

Feed Grain Outlook

May 9, 2025

Volume 34, Number 33

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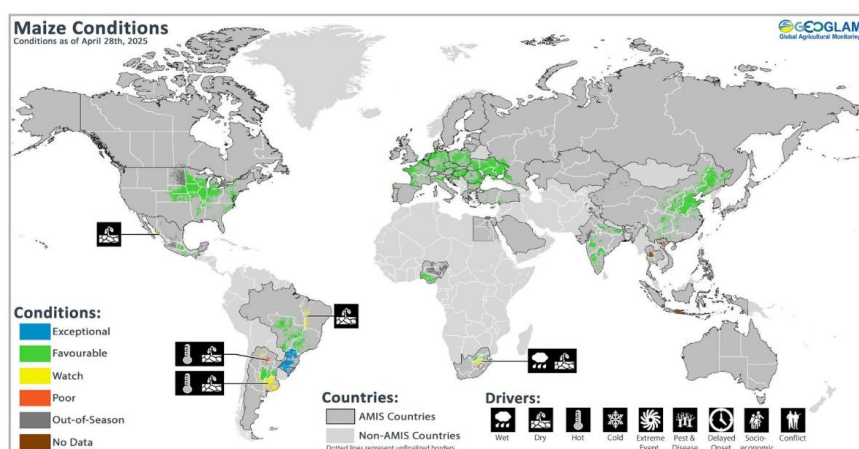
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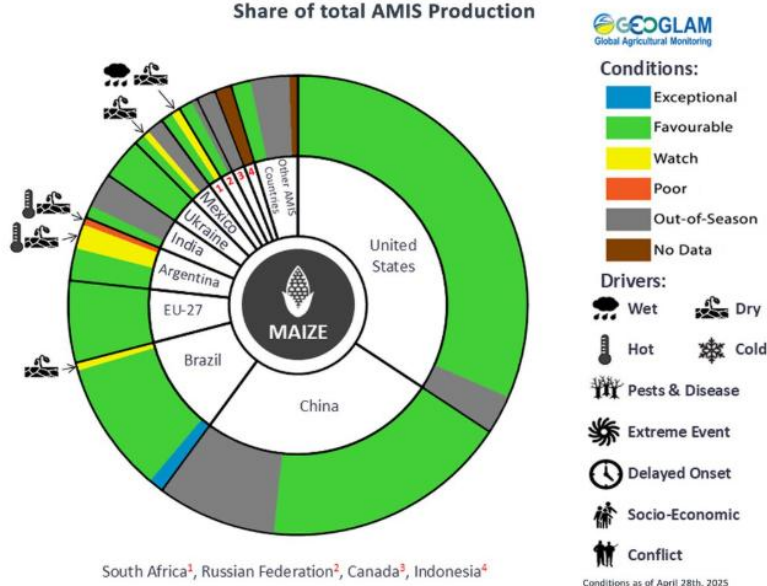
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Market Situation

Crop Progress and Condition. The GEOGLAM Crop Monitor for April shows maize (corn) in most major production areas in favorable condition. The exceptions are a small area of northeastern Brazil and about half of Argentina's corn crop. The small area of Brazilian corn in the watch category is matched by about the same amount rated exceptional.



