Grain Market Outlook for 2024

Ukraine Update & Grain Market Outlook Webinar

Kansas State University

December 6, 2023

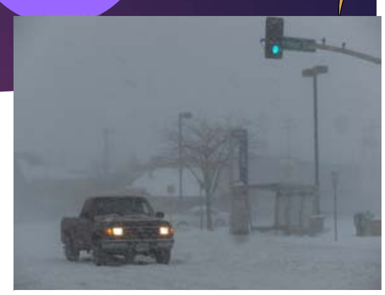
DANIEL O'BRIEN & GUY ALLEN

K-STATE AGRICULTURAL ECONOMISTS

KANSAS STATE UNIVERSITY Department of Agricultural Economics

IGP Institute

U.S. & Global Weather



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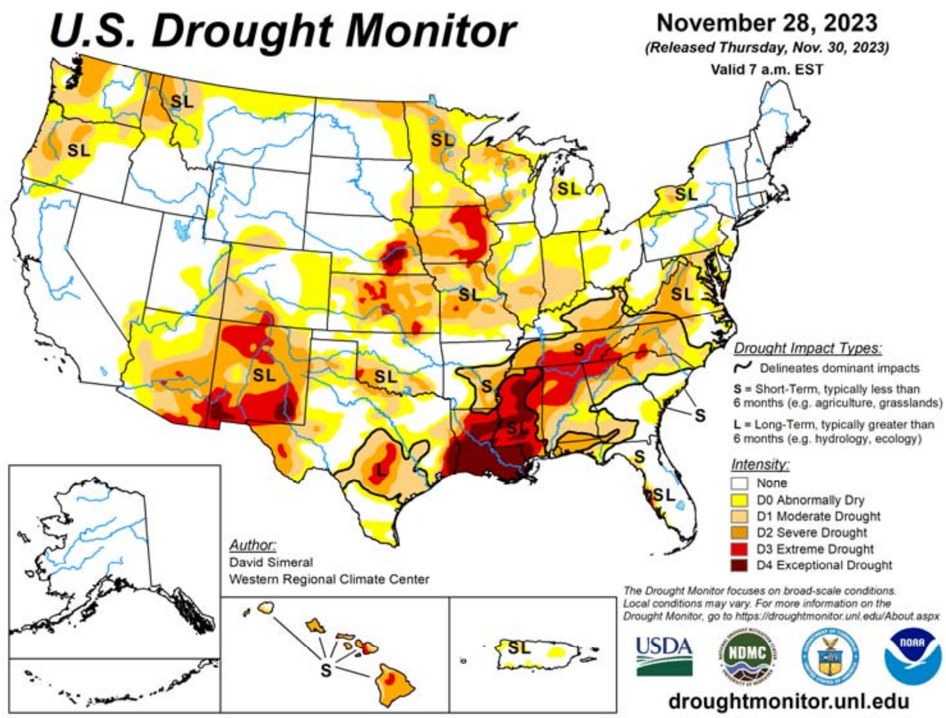
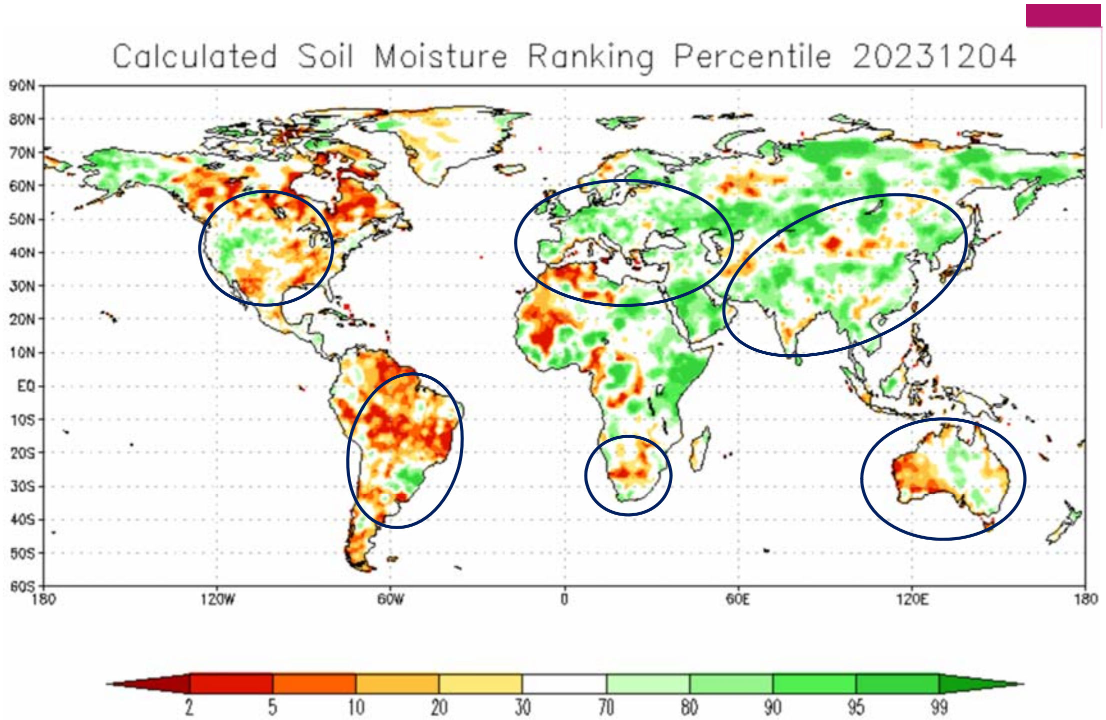

U.S. Drought Monitor
November 28, 2023
(Released Thursday, Nov. 30, 2023)
Valid 7 a.m. EST
Drought Impact Types:
Delineates dominant impacts
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)
Intensity:
None
D0 Abnormally Dry
D1 Moderate Drought
D2 Severe Drought
D3 Extreme Drought
D4 Exceptional Drought
Author:
David Simeral
Western Regional Climate Center
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx
droughtmonitor.unl.edu


Calculated Soil Moisture Ranking Percentile 20231204
90N
80N
70N
60N
50N
40N
30N
20N
10N
EQ
10S
20S
30S
40S
50S
60S
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120W
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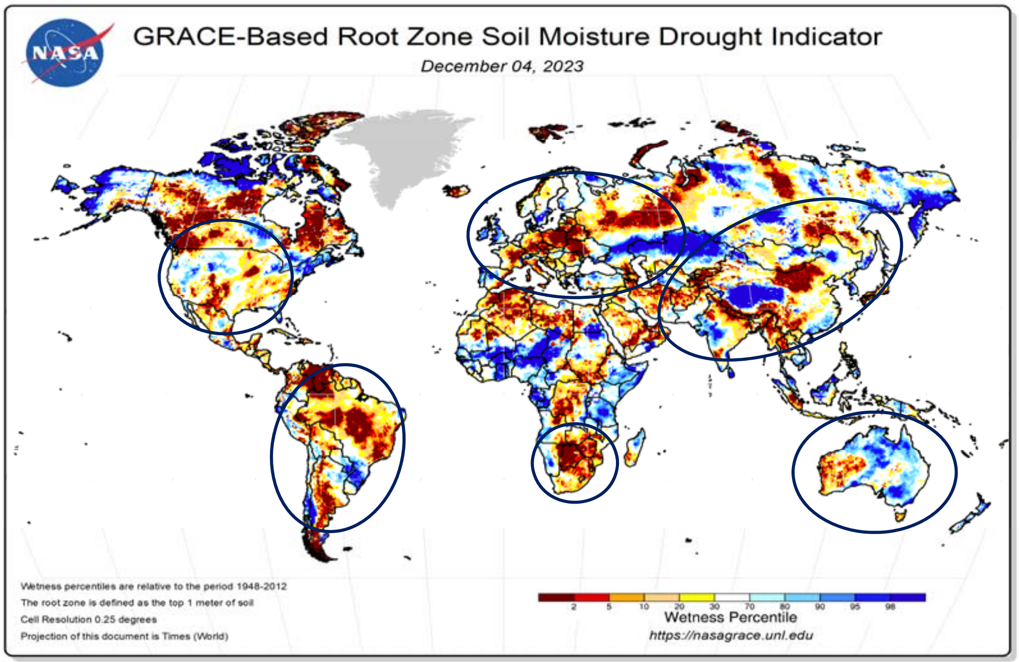
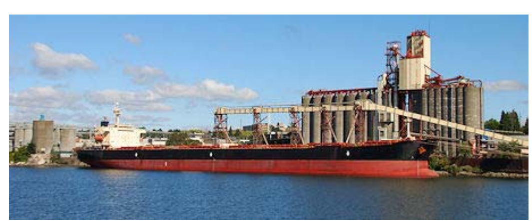
70
80
90
95
99



Corn Markets



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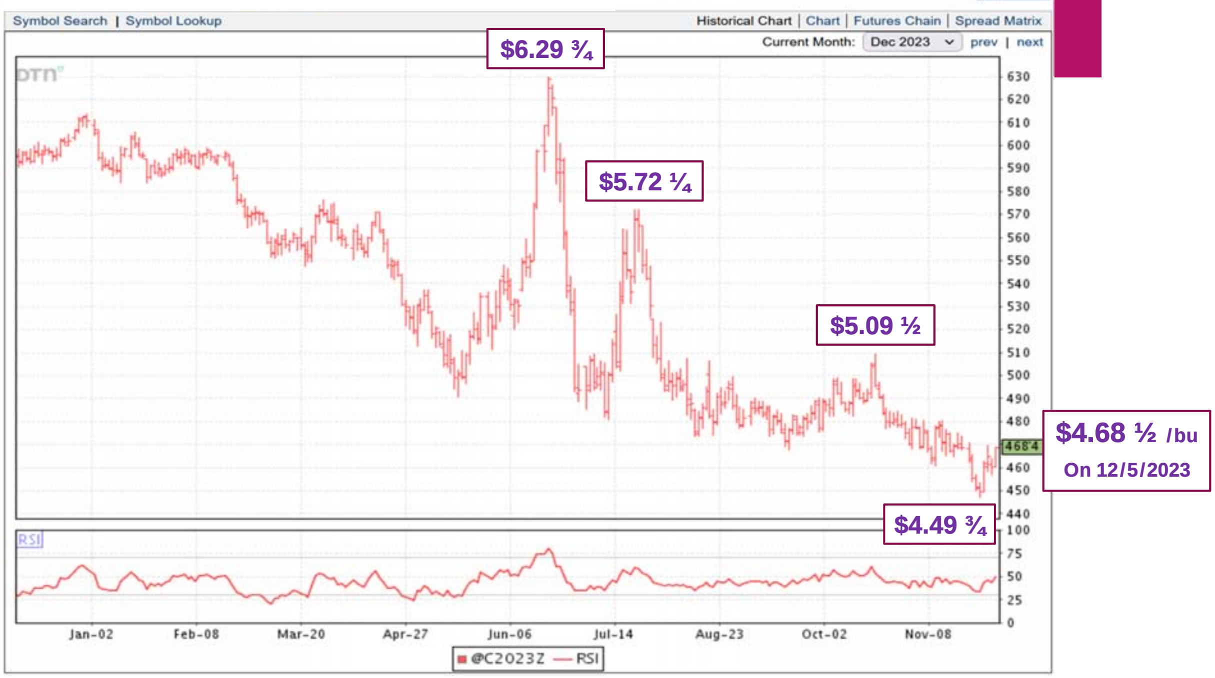
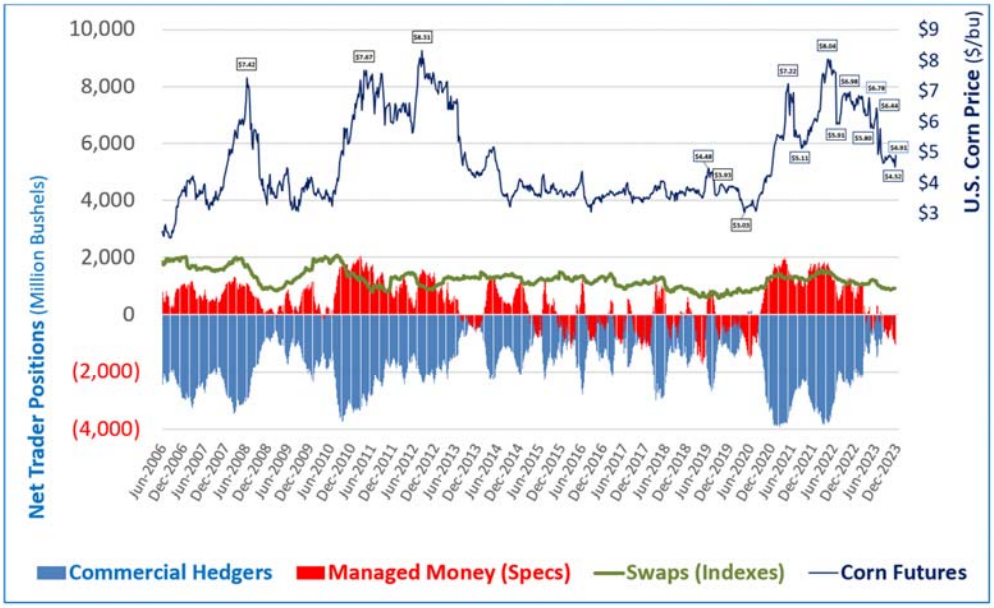
DEC 2023 Corn Futures *12/5/2023 Closes*



Weekly Continuous Corn Futures *12/5/2023 Closes*

Corn Futures-Net Position of Traders

June 2006 through November 28, 2023[CFTC Data] + December 5, 2023 DEC[2023] Corn Futures [Closes]



