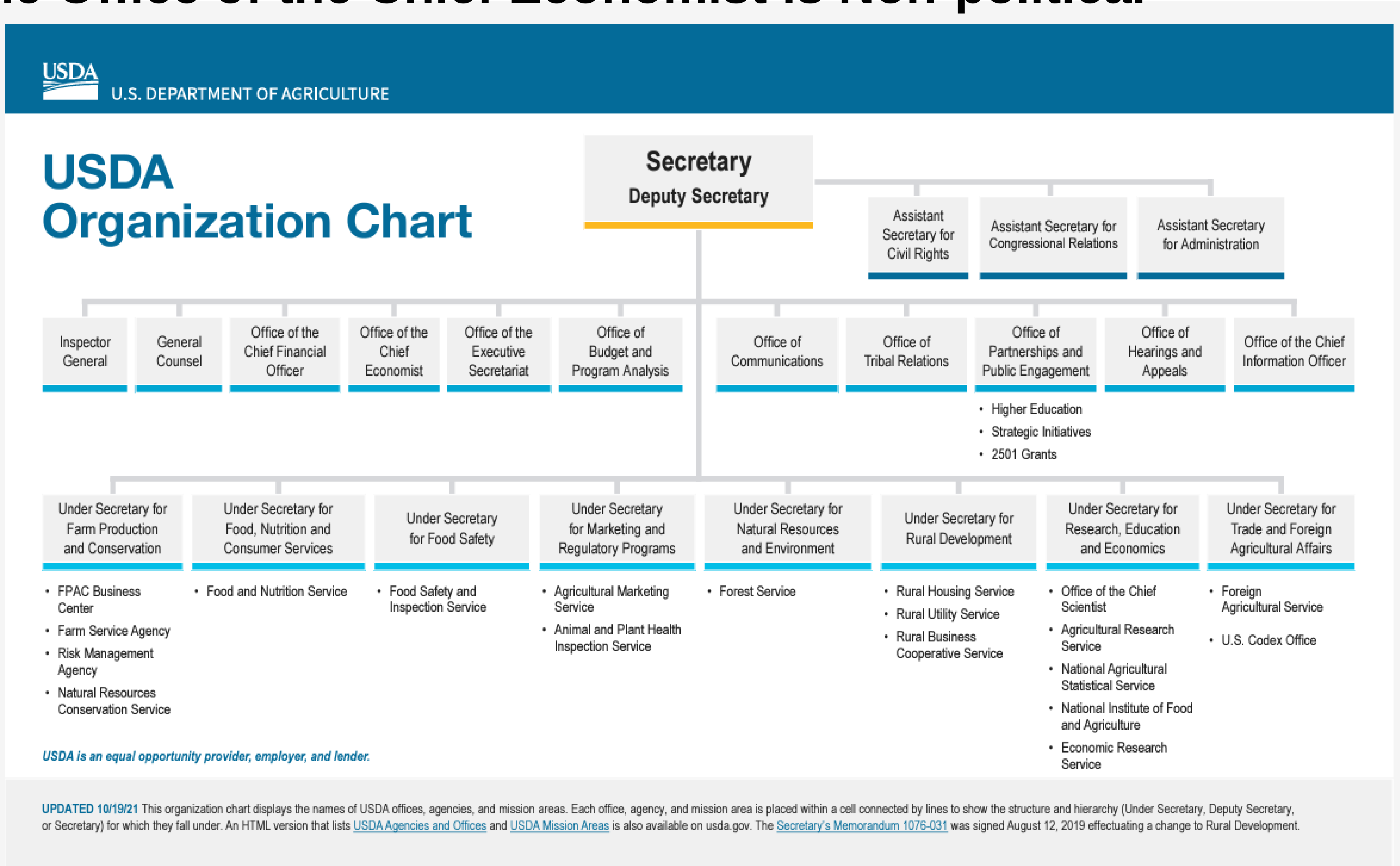
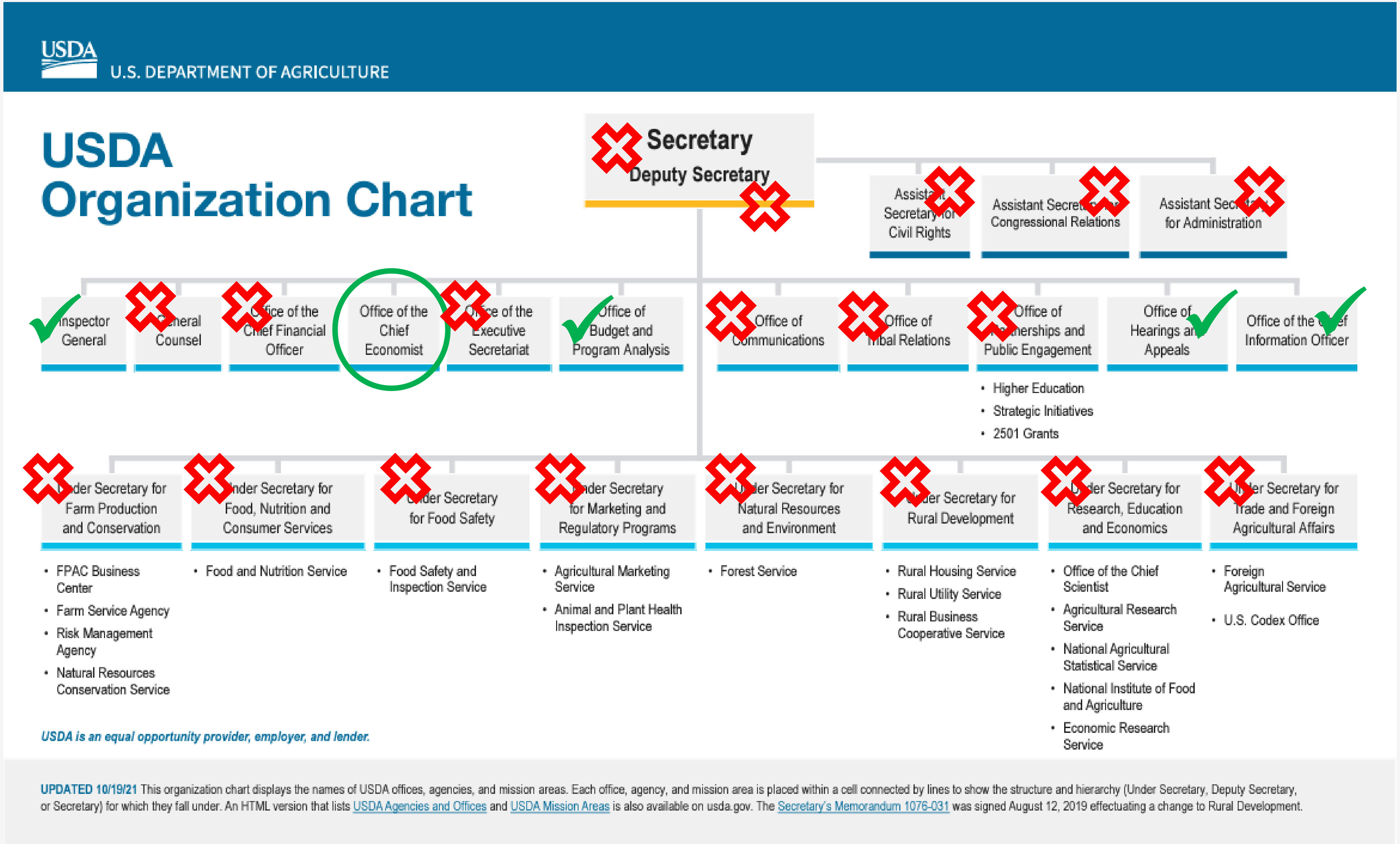
# Markets and Policy Update

Seth Meyer
Office of the Chief Economist
USDA

# The Office of the Chief Economist is Non-political



# The Office of the Chief Economist is Non-political

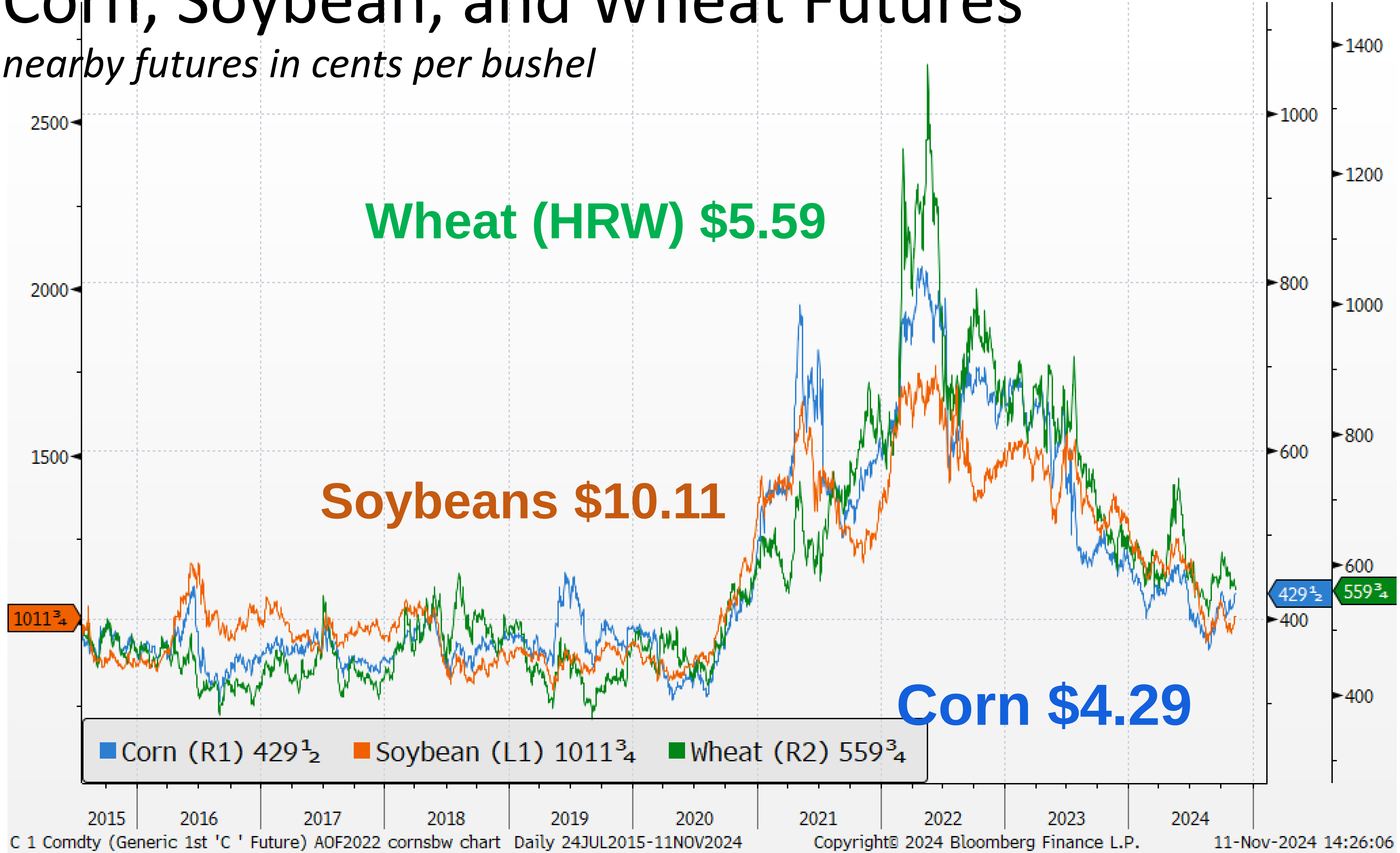


# Current hot topics

- Biofuel production and policy - SAF
- 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
- Food price inflation
- Endangered Species Act and implications for agriculture - Pesticides
- Farm Bill
- International food security
- 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*



