

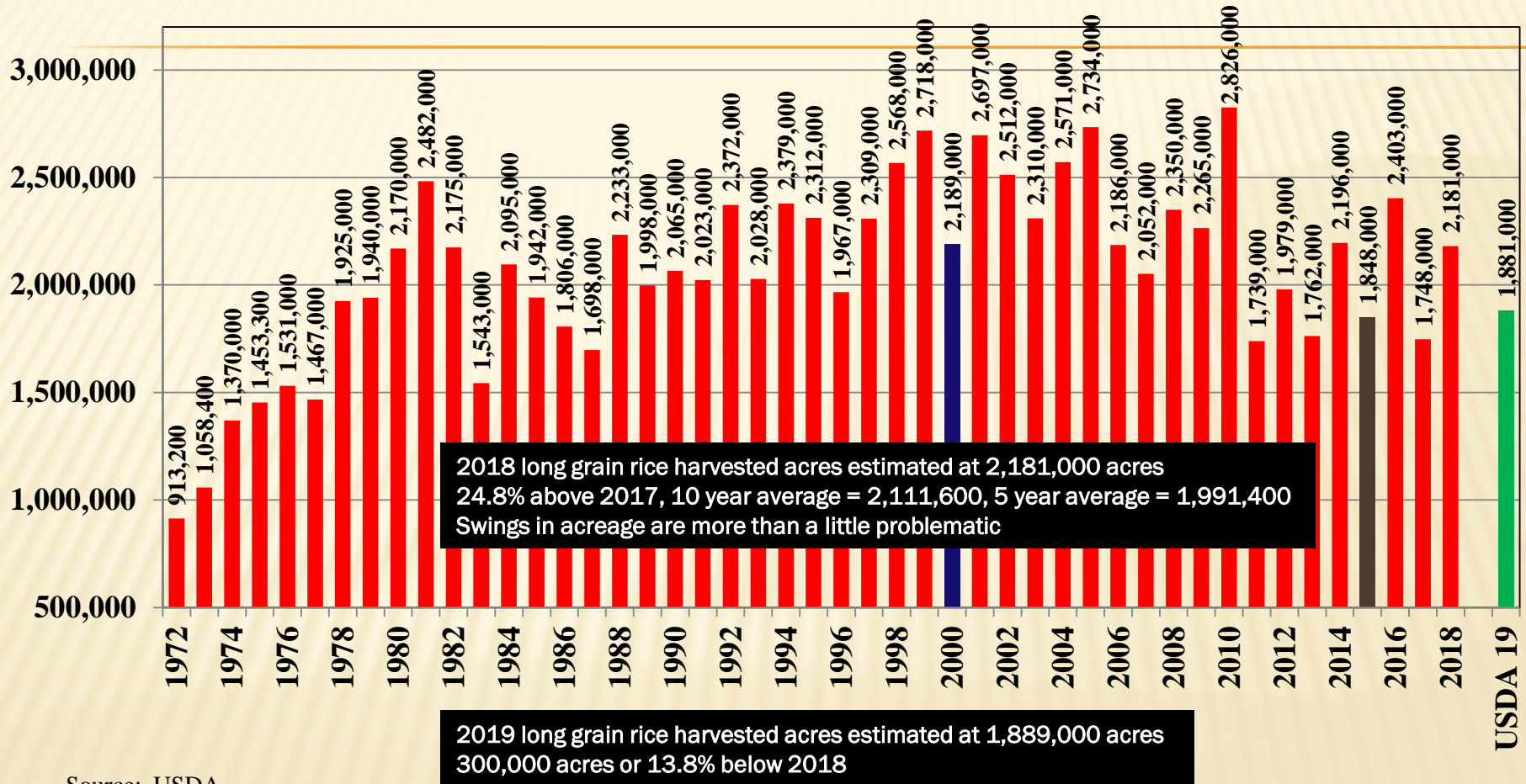
USDA 2019 long grain rice, soybean, and corn supply, demand, and price outlook

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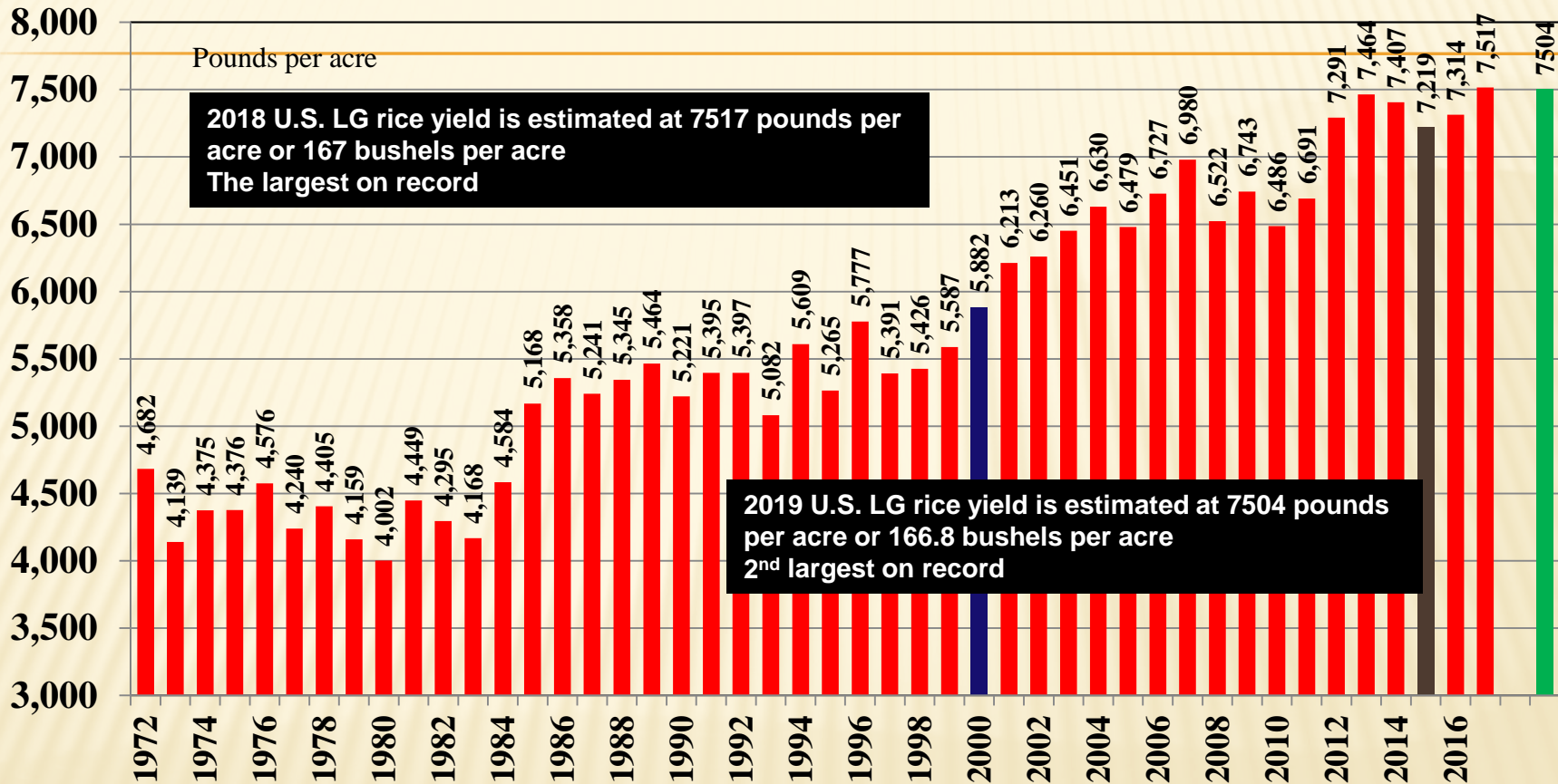
USDA 2019 U.S. Long Grain Rice Supply, Demand, and Price Projections, 2016/17-2019/20

U.S. Long Grain Rice	2016/17	2017/18	2018/19 1/	2019/20 2/
<u>Long-grain</u>				
Area planted (mil. ac.)	2.44	1.81	2.20	1.90
Area harvested	2.40	1.75	2.18	1.88
Yield (pounds/ac)	6,927	7,314	7,517	7,504
Production (mil. cwt)	166.5	127.9	164.0	141.0
Beginning stocks	22.7	31.0	20.3	34.8
Imports	20.3	23.3	23.5	23.8
Supply	209.4	182.2	207.8	199.6
Total domestic & residual use	101.8	98.6	105.0	103.0
Exports	76.6	63.3	68.0	70.0
Total use	178.4	161.9	173.0	173.0
Ending stocks	31.0	20.3	34.8	26.6
Stocks/use (percent)	17.4	12.5	20.1	15.4
Season avg. farm price (\$/cwt.)	9.61	11.50	10.70	10.80

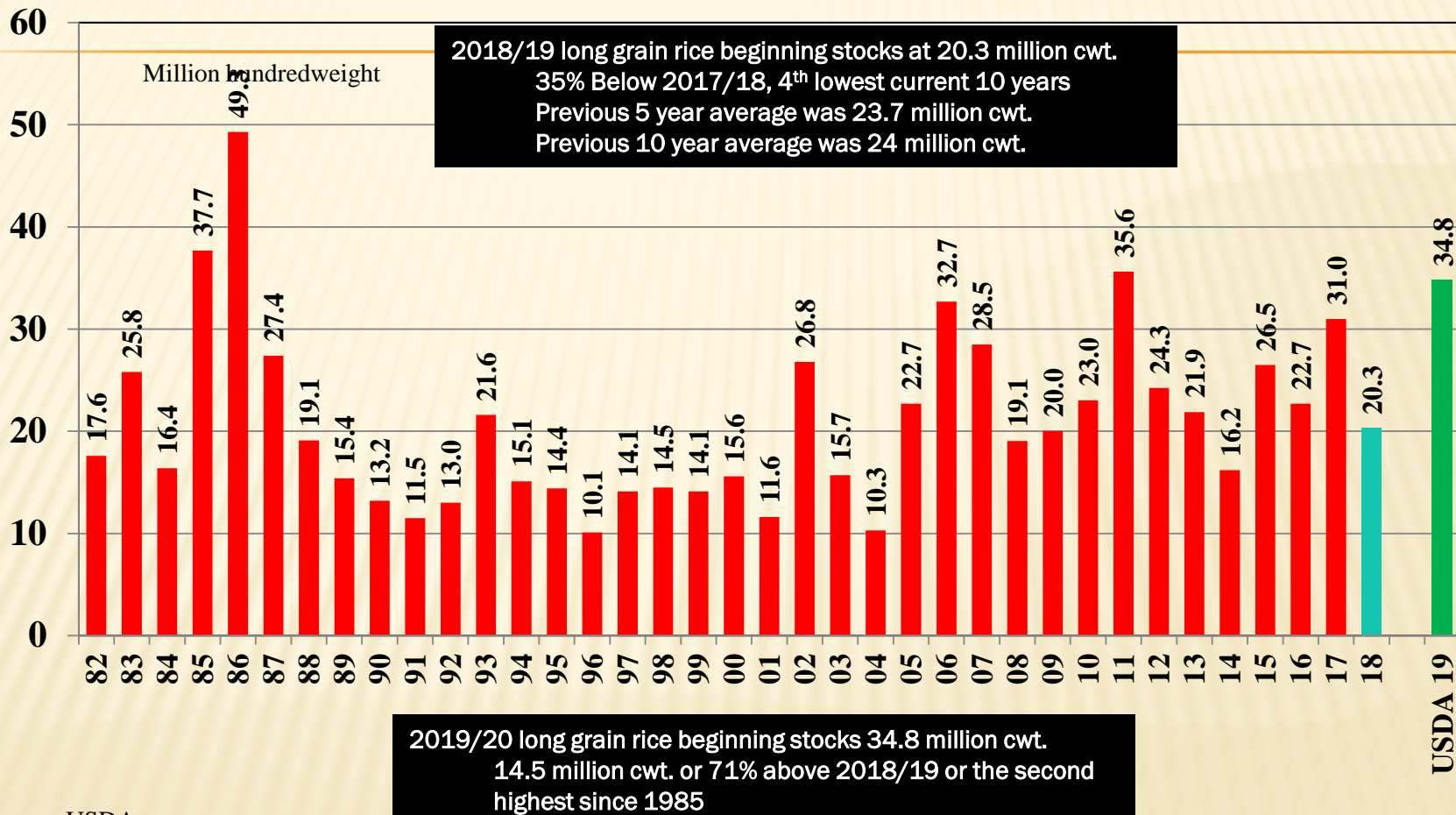
CHART A1. U.S. LONG GRAIN RICE HARVESTED ACRES 1972/73 – 2018/19, USDA FEB. 2019 EST



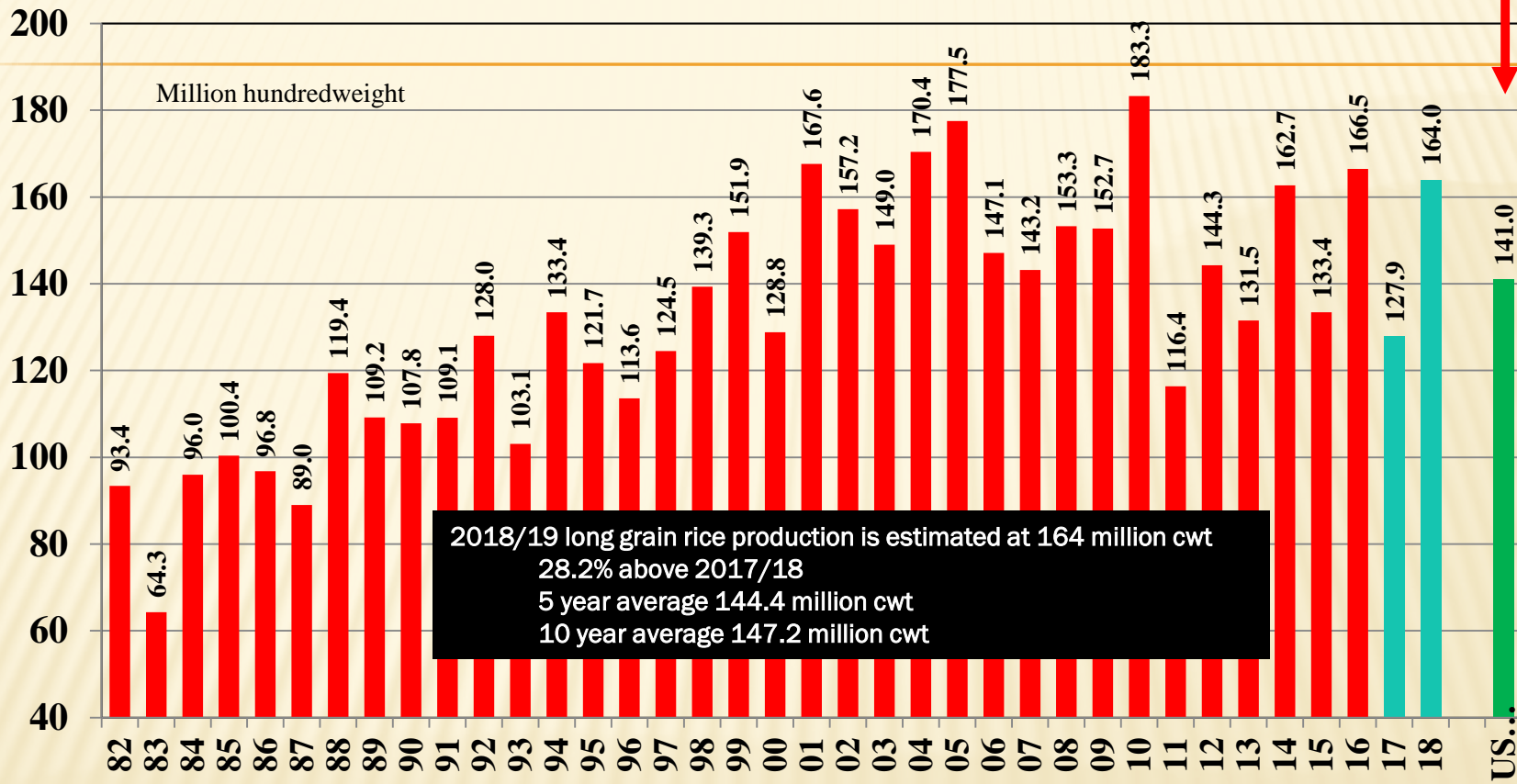
A2. U.S. LONG GRAIN RICE YIELD 1972/73 – 2018/19, USDA FEB. 2019 EST



A3. U.S. LONG GRAIN RICE *BEGINNING STOCKS* 1982/83 – 2018/19, USDA FEB. 2019 EST.



