Managing Risk in an Ever-Changing World

Jan 21, 2017

Justin Merner
Regional Grain Manager
Agenda

• What new risks and opportunities are grain farmers facing today?
• Corn / Soybean / Wheat Market Update
• Currency and External Market Forces
• What steps can you take to manage risk in your business?
Risks and Opportunities

• Grain markets
• Currency fluctuations
• Investment Funds and liquidity in Chicago
• Evolving political landscape
• Social media and the speed of information
• Weather events
• Export markets

Each of these factors present both opportunities and risks. A solid plan is instrumental in managing your exposure and making effective decisions.

Bumps in the road is the new normal, keep your eyes on the fundamentals in the market place.
Corn
US Corn Ending Stocks

Million bushels

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March ’17 Corn

ZCH17 - Corn - Daily OHLC Chart

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December ’17 Corn
Soybeans
US Soybean Ending Stocks

Million bushels

02/03  03/04  04/05  05/06  06/07  07/08  08/09  09/10  10/11  11/12  12/13  13/14  14/15  15/16  16/17

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World Soybean Ending Stocks

Million tonnes

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Argentina + Brazil Soybean Production
March ‘17 Soybeans
November ‘17 Soybeans
Wheat
World Wheat Production

Million Tonnes

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Managing Risk in and Every-Changing World

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Ontario Winter Wheat Acreage
(Planted in Fall)

Million Acres

00/01  02/03  04/05  06/07  08/09  10/11  12/13  14/15  16/17

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What impact does the Canadian Dollar have on your business?

Market range-bound between 74 and 78 cents. CAD is looking for cues from crude oil and US monetary policy.
Summary

• High supply and increasing demand means markets will be very sensitive to yield and acre estimates.
• Still a lot questions to be answered and volatility to manage thru
• Canadian dollar movement
• Don’t market your grain, manage your risk.
• A lot of volatility creates opportunity for your farm
• Just don’t miss it!