



World Grain Situation

Presented to

Agrotendencias 2014

Buenos Aires

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by

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Grains Analyst

World Agricultural Outlook Board

U.S. Department of Agriculture

Agrotendencias 2014

Why USDA Makes Crop Forecasts

- Supply and demand information helps buyers and sellers better determine commodity values in the marketplace.
- Unbiased information levels the playing field and provides a consistent benchmark for market participants.
- USDA forecasts provide a common starting point and benchmark for private analysts
- Forecasts provide a starting point for public policy analysis including farm programs, farm income, and food prices.

WASDE (World Agricultural Supply and Demand Estimates)

- Monthly supply and demand forecasts for U.S. and world wheat, rice, coarse grains (corn, barley, sorghum, and oats), oilseeds (soybeans and other), and cotton
- Monthly supply and demand forecasts for U.S. meat, poultry, eggs, and milk
- Monthly supply and demand forecasts for U.S. sugar and Mexico sugar

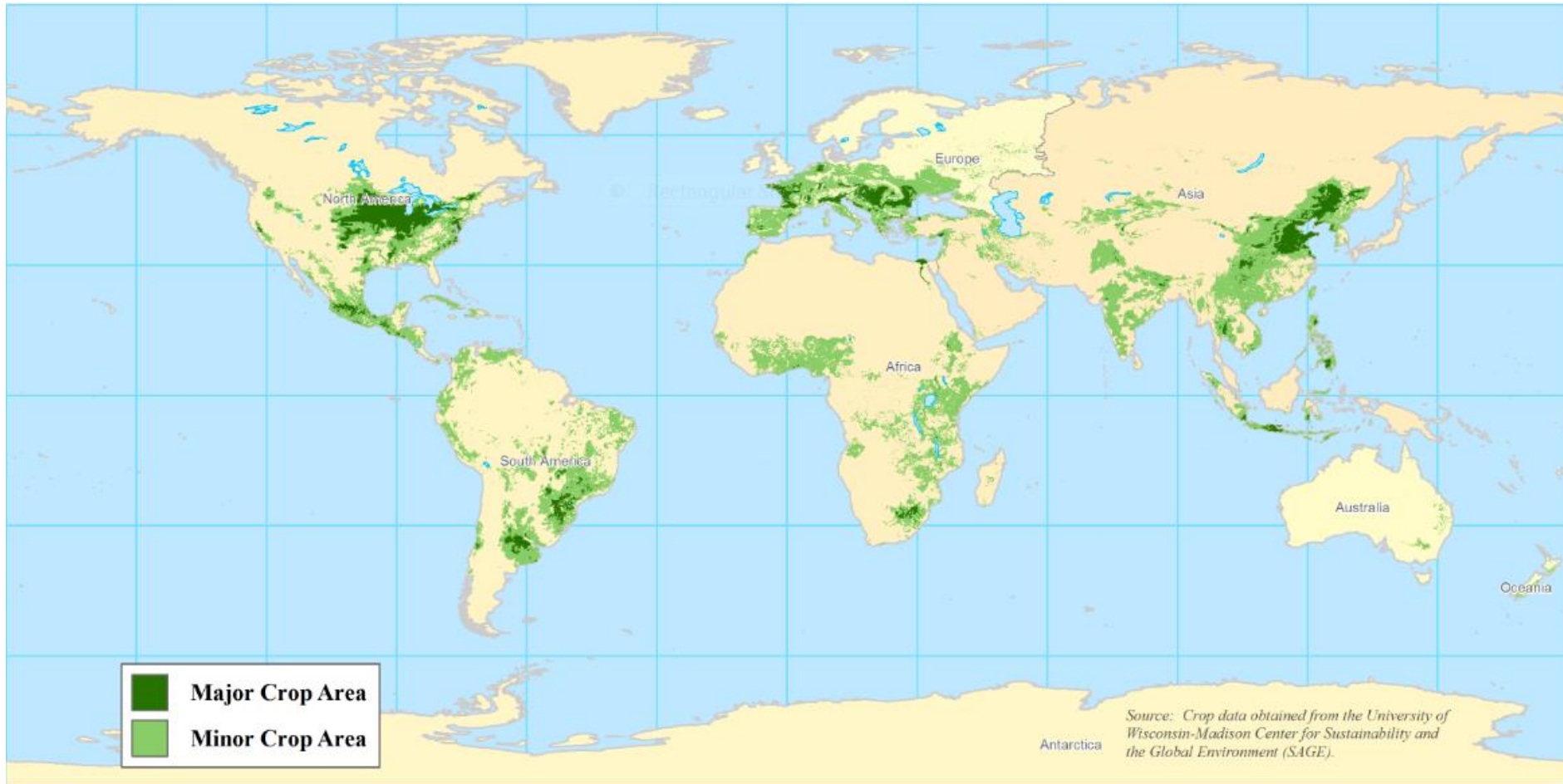
USDA Forecast Methods

- Foreign crop production assessments rely on weather data, satellite imagery, and intelligence gathered on the ground.
- Supply and demand projections rely extensively on statistical analysis and econometric models.
- Process combines statistical data analysis with analyst judgment to reach a consensus market outlook.

Broad Summary of Commodity Markets in the Near and Mid-Term

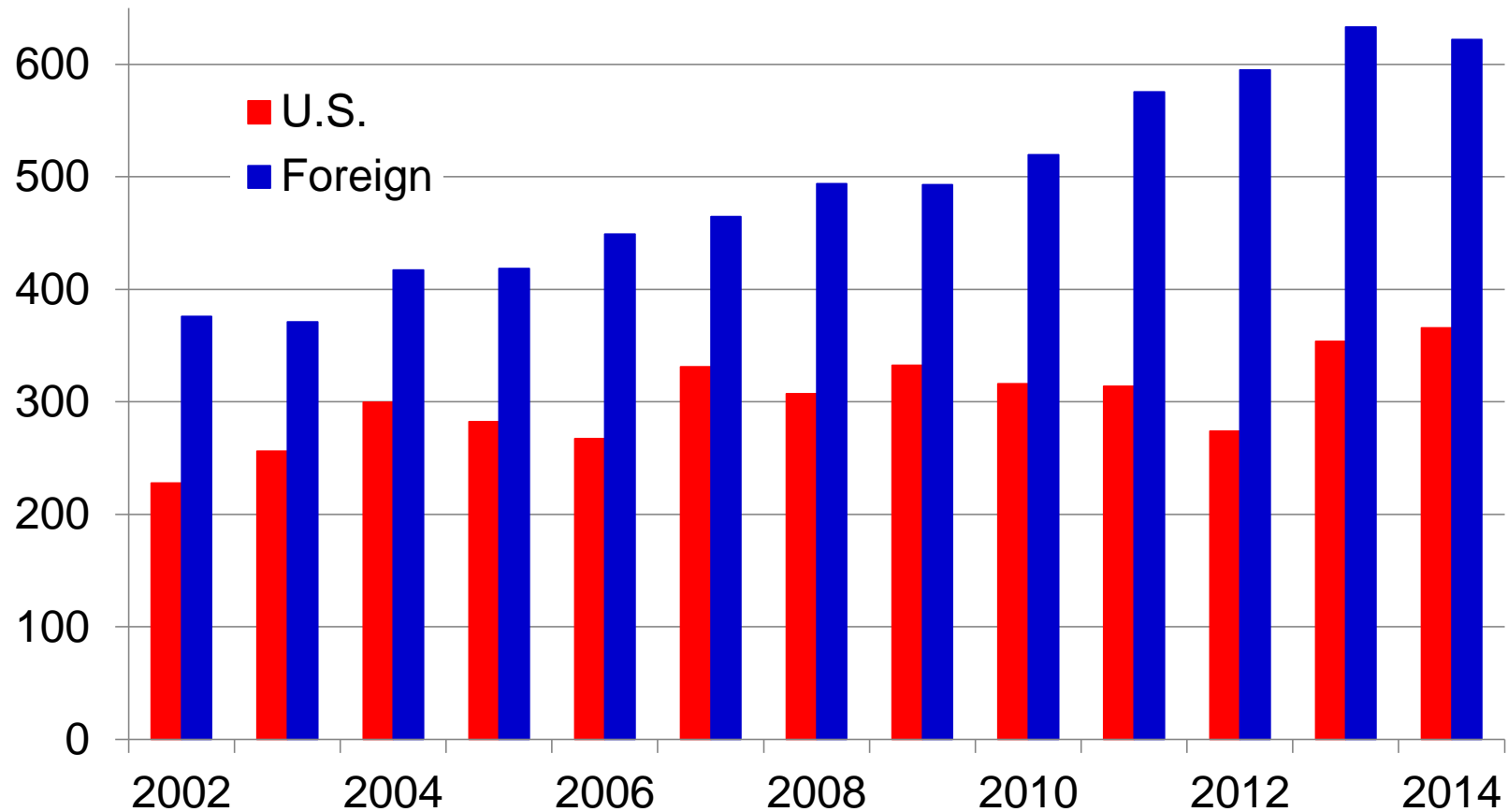
- The bull market of the past several years has been caused by increased demand and weather problems
- High prices have led to sharp global production increases
- The demand increases are diminishing and weather is expected to return to normal
- Prices are forecast to fall in 2014 and continue to be pressured in nearby years

