

Feed Grain Outlook

June 12, 2024

Volume 33, Number 37

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Market Situation

WASDE. USDA made no changes to the U.S. supply and demand balance sheets for corn or grain sorghum in the June WASDE.

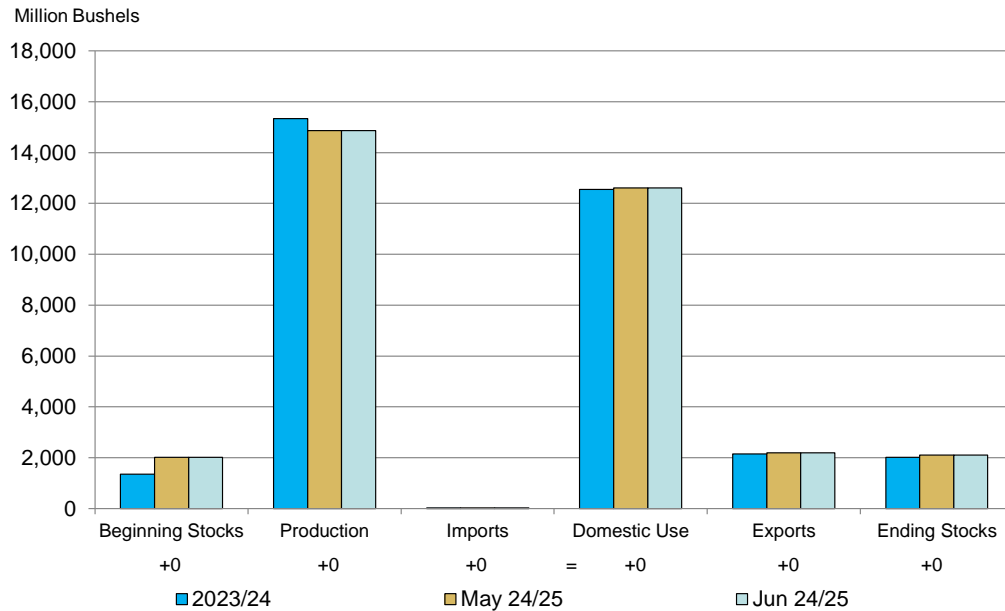
Compared to last year's corn crop, fewer acres but a record yield increase supply by just over 1%. Total use is up just under 1% with an additional 50 million bushels for both domestic use and exports.

Estimated days of use on hand at the end of the marketing year increase from a 50.2-day supply to 51.8. The price decline is from \$4.65 to \$4.40, -5%.

US CORN SUPPLY AND USE			May				June		
			2023/24	2023 to 5/10/2024	May 2024/25		2024/25	May to June	
AREA				Net Δ	% Δ	6/12/2024	Net Δ	% Δ	
Planted	mil acres	94.6	90.00	(4.6)	-4.9%	90.0	0.0	0.0%	
Harvested	mil acres	86.5	82.1	(4.4)	-5.1%	82.1	0.0	0.0%	
% harvested		91.4%	91.2%	-0.2%	-0.2%	91.2%	0.0	0.0%	
YIELD	Harvested acre	bu/ac	177.3	181.0	3.7	2.1%	181.0	0.0	0.0%
SUPPLY									
Beginning stocks	mil bu	1,360	2,022	662.0	48.7%	2,022	0	0.0%	
Production	mil bu	15,342	14,860	(482.0)	-3.1%	14,860	0	0.0%	
Imports	mil bu	25	25	0.0	0.0%	25	0	0.0%	
Total Supply	mil bu	16,727	16,907	180.0	1.1%	16,907	0	0.0%	
DEMAND									
Feed and residual	mil bu	5,700	5,750	50.0	0.9%	5,750	0	0.0%	
Food, seed, and indust	mil bu	1,405	1,405	0.0	0.0%	1,405	0	0.0%	
Ethanol	mil bu	5,450	5,450	0.0	0.0%	5,450	0	0.0%	
Total Domestic Use	mil bu	12,555	12,605	50.0	0.4%	12,605	0	0.0%	
Exports	mil bu	2,150	2,200	50.0	2.3%	2,200	0	0.0%	
Total Use	mil bu	14,705	14,805	100.0	0.7%	14,805	0	0.0%	
Ending stocks	mil bu	2,022	2,102	80.0	4.0%	2,102	0	0.0%	
Stocks to Use ratio	percent	13.8%	14.2%	0.4%	3.3%	14.20%	0.00%	0.0%	
Days of use on hand		50.2	51.8	1.6	3.3%	51.8	0.0	0.0%	
PRICE									
Average farm price	\$/bu	\$ 4.65	4.40	(0.25)	-5.4%	4.40	0.00	0.0%	
Reference Price	\$/bu	\$ 3.70	4.01	0.31	8.4%	4.01	0.00	0.0%	
PLC Payment	\$/bu	\$ -	\$ -	0.00		0.00	0.00		

