

Latest in Global Agricultural Markets

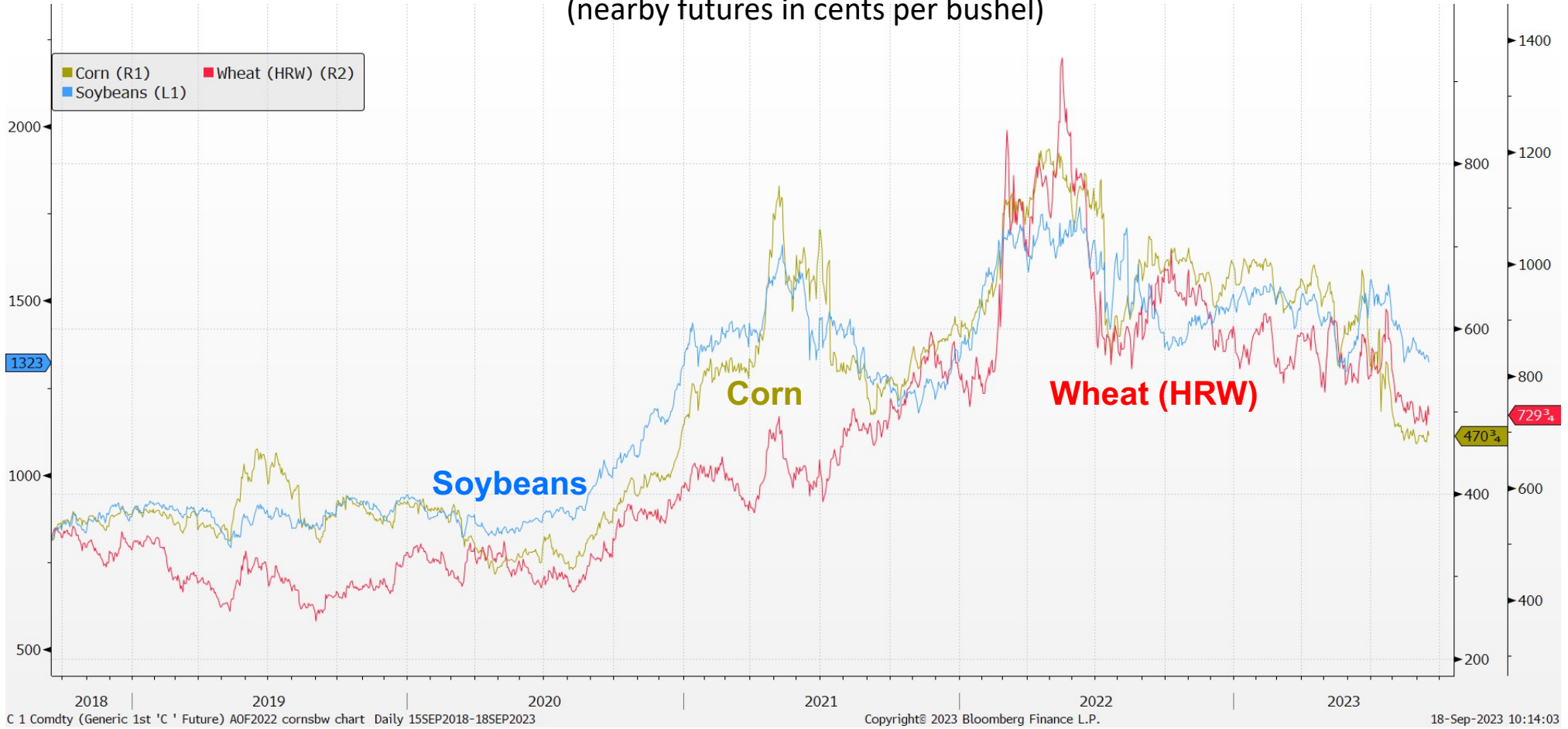
September WASDE report

A photograph of a sheep grazing in a lush green field. The sheep is in the foreground, facing left. The field is vibrant green with some small white flowers. In the background, there is a dark wooden fence, a rolling green hill, and a line of trees under a bright blue sky with scattered white clouds.

Seth Meyer
Office of the Chief Economist
USDA

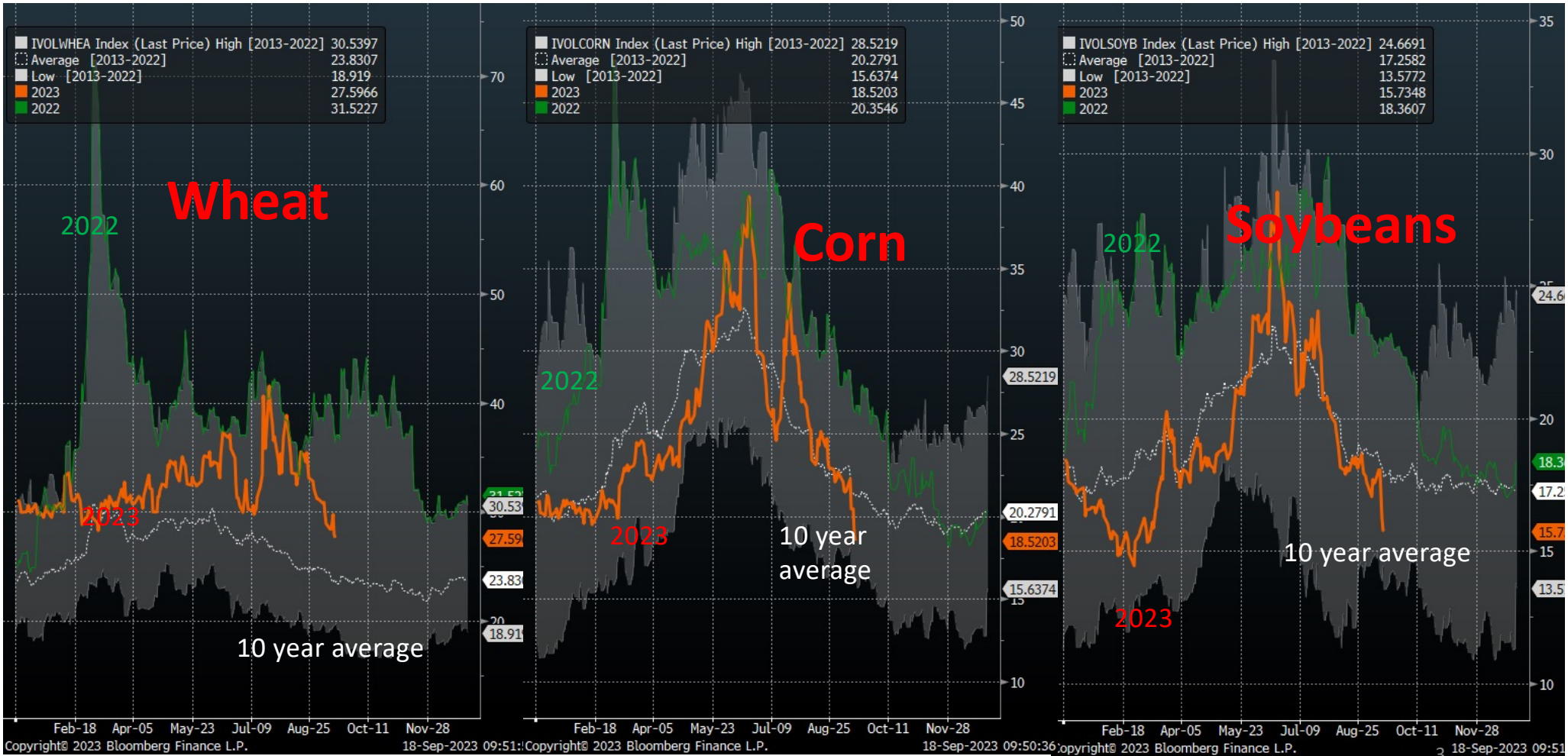
Corn, Soybean, and Wheat Futures

(nearby futures in cents per bushel)





Implied volatility has also moderated



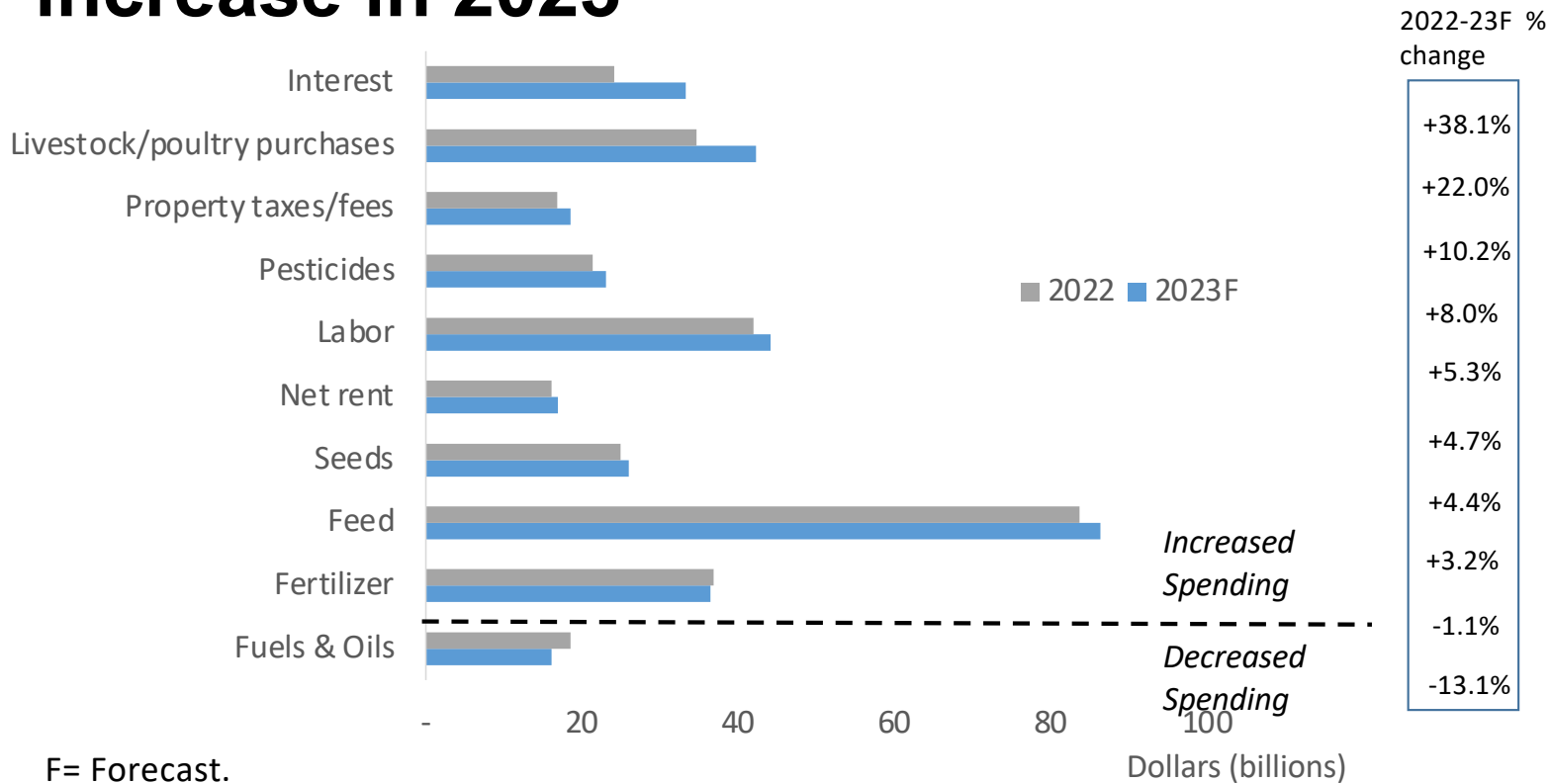
Price Summary

Item	2022/2023		2023/2024		
	Estimate	Change from August 11	Forecast	Change from August 11	Change from 2022/2023
<i>Crops and products</i>					
Wheat (\$/bu)	8.83	--	7.50	--	-1.33
Rice (\$/cwt)	19.30	-0.10	16.80	-0.90	-2.50
Corn (\$/bu)	6.55	-0.05	4.90	--	-1.65
Soybeans (\$/bu)	14.20	--	12.90	0.20	-1.30
Soybean oil (¢/lb)	65.50	0.50	63.00	1.00	-2.50
Soybean meal (\$/s.t.)	455	--	380	--	-75
Cotton (¢/lb)	82.00	--	80.00	1.00	-2.00
<i>Livestock</i>					
Steers (\$/cwt)	178.49	--	185.50	--	7.01
Hogs (\$/cwt)	59.88	-2.25	64.75	--	4.87
Broilers (¢/lb)	123.2	1.0	121.3	--	-1.9
Turkeys (¢/lb)	149.5	-2.9	146.5	-7.0	-3.0
<i>Dairy products</i>					
Cheese (\$/lb)	1.81	0.03	1.85	0.09	0.04
Butter (\$/lb)	2.54	0.04	2.55	0.12	0.01
Nonfat dry milk (\$/lb)	1.16	-0.01	1.09	-0.03	-0.07
Dry whey (\$/lb)	0.34	0.02	0.32	0.01	-0.03
<i>Milk classes</i>					
Class III (\$/cwt)	17.35	0.45	17.55	1.00	0.20
Class IV (\$/cwt)	18.60	0.10	18.00	0.20	-0.60
All milk (\$/cwt)	20.40	0.45	20.30	0.95	-0.10

-- No change.

September 12, 2023

Most categories of spending expected to increase in 2023



Interest expenses and **livestock/poultry purchases** are expected to see largest dollar increases in 2023.

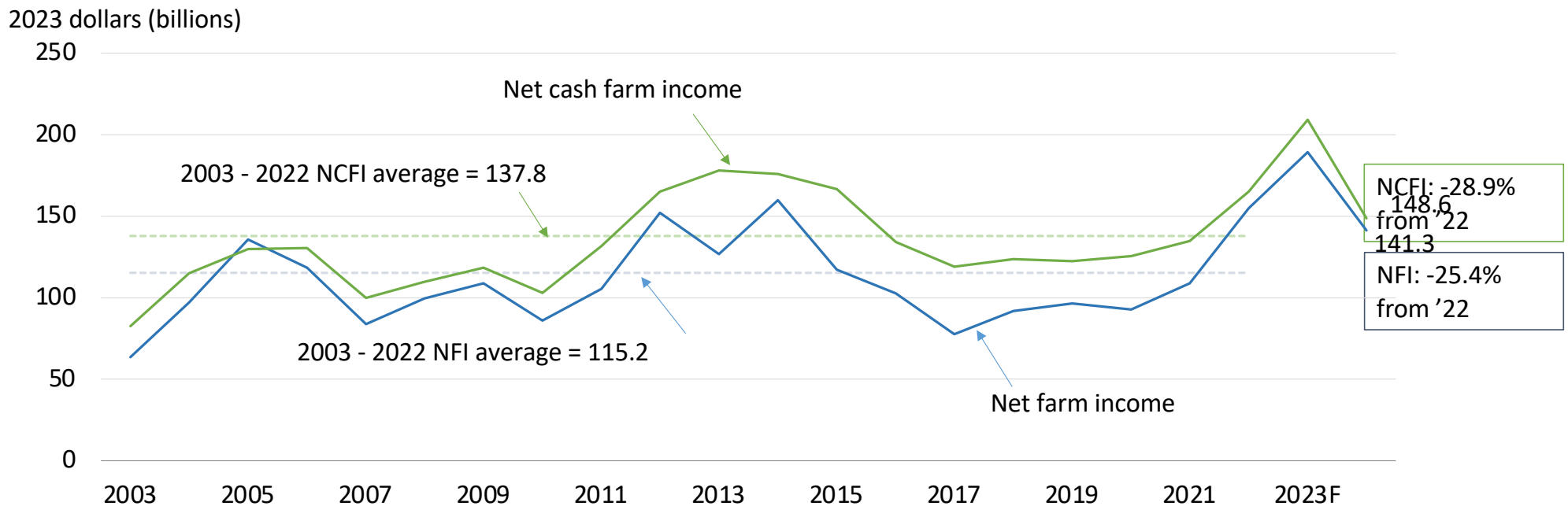
Fertilizer and **fuels and oils** expenses expected to decline in 2023.

