

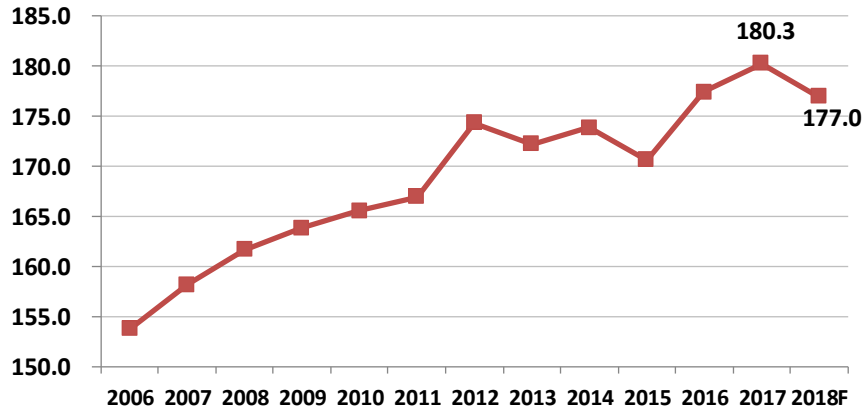
Review of March 29, 2018 USDA Grain Reports

Highlights of March 29, 2018 USDA Crop Report

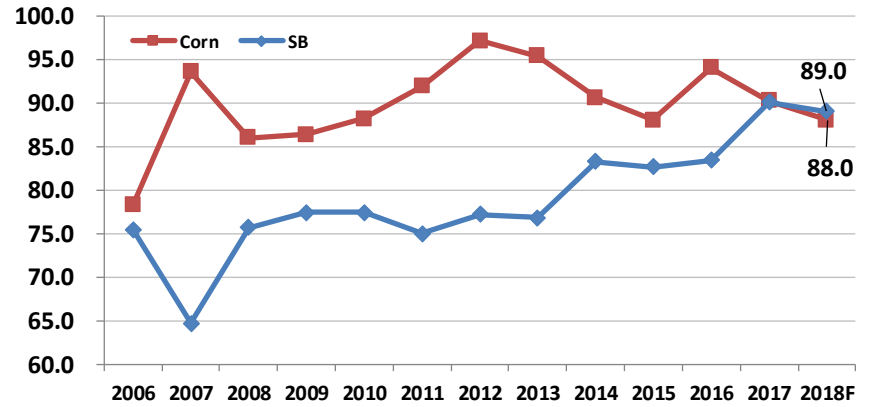
- Corn Acreage (MM)
 - Actual **88.0** (trade 89.5, YA=90.2)
 - Implied crop: 14010 mm (YA=14604)
- SB Acreage (MM)
 - Actual **89.0** (trade 91.0, YA=90.1)
 - Implied crop: 4336 mm (YA=4392)
- Wheat Acreage (MM)
 - Winter **47.3** (Jan USDA=46.5, YA=46.0)
 - HRW **23.0** (Jan USDA=23.1, YA=23.4)
 - SRW **6.0** (Jan USDA=6.0, YA=5.7)
 - White **3.56** (Jan USDA=3.56, YA=3.54)
 - Spring **12.6** (trade 11.5, YA=11.0)
 - HRS **11.9** (YA=10.3)
 - White **.70** (YA=.70)
 - Durum **2.00** (trade 2.40, YA=2.31)
- March 1 Corn Stocks
 - Actual **8888** mm
 - Trade guess: 8722 mm (8500-8900)
 - Previous: 8622 mm
- March 1 Soybean Stocks
 - Actual: **2107** mm
 - Trade guess: 2056 mm (1810-2110)
 - Previous: 1739 mm
- March Wheat Stocks
 - **1494** mm (trade 1476, YA 1659)
 - AES by class estimates:
 - HRW **716** (YA 784)
 - SRW **260** (YA 255)
 - HRS **326** (YA 390)
 - White **145** (YA 175)
 - Durum **49** (YA 53)

