

## September 11, 2020 - USDA World Supply and Demand Estimates

### Corn

**Market Reaction:** December 2020 corn futures closed up 3 ½ cents for the day at \$3.68 ½ with a trading range for the day of \$3.63 ¾ to \$3.69 ½. March 2021 corn futures closed up 3 ¼ cents at \$3.78 ¼ with a trading range for the day of \$3.73 ½ to \$3.79. National yield reduction of 3.3 bu/acre was largely expected due to drier conditions and extreme weather events that have occurred in the past two months. Even with reduced production carryover is still projected at 2.503 billion bushels. The recent rally presents an excellent opportunity for producers to get caught up on their 2020 pricing.

**USDA Summary:** This month's 2020/21 U.S. corn outlook is for reduced production, lower corn used for ethanol, larger exports, and smaller ending stocks. Corn production is forecast at 14.9 billion bushels, down 378 million from last month on a lower yield forecast and reduction in harvested area. Corn supplies are reduced from last month, as a smaller crop more than offsets greater beginning stocks mostly due to lower estimated exports for 2019/20. Corn used for ethanol for 2020/21 is lowered 100 million bushels based on the continued slow recovery in motor gasoline demand as a result of COVID-19. Exports are raised 100 million bushels reflecting reduced supplies in competitor countries. With supply falling more than use, corn ending stocks are lowered 253 million bushels from last month. The corn price is raised 40 cents to \$3.50 per bushel.

This month's 2020/21 foreign coarse grain outlook is for larger production, with fractionally higher trade and lower stocks relative to last month. EU corn production is lowered, mostly reflecting a reduction for Romania. Ukraine corn production is down, as acute short-term drought across much of the primary growing areas lowered corn yield prospects after a favorable start to the summer growing season. Corn production is raised for Brazil, as high domestic prices are expected to support an expansion in area. Corn production is also increased for India and Nigeria.

Major global coarse grain trade changes for 2020/21 include barley export increases for Russia and Australia. Corn exports are raised for the United States, Brazil, and Mexico. Corn imports are raised for Venezuela. China's corn feed and residual use for 2019/20 and 2020/21 is raised from last month, based on observed soybean meal equivalent protein consumption and current corn prices. Foreign corn ending stocks are lower relative to last month, as increases for India and Nigeria are more than offset by a decline for China.

	2016/17	2017/18	2018/19	2019/20 Est	2020/21 Projected August	2020/21 Projected September	2020/21 Change from Previous Month	Change 2019/20 to 20/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	94	90.2	88.9	89.7	92.0	92	0.0	2.3
Harvested (Million)	86.7	82.7	81.3	81.3	84.0	83.5	-0.5	2.2
U.S. Avg. Yield (Bu/Acre)	174.6	176.6	176.4	167.4	181.8	178.5	-3.3	11.1
<b>Supply (Million Bushels)</b>								
Beg. Stocks	1,737	2,293	2,140	2,221	2,228	2,253	25	32
Production	15,148	14,609	14,340	13,617	15,278	14,900	-378	1,283
Imports	57	36	28	45	25	25	0	-20
Total Supply	16,942	16,939	16,509	15,883	17,531	17,178	-353	1,295
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Feed and Residual	5,470	5,304	5,429	5,600	5,925	5,825	-100	225
Ethanol	5,432	5,605	5,378	4,855	5,200	5,100	-100	245
Food, Seed & Industrial	1,453	1,452	1,415	1,410	1,425	1,425	0	15
Exports	2,294	2,438	2,066	1,765	2,225	2,325	100	560
Total Use	14,649	14,798	14,288	13,630	14,775	14,675	-100	1,045
U.S. Ending Stocks	2,293	2,140	2,221	2,253	2,756	2,503	-253	250
Foreign Stocks	11,515	11,308	10,398	9,918	9,742	9,575	-167	-343
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/Bu)	\$3.36	\$3.36	\$3.61	\$3.60	\$3.10	\$3.50	\$0.40	-\$0.10
U.S. Stocks/Use	15.65%	14.46%	15.54%	16.53%	18.65%	17.06%	-1.60%	0.5%

