

Outlook for Feed Prices

Session III: Implications of Feed Price Volatility

Living on a Roller Coaster

18th Annual National Workshop for Dairy
Economists and Policy Analysts

*InterContinental Hotel, O'Hare
Rosemont(Chicago), Illinois
May 5-6, 2010*

Jim Hilker
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Michigan State University
May 5, 2011

MICHIGAN STATE | **Extension**
UNIVERSITY

Outline for Discussion

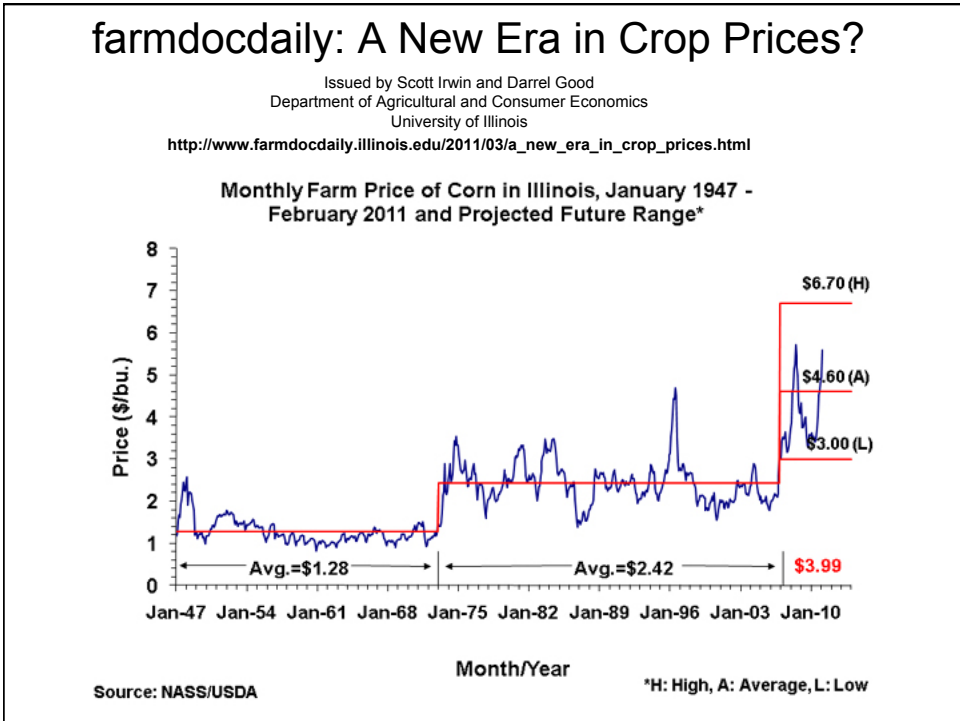
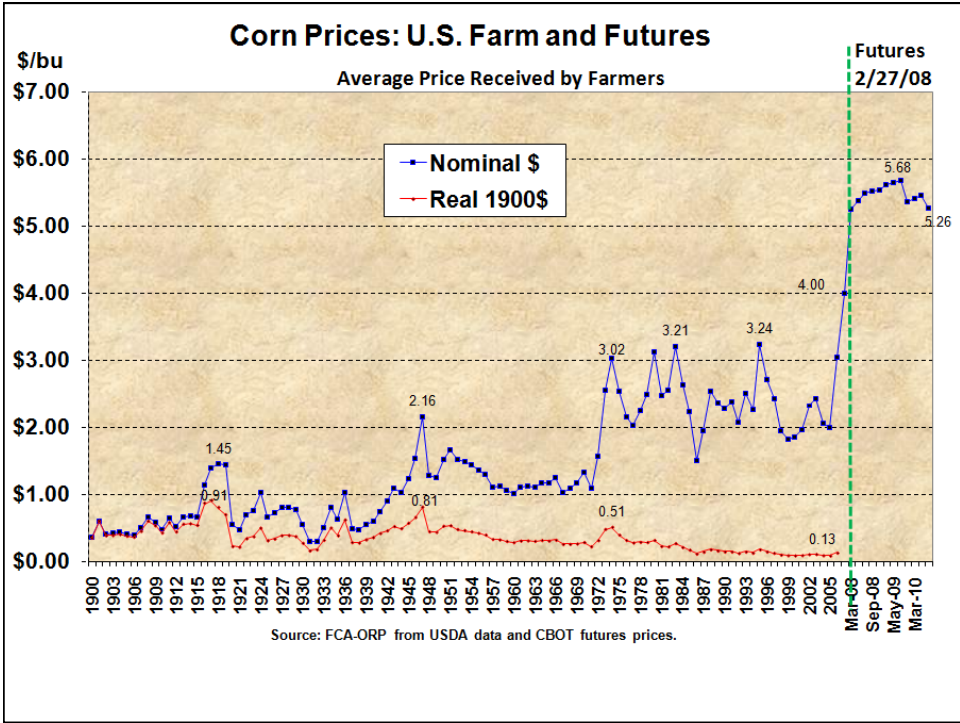
(I Use Corn and Soybean Prices as Proxies for Feed Prices)

- Are we at New Price Plateaus?
- What are the Long Run Price Forecasts?
- Review Volatility, i.e., Roller Coaster
- Discuss Next 18 Months Price Forecast:
Will Volatility Continue? (Hint: YES)
- Will the Volatility Continue in Long Run:
Maybe, Maybe Not, Discuss

Are we at New Price Plateaus?

Monthly Corn Futures





farmdocdaily: A New Era in Real Prices?

Issued by Scott Irwin and Darrel Good
 Department of Agricultural and Consumer Economics
 University of Illinois

http://www.farmdocdaily.illinois.edu/2011/04/a_new_era_in_real_agricultural.html

**Real Monthly Farm Price of Corn in Illinois,
 January 1947 - March 2011* (March 2011=100)**



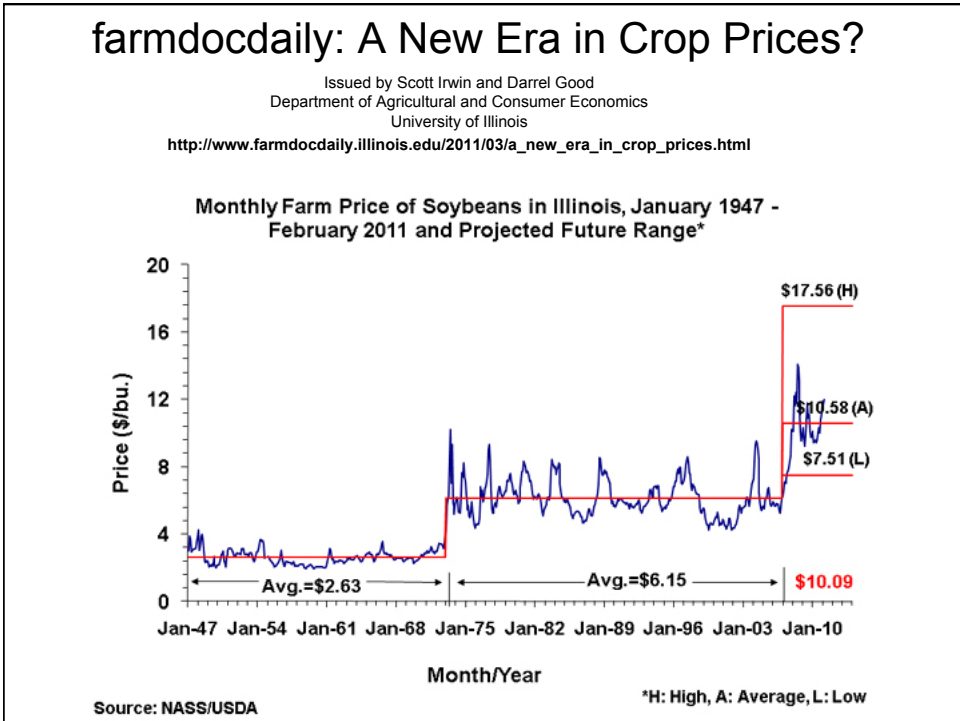
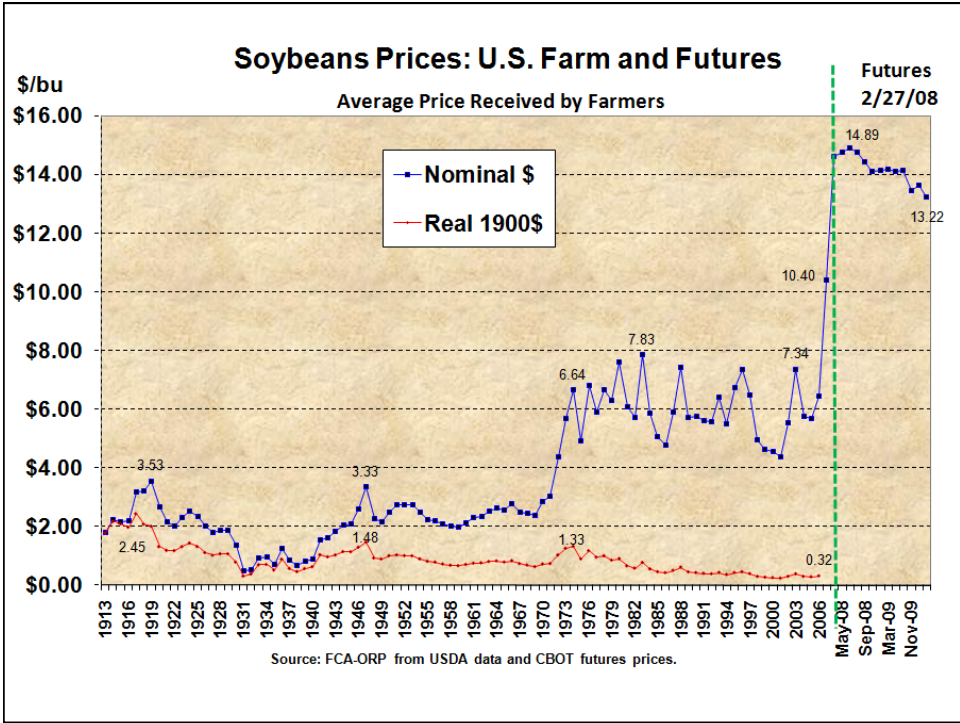
Source: NASS/USDA

Month/Year

*March: mid-month

Monthly Soybean Futures



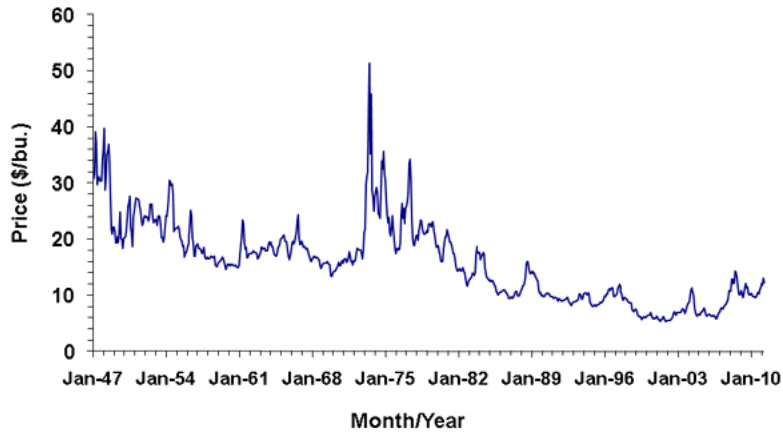


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**Real Monthly Farm Price of Soybeans in Illinois,
January 1947 - March 2011* (March 2011=100)**



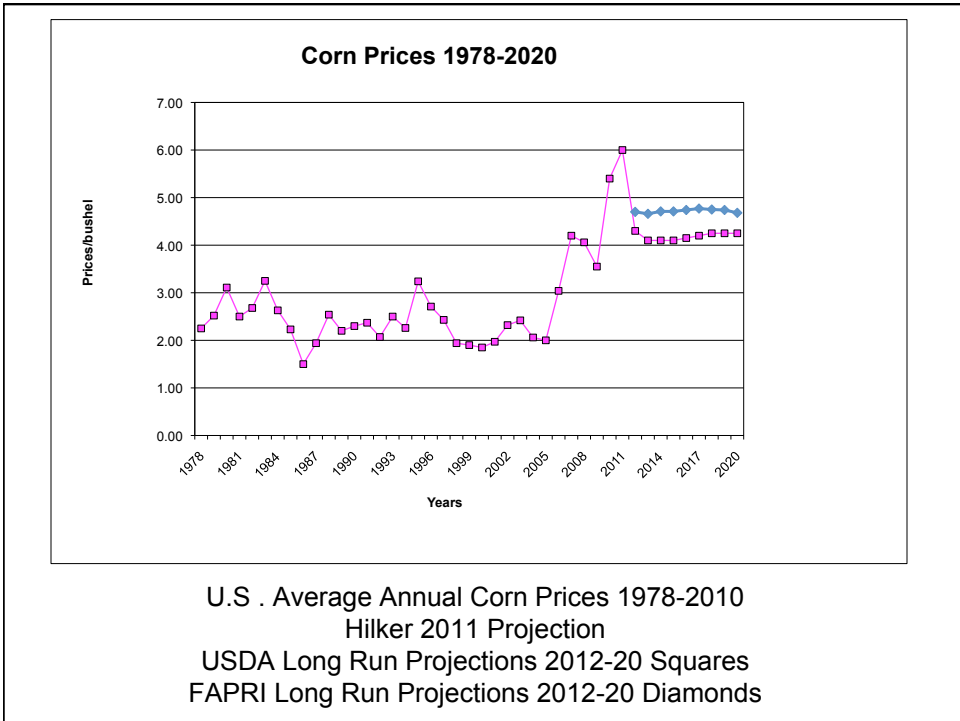
Source: NASS/USDA

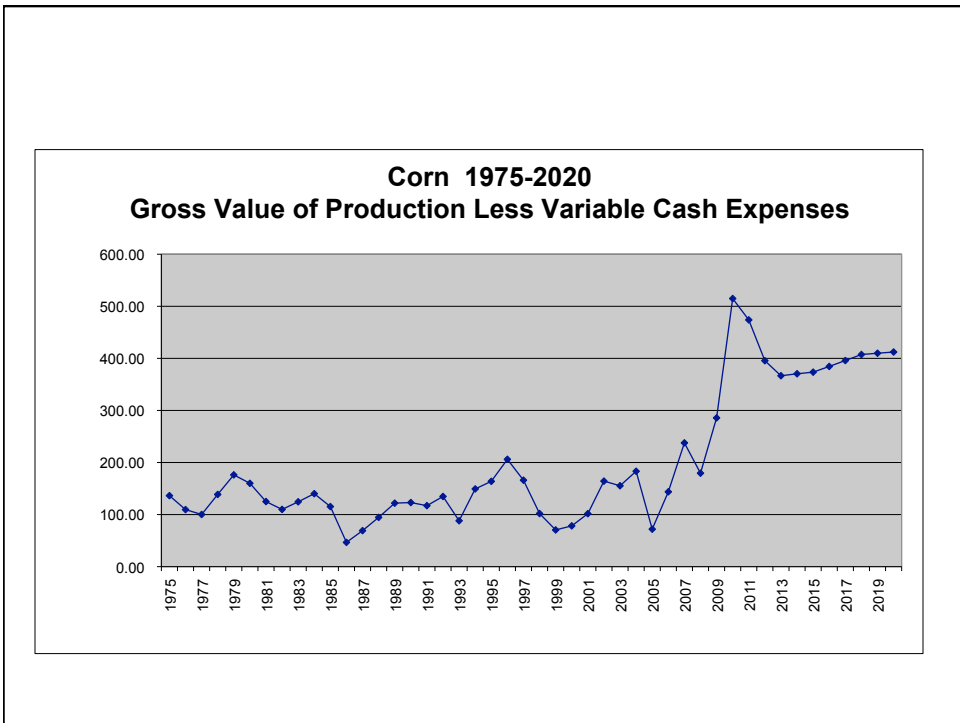
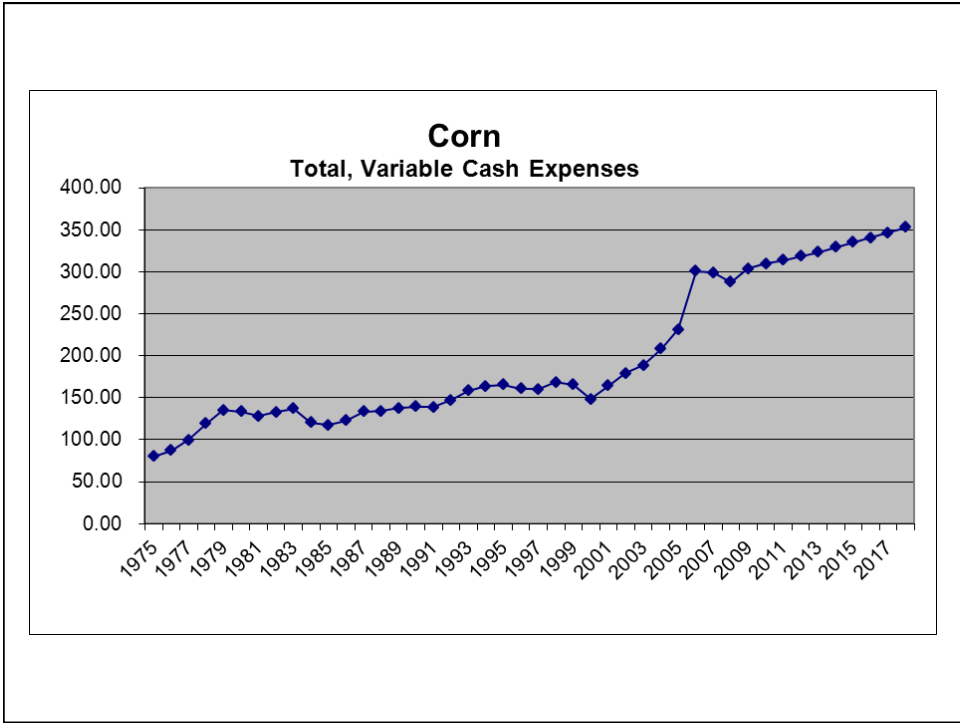
*March: mid-month

What are the Long Run Price
Forecasts?

U.S. corn long-term projections

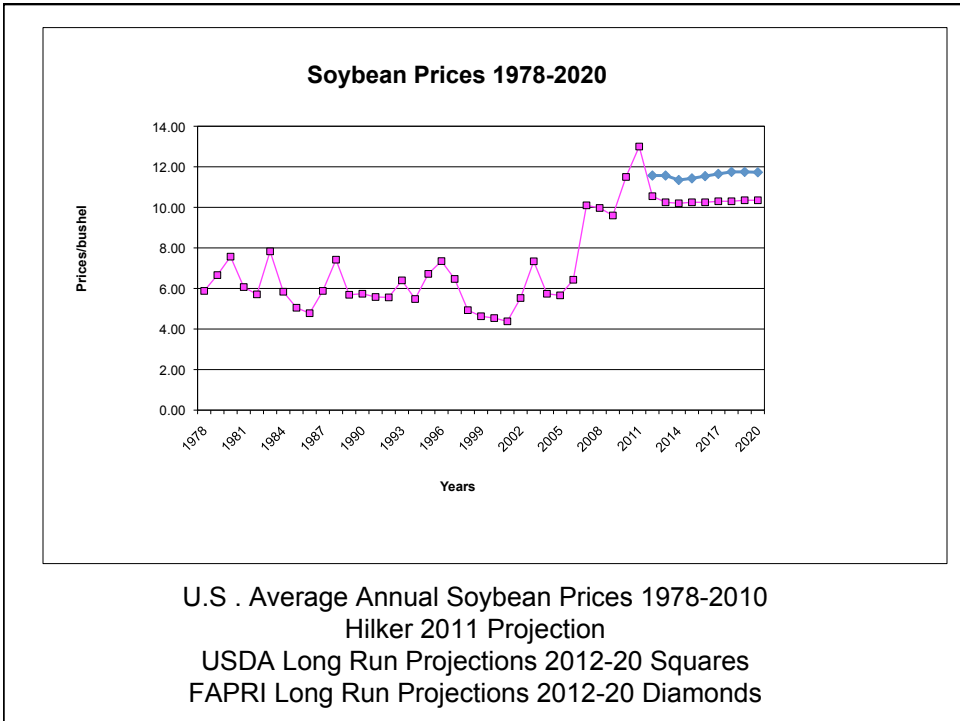
Item	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Area (million acres):												
Planted acres	86.5	88.2	92.0	91.5	91.0	90.5	90.5	90.5	91.0	91.5	92.0	92.0
Harvested acres	79.6	81.3	84.9	84.4	83.9	83.4	83.4	83.4	83.9	84.4	84.9	84.9
Yields (bushels per acre):												
Yield/harvested acre	164.7	154.3	162.0	164.0	166.0	168.0	170.0	172.0	174.0	176.0	178.0	180.0
Supply and use (million bushels):												
Beginning stocks	1,673	1,708	827	1,127	1,332	1,437	1,447	1,442	1,342	1,262	1,227	1,242
Production	13,110	12,540	13,755	13,840	13,925	14,010	14,180	14,345	14,600	14,855	15,110	15,280
Imports	8	10	10	10	10	10	10	10	10	10	10	10
Supply	14,792	14,257	14,592	14,977	15,267	15,457	15,637	15,797	15,952	16,127	16,347	16,532
Feed & residual	5,159	5,300	5,200	5,300	5,400	5,500	5,600	5,700	5,750	5,800	5,875	5,950
Food, seed, & industrial	5,938	6,180	6,265	6,320	6,380	6,435	6,495	6,605	6,740	6,850	6,930	6,990
Ethanol for fuel	4,568	4,800	4,875	4,925	4,975	5,025	5,075	5,175	5,300	5,400	5,475	5,525
Domestic use	11,097	11,480	11,465	11,620	11,780	11,935	12,095	12,305	12,490	12,650	12,805	12,940
Exports	1,987	1,950	2,000	2,025	2,050	2,075	2,100	2,150	2,200	2,250	2,300	2,350
Total use	13,084	13,430	13,465	13,645	13,830	14,010	14,195	14,455	14,690	14,900	15,105	15,290
Ending stocks	1,708	827	1,127	1,332	1,437	1,447	1,442	1,342	1,262	1,227	1,242	1,242
Stocks/use ratio, percent	13.1	6.2	8.4	9.8	10.4	10.3	10.2	9.3	8.6	8.2	8.2	8.1
Prices (dollars per bushel):												
Farm price	3.55	5.20	4.80	4.30	4.10	4.10	4.10	4.15	4.20	4.25	4.25	4.25
Variable costs of production (dollars):												
Per acre	299	287	304	310	314	318	323	329	335	341	347	353
Per bushel	1.82	1.86	1.87	1.89	1.89	1.90	1.90	1.91	1.93	1.94	1.95	1.96
Returns over variable costs (dollars per acre):												
Net returns	286	515	474	395	367	370	374	384	396	407	410	412

