

Feed Grain Outlook

January 30, 2026
Volume 35, Number 7

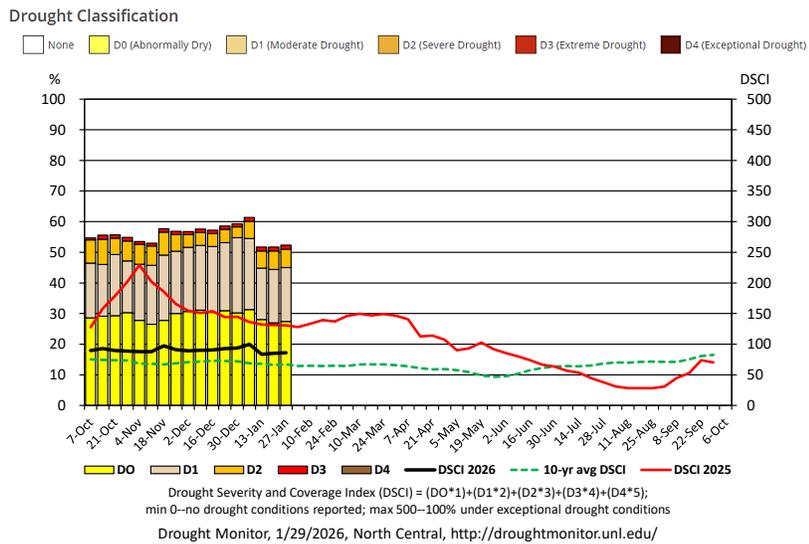
Today's Newsletter

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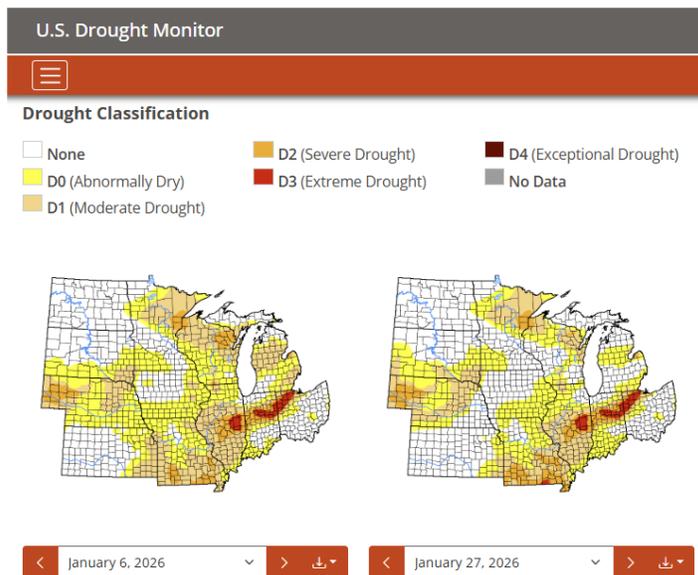
Market Situation

Crop Progress and Condition. The drought monitor for the North Central Region is little changed since the first of January. The area under drought has declined from 61% to 52%. The Drought Severity Index is about steady at 86. This compares to an index reading last year of 131 and a 10-year average of 67.

North Central Drought Monitor, January 27, 2026



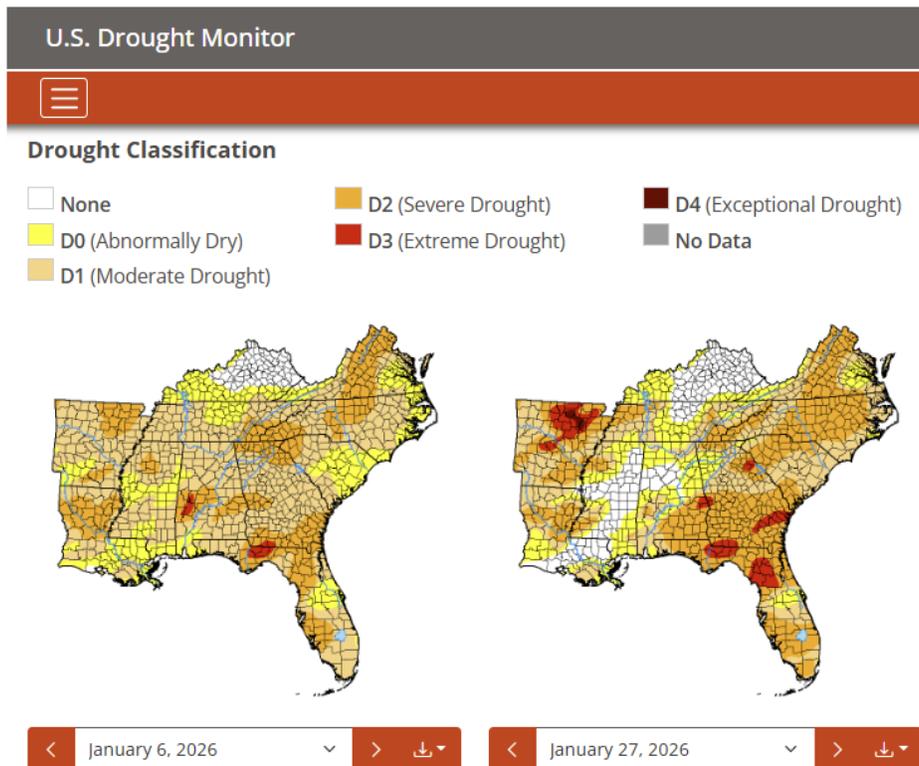
Notable on the drought map is the persistence of 'extreme' drought conditions from eastern Illinois to northwest Ohio.