F= Forecast.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics

Data as of August 31, 2023

Farm sector profit forecasts to decline after a record high in 2022



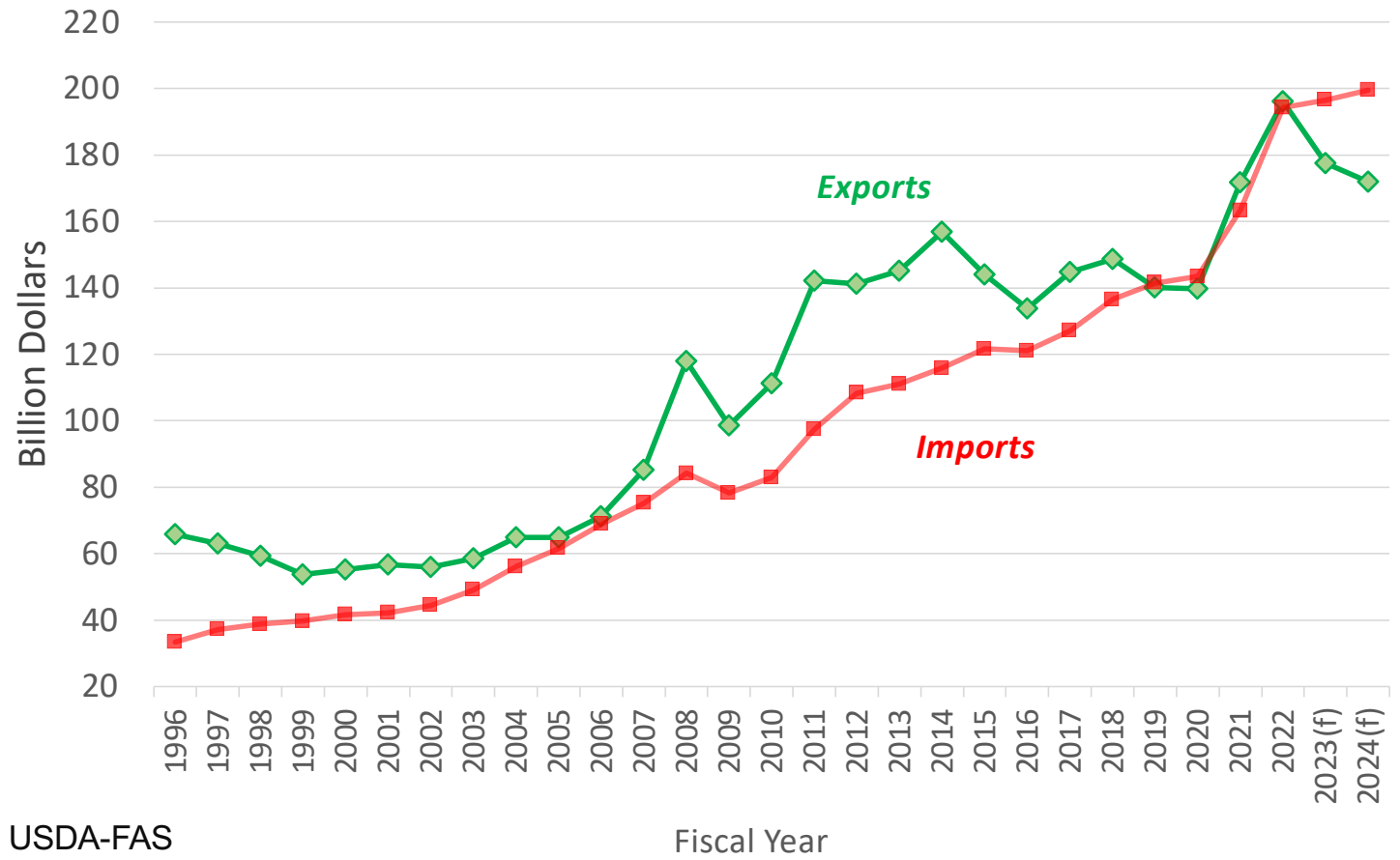
F= Forecast. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2023 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics

Data as of August 31, 2023.

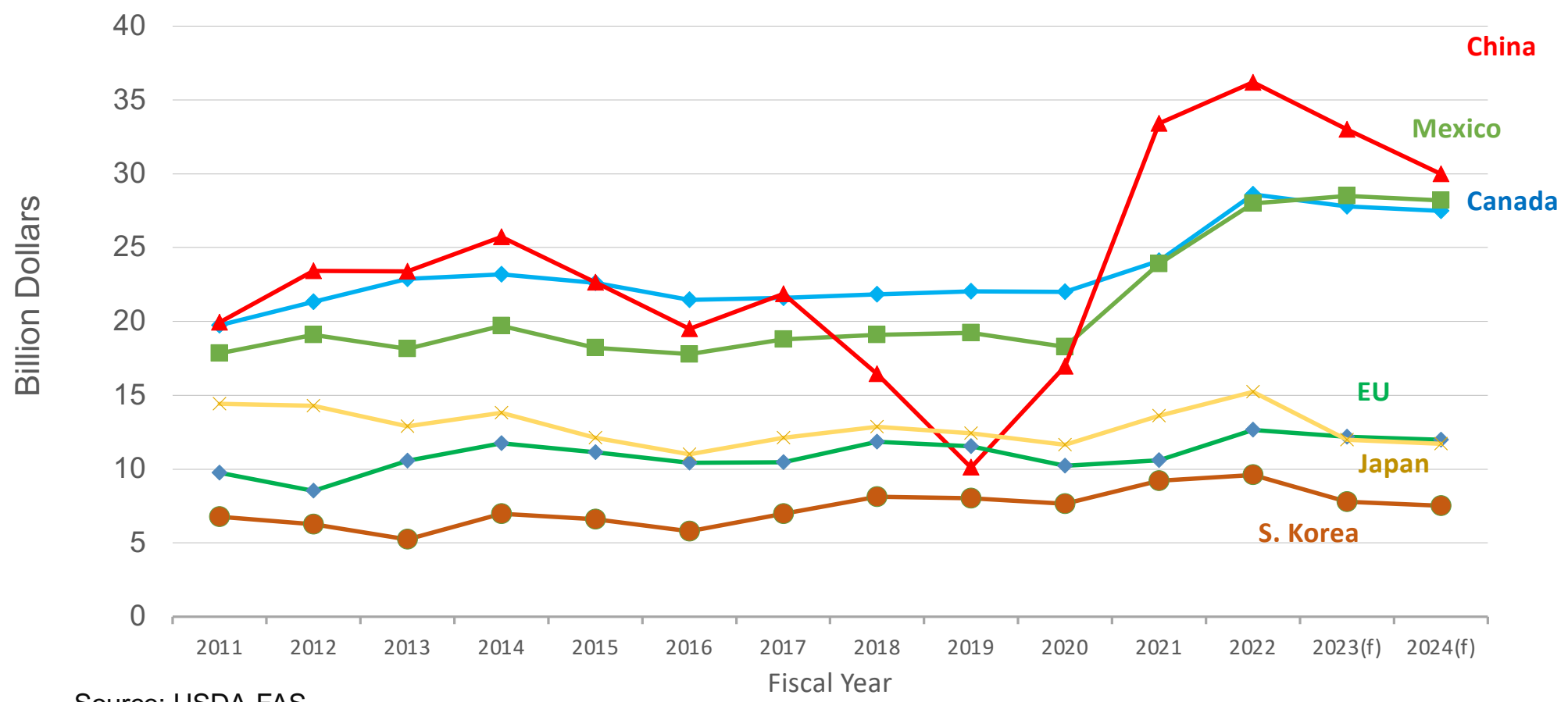
U.S. Agricultural Exports and Imports (Nominal)

USDA Forecasts FY 24 Exports at \$172.0 Billion; Imports at \$199.5 Billion



Source: USDA-FAS

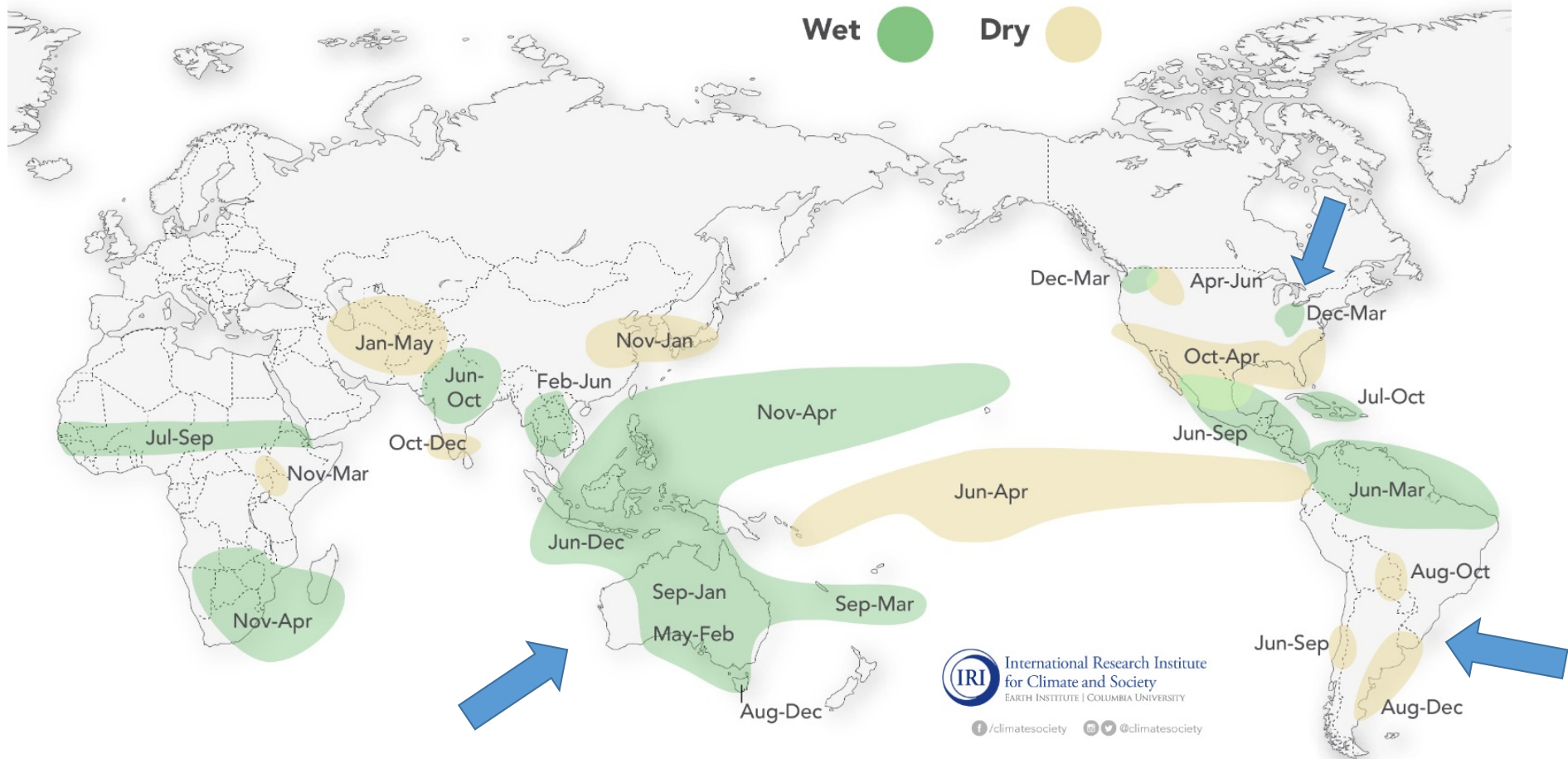
Top U.S. Ag Markets



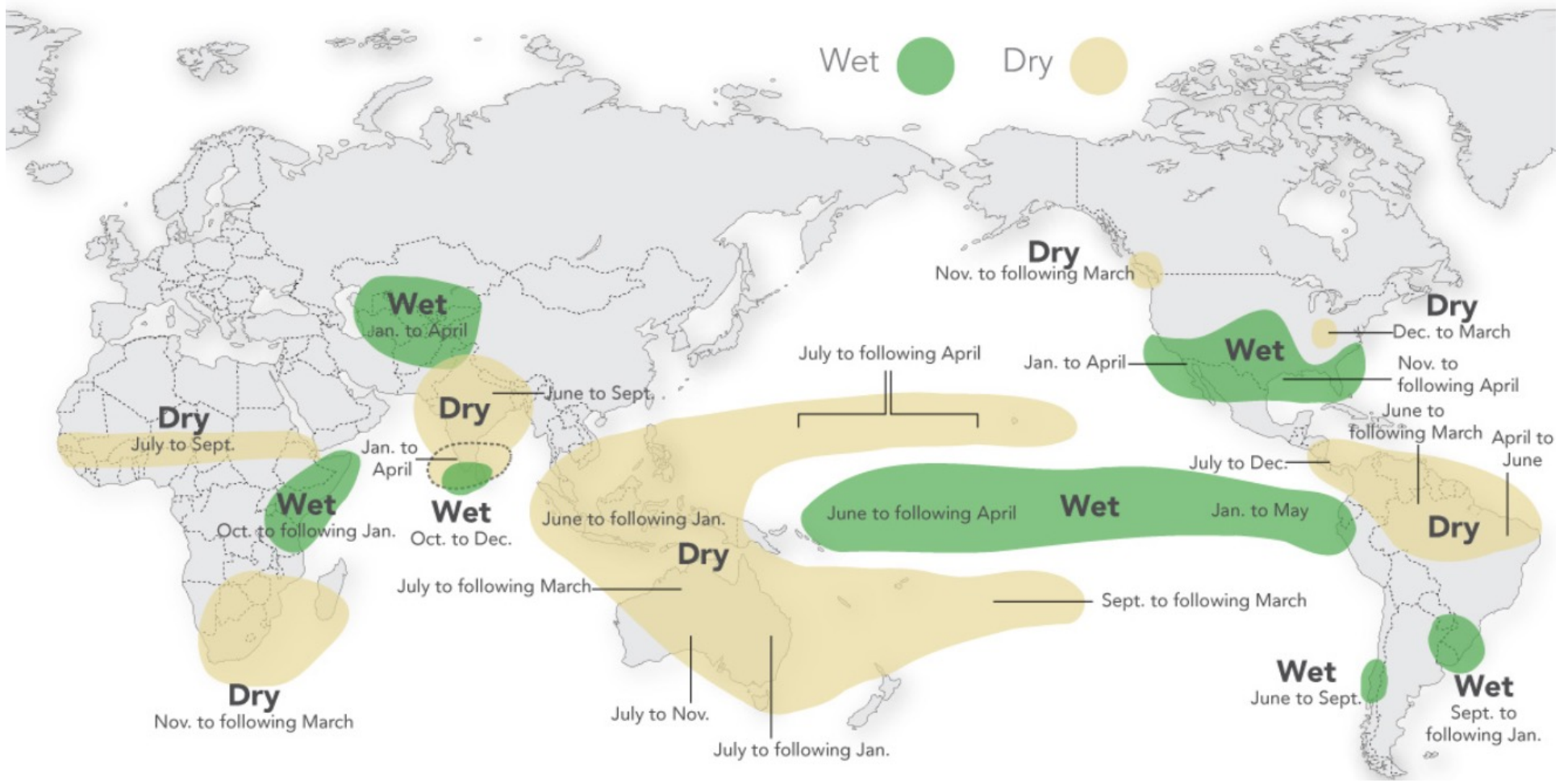
Source: USDA-FAS

'Triple Dip' La Niña ended.....

