



The New Normal

Grains and Oilseed Situation and Outlook

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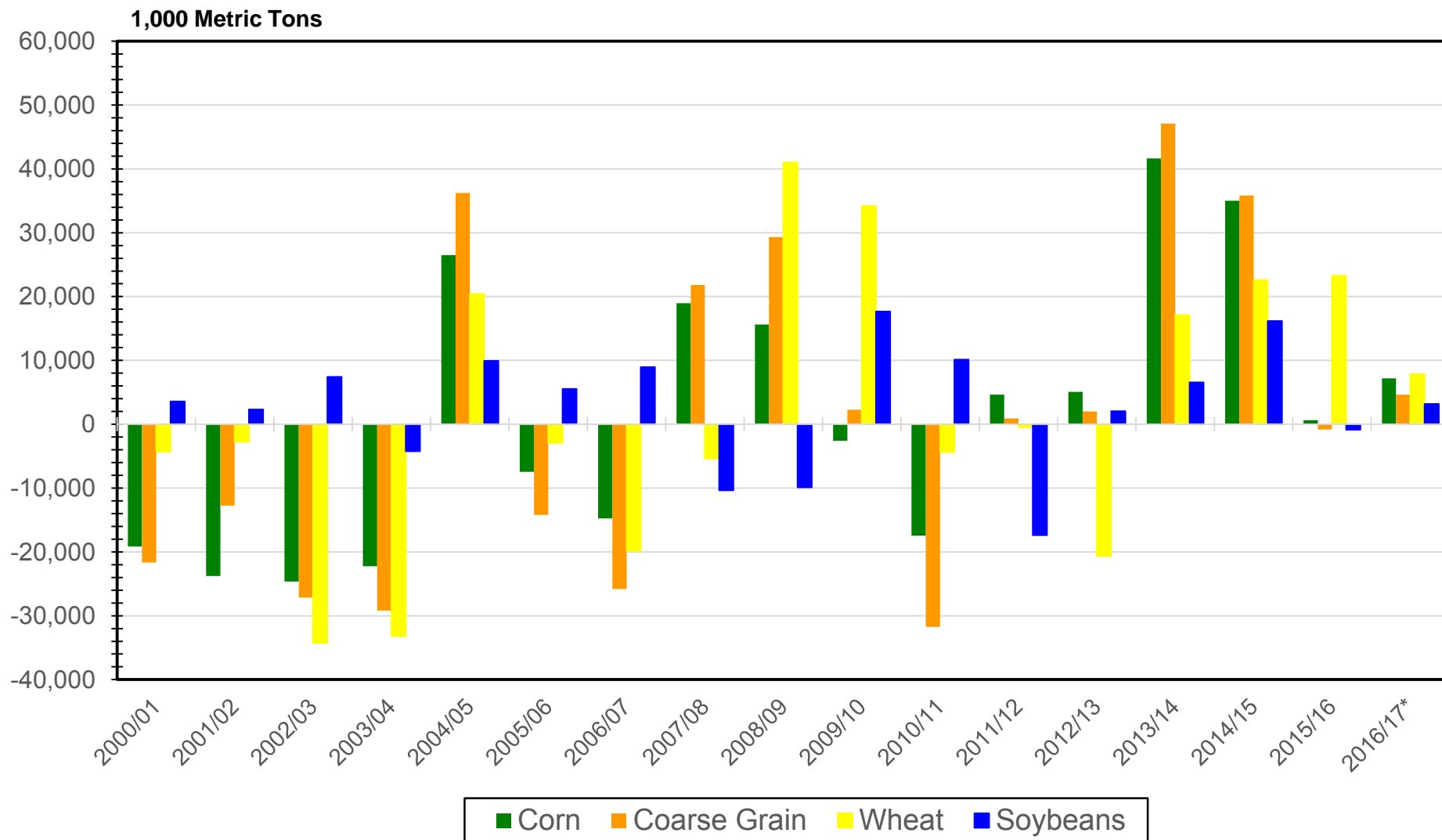
I. Macro View of Global Grain & Oilseeds



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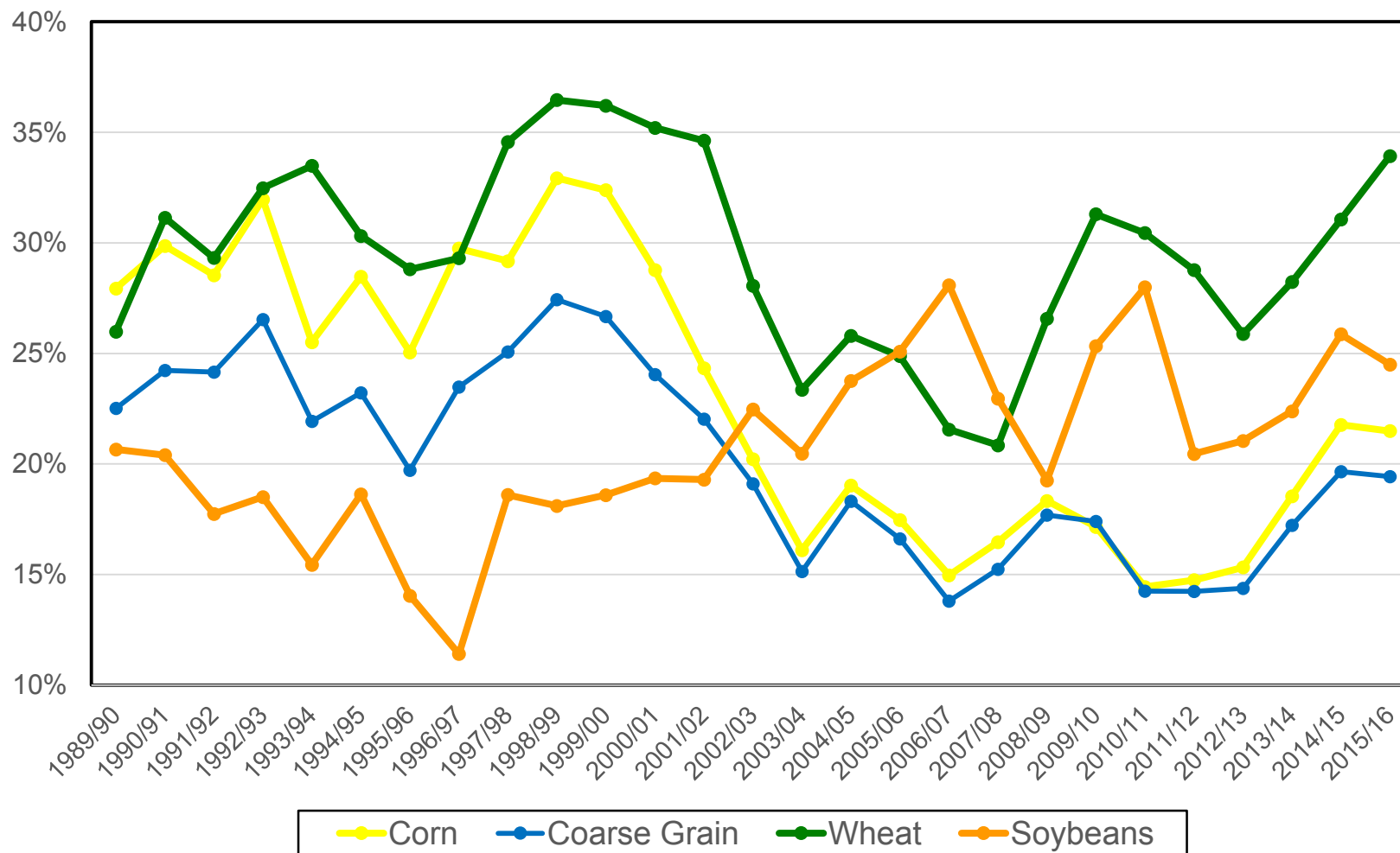
Global Growing Stocks will keep Downward Pressure on Prices



Source: USDA, Rabobank 2016

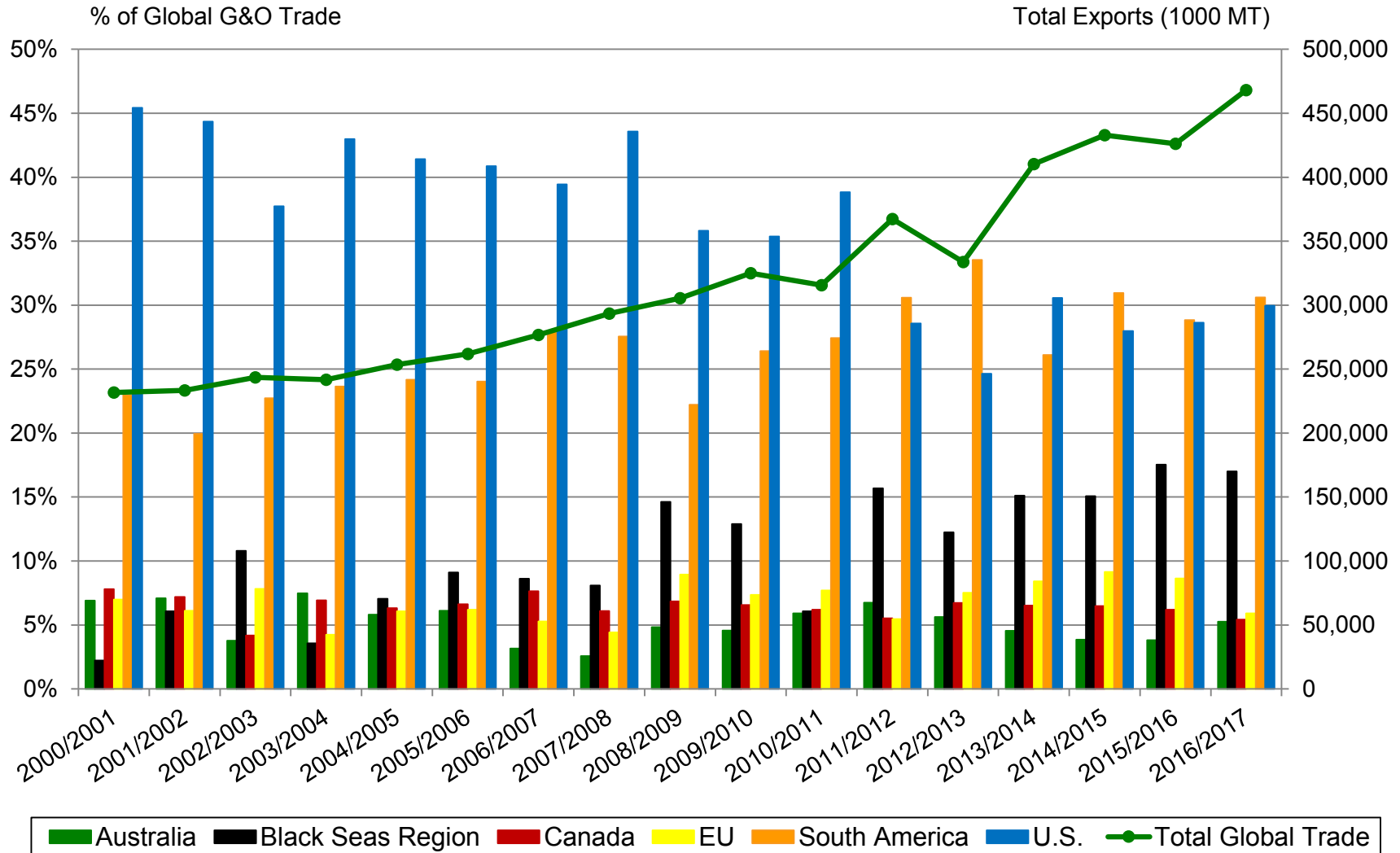


Changing Global Stocks-to-Use



Source: USDA, Rabobank 2017

Increased Dispersion of Global Grain & Soybean Trade



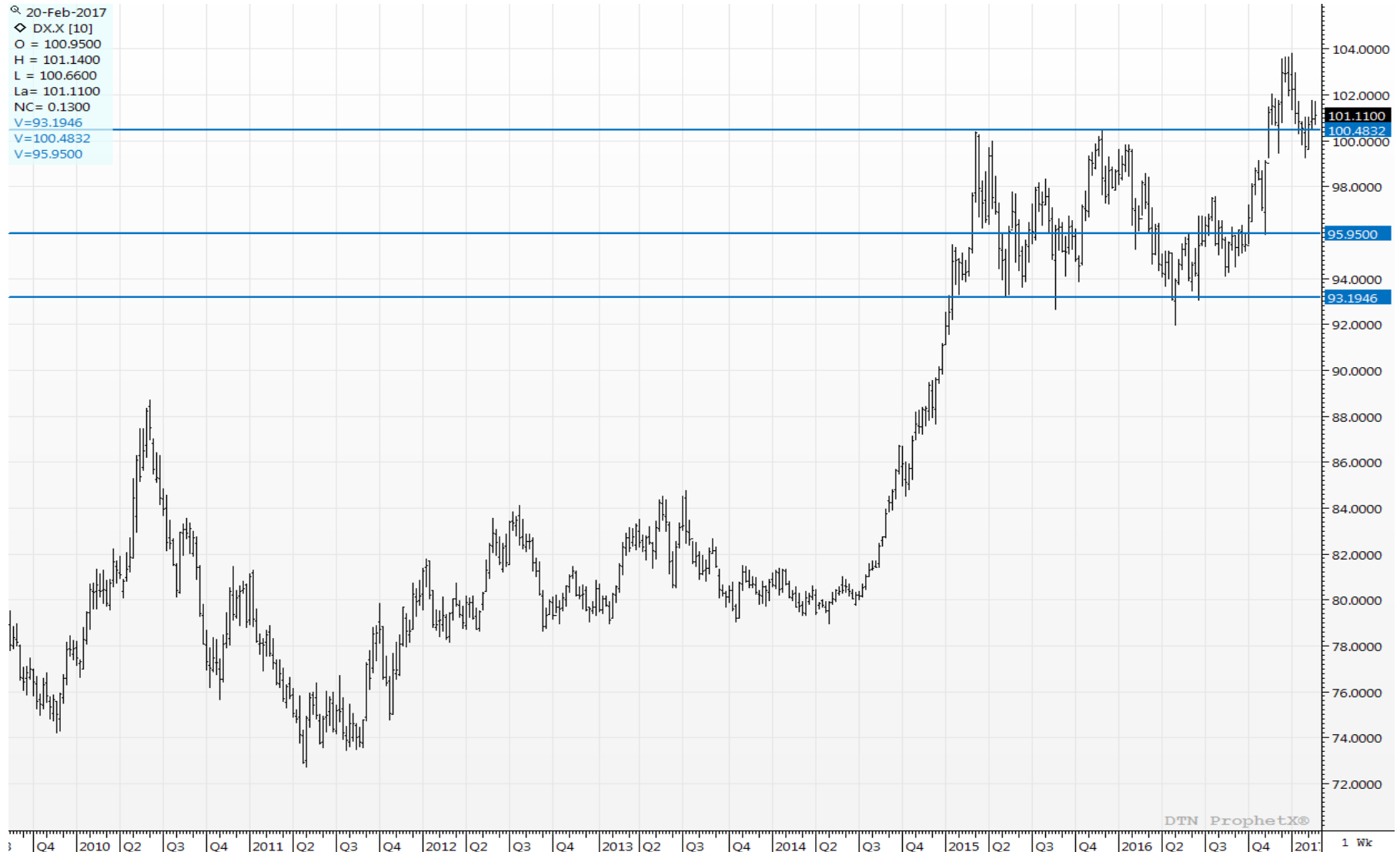
Note: Accounts for Total Exports of Corn, Soybeans and Wheat.

Weekly U.S. Dollar Index

Political and economic uncertainty has increased volatility of USD

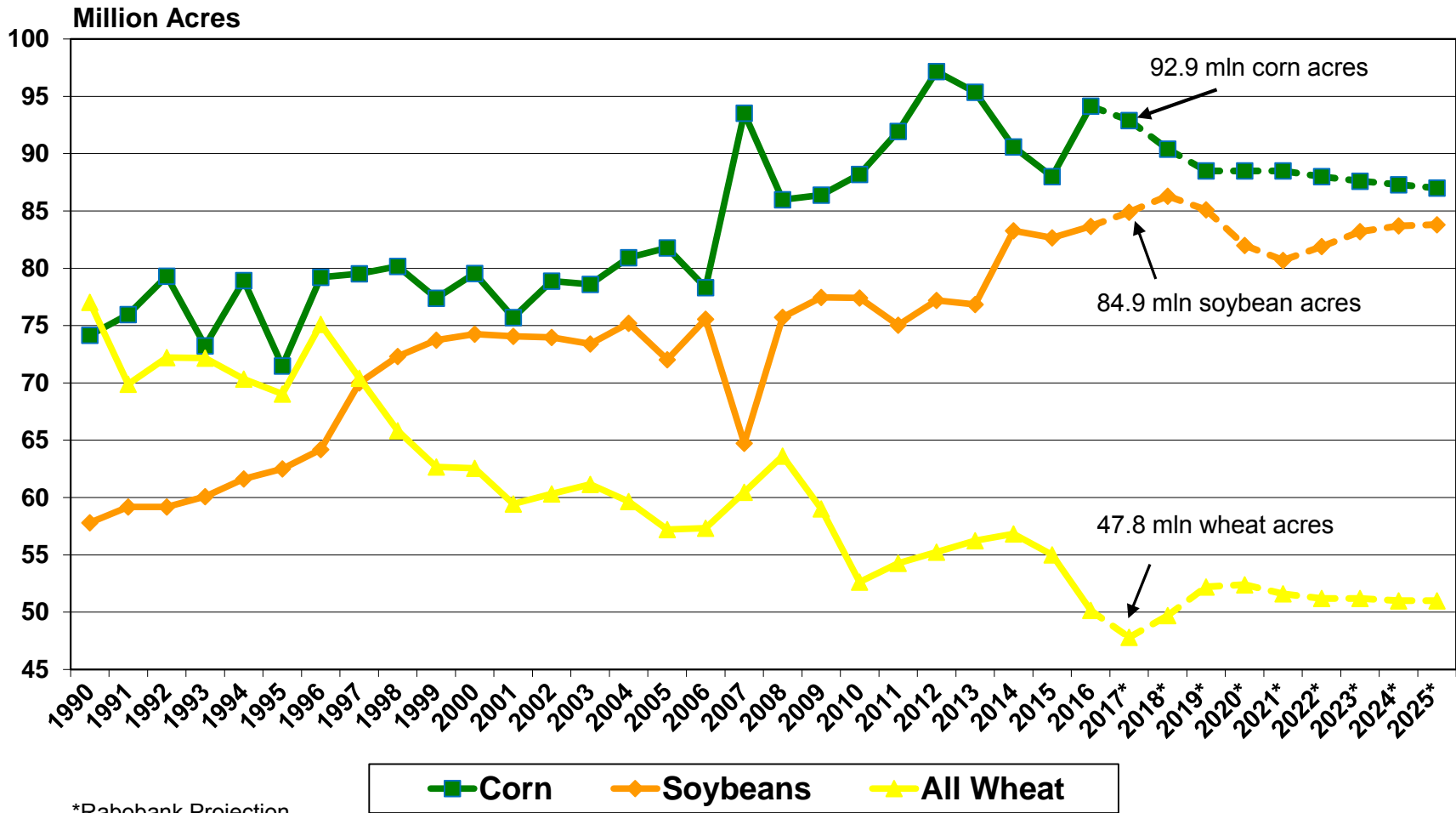


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Major U.S. Row Crop Planted Acres

More Soybean Acres, Less Corn and Wheat Acres



Source: USDA, Economic Research Service



II. Corn



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Corn--Bulls and Bears

Bullish Factors

- Reduction in U.S. planted corn acres in 2017
- Farmers are holding corn
- Growing numbers of broilers, layers, hogs and fed cattle
- Strong start to U.S. corn exports
- Strong ethanol production & exports

Bearish Factors

- Little growth in demand side of balance sheet
- Wide corn basis
- Appreciation of U.S. Dollar
- Farmers are holding corn
- Fourth year of increasing global corn stocks
- Chinese feed grain policy
- Double-digit percentage increase in corn acres in Brazil and Argentina
- Many available feed alternatives

Swing Factors

- 2017 Planted Acres—current corn/soybean ratio favoring soybeans
- Changing U.S. trade policies
- Future of RFS

U.S. Corn Balance Sheet

(million bushels, unless otherwise noted)



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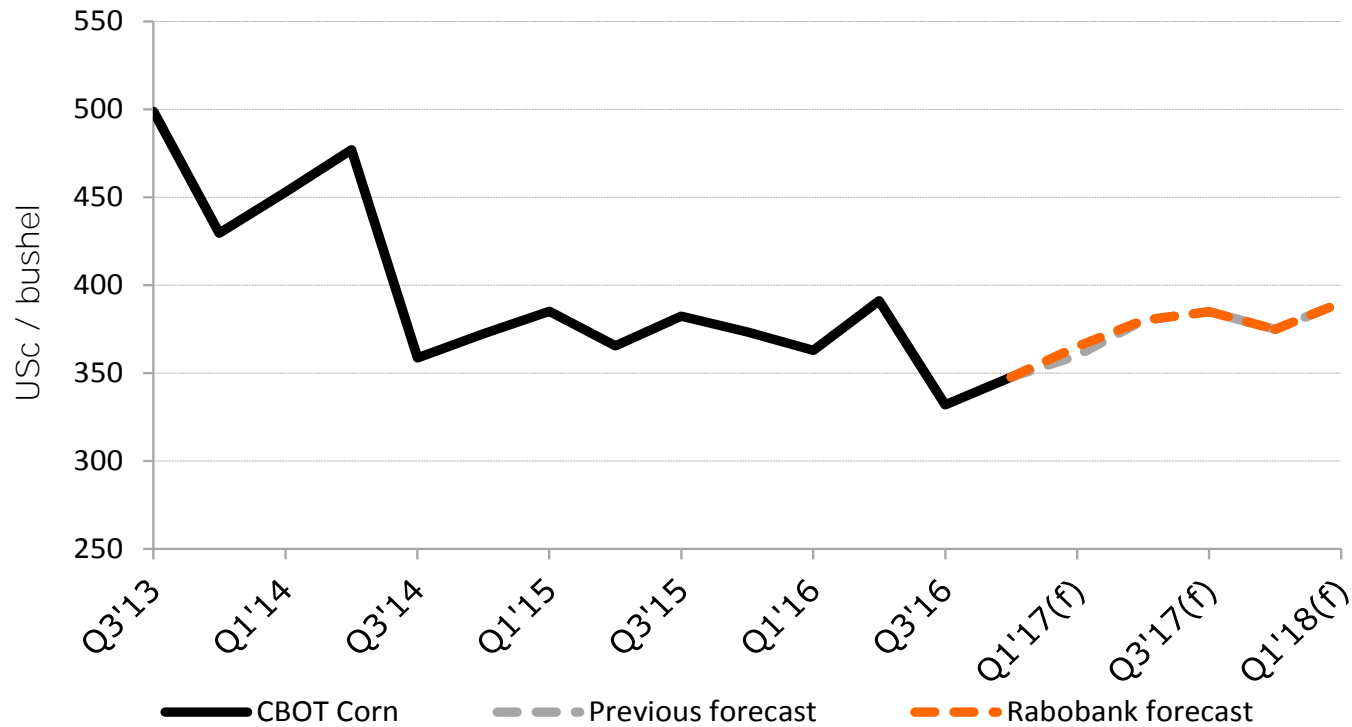
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	USDA 2016/17*	Rabo 2017/18*
Planted Acres (mln)	86.0	86.4	88.2	91.9	97.3	95.4	90.6	88.0	94.0	92.9
Harvested Acres (mln)	78.6	79.5	81.4	84.0	87.4	87.5	83.1	80.8	86.7	85.2
Yield (bu./acre)	153.9	164.4	152.6	146.8	123.1	158.1	171.0	168.4	174.6	167.9
Supply										
Beginning Stocks (9/1)	1,624	1,673	1,709	1,127	989	819	1,232	1,731	1,737	2,320
Production	12,043	13,067	12,425	12,314	10,755	13,829	14,216	13,602	15,148	14,302
Total Supply	13,681	14,750	14,161	13,471	11,904	14,686	15,479	15,401	16,940	16,669
Disappearance										
Feed	5,133	5,101	4,770	4,512	4,309	5,001	5,280	5,131	5,600	5,678
Food, Seed & Industrial	5,031	5,966	6,434	6,424	6,044	6,532	6,601	6,635	6,795	6,686
<i>Ethanol of Fuel</i>	3,709	4,591	5,019	5,000	4,641	5,124	5,200	5,206	5,350	5,301
Exports	1,849	1,979	1,831	1,539	730	1,921	1,867	1,898	2,225	2,108
Total Disappearance	12,007	13,041	13,033	12,482	11,083	13,454	13,748	13,664	14,620	14,472
Ending Stocks	1,673	1,709	1,128	989	821	1,232	1,731	1,737	2,320	2,197
Stocks-to-Use Ratio (%)	13.9%	13.0%	8.5%	7.7%	7.2%	8.7%	12.6%	12.7%	15.8%	15.2%
Average Farm Price (\$/bu.)	\$4.06	\$3.55	\$5.18	\$6.22	\$6.89	\$4.46	\$3.70	\$3.61	\$3.40	\$3.45

