

# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

## Today's Newsletter

### Market Situation

Crop Progress and Condition 1

Grain Use 2

Cash Grain Markets 4

Outside Markets 5

### Marketing Strategies

Seasonality 9

Feed Grain Marketing Plan 10

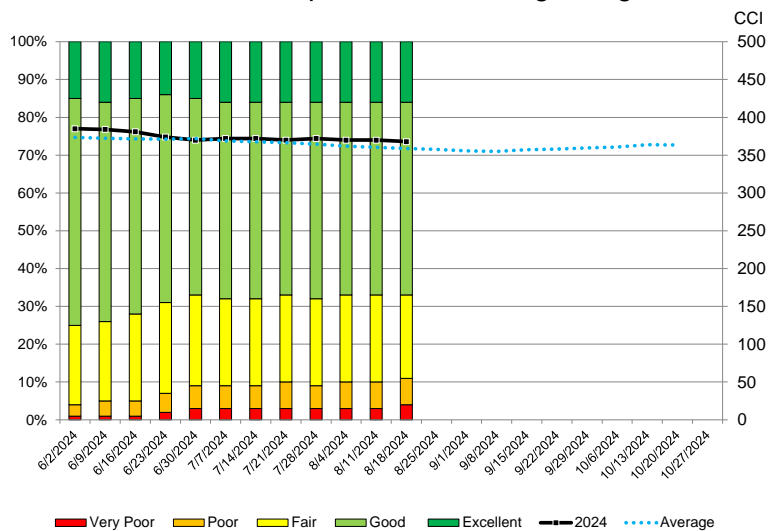
Upcoming Reports/Events 11



## Market Situation

**Crop Progress and Condition.** Another week of mostly favorable corn conditions were reported this week by USDA. The corn crop condition index of 368 is down 2 points from the week before, a typical pattern in late August. Nationally, the share rated very poor and poor is 11%; 67% is rated good and excellent. The average corn condition score for this week of the crop year is 359. Areas with high levels of corn rated very poor and poor include North Carolina at 68%, Texas 31%, Pennsylvania 30%, and Kansas 25%.

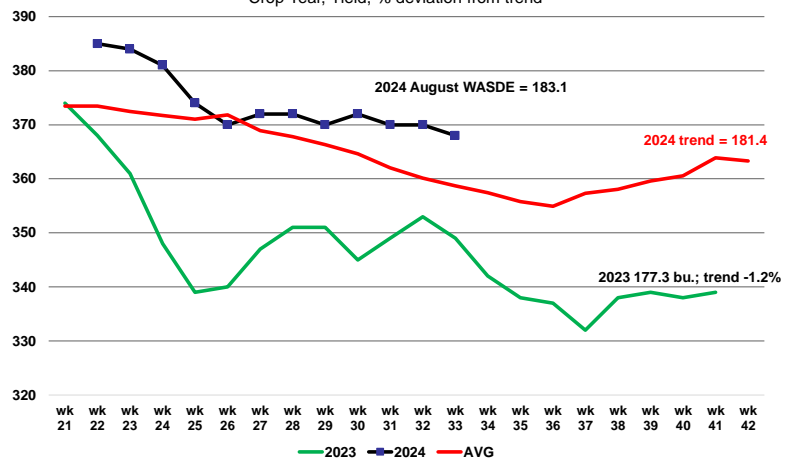
2024 U.S. Corn Crop Condition Ratings, August 18



