



### News this week...

- 2 – Brazil raises soybean crop peg despite erratic weather.
- 3 – Bevy of mostly negative Chinese economic data.
- 4 – USDA raised ending stocks more than expected.

**Bearish USDA report data** – USDA forecast a record U.S. corn crop, while the soybean and cotton crop estimates were also bigger than expected (see below). That pushed 2023-24 ending stocks higher for all three commodities, while wheat carryover also increased (see [News page 4](#)). The report data dropped December corn futures to the lowest level since September 2021 and caused January soybeans to sharply pull back from their earlier rally to the highest price since Sept. 12. Wheat futures also had a negative reaction, though selling wasn't as pronounced. Cattle futures faced heavy selling as recent long liquidation accelerated. The selloff in futures triggered sharp declines in cash cattle prices. Cash hog prices stabilized, though buying in futures was limited after traders recently narrowed discounts in winter-month contracts.

## Flurry of U.S. soybean purchases

USDA reported daily soybean sales from Nov. 3-9 totaling nearly 3 million metric tons to China and "unknown destinations." The flurry of demand came amid increasing concerns about the Brazilian crop, with the country's growing season off to a delayed and erratic start.

## Brazil weather remains unfavorable

Central and northeastern Brazil will remain unfavorably hot and dry through at least Nov. 20, increasing stress on crops in those areas. Southern Brazil and immediate neighboring areas of Argentina and Uruguay will see waves of rain through this week resulting in localized flooding. South American crop consultant Dr. Michael Cordonnier estimates at least 5% of Brazil's soybean crop will likely need to be reseeded, though farmers will wait on rains to develop first.

## El Niño to persist into spring

The U.S. Climate Prediction Center (CPC) says there is a greater than 55% chance the current strong El Niño will persist through January-March 2024, with 35% odds of it becoming "historically strong." CPC says there's a 62% chance El Niño will last into the April to June period.

## Corn crop: 15.234 billion bu.

USDA raised its corn crop estimate 170 million bu. from last month to a record. USDA increased the average yield by 1.9 bu. to 174.9 bu. per acre and left harvested area unchanged from last month at 87.096 million acres.

## Soybean crop: 4.129 billion bu.

USDA raised its soybean crop estimate 25 million bu. from last month. USDA increased the yield by 0.3 bu. to 49.9 bu. per acre. It left harvested area unchanged at 82.791 million acres.

## Cotton crop: 13.090 million bales

USDA increased its cotton crop estimate by 273,000 bales from last month. USDA raised its yield estimate 16 lbs. to 783 lbs. per acre and left harvested area at 8.021 million bales.

## New farm bill... same issues

Farm-state lawmakers have no solutions yet on funding and policy issues relative to getting a new farm bill. Now there is disagreement over what language should be in a likely one-year extension of the 2018 Farm Bill. USDA Secretary Tom Vilsack has now been added to the list of officials who say they should or are looking at "creative" ways to find additional funding. Meanwhile, House Ag Chair Glenn "GT" Thompson (R-Pa.) changed his stance and now says a new farm bill won't come before the full House until January "at the earliest."

## Record FY '23 ag trade deficit

The U.S. exported \$12.73 billion of ag goods in September, while ag imports totaled \$15.34 billion. This resulted in a monthly trade deficit of \$2.61 billion, the fifth consecutive month of red ink. The U.S. ag sector concluded fiscal year (FY) 2023 with a record trade deficit, as exports reached \$178.75 billion, while imports soared to a record \$195.37 billion, resulting in a trade gap of \$16.62 billion. Still, it was better than anticipated by USDA, as exports exceeded its forecast of \$177.5 billion, while imports fell short of the projected \$196.5 billion level that would have resulted in a \$19 billion deficit.

## Update on PARP

Regarding the Pandemic Assistance Revenue Program (PARP), the catch-all program for revenue losses caused by the pandemic, a USDA official informs: "Unfortunately, the program is overprescribed, with more applications than funds available. We are trying to glean all Consolidated Appropriations Act funds across the department before finalizing payments. Our goal and hope is to issue those payments before the end of the continuing resolution" on Nov. 17.

## Biden, Xi to meet this week

President Joe Biden is scheduled to meet with Chinese President Xi Jinping on Nov. 15 in San Francisco, California. This meeting will mark Xi's first trip to the U.S. since 2017. The U.S. economy is strengthening, while China is grappling with its struggling real estate sector and weak export demand.

## Brazil raises soybean crop estimate

Conab raised its official 2023-24 Brazilian soybean crop forecast by 417,000 metric tons (MT) to a record 162.42 million metric tons (MMT), despite erratic weather through the first two months of the growing season, as its planted area estimate increased. Conab cut its corn crop forecast by 338,000 MT to 119.07 MMT. The corn crop forecast is based off an estimate for the first crop (about one-quarter of total production) and a projection for the safrinha crop (about three-quarters of total production).

South American crop consultant Dr. Michael Cordonnier kept his Brazilian soybean crop estimate at 160 MMT with a neutral to lower bias amid planting delays and the need to replant some areas. Cordonnier kept his Brazilian corn crop forecast at 123 MMT with a lower bias, noting "worrisome signs for safrinha corn," including soybean delays which will push a large portion of second-crop corn plantings past the ideal window.

USDA kept its Brazilian crop estimates at 163 MMT for soybeans and 129 MMT for corn.

