



News this week...

- 2 – South American growing season off to uneven start.
- 3 – Market cattle won't be as tight as expected in 2024.
- 4 – New House leader, same old issues.

Corn, beans and wheat drop – *Corn and wheat futures faced selling pressure last week amid a strong U.S. dollar and a lack of fresh supportive news. Barring some bullish development, both markets appear at risk of testing their September lows. Soybeans also traded lower, despite improved export demand and a surge to contract highs in soymeal futures. If there's going to be a near-term rally in the grain and soy markets, soybeans and soymeal are the two most likely to lead to the upside. Cattle futures faced heavy selling in reaction to USDA's Cattle on Feed Report. While traders appeared to overdo the downside, the bounce off the reaction low was limited. Lean hog futures worked higher despite the seasonally weakening cash market as traders narrowed discounts to the cash index.*

Some rains in central Brazil, Argentina

Erratic rains fell on areas of central Brazil, with more scattered showers in the forecast for this week. Forecast models offer hope for better rainfall chances during the second week of the outlook. Better rains fell in Argentina, while southern Brazil remains too wet, with localized flooding in some areas.

South American crop consultant Dr. Michael Cordonnier says his biggest concern is impacts to Brazil's safrinha corn acreage. Slow soybean planting, the need for some replanting and harvest delays will likely reduce safrinha corn acreage.

First winter storm hits central U.S.

Freezing temps and snowfall will move southward into central Texas into early this week. The precip will provide needed relief in hard red winter wheat areas, but will also stress livestock in the Plains and upper Midwest.

China signs ag purchase agreements

A Chinese delegation signed "frame contracts" to buy billions of dollars' worth of U.S. agricultural goods, the first bulk signings since 2017. The non-binding agreements were mostly for soybeans, but also included corn, sorghum and wheat, and came ahead of a visit to Washington last week by Chinese Foreign Minister Wang Yi and an expected meeting between presidents Joe Biden and Xi Jinping in November.

China washing out Brazil bean buys?

Eight to 10 cargoes of Brazilian beans for November shipment reportedly may have been canceled by China. Brazilian soybeans for cost and freight contracts were 5¢ to 15¢ per bu. premium to the U.S. Gulf last week. Brazilian prices for December and January are still cheaper than those for the Gulf.

USDA to survey for cover crops

USDA will conduct a voluntary survey of corn and soybean farmers in the Midwest regarding cover cropping. The survey will explore how contract flexibility, ease of application, payments and other factors influence farmers' willingness to enroll their fields in cover crop programs.

Thompson still optimistic on farm bill

House Ag Chair Rep. Glenn "GT" Thompson (R-Pa.) told us on *AgriTalk* he still thinks a farm bill can be completed this year. His optimism is based in large part on a pledge made by House Speaker Mike Johnson (R-La.) in the run-up to Johnson's winning the House gavel. The new speaker convinced farm bill backers the five-year bill remains "must pass legislation" for 2023, Thompson said. Trying to get a new farm bill passed this year is one of many challenges facing Johnson and his congressional colleagues (see [News page 4](#)).

CCC funding amid farm bill uncertainty

To address uncertainty with timing of a new farm bill, USDA Secretary Tom Vilsack said his agency will utilize \$2.3 billion in Commodity Credit Corporation (CCC) funds from last fiscal year. Some \$1.3 billion will be directed towards boosting international markets for farmers, with a particular focus on specialty crop producers. Additionally, \$100 million will be allocated to address phytosanitary and technical trade barriers for specialty crops. USDA also plans to allocate \$1 billion for international food aid.

Core PCE falls to 28-month low

The U.S. personal consumption expenditure (PCE) price index rose 3.4% annually in September, the same as the upwardly revised figure for August. Core PCE, the Fed's preferred inflation gauge, which excluded food and energy prices eased to 3.7%, the lowest since May 2021.

The Fed is widely expected to keep interest rates unchanged this week and there are now increased odds the monetary tightening cycle could be finished.

U.S. Q3 GDP rises sharply

U.S. GDP grew at a 4.9% annual pace in the third quarter, up from a 2.1% increase during the previous quarter and the strongest growth since the final quarter of 2021. Treasury Secretary Janet Yellen said the strong third quarter growth was a good sign the economy was headed for a soft landing but could also keep longer-dated bond yields elevated.

Cordonnier lowers Brazil crop biases

Crop consultant Dr. Michael Cordonnier left his Brazilian soybean and corn crop estimates at 162 million metric tons (MMT) and 125 MMT, respectively, but he now has a neutral to lower bias toward both crops. Irregular rainfall across Brazil caused Cordonnier to be more cautious toward soybeans, while delayed soybean plantings could push back harvest and the planting of safrinha corn.

Cordonnier left his Argentine crop estimates at 50 MMT for soybeans and 52 MMT for corn.

Argentina's soy crush plunges

Argentina crushed 1.8 MMT of soybeans during September, 1 MMT less than last year and the lowest figure for the month since 2015. From January to September, the country's soybean crush totaled 21.45 MMT, down 24.9% from the same period last year.

Argentine crushers will run out of beans soon

During a quarterly earnings call last week, ADM CEO Juan Luciano told investors he expects Argentine processors to run out of soybeans to crush sometime in November. This is a concern other crushers have expressed due to limited supplies after drought ravaged the 2022-23 crop.

