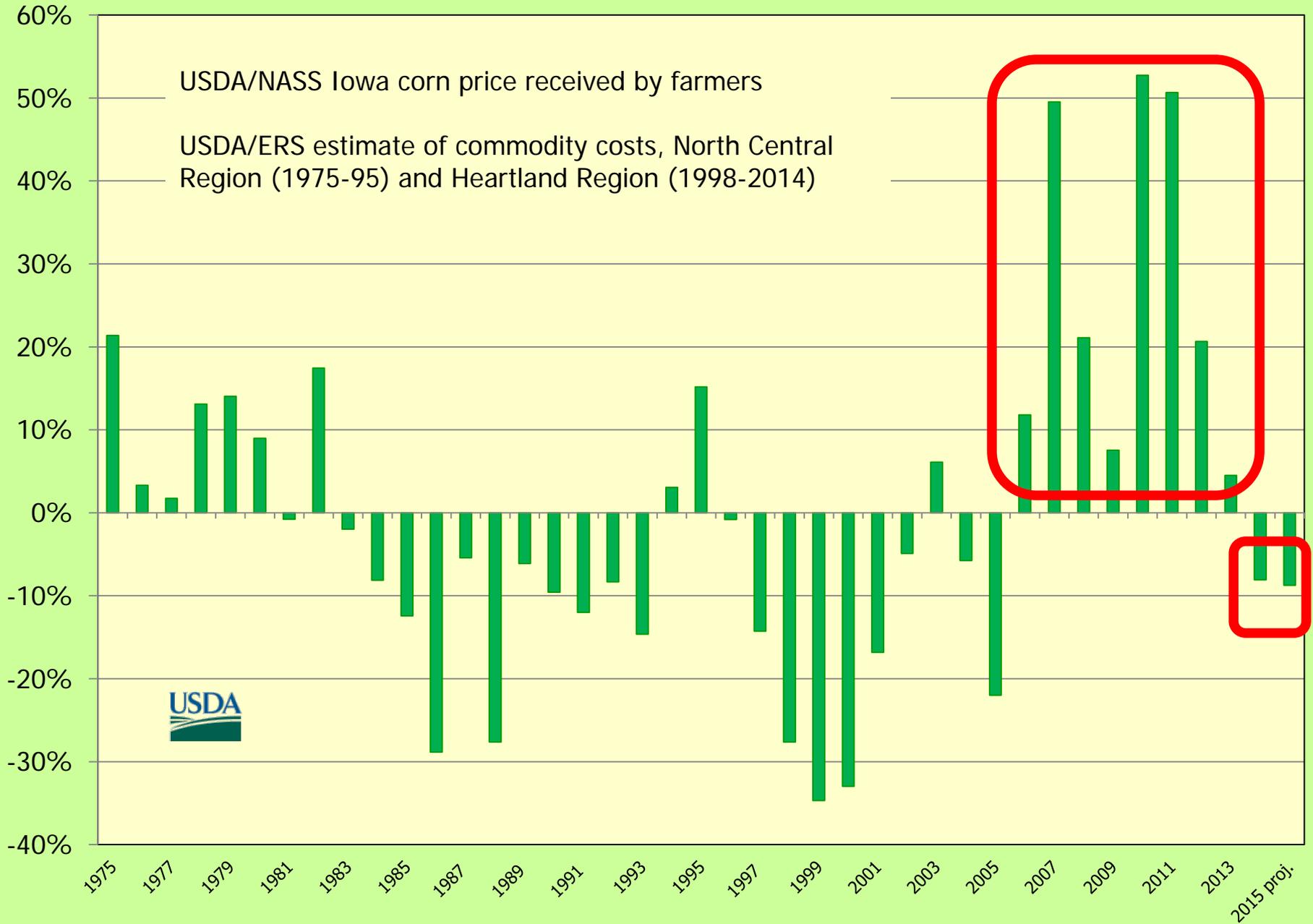


Anna and Lars Hilden, circa 1918

About the first Golden Age...

- the decade leading up to and during World War I
- “average gross income of farms more than doubled, and the value of these farms more than tripled”
- 1910-1914 became benchmark years for calculating “parity” (price and profit levels on par with the Golden Age)

Iowa corn prices relative to production costs, 1975-2015

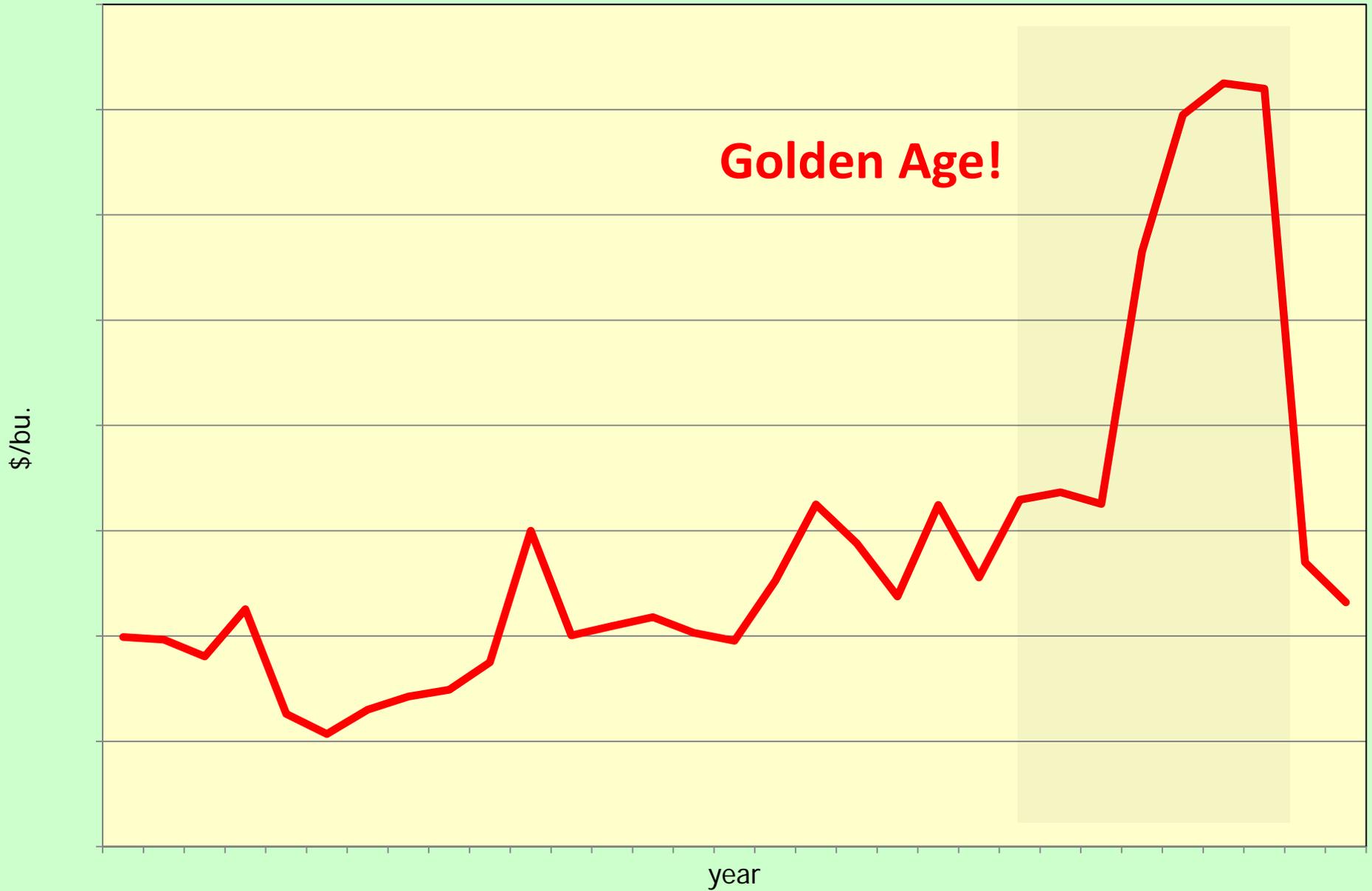


Quiz Time!

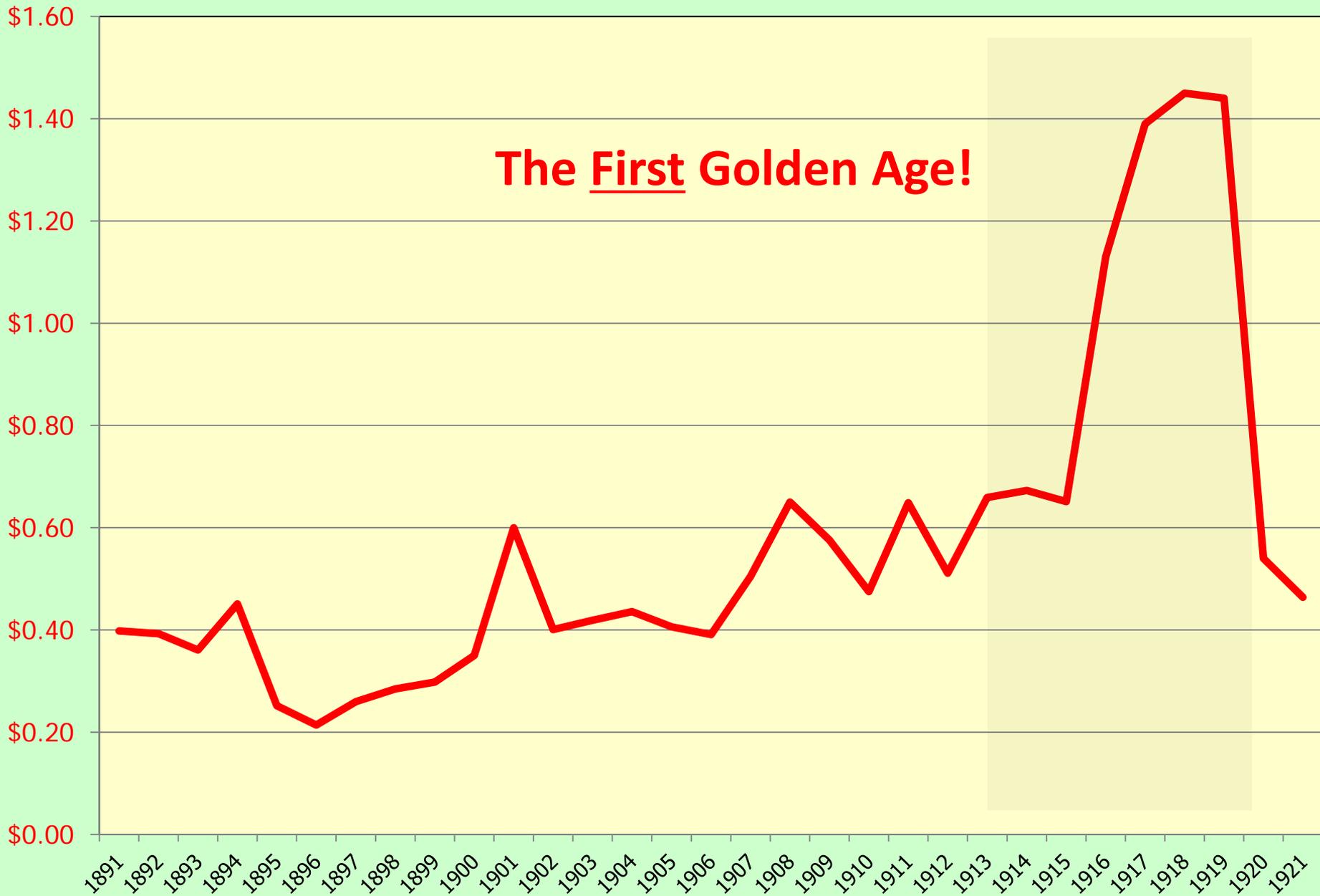
**Can we see the
Second Golden Age of American Agriculture
in the price of corn?**



