Commodity Outlook

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Commodity Market Outlook Summary

- Cattle – meat supplies are high, demand is strong, & so is trade. Herd liquidation…
- Corn – plentiful but tightening... Risk premium? Soybeans almost back to being the market leader.
- Hay – northern & western drought.
- Wheat – plentiful worldwide tightening & much tighter domestic.
- Economy – how long does the flux stay in flux?

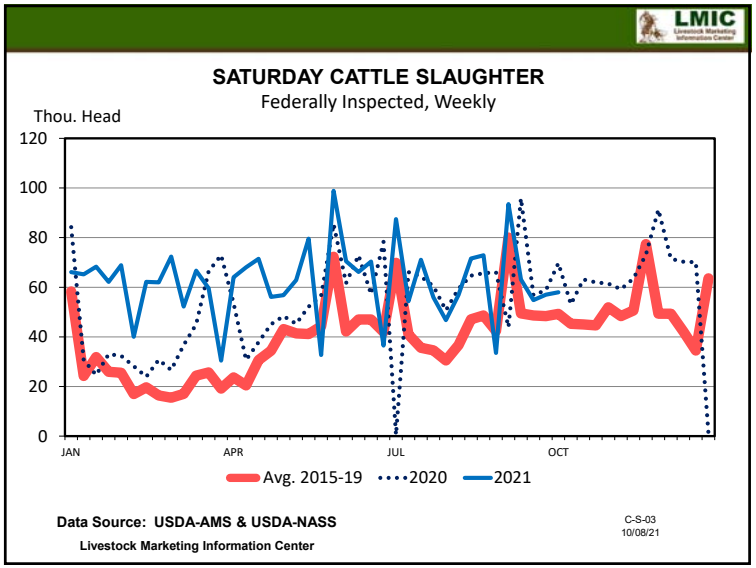
10/08/21	Corn	Wheat	KCW	Soybeans	Fed	Feeder	Hogs	Milk
OCT21					$125.575	$159.475	$90.250	$18.03
NOV				$12.4300		$161.150		$18.77
DEC	$5.3050	$7.3400	$7.3750		$130.250		$81.500	$18.31
JAN22				$12.5425		$161.125		$17.91
FEB					$134.800		$83.875	$17.93
MAR	$5.3950	$7.4725	$7.4575	$12.6375		$161.675		$17.94
APR					$137.675	$163.925	$87.000	$17.98
MAY	$5.4475	$7.5100	$7.4875	$12.7250		$165.550	$90.850	$18.05
JUN					$132.525		$95.425	$18.13
JUL	$5.4550	$7.3825	$7.4275	$12.7750			$95.225	$18.13
AUG				$12.7375	$131.300	$172.175	$93.350	$18.19
SEP	$5.2900	$7.4050	$7.4500	$12.5550		$172.650		$18.17
OCT					$134.025		$78.975	$18.15
NOV				$12.4925				$18.02
DEC	$5.2575	$7.4550	$7.5175		$137.250		$72.750	$17.82
JUL23	$5.3325	$7.2325	$7.2250	$12.3050				
NOV23				$11.9450				
DEC23	$4.8575							
JUL24	$4.9425	$7.0225	$6.5525	$11.8800				
NOV24				$11.4350				
DEC24	$4.4975							

