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News this week...

2 – Brazil's once-record bean crop continues to shrink.
3 – China looking to reduce need for corn, soy imports.
4 – Recession may not happen, but plenty of hurdles ahead.

Grain markets still searching for lows – *Corn futures posted new contract lows last week, while front-month soybeans dropped to their lowest level since November 2021 on the continuation chart. HRW and HRS wheat futures posted new contract lows, while SRW contracts remained above their November lows. Corn, soybeans and wheat all posted corrective gains late last week but will need to see active followthrough buying to give traders confidence lows are in place. Cattle futures accelerated their rebound from their December lows amid support from wintry conditions, expectations the cash market will continue to strengthen and technical buying. Lean hog futures paused as traders waited on the cash market to catch up, though there are increased signs the cash index has posted a seasonal low.*

Rains in Brazil; Argentina drier

Frequent rains are forecast across most of central and northern Brazil through the end of January, while far southern areas will be drier. The rains will be beneficial for later-maturing soybeans but could cause some harvest issues. Argentina is forecast to be mostly dry, aside from far northern areas.

Middle East tensions escalate

The U.S. launched more strikes on Houthi rebels, citing an "imminent threat" to merchant vessels and U.S. Navy ships in the Red Sea. Meanwhile, Pakistan launched retaliatory missiles against militants in Iran. The attacks have effectively closed off the Red Sea — one of the main trade routes for container ships.

Geopolitics a hot topic at Davos

Business leaders at the World Economic Forum in Davos, Switzerland, said they are increasingly turning to scenario planning to safeguard supply chains and lessen the potential hit from unexpected geopolitical crises. Many CEOs and executives foresee an upbeat U.S. economy in 2024, but are concerned about China and Europe, and the impact of unexpected global shocks on inflation. We look at key economic factors ahead on *News page 4*.

Suez Canal wheat shipments plunge

Wheat shipments via the Suez Canal fell almost 40% in the first half of January to 500,000 MT due to attacks in the Red Sea and Gulf of Aden, the World Trade Organization (WTO) said. In December, around 8% of wheat shipments from the European Union, Russia and Ukraine that would typically travel via the Suez Canal followed alternative routes. That surged to around 42% in the first half of January, WTO noted, though it appeared few if any shipments were being cancelled.

Insurers seek to exclude U.S., UK from Red Sea coverage

Insurers are placing restrictions in their war-risk policies so they don't have to cover U.S.-, UK- and Israel-linked ships sailing through the Red Sea.

Funding can kicked down the road

Congress passed a continuing resolution that will keep the government funded until March 1 for some agencies, including USDA, and March 8 for others. With the additional time, members of the House and Senate Appropriations Committees hope to push through the dozen bills funding the government according to the $1.66 trillion spending level agreed to. But lawmakers from both parties are having trouble dividing up the funding among the departments and work cannot continue until that task is completed.

Possibility of '24 farm bill resurfaces

After months of inactivity, there was a flurry of farm bill news last week. House Ag Chair Glenn "GT" Thompson (R-Pa.) wants to "fast track" a new farm bill, with plans to advance it through his committee after he releases a Chairman's Mark and his panel has time to mark it up. Floor action would depend on when leadership gives him House floor time. Our sources say House Speaker Mike Johnson (R-La.) is pressing Thompson to get something done.

Senate Ag Chair Debbie Stabenow (D-Mich.) is working on a plan for crop insurance that would bolster the program but would force farmers to choose either crop insurance or the farmer safety net programs currently available. She said that would help "justify a very high federal subsidy."

Bottom line: Until there is an agreement to fund the government through the end of fiscal year 2024, and there is a decision made on a potential supplemental/border enforcement measure, it is hard to see action on a new farm bill.

Perspective on Stabenow's farmer choice plan

One farm bill analyst told us: "Crop insurance is not designed to handle every peril a farmer faces. Multiple years of depressed prices are not addressed by crop insurance. High and rising foreign subsidies, tariffs and non-tariff trade barriers are not addressed by crop insurance. That is the job of the commodity title. As we head into lower commodity prices again, lawmakers should not repeat the same mistakes as in the past. We tried this with cotton — and it did not work out well."

Brazil's once-record soybean crop continues to shrink

Virtually every private estimate for Brazil's 2023-24 soybean crop has been on the decline for weeks amid ongoing crop stress and low yields from early harvested fields. But the range of estimates is wide. Two we closely monitor, South American crop consultant Dr. Michael Cordonnier and AgRural, both made additional cuts to their crop estimates.

Cordonnier cut his Brazilian soybean crop estimate 2 million metric tons (MMT) to 149 MMT. He has a neutral-to-lower bias, noting he's "not quite so sure" recent rains in central Brazil will stabilize crops. Cordonnier cut his minimum (worst-case) estimate to 140 MMT.