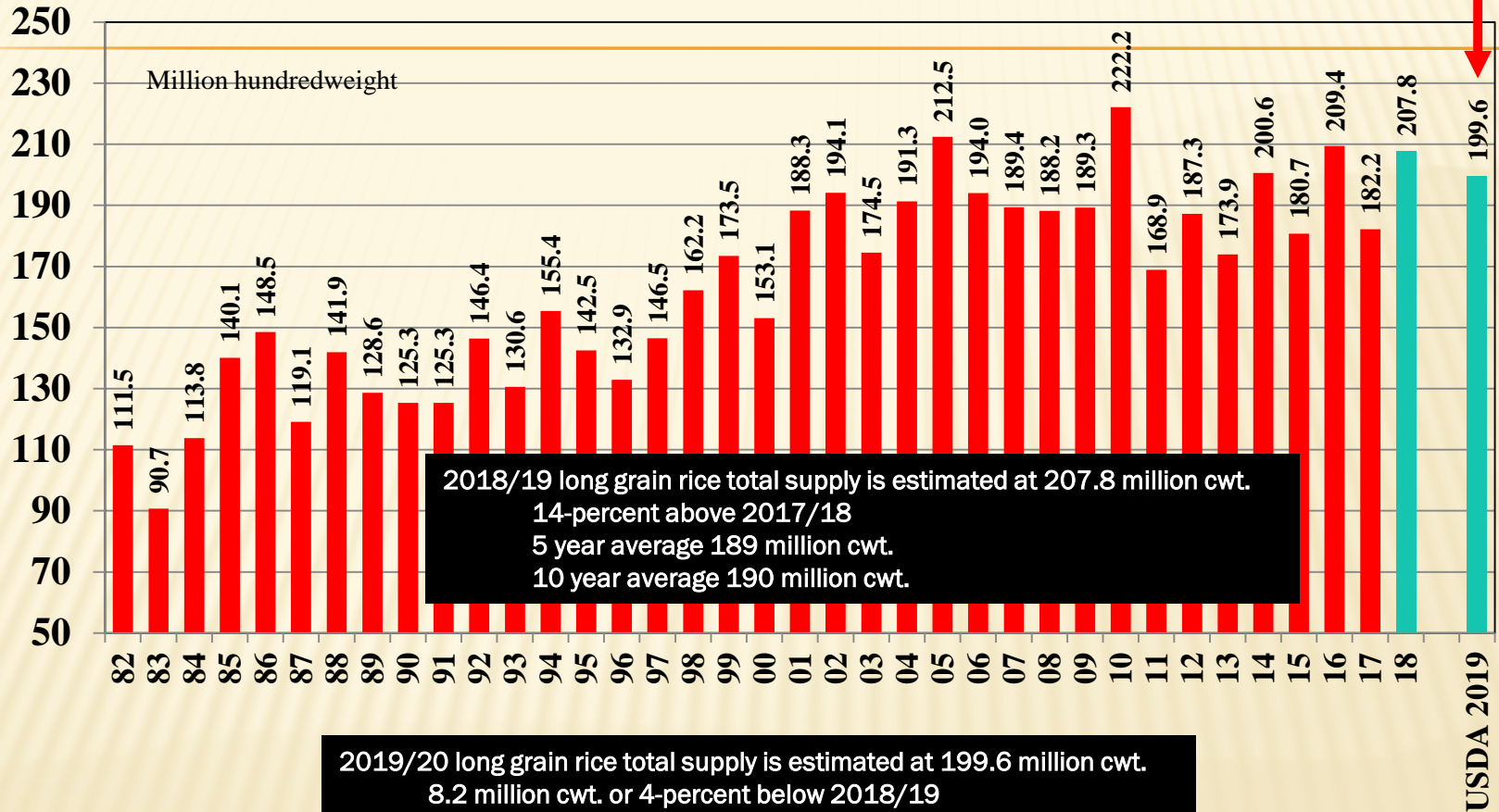
A4. U.S. LONG GRAIN RICE PRODUCTION 1982/83 - 2018/19, USDA FEB. 2019 EST.



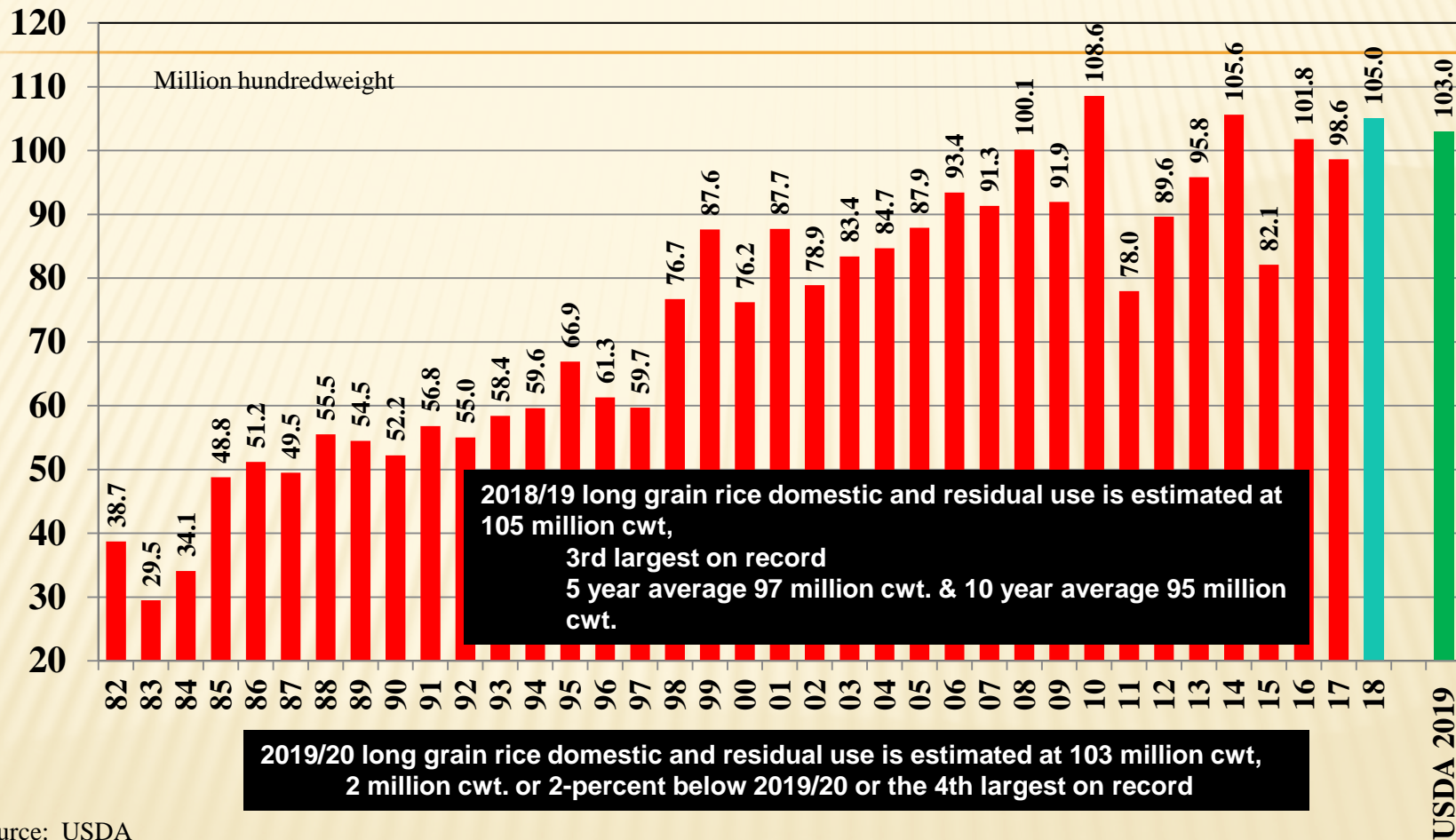
2018/19 long grain rice production is estimated at 164 million cwt
 28.2% above 2017/18
 5 year average 144.4 million cwt
 10 year average 147.2 million cwt

2019/20 long grain rice production is estimated at 141 million cwt
 23 million cwt. or 23% below 2018/19

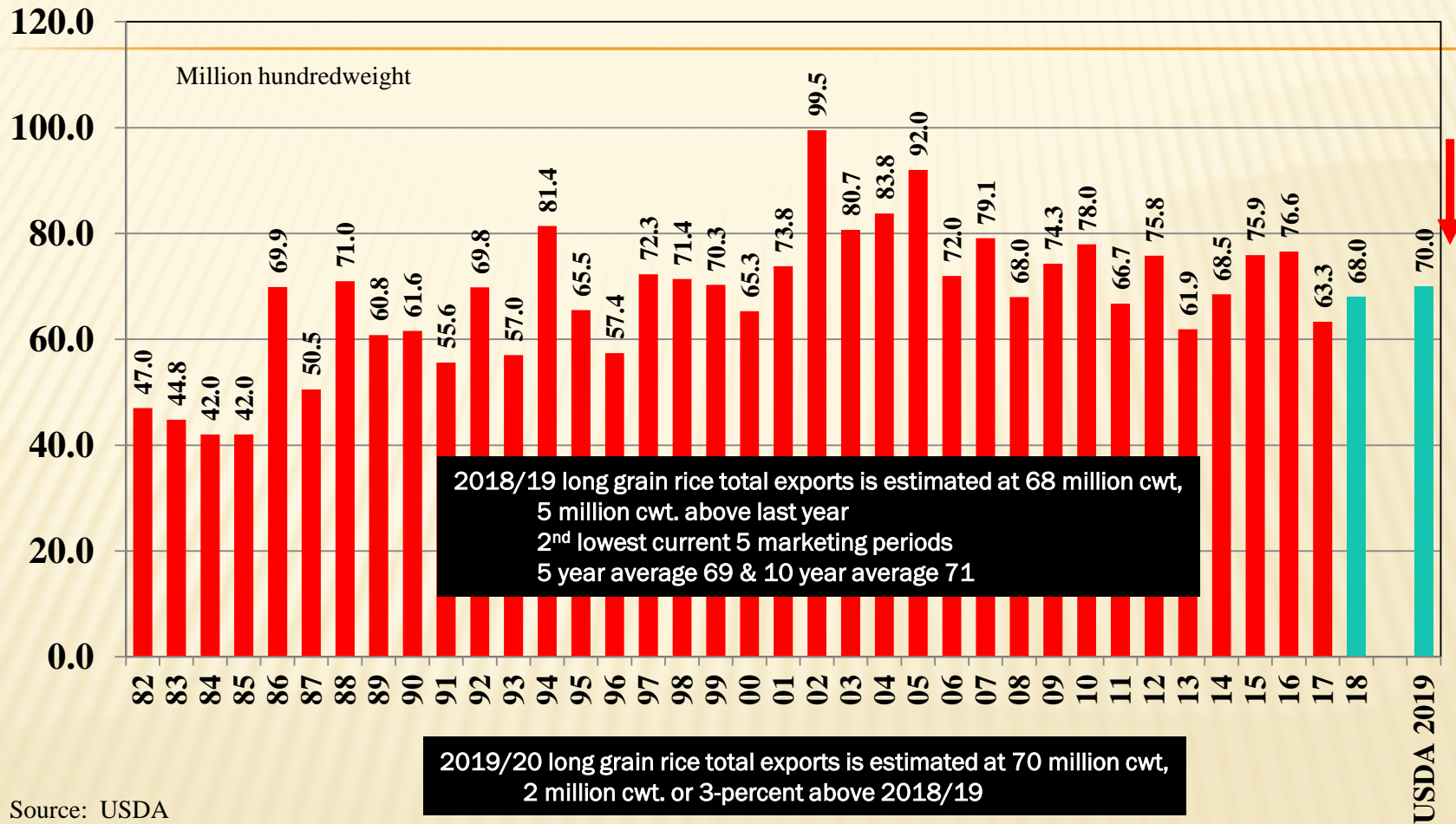
A5. U.S. LONG GRAIN RICE TOTAL SUPPLY 1982/83 - 2018/19, USDA FEB. 2019 EST.



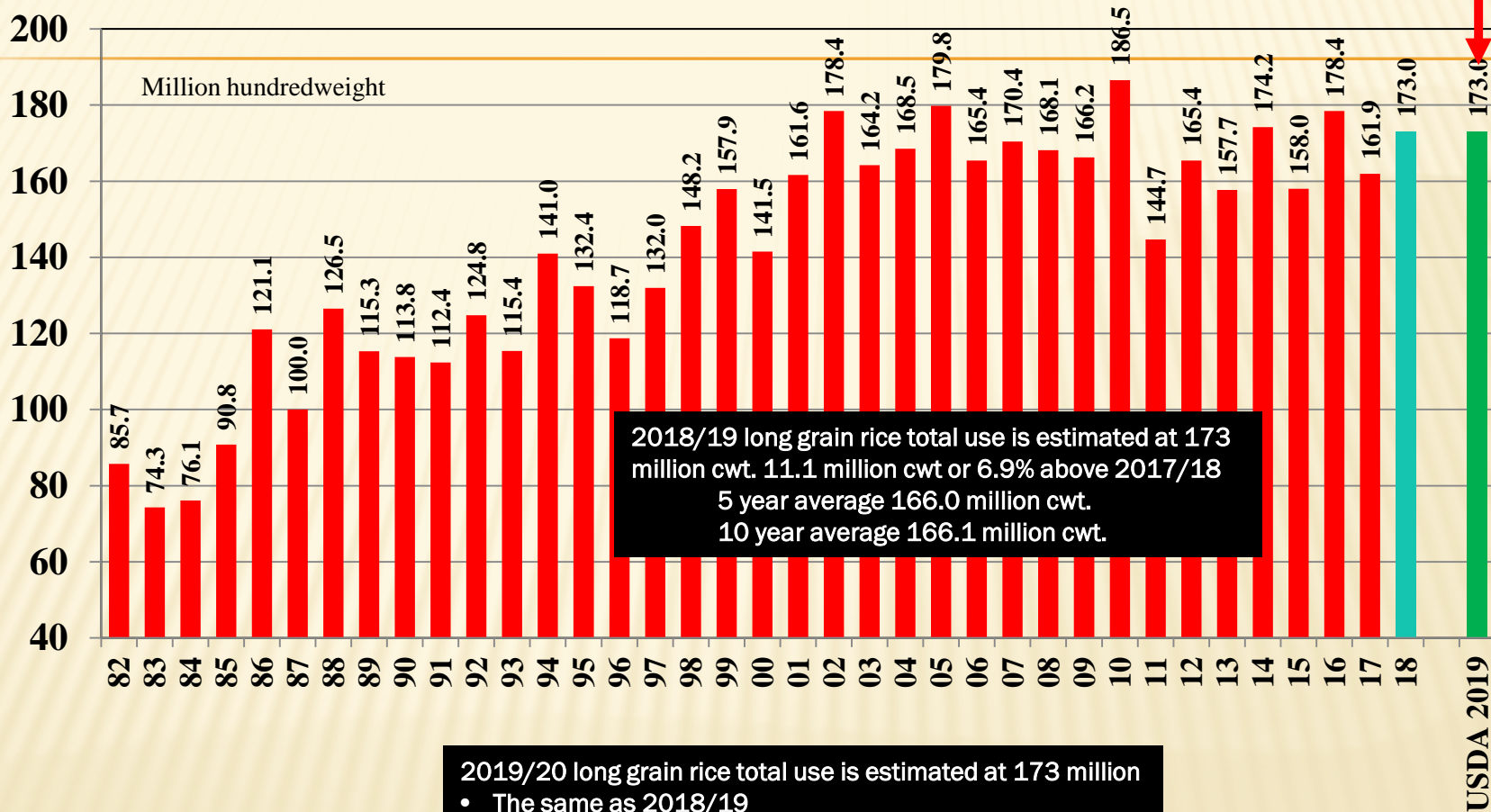
A6. U.S. LONG GRAIN RICE DOMESTIC AND RESIDUAL 1982/83 - 2018/19, USDA FEB. 2019 EST.



