

Feed Grain Outlook

August 12, 2024

Volume 33, Number 47

Today's Newsletter

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Market Situation

August WASDE and Crop Production. USDA made significant revisions to planted and harvested acreage estimates in the August Crop Production report. Corn planted is down 800,000 from last month and harvested area down 700,000. Offsetting the area decrease was an increase in yield, up 2.1 bushels this month to 183.1. That raised the production estimate for 2024 by 47 million bushels.

On the demand side of the balance sheet, food use was down 15 million bushels but exports were up 75 million raising total use by 60 million bushels. Ending stocks were revised lower by 24 million bushels and estimated days of use on hand at the end of the marketing year were lowered from a 51.4-day supply last month to a 50.6-day supply. The season average farm price was down another 10 cents to \$4.20.

US CORN SUPPLY AND USE			August		
			2024/25	July to August	
AREA			8/12/2024	Net Δ	% Δ
	Planted	mil acres	90.7	(0.8)	-0.85%
	Harvested	mil acres	82.7	(0.7)	-0.89%
	% harvested		91.2%	0.0%	-0.05%
YIELD	Harvested acre	bu/ac	183.1	2.1	1.16%
SUPPLY					
	Beginning stocks	mil bu	1,867	(10)	-0.53%
	Production	mil bu	15,147	47	0.31%
	Imports	mil bu	25	0	0.00%
	Total Supply	mil bu	17,038	36	0.21%
DEMAND					
	Feed and residual	mil bu	5,825	0	0.00%
	Food, seed, and indus	mil bu	1,390	(15)	-1.07%
	Ethanol	mil bu	5,450	0	0.00%
	Total Domestic Use	mil bu	12,665	(15)	-0.12%
	Exports	mil bu	2,300	75	3.37%
	Total Use	mil bu	14,965	60	0.40%
	Ending stocks	mil bu	2,073	(24)	-1.14%
	Stocks to Use ratio	percent	13.9%	-0.2%	-1.54%
	Days of use on hand		50.6	(0.8)	-1.54%
PRICE	Average farm price	\$/bu	4.20	(0.10)	-2.33%
	Reference Price	\$/bu	4.01	0.0	
	PLC Payment	\$/bu	0.00	0.0	

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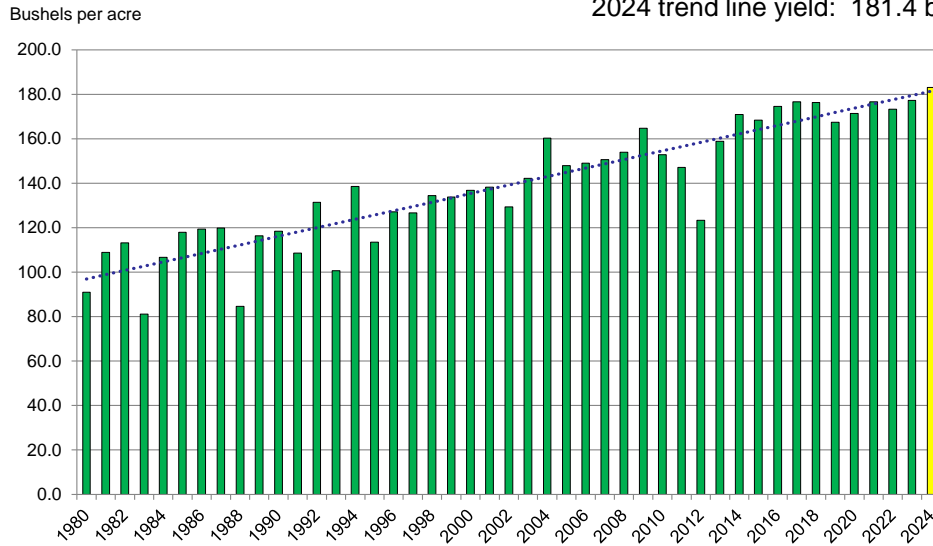
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US Average Corn Yield, 1980-2023, 2024 est. and trendline

