

Ag Equipment Intelligence

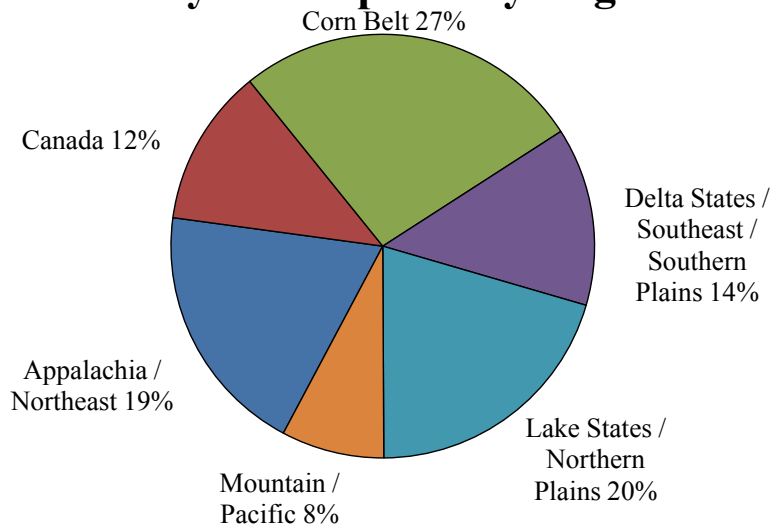
April 2016 Dealer Sentiments &
Business Conditions Update

Monthly Ag Equipment Intelligence North American Dealer Survey

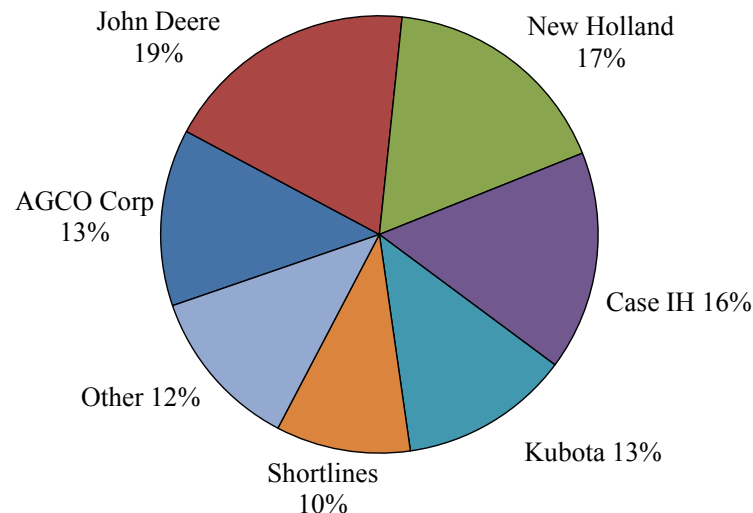
Background:

- We are pleased to announce the results of the March Ag Equipment Intelligence survey conducted in partnership with Cleveland Research Company. We hope this monthly survey will provide valuable and timely insight into industry trends and fundamentals.
- The March survey had ~275 respondents representing combined annual revenues of roughly \$8 billion. Participants representing a broad cross section of geographies and brands are summarized in the charts below.

Survey Participants by Region



Participants by Brand



Appalachia / Northeast – CT, DE, KY, MA, MD, ME, NC, NH, NY, NJ, PA, RI, TI, TN, VA, VT, WV, **Corn Belt** – IL, IN, IA, MO, OH, **Delta States / Southeast / Southern Plains** – AL, AR, FL, GA, LA, MS, OK, SC, TX, **Lake States / Northern Plains** – KS, MI, MN, NE, ND, SD, WI, **Mountain / Pacific** – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. Note AGCO represents Massey Ferguson and Challenger brands. *Note regions have been condensed.

Highlights / Summary Thoughts

- **Sales** – Average dealer sales were reported down 13% in March, slightly worse than the 12% decline reported in February. A net 8% of dealers missed their sales budget in March, making for the 24th consecutive month of net budget misses. A net 37% of dealers reported a sales decline in the month vs a net 40% citing a decline in February. Commercial and consumer lawn equipment sales continue to show strength, while large equipment demand remains very weak.
- **Outlook** – The full year 2016 dealer average sales growth forecast was reported at down 11%, a slight drop from the down 10% forecast in February with a net 33% of dealers forecasting a sales decline for the year vs a net 42% forecasting a decline last month.
- **Inventory** – A net 39% of dealers reported new equipment inventories as too high, an improvement from the net 42% in February. Used inventory levels were better than February, as a net 27% of dealers reported inventory as too high vs. 40% last month. Used combine inventory has worsened in the past several months after improving throughout 2015.
- **Pricing** – Dealers reported relatively flat new equipment pricing following a slight uptick in 4Q (~0.5-1.0%) as Tier 4 sales and OEM price increase have been offset by greater discounting at the dealer level. Used large tractor pricing is reported down 6% y/y on average, a slight improvement from the 7% decline reported in February, while small tractor pricing was up ~1% in the month. Used combine prices were reported down 11%, a slight improvement from the 14% decline reported in February.

Monthly Sales Growth

- Average dealer sales were reported down 13% y/y in March, roughly inline with the prior two months as 1Q sales decline 13% y/y. A net 8% of dealers missed their sales budgets in March, the lowest miss since 3Q15 as dealers expectations have come down for the year.
- A net 11% of dealers report they are less optimistic about overall business conditions, making for 2 consecutive years of a deterioration in optimism.

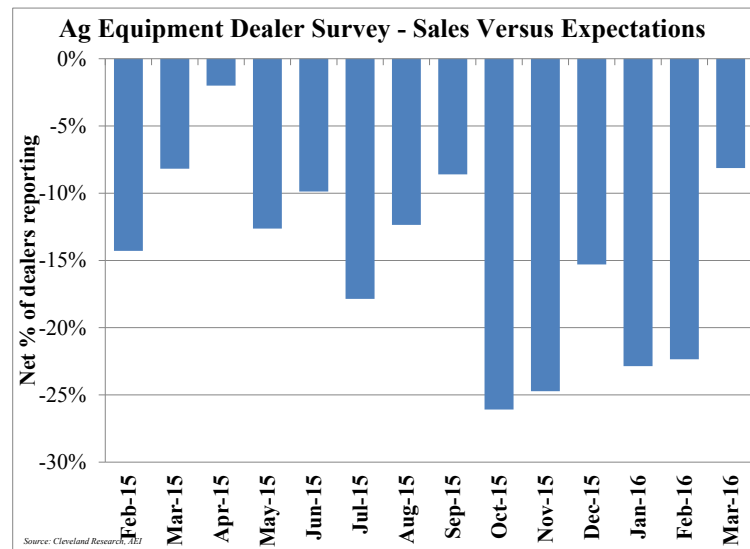
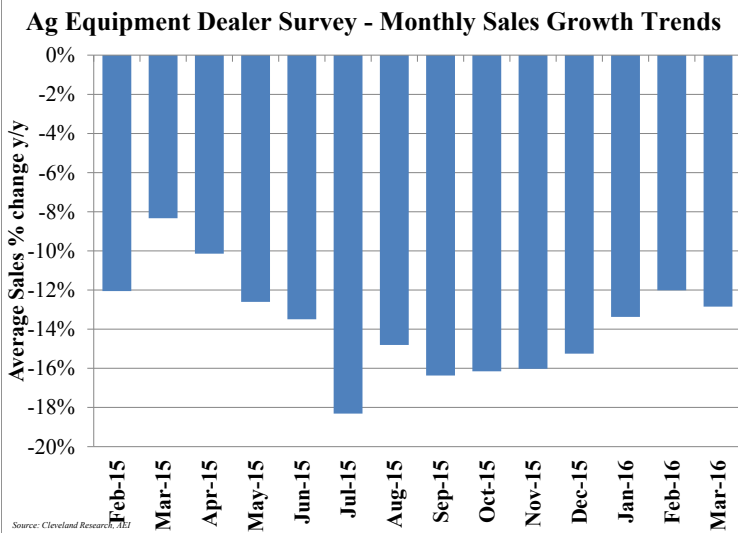
N. American Farm Equipment Dealer Survey - Average Dealer Sales Growth														
% Change y/y	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
AGCO	3%	-8%	-1%	4%	-12%	-24%	-13%	-14%	-22%	-27%	-9%	-13%	-7%	-18%
John Deere	-22%	-8%	-11%	-15%	-14%	-19%	-14%	-15%	-16%	-12%	-16%	-11%	-11%	-13%
New Holland	-5%	-3%	-2%	-7%	-5%	-17%	-12%	-23%	-14%	-13%	-15%	-11%	-10%	-15%
Case IH	-10%	-13%	-16%	-19%	-19%	-17%	-19%	-20%	-19%	-22%	-18%	-18%	-20%	-15%
Kubota	-6%	-4%	-1%	0%	0%	0%	-3%	-2%	2%	-5%	-13%	-8%	0%	8%
Shortlines/Other	-4%	-18%	-8%	-6%	-16%	-7%	-38%	-7%	-9%	-8%	-8%	-9%	-1%	-4%
Total	-12%	-8%	-10%	-13%	-13%	-18%	-15%	-16%	-16%	-16%	-15%	-13%	-12%	-13%

Source: Cleveland Research, AEI

N. American Farm Equipment Dealer Survey - Sales Versus Expectations														
% of Dealers Reporting	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Better than expected	13%	20%	27%	23%	21%	18%	16%	19%	15%	12%	19%	12%	15%	20%
In line with expectations	59%	50%	44%	39%	48%	45%	56%	53%	43%	51%	47%	52%	47%	52%
Worse than expected	28%	28%	29%	36%	31%	36%	28%	28%	41%	37%	34%	35%	38%	28%
Net % (Better - Worse)	-14%	-8%	-2%	-13%	-10%	-18%	-12%	-9%	-26%	-25%	-15%	-23%	-22%	-8%

Source: Cleveland Research, AEI.