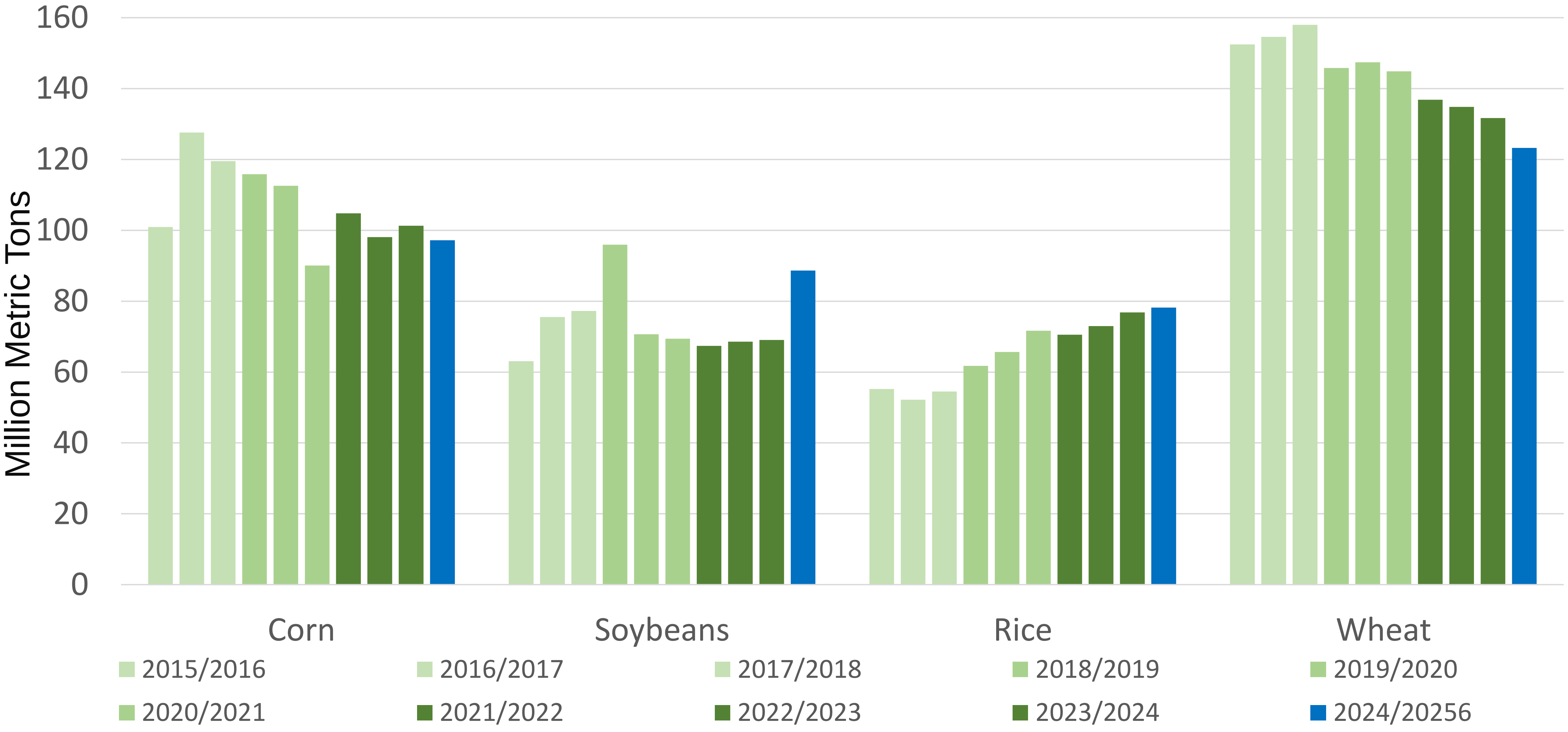

## Further Out

**Wheat**
**DEC 2025**
**$6.26**

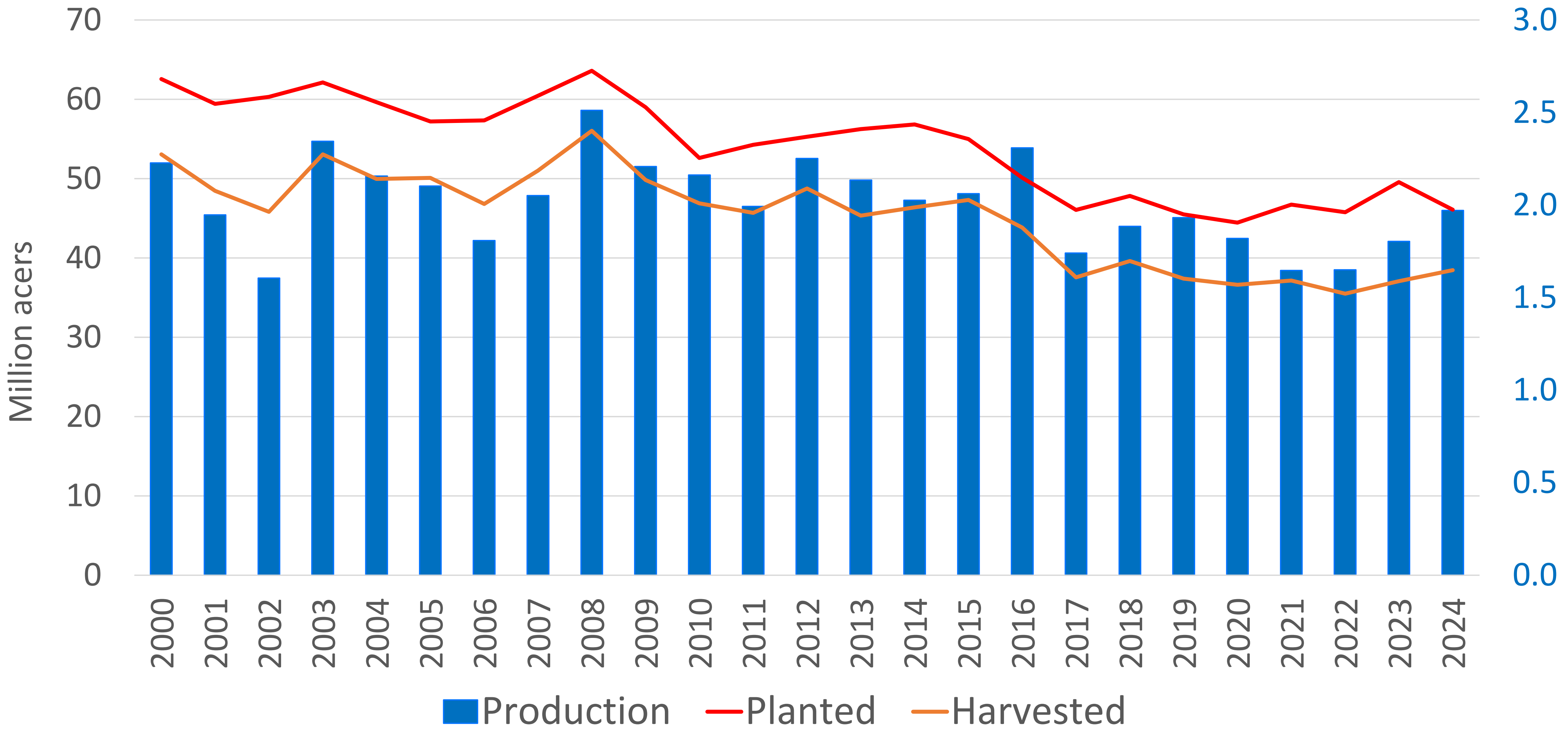
**Corn**
**DEC 2025**
**$4.45**

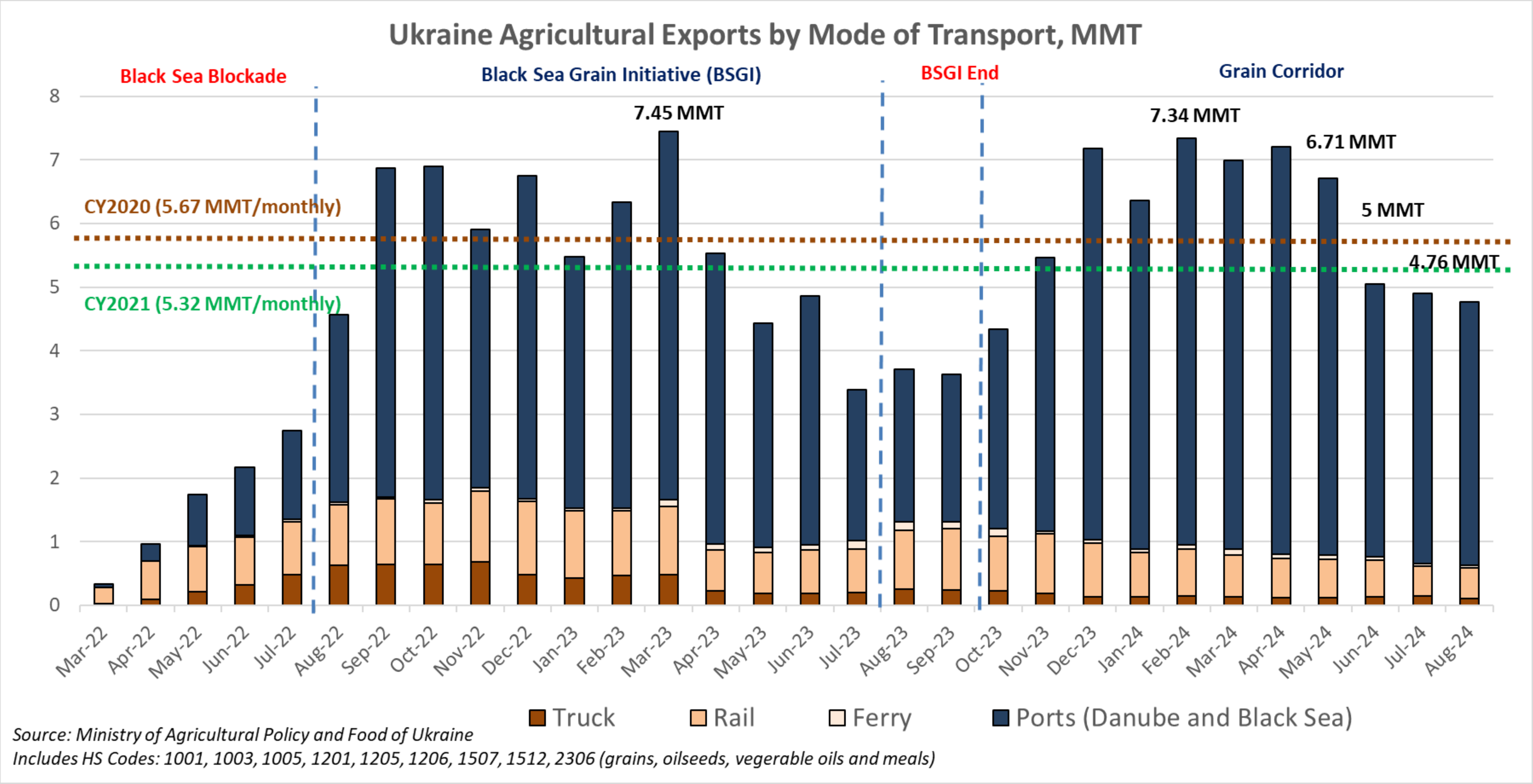
**Soybeans**
**Nov 2025**
**$10.44**

# Global Carryout Stocks *Less China*



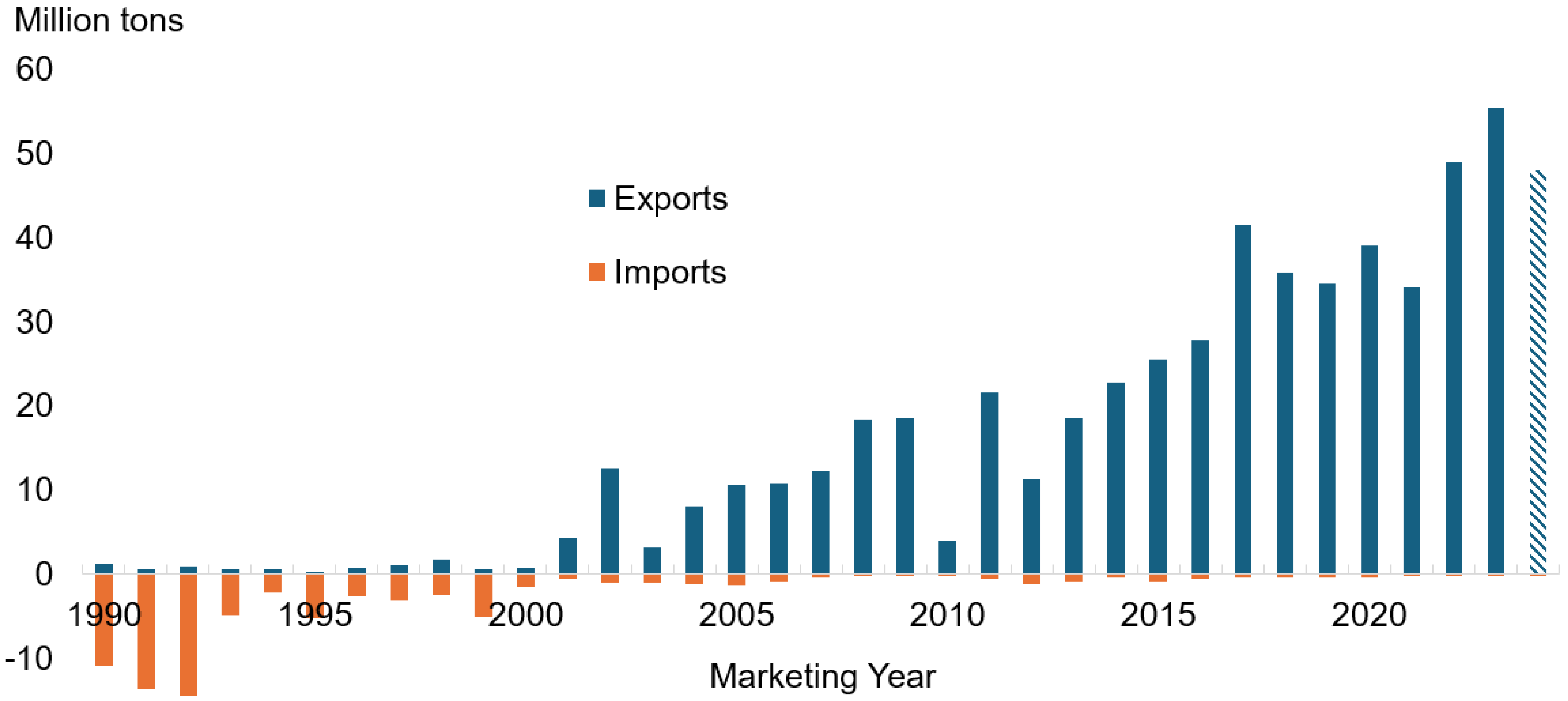
# US wheat production



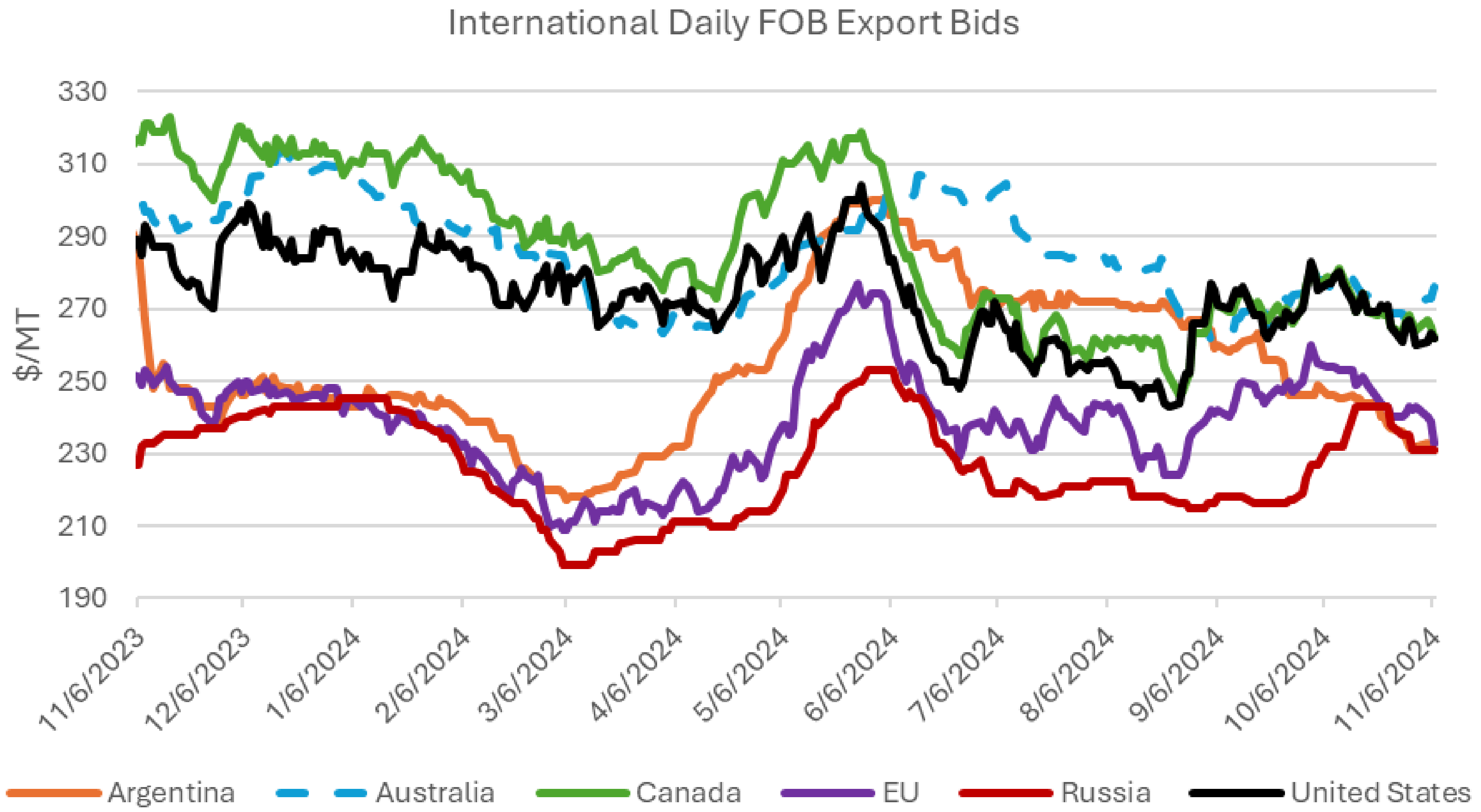



*Source: USDA-FAS using data from Ukraine Ministry of Agrarian Policy and Food's Public Dashboard of Exports*

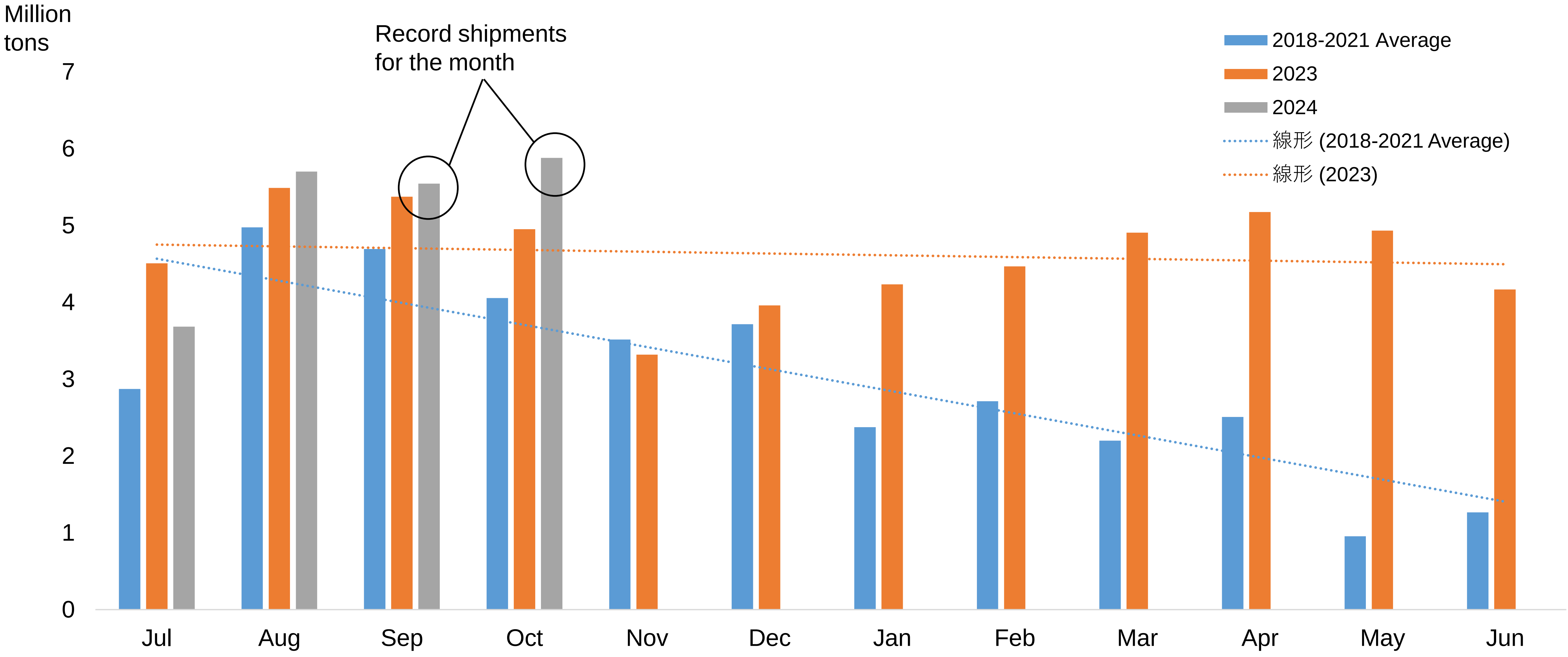
# Russia Wheat Exports Have Grown Significantly Over Time



# Russian wheat cheapest in the World but supplies are tightening



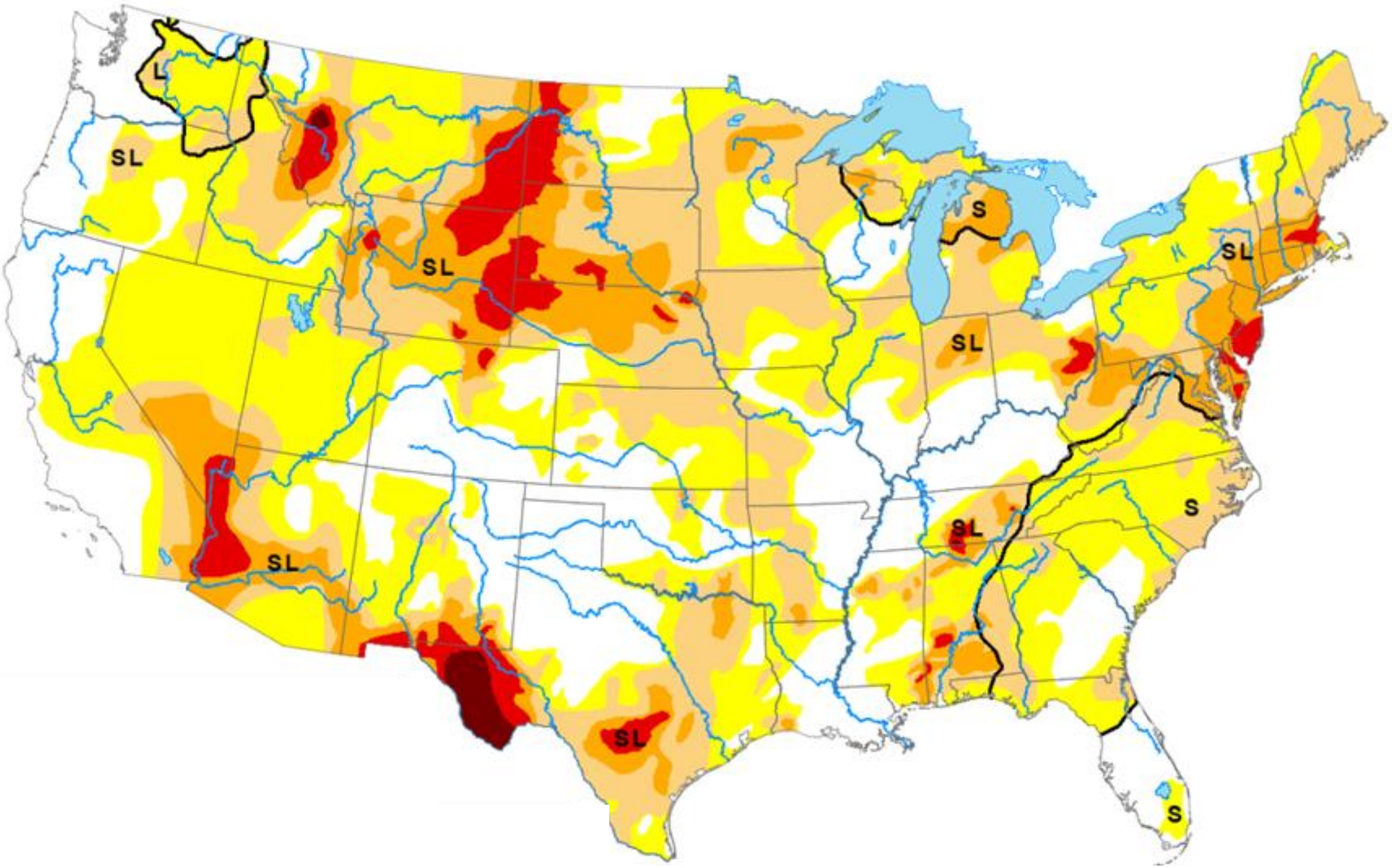
# Russia wheat exports have been very strong but expected to decline seasonally due to tightening stocks




Sources:  USDA, Refinitiv, TDM.
*Annual rail and truck shipment estimates entered at a constant monthly rate.

# U.S. Drought Monitor

November 5th




None

**D0** (Abnormally Dry)

**D1** (Moderate Drought)

**D2** (Severe Drought)

**D3** (Extreme Drought)

**D4** (Exceptional Drought)

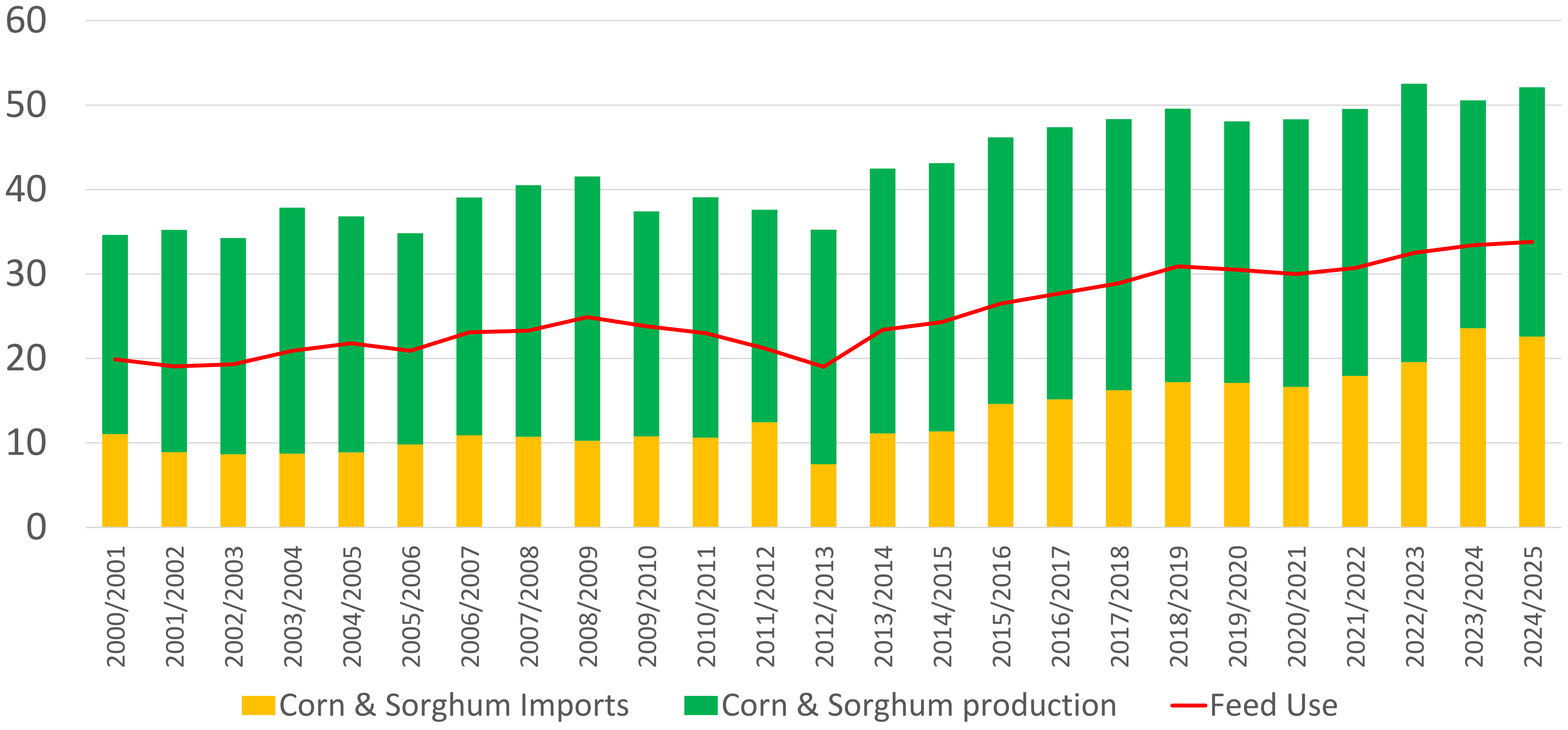
- Delineates dominant impacts

**S** - Short-term impacts, typically less than 6 months (agriculture, grasslands)

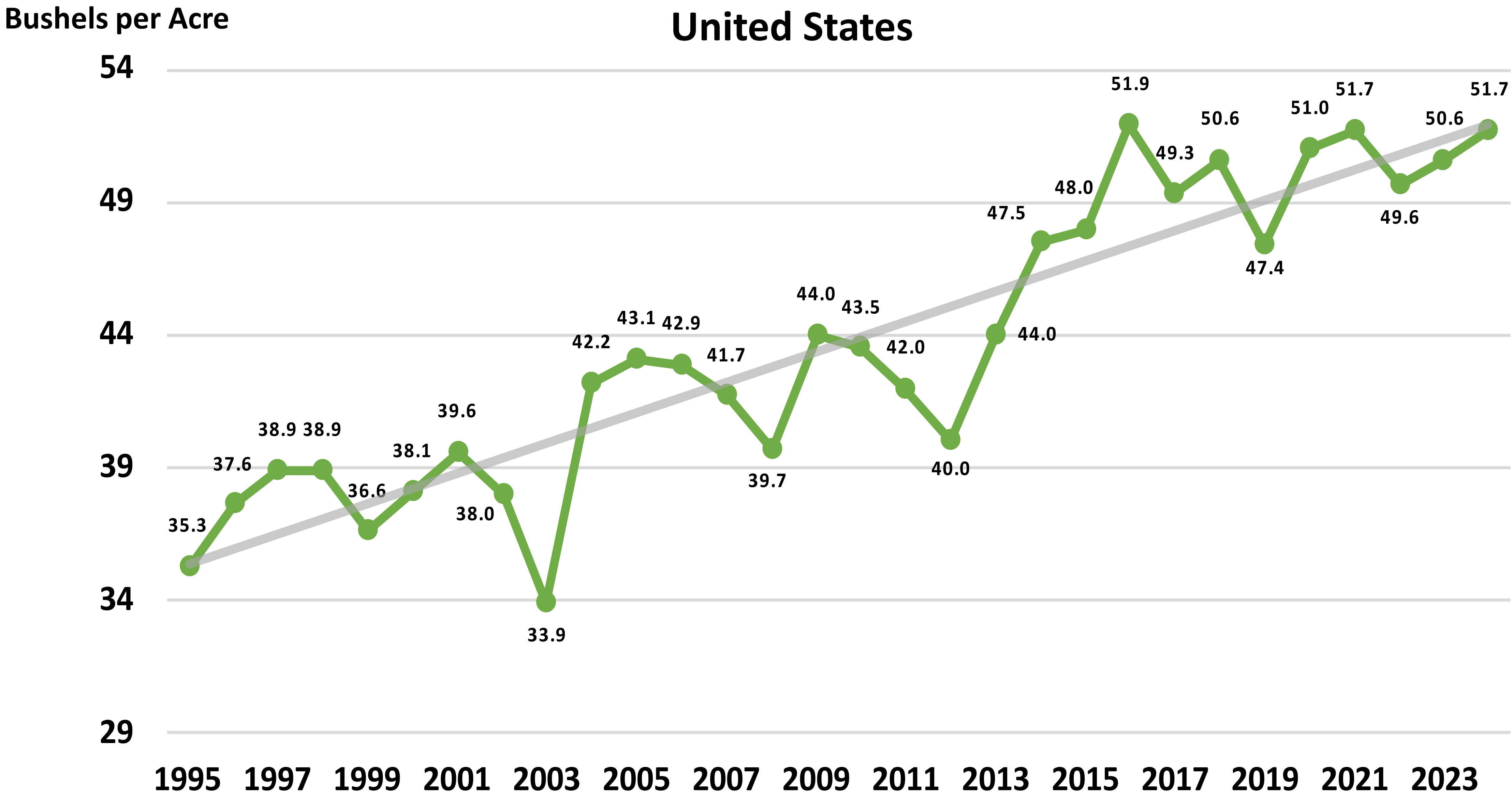
**L** - Long-term impacts, typically greater than 6 months (hydrology, ecology)

