

# Feed Grain Outlook

September 27, 2024  
Volume 33, Number 57

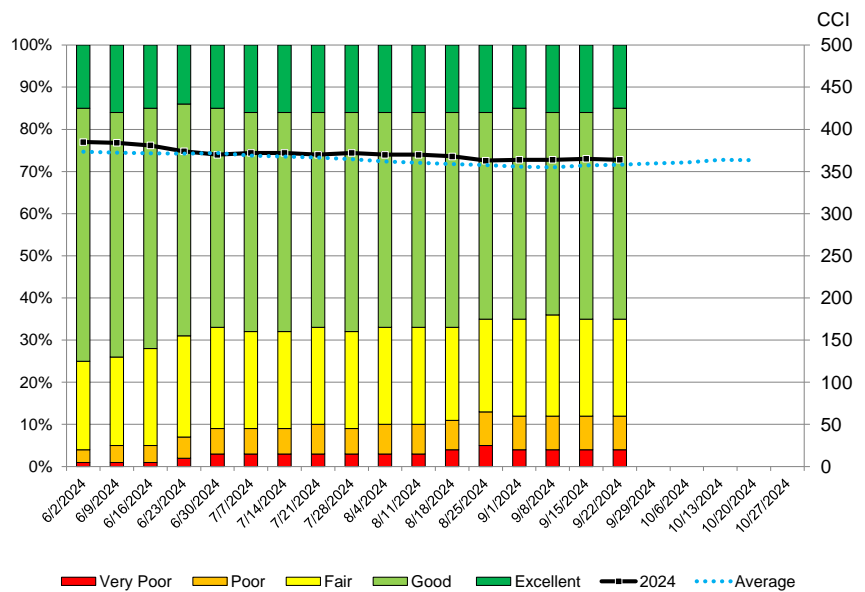
## Today's Newsletter

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## Market Situation

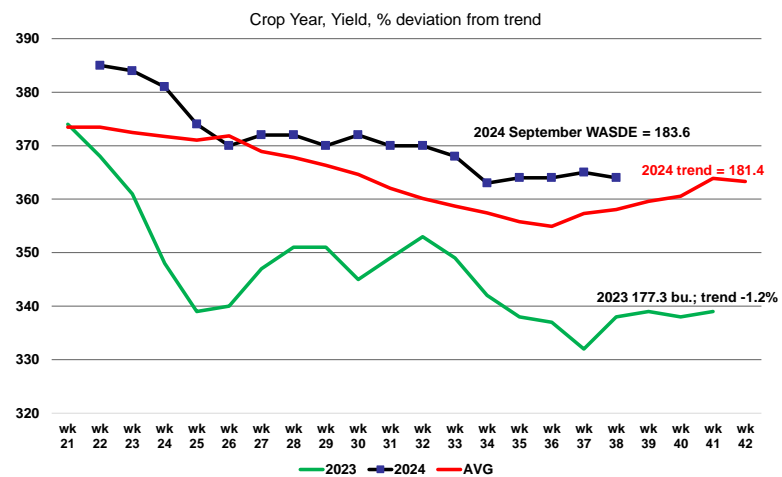
**Crop Progress and Condition.** The condition rating of the U.S. corn crop slipped slightly this week, though the index continues to track above normal. There was a 1% change of corn moving from the excellent category to the good. The crop index fell 1 point to 364. The average index for late-September is 358. States with the highest levels of corn rated very poor and poor include North Carolina at 77%, Colorado 38%, Kansas 30%, Ohio 29%, Tennessee 24%, and Texas 23%.

