

Feed Grain Outlook

September 6, 2024
Volume 33, Number 53

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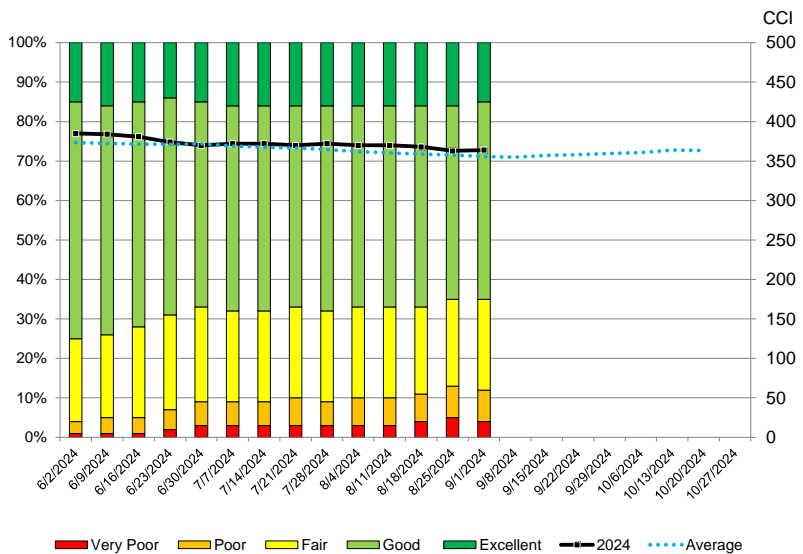
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Market Situation

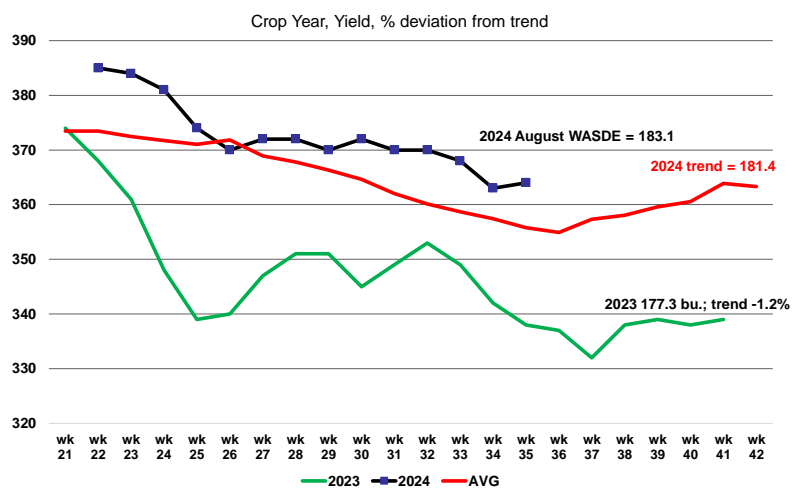
Crop Progress and Condition. Condition rating updates for the 2024 U.S. corn crop this week show a 1% decrease in the share rated very poor and poor and the share rated good and excellent unchanged. The condition index increased one point this week to 364. The average index for early September is 356 and normally bottoms out mid-month. States with the highest levels of corn rated very poor and poor include North Carolina at 76%, Colorado 35%, Texas 31%, Ohio 27%, and Kansas 23%.

