

# RETAC – October 26, 2022

Mark Huston  
Louis Dreyfus Company LLC

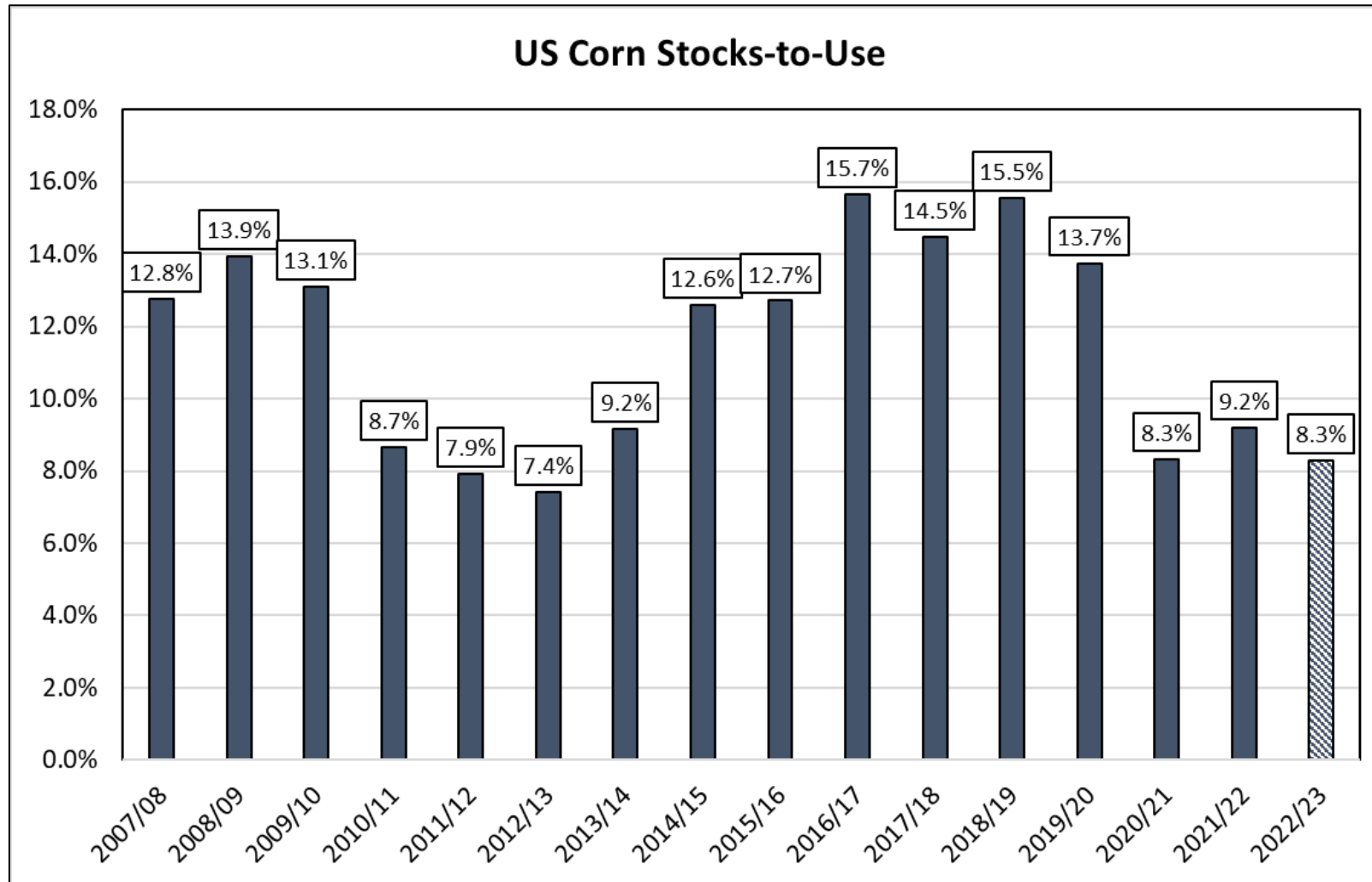
# US Corn Supply and Demand: 22/23 Carryout Forecast Lowest Since 2012/13 on the Back of Reduced Production Prospects