Source: USDA-WASDE September 11, 2020

**World Corn Supply and Use (Million Bushels) 2020/21 Current Month**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Feed</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	12,171	45,761	7,060	28,861	45,853	7,324	12,078
United States	2,253	14,900	25	5,825	12,350	2,325	2,503
Total Foreign	9,918	30,861	7,035	23,036	33,503	4,999	9,575
Argentina	74	1,968	0	433	591	1,339	113
Brazil	216	4,330	59	2,362	2,756	1,535	315
Russia	31	591	2	390	433	154	37
S. Africa	87	551	0	260	484	91	63
Ukraine	41	1,516	1	169	217	1,279	61
Egypt	67	252	433	583	681	0	70
E.U.	285	2,610	984	2,618	3,484	106	289
Japan	57	0	630	484	630	0	57
Mexico	74	1,102	720	1,063	1,781	35	80
S.E Asia	155	1,189	718	1,579	1,894	22	146
South Korea	75	3	465	370	467	0	76
Canada	90	551	67	378	583	39	86
China	7,916	10,236	276	7,559	10,984	1	7,443
ROW	750	5,961	2,680	4,789	8,521	397	738

**World Corn Supply and Use (Million Bushels): Current-Previous Month (2020/21)**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Feed</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	-85	-341	16	45	-5	54	-420
United States	25	-378	-	-100	-200	100	-254
Total Foreign	-109	38	16	145	195	-46	-166
Argentina	-	-	-	-	-	-	-
Brazil	-	118	-	79	79	39	-
Russia	-	-12	-	8	8	-20	-
S. Africa	-	-	-	-	-	-	-
Ukraine	4	-39	-	4	4	-39	-
Egypt	4	-	-	-	-	-	4
E.U.	-	-59	-	-20	-20	-39	-
Japan	-	-	-	-	-	-	-
Mexico	-	-	-	-12	-12	12	-
S.E Asia	11	6	4	8	8	-3	15
South Korea	-	-	-	-	-	-	-
Canada	1	-12	-	-	-8	-	-3
China	-118	-	-	79	79	-	-197
ROW	-11	36	12	-1	57	4	15

Source: USDA-WASDE September 11, 2020

## **Cotton**

**Market Reaction:** December 2020 cotton futures closed unchanged at 64.81 cents with a trading range for the day of 64.61 to 65.61 cents. March 2021 cotton futures closed down 0.04 cents at 65.78 with a trading range for the day of 65.62 to 66.58 cents. Yield and harvested acreage in the US continue to fall due to the drought out west, however projected global and US carry out stocks and weak demand will continue to keep a lid on prices.

**USDA Summary:** The 2020/21 U.S. cotton estimates include slightly higher beginning stocks relative to last month but lower production, mill use, exports, and ending stocks. Production is lowered 1.0 million bales to 17.1 million, with a lower projection for every region. Mill use is projected 200,000 bales lower this month, but compared with its revised 2019/20 level is still expected to rise 16 percent. Exports and ending stocks are 400,000 bales lower, reflecting reduced U.S. supply and stronger foreign competition. Ending stocks in 2020/21 are projected at 7.2 million bales, equivalent to 42 percent of use. The season-average price for upland cotton is forecast at 59 cents per pound, unchanged from the previous month.

The 2020/21 world cotton projections include lower beginning stocks, production, consumption, and ending stocks relative to last month. Beginning stocks are lowered in India, more than offsetting increases for China and Brazil. Production is higher in China, India, and Australia, but lower in the United States, Pakistan, and Turkey. Consumption is lower in the United States, Mexico, and Brazil. World trade is slightly higher, with increases for Australia, Brazil, and India offsetting lower U.S. exports. Imports are forecast higher for Pakistan and Turkey, but lower for Vietnam. World ending stocks of cotton in 2020/21 are projected at 103.8 million bales, 1.1 million lower than in August, and 4.4 million higher than in 2019/20.

