

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

## Today's Newsletter

### Market Situation

Crop Progress and  
Condition 1

Grain Use 4

Cash Grain Markets 6

Outside Markets 7

### Marketing Strategies

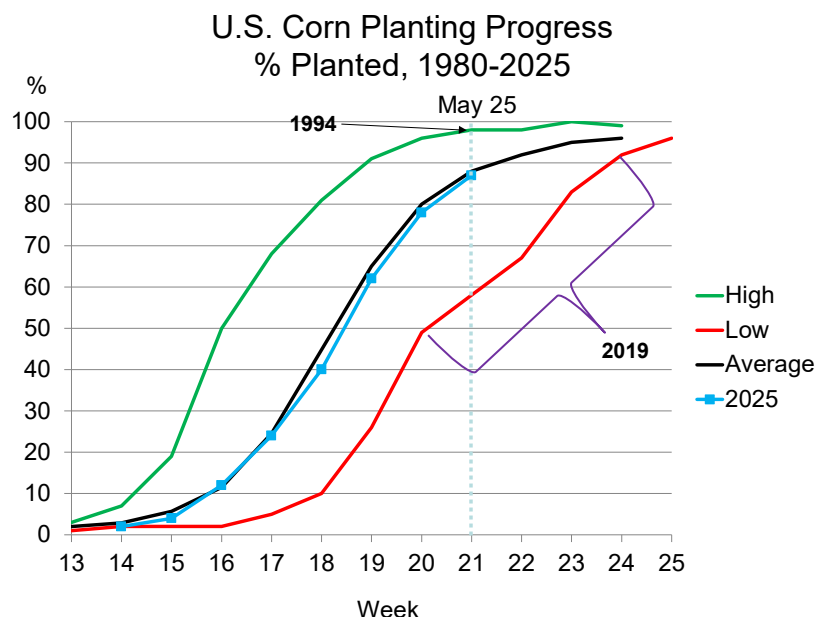
Seasonality 11

Feed Grain Marketing  
Plan 12

Upcoming  
Reports/Events 13

## Market Situation

**Crop Progress and Condition.** U.S. corn planting continues to progress at a normal pace in 2025. As of May 25 (week 21 of the crop year), planting was 87% complete. That compares to 83% last year and an average pace of 88%. The record high for corn planting for week 21 is 98% in 1994. The record low was again in 2019 at 58%.



USDA Crop Progress, May 27, 2025

This week's Crop Progress included the first condition ratings for corn for the 2025 growing season. Corn rated good and excellent accounted for 68% of the crop; very poor and poor, 5%. For Iowa, 83% of the crop was rated good and excellent. The crop condition index score to begin the season is right about average at 374.

The drought monitor for the North Central Region showed improvement this week with a drop in the area under drought from 58% to 56%. The drought index is down 6 points to 86. This compares to an index of 26 last year and a 48-point average.

Notable was the drop in the area of Nebraska rated D3, 'Extreme Drought', from 13% last week to 4%.