World Corn Production



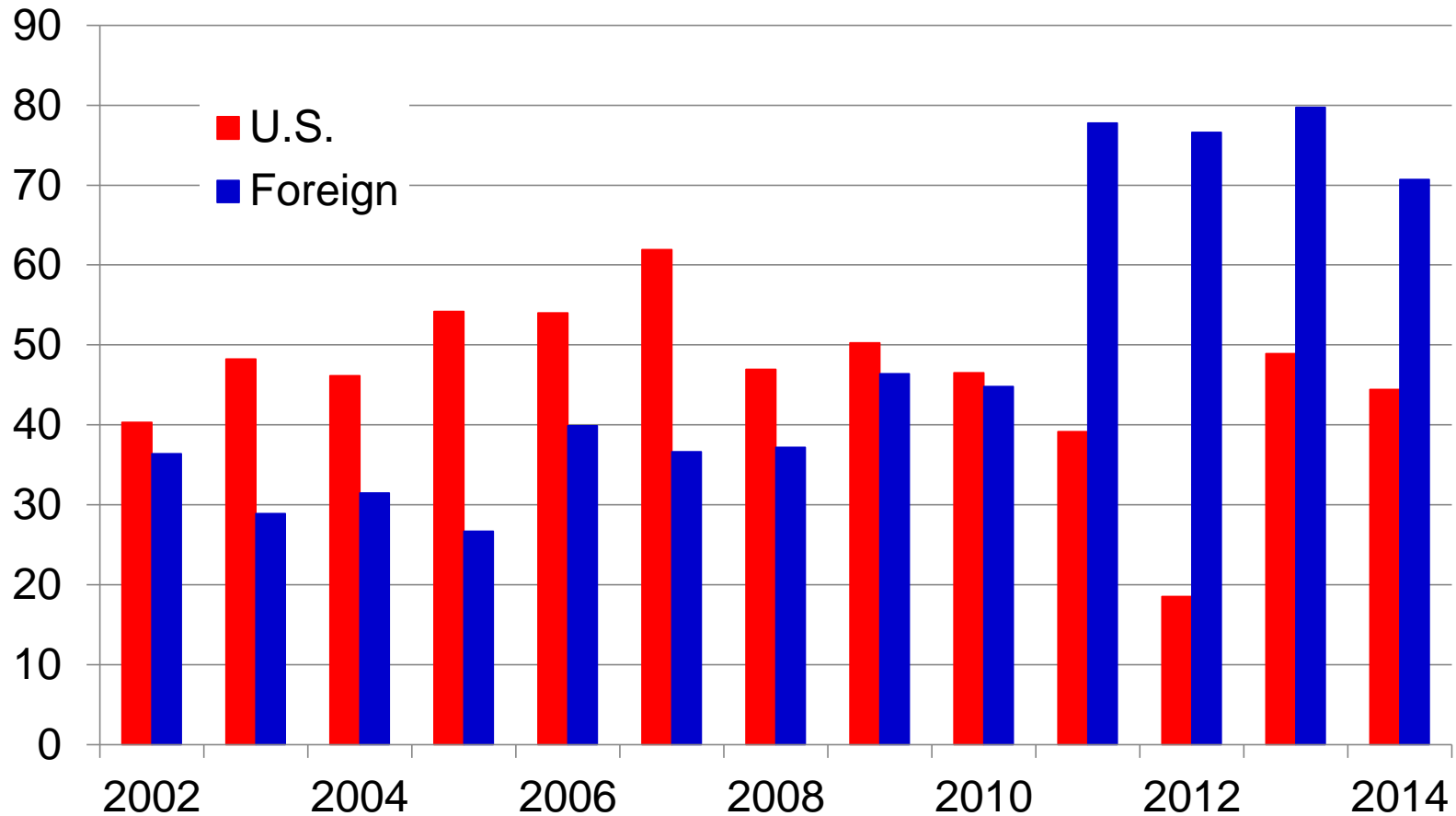
World Corn Production

MMT



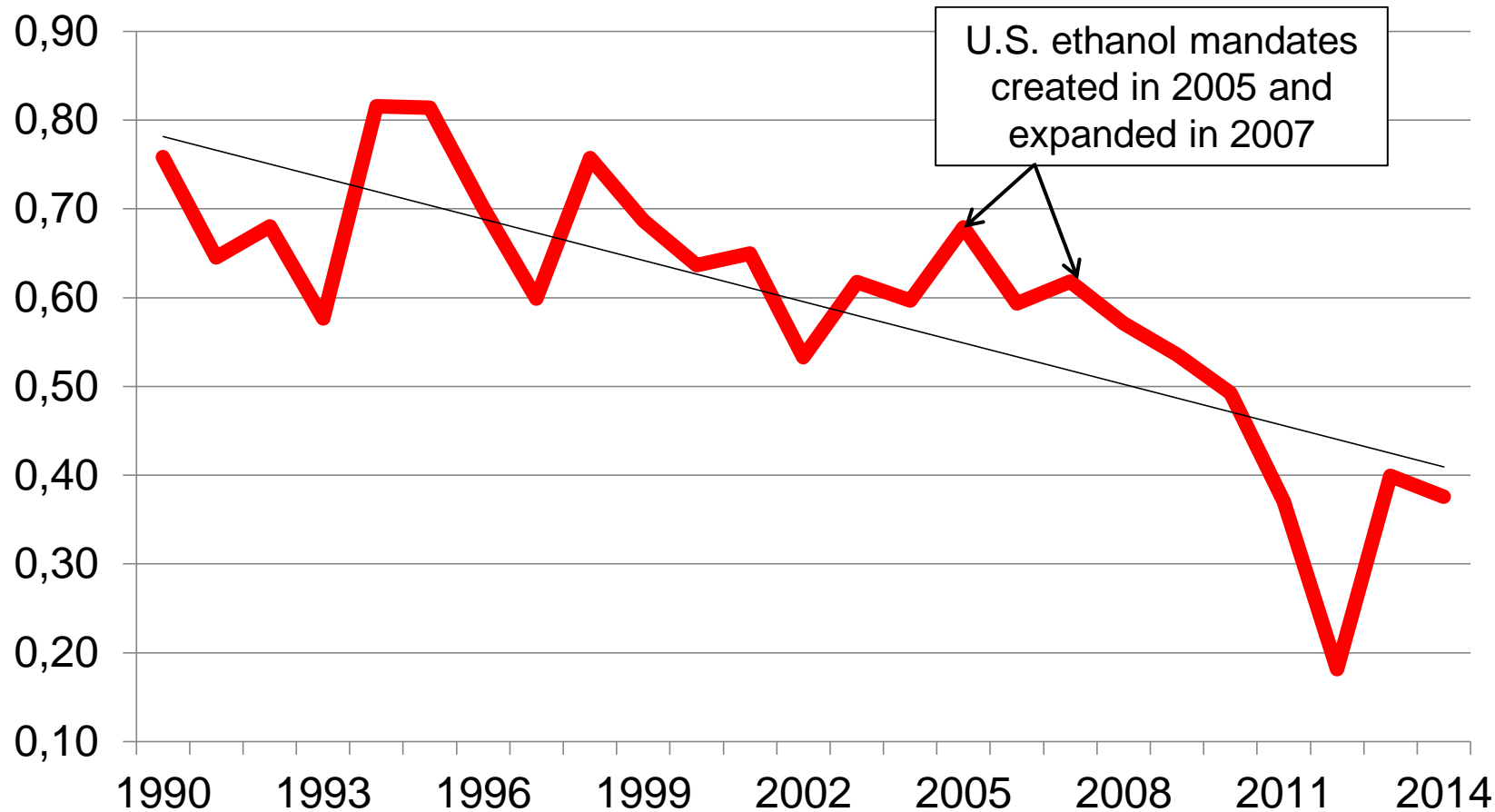
World Corn Exports

MMT

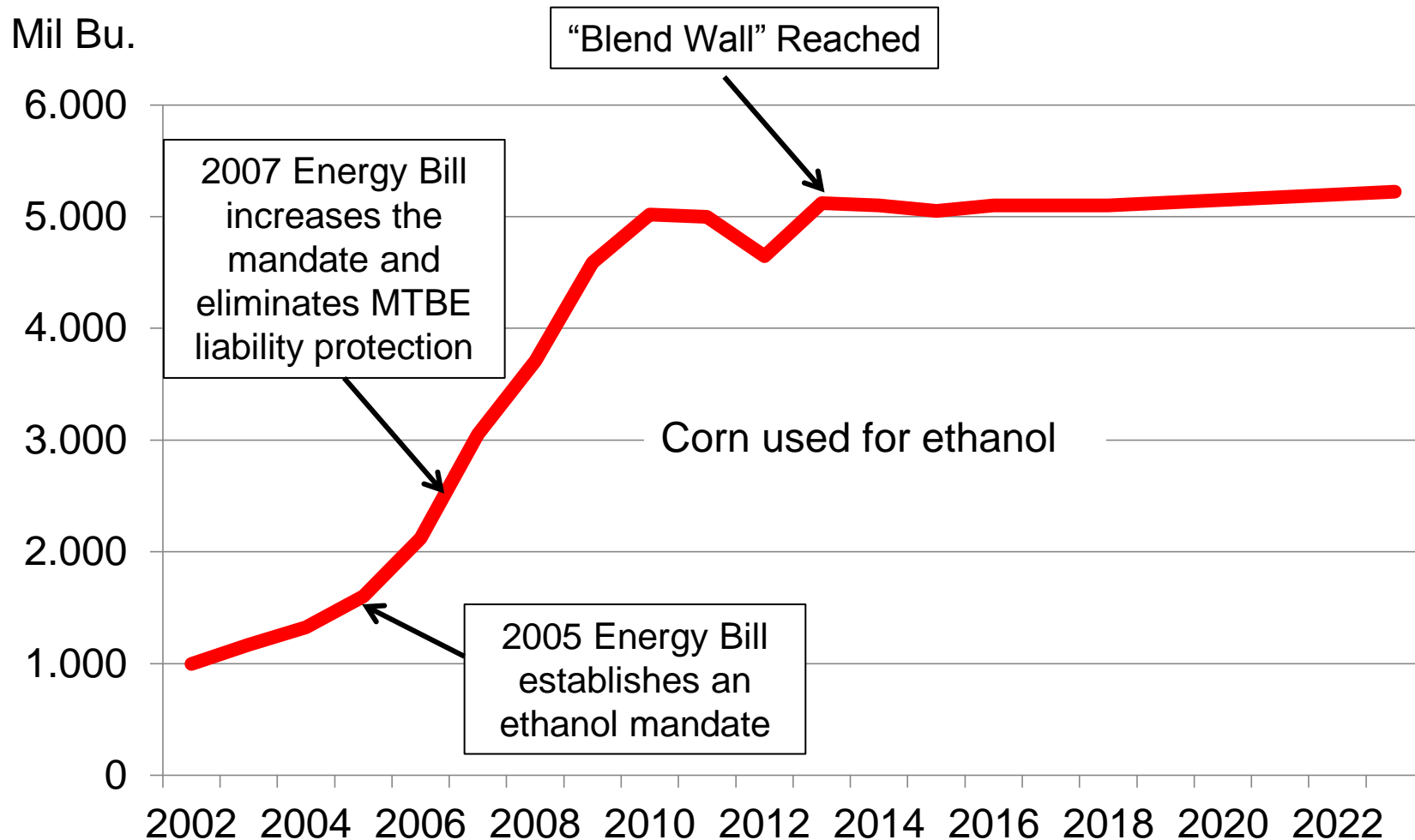


U.S. Share of Global Corn Exports

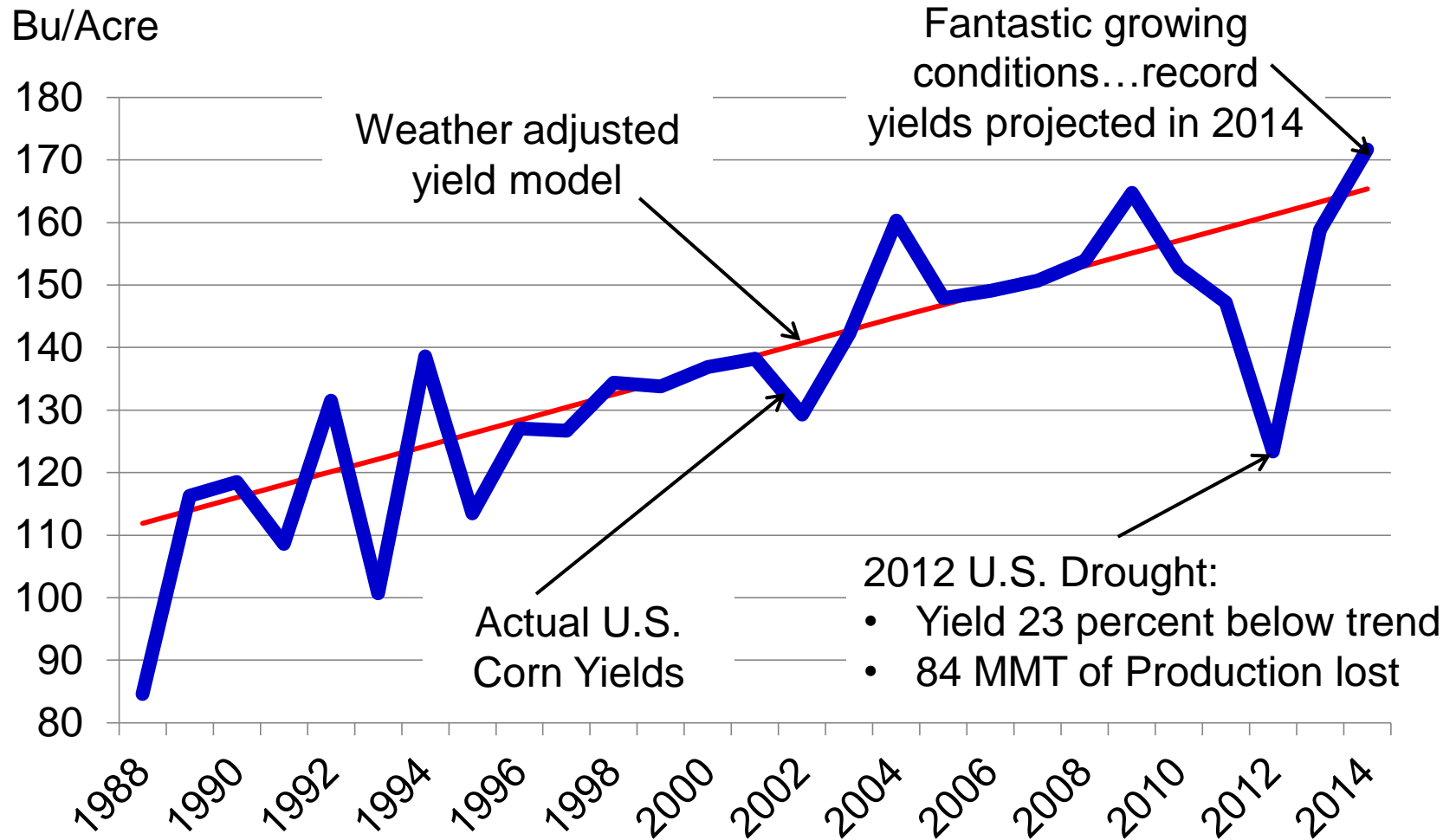
Percent



U.S. Ethanol Production Becoming Flatter

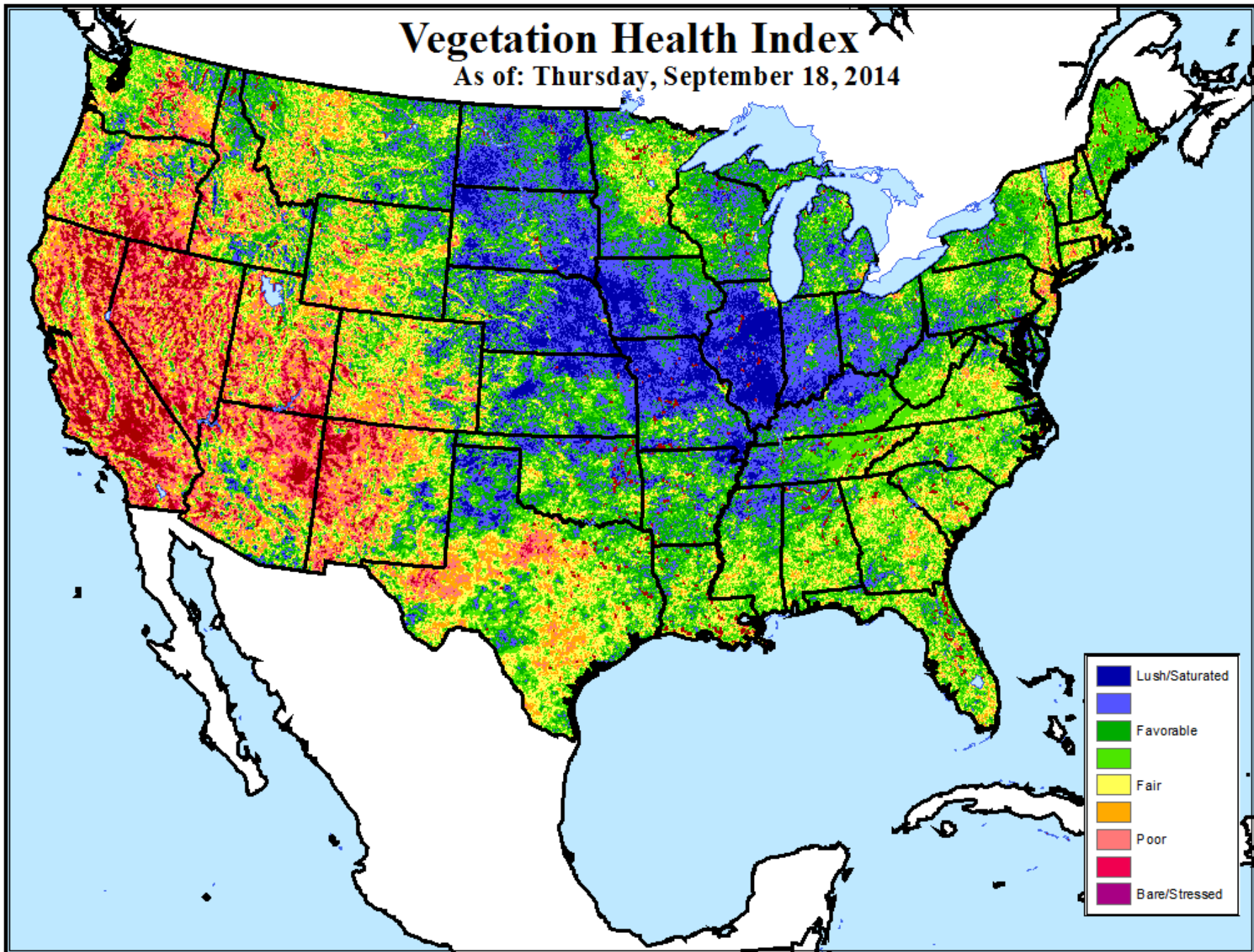


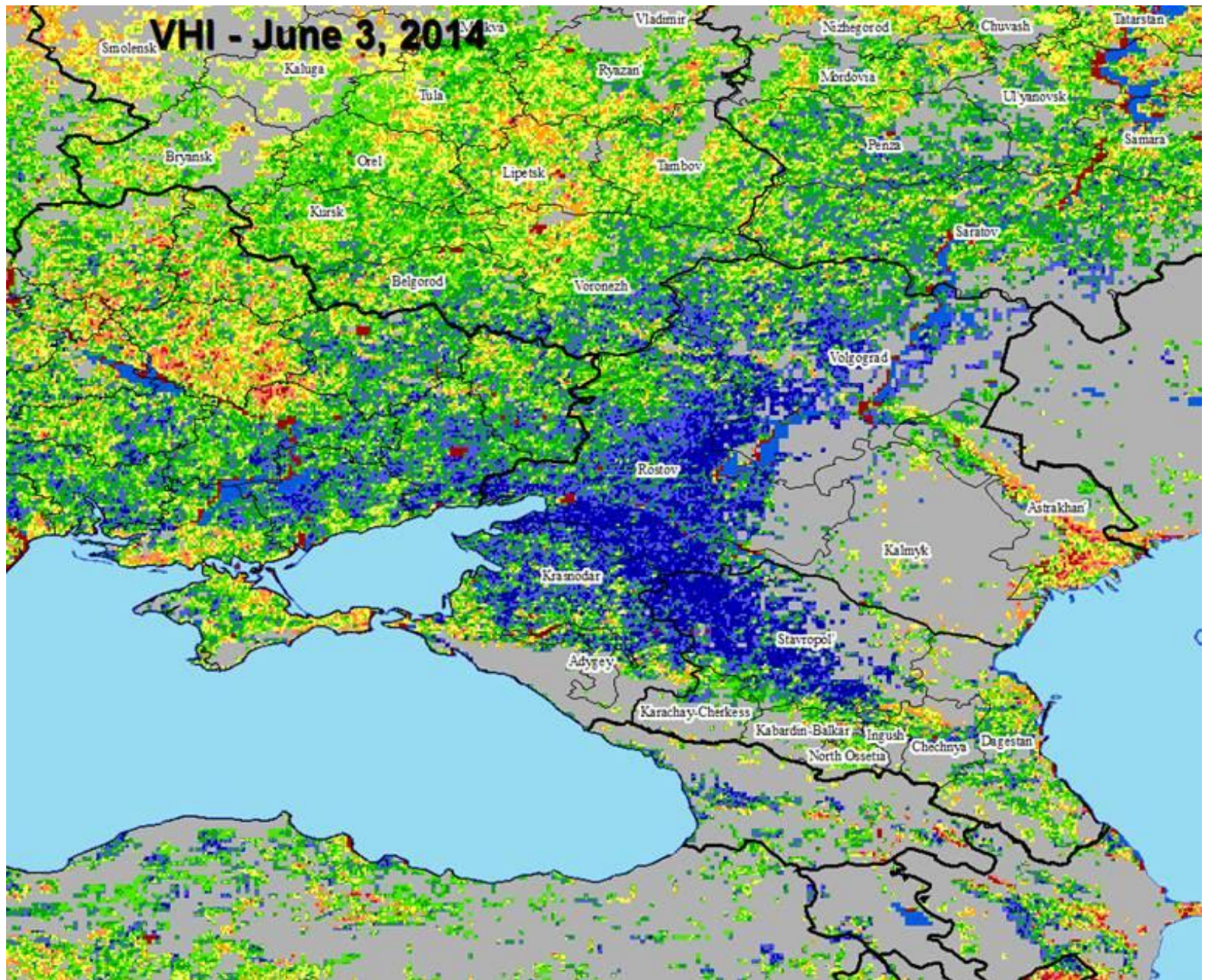
Prior to 2014 U.S. Corn has had 4 years of below trend yields