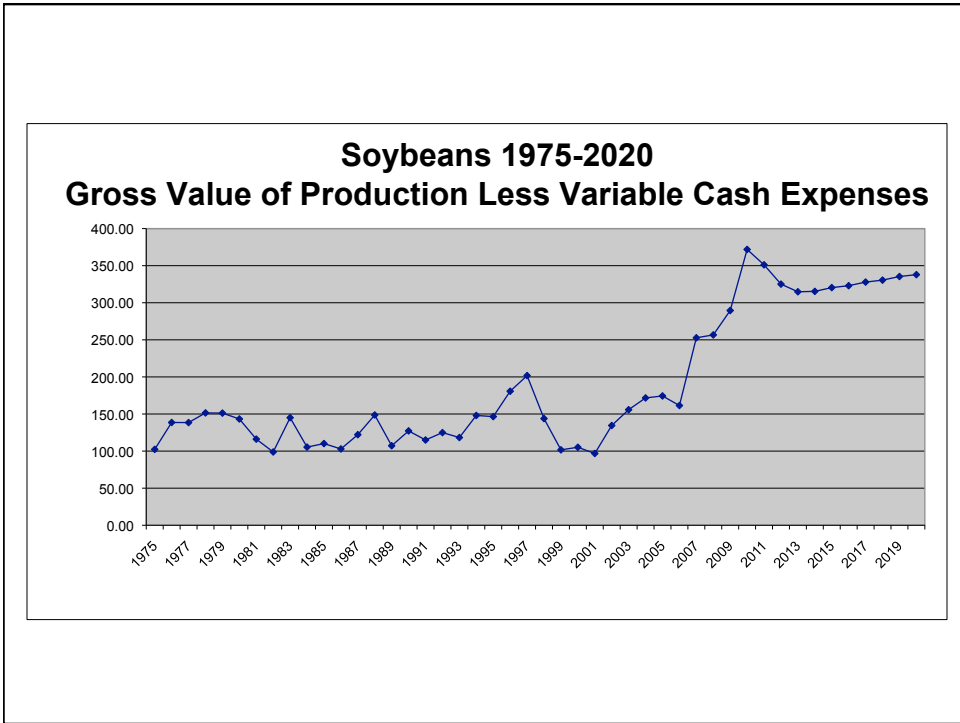
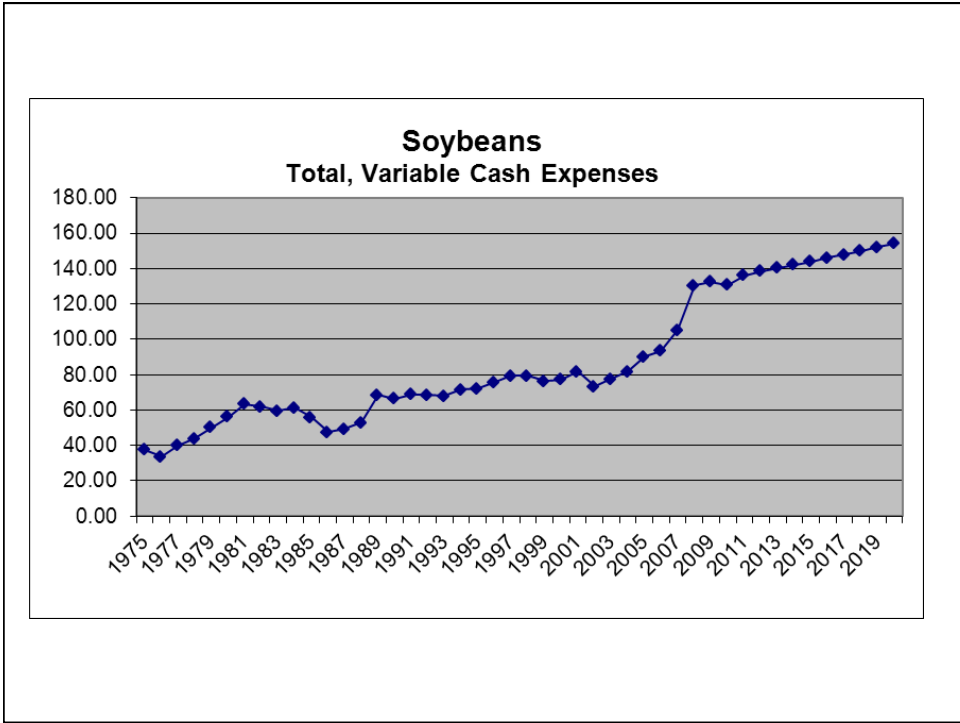




U.S. soybeans and soybean products long-term projections

Item	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Soybeans												
Area (million acres):												
Planted	77.5	77.7	78.0	78.3	78.5	79.0	79.0	79.5	79.5	79.5	79.5	79.5
Harvested	76.4	76.8	77.1	77.3	77.6	78.1	78.1	78.5	78.5	78.5	78.5	78.5
Yield/harvested acre (bushels)	44.0	43.9	43.5	44.0	44.4	44.9	45.3	45.8	46.2	46.7	47.1	47.6
Supply (million bushels)												
Beginning stocks, 5 september 1	138	151	185	190	195	194	197	199	196	197	198	199
Production	3,359	3,375	3,355	3,395	3,445	3,505	3,540	3,590	3,625	3,660	3,695	3,735
Imports	15	10	10	10	10	10	10	10	10	10	10	10
Total supply	3,512	3,536	3,550	3,595	3,650	3,709	3,747	3,799	3,831	3,867	3,903	3,945
Disposition (million bushels)												
Crush	1,752	1,665	1,660	1,670	1,695	1,715	1,735	1,770	1,790	1,810	1,830	1,850
Seed and residual	108	117	125	125	126	127	128	128	129	129	129	130
Exports	1,501	1,570	1,575	1,605	1,635	1,670	1,685	1,705	1,715	1,730	1,745	1,765
Total disposition	3,361	3,351	3,360	3,400	3,456	3,512	3,548	3,603	3,634	3,669	3,704	3,745
Carryover stocks, August 31												
Total ending stocks	151	185	190	195	194	197	199	196	197	198	199	200
Stocks/use ratio, percent	4.5	5.5	5.7	5.7	5.6	5.6	5.6	5.4	5.4	5.4	5.4	5.3
Prices (dollars per bushel)												
Soybean price, farm	9.59	11.45	11.20	10.55	10.25	10.20	10.25	10.25	10.30	10.30	10.35	10.35
Variable costs of production (dollars):												
Per acre	132	131	136	139	140	142	144	146	148	150	152	154
Per bushel	3.01	2.98	3.13	3.15	3.16	3.17	3.18	3.19	3.20	3.22	3.23	3.24
Returns over variable costs (dollars per acre):												
Net returns	290	372	351	325	315	315	320	323	328	330	335	338





U.S. Soybean Meal Long Term Projections

Item	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Soybean meal (thousand short tons)												
Beginning stocks, October 1	235	303	300	300	300	300	300	300	300	300	300	300
Production	41,702	39,532	39,435	39,685	40,235	40,685	41,235	41,985	42,485	42,985	43,485	43,985
Imports	150	165	165	165	165	165	165	165	165	165	165	165
Total supply	42,087	40,000	39,900	40,150	40,700	41,150	41,700	42,450	42,950	43,450	43,950	44,450
Domestic disappearance	30,634	30,600	31,000	31,250	31,700	32,150	32,650	33,150	33,650	34,150	34,650	35,150
Exports	11,150	9,100	8,600	8,600	8,700	8,700	8,750	9,000	9,000	9,000	9,000	9,000
Total demand	41,784	39,700	39,600	39,850	40,400	40,850	41,400	42,150	42,650	43,150	43,650	44,150
Ending stocks, September 30	303	300	300	300	300	300	300	300	300	300	300	300
Soybean meal price (dollars per ton)	311.27	330.00	312.50	286.00	275.00	271.00	273.50	273.50	275.00	274.00	275.00	275.00

Review Volatility, i.e., Roller Coaster

What Can I Expect in the Grain and Livestock Markets?

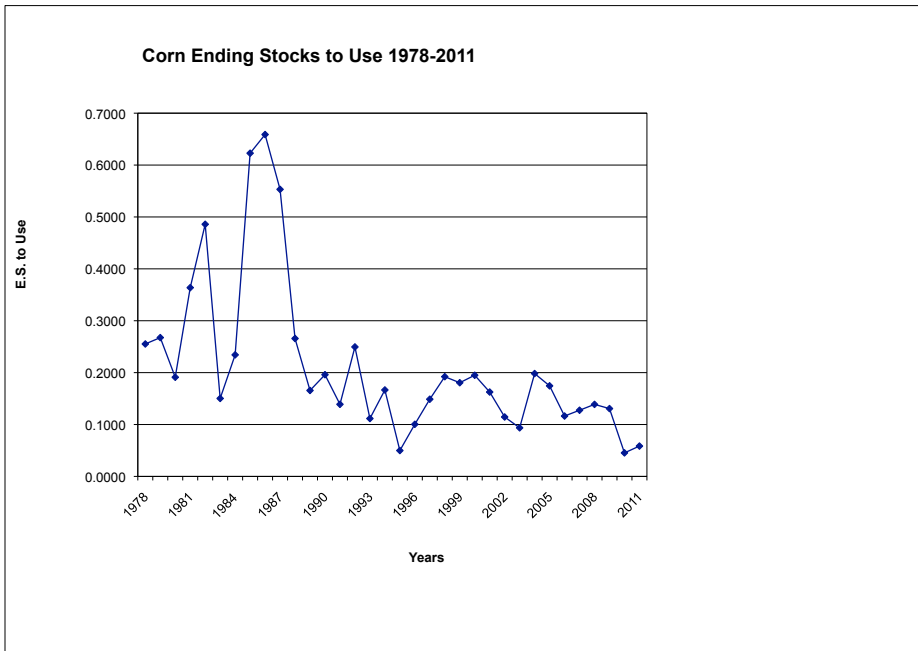
Volatile

Summary: Volatile, and

- Grain and Feed Prices - Historically High
- **Corn traded at its all-time high of \$7.65 and finished near that level.**
- Feeder Cattle Prices – Historically High
- Fed Cattle and Hog Prices - Historically High
- Fed Cattle and Hogs Margins – Slim or ... or ... (normal?)
- And ?? Historically – Volatile
- Why, we don't really know what prices should be, we are out of the range of our data, and supplies are very tight.

Volatile = Pricing Opportunities

For both Buyers and Sellers

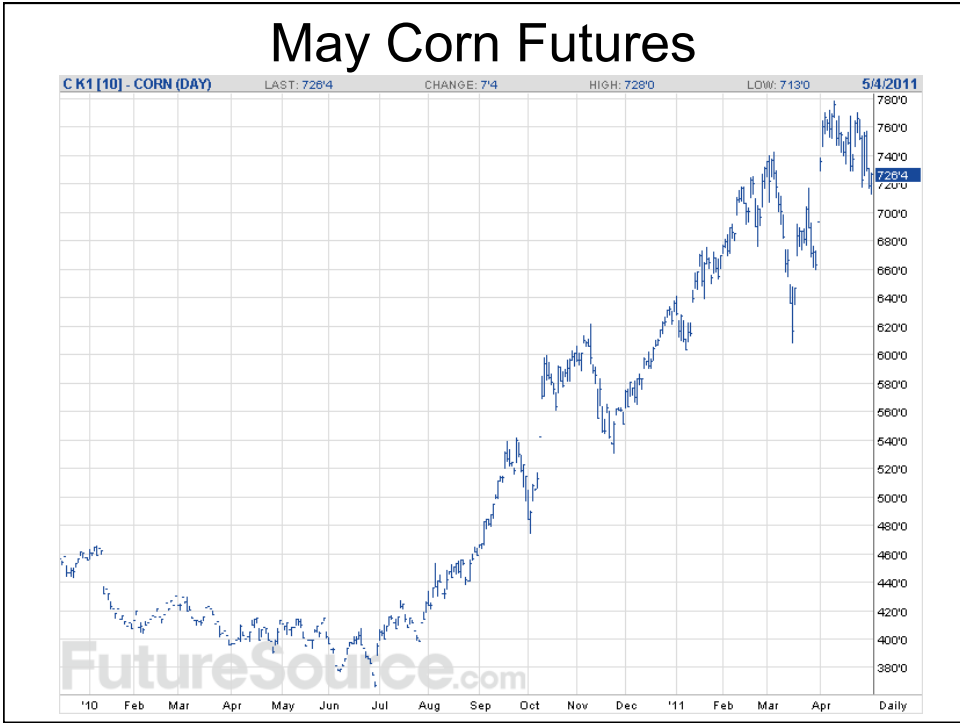


Monthly Corn Futures



Weekly Corn Futures

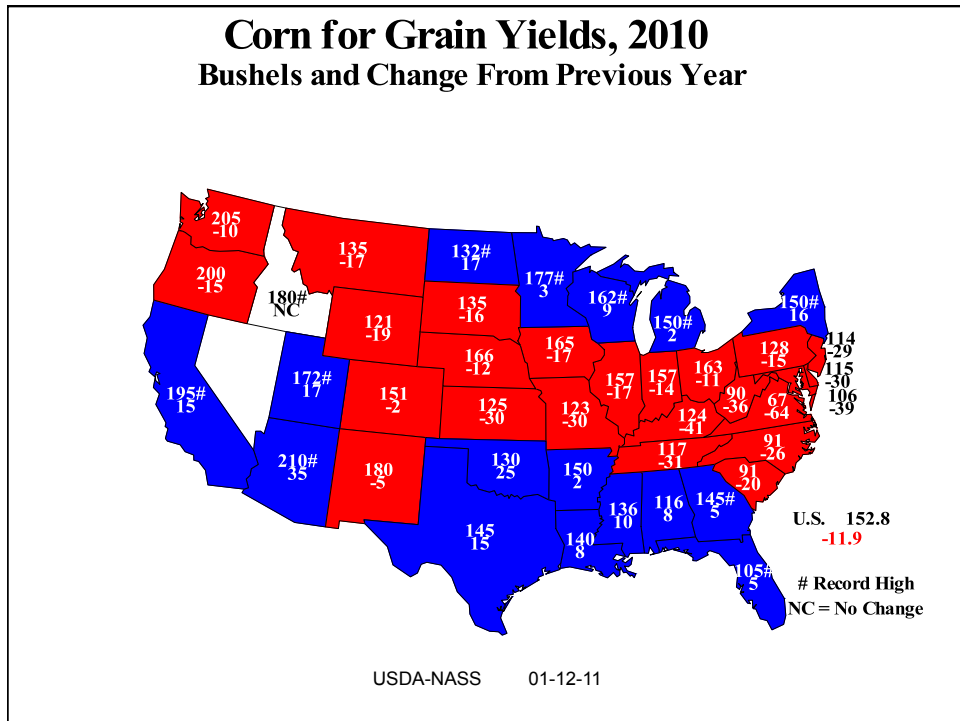
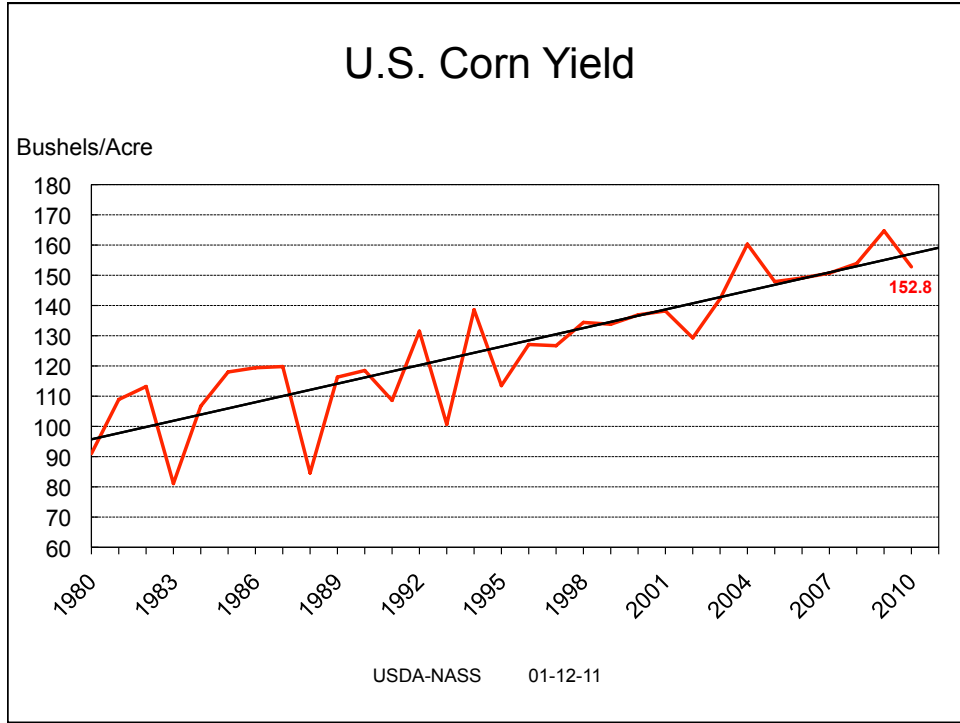




Crop Production 2010 Annual

Crop	Unit	2010	% Change from Previous Forecast	% Change from Previous Season
Corn				
Planted	Mil Ac	88.2	- <0.1	+ 2.1
Harvested	Mil Ac	81.4	+ 0.2	+ 2.5
Yield	Bu/Ac	152.8	- 1.0	- 7.2
Production	Bil Bu	12.4	- 0.7	- 4.9
Dec Stocks	Bil Bu	10.0	---	- 7.9

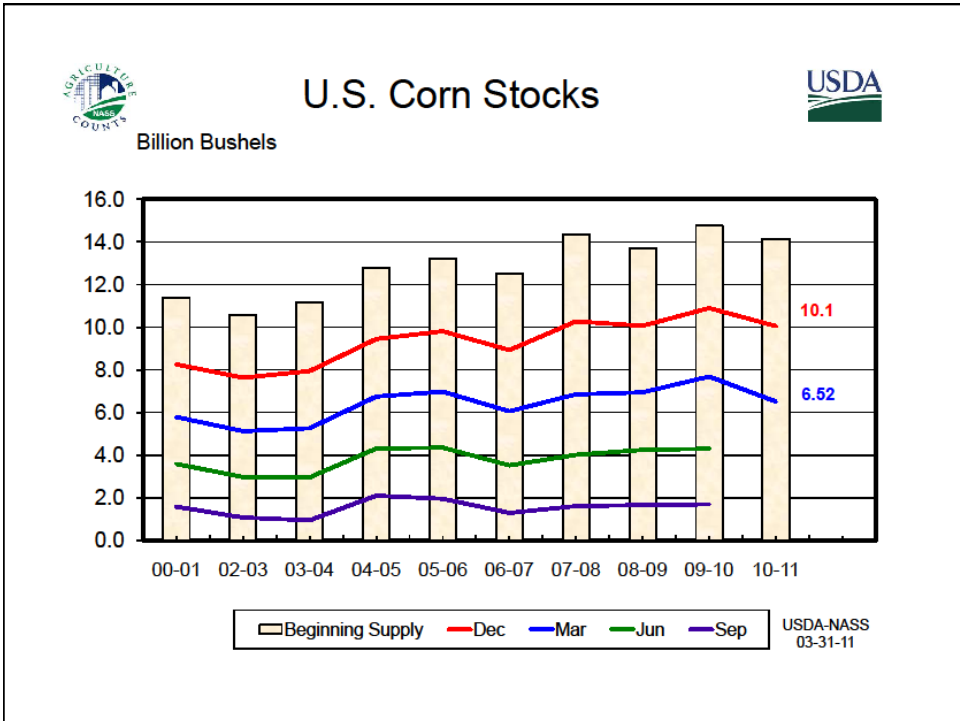
USDA-NASS 01-12-11



**TABLE 1
SUPPLY/DEMAND BALANCE SHEET FOR CORN**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Hilker 2010- 2011
(million acres)									
Acres Planted	78.9	78.6	80.9	81.8	78.3	93.5	86.0	86.4	88.2
Acres Harvested	69.3	70.9	73.6	75.1	70.6	86.5	78.6	79.5	81.4
Yield/Bushels	129.3	142.2	160.4	148.0	149.1	150.7	153.9	164.7	152.8
(million bushels)									
Beginning Stocks	1596	1087	958	2114	1967	1304	1624	1673	1708
Production	8967	10089	11807	11114	10531	13038	12092	13092	12447
Imports	14	14	11	9	12	20	14	8	20
Total Supply	10578	11190	12776	13237	12510	14362	13729	14774	14175
Use:									
Feed & Residual	5563	5798	6158	6155	5591	5913	5182	5140	5150
Food, Seed & Ind	2340	2537	2686	2981	3490	4387	5025	5939	6400
Ethanol for fuel	996	1168	1323	1603	2119	3049	3709	4568	5000
Total Domestic	7903	8335	8844	9136	9081	10300	10207	11079	11550
Exports	1588	1897	1818	2134	2125	2437	1849	1987	1925
Total Use	9491	10232	10662	11270	11206	12737	12056	13066	13475
Ending Stocks	1087	958	2114	1967	1304	1624	1673	1708	700
Ending Stocks, %of Use	11.5	9.4	19.8	17.5	11.6	12.8	13.9	13.1	5.2
U.S. Loan Rate	\$1.98	\$1.98	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40

Source: USDA and Jim Hilker. (5 - 4 - 11)

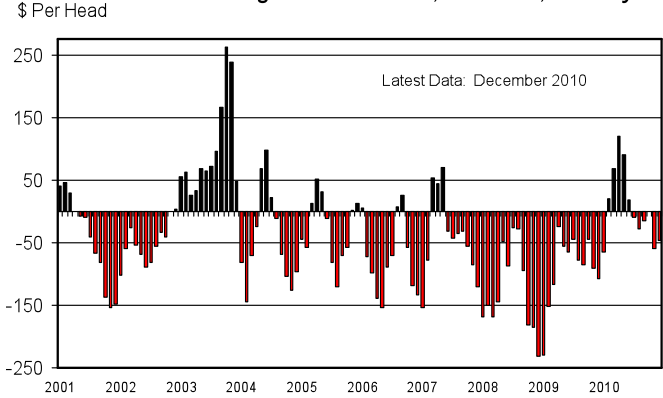


U.S. Meat Production and Prices

	2010 forecast	2011 forecast	Change from last month	Change from 2010
<i>Billion pounds</i>				
Production			<i>Percent</i>	<i>Percent</i>
Beef	26.32	26.10	0.1	-0.8
Pork	22.44	22.60	0.1	0.7
Broilers	36.91	37.42	-0.1	1.4
Turkey	5.64	5.67	-0.2	0.4
Total meat	92.11	92.57	0.0	0.5
<i>Dollars/cwt</i>				
Prices				
Steers	95.38	111.77	3.4	17.2
Hogs	55.06	63.48	3.9	15.3
<i>Cents/lb</i>				
Broilers	82.9	84.2	1.0	1.6
Turkey	90.4	95.3	1.8	5.4

April 8, 2011

AVERAGE RETURNS TO CATTLE FEEDERS Feeding 725 Lb. Steers, S. Plains, Monthly



Data Source: LMIC

Cattle Inventory Report January 1, 2011

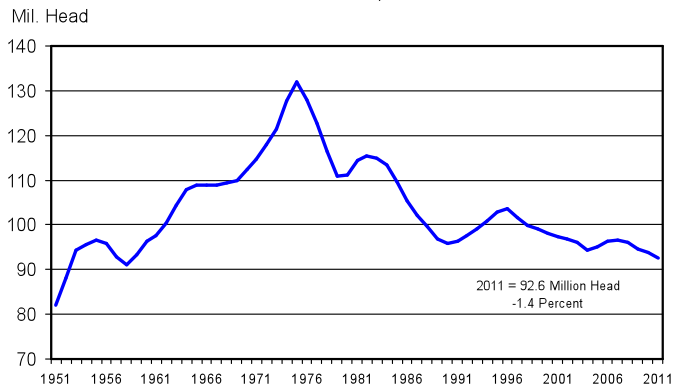
Cattle Inventory by Class and Calf Crop - United States: January 1, 2010 and 2011

Class	2010	2011	Percent of previous year
----- 1,000 head ----- percent			
Cattle and calves	93,881.2	92,582.4	99
Cows and heifers that have calved	40,456.4	40,014.2	99
Beef cows	31,370.9	30,864.6	98
Milk cows	9,085.5	9,149.6	101
Heifers 500 pounds and over	19,745.8	19,532.8	99
For beef cow replacement	5,451.0	5,157.6	95
Expected to calve 1/	3,410.5	3,165.0	93
For milk cow replacement	4,526.2	4,557.2	101
Expected to calve 1/	2,954.1	3,039.3	103
Other heifers	9,768.6	9,818.0	101
steers 500 pounds and over	16,510.4	16,382.0	99
Bulls 500 pounds and over	2,190.1	2,153.1	98
calves under 500 pounds	14,978.5	14,500.3	97
Cattle on feed	13,642.2	14,022.9	103

	2009	2010	Percent of previous year
Calf crop	35,939.0	35,684.8	99

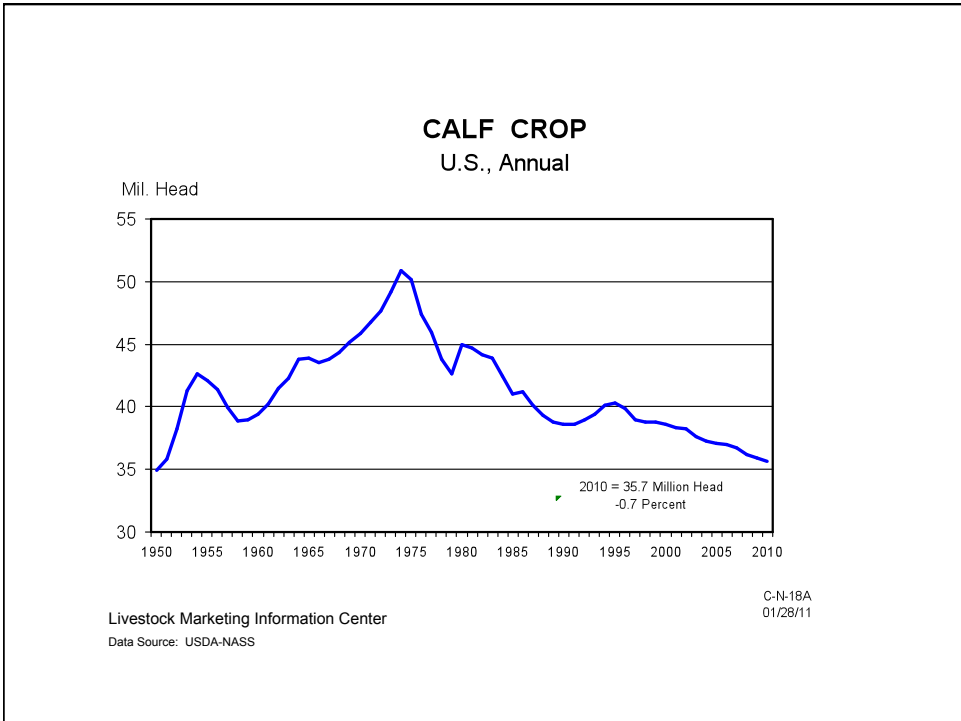
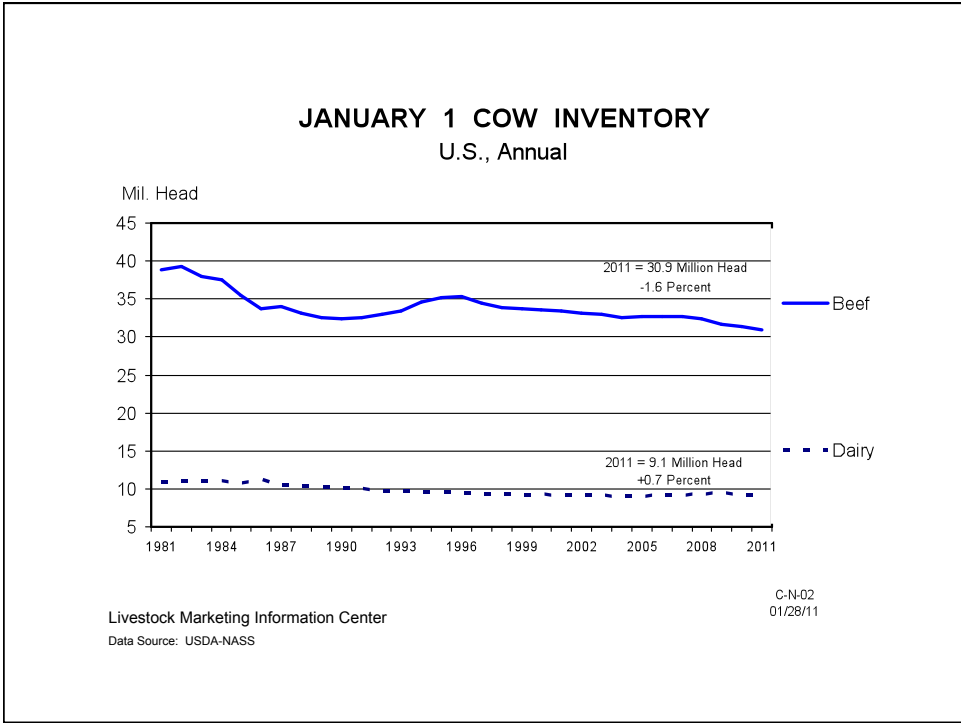
1/ Replacement heifers expected to calve during the year.

