

SOYBEAN OUTLOOK

More Questions than Answers

Midwest, Great Plains, and Western
Outlook Conference

Louisville, Kentucky

Jim Hilker

Department of Agricultural, Food, And Resource
Economics

Michigan State University

August 15-16, 2011

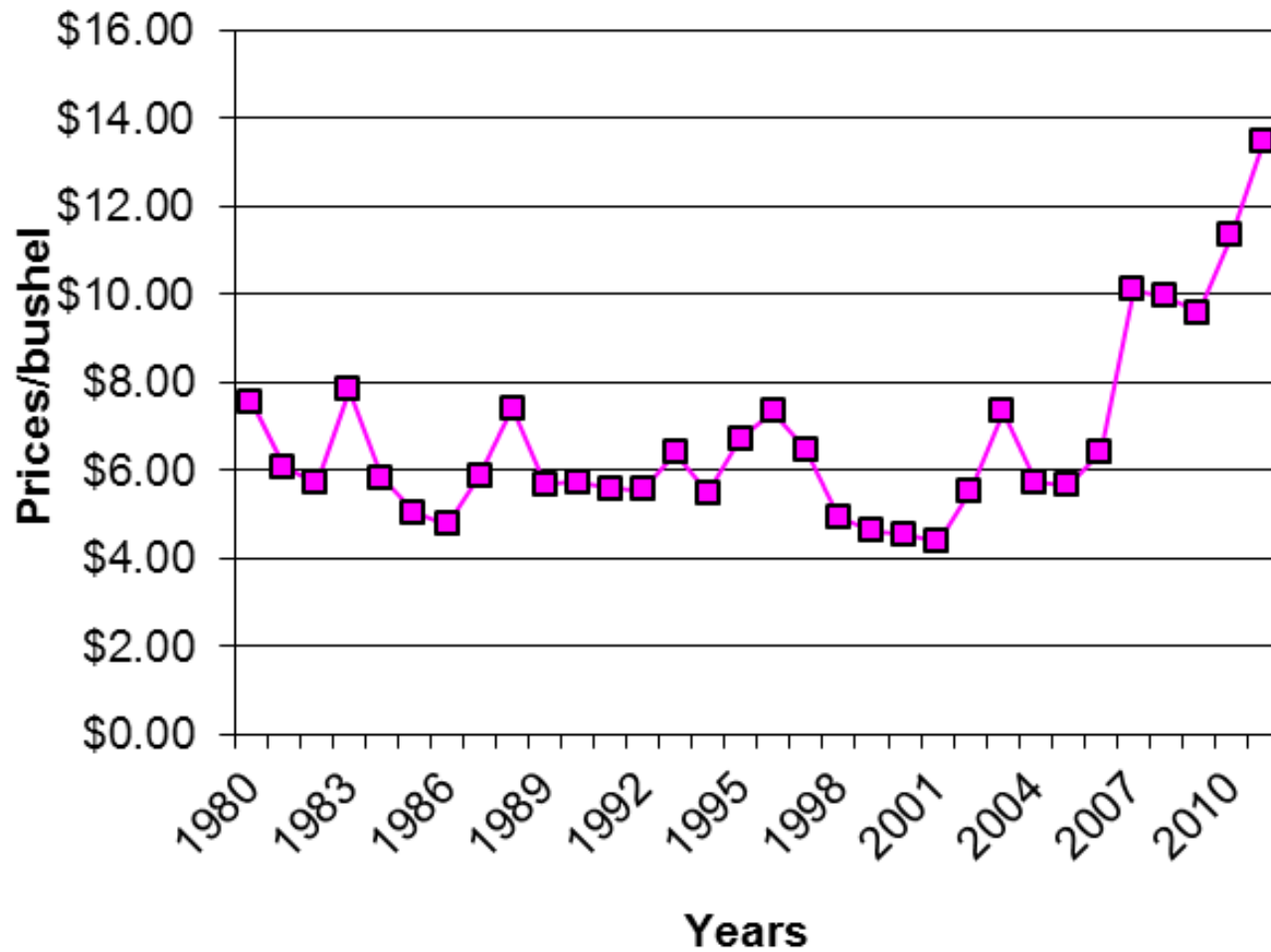
MICHIGAN STATE
UNIVERSITY

Extension

2011-2012

- Continued Volatility
 - Weather, Frost Scare, U.S. and World
- U.S. and World Economy
- Energy Prices
- Value of the Dollar
- Fight for Acres
- South America plants knowing our crop size
- It is hard enough to forecast when we are in the range of our data. And when we are not?

Soybean Prices 1980-2011



Monthly Soybean Futures

ZS - Soybeans (CBOT) - Monthly Nearest OHLC Chart



Nov 2011 Soybean Futures



Cumulative Probability Distribution November 2011 Soybean Futures

Current Futures Price	=	13.347500
Standard Error of Futures Price Distribution at Maturity	=	1.3039445
Median of Futures Price Distribution at Maturity	=	13.284260
perc 0.1	=	11.726261
perc 0.2	=	12.240050
perc 0.3	=	12.627798
perc 0.4	=	12.964500
perc 0.5	=	13.284260
perc 0.6	=	13.625179
perc 0.7	=	13.988475
perc 0.8	=	14.431611
perc 0.9	=	15.063935

Cumulative Probability Distribution November 2008 Soybean Futures

Cumulative Probability Distribution November 2008 Soybean Futures

Current Futures Price = 12.190000
Standard Error of Futures Price Distribution at Maturity = 2.1014282
Median of Futures Price Distribution at Maturity = 12.012808

perc 0.1 = 9.6497144
perc 0.2 = 10.404361
perc 0.3 = 10.990006
perc 0.4 = 11.509711
perc 0.5 = 12.012808
perc 0.6 = 12.559369
perc 0.7 = 13.153288
perc 0.8 = 13.893665
perc 0.9 = 14.980206

Cumulative Probability Distribution November 2012 Soybean Futures

Current Futures Price	=	13.067500
Standard Error of Futures Price Distribution at Maturity	=	3.2394223
Median of Futures Price Distribution at Maturity	=	12.683582
perc 0.1	=	9.2786552
perc 0.2	=	10.331217
perc 0.3	=	11.170965
perc 0.4	=	11.932375
perc 0.5	=	12.683582
perc 0.6	=	13.515046
perc 0.7	=	14.436229
perc 0.8	=	15.609643
perc 0.9	=	17.380386

TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	Est. 2010- 2011	Proj. 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	75.0
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	73.8
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	41.4
(Million Bushels)										
Beginning Stock	208	178	112	256	449	574	205	138	151	230
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329	3056
Imports	5	6	6	3	9	10	13	15	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3301
Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1645	1635
Exports	1045	885	1097	940	1116	1159	1279	1499	1495	1400
Seed	89	92	88	93	80	93	90	90	87	90
Residual	41	19	105	101	77	0	16	20	38	21
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3265	3146
Ending Stocks	178	112	256	449	574	205	138	151	230	155
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	7.1	4.9
U.S. Loan Rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
U.S. Season Ave										
Farm Price, \$/Bu.	\$5.53	\$7.34	\$5.74	\$5.66	\$6.43	\$10.10	\$9.97	\$9.59	\$11.35	\$13.50

Source: USDA and Jim Hilker. (8 - 11 - 11)



June 2011 Acreage



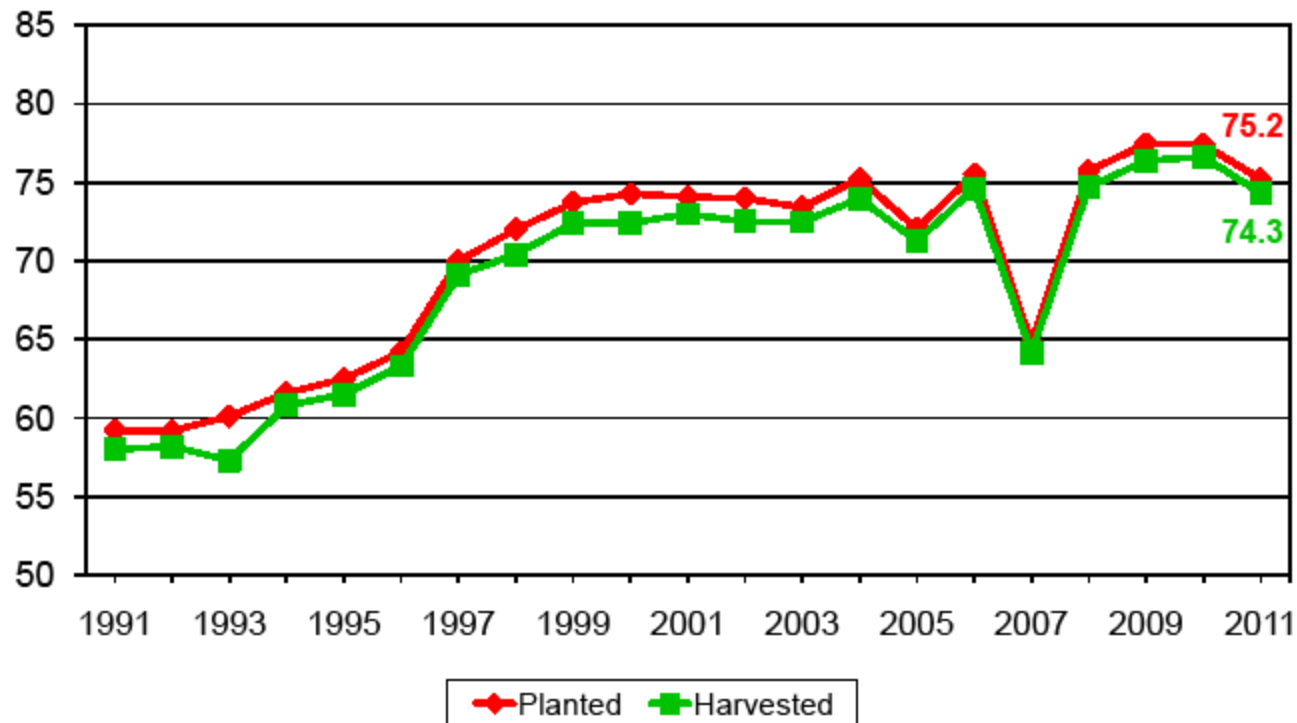
Crop	March 2011	June 2011	Change from March	Change from 2010
	<i>---Million acres---</i>		<i>---Percent---</i>	
Soybeans				
Planted	76.6	75.2	- 1.8	- 2.8
Harvested	---	74.3	---	- 3.1



U.S. Soybean Acres



Million Acres

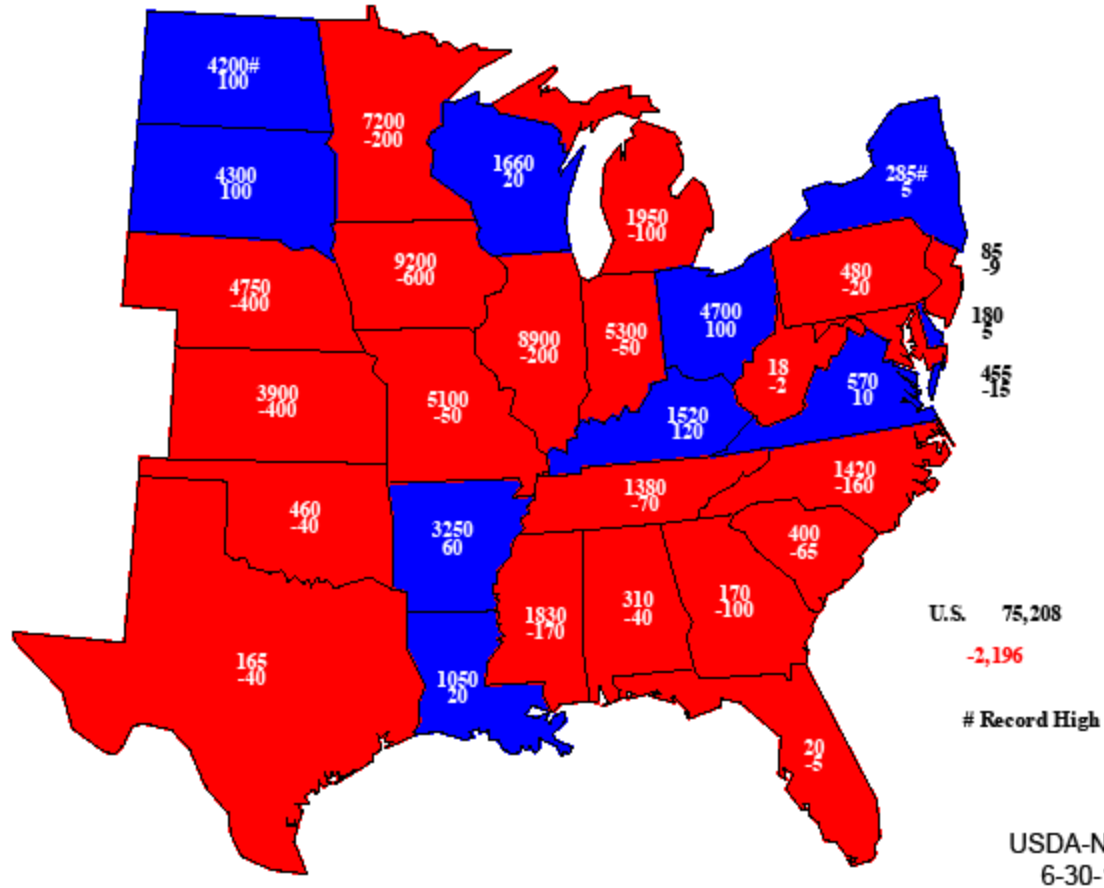


USDA-NASS
6-30-11



2011 Soybeans Planted

Acres (000) and Change From Previous Year



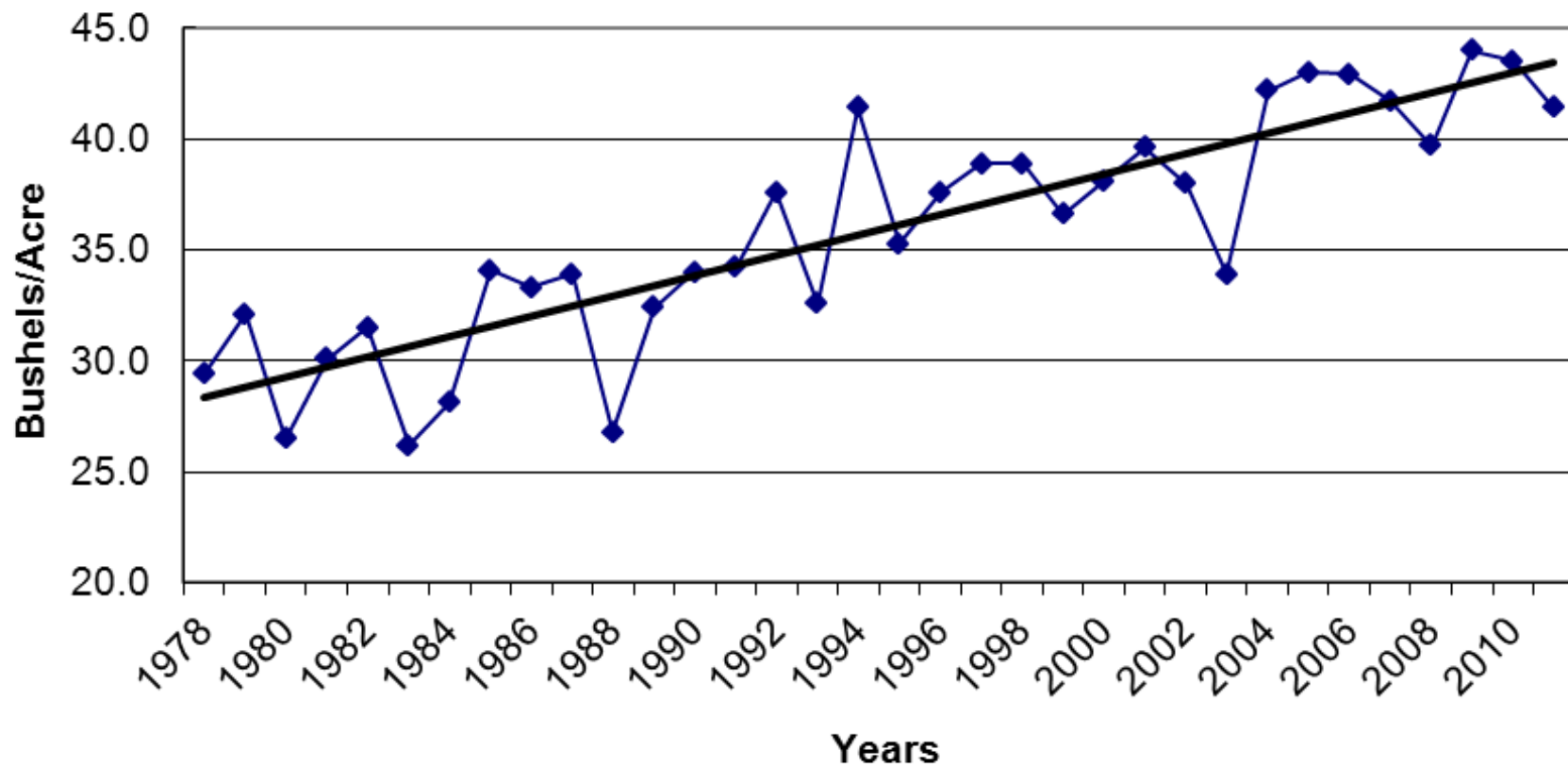


August 2011 Crop Production



Crop	Unit	August 2011	% Change from Previous Forecast	% Change from Previous Season
Soybeans				
Planted	Mil Ac	75.0	- 0.3	- 3.2
Harvested	Mil Ac	73.8	- 0.6	- 3.6
Yield	Bu/Ac	41.4	---	- 4.8
Production	Bil Bu	3.06	---	- 8.2