## Rains came too late for Argy wheat

Argentina's 2023-24 wheat production is now estimated at 13.5 MMT by the Rosario Grain Exchange, down 800,000 MT from its previous forecast, but still up 2 MMT from last year. The exchange said recent rains came too late for the wheat crop. However, it noted rains will be beneficial for the country's corn and soybean crops.

USDA cut the Argentine wheat crop by 1.5 MMT to 15 MMT but kept its forecasts at 48 MMT for beans and 55 MMT for corn.

## Winter wheat crop ratings improve

USDA rated 50% of the U.S. winter wheat crop as "good" to "excellent," up three percentage points from the previous week. The "poor" to "very poor" rating declined one point to 17%.

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop improved 2.3 points to 321.0, while the SRW crop rose 1.6 points to 371.5. Both crops are rated well above year-ago levels at this time, with HRW up 55.0 points and SRW up 21.0 points.

## Russia sets high grain export quota

Russia's ag ministry is expected to set the quota for grain exports at 24 MMT from Feb. 15 to June 30. While the specific allocation for wheat was not given, the quota is unlikely to restrict exports. Russia says it has about 60 MMT of wheat available for export in 2023-24.

## Producer Crop Comments...

Please send crop comments to [editors@profarmer.com](mailto:editors@profarmer.com).

### Chickasaw Co. (northeast) Iowa:

"My whole-farm average corn yield was 208.8 bu. per acre. Yields were off about 20 bu. to 40 bu. per acre from last year, depending on field."

### Warren Co. (south-central) Iowa:

"Blessed to have had timely rains to help achieve highest yields ever in my farming career"

### Jefferson Co. (southeast) Illinois:

"Our double-crop soybeans averaged around 40 bu. per acre, which is better than most around here. A neighbor's double-crop beans only yielded 25 bu. per acre."

### Christian Co. (west-southwest) Illinois:

"Double-crop soybeans we planted after wheat are yielding pretty decent this year. They are way lower than our full-season soybeans, but still OK."

### White Co. (northwest) Indiana:

"Pleased with my double-crop soybeans, especially the fields that had hog manure drag lined through after planting, which are running around 40 bu. per acre. Those beans are about 7 bu. better than fields without manure."

### Clinton Co. (southwest) Ohio:

"Corn yields are through the roof. What a year!"

### Obion Co. (northwest) Tennessee:

"We had all the rain in July and the full-season beans were great. But on the double-crop beans, seed quality is terrible. Hot and dry after r1."

### Lincoln Co. (southeast) South Dakota:

"So far, the best corn I've harvested this year has been on a long-term no-till on steep hills. For sure closest to our trend-adjusted APH. It was a tough season but still made 1.8 bu. per lb. of applied N."

### McCook Co. (east-central) South Dakota:

"Harvest is complete. Corn was a little above APH. Soybeans were a little below APH."

### Cass Co. (east-central) North Dakota:

"Has anyone figured out where all the corn in the Dakotas is supposed to go?! Every single elevator is plumb full. And there is a lot of corn left in the countryside."

### Steele Co. (east-central) North Dakota:

"Corn yields were better than expected, but the snow and mud made harvest a struggle."

### Woodson Co. (southeast) Kansas:

"Dryland yields averaged 80 bu. per acre for corn and 10 bu. for soybeans. APH is 130 bu. per acre for corn and 40 bu. for soybeans."

### Clay Co. (north-central) Kansas:

"Harvest is 95%-plus done in this area and there are empty grain bunkers at the co-op. For years there has been two large corn piles and a milo pile here. 'Better than expected' may be the case in some places, but the exact opposite was the case here. Our irrigated soybeans were average, but dryland beans were a joke."



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## China soy imports slow dramatically

China imported 5.16 MMT of soybeans in October, down 27.8% from September as some cargoes were delayed. However, that was up 24.6% from last year. Imports this month are expected to surge to around 12 MMT as some of the delayed cargoes are offloaded.

For January through October, China imported 82.42 MMT of soybeans, up 14.6% from the same period last year.

## Weak Chinese exports concerning

China's imports unexpectedly rose 3.0% annually to \$218.3 billion in October, the first growth in imports since February. But China's exports dropped 6.4% from year-ago to \$274.83 billion, the sixth consecutive month of declining exports, reflecting persistently weak demand from abroad.

China's trade surplus shrank to \$56.53 billion from \$77.71 billion in September – the smallest since February. The trade surplus with the U.S. narrowed to \$30.82 billion.

### China to require real-time info for some imports

China will require traders of crude oil, iron ore, copper concentrate and potash, which need import licenses, to submit real-time information on shipments. The goal is to “promptly and accurately grasp and scientifically judge the import and export status and trends of bulk products, guide foreign trade operators to import and export in an orderly manner, reduce blindness, provide a basis for risk avoidance and do a solid job in stabilizing foreign trade,” the commerce ministry said.

## China deflation worries resurface

China's consumer prices dropped 0.2% from year-ago in October, compared with a flat reading in the prior month. Food prices fell 4.0%, the most in 25 months, declining for the fourth straight month due to a 30% plunge in pork prices. China's producer prices declined 2.6% in October, the 13th consecutive month of producer deflation.

## IMF raises China's GDP forecasts

China's economy will grow 5.4% this year, the International Monetary Fund (IMF) said, up 0.4% from its prior forecast. IMF said continued weakness in the property sector and subdued export demand could restrict GDP growth to 4.6% in 2024, which was still higher than its previous 4.2% forecast.

