

# Feed Grain Outlook

April 5, 2024

Volume 33, Number 17



## Today's Newsletter

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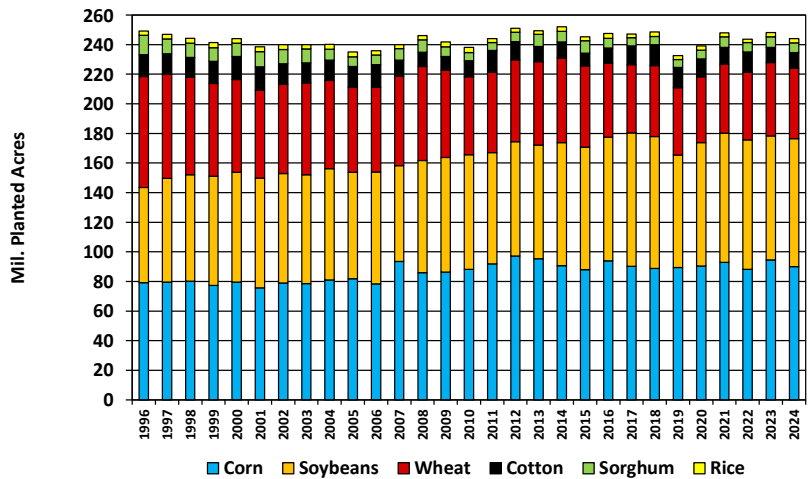
## Market Situation

**Prospective Plantings.** The 2024 Prospective Plantings report released last week showed a million fewer acres of both corn and soybeans compared to the projections at the Ag Outlook Conference in February. The combined total of six major crops—corn, soybeans, wheat, cotton, sorghum, and rice—is 244.0 million, down from the February projection of 246.4 million acres and 248.1 million acres in 2023. The average of these six major crops over the last 10 years has been 245.2 million; in the biofuel

U.S. Crop Acres, millions

Crop	2023	2024 Ag Outlook Conference	2024 Prospective Plantings
Corn	94.6	91.0	90.0
Soybeans	83.6	87.5	86.5
Wheat	49.6	47.0	47.5
Cotton	10.2	11.0	10.7
Sorghum	7.2	7.0	6.4
Rice	2.9	2.9	2.9
Total	248.1	246.4	244.0

U.S. Planted Acres



Source: USDA/NASS/Quick Stats; 2024 "Prospective Plantings" report

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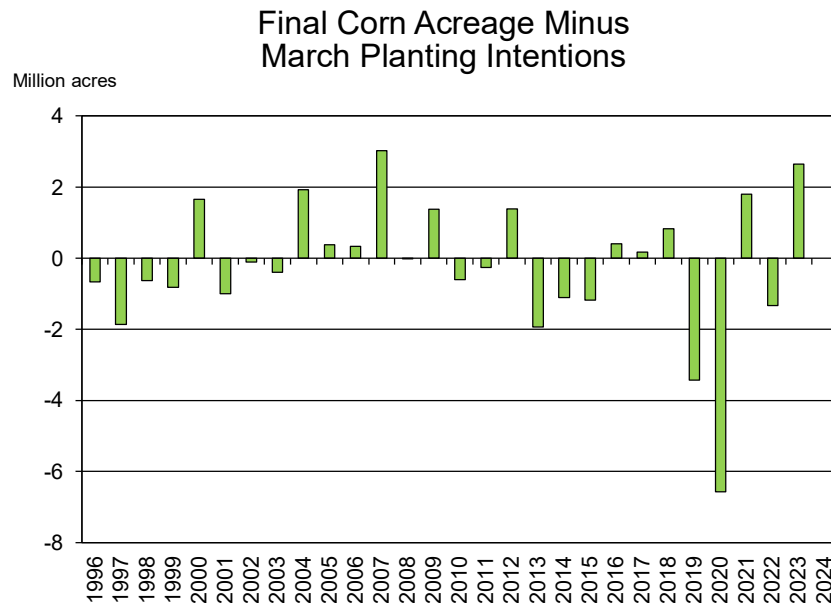


Using a planted acreage number of 90 million instead of 91 (all other factors unchanged), the carryover at the end of the marketing year is about 200 million bushels higher than 2023/24.

