

Grain Market Outlook for 2023-24

2023 Crop Insurance Workshop

Grand Island, Nebraska

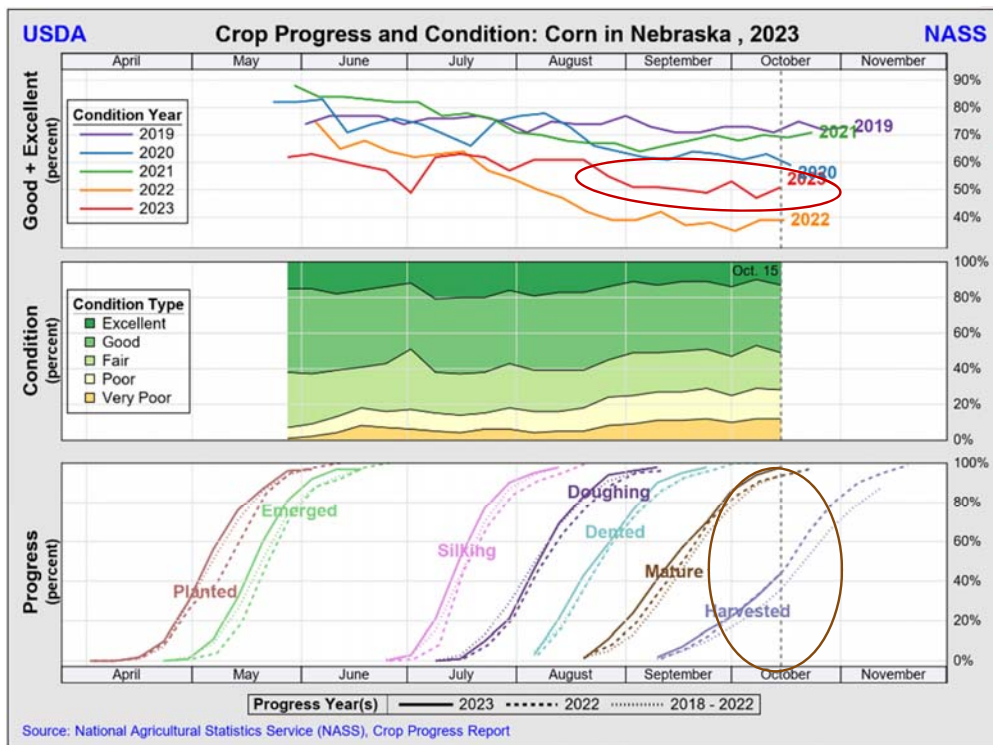
October 19, 2023

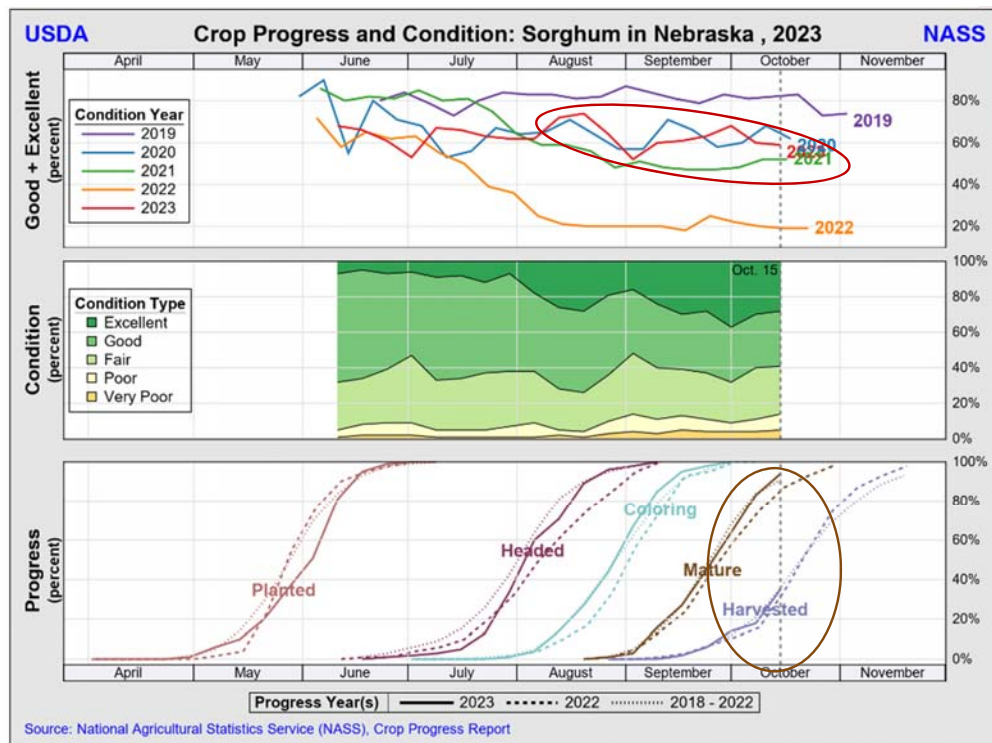
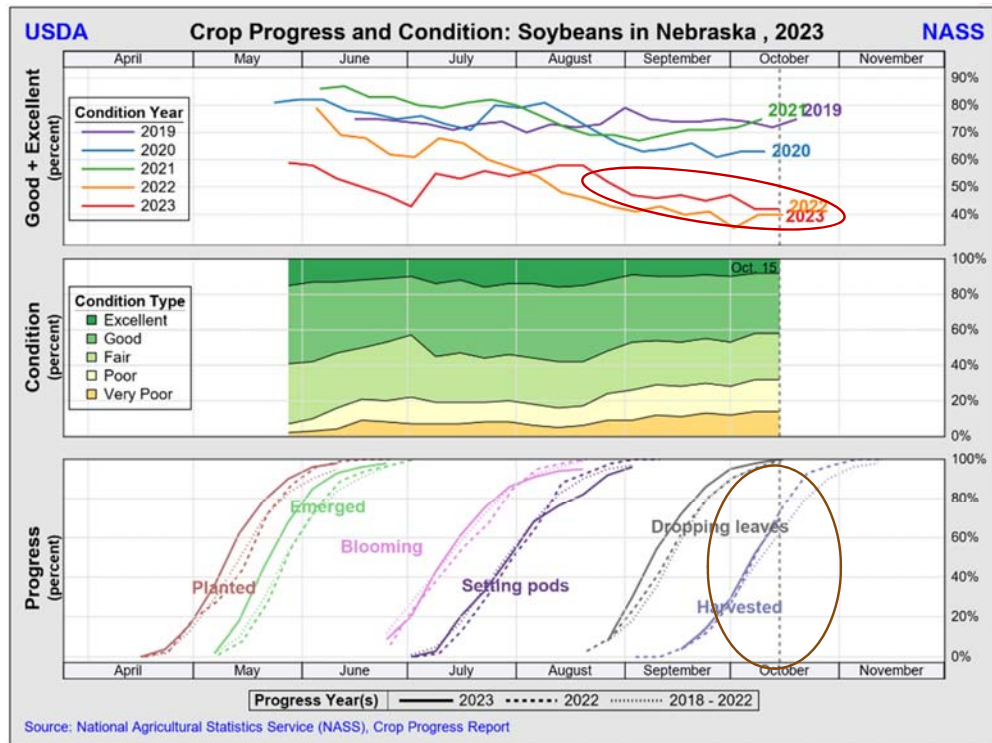
DANIEL O'BRIEN

EXTENSION AGRICULTURAL ECONOMIST

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Department of Agricultural Economics





U.S. & Global Weather

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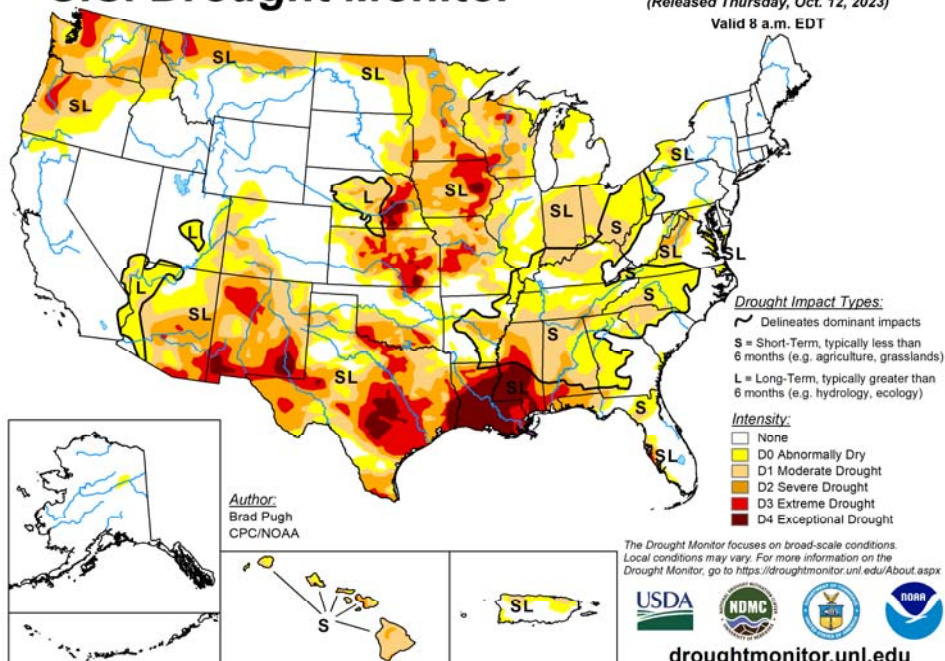


