

Feed Grain Outlook

December 12, 2024

Volume 33, Number 73

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Market Situation

WASDE. The driver of changes to the supply and demand balance sheet for U.S. corn came from the demand side this month.

With no changes to supply, the 50 million bushel increase in corn for fuel and 150 million bushel increase in exports lowered projected ending stocks by 200 million bushels. Total use of 12.715 million bushels is an all-time record high. The revised ending stock number is back below ending stocks in 2023/24.

Days of use on hand are now projected at a 41.8-day supply on August 31, 2025, down from a 47.2 day estimate last month. The season average farm price estimate was unchanged at \$4.10.

US CORN SUPPLY AND USE			December		
			2024/25 12/10/2024	Net Change Nov to Dec	% Change
AREA					
	Planted	mil acres	90.7	0	0.00%
	Harvested	mil acres	82.7	0	0.00%
	% harvested		91.2%	0	0.00%
YIELD	Harvested acre	bu/ac	183.1	0	0.00%
SUPPLY					
	Beginning stocks	mil bu	1,760	0	0.00%
	Production	mil bu	15,143	0	0.00%
	Imports	mil bu	25	0	0.00%
	Total Supply	mil bu	16,928	0	0.00%
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	5,500	50	0.92%
	Total Domestic Use	mil bu	12,715	50	0.39%
	Exports	mil bu	2,475	150	6.45%
	Total Use	mil bu	15,190	200	1.33%
	Ending stocks	mil bu	1,738	-200	-10.32%
	Stocks to Use ratio	percent	11.4%	-1.5%	-11.50%
	Days of use on hand		41.8	-5.4	-11.50%
PRICE	Average farm price	\$/bu	\$ 4.10	\$ -	0.00%
	Reference Price	\$/bu	\$ 4.01	\$ -	0.00%
	PLC Payment	\$/bu	\$ -	\$ -	

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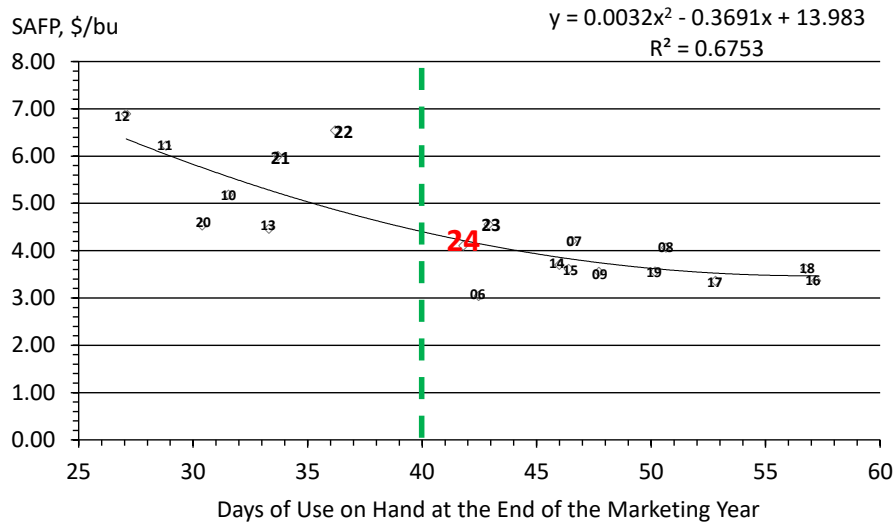
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U.S. Corn Average Farm Price and Days of Use on Hand

