

2013 Global Market Outlook for Soybeans, Soymeal and Corn

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USSEC Luncheon
International Production & Processing Expo
Atlanta, Georgia
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2012 Was A Very Unique Year

- For the first time in more than 3 decades the U.S. Brazil, Argentina and Paraguay suffered droughts in the same calendar year.
 - South American soybean production in 2012 was reduced by 20.4 mmt or 15.1% versus 2011.
 - U.S. soybean production was reduced by 2.14 mmt or 2.5% versus 2011. Late rains boosted production.
 - In total soybean production in North and South America in 2012 was at least 21.9 mmt less than in 2011.
 - Water levels on Mississippi River are very low and interfering with barge shipments to Gulf.
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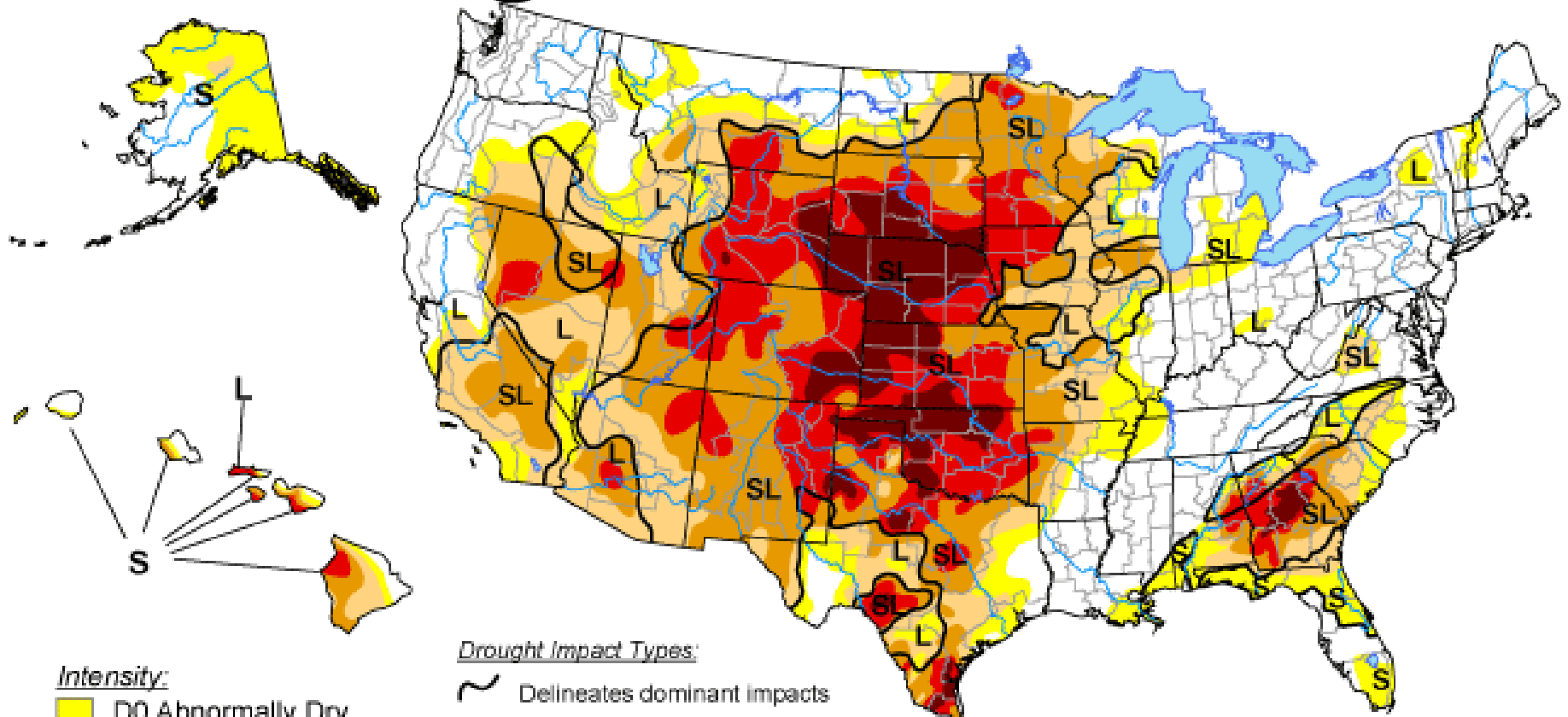
2012 Has Been A Very Unique Year

- Argentina's corn crop in 2012 was reduced by 4.2 mmt (16.8%) versus 2011.
 - Fortunately, because of a large winter crop of corn in Brazil total South American corn production in 2012 was 11.875 mmt (12.7%) greater than in 2011.
 - U.S. corn production in 2012 was 40.1 mmt (12.7%) less than in 2011.
 - There were more quality problems (aflatoxin) with U.S. corn from 2012 crop because of heat and drought.
 - It remains exceptionally dry in the Midwest and Great Plains.
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U.S. Drought Monitor

January 22, 2013


Valid 8 a.m. EST



Intensity:

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

Drought Impact Types:

-  Delineates dominant impacts
- S = Short-Term, typically <6 months
(e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months
(e.g. hydrology, ecology)

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

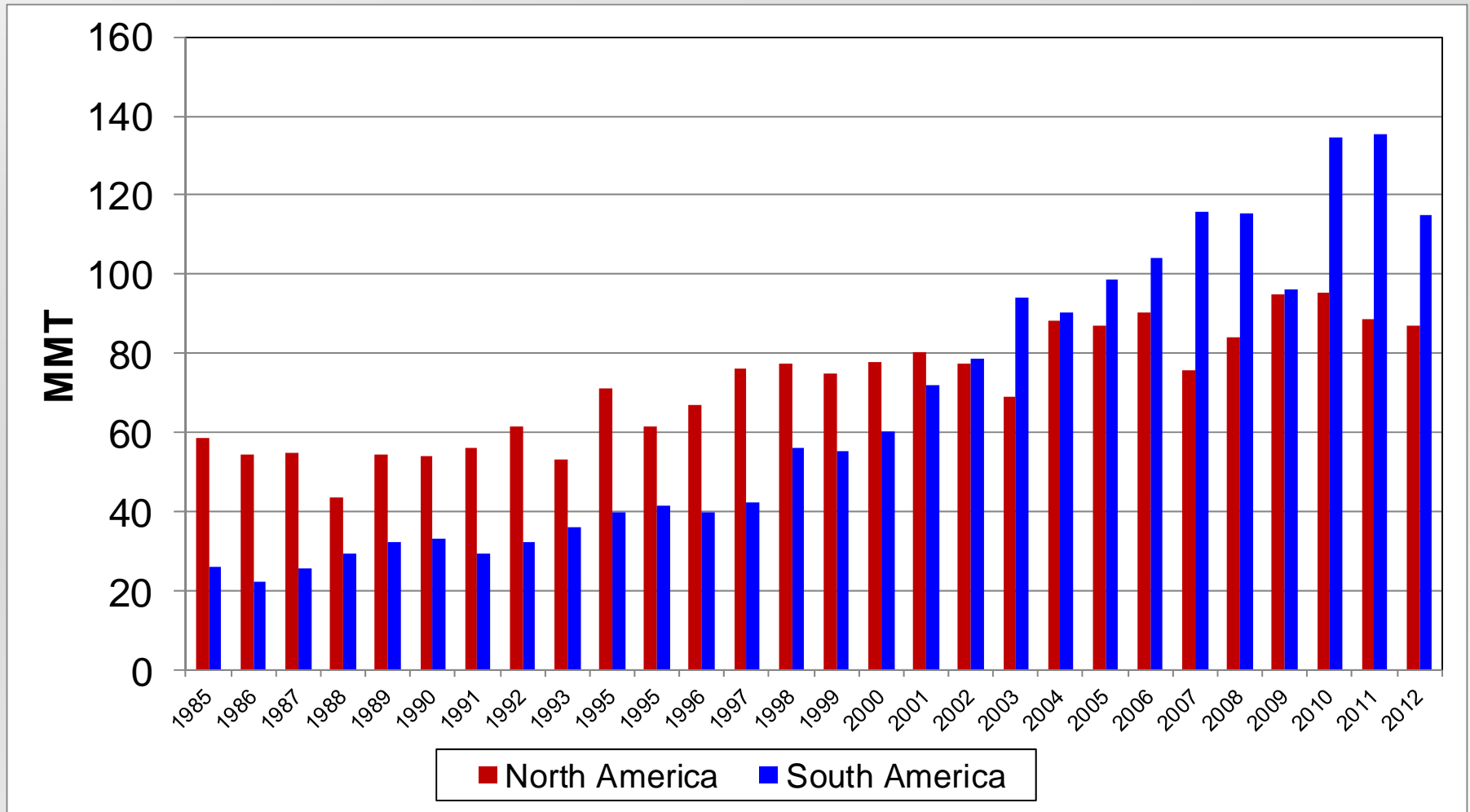


Released Thursday, January 24, 2013

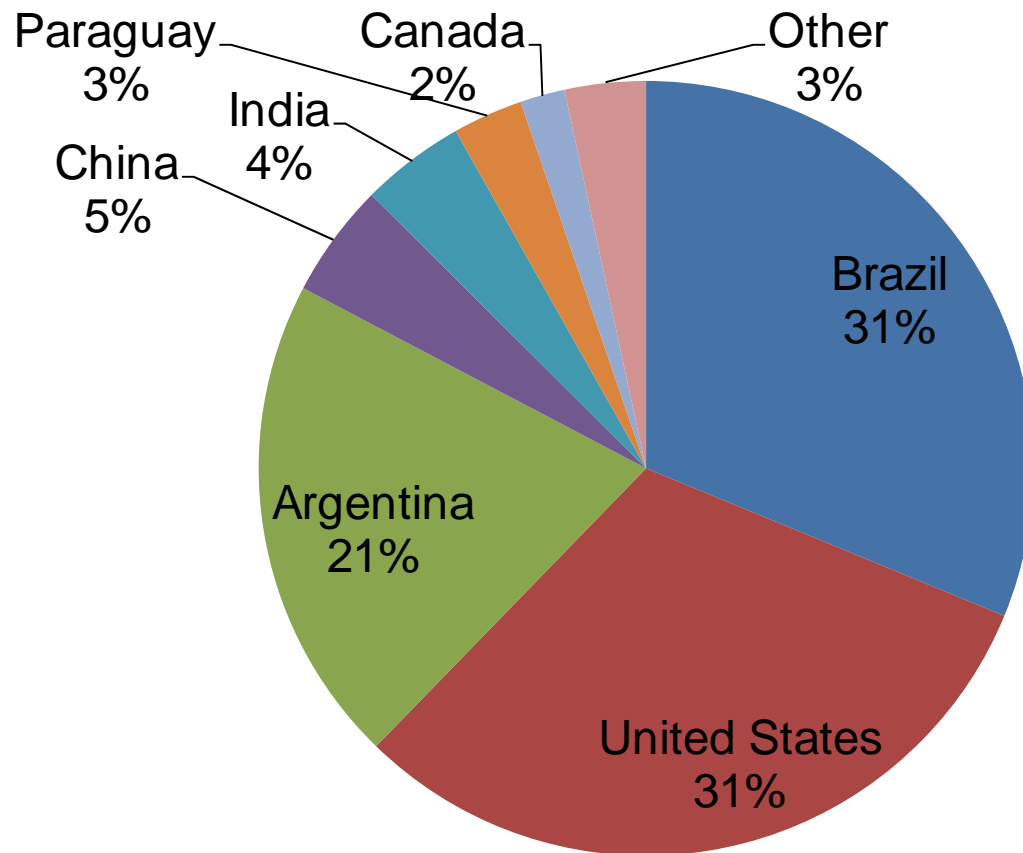
Author: Mark Svoboda, National Drought Mitigation Center

<http://droughtmonitor.unl.edu/>

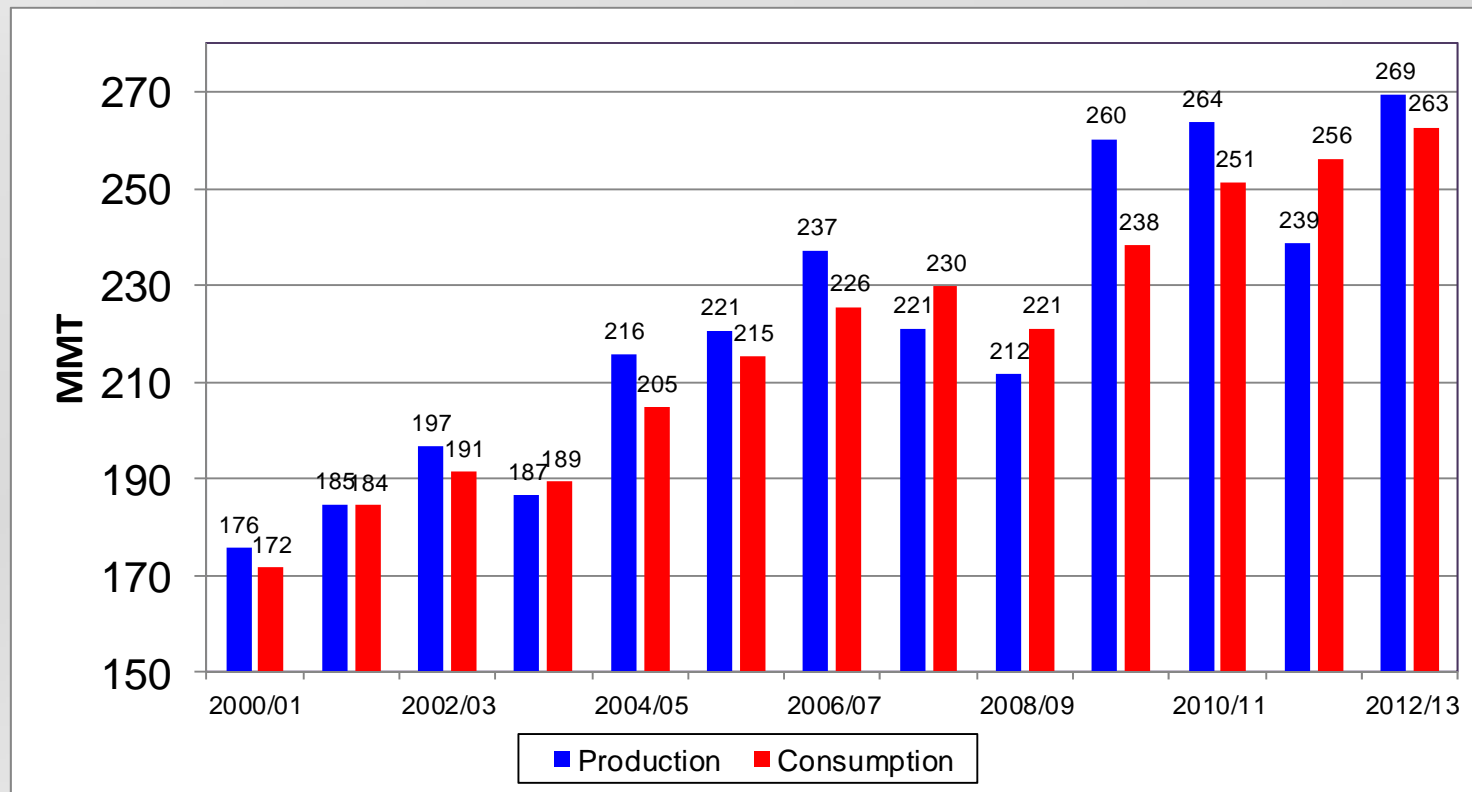
North and South American Soybean Production Calendar Years 1985 - 2012



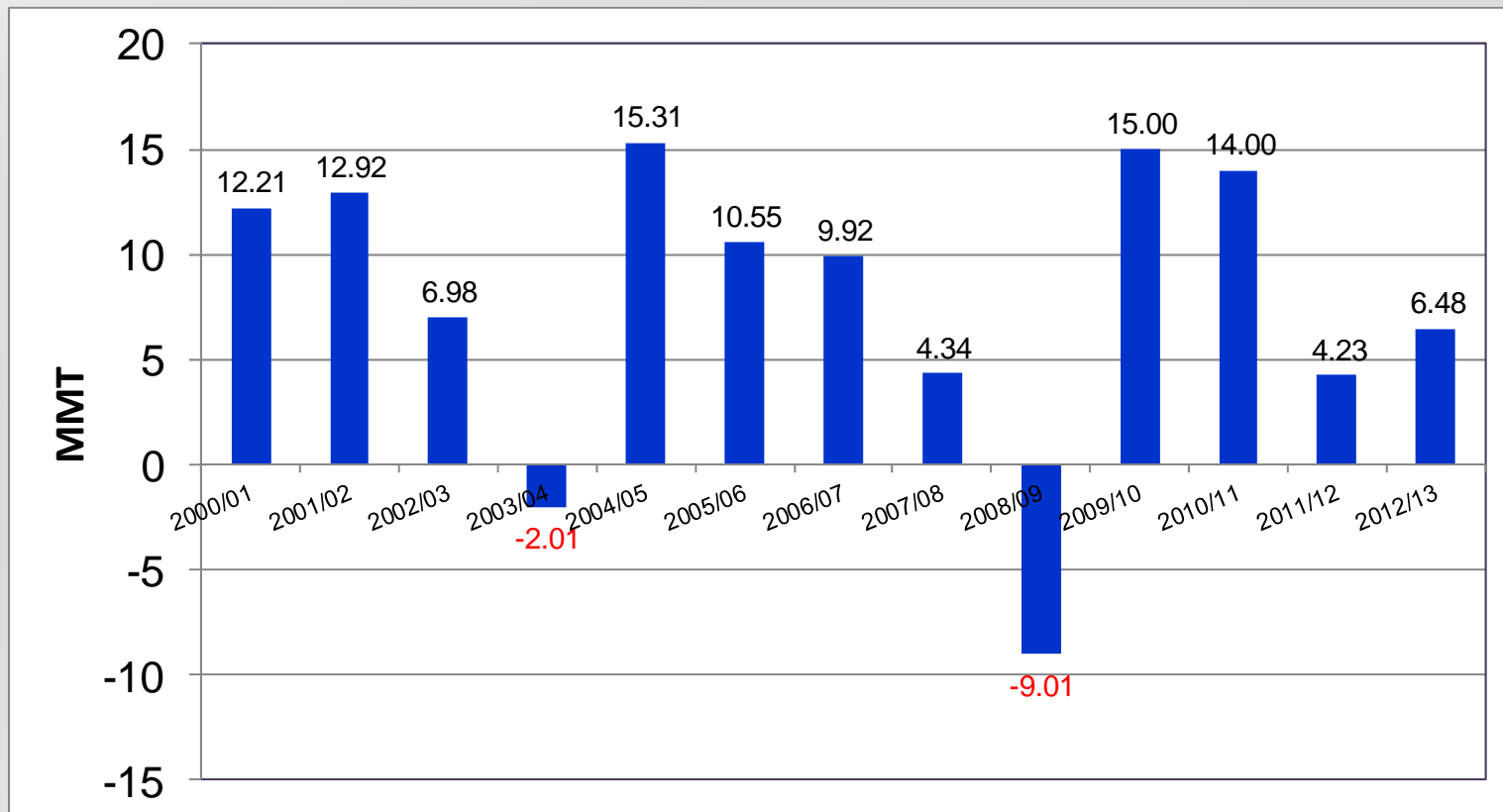
Global Soybean Production by Country 2012/13 Marketing Year