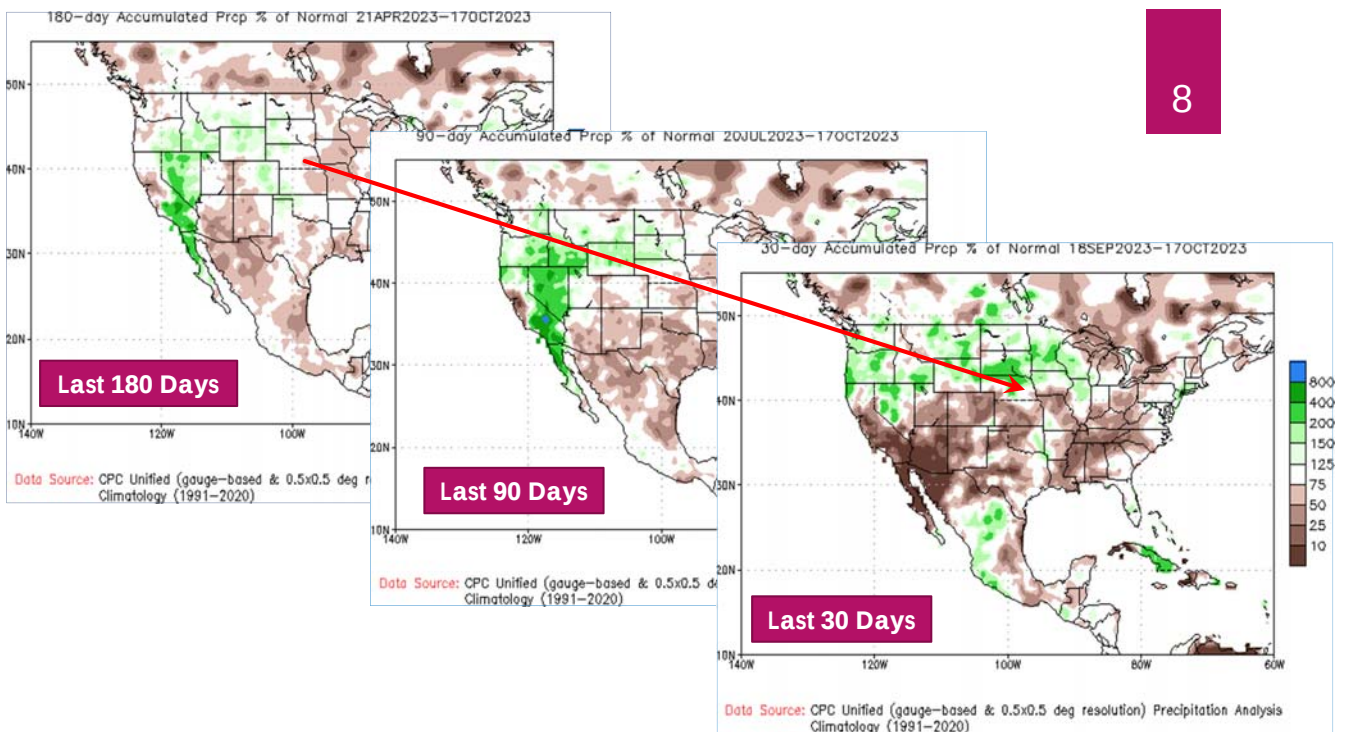
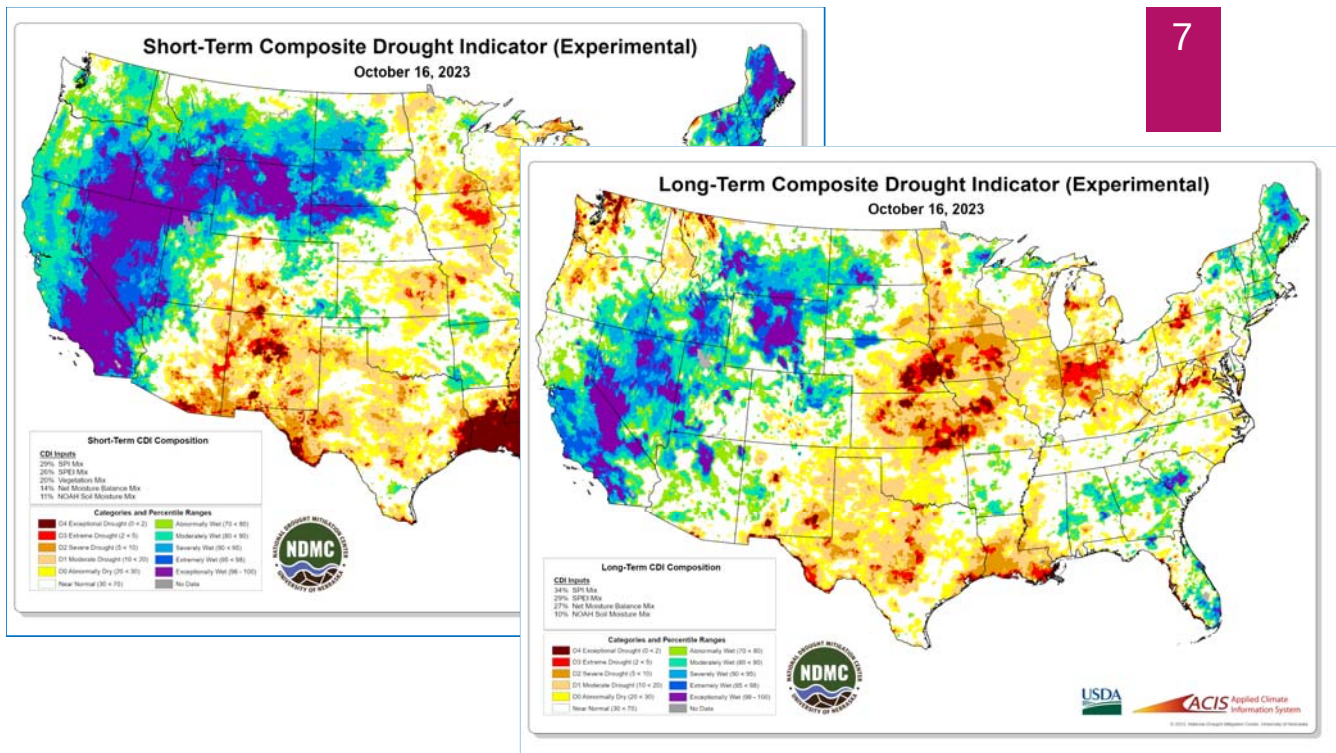
KANSAS STATE UNIVERSITY Department of Agricultural Economics

U.S. Drought Monitor

October 10, 2023
(Released Thursday, Oct. 12, 2023)
Valid 8 a.m. EDT

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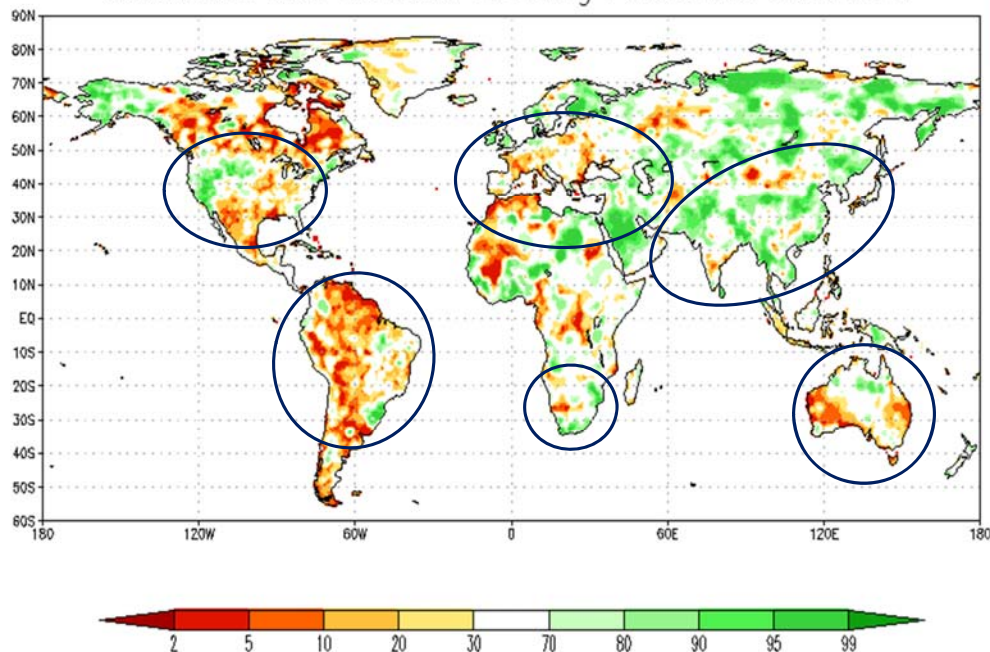
Agriculture in Drought*

