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April Market Update
Corn, Soybeans, Rice, and Cotton

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WASDE Summary

The April 2019/20 U.S. corn outlook calls for reduced imports, greater feed and residual use, lower food, seed, and industrial use, and larger stocks. Feed and residual use is raised 150 M bushels to 5.675 B. This is based on corn stocks reported as of March 1st which indicated disappearance during the December to February quarter rose about 4% relative to a year ago. Lower forecast corn used for ethanol also lends support that this increase in the rate of disappearance be attributed to larger feed and residual use. Corn used to produce ethanol is lowered 375 M bushels to 5.050 B based on the latest data from the Energy Information Administration indicating an unprecedented decline in ethanol production and gasoline consumption as a result of COVID-19. Partly offsetting is a forecast increase for corn used for alcohol for beverages and manufacturing use. With supply down fractionally and use declining, ending stocks are raised 200 M bushels to 2.092 B. The season-average marketing weighted corn price received by producers is lowered $0.20 to $3.60 per bushel.

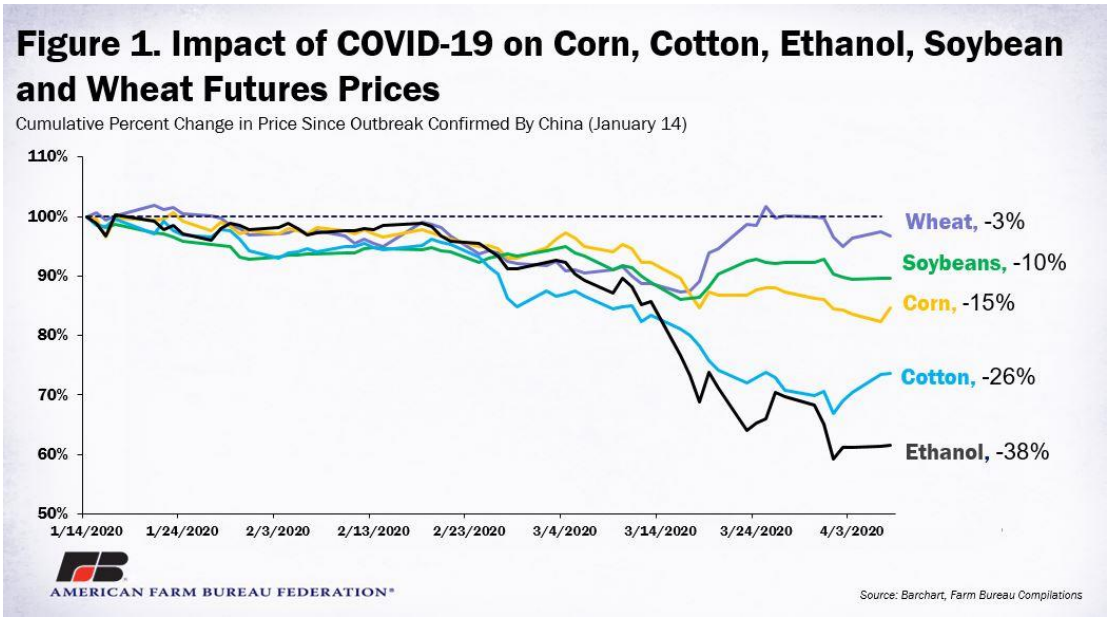
U.S. soybean supply and use changes for 2019/20 include lower exports, seed use, and residual use, higher crush, and higher ending stocks. Soybean exports are reduced mainly on strong competition from Brazil. Lower seed use reflects plantings for the 2020/21 crop indicated in the March 31st *Prospective Plantings* report. Residual use is reduced based on indications in the March 31st *Grain Stocks* report. Soybean crush is raised on higher soybean meal exports and increased domestic disappearance. Domestic soybean meal use is forecast higher with an expected reduction in available supplies of DDGs resulting from lower ethanol production. With higher crush only partly offsetting lower exports, seed, and residual use, ending stocks are projected at 480 M bushels, up 55 M. The season-average soybean price is forecast at $8.65 per bushel, down $0.05. The soybean oil price is projected at $0.30 cents per pound, down one

and-one-half cents reflecting increased production and ending stocks. Soybean meal prices are unchanged at $305 per short ton.

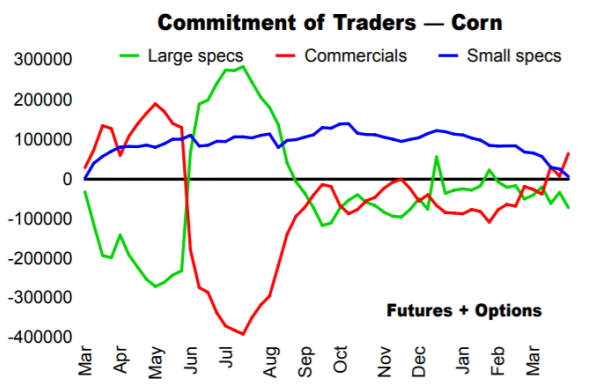
The outlook for 2019/20 U.S. rice this month is for lower supplies, unchanged domestic use and exports, and reduced ending stocks. Supplies are lowered by 0.5 M cwt to 261.5 M on decreased imports. Long-grain imports are lowered on an expected reduced volume in the near-term due to sharply curtailed restaurant usage caused by the COVID-19 pandemic. Projected 2019/20 all rice ending stocks are subsequently reduced by 0.5 M cwt to 29.5 M which is down 34% from last year. The projected all rice stocks-to-use ratio of 12.7% would be the lowest since 2007/08. The season-average long grain rice price is forecasted 20 cents higher to $12.20 per cwt. The Southern medium price forecast is unchanged at $11.90 per cwt.

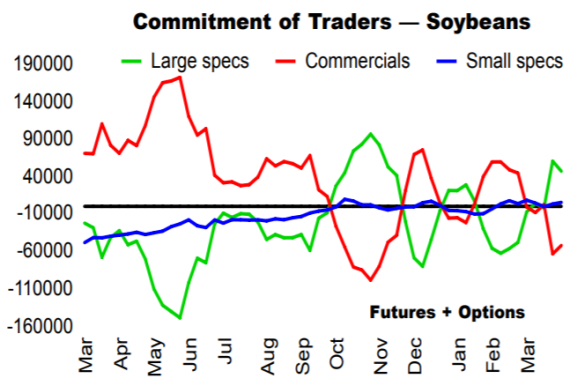
The 2019/20 U.S. cotton supply and demand forecasts show sharply lower exports, lower consumption, and higher ending stocks compared with last month. A developing global economic slowdown with little precedent is expected to significantly reduce global cotton demand and trade, resulting in one of the largest one-month reductions in projected U.S. cotton exports ever: down 1.5 M bales to 15.0 M. Consumption is 100,000 bales lower, and ending stocks are 1.6 M bales higher. Ending stocks are now expected to reach 6.7 M bales, equivalent to 37% of total disappearance, compared with March's expected 26%. The projected marketing year average price received by upland producers of $0.59 per pound is down $0.01 from last month.

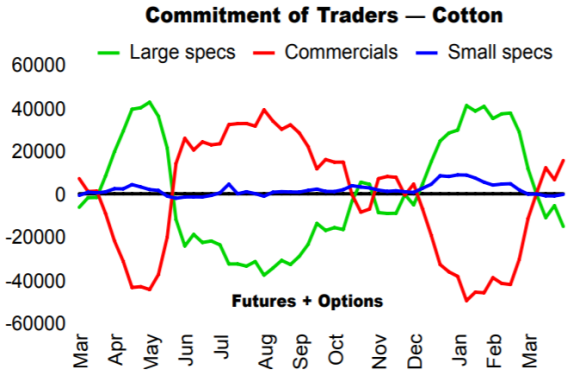
Collectively, the nearby futures prices for nearly all the major crops have dropped by double-digit percentages. Pushed down by a 40% plunge in ethanol prices, corn prices have fallen 15%. Soybean prices are down 10%, while the price for cotton, which is heavily dependent on foreign manufacturing capacity, sank nearly 30%. Since January 14th, the May futures price for corn has fallen by 15%, or $0.61 per bushel, to $3.35 per bushel. The decline in the corn price is tied to demand uncertainty that has followed the near 40% drop in ethanol futures prices, which now stand at $0.87 per gallon. Prospects for 97 M acres of corn planted in 2020 also weighed heavily on corn prices. The May futures price for soybeans has fallen by 10%, or nearly $1.00, to $8.57 per bushel. The May futures price for cotton declined by nearly 30% to $0.53 per pound. The figure below from the American Farm Bureau Federation highlights the change in crop and ethanol futures prices since COVID-19 gripped the U.S.



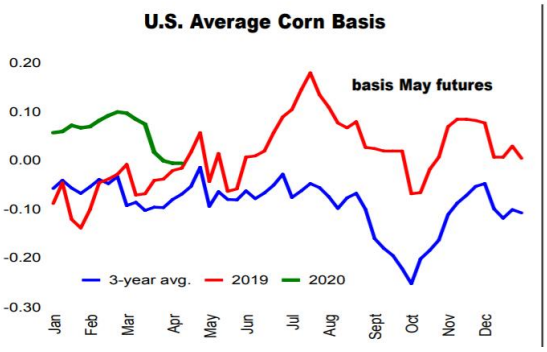
Commitment of Traders Report, Tuesday, April 7, 2020

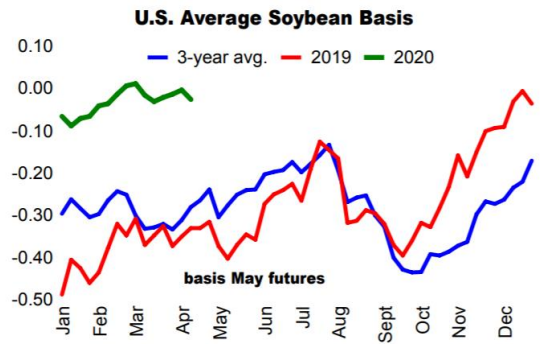


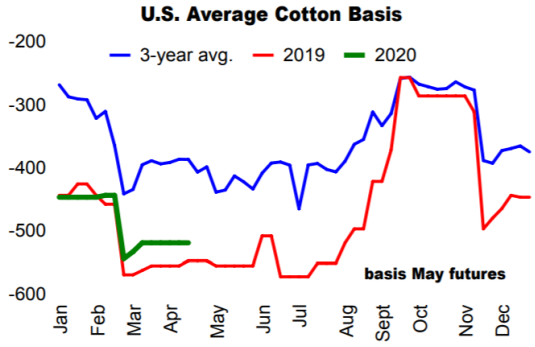




Cash Market Basis Charts, April 8, 2020





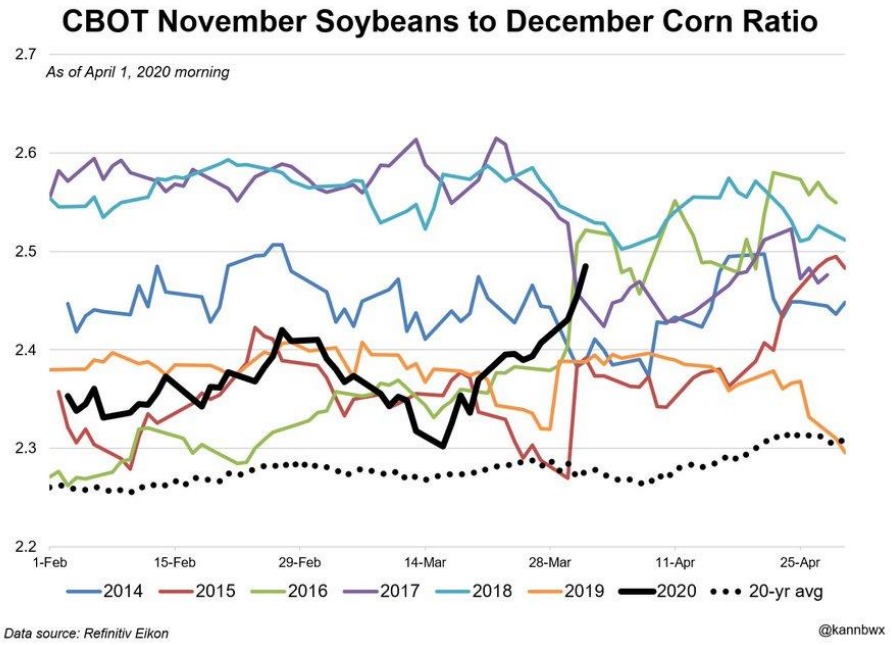


Corn

The USDA NASS March seeding intentions estimate for corn of nearly 97 M acres was 2.7 M acres above the Dow Jones trade estimate prior to the report. The 97 M acre figure is roughly 7 M acres above final planting a year ago. During the month of March, the sharp plunge in crude oil, gasoline and ethanol prices along with cutbacks and closures at many ethanol plants makes the estimate suspect. It is very likely that planting intentions could ultimately shift more corn acres to soybeans.

