

AgCountry Farm Credit Services
JUNE 2024 MARKET UPDATE
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Planting season is wrapping up and markets are switching gears to focus on weather. USDA kept estimates quiet with little change in the U.S. and South America.

Corn

Old and new crop corn endured more volatility throughout the trading month than the market has experienced in a long time. Old crop corn trading off the July 2024 contract traded in a \$0.37, between \$4.38 and \$4.75. This is the highest the July contract has traded since early January 2024. New crop corn trading off the December 2024 contract traded in a \$0.58 range, between \$4.58 and \$4.96. This is the highest trading level the December contract has traded since early January 2024.

The new crop U.S. 2024 production estimates were left unchanged from May's USDA World Agricultural Supply and Demand Estimates report (WASDE) at 14.86 billion bushels along with 90 million planted acres. Exports were left unchanged from last month's report at 2.2 billion bushels. Ending stocks also remained unchanged at 2.102 billion bushels from May's WASDE report.

The biggest global news came out of China as they again mentioned wanting to sharply reduce grain imports over the next decade. China is the world's largest agriculture importer. Any reduction could shape how the grain export/import future will be set. As the market witnessed this month, sale cancellations from China can dramatically impact our market.

There is little to report with South American estimates. USDA left Brazil's production estimate unchanged at 4.803 billion bushels. Argentina's production estimate also remains unchanged at 2.086 billion bushels.

Soybeans

Old crop soybeans trading off the July 2024 contract traded in an \$0.87 range, between \$11.71 and \$12.58. New crop soybeans traded in an \$0.87 range, between \$11.41 and \$12.28. Like the corn market, the soybean market traded the highest levels they have encountered since January 2024.

The USDA left U.S. new crop production unchanged at 4.45 billion bushels along with 86.5 million planted acres. Exports were left unchanged 1.825 billion bushels. U.S. ending stocks increased 10 million bushels from May's report to 455 million bushels due to a 10-million-bushel increase in beginning stocks from a reduction in crush demand.

South American beans saw little no change from the USDA. Brazil's crop production estimated was unchanged from last May's report at 6.210 billion bushels. Argentina's production estimate was also unchanged at 1.947 billion bushels.

Spring Wheat

Spring wheat futures have been on a wild ride this past month trading in the largest range in over a year. Old crop spring wheat trading off the July 2024 contract traded in a \$1.05 range, between \$6.62 and \$7.67. New crop spring wheat trading off the September 2024 contract traded in an \$1.03 range, between \$6.73 and \$7.76.

USDA increased the U.S. all wheat production estimate from May's report by 17 million bushels to 1.875 billion bushels due to an increased yield estimate from 48.9 bushels per acre (bpa) to 49.4 bpa. Exports increased 25 million bushels, offsetting the increased production resulting in ending stocks being lowered 8 million bushels to 758 million bushels.

Sugarbeets

Beet sugar production decreased 50,040 short tons, raw value due to lower sugar from de-sugared molasses and higher beet pile shrink. The total U.S. sugar supply stands at 34,257 short tons, raw value.

Ethanol

We saw a slight increase in ethanol of 1.04 million barrels per day, which is up from last month's 1.03 million barrels per day. Production estimates for 2025 remain unchanged at 1.03 million barrels per day. Forecasted corn used for ethanol also remained unchanged at 5.45 billion bushels.

Lean Hogs

Pork production increased for the second quarter in a row due to a higher than anticipated slaughter rate along with higher dressed weights. Strong demand led pork exports to increase in 2024. Despite this demand, pork prices for the second and third quarter are lowered from last month.

Feeder/Live Cattle

Lower than estimated slaughter rates were mostly offset by higher dressed weights. Export estimates remain unchanged from last month's report but 2024 price estimates rose.

Dairy

Milk production estimates for both 2024 and 2025 didn't change from last month's report. Higher than forecasted shipments of cheese led 2024 commercial exports to rise. Price estimates for butter cheese, whey, and nonfat dry milk all increased. Class III and Class IV milk prices rose as a result of other product price increases.