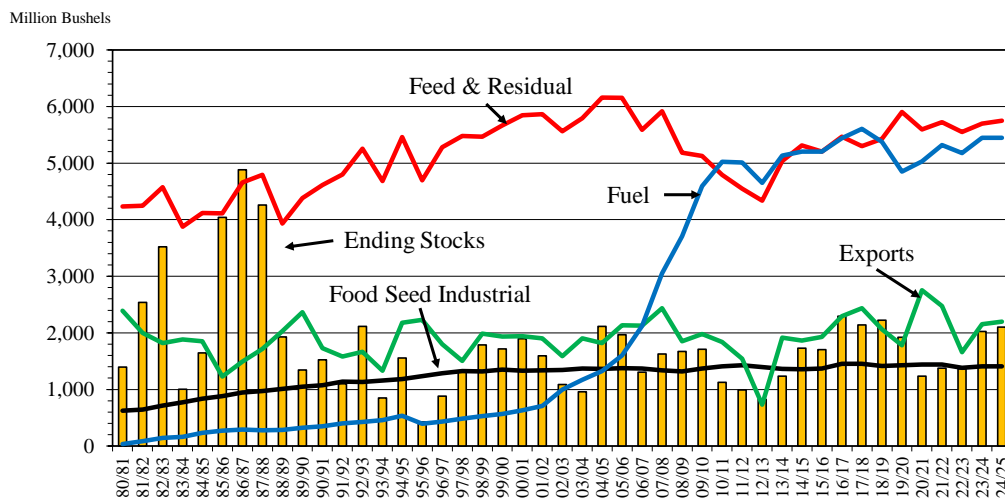
World corn ending stocks are down slightly this month (-1.5 mmt/ 59 mil bu) on increased use. Total supply was basically unchanged with a decrease in beginning stocks offsetting a small increase in production. Global days of use on hand at the end of the marketing year are estimated at a 92.8-day supply, down from 93.4 last month. While days of use on hand in the U.S. are projected higher in 2024, days of use less China are down.

U.S. Corn Supply and Demand, June 2024



USDA, WASDE 6/12/2024

U.S. Corn Use June WASDE



Source: USDA WASDE, 6/12/2024

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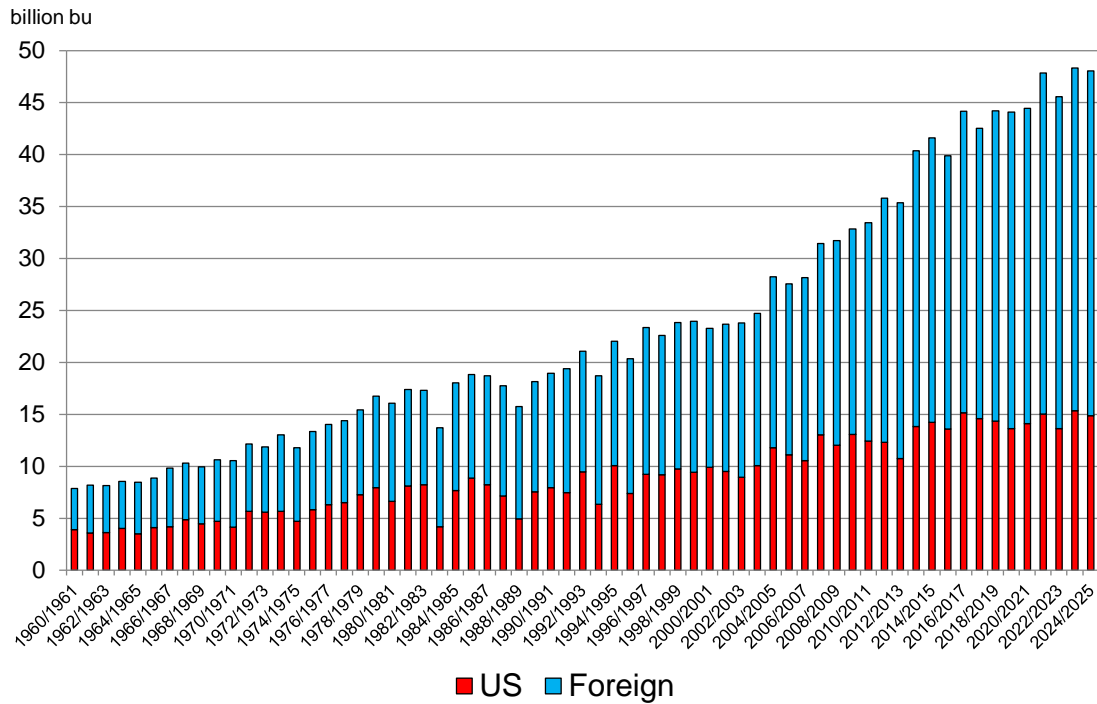
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WORLD	CORN (MMT)	Beginning				Total		Ending	Stocks	Days
		Stocks	Production	Imports	Feed Use	Use	Exports	Stocks	to Use	on Hand
2013/14		144.85	1,027.39	124.74	576.32	957.53	131.46	214.70	0.2242	81.8
2014/15		214.70	1,057.80	124.91	591.64	992.80	142.62	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		313.73	1,157.95	173.37	732.39	1,170.75	180.34	300.94	0.2570	93.8
2023/24		300.94	1,228.10	186.58	760.22	1,216.65	199.11	312.39	0.2568	93.7
2024/25	May	313.08	1,219.93	184.37	774.03	1,220.75	191.10	312.27	0.2558	93.4
2024/25	June	312.39	1,220.54	186.16	774.44	1,222.16	191.75	310.77	0.2543	92.8
	net change	(0.69)	0.61	1.79	0.41	1.41	0.65	(1.50)	(0.00)	(0.56)
	% change	-0.22%	0.05%	0.97%	0.05%	0.12%	0.34%	-0.48%	-0.60%	-0.60%

