

AgCountry Farm Credit Services
September 2024 MARKET UPDATE
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Over the past month, the grain market has continued to be overwhelmed with bearish news. Estimated record soybean and corn yields in the U.S. have been the major influencer throughout the trade.

Corn

Throughout the trading month, new crop corn trading off the December 2024 contract traded in a \$0.31 range between \$3.85 and \$4.16 futures. Although with harvest approaching right around the corner it is time as well to be looking at the deferred months in the futures, the March 2025 contract traded in a \$0.30 range between \$4.03 and \$4.33 futures. Both the new crop December 2024 contract and the March 2025 contract set new contract lows throughout the trading month. Although above-average temperatures during the end of August lowered condition ratings for both corn and soybeans bringing prices off contract lows. Looking at this month's USDA World Agricultural Supply and Demand Estimates report, USDA increased U.S. yield by 0.5 bushels per acre to a record estimate of 183.6 bushels per acre. Record yields are estimated to be set in Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Nebraska, New York, South Dakota and Wisconsin. The increase in yield resulted in an increase in production of 39 million bushels bringing total estimated production to 15.186 billion bushels. With an increase in exports for 2023/2024 crop, USDA decreased beginning stocks for the 2024/2025 crop year resulting in U.S. ending stocks being decreased 16 million bushels from August's estimate to 2.057 billion bushels.

Soybeans

Over the month, new crop November 2024 soybeans traded in a \$0.76 range between \$9.55 and \$10.31 futures. Looking at soybeans trading off the March 2025 contract traded in a \$0.73 range between \$9.89 and \$10.62 futures. Alike the corn market, the new crop November 2024 contract and the March 2025 contract both set contract lows throughout the month. In September's USDA World Agricultural Supply and Demand Estimates report, USDA is estimating a record soybean yield of 53.2 bushels per acre. Record yields are estimated to be set in Arkansas, Illinois, Indiana, Iowa, Mississippi, New York and Texas. In result of an estimated record yield, a record soybean production is estimated at 4.586 billion bushels, 3 million bushels below USDA's August estimate. Ending stocks are estimated at 550 million bushels, 10 million bushels below August's estimate due to lower beginning stocks.

Spring Wheat

With the expiration of the September 2024 contract, spring wheat trading off the December 2024 contract traded in a \$0.65 range between \$5.63 and \$6.28 futures. Spring wheat trading off the March 2025 contract traded in a \$0.64 range between \$5.85 and \$6.49 futures. USDA left ending stocks unchanged at 828 million bushels.

Sugarbeets

Due to a larger production than expected, sugar beet production is increased 41,049 short tons, raw value from harvest occurring in August and September. With the increased estimate in production and an increase in imports, U.S. sugar supply is increased 239,152 short tons, raw value to 14.941 million short tons, raw value.

Ethanol

Ending out the trading month ethanol production the week ending of September 13th, production was down 31,000 barrels per day compared to the previous week. Ethanol stocks the week ending of September 13th were 23.785 million barrels which is 71,000 more barrels than the previous week. Ending the same week, ethanol exports were down 26,000 barrels per day to an average of 151,000 barrels per day.

Lean Hogs

With a more than anticipated rate of slaughter, pork production is raised for the second half of 2024. With recent demand, pork exports are raised although 2025 export estimates are left unchanged.

Feeder/Live Cattle

With a more than anticipated rate of slaughter along with larger weights, beef production is raised for the second half of 2024. For 2025 estimated higher steer and heifer slaughter increases beef production estimates. With the continued strong demand, export estimates for both 2024 and 2025 are raised.

Dairy

With a lower cow inventory along with a slower growth rate in milk per cow, milk production for 2024 and 2025 is lowered. Both fat basis and skim-solids basis exports are raised due to strong demand. Cheese, butter nonfat dry milk and whey price forecasts are raised resulting in price estimates for both Class III and Class IV milk price estimates to be raised as well.