La Niña and rainfall patterns



...to a El Nino



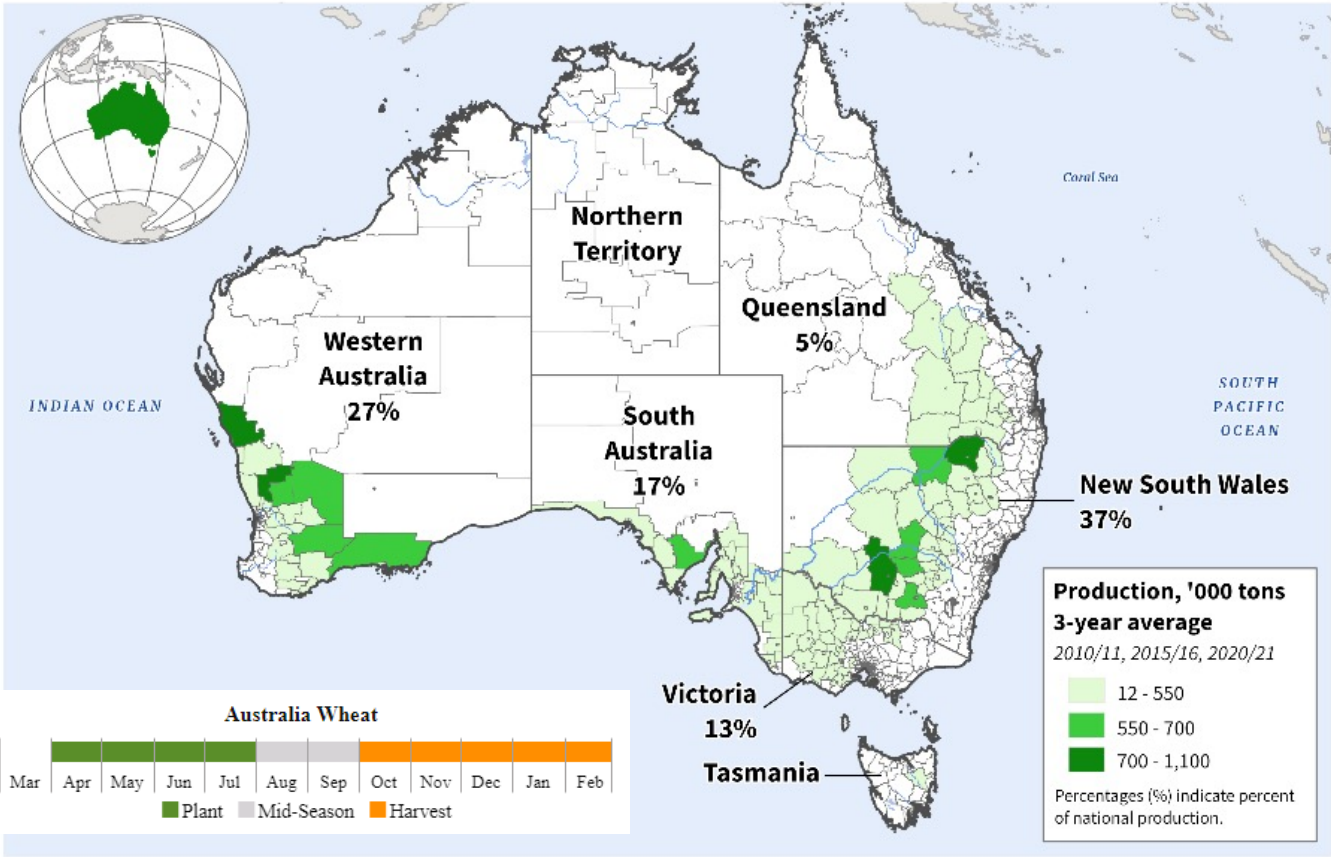
World Wheat Production

Country or Region	2022/2023		2023/2024		
	Estimate	Change from August 11	Forecast	Change from August 11	Change from 2022/2023
----- Million Tons -----					
World	790.6	0.6	787.3	-6.0	-3.3
United States	44.9	--	47.2	--	2.3
Foreign	745.7	0.6	740.1	-6.0	-5.6
Argentina	12.6	--	16.5	-1.0	3.9
Canada	34.3	0.5	31.0	-2.0	-3.3
Australia	39.7	--	26.0	-3.0	-13.7
European Union	134.2	**	134.0	-1.0	-0.2
Turkey	17.2	--	19.5	--	2.2
Russia	92.0	--	85.0	--	-7.0
Ukraine	21.5	--	22.5	1.5	1.0
Kazakhstan	16.4	--	15.0	--	-1.4
China	137.7	--	137.0	--	-0.7
India	104.0	--	113.5	--	9.5
Northwest Africa	7.6	--	7.7	--	**

-- No change. ** Rounds to zero.

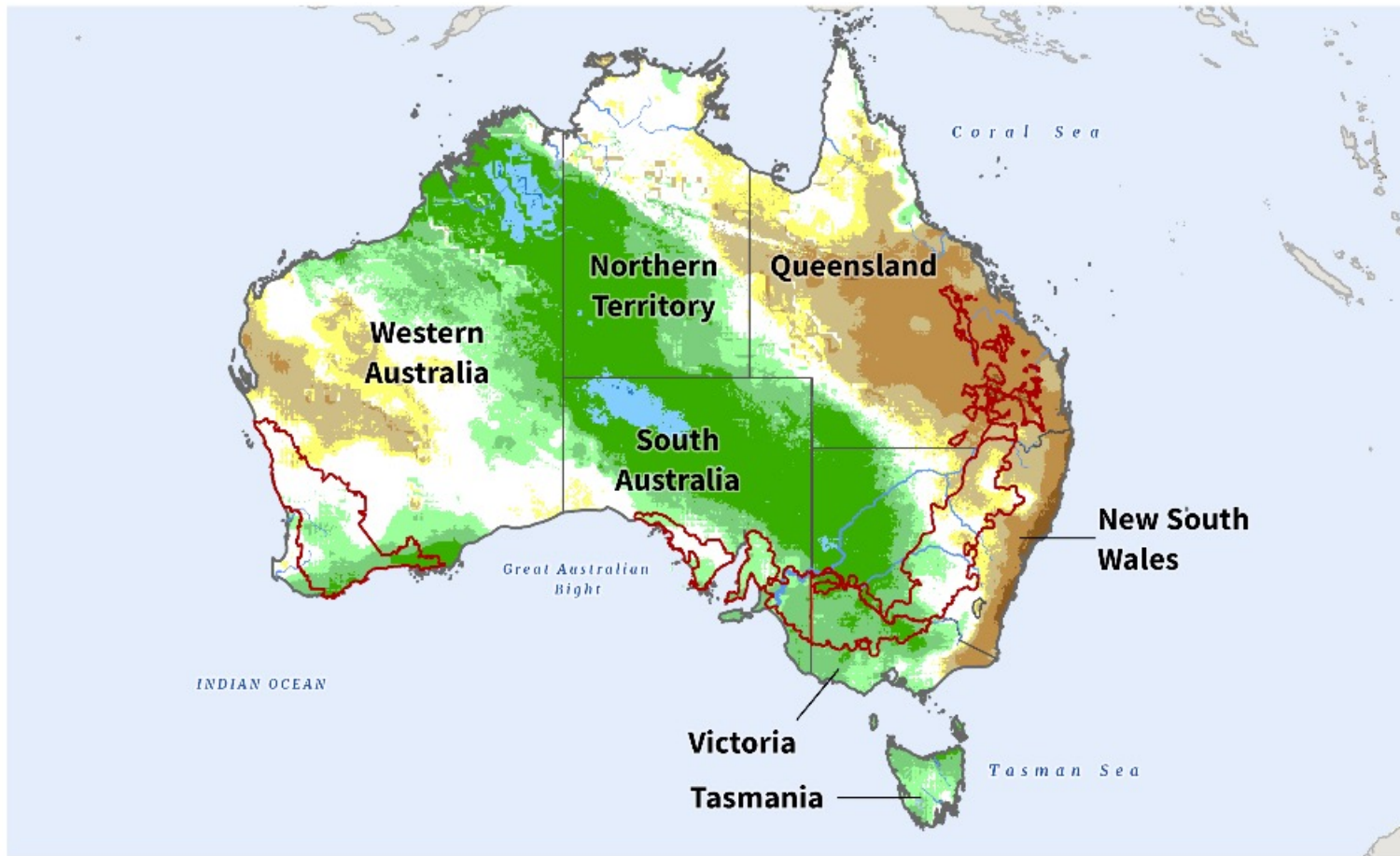
September 12, 2023

Australia: Wheat Production



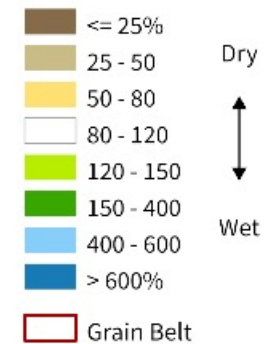
Source: Australian Bureau of Statistics, Agricultural Censuses of 2010/11, 2015/16, and 2020/21 (2021 SA2 Boundaries)

Australia: Percent of Normal Precipitation, June 2023



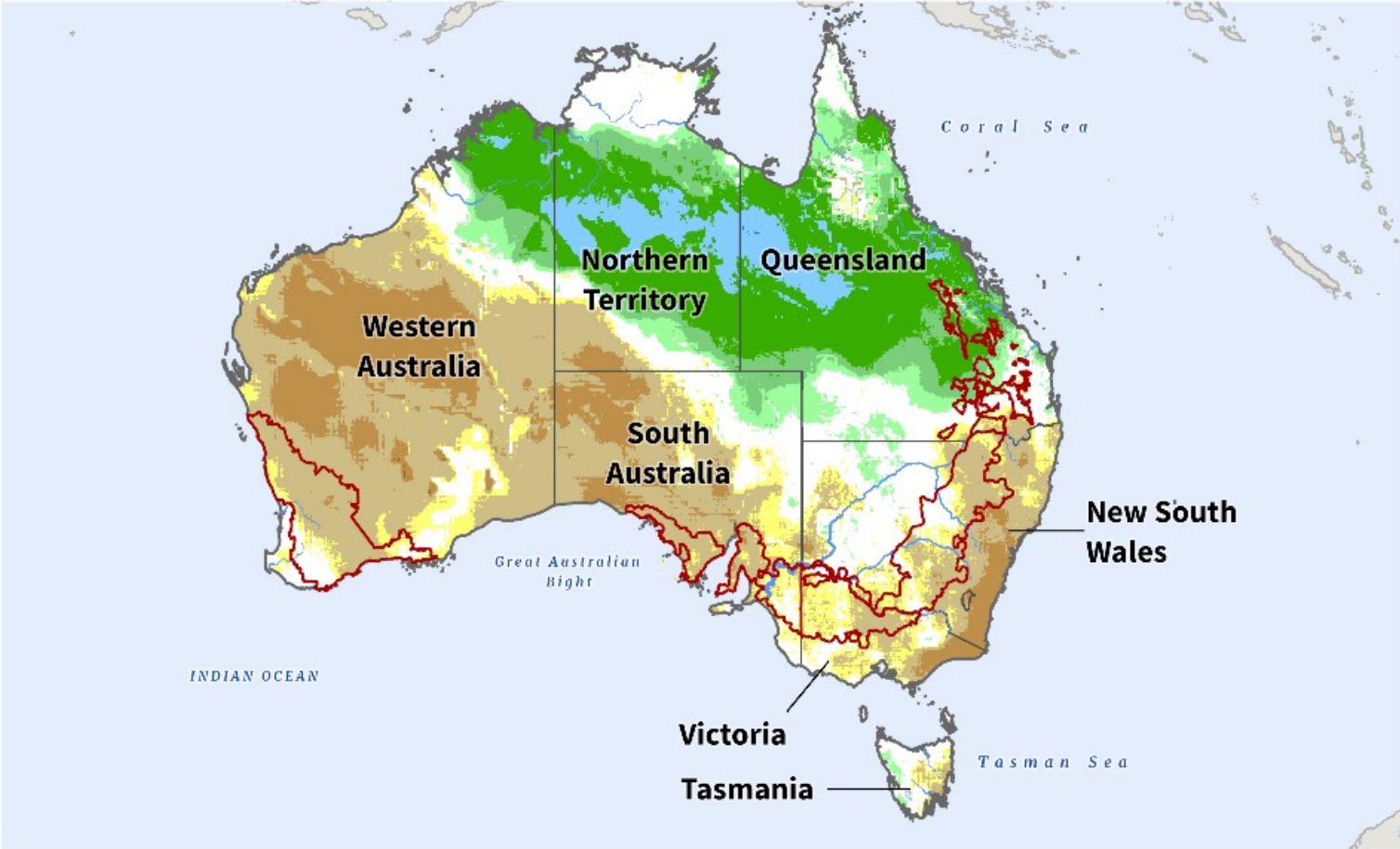
Cumulative Precipitation Percent of Normal

June 1 to 30, 2023



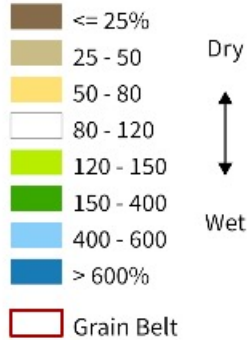
Sources: UCSB Climate Hazards Group InfraRed Precipitation with Station data (CHIRPS)
Cumulative Precipitation Percent of Normal (June 1 to 30, 2023)

Australia: Percent of Normal Precipitation, July 2023



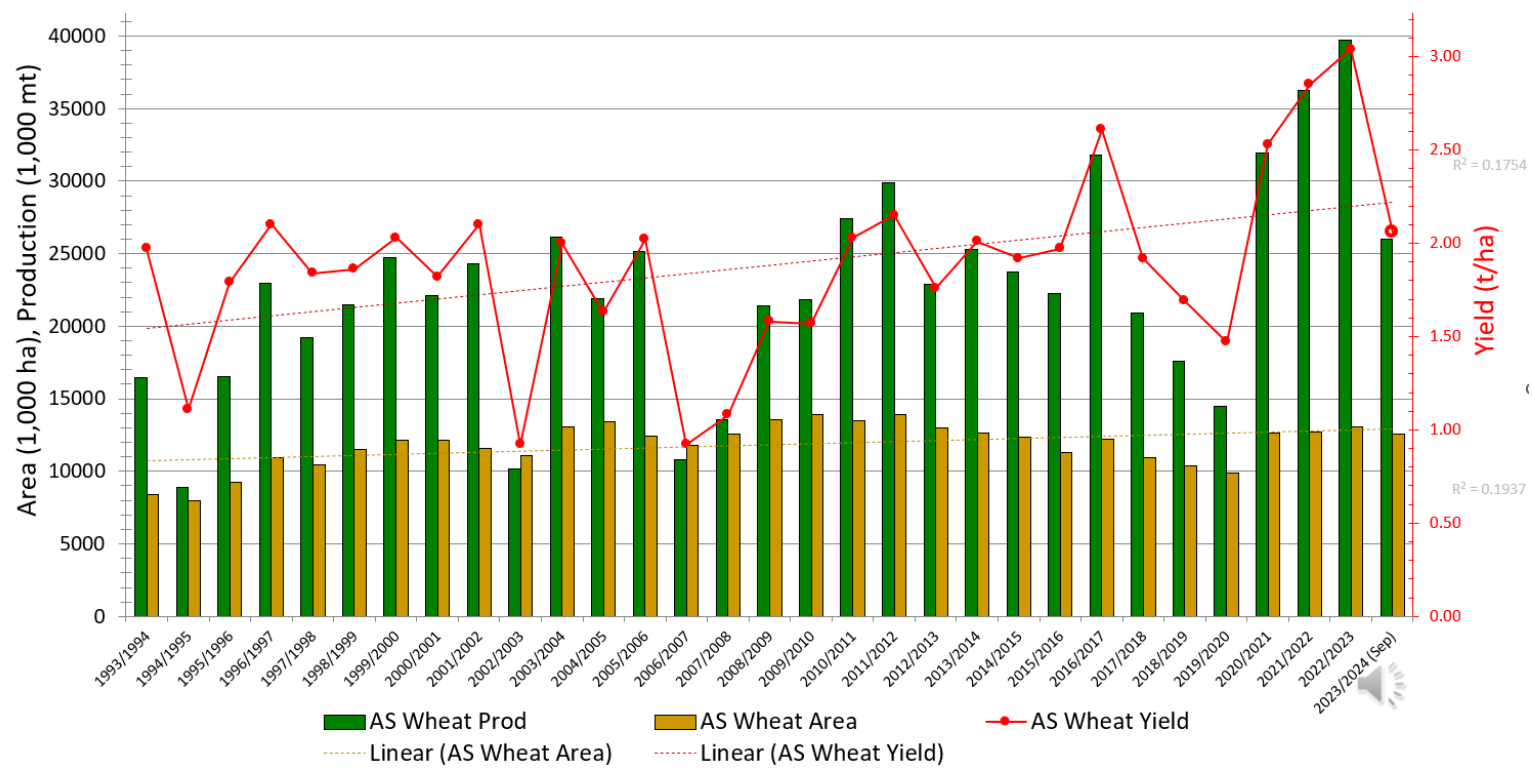
Cumulative Precipitation Percent of Normal