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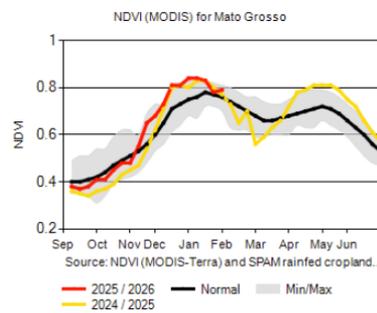
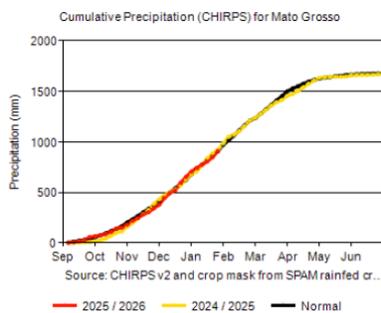
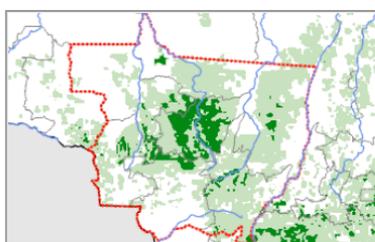
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Drought coverage in the Southeast Climate Hub has declined since the first week of January from 96% to 86%. The Drought Severity Index has increased from 195 to 201 with increased intensity in northern Arkansas, southern Alabama, southern Georgia, northern Florida, South Carolina, and North Carolina.



Corn crop conditions in South America continue to look favorable (USDA, FAS, Crop Explorer, <https://ipad.fas.usda.gov/cropexplorer>). In Mato Grosso, Brazil's top producing state, cumulative precipitation and the NDVI (Normalized Difference Vegetation Index, measure of plant health) are running right at normal.

Sub-National Summary: Mato Grosso (Brazil) Corn

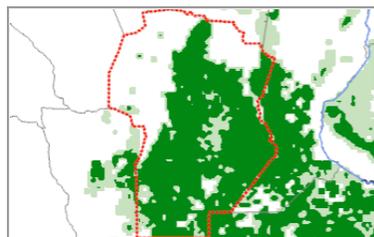


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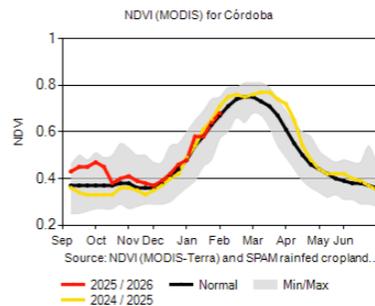
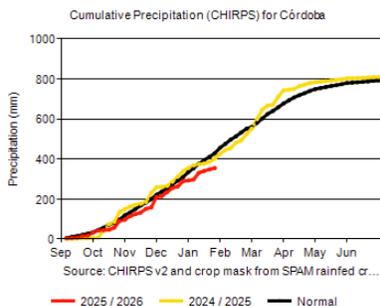
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Cordoba province in Argentina shows precipitation falling below normal in January but an NVDI close to normal.

Sub-National Summary: Córdoba (Argentina) Corn



Córdoba
(35% of total corn production)



Grain Use. Biofuel policy has been in the news this week as legislation that would have allowed for year-round sales of E15 ethanol appears to have stalled. Instead, Congress is expected to create a task force to study the potential of allowing such sales with recommendations expected by mid-February (Reuters, “US Congress to create ethanol task force after E15 deal falls through”, 1/22/26, <https://www.reuters.com/business/energy/us-congress-create-ethanol-task-force-after-e15-deal-falls-through-2026-01-22/>).

Gasoline demand is running about 1% below year ago levels so far in the current corn marketing year. Ethanol production is up about 2% after hitting a record weekly high January 9. Ethanol stocks have increased, following along seasonal tendencies.

USDA’s current estimate of corn for fuel in 2025/26 is 5.6 billion bushels. Grain sorghum food, seed, and industrial use (primarily fuel) is 105 million bushels. Combined, grain for fuel is projected at 5.705 billion bushels, up from 5.552 billion bushels in 2024/25.