Source: USDA Crop Progress, 8/19/2024

## Corn Crop Condition Index

Crop Year, Yield, % deviation from trend



# Feed Grain Outlook

August 23, 2024

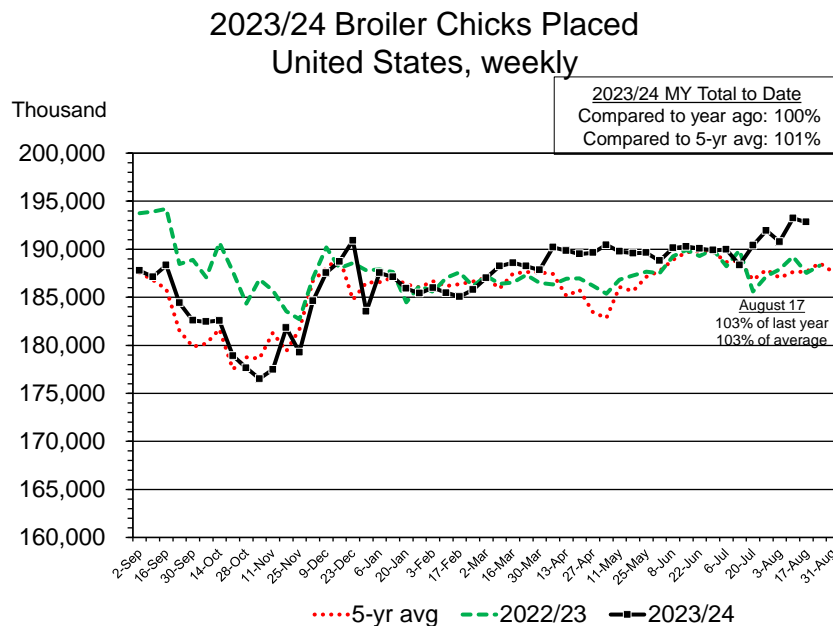
Volume 33, Number 49



The 2024 Pro Farmer Crop Tour wrapped up Thursday with the National Crop Production Estimate to be released later today.

**Grain Use.** Corn for feed is the largest use category in the supply and demand balance sheet. Without regular reports of direct feed use, reports of livestock and poultry inventories are important barometers of demand in this important area.

Broiler Chick Placements are closing out the 2023/2024 corn marketing year on a strong note. Placements for the week of August 17 were up 3% compared to last year and the most recent 5-year average. For the year, placements are on par with year ago and 1% above average.



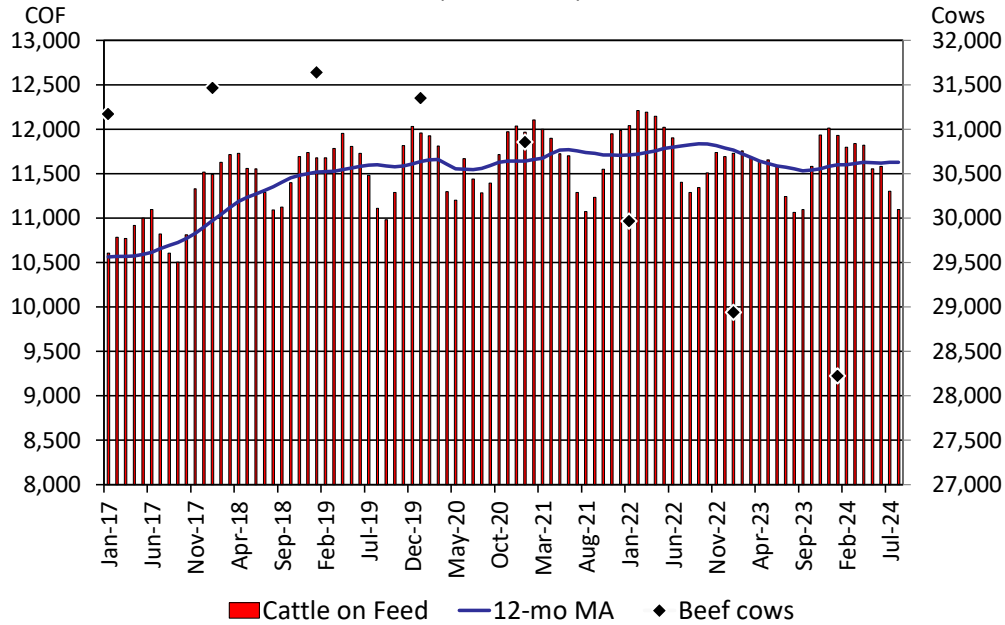
Source: USDA/NASS, Broiler Hatchery, August 21, 2024

Cattle on Feed as of August 1 numbered 11.095 million head, up slightly from 11.064 million last year. The 12-month moving average of cattle on feed this month is 11.628 million compared to 11.554 in August 2023.

The Chickens and Eggs report shows average layer inventories continuing to decline since the outbreak of avian flu in February 2022. The U.S. layer Inventory in July was 370 million, down 22 million (-6%) from 373 million that date.

