

# Feed Grain Outlook

January 4, 2026  
Volume 35, Number 1

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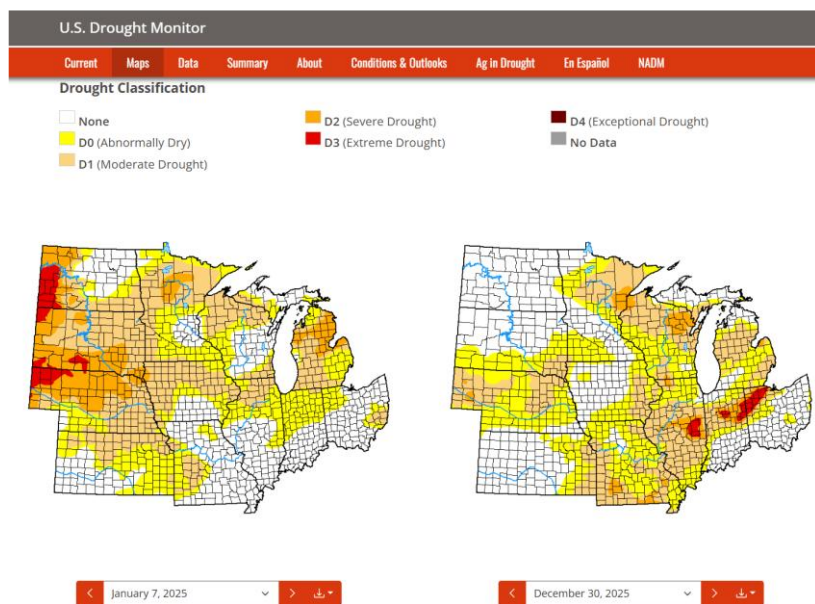
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## Market Situation

**Crop Condition.** The Drought Monitor for the North Central region shows a considerable shift in severe and extreme conditions over the last 12 months, moving from the west to the east.

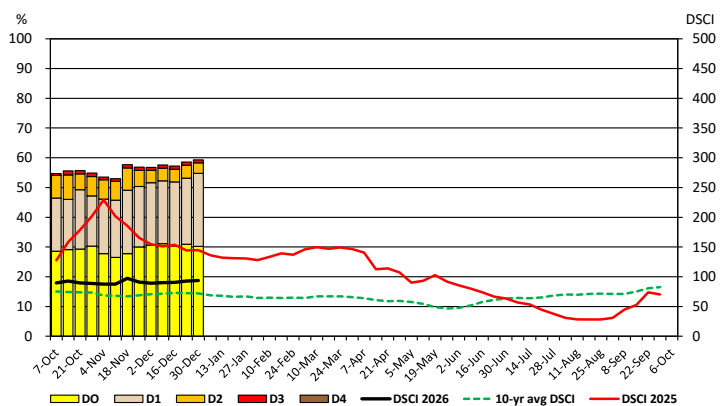
The area currently under drought is about 60%. The drought severity index is basically steady since the first of October, running below a year ago and just above average.



### North Central Drought Monitor, December 30, 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, 1/1/2026, North Central, <http://droughtmonitor.unl.edu/>

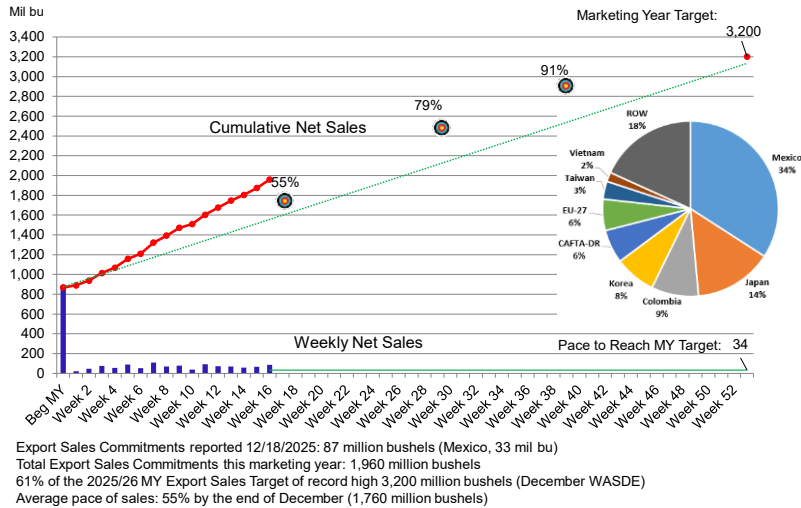
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**Grain Use.** Export sales as of December 18 have been reported as FAS still catches up from the governmental shutdown. Corn export sales remain well on track to reach the projected record high total of 3.2 billion bushels. Sales for the week of December 18 were 87 million bushels, 33 million of that going to Mexico. Cumulative sales this marketing year have reached 61% of the total. Normally, 55% of marketing year sales are on the books by the end of December.

