

Feed Grain Outlook

April 12, 2024

Volume 33, Number 19

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Market Situation

WASDE. USDA made no changes to the supply side of the balance sheet for U.S. corn in the April *World Agricultural Supply and Demand Estimates*. Shifting to the demand side, both feed and fuel were increased 25 million bushels which lowered ending stocks by 50 million bushels. Days of use on hand at the end of the marketing year fell from a 54.5-day supply last month to a 53-day supply. At the end of the 2022/23 marketing year, the carryover was a tight 36.2. The estimated season average farm price is down 5 cents this month to \$4.70 per bushel.

US CORN SUPPLY AND USE			April		
			2023/24 4/11/2024	March to April Net Δ	% Δ
AREA					
	Planted	mil acres	94.6	0.0	0.00%
	Harvested	mil acres	86.5	0.0	0.00%
	% harvested		91.4%	0.0	0.00%
YIELD	Harvested acre	bu/ac	177.3	0.0	0.00%
SUPPLY					
	Beginning stocks	mil bu	1,360	0.0	0.00%
	Production	mil bu	15,342	0.0	0.00%
	Imports	mil bu	25	0.0	0.00%
	Total Supply	mil bu	16,727	0.0	0.00%
DEMAND					
	Feed and residual	mil bu	5,700	25.0	0.44%
	Food, seed, and indus	mil bu	1,405	0.0	0.00%
	Ethanol	mil bu	5,400	25.0	0.47%
	Total Domestic Use	mil bu	12,505	50.0	0.40%
	Exports	mil bu	2,100	0.0	0.00%
	Total Use	mil bu	14,605	50.0	0.34%
	Ending stocks	mil bu	2,122	(50.0)	-2.30%
	Stocks to Use ratio	percent	14.5%	-0.4%	-2.64%
	Days of use on hand		53.0	(1.4)	-2.64%
PRICE	Average farm price	\$/bu	\$ 4.70	(0.05)	-1.05%
	Reference Price	\$/bu	\$ 3.70	0.00	0.00%
	PLC Payment	\$/bu	\$ -		

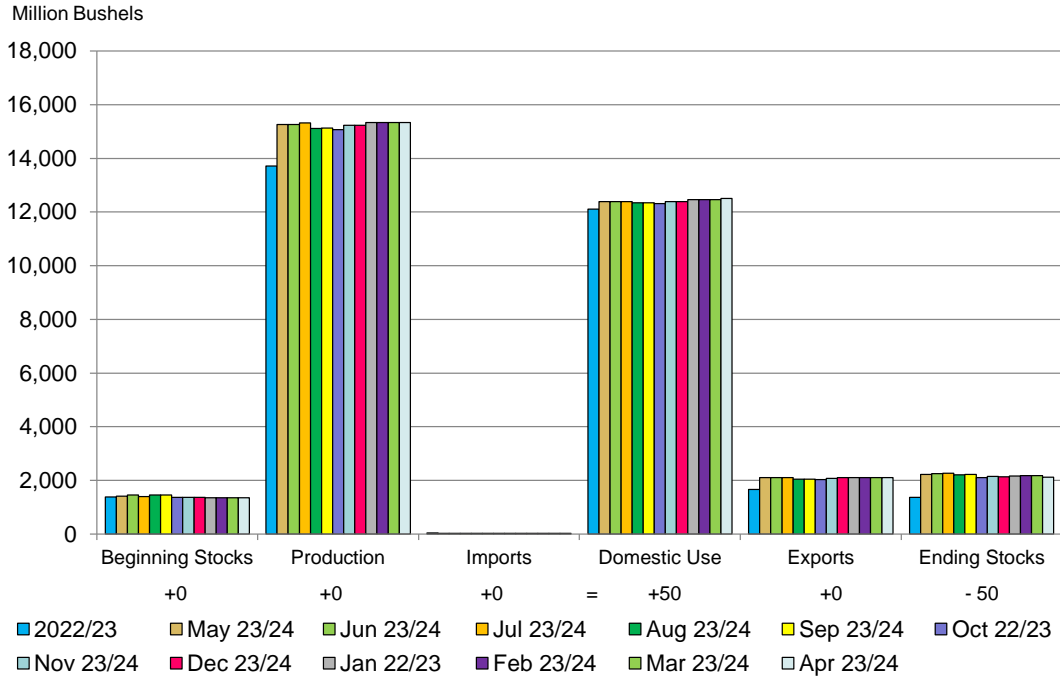
World corn production was down slightly this month on smaller crops in Argentina and Mexico but is still a record high. Use was down slightly (-0.5 mmt or -19 mil bu) as were ending stocks (-1.4 mmt or -53 mil bu). Days on hand at the end of the marketing year is now estimated at a 95.9-day supply, down from 96.2 last month but up from 93.8 last year.