U.S. soymeal exports are expected to ramp up as the result of limited Argentine supplies. U.S. meal shipments jumped 7.5% in 2022-23 and are expected to rise another 5.2% in 2023-24 to a record 15.3 million short tons.

Argentina expands export incentives

Argentina will expand and extend an export incentive program for 30 days. The previous "soy dollar" program, which was available to exporters of soybeans and soy products, will now be offered to all export sectors, in a bid to boost exports and bring in hard currency to replenish the central bank's reserves. Argentine ag export firms will be able to swap 30% of the foreign currency they make on alternative exchange markets that offer better rates than the official rate.

The new export scheme was announced by Economy Minister Sergio Massa, who far exceeded expectations in the Oct. 22 presidential elections, and will now be in a Nov. 19 runoff with Javier Milei.

Argentine farmers strongly favor Milei, who promised to eliminate export taxes on agricultural commodities. Those taxes are currently 33% for soybeans, 31% for soybean meal, 31% for soybean oil, 12% for corn, wheat and grain sorghum, 7% for sunflowers, and 5% for sunflower oil.



Follow us on X (formerly Twitter):

[@ProFarmer](#) [@ChipFlory](#) [@DavisMichaelson](#)
[@BGrete](#) [@iwatchcorn](#) [@HillariMason](#)

Producer Crop Comments...

Please send crop comments to editors@profarmer.com.

Hancock, Winnebago Cos. (north-central) Iowa:

"Our beans were average to slightly above average in the 55-bu. to 60-bu.-per-acre range. Corn is really good in this area. We had a couple farms with record yields so far, ranging from 206 bu. to 252 bu. per acre."

Pottawattamie Co. (southwest) Iowa:

"We're done with soybeans and 80% on corn. Beans finished under our APH and corn is running over APH. Not much yield penalty on second year corn."

Perry Co. (southwest) Illinois:

"Our harvest is complete. Corn yields were a little below average. Soybean yields were average, with double-crop beans a little below average. Heat and drought cost us yield. Corn yield loss due to deer is a huge problem. Wheat has been sown for two weeks and looks good."

Richland Co. (east-southeast) Illinois:

"Double-crop bean yields around here are really strong."

Bartholomew Co. (central) Indiana:

"Bean yields are subpar, but corn is outstanding. What a strange year. I've only had two fields yield over 200 bu. per acre ever and we're pushing 220 bu. average for the whole farm."

Polk Co. (northwest) Minnesota:

"Soybean harvest took longer than I hoped, but the above-average yields made up for it."

Otter Tail Co. (west-central) Minnesota:

"Some of the best corn I've grown. Smoked by hail at V9, less than half of normal rainfall and still green at the end of October with no frost! No idea how."

Murray Co. (southwest) Minnesota:

"Soybean harvest is done. We had below-average yields."

Custer Co. (central) Nebraska:

"Harvest in the books. It's been a year! Anywhere from zero to 300-plus bu. corn. If only we had water."

Dawson Co. (central) Nebraska:

"Irrigated corn is off 20 bu. to 30 bu. per acre from last year. Soybean yields are 10 bu. to 15 bu. lower."

Gage Co. (southeast) Nebraska:

"Corn yields are just a touch below average but quality is very good."

Johnson Co. (southeast) Nebraska:

"Later soybean yields are about 10 bu. per acre better than the earlier fields. Remaining corn is still standing well."

North-central, northeast Kansas:

"Seems like this year where it was good, it was really good. Where it was bad, it was really bad. I've heard guys with 'best-ever' yields and some with the worst crops they've ever grown."

Nodaway Co. (northwest) Missouri:

"Haven't really seen a year where white mold stole so much yield. Areas of infection drop 12 bu. to 20 bu. per acre and show up plain as day on yield monitor maps."

China's bolder economic policy changes

China intensified its economic stimulus efforts by issuing additional sovereign bonds and raising its budget-deficit target outside of the regular legislative session, marking the first such move in over a decade. The country's top legislative body recently approved a plan to raise 1 trillion yuan, roughly equivalent to \$137 billion, in additional sovereign debt. This latest stimulus initiative comes in the wake of several smaller measures, including interest-rate cuts and reduced mortgage costs for home buyers. These moves underscore Beijing's ongoing concerns about the strength of the economic recovery.

High rates throw 'cold water' on growth

International Monetary Fund (IMF) Managing Director Kristalina Georgieva said global growth is already slow at 3% and high interest rates will act as a further drag on economic activity. She said, "Inflation is still high and that requires interest rates to remain high, throwing more cold water on growth." International cooperation in a fragmented world is key for growth, she said, adding that it is "truly a matter of the highest priority."

GM changes course on EV strategy

General Motors unexpectedly abandoned its previously set goal of manufacturing 400,000 electric vehicles (EVs) by mid-2024. GM's shift in focus on EVs comes as a surprise, given the company's prior commitment to the technology, banking on its potential to eventually replace gasoline-powered vehicles in the coming decade. This decision aligns with concerns expressed by rivals such as Tesla and Ford, who have also voiced doubts about consumer demand for EVs.

UN warns of enviro 'tipping points'

The world is heading toward a series of environmental "tipping points" that could cause irreversible damage to water supplies and other life-sustaining systems, the research arm of the United Nations warned. It identified accelerating rates of extinction, groundwater depletion, glacial melt and extreme heat as the major interconnected threats. Many of the world's biggest aquifers are already depleting faster than they can be replenished, with Saudi Arabia, India and the United States already facing grave risks.