**SL** - Short- and long-term impacts

# Mexico corn and sorghum production, imports and feed use

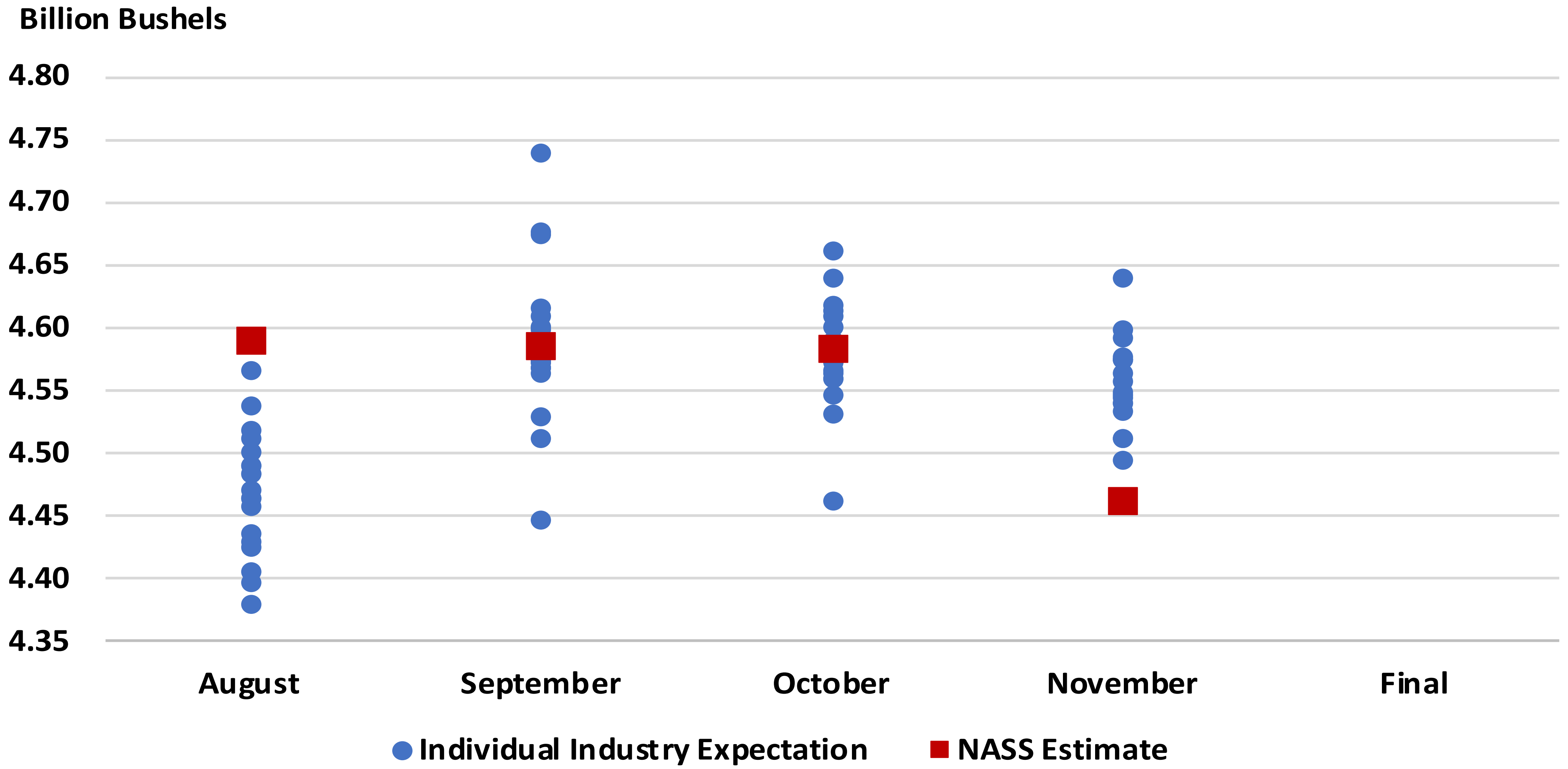


# November 2024 Soybean Yield



# 2024 U.S. Soybean Production

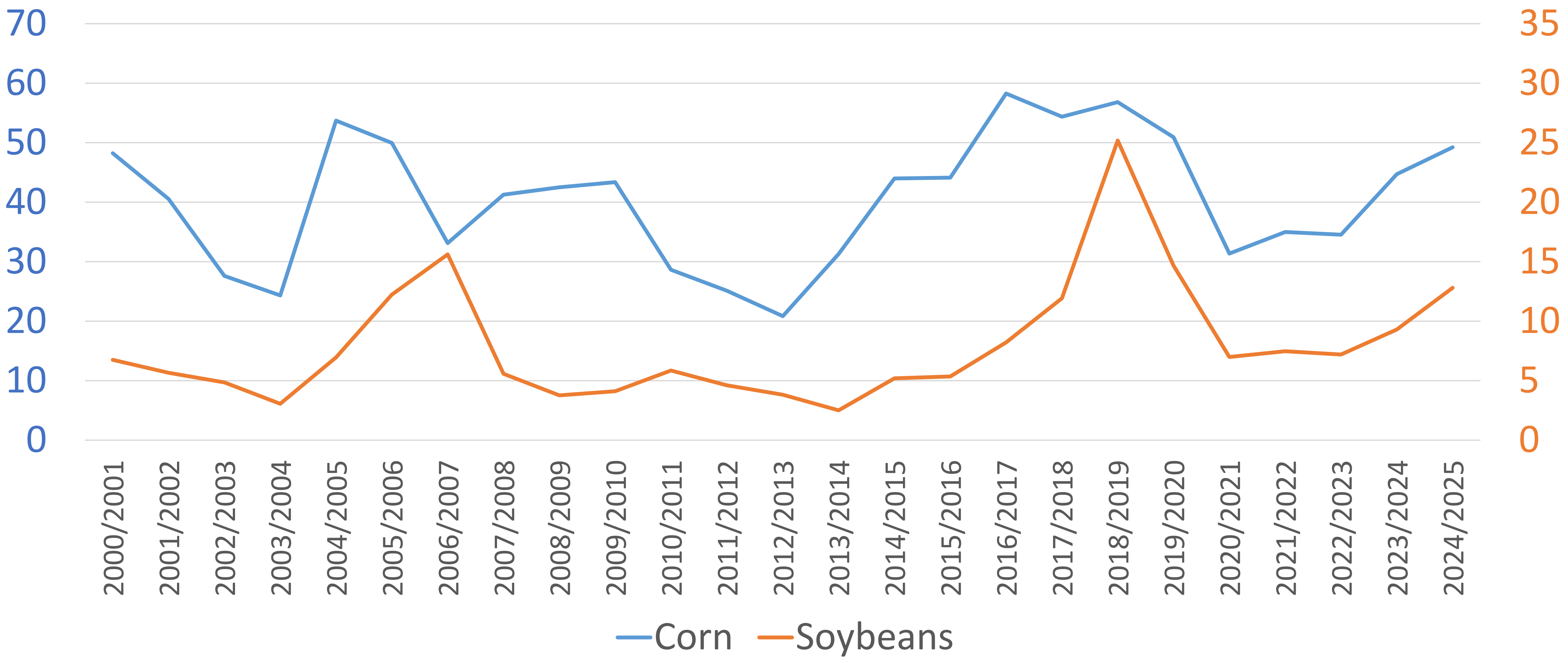
## Industry Expectations vs NASS

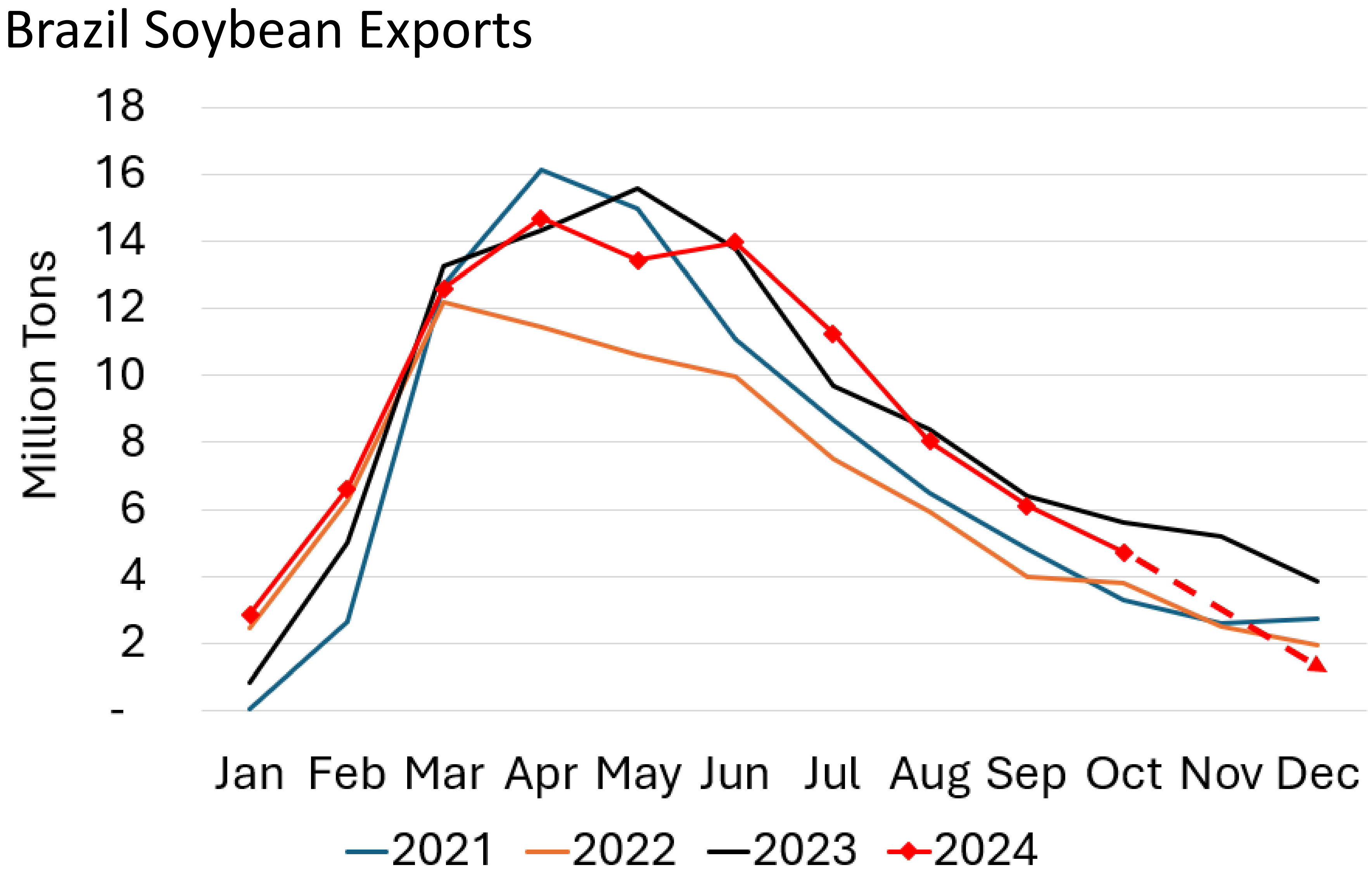


# Total Soybean Export Commitments, end of October, billion bushels

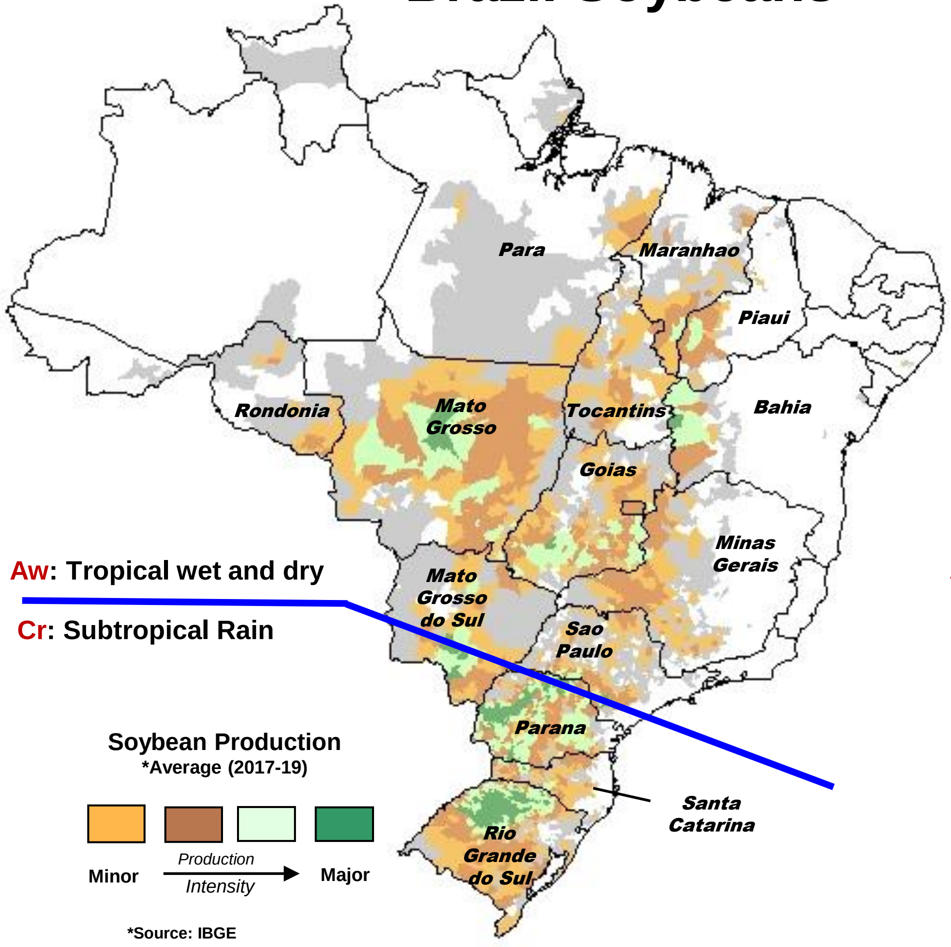

Source: USDA FAS Export Sales

# U.S. Corn and Soybean Carryout Stocks, million metric tons

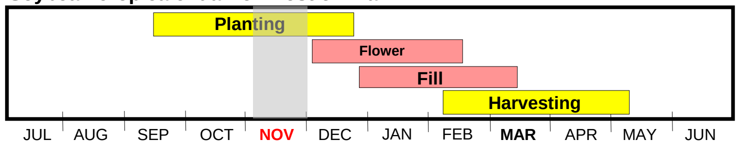



Brazil Soybean Exports
Million Tons
18
16
14
12
10
8
6
4
2
-
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2021
2022
2023
2024