* Projections

Price forecast: CBOT Corn

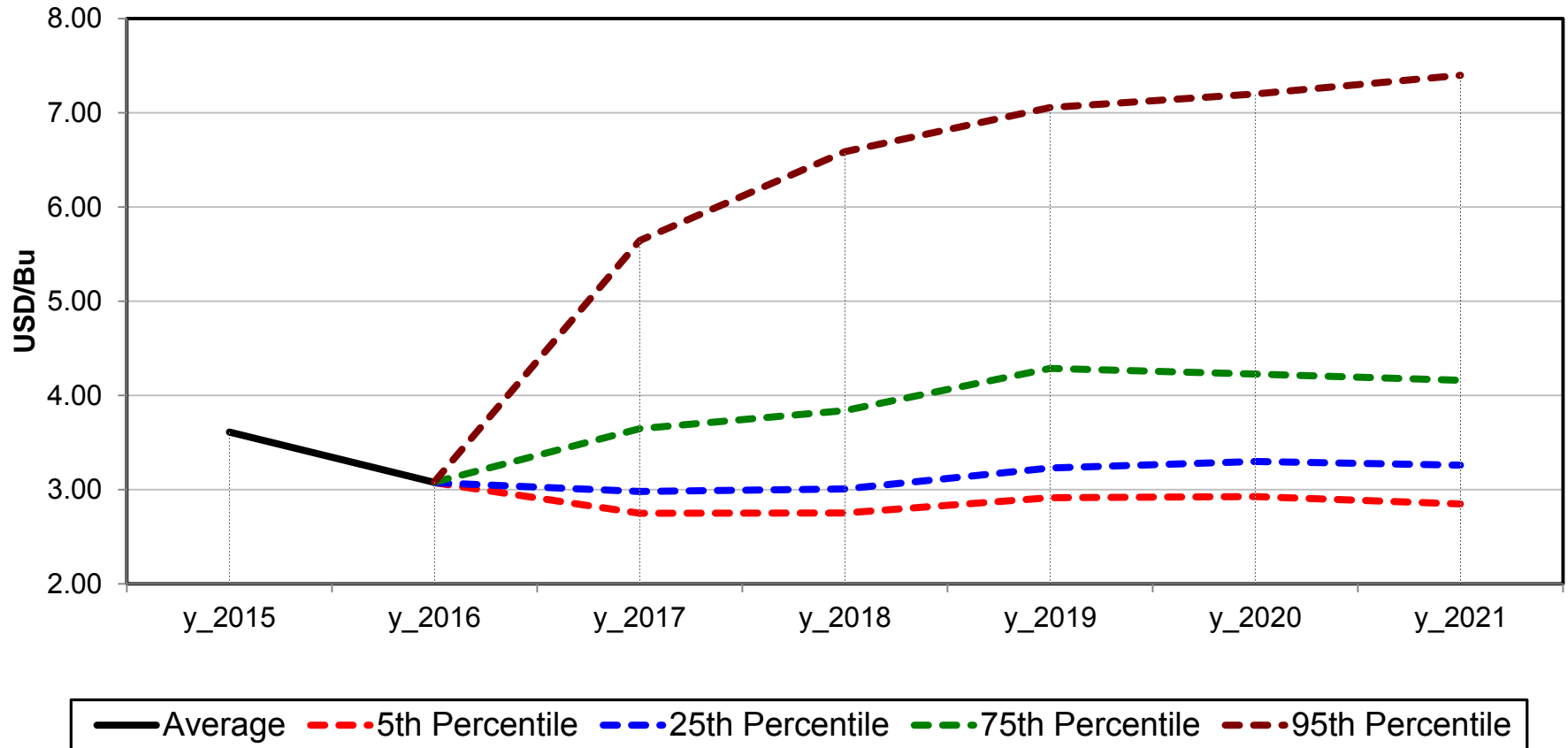


	unit	Q2'16	Q3'16	Q4'16	Q1'17(f)	Q2'17(f)	Q3'17(f)	Q4'17(f)	Q1'18(f)
Corn	USc/bu	391	332	348	365	380	385	375	390



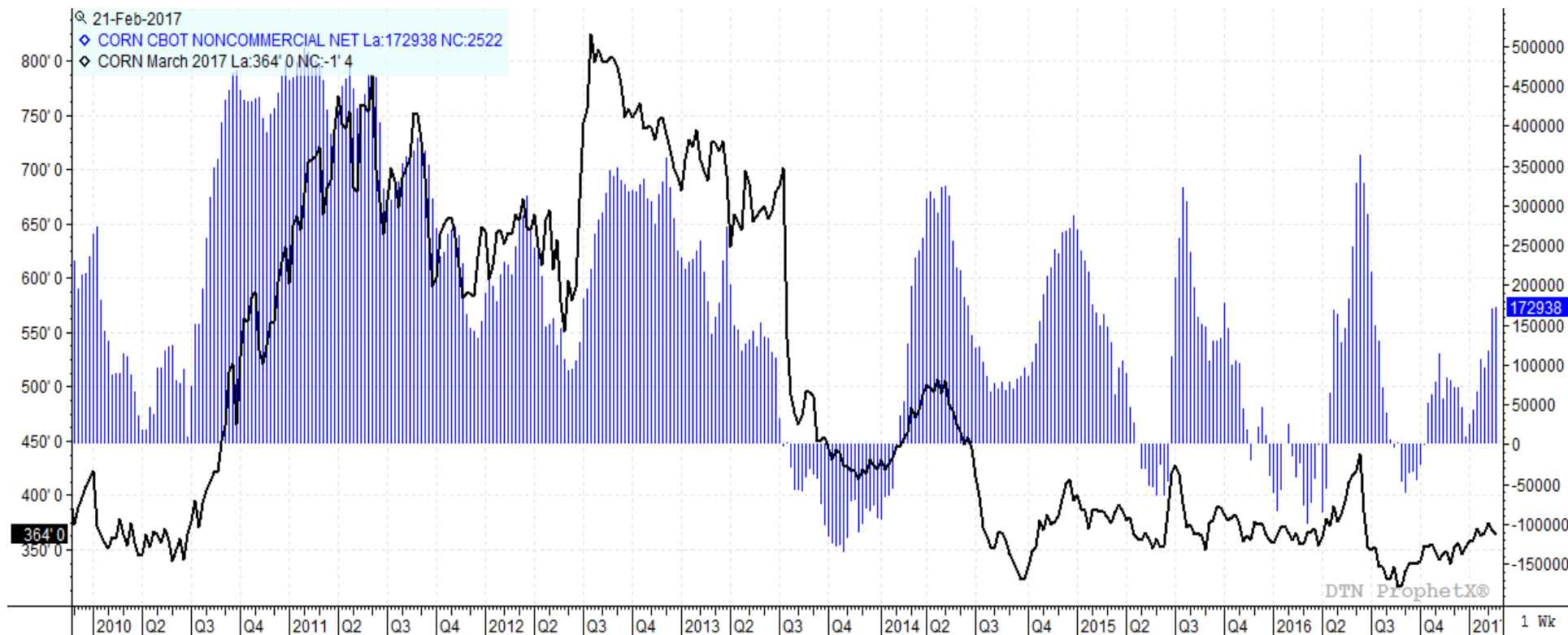
Source: Bloomberg, Rabobank 2017

Corn Price Probabilities (Average Farm Received Price)

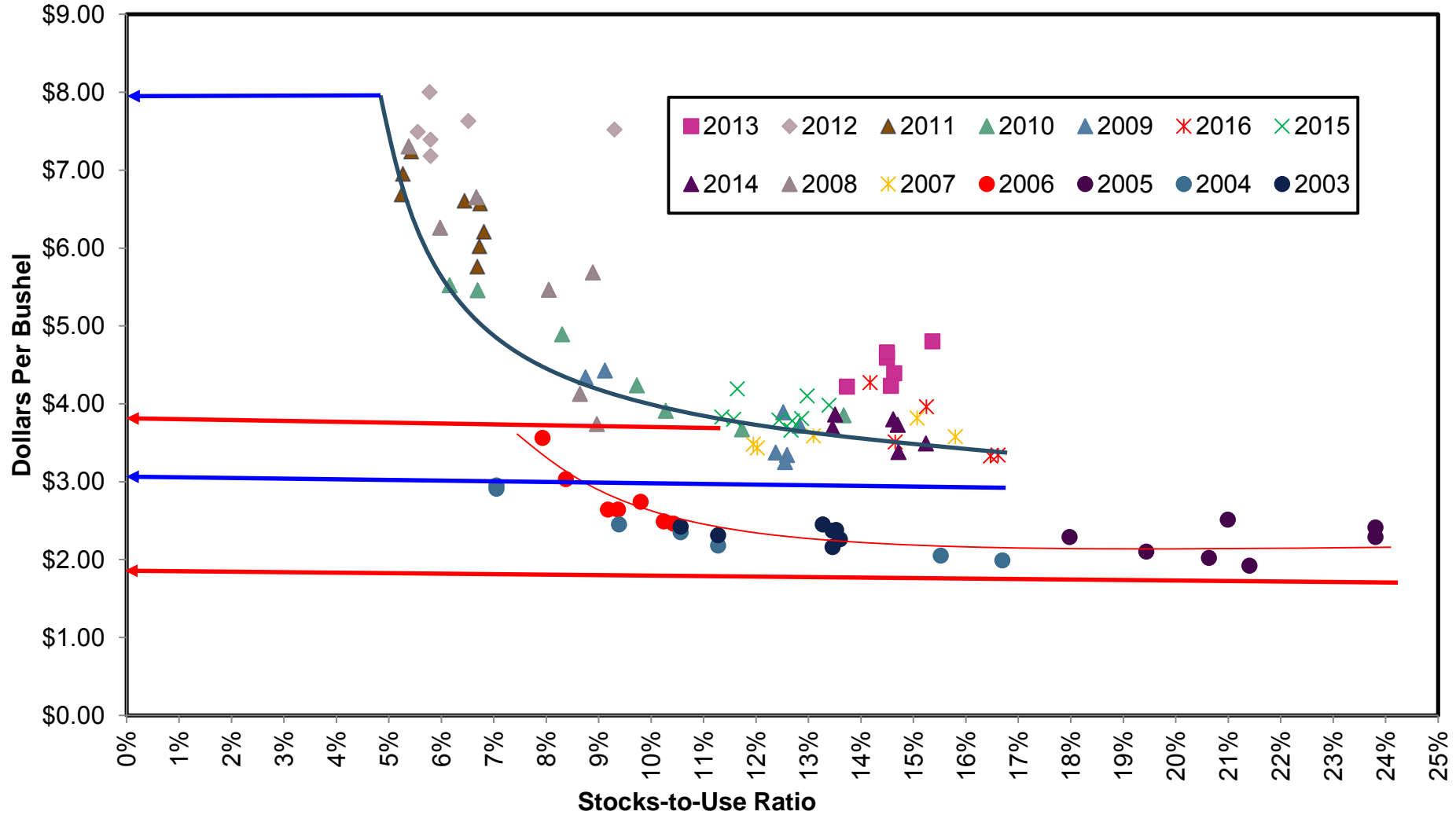


Source: Rabobank 2017

Funds have not been corn market participants



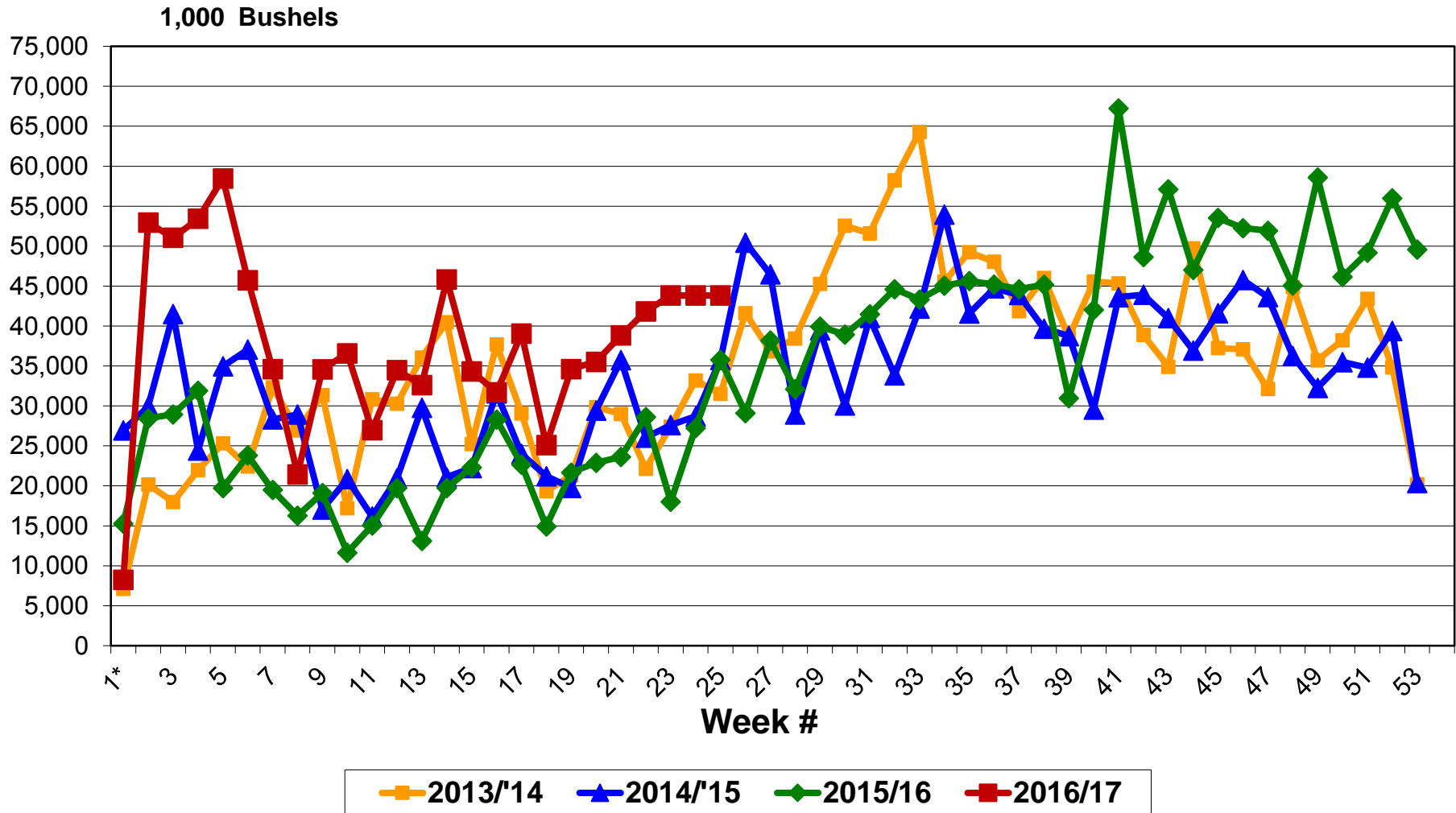
New Levels of Corn Price Volatility Should be Expected



Source: USDA, DTN, Rabobank, 2016/17

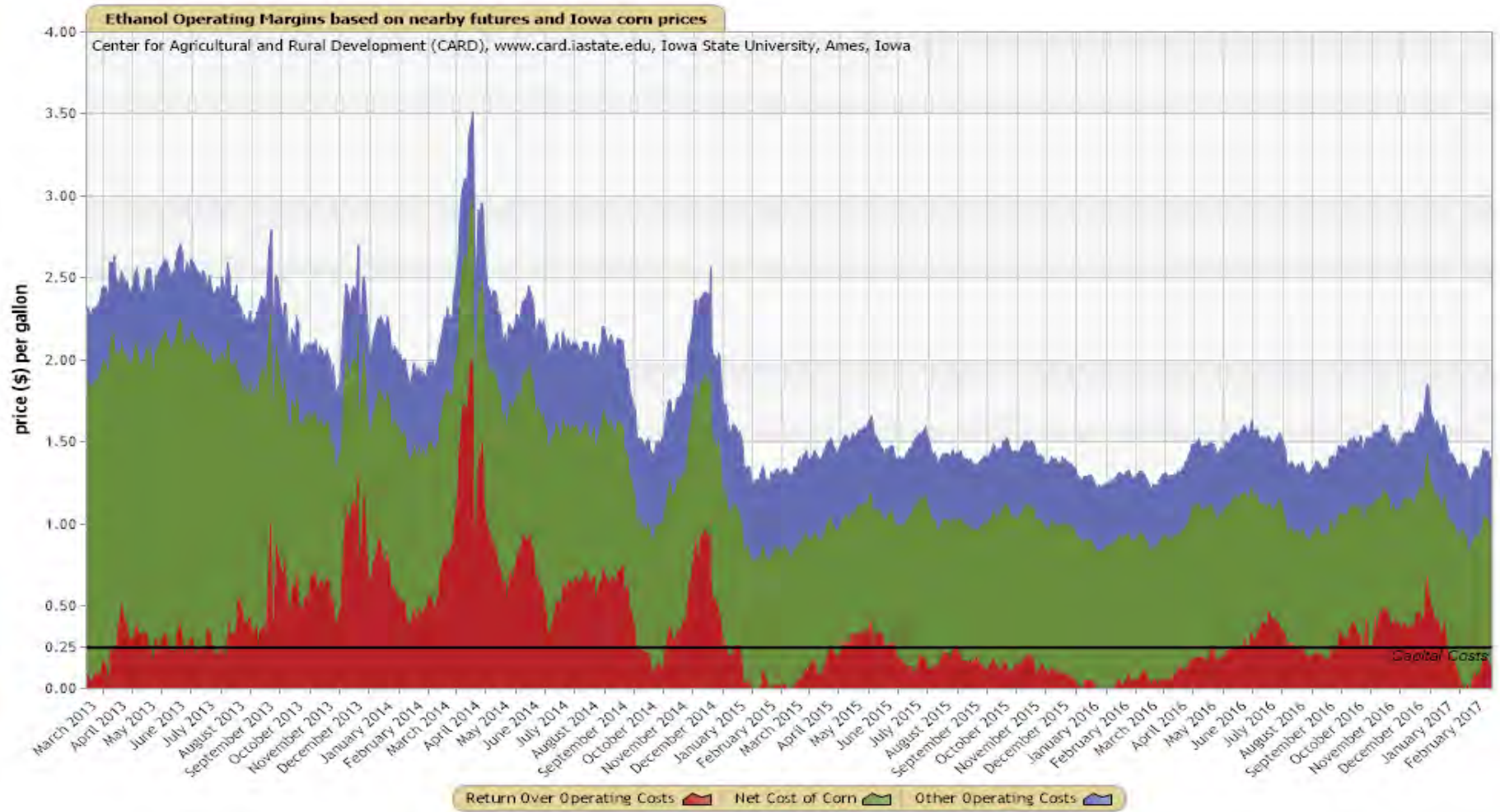
U.S. Corn Export Inspections

Running nearly 73% ahead of last year's pace



Source: USDA/AMS, Rabobank 2017

Ethanol Operating Margins have Rebounded



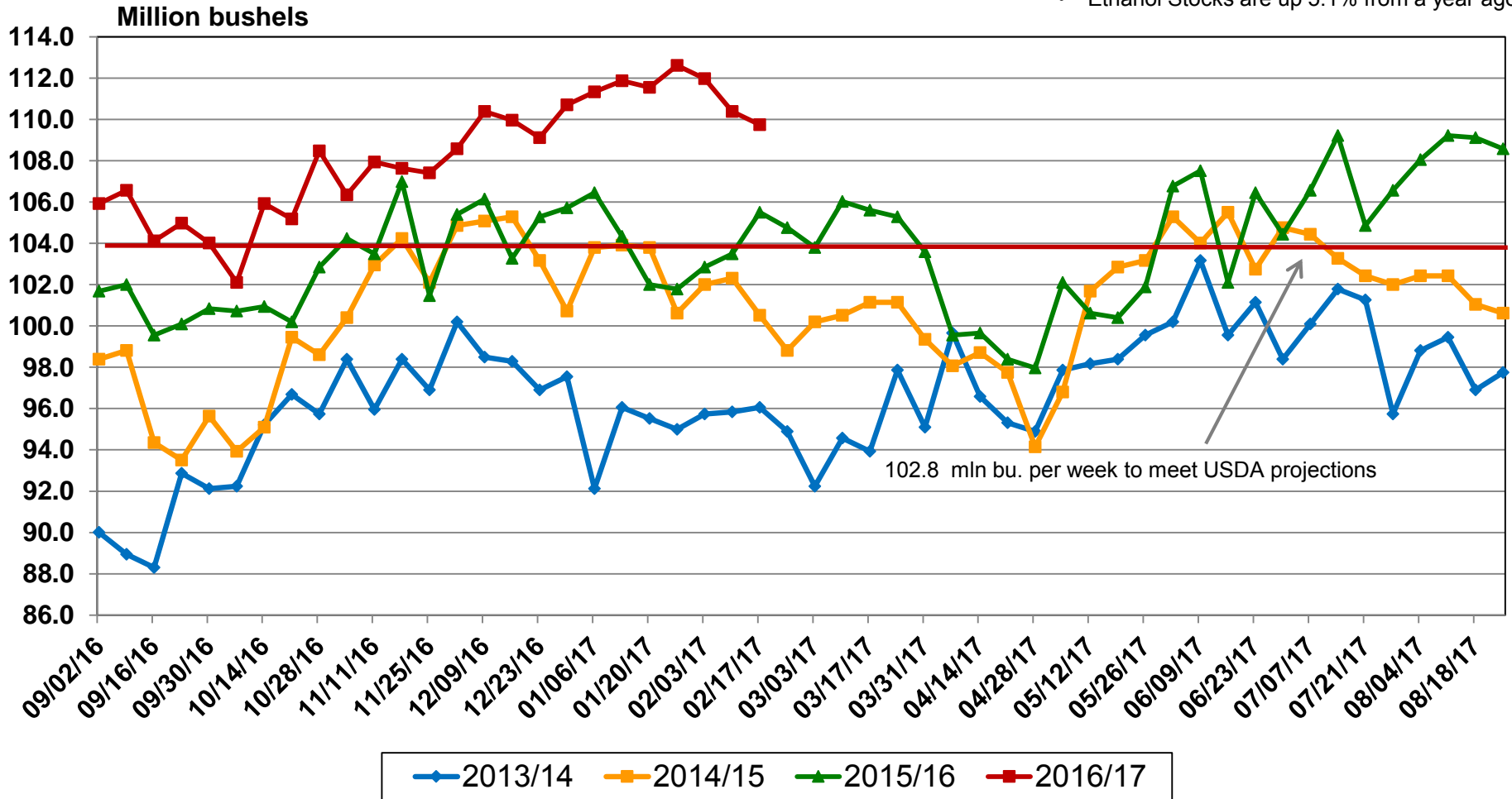
Source: Energy Information Agency , Rabobank 2017

Weekly Corn Usage for Ethanol Production, up nearly 5% Year-To-Date

(Average weekly usage = 108.3 mln bu.)



• Ethanol Stocks are up 5.1% from a year ago.