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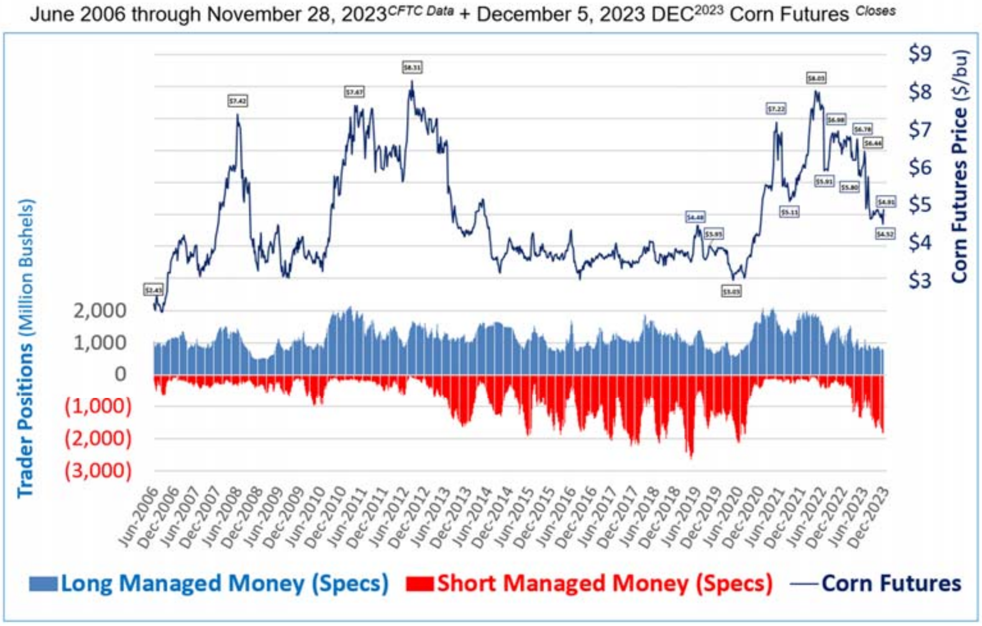
Corn Futures-Managed Money Traders (Specs): *Long & Short Positions*

June 2006 through November 28, 2023[CFTC Data] + December 5, 2023 DEC[2023] Corn Futures [Closes]



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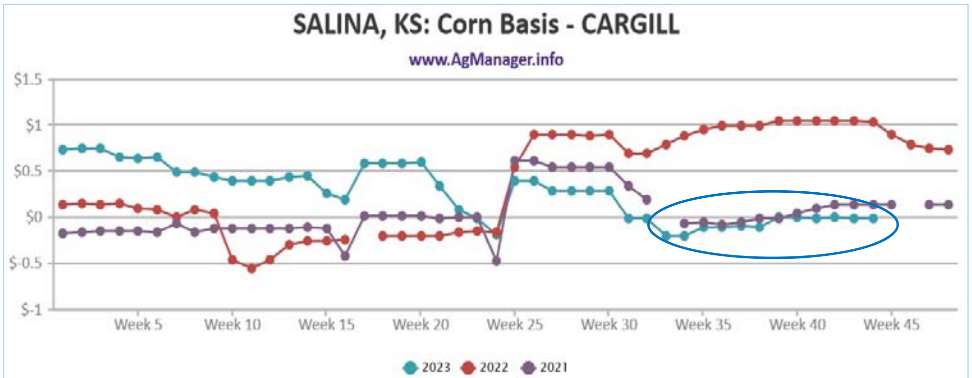

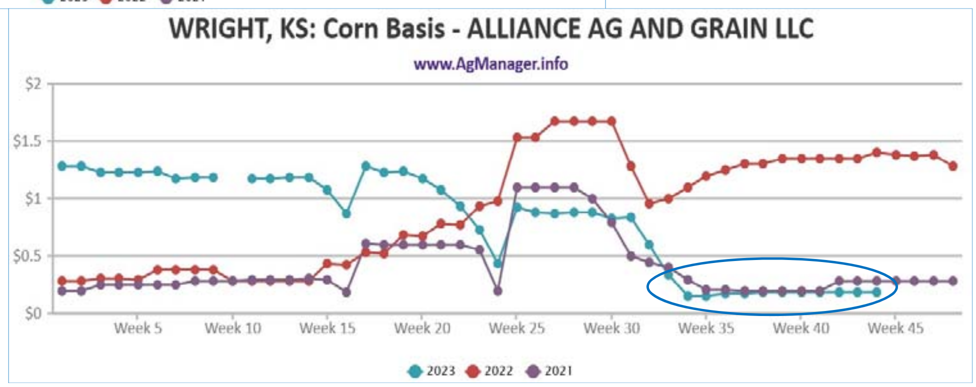

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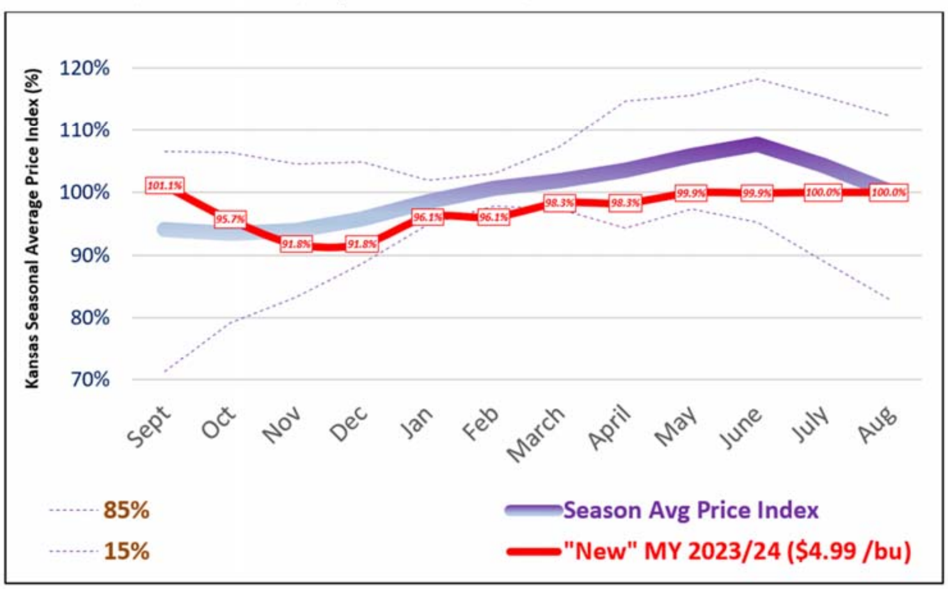
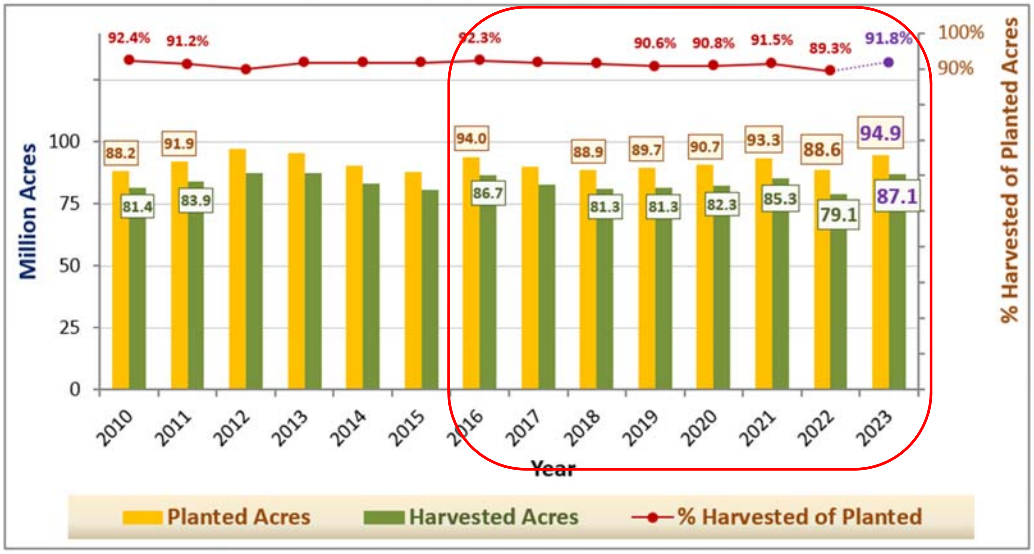
U.S & Kansas Corn Seasonal Prices

MY 1999/00 – MY 2021/22 plus *"New"* 2023/24 as of 12/5/2023



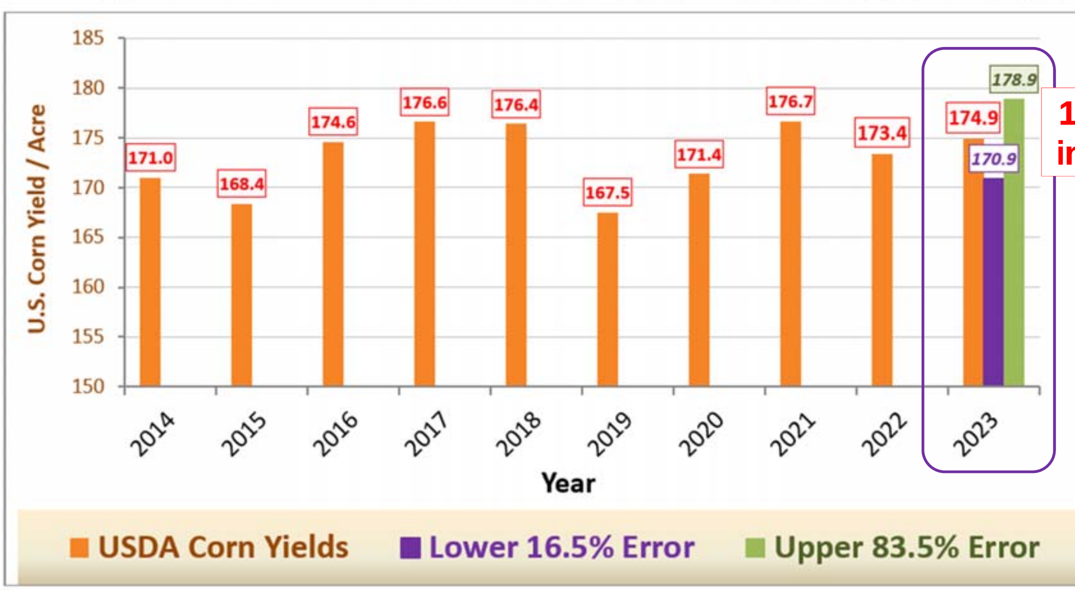
U.S. Corn Acreage for 2010-2023

Sources: USDA Crop Production & WASDE Reports 11/9/2023



U.S. Corn Yields for 2014-2023

Through USDA reports on November 9, 2023 + 90% USDA Production Forecast Confidence Interval



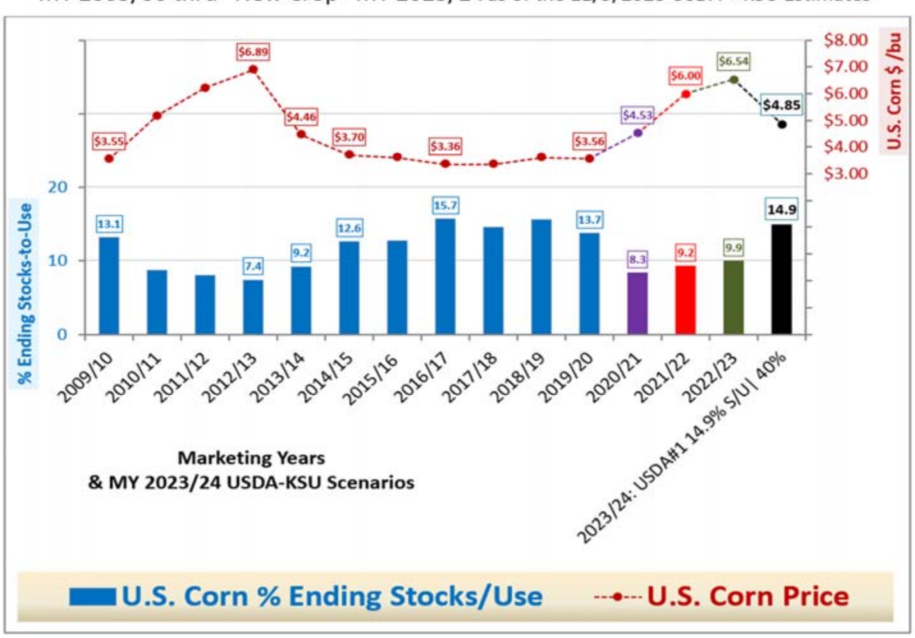
174.9 Bu/ac in 2023 *USDA*

U.S. Corn Stocks & % Stocks-to-Use

MY 2012/13 thru "New Crop" MY 2023/24 as of the 11/9/2023 USDA + KSU Estimates

U.S. Corn % Stocks/Use vs Corn $

MY 2005/06 thru "New Crop" MY 2023/24 as of the 11/9/2023 USDA + KSU Estimates



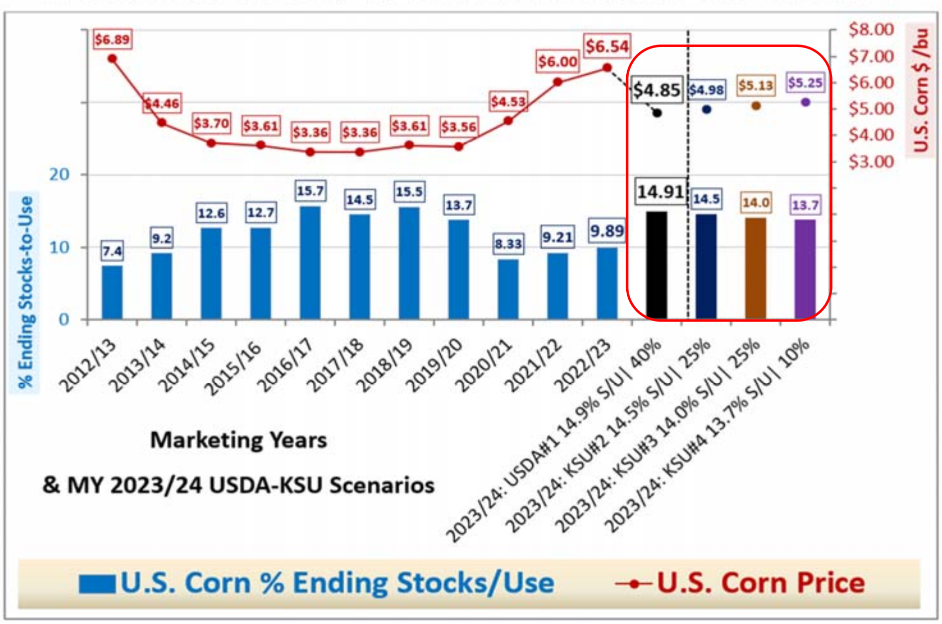
U.S. Corn Supply-Demand Balance Sheet

"New Crop" MY 2023/24 as of the 11/9/2023 USDA WASDE + KSU Estimates As of 12/5/2023