Monthly Sales Growth Continued



N. American Farm Equipment Dealer Survey - Average Dealer Revenue Growth Trends

% of Dealers Reporting	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Positive Sales Growth	13%	20%	27%	29%	26%	20%	19%	24%	20%	16%	18%	14%	20%	23%
Flat Sales	59%	50%	11%	17%	11%	16%	16%	16%	15%	17%	10%	22%	20%	17%
Negative Sales Growth	28%	28%	62%	54%	63%	64%	65%	60%	65%	67%	72%	64%	60%	60%
Net % Reporting Growth	-14%	-8%	-35%	-25%	-37%	-43%	-46%	-35%	-46%	-52%	-54%	-50%	-40%	-37%
Average % Change y/y	-12%	-8%	-10%	-13%	-13%	-18%	-15%	-16%	-16%	-16%	-15%	-13%	-12%	-13%

Source: Cleveland Research

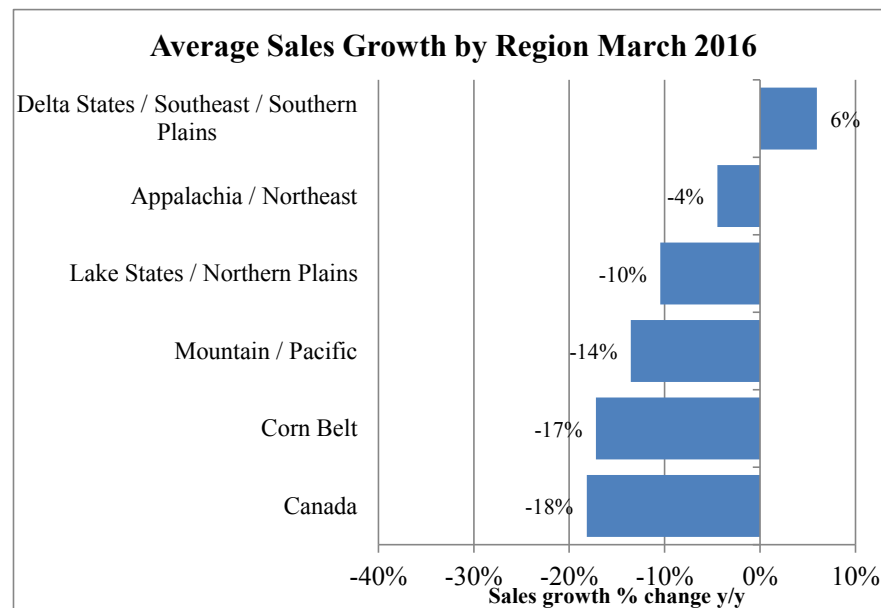
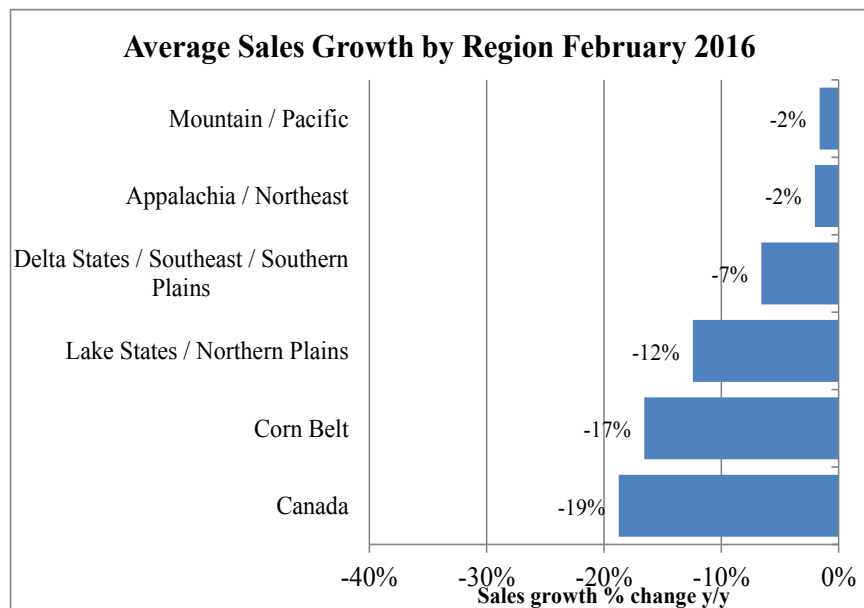
Optimism/Sentiment vs. Last Month

% of Dealers Reporting	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
More Optimistic	9%	14%	14%	12%	13%	14%	11%	12%	8%	10%	8%	11%	13%	17%
Same	50%	42%	47%	48%	58%	52%	45%	51%	60%	52%	48%	46%	51%	55%
Less Optimistic	41%	43%	40%	40%	30%	35%	43%	37%	33%	38%	44%	43%	36%	28%
Net % Dealer Optimism	-31%	-29%	-26%	-26%	-18%	-21%	-32%	-26%	-25%	-28%	-35%	-31%	-24%	-11%

Source: Cleveland Research

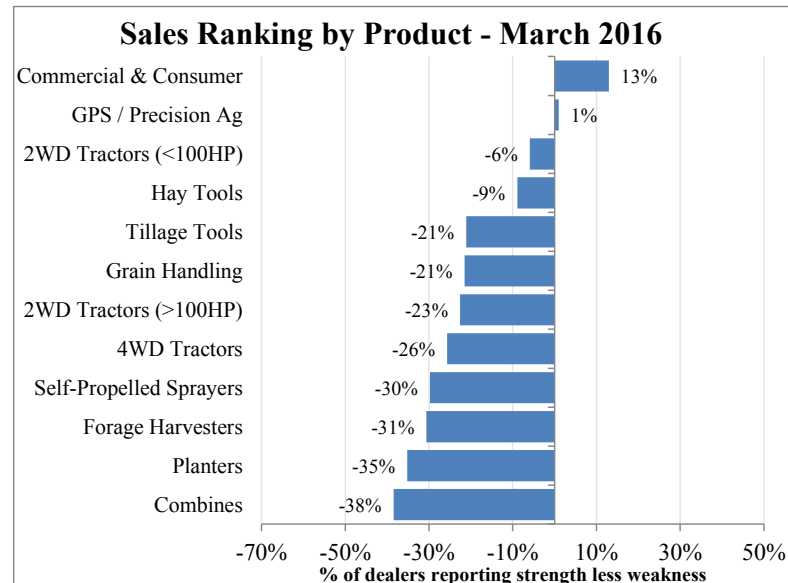
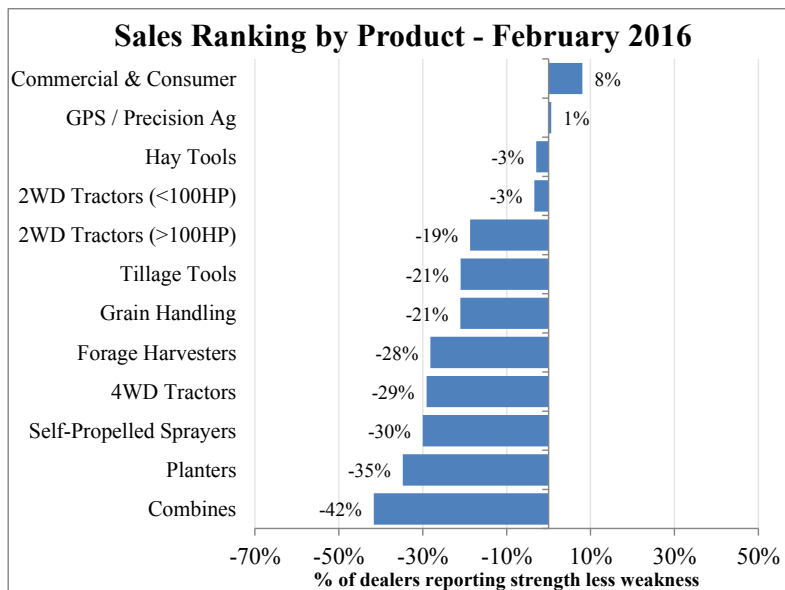
Monthly Sales Growth by Region

- Sales were down in most regions in March with the Delta States / Southeast / Southern Plains being the exception at 6% y/y growth. Canada and the Corn Belt remain the weakest regions with sales down 18% and 17%, respectively. The Mountain / Pacific region showed the greatest change in the month falling 14% y/y after only declining 2% in February.

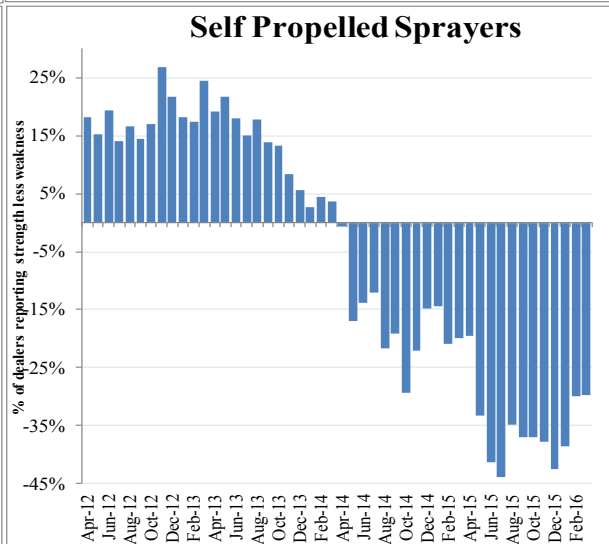
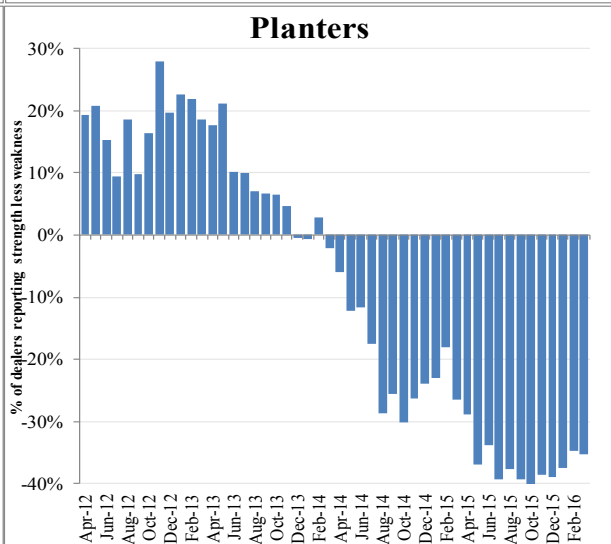
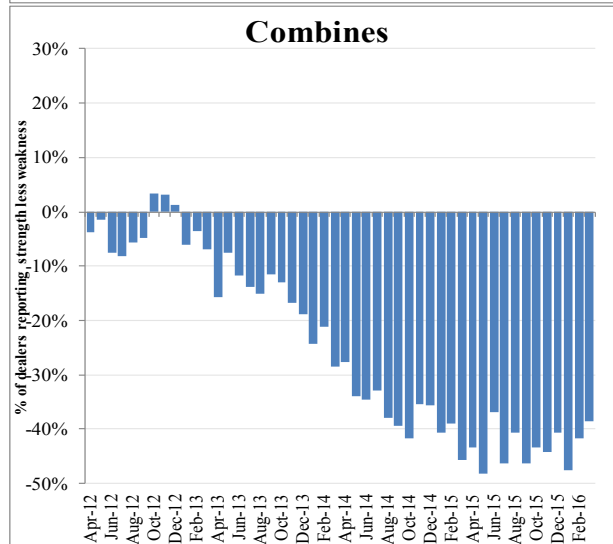
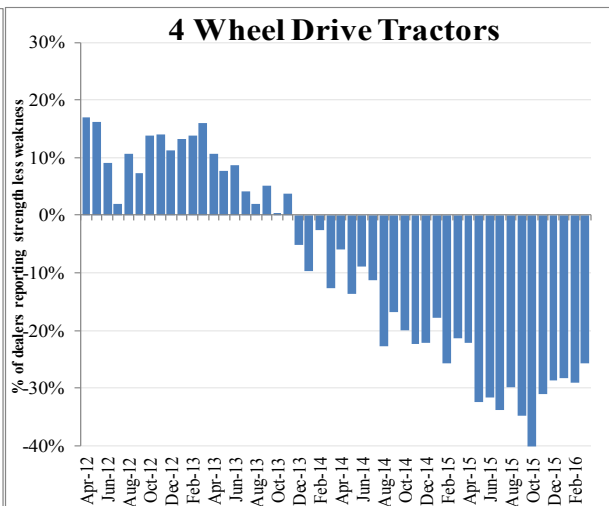
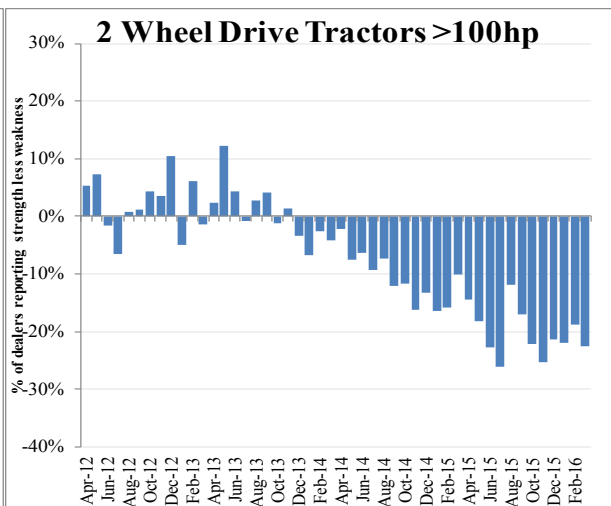
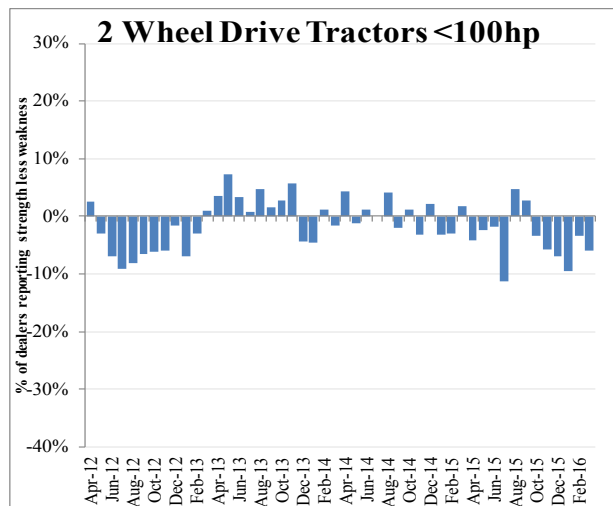