Corn Production



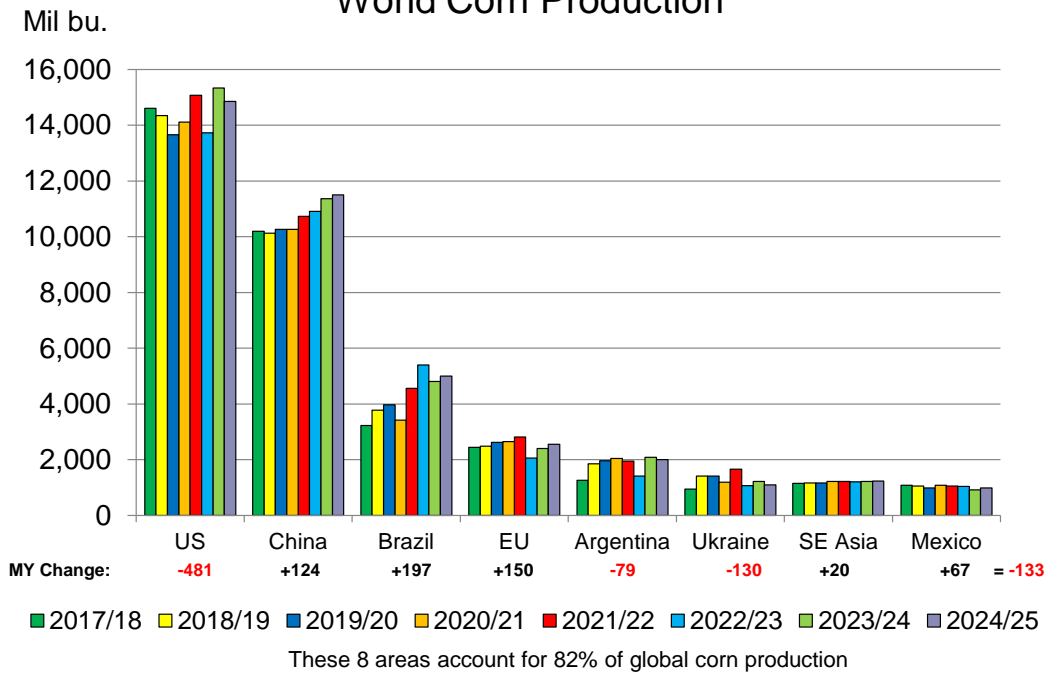
USDA, WASDE June 2024

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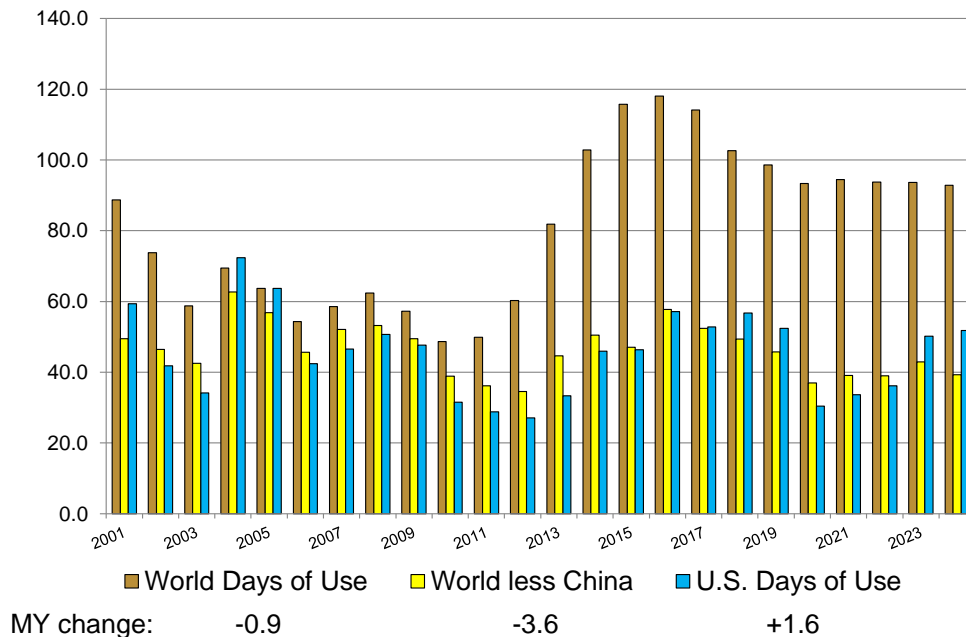
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World Corn Production