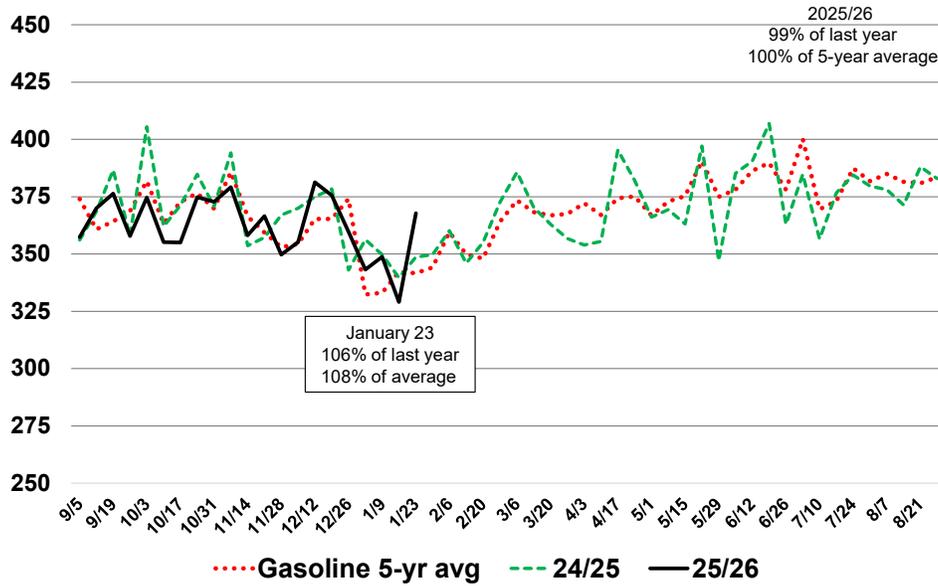
The Energy Information Administration projects that gasoline consumption in the U.S. will continue to decline, from a peak of 143 billion gallons in 2017/18 to an estimated 135 billion gallons in 2026/27. Ethanol consumption in 2017/18 was 14.4 billion gallons, right at 10%. Ethanol use in 2026/27 is estimated at 14 billion gallons, 10.4% of U.S. gasoline consumption.

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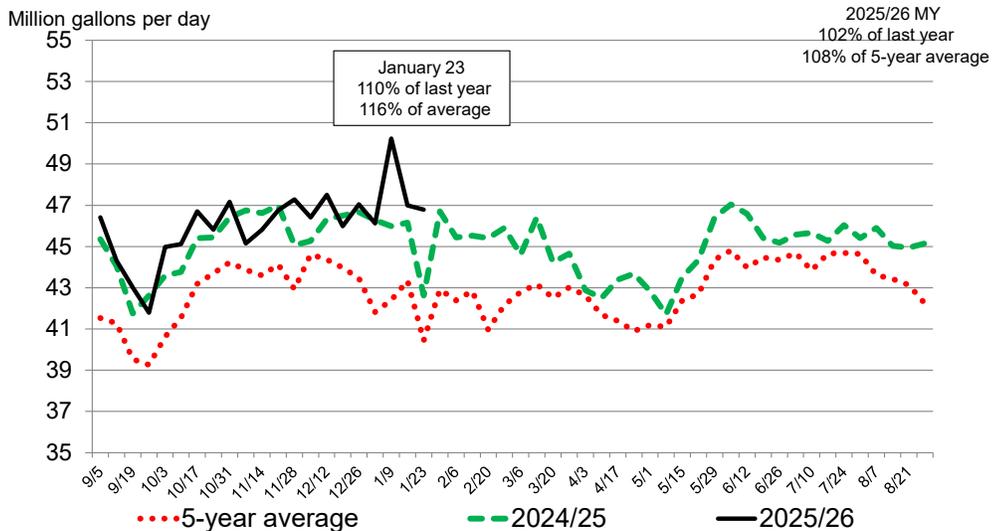
2025/26 Weekly U.S. Gasoline Demand, million gallons



Energy Information Administration, This Week in Petroleum, January 28, 2026

2025/26 U.S. Ethanol Production

2025/26 daily average = 46.1 mil gal per day 5-year daily avg = 41.6 mil gal
 Implies use of 5,798 mil bu of grain (2.9 gal/bu) 2024/25 daily avg = 45.1 mil gal
 January USDA estimate = 5,685 (5,600 mil bu corn for fuel + 85 mil bu sorghum fsi)