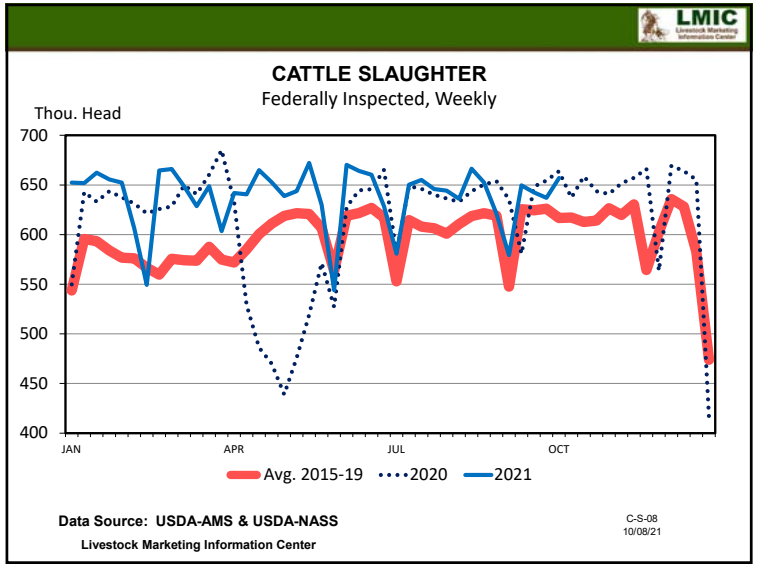
Quarterly Cattle Price Forecasts

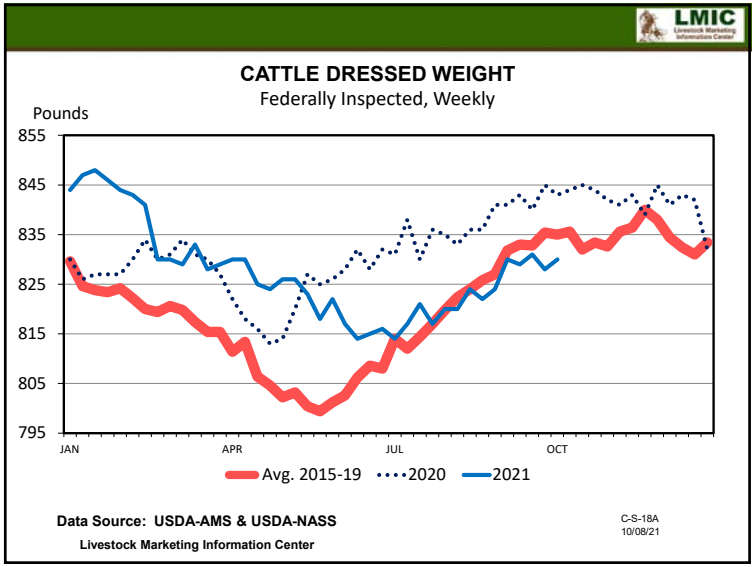
Date	Fed Cattle	7-800# Feeder	5-600# Calf
2021: IV	$126-128	$154-156	$167-169
2022: I	$127-130	$153-156	$167-170
2022: II	$132-136	$154-159	$172-176
2022: III	$122-130	$157-167	$179-189
2022: IV	$126-134	$155-165	$177-187
2023: I	$134-144	$163-173	$179-189
2023: II	$137-147	$165-175	$187-197
2023: III	$127-142	$170-185	$199-214
2023: IV	$132-147	$175-190	$205-220