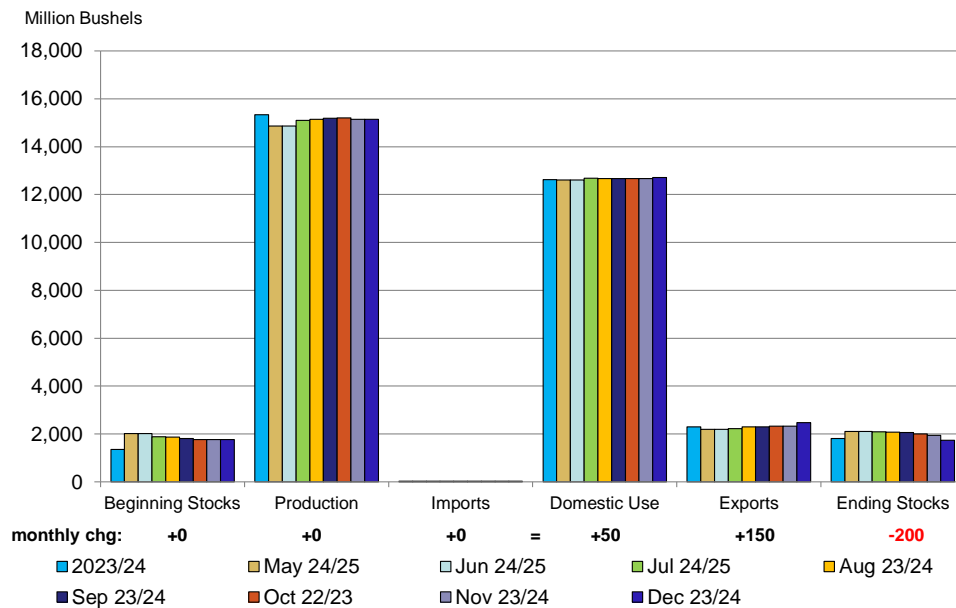
2005/06-2023/24, 2024/25 estimate



Source: USDA, WASDE December 2024



U.S. Corn Supply and Demand, December 2024



USDA, WASDE 12/10/2024

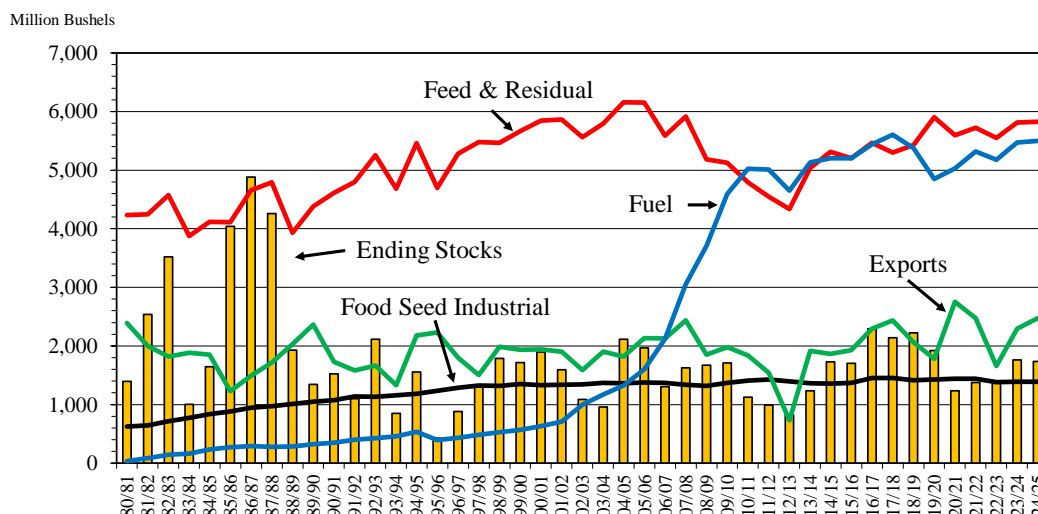
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U.S. Corn Use December WASDE