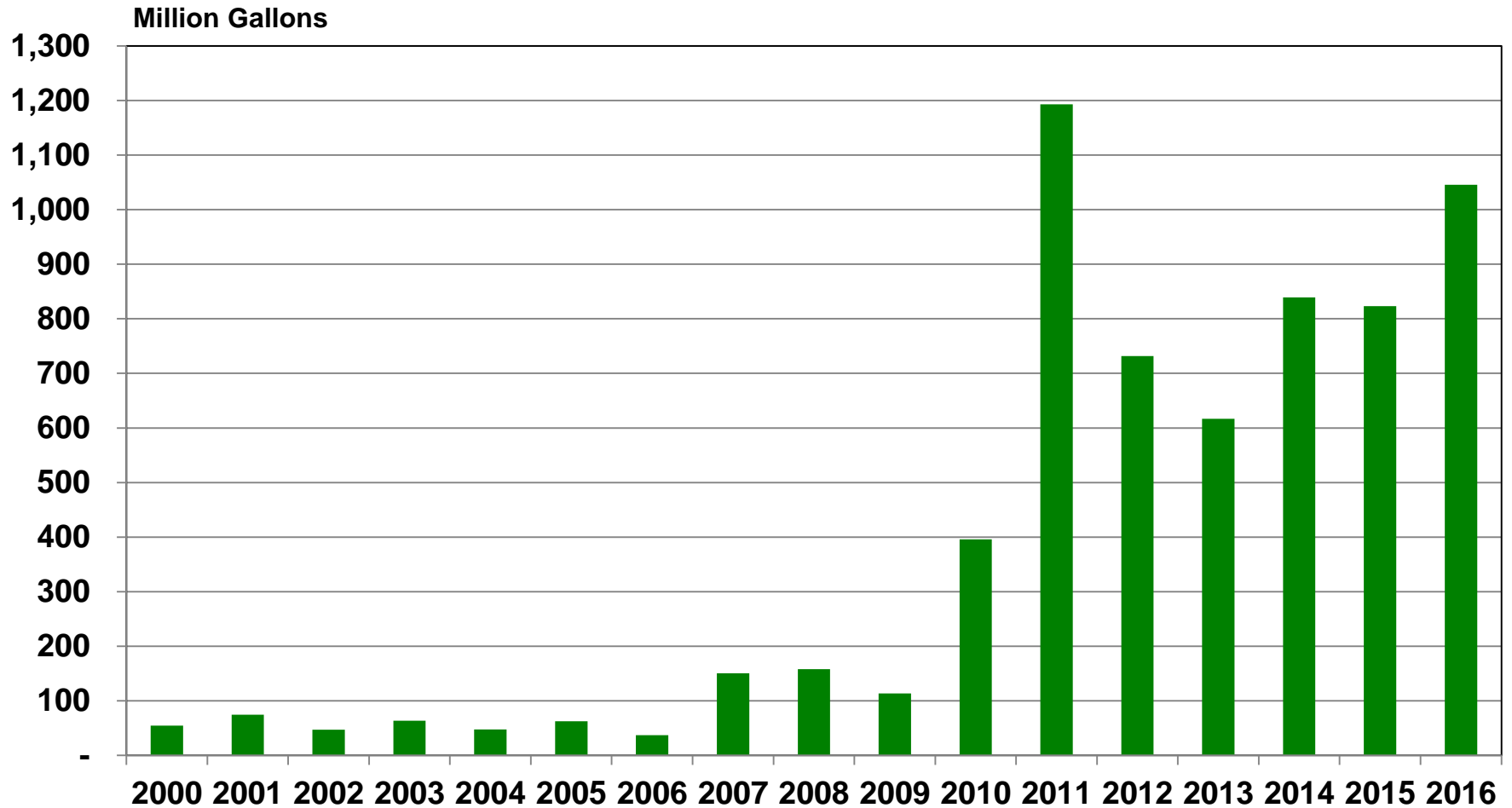
Source: Energy Information Agency , Rabobank 2017

U.S. Ethanol Exports Have Jumped Higher

2016 Exports were 27% ahead of 2015 Total



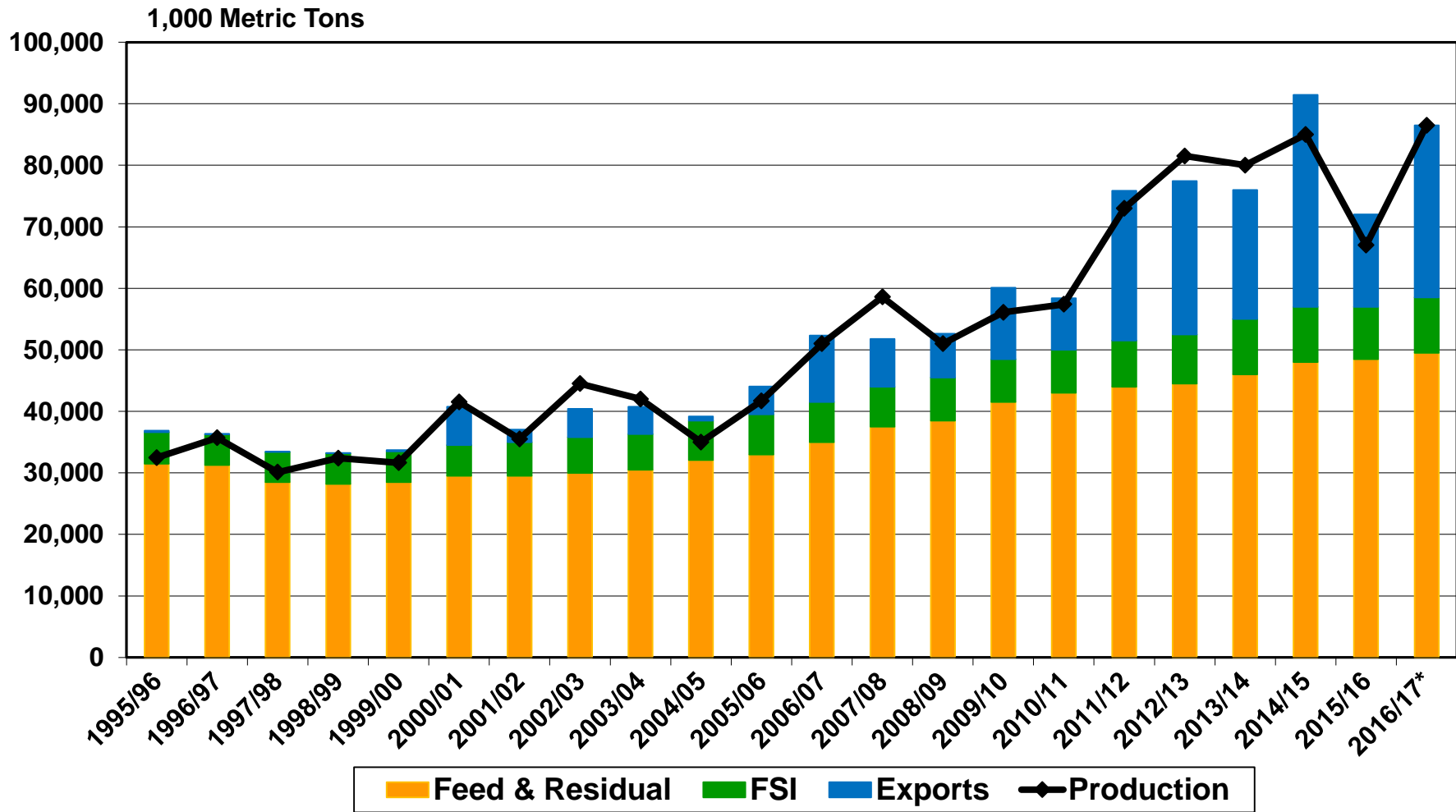
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Source: USDA/FAS, Rabobank 2017

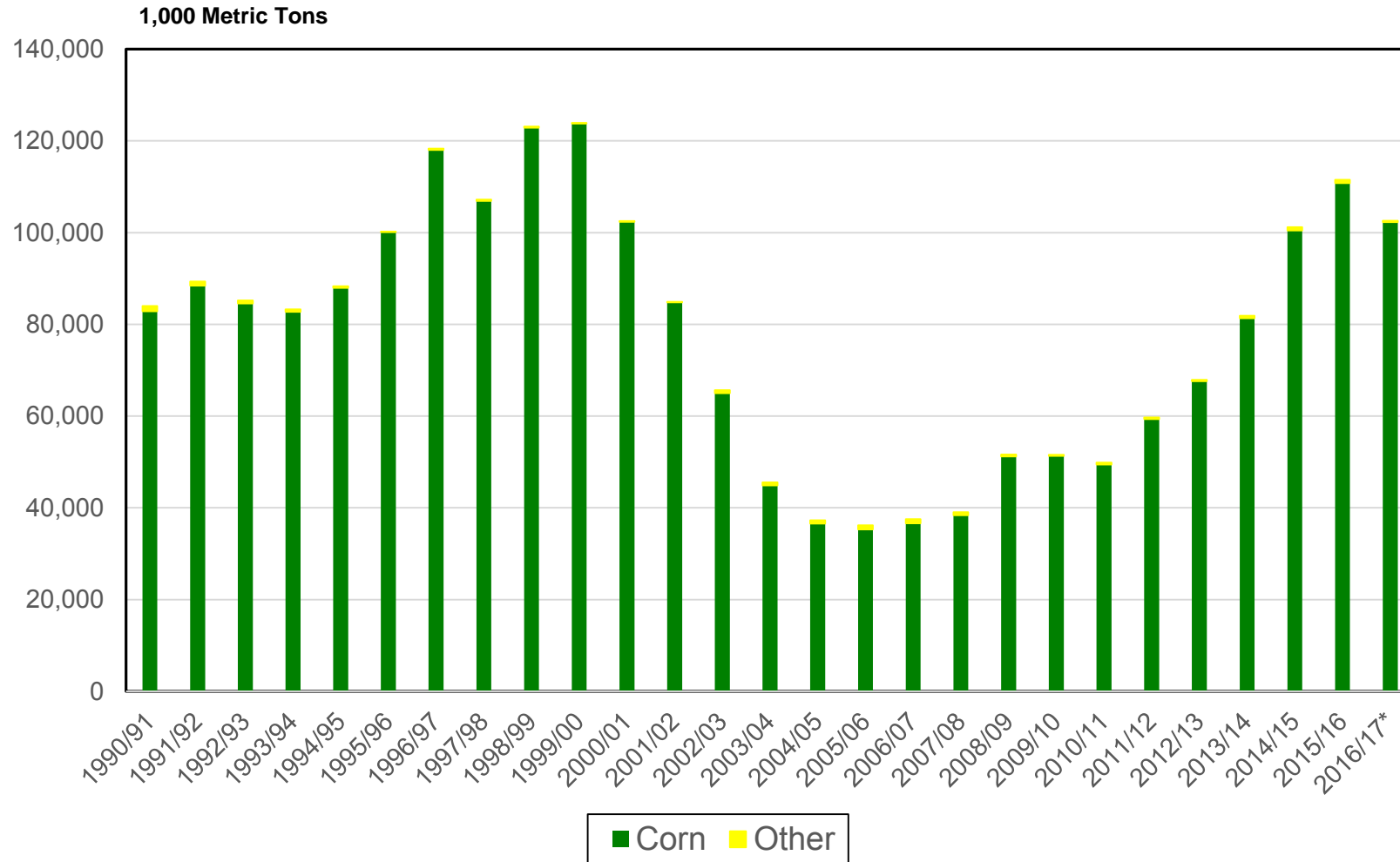
Brazilian Corn Production is expected to rebound in 2017

Planted area up 6%, with projected production up 29% in 2017



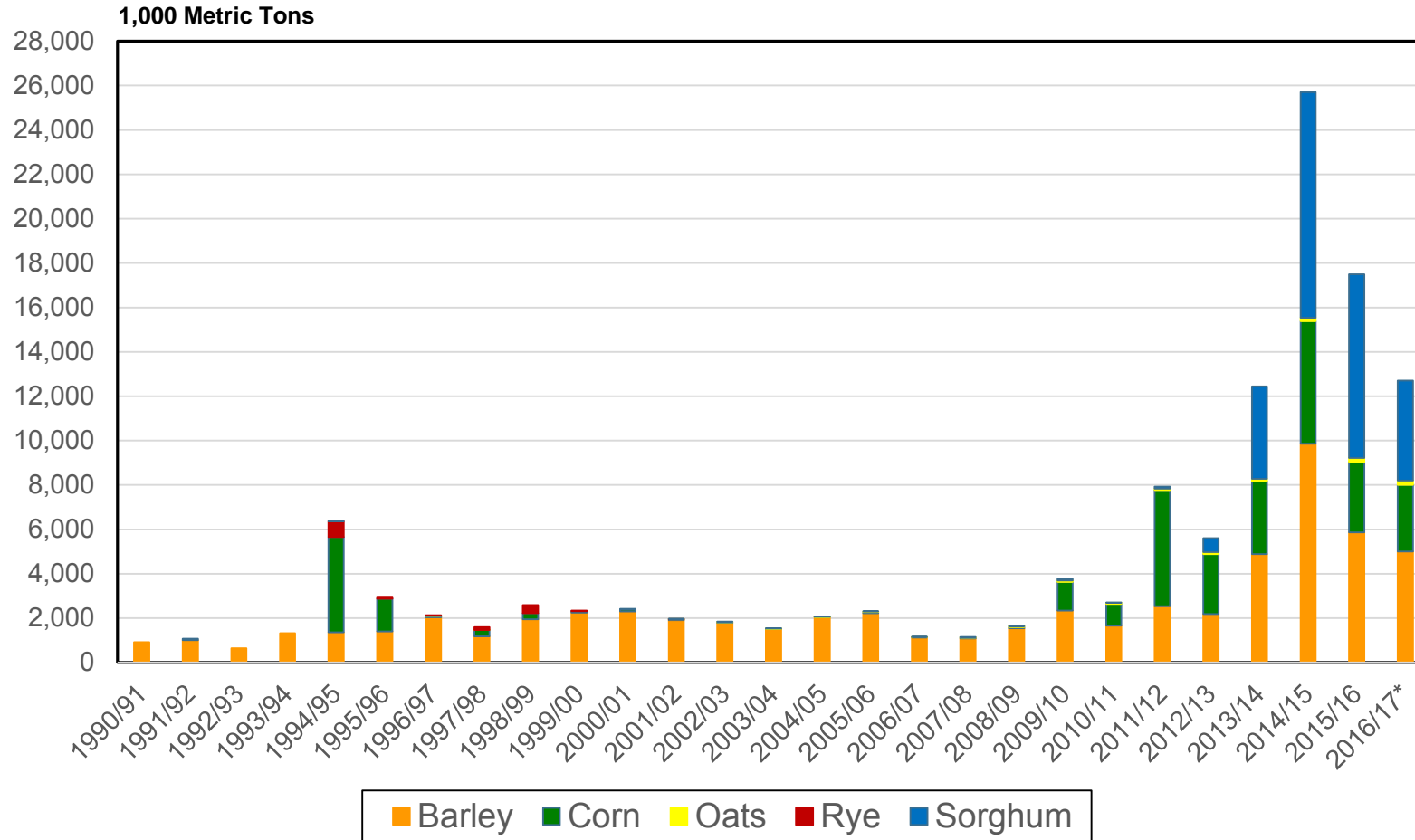
Source: USDA/FAS, Rabobank 2017

Chinese Coarse Grain Stocks—Too Much Feed



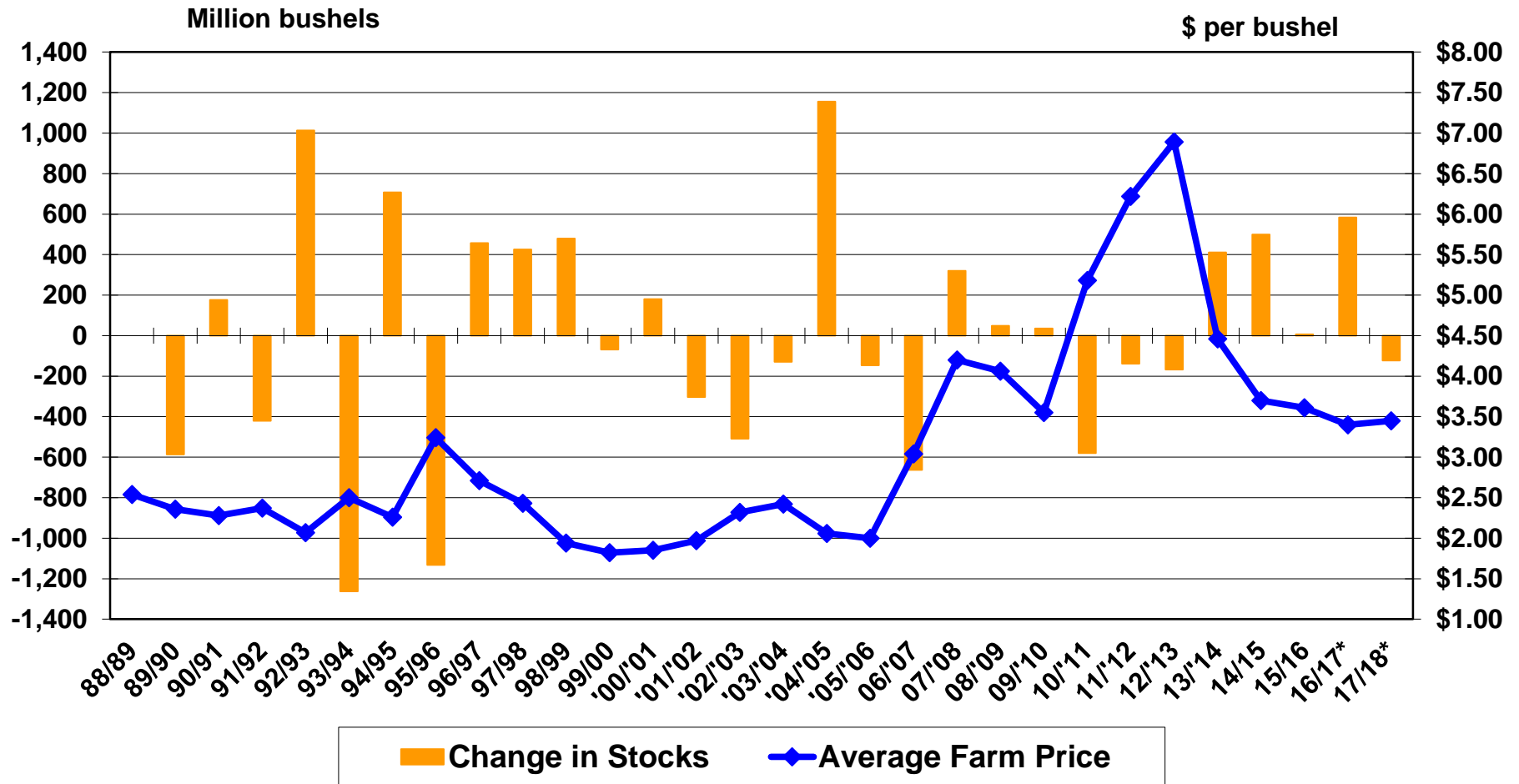
Note: Other include barley, sorghum, millet, oats

Chinese Coarse Grain Imports



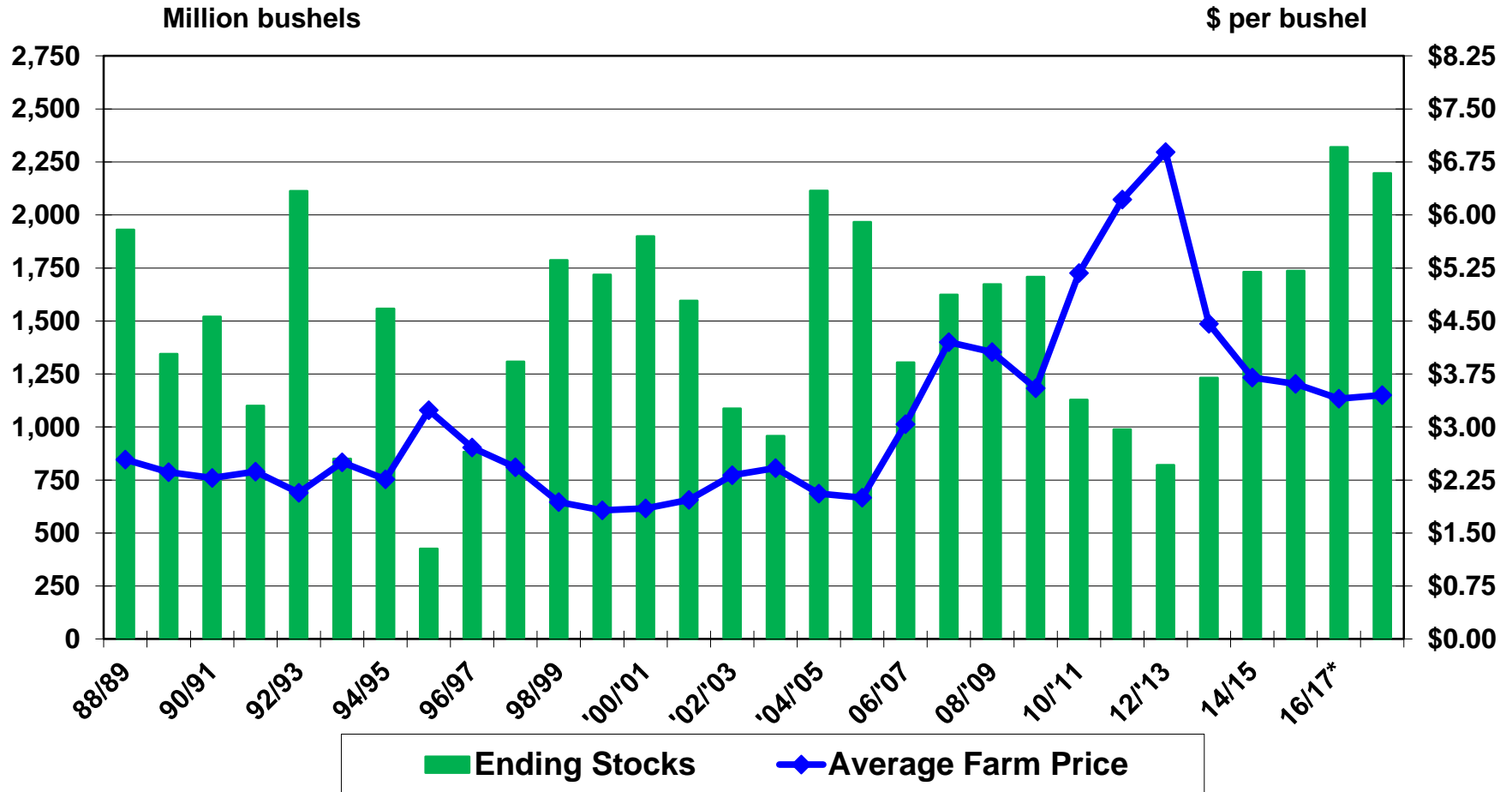
Note: Other include barley, sorghum, millet, oats

Trade Watches Changes in Stocks Levels



* Rabobank Projection

US Corn Ending Stocks at Record Levels



* Rabobank Projection



III. Soybeans



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Soybeans--Bulls and Bears

Bullish Factors

- Continuing expansion of pork and poultry numbers
- Ongoing demand from China

Bearish Factors

- Projected record planted U.S. soybean acres
- Large South American crop expected
- Building global soybean stocks
- Appreciation of U.S. dollar versus competitors
- Soybean meal demand is not up to market expectations
- Stable crush margins
- Increased palm oil production after a down year in 2016

Swing Factors

- U.S. Trade Policies
- RFS
- Three New Plants Announced in U.S.

U.S. Soybean Balance Sheet (million bushels)

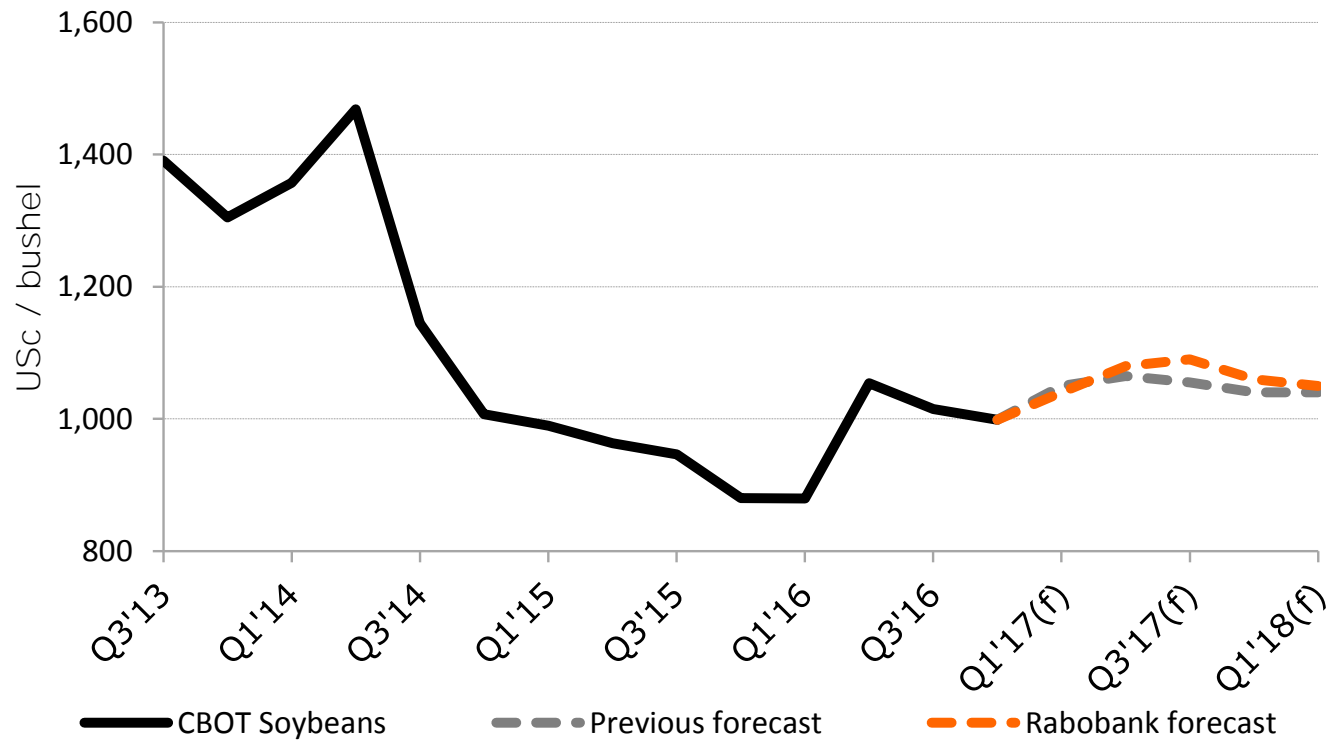


	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	USDA 2016/17*	Rabo 2017/18*
Planted Acres (mln)	77.5	77.4	75.0	77.2	76.8	83.3	82.7	83.4	84.9
Harvested Acres (mln)	76.4	76.6	73.8	76.1	76.3	82.6	81.7	82.7	84.1
Yield (bu./acre)	44.0	43.5	41.9	40.0	44.0	47.5	48.0	52.1	47.8
Supply									
Beginning Stocks (9/1)	138	151	215	169	141	92	191	196	480
Production	3,359	3,329	3,094	3,042	3,358	3,927	3,926	4,307	4,018
Imports	15	14	16	41	72	33	24	25	30
Total Supply	3,512	3,494	3,325	3,252	3,570	4,052	4,141	4,528	4,467
Disappearance									
Crush	1,752	1,648	1,703	1,689	1,734	1,873	1,886	1,930	1,975
Exports	1,499	1,501	1,365	1,317	1,638	1,842	1,936	2,050	2,020
Seed, Feed & Residual	110	130	88	105	107	146	122	128	125
Total Disappearance	3,361	3,279	3,155	3,111	3,478	3,862	3,944	4,109	4,120
Ending Stocks	151	215	169	141	92	191	196	419	348
Stocks-to-Use Ratio (%)	4.5%	6.6%	5.3%	4.5%	2.6%	4.9%	5.0%	10.2%	8.4%
Average Farm Price (\$/bu.)	\$9.59	\$11.30	\$12.50	\$14.40	\$13.00	\$10.10	\$8.95	\$9.50	\$9.60

