

Producer Wire

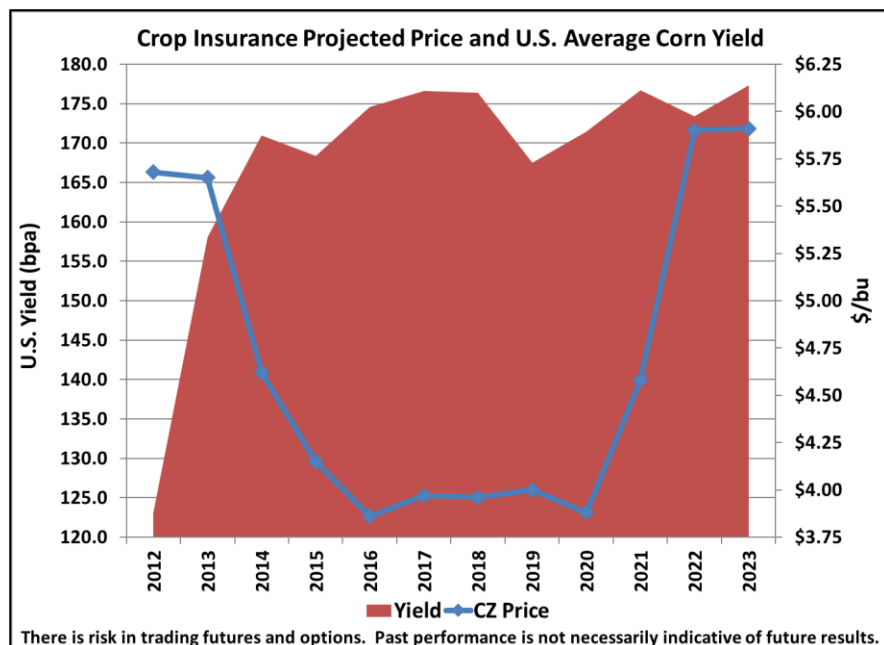
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Maintain Market Flexibility as Projected Price Crop Insurance Period Begins

The period for establishing projected prices for 2024 crop insurance for corn and soybeans begins Feb. 1. Current indications are the averages for December 2024 corn futures and November 2024 soybean futures could be well below 2023, but much could change. Crop insurance is an integral part of a comprehensive production plan but should be incorporated in conjunction with a risk management strategy that provides market flexibility. Close consultation with your *Advance Trading* advisor is prudent in the execution of a 2024 marketing program.



Highlights

Crop insurance projected prices for corn and soybeans to be established in February

Implementation of a flexible risk management strategy should be incorporated in conjunction with crop insurance

At current cash prices, losses for a cattle feedyard not hedging ranged from \$397.76 to \$439.34/head

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Kansas cash cattle prices were up \$1.29 cwt from last week at \$173.05 projected a loss of \$397.76 to \$439.34 per head depending on how the feed was purchased. Projections indicate a profit for un-hedged producers.

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EGGS/POULTRY

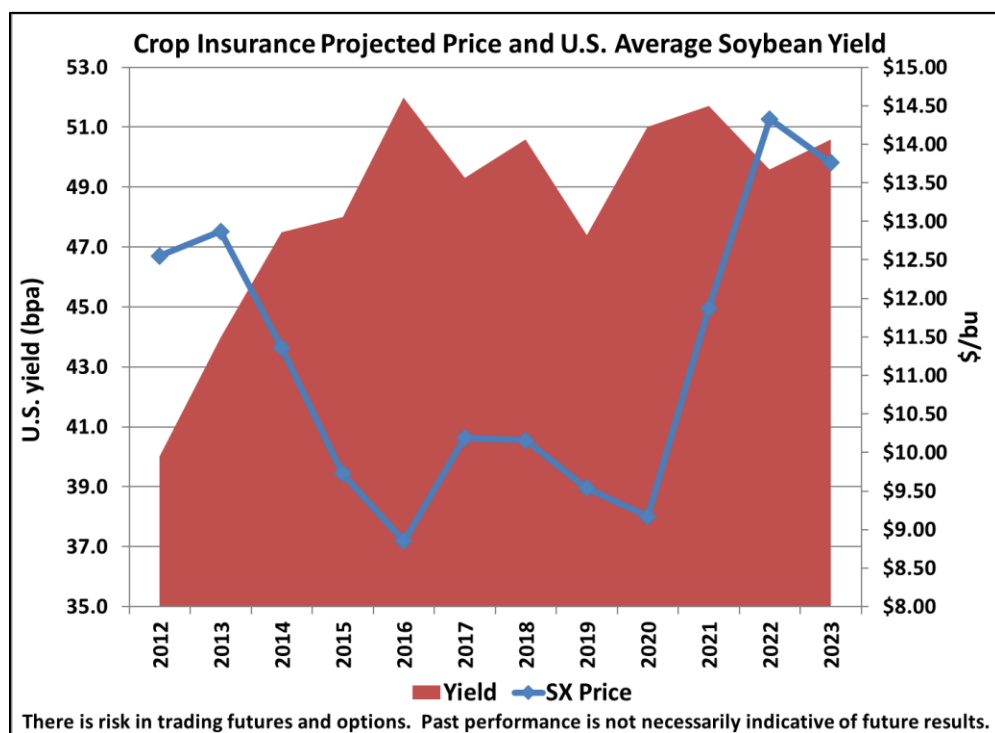
Egg prices were down 10.3 cents from last week at 169.3 cents/dozen and were above estimated production costs. Total production costs were down 0.5 cents/dozen from the week before at 65.4 cents/dozen. With this, producer margins were positive 104.0 cents/dozen.

