

Feed Grain Outlook

April 19, 2024

Volume 33, Number 21

Today's Newsletter

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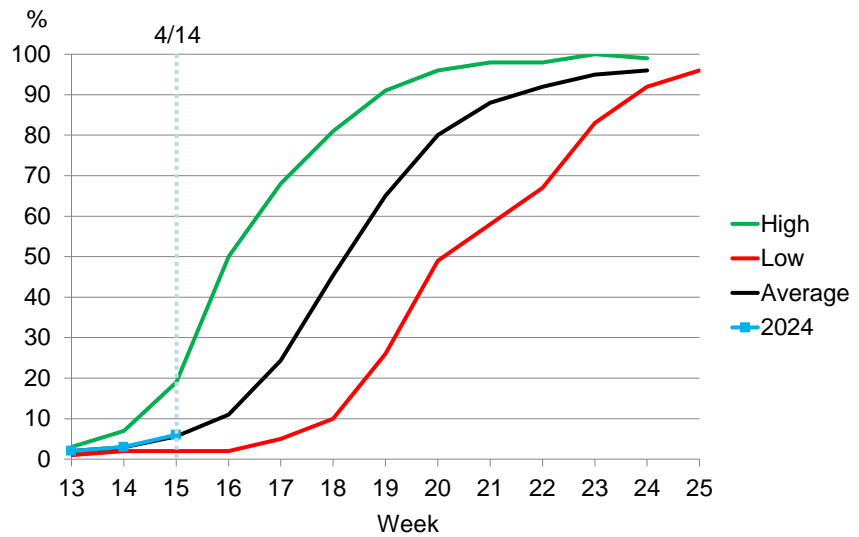
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Market Situation

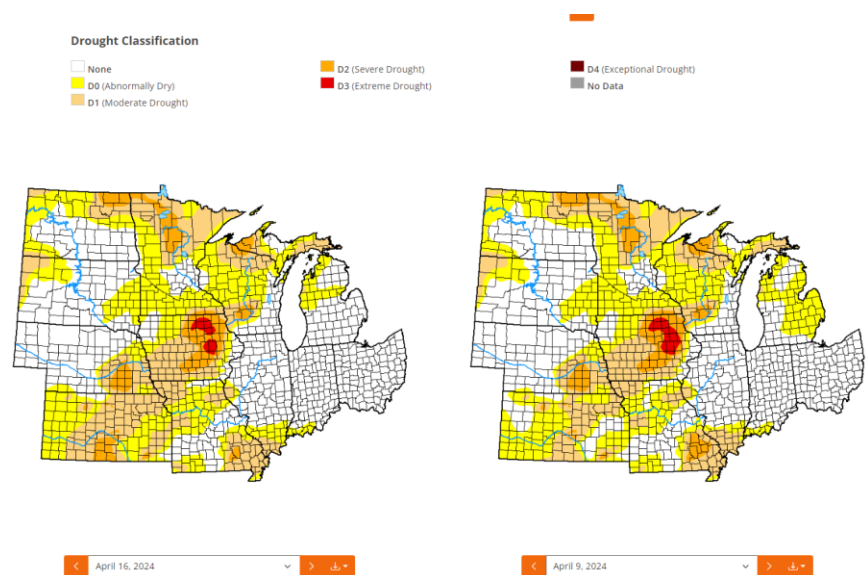
Crop Progress and Condition. As of April 14, USDA reports 6% of the U.S. corn crop was in the ground, right at the early season normal pace. Texas leads the way at 63% followed by North Carolina at 27%. Missouri is the state reporting the most planted ahead of normal, +16% (26% planted, 10% average).

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



USDA Crop Progress, April 15, 2024

The drought monitor for the North Central region this week shows the extreme conditions in northeastern Iowa breaking up a bit.