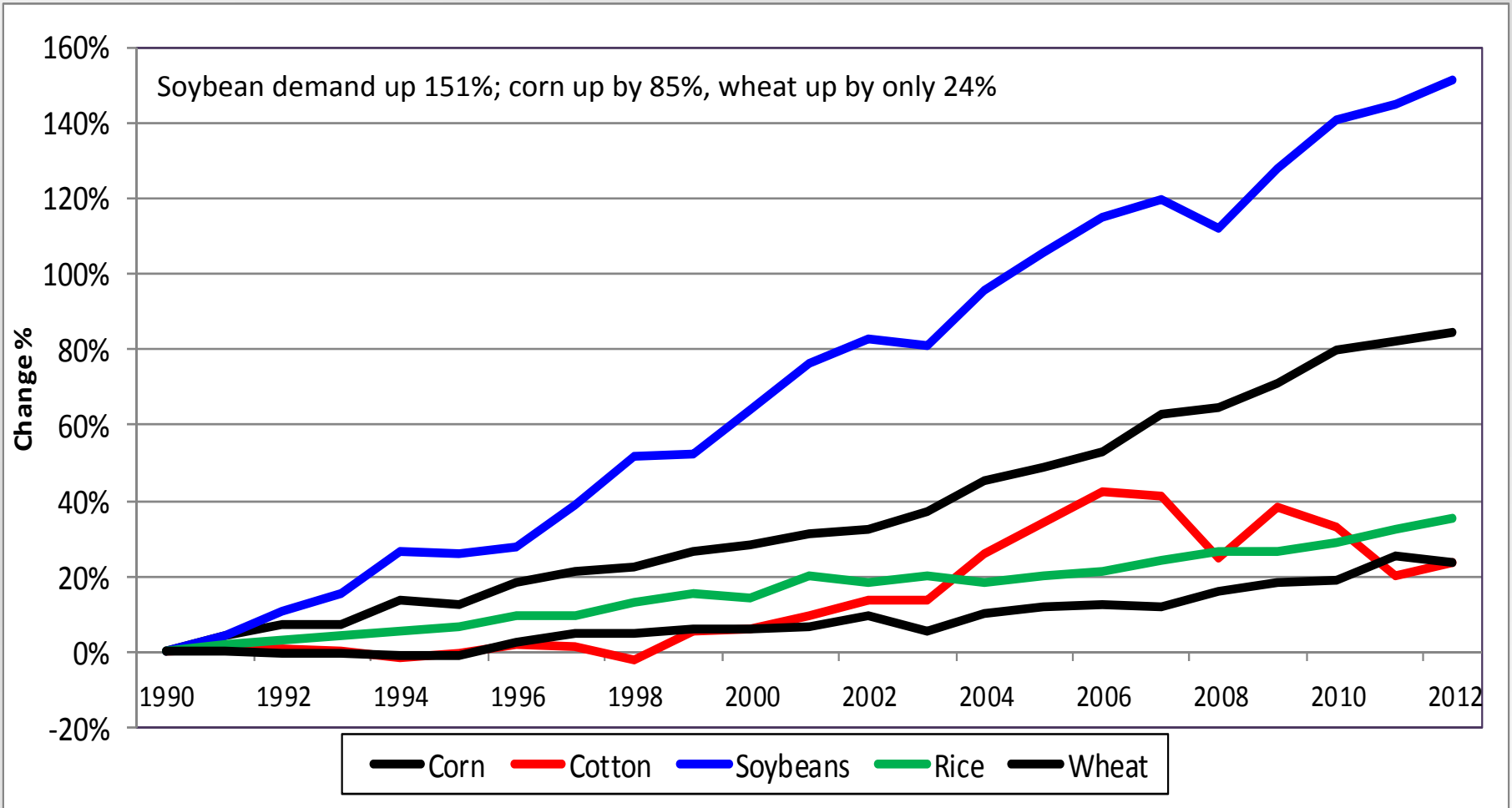
Global Soybean Production and Consumption 2000/01 – 2011/12 and Forecast for 2012/13



Annual Growth in Global Soybean Consumption 2000/01 – 2011/12 and Forecast for 2012/13



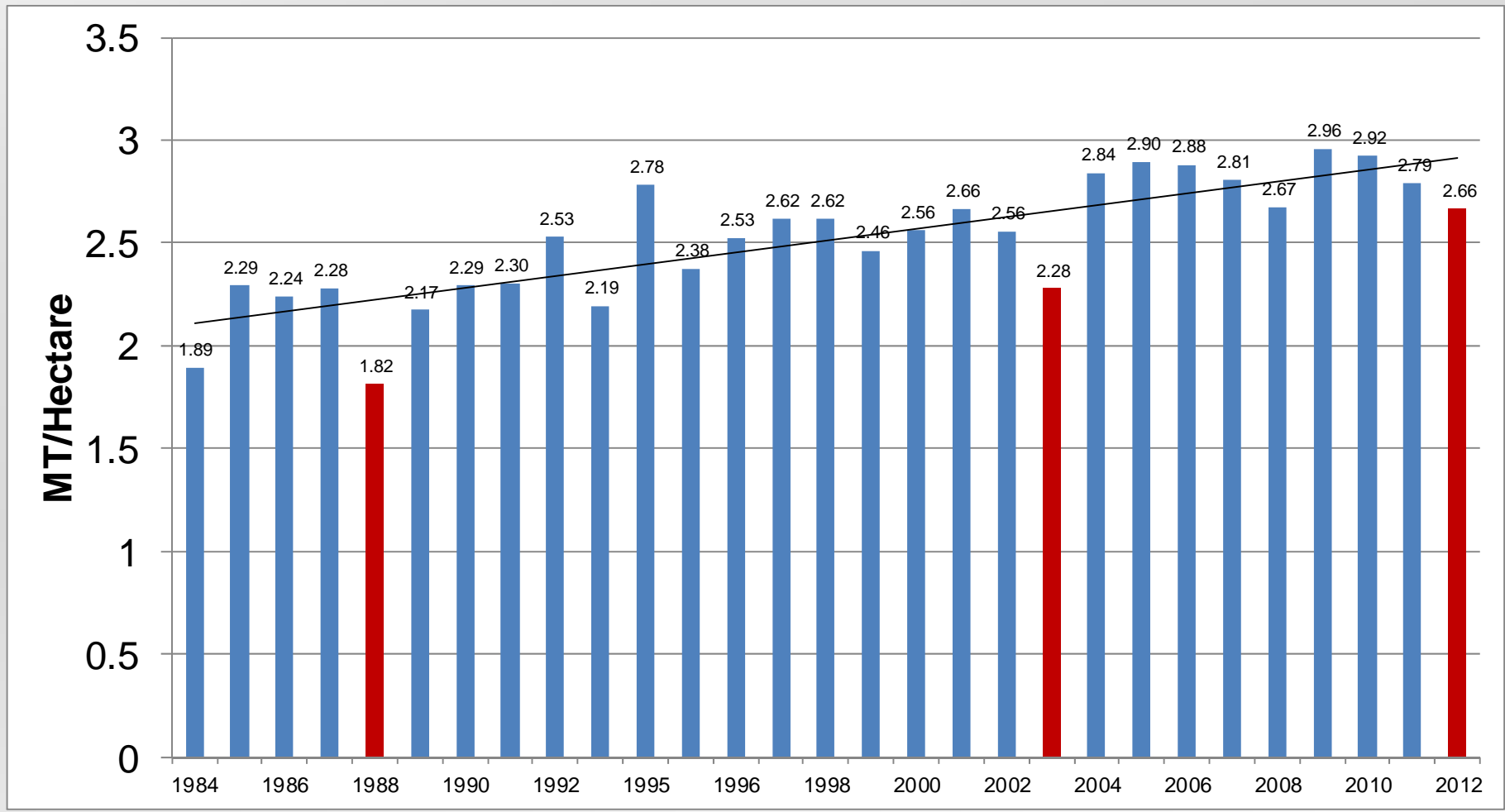
Soybeans, Corn, Wheat, Cotton, and Rice Percentage Change in Global Consumption 1990/91 – 2011/12 and Forecast for 2012/13



U.S. Average Soybean Yields

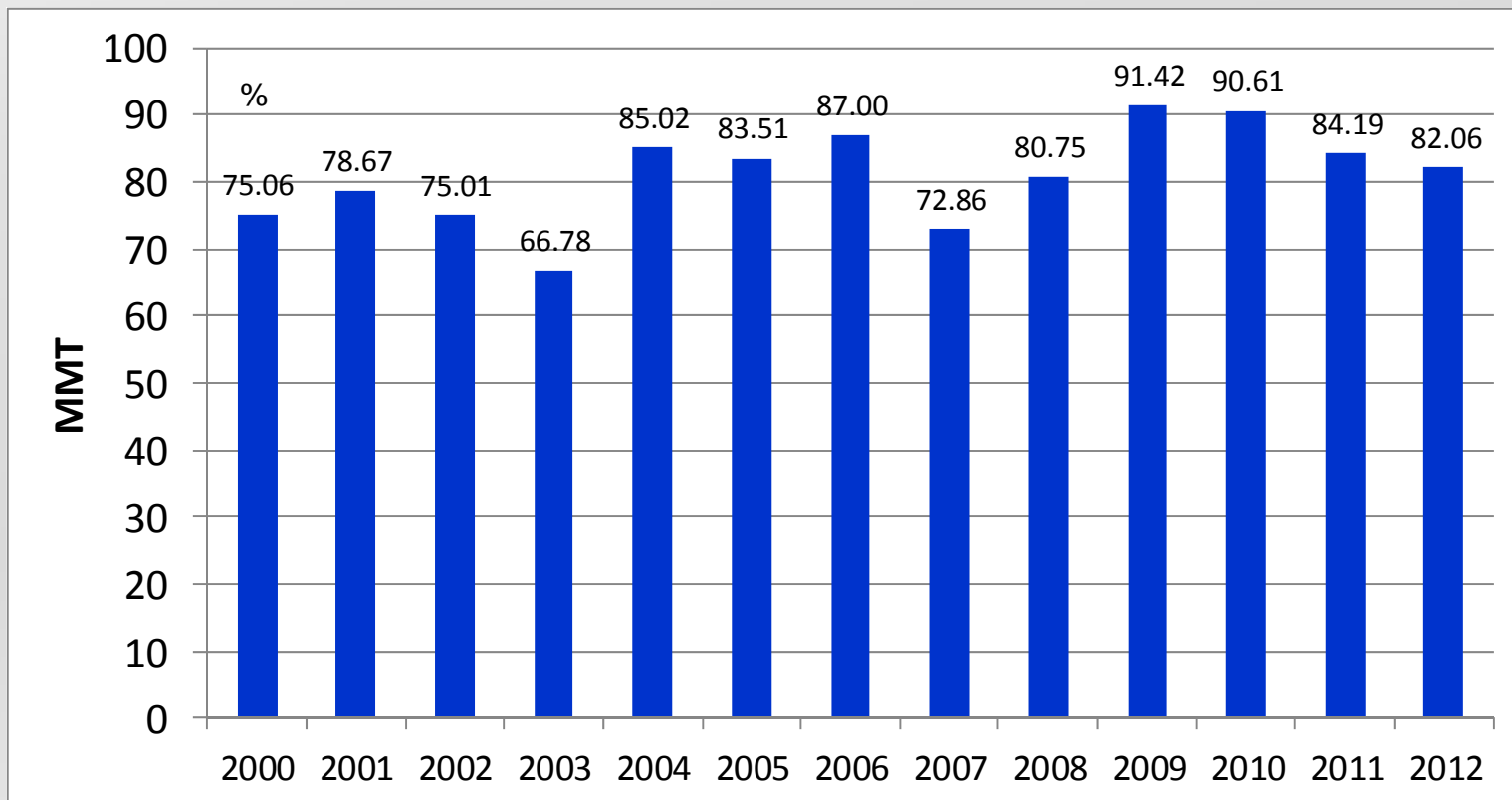
1984 -2012

Surprisingly Good Yields in 2012



U.S. Soybean Production

2000 - 2012

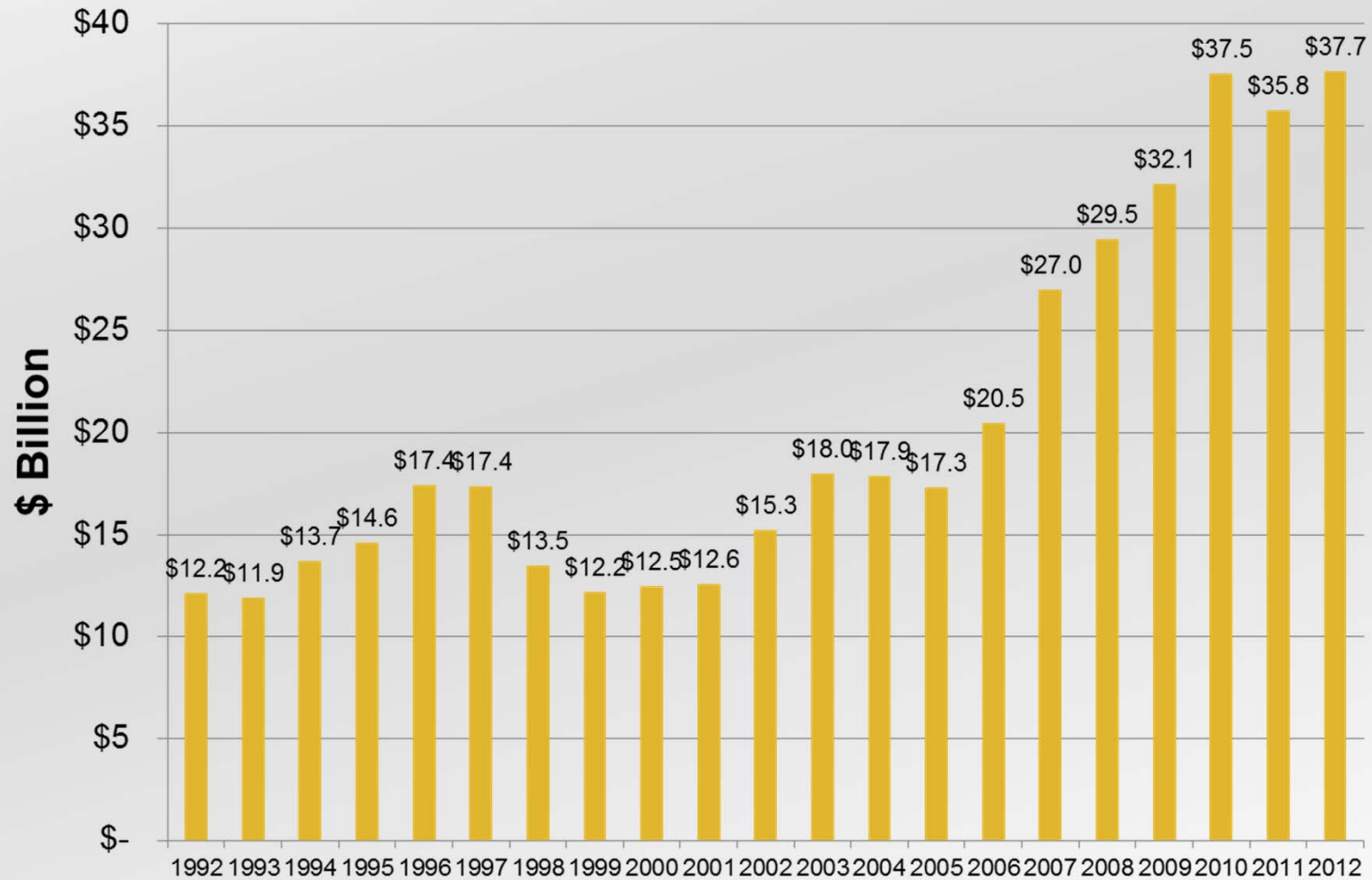


U.S. Soybean Supply and Demand

USDA Estimates for 2010/11, 2011/12 and 2012/13
MMT

Attribute	2010/11	2011/12	USDA 2012/13
Begin Stocks	4.11	5.85	4.60
Production	90.61	84.19	82.06
Imports	0.38	0.44	0.54
Total Supply	95.13	90.48	87.21
Crush	44.86	46.35	43.69
Exports	40.85	37.06	36.61
Seed/Residual	3.54	2.48	3.51
Total Use	89.28	85.87	83.56
End Stocks	5.85	4.60	3.67