## China issues sovereign bonds

China approved a 1 trillion yuan (\$137 billion) sovereign bond issue and passed a bill to allow local governments to front load part of their 2024 bond quotas, in a move to support the economy. Funds raised from the new sovereign bonds will support the rebuilding of disaster-hit areas in the country and improve urban drainage. That will widen the country's 2023 budget deficit to around 3.8% of GDP.

## Early look at 2024-25 marketing year

USDA's 10-year baseline projections are based on data as of October and specific assumptions about macroeconomic conditions, policy, weather and international developments, with no domestic or external shocks to global agricultural markets. [USDA's initial assumptions for 2024-25:](#)

**Corn:** Plantings are projected to decline to 91.0 million acres, with production of 15.040 billion bu. and ending stocks of 2.616 billion bushels. The average cash price is expected to drop to \$4.50.

**Soybeans:** Plantings are expected to rise to 87.0 million acres, with production of 4.475 billion bu. and ending stocks of 286 million bushels. The average cash price would fall to \$11.30.

**Wheat:** Plantings are projected to decline to 48.0 million acres, with production of 1.940 billion bu. and ending stocks of 782 million bushels. The average cash price is forecast to drop to \$6.80.

**Cotton:** Upland plantings are seen rising to 11.7 million acres, with production at 16.6 million bales and ending stocks at 3.64 million bales. The average cash price is projected to fall to 76.00¢.

**Perspective:** A lot can and will change from now until the end of the 2024-25 marketing year on Aug. 31, 2025. Acreage projections are the most useful numbers. Since 2013, USDA's initial assumptions for acreage the following crop year compared to March planting intentions have averaged 200,000 acres too low for corn, 1.1 million acres too low for soybeans, 1.0 million acres too high for wheat and 600,000 acres too low for cotton.

## Beef exports at multi-year low in Sept.

The U.S. exported 231.5 million lbs. of beef during September, the lowest monthly total since June 2020. Beef shipments dropped 28.0 million lbs. (10.8%) from August and were 47.8 million lbs. (17.1%) below last year. Through the first nine months of the year, the U.S. shipped 2.315 billion lbs. of beef, down 383.7 million lbs. (14.2%) from the same period last year. USDA forecasts beef exports will fall 14.4% this year and another 6.3% in 2024.

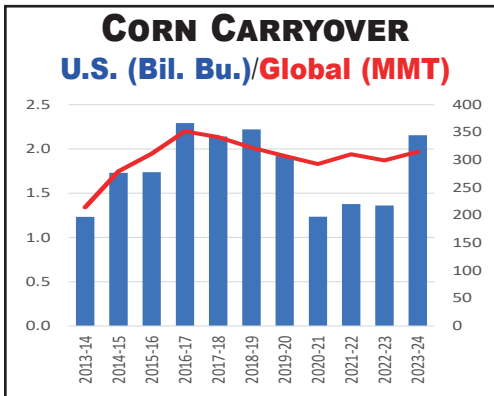
U.S. pork exports totaled 512.0 million lbs. in September, down 14.7 million lbs. (2.8%) from August and 4.1 million lbs. (0.8%) less than year-ago. During the first nine months of the year, the U.S. shipped 4.994 billion lbs. of pork, up 331.0 million lbs. (7.1%) from the same period last year. USDA forecasts pork exports will rise 6.1% this year and another 3.2% in 2024.

## China's meat imports decline in Oct.

China imported 552,000 MT of meat during October, down 43,000 MT (7.2%) from September. Its meat imports during the first 10 months of this year totaled 6.26 MMT, up 3.8% from the same period last year.

# USDA raises ending stocks more than expected

by Editor Brian Grete

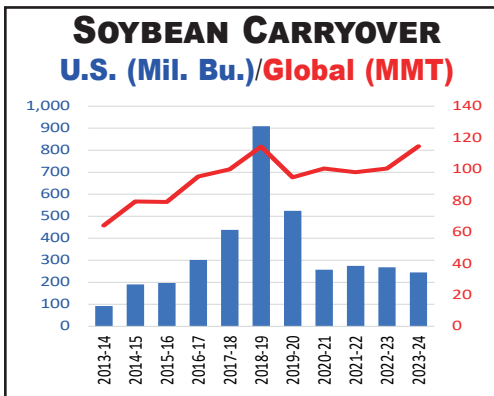


**CORN** — USDA raised 2023-24 ending stocks 45 million bu. from last month to 2.156 billion bushels. Total supply increased 170 million bu. due to the bigger crop estimate. Total use increased 125 million bu., with feed & residual use at 5.65 billion bu. (up 50 million bu.), food, seed & industrial use at 6.74 billion bu. (up 25 million bu.; all of the increase was to corn-for-ethanol use that now stands at 5.325 billion bu.) and exports at 2.075 billion bushels (up 50 million bu.).

Our corn ending stocks forecast is 2.171 billion bu. for 2023-24.

- **USDA 2023-24 price: \$4.85, down 10¢ from October and \$1.69 below 2022-23.**

Global corn carryover: 315.0 million metric tons (MMT) for 2023-24, up 2.6 MMT from last month; up 15.8 MMT from 2022-23.