U.S. Corn	2023/24	2024/25 Feb	2024/25PP
Planted Acreage (Mil. Acs.)	94.6	91.0	90.0
Harvested Acreage (Mil. Acs.)	86.5	83.1	82.2
Yield (Bushels)	177.3*	181.0*	181.0*
<b>Supply</b>	--- Million Bushels ---		
Beginning Stocks	1,360	2,172	2,172
Production	15,342*	15,040	14,874
Imports	25	25	25
<b>Total Supply</b>	<b>16,727</b>	<b>17,237*</b>	<b>17,071*</b>
<b>Disappearance</b>			
Domestic Use	12,455	12,555*	12,555*
Exports	2,100	2,150	2,150
<b>Total Use</b>	<b>14,555</b>	<b>14,705</b>	<b>14,705</b>
Ending Stocks	2,172	2,532	2,366
Carryover/Use (days on hand)	54.2	62.8	58.7
Average Farm Price (\$/Bu.)	4.75	4.40	

\*record high  
 Source: USDA World Agricultural Supply and Demand Estimates  
 USDA Ag Outlook Forum, 2024 Prospective Plantings

Of course, the March planting survey is not the last word in what corn acreage will ultimately be. In 15 of the last 28 years, the final acreage number has varied from the prospective plantings number by a million acres or more.



Source: USDA/NASS, April 5, 2024

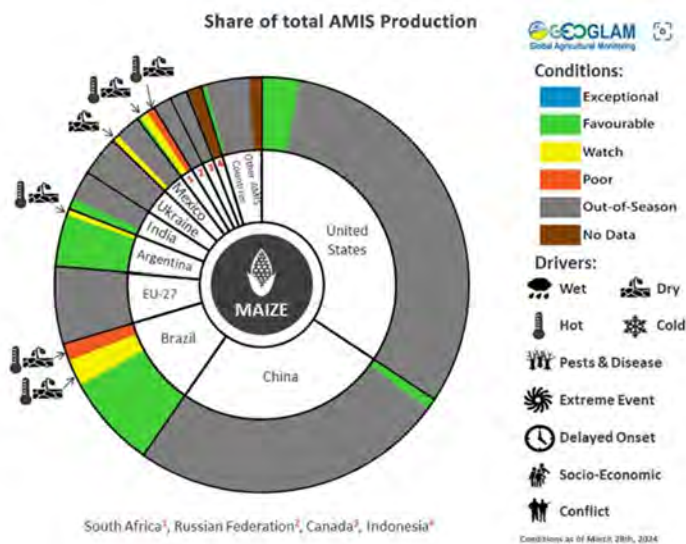
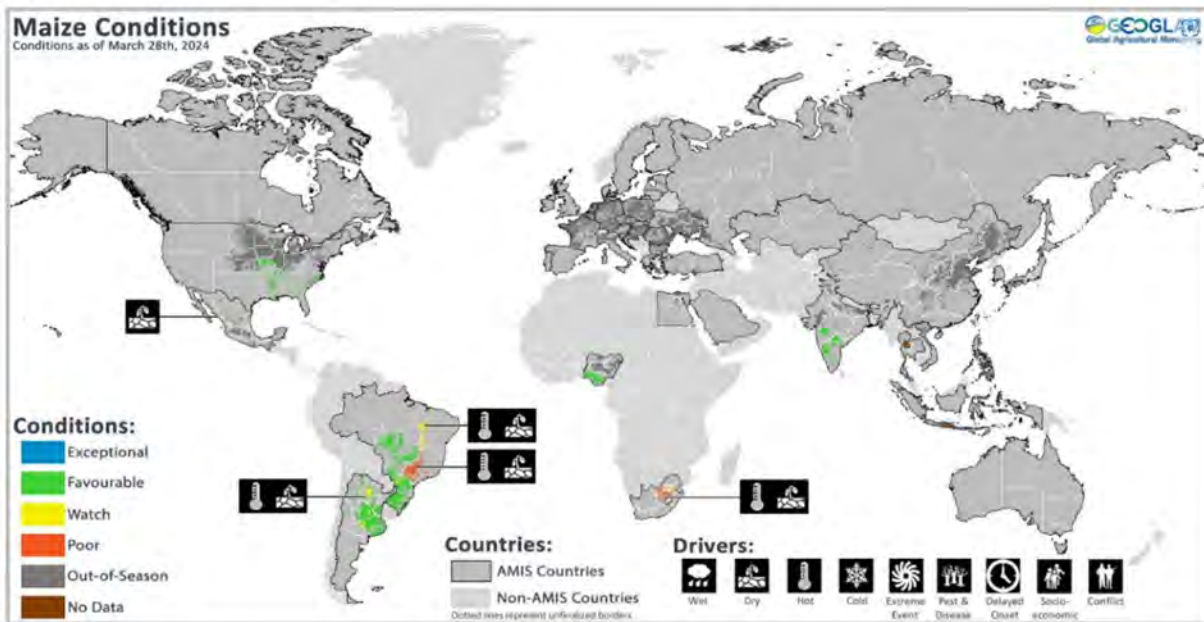
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**Crop Progress and Condition.** USDA has resumed its weekly Crop Progress report. For corn, it showed the start of the 2024 planting season. Texas is 57% percent planted, just ahead of a normal pace. Nationally, 2% of the corn crop is in the ground.