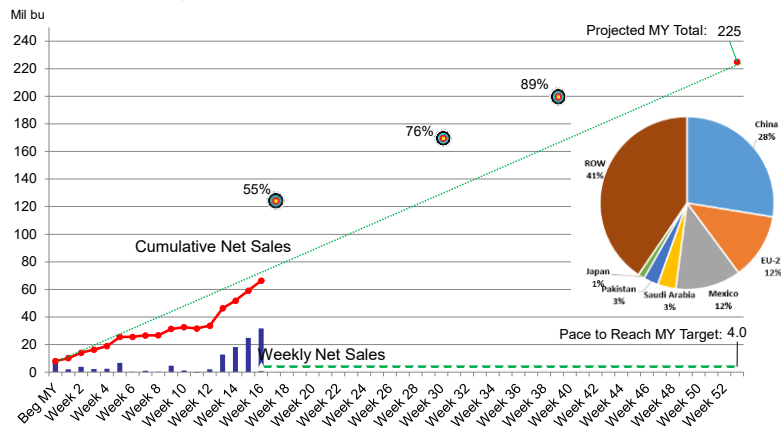
U.S. Corn Export Sales Commitments, 2025/26 MY



USDA, Foreign Agricultural Service: December 26, 2025

Grain sorghum sales are gaining momentum with China returning to the market. Sales so far this year of 79 million bushels are 35% of the projected marketing year total of 225 million bushels.

U.S. Grain Sorghum Export Sales Commitments, 2025/26 MY



USDA, Foreign Agricultural Service: December 26, 2025

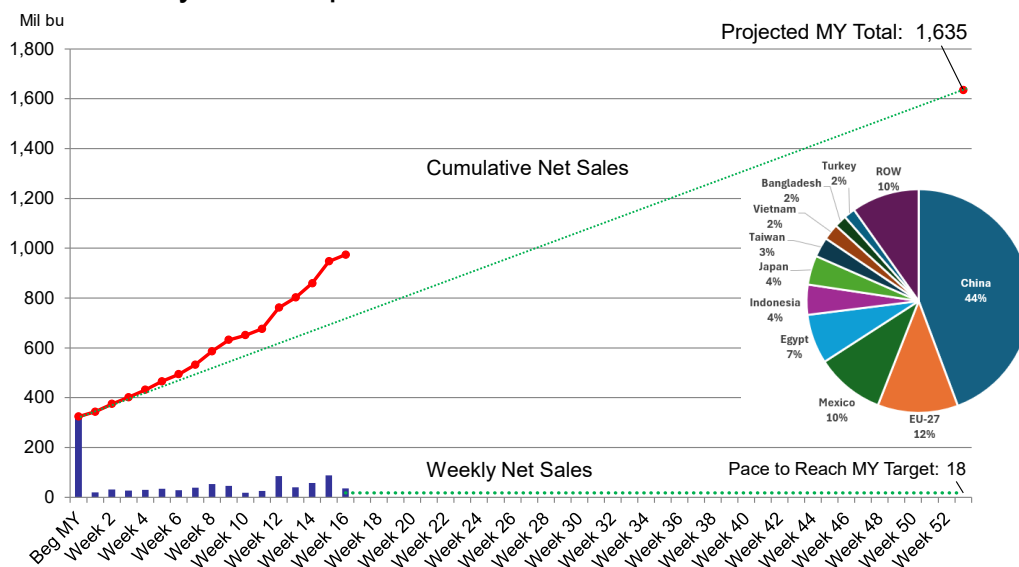
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Soybean export sales reported for December 18 were 36 million bushels, 23 million of that to China. Current marketing year sales have reached 974 million bushels, 60% of the marketing year target of 1.635 billion bushels. A year ago at this time sales stood at 1.458 billion bushels, 78% of the eventual marketing year total of 1.869 billion bushels.