July 1 to 31, 2023



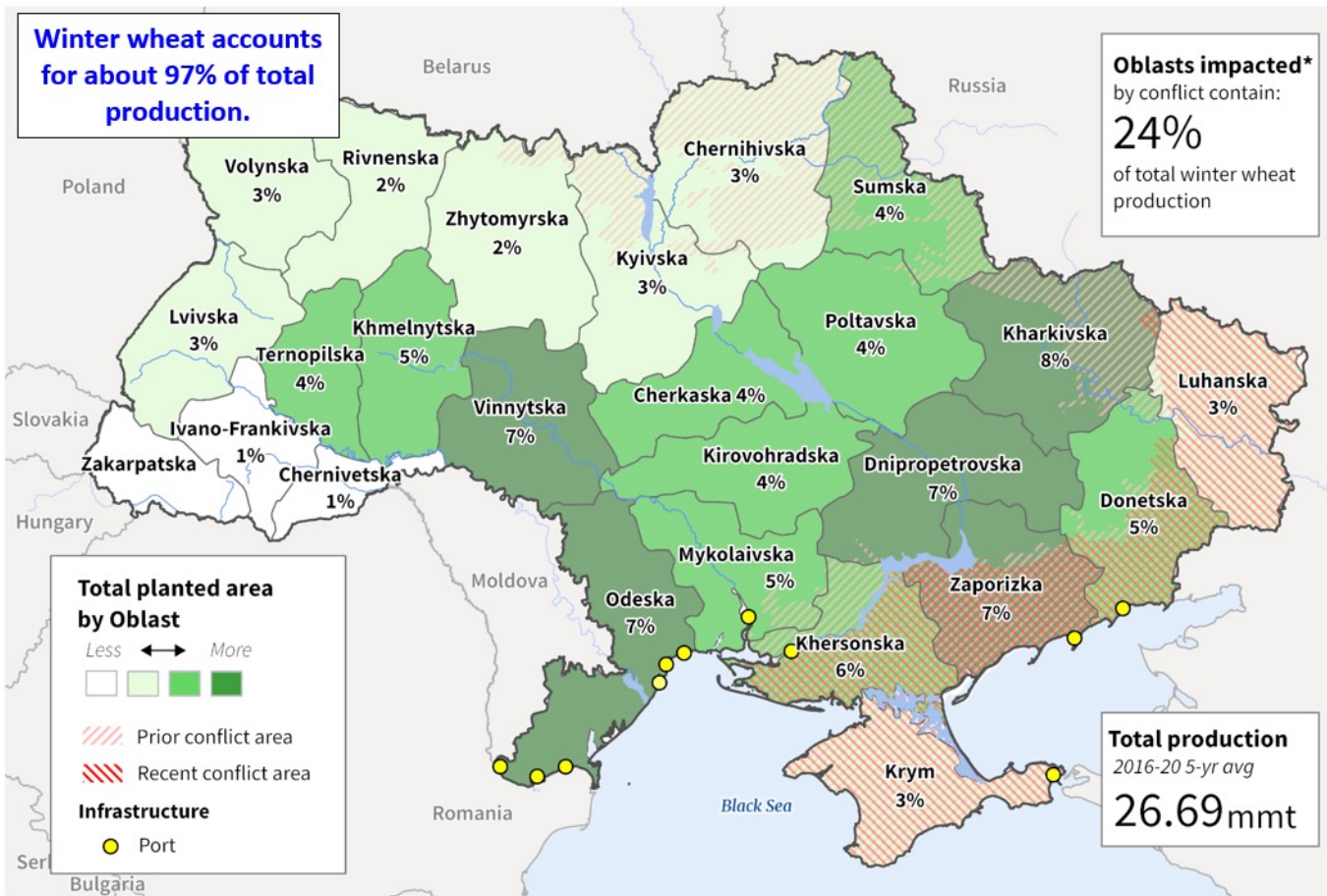
Sources: UCSB Climate Hazards Group InfraRed Precipitation with Station data (CHIRPS) Cumulative Precipitation Percent of Normal (July 1 to 31, 2023)

Australia Wheat, Area, Yield, and Production 1993/94 – 2023/24



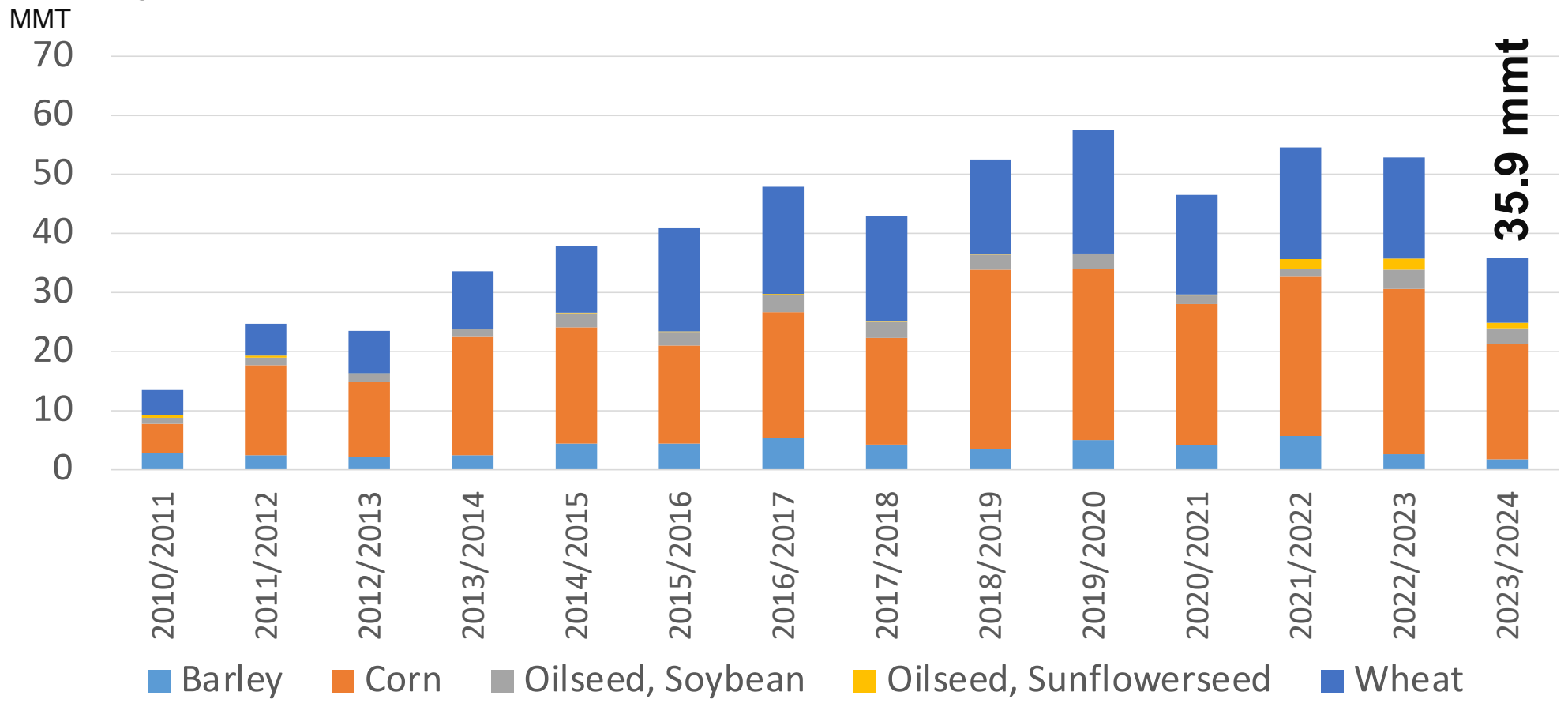
September 12, 2023

Ukraine Winter Wheat Production and Conflict Areas



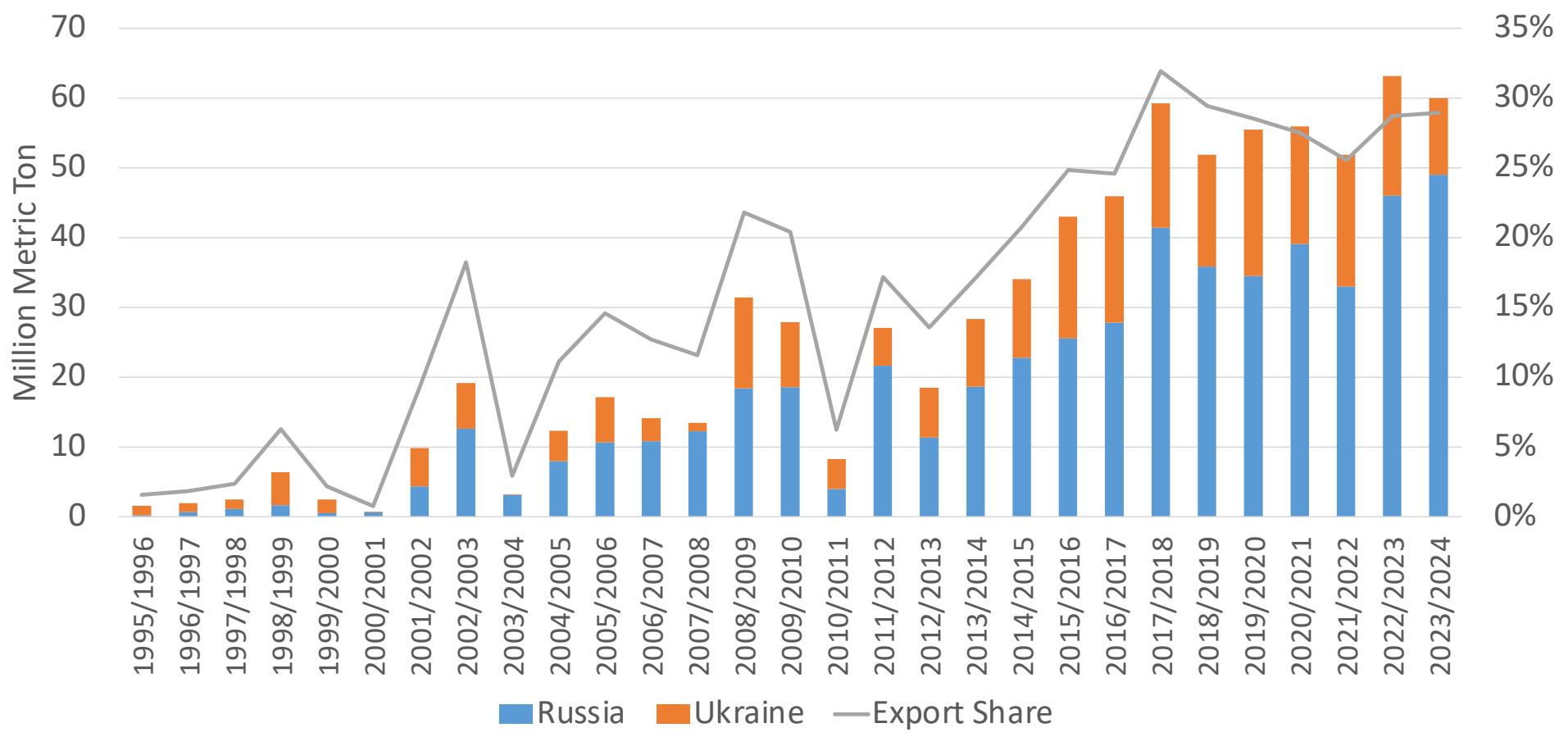
Ukraine major commodity export volumes

Average 3mmt a month



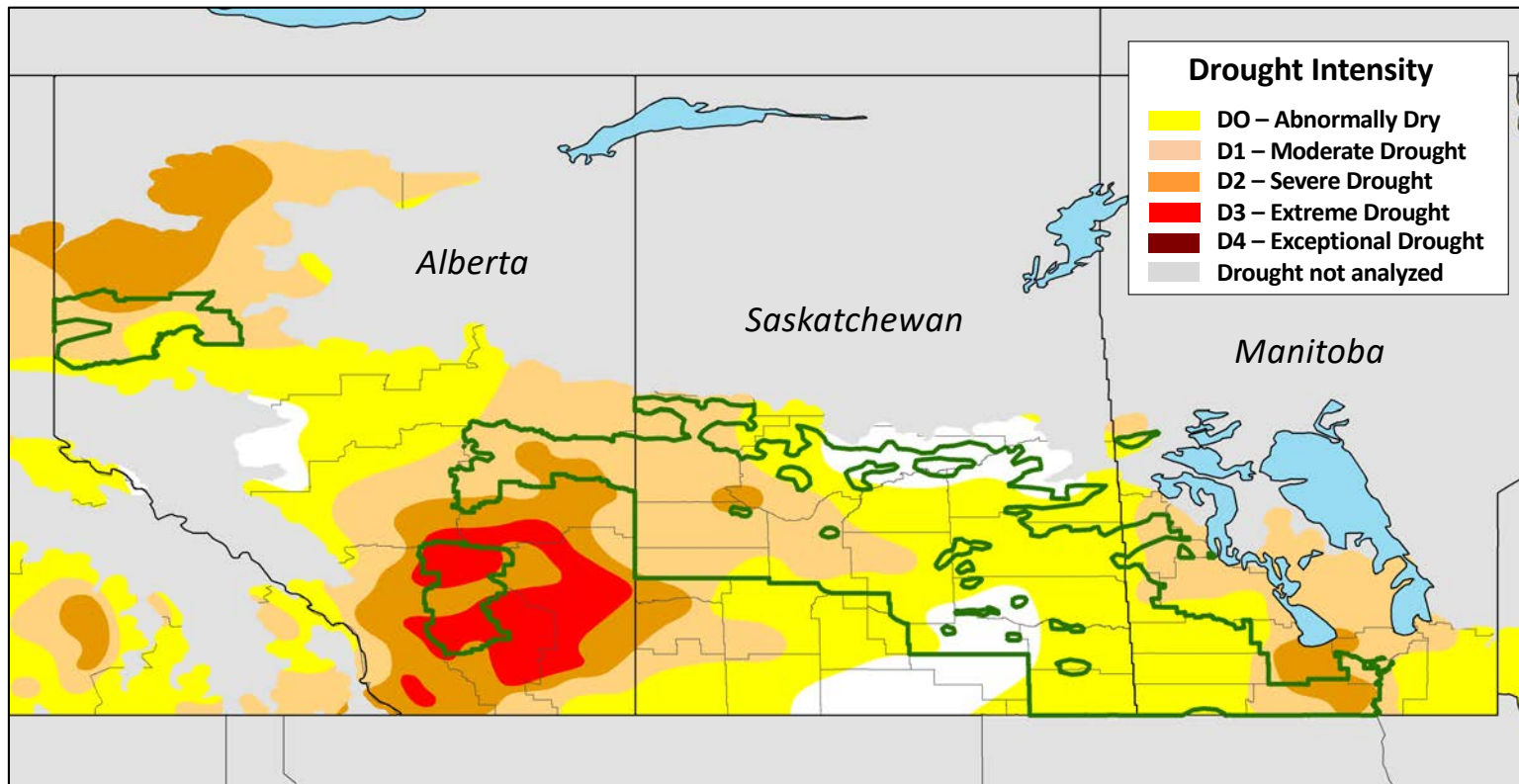
The Black Sea remains a critical global supply hub for wheat