US Land Use Summary MM Acres								3/29/2018	
								Proj	
	2011	2012	2013	2014	2015	2016	2017	2018	vs. YA
PRINCIPLE CROPS (SRS)	315.1	326.3	324.9	326.4	319.0	319.2	319.1	318.0	-0.3%
CORN	91.9	97.2	95.4	90.6	88.0	94.0	90.2	88.0	-2.4%
SOYBEANS	75.0	77.2	76.8	83.3	82.7	83.4	90.1	89.0	-1.2%
Corn + SB	167.0	174.4	172.2	173.9	170.7	177.4	180.3	177.0	-1.8%
WINTER WHEAT	40.6	40.9	43.2	42.4	39.7	36.2	32.7	32.7	0.0%
SPRING WHEAT	13.7	14.4	13.0	14.4	15.3	14.0	13.3	14.6	10.0%
ALL WHEAT (Planted)	54.4	55.3	56.2	56.8	55.0	50.1	46.0	47.3	2.9%
COTTON 3/	14.7	12.3	10.4	11.0	8.6	10.1	12.6	13.5	7.1%
GRAIN SORGHUM	5.5	6.2	8.1	7.1	8.5	6.7	5.6	5.9	5.3%
BARLEY	2.6	3.6	3.5	3.0	3.6	3.1	2.5	2.3	-7.7%
OATS	2.5	2.8	3.0	2.8	3.1	2.8	2.6	2.7	5.0%
ALL FEED GRAINS	102.5	109.7	109.9	103.5	103.1	106.6	100.9	98.9	-1.9%
RICE	2.7	2.7	2.5	3.0	2.6	3.2	2.5	2.7	9.3%
PEANUTS	1.1	1.6	1.1	1.4	1.6	1.7	1.9	1.5	-17.6%
RYE	1.3	1.3	1.5	1.4	1.6	1.9	2.0	2.0	0.0%
SUGAR	2.1	2.1	2.1	2.0	2.1	2.1	2.0	2.0	-1.0%
CANOLA	1.1	1.8	1.3	1.7	1.8	1.7	2.1	2.1	0.0%
BEANS, DRY EDIBLE	1.2	1.7	1.4	1.7	1.8	1.7	2.1	2.0	-2.9%
SUNFLOWER	0.4	1.9	0.4	0.3	0.5	0.9	1.1	0.8	-28.2%
SUBTOTAL	258.9	269.6	266.5	269.3	265.1	266.9	266.4	264.7	-0.6%
OTHER (MOSTLY HAY)	56.2	56.7	58.4	57.1	53.9	52.3	52.7	53.3	1.0%

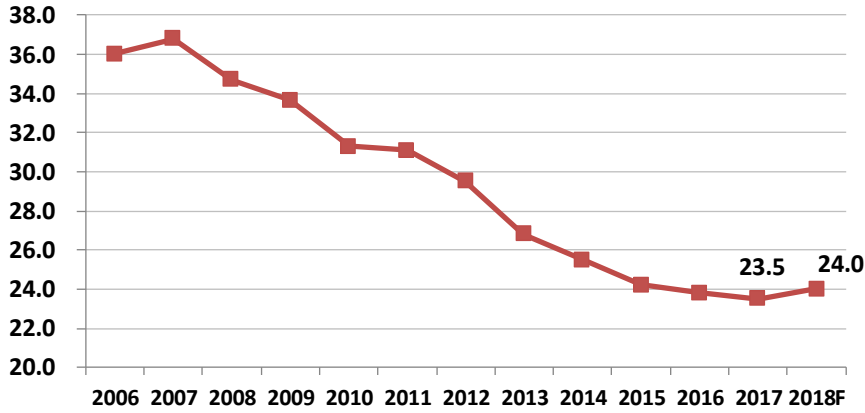
US Corn PLUS Soybean Acreage (MM)



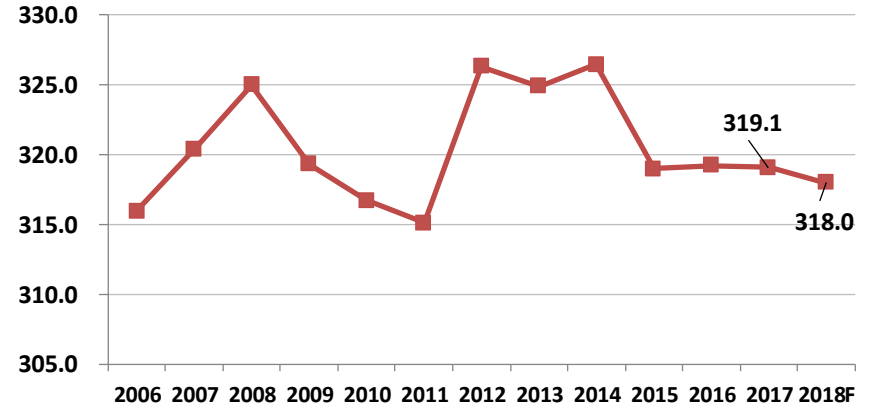
US Corn & Soybean Acreage (MM)