Colorado River plan working short-term

An analysis by the U.S. government indicated voluntary water use cuts along the Colorado River committed by California, Arizona and Nevada earlier this year should be effective in preventing reservoirs from reaching critically low levels over the next three years. Despite improvements, Lake Mead is currently at 34% capacity and Lake Powell is at 37%.

Most bearish COF Report in a while

USDA estimated there were 11.580 million head of cattle in large feedlots (1,000-plus head) as of Oct. 1, up 71,000 head (0.6%) from last year and 160,000 head more than the average pre-report estimate implied. That snapped a 12-month string of year-over-year declines in feedlot inventory.

Cattle on Feed Report	USDA actual (% of year-ago)	Average estimate
On Feed Oct. 1	100.6	99.7
Placed in Sept.	106.1	98.0
Mktd in Sept.	89.4	93.2

Placements jumped 6.1% from last year, while marketings dropped 10.6%.

PERSPECTIVE: This was the most bearish Cattle on Feed

Report the market has experienced over the past year and futures responded with sharp losses. Market-ready cattle supplies won't be as tight in early 2024 as previously expected. But when cow-calf ranchers start rebuilding herds, the beef supply will tighten even more.

Bird flu expands, Mexico reacts

Highly pathogenic avian influenza (HPAI) has been discovered in 12 commercial turkey flocks across four states. Mexico has suspended all poultry imports from the four affected states – Minnesota, South Dakota, Utah and Iowa.

2023 food price outlook unchanged

USDA forecasts all food prices will increase 5.8% this year. Food-at-home (grocery) prices are predicted to increase 5.1%, while food-away-from-home (restaurant) prices are expected to increase 7.1%. All three forecasts were unchanged from USDA's outlook last month.

In 2024, all food prices are forecast to increase 2.1%, with USDA using a range of -2.1% to 6.7%, down slightly from last month's 2.2% expected rise. Food-at-home prices are predicted to increase 1.0%, (range of -5.5% to 7.8%), down from 1.6% previously. Food-away-from-home prices are predicted to increase 4.4% (range of 2.2% to 6.7%), up from 2.3% last month.

Beef, pork stocks well below average

Beef stocks at the end of September totaled 420.2 million lbs., up 24.8 million lbs. (6.3%) from August, which was greater than the five-year average increase of 11.1 million lbs. during the month. August inventories were revised down 15.1 million pounds. Beef inventories dropped 105.9 million lbs. (20.1%) from year-ago and were 60.7 million lbs. (12.6%) below the five-year average.

Frozen pork inventories totaled 462.8 million lbs., down 6.5 million lbs. (1.4%) from August, whereas the average over the past five years was a 3.0-million-lb. increase during September. Pork stocks fell 74.3 million lbs. (13.8%) from last year and were 69.4 million lbs. (13.0%) lower than the five-year average.

Chicken breast meat inventories rose 15.5 million lbs. last month to a September record 236.586 million pounds.

New House leader, same old issues

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

It took just over three weeks, but House Republicans finally (and unanimously) approved new Speaker Mike Johnson (R-La.). Some initial tests will determine whether his colleagues give him some leeway on sensitive issues.

Johnson is Trump ally, very conservative

Before coming to Washington, Johnson honed his messaging skills in the courtroom and appearances as a guest host on Louisiana radio shows. He entered politics as a state lawmaker. A constitutional lawyer, he was a member of the House Judiciary and Armed Services panels.

Johnson's leadership is expected to shift the Republican Party further to the right, as he holds strong ties to the Christian right and has a history of legal work defending "traditional family values" and advocating against same-sex marriage. Rep. Matt Gaetz (R-Fla.) on Steve Bannon's podcast said: "If you don't think that moving from Kevin McCarthy (R-Calif.) to MAGA Mike Johnson shows the ascendance of this movement and where the power in the Republican Party truly lies, then you're not paying attention."

Johnson voted for the 2018 Farm Bill

In his letter to colleagues, Johnson said he wants the full House to debate a new farm bill in December. That appears an optimistic timeline to most, as Senate Ag Chair Debbie Stabenow (D-Mich.) last week bowed to reality and urged a one-year extension, noting USDA has indicated implementing commodity programs via a short-term extension or multiple extensions would be difficult.

Johnson will push a stopgap spending measure

He opposed the temporary spending measure, known as a continuing resolution (CR), aligning with 90 other House Republicans, at the Sept. 30 deadline. However, Johnson now says he will propose a CR expiring on Jan. 15 or April 15, giving them time to clear more fiscal year (FY) spending bills. Key: *Will GOP rebels give Johnson an undefined "honeymoon" in getting his speakership together?*

A CR will likely include farm bill extension-plus

There is a bipartisan consensus for a 2018 Farm Bill extension. Most see a one-year extension. Stabenow also said some 21 "orphan" programs will be included in the extension, referring to programs that are not authorized or funded beyond FY 2023.

Some additional funding for farm bill surfaces

For months, the key farm bill issue has been the search for additional funding to improve the Title I farmer safety net. Stabenow last week touted a commitment by Senate Majority Leader Chuck Schumer (D-N.Y.) to find spending offsets that will increase funding for crop insurance, dairy, commodities and other areas. "We're talking several billion dollars," she said. "It's enough to do things." The pay-fors would be chosen based on bipartisan support.