Brazil-based consulting firm AgRural now estimates the country's soybean crop at 150.1 MMT, down 9 MMT from its prior forecast. In addition to reduced production in Mato Grosso, AgRural cited downward adjustments in Paraná, Mato Grosso do Sul, Goiás, São Paulo and Minas Gerais.

The two that have been most aggressive with cuts to Brazil's bean crop are Brazil-based consultancy Patria Agronegocios (143.2 MMT) and farmer group Aprosoja (135 MMT).

Impacts if worst-case scenarios develop

USDA cut its Brazilian soybean crop forecast 4 MMT to 157 MMT but left projected 2023-24 exports at 99.5 MMT. The low end of the private crop estimates is 14 MMT to 22 MMT (514 million bu. to 808 million bu.) below USDA's January forecast. If the worst-case scenarios play out, USDA will need to slash the Brazilian export forecast. Argentina would pick up some of that slack, but the U.S. would likely be the prime beneficiary, as Argentine producers would remain limited sellers given extreme inflation and broad economic uncertainty in the country.

Brazil facing some soybean quality issues, too

Hot and dry weather during the pod-fill phase of early maturing soybeans in central Brazil resulted in low quality soybeans for many producers in the worst areas. Crop quality should improve on later-maturing soybeans, as weather has stabilized somewhat since late December with increased rainfall.

However, that can be a double-edged sword. January is generally the peak of the rainy season in central Brazil. Prolonged periods of rainfall and high temps can slow harvest and quickly result in moldy and shriveled soybeans.

If poor soybean quality becomes a widespread issue, it would impact Brazil's exports as exporters would have to blend more soybeans to meet shipping regulations. China is also sensitive on the quality of its soybean imports.

Brazil's corn production forecasts also lowered

Cordonnier also lowered his Brazilian corn crop estimate 2 MMT to 115 MMT and maintained a lower bias given great uncertainty with safrinha production. AgRural estimates Brazil's corn production at 114.1 MMT.

USDA lowered its Brazilian corn production forecast 2 MMT to 127 MMT and trimmed exports 1 MMT to 54 MMT. Similar to soybeans, a major cut in USDA's production forecast to levels of others would necessitate a reduction to the export outlook, which would boost 2023-24 U.S. exports.

Argentina set for 'super harvest'

Argentina is poised for a "super harvest," with corn and soybean production estimates likely to keep climbing, the Rosario Grain Exchange said. It noted corn production could reach a record 60 MMT or higher.

Cordonnier raised his Argentine crop production forecasts by 2 MMT to 52 MMT for soybeans and 3 MMT to 56 MMT for corn. USDA increased its Argentine soybean production outlook to 50 MMT for soybeans and left the corn crop forecast at 55 MMT.

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Record NOPA soy crush in December

Members of the National Oilseed Processors Association (NOPA) crushed 195.3 million bu. of soybeans in December, which was an all-time high for any month. NOPA data implies a full December crush of 207.0 million bushels.

USDA forecasts crush at a record 2.300 billion bu., up 4.0% from 2022-23. Crush is currently pacing ahead of that level, though once Argentina begins actively crushing soybeans following its harvest, the U.S. pace will likely slow.

Soyoil stocks totaled 1.360 billion lbs. at the end of December, up 146.5 million lbs. from the previous month and the biggest inventory since September, but 431 million lbs. less than year-ago. Usage remains robust, as demand for renewable diesel continues to use more soyoil than expected.

China OKs more GMO corn, soybeans

China approved additional varieties of genetically modified soybeans and corn for import and production while expanding their planting areas nationwide, as part of a drive to improve food security and reduce imports. China's ag ministry approved the domestic production of six more GMO varieties of corn, two soybeans and one cotton, and another two gene-edited soybeans.

Planting zones for most of the varieties were expanded to the whole country. Previously, some corn varieties were restricted to northern or southern producing areas.

For imports, the ministry approved gene-modified insect- and herbicide-resistant soybean variety DBN8002 developed by Beijing Dabeinong Technology Group Co. Ltd. and Corteva herbicide-tolerant corn variety DP202216.

The approvals are for five years, effective from Jan. 2, 2024.

Market penetration of GMO crops in China could reach 85% within three to five years once the industry is fully commercialized, Dabeinong said, noting its forecast is based on experiences in the U.S., Brazil and Argentina

China's Q1 soy imports will slow

China is expected to import about 18.5 MMT of soybeans in the first quarter, which would be down 4.6 MMT (nearly 20%) from the first three months in 2023 and the smallest for the quarter since 2020. At least half the soybean imports are expected to be from the U.S., though that will largely depend on the size and quality of Brazil's crop that's being harvested.