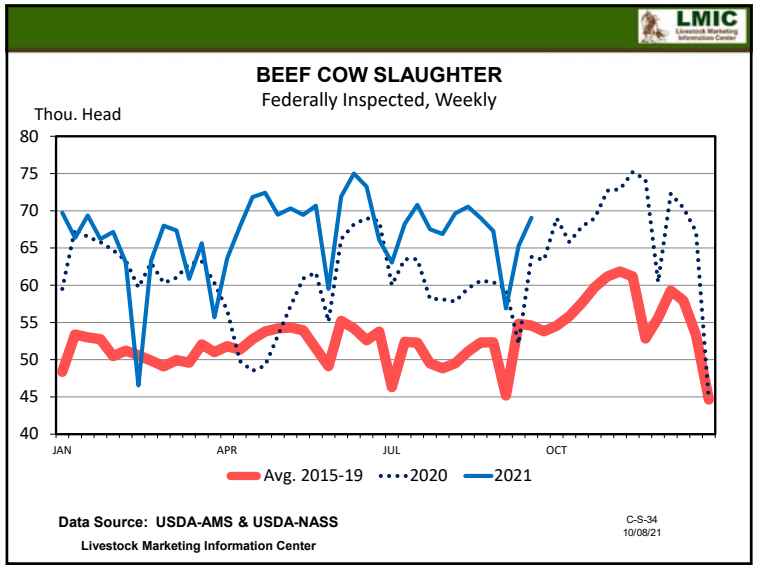
Meat Quantity Forecasts

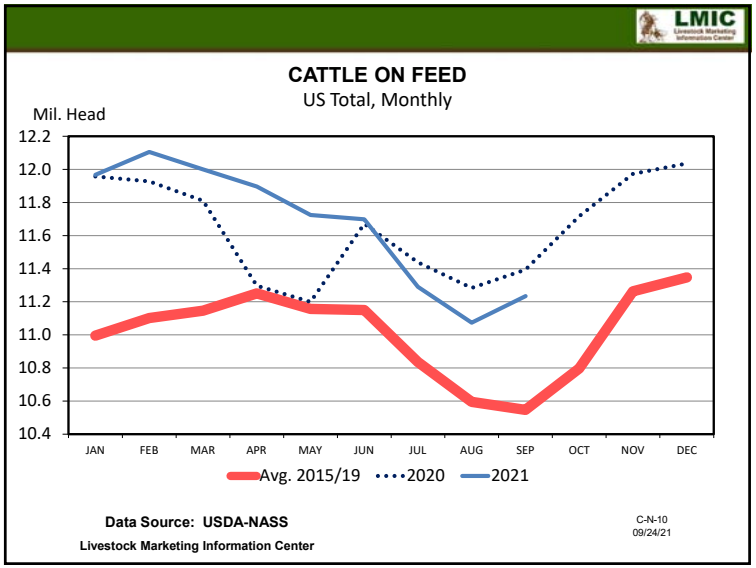
Date	Beef Slghtr	Beef Wght	Beef Prdctn	Beef Cnsmp	Pork Slghtr	Pork Wght	Pork Prdctn	Pork Cnsmp
2021: IV	-4.0%	-1.1%	-5.0%	-4.3%	-2.2%	-0.3%	-2.4%	-4.3%
2021	+1.8%	-0.5%	+1.3%	-0.8%	-1.5%	-0.2%	-1.6%	-3.4%
2022: I	-2.1%	+0.3%	-1.8%	-2.2%	+0.1%	+0.2%	+0.3%	-0.2%
2022: II	-3.0%	+0.6%	-2.4%	-4.8%	+0.2%	+0.2%	+0.5%	-0.8%
2022: III	-3.6%	+0.7%	-2.9%	-3.6%	+0.2%	+0.3%	+0.5%	-1.9%
2022: IV	-2.6%	+0.6%	-2.1%	-2.2%	+0.1%	+0.3%	+0.4%	-0.9%
2022	-2.8%	+0.5%	-2.3%	-3.3%	+0.2%	+0.2%	+0.4%	-0.9%
2023: I	-3.8%	+0.8%	-3.0%	-3.4%	+0.6%	+0.1%	+0.7%	-0.1%
2023: II	-2.1%	+0.9%	-1.2%	-0.9%	+0.6%	+0.4%	+1.1%	+1.4%
2023: III	-2.8%	+0.9%	-1.9%	-2.5%	+0.6%	+0.4%	+1.0%	+0.6%
2023: IV	-2.1%	+1.0%	-1.1%	-0.6%	+0.6%	+0.4%	+1.1%	+0.9%
2023	-2.7%	+0.9%	-1.8%	-1.8%	+0.6%	+0.3%	+0.9%	+0.7%