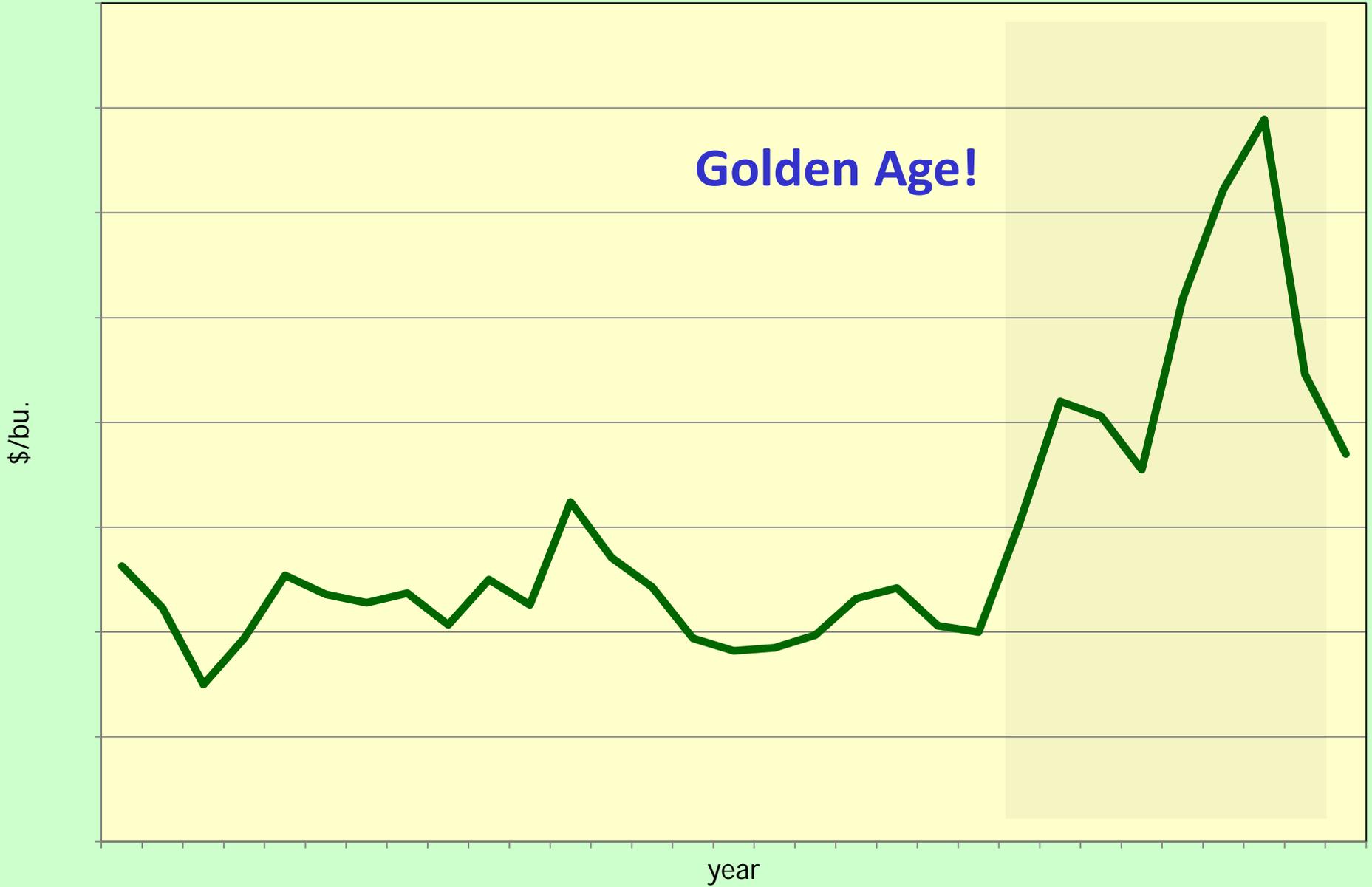
U.S. Corn Prices Received by Farmers



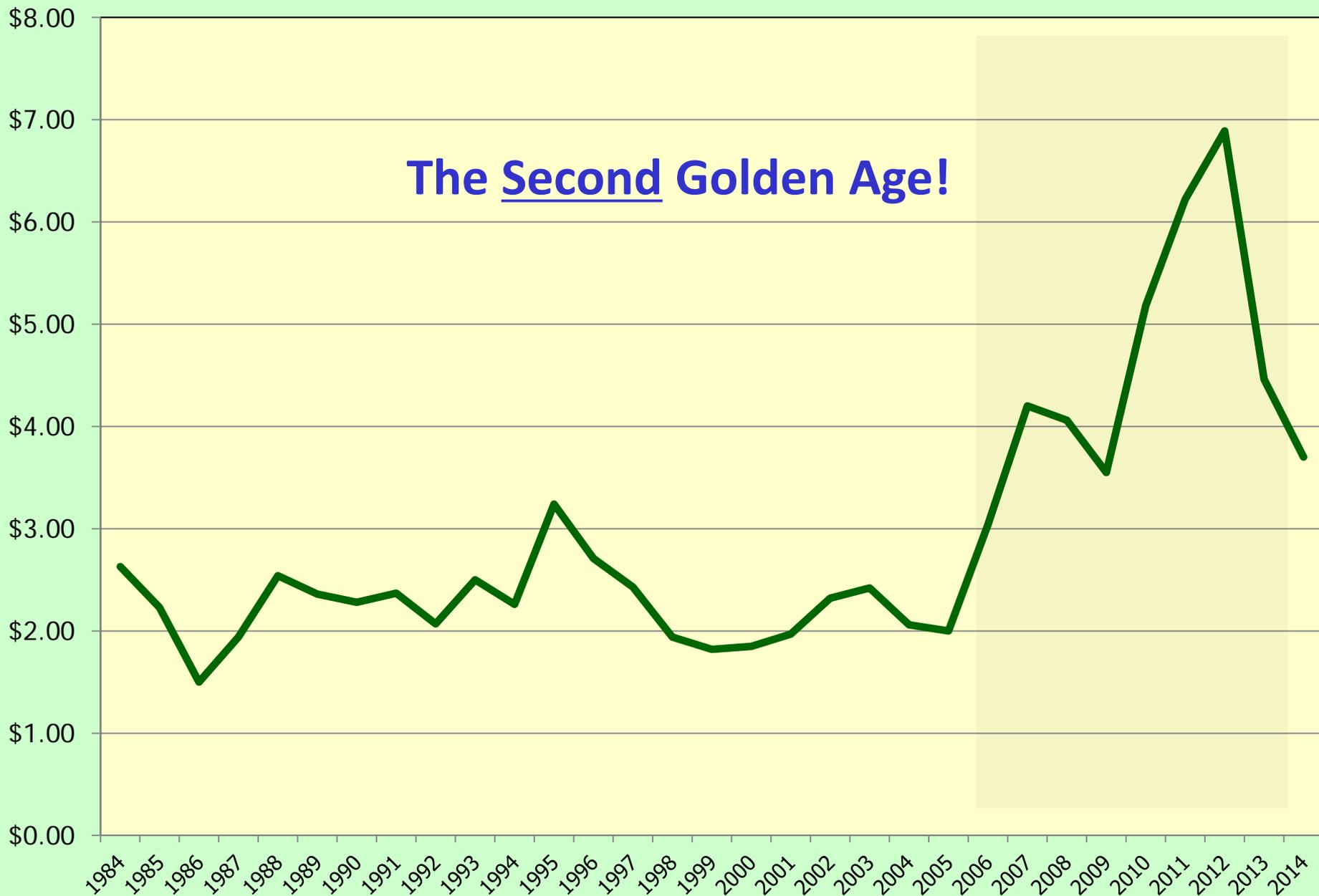
U.S. Corn Prices Received by Farmers, 1891-1921



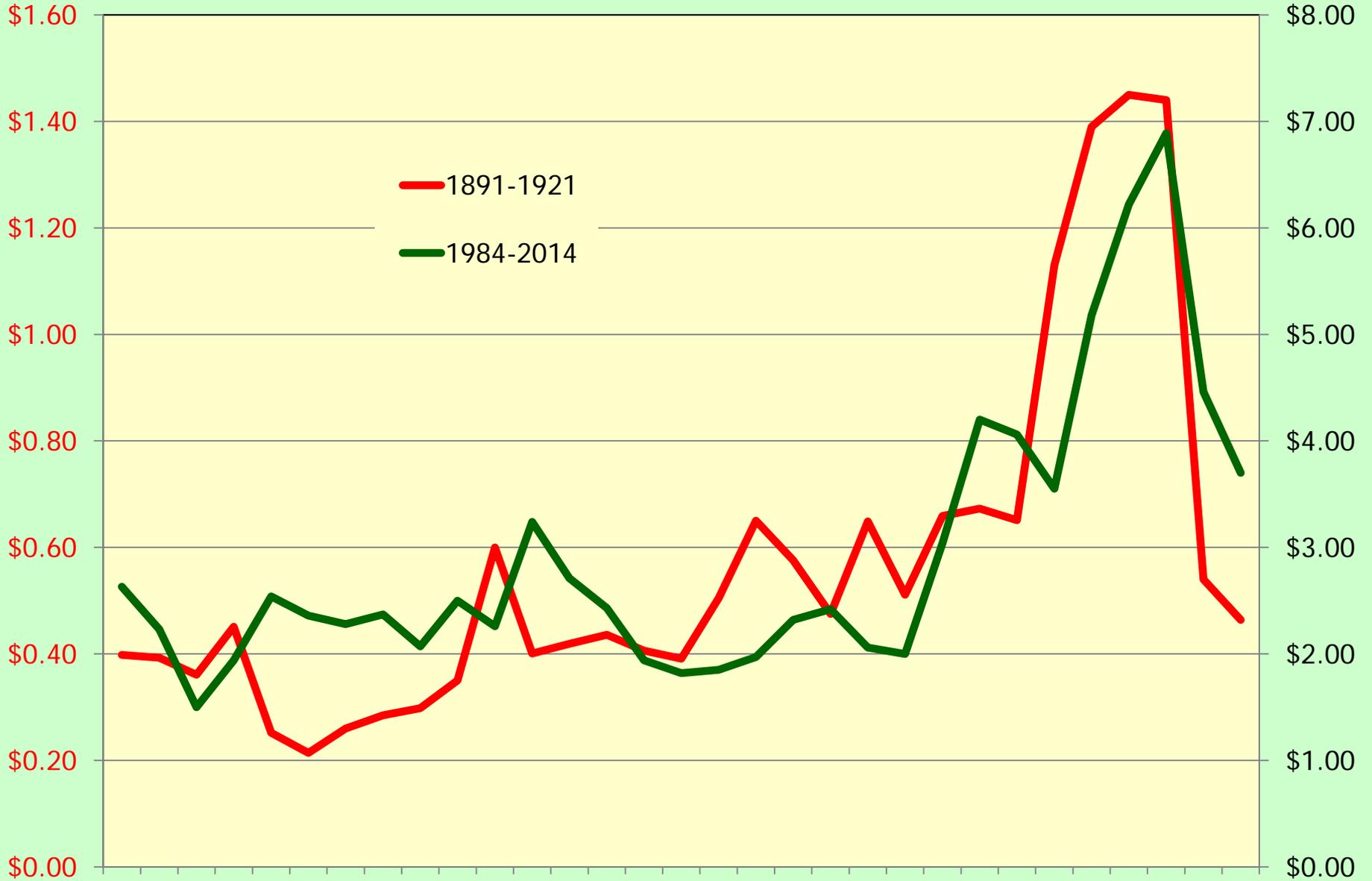
U.S. Corn Prices Received by Farmers



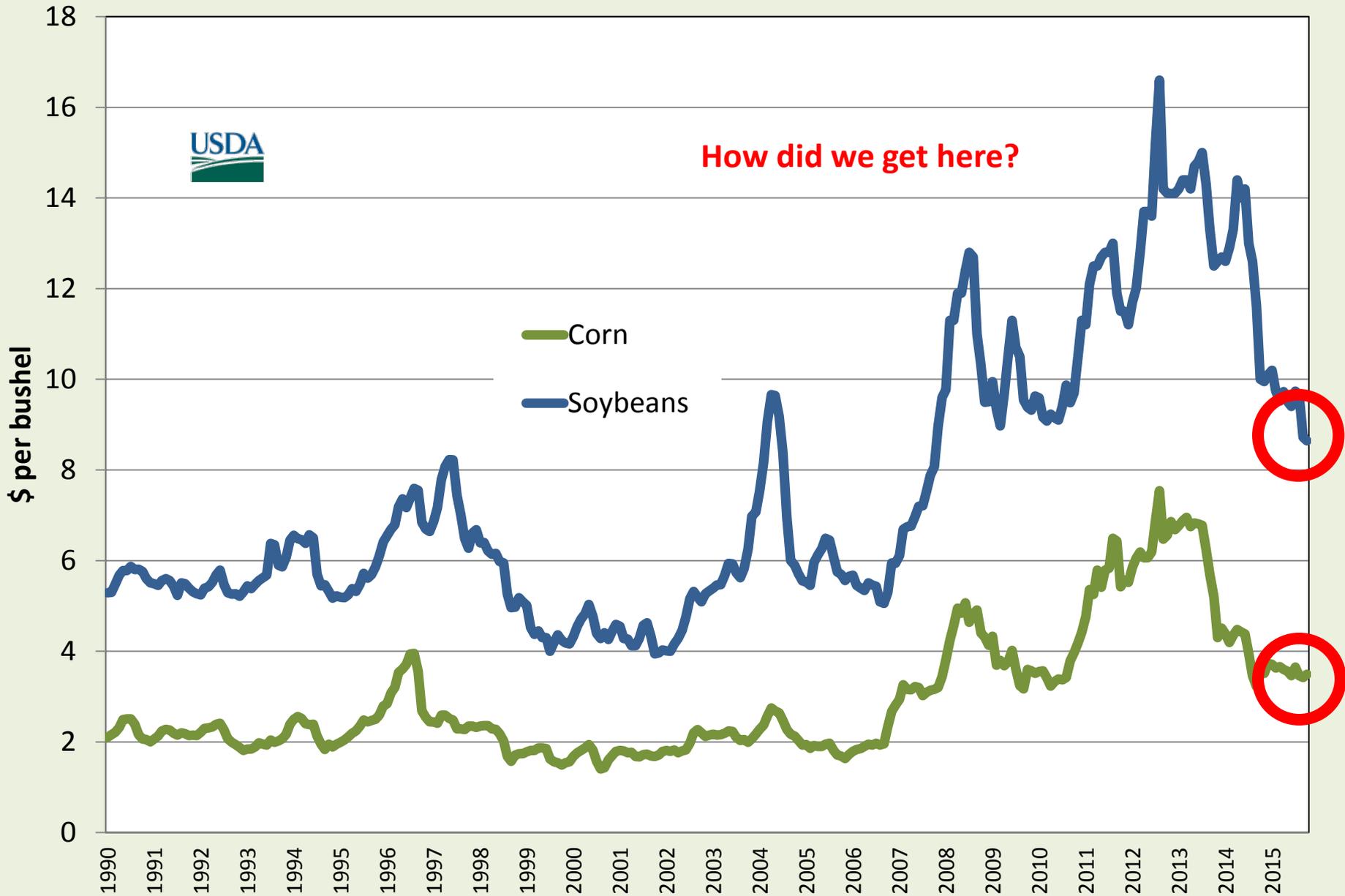
U.S. Corn Prices Received by Farmers, 1984-2014