Is 'several billion dollars' enough for Title I upgrades?

No, say farm bill observers. "Crop insurance and [export] markets" are the top two concerns of farmers, said Stabenow. She noted analyses showing an escalator clause in the 2018 Farm Bill would automatically increase reference prices for some major crops (but not for rice, cotton and peanuts). She said improvements in the crop insurance program would deliver immediate benefits to farmers while higher reference prices would not be felt until fall 2025.

Another initial test for Johnson: Foreign aid

The White House has proposed billions in aid for Israel, Ukraine and Taiwan, and funding for border protection. A growing number of House Republicans do not favor packing those requests together as the White House prefers. The GOP wants an account of Ukraine funding to date.

Johnson could make it difficult to get additional funds for Ukraine. He voted for an unsuccessful provision in this year's annual military policy bill that would have cut out American aid to Kyiv.

Gaetz said Johnson won't dare bring up Ukraine funding since half the GOP conference opposes it. Johnson said he wanted to hear "objectives" from the White House as to what it wants to accomplish in Ukraine.

Another key unknown: FY 2024 funding levels

Will Johnson adhere to the funding levels agreed to in the debt-limit compromise or move forward with conservative demands for \$100 billion more in cuts. Under the debt limit deal, Congress effectively faces an April 30 deadline to pass all 12 appropriations bills, or all discretionary spending will automatically be cut 1% across the board. Johnson in his letter to colleagues laid out a timeline for voting on single-issue funding bills, including for USDA.

Bottom line: Many early tests lie ahead for Johnson.

CATTLE - Fundamental Analysis

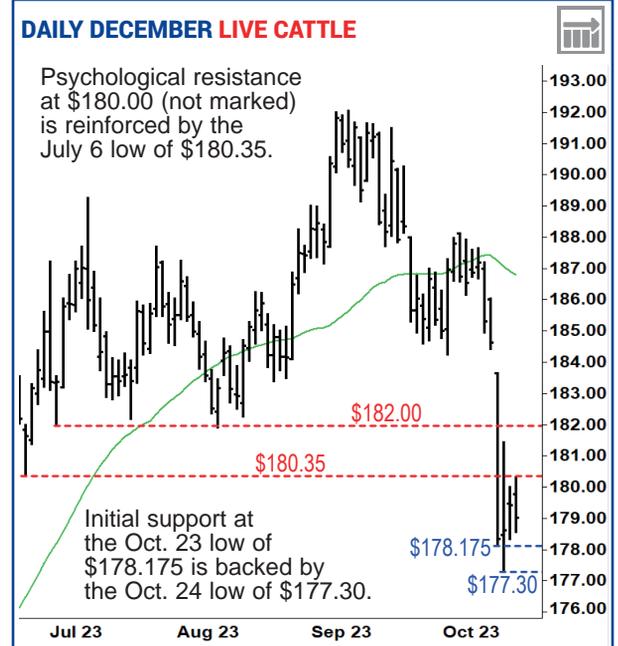
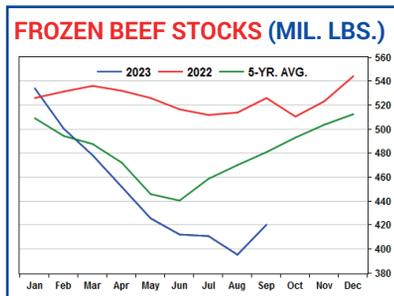
The bearish Cattle on Feed Report (see *News page 3*) triggered last week's futures breakdown, which exerted downward pressure on cash prices as well. But feedlot marketings remain current and wholesale prices rose to six-week highs. USDA's Cold Storage Report (see *News page 3*) indicated a surprisingly large September increase in beef stockpiles, but only after a big downward revision to the August total. The upward trends in live and feeder cattle futures have clearly been broken, but renewed advances from lower levels can't be ruled out. Discounts now built into futures make hedges unattractive.

Position Monitor

Game Plan: **Feds Feeders**

The down-	IV'23	0%	0%
side appears	I'24	0%	0%
overdone.	II'24	0%	0%
	III'24	0%	0%

While there may be more near-term long liquidation, don't chase the market lower with hedges.



