

Feed Grain Outlook

October 7, 2024

Volume 33, Number 59

Today's Newsletter

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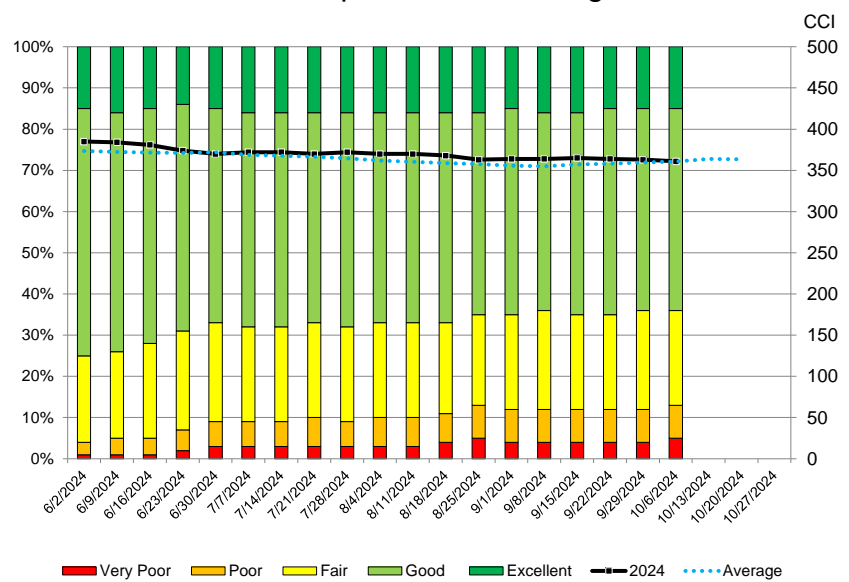
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Market Situation

Crop Progress and Condition. The condition rating of the U.S. corn crop slipped 2 points this week, back to the long-term average. The very poor and poor categories combined were up 1% lowering the index from 363 to 361. States with the highest levels of corn rated very poor and poor include North Carolina at 77%, Colorado 32%, Kansas 32%, and Texas 31%. USDA updates its yield estimate Friday, October 11.

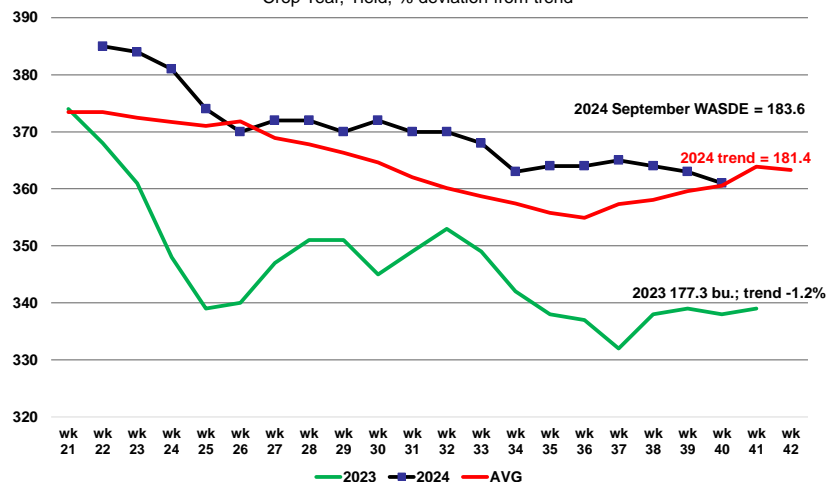
2024 U.S. Corn Crop Condition Ratings, October 6