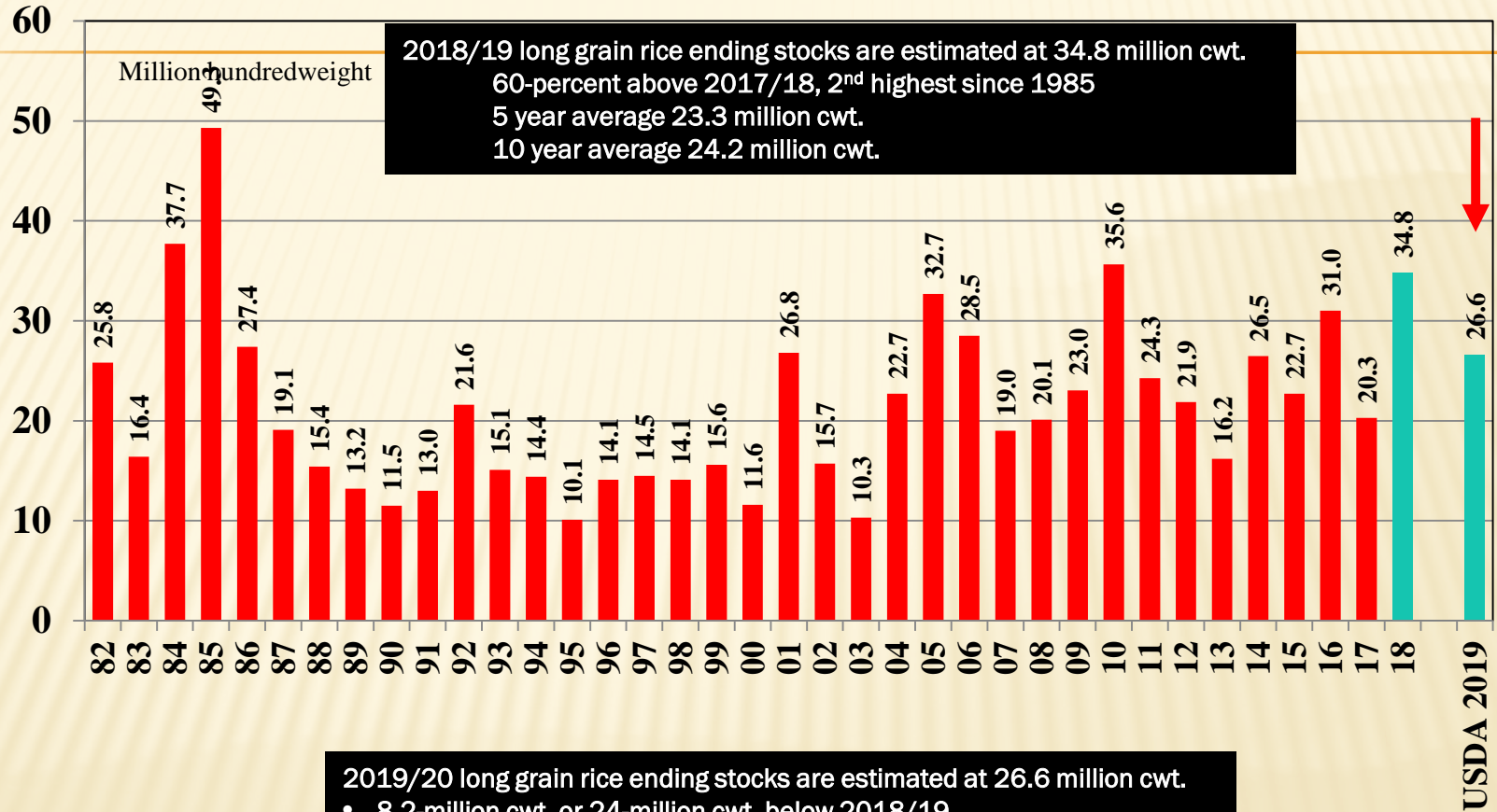
A7. U.S. LONG GRAIN RICE **TOTAL EXPORTS** 1982/83 – 2018/19, USDA FEB. 2019 EST.



A8. U.S. LONG GRAIN RICE TOTAL USE 1982/83 - 2018/19, USDA FEB. 19 EST.



A9. U.S. LONG GRAIN RICE *ENDING STOCKS* 1982/83 – 2018/19, USDA FEB. 19 EST.



Grains and Oilseeds Outlook

USDA Agricultural Forum

February 21-22, 2019

Select Slides

https://www.usda.gov/oce/forum/2019/outlooks/Grains_and_Oilseeds.pdf

Wheat, Corn, and Soybeans Planted Acreage, 2012/20

x

	2012	2013	2014	2015	2016	2017	2018	2019 1/
	- Million Acres -							
Wheat	55.3	56.2	56.8	55.0	50.1	46.1	47.8	47.0
Corn	97.3	95.4	90.6	88.0	94.0	90.2	89.1	92.0
Soybeans	77.2	76.8	83.3	82.7	83.5	90.2	89.2	85.0
Total	229.8	228.4	230.7	225.7	227.6	226.4	226.1	224.0

Soybean Supply, Demand, and Price, 2016/17-2019/20

	2016/17	2017/18	2018/19 1/	2019/20 2/
Area planted (mil. ac.)	83.5	90.2	89.2	85.0
Area harvested	82.7	89.5	88.1	84.3
Yield (bu./ac.)	51.9	49.3	51.6	49.5
Production (mil. bu.)	4,296	4,412	4,544	4,175
Beginning stocks	197	302	438	910
Imports	22	22	20	20
Supply	4,516	4,735	5,002	5,105
Crush	1,901	2,055	2,090	2,105
Seed and Residual	146	113	127	130
Total domestic use	2,047	2,168	2,217	2,235
Exports	2,166	2,129	1,875	2,025
Total use	4,214	4,297	4,092	4,260
Ending stocks	302	438	910	845
Stocks/use (percent)	7.2	10.2	22.2	19.8
Season-avg. farm price (\$/bu.)	9.47	9.33	8.60	8.80

×

Corn Supply, Demand, and Price, 2016/17-2019/20

×

	2016/17	2017/18	2018/19 1/	2019/20 2/
Area planted (mil. ac.)	94.0	90.2	89.1	92.0
Area harvested	86.7	82.7	81.7	84.6
Yield (bu./ac.)	174.6	176.6	176.4	176.0
Production (mil. bu.)	15,148	14,609	14,420	14,890
Beginning stocks	1,737	2,293	2,140	1,735
Imports	57	36	40	40
Supply	16,942	16,939	16,600	16,665
Feed & residual	5,470	5,304	5,375	5,500
Ethanol 3/	5,432	5,605	5,575	5,575
Food, seed & other industrial	1,453	1,451	1,465	1,465
Total food, seed & industrial	6,885	7,056	7,040	7,040
Total domestic use	12,355	12,360	12,415	12,540
Exports	2,294	2,438	2,450	2,475
Total use	14,649	14,799	14,865	15,015
Ending stocks	2,293	2,140	1,735	1,650
Stocks/use (percent)	15.7	14.5	11.7	11.0
Season-avg. farm price (\$/bu.)	3.36	3.36	3.60	3.65

Wheat Supply, Demand, and Price, 2016/17-2019/20

	2016/17	2017/18	2018/19 1/	2019/20 2/
Area planted (mil. ac.)	50.1	46.1	47.8	47.0
Area harvested	43.8	37.6	39.6	39.8
Yield (bu./ac.)	52.7	46.4	47.6	47.8
Production (mil. bu.)	2,309	1,741	1,884	1,902
Beginning stocks	976	1,181	1,099	1,010
Imports	118	157	140	140
Supply	3,402	3,079	3,123	3,052
Feed & residual	160	51	80	90
Food & seed	1,010	1,028	1,033	1,043
Total domestic use	1,171	1,079	1,113	1,133
Exports	1,051	901	1,000	975
Total use	2,222	1,980	2,113	2,108
Ending stocks	1,181	1,099	1,010	944
Stocks/use (percent)	53.2	55.5	47.8	44.8
Season-avg. farm price (\$/bu.)	3.89	4.72	5.15	5.20

×

Soybean Meal Supply, Demand, and Price, 2016/17-2019/20

×

	2016/17	2017/18	2018/19 1/	2019/20 2/
Production (thou. short tons)	44,787	49,216	49,147	49,700
Beginning stocks	264	401	553	450
Imports	350	495	350	350
Supply	45,400	50,112	50,050	50,500
Domestic Use	33,420	34,733	35,850	36,500
Exports	11,580	14,826	13,750	13,600
Total use	45,000	49,559	49,600	50,100
Ending stocks	401	553	450	400
Avg. price (\$/short ton) 3/	316.88	345.02	315.00	320.00

Soybean Oil Supply, Demand, and Price, 2016/17-2019/20

×

	2016/17	2017/18	2018/19 1/	2019/20 2/
Production (mil. lbs.)	22,123	23,767	24,455	24,315
Beginning stocks	1,687	1,711	1,990	2,095
Imports	319	335	300	300
Supply	24,129	25,814	26,745	26,710
Domestic Use	19,862	21,376	22,400	22,775
Biodiesel 3/	6,200	7,134	8,000	8,200
Food, Feed, Other Industrial	13,662	14,243	14,400	14,575
Exports	2,556	2,447	2,250	1,900
Total use	22,418	23,824	24,650	24,675
Ending stocks	1,711	1,990	2,095	2,035
Avg. price (cents/lb.) 4/	32.5	30.0	30.0	30.5

USDA's
95th
Annual

Agricultural Outlook Forum

Growing Locally, Selling Globally

February 21-22, 2019 • Crystal Gateway Marriott Hotel, Arlington, Virginia



2019 Agricultural Economic & Foreign Trade Outlook

([Speech Slides](#))

[Robert Johansson](#) - Chief Economist, USDA

[Click Here to Watch the Opening Session!](#)

2019 Agricultural Outlook Forum

5:25 Starts Dr. Johansson presentation



<http://www.goldenrice.org/>

AG OUTLOOK 2019: GROWING LOCALLY, SELLING GLOBALLY



Robert Johansson
Chief Economist, USDA
Feb 2019

Credit: COURTESY OF NIC BENNER *University of Missouri*

Outline

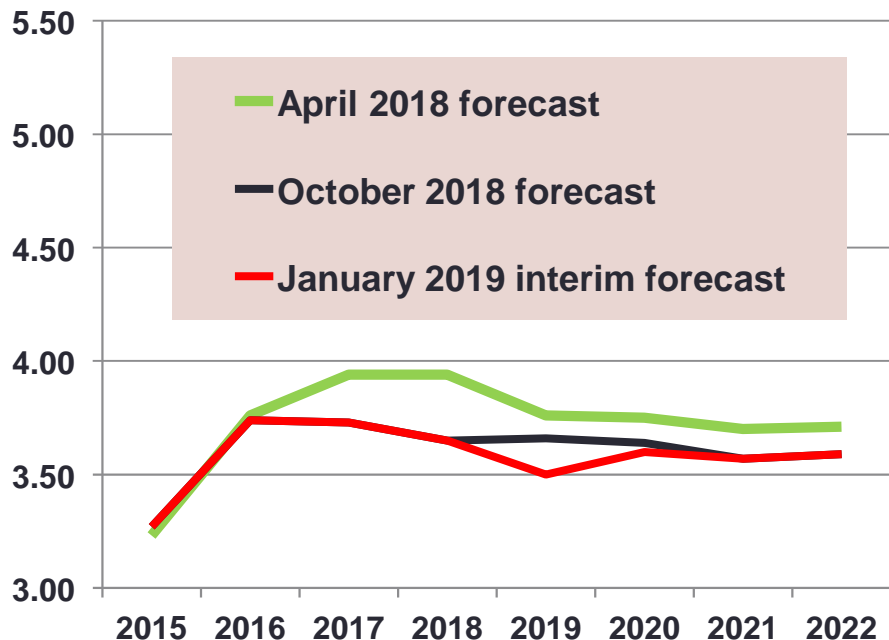
1. Farm economy
2. Crops & Livestock
3. Trade
4. Farm Bill



Growth forecasts less optimistic — global purchasing power falls by \$0.7 trillion (cumulative from 2019 – 2022)

