

Feed Grain Outlook

September 13, 2024

Volume 33, Number 55

Today's Newsletter

Market Situation

WASDE 1

Crop Progress and Condition 6

Cash Grain Markets 8

Outside Markets 9

Marketing Strategies

Seasonality 13

Feed Grain Marketing Plan 14

Upcoming

Reports/Events 15



Market Situation

WASDE. The biggest change to the corn supply and demand balance sheet in the September WASDE was a revision to use in the 2023/24 marketing year. Fuel use and exports were higher for old crop corn (+15 and +40 mil bu) which lowered the beginning stock number for the new (-55 million bushels).

The average corn yield was revised higher by ½ bushel which increased production by 39 million bushels. With no changes to new crop use numbers, ending stocks were lower this month by 16 million bushels. Days of use on hand at the end of the marketing year are now estimated at a 50.2-day supply, down slightly from 50.6 in August. The season average farm price is down 10 cents to \$4.10.

The average Texas corn yield was revised from 117 bushels last month to 121 bushels The 10-year yield average in Texas is 126.4.

US CORN SUPPLY AND USE			September		
			2024/25 9/12/2024	August to September Net Δ	% Δ
AREA					
	Planted	mil acres	90.7	0.0	0.00%
	Harvested	mil acres	82.7	0.0	0.00%
	% harvested		91.2%	0.00%	
YIELD	Harvested acre	bu/ac	183.6	0.5	0.27%
SUPPLY					
	Beginning stocks	mil bu	1,812	(55)	-2.95%
	Production	mil bu	15,186	39	0.26%
	Imports	mil bu	25	0	0.00%
	Total Supply	mil bu	17,022	(16)	-0.09%
DEMAND					
	Feed and residual	mil bu	5,825	0	0.00%
	Food, seed, and indust	mil bu	1,390	0	0.00%
	Ethanol	mil bu	5,450	0	0.00%
	Total Domestic Use	mil bu	12,665	0	0.00%
	Exports	mil bu	2,300	0	0.00%
	Total Use	mil bu	14,965	0	0.00%
	Ending stocks	mil bu	2,057	(16)	-0.77%
	Stocks to Use ratio	percent	13.7%	-0.1%	-0.77%
	Days of use on hand		50.2	(0.4)	-0.77%
PRICE	Average farm price	\$/bu	4.10	(0.10)	-2.38%
	Reference Price	\$/bu	4.01		
	PLC Payment	\$/bu	0.00		