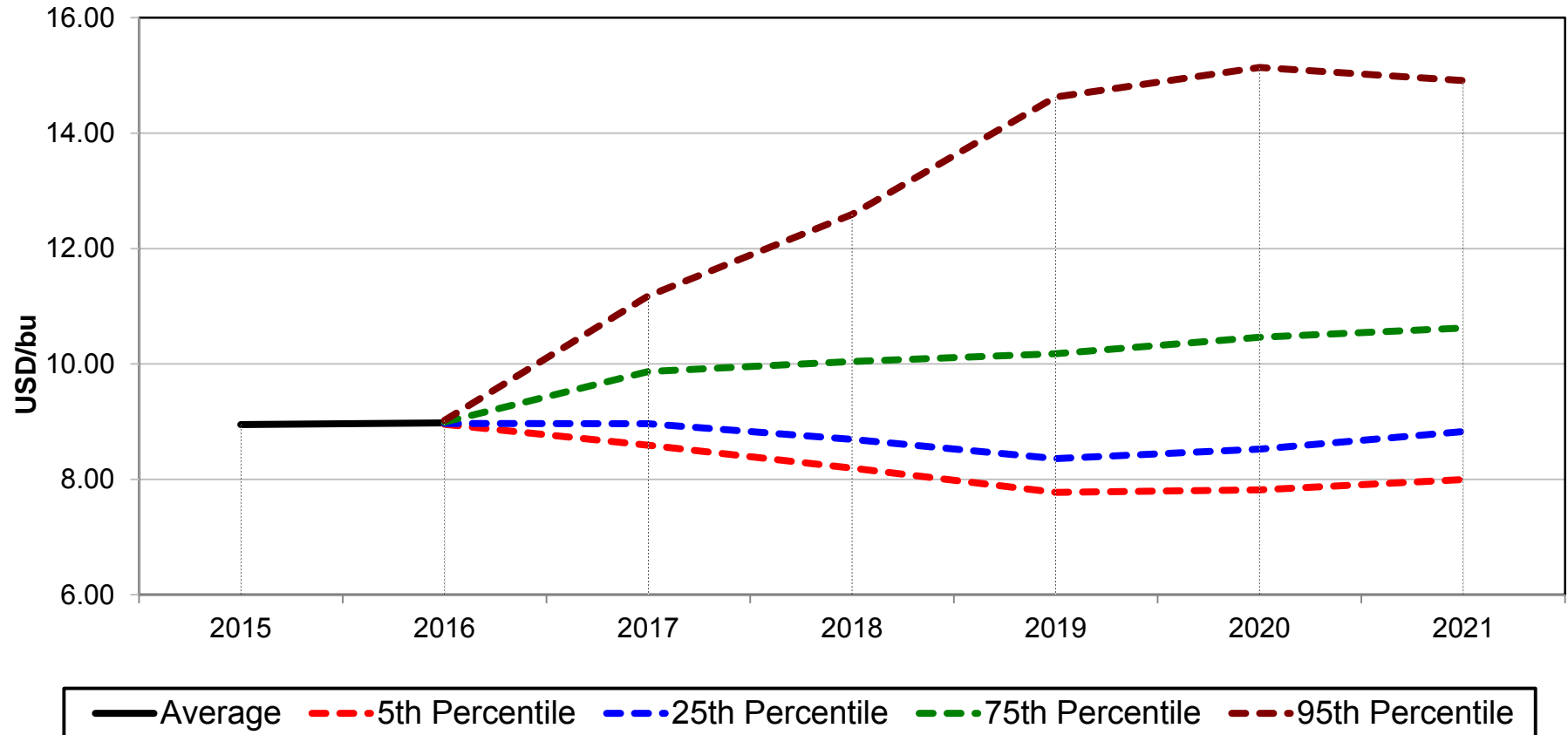
* Projections

Price forecast: CBOT Soybeans

	unit	Q2'16	Q3'16	Q4'16	Q1'17(f)	Q2'17(f)	Q3'17(f)	Q4'17(f)	Q1'18(f)
Soybeans	USc/bu	1,054	1,015	999	1,040	1,080	1,090	1,060	1,050

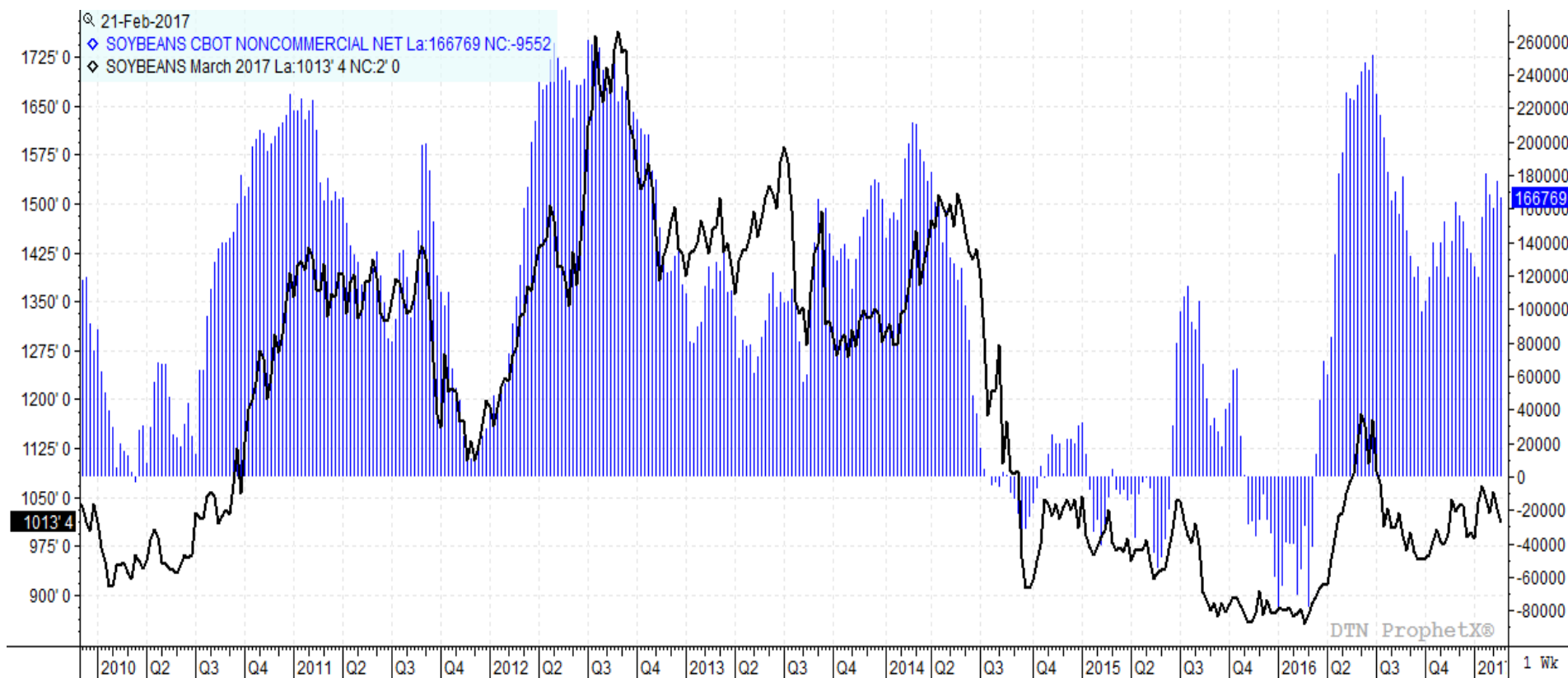


Soybean Price Probabilities (Average Farm Received Price)



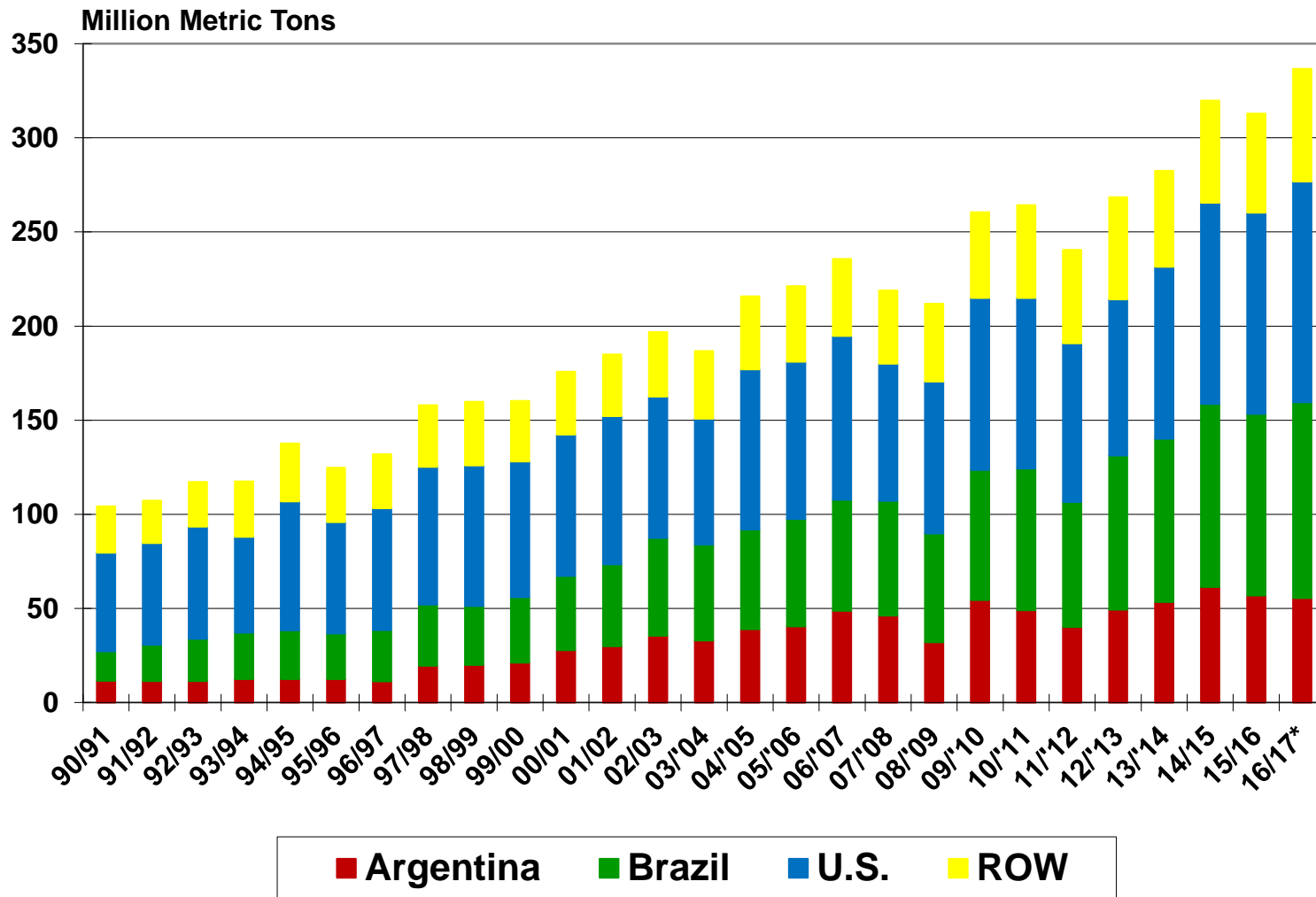
Source: Rabobank 2017

The soybean market has seen good fund investment





World Soybean Production—Ever Increasing



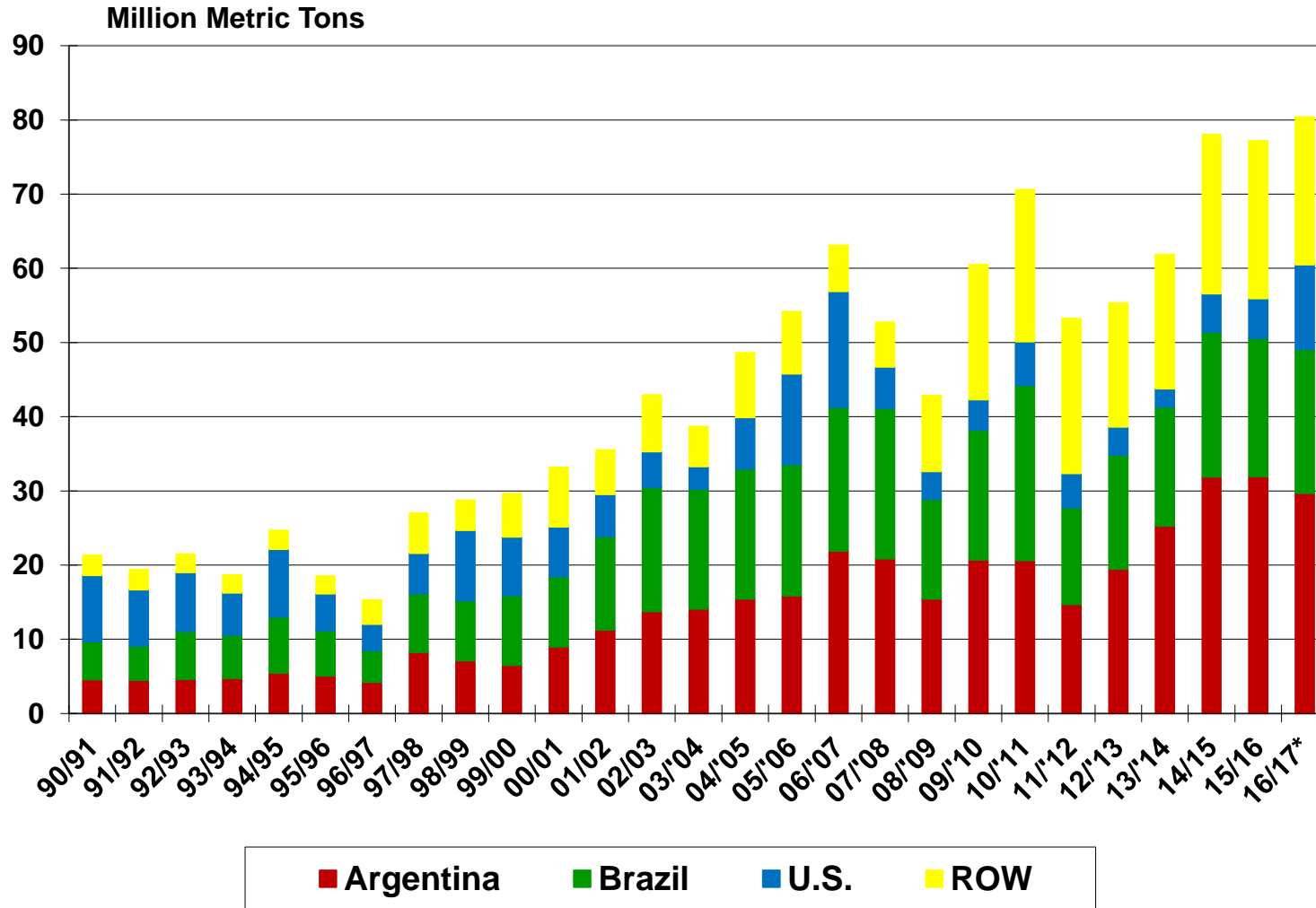
* USDA, Rabobank Projection

World Soybean Stocks Reach Record Levels

The largest increase coming in the U.S.



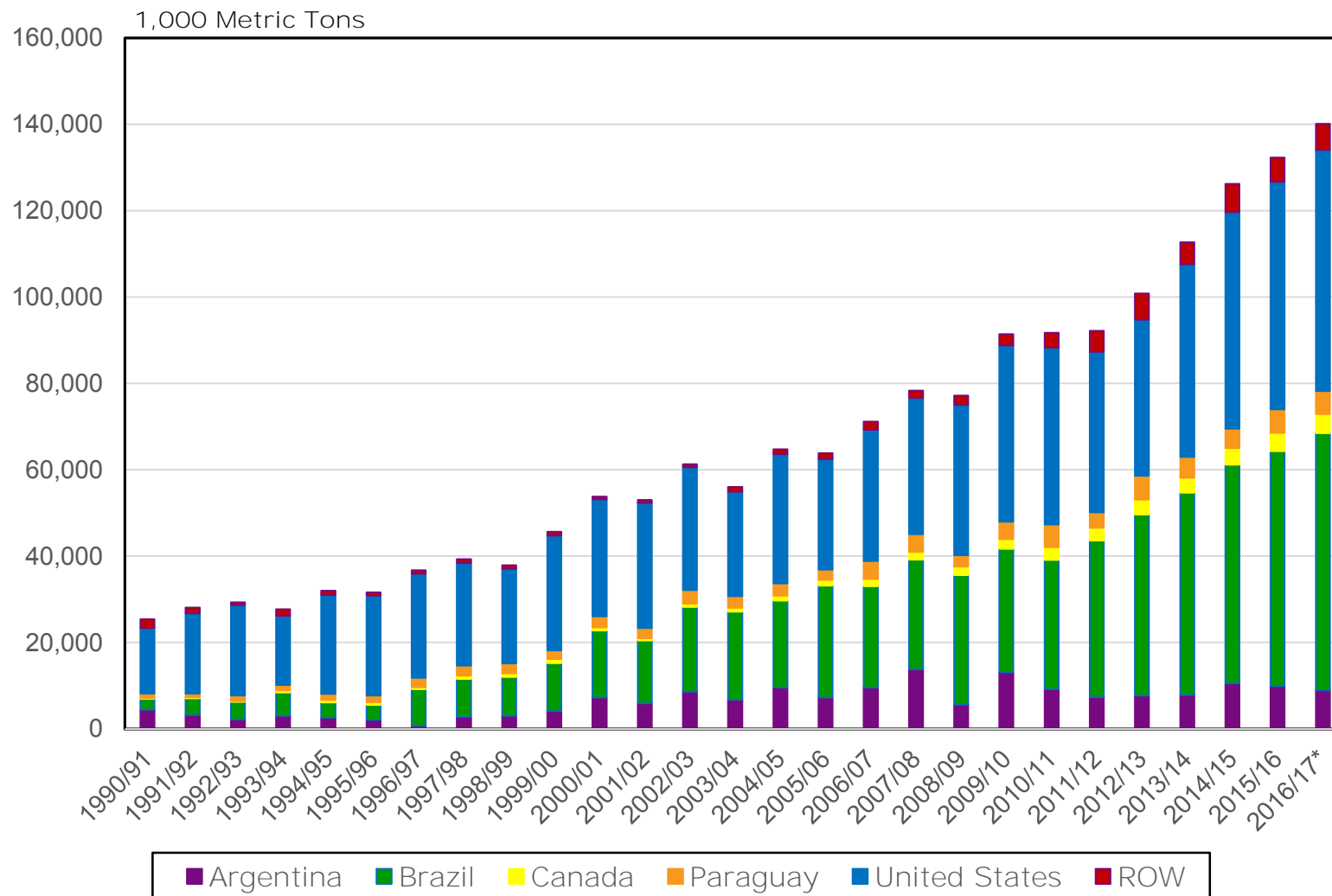
Rabobank



* USDA, Rabobank 2017



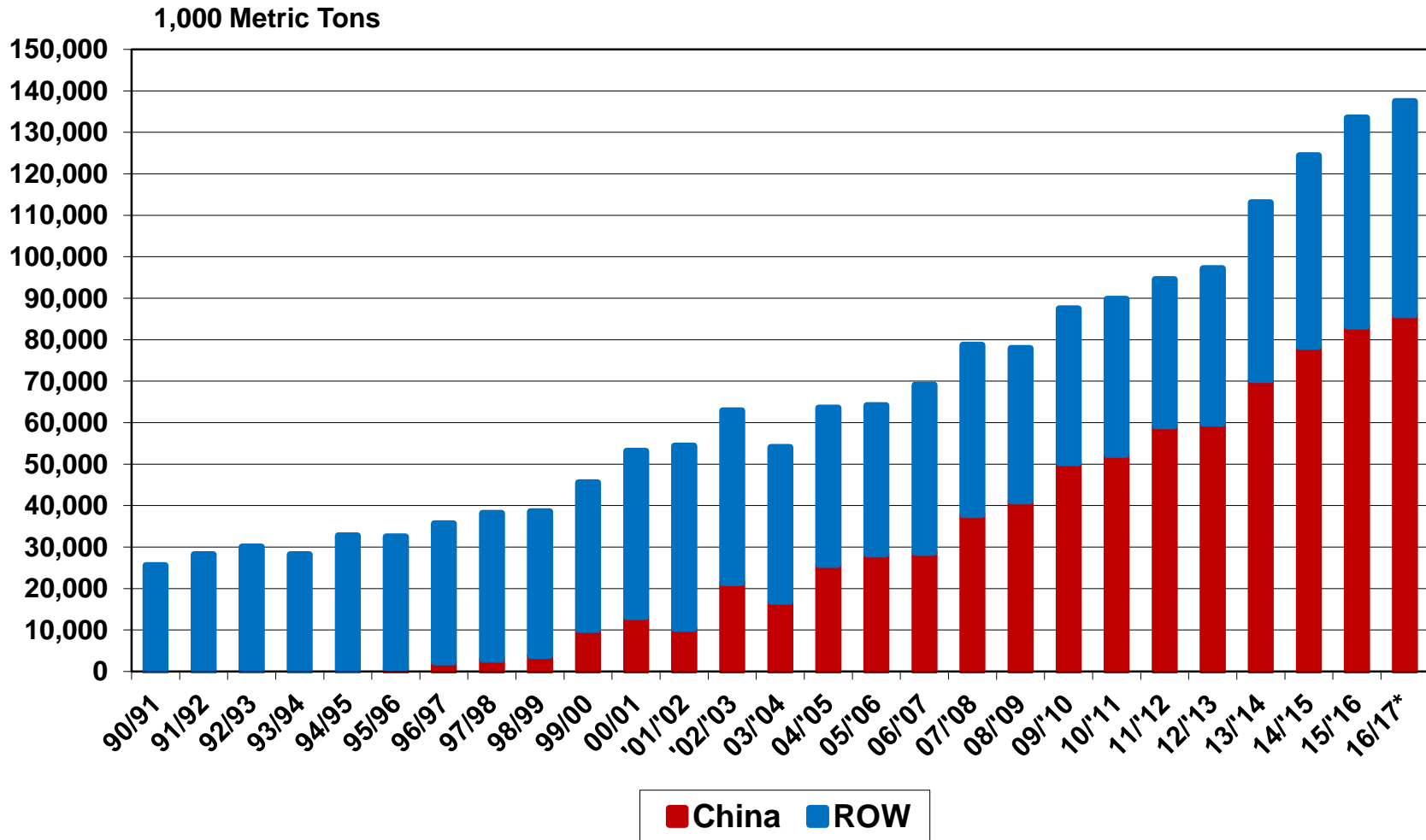
U.S. and Brazil Remain Dominant Soybean Exporters



Source: USDA, Rabobank

World Soybean Imports

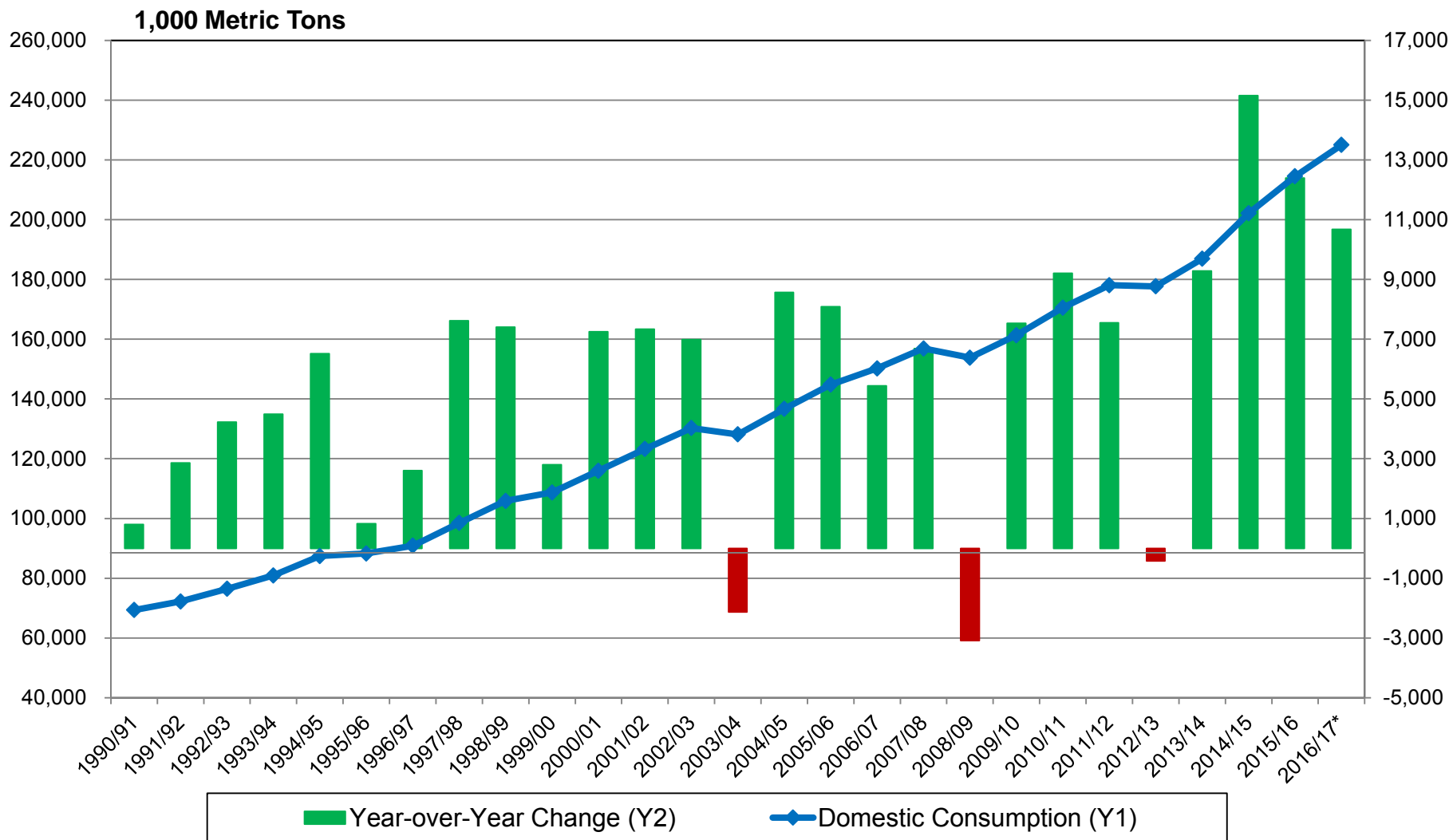
China remains the dominant player--63% of Total Global Soybean Imports



