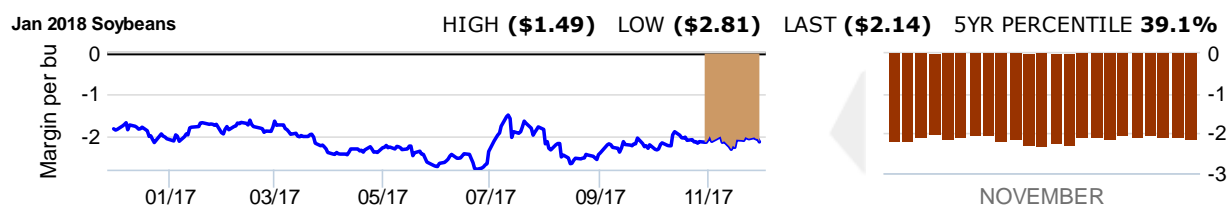


Soybeans Margin Watch: November



Soybean prices and margins were up slightly over the past two weeks; however the market remains extremely range-bound. The USDA released their annual 10-year baseline projections of the U.S. agricultural sector. Although the report serves mostly as fodder for analysts during a slow news period, it does offer a glimpse into changes in next year's row crop balance sheets. The soybean picture does not change much, with assumptions of 91.0 million acres planted, yields at 48.4 bpa and carryout of 376 million bushels. Currently, soybean export sales data continues to run behind the pace needed to meet this year's expanded expectation of 2,225 million bushels, at 56% compared to the needed average of 67%. This week did bring large sales announcements to China and unknown destinations, perhaps shifting the tides of slow sales. Seeding progress in Brazil at 84% has caught up to average levels after a slow start, while the latest reading in Argentina stands at 42% seeded. There are some concerns developing over historically low levels of soil moisture throughout Argentina; widespread rains are needed to alleviate these worries. The largest USDA survey conducted by NASS is now underway. They are tasked with asking almost 90,000 producers how their 2017 row crops turned out, specifically harvested acres, productions and storage intentions. The answers will be revealed on the January Annual Crop Production Summary. Until then the soybean market will continue to monitor both weather and production progress in South America, particularly in the parched parts of Argentina.



The estimated yield for the 2017 crop is 52 bushels per acre and the non-land operating cost is \$365 per acre. Land cost for 2017 is estimated at \$238 per acre ¹. Basis for the 2017 crop is estimated at \$-0.4 per bushel.



The estimated yield for the 2018 crop is 53 bushels per acre and the estimated operating cost is \$290 per acre. Land cost for 2018 is estimated at \$228 per acre ¹. Basis for the 2018 crop is estimated at \$-0.5 per bushel.

¹ The Soybeans 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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