HOGS - Fundamental Analysis

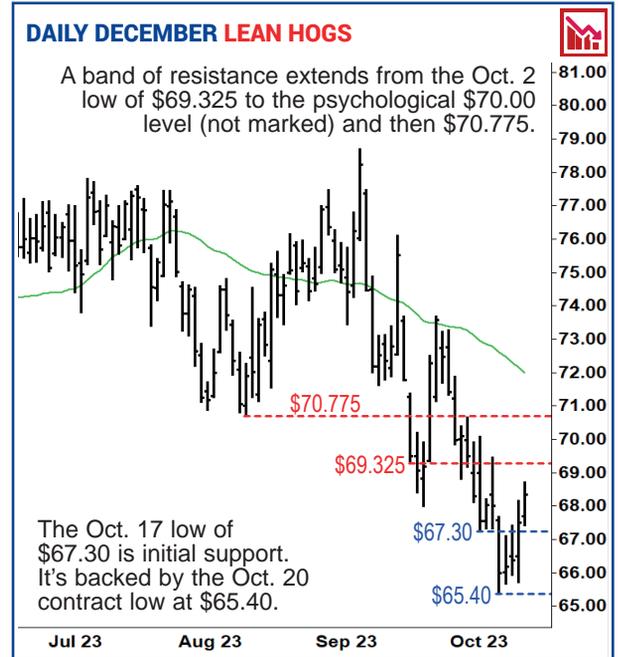
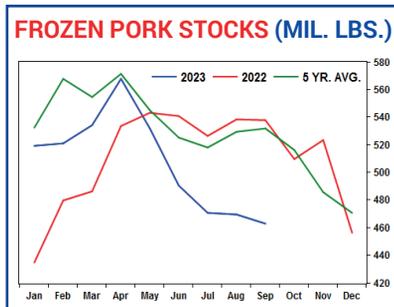
Last week's USDA Cold Storage Report indicated a 6.5-million-lb. drop in September pork stocks, whereas a modest rise is normal. The shift reflected a 4.8-million-lb. drop in ham stocks, compared to the norm of an 11-million-lb. rise to a seasonal peak. Ham stocks were lower in fall 2020, but one has to look back to 2006 to find turkey stockpiles near current lows. Pork stocks imply consumer demand remains solid, while reduced inventories of holiday dinner entrées suggest stronger grocer demand for hams this fall. We still harbor suspicions nearby futures are overly discounted.

Position Monitor

Game Plan: **Lean Hogs**

Win-	IV'23	0%
ter-month hogs	I'24	0%
now have rather	II'24	0%
normal seasonal	III'24	0%

declines built into prices. An extended price recovery could present a hedging opportunity.



FEED

Feed Monitor

Corn

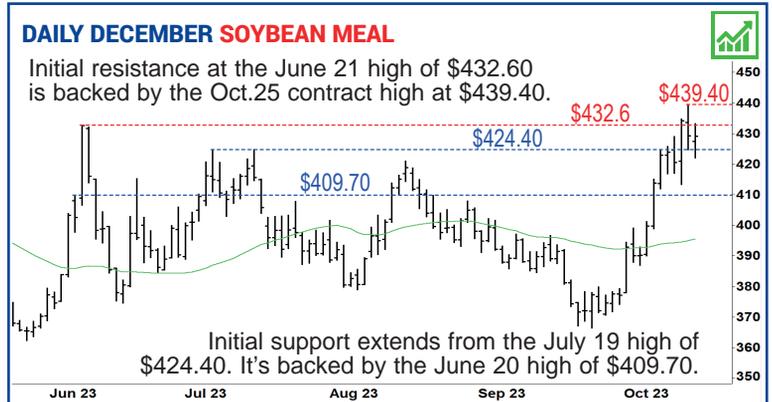
IV'24	67%
I'24	0%
II'24	0%
III'24	0%

Corn Game Plan: You have all corn-for-feed needs covered in the cash market through November. Be prepared to further extend coverage on a test of the September lows.

Meal

IV'23	67%
I'24	0%
II'24	0%
III'24	0%

Meal Game Plan: You have all soybean meal needs covered in the cash market through November. There's no reason to extend coverage unless there's a sharp pullback.

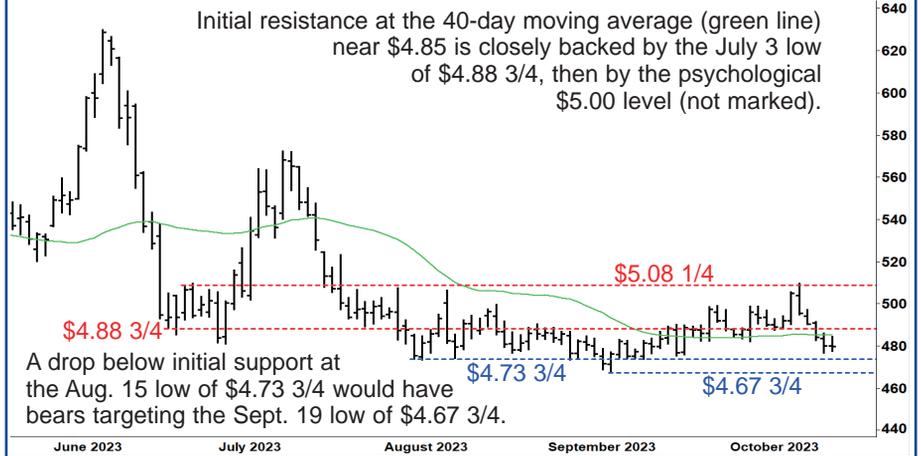


Position Monitor

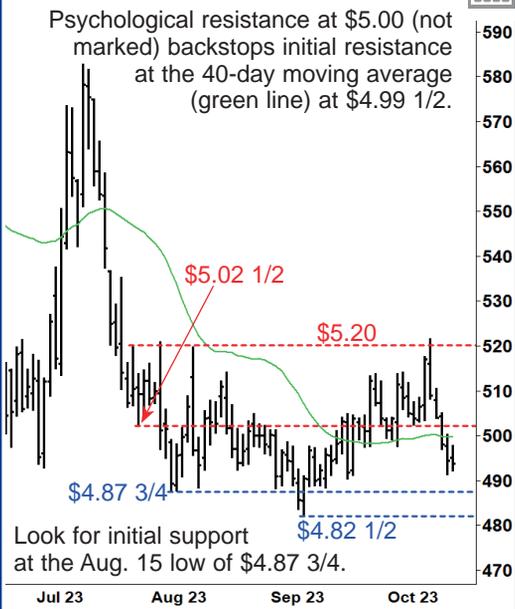
	'23 crop	'24 crop
Cash-only:	35%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

Game Plan: Wait on a corrective rebound to get current with advised sales. We don't expect a big rally, but prices should grind higher with harvest pressure waning. However, November isn't typically a bullish month for corn. Unless something drastically changes, rallies should be viewed as selling opportunities as demand is struggling and ending stocks will be plentiful for 2023-24.