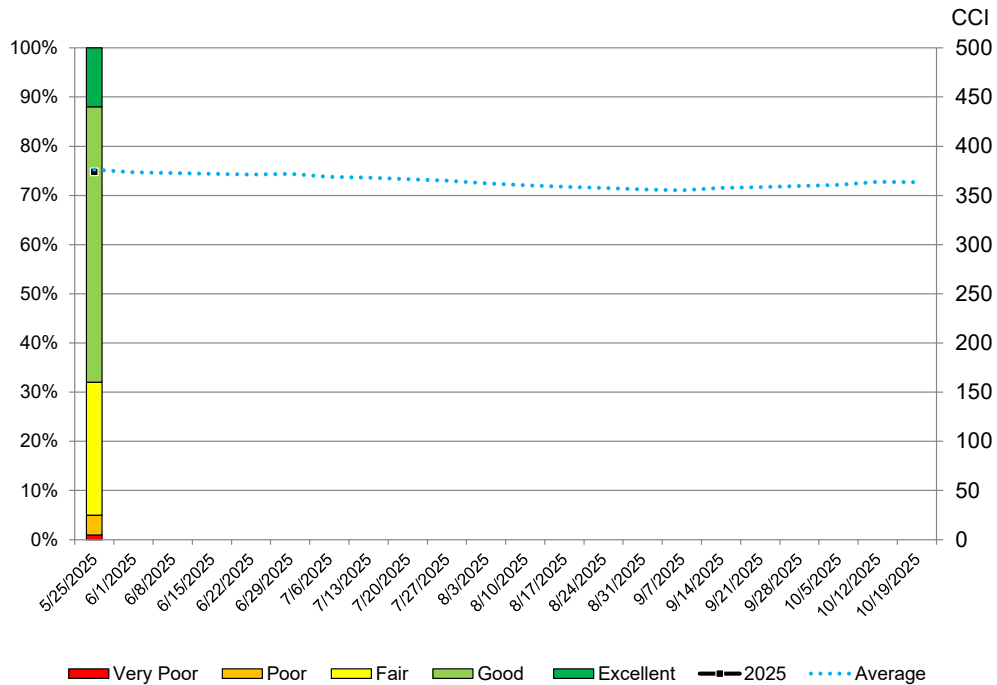


# Feed Grain Outlook

May 30, 2025

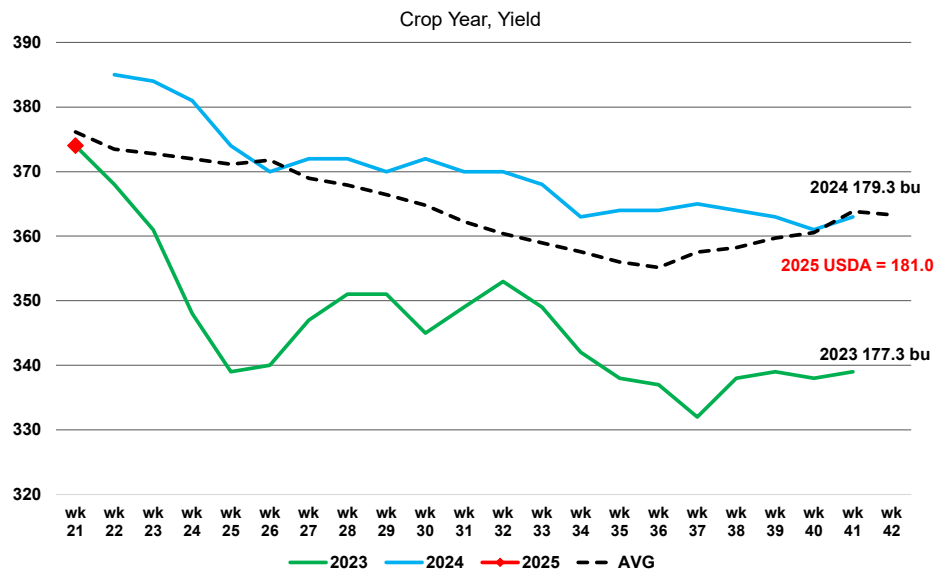
Volume 34, Number 39

## 2025 U.S. Corn Crop Condition Ratings, May 25



Source: USDA Crop Progress, 5/27/2025

## Corn Crop Condition Index

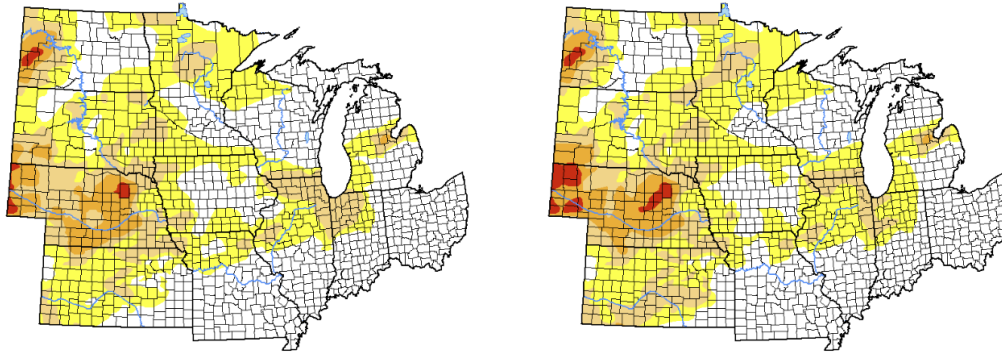
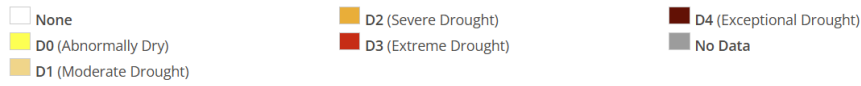


# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

## Drought Classification



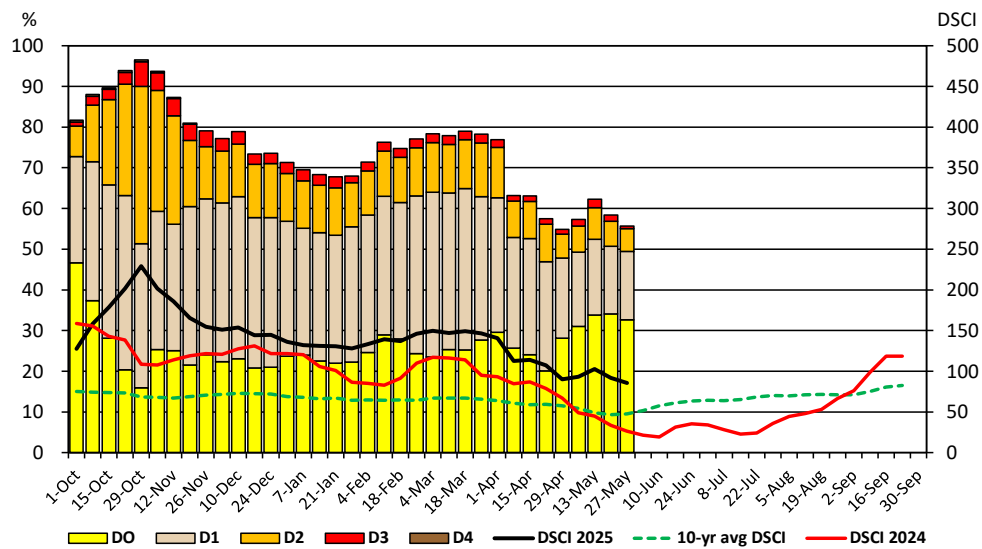
< May 27, 2025 >

< May 20, 2025 >

<https://droughtmonitor.unl.edu/>

## North Central Drought Monitor, 5/27/2025

### Drought Classification



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

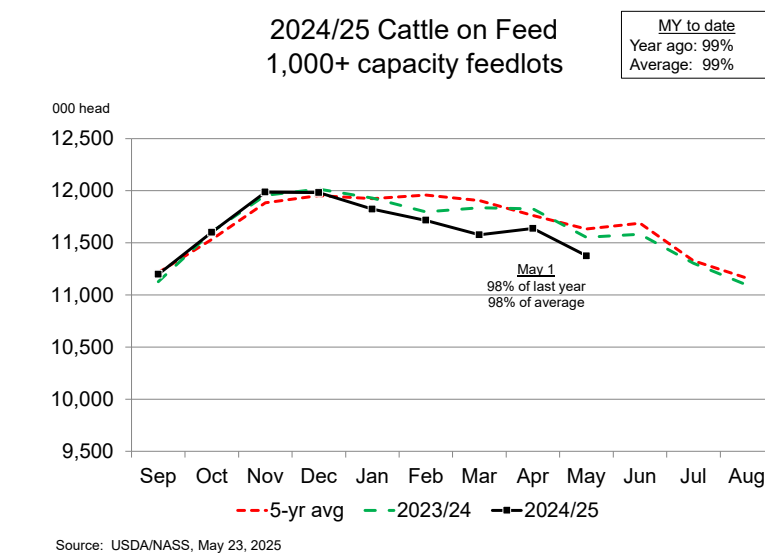
Drought Monitor, 5/29/2025, North Central, <http://droughtmonitor.unl.edu/>

# Feed Grain Outlook

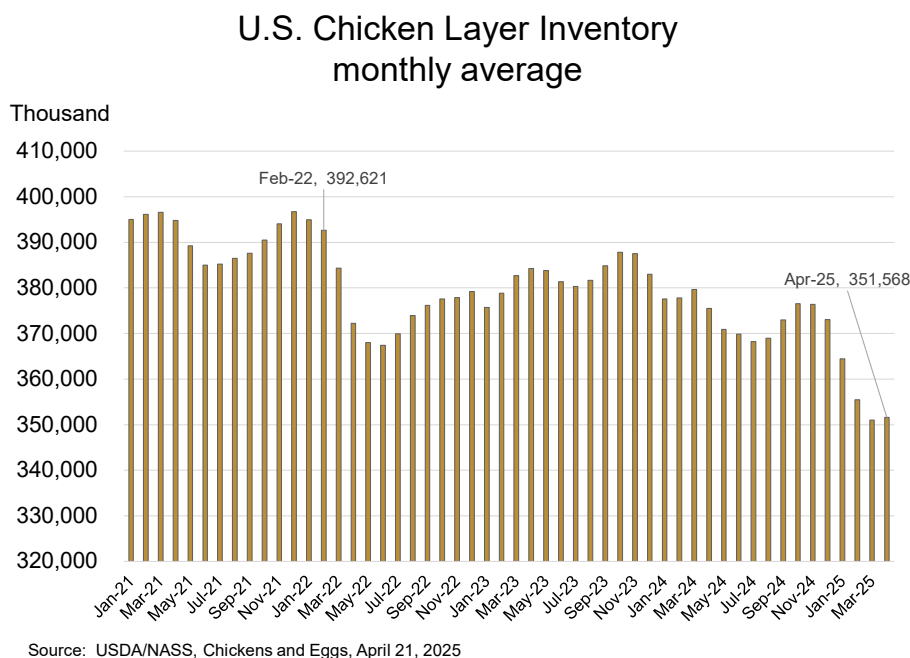
May 30, 2025

Volume 34, Number 39

**Grain Use.** Last week's Cattle on Feed report showed 11.376 million head in lots with a capacity of 1,000 head or more on May 1. That is down from 11.638 million in April and 11.554 million on May 1, 2024.