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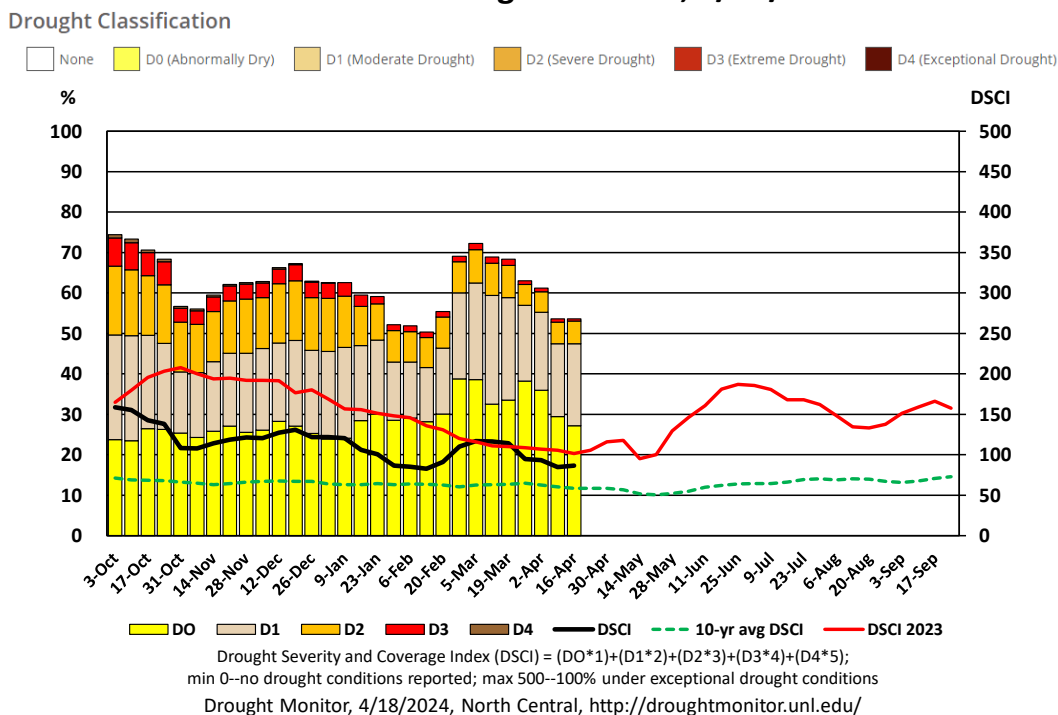
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The drought severity index for the area was up 2 points this week to 87 but is below the reading last year at this time of 102. The 10-year average index for mid-April is 58.

North Central Drought Monitor, 4/16/2024



Grain Use. The top two categories of consumption for U.S. corn are feed and fuel. In the April WASDE, USDA increased both these categories by 25 million bushels, feed to 5.7 billion bushels and fuel to 5.4 billion bushels. Two recent reports provide insight into factors that shape use levels in the marketing year ahead.

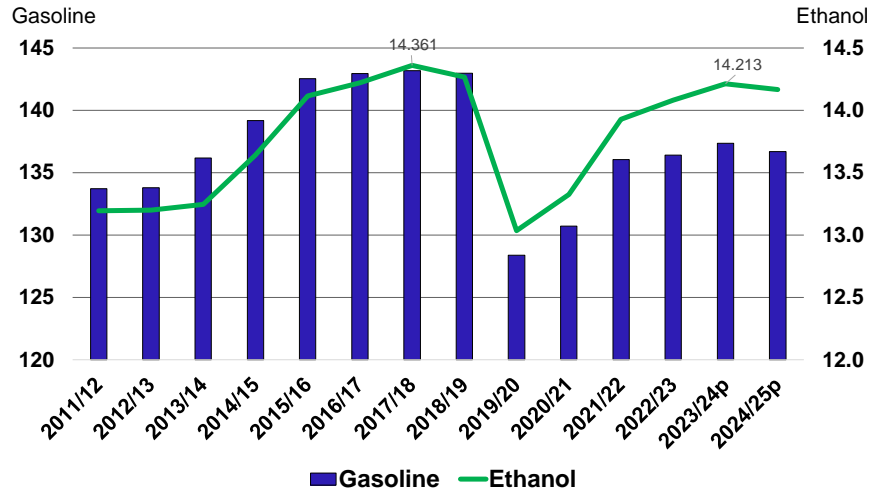
The Short-term Energy Outlook from the Energy Information Administration updates U.S. gasoline and ethanol consumption levels and projections. Total gasoline use by corn marketing year in 2023/24 is the highest since the pandemic drop in 2019/2020 but is not projected to return to pre-pandemic levels. The same pattern holds for ethanol. The peak in 2017/18 was 143.178 billion gallons of gasoline and 14.361 billion gallons of ethanol (10.0% of gasoline). For the current marketing year, 2023/24, 137.367 billion gallons of gasoline, 14.213 billion gallons of ethanol (10.3%). Projected for 2024/25 are 136.683 billion gallons of gasoline and 14.166 billion gallons of ethanol (10.4%).