The GEOGLAM Crop Monitor as of March 28 showed mostly favorable conditions for corn. Portions of southeast Brazil have been dryer and warmer than normal impacting the early season crop (harvest wrapping up) and the larger, second season crop.



[GEOGLAM Crop Monitor](#)

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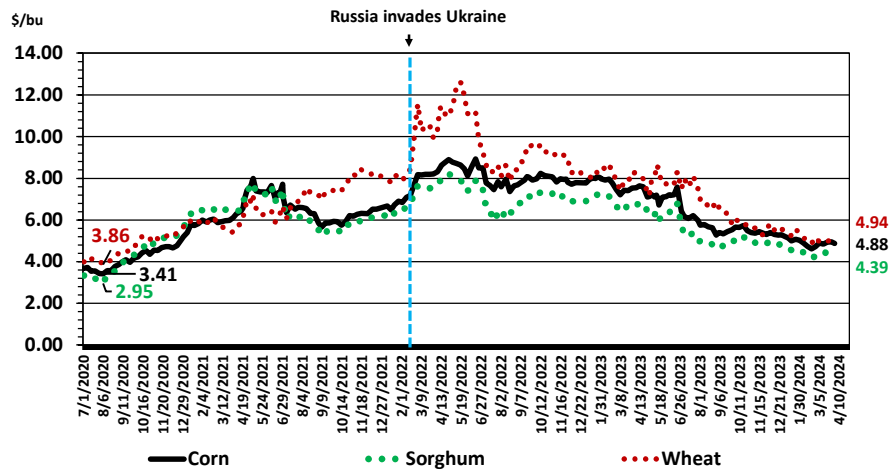
## Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
March 7	4.38	4.89	0.51	5.83	4.86
March 14	4.34	4.85	0.51	5.99	4.82
March 21	4.41	4.93	0.53	5.98	4.89
March 28	4.42	4.95	0.53	5.90	4.76
April 4	4.35	4.88	0.53	5.83	4.85
10-yr average			0.14		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
March 7	4.38	4.43	0.05	5.06	5.41
March 14	4.34	4.38	0.04	5.01	5.34
March 21	4.41	4.46	0.06	5.08	
March 28	4.42	4.48	0.06	5.10	
April 4	4.35	4.39	0.04	5.03	
10-yr average			-0.25		

AMS Market News: TX cash = average (North, Central, and South Panhandle), Gulf sorghum: DTN

### Texas Cash Grain Prices July 2020-April 2024



USDA, AMS, Market News: TX cash = average (area North of the Canadian River, Triangle Area from Plainview to Canyon to Farwell, area South of a Line from Plainview to Muleshoe)

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**Outside Markets.** The March Employment Situation from the Bureau of Labor Statistics showed the U.S. economy added 303,000 positions last month and revisions that increased payrolls 22,000 in January from February. The number of persons employed increased, unemployment decreased, the unemployment rate held about steady, and the labor force participation rate was higher.



Transmission of material in this news release is embargoed until 8:30 a.m. (ET) Friday, April 5, 2024

USDL-24-0629

**Technical information:**

Household data: (202) 691-6378 • cpsinfo@bls.gov • www.bls.gov/cps  
 Establishment data: (202) 691-6555 • cesinfo@bls.gov • www.bls.gov/ces

Media contact: (202) 691-5902 • PressOffice@bls.gov

## THE EMPLOYMENT SITUATION — MARCH 2024

Total **nonfarm payroll employment** rose by 303,000 in March, and the **unemployment rate** changed little at 3.8 percent, the U.S. Bureau of Labor Statistics reported today. Job gains occurred in health care, government, and construction.