Feed Grain Outlook

September 13, 2024

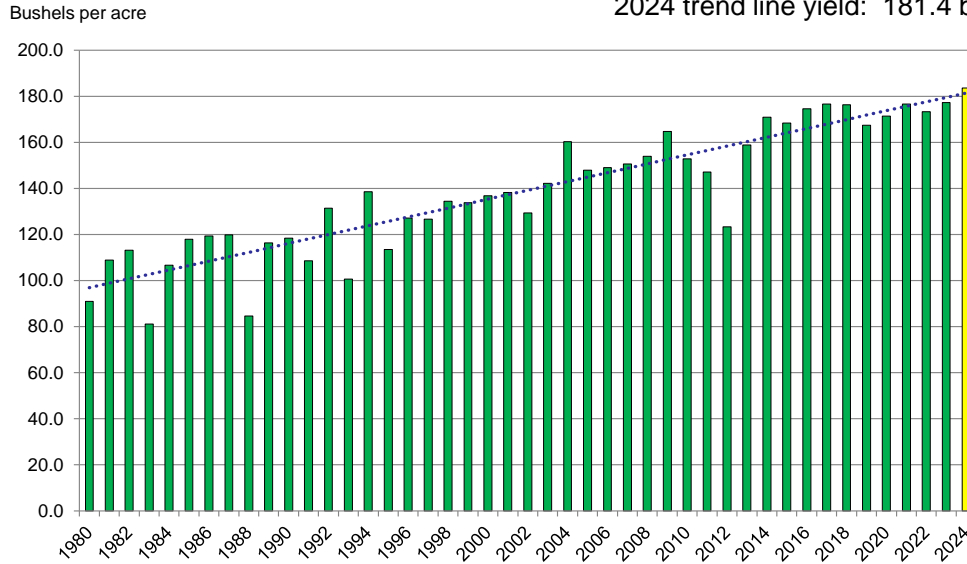
Volume 33, Number 55



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

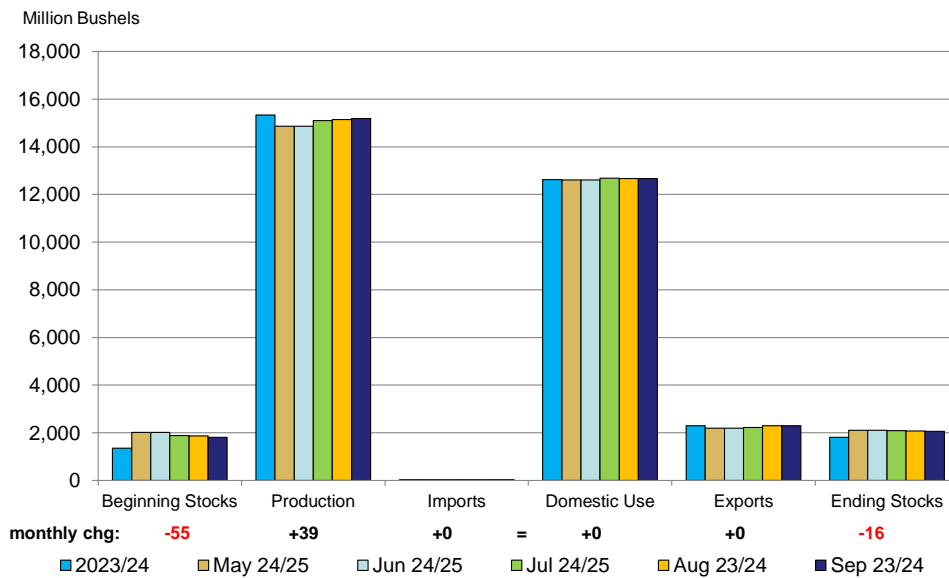
2024 USDA estimate: 183.6 bu

2024 trend line yield: 181.4 bu



USDA, WASDE 9/12/2024

U.S. Corn Supply and Demand, September 2024



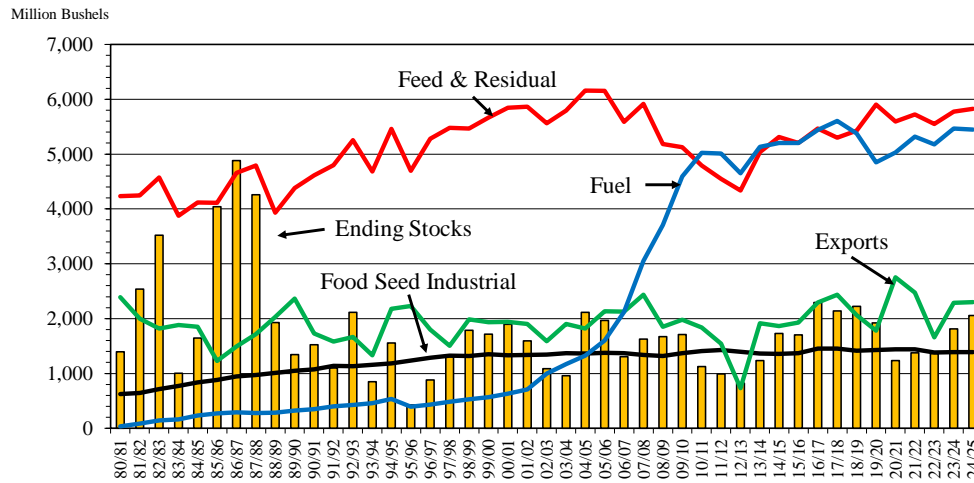
USDA, WASDE 9/12/2024

Feed Grain Outlook

September 13, 2024

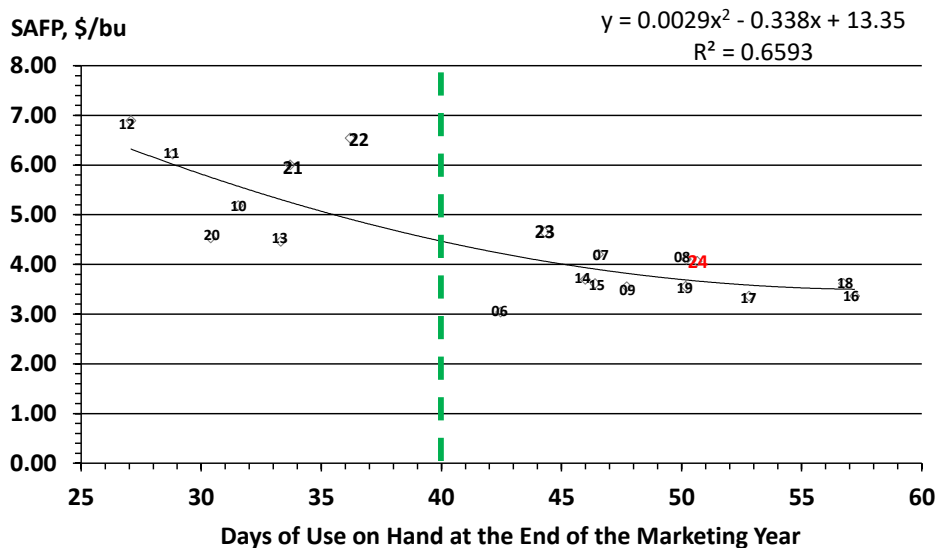
Volume 33, Number 55

U.S. Corn Use September WASDE



Source: USDA WASDE, 9/12/2024

U.S. Corn Average Farm Price and Days of Use on Hand 2005/06-2023/24, 2024/25 projection



