



News this week...

- 2 – HRW crop ratings continue to improve; drought recedes.
- 3 – Bullish feedlot, frozen meat stocks data.
- 4 – Vilsack addresses key topics for agriculture.

Corn posts modest corrective gains – Corn futures posted new contract lows early last week before rebounding amid mild corrective buying. Soybean futures traded sideways. Both markets remain at the lowest levels since late 2020 on the continuation chart. Wheat futures posted choppy trade while holding above their recent lows. Funds have amassed a record combined net short position in the corn, soybean and wheat markets, but there must be a catalyst to encourage them to cover shorts to fuel any extended price recovery. Live cattle futures paused as the Cattle on Feed Report failed to trigger fresh buying as traders focused mostly on the cash market, which traded mostly steady. Lean hog futures also paused as traders allowed the seasonally climbing cash index to catch up.

S. American rains through mid-March

Most of Brazil will receive some rainfall over the next two weeks, though amounts could be lighter than normal. Argentina is also forecast to receive rains through mid-March. Overall, conditions will remain mostly favorable for South American crop development short-term. But World Weather Inc. says the longer-term outlook suggests Brazil's safrinha corn crop may face some issues if March rains don't maintain adequate soil moisture levels.

Another stopgap spending measure

Congress passed another short-term spending bill to extend government funding until March 8 for six agencies and March 22 for the other six. The House and Senate must pass six spending bills this week, including USDA funding, to avoid a partial shutdown on March 8 at midnight.

China keeps actively buying milo

Sorghum export sales hit a marketing-year high of 445,500 metric tons (MT) the week ended Feb. 22, with China accounting for 380,500 MT of the total. As we noted in your Feb. 3 newsletter, China has turned its feedgrain purchases to lower-profile sorghum instead of corn. China's 2023-24 export commitments (accumulated exports + outstanding sales) for U.S. corn are down 2.7 million metric tons (MMT) from year-ago, but they are up nearly 3.7 MMT for sorghum.

Spring crop insurance prices plunge

Spring crop insurance prices were established with the average closes in new-crop contracts during February. For the 2024 crop year, the insurance price is \$4.66 for corn (down \$1.25 or 21.2% from last year), \$11.55 for soybeans (down \$2.21 or 16.1%) and \$6.84 for spring wheat (down \$2.03 or 22.9%).

PF acreage survey sent via e-mail

You should have received our annual spring acreage survey via e-mail last week. Please fill out the survey with your current planting intentions. We'll cover results and our acreage forecasts ahead of USDA's March 28 Prospective Plantings Report.

Administration misses SAF deadline

The Biden administration missed its self-imposed March 1 deadline to determine eligible feedstocks for sustainable aviation fuel (SAF) tax credits. An announcement is expected "in the coming weeks." By not announcing details at Commodity Classic, we fear they won't be farmer-friendly. Instead, the administration created EPA's Office of Agriculture and Rural Affairs to expand engagement with rural communities. With farmers facing falling prices and projected negative margins for the 2024 growing season, supportive measures are needed... not a new government office. Ethanol lobby group Growth Energy remains "optimistic the delay is happening for a productive reason."

Stabenow may block new farm bill

Senate Ag Chair Debbie Stabenow (D-Mich.) said she would rather forego a new farm bill than strike a deal with Republicans on repurposing climate-smart ag funding and updates via the Thrifty Food Plan to increase reference prices for Title I farmer safety net programs. USDA Secretary Tom Vilsack again suggested creative uses of Commodity Credit Corporation funds to help overcome the funding impasse in farm bill negotiations (see [News page 4](#)).

RINs fall to three-year lows

Renewable Identification Numbers (RINs) generated from renewable diesel and biodiesel output (D4) and from ethanol production (D6) are both trading at their lowest since 2020. Declining prices of soybean oil are a primary driver behind the slump in RINs, the Energy Information Administration (EIA) said. Rising global production and reduced Chinese demand have boosted soybean stockpiles, while increasing exports from Brazil pressured soyoil prices, EIA noted.

Soyoil use for biofuels rises in Dec.

U.S. soyoil use for biofuels increased to 1.141 billion lbs. in December, including 603 million lbs. for biodiesel and 539 million lbs. for renewable diesel. Since topping 1 billion lbs. in May 2023, soyoil use for biofuels topped year-ago by 28.8%.

AgRural cuts Brazil bean crop forecast

Brazil-based consulting firm AgRural cut its Brazilian soybean crop forecast by 2.4 million metric tons (MMT) to 147.7 MMT, with the latest reductions mainly in Paraná and Mato Grosso do Sul, which suffered from heat and irregular rains in January and part of February.