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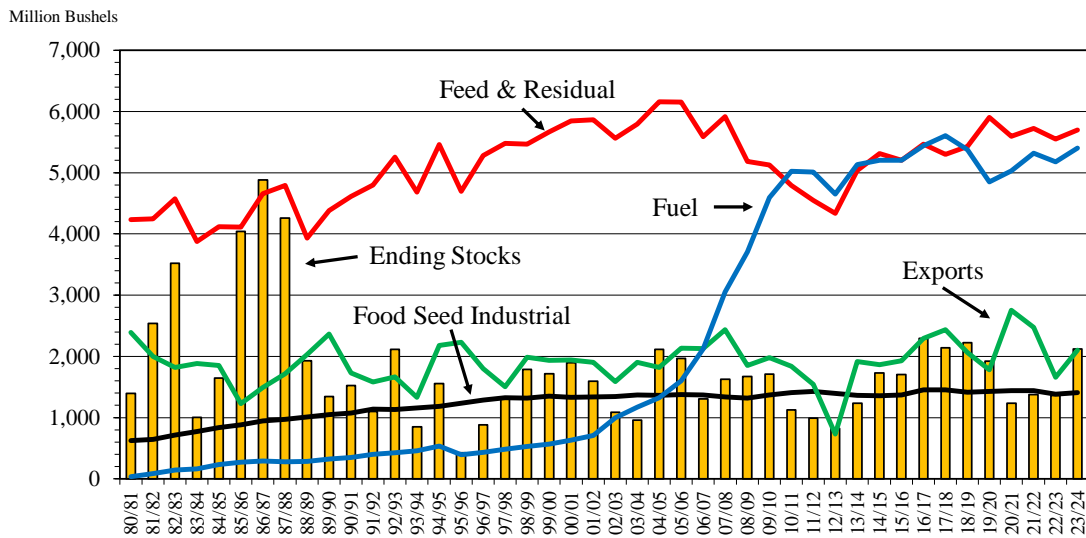
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U.S. Corn Supply and Demand, April 2024



U.S. Corn Use April WASDE



Source: USDA WASDE, 4/11/2024

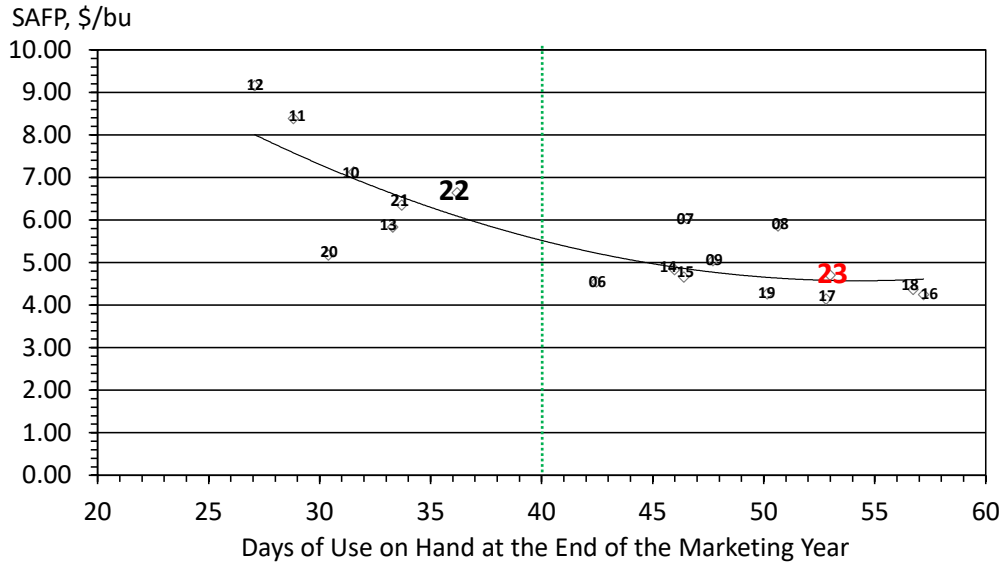
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U.S. Corn Average Farm Price (real 2024\$) and U.S. Days of Use on Hand 2005/06-2022/23, 2023/24 estimate