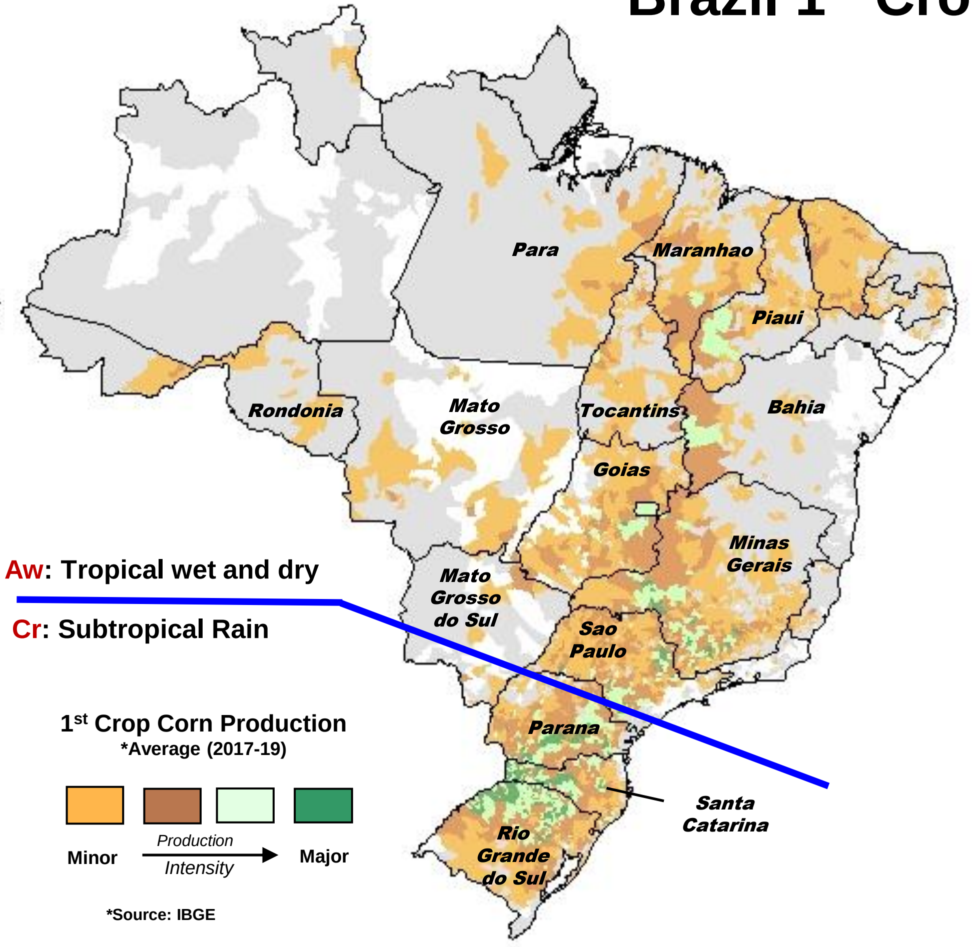
# Brazil Soybeans



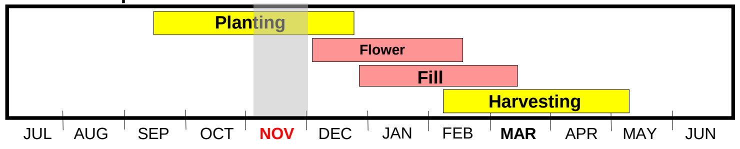

Soybean crop calendar for most of Brazil



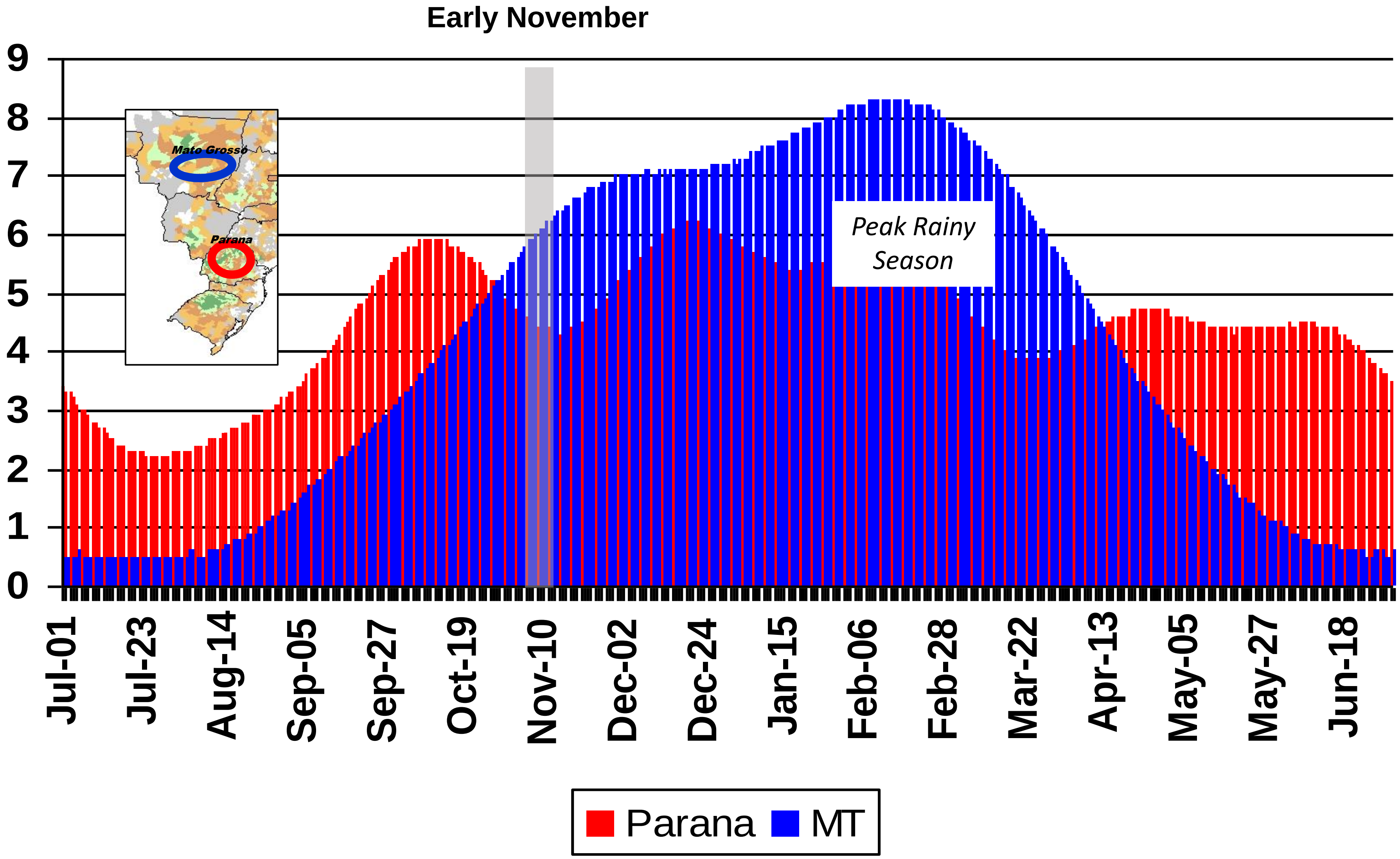

# Brazil 1st Crop Corn



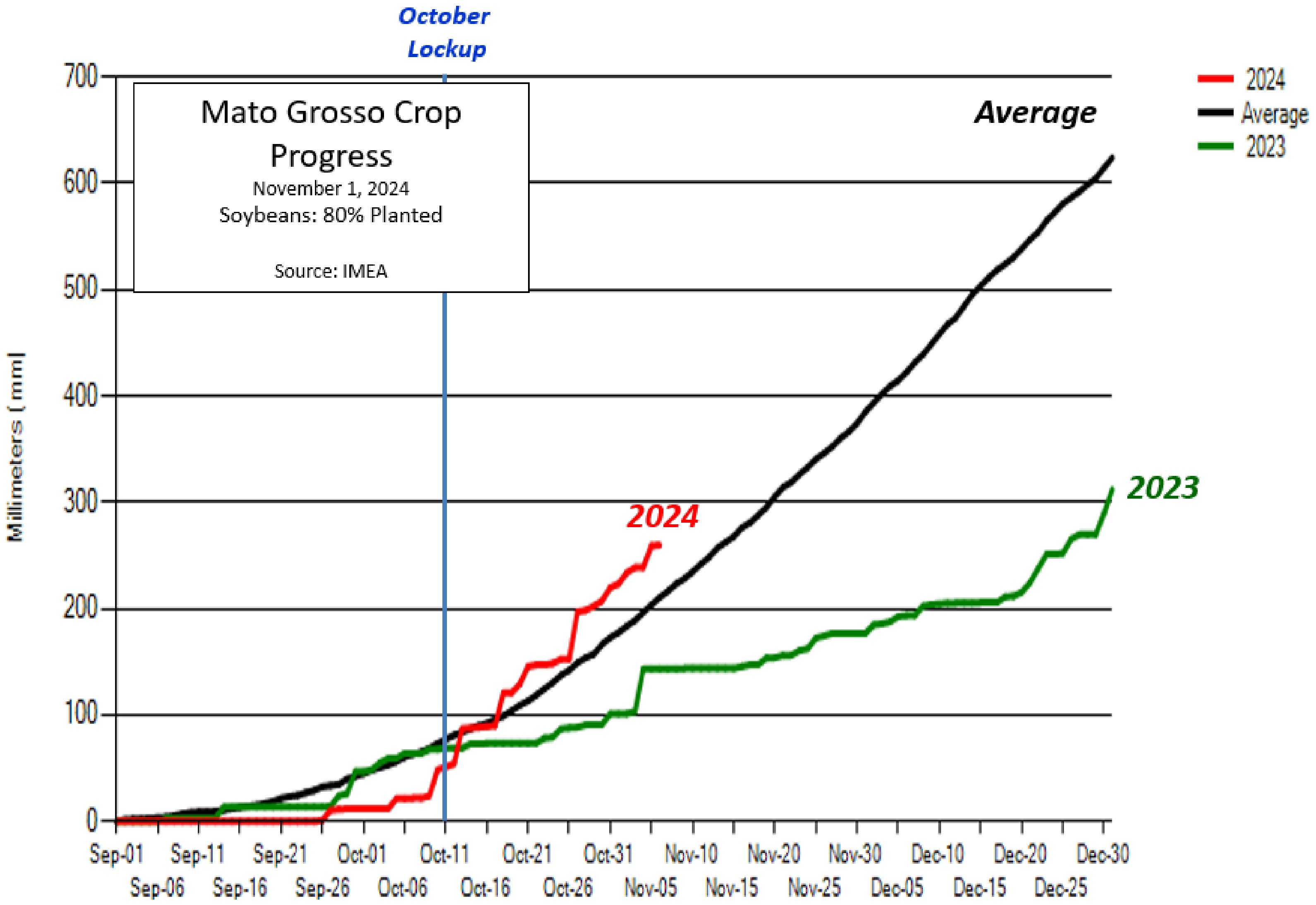

1st Corn crop calendar for most of Brazil



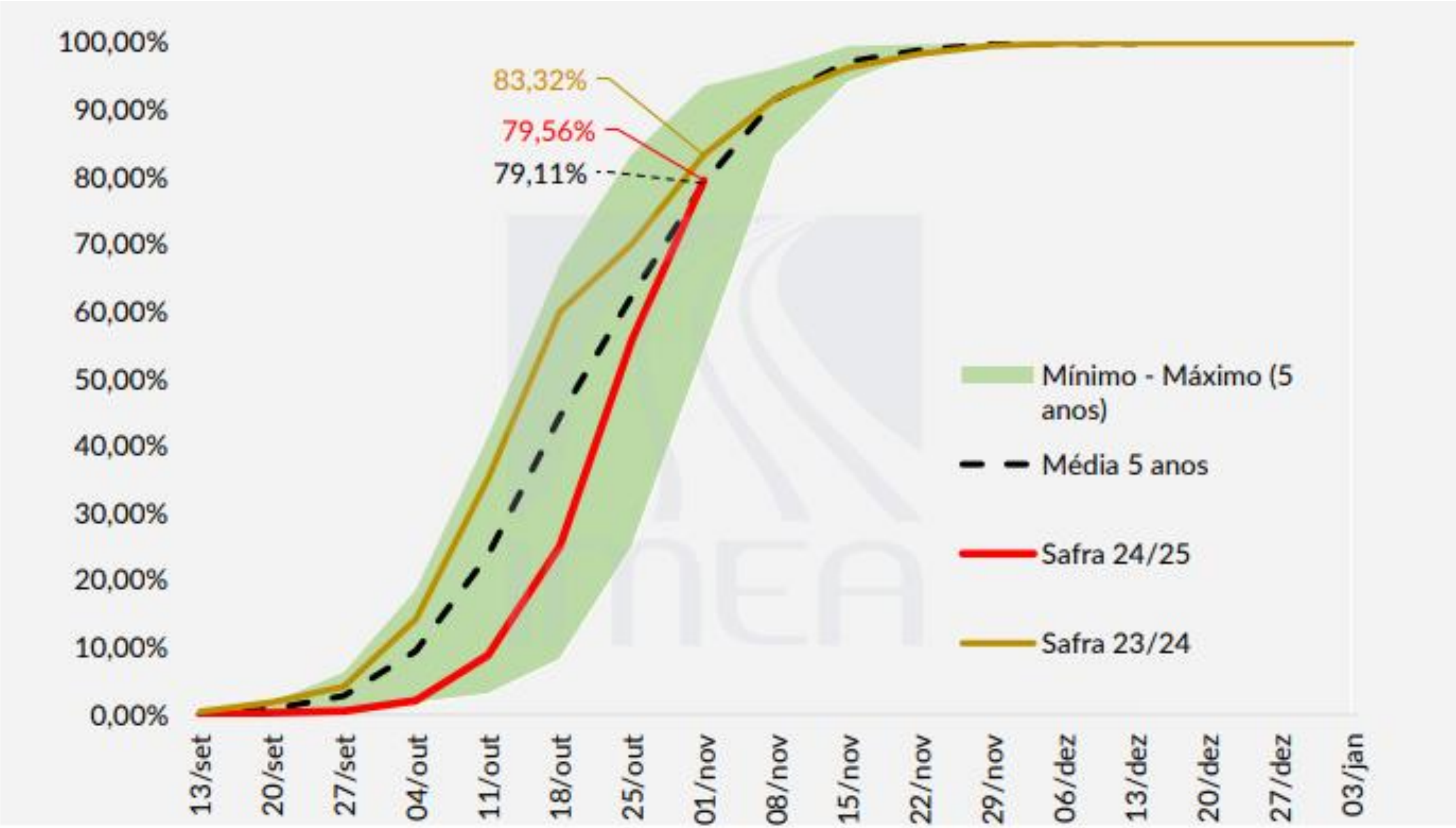
# Brazil: Normal Daily Rainfall (mm)