Share of total AMIS Production



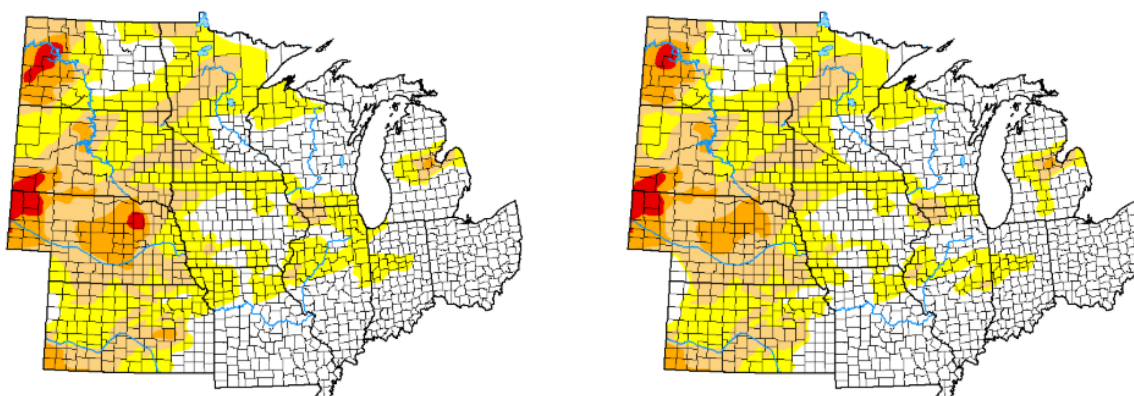
<https://www.cropmonitor.org/>

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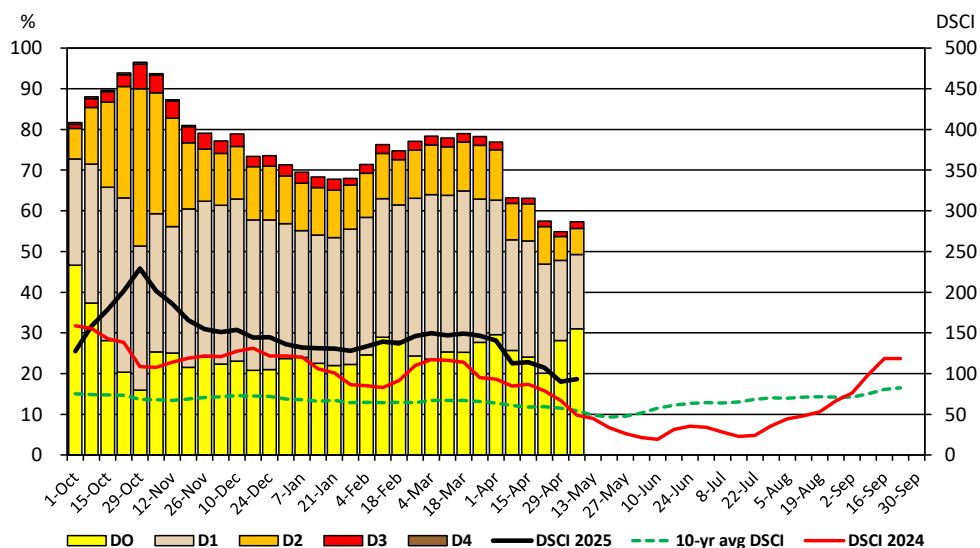
The U.S. drought monitor shows the area impacted by drought in the North Central Region ticking higher this week. The area under drought is up from 55% to 57%. The drought severity index is up 3 points to 93. The index average is 54 and stood at 49 last year. Notable on the map is an additional area of northeastern Nebraska now in the 'extreme' category.



North Central Drought Monitor, 5/6/2025

Drought Classification

None D0 (Abnormally Dry) D1 (Moderate Drought) D2 (Severe Drought) D3 (Extreme Drought) D4 (Exceptional Drought)



Drought Severity and Coverage Index (DSCI) = $(D0*1)+(D1*2)+(D2*3)+(D3*4)+(D4*5)$;
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

Drought Monitor, 5/8/2025, North Central, <http://droughtmonitor.unl.edu/>

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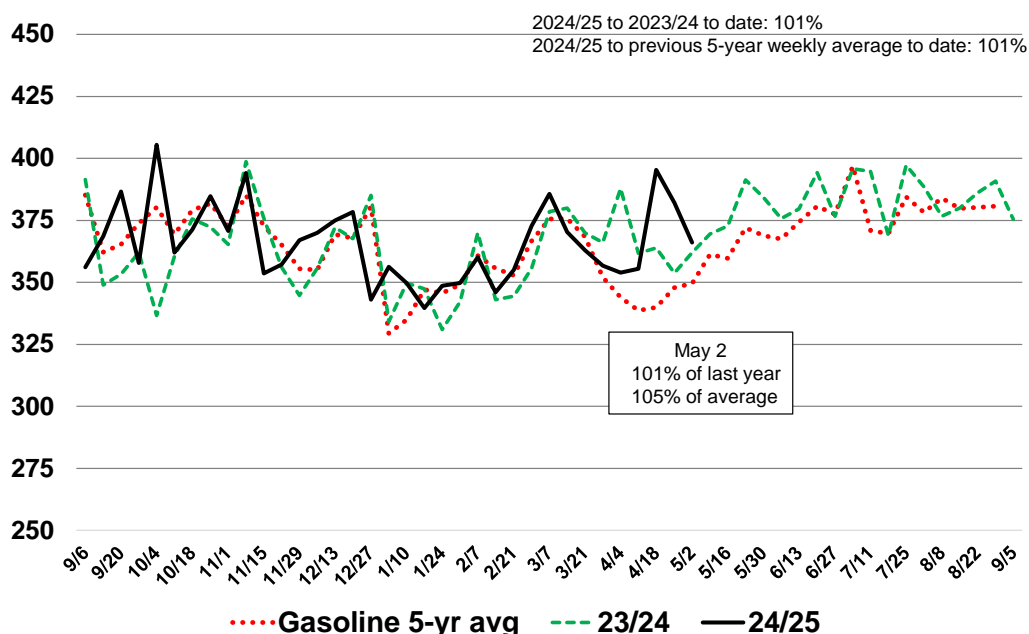
Grain Use. U.S. gasoline demand, the foundation of ethanol use, is running about 1% higher for the current corn marketing year compared to last year and the most recent five-year average. The forecast from the Energy Information Administration is for gasoline use to stay below the peak of 2017/18 and be lower in the 2025/26 corn marketing year.

Ethanol production is up 4% compared to 2023/24. The current daily average is 45.0 million gallons per day, up from 43.7 million gallons. Ethanol consumption this year is forecast at 14.2 billion gallons, just below the peak of 14.4 billion gallons in 2017/18, before declining again in 2025/26.

Ethanol stocks are following seasonal tendencies and are back down to about the same level as last year though running above the 5-year average.

