

Latest in Global Agricultural Markets

A photograph of a sheep grazing in a lush green field. The sheep is in the foreground, facing left, with its head down. The field is vibrant green and appears to be a pasture. In the background, there are rolling green hills and a dark wooden fence. The sky is bright blue with scattered white clouds.

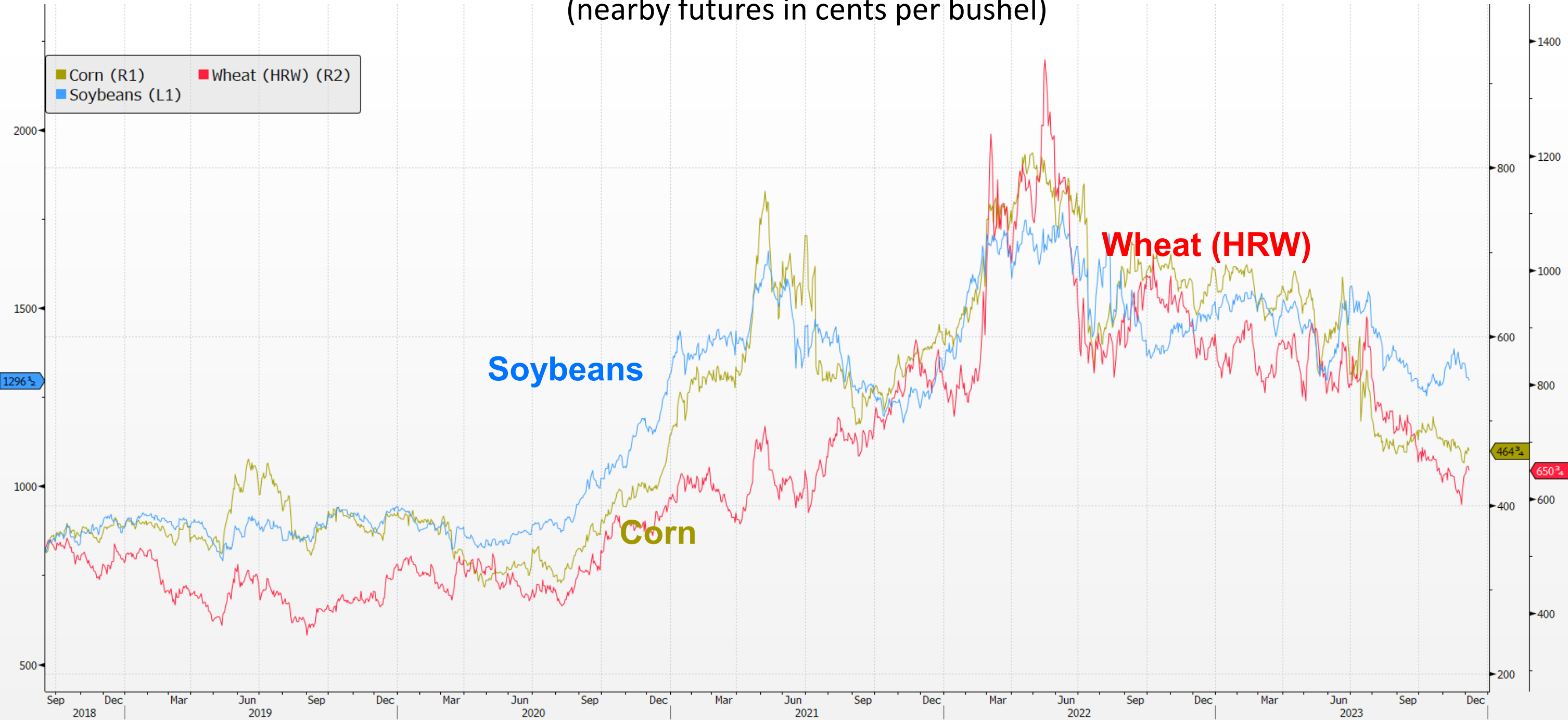
Seth Meyer
Office of the Chief Economist
USDA

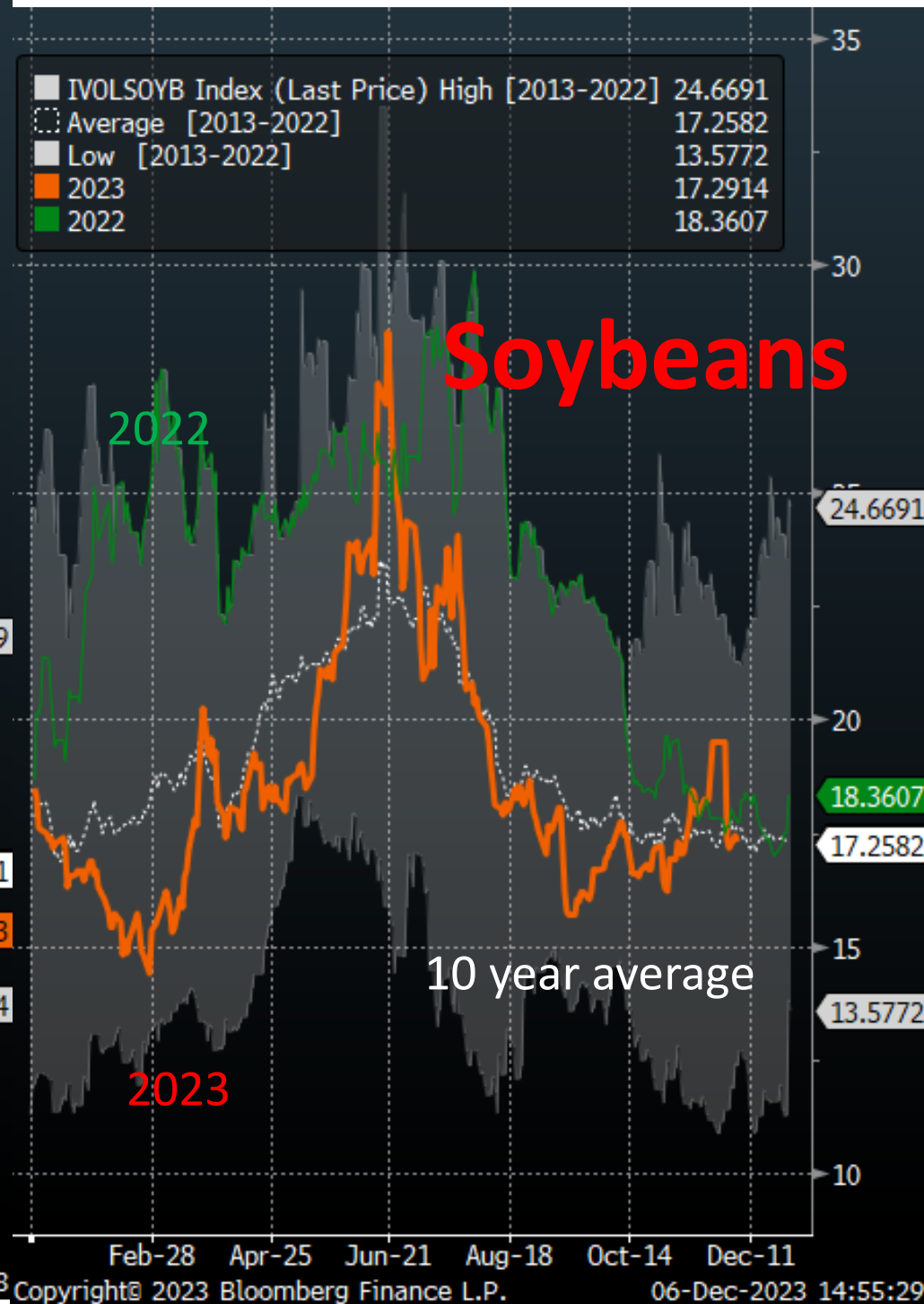
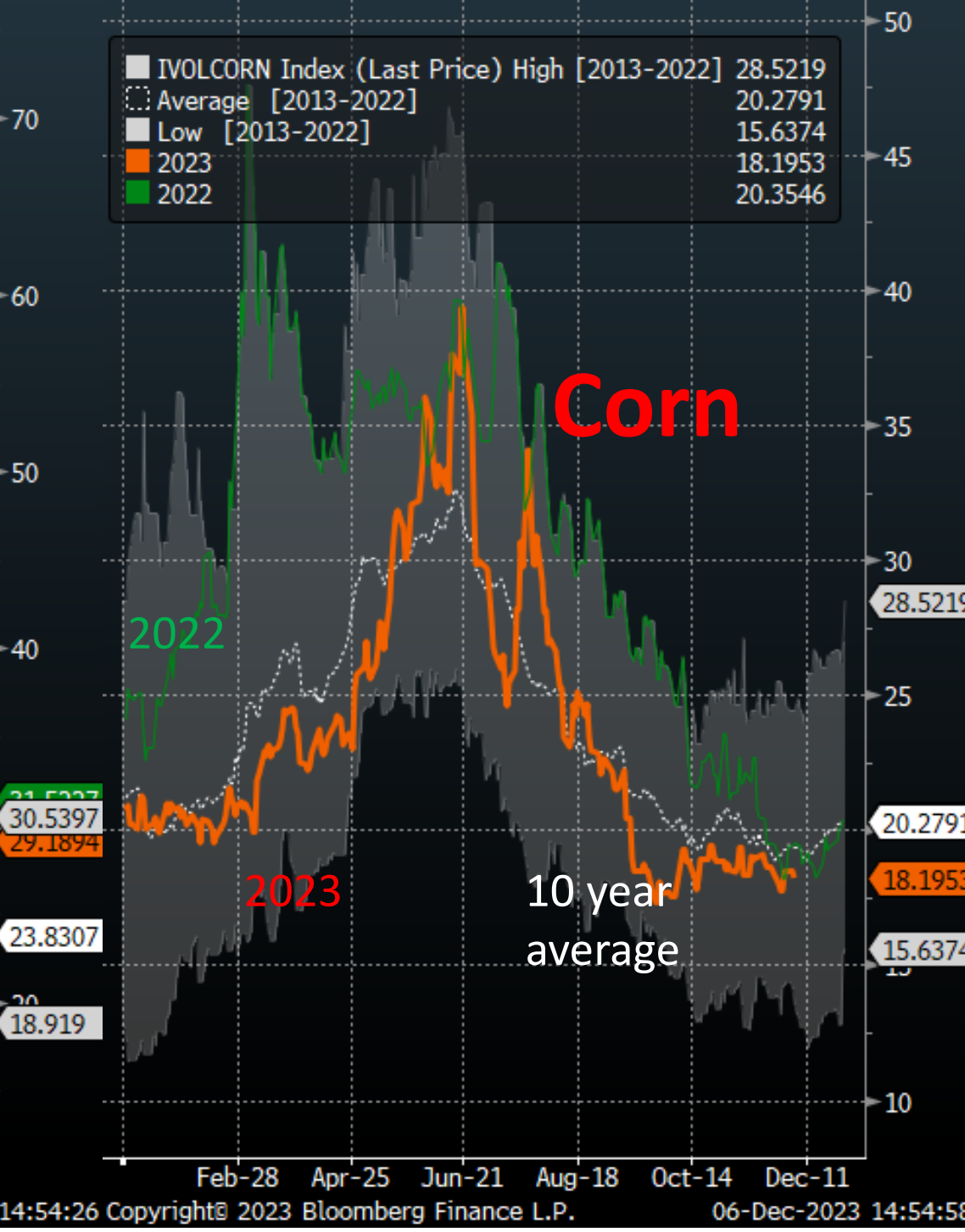
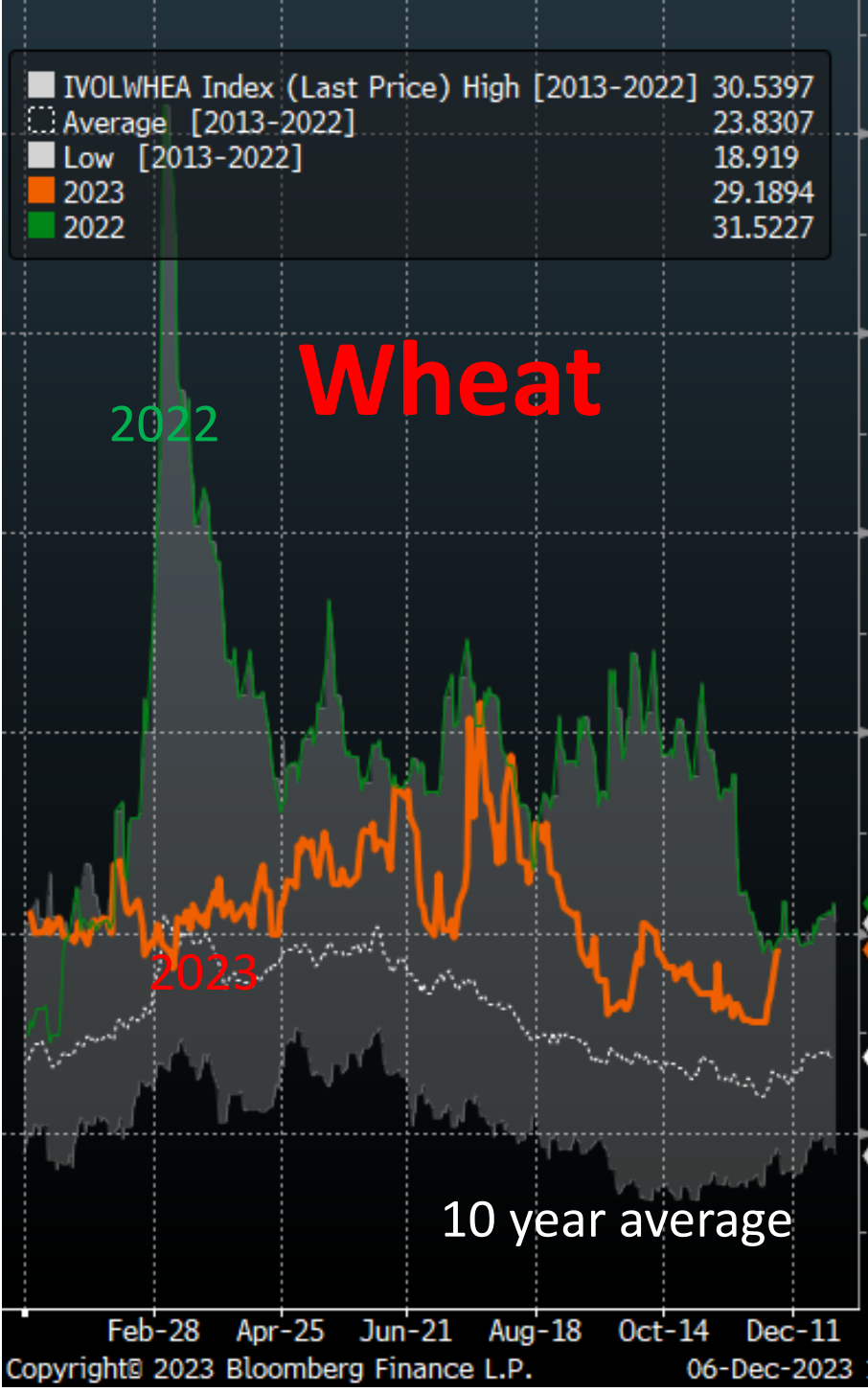
Current hot topics

- **Biofuel production and policy**
- **Grain production and trade from Russia and Ukraine (Grain corridor, export friction, etc)**
- **Evaluating the ‘next’ harvest, wherever that may be in the world**
- **Supply Chain disruptions river, Panama Canal, rail, etc**
- **Concentration, Competition, Resiliency, *they are not the same thing.***
- **Domestic and international Fertilizer markets**
- **Climate Smart Commodities program**
- **Crop Insurance – Livestock Risk Protection (LRP)**
- **Food price inflation**
- **Endangered Species Act and implications for agriculture**
- **Farm Bill**
- **International food security**
- **Biofuels**
- **Packers and Stockyards regulation**
- **Current policy proposals and their intersection with WTO or other trade agreements**
- **Mexico GMO restrictions**
- **The CCC (Commodity Credit Corporation).**
- **Trade with China**
- **The cattle cycle**
- **Animal disease pressures**