Value of U.S. Soybean Crop 1991-2012



U.S. Soymeal Supply and Demand

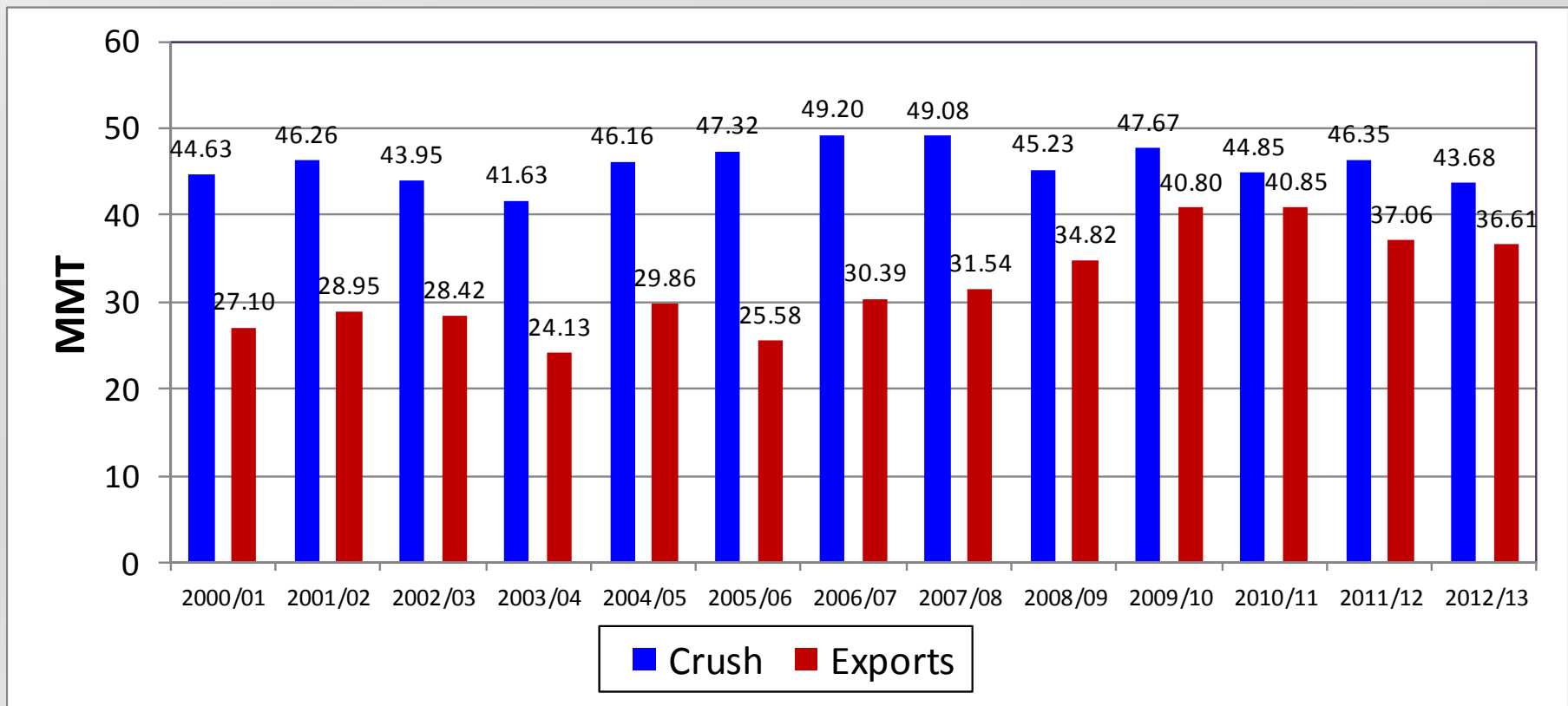
USDA Estimates for 2010/11, 2011/12 and 2012/13
MMT

Attribute	2010/11	2011/12	USDA 2012/13
Begin Stocks	.274	.318	0.272
Production	35.608	37.218	34.65
Imports	0.163	0.196	.23
Total Supply	36.045	37.731	35.15
Domestic Use	27.489	28.622	26.99
Exports	8.238	8.837	7.89
Total Use	35.727	37.459	34.88
End Stocks	0.318	0.272	.27

U.S. forecasted to export 0.95 mmt (10.7%) less soymeal in 2012/13

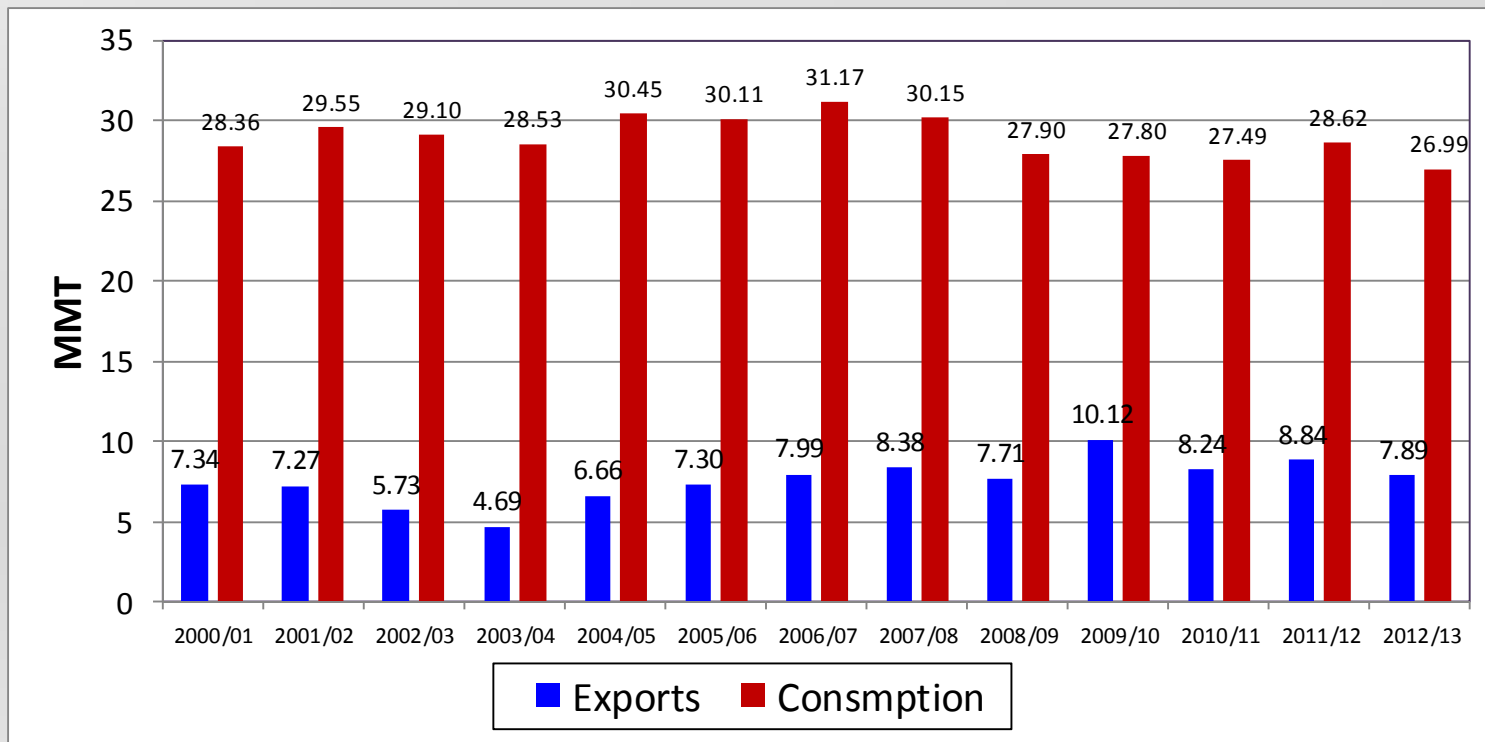
U.S. Soybean Crush and Exports

2000/10 – 2011/12 and USDA Forecast for 2012/13

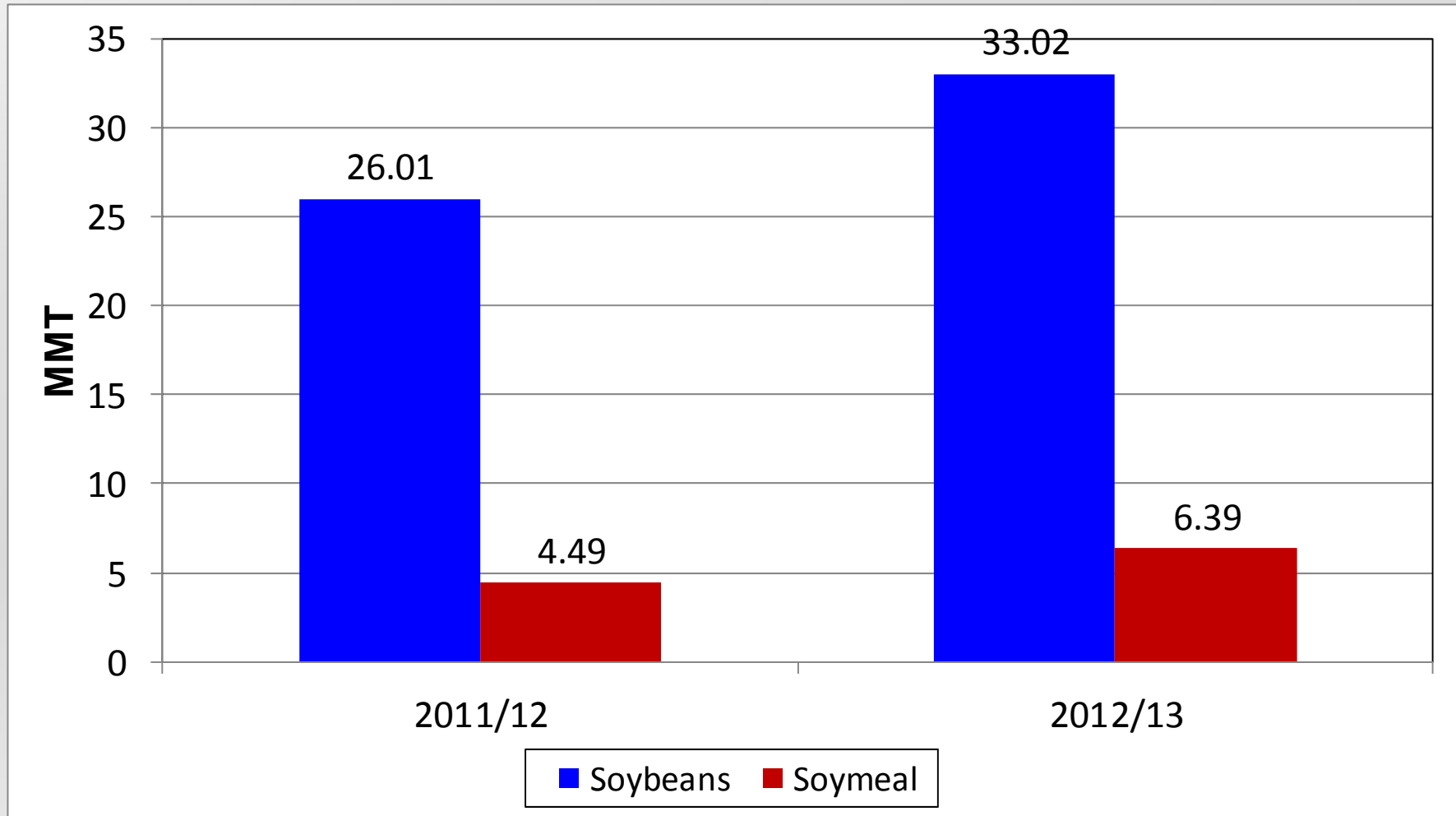


U.S. Soymeal Exports and Consumption

2000/01 -2011/12 and Forecast for 2012/13

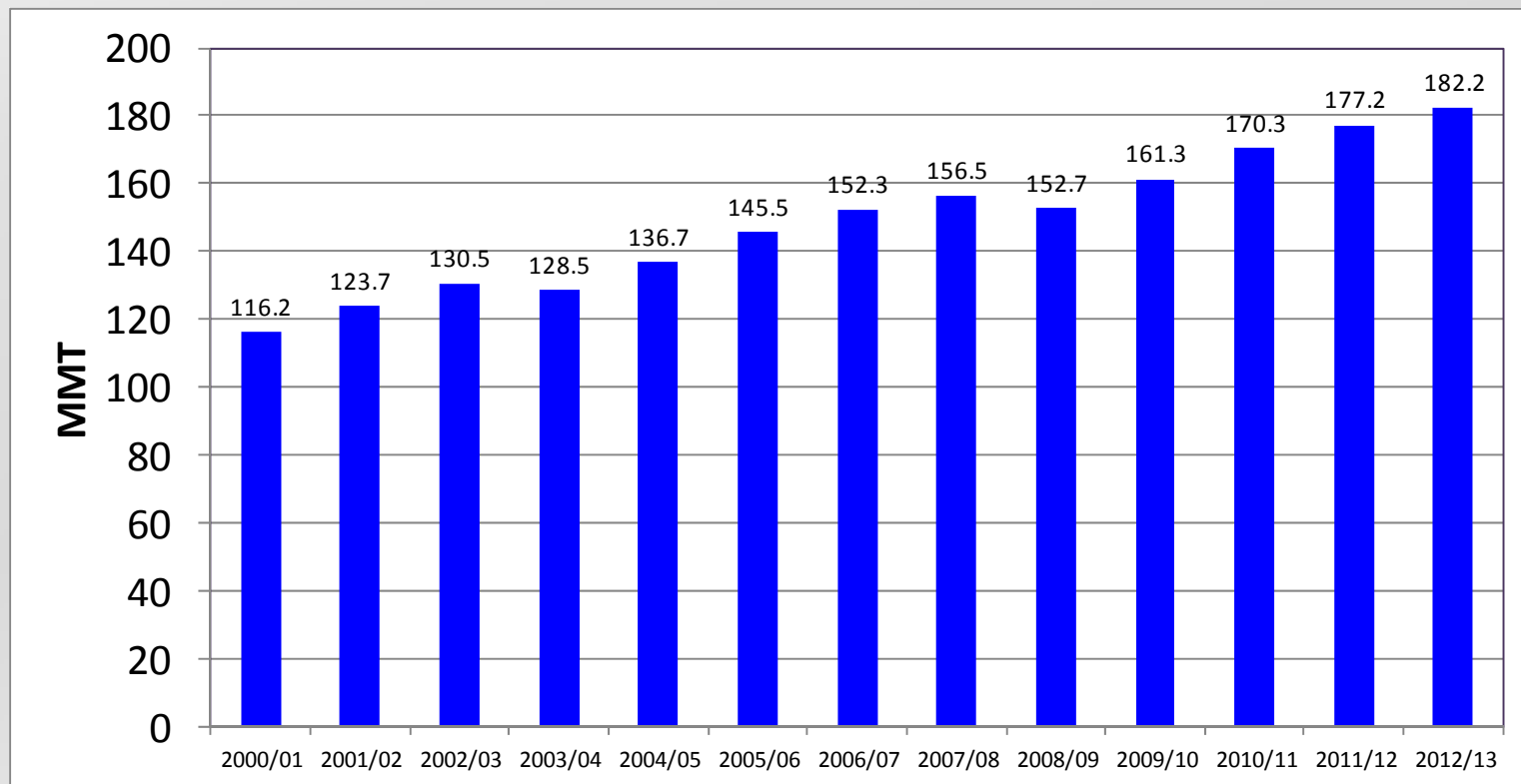


U.S. New-Crop Soybean and Soymeal Export Sales
January 19, 2012 and January 17, 2013
27% More Soybeans and 42.3% More Soymeal Sold This Year