2024 U.S. Corn Crop Condition Ratings, September 22



Source: USDA Crop Progress, 9/23/2024

## Corn Crop Condition Index



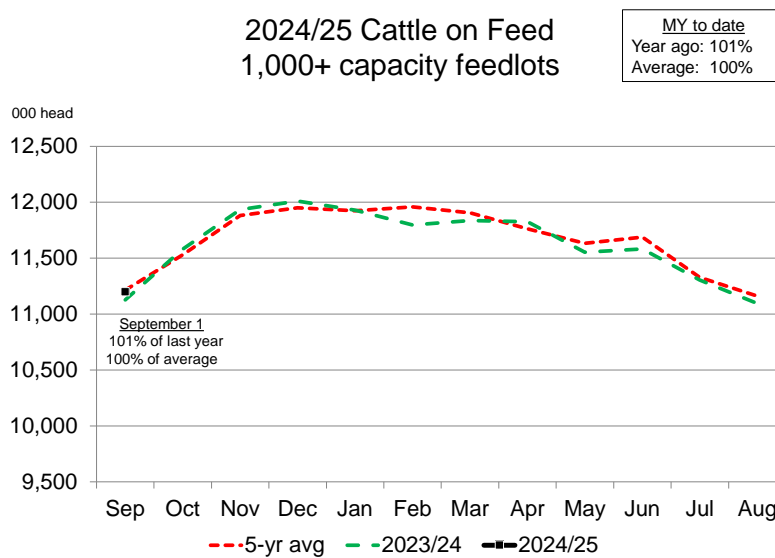
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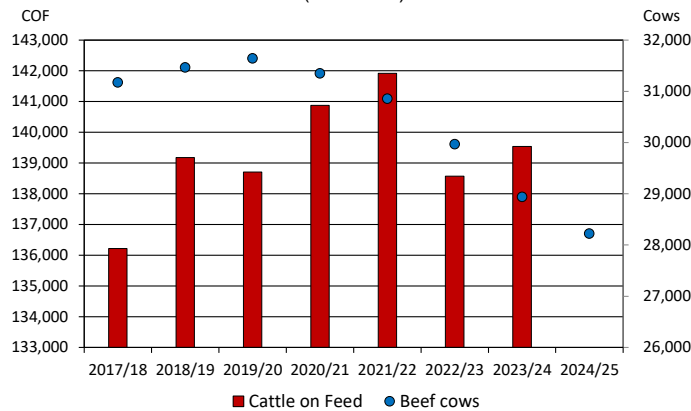
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**Grain Use.** Feed is the number one use category for U.S. corn. With no regular feed consumption reports available, livestock inventory numbers and the quarterly grain stocks reports are important barometers to monitor this important sector. The next quarterly grains stocks report will be released Monday, September 30.

Last week's Cattle on Feed report showed inventories up 1% compared to last year and on par with the 5-year average. Total on feed numbers by corn marketing year were up slightly in 2023/24 compared to 2022/23, but overall are down as the nation's cow herd is getting smaller.



### Total Cattle on Feed by Corn Marketing Year and Beef Cows January 1 (000 head)



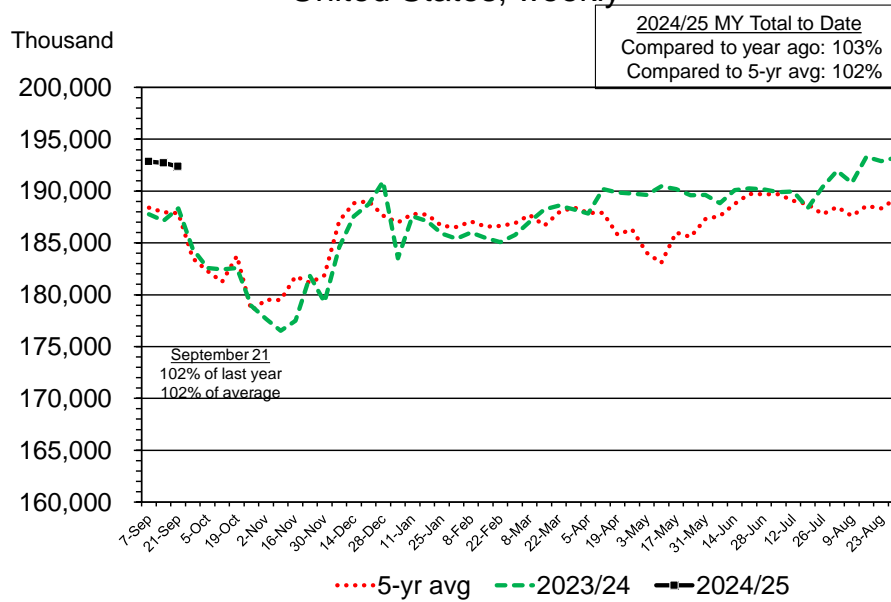
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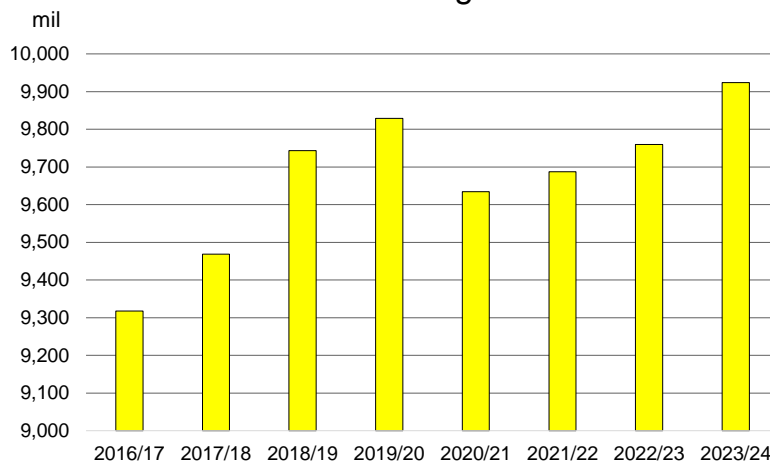
Broiler chick placements are strong at the start of the corn marketing year, up 3% compared to last year and 2% above the 5-year average. Since the set back in placements in 2020/21, this number has been trending higher.