2024 U.S. Corn Crop Condition Ratings, September 1



Source: USDA Crop Progress, 9/3/2024

Corn Crop Condition Index



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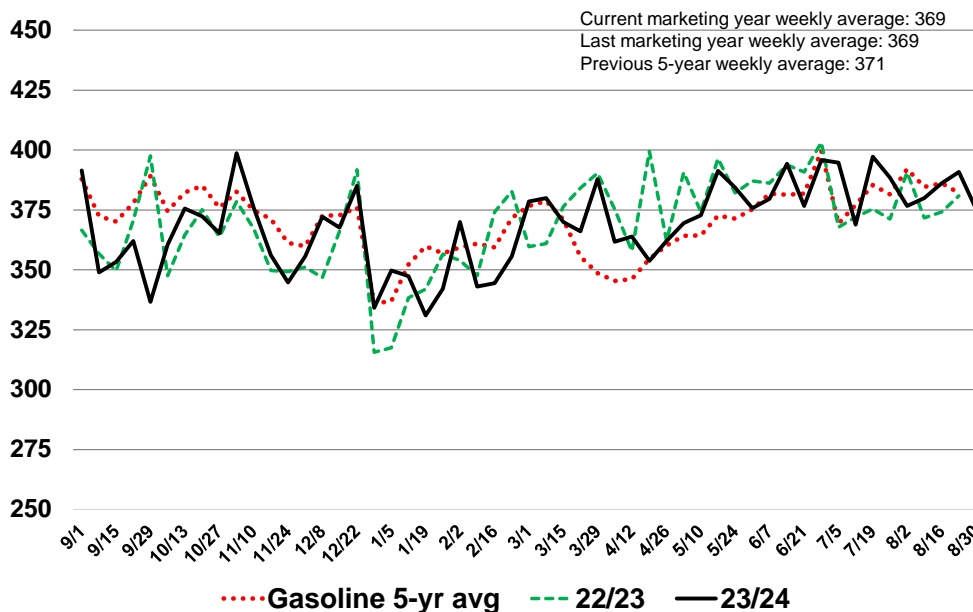
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Grain Use. Gasoline demand for the 2023/24 corn marketing year averaged 369 million gallons per week. That is about the same as 2022/23 but down slightly from a 371-million gallon 5-year average.

2023/24 Weekly U.S. Gasoline Demand, million gallons



Energy Information Administration, This Week in Petroleum, September 6, 2024

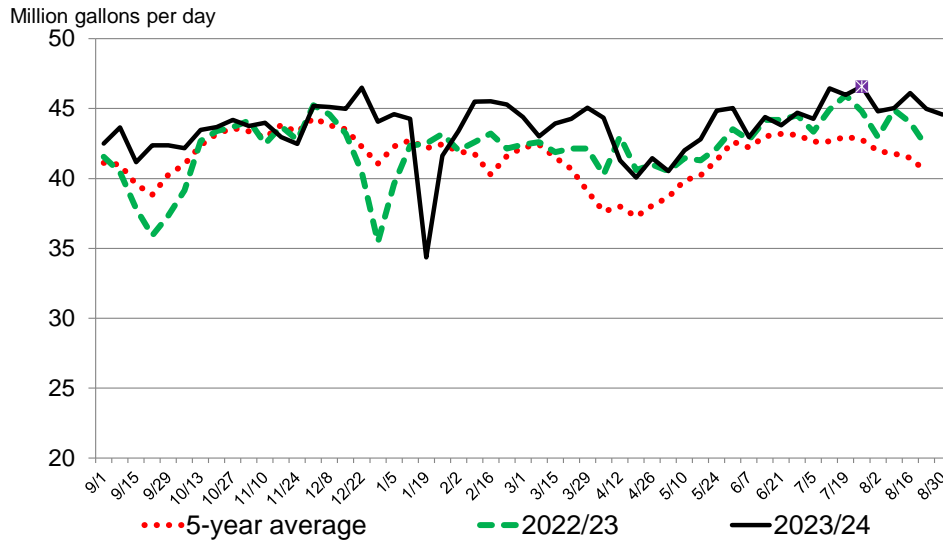
Even with gasoline demand holding about steady, the marketing year just ended was slightly better for ethanol production. It averaged 43.7 million gallons per day, implying the use of about 5.502 billion bushels of grain, just above the estimate in the August WASDE of 5.472 billion. The 2023/24 marketing year average is up from 42.2 million gallons in 2022/23 and a 5-year average of 41.6 million. Ethanol production hit an all-time production high on July 26 of this year at 46.6 million gallons .

But higher production towards the end of the marketing year did result in higher ethanol stocks, ending the year up about 8% compared to the end of 2022/23.