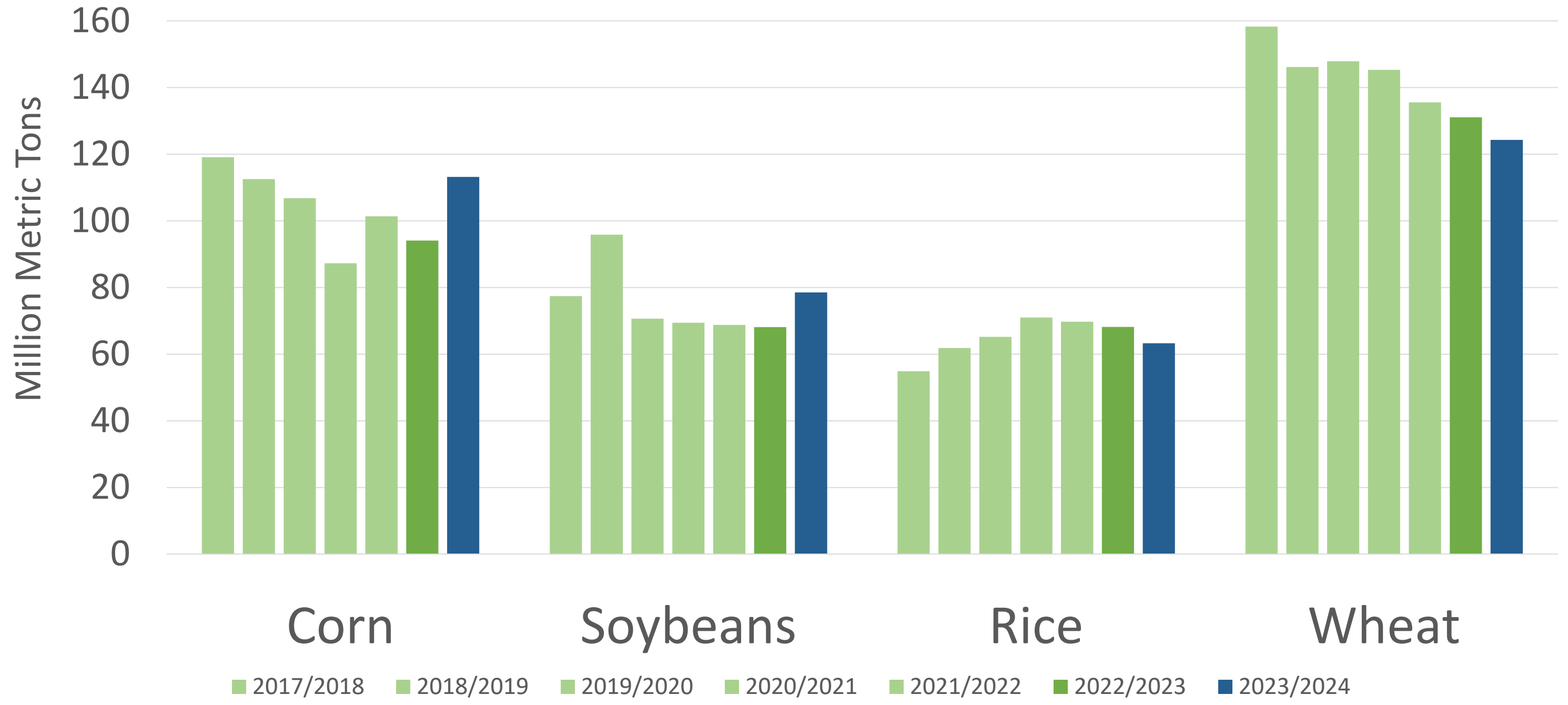
Corn, Soybean, and Wheat Futures

(nearby futures in cents per bushel)



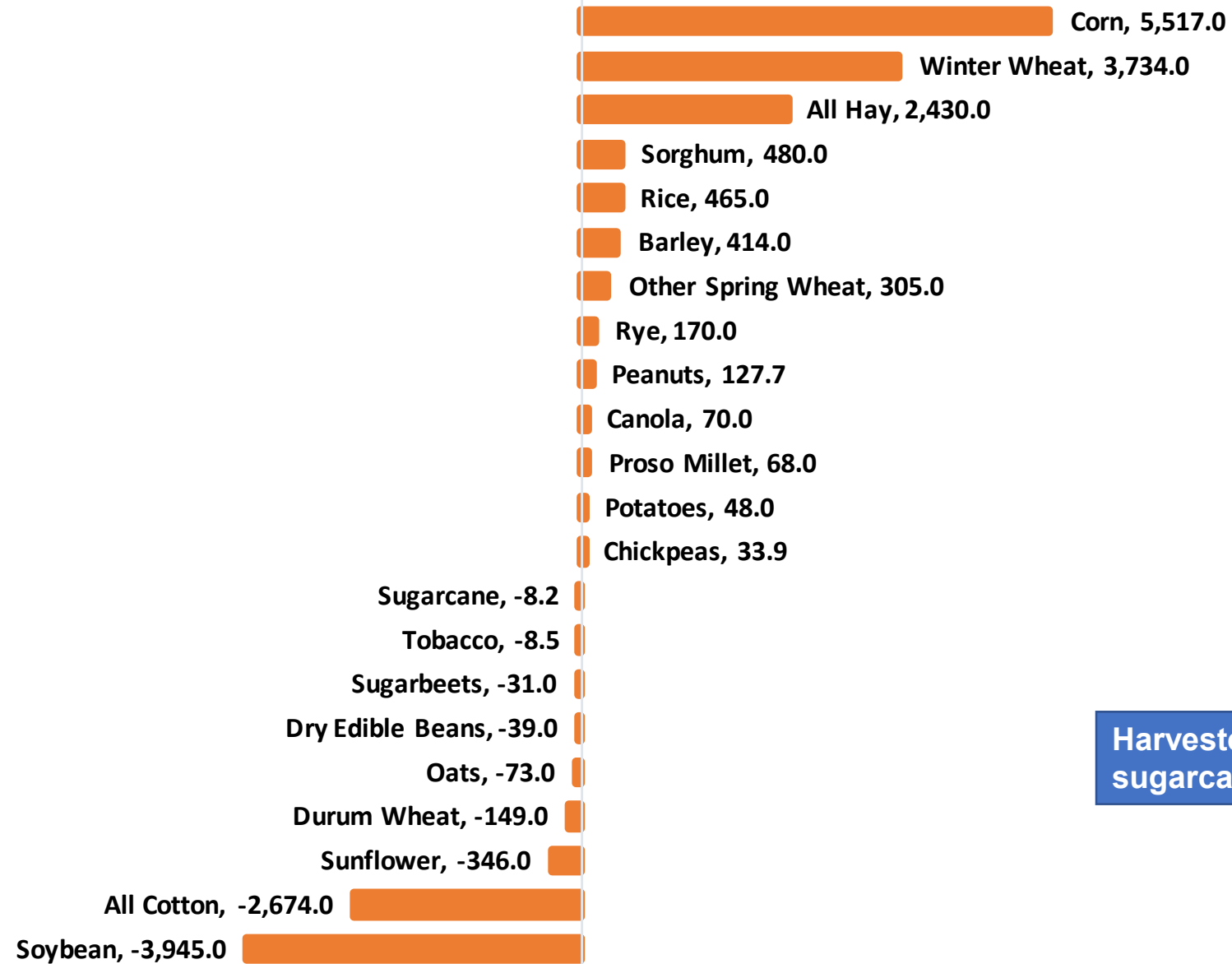


Global Carryout Stocks *Less China*



2023 Principal Crops

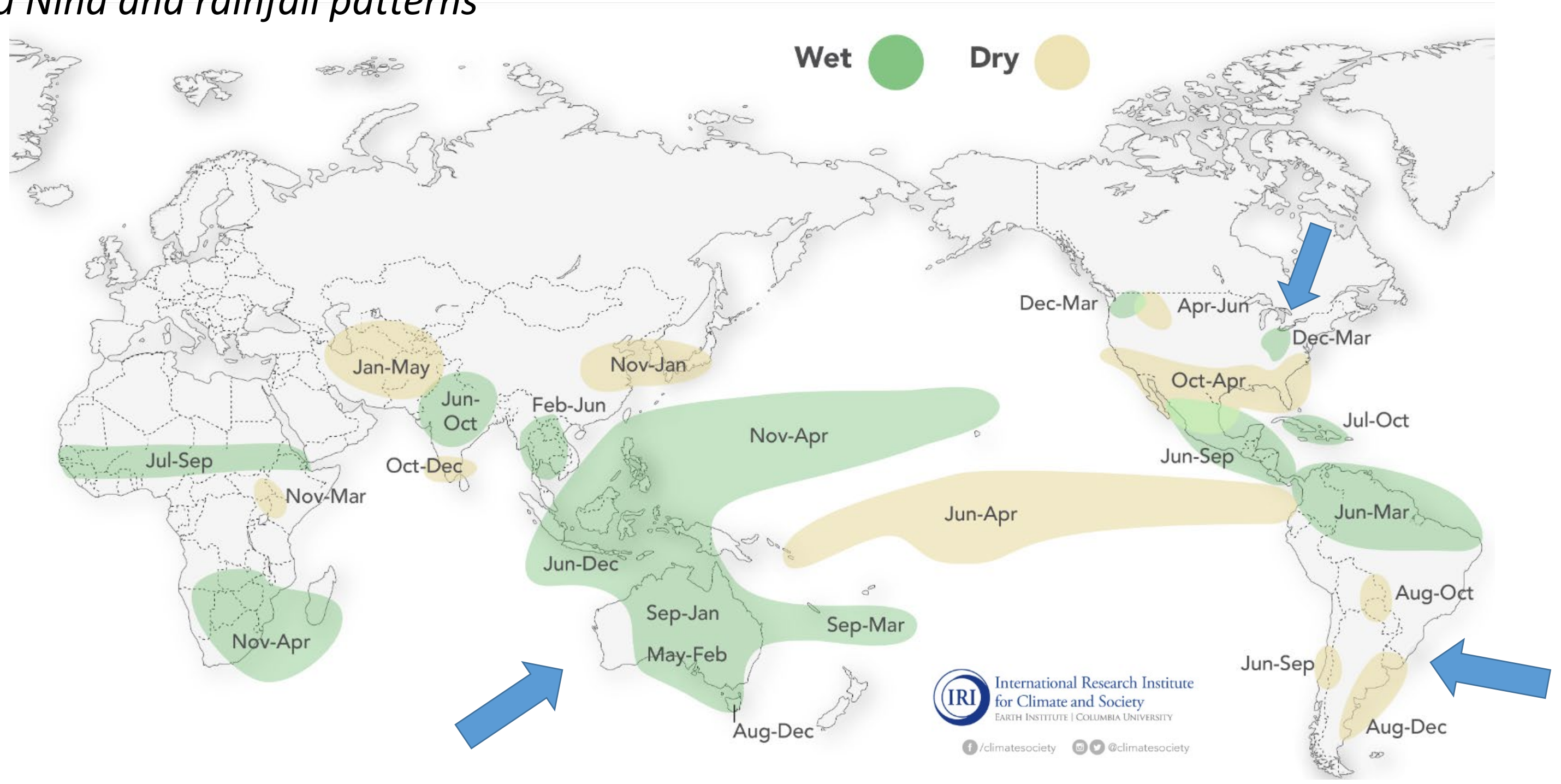
Planted Acreage Change (000) from 2022



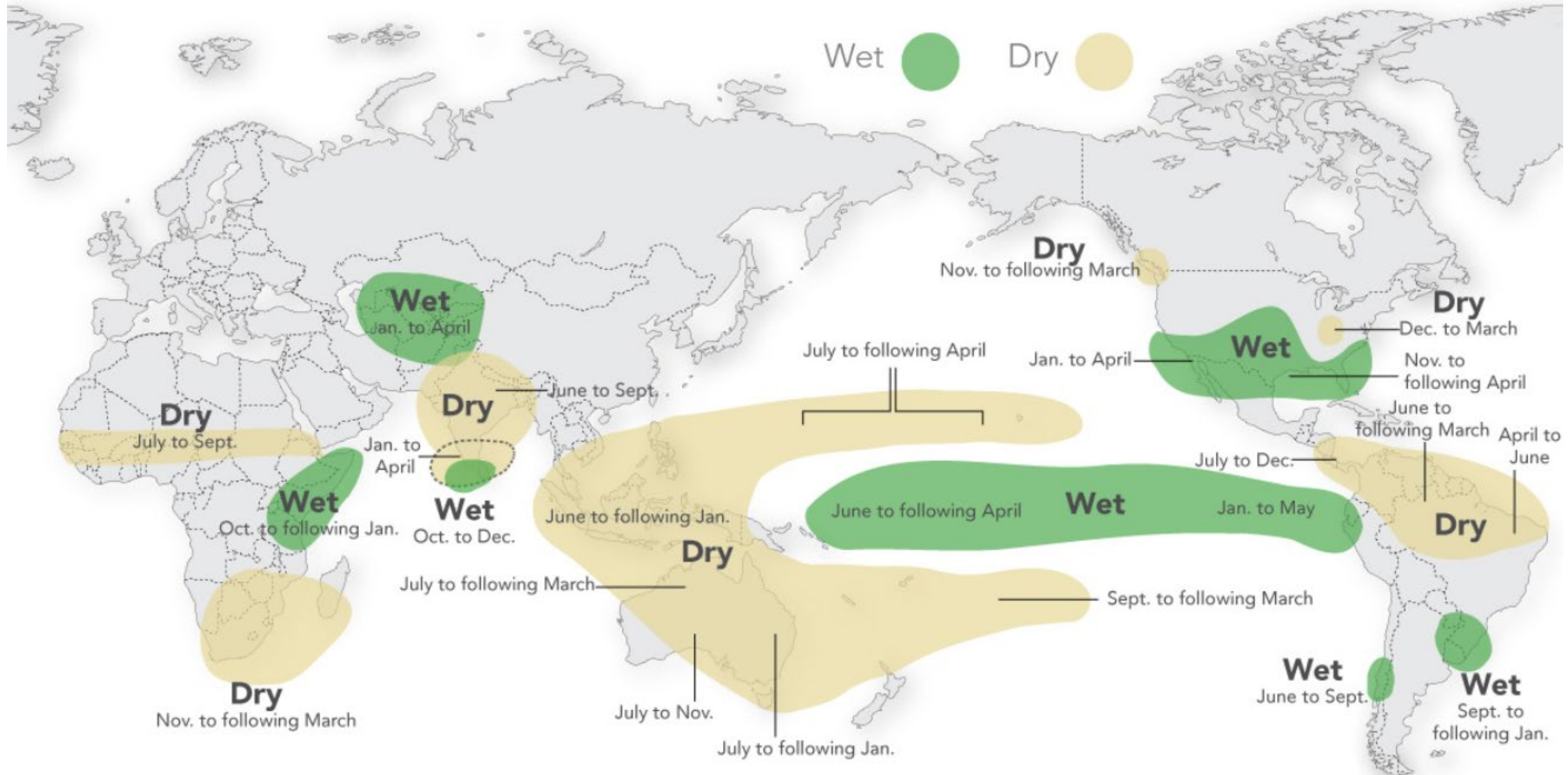
Harvested acres for hay,
sugarcane, and tobacco.

'Triple Dip' La Niña ended.....