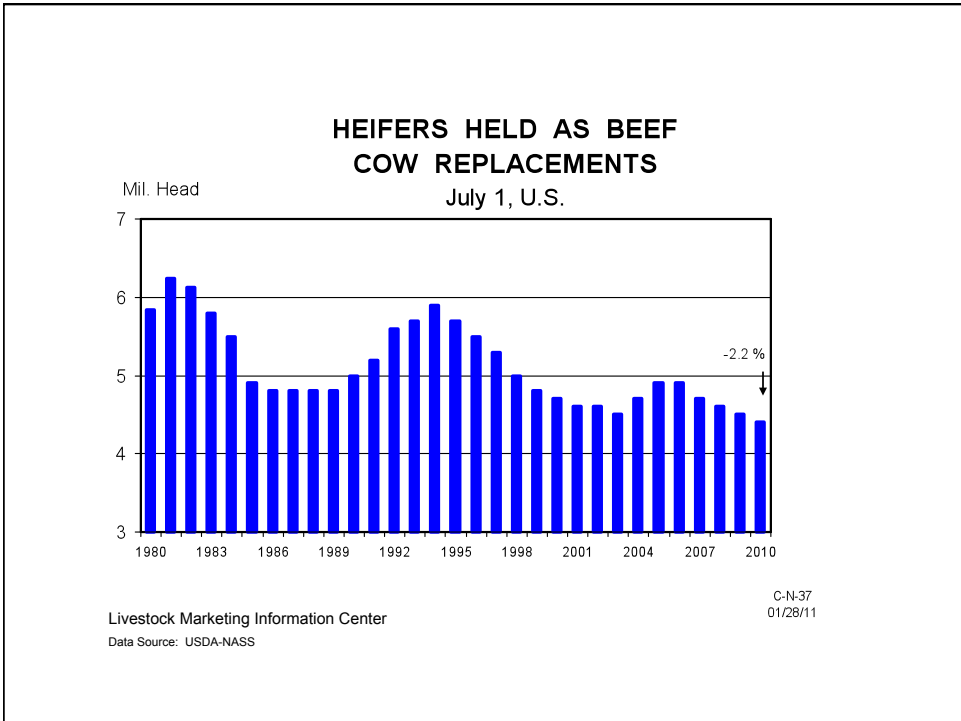
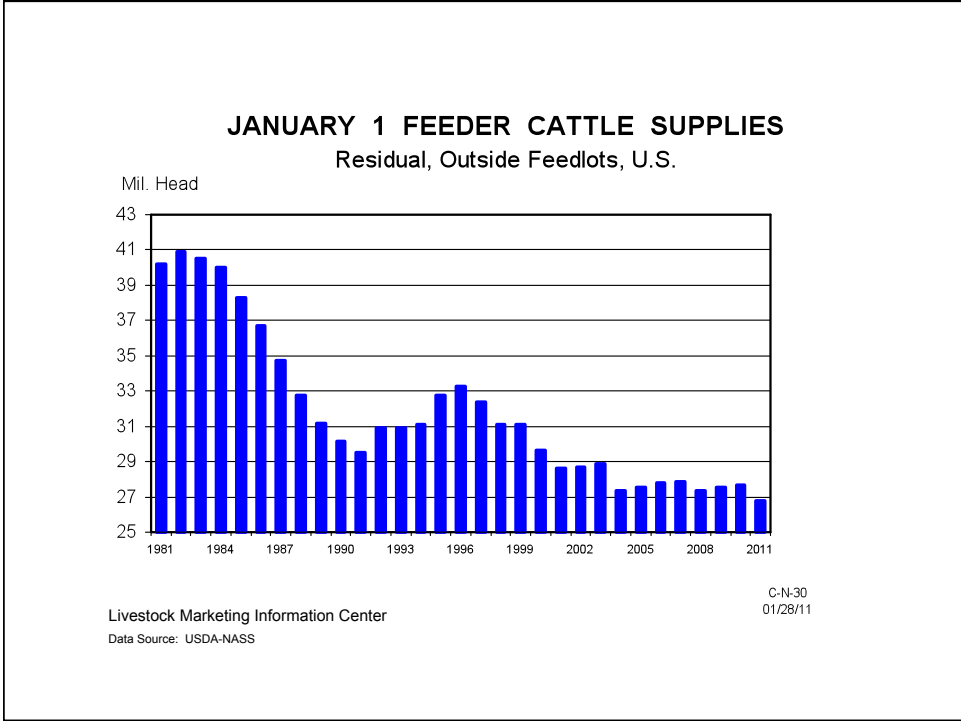
JANUARY 1 TOTAL CATTLE INVENTORY U.S., Annual

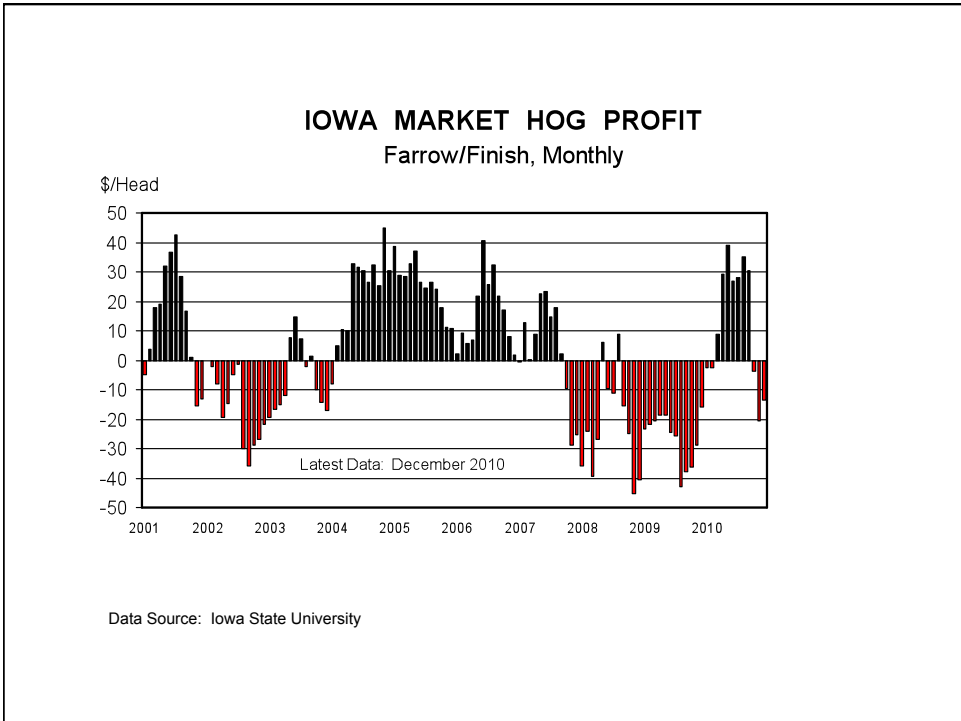
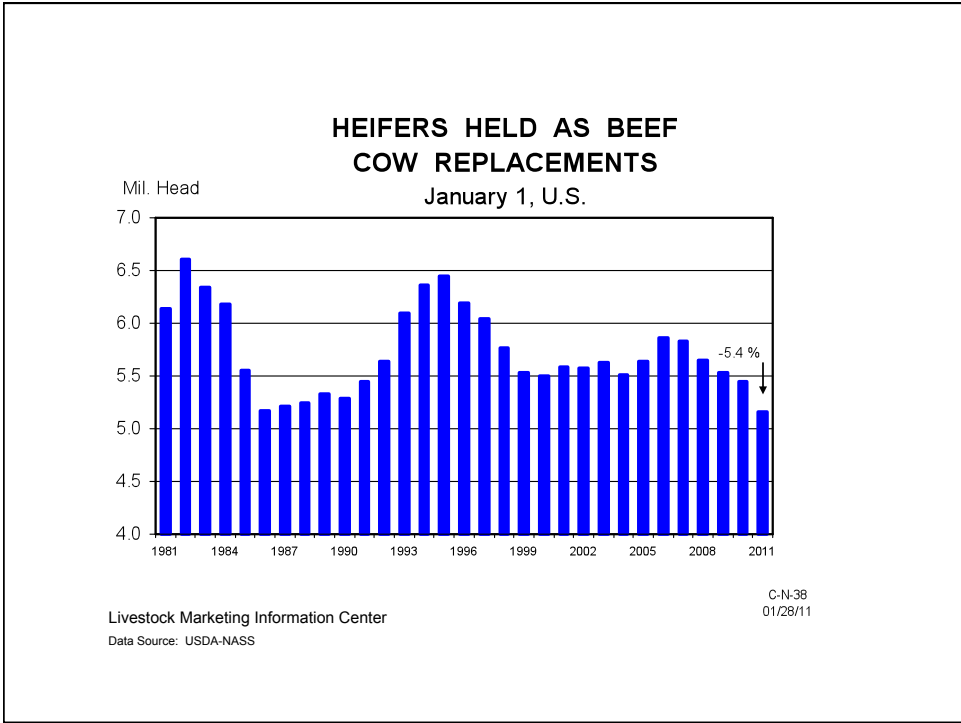


Livestock Marketing Information Center
Data Source: USDA-NASS

C-N-01
01/28/11







Hogs and Pigs Report – Dec 1

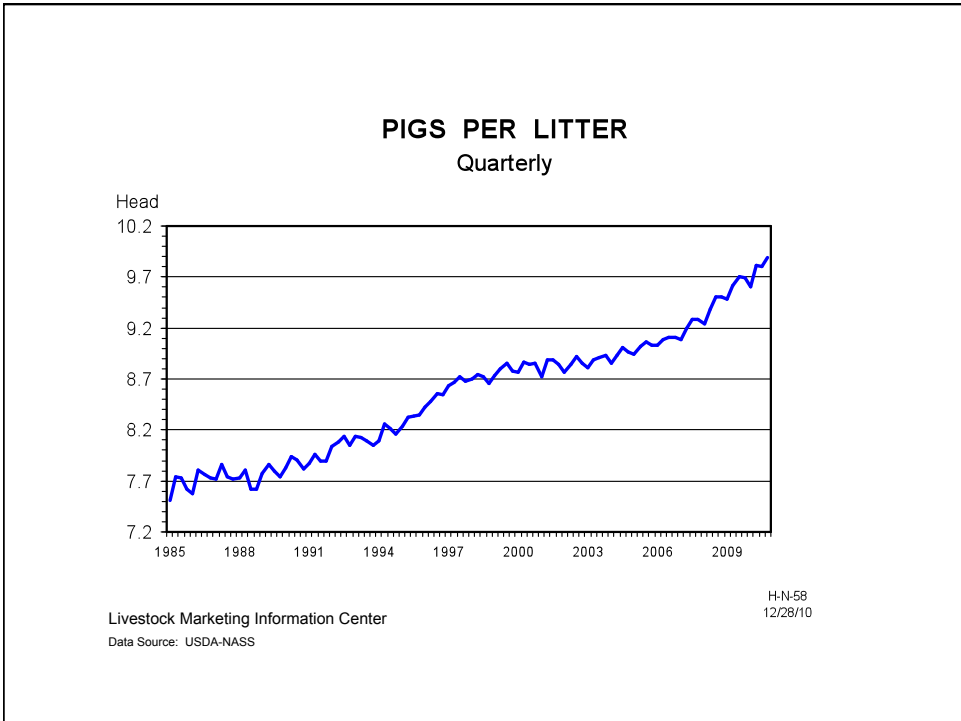
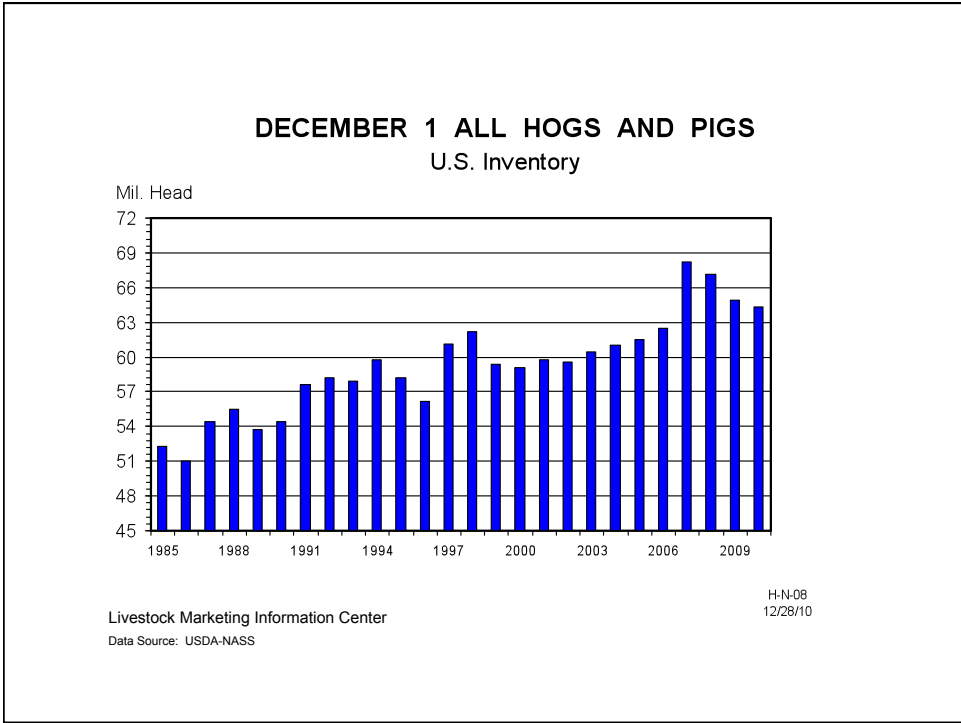
Hogs and Pigs Inventory by Class, Weight Group, and Quarter - United States

Item	2009	2010	2010 as percent of 2009
----- 1,000 head ----- percent			
December 1 inventory 1/			
All hogs and pigs	64,887	64,325	99
Kept for breeding	5,850	5,778	99
Market	59,037	58,547	99
Market hogs and pigs by weight groups :			
Under 50 pounds	18,705	18,564	99
50-119 pounds	16,782	16,519	98
120-179 pounds	12,299	12,208	99
180 pounds and over	11,252	11,256	100

March 1 Hogs & Pigs Preview

Hogs & Pigs Report

	USDA Actual	Average Guess	Guess Range
All Hogs Mar 1	101.0	100.0	99.5-100
Kept for Breeding	100.0	99.5%	99-100
Kept for Marketing	101.0	100.0	99.5-100
WEIGHT BREAKDOWN			
180# Plus	100.0	99%	98.5-99
120-179#	100.0	99.5%	99.0-100
50-119#	101.0	100%	99-100.5
Under 50#	101.0	100.5	100-101
FARROWINGS/INTENTIONS*			
Dec-Feb Farrowings	99.0	99.0%	98.5-99.5
Mar-May Intentions	97.0	98.5%	98-99.0
Jun-Aug Intentions	97.0	99%	98-100
Winter Pig Crop	101.0	100.00%	99.5-100
Dec-Feb Pigs Per Litter	102.0	101.5%	100.5-102.0

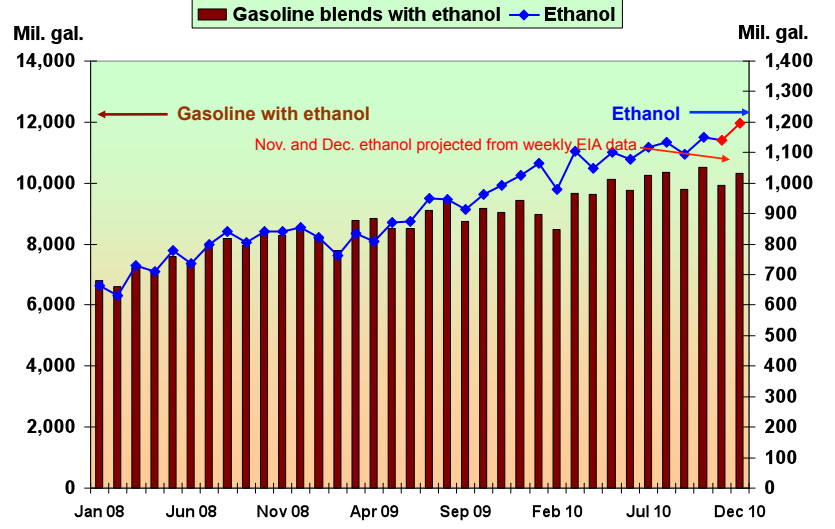


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Exports	1588	1897	1818	2134	2125	2437	1849	1987	1925
Total Use	9491	10232	10662	11270	11206	12737	12056	13066	13475
Ending Stocks	1087	958	2114	1967	1304	1624	1673	1708	700
Ending Stocks, %of Use	11.5	9.4	19.8	17.5	11.6	12.8	13.9	13.1	5.2
U.S. Loan Rate	\$1.98	\$1.98	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40

Source: USDA and Jim Hilker. (5 - 4 - 11)

U.S. Production of Ethanol Blends and Ethanol



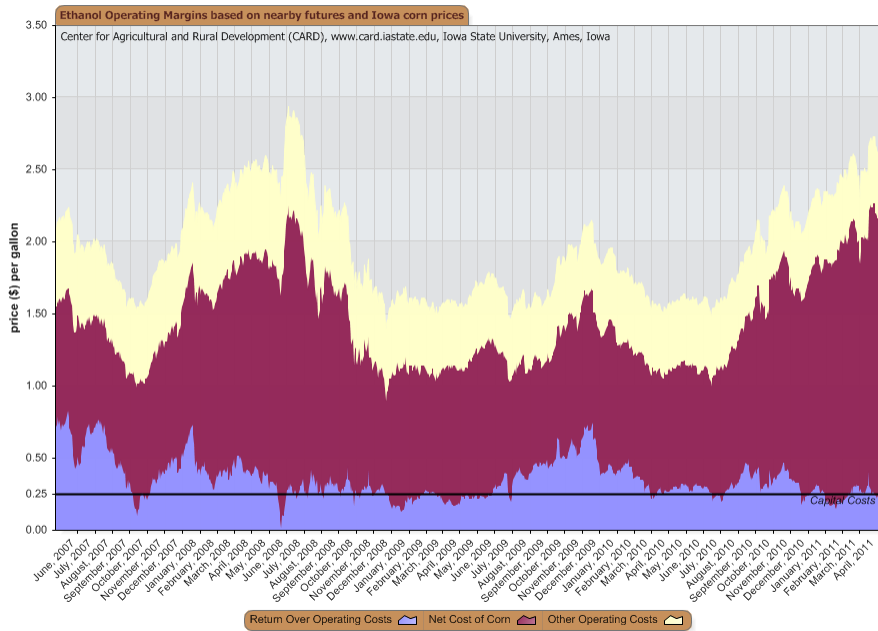
Source: Based on weekly gasoline production and monthly ethanol production reported by U.S. Dept. of Energy, Energy Information Administration.
 January 12, 2011

Sometimes Markets Repeat Themselves

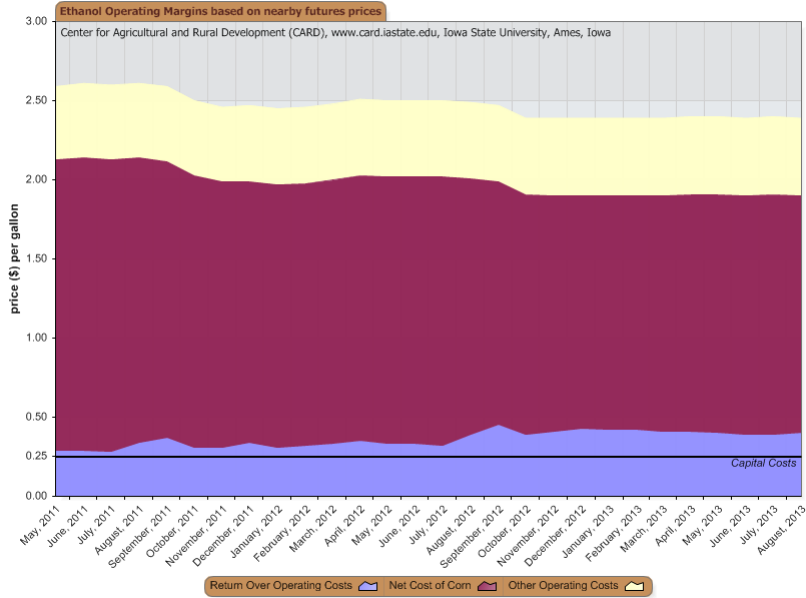


From 2008:
The New International Symbol for 'Gas Station'

Historical Ethanol Operating Margins



Projected Ethanol Operating Margins



**TABLE 1
SUPPLY/DEMAND BALANCE SHEET FOR CORN**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Hilker 2010- 2011
(million acres)									
Acres Planted	78.9	78.6	80.9	81.8	78.3	93.5	86.0	86.4	88.2
Acres Harvested	69.3	70.9	73.6	75.1	70.6	86.5	78.6	79.5	81.4
Yield/Bushels	129.3	142.2	160.4	148.0	149.1	150.7	153.9	164.7	152.8
(million bushels)									
Beginning Stocks	1596	1087	958	2114	1967	1304	1624	1673	1708
Production	8967	10089	11807	11114	10531	13038	12092	13092	12447
Imports	14	14	11	9	12	20	14	8	20
Total Supply	10578	11190	12776	13237	12510	14362	13729	14774	14175
Use:									
Feed & Residual	5563	5798	6158	6155	5591	5913	5182	5140	5150
Food, Seed & Ind	2340	2537	2686	2981	3490	4387	5025	5939	6400
Ethanol for fuel	996	1168	1323	1603	2119	3049	3709	4568	5000
Total Domestic	7903	8335	8844	9136	9081	10300	10207	11079	11550
Exports	1588	1897	1818	2134	2125	2437	1849	1987	1925
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Ending Stocks, % of Use	11.5	9.4	19.8	17.5	11.6	12.8	13.9	13.1	5.2
U.S. Loan Rate	\$1.98	\$1.98	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40