Also last week was the Chickens and Eggs report. The monthly average U.S. chicken layer inventory in April was 352 million. That is up slightly from 351 million in March but still about 10% below the 393 million layers in February 2022, the beginning the current outbreak of avian influenza.



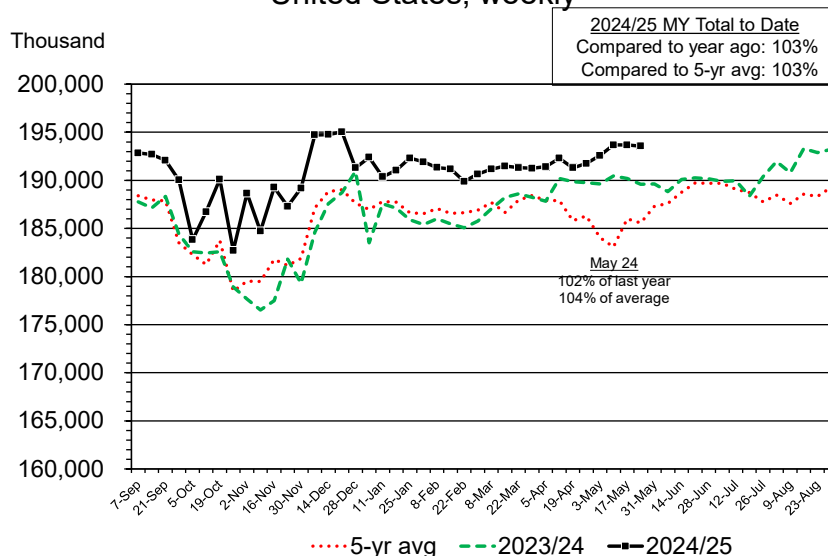
## Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

USDA reports broiler chick placements on Wednesdays. For the 2024/25 corn marketing year, placements are running about 3% above last year and the five-year average.

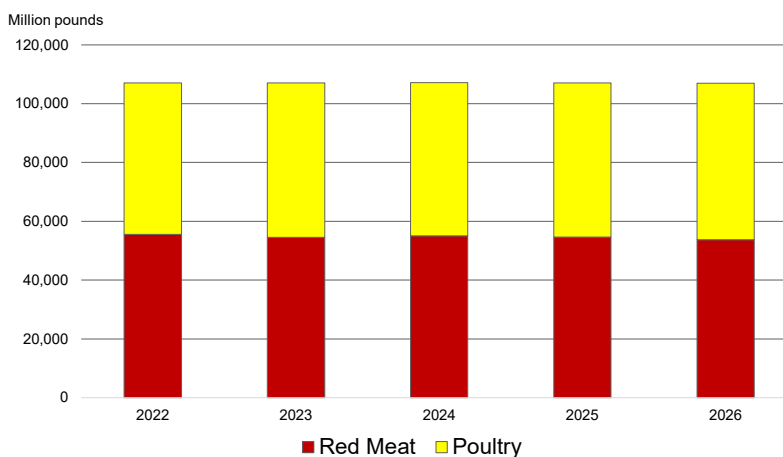
### 2024/25 Broiler Chicks Placed United States, weekly



Source: USDA/NASS, Broiler Hatcherv. May 28, 2025

USDA projects total red meat and poultry production to be down slightly in 2026, from 107.062 billion pounds to 106.931. Beef production is down 1.283 billion with pork (+373 million) and poultry (+782 million) higher.

### Red Meat and Poultry Production



USDA, WASDE, May 2025

The next Hogs and Pigs report comes out June 26.