Source: USDA, WASDE 9/12/2024

Feed Grain Outlook

September 13, 2024

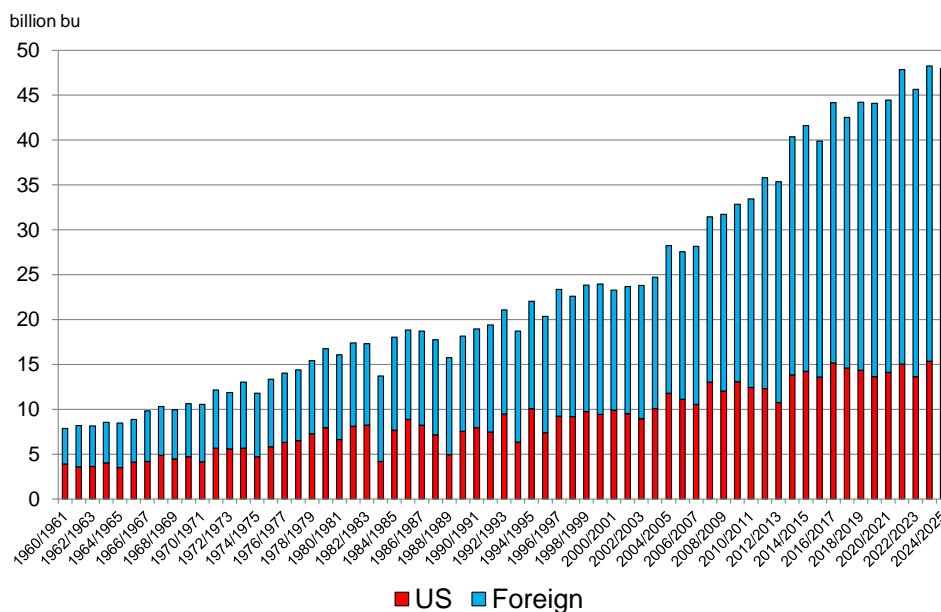
Volume 33, Number 55



World corn production was lower this month as a smaller crop estimate in the E.U. offset the increase in the U.S. World corn use was up. This combination lowered world corn ending stocks by 1.82 mmt (72 mil bu). Estimated world corn days of use on hand at the end of the marketing year decreased from 92.9 last month to a 92.3-day supply. This number has been about steady since 2020/21. Over the last 5 years, U.S. days on hand has been on the increase while foreign corn supplies continue to get tighter.

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		313.74	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
2024/25	September	309.63	1,218.57	185.40	772.18	1,219.85	191.37	308.35	0.2528	92.3
	net change	1.11	(1.25)	(0.45)	(0.62)	1.68	(0.10)	(1.82)	(0.0018)	(0.67)
	% change	0.36%	-0.10%	-0.24%	-0.08%	0.14%	-0.05%	-0.59%	-0.72%	-0.72%