US Govt Acreage (MM, 2018F)



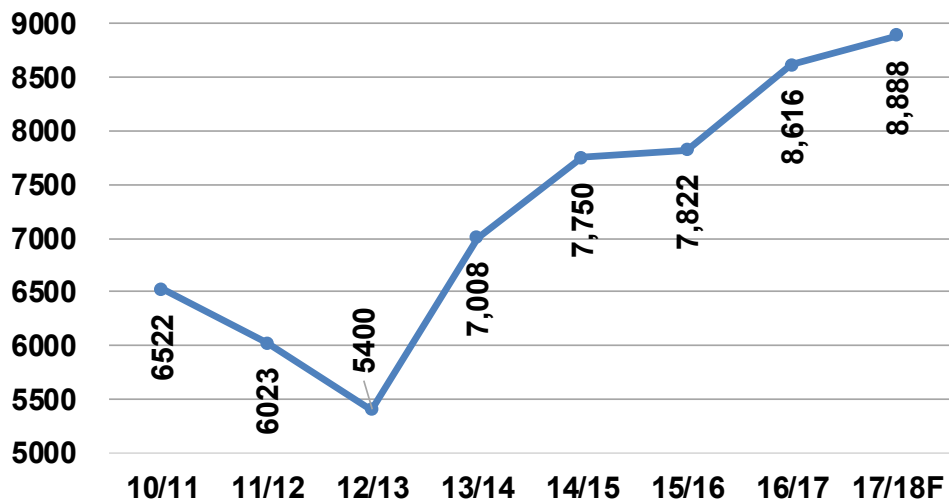
US Acreage: Principle Crops (MM, 2018F)



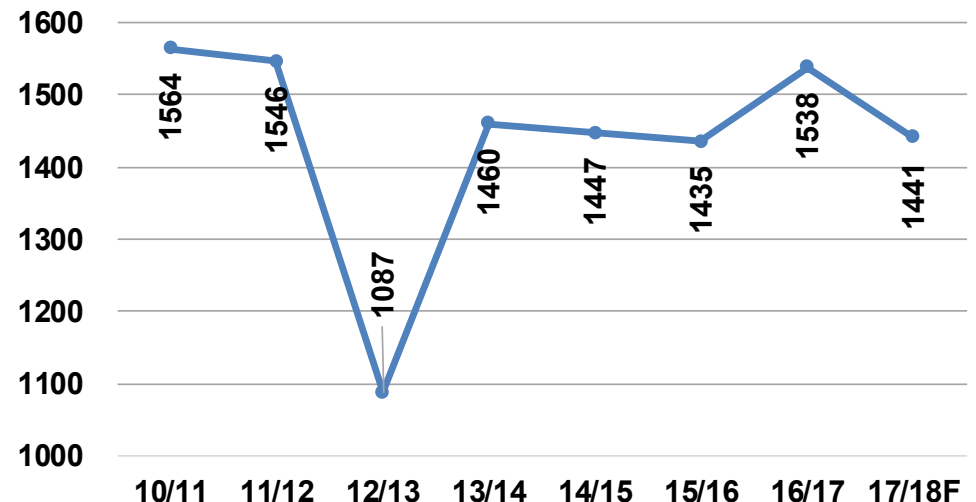
CORN SUPPLY & DEMAND					
MM Acres	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Planted	94.0	90.2	94.0	90.2	88.0
Harvested	86.7	82.7	86.7	82.7	80.5
Yield (Bushels/Acre)	174.6	176.6	174.6	176.6	174.0
MM Bushels	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Beginning Stocks	1,737	2,293	1,737	2,295	2,388
Production	15,148	14,604	15,148	14,604	14,010
Imports	59	50	61	60	50
TOTAL SUPPLY	16,944	16,947	16,946	16,959	16,448
Feed & Residual	5,467	5,550	5,468	5,456	5,296
Food & Seed	1,452	1,470	1,450	1,460	1,500
Ethanol for Fuel	5,439	5,575	5,441	5,555	5,550
Exports	2,293	2,225	2,292	2,100	2,000
TOTAL USAGE	14,651	14,820	14,651	14,571	14,346
Ending Stocks	2,293	2,127	2,295	2,388	2,103
Stocks as % of Usage	15.7%	14.3%	15.7%	16.4%	14.7%