La Niña and rainfall patterns

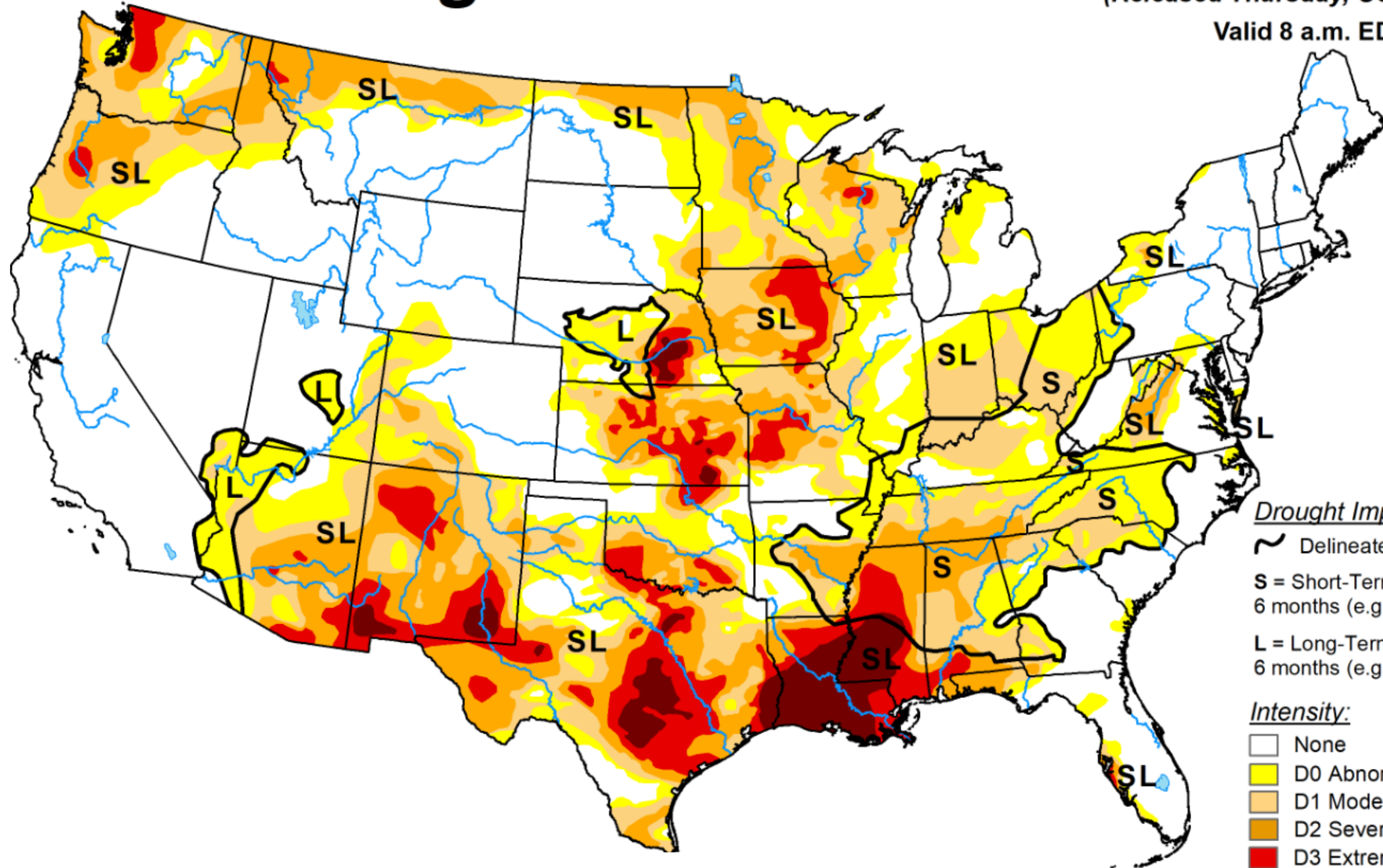


...to a El Nino



U.S. Drought Monitor

October 17, 2023
(Released Thursday, Oct. 19, 2023)
Valid 8 a.m. EDT

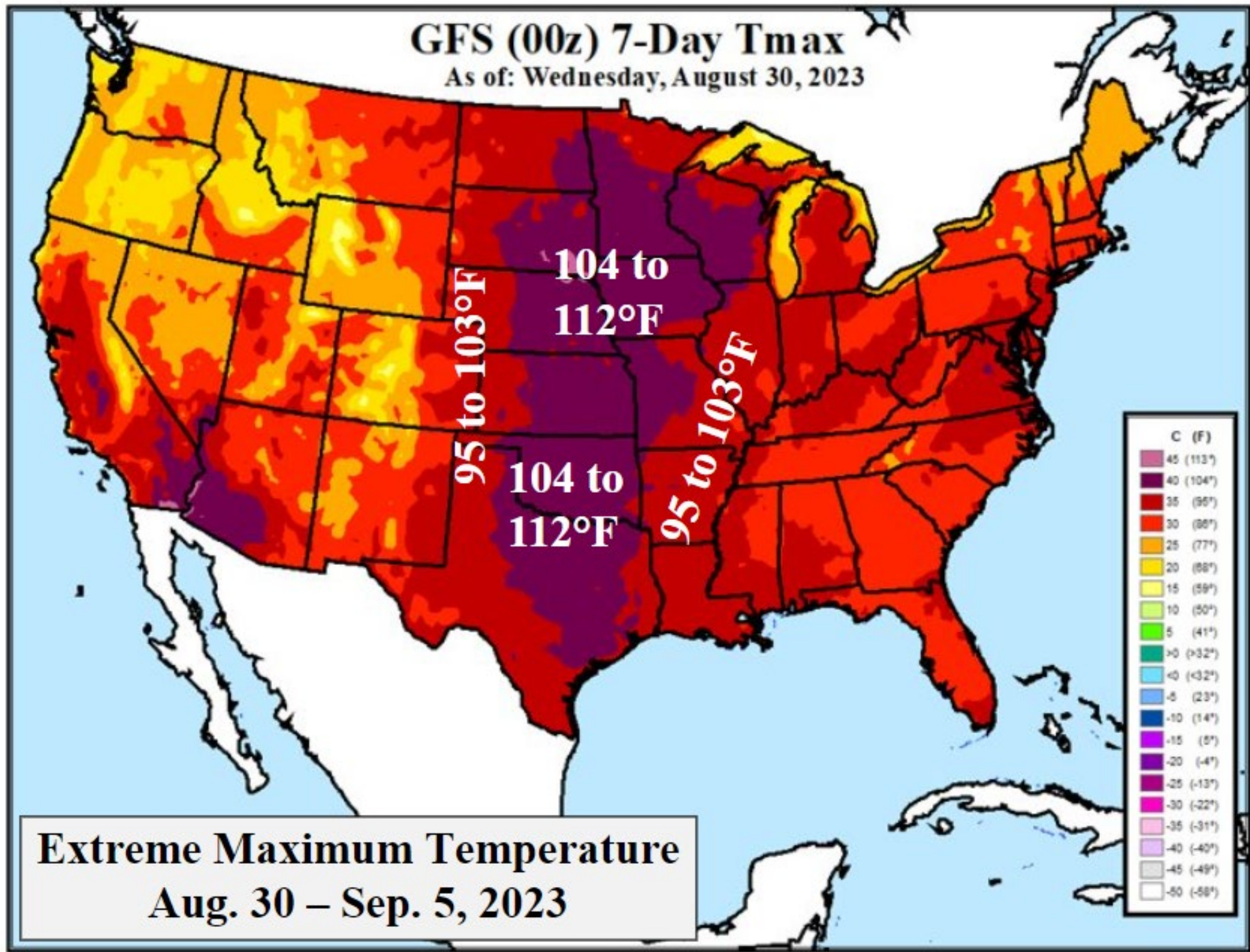


Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

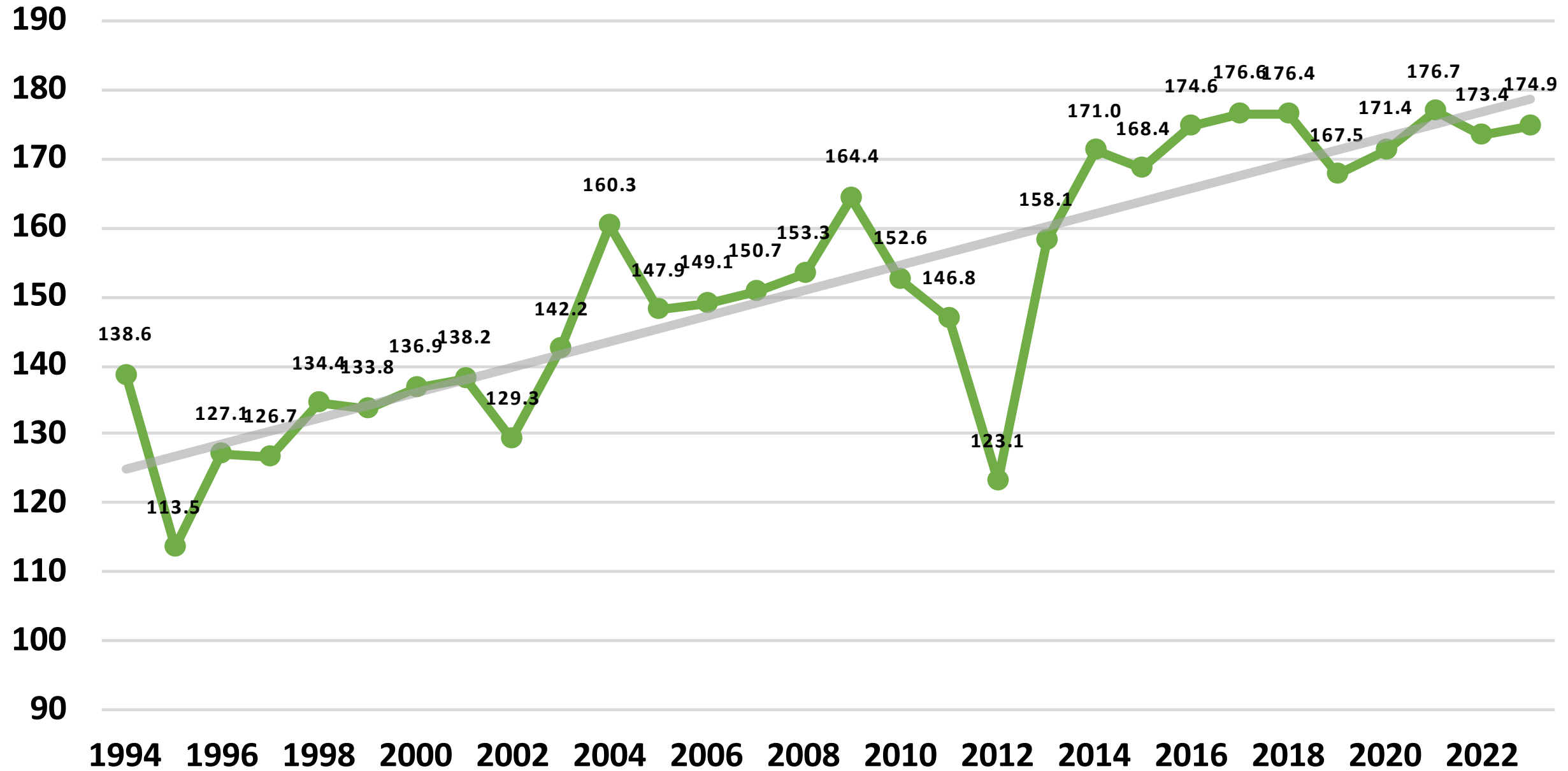


**35 to 39.5
Celsius
&
39.5 to 44.4
Celsius**

November 2023 Corn Yield

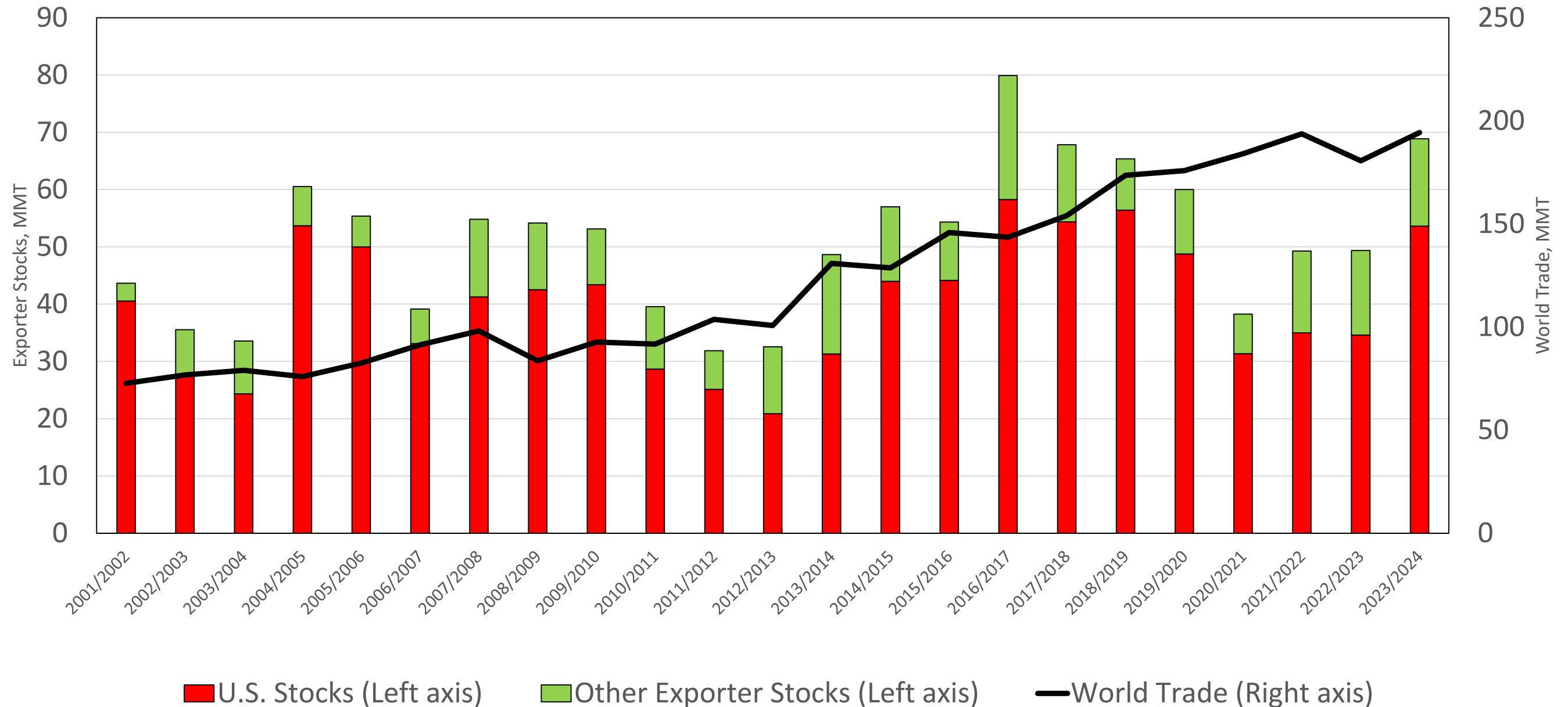
United States

Bushels per Acre



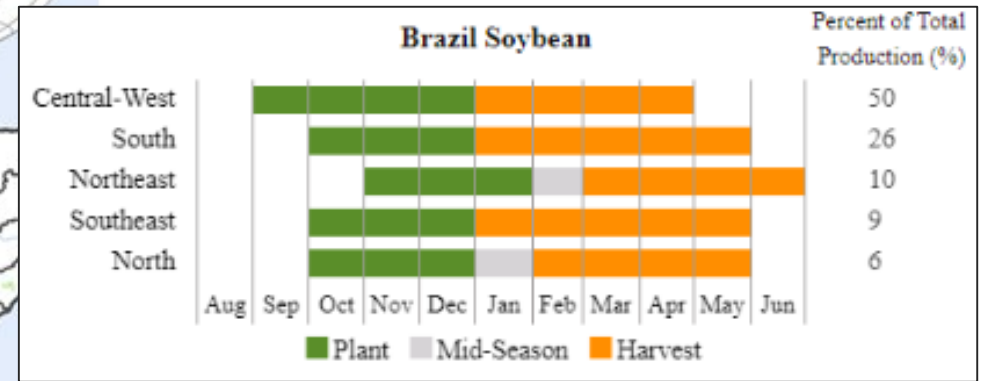
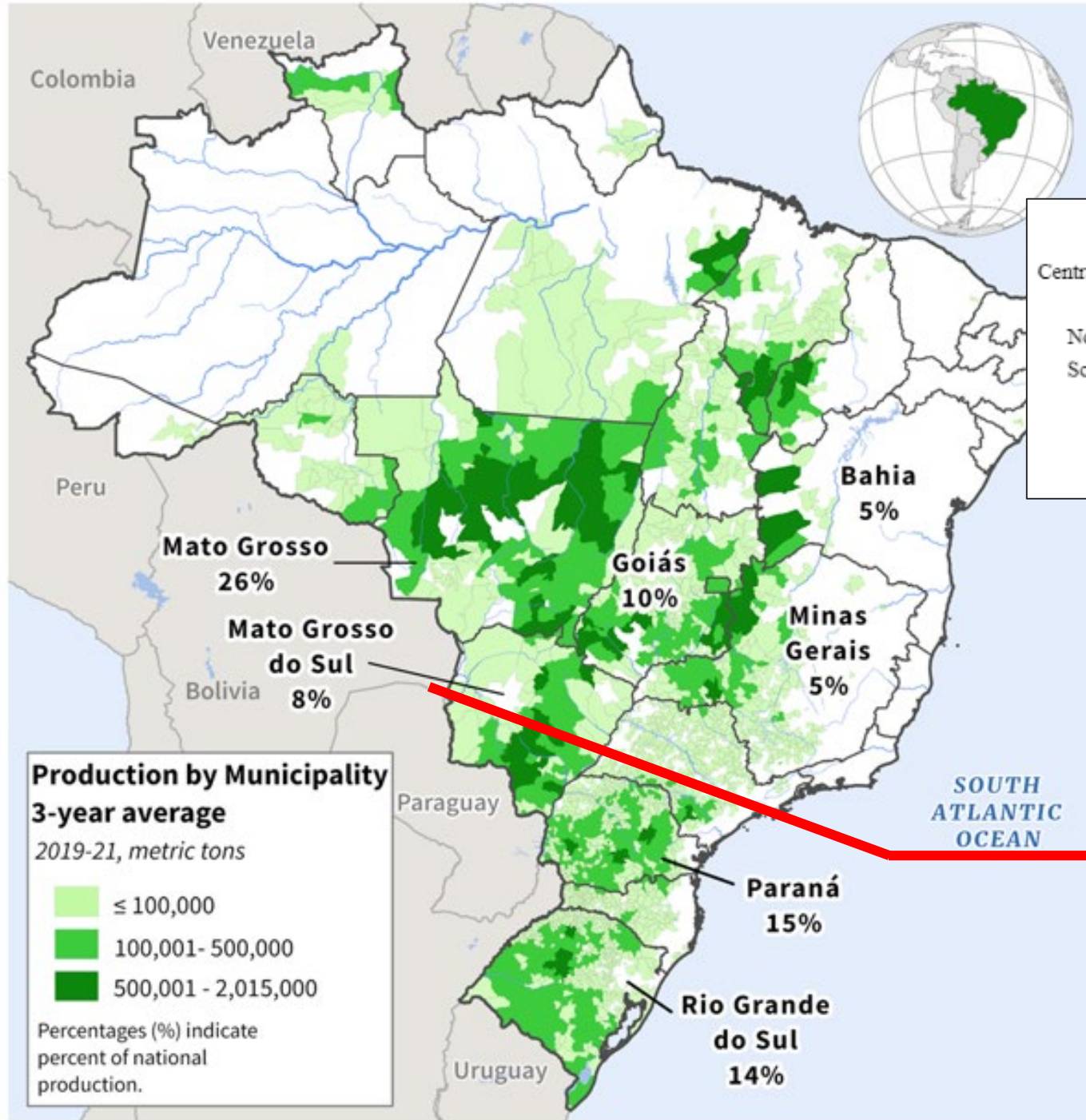
November 9, 2023

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.