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Ethanol grind: 818,000 barrel/day for week ending Jan. 19—down 22.4% vs. last week and down 19.2% vs. 2023

Projected prices for 2024 crop insurance to be established during February

The period for establishing projected prices for 2024 crop insurance begins Feb. 1 for corn and soybeans. For corn, the projected price will be the average of December 2024 corn futures for the month of February, while the average of November 2024 soybean futures for the month will generate the projected price for beans. Current indications are the averages for December corn and November beans could be well below 2023. Much could change, however, over the next several weeks. Soybean production estimates from Brazil seem to be declining, although production prospects remain optimistic in Argentina. Plus, the USDA on Feb. 8 will release an updated Supply/Demand report. Finally, the USDA at its annual Agricultural Outlook Forum on Feb. 15-16 will release updated U.S. balance sheets for 2024/25.



To provide perspective on the recent trends, the charts on the first page (corn) and above (soybean) plot the projected price for a crop year along with the corresponding final U.S. yield. For example, the projected price for corn in 2023 was \$5.91 while the final yield was a record 177.3 bushel per acre. For soybeans, the projected price a year ago was \$13.76 and the final yield was 50.6 bpa. Corn and soybean projected prices trended higher from 2021-2023 as ending stocks tightened from previous years. For example, the projected price for corn in 2020 was only \$3.88, while the price for beans that year was \$9.17. Since 2013, the national U.S. corn average corn yield has increased 12% while the national average soybean yield has risen 15%.

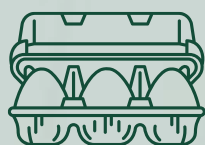
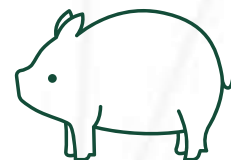
Crop insurance is an integral part of a comprehensive production plan but should be incorporated in conjunction with a risk management strategy that provides market flexibility. Close consultation with your *Advance Trading* advisor is prudent in the preparation and execution of a 2024 marketing program.

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The average cash price for 750-pound feeder cattle was up \$6.80 from the week before at \$239.30/cwt. Expected corn costs were down \$0.11 from the week before at \$5.82/bushel. At these levels, we pencil a breakeven price of \$192.39/cwt, up \$3.75 /cwt from the week before. With cash cattle in June projected to be \$176.43 /cwt, a feedyard could expect a loss of \$199.51 per head.

The Iowa/So. Minnesota weekly average price was up \$0.45/cwt from the week before to \$34.38/cwt. At this price, our calculations indicate a typical Iowa hog producer with un-hedged hogs projected a loss of \$50.93 to \$60.33 per head, depending on how the feed was purchased. A sow bred today would farrow a pig in May and with estimated corn costs up \$0.03 at \$4.42/bushel and soybean meal cost down \$10.60 to \$356.50/ton, expected production costs are \$52.28/cwt to raise the pig to a live market weight in November. With cash hogs projected to be \$69.24/cwt, a pork producer would have a profit of \$42.40/cwt.



Broiler egg sets during the latest reported week were above last year's levels. Egg sets during the week ending 01/13/24 were down 0.03% from the week before. Egg sets were up 0.3% from a year ago and average egg set over the last four weeks is down 0.4% from last year. Egg sets were above the 5-year average for this time of year. Last week's egg set was 1.4% more than the average set for this time for 2019 through 2023 and over the last four weeks, egg sets have averaged 1.5% above the five-year average. Chick placements were down 0.1% from year ago levels. Placements during the latest week were up 0.01% from last week and placements over the last four weeks were down 0.4%.

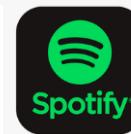
Chicken prices were down \$0.04 from last week remaining higher than estimated production costs. Income from both whole broilers and further processed birds was \$5.66 per bird. Our estimates indicate feed, growout costs and processing for an average integrator were down \$0.03 from last week at \$3.50 per bird. With this, estimated returns were down \$0.01 from the week before at \$2.16 per bird.



Ethanol grind: 818,000 barrels/day for the week ending Jan. 19—down 22.4% vs. last week and down 19.2% versus 2023. Stocks were 25.815 mb, up 0.120 mb from the prior week and up 0.738 mb versus last year.

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