### 2024/25 Broiler Chicks Placed United States, weekly



Source: USDA/NASS, Broiler Hatchery, September 25, 2024

### Total Broiler Chick Placements by Corn Marketing Year



Source: USDA/NASS, Broiler Hatchery, September 25, 2024

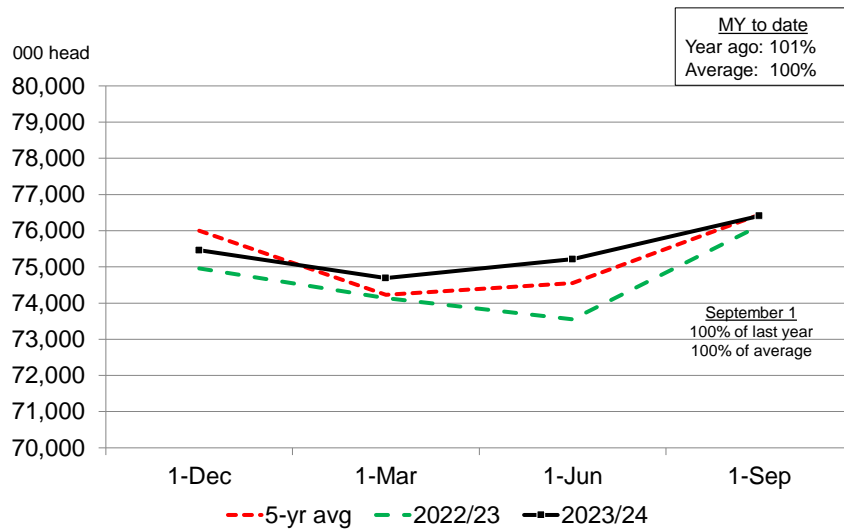
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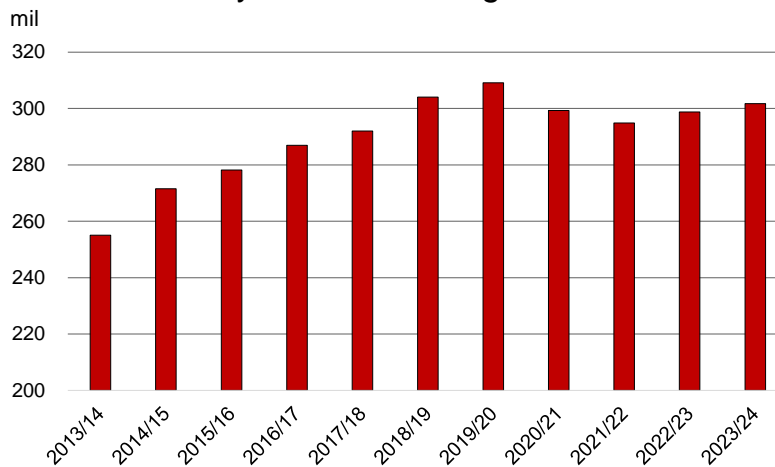
The Quarterly Hogs and Pigs report shows total inventory on September 1 (the end of the 2023/24 corn marketing year) about on par with last year and the 5-year average. For the marketing year as a whole, inventories are up 1%.