* Projection



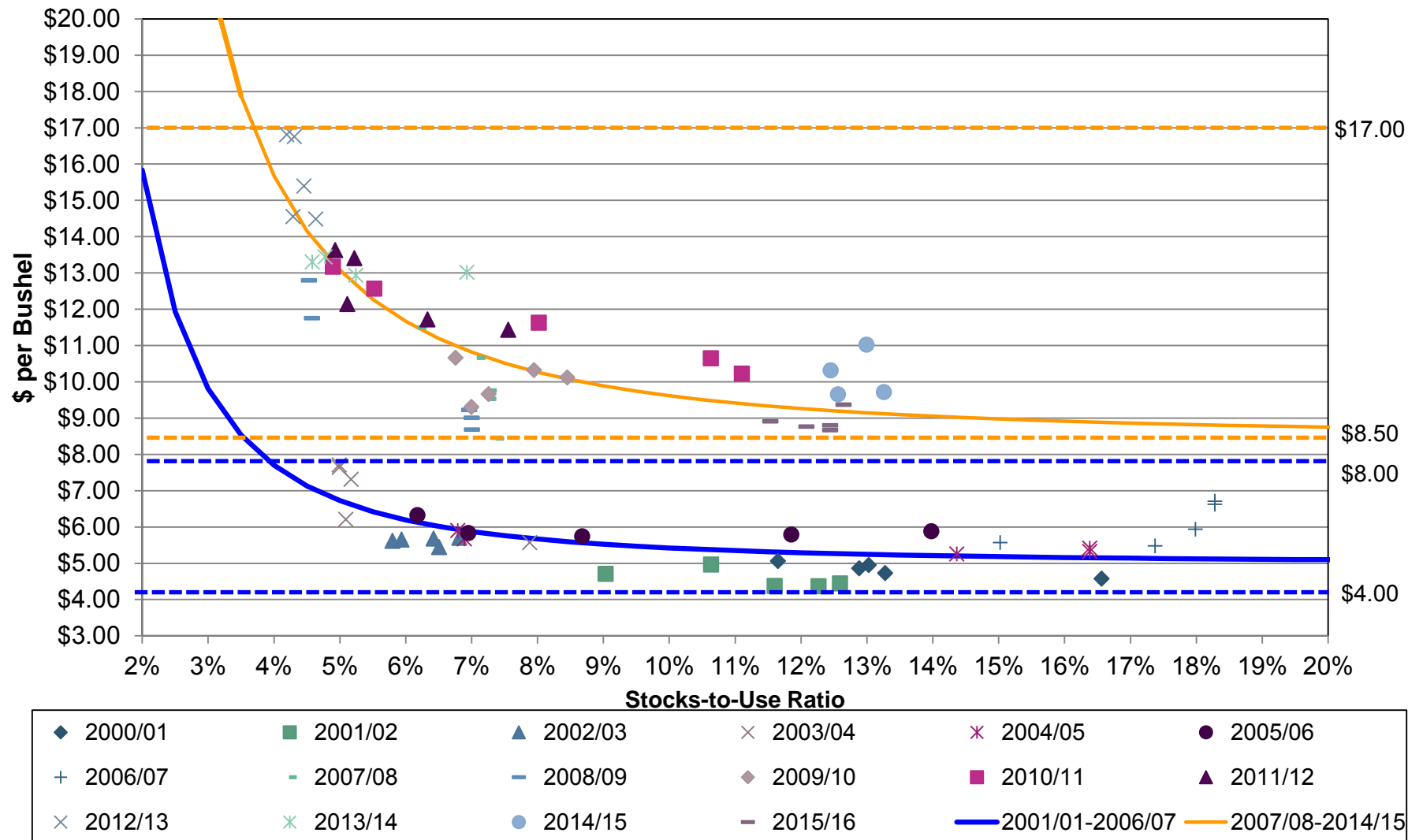
Global Soybean Meal Domestic Consumption Continues to Increase



Source: USDA/FAS and Rabobank

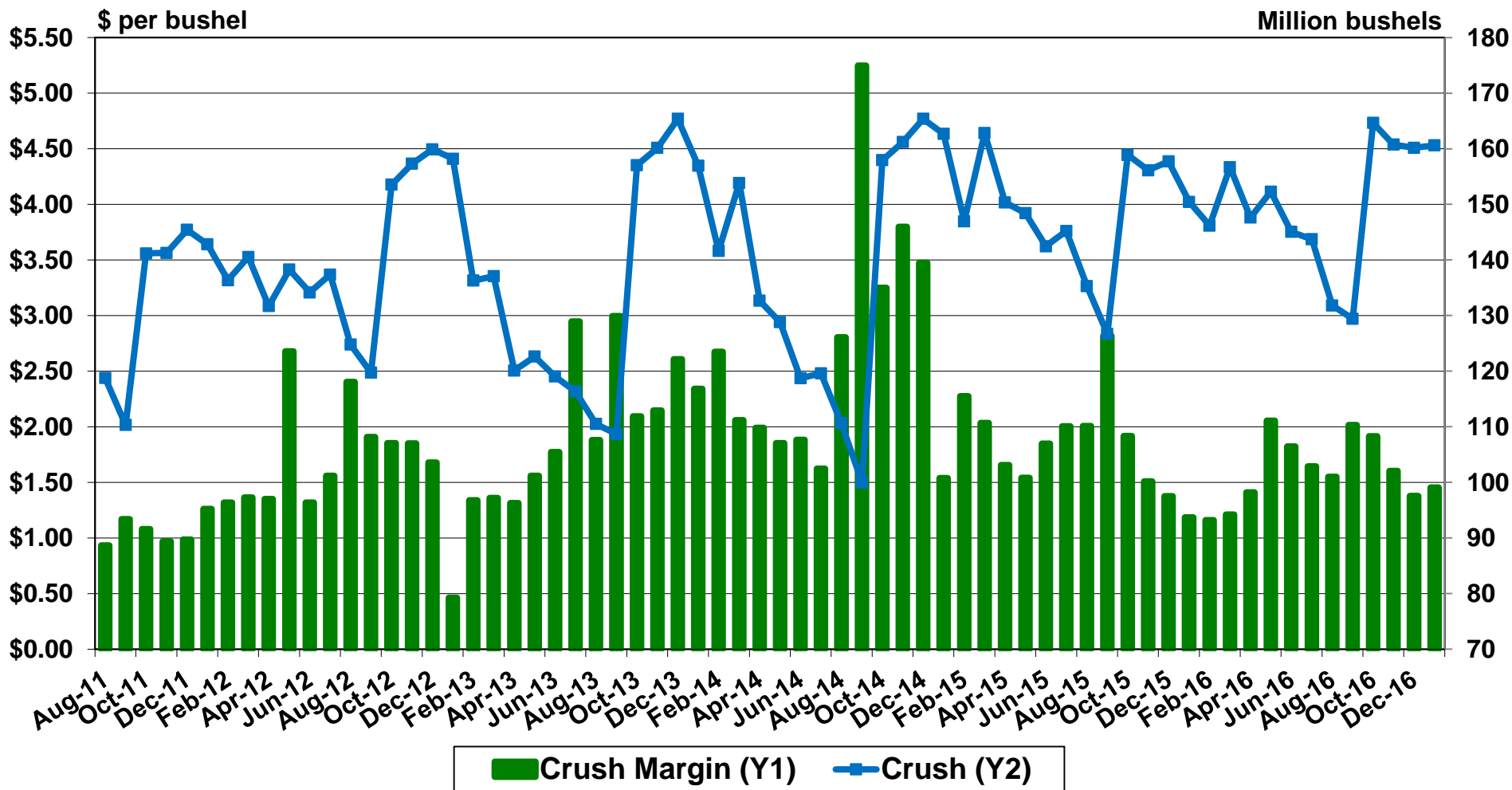


U.S. Soybean Demand Curve has Shifted to Right





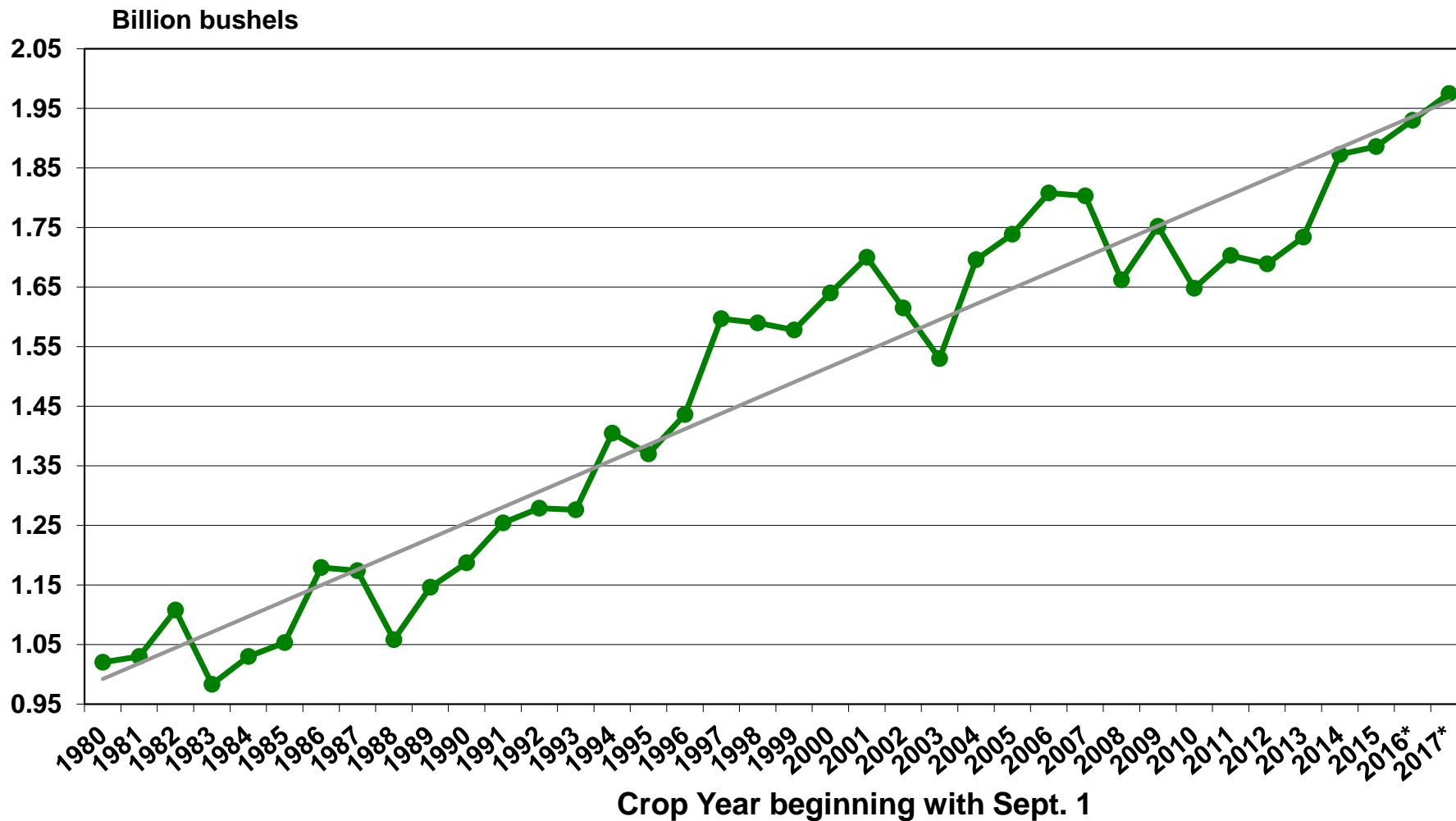
U.S. Crush Margins are Solid Portending Strong Soybean Demand



Source: NOPA, Rabobank 2017

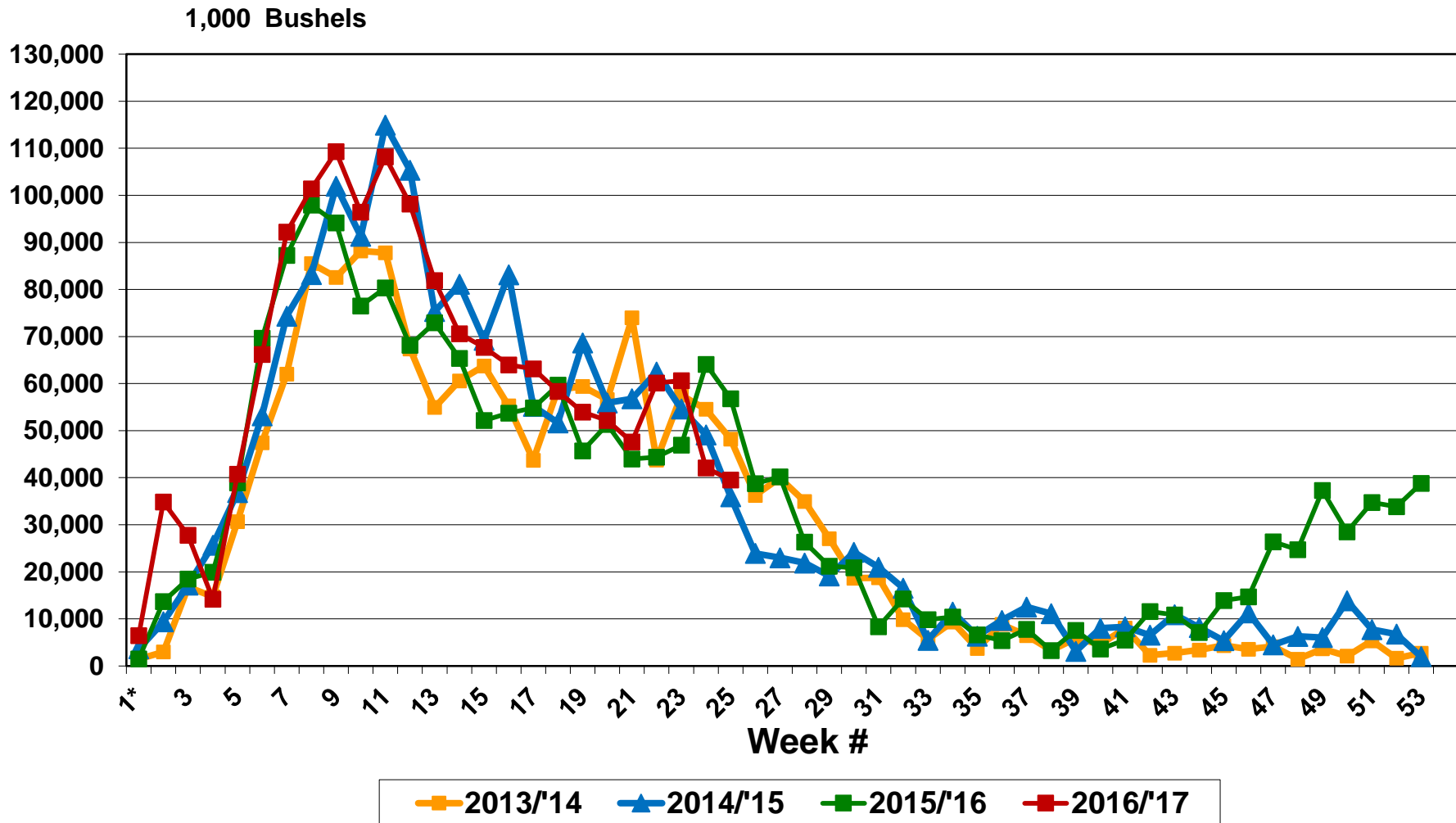


U.S. Soybean Crush Returning to Trend



* Rabobank Projection

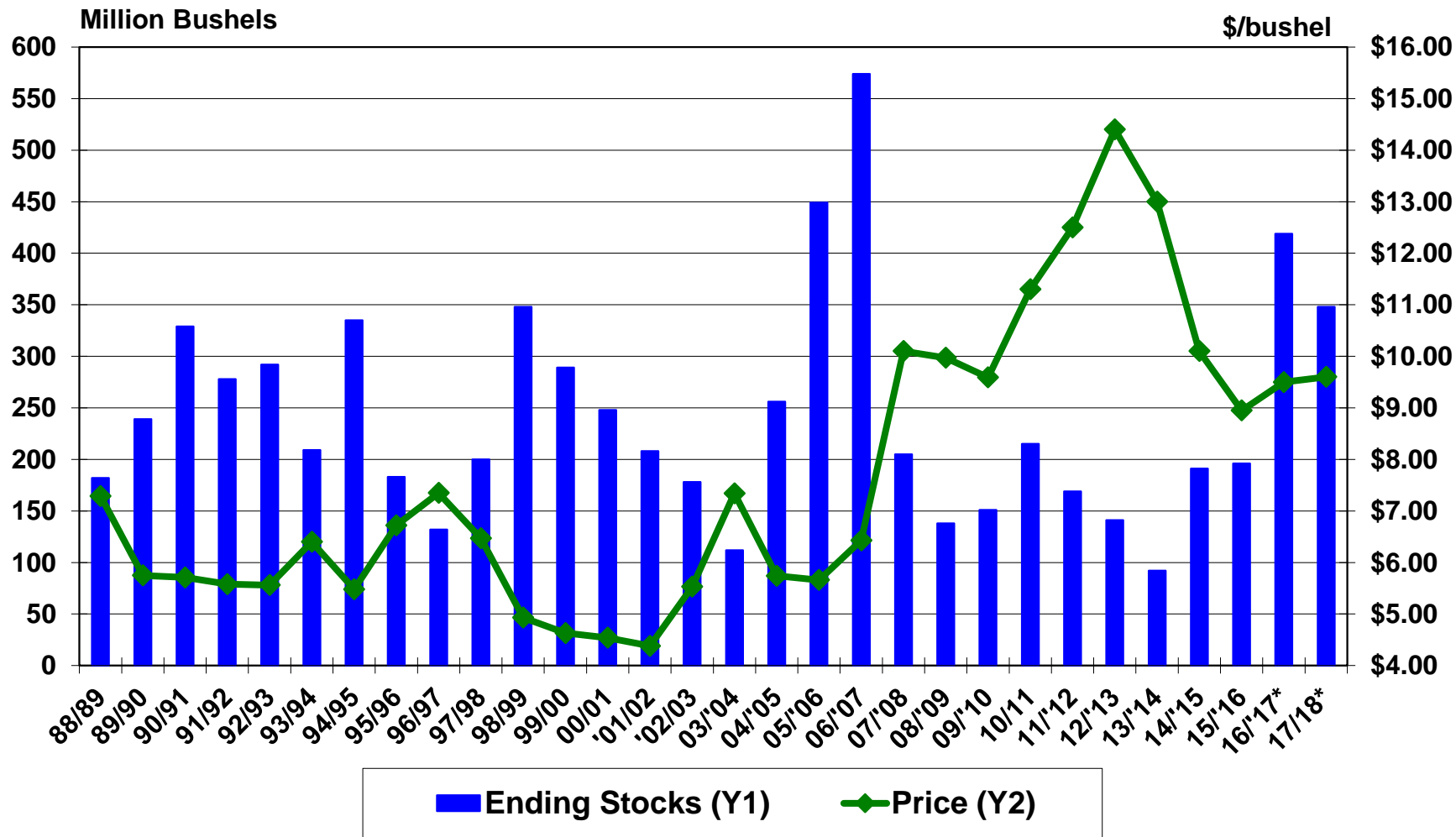
U.S. Soybean Export Inspections are up over 13% versus Last Year's Pace



Source: USDA/AMS, Rabobank 2017



U.S. Soybean Ending Stocks



*Rabobank Projection



IV. Vegetable Oils



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Vegetable Oil--Bulls and Bears

Bullish Factor

- Second consecutive year of declining stocks global stocks of vegetable oils
- Lowest Malaysian palm oil stocks since 2011
- Funds have been holding long positions
- Strong biodiesel production up to the end of 2016.
- Soybean oil the most available vegetable oil

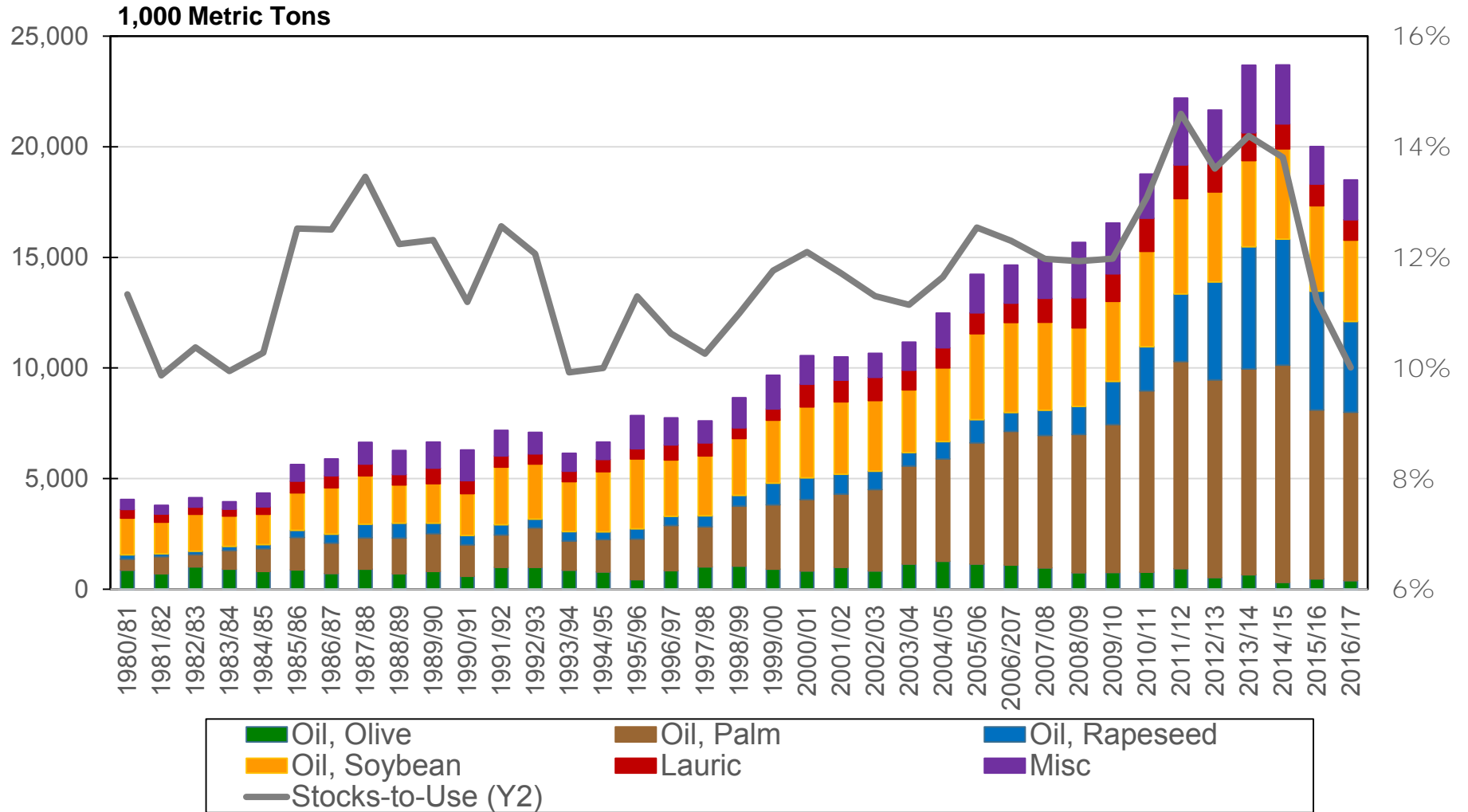
Bearish Factors

- Increasing available of competitive vegetable oils, e.g. canola oil
- Expiration of biodiesel blender's tax credit
- Strong crush have keep supplies plentiful

Swing Factors

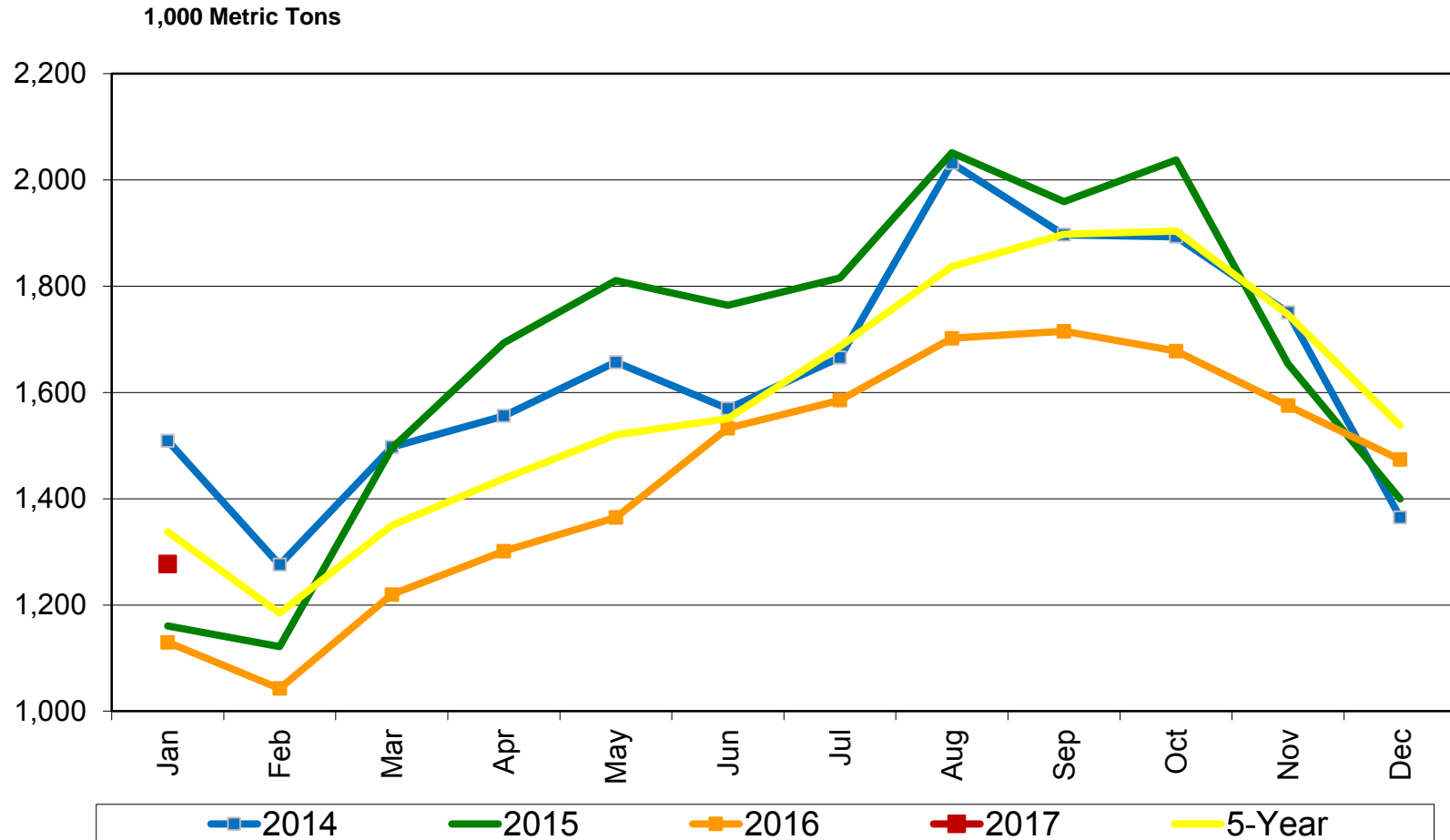
- *Crude oil prices*
- *Fate of RFS*

Lowest Global Vegetables Stocks since 2009/10 and Lowest Stocks-to-Use Ratio since 1993/94