USDA, WASDE, June 2024

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



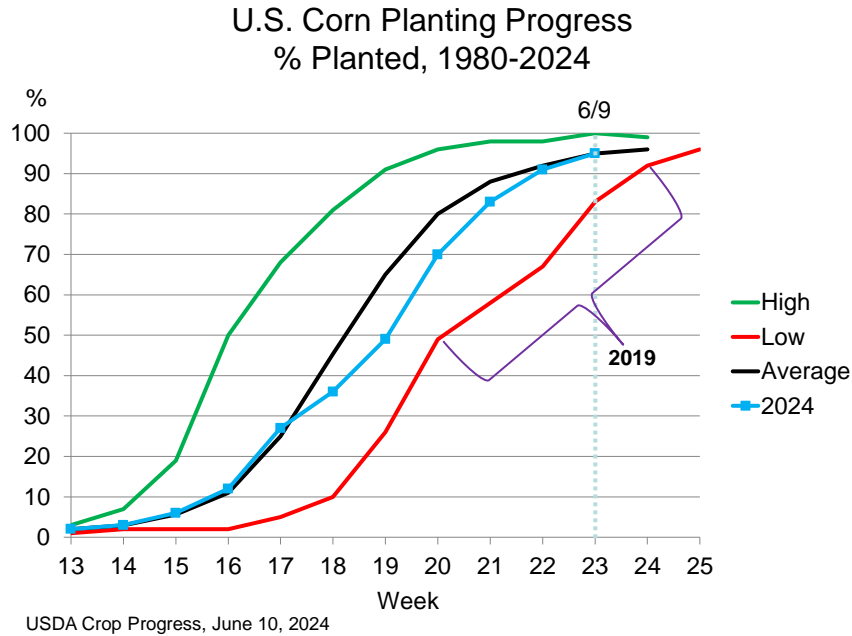
USDA, WASDE, 6/12/2024

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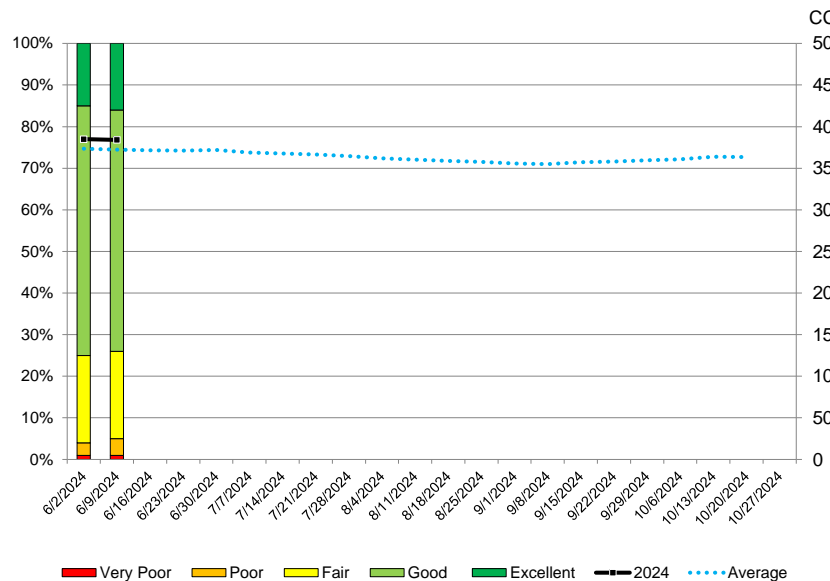
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Crop Progress and Condition. U.S. corn planting progress reached 95% as of June 9, right at the long-term average.



The corn crop condition index this week of 384 is down one point. The share rated very poor and poor increased from 4% to 5%. Corn rated good and excellent declined from 75% to 74%. The average corn condition score for this week of the crop year is 372.

2024 U.S. Corn Crop Condition Ratings, June 9



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Outside Markets. Inflation moderated in May according to the Consumer Price Index released today by the Bureau of Labor Statistics. Month to month, prices in May were unchanged from April. For the 12 months ending in May, inflation was 3.3%, down from 3.4% in April. Prices for shelter, a major component of the index was up 5.5%. Transportation services such as car insurance continue to be notably higher.