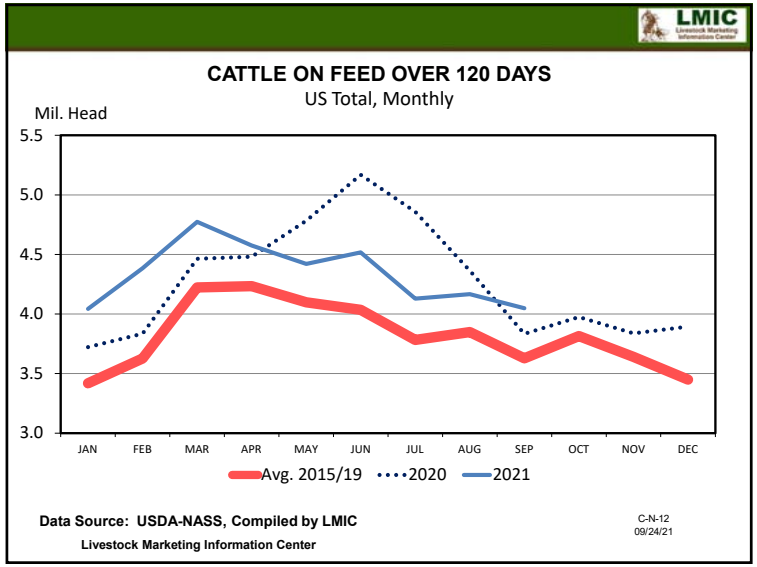


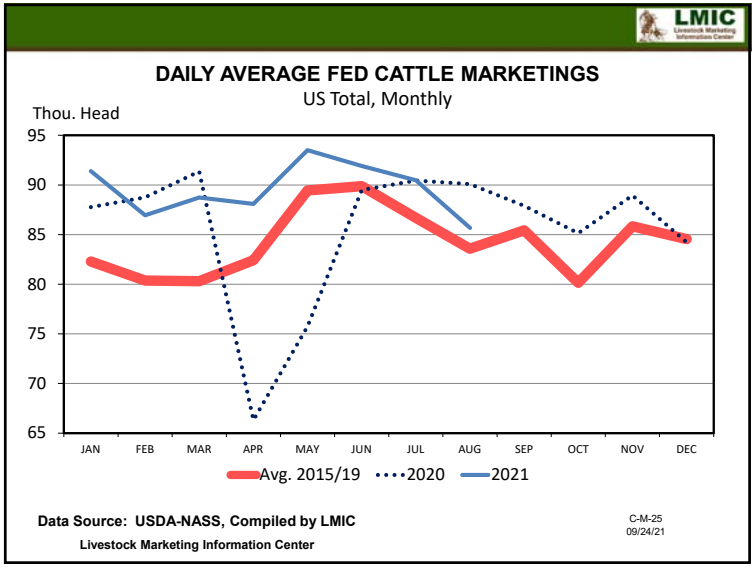


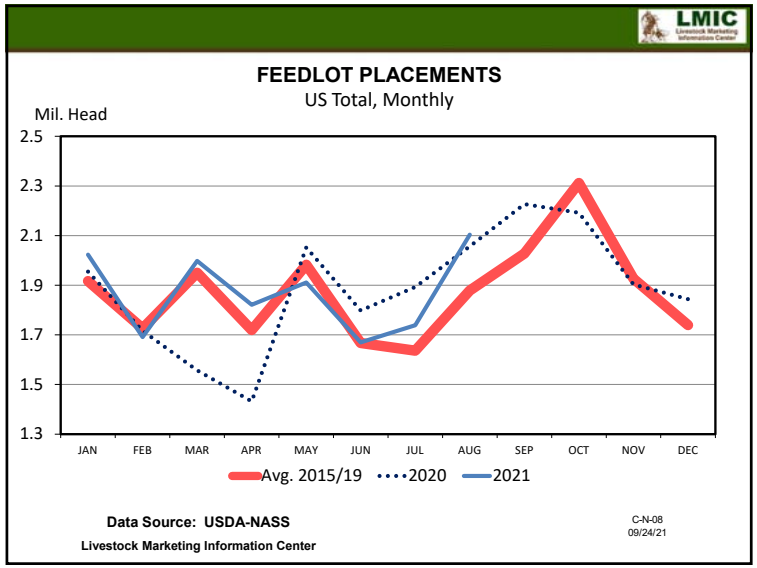


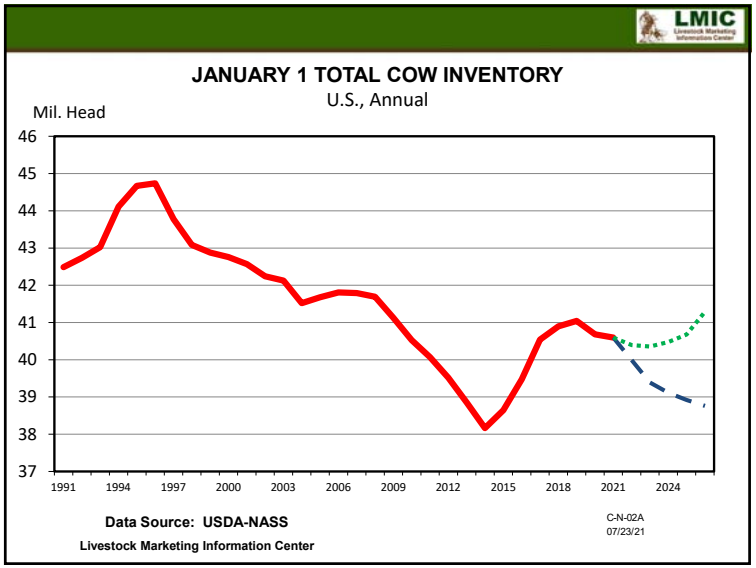

LMIC
BEEF COW SLAUGHTER
Federally Inspected, Weekly
Thou. Head
80
75
70
65
60
55
50
45
40
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center