### 2023/24 U.S. All Hogs and Pigs Inventory



Source: Quarterly Hogs and Pigs, USDA/NASS, September 26, 2024

### Total Hogs and Pigs Inventory by Corn Marketing Year



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

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
September 19	4.06	4.64	0.59	5.47	4.71
September 26	4.13	4.72	0.59	5.52	4.73
10-yr average			0.40		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
September 19	4.06	4.06	-0.00	4.66	
September 26	4.13	4.09	-0.04	4.73	
10-yr average			-0.05		

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

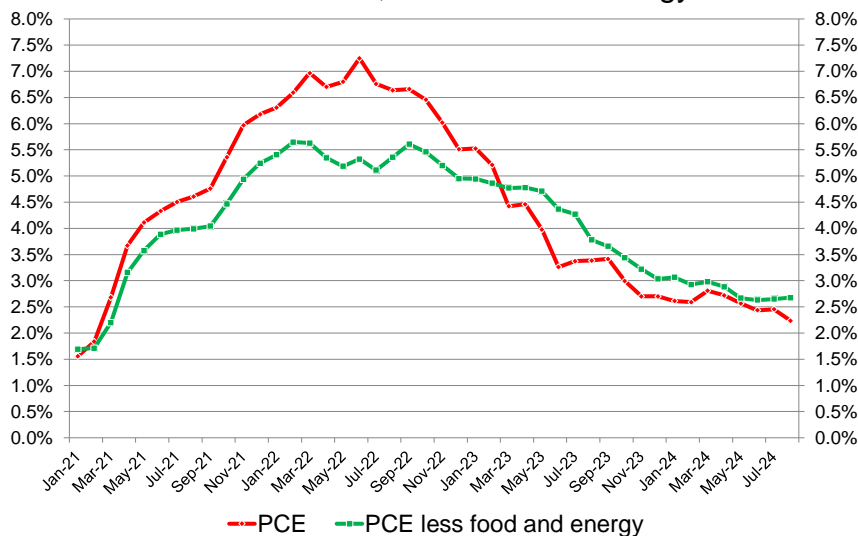
### Texas Cash Grain Prices September 2020-September 2024



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)

**Outside Markets.** A major factor in the Fed’s decision to lower the federal funds rate at the meeting of the Federal Open Market Committee last week was confidence that inflation was on a path toward the goal of 2%. The Fed’s preferred inflation gauge, the Personal Consumption Expenditures Index (PCE), showed continued progress in that fight in the August report. The PCE was up 2.2% compared to prices in August 2023. The inflation rate in July was 2.5%. Core PCE, less food and energy, was 2.7% this month, about the same as July.

U.S. Inflation: 12-month % change  
PCE and PCE, less food and energy



Source: Personal Consumption Expenditures (PCE), U.S. Bureau of Economic Analysis, September 27, 2024

The Bureau Economic Analysis released updated estimates of U.S. GDP this week. For the first quarter of 2024, GDP was 1.6%, up from the previous estimate of 1.4%. Second quarter GDP is 3.0%, unchanged from the previous estimate. GDPNow, a forecast of GDP in the current quarter (July-September), is 3.1%.



Home | News | Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, Second Quarter 2024 and Annual Update

## News Release

News Release | [Related Materials](#) | [Contacts](#) | [Additional Information](#)

[Explore Product View](#)

EMBARGOED UNTIL RELEASE AT 8:30 a.m. EDT, Thursday, September 26, 2024

BEA 24-43

### Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, Second Quarter 2024 and Annual Update

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2024 (table 1), according to the "third" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.6 percent (revised).

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was also 3.0 percent. The update primarily reflected upward revisions to private inventory investment and federal government spending that were offset by downward revisions to nonresidential fixed investment and exports (refer to "Updates to GDP"). Imports, which are a subtraction in the calculation of GDP, were revised up.