Source: USDA and Jim Hilker. (5 - 4 - 11)

World Corn Production

Country or Region	2009/10 estimate	2010/11 forecast	Change from	
			previous month	Change from 2009/10
<i>Million Tons</i>				
			<i>Percent</i>	<i>Percent</i>
World	812.4	814.9	0.1	0.3
United States	332.5	316.2	0.0	-4.9
Foreign	479.9	498.8	0.2	3.9
Argentina	22.8	22.0	0.0	-3.5
Brazil	56.1	55.0	3.8	-2.0
Mexico	20.4	22.0	0.0	8.0
Canada	9.6	11.7	0.0	22.5
European Union	57.1	55.2	0.0	-3.4
FSU-12	18.0	18.6	0.0	2.9
Ukraine	10.5	11.9	0.2	13.7
South Africa	13.4	12.0	-4.0	-10.6
China	158.0	168.0	0.0	6.3

April 8, 2011

Grain Exports to Date

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT
- 1,000 BUSHEL -

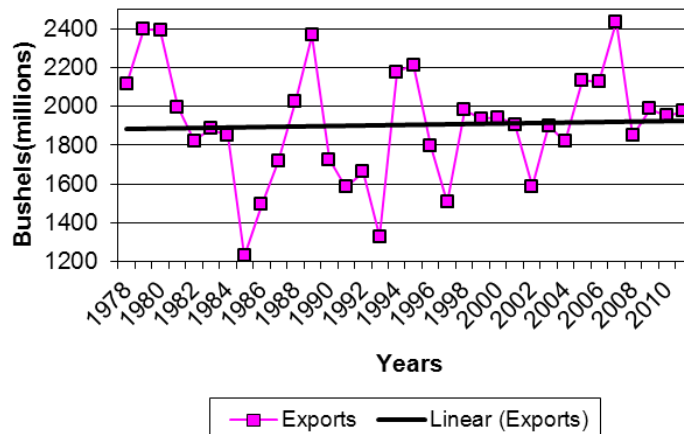
GRAIN	WEEK ENDING			CURRENT MARKET YEAR TO DATE	PREVIOUS MARKET YEAR TO DATE
	04/28/11	04/21/11	04/29/10		
WHEAT	36,394	28,788	19,180	1,129,309	779,138
RYE	0	0	0	0	0
OATS	0	0	0	73	161
BARLEY	28	36	160	5,364	4,051
FLAXSEED	0	0	1	1,248	1,768
CORN	34,635	36,588	33,595	1,156,253	1,171,068
SORGHUM	2,570	2,122	2,697	101,284	117,990
SOYBEANS	5,525	11,043	8,574	1,355,117	1,312,697
SUNFLOWER	0	0	0	0	0
TOTAL	79,152	78,577	64,207	3,748,648	3,386,873

Grain Export Sales to Date

Export Sales Report for Week Ending 4/21/11

(in mil bus)	Weekly		Total	Prev Yr	New Crop Sales	
GRAINS	Sales	Unshipped			Weekly	Unshipped
Corn	13.7	485.4	1603.1	1557.7	3.7	127.0
Sorghum	1.8	24.2	112.7	118.6	0.1	0.9
Soybeans	5.3	180.8	1508.8	1362.9	2.0	246.9
All Wheat	9.7	223.0	1274.4	803.6	5.6	87.0
Durum	0.0	1.8	34.8	36.5	1.1	4.8
Hard Red Spring	1.2	56.4	331.9	203.3	1.5	26.7
Hard Red Winter	5.3	104.8	610.8	312.0	1.8	22.7
Soft Red Winter	1.2	19.4	105.0	105.0	1.1	15.1
White Wheat	2.1	40.6	191.9	146.8	0.0	17.7
OTHER COMMODITIES						
Soyoil (000 mt)	24.0	155.7	1168.6	1158.0	0.0	4.5
Soymeal (000 mt)	121.1	1619.1	6701.2	8305.4	6.0	185.3
Rice (000 mt)	38.7	616.6	3276.6	3248.0	0.0	0.3
Upland Cotton(000bales)	-43.9	4349.6	14718.5	10291.5	66.3	5098.1

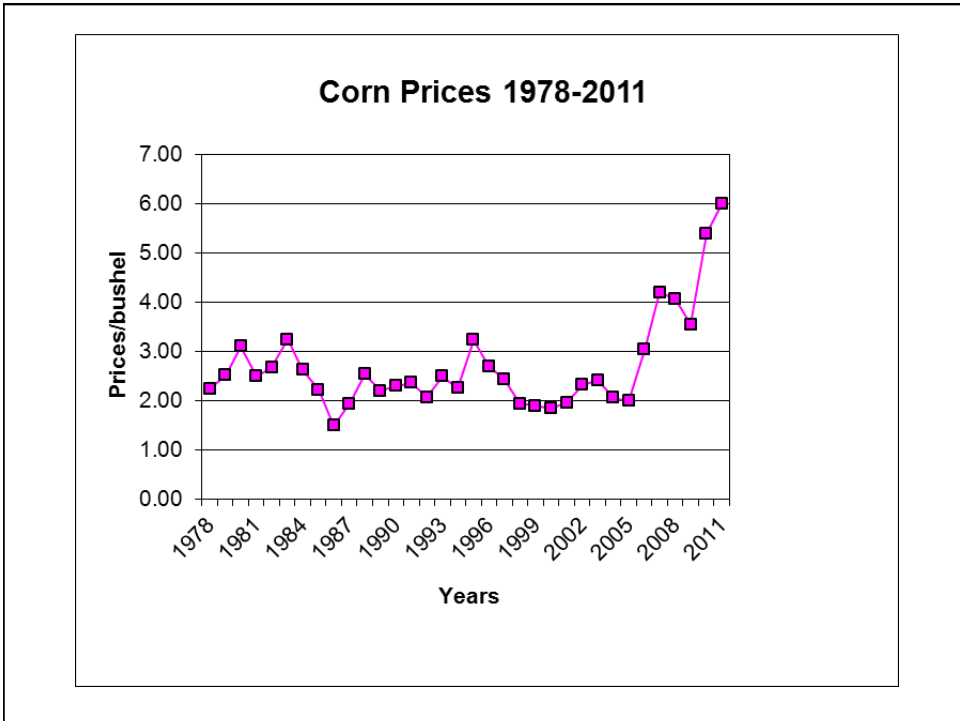
Exports 1978-2011

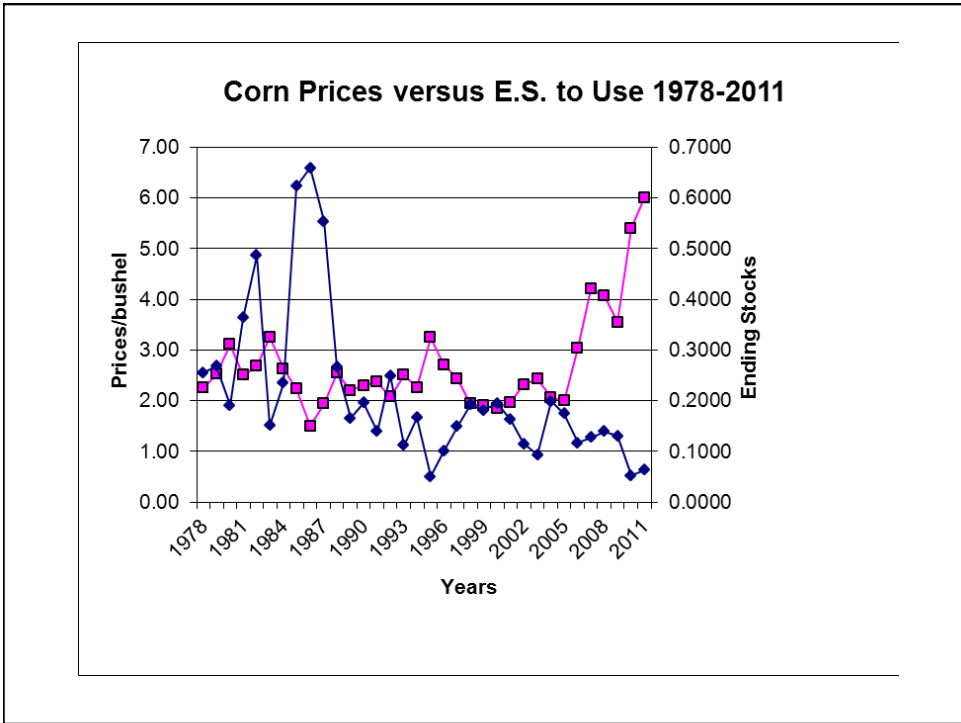
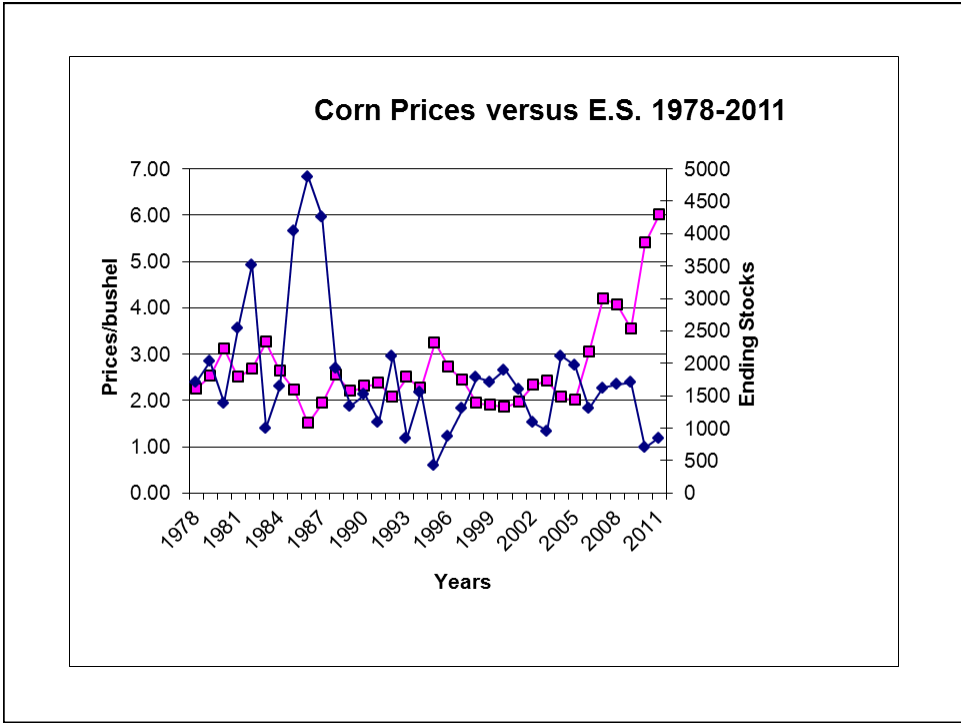


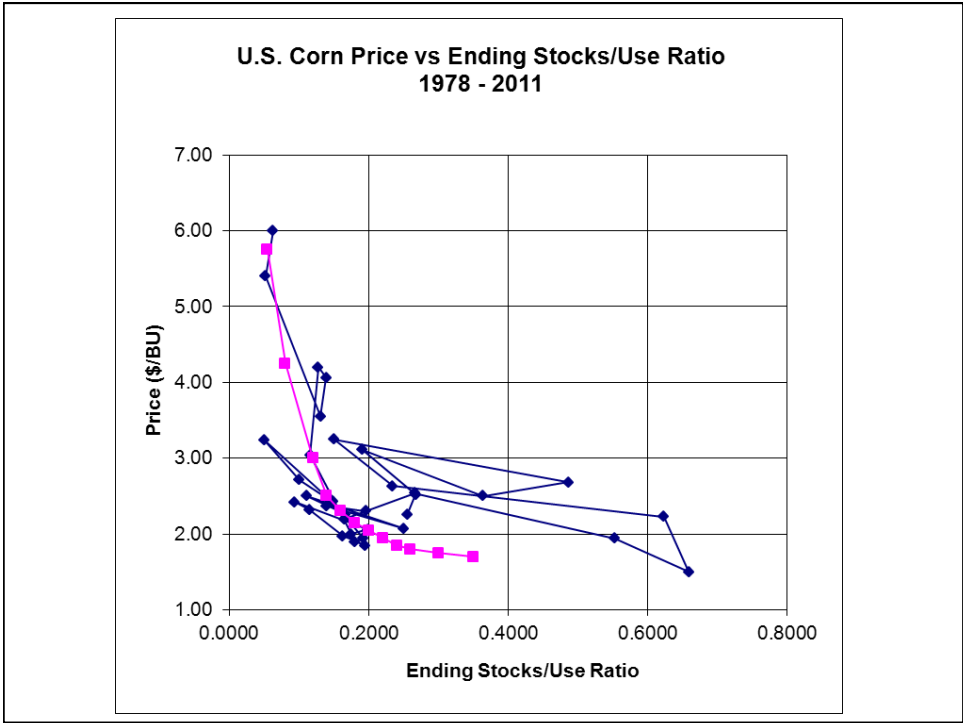
**TABLE 1
SUPPLY/DEMAND BALANCE SHEET FOR CORN**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Hilker 2010- 2011
(million acres)									
Acres Planted	78.9	78.6	80.9	81.8	78.3	93.5	86.0	86.4	88.2
Acres Harvested	69.3	70.9	73.6	75.1	70.6	86.5	78.6	79.5	81.4
Yield/Bushels	129.3	142.2	160.4	148.0	149.1	150.7	153.9	164.7	152.8
(million bushels)									
Beginning Stocks	1596	1087	958	2114	1967	1304	1624	1673	1708
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U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40

Source: USDA and Jim Hilker. (5 - 4 - 11)







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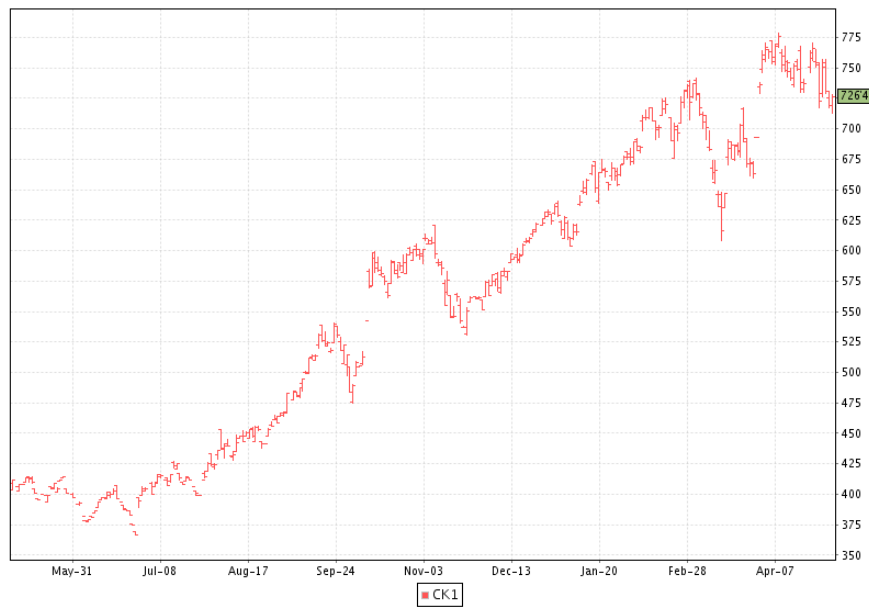
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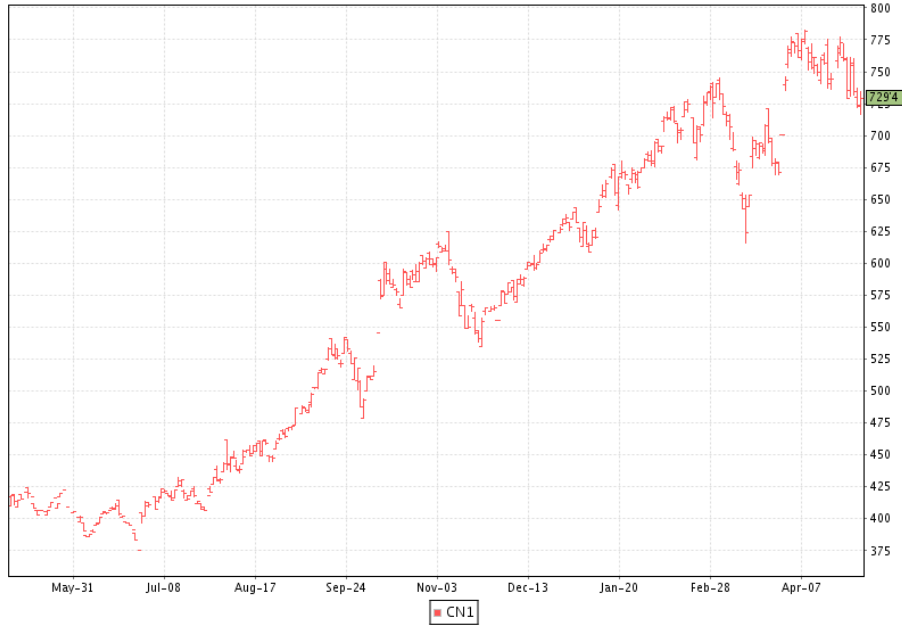
Corn Futures

Month	Last	Chg
May-11	716'4	-10'0
Jul-11	722'0	-7'4
Sep-11	699'0	-4'4
Dec-11	664'4	-0'6
Mar-12	676'0	0'0
May-12	687'6	3'6
Jul-12	690'0	-1'0
Sep-12	628'2	-2'4
Dec-12	596'2	0'0
Mar-13	607'2	1'4
May-13	612'6s	3'4
Jul-13	617'0	-0'6
Sep-13	599'0s	1'6
Dec-13	582'2s	1'0
Jul-14	603'2s	1'0
Dec-14	582'2s	2'0

May Corn Futures

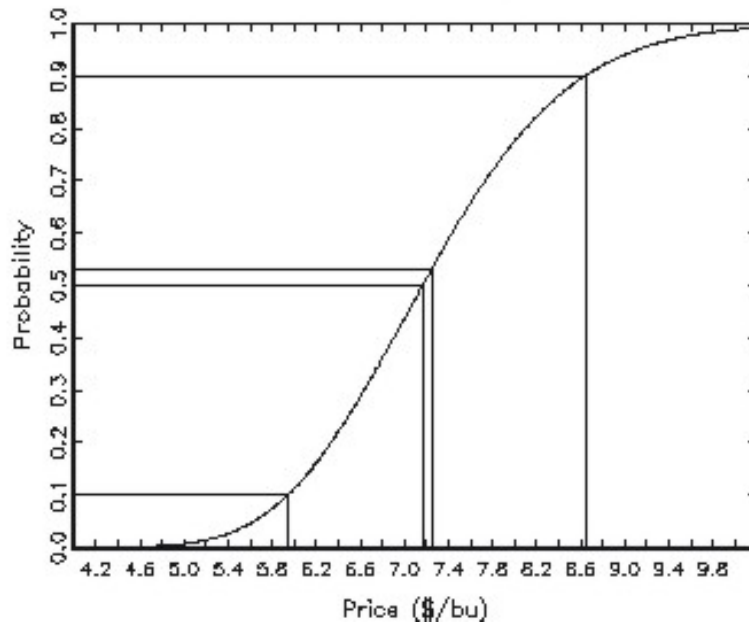


July 2011 Corn Futures



DATE Thu May 05 10:02:08 2011

Cumulative Distribution Function July 2011 Corn Futures




Discuss Next 18 Months Price Forecast:


Actually discuss 2011-12
Corn/Soy Marketing Year

TABLE 1 SUPPLY/DEMAND BALANCE SHEET FOR CORN										
	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	2010- 2011	Est. Hilker
(million acres)										
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U.S. Season Ave										
Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40	
Source: USDA and Jim Hilker. (5 - 4 - 11)										

Seven Principle Crops					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Corn	93.5	86.0	86.5	88.2	92.2
Soybeans	64.7	75.7	77.5	77.4	76.6
Wheat	60.5	63.2	59.2	53.6	58.0
Cotton	10.8	9.5	9.2	11.0	12.6
Sorghum	7.7	8.3	6.6	5.4	5.7
Rice	2.8	3.0	3.1	3.6	3.0
Barley	4.0	4.2	3.6	2.9	3.0
Total of 7	244.0	249.9	245.7	242.1	251.1

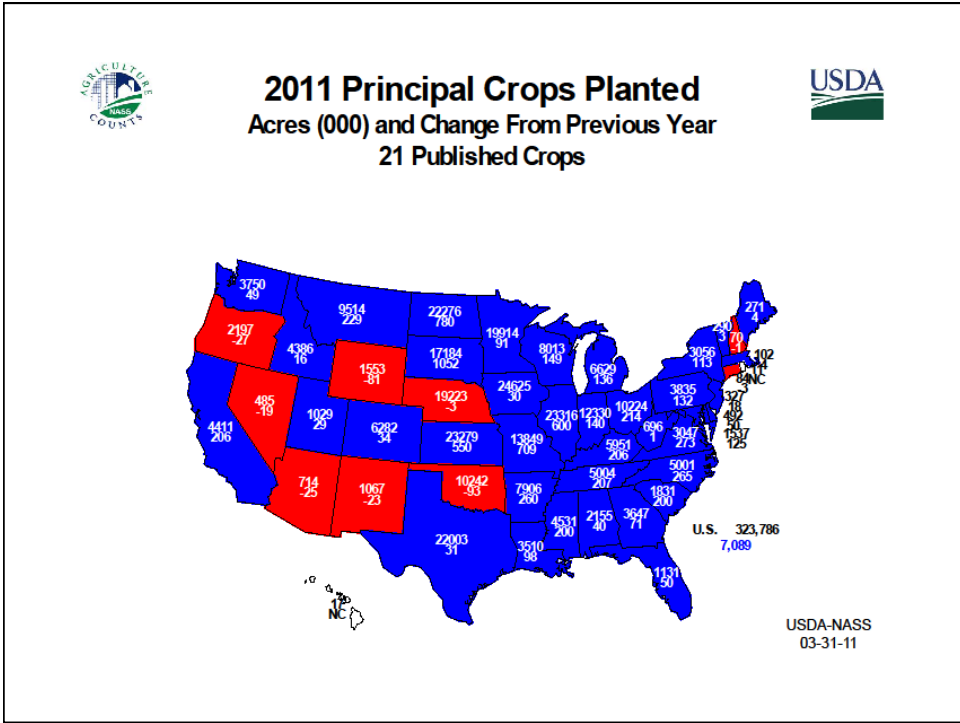


U.S. Principal Crops Planted Acres



Year	Principal Crops	Change from Previous Year
<i>--Million Acres--</i>		
2001	324.6	- 4.1
2002	327.3	+ 2.7
2003	325.7	- 1.6
2004	322.3	- 3.4
2005	317.6	- 4.7
2006	315.6	- 2.0
2007	320.4	+ 4.8
2008	325.0	+ 4.6
2009	319.3	- 5.7
2010	316.7	- 2.6
2011	323.8	+7.1

