

Grain Marketing Now?

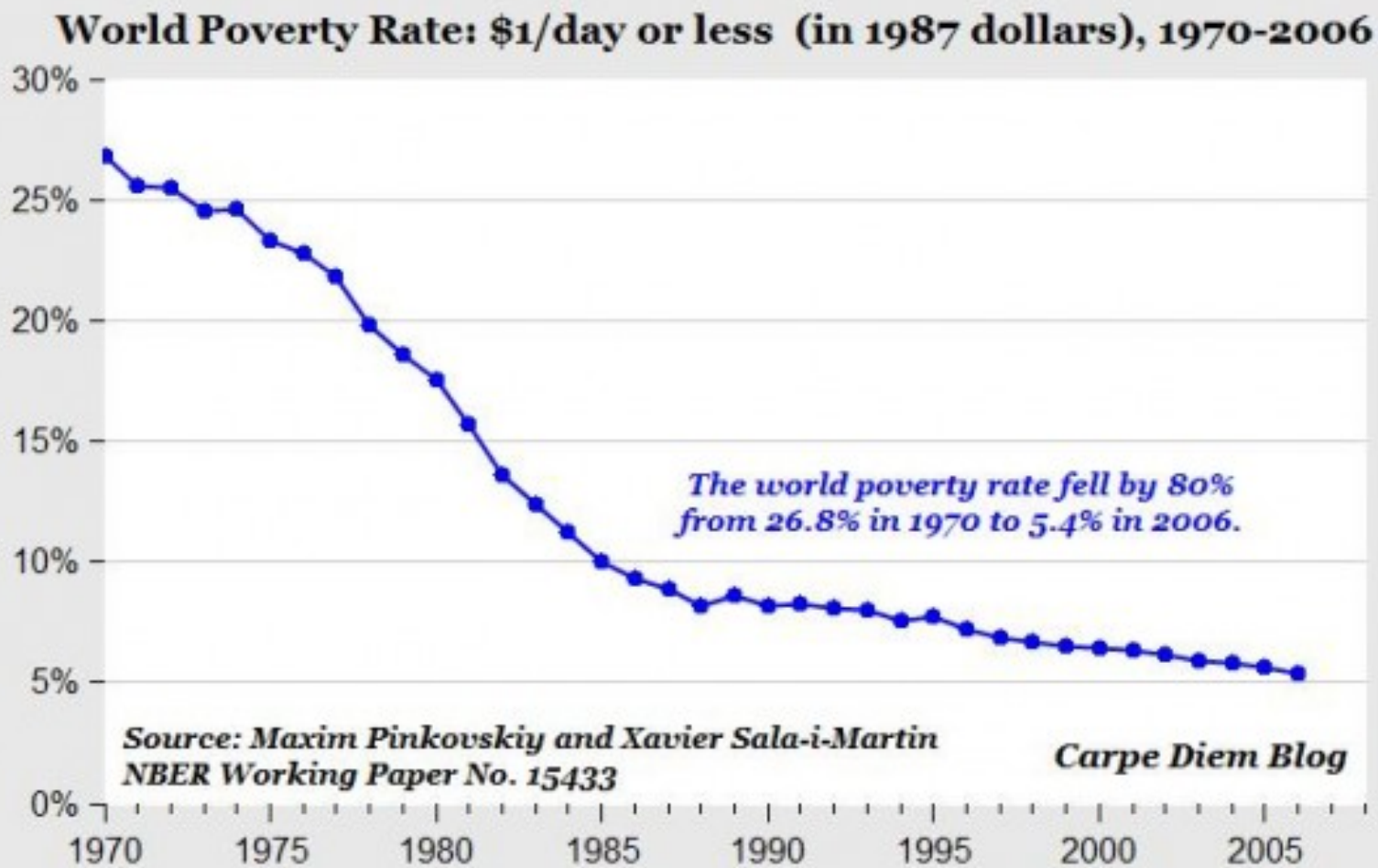
South Dakota Corn Growers

Matthew C. Roberts
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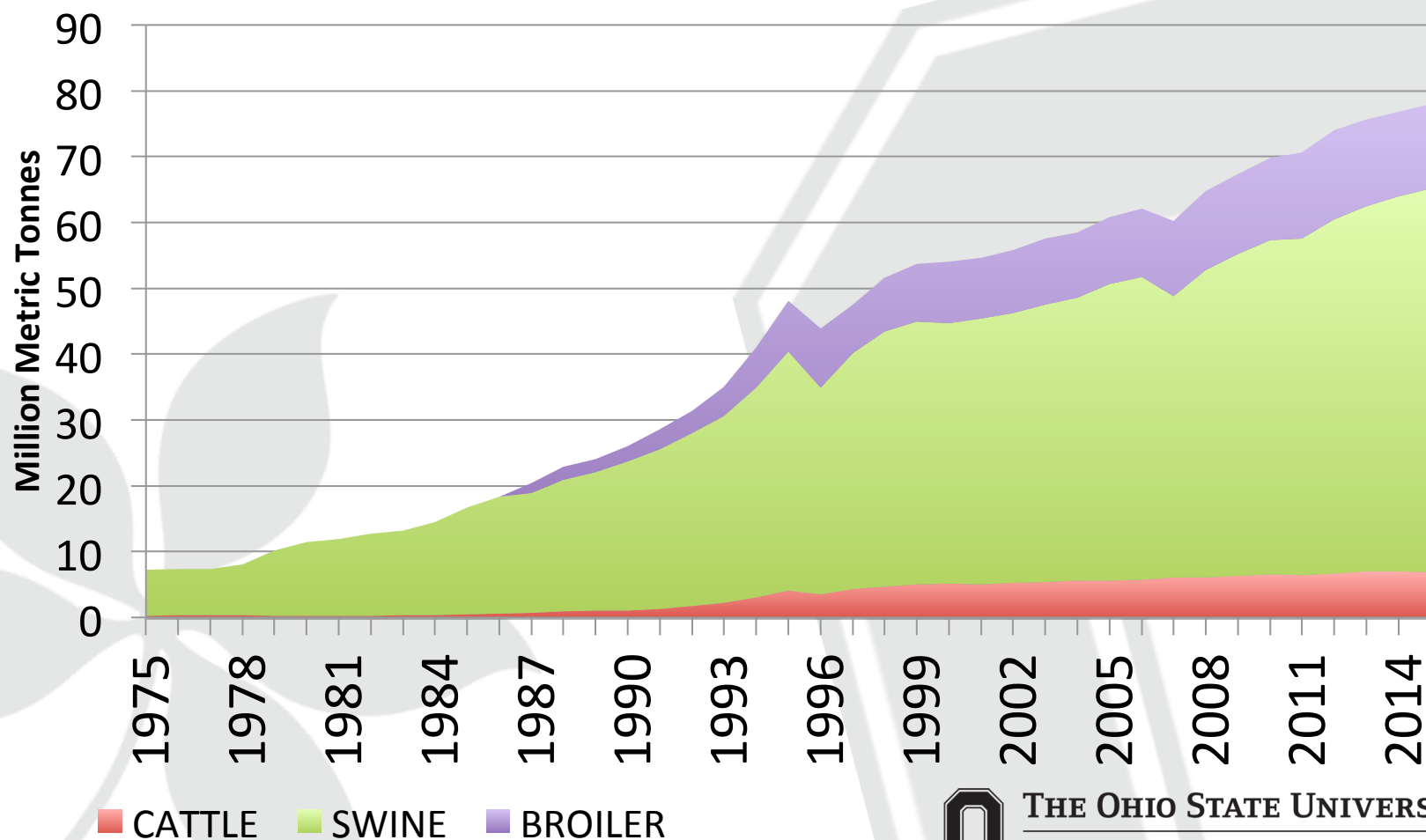
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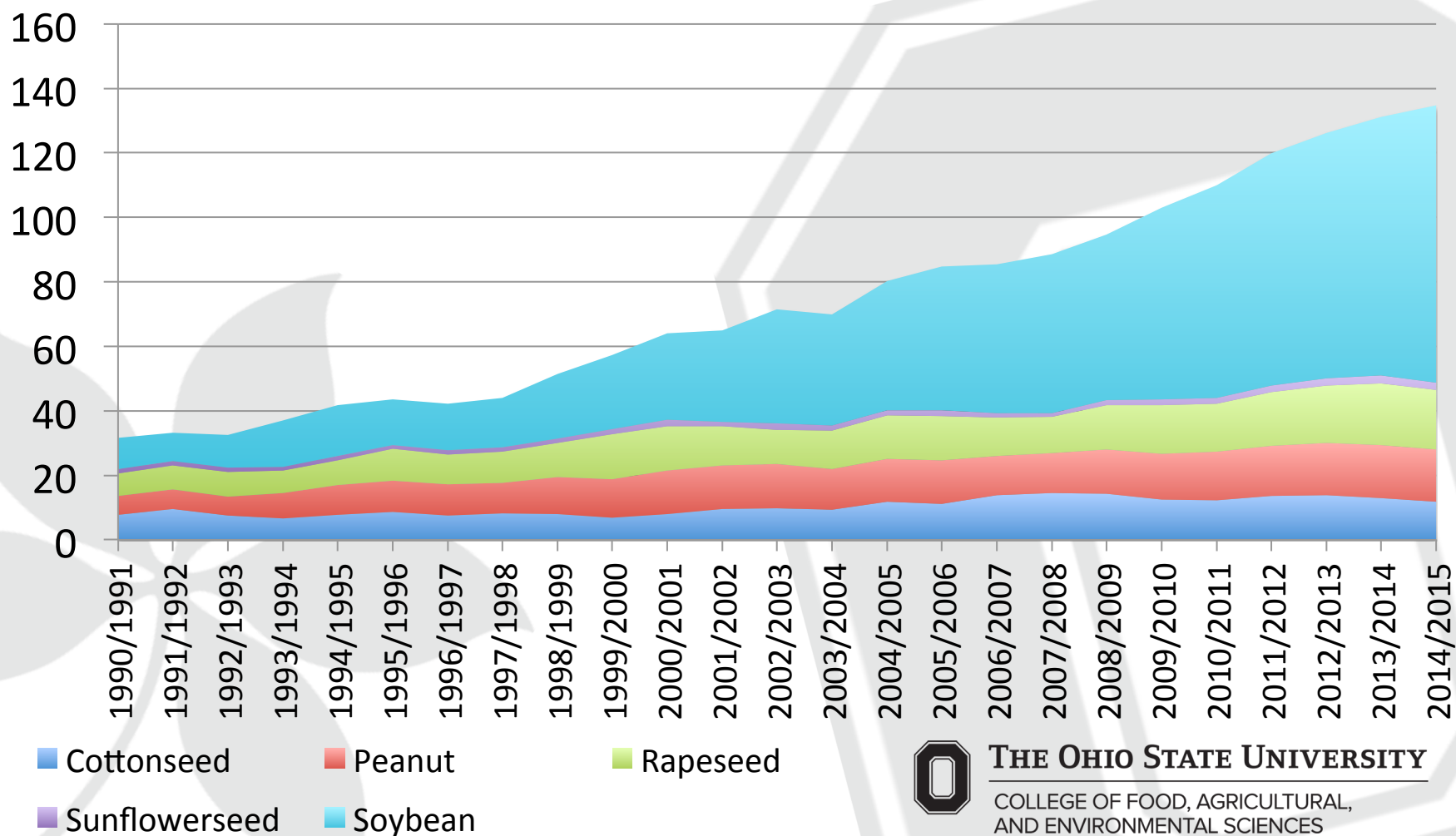
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Chinese Meat Consumption 90-15