C-S-34
10/08/21

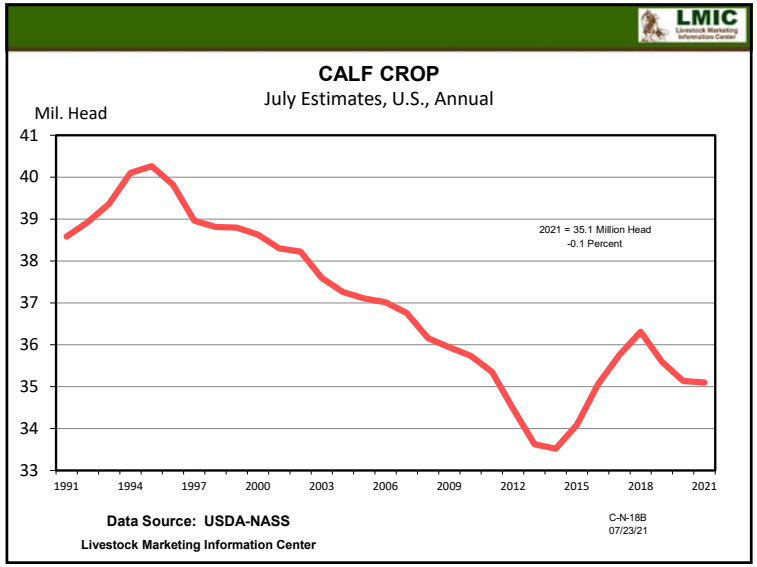

LMIC
CATTLE ON FEED
US Total, Monthly
Mil. Head
12.2
12.0
11.8
11.6
11.4
11.2
11.0
10.8
10.6
10.4
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Avg. 2015/19
2020
2021
Data Source: USDA-NASS
Livestock Marketing Information Center
C-N-10
09/24/21

