

Corn Margin Watch: March



Corn prices and margins moved higher following the release of the end of March Quarterly Stocks and Prospective Planting Reports. Stocks of corn, at 8,616 million bushels, were 65 million bushels above the average pre-report expectation, and 794 million or 10.2% greater than stocks as of March 2016. Prospective plantings, at 89.996 million acres, were right in line with the 90 million acres projected in the February USDA Ag Forum Outlook, but were just over a million less than what the average expectation had grown to since then, and fully 4 million less than last year. These seedings intentions and stock figures will form the basis of the new crop corn balance sheet released in the May WASDE Report. The pace of corn export and ethanol production continued to show strength throughout March. Exports sales now stand at 83.9% and shipments at 54.0% of the USDA projection of 2,225 million bushels exported, with sales ahead, and shipments just at the pace needed to meet the estimate. Weekly ethanol production continued averaging above one million barrels per day and the streak now stands at twenty-two straight weeks. South American production estimates continue to grow, particularly in Brazil where pollination is still weeks away. The forecast for U.S. planting prospects is for a wet couple of weeks in the bread basket; NASS will release the initial seeding progress report next week. Until then, corn producers are considering flexibility in the event that weather issues creep up in either North or South America.



The estimated yield for the 2017 crop is 182 bushels per acre and the non-land operating cost is \$595 per acre. Land cost for 2017 is estimated at \$238 per acre ¹. Basis for the 2017 crop is estimated at \$-0.2 per bushel.



The estimated yield for the 2018 crop is 184 bushels per acre and the estimated operating cost is \$547 per acre. Land cost for 2018 is estimated at \$228 per acre ¹. Basis for the 2018 crop is estimated at \$-0.25 per bushel.

¹ The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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