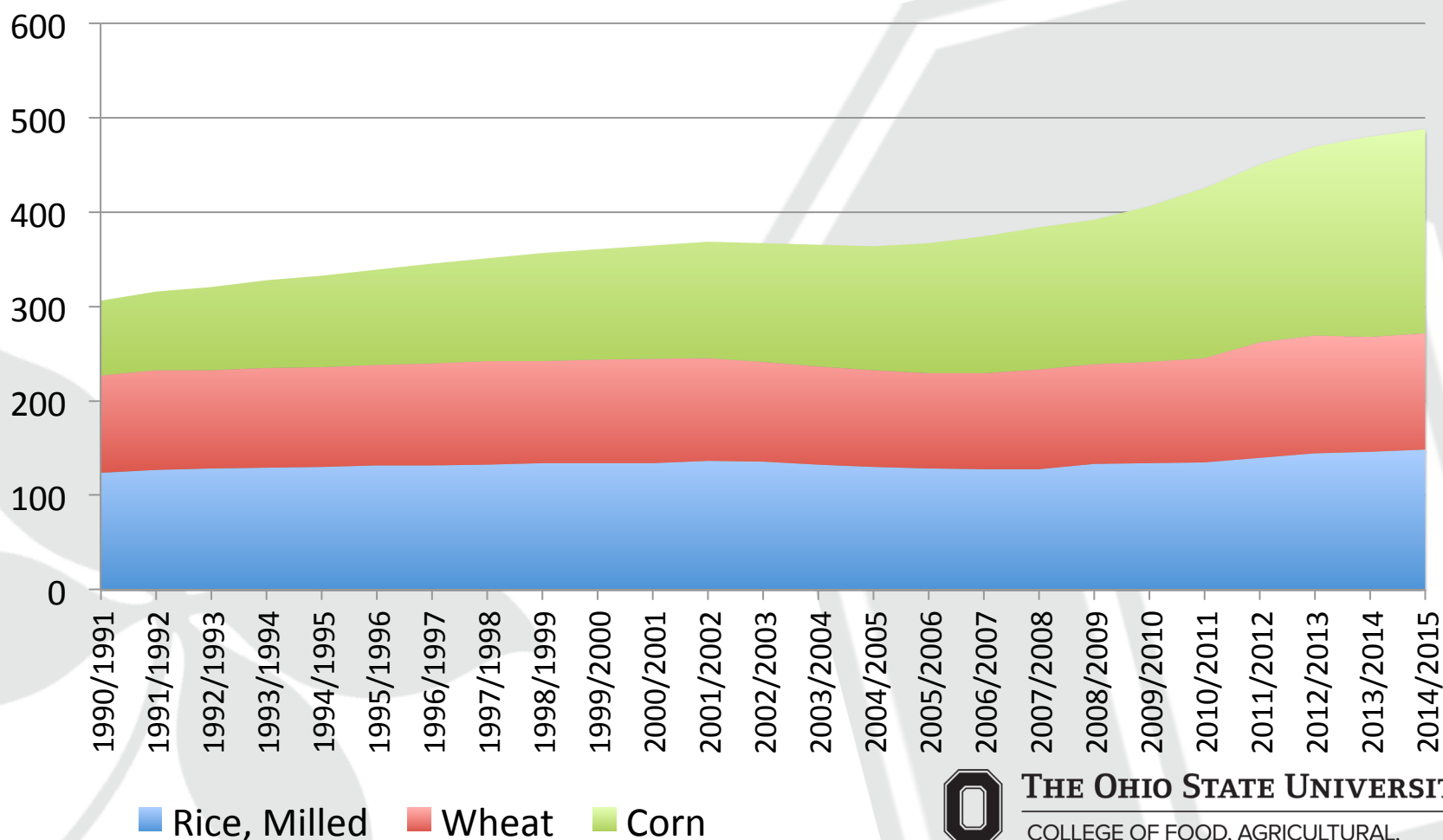


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Chinese Oilseed Consumption Growing by 9.8%/yr since 1990



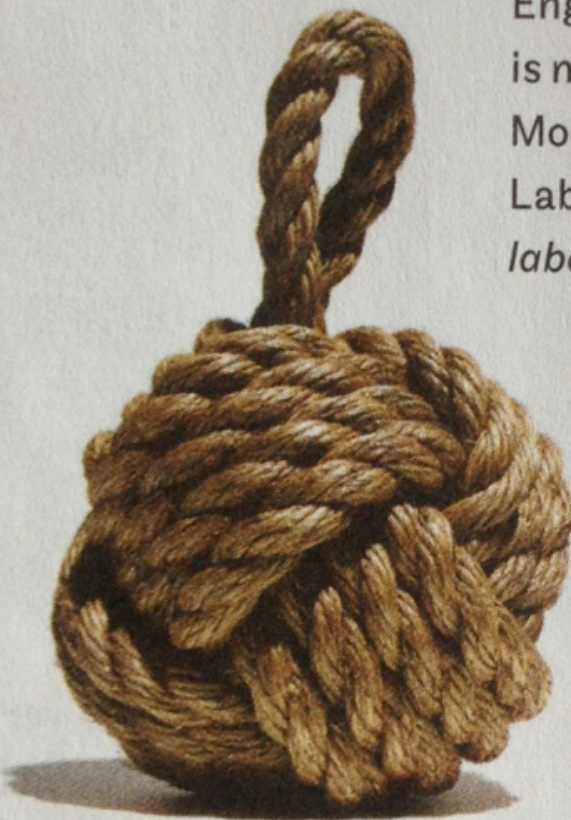
Chinese Grain Consumption Climbing by 4%/year since 2006.





modern farmer

SHEEP



Rope Doorstop

Made by a knotting enthusiast in Suffolk, England, this doorstop is modeled after the Monkey's Fist knot.