The Grain Crashings report shows corn and sorghum consumed for fuel use running at 15.3 million bushels per day, up from 15.0 per day last year. As sorghum exports have struggled this year there is an increase in sorghum for fuel. Total use through February was 30 million bushels. Total sorghum food, seed, and industrial use this marketing year is estimated at 70 million bushels. Total sorghum for fuel last year was 23 million bushels.

2024/25 Weekly U.S. Gasoline Demand, million gallons



Energy Information Administration, This Week in Petroleum, May 7, 2025

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2024/25 U.S. Ethanol Production

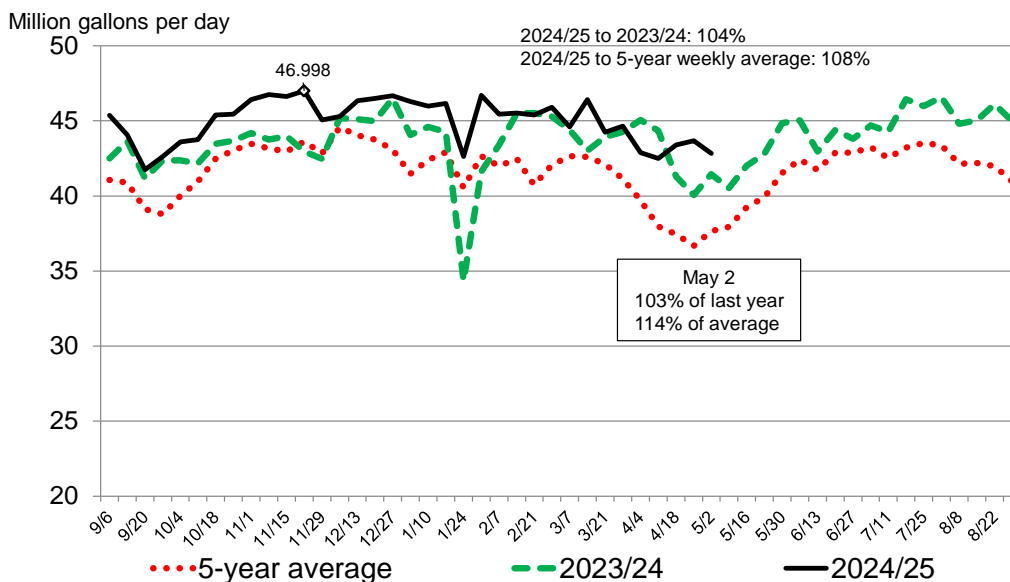
2024/25 daily average = 45.0 mil gal per day

5-year daily avg = 41.6 mil gal

Implies use of 5,660 mil bu of grain (2.9 gal/bu)

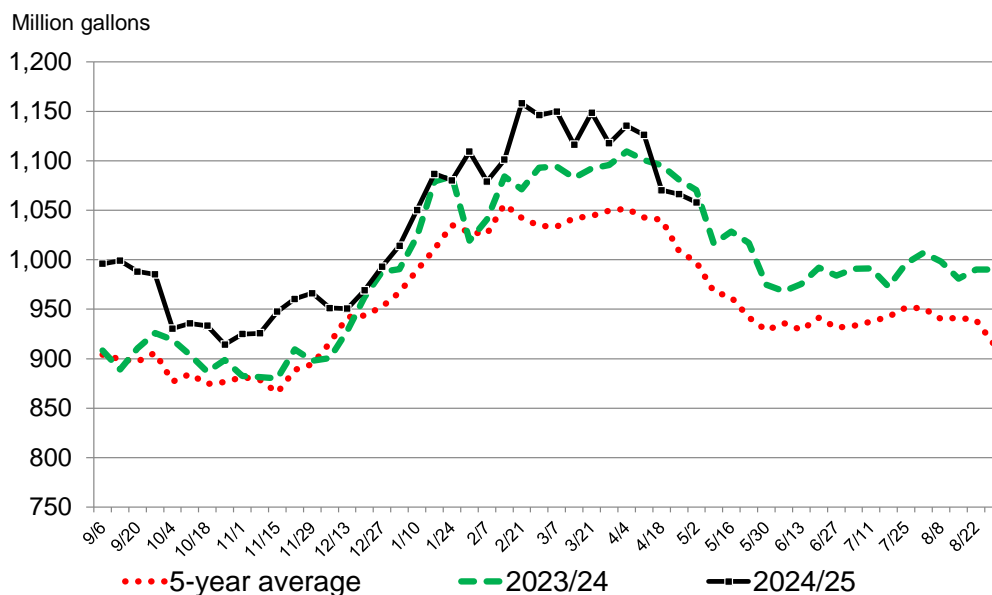
2023/24 daily avg = 43.7 mil gal

April USDA estimate = 5,570 (5,500 mil bu corn for fuel + 70 mil bu sorghum fsi)



Energy Information Administration, Weekly Petroleum Status Report, May 7, 2025
Ethanol conversion rate, University of Illinois