China's grain imports surged in 2023

China imported a record 4.95 MMT of corn, 610,000 metric tons (MT) of wheat, 1.66 MMT of barley and 350,000 MT of sorghum during December. That pushed the annual totals to 27.13 MMT of corn (up 31.6% from 2022), 12.1 MMT of wheat (up 21.5%), 11.33 MMT of barley (up 96.6%) and 5.21 MMT of sorghum (down 48.6%).

China's 2023 GDP hits target, but...

China's economy expanded 5.2% annually in the final quarter of 2023. For 2023, China's economy also grew 5.2%, exceeding the official target of "around 5.0%" and up from a 3.0% rise in 2022. However, excluding the pandemic years of 2020 through 2022, last year's GDP growth was the slowest annual rise since 1990.

China unexpectedly holds rates steady

The People's Bank of China maintained the rate on its one-year policy loans via the medium-term lending facility (MLF) at 2.5%. It also offered 995 billion yuan ($139 billion) through the MLF, resulting in a 216-billion-yuan net injection that will boost liquidity and help meet funding demand.

USDA's hog price forecast lowered

USDA raised its 2024 pork production forecast 240 million lbs. from last month, reflecting the upward revisions in the December Hogs & Pigs Report. Pork production is now expected to rise 2.4% from year-ago. USDA increased the pork export outlook by 20 million lbs. and now sees shipments rising another 1.5% this year after a 6.7% increase last year. USDA lowered its average cash hog price for this year by $2.00 to $58.00, which would be down 59¢ from last year.

Cattle price forecast unchanged

USDA raised its 2024 beef production forecast 120 million lbs. from last month, though it is still expected to decline 3.3% from last year. It cut projected exports 60 million lbs. and now forecasts a 7.6% annual decline on top of the 14.9% plunge last year. Despite these changes, USDA left its 2024 average cash steer price forecast at $178.00, though that would be up $2.46 from last year.

Record 2023 Chinese pork production

China produced a record 57.94 MMT of pork in 2023, up 4.6% from 2022, as farmers ramped up slaughter during the last quarter to cut losses amid an oversupply of pigs. Pork production in the fourth quarter totaled 14.93 MMT, up 7% from the same period in 2022.

China's beef output rose 4.8% to 7.53 MMT, poultry meat production rose 4.9% to 25.63 MMT and mutton increased 1.3% to 5.31 MMT in 2023.

China's pork imports slowed in 2023

China imported 90,000 MT of pork during December, unchanged from November but 54.3% less than last year. For 2023, China imported 1.55 MMT of pork, down 11.7% from the previous year.

Philippines bans CA, OH poultry

The Philippines banned poultry imports from California and Ohio because of several outbreaks of highly pathogenic avian influenza (HPAI) in those states. The ban covers imports of domesticated and wild birds, including poultry meat and eggs. All shipments coming from California and Ohio that are already in transit, loaded or accepted at Philippine ports before Jan. 15 will be allowed entry if they were slaughtered two weeks before the outbreak began.

In 2023, the Philippines imported 166,356 MT of poultry products worth $175.8 million from the U.S.

Egg price forecast raised due to HPAI

USDA raised its 2024 egg price outlook 15¢ per dozen to $1.65 to reflect "impacts of recent HPAI outbreaks on flock size." But egg prices are still forecast to drop 27.4¢ from last year.

Recession risks reduced, but plenty of economic hurdles

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

The probability of a sharp economic downturn has declined significantly, though economic conditions will still feel like a recession for many people. Business and academic economists surveyed by the *Wall Street Journal* lowered the probability of a recession within the next year to 39% from 48% in the October survey. Still, economists on average expect the economy to grow just 1% in 2024, about half its normal long-run rate — and a significant slowing from an estimated 2.6% in 2023.

Economists divided on timing of Fed rate cut

Markets currently expect the first interest cut following the Fed's March 19-20 meeting, but only 19% of economists surveyed by the *Wall Street Journal* agree. Roughly one-third expect the first rate cut at the April 30-May 1 meeting, and just over a third at the June 11-12 gathering. Economists also expect fewer rate cuts than the market, seeing just one or two quarter-point reductions by the end of June, compared with three by markets.