Chart 1. Unemployment rate, seasonally adjusted, March 2022 – March 2024

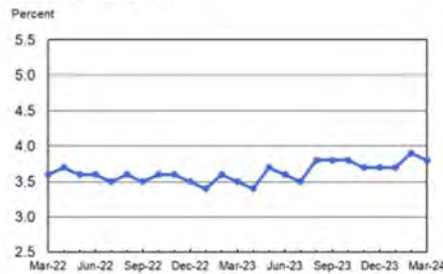


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, March 2022 – March 2024



<https://www.bls.gov/>

	numbers in thousands				change in		
	non-inst population	civilian labor force	employed	unemployed	unemployment rate	non-farm payroll	labor force part. rate
Sep-23	267,428	167,929	161,570	6,360	3.8%	262	62.8%
Oct-23	267,642	167,723	161,280	6,443	3.8%	105	62.7%
Nov-23	267,822	168,127	161,866	6,262	3.7%	182	62.8%
Dec-23	267,991	167,451	161,183	6,268	3.7%	290	62.5%
Jan-24	267,540	167,276	161,152	6,124	3.7%	256	62.5%
Feb-24	267,711	167,426	160,968	6,458	3.9%	270	62.5%
<b>Mar-24</b>	<b>267,884</b>	<b>167,895</b>	<b>161,466</b>	<b>6,429</b>	<b>3.8%</b>	<b>303</b>	<b>62.7%</b>
Change	173	469	498	(29)	0.0%	33	0.1%



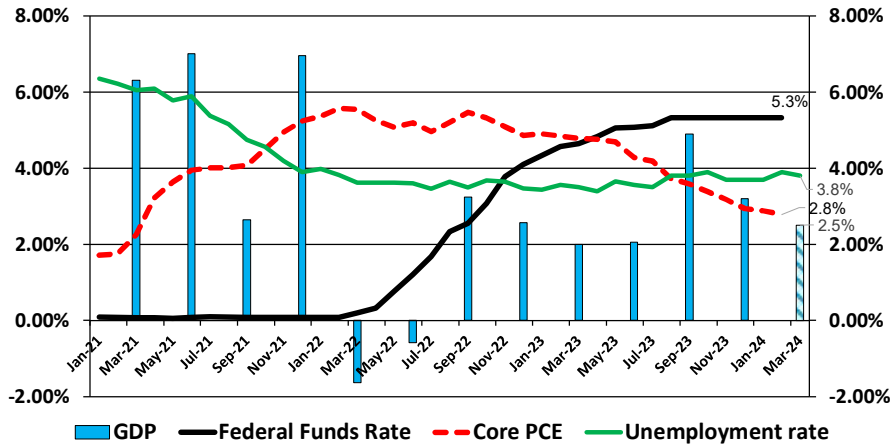
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## Interest Rates, Inflation, Unemployment, and Quarterly GDP



Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/>,  
 Federal Reserve Bank of Atlanta, GDPNow, <https://www.atlantafed.org/cqer/research/gdpnow>  
 Personal Consumption Expenditures Excluding Food and Energy, Federal Reserve Economic Data  
 Updated April 5, 2024

Prices about 11:30 am CT April 5, 2024:

		1/2/2024	4/5/2024	net change	% change
S&P 500	SPX:IN	4,743.00	5,214.86	471.86	9.95%
10-yr T Note	Yield, %	3.95	4.36	0.41	10.38%
CRB	CRY:IND	262.63	296.34	33.71	12.84%
Dollar Index	June 2024	101.58	104.08	2.50	2.46%
Crude Oil	June 2024	71.04	86.65	15.61	21.97%
Copper	May 2024	3.90	4.22	0.33	8.35%
Corn	May 2024	4.77	4.34	(0.43)	-8.96%
	July 2024	4.88	4.47	(0.41)	-8.41%
Soybeans	May 2024	12.81	11.89	(0.92)	-7.16%
	July 2024	12.87	12.01	(0.86)	-6.67%
SRW Wheat	May 2024	6.19	5.68	(0.52)	-8.36%
	July 2024	6.26	5.82	(0.44)	-7.03%

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Items in the table and reasoning for inclusion:

- S&P 500 Index—a reflection of market expectations of future earnings and economic growth;
- 10-year T-note: expectations of economic growth--rising yields suggest increases in economic growth and inflation;
- CRB Index—price direction of a representative indicator of global commodities;
- US dollar Index—impact on export prospects as a strong dollar makes our products relatively more expensive in the global marketplace;
- Crude Oil and Copper—barometers positively correlated to global economic activity.