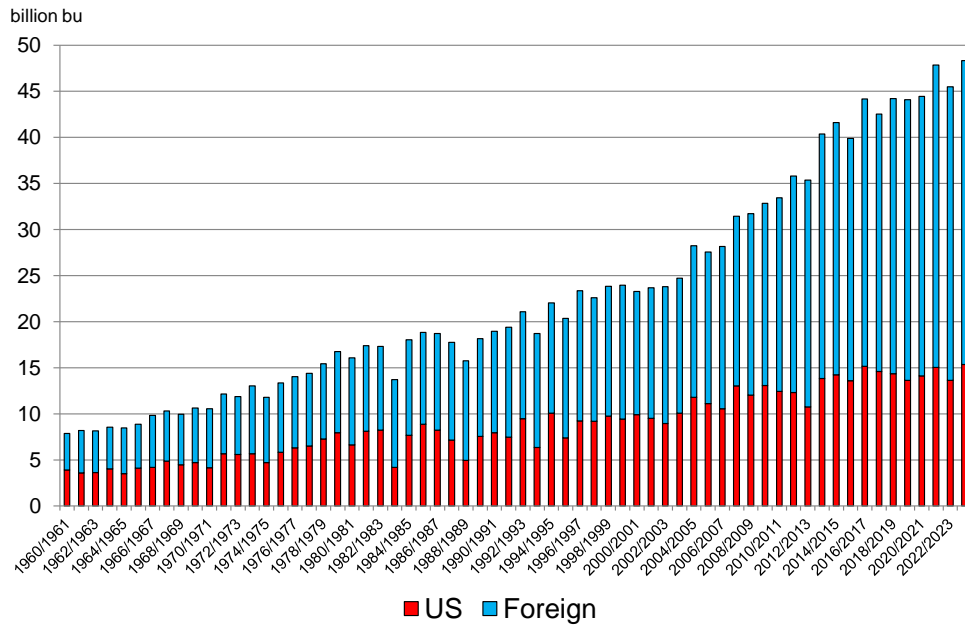


Source: USDA, WASDE 4/11/2024

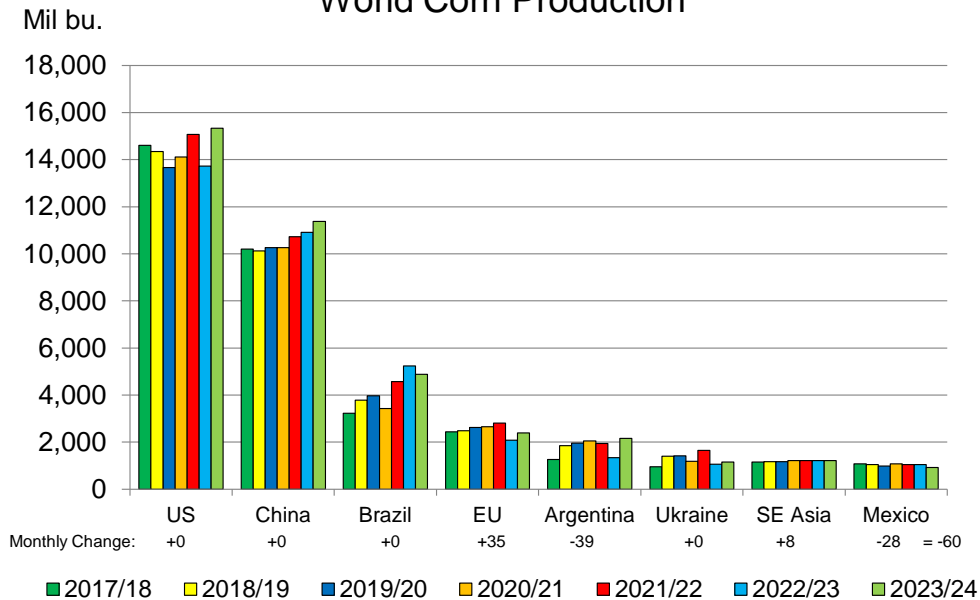


WORLD CORN (MMT)	Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on Hand
2013/14	144.85	1,027.39	124.74	576.32	957.53	131.46	214.70	0.2242	81.8
2014/15	214.70	1,057.80	124.91	591.64	992.80	142.62	279.71	0.2817	102.8
2015/16	279.71	1,014.98	140.12	613.87	982.94	120.80	311.74	0.3172	115.8
2016/17	311.74	1,128.48	138.44	659.01	1,088.34	162.08	351.88	0.3233	118.0
2017/18	351.88	1,081.90	153.10	673.59	1,092.26	149.78	341.52	0.3127	114.1
2018/19	341.52	1,128.74	166.66	705.18	1,147.61	182.63	322.66	0.2812	102.6
2019/20	322.66	1,122.74	167.66	716.33	1,137.93	172.25	307.46	0.2702	98.6
2020/21	307.41	1,129.39	184.94	723.88	1,143.97	182.70	292.83	0.2560	93.4
2021/22	292.95	1,217.27	184.45	744.55	1,199.70	206.59	310.51	0.2588	94.5
2022/23	310.51	1,157.24	172.14	729.99	1,167.66	180.98	300.10	0.2570	93.8
2023/24 May	297.41	1,219.63	184.50	758.63	1,204.14	195.26	312.90	0.2599	94.8
2023/24 June	297.55	1,222.77	187.00	760.79	1,206.35	197.76	313.98	0.2603	95.0
2023/24 July	296.30	1,224.47	188.40	762.09	1,206.65	198.26	314.12	0.2603	95.0
2023/24 August	297.92	1,213.50	187.11	756.69	1,200.37	196.19	311.05	0.2591	94.6
2023/24 September	299.47	1,214.29	187.12	756.10	1,199.77	196.19	313.99	0.2617	95.5
2023/24 October	298.13	1,214.47	186.92	756.27	1,200.20	196.25	312.40	0.2603	95.0
2023/24 November	299.22	1,220.79	189.87	759.78	1,205.03	199.62	314.99	0.2614	95.4
2023/24 December	300.10	1,222.07	191.53	761.30	1,206.95	201.46	315.22	0.2612	95.3
2023/24 January	300.56	1,235.73	190.76	763.73	1,211.07	200.89	325.22	0.2685	98.0
2023/24 February	300.25	1,232.57	189.82	761.75	1,210.76	200.82	322.06	0.2660	97.1
2023/24 March	301.62	1,230.24	189.48	761.62	1,212.24	202.27	319.63	0.2637	96.2
2023/24 April	302.19	1,227.86	187.47	758.95	1,211.77	200.59	318.28	0.2627	95.9
net change	0.57	(2.38)	(2.01)	(2.67)	(0.47)	(1.68)	(1.35)	(0.0010)	(0.4)
% change	0.19%	-0.19%	-1.06%	-0.35%	-0.04%	-0.83%	-0.42%	-0.38%	-0.38%