NEWS RELEASE

BUREAU OF LABOR STATISTICS
U. S. D E P A R T M E N T O F L A B O R



Transmission of material in this release is embargoed until
8:30 a.m. (ET) Wednesday, June 12, 2024

USDL-24-1123

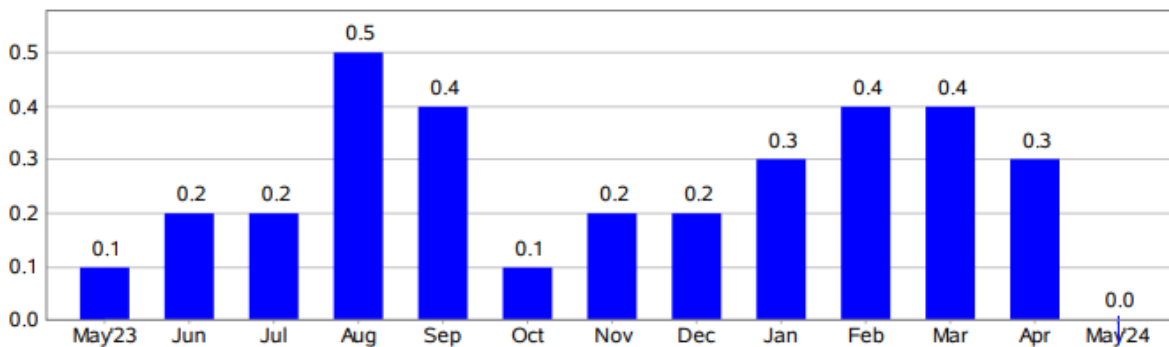
Technical information: (202) 691-7000 • cpi_info@bls.gov • www.bls.gov/cpi
Media contact: (202) 691-5902 • PressOffice@bls.gov

CONSUMER PRICE INDEX – MAY 2024

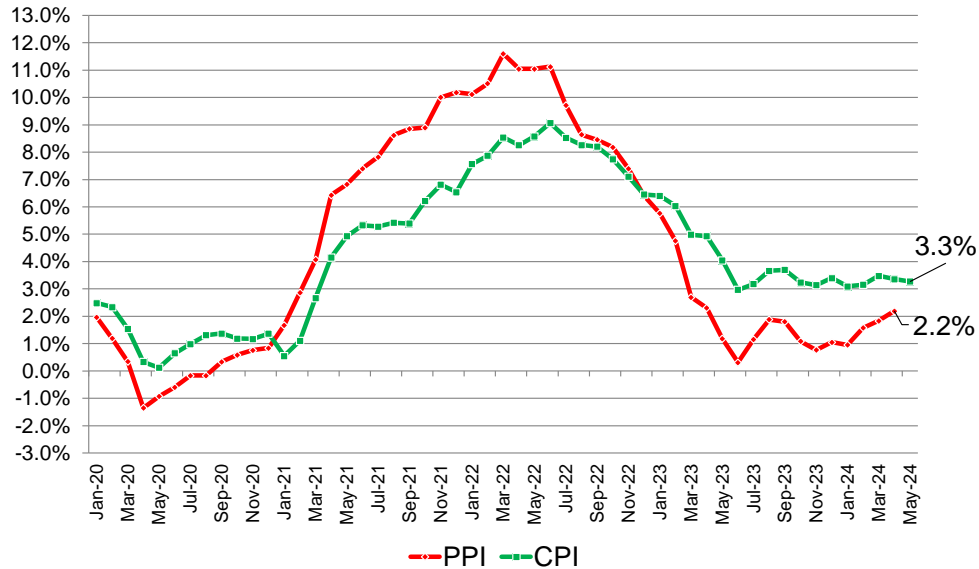
(NOTE: This news release was reissued on June 12, 2024, to correct an error in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) paragraph of the news release. The release incorrectly stated that the 1-month percent change decreased 0.1 percent prior to seasonal adjustment. The CPI-W increased 0.1 percent prior to seasonal adjustment.)

The Consumer Price Index for All Urban Consumers (CPI-U) was unchanged in May on a seasonally adjusted basis, after rising 0.3 percent in April, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 3.3 percent before seasonal adjustment.

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



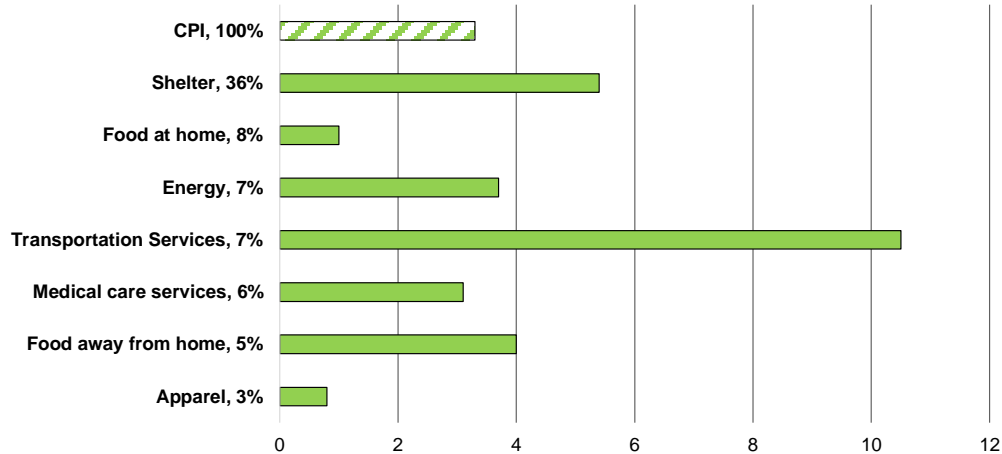
U.S. Inflation Producer Price Index and Consumer Price Index 12-month percentage change



