Grain & biofuel markets in 2015


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The grain market outlook for 2015 is dominated by 9 factors:

1) Record yields in 2014 have produced surpluses, but they are only large by recent standards.

2) There are very solid demand bases for both corn and soybeans in the US.

3) Current prices are at or below cost of production for corn, particularly.

4) The strong demand base for corn means that plantings in 2015 must remain the same, and possibly increase, for supplies to remain ample.

5) Lower gasoline prices and lower corn prices have largely offset one another now as far as profitability.

6) Lower gasoline prices will blunt price spikes in corn if a short crop emerges in 2015, as profitability will end earlier.

7) Soybean export demand remains extremely strong on continually expanding global protein demand.

8) With EU, Chinese & Japanese economies slowing, to what extent will that threaten demand? Some, but at current growth rates, some loss of demand growth will not strongly affect prices.

9) Long Term price of corn is probably 3.50-4.00, soybeans 9-10.