Corn Production



World Corn Production



These 8 areas account for 82% of global corn production

USDA, WASDE, April 2024

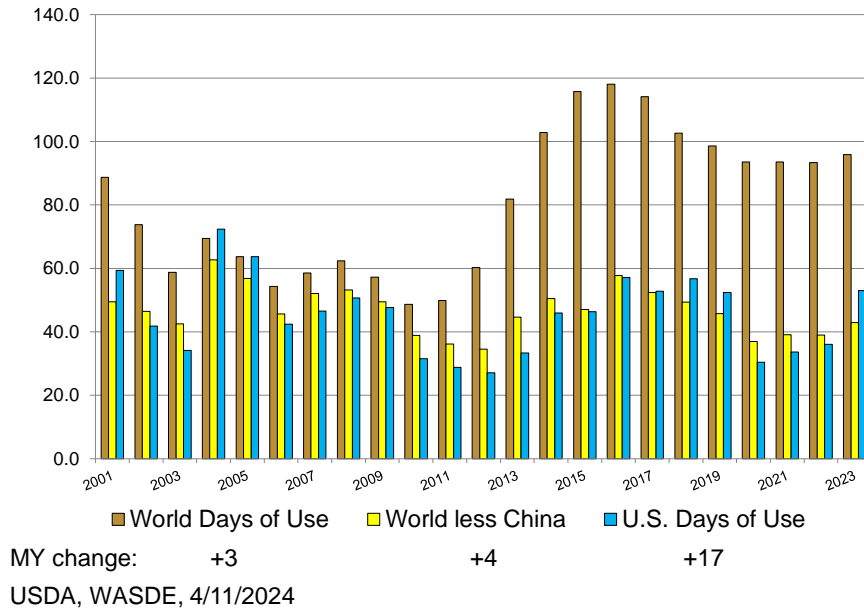
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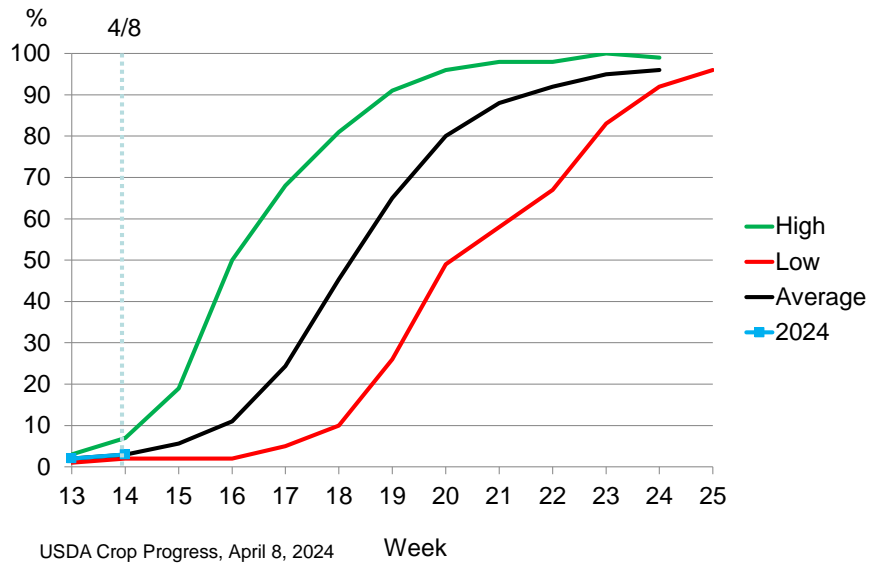


Days of Use on Hand at the End of the Marketing Year:
World, World less China, and US Corn



Crop Progress and Condition. USDA reports 3% of the U.S. corn crop was planted as of April 7. Texas leads the way at 59%. Next is North Carolina at 8% followed by Missouri and Tennessee at 7%.