Charts, 1/2/2024-4/5/2024 (<https://www.barchart.com/>):



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## High Grade Copper May '24 (HGK24)

4.2245 -0.0245 (-0.58%) 11:35 CT (COMEX)

4.2240 x 16 4.2245 x 3

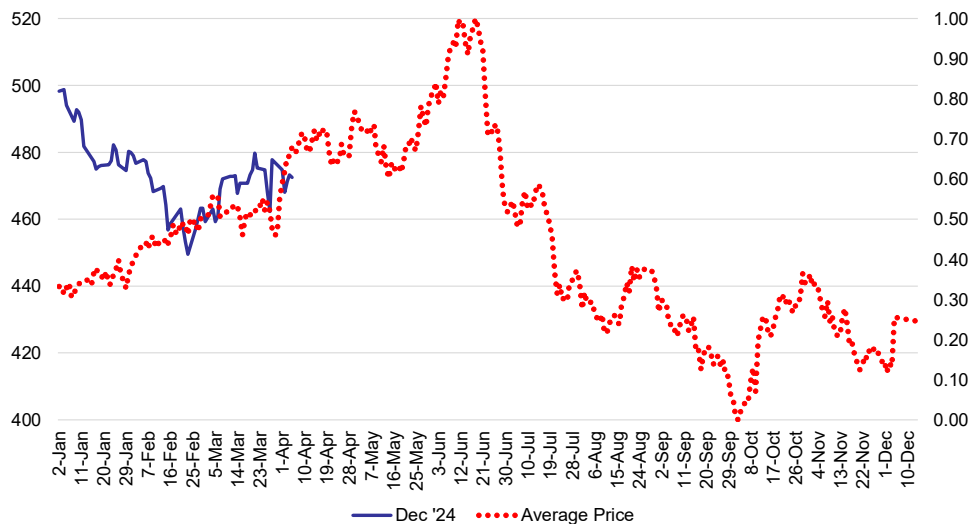
INTERACTIVE CHART for Fri, Apr 5th, 2024



## Marketing Strategies

**Seasonality.** The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

### 2024 December Futures and Average Price December Corn Futures Index 2003-2023





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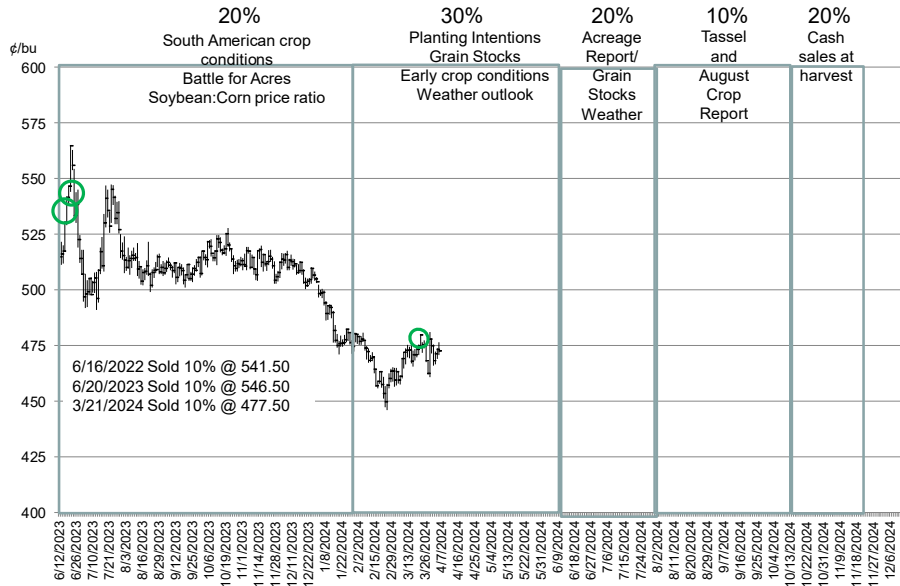
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**Feed Grain Marketing Plan.** I am 30% priced on 2024 corn. We are in the window of my marketing plan in which I look to add to sales. My plan is to be 70% priced by the end of June.

## December Corn Futures and 2024 Marketing Plan



### Upcoming Reports/Events

April 9	Short-term Energy Outlook, EIA
April 10	Consumer Price Index
April 11	Crop Production World Agricultural Supply and Demand Estimates
April 30-May 1	Federal Open Market Committee, Federal Reserve

#### Mark Welch, Texas A&M AgriLife Extension Economist

600 John Kimbrough Blvd, Suite 330B

College Station, Texas 77843

Tel. (979)845-8011

Fax. (979)845-4906

[JMWelch@tamu.edu](mailto:JMWelch@tamu.edu)

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