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

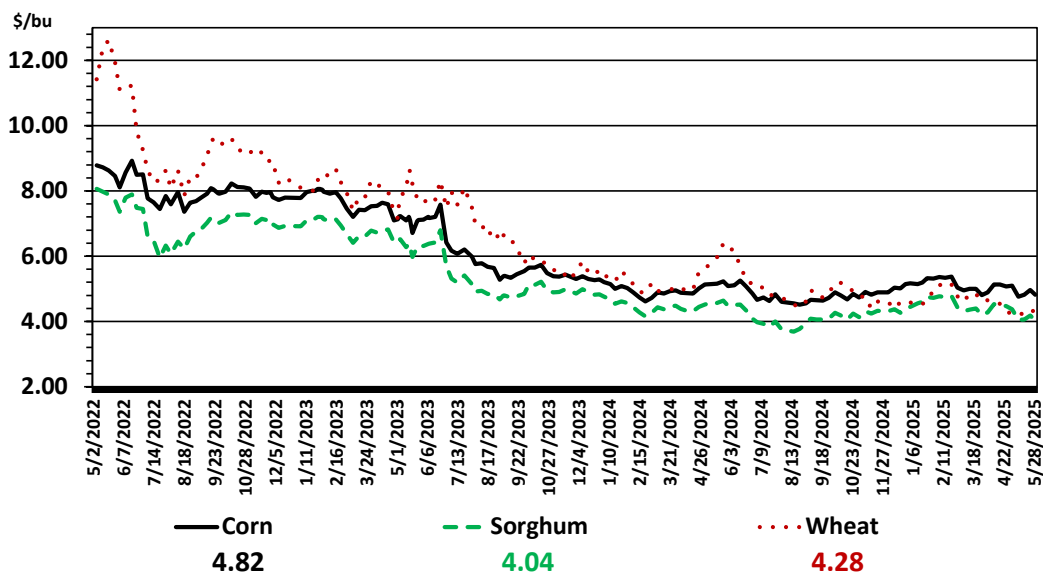
## Cash Feed Grain Prices, \$/bu.

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
May 1	4.72	5.10	0.37	5.88	5.38
May 8	4.48	4.76	0.29	5.69	5.17
May 15	4.49	4.82	0.34	5.69	5.13
May 21	4.61	4.96	0.35	5.81	5.29
May 29	4.47	4.82	0.35	5.67	5.16
10-yr average			0.42		

	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	Sorghum TX Gulf Export bid
May 1	4.72	4.37	-0.35	5.12	
May 8	4.48	4.05	-0.43	4.84	
May 15	4.49	4.06	-0.43	4.85	
May 21	4.61	4.18	-0.43	4.97	
May 29	4.47	4.04	-0.43	4.83	
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



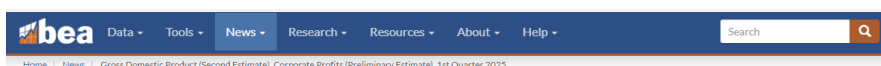
USDA, AMS, Market News: TX cash = average (North Panhandle, Central Panhandle, South Panhandle)

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

**Outside Markets.** The 'second' estimate of U.S. GDP in the first quarter of 2025 shows the economy contracting by 0.2%, that is up from the 'advance' estimate which showed a decline in GDP of 0.3%. Compared to the fourth quarter of 2024, government spending was down and imports increased more than exports lowering the trade deficit (imports minus exports). In the 'second' estimate, consumer spending was revised lower by about the same amount the investment category was revised upwards. Government spending was higher and the trade deficit improved.



## News Release

News Release Related Materials Contacts

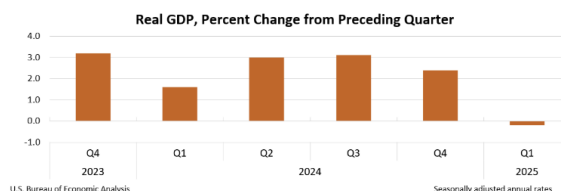
Explore Product View

EMBARGOED UNTIL RELEASE AT 8:30 a.m. EDT, Thursday, May 29, 2025

BEA 25-18

### Gross Domestic Product (Second Estimate), Corporate Profits (Preliminary Estimate), 1st Quarter 2025

Real gross domestic product (GDP) decreased at an annual rate of 0.2 percent in the first quarter of 2025 (January, February, and March), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2024, real GDP increased 2.4 percent.

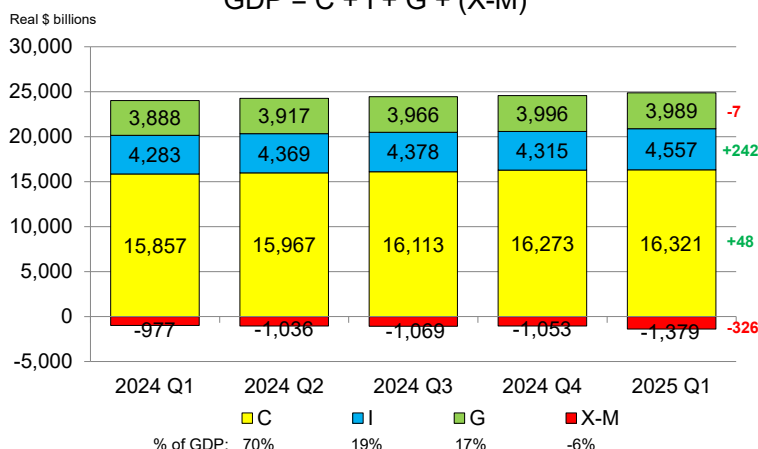


The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports.