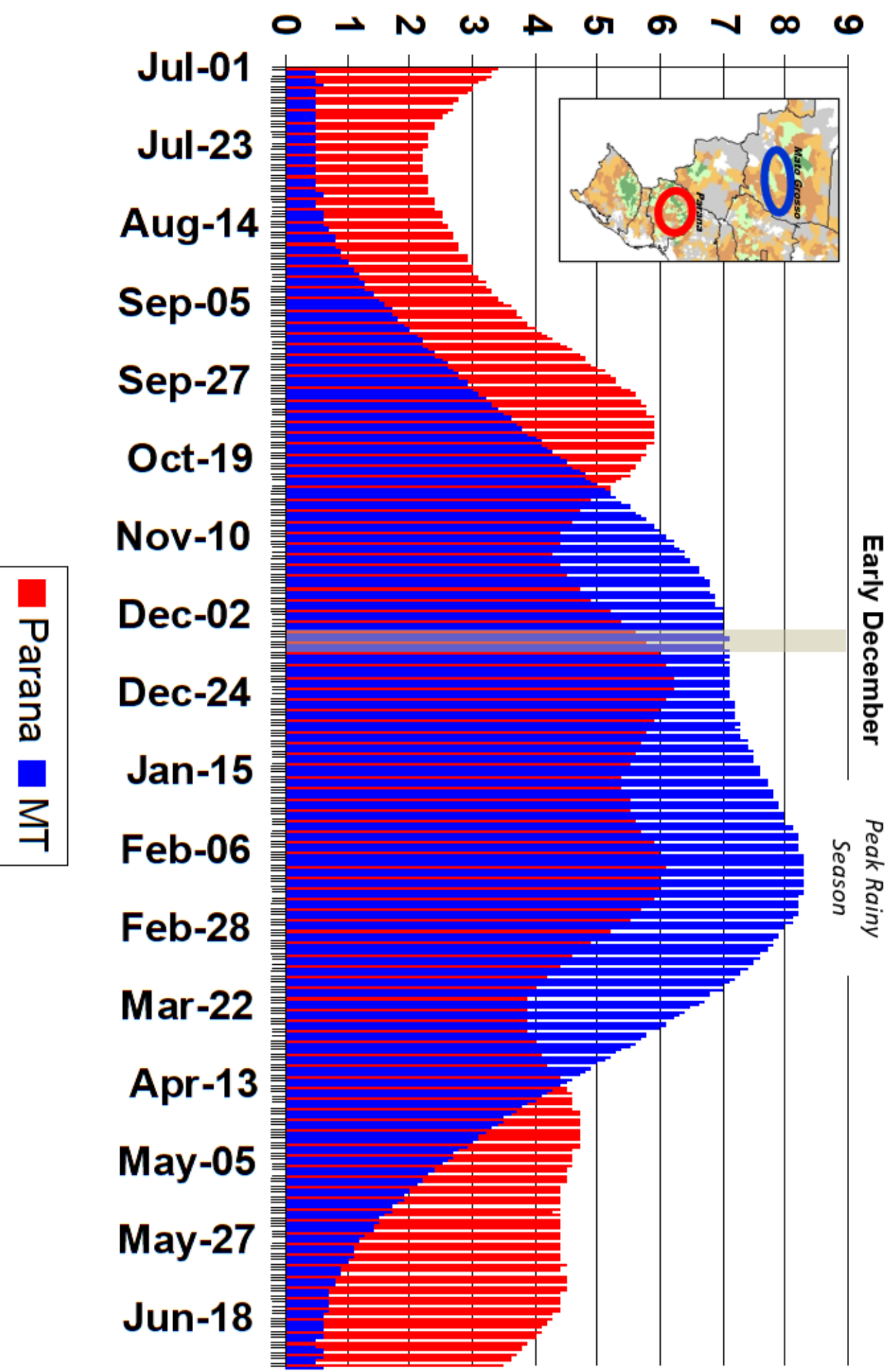
Brazil Soybeans



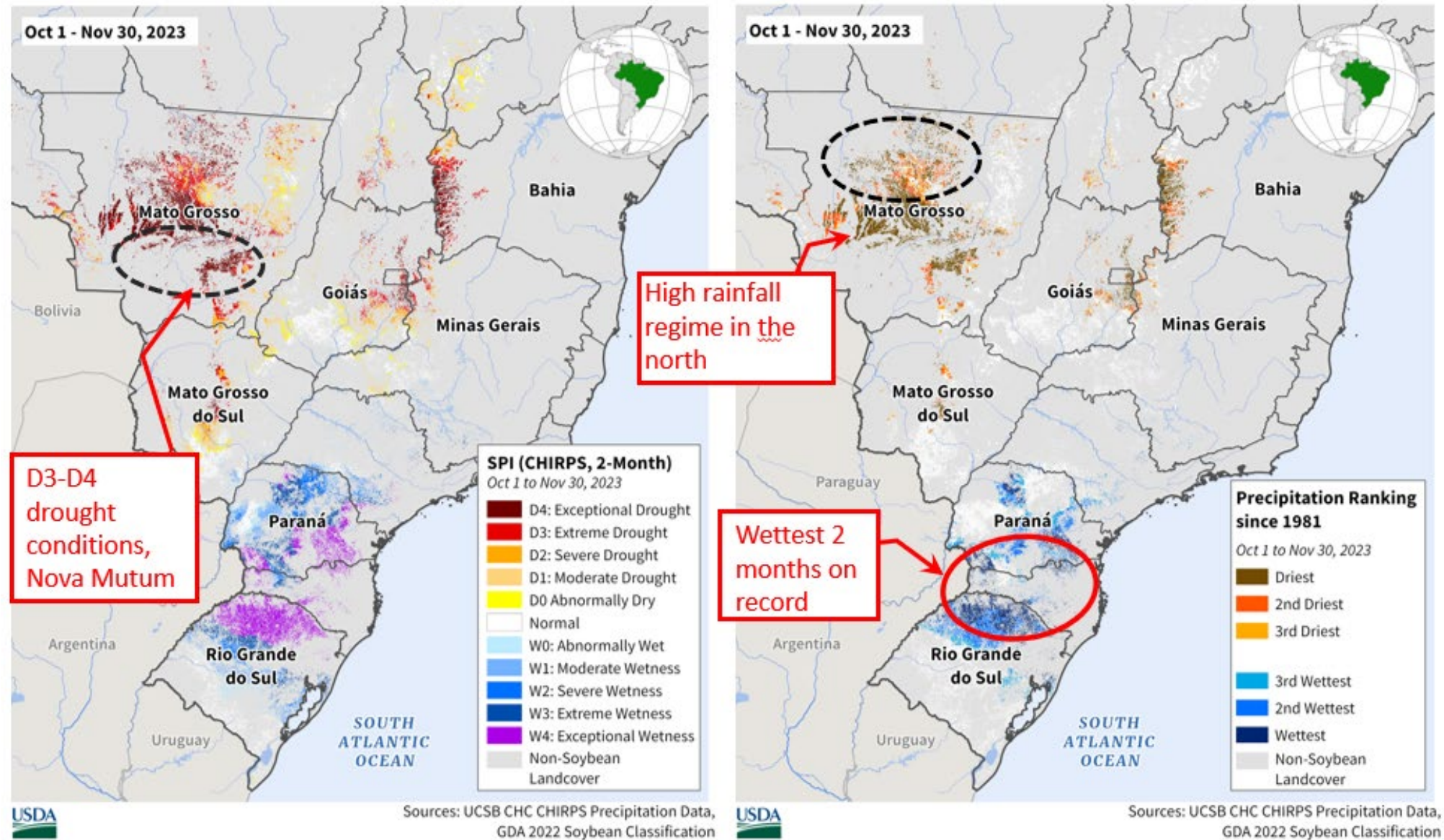
Tropical: wet and dry seasons

Subtropical: Annual rainfall

Brazil: Normal Daily Rainfall (mm)

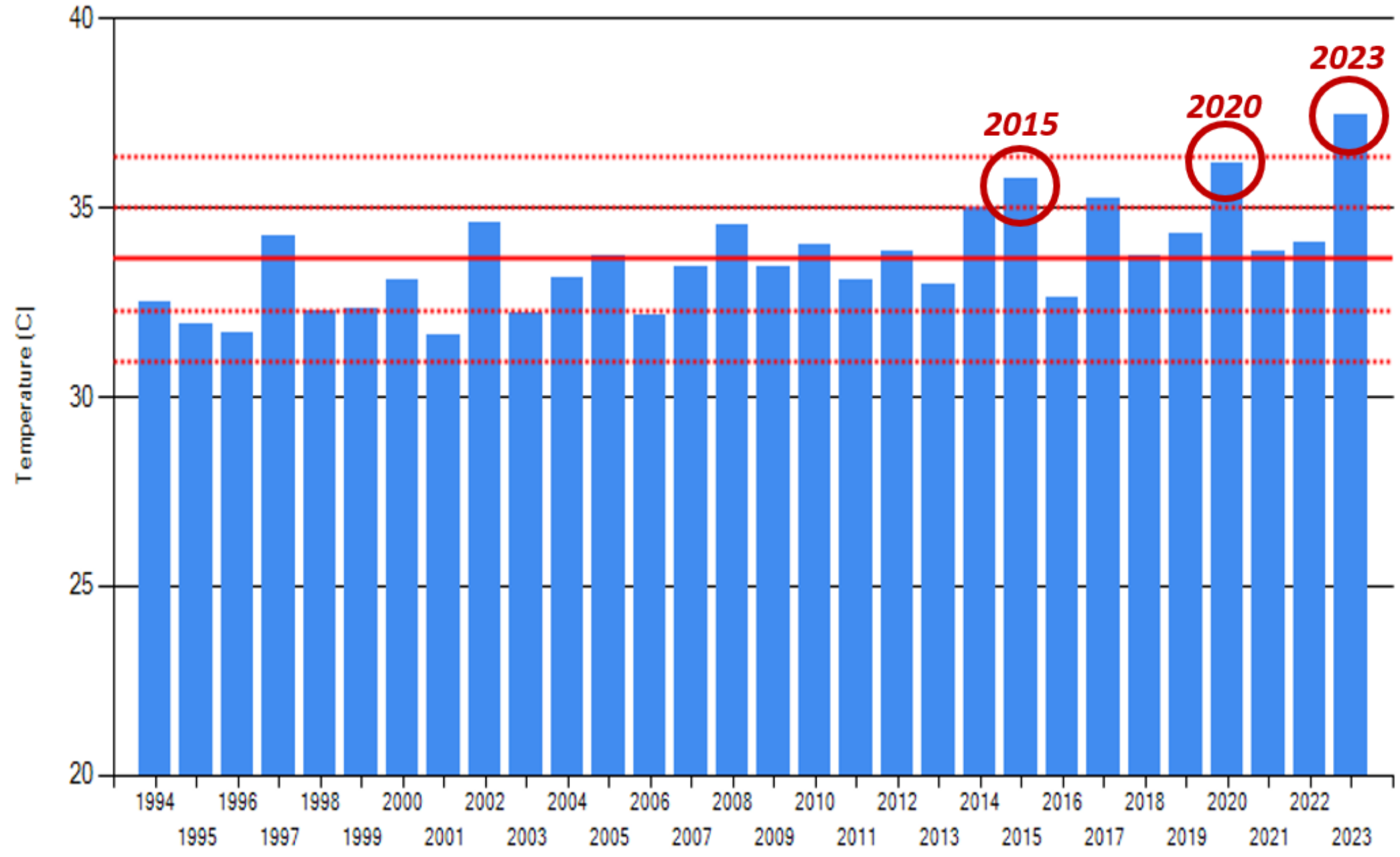


Brazil: Precipitation Index and Ranking

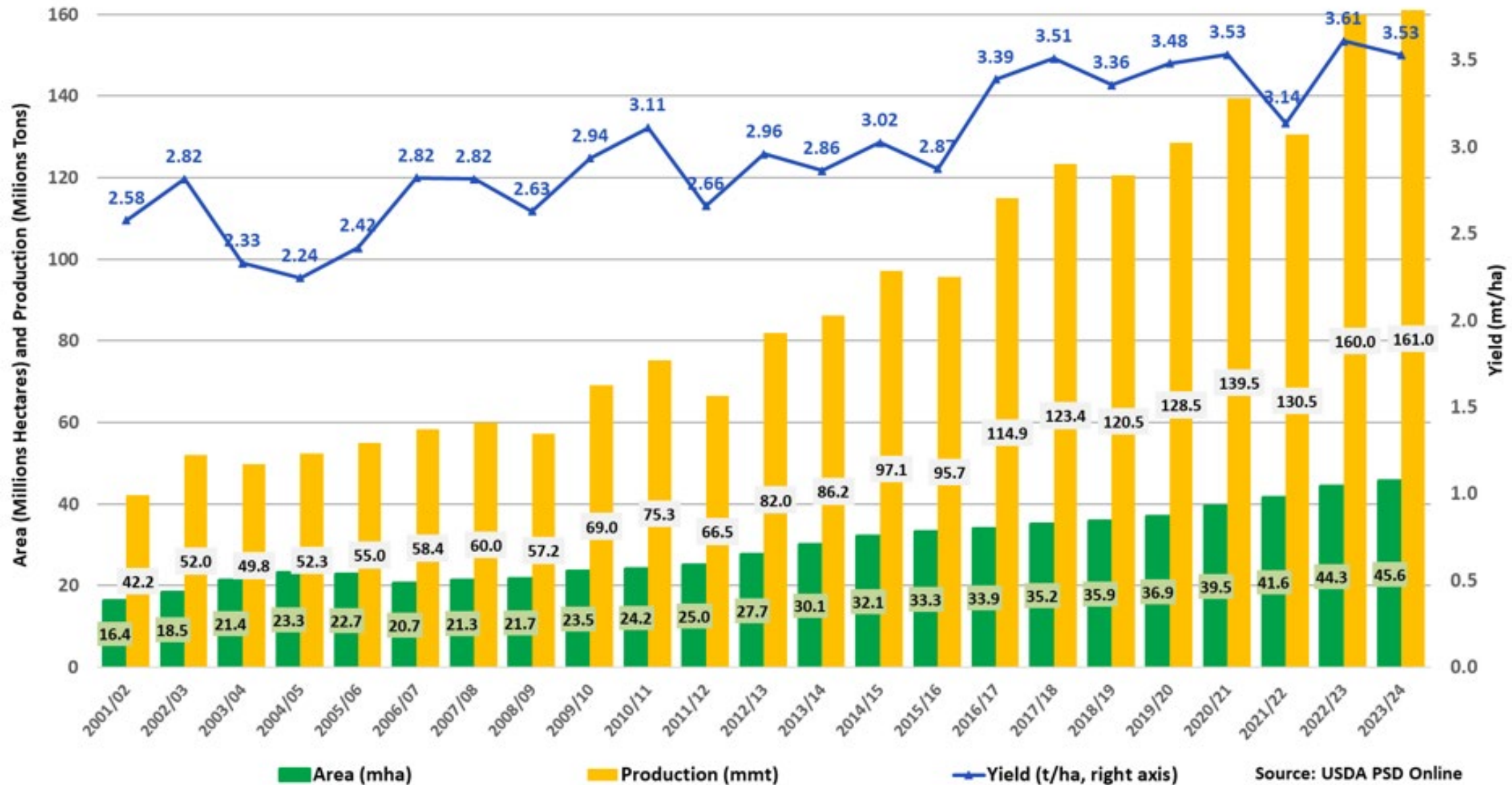


- Lack of rain is a more significant issue in center-west than heavy rains in south.
- IBGE: Nova Mutum (MT) November totals just 40 mm, average is 400 to 450 mm per month, only 10% of what is normal so far. Municipality produces 8th most soy in Brazil, with a harvest of 1.28 mt.

Mato Grosso: Average Max Temperature Oct. 1 – Nov. 30)



Brazil: Area, Yield, and Production

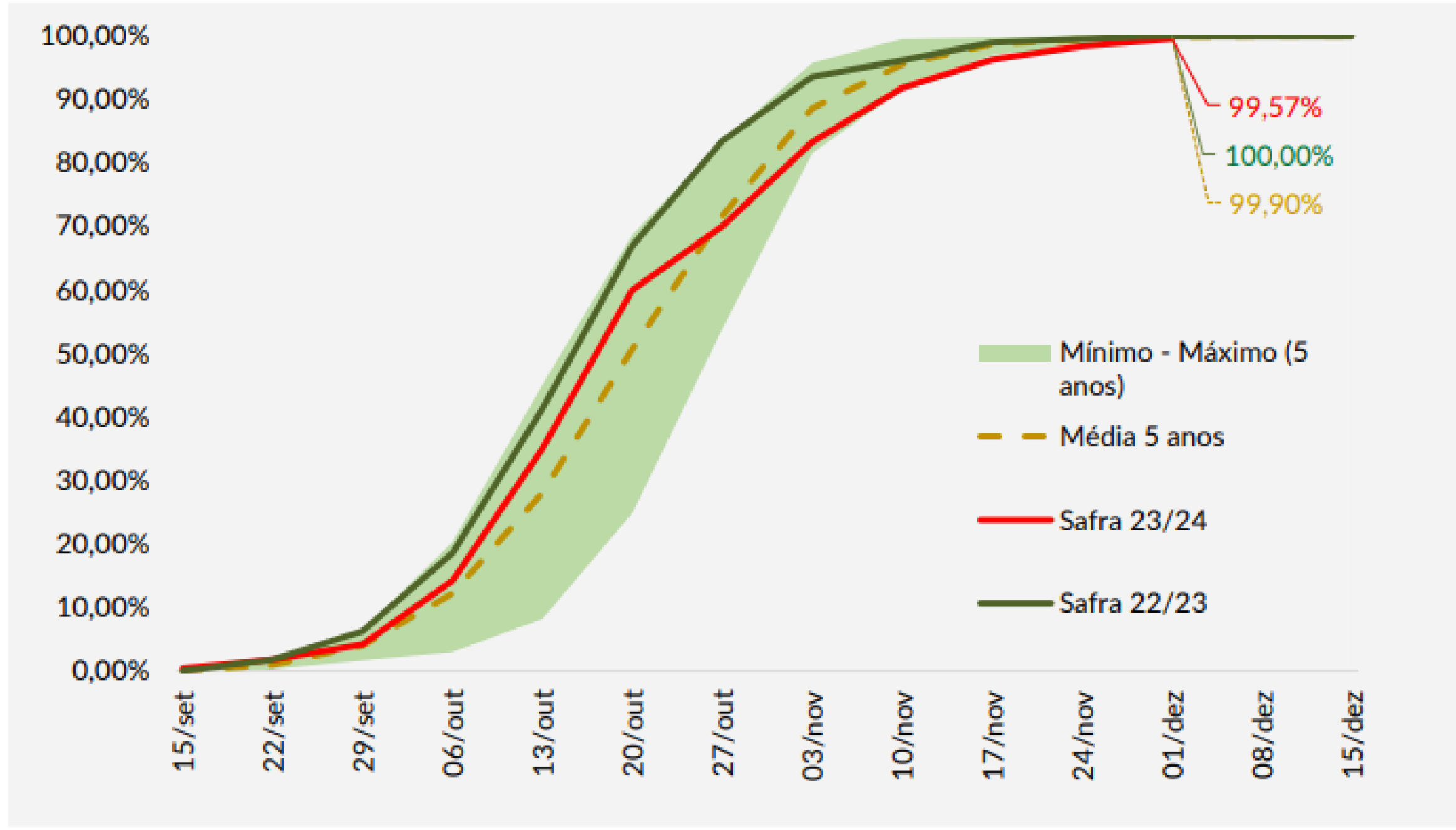


- Record area and production estimated for 2023/24
- Yield is -2.2% below last year's record
- Yield is -3% below the 10-year trend yield