March 1 Corn Stocks: **8888** m vs. 8616 YA (+3%)
 Sept-Nov Feed/Residual: **1441** mm vs. 1538 YA (-6%)

March 1 Corn Stocks (MM Bus)



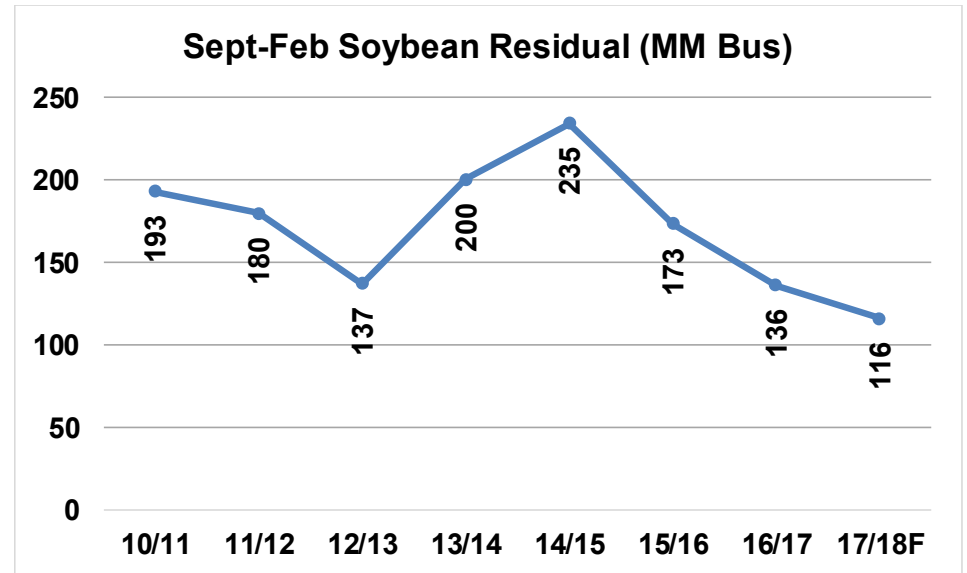
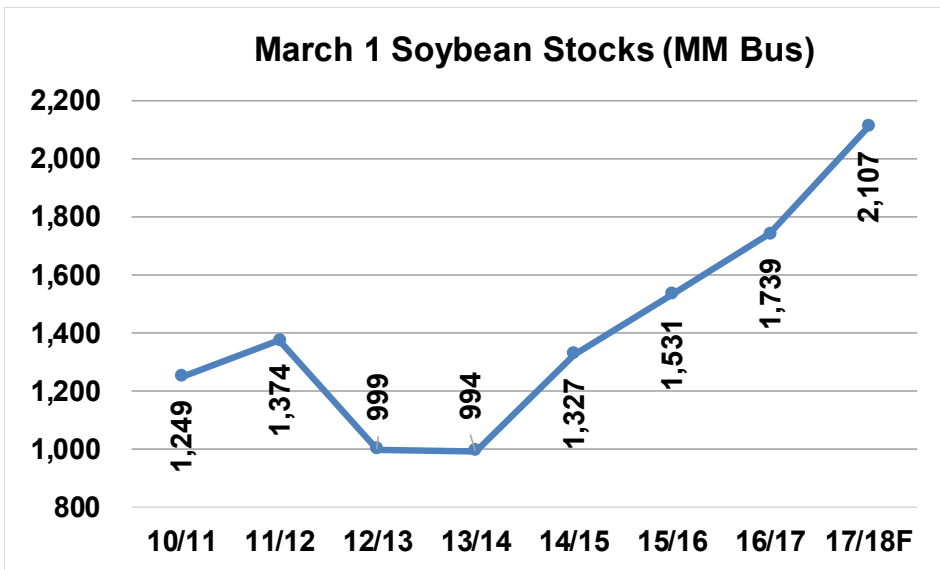
Dec-Feb Corn Feed/Residual (MM Bus)



- This larger than expected stocks number suggests USDA may reduce 17/18 feed/residual by 50-100 mm