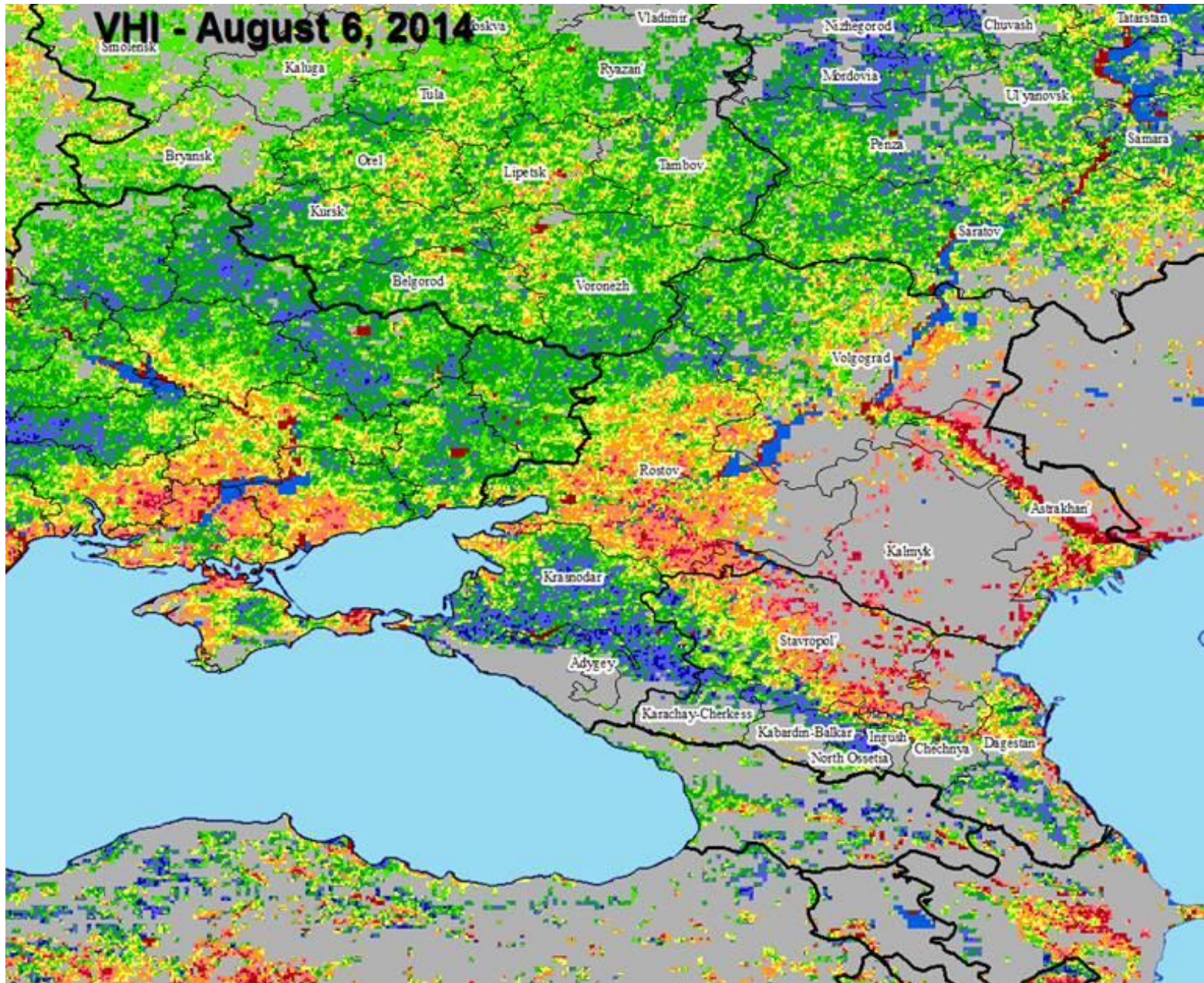
Vegetation Health Index

As of: Thursday, September 18, 2014

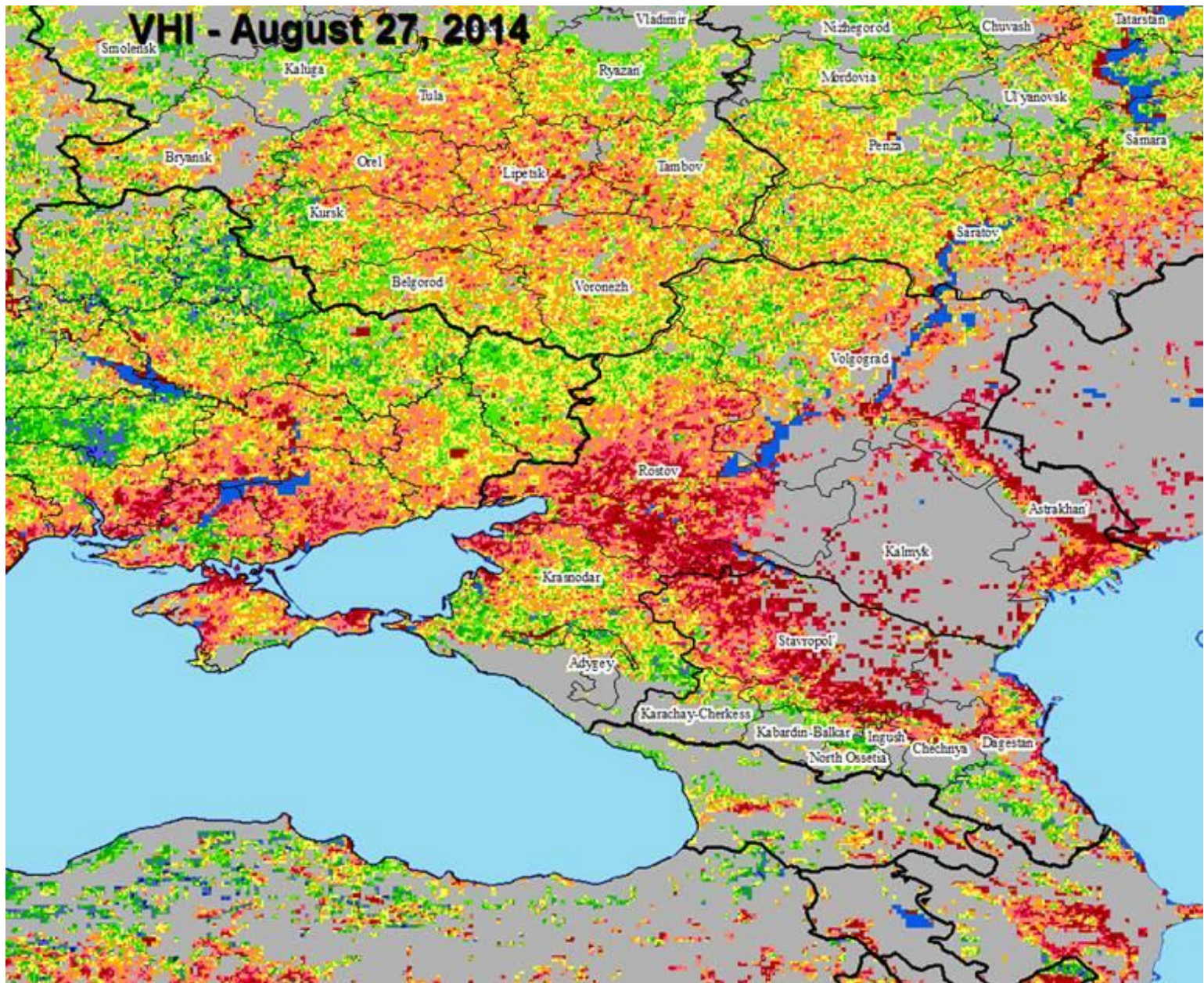




Agrotendencias 2014



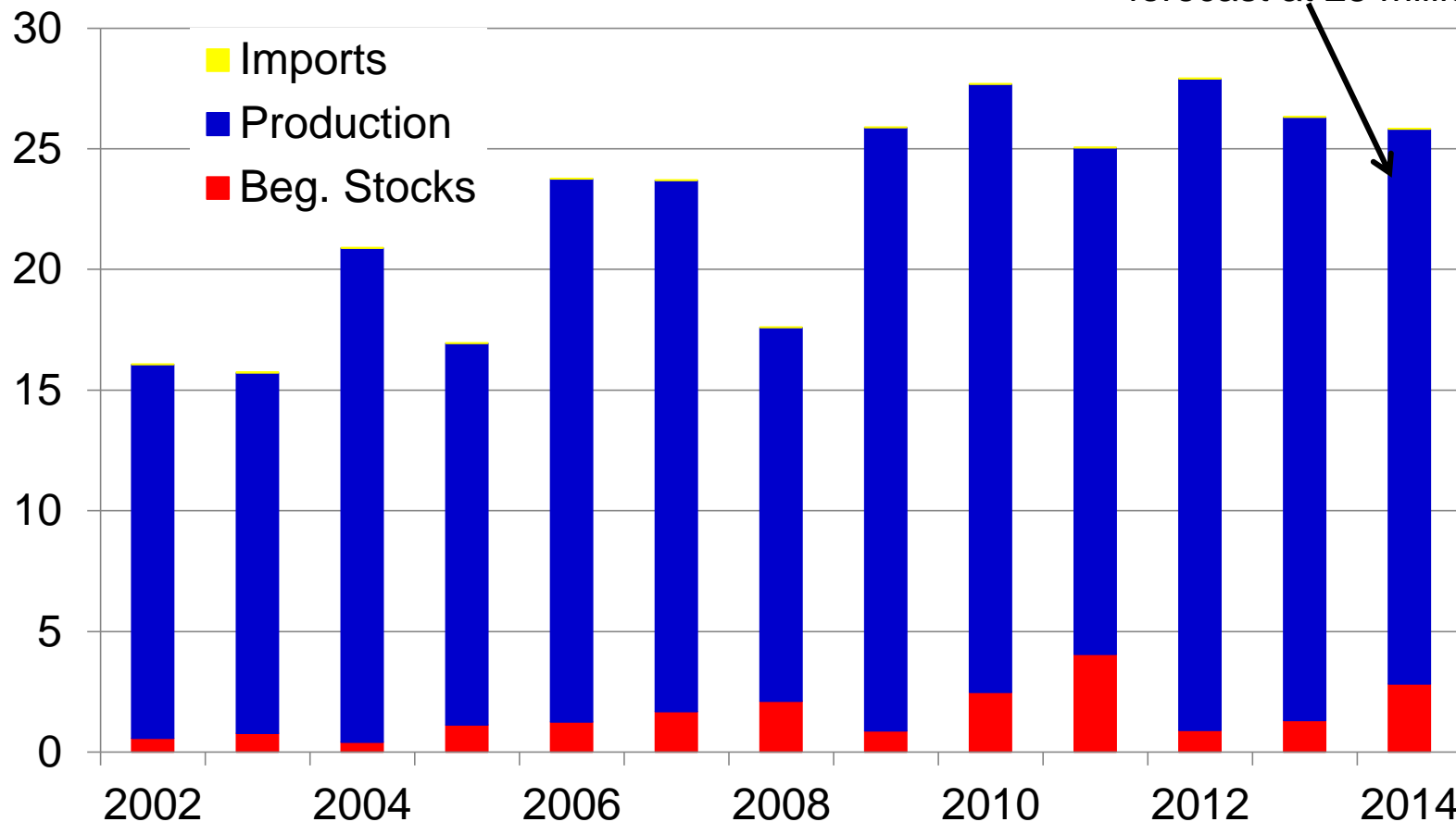
Agrotendencias 2014



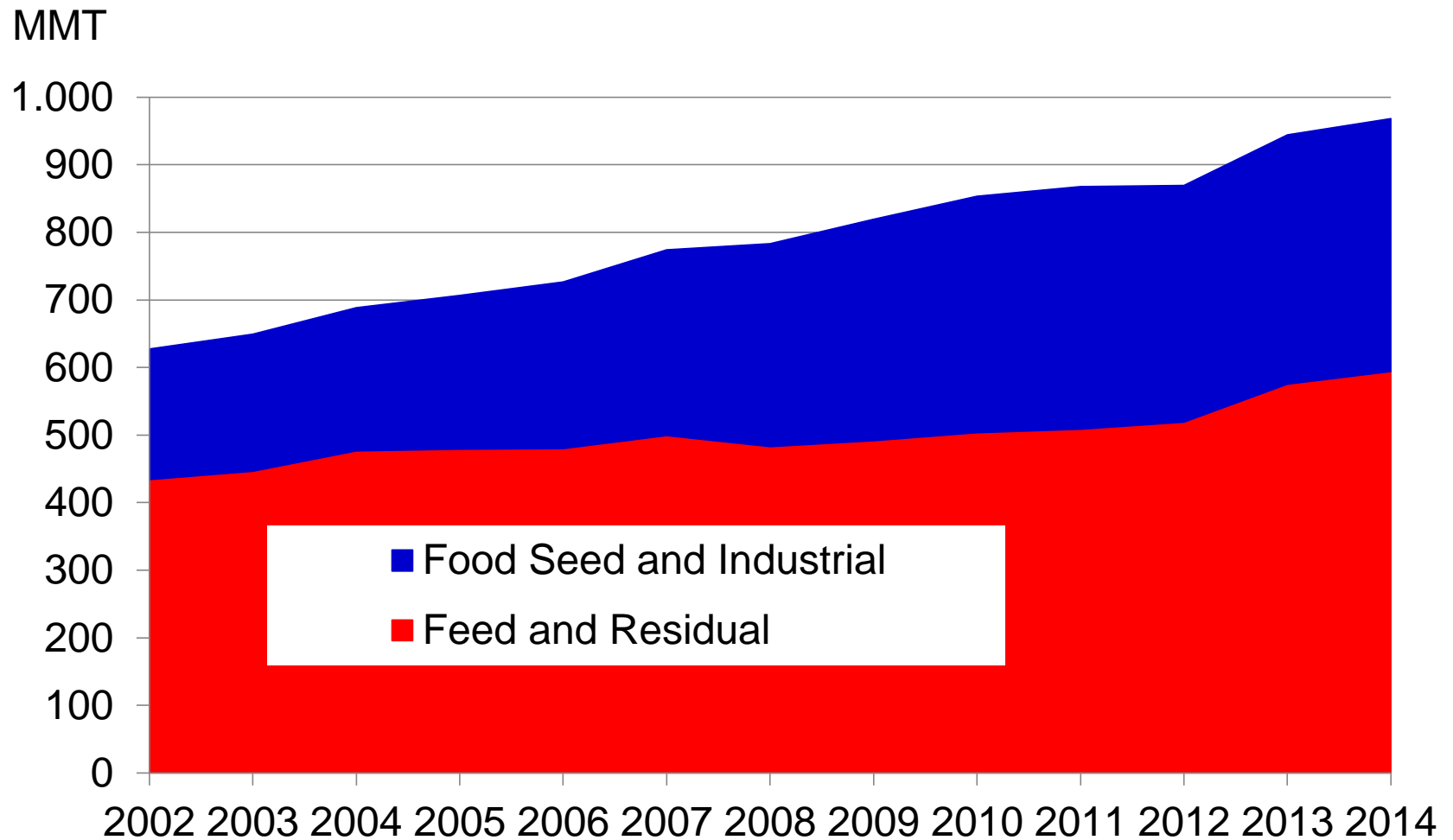
Agrotendencias 2014

Argentina Corn Supplies Down With a Smaller Crop