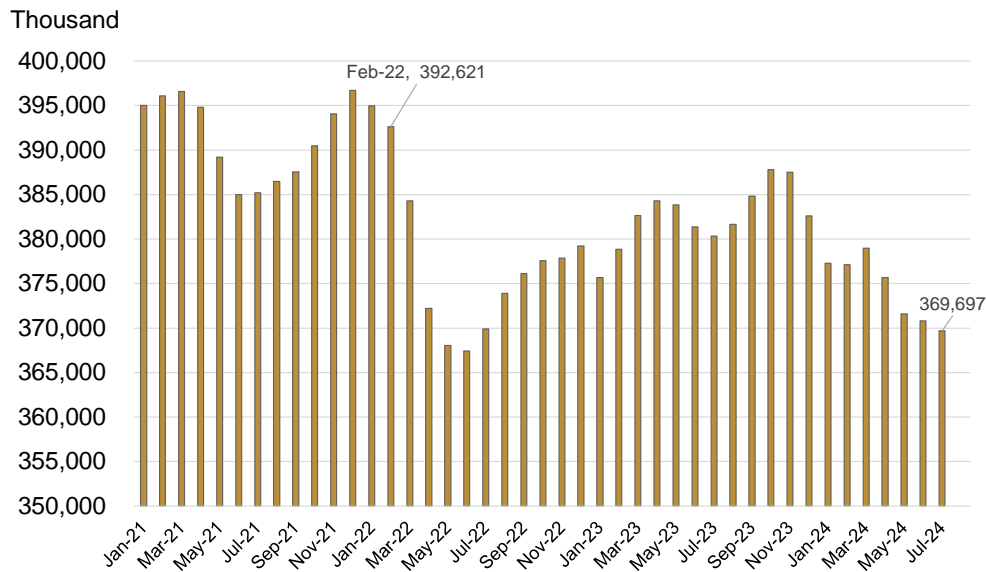
The next update of pork inventories, the Hogs and Pigs report, is September 26.

## Cattle on Feed and Beef Cows (000 head)



Source: USDA/NASS, August 23, 2024

## U.S. Chicken Layer Inventory monthly average



Source: USDA/NASS, Chickens and Eggs, August 23, 2024

# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

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

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
August 15	3.75	4.55	0.80	5.30	4.24
August 22	3.72	4.52	0.80	5.27	4.21
10-yr average			0.42		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
August 15	3.75	3.69	-0.06	4.60	
August 22	3.72	3.77	0.05	4.57	
10-yr average			-0.08		

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

## 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)

# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

**Outside Markets.** The Consumer Price Index reported by the Bureau of Labor Statistics shows inflation slowing slightly in July. Overall inflation measured by the CPI was 2.9%, down from 3.0% in June and the lowest 12-month change in prices since March 2021. Additionally, the Producer Price Index for July, inflation at the wholesale level and often a precursor to inflation in the CPI, was 2.3%, down from 2.7% last month.

Major household expenditure categories pulling inflation lower (rates of increase below the overall CPI) were food at home, energy, and apparel. Major categories continuing to pressure prices higher (rates of increase above the overall CPI) were shelter, transportation services, medical care services, and food away from home.



Transmission of material in this release is embargoed until 8:30 a.m. (ET) Wednesday, August 14, 2024

USDL-24-1662

Technical information: (202) 691-7000 • [cpi\\_info@bls.gov](mailto:cpi_info@bls.gov) • [www.bls.gov/cpi](http://www.bls.gov/cpi)  
Media contact: (202) 691-5902 • [PressOffice@bls.gov](mailto:PressOffice@bls.gov)

## CONSUMER PRICE INDEX – JULY 2024

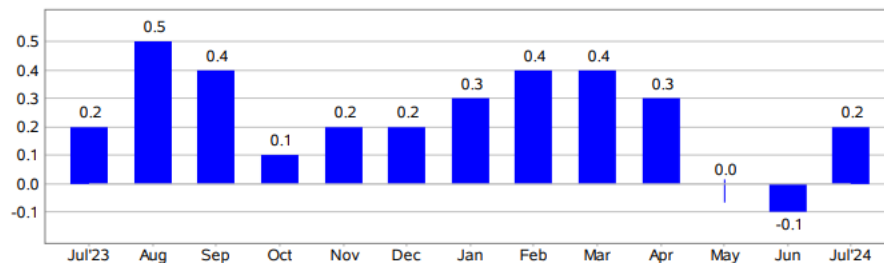
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis, after declining 0.1 percent in June, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.9 percent before seasonal adjustment.