	2016/17	2017/18	2018/19	2019/20 Est	2020/21 Projected August	2020/21 Projected September	2020/21 Change from Previous Month	Change 2019/20 to 2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	10.07	12.72	14.1	13.74	12.19	12.12	-0.07	-1.62
Harvested (Million)	9.51	11.1	9.99	11.61	9.25	9.01	-0.24	-2.6
U.S. Average Yield (lb/acre)	867	905	882	823	938	910	-28	87
<b>Supply (Million Bales)</b>								
Beg. Stocks	3.8	2.75	4.2	4.85	7.2	7.25	0.05	2.4
Production	17.17	20.92	18.37	19.91	18.08	17.06	-1.02	-2.85
Imports	0.01	0	0	0	0	0	0	0
Total Supply	20.98	23.68	22.57	24.77	25.28	24.32	-0.96	-0.45
<b>Use &amp; Ending Stocks (Million Bales)</b>								
Domestic	3.25	3.23	2.98	2.15	2.7	2.5	-0.2	0.35
Exports	14.92	16.28	14.84	15.53	15	14.6	-0.4	-0.93
Total Use	18.17	19.5	17.81	17.68	17.7	17.1	-0.6	-0.58
U.S. Ending Stocks	2.75	4.2	4.85	7.25	7.6	7.2	-0.4	-0.05
Foreign Stocks	77.65	76.54	75.42	92.19	97.31	96.64	-0.67	4.45
Chinese Stocks	45.92	37.99	35.67	36.9	35.62	36.52	0.9	-0.38
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/lb)	\$0.68	\$0.686	\$0.703	\$0.595	\$0.59	\$0.59	\$0.00	-\$0.01
U.S. Stocks/Use	15%	22%	27%	41%	42.9%	42%	-0.83%	1.1%
Chinese Stocks/Use	119%	93%	90%	112%	97.6%	100%	2.47%	-11.8%

Source: USDA-WASDE September 11, 2020

**World Cotton Supply and Use (Million 480 lb Bales) 2020/21 Current Month**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Use</b>	<b>Exports</b>	<b>Loss</b>	<b>Ending Stocks</b>
World	99.44	117.2	41.75	112.69	41.72	0.15	103.84
United States	7.25	17.06	0	2.5	14.6	0.02	7.2
Total Foreign	92.19	100.14	41.75	110.19	27.12	0.13	96.64
Central Asia	2.72	5.67	0	4.14	1.41	0	2.85
Afr. Fr. Zone	2.53	5.53	0	0.14	5.06	0	2.86
Australia	0.8	2.1	0	0.04	1.3	0	1.57
Brazil	14.02	12	0.03	3	9.2	0	13.85
India	17.86	30	1	22.5	5	0	21.36
Mexico	0.76	1.05	0.6	1.6	0.2	0.03	0.59
China	36.9	27.25	9	36.5	0.13	0	36.52
E.U.	0.4	1.76	0.6	0.66	1.65	0.03	0.42
Turkey	2.71	2.8	4.3	7	0.33	0	2.49
Pakistan	3.22	6.2	3.8	10	0.08	0.03	3.12
Indonesia	0.58	0	2.9	2.9	0.01	0	0.58
Thailand	0.15	0	0.85	0.83	0	0.03	0.15
Bangladesh	2.42	0.15	7.3	7.3	0	0.01	2.55
Vietnam	1.61	0	6.8	6.8	0	0	1.61
ROW	5.51	5.63	4.57	6.78	2.75	0.00	6.12

**World Cotton Supply and Use (Million 480 lb Bales): Current-Previous Month (2020/21)**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Use</b>	<b>Exports</b>	<b>Loss</b>	<b>Ending Stocks</b>
World	-1.12	-0.33	0.17	-0.36	0.13	0.04	-1.07
United States	0.05	-1.02	-	-0.2	-0.4	0.04	-0.4
Total Foreign	-1.17	0.69	0.18	-0.16	0.53	-	-0.67
Central Asia	-0.01	-	-	-	-	-	-0.01
Afr. Fr. Zone	-	-0.06	-	-	-0.06	-	-
Australia	0.01	0.2	-	-	0.3	-	-0.08
Brazil	0.1	-	-	-0.1	0.2	-	-
India	-1.35	0.3	-	-	0.1	-	-1.15
Mexico	-	-	-0.05	-0.1	-	-	0.05
China	0.15	0.75	-	-	-	-	0.9
E.U.	-	-	-	-	-	-	-
Turkey	-0.01	-0.2	0.1	-	-	-	-0.1
Pakistan	-	-0.3	0.3	-	-	-	-
Indonesia	-0.05	-	-	-	-	-	-0.05
Thailand	-	-	-0.03	-0.02	-	-	-
Bangladesh	-	-	-	-	-	-	-
Vietnam	0.02	-	-0.2	-	-	-	-0.18
ROW	-0.03	0	0.05	0.06	-0.01	-	-0.05

Source: USDA-WASDE September 11, 2020

## Soybeans

**Futures Market Reaction:** November 2020 soybean futures were up 18 ½ cents for the day closing at \$9.96 with a trading range for the day of \$9.75 to \$9.98. January 2021 soybean futures closed up 17 ¾ cents at \$9.99 ¼ with a trading range for the day of \$9.79 to \$10.00 ¾. National yield was reduced 1.4 bu/acre, which decreased production by 152 million bushels and US ending stocks by 150 million bushels. Strong export sales are largely responsible for the over \$1 rally since the middle of August.