AgRural estimated Brazil's soybean harvest reached 40% complete as of Feb. 22, ahead of 33% on that date last year. It estimated safrinha corn planting at 73% done, ahead of 56% at this time last year.

South American crop consultant Dr. Michael Cordonnier kept his Brazilian crop estimates unchanged after recent cuts and improved weather. Cordonnier estimates Brazil's production at 145 MMT for soybeans and 112 MMT for corn. He has a neutral to lower bias toward both crops.

Timely precip after rainy season imperative for safrinha corn

World Weather Inc. says the main safrinha corn production areas of Brazil have ample soil moisture to support early season crop development. However, dry weather last week will increase the need for rains for portions of Mato Grosso, Mato Grosso do Sul, and Paraná. The forecaster said, "It will be imperative for the ground to be totally saturated with moisture in mid-April when the rainy season ends. That way the late-planted safrinha crops will have a good chance of developing normally into the reproductive season in May. Otherwise, there may be some moisture stress during reproduction and that could cut into yields a bit. The longer range outlook favors at least a slightly warmer-than-usual bias in April and May."

Argentina crop conditions stable

Recent rains improved soil moisture conditions for Argentina's crops. As of Feb. 29, the Buenos Aires Grain Exchange rated soil moisture as adequate for 73% of the country's soybean acres and 76% of corn area. It rated the Argentine soybean crop 30% good/excellent, 52% fair and 18% poor/very poor. It rated the country's corn crop 30% good/excellent, 57% fair and 13% poor/very poor.

The exchange forecasts Argentina's production at 52.5 MMT for soybeans and 56.5 MMT for corn. After recent rains, Cordonnier kept his Argentine production forecasts at 50 MMT for soybeans and 54 MMT for corn. He has a neutral/lower bias toward both crops.

World Weather notes additional rains are expected across Argentina's main crop areas March 11-15, which should maintain favorable soil moisture.



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HRW crop improves again in February

State-level winter wheat condition ratings signaled more general improvement in the HRW crop over the past month. The "good" to "excellent" ratings for HRW wheat rose three points in Kansas (to 57%), seven points in Oklahoma (70%), four points in Texas (46%), five points in South Dakota (58%) and four points in Montana (45%) during February. The "good" to "excellent" ratings for HRW wheat declined seven points in Colorado (56%) and nine points in Nebraska (60%) over the past month.

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop improved 4.9 points from the end of January to 350.2 and stood 26.9 points above USDA's final national rating at the end of November.

As of Feb. 27, USDA estimated 14% of U.S. winter wheat areas were covered by drought — virtually no D3 or D4 drought.

Winterkill damage from arctic blast likely limited

The blast of arctic temps that hit the central U.S. overnight Feb. 28-29 likely resulted in limited damage to the winter wheat crop, according to World Weather. The forecaster said, "The lack of snow and sub-zero temperatures may have damaged some of the wheat in South Dakota, northern Nebraska and southeastern Montana, especially since winter hardiness was diminished by the warm weather of late. While minor production losses will be possible in areas hit hardest by the bitter cold, overall production potential will remain mostly unchanged."

Russian wheat prices lowest since '20

Russian wheat export prices continued to fall, hitting their lowest since late 2020. The price of 12.5% protein Russian wheat scheduled for free-on-board (FOB) delivery between late March and early April fell to \$216-\$220 per metric ton. SovEcon said Russian wheat prices "still need to go lower to compete with European wheat."

SovEcon estimates Russia exported 4.6 MMT of grain in February, including 3.8 MMT of wheat which was a record for the month. SovEcon expects Russia's wheat exports to remain strong short-term as exporters will likely cut prices to improve competitiveness on the global market.

Aussie weather to trend warmer, drier

Many areas of Australia are likely to experience warmer- and drier-than-normal weather from March to May. The Australian Bureau of Meteorology said most of Australia has at least an 80% chance of above-average temperatures during the period, with 60% to 75% odds of below-normal rainfall over eastern areas of the country. Australia's wheat planting typically starts in early April.

USDA raises FY 2024 ag exports, imports

USDA now forecasts fiscal year (FY) 2024 ag exports at \$170.5 billion, up \$1.0 billion from the November outlook, but still down \$8.2 billion from FY 2023. Higher projections for exports of livestock and dairy, as well as grains and feeds, more than offset reductions for oilseeds and products. U.S. ag imports in FY 2024 are now expected to reach a record \$201.0 billion, up \$1.0 billion from the November projection and a \$5.6 billion increase from FY 2023. The new forecasts would result in a record ag trade deficit of \$30.5 billion in FY 2024, unchanged from the November outlook, but a significant rise from the \$16.7 billion deficit in FY 2023.