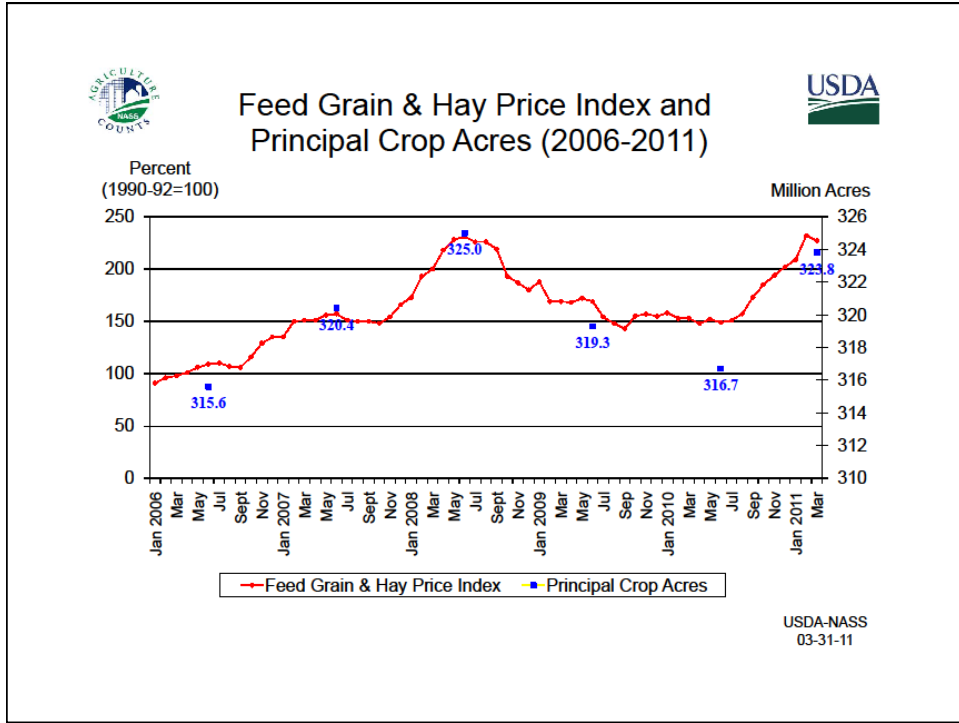
USDA-NASS
03-31-11



March 2011 Prospective Plantings

Other Crops	2011 Intentions	2010 Planted	% Change
<i>--Million Acres--</i>			
All Hay (Harvested)	59.0	59.9	- 1.5
Sugarbeets	1.19	1.17	+ 1.3
Tobacco (Harvested)	0.337	0.338	- 0.3
Sweet Potatoes	0.127	0.120	+ 5.8
Dry Edible Beans	1.30	1.91	- 31.8
Dry Edible Peas	0.586	0.756	- 22.5
Austrian Winter Peas	0.020	0.031	- 35.9
Lentils	0.710	0.658	+ 7.9

USDA-NASS
03-31-11



Dow Jones SURVEY: USDA March Corn, Soybean Plantings Report

Source	Corn	Soybean	All Wheat	Winter Wheat	Spring Other	Durum
Average trade estimate	91.839	76.870	57.289	41.104	13.728	2.552
Highest trade estimate	92.600	78.500	58.400	42.900	14.310	2.800
Lowest trade estimate	91.000	75.000	56.000	40.200	13.000	2.400
USDA outlook forum estimates	92.000	78.000	57.000	na	na	na
USDA 2010 plantings	88.192	77.404	53.603	37.335	13.698	2.570



March 2011 Prospective Plantings



Feed Grains	2011 Intentions	2010 Planted	% Change
<i>--Million Acres--</i>			
Corn	92.2	88.2	+ 4.5
Sorghum	5.65	5.40	+ 4.5
Oats	2.84	3.14	- 9.5
Barley	2.95	2.87	+ 2.8

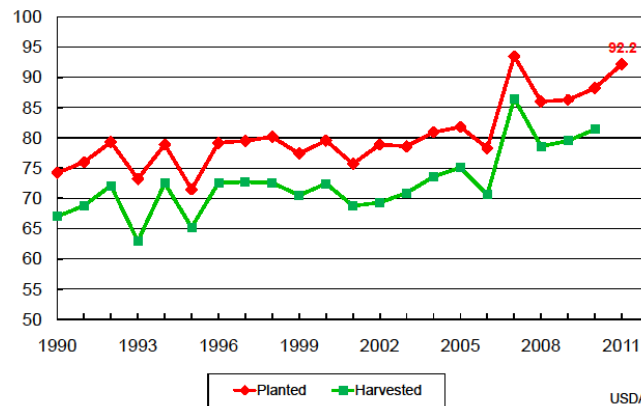
USDA-NASS
03-31-11



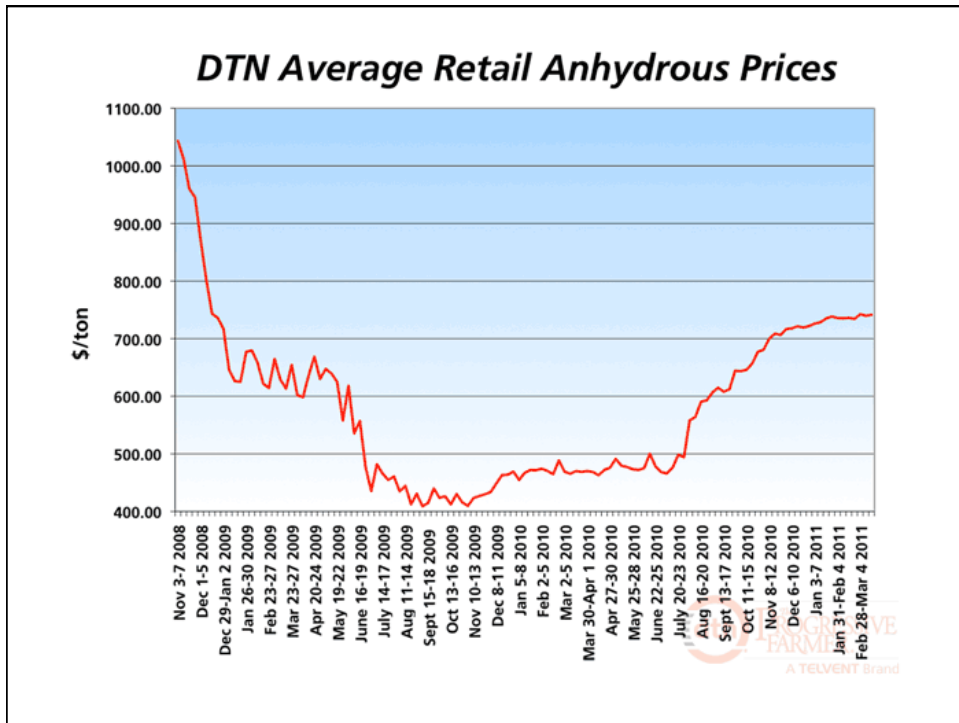
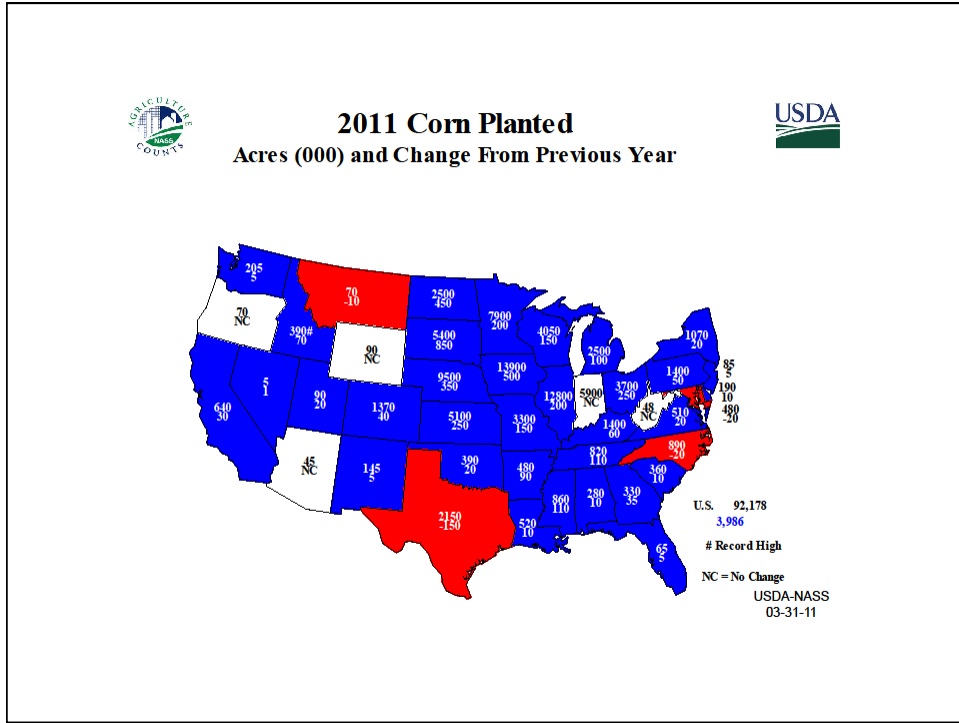
U.S. Corn Acres

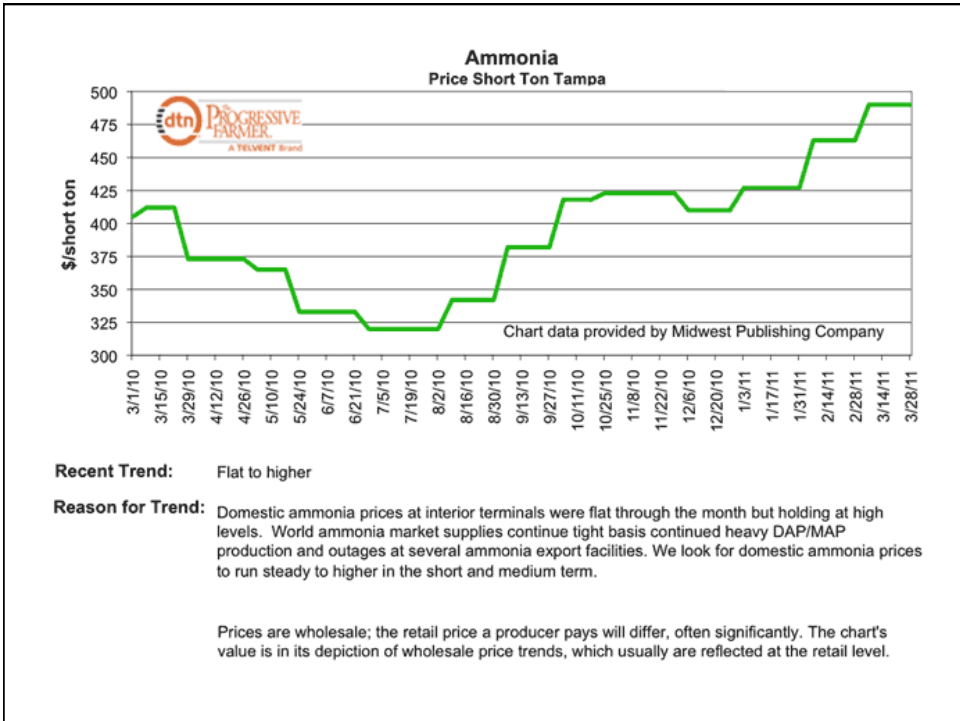
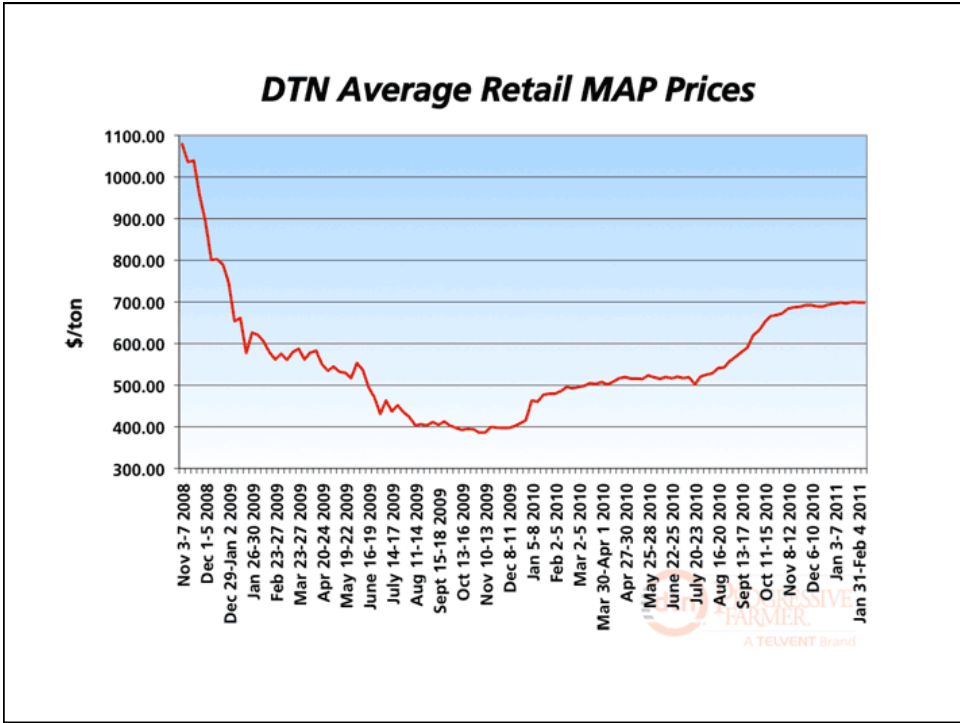


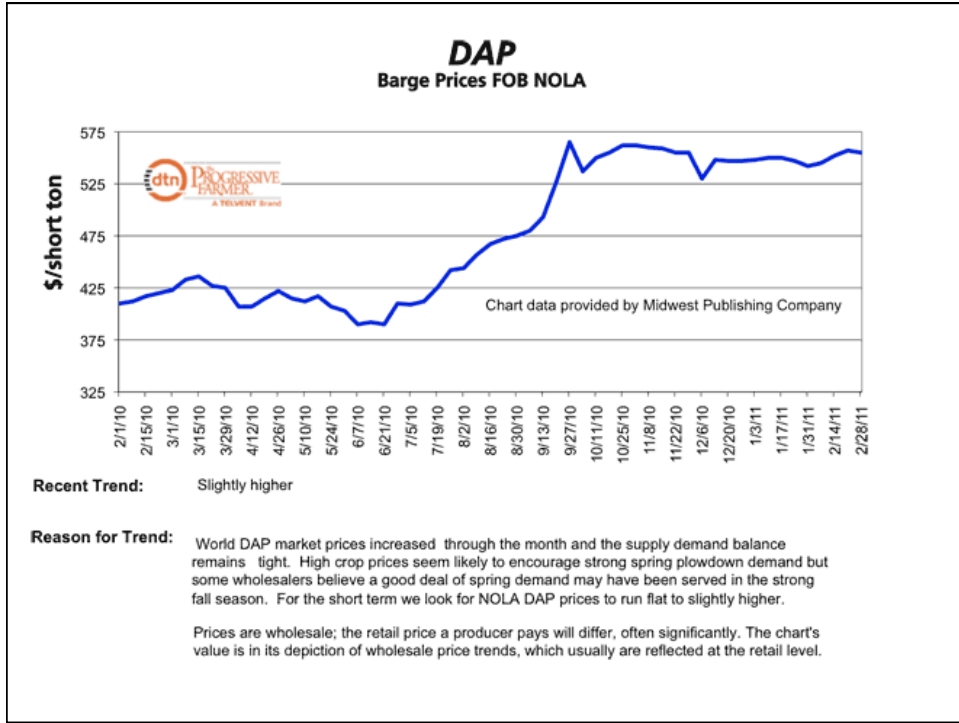
Million Acres



USDA-NASS
03-31-11

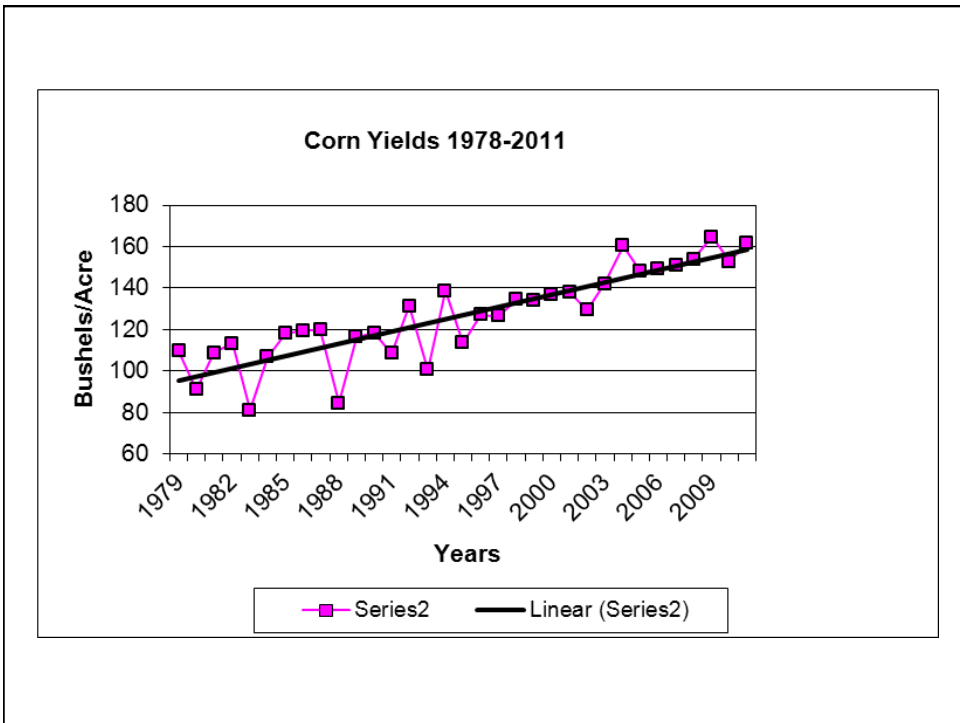
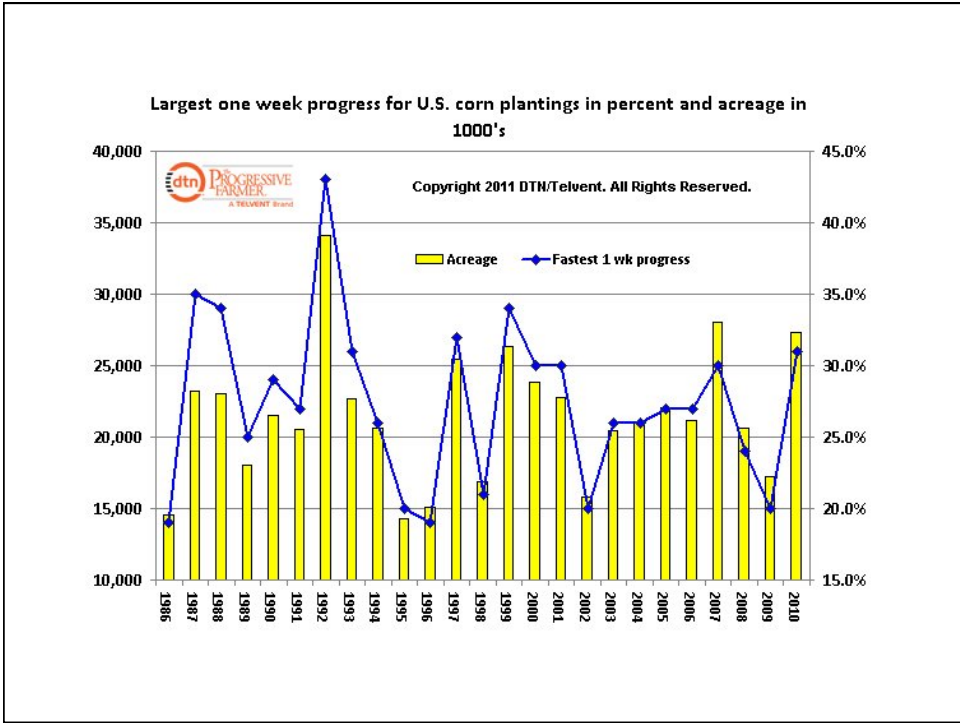


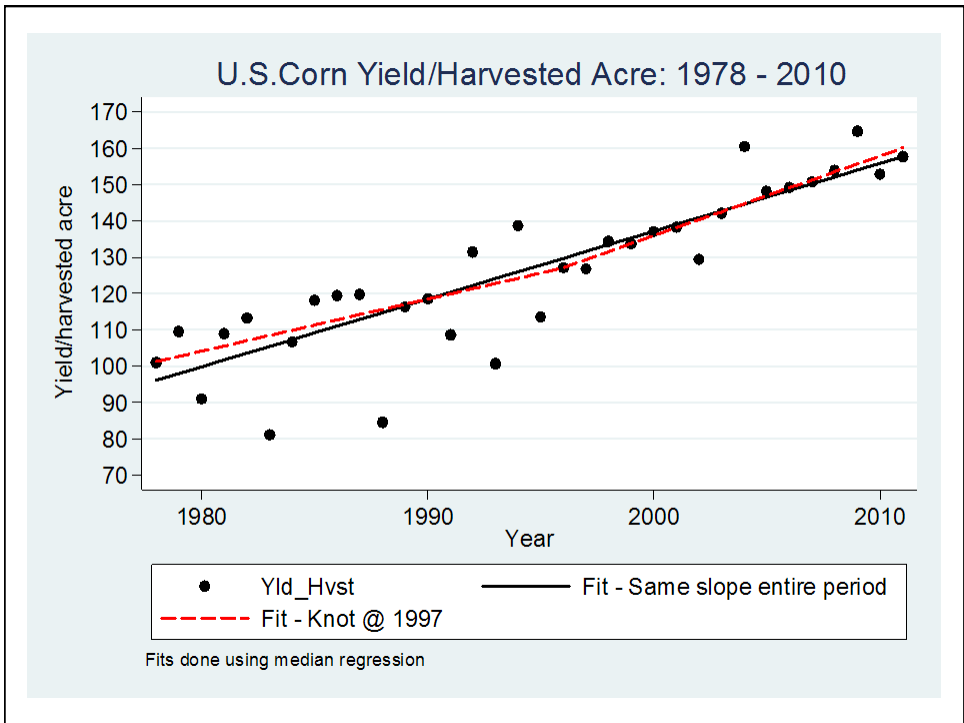
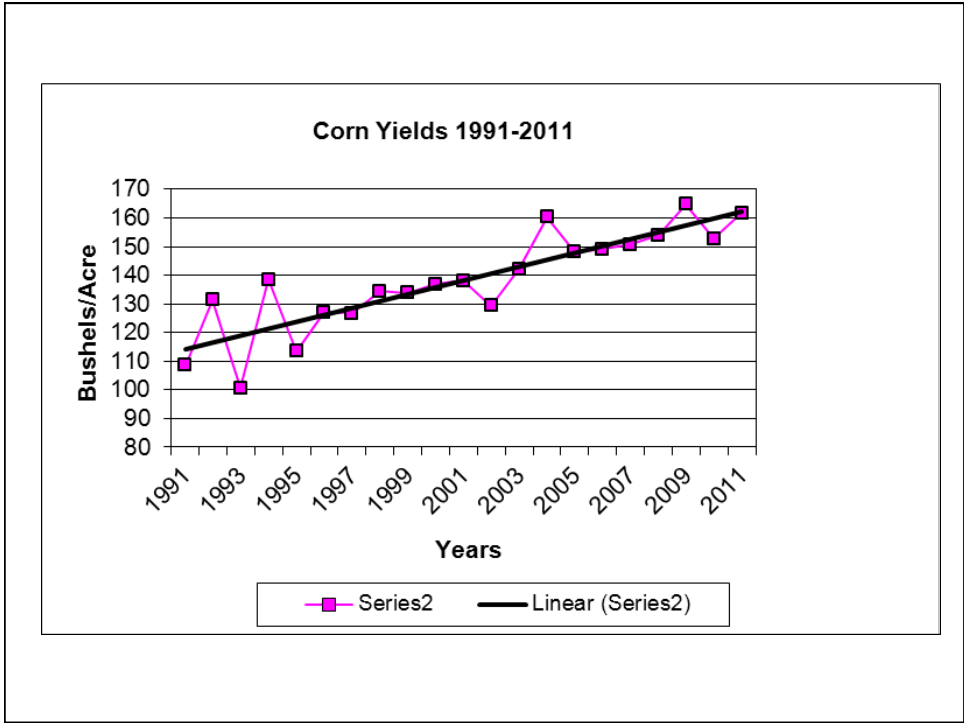