Source: USDA Crop Progress, 10/7/2024

Corn Crop Condition Index

Crop Year, Yield, % deviation from trend



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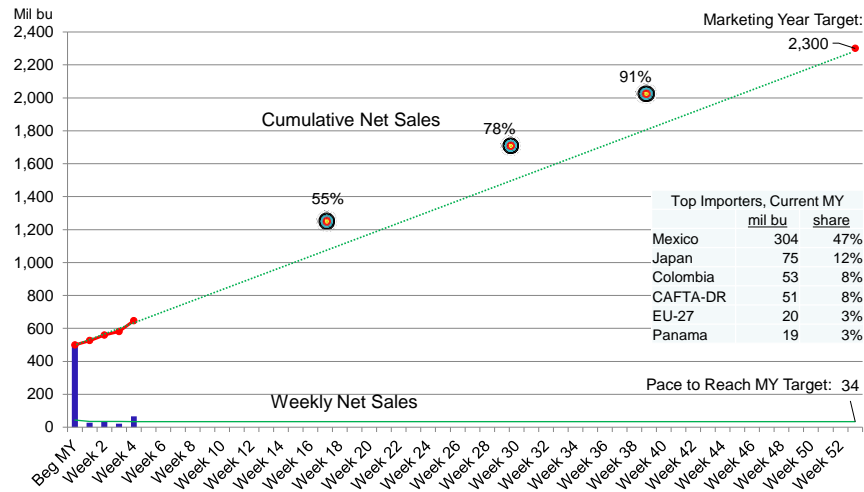
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Grain Use. Corn export sales to start off the 2024/25 marketing year are just on pace to reach the 2.3 billion bushel target. Sales for the week of September 26 were a strong 66 million bushels, about a third of that headed to Mexico. Sorghum sales in the new marketing year have yet to take off.

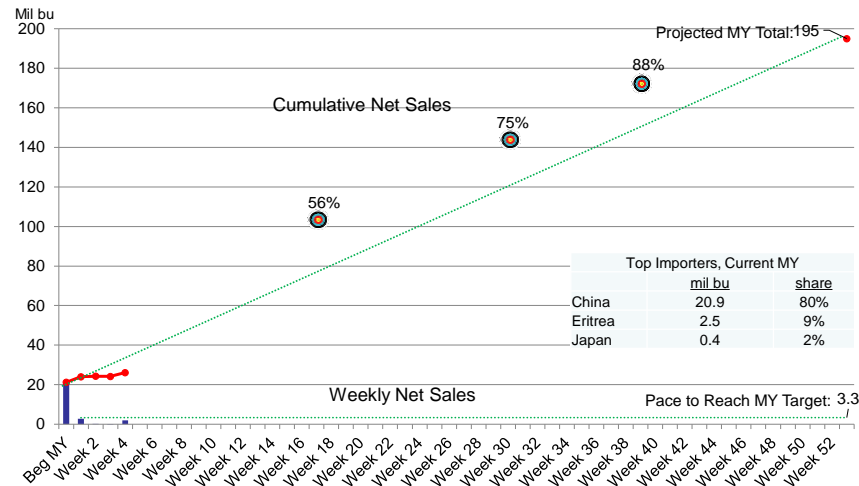
U.S. Corn Export Sales Commitments, 2024/25 MY



Export Sales Commitments reported 9/26/2024: 66 million bushels (Mexico, 21 mil bu)
 Total Export Sales Commitments this marketing year: 647 million bushels
 28% of the 2024/25 MY Export Sales Target of 2,300 million bushels (September WASDE)
 On average, 55% of the marketing year total is accounted for by the end of December

USDA, Foreign Agricultural Service: 10/3/2024

U.S. Grain Sorghum Export Sales Commitments, 2024/25 MY



Export Sales Commitments for the week 8/22/2024: 126,000 bushels
 Total Export Sales Commitments this marketing year: 231 million bushels
 13% of the 2024/25 MY Export Sales Target of 195 million bushels (September WASDE)
 On average, 56% of the marketing year total is accounted for by the end of December