Key highlights for ag trade outlook:

- China will remain the largest market for U.S. ag exports at \$28.7 billion, though that was an \$800-million reduction from the previous outlook, largely due to strong South American competition on soybeans and corn.
- A relatively strong U.S. dollar is expected to expand imports while presenting challenges for exports.
- Rising ocean freight and shipping costs, attributed to low water levels in the Panama Canal and geopolitical tensions, also play a negative role in the trade outlook.

USDA notably raises food price outlook

USDA now expects food prices to increase 2.9% in 2024, a significant jump from the previous outlook of just 1.3%. Grocery prices are projected to rise 1.6%, returning to an upward trend after briefly being forecast to fall. Restaurant prices are also expected to accelerate, with a projected increase of 5% in 2024, the highest forecast so far.

Despite these forecasts, food prices are expected to rise less than the 20-year averages. While significant, the increases remain below those seen the past two years. The rise in food prices in 2022 was the highest in more than 40 years.

DMC program updates, enrollment begins

Enrollment in the 2024 Dairy Margin Coverage (DMC) program began Feb. 28 and runs until April 29. FSA will allow eligible dairy operations to make a one-time adjustment to their established production history. This adjustment involves combining previously established supplemental production history with DMC production history for dairy operations that participated in the Supplemental Dairy Margin Coverage in prior coverage years. Additionally, DMC has been extended through calendar year 2024.

Farm groups urge USDA action on milk pricing issue

Top farm groups want USDA to expedite an interim rule-making process to revert the Class I milk pricing formula to its pre-2018 version. The current formula averages the prices of Class III and Class IV milk, whereas the previous formula paid farmers based on the higher of the two prices.

Placements fall less than expected

USDA estimated there were 11.797 million head of cattle in large feedlots (1,000-plus head) as of Feb. 1, up 43,000 head (0.4%) from year-ago. That marked the fifth straight month of year-over-year increases in feedlot numbers, due mostly to the sharp declines last year. January placements dropped 7.4% from year-ago and were the lowest for the month since 2016, while marketings inched down 0.1%.

Cattle on Feed Report	USDA actual (% of year-ago)	Average estimate (% of year-ago)
On Feed Feb. 1	100.4	100.1
Placed in Jan.	92.6	88.4
Mkted in Jan.	99.9	99.8

The underlying data in the report is bullish as there continues to be a tightening supply of cattle moving into feedlots — a trend that will

continue. But that may not be all good news.

Greg Henderson of *Drovers* told us, “There aren’t enough feeder cattle out there to maintain feedlot inventories, which will inevitably decrease in the coming months. That means packers will continue to struggle with negative margins and they may keep reducing their weekly kills. Tight supplies mean better prices for ranchers and feeders, but it’s never a good sign when your customer — packers — are in a long-term negative margin crunch.”

Bullish frozen meat inventories

USDA’s Cold Storage Report showed beef stocks at the end of January totaled 475.4 million lbs., down 4.9 million lbs. from December, whereas the five-year average was a 2.9-million-lb. increase during the month. That was the lowest January beef inventory since 2014. Beef stocks fell 59.8 million lbs. (11.2%) from January 2023 and were 40.1 million lbs. (7.8%) below the five-year average. Beef supplies will continue to decline amid reduced cattle numbers.

Pork stocks rose 40.6 million lbs. during January to 468.0 million lbs., less than the five-year average increase of 48.6 million lbs. during the month. Pork stocks declined 51.1 million lbs. (9.8%) from January 2023 and were 51.8 million lbs. (10.0%) lower than the five-year average. Pork stocks typically build through winter before declining amid seasonally smaller slaughters.

Chicken breast meat inventories declined 5.8 million lbs. from last year’s record to 235.4 million pounds.

Canadian livestock herds contract

On Jan. 1, Canadian farmers held 11.1 million cattle and calves on farms, down 2.1% from a year prior, Statistics Canada reported, the smallest cattle herd since 1989. Producers held 0.7% fewer feeder heifers, 0.2% fewer steers and 3% fewer calves compared with Jan. 1, 2023.

The number of hogs in Canada as of Jan. 1 fell to 13.76 million head, down 1% from a year earlier and the lowest since 2016. Reductions were especially large in eastern Canada.