World GDP

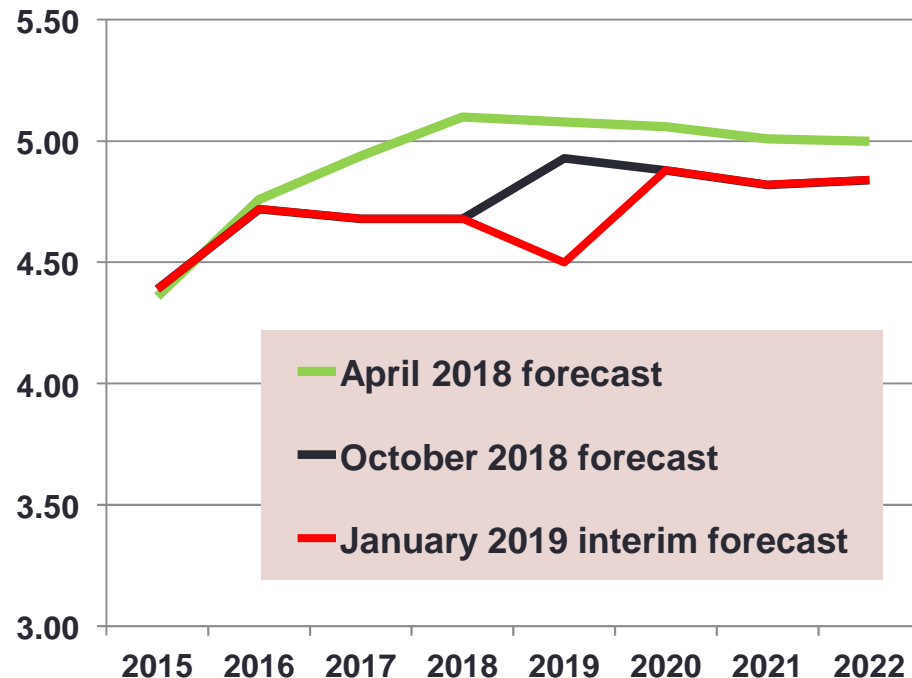
Percent change



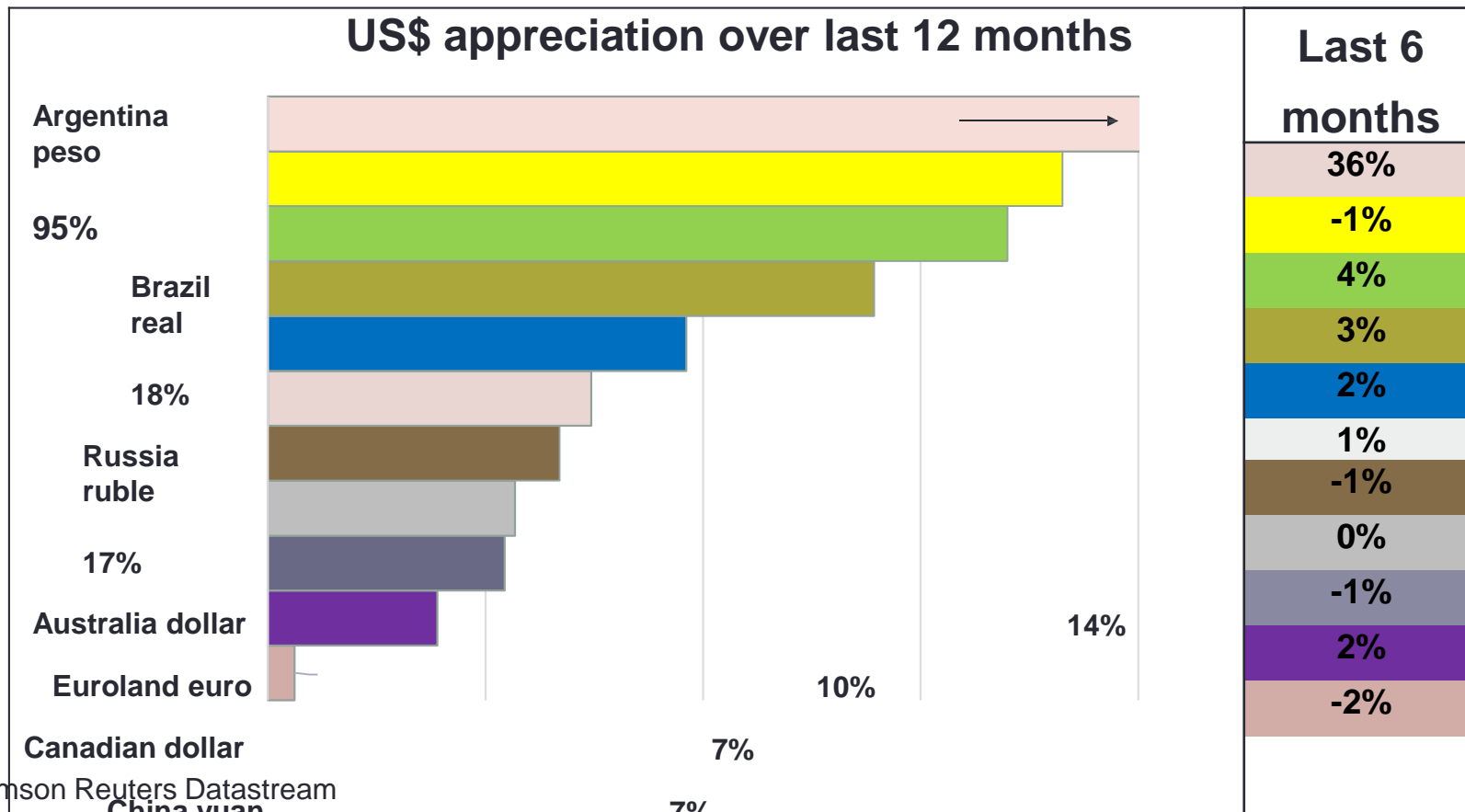
Data: IMF

Emerging Markets and Developing Countries

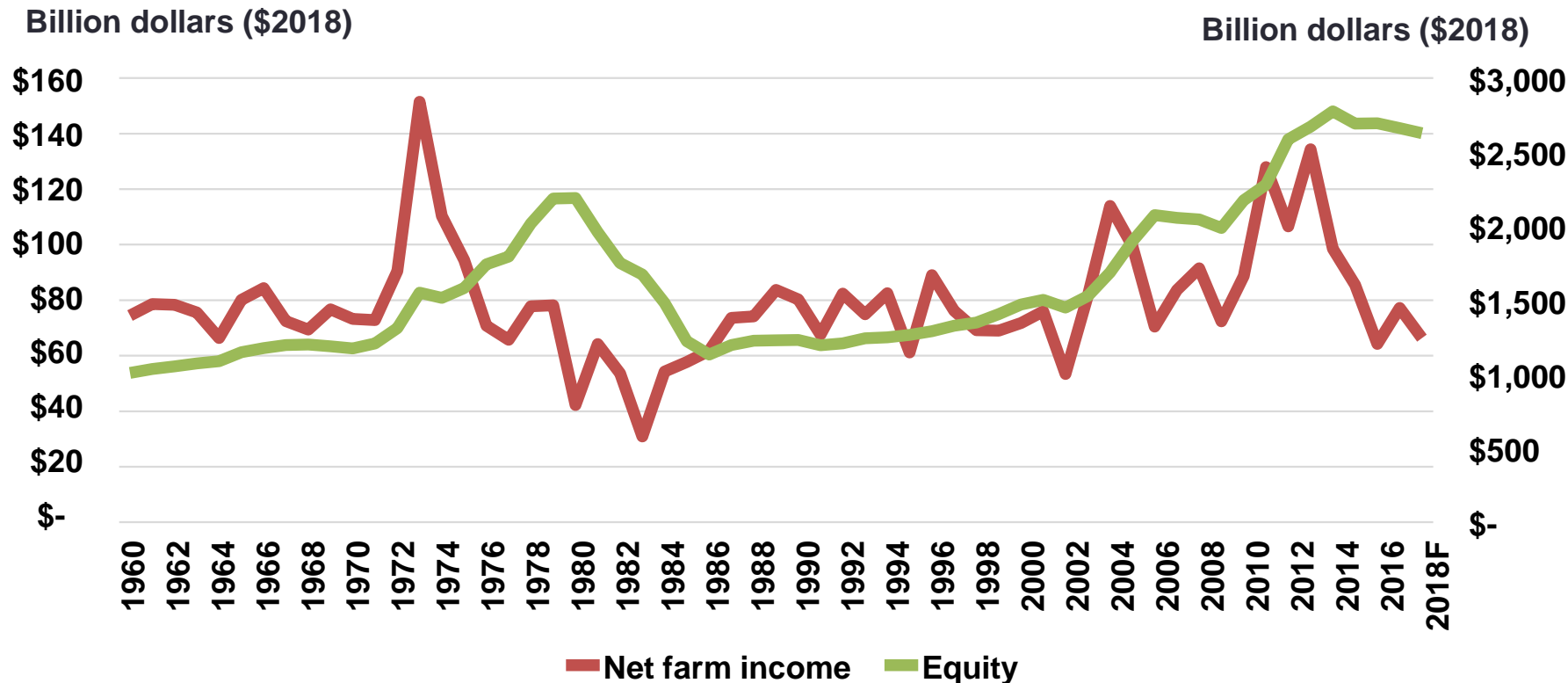
Percent change



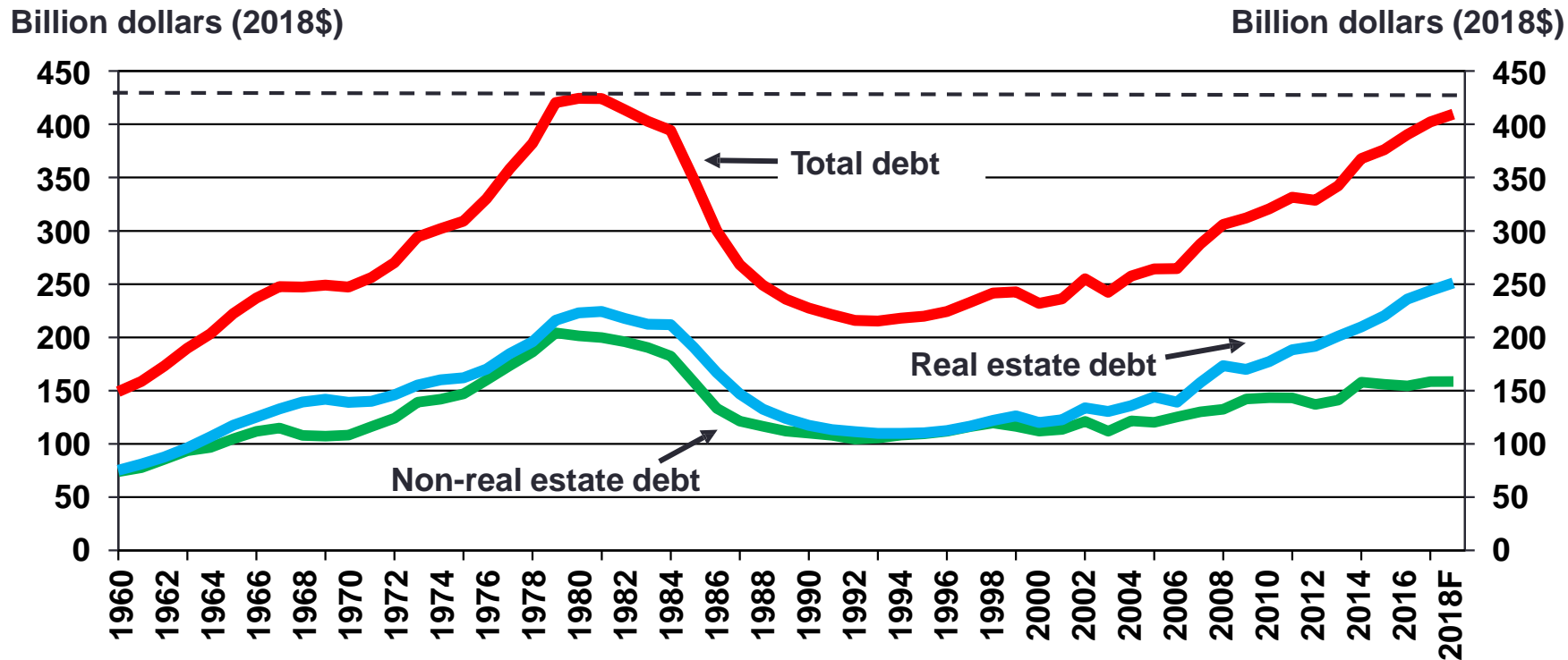
Dollar up year-over-year, but mixed over the last few months



Real farm income settles; equity shows slight decline

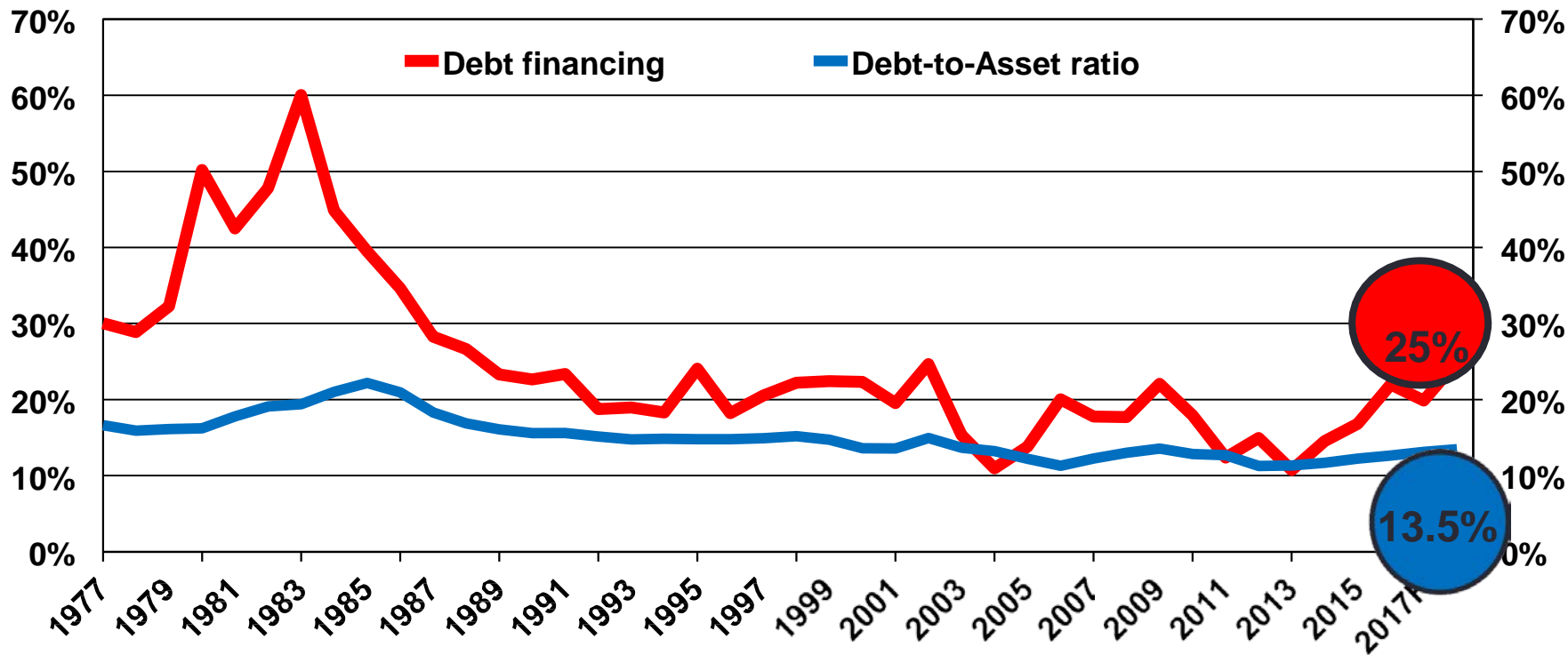


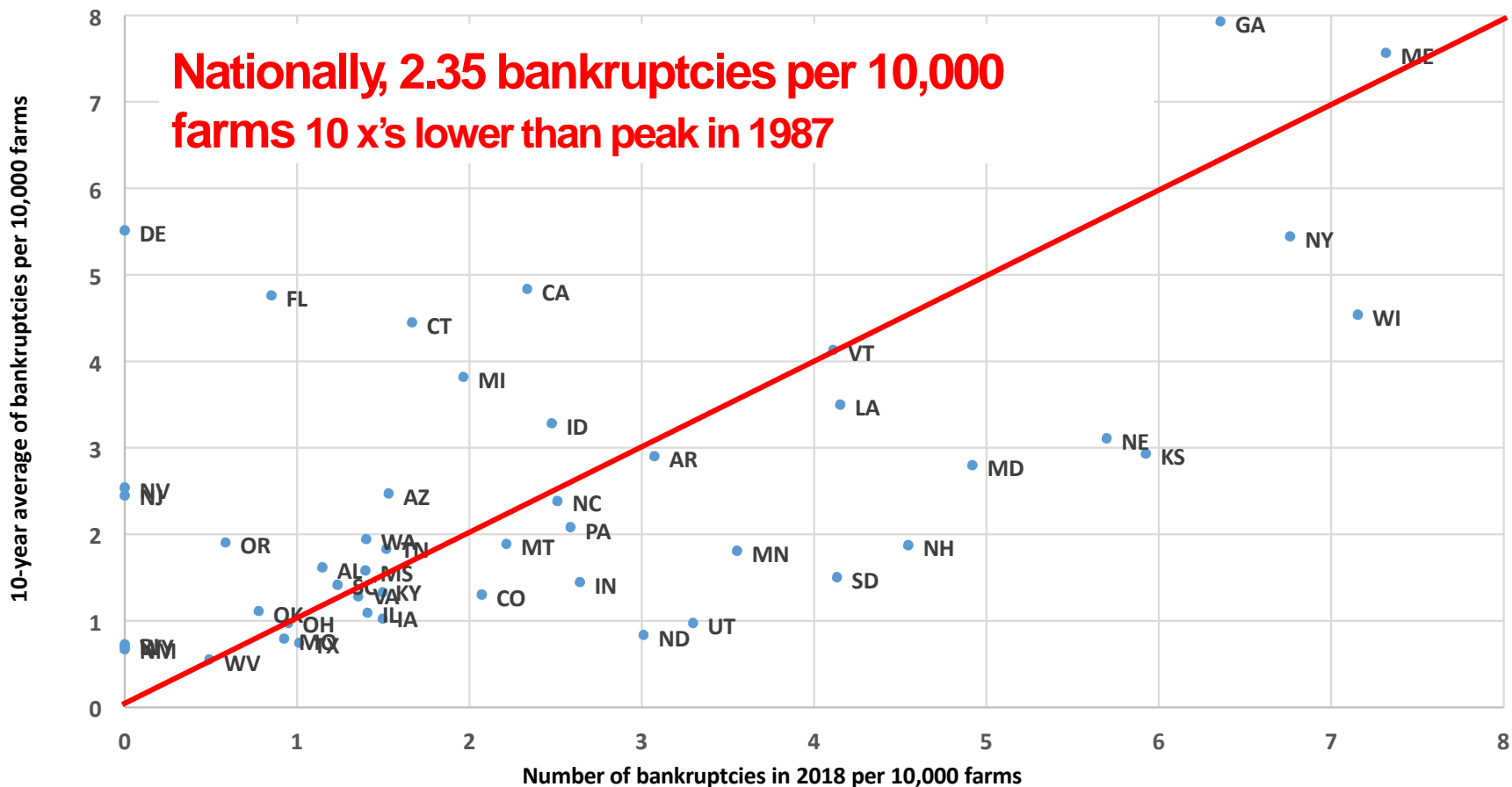
Borrowing against real estate equity fuels debt growth



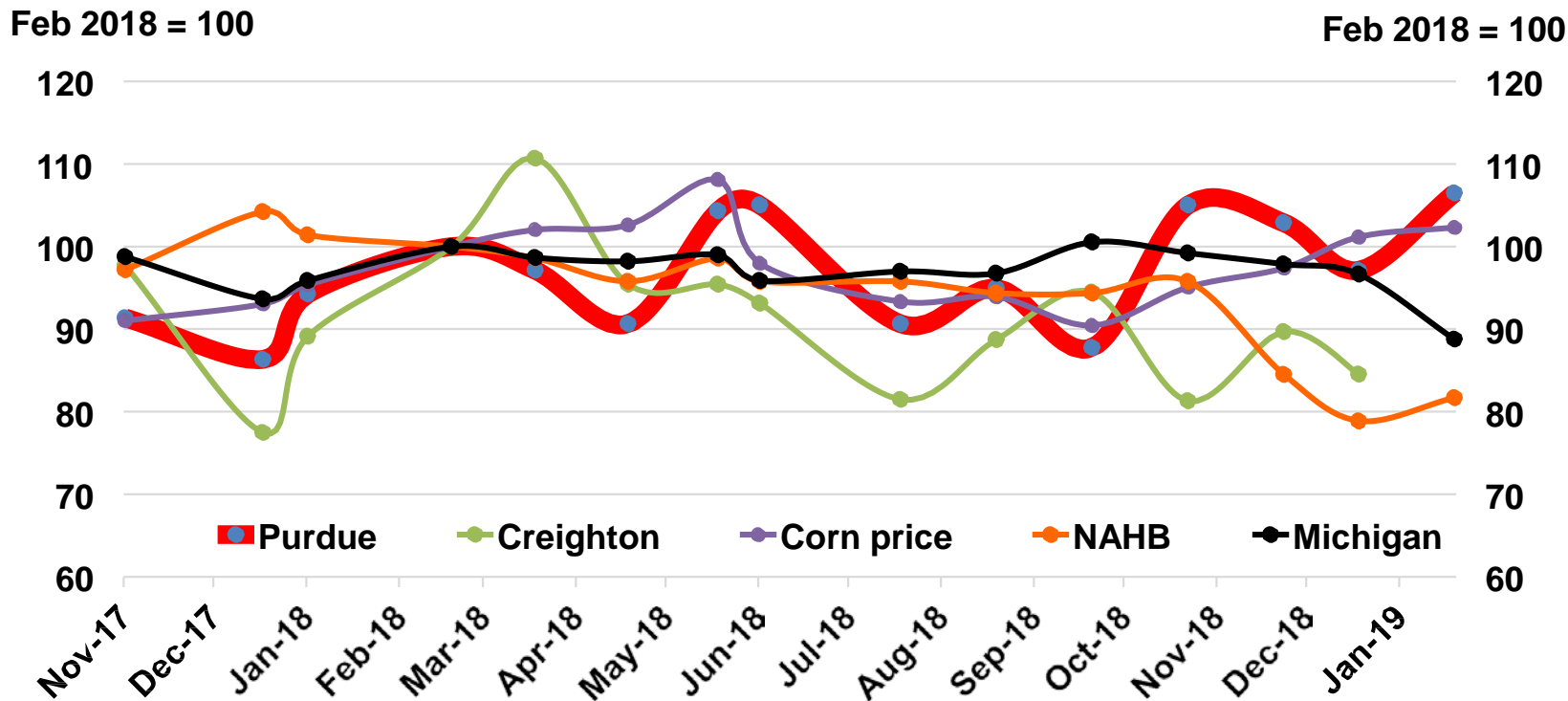
Debt-to-assets remain low — 13.5%

but debt financing highest since 1988





How optimistic are you about economic prospects over the next 6 months?