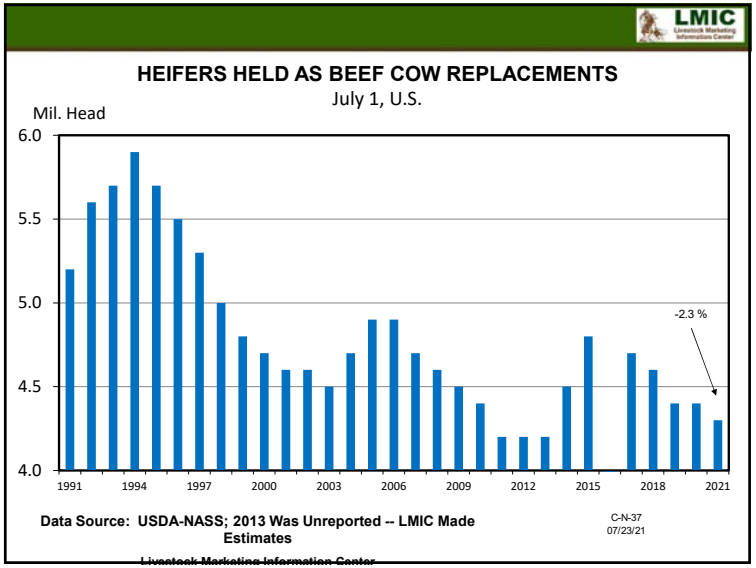

LMIC
CATTLE ON FEED OVER 120 DAYS
US Total, Monthly
Mil. Head
5.5
5.0
4.5
4.0
3.5
3.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Avg. 2015/19
2020
2021
Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center
C-N-12
09/24/21

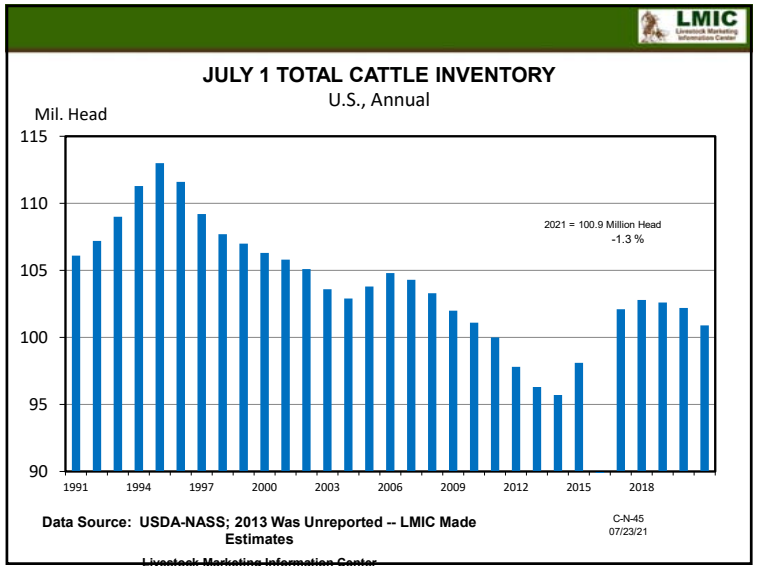

LMIC
DAILY AVERAGE FED CATTLE MARKETINGS
US Total, Monthly
Thou. Head
95
90
85
80
75
70
65
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Avg. 2015/19
2020
2021
Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center
C-M-25
09/24/21


LMIC
FEEDLOT PLACEMENTS
US Total, Monthly
Mil. Head
2.5
2.3
2.1
1.9
1.7
1.5
1.3
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Avg. 2015/19
2020
2021
Data Source: USDA-NASS
Livestock Marketing Information Center
C-N-08
09/24/21


LMIC
JANUARY 1 TOTAL COW INVENTORY
U.S., Annual
Mil. Head
46
45
44
43
42
41
40
39
38
37
1991 1994 1997 2000 2003 2006 2009 2012 2015 2018 2021 2024
Data Source: USDA-NASS
Livestock Marketing Information Center
C-N-02A
07/23/21


LMIC
CALF CROP
July Estimates, U.S., Annual
Mil. Head
41
40
39
38
37
36
35
34
33
2021 = 35.1 Million Head
-0.1 Percent
1991 1994 1997 2000 2003 2006 2009 2012 2015 2018 2021
Data Source: USDA-NASS
Livestock Marketing Information Center
C-N-18B
07/23/21