Corn and grain sorghum consumed for fuel was 15.3 million bushels per day in July. The average so far this marketing year is 14.9 million bushels. Use of 15.1 million bushels is needed in August to reach the grain for fuel target set by USDA for the marketing year.

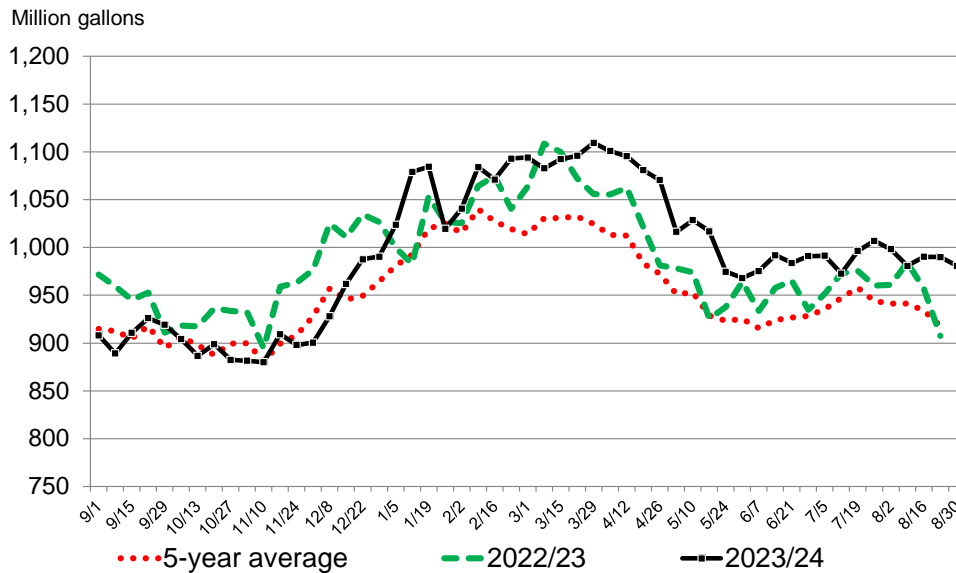
2023/24 U.S. Ethanol Production

2023/24 daily average = 43.7 mil gal per day 5-year avg = 41.6 mil gal
 Implies use of 5,502 mil bu of grain (2.9 gal/bu) 2022/23 avg = 42.2 mil gal
 August USDA estimate = 5,472 (5,450 mil bu corn for fuel + 22 mil bu sorghum fsi)



Energy Information Administration, Weekly Petroleum Status Report, September 5, 2024
 Ethanol conversion rate, University of Illinois

2023/24 U.S. Weekly Ending Ethanol Stocks



Energy Information Administration, Weekly Petroleum Status Report, September 5, 2024

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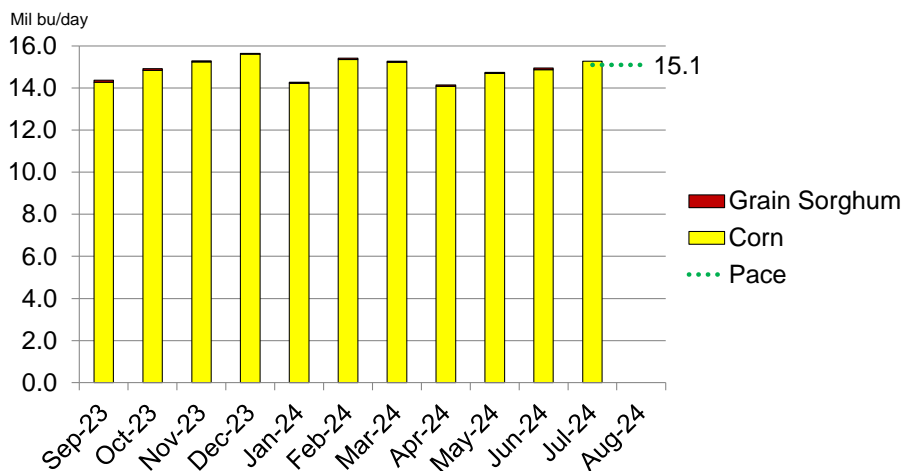
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Corn and Grain Sorghum Consumed for Fuel Alcohol 2023/24 Marketing Year: million bushels per day