SOYBEAN SUPPLY & DEMAND					
MM Acres	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Planted	83.4	90.1	83.4	90.1	89.0
Harvested	82.7	89.5	82.7	89.5	88.3
Yield (Bushels/Acre)	51.9	49.1	52.0	49.1	48.5
MM Bushels	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Beginning Stocks	197	302	197	302	538
Production	4,296	4,392	4,296	4,392	4,283
Imports	22	25	25	25	25
TOTAL SUPPLY	4,515	4,719	4,518	4,719	4,846
Crush	1,899	1,960	1,899	1,970	1,970
Exports	2,174	2,065	2,173	2,070	2,265
Seed	105	106	105	106	106
Residual	36	33	39	34	34
TOTAL USAGE	4,214	4,164	4,216	4,181	4,375
Ending Stocks	302	555	302	538	471
Stocks as % of Usage	7.2%	13.3%	7.2%	12.9%	10.8%

March 1 Soybean Stocks: **2107** mm vs. 1739 YA (+21%)
 Sept-Feb Residual: **116** mm vs. 136 YA



- Historically small Sept-Feb residual suggests the final 2017 US soybean crop may be 10-30 mm bushels larger

WHEAT SUPPLY & DEMAND					
MM Acres	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Planted	50.2	46.0	50.1	46.0	47.3
Harvested	43.9	37.6	43.9	37.6	39.8
Yield (Bushels/Acre)	52.6	46.3	52.7	46.3	45.8
MM Bushels	USDA MAR18		AES		AES
	2016/17	2017/18	2016/17	2017/18	2018/19
Beginning Stocks	976	1,181	976	1,181	1,021
Production	2,310	1,741	2,309	1,741	1,823
Imports	118	155	118	145	140
TOTAL SUPPLY	3,403	3,076	3,402	3,066	2,984
Food	949	955	949	950	950
Seed	61	62	61	60	58
Feed & Residual	157	100	157	120	100
Exports	1,055	925	1,055	915	950
TOTAL USAGE	2,222	2,042	2,222	2,045	2,058
Ending Stocks	1,181	1,034	1,180	1,021	926
Stocks as % of Usage	53.1%	50.6%	53.1%	49.9%	45.0%

2018 U.S. Wheat Acreage/Yield/Production

3/29/18	WHEAT ACREAGE/YIELD/PRODUCTION BY CLASS									
	Acres Planted (MM)					Acres Harvested (MM)				
	2015	2016	2017	2018F	% YA	2015	2016	2017	2018F	% YA
HRW	29.2	26.59	23.43	23.17	-1%	23.2	21.9	17.6	17.1	-3%
SRW	7.1	6.02	5.73	5.98	4%	5.9	5.0	4.3	5.0	17%
W. WINTER	3.4	3.54	3.54	3.56	1%	3.2	3.4	3.3	3.4	2%
TOT WINTER	39.68	36.15	32.70	32.71	0%	32.3	30.2	25.3	25.5	1%
HRS	12.6	10.9	10.3	11.9	16%	12.3	10.6	9.4	11.7	24%
WHITE	0.7	0.7	0.7	0.7	0%	0.7	0.6	0.8	0.7	-11%
DURUM	1.95	2.41	2.31	2.00	-13%	1.91	2.36	2.14	1.95	-9%
TOTAL	55.0	50.1	46.0	47.3	3%	47.3	43.9	37.6	39.8	6%
	Yield (BPA)					Production (MM Bus)				
	2015	2016	2017	2018F	5-Yr Ave	2015	2016	2017	2018F	% YA
HRW	35.8	49.5	42.5	37.3	39.6	830	1082	750	638	-15%
SRW	60.9	69.3	67.7	62.9	65.0	359	345	292	317	8%
W. WINTER	57.3	72.2	68.1	67.1	64.6	185	245	227	227	0%
TOT WINTER	42.5	55.3	50.2	46.3	47.6	1375	1673	1269	1182	-7%
HRS	46.0	46.3	41.0	44.5	45.1	568	491	385	519	35%
WHITE	48.8	64.1	41.6	63.0	55.0	36	41	31	42	35%
DURUM	44.0	44.0	25.7	40.6	39.4	84	104	55	79	45%
TOTAL	43.6	52.7	46.3	45.8	46.7	2062	2309	1741	1823	5%