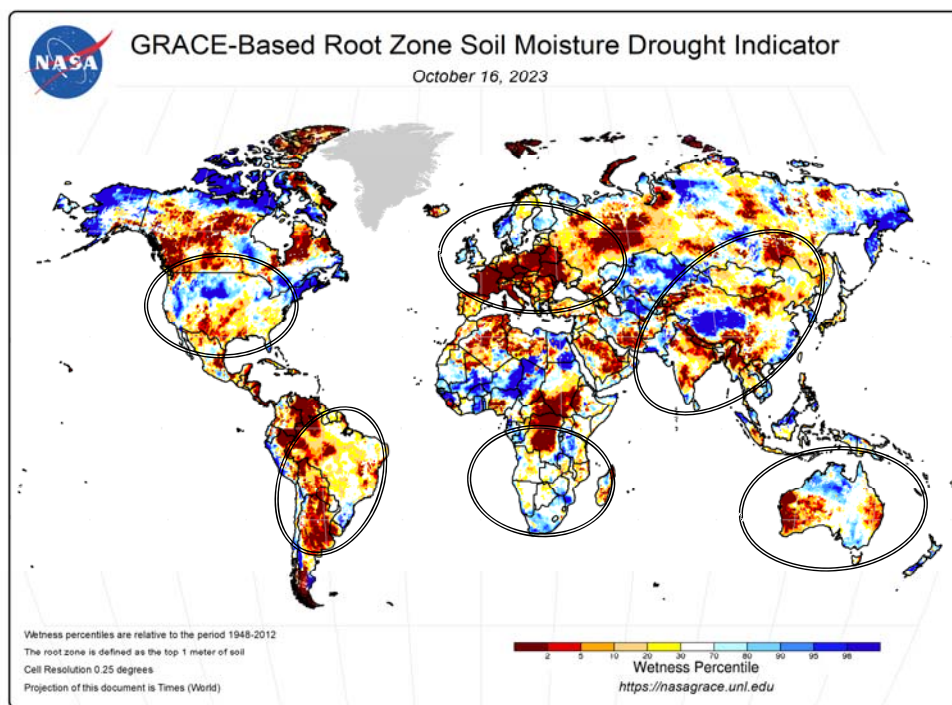
* Numbers represent the percent of each commodity located in moderate or more intense drought (D1+) and the changes since last week and last year.

This product was prepared by the
 USDA Office of the Chief Economist (OCE)
 World Agricultural Outlook Board (WAOB).

	Oct 10	Previous		Change		
	2023	Week	Year	Week	Year	
Corn	59%	59%	49%	0%	10%	(summer crops)
Soybeans	58%	58%	48%	0%	10%	
Cotton	42%	43%	60%	-1%	-18%	
Peanuts	29%	29%	29%	0%	0%	
Rice	46%	47%	82%	-1%	-36%	
Sunflowers	10%	10%	58%	0%	-48%	
Barley	33%	34%	72%	-1%	-39%	
Sorghum	50%	52%	76%	-2%	-26%	
Durum Wheat	41%	41%	95%	0%	-54%	
Spring Wheat	51%	51%	74%	0%	-23%	(winter crop)
Winter Wheat	49%	49%	66%	0%	-17%	
Hay	41%	41%	61%	0%	-20%	(forage)
Alfalfa Hay	34%	34%	62%	0%	-28%	

Calculated Soil Moisture Ranking Percentile 20231017



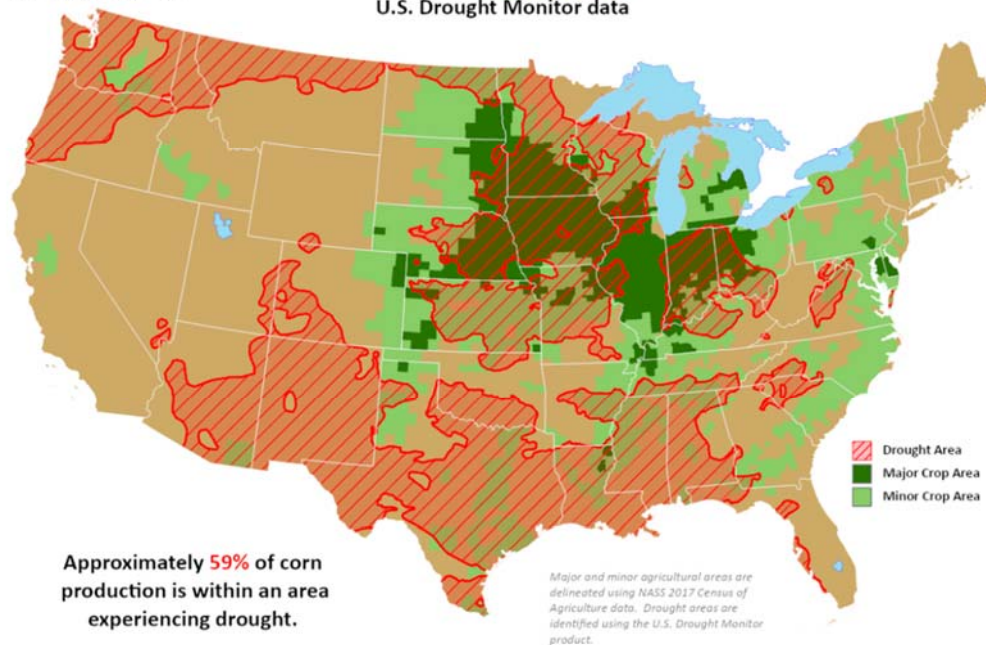


Corn Markets



Corn Areas in Drought

Reflects **October 10, 2023**
 U.S. Drought Monitor data



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ELEC. CORN (@C2023Z)



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Monthly Commodity Futures Price Chart TFC Commodity Charts Corn (Globex) (CBOT)

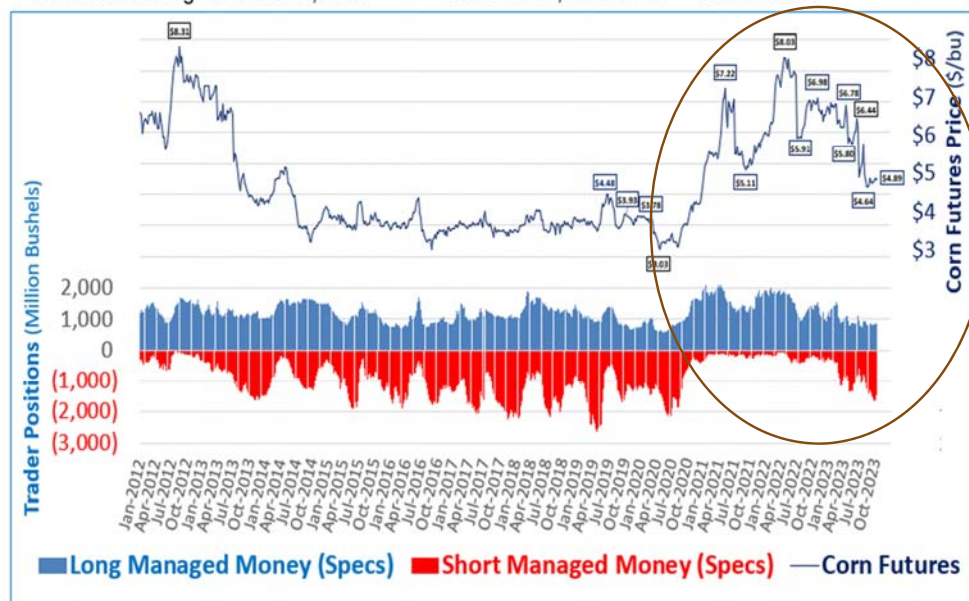
15

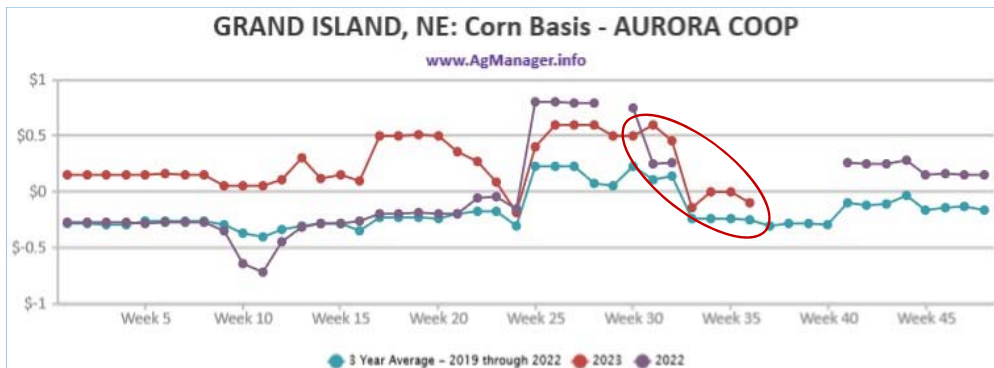


Corn Futures-Managed Money Traders (Specs): Long & Short Positions

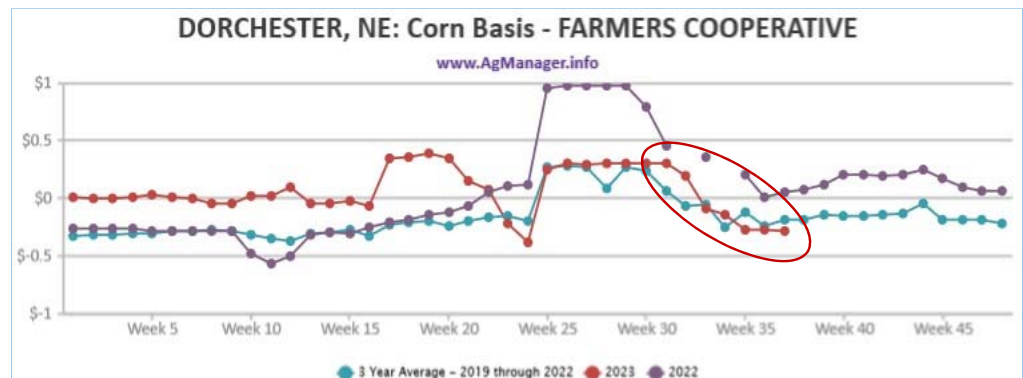
16

June 2012 through October 10, 2023 CFTC Data + October 17, 2023 DEC²⁰²³ Corn Futures Closes