**USDA Summary:** U.S. soybean supply and use changes for 2020/21 include lower beginning stocks, production, and ending stocks. Lower beginning stocks reflect increases in exports and crush for 2019/20. Soybean production is projected at 4.3 billion bushels, down 112 million on a lower yield forecast of 51.9 bushels per acre. Yield is down 1.4 bushels per acre from the August forecast. With soybean crush and exports unchanged, ending stocks are projected at 460 million bushels, down 150 million from last month. Other changes this month include higher peanut and lower cottonseed production. Soybean and product prices are all projected higher for 2020/21. The U.S. season-average soybean price is forecast at \$9.25 per bushel, up 90 cents from last month. The soybean meal price is projected at \$315 per short ton, up 25 dollars. The soybean oil price forecast is 32.0 cents per pound, up 2 cents.

The 2020/21 foreign oilseed supply and demand forecasts include higher production, exports, and ending stocks. Higher foreign production of soybeans, cottonseed, peanuts, and rapeseed is partly offset by lower sunflowerseed. Soybean production is raised for Brazil, Canada, and India, and lowered for Ukraine. Brazil's 2020/21 soybean crop is raised 73 million bushels to 4.887 billion, mainly on increased area as producers face stronger prices and competitive exchange rates ahead of planting. Brazil's production for 2013/14 to 2018/19 also reflects revisions by Brazil's National Supply Company (CONAB). Soybean production forecasts for Canada and India are raised on recent government data and planting progress reports. Ukraine's soybean production is lowered due to low rainfall throughout August.

Global soybean exports are raised 33 million bushels to 6.11 billion, with higher exports for Brazil and lower exports for Ukraine based on available supplies. Crush is reduced for Argentina in line with the prior year's reduction. Global ending stocks are reduced 66 million bushels to 3.439 billion as lower U.S. stocks are partly offset by higher foreign stocks, particularly for Argentina and Brazil.

	2016/17	2017/18	2018/19	2019/20 Est	2020/21 Projected August	2020/21 Projected September	2020/21 Change From Previous Month	Change 2019/20 to 20/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	83.5	90.2	89.2	76.1	83.8	83.8	0.0	7.7
Harvested (Million)	82.7	89.5	87.6	75	83.0	83	0.0	8.0
U.S. Avg. Yield (Bu/Acre)	51.9	49.3	50.6	47.4	53.3	51.9	-1.4	4.5
<b>Supply (Million Bushels)</b>								
Beg. Stocks	197	302	438	909	615	575	-40	-334
Production	4,296	4,412	4,428	3,552	4,425	4,313	-112	761
Imports	22	22	14	16	15	15	0	-1
Total Supply	4,516	4,735	4,880	4,477	5,055	4,903	-152	426
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Crushing	1,901	2,055	2,092	2,170	2,180	2,180	0	10
Exports	2,166	2,134	1,752	1,680	2,125	2,125	0	445
Seed and Residual	147	109	127	52	140	138	-2	86
Total Use	4,214	4,297	3,971	3,903	4,445	4,442	-3	539
U.S. Ending Stocks	302	438	909	575	610	460	-150	-115
Foreign Stocks	3,213	3,200	3,247	2,953	2,894	2,979	85	26
<b>Price and Stocks to Use Ratio</b>								
U.S. Average Season Price (\$/Bu)	\$9.47	\$9.33	\$8.48	\$8.55	\$8.35	\$9.25	\$0.90	\$0.70
U.S. Stocks/Use	7.17%	10.19%	22.89%	14.73%	13.72%	10.36%	-3.37%	-4.38%

Source: USDA-WASDE September 11, 2020



**World Soybean Supply and Use (Million Bushels) 2020/2021 Current Month**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Crush</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	3,528	13,586	5,998	11,787	13,561	6,112	3,439
United States	575	4,313	15	2,180	2,317	2,125	460
Total Foreign	2,953	9,273	5,983	9,607	11,244	3,987	2,979
Argentina	970	1,966	147	1,543	1,808	276	999
Brazil	714	4,887	15	1,672	1,769	3,123	723
Paraguay	11	377	0	140	151	231	5
China	1,002	643	3,638	3,601	4,277	4	1,002
E.U.	72	103	547	584	648	9	66
S.E. Asia	28	22	344	161	364	1	29
Mexico	6	13	224	235	238	0	5
ROW	151	1,263	1,068	1,672	1,989	343	150