U.S. Corn Planting Progress
% Planted, 1980-2024



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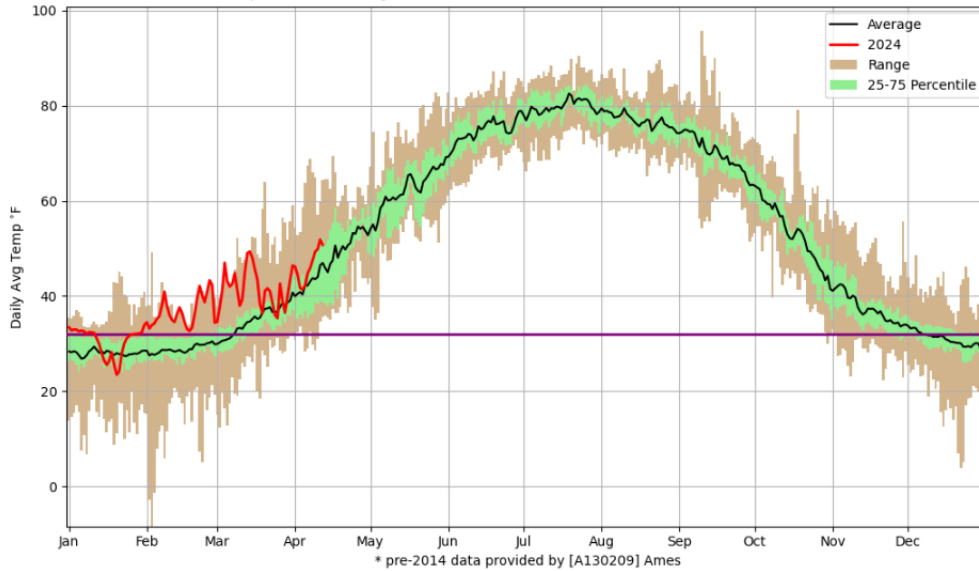
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We may be on track for an early planting season. Soil temperatures in central Iowa are running above normal so far in 2024.



ISU AgClimate [BOOI4] Ames - AEA ISU-RDF [1986-] Site 4 inch Soil Temperature Yearly Timeseries



Generated at 12 Apr 2024 11:06 AM CDT in 1.58s

IEM Autoplot App #145

Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
April 11	4.29	4.87	0.58	5.74	4.79
10-yr average			0.14		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
April 11	4.29	4.33	0.04	4.96	
10-yr average			-0.25		

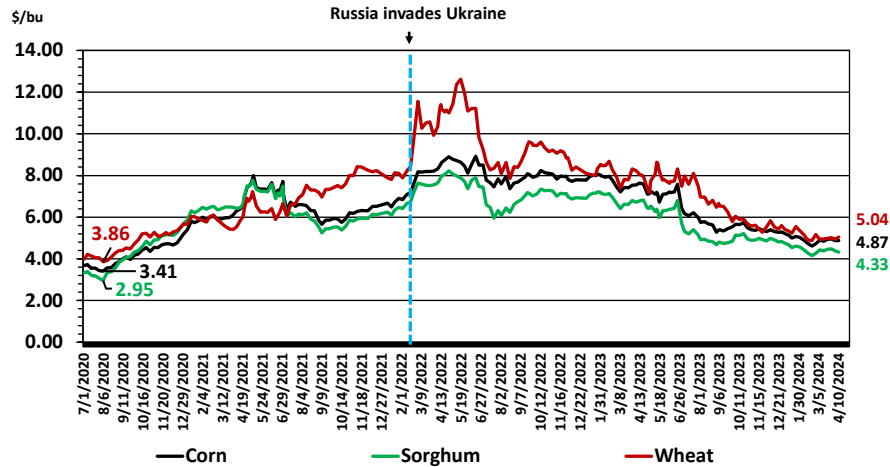
AMS Market News: TX cash = average (North, Central, and South Panhandle), Gulf sorghum: DTN

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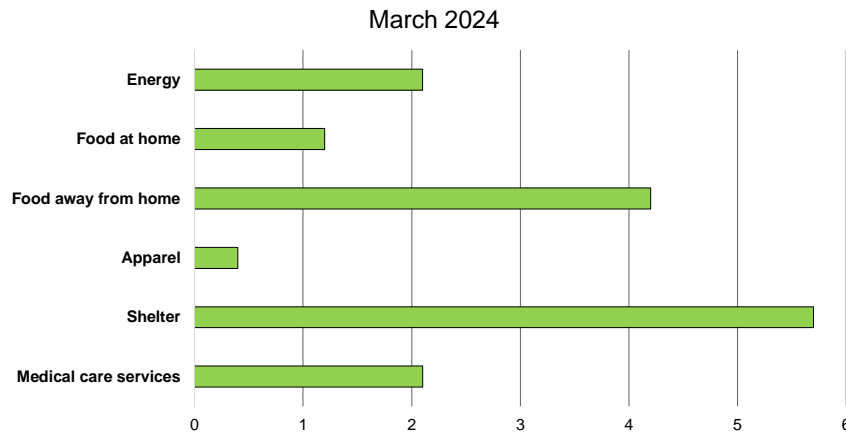
Texas Cash Grain Prices July 2020-April 2024



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)

Outside Markets. The Consumer Price Index for March showed a 3.5% increase over the last 12 months, up from a 3.2% increase in February. The report from the Bureau of Labor Statistics notes that the majority of the price increase was accounted for by shelter and gasoline. The 12-month overall energy index was higher this month for the first time since February 2023.