The index for shelter rose 0.4 percent in July, accounting for nearly 90 percent of the monthly increase in the all items index. The energy index was unchanged over the month, after declining in the two preceding months. The index for food increased 0.2 percent in July, as it did in June. The food away from home index rose 0.2 percent over the month, and the food at home index increased 0.1 percent.

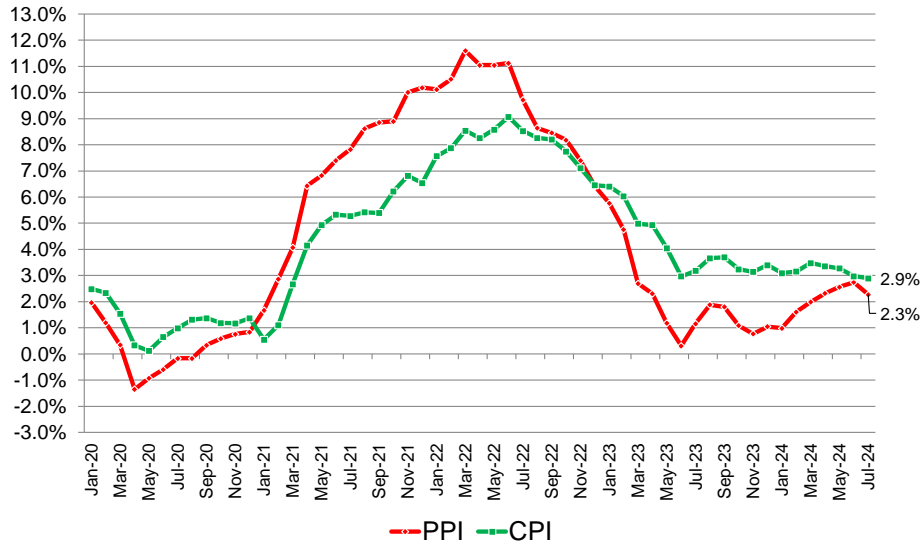
The index for all items less food and energy rose 0.2 percent in July, after rising 0.1 percent the preceding month. Indexes which increased in July include shelter, motor vehicle insurance, household furnishings and operations, education, recreation, and personal care. The indexes for used cars and trucks, medical care, airline fares, and apparel were among those that decreased over the month.

The all items index rose 2.9 percent for the 12 months ending July, the smallest 12-month increase since March 2021. The all items less food and energy index rose 3.2 percent over the last 12 months and was the smallest 12-month increase in that index since April 2021. The energy index increased 1.1 percent for the 12 months ending July. 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, July 2023 - July 2024  
Percent change

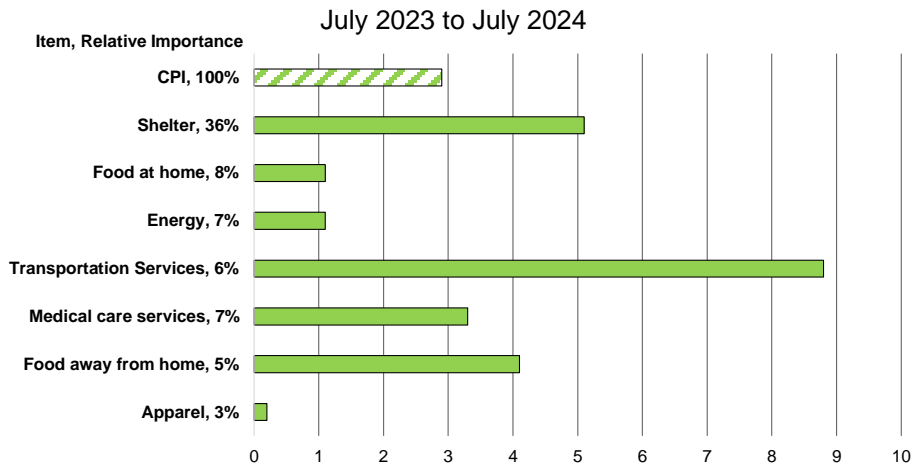


## U.S. Inflation Producer Price Index and Consumer Price Index 12-month percentage change



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, August 14, 2024  
 Producer Price Index (PPI), St. Louis Fed, August 13, 2024

## Percent Change, CPI, year over year



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, August 14, 2024

# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

Speaking at the annual Economic Policy Symposium in Jackson Hole, Wyoming this morning, Fed Chair Jerome Powell affirmed expectations for an interest rate cut at the next meeting of the Federal Open Market Committee September 17-18.