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, June 12, 2024
 Producer Price Index (PPI), St. Louis Fed, May 14, 2024

Percent Change, CPI, year over year

May 2023 to May 2024



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, June 12, 2024

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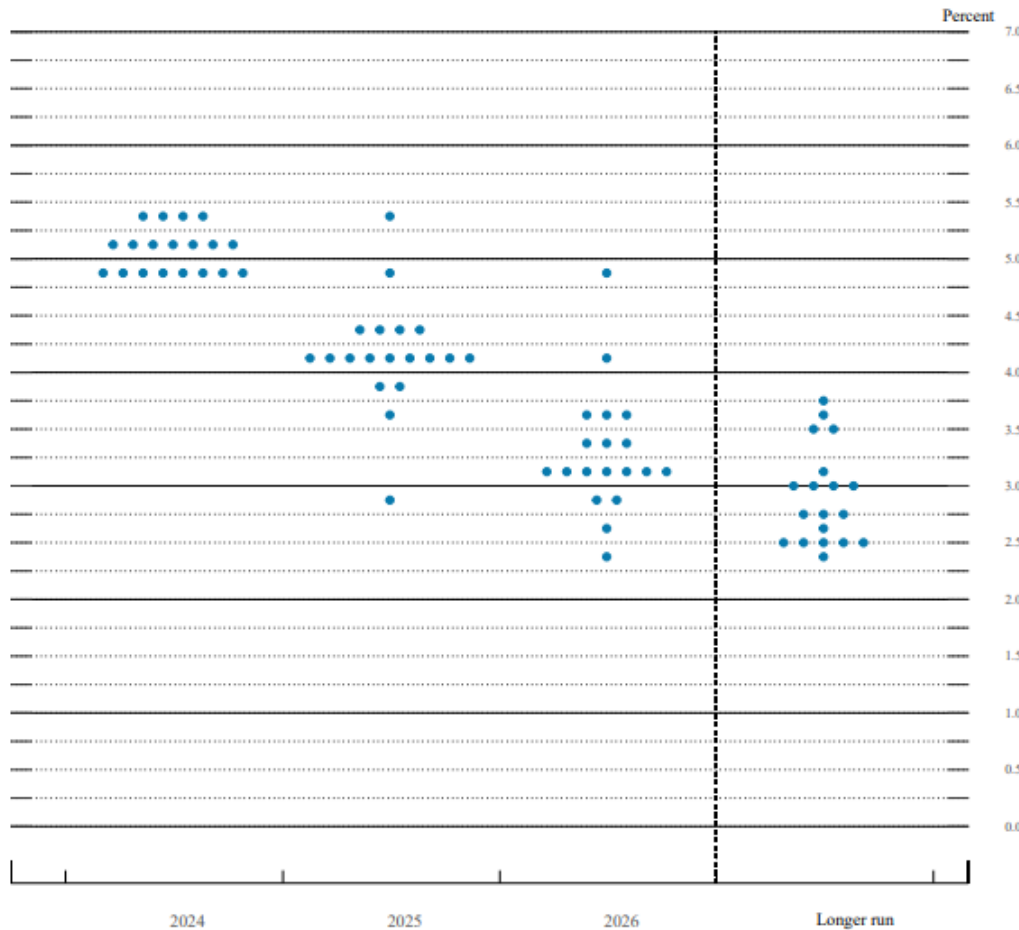
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At the conclusion of the meeting of the Federal Open Market Committee today, the Fed decided to leave the federal funds rate unchanged at 5-1/4 to 5-1/2%. The FOMC statement notes strong job gains and inflation easing, but prices remain elevated above the 2% inflation target.

Committee member projections of appropriate monetary policy moving forward indicate a possibility of a rate cut this year (still around 5%) with an outlook for rates around 4% by the end of 2025, moving towards 3% in 2026.