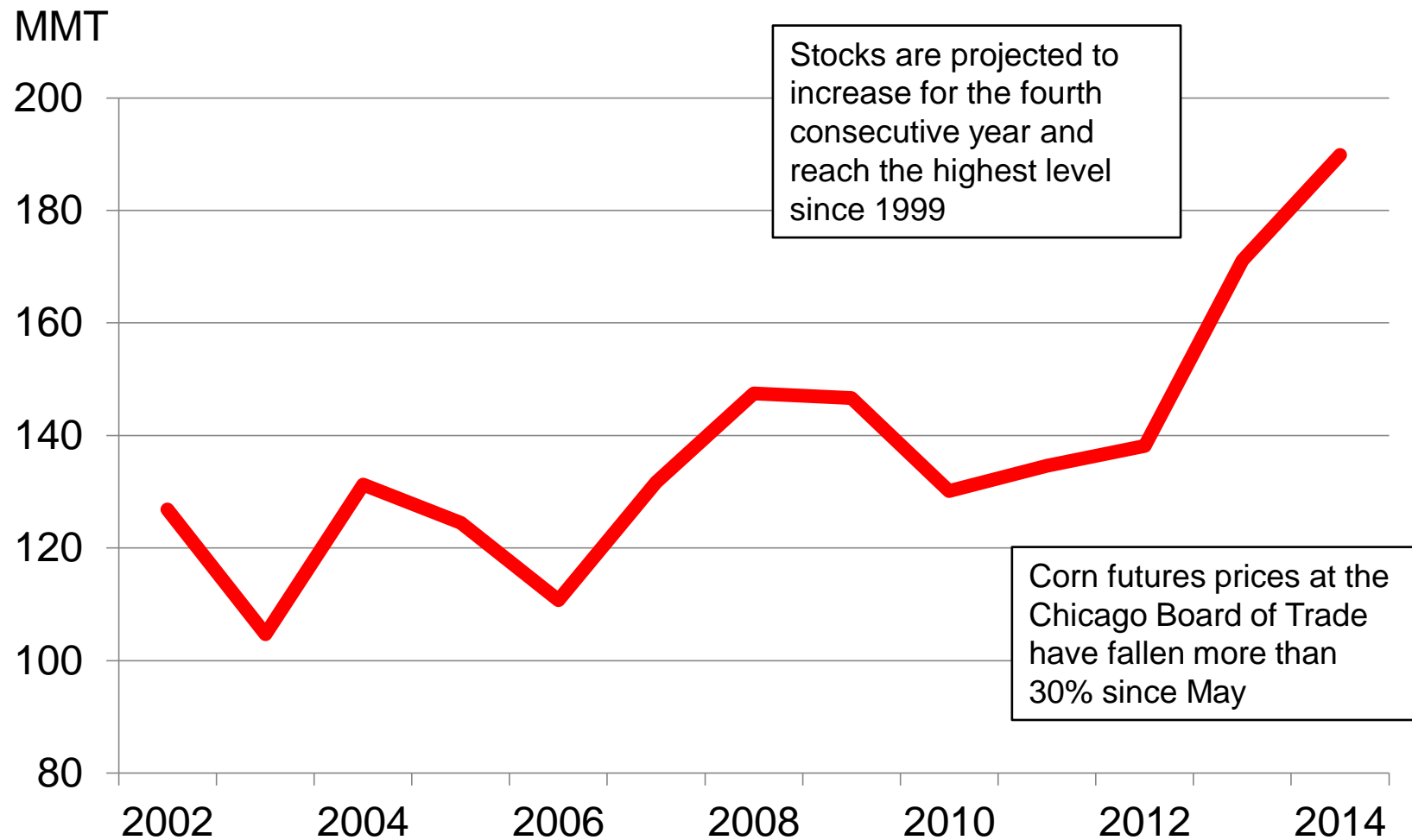
MMT



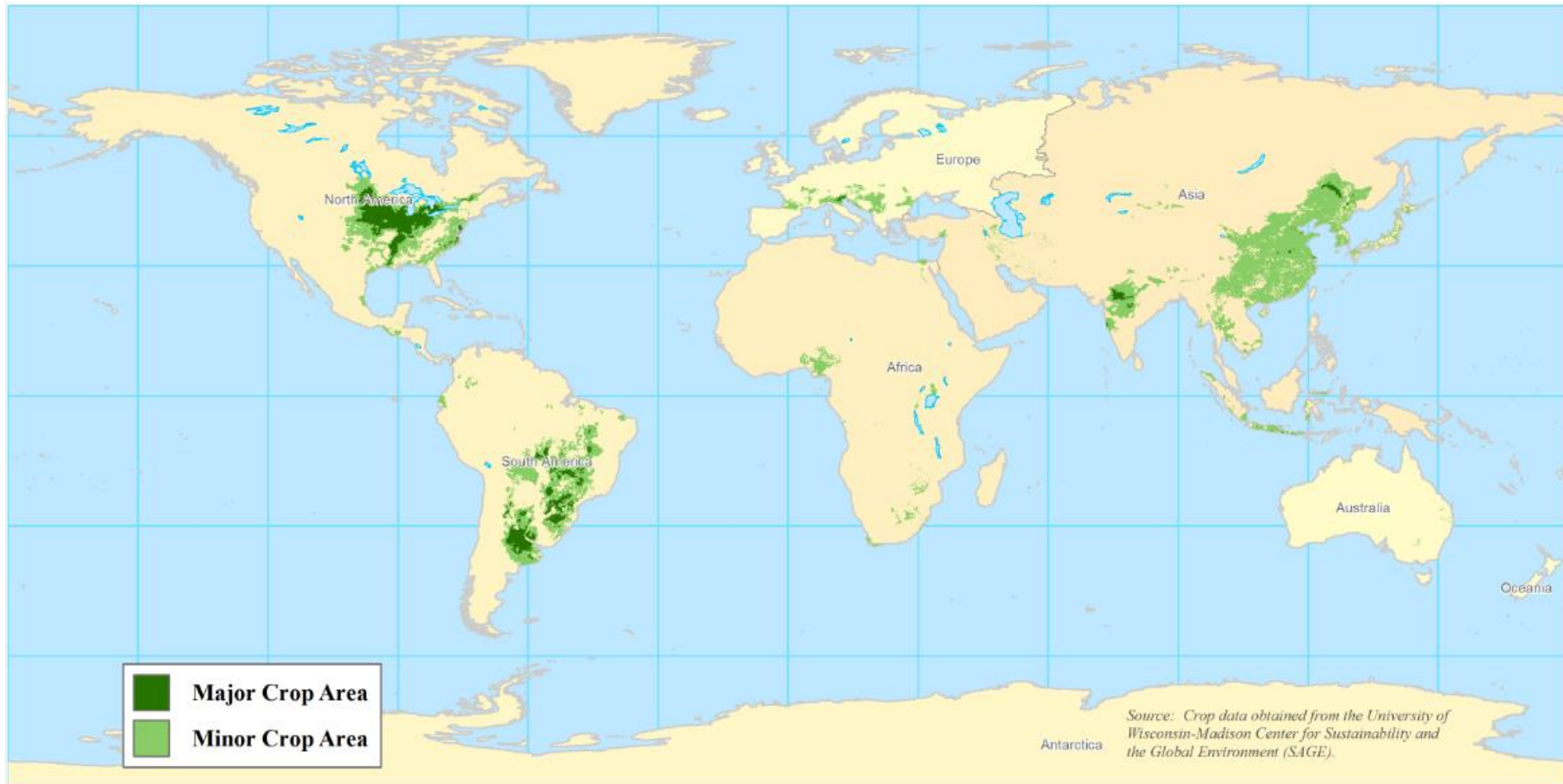
World Corn Use Continues to Rise in 2014...



...But Global Corn Ending Stocks Increase

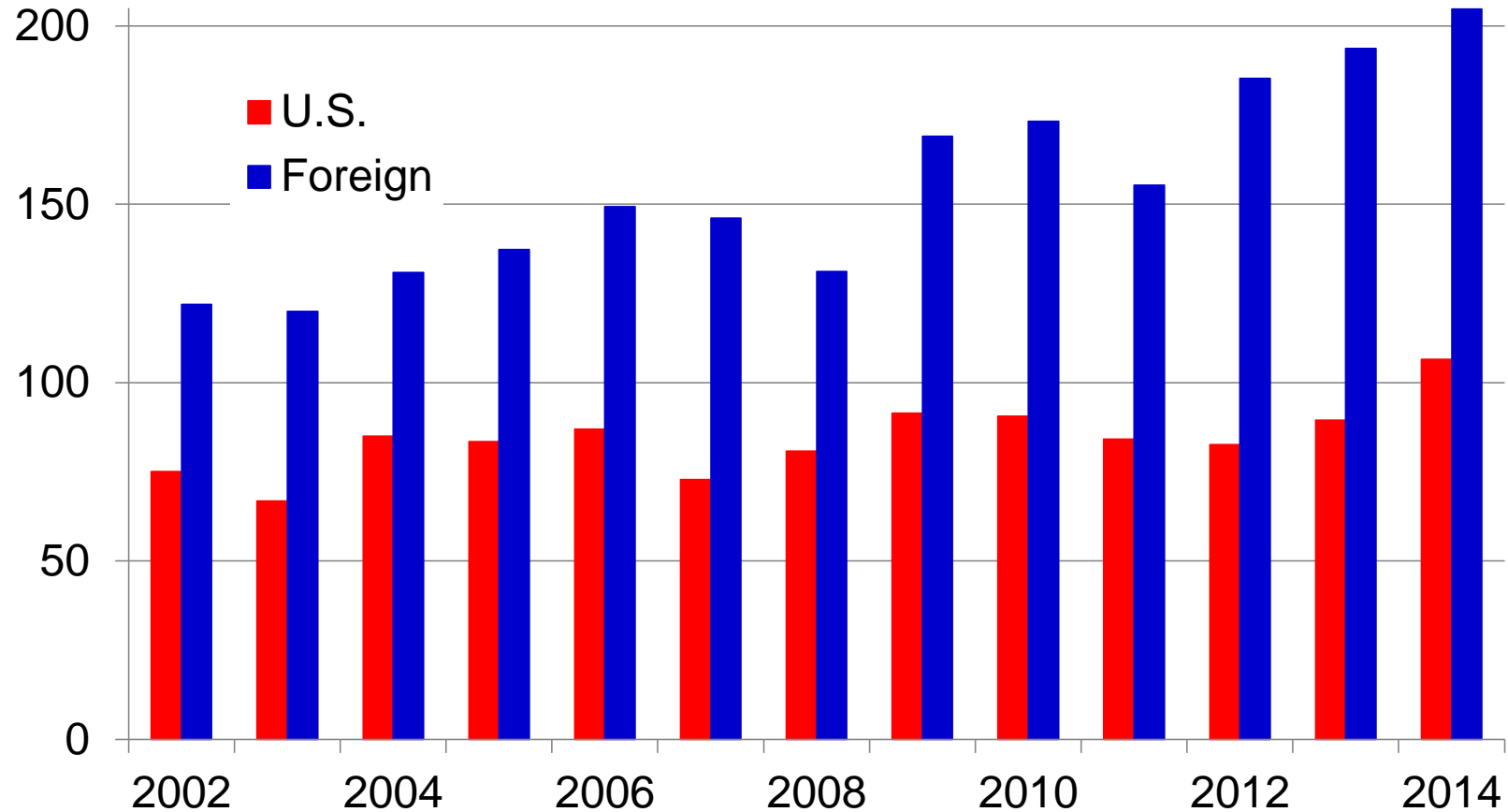


World Soybean Production



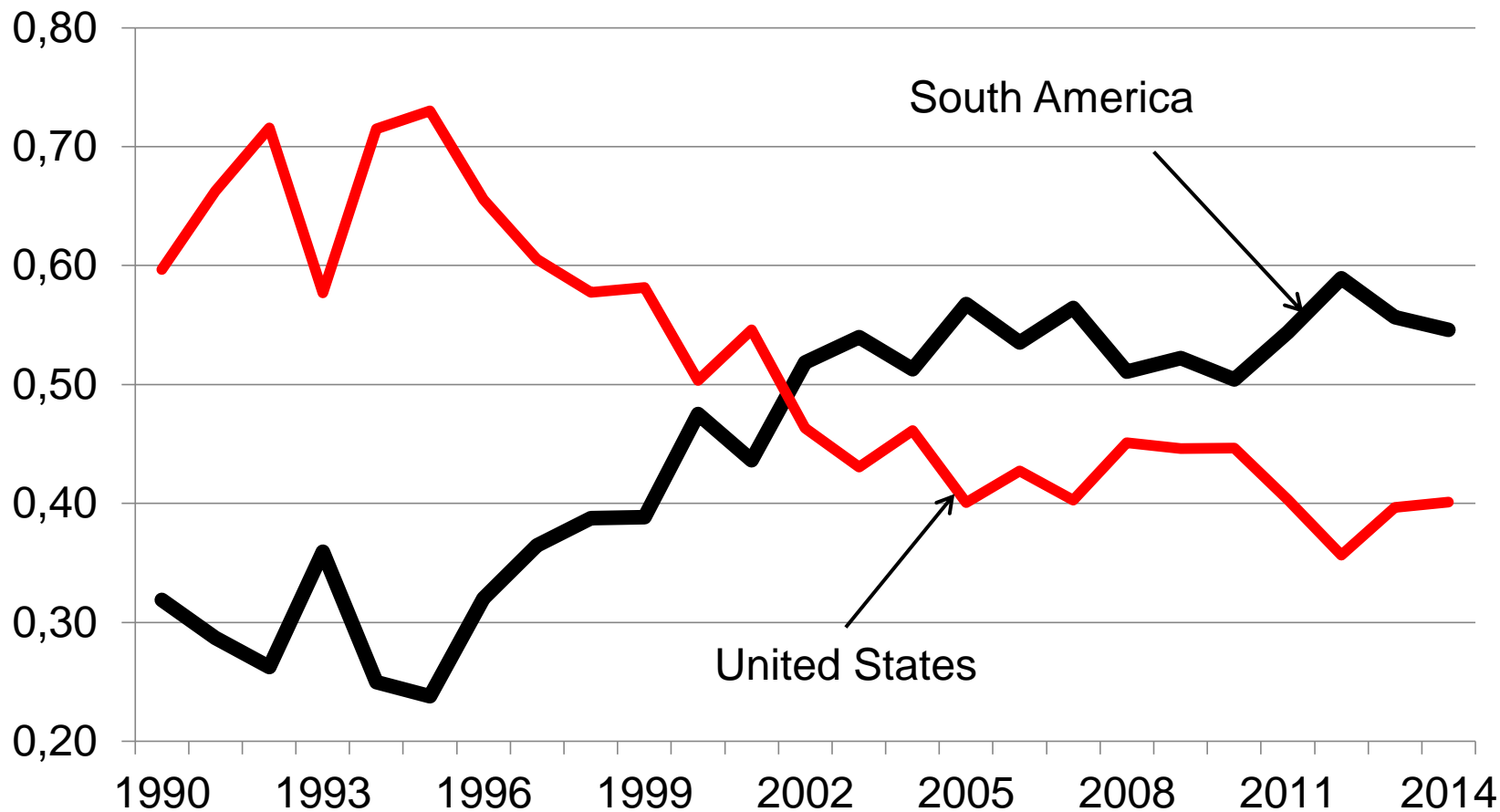
Record World Soybean Production for 2014