Russia and Ukraine Wheat Exports



*Canadian Drought Monitor

Conditions as of June 30, 2023

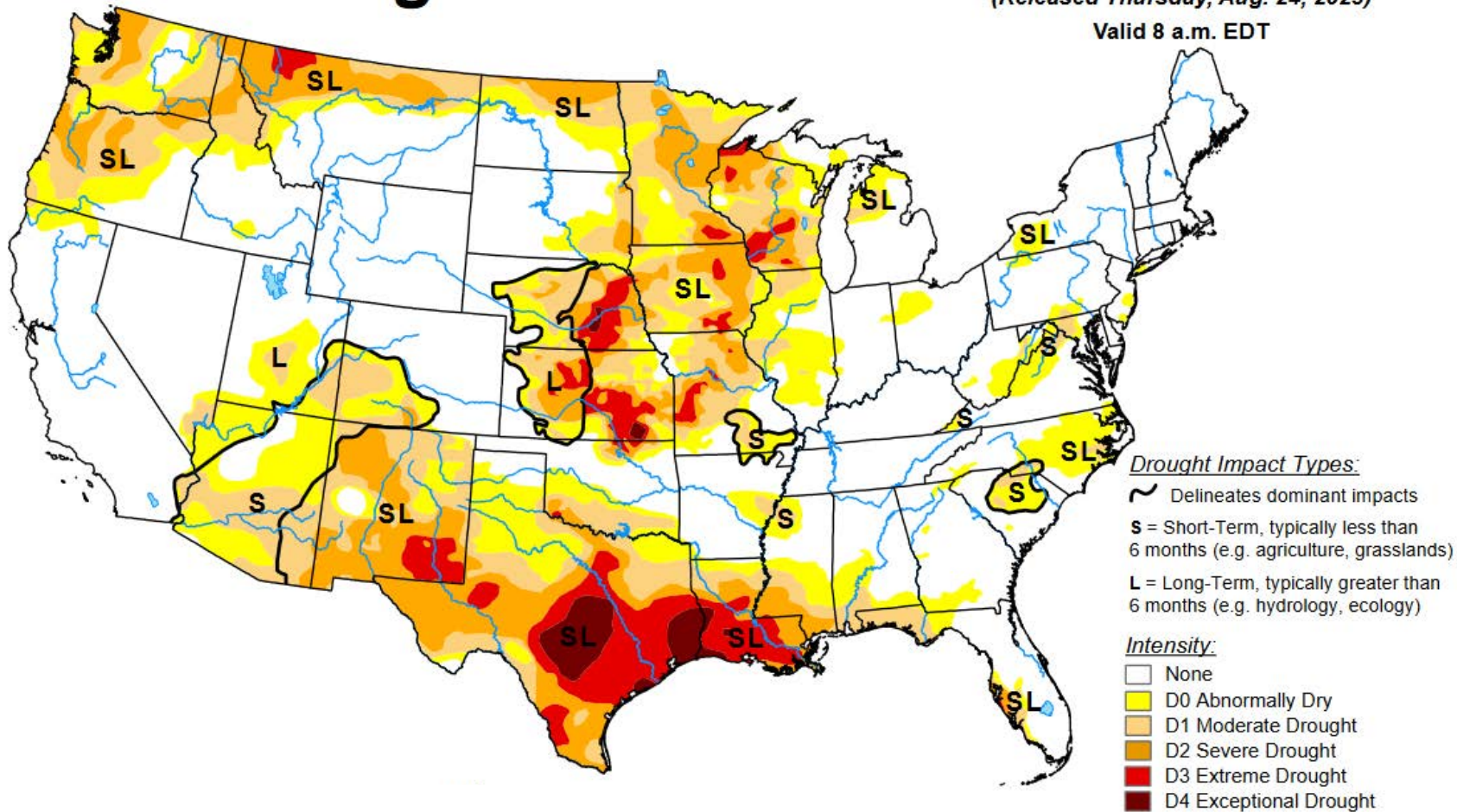


Major Canola (Stats Can)

U.S. Drought Monitor

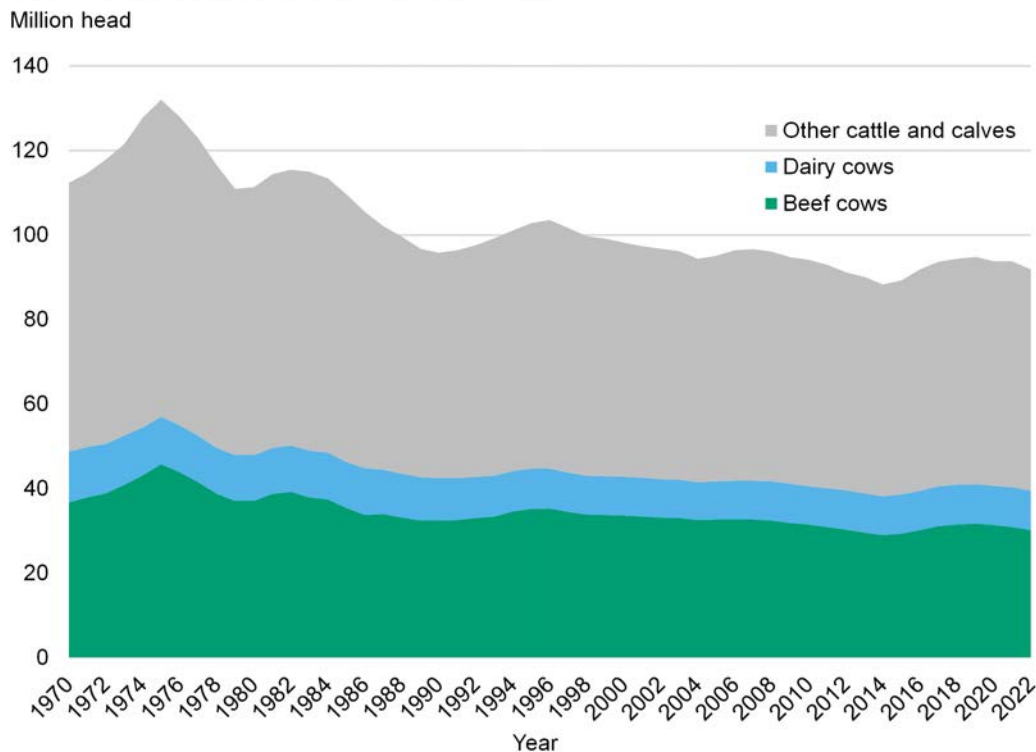
August 22, 2023
(Released Thursday, Aug. 24, 2023)

Valid 8 a.m. EDT

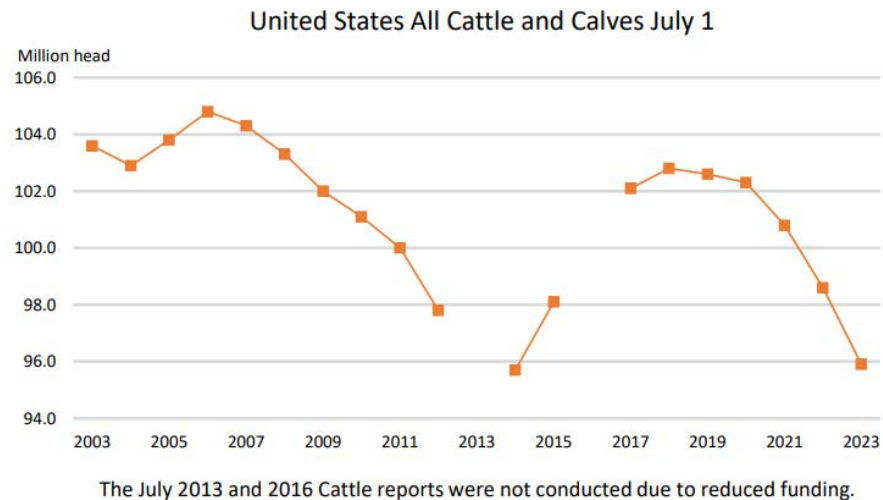


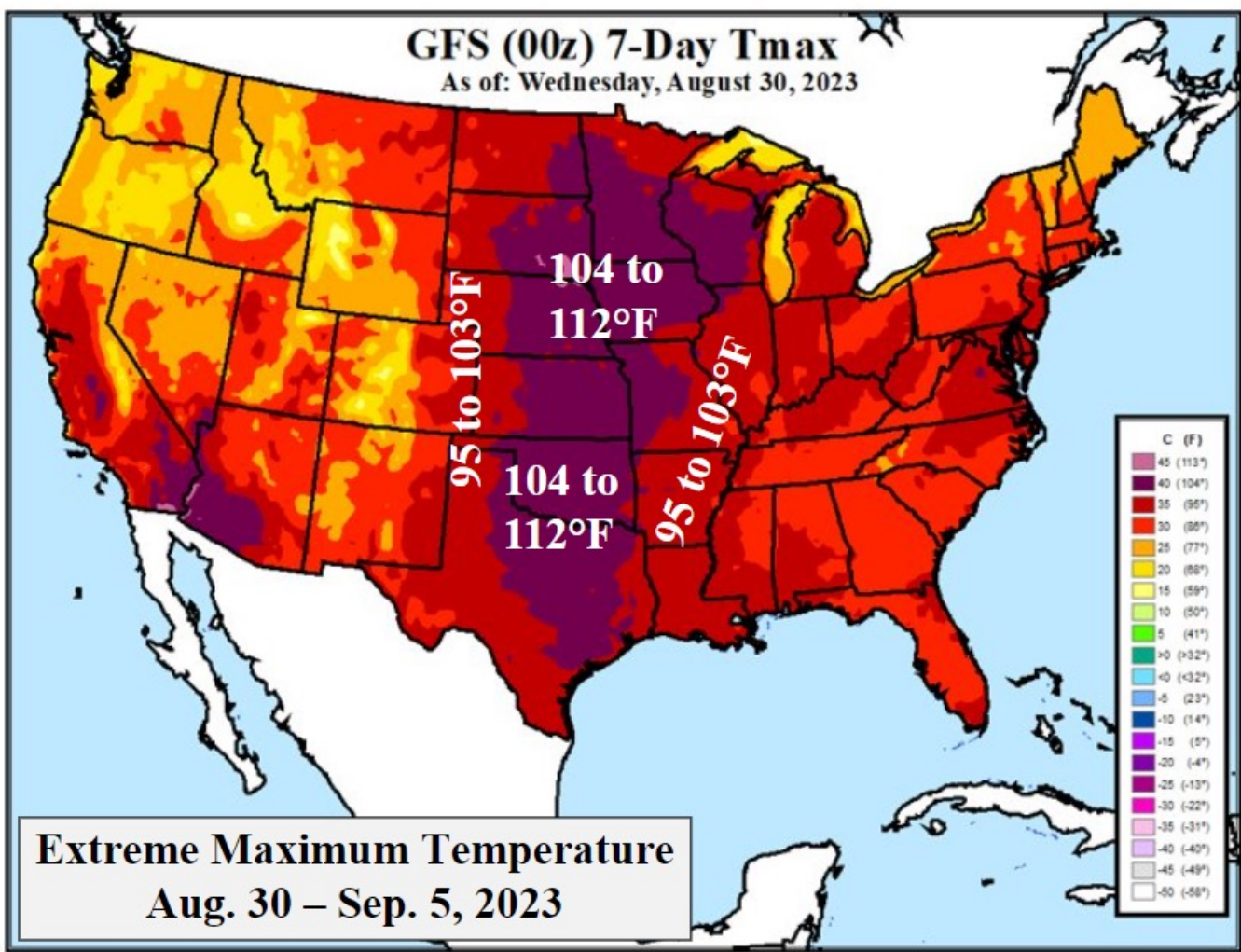
Cattle Herd in a contraction phase

Figure 1. Cattle and cow inventories 1970–2022



Source: USDA, Economic Research Service calculations using USDA, National Agricultural Statistics Service, Cattle report.

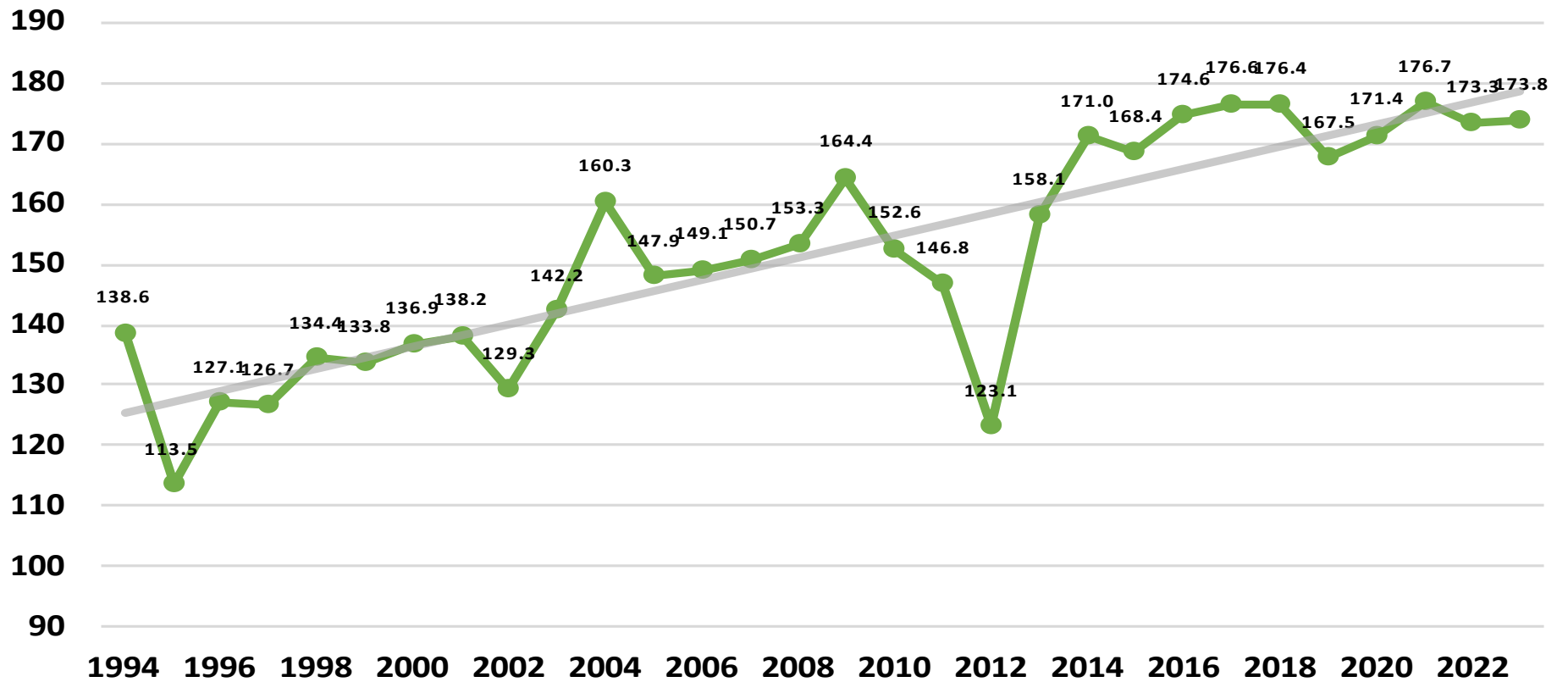




**35 to 39.5
Celsius
&
39.5 to 44.4
Celsius**

Corn Yield United States

Bushels per Acre



September 12, 2023

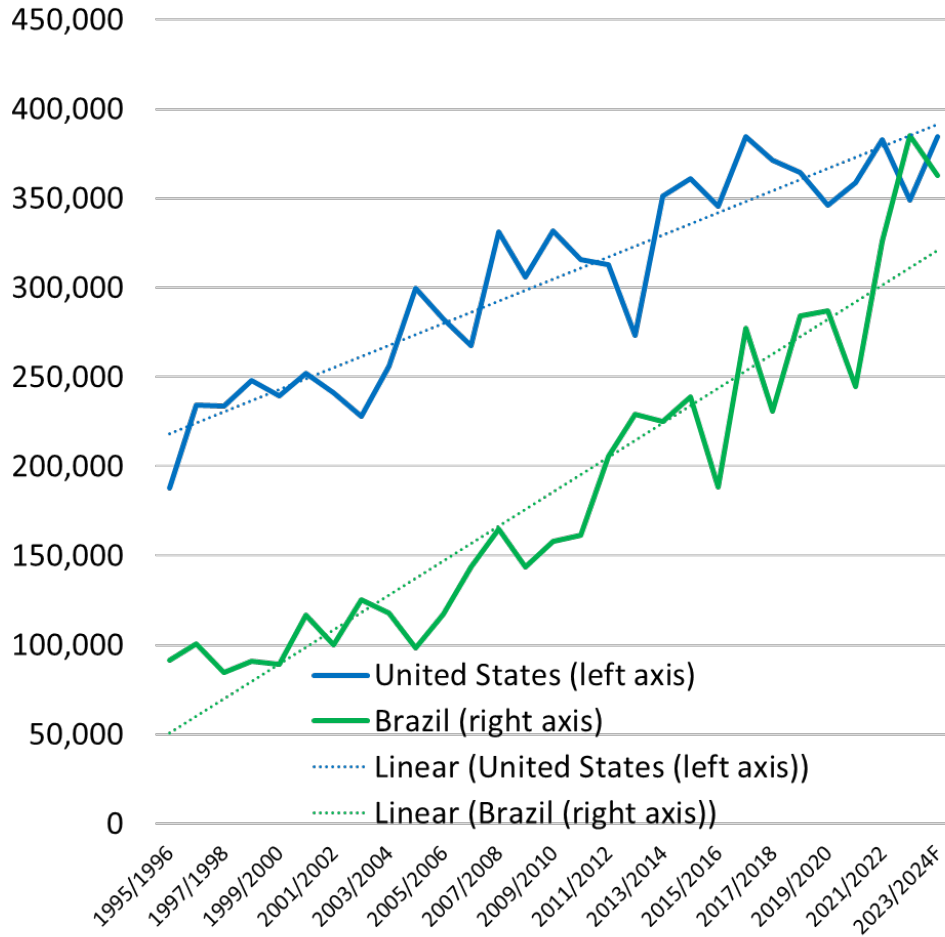
World Corn Supply and Use

Item	2022/2023		2023/2024		
	Estimate	Change from August 11	Forecast	Change from August 11	Change from 2022/2023
----- Million Tons -----					
Beginning stocks	310.5	0.3	299.5	1.6	-11.1
Production	1,155.6	3.8	1,214.3	0.8	58.7
Total Supply	1,466.2	4.1	1,513.8	2.3	47.6
Feed use	730.6	0.5	756.1	-0.6	25.5
Total use	1,166.7	2.6	1,199.8	-0.6	33.1
Trade	181.7	4.2	196.2	--	14.5
Ending Stocks	299.5	1.6	314.0	2.9	14.5