USDA, Foreign Agricultural Service: 10/3/2024

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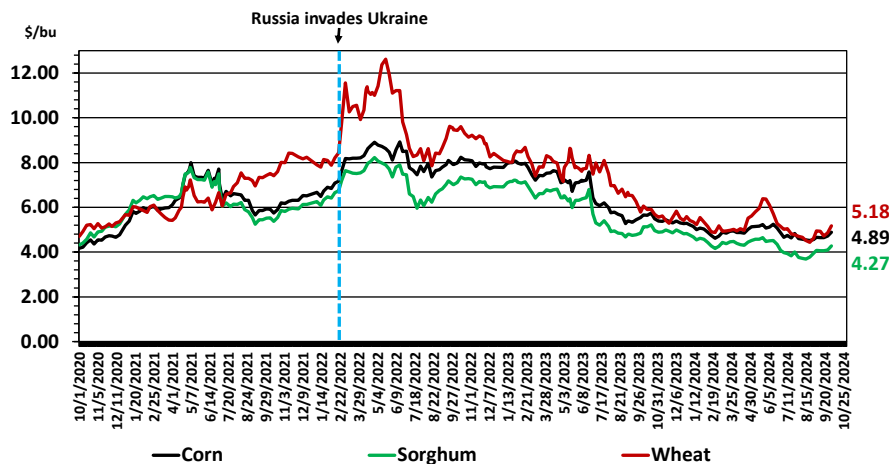
Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
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
October 3	4.28	4.89	0.61	5.62	4.91
10-yr average			0.40		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
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	
October 3	4.28	4.27	-0.01	4.88	
10-yr average			-0.05		

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

Texas Cash Grain Prices October 2020-October 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)

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Outside Markets. With increasing evidence that inflation is headed towards the Federal Reserve’s 2% goal, attention is focused on the labor market as in indicator of future interest movement. The September Employment situation showed an increase in employment, a decrease in unemployment, and an economy that added 254,000 new jobs. The unemployment rate declined back down to 4.1%. The labor force participation rate held steady at 62.7%



Transmission of material in this news release is embargoed until 8:30 a.m. (ET) Friday, October 4, 2024

USDL-24-2052

Technical information:

Household data: (202) 691-6378 • cpsinfo@bls.gov • www.bls.gov/cps

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

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

THE EMPLOYMENT SITUATION — SEPTEMBER 2024

Total **nonfarm payroll employment** increased by 254,000 in September, and the **unemployment rate** changed little at 4.1 percent, the U.S. Bureau of Labor Statistics reported today. Employment continued to trend up in food services and drinking places, health care, government, social assistance, and construction.

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

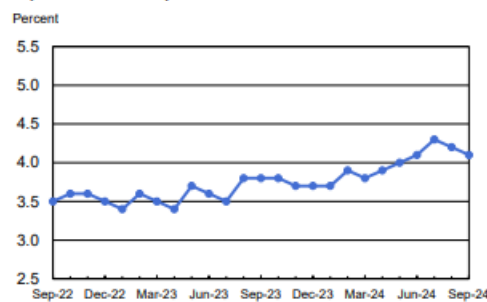
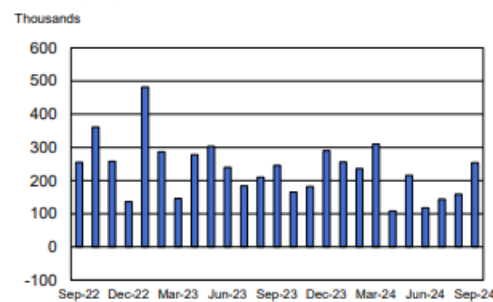
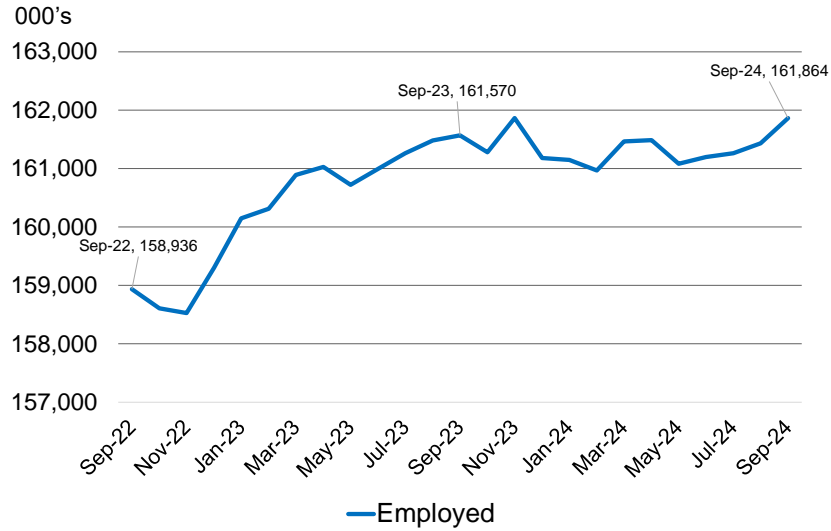