How Malanga sizes up key economic indicators

Dr. Vince Malanga, president of LaSalle Economics, lists the following key factors he's monitoring:

- Productivity surge: Malanga suggests there is potential for a productivity surge, with Labor Department data showing aggregate hours worked remained unchanged in the final quarter of last year, while GDP growth was around 2.5%. That implies around 2.5% productivity growth. Such productivity growth is seen as positive for profit margins and disinflation because it would keep unit cost pressures at bay.
- Inflationary pressures appear to be receding. In December, consumer prices rose 3.4% annually, with the core rate at 3.9%. Producer price changes were more subdued, and Malanga believes the prospects for continued moderation are favorable. Factors contributing to this, he notes, include downward pressure on both hard and soft commodities due to enhanced supply conditions. However, he warns that potential disruptions to Red Sea shipping lanes are a wild card that could affect this trend.
- Malanga says the FOMC's mid-March monetary policy decision could depend on labor conditions. Weakness in service sector jobs was observed in December, and future reports on jobless claims could provide clues, he signals. Measurable weakness in the labor market is seen as a potential trigger for an early rate cut by the FOMC.
- Malanga says investors could respond to a rate cut in various ways. Those range from raising odds of a recession and adjusting profit expectations to taking comfort in the idea the Fed is ready to support economic activity.
- Fixed income markets: The long end of the bond market is expected to face a significant increase in supply as corporate debt is refinanced, and Treasury debt issuance continues to rise. Malanga says this could lead to higher bond rates while short rates ease, potentially steepening the yield curve. He notes the impact this could have on mortgage rates and home affordability for potential buyers.
- Malanga suggests policymakers have several options to support the economy, particularly in an election year. These measures could include modifying or eliminating quantitative tightening programs and supporting the bond and mortgage markets.

Global GDP needs to double for demand pull markets

Global GDP needs to be 4.5% or greater to have real demand-pull markets where countries have the income incentive to purchase what they need. The current projected rate for 2024 is about half of that level.

WEF concerns: AI misinformation, climate change

The annual meeting of the World Economic Forum (WEF) was held last week in Davos, Switzerland. The event brings together representatives from over 100 governments, major international organizations and 1,000 partner companies, along with other experts.

Ahead of the event, WEF highlighted two major concerns.

1. Disinformation turbocharged by artificial intelligence: The report warns that disinformation, which is false or misleading information spread intentionally, is on the rise and is being exacerbated by artificial intelligence (AI) technology. AI can be used to create and disseminate misinformation at an unprecedented scale, making it a significant threat to societies worldwide.
2. Devastating effects of climate change: The report also underscores the catastrophic consequences of climate change, saying it poses a significant risk to the environment, economies, and human well-being. The effects of climate change can include extreme weather events, rising sea levels and disruptions to ecosystems, with far-reaching and potentially devastating impacts.

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CATTLE - Fundamental Analysis

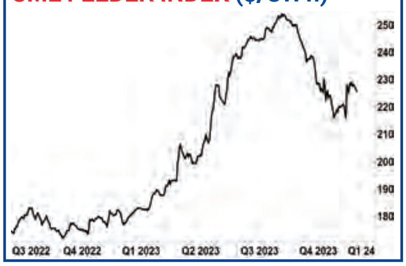
Ongoing effects of wintry weather over the Plains has bullish and bearish aspects, with cold and snow stressing cattle and reducing supplies of well-finished animals. Conversely, packer cutbacks are taking pressure off of them, especially with slowed beef production sharply boosting wholesale prices. Seasonal forces still seem likely to boost prices into spring, especially if harsh conditions persist. The anticipated rally could be suspended for a while if/when warmer conditions enable feedlot animals to post compensatory weight gains. The modest premiums in nearby futures are not conducive to hedges.

Position Monitor

	Feds	Feeders
I'24	0%	0%
II'24	0%	0%
III'24	0%	0%
IV'24	0%	0%

Game Plan: Futures and the cash market have posted lows. We expect an extended corrective rebound in both markets, though a gradual increase is likely.

CME FEEDER INDEX ($/CWT.)



DAILY FEBRUARY LIVE CATTLE

HOGS - Fundamental Analysis

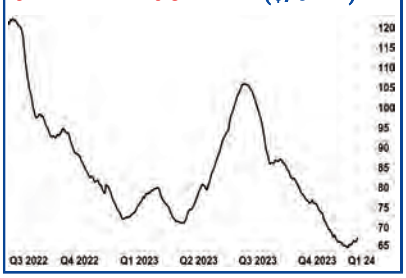
The hog industry is also dealing with the effects of wintry weather, although having most animals raised indoors reduces its impact on pigs. Packing operations remained slow early in the week, but the weekend kill will tell observers much about the supply situation. The traditional early-year rally is ongoing, with cash and wholesale prices working higher. Retail prices look conducive to sustained gains, with December prices down from November and most cuts, aside from hams, equal to or below year-ago levels. Elevated retail ham prices raise questions about the outlook around Easter.

Position Monitor

	Lean Hogs
I'24	0%
II'24	0%
III'24	0%
IV'24	0%

Game Plan: It appears seasonal lows are in place for both futures and the cash market. Hedges would only be advised if futures build too much premium to the cash index.

CME LEAN HOG INDEX ($/CWT.)