Vilsack addresses key issues at Senate hearing

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

During a Senate Ag panel hearing, USDA Secretary Tom Vilsack addressed key issues, including California's Proposition 12, utilizing the Commodity Credit Corporation (CCC) authority to potentially raise reference prices in a new farm bill, crop insurance and climate-smart agriculture practices.

Farmer safety-net programs key focus of hearing

Sen. John Boozman (R-Ark.) raised concerns about the steep decline in farm incomes and questioned Vilsack about using CCC authority to address farm safety net shortcomings. Vilsack clarified his willingness to use CCC funding in a creative way.

Vilsack said, "What I said was that I'd be happy to work with Congress to find a creative way to utilize the resources of the CCC to address some of the concerns you all have relative to reference prices, as I did when you requested trade and international food assistance."

Focus beyond farm bill and crop insurance

Vilsack said the focus also needs to be on the Inflation Reduction Act (IRA), CCC, the annual budget, local and regional food systems and alternative revenue streams. He added support for initiatives to improve price discovery, transparency and processing capacity at the local and regional levels, including the cattle contract library.

Hoeven stresses farm bill focus on production ag

"We've got to get it right for production agriculture" in the new farm bill, said Sen. John Hoeven (R-N.D.). Vilsack warned against dipping into SNAP or climate-smart funding to pay for the Republican priorities of raising reference prices, which would make it easier to trigger crop subsidy payments, and broadening the crop insurance program, the largest source of farm assistance.

"That's where I think you have some challenges, which is why we must be more creative than that," said Vilsack.

California Prop 12 raised by several lawmakers

Boozman cited concerns about California's Prop 12 and potential marketplace disruptions. Vilsack stressed the need for consistency and clarity in ag regulations to avoid chaos for farmers. Sen. Mike Braun (R-Ind.) cited worries about one state's regulations becoming a de facto standard for the entire country and emphasized the need to balance regulatory consistency with allowing for region-

al differences. Vilsack agreed the U.S. Supreme Court decision on Prop 12 sets the stage for potential issues for the U.S. hog sector but did not offer any suggestions as to how to address that legislatively. Instead, he touted the Biden administration's efforts in expanding meat processing capacity at the local level.

Vilsack likened the situation with Prop 12 and Question 3 in Massachusetts to the initial start of the U.S. where states were initially given the ability to make decisions. "It was chaos," Vilsack said. "I don't think the Supreme Court, when it decided that pork producers had a choice to participate in the California market or not, understood the pork market."

Booker challenges Vilsack's Prop 12 remarks

Sen. Corey Booker (D-N.J.) said states should be allowed to set their own rules. "I have no problem with the state essentially directing how their farmers in that state should operate," Vilsack replied, "The challenge is when they try to extend that to other producers and the court basically made the decision that this wasn't going to discriminate against hog producers because they had a choice."

Other nuggets from the hearing

- **Regarding the Packers and Stockyards Act**, Vilsack acknowledged the need to craft rules that address concerns raised by courts while striving for a balanced marketplace for producers.

- **Dead zone in Gulf of Mexico**. Vilsack cited efforts to expand conservation programs, promote precision ag and incentivize climate-smart practices to reduce nutrient runoff and improve soil health. With precision ag, Vilsack said there can be a better understanding of whether land needs nutrients or not. "I've been told perhaps as many as 30% of our corn acres in Iowa and Illinois may not require any fertilizer at all, so we would see a reduction in the use of that," he said.

- **Foreign ownership of ag land in the U.S.**, particularly by countries like China. While foreign ownership represents a small percentage, the accuracy of reporting is uncertain, Vilsack said. He noted China's limited land ownership and emphasized the need for transparency and security considerations of land purchases near defense installations. Vilsack supports a legislative proposal but emphasized the limitations of the current self-reporting system and cautioned against expecting major improvements without addressing this issue.

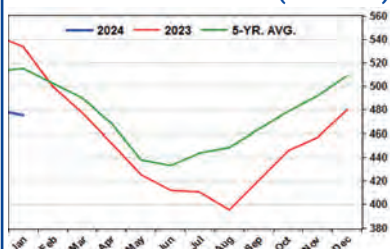
CATTLE - Fundamental Analysis

Beef and pork stockpiles aren't nearly as important to those markets as they are to crop products. But the stocks published in the monthly USDA Cold Storage Report (see *News* page 3) serve as gauges of supply and demand forces. The latest numbers were supportive of the fed cattle outlook, since the Dec. 31, 2023 total was revised 4.8 million lbs. lower. Also, having the Jan. 31 total post a monthly decline rather than a modest rise as implied by the five-year average reflects robust consumer demand. We don't see that changing this spring, and expect sustained seasonal gains into and possibly through April.