# Mato Grosso: Cumulative Precipitation

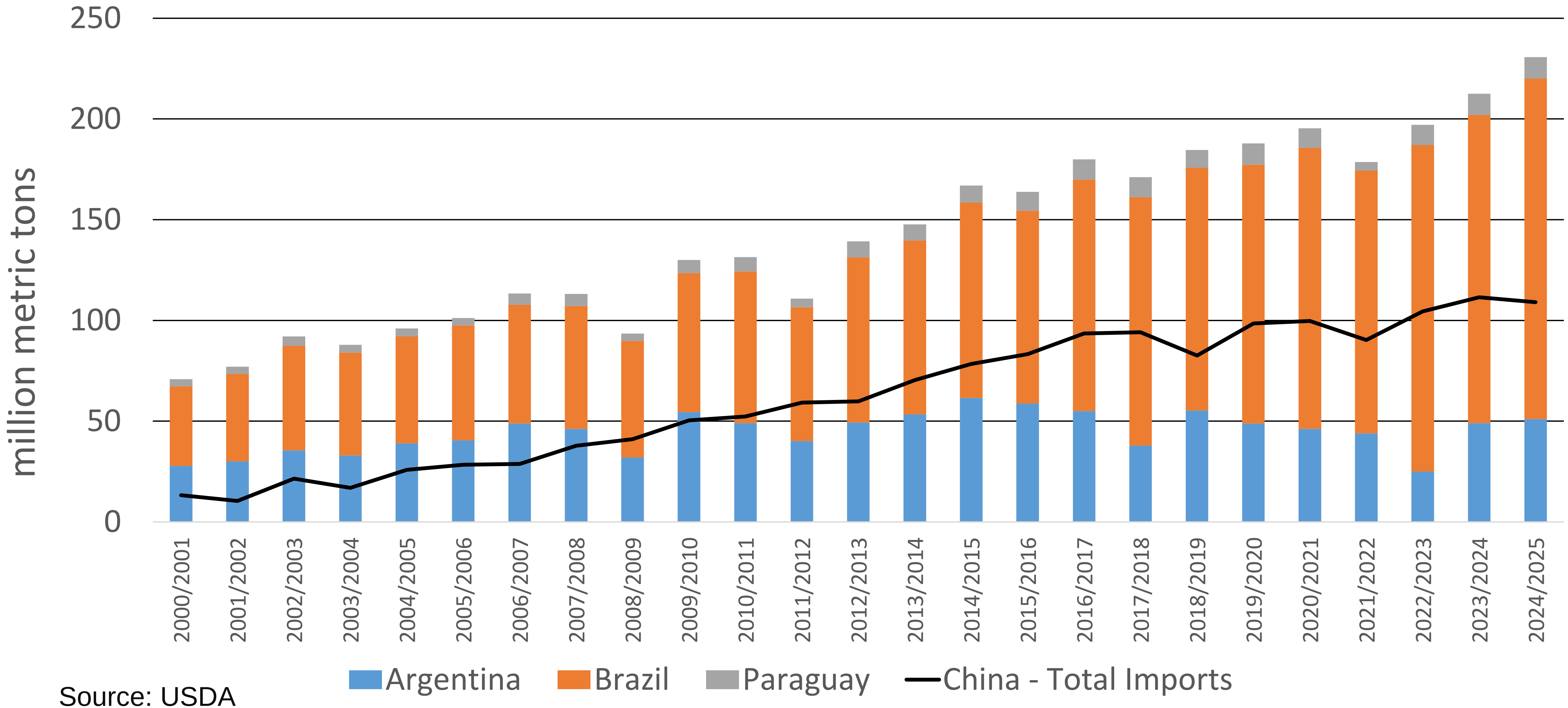


# Mato Grosso, Brazil Planting Progress



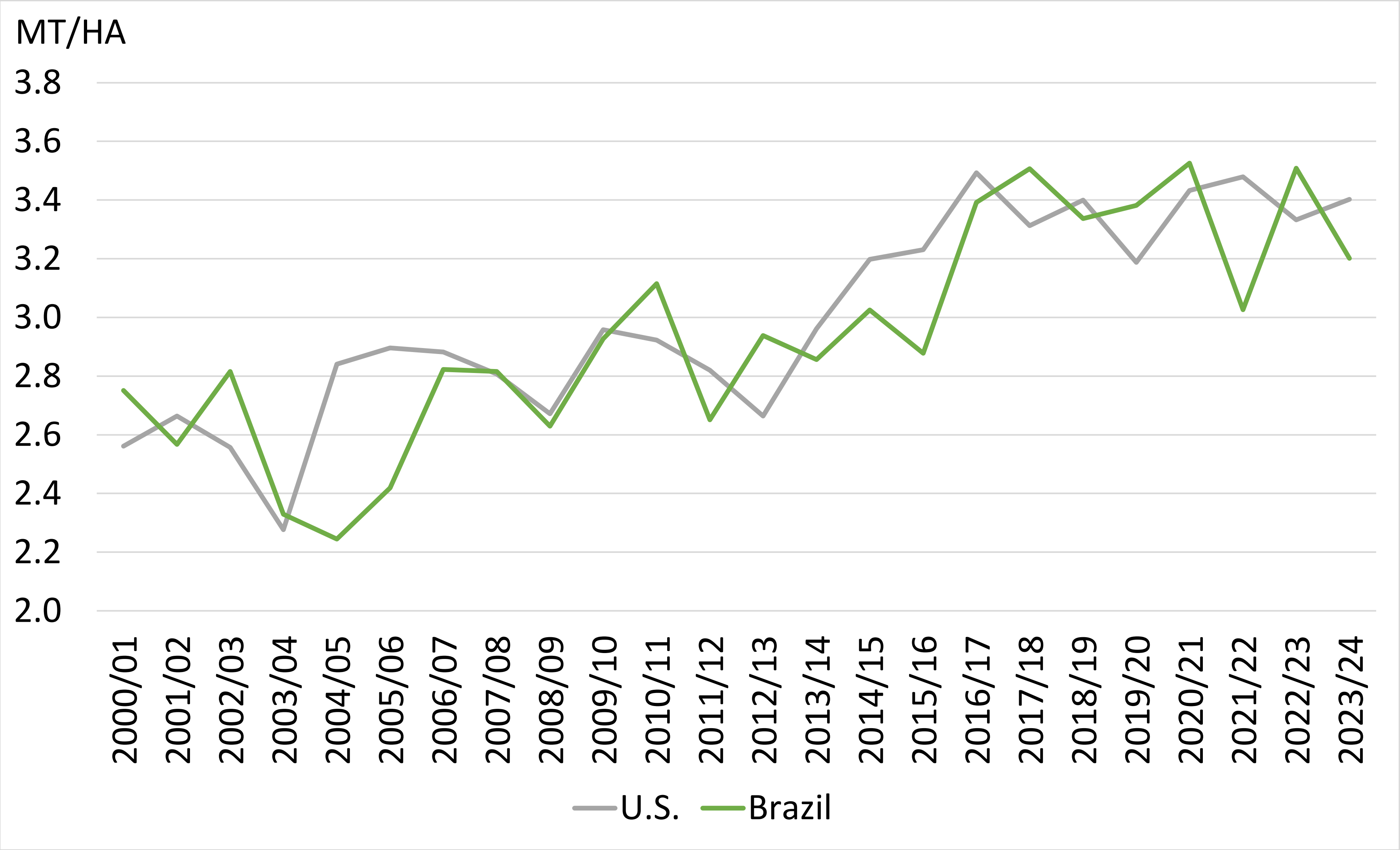

Source: IMEA

# Brazil, Argentina and Paraguay Soybean Production *and China's import demand*



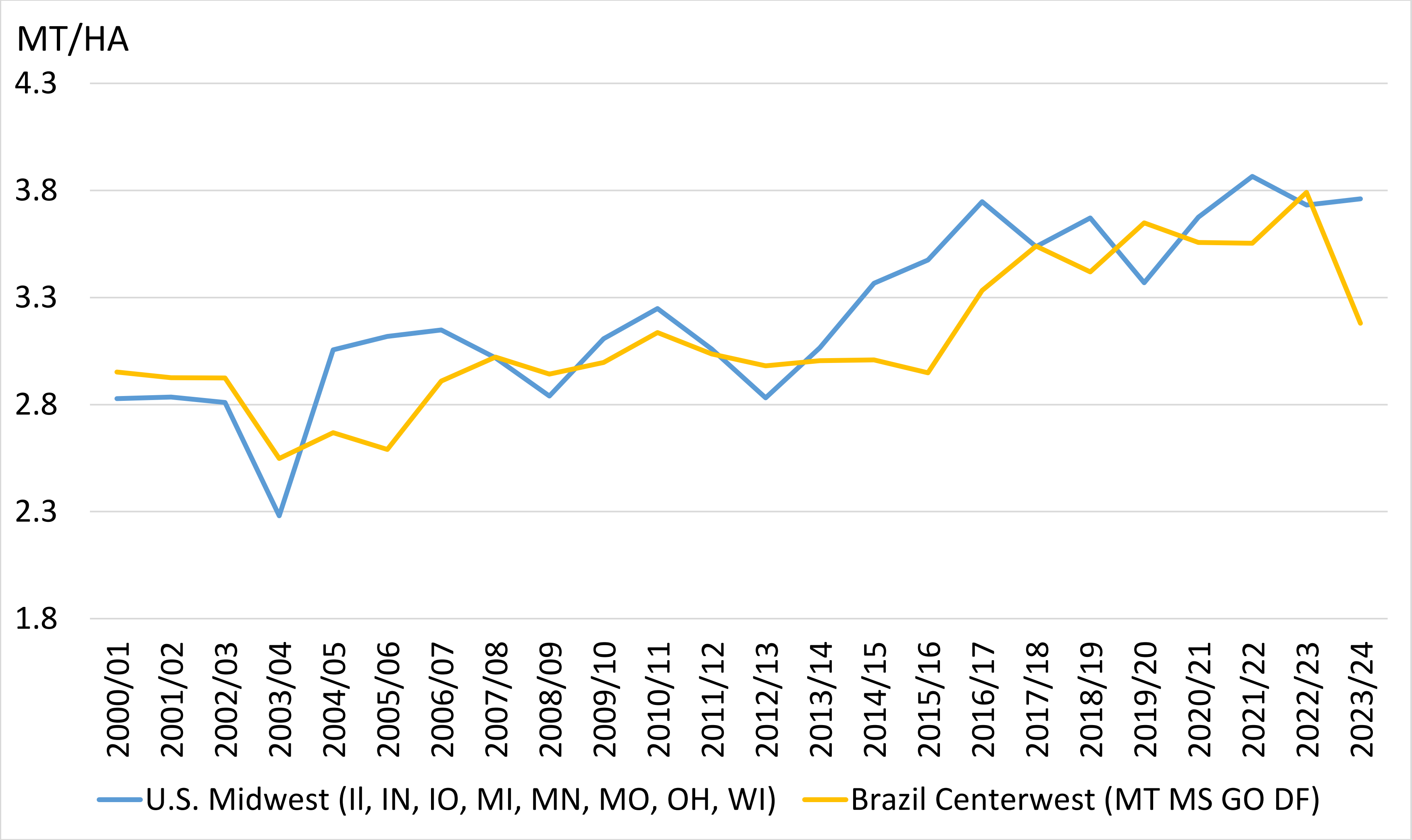

Source: USDA

# National Brazil and U.S. Yields



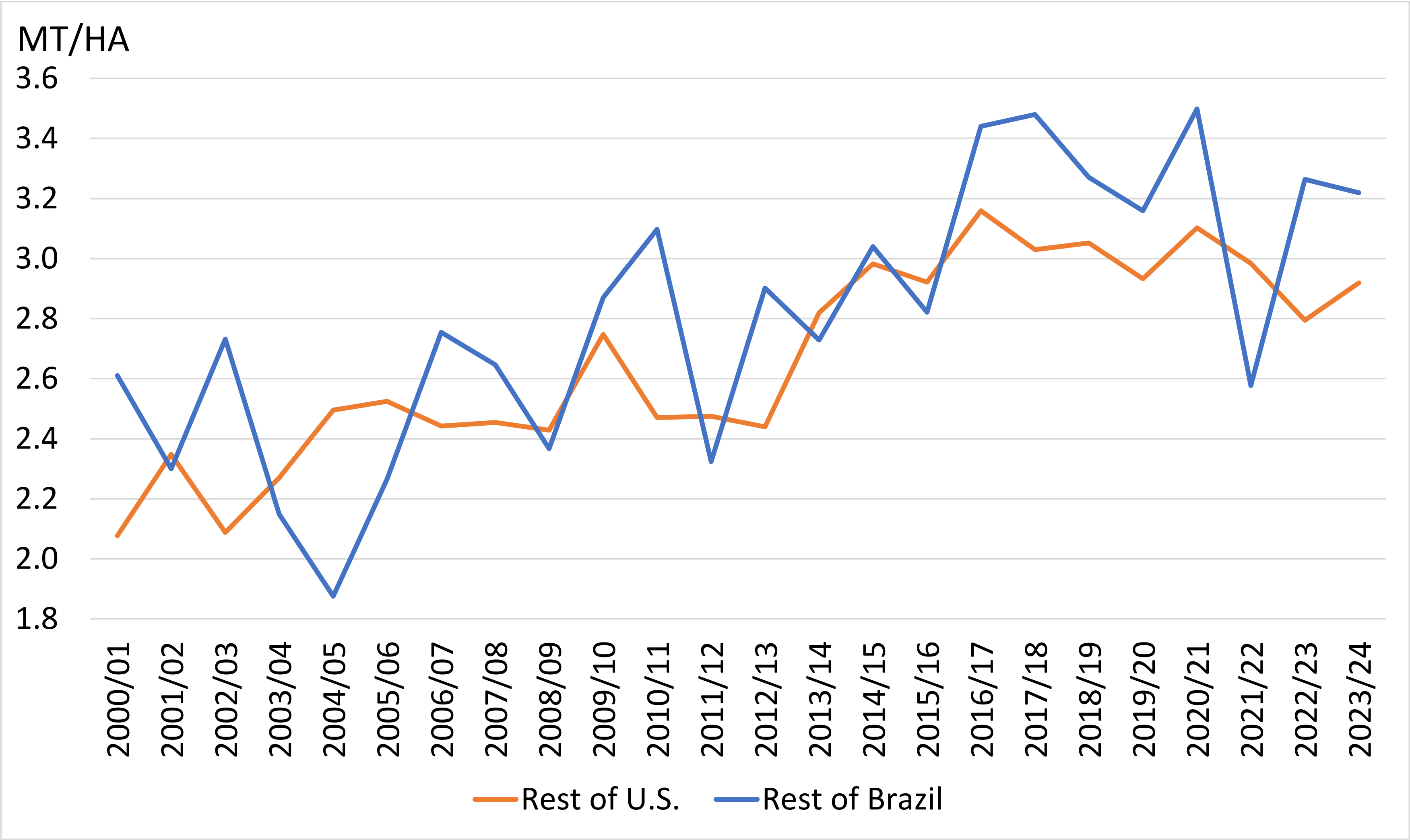

Source: NASS and CONAB

# U.S. Midwest Versus Brazil Center West Yields



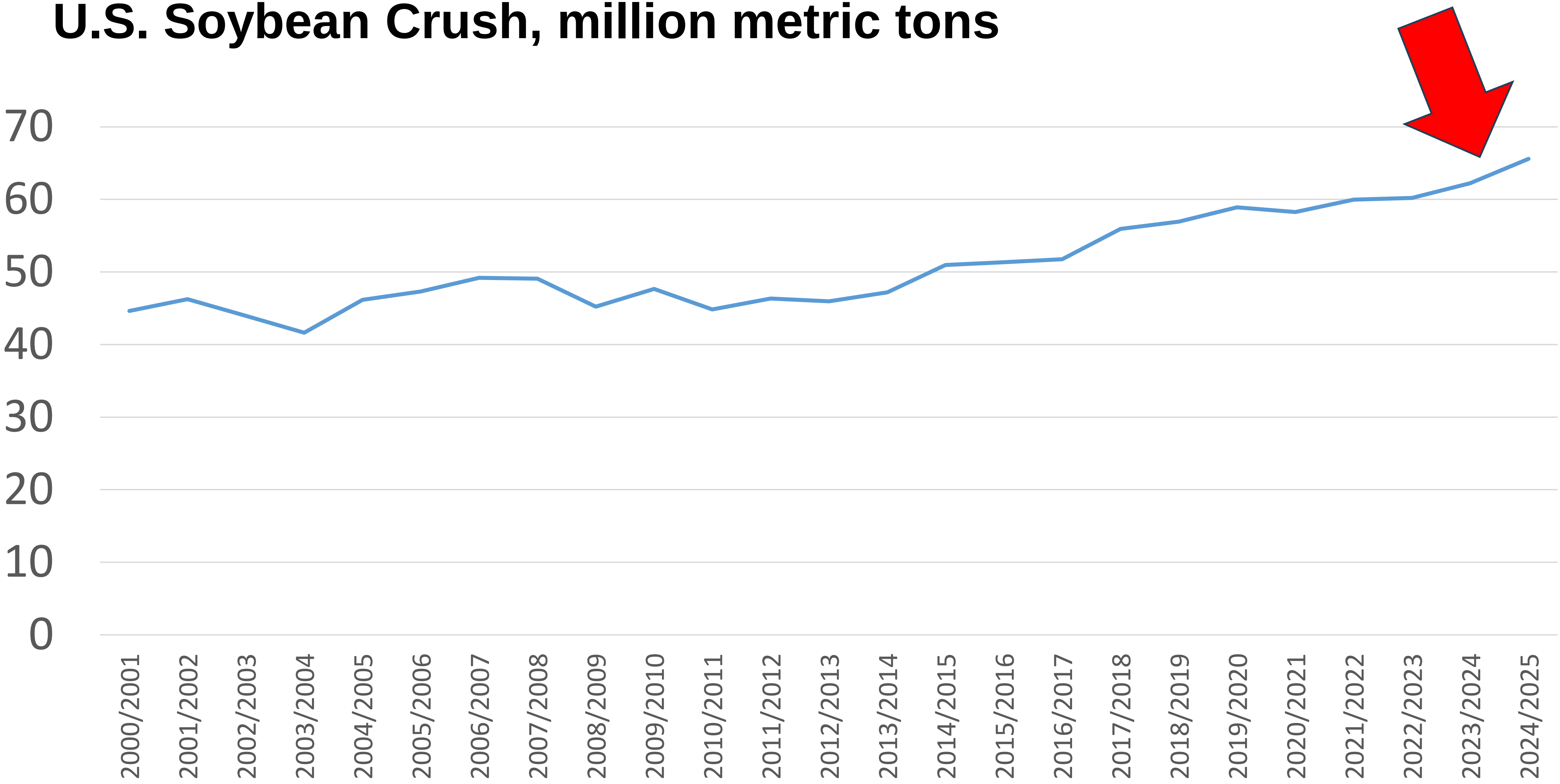

Source: NASS and CONAB

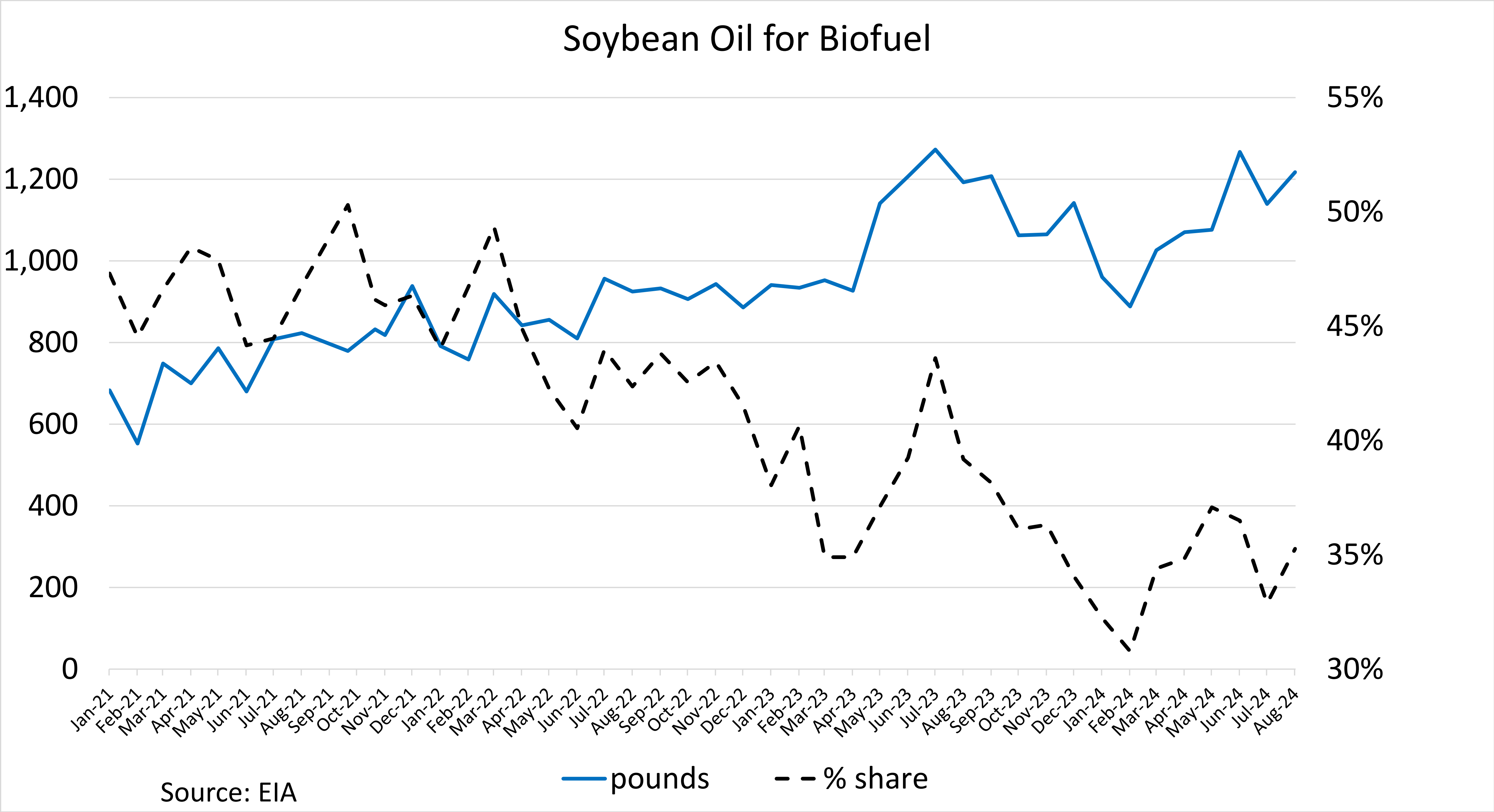
# U.S. Versus Brazil Yields outside of the U.S. Midwest and Brazil's Center West




Source: NASS and CONAB

# U.S. Soybean Crush, million metric tons




Soybean Oil for Biofuel
1,400
1,200
1,000
800
600
400
200
0
55%
50%
45%
40%
35%
30%
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
Sep-21
Oct-21
Nov-21
Dec-21
Jan-22
Feb-22
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
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Mar-23
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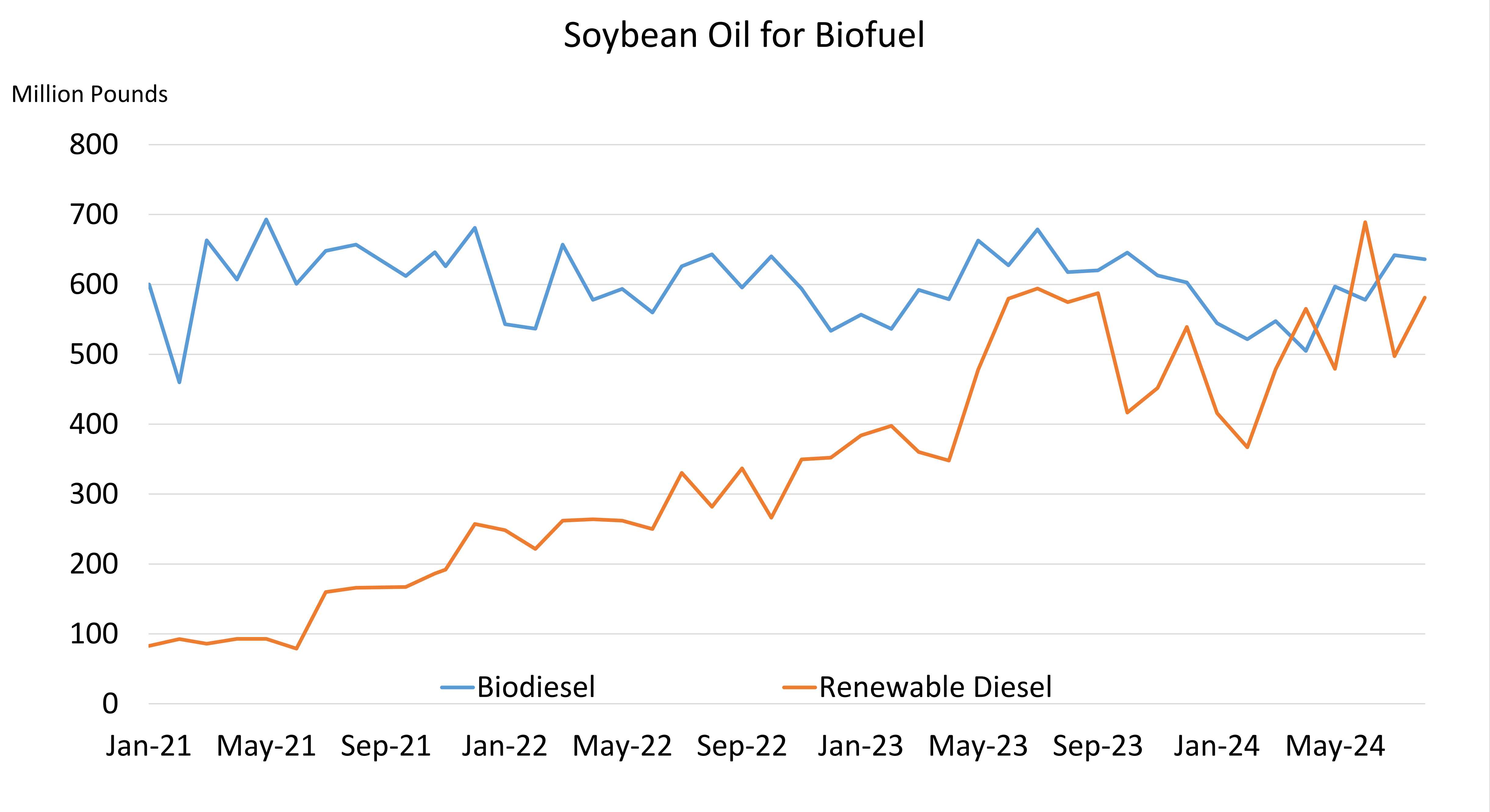
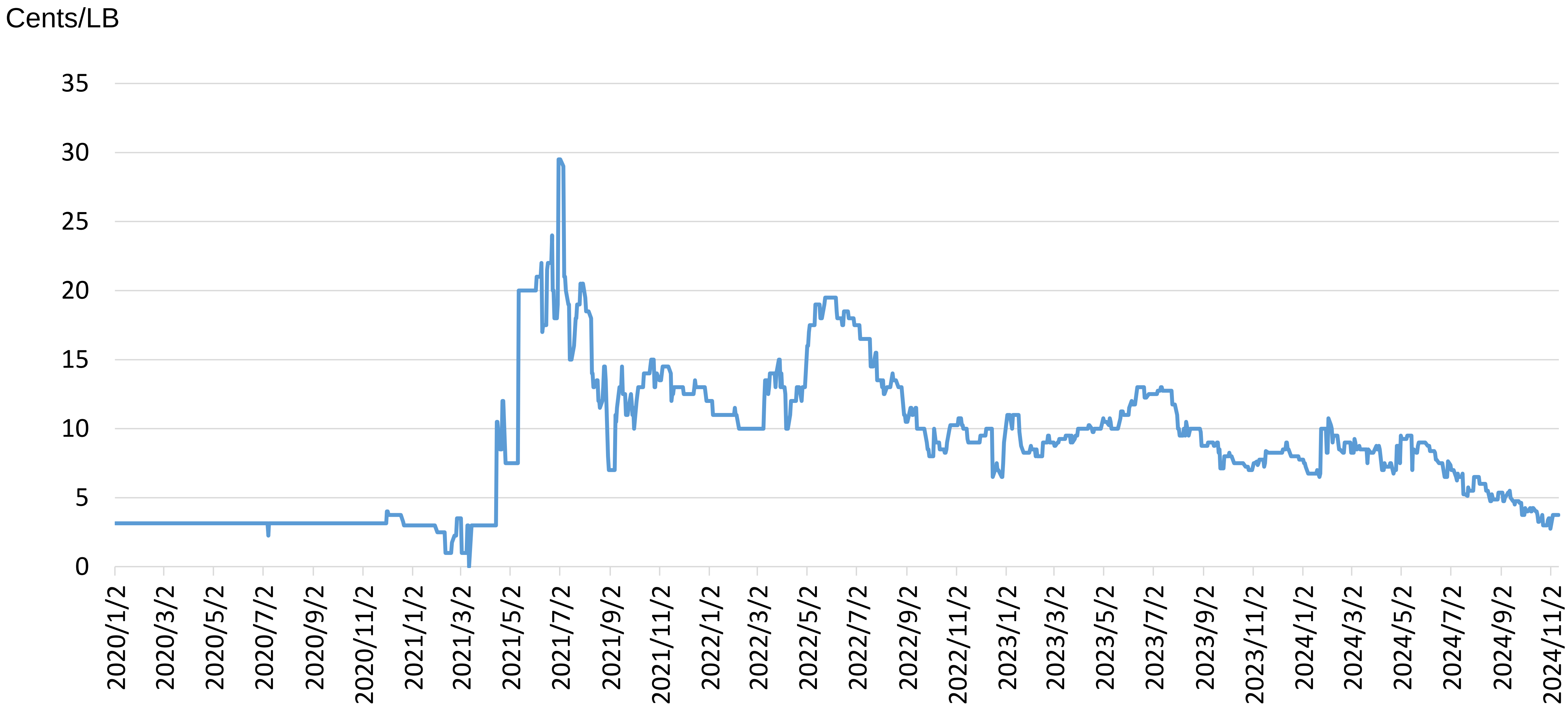
May-23
Jun-23
Jul-23
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
pounds
% share
Source: EIA

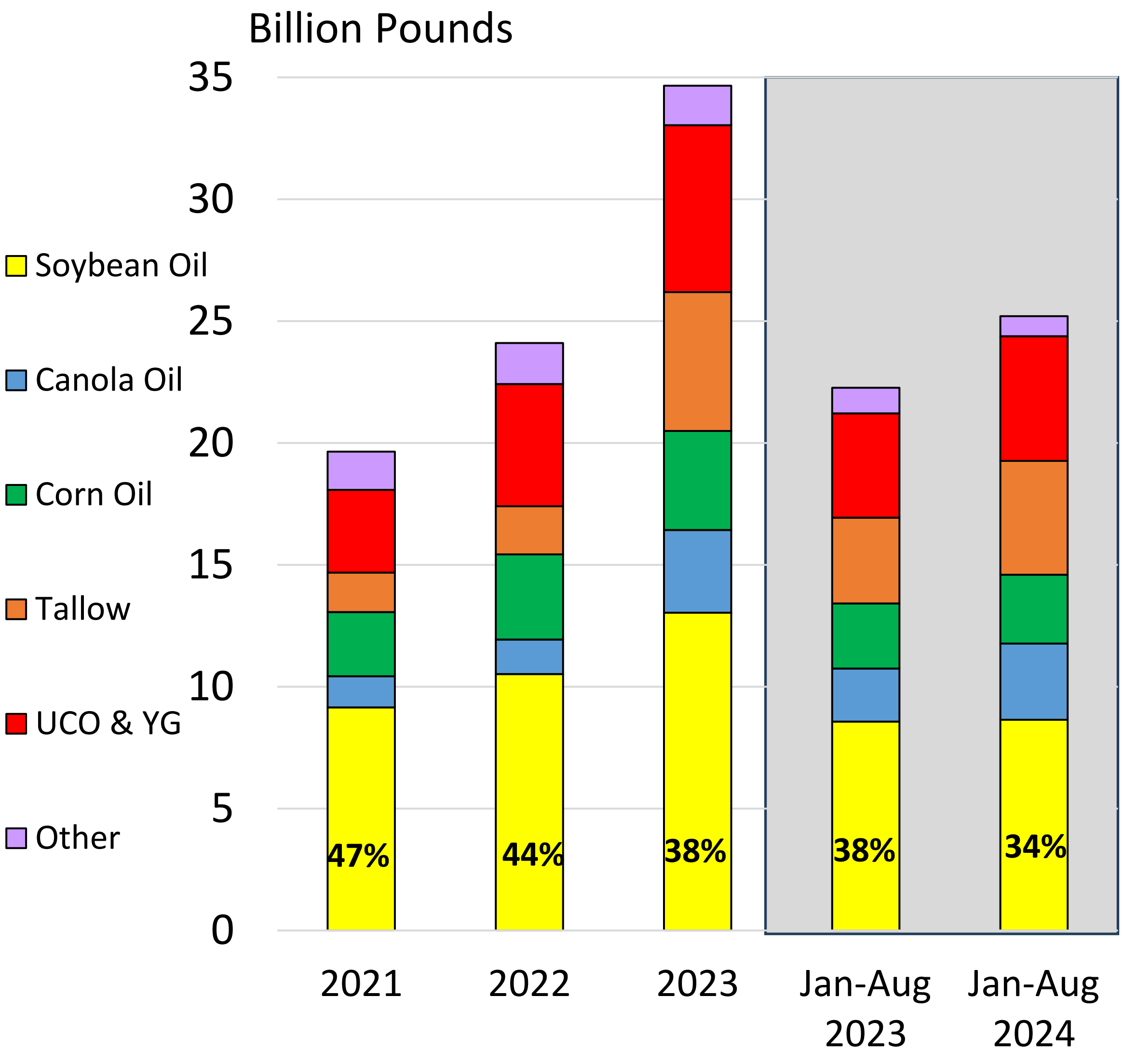

Soybean Oil for Biofuel
Million Pounds
800
700
600
500
400
300
200
100
0
Jan-21
May-21
Sep-21
Jan-22
May-22
Sep-22
Jan-23
May-23
Sep-23
Jan-24
May-24
Biodiesel
Renewable Diesel

# Refined minus Crude Soybean Oil, Central Illinois

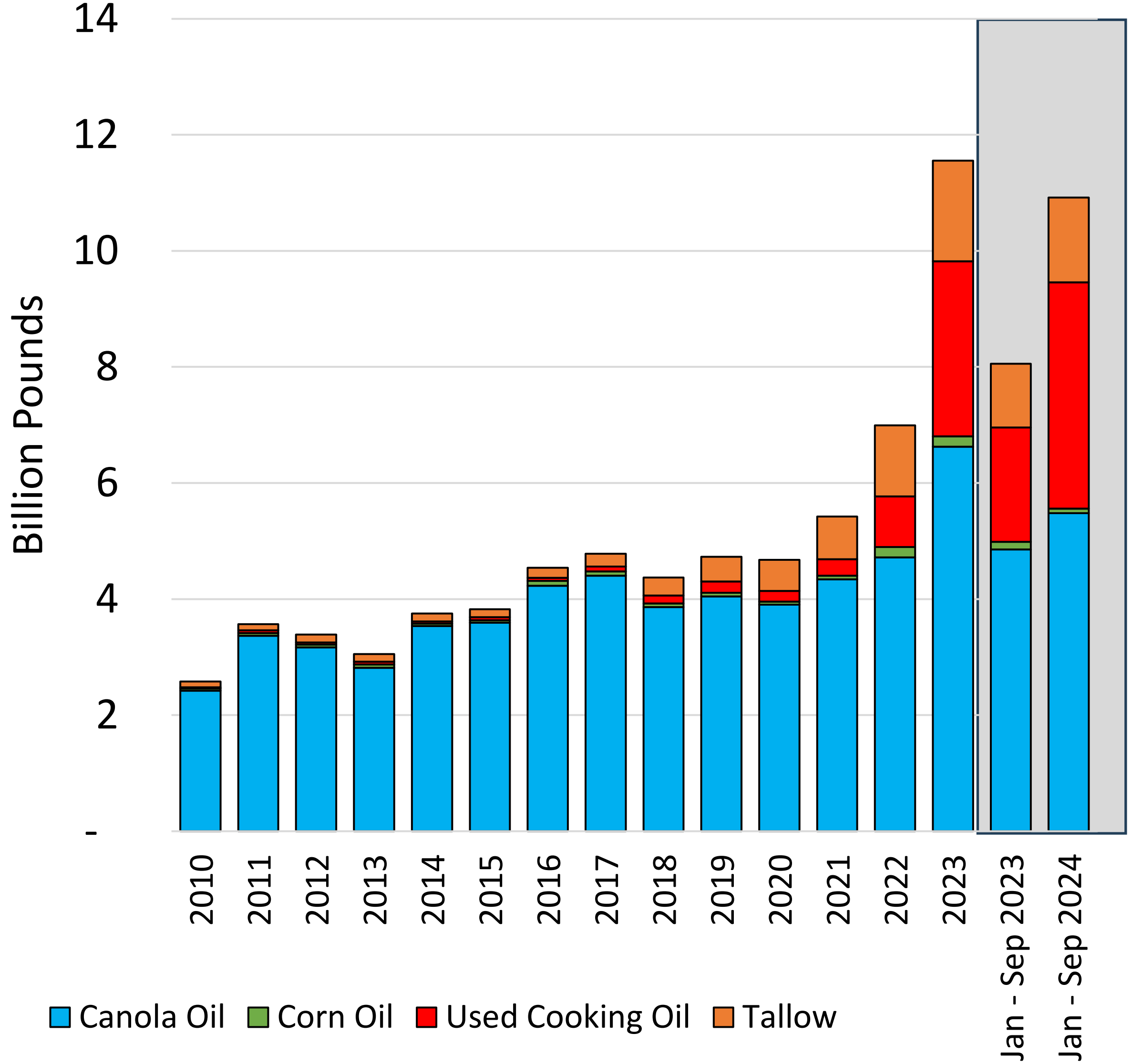



Source: Fastmarkets

# Feedstocks for Biofuels and trade in feedstocks




Source: EIA

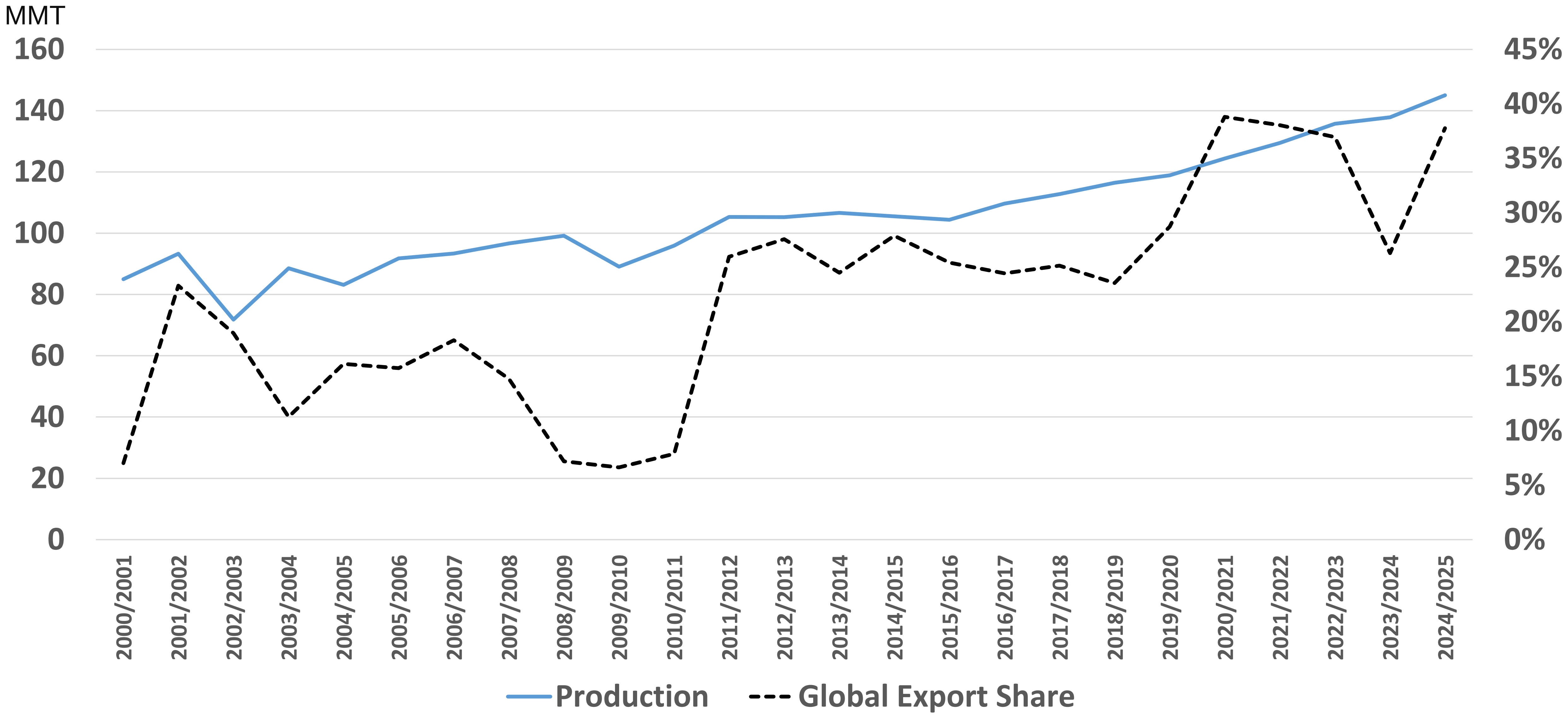


# World Rice Production

| Country or Region | 2023/2024 estimate | 2024/2025 forecast | Change from October 11 | Change from 2023/2024 |
|---|---|---|---|---|
| | *---------------- Million Tons* | *----------------* | | |
| World | 522.2 | 533.8 | 3.4 | 11.6 |
| United States | 6.9 | 7.0 | -- | ** |
| Foreign | 515.3 | 526.8 | 3.4 | 11.6 |
| Argentina | 0.8 | 0.9 | -- | 0.1 |
| Brazil | 7.2 | 7.5 | -- | 0.3 |
| Egypt | 3.8 | 3.9 | -- | 0.1 |
| Australia | 0.4 | 0.4 | -- | -0.07 |
| Bangladesh | 37.0 | 36.8 | -0.5 | -0.2 |
| Burma | 11.9 | 11.9 | -0.3 | -0.1 |
| Cambodia | 7.2 | 7.4 | -- | 0.2 |
| China | 144.6 | 146.0 | -- | 1.4 |
| India | 137.8 | 145.0 | 3.0 | 7.2 |
| Indonesia | 33.0 | 34.0 | -- | 1.0 |
| Japan | 7.3 | 7.4 | -- | 0.1 |
| Sri Lanka | 3.3 | 3.5 | -- | 0.2 |
| Pakistan | 9.9 | 10.0 | -- | 0.1 |
| Philippines | 12.3 | 12.3 | -- | ** |
| Thailand | 20.0 | 20.1 | -- | 0.1 |
| Vietnam | 26.3 | 26.5 | -- | 0.2 |

-- No change. ** Rounds to zero.