*Overall, the economy continues to grow at a solid pace. But the inflation and labor market data show an evolving situation. The upside risks to inflation have diminished. And the downside risks to employment have increased. As we highlighted in our last FOMC statement, we are attentive to the risks to both sides of our dual mandate.*

*The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks.*

<https://www.federalreserve.gov/newsevents/speech/powell20240823a.htm>

Prices about 11:00 am CT August 23, 2024:

	III QTR	7/1/2024	8/23/2024	net change	% change
S&P 500	SPX:IN	5,475.09	5,619.46	144.37	2.64%
10-yr T Note	Yield, %	4.36	3.79	(0.57)	-13.07%
CRB	CRY:IND	291.57	275.96	(15.61)	-5.35%
Dollar Index	September 2024	105.59	100.73	(4.86)	-4.60%
Crude Oil	December 2024	79.75	73.22	(6.53)	-8.19%
Copper	September 2024	4.42	4.20	(0.21)	-4.86%
Corn	September 2024	4.07	3.70	(0.37)	-9.09%
	December 2024	4.21	3.93	(0.28)	-6.60%
Soybeans	September 2024	11.08	9.52	(1.56)	-14.06%
	November 2024	11.11	9.73	(1.56)	-14.06%
SRW Wheat	September 2024	5.90	5.07	(0.83)	-14.06%
	December 2024	6.13	5.33	(0.80)	-13.02%

# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

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, 7/1/2024-8/23/2024 (<https://www.barchart.com/>):

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

100.730 -0.669 (-0.66%) 10:59 CT [ICE/US]

100.725 x 20 100.730 x 6

INTERACTIVE CHART for Fri, Aug 23rd, 2024



### Crude Oil WTI Dec '24 (CLZ24)

73.22 +1.54 (+2.15%) 11:01 CT [NYMEX]

73.22 x 1 73.23 x 21

INTERACTIVE CHART for Fri, Aug 23rd, 2024





# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

## High Grade Copper Sep '24 (HGU24)

4.2035 +0.0555 (+1.34%) 11:02 CT [COMEX]

4.2030 x 4 4.2035 x 1

INTERACTIVE CHART for Fri, Aug 23rd, 2024

Notes My Charts Alerts Watch Help

HGU24 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:

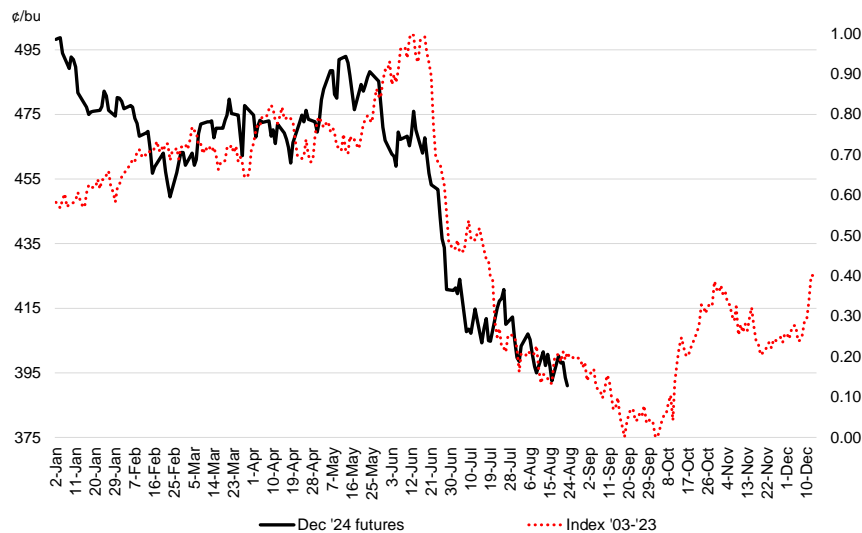
tutorial



## 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 Outlook

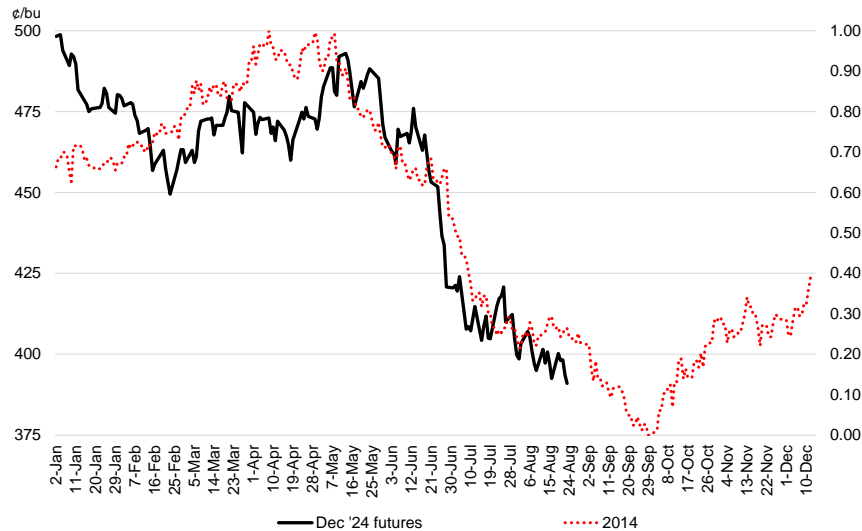
August 23, 2024

Volume 33, Number 49



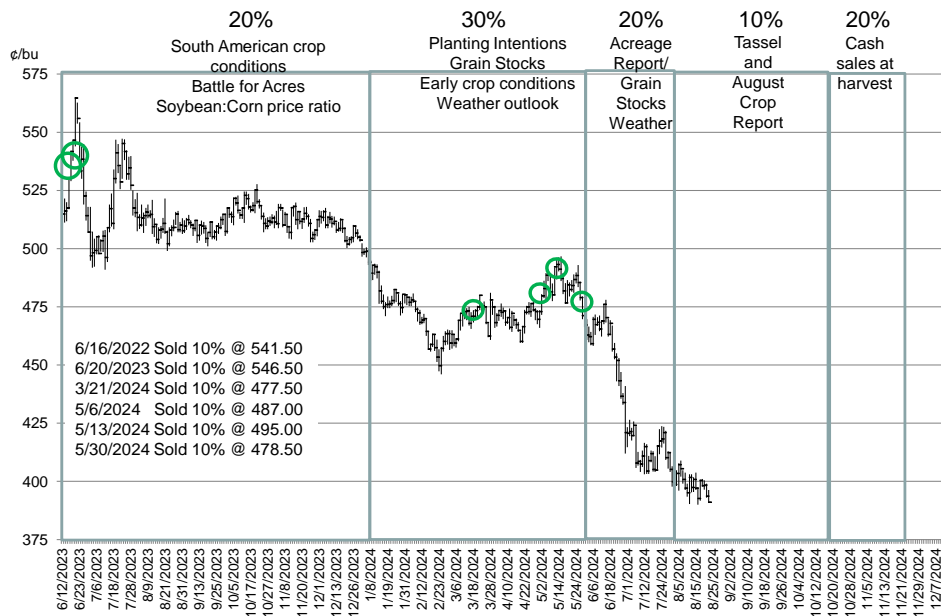
In 2014, prices followed the normal seasonal pattern except prices peaked earlier, April-May. Crop ratings for corn in 2014 were consistently high. The share rated good and excellent never fell below 72%.

### 2024 December Corn Futures and 2014 Seasonal Pattern



**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



# Feed Grain Outlook

August 23, 2024

Volume 33, Number 49

---

## Upcoming Reports/Events

September 6	August Employment Situation, BLS
September 10	Short-term Energy Outlook, Energy Information Administration
September 11	Consumer Price Index, Bureau of Labor Statistics (BLS)
September 12	Crop Production WASDE
September 17-18	Federal Open Market Committee, Federal Reserve
September 20	Cattle on Feed
September 23	Chickens and Eggs
September 26	Hogs and Pigs
September 30	Grain Stocks Small Grains Summary
October 1-2	Master Marketer Marketing Plan Workshop, El Campo, Texas
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas

### 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)

*The opinions and recommendations expressed are solely those of the author and are intended for educational purposes only as part of the Texas A&M AgriLife Extension Service. The author and Texas A&M AgriLife Extension Service assume no liability for the use of this newsletter. The Texas A&M AgriLife Extension Service provides equal access in its programs, activities, education and employment, without regard to race, color, sex, religion, national origin, disability, age, genetic information, veteran status, sexual orientation or gender identity.*

*The Texas A&M University System, U.S. Department of Agriculture, and the County Commissioners Courts of Texas Cooperating*