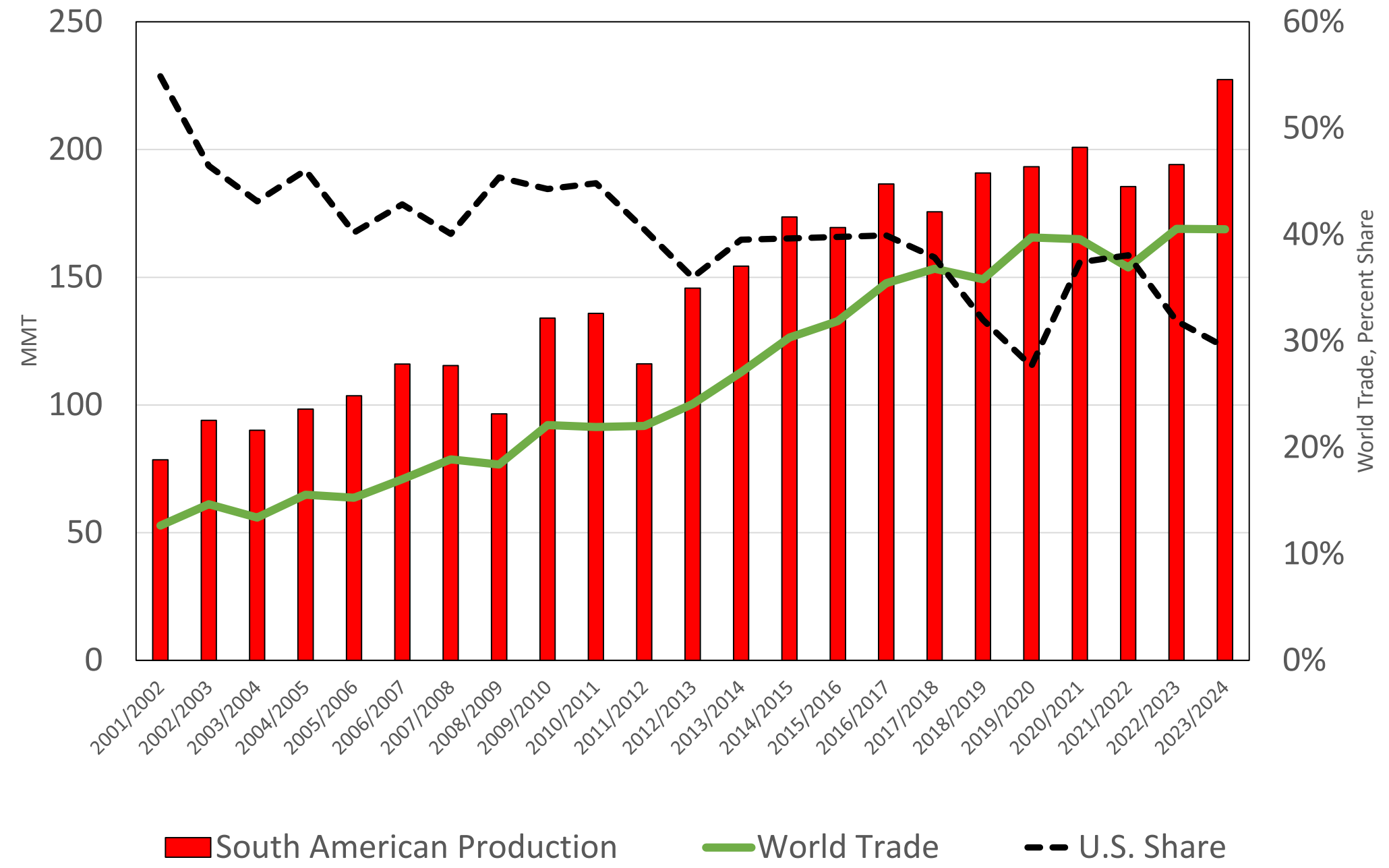
December 8, 2023

Source: USDA PSD Online

Mato Grosso Soybean Planting Progress



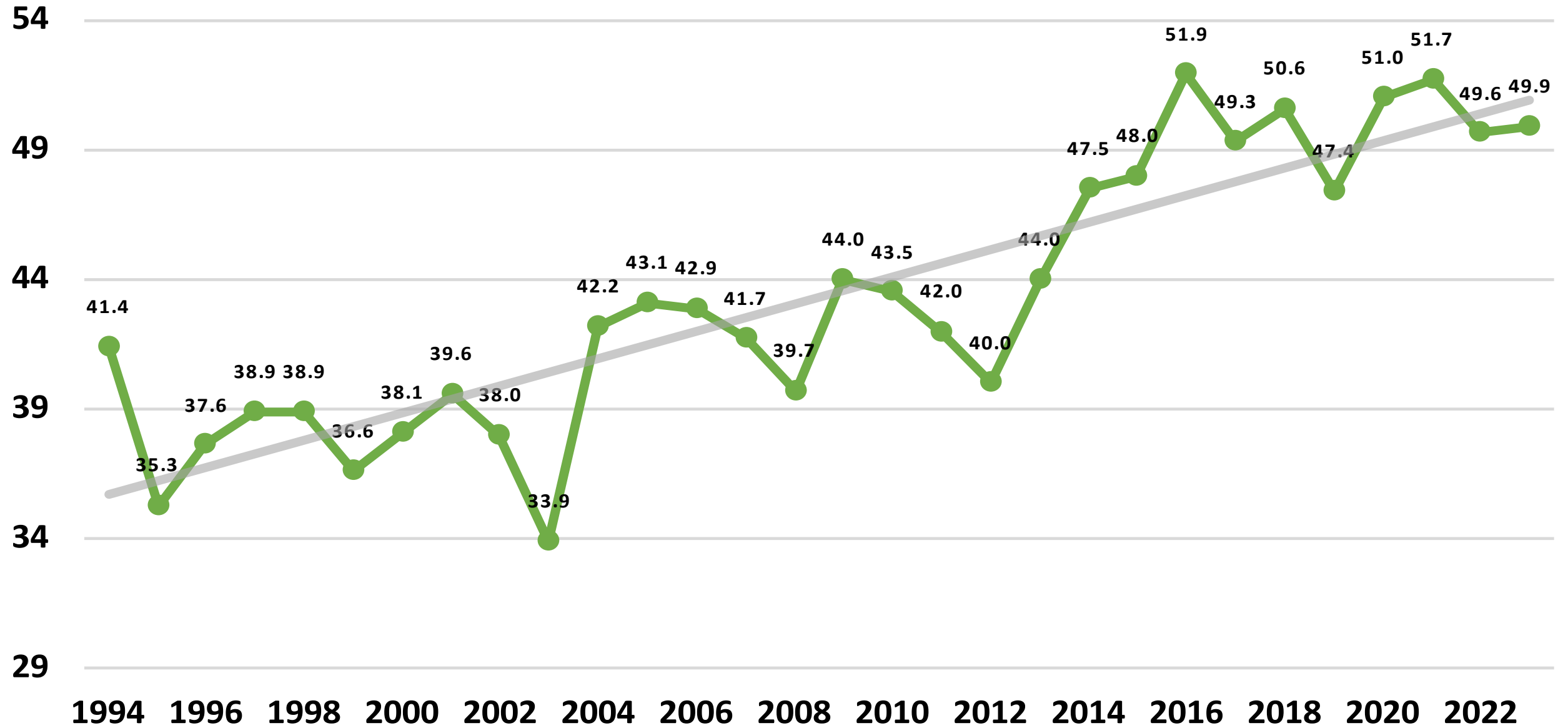
South American Soybean Production Rebounds; U.S. Export Share Declines As World Trade Flat



Source: USDA

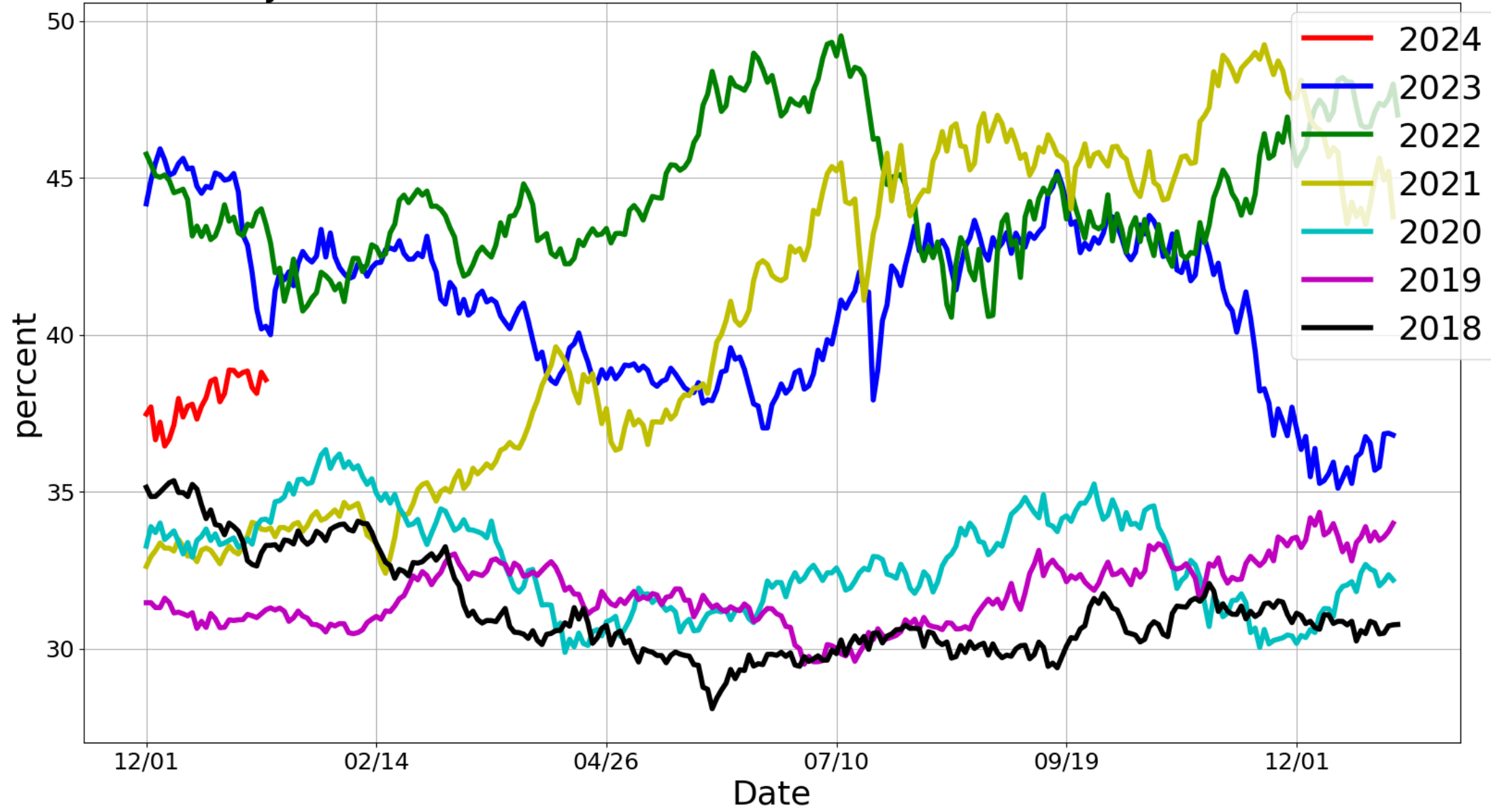
November 2023 Soybean Yield United States

Bushels per Acre

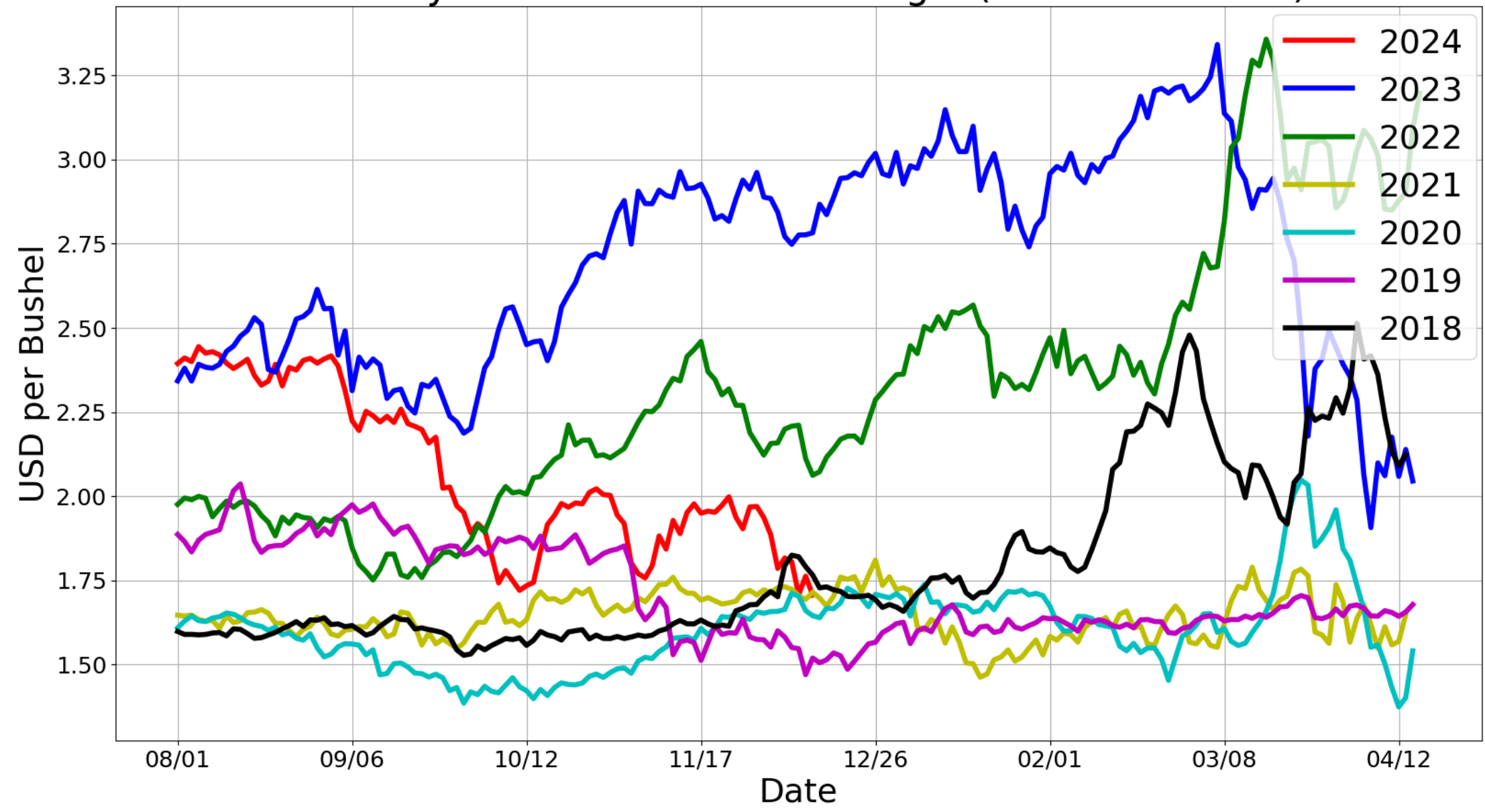


November 9, 2023

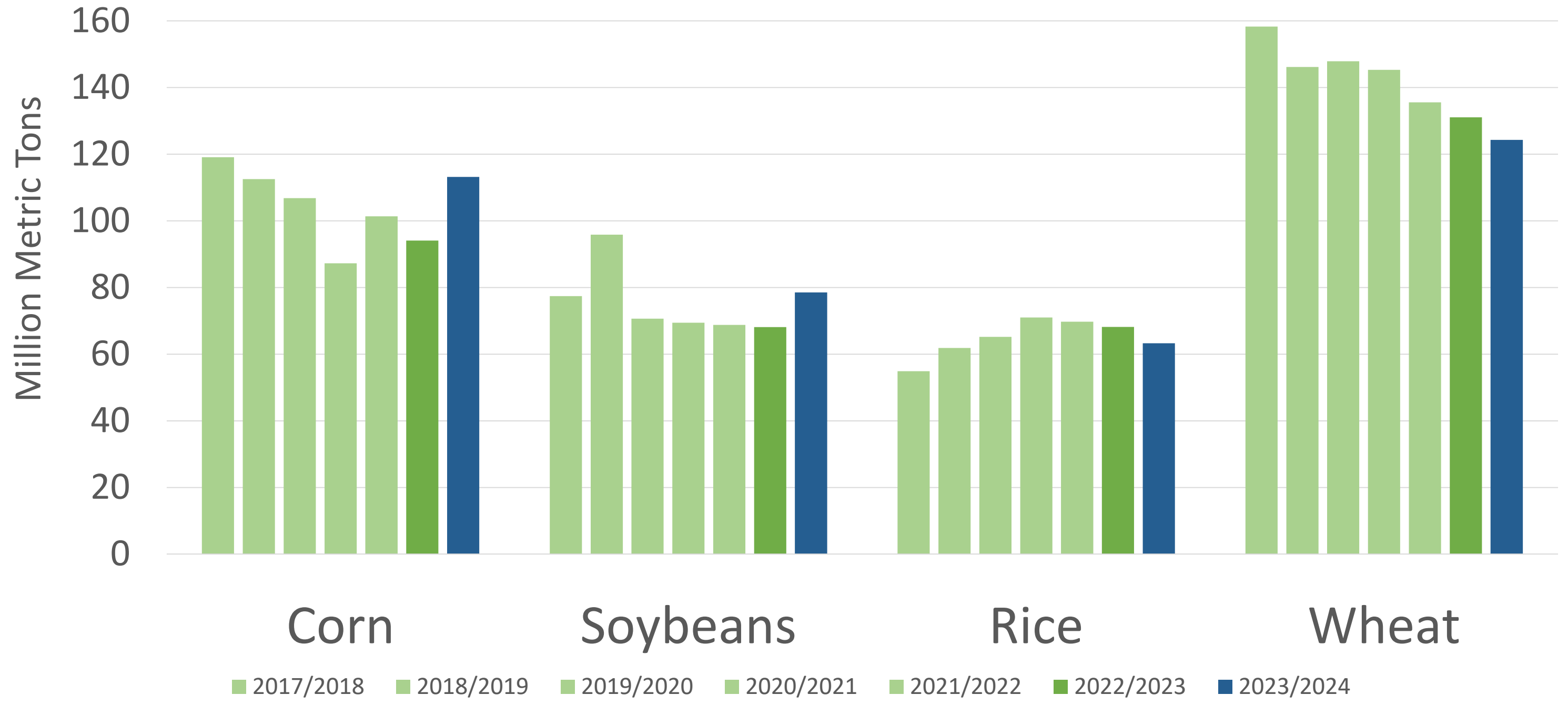
Soybean Oil Share of U.S. Futures Value (DEC CONTRACT)