Real GDP was revised up 0.1 percentage point from the advance estimate, reflecting an upward revision to investment that was partly offset by a downward revision to consumer spending. For more information, refer to the "Technical Notes" below.

<https://www.bea.gov/data/gdp/gross-domestic-product>

### Real Gross Domestic Product GDP = C + I + G + (X-M)



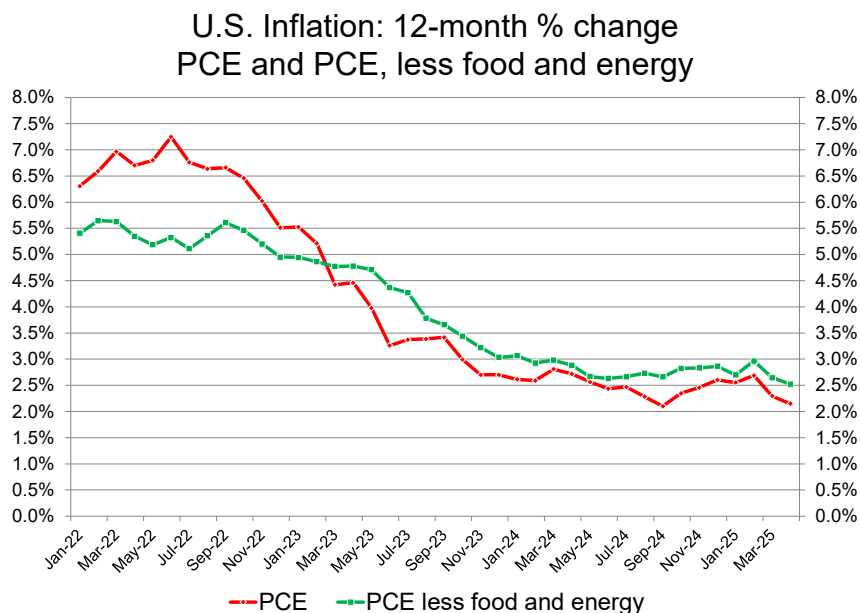
Source: Federal Reserve Bank of St. Louis, updated May 29, 2025

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

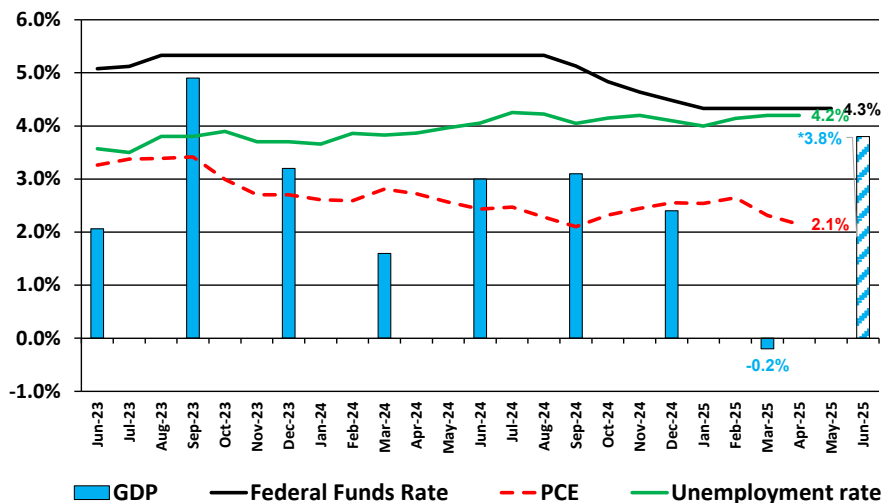
The inflation gauge preferred by the Federal Reserve, the Personal Consumption Expenditures Index (PCE), showed inflation declining in April. The all-items PCE was 2.1%, down from 2.3% in March. Core PCE, less food and energy, was 2.5%, down from 2.6%.



Source: Personal Consumption Expenditures (PCE), U.S. Bureau of Economic Analysis, May 30, 2025

The forecast model of GDP from the Atlanta Federal Reserve projects 2<sup>nd</sup> quarter U.S. GDP growth of 3.8%.