For release at 2:00 p.m., EDT, June 12, 2024

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



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

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Prices about 3:30 pm CT June 12, 2024:

	II QTR	4/1/2024	6/12/2024	net change	% change
S&P 500	SPX:IN	5,243.77	5,421.03	177.26	3.38%
10-yr T Note	Yield, %	4.33	4.39	0.06	1.39%
CRB	CRY:IND	292.33	292.75	0.42	0.14%
Dollar Index	September 2024	104.38	104.30	(0.08)	-0.08%
Crude Oil	July 2024	81.98	78.33	(3.65)	-4.45%
Copper	July 2024	4.08	4.53	0.45	11.09%
Corn	July 2024	4.49	4.54	0.05	1.11%
	September 2024	4.61	4.57	(0.04)	-0.87%
Soybeans	July 2024	12.00	11.77	(0.22)	-1.85%
	August 2024	11.99	11.66	(0.32)	-2.69%
SRW Wheat	July 2024	5.73	6.17	0.44	7.73%
	September 2024	5.89	6.36	0.47	8.03%

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, 4/1/2024-6/12/2024 (<https://www.barchart.com/>):

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U.S. Dollar Index Sep '24 (DXU24)

104.295 -0.522 (-0.50%) 15:32 CT [ICE/US]

104.290 x 16 104.300 x 20

INTERACTIVE CHART for Wed, Jun 12th, 2024

Notes My Charts Alerts Watch Help

DXU24 GO +Study Tools Settings Compare f(x) Grid View

Templates Print Clear

Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Daily Date Date

tutorial



Crude Oil WTI Jul '24 (CLN24)

78.33 +0.43 (+0.55%) 15:39 CT [NYMEX]

78.33 x 12 78.34 x 5

INTERACTIVE CHART for Wed, Jun 12th, 2024

Notes My Charts Alerts Watch Help

CLN24 GO +Study Tools Settings Compare f(x) Grid View

Templates Print Clear

Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Daily Date Date

tutorial



High Grade Copper Jul '24 (HGN24)

4.5320 +0.0220 (+0.49%) 15:40 CT [COMEX]

4.5315 x 2 4.5320 x 1

INTERACTIVE CHART for Wed, Jun 12th, 2024

Notes My Charts Alerts Watch Help

HGN24 GO +Study Tools Settings Compare f(x) Grid View

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Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Daily Date Date

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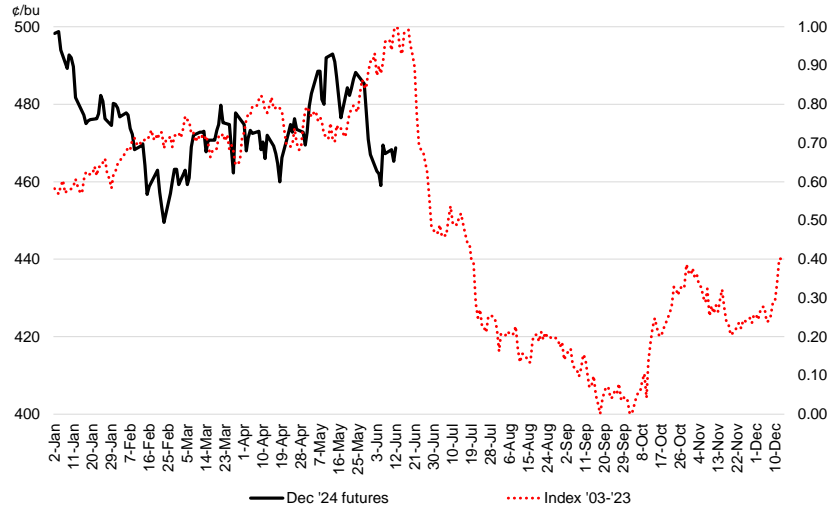
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Marketing Strategies

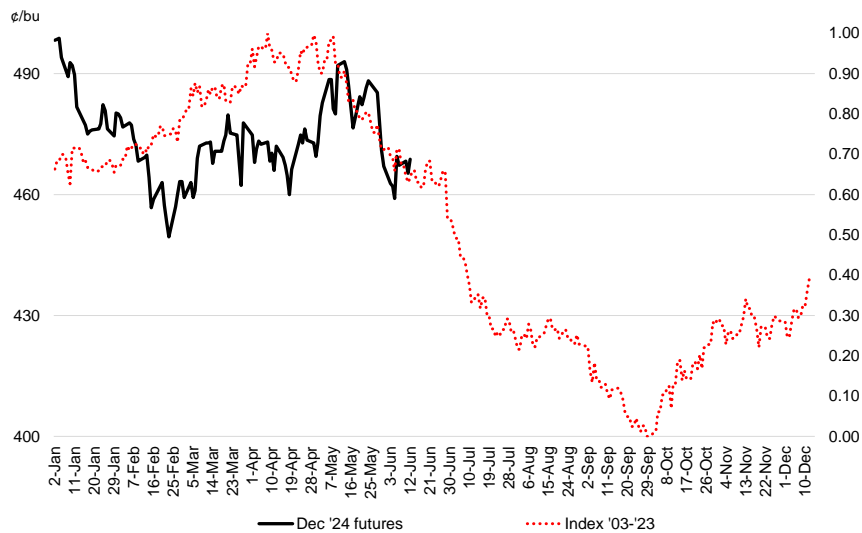
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

2024 December Corn Futures and 21-year Seasonal Index Pattern



In 2014, prices followed the normal seasonal pattern except prices peaked earlier, April-May. Crop ratings for corn in 2014 were consistently high. The share rated good and excellent never fell below 72%.