DAILY DECEMBER CORN



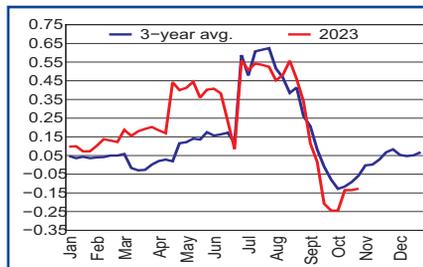
DAILY MARCH CORN



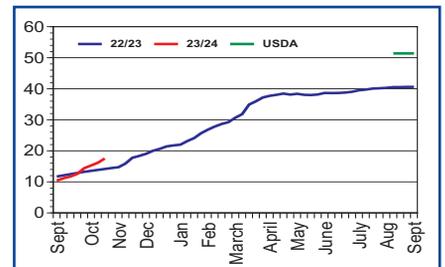
CORN - Fundamental Analysis

The financial markets seemed to undercut commodities last week, with stock indexes dropping to five-month lows and bond yields and the U.S. dollar revisiting recent highs. Those factors, along with harvest pressure, sent corn futures sliding back toward their September lows. Despite the early autumn rally, corn export sales for the week of Oct. 19 topped expectations. But seasonal weakness could have the market testing support in the short run. Recent South American weather hasn't been conducive to strong crop production and El Niño may keep it that way. These conditions make us willing to wait on rallies to boost sales.

AVERAGE CORN BASIS (DEC.)



CORN EXPORT BOOKINGS (MMT)

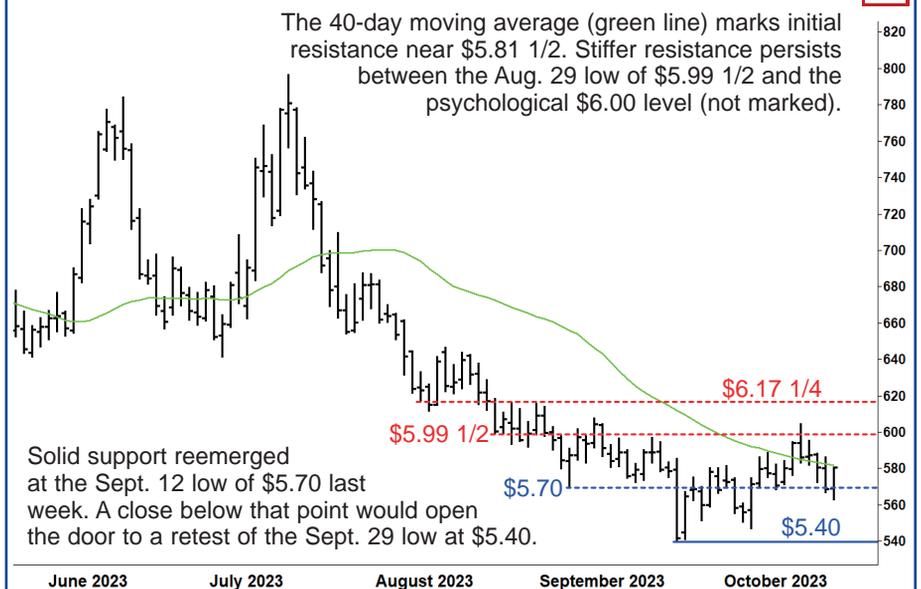


Position Monitor

	'23 crop	'24 crop
Cash-only:	50%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

Game Plan: Be prepared to increase 2023-crop sales and make initial 2024-crop forward sales on price strength. The winter months typically aren't a strong period for wheat (see "From the Bullpen" on [Analysis page 4](#)).

DAILY DECEMBER SRW WHEAT



WHEAT - Fundamental Analysis

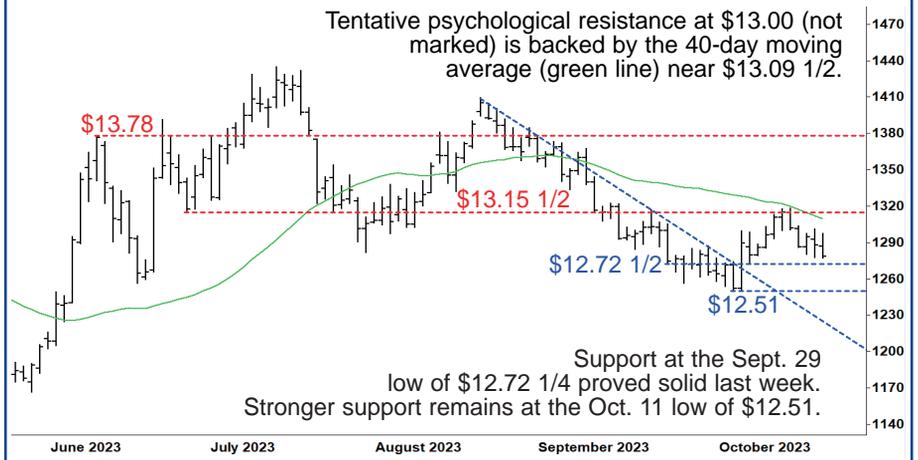
SRW – The threat of Russian attacks caused Ukraine to temporarily suspend usage of its Black Sea grain corridor last week, prompting the strong Oct. 26 rebound in wheat futures. The emergence of support raises hopes of sustained strength in the weeks ahead.