# India in global rice trade

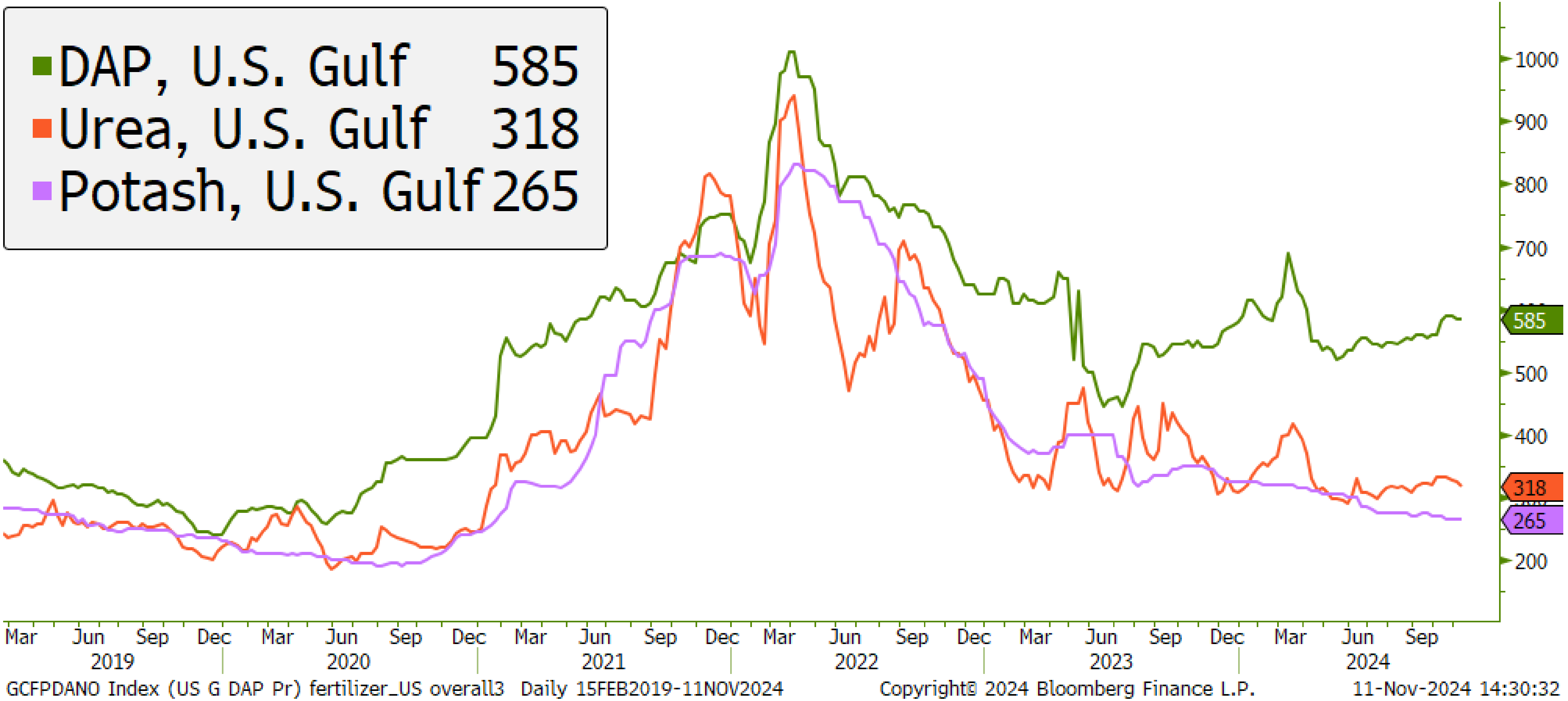


# Most crop prices continue their downward trend

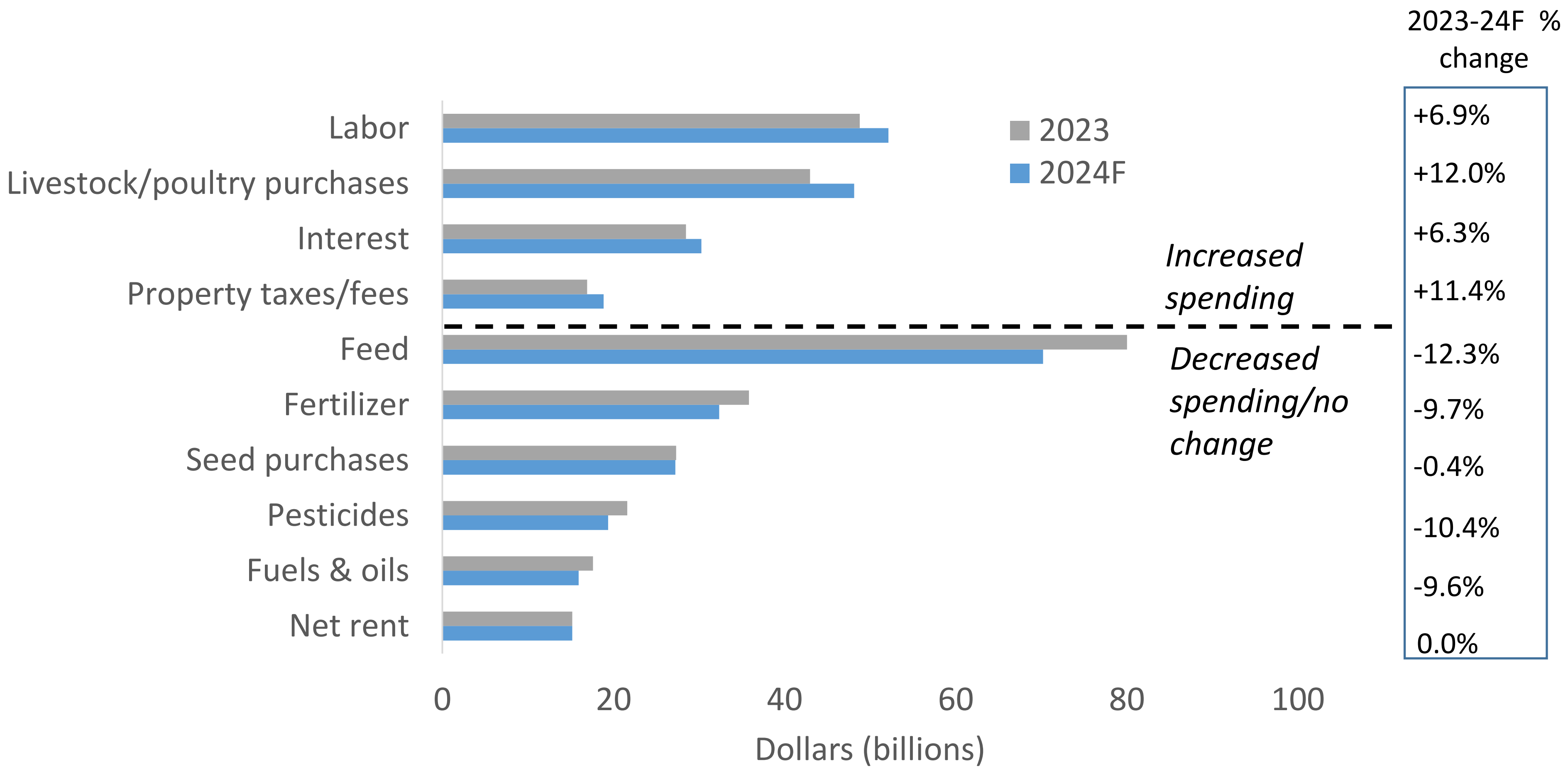
| Crop | 2010/11-2013/14 avg | 2014/15-2019/20 avg | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 Latest WASDE | Δ2024/5 |
|---|---|---|---|---|---|---|---|---|
| Corn ($ / bu.) | ***5.69*** | ***3.53*** | 4.53 | 6.00 | 6.54 | **4.55** | 4.10 | **-0.45** ***-9.9%*** |
| Soybeans ($ / bu.) | ***12.80*** | ***9.15*** | 10.80 | 13.30 | 14.20 | **12.40** | 10.80 | **-1.60** ***-12.8%*** |
| Sorghum ($ / bu.) | ***5.40*** | ***3.32*** | 5.04 | 5.94 | 6.38 | **4.93** | 4.10 | **-0.73** ***-14.8%*** |
| Wheat ($ / bu.) | ***6.90*** | ***4.87*** | 5.05 | 7.63 | 8.83 | **6.96** | 5.60 | **-1.36** ***-19.5%*** |
| Upland Cotton (¢/ lb) | ***80.1*** | ***64.8*** | 66.3 | 91.4 | 84.5 | **76.1** | 66.0 | **-10.1** ***-13.3%*** |
| All Rice ($ cwt) | ***14.65*** | ***12.52*** | 14.40 | 16.10 | 19.80 | **17.20** | 15.60 | **-1.60** ***-9.3%*** |
| Soybean Oil (c/lb) | ***47.62*** | ***30.33*** | 56.87 | 72.98 | 65.26 | **47.28** | 43.00 | **-4.28** ***-9.1%*** |

# Fertilizer Prices, $/MT

**Data: Bloomberg Green Markets**



# Outlook for individual expense categories mixed



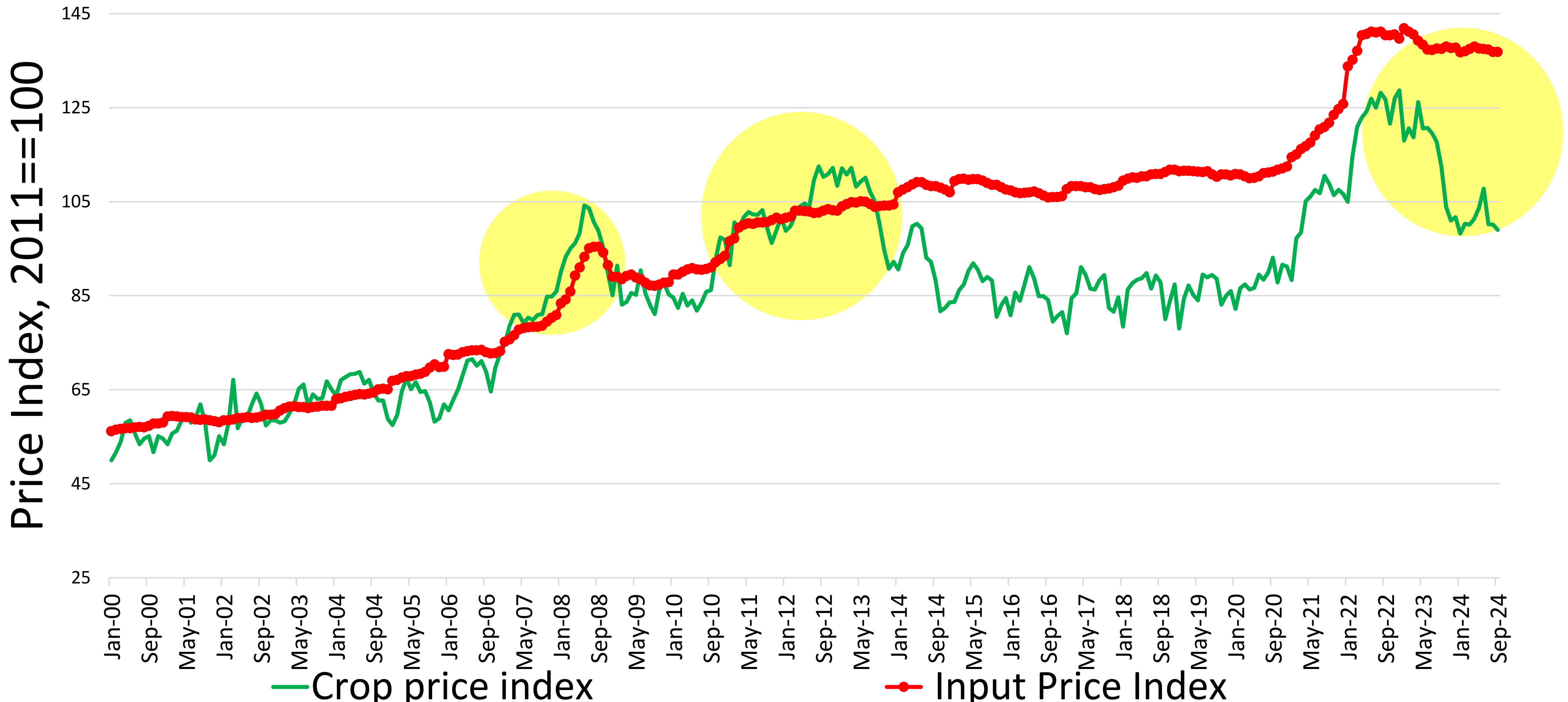

**Livestock/poultry purchases** and **labor expenses** are expected to see the largest dollar increases in 2024.

**Feed** and **fertilizer** expenses are expected see the largest dollar decline.

F= Forecast.
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 5, 2024.

# Output and Input prices for Agricultural Producers

***2011 = 100***



# Livestock Markets Supply Constrained

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| dollars per hundredweight | | | | | | | | |
| Cattle | 117.12 | 116.78 | 108.51 | 122.40 | 144.40 | 175.54 | 186.68 | 188.00 |
| Hogs | 45.93 | 47.95 | 43.18 | 67.29 | 71.21 | 58.59 | 61.05 | 59.00 |
| cents per pound | | | | | | | | |
| Broilers | 97.8 | 88.6 | 73.2 | 101.2 | 140.5 | 124.4 | 129.1 | 129.0 |
| Turkeys | 80.2 | 89.2 | 106.5 | 122.8 | 154.5 | 140.1 | 93.8 | 100.0 |
| cents per dozen | | | | | | | | |
| Eggs | 137.6 | 94.0 | 112.2 | 118.5 | 282.4 | 192.4 | 269.5 | 188.0 |
| dollars per hundredweight | | | | | | | | |
| Milk | 16.26 | 18.63 | 18.24 | 18.53 | 25.34 | 20.34 | 22.75 | 22.85 |

# Livestock Markets Supply Constrained

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| dollars per [illegible] | | | | | | | | |
| Cattle | 117.12 | 116.78 | 108.51 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Hogs | 45.93 | 47.95 | 43.18 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| cents [illegible] | | | | | | | | |
| Broilers | 97.8 | 88.6 | 73.2 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Turkeys | 80.2 | 89.2 | 106.5 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| cents per dozen | | | | | | | | |
| Eggs | 137.6 | 94.0 | 112.2 | 118.5 | 282.4 | 192.4 | 269.5 | 188.0 |
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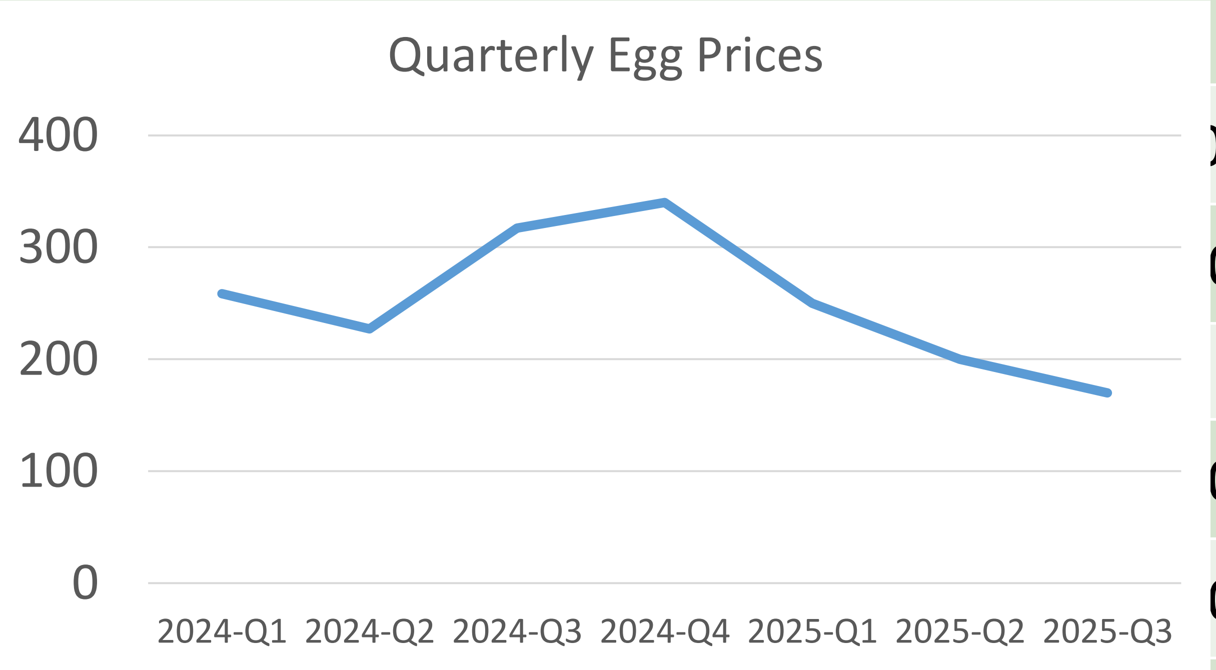
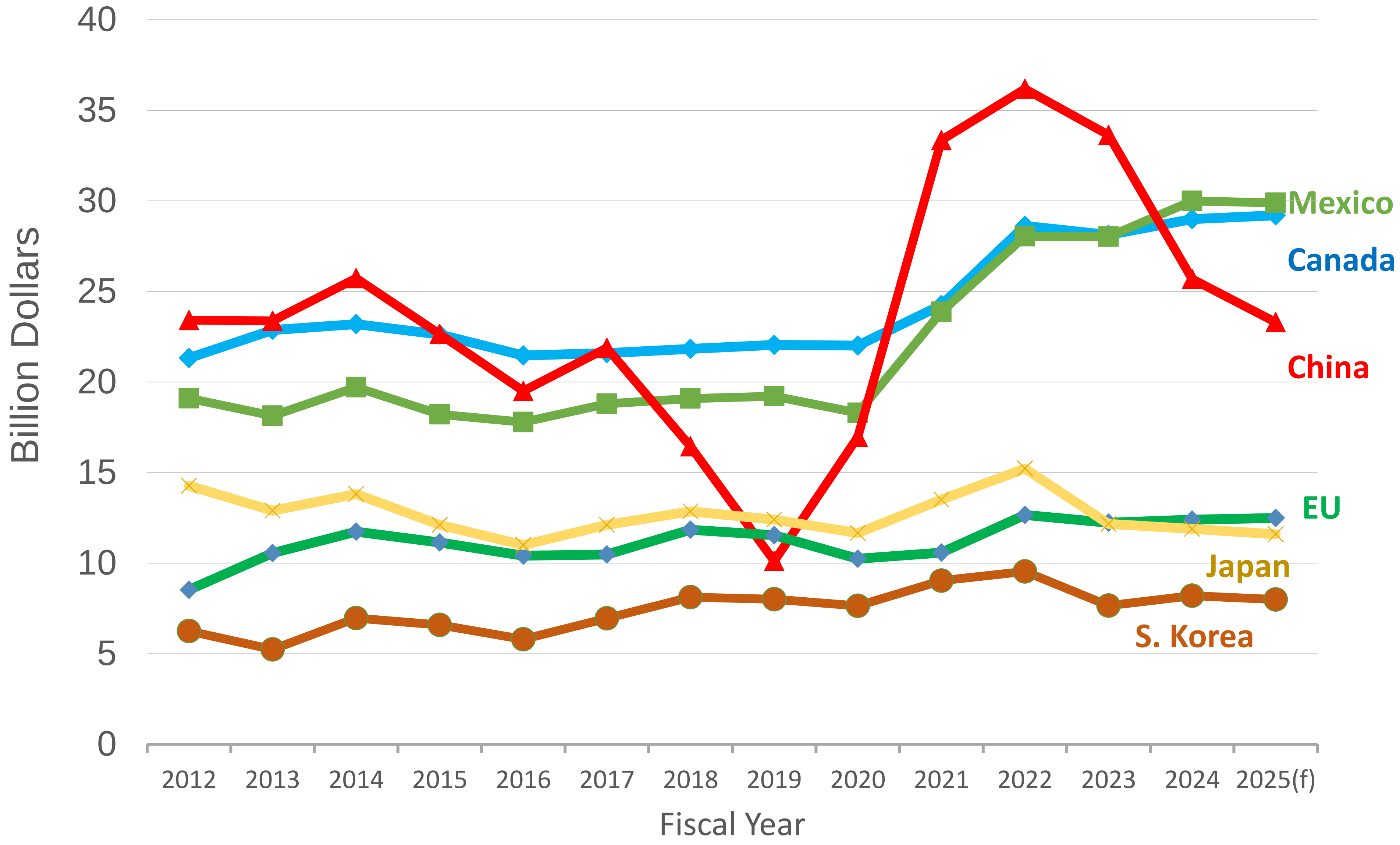
| Milk | 16.26 | 18.63 | 18.24 | 18.53 | 25.34 | 20.34 | 22.75 | 22.85 |