2024/25 U.S. Weekly Ending Ethanol Stocks



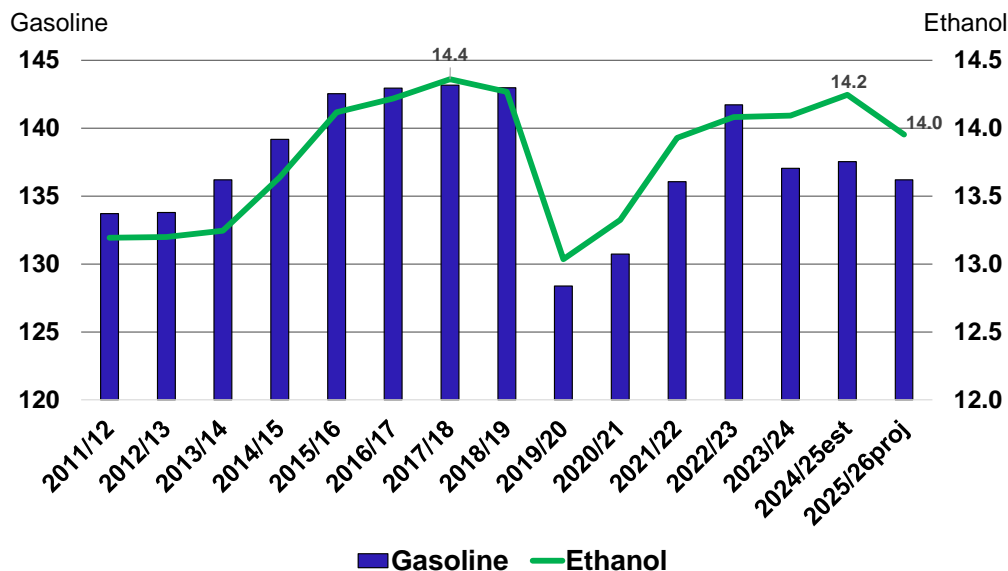
Energy Information Administration, Weekly Petroleum Status Report, May 7, 2025

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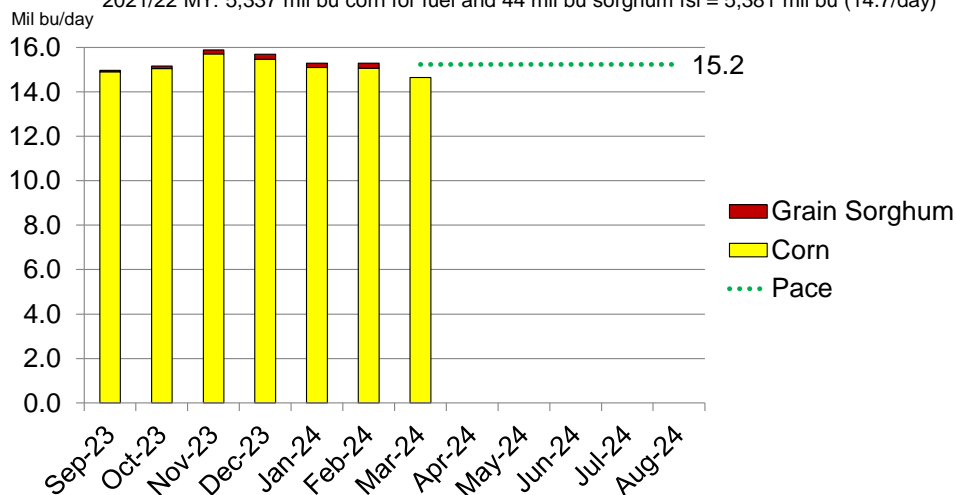
U.S. Motor Gasoline and Ethanol Consumption by Corn Marketing Year, billion gallons



EIA, Short Term Energy Outlook, May 2025
<http://www.eia.gov/>

Corn and Grain Sorghum Consumed for Fuel Alcohol 2024/25 Marketing Year: million bushels per day

*2024/25 MY: 5,500 mil bu corn for fuel and 70 mil bu sorghum fsi = 5,570 mil bu (15.3/day)
2023/24 MY: 5,478 mil bu corn for fuel and 23 mil bu sorghum fsi = 5,501 mil bu (15.0/day)
2022/23 MY: 5,176 mil bu corn for fuel and 58 mil bu sorghum fsi = 5,234 mil bu (14.3/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, May 1, 2024
EIA, Monthly Biofuels Capacity and Feedstocks, April 30, 2025
*April 2025 WASDE