Item	A. USDA #1 "New Crop" MY 2023/24 = 174.9 bu/ac 15.234 bb Corn Crop	B. KSU #2 "New Crop" MY 2023/24 "Higher Ethanol" + 50 mb @ 5.375 bb Higher Ethanol Use	C. KSU #3 "New Crop" MY 2023/24 "Higher Exports" + 100 mb @ 2.175 bb Higher Exports	D. KSU #4 "New Crop" MY 2023/24 "Higher Ethanol, Exports" + 50 mb Ethanol & + 100 mb Exports
% Probability of Occurring (KSU)	*40%KSUest*	*25%KSUest*	*25%KSUest*	*10%KSUest*
Planted Area (million acres)	94.868	94.868	94.868	94.868
Harvested Area (million acres)	87.096	87.096	87.096	87.096
Yield / harvested acre (bu/ac)	174.9	174.9	174.9	174.9
	Million Bushels			
Production (million bu.)	15,234	15,234	15,234	15,234
Total Supply (million bu.)	16,621	16,621	16,621	16,621
Ethanol for fuel Use (million bu.)	5,325	+ 50 mb 5,375	5,325	+ 50 mb 5,375
Exports (million bu.)	2,075	2,075	+ 100 mb 2,175	+ 100 mb 2,175
Feed & Residual Use (million bu.)	5,650	5,650	5,650	5,650
Total Use (million bu.)	14,465	+ 50 mb 14,515	14,565	14,615
Ending Stocks (million bu.)	2,156	- 50 mb 2,106	–100 mb 2,056	–150 mb 2,006
% Ending Stocks-to-Use	14.905%	14.509%	14.028%	13.726%
U.S. Corn Average Farm Price ($/bushel)	$4.85 USDA *$4.99 KSU 12/5/2023*	$4.98 KSU *$4.99 KSU 12/5/2023*	$5.125 KSU *$4.99 KSU 12/5/2023*	$5.25 KSU *$4.99 KSU 12/5/2023*

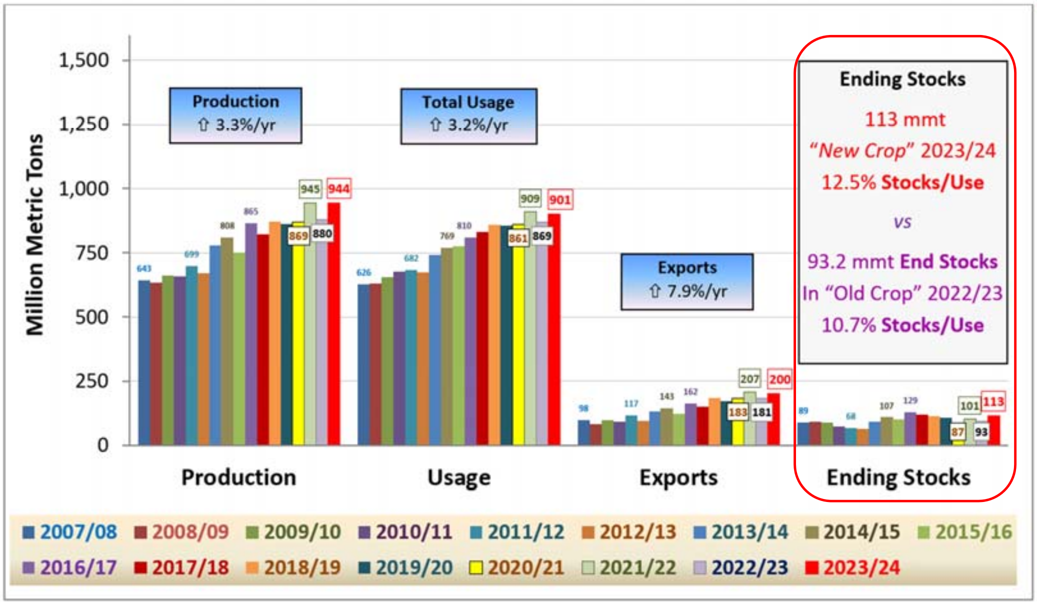
U.S. Corn % Stocks/Use vs Corn $

MY 2012/13 thru "New Crop" MY 2023/24 as of the 11/9/2023 USDA + KSU Estimates



"World Less-China" Corn Supply-Demand

MY 2007/08 – *"New Crop"* MY 2023/24 as of the November 9, 2023 USDA WASDE Report

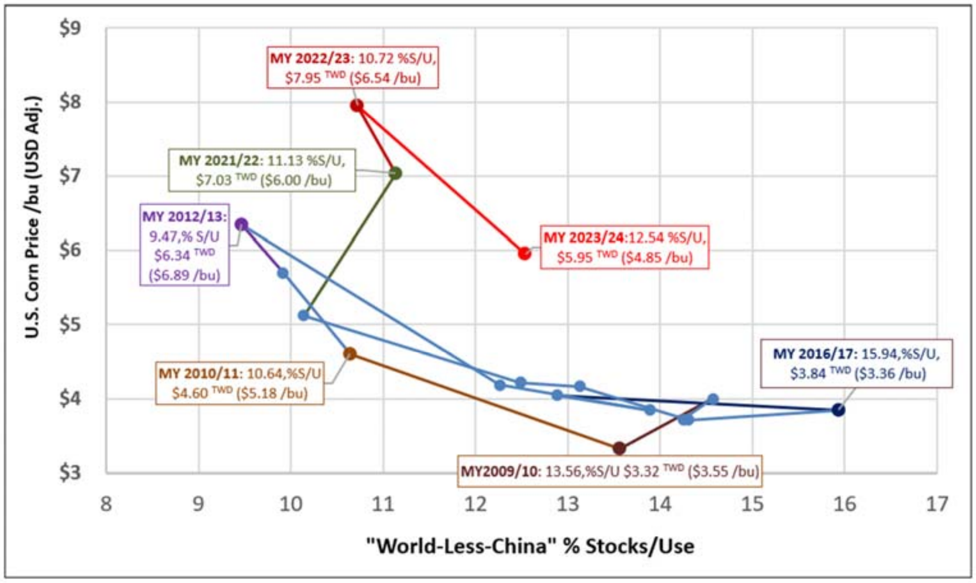


World vs World Less-China Corn % Stocks-to-Use

MY 2007/08 through "Current" MY 2022/23, as of the November 9, 2023 USDA WASDE report

U.S. Corn $ USD$ Adj. vs World Less-China % S/U

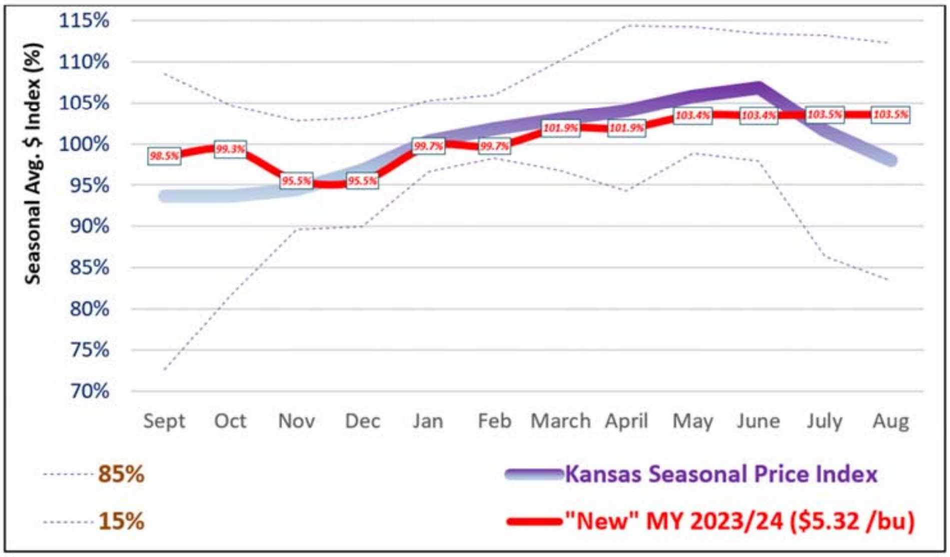
MY 2007/08 – "New Crop" MY 2023/24, as of the November 9, 2023 USDA WASDE



Grain Sorghum Markets

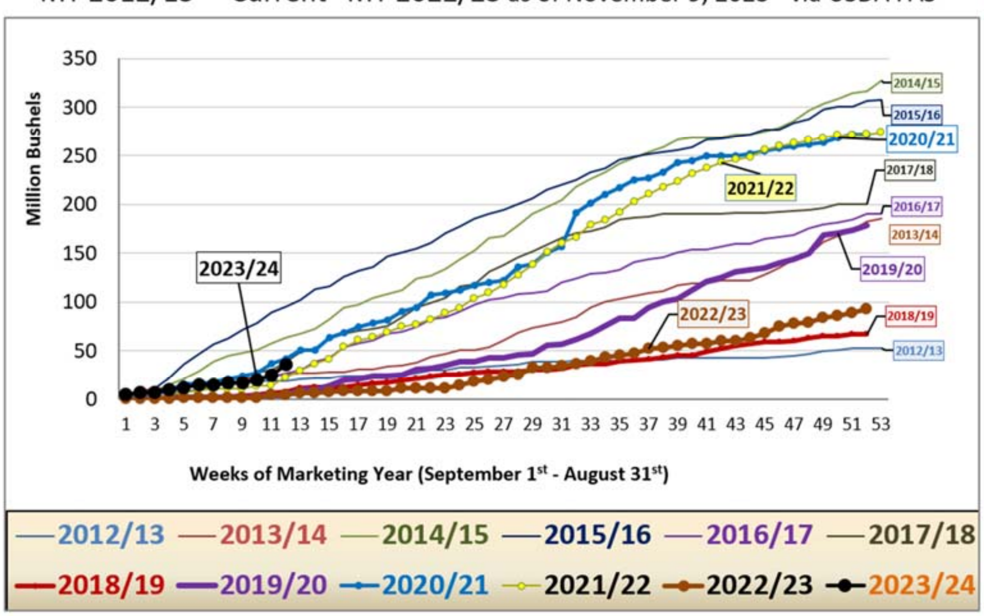
Kansas Grain Sorghum Seasonal Prices

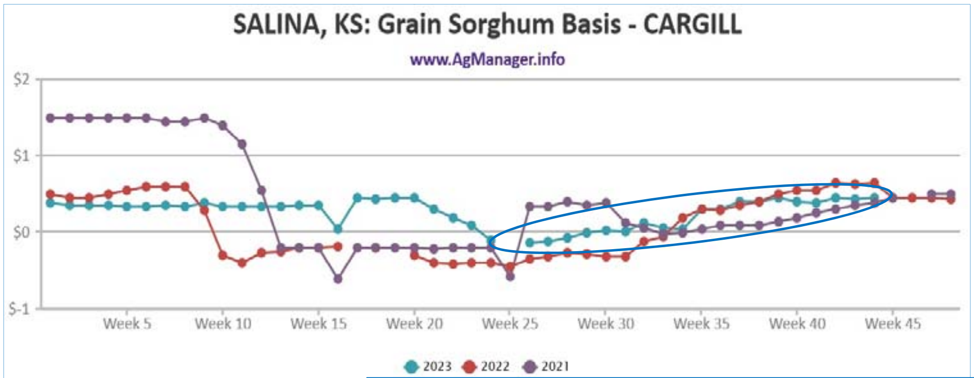
MY 1999/00 – MY 2022/23 plus *"New Crop"* 2023/24 as of 12/5/2023