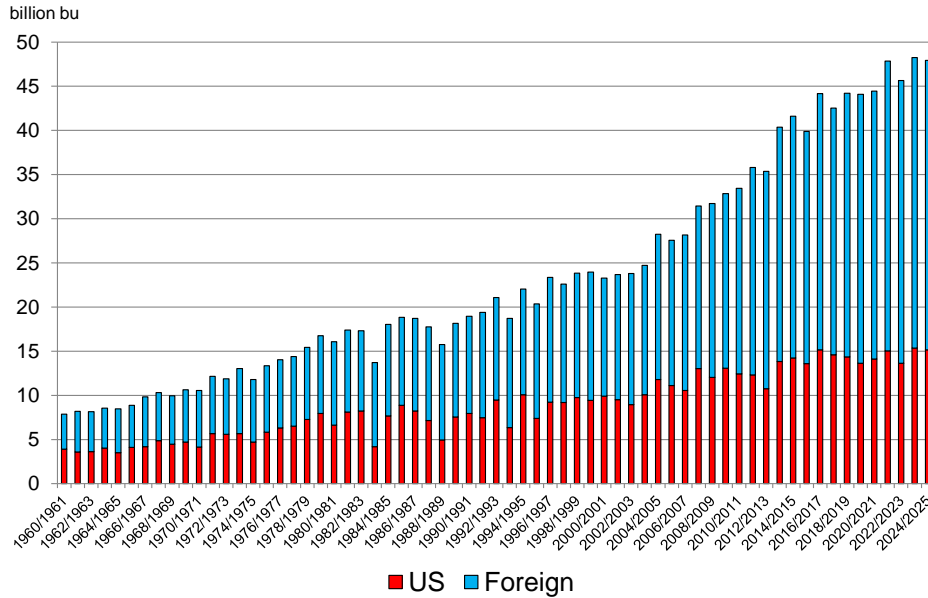


Source: USDA WASDE, 12/10/2024

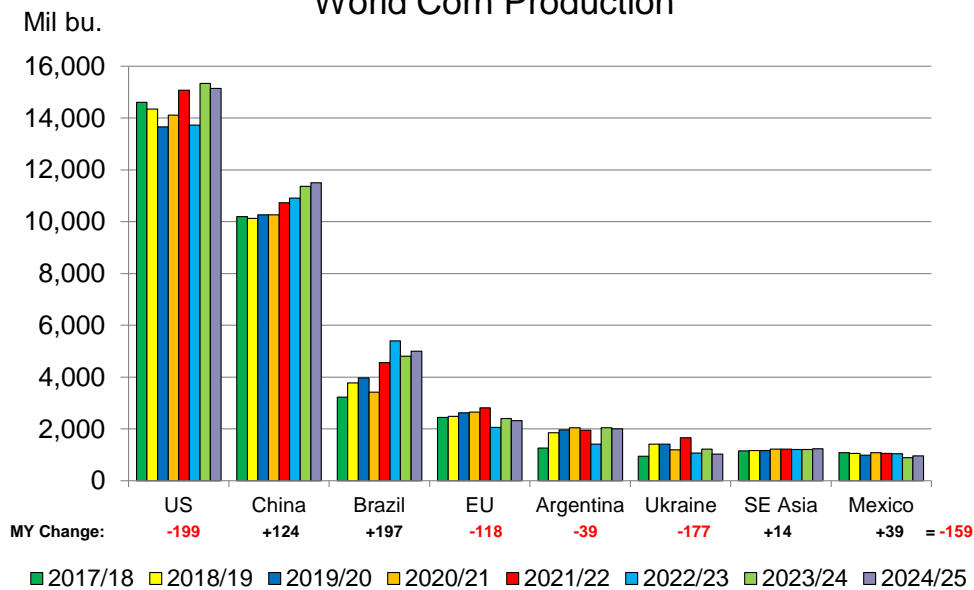
The global corn supply was basically unchanged this month with an increase in beginning stocks offsetting a small decrease in production. Use was up 8.2 mmt (322 mil bu) which lowered ending stocks 7.7 mmt (303 mil bu). Estimated days of use on hand at the end of the marketing year dropped from a 90.3 day supply last month to 87.4 days. This is the lowest carryover to use since the 81.8 day supply in 2013/14.

WORLD CORN (MMT)		Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days 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		313.92	1,160.67	173.39	734.46	1,170.50	180.24	304.09	0.2598	94.8
2023/24		304.09	1,225.92	192.81	770.19	1,217.35	195.77	312.65	0.2568	93.7
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
2024/25	October	312.65	1,217.19	183.84	774.27	1,223.32	190.50	306.52	0.2506	91.5
2024/25	November	314.22	1,219.40	183.41	776.50	1,229.48	189.83	304.14	0.2474	90.3
2024/25	December	316.22	1,217.89	183.92	779.36	1,237.66	193.04	296.44	0.2395	87.4
	net change	2.00	(1.51)	0.51	2.86	8.18	3.21	(7.70)	(0.0079)	(2.87)
	% change	0.64%	-0.12%	0.28%	0.37%	0.67%	1.69%	-2.53%	-3.18%	-3.18%