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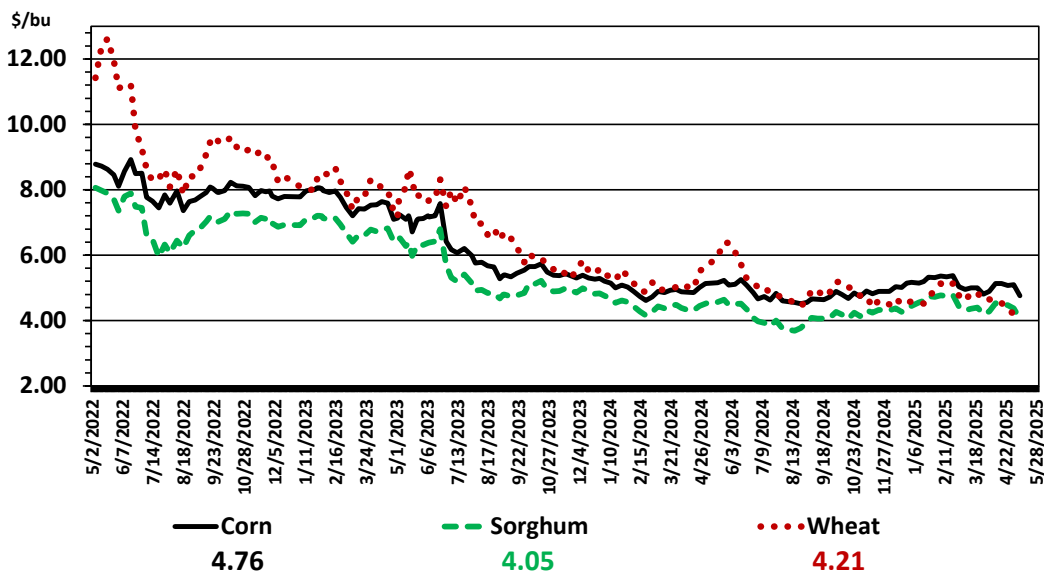
Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
April 10	4.83	5.13	0.30	6.09	5.60
April 17	4.82	5.13	0.30	6.08	5.58
April 24	4.77	5.07	0.30	6.01	5.46
May 1	4.72	5.10	0.37	5.88	5.38
May 8	4.48	4.76	0.29	5.69	5.17
10-yr average			0.42		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
April 10	4.83	4.53	-0.30	5.21	
April 17	4.82	4.52	-0.30	5.30	
April 24	4.77	4.47	-0.31	5.25	
May 1	4.72	4.37	-0.35	5.12	
May 8	4.48	4.05	-0.43	4.84	
10-yr average			-0.08		

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

Texas Cash Grain Prices May 2022-May 2025



USDA, AMS, Market News: TX cash = average (North Panhandle, Central Panhandle, South Panhandle)

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Outside Markets. The Federal Open Market Committee of the Federal Reserve left interest rates unchanged this week. Noting a relatively strong, but increasingly uncertain economic outlook, solid labor market, and inflation still above its 2% target, the Committee voted to leave the target range of the Federal Funds rate unchanged at 4-1/4 to 4-1/2 percent. The Committee meets again June 17-18 (<https://www.federalreserve.gov/>).

☆ Federal Funds Effective Rate (FEDFUNDS)

Observations

Apr 2025: 4.33

Updated: May 1, 2025 4:37 PM CDT

Next Release Date: May 2, 2025

Units:

Percent,

Not Seasonally Adjusted

Frequency:

Monthly

1Y

5Y

10Y

Max

1954-07-01

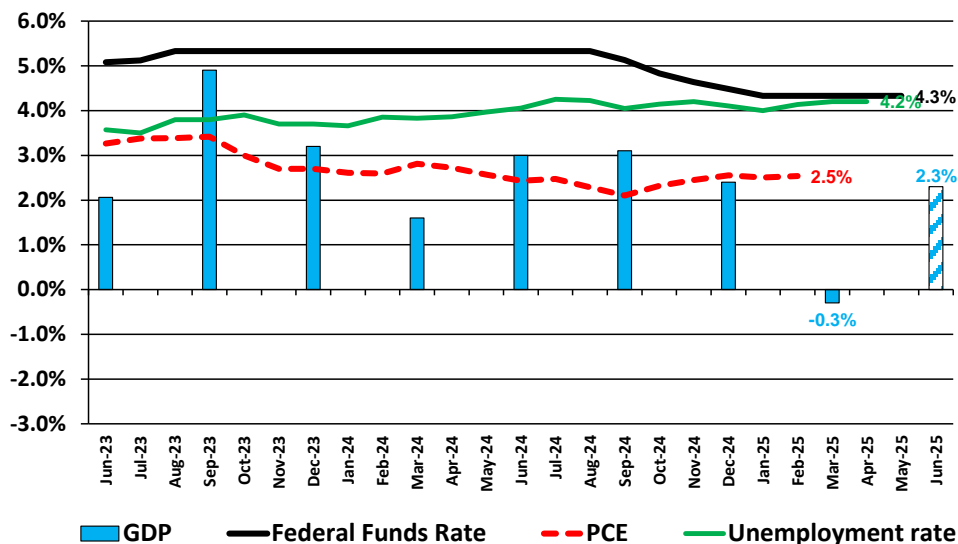
to 2025-04-01

Edit Graph

Download



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 Index, Federal Reserve Economic Data

Updated May 9, 2025

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Prices about 10:30 am CT May 9, 2025:

	II QTR	4/1/2025	5/9/2025	net change	% change
S&P 500	SPX:IN	5,633.07	5,666.87	33.80	0.60%
10-yr T Note Futures	June 2025	111.78	110.95	(0.83)	-0.83%
CRB	CRY:IND	310.78	292.01	(18.77)	-6.04%
Dollar Index	June 2025	103.95	100.16	(3.79)	-3.65%
Crude Oil	June 2025	70.74	60.74	(10.00)	-14.14%
Copper	July 2025	5.08	4.65	(0.43)	-8.43%
Corn	July 2025	4.68	4.51	(0.17)	-3.68%
	September 2025	4.42	4.30	(0.13)	-2.83%
Soybeans	July 2025	10.49	10.57	0.08	0.74%
	August 2025	10.48	10.51	0.04	0.33%
SRW Wheat	July 2025	5.54	5.24	(0.30)	-5.42%
	September 2025	5.70	5.39	(0.31)	-5.44%