USDA US Corn Balance Sheet (Million Bushels/Million Acres)												Oct WASDE
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Planted Acres	91.9	97.3	95.4	90.6	88.0	94.0	90.2	88.9	89.7	90.7	93.3	88.6
Harvested Acres	83.9	87.4	87.5	83.1	80.8	86.7	82.7	81.3	81.3	82.3	85.3	80.8
Yield	146.8	123.1	158.1	171	168.4	174.6	176.6	176.4	167.5	171.437	176.7	171.9
Beginning Stocks	1,128	989	821	1,232	1,731	1,737	2,293	2,140	2,221	1,919	1,235	1,377
Production	12,314	10,755	13,831	14,217	13,602	15,148	14,609	14,340	13,620	14,111	15,074	13,895
Imports	29	160	36	32	68	57	36	28	42	24	24	50
Total Supply	13,471	11,904	14,688	15,481	15,401	16,942	16,939	16,509	15,883	16,055	16,333	15,322
Feed and Residual Use	4,512	4,309	5,004	5,287	5,118	5,468	5,304	5,427	5,900	5,597	5,715	5,275
Food, Seed & Industrial Use	6,431	6,044	6,531	6,595	6,647	6,885	7,057	6,793	6,286	6,471	6,769	6,725
Ethanol Corn Grind	5,000	4,641	5,124	5,200	5,224	5,432	5,605	5,378	4,857	5,033	5,328	5,275
Total Domestic Use	10,943	10,353	11,535	11,883	11,765	12,353	12,361	12,220	12,187	12,068	12,484	12,000
Exports	1,539	730	1,921	1,867	1,899	2,296	2,437	2,068	1,777	2,753	2,471	2,150
Total Use	12,482	11,083	13,456	13,750	13,664	14,649	14,798	14,288	13,964	14,821	14,956	14,150
Ending Stocks	989	821	1,232	1,731	1,737	2,293	2,140	2,221	1,919	1,235	1,377	1,172
Stocks-to-Use	7.9%	7.4%	9.2%	12.6%	12.7%	15.7%	14.5%	15.5%	13.7%	8.3%	9.2%	8.3%

- 2021/22 carryout was finalized at 1,377 million bushels, which was tighter than market expected
- Latest production estimate from USDA indicates production second lowest of the past five years, only ahead of 2019 with yield now sub-172 bushels per acre
- Quite a few uncertainties still ahead for 2022/23: final yield (anymore downside in the southwest?), Ukraine corridor (and implications for exports), and further reductions to demand at current prices
- The last *WASDE* contained 125 million bushel cut to total use driven by reductions for exports and ethanol grind...both ones to continue to watch with export sales off to a slow start

# US Corn Stocks-to-Use: Projected to Decrease for 2022/23

- 2021/22 stocks-to-use finalized at 9.2%...despite lower production expected for 2022, early expectation is for stocks to use to be around 20/21 levels at 8.3% with recent cuts to demand. This would be on the tighter side historically with only 2011/12 and 2012/13 lower

