

Rabobank's 12-month outlook for prices compared to the forward curve



Rabobank

Cocoa



ICE Cocoa to recover from near three-year lows, driven by continued global demand increases, while improved West African production and an Indonesian output recovery confine price upsides

Soymeal



CBOT Soymeal to rise above forward curve, as a livestock expansion results in large US and global demand, while declining soy oil prices potentially slow US crush and slightly tighten supplies

Soybeans



CBOT Soybeans to strengthen above the forward curve, as record global demand faces smaller-than-needed acreage expansion in South America and the US, as well as more normal yields in 2017

Lean hogs



CME Lean Hog futures to rise slightly in 2017, albeit off very low levels, due to expected improved US exports to Asia and an anticipated on-time completion of new US packing capacity

Dairy*



Dairy prices to face support through 2017, from a solid global demand growth and contracting supplies due to low prices and government measures. A supply recovery is not expected until Q2 2017

Cotton



ICE Cotton to strengthen slightly as a third consecutive global deficit evolves. Key risk factors to watch are a strengthening La Niña, Chinese destocking and competition from man-made fibres

Live cattle*



US Five-Market Fed Steer prices at best to stabilise on a low level. Price pressure persists from the continued US beef production rise, driven by lower feed costs and heavy carcass weights

Sugar



ICE #11 Sugar is expected to continue to see some profit-taking, but prices will need to remain high enough to incentivise EU exports and avoid a lot of cane going into ethanol in Brazil

Wheat



CBOT Wheat prices to strengthen from today's level, but to remain below the forward curve, as a rising global demand—in response to multi-year low prices—is facing large supplies and record stocks

Corn



CBOT Corn prices to remain flat, falling below the forward curve. Despite a 40 percent inventory increase in the US, global stock stay flat in 2016/17 and show the first decline since 2009 in 2017/18

Soy oil



CBOT Soy Oil prices to decline, as a strong global crush provides sufficient supplies to meet a growing global demand, while heavy competition from cheap palm oil in 2H 2017 adds to the price pressure

Palm oil



MDEB Palm Oil to show a big bearish move in 2H 2017, as production recovery from the strong 2015/16 El Niño provides sufficient supplies and palm oil needs to buy back market share from other oils

Coffee



ICE Arabica coffee to feel pressure from good washed coffee crops in 2016/17 and a smaller-than-expected fall in Brazilian production in 2017/18. Robusta remains supported by another deficit