**World Soybean Supply and Use (Million Bushels): Current-Previous Month (2020/21)**

<b>Country / Region</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Domestic Crush</b>	<b>Domestic Total</b>	<b>Exports</b>	<b>Ending Stocks</b>
World	6	-24	28	26	43	31	-65
United States	-40	-112	-	-	-3	-	-150
Total Foreign	46	88	28	26	46	31	85
Argentina	26	-	-	-37	-37	-	62
Brazil	12	73	9	18	33	37	25
Paraguay	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-
E.U.	-1	2	-	7	7	2	-8
S.E. Asia	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	-
ROW	8	12	19	37	42	-7	5

Source: USDA-WASDE September 11, 2020

## **Wheat**

***Futures Market Reaction:*** December 2020 wheat futures closed down 6 ¼ cents at \$5.42 with a trading range for the day of \$5.39 ¾ to \$5.52 ¼. July 2021 wheat futures closed down 5 cents at \$5.57 with a trading range for the day of \$5.55 to \$5.65. No changes in the domestic balance sheet with foreign stocks projected to increase.

***USDA Summary:*** The 2020/21 U.S. wheat supply and demand outlook is unchanged this month but there are offsetting by-class changes for wheat exports. The projected season-average farm price remains at \$4.50 per bushel.

The 2020/21 global wheat outlook is for larger supplies, increased consumption, greater exports, and higher stocks. Supplies are raised 121 million bushels to 39.327 billion, mostly on higher production in Australia and Canada more than offsetting a smaller crop in Argentina. Australia's production is raised 92 million bushels to 1.047 billion, mainly based on the ABARES production forecast issued September 7. Canada's production is increased 73 million bushels to 1.323 billion, primarily on the Statistics Canada forecast issued August 31. This is the second and third-highest wheat production on record for Canada and Australia, respectively. Argentina's production is lowered 37 million bushels to 717 million on continued dry conditions and possible frost damage. On net, global 2020/21 production is raised 165 million bushels to a record high 28.311 billion.

World consumption is increased 29 million bushels to 27.591 billion, primarily on higher feed and residual usage for Australia and Canada. Projected 2020/21 global trade is raised 55 million bushels to 6.959 billion on higher exports for Australia and Canada. The largest import change this month is for China, where imports are raised 37 million bushels to 257 million on an early strong pace of U.S. sales and shipments to China and increased exportable supplies from Australia and Canada. If realized, these would be the largest China wheat imports since 1995/96. Projected 2020/21 world ending stocks are increased 96 million bushels to 11.736 billion to a new record, with China and India accounting for 51 and 10 percent of the total, respectively.

	2016/17	2017/18	2018/19	2019/20 Est.	2020/21 Projected August	2020/21 Projected September	2020/21 Change from Previous Month	Change 2019/20 to 2020/21
<b>Planted and Harvested Acres &amp; Yield</b>								
Planted (Million)	50.1	46.1	47.8	45.2	44.3	44.3	0	-0.9
Harvested (Million)	43.8	37.6	39.6	37.2	36.7	36.7	0	-0.5
U.S. Avg. Yield (Bu/Acre)	52.7	46.4	47.6	51.7	50.1	50.1	0	-1.6
<b>Supply (Million Bushels)</b>								
Beg. Stocks	976	1,181	1,099	1,080	1,044	1,044	0	-36
Production	2,309	1,741	1,885	1,920	1,838	1,838	0	-82
Imports	118	158	135	105	130	130	0	25
Total Supply	3,402	3,080	3,119	3,105	3,011	3,011	0	-94
<b>Use &amp; Ending Stocks (Million Bushels)</b>								
Food	949	964	955	962	960	960	0	-2
Seed	61	63	59	61	61	61	0	0
Feed	160	47	88	73	90	90	0	17
Exports	1,051	906	937	965	975	975	0	10
Total Use	2,222	1,981	2,039	2,061	2,086	2,086	0	25
U.S. Ending Stocks	1,181	1,099	1,080	1,044	925	925	0	-119
Foreign Stocks	8,457	9,325	9,355	9,971	10,715	10,809	94	838
<b>Price and Stocks to Use Ratio</b>								
U.S. Avg. Season Price (\$/Bu)	\$3.89	\$4.72	\$5.16	\$4.58	\$4.50	\$4.50	\$0.00	-\$0.08
U.S. Stocks/Use	53.15%	55.48%	52.97%	50.66%	44.34%	44.34%	0.0%	-6.3%