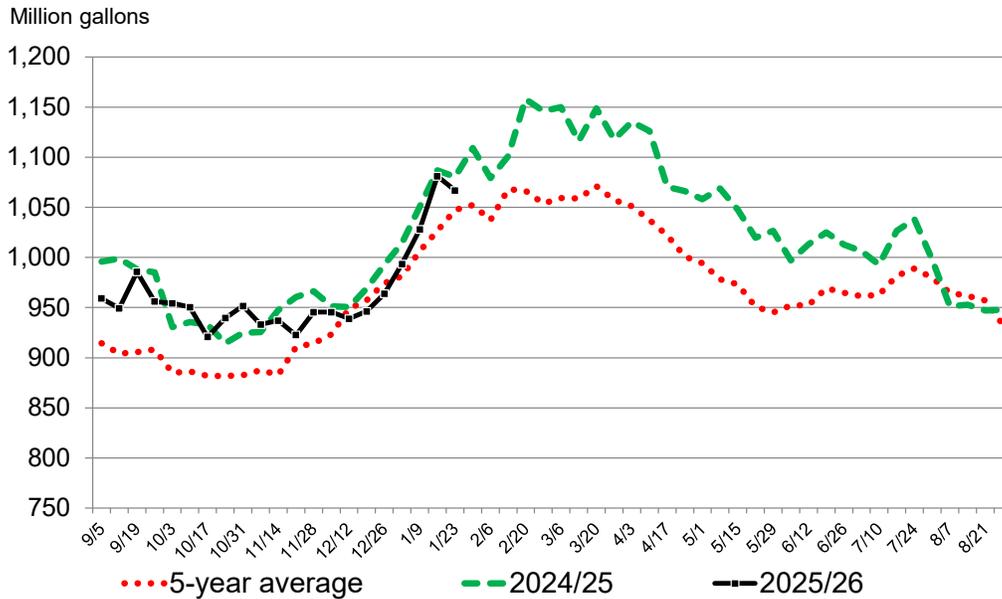
Energy Information Administration, Weekly Petroleum Status Report, January 28, 2026
 Ethanol conversion rate, University of Illinois

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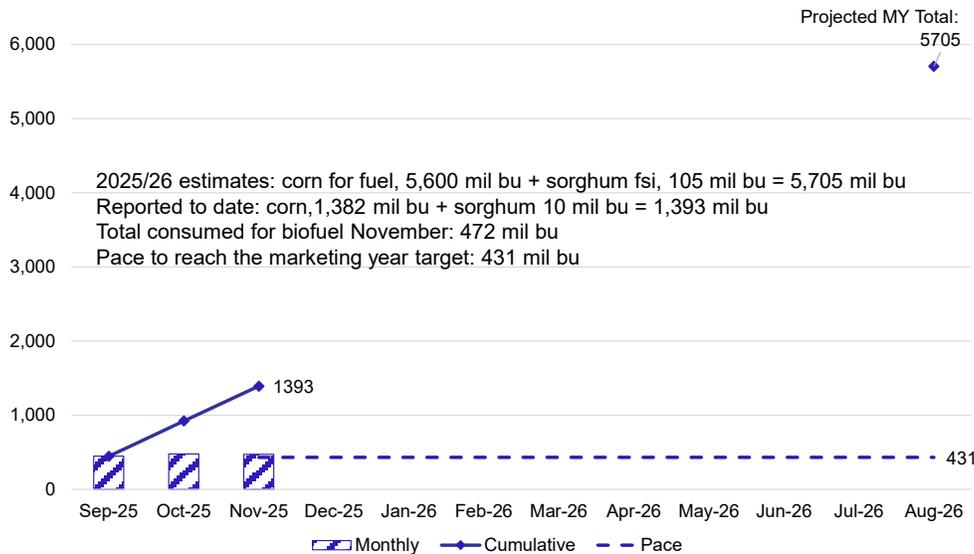


2025/26 U.S. Weekly Ending Ethanol Stocks



Energy Information Administration, Weekly Petroleum Status Report, January 28, 2026