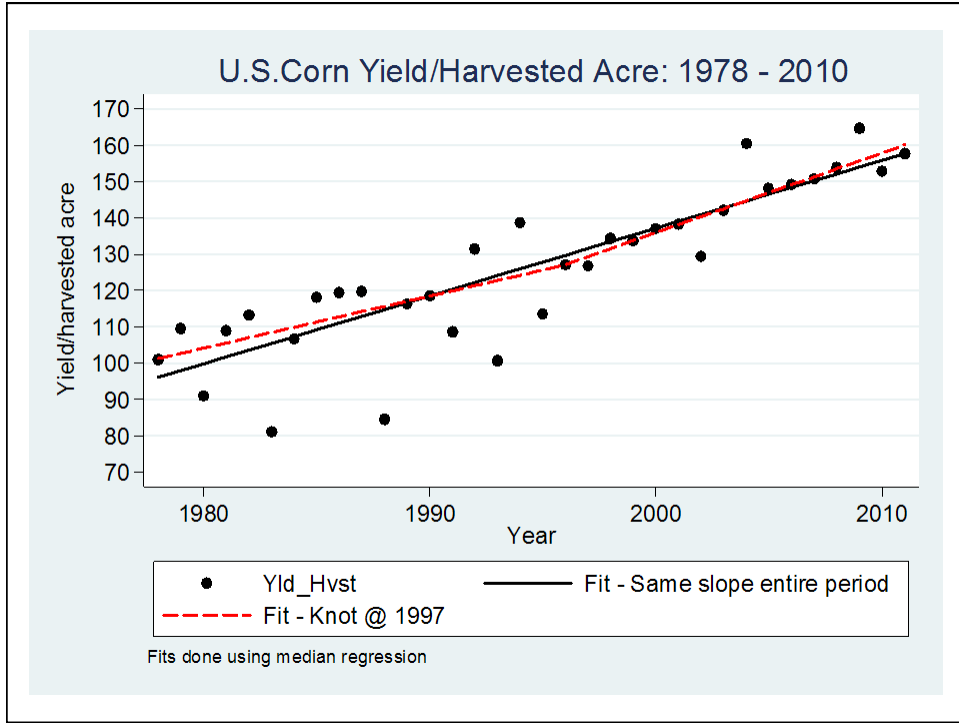


Corn Planted - Selected States
 [These 18 States planted 92% of the 2010 corn acreage]

State	Week ending			
	May 1, 2010	April 24, 2011	May 1, 2011	2006-2010 Average
percent				
Colorado	24	11	18	25
Illinois	85	10	10	46
Indiana	69	2	2	31
Iowa	82	3	8	48
Kansas	47	29	41	43
Kentucky	82	17	17	59
Michigan	50	1	1	27
Minnesota	84	-	1	46
Missouri	72	28	32	52
Nebraska	44	5	15	35
North Carolina	91	71	88	87
North Dakota	42	-	-	17
Ohio	61	1	1	33
Pennsylvania	35	1	1	26
South Dakota	28	-	2	15
Tennessee	85	34	38	77
Texas	73	66	79	74
Wisconsin	47	-	1	23
18 States	66	9	13	40







**TABLE 1
SUPPLY/DEMAND BALANCE SHEET FOR CORN**

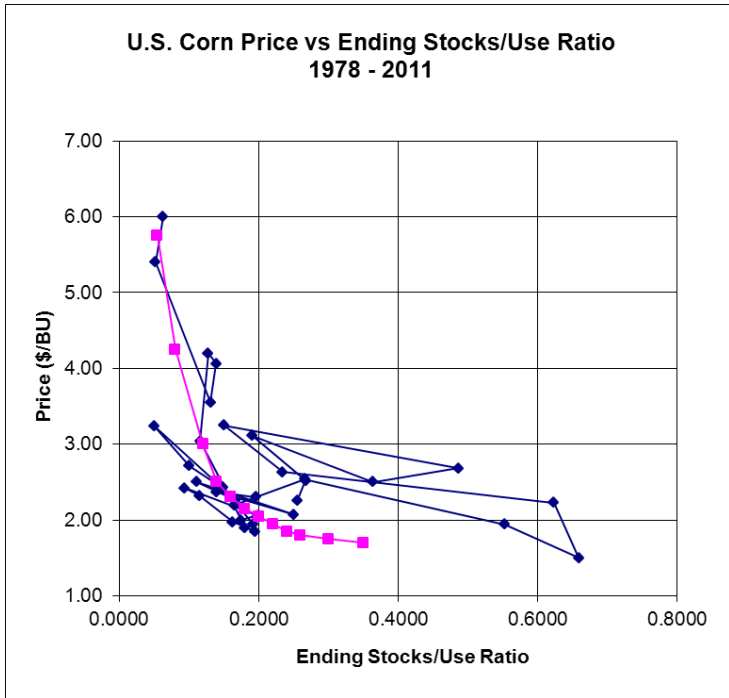
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(million acres)										
Acres Planted	78.9	78.6	80.9	81.8	78.3	93.5	86.0	86.4	88.2	92.2
Acres Harvested	69.3	70.9	73.6	75.1	70.6	86.5	78.6	79.5	81.4	85.0
Yield/Bushels	129.3	142.2	160.4	148	149.1	150.7	153.9	164.7	152.8	161.7
(million bushels)										
Beginning Stocks	1596	1087	958	2114	1967	1304	1624	1673	1708	615
Production	8967	10089	11807	11114	10531	13038	12092	13092	12447	13744
Imports	14	14	11	9	12	20	14	8	20	20
Total Supply	10578	11190	12776	13237	12510	14362	13729	14774	14175	14379
Use:										
Feed & Residual	5563	5798	6158	6155	5591	5913	5182	5140	5260	5100
Food, Seed & Ind	2340	2537	2686	2981	3490	4387	5025	5939	6350	6510
Ethanol for fuel	996	1168	1323	1603	2119	3049	3709	4568	4950	5100
Total Domestic	7903	8335	8844	9136	9081	10300	10207	11079	11610	11610
Exports	1588	1897	1818	2134	2125	2437	1849	1987	1950	1975
Total Use	9491	10232	10662	11270	11206	12737	12056	13066	13560	13585
Ending Stocks	1087	958	2114	1967	1304	1624	1673	1708	615	794
Ending Stocks, %of Use	11.5	9.4	19.8	17.5	11.6	12.8	13.9	13.1	4.5	5.8
U.S. Loan Rate	\$1.98	\$1.98	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.65	\$6.00

Source: USDA and Jim Hilker. (3 - 31 - 11)

**TABLE 1
SUPPLY/DEMAND BALANCE SHEET FOR CORN**

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Est. 2010-2011	Hiiker 2011-2012
(million acres)										
Acres Planted	78.9	78.6	80.9	81.8	78.3	93.5	86.0	86.4	88.2	92.2
Acres Harvested	69.3	70.9	73.6	75.1	70.6	86.5	78.6	79.5	81.4	85.0
Yield/Bushels	129.3	142.2	160.4	148.0	149.1	150.7	153.9	164.7	152.8	160.0
(million bushels)										
Beginning Stocks	1596	1087	958	2114	1967	1304	1624	1673	1708	700
Production	8967	10089	11807	11114	10531	13038	12092	13092	12447	13600
Imports	14	14	11	9	12	20	14	8	20	20
Total Supply	10578	11190	12776	13237	12510	14362	13729	14774	14175	14320
Use:										
Feed & Residual	5563	5798	6158	6155	5591	5913	5182	5140	5150	5100
Food, Seed & Ind	2340	2537	2686	2981	3490	4387	5025	5939	6400	6410
Ethanol for fuel	996	1168	1323	1603	2119	3049	3709	4568	5000	5000
Total Domestic	7903	8335	8844	9136	9081	10300	10207	11079	11550	11510
Exports	1588	1897	1818	2134	2125	2437	1849	1987	1925	1960
Total Use	9491	10232	10662	11270	11206	12737	12056	13066	13475	13470
Ending Stocks	1087	958	2114	1967	1304	1624	1673	1708	700	850
Ending Stocks, %of Use	11.5	9.4	19.8	17.5	11.6	12.8	13.9	13.1	5.2	6.3
U.S. Loan Rate	\$1.98	\$1.98	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
U.S. Season Ave Farm Price, \$/Bu.	\$2.32	\$2.42	\$2.06	\$2.00	\$3.04	\$4.20	\$4.06	\$3.55	\$5.40	\$6.00

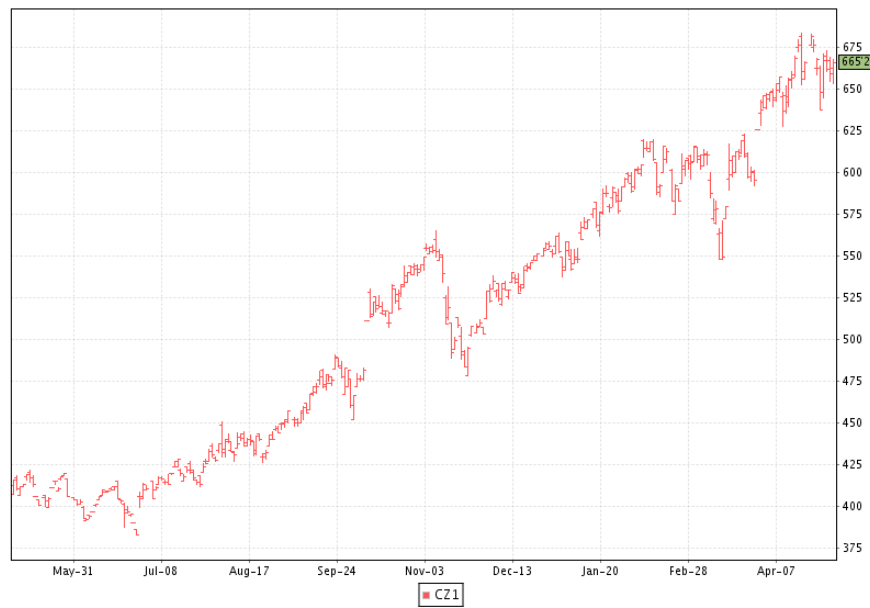
Source: USDA and Jim Hiiker. (5 - 4 - 11)

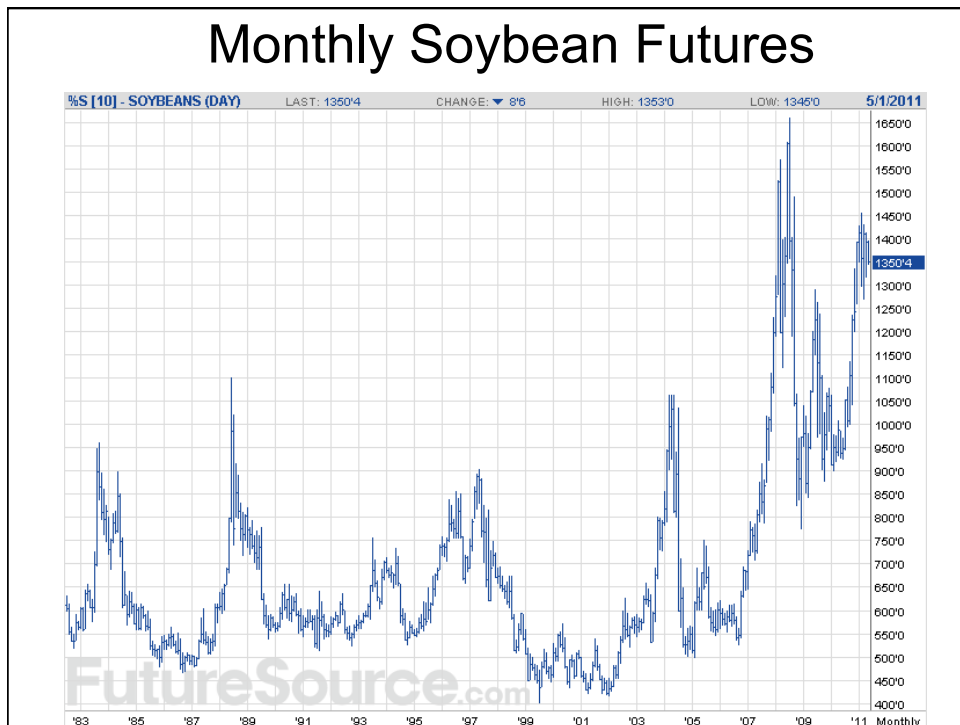
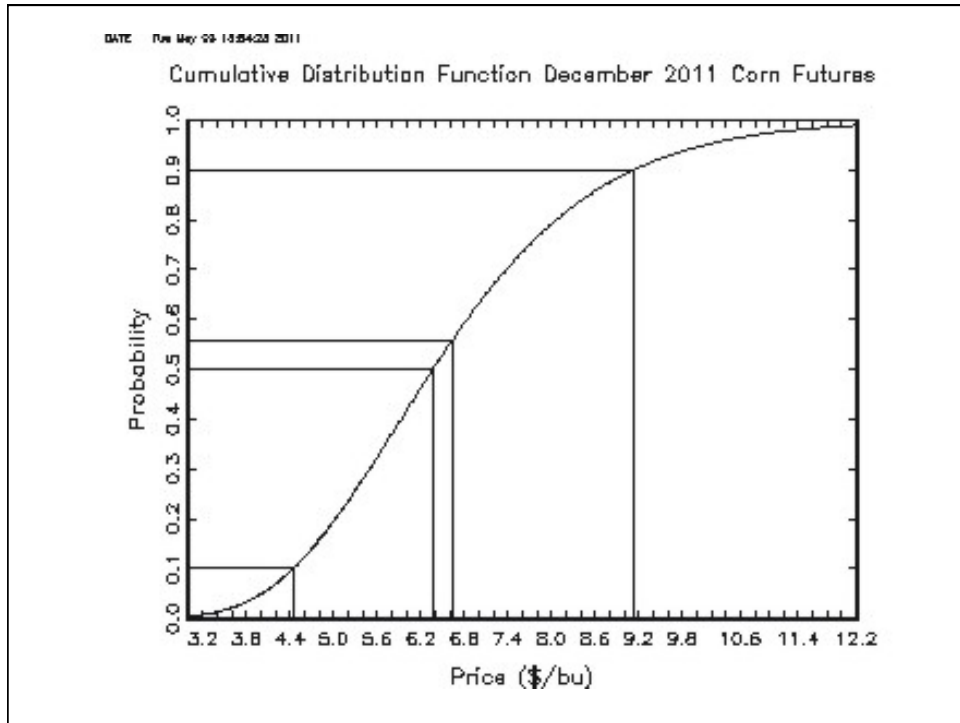


Corn Futures

Month	Last	Chg
May-11	716'4	-10'0
Jul-11	722'0	-7'4
Sep-11	699'0	-4'4
Dec-11	664'4	-0'6
Mar-12	676'0	0'0
May-12	687'6	3'6
Jul-12	690'0	-1'0
Sep-12	628'2	-2'4
Dec-12	596'2	0'0
Mar-13	607'2	1'4
May-13	612'6s	3'4
Jul-13	617'0	-0'6
Sep-13	599'0s	1'6
Dec-13	582'2s	1'0
Jul-14	603'2s	1'0
Dec-14	582'2s	2'0

December Corn Futures





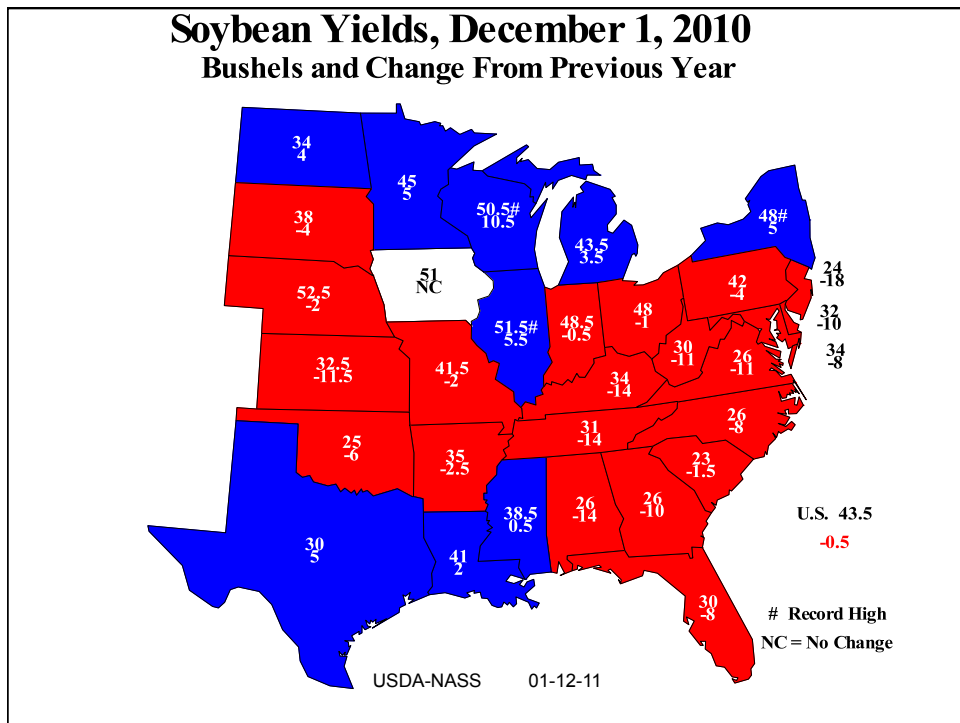
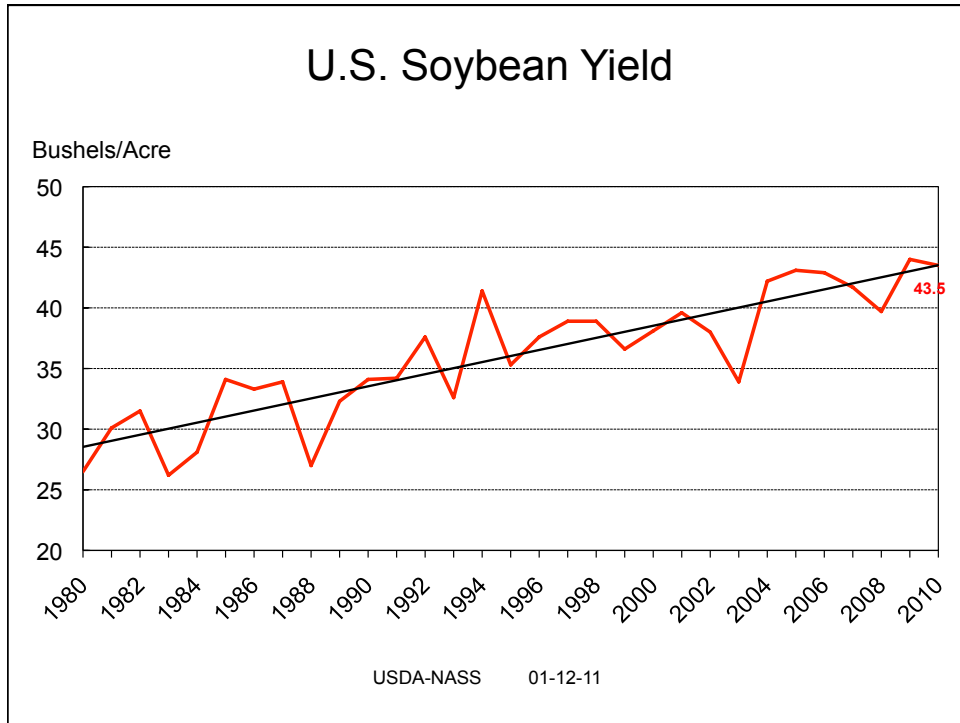
SOYBEANS

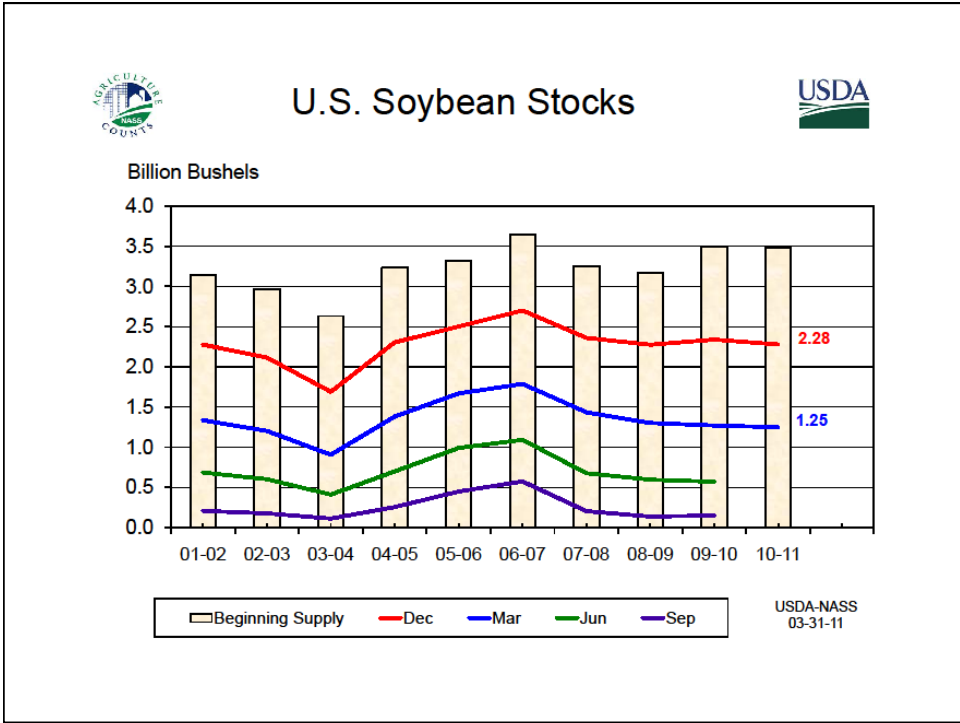
- The Story is/has been:
 - U.S. EXPORTS, EXPORTS, EXPORTS !!
 - Including Soybean Oil and Meal
- And Than/Now the Story is:
 - World Demand
 - EXPORTS, EXPORTS, EXPORTS !!
 - Including Soybean Oil and Meal

Crop Production 2010 Annual

Crop	Unit	2010	% Change from Previous Forecast	% Change from Previous Season
Soybeans				
Planted	Mil Ac	77.4	- 0.4	- <0.1
Harvested	Mil Ac	76.6	- 0.3	+ 0.3
Yield	Bu/Ac	43.5	- 0.9	- 1.1
Production	Bil Bu	3.33	- 1.4	- 0.9
Dec Stocks	Bil Bu	2.28	---	- 2.6

USDA-NASS 01-12-11





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

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Est. 2009-2010	Proj. 2010-2011
(Million Acres)									
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5
(Million Bushels)									
Beginning Stocks	208	178	112	256	449	574	205	138	151
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329
Imports	5	6	6	3	9	10	13	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495
Use:									
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1650
Exports	1045	885	1097	940	1116	1159	1279	1501	1580
Seed	89	92	88	93	80	93	90	90	89
Residual	41	19	105	101	77	0	16	18	36
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3355
Ending Stocks	178	112	256	449	574	205	138	151	140
Ending Stocks, % of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	4.2
U.S. Loan Rate	\$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	\$11.50
Source: USDA and Jim Hilker. (5 - 4 - 11)									

World Soybean Production

Country or Region	2009/10 estimate	2010/11 forecast	Change from	Change from
			previous month	2009/10
<i>Million Tons</i>			<i>Percent</i>	<i>Percent</i>
World	260.2	261.0	1.0	0.3
United States	91.4	90.6	0.0	-0.9
Foreign	168.8	170.4	1.5	0.9
Argentina	54.5	49.5	0.0	-9.2
Brazil	69.0	72.0	2.9	4.3
Paraguay	7.2	8.1	8.0	12.5
China	15.0	15.2	0.0	1.5

April 8, 2011

Grain Exports to Date

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT
- 1,000 BUSHELS -

GRAIN	WEEK ENDING			CURRENT	PREVIOUS
	04/28/11	04/21/11	04/29/10	MARKET YEAR TO DATE	MARKET YEAR TO DATE
WHEAT	36,394	28,788	19,180	1,129,309	779,138
RYE	0	0	0	0	0
OATS	0	0	0	73	161
BARLEY	28	36	160	5,364	4,051
FLAXSEED	0	0	1	1,248	1,768
CORN	34,635	36,588	33,595	1,156,253	1,171,068
SORGHUM	2,570	2,122	2,697	101,284	117,990
SOYBEANS	5,525	11,043	8,574	1,355,117	1,312,697
SUNFLOWER	0	0	0	0	0
TOTAL	79,152	78,577	64,207	3,748,648	3,386,873

Grain Export Sales to Date

Export Sales Report for Week Ending 4/21/11

(in mil bus)	Weekly			New Crop Sales		
GRAINS	Sales	Unshipped	Total	Prev Yr	Weekly	Unshipped
Corn	13.7	485.4	1603.1	1557.7	3.7	127.0
Sorghum	1.8	24.2	112.7	118.6	0.1	0.9
Soybeans	5.3	180.8	1508.8	1362.9	2.0	246.9
All Wheat	9.7	223.0	1274.4	803.6	5.6	87.0
Durum	0.0	1.8	34.8	36.5	1.1	4.8
Hard Red Spring	1.2	56.4	331.9	203.3	1.5	26.7
Hard Red Winter	5.3	104.8	610.8	312.0	1.8	22.7
Soft Red Winter	1.2	19.4	105.0	105.0	1.1	15.1
White Wheat	2.1	40.6	191.9	146.8	0.0	17.7
OTHER COMMODITIES						
Soyoil (000 mt)	24.0	155.7	1168.6	1158.0	0.0	4.5
Soymeal (000 mt)	121.1	1619.1	6701.2	8305.4	6.0	185.3
Rice (000 mt)	38.7	616.6	3276.6	3248.0	0.0	0.3
Upland Cotton(000bales)	-43.9	4349.6	14718.5	10291.5	66.3	5098.1