DAILY FEBRUARY LEAN HOGS

FEED

Feed Monitor

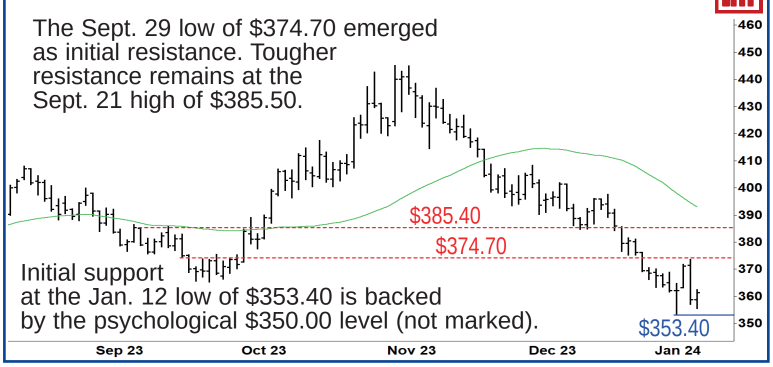
Corn	
I'24	33%
II'24	0%
III'24	0%
IV'24	0%

Meal	
I'24	33%
II'24	0%
III'24	0%
IV'24	0%

Corn Game Plan: You have all corn-for-feed needs covered in the cash market through January. Be prepared to more aggressively extend coverage on signs the market has posted a major low.

Meal Game Plan: You have all soymeal needs covered in the cash market through January. Be prepared to further extend coverage on signs of a low.

DAILY MARCH SOYBEAN MEAL

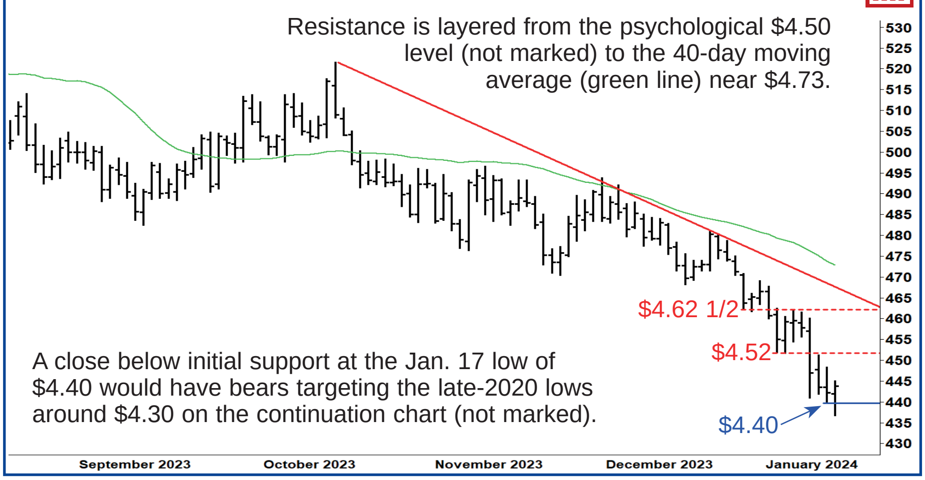


Position Monitor

	'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. With projected stocks:use at current levels, the seasonal pattern is typically sideways through February. It would likely take a catalyst like sharp reductions in Brazil's crop estimate or a surge in export demand to fuel an extended price rally. Be prepared to advance 2023-crop sales and start 2024-crop marketings on an extended rally.

DAILY MARCH CORN

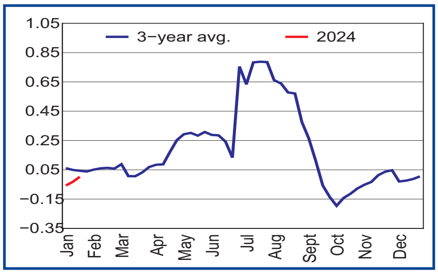


DAILY MAY CORN

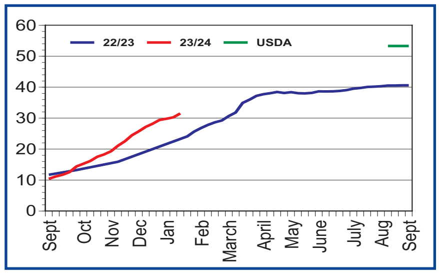
CORN - Fundamental Analysis

The corn market stair-stepped lower in the wake of USDA reports boosting the 2023 U.S. crop to a record. Indeed, the resulting stocks:use percentage at 14.8% is the highest since 2018-19. Having the U.S. dollar rise to a five-week high last week and move above its 40-day moving average also implies potential difficulties on the export front. As discussed in "From the Bullpen" on *Analysis page 4*, increasing exports are likely the best way to improve the price outlook. The market needs more daily sales announcements like the 126,700 metric ton sale to Mexico from Jan. 16 and larger weekly numbers. Friday's report looked like a good start, with the 1.251-million-ton total topping expectations.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)