Equipment Category Sales Trends

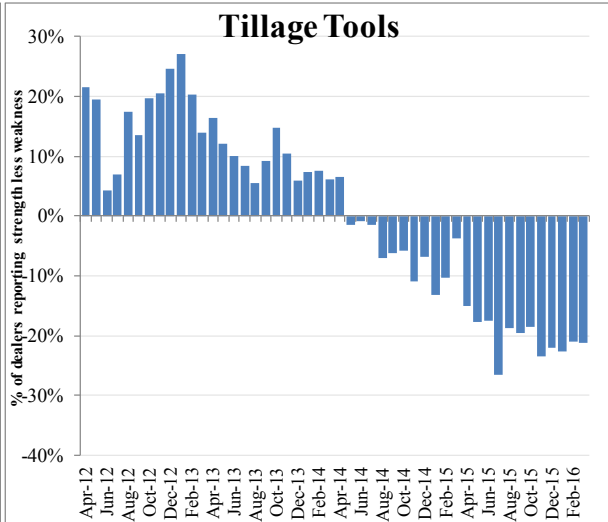
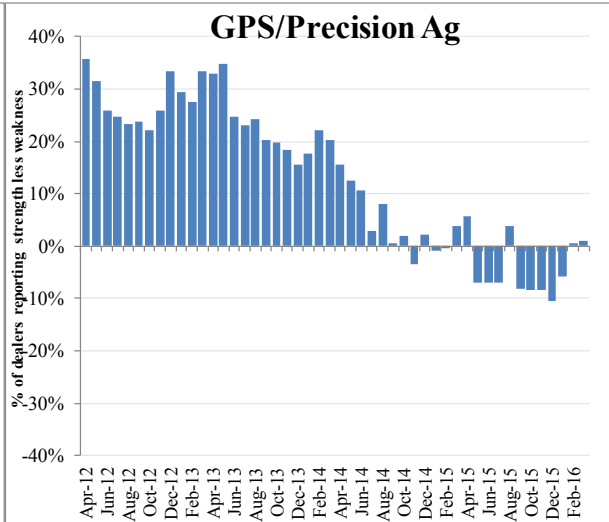
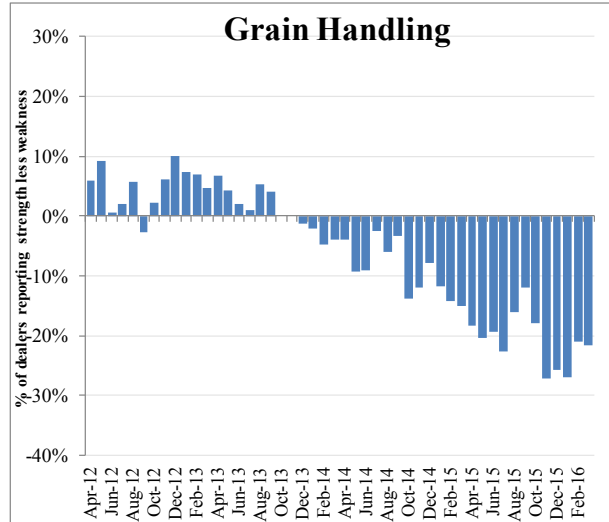
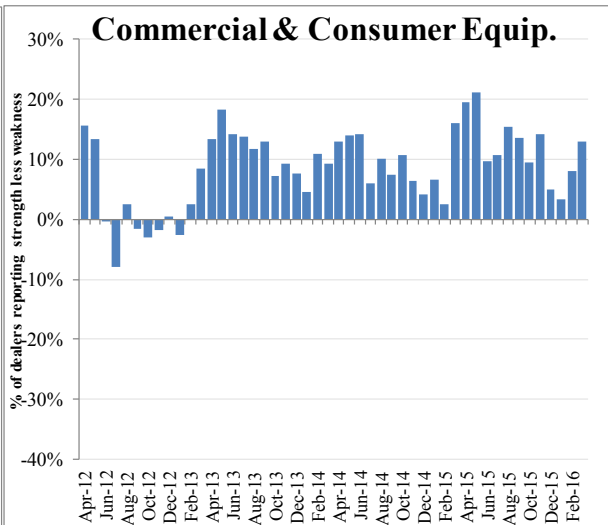
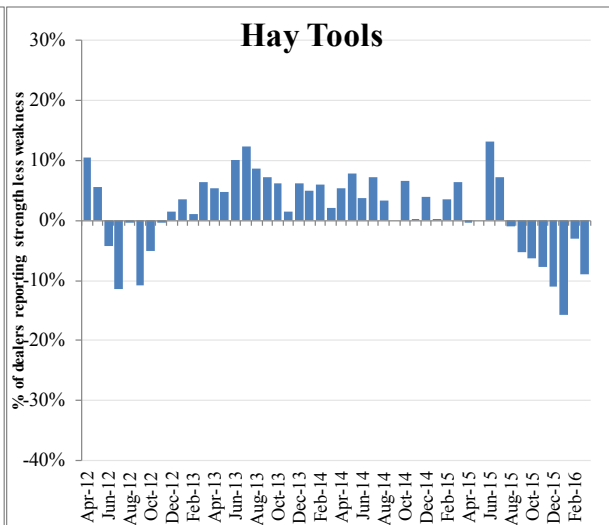
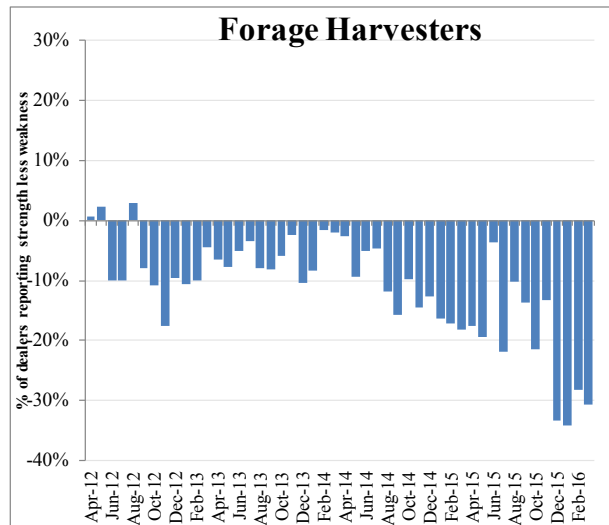
- Commercial & consumer lawn equipment continues to show strength in contrast to declines in other categories (combines, planters, and sprayers in particular). We continue to see significant headwinds to large equipment sales.



Equipment Category Sales Trends



Equipment Category Sales Trends (Continued)



Most Interesting Commentary - Monthly Sales and Outlook

- *We haven't seen the "good weather rush" in our area, but remain hopeful that April could be different. Last year Farmer's hope for better crop prices and strong yields was able to overcome low grain prices in the spring. There is a lot less hope in the air today, however.*
- *We continue to be plagued by low traffic, despite increased advertising and farm visits. It seems there is little we can do to get the ball rolling.*
- *The first half of the month was dead for our business, but as the weather improved at the end of March we did see a bit of a pick-up. It is hard to tell if it'll stick but at least we have some foot traffic.*
- *I didn't expect parts/service sales to be this weak, especially given the lack of new equipment purchases.*
- *Customers really were impacted by the USDA report, and made farmers even more conservative about considering to trade in equipment. Prices are just at a level that is difficult for players to be profitable.*
- *Farmers have to make money to spend money, and a lot are producing below cost at this price level.*
- *It is a difficult profitability environment for our customers with low crop prices and input costs that haven't seen a meaningful reduction.*
- *Price increases are being more than offset by manufacturer programs and rebates given to dealers.*
- *Sales are up for us in total because we've been giving away equipment at fire sale prices. Farm auctions have dragged pricing to the ground, and we're worried about getting stuck with inventory.*
- *It doesn't seem like we are near a bottom in used equipment pricing. I suspect it will continue to be difficult to handle used inventory, and have been extremely cautious about taking trade-ins.*
- *There is too much used hay equipment on the market.*
- *The dairy market has really hurt business. The only commodities that are doing well are fresh vegetables and dry hay.*
- *Even though cattle prices remain relatively high, the pullback has reduced intentions to buy new equipment.*
- *Customers aren't able to meet the high credit standards finance companies are asking for, it has become a significant problem in our area.*
- *Tractors under 100hp continue to sell well, while everything else is considerably down for our business. We expect that small equipment sales will keep doing well going forward.*

Average Dealer Sales Outlook

- Dealers forecast 2016 sales down 11% y/y, a slight deterioration from the 10% decline forecast in February. A net 33% of dealers are forecasting a sales decline (25% increase, 19% about the same, 57% decline).
- The second table below details the 2016 industry outlooks from Deere, CNHI and AGCO.