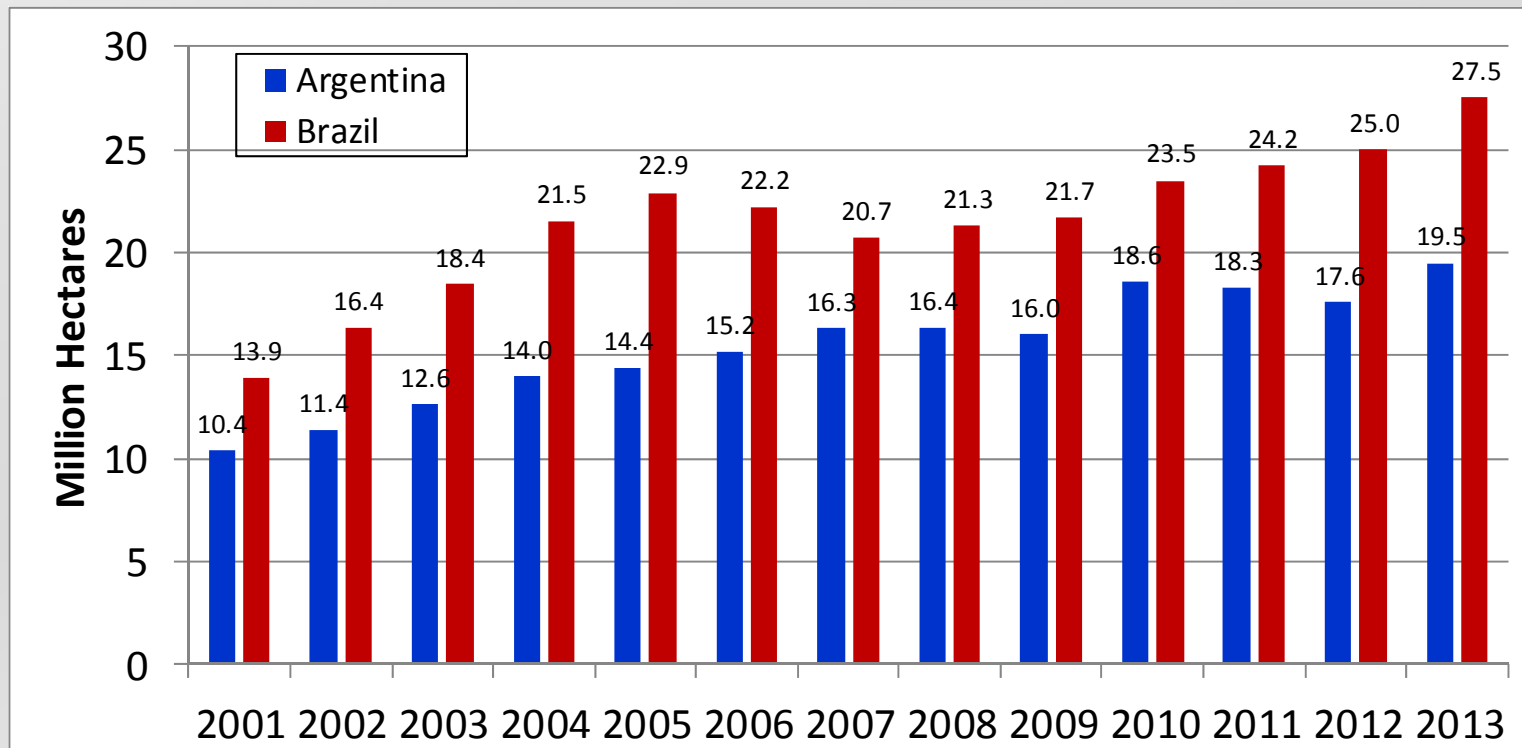


Global Soymeal Consumption

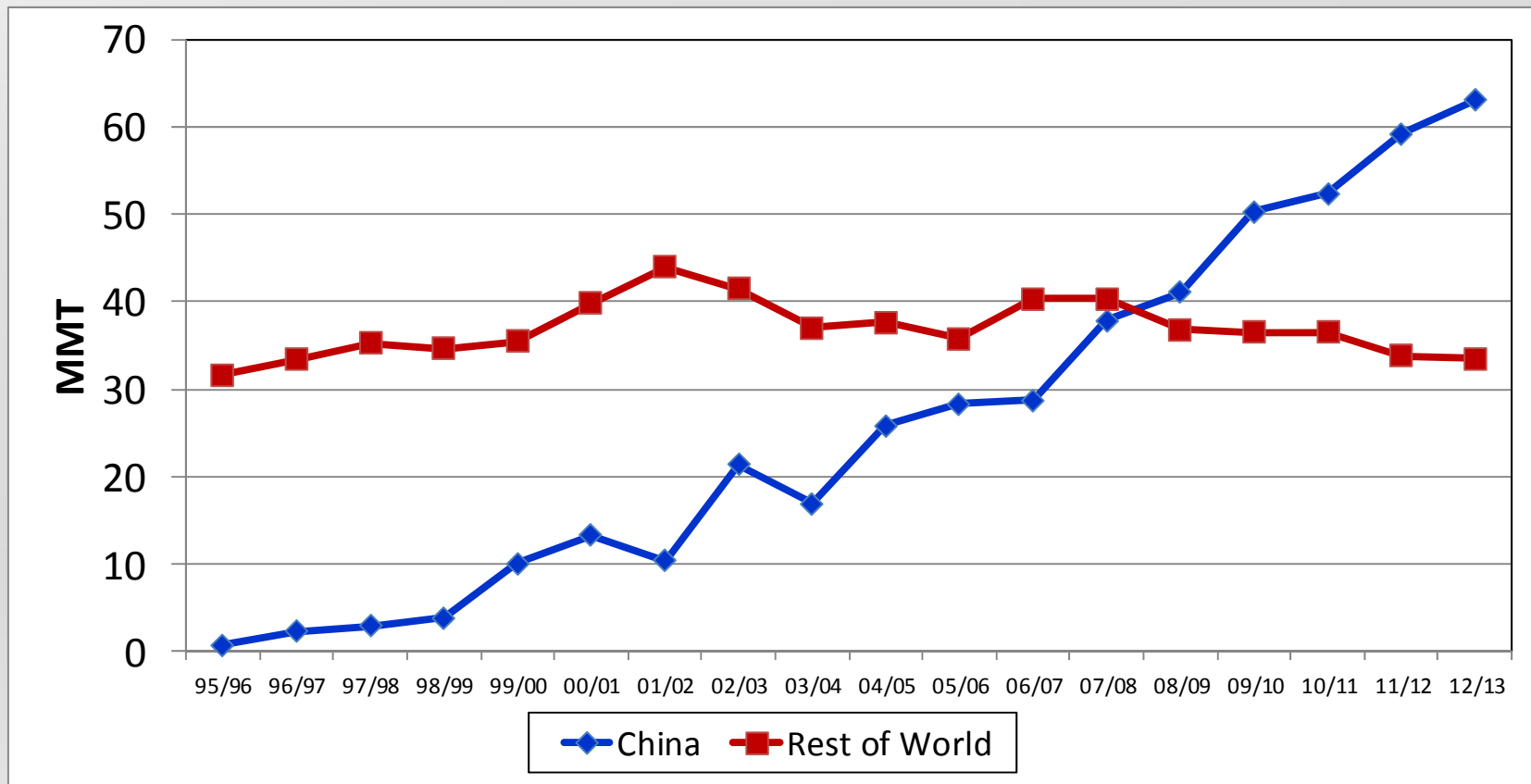
2000/01 – 2011/12 and USDA Forecast for 2012/13



Argentina and Brazil Soybean Harvested Area 2000 - 2013

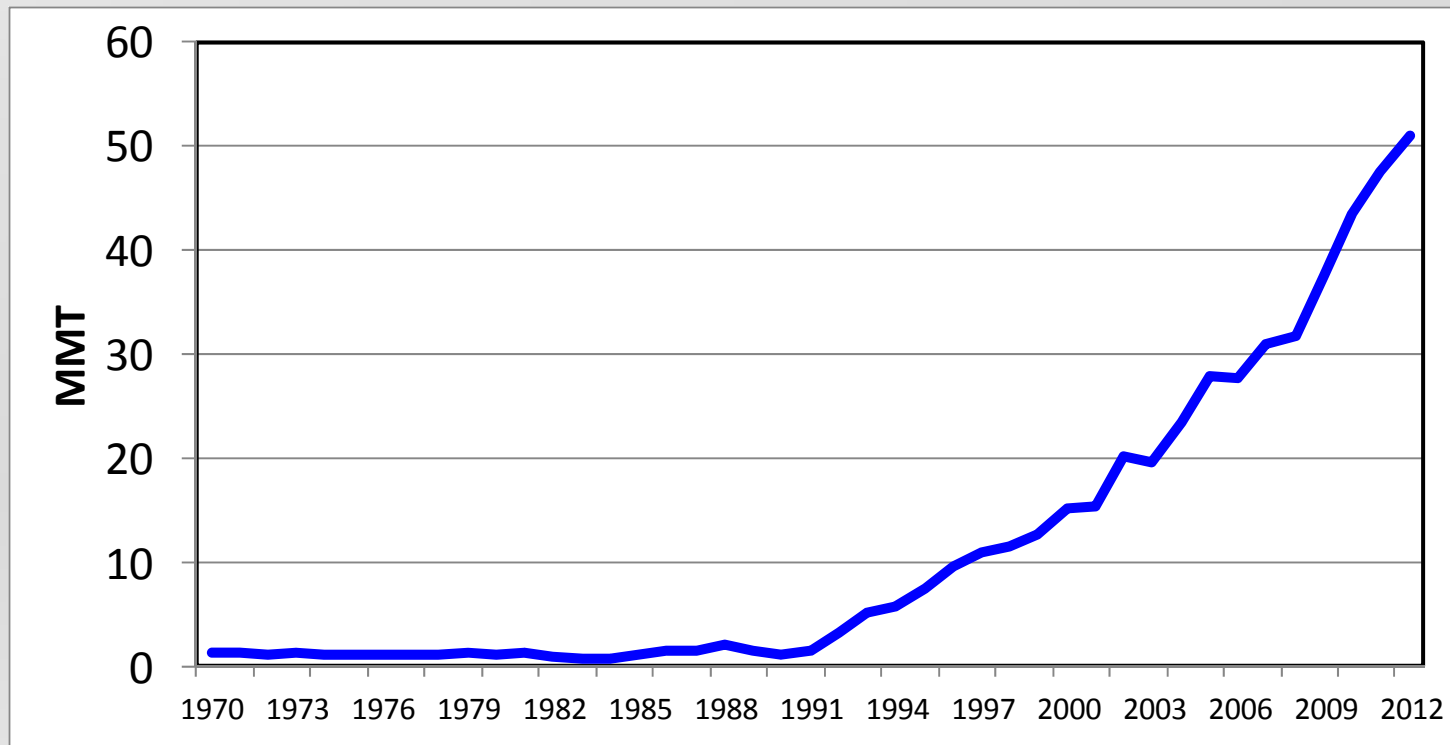


Soybean Imports by China and Rest of World 1995/96 – 2011/12 and USDA Forecast for 2012/13



China's Soymeal Consumption

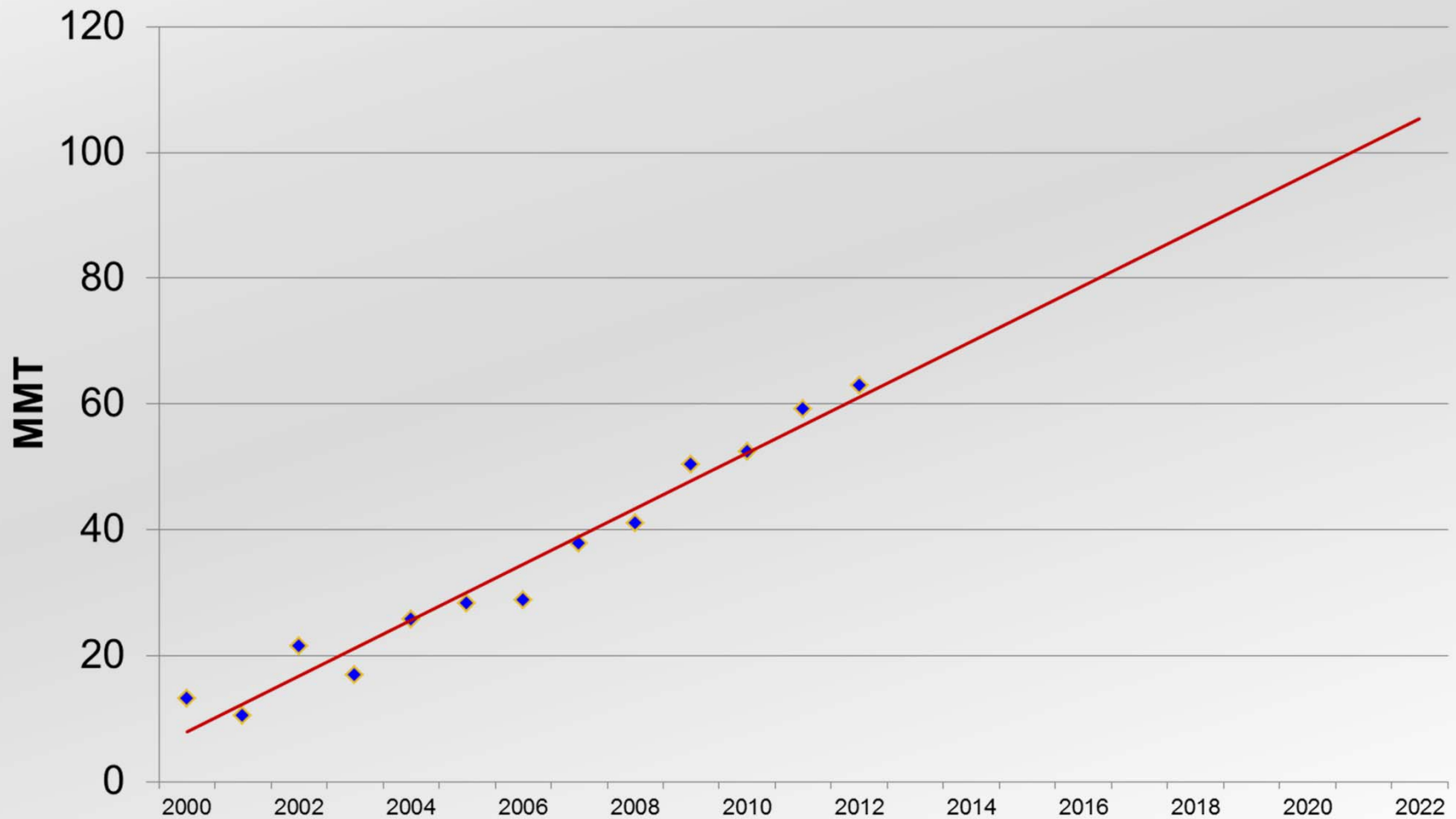
1971/72 - 2011/12 and USDA Forecast for 2012/13



China's Soybean Imports

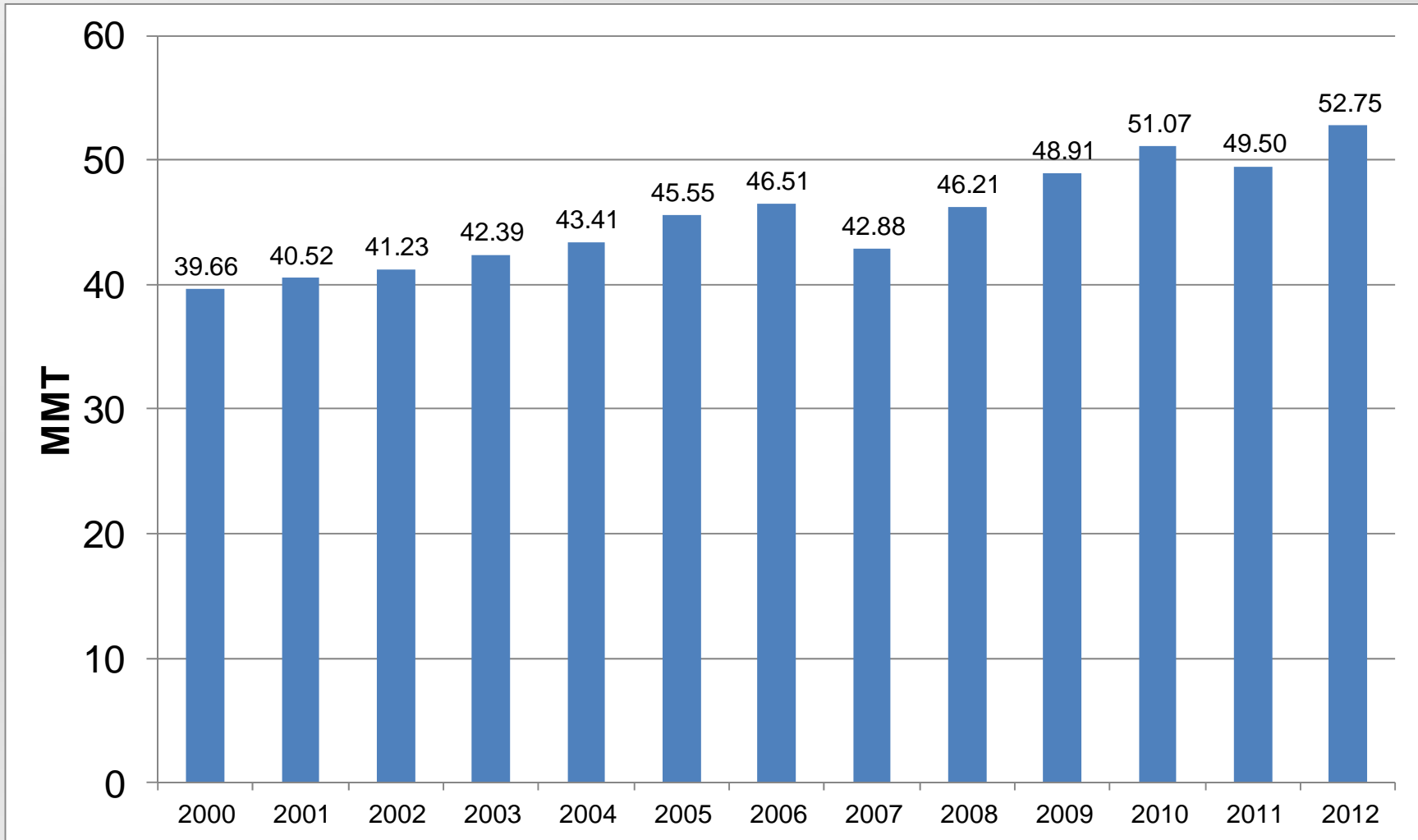
2000/01 – 2012/13 and Trend to 2022/23

Trend Suggests China May Be Importing 45 MMT More Soybeans by 2022/23



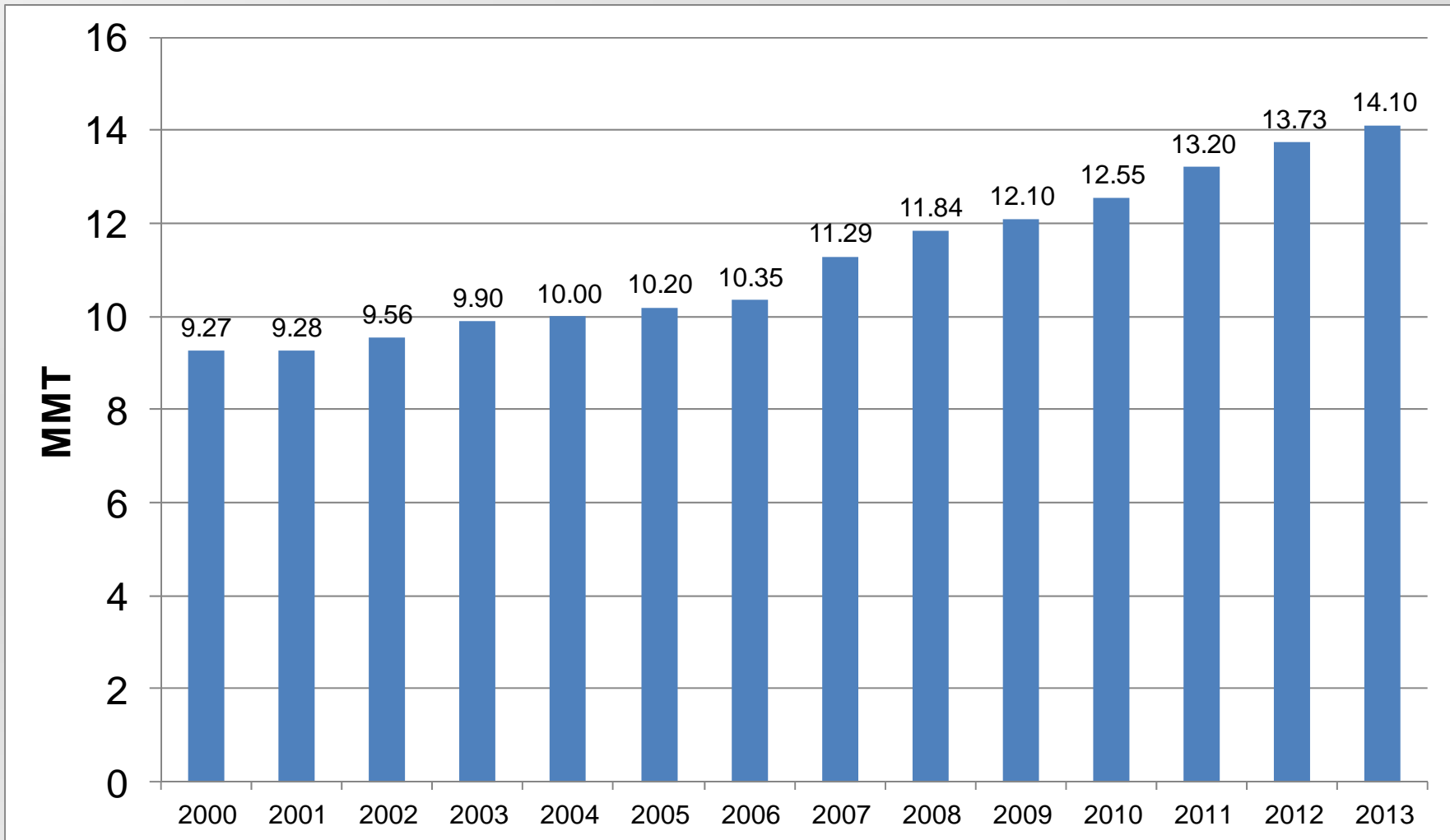
China's Annual Pork Production 2000 -2012