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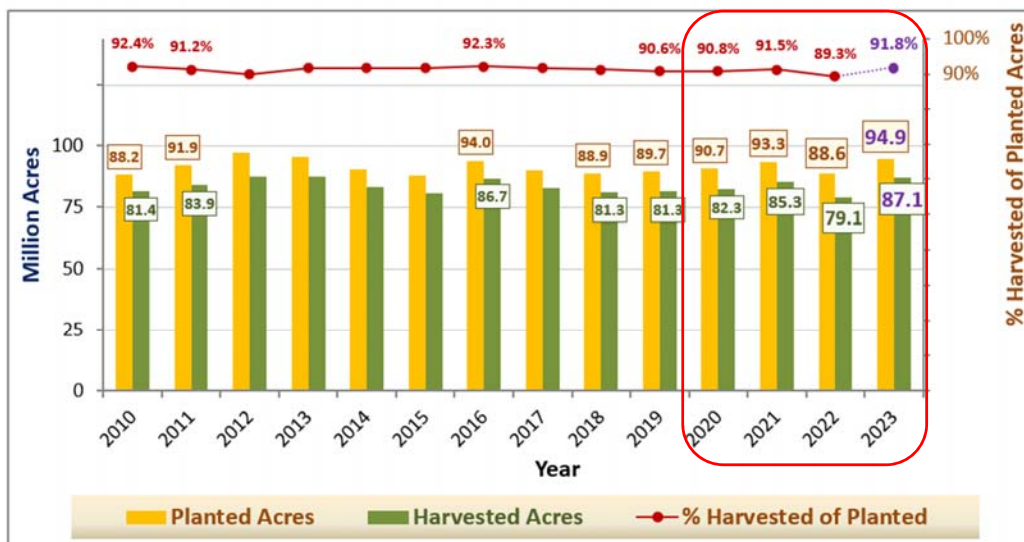


Nebraska Kansas Cash & Futures Prices						
Date						
10/18/2023 Closes						
Grain Futures Contracts	Closing \$					
DEC 2023 Corn (2023 Lead Contract - October Delivery)	\$4.9200					
MAR 2024 Corn (2023-24 Dec-Feb Post-Harvest Deliveries)	\$5.0650					
10/18/2023 Closes	Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators					
	<i>Representing the highest bids available at each location</i>					
Cash Market Spot & FC Bids	Scottsbluff	North Platte	Grand Island	O'Neill	Columbus	Dorchester
	Western	West Central	Central	North Central	No. Central/NE	East Cent/SE
Corn Spot Cash\$	\$4.57	\$4.67	\$4.87	\$4.67	\$4.76	\$4.77
<i>October Corn Harvest Cash Basis</i>	<i>(\$0.35)</i>	<i>(\$0.25)</i>	<i>(\$0.05)</i>	<i>(\$0.25)</i>	<i>(\$0.16)</i>	<i>(\$0.15)</i>
Corn Post-Harvest FC\$ Fall ²⁰²³	\$4.67	\$4.60	\$4.92	\$4.72	\$4.85	\$4.85
<i>Dec-Feb Corn Post-Harvest FC\$ Basis</i>	<i>(\$0.40)</i>	<i>(\$0.47)</i>	<i>(\$0.15)</i>	<i>(\$0.35)</i>	<i>(\$0.22)</i>	<i>(\$0.22)</i>

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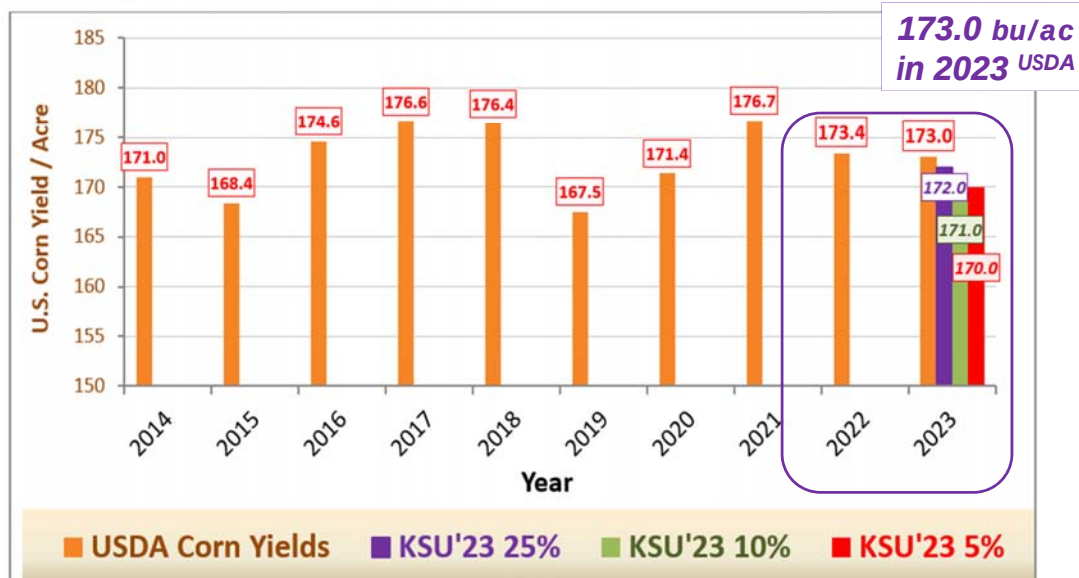
U.S. Corn Acreage for 2010-2023

Sources: USDA Crop Production & WASDE 10/12/2023 Reports



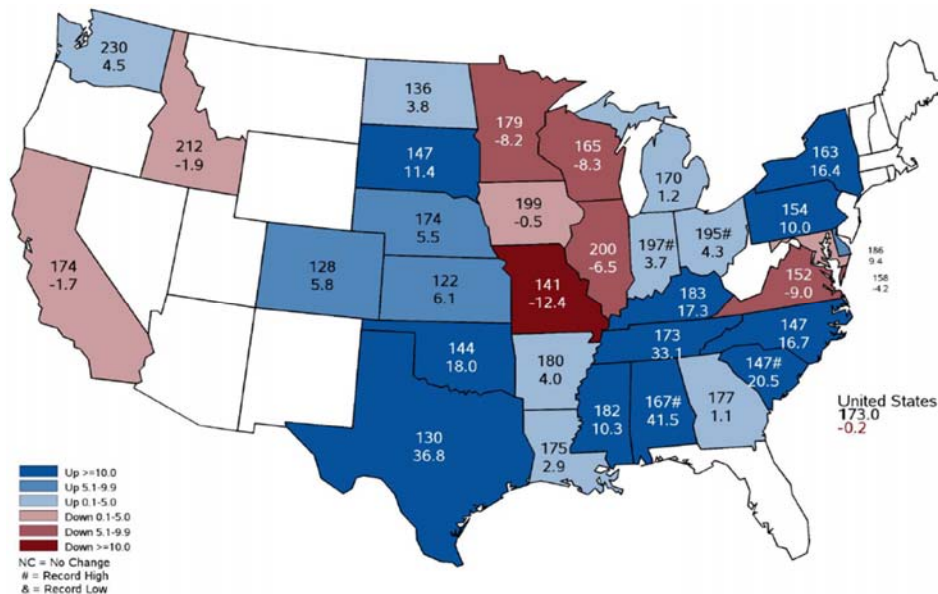
U.S. Corn Yields for 2014-2023

Through USDA reports on October 12, 2023 + K-State Yield Estimate 10/17/2023/2023



October 2023 Corn Yield

Bushels and Percent Change from Previous Year



U.S. Corn Supply and Demand

Item	2022/2023		2023/2024		
	Estimate	Change from September 12	Forecast	Change from September 12	Change from 2022/2023
Planted area (million acres)	88.6	**	94.9	--	6.3
Harvested area (million acres)	79.1	-0.1	87.1	--	8.0
Yield (bushels per acre)	173.4	**	173.0	-0.8	-0.4
----- Million bushels -----					
Beginning stocks	1,377	--	1,361	-90	-16
Production	13,715	-15	15,064	-69	1,350
Imports	39	-1	25	--	-14
Total supply	15,130	-16	16,451	-160	1,320
Feed and residual	5,549	124	5,600	-25	51
Food, seed, and industrial	6,559	-46	6,715	--	156
Ethanol	5,177	-18	5,300	--	123
Domestic use	12,108	78	12,315	-25	207
Exports	1,661	-4	2,025	-25	364
Total use	13,769	74	14,340	-50	571
Ending stocks	1,361	-90	2,111	-110	749
----- Percent -----					
Stocks to use ratio	9.9	-0.7	14.7	-0.7	4.8
----- Dollars per bushel -----					
Average market price	6.54	-0.01	4.95	0.05	-1.59

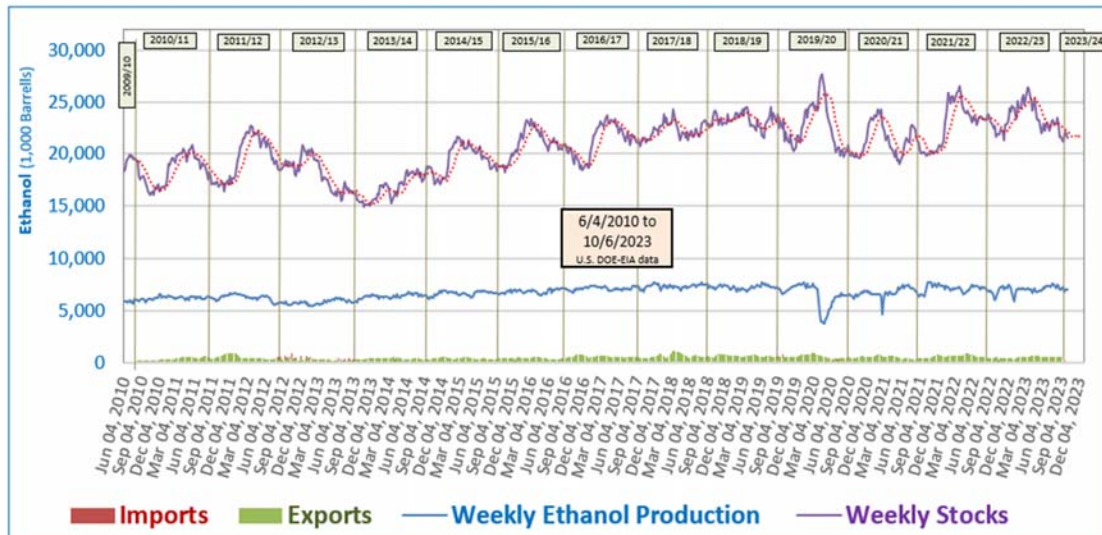
-- No change. ** Rounds to zero.