U.S. Corn Prices Received by Farmers

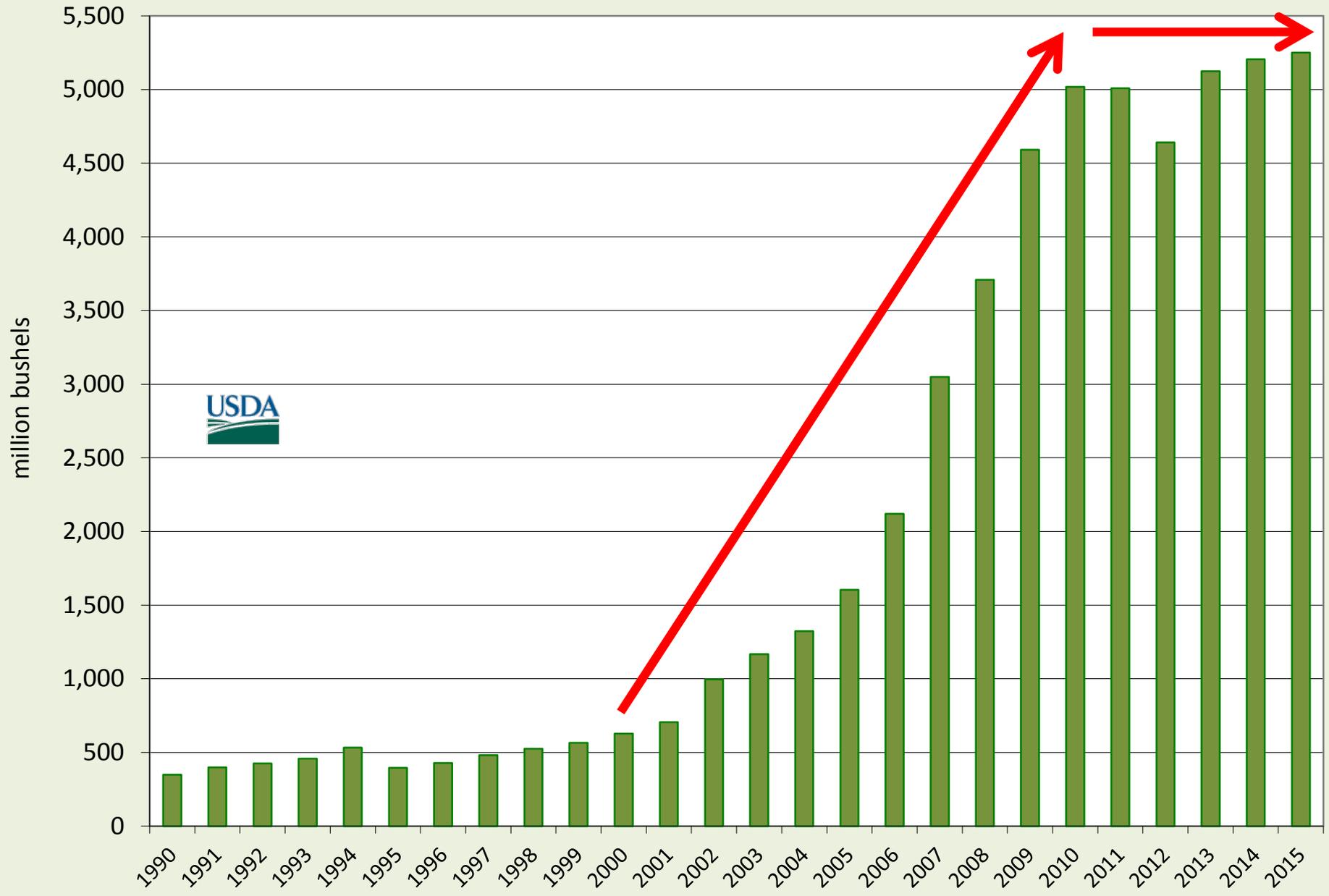


Minnesota Prices Received by Farmers, 1990-2015

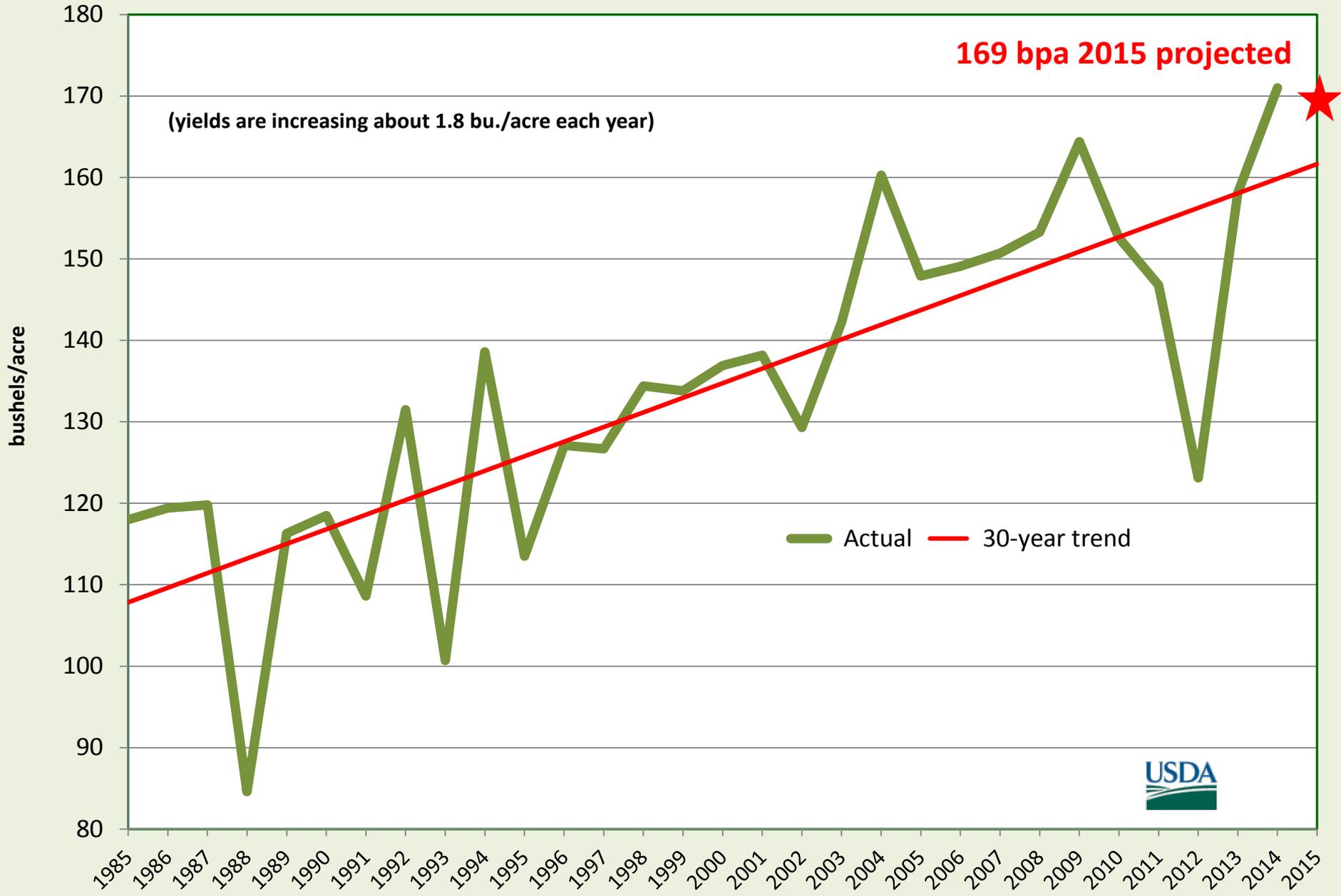


Corn Supply and Demand

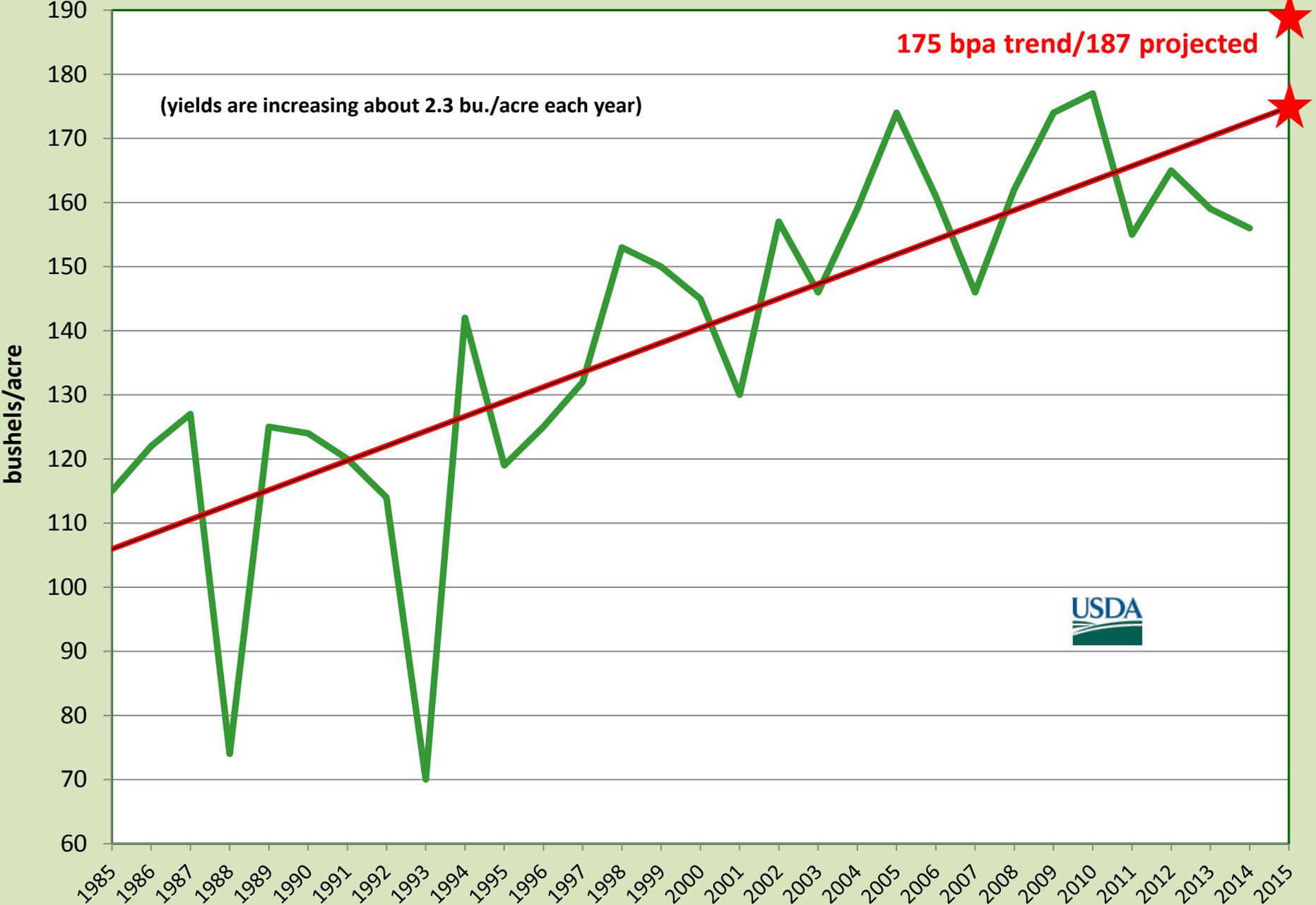
U.S. Corn Used in Ethanol Production, 1990-2015 Crop Years



U.S. Corn Yields, 1985-2015



Minnesota Corn Yields, 1985-2015

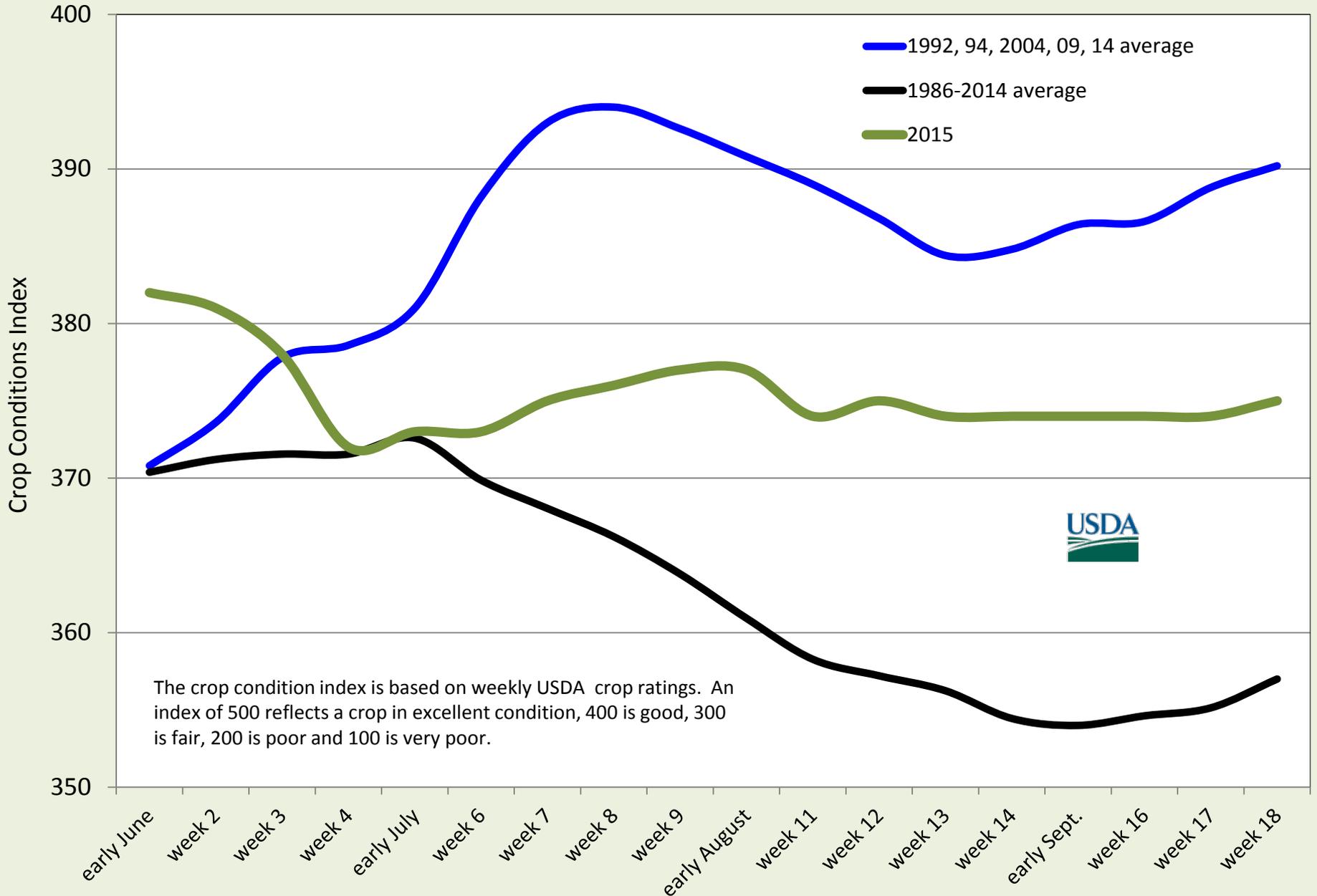


Quiz Time!

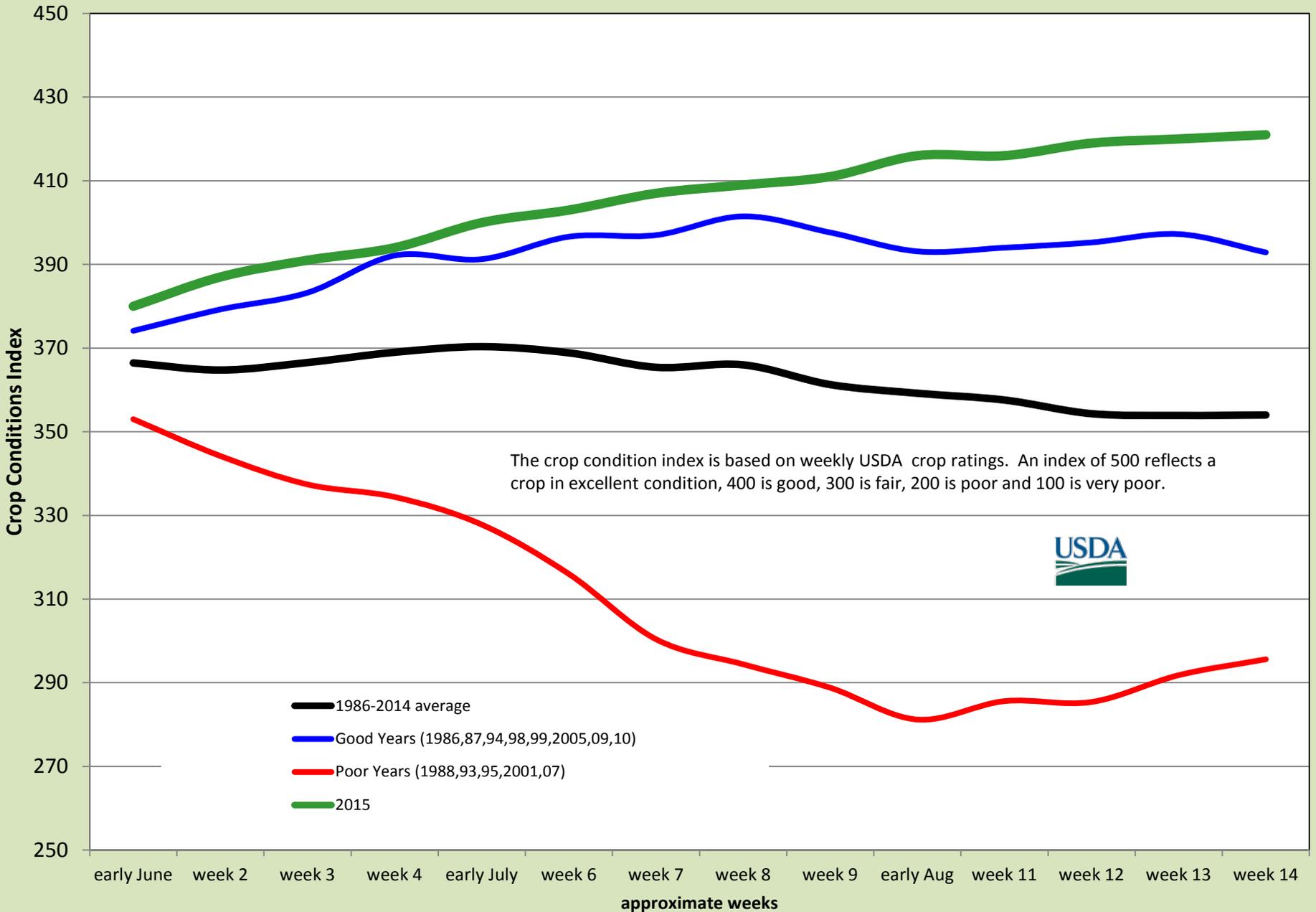
Has any state ever averaged 200 bu./acre or more in corn yields?