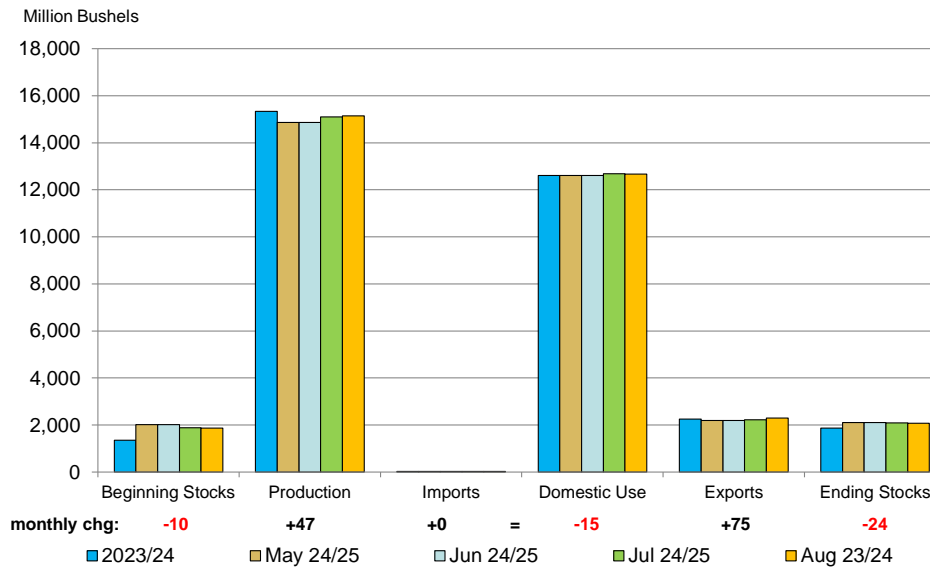
2024 USDA estimate: 183.1 bu

2024 trend line yield: 181.4 bu



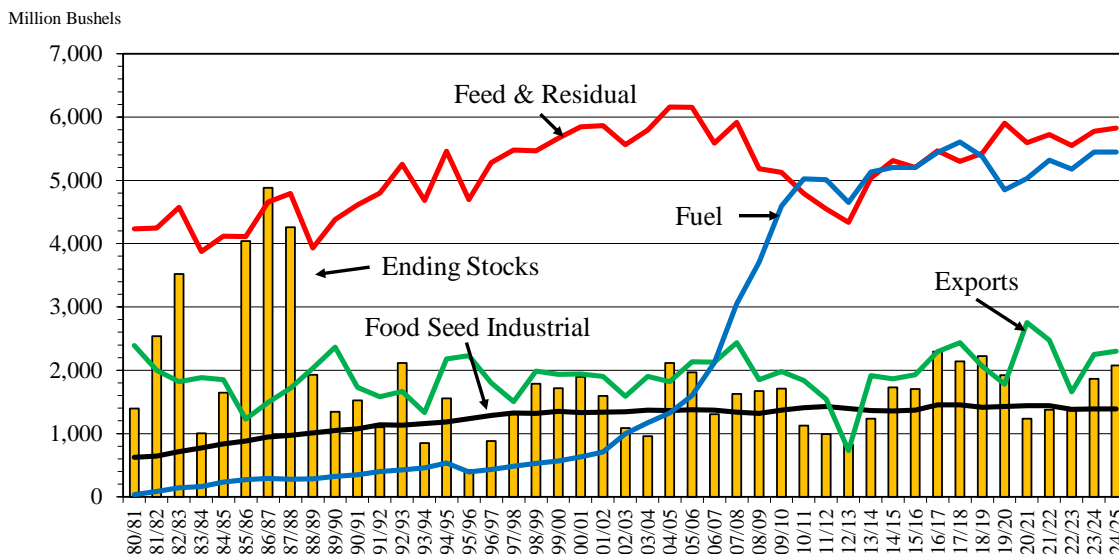
USDA, WASDE 8/12/2024

U.S. Corn Supply and Demand, August 2024



USDA, WASDE 8/12/2024

U.S. Corn Use August WASDE



Source: USDA WASDE, 8/12/2024

World corn ending stocks were revised lower this month with a 5.6 mmt (220 mil bu) decrease in supply and a 4.1 mmt (162 mil bu) decrease in total use. This lowered world ending stocks 1.5 mmt (58 mil bu) and days of use on hand at the end of the marketing year from 93.1 in July to 92.9.