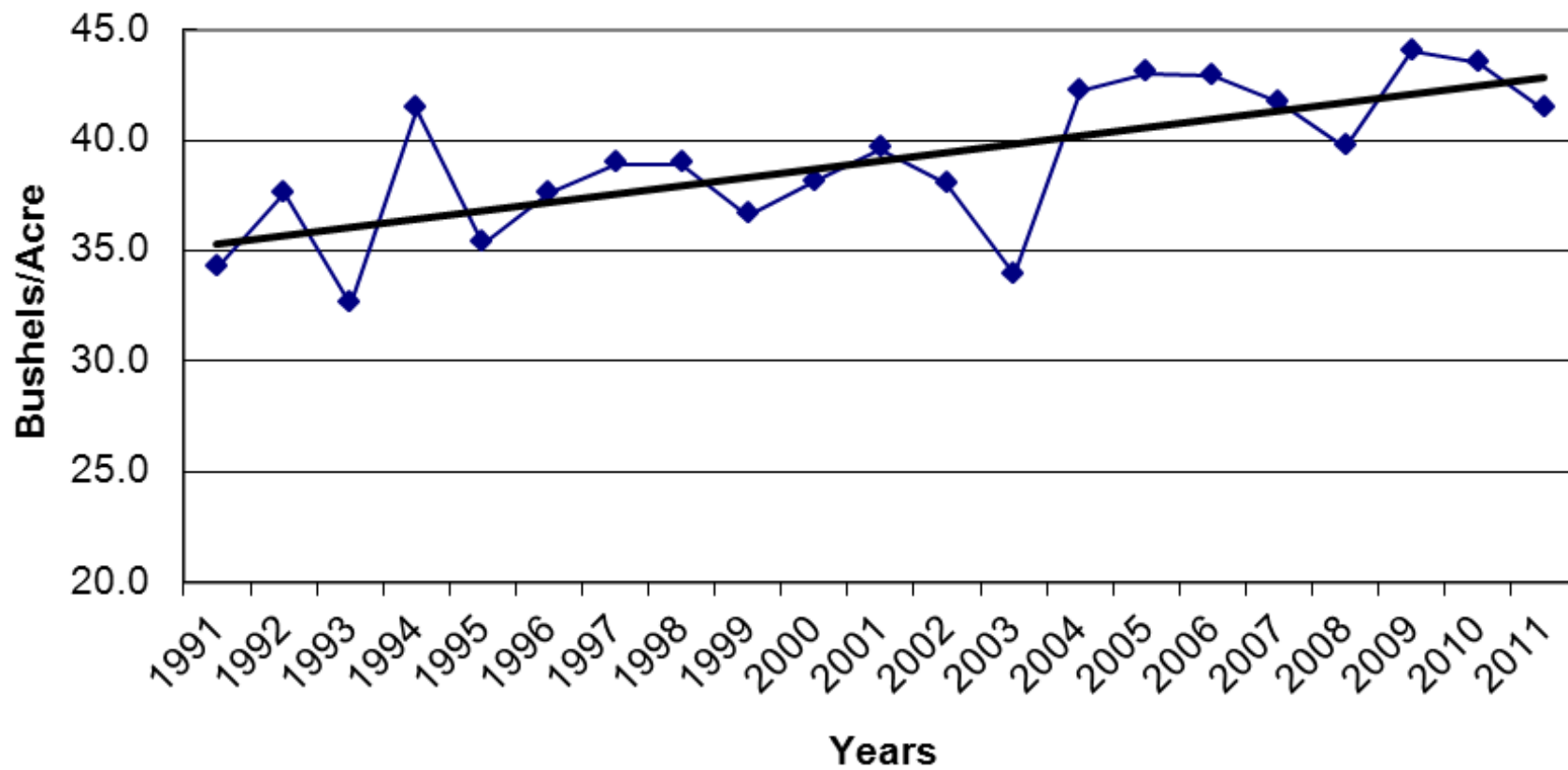
Soybean Yields 1978-2011



—◆— Soybean Yield

— Linear (Soybean Yield)

Soybean Yields 1991-2010



—◆— Soybean Yield

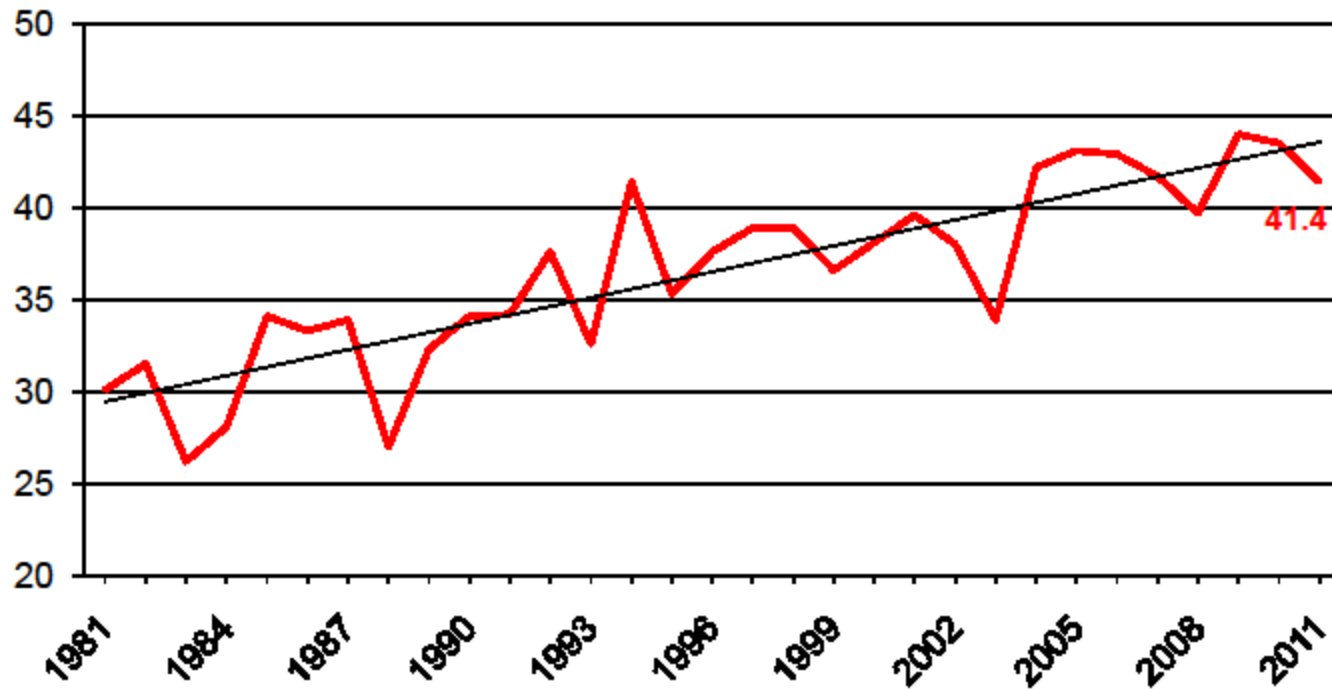
— Linear (Soybean Yield)



U.S. Soybean Yield



Bushels/Acre



USDA-NASS
8-11-11

Soybeans for Beans Area Harvested, Yield, and Production - States and United States: 2010 and Forecasted August 1, 2011

State	Area harvested		Yield per acre		Production	
	2010	2011	2010	2011	2010	2011
	--- 1,000 acres --		---- bushels ---		--- 1,000 bushels ---	
Alabama	345	295	26.0	30.0	8,970	8,850
Arkansas	3,150	3,170	35.0	36.0	110,250	114,120
Delaware	173	178	32.0	32.0	5,536	5,696
Georgia	260	160	26.0	26.0	6,760	4,160
Illinois	9,050	8,850	51.5	48.0	466,075	424,800
Indiana	5,330	5,290	48.5	43.0	258,505	227,470
Iowa	9,730	9,110	51.0	52.0	496,230	473,720
Kansas	4,250	3,850	32.5	26.0	138,125	100,100
Kentucky	1,390	1,500	34.0	40.0	47,260	60,000
Louisiana	1,020	1,000	41.0	35.0	41,820	35,000
Maryland	465	445	34.0	30.0	15,810	13,350
Michigan	2,040	1,940	43.5	41.0	88,740	79,540
Minnesota	7,310	7,110	45.0	40.0	328,950	284,400
Mississippi	1,980	1,780	38.5	40.0	76,230	71,200
Missouri	5,070	5,050	41.5	39.0	210,405	196,950
Nebraska	5,100	4,700	52.5	52.0	267,750	244,400
New Jersey	92	83	24.0	33.0	2,208	2,739
New York	279	282	48.0	42.0	13,392	11,844
North Carolina	1,550	1,390	26.0	27.0	40,300	37,530
North Dakota	4,070	4,100	34.0	30.0	138,380	123,000
Ohio	4,590	4,680	48.0	44.0	220,320	205,920
Oklahoma	475	260	25.0	20.0	11,875	5,200
Pennsylvania	495	475	42.0	37.0	20,790	17,575
South Carolina	455	390	23.0	24.0	10,465	9,360
South Dakota	4,140	4,050	38.0	38.0	157,320	153,900
Tennessee	1,410	1,340	31.0	36.0	43,710	48,240
Texas	185	110	30.0	20.0	5,550	2,200
Virginia	540	550	26.0	35.0	14,040	19,250
Wisconsin	1,630	1,650	50.5	45.0	82,315	74,250
Other States 1/	42	35	30.0	31.9	1,260	1,118
United States	76,616	73,823	43.5	41.4	3,329,341	3,055,882

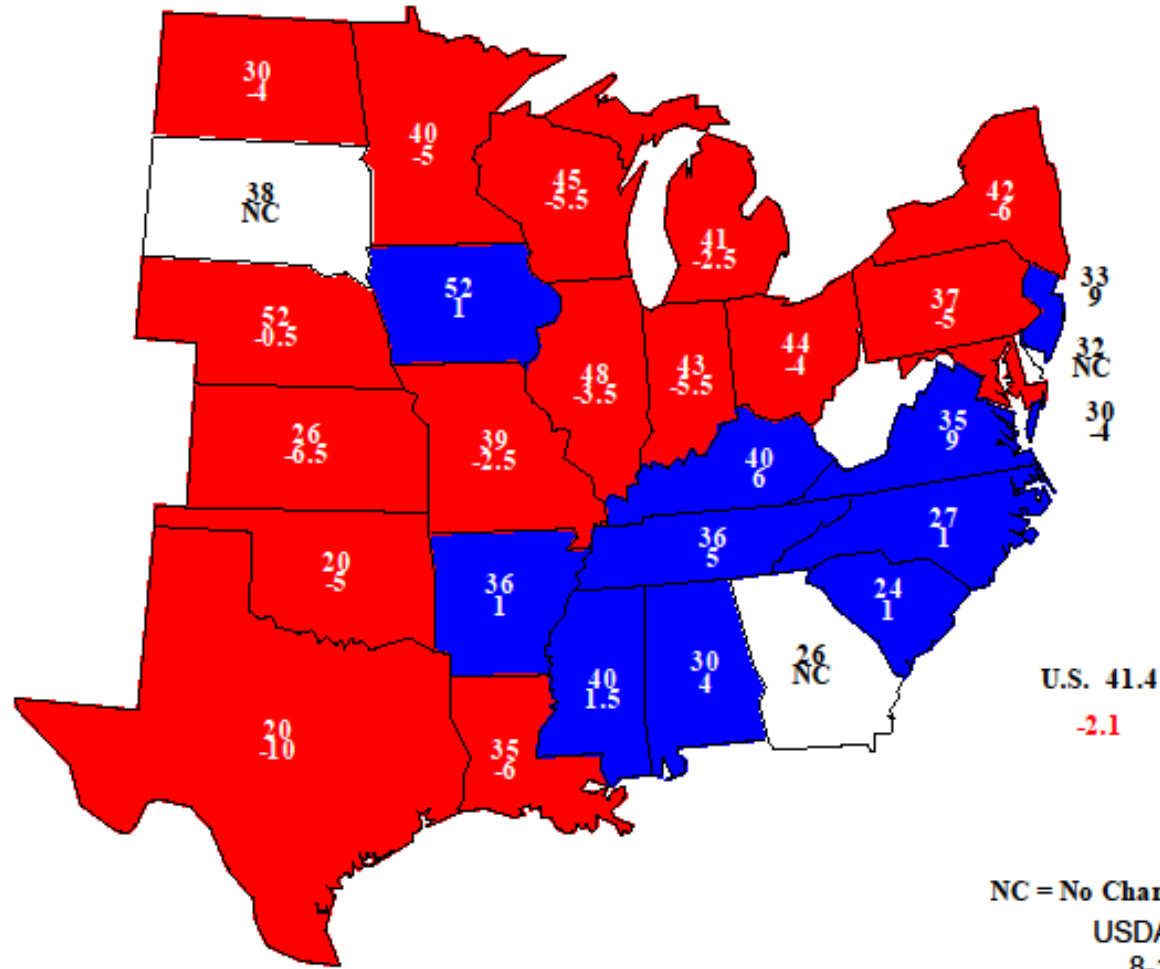
Soybeans for Beans Area Harvested, Yield, and Production - States and United States: 2010 and Forecasted August 1, 2011

State	Area harvested		Yield per acre		Production	
	2010	2011	2010	2011	2010	2011
	--- 1,000 acres --		---- bushels ---		--- 1,000 bushels ---	
Arkansas	3,150	3,170	35.0	36.0	110,250	114,120
Illinois	9,050	8,850	51.5	48.0	466,075	424,800
Indiana	5,330	5,290	48.5	43.0	258,505	227,470
Iowa	9,730	9,110	51.0	52.0	496,230	473,720
Kansas	4,250	3,850	32.5	26.0	138,125	100,100
Kentucky	1,390	1,500	34.0	40.0	47,260	60,000
Louisiana	1,020	1,000	41.0	35.0	41,820	35,000
Michigan	2,040	1,940	43.5	41.0	88,740	79,540
Minnesota	7,310	7,110	45.0	40.0	328,950	284,400
Mississippi	1,980	1,780	38.5	40.0	76,230	71,200
Missouri	5,070	5,050	41.5	39.0	210,405	196,950
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South Dakota	4,140	4,050	38.0	38.0	157,320	153,900
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Wisconsin	1,630	1,650	50.5	45.0	82,315	74,250
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Soybean Yields, August 1, 2011

Bushels and Change From Previous Year

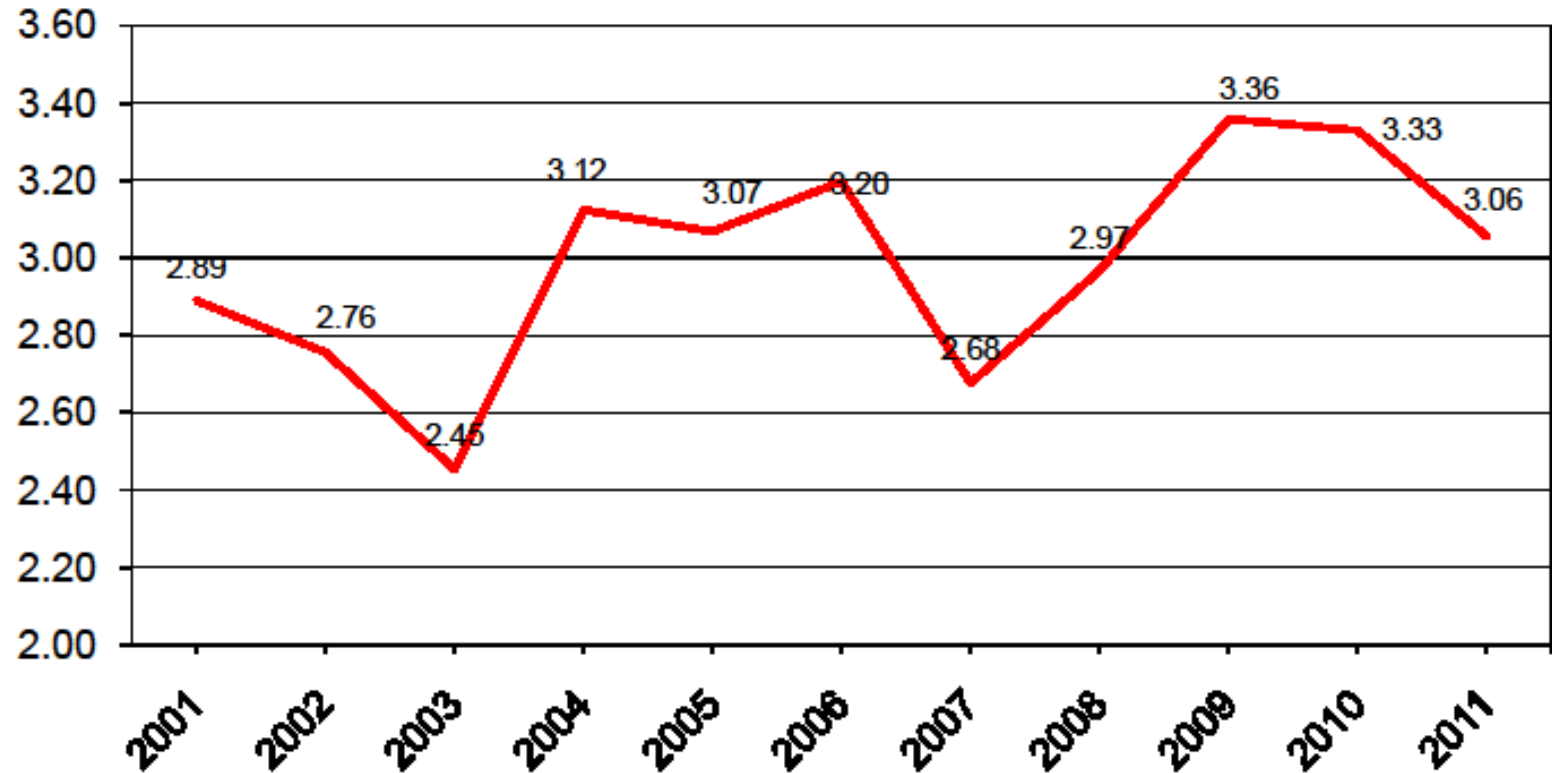




U.S. Soybean Production



Billion Bushels



USDA-NASS
8-11-11

Soybeans Blooming - Selected States

[These 18 States planted 95% of the 2010 soybean acreage]

State	Week ending			
	August 14, 2010	August 7, 2011	August 14, 2011	2006-2010 Average
	percent			
Arkansas	98	87	95	95
Illinois	97	91	97	94
Indiana	97	80	90	93
Iowa	99	95	97	97
Kansas	89	77	87	88
Kentucky	91	71	84	85
Louisiana	99	97	99	99
Michigan	95	87	96	95
Minnesota	99	88	93	98
Mississippi	100	98	100	100
Missouri	85	79	88	83
Nebraska	99	90	94	98
North Carolina	87	68	82	79
North Dakota	100	89	95	99
Ohio	99	79	93	99
South Dakota	99	92	97	98
Tennessee	95	85	93	93
Wisconsin	94	89	95	93
18 States	96	87	94	94

Soybeans Setting Pods - Selected States

[These 18 States planted 95% of the 2010 soybean acreage]

State	Week ending			
	August 14, 2010	August 7, 2011	August 14, 2011	2006-2010 Average
	percent			
Arkansas	90	56	76	83
Illinois	83	57	75	76
Indiana	82	38	59	68
Iowa	90	69	84	87
Kansas	55	28	47	64
Kentucky	79	42	56	64
Louisiana	91	91	95	94
Michigan	85	48	67	77
Minnesota	90	48	70	85
Mississippi	97	90	95	97
Missouri	56	37	58	54
Nebraska	89	50	72	84
North Carolina	51	35	47	47
North Dakota	97	60	79	92
Ohio	81	23	46	84
South Dakota	79	49	78	79
Tennessee	80	60	72	80
Wisconsin	76	53	76	72
18 States	82	51	70	78

Soybean Condition - Selected States: Week Ending August 14, 2011

[National crop conditions for selected States are weighted based on 2010 planted acreage]

State	Very poor	Poor	Fair	Good	Excellent
	percent				
Arkansas	4	20	38	31	7
Illinois	3	9	31	49	8
Indiana	6	12	35	41	6
Iowa	2	6	22	49	21
Kansas	16	25	29	26	4
Kentucky	1	7	28	50	14
Louisiana	7	13	41	33	6
Michigan	2	6	27	50	15
Minnesota	2	5	20	53	20
Mississippi	4	9	25	46	16
Missouri	9	16	32	36	7
Nebraska	1	3	18	57	21
North Carolina	5	16	34	41	4
North Dakota	2	7	22	55	14
Ohio	2	7	30	50	11
South Dakota	1	7	19	55	18
Tennessee	1	6	24	57	12
Wisconsin	1	3	14	54	28
18 States	4	9	26	48	13
Previous week	4	9	26	48	13
Previous year	3	8	23	47	19