Yes! Illinois in 2014

U.S. Corn Crop Conditions, 2000-2015

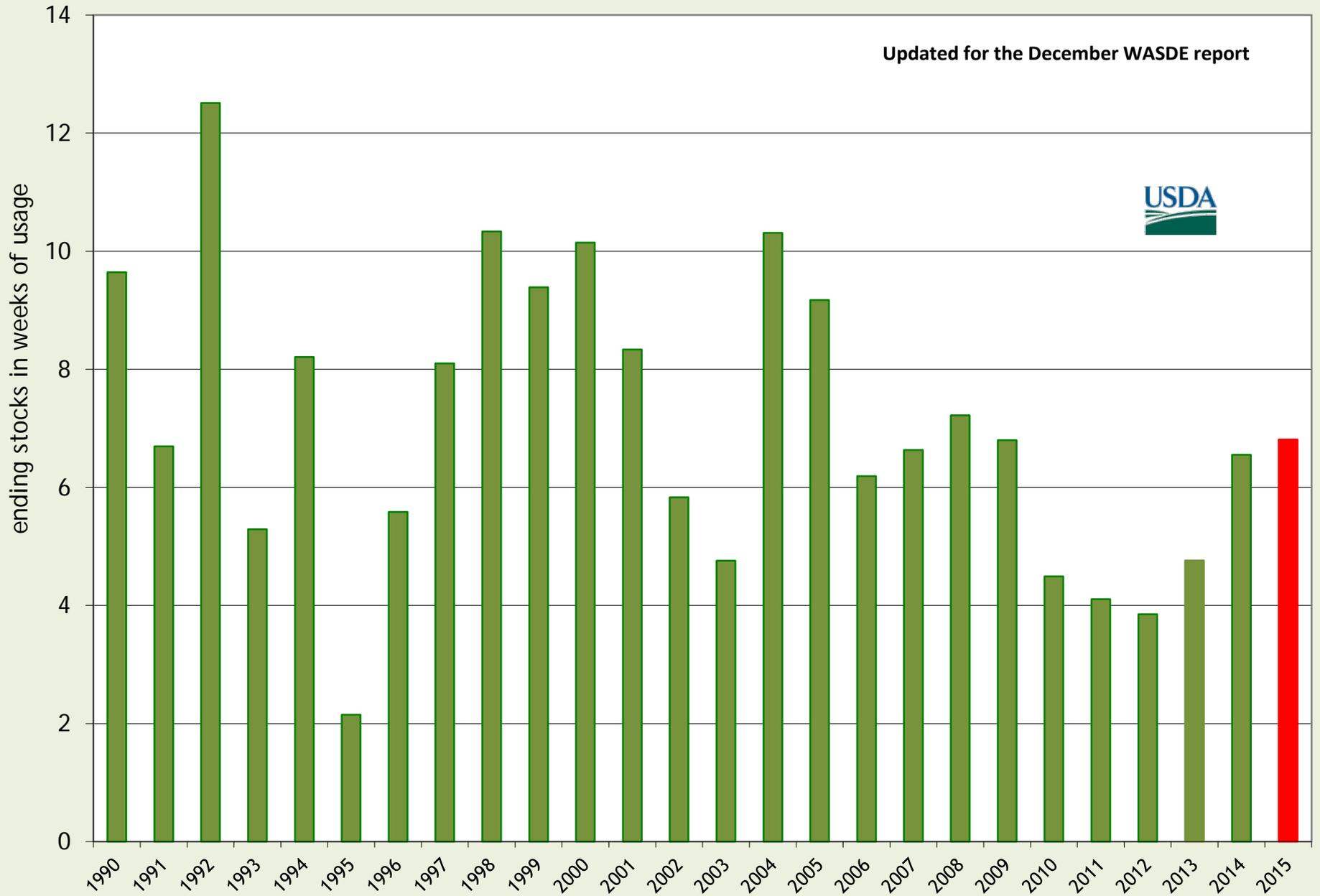


Minnesota Corn Crop Conditions, 1986-2015

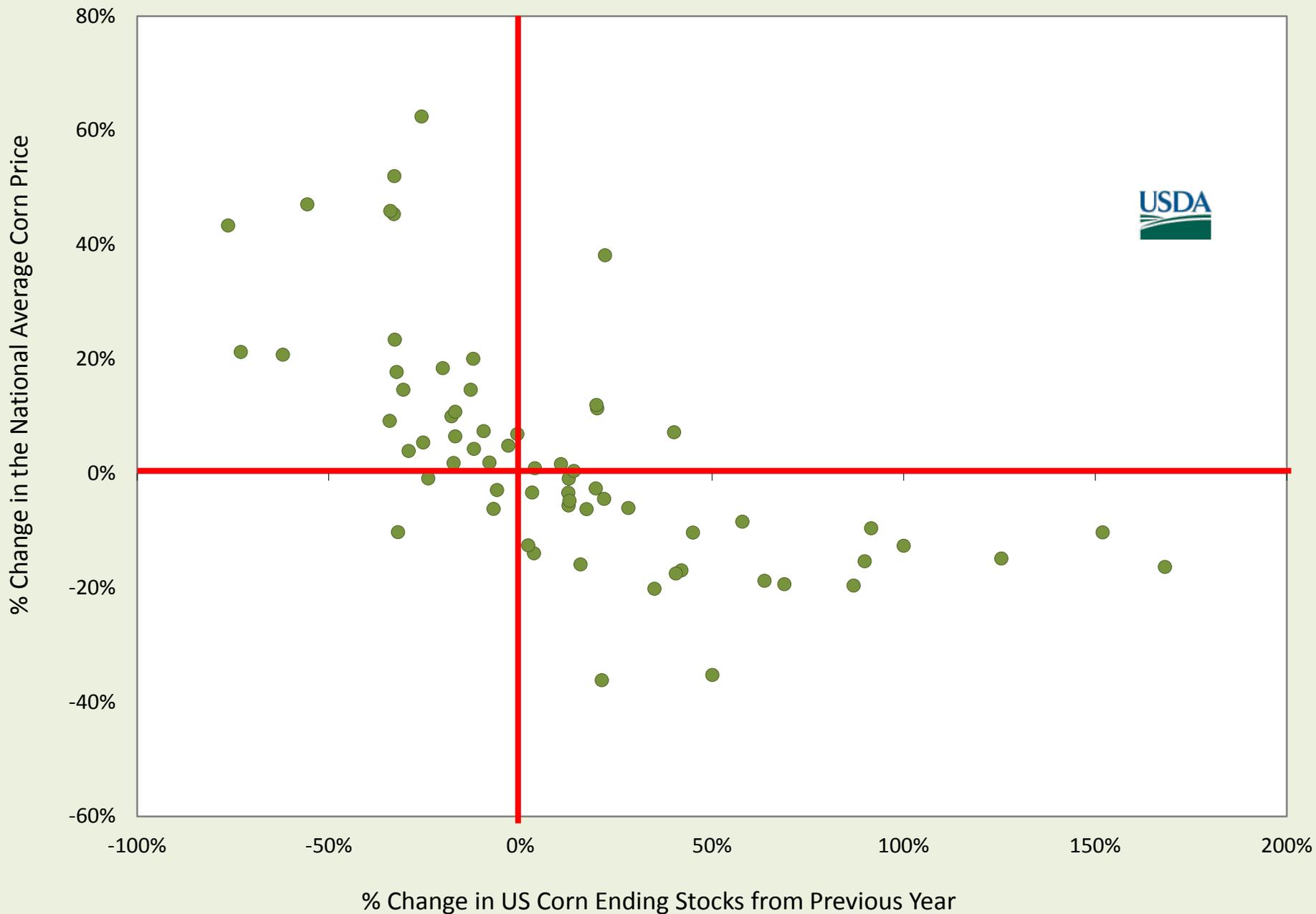


U.S. Corn Ending Stocks, 1990-2015 Crop Years

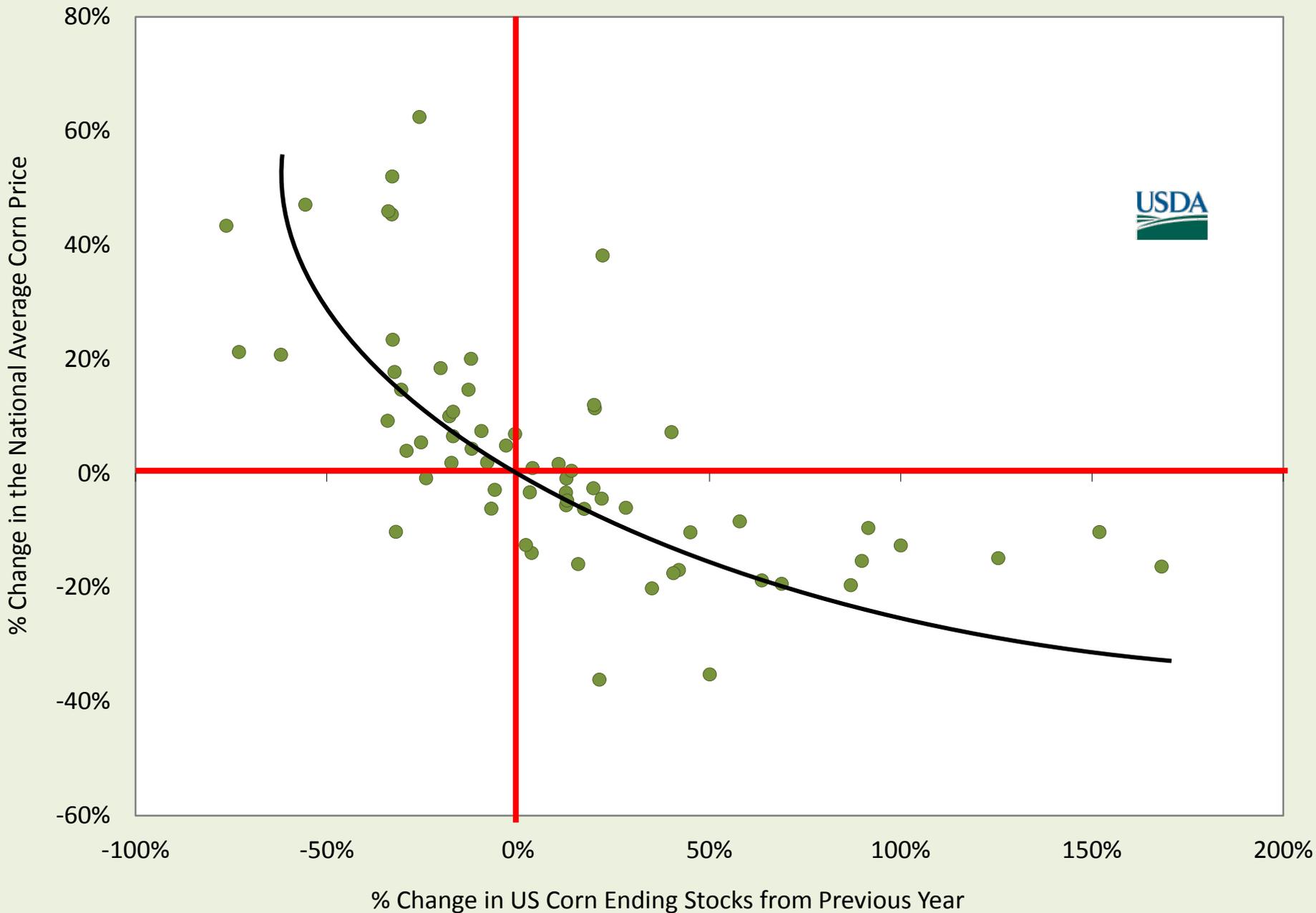
Updated for the December WASDE report



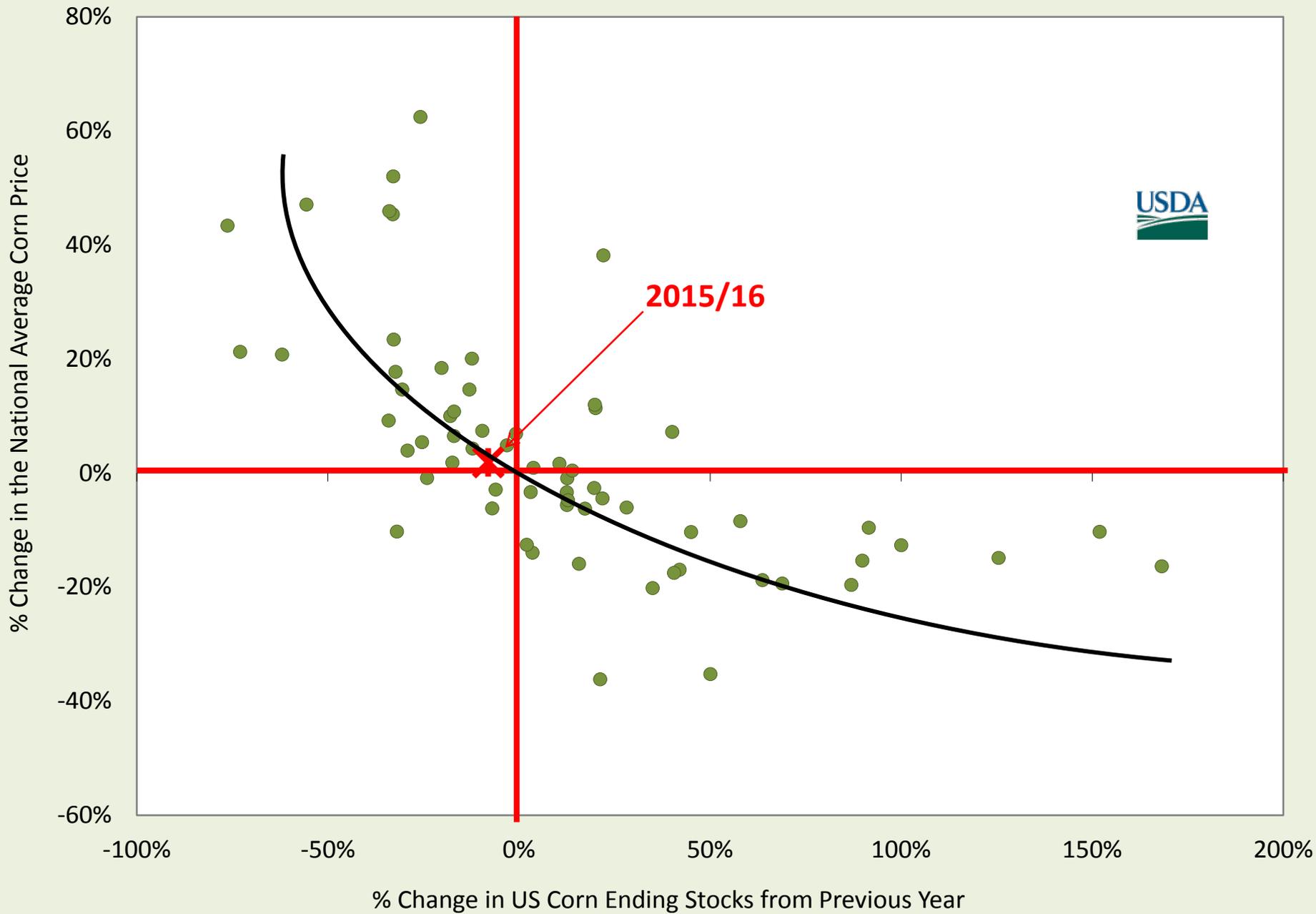
Changes in Ending Stocks Drive Changes in Corn Prices, 1951-2015



Changes in Ending Stocks Drive Changes in Corn Prices, 1951-2015



Changes in Ending Stocks Drive Changes in Corn Prices, 1951-2015



Quiz Time!

Do you have a girlfriend?