Production Up by 33 Percent



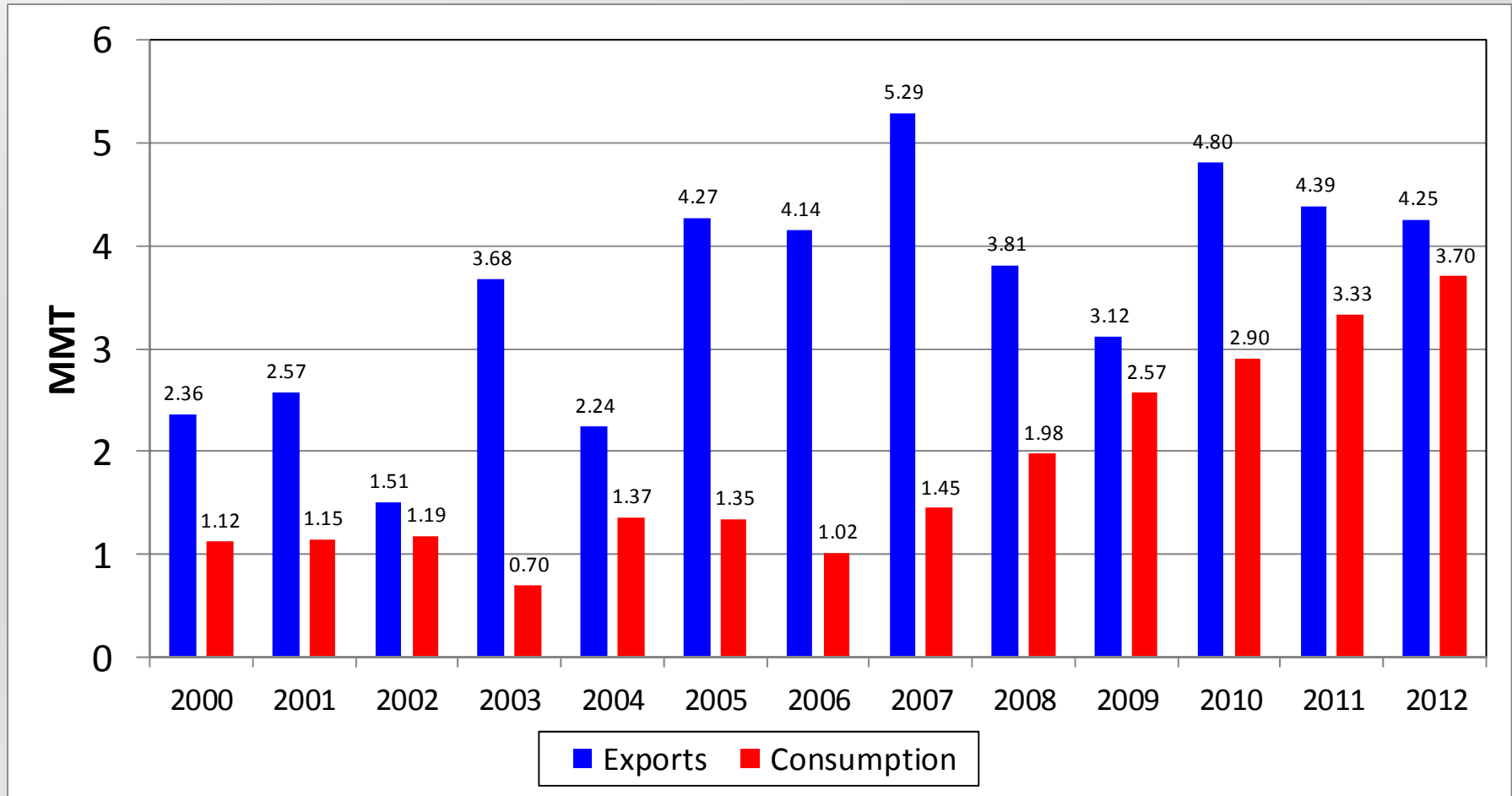
China's Annual Broiler Meat Production 2000 -2013

Production Up by 52 Percent



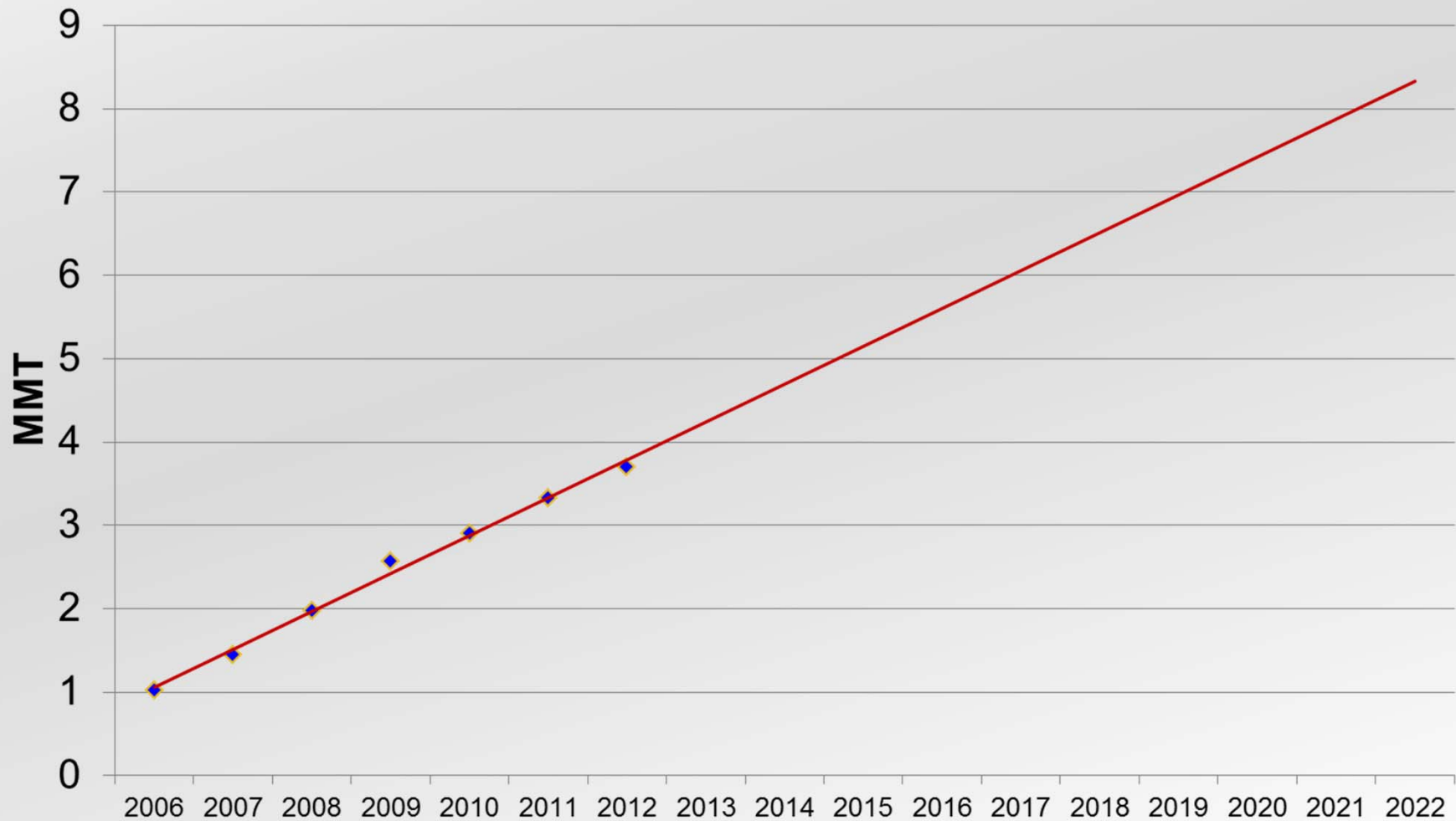
India's Soymeal Exports and Consumption 2000/01 –2011/12 and Forecast for 2012/13

India Soon Will Consume More Soymeal Than It Exports

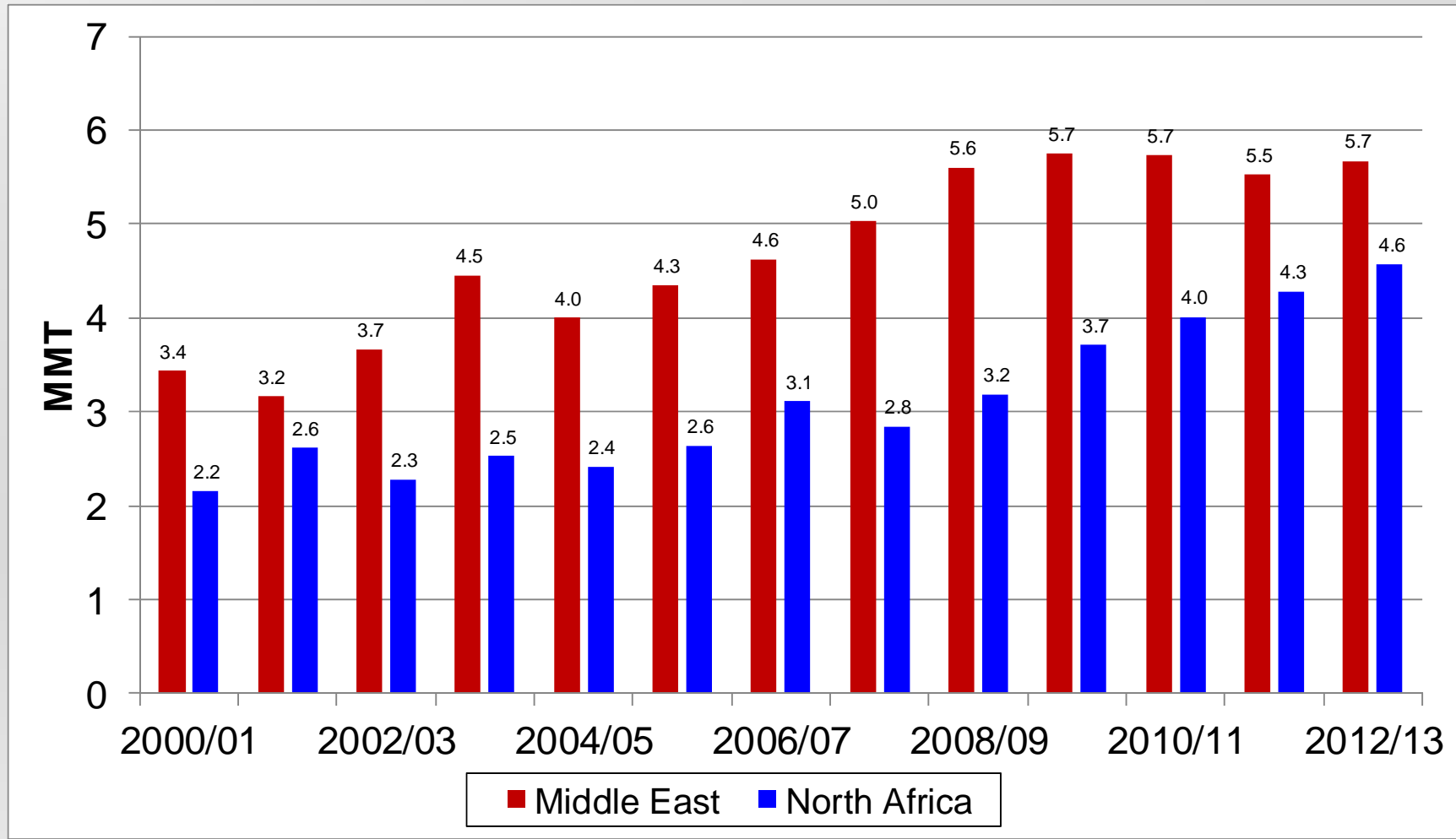


India's Soymeal Consumption 2006/07 – 2012/13 and Trend to 2022/23

Trend Suggests India Will Consume Over 8 MMT/Year in a Decade

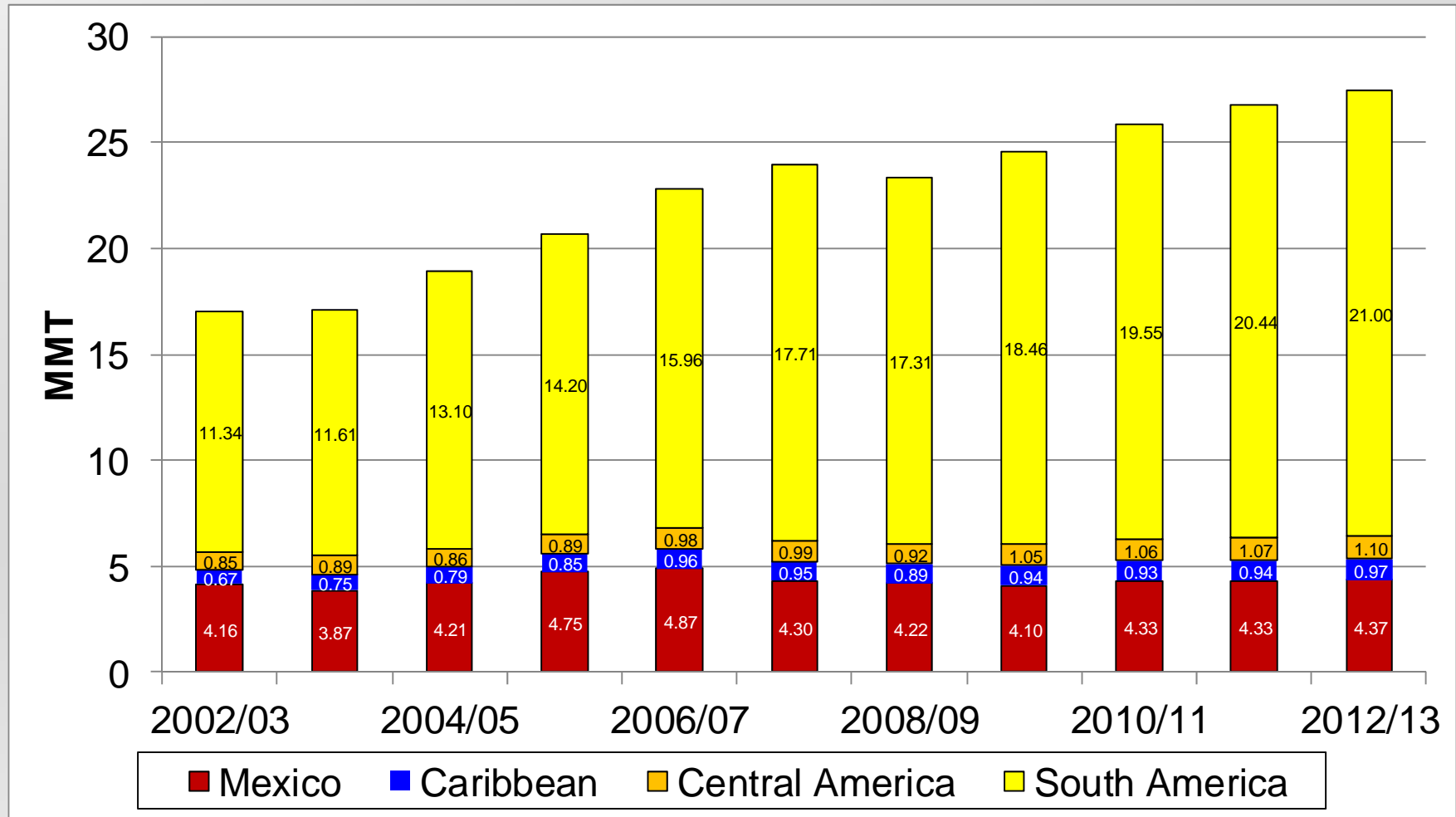


Soymeal Consumption by Middle East and North Africa 2000/01 – 2011/12 and USDA Forecast fro 2012/13