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		313.74	1,159.74	173.39	734.60	1,170.66	180.24	302.82	0.2587	94.4
2023/24		302.82	1,223.81	188.29	765.00	1,218.11	200.59	308.52	0.2533	92.4
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
2024/25	July	309.13	1,224.79	186.51	774.75	1,222.28	191.81	311.64	0.2550	93.1
2024/25	August	308.52	1,219.82	185.85	772.80	1,218.17	191.47	310.17	0.2546	92.9
	net change	(0.61)	(4.97)	(0.66)	(1.95)	(4.11)	(0.34)	(1.47)	(0.00)	(0.13)
	% change	-0.20%	-0.41%	-0.35%	-0.25%	-0.34%	-0.18%	-0.47%	-0.14%	-0.14%

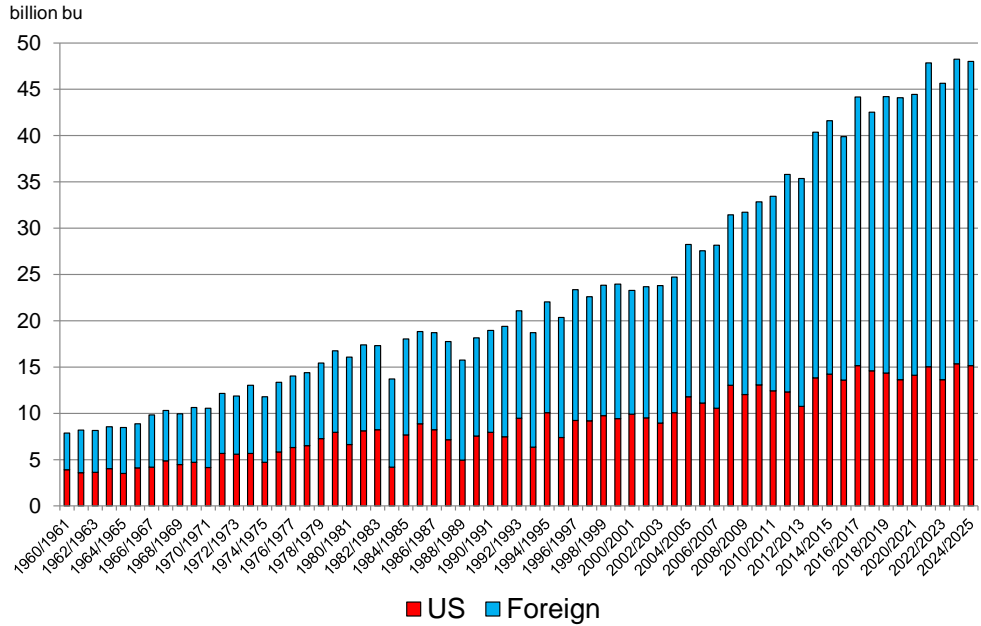
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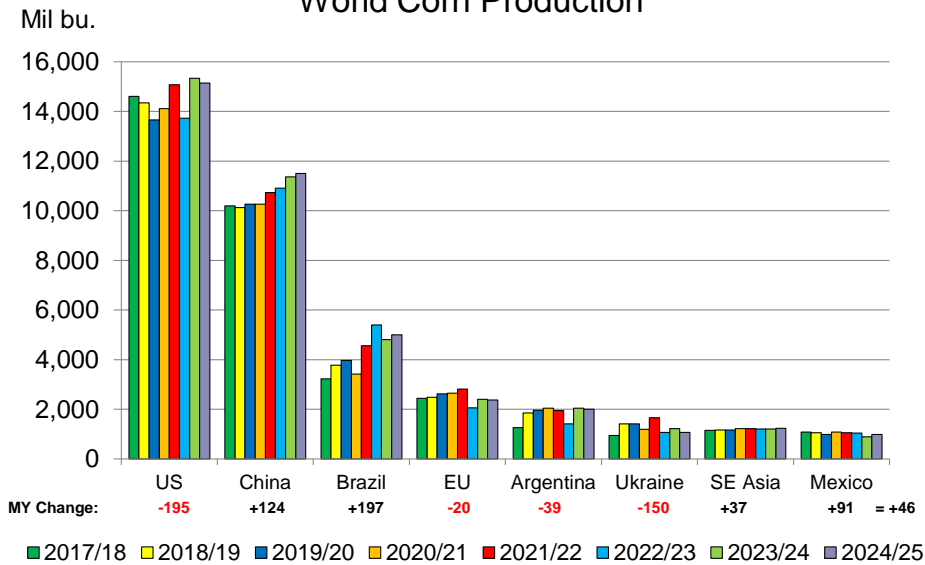
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Corn Production