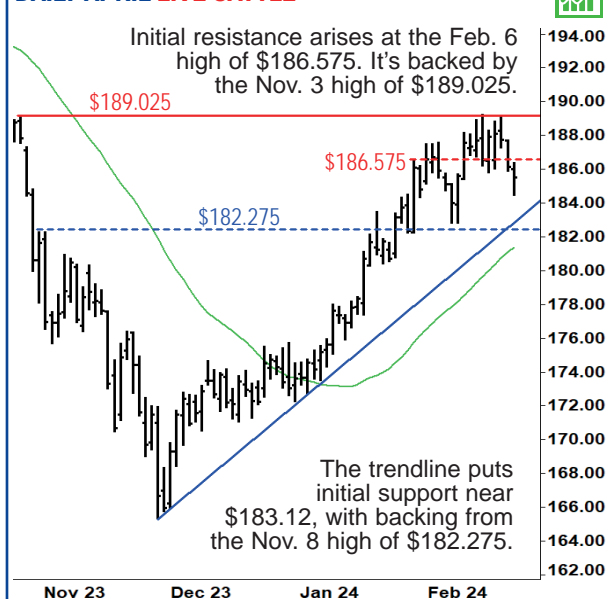
Position Monitor

Game Plan:	Feds Feeders	
Downside	I'24	0%
risk for fu-	II'24	0%
tures should	III'24	0%
	IV'24	0%
be relatively limited given bullish cash fundamentals. Hedges would only be advised if premiums get too wide.		

MONTHLY BEEF STOCKS (MIL. LBS.)



DAILY APRIL LIVE CATTLE



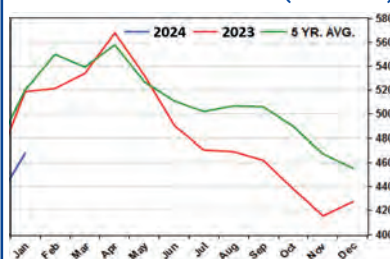
HOGS - Fundamental Analysis

Despite January pork production topping the year-ago total by 2.0%, the post-holiday surge in domestic stocks fell about 8 million lbs. short of the five-year average. This confirms ideas demand from domestic consumers and export customers remains quite strong. Moreover, ham stocks rose just 19.2 million lbs. during January and posted their lowest total for the month since 2010. We still think grocers plan to actively feature hams at Easter, with the combination of low stocks and vigorous demand likely to power sustained gains through March. We suspect short-term downside risk is limited.

Position Monitor

Game Plan:	Lean Hogs	
Main-	I'24	0%
tain risk in the	II'24	0%
rising cash mar-	III'24	0%
ket for now. Be	IV'24	0%
prepared to add short-term spring hedge coverage if the premium in April futures gets too wide.		

MONTHLY PORK STOCKS (MIL. LBS.)



DAILY APRIL LEAN HOGS



FEED

Feed Monitor

Corn

I'24	100%
II'24	0%
III'24	0%
IV'24	0%

Corn Game Plan: On Feb. 28, we advised extending cash corn-for-feed coverage another month through March. We don't want to get more aggressive in extending coverage until the market signals a major low.

Meal

I'24	100%
II'24	0%
III'24	0%
IV'24	0%

Meal Game Plan: On Feb. 28, we advised extending cash soymeal coverage another month through March. Wait on a major low before aggressively extending coverage.

DAILY MAY SOYBEAN MEAL

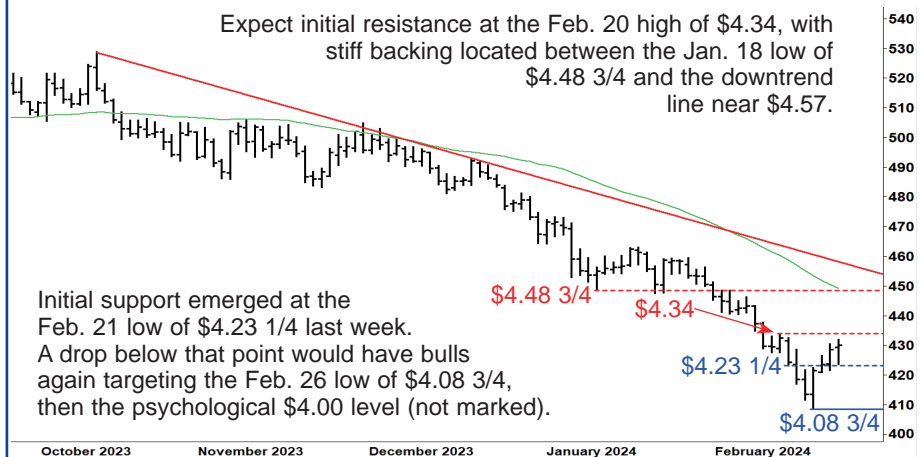


Position Monitor

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

Game Plan: The downside is overdone and funds are heavily short, so the market is ripe for a correction. But given current fundamentals and heavy on-farm inventories, extended price rallies will be limited unless there are serious issues with Brazil's safrinha corn crop. Be prepared to actively advance 2023-crop sales and make initial 2024-crop sales on a 20¢ to 30¢ rally in May corn futures.