Twilight Festival
Columbia, MO
September 14, 2006



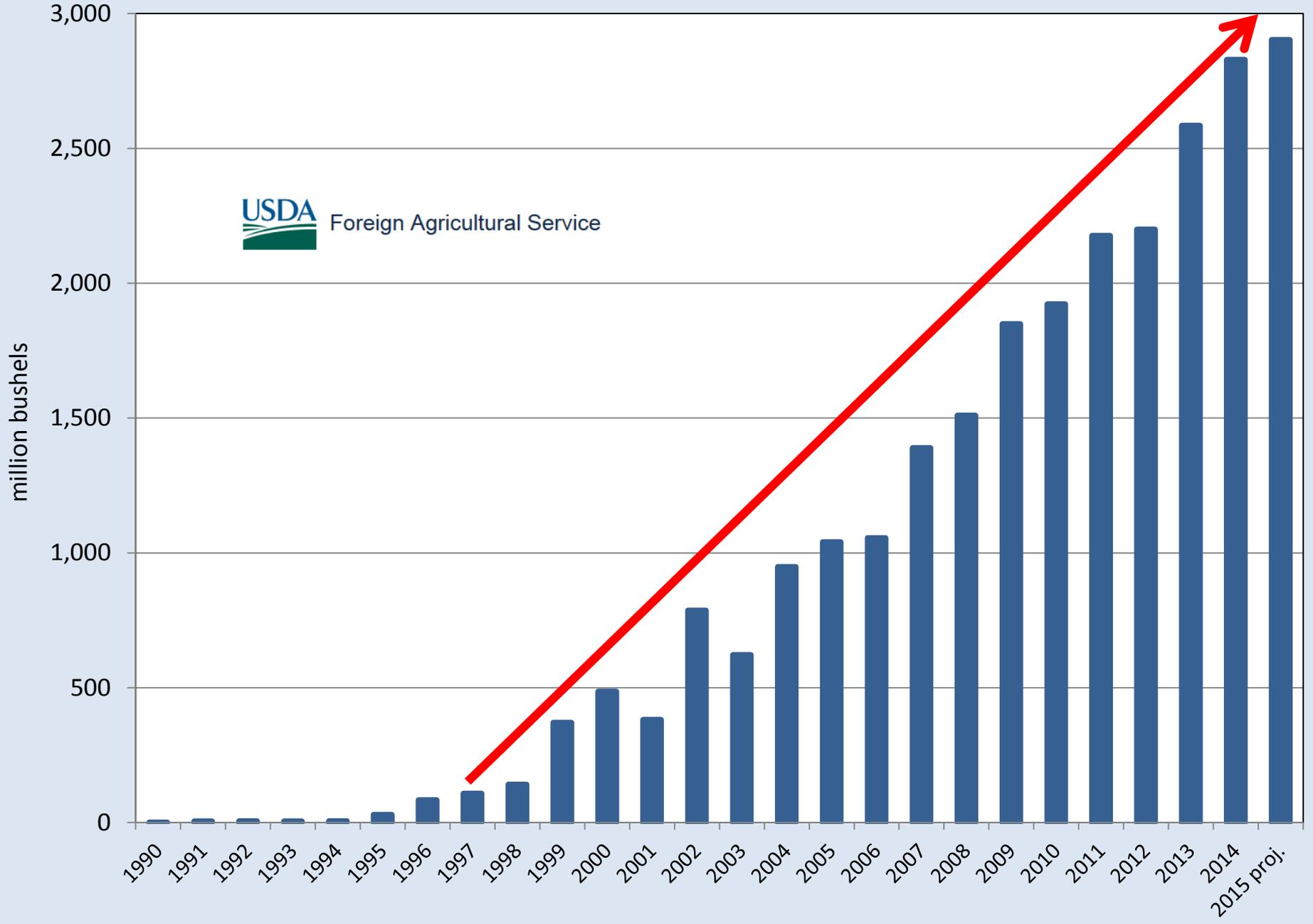
The last run!
Apple Valley, MN
October 28, 2010



Ed and McKenna
(aka Little Mac)
October 13, 2015

Soybean Supply and Demand

Chinese Soybean Imports, 1990-2015

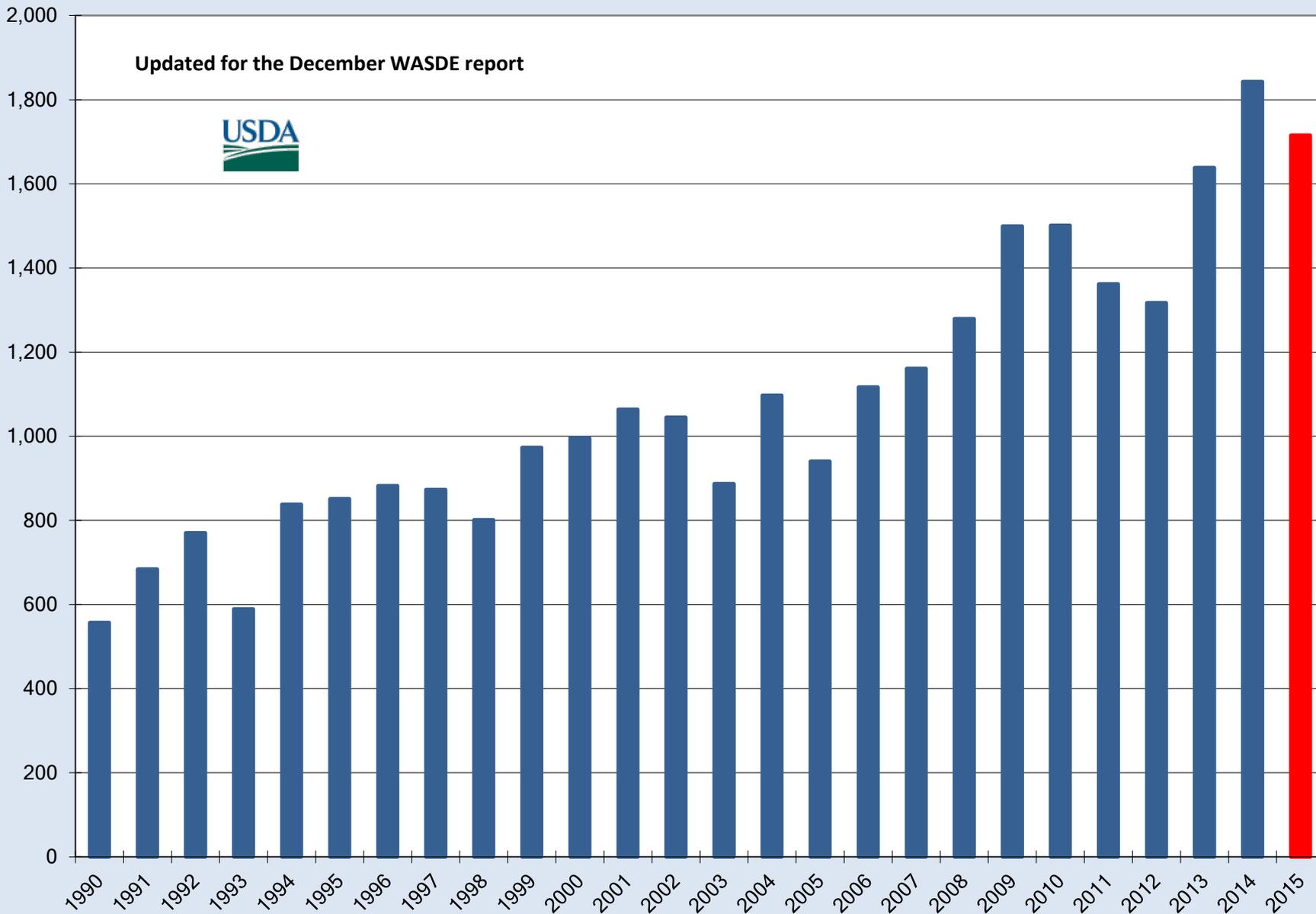


U.S. Soybean Exports, 1990-2015

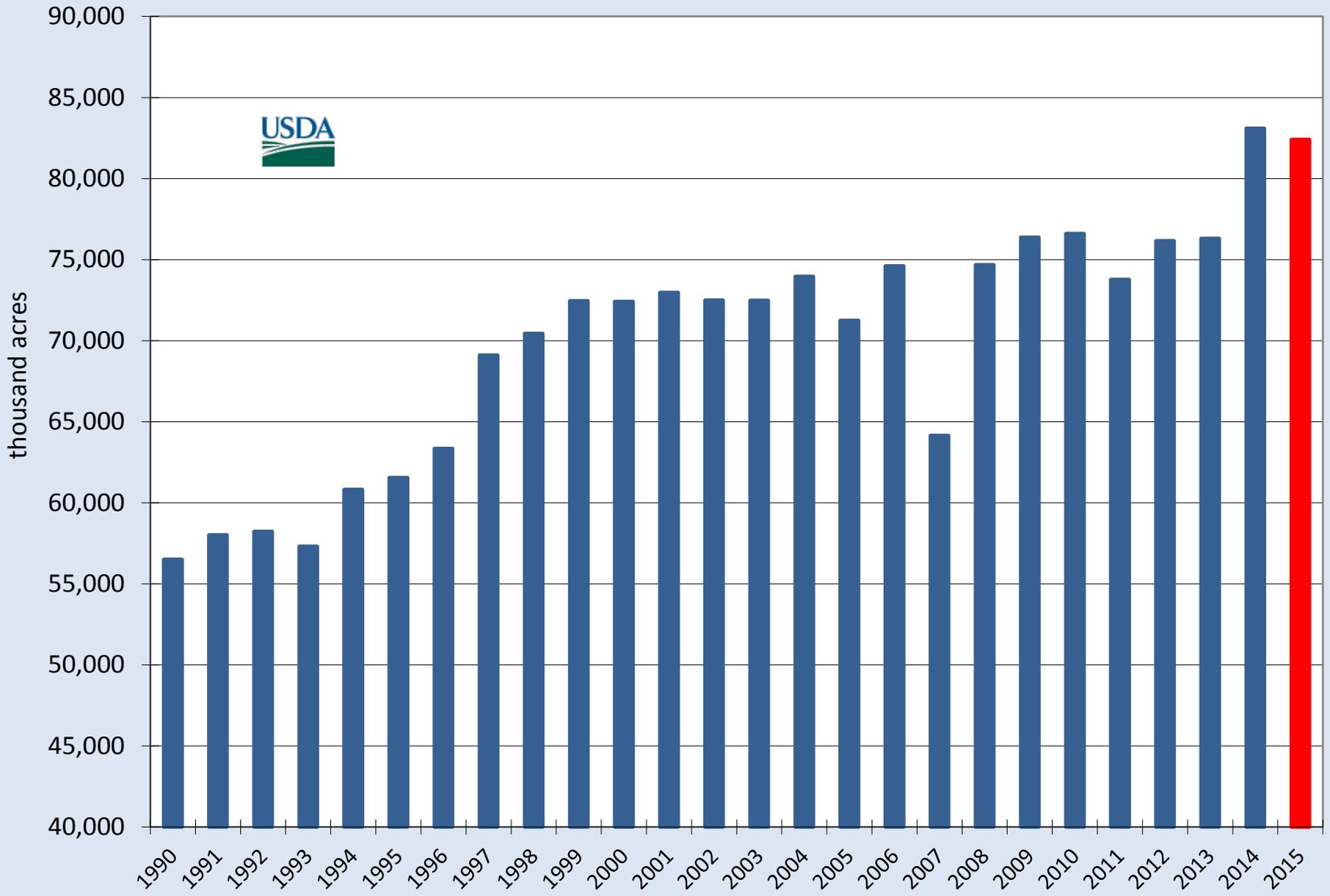
Updated for the December WASDE report



million bushels



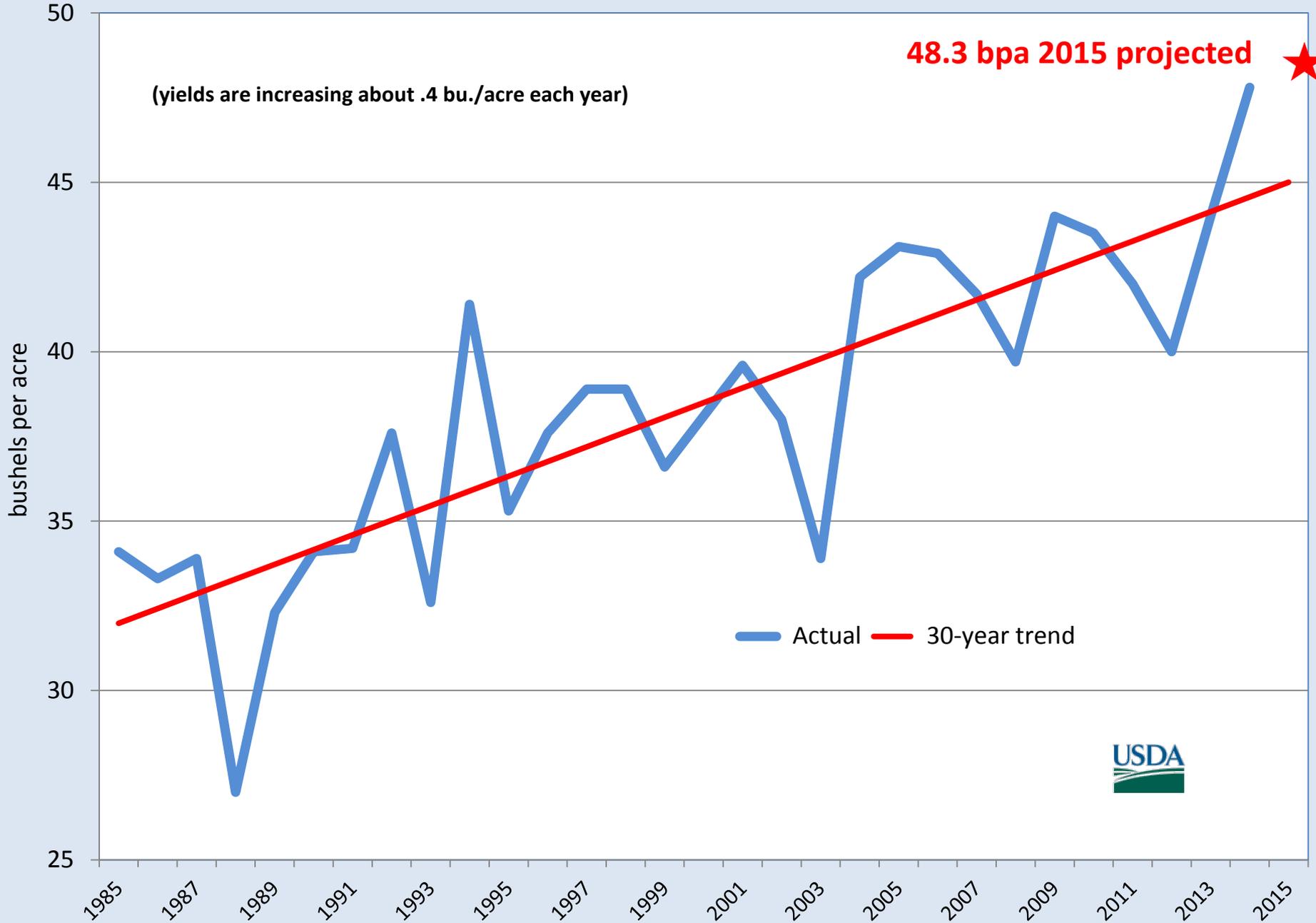
U.S. Soybean Harvested Acres, 1990-2015



U.S. Soybean Yields, 1985-2015

(yields are increasing about .4 bu./acre each year)