Corn and Sorghum Consumed for Biofuel Monthly, mil bu

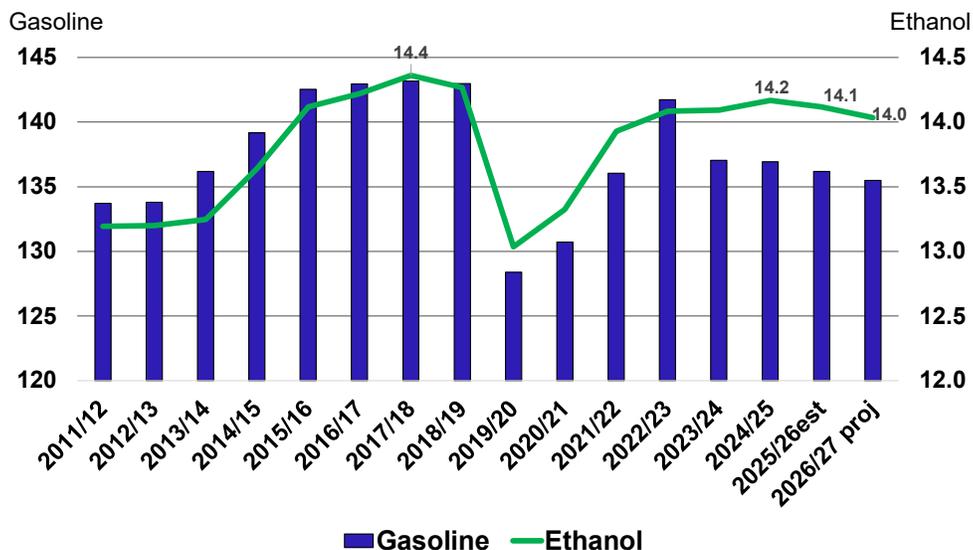


USDA, NASS, *Grain Crushings and Co-Products Production*, January 2, 2026
EIA, *Monthly Biofuels Capacity and Feedstocks*, January 29, 2026
January 2026 WASDE

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



EIA, Short Term Energy Outlook, January 2026
<http://www.eia.gov/>

Cash Feed Grain Prices, \$/bu.

| | Nearby Corn Futures | TX Corn Avg Cash Elevator | TX Basis | TX Corn Feedlot | Corn LA Gulf Export bid |
|---------------|---------------------|---------------------------|----------|-----------------|-------------------------|
| December 30 | 4.41 | 4.65 | 0.25 | 5.41 | |
| January 8 | 4.46 | 4.71 | 0.25 | 5.46 | 5.29 |
| January 15 | 4.20 | 4.44 | 0.24 | 5.23 | |
| January 22 | 4.24 | 4.48 | 0.24 | 5.27 | |
| January 29 | 4.31 | 4.55 | 0.24 | 5.33 | 5.32 |
| 10-yr average | | | 0.44 | | |

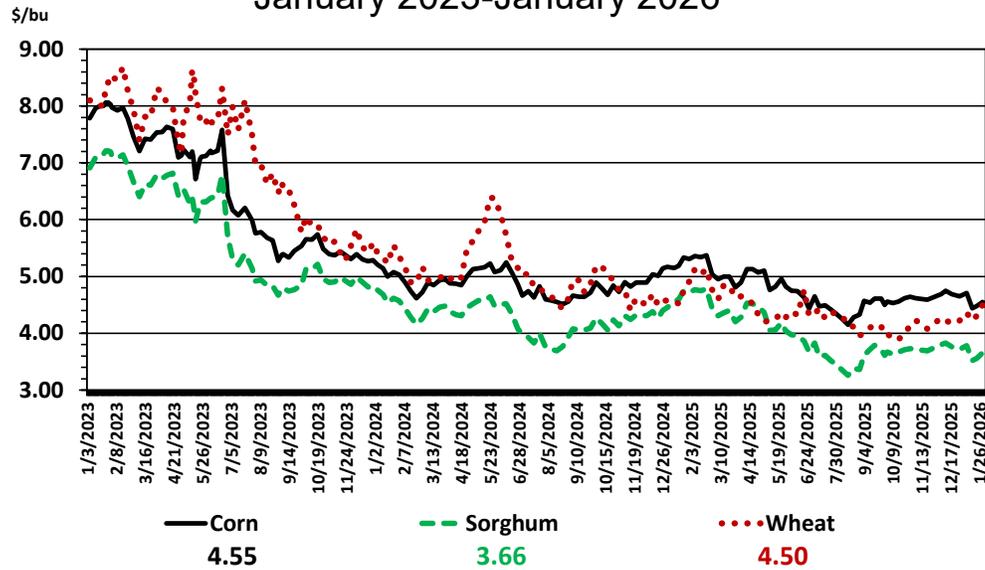
| | Nearby Corn Futures | TX Sorghum Avg Cash Elevator | TX Basis | TX Sorghum Feedlot | TX Sorghum Coastal Bend |
|---------------|---------------------|------------------------------|----------|--------------------|-------------------------|
| December 30 | 4.41 | 3.72 | -0.68 | 4.49 | |
| January 8 | 4.46 | 3.78 | -0.68 | 4.54 | |
| January 15 | 4.20 | 3.52 | -0.68 | 4.28 | |
| January 22 | 4.24 | 3.56 | -0.68 | 4.32 | |
| January 29 | 4.31 | 3.66 | -0.65 | 4.39 | |
| 10-yr average | | | 0.02 | | |