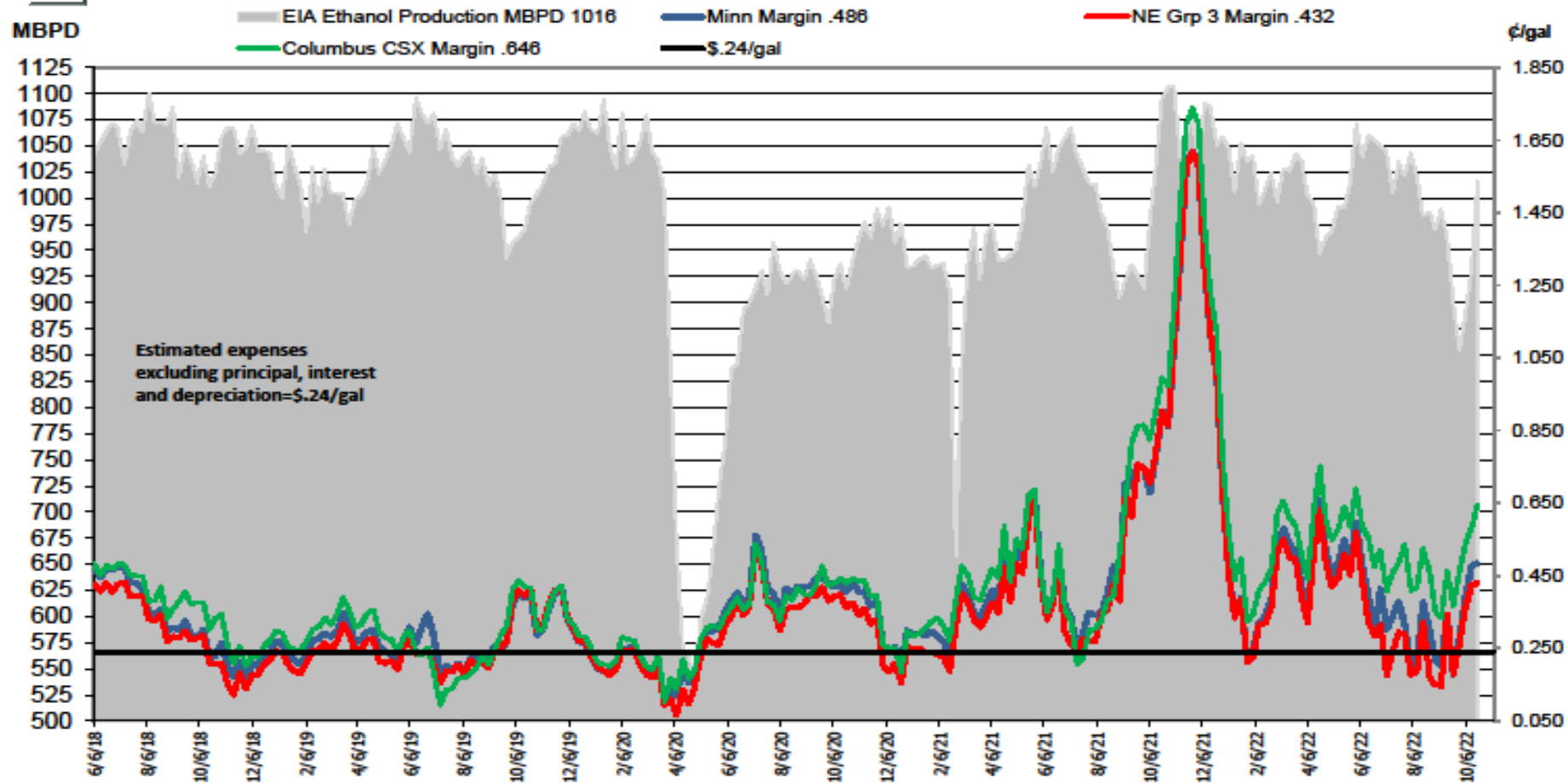




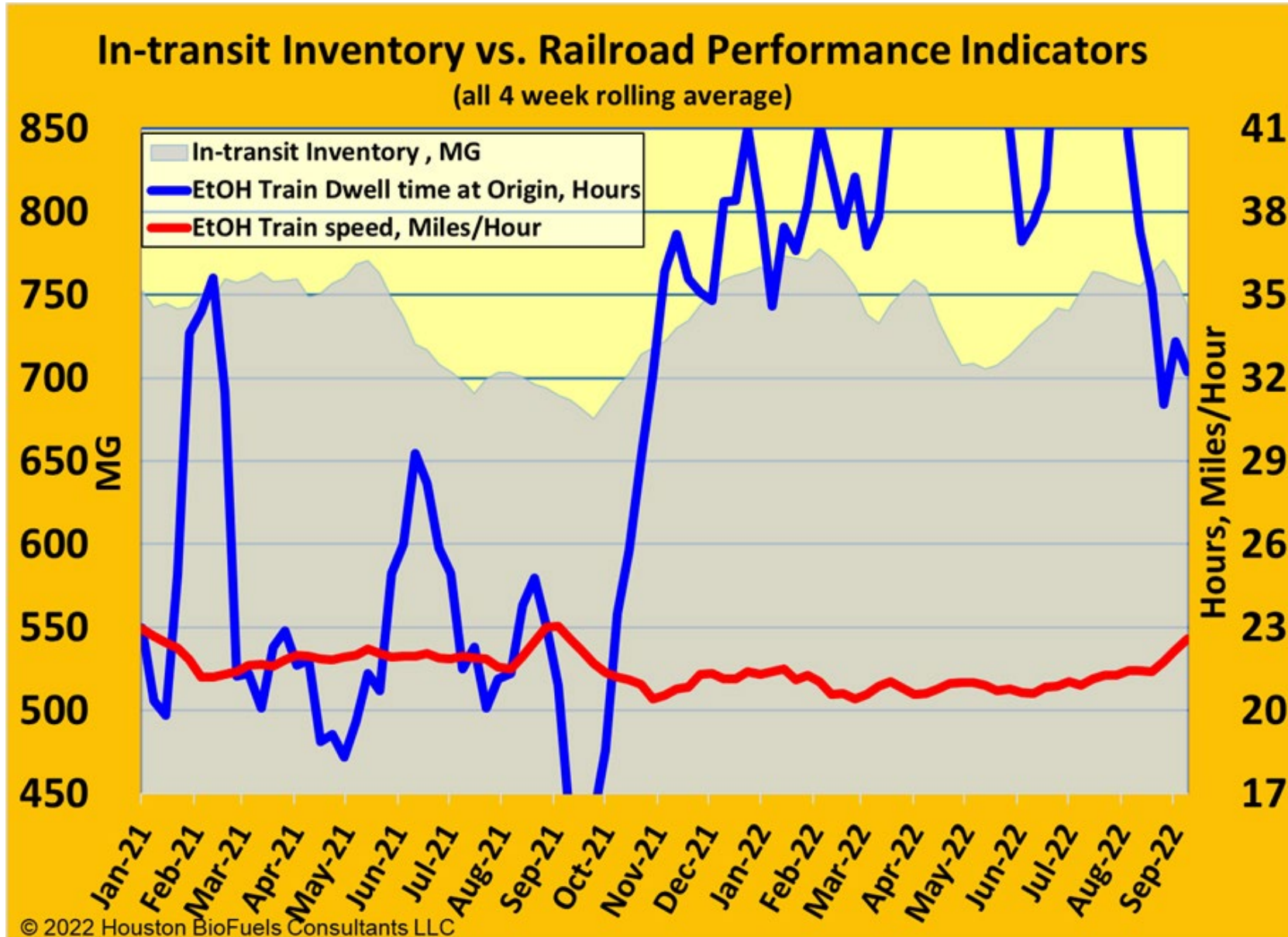
John Stewart  
AND ASSOCIATES

### ETHANOL GROSS MARGIN\*