Malaysia Palm Oil Production

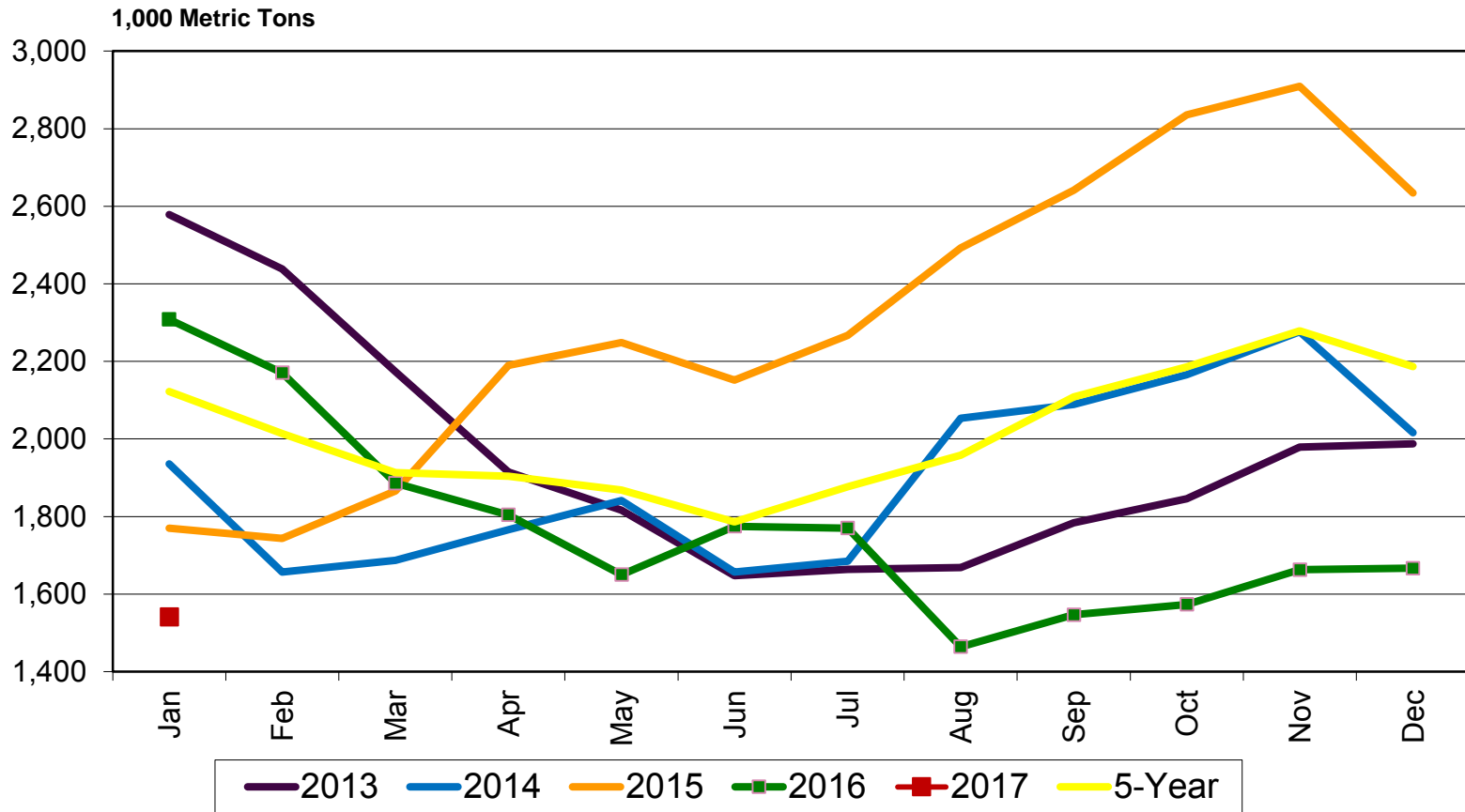
Production won't build-up until this fall



Source: MPOB, Rabobank 2017

Malaysia Palm Oil Stocks—Lowest since 2011

Low Stocks will Dampen Production Ramp-up



* Source: MPOB, Rabobank 2017

U.S. Soybean Oil Balance Sheet (million pounds)

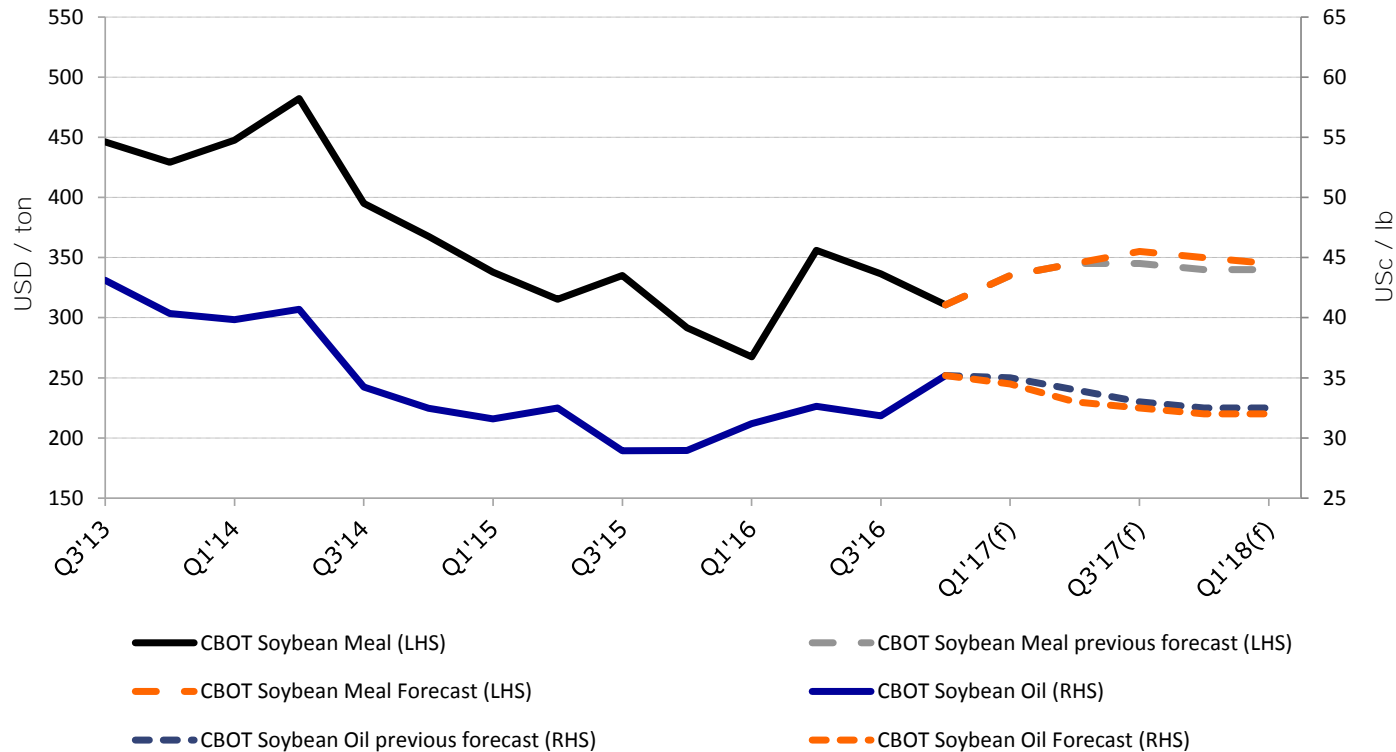


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	USDA 2016/17	Rabo 2017/18
Supply								
Beginning Stocks (10/1)	3,406	2,676	2,591	1,657	1,165	1,855	1,687	1,677
Production	18,888	19,740	19,820	20,130	21,399	21,950	22,390	22,771
Total Supply	22,453	22,565	22,606	21,952	22,828	24,093	24,377	24,687
Disappearance								
Domestic Use	16,544	18,510	18,787	18,908	18,959	20,166	20,550	20,665
<i>Biodiesel</i>	<i>2,737</i>	<i>4,874</i>	<i>4,689</i>	<i>5,010</i>	<i>5,039</i>	<i>5,670</i>	<i>6,200</i>	<i>5,954</i>
Exports	3,233	1,464	2,163	1,877	2,014	2,240	2,150	2,342
Total Disappearance	19,777	19,974	20,949	20,785	20,973	22,406	22,700	23,007
Ending Stocks	2,676	2,591	1,657	1,165	1,855	1,687	1,677	1,680
Stocks-to-Use Ratio (%)	13.5%	12.9%	7.9%	5.6%	8.8%	7.5%	7.4%	7.3%
Price-Decatur (cents/lb.)	53.20	51.90	47.13	38.23	31.60	29.86	34.00- 37.00	31.00- 36.00
Crush (mln bushels)	1,625	1,703	1,680	1,725	1,903	1,890	1,930	1,970
Yield (lbs. per bu.)	11.62	11.59	11.80	11.67	11.24	11.61	11.60	11.56

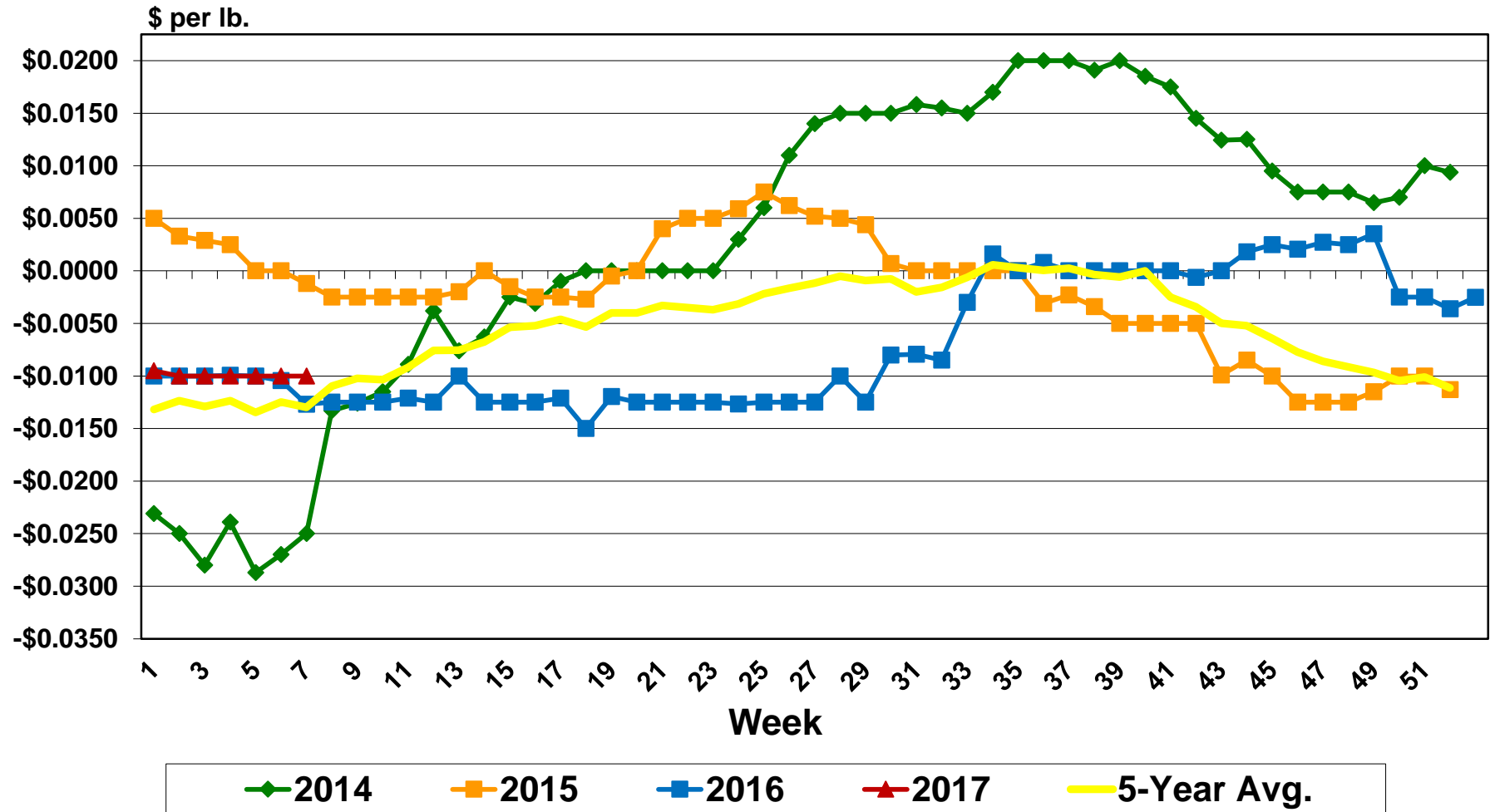
Price forecast: CBOT Soybean Products



	Unit	Q2'16	Q3'16	Q4'16	Q1'17(f)	Q2'17(f)	Q3'17(f)	Q4'17(f)	Q1'18(f)
Soy oil	USc/lb	32.6	31.8	35.2	34.5	33.0	32.5	32.0	32.0
Soymeal	USD/tn	356	337	311	335	345	355	350	345

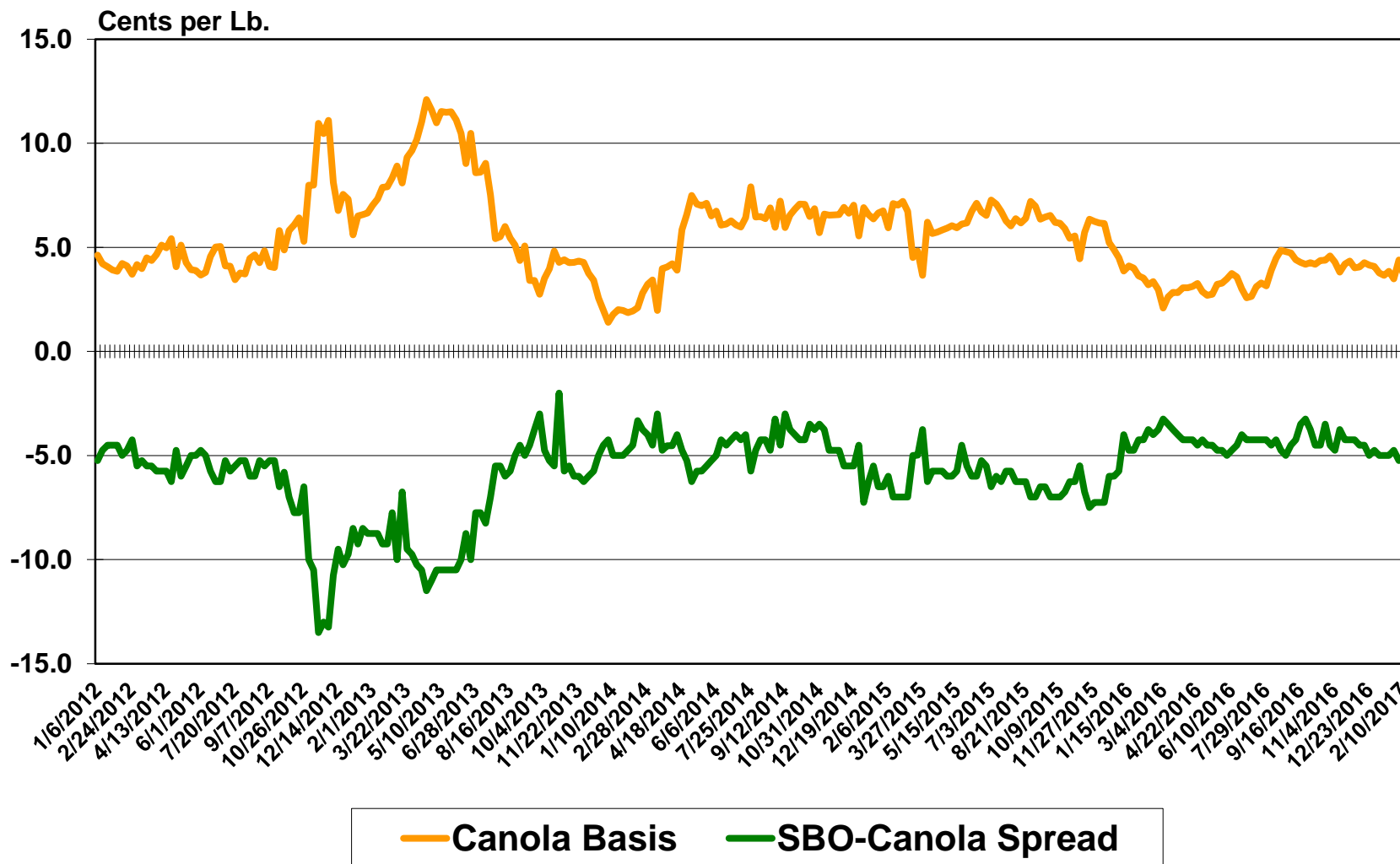


U.S. Soybean Oil Basis---Central Illinois





Canola Oil Basis and Premium to Soybean Oil has Stabilized

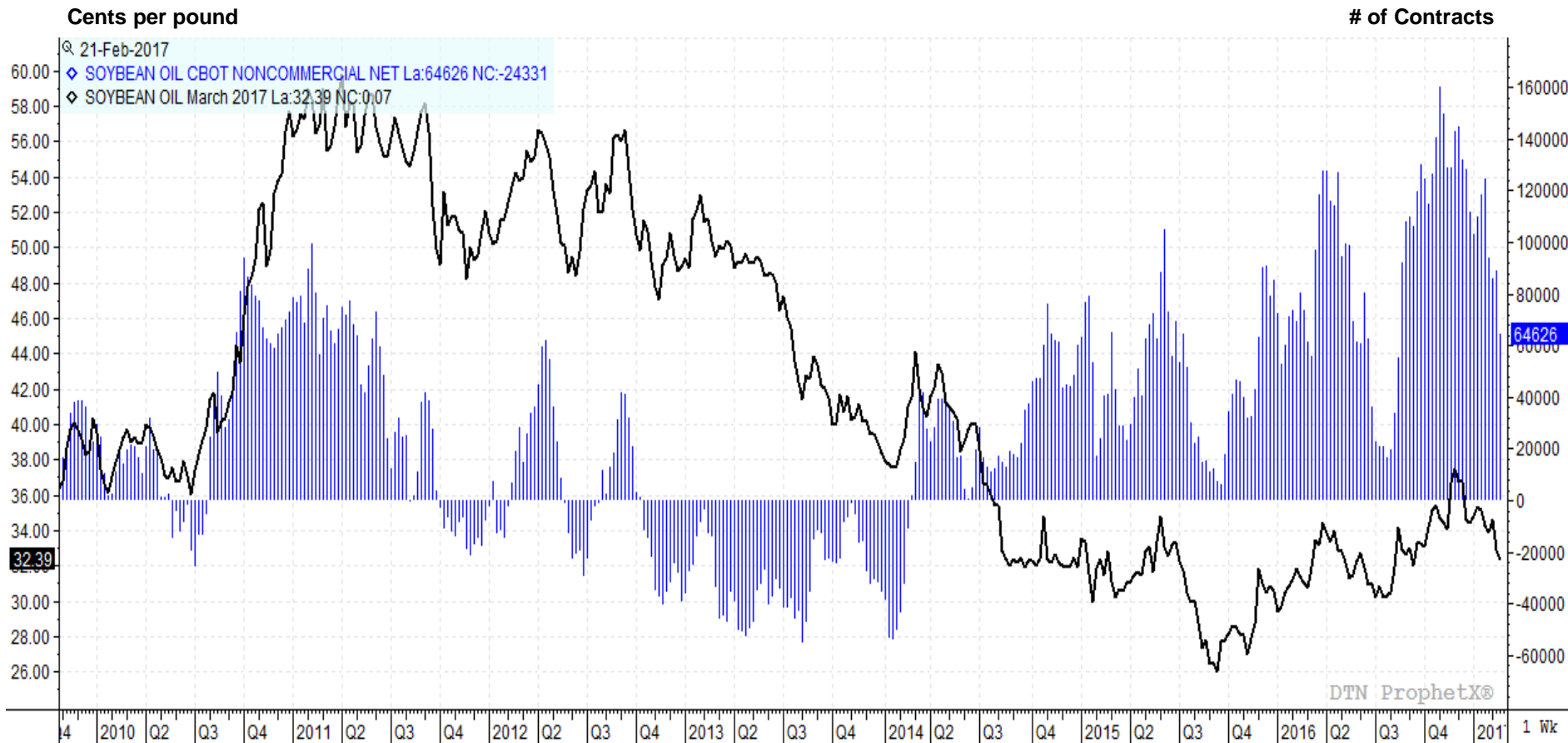


Funds' Net Position and Nearby Soybean Oil Futures Price

Funds have been supportive to soybean oil futures

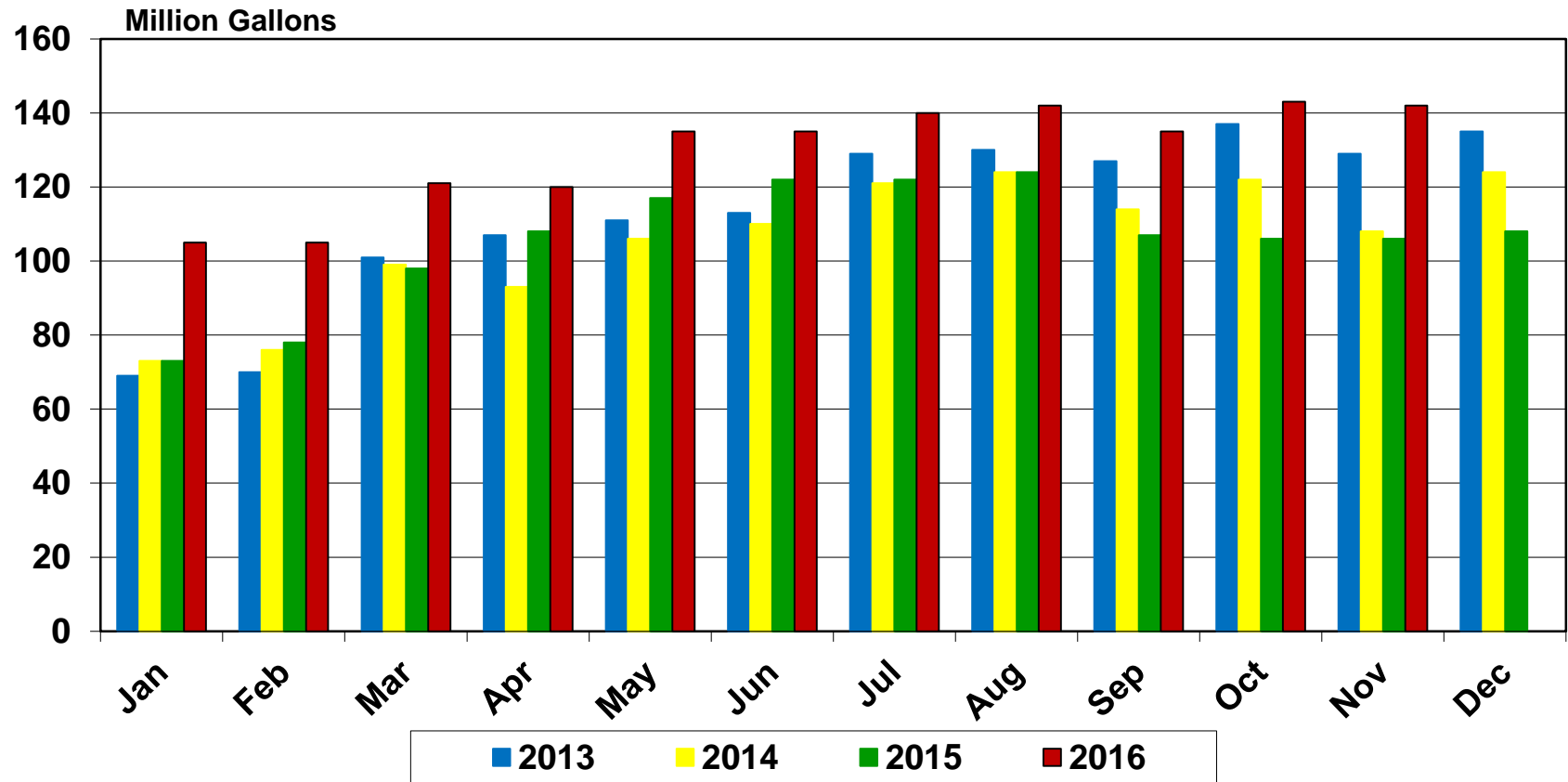


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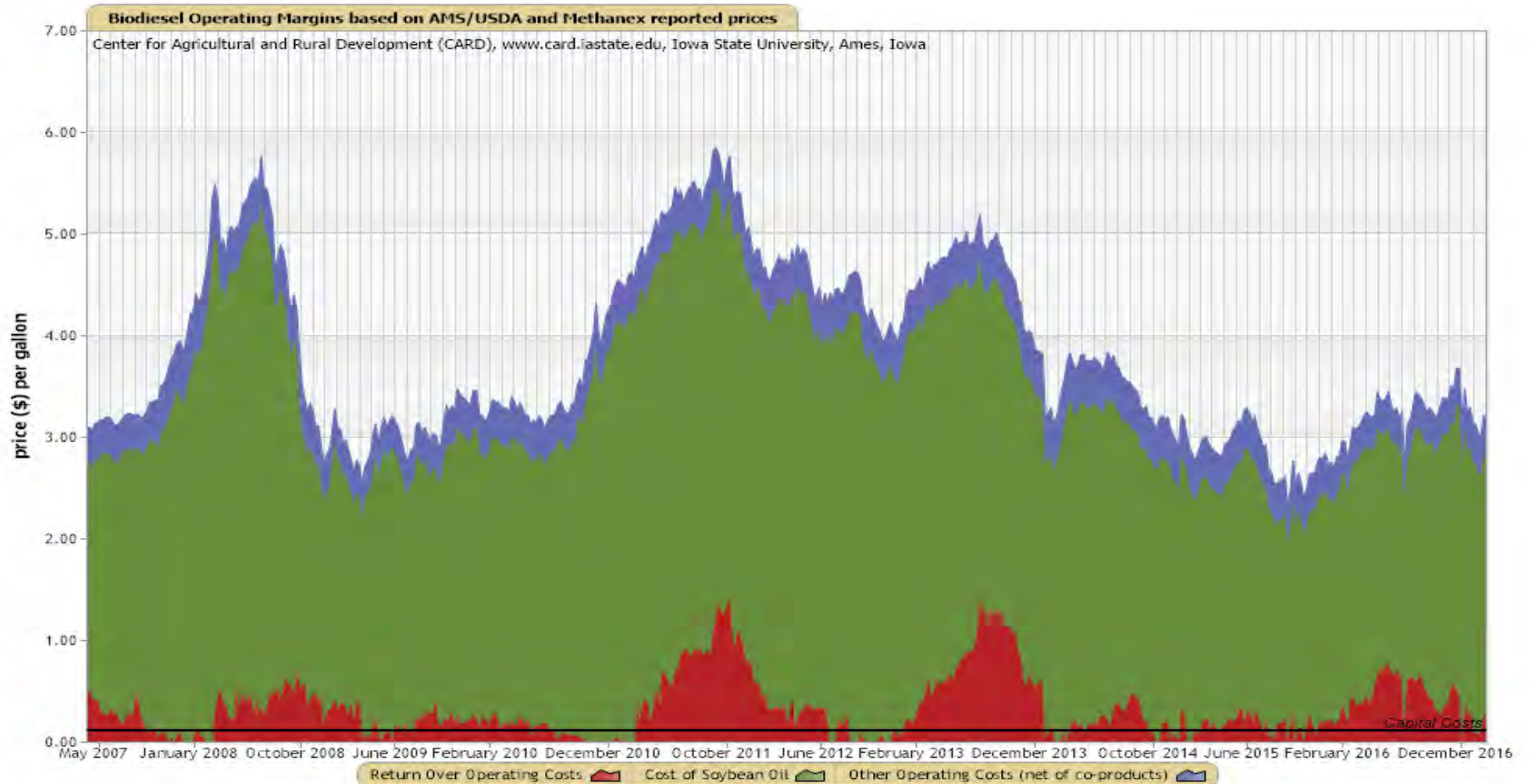
Monthly B-100 Production