Source: USDA-WASDE September 11, 2020

**World Wheat Supply and Use (Million Bushels) 2020/21 Current Month**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	11,015	28,311	6,808	4,946	27,591	6,961	11,735
United States	1,044	1,838	130	90	1,111	975	926
Total Foreign	9,971	26,473	6,678	4,857	26,480	5,986	10,809
Argentina	62	717	0	2	222	496	60
Australia	128	1,047	7	147	276	698	209
Canada	185	1,323	17	176	367	919	238
E.U.	545	5,003	202	1,745	4,310	937	503
Russia	275	2,866	18	643	1,488	1,378	293
Ukraine	42	992	3	92	316	661	60
Bangladesh	67	46	243	11	276	0	79
Brazil	35	243	246	18	448	26	49
China	5,573	4,997	257	735	4,777	37	6,014
Japan	46	32	206	22	230	10	43
N. Africa	523	617	1,088	64	1,725	36	466
Nigeria	7	2	187	2	175	15	7
Sel. Mideast	461	815	671	133	1,448	25	474
S.E. Asia	193	0	968	255	909	39	213
India	881	3,953	1	239	3,656	37	1,143
Kazakhstan	25	459	7	51	228	231	33
ROW	923	3,362	2,557	520	5,630	441	925

**World Wheat Supply and Use (Million Bushels): Current-Previous Month (2020/21)**

Country / Region	Beginning Stocks	Production	Imports	Domestic Feed	Domestic Total	Exports	Ending Stocks
World	-42	164	57	29	28	53	95
United States	-	-	-	-	-	-	-
Total Foreign	-42	164	57	29	28	53	94
Argentina	-	-37	-	-	-6	-18	-13
Australia	-	92	-	18	18	55	18
Canada	-8	73	-	11	11	18	36
E.U.	-19	24	-	-	-	-	4
Russia	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-	-
Bangladesh	2	-	-	-	-	-	2
Brazil	-	-7	4	-	-	-	-4
China	-	-	37	-	-	-	37
Japan	-	-	-	-	-	-	-
N. Africa	-3	-	-	-	2	-2	-3
Nigeria	-	-	-	-	-	-	-
Sel. Mideast	-1	-6	7	-	-	-	-
S.E. Asia	-10	-	-	-	-	-	-10
India	-	15	-	-	-	-	15
Kazakhstan	-6	-	-	-	-	-	-6
ROW	6	10	10	-1	3	-	18

Source: USDA-WASDE September 11, 2020

## September 2020 Profitability Update

### 2020 Estimated Returns - Non-Irrigated

The profitability outlook has been updated after the release of the September 2020, USDA WASDE report. For the table below, non- irrigated yields were estimated as the August Crop Production report estimated yields for Tennessee of: 174 bushels per acre for corn, 50 bushels per acre for soybeans, 1,135 pounds per acre cotton, and 61 bushels per acre for wheat (unchanged from past estimates). Prices used for grain sales are based on 2020 cash bids as reported by the USDA AMS Market report dated September 10, 2020 for Tennessee elevators (corn - \$3.71/bu; soybeans - \$9.92/bu; and wheat - \$5.58). The price of \$0.606 per lb. of cotton is the USDA AMS spot cotton price as at September 10 for the Delta. Revenue estimates do not consider any government payments (crop insurance, ARC or PLC, MFP, CFAP etc.). Costs shown below are based on the 2020 UT Extension Row Crop budgets with adjustments made where warranted. For reference, in variable expenses below, fertilizer expense per acre is estimated as follows: Cotton - \$ 112, Soybeans - \$41, Corn - \$142 (includes 180 units of N), and Wheat/Soybeans - \$95. These cost reflect a slight increase from 2019 to 2020 along with other nutrients where warranted. Land cost was estimated as a share arrangement: 25% of gross revenue. Additional details on expenses can be found in the 2020 UT Crop Budgets.