Corn Production



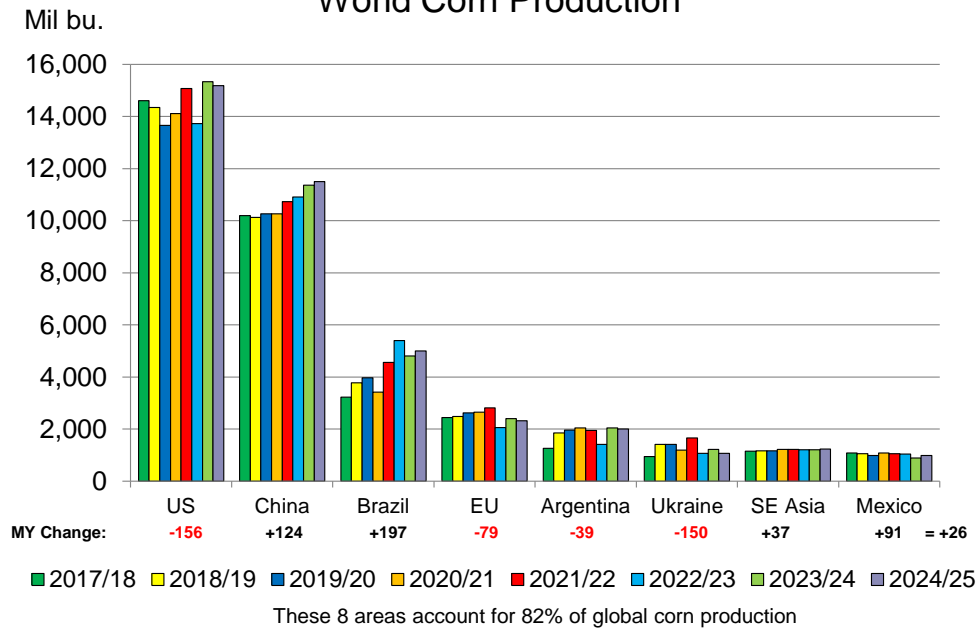
USDA, WASDE September 2024

Feed Grain Outlook

September 13, 2024

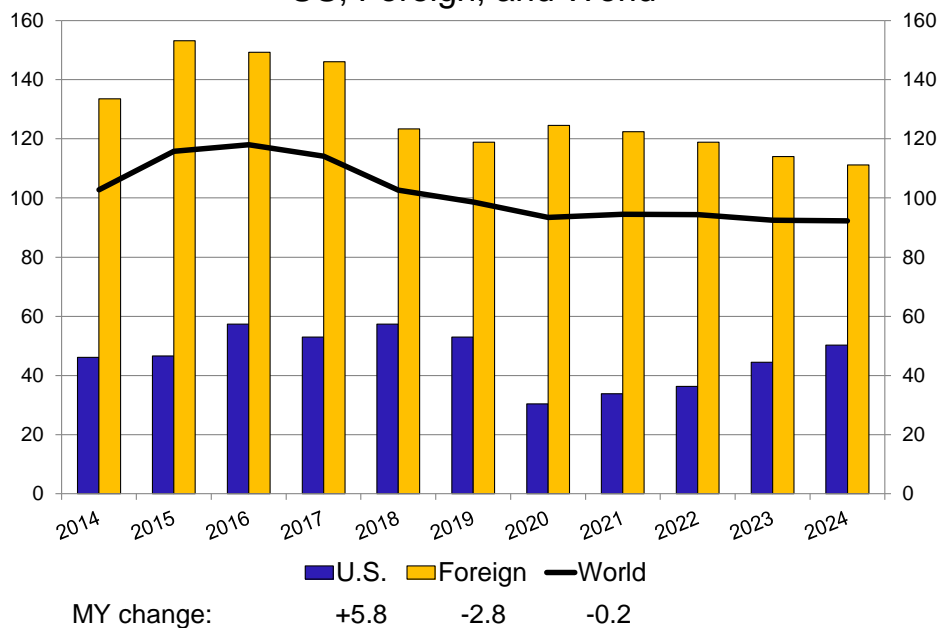
Volume 33, Number 55

World Corn Production



USDA, WASDE, September 2024

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



USDA, WASDE, 9/12/2024

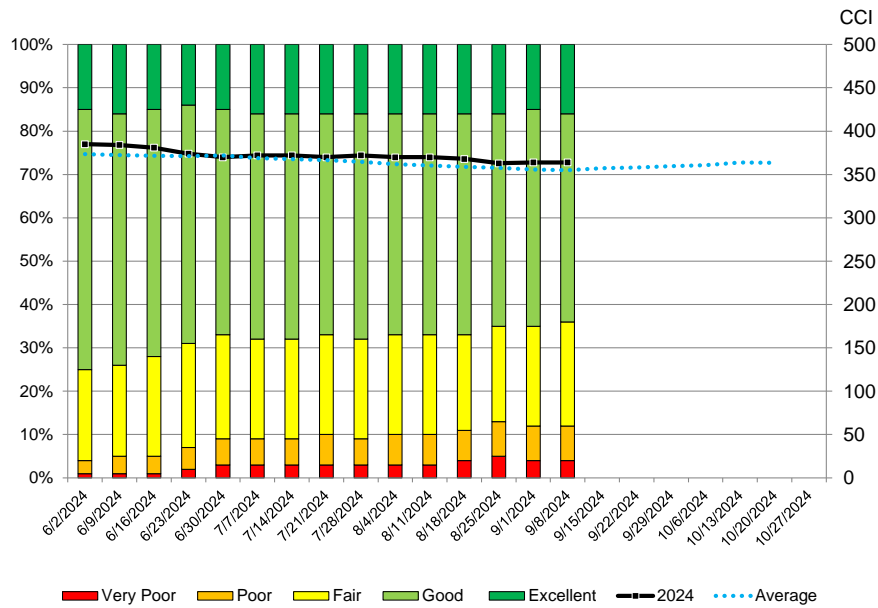
Feed Grain Outlook

September 13, 2024
Volume 33, Number 55



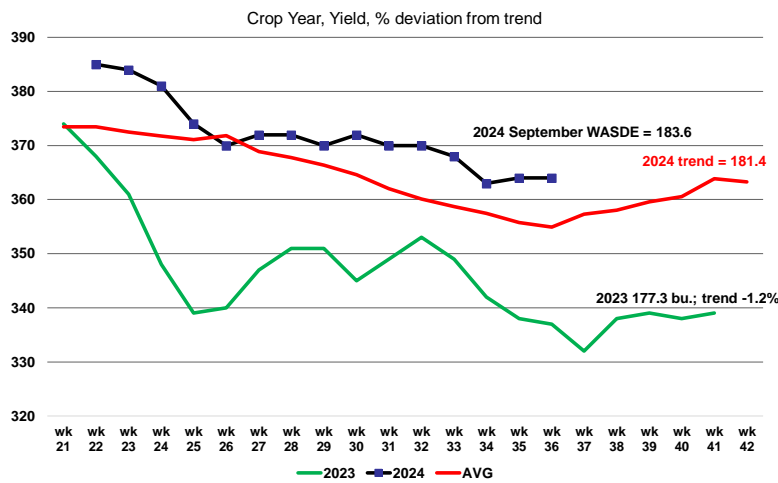
Crop Progress and Condition. Consistent with the updated corn yield estimate in today's WASDE are favorable corn condition ratings for U.S. corn. This week's Crop Progress showed the share rated very poor and poor unchanged and the share rated good and excellent down 1%. The condition index held steady at 364. The average index for mid-September is 355 and normally bottoms out this week of the growing season. States with the highest levels of corn rated very poor and poor include North Carolina at 73%, Colorado 35%, Texas 31%, Kansas 27%, and Tennessee 22% .