## U.S. Soybean Export Sales Commitments, 2025/26 MY



Export Sales Commitments for the week 12/18/2025: 36 million bushels (China, 23 mil bu)  
Total Export Sales Commitments this marketing year: 974 million bushels  
60% of the 2025/26 MY Export Sales Target of 1,635 million bushels (December WASDE)

USDA, Foreign Agricultural Service: December 26, 2025

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

	Nearby Corn Futures	TX Corn Avg Cash Elevator	TX Basis	TX Corn Feedlot	Corn LA Gulf Export bid
November 27					
December 4	4.47				
December 11	4.47	4.75	0.28	5.47	5.29
December 18	4.45	4.69	0.25	5.45	
December 30	4.41	4.65	0.25	5.41	
10-yr average			0.44		

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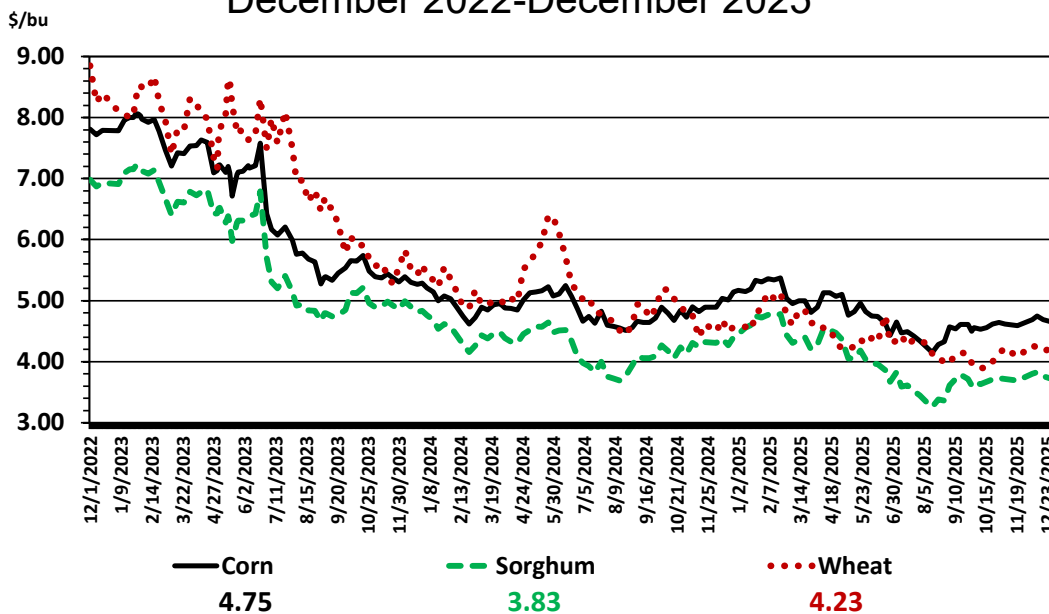
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	Nearby Corn Futures	TX Sorghum Avg Cash Elevator	TX Basis	TX Sorghum Feedlot	TX Sorghum Coastal Bend
November 27					
December 4	4.47				
December 11	4.47	3.83	-0.64	4.49	3.61
December 18	4.45	3.76	-0.68	4.53	
December 30	4.41	3.72	-0.68	4.49	
10-yr average			0.02		

AMS Market News: TX cash = average (North, Central, and South Panhandle); Coastal Bend: DTN

Texas Cash Grain Prices  
December 2022-December 2025



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

**Outside Markets.** U.S. GDP increased by 4.3% in the third quarter of 2025 according to the initial estimate proved by the Bureau of Economic Analysis. Contributing to the increase was higher consumer spending, government spending, and a smaller trade deficit (exports were up, imports were down). Business investment for the quarter was down.