Labour and Wait, \$105
labourandwait.co.uk



Suko wears Steven Alan long turtleneck tee, stevenalan.com, \$188; A Détacher Babette handwoven alpaca poncho, soxsfifthavenue.com, \$555
Below Trevor with Francesco and Paolo Buitoni at Mercato restaurant in Redhook, New York. **Trevor wears** Olive Japanese 12oz Duck Miner chinos, leftfieldnyc.com, \$198; Gitman Brothers The Hill-Side short-sleeve shirt, hickorees.com, \$220; Wigwam knit cotton socks, kaufman-mercantile.com, \$12; Prada Brogue Balmoral, barneys.com, \$680

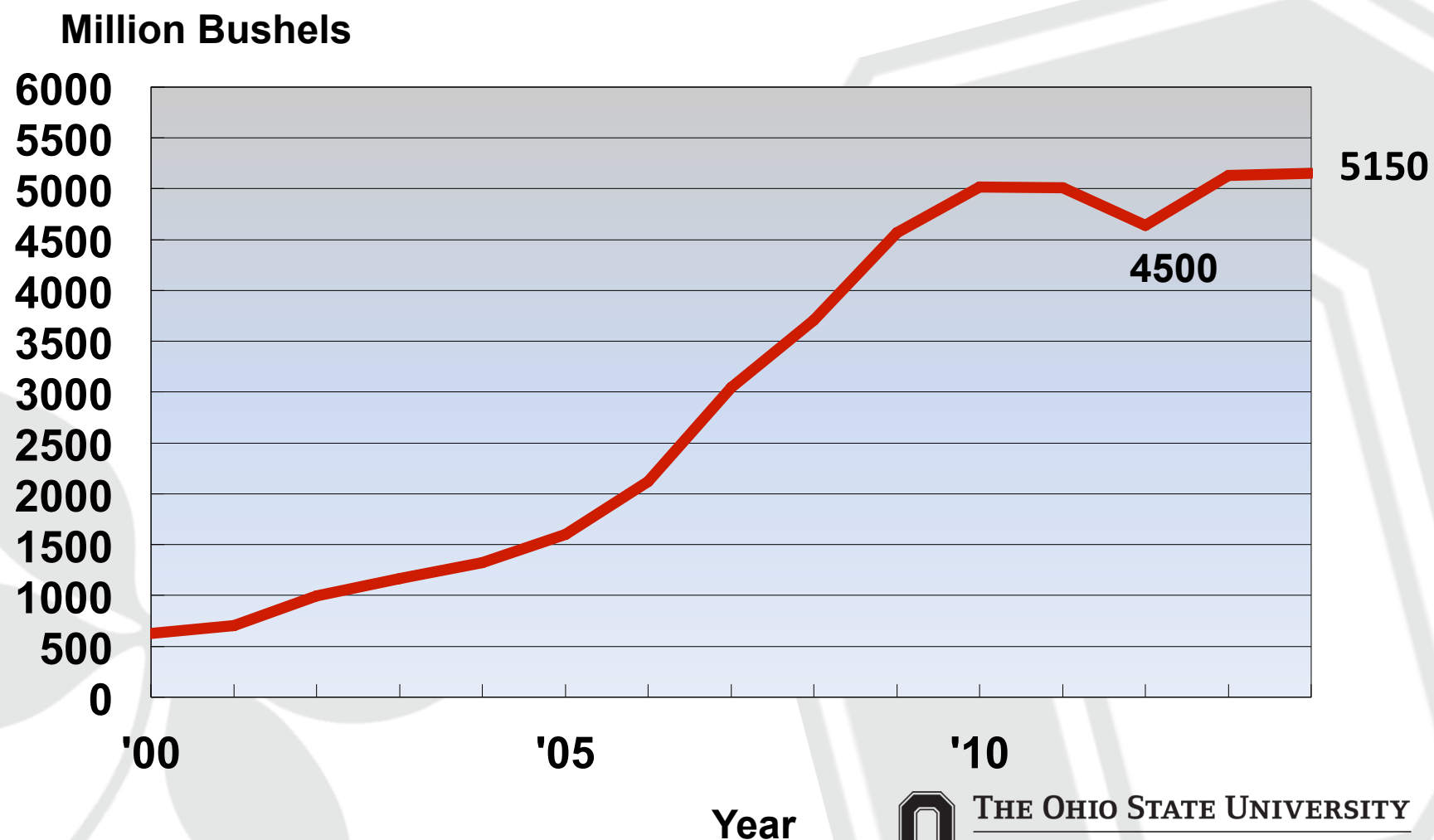


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BUT WHAT ABOUT THE MARKETS?



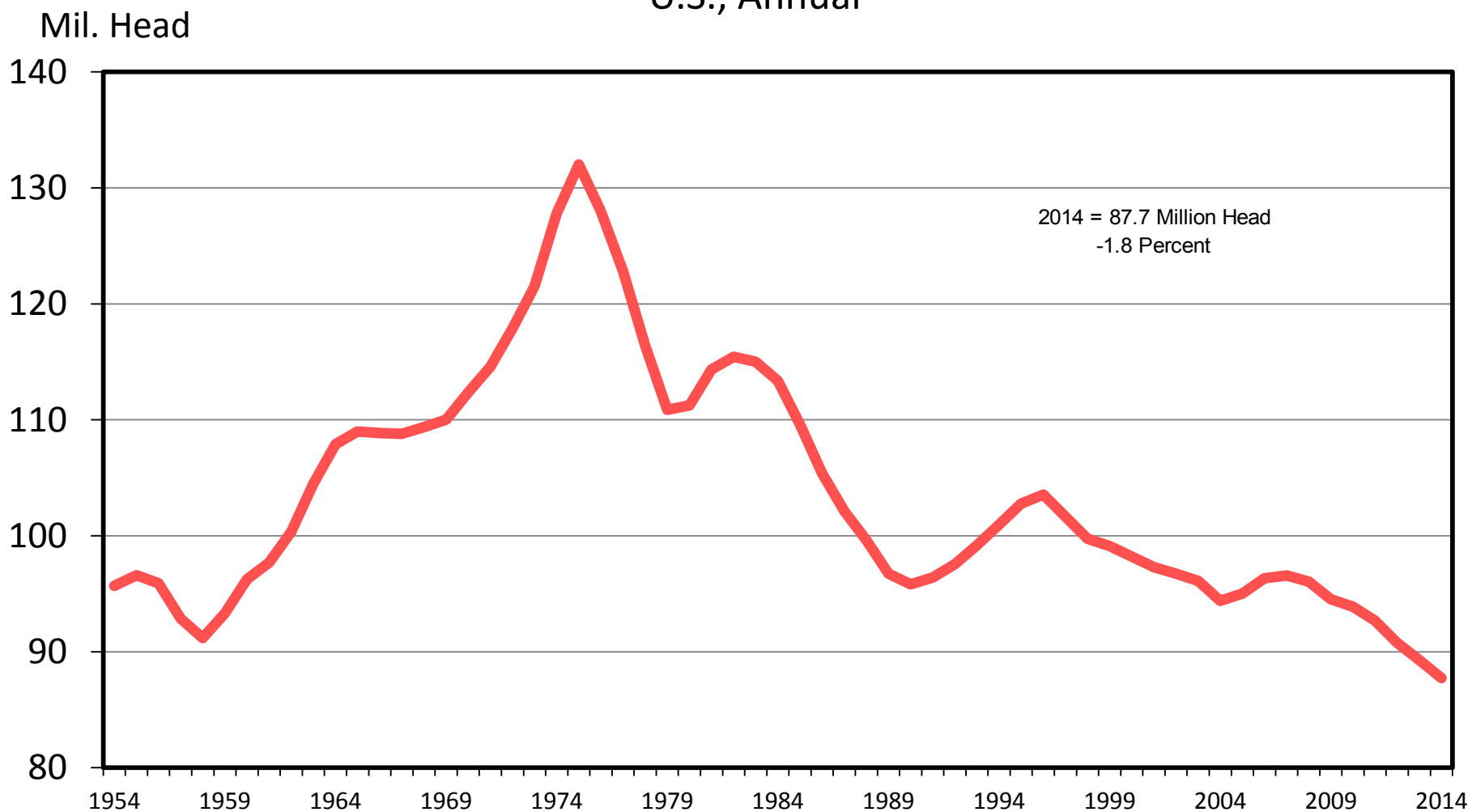
Ethanol Production Capacity-Limited



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JANUARY 1 TOTAL CATTLE INVENTORY