World Corn Production

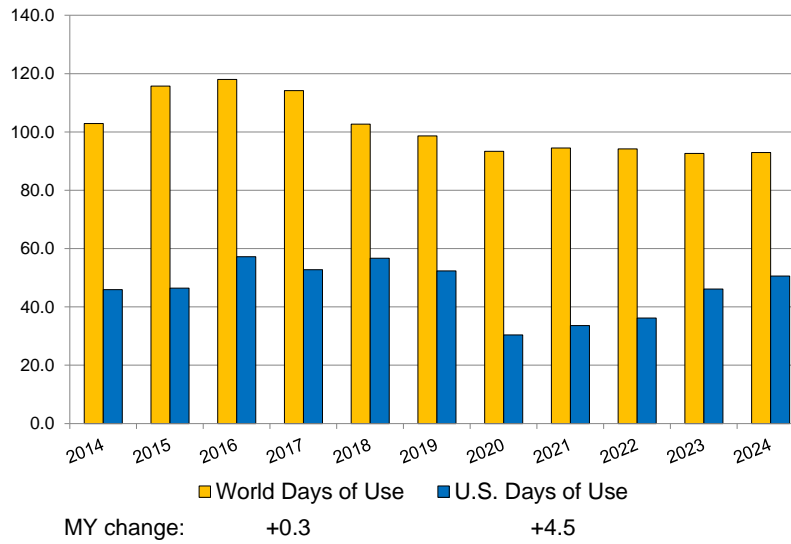


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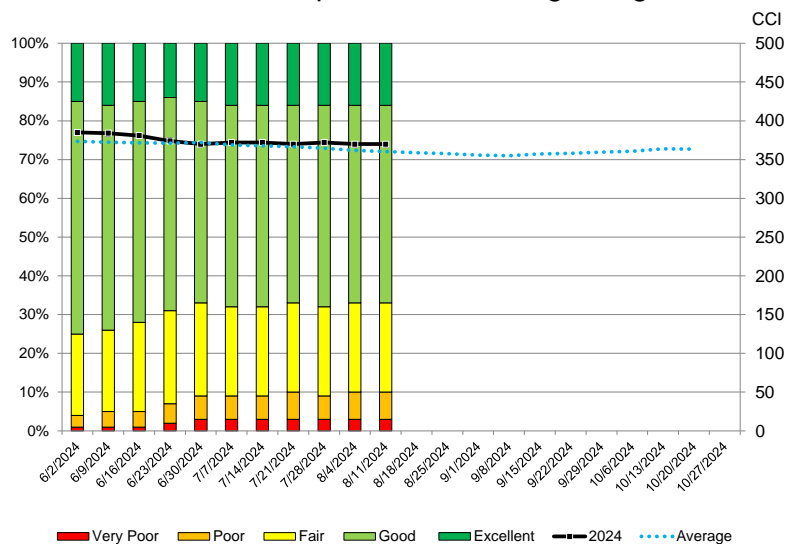
Days of Use on Hand at the End of the Marketing Year:
World and US Corn



USDA, WASDE, 8/12/2024

Crop Progress and Condition. Another week of mostly favorable corn conditions were reported this week by USDA. The corn crop condition index of 370 is unchanged from last week. Nationally, the share rated very poor and poor is 10%; 67% is rated good and excellent. The average corn condition score for this week of the crop year is 360 and would normally drop to around 355 by early September. Areas with high levels of corn rated very poor and poor include North Carolina at 65%, Texas 29%, Pennsylvania 29%, and Kansas 23%.