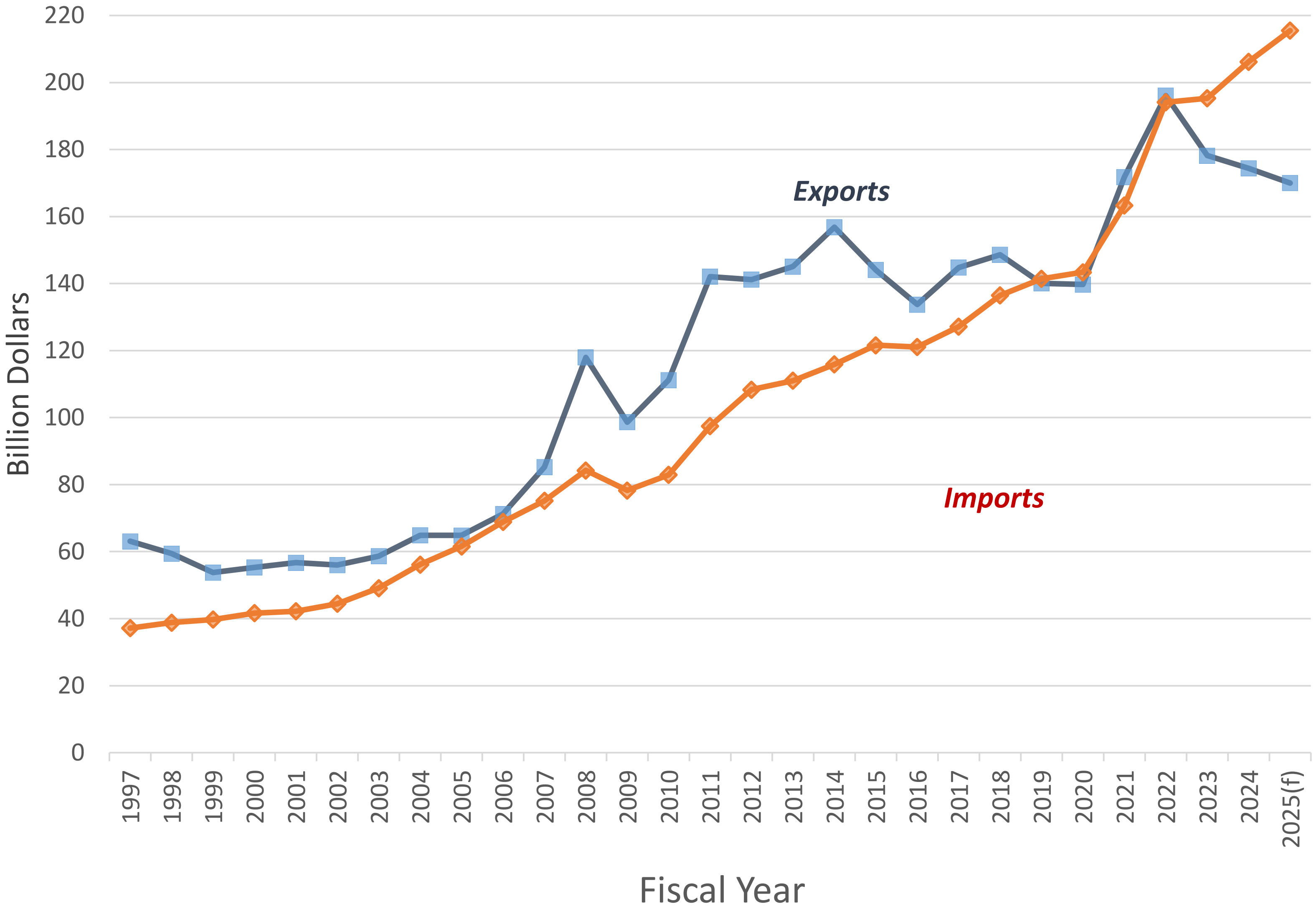


# Top U.S. Ag Markets

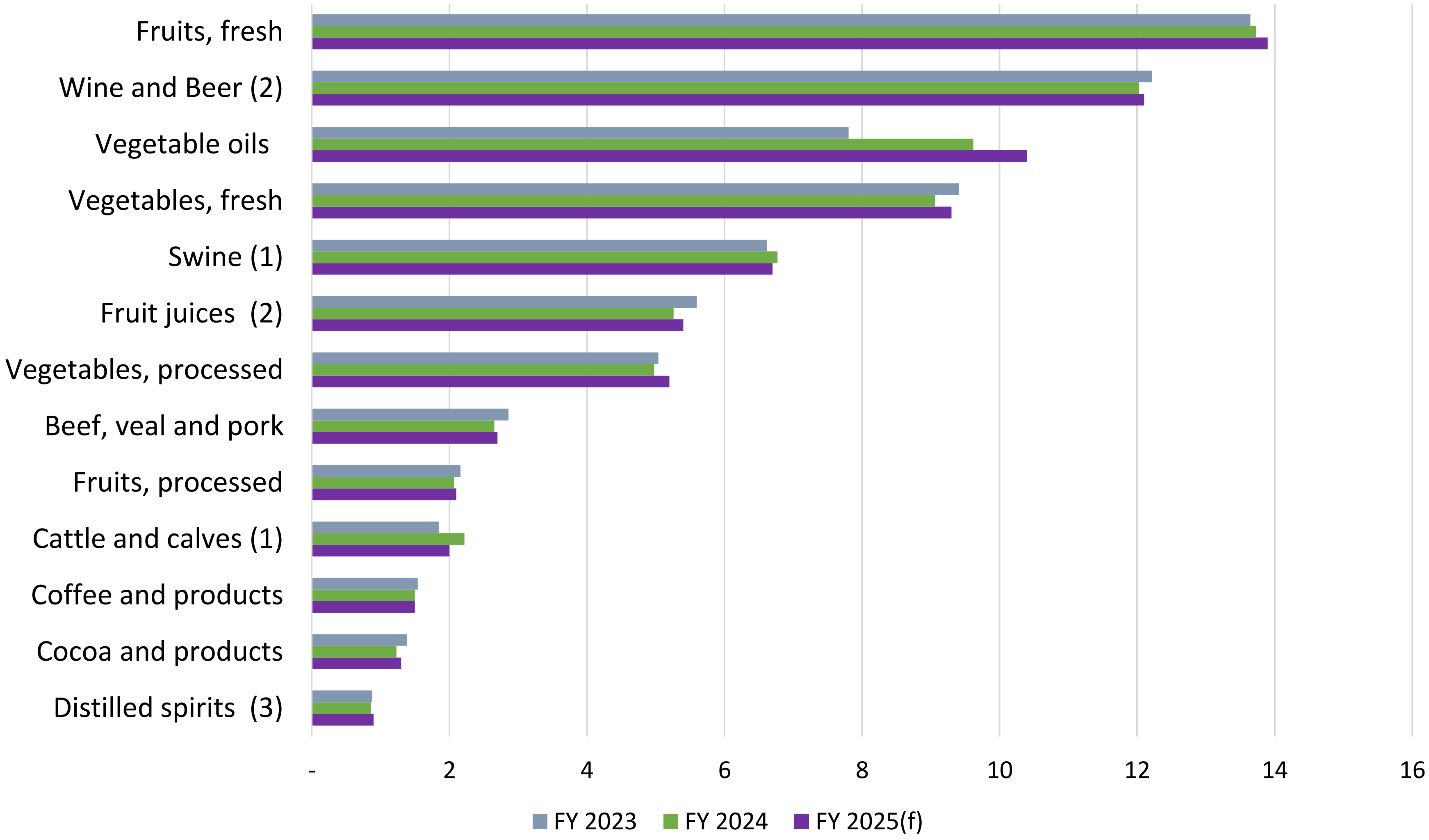


# U.S. Agricultural Trade Situation

## FY 25 Exports at $170.0 Billion; Imports at $215.5 Billion

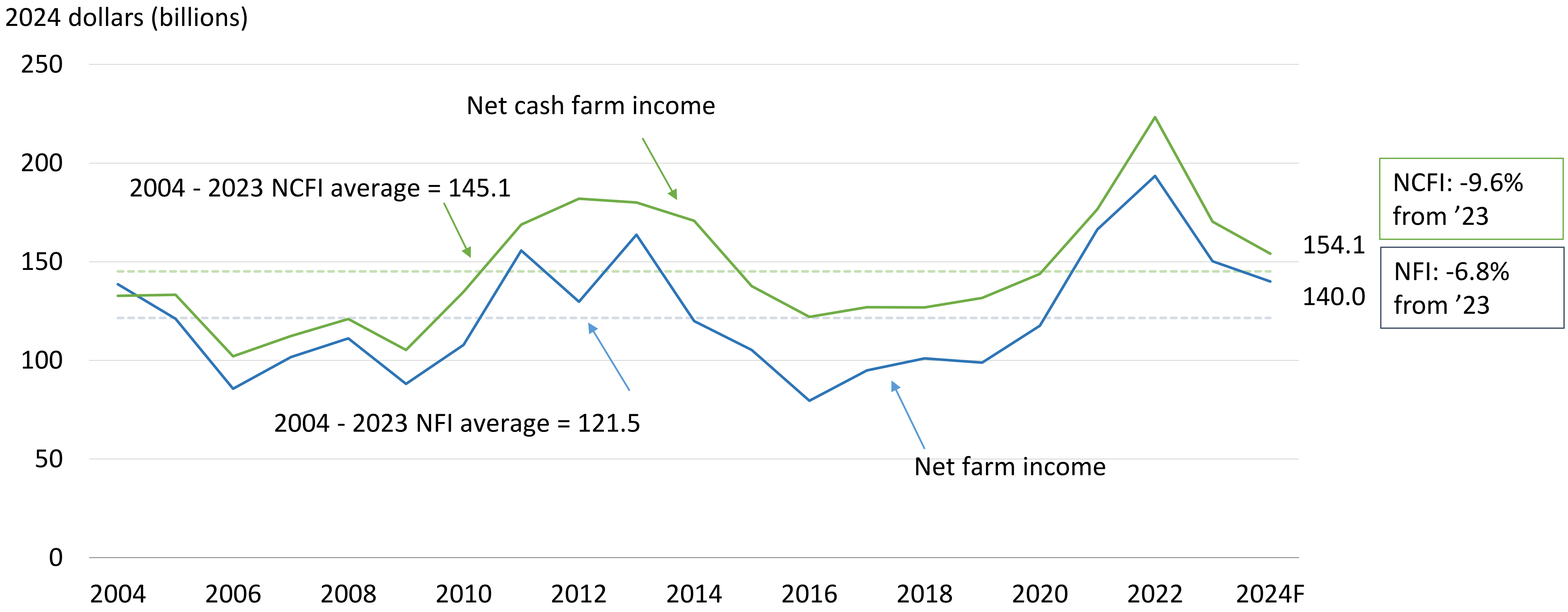


# Import Volumes Expected to Grow in FY 25



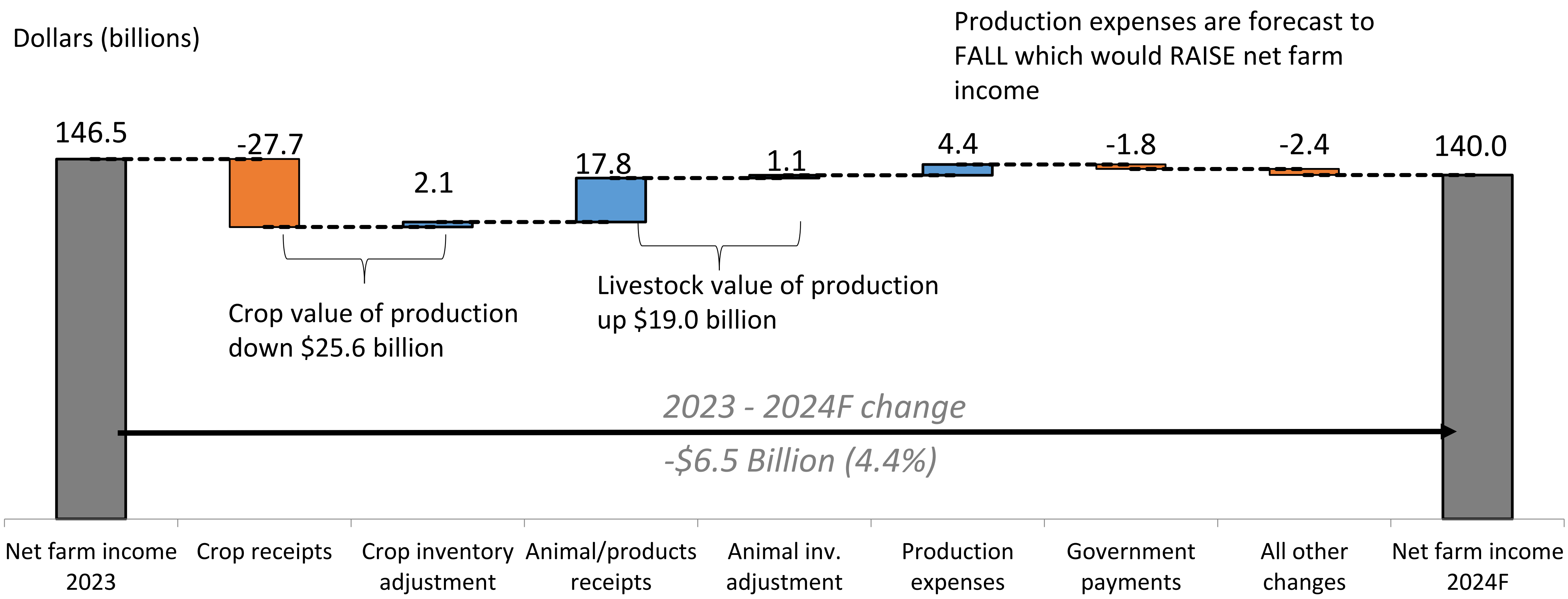

Million metric tons unless otherwise noted. (1) Million head. (2) Billion liters. (3) Billion liter-proof equivalents

# Farm sector profits forecast to decline further in 2024




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 2024 by USDA, Economic Research Service.
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 5, 2024.

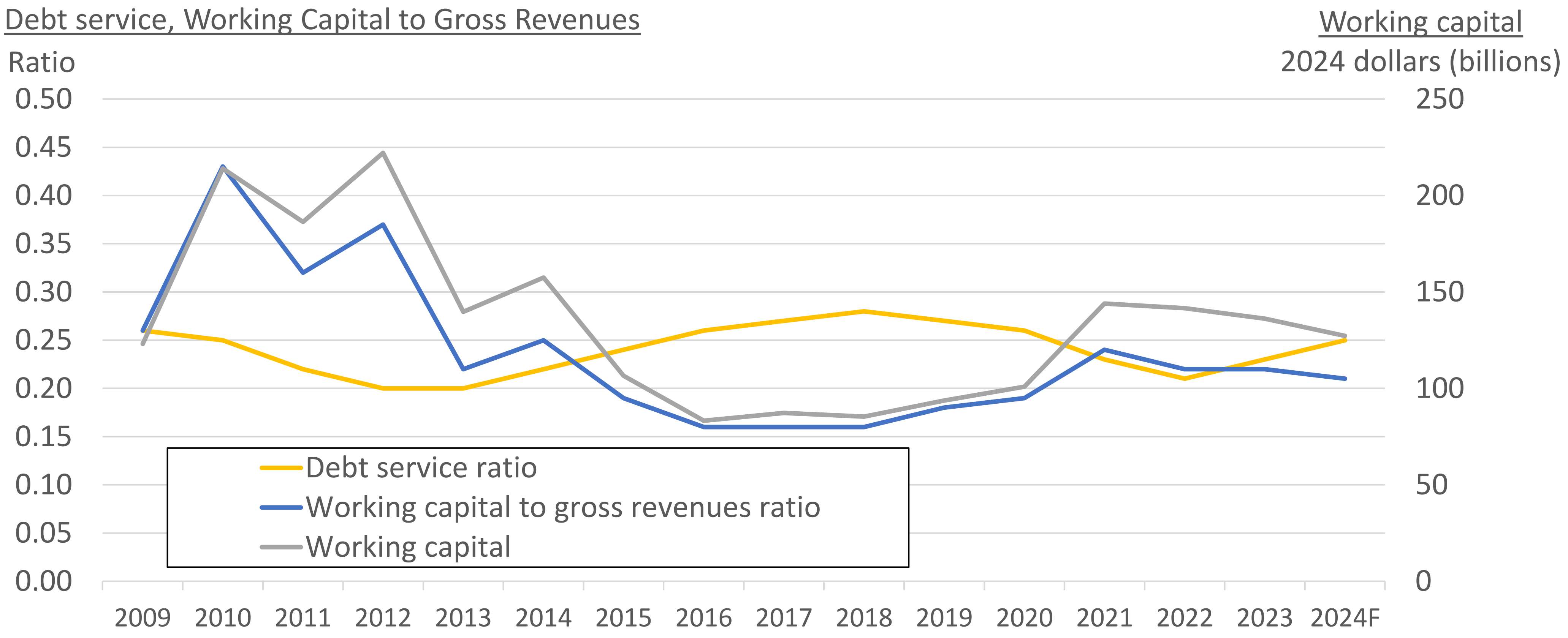
# Crop receipts forecast to lower net farm income 2024




F= forecast.

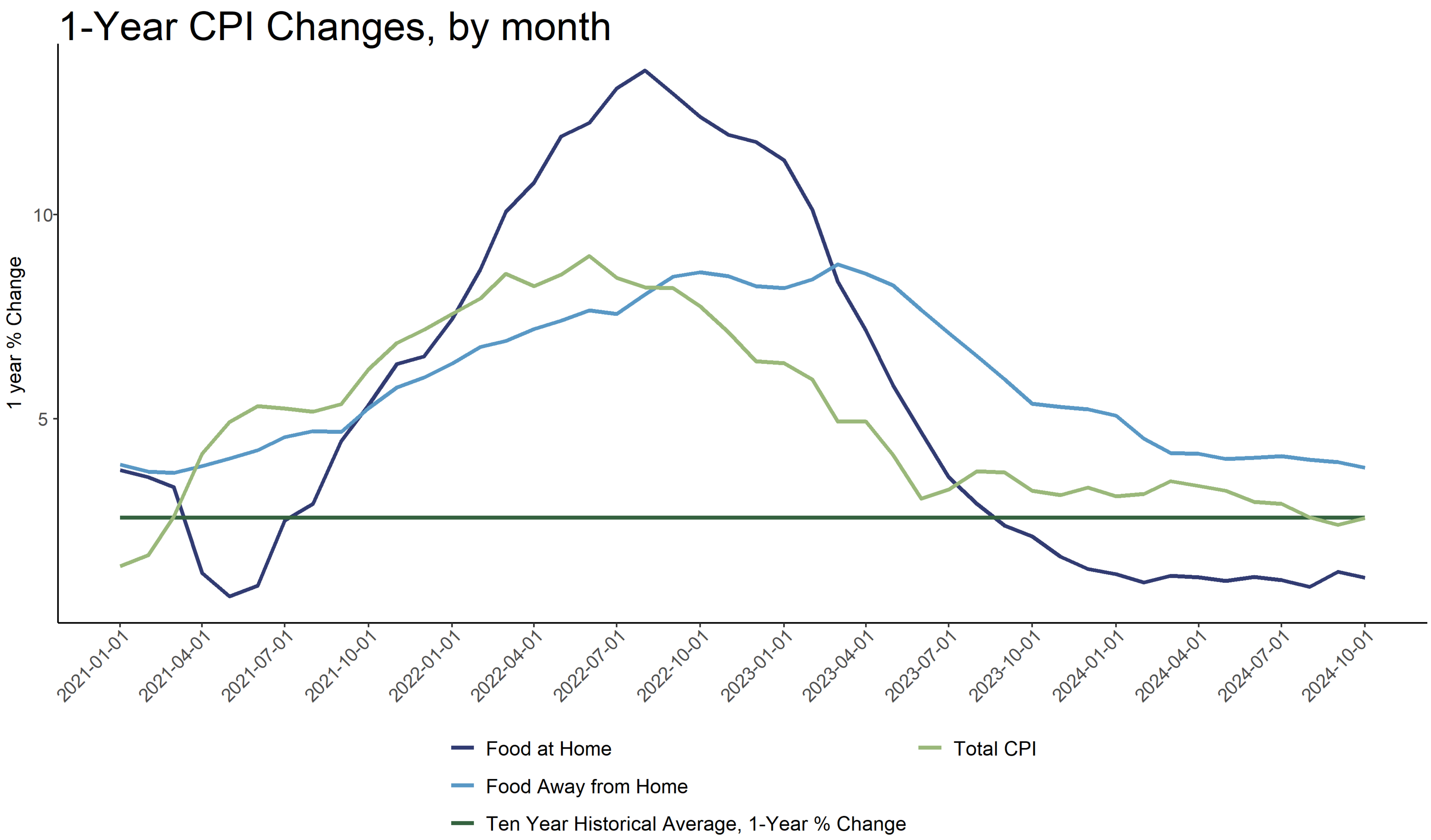
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 5, 2024.