The *Prospective Plantings* report was bearish for new-crop corn futures, but the futures' response was modest. In the quarterly *Grains Stocks* report, March 1st stocks fell by a larger-than-expected amount to 7.953 B bushels That's about 200 M bushels below the average trade estimate and down 8% from last year's 8.613 B bushels. The implied higher feed usage is likely to be more than offset by the decline in corn used for ethanol, which some analysts see reaching 300 M bushels or more. Of the total, on-farm stocks were pegged at 4.45 B bushels down 13%, with off-farm stocks, at 3.5 B bushels, up just slightly from a year ago.

CBOT November soybeans to December corn futures show an interesting pattern as of late. The SX/CZ ratio was calculated at 2.48 on March 31st but had bottomed at 2.3 mid-March. The most comparable year was 2016 that witnessed a March acreage shocker to the upside, but final plantings ended up even higher. December corn futures in early April 2016 were also the lowest since 2006 (2020 is now even lower than that). U.S. corn acres did not fall to soybeans in 2016 possibly because planting weather was favorable in most of April. The rally in soybeans that began in April 2016 was fueled by excessive rains in Argentina and carried on by a shorter Brazilian crop and drought. November soybeans topped at just over $11.60 per bushel in June 2016 and that was the last summer that new-crop beans made it over $11.00. In addition, for soybeans, the February crop insurance price in 2016 was $8.85 versus $9.17 in 2020. That could be a major separation of 2016 and 2020. In 2016, the U.S. had the largest-ever corn crop at 15.148 B bushels. With an estimated 178 bushels per acre trend-line yield in 2020, it would only take approximately 92.6 M planted acres to tie 2016's crop.



A U.S. corn crop at a level of 97 M acres for the 2020 crop year means demand becomes critical. The potential for the current marketing year ending stocks eclipsing two billion bushels, while not certain, looks high. Ethanol production for the week ending March 27th gave an initial glimpse of potential corn demand destruction. At 840,000 barrels per day, ethanol production fell by 16.4% from the previous week. A drop in production of that magnitude suggests approximately 17 M bushels of lost corn use. The continuing spread of COVID-19 and subsequent home quarantine orders enacted around the country implies that these totals will grow. A considerable level of uncertainty surrounds the duration of the lockdown. Corn consumption losses over 300 M bushels look probable under an extended period of lockdown.

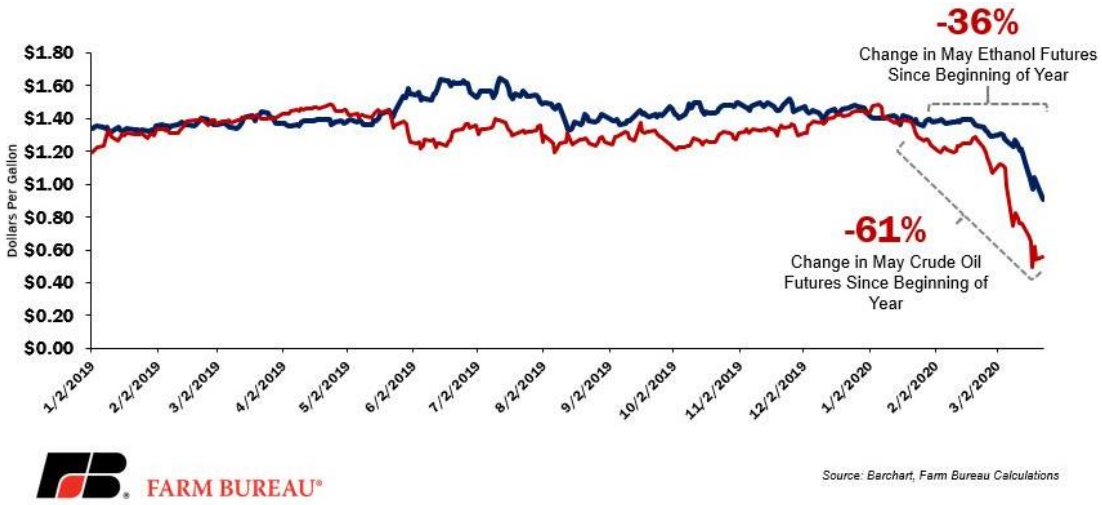
The drop in ethanol production signals lower distiller's grain production, which may support stronger feed use for corn. The March 1st *Grain Stocks* report indicated robust feed use during the second quarter of the marketing year. It remains an open question of how meat demand evolves under reduced economic growth and significant levels of unemployment. An expectation of reduced meat demand, a lower livestock supply, and lower feed demand, in general, for the latter half of 2020 seems reasonable.

Export sales of corn continue to show some improvement from the weak start in the first half of the marketing year. Exports in the first half of the marketing year totaled 622 M bushels. Exports through April 2nd totaled near 819 M bushels. The USDA's projection for corn exports sits at 1.725 B bushels for the current marketing year. A poor second crop in Brazil or additional Chinese buying appears required to reach current predictions. Lower corn prices and a resumption of economic activity would benefit exports in the next marketing year. The potential for a sharp global contraction in growth or significant supply chain disruptions remains feasible and may hinder strong exports over the near term.

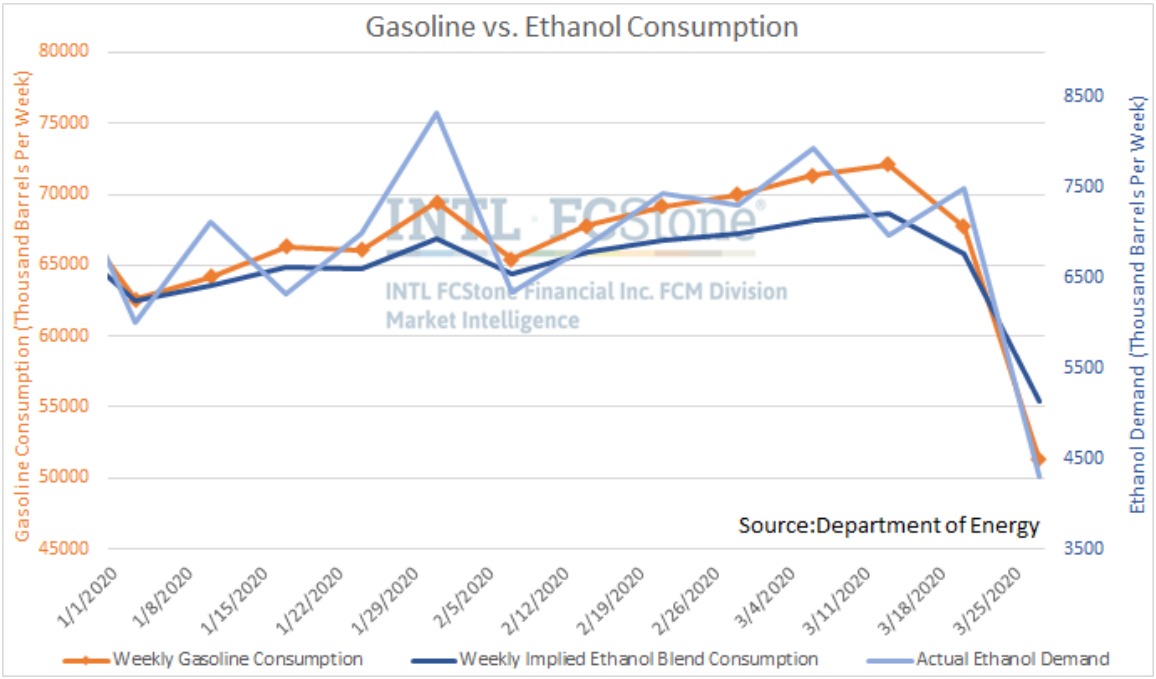
Under the current planting intentions and consumption trends, corn supply near 18 B bushels appears feasible during the 2020/21 marketing year. An assumption of corn consumption during the 2020/21 marketing year near 14.8 B bushels, the highest use total on record, still places carryout above 3 B bushels. Corn prices already reflect lost demand and the potentially huge crop this year. If corn acreage stays at 97 M acres, cash corn prices under $3.00 per bushel for large areas of the Corn Belt seem probable over an extended period.

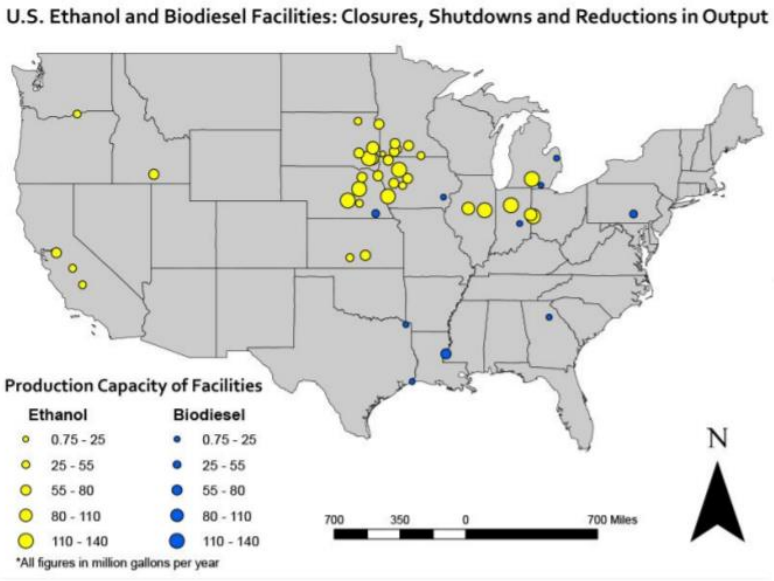
The DTN chart below shows a bearish consensus beginning to build among managed futures funds as cash corn prices fall to new one-year lows. By all appearances, the outlook for corn prices is both bearish and highly uncertain early in 2020. (DTN ProphetX). The combination of coronavirus fears, reduced travel, and OPEC's decision to increase oil production at a time when the world's major economies are slowing is a bearish mix that could easily fan the flames of those inclined to make exaggerated predictions. Time is going to be the key that determines how much corn demand will be lost due to a lack of ethanol production in 2020, and that variable is currently very difficult to predict with any confidence.

In recent years, Saudi Arabia and Russia have supported global oil prices by aligning to strategically limit oil production. The recent collapse of this agreement has driven up oil production capacity. At the same time, the self-distancing and quarantine protocols put in place in many countries to slow the spread of COVID-19 have reduced economic growth and stymied crude oil demand. The dramatic effect of these dual black swan events is a 61% drop in the May crude oil futures value, which has fallen from more than $60 a barrel to $23 a barrel. The lower price of oil contributed to a 36% decline in the May ethanol futures price, from $1.41 per gallon to below $0.90 per gallon. Figure 1 highlights the May crude oil and ethanol futures values.

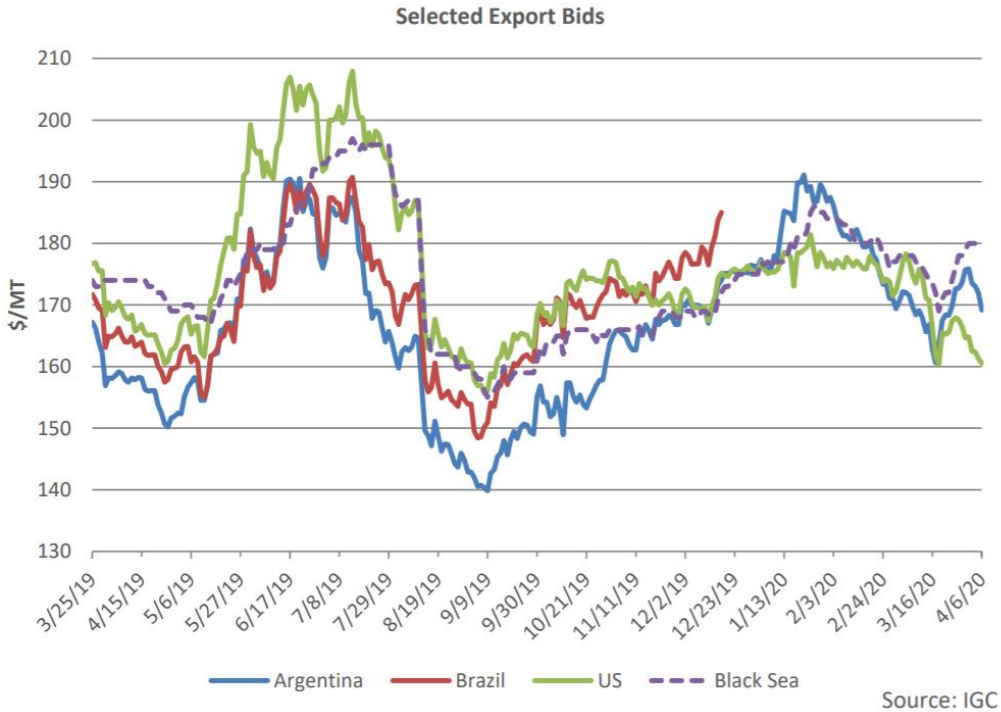


Ethanol demand falls due to low gasoline prices as people remaining quarantined in their homes due to COVID−19. Saudi Arabia and Russia continue to flood the market with cheap crude eliminating most of the demand beyond the 10% mandate.