Percent Change, CPI, year over year



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, April 10, 2024

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NEWS RELEASE

BUREAU OF LABOR STATISTICS
U. S. DEPARTMENT OF LABOR



**Transmission of material in this release is embargoed until
8:30 a.m. (ET) Wednesday, April 10, 2024**

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CONSUMER PRICE INDEX – MARCH 2024

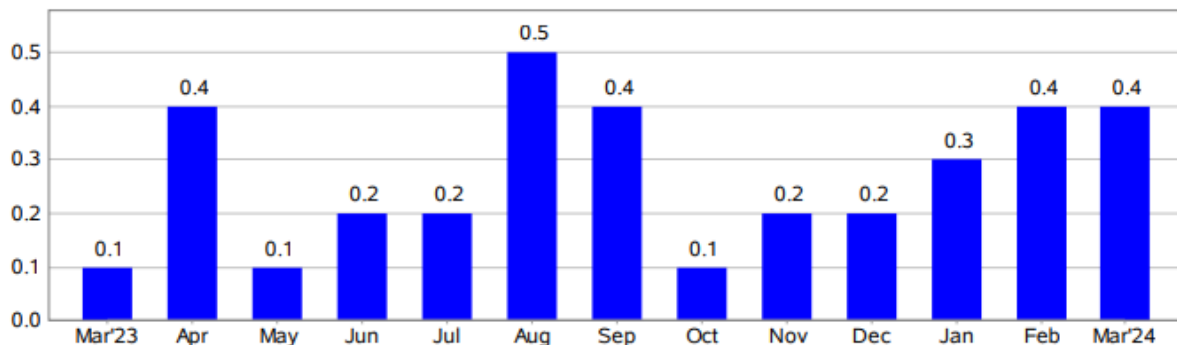
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4 percent in March on a seasonally adjusted basis, the same increase as in February, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 3.5 percent before seasonal adjustment.

The index for shelter rose in March, as did the index for gasoline. Combined, these two indexes contributed over half of the monthly increase in the index for all items. The energy index rose 1.1 percent over the month. The food index rose 0.1 percent in March. The food at home index was unchanged, while the food away from home index rose 0.3 percent over the month.

The index for all items less food and energy rose 0.4 percent in March, as it did in each of the 2 preceding months. Indexes which increased in March include shelter, motor vehicle insurance, medical care, apparel, and personal care. The indexes for used cars and trucks, recreation, and new vehicles were among those that decreased over the month.

The all items index rose 3.5 percent for the 12 months ending March, a larger increase than the 3.2-percent increase for the 12 months ending February. The all items less food and energy index rose 3.8 percent over the last 12 months. The energy index increased 2.1 percent for the 12 months ending March, the first 12-month increase in that index since the period ending February 2023. The food index increased 2.2 percent over the last year.

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Mar. 2023 - Mar. 2024
Percent change



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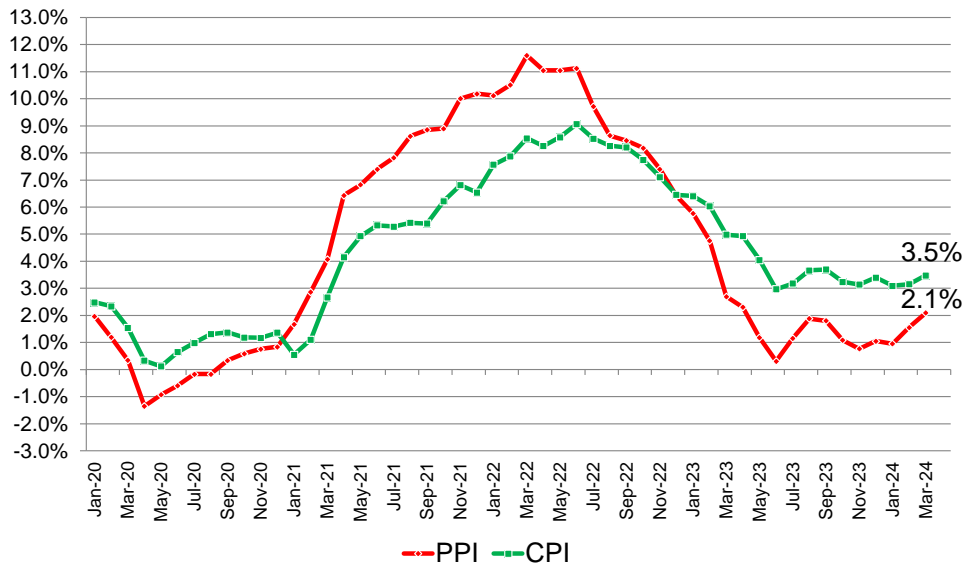
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The Producer Price Index, inflation at the wholesale level and a precursor to inflation at the consumer level, was up 2.1%. The PPI was up 1.6% in February. These numbers will have implications for monetary policy as the Fed continues its efforts to get inflation back down to a long-term level of 2%.