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Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1645	1635
Exports	1045	885	1097	940	1116	1159	1279	1499	1495	1400
Seed	89	92	88	93	80	93	90	90	87	90
Residual	41	19	105	101	77	0	16	20	38	21
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3265	3146
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Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	7.1	4.9
U.S. Loan Rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
U.S. Season Ave										
Farm Price, \$/Bu.	\$5.53	\$7.34	\$5.74	\$5.66	\$6.43	\$10.10	\$9.97	\$9.59	\$11.35	\$13.50

Source: USDA and Jim Hilker. (8 - 11 - 11)

U.S. Soybean Meal Supply and Use (Domestic Measure) 1/

Item	2009/10	2010/11 Est.	2011/12 Proj.	2011/12 Proj.
			Jul	Aug
	Thousand Short Tons			
SOYBEAN MEAL				
Beginning Stocks	235	302	300	300
Production	41707	39608	39285	38885
Imports	160	190	165	165
Supply, Total	42101	40100	39750	39350
Domestic	30640	30750	30900	30500
Exports	11160	9050	8550	8550
Use, Total	41800	39800	39450	39050
Ending Stocks	302	300	300	300
Avg. Farm Price (\$/s.t.) 2/	311.27	345.00	345.00-375.00	355.00-385.00

Day Soybean Meal Futures

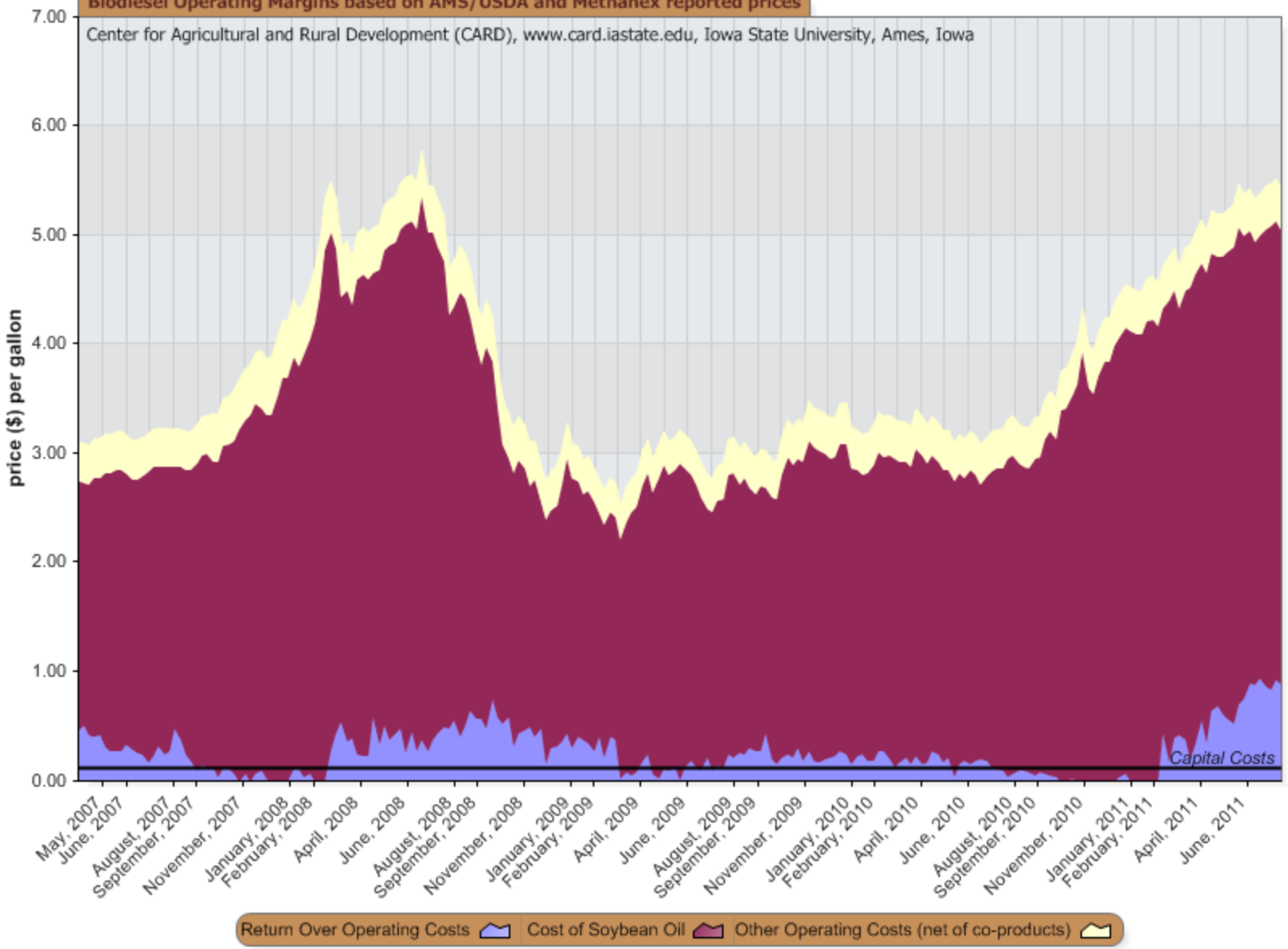
Month	Last	Chg
Sep-11	352.0s	4.9
Oct-11	354.3s	5.1
Dec-11	357.7s	5.6
Jan-12	359.8s	5.4
Mar-12	362.6s	5.6
May-12	363.2s	5.5
Jul-12	363.7s	5.4
Aug-12	360.4s	5.4
Sep-12	353.1s	5.4
Oct-12	342.3s	5.4
Dec-12	343.3s	5.4
Jan-13	345.1s	5.4
Mar-13	348.6s	5.4
May-13	348.6s	5.4
Jul-13	348.6s	5.4
Aug-13	348.6s	5.4
Sep-13	348.6s	5.4
Oct-13	348.6s	5.4
Dec-13	348.6s	5.4
Jul-14	348.6s	5.4
Oct-14	348.6s	5.4
Dec-14	348.6s	5.4

U.S. Soybean Oil Supply and Use (Domestic Measure) 1/

Item	2009/10	2010/11 Est.	2011/12 Proj.	2011/12 Proj.
			Jul	Aug
Million Pounds				
SOYBEAN OIL				
Beginning Stocks	2861	3406	2871	2816
Production	19615	19035	18900	18670
Imports	103	175	185	185
Supply, Total	22578	22616	21956	21671
Domestic	15814	16600	17950	18050
Methyl Ester	1680	2150	3500	3500
Food, Feed & other Industrial				
3/	14134	14450	14450	14550
Exports	3359	3200	1800	1650
Use, Total	19173	19800	19750	19700
Ending stocks	3406	2816	2206	1971
Avg. Farm Price (c/lb) 2/	35.95	53.25	54.00-58.00	54.50-58.50

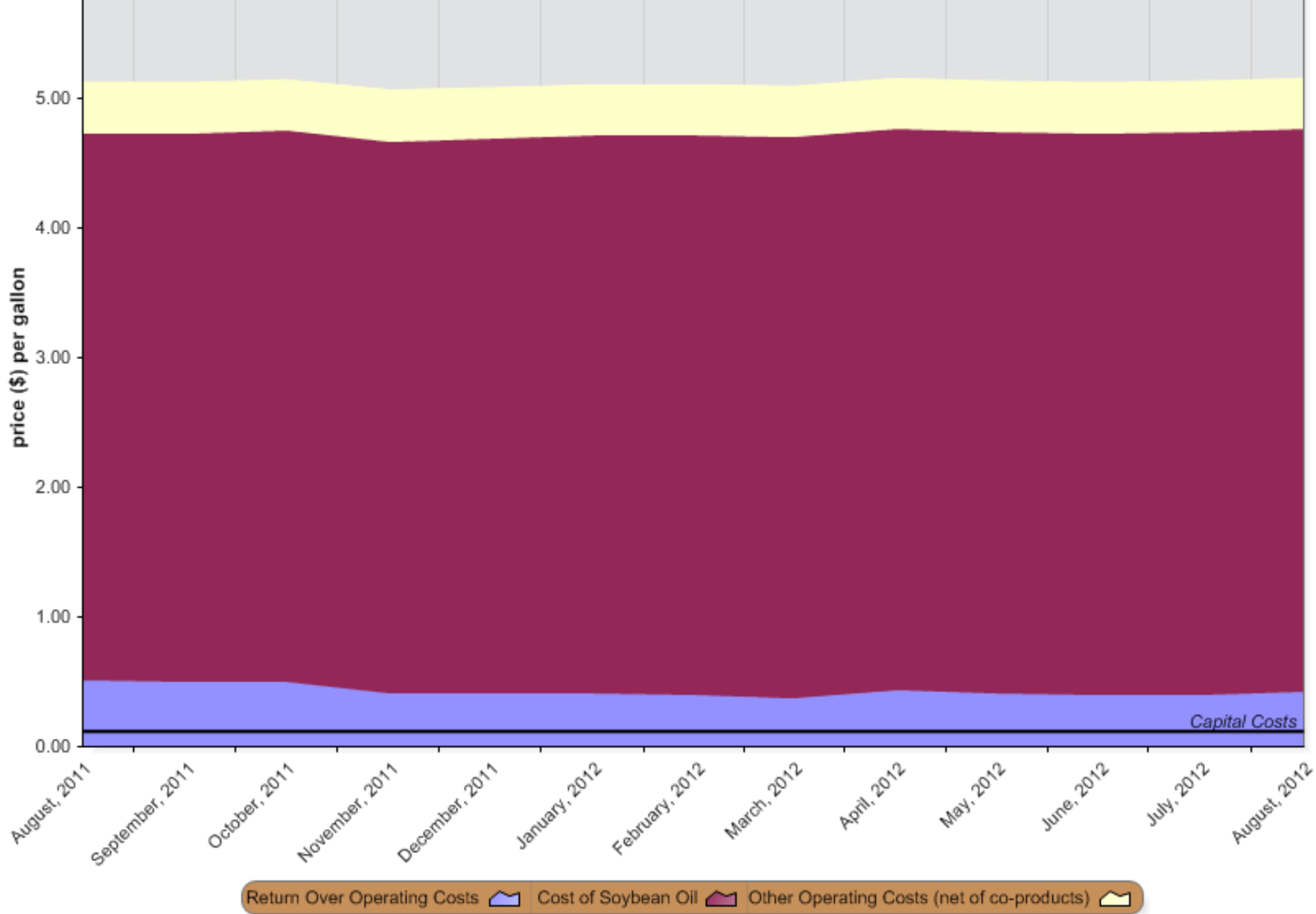
Biodiesel Operating Margins based on AMS/USDA and Methanex reported prices

Center for Agricultural and Rural Development (CARD), www.card.iastate.edu, Iowa State University, Ames, Iowa



Biodiesel Operating Margins based on futures prices

Center for Agricultural and Rural Development (CARD), www.card.iastate.edu, Iowa State University, Ames, Iowa



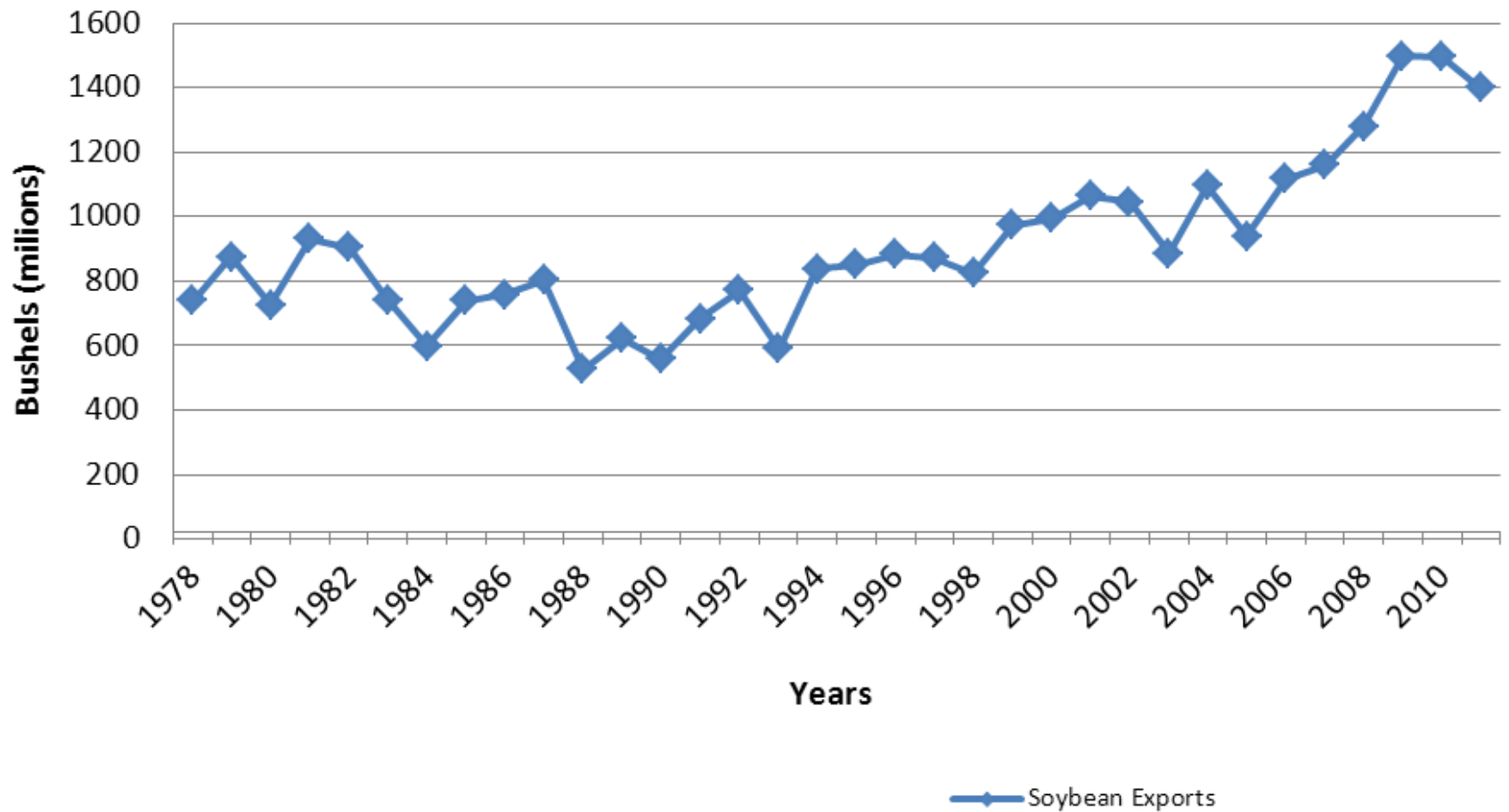
Day Soybean Oil Futures

Month	Last	Chg
Sep-11	54.81	-0.10
Oct-11	55.00	-0.09
Dec-11	55.35	-0.11
Jan-12	55.66	-0.07
Mar-12	55.98	0.02
May-12	56.14s	0.77
Jul-12	56.21	-0.10
Aug-12	56.39s	0.76
Sep-12	56.44s	0.76
Oct-12	56.46s	0.76
Dec-12	56.61s	0.76
Jan-13	56.61s	0.76
Mar-13	56.61s	0.76
May-13	56.61s	0.76
Jul-13	56.61s	0.76
Aug-13	56.61s	0.76
Sep-13	56.61s	0.76
Oct-13	56.61s	0.76
Dec-13	56.61s	0.76
Jul-14	56.61s	0.76
Oct-14	56.61s	0.76
Dec-14	56.61s	0.76

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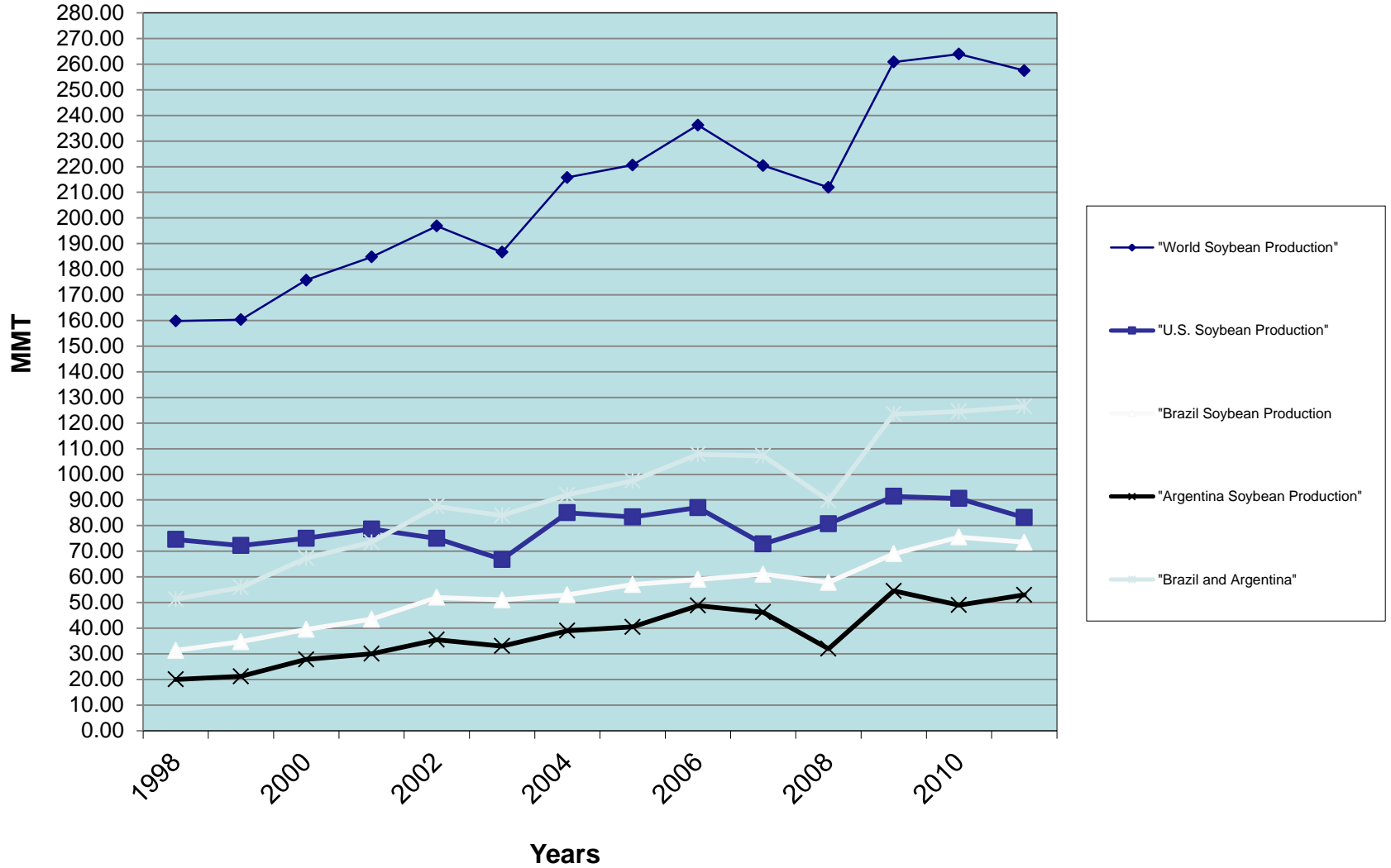
Soybean Exports 1978-2011