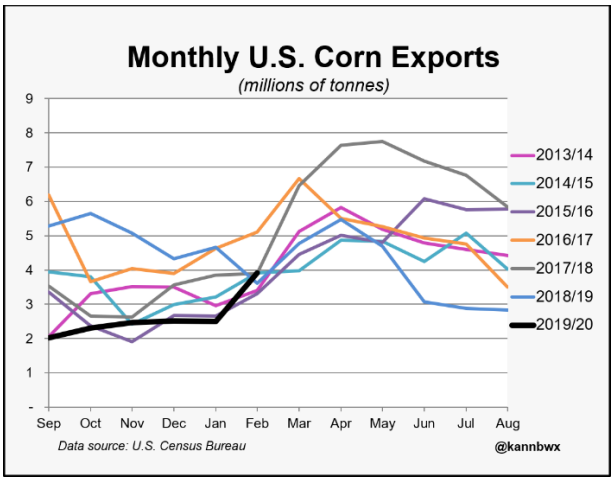


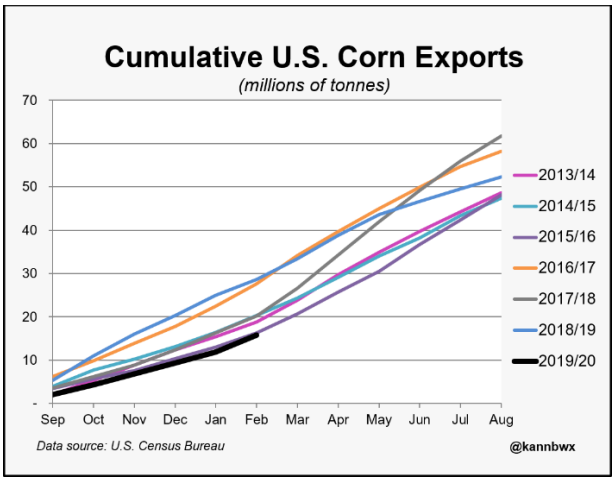


Since the release of the March WASDE report, U.S. bids are down noticeably by $17 per ton to $160 as gasoline and ethanol demand have plummeted under COVID-19 containment measures, though prices inched up until the March 31st NASS release of *Prospective Plantings* and *Grain Stocks* reports. Despite riding along with U.S. bids over the last several weeks, Argentine bids are down $3 per ton to $169 and Black Sea bids are up $2 per ton to $180, both ending the period little changed. Brazilian bids remain seasonally unavailable. Currently, U.S. corn is very price competitive (see Selected Export Bids on the prior page) as COVID-19 containment measures in the United States have curtailed gasoline and ethanol demand. Additional corn demand is also expected from reduced feed-quality wheat imports as wheat prices have risen over the past month.



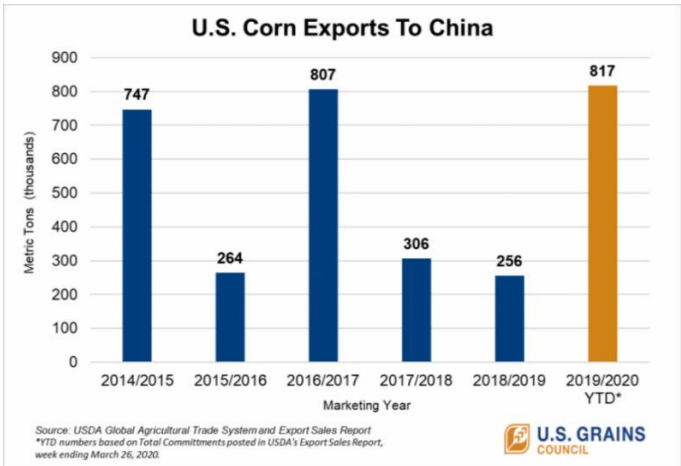
U.S. Corn monthly exports are estimated at 3.9 MMT (154 M bushels), the highest February total in three years and the best since May 2019. However, from a cumulative perspective, September to February exports of 15.7 MMT (619 M bushels) were down 45% year-over-year and down 30% from the five-year average.





The corn market's retreat is disappointing in light of another export sale to China. The USDA reported that China bought 567,000 metric tons of corn. One cargo is for the current marketing year, while the rest is for 2020/21. Back on March 20th, the USDA reported a rare corn export sale to China, for 756,000 metric tons, for the 2019/20 marketing year. Perhaps this demonstrates a 'follow-through' on commitments made in the U.S.-China Phase 1 agreement signed in January and provided much-needed positive demand news.

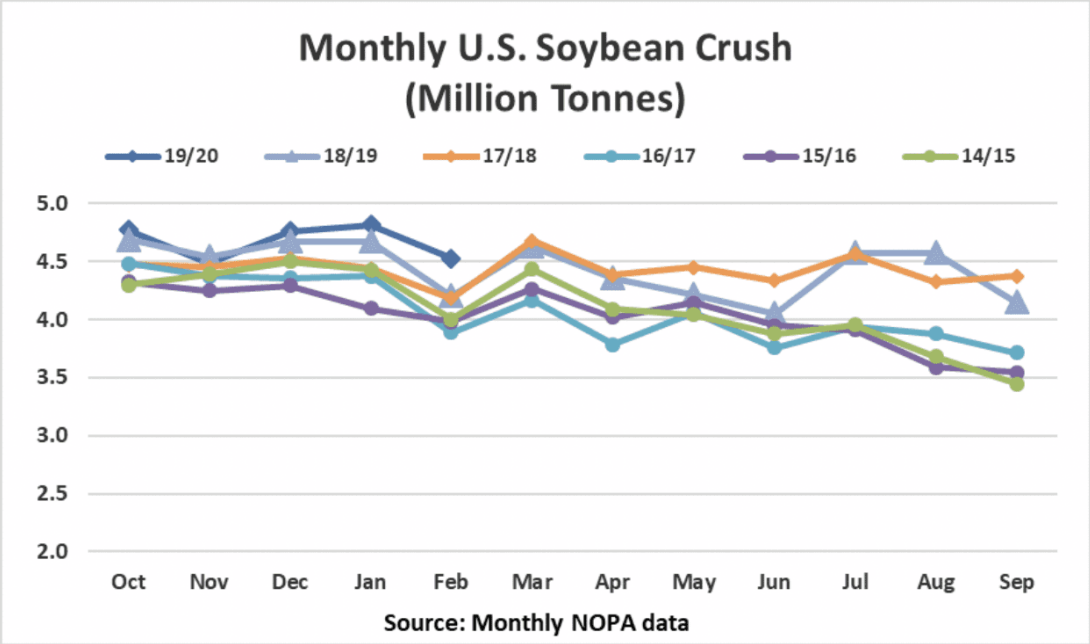
While these commitments are sales-meaning the grain has yet to be shipped overseas and could be subject to change-if realized, they would exceed marketing year-end corn exports to China for the last seven marketing years. Together with substantial purchases of U.S. sorghum, these sales provide encouragement that U.S. farmers and agribusinesses are seeing results from the Phase 1 agreement with China. That agreement also promised structural changes that should provide U.S. grain products with improved access to the Chinese market over the long term. China is the world's second largest corn producer and consumer behind the U.S. and, in the past, was the world's largest importer of U.S. sorghum and DDGs. These feed ingredients supply the world's largest swine, aquaculture and egg industries, the second largest poultry industry and growing dairy and beef operations.



Soybeans

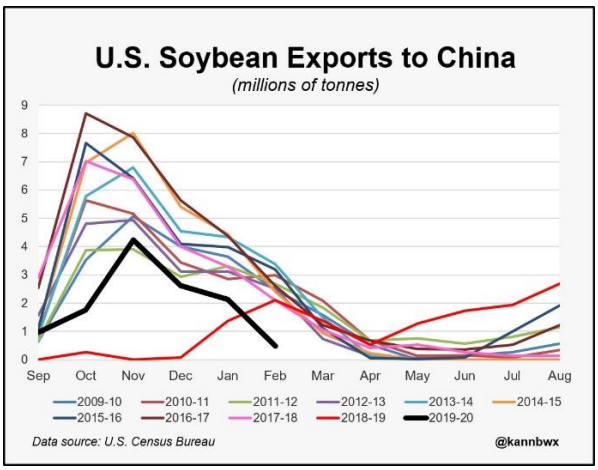
The USDA's March planting intentions for soybeans, at 83.5 M acres, were less than Dow Jones' pre-report estimate of 84.7 M acres. The number is up roughly 10% from the 76.1 M acres planted in last year. As ethanol production is likely to slow with plants cutting back production or closing completely, soybean acreage is likely to move higher in coming months. The March 1st stocks of soybeans are reported to be a slightly larger-than-expected at 2.253 B bushels, compared to the average trade estimate of 2.237 B bushels, down 17% from the 2.727 B bushels last year. On-farm soybean stocks of 1.01 B bushels are down 20% from a year ago, with off-farm stocks of 1.24 B bushels down 15% from 2019.

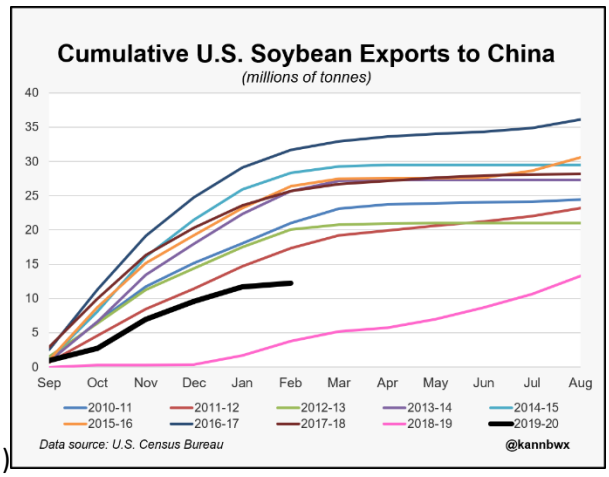
The National Oilseed Processor Association (NOPA) issued February soybean crush data on March 16th. According to the data, NOPA members soybean processing in the fifth month of the 2019/20 product (October-September) marketing year totaled 4.526 M tones. This was a modest decline from the record January total of 4.815 M tons as February included two fewer days. On a daily basis, February processing rates were at record level for a second-consecutive month. Cumulative crushings of 23.360 M tons are up 2.5% from 22.784 M the same period last year.



These latest monthly figures from NOPA are expected to help raise expectations for projected U.S. soybean domestic crush figures last pegged by the USDA at 57.29 M tons in the 2019/20 marketing year. Should crush rates fail to slow seasonally for downtime in the summer months, there is then the potential for U.S. crush to have more upside potential, but, the USDA is unlikely to reflect this anticipation without additional reductions to South American processing rates or increases to domestic feed needs. Even with additional increases to U.S. soybean crush forecasts, there appears to be ample soybean supplies for the U.S. to remain a competitive supplier to the world market.

U.S. soybean exports to China for the month of February show 471,761 tons of soybeans (17 M bushels), the lowest for February since the year 2000. The reported exports from September to February show 12.2 MMT (448 M bushels) which is up 221% year-over-year; but down -52% from two year ago).