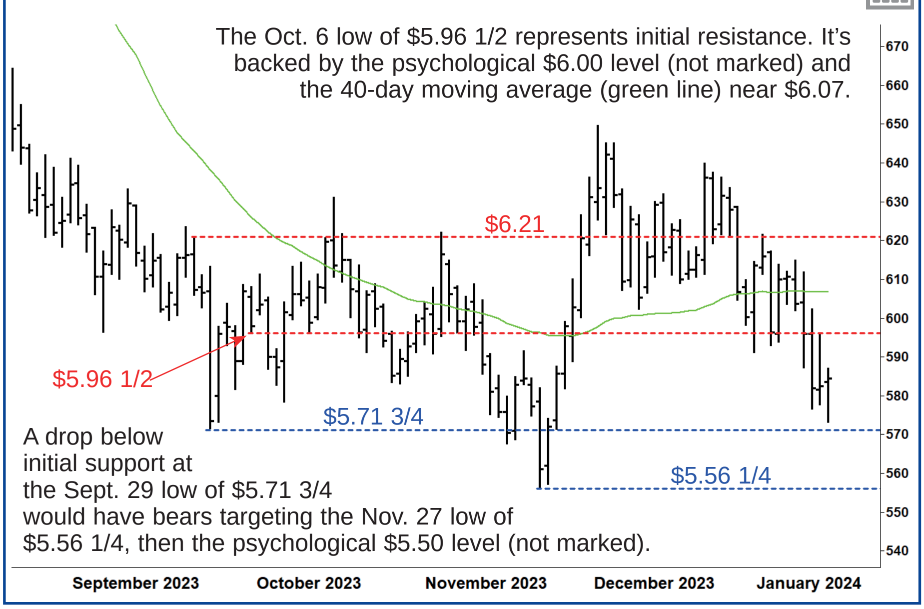


Position Monitor

	'23 crop	'24 crop
Cash-only:	60%	10%
Hedgers (cash sales):	60%	10%
Futures/Options	0%	0%

Game Plan: Wait for an extended push to the upside to get current with advised sales and to increase marketings. The upside is likely limited without a strong move by corn, though we feel downside risk should be limited.

DAILY MARCH SRW WHEAT



WHEAT - Fundamental Analysis

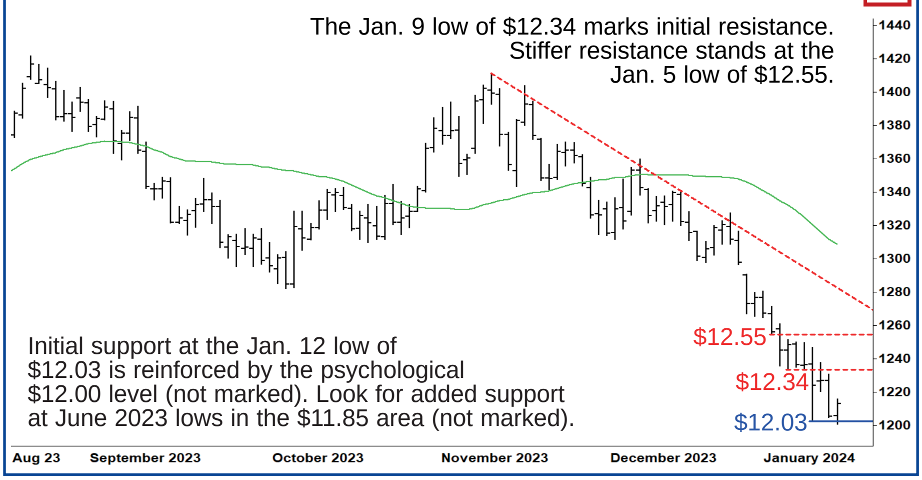
SRW — SRW wheat has seemingly reached value levels, as indicated by futures holding well above the fall lows despite contract lows in the corn and hard wheat markets. Concerns about freeze damage from recent arctic conditions may also have supported prices.

Position Monitor

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

Game Plan: Wait to get current with advised sales. Be prepared to make additional old- and new-crop sales on an extended rally. We are targeting a move to the $13.00 area in March soybean futures to increase old-crop sales. Timing of new-crop sales will be based off old-crop. Seasonally, prices should generally strengthen, though the market hasn't responded to Brazilian crop reductions.