Position Monitor

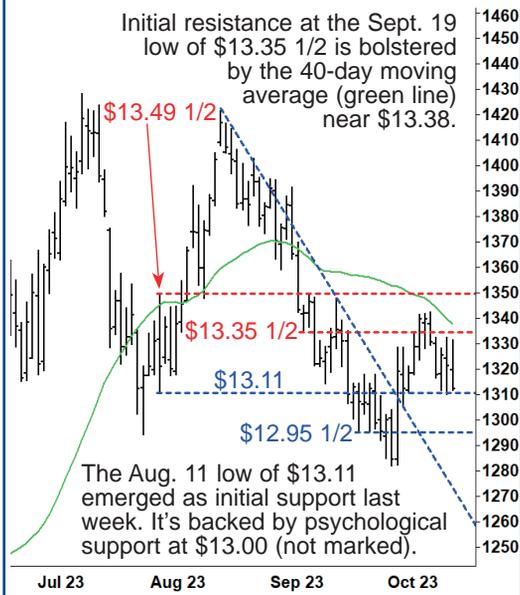
	'23 crop	'24 crop
Cash-only:	40%	0%
Hedgers (cash sales):	45%	0%
Futures/Options	0%	0%

Game Plan: Wait on a corrective rebound to get current with advised sales. The market is signaling a seasonal low is in place and November is typically an "up" month. Because there isn't much "cushion" on new-crop supplies, any further reduction to ending stocks would be bullish as prices would need to rise enough to slow demand. With that said, you should be focused on selling an extended price recovery.

DAILY NOVEMBER SOYBEANS



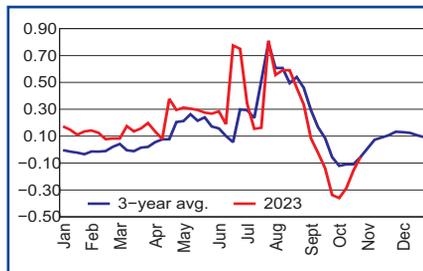
DAILY MARCH SOYBEANS



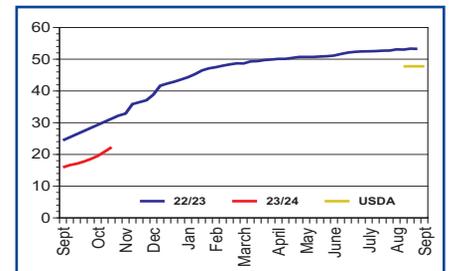
SOYBEANS - Fundamental Analysis

Soy export news has improved lately, with back-to-back weeks with marketing-year high weekly export sales being augmented by daily sales announcements. Forecast precip across the central U.S. may also presage improved shipping conditions on the Mississippi River. Talk of less-than-ideal South American growing conditions has offered background support. That was supplemented by last week's rumor China had cancelled some shipments from Brazil (see *News page 1*), as well as an industry official's pronouncement that Argentina will soon run out of to crush. And yet, soybean futures struggled last week. Nevertheless, post-harvest strength seems likely to emerge.

AVERAGE SOYBEAN BASIS (NOV.)



SOYBEAN EXPORT BOOKINGS (MMT)



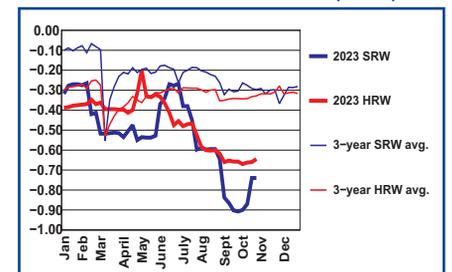
DAILY DECEMBER HRW WHEAT



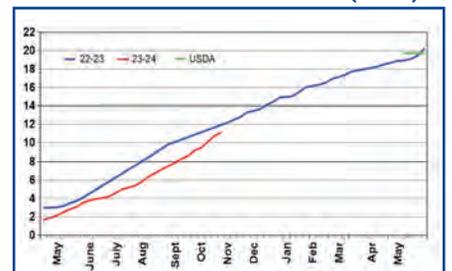
DAILY DECEMBER HRS WHEAT



AVERAGE WHEAT BASIS (DEC.)