Items in the table and reasoning for inclusion:

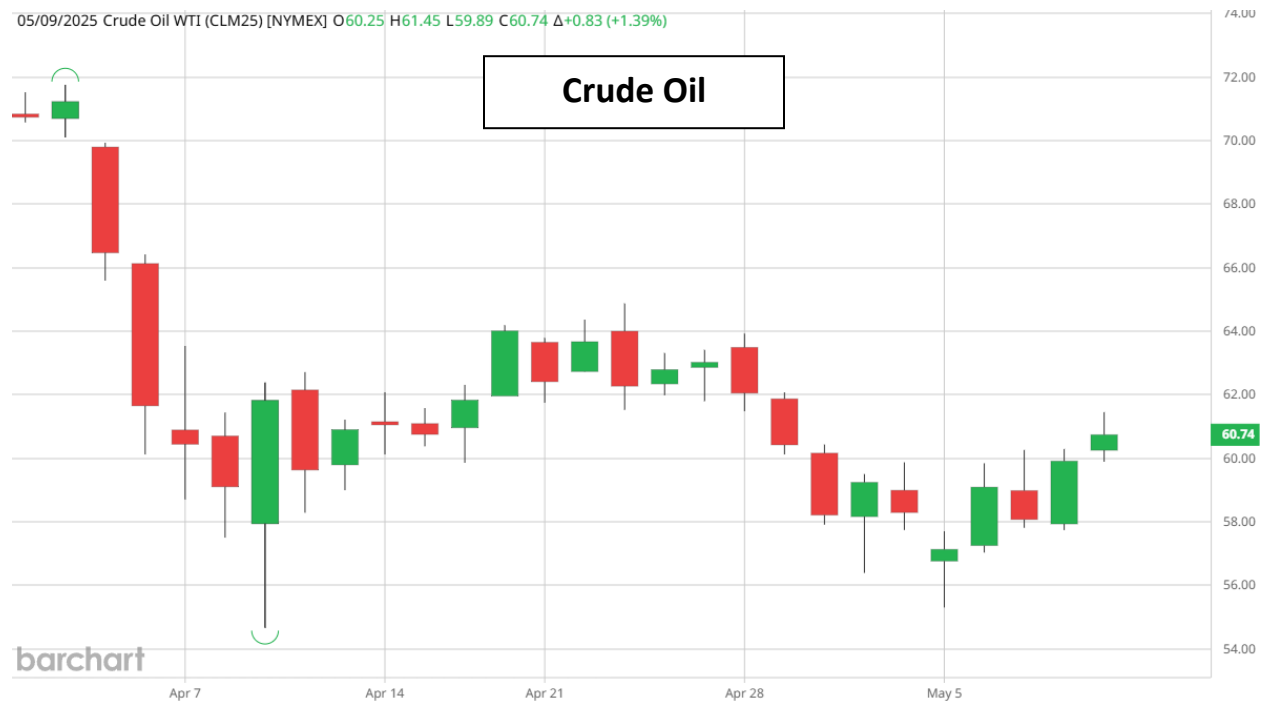
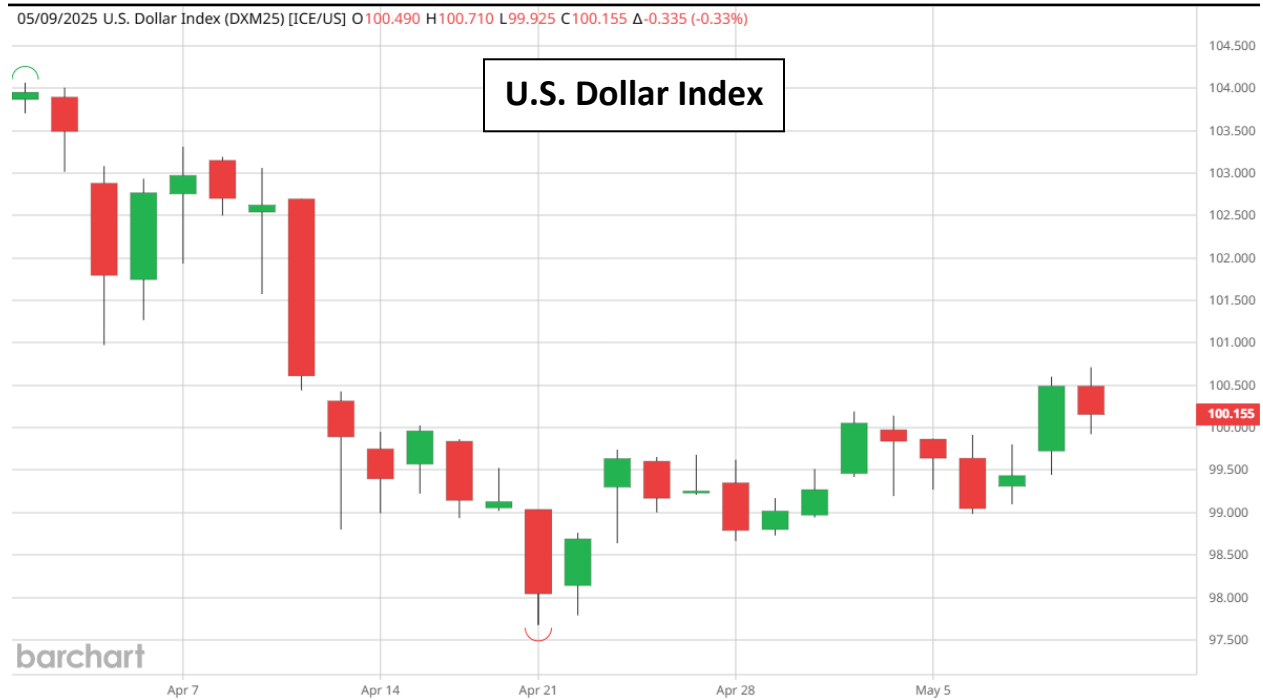
- S&P 500 Index—a reflection of market expectations of future earnings and economic growth;
- 10-year T-note: expectations of economic growth—as bond prices fall, yields (interest rates) increase and may reflect investor concerns over rising inflation or slower economic growth;
- CRB Index—price direction 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, 4/1/2025-5/9/2025 (<https://www.barchart.com/>):