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U.S. Motor Gasoline and Ethanol Consumption by Corn Marketing Year, billion gallons

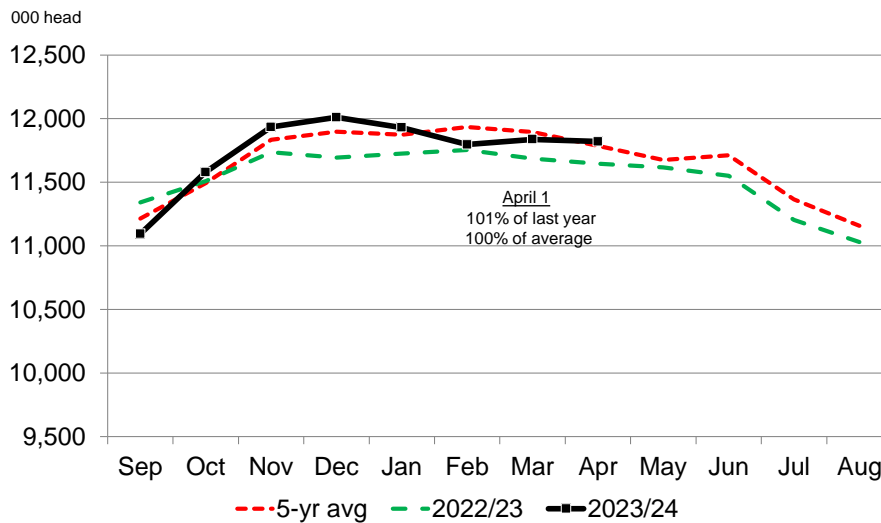


EIA, Short Term Energy Outlook, April 2024
<http://www.eia.gov/>

Cattle on Feed April 1 were 11.821 million head, down 17,000 from 11.838 million on March 1. This is a 1% increase compared to April last year and right at the 5-year April 1 average. For the current corn marketing year, cumulative feedlot inventories are up 1% compared to 2022/23.

2023/24 Cattle on Feed 1,000+ capacity feedlots

MY to date
 Year ago: 101%
 Average: 100%



Source: USDA/NASS, April 19, 2024

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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 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
April 18	4.27	4.85	0.58	5.72	4.77
10-yr average			0.14		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
April 18	4.27	4.31	0.04	4.94	
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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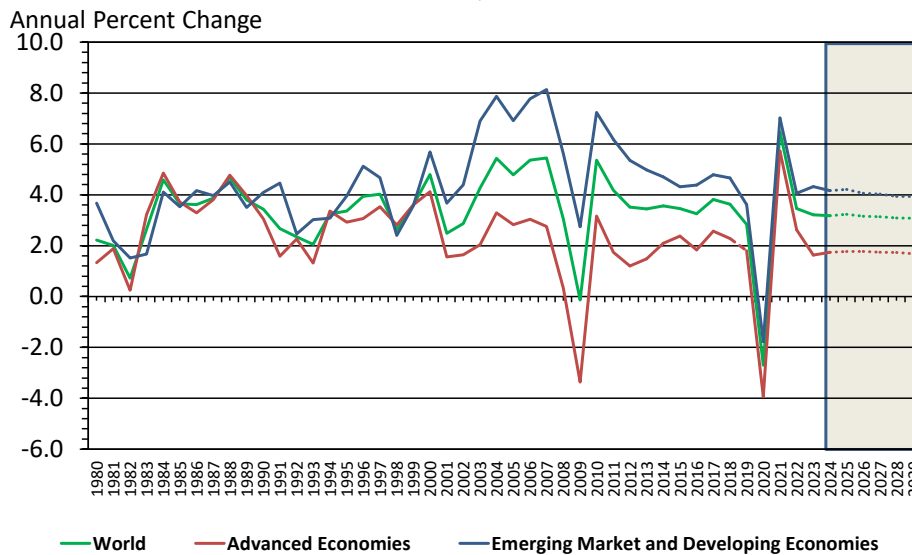
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Outside Markets. The World Economic Outlook from the International Monetary Fund was updated this week. The report shows the world economy continuing to grow in 2024 and 2025 at about the same rate as 2023, 3.2%. Revisions from the previous forecast are for slight better growth in the advanced economies and slight slower growth rates in emerging and developing economies.