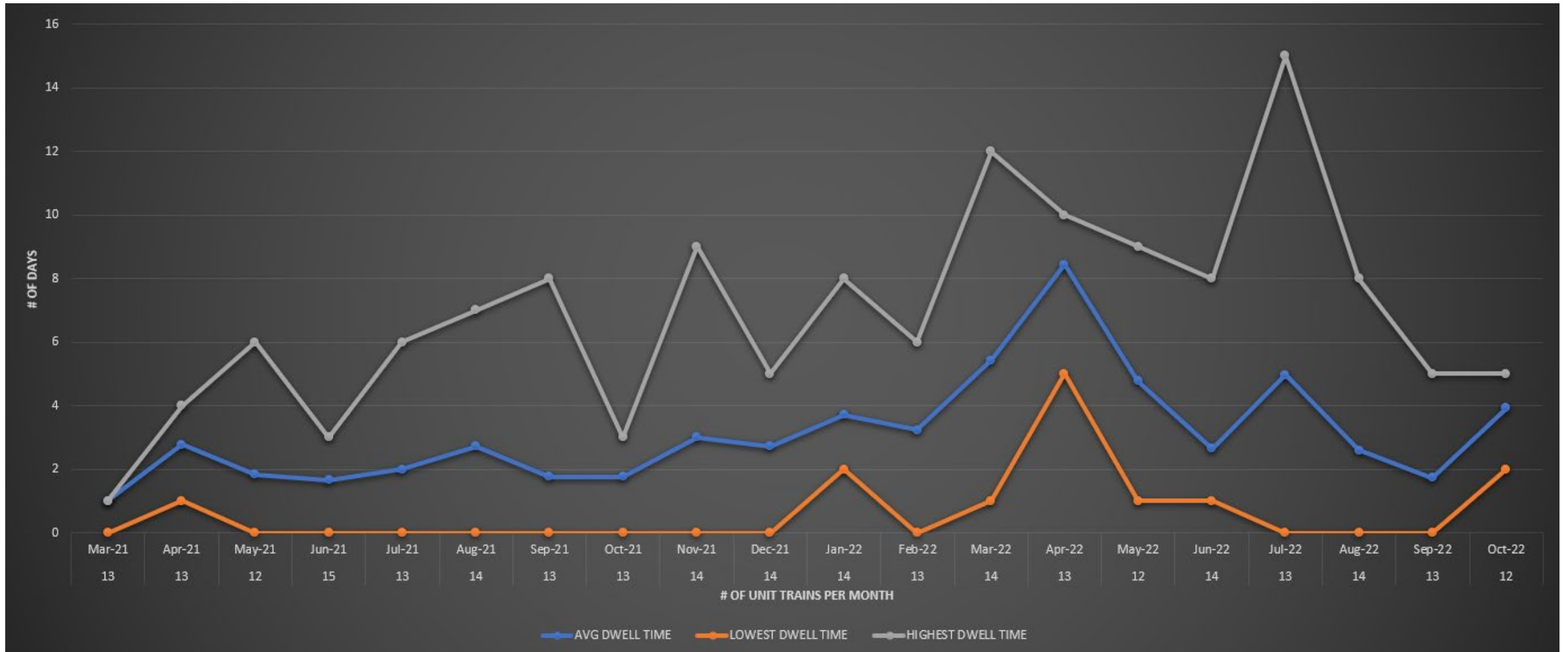
10/19/22



\*Gross Margin: Inputs: nearby com futures/basis and nearby natural gas futures + .20 Outputs: DDGS (90% of cash com) and eastern com belt @ Chicgo ethanol price with the western com belt @ -12 Chicago. Corn Basis: Columbus 0+Z, Minnesota 15+Z, Nebraska 35+Z