WHEAT EXPORT BOOKINGS (MMT)



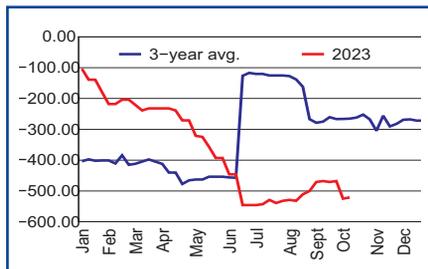
HRW — All eyes will be on the Oct. 30 USDA Crop Progress Report since it will hold the first fall reading of winter wheat conditions. It isn't uncommon for below-average ratings, which we expect, to spark futures gains. Predicted snowfall will likely protect the HRW crop from cold following the front. But the HRW trend remains pointed lower.

HRS — HRS prices have recently tracked shifts in corn futures, with bulls likely hoping both markets find solid support at recent lows. Given the general lack of productive HRS activity until the weather warms, futures market developments will be the only game in town, with corn probably leading the way. We are willing to give HRS prices time to rally.

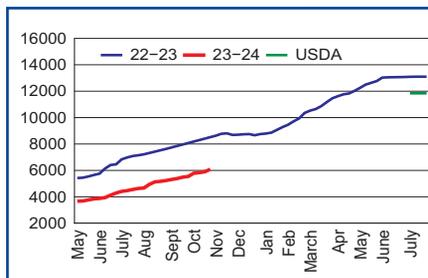
Position Monitor		
	'23 crop	'24 crop
Cash-only:	60%	0%
Hedgers (cash sales):	60%	0%
Futures/Options	0%	0%

Game Plan: Bulls lost upward momentum. We are now looking to advance sales on a recovery to the 88.00¢ to 90.00¢ area in December futures.

AVERAGE COTTON BASIS (DEC.)



COTTON EXPORT BOOKINGS ('000 BALES)



COTTON - Fundamental Analysis

Pessimism about the export outlook, rather than another small U.S. crop, has dominated the cotton outlook lately. That may change somewhat this week since the latest export sales figure topped the four-week average by 82%. We're still looking to sell into rallies.

GENERAL OUTLOOK

PRECIOUS METALS: During times of heightened geopolitical tensions, gold will act on its own as a safe-haven asset, ignoring key outside markets such as crude oil, the U.S. dollar and/or the equity indexes that typically influence gold's daily price direction.

Gold has rallied around \$150 per ounce on safe-haven demand following the early-October Hamas terrorist attack in Israel. Last week, gold futures

paused as traders sized up prospects for further significant developments in the Middle East.

The smart money reckons the conflict will escalate before reaching some short-term resolution. That's keeping a floor under gold prices.

With the market hovering around \$2,000, last May's all-time high of \$2,085.40, basis nearby Comex futures, looks to be within reach for bulls.

FROM THE BULLPEN By Economic Consultant Dan Vaught

Low prices and persistent dryness across the Plains suggest winter wheat plantings will continue their long-term decline this fall. Given such conditions, one might assume the prospect of reduced production would power a fall/winter futures rally. But our work indicates otherwise. That is, the conditions behind the expected cutback often keep depressing prices.

With this in mind, we have given considerable thought to our wheat marketing game plan this fall and winter. Wheat futures have been declining since October 2022 and we have 50% of the 2023 crop sold. We would like to have 75% to 80% priced by March 1. We would also prefer to have one-quarter to one-third of the 2024 crop priced at that point.

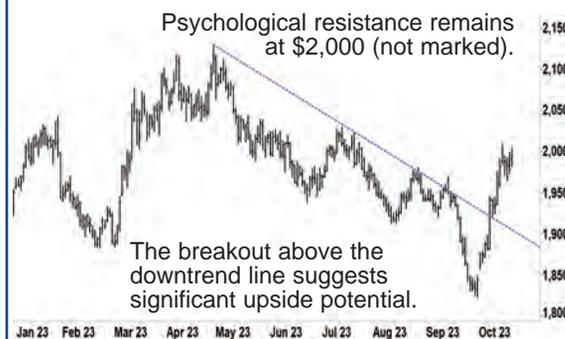
Again, our research indicates prospects for a sustained rally are not promising. However, given the sustained dryness, the first winter wheat condition ratings in this week's USDA Crop Progress Report are likely to be below average, which may give the market a modest boost. This could offer an opportunity to increase sales. We plan to sell 10% on any short-term strength.

History suggests a fall/winter rally of 5% to 7% above the Nov. 1 close in March futures might be the maximum barring an unforeseen bullish event. We plan to advance sales if/when such an advance occurs. We would hit our 75% to 80% 2023 sales target (and boost 2024 sales) if March futures rise 10% to 12% from Nov. 1.

DAILY DECEMBER COTTON



DAILY DECEMBER GOLD FUTURES (\$/OZ.)



WATCH LIST

- 1 USDA Crop Progress Report** **MON 10/30**
First winter wheat crop ratings. 3:00 p.m. CT
- 2 FOMC Meeting Concludes** **WED 11/1**
Fed is widely expected to pause. 1:00 p.m. CT
- 3 USDA Grain/Soy Crush Rpts.** **WED 11/1**
Crush data for September. 2:00 p.m. CT
- 4 USDA Export Sales Report** **THUR 11/2**
Focus is on soybean, corn sales. 7:30 a.m. CT
- 5 Employment Data** **FRI 11/3**
Non-farm payrolls for October. 7:30 a.m. CT

Receive Pro Farmer on Friday

Switch to email delivery and get your *Pro Farmer* newsletter on Friday afternoons. Formatted to easily print from your home printer. Call us to switch: 1-800-772-0023.