U.S. Soybean Futures Crush Margin (MAY CONTRACT)

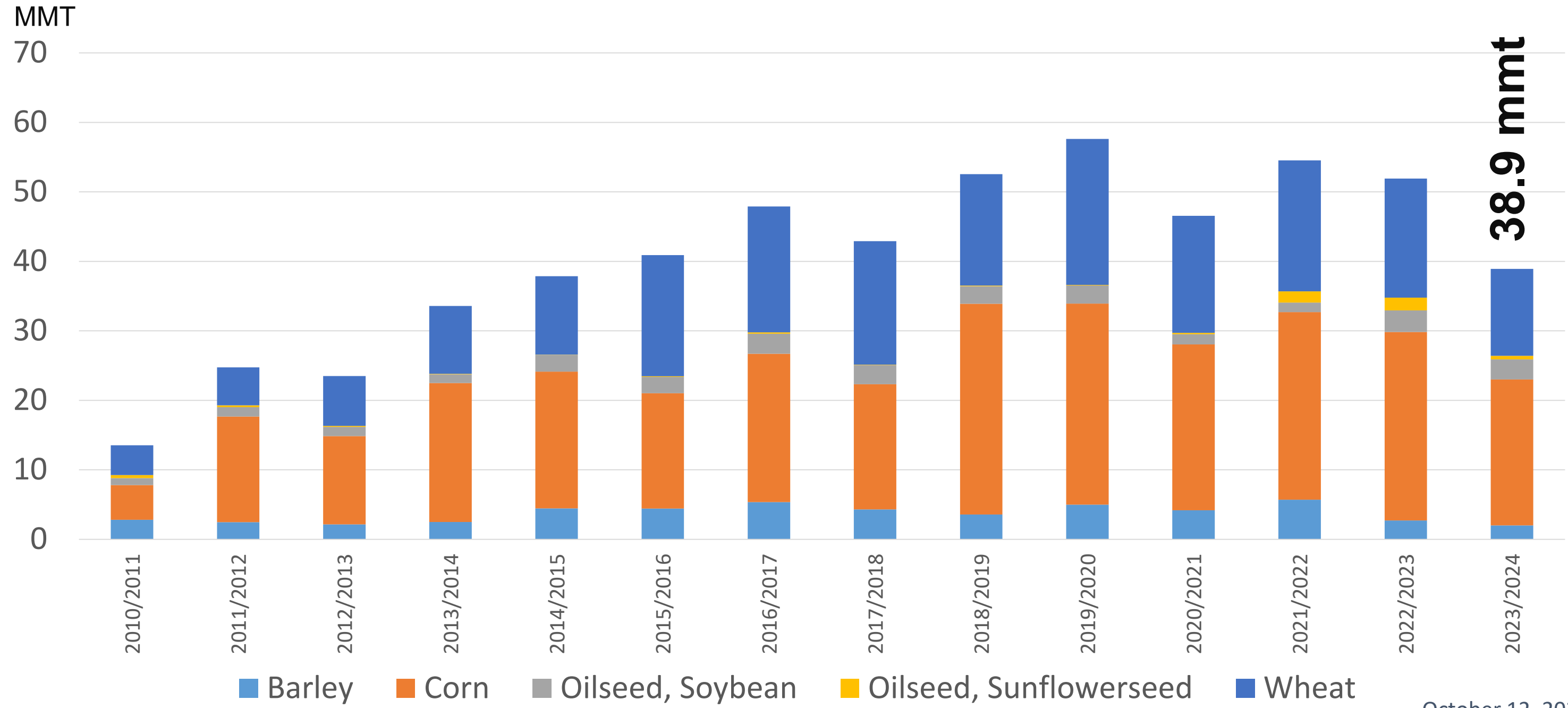


Global Carryout Stocks *Less China*



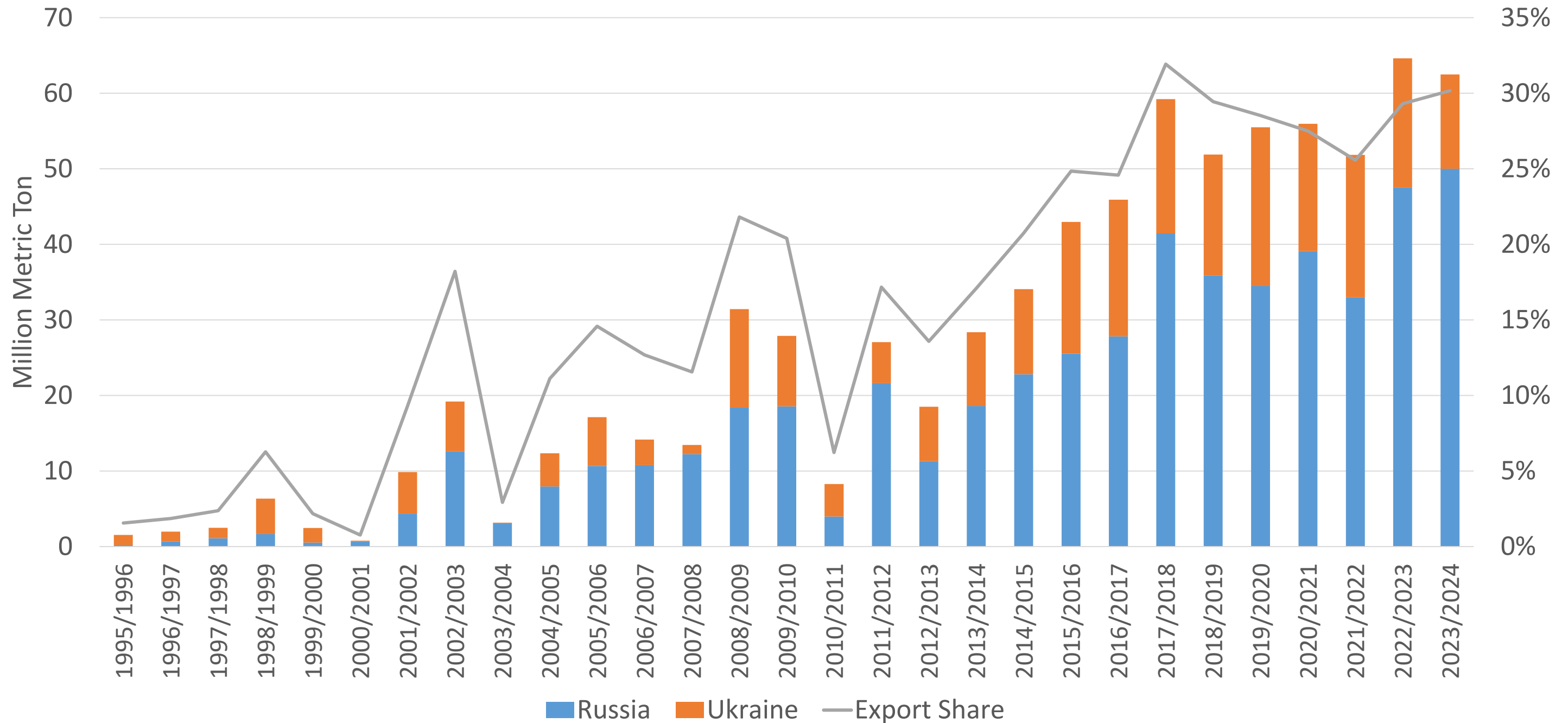
Ukraine major commodity export volumes

Average ~3.5mmt a month



The Black Sea remains a critical global supply hub for wheat

Russia and Ukraine Wheat Exports



World Rice Supply and Use

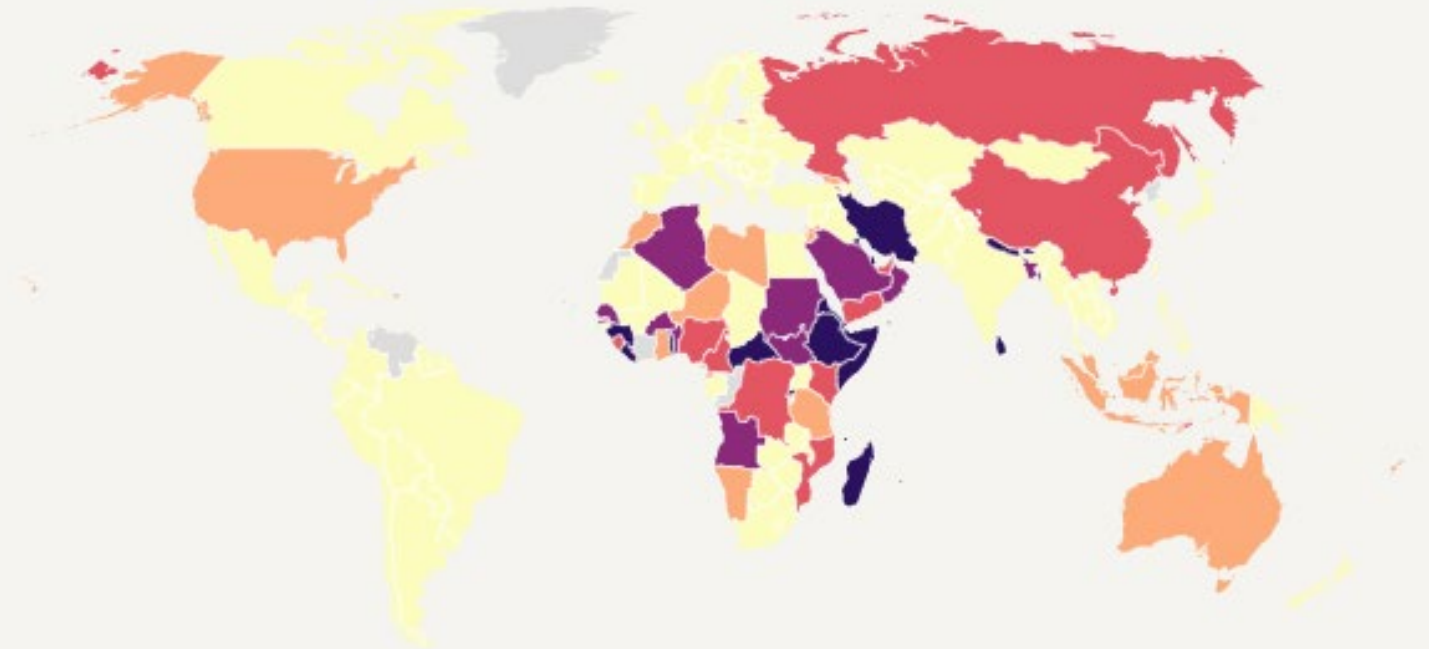
India rice exports cut 6.5mmt since controls Implemented (July).

Item	2022/2023 estimate	2023/2024 forecast
----- Million Tons -----		
Beginning stocks	182.7	174.7
Production	513.0	518.1
Total Supply	695.7	692.8
Total use	521.0	525.0
Trade	54.1	52.0
Ending Stocks	174.7	167.8

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 export controls hit global rice trade

Cattle Inventory Continues to Contract

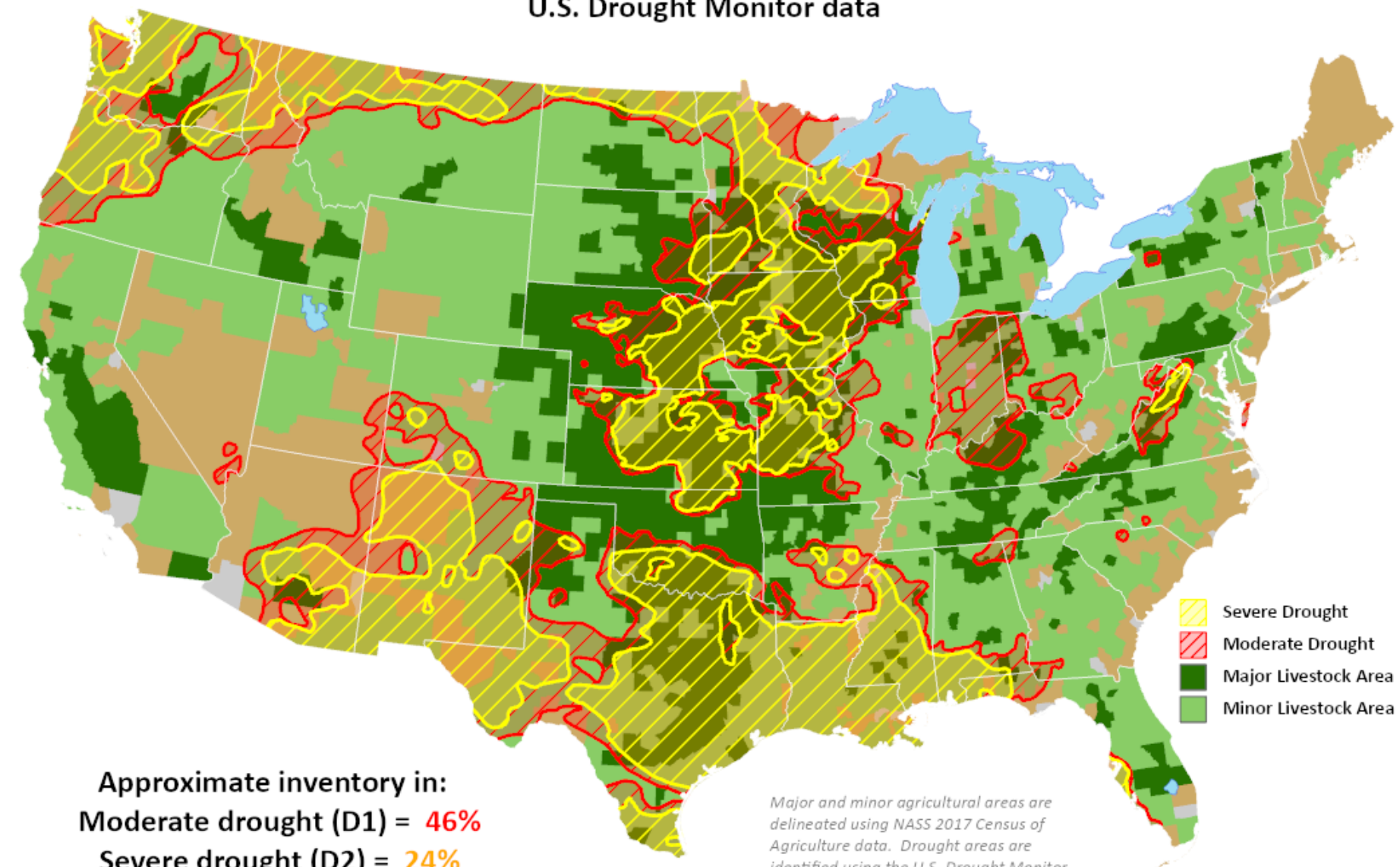




This product was prepared by the
USDA Office of the Chief Economist (OCE)
World Agricultural Outlook Board (WAOB)