World Soybean Stocks

- 2007-08 52.95 MMT
- 2008-09 44.07 MMT
- 2009-10 60.23 MMT (Estimated)
- 2010-11 58.21 MMT (Projected)

TABLE 3 SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS									
	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Proj. 2010- 2011
(Million Acres)									
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5
(Million Bushels)									
Beginning Stocks	208	178	112	256	449	574	205	138	151
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329
Imports	5	6	6	3	9	10	13	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495
Use:									
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1650
Exports	1045	885	1097	940	1116	1159	1279	1501	1580
Seed	89	92	88	93	80	93	90	90	89
Residual	41	19	105	101	77	0	16	18	36
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3355
Ending Stocks	178	112	256	449	574	205	138	151	140
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	4.2
U.S. Loan Rate	\$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	\$11.50
Source: USDA and Jim Hilker. (5 - 4 - 11)									

U.S. Soybeans and Products Supply and Use (Domestic Measure)

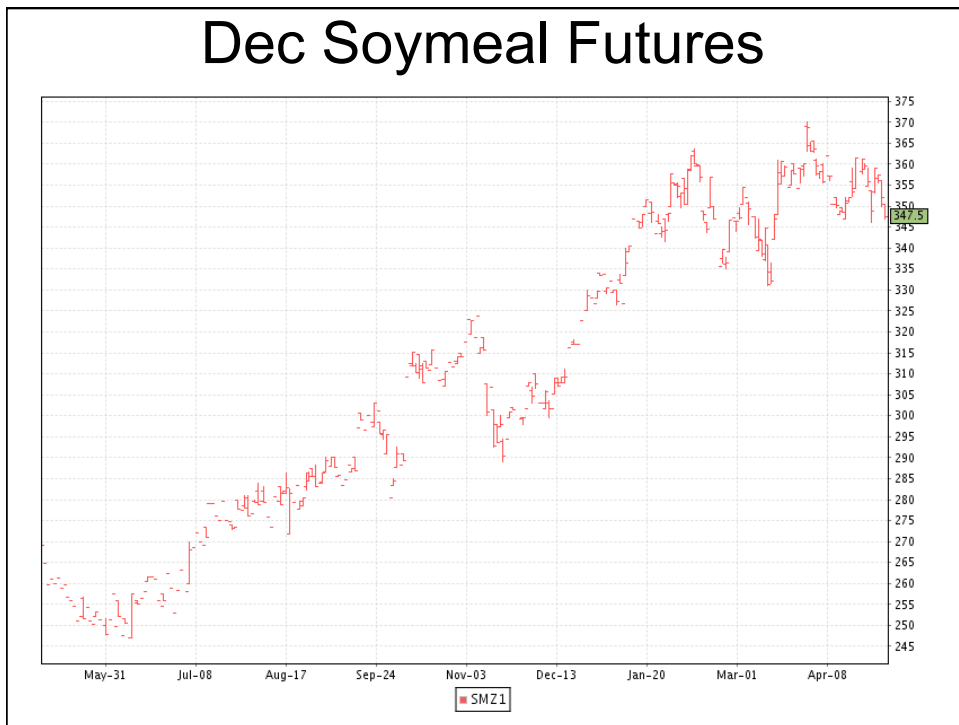
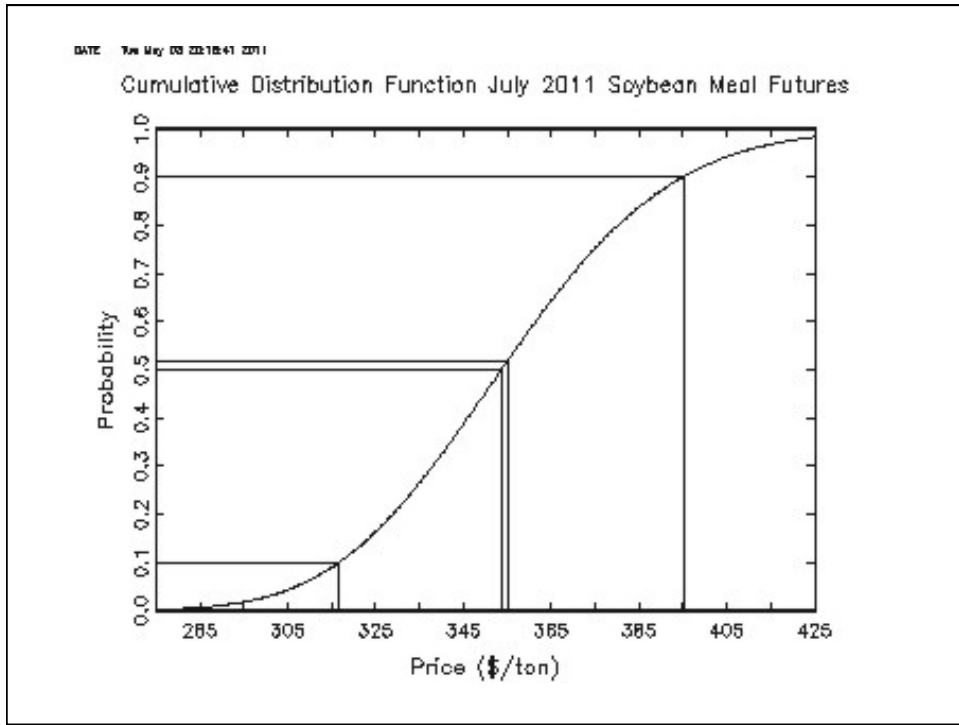
Item	2008/09	2009/10	Est. 2010/11	Proj. 2010/11
			Mar	Apr
Thousand Short Tons				
SOYBEAN MEAL				
Beginning Stocks	294	235	302	302
Production	39102	41700	39583	39583
Imports	88	160	165	165
Supply, Total	39484	42095	40050	40050
Domestic	30752	30619	30500	30500
Exports	8497	11175	9250	9250
Use, Total	39249	41794	39750	39750
Ending Stocks	235	302	300	300
Avg. Farm Price (\$/s.t.) 2/	331.17	311.27	340.00-370.00	340.00-360.00

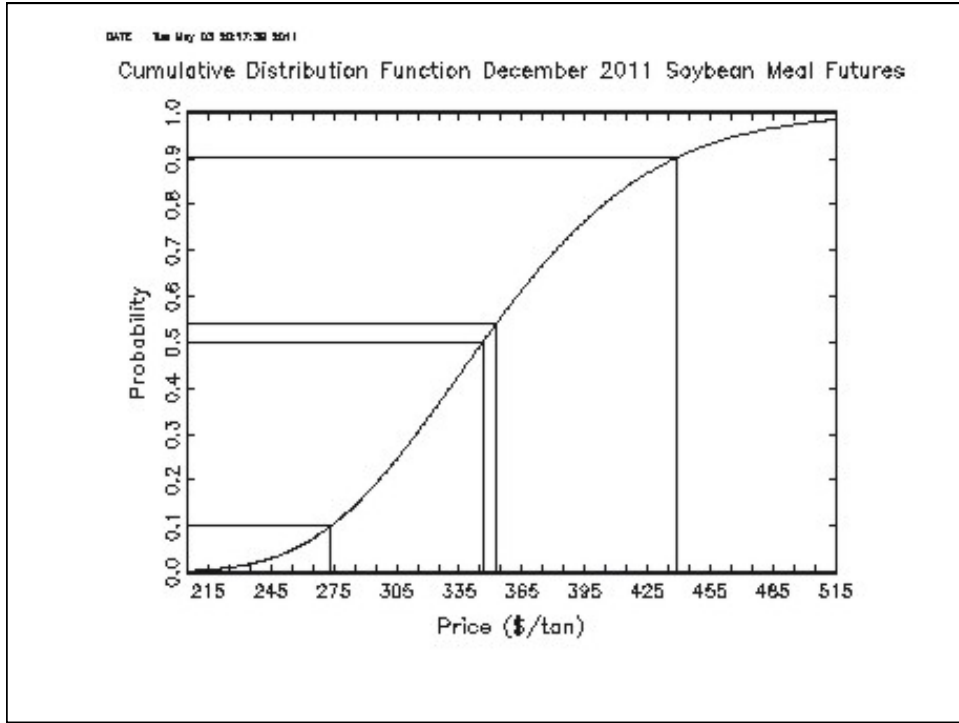
Soybean Meal Futures

Month	Last	Chg
May-11	346.0	-1.6
Jul-11	350.2	-2.3
Aug-11	351.3	-2.2
Sep-11	349.7	-2.2
Oct-11	346.7	-0.7
Dec-11	345.3	-2.2
Jan-12	350.0	1.2
Mar-12	350.6s	-4.3
May-12	349.2s	-4.2
Jul-12	353.5	3.3
Aug-12	346.7s	-3.7
Sep-12	343.2s	-3.7
Oct-12	340.7s	-2.7
Dec-12	341.2s	-2.7
Jan-13	343.7s	-3.2
Mar-13	346.7s	-3.2
May-13	346.7s	-3.2
Jul-13	346.7s	-3.2
Aug-13	346.7s	-3.2
Sep-13	346.7s	-3.2
Oct-13	346.7s	-3.2
Dec-13	346.7s	-3.2
Jan-14	---	---
Jul-14	346.7s	-3.2
Oct-14	346.7s	-3.2

July Soymeal Futures



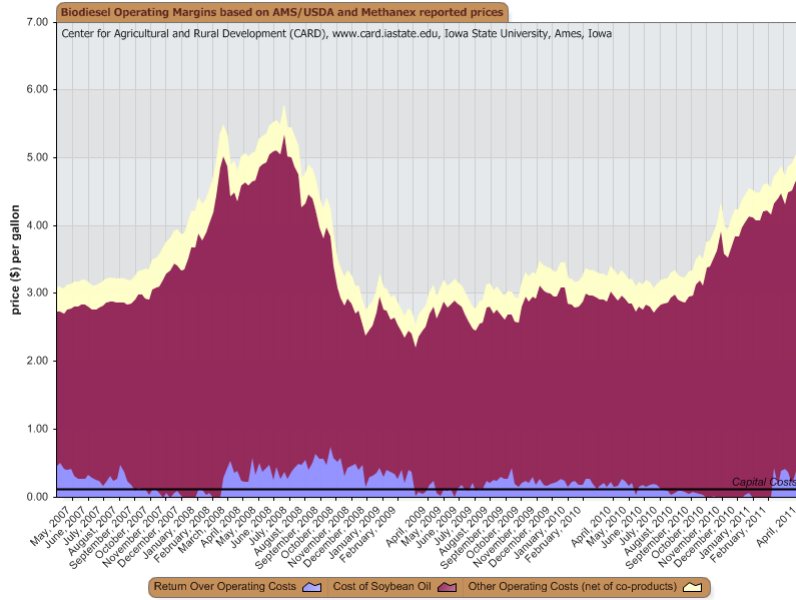




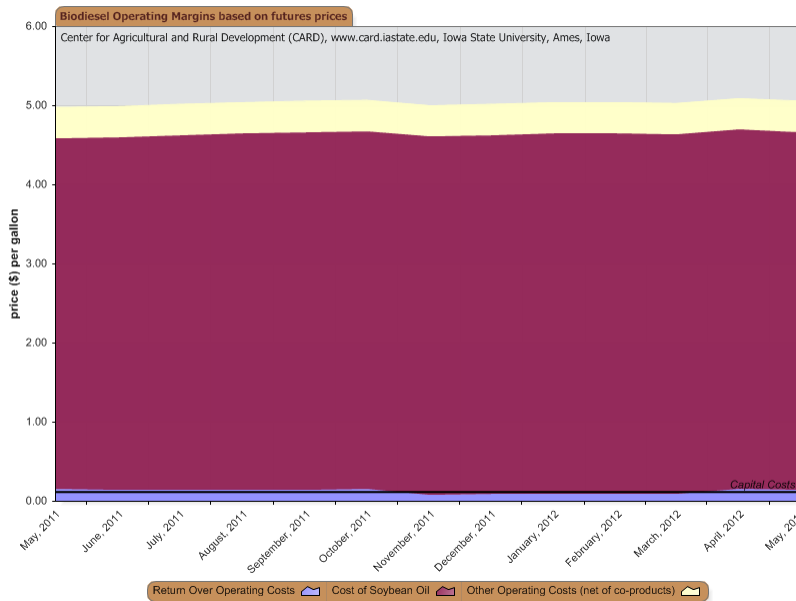
U.S. Soybeans and Products Supply and Use (Domestic Measure) 1/

Item	2008/09	2009/10 Est.	2010/11 Proj.	2010/11 Proj. Mar	2010/11 Proj. Apr
SOYBEAN OIL					
Beginning Stocks	2485	2861	3358		3358
Production	18745	19614	19035		19025
Imports	90	103	115		175
Supply, Total	21319	22577	22508		22558
Domestic	16265	15863	17100		17100
For Methyl Ester	2021	1681	2700		2700
Exports	2193	3357	3000		3100
Use, Total	18459	19219	20100		20200
Ending stocks	2861	3358	2408		2358
Avg. Farm Price (c/lb) 2/	32.16	35.95	51.50-55.50		53.00-55.00

Historical Biodiesel Operating Margins

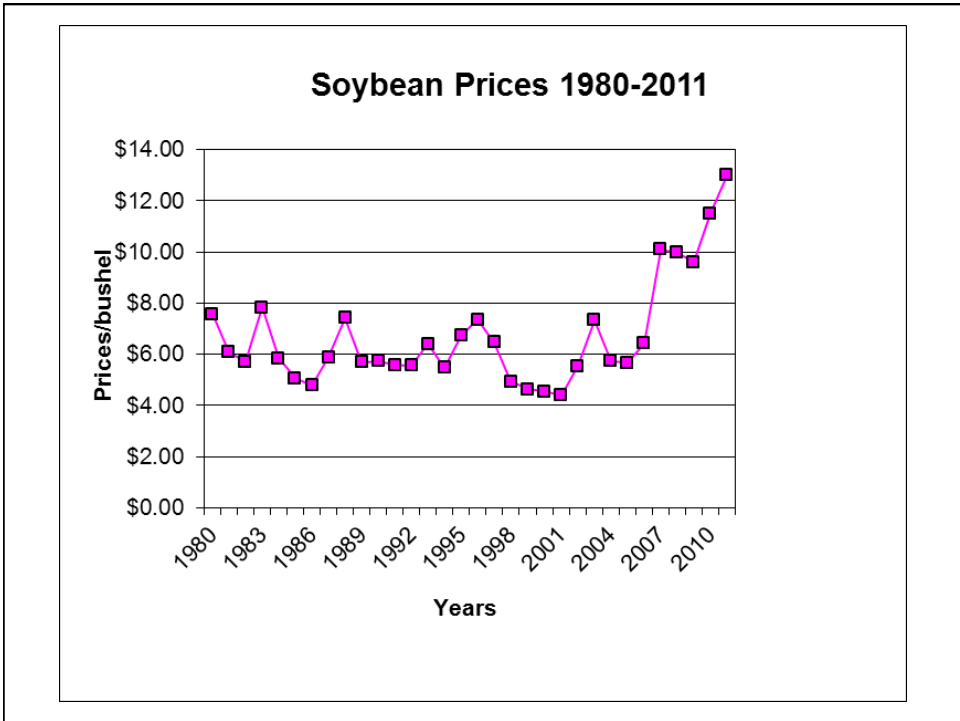


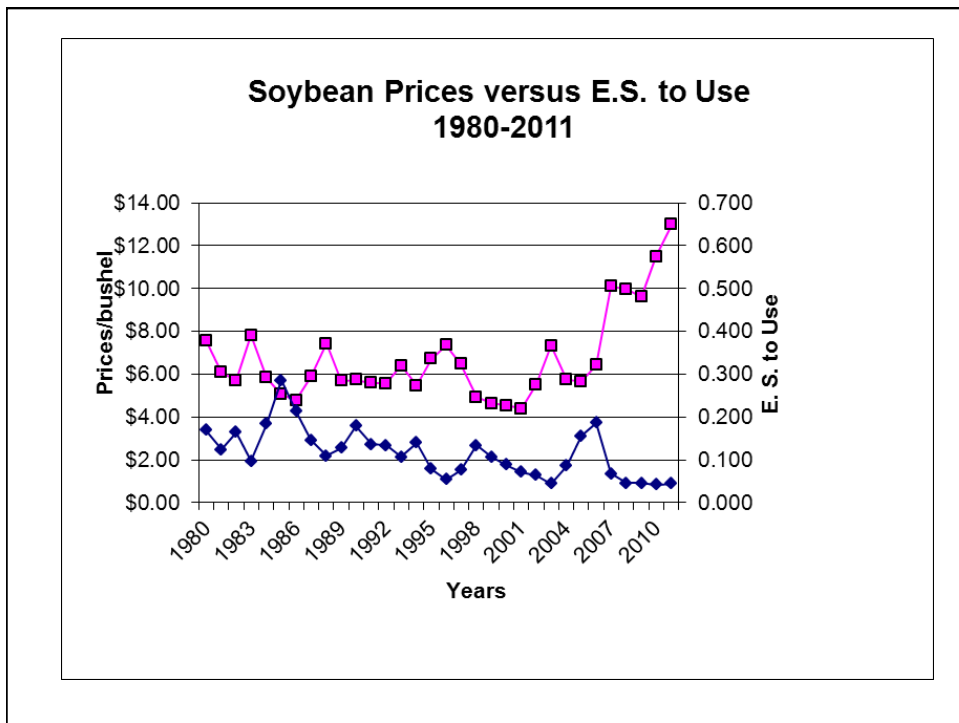
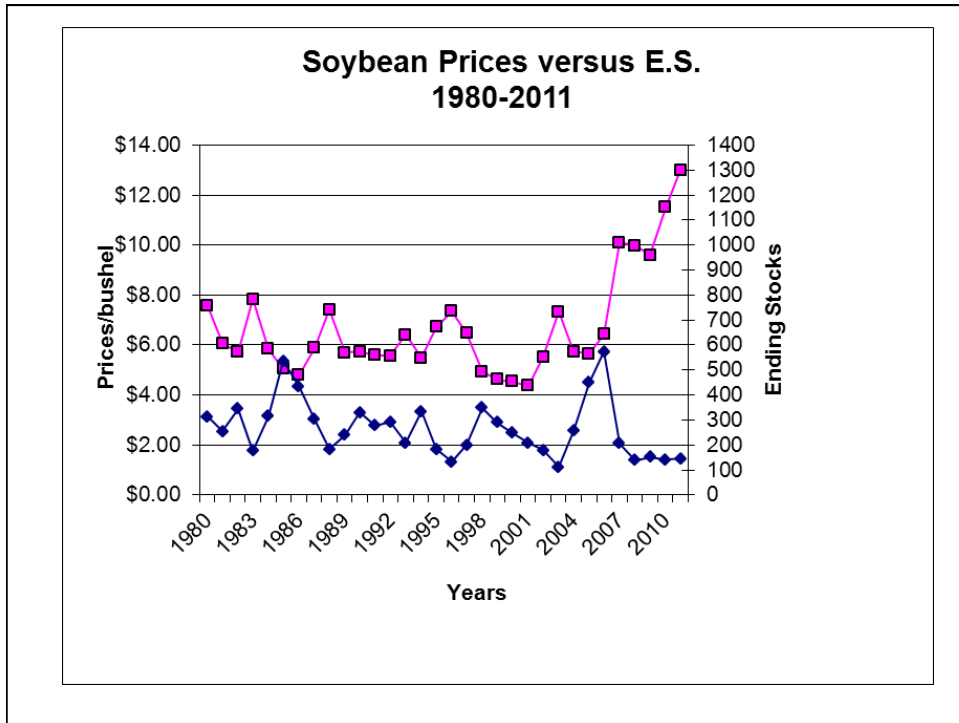
Projected Biodiesel Operating Margins

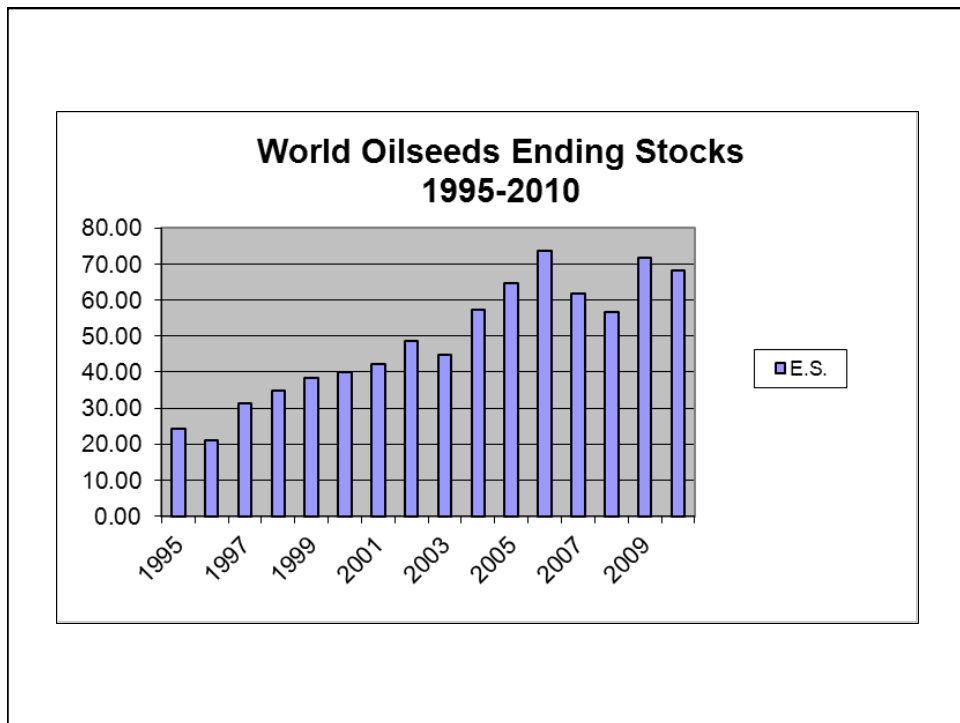
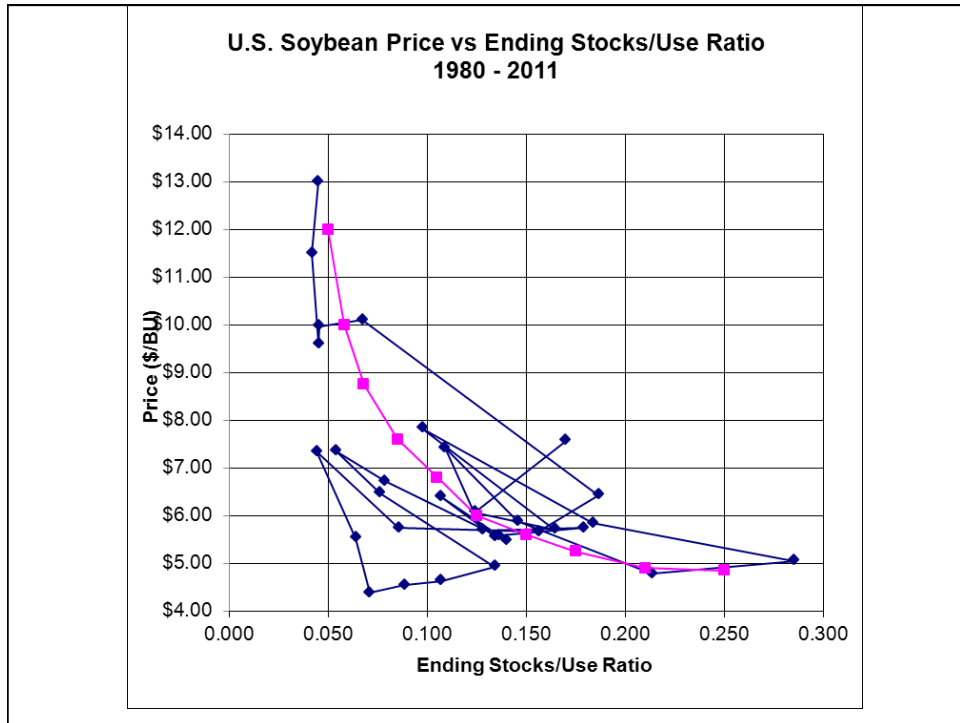