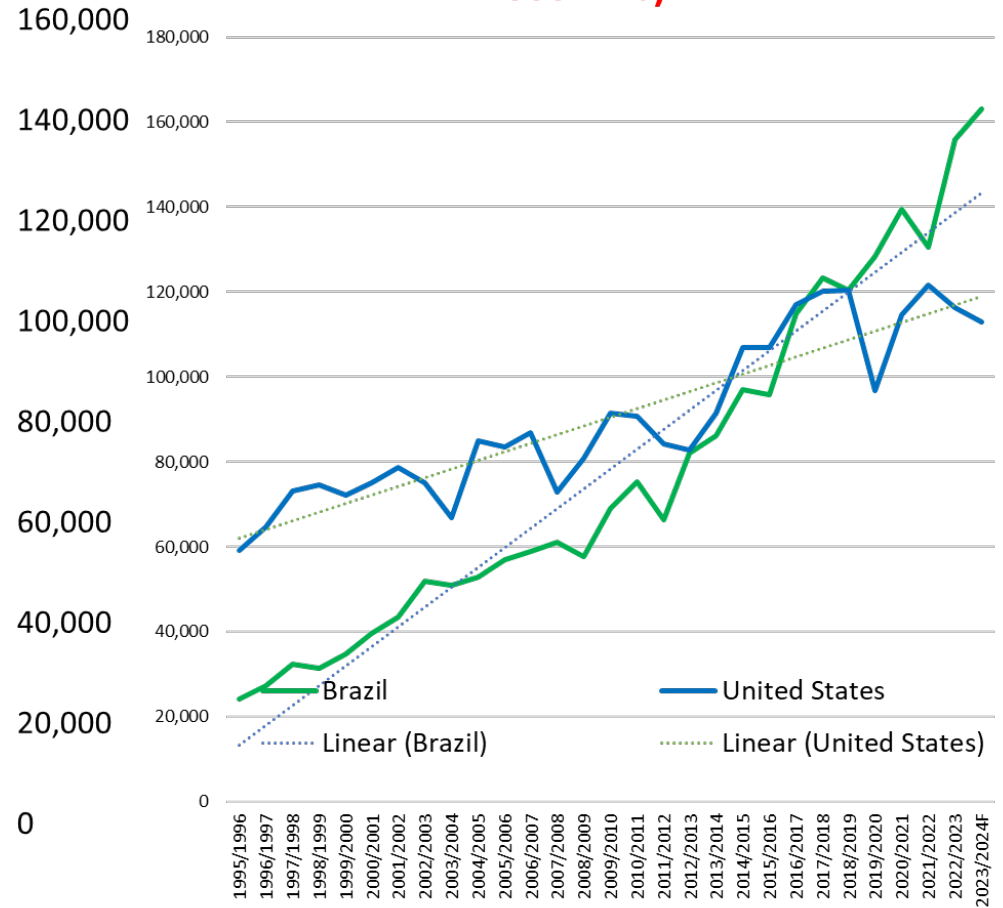
-- No change.



US and Brazil Corn Production in 1000 Mts

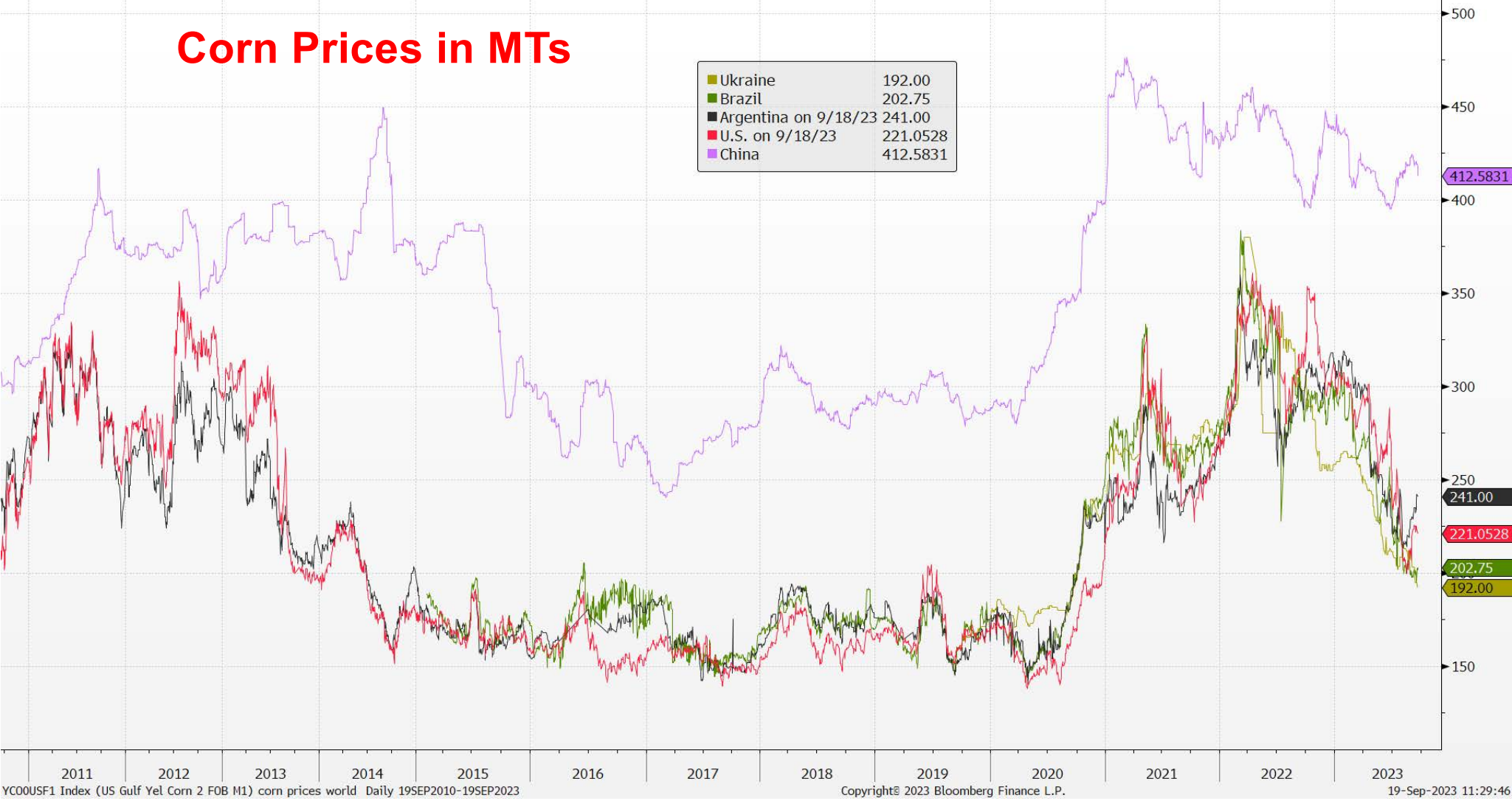


U.S. and Brazil Soybean Production (in 1000 MTs)

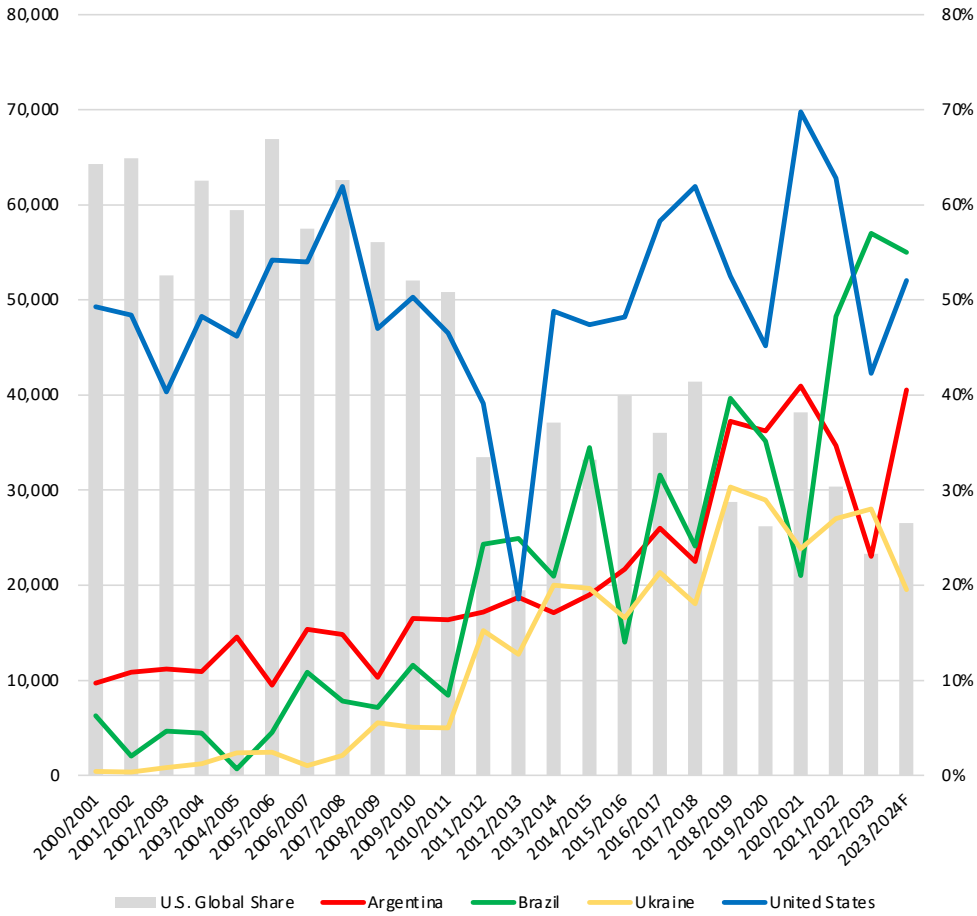


Corn Prices in MTs

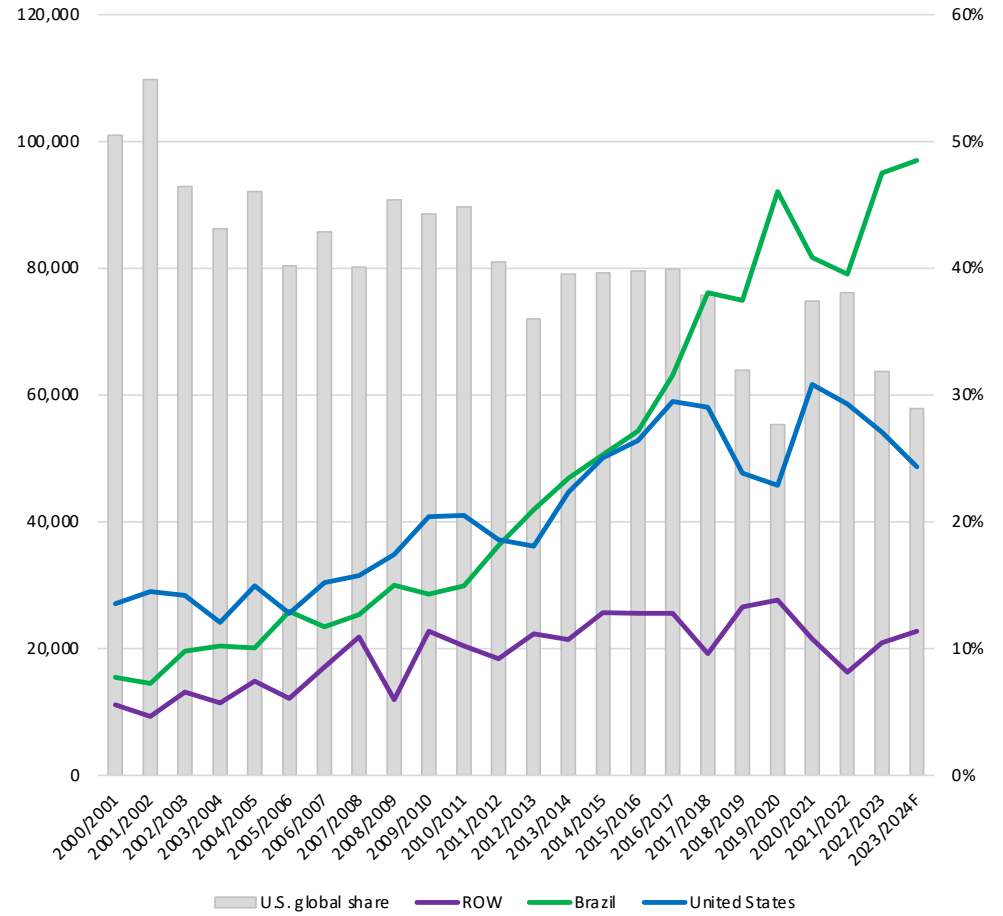
Ukraine	192.00
Brazil	202.75
Argentina on 9/18/23	241.00
U.S. on 9/18/23	221.0528
China	412.5831



Corn Exports in 1000 MTs

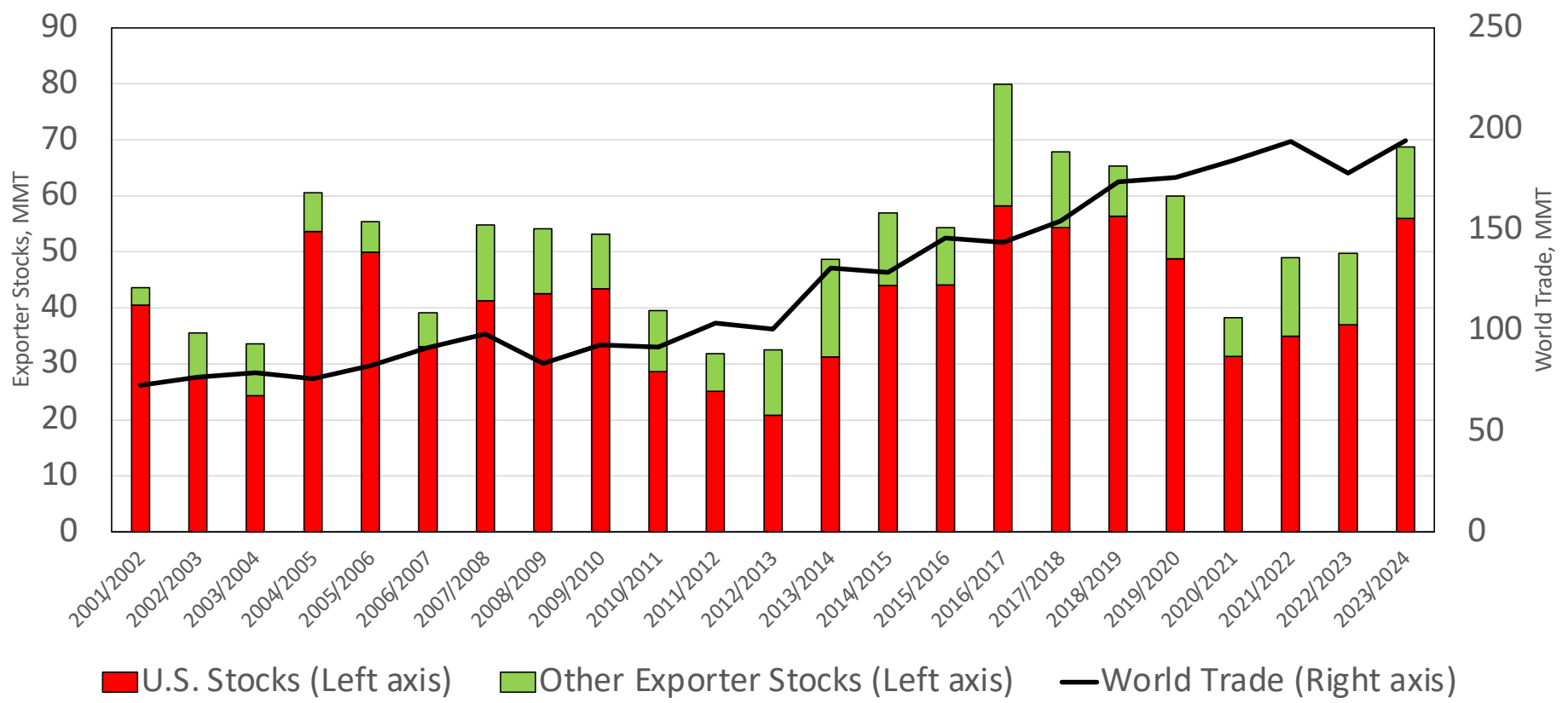


Soybean Exports in 1000 MTs



Source: USDA

Corn Stocks In Exporting Countries Rebound; Low Prices Expected to Spur Global Demand



Source: USDA. Other exporters are Argentina, Brazil, Ukraine, and Russia. Trade Year basis.