World Soybean Production

Country or Region	2010/11 estimate	2011/12 forecast	Change from	Change from
			previous month	2010/11
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	263.9	257.5	-1.5	-2.5
United States	90.6	83.2	-5.2	-8.2
Foreign	173.3	174.3	0.4	0.6
Argentina	49.0	53.0	0.0	8.2
Brazil	75.5	73.5	1.4	-2.6
Paraguay	8.3	7.5	0.0	-9.6
China	15.1	14.0	-2.1	-7.3

World Soybean Production 1995-2011



World Soybean Supply and Use

(Million Metric Tons)

Region	Supply			Use			Ending Stocks
	Beginning Stocks	Production	Imports	Domestic Crush	Total Exports		
=====							
2009/10							
World 2/	42.68	260.84	86.73	209.54	238.30	92.59	59.34
United States	3.76	91.42	0.40	47.67	50.67	40.80	4.11
Total Foreign	38.92	169.42	86.33	161.87	187.63	51.80	55.24
Major Exporters 3/	28.75	130.70	0.19	69.53	74.41	47.02	38.23
Argentina	16.59	54.50	0.00	34.13	35.72	13.09	22.28
Brazil	12.04	69.00	0.17	33.70	36.80	28.58	15.84
Major Importers 4/	8.54	17.02	73.54	69.29	84.90	0.24	13.95
China	7.56	14.98	50.34	48.83	59.43	0.18	13.26
EU-27	0.56	0.84	12.30	12.51	13.38	0.04	0.28
Japan	0.18	0.22	3.40	2.37	3.58	0.00	0.22
Mexico	0.04	0.11	3.52	3.58	3.62	0.00	0.05
2010/11 Est.							
World 2/	59.34	263.95	89.28	222.56	252.93	91.22	68.42
United States	4.11	90.61	0.41	44.77	48.18	40.69	6.26
Total Foreign	55.24	173.34	88.87	177.79	204.76	50.53	62.16
Major Exporters 3/	38.23	132.80	0.05	76.15	81.26	44.59	45.23
Argentina	22.28	49.00	0.00	38.30	39.93	8.50	22.85
Brazil	15.84	75.50	0.03	36.00	39.30	29.90	22.16
Major Importers 4/	13.95	17.33	76.33	75.87	92.20	0.28	15.13
China	13.26	15.10	52.00	55.10	66.05	0.20	14.11
EU-27	0.28	1.08	13.10	12.70	13.90	0.05	0.50
Japan	0.22	0.22	3.22	2.23	3.45	0.00	0.21
Mexico	0.05	0.11	3.55	3.62	3.66	0.00	0.05
=====							

World Soybean Meal Supply and Use 1/
(Million Metric Tons)

Region	Supply		Use			
	Stocks Beginning	Production	Imports	Domestic Total	Exports	Stocks Ending
2009/10						
World 2/	4.39	165.28	53.12	161.09	55.58	6.12
United States	0.21	37.84	0.15	27.80	10.12	0.27
Total Foreign	4.18	127.44	52.97	133.29	45.46	5.84
Major Exporters 3/	2.71	58.73	0.10	16.27	41.05	4.22
Argentina	0.77	26.62	0.00	0.69	24.91	1.79
Brazil	1.84	26.12	0.09	12.84	12.99	2.23
India	0.10	5.99	0.01	2.75	3.15	0.21
Major Importers 4/	0.42	50.17	28.77	77.23	1.71	0.42
EU-27	0.13	9.88	20.73	30.14	0.47	0.13
China	0.00	38.64	0.08	37.55	1.18	0.00
2010/11 Est.						
World 2/	6.12	176.02	57.72	172.84	60.19	6.84
United States	0.27	35.93	0.17	27.90	8.21	0.27
Total Foreign	5.84	140.09	57.55	144.94	51.98	6.57
Major Exporters 3/	4.22	65.28	0.07	17.17	47.70	4.70
Argentina	1.79	29.88	0.00	0.72	28.80	2.15
Brazil	2.23	27.90	0.07	13.45	14.40	2.35
India	0.21	7.50	0.01	3.01	4.50	0.21
Major Importers 4/	0.42	55.49	31.87	85.83	1.25	0.69
EU-27	0.13	10.02	22.90	32.25	0.50	0.30
China	0.00	43.64	0.30	43.24	0.70	0.00

World Soybean Oil Supply and Use 1/
(Million Metric Tons)

Region	Stocks Beginning	Supply Production	Imports	Use Domestic Total	Exports	Stocks Ending
=====						
2009/10						
World 2/	3.12	38.89	8.76	38.32	9.26	3.19
United States	1.30	8.90	0.05	7.17	1.52	1.55
Total Foreign	1.82	30.00	8.71	31.15	7.74	1.64
Major Exporters 3/	0.55	15.23	0.58	9.38	6.28	0.69
Argentina	0.08	6.48	0.00	1.93	4.45	0.18
Brazil	0.24	6.47	0.04	5.06	1.45	0.23
EU-27	0.23	2.28	0.54	2.40	0.38	0.28
Major Importers 4/	0.59	10.07	3.14	13.23	0.08	0.49
China	0.48	8.73	1.51	10.44	0.08	0.21
India	0.10	1.34	1.60	2.76	0.00	0.28
Pakistan	0.01	0.00	0.03	0.04	0.00	0.00
2010/11 Est.						
World 2/	3.19	41.64	9.05	40.96	9.92	3.00
United States	1.55	8.63	0.08	7.53	1.45	1.28
Total Foreign	1.64	33.01	8.97	33.43	8.47	1.73
Major Exporters 3/	0.69	16.55	0.97	10.48	7.03	0.70
Argentina	0.18	7.32	0.00	2.31	5.00	0.20
Brazil	0.23	6.91	0.02	5.25	1.63	0.29
EU-27	0.28	2.32	0.95	2.93	0.40	0.21
Major Importers 4/	0.49	11.55	2.44	13.99	0.04	0.45
China	0.21	9.86	1.50	11.35	0.04	0.18
India	0.28	1.69	0.90	2.60	0.00	0.27
Pakistan	0.00	0.00	0.04	0.04	0.00	0.00
=====						

World Soybean Supply and Use

(Million Metric Tons)

Region	Supply			Use			Ending Stocks	
	Beginning Stocks	Production	Imports	Domestic Crush	Total Exports			
=====								
2011/12 Proj.								
World 2/	Jul	65.88	261.45	94.87	232.36	262.65	97.58	61.97
	Aug	68.42	257.47	95.27	232.11	262.32	97.89	60.95
United States	Jul	5.44	87.77	0.41	45.04	48.15	40.69	4.78
	Aug	6.26	83.17	0.41	44.50	47.52	38.10	4.22
Total Foreign	Jul	60.44	173.68	94.46	187.31	214.50	56.89	57.19
	Aug	62.16	174.30	94.86	187.61	214.81	59.79	56.73
Major Exporters 3/	Jul	43.38	133.00	0.07	78.95	84.20	50.80	41.45
	Aug	45.23	134.00	0.07	78.95	84.20	53.80	41.30
Argentina	Jul	22.85	53.00	0.00	40.00	41.65	11.30	22.90
	Aug	22.85	53.00	0.00	40.00	41.65	11.80	22.40
Brazil	Jul	20.31	72.50	0.05	37.10	40.50	34.00	18.36
	Aug	22.16	73.50	0.05	37.10	40.50	36.50	18.71
Major Importers 4/	Jul	15.23	16.63	81.36	82.32	98.70	0.36	14.16
	Aug	15.13	16.35	80.74	81.72	98.10	0.26	13.86
China	Jul	14.21	14.30	56.50	60.60	71.60	0.30	13.11
	Aug	14.11	14.00	56.50	60.60	71.60	0.20	12.81
EU-27	Jul	0.50	1.10	13.30	13.20	14.40	0.03	0.47
	Aug	0.50	1.20	12.60	12.60	13.80	0.03	0.47
Japan	Jul	0.21	0.22	3.40	2.36	3.59	0.00	0.25
	Aug	0.21	0.22	3.40	2.36	3.59	0.00	0.25
Mexico	Jul	0.05	0.11	3.75	3.80	3.84	0.00	0.07
	Aug	0.05	0.11	3.75	3.80	3.84	0.00	0.07
=====								

TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	Est. 2010- 2011	Proj. 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	75.0
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	73.8
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	41.4
(Million Bushels)										
Beginning Stocks	208	178	112	256	449	574	205	138	151	230
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329	3056
Imports	5	6	6	3	9	10	13	15	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3301
Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1645	1635
Exports	1045	885	1097	940	1116	1159	1279	1499	1495	1400
Seed	89	92	88	93	80	93	90	90	87	90
Residual	41	19	105	101	77	0	16	20	38	21
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3265	3146
Ending Stocks	178	112	256	449	574	205	138	151	230	155
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	7.1	4.9
U.S. Loan Rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
U.S. Season Ave										
Farm Price, \$/Bu.	\$5.53	\$7.34	\$5.74	\$5.66	\$6.43	\$10.10	\$9.97	\$9.59	\$11.35	\$13.50
Source: USDA and Jim Hilker. (8 - 11 - 11)										

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT

- 1,000 BUSHELS -

GRAIN	WEEK ENDING			CURRENT	PREVIOUS
	08/11/11	08/04/11	08/12/10	MARKET YEAR TO DATE	MARKET YEAR TO DATE
WHEAT	18,445	27,303	21,955	230,492	187,892
RYE	0	0	0	0	0
OATS	0	0	0	110	18
BARLEY	40	12	8	1,580	212
FLAXSEED	0	0	0	1	23
CORN	27,567	35,518	33,023	1,693,574	1,767,409
SORGHUM	5,838	2,761	2,687	145,878	158,471
SOYBEANS	4,277	6,134	16,724	1,458,550	1,429,481
SUNFLOWER	0	0	0	0	0
TOTAL	56,167	71,728	74,397	3,530,185	3,543,506

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT

- 1,000 BUSHELS -

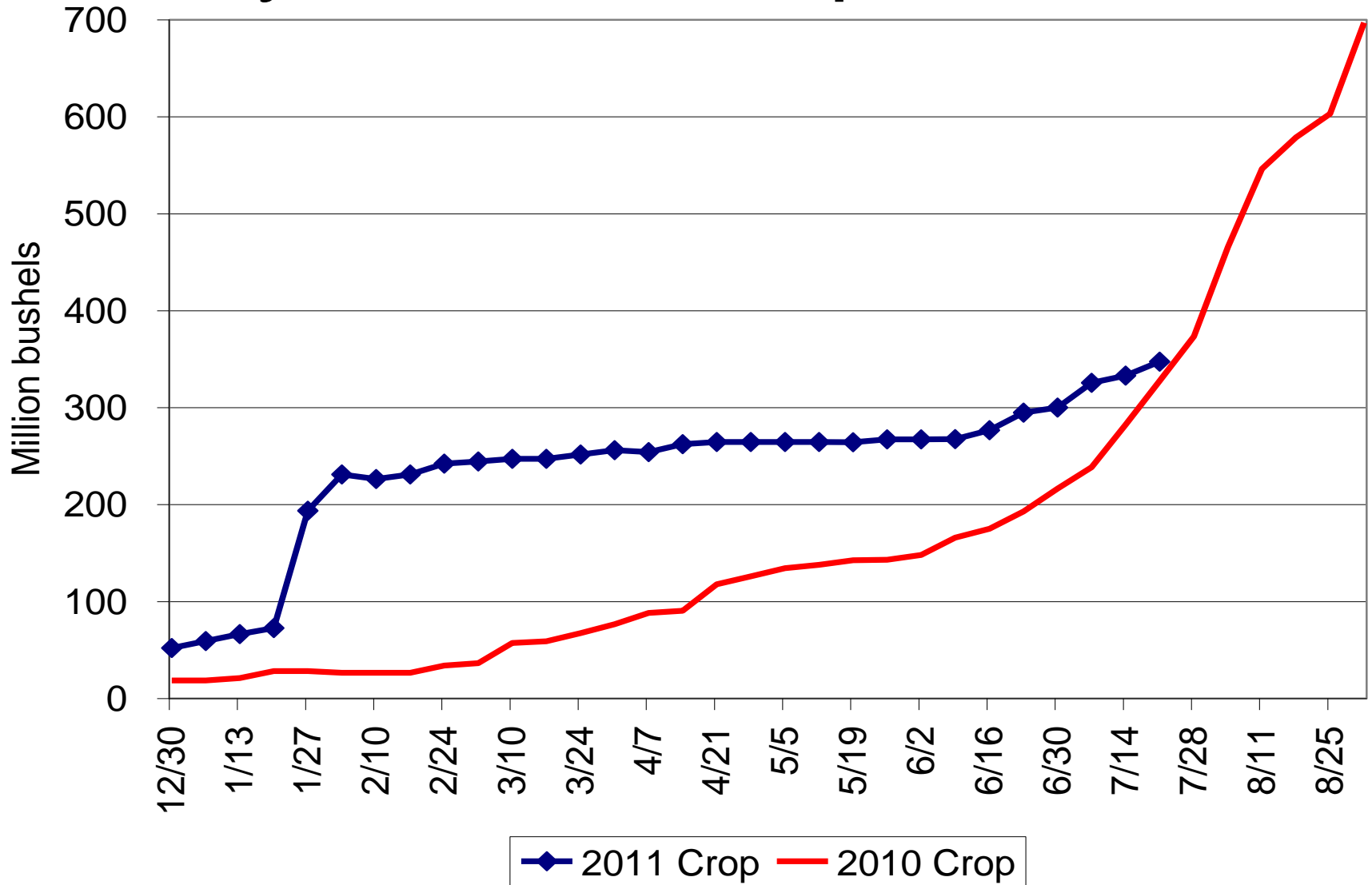
	----- WEEK ENDING -----	WEEK ENDING -----	WEEK ENDING -----	CURRENT MARKET YEAR TO DATE	PREVIOUS MARKET YEAR TO DATE
GRAIN	08/04/11	07/28/11	08/05/10		
SOYBEANS	5,642	5,951	7,419	1,452,559	1,412,757

Soybean and Product Export Sales Report for Week Ending 8/11/11

(in mil bus)

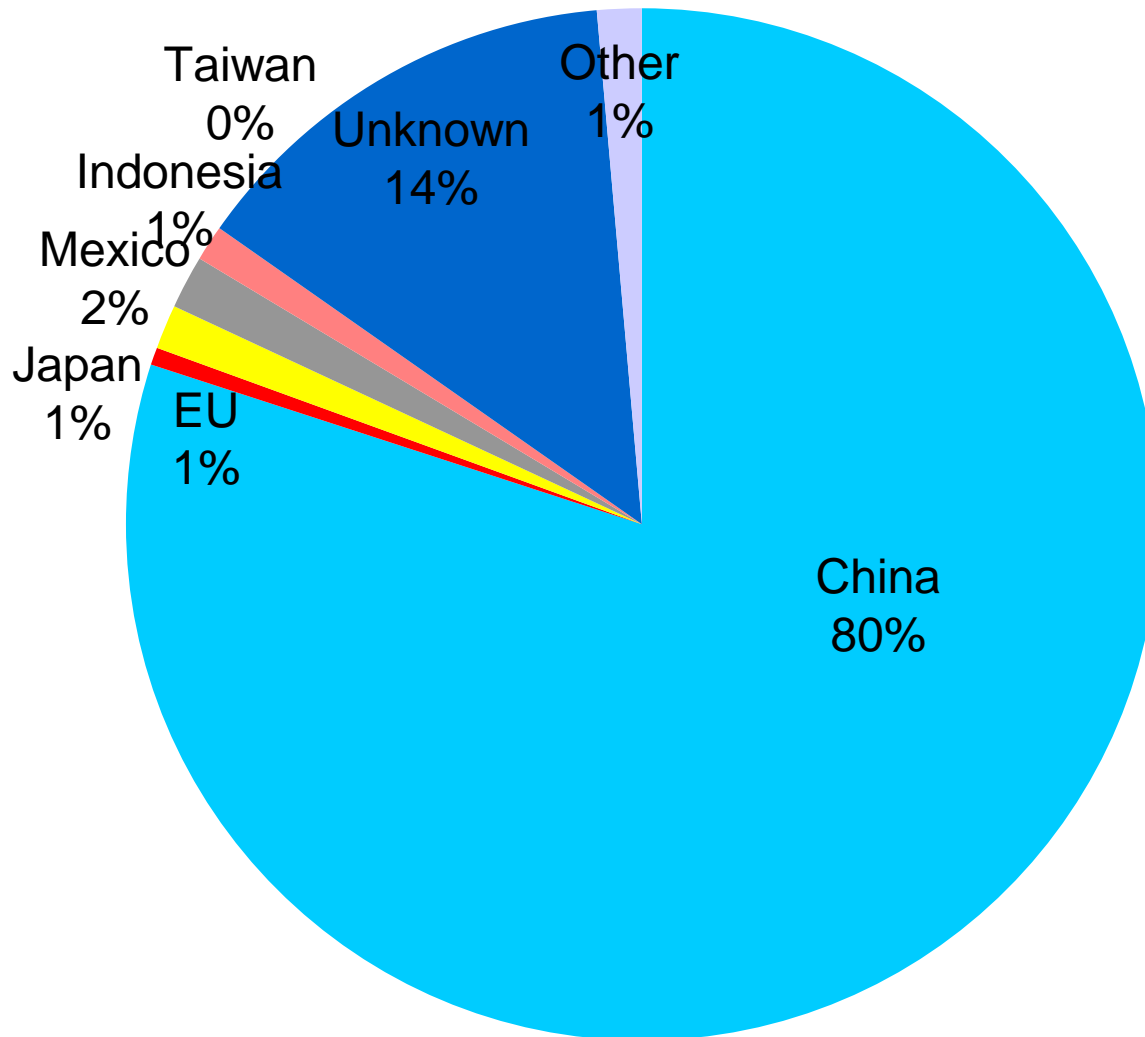
	Sales	Weekly Unshipped	Total	Prev Yr	New Crop Sales Weekly Unshipped	
GRAINS						
Soybeans	8.8	104.9	1539.5	1504.1	12.9	376.9
OTHER COMMODITIES						
Soyoil (000 mt)	6.9	93.5	1298.1	1431.8	0.0	10.3
Soymeal (000 mt)	23.4	1034.1	7728.0	9438.2	73.6	518.8