DAILY MARCH SOYBEANS

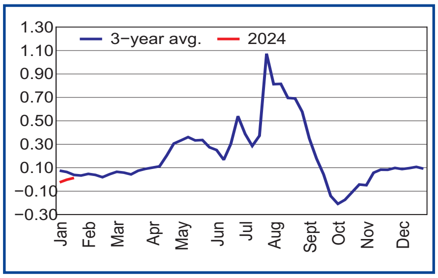


DAILY MAY SOYBEANS

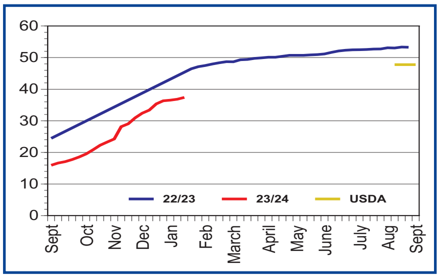
SOYBEANS - Fundamental Analysis

Estimates of the Brazilian soybean crop are declining (see *News page 2*), with private projections leading government (e.g. Conab, USDA) numbers lower. Soybean futures have continued tumbling despite those losses and in the face of the tight domestic situation. USDA boosted 2023-24 carryout above the levels of the past three years, though we expect it to fall to the lowest levels since 2015-16. But nearby futures essentially fell $1.00 between Jan. 1 and Jan. 18. We suspect the market could retrace that breakdown if Brazilian production estimates keep falling and a bullish trigger, such as resurgent exports, is pulled.

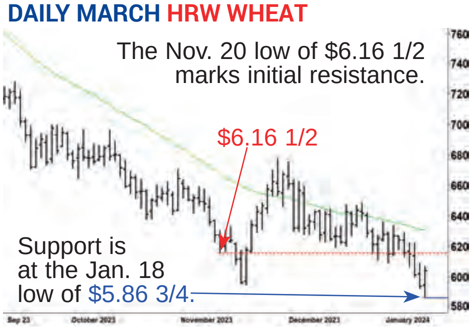
AVERAGE SOYBEAN BASIS (MARCH)



SOYBEAN EXPORT BOOKINGS (MMT)

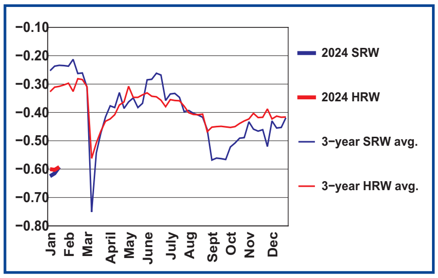


DAILY MARCH HRW WHEAT

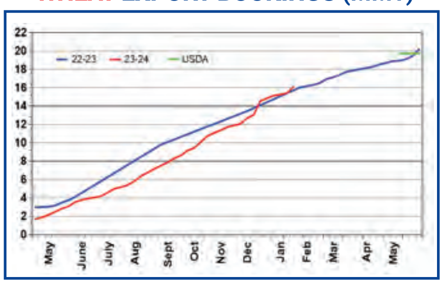


DAILY MARCH HRS WHEAT

AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Having USDA state HRW seedings more than 1.0 million acres below estimates looked supportive of the price outlook, although stocks topped expectations. However, the market also proved vulnerable to corn and soy losses. Even concerns about freeze damage did little to limit the drop. Bulls hope the late-week rebound began a reversal.

HRS — We suspect HRS traders see little need for the market to compete for spring acreage at this juncture, which has prompted selling. Falling corn prices are offering little competition. Reduced winter wheat acreage probably won't directly affect spring plantings, although the prospect of a reduced winter crop may do so.

Position Monitor

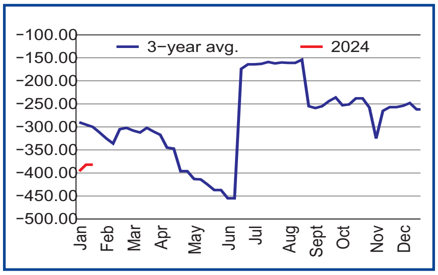
	'23 crop	'24 crop
Cash-only:	60%	0%
Hedgers (cash sales):	60%	0%
Futures/Options	0%	0%

Game Plan: Wait on an extended corrective rebound to advance sales. Given our sales levels, we are targeting a rebound into the mid-80.00¢ area.

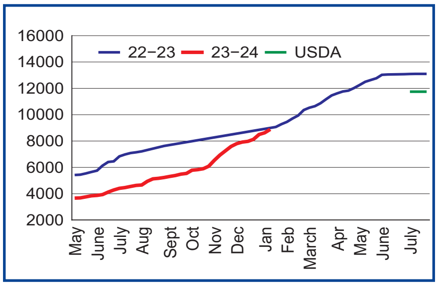
COTTON - Fundamental Analysis

Cotton futures have worked higher since USDA cut its 2023 crop estimate by 342,000 bales. Having domestic production fall for a second straight year is price supportive, but traders have increasingly focused upon reduced demand, which is limiting the upside.