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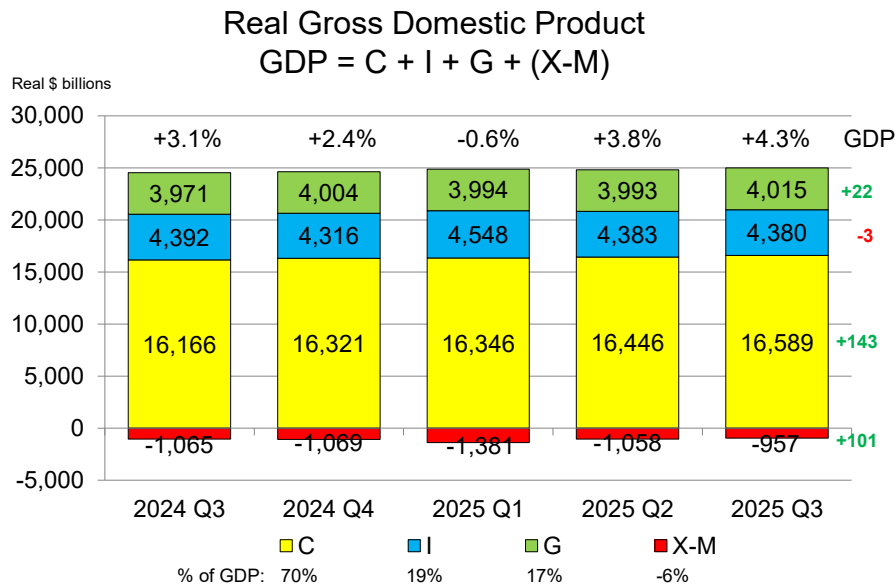
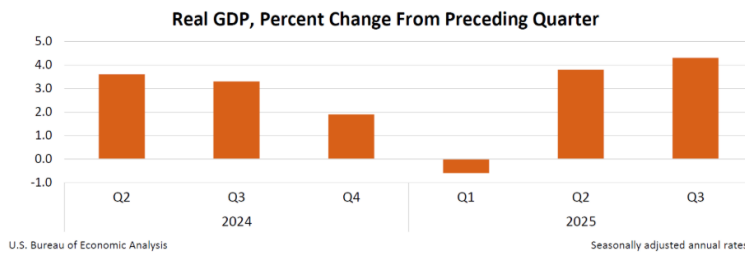
EMBARGOED UNTIL RELEASE AT 8:30 a.m. EST, Tuesday, December 23, 2025

BEA 25-48

## Gross Domestic Product, 3rd Quarter 2025 (Initial Estimate) and Corporate Profits (Preliminary)

Real gross domestic product (GDP) increased at an annual rate of 4.3 percent in the third quarter of 2025 (July, August, and September), according to the initial estimate released by the U.S. Bureau of Economic Analysis. In the second quarter, real GDP increased 3.8 percent.

Due to the recent government shutdown, this initial report for the third quarter of 2025 replaces the release of the advance estimate originally scheduled for October 30 and the second estimate originally scheduled for November 26.



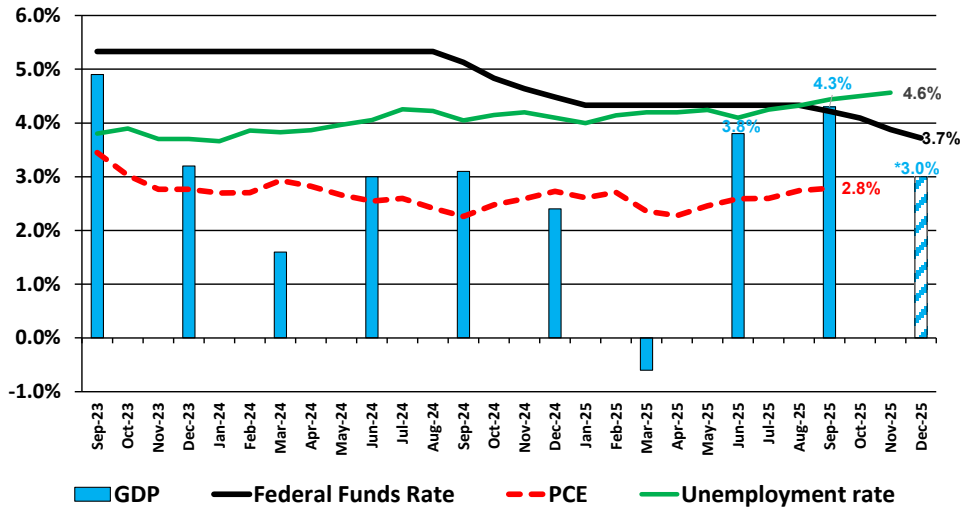
Source: Federal Reserve Bank of St. Louis, updated December 23, 2025