Soy Advance Export Sales



Source: USDA, FAS

Soy Advance Export Sales



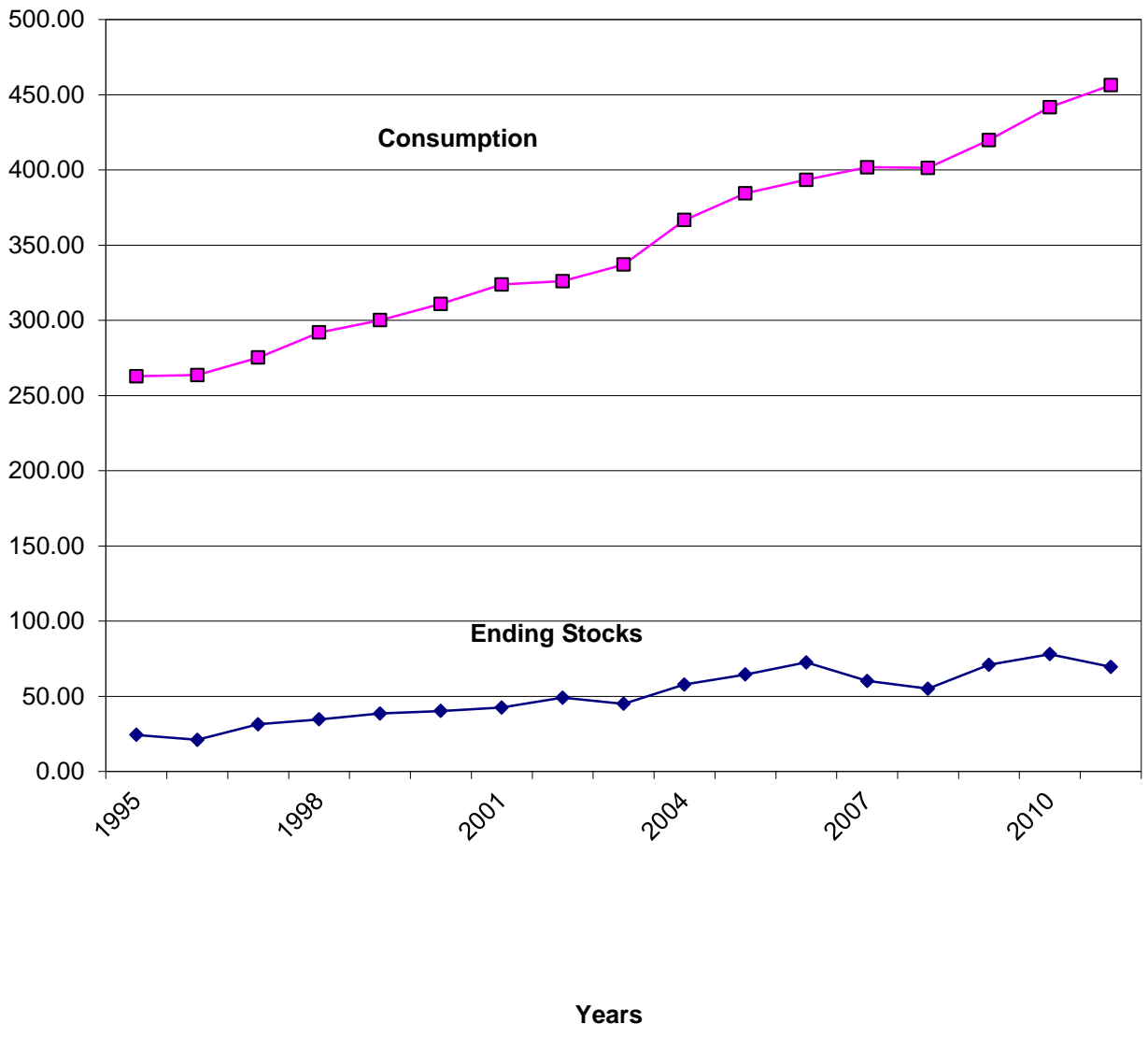
Source: USDA, FAS

World and U.S. Supply and Use for Oilseeds

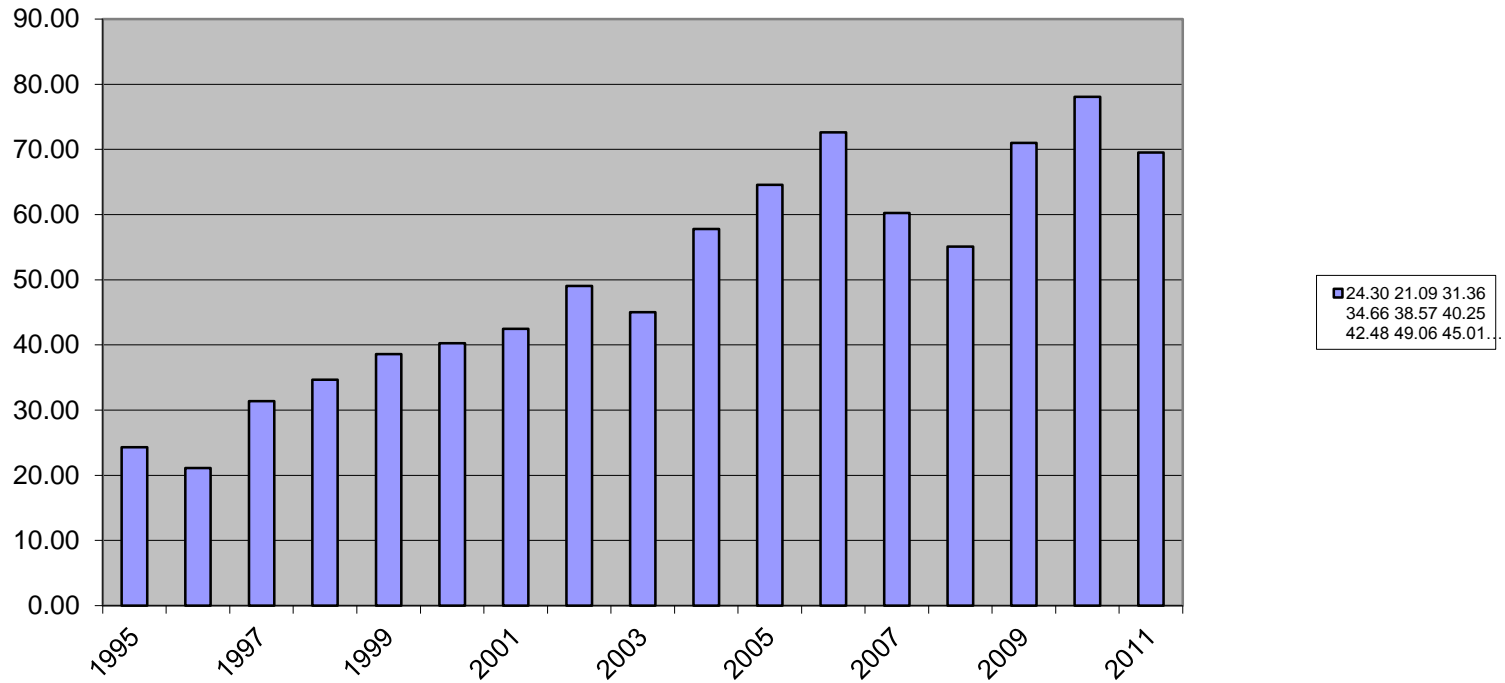
(Million Metric Tons)

Commodity		Output	Total Supply	Trade	Total Use 2/	Ending Stocks
World						
Oilseeds						
	2009/10	442.28	497.35	108.06	357.58	71.01
	2010/11 (Est.)	452.08	523.09	106.56	375.56	78.05
	2011/12 (Proj.)					
	Jul	455.51	531.25	113.88	389.83	70.74
	Aug	451.44	529.50	113.91	389.42	69.54
United States						
Oilseeds						
	2009/10	98.90	105.59	41.69	51.49	5.55
	2010/11 (Est.)	100.38	106.88	41.68	49.23	7.55
	2011/12 (Proj.)					
	Jul	96.34	104.34	41.44	49.31	5.76
	Aug	91.68	100.52	38.87	48.70	5.25
Foreign 3/						
Oilseeds						
	2009/10	343.38	391.76	66.37	306.10	65.47
	2010/11 (Est.)	351.70	416.20	64.88	326.33	70.51
	2011/12 (Proj.)					
	Jul	359.17	426.91	72.44	340.52	64.98
	Aug	359.76	428.98	75.04	340.73	64.30

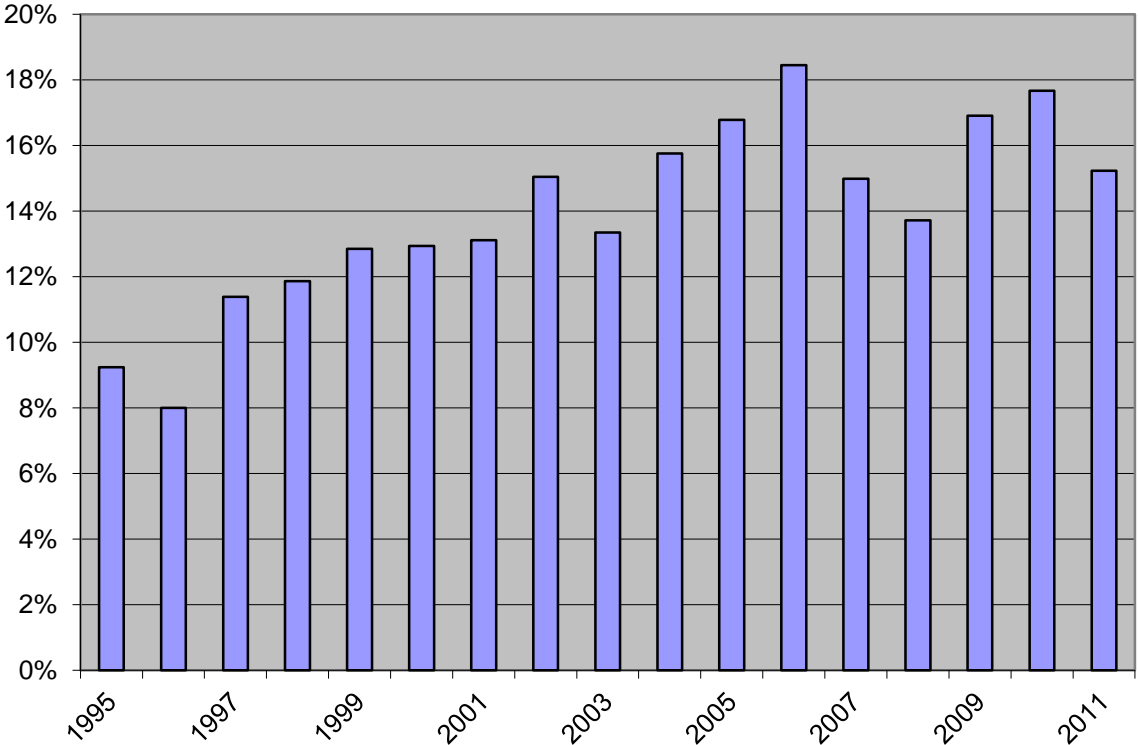
World Oilseeds 1995-2011 (MMT)



World Oilseeds Ending Stocks 1995-2011

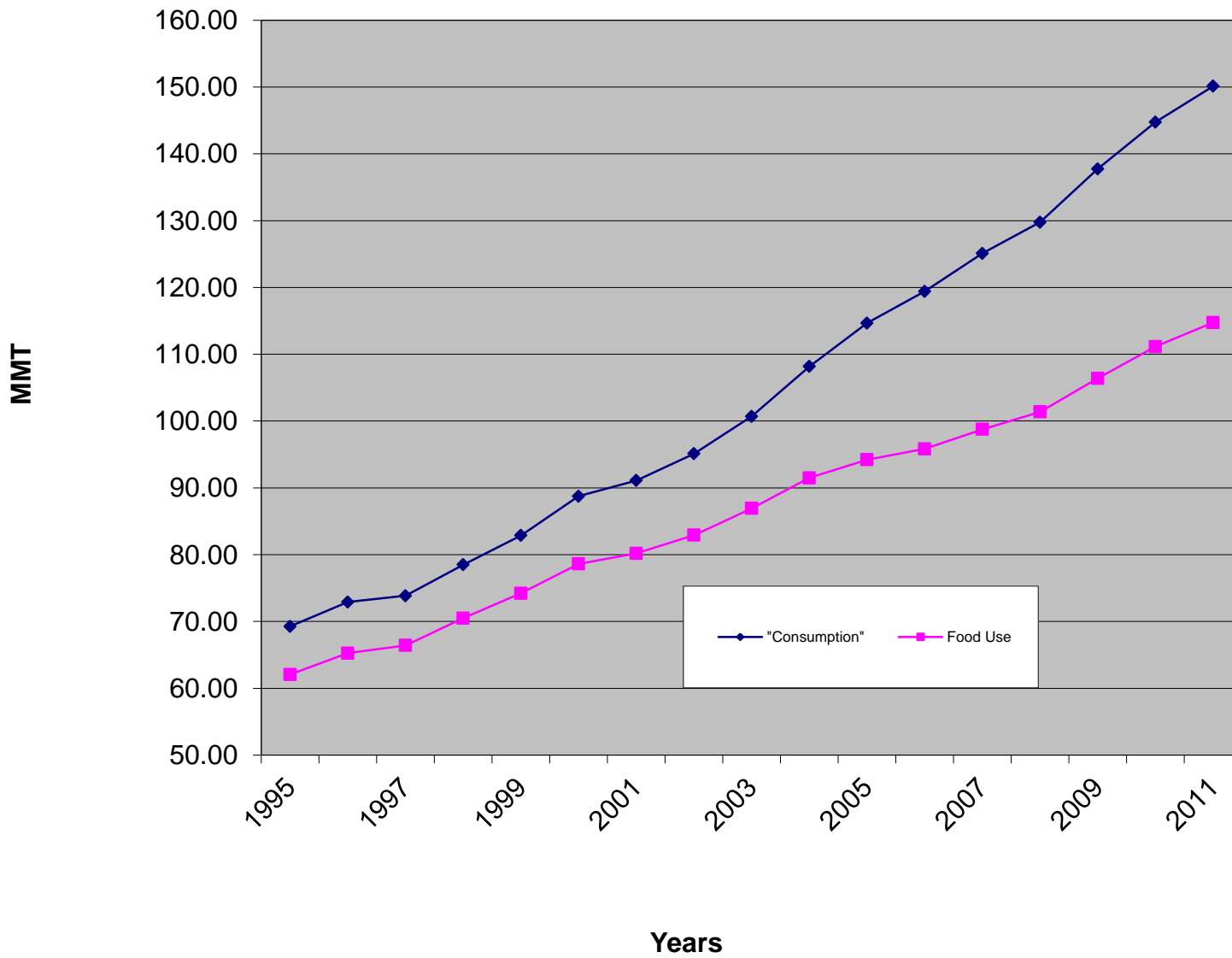


World Oilseeds Ending Stocks to Use 1995-2011

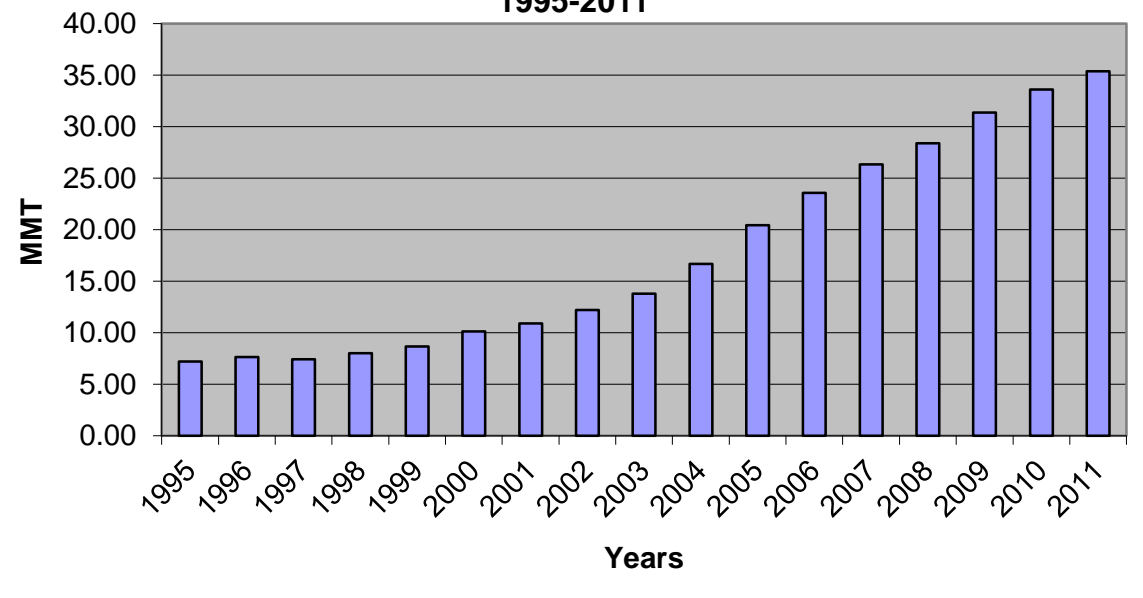


■ E.S. to USE

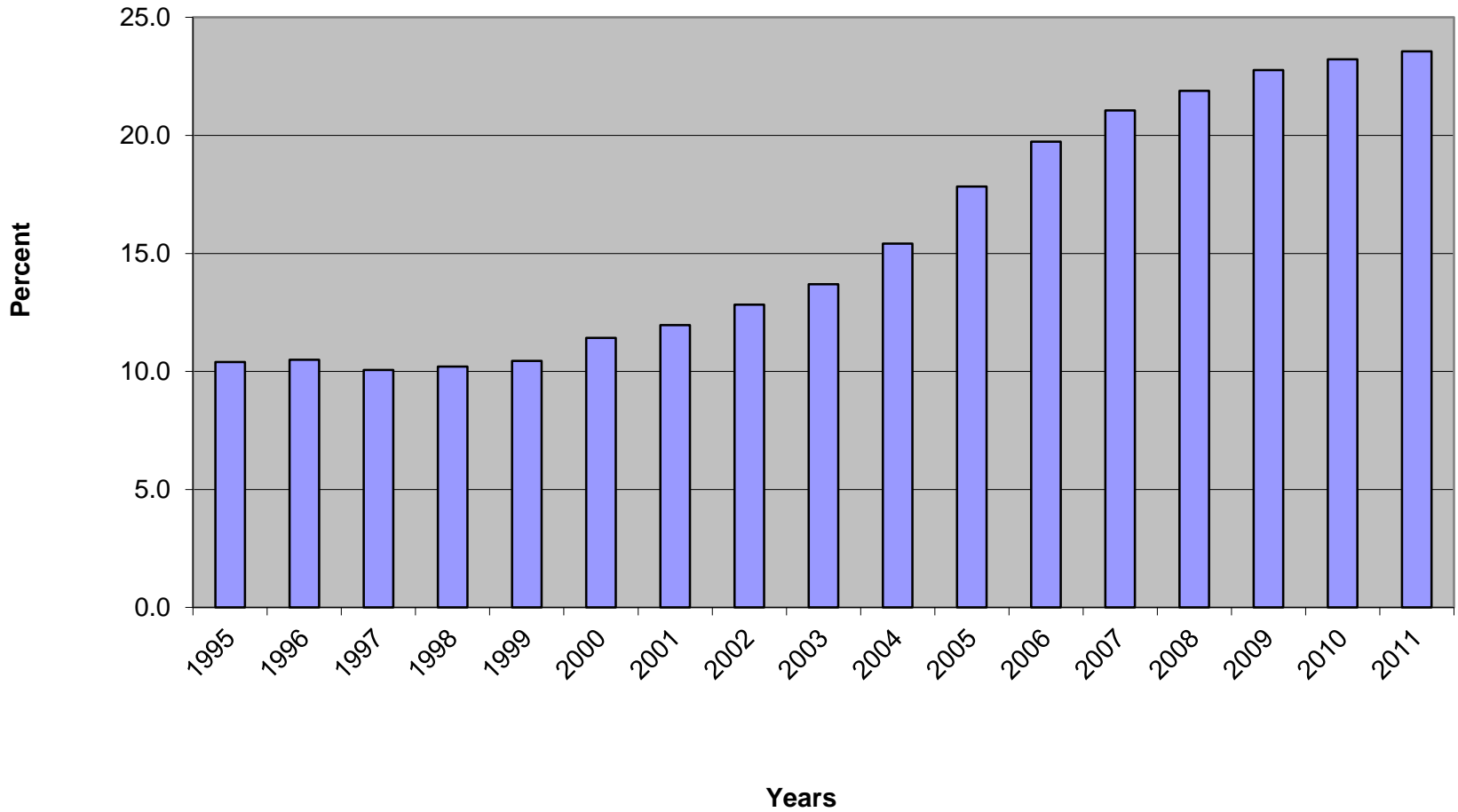
World Vegetable Oil Consumption 1995-2011



