

2015 Grain and Livestock Market Outlook

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Corn

- Weather is the focus currently, and plantings have started slow. As of April 26, 2015 Wisconsin had only 1% of intended acres planted, whereas it average 8% at this time of year.
 - By beginning of next week, expectations are that progress toward planting will be close to 39%, slightly lower than 10 year average of 41% but significant improvement over this week.
 - Planting typically increases significantly this week, and current weather indicates we may see reports on Monday showing better than average planting.
- Old crop sales are still slow, which may bring significant price declines when producers start to market.
- December 2015 corn price on April 30, 2015 of \$3.835 is down approximately 22% from last year's May 1 price of \$4.945 and will remain steady throughout spring.
- 2014/15 projected percent stocks to use is 13.4, below the 15 year average of 16.8 but above the 10 year average of 13.1%
- 14/15 MY exports are on track to meet USDA expectations of 1.8 billion bushels.
- Brazil will likely see increase in 2nd crop production.
- China will likely increase corn production while Ukraine will see declines of close to 8% in production.

Soybean

- South American production and increased acreage in the U.S. combined with large carryover will continue to push soybean prices lower in 2015.
 - USDA will likely increase Argentine production by about 3 MMT.
- USDA will likely increase 14/15 MY Exports as total sales are above the current forecasted levels.
- November 2015 soybean price on April 30, 2015 of \$9.6175 is down approximately 20% from last year's May 1 price of \$11.9625 and will likely dip lower throughout spring.
- Prices will likely see a start with the number 8 before harvest.
- Exports will likely be lower in the 2015/2016 marketing year as advanced sales are down 46% from last year. If this continues, basis will be weaker than normal at harvest.

Wheat

- Drought is affecting HRW wheat in the Southeast, although the USDA crop progress and condition report indicates improvement in the crop.
- Spring wheat is now about 55% planted, significantly ahead of the 5 year average of 29%.
- Wheat price is being affected by exchange rates, non-U.S. harvests and politics, which have impacted export sales.

Poultry

- Avian Influenza is has impacted turkey flocks in Minnesota and Wisconsin, and laying hens in Iowa.
 - No broiler flocks have yet been infected.
 - Exports will likely be down 9% in 2015 due to bans from China, South Korea, Mexico.
- Cold storage is up almost 19% and will continue to be high, leading to pressure by retailers to feature poultry and lower poultry prices.

Pork

- Pork stocks were up 16% over last year and were the third highest month ever. However they did fall almost 2.6% during March.
- Seasonally hog slaughter should decline and price improve for the summer.
- Pork cutout value was \$69.38/cwt, up \$2.75 from the previous week but down \$46.24 from last year.

Beef

- April Cattle on Feed report was surprising compared to pre-report estimates.
 - Placements came in at 100.4% compared to March 2014, while analysts expected placements to be 5% lower. A decrease in light weight animals will likely bunch up placements in a few months.
 - Marketing were 1.6% lower than the previous year.
 - Cattle on feed are steady with last year, although these are historically low.
- Based on report numbers, forecasted slaughter levels for August to October are increased.
- Beef cutout values reached \$260 but have since declines. Pressure from increased domestic poultry supplies will likely continue to put pressure on