U.S., Annual



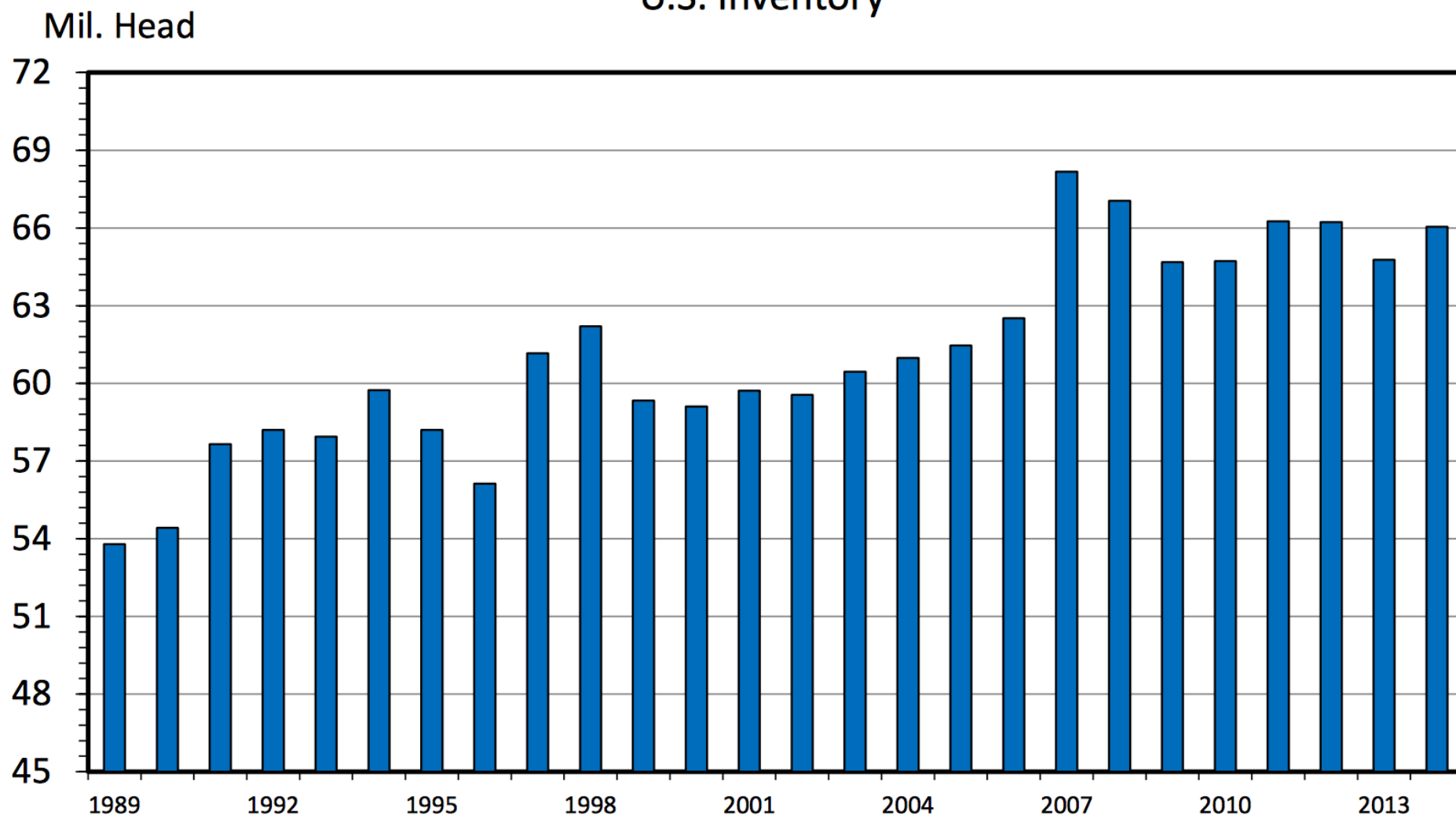
Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-01
04/02/14

DECEMBER 1 ALL HOGS AND PIGS

U.S. Inventory



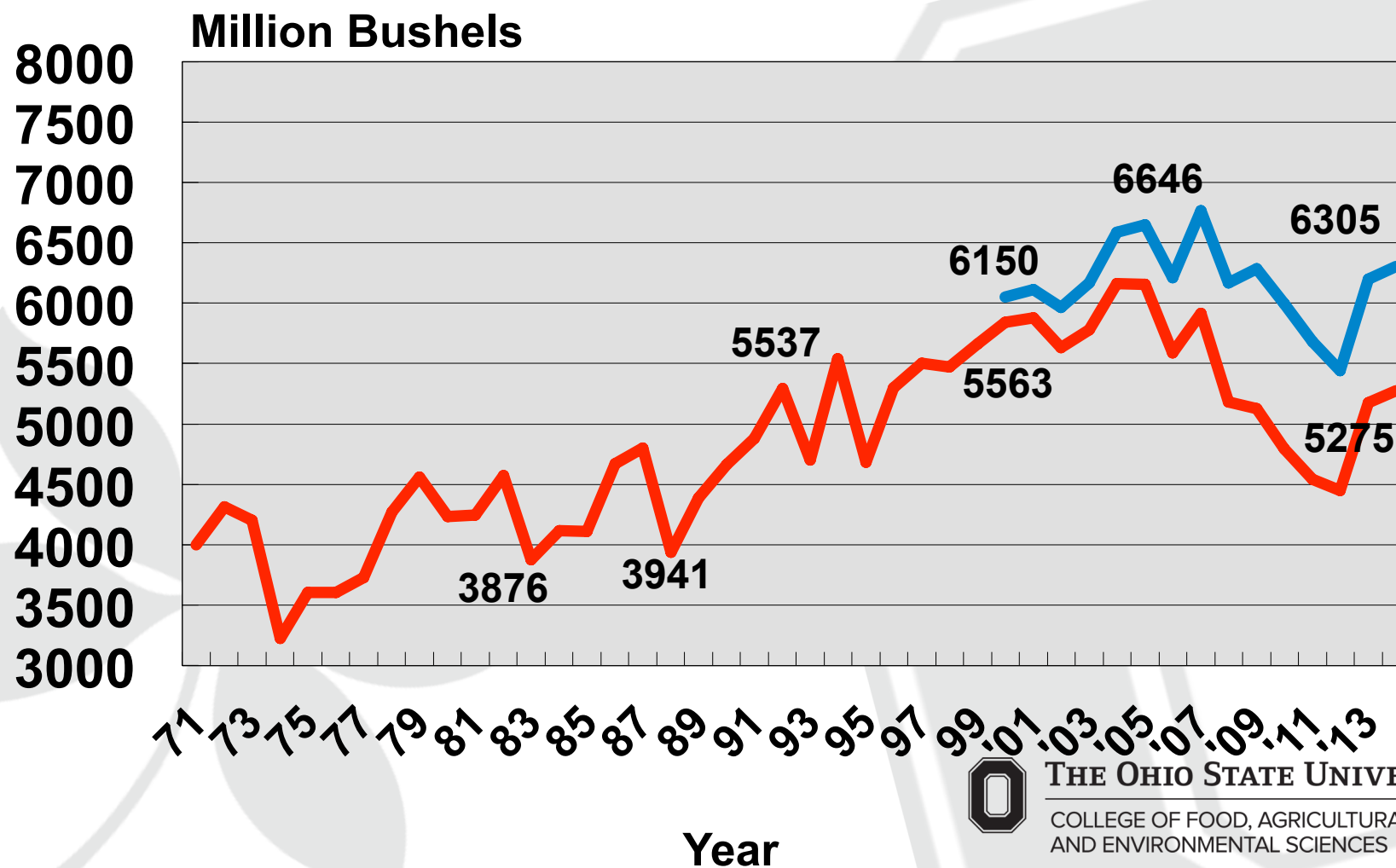
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Livestock Marketing Information Center