Global Economic Growth

Global economic growth is being driven by developing nations.
Real GDP Growth, 1980 - 2029



World Economic, Outlook, April 2024 <http://www.imf.org>
http://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOORLD



<https://www.imf.org/en/Publications/WEO>

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Prices about 9:45 am CT April 19, 2024:

	II QTR	4/1/2024	4/19/2024	net change	% change
S&P 500	SPX:IN	5,243.77	5,001.04	(242.73)	-4.63%
10-yr T Note	Yield, %	4.33	4.59	0.26	6.00%
CRB	CRY:IND	292.33	295.60	3.27	1.12%
Dollar Index	June 2024	104.76	105.75	0.99	0.94%
Crude Oil	June 2024	82.82	82.35	(0.47)	-0.57%
Copper	May 2024	4.05	4.50	0.46	11.24%
Corn	May 2024	4.36	4.31	(0.05)	-1.09%
	July 2024	4.49	4.40	(0.09)	-2.06%
Soybeans	May 2024	11.86	11.43	(0.43)	-3.65%
	July 2024	12.00	11.57	(0.42)	-3.52%
SRW Wheat	May 2024	5.57	5.44	(0.13)	-2.29%
	July 2024	5.73	5.61	(0.12)	-2.10%

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, 4/1/2024-4/19/2024 (<https://www.barchart.com/>):

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U.S. Dollar Index Jun '24 (DXM24)

105.750 -0.232 (-0.22%) 09:43 CT [ICE/US]

105.750 x 4 105.755 x 32

INTERACTIVE CHART for Fri, Apr 19th, 2024

Notes My Charts Alerts Watch Help



Crude Oil WTI Jun '24 (CLM24)

82.35 +0.25 (+0.30%) 09:44 CT [NYMEX]

82.34 x 11 82.35 x 1

INTERACTIVE CHART for Fri, Apr 19th, 2024

Notes My Charts Alerts Watch Help



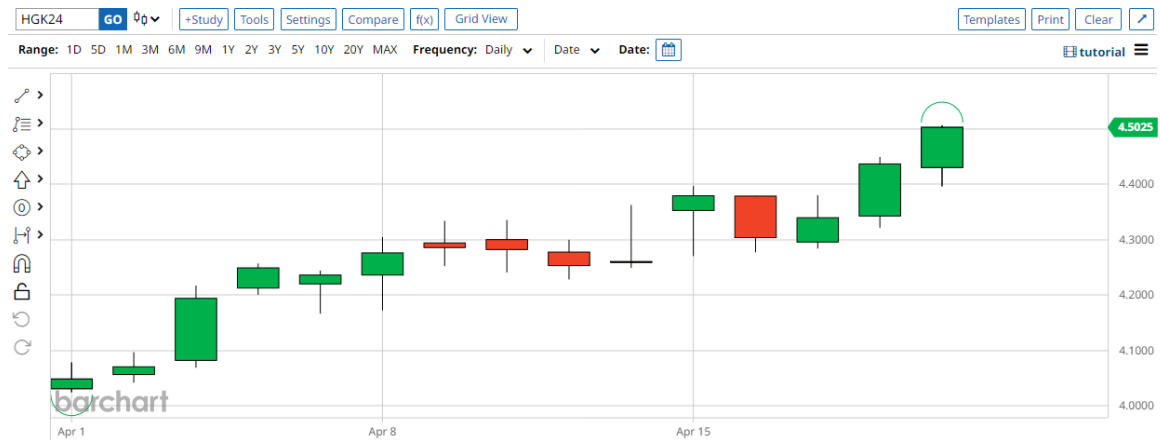
High Grade Copper May '24 (HGK24)