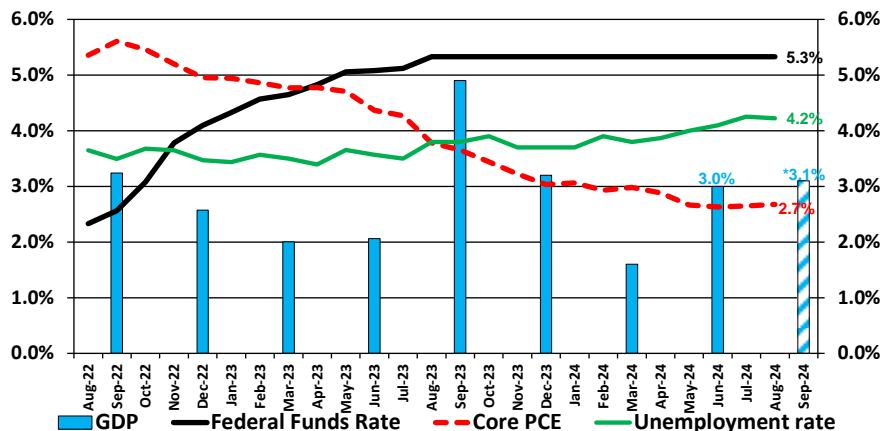
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## Interest Rates, Inflation, Unemployment, and Quarterly GDP



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 September 27, 2024

Prices about 1:30 pm CT September 27, 2024:

	III QTR	7/1/2024	9/27/2024	net change	% change
S&P 500	SPX:IN	5,475.09	5,744.60	269.51	4.92%
10-yr T Note	Yield, %	4.36	3.79	(0.57)	-13.07%
CRB	CRY:IND	291.57	284.63	(6.94)	-2.38%
Dollar Index	December 2024	105.20	100.16	(5.04)	-4.79%
Crude Oil	December 2024	79.75	67.73	(12.02)	-15.07%
Copper	December 2024	4.44	4.59	0.15	3.44%
Corn	December 2024	4.21	4.18	(0.03)	-0.71%
	March 2025	4.35	4.34	(0.00)	-0.12%
Soybeans	November 2024	11.11	10.66	(0.45)	-4.07%
	January 2025	11.25	10.83	(0.42)	-3.71%
SRW Wheat	December 2024	6.13	5.80	(0.32)	-5.27%
	March 2025	6.31	6.04	(0.27)	-4.28%

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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, 7/1/2024-9/27/2024 (<https://www.barchart.com/>):

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

100.160 -0.086 (-0.09%) 13:16 CT [ICE/US]

100.150 x 26 100.160 x 38

INTERACTIVE CHART for Fri, Sep 27th, 2024

Notes My Charts Alerts Watch Help



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

67.73 +0.54 (+0.80%) 13:18 CT [NYMEX]

67.72 x 19 67.73 x 1

INTERACTIVE CHART for Fri, Sep 27th, 2024

Notes My Charts Alerts Watch Help





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## High Grade Copper Dec '24 (HGZ24)

4.5900 -0.0490 (-1.06%) 13:19 CT [COMEX]

4.5900 x 12 4.5910 x 14

INTERACTIVE CHART for Fri, Sep 27th, 2024

Notes My Charts Alerts Watch Help

HGZ24 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

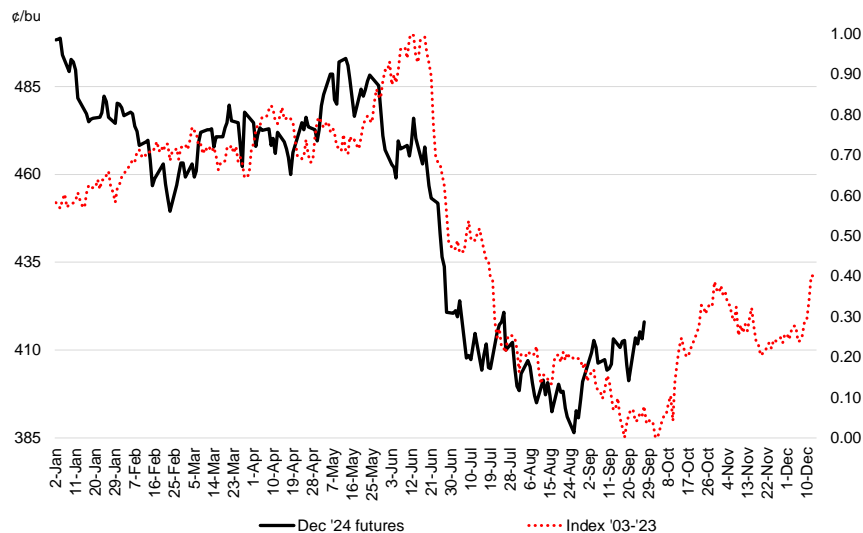
tutorial



## 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. This year the seasonal high occurred about a month earlier than the average index. It looks increasingly like the seasonal low have been set about month earlier too.