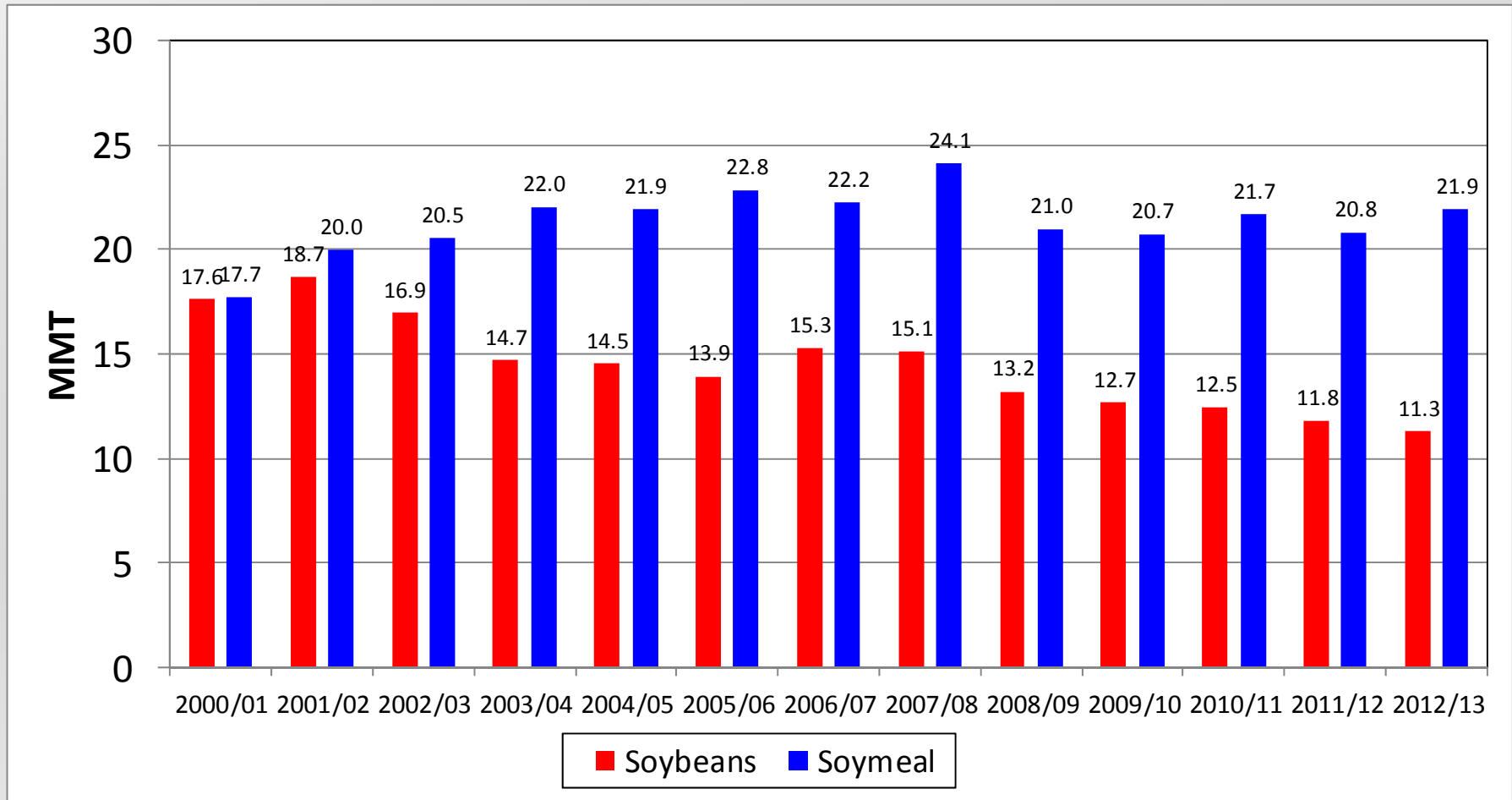
Latin America's Consumption of Soymeal 2002/03 – 2011/12 and USDA Forecast for 2012/13

Brazil Is Main Consumer in South America

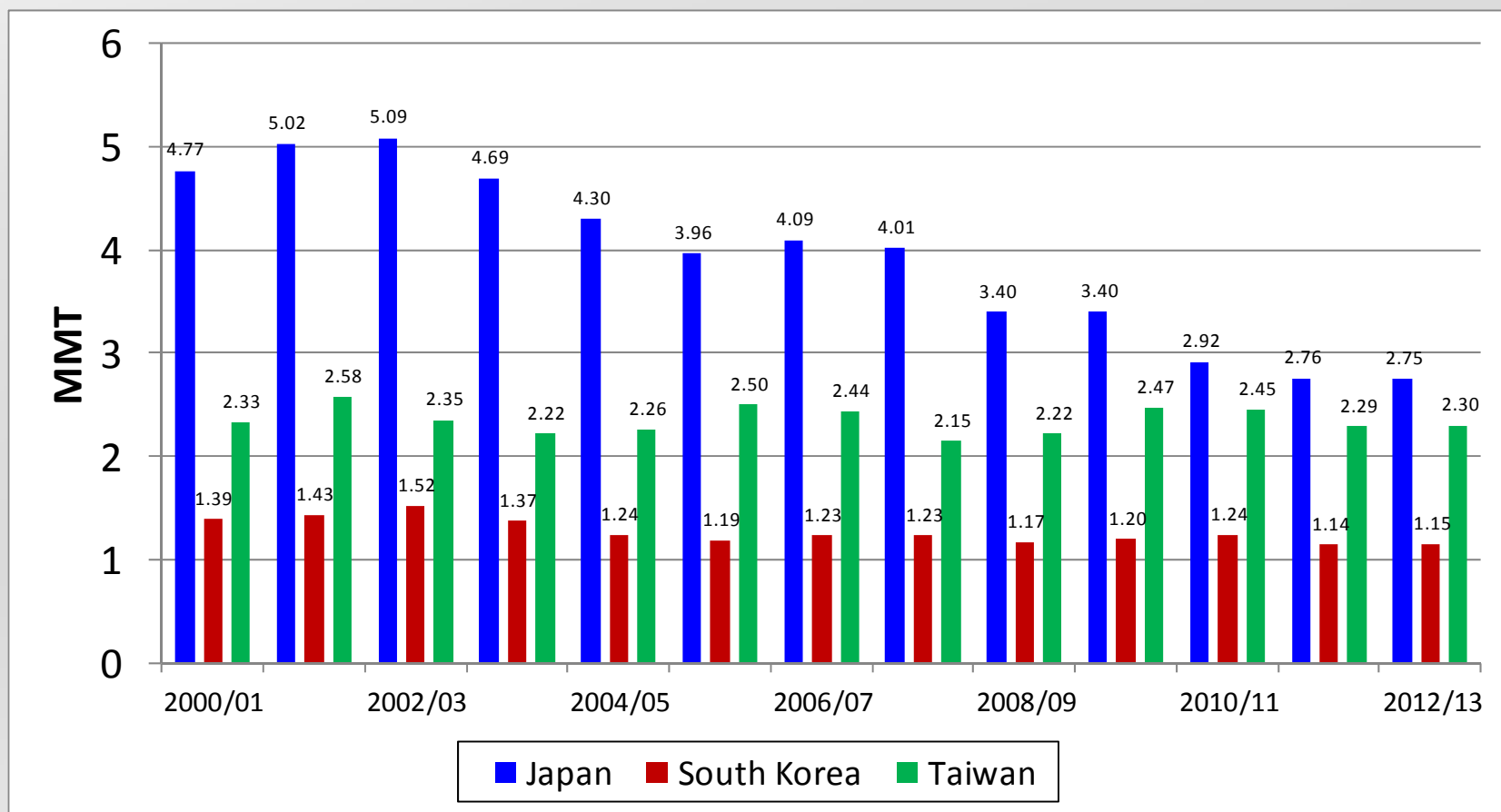


EU Imports of Soybeans and Soymeal

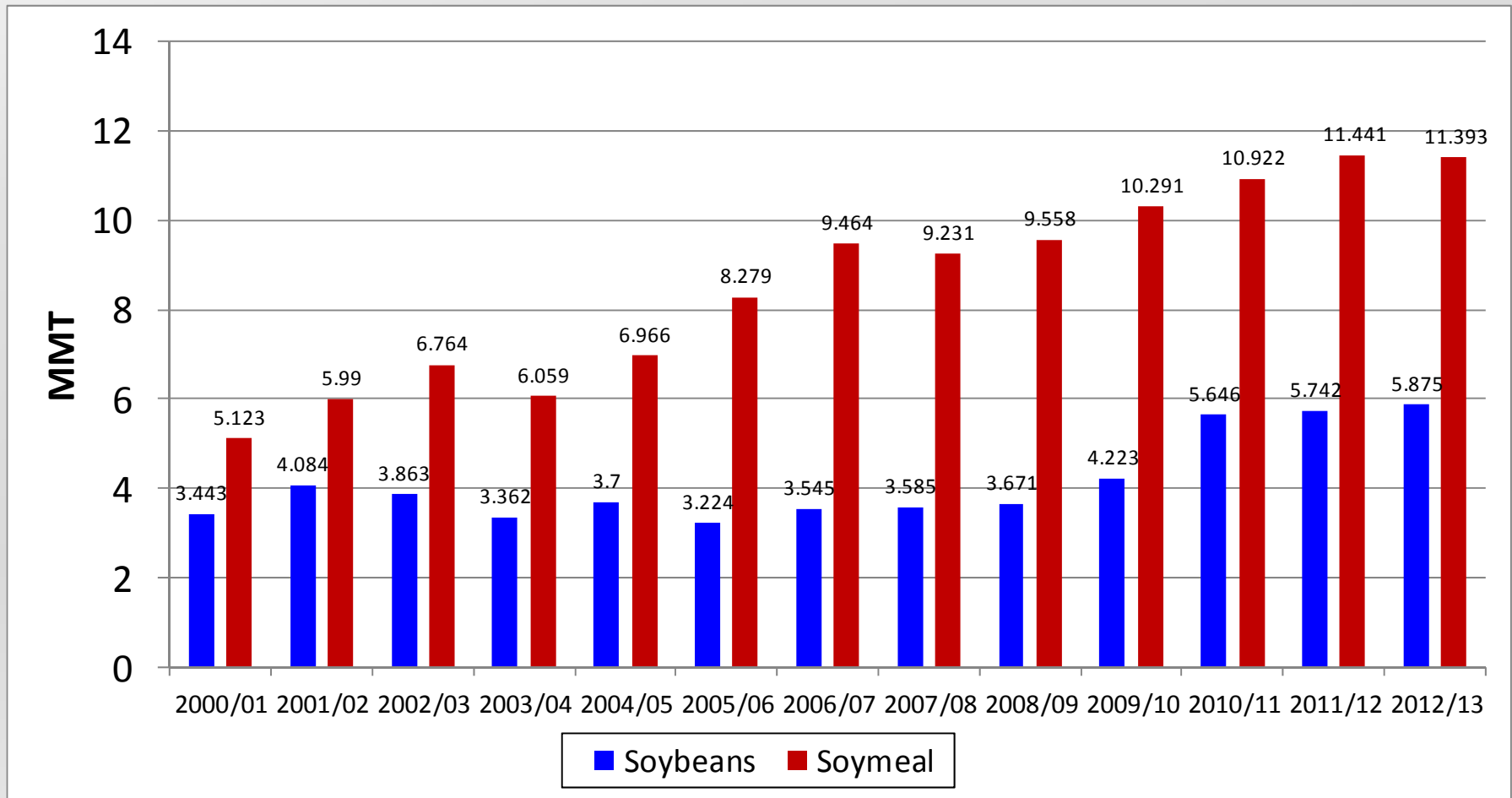
2000/01 -2011/12 and Forecast for 2012/13



Japan's, South Korea's and Taiwan's Imports of Soybeans 2000/01 -2011/12 and Forecast for 2012/13

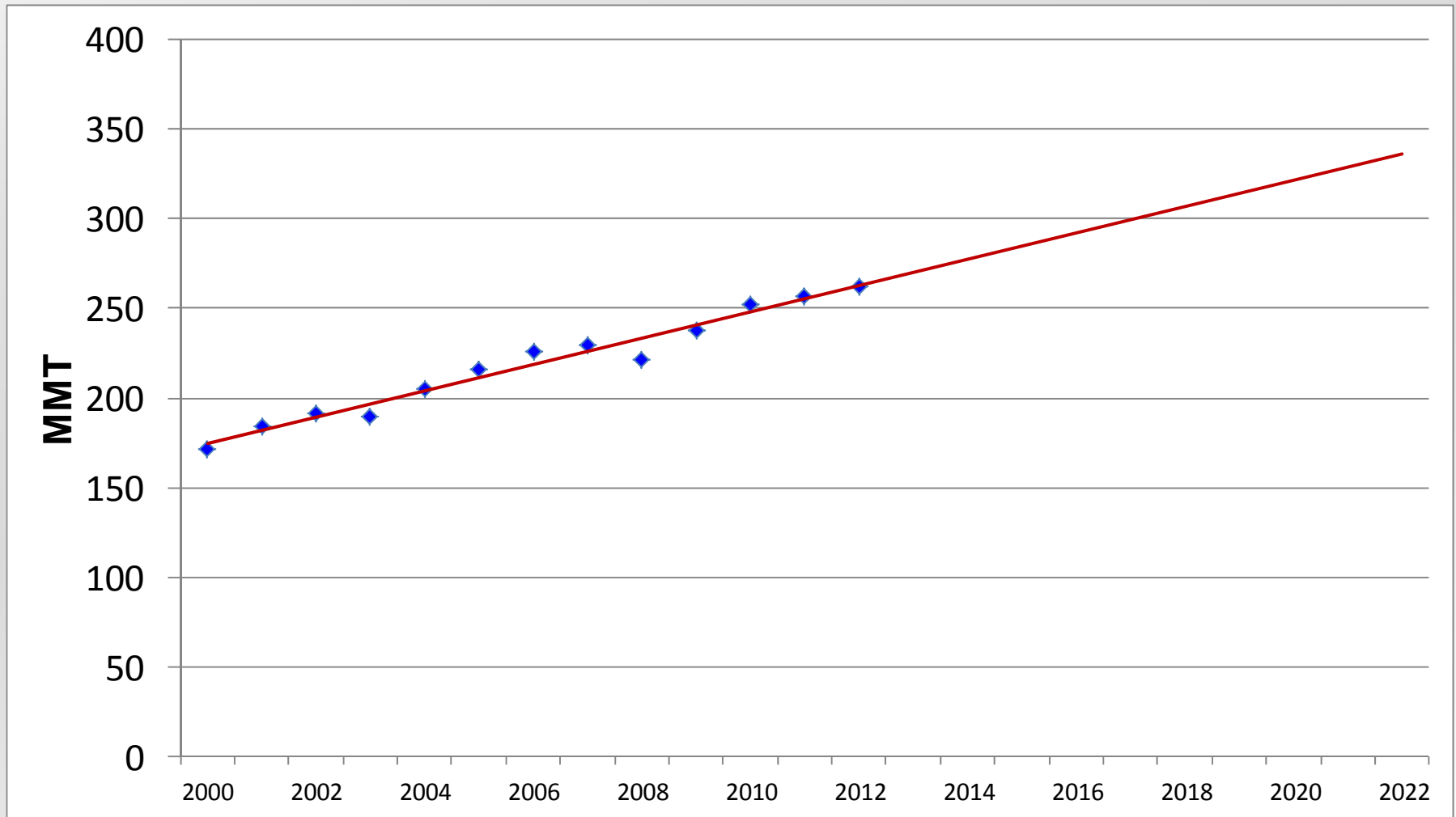


Southeast Asia's Imports of Soybeans and Soymeal 2000/01 -2011/12 and USDA Forecast for 2012/13

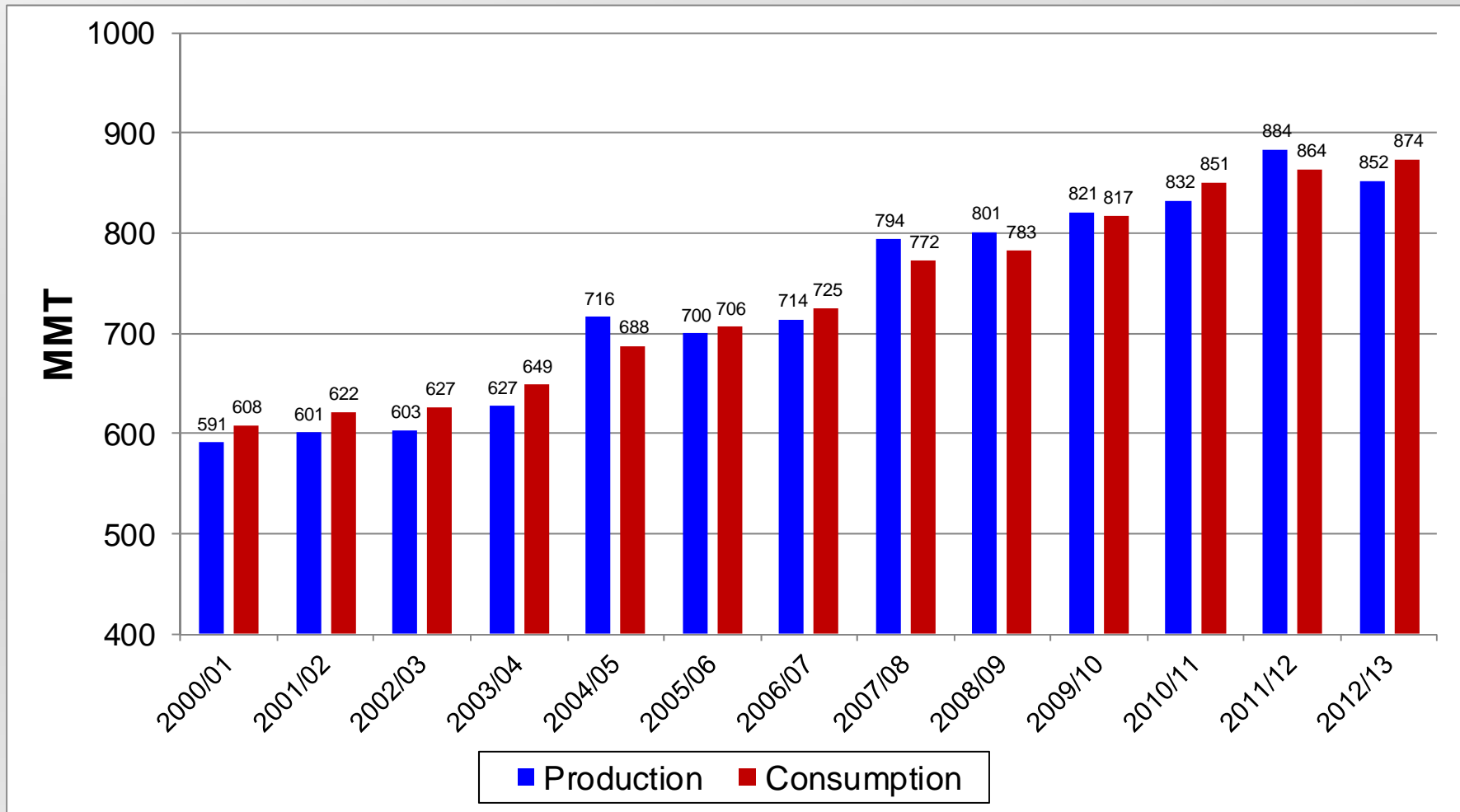


Global Soybean Consumption 2000/01 – 2012/13 and Trend to 2022/23

If Trend Continues Worlds Need 70 MMT Additional Soybeans in a Decade
That's More Than Brazil Produced in 2012