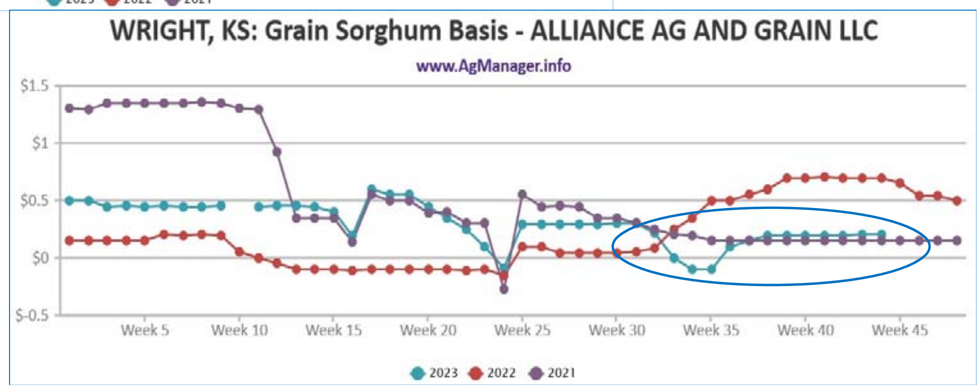


U.S. Grain Sorghum Exports

MY 2012/13 - "Current" MY 2022/23 as of November 9, 2023 - via USDA FAS

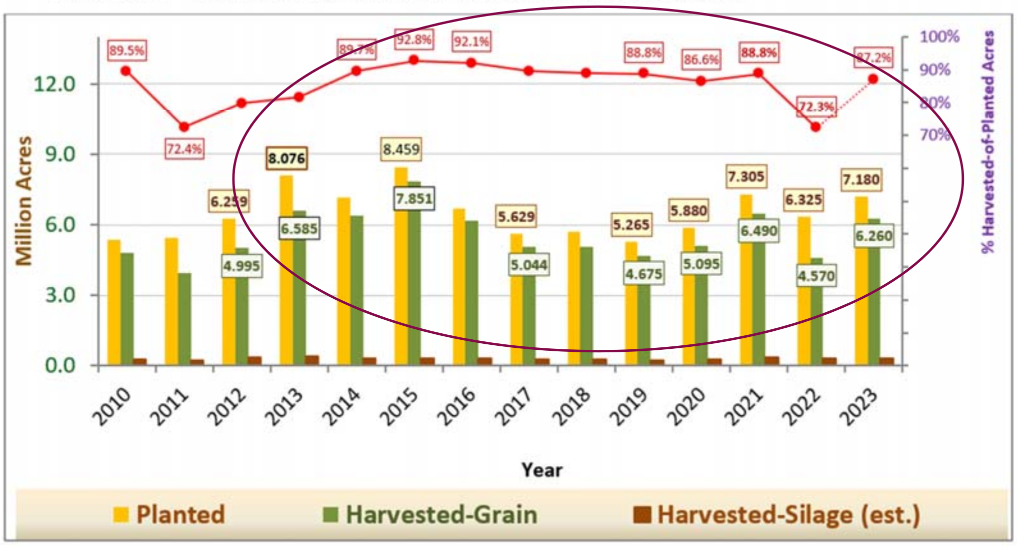






U.S. Sorghum Planted & Harvested Acres

Years 2010 – 2023 as of the November 9, 2023 USDA WASDE Report

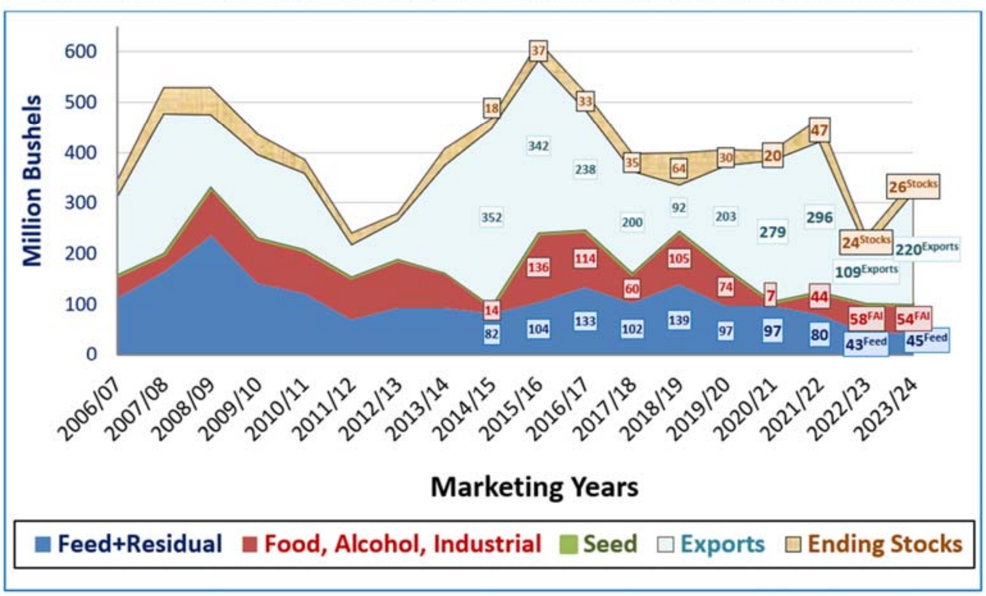


U.S. Grain Sorghum Yields

Years 2010 – 2023 as of USDA & KSU Information available on November 9, 2023

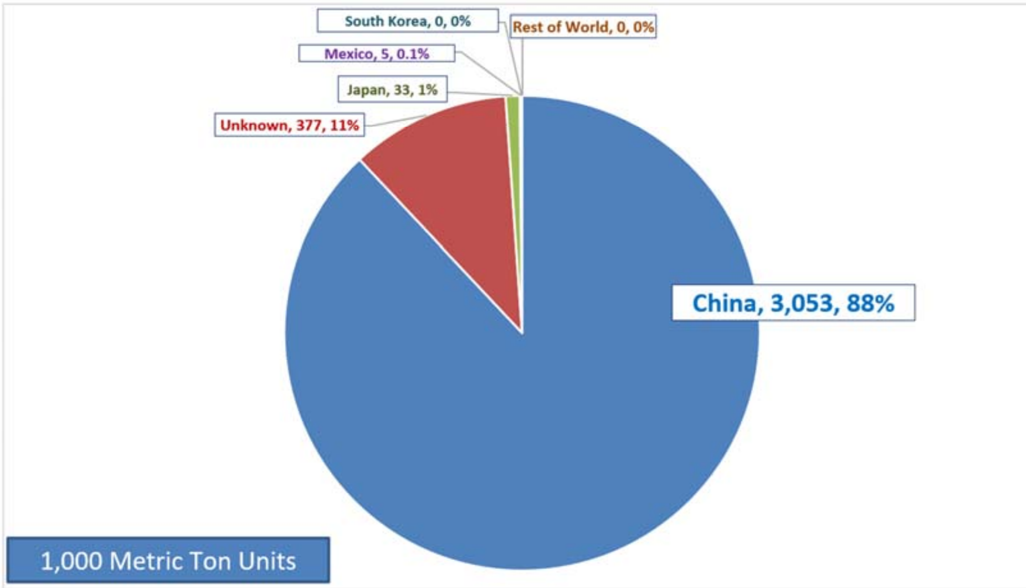
U.S. Sorghum Use & End Stocks

MY 2006/07 - *"New Crop"* MY 2023/24 as of USDA Information available on November 9, 2023

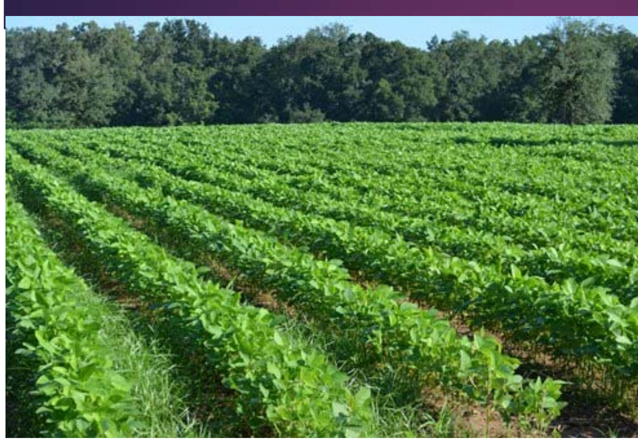


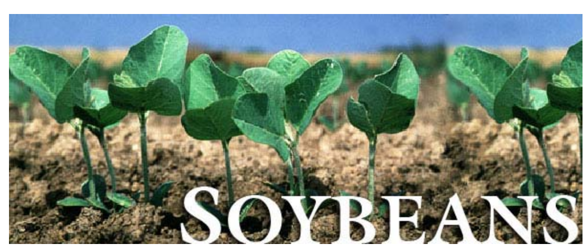
U.S. Grain Sorghum Export Buyers "New Crop" MY 2023/24

Outstanding Sales + Shipments for "Current" MY 2022/23 as of 11/23/2023 USDA FAS Reports



Soybean Markets





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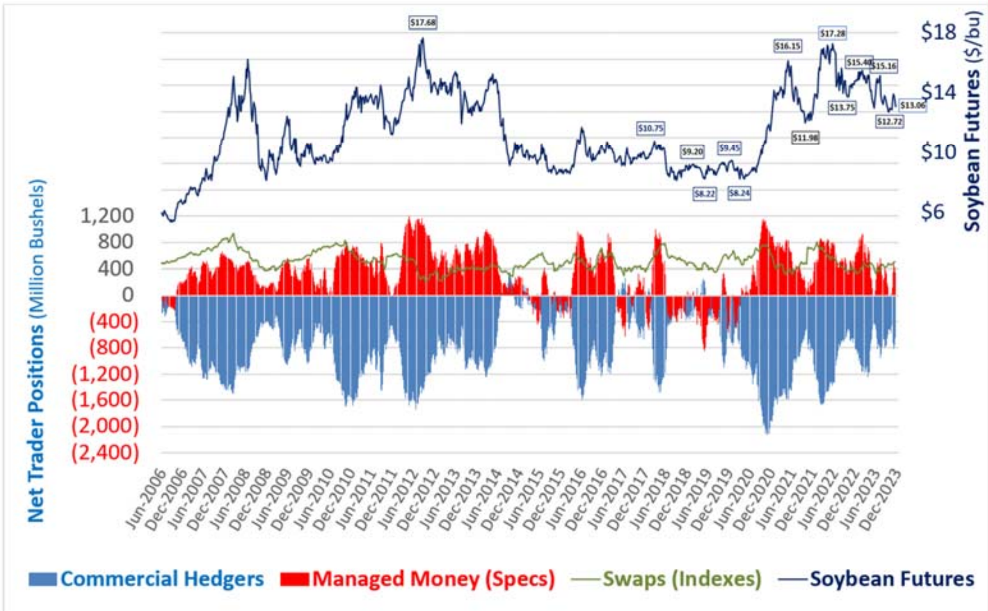
JAN 2024 Soybean Futures *12/5/2023 Closes*

Weekly Continuous Soybean Futures *12/5/2023 Closes*

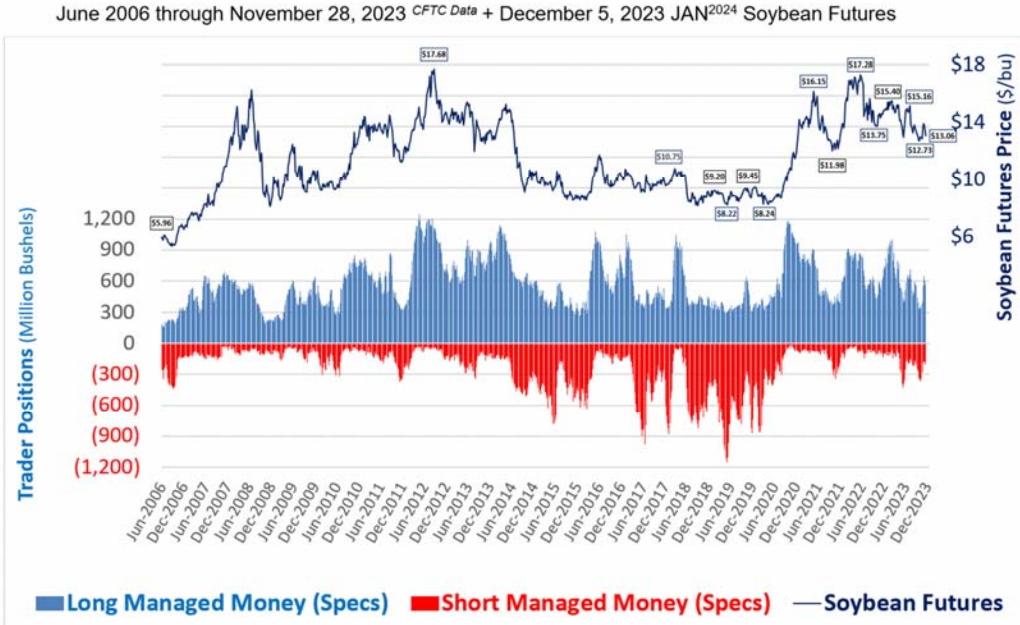
Soybean Futures-Net Position of Traders

June 2006 through November 28, 2023 *CFTC Data* + December 5, 2023 JAN2024 Soybean Futures



Soybean Futures-Managed Money Traders (Specs): *Long & Short Positions*

June 2006 through November 28, 2023 *CFTC Data* + December 5, 2023 JAN2024 Soybean Futures