*2023/24 MY: 5,450 mil bu corn for fuel and 22 mil bu sorghum fsi = 5,472 mil bu
 2022/23 MY: 5,179 mil bu corn for fuel and 58 mil bu sorghum fsi = 5,237 mil bu (14.4/day)
 2021/22 MY: 5,337 mil bu corn for fuel and 44 mil bu sorghum fsi = 5,381 mil bu (14.7/day)



USDA, NASS, *Grain Crushings and Co-Products Production*, September, 2024
 EIA, *Monthly Biofuels Capacity and Feedstocks*, August 30, 2024
 *current WASDE estimate

Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
August 29	3.72	4.56	0.84	5.25	4.21
September 5	4.11	4.66	0.55	5.45	4.65
10-yr average			0.42		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
August 29	3.72	3.94	0.22	4.57	
September 5	4.11	4.08	-0.03	4.71	
10-yr average			-0.08		

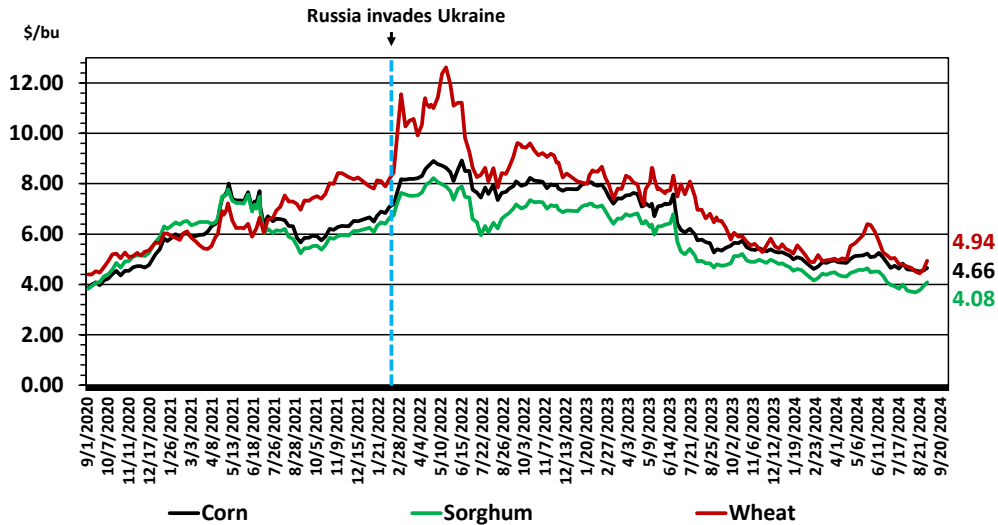
AMS Market News: TX cash = average (North, Central, and South Panhandle), Gulf sorghum: DTN

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Texas Cash Grain Prices September 2020-September 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 August Employment Situation from the Bureau of Labor Statistics shows the U.S. economy added 142,000 jobs and an unemployment rate of 4.2%. The size of the labor force increased and the number unemployed went down. July saw job gains of 89,000 and an unemployment rate of 4.3%. The labor force participation rate held steady at 62.7%.

	numbers in thousands				unemployment rate	change in non-farm payroll	labor force part. rate
	non-inst population	civilian labor force	employed	unemployed			
Feb-24	267,711	167,426	160,968	6,458	3.9%	236	62.5%
Mar-24	267,884	167,895	161,466	6,429	3.8%	310	62.7%
Apr-24	268,066	167,982	161,491	6,492	3.9%	108	62.7%
May-24	268,248	167,732	161,083	6,649	4.0%	216	62.5%
Jun-24	268,438	168,009	161,199	6,811	4.1%	118	62.6%
Jul-24	268,644	168,429	161,266	7,163	4.25%	89	62.7%
Aug-24	268,856	168,549	161,434	7,115	4.22%	142	62.7%
Change	212	120	168	(48)	-0.03%	53	0.0%