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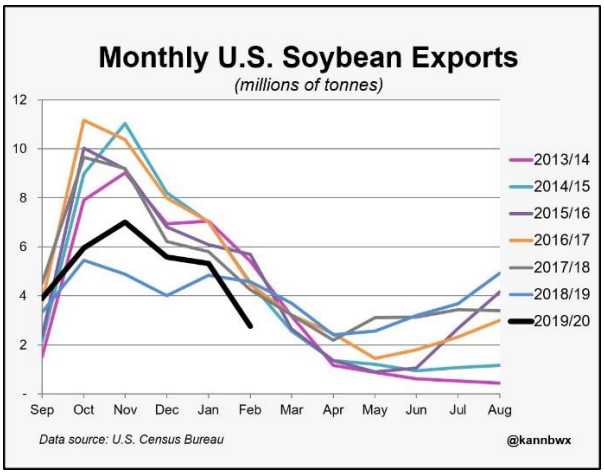
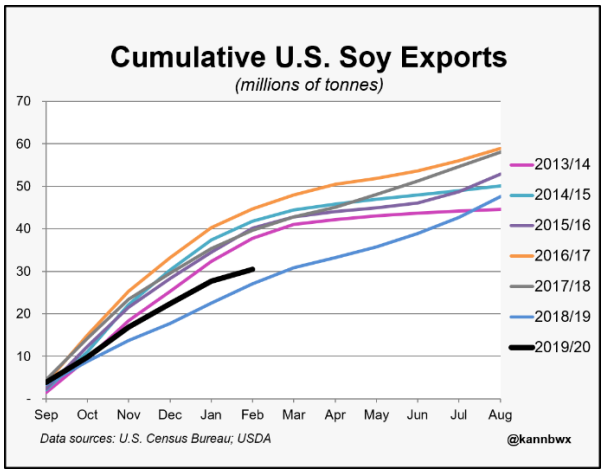
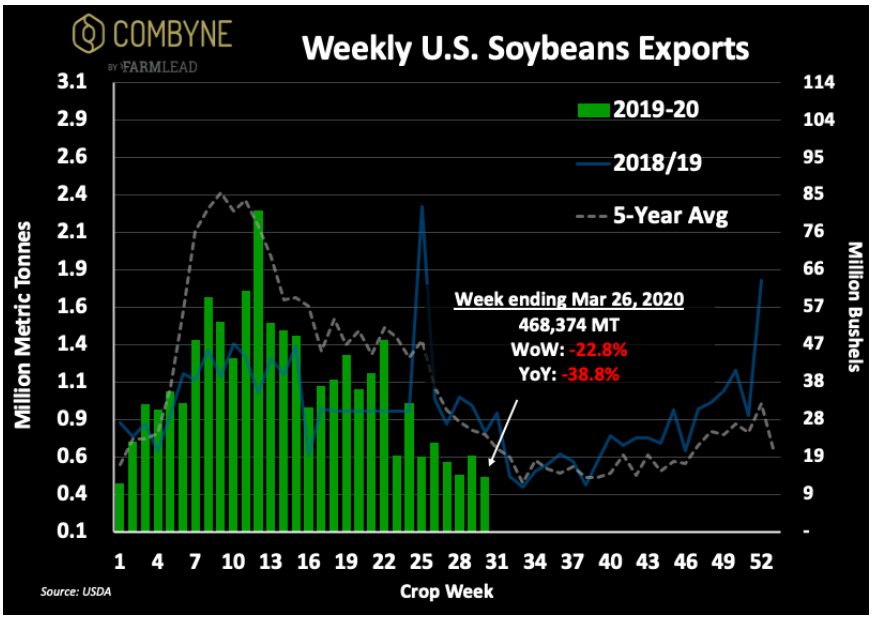
Total U.S. soybean monthly exports of 2.76 MMT (101 M bushels) are the lowest for February since 2004 with 17% sales to China. The September to February period totals of 30.5 MMT (1.12 B bushels) a 13% year-over-year, but down 21% from the previous five-year average.

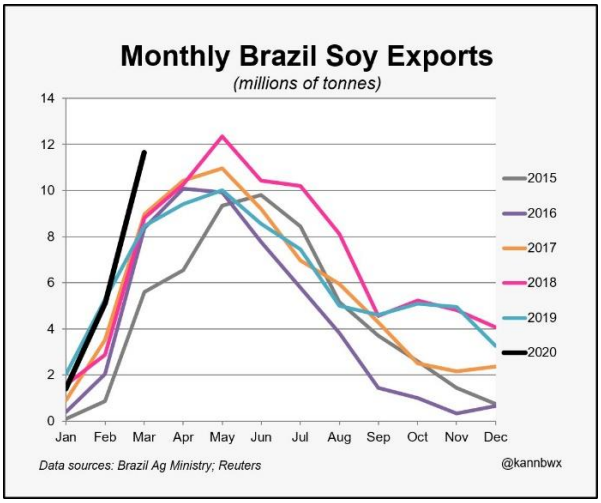


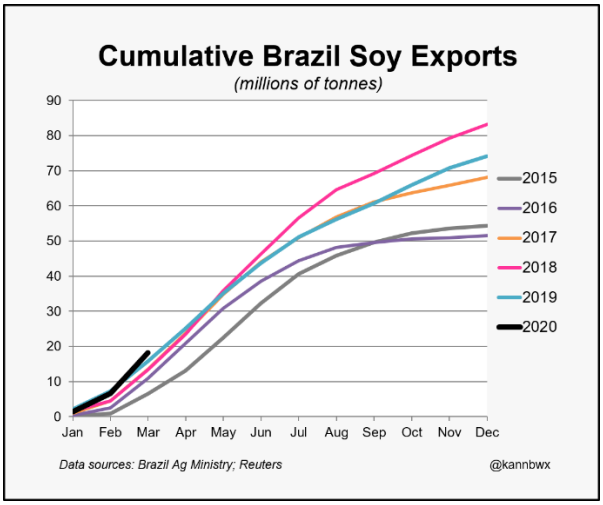


Brazilian producers are currently focused on the completion of their soybean harvest and the planting of their second/safrinha crop corn. What's hard to ignore though is the devaluation of the Brazilian real, thanks to the COVID-19 crisis, which is helping push record high corn and soybean prices even higher. That said, Brazil shipped a record 11.644 MMT of soybeans in March, blasting past the previous record by more than 2 MMT. Conversely, U.S. soybean exports last week were the second lowest of the marketing year with less than 500,000 MT shipped. That said, soybean exports sales topped trade expectations with 1.071 MMT being contracted, including 131,000 MT to China.



March 2020 was a massive month of soybean exports for Brazil. Their monthly export of 11.6 M tons was 38% above March 2019 and 30% above March 2017. The March exports are second all-time in terms of monthly volume (the record was May 2018's mark of 12.4 M tons).

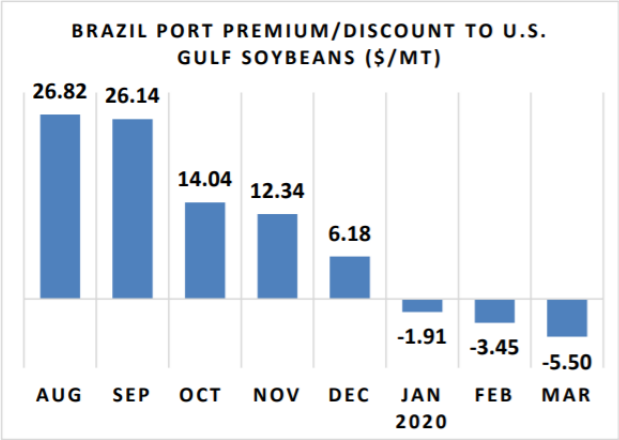


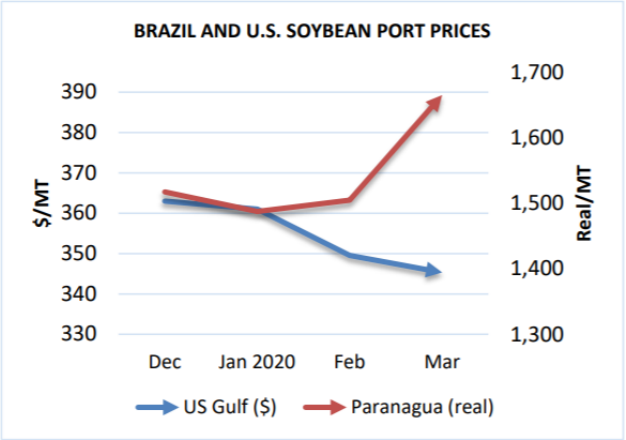


Chinese demand has bought back into the Brazilian soybean market in a big way. Early estimates project over 462.9 M bushels of soybeans were shipped out of Brazil in March, 35% more than March 2019. Known Chinese demand of Brazilian soy grew 73.5 M bushels to 286.6 M bushels of the March total. Another 51.4 M bushels are expected to end up in China, though the current buyer is unknown. If it all ends up in China, the world's second-largest economy will have purchased 72%- nearly three quarters- of Brazil's March 2020 soybean shipments thanks in large part to a weak Brazilian real. In contrast, March 2020 soybean exports from the U.S. to China are down 7.3 M bushels compared to March 2019.

Brazil's soybean exports in March approached a record 12 M tons, eclipsed only by port loadings that came in at 13.4 M tons. Roughly three-quarters of March exports were destined for China. Discounting in Paranaguá relative to the U.S. gulf along with flush supplies from the recent harvest are helping to drive sales. Sales and exports are also being driven by record Brazilian prices in reals as producers hope to take

advantage of the near free-fall in the Brazilian real relative to the dollar. Since January 1st, the real has depreciated by one-third with more than half of the fall occurring in March. Much of this decline is due to the current global COVID-19 pandemic and resultant flight to U.S. dollars. Consequently, U.S. Gulf soybean prices have sagged nearly 5% from the first of the year, while Brazil's local prices have risen 40% and stand near 1,870 reals per MT at the end of March. With Brazil's sales to China surging, U.S. sales to China remain sparse. Private buyers in China have only been able to access U.S. soybeans and avoid the tariffs since early March. While Brazilian sellers continue to price aggressively given record local prices, few purchases of U.S. soybeans by China are anticipated in the coming weeks. With the global COVID-19 pandemic expected to continue for some time, the factors driving the U.S. dollar higher are unlikely to abate in the near term. Only when supplies in Brazil dwindle later in 2020 will there be opportunity of increased U.S. sales to China.



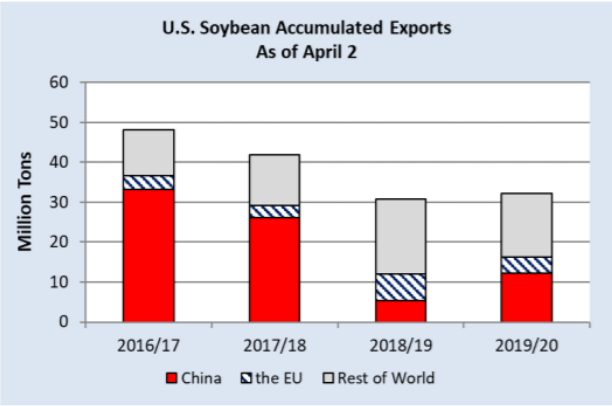


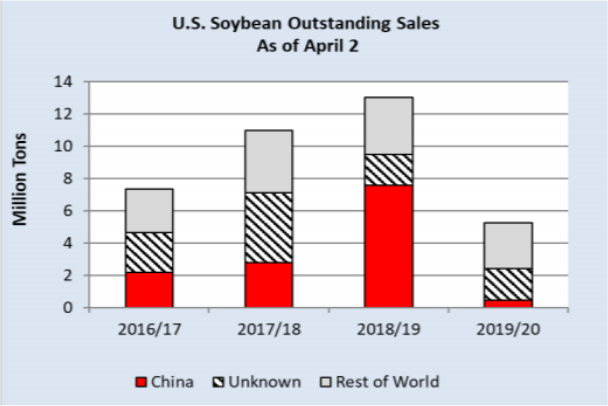
The coronavirus pandemic that has spread around the world in early 2020 has led most governments to slash growth and consumption forecasts. However, demand for soybeans is not expected to bear the brunt of this global economic deceleration due to the relative inelasticity of food demand. The Brazilian market anticipates that China, the key importer of soybeans, may actually be a bright spot for purchases as its livestock sector works to rebuild hog and sow herds decimated by the African Swine Fever (ASF) epidemic in 2019. There are potential demand headwinds for Brazil, however, as it will have to contend with the impact from the U.S.-China Phase One trade deal. Late last year, China pledged to purchase from the United States at least $36.5 B worth of agricultural goods in 2020, and at least $43.5 B in 2021, though the publicly released text of the agreement did not disclose specific purchase commitments for any one commodity. In addition, when the deal was announced, Vice Premier Liu He noted that China would buy U.S. agricultural goods based on "market conditions." Despite the vague nature of commitments, most market analysts expect that at least a portion of China's soybean purchases will be diverted away from Brazil and towards the United States in order to fulfill the purchase commitments.

Given the increasingly troubled global and domestic economic outlook, the Brazilian currency, the real (R$) has seen a sharp devaluation, losing 20% of its value since the beginning of the year; on March 20 it was trading at R$ 5.11 to the USD, whereas on January 1, 2020 the rate was at R$ 4.02 to the USD. As a result of the massive devaluation, the FOB price of Brazilian soybeans out of the port of Paranagua has actually increased in domestic currency, topping R$ 95 per 60-kilogram sack by the third week of March, one of the highest levels ever. In fact, as of late March, the price per sack in some parts of Mato Grosso was at an all-time high. Meanwhile the price in U.S. dollars has continued to decline to below $19 per

sack, which is about $313 per MT, in comparison to U.S. soybeans priced at $337 per MT at the Gulf and $345 per MT in the PNW.