MMT

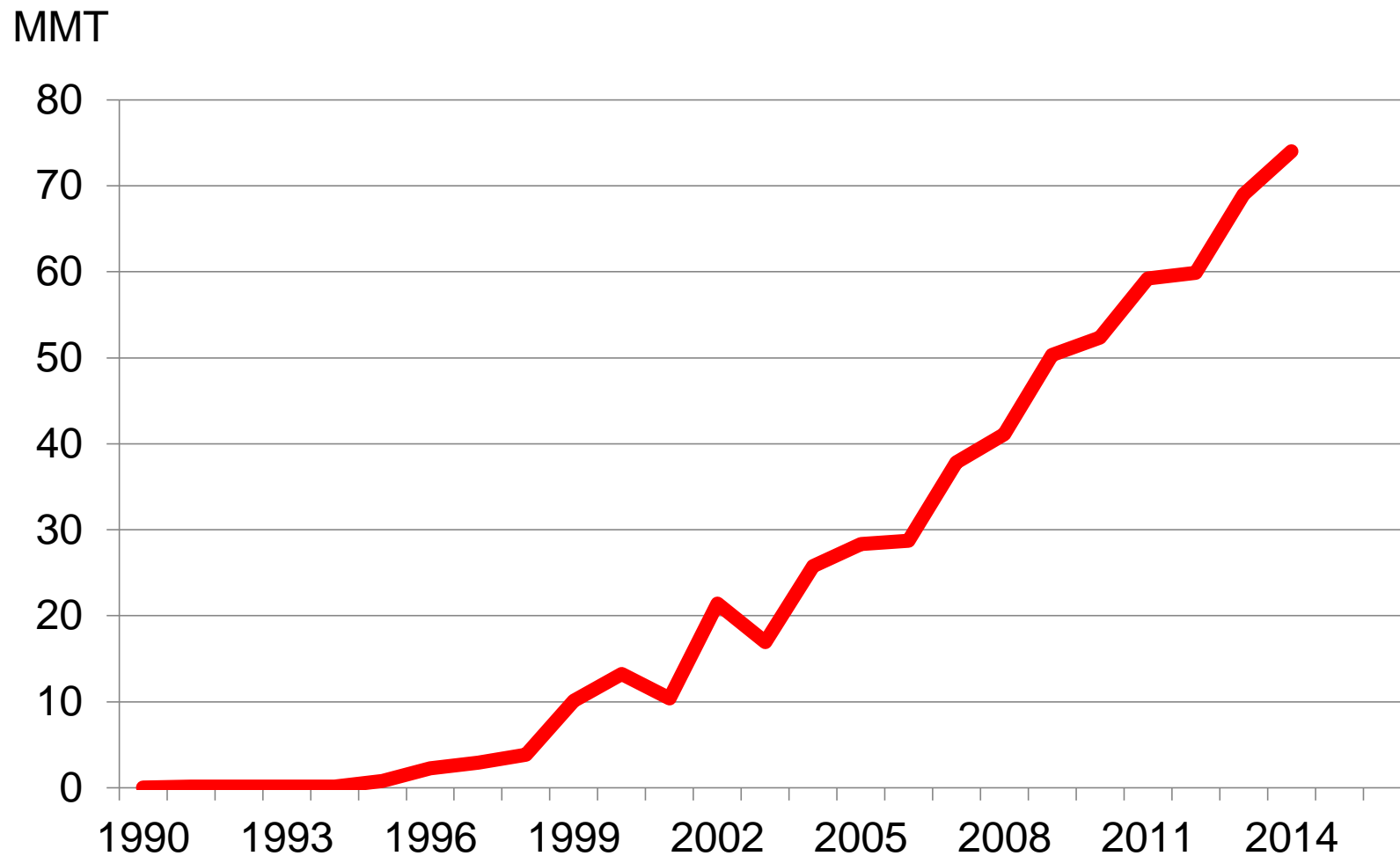


U.S. and South American Share of World Soybean Trade

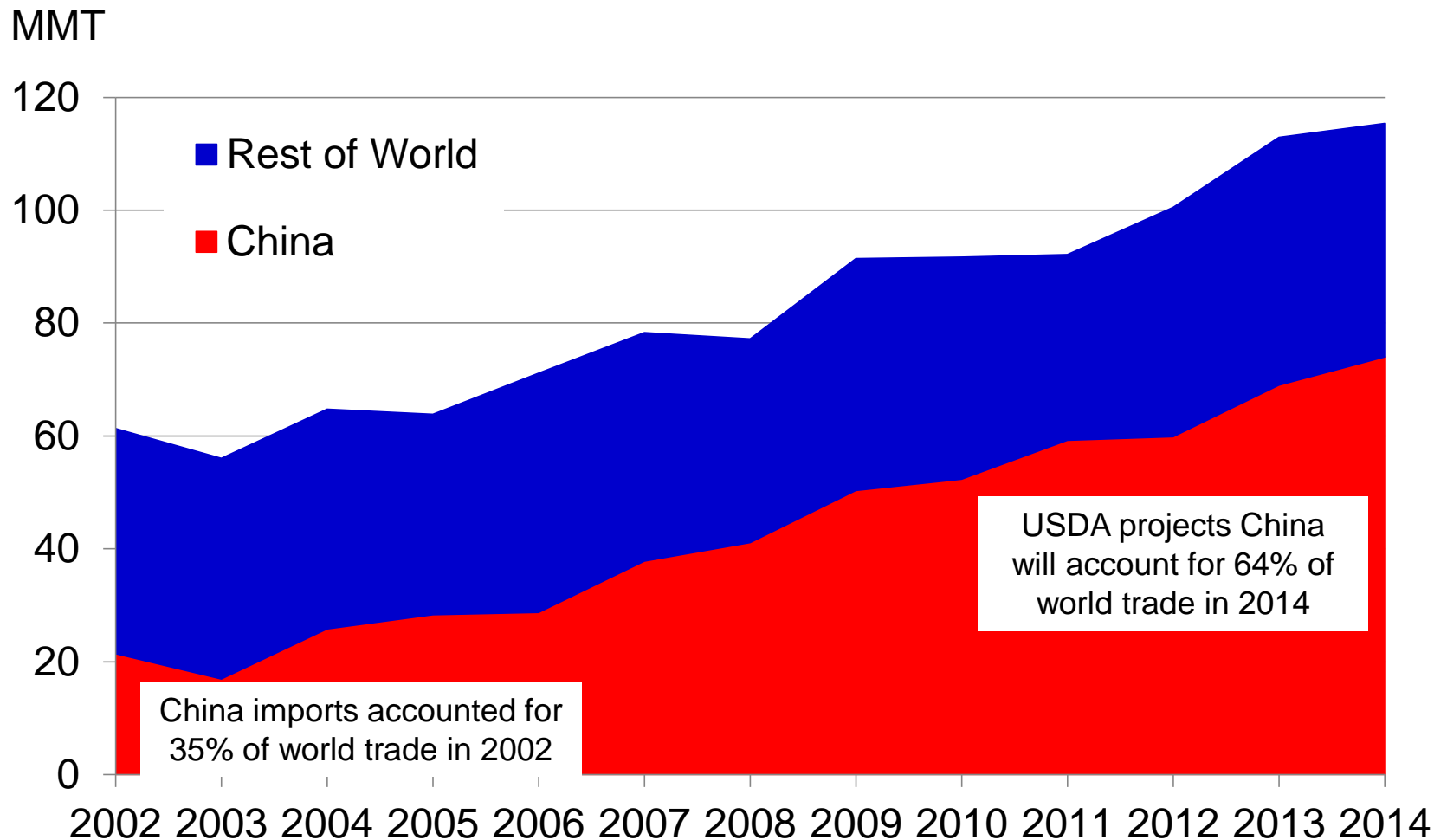
Percent



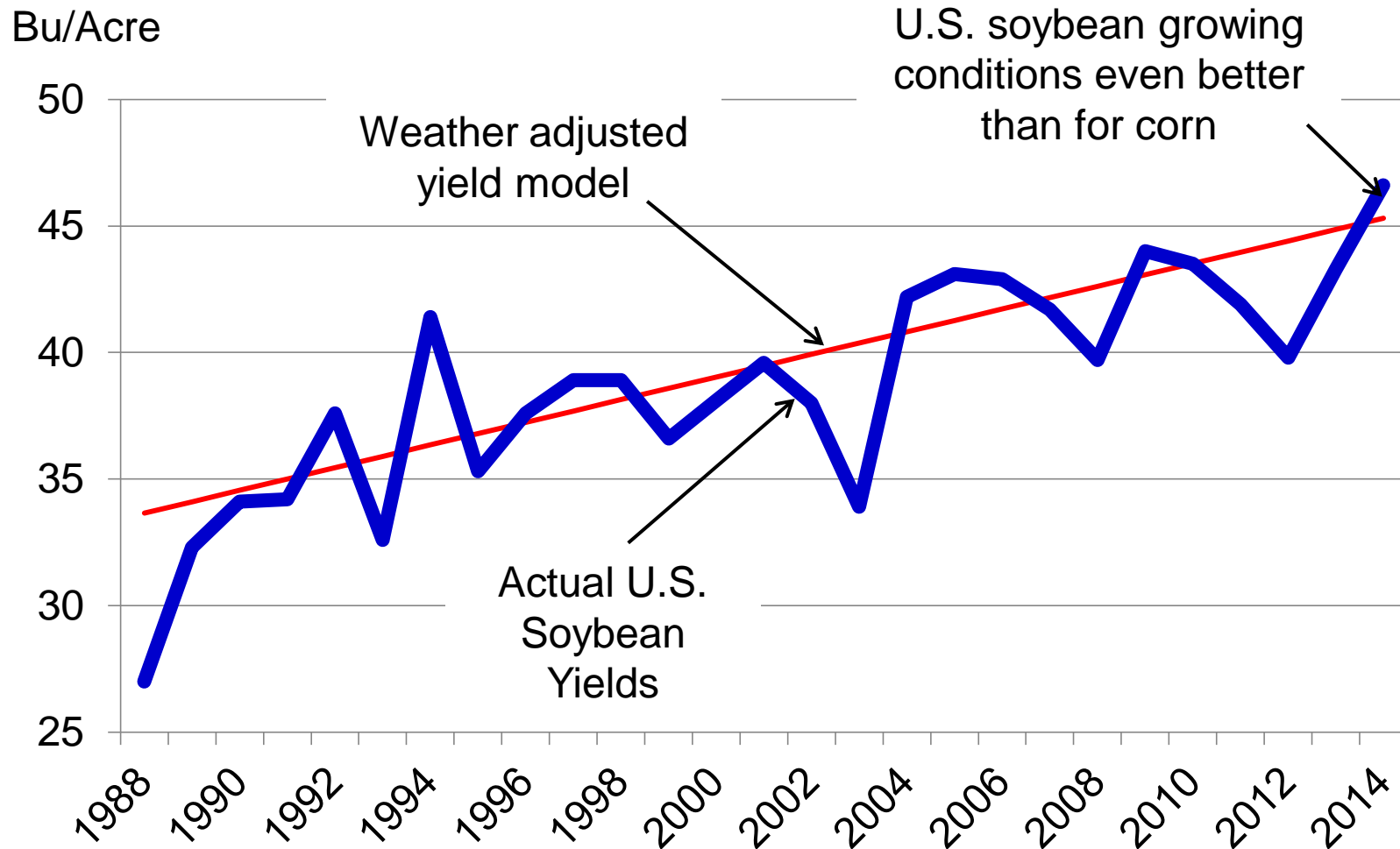
China Soybean Imports



China's Share of Soybean Trade Continues to Rise

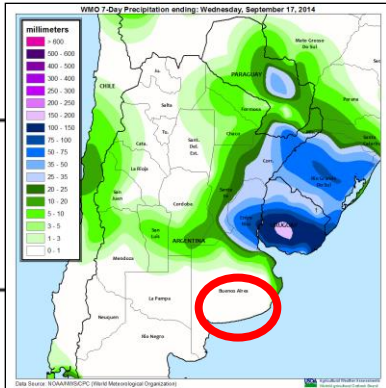
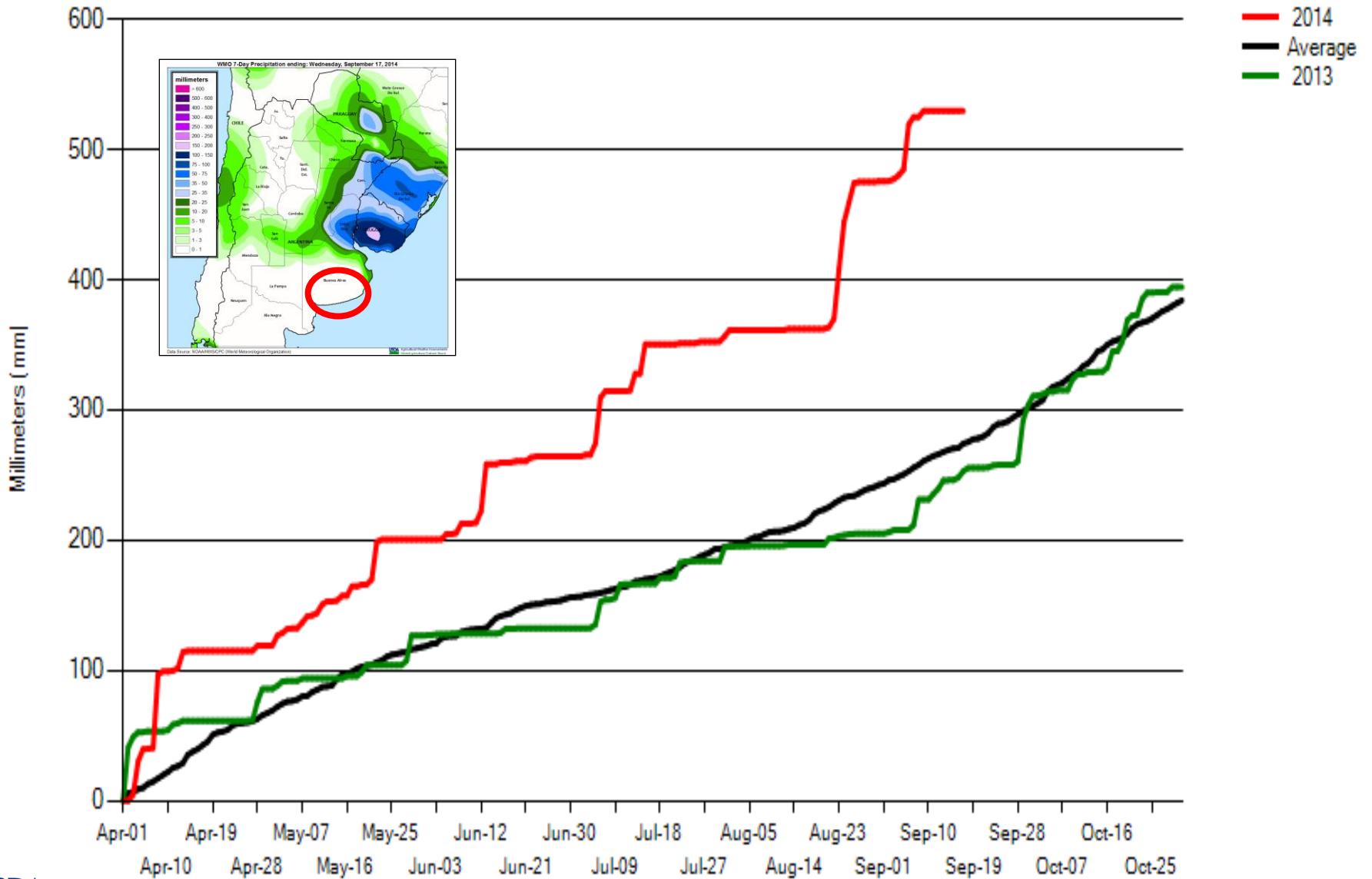


Record 2014 U.S. Soybean Yield Projected



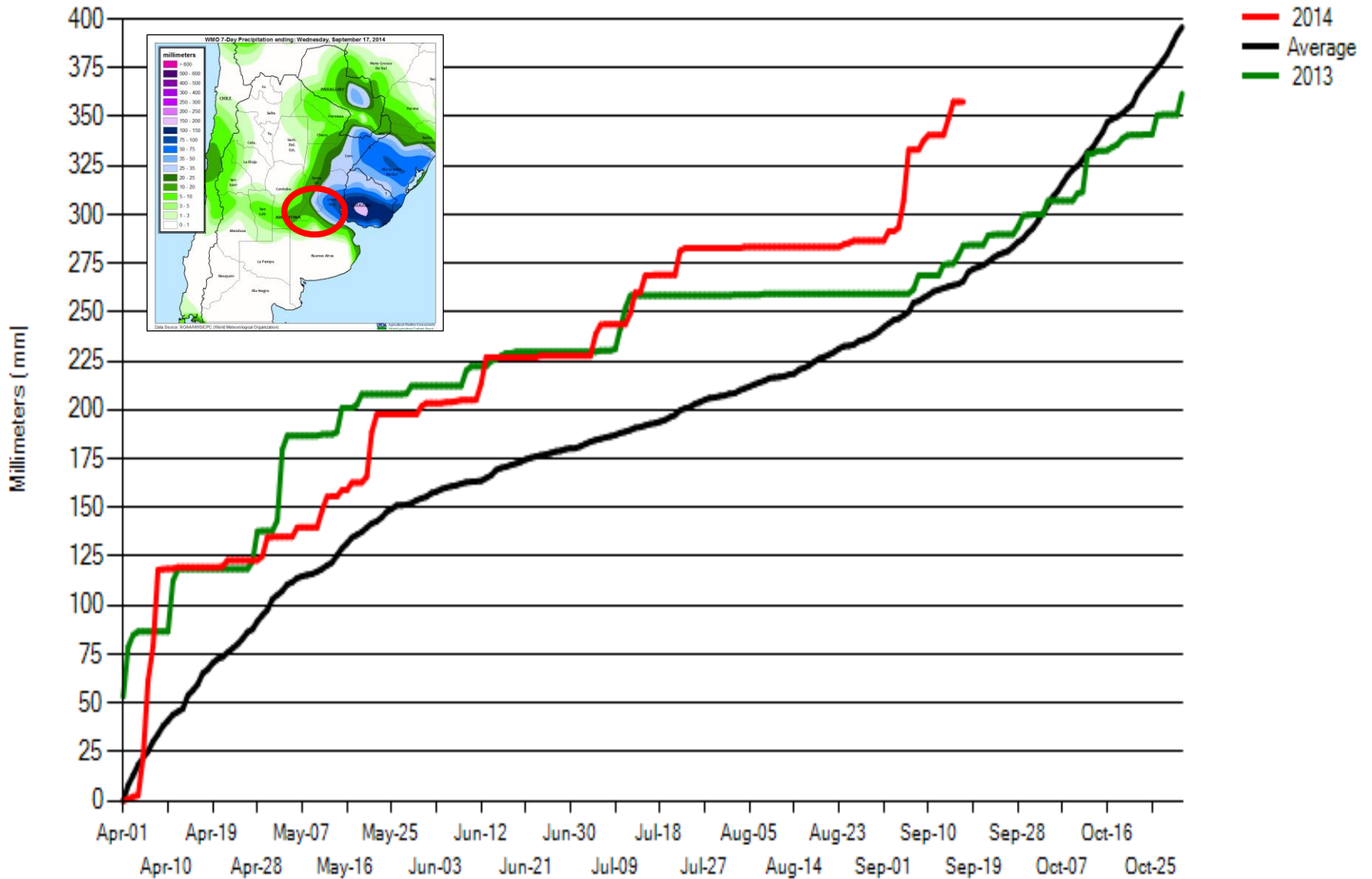
8 - SOUTHERN B. A.