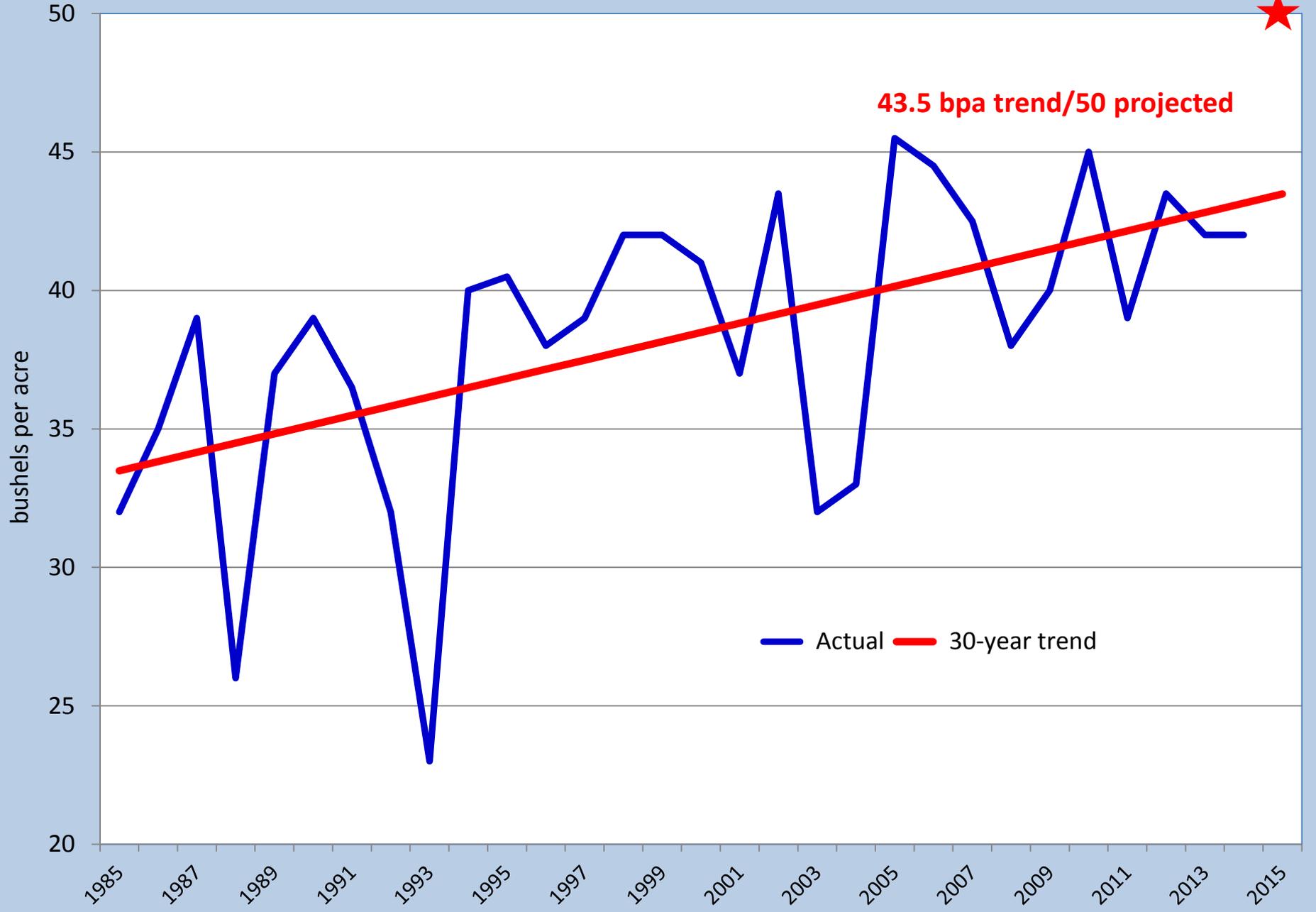
48.3 bpa 2015 projected



Actual 30-year trend



Minnesota Soybean Yields, 1985-2015



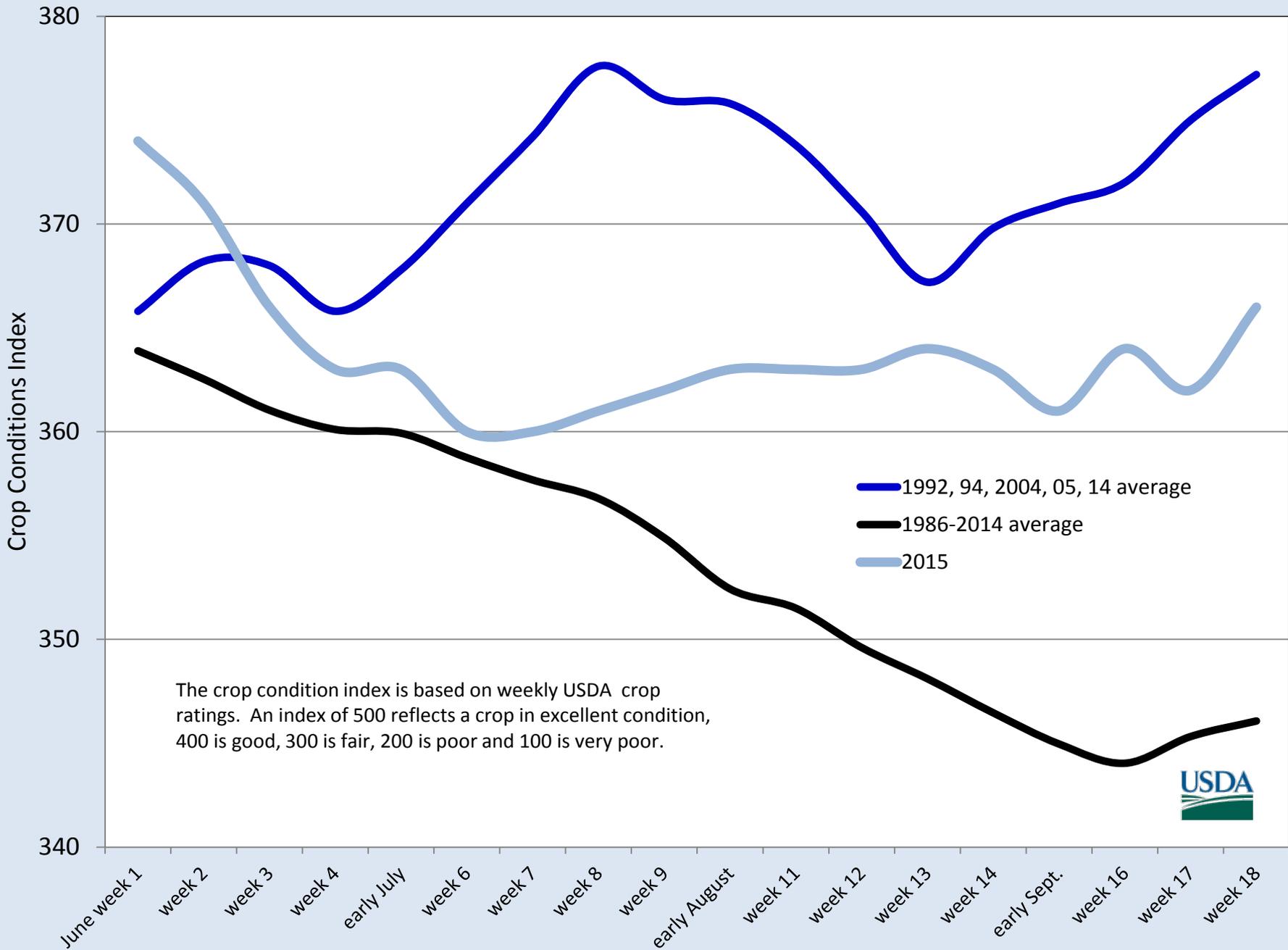
Quiz Time!

Has any state ever averaged 60 bu./acre or more in soybean yields?

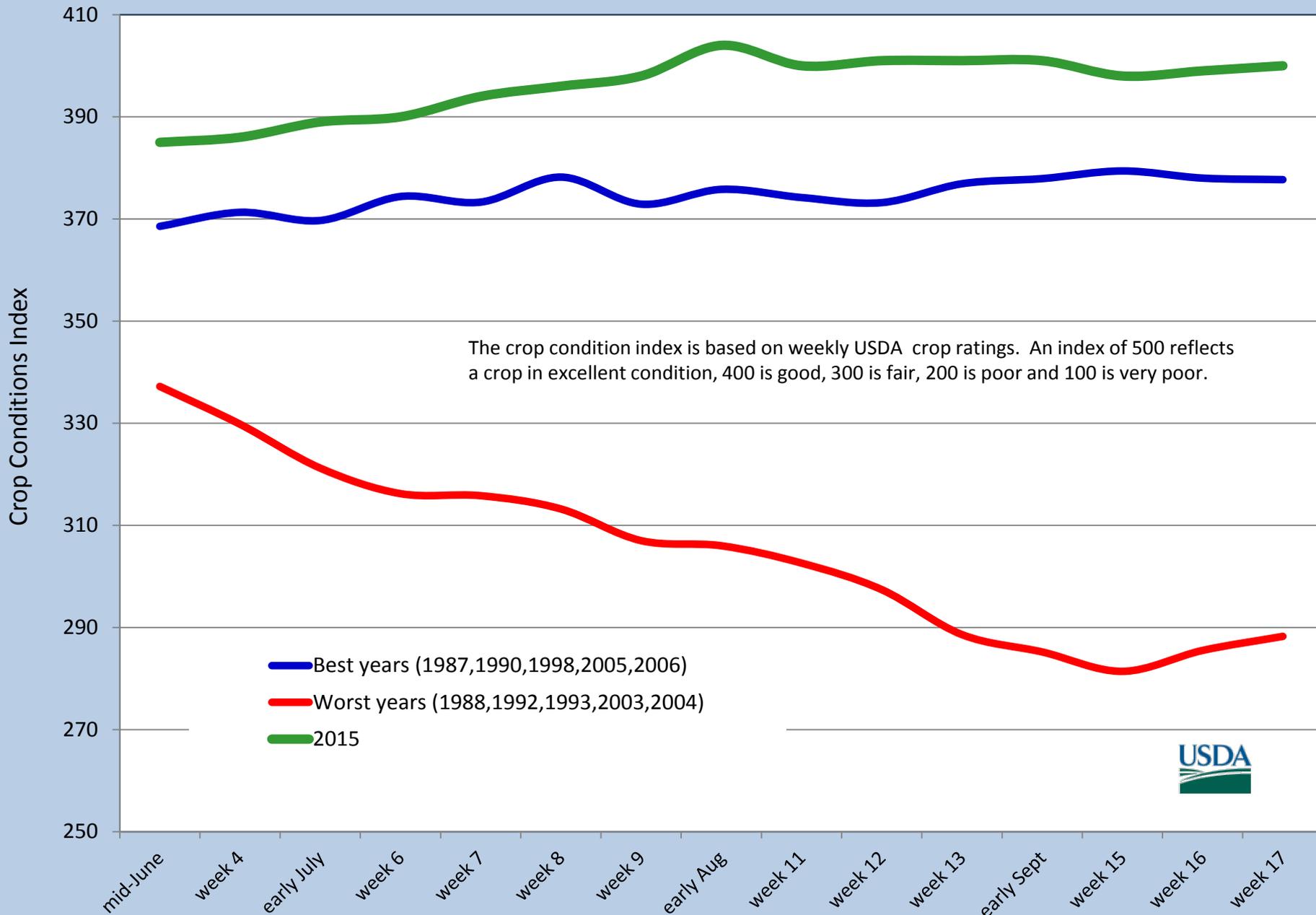
No

(IL, IN, IA and NE at 56 bpa: 2014 or 2015)