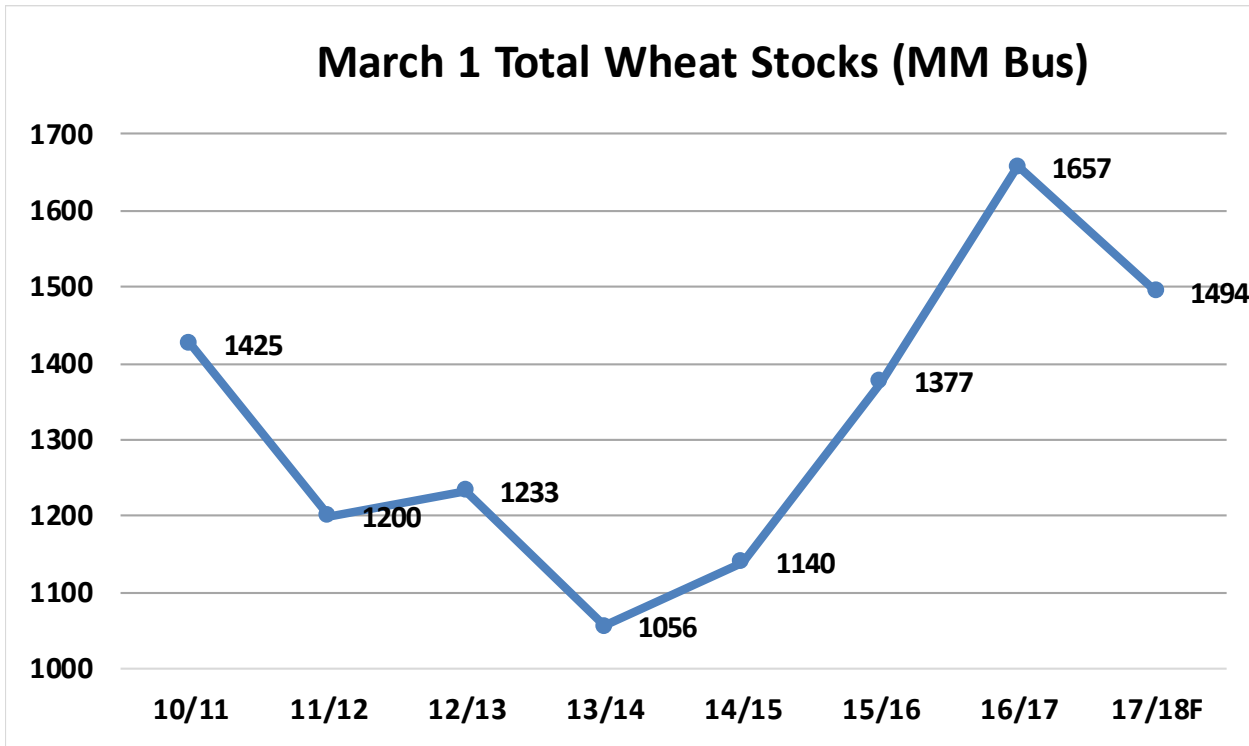
- USDA provided first forecast of spring and durum area, as well as updated winter wheat forecast
- Total acreage of 47.3 mm was larger than expected
- Surprise cam in HRS area (11.9 mm, +16%)
- 2018 AES projections show a large decline in HRW (-15%), and large rebound in HRS (+35%) and durum (+45%)

U.S. Wheat Supply/Demand By Class

2016/17												
	Carryin	Prod	Imports	Supply	Exports	Feed	Seed	Food	Dom Use	Total Usage	Carry-over	Stks-Use Ratio
H R W	446	1082	5	1533	455	77	26	385	488	943	589	62%
S R W	157	345	33	535	92	67	11	150	228	320	215	67%
H R S	272	491	42	805	321	-16	15	250	249	570	235	41%
WHITE	74	286	8	368	163	10	5	85	100	263	105	40%
DURUM	28	104	31	162	24	19	4	79	102	126	36	29%
TOTAL	976	2309	118	3403	1055	157	61	949	1167	2222	1181	53%
2017/18												
	Carryin	Prod	Imports	Supply	Exports	Feed	Seed	Food	Dom Use	Total Usage	Carry-over	Stks-Use Ratio
H R W	589	750	7	1347	375	40	24	365	429	804	543	67%
S R W	215	292	16	523	95	60	11	150	221	316	207	66%
H R S	235	385	66	686	235	0	16	270	286	521	165	32%
WHITE	105	258	8	371	190	20	5	85	110	300	71	24%
DURUM	36	55	48	139	20	0	4	80	84	104	35	34%
TOTAL	1181	1741	145	3066	915	120	60	950	1130	2045	1021	50%
2018/19												
	Carryin	Prod	Imports	Supply	Exports	Feed	Seed	Food	Dom Use	Total Usage	Carry-over	Stks-Use Ratio
H R W	543	638	5	1185	370	20	23	370	413	783	402	51%
S R W	207	317	20	544	110	60	10	150	220	330	214	65%
H R S	165	519	60	745	250	0	16	265	281	531	214	40%
WHITE	71	269	10	350	190	20	5	85	110	300	50	17%
DURUM	35	79	45	160	30	0	4	80	84	114	46	40%
TOTAL	1021	1823	140	2984	950	100	58	950	1108	2058	926	45%