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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 Index, Federal Reserve Economic Data  
 Updated December 23, 2025

## Year to year change in prices: January 3, 2025 to January 2, 2026

	Year to year	1/3/2025	1/2/2026	net change	% change
S&P 500	SPX:IN	5,931.73	6,858.02	926.29	15.62%
10-yr T Note Futures	March	108.81	112.20	3.39	3.12%
CRB	CRY:IND	298.98	297.82	(1.16)	-0.39%
Dollar Index	March	108.79	98.06	(10.73)	-9.86%
Crude Oil	March	73.38	57.05	(16.33)	-22.25%
Copper	March	4.07	5.34	1.27	31.25%
Corn	March	4.50	4.38	(0.13)	-2.78%
	May	4.58	4.46	(0.13)	-2.73%
Soybeans	January	9.89	10.46	0.57	5.74%
	March	10.01	10.59	0.58	5.74%
SRW Wheat	March	5.29	5.07	(0.22)	-4.24%
	May	5.41	5.18	(0.23)	-4.21%

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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—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.

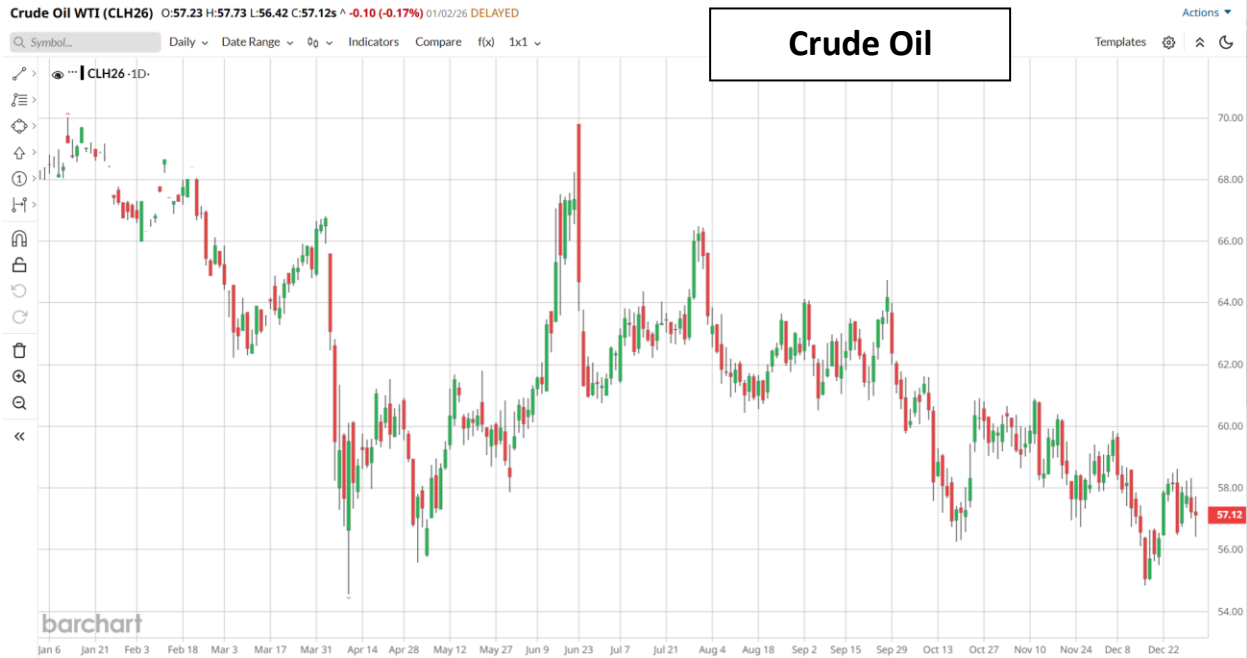
Charts, 1/3/2025-1/2/2026 (<https://www.barchart.com/>):