N. American Farm Equipment Dealer Survey - Full Year Sales Forecast							
% change y/y	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
AGCO	-9%	-8%	-7%	-9%	-10%	-6%	-15%
John Deere	-6%	-10%	-9%	-8%	-12%	-10%	-12%
New Holland	-5%	-12%	-9%	-13%	-6%	-11%	-12%
Case IH	-7%	-8%	-10%	-10%	-12%	-15%	-11%
Kubota	3%	3%	4%	2%	-7%	5%	9%
Shortlines/Other	-9%	-15%	-8%	-6%	-12%	0%	-14%
Overall	-6%	-9%	-9%	-9%	-11%	-10%	-11%

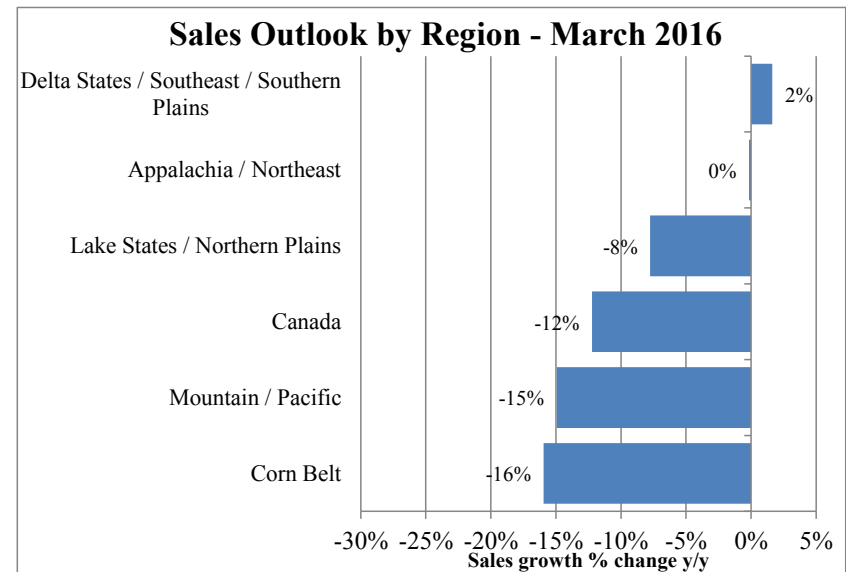
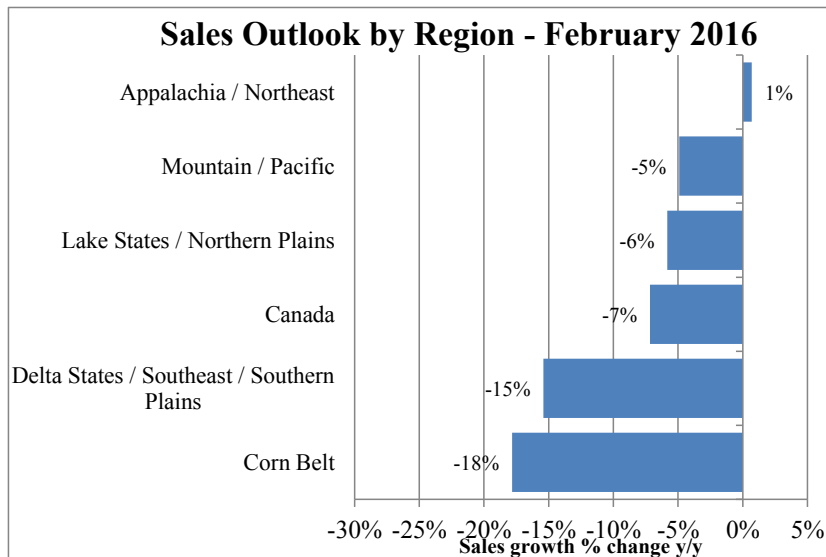
Source: Cleveland Research, AEI

2016 Ag Equipment Industry Sales Outlook (units)			
Geography	Deere	CNH Industrial	AGCO Corp.
N. America	Down 15-20%	Tractors (5%); Combines (15-20%)	Down 10-15%
Western Europe	Flat to Down 5%	Tractors Flat, Combines (0-5%)	Flat to Down 5%
Latin America	Down 10-15%	Tractors (15%), Combines (Flat-5%)	Down 10-15%
CIS or ROW	na	na	na
Asia	Flat to Down Slightly	Tractors (0-5%), Combines 0-5%	na

Source: Company reports, CRC estimates

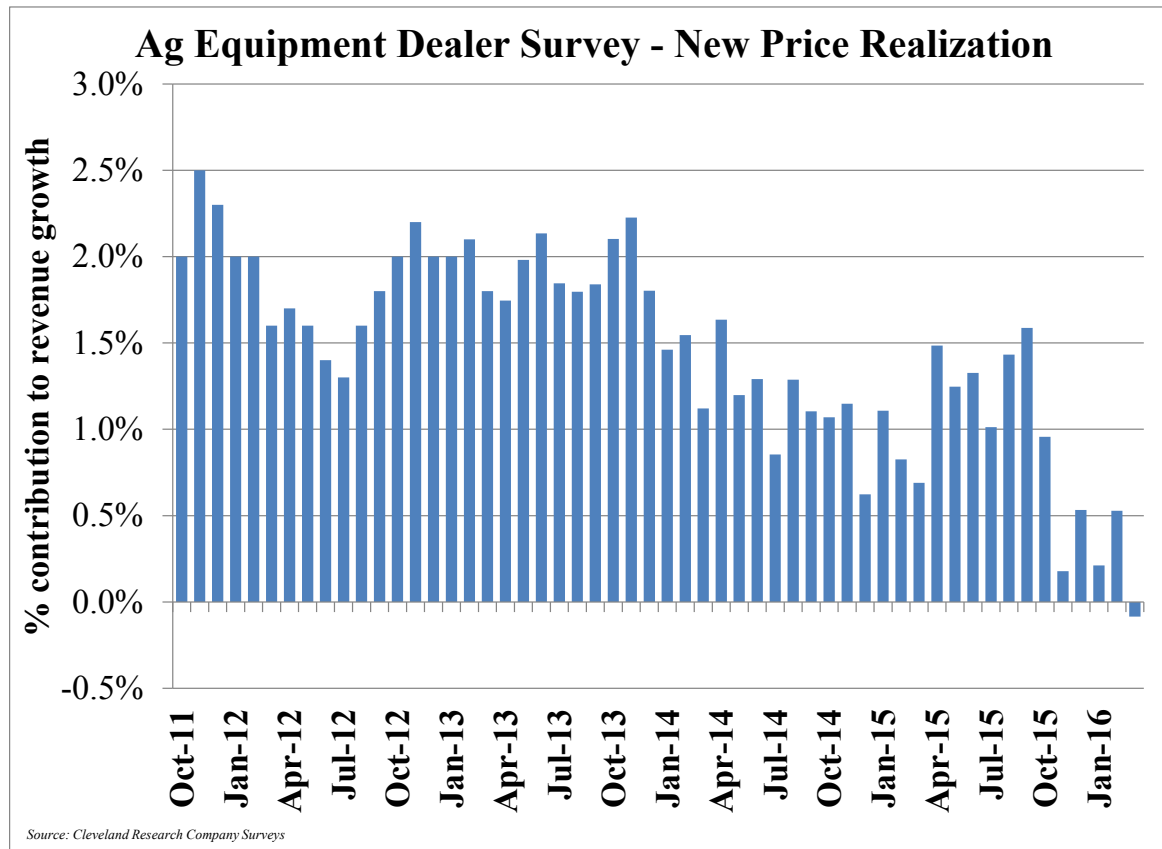
2016 Sales Outlook

- Most regions are anticipating lower sales in 2016 with the Corn Belt continuing to forecast the weakest demand at down 16% y/y. Notably the Delta States/Southeast/Southern Plains region is forecasting growth of 2% for 2016, the only region estimating growth. Appalachia/Northeast remain forecasting ~flat demand for the year.



Pricing Trends

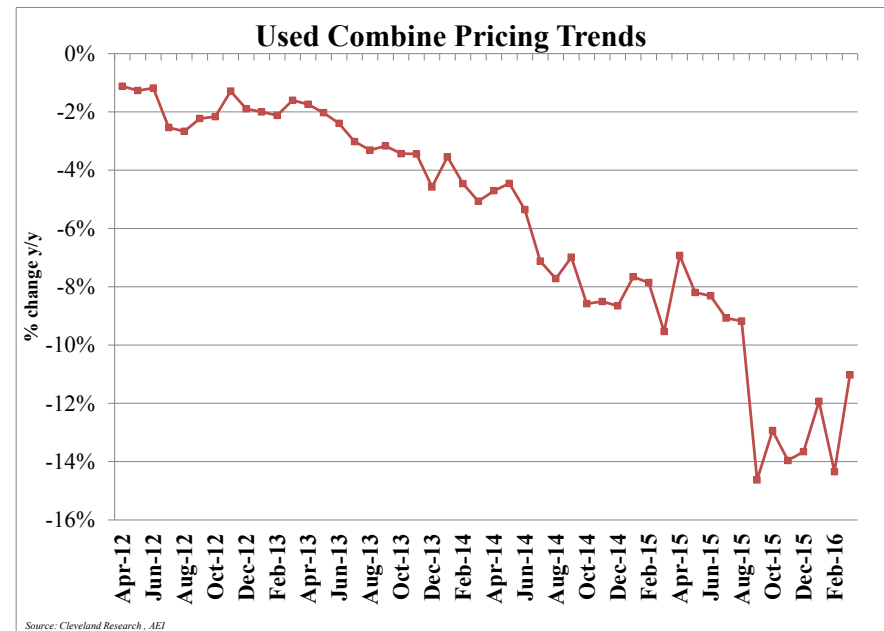
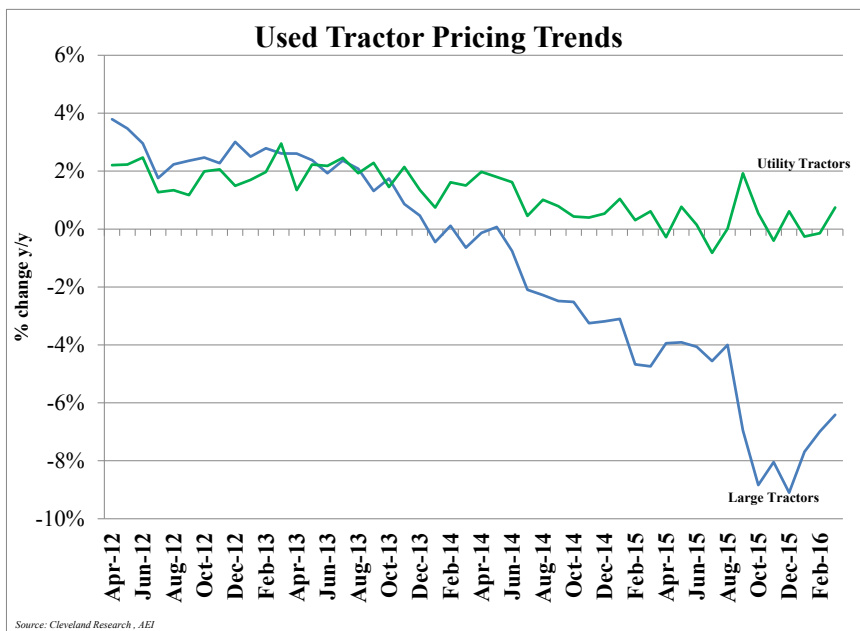
- Dealers report several OEMs pushed through small price increases in 4Q (~0.5-1.0%), with respondents reporting ~flat pricing in March. The effect of the strong U.S. dollar on Canadian exchange rate has also, played a part in pricing inflation within North America.