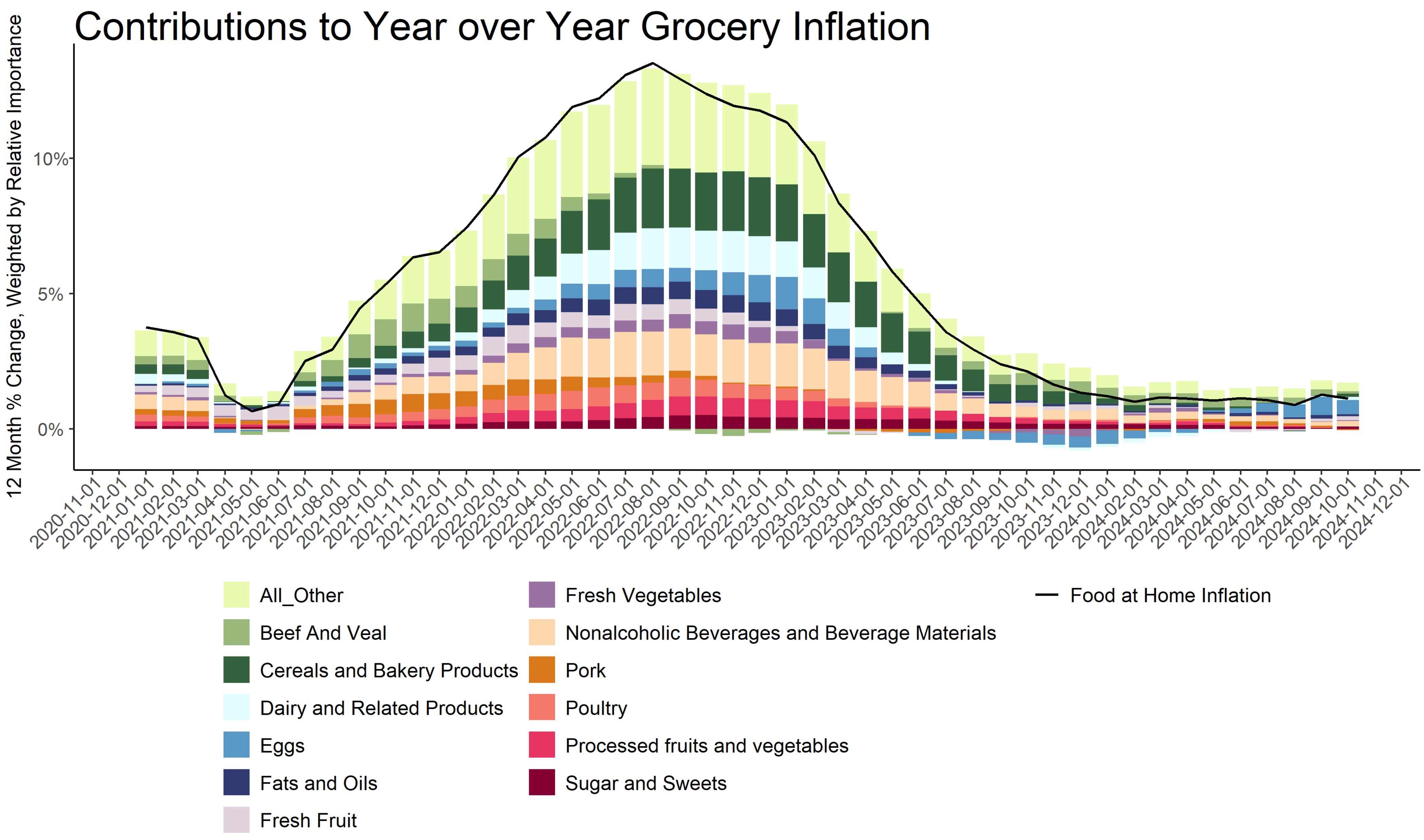
# Liquidity forecast to worsen in 2024



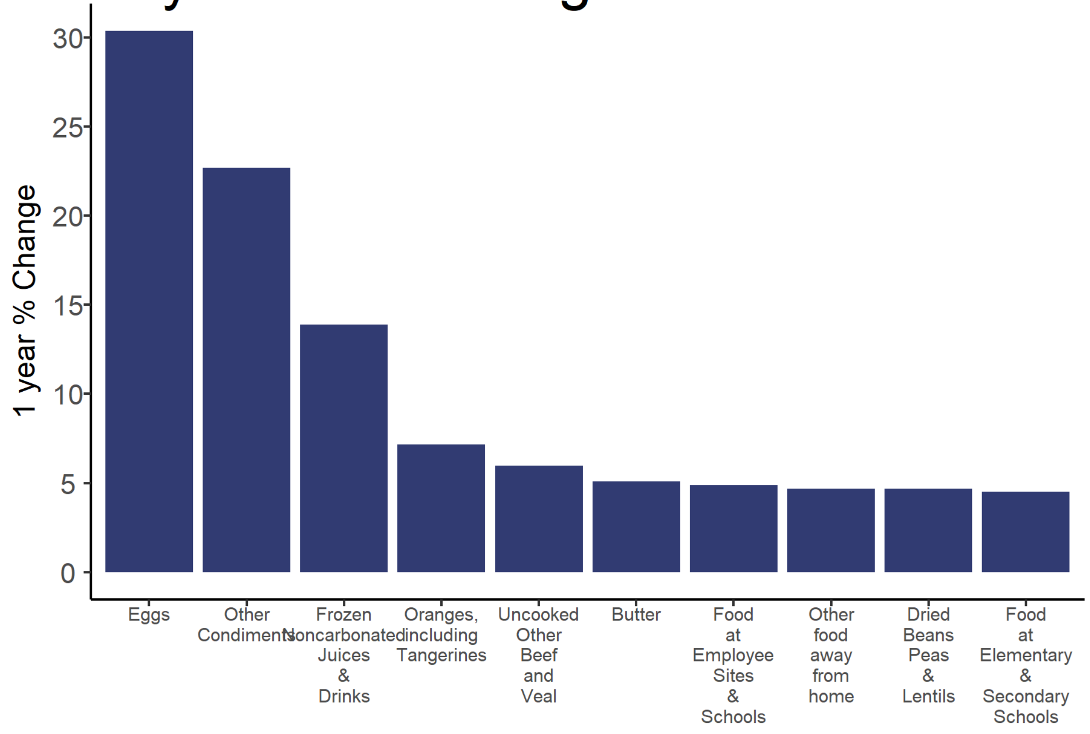

F= forecast. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2024 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 5, 2024.

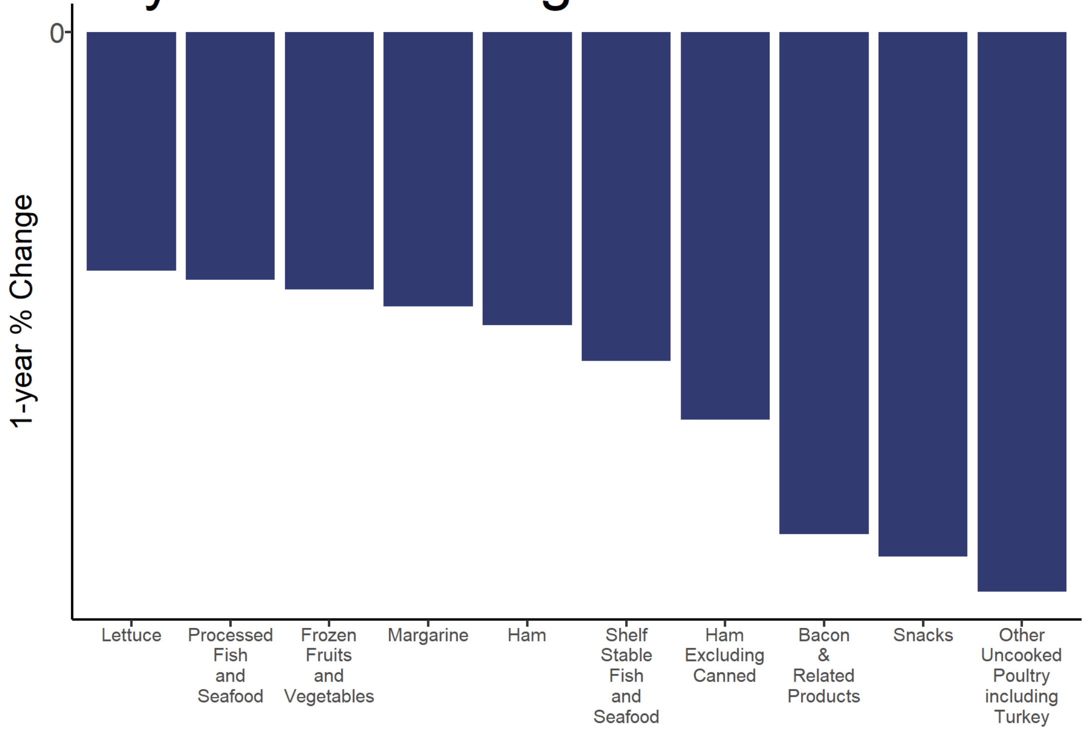

1-Year CPI Changes, by month
1 year % Change
10
5
2021-01-01
2021-04-01
2021-07-01
2021-10-01
2022-01-01
2022-04-01
2022-07-01
2022-10-01
2023-01-01
2023-04-01
2023-07-01
2023-10-01
2024-01-01
2024-04-01
2024-07-01
2024-10-01
Food at Home
Total CPI
Food Away from Home
Ten Year Historical Average, 1-Year % Change


Contributions to Year over Year Grocery Inflation
12 Month % Change, Weighted by Relative Importance
10%
5%
0%
2020-11-01
2020-12-01
2021-01-01
2021-02-01
2021-03-01
2021-04-01
2021-05-01
2021-06-01
2021-07-01
2021-08-01
2021-09-01
2021-10-01
2021-11-01
2021-12-01
2022-01-01
2022-02-01
2022-03-01
2022-04-01
2022-05-01
2022-06-01
2022-07-01
2022-08-01
2022-09-01
2022-10-01
2022-11-01
2022-12-01
2023-01-01
2023-02-01
2023-03-01
2023-04-01
2023-05-01
2023-06-01
2023-07-01
2023-08-01
2023-09-01
2023-10-01
2023-11-01
2023-12-01
2024-01-01
2024-02-01
2024-03-01
2024-04-01
2024-05-01
2024-06-01
2024-07-01
2024-08-01
2024-09-01
2024-10-01
2024-11-01
2024-12-01
All_Other
Beef And Veal
Cereals and Bakery Products
Dairy and Related Products
Eggs
Fats and Oils
Fresh Fruit
Fresh Vegetables
Nonalcoholic Beverages and Beverage Materials
Pork
Poultry
Processed fruits and vegetables
Sugar and Sweets
Food at Home Inflation

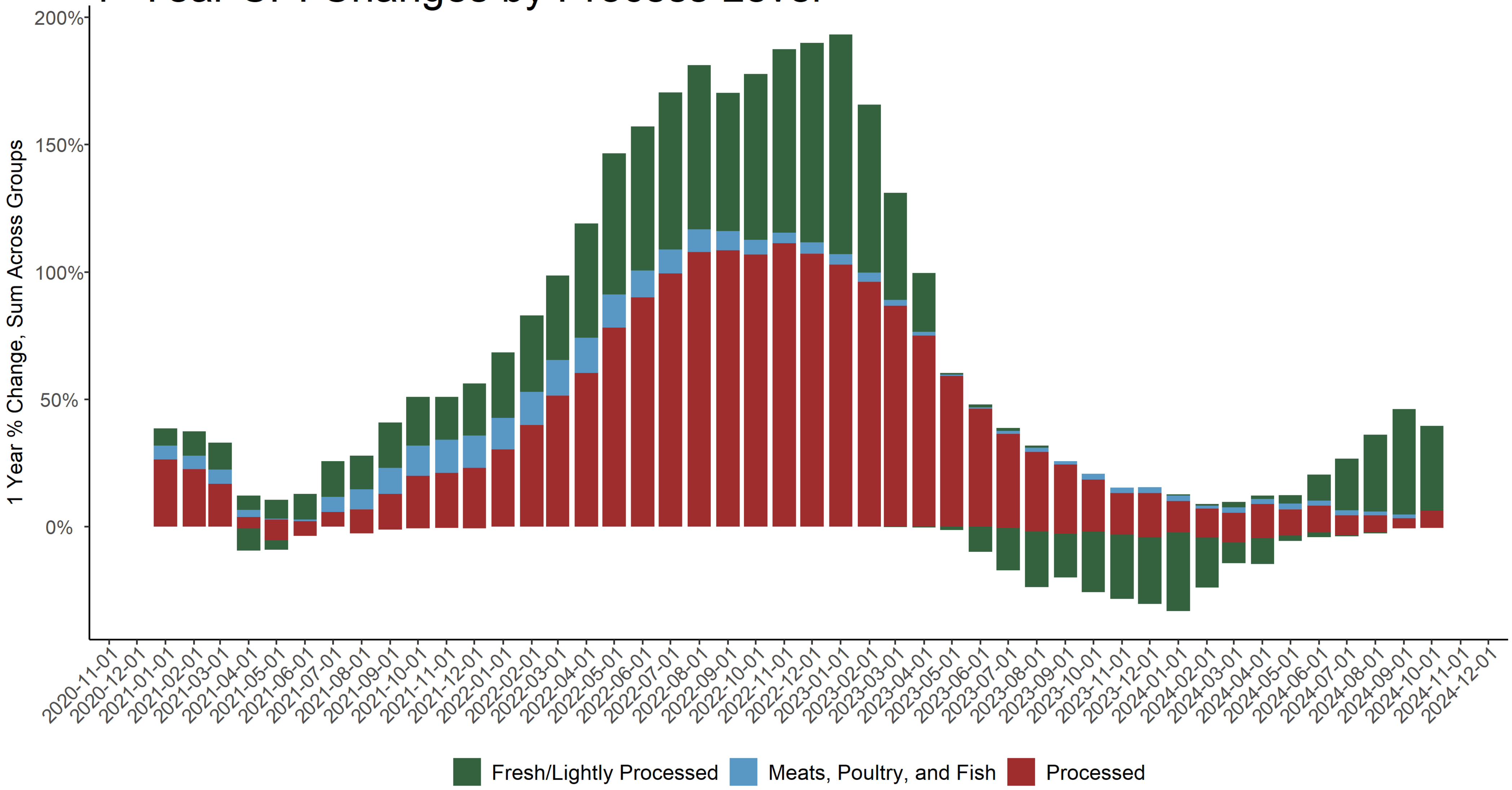
# Top 10 Increases 1-year CPI Changes




# Top 10 Decreases 1-year CPI Changes

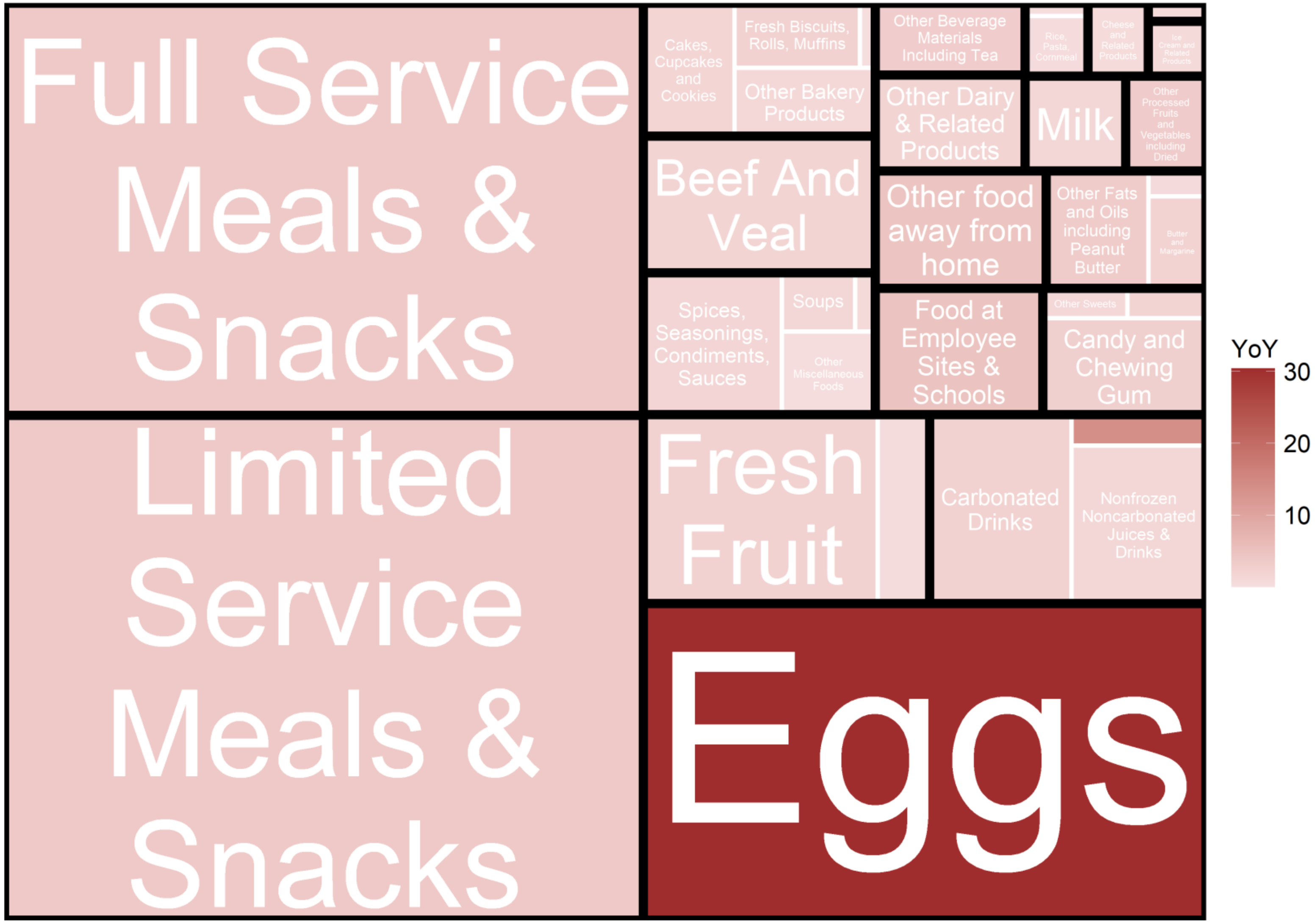


# 1- Year CPI Changes by Process Level

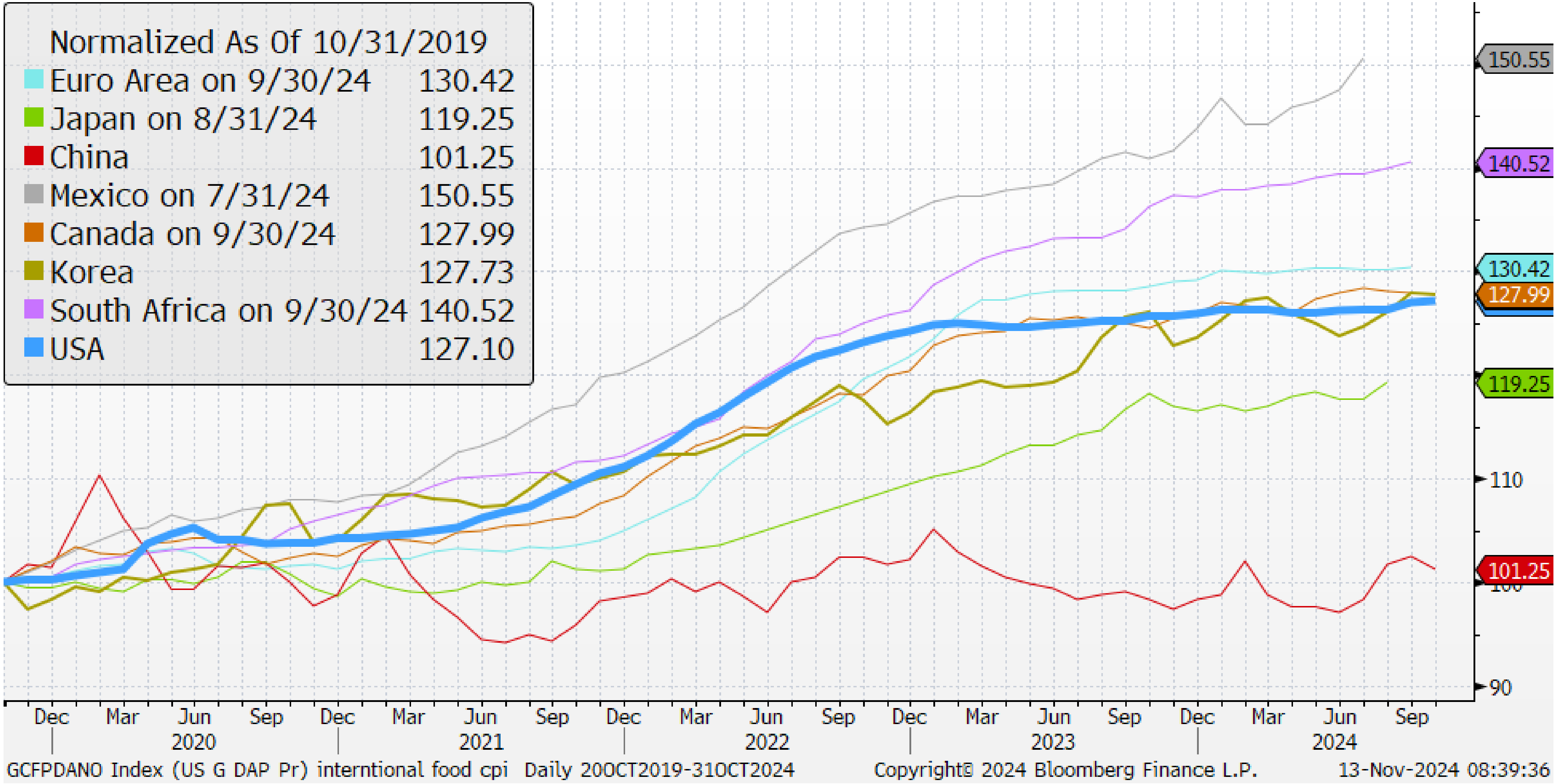



Processed consists of: Cereals and Bakery Products, Cheese and Related Products, Ice Cream and Related Products, Other Dairy and Related Products, Processed Fruits and Vegetables, Nonalcholoic Beverages and Beverage Materials, and Other Food at Home.Lightly Processed consists of: Eggs, Milk, Fresh Fruits and Vegetables. Meats consists of Meat, Poultry, and Fish. “Meat” includes all meat products as defined by the BLS

# Box Size Represents Contributions to Food Inflation, 1 year

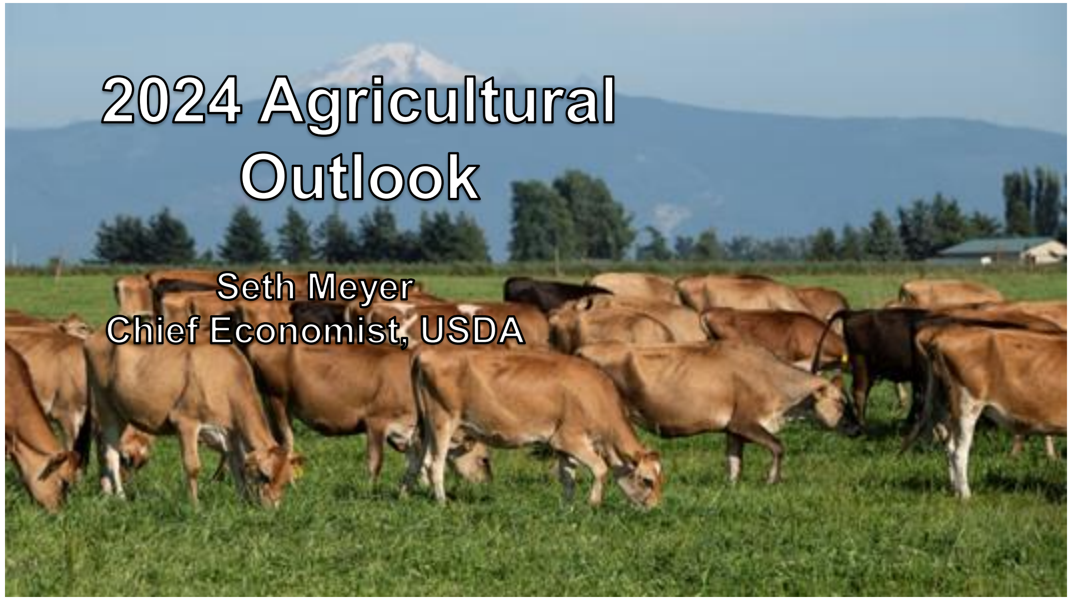


## Food Retail Price Indices Across the World



# Current hot topics

- Biofuel production and policy - SAF
- 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
- Food price inflation
- Endangered Species Act and implications for agriculture - Pesticides
- Farm Bill
- International food security
- 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




Questions? Seth.Meyer@usda.gov