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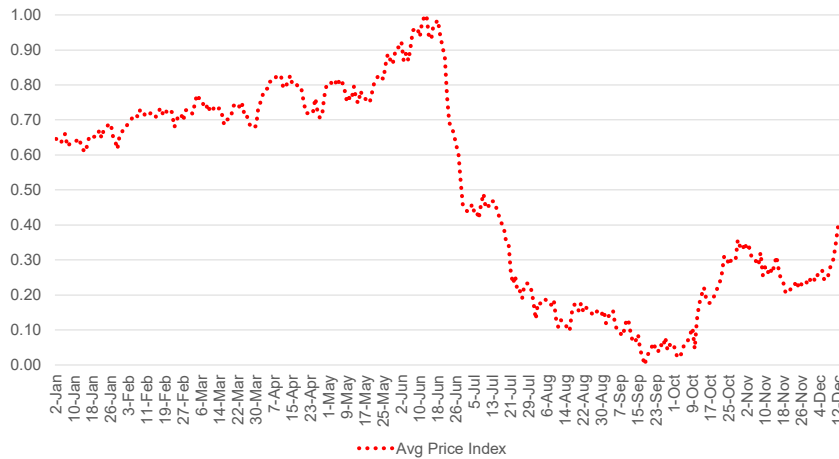
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## Marketing Strategies

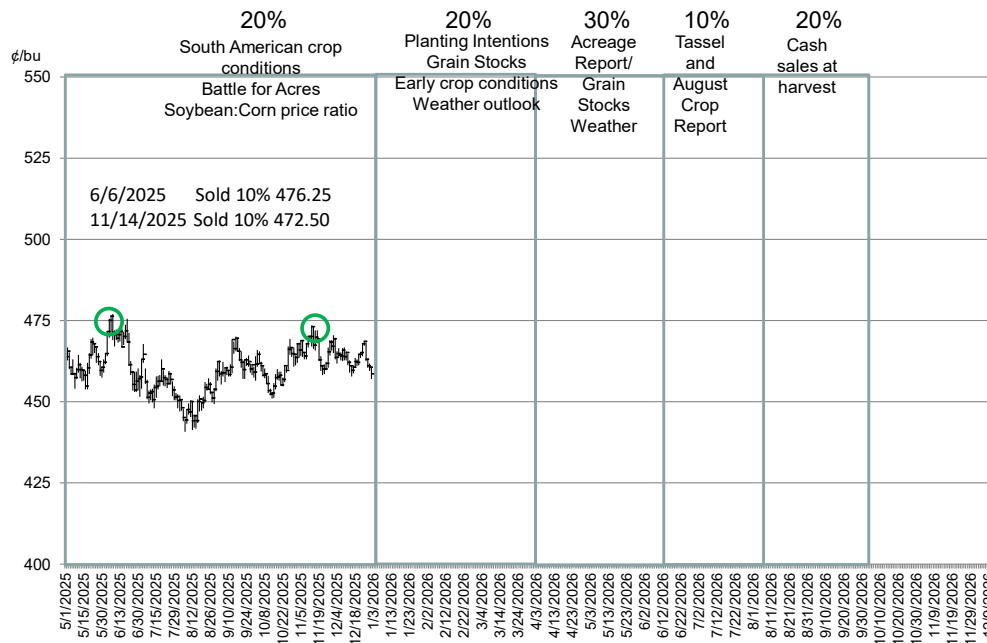
**Seasonality.** The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50) in late-June/early July and then bottoming out late September/early October. This price pattern is the foundation of my marketing plan.

Seasonal Price Index  
December Corn Futures 2003-2024



**Feed Grain Marketing Plan.** At the end of the calendar year, I am 20% sold on 2026 corn.

## December Corn Futures and 2026 Marketing Plan



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## Upcoming Reports/Events

January 4-10	The Executive Program for Agricultural Producers, San Antonio <a href="https://tepap.tamu.edu/">https://tepap.tamu.edu/</a>
January 12	Crop Production WASDE
January 21-22	Developing a Marketing Plan—2026, Wall, Texas, register at <a href="https://agriliferegister.tamu.edu/ereg/newreg.php?eventid=865023&amp;">https://agriliferegister.tamu.edu/ereg/newreg.php?eventid=865023&amp;</a>

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