Used Equipment Pricing

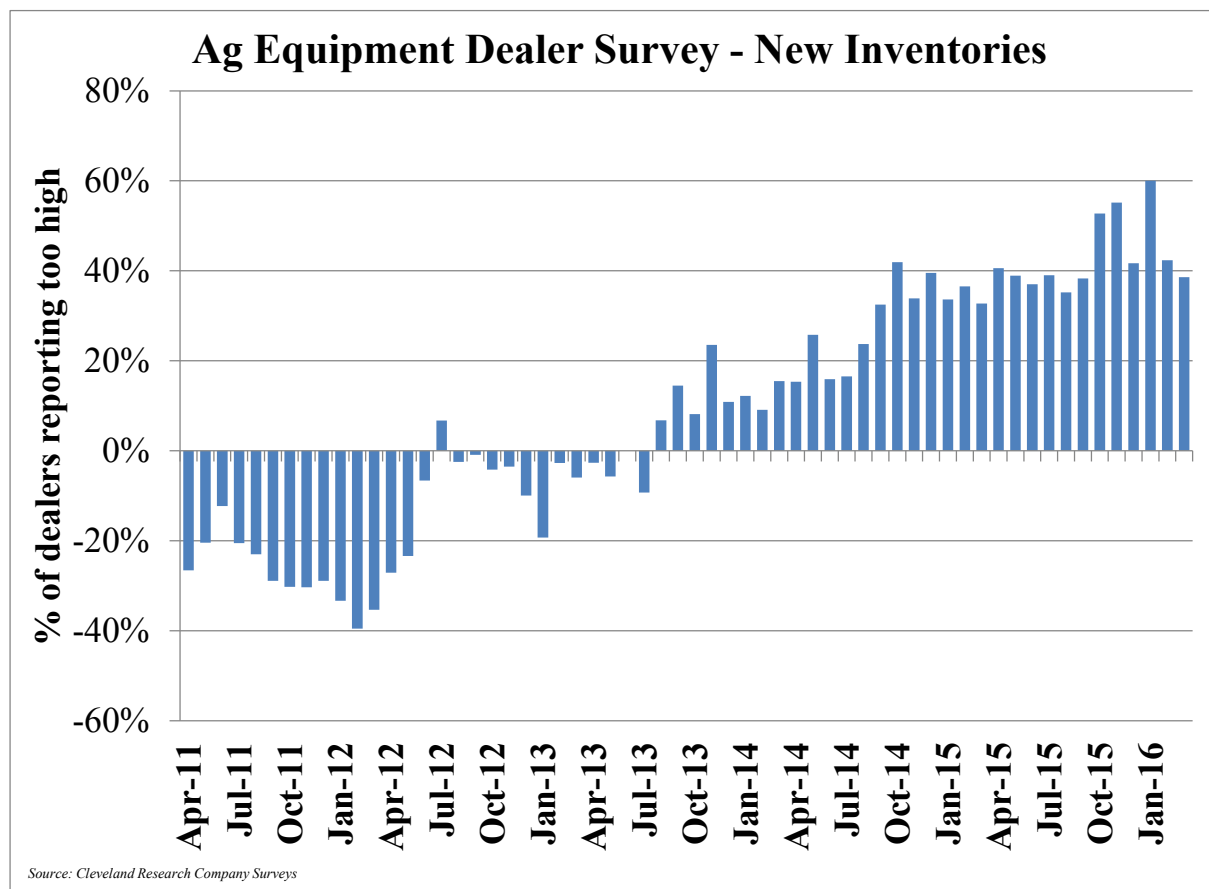
- March saw slight pricing improvement for small tractors, ~inline with the past few months. Large tractors were reported down 6% y/y on average, slightly better than the 7% reported in January. Used combine pricing was down 11% y/y, an improvement from the prior few months.

Used Tractor and Combine Values (Y/Y)							
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Compact (<40HP)	2%	1%	(1%)	0%	(1%)	0%	1%
Utility (40-100HP)	2%	0%	(0%)	1%	0%	(1%)	0%
Row Crop (100HP+)	(4%)	(6%)	(7%)	(7%)	(6%)	(5%)	(5%)
4WD Tractors	(9%)	(11%)	(9%)	(11%)	(10%)	(9%)	(8%)
Combines	(15%)	(13%)	(14%)	(14%)	(12%)	(14%)	(11%)



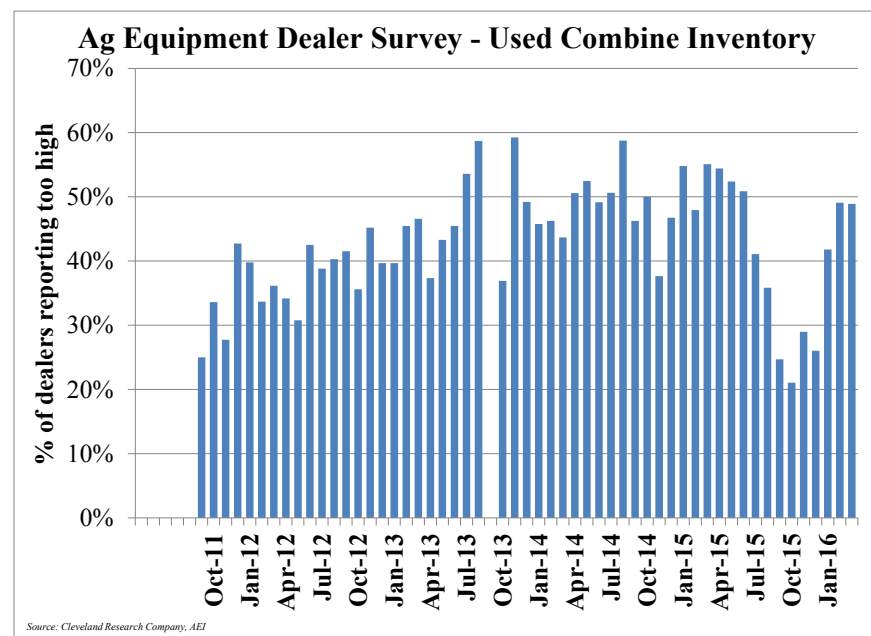
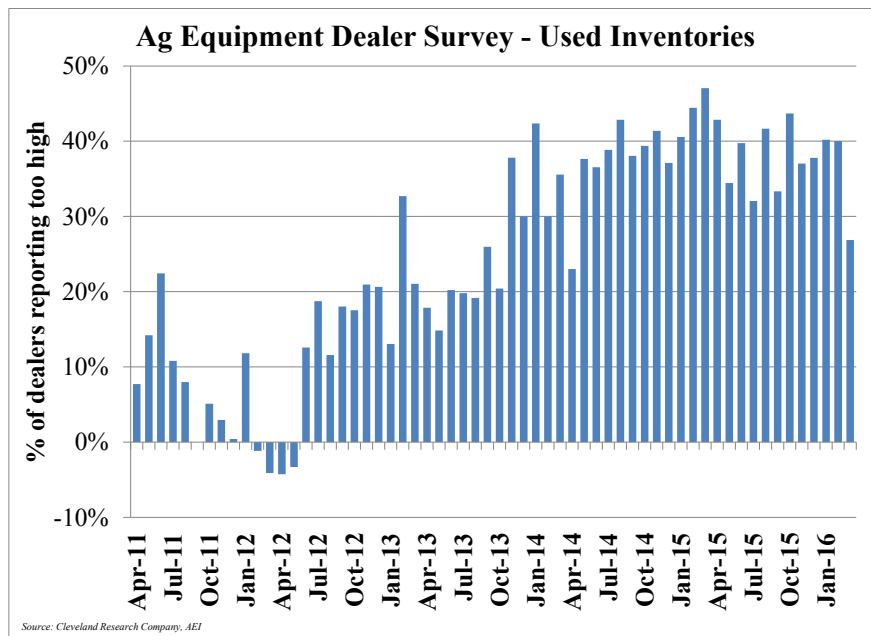
New Equipment Inventory Levels

- A net 38% of dealers reported new equipment inventories are too high (45% too high, 48% about right, 7% too low) vs. 42% (47% too high, 48% about right, 5% too low) in February and an average of 47% in 1Q. This marks 19 months of new inventory levels reported as too high by more than a net 30% of dealers.



Used Equipment Inventory Levels

- A net 27% of dealers reported used equipment inventory as too high (39% too high, 48% about right, 12% too low) better than the 40% reporting heightened inventory in February (45% too high, 50% about right, 5% too low). This is the best reading in 2016, but is unlikely to represent a material improvement in the used equipment market, as ~40% of dealers continue to report elevated inventory levels.
- Used combine inventory levels were reported as too high by a net 49% of dealers in March inline with February's results. Combine inventory appears to have reversed trend from 2H15, as inventory remains challenged vs. the modest improvements seen in overall used equipment levels.