4.5035 +0.0670 (+1.51%) 09:45 CT [COMEX]

4.5030 x 12 4.5035 x 1

INTERACTIVE CHART for Fri, Apr 19th, 2024

Notes My Charts Alerts Watch Help



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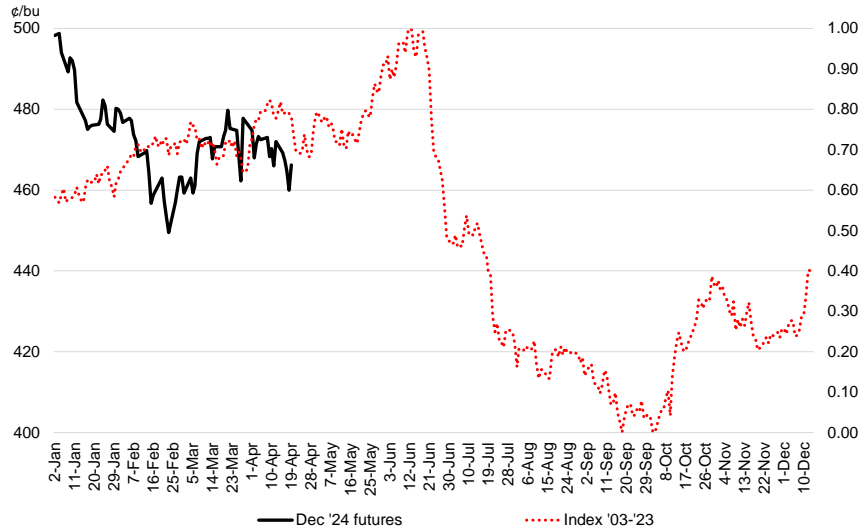
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Marketing Strategies

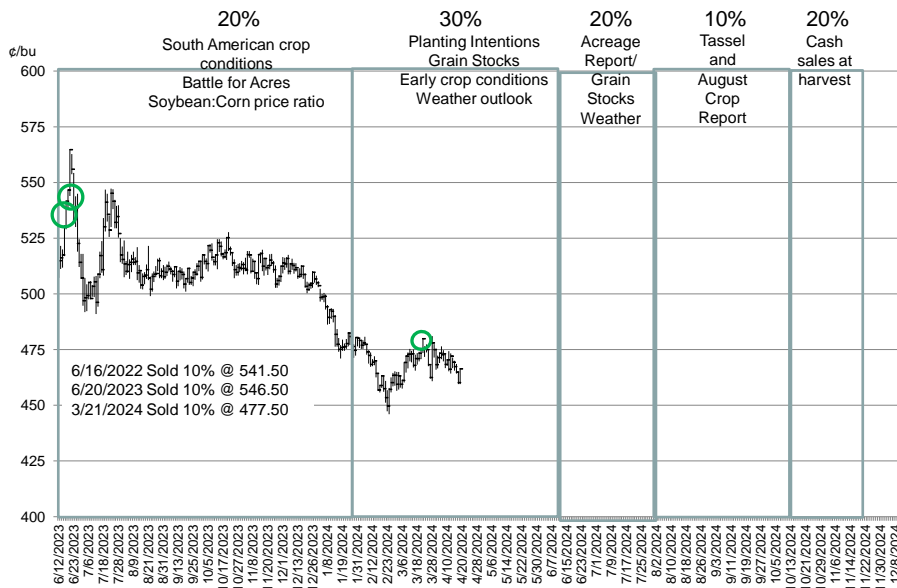
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

2024 December Corn Futures and 21-year Seasonal Index Pattern



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 July.

December Corn Futures and 2024 Marketing Plan



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Upcoming Reports/Events

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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