As of the week ending April 2nd, U.S. soybean accumulated exports (shipments) to China totaled 12.1 M tons and 20.0 M to the rest of the world. Outstanding sales remain low at 473,000 tons to China; 2.9 M to the rest of the world. Last year at this time, accumulated exports to China were 5.3 M tons and 25.5 M to the rest of the world, and outstanding sales to China were 7.6 M tons and 3.5 M to the rest of the world. U.S. soybean export commitments (outstanding sales plus accumulated exports) to China have fallen slightly behind last year's levels on weak sales, totaling 12.6 M tons compared to 12.9 M a year ago. A weakened real has allowed Brazilian soybeans to be more price-competitive. Total commitments to the world were also lower than last year, totaling 37.4 M tons compared to 43.8 M tons the year before.





Rice

This week's NASS plantings report indicated that growers expected to plant 18% more rice acres than last year at this time. Arkansas was up 25% year over year at 1.19 M acres, Louisiana at 390,000 acres, Mississippi at 150,000 acres, Missouri at 190,000 acres and Texas at 170,000 acres. California acres are forecasted at 500,000 acres, but most in the industry already anticipate planted area to be north of 520,000 acres. Note that last year's *Prospective Planting* report projected total U.S. rice acres to be 1.778 M acres compared to the actual area harvested which was only 1.73 M acres.

The USDA also released the stocks report which showed rice in all positions as of March 1st. Long grain rough rice stocks were down more than 22% against last March while milled rice stocks were up 59% year over year. Medium grain stocks were also down year over year. The fact that this stocks report basically reflects rice in all positions before the outbreak really made it to the U.S. suggests that futures stocks reports, ones that take into account all of the panic buying will ultimately show a much tighter picture.

The potential for more old crop export demand and a further drawdown in ending stocks is also providing a lift to new crop prices. The September contract is back at $12.20 and very close to the February 10 high of $12.29. Data from USDA's weekly Export Sales continue to point to a total closer to 75 M cwt. Exports of that magnitude would draw ending stocks down to 2003 levels, which were 10.3 M. Extremely bullish! Another bullish driver for new crop prices is the *Prospective Plantings* report, released earlier this week. It came as no surprise that every major long grain producing state was projected to increase acreage this year. This surprise came in the fact the acreage increase was not considerably higher.

U.S. Long-Grain Planted Acreage.

million acres	2019	2020*	change
Arkansas	.950	1.190	0.240
California	.010	.010	0.000
Louisiana	.370	.390	0.020
Mississippi	.115	.150	0.035
Missouri	.180	.190	0.010
Texas	.153	.170	0.017
U.S.	**1.778**	**2.100**	0.322
* source: USDA-NASS *Prospective Plantings*.			

Recall in February, the USDA's Ag Outlook Forum projections pointed to 2.35 M acres of long-grain this year-a 32% increase. The March intentions indicated only an 18% increase. However, Arkansas' long-grain acres were projected to increase 25% or 240,000 acres. The longer one ponders the March 31 *Prospective Plantings*, more and more questions come to mind. In March of 2019, Arkansas' intended long grain acres were 1.2 M. The U.S. long-grain intentions were 2.151 M. Given the current supply situation and rice's price relationship to all the major grains and cotton, why would growers intend to plant less rice in 2020? Similarly, a host of other questions come to mind. In 2019, Arkansas alone had over 1 M acres of prevented planting with just over half of those acres being rice.

The comparative returns of rice to soybeans (which currently trade at $8.60) also points to a stronger increase in rice acres. As mentioned earlier, this week's 2020 planned rice acreage increases year-over-year but falls short of analysts' expectations, who expect to see, weather permitting, a higher acreage total in the USDA's June Acreage report. In the meantime, the market will have to accept the Prospective Plantings as an accurate reflection of grower's intentions. Remember, March planting intentions will be used as the foundation for the first new crop (2020) balance sheet released in May. Compared to the acreage expectation the USDA used in February's Ag Outlook Forum, the March intended acres represent a "game-changer" for new crop long grain ending stocks.

Milled prices, both domestically and internationally continue to react to the Coronavirus stockpiling hysteria. Milled prices in Thailand have increased nearly $140 per ton since February on increased demand. Vietnam, halting its rice exports as well as with India pulling back, are strong factors that continue to disrupt the global rice trade. From a stock's perspective, there appears to be ample quantity to satisfy global demand, assuming the market can proceed normally, i.e., no export bans and reduced panic buying. Since both of these are still ongoing, it is difficult to project the full impact that the coronavirus will have on world prices over the next 12-months.

EXPORT PRICES FOR RICE															
		Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain #2, 4%	Thai 5%	Viet 5%	Uru 5% 1/	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 2/	U.S. California Medium Grain #1, 4%	Pak Basmati 3/	Thai Fragrant 4/
								(US $/tonne, f.o.b.)							
2015		**395**	**392**	**490**	**386**	**353**	**541**	**337**	**318**	**373**	**334**	**327**	**857**	**849**	**1 008**
2016		**407**	**410**	**438**	**396**	**347**	**473**	**333**	**327**	**385**	**332**	**348**	**651**	**795**	**768**
2017		**415**	**421**	**456**	**398**	**372**	**499**	**361**	**350**	**384**	**351**	**334**	**673**	**1 131**	**843**
2018		**445**	**431**	**531**	**421**	**412**	**497**	**374**	**360**	**408**	**391**	**365**	**888**	**1 023**	**1 167**
2019		**435**	**428**	**500**	**418**	**340**	**488**	**361**	**324**	**410**	**323**	**385**	**850**	**982**	**1 212**
2019															
	March	421	418	495	405	347	490	366	323	398	328	374	882	915	1 199
	April	429	423	486	413	355	490	359	328	404	334	374	864	983	1 185
	May	425	422	481	409	354	489	360	327	401	333	374	853	1 004	1 186
	June	436	431	479	420	333	486	361	324	411	308	382	850	1 038	1 187
	July	431	428	499	415	332	483	363	325	408	316	387	850	1 031	1 172
	August	444	440	508	428	336	480	365	327	419	317	389	850	1 039	1 248
	September	444	440	508	427	316	486	363	334	421	304	399	851	1 045	1 298
	October	440	430	509	424	338	485	363	324	418	325	398	845	989	1 271
	November	439	425	511	422	341	488	357	319	415	324	395	820	976	1 208
	December	449	434	515	432	344	493	355	320	423	324	394	815	943	1 165
2020															
	January	468	458	533	451	346	492	357	332	440	331	404	822	961	1 156
	February	467	457	558	450	362	490	359	341	442	342	414	840	988	1 110
	March	509	507	581	494	404	490	355	348	477	379	421	853	911	1 084
2019	Jan.-Mar.	426	421	504	409	345	491	361	320	401	332	377	867	912	1 208
2020	Jan.-Mar.	481	474	557	465	371	491	357	340	453	351	413	838	953	1 116
% Change		12.9	12.5	10.6	13.8	7.3	-0.1	-1.1	6.4	12.9	5.6	9.6	-3.3	4.6	-7.6

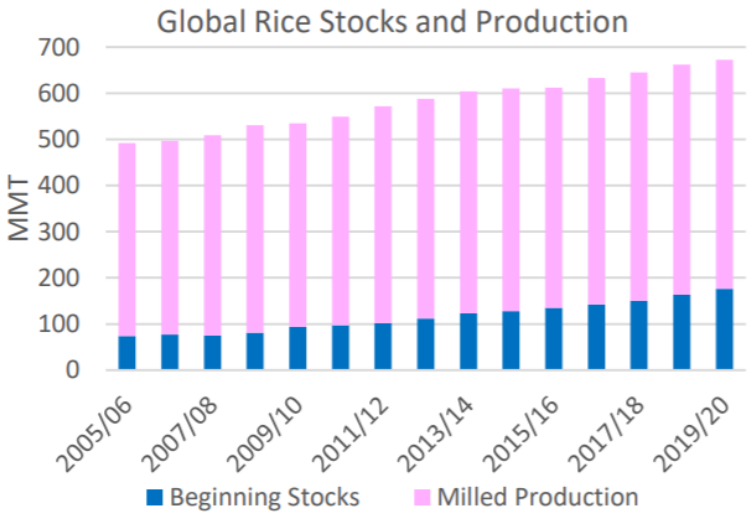
Sources: Livericeindex.com, Thai Department of Foreign Trade (DFT) and other public sources.

1/ Long grain white rice, fob fcl. 2/ White broken rice. 3/ Basmati ordinary up to May 2011. Super kernel white basmati 2% from June 2011 onwards.

4/ Hom Mali rice, grade A.

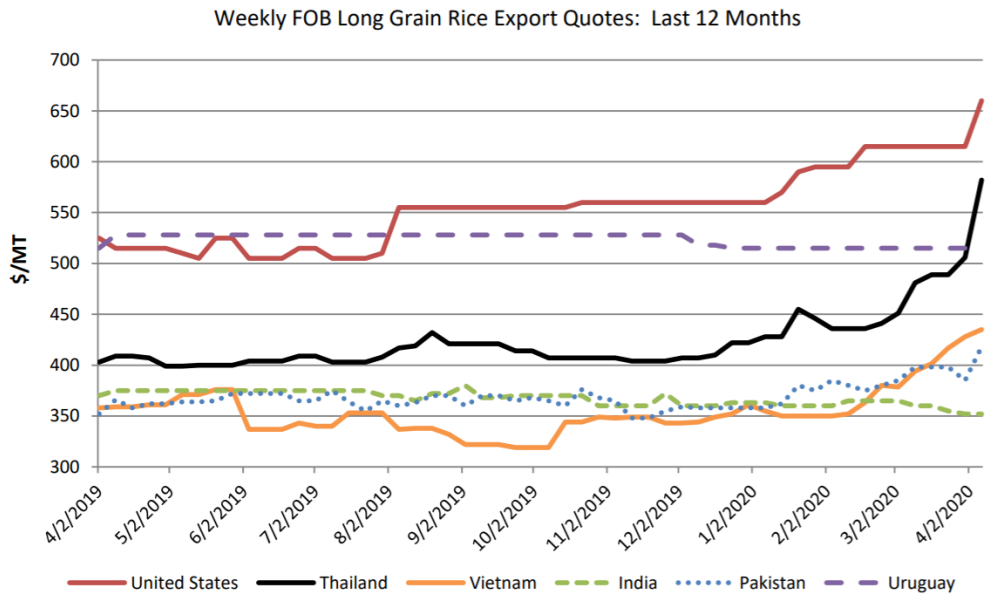
... = unquoted

Although several regions' production levels are down year-over-year, a bumper 2019/20 global rice harvest is still expected, with production just around half a percent lower from the prior year record. Southeast Asian production is down on the effects of drought in the region, particularly in Thailand and Vietnam. China's production was down slightly, but the government has been encouraging the early planting of rice for the 2020/21 crop. Western Hemisphere production is lower primarily due to the reduced U.S. crop last summer. Partially offsetting these declines is a larger crop in India, the second-largest producer.

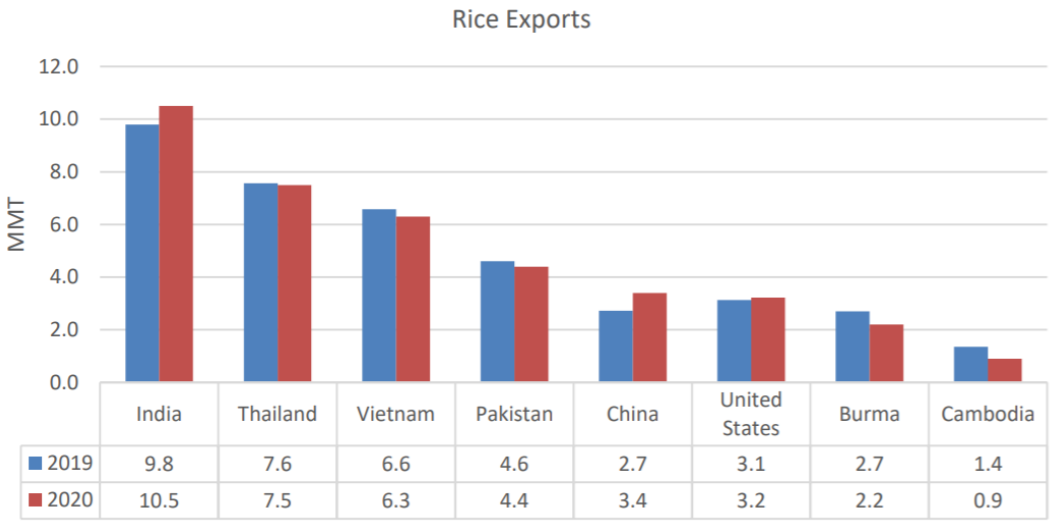


Even with lower production, overall supplies are up from the year previous because of record carry-in. Stocks are particularly high in China and India. Despite the current tumultuous market and some production declines in Southeast Asia, 2019/20 ending stocks are still forecast 3 percent higher than 2018/19 ending stocks.