U.S. Corn Supply and Demand

Item	2022/2023		2023/2024		
	Estimate	Change from August 11	Forecast	Change from August 11	Change from 2022/2023
Planted area (million acres)	88.6	--	94.9	0.8	6.3
Harvested area (million acres)	79.2	--	87.1	0.8	7.9
Yield (bushels per acre)	173.3	--	173.8	-1.3	0.4
----- Million bushels -----					
Beginning stocks	1,377	--	1,452	-5	75
Production	13,730	--	15,134	23	1,404
Imports	40	5	25	--	-15
Total supply	15,147	5	16,611	18	1,464
Feed and residual	5,425	--	5,625	--	200
Food, seed, and industrial	6,605	-30	6,715	--	110
Ethanol	5,195	-30	5,300	--	105
Domestic use	12,030	-30	12,340	--	310
Exports	1,665	40	2,050	--	385
Total use	13,695	10	14,390	--	695
Ending stocks	1,452	-5	2,221	18	769
----- Percent -----					
Stocks to use ratio	10.6	**	15.4	0.1	4.8
----- Dollars per bushel -----					
Average market price	6.55	-0.05	4.90	--	-1.65

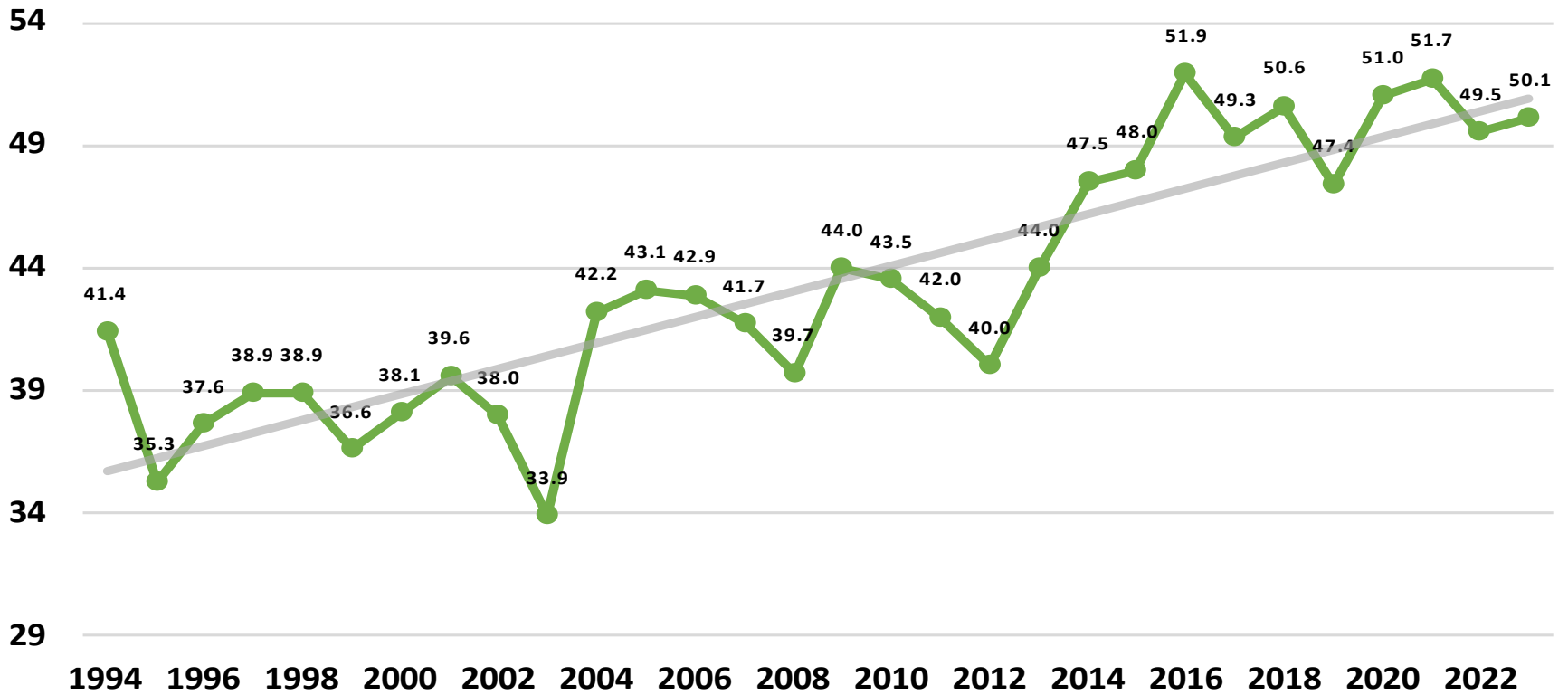
-- No change. ** Rounds to zero.

September 12, 2023



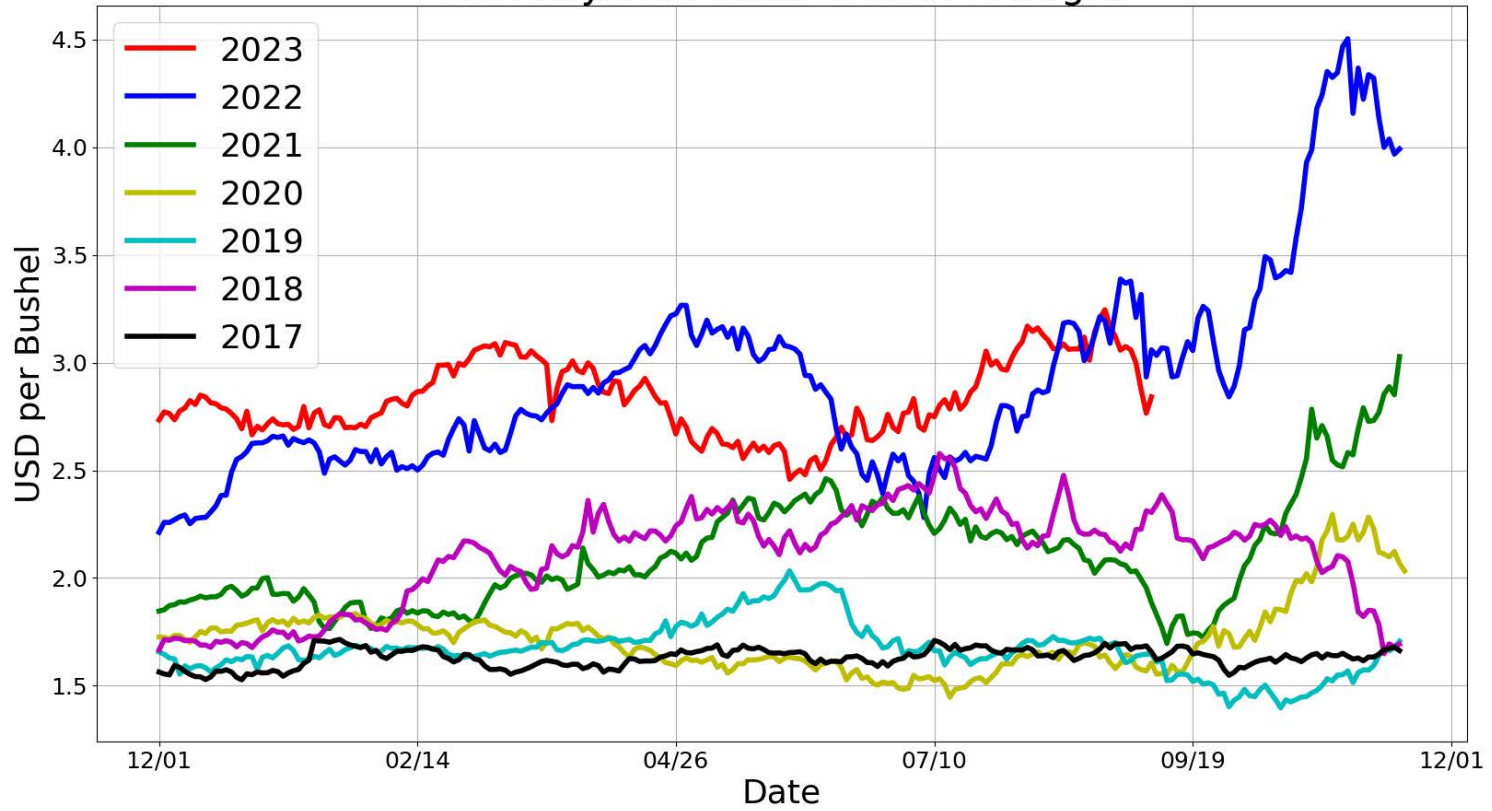
Soybean Yield United States

Bushels per Acre

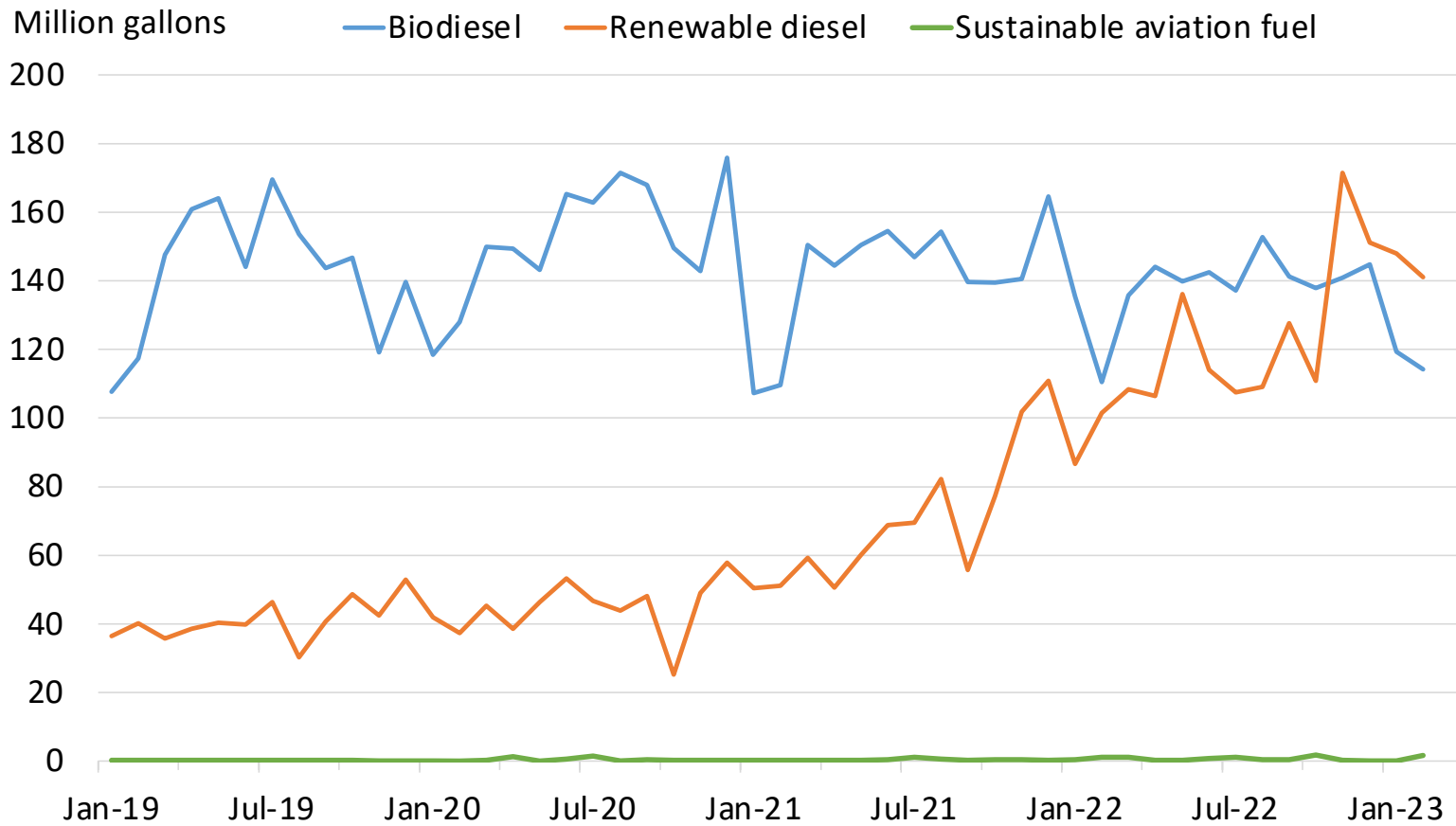


September 12, 2023

U.S. Soybean Futures Crush Margin



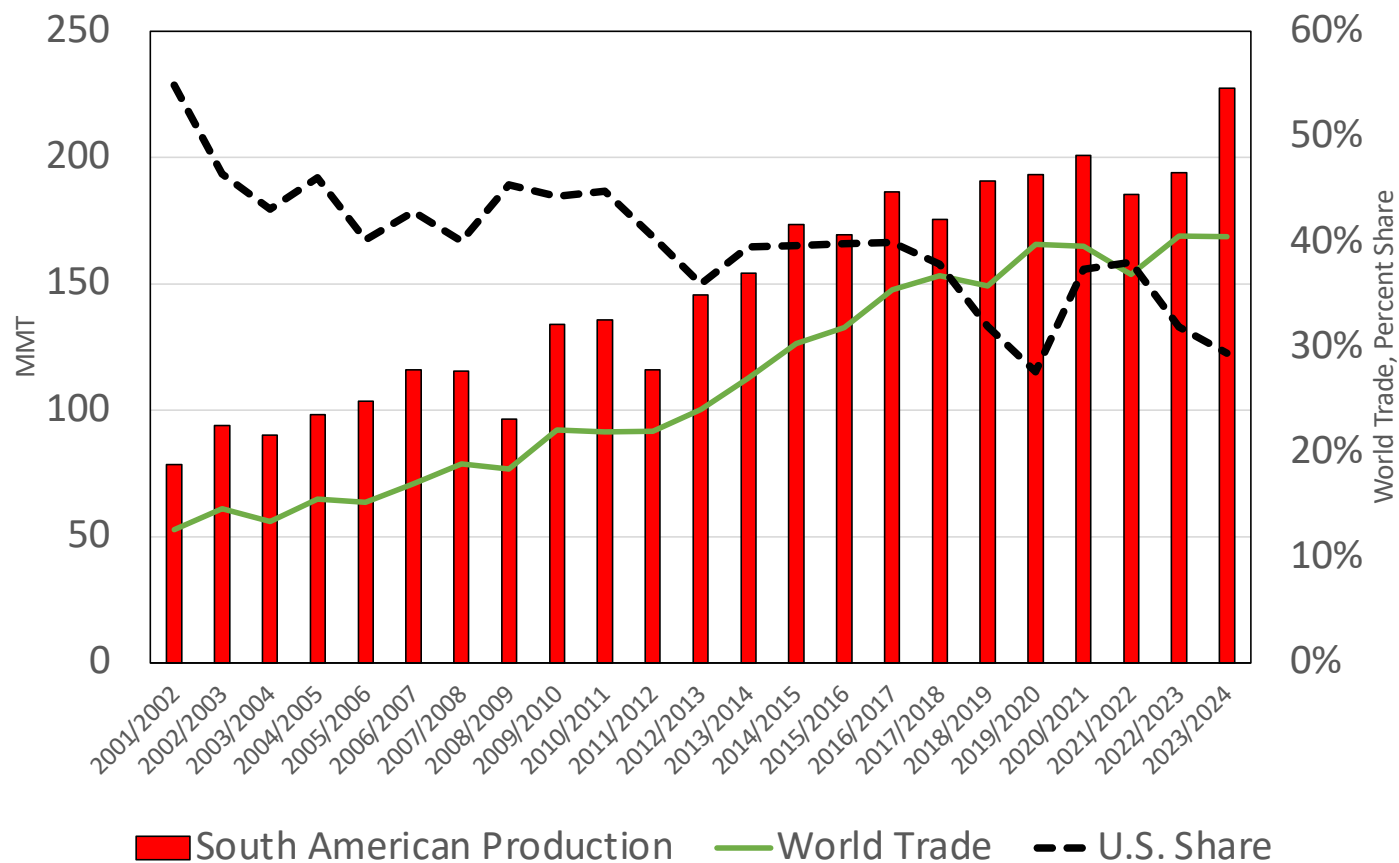
U.S. production of sustainable aviation fuel (SAF) remains well below renewable diesel (RD) and biodiesel (BDSL) due to relative economics.