2024 U.S. Corn Crop Condition Ratings, August 11



Source: USDA Crop Progress, 8/12/2024

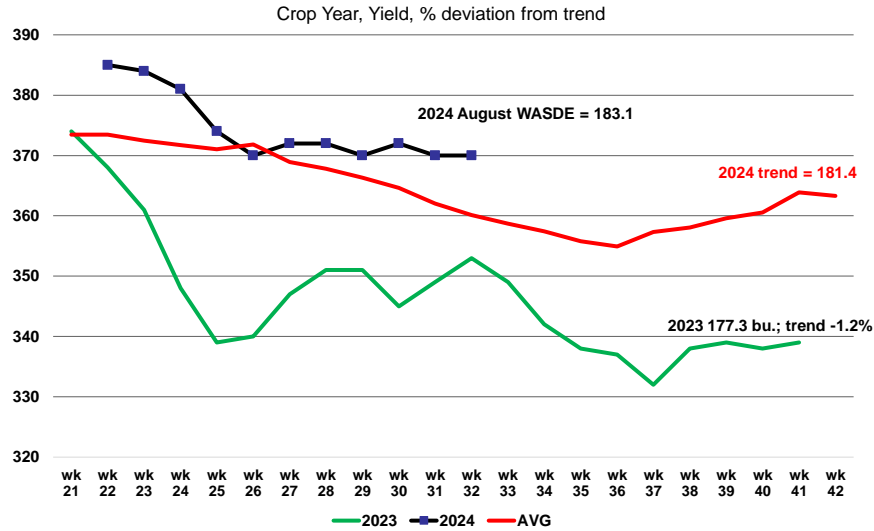
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Corn Crop Condition Index



Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
July 11	4.00	4.74	0.73	5.70	4.56
July 18	3.91	4.63	0.72	5.65	4.42
July 25	4.06	4.83	0.77	5.73	4.57
August 1	3.82	4.60	0.78	5.40	4.37
August 8	3.79	4.58	0.79	5.32	4.34
10-yr average			0.42		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
July 11	4.00	3.93	-0.07	4.93	
July 18	3.91	3.83	-0.09	4.84	
July 25	4.06	4.00	-0.06	4.99	
August 1	3.82	3.76	-0.06	4.75	
August 8	3.79	3.72	-0.07	4.72	
10-yr average			-0.08		

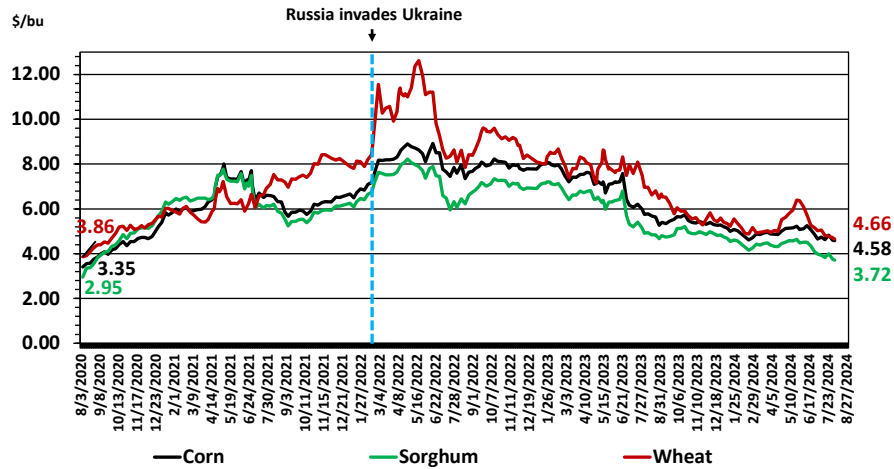
AMS Market News: TX cash = average (North, Central, and South Panhandle), Gulf sorghum: DTN

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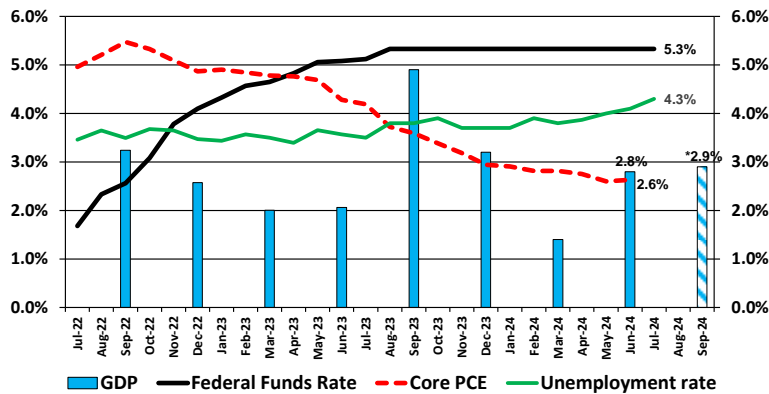
Texas Cash Grain Prices August 2020-August 2024



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. Important economic reports released this week will provide additional insight into the success the Federal Reserve has had in its fight against inflation—and possible implications for monetary policy at the September meeting of the Federal Open Market Committee: the Producer Price Index on Tuesday, August 13 and the Consumer Price Index on Wednesday, August 14.

