

**AgCountry Farm Credit Services**  
**MARCH 2024 MARKET UPDATE**  
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All eyes were again fixed on a highly anticipated decrease in South America's corn and soybean production estimates. The report showed little change in South American production estimates, but the market is trying its hardest for a reversal by believing South America's crop isn't as big as the USDA is estimating. The market move in soybeans upon the report release was due to China's revised soybean import estimates for 2023-2024, which increased to a record 4.13 billion bushels. The increase in import estimates gave the market hope as U.S. soybean exports run 19% behind last year's exports at this time.

**Corn**

Throughout the trading month for old crop corn focusing on the May 2024 contract, futures have traded in a \$0.40 range between \$4.48 and \$4.08, once again creating contract lows. New crop corn trading off the December 2024 contract traded in \$0.28 range between \$4.74 and \$4.46, setting the lowest trading level since September 2021.

USDA left Brazil's corn production unchanged at 4.881 billion bushels. Argentina's estimated corn production increased from 2.165 billion bushels in February to 2.204 billion bushels in March. The latest estimate is a huge increase compared to Argentina's drought driven production last year of 1.377 billion bushels.

U.S. supply and demand estimates show corn ending stocks unchanged from last month at 2.172 billion bushels. This is still 31 million bushels higher than the average trade estimate and well above ending stocks last year at this time.

**Soybeans**

Old crop soybeans trading off the May 2024 contract traded in a \$0.83 range between \$12.11 and \$11.28 futures, creating new contract lows. New crop soybeans trading off the November 2024 contract traded in a \$0.59 range between \$11.81 and \$11.22 futures—the lowest trading level since June of 2023.

USDA cut Brazil's soybean production 36.7 million bushels to 5.695 billion bushels. This is still 92 million bushels above the average pre-report estimate of 5.603 billion bushels. Argentina's production was left unchanged at 1.837 billion bushels, slightly below the average pre-report estimate of 1.844 billion bushels. A key item to note is the production estimate is still twice the size of Argentina's soybean production last year due to the drought.

U.S. ending stocks were left unchanged at 315 million bushels. This is slightly below the average pre-report estimate of 319 million bushels.

**Spring Wheat**

The spring wheat market continued its decline to new contract lows. Old crop spring wheat trading off the May 2024 contract traded in a \$0.53 range, between \$6.96 and \$6.43. New crop spring wheat trading off the September 2024 contract traded in a \$0.51 range, between \$7.02 and \$6.51.

The spring wheat market has started to flatten, and we may potentially be experiencing a reversal in the market after several soft red winter wheat cancellations. It is early to say but the bottom of the wheat market may have been set.

U.S. ending stocks increased 15 million bushels to 673 million bushels, 15 million bushels higher than the average trade estimate. U.S. exports decreased 15 million bushels to 710 million bushels. Russia's wheat production increased to 3.362 billion bushels from 3.343 billion bushels while Ukraine's production was left unchanged at 859 million bushels.

### **Sugarbeets**

Sugarbeet production is down 155,761 short tons, raw value due to warmer than average temperatures resulting in beet piles shrinking in the Red River Valley and Michigan. U.S. production decreased 109,050 short tons, raw value, partially offset by can sugar production.

### **Ethanol**

The Energy Information Administration shows the four-week average ethanol output was 1.075 million barrels per day. This is 61,000 barrels per day above the same four weeks in 2022.

### **Lean Hogs**

Pork production estimates rose with a higher-than-expected pace of slaughter. Continued strong demand for pork drove exports higher. Hog prices rose for the second and third quarters to reflect strong demand.

### **Feeder/Live Cattle**

Cattle numbers show higher imports throughout 2024 while export estimates remain unchanged. Continued strong demand led to cattle price estimates to raise throughout 2024.

### **Dairy**

Production for 2024 is being lowered due to slower growth in output per cow and lower dairy cow inventory. Price estimates are mixed with recent strong demand and price strength for butter, cheese, and Class III milk. Nonfat dry milk, whey, and class IV milk prices are lower due to a lack of price strength.