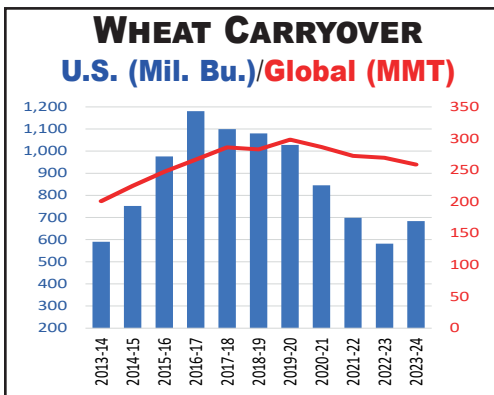


**SOYBEANS** — USDA increased soybean ending stocks 25 million bu. from last month to 245 million bushels. Total supply increased 25 million bu. due to the bigger crop estimate. The only change on the demand side of the balance sheet was a 1-million-bu. cut in residual use to 26 million bushels. Projected crush and exports were both unchanged from last month at 2.3 billion bu. and 1.755 billion bu., respectively.

Our soybean ending stocks forecast is 215 million bu. for 2023-24.

- **USDA 2023-24 price: \$12.90, unchanged from October; down \$1.30 from 2022-23.**

Global soybean carryover: 114.5 MMT for 2023-24, down 1.1 MMT from last month; up 14.2 MMT from 2022-23.

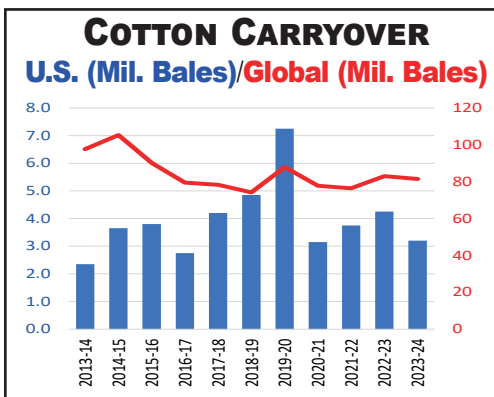


**WHEAT** — USDA increased ending stocks 14 million bu. from last month to 684 million bushels. USDA raised total supply 10 million bu. due to a 10-million-bu. increase in projected imports to 145 million bushels. On the demand side of the balance sheet, total use was cut 4 million bu. from last month due to a 4-million-bu. reduction in food use to 970 million bushels. Seed use was unchanged at 65 million bu., feed & residual unchanged at 120 million bu. and exports were unchanged from last month at 700 million bushels.

Our wheat ending stocks forecast is 675 million bu. for 2023-24.

- **USDA 2023-24 price: \$7.20, down 10¢ from October and \$1.63 below 2022-23.**

Global wheat carryover: 258.7 MMT for 2023-24, up 560,000 metric tons (MT) from last month; down 10.9 MMT from 2022-23. USDA raised its Russian wheat crop forecast 5 MMT and EU production 300,000 MT, while it made production cuts of 1.5 MMT for Argentina, 400,000 MT for Brazil and nearly 3 MMT for India. It lowered global wheat trade by 1.3 MMT this month.



**COTTON** — USDA raised ending stocks 400,000 bales from last month to 3.2 million bales. USDA raised total supply 280,000 bales due to the larger crop estimate. On the demand side of the balance sheet, USDA cut domestic use 100,000 bales (to 2.05 million) and trimmed unaccounted use 30,000 bales (to -110,000). Exports were unchanged from last month at 12.2 million bales.

Our cotton ending stocks forecast is 3.3 million bales for 2023-24.

- **USDA 2023-24 price: 77¢, down 3¢ from October and 7.8¢ below 2022-23.**

Global cotton carryover: 81.5 million bales for 2023-24, up 1.6 million bales from October; down 1.5 million bales from 2022-23.

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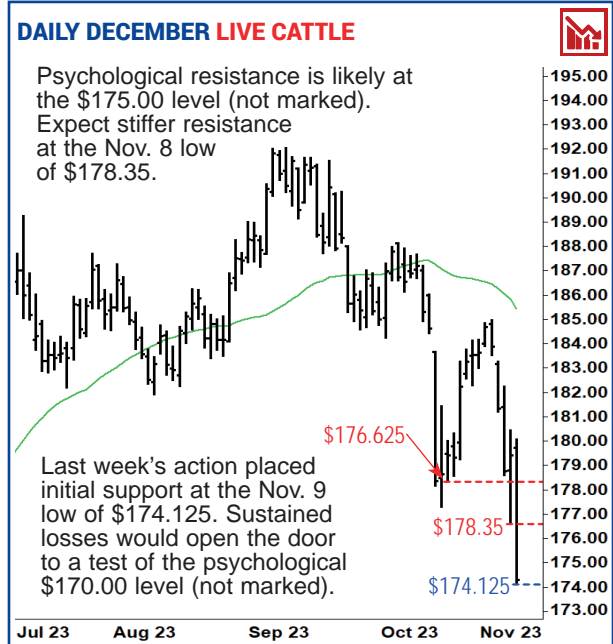
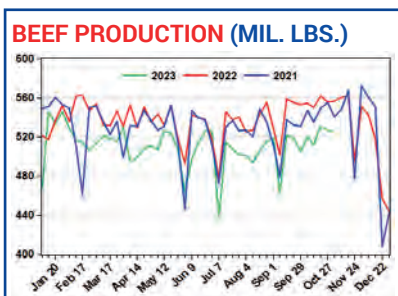
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**CATTLE - Fundamental Analysis**

The seasonal rise in cattle weights has recently boosted beef production but supplies remain well below normal. That's unlikely to change since the spread between Choice and Select cutout pushed above \$30.00 last week. Early-2024 live cattle futures have fallen sharply in response to expectations for another placement surge in October (Nov. 17 USDA Cattle on Feed Report). But the reduced optimism may improve the outlook by encouraging producers to keep marketings current and discouraging late-2023 placements. Given the historical tendency for first-quarter gains, hedges are not recommended.