- All 3 fuels compete for the same raw materials.
- SAF process is similar to RD but requires an extra step in production.
- Jet fuel has a lower wholesale price than diesel fuel.
- SAF does not receive the \$1/gal credit that RD and BDSL get.

Source: EPA RIN generation summary

South American Soybean Production Rebounds; U.S. Export Share Declines As World Trade Flat



Source: USDA

U.S. Soybeans Supply and Demand

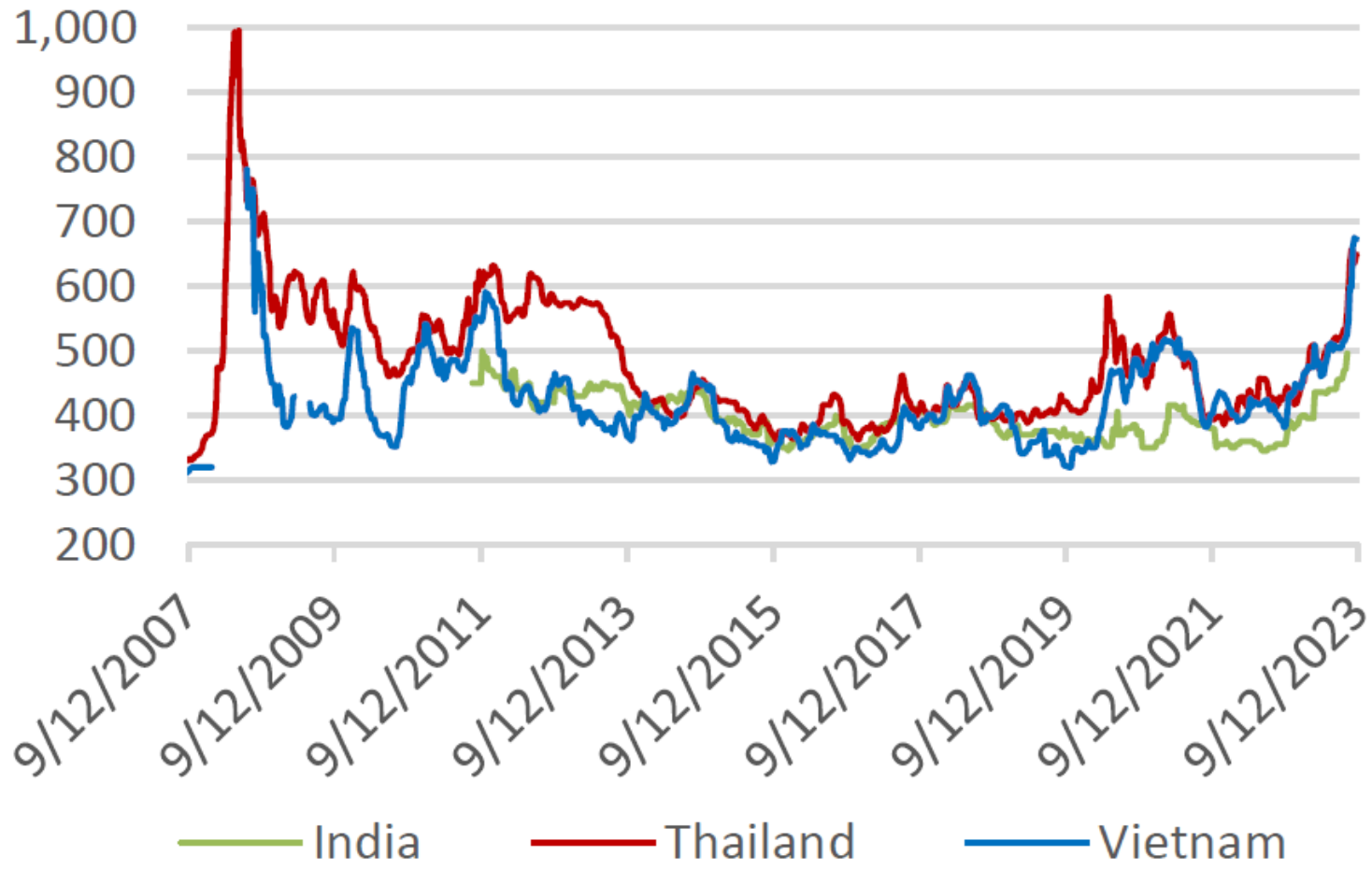
Item	2022/2023		2023/2024		
	Estimate	Change from August 11	Forecast	Change from August 11	Change from 2022/2023
Planted area (million acres)	87.5	--	83.6	0.1	-3.9
Harvested area (million acres)	86.3	--	82.8	0.1	-3.5
Yield (bushels per acre)	49.5	--	50.1	-0.8	0.5
----- Million bushels -----					
Beginning stocks	274	--	250	-10	-24
Production	4,276	--	4,146	-59	-130
Imports	30	--	30	--	0
Total supply	4,581	--	4,426	-70	-154
Crush	2,220	--	2,290	-10	70
Seed and Residual	120	**	126	1	6
Domestic use	2,340	**	2,416	-9	76
Exports	1,990	10	1,790	-35	-200
Total use	4,330	10	4,206	-44	-124
Ending stocks	250	-10	220	-25	-30
----- Percent -----					
Stocks to use ratio	5.8	-0.2	5.2	-0.5	-0.5
----- Dollars per bushel -----					
Average market price	14.20	--	12.90	0.20	-1.30

-- No change. ** Rounds to zero.

September 12, 2023



Rice Import Quotes (\$/MT)



World Rice Supply and Use

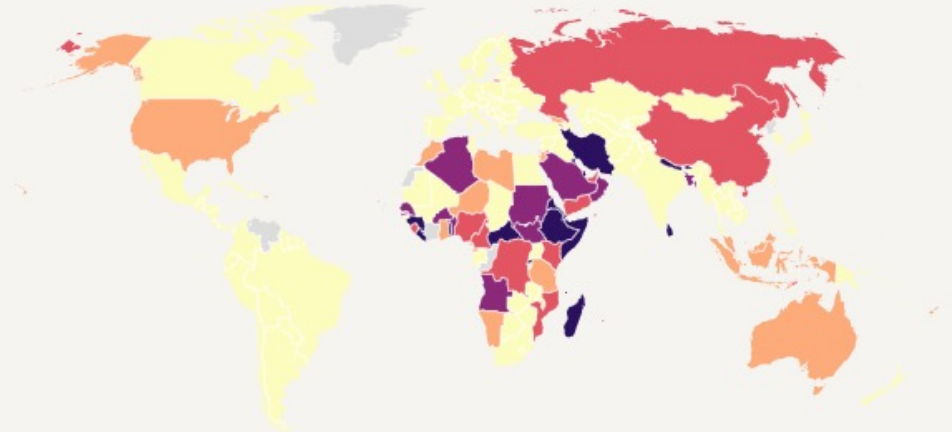
India rice exports cut 5.5mmt since controls Implemented (July).

Item	2023/2024 forecast	Change from August 11
----- Million Tons -----		
Beginning stocks	172.2	-1.5
Production	518.1	-2.9
Total Supply	690.3	-4.4
Total use	522.7	-0.2
Trade	52.1	-0.8
Ending Stocks	167.6	-4.2

Importance of India in world rice trade

Percent of rice imports from India

■ < 20
 ■ 20-40
 ■ 40-60
 ■ 60-80
 ■ ≥ 80



Import share based on volume.

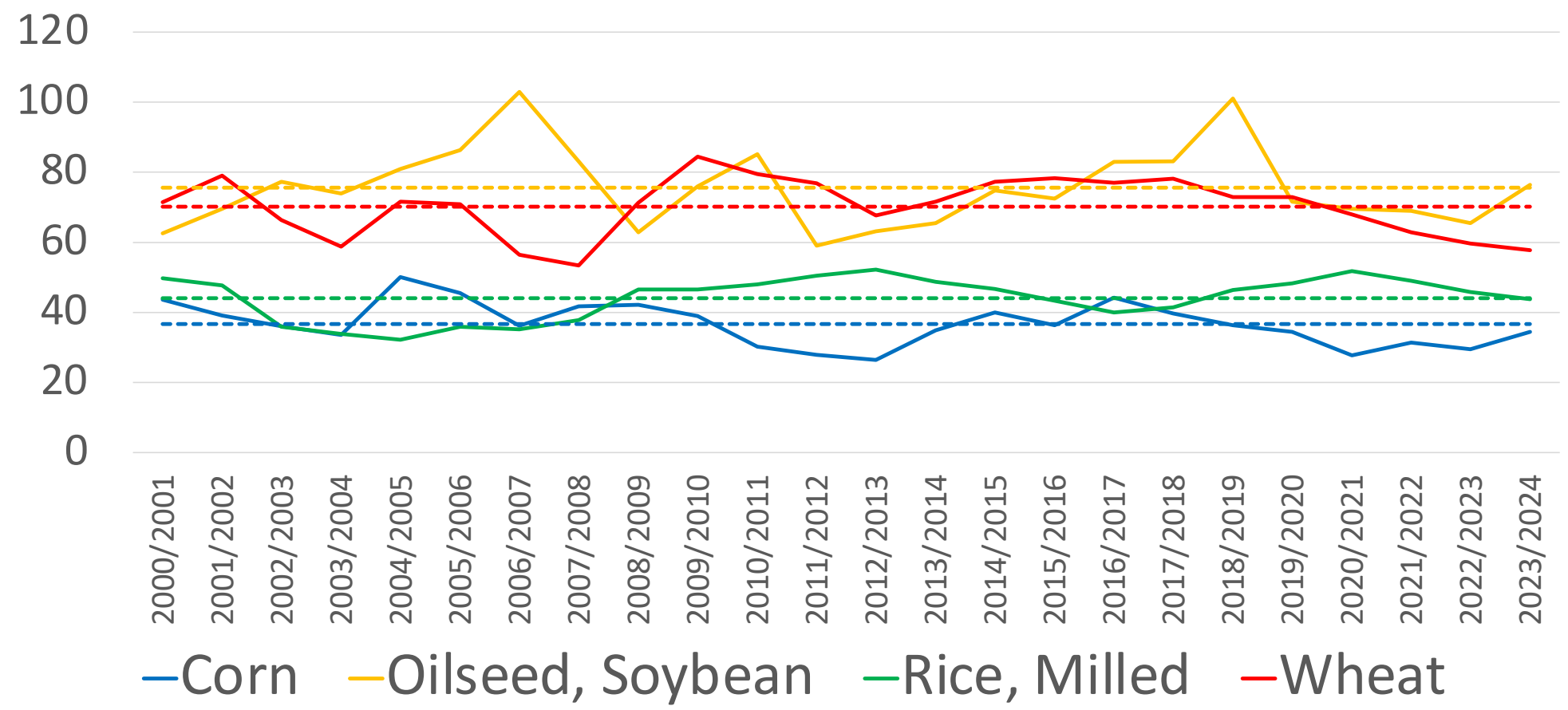
Map: Abdullah Mamun • Source: TDM • [Get the data](#) • [Embed](#) • [Download image](#)



India *two-month* export drop 5.5 million metric tons

August 11, 2023

'Days of Use' of carryout of major crops (Chinese stocks excluded)





United States Department of Agriculture

Save the Date

USDA's 100th Annual

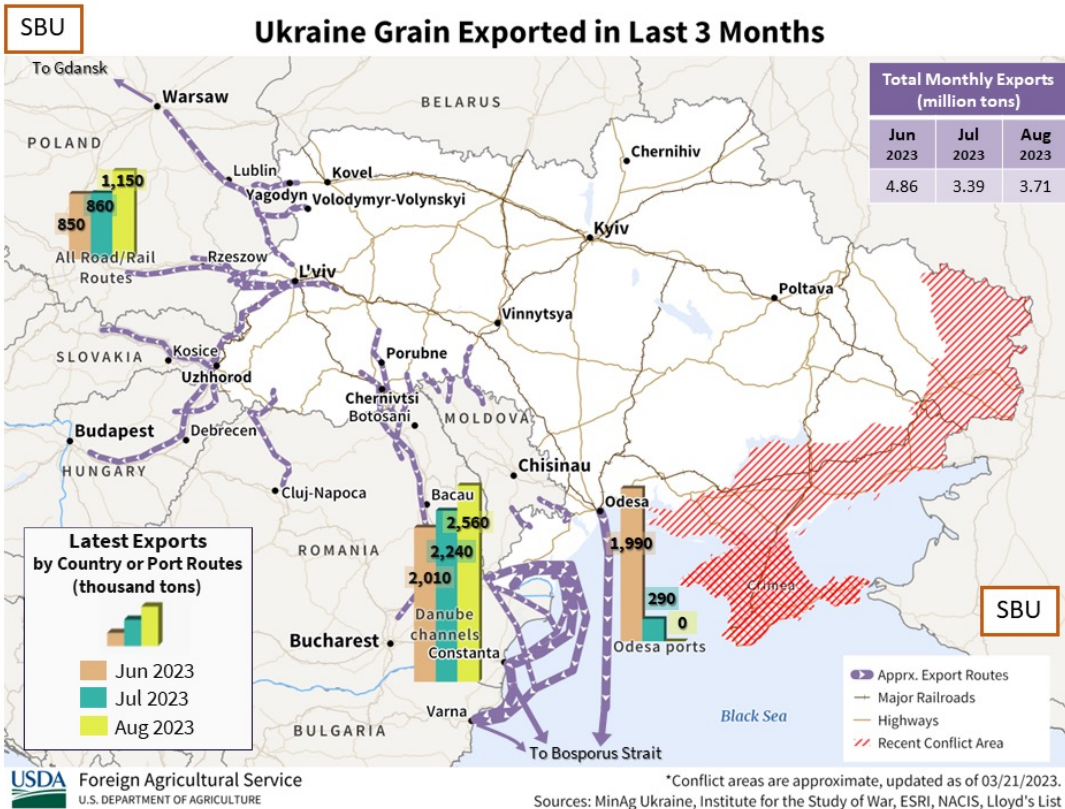
**Agricultural
Outlook Forum**

February 15-16, 2024

*Hybrid
Event*



Black Sea Grain deal



	Ukraine's Export Logistics Costs: Pre- and Post-Invasion (\$/mt)			
	Pre-Invasion	Post-Invasion		
	Odessa	Odessa	Constanza	Rail Through Western Border
Export Logistics Costs				
Interior Elevation	3	5	5	5
Rail to Odessa	20	35	40	
Rail to Izmail				40
Rail to Border				40
Elevation			20	20
Rail				55
Barge			40	
Export Elevation	8	30	10	10
FOB Ship for Export	31	70	115	130
Added Grain Corridor Costs (War Insurance, Inspection, etc.)		27		
Total Logistical Costs	31	97	115	130
Export Capacity per Month (mmt/month)	7	3	3	1.5
Average Basis to Growers	37	-90		

Source: Bill Wilson, North Dakota State University