2024 December Corn Futures and 2014 Seasonal Pattern



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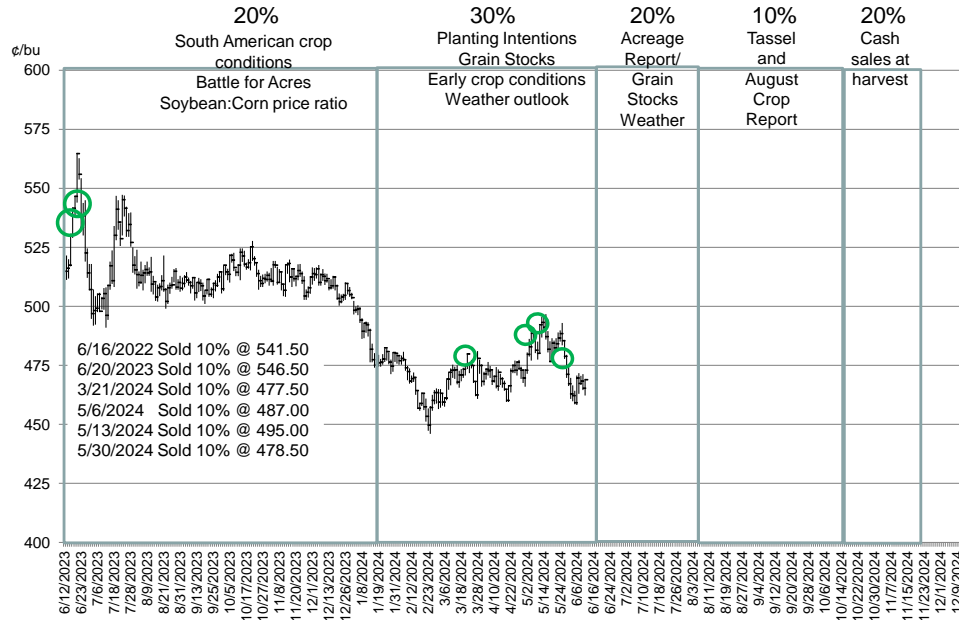
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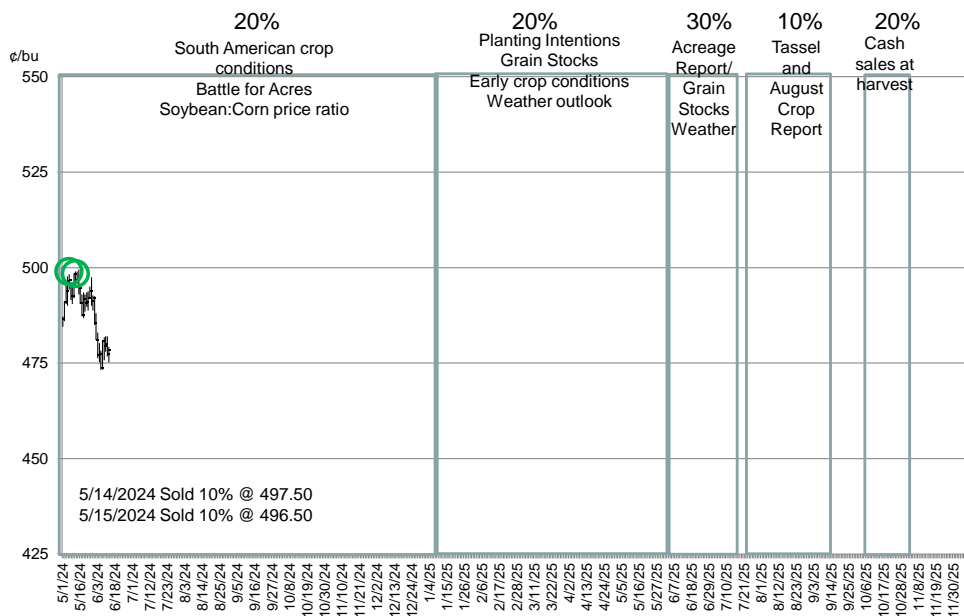


Feed Grain Marketing Plan. I am 60% sold on the 2024 corn crop. My plan is to have 70% priced by mid-July. I have also priced 20% of the 2025 crop.

December Corn Futures and 2024 Marketing Plan



December Corn Futures and 2025 Marketing Plan



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Upcoming Reports/Events

June 21	Cattle on Feed
June 24	Chickens and Eggs
June 27	Hogs and Pigs
June 28	Acreage Grain Stocks
July 9	Short-term Energy Outlook
July 12	Crop Production WASDE

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