Cumulative Precipitation



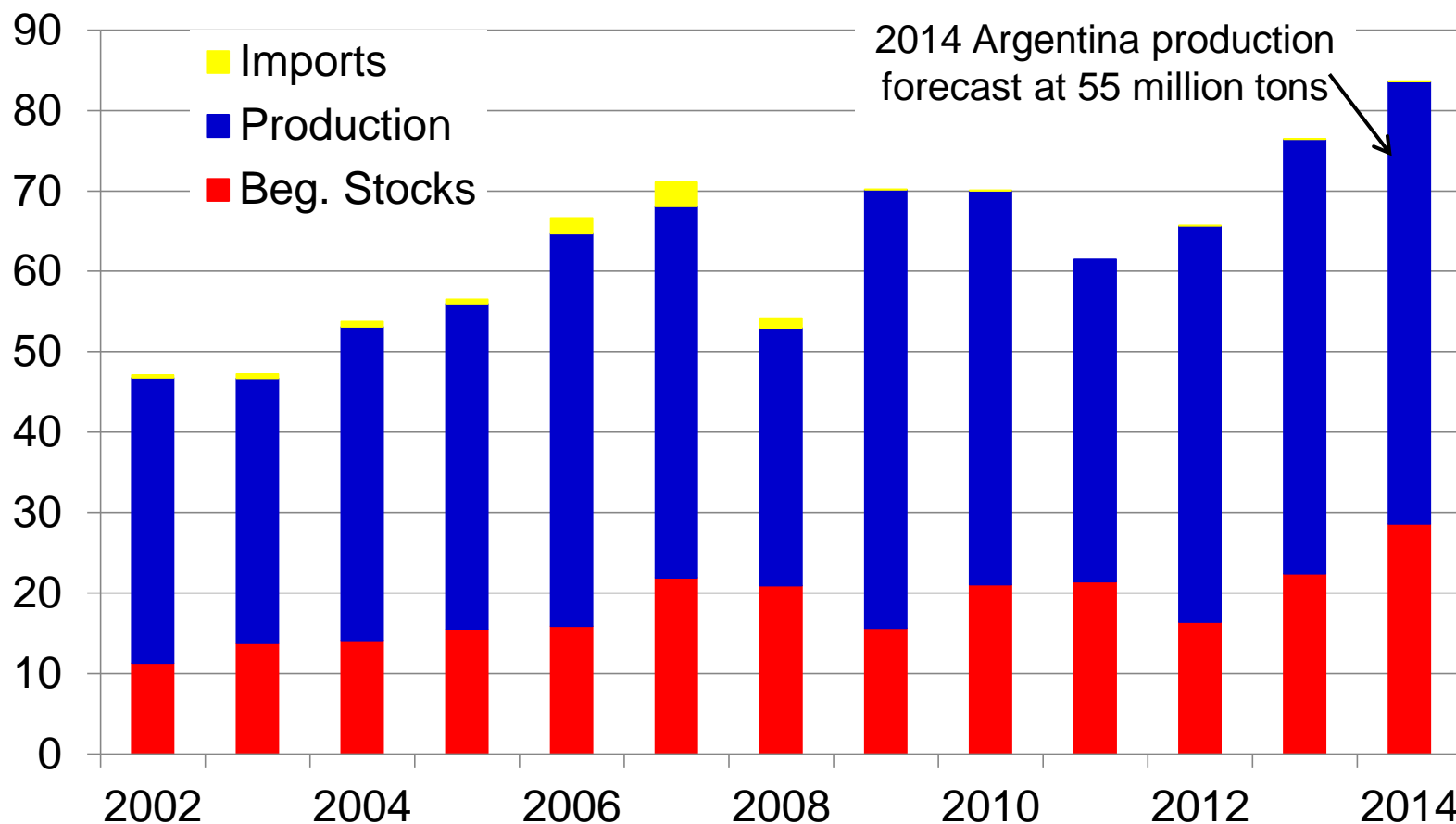
6 - MAIN CROP AREA

Cumulative Precipitation



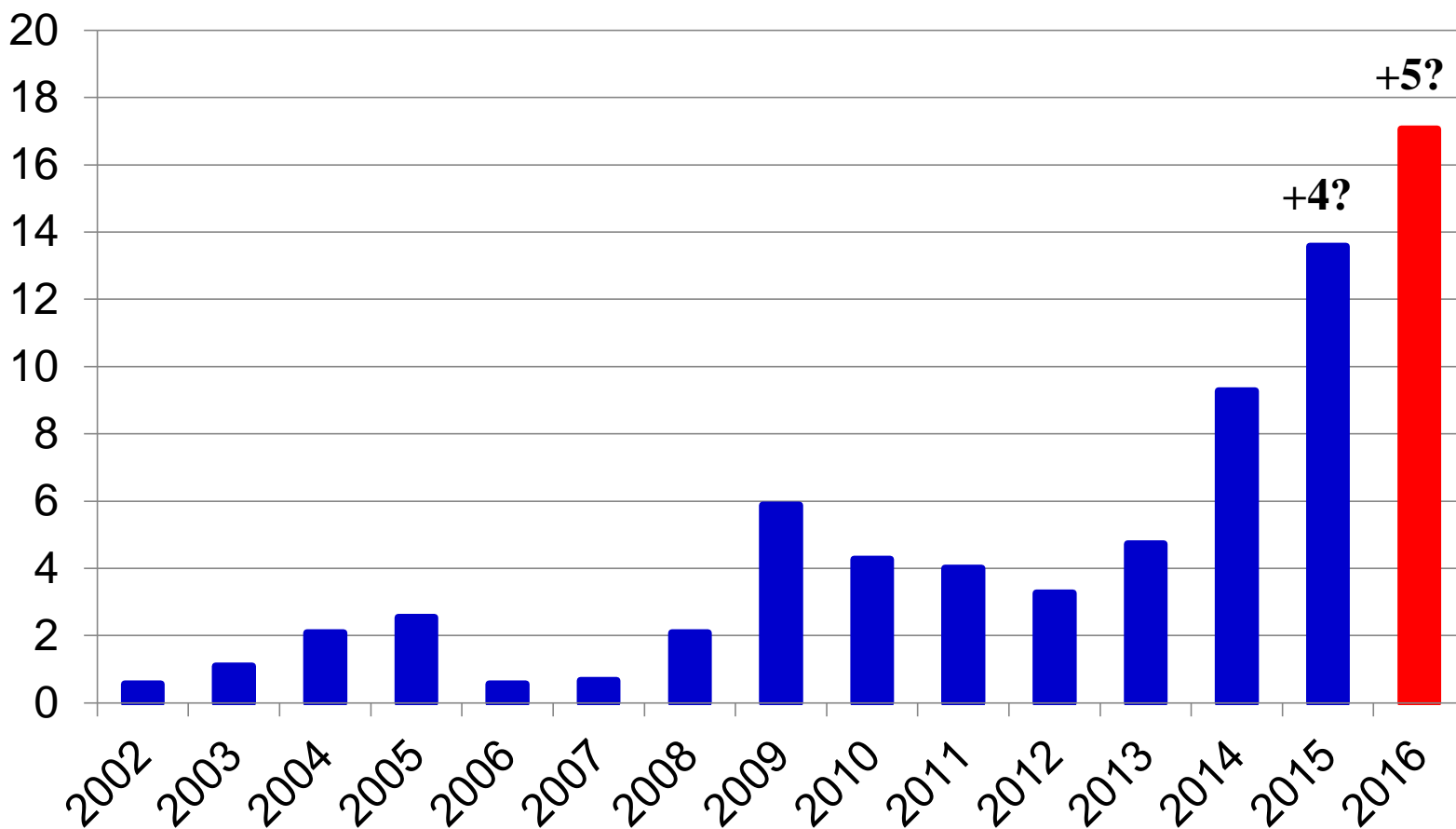
Argentina Soybean Supplies Up With Record Crop

MMT

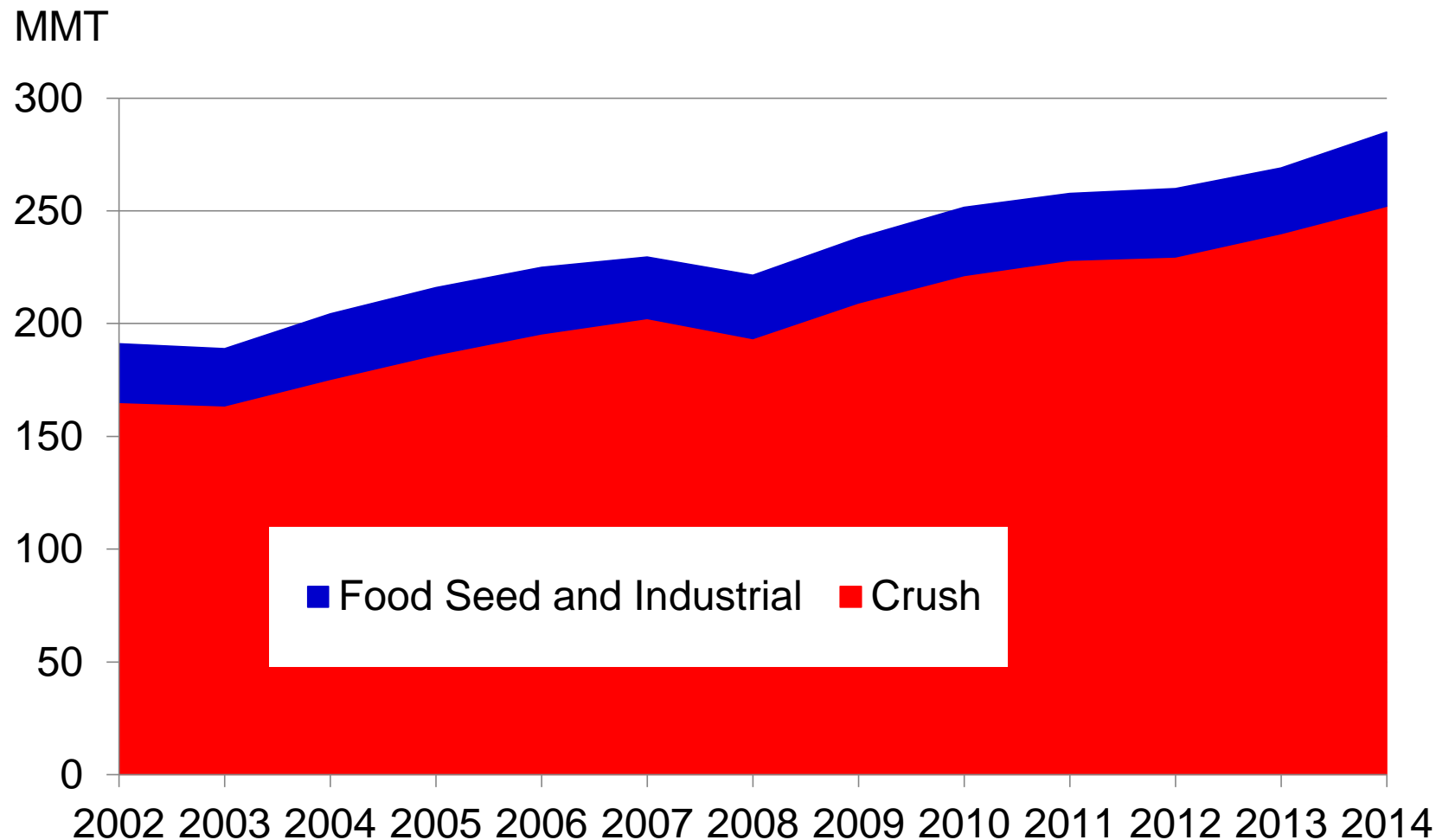


Record Argentina (March 1) Ending Soybean Stocks Projected

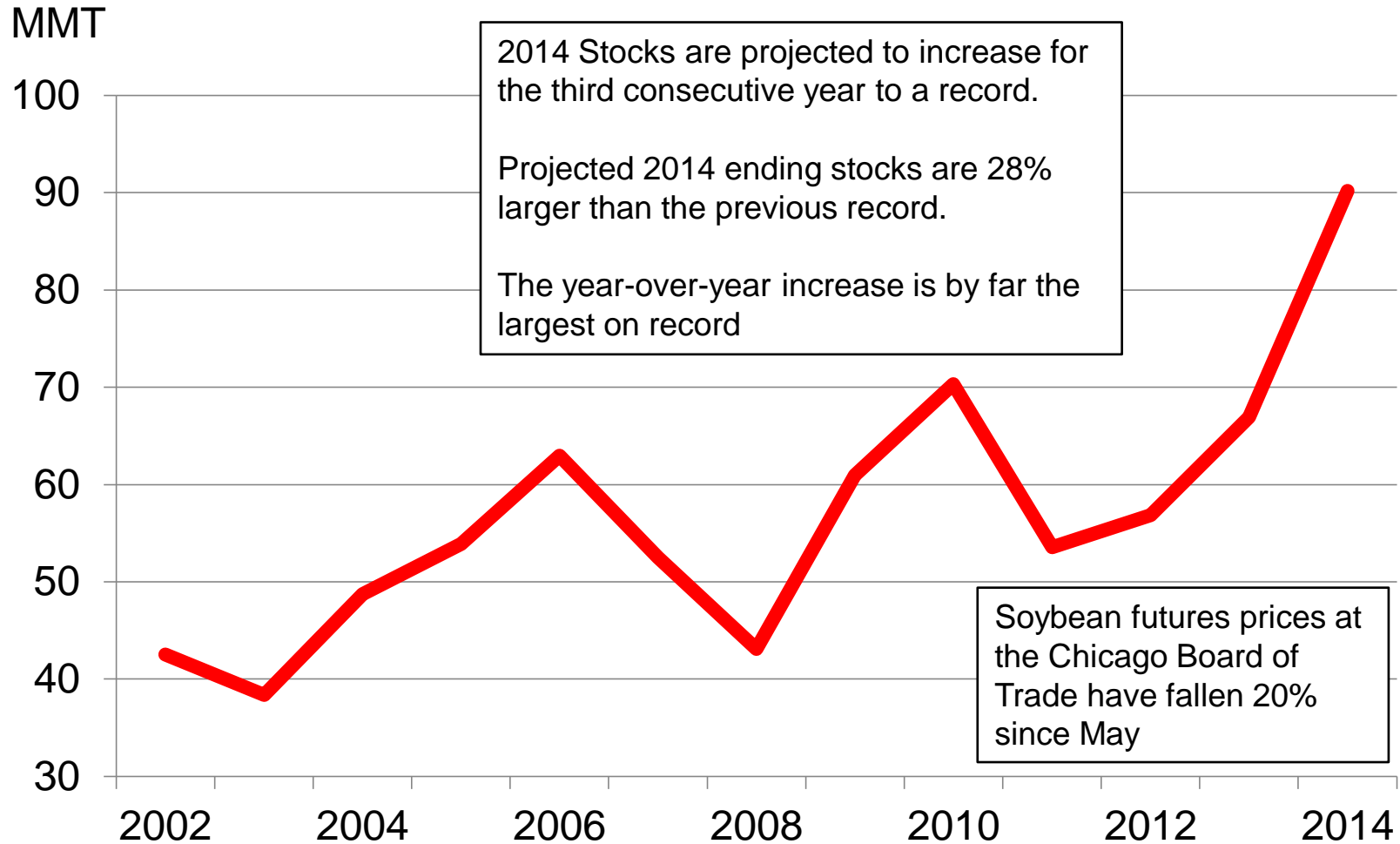
MMT



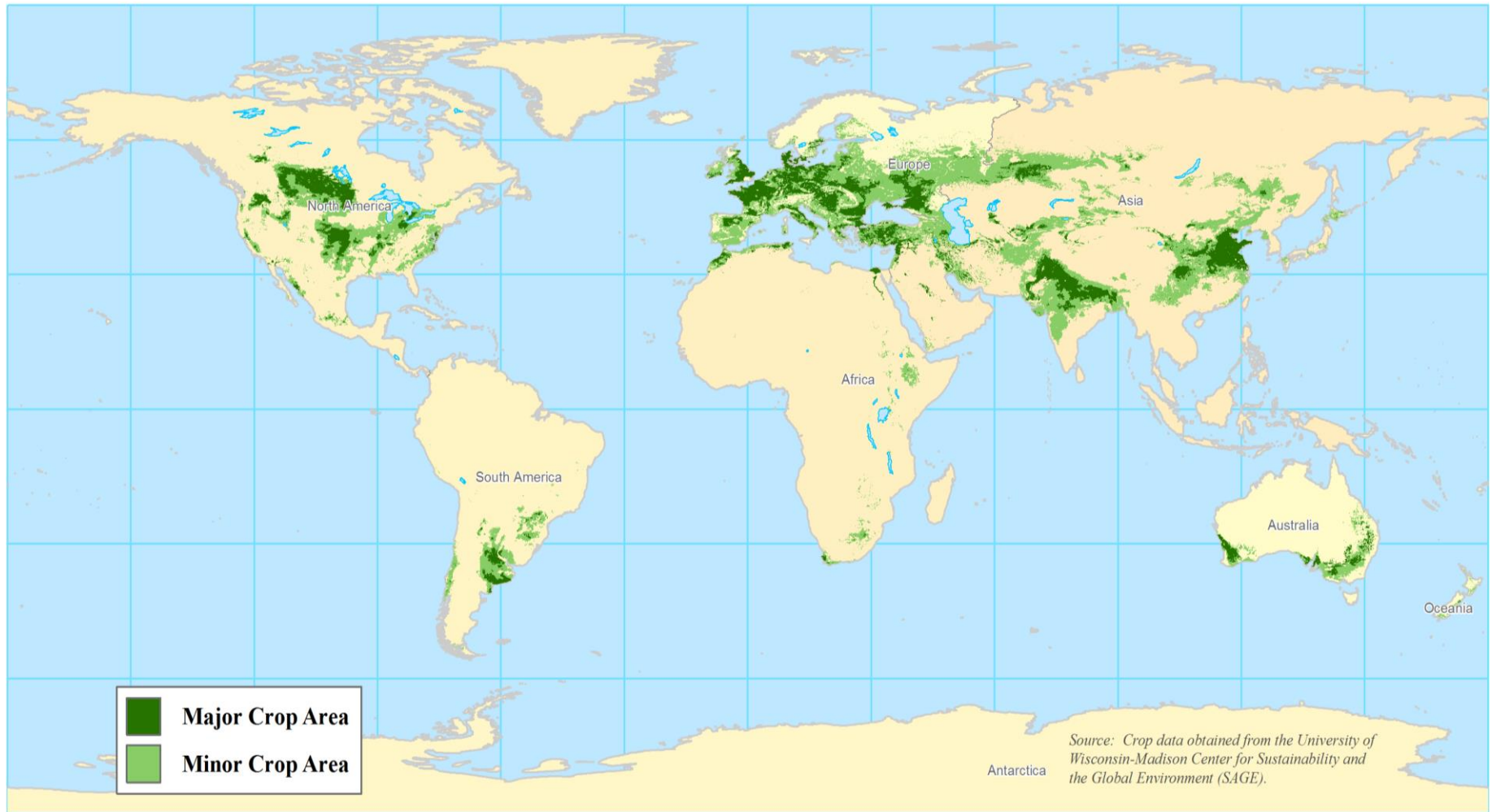
World Soybean Use Continues Higher in 2014