Cattle Areas in Drought

Reflects **September 26, 2023**
U.S. Drought Monitor data

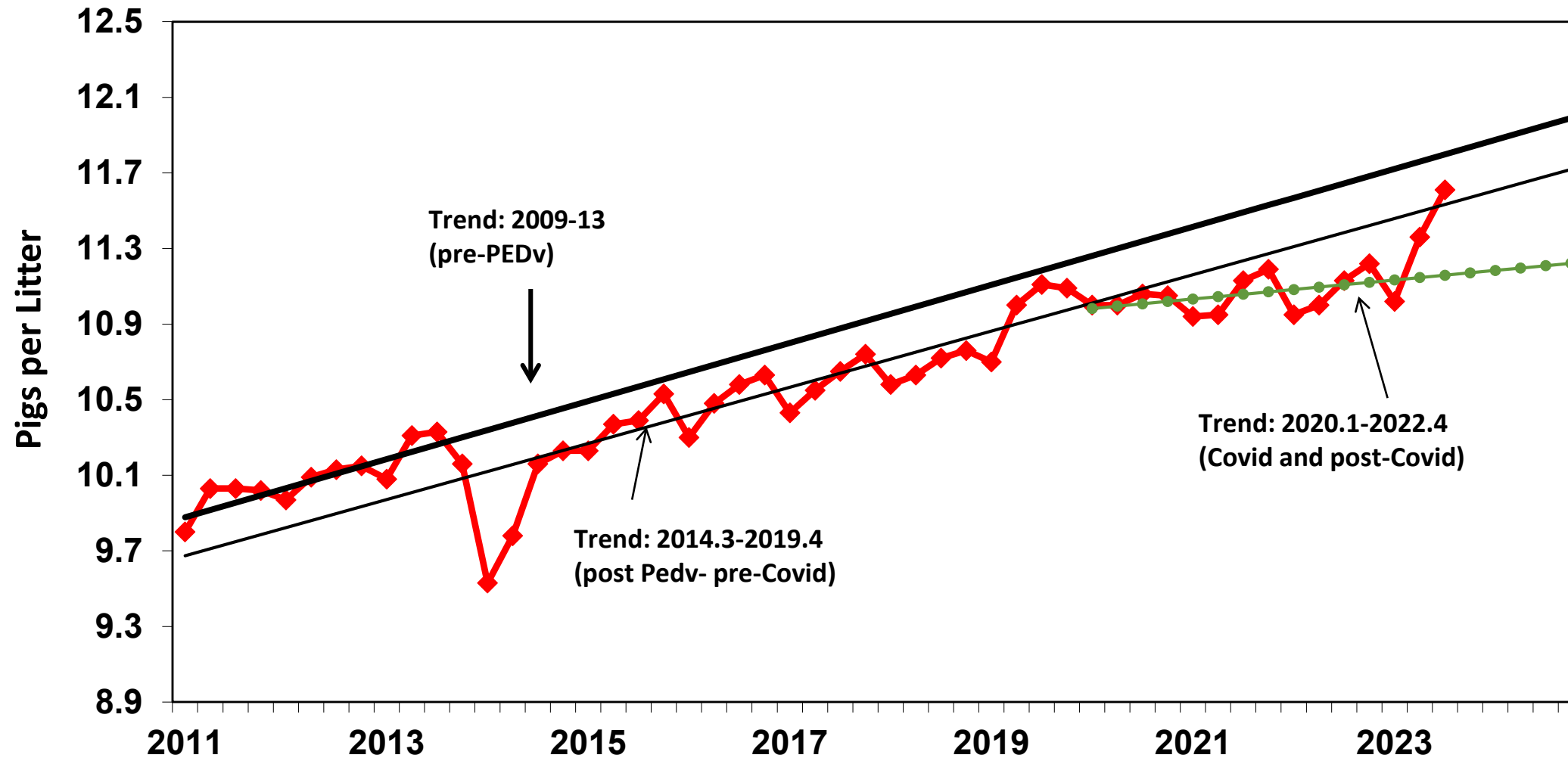


- Severe Drought
- Moderate Drought
- Major Livestock Area
- Minor Livestock Area

Approximate inventory in:
Moderate drought (D1) = **46%**
Severe drought (D2) = **24%**

Major and minor agricultural areas are delineated using NASS 2017 Census of Agriculture data. Drought areas are identified using the U.S. Drought Monitor product.

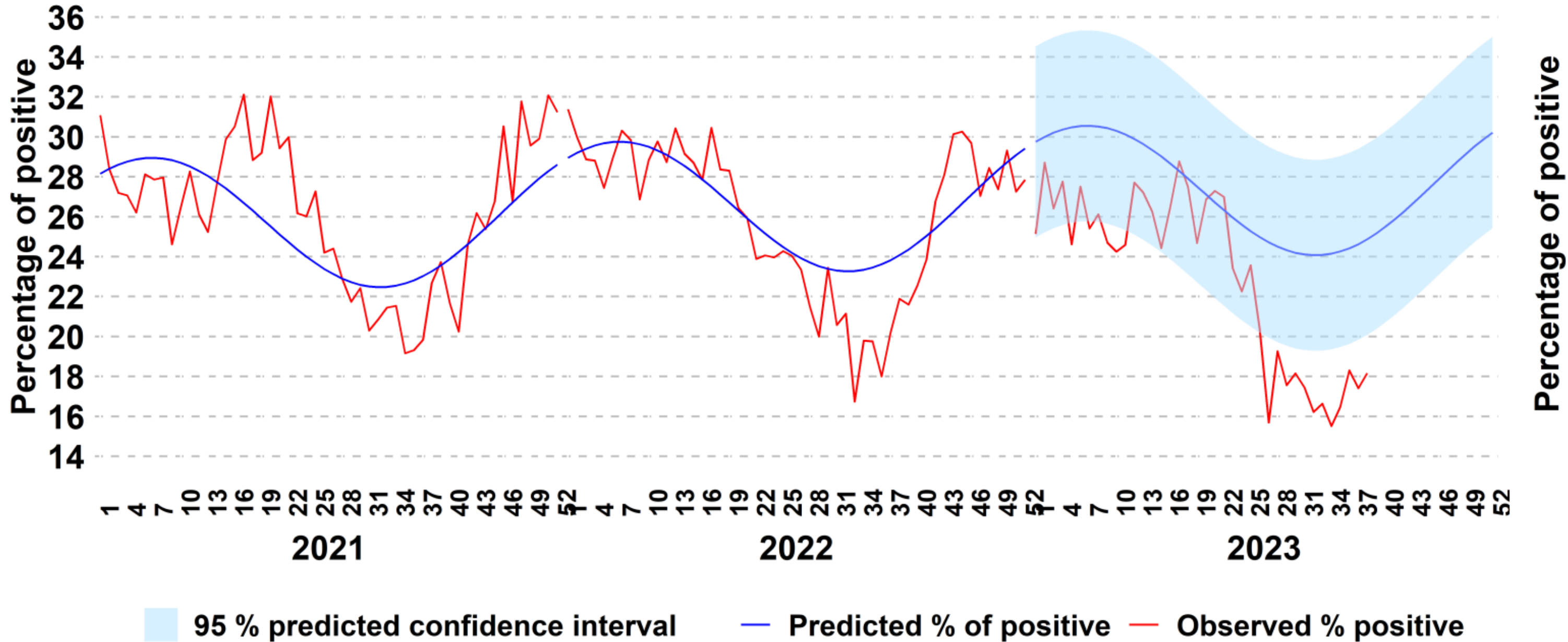
Growth in Quarterly Pigs per Litter has been Variable



Pig disease incidents have declined

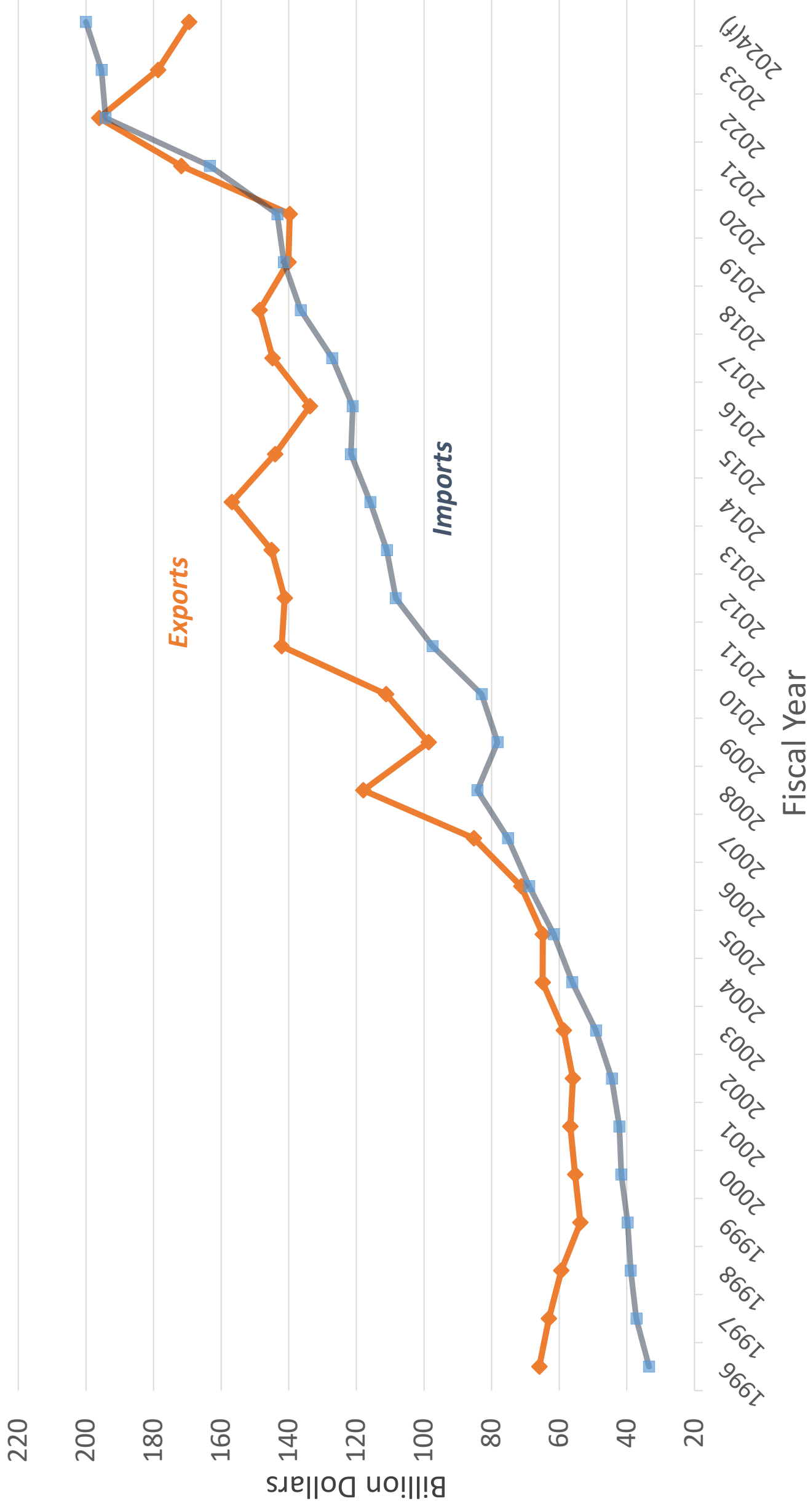
PRRSV percentage of positive submissions

Source: ISU-VDL, UMN-VDL, SDSU-ADRD, KSU-VDL, OH-ADDL, and Purdue ADDL.

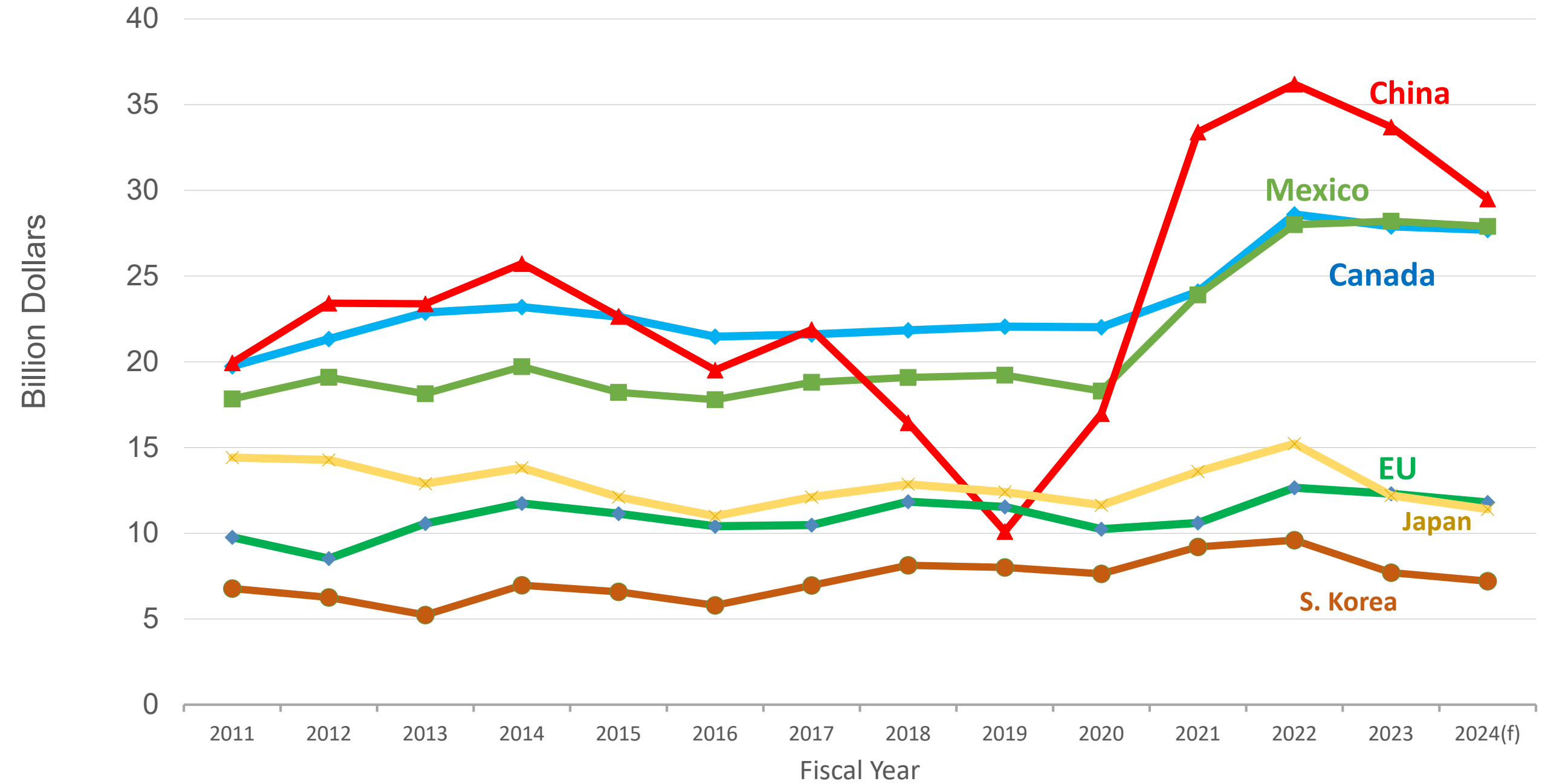


U.S. Agricultural Trade Situation

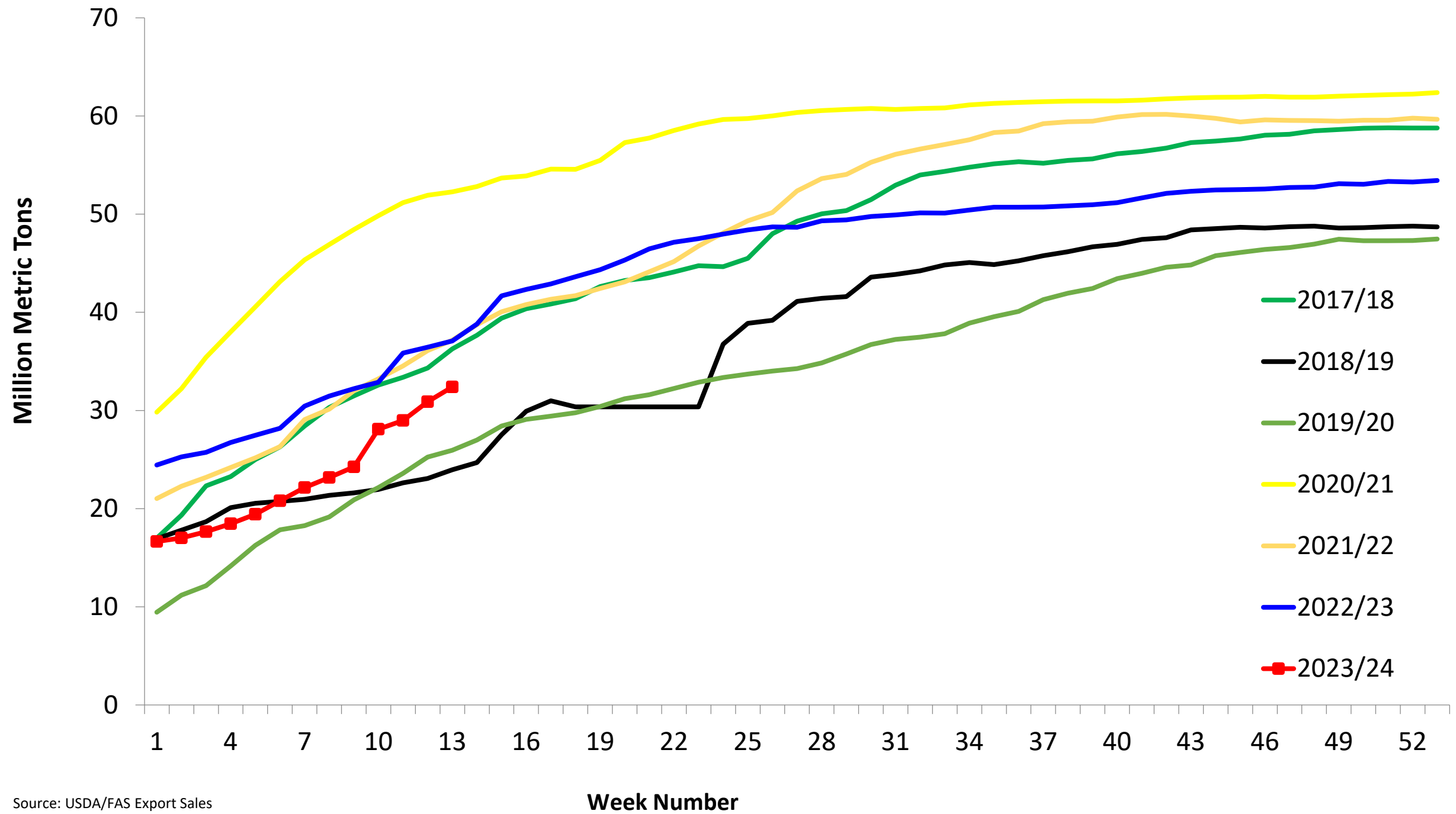
FY 24 Exports at \$169.5 Billion; Imports at \$200 Billion