Through Nov 2016, up 22.5%



Source: U.S. Energy Information Administration

Biodiesel Production Returns Just Covering Capital Costs

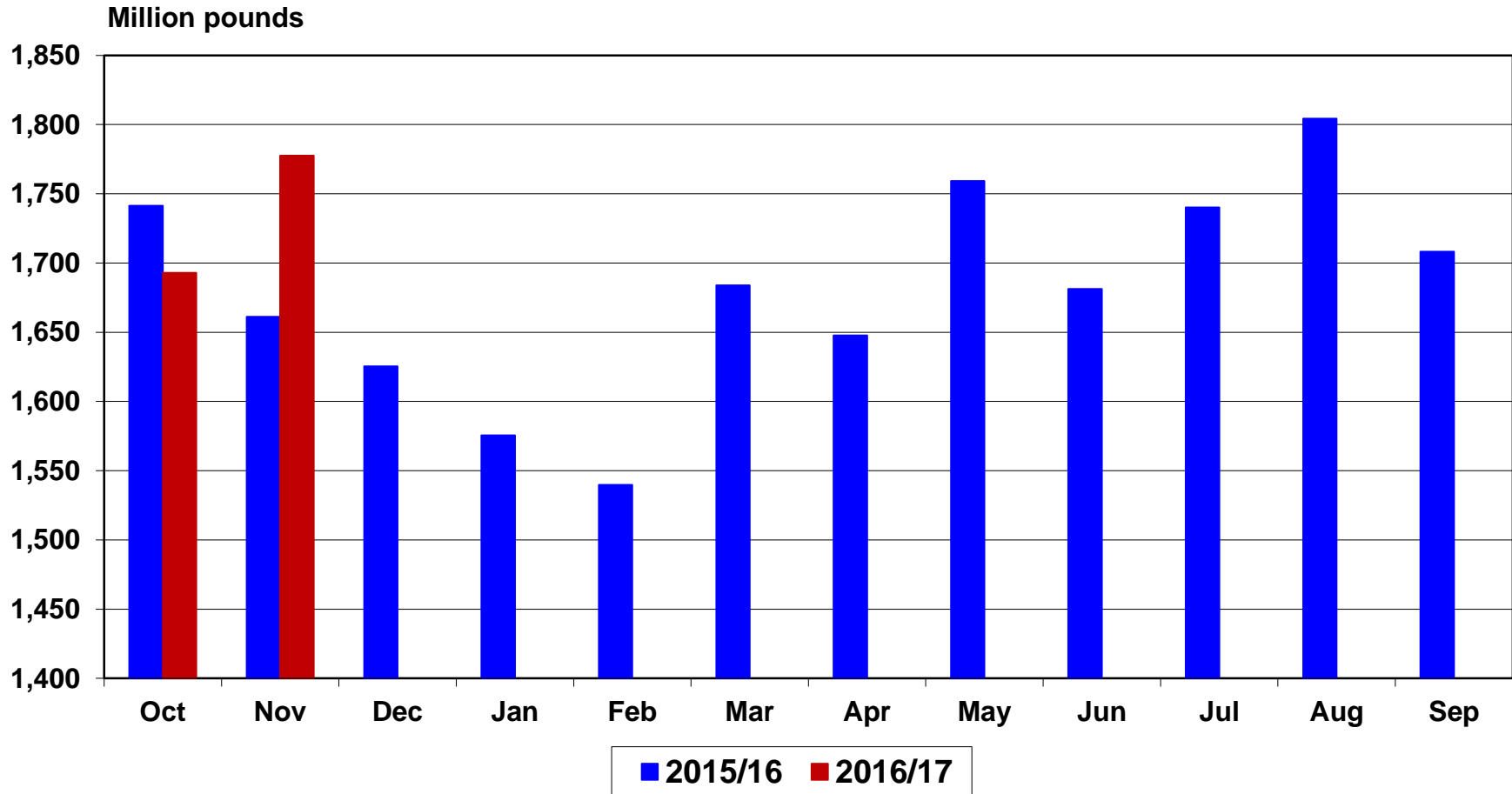


U.S. Soybean Oil Domestic Disappearance

Market is finally getting market data to trade

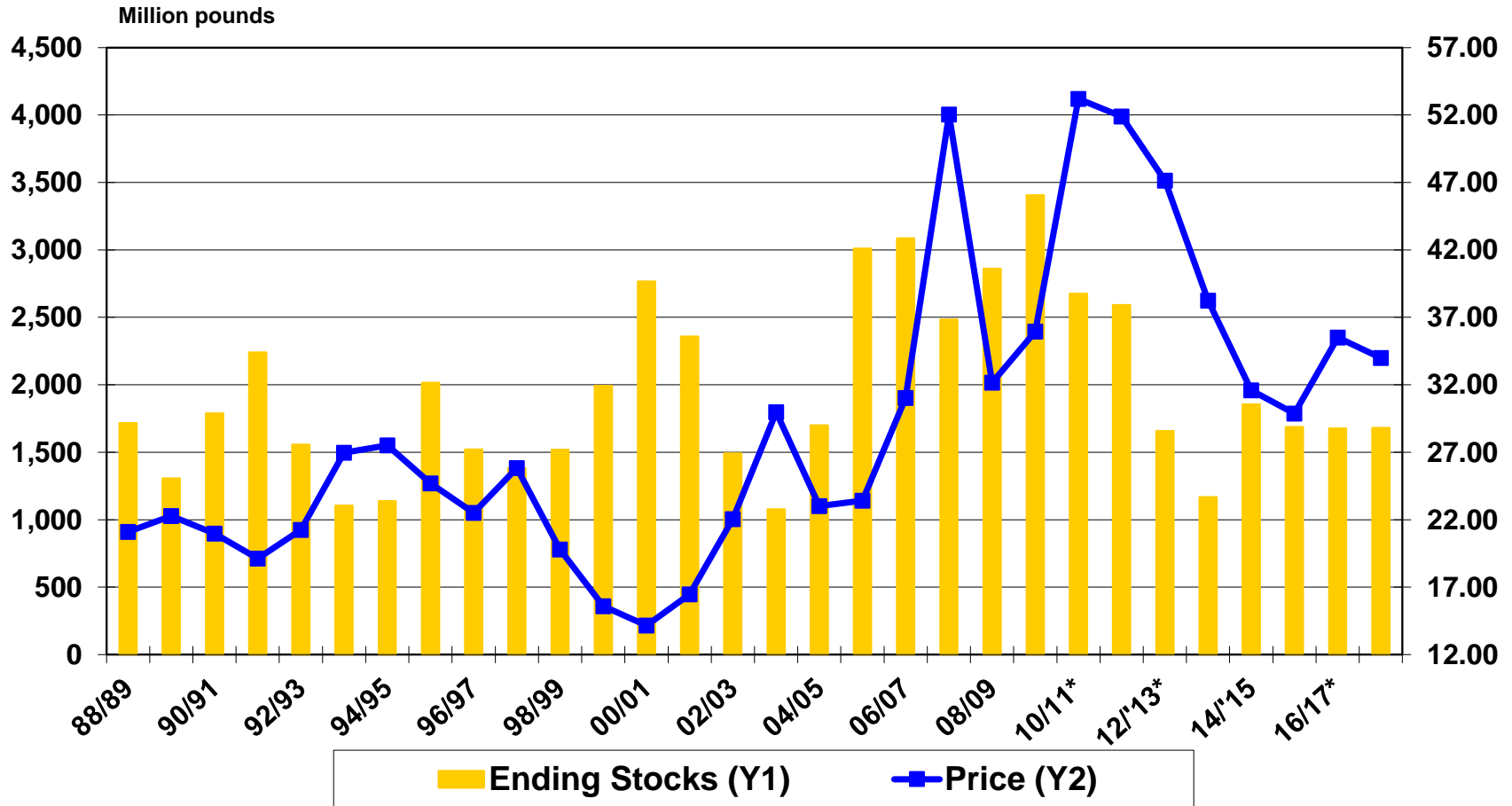


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Source: USDA, Rabobank 2017

U.S. Soybean Oil Stocks vs Price



Source: USDA, Rabobank 2017



IV. Wheat



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Wheat--Bulls and Bears

Bullish Factors

- Declining U.S. planted acres
- Need for protein and quality
- Increasing export demand from Asia, India and SE Asia
- U.S. wheat exports started year strong

Bearish Factors

- More than adequate U.S. stocks
- More than adequate world stocks
- U.S. continues to lose trade market share to up and coming exporters, e.g. Black Sea, EU
- Appreciation of U.S. Dollar
- Expectations of better crops global in 2017

Swing Factors

- Brazil import needs
- Argentine Plantings for 2017/18
- Increasing Trade Tensions



U.S. All-Wheat Balance Sheet (million bushels)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Rabo 2017/18
Planted Acres (mln)	59.2	53.6	54.3	55.3	56.2	56.8	55.0	50.2	47.8
Harvested Acres (mln)	49.9	47.6	45.7	48.8	45.3	46.4	47.3	43.9	40.6
Yield (bu./acre)	44.5	46.3	43.6	46.2	47.1	43.7	43.6	52.6	46.0
Supply	186								
Beginning Stocks (6/1)	657	976	863	743	718	590	752	976	1,139
Production	2,218	2,207	1,993	2,253	2,135	2,026	2,062	2,310	1,865
Imports	119	97	112	123	173	151	113	125	155
Total Supply	2,993	3,279	2,968	3,118	3,026	2,768	2,927	3,411	3,159
Disappearance									
Food	919	926	941	945	955	958	957	960	981
Exports	879	1,289	1,051	1,012	1,176	864	775	1,025	932
Seed, Feed & Residual	219	203	233	443	305	193	219	286	297
Total Disappearance	2,018	2,417	2,226	2,400	2,436	2,015	1,951	2,271	2,210
Ending Stocks	976	862	743	718	590	752	976	1,139	949
Stocks-to-Use Ratio (%)	48.4%	35.7%	33.3%	29.9%	24.2%	37.3%	50.0%	50.2%	42.9%
Average Farm Price (\$/bu.)	\$4.87	\$5.70	\$7.24	\$7.77	\$6.87	\$5.99	\$4.89	\$3.85	\$4.40

2016/17 & 2017/18 are Projections

U.S. HRW Balance Sheet (million bushels)

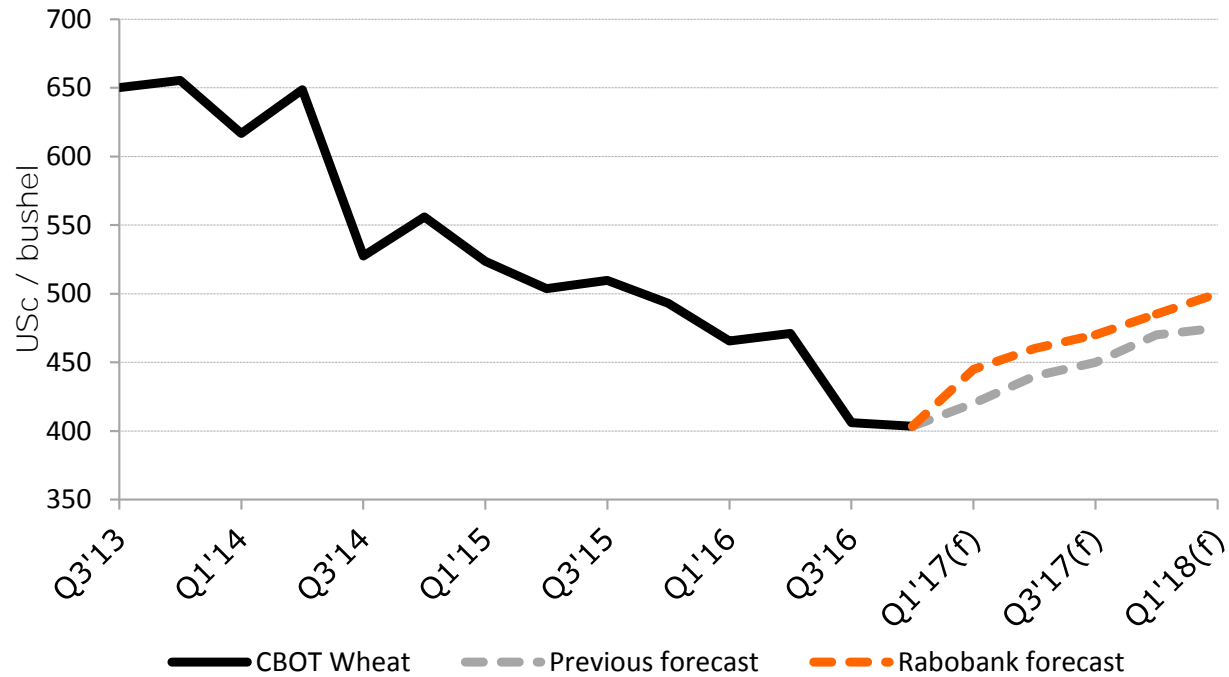


	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	USDA 2016/17*
Planted Acres (mln)	31.6	31.7	28.2	28.5	29.6	29.7	30.5	29.2	26.6
Harvested Acres (mln)	26.1	24.3	23.9	21.5	24.6	20.4	21.9	23.2	21.9
Yield (bu./acre)	40.0	38.1	42.1	36.4	40.6	36.6	33.7	35.8	49.5
Supply									
Beginning Stocks (6/1)	138	254	385	384	317	343	237	293	446
Production	1,046	926	1,006	783	998	747	739	830	1,082
Imports	2	2	1	0	18	19	10	6	6
Total Supply	1,185	1,182	1,392	1,170	1,333	1,109	985	1,130	1,533
Disappearance									
Food	385	361	359	404	404	370	370	391	375
Exports	447	370	617	397	382	446	272	226	425
Seed, Feed & Residual	99	66	29	52	204	56	50	67	166
Total Disappearance	930	797	1,005	853	990	872	692	684	966
Ending Stocks	254	385	387	317	343	237	293	446	567
Stocks-to-Use Ratio (%)	27.4%	48.3%	38.4%	37.2%	34.6%	27.1%	42.6%	65.2%	58.7%
Average Farm Price (\$/bu.)	\$6.90	\$4.84	\$6.49	\$6.92	\$7.56	\$7.03	\$6.02	\$4.68	\$4.75

Note: Shaded Projections in metric

Price forecast: Wheat

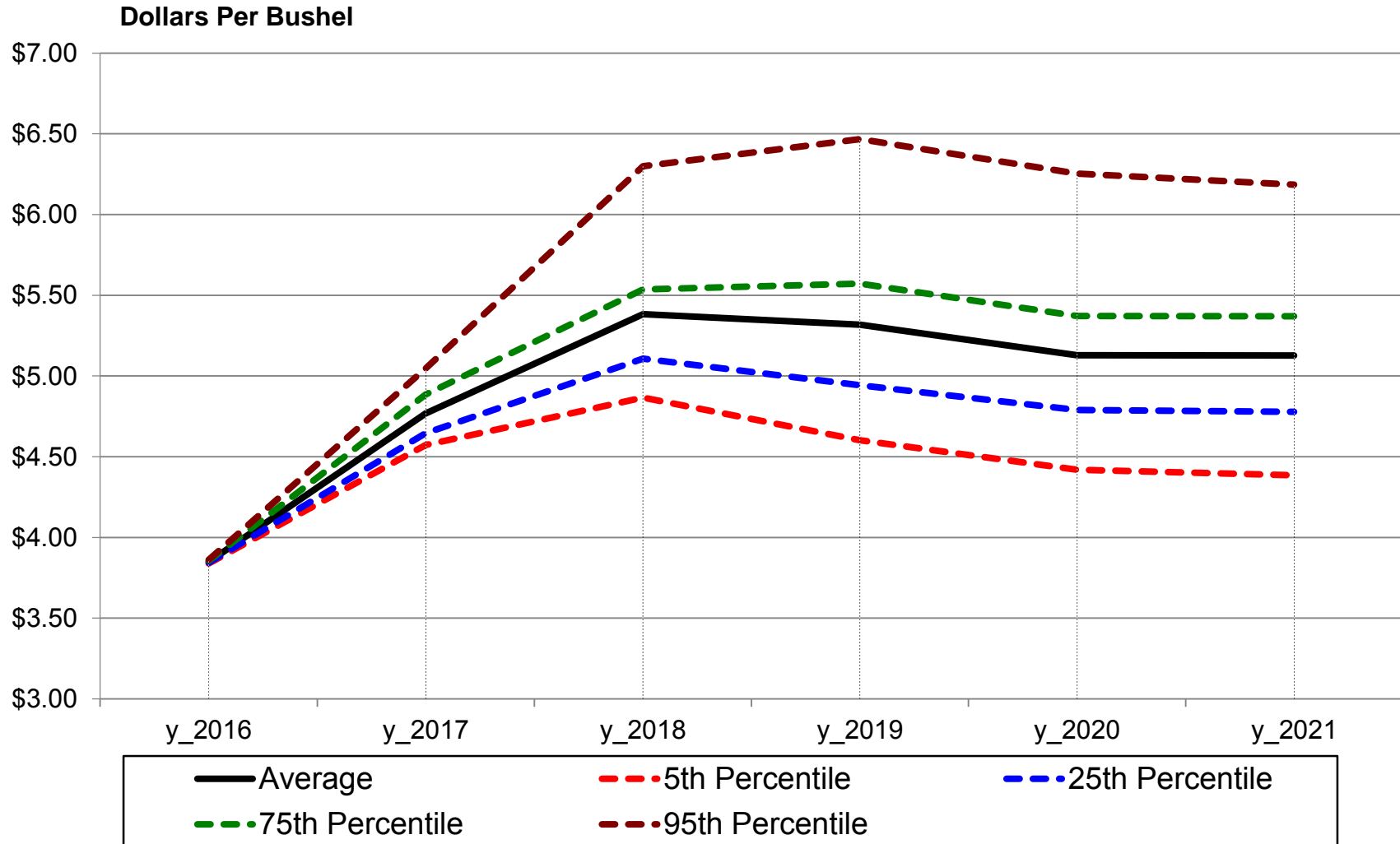
	unit	Q2'16	Q3'16	Q4'16	Q1'17(f)	Q2'17(f)	Q3'17(f)	Q4'17(f)	Q1'18(f)
CBOT	USc/bu	471	406	403	445	460	470	485	500
Matif	EUR/t	159	160	163	172	175	175	175	180



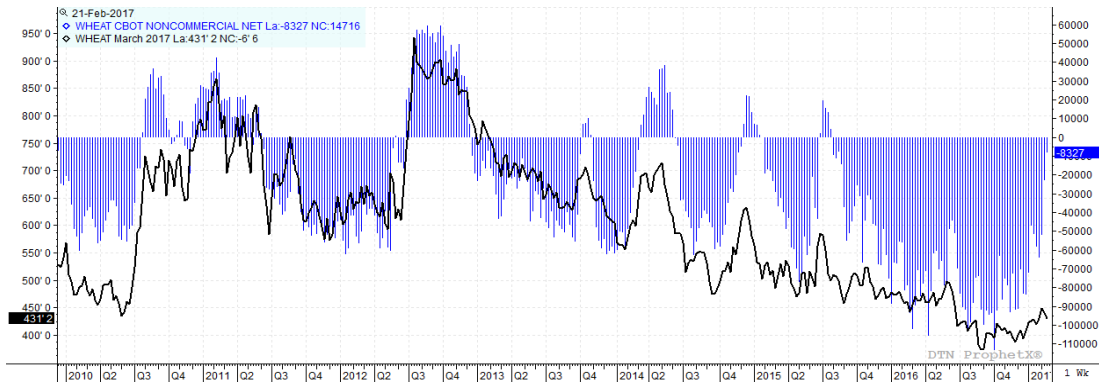
Source: Bloomberg, Rabobank, 2016

Wheat Price Probabilities

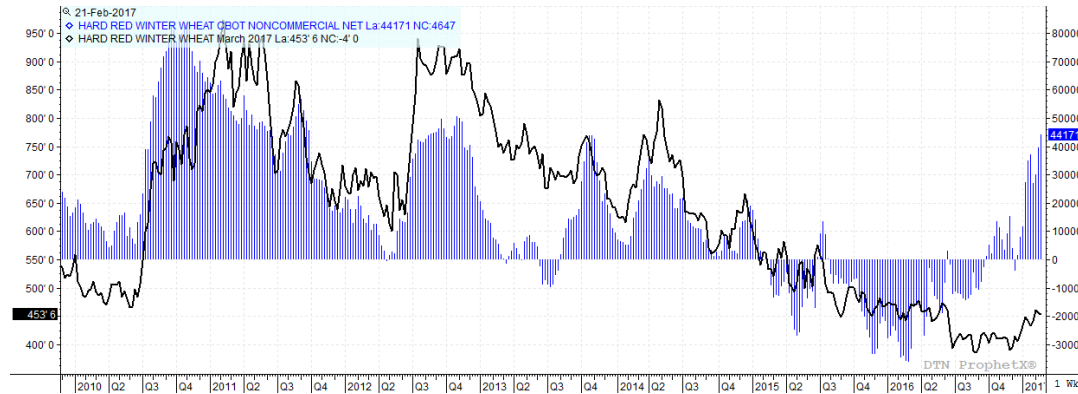
Prices remain in a relatively tight range over forecast period