**World Vegetable Oil Consumption
Total Consumption Minus Food Use
1995-2011**



**World Vegetable Oil Consumption
Non-Food Use as Percent of Total Consumption
1995-2011**

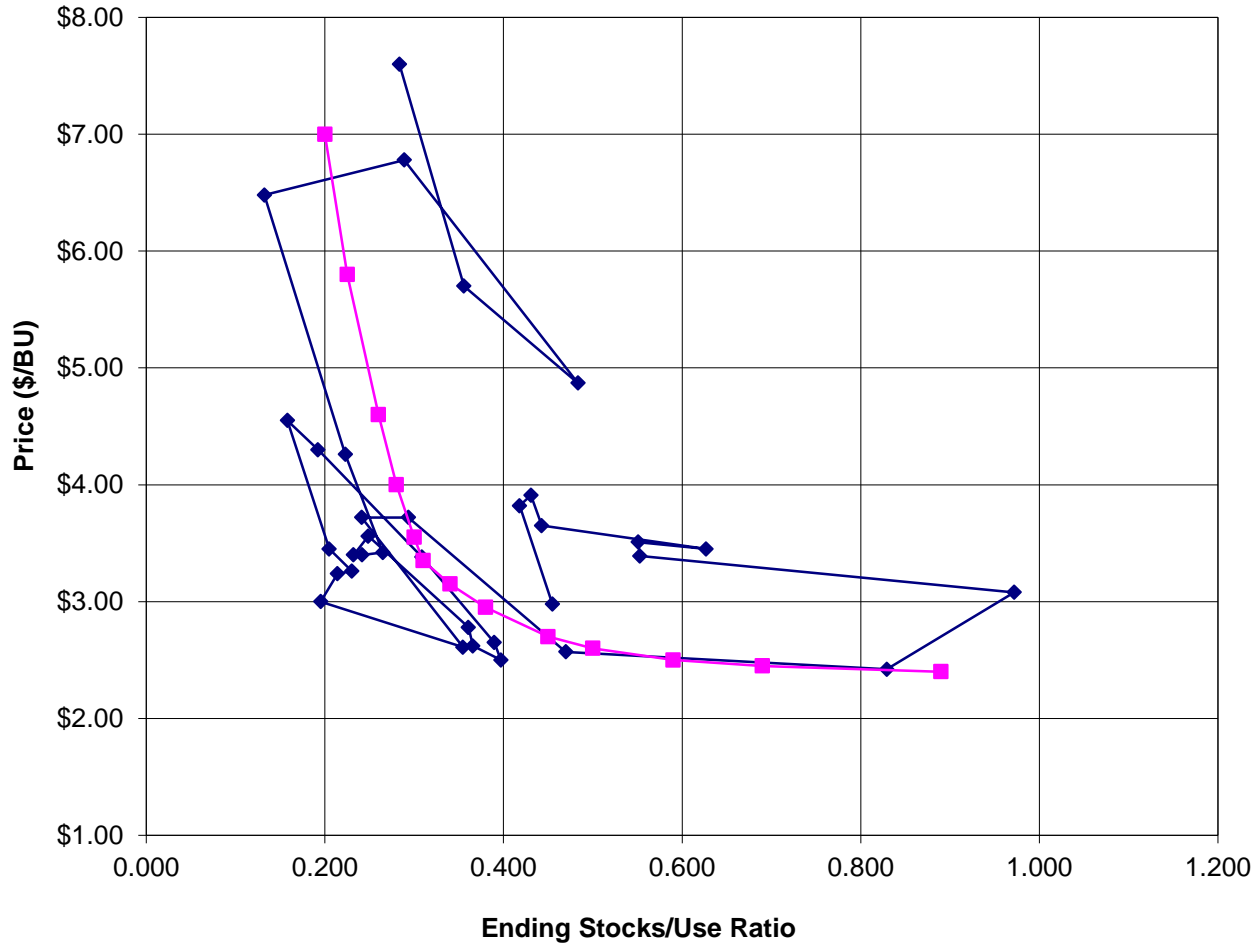


**TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS**

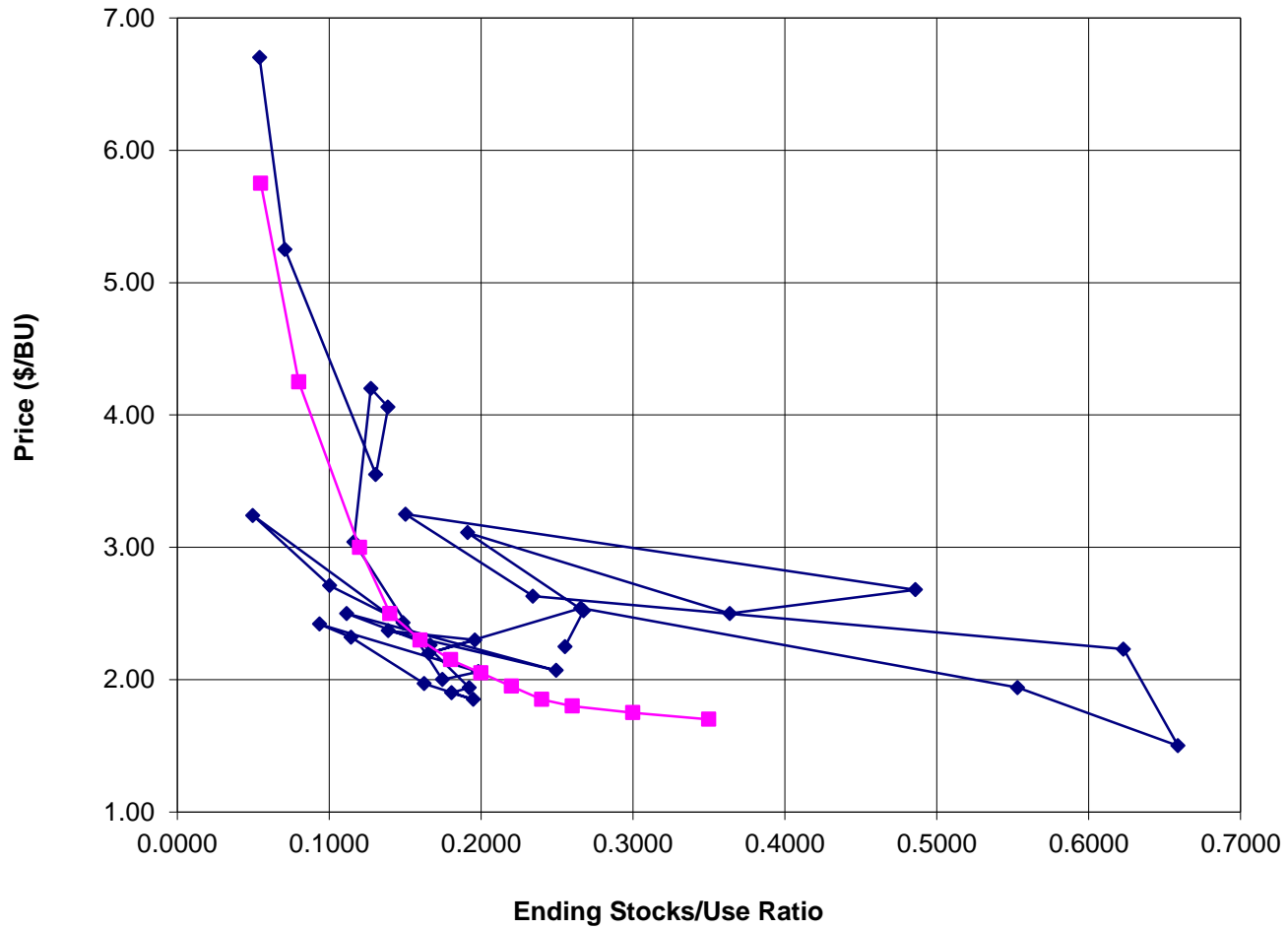
	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	Est. 2010- 2011	Proj. 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	75.0
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	73.8
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	41.4
(Million Bushels)										
Beginning Stocks	208	178	112	256	449	574	205	138	151	230
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329	3056
Imports	5	6	6	3	9	10	13	15	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3301
Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1645	1635
Exports	1045	885	1097	940	1116	1159	1279	1499	1495	1400
Seed	89	92	88	93	80	93	90	90	87	90
Residual	41	19	105	101	77	0	16	20	38	21
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3265	3146
Ending Stocks	178	112	256	449	574	205	138	151	230	155
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	7.1	4.9
U.S. Loan Rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
U.S. Season Ave										
Farm Price, \$/Bu.	\$5.53	\$7.34	\$5.74	\$5.66	\$6.43	\$10.10	\$9.97	\$9.59	\$11.35	\$13.50

Source: USDA and Jim Hilker. (8 - 11 - 11)

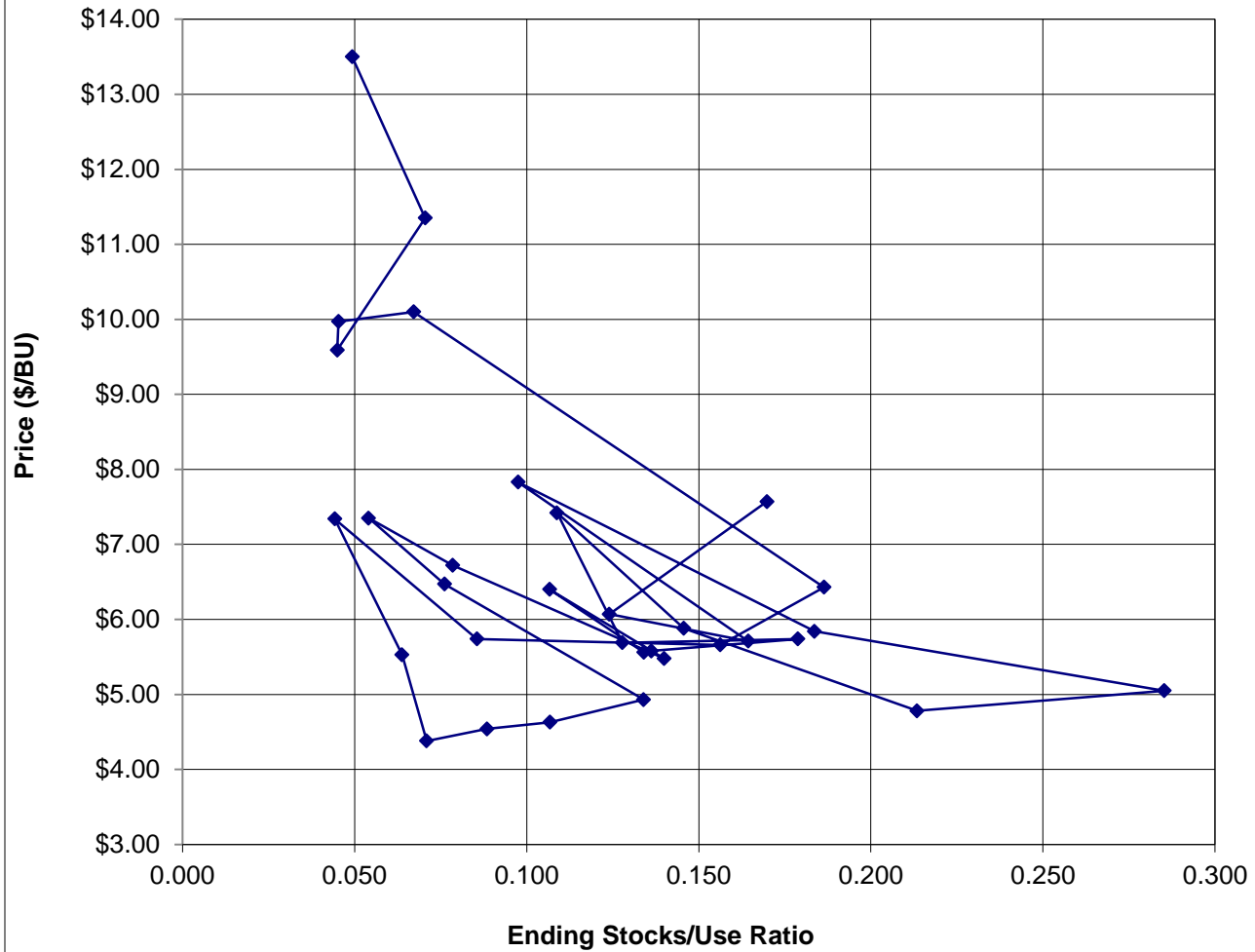
**U.S. Wheat Price vs Ending Stocks/Use Ratio
1978 - 2011**



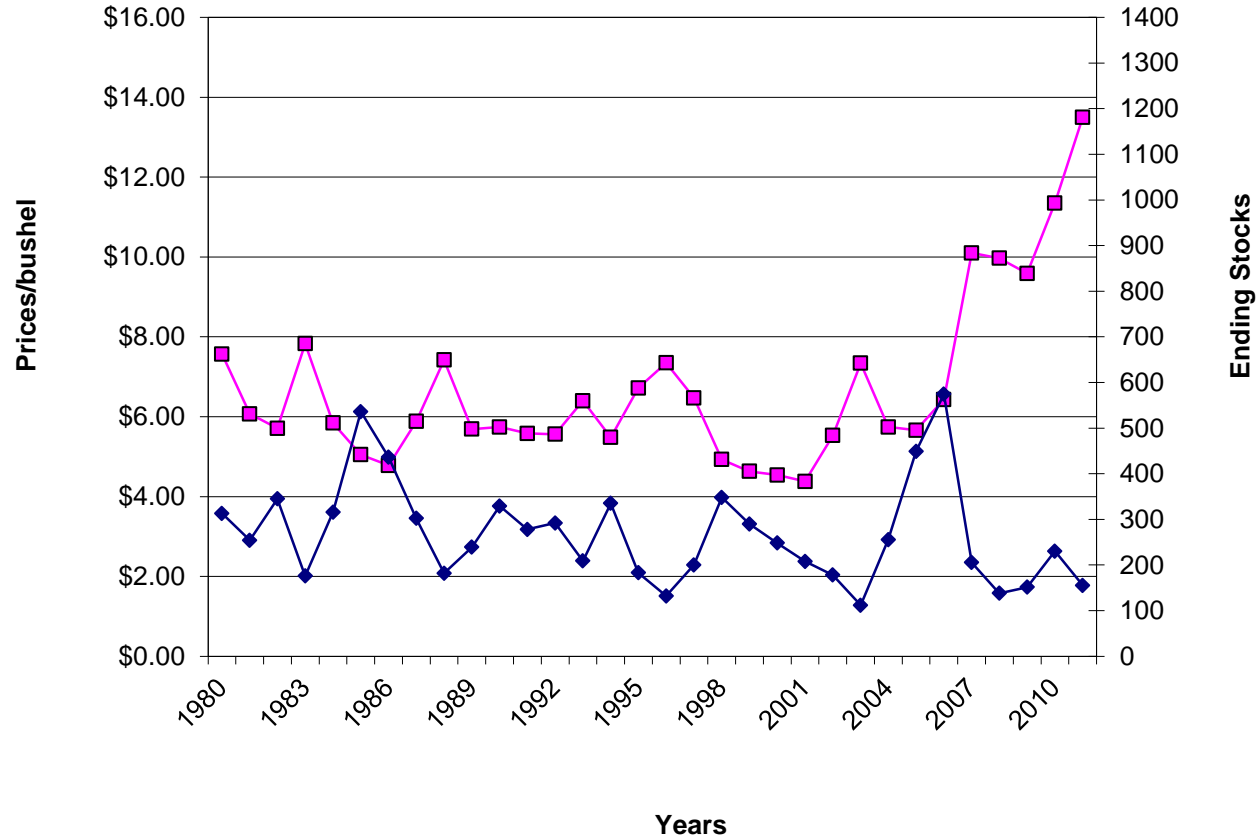
**U.S. Corn Price vs Ending Stocks/Use Ratio
1978 - 2011**



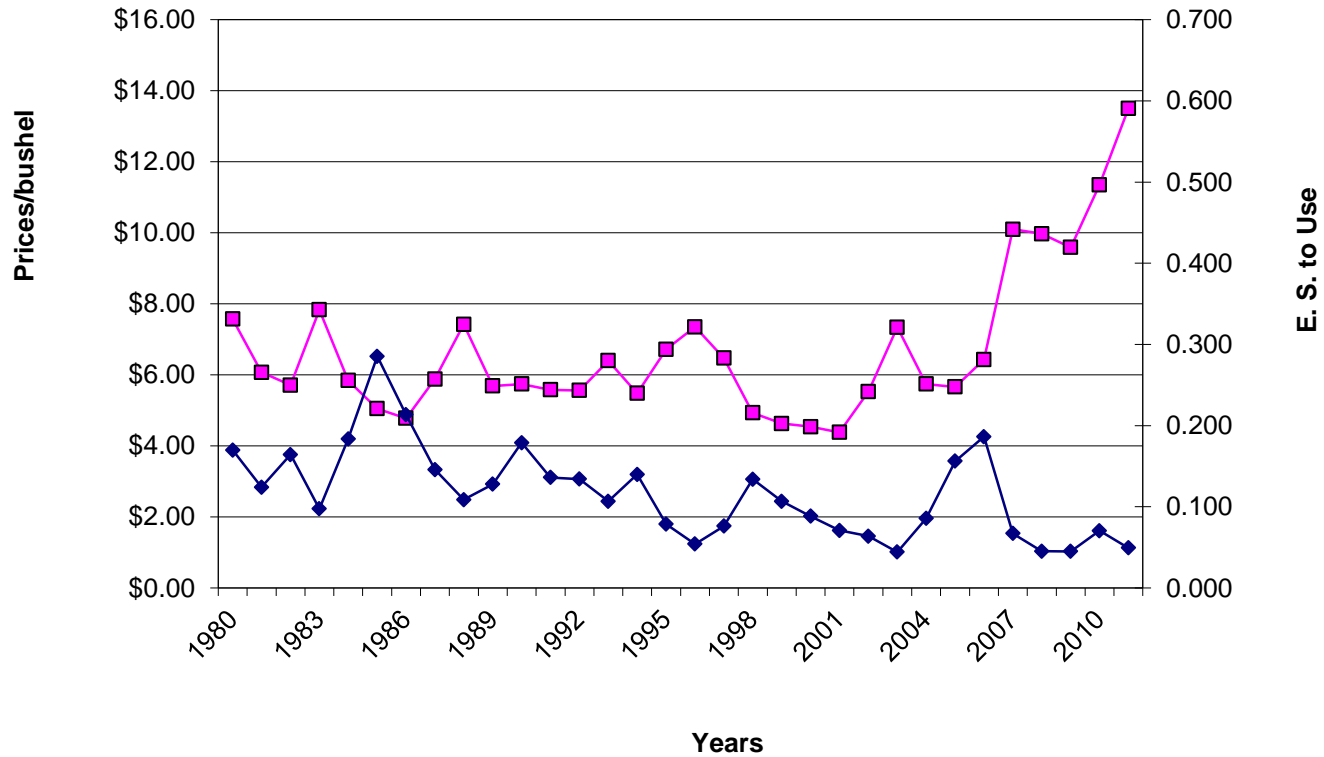
**U.S. Soybean Price vs Ending Stocks/Use Ratio
1980 - 2011**