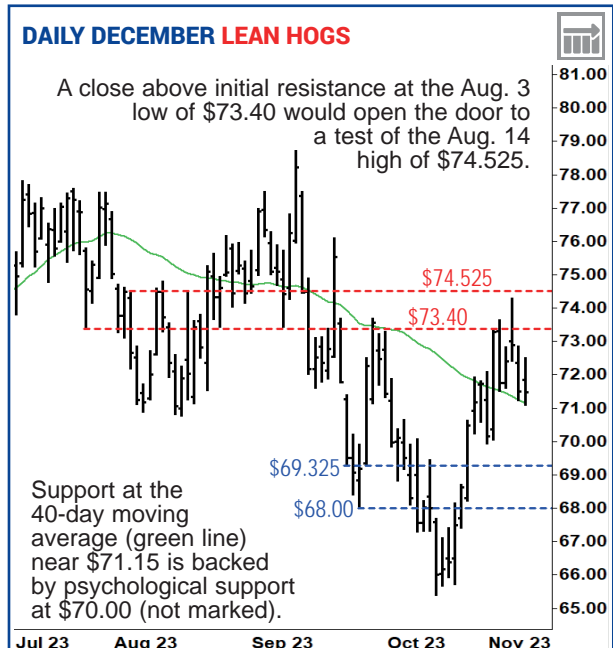
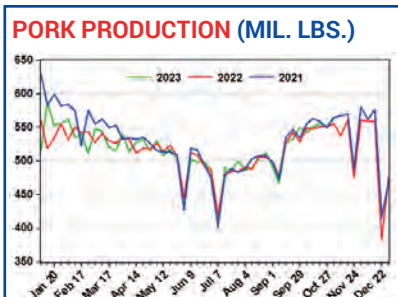
Position Monitor		
Game Plan:	Feds	Feeders
With live cattle futures at a discount to the cash market, any hedges should be done by purchasing put options.	IV'23 0%	0%
	I'24 0%	0%
	II'24 0%	0%
	III'24 0%	0%



**HOGS - Fundamental Analysis**

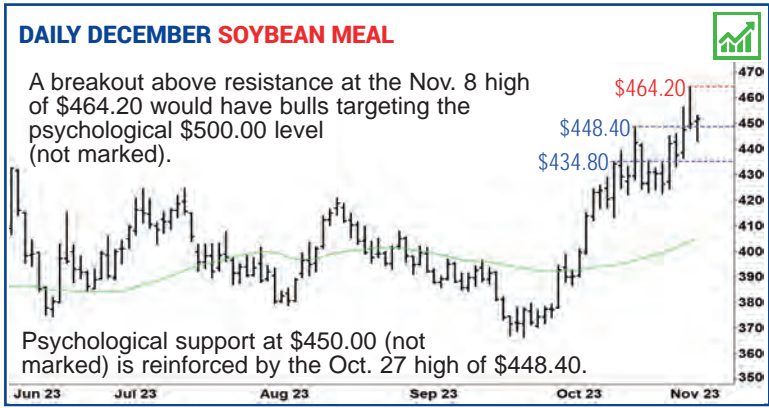
Pork production has recently tracked quite closely with the fall gains of the past two years. Supplies seem likely to continue rising seasonally, which doesn't encourage bullish ideas. And yet, the shortage of hams and turkeys in industry freezers, as well as an improved consumer response to diminished retail prices, seem likely to sustain recent cash and wholesale market firmness. Late-year price weakness is still quite possible, but stable cash prices through mid-December may keep the discounted nearby contracts working higher. Hedges are risky with futures trading at discounts to the stabilizing cash market.

Position Monitor		
Game Plan:	Lean Hogs	
Winter-month hog futures have sharply narrowed their discount to the cash index. Continue to carry risk in the cash market, which is hinting at an early seasonal low.	IV'23 0%	0%
	I'24 0%	0%
	II'24 0%	0%
	III'24 0%	0%



**FEED**

Feed Monitor		
<b>Corn</b>		
IV'24	67%	<b>Corn Game Plan:</b> You have all corn-for-feed needs covered in the cash market through November. With bearish seasonals for November, wait on signs the market has bottomed before extending coverage.
I'24	0%	
II'24	0%	
III'24	0%	
<b>Meal</b>		
IV'23	67%	<b>Meal Game Plan:</b> 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.
I'24	0%	
II'24	0%	
III'24	0%	