## 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 30, 2025



## Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

Prices about 10:20 am CT May 30, 2025:

	II QTR	4/1/2025	5/30/2025	net change	% change
S&P 500	SPX:IN	5,633.07	5,900.32	267.25	4.74%
10-yr T Note Futures	June 2025	111.78	110.73	(1.05)	-0.94%
CRB	CRY:IND	310.78	290.76	(20.02)	-6.44%
Dollar Index	June 2025	103.95	99.37	(4.58)	-4.41%
Crude Oil	July 2025	70.18	60.45	(9.73)	-13.86%
Copper	July 2025	5.08	4.66	(0.42)	-8.33%
Corn	July 2025	4.68	4.47	(0.21)	-4.54%
	September 2025	4.42	4.25	(0.17)	-3.85%
Soybeans	July 2025	10.49	10.44	(0.05)	-0.50%
	August 2025	10.48	10.40	(0.08)	-0.76%
SRW Wheat	July 2025	5.54	5.33	(0.21)	-3.70%
	September 2025	5.70	5.48	(0.22)	-3.86%

Items in the table and reasoning for inclusion:

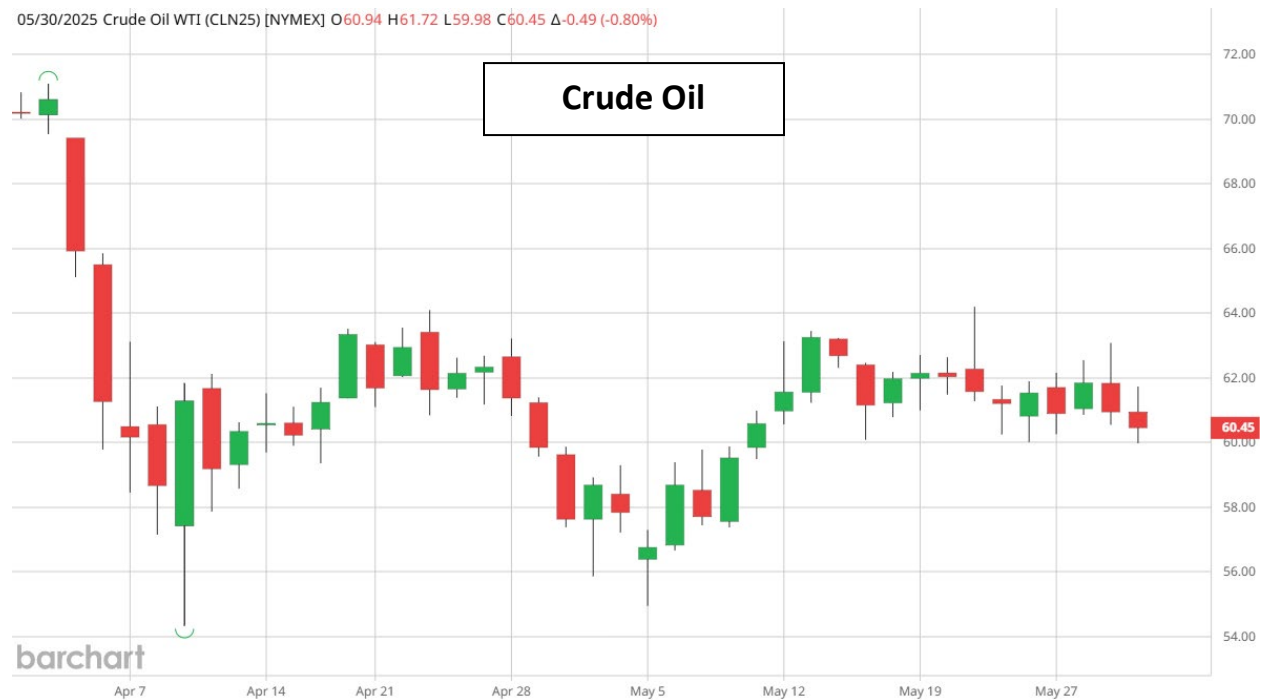
- S&P 500 Index—a reflection of market expectations of future earnings and economic growth;
- 10-year T-note: expectations of economic growth—as bond prices fall, yields (interest rates) increase and may reflect investor concerns over rising inflation, fading prospects of a recession, or less investment from foreign buyers;
- 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, 4/1/2025-5/30/2025 (<https://www.barchart.com/>):