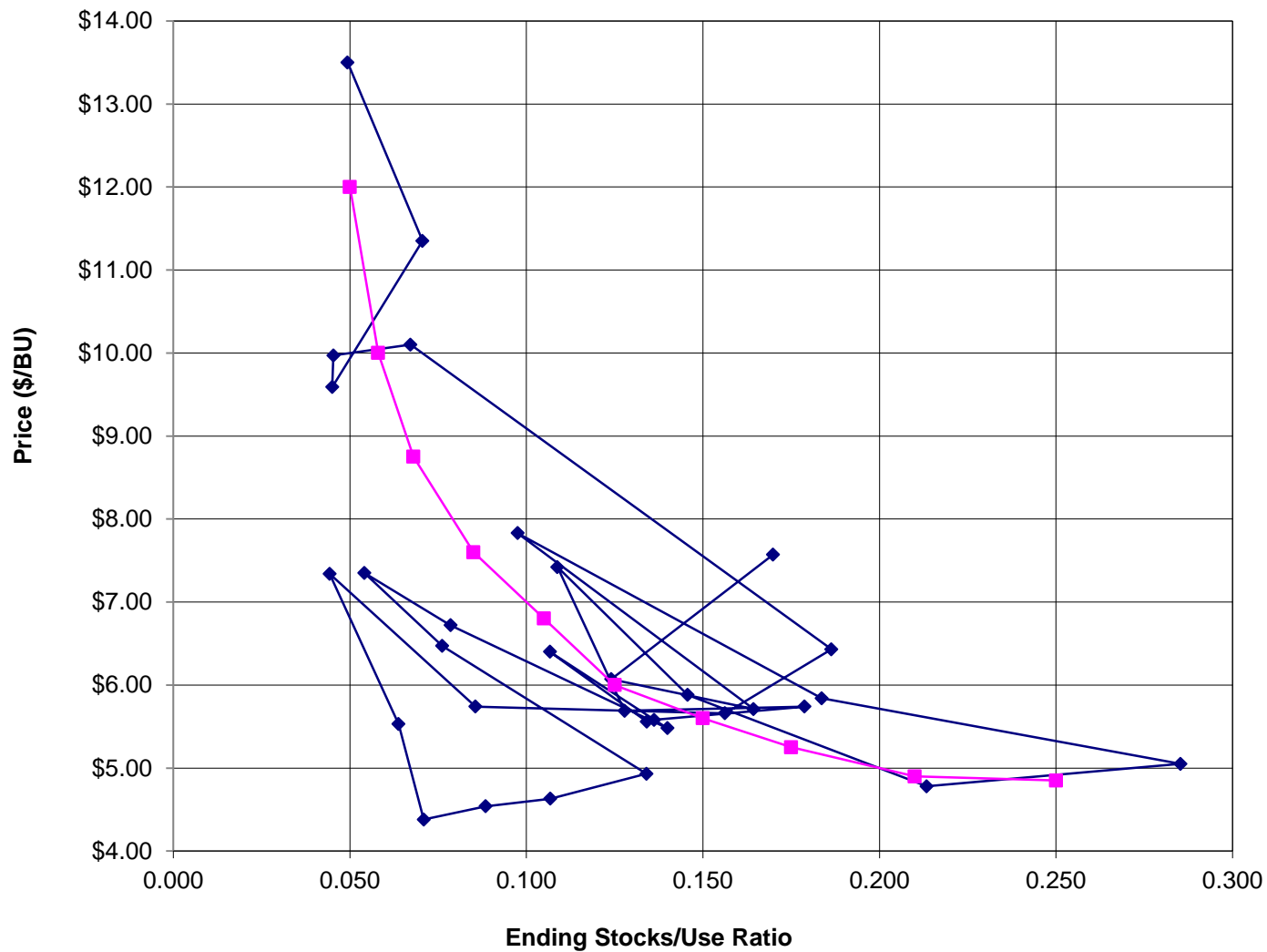
Soybean Prices versus E.S. 1980-2011



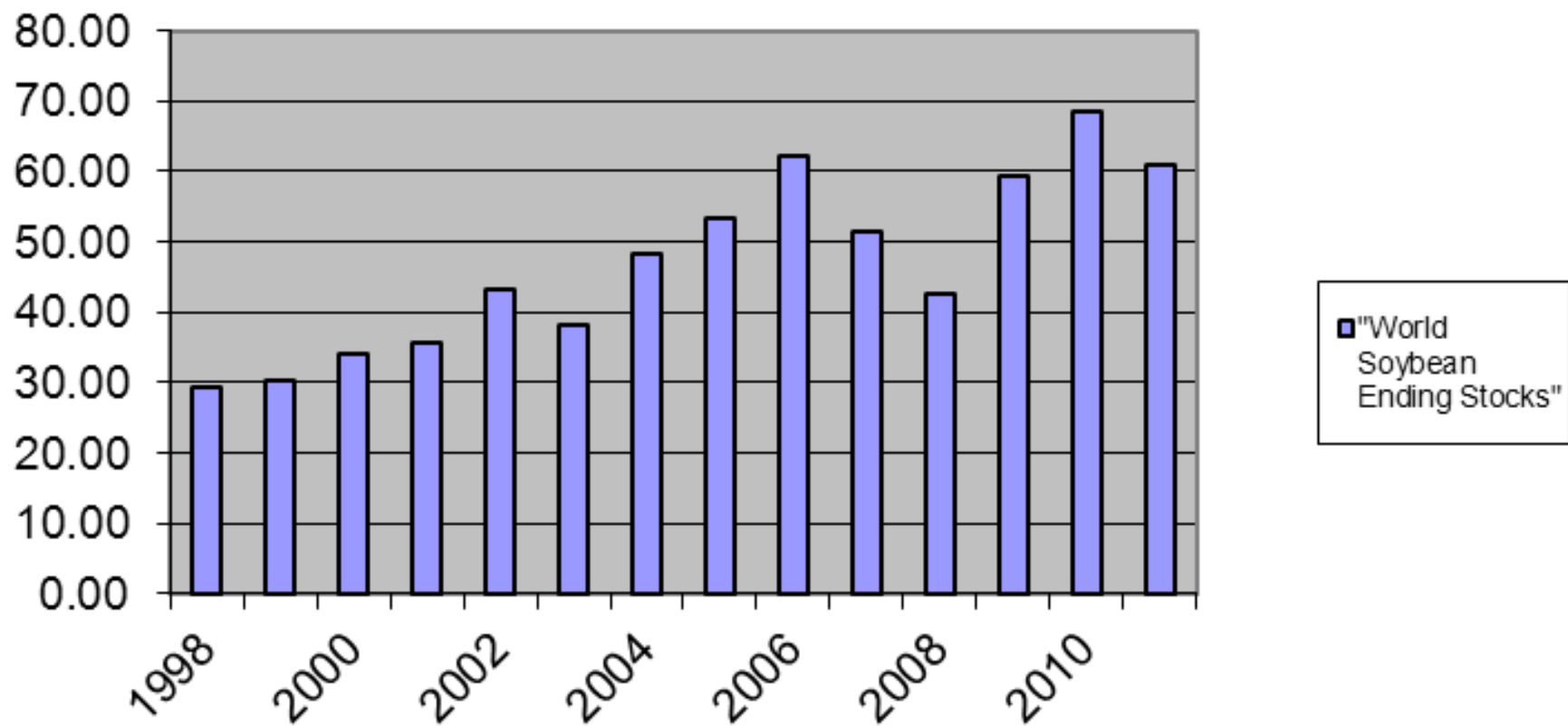
Soybean Prices versus E.S. to Use 1980-2011



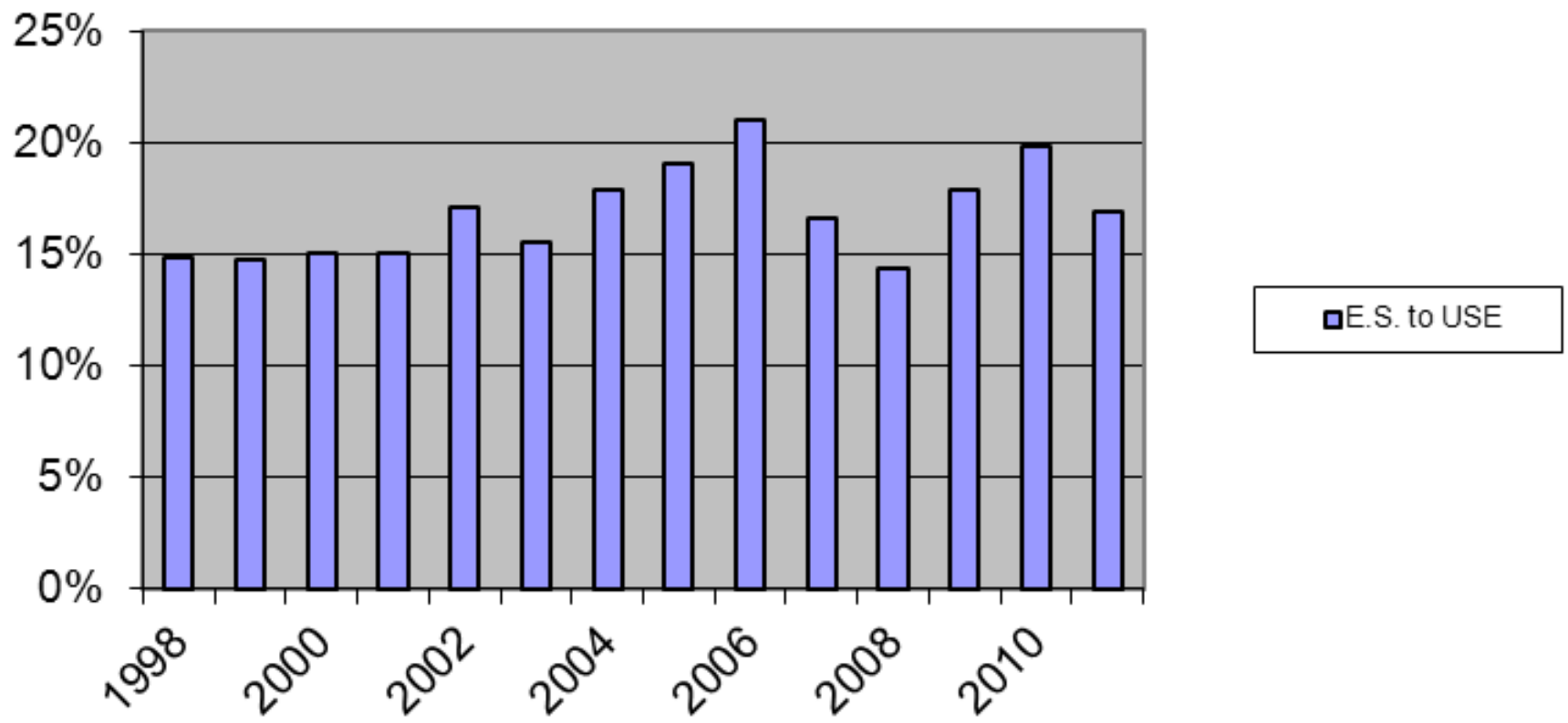
**U.S. Soybean Price vs Ending Stocks/Use Ratio
1980 - 2011**



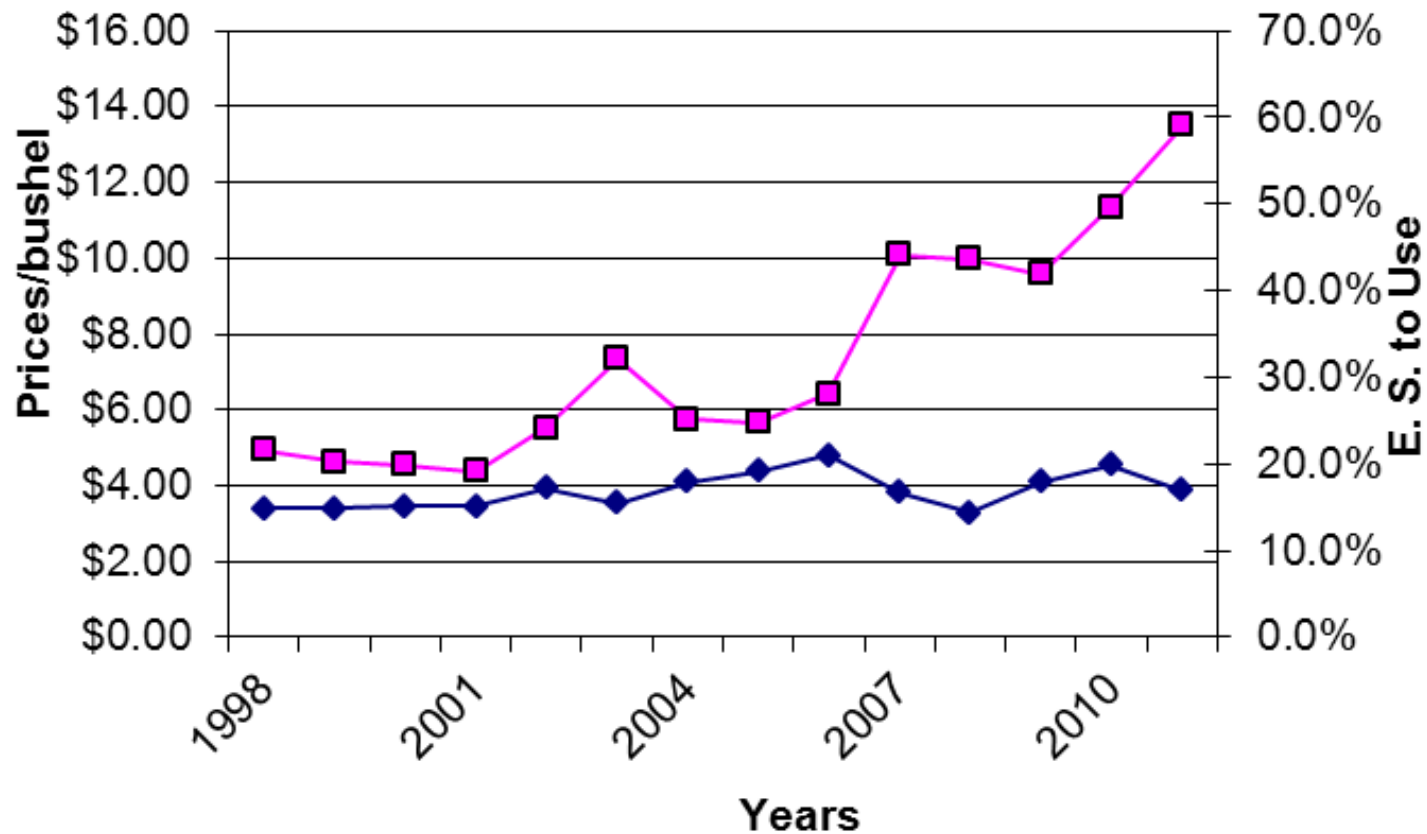
World Soybean Ending Stocks 1998-2011



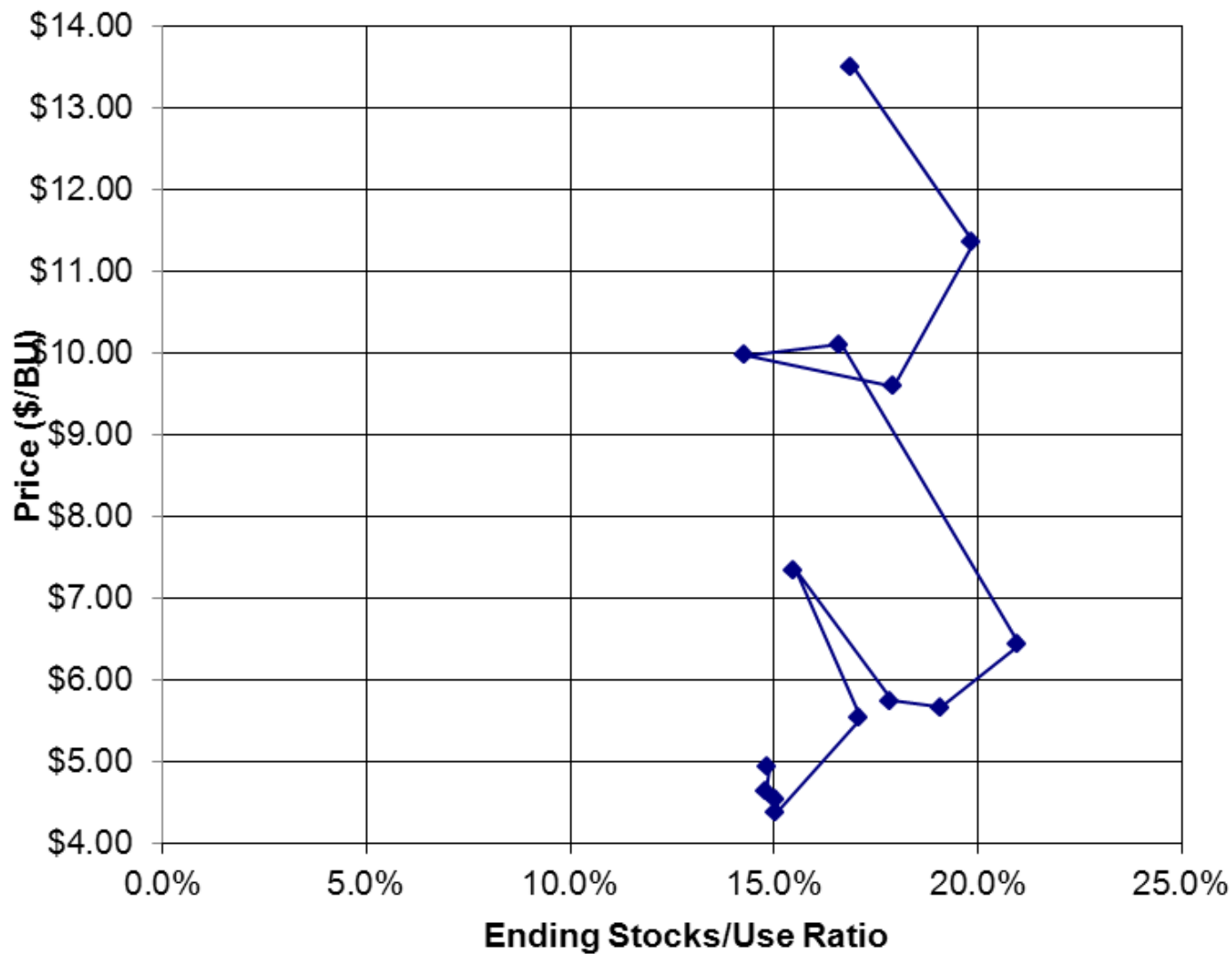
World Soybean Ending Stocks to Use 1995-2011