North American Farm Equipment Industry Retail Sales

NORTH AMERICAN FARM EQUIPMENT RETAIL SALES														
	Units							% change year-over-year						
	< 40 HP	Utility	Row Crop	4-Wheel	Total Tractor	Row Crop & 4WD	Combines	< 40 HP	Utility	Row Crop	4-Wheel	Total Tractor	Row Crop & 4WD	Combines
Jan-14	4,755	4,152	3,303	631	12,841	3,934	824	1%	2%	12%	-7%	3%	8%	33%
Feb-14	5,308	3,745	2,423	575	12,051	2,998	526	4%	1%	-6%	-14%	0%	-8%	-15%
Mar-14	10,108	5,110	3,155	655	19,028	3,810	899	22%	3%	-9%	-7%	9%	-9%	-25%
Apr-14	14,191	6,010	3,752	745	24,698	4,497	996	2%	7%	-13%	-12%	0%	-13%	-13%
May-14	16,828	6,586	2,928	474	26,816	3,402	669	-2%	6%	-16%	-14%	-2%	-16%	-24%
Jun-14	15,245	6,488	2,733	408	24,874	3,141	837	13%	2%	-16%	-25%	5%	-18%	-25%
Jul-14	11,245	5,934	3,206	389	20,774	3,595	1,034	5%	7%	1%	-21%	4%	-2%	-30%
Aug-14	9,691	5,444	2,575	371	18,081	2,946	946	4%	9%	-9%	-37%	2%	-14%	-24%
Sep-14	11,333	6,193	3,276	492	21,294	3,768	1,142	32%	28%	-2%	-14%	23%	-4%	-11%
Oct-14	10,950	7,085	4,920	733	23,688	5,653	983	14%	6%	-17%	-40%	1%	-21%	-41%
Nov-14	5,857	4,177	1,891	354	12,279	2,245	450	4%	8%	-29%	-45%	-4%	-32%	-50%
Dec-14	8,089	7,473	3,730	512	19,804	4,242	920	6%	8%	-24%	-47%	-3%	-28%	-40%
Jan-15	5,382	4,506	3,124	220	13,232	3,344	384	13%	9%	-5%	-65%	3%	-15%	-53%
Feb-15	5,305	3,250	1,955	348	10,858	2,303	399	0%	-13%	-19%	-39%	-10%	-23%	-24%
Mar-15	9,702	4,799	2,539	499	17,539	3,038	470	-4%	-6%	-20%	-24%	-8%	-20%	-48%
Apr-15	16,624	6,461	3,131	430	26,646	3,561	664	17%	8%	-17%	-42%	8%	-21%	-33%
May-15	16,028	5,643	1,994	260	23,925	2,254	549	-5%	-14%	-32%	-45%	-11%	-34%	-18%
Jun-15	15,664	6,558	2,411	300	24,933	2,711	505	3%	1%	-12%	-26%	0%	-14%	-40%
Jul-15	14,342	7,097	2,473	272	24,184	2,745	807	28%	20%	-23%	-30%	16%	-24%	-22%
Aug-15	9,688	5,120	1,771	167	16,746	1,938	679	0%	-6%	-31%	-55%	-7%	-34%	-28%
Sep-15	10,787	5,394	1,941	250	18,372	2,191	848	-5%	-13%	-41%	-49%	-14%	-42%	-26%
Oct-15	12,876	6,855	3,263	515	23,509	3,778	799	18%	-3%	-34%	-30%	-1%	-33%	-19%
Nov-15	5,940	3,697	1,164	221	11,022	1,385	344	1%	-11%	-38%	-38%	-10%	-38%	-24%
Dec-15	8,693	6,350	2,559	515	18,117	3,074	886	7%	-15%	-31%	1%	-9%	-28%	-4%
Jan-16	5,647	4,261	1,981	242	12,131	2,223	457	5%	-5%	-37%	10%	-8%	-34%	19%
Feb-16	6,404	3,386	1,186	222	11,198	1,408	241	21%	4%	-39%	-36%	3%	-39%	-40%
Mar-16	12,453	5,136	1,909	259	19,757	2,168	350	28%	7%	-25%	-48%	13%	-29%	-26%

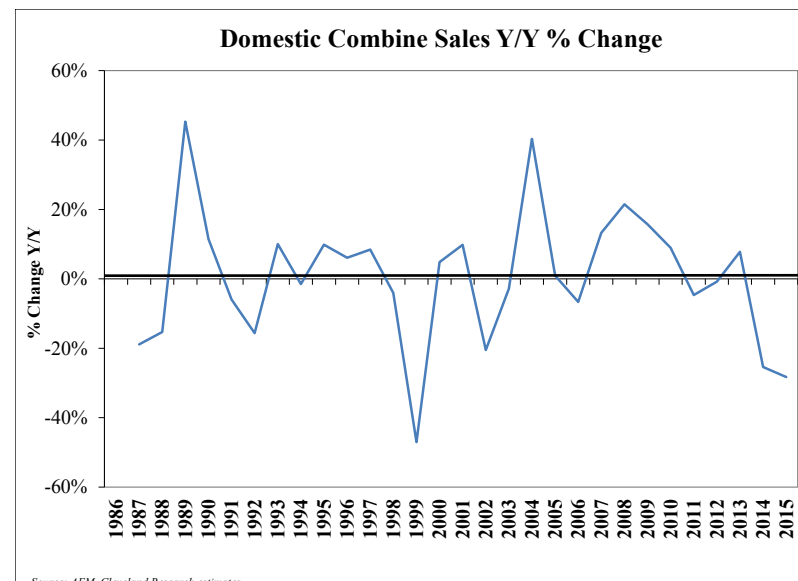
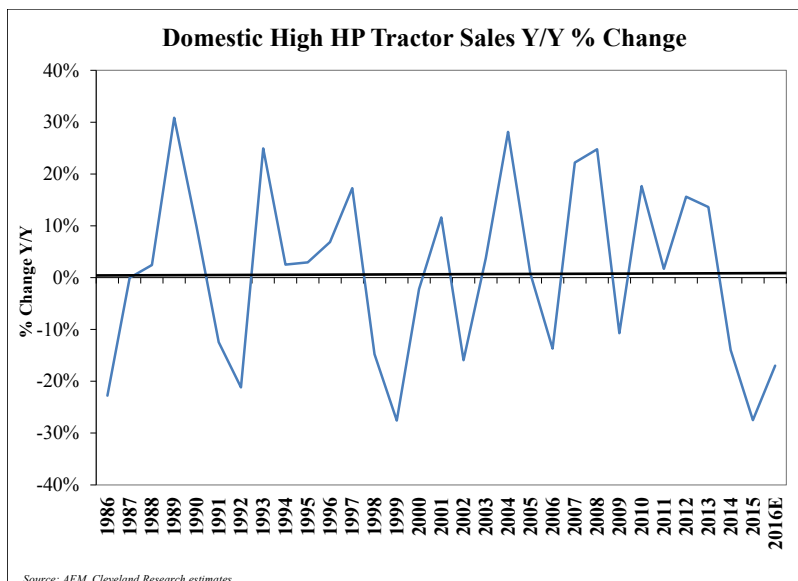
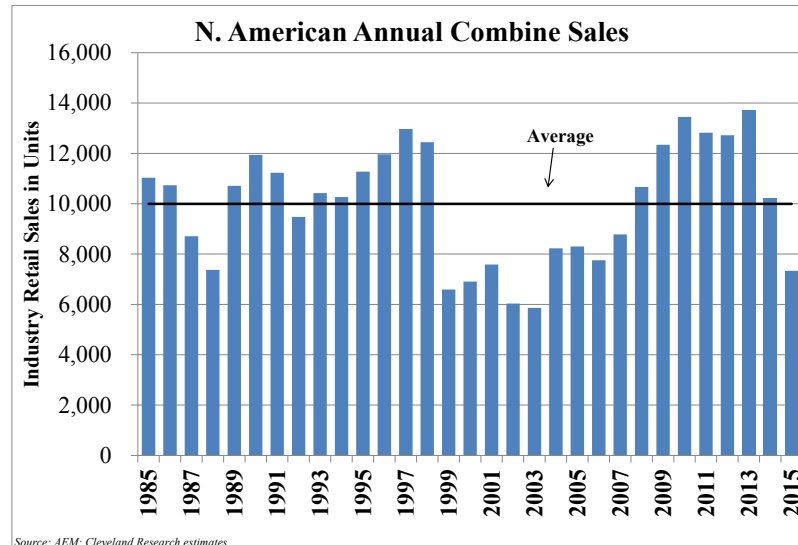
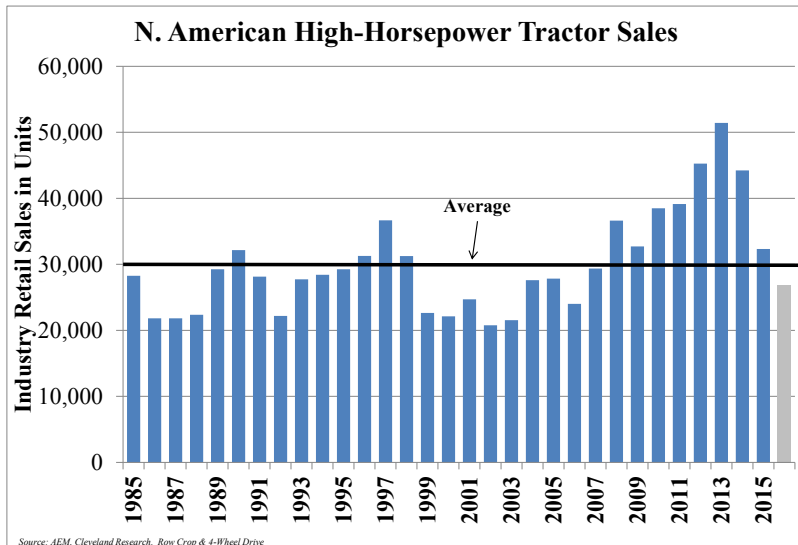
Source: AEM; Cleveland Research Company estimates. High hp tractors are row crop & 4-wheel drive.