Based on projected yields, prices, and expenses all crops are projected to have positive returns over variable expenses and land costs. All crops are showing a negative net return over variable, land, and fixed costs except soybeans. Producers with higher yields or lower cost structures may attain improved (or positive) net return over all costs. The table below should be used as a guide as yields, prices, and expenses will vary among producers and locations. Expenses will vary among producers and production systems. Please contact your local County Extension office or Area Specialist - Farm Management for assistance in developing a budget or financial plan for your farm.

	Cotton	Soybeans	Corn	Wheat/Soybeans
Estimated Yield (lb or bu)	1,135	50	174	61 /45
Price (as of 9/10/2020)	\$0.61	\$9.92	\$3.71	\$5.58/\$9.92
Revenue	\$688	\$496	\$646	\$787
Variable Expenses	\$470	\$245	\$384	\$449
Returns Over Variable	\$218	\$251	\$262	\$338
Land Costs (25% of Revenue)	\$172	\$124	\$161	\$197
Returns Over Variable and Land Costs	\$46	\$127	\$100	\$141
Fixed Costs (Capital Recovery and Management Labor)	\$182	\$118	\$131	\$197
Returns Over Specified Costs	(\$136)	\$9	(\$31)	(\$56)
Breakeven Price at Estimated Yield and Specified Cost	\$0.73	\$9.74	\$3.89	\$6.90/\$9.36

## 2020 Estimated Returns - Irrigated

For the table below, irrigated yields were estimated as: 225 bushels per acre for corn, 65 bushels per acre for full-season soybeans, and 1,200 pounds per acre cotton. Prices used for grain sales are based on 2020 cash bids as reported by the USDA AMS Market report dated September 10, 2020 for Tennessee elevators (corn - \$3.71/bu; soybeans - \$9.92/bu; and wheat - \$5.58). The price of \$0.606 per lb. of cotton is the USDA AMS spot cotton price as at September 10 for the Delta. Revenue estimates do not consider any government payments (crop insurance, ARC or PLC, MFP, CFAP etc.). Costs shown below are based on the 2020 UT Extension Row Crop budgets with adjustments made where warranted. For reference, in variable expenses below, fertilizer expense per acre is estimated as follows: cotton - \$116/acre, soybeans - \$51/acre, corn - \$181/acre. These costs reflect a slight increase from 2019 to 2020. Land cost was estimated at 25% of gross revenue. Irrigation fixed costs and energy costs will vary greatly among producers and systems. These projections include: variable expenses and energy costs for irrigation. Fixed irrigation costs of \$96 per acre for irrigation equipment are used in the table below. A management expense of \$36 per acre is included in Fixed Costs – Capital Recovery and Management Labor. This is \$18 above the dryland crop management labor expense.

Based on projected yields, prices, and expenses all crops are projected to have positive returns over variable expenses and fixed irrigation costs. A negative net return over variable, land, and fixed costs is projected for all four crop mixes at today's current crop prices. Producers with higher yields or lower cost structures may attain improved (or positive) net return over all costs. The table below should be used as a guide as yields, prices, and expenses will vary among producers and locations. Expenses will vary among producers and production systems. Please contact your local County Extension office or Area Specialist - Farm Management for assistance in developing a budget or financial plan for your farm. A whole farm financial plan can be completed for you for free by your Area Farm Management Specialist.

	Cotton	Soybeans	Corn	Wheat/Soybeans
Estimated Yield (lb or bu)	1,200	65	225	70/55
Price (as of 8/12/2020)	\$0.61	\$9.92	\$3.71	\$5.58/\$9.92
Revenue	\$727	\$645	\$835	\$936
Variable Expenses(includes energy cost)	\$521	\$288	\$476	\$489
Fixed Irrigation Costs per Acre	\$96	\$96	\$96	\$96
Returns Over Variable & Fixed IR Costs	\$110	\$261	\$263	\$351
Land Costs (25% of Revenue)	\$182	\$161	\$209	\$234
Returns Over Variable, IR Fixed Cost and Land Costs	(\$72)	\$100	\$54	\$117
Fixed Costs (Capital Recovery and Management Labor)	\$199	\$138	\$137	\$216
Returns Over Specified Costs	(\$271)	(\$38)	(\$83)	(\$99)
Breakeven Price at Estimated Yield and Specified Cost	\$0.83	\$10.51	\$4.08	\$7.39/\$9.49