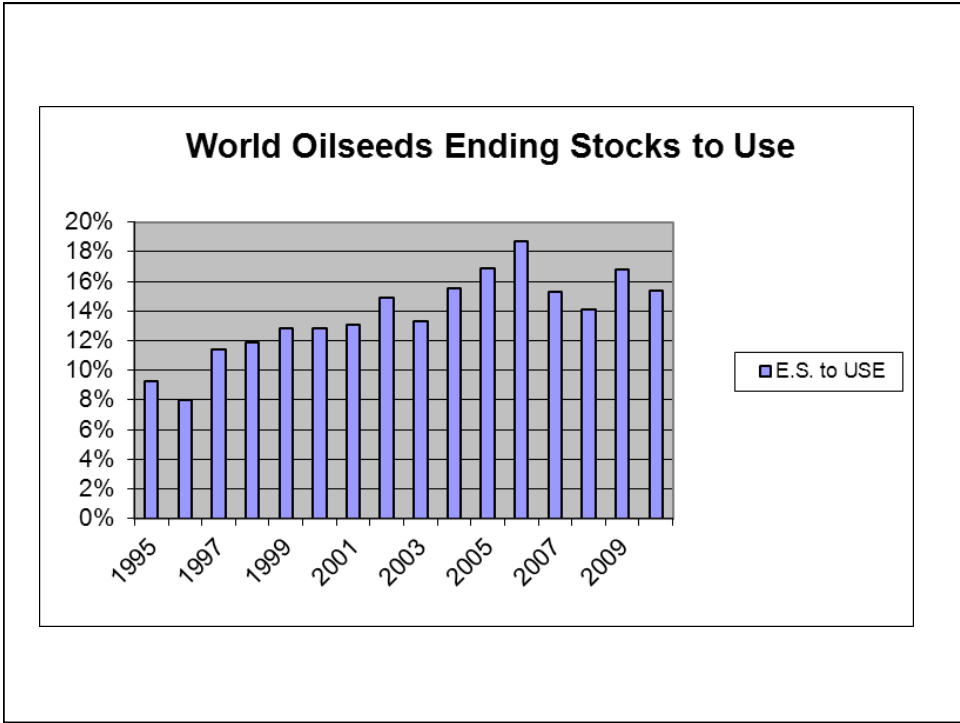
**TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Proj. 2010- 2011
(Million Acres)									
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5
(Million Bushels)									
Beginning Stocks	208	178	112	256	449	574	205	138	151
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329
Imports	5	6	6	3	9	10	13	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495
Use:									
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1650
Exports	1045	885	1097	940	1116	1159	1279	1501	1580
Seed	89	92	88	93	80	93	90	90	89
Residual	41	19	105	101	77	0	16	18	36
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3355
Ending Stocks	178	112	256	449	574	205	138	151	140
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	4.2
U.S. Loan Rate	\$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	\$11.50
Source: USDA and Jim Hilker. (5 - 4 - 11)									









Soybean Futures

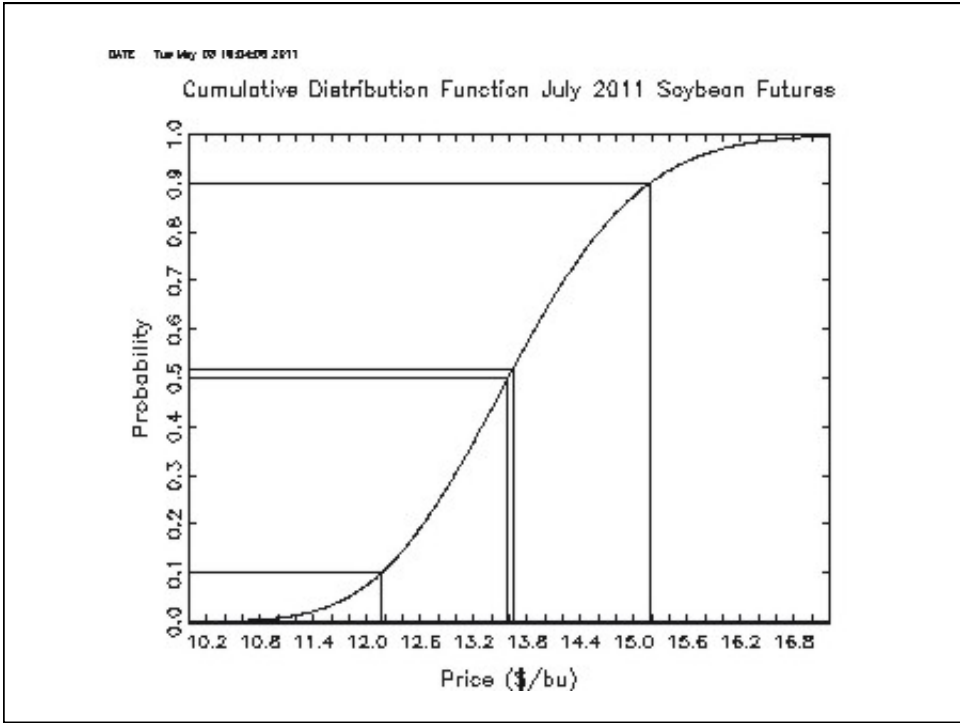
Month	Last	Chg
May-11	1342'0	-8'4
Jul-11	1341'0	-11'0
Aug-11	1340'6	-10'0
Sep-11	1332'2	-11'2
Nov-11	1327'6	-10'6
Jan-12	1335'0	-11'4
Mar-12	1340'0	-6'2
May-12	1333'2	-9'0
Jul-12	1335'0	-10'4
Aug-12	1343'4s	-12'4
Sep-12	1320'2s	-12'4
Nov-12	1300'0	-4'4
Jan-13	1310'6s	-12'4
Mar-13	1311'6s	-12'4
May-13	1317'6s	-12'4
Jul-13	1314'6s	-12'4
Aug-13	1300'6s	-12'4
Sep-13	1294'6s	-12'4
Nov-13	1263'4s	-12'4
Jul-14	1264'4s	-12'4
Nov-14	1243'4s	-12'4

May Soybean Futures



July Soybean Futures

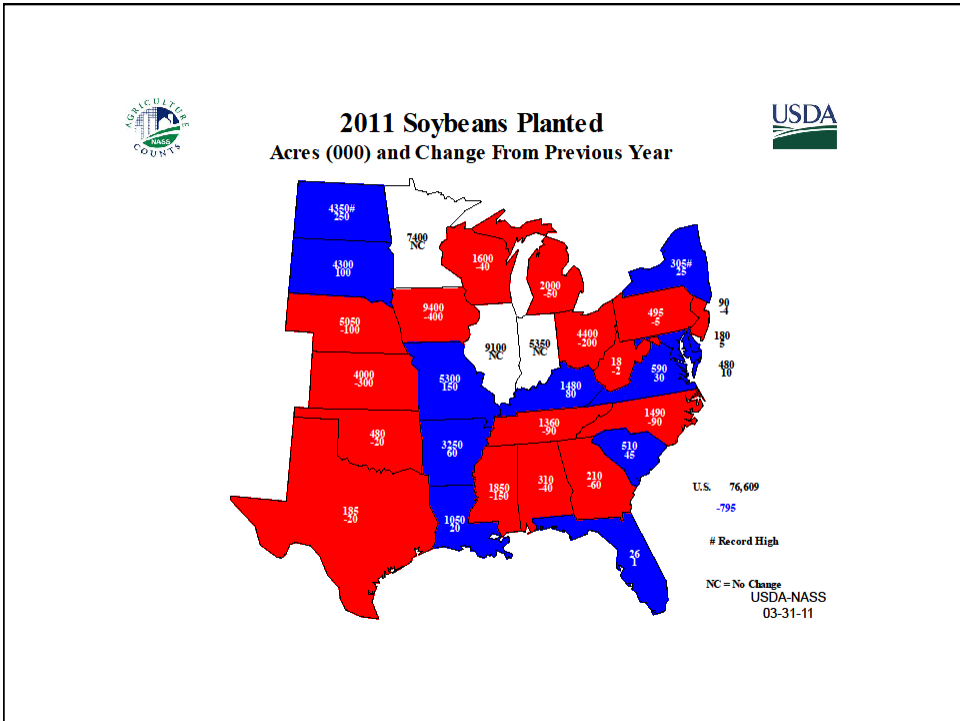


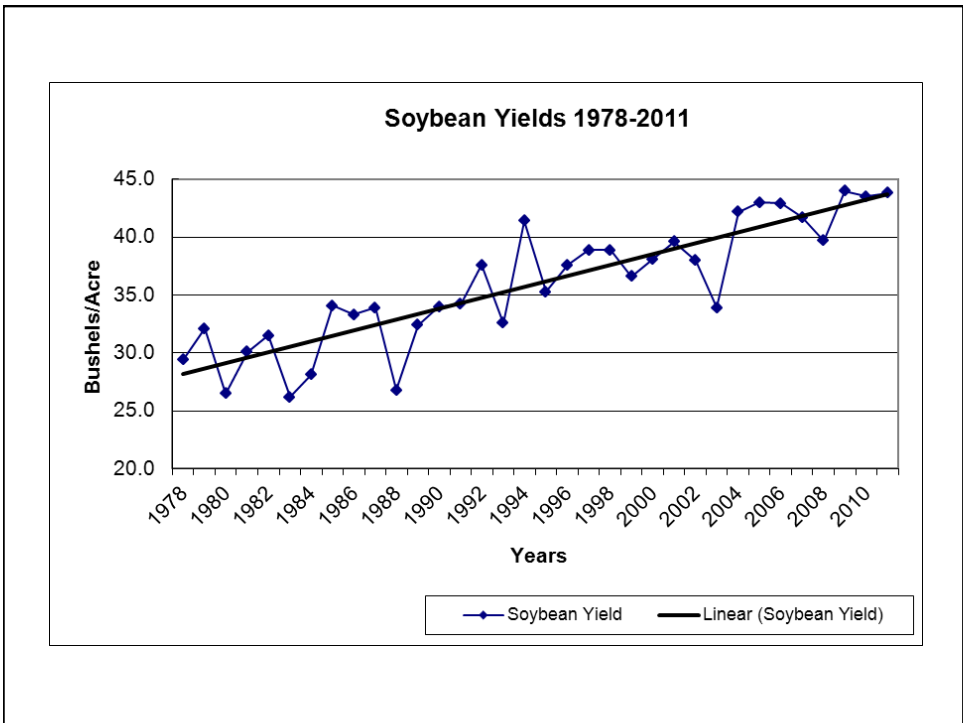
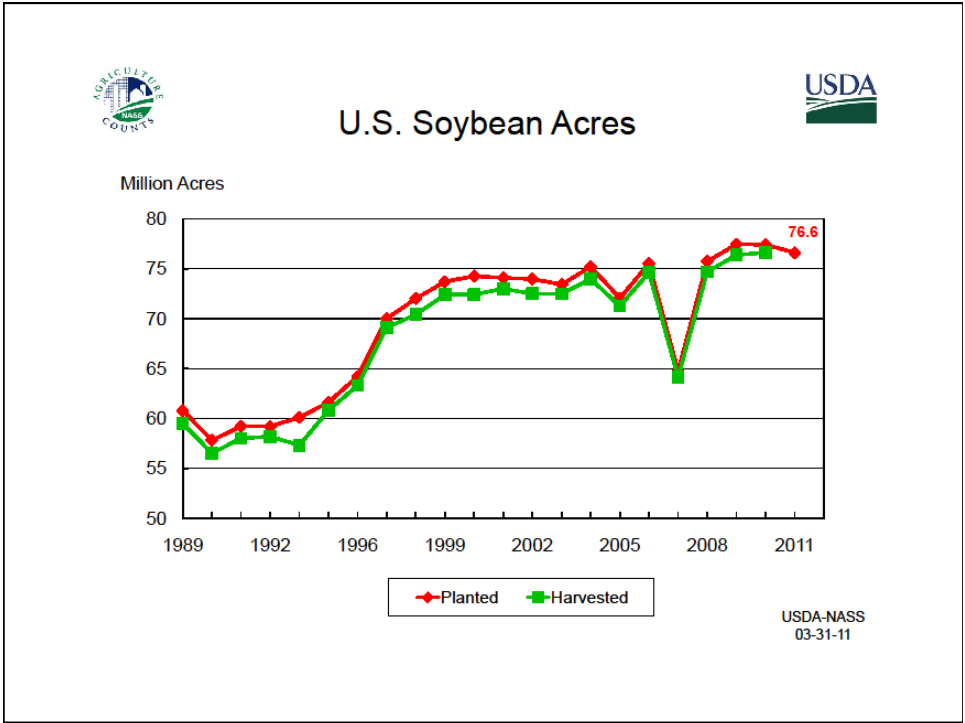


**TABLE 3
SUPPLY/DEMAND BALANCE SHEET FOR SOYBEANS**

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Proj. 2010- 2011	Hilker 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	76.6
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	75.6
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	43.0
(Million Bushels)										
Beginning Stocks	208	178	112	256	449	574	205	138	151	140
Production	2756	2454	3124	3063	3197	2677	2967	3359	3329	3251
Imports	5	6	6	3	9	10	13	15	15	15
Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3406
Use:										
Crushings	1615	1530	1696	1739	1808	1803	1662	1752	1650	1640
Exports	1045	885	1097	940	1116	1159	1279	1501	1580	1500
Seed	89	92	88	93	80	93	90	90	89	91
Residual	41	19	105	101	77	0	16	18	36	24
Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3355	3255
Ending Stocks	178	112	256	449	574	205	138	151	140	146
Ending Stocks, %of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	4.2	4.5
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	\$11.50	\$13.00
Source: USDA and Jim Hilker. (5 - 4 - 11)										

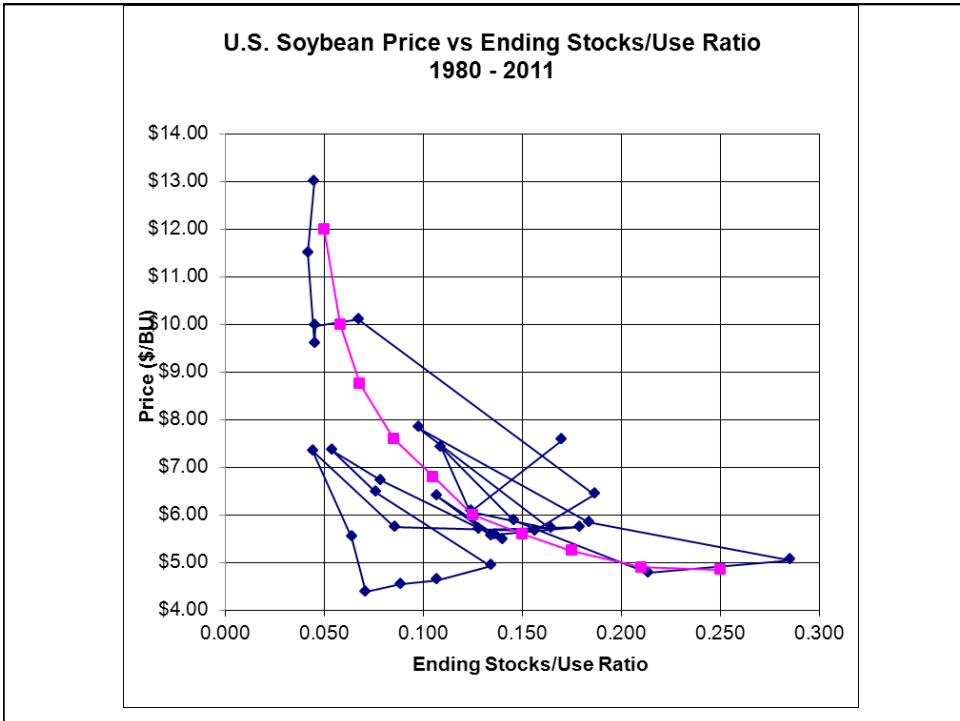
Seven Principle Crops					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Corn	93.5	86.0	86.5	88.2	92.2
Soybeans	64.7	75.7	77.5	77.4	76.6
Wheat	60.5	63.2	59.2	53.6	58.0
Cotton	10.8	9.5	9.2	11.0	12.6
Sorghum	7.7	8.3	6.6	5.4	5.7
Rice	2.8	3.0	3.1	3.6	3.0
Barley	4.0	4.2	3.6	2.9	3.0
Total of 7	244.0	249.9	245.7	242.1	251.1





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

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Est. 2009- 2010	Proj. 2010- 2011	Hilker 2011- 2012
(Million Acres)										
Acres Planted	74	73.4	75.2	72	75.5	64.7	75.7	77.5	77.4	76.6
Acres Harvested	72.5	72.3	74.0	71.3	74.6	64.1	74.7	76.4	76.6	75.6
Yield/Bushels	38.0	33.9	42.2	43.0	42.9	41.7	39.7	44.0	43.5	43.0
(Million Bushels)										
Beginning Stocks	208	178	112	256	449	574	205	138	151	140
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Total Supply	2969	2638	3242	3322	3656	3261	3185	3512	3495	3406
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Total Use	2791	2526	2986	2873	3081	3056	3047	3361	3355	3255
Ending Stocks	178	112	256	449	574	205	138	151	140	146
Ending Stocks, % of Use	6.4	4.4	8.6	15.6	18.6	6.7	4.5	4.5	4.2	4.5
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	\$11.50	\$13.00
Source: USDA and Jim Hilker. (5 - 4 - 11)										

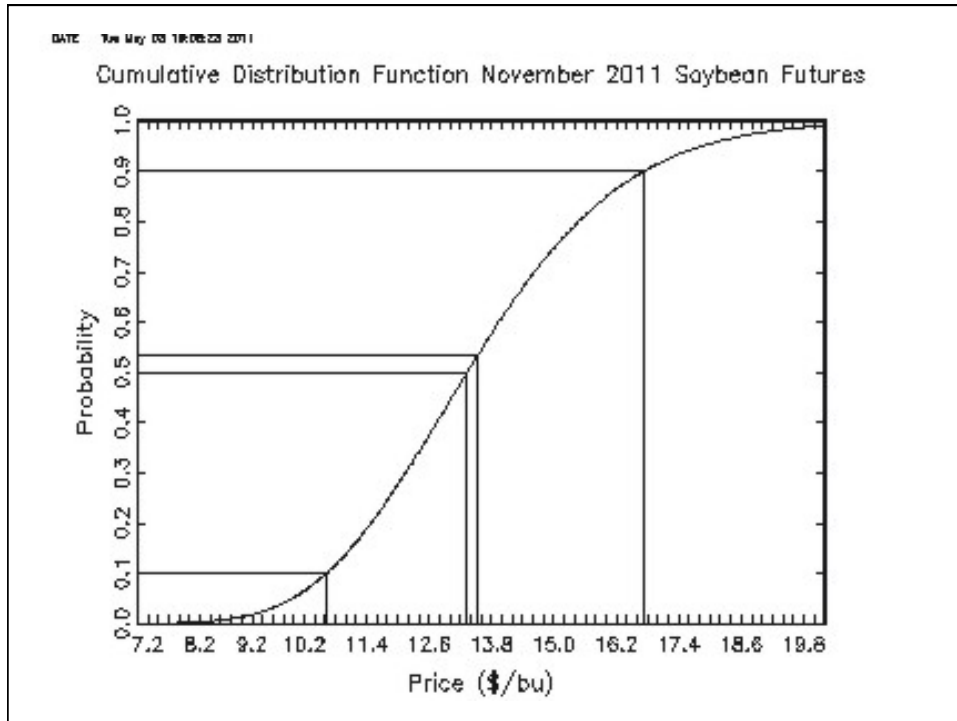


Soybean Futures

Month	Last	Chg
May-11	1342'0	-8'4
Jul-11	1341'0	-11'0
Aug-11	1340'6	-10'0
Sep-11	1332'2	-11'2
Nov-11	1327'6	-10'6
Jan-12	1335'0	-11'4
Mar-12	1340'0	-6'2
May-12	1333'2	-9'0
Jul-12	1335'0	-10'4
Aug-12	1343'4s	-12'4
Sep-12	1320'2s	-12'4
Nov-12	1300'0	-4'4
Jan-13	1310'6s	-12'4
Mar-13	1311'6s	-12'4
May-13	1317'6s	-12'4
Jul-13	1314'6s	-12'4
Aug-13	1300'6s	-12'4
Sep-13	1294'6s	-12'4
Nov-13	1263'4s	-12'4
Jul-14	1264'4s	-12'4
Nov-14	1243'4s	-12'4

November Soybean Futures





Will the Volatility Continue in the Long Run: Maybe, Maybe Not, Discuss

- Costs of Production
- Stocks-to-Use Ratios
- Elasticity's
- What portion of corn will be fuel?

Jim Hilker's Web Page

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

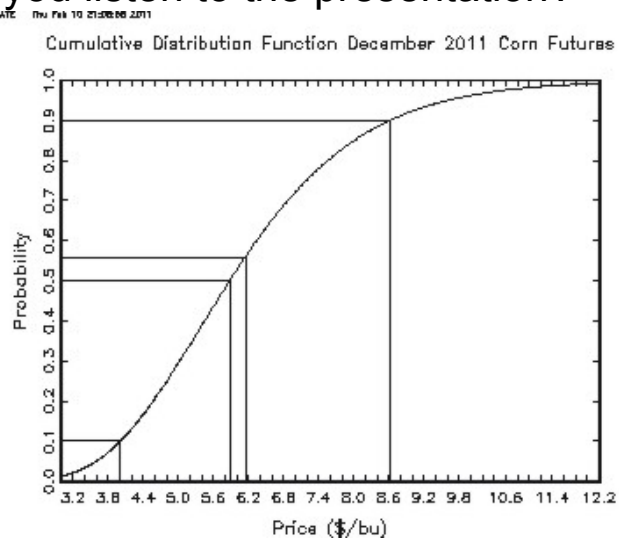
So What!!!!

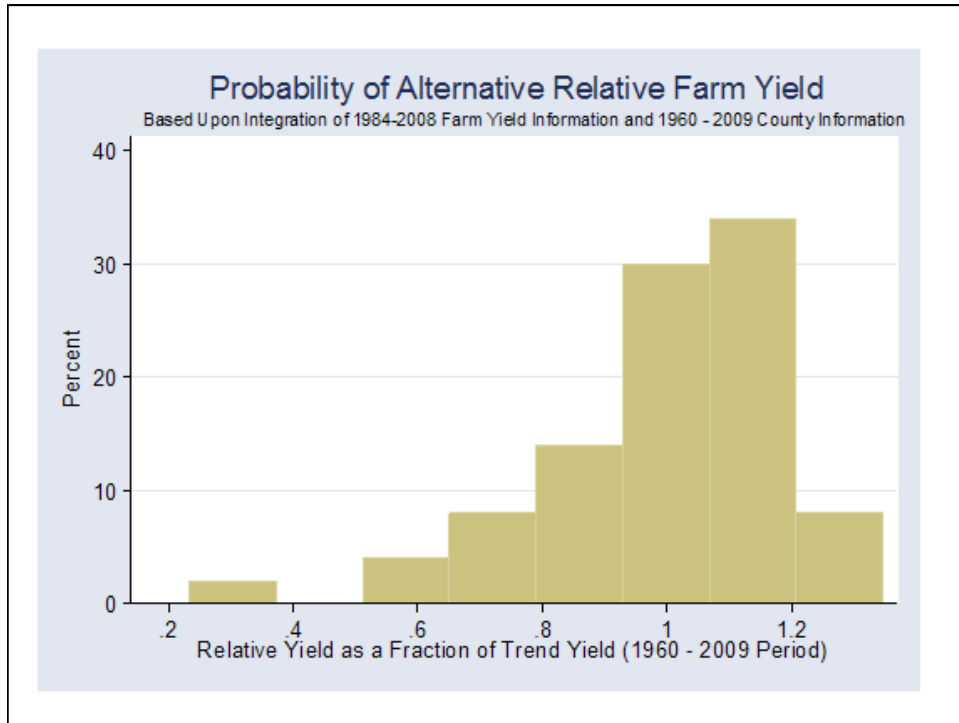
So What!!!!

- Can you predict prices?

So What!!!!

- Did you listen to the presentation?





So What!!!!

- Do you have a Risk Management Plan?
 - Can you survive the next Year/s?
 - Given possible prices and yields?
 - Varies by farm, but.....

Possible Parts: Risk Management Plan

- S.U.R.E.?
 - Qualified for SURE?
 - In a position for possible 2009, 2010 payments?
 - Do you have some other Risk Mgt Plan to replace it?
- Crop Revenue Insurance?
 - Do you have some other Risk Mgt Plan to replace it?
- ACRE?
 - Do you have some other Risk Mgt Plan to replace it?
- Target Prices in place?
 - With respect to effects on Net Worth
 - Do you have some other Risk Mgt Plan to replace it?

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