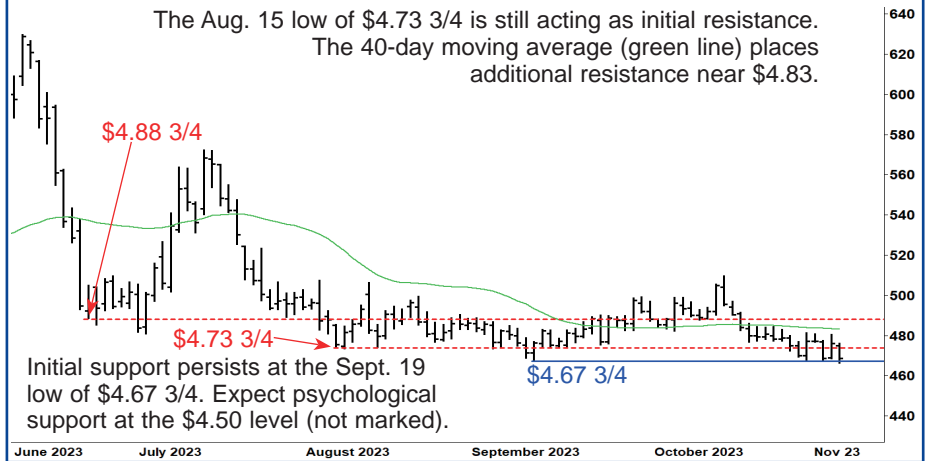


### Position Monitor

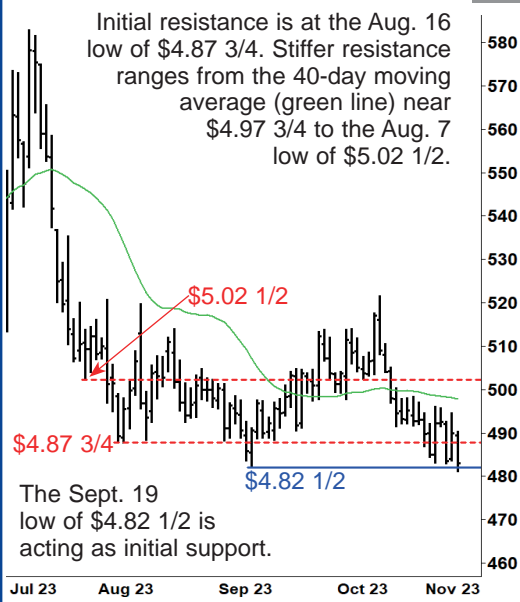
	'23 crop	'24 crop
Cash-only:	35%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

**Game Plan:** Wait on a corrective rebound to get current with advised sales, though seasonals suggest the market could face more near-term price pressure. We'll wait on an extended rally during winter to increase sales. 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



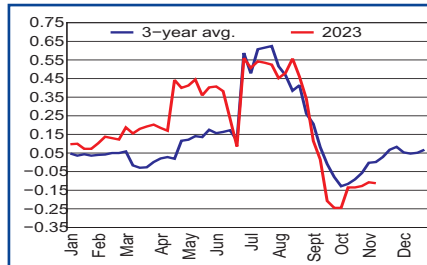
### DAILY MARCH CORN



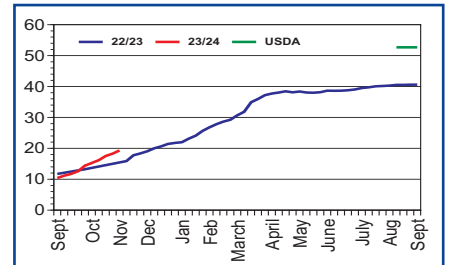
### CORN - Fundamental Analysis

As indicated in recent issues, corn futures struggled against seasonal pressure in early November. That pressure increased after the USDA substantially boosted its estimate of the 2023 U.S. crop to a record 15.234 billion bu. (see *News page 1*), with projected carryout also climbing significantly. Export sales have risen lately, but the extremely slow start to the 2023-24 shipping season raises serious doubts about the forecast total. Demand prospects for 2024 are being improved by a big cutback in Brazilian acreage, as well as uncooperative weather in that country. A drop to fresh lows is likely coming, but a winter rally is also probable. Be patient while looking to boost sales.

#### AVERAGE CORN BASIS (DEC.)



#### CORN EXPORT BOOKINGS (MMT)

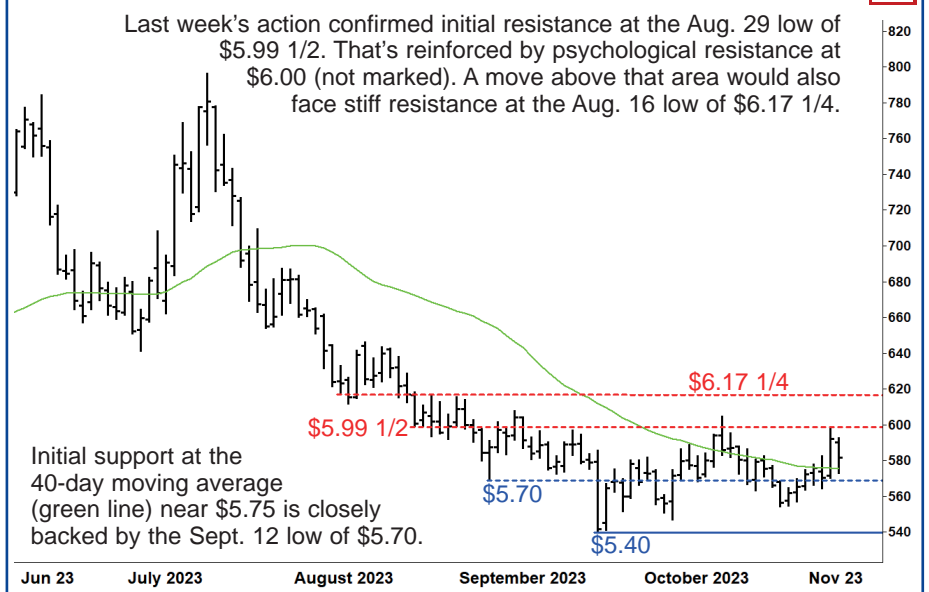


### Position Monitor

	'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 an extended price recovery. The winter months typically aren't a strong period for wheat unless there is a strong rally in corn.