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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 news release is embargoed until
8:30 a.m. (ET) Friday, September 6, 2024

USDL-24-1817

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Establishment data: (202) 691-6555 • cesinfo@bls.gov • www.bls.gov/ces

Media contact: (202) 691-5902 • PressOffice@bls.gov

THE EMPLOYMENT SITUATION — AUGUST 2024

Total **nonfarm payroll employment** increased by 142,000 in August, and the **unemployment rate** changed little at 4.2 percent, the U.S. Bureau of Labor Statistics reported today. Job gains occurred in construction and health care.

Chart 1. Unemployment rate, seasonally adjusted, August 2022 – August 2024

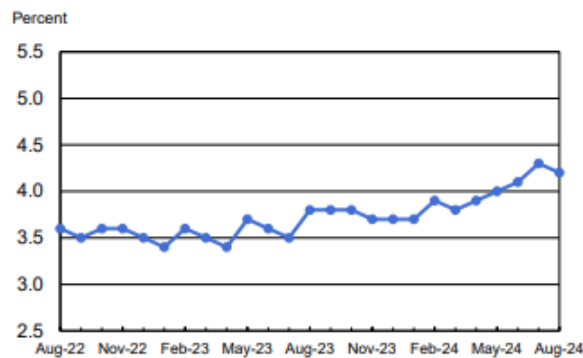
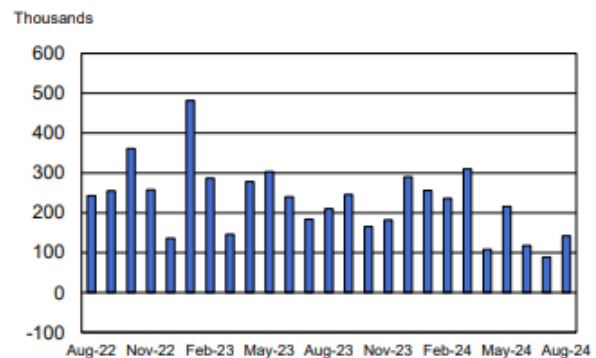
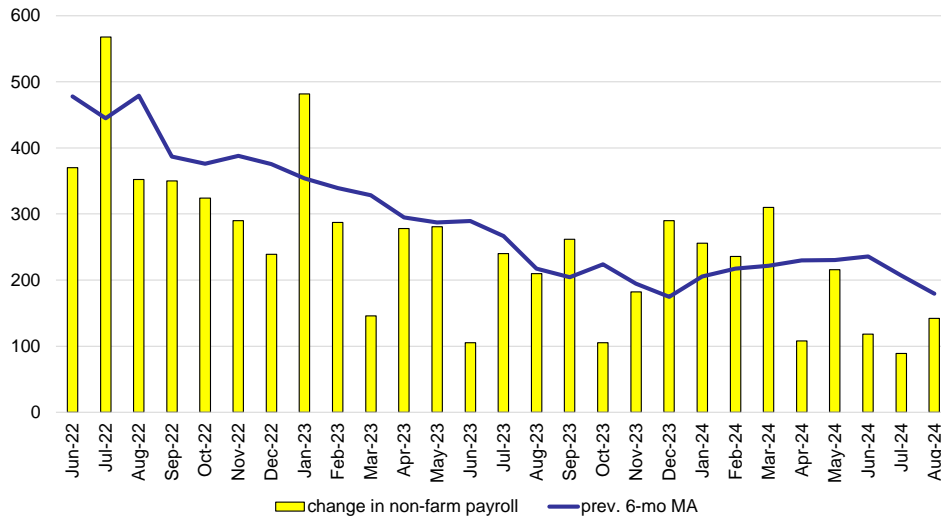