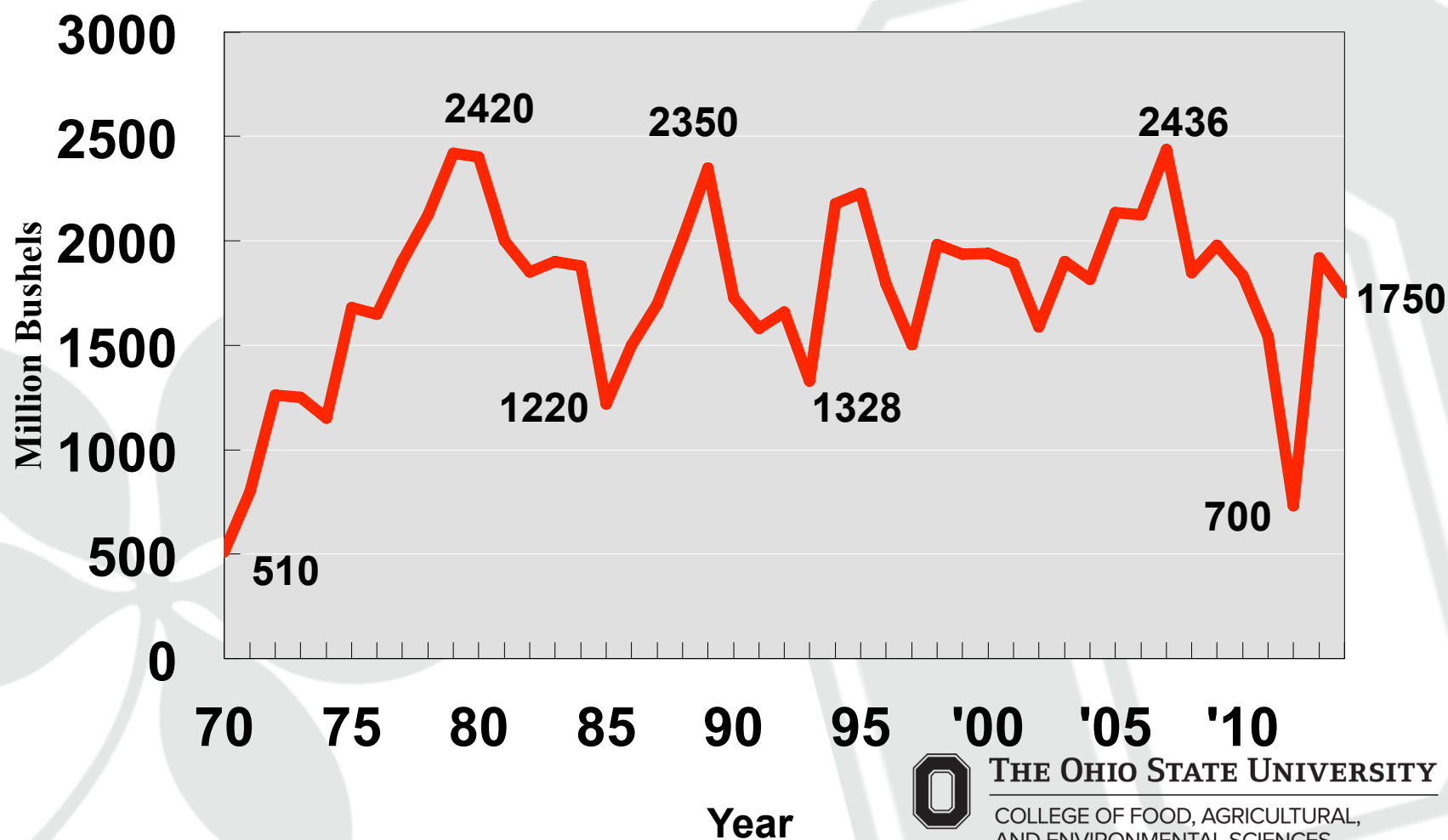
H-N-08

12/23/14

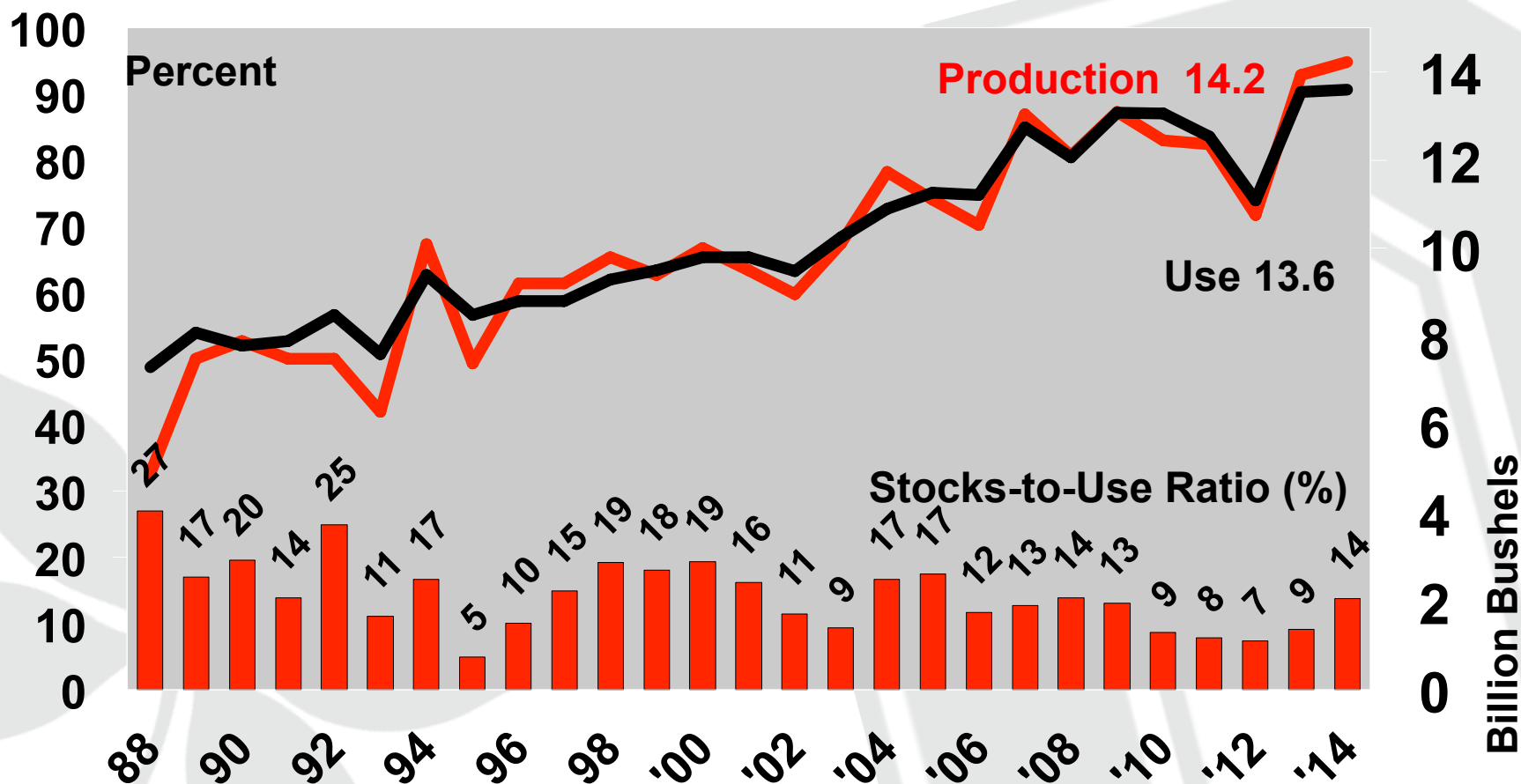
How Fast Will Feed Use Grow?



Corn Exports Extremely Strong in 13/14, especially given price & competition



Domestic Production Record Means Much Higher Corn Inventories



A BRIEF ECONOMICS LESSON...

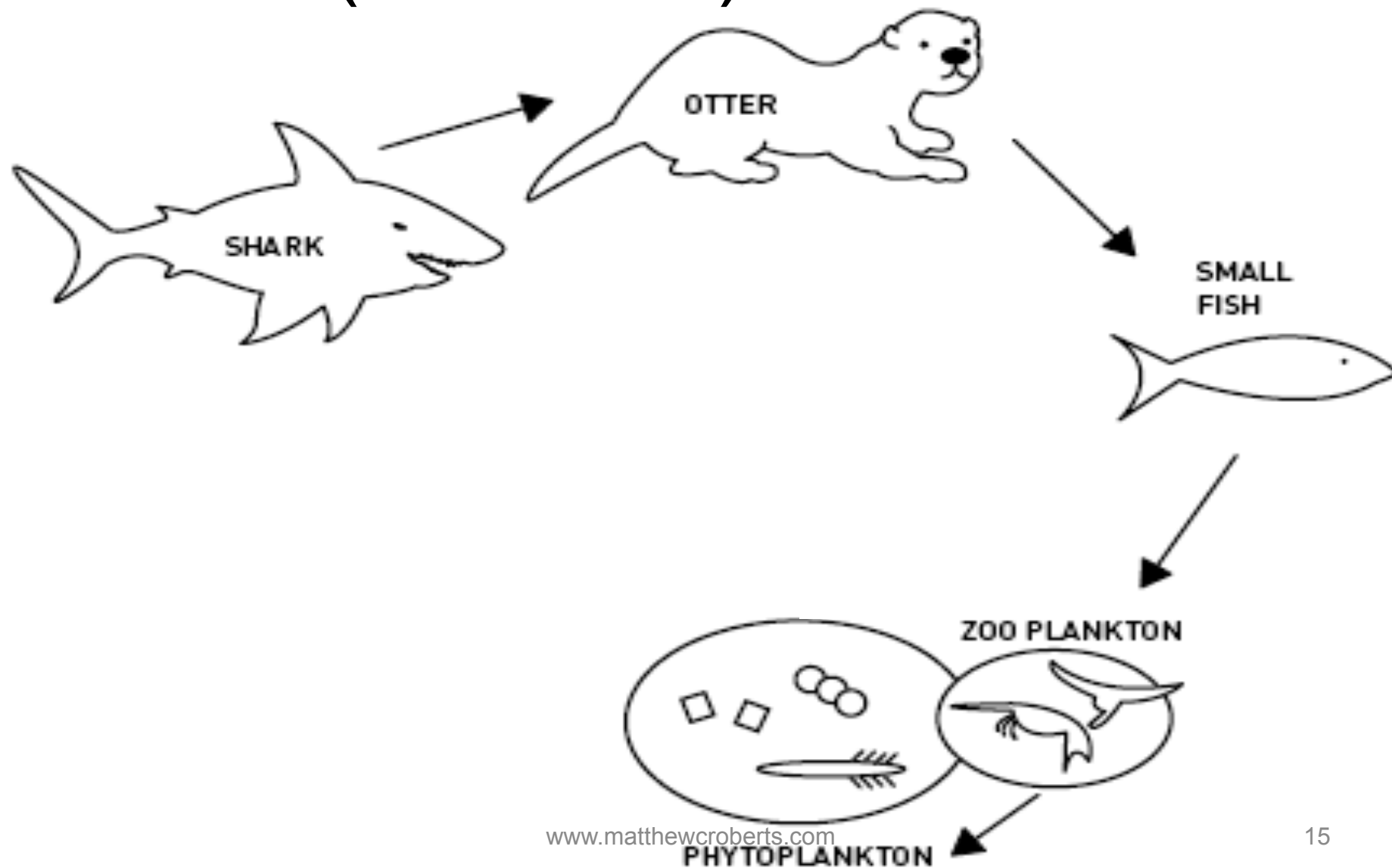
Lesson 1: The Markets Are Efficient...You Only
Get Paid for Providing a Service