2014 Global Soybean Ending Stocks Projected to be Record Large

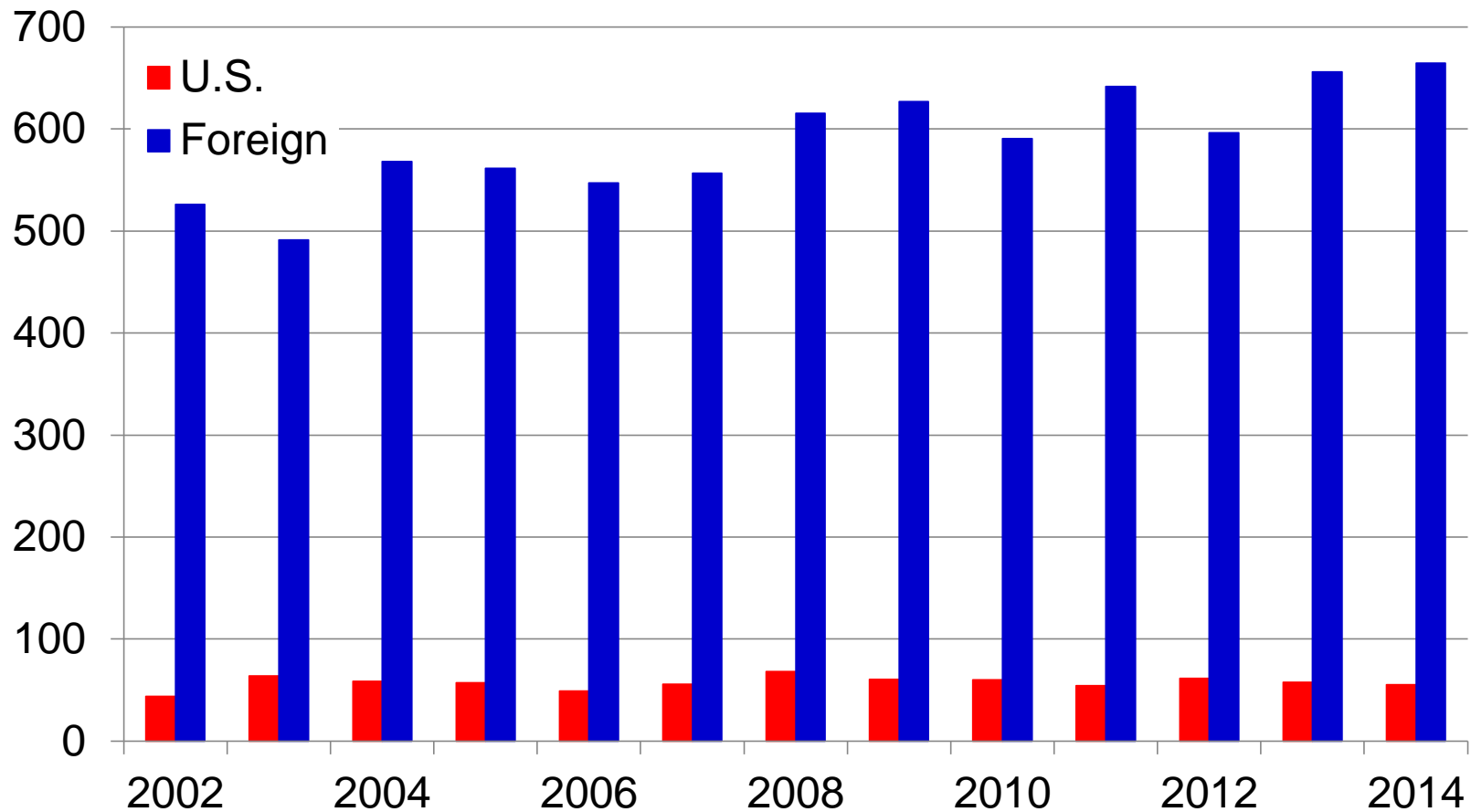


World Wheat Production



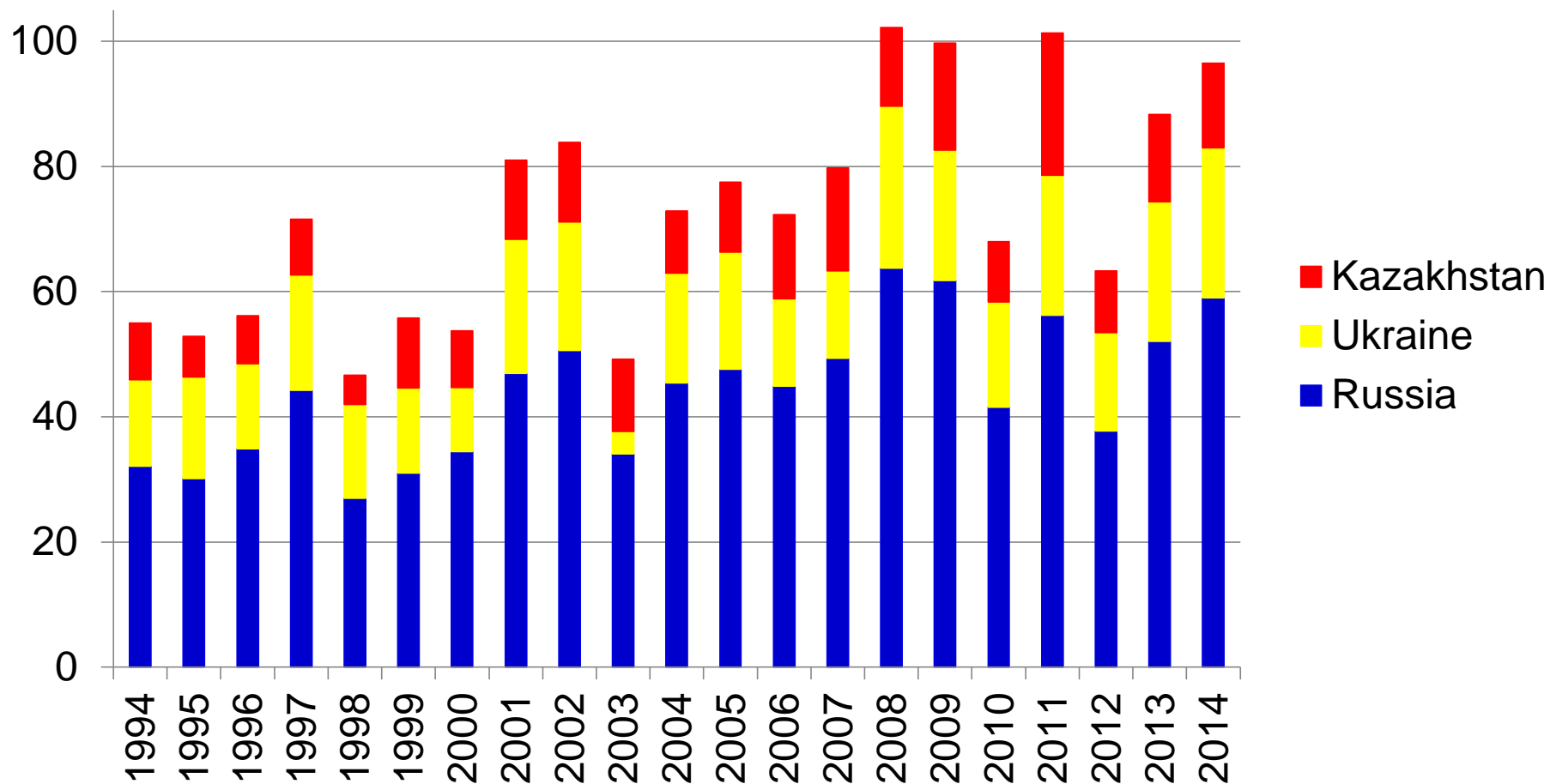
World Wheat Production

MMT



Black Sea Wheat Production Is Increasingly Important

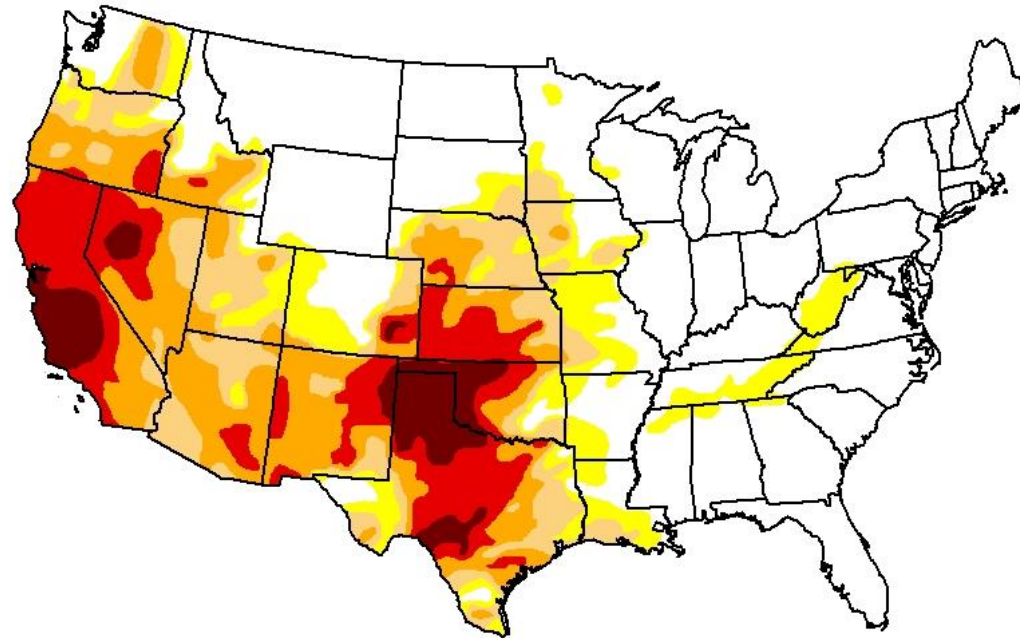
MMT



Drought Expands into Early May

U.S. Drought Monitor CONUS

May 6, 2014
(Released Thursday, May 8, 2014)
Valid 8 a.m. EDT



Intensity:

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

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

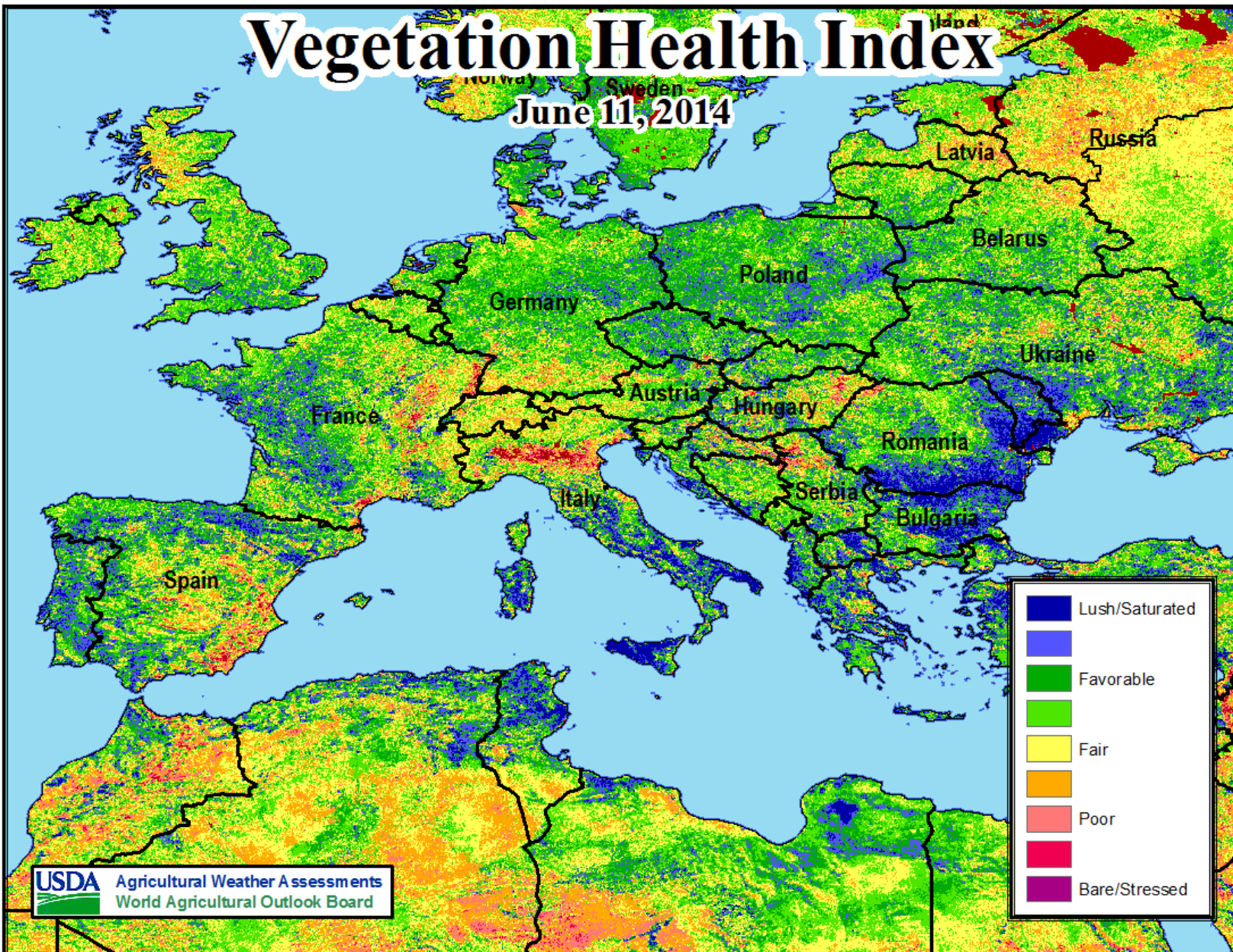
Author:
Mark Svoboda
National Drought Mitigation Center



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

Vegetation Health Index

June 11, 2014

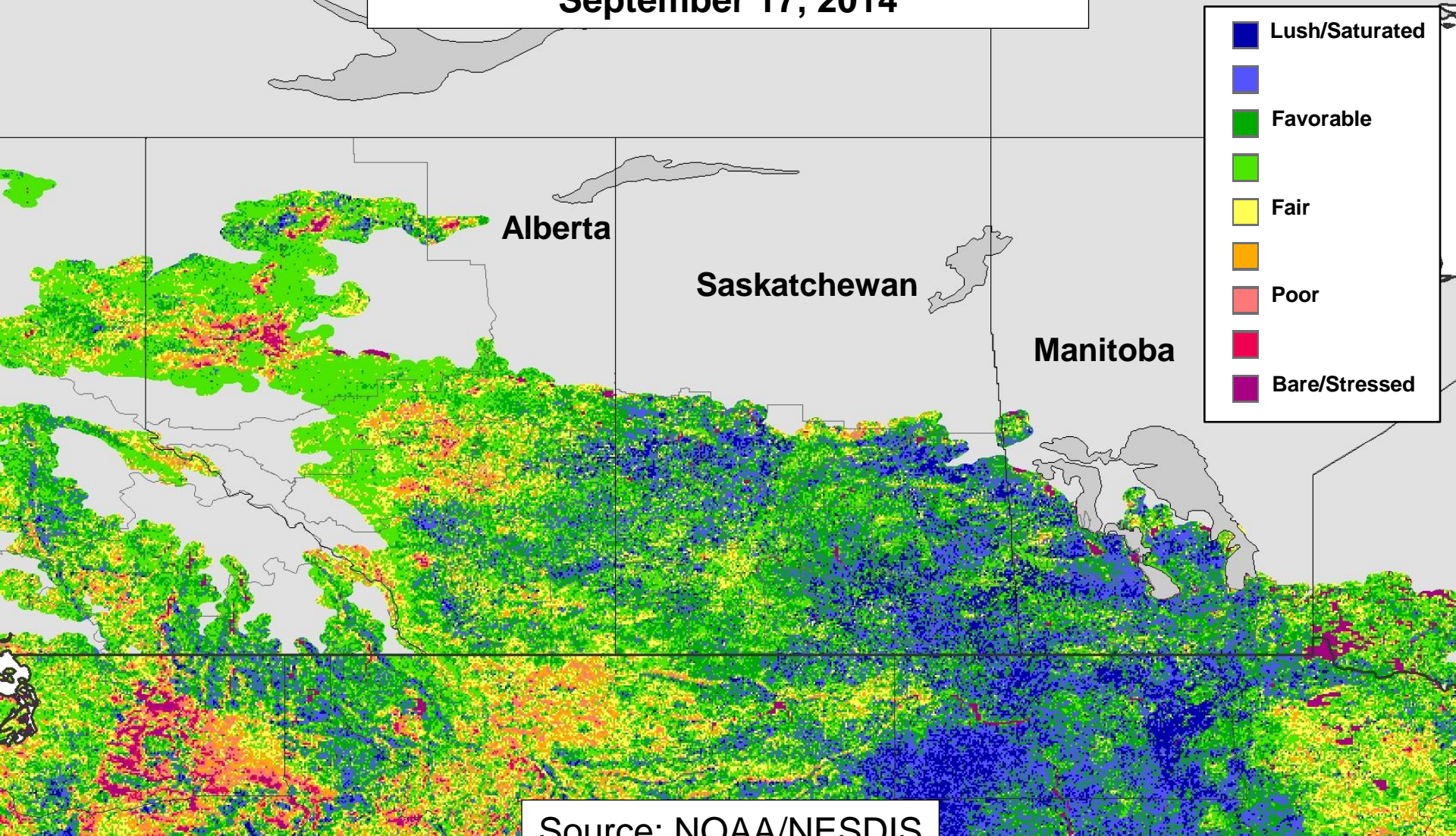


USDA Agricultural Weather Assessments
World Agricultural Outlook Board

Agrotendencias 2014

Vegetative Health Index (4km)