North American Farm Equipment Industry Inventory

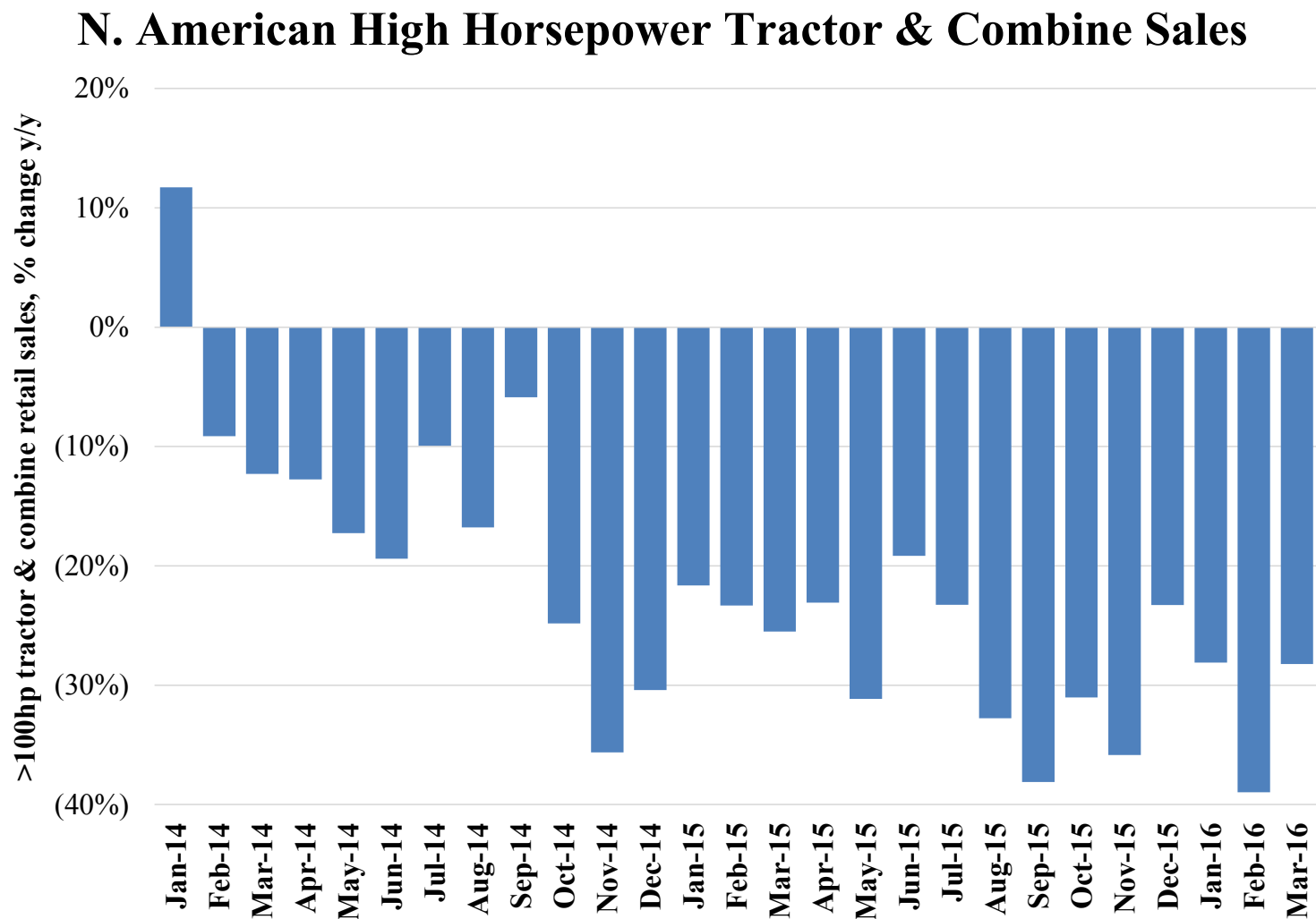
NORTH AMERICAN FARM EQUIPMENT INVENTORY														
	Inventory (Units)							Inventory to 12-mo. Sales						
	< 40 HP	Utility	Row Crop	4-Wheel	Total Tractor	Row Crop & 4WD	Combines	<40HP	Util	RC	4-WD	Total Tractor	Row Crop & 4WD	Comb
Dec-13	67,863	32,028	13,318	2,049	115,258	15,367	2,083	59%	50%	31%	24%	50%	30%	15%
Jan-14	69,111	33,240	12,620	2,028	116,999	14,648	1,681	60%	52%	29%	24%	51%	28%	12%
Feb-14	71,514	34,326	13,267	2,046	121,153	15,313	2,063	62%	54%	31%	25%	53%	30%	15%
Mar-14	71,249	35,256	14,058	2,218	122,781	16,276	2,456	61%	55%	33%	27%	53%	32%	18%
Apr-14	69,986	35,615	13,298	2,117	121,016	15,415	2,467	60%	55%	31%	26%	52%	31%	18%
May-14	66,364	34,755	13,505	2,255	116,879	15,760	2,734	57%	54%	32%	28%	51%	32%	21%
Jun-14	62,025	34,004	14,531	2,294	112,854	16,825	3,101	53%	52%	35%	29%	49%	34%	24%
Jul-14	61,829	34,393	14,836	2,159	113,217	16,995	3,144	52%	53%	36%	27%	49%	35%	25%
Aug-14	62,466	35,692	15,060	2,193	115,411	17,253	3,360	53%	54%	37%	29%	49%	36%	28%
Sep-14	61,811	35,926	16,185	2,399	116,321	18,584	2,891	51%	54%	40%	32%	49%	38%	24%
Oct-14	63,713	35,965	14,640	1,802	116,120	16,442	2,187	52%	53%	37%	25%	49%	35%	19%
Nov-14	67,691	37,110	14,840	1,652	121,293	16,492	2,046	55%	55%	38%	24%	51%	36%	19%
Dec-14	69,876	35,550	14,638	1,426	121,490	16,064	1,674	57%	52%	39%	22%	51%	36%	16%
Jan-15	73,716	35,405	13,934	1,439	124,494	15,373	1,713	59%	51%	37%	24%	53%	35%	18%
Feb-15	78,177	36,676	13,981	1,436	130,270	15,417	1,820	63%	54%	38%	25%	55%	36%	19%
Mar-15	81,662	37,881	14,179	1,346	135,068	15,525	2,040	66%	56%	39%	24%	58%	37%	22%
Apr-15	80,348	37,047	13,193	1,353	131,941	14,546	2,116	64%	54%	37%	26%	56%	35%	24%
May-15	78,880	37,037	13,177	1,400	130,494	14,577	2,058	63%	55%	38%	28%	56%	36%	23%
Jun-15	76,286	36,584	13,006	1,416	127,292	14,422	2,276	61%	54%	37%	29%	55%	36%	27%
Jul-15	72,876	35,232	12,507	1,354	121,969	13,861	2,218	57%	51%	37%	28%	52%	36%	27%
Aug-15	74,247	36,442	12,555	1,343	124,587	13,898	2,232	58%	53%	38%	29%	53%	37%	28%
Sep-15	65,844	37,545	12,551	1,374	117,314	13,925	2,001	51%	56%	39%	32%	51%	38%	26%
Oct-15	75,042	37,885	11,906	1,266	126,099	13,172	1,504	58%	56%	39%	31%	54%	38%	20%
Nov-15	79,228	39,911	12,983	1,317	133,439	14,300	1,492	61%	60%	44%	33%	58%	43%	20%
Dec-15	82,737	41,363	13,140	1,189	138,429	14,329	1,277	63%	63%	46%	30%	60%	44%	17%
Jan-16	86,618	42,352	12,727	1,129	142,826	13,856	1,169	66%	65%	47%	28%	63%	44%	16%
Feb-16	92,071	44,704	13,298	1,097	151,170	14,395	1,281	70%	68%	50%	28%	66%	47%	18%

Source: AEM; Cleveland Research Company estimates

Annual Agricultural Equipment Industry Sales (1985 - 2015)



North America Large Ag Equipment Sales

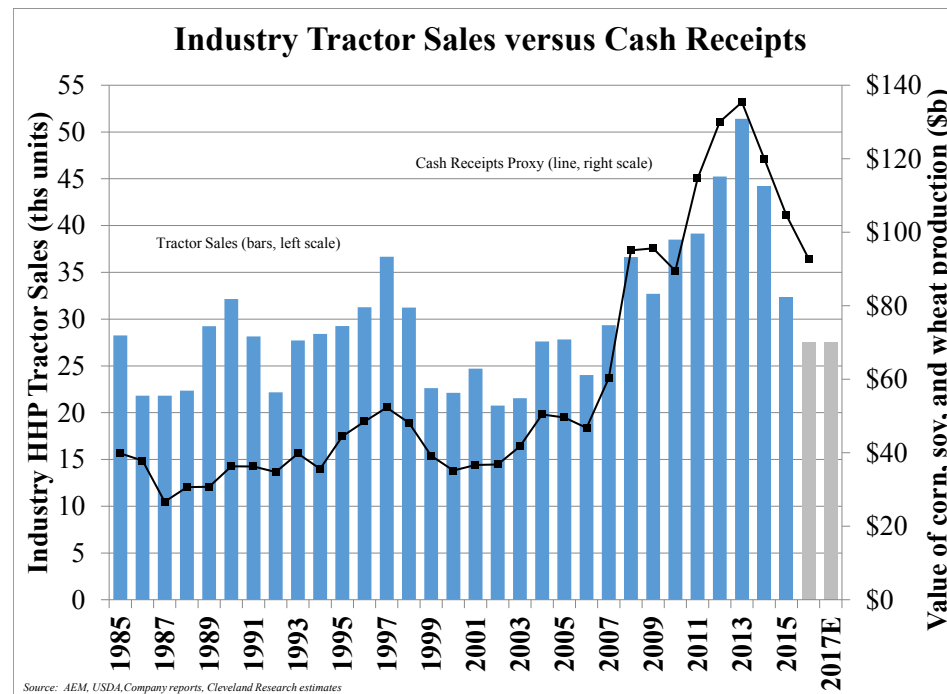


Source: AEM, CRC estimates

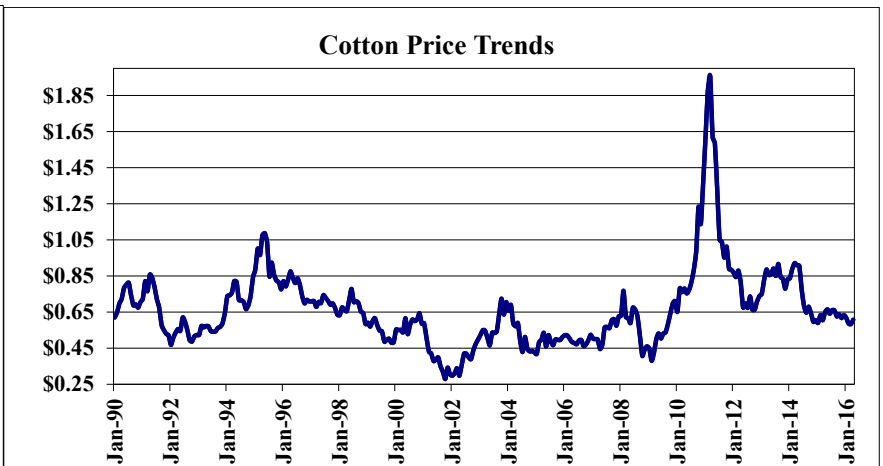
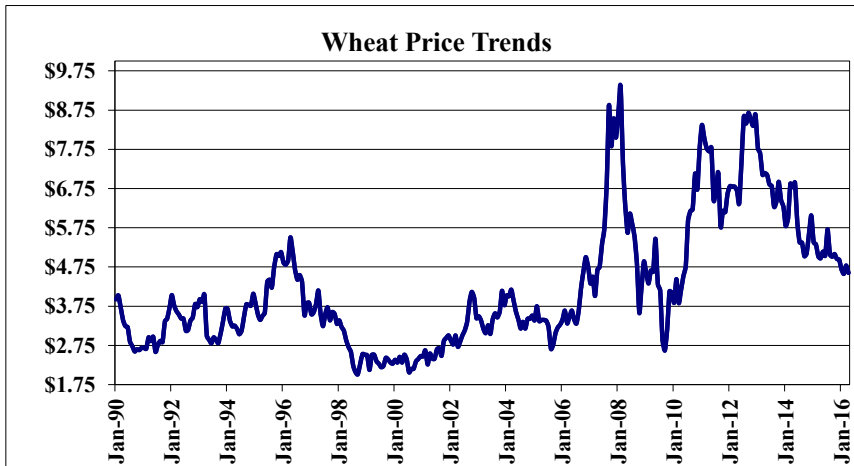
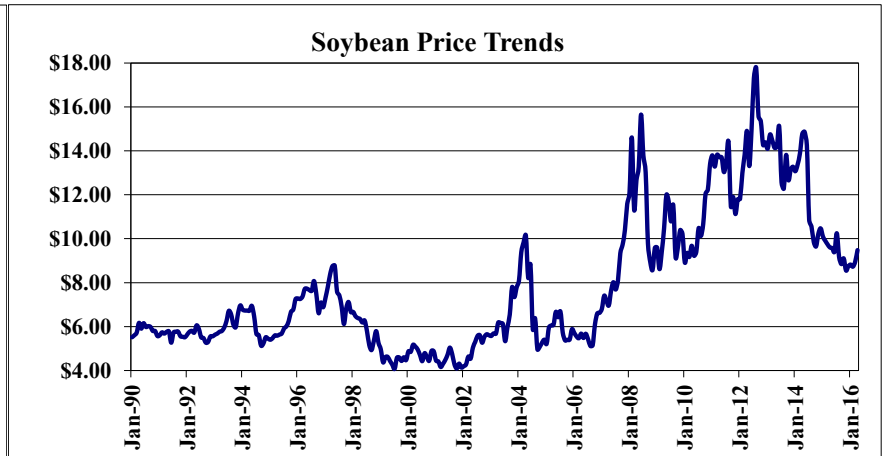
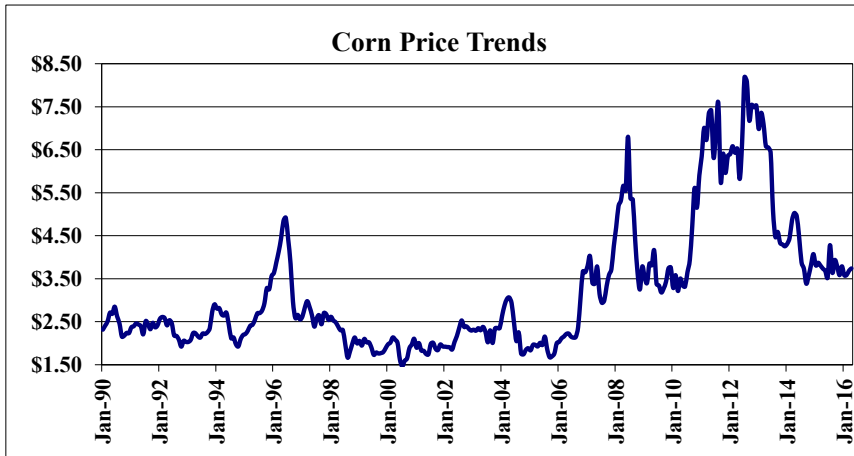
Commodity Prices – Cash Receipts vs. Next Year Equipment Sales