U.S. Inflation
Producer Price Index and Consumer Price Index
12-month percentage change



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, April 10, 2024
 Producer Price Index (PPI), St. Louis Fed, April 11, 2024

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

Prices about 11:45 am CT April 12, 2024:

	II QTR	4/1/2024	4/12/2024	net change	% change
S&P 500	SPX:IN	5,243.77	5,134.85	(108.92)	-2.08%
10-yr T Note	Yield, %	4.33	4.55	0.22	5.08%
CRB	CRY:IND	292.33	295.55	3.22	1.10%
Dollar Index	June 2024	104.76	105.80	1.03	0.98%
Crude Oil	June 2024	82.82	85.33	2.51	3.03%
Copper	May 2024	4.05	4.26	0.21	5.13%

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Corn	May 2024	4.36	4.35	(0.01)	-0.23%
	July 2024	4.49	4.46	(0.04)	-0.83%
Soybeans	May 2024	11.86	11.68	(0.18)	-1.48%
	July 2024	12.00	11.81	(0.19)	-1.56%
SRW Wheat	May 2024	5.57	5.55	(0.02)	-0.40%
	July 2024	5.73	5.69	(0.04)	-0.70%

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, 4/1/2024-4/12/2024 (<https://www.barchart.com/>):



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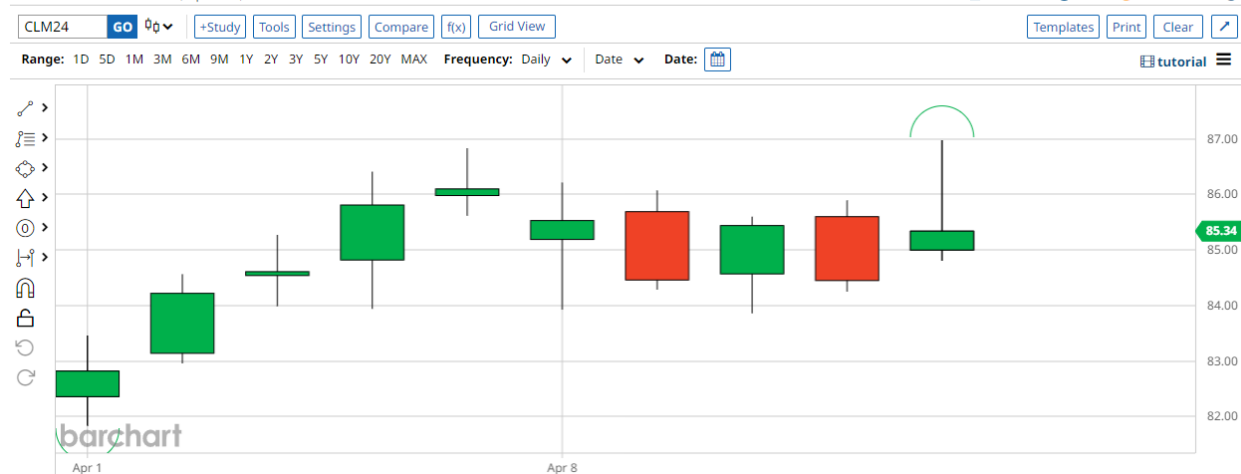
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Crude Oil WTI Jun '24 (CLM24)

85.33 +0.88 (+1.04%) 11:48 CT [NYMEX]

85.32 x 9 85.33 x 1

INTERACTIVE CHART for Fri, Apr 12th, 2024



High Grade Copper May '24 (HGK24)

4.2560 +0.0030 (+0.07%) 11:49 CT [COMEX]

4.2560 x 8 4.2565 x 10

INTERACTIVE CHART for Fri, Apr 12th, 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.