2024 U.S. Corn Crop Condition Ratings, September 8



Source: USDA Crop Progress, 9/9/2024

Corn Crop Condition Index



Feed Grain Outlook

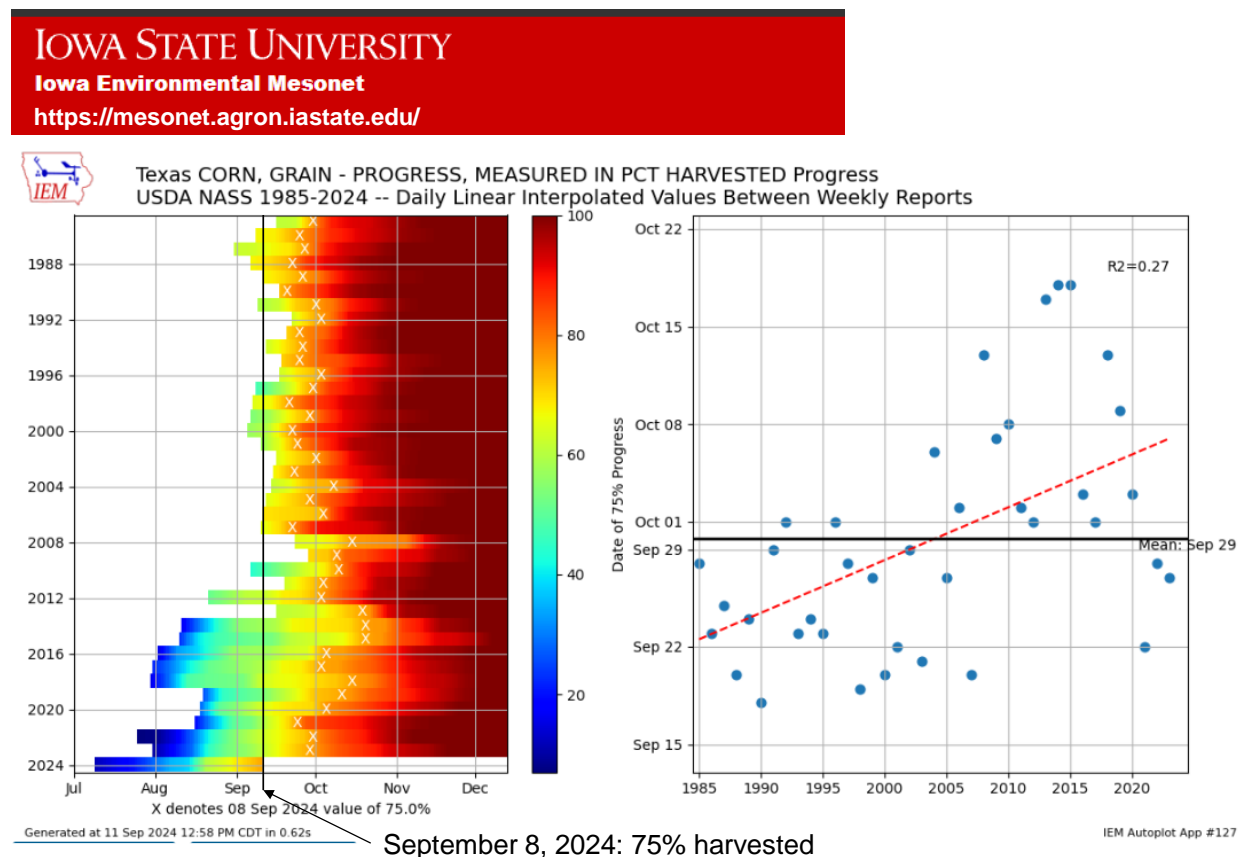
September 13, 2024

Volume 33, Number 55

U.S. corn harvest is now 5% complete, just above the 3% average. Texas is the state with the largest percentage of the 2024 corn crop harvested at 75%.

Going back to 1985, September 8 is the earliest this level of harvest has been reached. The average date to reach this harvested percentage is September 29. The chart below indicates the dates when corn harvest in Texas reached 75% from 1985 to 2023 (noted by the white 'x').

In contrast to this year's rapid harvest pace, the upward sloping regression line on the right shows a historical tendency for Texas to reach the 75% threshold later in the most recent 20-year period compared to the 20 years or so between 1985 and 2005.



Feed Grain Outlook

September 13, 2024

Volume 33, Number 55

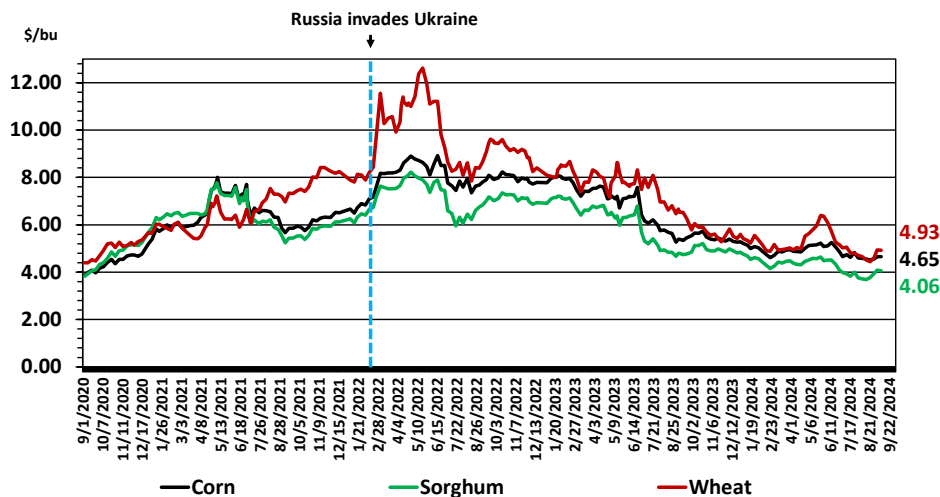
Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
September 12	4.06	4.65	0.59	5.42	4.61
10-yr average			0.40		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
September 12	4.06	4.06	0.00	4.66	
10-yr average			-0.05		

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

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)

Feed Grain Outlook

September 13, 2024

Volume 33, Number 55

Outside Markets. The August Consumer Price Index showed prices for all items up 2.5% compared to a year ago. That compares to inflation of 2.9% in July and is the smallest increase in the CPI since February 2021. The Producer Price Index for August (inflation at the wholesale level and often a precursor to inflation at the consumer level) was down from 2.2% last month to 1.8%. With inflation nearing the Fed’s long-term target of 2%, an interest rate cut next week is expected. The question is how much, and what are the expectations for additional cuts in the months ahead.