U.S. Soybean Crop Conditions, Selected Years 1986-2015



Minnesota Soybean Crop Conditions, 1986-2015

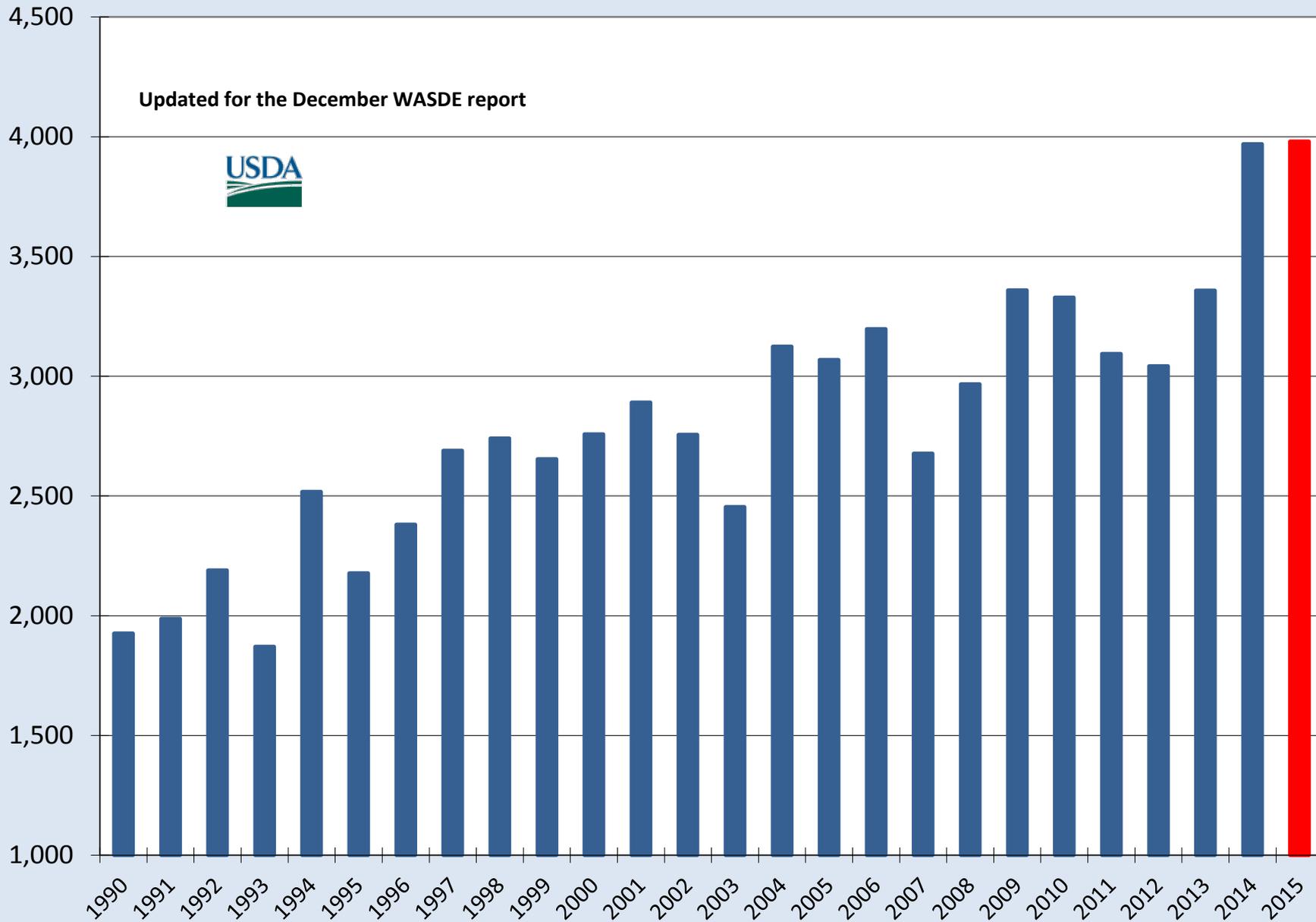


U.S. Soybean Production, 1990-2015

Updated for the December WASDE report



million bushels

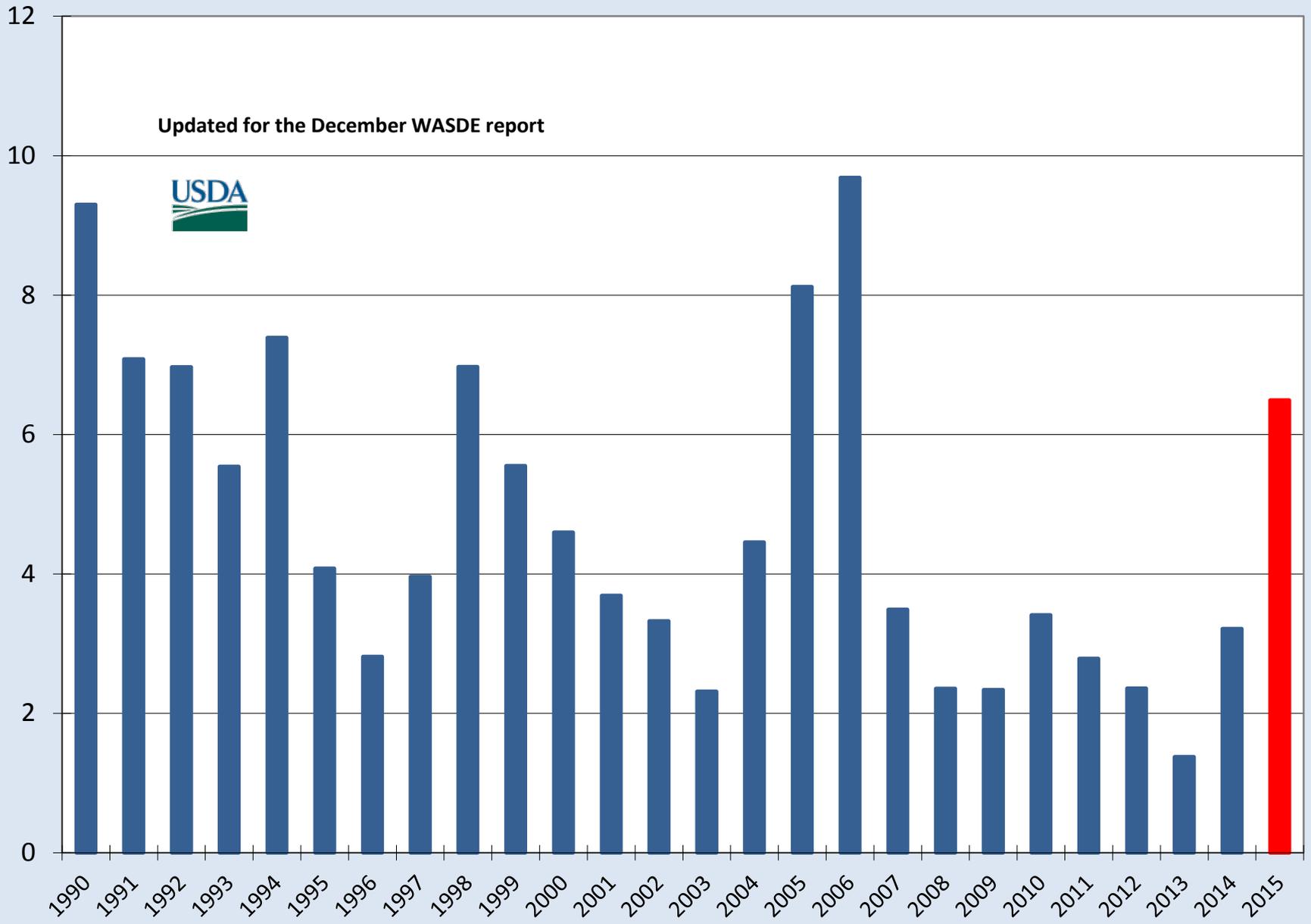


U.S. Soybean Ending Stocks, 1990-2015

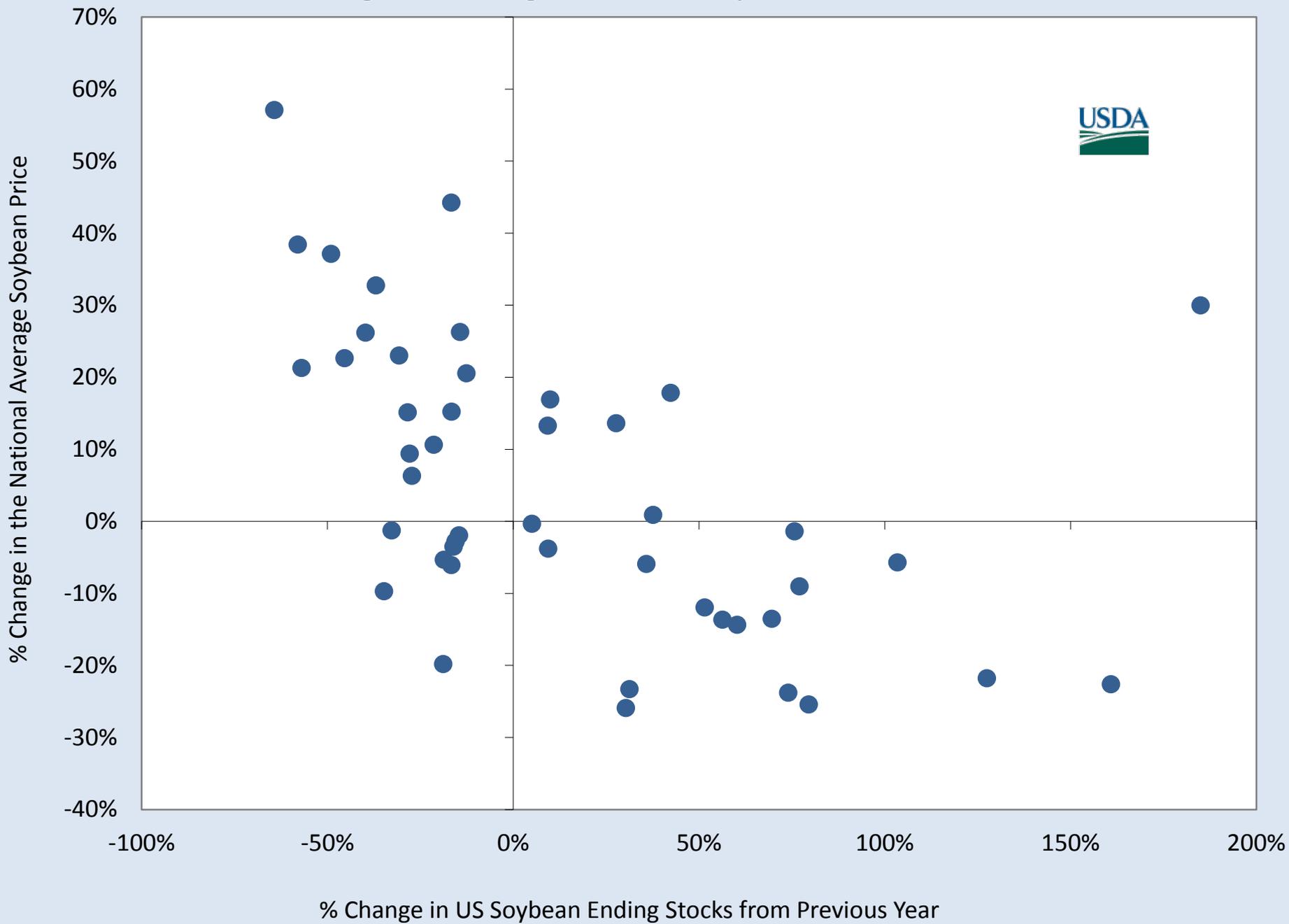
Updated for the December WASDE report



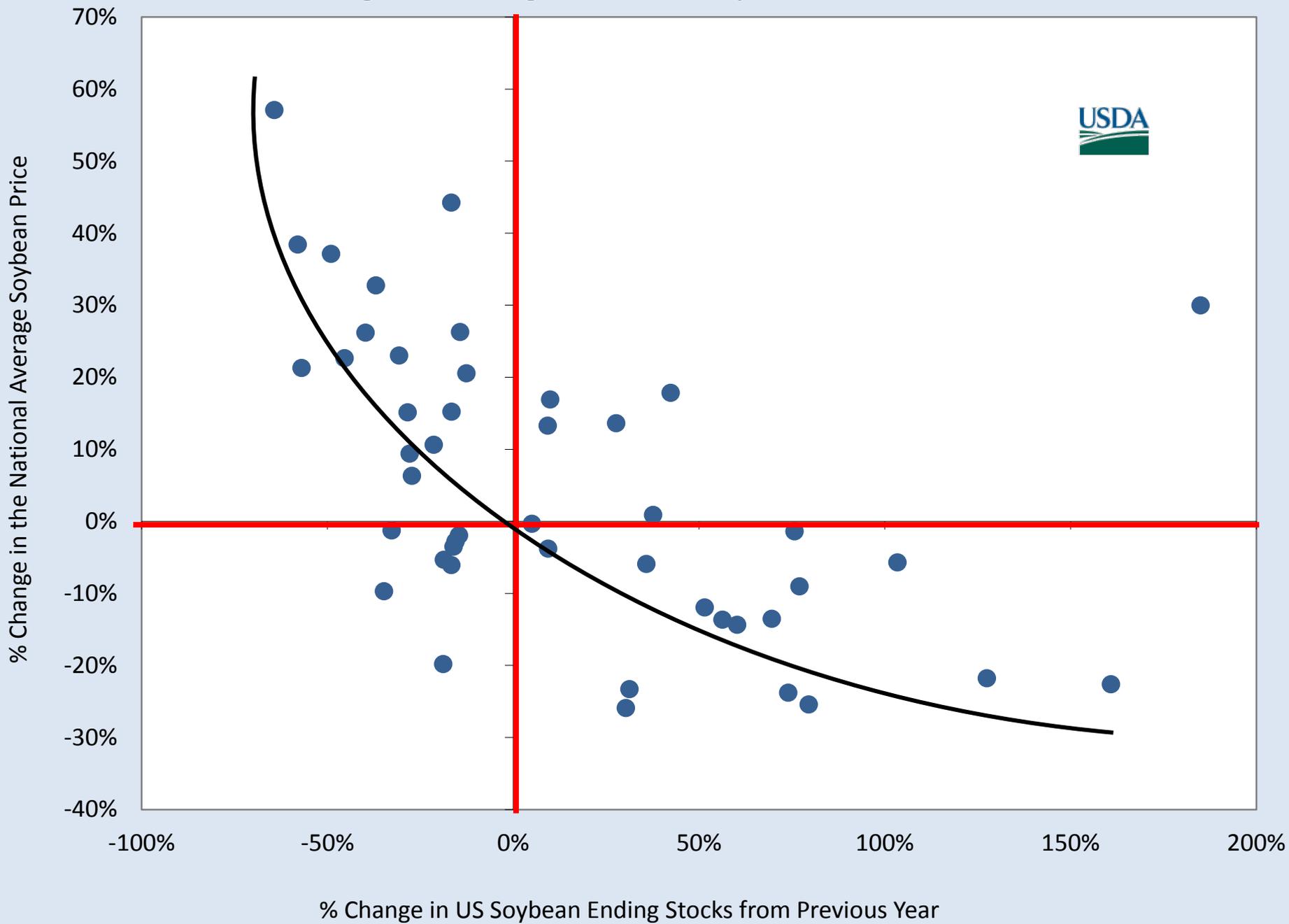
weeks of usage



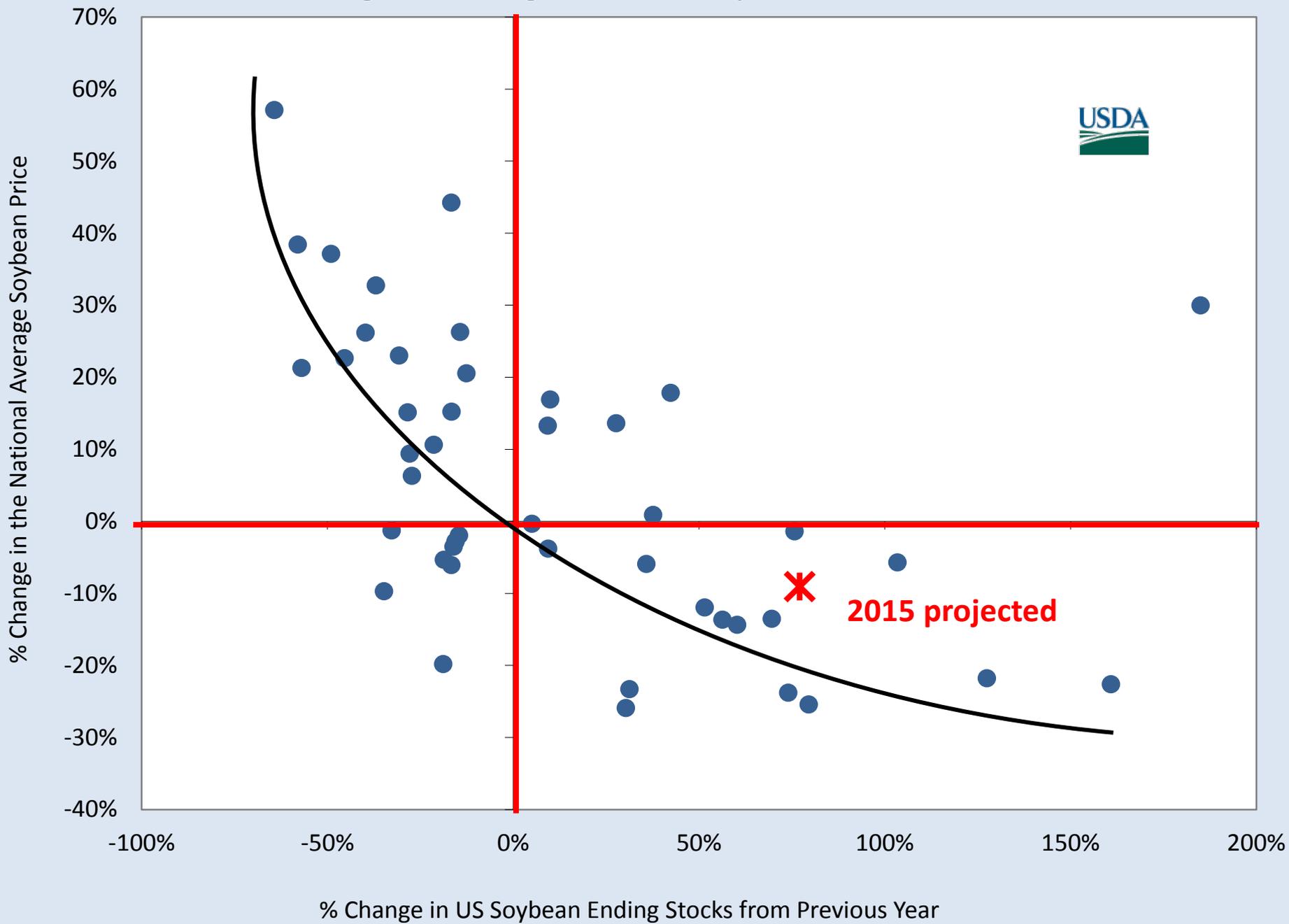
Changes in Ending Stocks and Soybean Prices, 1970-2015