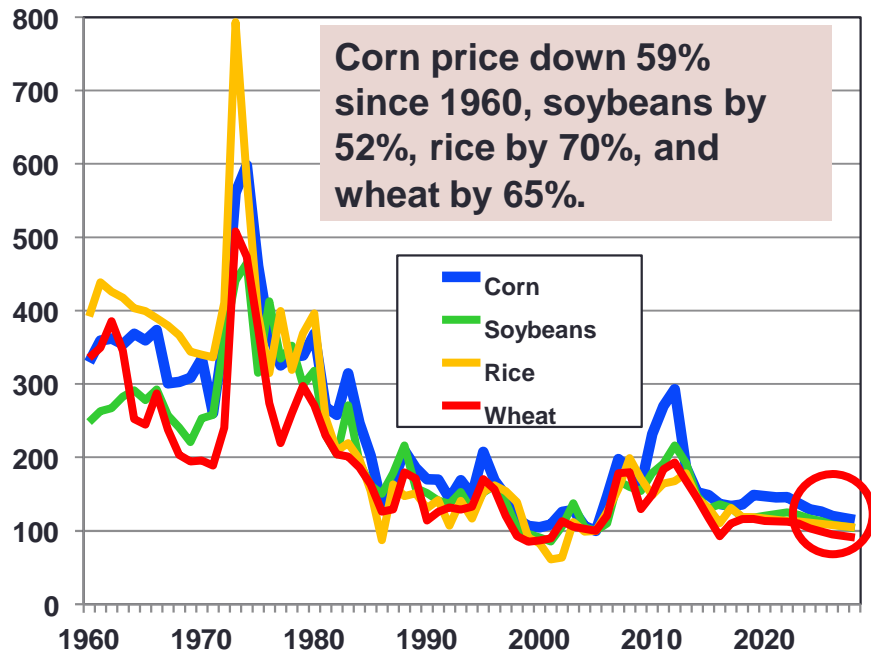
U.S. crop forecast

<https://www.agweek.com/business/agriculture/4512383-moisture-snow-has-really-hampered-harvest>

Real prices trend down, as crop production outstrips demand

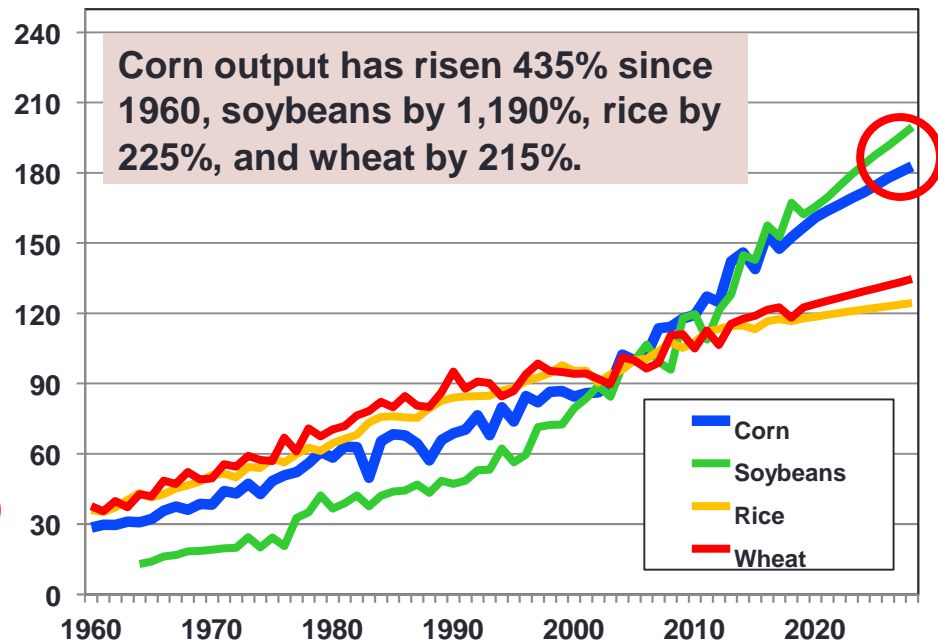
2005=100

Real Crop Prices

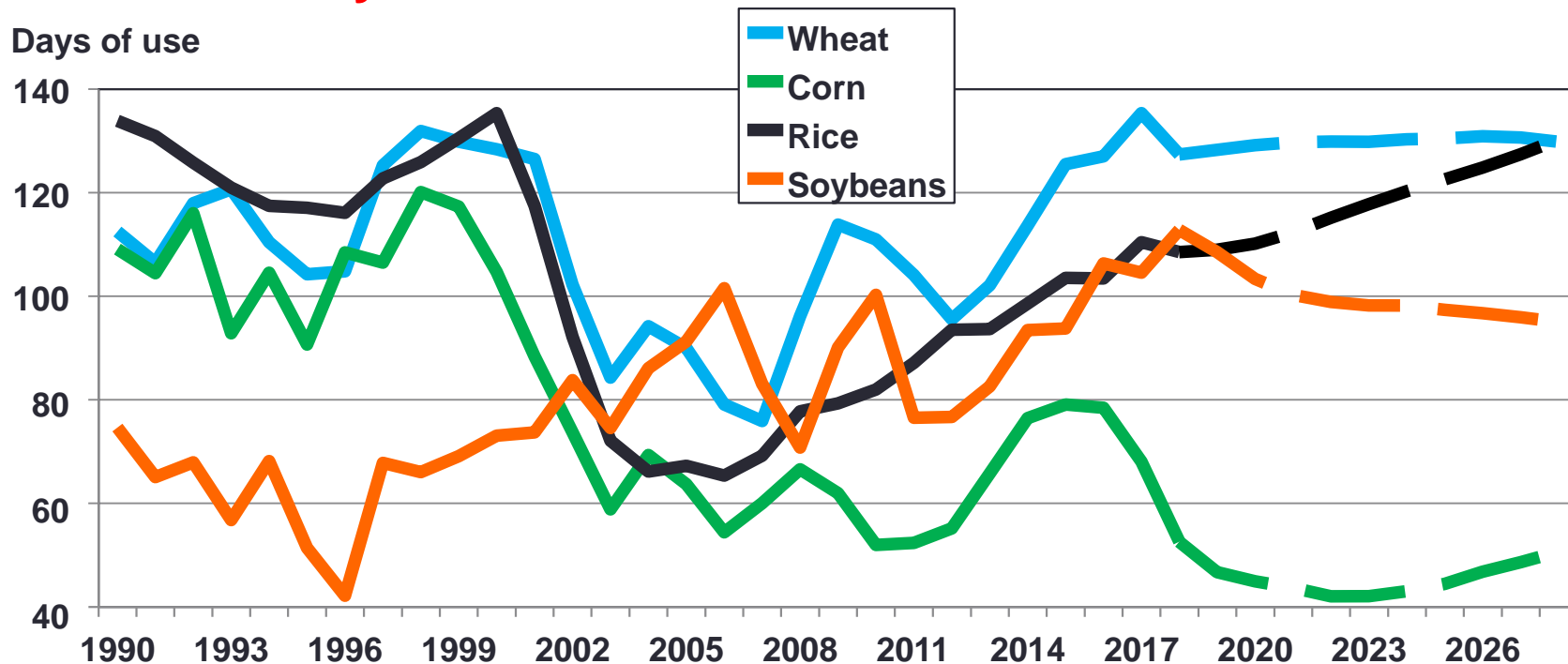


2005=100

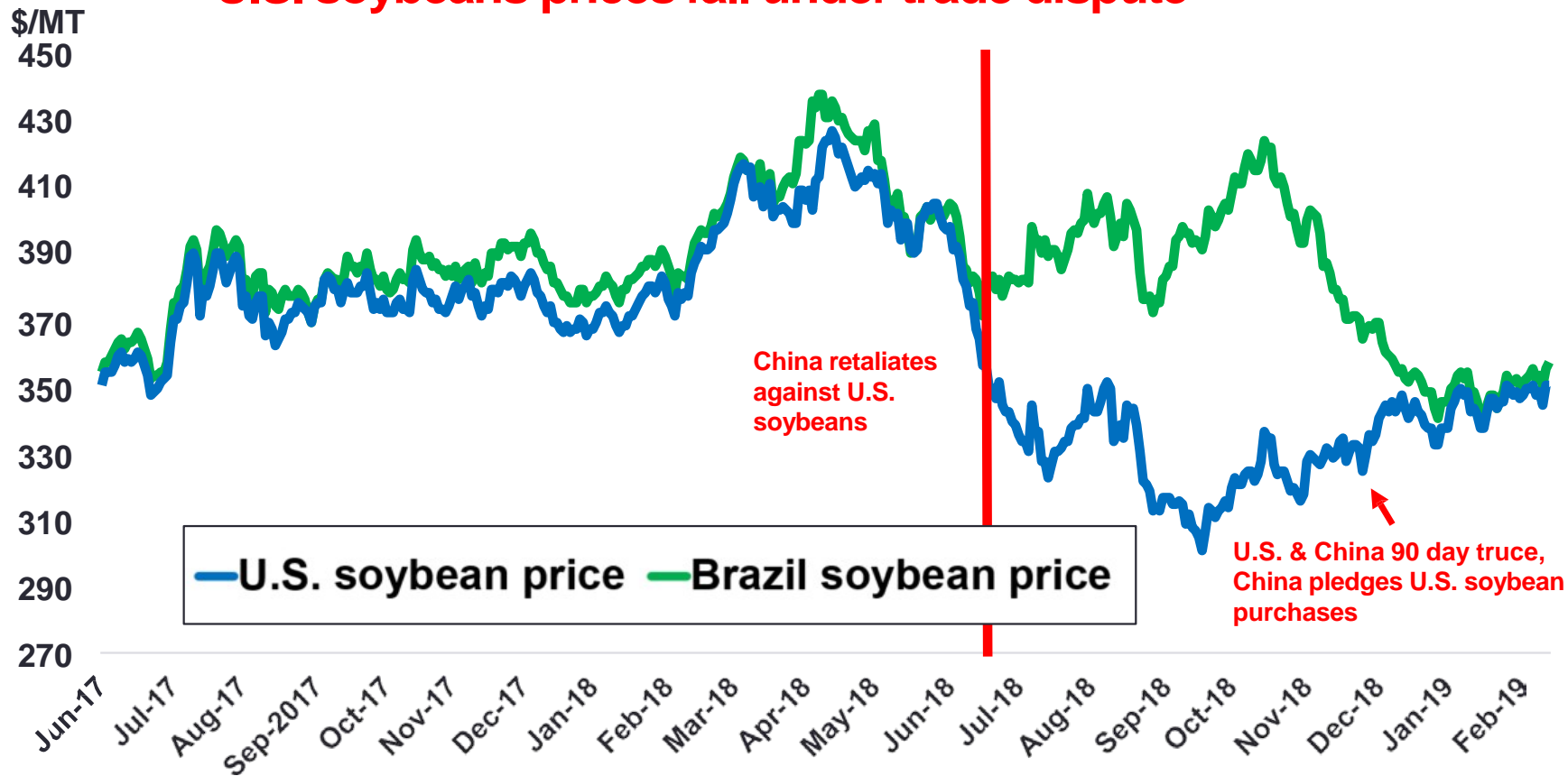
World Crop Production



Global stocks in days of use: tightening market for corn and soybeans over next few years



U.S. soybeans prices fall under trade dispute



—U.S. soybean price —Brazil soybean price

China retaliates against U.S. soybeans

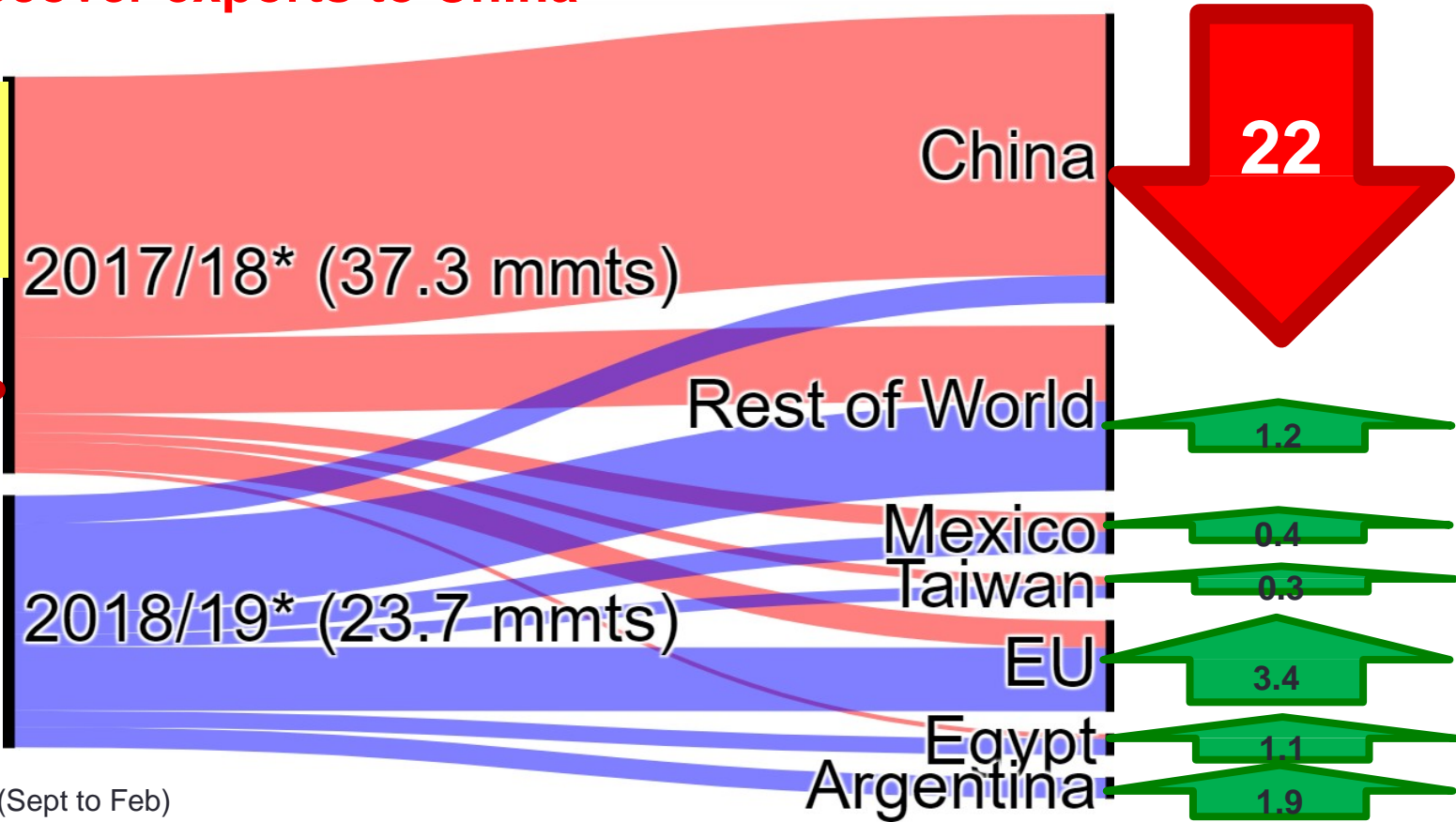
U.S. & China 90 day truce, China pledges U.S. soybean purchases

Alternative markets for U.S. soybeans up, but not enough to recover exports to China

Year over Year Change (mmts)

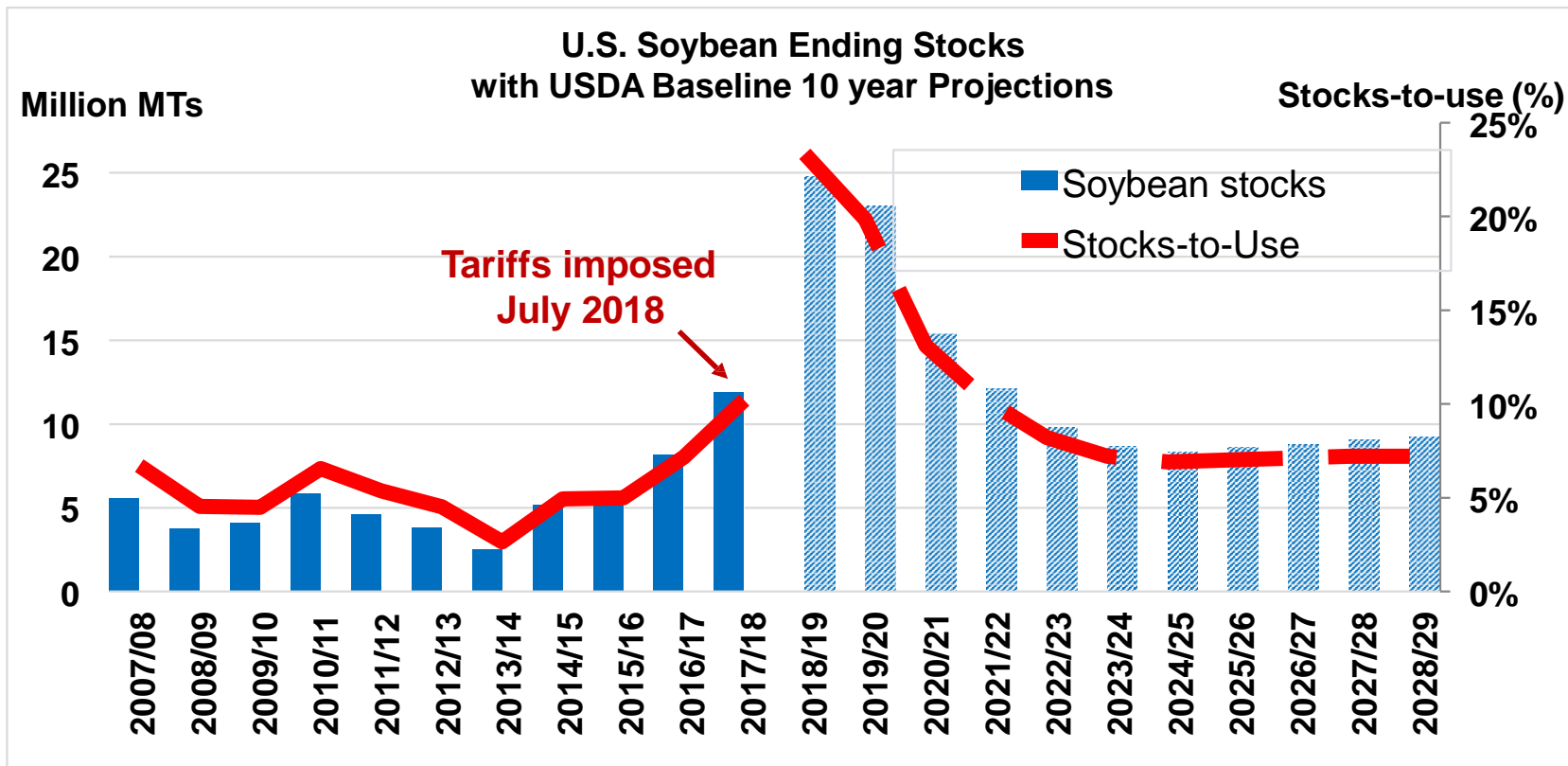
U.S. exports for 2018/19 are 13.5 mmts behind last year