Funds Have Different Strategies for Different Classes



Chicago Wheat



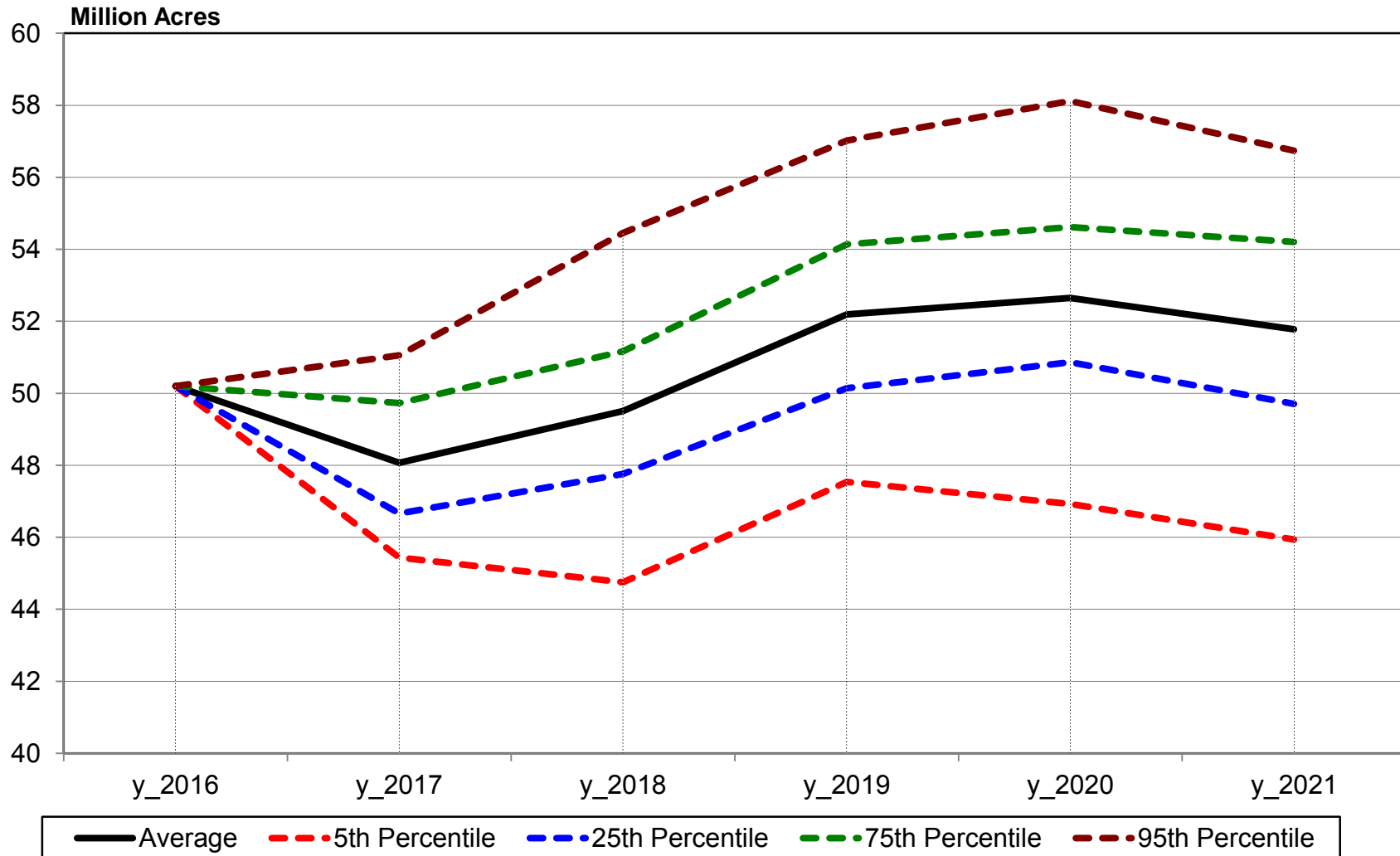
Kansas City Wheat

Minneapolis Wheat

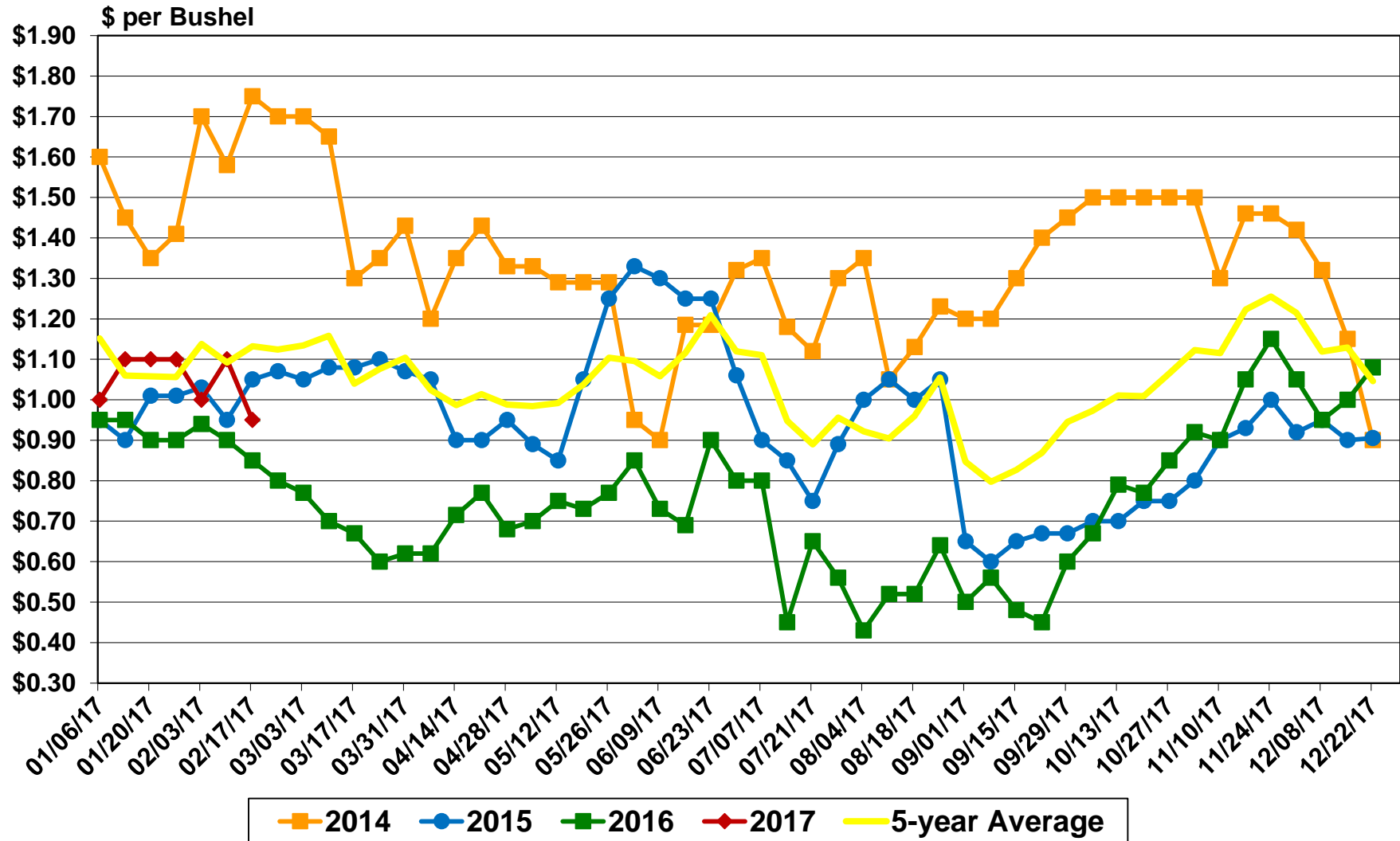


U.S. Planted Wheat Acre Probabilities

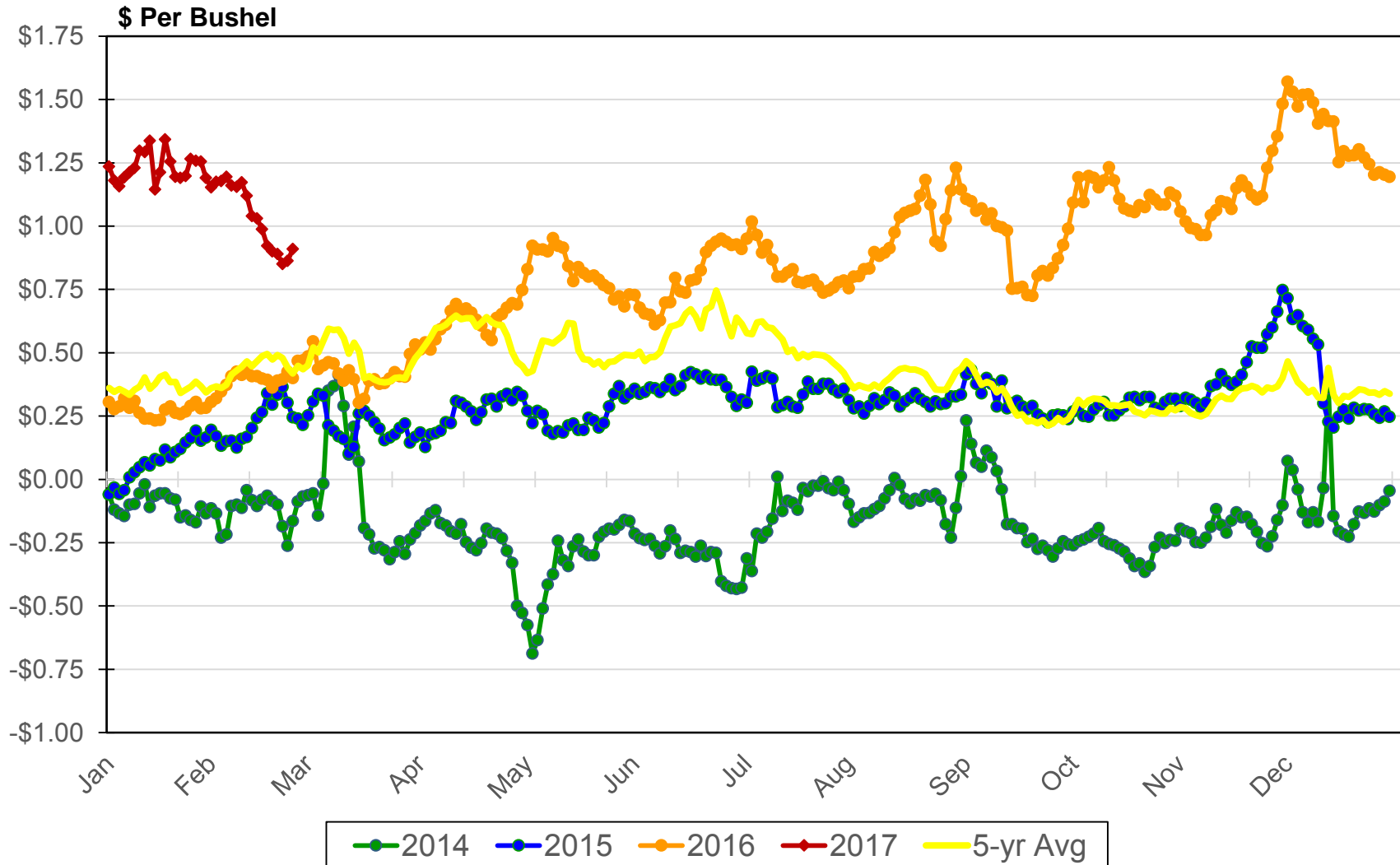
For Forecast Period, U.S. Wheat Acres hover around 50 mln



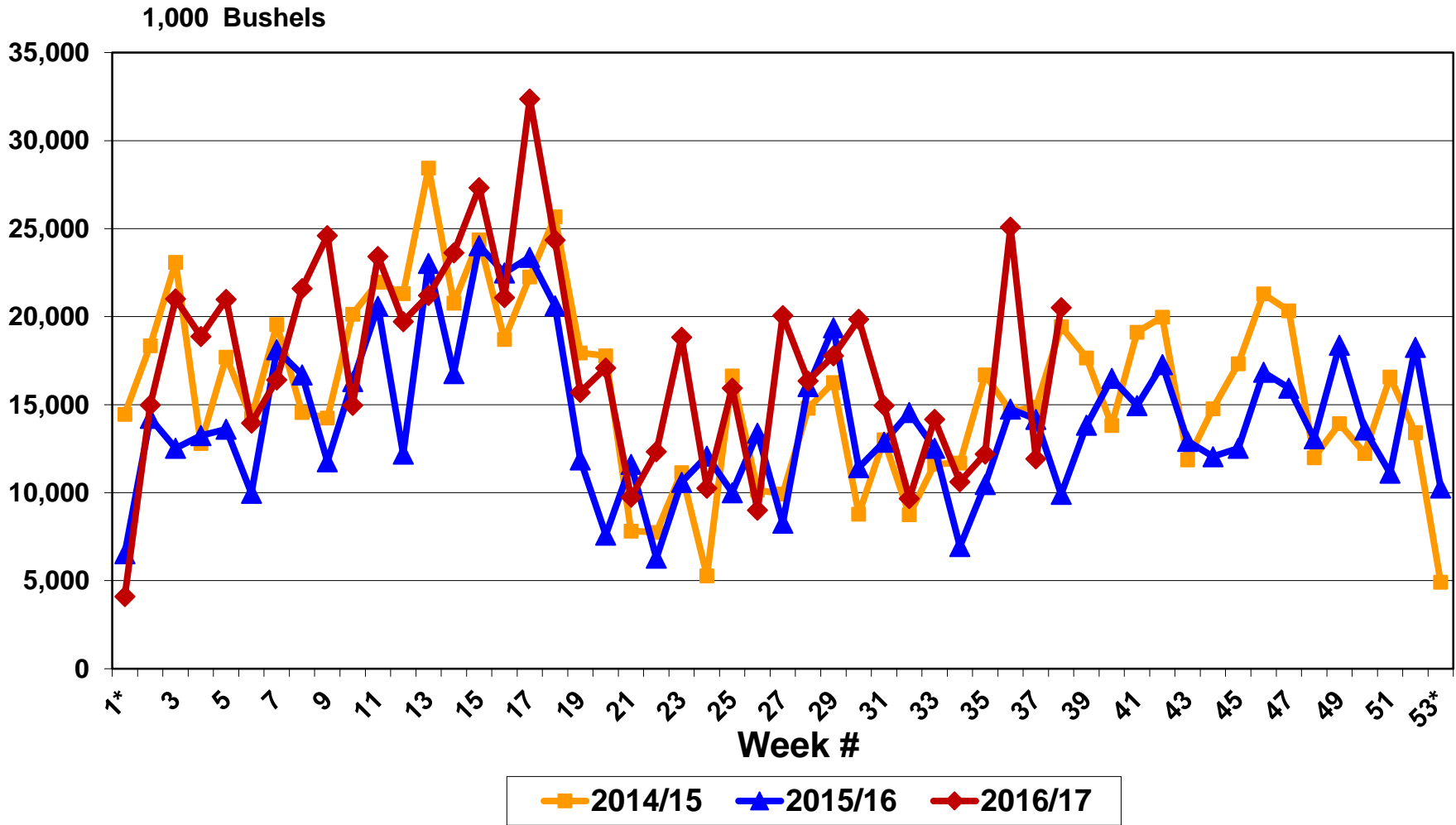
12% Kansas City Protein Premium—Staying Strong



Minneapolis/Kansas City Spread—Need for Protein?



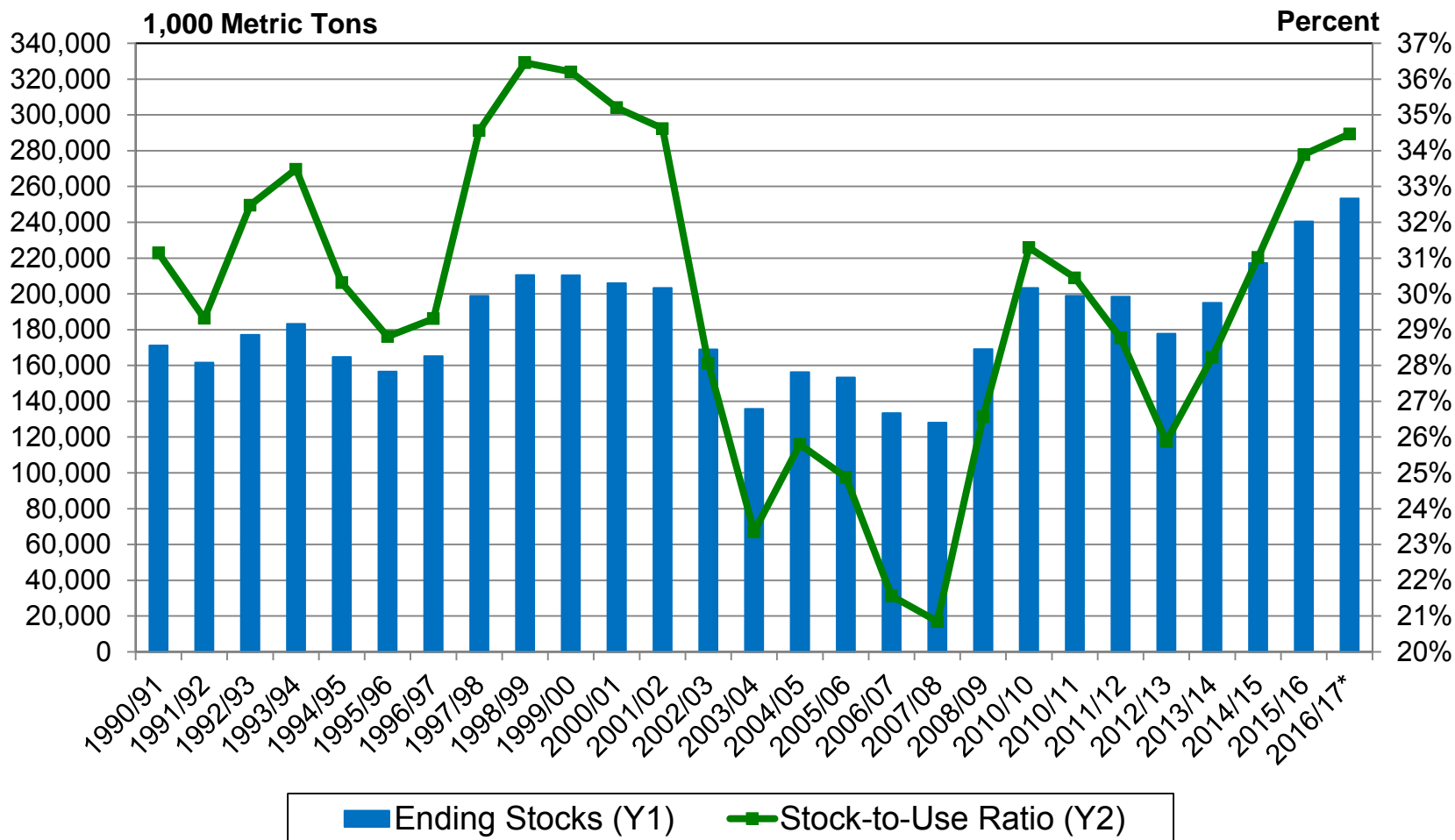
U.S. Wheat Export Inspections are running nearly 26% ahead of the Previous Year's Pace



Source: USDA/AMS, Rabobank 2015



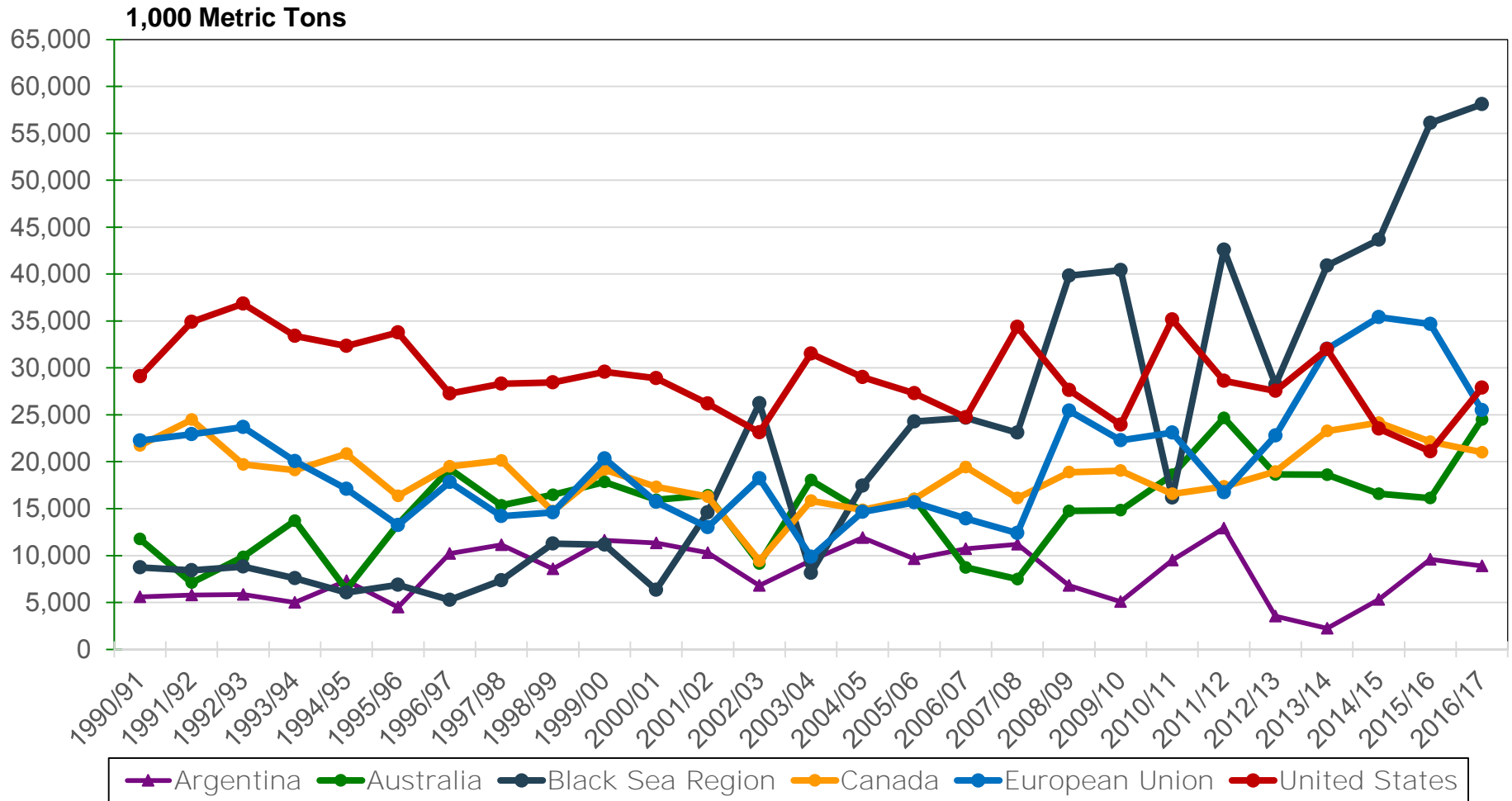
Projected Record World Wheat Stocks



Source: USDA/FAS, Rabobank, 2017

Global Wheat Exports

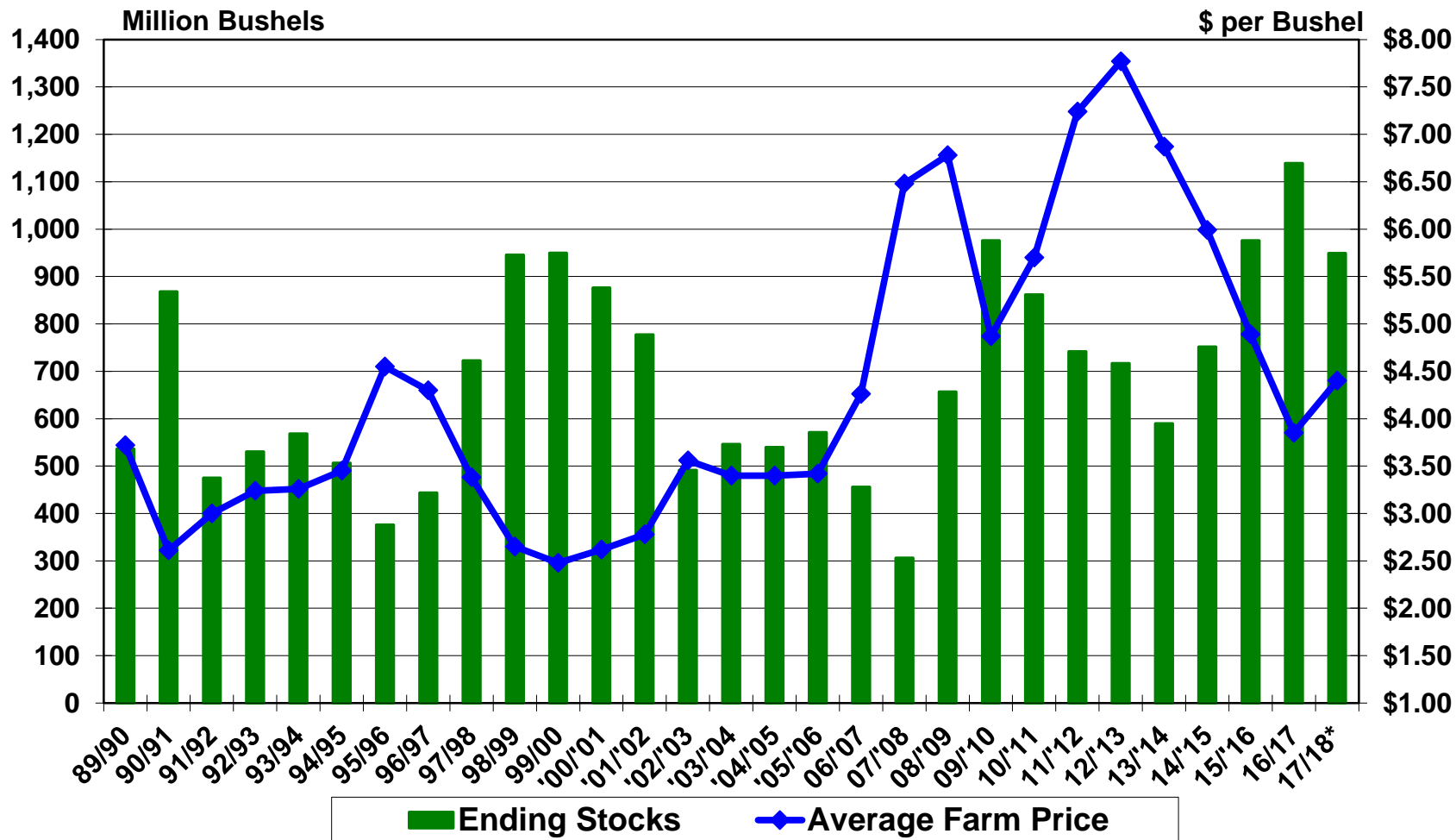
Black Sea, Canada & EU Grabbing Market Share



Source: USDA/FAS, Rabobank, 2017



Record U.S. Wheat Stocks



- Rabobank Projection
- Source: USDA/WASDE, Rabobank 2017

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Banking & Securities Disclosure



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