Corn Production



World Corn Production



These 8 areas account for 82% of global corn production

USDA, December 2024 WASDE

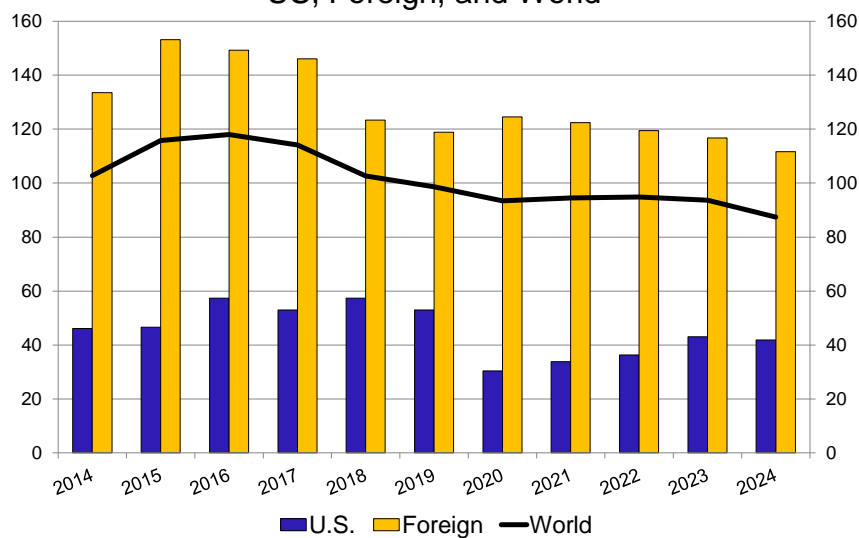
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Corn Days of Use on Hand at the End of the Marketing Year:
US, Foreign, and World



MY change: -1.2 -5.0 -6.3

USDA, WASDE, 12/10/2024

Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
November 7	4.28	4.90	0.63	5.76	5.16
November 14	4.19	4.82	0.63	5.69	5.08
November 21	4.27	4.89	0.63	5.75	5.11
December 5	4.35	4.89	0.54	5.71	5.12
December 12	4.44	5.04	0.61	5.78	5.07
10-yr average			0.46		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
November 7	4.28	4.31	0.03	4.93	
November 14	4.19	4.24	0.05	4.84	
November 21	4.27	4.32	0.05	4.92	
December 5	4.35	4.31	-0.04	4.92	
December 12	4.44	4.38	-0.05	5.14	
10-yr average			0.02		

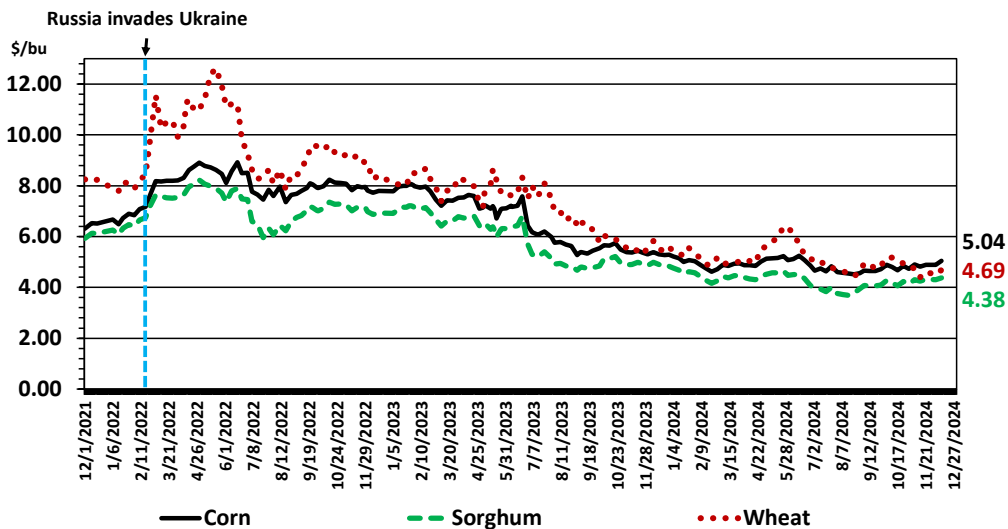
AMS Market News: TX cash = average (North, Central, and South Panhandle), Gulf sorghum: DTN