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 August 12, 2024

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Prices about 10:30 am CT August 12, 2024:

	III QTR	7/1/2024	8/12/2024	net change	% change
S&P 500	SPX:IN	5,475.09	5,368.56	(106.53)	-1.95%
10-yr T Note	Yield, %	4.36	3.99	(0.37)	-8.49%
CRB	CRY:IND	291.57	275.96	(15.61)	-5.35%
Dollar Index	September 2024	105.59	102.94	(2.65)	-2.51%
Crude Oil	September 2024	82.32	78.24	(4.08)	-4.96%
Copper	September 2024	4.42	4.08	(0.34)	-7.68%
Corn	September 2024	4.07	3.74	(0.33)	-8.05%
	December 2024	4.21	3.93	(0.28)	-6.66%
Soybeans	September 2024	11.08	9.80	(1.28)	-11.53%
	November 2024	11.11	9.94	(1.28)	-11.53%
SRW Wheat	September 2024	5.90	5.33	(0.58)	-9.78%
	December 2024	6.13	5.55	(0.57)	-9.35%

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, 7/1/2024-8/12/2024 (<https://www.barchart.com/>):

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

102.940 **-0.017 (-0.02%)** 10:24 CT [ICE/US]

102.935 x 44 102.940 x 5

INTERACTIVE CHART for Mon, Aug 12th, 2024

Notes My Charts Alerts Watch Help



Crude Oil WTI Sep '24 (CLU24)

78.24 **+1.40 (+1.82%)** 10:25 CT [NYMEX]

78.22 x 34 78.24 x 23

INTERACTIVE CHART for Mon, Aug 12th, 2024

Notes My Charts Alerts Watch Help



High Grade Copper Sep '24 (HGU24)

4.0785 **+0.0855 (+2.14%)** 10:26 CT [COMEX]

4.0780 x 6 4.0785 x 2

INTERACTIVE CHART for Mon, Aug 12th, 2024

Notes My Charts Alerts Watch Help



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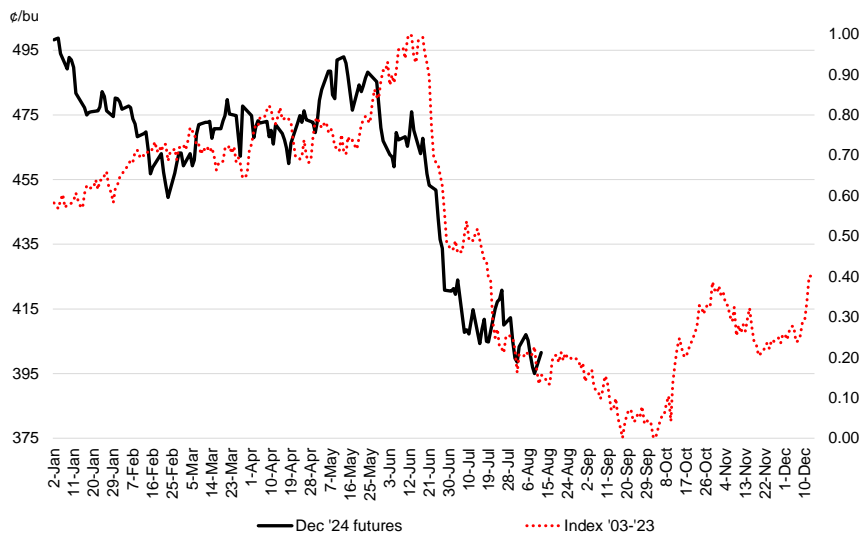
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Marketing Strategies