NEWS RELEASE
BUREAU OF LABOR STATISTICS
U. S. DEPARTMENT OF LABOR



Transmission of material in this release is embargoed until
8:30 a.m. (ET) Wednesday, September 11, 2024

USDL-24-1864

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

CONSUMER PRICE INDEX – AUGUST 2024

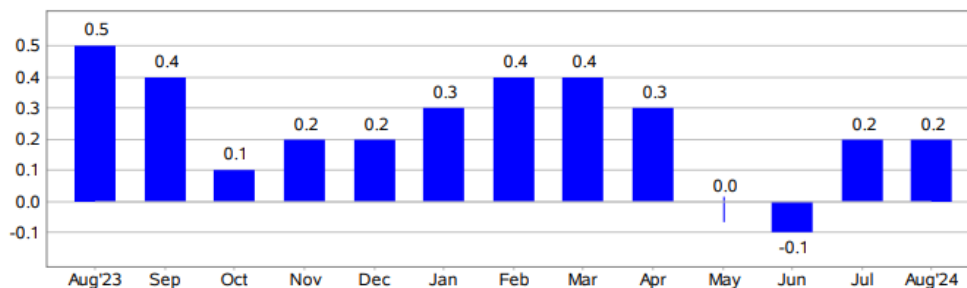
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis, the same increase as in July, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.5 percent before seasonal adjustment.

The index for shelter rose 0.5 percent in August and was the main factor in the all items increase. The food index increased 0.1 percent in August, after rising 0.2 percent in July. The index for food away from home rose 0.3 percent over the month, while the index for food at home was unchanged. The energy index fell 0.8 percent over the month, after being unchanged the preceding month.

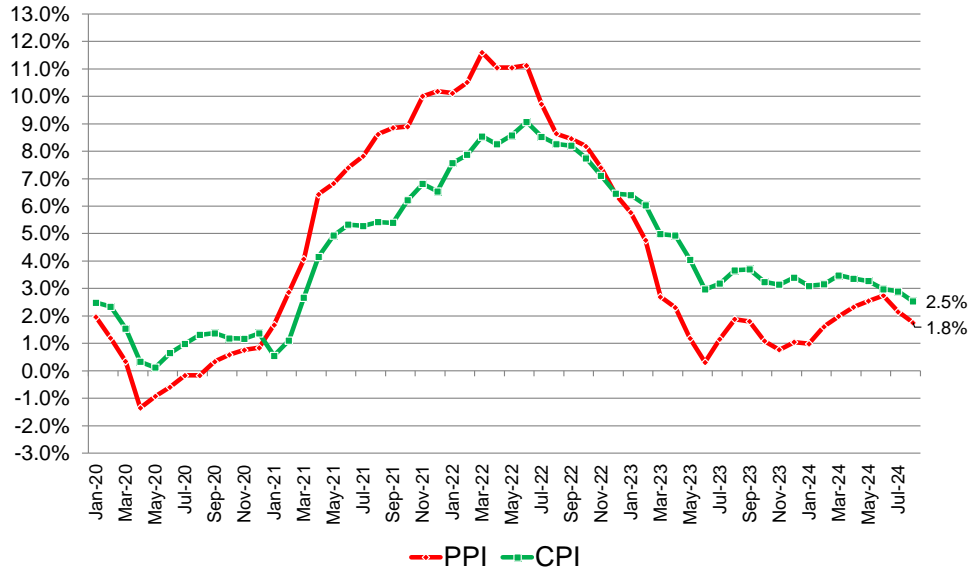
The index for all items less food and energy rose 0.3 percent in August, after rising 0.2 percent the preceding month. Indexes which increased in August include shelter, airline fares, motor vehicle insurance, education, and apparel. The indexes for used cars and trucks, household furnishings and operations, medical care, communication, and recreation were among those that decreased over the month.

The all items index rose 2.5 percent for the 12 months ending August, the smallest 12-month increase since February 2021. The all items less food and energy index rose 3.2 percent over the last 12 months. The energy index decreased 4.0 percent for the 12 months ending August. The food index increased 2.1 percent over the last year.