13.5



Data: USDA
*Marketing Year to Date (Sept to Feb)

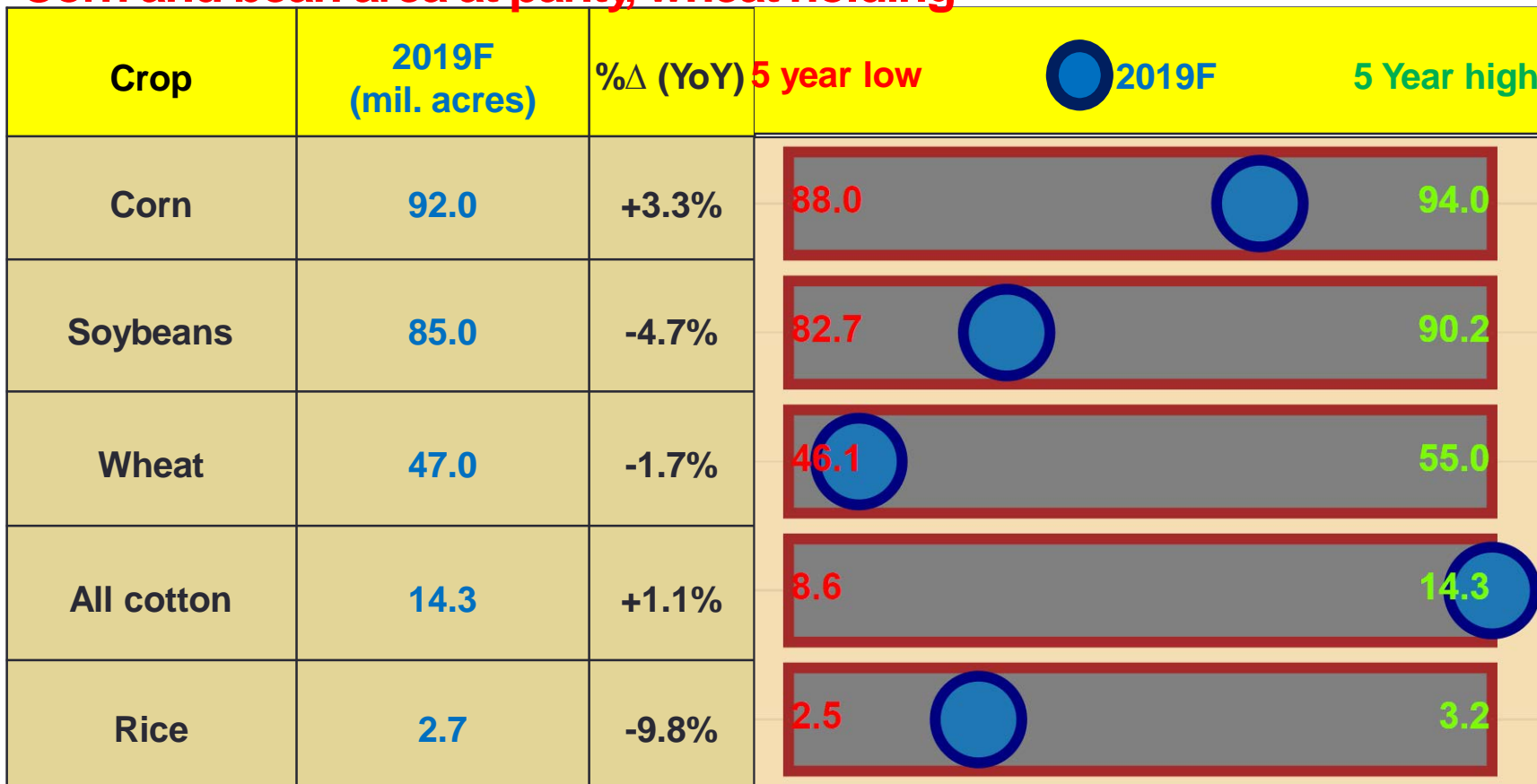
Stocks overhang will take years to unwind



Some prices expected to edge up into 2019

Crop	2019F	%Δ (YoY)	5 year low	2019F	5 Year high
Soybeans (\$/bu)	8.80	+2.3%	8.60	8.80	9.47
Corn (\$/bu)	3.65	+1.4%	3.30	3.65	3.65
All Rice (\$/cwt)	12.20	+0.8%	10.40	12.20	12.70
Wheat (\$/bu)	5.20	+1.0%	3.89	5.20	5.20
Cotton (\$/lb)	0.67	-6.9%	0.61	0.67	0.72

Corn and bean area at parity, wheat holding



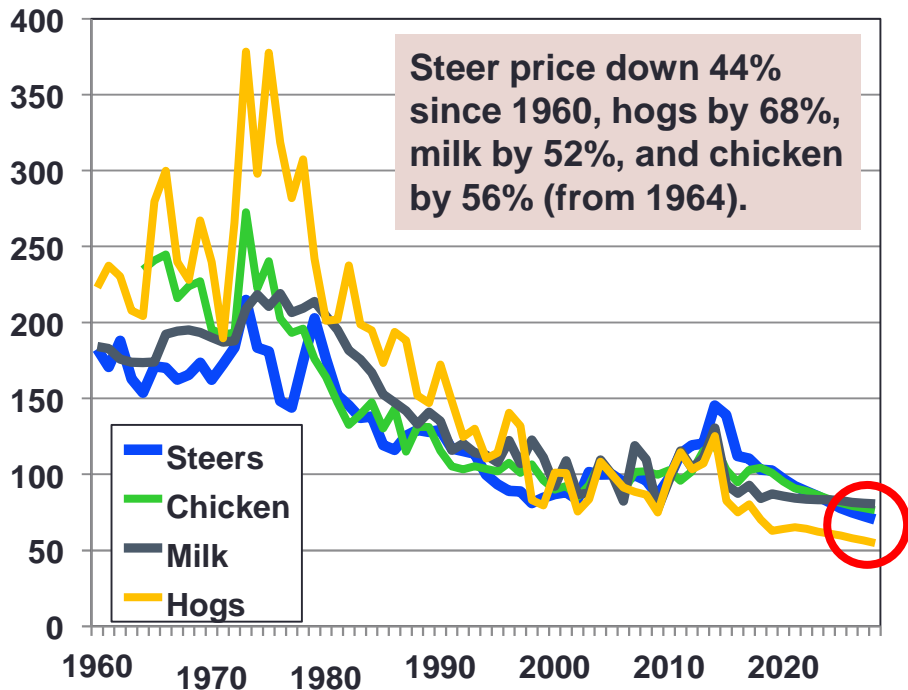
Photograph: Rachel Doyle



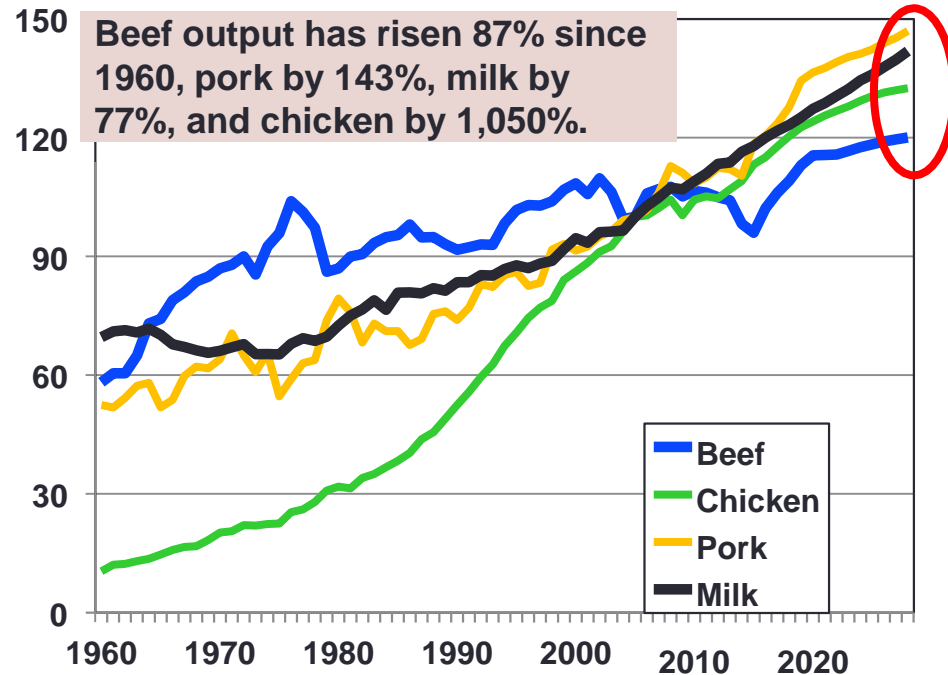
Outlook for Livestock and Dairy

Real prices trend down, as U.S. livestock production outstrips demand

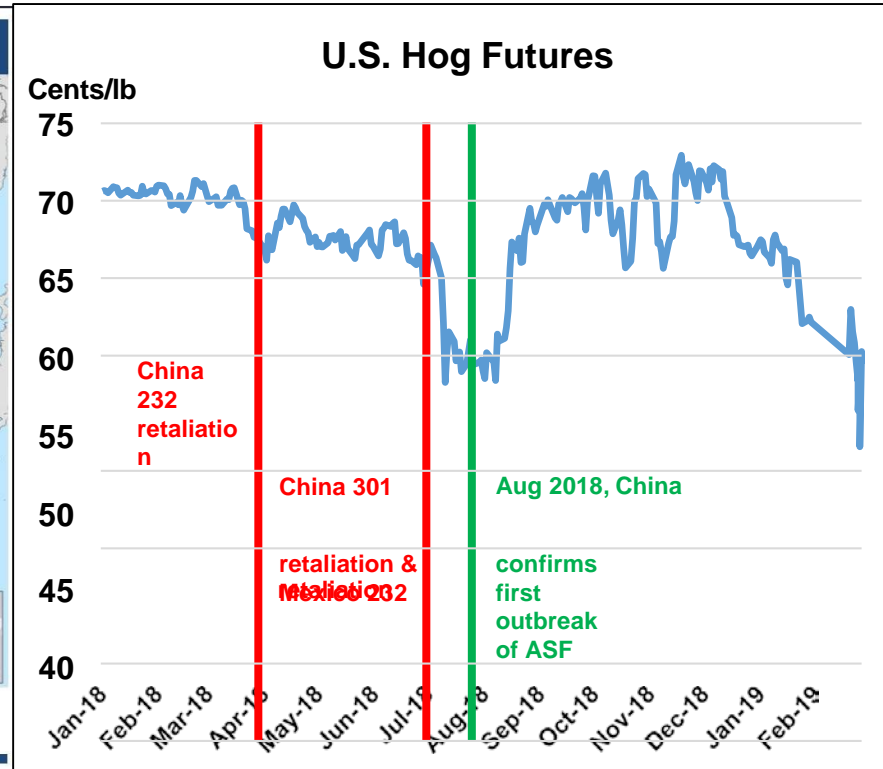
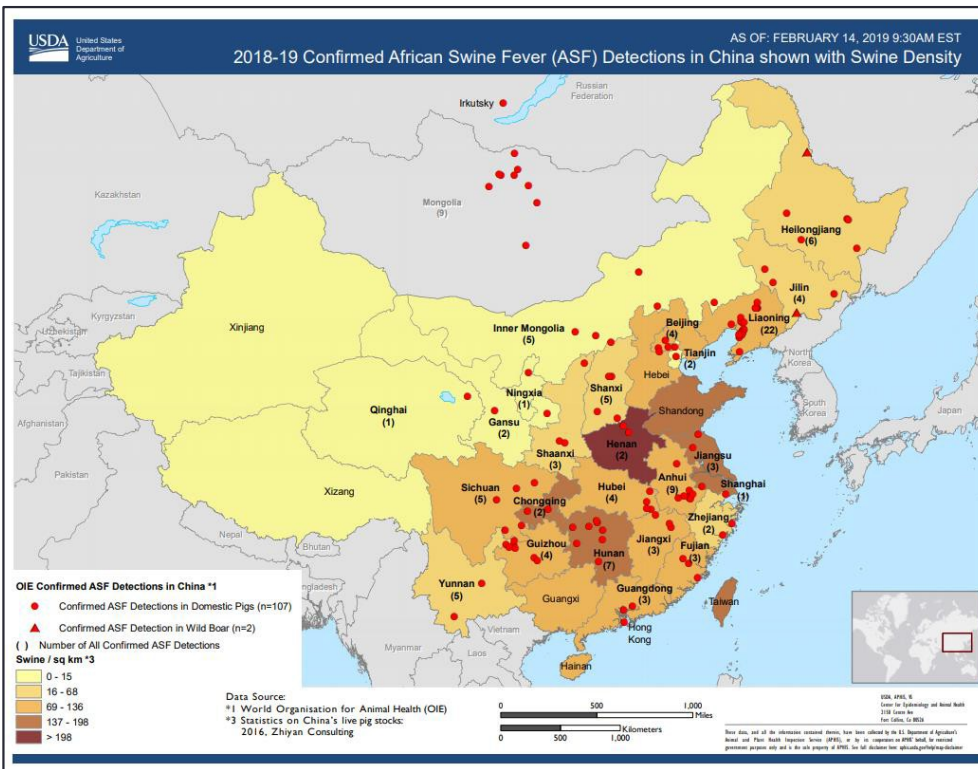
2005=100 Real U.S. Livestock, Poultry, and Milk Prices



2005=100 U.S. Meat and Milk Production



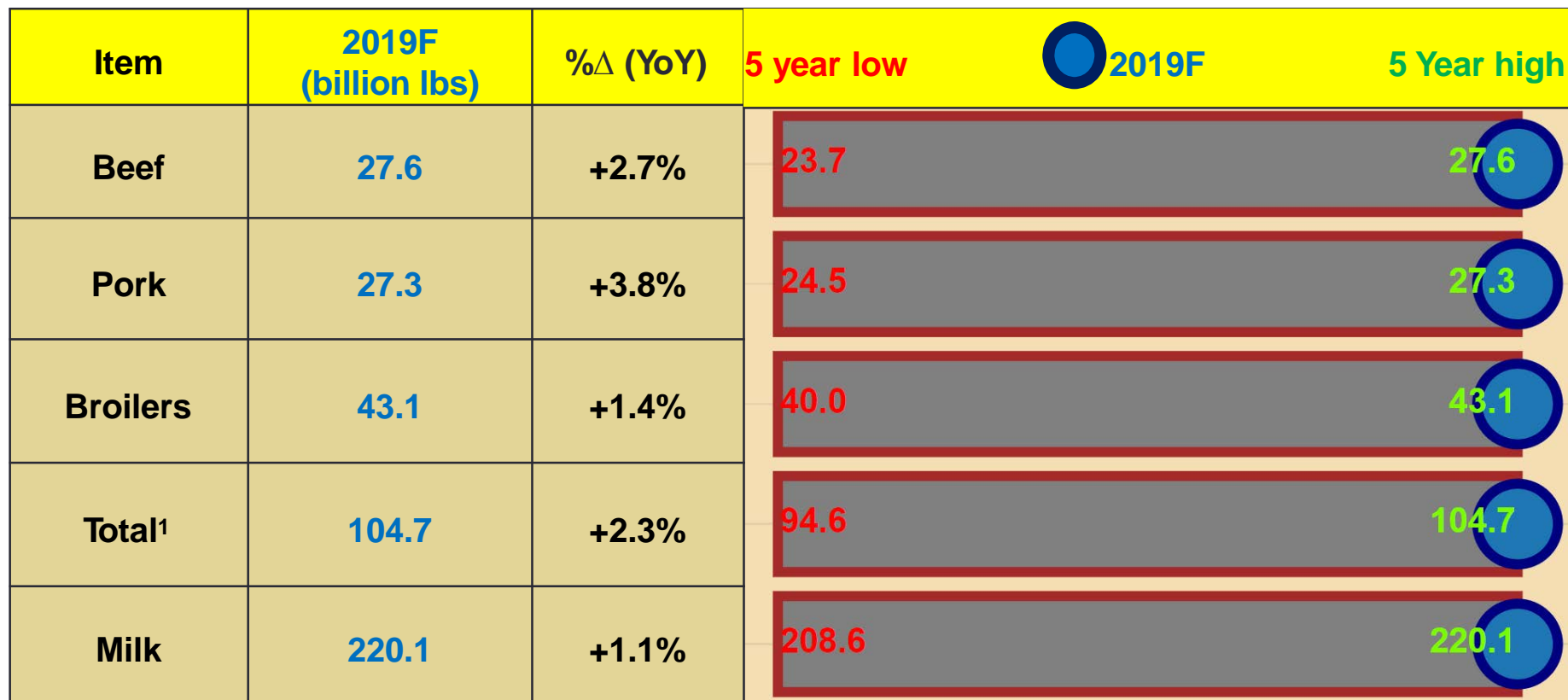
African Swine Fever (ASF) may affect global pork demand