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The (Financial) Food Chain





“There is no
secret
ingredient”



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Old Crop:

- Still large harvest & large carries.
- Returns to storage significant.
- Downside risks:
 - Weaker exports
 - Oil below \$55/bbl->Ethanol use
- Upside Risks:
 - Stronger Exports,
 - Feed Demand,



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New Crop:

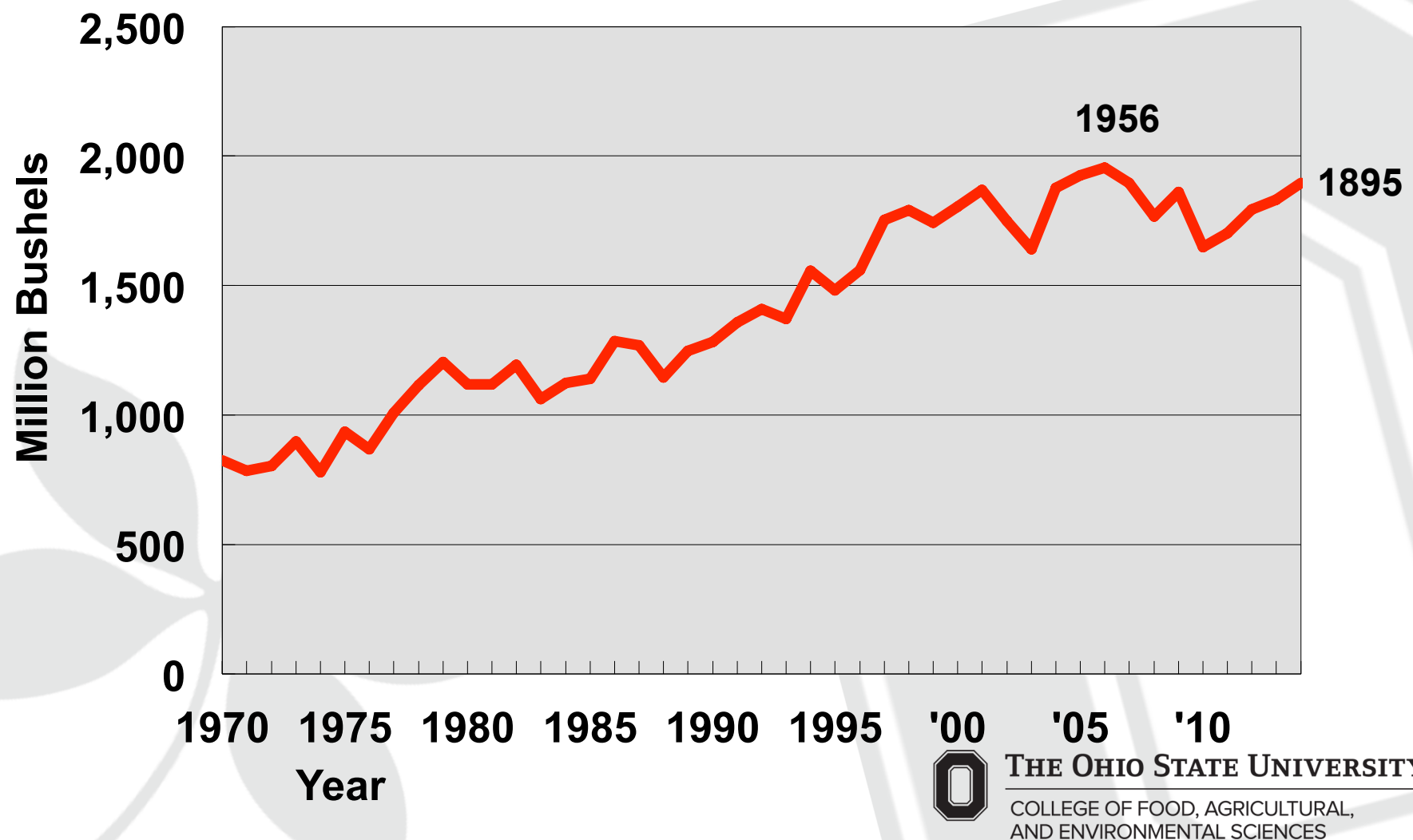
- 13.5bn bushels of very strong demand.
- Need same or +1.5m acres of corn.
- Current Dec 2015 price (4.15) unlikely to pull 2m more acres in compared to 2014.
- Futures probably need to be higher for 2015 (or stronger compared to Soy)



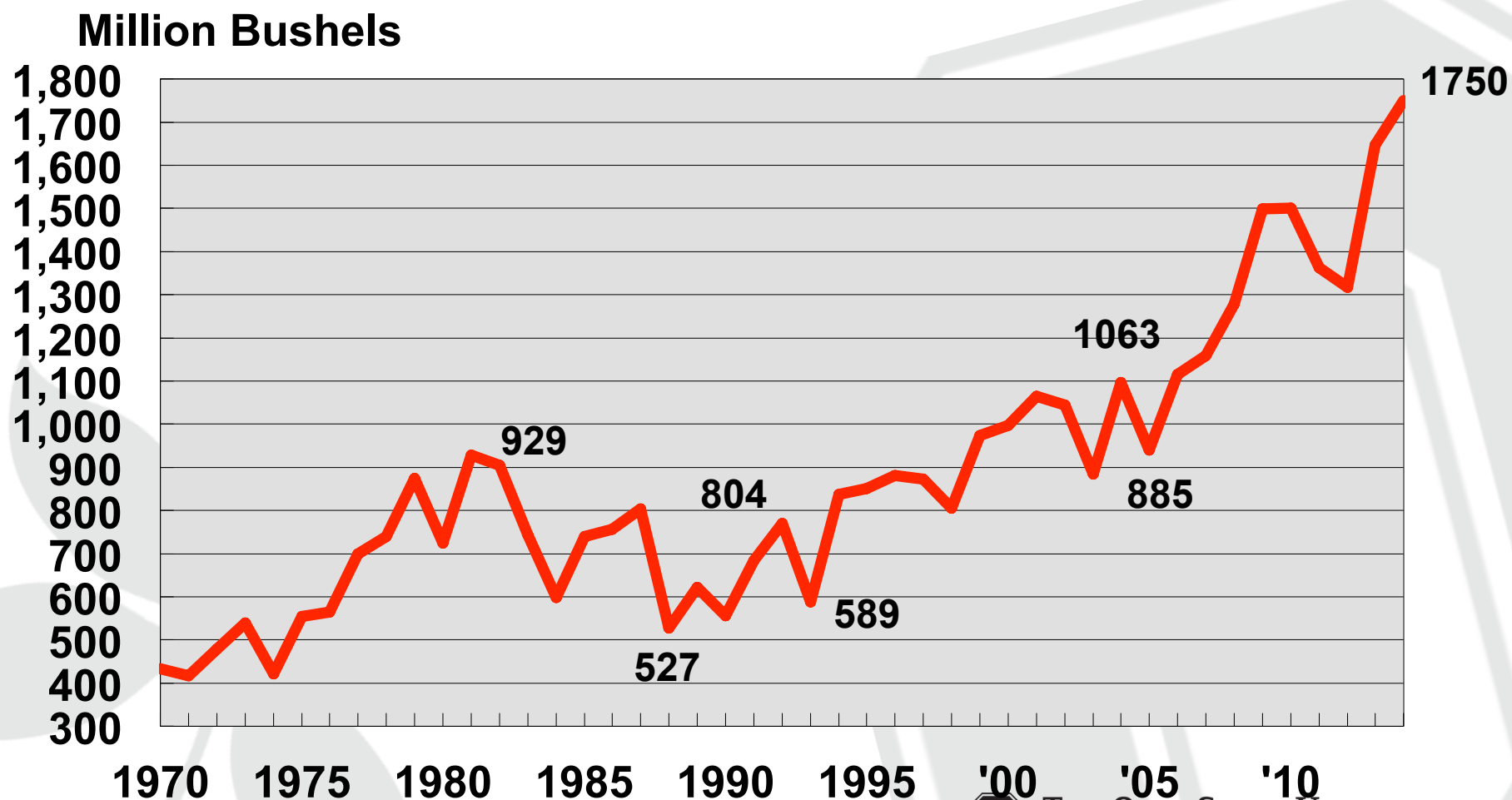
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Soybeans: Diesel-like demand