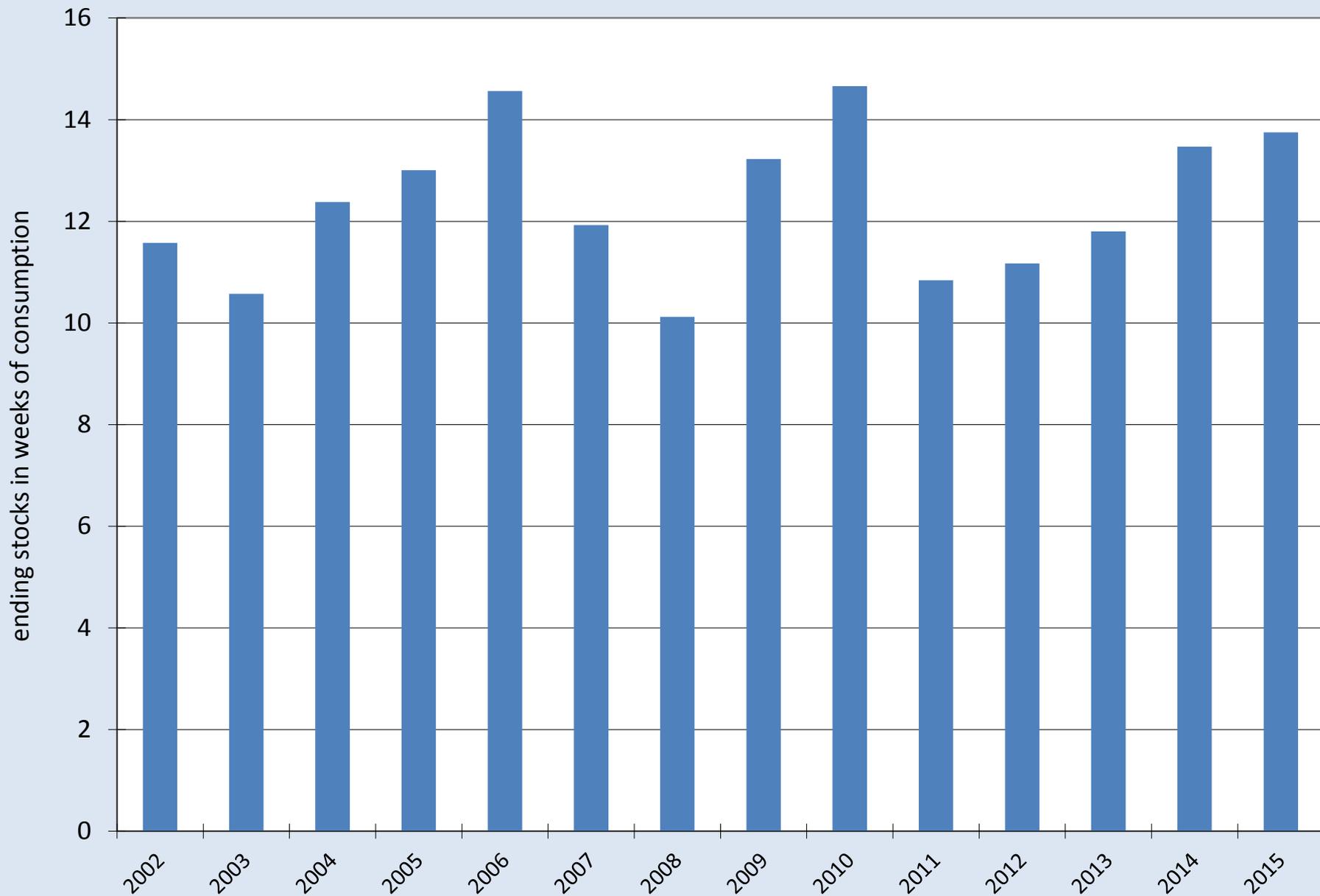
Changes in Ending Stocks and Soybean Prices, 1970-2015



Changes in Ending Stocks and Soybean Prices, 1970-2015



World Soybean Ending Stocks, 2002-2015 crop years



Grain Marketing is Simple*

*it's just not easy

2nd Edition



Edward Usset

Companion book to Winning The Game workshops & Commodity Challenge

<http://cffm.umn.edu/simple/>

- The 2nd Edition is here!
- Completely revised and updated
- Five common mistakes in marketing, pre- and post-harvest marketing plans
- New section on pricing tools!
- Meet Covered Cal, Hank Holder and many other celebrity producers

Quiz Time!

My students speak!
(version 2.0)

My students speak!

“My favorite class taken in
four years at the U of M.”

My students speak!

“Please move the class to the afternoon, *so I don't fall asleep.*”

My students speak!

Fast Eddie was genuinely the most helpful and informative instructor I have had in my learning career."

My students speak!

“I wish the basic concepts were explained in *lameness* terms.”

My students speak!

“I wish the basic concepts were explained in *lameness* terms.”
layman's?

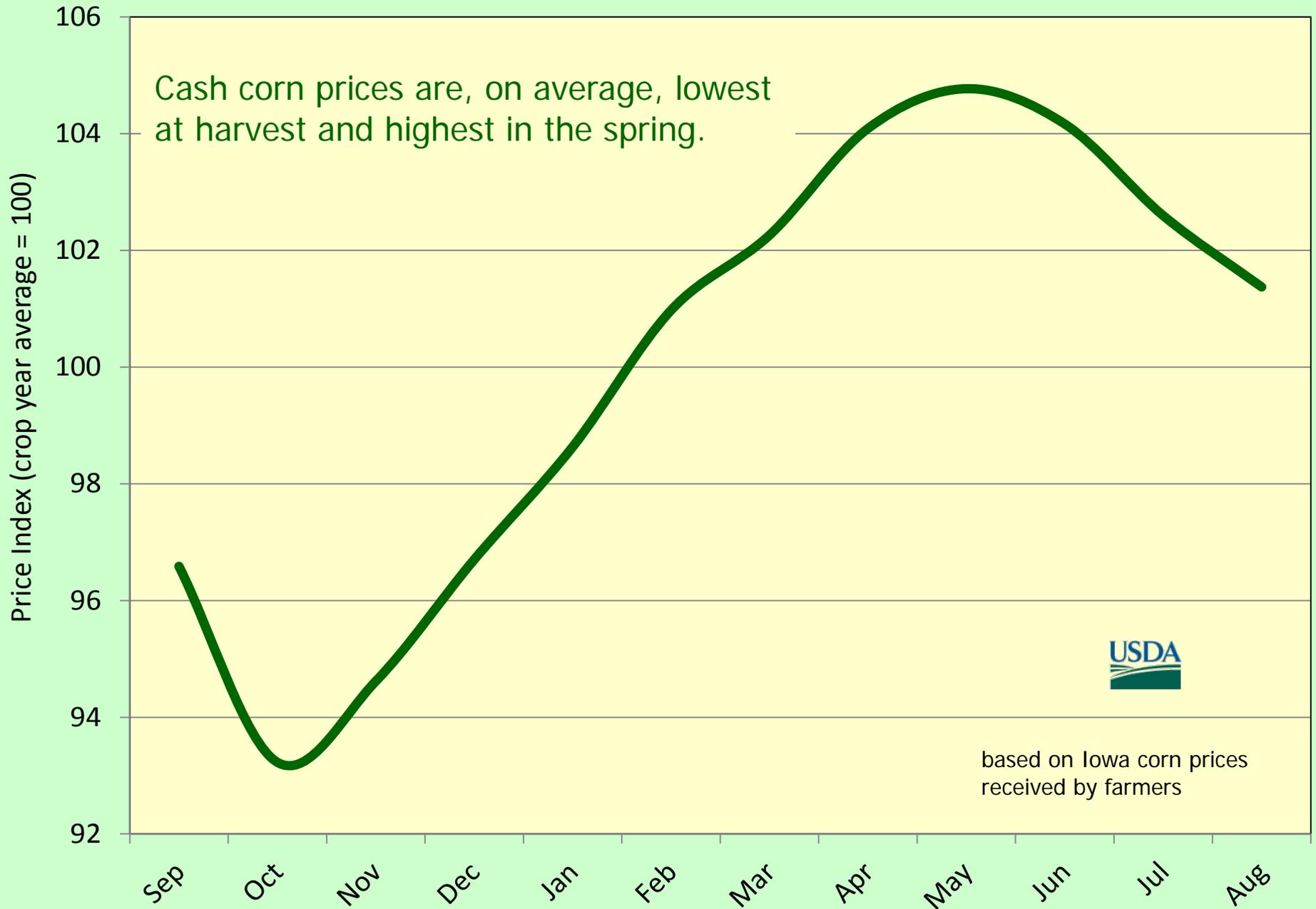
My students speak!

“Ed is a nice professor but
he *gets off topic* a lot.”

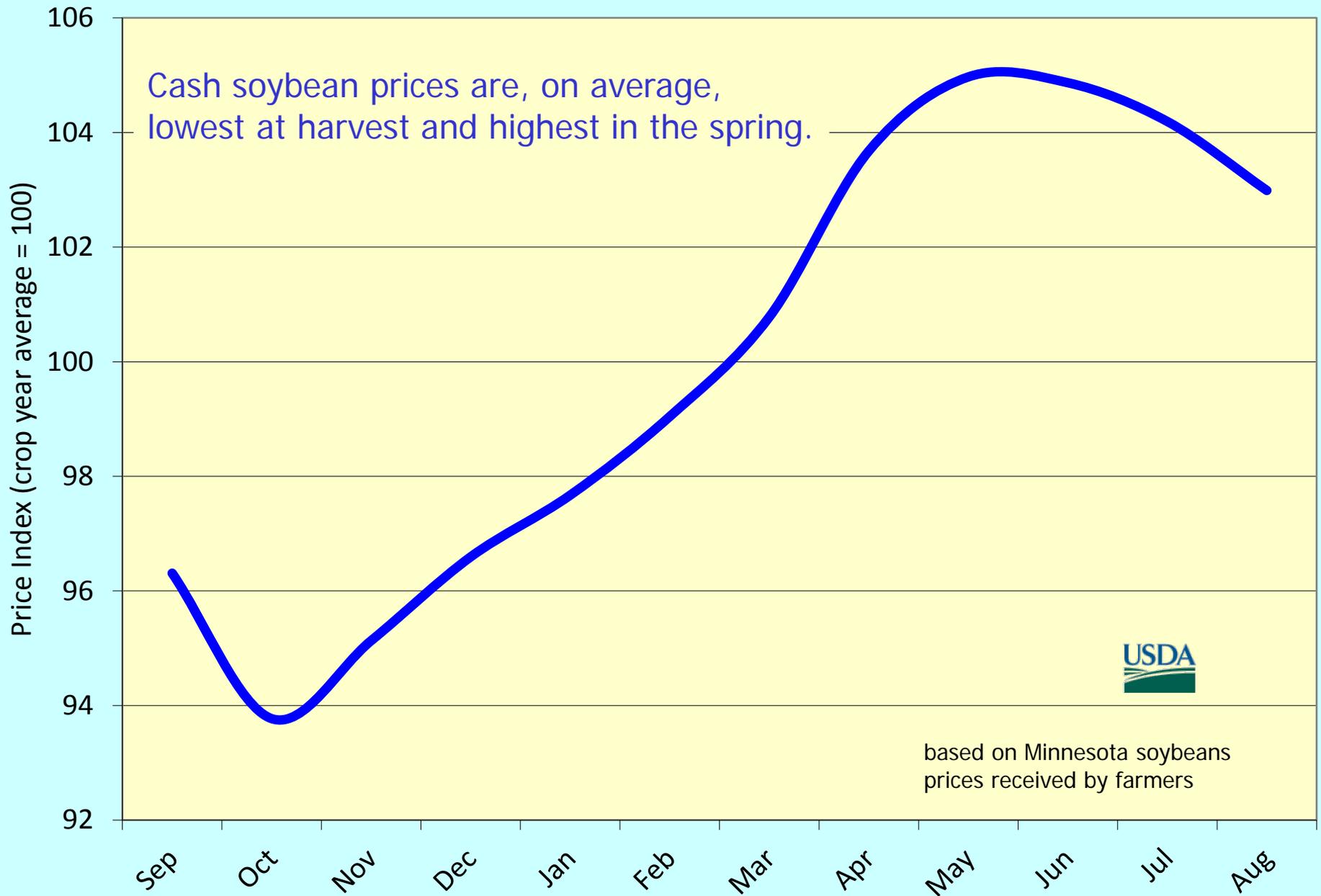
Price Predictions

Behold a seasonal price pattern
that has held true for decades!

Index of Iowa Corn Prices, 1990-2014 Crop Years



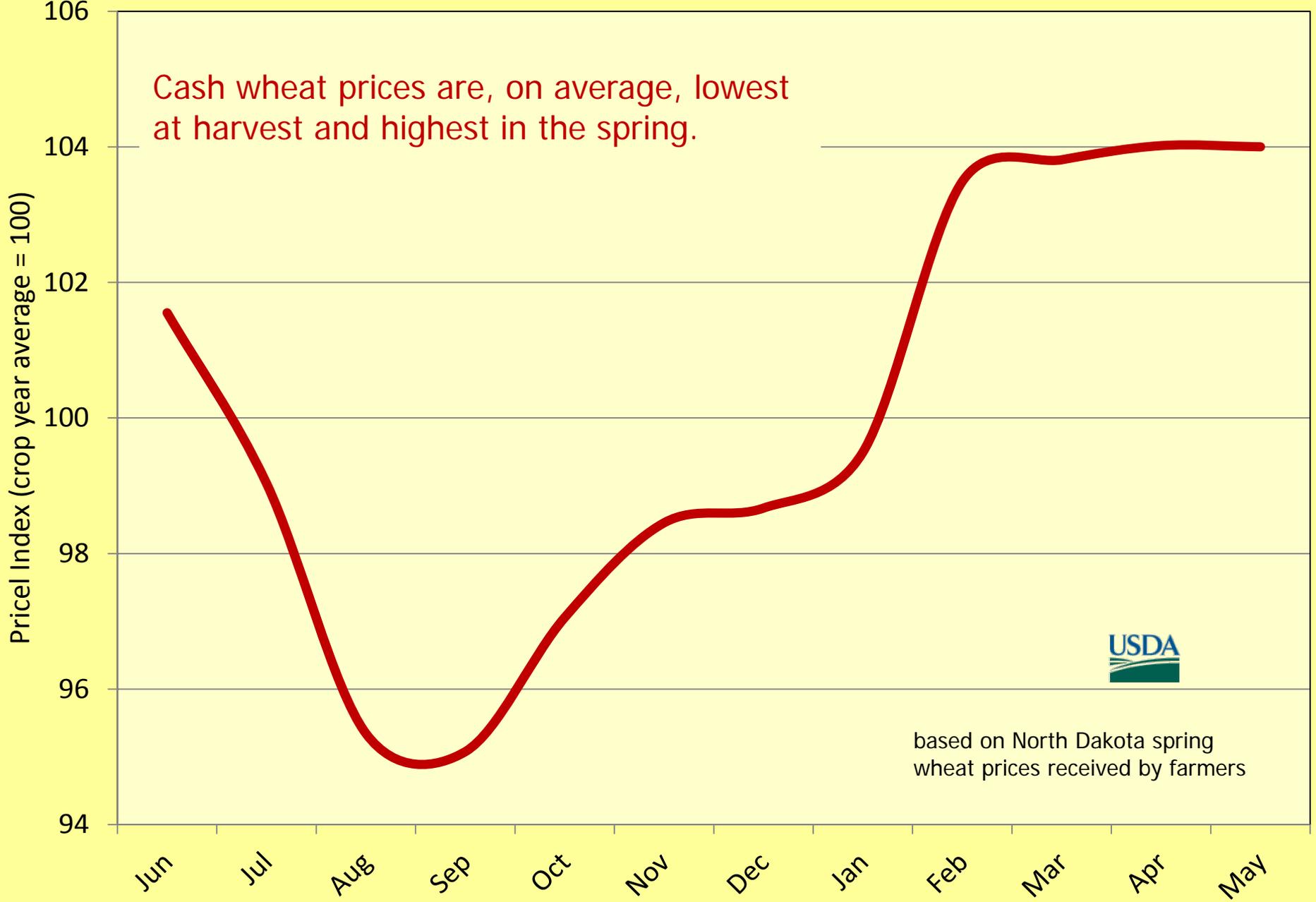
Index of Minnesota Soybean Prices, 1990-2014 Crop Years



based on Minnesota soybeans prices received by farmers

Index of North Dakota Spring Wheat Prices, 1990-2014 Crop Years

Cash wheat prices are, on average, lowest at harvest and highest in the spring.



based on North Dakota spring wheat prices received by farmers

Summary

1. The 2nd Golden Age is over
2. Demand is good, but supply is gooder
3. Need a positive thought? The corn balance sheet is not getting worse
4. Supply shock needed for higher prices

Grain Marketing is Simple*

*it's just not easy

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Looking for a book?

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