Low prices for steers and hogs in 2019

Livestock	2019F	%Δ (YoY)	5 year low	2019F	5 Year high
Steers (\$/cwt)	118.50	+1.2%	117.12	118.50	148.12
Hogs (\$/cwt)	42.50	-7.5%	42.50	42.50	50.48
Broilers (\$/cwt)	97.00	-0.8%	84.30	97.00	97.80
Milk (\$/cwt)	17.25	+6.5%	16.20	17.25	17.65

Meat and milk production to be record high in 2019

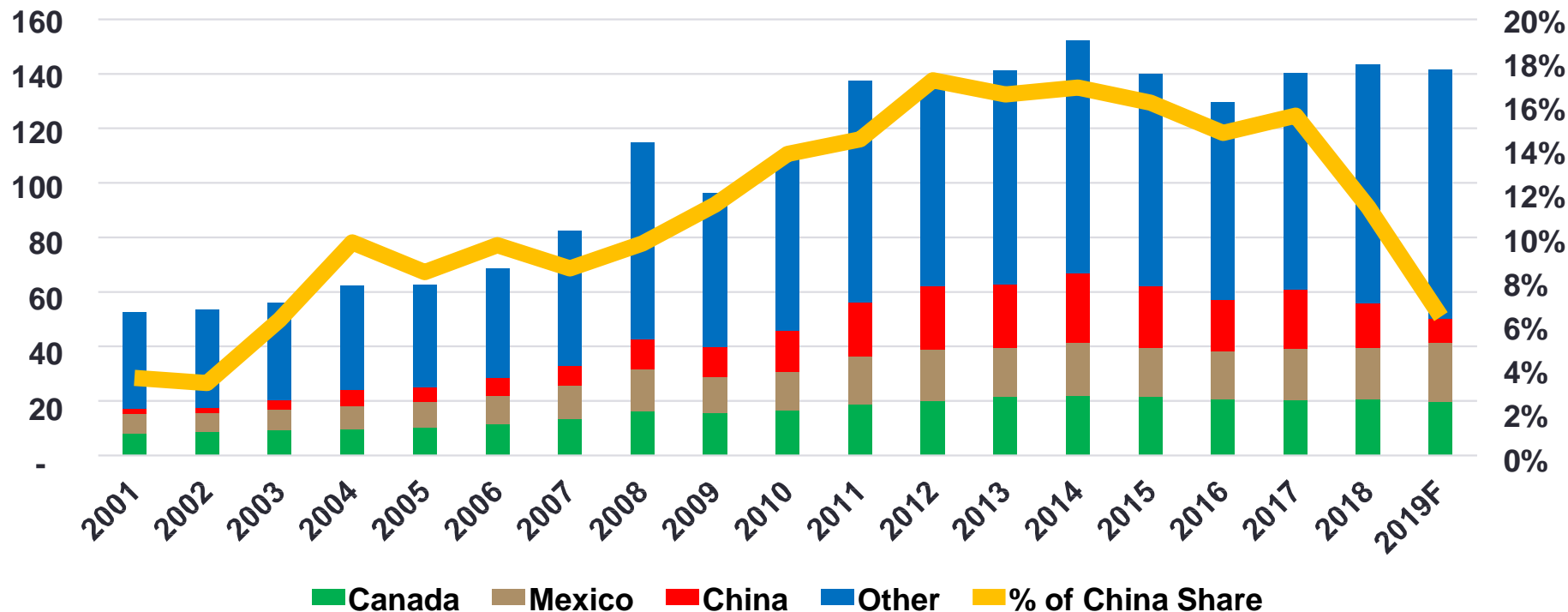


Trade Outlook

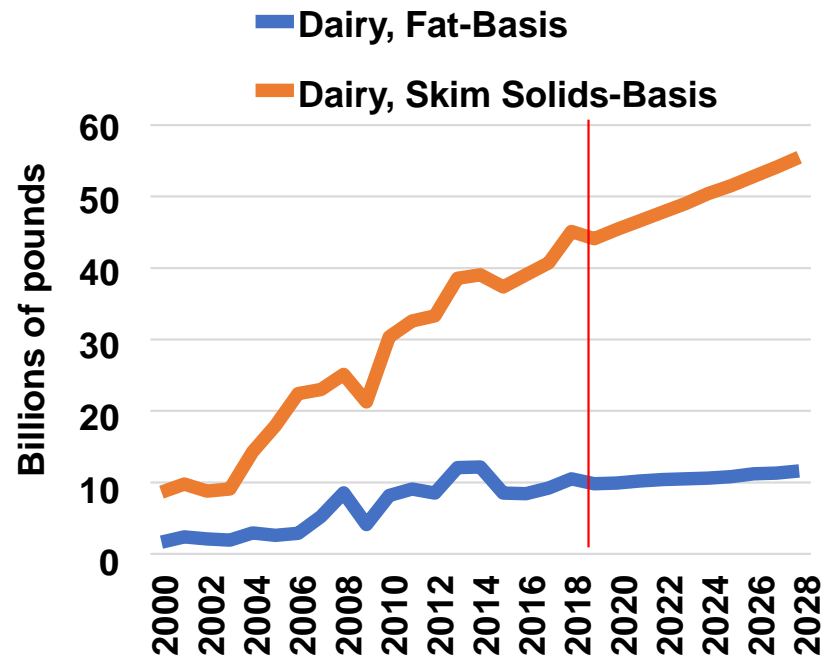
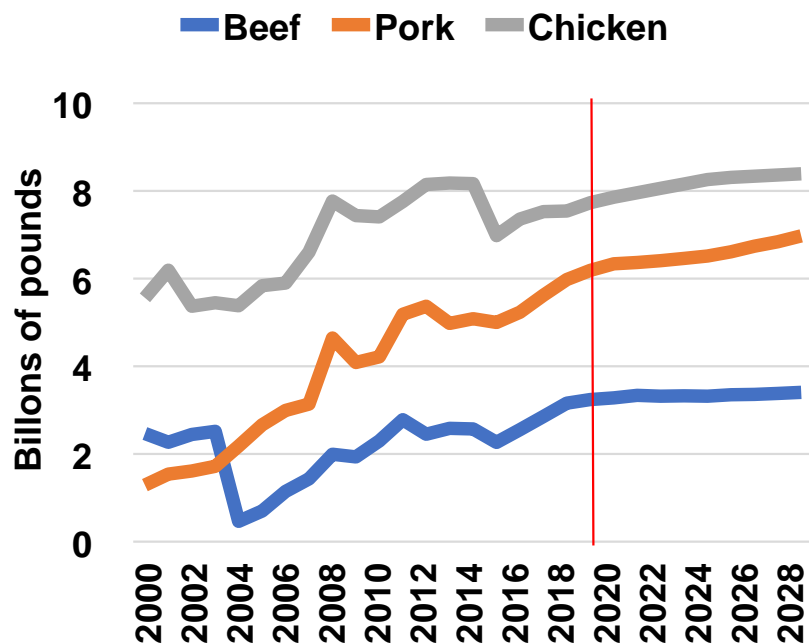


Agricultural export values expected to remain flat in 2019, China share down sharply

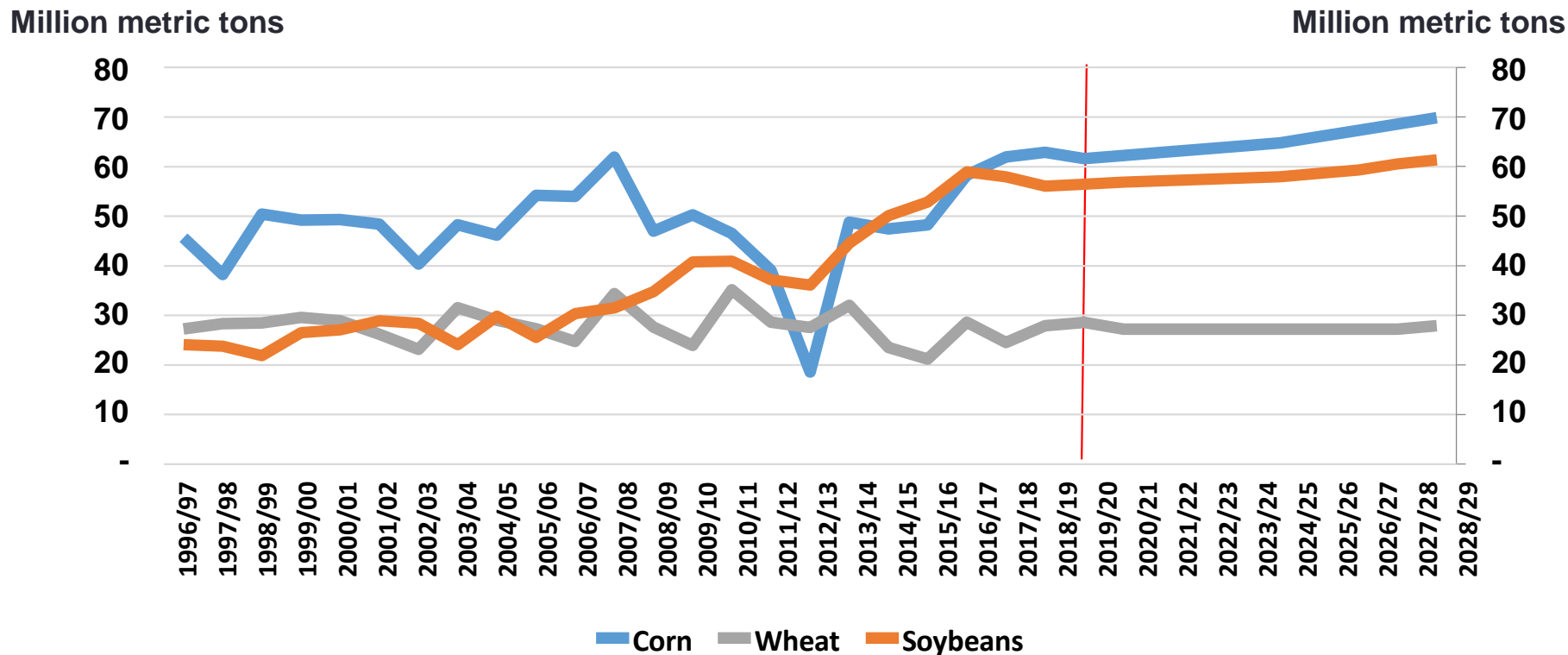
Billion dollars



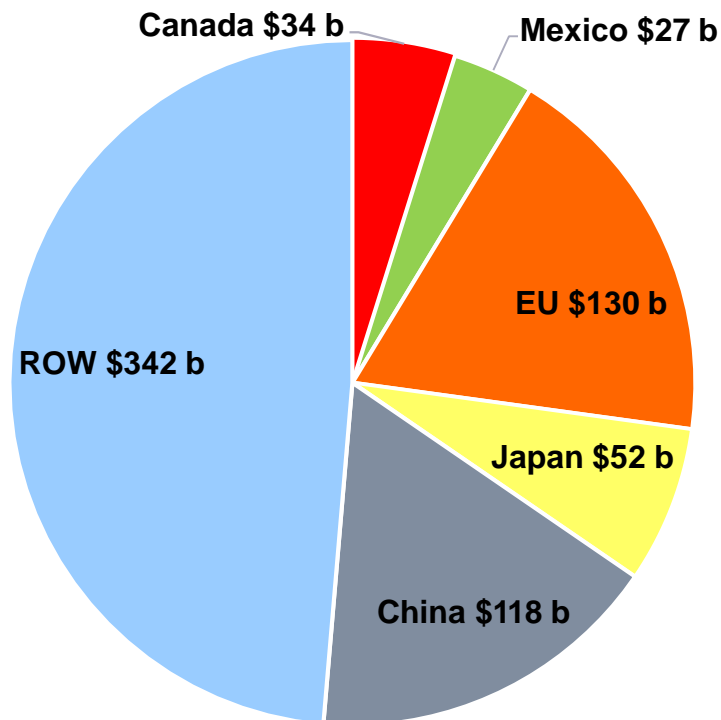
Global demand drives growth in U.S. livestock and dairy exports



... and drives growth in U.S. feed grain exports



New FTAs may impact U.S. access into top export markets



Global ag imports (2017)
\$703 billion (excl. U.S.)

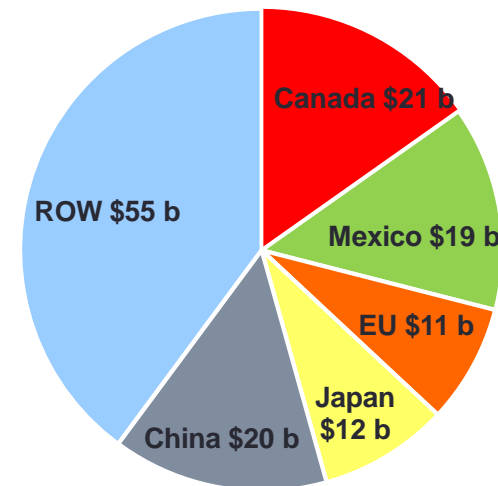
Top 5 U.S. Export Markets FTAs (excl. U.S.)

- Canada-EU (CETA)
- EU-Mexico
- EU-Japan
- CPTPP (TPP-11)
- Australia-China
- New Zealand-China