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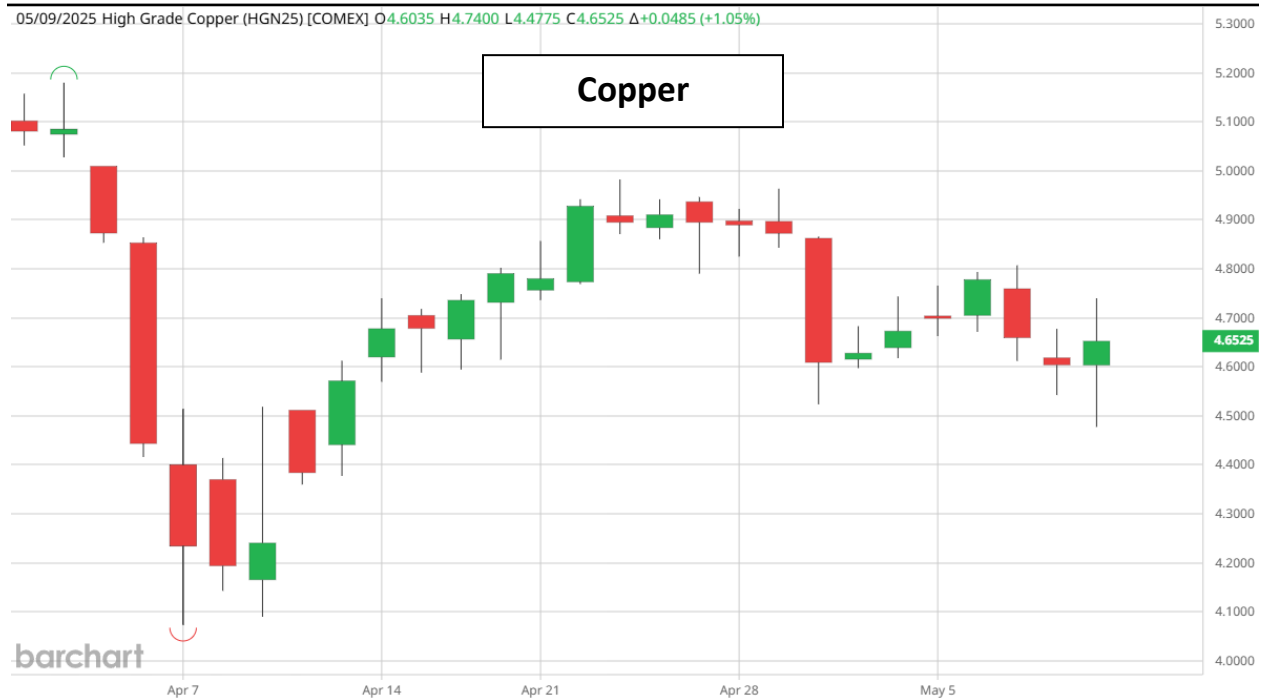
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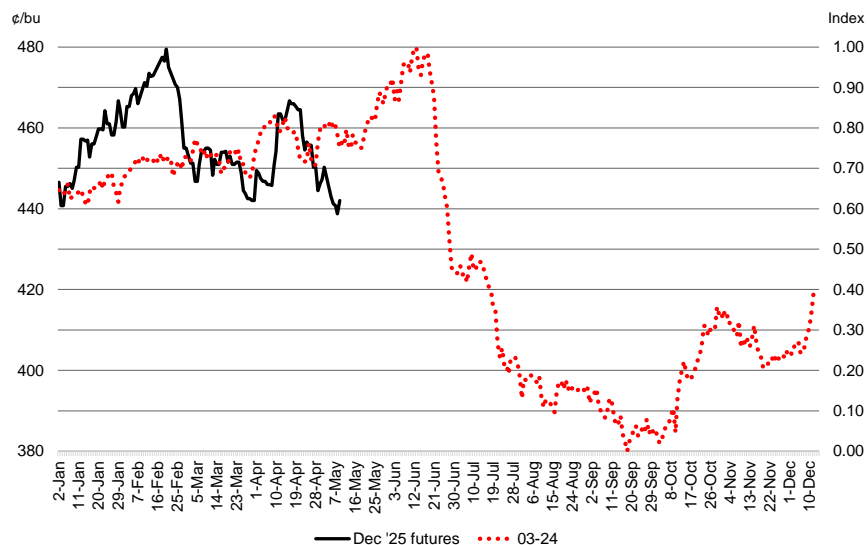
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Marketing Strategies