### DAILY DECEMBER SRW WHEAT



### WHEAT - Fundamental Analysis

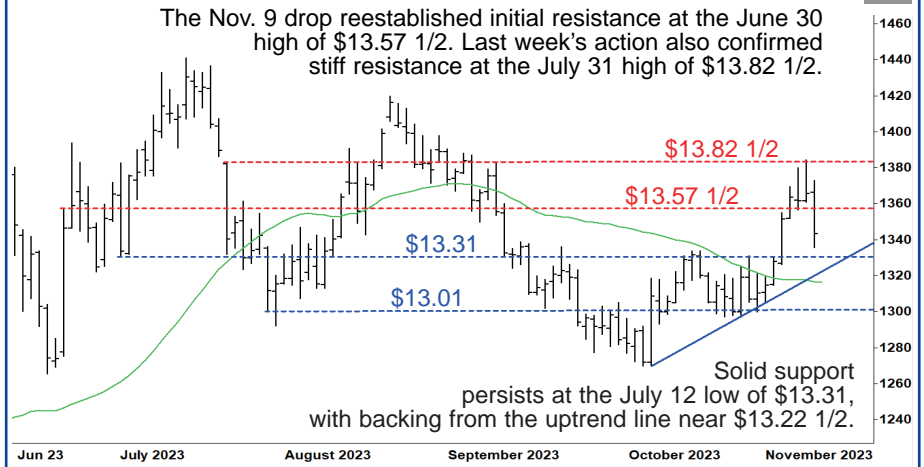
**SRW** – USDA's unexpected increase in projected domestic wheat carryout mirrored rises in corn and soybean ending stocks, which likely amplified the negative futures response. Wheat has outperformed corn lately, but improved condition ratings raise doubts gains can be sustained.

### Position Monitor

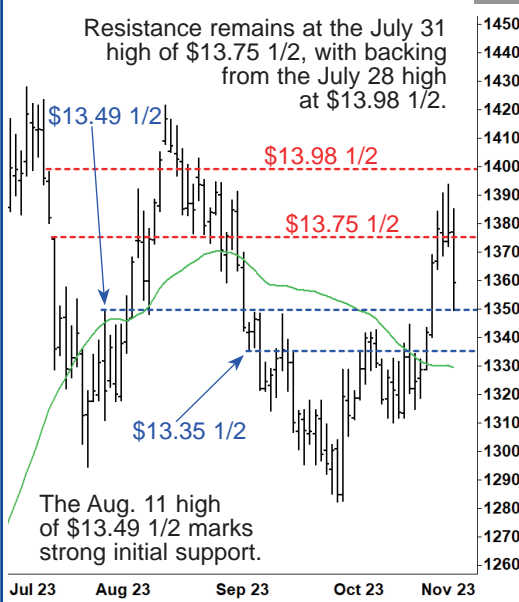
	'23 crop	'24 crop
Cash-only:	50%	10%
Hedgers (cash sales):	55%	10%
Futures/Options	0%	0%

**Game Plan:** On Nov. 8, we advised selling another 10% of 2023-crop in the cash market to reward the sharp price rally. We also advised initial 2024-crop sales that same day. Be prepared to make additional old- and new-crop sales if the current strong price rallies are extended. See "From the Bullpen" on *Analysis* page 4 for our next upside price targets for old-crop sales. Timing of new-crop sales will be based off old-crop.

### DAILY JANUARY SOYBEANS



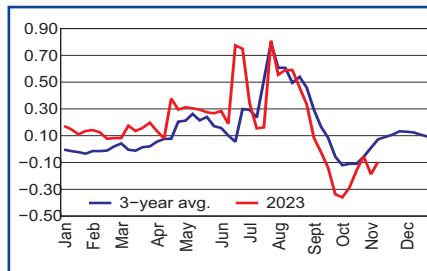
### DAILY MARCH SOYBEANS



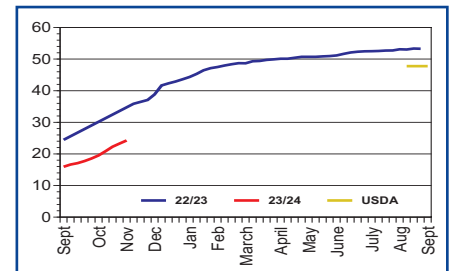
### SOYBEANS - Fundamental Analysis

Soybean futures had lost the upward momentum of their early-November rally before the Nov. 9 release of monthly USDA reports. That was made evident by weakening responses to big daily export sales announcements. The lack of enthusiasm likely exacerbated the bearish reaction to the increased U.S. carryout projection and a boosted production forecast from Brazil. Still, with the domestic situation clearly remaining tight through the 2023-24 crop year and demand for both soy meal and soy oil persisting at elevated levels, a sustained seasonal advance seems likely. See "From the Bullpen" on *Analysis* page 4 for the details and discussion of our marketing plan.