October 12, 2023

U.S. Ethanol Production & Stocks Weekly

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Based on U.S. DOE – EIA on U.S. Ethanol Industry Trends as of October 6, 2023



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

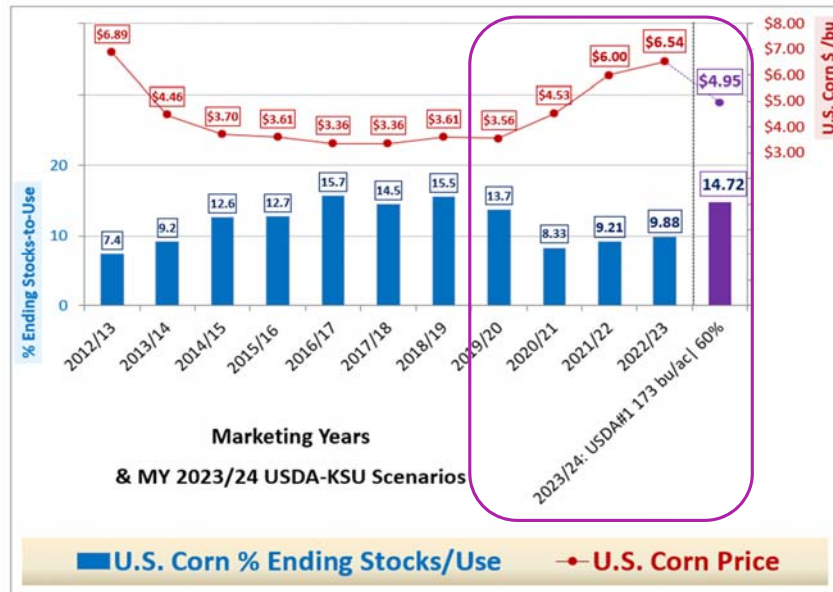
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MY 2012/13 thru "New Crop" MY 2023/24 as of the 10/12/2023 USDA + KSU Estimates



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

MY 2012/13 thru "New Crop" MY 2023/24 as of the October 12, 2023 USDA #s + KSU Ests. 10/17/2023



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U.S. Corn Supply-Demand Balance Sheet

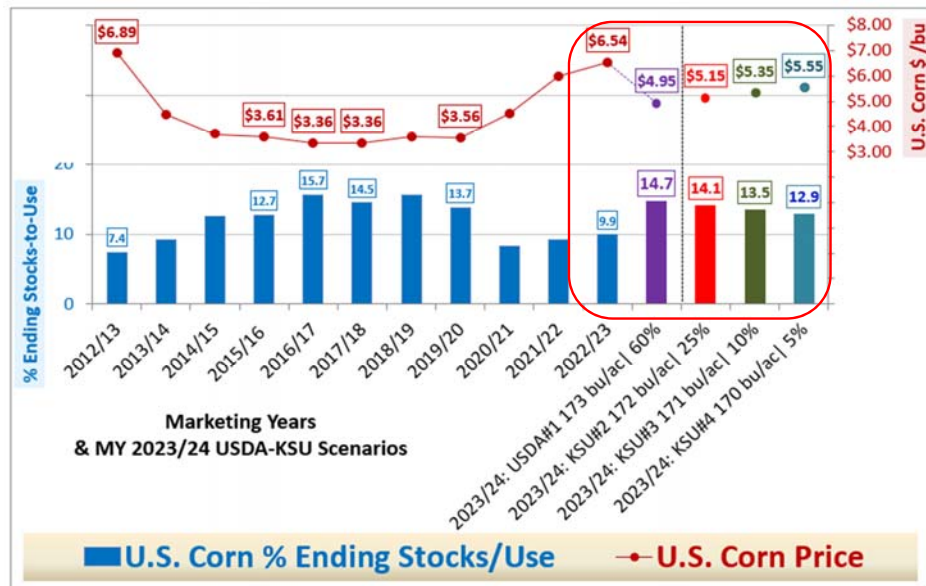
"New Crop" MY 2023/24 as of the 10/12/2023 USDA WASDE + KSU Estimates As of 10/16/2023

Item	A. USDA #1 "New Crop" MY 2023/24 "Average Yields" = 173.0 bu/ac 15.064 bb Corn Crop	B. KSU #2 "New Crop" MY 2023/24 "Lower Yields" 172.0 bu/ac @ 14.981 bb with No Rationing	C. KSU #3 "New Crop" MY 2023/24 "Yet Lower Yields" 171.0 bu/ac @ 14.893 bb with No Rationing	D. KSU #4 "New Crop" MY 2023/24 "Still Lower Yields" 170.0 bu/ac @ 14.806 bb with No Rationing
% Probability of Occurring (KSU)	60% ^{KSUest}	25% ^{KSUest}	10% ^{KSUest}	5% ^{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)	173.0	172.0	171.0	170.0
Million Bushels				
Production (million bu.)	15,064	-83 mb 14,981	-171 mb 14,893	-258 mb 14,806
Total Supply (million bu.)	16,451	-83 mb 16,367	-171 mb 16,279	-258 mb 16,192
Total Use (million bu.)	14,340	14,340	14,340	14,340
Ending Stocks (million bu.)	2,111	-84 mb 2,027	-172 mb 1,939	-259 mb 1,852
% Ending Stocks-to-Use	14.72%	14.14%	13.52%	12.91%
U.S. Corn Average Farm Price (\$/bushel)	\$4.95 ^{USDA} \$5.05 ^{KSU 10/18/2023}	\$5.15 ^{KSU} \$5.05 ^{KSU 10/15/2023}	\$5.35 ^{KSU} \$5.05 ^{KSU 10/15/2023}	\$5.55 ^{KSU} \$5.05 ^{KSU 10/18/2023}

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

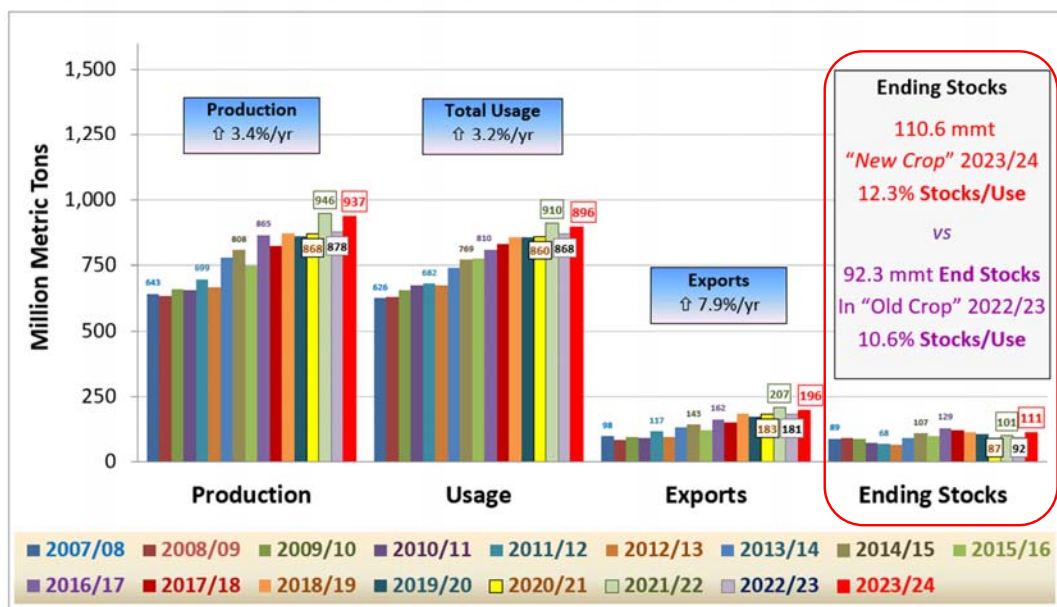
MY 2012/13 thru "New Crop" MY 2023/24 as of the October 12, 2023 USDA #s + KSU Ests. 10/17/2023



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"World Less-China" Corn Supply-Demand

MY 2007/08 – "New Crop" MY 2023/24 as of the October 12, 2023 USDA WASDE Report



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South America Corn Supply-Demand