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



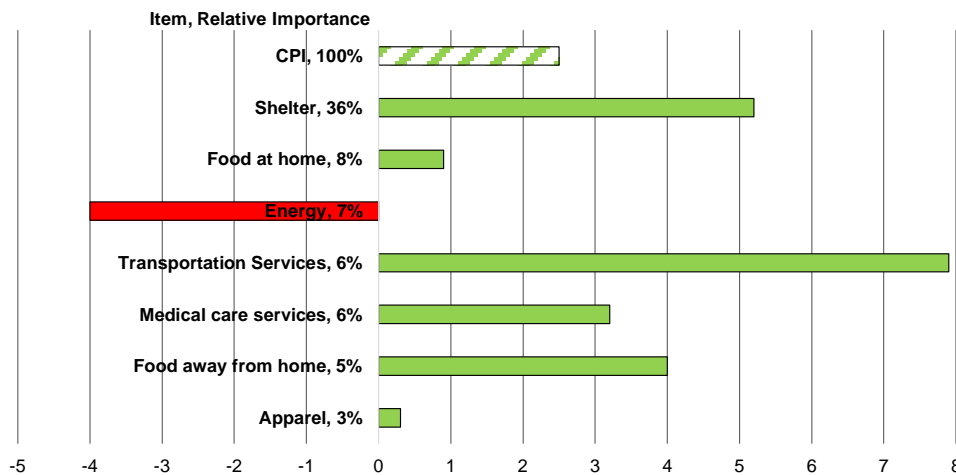
U.S. Inflation Producer Price Index and Consumer Price Index 12-month percentage change



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, September 11, 2024
 Producer Price Index (PPI), St. Louis Fed, September 12, 2024

Continuing to push prices higher in the CPI are transportation services, shelter, food away from home and medical services. Sectors contributing to lower price pressures were energy, apparel, and food at home.

Percent Change, CPI, year over year August 2023 to August 2024



Source: Consumer Price Index (CPI) U.S. Bureau of Labor Statistics, September 11, 2024

Feed Grain Outlook

September 13, 2024

Volume 33, Number 55



Prices about 9:30 am CT September 13, 2024:

	III QTR	7/1/2024	9/13/2024	net change	% change
S&P 500	SPX:IN	5,475.09	5,617.62	142.53	2.60%
10-yr T Note	Yield, %	4.36	3.65	(0.71)	-16.28%
CRB	CRY:IND	291.57	272.99	(18.58)	-6.37%
Dollar Index	December 2024	105.20	100.64	(4.56)	-4.34%
Crude Oil	December 2024	79.75	68.42	(11.33)	-14.21%
Copper	December 2024	4.44	4.23	(0.21)	-4.69%
Corn	December 2024	4.21	4.11	(0.10)	-2.38%
	March 2025	4.35	4.29	(0.06)	-1.38%
Soybeans	November 2024	11.11	10.09	(1.02)	-9.18%
	January 2025	11.25	10.28	(0.97)	-8.64%
SRW Wheat	December 2024	6.13	5.92	(0.20)	-3.31%
	March 2025	6.31	6.11	(0.20)	-3.17%

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, 7/1/2024-9/13/2024 (<https://www.barchart.com/>):

Feed Grain Outlook

September 13, 2024

Volume 33, Number 55

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

100.635 -0.368 (-0.36%) 09:20 CT [ICE/US]

100.630 x 21 100.635 x 1

INTERACTIVE CHART for Fri, Sep 13th, 2024

Notes My Charts Alerts Watch Help



Crude Oil WTI Dec '24 (CLZ24)

68.42 +0.89 (+1.32%) 09:21 CT [NYMEX]

68.42 x 4 68.43 x 3

INTERACTIVE CHART for Fri, Sep 13th, 2024

Notes My Charts Alerts Watch Help



High Grade Copper Dec '24 (HGZ24)

4.2295 +0.0340 (+0.81%) 09:22 CT [COMEX]