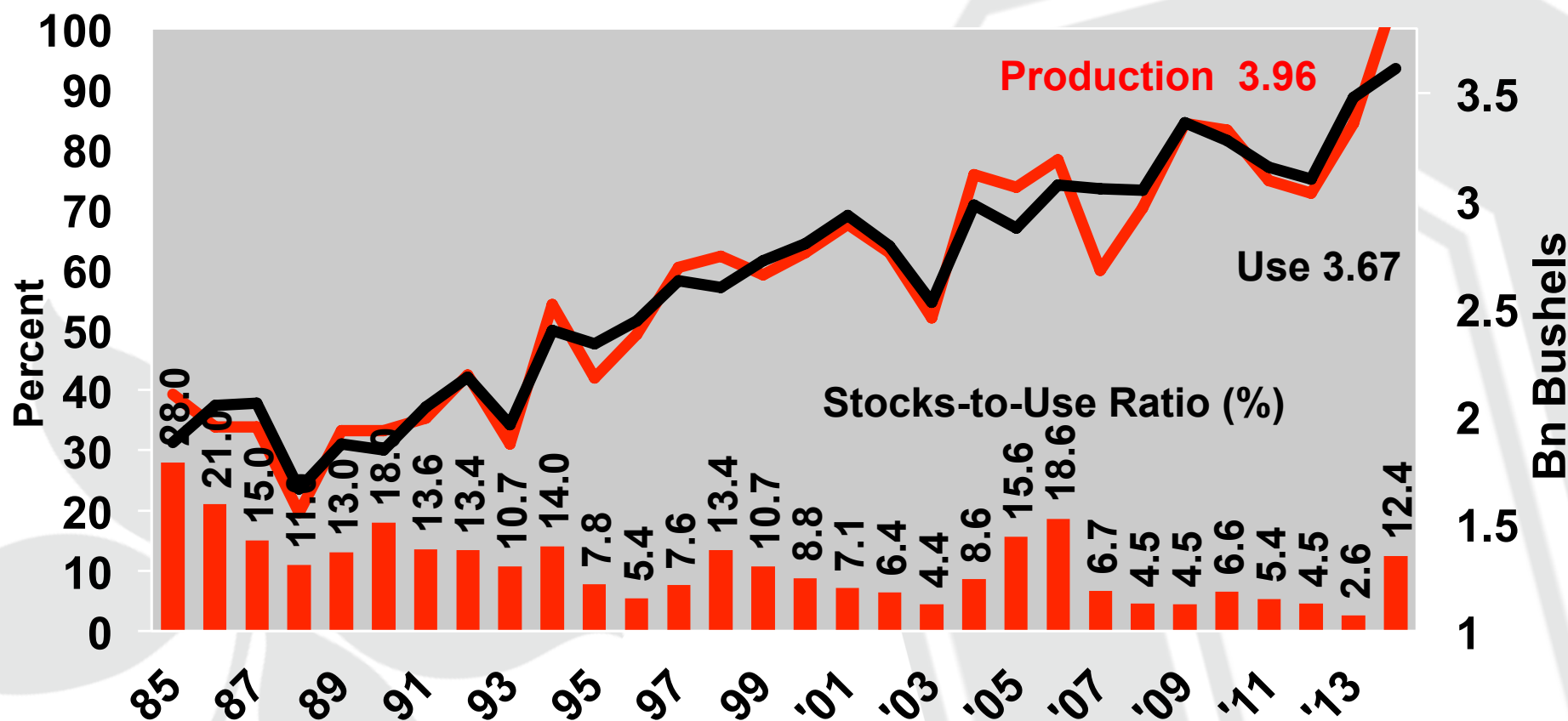


Soy exports very strong.



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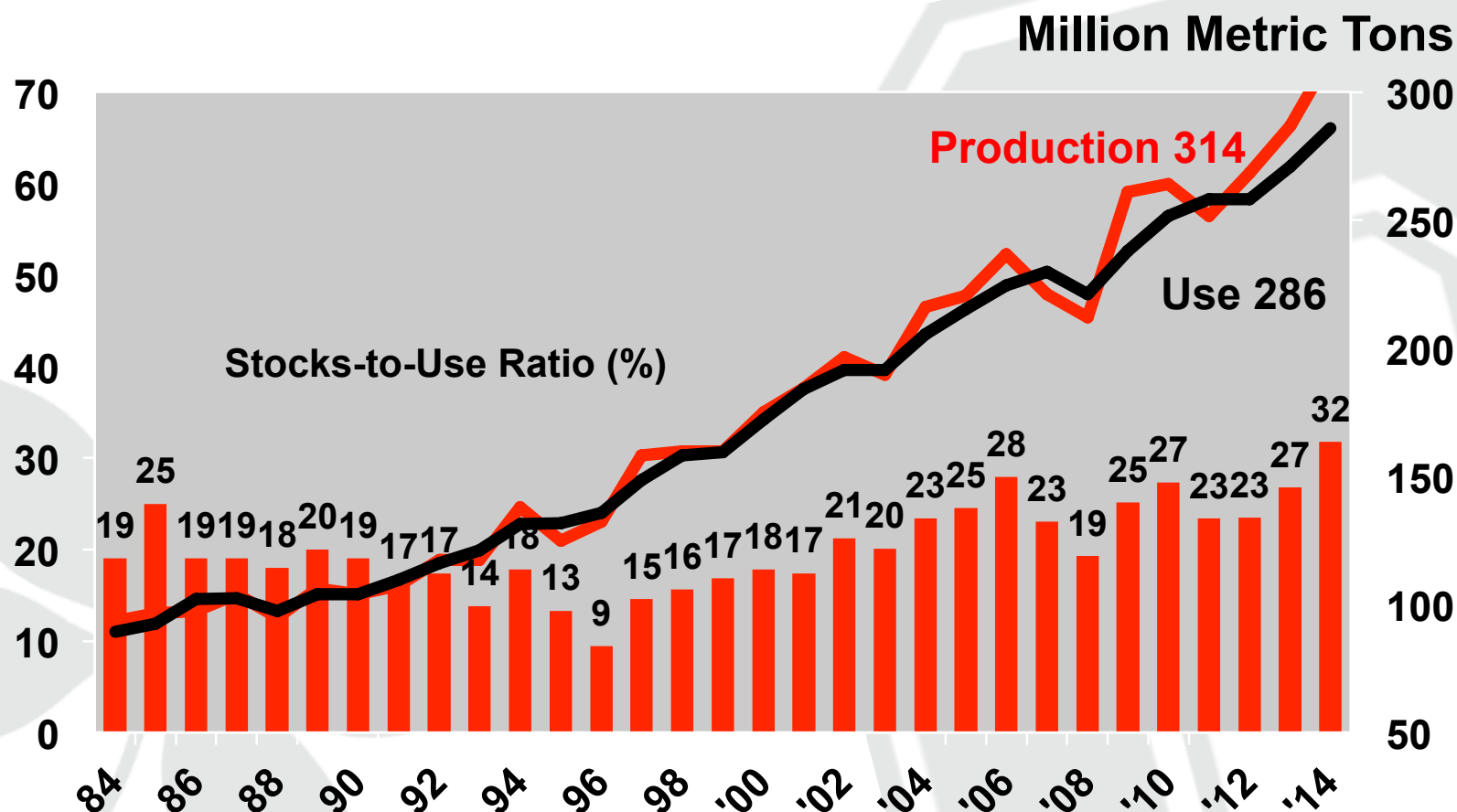
Bean Inventories Ample



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Global Soybean Production 600m bu Higher in '13/14



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Bean Situation

- Much larger inventories
- Weak case for higher consumption
 - Crushing consumption & exports already high.
- Beans can give 2m acres next year, but will producers prefer corn to beans?