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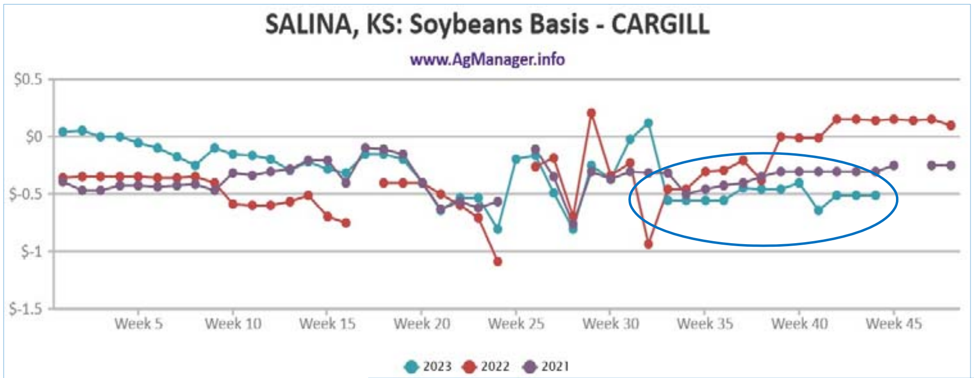

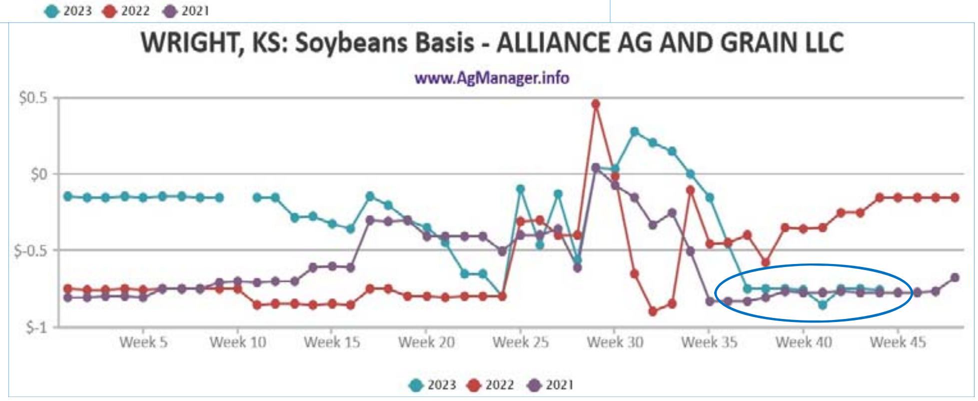

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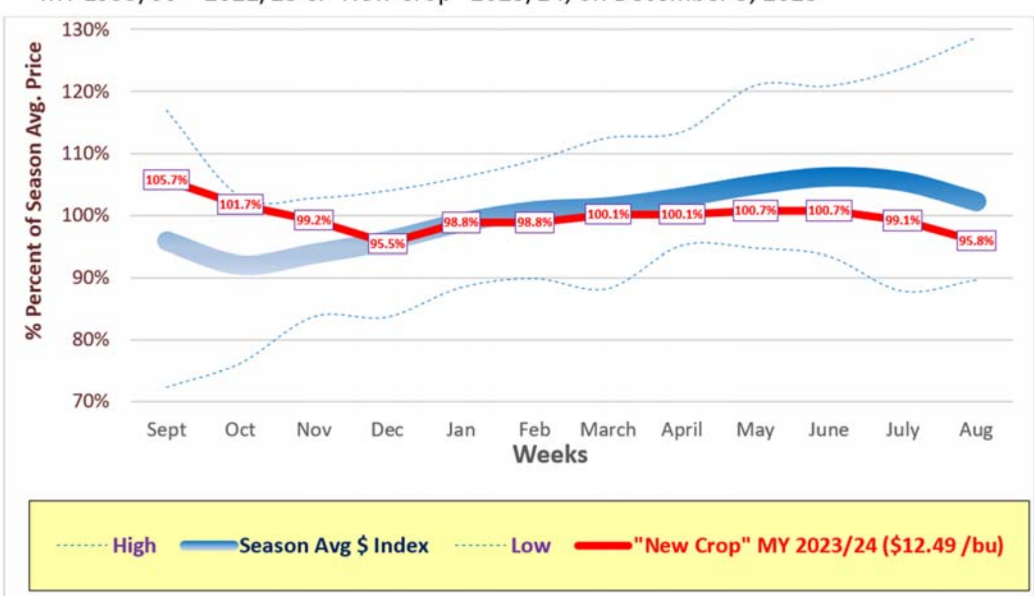
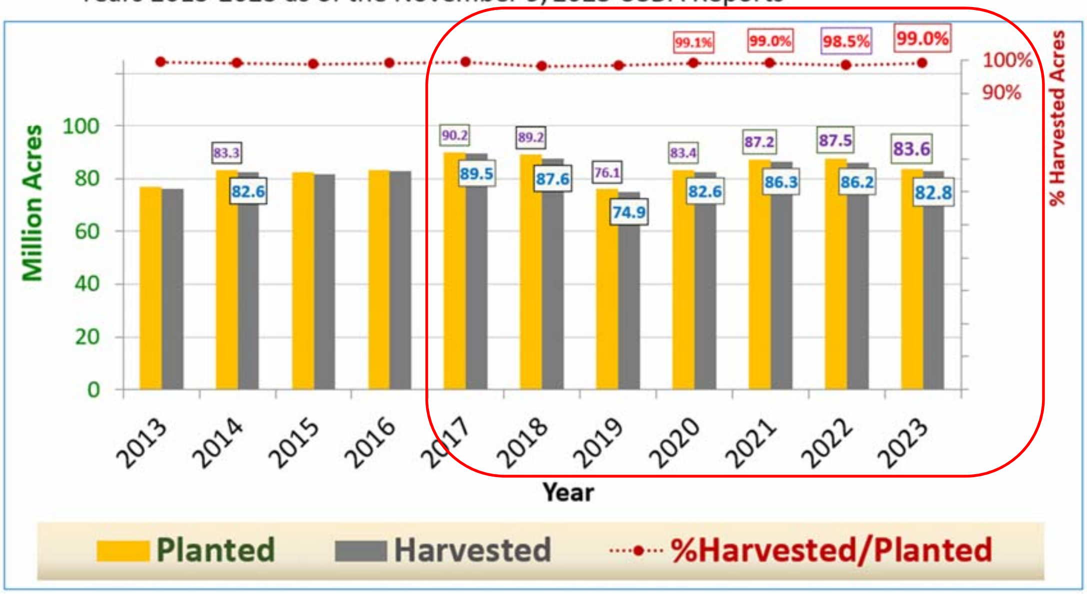
U.S. & Kansas Soybean Seasonal Prices

MY 1999/00 – 2022/23 & "New Crop" 2023/24, on December 5, 2023



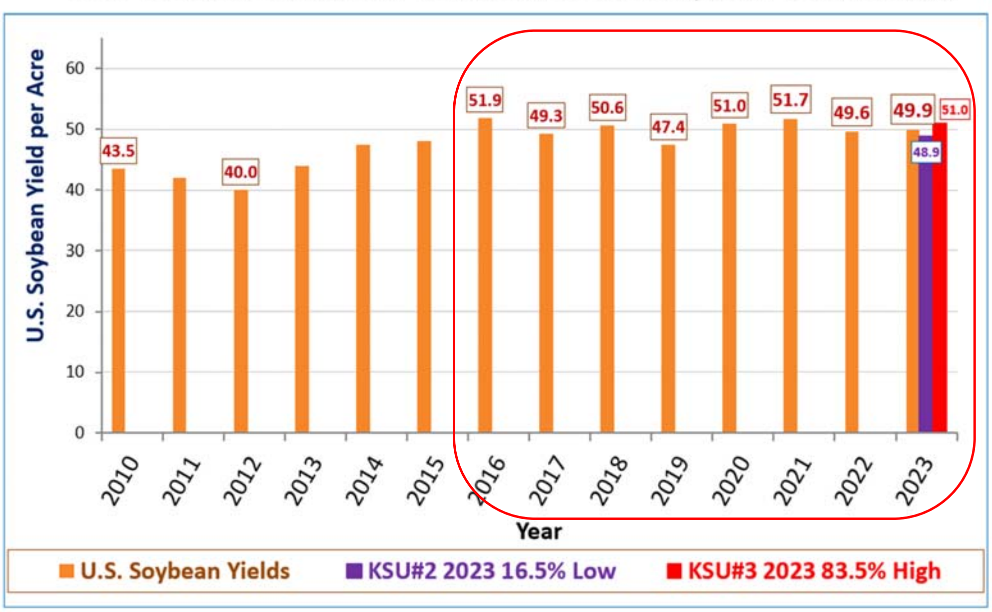
U.S. Soybean Acreage for 2013-2023

Years 2013-2023 as of the November 9, 2023 USDA Reports



U.S. Soybean Yields: 2010-2023

As of the November 9, 2023 USDA WASDE & ERS Reports + KSU Estimates

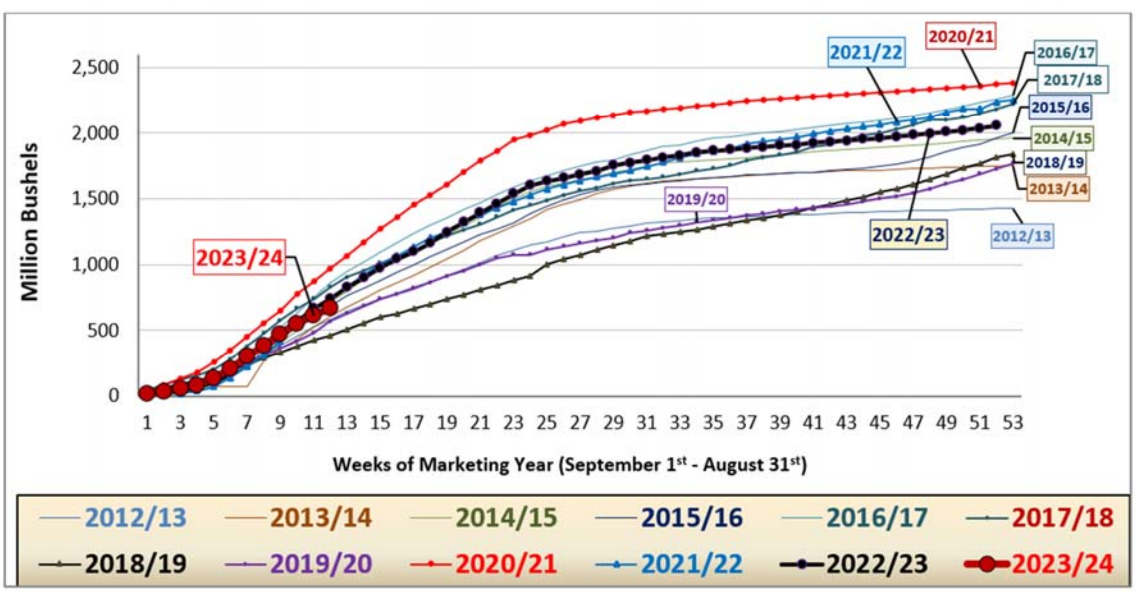


U.S. Soybean Use & Ending Stocks

MY 2012/13 - Projected "New Crop" MY 2023/24 as of the November 9, 2023 USDA Reports

U.S. Soybean Exports

MY 2012/13 thru "Current" MY 2022/23, USDA FAS Weekly Export reports thru 11/23/2023

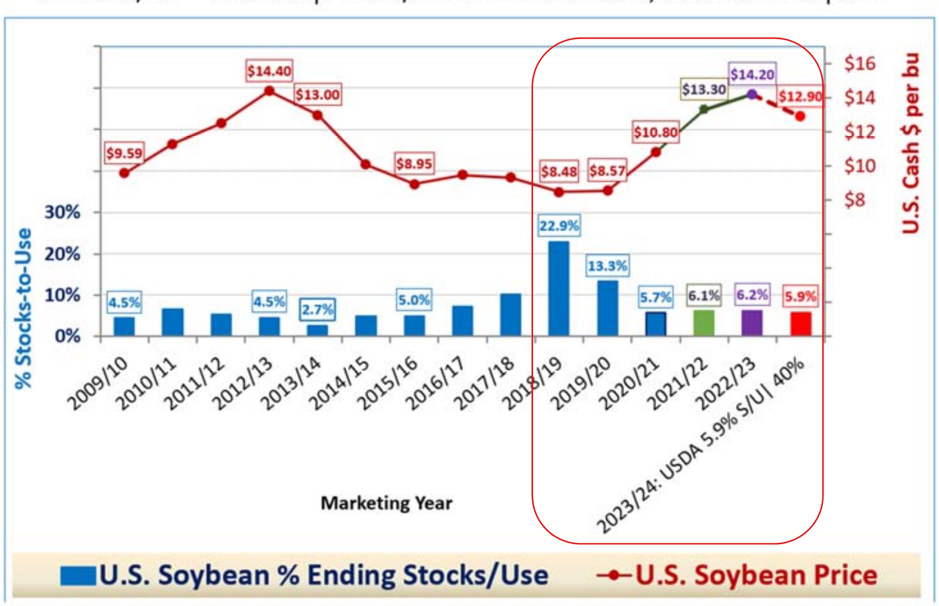


U.S. Soybean Stocks & % Stocks-to-Use

MY 2012/13 thru "New Crop" MY 2023/24 as of the 11/9/2023 USDA

U.S. Soybean % Stocks/Use vs U.S. $'s

MY 2009/10 – "Next Crop" 2023/24 as of November 9, 2023 USDA Reports



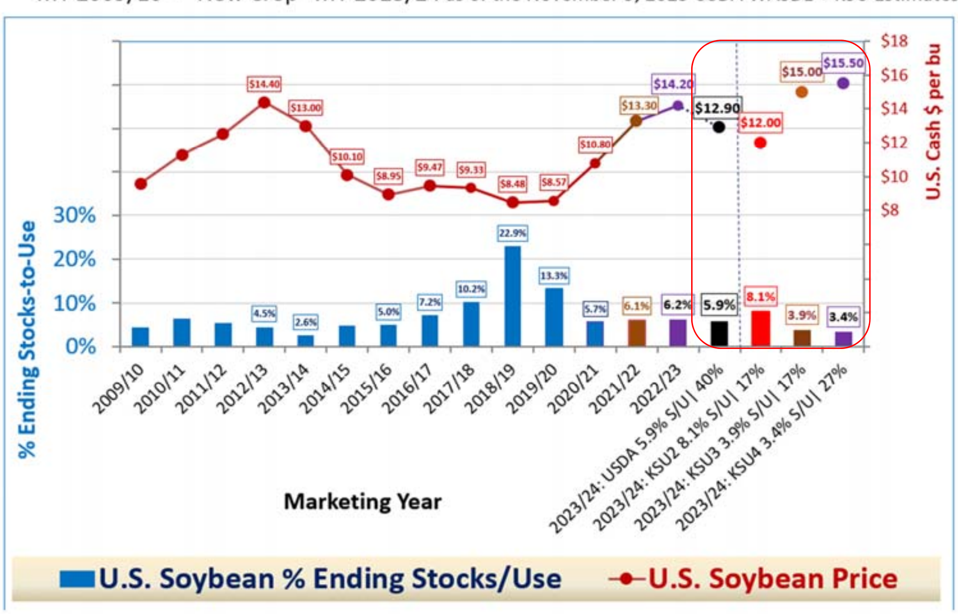
U.S. Soybean Projected S-D *"New Crop" MY 2023/24*