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Texas Cash Grain Prices December 2021-December 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—labor market and inflation. The Employment Situation for November from the Bureau of Labor Statistics showed the U.S. economy added 227,000 new jobs last month, up from the hurricane impacted October number of 36,000. The unemployment rate was up slightly to 4.2% as unemployment increased and the size of the labor force decreased. The labor force participation rate of 62.5% is down from 62.6%.

	numbers in thousands				unemployment rate	change in non-farm payroll	labor force part. rate
	non-inst population	civilian labor force	employed	unemployed			
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	4.3%	144	62.7%
Aug-24	268,856	168,549	161,434	7,115	4.2%	78	62.7%
Sep-24	269,080	168,699	161,864	6,834	4.1%	255	62.7%
Oct-24	269,289	168,479	161,496	6,984	4.1%	36	62.6%
Nov-24	269,463	168,286	161,141	7,145	4.2%	227	62.5%
Change	174	(193)	(355)	161	0.1%	191	-0.1%

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NEWS RELEASE

BUREAU OF LABOR STATISTICS
U. S. DEPARTMENT OF LABOR



Transmission of material in this news release is embargoed until
8:30 a.m. (ET) Friday, December 6, 2024

USDL-24-2477

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THE EMPLOYMENT SITUATION — NOVEMBER 2024

Total **nonfarm payroll employment** rose by 227,000 in November, and the **unemployment rate** changed little at 4.2 percent, the U.S. Bureau of Labor Statistics reported today. Employment trended up in health care, leisure and hospitality, government, and social assistance. Retail trade lost jobs.

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

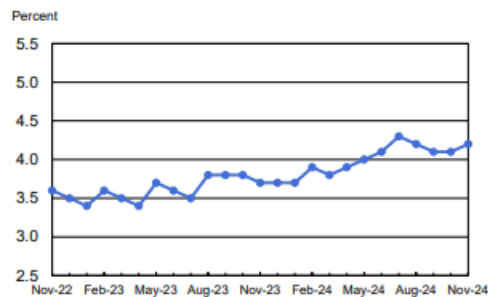
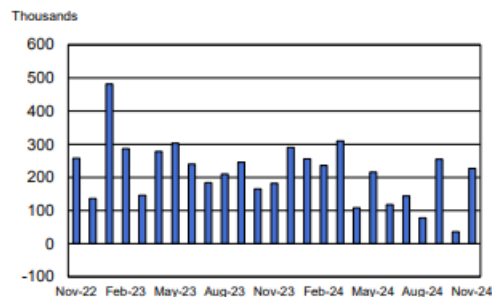
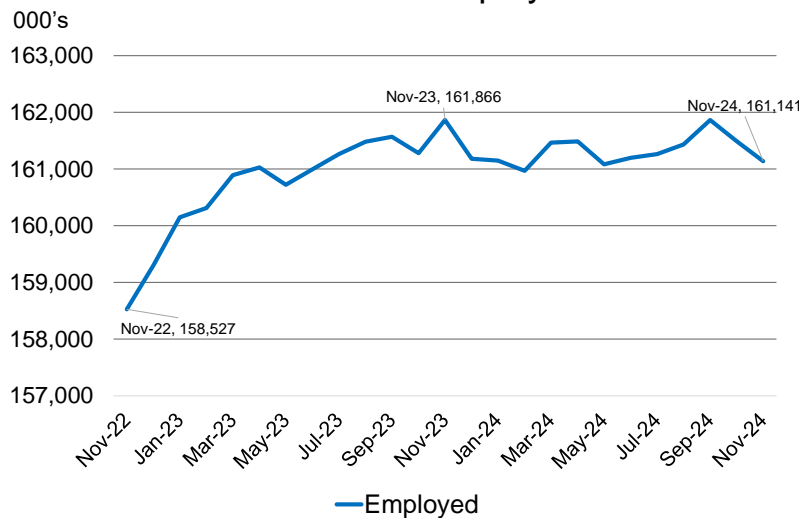


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, November 2022 – November 2024



U.S. Non-farm Employment



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

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The Consumer Price Index showed an inflation rate of 2.7% in November compared to November 2023. On seasonally adjusted, monthly basis prices were up 0.3%, the highest month to month change since last April.