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39



# Feed Grain Outlook

May 30, 2025

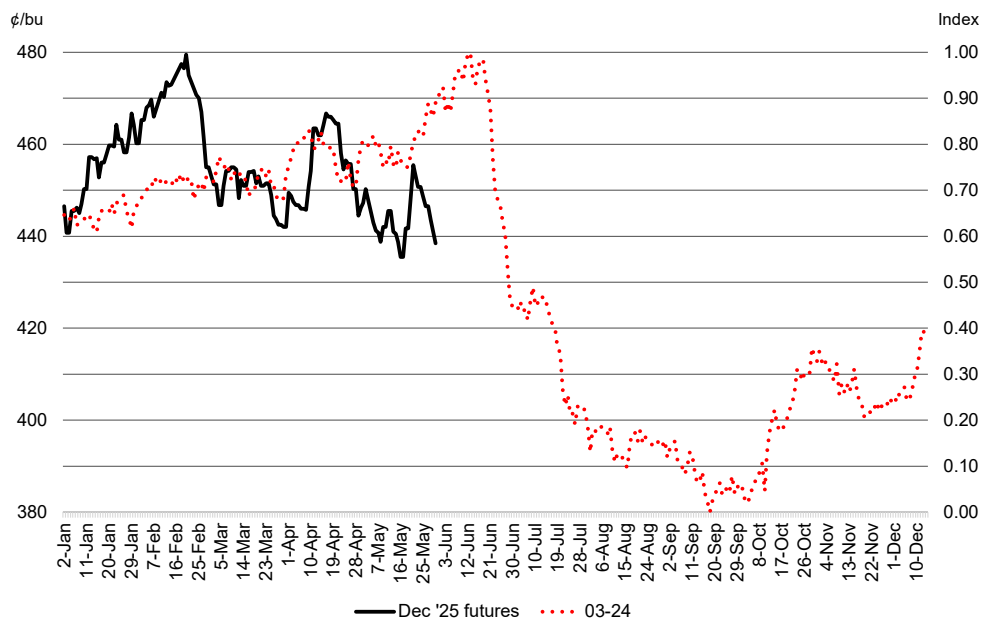
Volume 34, Number 39



## 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



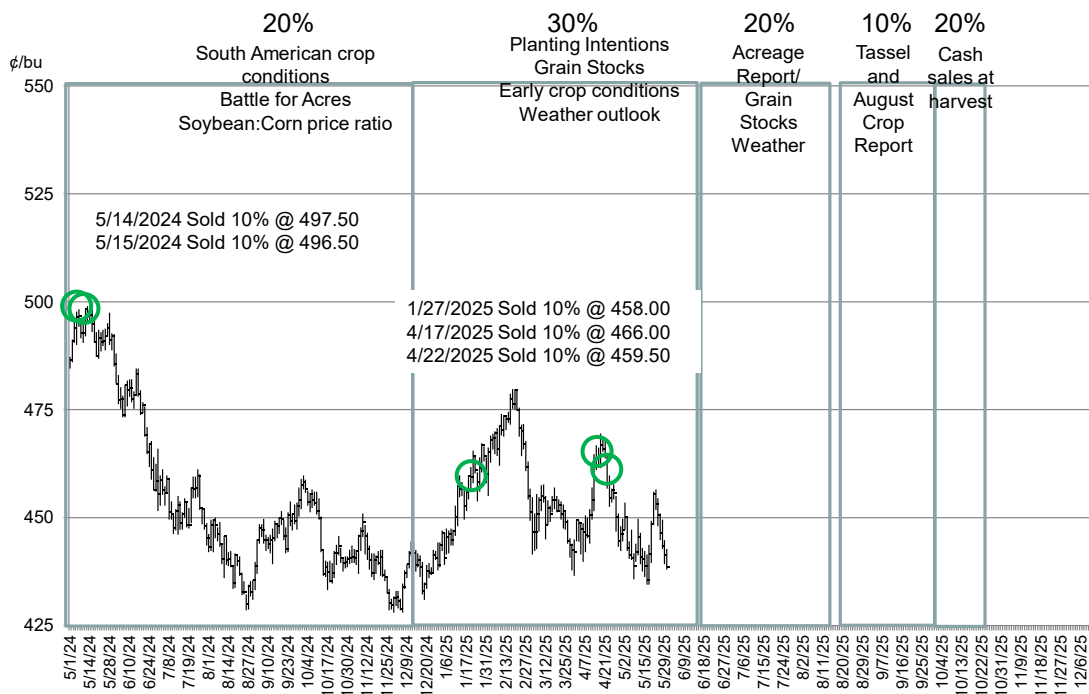
# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39

**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 30, 2025	438.50	457.00	50%	4.2%

# Feed Grain Outlook

May 30, 2025

Volume 34, Number 39



## Upcoming Reports/Events

June 6	May Employment Situation
June 10	Short-term Energy Outlook
June 11	Consumer Price Index
June 12	WASDE Crop Production
June 17-18	FOMC, Federal Reserve
June 20	Cattle on Feed
June 26	Hogs and Pigs
June 30	Acreage Grain Stocks

### 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](mailto:JMWelch@tamu.edu)

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