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2022 – August 2024



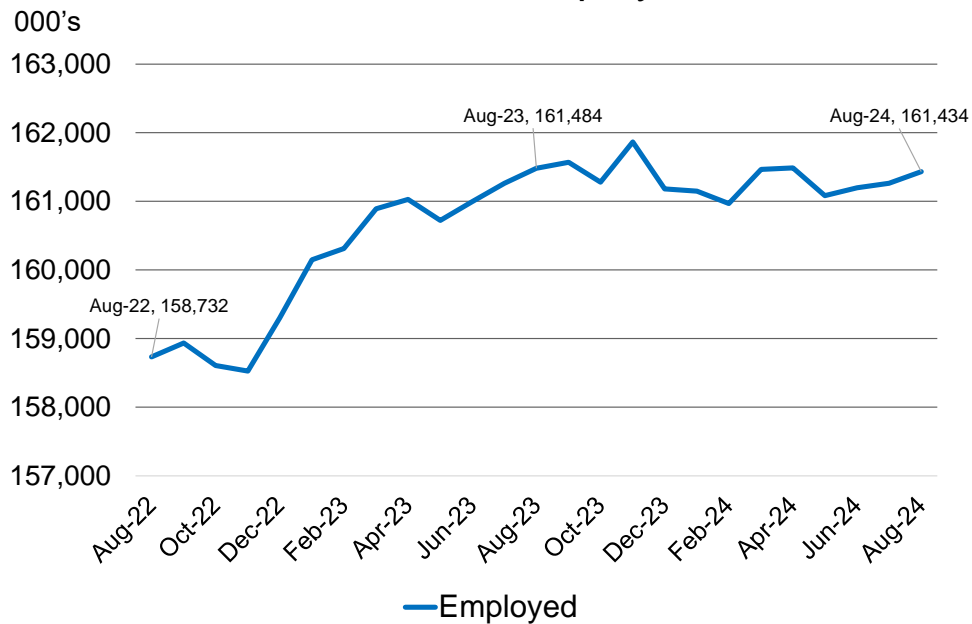
Today's jobs report was cited by New York Federal Reserve Bank President John Williams as being consistent with recent Fed assessments of the overall economy: a slowing economy and a cooling off of the labor market, factors keeping lower interest rates at the September meeting of the Federal Open Market Committee in play (<https://www.wsj.com/economy/jobs/jobs-report-august-unemployment-economy-b869cf39>).

Change in non-farm payroll



U.S. Bureau of Labor Statistics, September 6, 2024

U.S. Non-farm Employment



U.S. Bureau of Labor Statistics, September 6, 2024

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Prices about 2:00 pm CT September 6, 2024:

	III QTR	7/1/2024	9/6/2024	net change	% change
S&P 500	SPX:IN	5,475.09	5,406.18	(68.91)	-1.26%
10-yr T Note	Yield, %	4.36	3.77	(0.59)	-13.53%
CRB	CRY:IND	291.57	271.27	(20.30)	-6.96%
Dollar Index	December 2024	105.20	100.82	(4.38)	-4.16%
Crude Oil	December 2024	79.75	66.81	(12.94)	-16.23%
Copper	December 2024	4.44	4.07	(0.37)	-8.24%
Corn	December 2024	4.21	4.06	(0.14)	-3.39%
	March 2025	4.35	4.25	(0.10)	-2.36%
Soybeans	November 2024	11.11	10.05	(1.06)	-9.54%
	January 2025	11.25	10.23	(1.03)	-9.11%
SRW Wheat	December 2024	6.13	5.67	(0.46)	-7.43%
	March 2025	6.31	5.87	(0.44)	-7.02%

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, 7/1/2024-9/6/2024 (<https://www.barchart.com/>):

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U.S. Dollar Index Dec '24 (DXZ24)

100.820 +0.101 (+0.10%) 13:41 CT [ICE/US]

100.800 x 1 100.815 x 6

INTERACTIVE CHART for Fri, Sep 6th, 2024

Notes My Charts Alerts Watch Help

DXZ24 GO 0q +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 Dec '24 (CLZ24)