DAILY MAY CORN



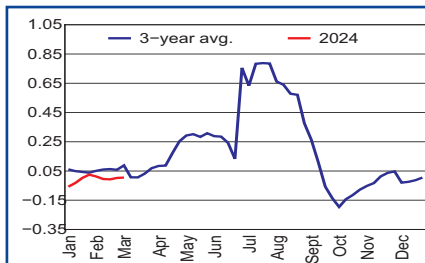
DAILY DECEMBER CORN



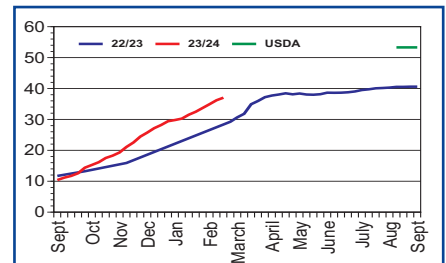
CORN - Fundamental Analysis

U.S. export sales for the week ended Feb. 22 topped 1 million metric tons for the fifth time in seven weeks, though that wasn't enough to encourage funds to actively cover short positions. Argentina's crop weather looks set to support a large harvest, whereas Brazil's safrinha crop has the potential to fall well short of last year's record. But a big reduction is not assured, thereby keeping funds comfortable with their record next short position. Last week's advance in these circumstances suggest the market is trying to bottom, but fresh fund selling could cause a retest of late-February lows. Develop plans to increase crop sales when an extended rally occurs.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)

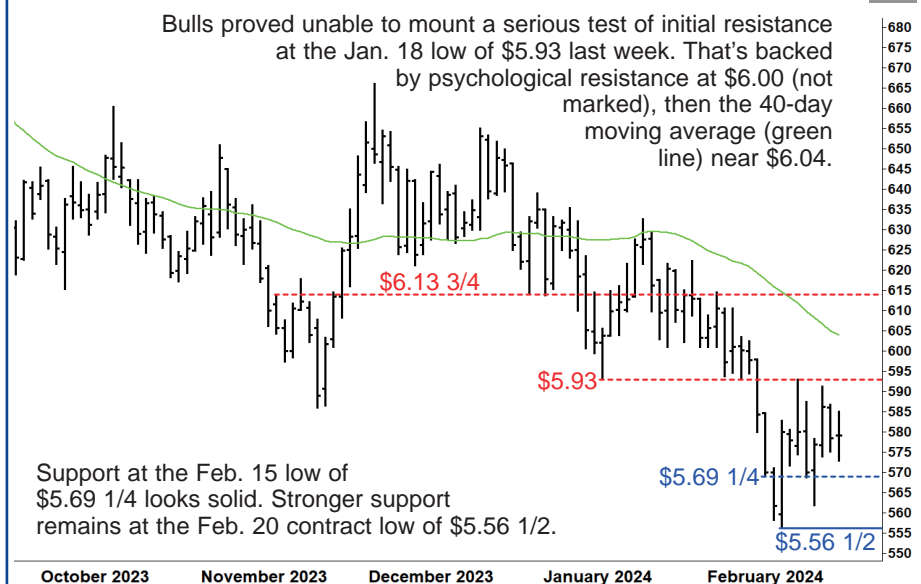


Position Monitor

	'23 crop	'24 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

Game Plan: Get current with advised sales on periods of extended price strength. We are targeting a rally of 15¢ to 25¢ to extend old-crop sales and advance 2024-crop marketings. Corn likely needs to lead a rally in wheat.

DAILY JULY SRW WHEAT



WHEAT - Fundamental Analysis

SRW — The corn market's recent rebound likely provided underlying support for wheat futures. However, improved winter ratings and downward pressure on Russian prices (see [News page 2](#)) suggest limited upside potential. Be ready to increase sales on short-term rallies.