As of the November 9, 2023 USDA WASDE Report **+ KSU Scenarios** *As of 12/4/2023*

Item	A. USDA WASDE Scenario #1 *"New Crop" 2023/24* Using 11/9/2023 USDA Info. *245 mb End Stocks, 5.85% S/U*	B. KSU Scenario #2 *"New Crop" 2023/24* Yield: 50.95 bu/ac "High End" Prodn. Error USDA	C. KSU Scenario #3 *"New Crop" 2023/24* Yield: 48.85 bu/ac "High End" Prodn. Error USDA	D. KSU Scenario #4 *"New Crop" 2023/24* Crush: +50 mb Exports: +50 mb
% Probability of Occurring (KSU)	*40%KSUest*	*16.5%KSUest*	*16.5%KSUest*	*27%KSUest*
Planted Area (million acres)	83.600	83.600	83.600	83.600
Harvested Area (million acres)	82.791	82.791	82.791	82.791
Yield / harvested acre (bu/ac)	49.9	50.95	48.85	49.9
Production (million bu.)	4,129	*(+89 mb)* 4,218	*(-84 mb)* 4,045	4,129
Total Supply (million bu.)	4,428	*(+88 mb)* 4,516	*(-85 mb)* 4,343	4,428
Domestic Crushings	2,300	2,300	2,300	*(+50 mb)* 2,350
Exports	1,755	1,755	1,755	*(+50 mb)* 1,805
Total Use	4,182	4,182	4,182	*(+100 mb)* 4,282
Ending Stocks	245	*(+89 mb)* 338	*(-84 mb)* 161	*(-100 mb)* 146
% Ending Stocks-to-Use	5.86%	*8.08%*	*3.85%*	*3.41%*
U.S. Avg. Farm Price ($/bu)	**$12.90** USDA $12.49 *KSU 12/5/2023*	$12.00 KSU $12.49 *KSU 12/5/2023*	$15.00 KSU $12.49 *KSU 12/5/2023*	$15.50 KSU $12.49 *KSU 12/5/2023*

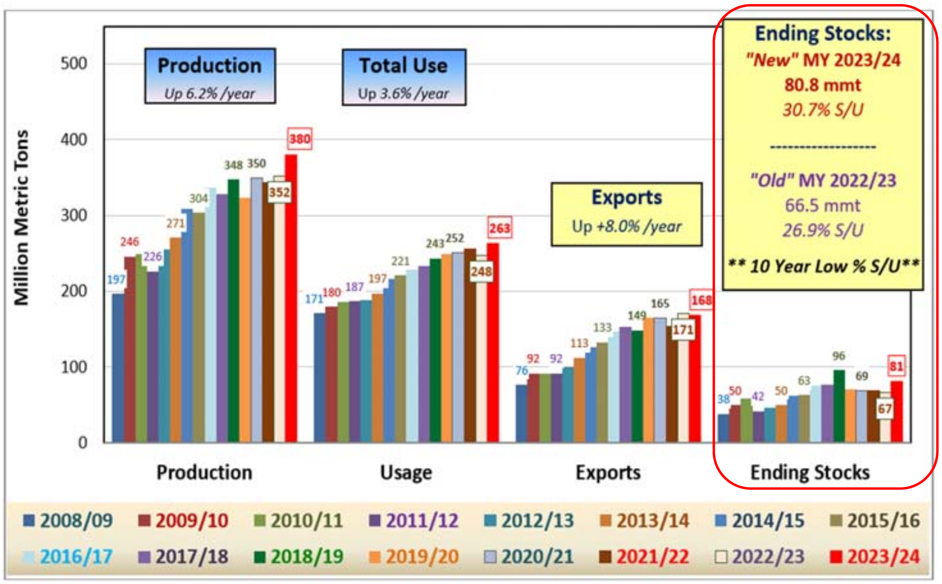
U.S. Soybean % Stocks/Use vs U.S. Cash$

MY 2009/10 – "New Crop" MY 2023/24 as of the November 9, 2023 USDA WASDE + KSU Estimates



World Less-China Soybean Use & End Stocks

MY 2008/09 - "New Crop" MY 2023/24 as of the November 9, 2023 WASDE

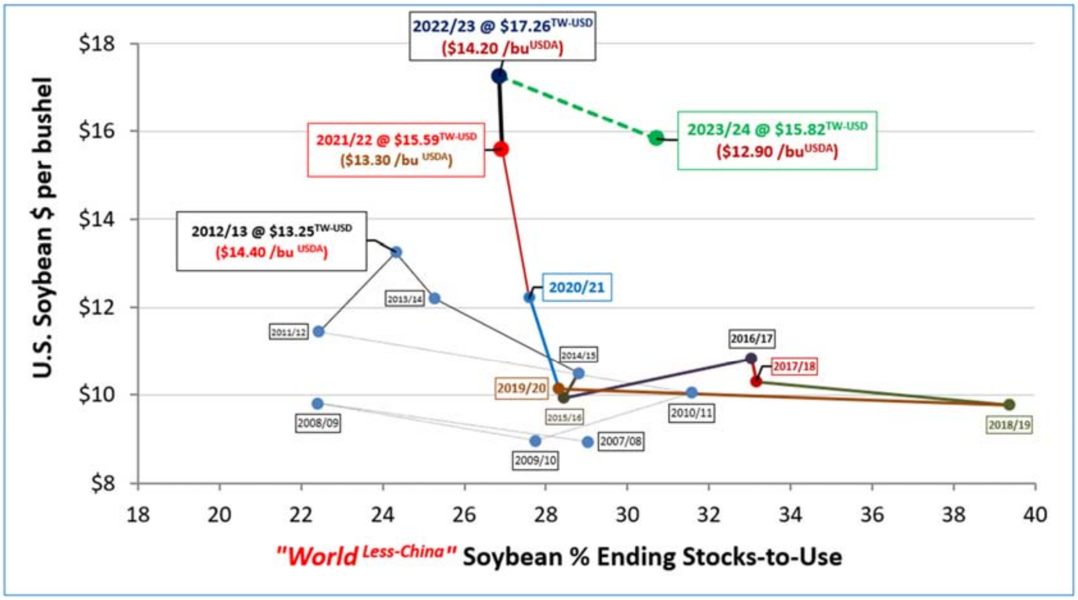


World vs "World Less-China" Soybean % Stocks/Use

MY 2007/08 through "New Crop" MY 2023/24, as of the November 9, 2023 USDA WASDE report

U.S. Soybean $^{USD\$ \text{ Adj}}$ vs "World $^{\text{Less-China}}$" % S/U

MY 2007/08 thru "New Crop" MY 2023/24 as of the November 9, 2023 WASDE Report



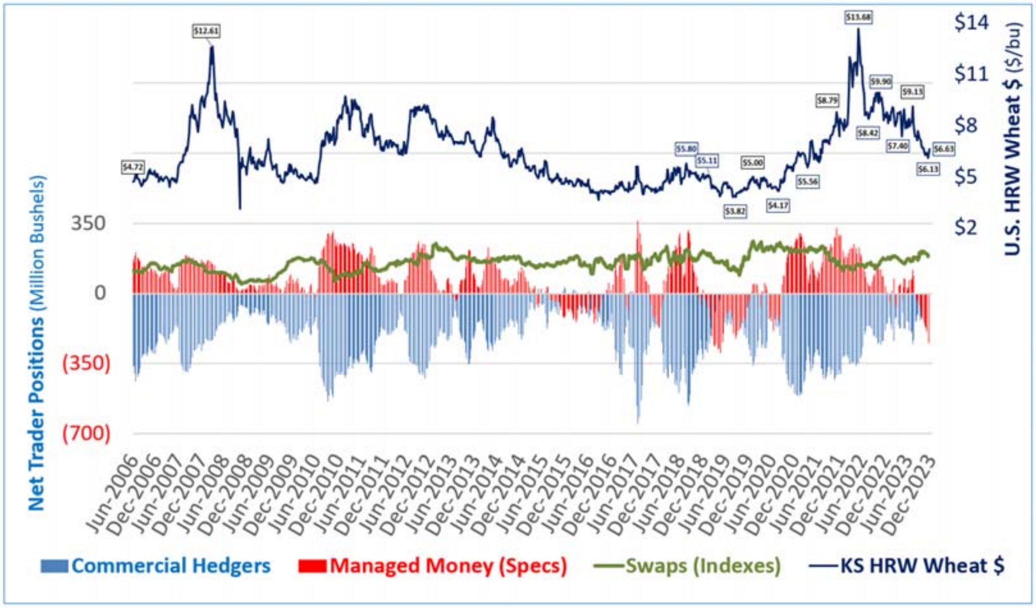
Wheat Markets

Kansas State University Department of Agricultural Economics

DEC 2023 KS HRW Wheat Futures *12/5/2023 Closes*

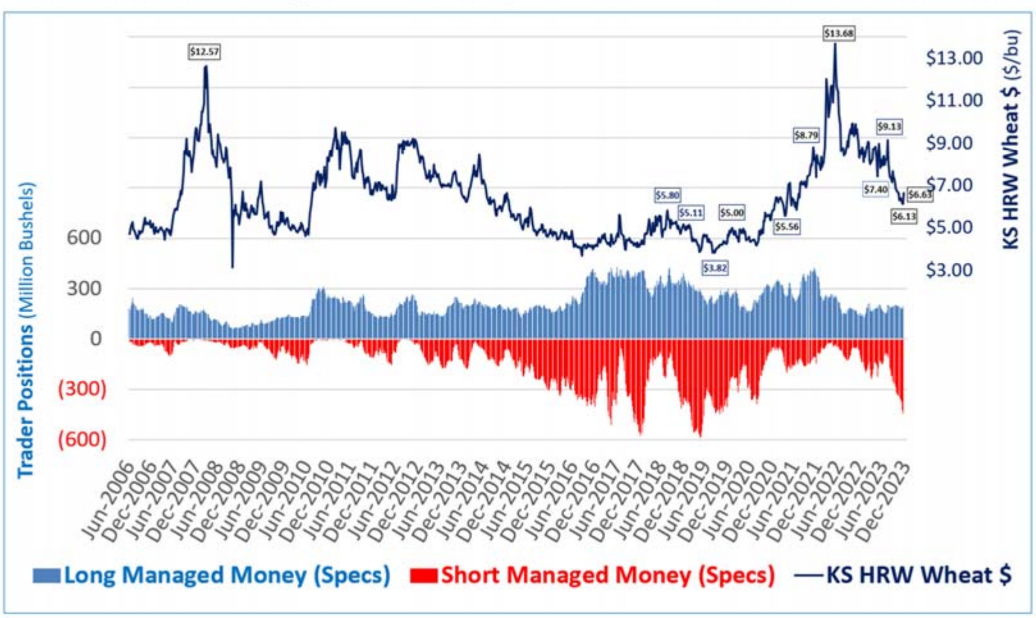
CME KS HRW Wheat Net Position of Traders with Futures $'s

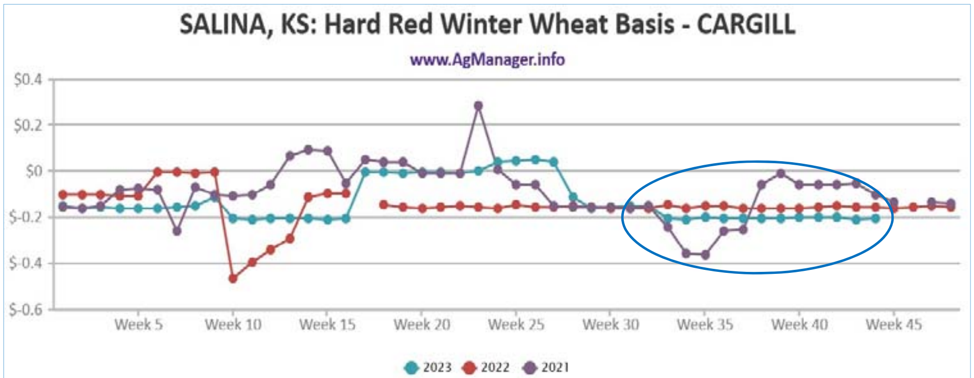
June 2006 thru November 28, 2023 (Weekly CFTC Data) with 12/5/2023 Futures Market Closes for MAR 2024 Kansas HRW Wheat