3/29/2018

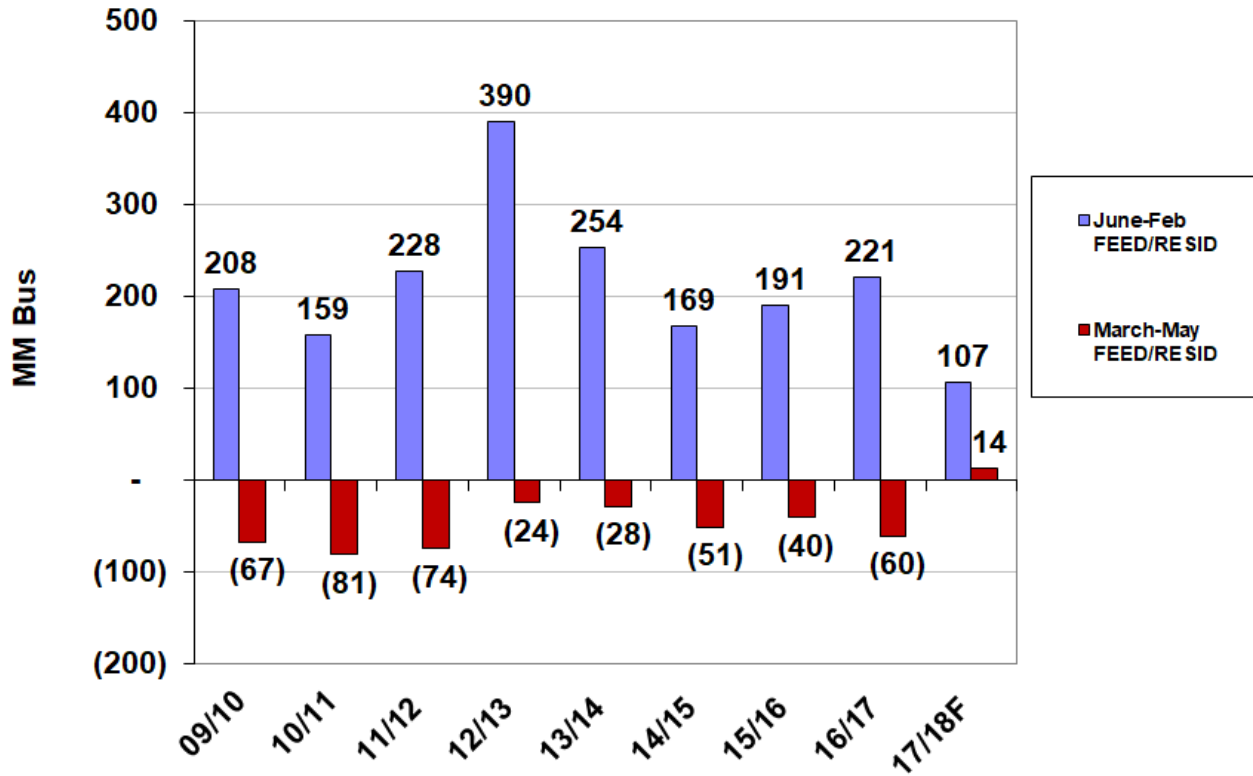
March 1 Wheat Stocks: 1494 mm vs. 1657 YA (-10%)



3/1/2018 By Class:	YA
HRW	784
SRW	255
HRS	390
WHITE	175
DURUM	53
TOTAL	1,657

- Big surprise was larger than expected HRS stocks
- Final 17/18 wheat feed/residual could finish below 100 mm

Wheat Feed and Residual: June-Feb vs. March-May



- Larger wheat stocks suggests that final 17/18 wheat feed/residual could finish at less than 100 mm