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

USDL-24-2516

Technical information: (202) 691-7000 • cpi_info@bls.gov • www.bls.gov/cpi
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CONSUMER PRICE INDEX – NOVEMBER 2024

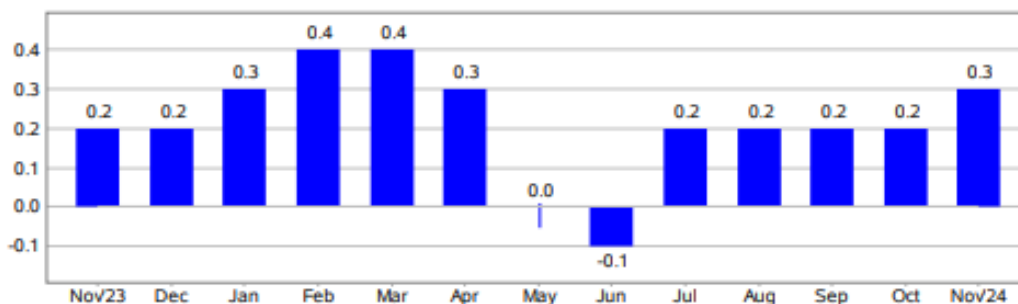
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent on a seasonally adjusted basis in November, after rising 0.2 percent in each of the previous 4 months, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.7 percent before seasonal adjustment.

The index for shelter rose 0.3 percent in November, accounting for nearly forty percent of the monthly all items increase. The food index also increased over the month, rising 0.4 percent as the food at home index increased 0.5 percent and the food away from home index rose 0.3 percent. The energy index rose 0.2 percent over the month, after being unchanged in October.

The index for all items less food and energy rose 0.3 percent in November, as it did in each of the previous 3 months. Indexes that increased in November include shelter, used cars and trucks, household furnishings and operations, medical care, new vehicles, and recreation. The index for communication was among the few major indexes that decreased over the month.

The all items index rose 2.7 percent for the 12 months ending November, after rising 2.6 percent over the 12 months ending October. The all items less food and energy index rose 3.3 percent over the last 12 months. The energy index decreased 3.2 percent for the 12 months ending November. The food index increased 2.4 percent over the last year.

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



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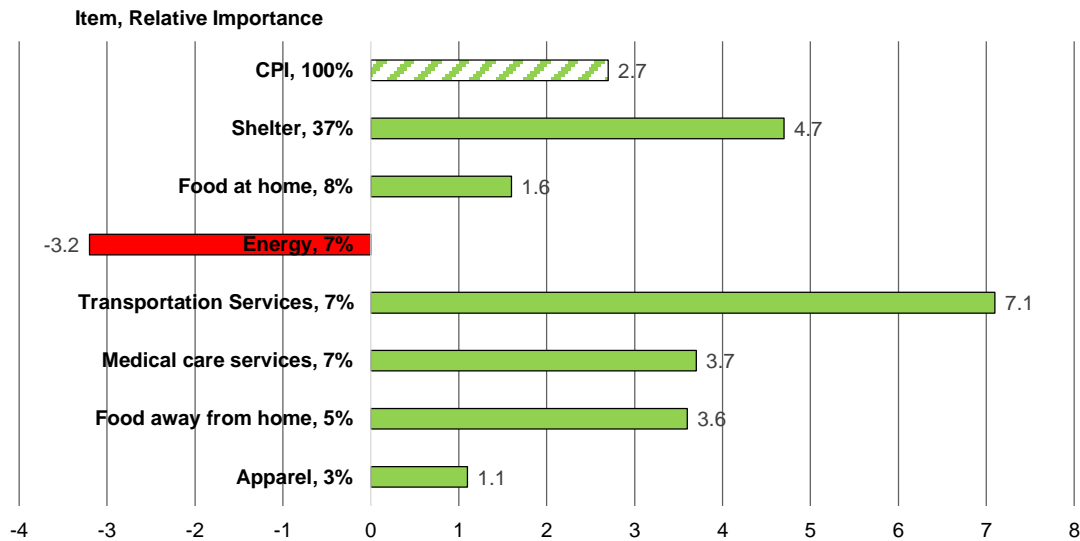
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Pushing inflation higher in November were shelter, transportation and medical services, and food away from home. Decreasing price pressure was from energy, food at home, and apparel.