Soybean Prices versus World E.S. to Use 1998-2011



Soybean Price vs World Ending Stocks/Use Ratio 1998 - 2011



**TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	Est. 2010- 2011	Proj. 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	75.0
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	73.8
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	41.4
(Million Bushels)										
Beginning Stocks	208	178	112	256	449	574	205	138	151	230
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329	3056
Imports	5	6	6	3	9	10	13	15	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3301
Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1645	1635
Exports	1045	885	1097	940	1116	1159	1279	1499	1495	1400
Seed	89	92	88	93	80	93	90	90	87	90
Residual	41	19	105	101	77	0	16	20	38	21
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3265	3146
Ending Stocks	178	112	256	449	574	205	138	151	230	155
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	7.1	4.9
U.S. Loan Rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
U.S. Season Ave										
Farm Price, \$/Bu.	\$5.53	\$7.34	\$5.74	\$5.66	\$6.43	\$10.10	\$9.97	\$9.59	\$11.35	\$13.50

Source: USDA and Jim Hilker. (8 - 11 - 11)

Day Soybean Futures

Month	Last	Chg
Sep-11	1343'4s	15'6
Nov-11	1351'2s	16'4
Jan-12	1362'2s	16'4
Mar-12	1369'0s	16'4
May-12	1370'0s	16'0
Jul-12	1372'2s	15'4
Aug-12	1359'0s	14'0
Sep-12	1337'4s	13'0
Nov-12	1319'6s	13'0
Jan-13	1324'6s	13'0
Mar-13	1326'2s	13'0
May-13	1326'0s	13'0
Jul-13	1332'2s	13'0
Aug-13	1319'0s	13'0
Sep-13	1293'4s	13'0
Nov-13	1264'0s	11'0
Jul-14	1266'4s	11'0
Nov-14	1250'0s	11'0

Nov 2011 Soybean Futures



Cumulative Probability Distribution November 2011 Soybean Futures

Current Futures Price	=	13.347500
Standard Error of Futures Price Distribution at Maturity	=	1.3039445
Median of Futures Price Distribution at Maturity	=	13.284260
perc 0.1	=	11.726261
perc 0.2	=	12.240050
perc 0.3	=	12.627798
perc 0.4	=	12.964500
perc 0.5	=	13.284260
perc 0.6	=	13.625179
perc 0.7	=	13.988475
perc 0.8	=	14.431611
perc 0.9	=	15.063935

2012 and Beyond

- Predict the Price of Corn
- Calculate the Corn Gross Margin
- Add Corn G.M. To Soybean V.C.
- Calculate Soybean Breakeven Price
- Now you have the Soybean Price Forecast

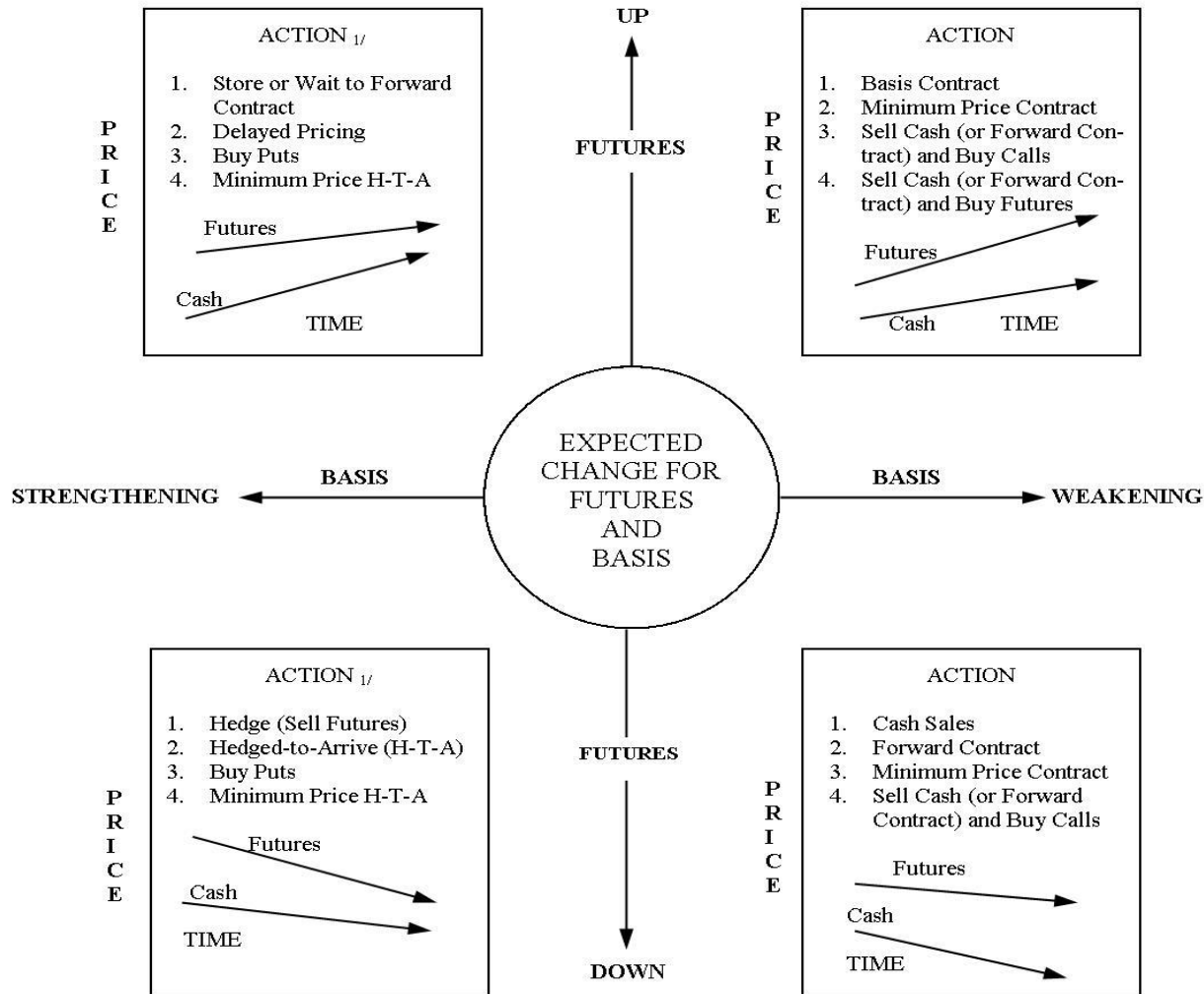
2012 and Beyond

- Continued Volatility
 - Weather, U.S. and World
- U.S. and World Economy
- Value of the Dollar
- U.S. and World Trade Policy
- U.S. and World Energy Policy
- A very short world soybean crop
- A very large soybean crops
- Fight for acres

Pricing Considerations

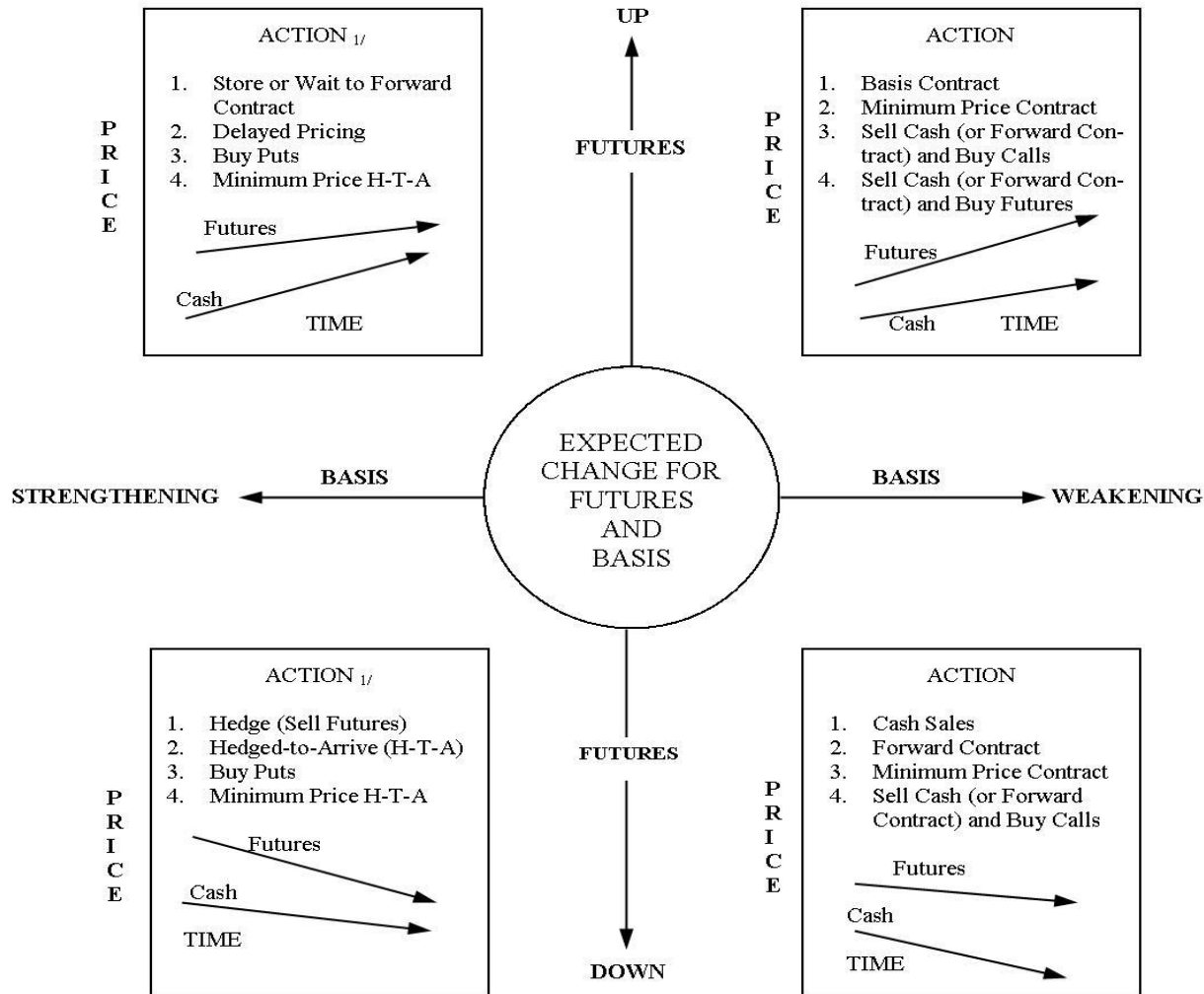
- What should Sellers Do?
- Can we predict the basis?

Pricing Decision Chart for Cash Product Sellers



^{1/} Basis should exceed storage costs, including interest and shrink, plus normal basis at delivery for any storage period invoiced. (Basis should strengthen more than the cost of storage)

Pricing Decision Chart for Cash Product Sellers



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Day Soybean Futures

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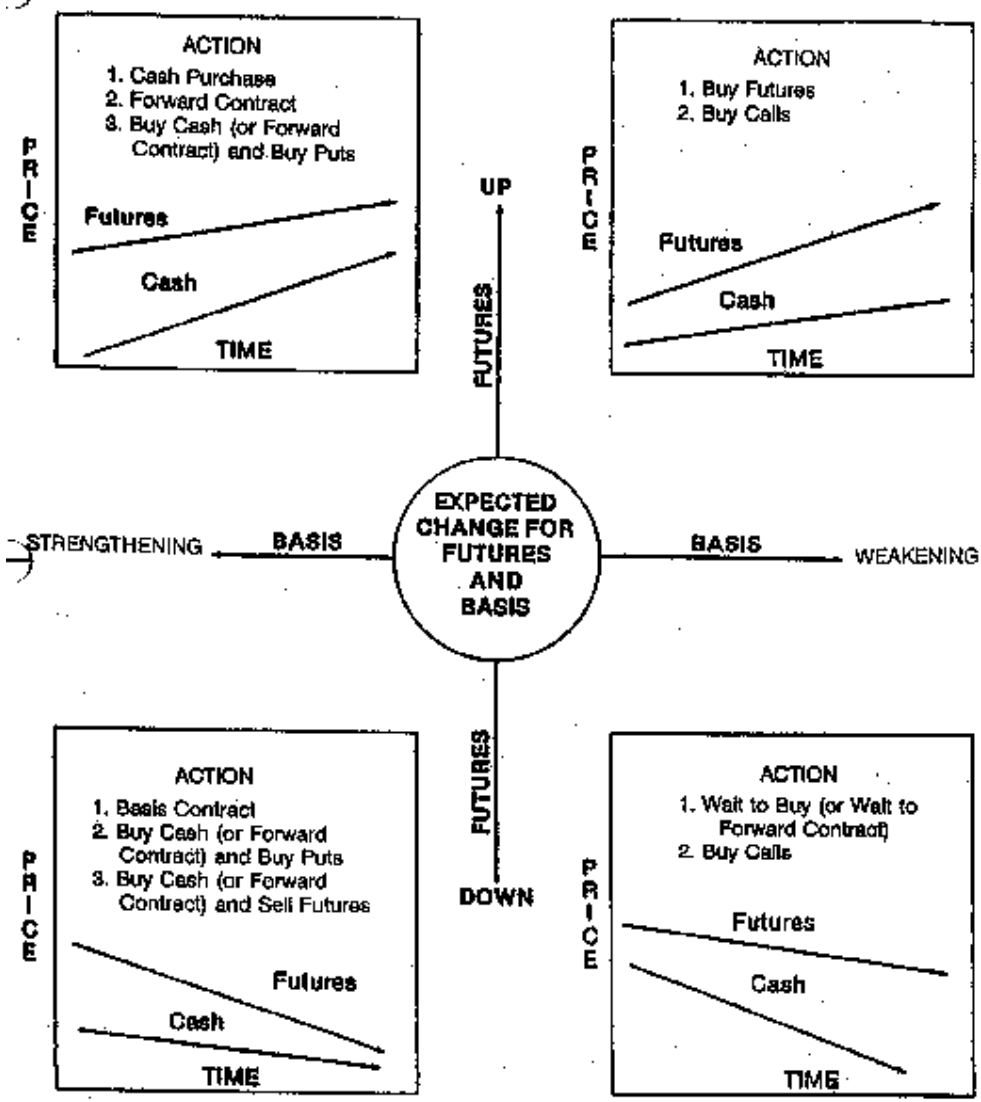
Nov 2011 Soybean Futures



Pricing Considerations

- What should Buyers Do?
 - Buying opportunity?
 - Soymeal
 - Corn
 - DG's
 - Other

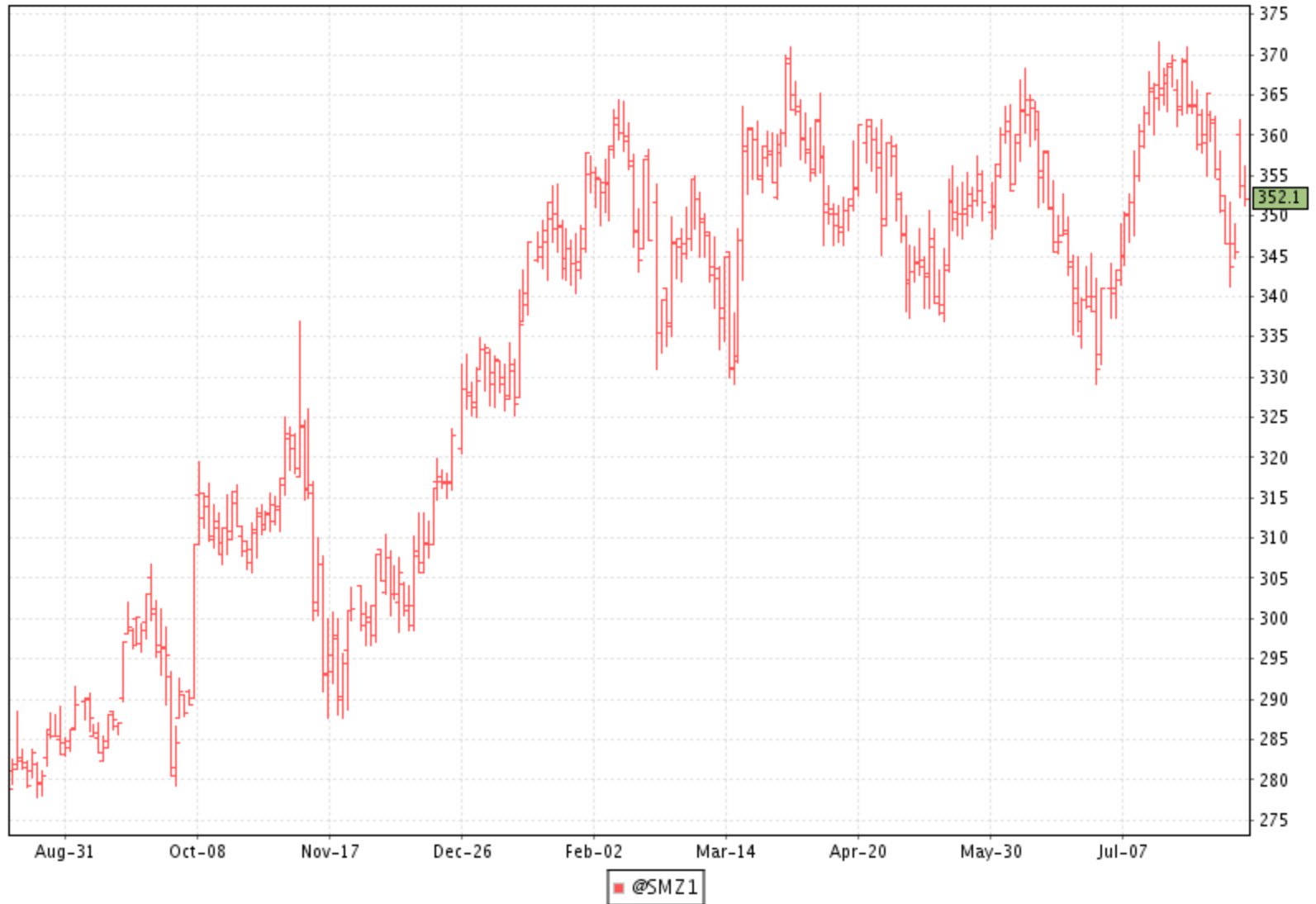
Pricing Decision Chart for Cash Product Buyers



Day Soybean Meal Futures

Month	Last	Chg
Sep-11	352.0s	4.9
Oct-11	354.3s	5.1
Dec-11	357.7s	5.6
Jan-12	359.8s	5.4
Mar-12	362.6s	5.6
May-12	363.2s	5.5
Jul-12	363.7s	5.4
Aug-12	360.4s	5.4
Sep-12	353.1s	5.4
Oct-12	342.3s	5.4
Dec-12	343.3s	5.4
Jan-13	345.1s	5.4
Mar-13	348.6s	5.4
May-13	348.6s	5.4
Jul-13	348.6s	5.4
Aug-13	348.6s	5.4
Sep-13	348.6s	5.4
Oct-13	348.6s	5.4
Dec-13	348.6s	5.4
Jul-14	348.6s	5.4
Oct-14	348.6s	5.4
Dec-14	348.6s	5.4

Dec 11 Soymeal Futures



Thanks

Questions/Discussion

Jim Hilker's Web Page

<http://www.msu.edu/user/hilker/>