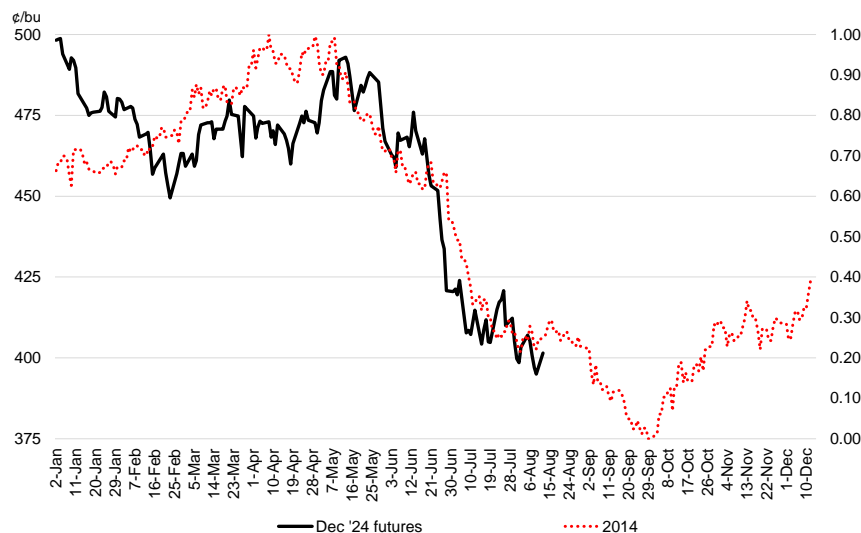
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

2024 December Corn Futures and 21-year Seasonal Index Pattern



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



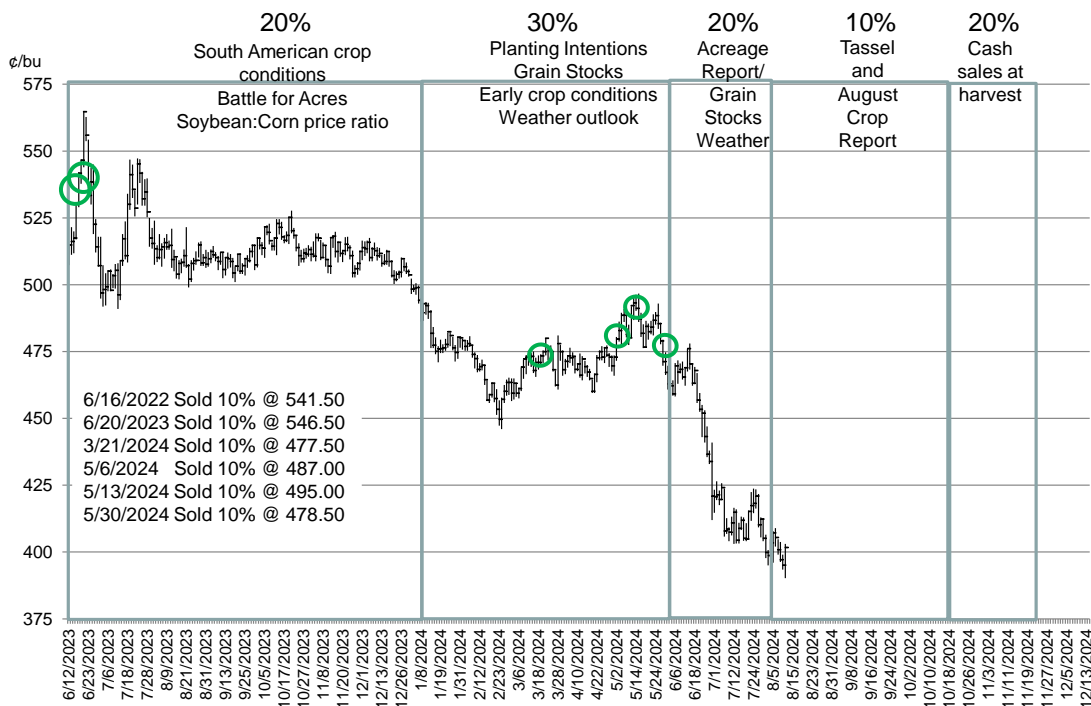
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Feed Grain Marketing Plan. I am 60% sold on the 2024 corn crop. My plan was to have 70% priced but the bounce we got was short of my price objective. I have also priced 20% of the 2025 crop.

December Corn Futures and 2024 Marketing Plan



Upcoming Reports/Events

August 14	Consumer Price Index, Bureau of Labor Statistics (BLS)
August 15	Big Country Wheat Conference, Abilene, Texas
August 23	Cattle on Feed
September 6	August Employment Situation, BLS
September 10	Short-term Energy Outlook, Energy Information Administration
September 12	Crop Production WASDE
September 17-18	Federal Open Market Committee, Federal Reserve
October 1-2	Master Marketer Marketing Plan Workshop, El Campo, Texas
January 5-11	TEPAP, San Antonio, Texas

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