Percent Change, CPI, year over year

November 2023 to November 2024



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

The Federal Open Market Committee of the Federal Reserve meets to set monetary policy on December 17 and 18.

Prices about 12:30 pm CT December 12, 2024:

	IV QTR	10/1/2024	12/12/2024	net change	% change
S&P 500	SPX:IN	5,709.00	6,007.50	298.50	5.23%
10-yr T Note	Yield, %	3.74	4.22	0.48	12.83%
CRB	CRY:IND	286.37	293.68	7.31	2.55%
Dollar Index	March 2025	100.67	106.47	5.79	5.76%
Crude Oil	March 2025	68.62	69.59	0.97	1.41%
Copper	March 2025	4.62	4.24	(0.38)	-8.22%

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Corn	March 2025	4.47	4.44	(0.03)	-0.62%
	May 2025	4.56	4.52	(0.04)	-0.93%
Soybeans	January 2025	10.57	9.95	(0.63)	-5.91%
	March 2025	10.90	10.02	(0.88)	-8.03%
SRW Wheat	March 2025	6.20	5.58	(0.62)	-9.97%
	May 2025	6.31	5.68	(0.64)	-10.10%

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, 10/1/2024-12/12/2024 (<https://www.barchart.com/>):



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Crude Oil WTI Mar '25 (CLH25)

69.59 +0.07 (+0.10%) 12:34 CT [NYMEX]

69.58 x 21 69.60 x 6

CHART PANEL for Thu, Dec 12th, 2024

Full Screen Chart

Notes My Charts Alerts Watch Actions Help



High Grade Copper Mar '25 (HGH25)

4.2405 -0.0230 (-0.54%) 12:36 CT [COMEX]

4.2405 x 1 4.2410 x 11

CHART PANEL for Thu, Dec 12th, 2024

Full Screen Chart

Notes My Charts Alerts Watch Actions Help



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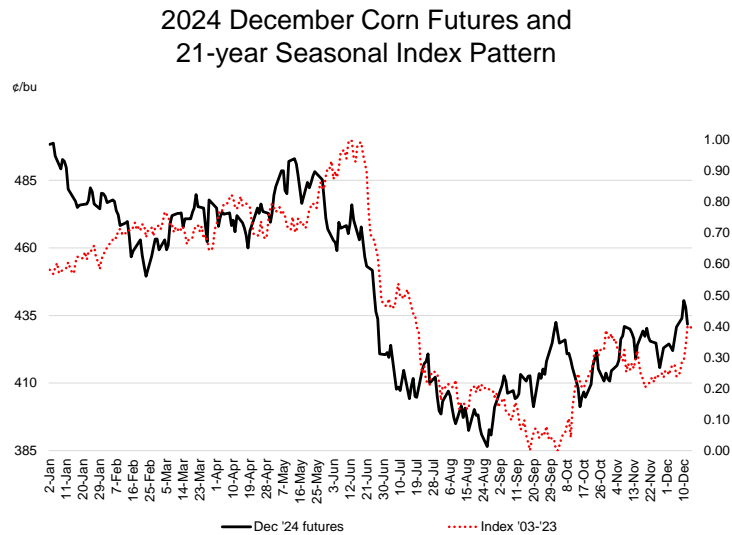
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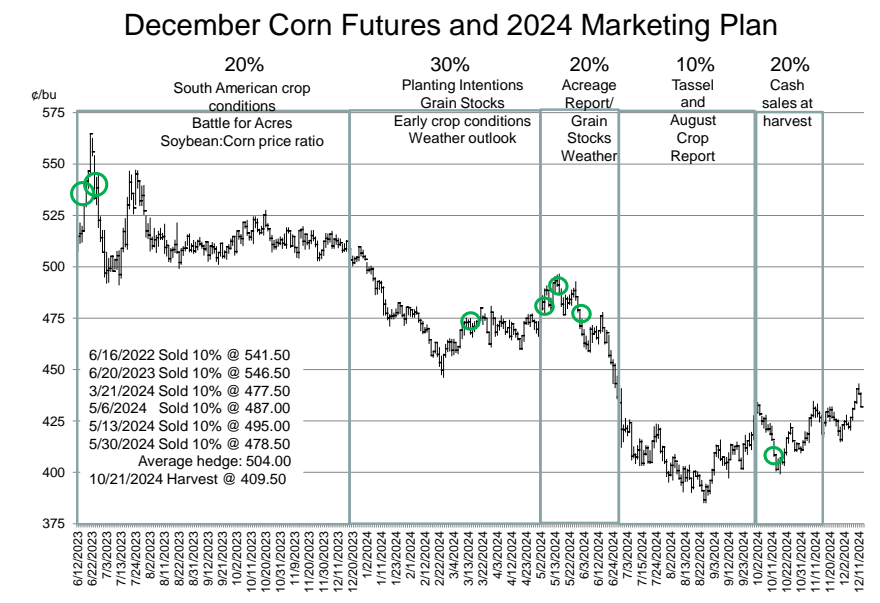