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 late-June/early July and then bottoming out late September/early October.

December 2025 Corn Futures and
Seasonal Pattern 2003-2024



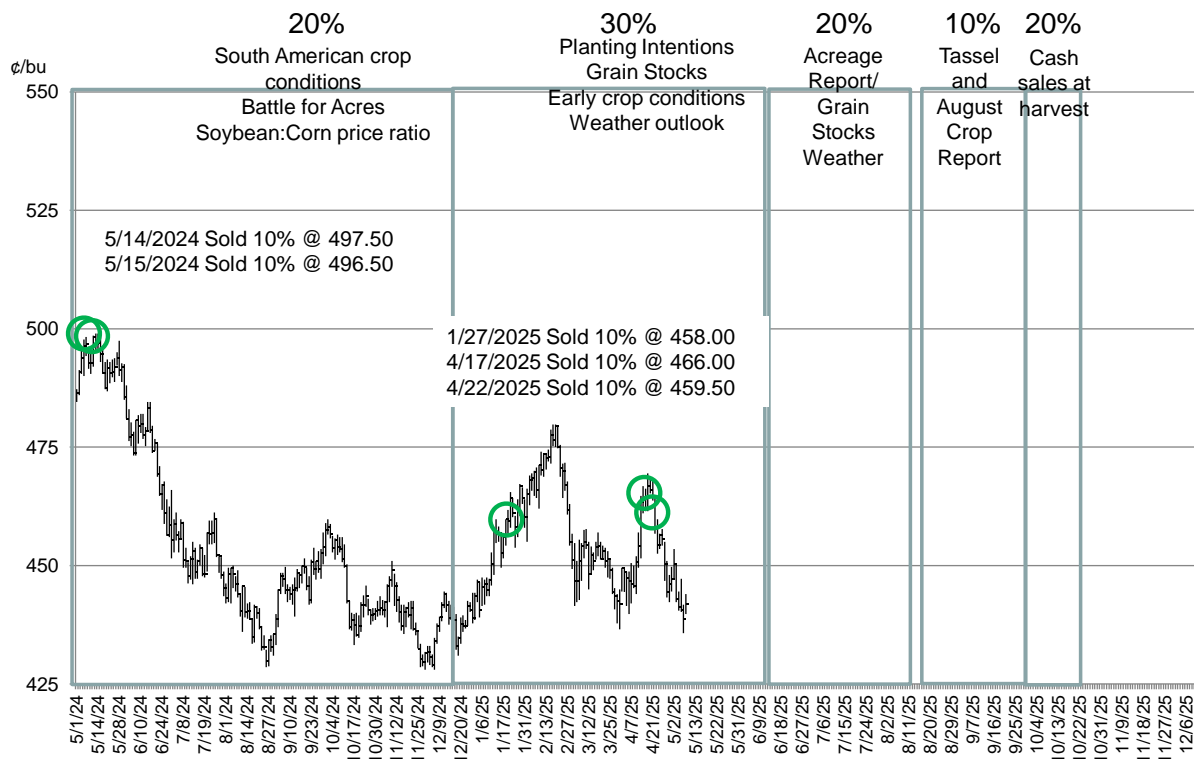
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Feed Grain Marketing Plan. I am 50% sold on the 2025 corn crop. My plan is to have 70% priced by July.

December Corn Futures and 2025 Marketing Plan



Current marketing plan performance:

	December 2025 corn futures	2025 Marketing Plan average price	% of 2025 crop priced	Marketing Plan advantage, %
January 2, 2025	446.50	456.60	20%	2.3%
February 3, 2025	465.25	470.88	30%	1.2%
March 3, 2025	451.25	461.08	30%	2.2%
April 1, 2025	449.50	459.85	30%	2.3%
May 1, 2025	447.25	461.38	50%	3.2%
May 9, 2025	442.00	458.75	50%	3.8%

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Upcoming Reports/Events

May 12	WASDE Crop Production
May 13	Consumer Price Index
May 23	Cattle on Feed Chickens and Eggs
May 26	Memorial Day Holiday
May 29	GDP, 1 st Quarter 2025 (Second Estimate)
June 6	May Employment Situation
June 17-18	FOMC, Federal Reserve
June 26	Hogs and Pigs
June 30	Acreage Grain Stocks

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