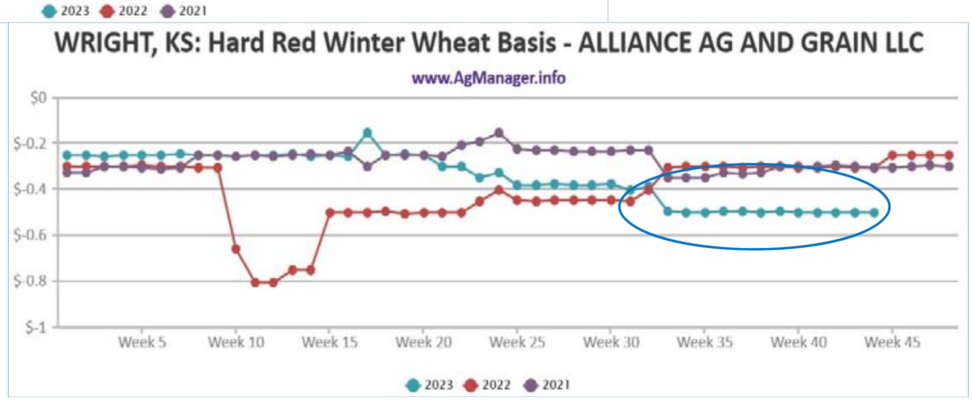


CME KS HRW Wheat Managed Money Traders Specs Long/Short

Positions + Futures $'s: June 2006 – November 28, 2023 (Weekly CFTC Data) with 12/5/2023 Futures Closes for MAR 2024 KS HRW Wheat Futures

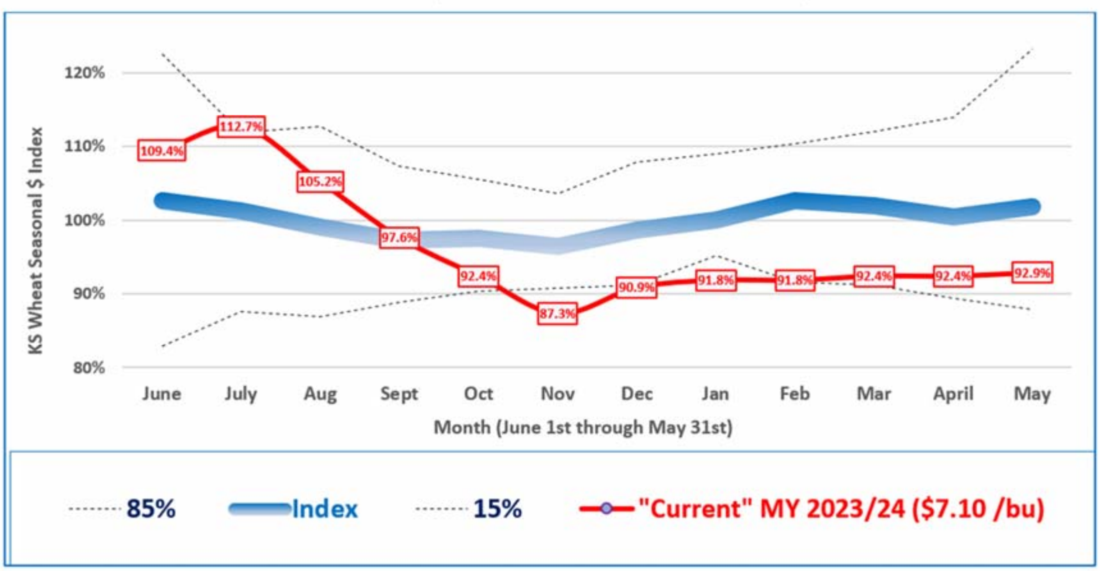






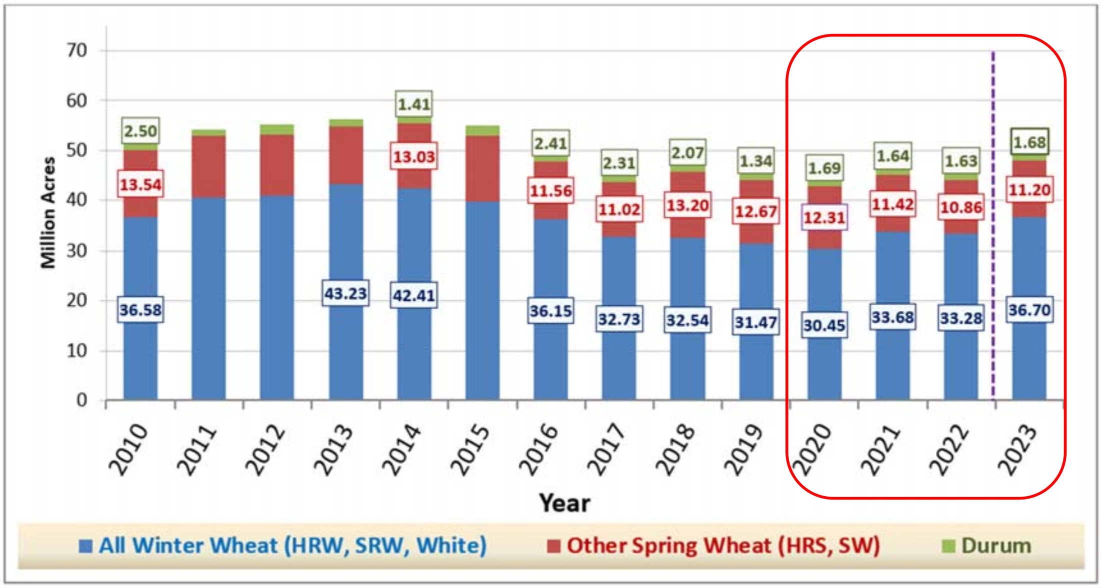
Hard Red Winter HRW Wheat Seasonal $'s

MY 1999/00 – 2019/20 + "Old Crop" 2022/23 & "Current New Crop" 2023/24 as of 12/5/2023



U.S. Wheat Planted Acreage

All Winter, Other Spring & Durum Classes (since MY 2000/01) as of the 11/9/2023 USDA Reports

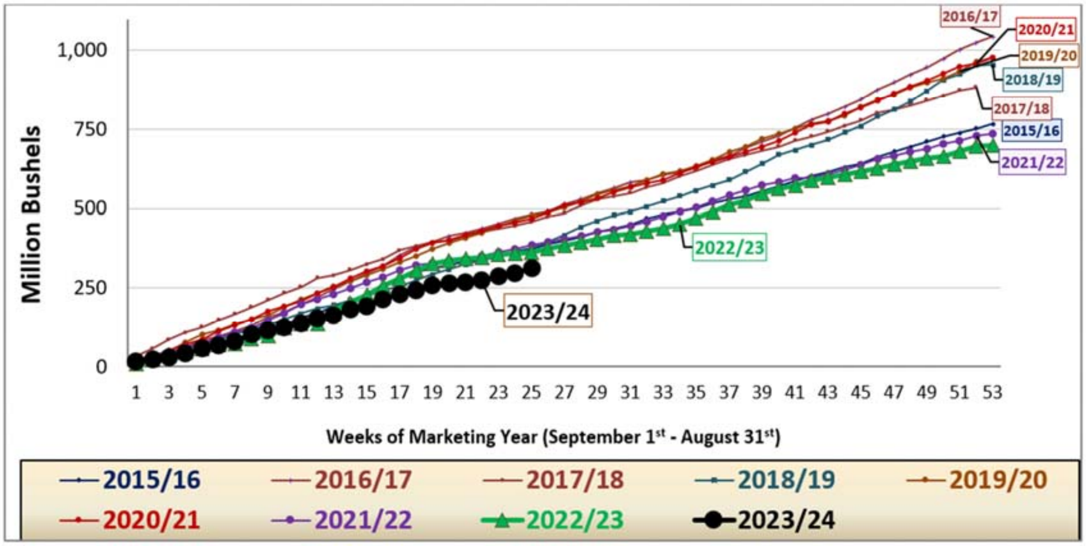


U.S. Wheat Planted & Harvested Acreage

(MY 2010/11 – "New Crop" 2023/24) as of November 9, 2023 USDA Reports

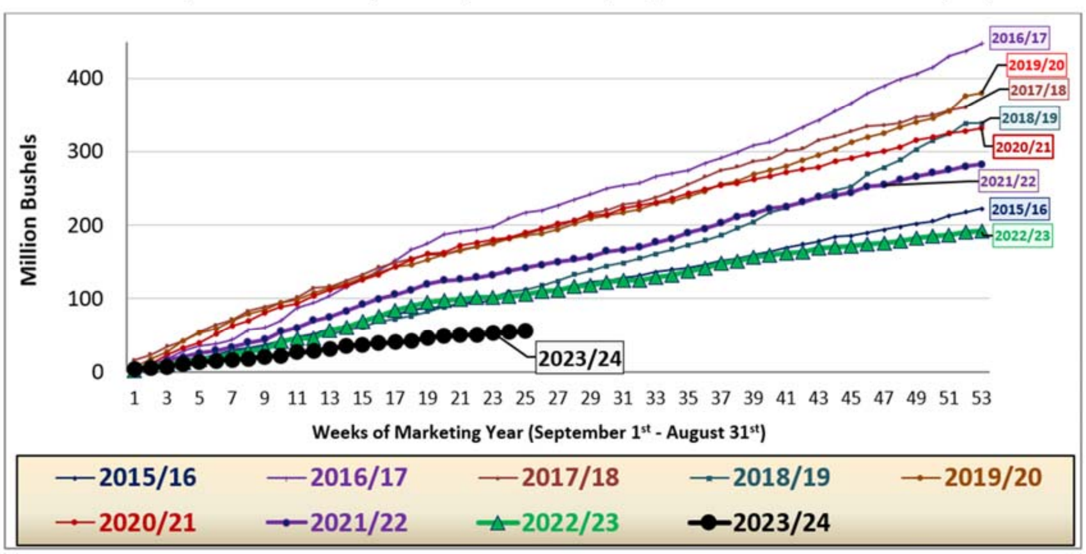
U.S. All Wheat Exports

MY 2015/16 -"New Crop" 2023/24 as of 11/23/2023, USDA FAS Weekly Exports



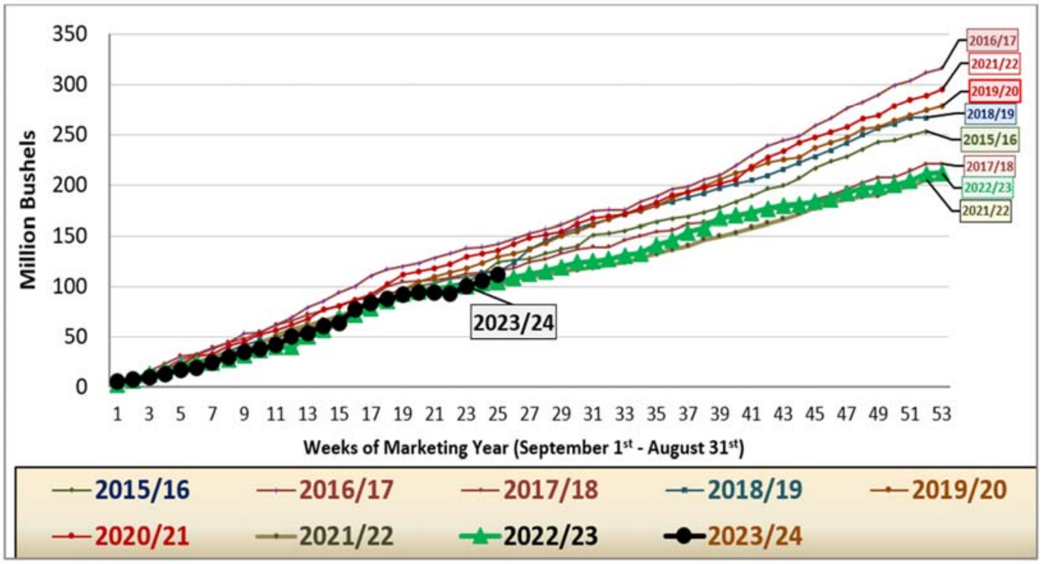
U.S. Hard Red Winter (HRW) Wheat Exports