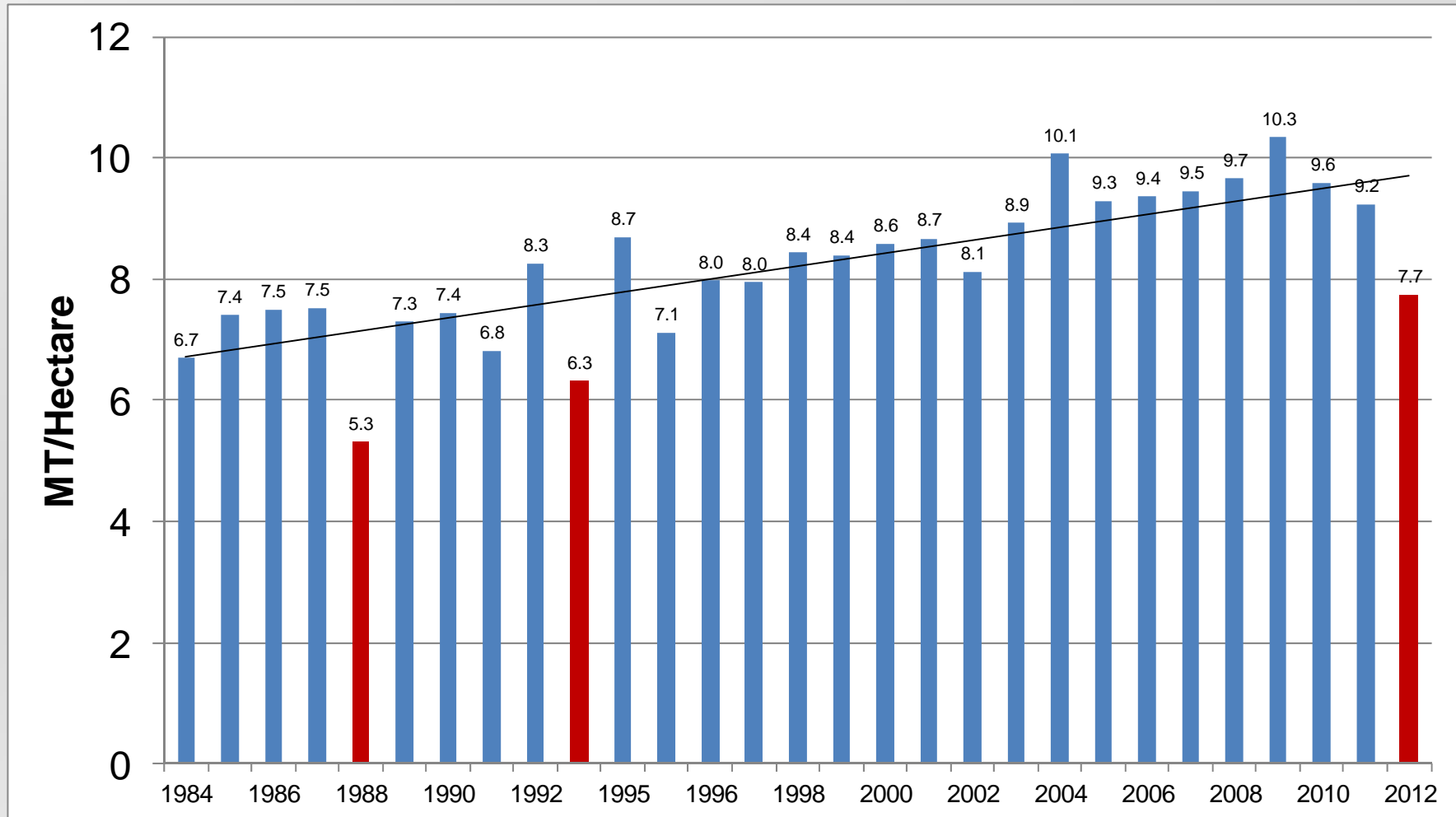
Global Corn Production and Consumption 2000/01 – 2011/12 and USDA Forecast for 2012/13



U.S. Average Corn Yields

1984 – 2011 and USDA Estimate for 2012

Major Droughts in 1988 and 2012

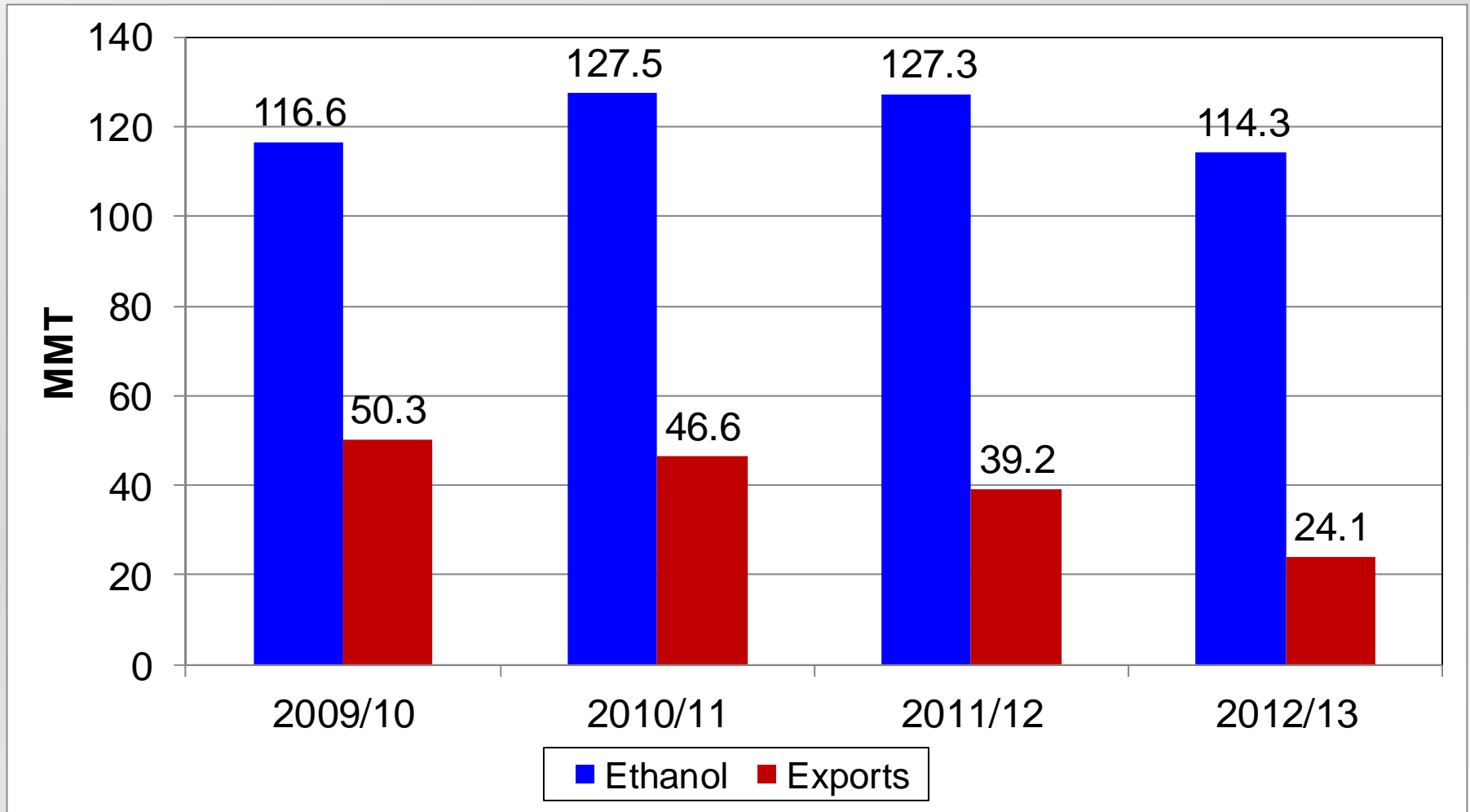


U.S. Corn Supply and Demand

USDA Estimates for 2010/11, 2011/12 and 2012/13
MMT

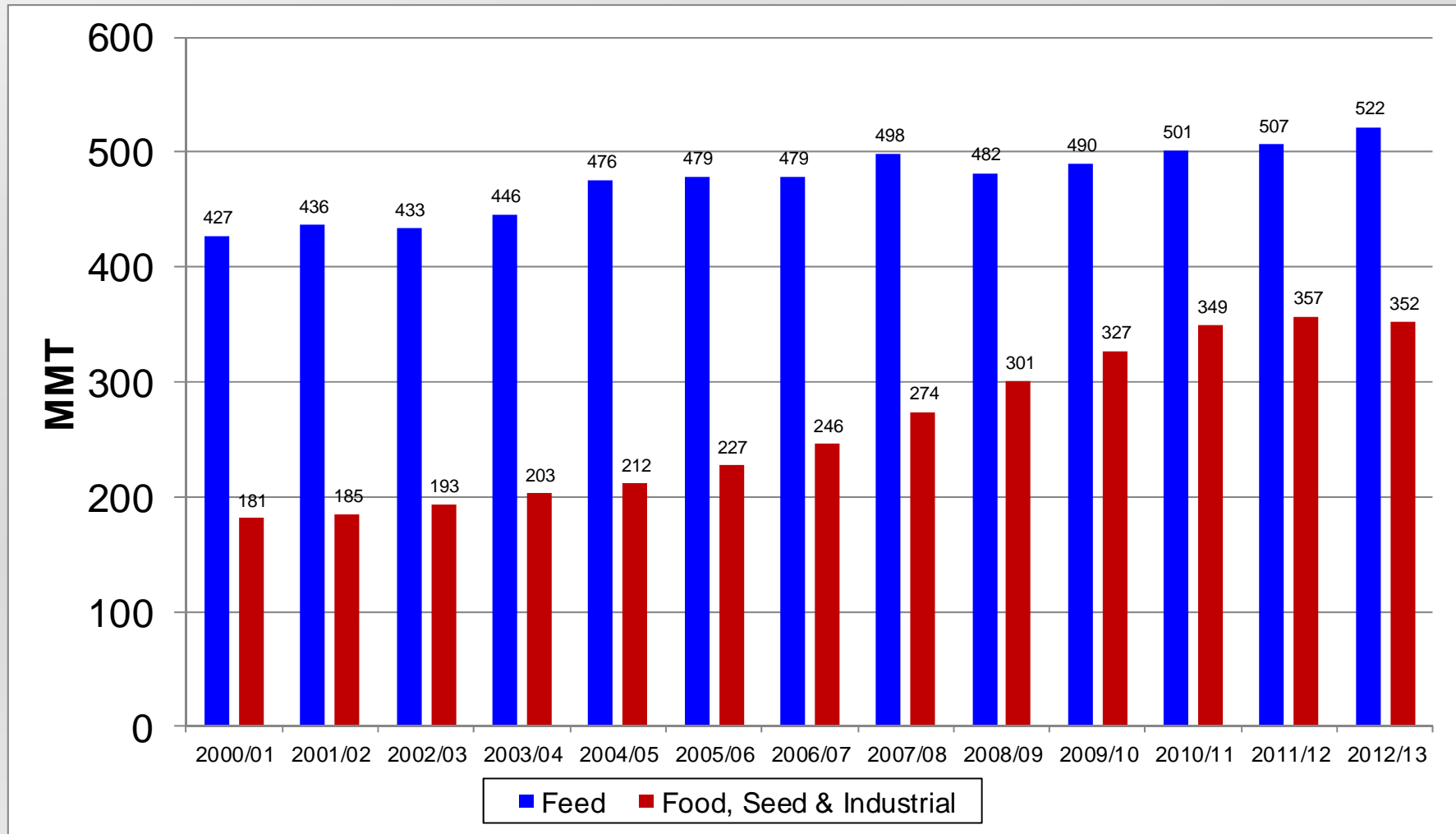
Attribute	2010/11	2011/12	USDA 2012/13
Begin Stocks	43.39	28.65	25.10
Production	316.17	313.91	273.83
Imports	0.71	0.64	2.54
Total Supply	360.24	343.20	300.09
Feed/Residual	121.75	115.50	113.04
Food & Seed	35.74	36.22	34.72
Ethanol	127.54	128.12	114.31
Exports	46.61	39.19	24.13
Total Use	331.62	318.20	286.20
End Stocks	28.65	25.10	15.29

U.S. Corn Exports and Use for Ethanol Production 2009/10 – 2011/12 and USDA Forecast for 2012/13

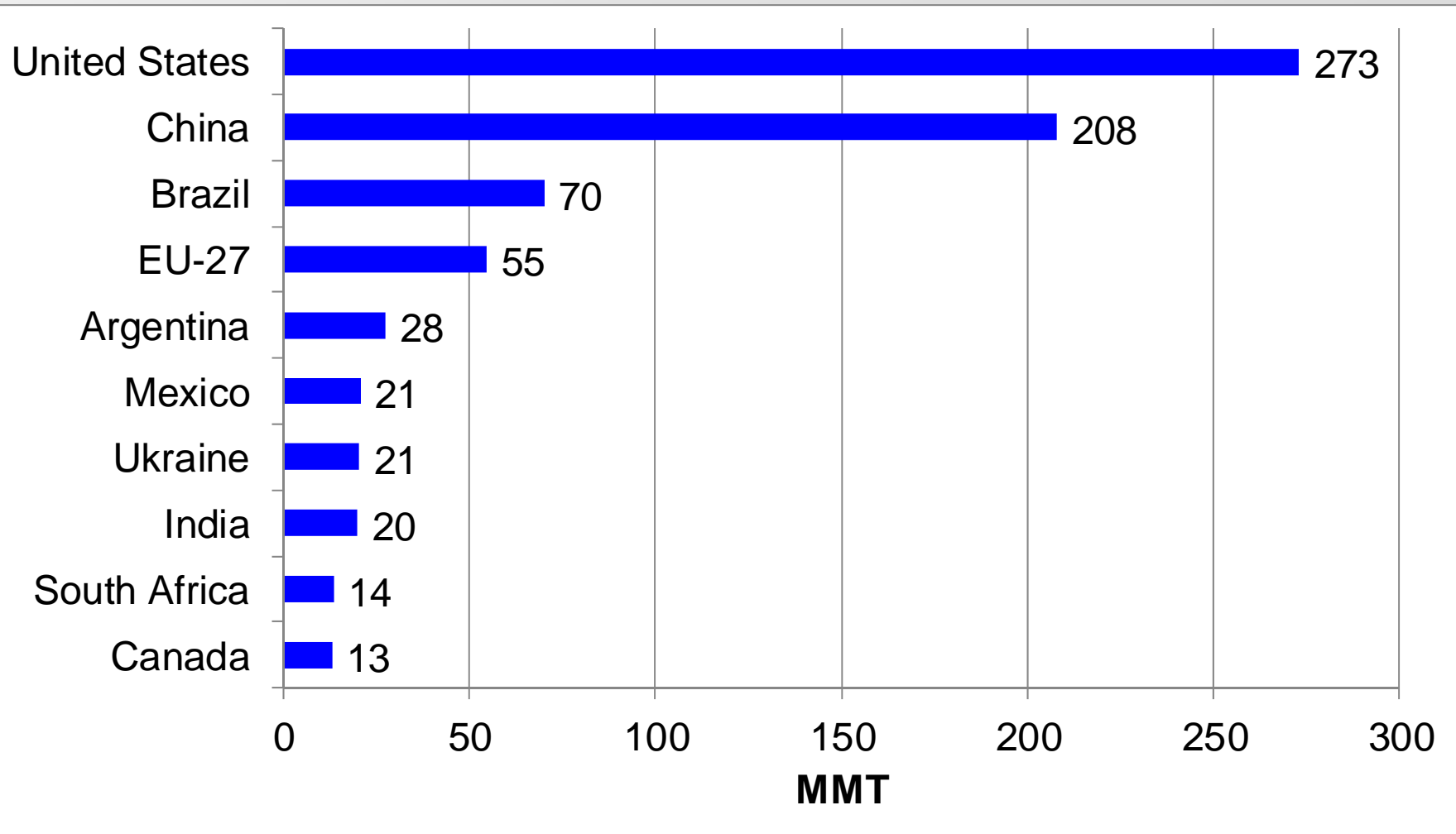


Global Consumption of Corn for Feed and for Food, Seed & Industrial Uses 2000/01 – 2011/12 and USDA Forecast for 2012/13