Top U.S. Ag Markets



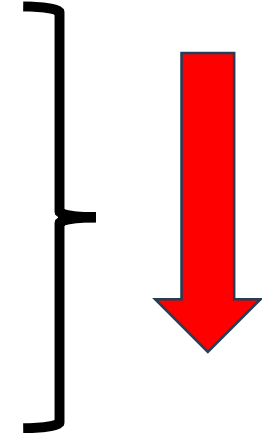
Soybean Total Commitments (outstanding sales + shipments)



Source: USDA/FAS Export Sales

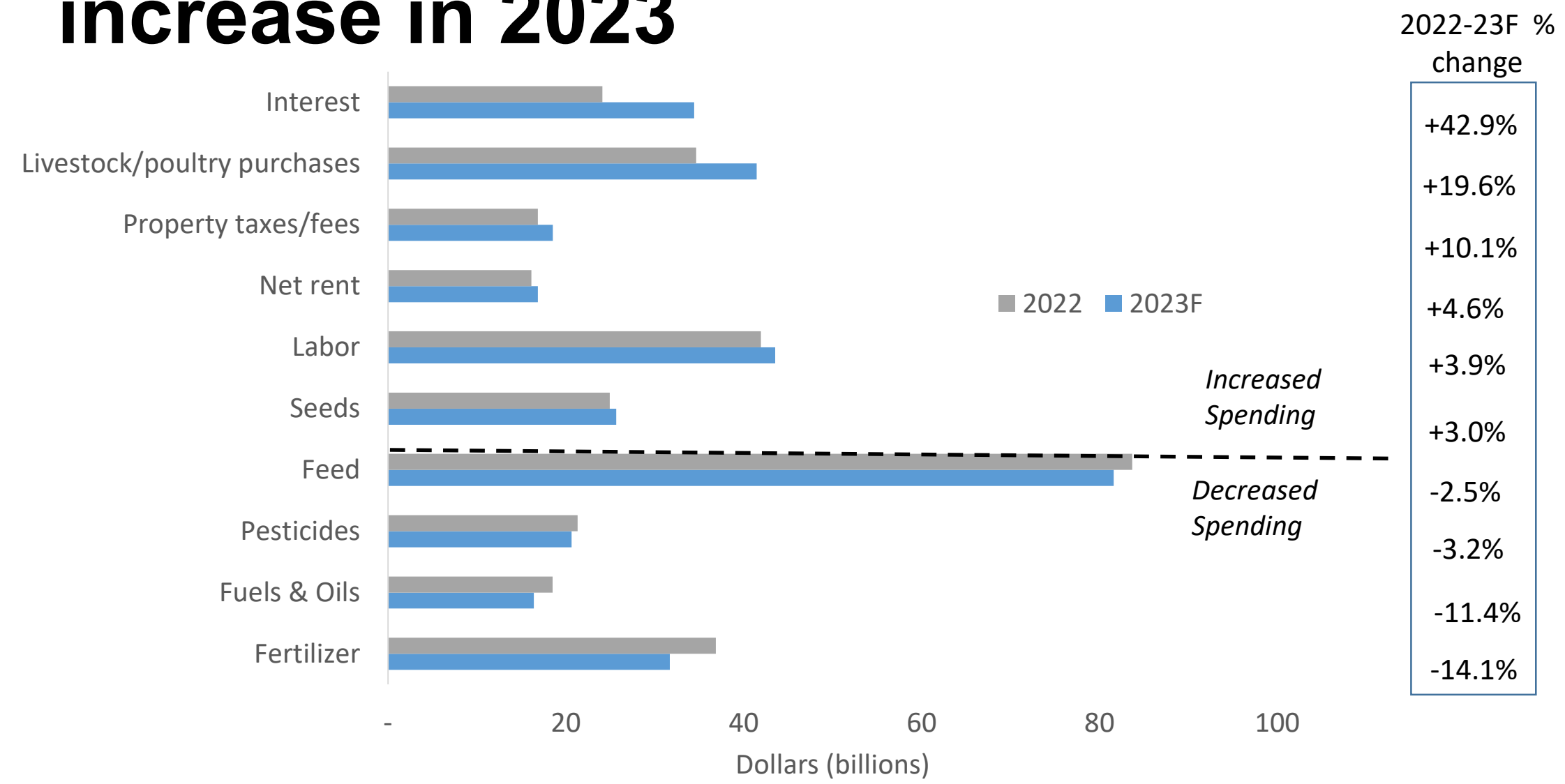
Price Summary

Item	2022/2023		2023/2024		
	Estimate	Change from November 9	Forecast	Change from November 9	Change from 2022/2023
<i>Crops and products</i>					
Wheat (\$/bu)	8.83	--	7.30	0.10	-1.53
Rice (\$/cwt)	19.20	--	17.80	0.50	-1.40
Corn (\$/bu)	6.54	--	4.85	--	-1.69
Soybeans (\$/bu)	14.20	--	12.90	--	-1.30
Soybean oil (¢/lb)	65.26	--	57.00	-4.00	-8.26
Soybean meal (\$/s.t.)	452	--	390	10	-62
Cotton (¢/lb)	84.80	--	77.00	--	-7.80
<i>Livestock</i>					
Steers (\$/cwt)	175.55	-1.75	178.25	-6.50	2.70
Hogs (\$/cwt)	58.70	-0.25	60.00	-0.25	1.30
Broilers (¢/lb)	123.5	-0.3	124.0	--	0.5
Turkeys (¢/lb)	140.6	-1.8	127.0	-10.3	-13.6
<i>Dairy products</i>					
Cheese (\$/lb)	1.76	**	1.72	-0.10	-0.04
Butter (\$/lb)	2.62	-0.03	2.59	**	-0.03
Nonfat dry milk (\$/lb)	1.18	**	1.17	0.01	-0.01
Dry whey (\$/lb)	0.36	**	0.40	0.02	0.04
<i>Milk classes</i>					
Class III (\$/cwt)	17.05	-0.05	16.85	-0.85	-0.20
Class IV (\$/cwt)	19.10	-0.10	18.90	0.05	-0.20
All milk (\$/cwt)	20.60	-0.10	20.25	-0.55	-0.35



-- No change. ** Rounds to zero.

Most categories of spending expected to increase in 2023



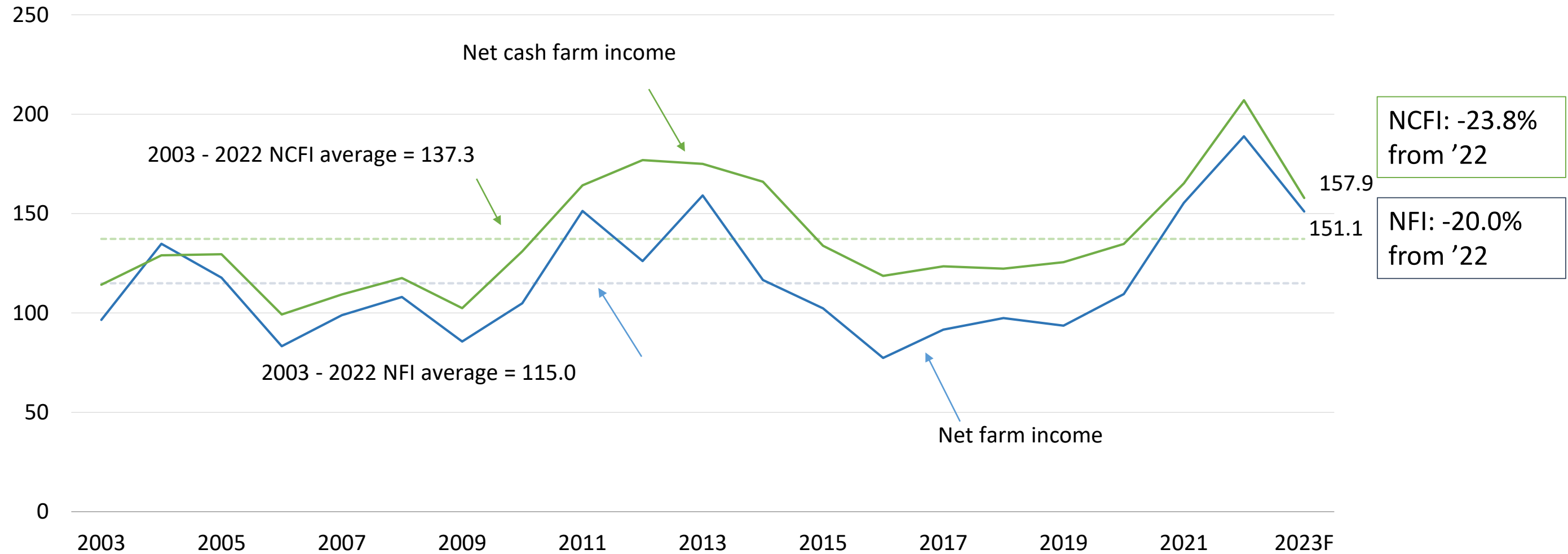
Interest expenses and livestock/poultry purchases are expected to see largest dollar increases in 2023.

Fertilizer and fuels and oils expenses expected to decline the most in 2023.

F= Forecast.
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.
Data as of November 30, 2023.

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

2023 dollars (billions)



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 November 30, 2023.

The Usual Suspects (plus a few more)

- **Producer concern about the ‘next’ crop and margins**
- **Growing global competition, Brazil and a rebounding Argentina?**
- **Mississippi River, Panama Canal**
- **Continued poor rangeland conditions for cattle**
- **Currently reduced disease pressure**
- **Prop 12 and similar animal welfare legislation impacts**
- **RFS, SAF and biofuel policies**



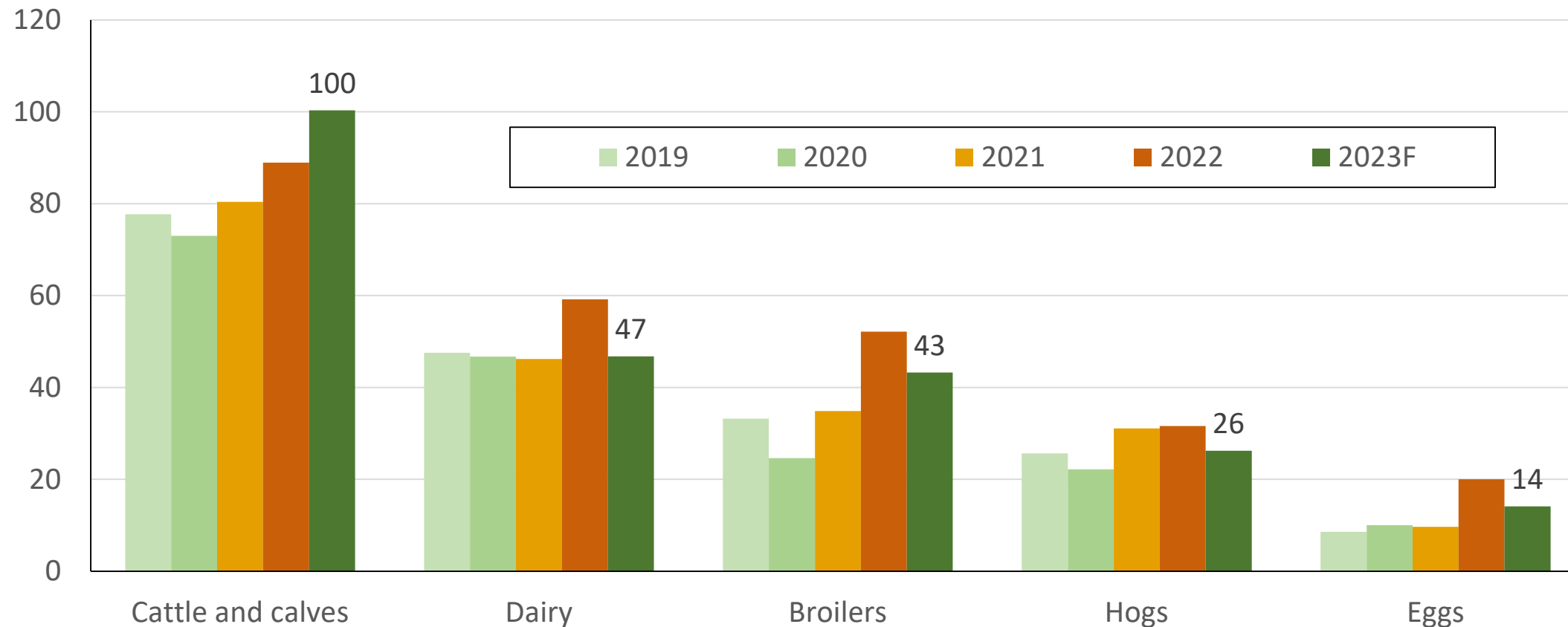
USDA'S 100TH ANNUAL
**AGRICULTURAL
OUTLOOK FORUM**
CULTIVATING THE FUTURE



HYBRID EVENT • February 15-16, 2024 • Crystal City Gateway Marriott, Arlington VA

Total animal/animal product cash receipts forecast to decrease in 2023

2023 dollars (billions)



Receipts are forecast to decline for **dairy, broilers, hogs** and **chicken eggs**.

Cattle receipts are forecast to increase.

Change from 2022

Cow/calf +12.8%

Dairy -20.9%

Broilers -17.1%

Hogs -17.0%

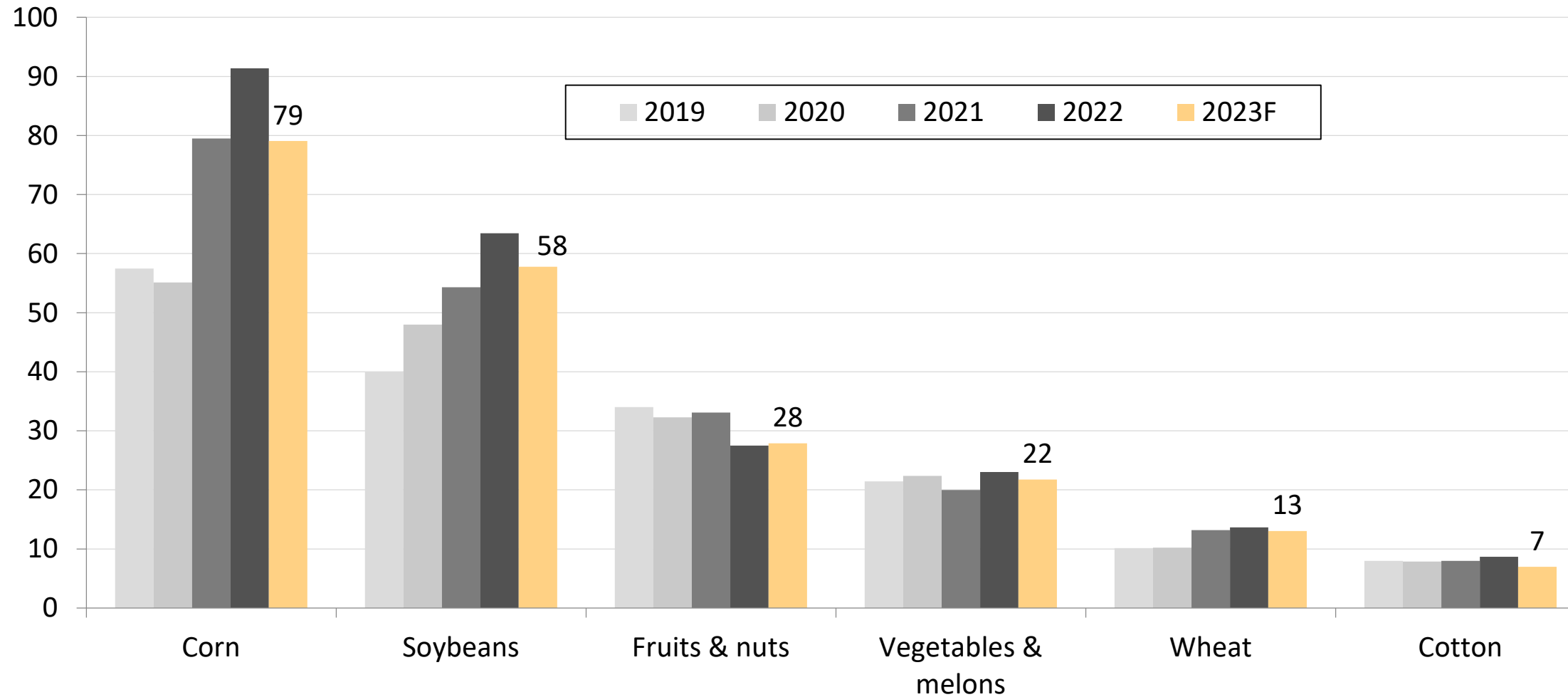
Eggs -29.3%

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 November 30, 2023.

Total crop cash receipts forecast to decrease in 2023

2023 dollars (billions)



Corn and wheat cash receipts expected to decrease due to lower prices. **Soybean** receipts forecast lower following lower prices and quantities sold.

Change from 2022

- Corn -13.5%
- Soybeans -9.0%
- Fruits/Nuts +1.3%
- Veg/Melons -5.6%
- Wheat -4.4%
- Cotton -19.6%

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 November 30, 2023.