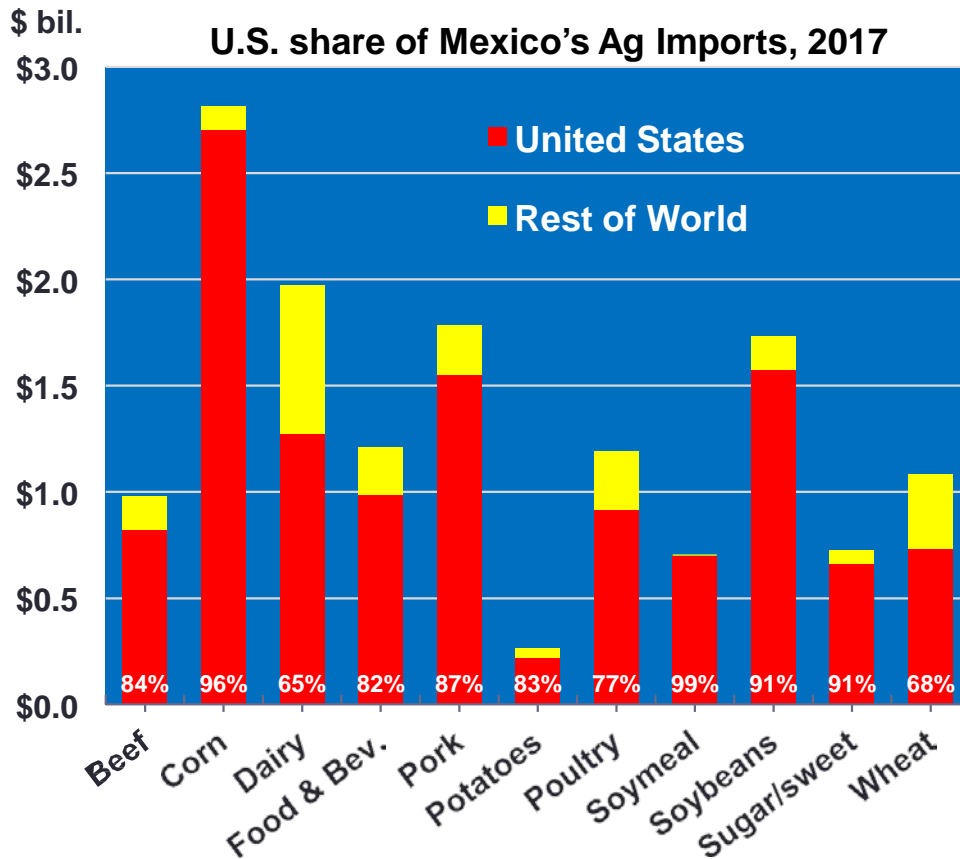
U.S.-FTAs with Top 5 Export Markets

- NAFTA (in effect)
- USMCA (signed)
- Proposed:
U.S.-Japan, U.S.-EU, U.S.-UK



Total U.S. ag exports (2017)
\$138 billion

USMCA strengthens North American market integration



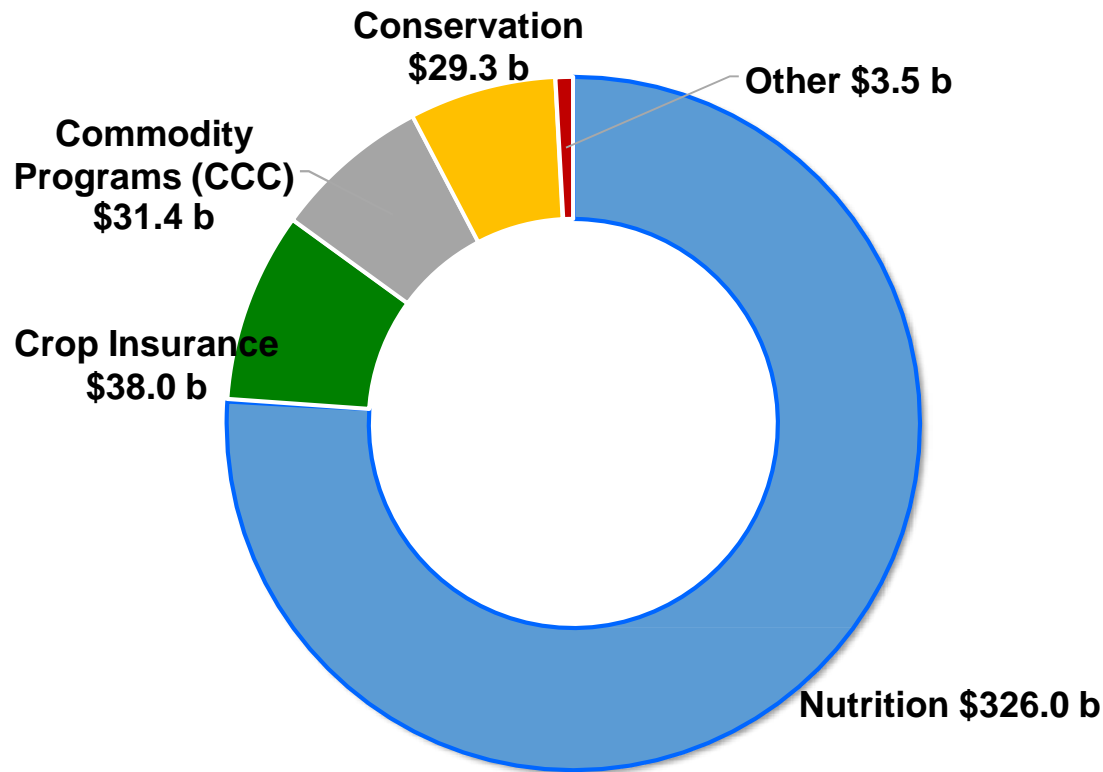
NEXT STEPS

- USITC report to Congress
- Administration submits implementing legislation package to Congress
- After bill is reported out of the Committees, the House and Senate vote on the bill
- Bill signed into law, agreement is implemented by proclamation

Farm Policy

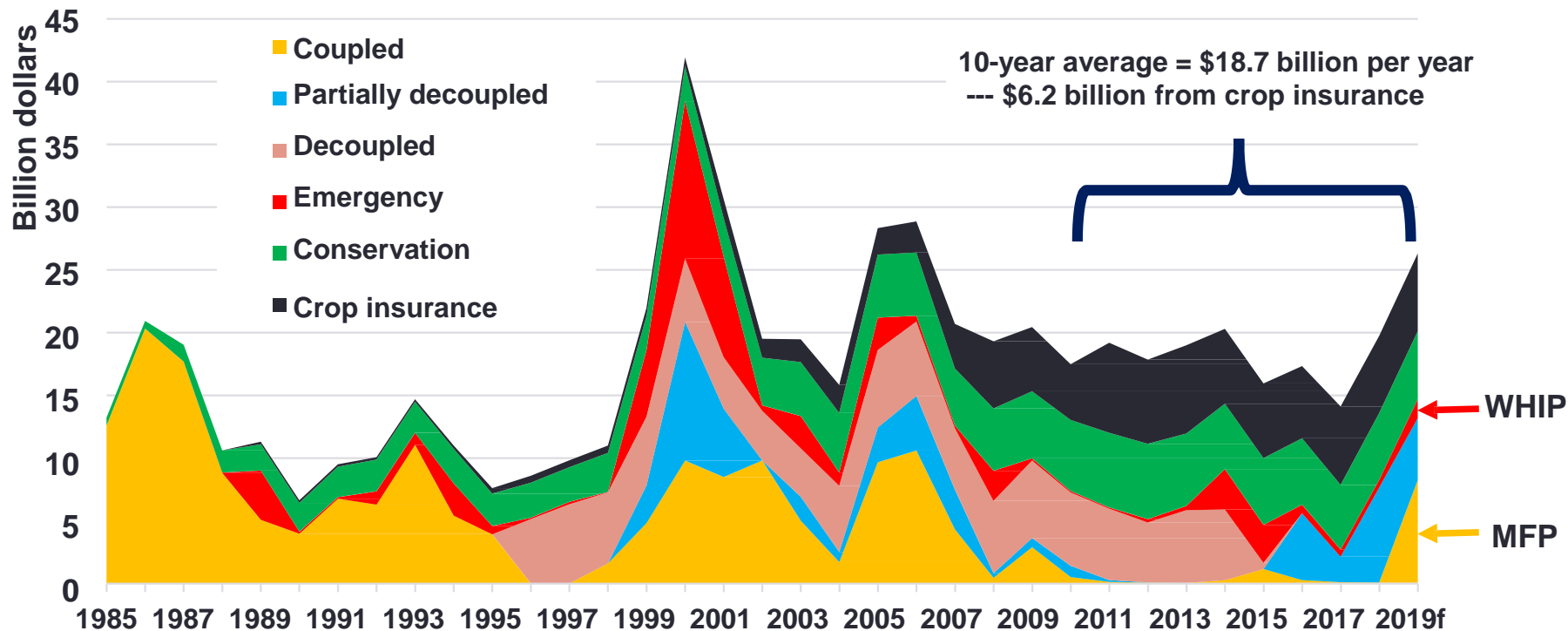


2018 Farm Bill outlay = \$428 billion over 5 years



- An increase of ~\$400 mil. per year over the 2014 Farm Bill for FY2019 - FY2023
- Percent spent on Nutrition remains at 76% but with more funding for employment training
- Increase in Research funding of \$365 mil. over 5 years

Characteristics of US farm programs changing over time; crop insurance increasing in importance



Data: USDA, fiscal year.

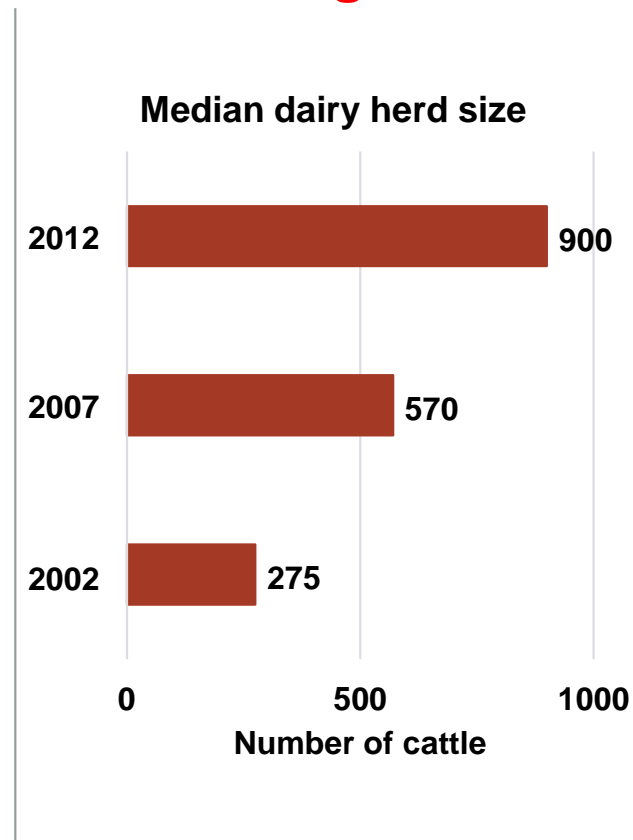
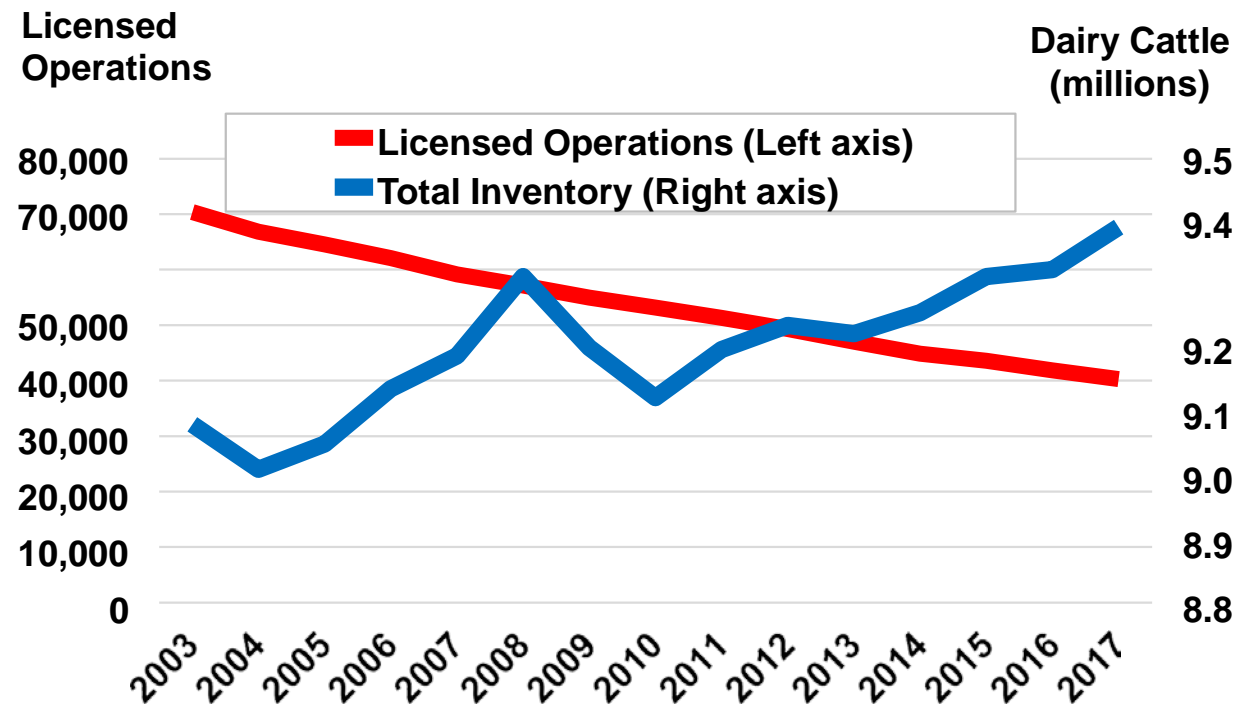
ARC/PLC payments per base acre expected to change under 2018 Farm Bill

	Farm 2014 Bill: June 2017 Baseline	2018 Farm Bill: January 2019 Baseline
Corn	\$98.85	\$106.93
Soybeans	\$34.16	\$42.67
Wheat	\$75.10	\$60.90
Seed Cotton*	Not Applicable	\$172.59
Rice	\$440.78	\$738.21
Peanuts	\$881.21	\$713.11

- Seed cotton became a covered commodity under the Bipartisan Budget Act of 2018 (BBA)
- Minor adjustments were made to Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) in the 2018 Farm Bill.

*Uses 80% of generic base acres enrolled in 2015. Official estimates of seed cotton base acres are not yet available.

Dairy operations are decreasing in number, as herd sizes grow

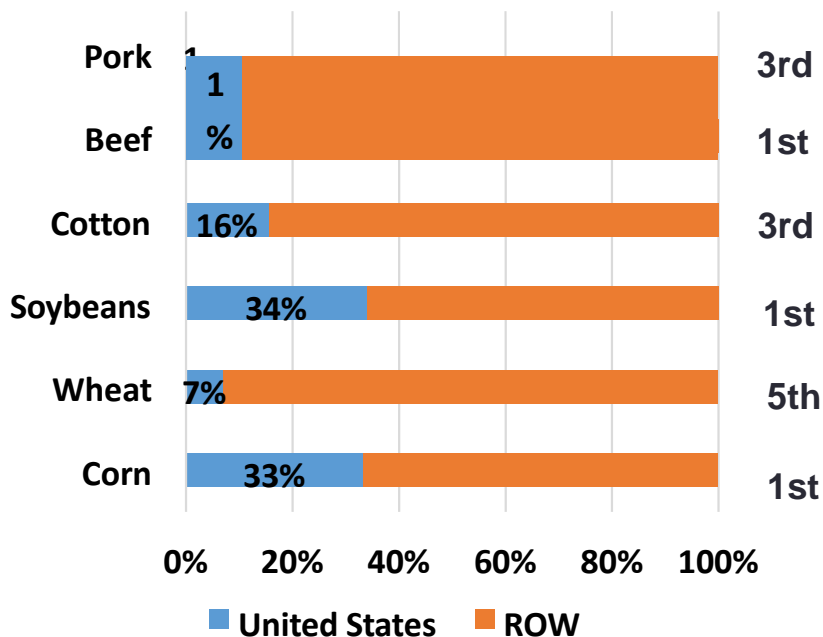


Net benefits for a median-sized dairy (900 cows ≈ 19.5M pounds)

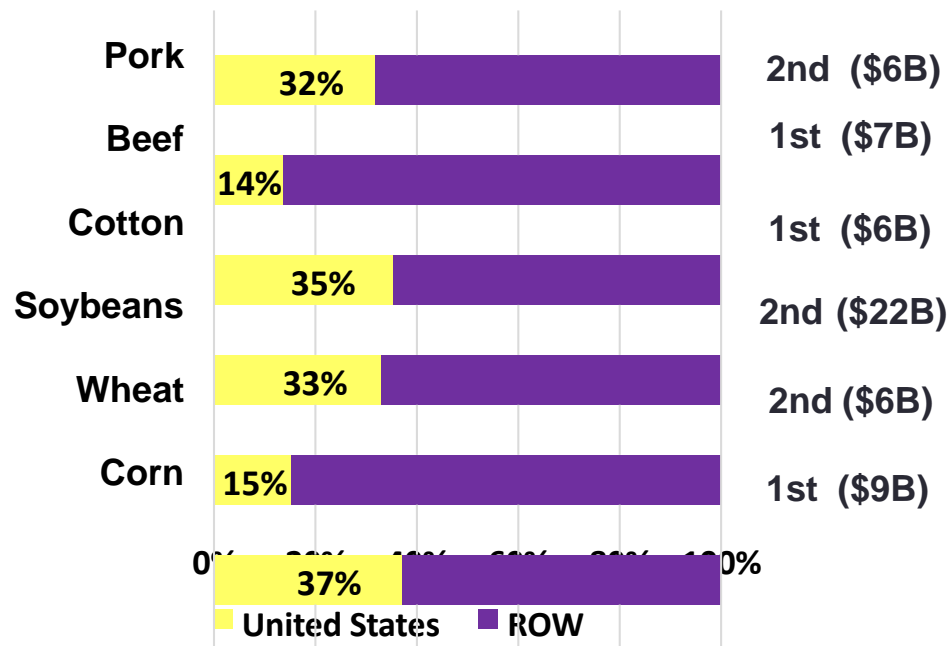
	5-year average MPP (2014 Farm Bill)	5-year average DMC (2018 Farm Bill)
Premium for \$8.00/cwt margin	\$230,184	\$268,396
Premium for \$9.50/cwt margin	NA	\$7,500 (for first 5M lbs only)
Average annual net payment	-\$172,119	-\$218,076
➤ \$8.00/cwt margin coverage	NA	\$40,421
➤ \$9.50/cwt margin coverage		

Conclusion — Growing Locally and Selling Globally

U.S. Global Share of Production

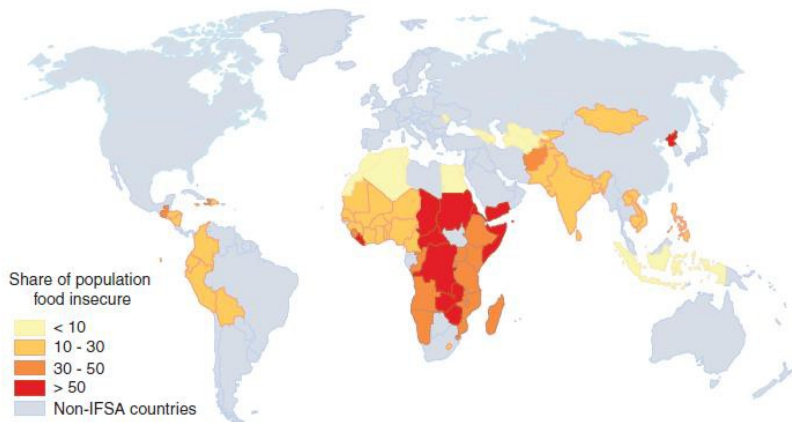


U.S. Global Share of Exports



Growing economies, growing supplies, and falling real food prices improve food security

2018 = 21.1% food insecure



2028 = 10.4% food insecure