Marketing Strategies

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 as was the seasonal low. Overall, prices in 2024 aligned pretty well with long-term seasonal tendencies.



Feed Grain Marketing Plan. With harvest completed in late October, I exited all my hedges and priced the last 40% of the 2024 corn crop. My focus shifts to my 2025 marketing plan where I am 20% priced.

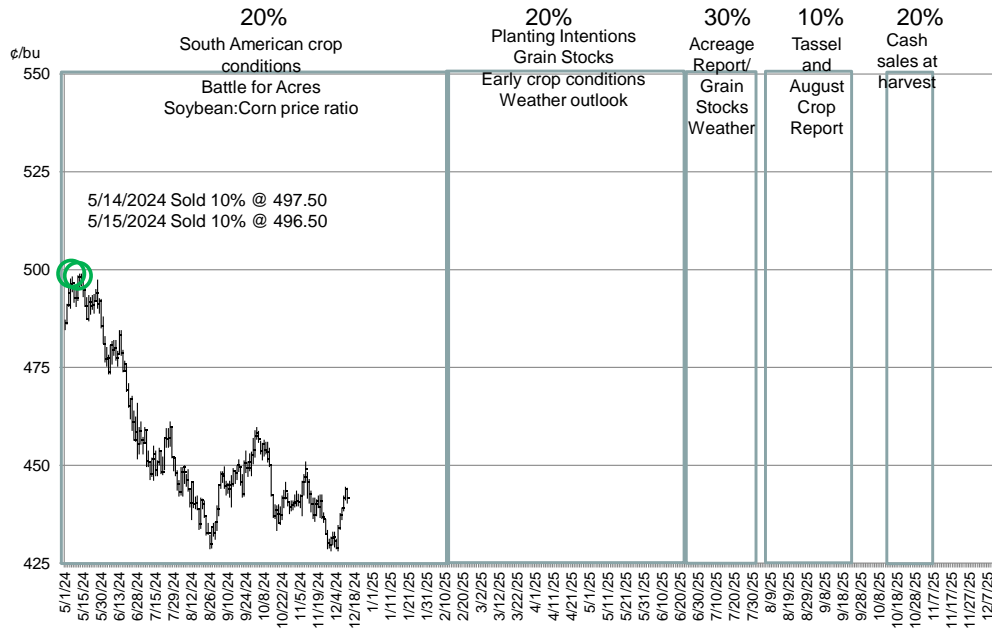


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December Corn Futures and 2025 Marketing Plan



Upcoming Reports/Events

December 17-18	Federal Open Market Committee, Federal Reserve
December 19	Gross Domestic Product, 3rd Quarter 2024 (Third Estimate)
December 20	Cattle on Feed Chickens and Eggs
December 23	Hogs and Pigs
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas
January 10	Crop Production WASDE Grain Stocks Winter Wheat/Canola Seedings December Employment Situation, Bureau of Labor Statistics
January 15	Consumer Price Index

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