66.81 -1.27 (-1.87%) 13:56 CT [NYMEX]

66.81 x 2 66.82 x 13

INTERACTIVE CHART for Fri, Sep 6th, 2024

Notes My Charts Alerts Watch Help

CLZ24 GO 0q +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 Dec '24 (HGZ24)

4.0720 -0.0655 (-1.58%) 13:56 CT [COMEX]

4.0715 x 7 4.0720 x 5

INTERACTIVE CHART for Fri, Sep 6th, 2024

Notes My Charts Alerts Watch Help

HGZ24 GO 0q +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

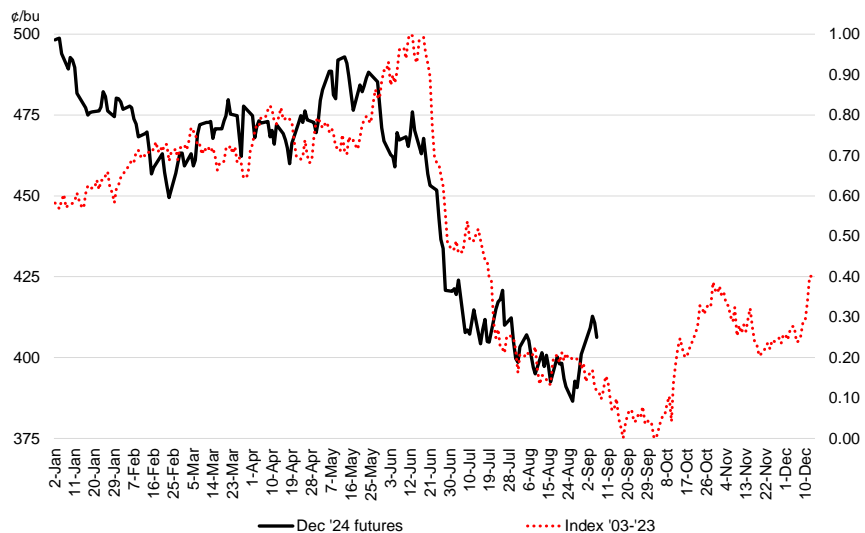
tutorial



Marketing Strategies

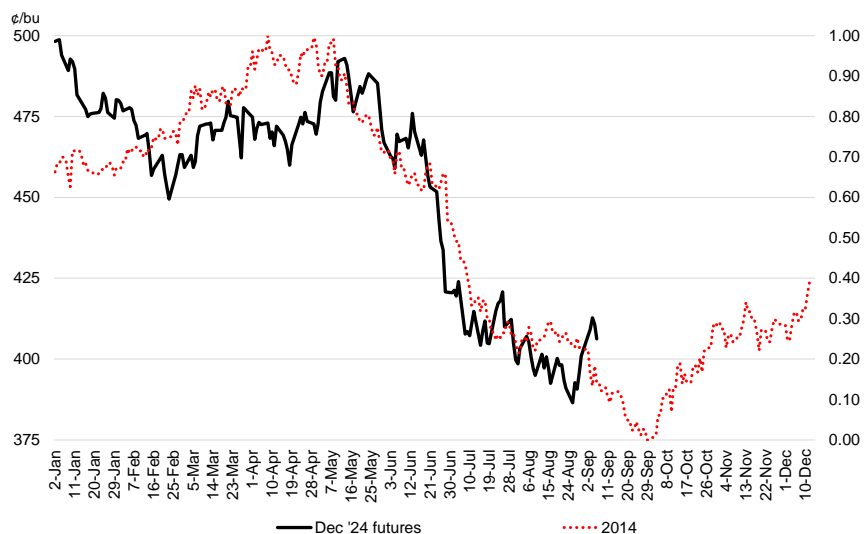
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