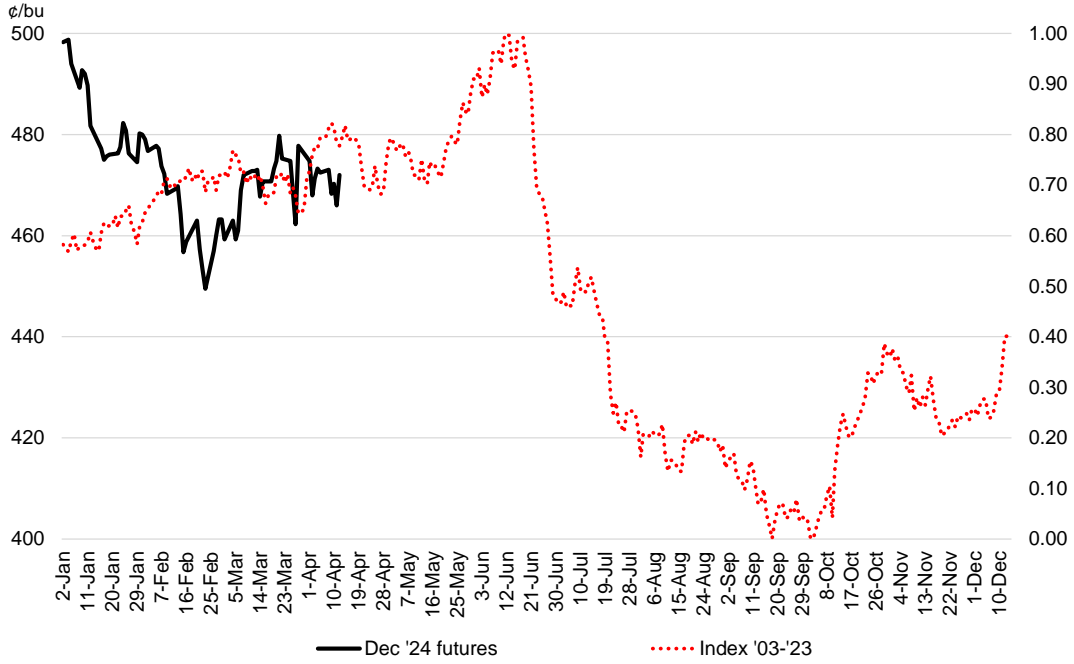
Feed Grain Marketing Plan. I am 30% priced on 2024 corn. We are in the window of my marketing plan in which I look to add to sales. My plan is to be 70% priced by the end of June.

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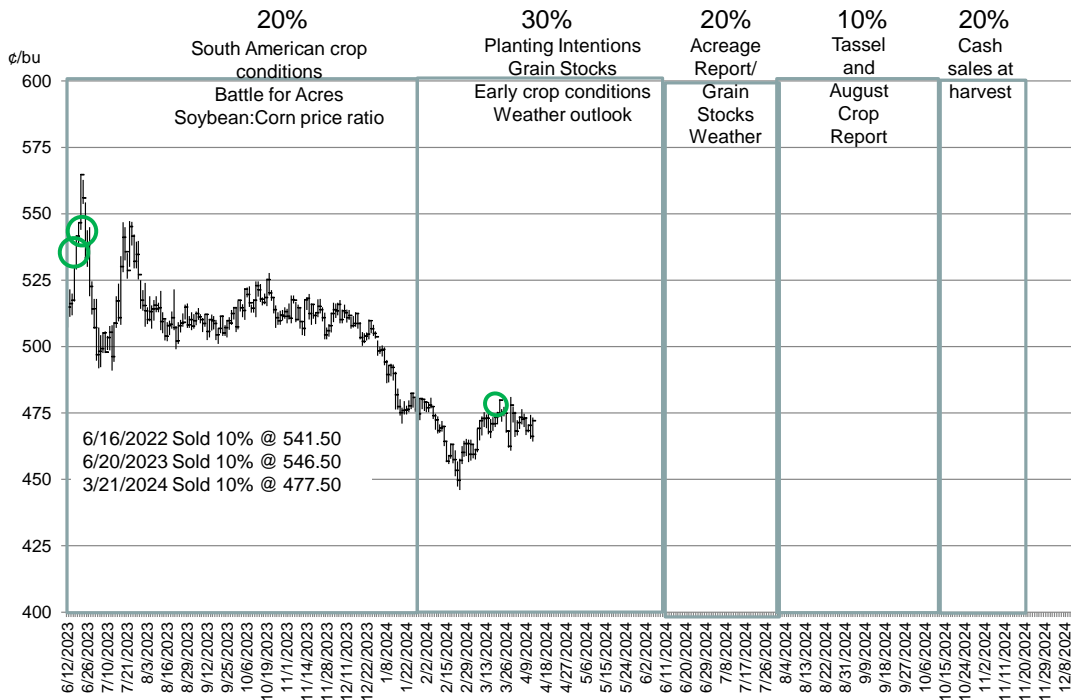
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2024 December Corn Futures and 21-year Seasonal Index Pattern



December Corn Futures and 2024 Marketing Plan



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Upcoming Reports/Events

April 19	Cattle on Feed
April 25	Gross Domestic Product, 1 st Qtr 2024 (Advance Estimate), BEA
April 30-May 1	Federal Open Market Committee, Federal Reserve
May 3	Employment Situation--April
May 7	Short-term Energy Outlook, EIA
May 10	Crop Production World Agricultural Supply and Demand Estimates
May 14	Producer Price Index
May 15	Consumer Price Index
June 28	Acreage Grain Stocks

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