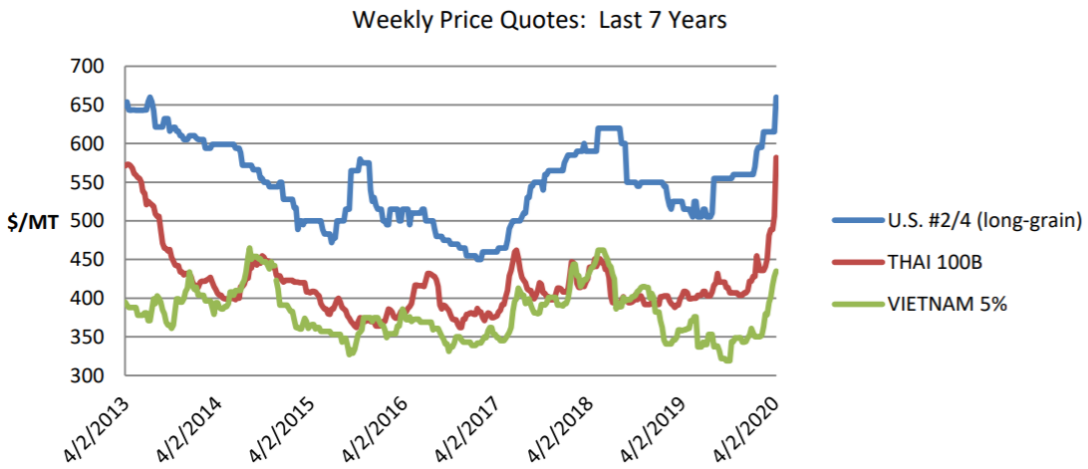
Since the March WASDE report, Thai 100B quotes rose sharply to $582 per ton, reflecting concerns about exportable supplies amid drought. These are the highest quotes in seven years. Vietnam has banned its exports, but its most recent quote increased to $435 per ton. Meanwhile, Indian quotes were most recently hovering around $352 per ton, though the country's current lockdown status has made it challenging to export and reportedly very little is moving at the ports. Pakistani quotes spiked to $418 per ton showing the combined impacts of lockdowns and logistical challenges. U.S. quotes have also risen to the highest level in seven years, $660 per ton on increasingly tight supplies both domestically and globally. Uruguayan quotes have remained at $515 per ton as South American harvests start.



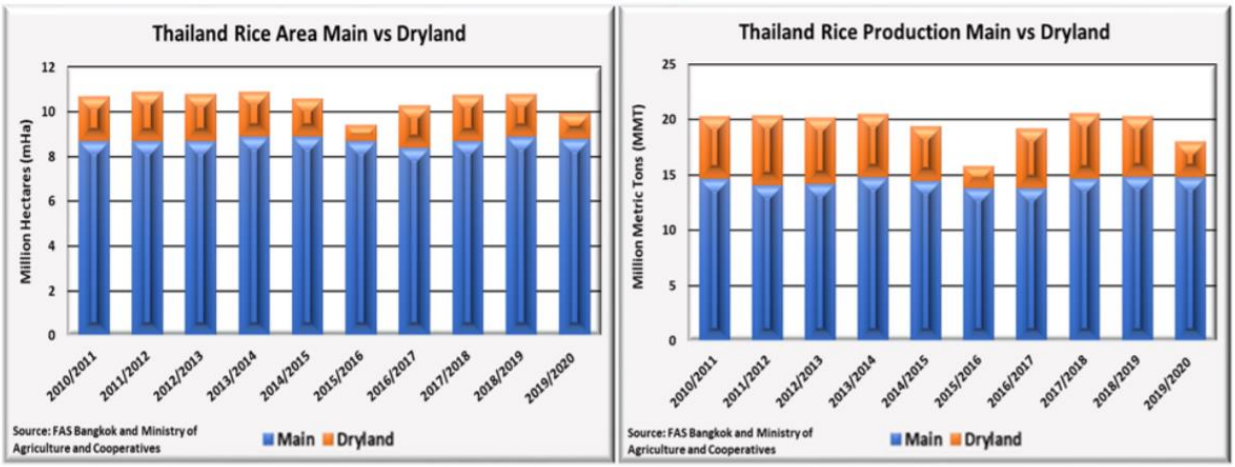
Global rice exports are forecast to decline nearly 2% to below 43 M tons in 2020, the lowest in four years. This is largely due to export restrictions recently announced by some Southeast Asian countries and the impact of lockdown policies in numerous countries amid the COVID-19 pandemic. Most notable among the rice export bans is Vietnam, the third-largest global exporter since 2013. The Prime Minister has banned exports, despite requests by exporters and domestic industry to remove or lessen the restrictions. The industry has expressed concern that restricting exports could lead to lower domestic prices and reduced the incentive for producing rice in upcoming crop cycles during this year. Cambodia has also implemented a ban on the export of paddy and non-fragrant white rice, though fragrant rice exports are still allowed. The bulk of Cambodia's paddy exports are to neighboring Vietnam and Thailand. China and the European Union are key import markets for its fragrant and white rice.



Meanwhile, Burma, the seventh-largest exporter, has not officially banned exports but the issuance of new export licenses has been suspended. It has implemented an export quota at 100,000 tons per month, less than half of the average export volume last year. The second-largest exporter, Thailand, has fewer exportable supplies this year amid a drought that resulted in a much smaller dry season crop, so its 2020 exports are forecast to be slightly lower than last year. It has not placed any official restrictions, but its export prices have escalated to 7-year highs as other Southeast Asian suppliers have imposed bans. Even as Southeast Asian exports are forecast to drop, other regions are expected to benefit in this environment. The top exporter, India, is forecast to produce a bumper crop in 2019/20 and its record high stocks are more than three times the desired buffer levels. In fact, its record supplies could help supply the world amid Southeast Asian exporters' constraints. However, logistical challenges due to its lockdown are expected to lead to reduced monthly trade in the near term. In addition, China which possesses ample supplies at the moment, has emerged as a large exporter at very competitive prices, and is expected to gain additional market share this year. Exports from the United States are also expected to be up this year with a larger crop forecast this summer based on the recent Prospective Plantings report. While lower trade is largely exporter-driven, import demand has also been disrupted by the COVID-19 pandemic. For instance, Saudi Arabia has prohibited pilgrims from visiting its religious sites, which is expected to lead to a decline in import demand.



The USDA estimates Thailand 2019/20 rice production at 18.0 M metric tons (milled basis), down 3% from last month and down 12% from last year. Area harvested is estimated at 9.96 M hectares, down slightly from last month and down 8% from last year. Yield is estimated at 2.74 tons per hectare, down 2% from last month and down 4% from last year.

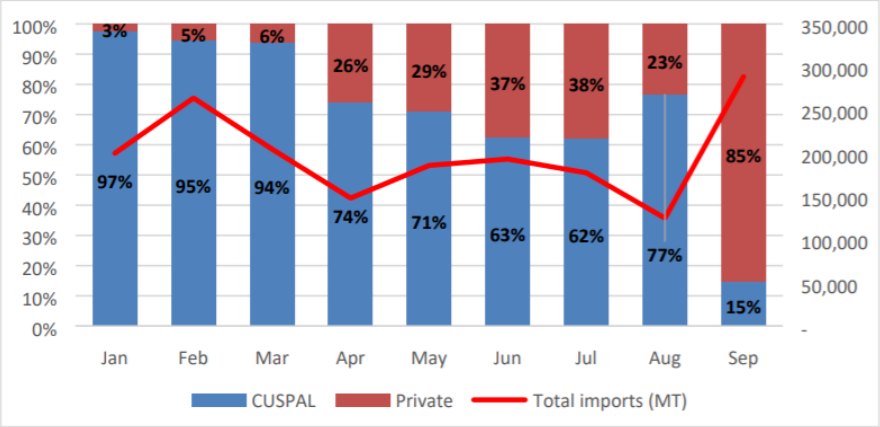


USDA Foreign Agricultural Service
Global Market Analysis
International Production Assessment Division

Thai rice is cultivated in two different seasons. The main season rice crop is from May through December and accounts for 75% of Thailand's total rice output. Main season rice, predominantly rainfall, was negatively impacted by adverse weather conditions. Well-below average rains recorded in May through July followed by extensive flooding in August hampered crop development in the major rice growing regions. Extensive dryness continued throughout Thailand's North region which resulted in near-historic low water levels in the top two reservoirs, Bhumibol and Sirikit. These reservoirs are essential for the dryland cultivated rice crop – predominantly irrigated – as the reservoirs provide approximately 80 percent of the irrigation water supply to rice area in the lower North and Central Plains regions. According to the Ministry of Agriculture and Cooperatives crop progress report, dryland season rice area and production is down 45% and 41%, respectively from last year. Dryland rice (December through July) accounts for 25% of total rice output.

In MY 2020/21, the USDA post forecasts Venezuela import 450,000 metric tons of rice, 30,000 metric tons below USDA's official estimate in MY 2019/20. The opening of imports to the private sector has allowed rice imports to remain mostly stable. There is some cross-border trade with Colombia, which is mostly unreported and may account for as much as 50,000 MT of rice imports. Post estimates that MY 2019/20 rice imports will reach 460,000 metric tons based on actual port arrivals to date and additional volumes arriving by land from Colombia. Brazil dominated rough rice shipments to Venezuela due to price; however, levels have decreased since 2018. As public sector imports have fallen with Venezuelan government revenues, so have purchases from private exporters in Brazil. Increasing private sector shipments from Uruguay and the United States are replacing those volumes. The figure below shows how private sector imports have replaced direct government purchases in 2019. This trend is expected to continue.

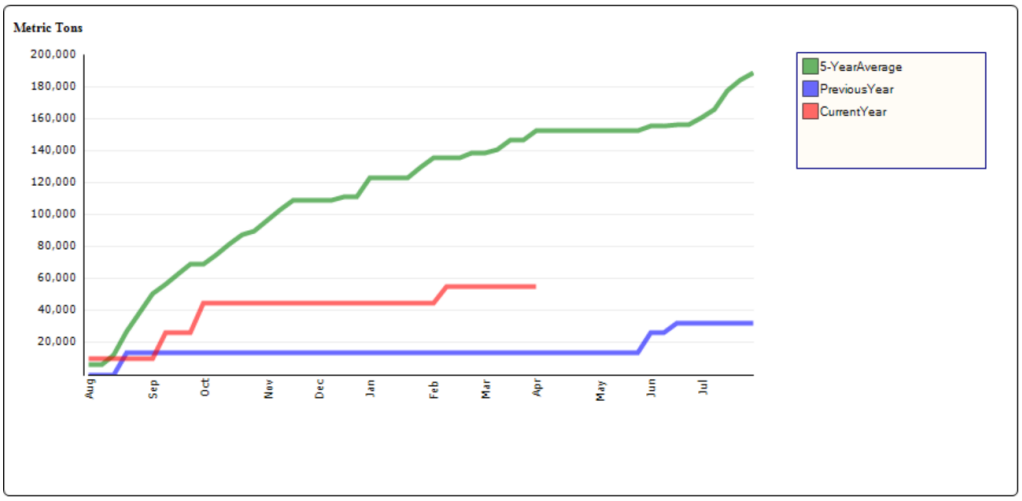
Figure 4: 2019 Venezuelan Imports, Private vs. Public Sector



Accumulated Exports - VENEZUELA

Rice - LG Rough

Selected Year: 2019-2020 as of 04/02/2020



Globally, rice prices advanced month-over-month to a multi-year high, supported by worries that drought in Thailand would restrict availabilities on international markets and amid a heavy uptick in consumer purchasing in both exporting and importing countries on COVID-19 concerns. However, gains were pared by losses in Asian exporters' currencies against the US dollar, while a slowdown in government procurement and subsequent increase in export availabilities added mild pressure in India. Logistical constraints also featured, including a shortage of containers commonly used to ship specialty grains such as basmati and fragrant rice.

On a global rice perspective, numerous policy occurrences happened during the month of March.