MY 2007/08 – "New Crop" 2023/24, as of the October 12, 2023 USDA WASDE



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China Corn Supply-Demand

MY 2007/08 – "New Crop" MY 2023/24, as of the October 12, 2023 USDA WASDE report



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

MY 2007/08 through "Current" MY 2022/23, as of the October 12, 2023 USDA WASDE report

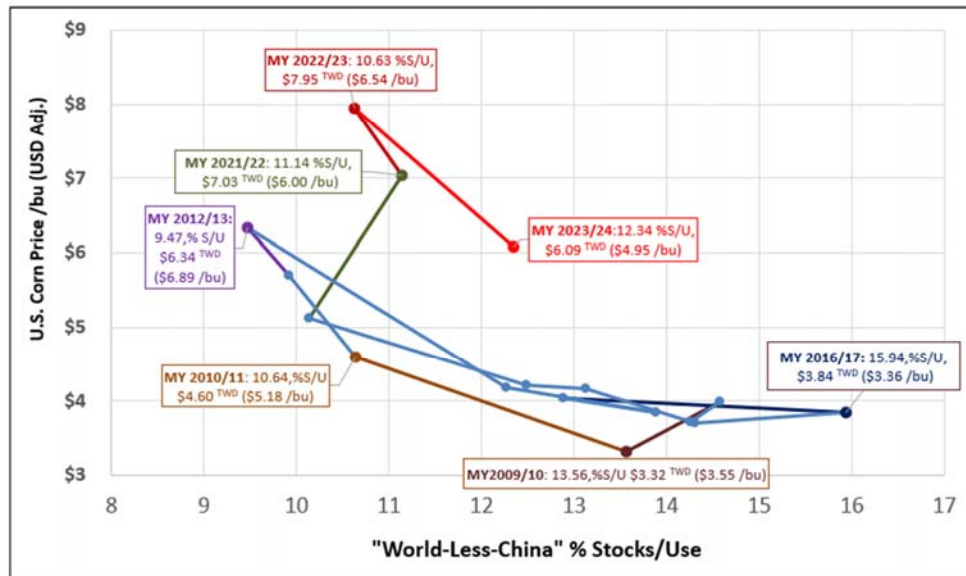


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U.S. Corn \$ USD\$ Adj. vs World Less-China % S/U

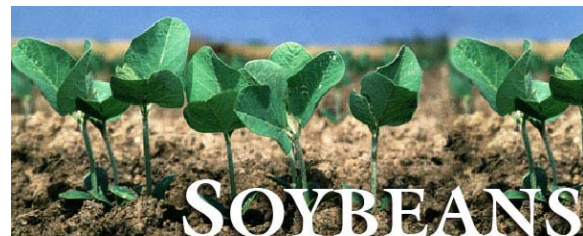
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MY 2007/08 – “New Crop” MY 2023/24, as of the October 12, 2023 USDA WASDE



Soybean Markets

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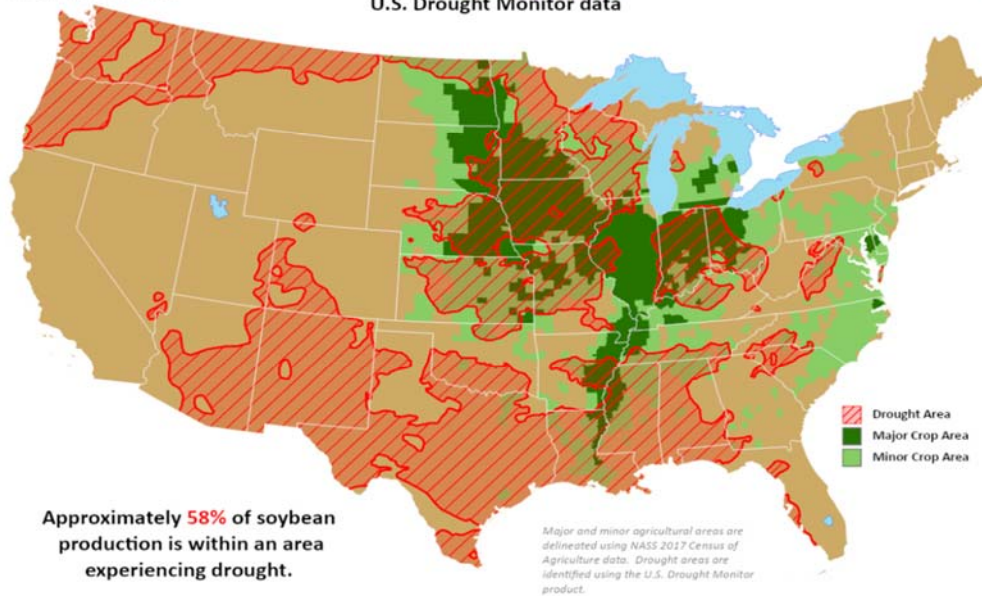
SOYBEANS

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Soybean Areas in Drought

Reflects **October 10, 2023**
 U.S. Drought Monitor data



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ELEC. SOYBEANS (@S2023X)



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Monthly Commodity Futures Price Chart Soybeans (Globex) (CBOT)

TFC Commodity Charts

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ZS - Soybeans (Globex) - Monthly Chart

Change: 39.500

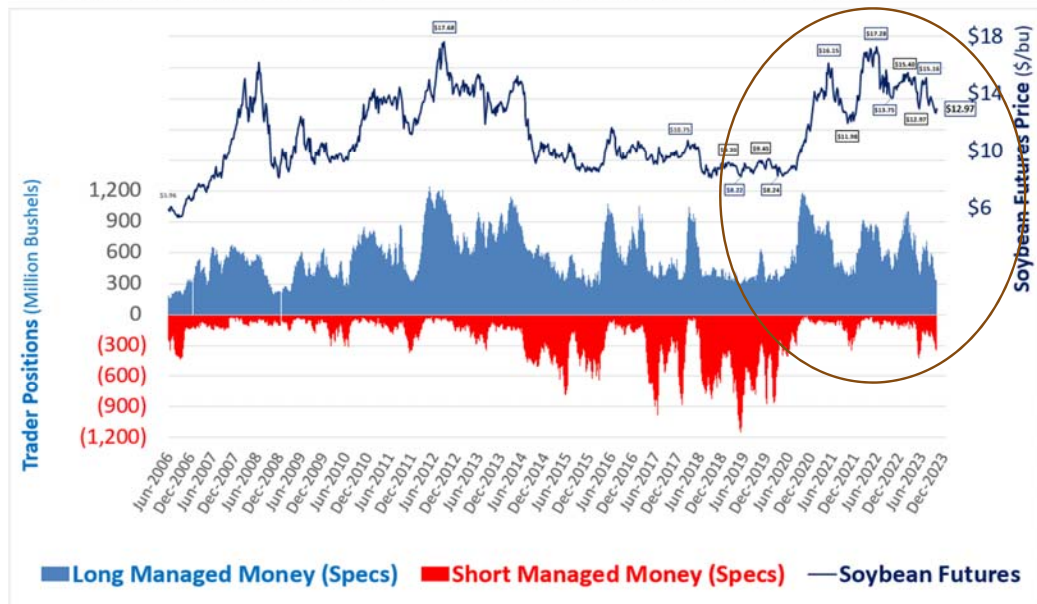
10/19/2023 O: 1272.500 H: 1315.000 L: 1250.500 C: 1312.000 Vol: 302932 OI: 824155

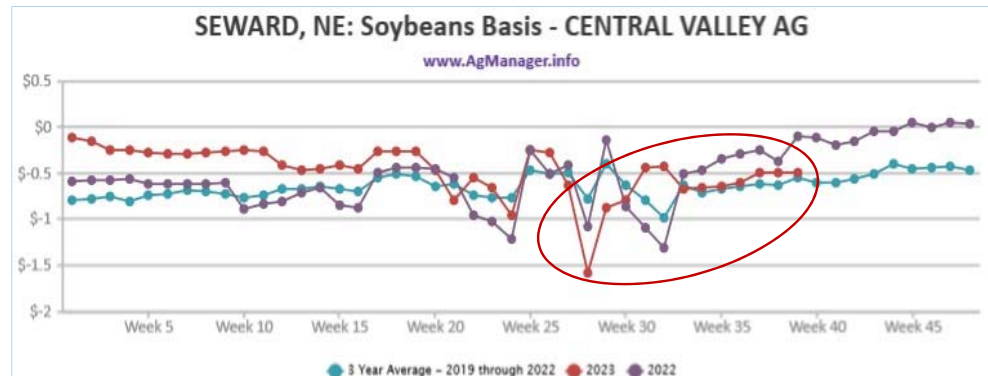
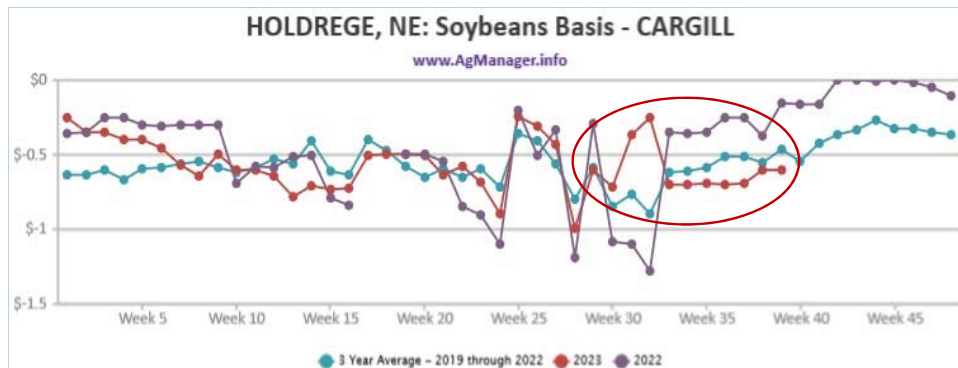