#### AVERAGE SOYBEAN BASIS (NOV.)



#### SOYBEAN EXPORT BOOKINGS (MMT)



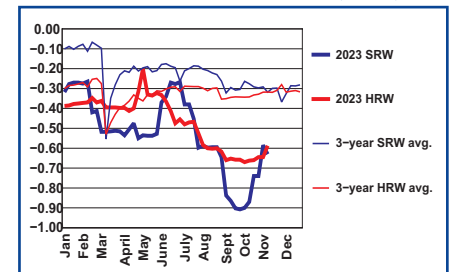
### DAILY DECEMBER HRW WHEAT



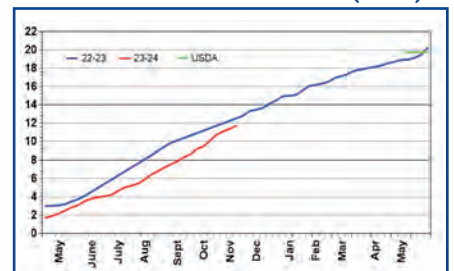
### DAILY DECEMBER HRS WHEAT



#### AVERAGE WHEAT BASIS (DEC.)



#### WHEAT EXPORT BOOKINGS (MMT)



**HRW** – Improved HRW crop ratings imply larger yields next year, which has translated to the market losing ground to both SRW and HRS prices. Last week's rains seemingly point to more of the same. Nevertheless, the market has acted surprisingly well given the circumstances. Wait on a sustained rally to advance marketings.

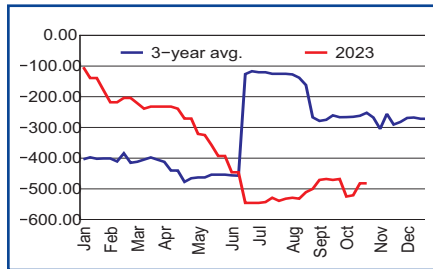
**HRS** – The lengthy period before U.S. HRS supplies will be replenished probably accounts for the market's gains versus winter wheat. But its ability to overcome overhead resistance is open to question, since Canadian supplies didn't fall as much as expected and the U.S. dollar remains relatively strong. A sustained rally will likely require a corn advance.

### Position Monitor

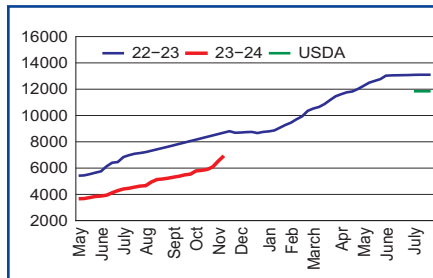
	'23 crop	'24 crop
Cash-only:	60%	0%
Hedgers (cash sales):	60%	0%
Futures/Options	0%	0%

**Game Plan:** Technicals continue to erode, suggesting there is more near-term downside risk. Wait on an extended corrective rebound to advance sales.

### AVERAGE COTTON BASIS (DEC.)



### COTTON EXPORT BOOKINGS ('000 BALES)



## COTTON - Fundamental Analysis

The recent combination of equity market strength and U.S. dollar weakness would normally boost cotton futures, but industry concerns about Chinese demand have remained paramount. Weekly export sales surged the past two weeks but that hasn't calmed demand concerns.

## GENERAL OUTLOOK

**DEBT:** The Federal Reserve has stood near the center of financial markets since the current tightening cycle started in the spring of 2022. The Fed's fight against inflation has lasting impacts outside the everyday consumer, namely the government's ability to pay its debt.

U.S. government interest payments as percent of GDP have leapt to the highest level since 1999 and are showing no signs of slowing. As old, lower

interest debt rolls off the books and higher interest debt is added, this number will grow, constricting the government's balance sheet. This limits investor interest in U.S. debt, evidenced by the Fitch downgrade in August.

Rising debt obligations leave the U.S. government with a few options: lower spending, default or (most likely) issue more Treasuries to pay debt, which could accelerate the problem.

## FROM THE BULLPEN By Editor Brian Grete

January soybean futures rallied around 80¢ since the end of October to the highest level since mid-September. While there could be more near-term upside potential amid Brazilian crop concerns and increased Chinese demand, the rally was too strong to ignore.

On Nov. 8, we advised soybean producers to sell another 10% of 2023-crop in the cash market. That pushed hedgers to 55% sold and cash-only marketers to 50% priced.

We would reward additional near-term price strength with increased sales as we believe strong rallies need to be rewarded, especially at current price levels. Our next upside targets for additional 2023-crop sales would be the August and July highs at the \$14.20 and \$14.40 levels.

The rally in November 2024 soybean futures since the end of October wasn't as strong. But when the contract reached \$13.00, we also pulled the trigger on initial sales for 2024-crop. On Nov. 8, we advised selling 10% of expected 2024-crop production for harvest delivery next fall.

Much like old-crop, we intend to make additional new-crop sales if prices continue their near-term ascent. With soybean acreage likely to increase next year, we believe price rallies should be sold, especially with futures trading at current levels.

We would like to have 25% to 33% of expected 2024-crop production priced by late winter/early spring, especially if additional price strength emerges.

### DAILY DECEMBER COTTON



Initial resistance emerged at the Nov. 8 high of 76.92¢ last week. Stiffer resistance remains at the Nov. 1 low of 79.30¢.



### QUARTERLY U.S. INTEREST AS PCT. OF GDP (%)

The 1980's surge reflects the extreme interest rates imposed by the Fed in the late 1970s.

The lows of recent years stem from the depressed interest rates maintained at that time.



## WATCH LIST

- 1 USDA Crop Progress Report** **MON 11/13**  
Focus is on winter wheat ratings. 3:00 p.m. CT
- 2 U.S. Inflation Data** **TUE 11/14**  
Consumer inflation for October. 7:30 a.m. CT
- 3 NOPA Monthly Soy Crush** **WED 11/15**  
Soybean crush for October. 11:00 a.m. CT
- 4 USDA Export Sales Report** **THUR 11/16**  
Focus is on soybean, corn sales. 7:30 a.m. CT
- 5 USDA Cattle on Feed Report** **FRI 11/17**  
Placements will be the key. 2:00 p.m. CT

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