2024 December Corn Futures and 21-year Seasonal Index Pattern



In 2014, prices followed the normal seasonal pattern except prices peaked earlier, April-May. The low was consistent with the long-term index. 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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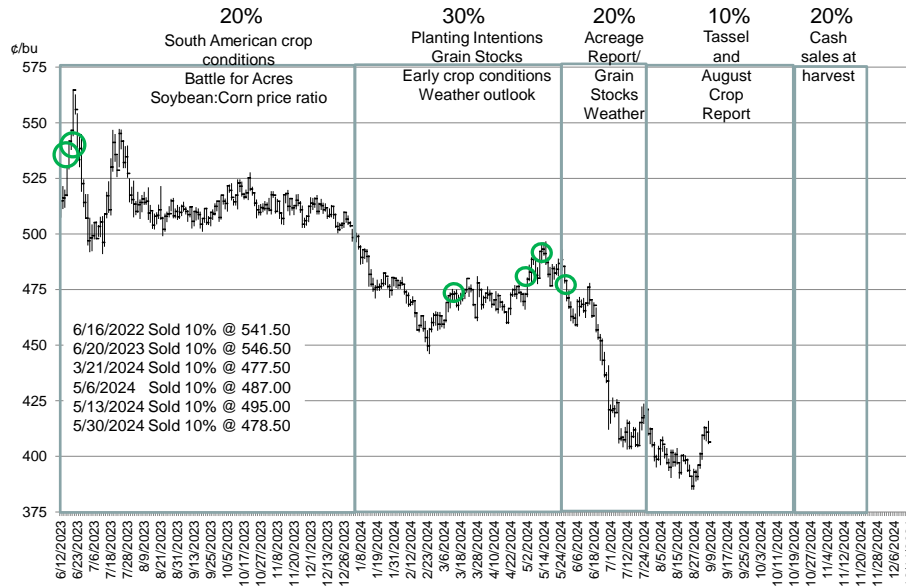
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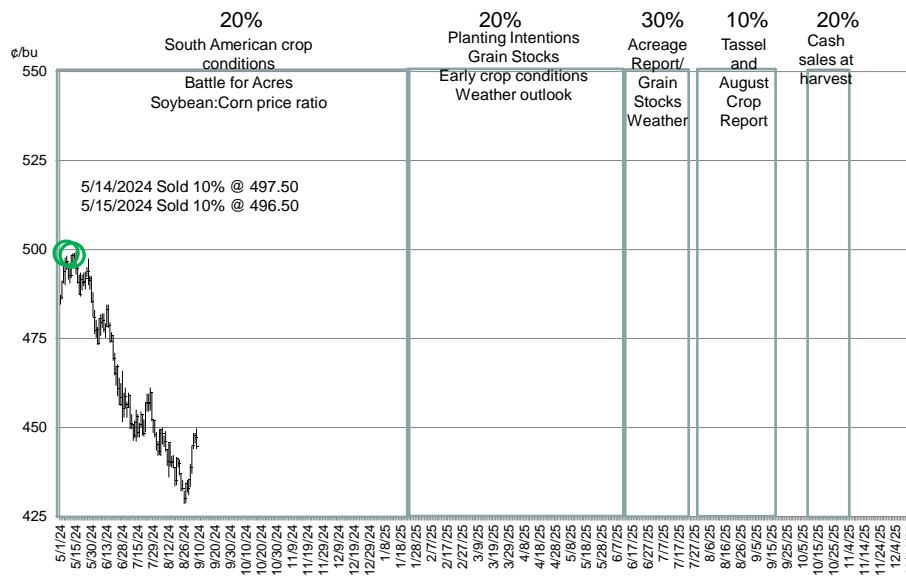


Feed Grain Marketing Plan. I am 60% sold on the 2024 corn crop. My plan was to have 70% priced but the bounce we got in late July was short of my price objective. I have also priced 20% of the 2025 crop.

December Corn Futures and 2024 Marketing Plan



December Corn Futures and 2025 Marketing Plan



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Upcoming Reports/Events

September 10	Short-term Energy Outlook, Energy Information Administration
September 11	Consumer Price Index, 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
October 4	September Employment Situation, Bureau of Labor Statistics
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas

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