Soybean Futures-Managed Money Traders (Specs): Long & Short Positions

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June 2006 through October 10, 2023 CFTC Data + October 17, 2023 NOV²⁰²³ Soybean Futures



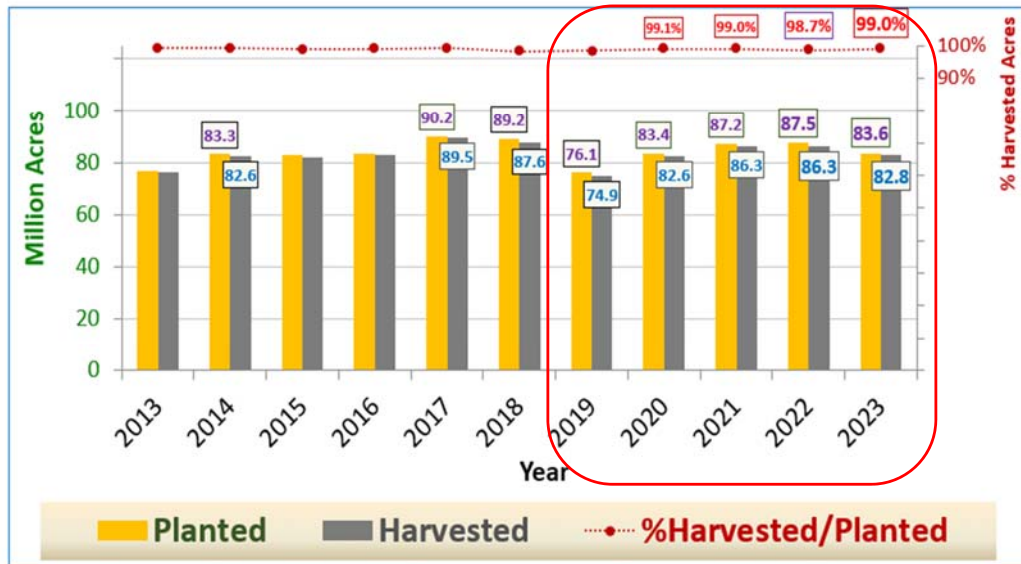


Nebraska Kansas Cash & Futures Prices						
Date						
10/18/2023 Closes						
Grain Futures Contracts	Closing \$					
NOV 2023 Soybeans (2023 Lead Contract - October Delivery)	\$13.1100					
JAN 2024 Soybeans (2023 Nov-Dec Post-Harvest Deliveries)	\$13.2925					
10/18/2023 Closes	Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators					
	<i>Representing the highest bids available at each location</i>					
Cash Market Spot & FC Bids	Scottsbluff	North Platte	Grand Island	O'Neill	Columbus	Dorchester
	Western	West Central	Central	North Central	No. Central/NE	East Cent/SE
Soybean Spot Cash\$	\$12.21	\$12.36	\$12.53	\$12.61	\$12.71	\$12.69
<i>October Soybean Spot Cash Basis</i>	(\$0.90)	(\$0.75)	(\$0.58)	(\$0.50)	(\$0.40)	(\$0.42)
Soybean Post-Harvest FC\$: Fall ²⁰²³	\$12.16	\$12.36	\$12.51	\$12.53	\$12.71	\$12.66
<i>Nov-Dec Soybean Post-Harvest FC\$ Basis</i>	(\$1.13)	(\$0.93)	(\$0.78)	(\$0.76)	(\$0.58)	(\$0.63)

U.S. Soybean Acreage for 2013-2023

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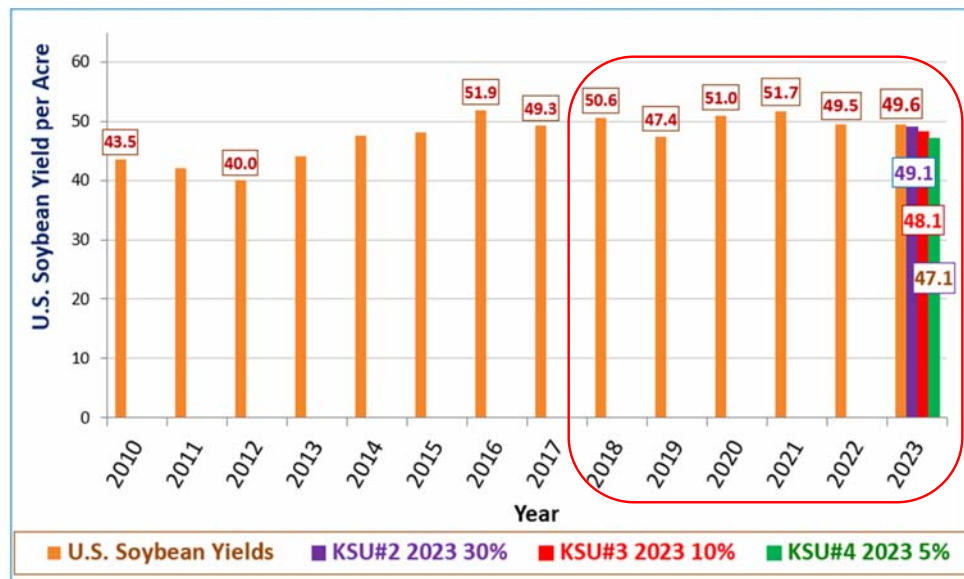
Years 2013-2023 as of the October 12, 2023 USDA Reports



U.S. Soybean Yields: 2010-2023

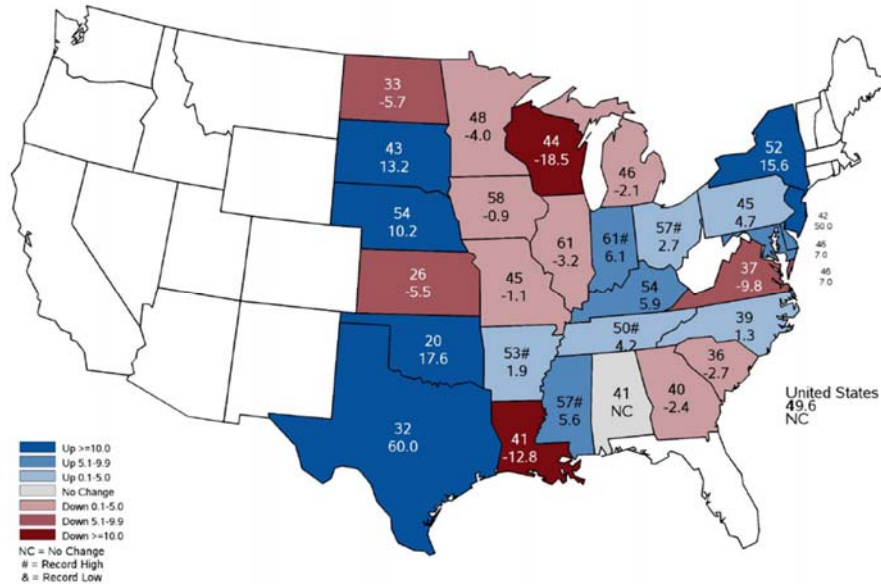
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As of the October 12, 2023 USDA WASDE & ERS Reports + KSU Estimates



October 2023 Soybean Yield

Bushels and Percent Change from Previous Year



U.S. Soybeans Supply and Demand

Item	2022/2023		2023/2024		
	Estimate	Change from September 12	Forecast	Change from September 12	Change from 2022/2023
Planted area (million acres)	87.5	--	83.6	--	-3.9
Harvested area (million acres)	86.2	-0.2	82.8	--	-3.4
Yield (bushels per acre)	49.6	**	49.6	-0.5	0.0
----- Million bushels -----					
Beginning stocks	274	--	268	18	-6
Production	4,270	-6	4,104	-42	-166
Imports	25	-5	30	--	5
Total supply	4,569	-11	4,403	-24	-167
Crush	2,212	-8	2,300	10	88
Seed and Residual	97	-23	128	2	31
Domestic use	2,309	-31	2,428	12	119
Exports	1,992	2	1,755	-35	-237
Total use	4,301	-29	4,183	-23	-118
Ending stocks	268	18	220	**	-49
----- Percent -----					
Stocks to use ratio	6.2	0.5	5.2	**	-1.0
----- Dollars per bushel -----					
Average market price	14.20	--	12.90	--	-1.30

-- No change. ** Rounds to zero.