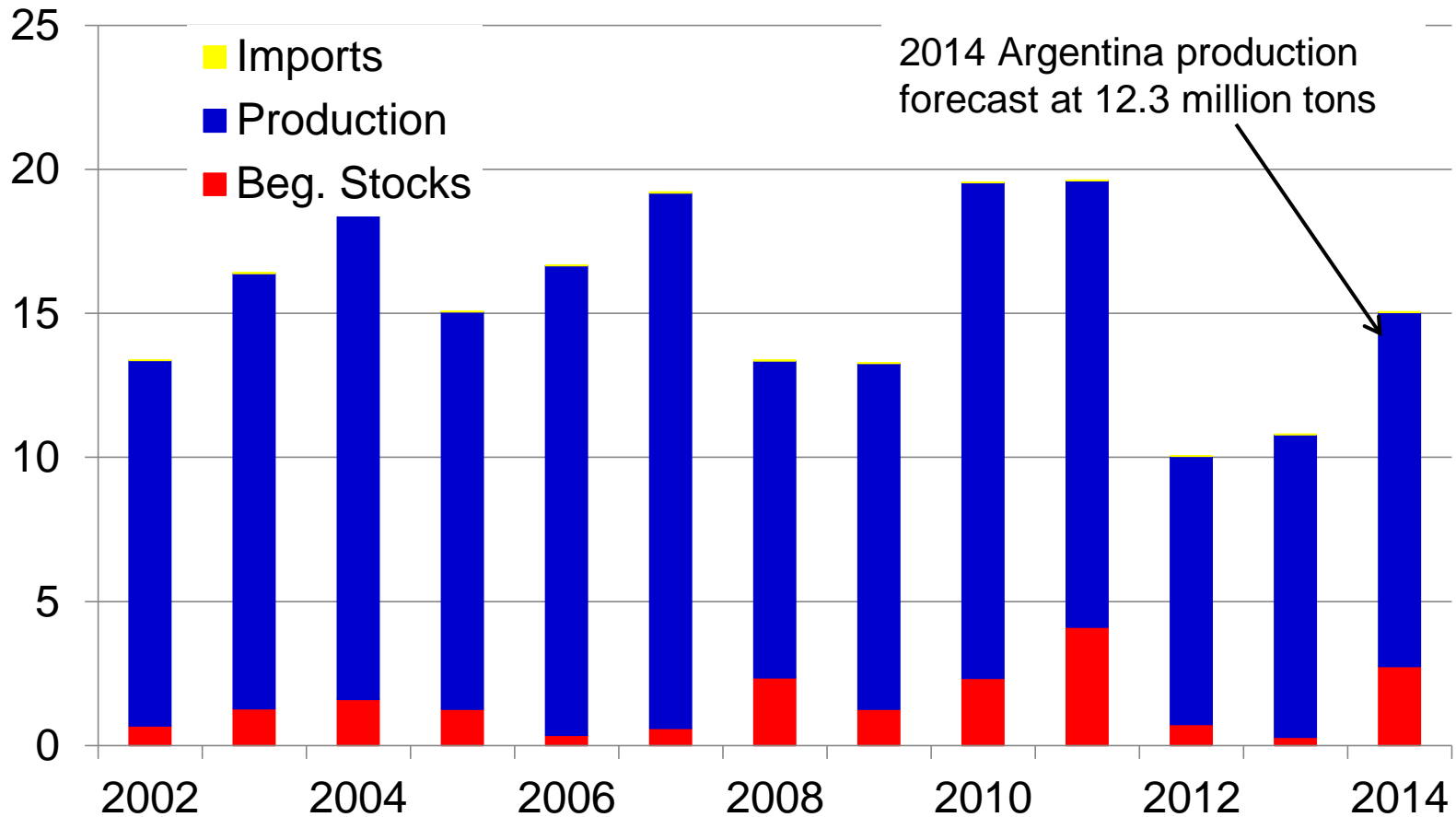
September 17, 2014



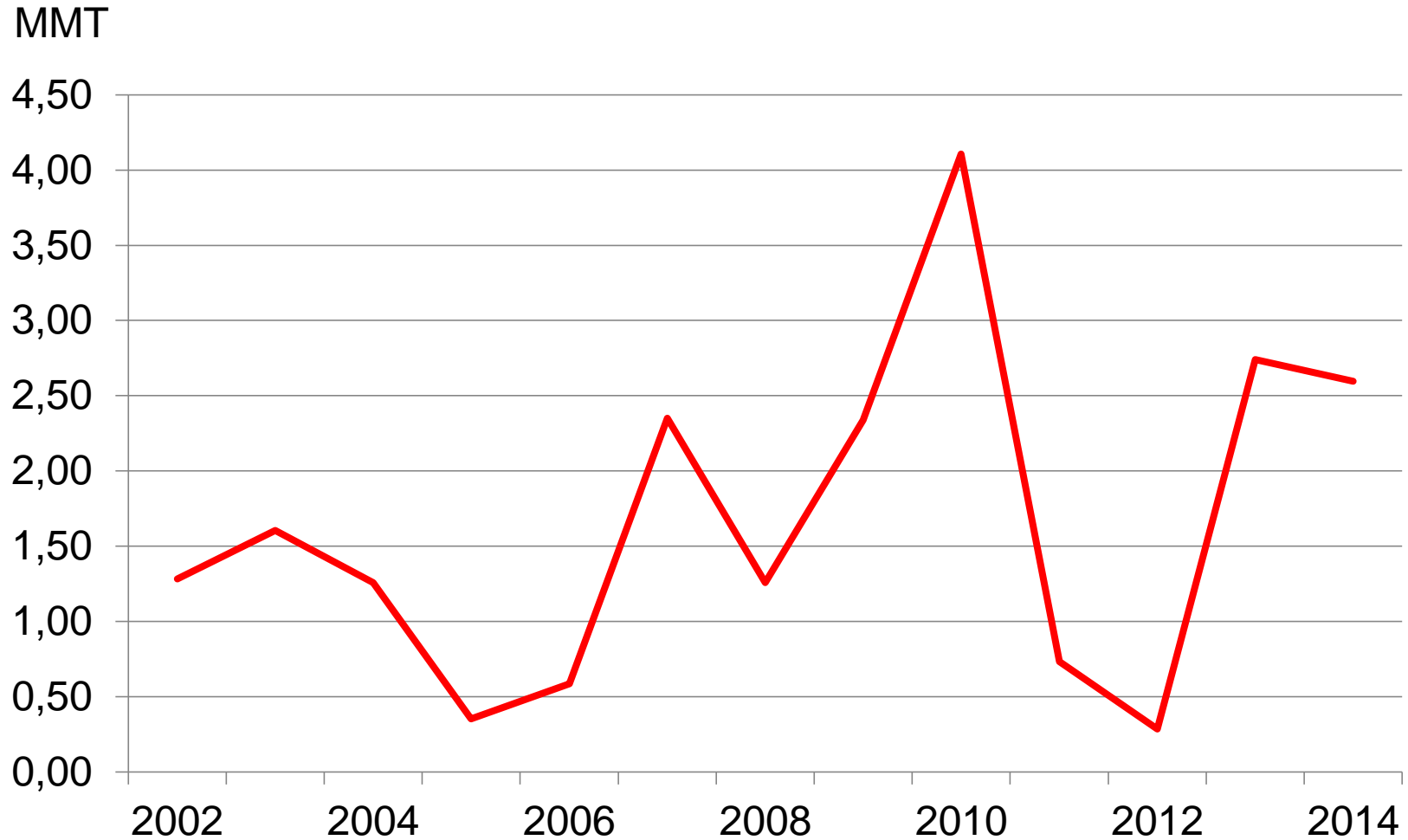
Source: NOAA/NESDIS

2014 Argentina Wheat Production Up For Second Year

MMT

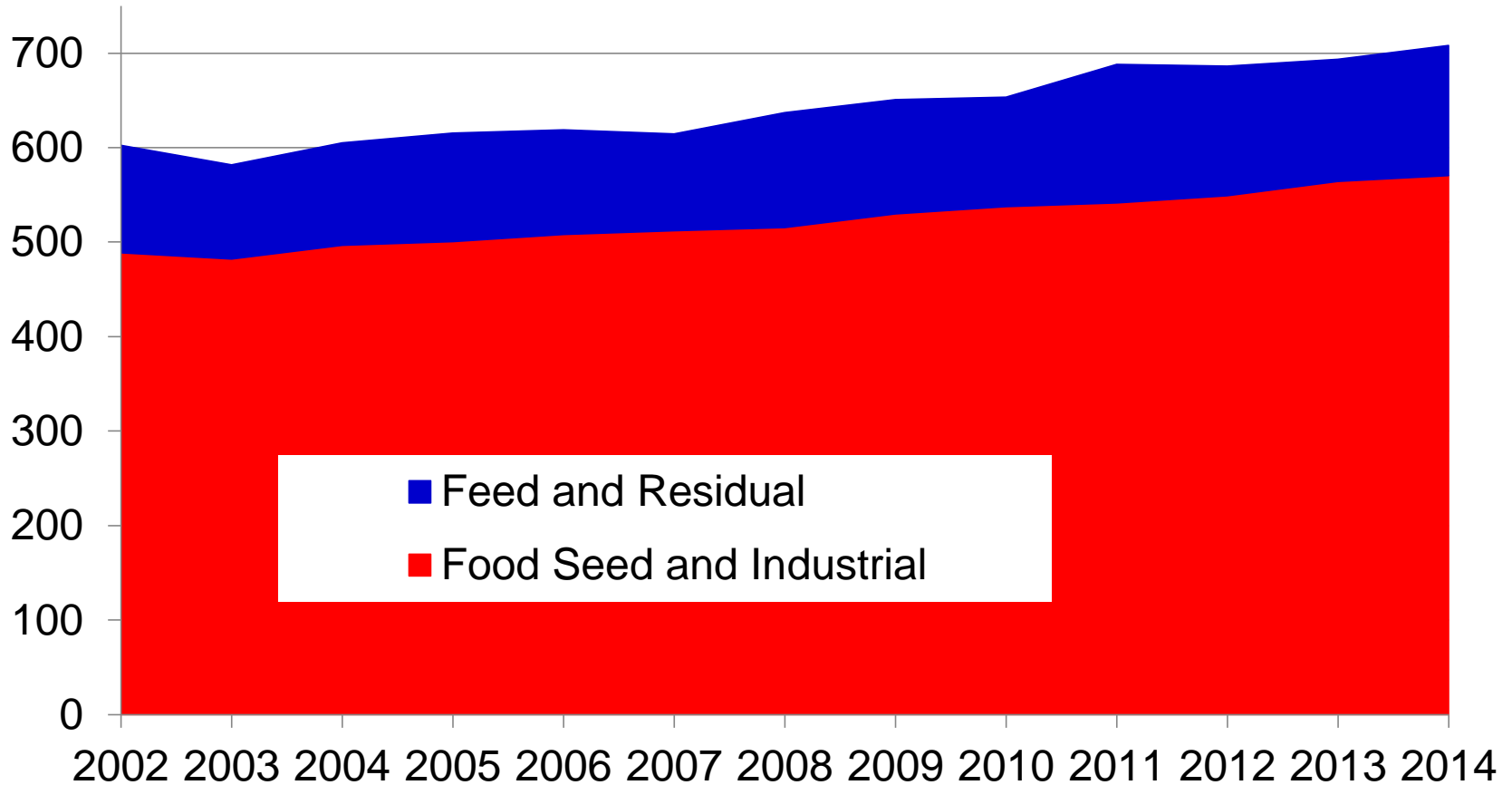


Argentina Wheat Stocks to Decline in 2014

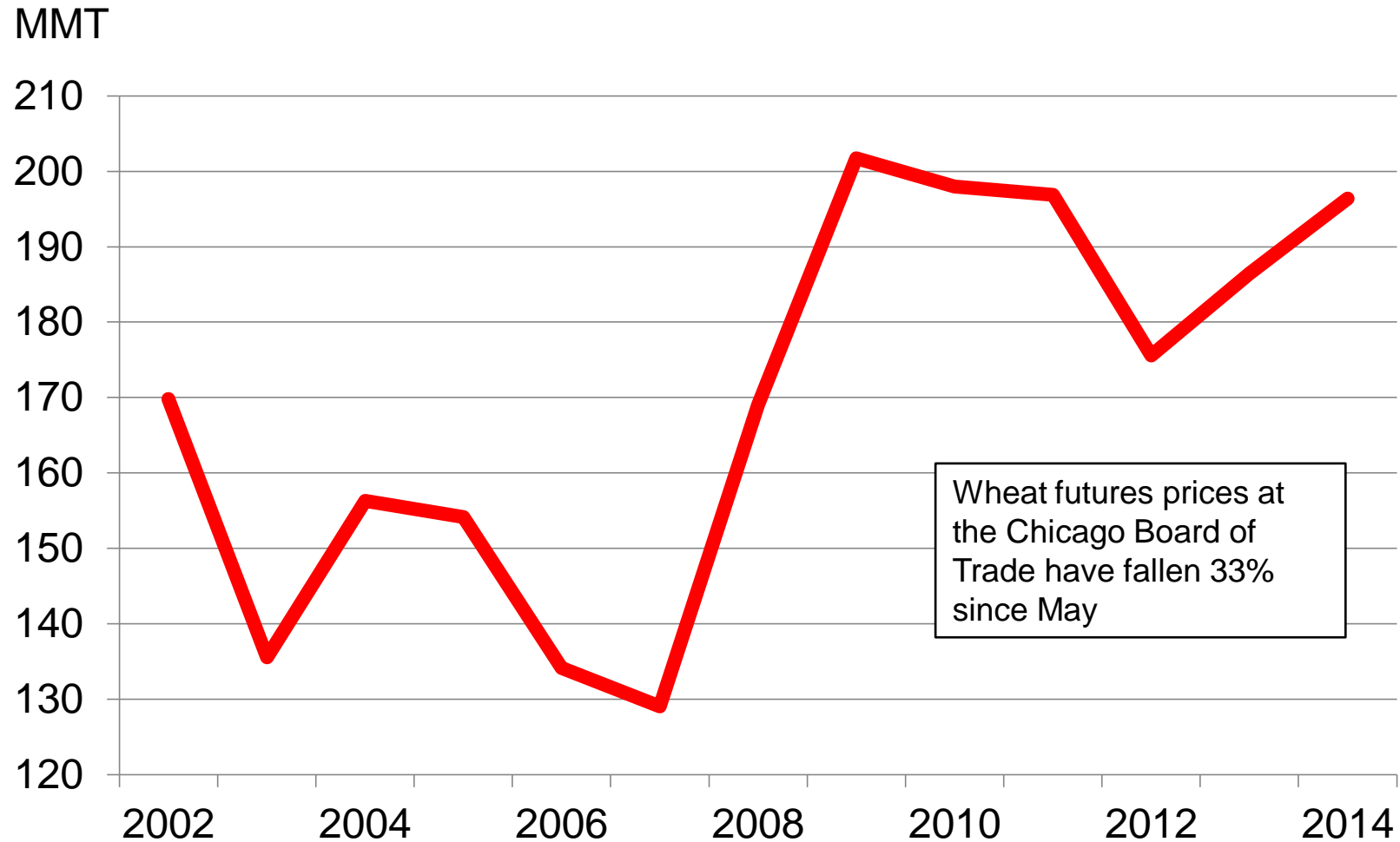


Record Wheat Consumption Projected in 2014

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Global Wheat Ending Stocks Increase for Second Year



USDA Outlook Publications and Data

- *World Agricultural Supply and Demand Estimates*
<http://www.usda.gov/oce/commodity/wasde/index.htm>
- ERS *Wheat Outlook and Wheat Data*
<http://www.ers.usda.gov/topics/crops/wheat.aspx>
- FAS *Grain: World Markets and Trade*
<http://www.fas.usda.gov/data/grain-world-markets-and-trade>
- FAS *World Agricultural Production*
<http://www.fas.usda.gov/data/world-agricultural-production>
- FAS *Production, Supply and Distribution Online*
<http://apps.fas.usda.gov/psdonline/>