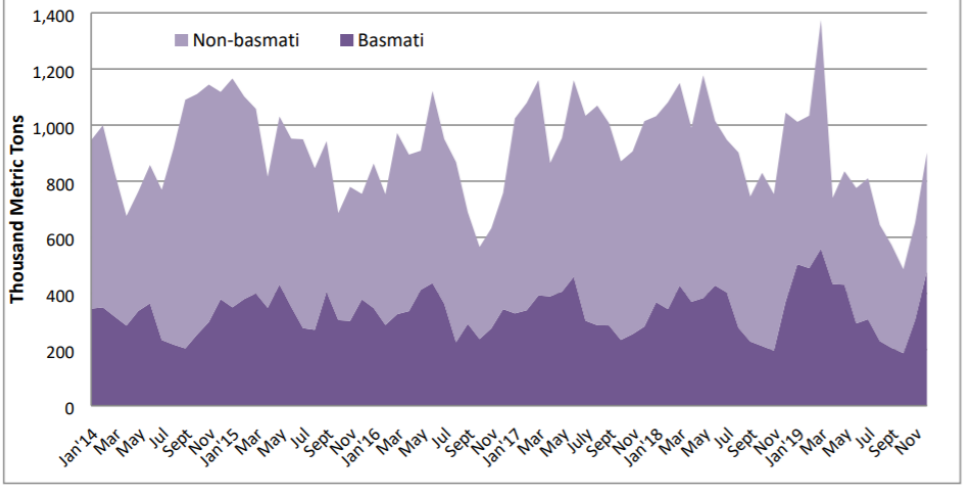
- On March 3rd, amid the COVID-19 outbreak, and coinciding with the start of spring planting, China instructed provinces to ensure the stability of rice planted areas. Reflecting food security concerns, the government notice reinstates double cropping of rice while seeking to increase planted areas of early rice crops and reduce fallow land. When facing a labor shortage caused by the pandemic, agricultural producers will receive special assistance.
- On March 5th, the Chinese government renewed the tariff exemption for US soybean imports for one year.

- On March 23rd, China decided to procure a record amount of 50 M tons of rice, in order to stabilize domestic supply amid the COVID-19 outbreak.
- On March 6th, the European Commission fixed the import duty on husked rice at EUR 42.5 (USD 46.5) per ton, to be applicable to all Member states from March 9th onwards.
- On March 11th, the Vietnamese government ordered private traders to keep minimum levels of stocks of rice (5% of the rice shipments made in the past 6 months) to stabilize the domestic market.
- On March 25th, Vietnam suspended the authorization of rice export contracts until at March 28th, in order to examine whether domestic supplies were sufficient during the COVID19 outbreak.
- On March 27th, Vietnam announced that it planned to stockpile 270 000 tons of rice amid the COVID-19 outbreak.

India has been the world's leading rice exporter since the Indian government (GOI) removed the export ban on coarse grain rice in 2011. However, increases in a minimum support price (MSP) have influenced domestic prices, and the relatively stable value of the Indian rupee vis-à-vis other currencies has impacted export demand for rice since the second quarter of calendar year 2019. However, market sources report improved export demand due to better price parity for Indian rice vis-à-vis rice from competing origins since the beginning of CY2020 due to lower domestic prices and a decline in the value of the Indian rupee vis-à-vis the USD.

Consequently, rice exports in MY 2020/21 are forecasted to recover to 12 MMT (7.5 MMT coarse rice and 4.5 MMT Basmati rice) from an estimated 10.5 MMT the previous year, on expected sufficient exportable supplies. However, relative price movements in the international market and/or changes in the value of the Indian Rupee vis-à-vis other currencies may affect the forecast export. With expected sufficient production and 'more-than desired' government grain stocks, the GOI is unlikely to impose any export restrictions on rice exports, and may actually export some government rice through government-to-government arrangements if labor scarcity due to Covid-19 prompts global food shortages. Based on the current pace of monthly exports, the USDA Post's MY 2019/20 export estimate is 10.5 MMT, reflecting relatively weak export demand for non-Basmati rice, particularly in the first quarter (Oct-Dec 2020).

Figure 8. India: Monthly Exports of Rice



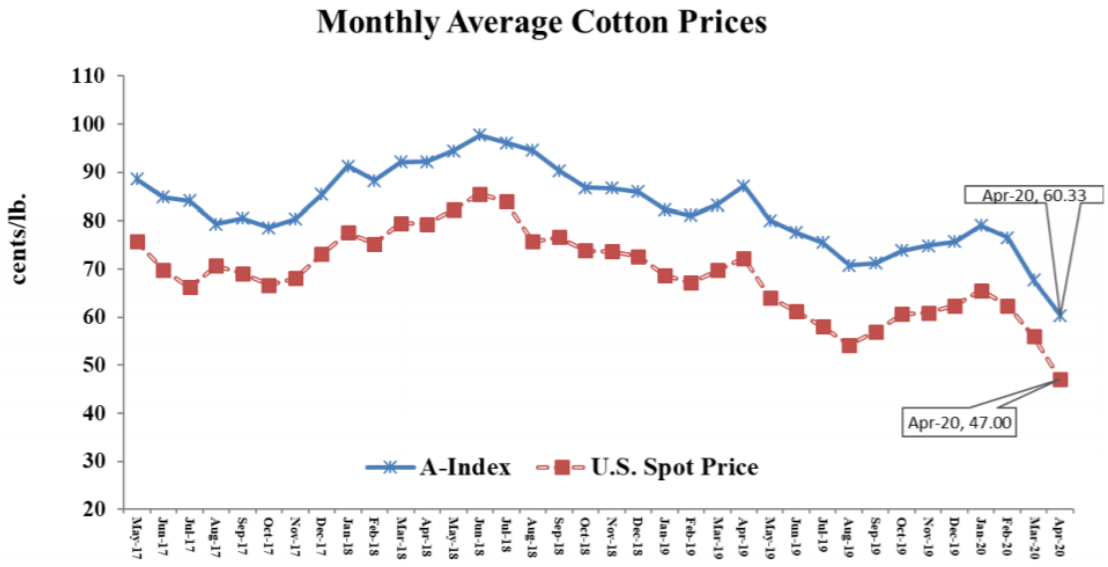
Source: Monthly exports through December 2019 from Directorate General of Commercial Intelligence (DGCIS), GOI.

Global rice stocks have increased each year since 2007 and currently sit at a record high of 182 MMT. Unfortunately, supplies are only abundant if they are available. In recent days, Vietnam has suspended new export sales temporarily to evaluate their supply situation. India is currently under a 21-day lockdown. This is an attempt to slow the spread of COVID-19. In a country of 1.3 B people, an enormous challenge lies ahead. It appears likely the lockdown in India (and potentially other countries) will slow export activity for another month at least.

Cotton

The cotton market is trading lower as the coronavirus guidelines were extended to late May, and the USDA's planting intentions indicated too many acres heading into the 2020 crop year. It has been long anticipated that new crop acres would be greatly reduced given earlier industry survey results and the decline in the price of new-crop cotton. However, 2020 acreage intentions were less than 100,000 off from those of 2019. Additionally, given the potential for foreign mills to shutter, the bearishness of the cotton market is expanding.

For 2019/20, the April forecast shows dramatically lower consumption and trade with sharply higher ending stocks. Consumption has been lowered in all significant markets due to COVID-19. Lower global trade reflects these downward revisions in major consuming countries; with production and beginning stocks up marginally, ending stocks are up more than 8%. The U.S. forecast has lower exports and consumption with higher ending stocks. The U.S. season-average farm price is lowered $0.01 to $0.59 per pound. The A-index and U.S. spot price have continued their downward momentum from last month and are down roughly 25% from January. Concerns over the COVID-19 outbreak have further depressed demand and slowed global business activity.



Dr. Don Shurley points out that last spring, about a year ago, the price was over $0.75. For "non-corona" reasons, prices then declined over 20% by early September. Then they began to improve during the harvest period. Around the first of the year, were back up over $0.70- gaining back to 93% of the previous high. Over the past 4 to 6 weeks, the price has declined almost 30% due mostly to coronavirus impacts. Prices are now the lowest they have been since the 2008 crop marketing year when cotton was in the low $0.40s. We all hope we don't see that again, but, that's the short answer. Prices are impacted by U.S. and

global economic fears due to the coronavirus pandemic, the resultant fear of weak demand and now this week's bearish USDA *Prospective Plantings* report.

The USDA report says that growers intend to plant 13.7 M acres of cotton this year, essentially no reduction from last season's 13.74 M acres. Most observers/analysts were expecting a 5% to 10% reduction in acres due to low prices. The National Cotton Council's Survey back in early February projected a drop in acres of 5.5%. The first official USDA estimate of actual acres planted will come out on June 30th. Unless price improves and approaches $0.68 or better or unless growers have confidence that the market will eventually get there, I expect actual acres planted to be close to the NCC number or less.

Dr. O.A. Cleveland notes that for the week ending April 3rd, weekly U.S. export sales report was supportive as were higher Chinese cotton prices, as well as the physiological sense that both cotton and the Dow Jones had possibly worked through a market bottom. Cotton has outlived three market attempts to keep prices in the $0.40s. Each attempt was short lived and mini rallies moved prices back to the $0.52-$0.53 price area. U.S. export sales remain very active and supportive. Look for the market to hold the $0.50 line throughout April. Unfortunately, for now, it is difficult to expect any price movement beyond $0.55 per pound. The fact that Chinese prices were higher at the end of the week gave the market enough momentum to hold its slight increase going into the weekend. This coupled with the unexpected very positive weekly US export sales report, added strength to late-week higher price action.

Exports were exceptionally strong given the coronavirus dilemma. Exports totaled 424,600 bales, well in excess of the average weekly requirement needed to reach the USDA's annual 2019-20 export estimate of 16.5 M bales. Additionally, China remains in the market for new crop exports. Too, current weekly shipments to China remain strong despite the tariff. Some 8.63 M bales have been shipped during the marketing year and the busy part of the export season is just now at hand. This places the export shipping rate some 21% ahead of the prior year's export pace. Further supporting a bit of a price rally is that some 12% of the exports this season have been to China compared to just 10% at the same time a year ago. The weekly on-call sales report indicated that mills were very aggressive this week in fixing the price of cotton they had purchased. This suggests that mills are finally believing that market prices have reached, or nearly reached, the low point for the season.

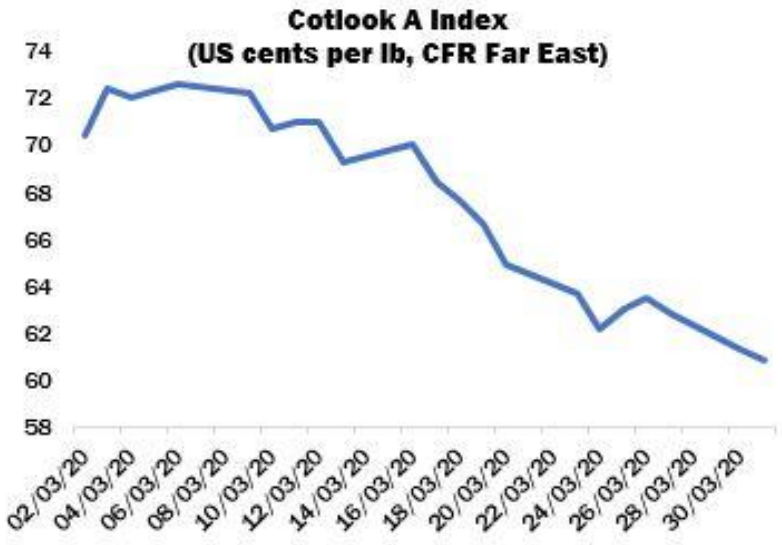
The April USDA forecast has world cotton consumption down 7.6 M bales (6.4%) from last month, the largest monthly change in consumption in the USDA's database. The unprecedented reduction is driven by the rapidly developing impacts of COVID-19 on countries around the world. It represents a loss of about 3-and-a-half weeks of global spinning or about 16% of the expected spinning March through July based on the USDA's March forecast. COVID-19-driven changes in behavior and regulations are significantly impacting the supply chain of the cotton sector. For example, cotton spinning in China fell by upwards of 90% during the height of the crisis in early March. Recent travel restrictions in India, Pakistan, and Vietnam are likely to have similar impacts on cotton supply and demand in the short-term. While spinning and other manufacturing sectors in China have begun to recover to some extent, the decline in consumers' global consumption of apparel is expected to limit any dramatic global recovery for spinners in this marketing year. The extent and length of the shutdowns of spinning mills in China, where COVID-19 arrived earlier, provides some basis for extrapolating impacts in other major cotton spinning countries such as India, Bangladesh, and Vietnam, as disruptions in the supply chain follow the spread of the virus. Reductions in consumption this month are spread across all consuming countries of note. In addition to physical disruption across the global supply chain from farm to retailer, global cotton end use (i.e., world retail sales of clothing and textiles) has plummeted amidst large portions of the global population limiting activity outside their homes and/or confined by stay-at-home orders and with many

"non-essential" businesses including apparel stores closed. The two largest importers of apparel, the European Union and the United States, have seen widespread closure of retail outlets, while three-quarters of the U.S. population are under travel restrictions. U.S. unemployment is rising at an unprecedented rate, leaving less income available for discretionary items such as apparel. Spending on clothing is highly correlated to changes in GDP. With expectations for unprecedented declines in global GDP for the first half of CY 2020, weak consumer demand is forecast to persist and negatively impact cotton demand. Retailers are responding to rapid declines in consumer spending by reducing and canceling orders for textiles and apparel worldwide. The severity and timing of consumer "demand destruction" will likely dictate how significant cotton consumption declines in the current marketing year and how long it may persist into 2020/21. Cotton prices have declined significantly in recent weeks, with the nearby ICE futures contract falling below $0.50 per pound for the first time in over a decade. This has pressured spinners as higher-priced cotton purchased earlier in the season arrives when current prices are now $0.10 to $0.20 per pound lower. Prices are expected to remain pressured with global consumption forecast at a 6-year low, world ending stocks at their highest level in five years, and stocks outside of China 25% above the previous record.