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2022 – September 2024



	numbers in thousands				unemployment rate	change in	
	non-inst population	civilian labor force	employed	unemployed		non-farm payroll	labor force part. rate
Mar-24	267,884	167,895	161,466	6,429	3.83%	310	62.7%
Apr-24	268,066	167,982	161,491	6,492	3.86%	108	62.7%
May-24	268,248	167,732	161,083	6,649	3.96%	216	62.5%
Jun-24	268,438	168,009	161,199	6,811	4.05%	118	62.6%
Jul-24	268,644	168,429	161,266	7,163	4.25%	144	62.7%
Aug-24	268,856	168,549	161,434	7,115	4.22%	159	62.7%
Sep-24	<u>269,080</u>	<u>168,699</u>	<u>161,864</u>	<u>6,834</u>	<u>4.05%</u>	<u>254</u>	<u>62.7%</u>
Change	224	150	430	(281)	-0.17%	95	0.0%

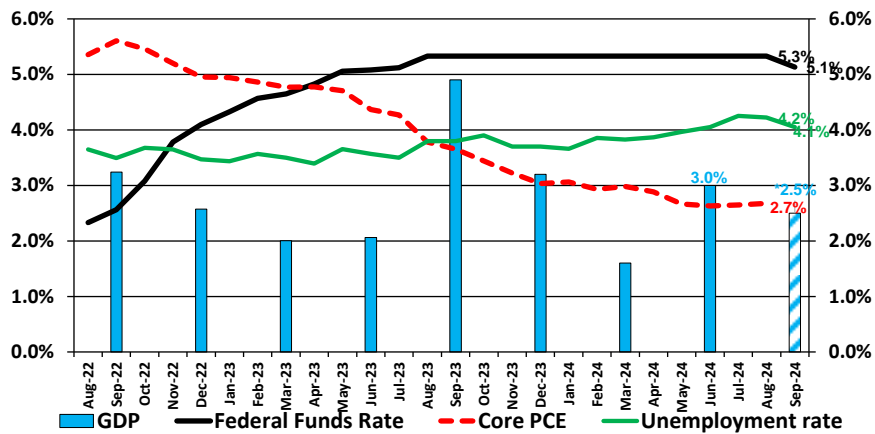
U.S. Non-farm Employment



U.S. Bureau of Labor Statistics, October 4, 2024

GDPNow, a forecast of GDP in the current quarter (July-September), is 2.5%.

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 October 7, 2024

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Prices about 3:00 pm CT October 7, 2024:

	IV QTR	10/1/2024	10/7/2024	net change	% change
S&P 500	SPX:IN	5,709.00	5,698.20	(10.80)	-0.19%
10-yr T Note	Yield, %	3.74	3.85	0.11	2.94%
CRB	CRY:IND	286.37	272.99	(13.38)	-4.67%
Dollar Index	December 2024	100.93	102.29	1.35	1.34%
Crude Oil	December 2024	69.39	76.61	7.22	10.40%
Copper	December 2024	4.59	4.55	(0.03)	-0.75%
Corn	December 2024	4.29	4.26	(0.03)	-0.70%
	March 2025	4.47	4.43	(0.04)	-0.84%
Soybeans	November 2024	10.57	10.34	(0.23)	-2.20%
	January 2025	10.57	10.53	(0.05)	-0.45%
SRW Wheat	December 2024	5.99	5.93	(0.07)	-1.09%
	March 2025	6.20	6.20	0.00	0.08%

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, 10/1/2024-10/7/2024 (<https://www.barchart.com/>):

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

102.285 +0.010 (+0.01%) 14:48 CT [ICE/US]