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

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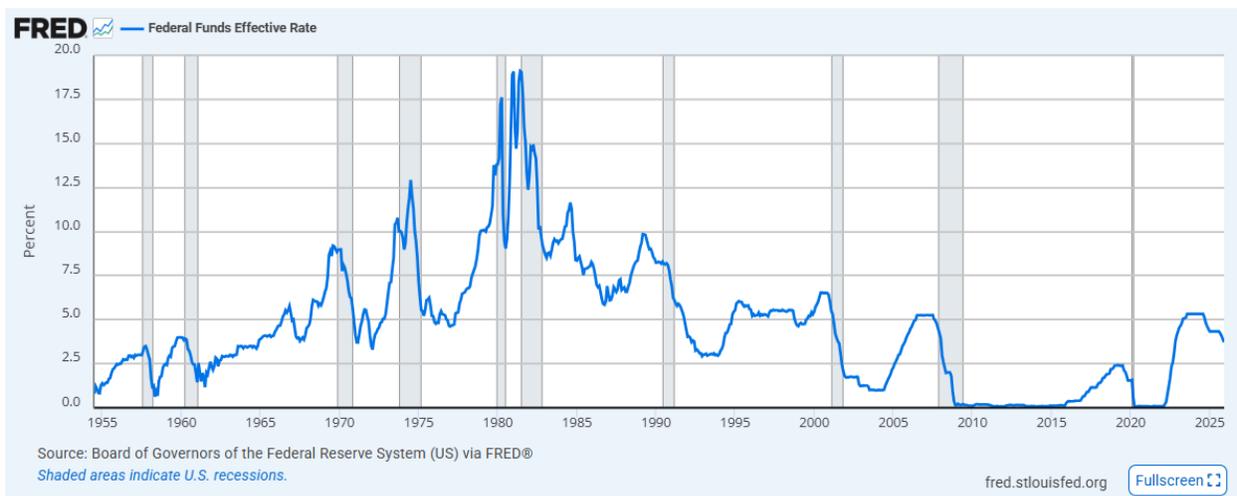
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Texas Cash Grain Prices January 2023-January 2026



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

Outside Markets. Noting a stable job market, elevated inflation, and expanding economic activity, the Federal Open Market Committee of the Federal Reserve voted this week to keep the federal funds rate unchanged at 3-1/2 to 3-3/4 percent (<https://www.federalreserve.gov>). The vote was 10 to 2 with the minority voting to lower the target range by ¼ point. The average monthly federal funds rate since 1955 (70 years) has been 4.6%. The average since 2000 (25 years) and 2015 (10 years) has been about 2%.



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Prices about 10:00 am CT January 30, 2026

| | QTR I | 1/2/2026 | 1/30/2026 | net change | % change |
|-------------------------|---------|----------|-----------|------------|----------|
| S&P 500 | SPX:IN | 6,858.02 | 6,938.04 | 80.02 | 1.17% |
| 10-yr T Note Futures | March | 112.20 | 111.7813 | (0.42) | -0.38% |
| CRB | CRY:IND | 297.82 | 323.71 | 25.89 | 8.69% |
| Dollar Index | March | 98.06 | 96.66 | (1.40) | -1.43% |
| Crude Oil | March | 57.05 | 65.73 | 8.68 | 15.21% |
| Copper | March | 5.69 | 5.98 | 0.29 | 5.05% |
| Corn | March | 4.38 | 4.27 | (0.11) | -2.46% |
| | May | 4.46 | 4.35 | (0.11) | -2.36% |
| Soybeans | January | 10.46 | 10.64 | 0.19 | 1.77% |
| | March | 10.59 | 10.78 | 0.19 | 1.84% |
| SRW Wheat | March | 5.07 | 5.36 | 0.29 | 5.76% |
| | May | 5.18 | 5.45 | 0.27 | 5.16% |

Items in the table and reasoning for inclusion:

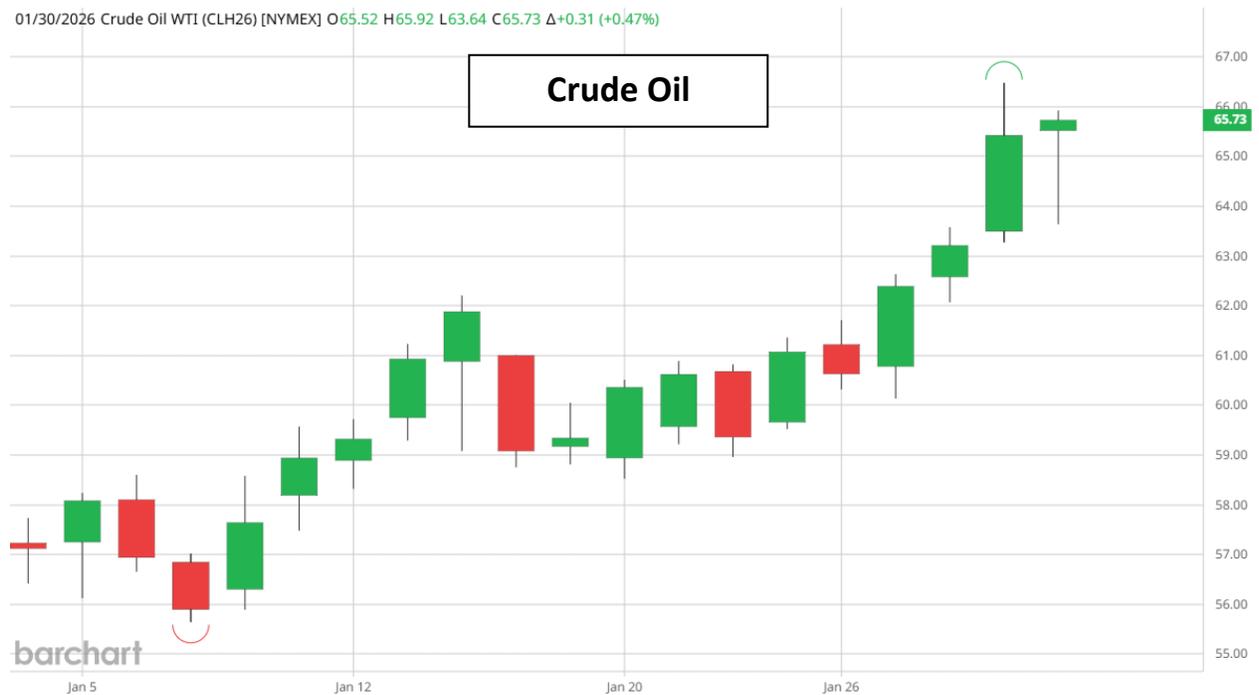
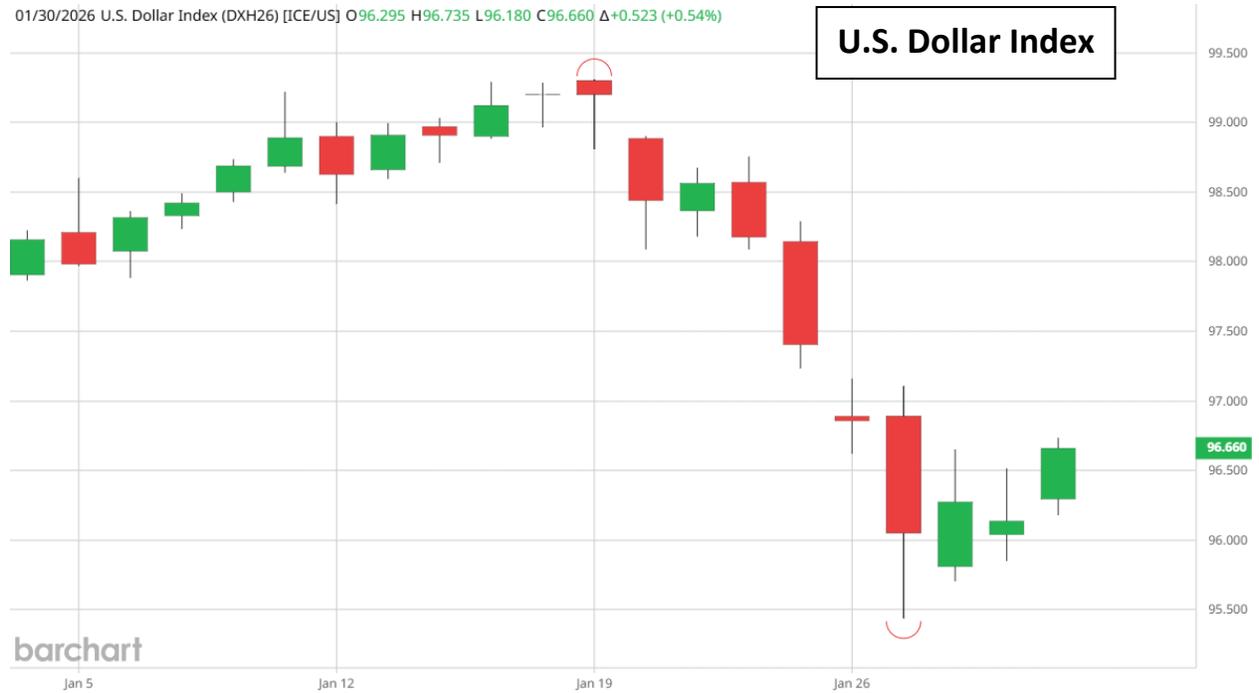
- S&P 500 Index—a reflection of market expectations of future earnings and economic growth;
- 10-year T-note: expectations of economic growth—as bond prices fall, yields (interest rates) increase and may reflect investor concerns over rising inflation, fading prospects of a recession, or less investment 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.