MY 2015/16 - "New Crop" 2023/24 as of 11/23/2023 USDA FAS Weekly Exports



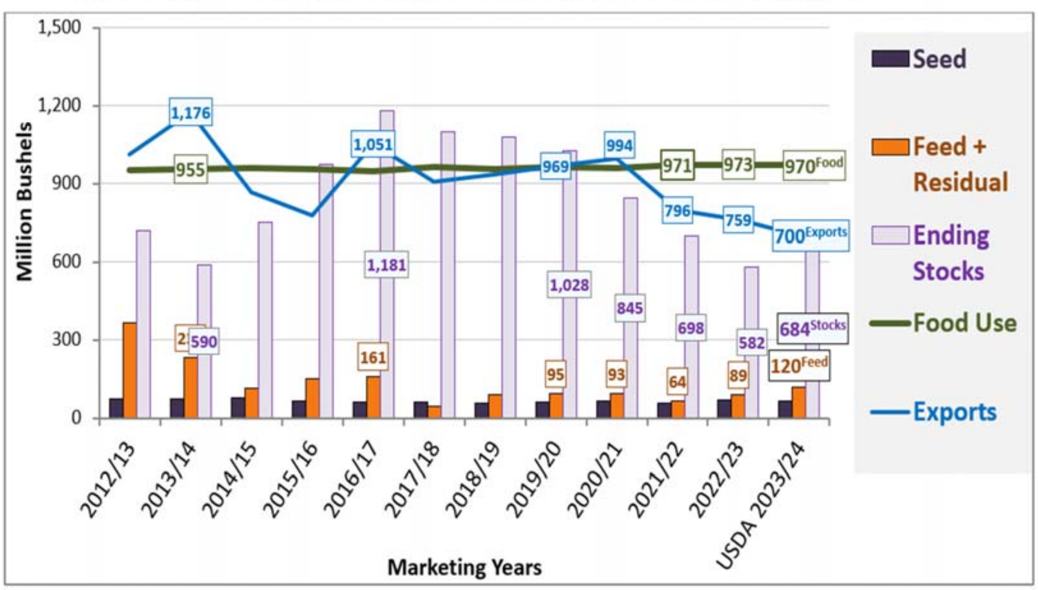
U.S. Hard Red Spring (HRS) Wheat Exports

MY 2015/16 - "New Crop" 2023/24 as of 11/23/2023 USDA FAS Weekly Exports



U.S. Wheat Use & Ending Stocks

MY 2012/13 – "*New Crop*" 2023/24 as of the November 9, 2023 USDA Reports



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U.S. Wheat Ending Stocks & % S/U

MY 2006/07 thru "New Crop" MY 2023/24 – November 9, 2023 USDA Reports

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U.S. Wheat % Stocks/Use vs Cash $'s

MY 2009/10 thru "New Crop" MY 2023/24 – As of the November 9, 2023 USDA Reports

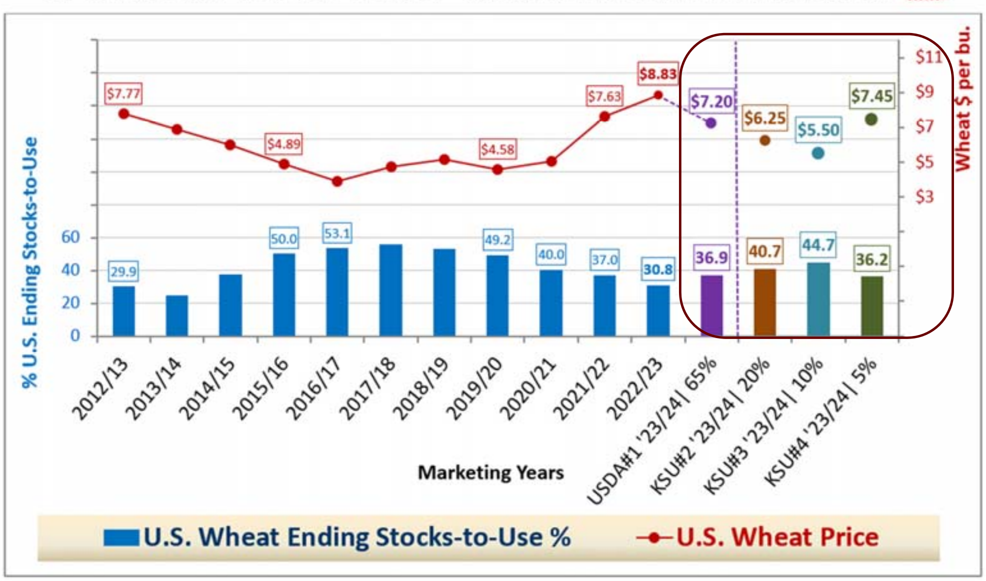
U.S. Wheat Market Outcomes for "New Crop" MY 2023/24

USDA & KSU Projections based on the November 9, 2023 USDA Report + KSU Scenarios

Item	USDA Scenario #1 "New Crop" 2023/24 Nov. 9, 2023 USDA	KSU Scenario #2 "New" 2023/24 KSU: 650 mb Exports 40.7% Stocks/Use	KSU Scenario #3 "New" 2023/24 KSU: 600 mb Exports 44.7% Stocks/Use	KSU Scenario #4 "New" 2023/24 KSU: 48.3 bu/ac Prodn: -1.96 Frcst Err[SD]
% Probability of Happening [KSU]	*65% prob*	*20% prob.*	*10% prob*	*5% prob.*
Planted Area (million acres)	49.575	49.575	49.575	49.575
Harvested Area (mln acres)	37.272	37.272	37.272	37.272
Yield / harvested ac (bu/ac)	48.6	48.6	48.6	- 0.3 bu/ac. 48.3
	Million Bushels			
Production	1,812	1,812	1,812	- 13 mb 1,799
Total Supply (million bu)	**2,539**	**2,539**	**2,539**	- 13 mb **2,526**
Food Use	970	970	970	970
Exports	700	- 50 mb 650	- 100 mb 600	700
Total Use (million bushels)	**1,855**	- 50 mb **1,805**	- 100 mb **1,755**	**1,855**
Ending Stocks (million bu)	684	+ 50 mb 734	+ 100 mb 784	- 13 mb 671
% Ending Stocks-to-Use	**36.87%**	**40.66%**	**44.67%**	**36.17%**
U.S. Wheat Avg. Farm Price ($/bushel)	**$7.20**	**$6.25**	**$5.50**	**$7.45**

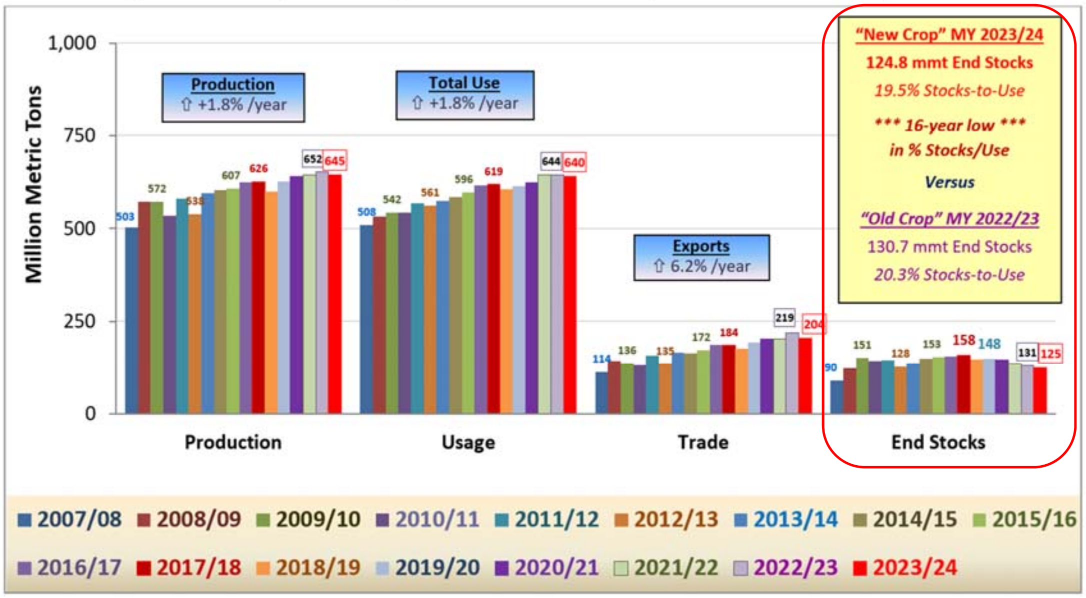
U.S. Wheat % Stocks/Use vs U.S. Cash $'s

MY 2012/13 thru *"New Crop"* 2023/24 – As of the November 9, 2023 USDA Reports + KSU Ests.



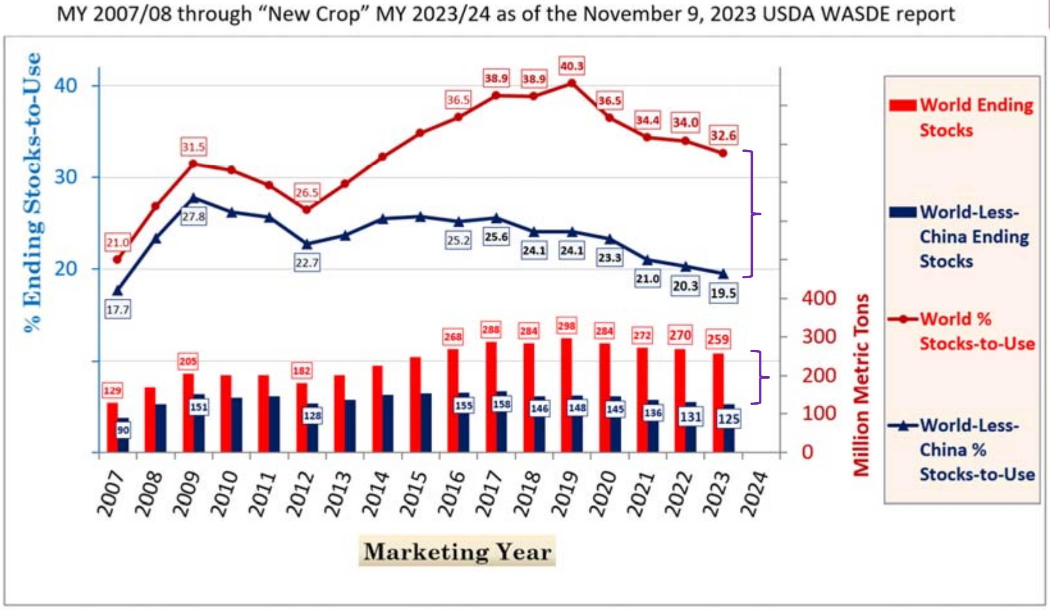
"World Less-China" Wheat Usage & Ending Stocks

MY 2007/08 - "New Crop" MY 2023/24 as of the November 9, 2023 USDA WASDE Report



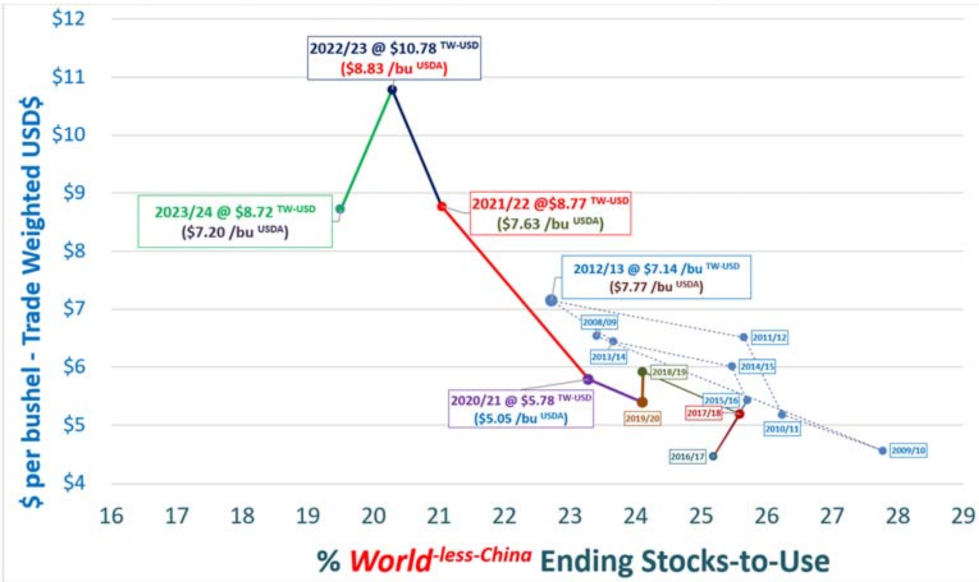
World vs "World Less-China" Wheat Stocks & % S/U

MY 2007/08 through "New Crop" MY 2023/24 as of the November 9, 2023 USDA WASDE report



U.S. Wheat $ Trade-Wtd USD$ vs World Less-China % S/U

MY 2008/09 through "New Crop" 2023/24 as of the November 9, 2023 USDA WASDE



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Cotton Markets

November 2023

WASDE - 642 - 17

U.S. Cotton Supply and Use 1/

	2021/22	2022/23 Est.	2023/24 Proj. Oct	2023/24 Proj. Nov
Area		*Million Acres*		
Planted	11.22	13.76	10.23	10.23
Harvested	10.27	7.31	8.02	8.02
		Pounds		
Yield per Harvested Acre	819	950	767	783
		Million 480 Pound Bales		
Beginning Stocks	3.15	4.05	4.25	4.25
Production	17.52	14.47	12.82	13.09
Imports	0.01	0.00	0.01	0.01
Supply, Total	20.68	18.52	17.07	17.35
Domestic Use	2.55	2.05	2.15	2.05
Exports, Total	14.48	12.77	12.20	12.20
Use, Total	17.03	14.82	14.35	14.25
Unaccounted 2/	-0.40	-0.55	-0.08	-0.11
Ending Stocks	4.05	4.25	2.80	3.20
Avg. Farm Price 3/	91.4	84.8	80.0	77.0

Note: Reliability calculations at end of report. 1/ Upland and extra-long staple; marketing year beginning August 1. Totals may not add due to rounding. 2/ Reflects the difference between the previous season's supply less total use and ending stocks. 3/ Cents per pound for upland cotton.

Closing Perspectives

Kansas State University Department of Agricultural Economics

Questions?

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Kansas State University

Department of Agricultural Economics