### 2024 December Corn Futures and 21-year Seasonal Index Pattern



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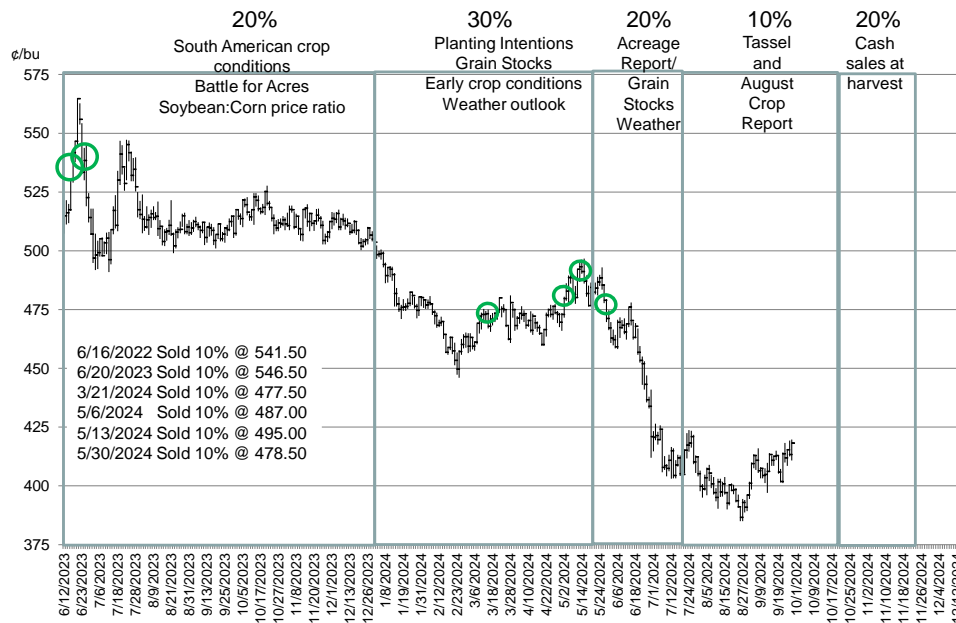
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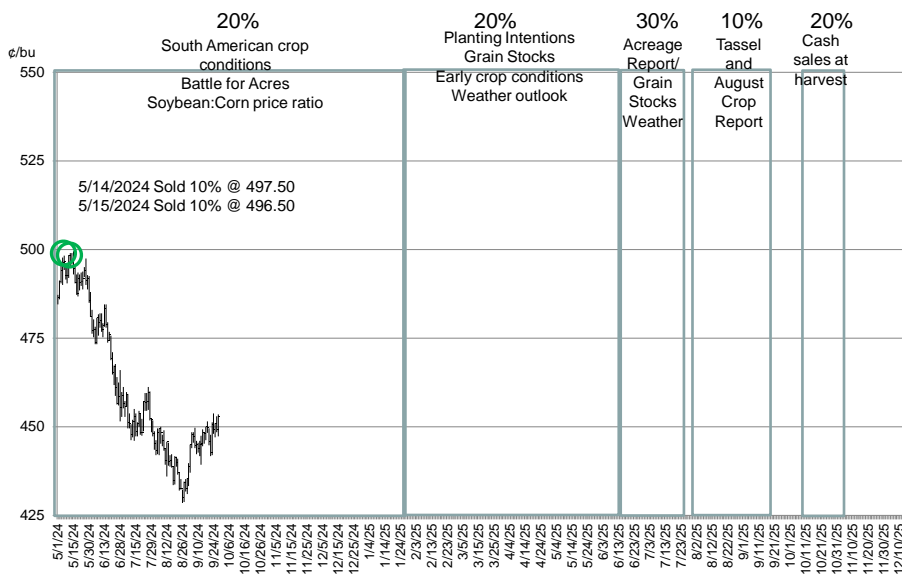


**Feed Grain Marketing Plan.** I am 60% sold on the 2024 corn crop. My plan was to have 70% priced but the bounce we got in late July was short of my price objective. I have also priced 20% of the 2025 crop.

## December Corn Futures and 2024 Marketing Plan



## December Corn Futures and 2025 Marketing Plan



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## Upcoming Reports/Events

September 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

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