102.280 x 19 102.285 x 19

INTERACTIVE CHART for Mon, Oct 7th, 2024

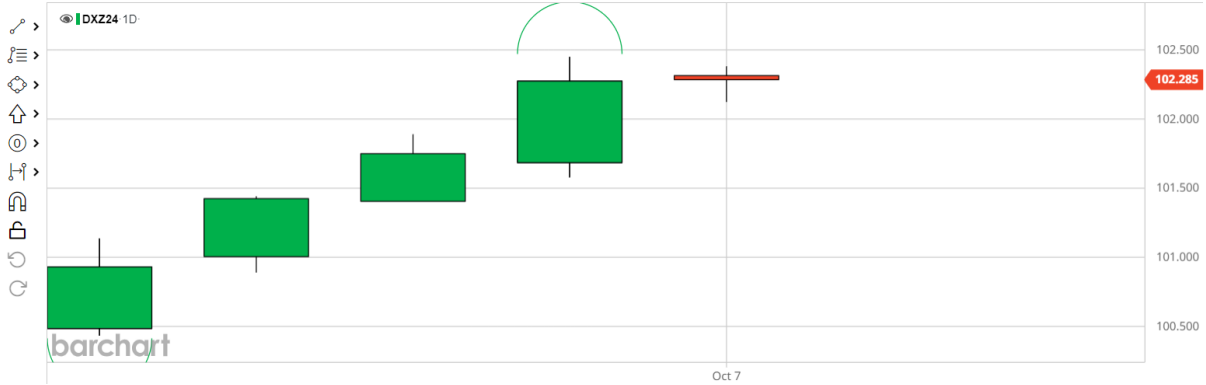
Notes My Charts Alerts Watch Help

DXZ24 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



Crude Oil WTI Dec '24 (CLZ24)

76.61 +2.93 (+3.98%) 14:49 CT [NYMEX]

76.60 x 37 76.62 x 15

INTERACTIVE CHART for Mon, Oct 7th, 2024

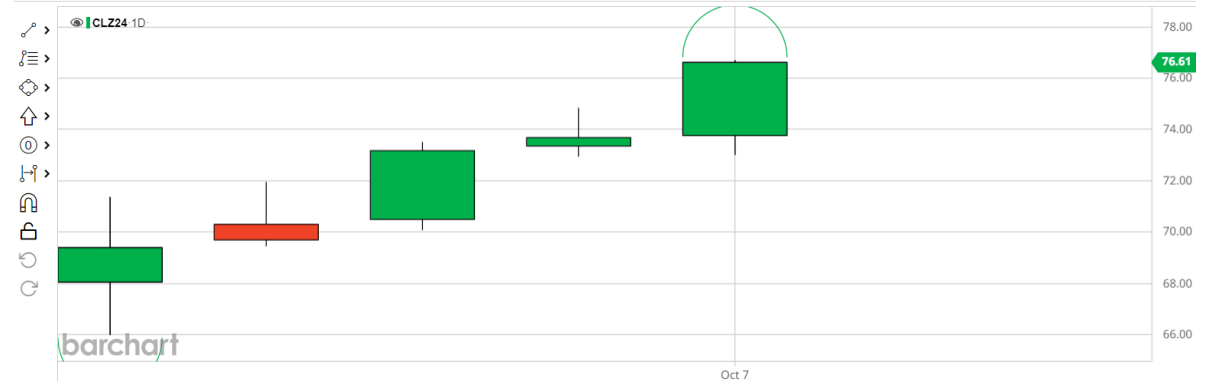
Notes My Charts Alerts Watch Help

CLZ24 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



High Grade Copper Dec '24 (HGZ24)

4.5545 -0.0195 (-0.43%) 14:51 CT [COMEX]