4.2290 x 8 4.2300 x 15

INTERACTIVE CHART for Fri, Sep 13th, 2024

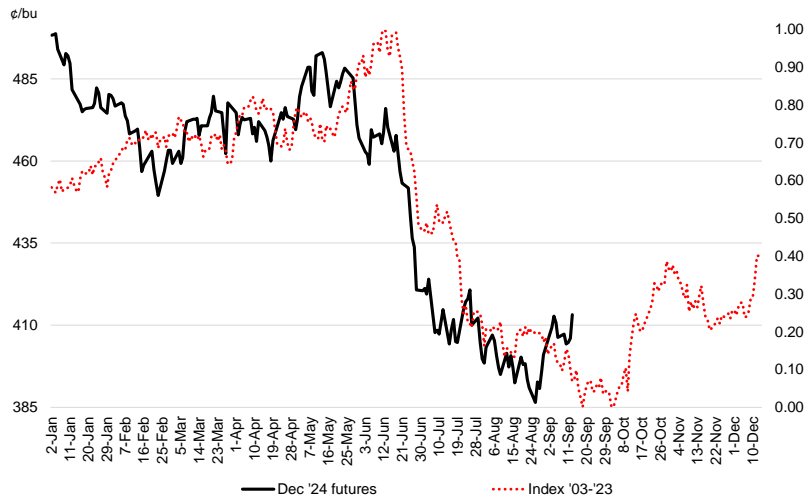
Notes My Charts Alerts Watch Help



Marketing Strategies

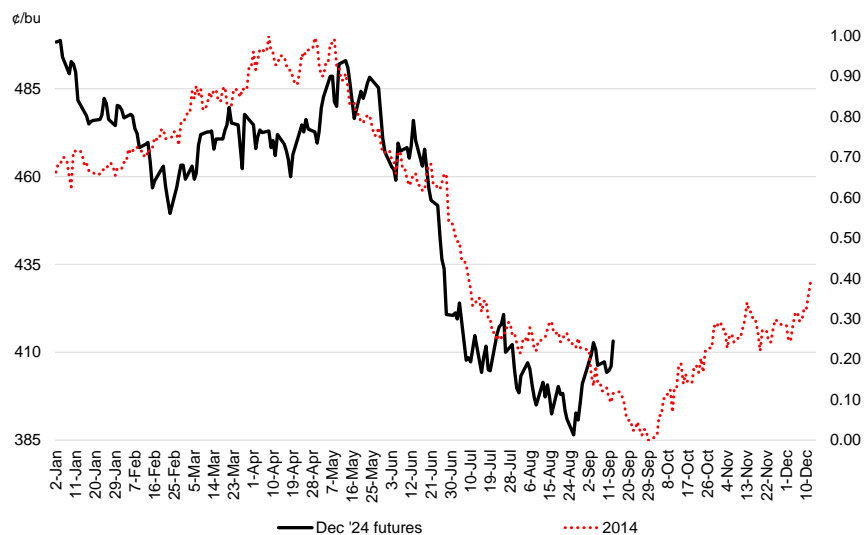
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October.

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



Feed Grain Outlook

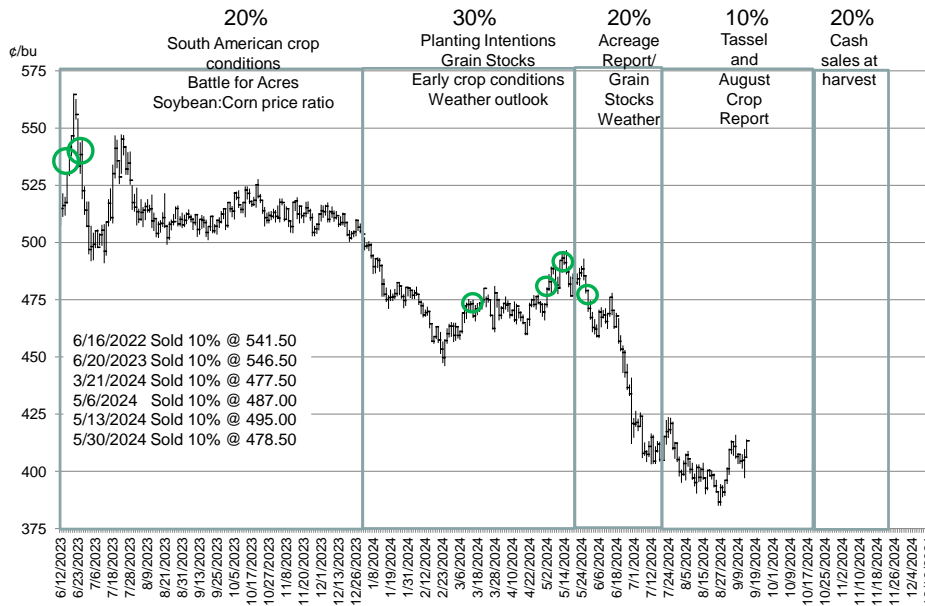
September 13, 2024

Volume 33, Number 55

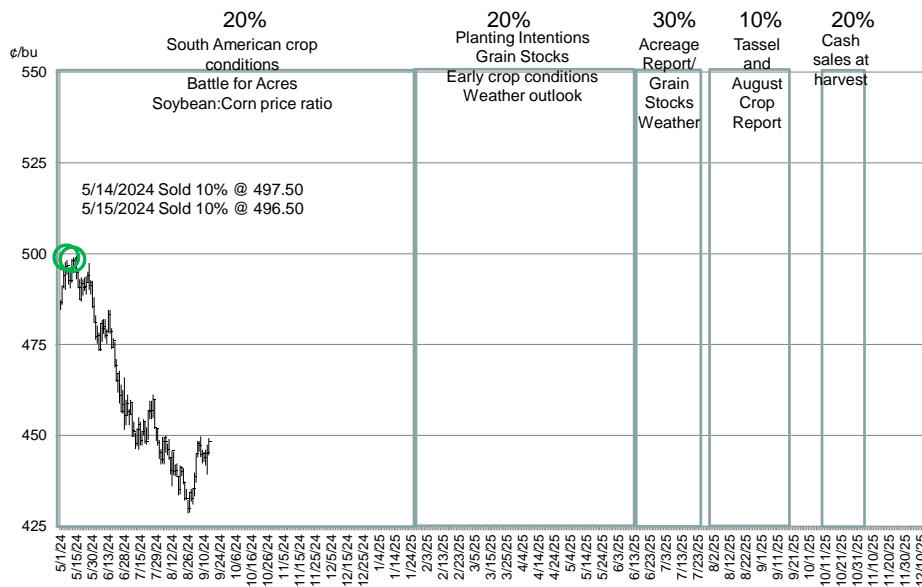


Feed Grain Marketing Plan. I am 60% sold on the 2024 corn crop. My plan was to have 70% priced but the bounce we got in late July was short of my price objective. I have also priced 20% of the 2025 crop.

December Corn Futures and 2024 Marketing Plan



December Corn Futures and 2025 Marketing Plan



Feed Grain Outlook

September 13, 2024

Volume 33, Number 55



Upcoming Reports/Events

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
October 11	Crop Production WASDE
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

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