Position Monitor

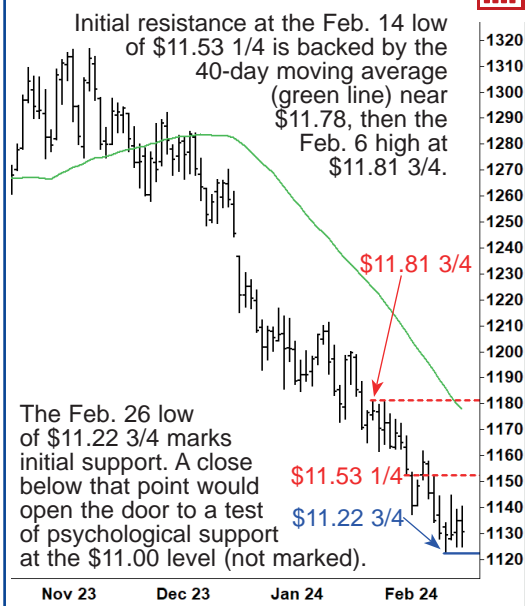
	'23 crop	'24 crop
Cash-only:	50%	10%
Hedgers (cash sales):	55%	10%
Futures/Options	0%	0%

Game Plan: While the market has been beaten down, the path of least resistance remains down and funds could add to their net short position. Be prepared to make additional old- and new-crop sales on an extended rally. With active farmer selling likely on a price rebound, we are targeting a corrective rally of 60¢ to 70¢ to advance sales. Timing of new-crop sales will be based off old-crop.

DAILY MAY SOYBEANS



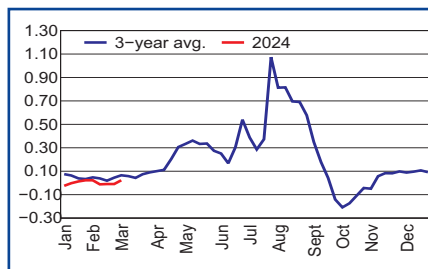
DAILY NOVEMBER SOYBEANS



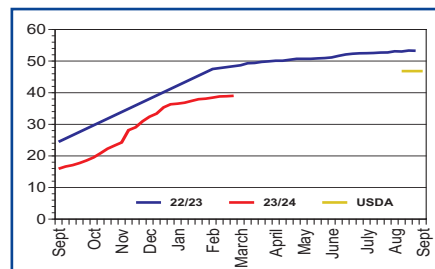
SOYBEANS - Fundamental Analysis

The soy complex appears to be lagging across the board. Soybeans remained weak last week despite the tight domestic situation. Soymeal futures made fresh lows before bouncing on good weekly export sales. Both crude and palm oil have been working higher lately, whereas soyoil tested recent lows again last week. This seemingly reflects Brazil's huge supply and comparative advantage in shipping beans to global customers. One might argue expectations for a big 2024 U.S. crop are also depressing prices, but May lost 20¢ to new-crop November in late February. We suspect soybeans will rally during spring, but there's little sign of a bottom at the moment.

AVERAGE SOYBEAN BASIS (MARCH)



SOYBEAN EXPORT BOOKINGS (MMT)



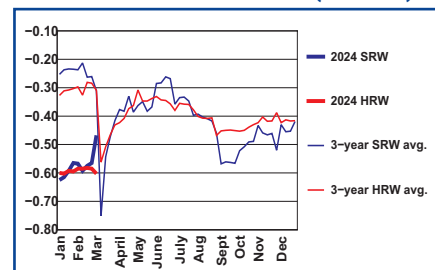
DAILY JULY HRW WHEAT



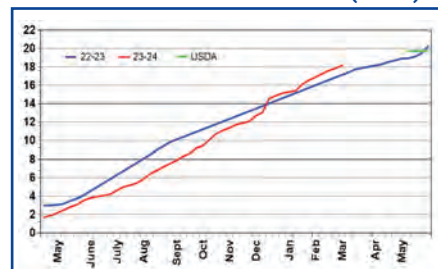
DAILY SEPTEMBER HRS WHEAT



AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



HRW — The latest state crop condition ratings indicated continued improvement of the HRW crop this winter. Conversely, frigid late-February conditions over the Northern Plains reportedly did little damage to the crop. HRW futures are holding up, though the market needs bullish news to fuel a notable price recovery.

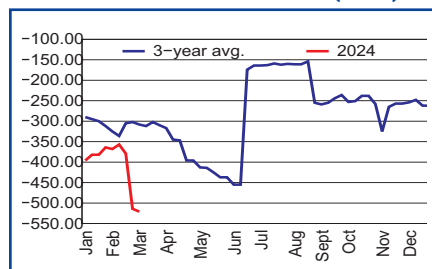
HRS — Recent corn and winter wheat firmness seems to be offering spillover support for HRS futures, but the latter has proven comparatively weak. Concerns about Russian weakness and its implications for global prices may be weighing on the market. HRS traders likely need to see a triggering event before covering short positions.