4.5545 x 3 4.5550 x 3

INTERACTIVE CHART for Mon, Oct 7th, 2024

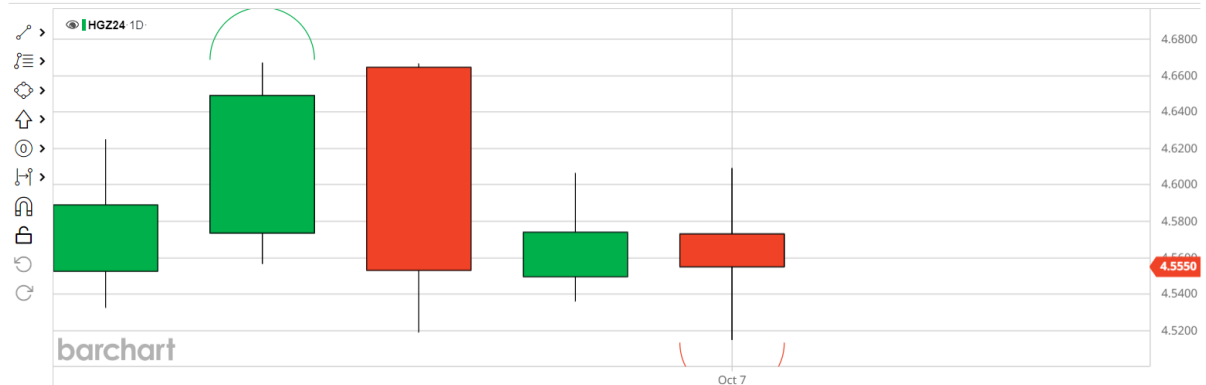
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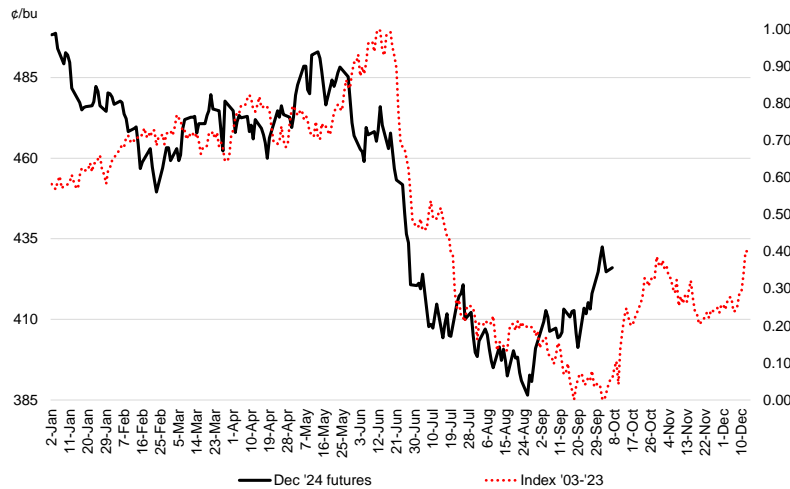
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Marketing Strategies

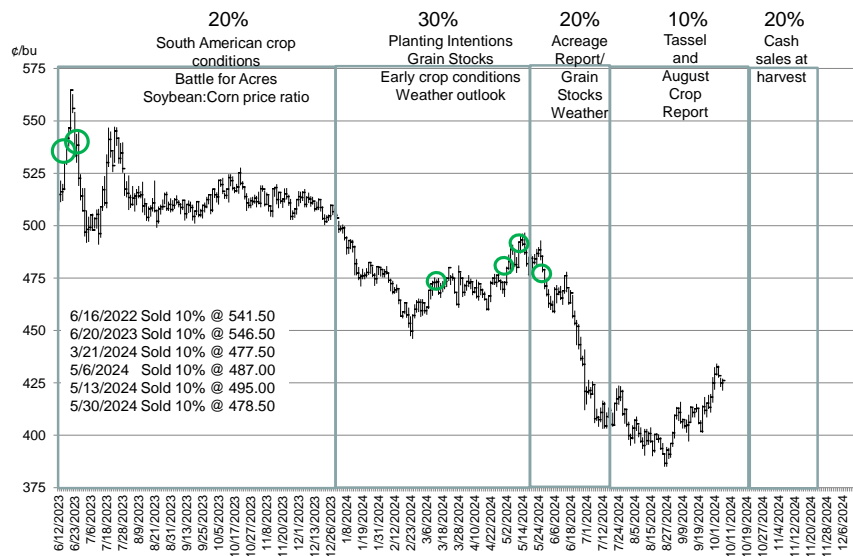
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in mid-July and then bottoming out late September/early October. This year the seasonal high occurred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



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 will wrap up sales of the 2024 crop at harvest, looking like next week. I have also priced 20% of the 2025 crop.

December Corn Futures and 2024 Marketing Plan



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Upcoming Reports/Events

October 8	Short-term Energy Outlook, Energy Information Administration
October 10	Consumer Price Index, Bureau of Labor Statistics
October 11	Crop Production WASDE
October 25	Cattle on Feed
October 30	Gross Domestic Product, 3rd Quarter 2024 (Advance Estimate)
November 1	October Employment Situation, Bureau of Labor Statistics
November 6-7	Federal Open Market Committee, Federal Reserve
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

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