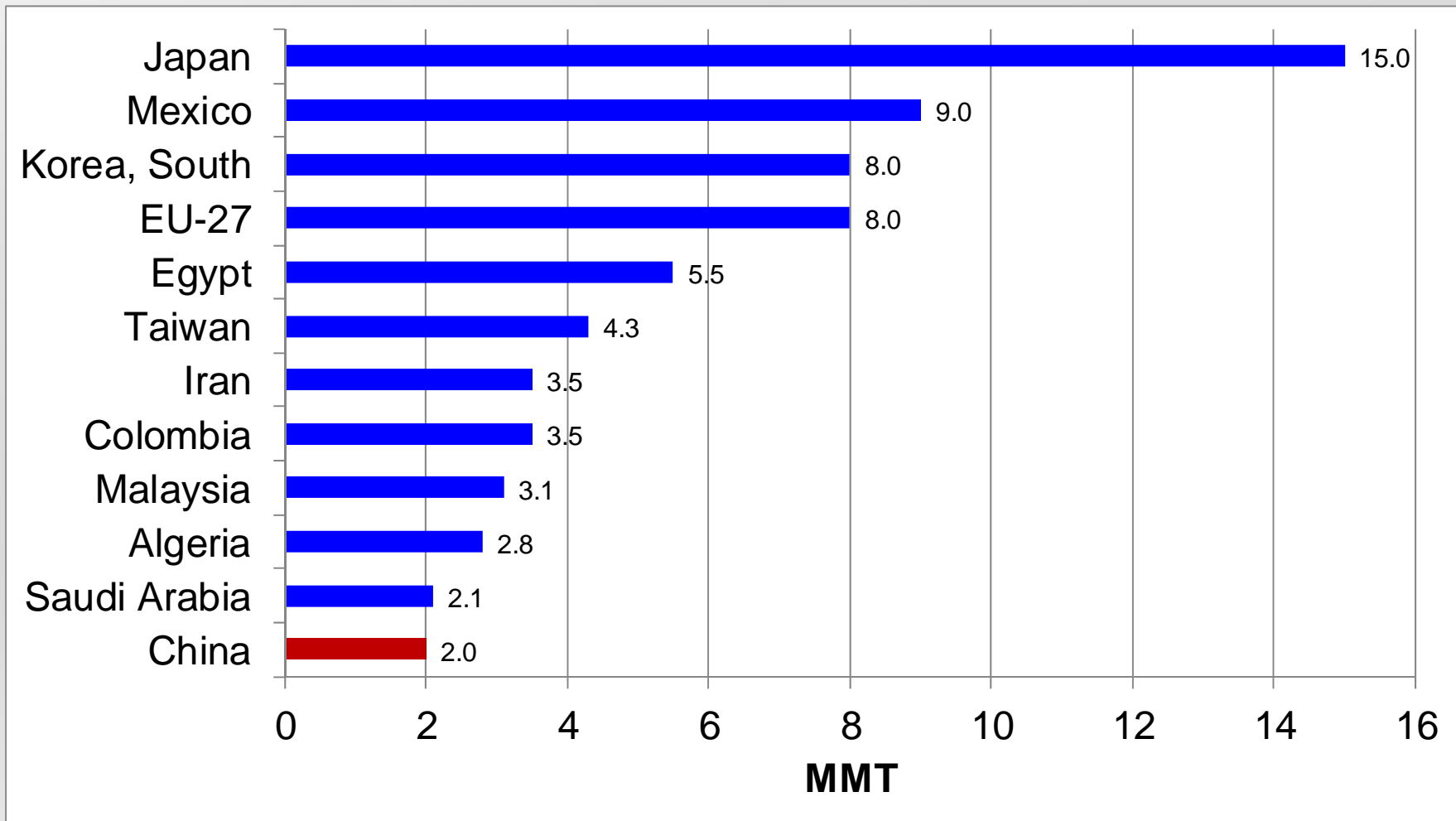
Feed Up 95 MMT, FS&I Up 176 MMT



World's Largest Corn Producers 2012/13 Marketing Year

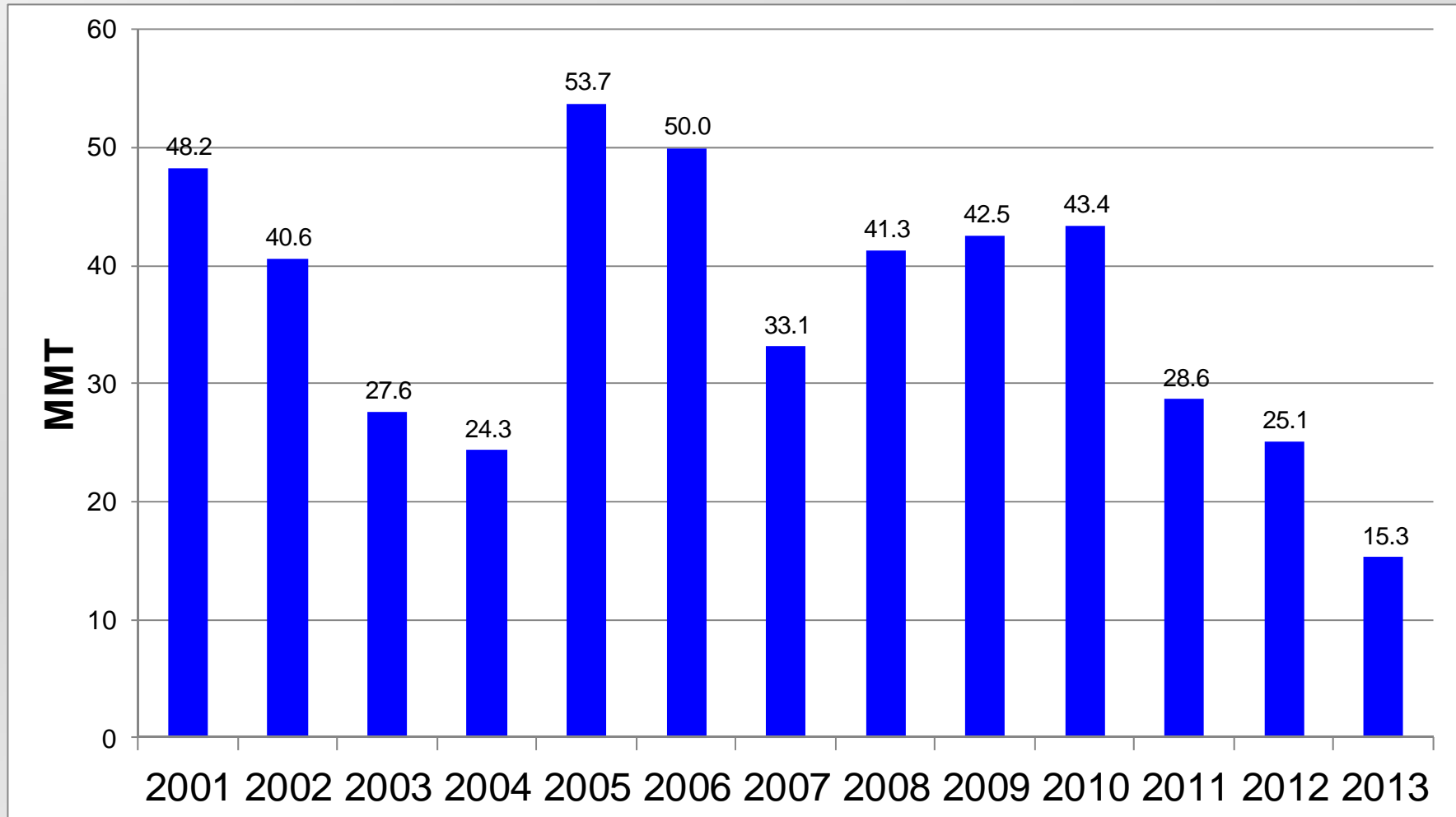


World's Largest Corn Importers 2012/13 Marketing Year



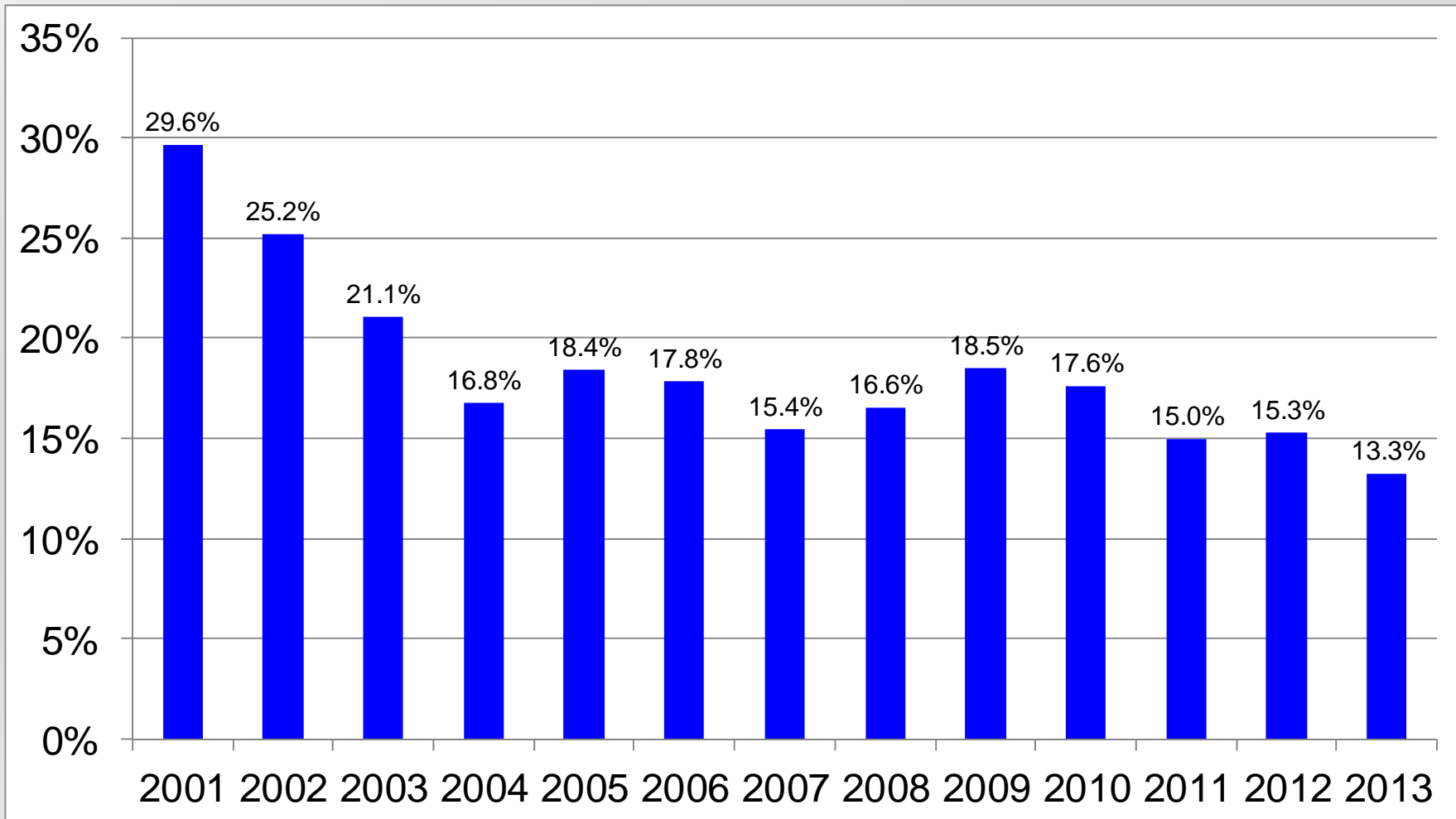
U.S. Corn Stocks on September 30

2001 – 2011 and USDA Forecast for 2011 and 2012



Global Corn Stocks to Use Ratio

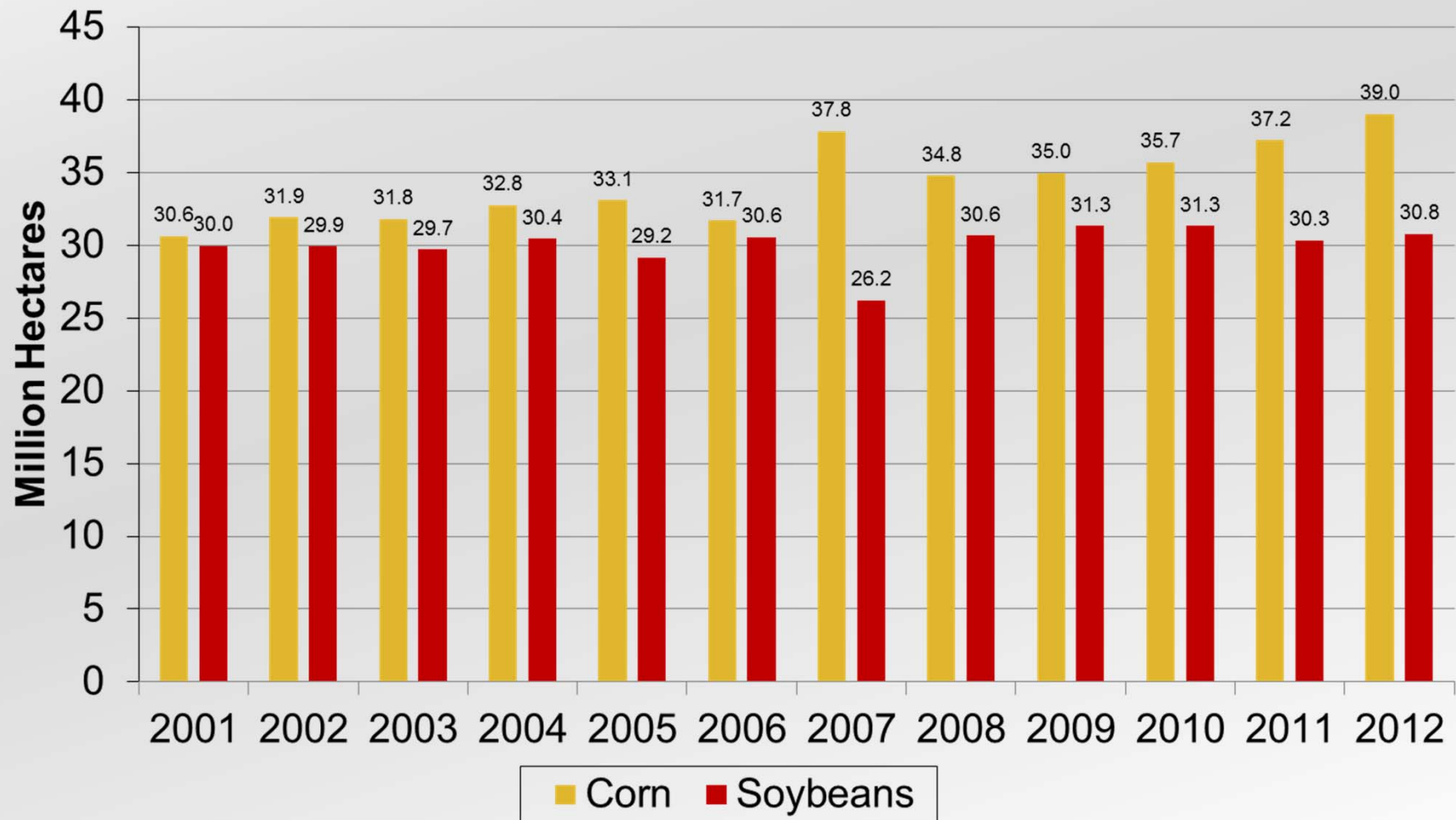
2001 - 2012 and USDA Forecast for 2013



Early Outlook for U.S. Corn and Soybean Plantings in 2013

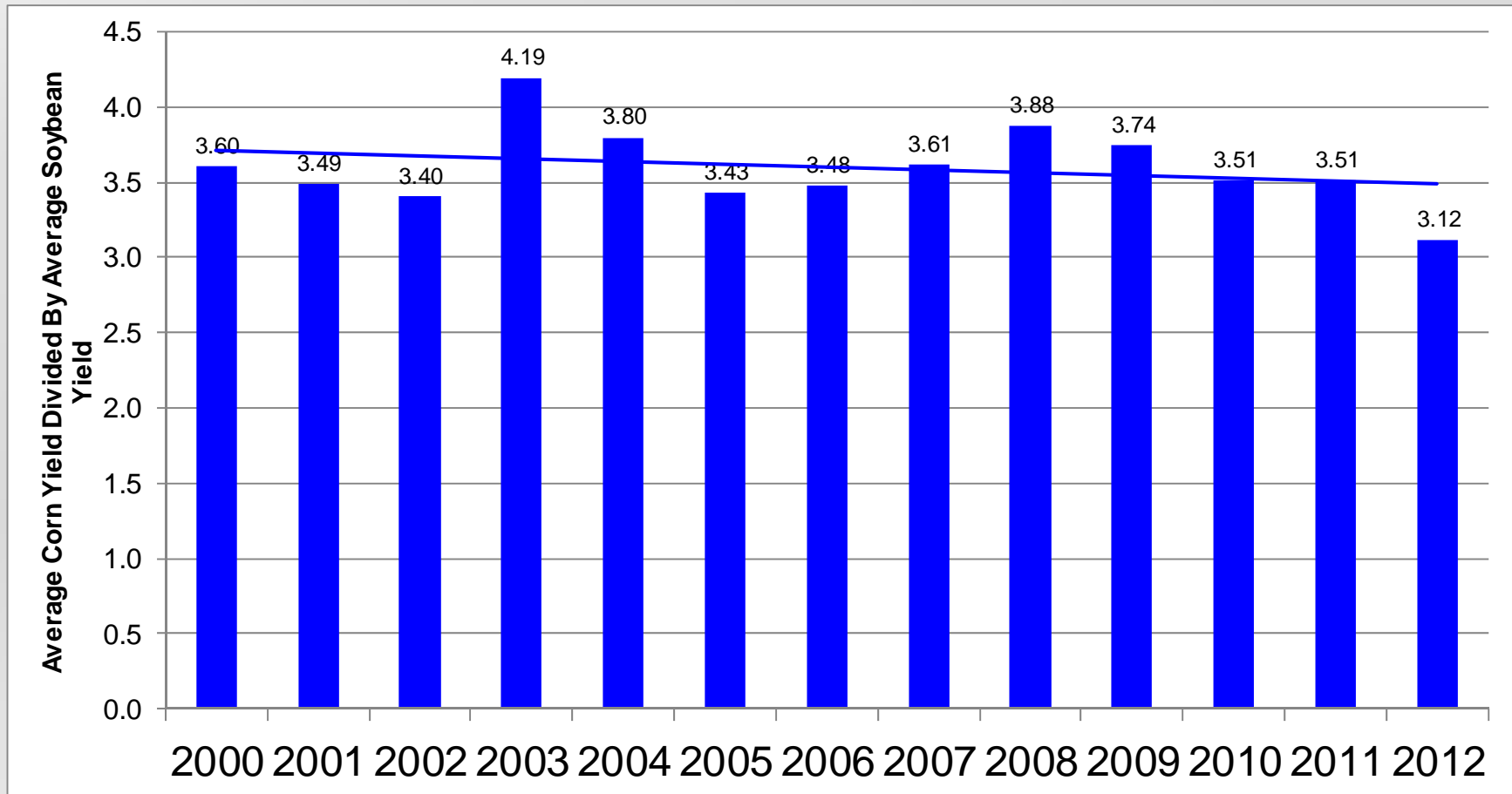
- Because corn appears to have been impacted more by 2012 drought than soybeans it is likely economics will favor corn plantings over soybeans in 2013.
 - However, a major limiting factor to corn plantings in 2013 will be an inadequate planting seed supply as the drought sharply reduced output of seed corn in 2012.
 - Many farmers also saw much lower yields from corn planted after corn in 2012 and may choose to reduce corn plantings in favor of soybeans to improve rotations.
 - General expectation of analysts is for both corn and soybean plantings to increase by about 2 million acres in 2013 as a result of lower cotton plantings and increased double-crop soybean plantings.
 - Much will depend on crop insurance price guarantees to be set in February.
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U.S. Corn and Soybean Planted Area 2001 - 2012



Ratio of Average U.S. Corn Yield to Average U.S. Soybean Yield 2000 - 2012

Corn Yields Are Not Growing Faster Than Soybean Yields



Questions?

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