USDA's March WASDE Update Highlights – The following chart illustrates the historical relationship between the value of production of corn, soybeans and wheat in the U.S. compared to annual industry sales of high horsepower tractors.

USDA's April crop report was slightly worse than March, with our cash receipts proxy forecast down 11% y/y in 2015/2016 vs. a projected 10% decline last month and a 13% decline in the 2014/2015 crop season. The lower forecast resulted from lower average corn and wheat price estimates, as anticipated usage declined for both crops.



Long Term Commodity Price Trends



Commodity Trends – Long Run Supply and Demand Projections

US Corn, Soy, and Wheat Supply and Demand - Long Term Annual Forecast 2016

US Corn Balance Sheet - USDA Long Term Forecast (Feb 2016)

Millions of bushels	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Planted	95	91	88	91	90	90	90	90	90	89	89	88	88
Harvested	88	83	81	83	83	83	83	82	82	81	81	80	80
Yield (bu/acre)	158	171	168	168	170	172	174	176	178	180	182	184	186
Beginning Stocks (MM bu)	821	1,232	1,731	1,760	1,755	1,730	1,740	1,755	1,775	1,785	1,790	1,785	1,735
Production (MM bu)	13,829	14,216	13,601	13,900	14,035	14,200	14,355	14,465	14,535	14,610	14,680	14,740	14,900
Imports (MM bu)	36	32	50	30	30	30	30	30	30	30	30	30	30
Total Supply (MM bu)	14,686	15,480	15,382	15,690	15,820	15,960	16,125	16,250	16,340	16,425	16,500	16,555	16,665
Feed & Residual (MM Bu)	5,036	5,315	5,250	5,450	5,550	5,650	5,750	5,850	5,925	6,000	6,075	6,150	6,225
Food, Seed, & Industrial Total	6,501	6,568	6,621	6,585	6,615	6,595	6,595	6,550	6,530	6,485	6,465	6,445	6,425
Ethanol & By-Products	5,134	5,209	5,250	5,200	5,225	5,200	5,200	5,150	5,125	5,075	5,050	5,025	5,000
Domestic Use	11,537	11,883	11,871	12,035	12,165	12,245	12,345	12,400	12,455	12,485	12,540	12,595	12,650
Exports	1,917	1,864	1,650	1,900	1,925	1,975	2,025	2,075	2,100	2,150	2,175	2,225	2,275
Total Use	13,454	13,747	13,521	13,935	14,090	14,220	14,370	14,475	14,555	14,635	14,715	14,820	14,925
Ending Stocks	1,232	1,731	1,862	1,755	1,730	1,740	1,755	1,775	1,785	1,790	1,785	1,735	1,740
Ending Stocks/Use	9.2%	12.6%	13.8%	12.6%	12.3%	12.2%	12.2%	12.3%	12.3%	12.2%	12.1%	11.7%	11.7%
Weeks Carryover	4.8	6.5	7.2	6.5	6.4	6.4	6.4	6.4	6.4	6.4	6.3	6.1	6.1
Average Farm Price (\$/bu)	\$4.46	\$3.70	\$3.55	\$3.60	\$3.65	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.75	\$3.75
Value of Production	\$61,677	\$52,599	\$48,284	\$50,040	\$51,228	\$52,540	\$53,114	\$53,521	\$53,780	\$54,057	\$54,316	\$55,275	\$55,875
% change y/y	-17%	-15%	-8%	4%	2%	3%	1%	1%	0%	1%	0%	2%	1%

U.S. Soybean Balance Sheet - USDA Long Term Forecast (Feb 2016)

Millions of bushels	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Planted	77	83	83	82	82	82	82	82	81	81	81	81	81
Harvested	76	83	82	81	81	81	81	81	80	80	80	80	80
Yield Per Harvested Acre (Bushels)	44	48	48	47	47	48	48	49	49	50	50	51	51
Beginning Stocks	141	92	191	465	421	382	348	323	299	275	270	270	265
Production	3,358	3,927	3,929	3,785	3,810	3,850	3,890	3,920	3,940	3,980	4,020	4,035	4,065
Imports	72	33	30	30	30	30	30	30	30	30	30	30	30
Total Supplies	3,571	4,052	4,150	4,280	4,261	4,262	4,268	4,273	4,269	4,285	4,320	4,335	4,360
Crush	1,734	1,873	1,870	1,910	1,920	1,940	1,960	1,980	1,995	2,005	2,020	2,030	2,045
Exports	1,647	1,843	1,705	1,825	1,835	1,850	1,860	1,870	1,875	1,885	1,905	1,915	1,925
Seed & Residual	98	145	34	124	124	124	125	124	124	125	125	125	124
Total Use	3,479	3,861	3,705	3,859	3,879	3,914	3,945	3,974	3,994	4,015	4,050	4,070	4,094
Ending Stocks	92	191	445	421	382	348	323	299	275	270	270	265	266
Stocks/Use	2.7%	4.9%	12.0%	10.9%	9.8%	8.9%	8.2%	7.5%	6.9%	6.7%	6.7%	6.5%	6.5%
Average Price (\$/bu)	\$13.00	\$10.10	\$8.75	\$8.65	\$8.80	\$8.95	\$9.00	\$9.10	\$9.20	\$9.20	\$9.20	\$9.30	\$9.35
Value of Production	\$43,654	\$39,663	\$34,379	\$32,740	\$33,528	\$34,458	\$35,010	\$35,672	\$36,248	\$36,616	\$36,984	\$37,526	\$38,008
% change y/y	0%	-9%	-13%	-5%	2%	3%	2%	2%	2%	1%	1%	1%	1%

Source: USDA As of February 2016, CRC estimates

Commodity Trends – Long Run Supply and Demand Projections (Cont.)

US Corn, Soy, and Wheat Supply and Demand - Long Term Annual Forecast 2016 (continued)

U.S. Wheat Balance Sheet - USDA Long Term Forecast (Feb 2016)

Millions of bushels	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Planted	56	57	55	53	51	52	52	52	52	52	52	52	52
Harvested	45	46	47	45	43	44	44	44	44	44	44	44	44
Yield Per Harvested Acre (Bushels)	47	44	44	46	46	47	47	47	48	48	48	49	49
Beginning Stocks	718	590	752	911	928	842	784	739	707	688	677	669	669
Production	2,134	2,026	2,052	2,060	2,000	2,035	2,050	2,065	2,080	2,095	2,110	2,130	2,140
Imports	169	144	120	125	130	135	140	145	150	155	160	165	170
Total Supplies	3,021	2,760	2,924	3,096	3,058	3,012	2,974	2,949	2,937	2,938	2,947	2,964	2,979
Food	955	960	967	974	981	988	995	1,002	1,009	1,016	1,023	1,030	1,037
Seed	77	81	66	69	70	70	70	70	70	70	70	70	70
Feed&residual	223	111	140	225	215	210	200	190	180	175	175	175	175
Exports	1,176	855	775	900	950	960	970	980	990	1,000	1,010	1,020	1,030
Total Use	2,431	2,007	1,948	2,168	2,216	2,228	2,235	2,242	2,249	2,261	2,278	2,295	2,312
Ending Stocks	590	753	976	928	842	784	739	707	688	677	669	669	667
Stocks/Use	24.3%	37.5%	50.1%	42.8%	38.0%	35.2%	33.1%	31.5%	30.6%	29.9%	29.4%	29.2%	28.8%
Average Price (\$/bu)	\$6.87	\$5.99	\$4.95	\$4.40	\$4.50	\$4.60	\$4.65	\$4.70	\$4.75	\$4.80	\$4.85	\$4.90	\$4.95
Value of Production	\$14,661	\$12,136	\$10,157	\$9,064	\$9,000	\$9,361	\$9,533	\$9,706	\$9,880	\$10,056	\$10,234	\$10,437	\$10,593
% change y/y	-16%	-17%	-16%	-11%	-1%	4%	2%	2%	2%	2%	2%	2%	1%

Total Acreage and Value of U.S. Corn, Soy and Wheat Production - USDA February 2016 Projection

Total Corn, Soy, Wheat	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Planted (mm acres)	228	231	225	226	223	223	223	223	222	222	221	220	220
Harvested (mm acres)	209	212	210	209	206	207	207	207	206	205	205	204	204
Yield (bu/acre)	92	95	93	95	96	97	98	99	100	101	102	103	104
Production	19,321	20,169	19,582	19,745	19,845	20,085	20,295	20,450	20,555	20,685	20,810	20,905	21,105
Average Price (\$/bu)	\$6.21	\$5.18	\$4.74	\$4.65	\$4.72	\$4.80	\$4.81	\$4.84	\$4.86	\$4.87	\$4.88	\$4.94	\$4.95
Value of Production	\$119,992	\$104,398	\$92,820	\$91,844	\$93,756	\$96,359	\$97,656	\$98,898	\$99,908	\$100,729	\$101,534	\$103,238	\$104,476
% change y/y	-11%	-13%	-11%	-1%	2%	3%	1%	1%	1%	1%	1%	2%	1%

Source: USDA, Cleveland Research estimates

U.S. Acreage Planted Per Crop Year