The USDA will release its first full set of estimates for the 2020/21 crop year next month. USDA planting estimates for the U.S. released at the end of March, suggested U.S. acres would be nearly unchanged year-over-year. If a similar pattern is maintained in other major producing countries for 2020/21, another major surplus could emerge next crop year. Such a surplus, when added to the high level of 2019/20 ending stocks that will be carried forward, makes the prospect of another price spike in the economic recovery that follows the current crisis appear unlikely.

Nonetheless, significant upward pressure may develop in garment sourcing costs. This upward pressure could result from competition for order completion. Competition can be expected to result from the traditional surge in demand through supply chains with lean inventories. However, the current downturn is already remarkable for the depth of its descent. Given the severity, a factor that could compound traditional price effects is that there could be fewer textile manufacturers in business to take orders. It remains to be seen what support measures may be offered to emerging markets and how many manufacturers in those countries may be forced to close. If closures are widespread, global manufacturing capacity may require several years to rebuild.

International cotton prices collapsed during March under the lead of a rapidly declining New York futures market. The A Index fell by some $0.095 per pound during the period, to end the month at $0.6090 pre pound, its lowest level for many seasons (and $0.13 below its nominal 30-year average). The Index has declined by almost 28% since the start of the calendar year. The pronounced fall in recent weeks was prompted by a slowdown of economic activity caused by the COVID-19 pandemic and the various measures taken to control its further spread.



Relief was provided from the almost constant decline of international prices mid-month, as governments in both the industrialized and developing world approved a range of financial relief packages, the scale of which is unprecedented. Futures and equity markets experienced a brief upturn but soon reversed direction to resume their downward trajectory.

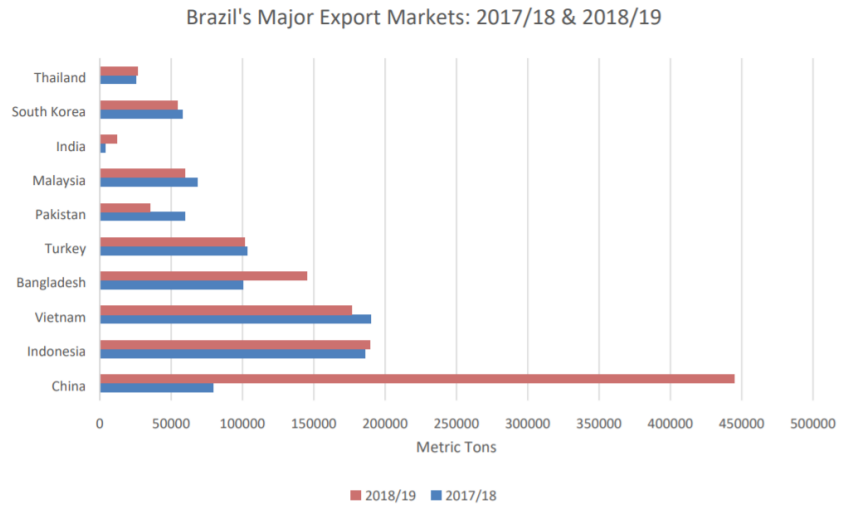
As the month progressed, commercial and industrial activity in many parts of the world was brought to a virtual standstill and retail demand for clothing and textiles contracted dramatically. As a result, garment exporters were faced with a wave of cancellations from major retailers and brands in Europe, North America and elsewhere. The effects were quickly felt in the upstream sectors of cotton textile supply chain. Demand for cotton yarn slowed sharply and spinners, in turn, requested that their raw cotton shipments against existing contracts be delayed. Market sentiment understandably turned extremely cautious and international raw cotton merchants tended to focus on execution of their existing contracts, rather than chasing new business.

China's State Reserve procurement program came to an end on March 31st. The Reserve acquired around 370,000 tons of Xinjiang 2019/20 high grade cotton from domestic sellers during the preceding four months (just over half of the maximum envisaged by the State Reserve). The exact volume of cotton now in state warehouses is difficult to ascertain, but it seems reasonable to assert that the amount in state hands is now in the region of 2.5 M tons, representing over 30% of our reduced estimate of Chinese consumption in the current season. Official customs data show that during the first two months of 2020, China's imports of raw cotton were slightly above 410,000 tons, down from over 500,000 during the same period last year, with over half of the quantity contributed by Brazil. The cumulative amount imported in the season so far is around 27% behind the same point in 2018/19.

U.S. export sales registrations continued their robust performance in the first half of March, registering several further marketing-year highs for upland lint. New sales to China were revealed, but also some cancellations of existing contracts. The total volume of both upland and Pima committed for export (to all destinations) by late March amounted to 94% of the USDA's projection for the season (16.5 M bales). Of that volume, 57% had been shipped.

In addition, the USDA expects that, due to the U.S.-China trade deal, Beijing will source more cotton from the U.S., and, invariably, that will come at the expense of Brazilian exports. Yet, despite the leveling off in demand, market experts anticipate that the majority of Brazil's cotton exports will continue to be destined for Asia in 2020/21.

The USDA revised its Brazilian export estimate by 100 thousand bales to 8.9 M bales for the 2019/2020 marketing year (MY, August 2019-July 2020). The estimated 50% annual export increase is based on the fact that more than 80% of the 2019/20 crop has been commercialized. In addition, as has been discussed in the price section of this report, an exceptionally weak Brazilian real – trading at R$ 5.12 to USD in mid-March as compared to R$ 3.9 to USD same time last year - is expected to boost sales for whatever remains to be contracted. Despite the optimistic outlook, there are several downside risks for the USDA's export estimate. First, with the Chinese economy reeling from the coronavirus pandemic, its cotton demand in the next several months is still a wildcard and may negatively affect shipments from Brazil toward the end of the season. Second, with a crash in oil prices, the demand for cotton fiber may see a dip in the next few months. Finally, there is a risk of disruption of logistics at the Port of Santos, which ships 95% of Brazil's cotton exports. Santos was already grappling with excess capacity in February due to strong demand, harvest delays, and excessive rainfall. Then, on March 18th, local media reported that dock workers were organizing a two-week strike to protest lack of protection and precaution measures against the spread of coronavirus at the port. The agricultural industry quickly appealed to the government to step in, and a hastily arranged agreement pledged to ensure that the port will stay open while operators will step up policies to protect the health of all personnel involved in port activities. Despite the apparent resolution, if the virus strikes the port workforce, there is significant potential for reduced operations and capacity, if not outright shuttering of exports. Notably, even if Brazil were to not export any more cotton at all this marketing year, the export volume for the first seven months of this season- 7 M bales - has already surpassed the total volume of 6 M bales shipped in 2018/19. In terms of cotton export destinations, China is set to remain the main buyer of Brazilian cotton, followed by a cluster of consumers in Asia. In the last marketing season, China emerged as the dominant buyer of Brazil's cotton, importing twice as much as Brazil's next biggest buyer. As such, although China's demand is expected to slow, Post anticipates that China will continue to be the largest buyer. Notably, so far this marketing season, China imported over 515,000 MT of cotton from Brazil, which is more than twice as much as Brazil's second biggest buyer, Vietnam at over 216,000 MT.



Data Source: Foreign Trade Secretariat, SECEX

USDA NASS 2020 Prospective Plantings Report Summary

Principal Crops: Area Planted and Harvested - Louisiana and United States: 2019 and 2020

Crop	Louisiana			United States		
	2019	2020 [1]	Percent of previous year	2019	2020 [1]	Percent of previous year
	(1,000 acres)	(1,000 acres)	(percent)	(1,000 acres)	(1,000 acres)	(percent)
Corn	570.0	680.0	119	89,700.0	96,990.0	108
Cotton, upland	280.0	230.0	82	13,508.0	13,475.0	100
Hay, all [2]	390.0	420.0	108	52,425.0	53,283.0	102
Rice, all	425.0	430.0	101	2,540.0	2,847.0	112
Long Grain	370.0	390.0	105	1,778.0	2,100.0	118
Medium Grain	55.0	40.0	73	728.0	706.0	97
Soybeans	890.0	980.0	110	76,100.0	83,510.0	110

[1] Intended plantings in 2020 as indicated by reports from producers.
[2] Intended area for harvest in 2020 as indicated by reports from producers.

Crop Insurance Projected Price Guarantees - 2020 CY

Using crop insurance as a benchmark, the long-grain projected price for 2020 is $12.20/cwt. compared to $10.80 last year. The soybean price guarantee is 24 cents less than a year ago at $9.31. Corn and cotton price guarantees are lower this year as well at 5 cents and 4 cents, respectively. Rice is the only commodity to see price improvement. The table below present the 2020 springtime projected price guarantee and the nearby futures harvest month. For producers who purchased revenue protection policies, only a minor yield decline could result in an indemnity being produced for coverage levels in excess of 70% buy-up protection.

Crop Insurance Projected Prices for 2020 in Louisiana with April 9th harvest month futures price.

Crop	*2020 Projected Price*	*Harvest Contract Futures Price*	*Guarantee to Harvest Change*
Corn	$3.92	$3.51	-$0.41 (-11%)
Cotton	$0.70	$0.5596	-$0.14 (-20%)
LG Rice	$12.20	$12.07	-$0.13 (-1%)
Soybeans	$9.31	$8.75	-$0.56 (-6%)

PLC Farm Program Payment Projections - 2019 CY

The table below projects the national marketing year average prices for purposes of the Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	*2019/20 MYA Price**	*Effective Reference Price*	*2019 CY PLC Payment Rate*
Corn	$3.60	$3.70	$0.10
Grain Sorghum	$3.25	$3.95	$0.70
Long Grain Rice	$12.20	$14.00	$1.80
Medium Grain Rice	$11.90	$14.00	$2.10
Seed Cotton	$0.2963	$0.3670	$0.0707
Soybeans	$8.65	$8.40	--
Wheat	$4.60	$5.50	$0.90

*national marketing year average (MYA) prices reflect the midpoint price level from the April 9, 2020 WASDE report.

ARC-CO Farm Program Price Parameters - 2019 CY

The table below presents the five-year Olympic average national marketing year average prices for purposes of the Agriculture Risk Coverage (ARC-CO) program in addition to the projected national MYA price used for in the calculation of actual county (parish) revenue. An ARC-CO program payment is triggered when the actual parish revenue for a particular commodity falls below that commodity's historical revenue guarantee. ARC-CO farm program payments are capped at 10% of the benchmark revenue. The payment rate is then made on 85% of base acres. No individual farm level production data is used for the purposes of ARC-CO program payment calculation.

Covered Commodity	*2019/20 MYA Price**	*2019 ARC-CO Benchmark Price (5-yr Olympic Average)*
Corn	$3.60	$3.70
Grain Sorghum	$3.25	$3.98
Long Grain Rice	$12.20	$14.00
Medium Grain Rice	$11.90	$14.00
Seed Cotton	$0.2963	$0.3670
Soybeans	$8.65	$9.63
Wheat	$4.60	$5.66

*national marketing year average (MYA) prices reflect the midpoint price level from the April 9, 2020 WASDE report.

Sources: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), AgDay, Ag Fax Media, Ag Market Network, Agri-Pulse, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, CME Group, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Iowa State University, LSU AgCenter, National Cotton Council, Pro Farmer, Reuters, Rice Market Letter, Southeast Farm Press, Successful Farming, University of Illinois, U.S. Grains Council, USA Rice Federation, U.S. Soybean Export Council, and the Wall Street Journal.

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