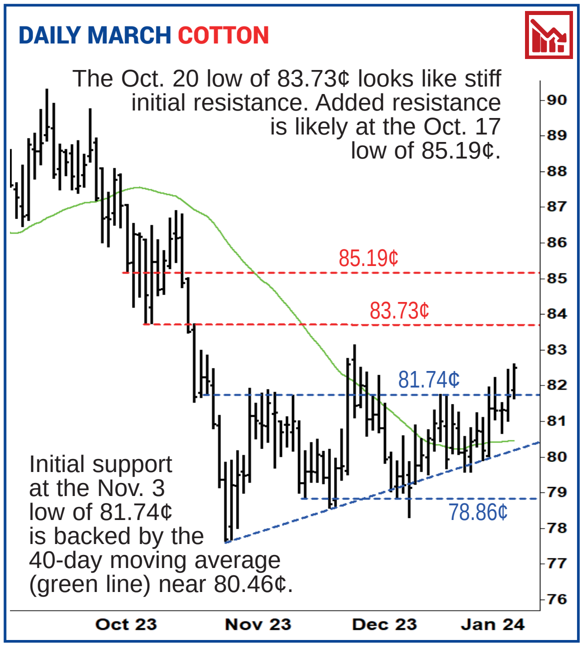
AVERAGE COTTON BASIS (MARCH)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MARCH COTTON



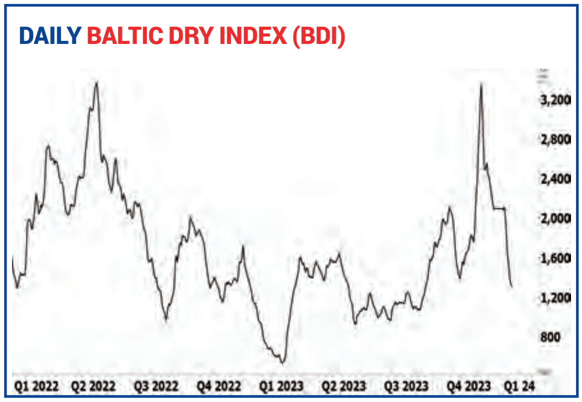
GENERAL OUTLOOK

Ocean shipping: The media and markets have focused heavily upon recent Houthi attacks on Red Sea shipping, with some reports also citing persistent drought limiting activity through the Panama Canal. Much has been said about the threat these bottlenecks, as well as higher insurance rates, may represent for the global economy.

And yet, markets do adjust, which may be reflected by the recent dive in the Baltic Dry Index (BDI). It measures ocean shipping charges and, ultimately, supply and demand for shipping dry goods such as grain and coal.

The BDI reached a 19-month high Dec. 4, then promptly reversed as news of the first Houthi attacks on Dec. 3 spread. This may indicate producers are cutting back on ocean shipments, but we think it is more likely shippers are reducing charges to keep cargoes moving.

DAILY BALTIC DRY INDEX (BDI)



FROM THE BULLPEN By Editor Brian Grete

A lot of (too much) attention after USDA's Jan. 12 reports was placed on the record corn yield estimate of 177.3 bu. per acre. *How could we end up with a record yield given the drought conditions this year?*

But yield is only one component of the production figure. The other component is harvested acres, which USDA cut 583,000 to 86.513 million acres.

What markets *should* pay attention to is production. USDA's "final" 2023 corn production estimate increased 108 million bu. from November to a record 15.342 billion bushels. That's only a 0.7% increase — a virtual rounding error.

The market's "job" will be to find a price that absorbs those extra 108 million bu. and more required to cut ending stocks. With front-month corn futures trading at the lowest level since December 2020, that process should be underway.

Ethanol demand is strengthening (up 50 million bu.), along with feed and residual use (up 25 million bu.). The market has already "found" an extra 75 million bu. of demand through lower prices. And we believe USDA is still too conservative on feed use, with the percent of total supplies the lowest since 2018.

USDA left its corn export forecast unchanged at 2.1 billion bu., but the primary corn shipping season is from now until early May. Export demand must become attention-grabbing over the next three and a half months for corn futures to sharply rally.

WATCH LIST

1	**USDA Cold Storage Report** Frozen meat stocks for December.	**WED 1/24** 2:00 p.m. CT
2	**USDA Export Sales Report** Better sales after the holidays.	**THUR 1/25** 7:30 a.m. CT
3	**U.S. Q4 GDP Data** First estimate of Q4 GDP.	**THUR 1/25** 7:30 a.m. CT
4	**USDA Food Price Outlook** Food price forecasts dropping.	**THUR 1/25** 8:00 a.m. CT
5	**PCE Price Index** Inflation data for December.	**FRI 1/26** 7:30 a.m. CT

Farm Bill and Policy Updates

Read Jim Wiesemeyer's latest updates on the farm bill, USDA programs and much more in his daily Policy Updates report on www.profarmer.com.