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Charts, 1/2/2026-1/30/2026 (<https://www.barchart.com/>):



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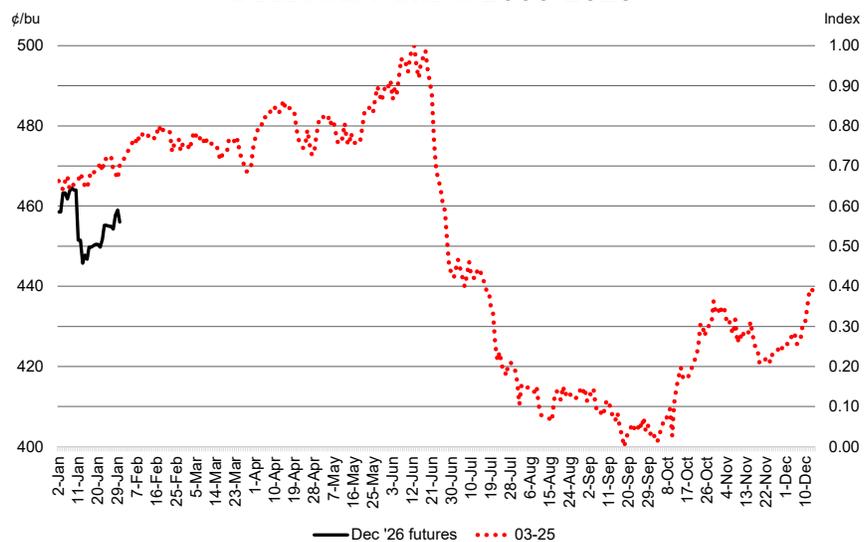
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Marketing Strategies

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 on the index) in late-June/early July and then bottoming out late September/early October. This price pattern is the foundation of my marketing plan.

December 2026 Corn Futures and Seasonal Pattern 2003-2025



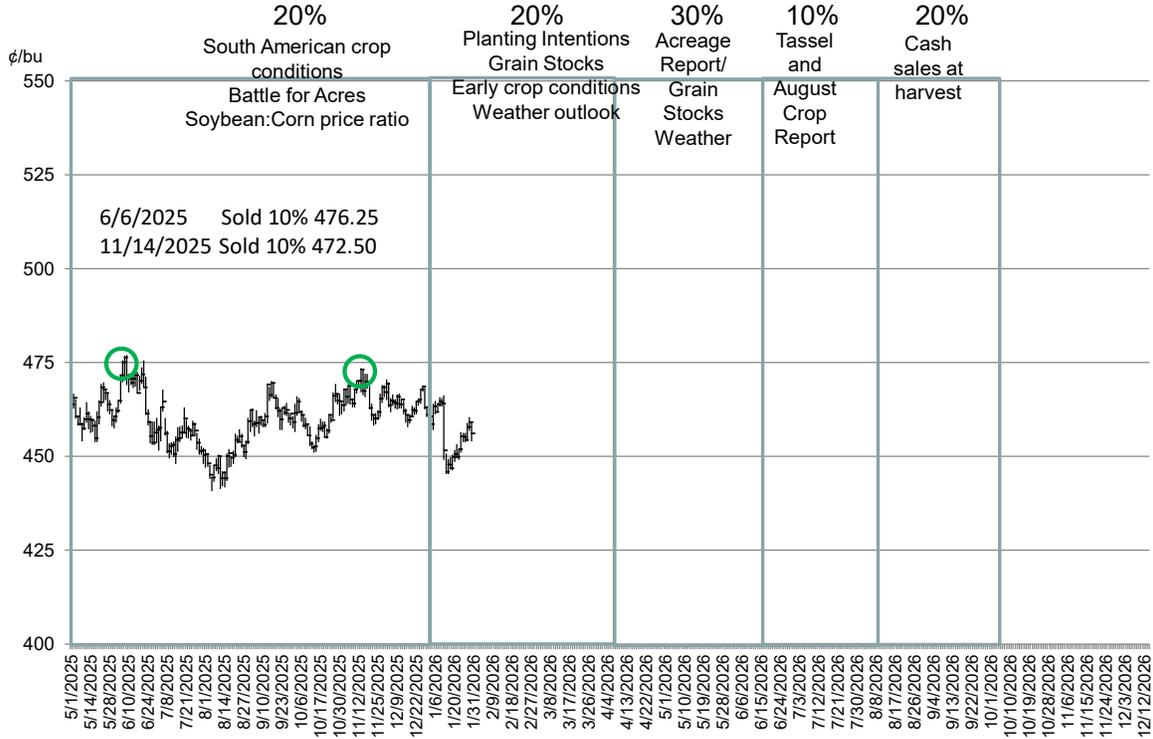
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Feed Grain Marketing Plan. I am 20% sold on 2026 corn.

December Corn Futures and 2026 Marketing Plan



Upcoming Reports/Events

| | |
|----------------|------------------------------------------------------------------------------------------------------------|
| February 4 | State Stories |
| February 6 | Employment Situation, January 2026 |
| February 10 | Crop Production WASDE |
| February 11 | Consumer Price Index |
| February 11-12 | Developing a Marketing Plan for Cattle and Grain, High Plains Research and Extension Center, Canyon, Texas |
| February 19-20 | USDA Agricultural Outlook Forum |
| February 20 | Cattle on Feed GDP (Advance Estimate) 4 th Quarter 2025 |

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