U.S. Soybean Use & Ending Stocks

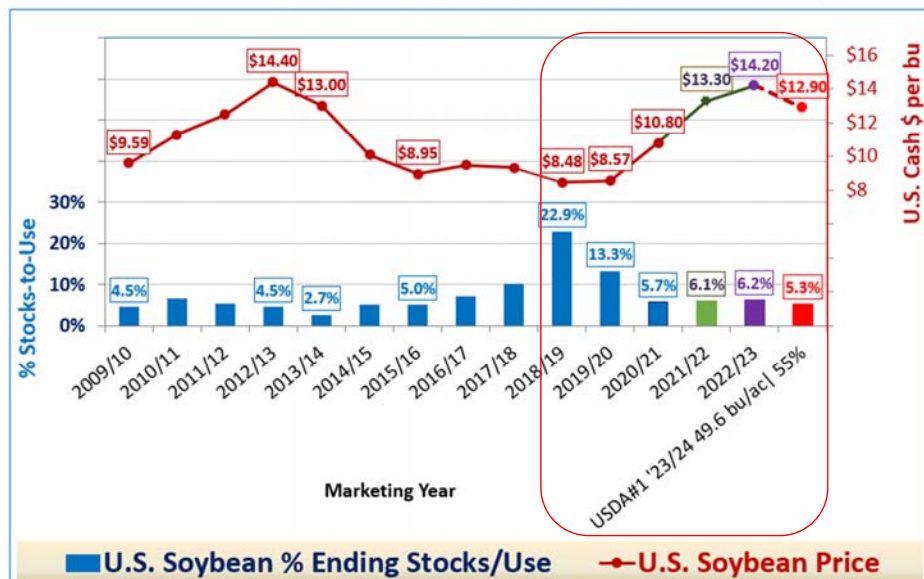
MY 2012/13 - Projected "New Crop" MY 2023/24 as of the October 12, 2023 USDA Reports



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

MY 2009/10 - "Next Crop" 2023/24 as of October 12, 2023 USDA Reports



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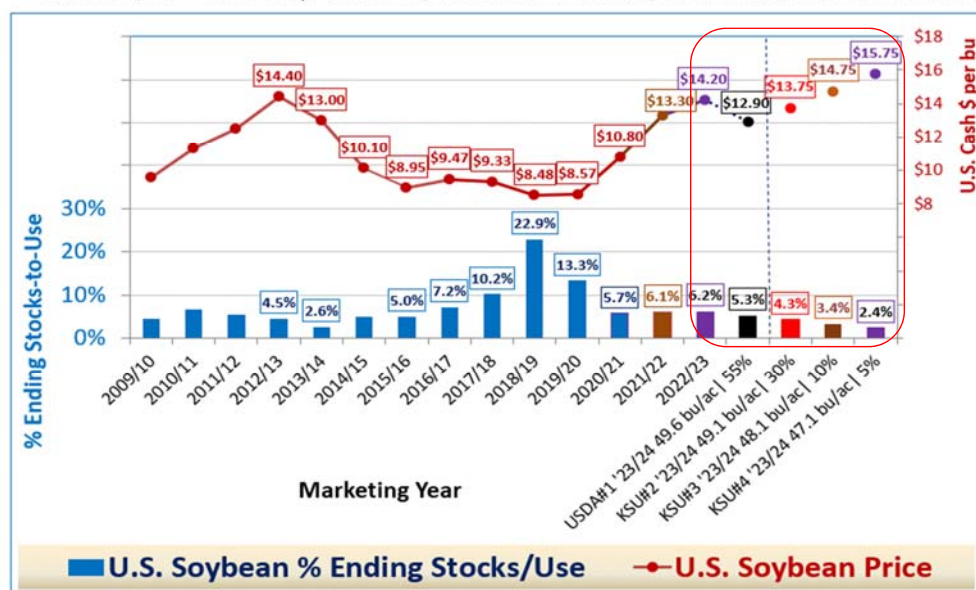
U.S. Soybean Projected S-D "New Crop" MY 2023/24

As of the October 12, 2023 USDA WASDE Report + KSU Scenarios As of 10/17/2023

Item	A. USDA WASDE Scenario #1 "New Crop" 2023/24 Using 10/12/2023 USDA Info. Yield: 49.6 bu/acre	B. KSU Scenario #2 "New Crop" 2023/24 Yield: 49.1 bu/ac + USDA Usage #'s	C. KSU Scenario #3 "New Crop" 2023/24 Yield: 48.1 bu/ac + Rationed Usage	D. KSU Scenario #4 "New Crop" 2023/24 Yield: 47.1 bu/ac + Rationed Usage
% Probability of Occurring (KSU)	55% ^{KSUest}	30% ^{KSUest}	10% ^{KSUest}	5% ^{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)	49.6	49.1	48.1	47.1
Production (million bu.)	4,104	(-39 mb) 4,065	(-122 mb) 3,982	(-205 mb) 3,899
Total Supply (million bu.)	4,403	(-40 mb) 4,363	(-123 mb) 4,280	(-206 mb) 4,197
Total Use	4,183	4,183	(-43 mb) 4,140	(-83 mb) 4,097
Ending Stocks	220	(-40 mb) 180	(-80 mb) 140	(-120 mb) 100
% Ending Stocks-to-Use	5.26%	4.30%	3.38%	2.44%
U.S. Avg. Farm Price (\$/bu)	\$12.90 ^{USDA} \$13.56 ^{KSU 10/18/2023}	\$13.75 ^{KSU} \$13.56 ^{KSU 10/18/2023}	\$14.75 ^{KSU} \$13.56 ^{KSU 10/18/2023}	\$15.75 ^{KSU} \$13.56 ^{KSU 10/18/2023}

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

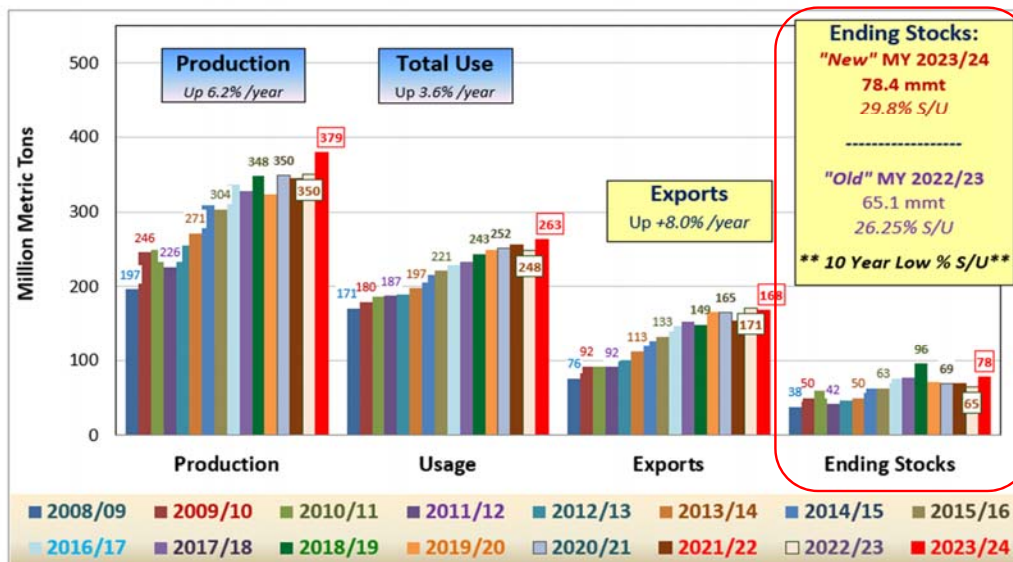
MY 2009/10 – "New Crop" MY 2023/24 as of the October 12, 2023 USDA WASDE + KSU Estimates



World *Less-China* Soybean Use & End Stocks

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MY 2008/09 - "New Crop" MY 2023/24 as of the October 12, 2023 WASDE



South America Soybean Supply-Demand

MY 2007/08 - "New Crop" MY 2023/24 as of the October 12, 2023 USDA WASDE Report



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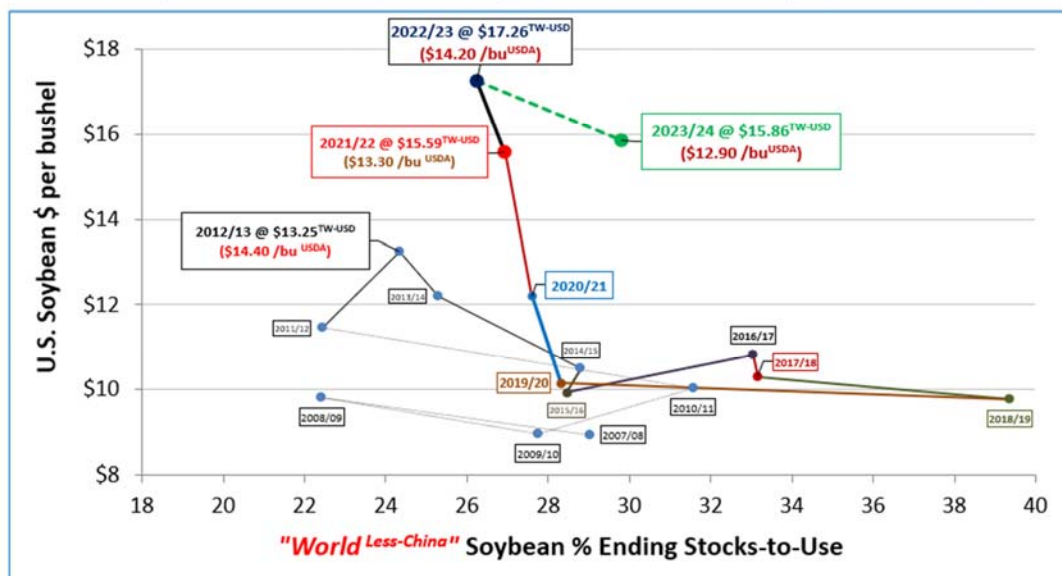
China Soybean Supply-Demand

MY 2007/08 - "New Crop" MY 2023/24 as of the October 12, 2023 USDA WASDE Report



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

MY 2007/08 thru "New Crop" MY 2023/24 as of the October 12, 2023 WASDE Report



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

MY 2007/08 through "New Crop" MY 2023/24, as of the October 12, 2023 USDA WASDE report



Closing Perspectives

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Questions?

Daniel O'Brien – Extension Ag Economist

Blog: www.ksugrains.wordpress.com

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