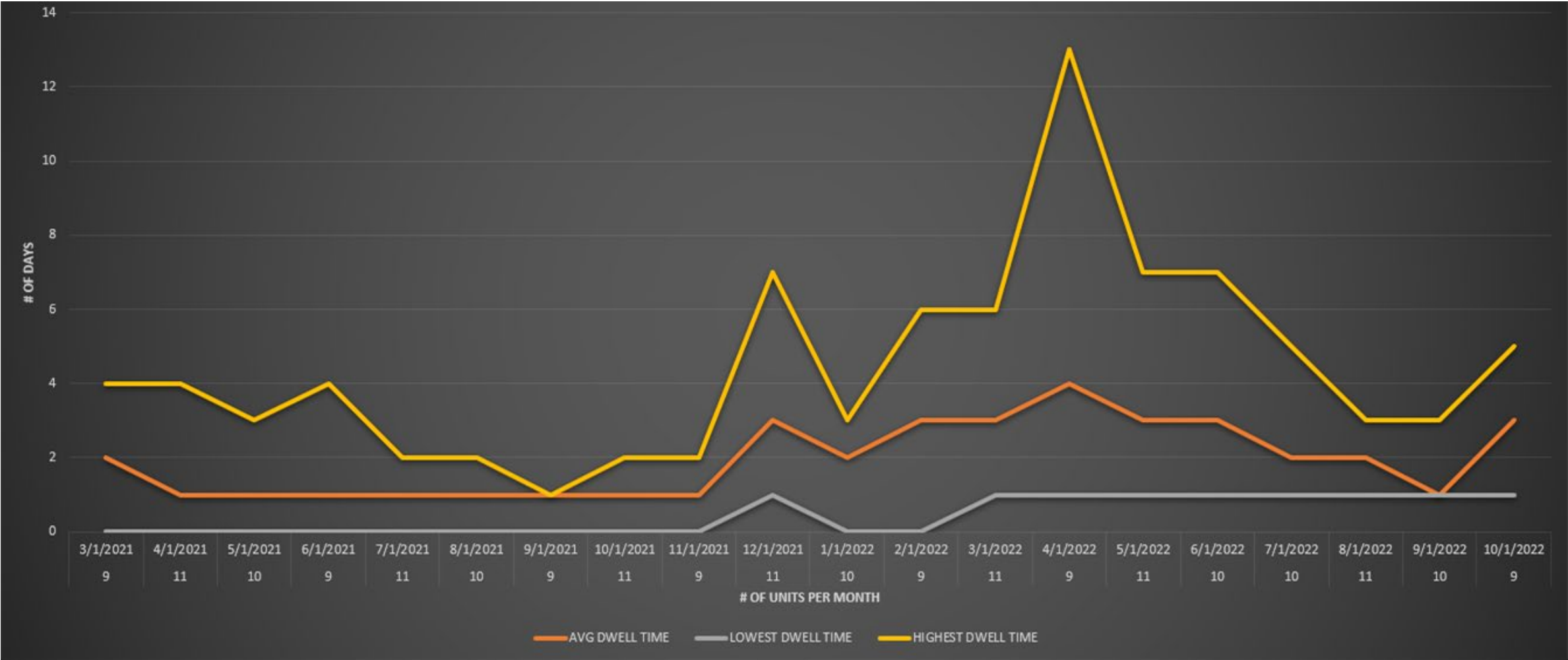


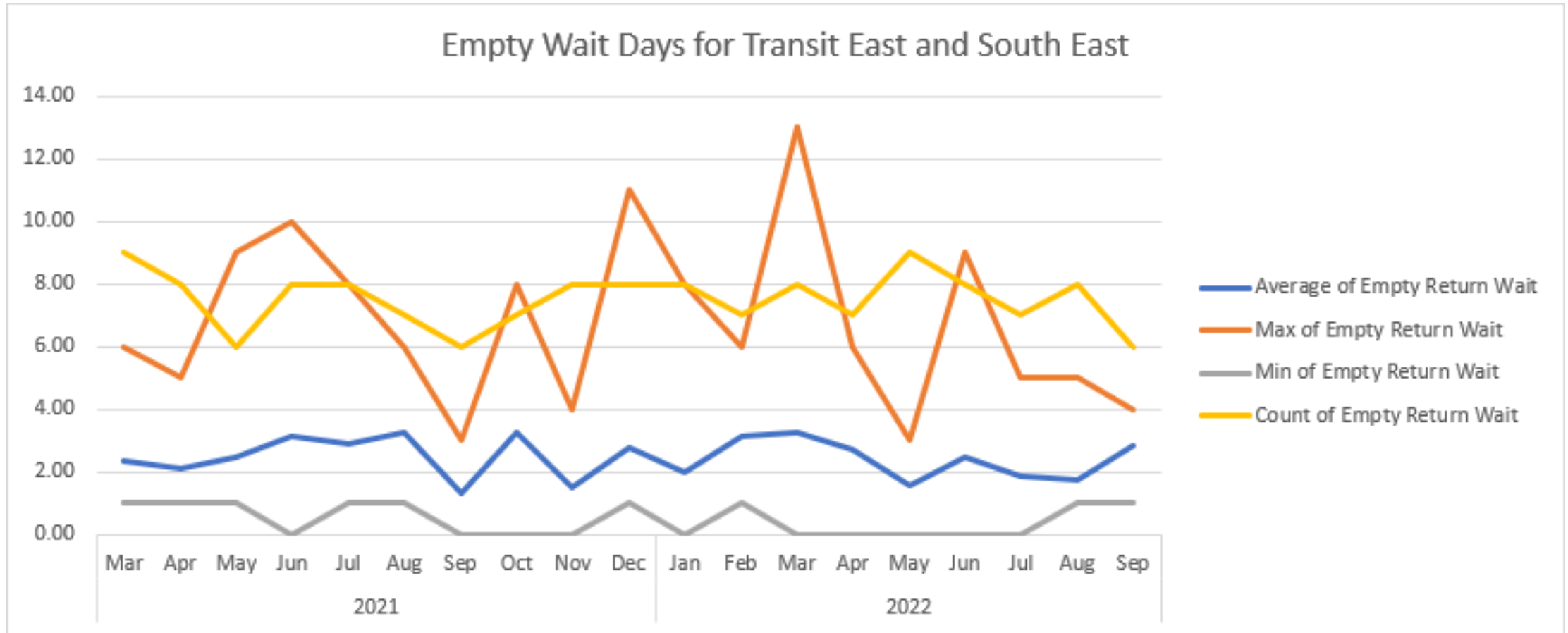
# UP DWELL TIME AT ORIGIN - IOWA





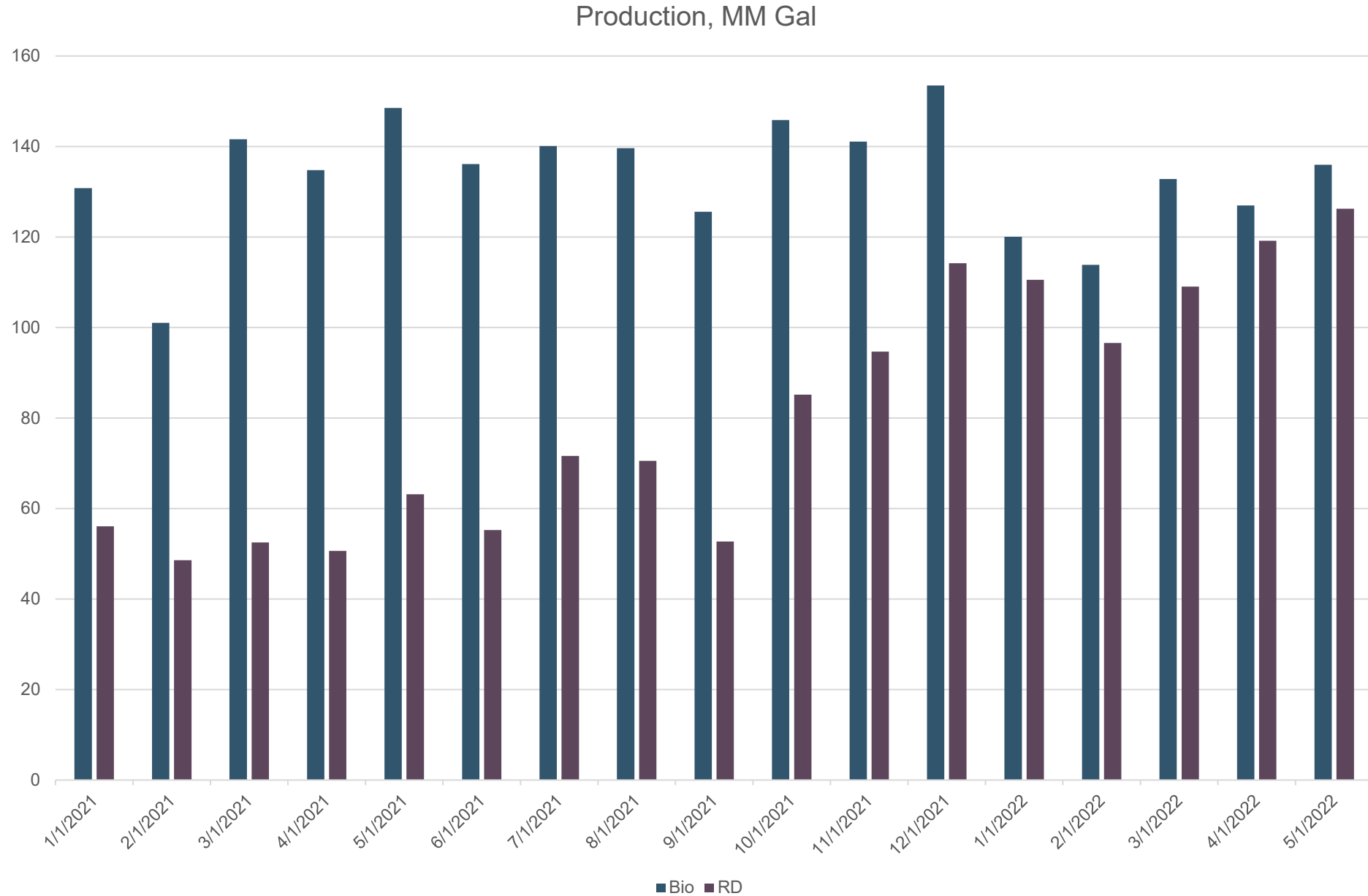
# BNSF DWELL TIME AT ORIGIN- SOUTH DAKOTA/NEBRASKA





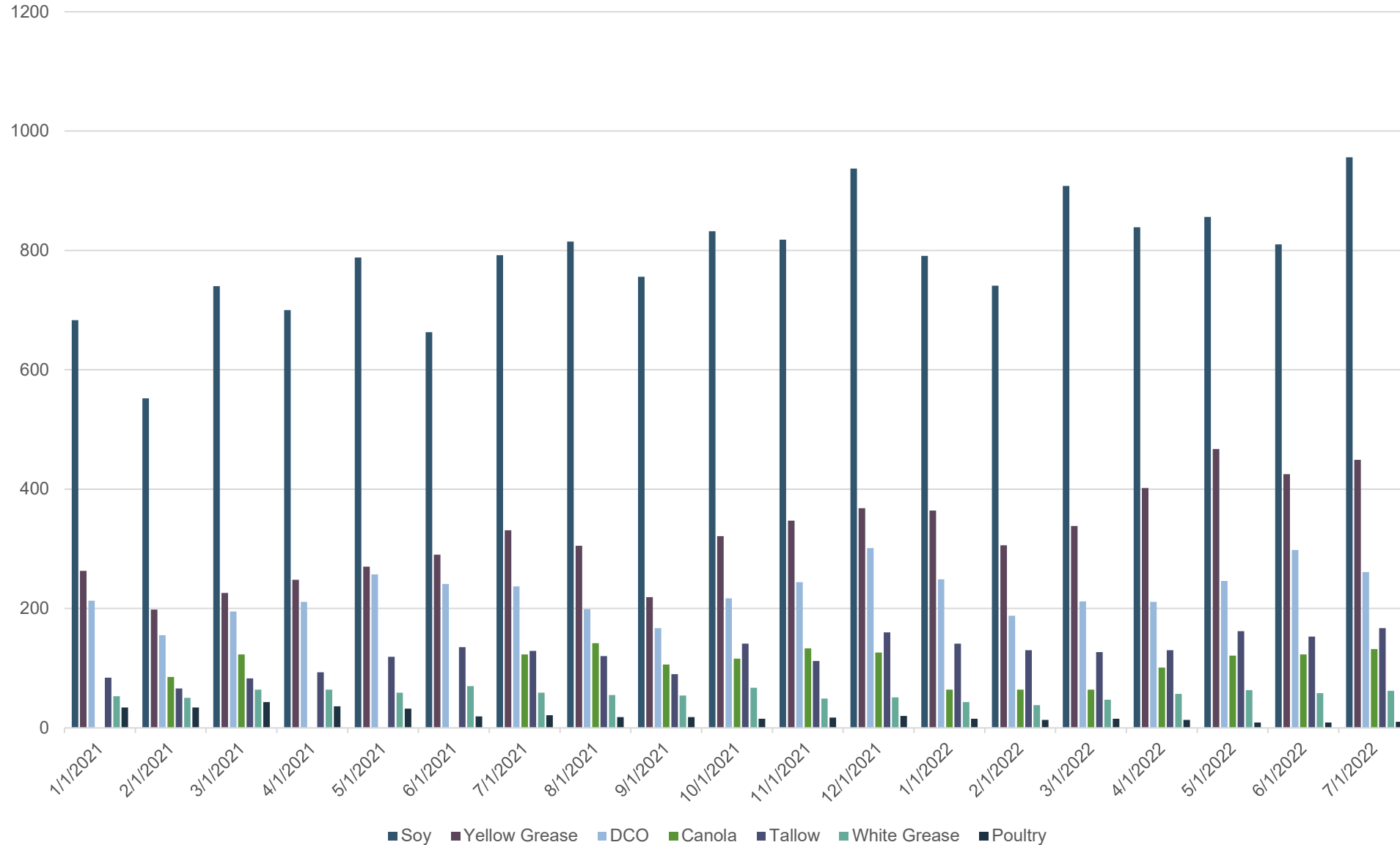


# BIO & RENEWAL DIESEL PRODUCTION



# BIO & RENEWAL DIESEL FEEDSTOCKS

## Feedstocks, MM Lbs



- Ethanol exports thru July at 870 mill gals. Estimate for a 1.3 to 1.5 bill gal export total
- Ethanol margins are supportive of the business with eastern corn belt experiencing the highest margins
- Biodiesel margins are supportive of run rates at near capacity. BD bi-products, glycerin, has seen record high prices
- Renewable Diesel will see an additional 1 bill gal of capacity come online (>100% increase) over the next couple years. Projected buildout over next five years to a total of 5.0 bill gals. CA and WA only two states with implemented programs to date. OR will most likely be next.
- Lease car supply very tight and getting very expensive. Federal mandate on DOT 111”s approaching in May 2023. Some producers are scrambling to find compliant tank cars
- Rail service has improved since winter/springtime period. Competing commodities are starting to challenge rail capabilities. Release to departure times have significantly increased over the past several months.
- Forty-year low water levels on the MS River system is creating major disruptions to Marine navigation. Water levels are sub-nine feet in some areas with water levels dropping daily. Forecast has no significant weather events to improve the current situation

# CURRENT RIVER LEVELS

*MOUND CITY, IL*



# CURRENT RIVER LEVELS

HICKMAN, KY