Position Monitor

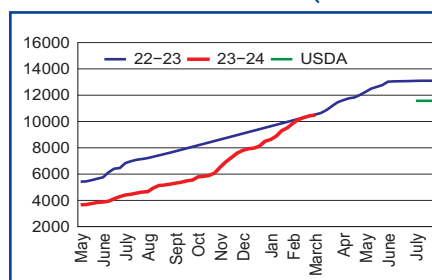
	'23 crop	'24 crop
Cash-only:	90%	25%
Hedgers (cash sales):	90%	25%
Futures/Options	0%	0%

Game Plan: On Feb. 28, we advised 2023- and 2024-crop sales to take advantage of the strong rally. Old-crop inventories are down to gambling stocks.

AVERAGE COTTON BASIS (MAY)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MAY COTTON



COTTON - Fundamental Analysis

Cotton futures seem vulnerable to a short-term setback in the wake of last week's spike to 18-month highs. That looked especially true after the weekly USDA Export Sales Report indicated sales fell sharply in mid-February. Get current with advised sales.

GENERAL OUTLOOK

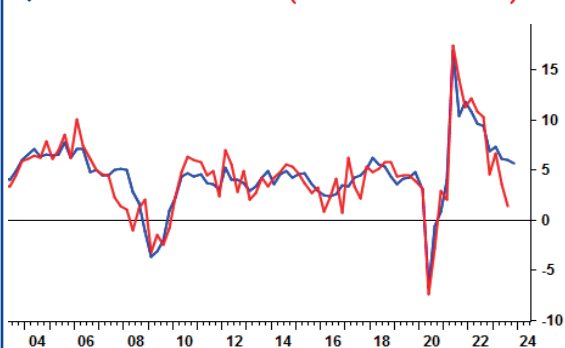
ECONOMY: Last week's revision of fourth-quarter U.S. economic growth showed GDP up 3.2% year-on-year, versus the initial reading of a 3.3% rise. The fourth quarter personal consumption expenditures (PCE) price index increased 1.8% annually, versus the 1.7% gain in the advance report.

Disposable personal income rose 4.0%, slightly down from the initial reading. Real disposable personal income

increased 2.2%, also a slight downward revision from the initial figure.

The chart shows the disparity between GDP and Gross Domestic Income (GDI) surged late last year, hinting economic growth was not as robust as the GDP number implied. However, the latest figures in last week's report suggest personal income and GDP are moving more in line with historical norms.

QUARTERLY GDP VS. GDI (% ANNUAL CHANGE)



FROM THE BULLPEN By Editor Brian Grete

Many, including us, have been impatiently awaiting an overdue price recovery to increase 2023-crop corn and soybean sales. That hasn't developed as funds have amassed a record combined net short position in these markets.

As of Dec. 1, 7.830 billion bu. of corn and 1.453 billion bu. of soybeans were stored on-farm. Little of that inventory has moved as the drop in corn and soybean prices has been persistent since then.

Prices will eventually bottom and a corrective rebound will ensue. But with a lot of corn and soybeans held on-farm, farmer selling is likely to be active on rallies.

With that in mind, you must be prepared to move quickly on advancing old-crop sales when an eventual rally emerges.

We are targeting a 20¢ to 30¢ rally in May corn futures and a 60¢ to 70¢ rebound in May soybeans to increase sales.

While it's easy to become disgruntled with the old-crop situation, you also can't ignore 2024-crop sales. Projected production margins are negative for corn in 2024. They are slightly better for soybeans — and could be profitable in some scenarios. That may not only alter what you intend to plant this year, but also your marketing plans.

Your focus should be on making new-crop sales when markets offer the opportunity to lock in bushels at breakeven or higher. Because of current negative production margins, you must be more aggressive than normal when making such sales.

WATCH LIST

1	China Trade Data Combined data for Jan./Feb.	WED 3/6 10:30 p.m. CT
2	USDA Export Sales Report Corn sales need to pick up.	THUR 3/7 7:30 a.m. CT
3	U.S. Ag Trade Data Ag exports, imports for January.	THUR 3/7 10:00 a.m. CT
4	Employment Data Will U.S. labor market stay strong?	FRI 3/8 7:30 a.m. CT
5	USDA S&D Report U.S. usage changes, global prod.	FRI 3/8 11:00 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.