Old Crop

- Sell or price now.
- Deliver by March...avoid S.Am risk.



New Crop

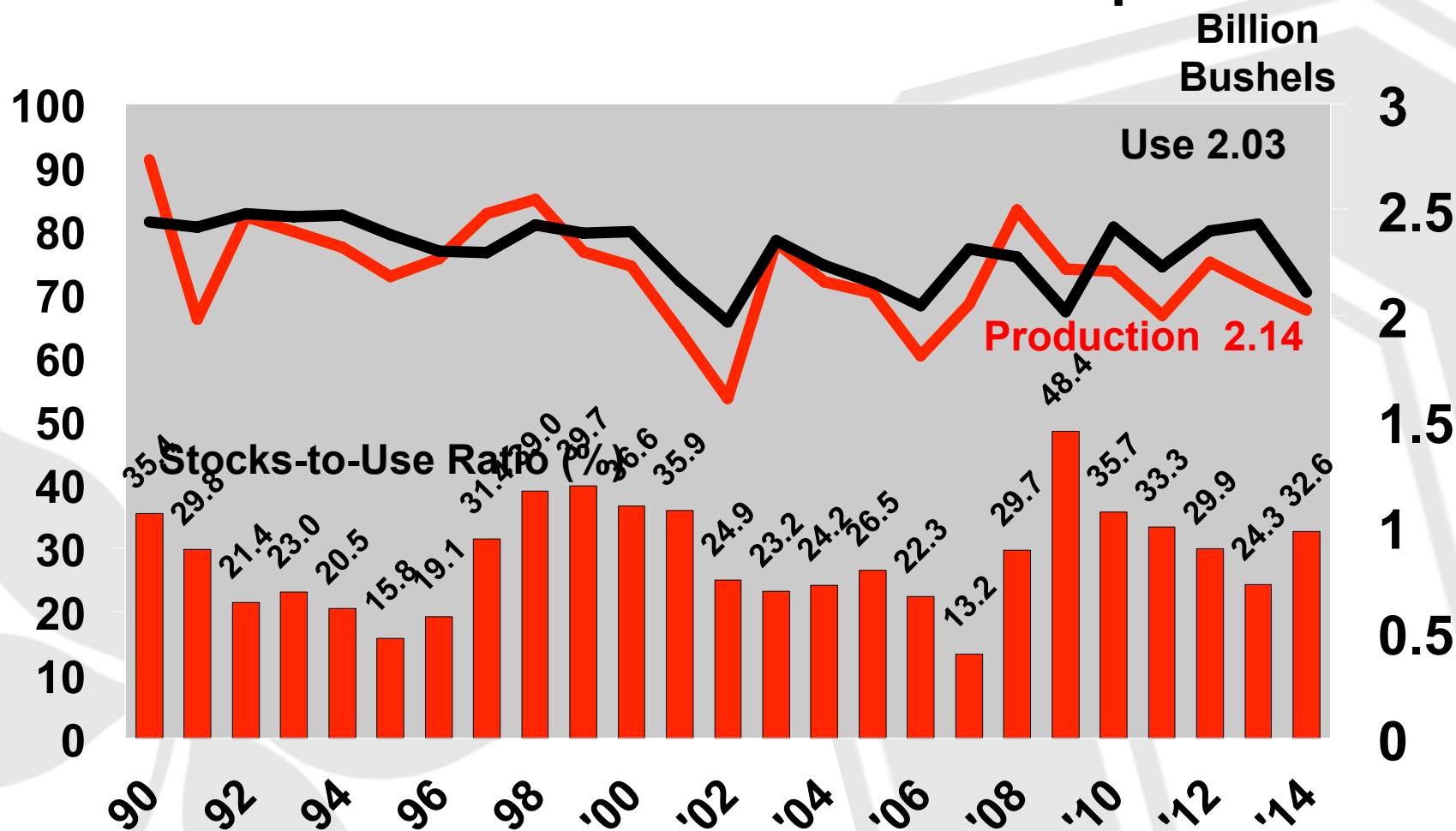
- Should have 25-35% priced already.
- Lots of downside risk here in next 3 months.
 - Marketing principle: Use sales for high-probability events, paper for low-probability events.
 - Price/hedge
 - \$11 calls?



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US All Wheat: Corn Competition



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Wheat Situation & Outlook

- US Inventories in surplus, amid increased corn inventories.
 - New crop prices continue to fall.
- Russia?



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MIDDLE EAST

Suicide Bomb Instructor Accidentally Kills Iraqi Pupils

By DURAID ADNAN FEB. 10, 2014

✉ EMAIL

f FACEBOOK

🐦 TWITTER

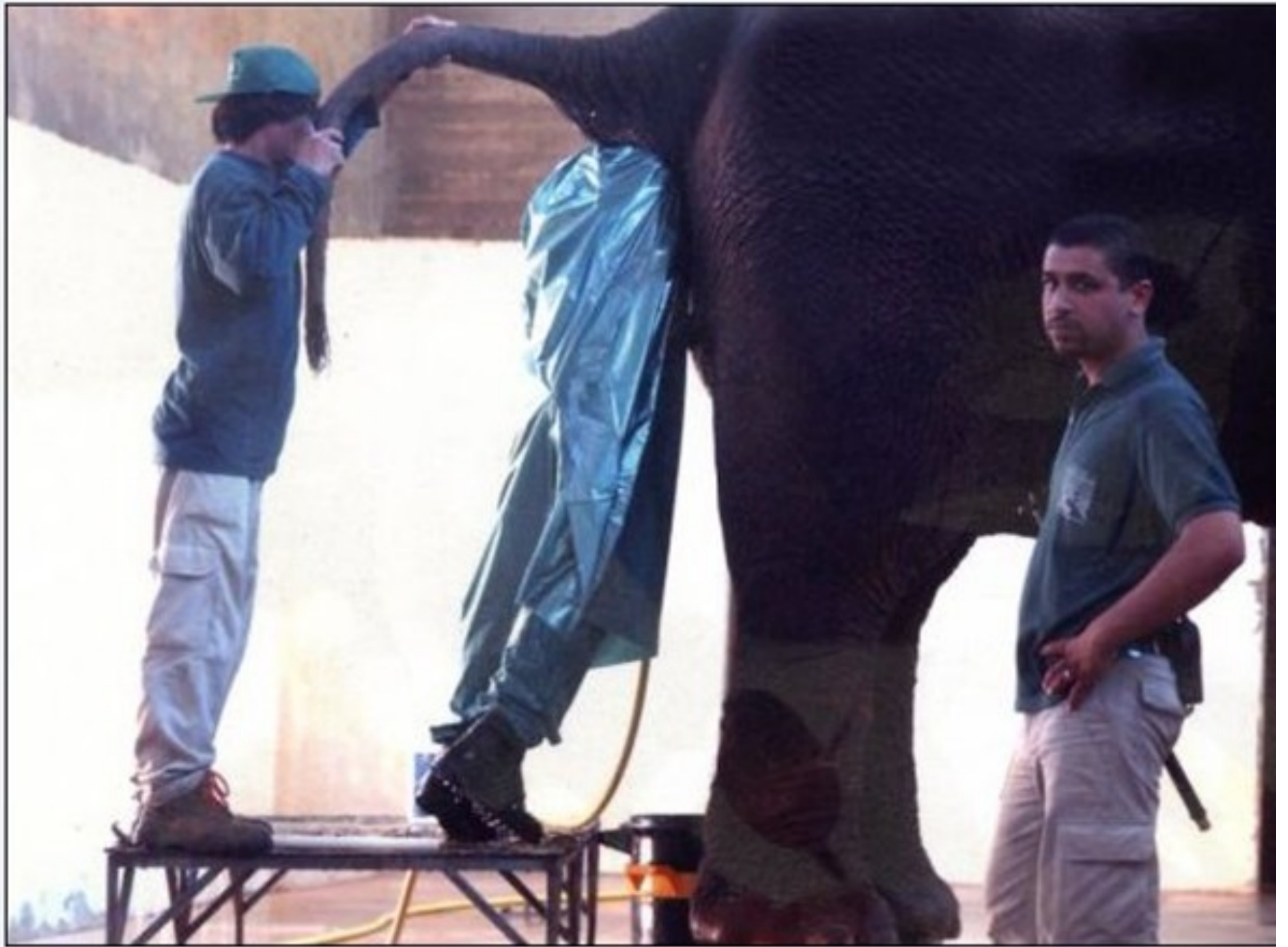
BAGHDAD — A group of Sunni militants attending a suicide bombing training class at a camp north of Baghdad were killed on Monday when their commander unwittingly conducted a demonstration with a belt that was packed with explosives, army and police officials said.



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Questions?

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