LMIC
HEIFERS HELD AS BEEF COW REPLACEMENTS
July 1, U.S.
Mil. Head
6.0
5.5
5.0
4.5
4.0
-2.3 %
1991 1994 1997 2000 2003 2006 2009 2012 2015 2018 2021
Data Source: USDA-NASS; 2013 Was Unreported -- LMIC Made Estimates
Livestock Marketing Information Center
C-N-37
07/23/21


LMIC
JULY 1 TOTAL CATTLE INVENTORY
U.S., Annual
Mil. Head
115
110
105
100
95
90
2021 = 100.9 Million Head
-1.3 %
1991
1994
1997
2000
2003
2006
2009
2012
2015
2018
Data Source: USDA-NASS; 2013 Was Unreported -- LMIC Made Estimates
C-N-45
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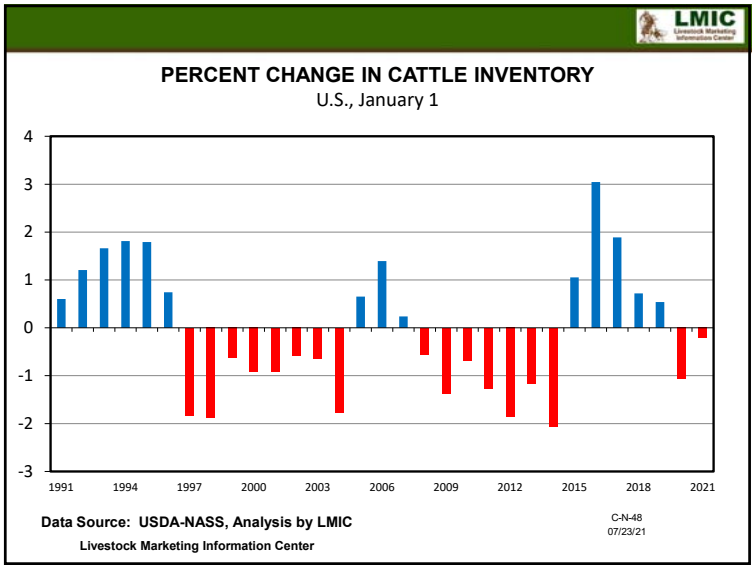
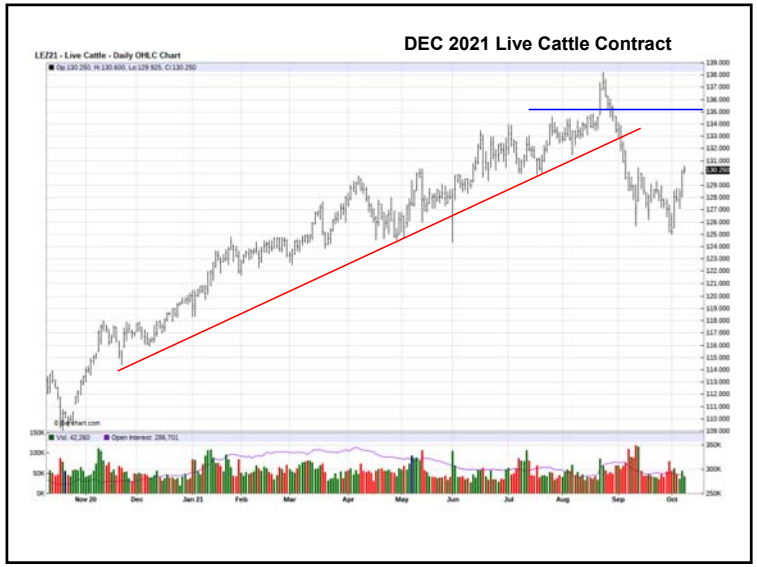
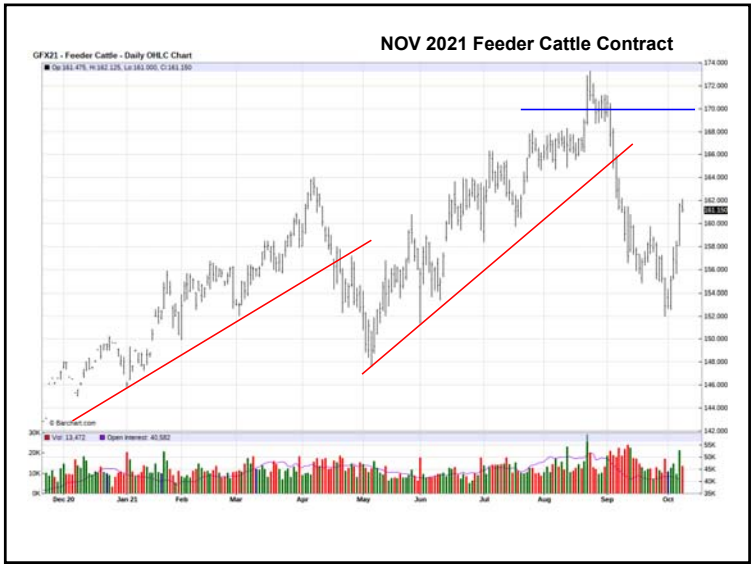
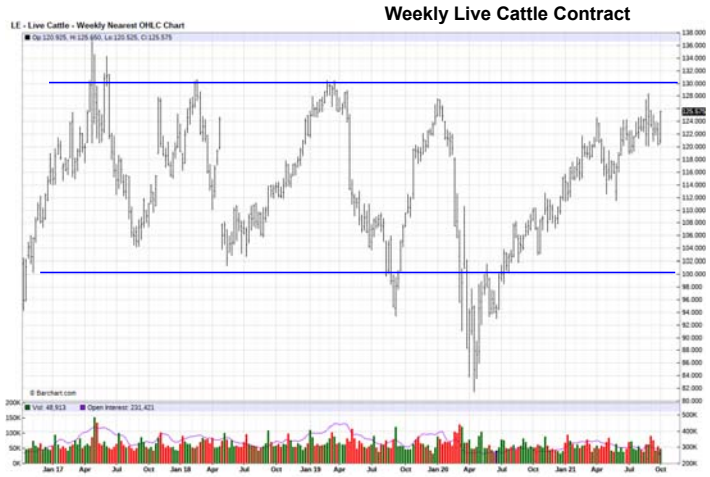
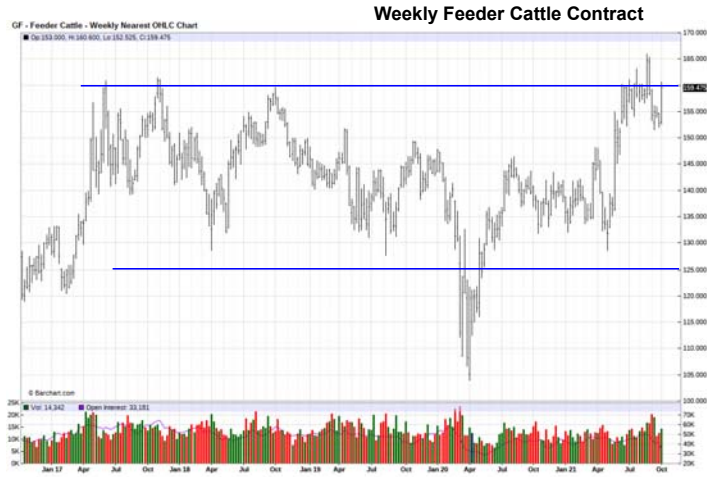
Livestock Marketing Information Center


LMIC
PERCENT CHANGE IN CATTLE INVENTORY
U.S., January 1
4
3
2
1
0
-1
-2
-3
1991
1994
1997
2000
2003
2006
2009
2012
2015
2018
2021
Data Source: USDA-NASS, Analysis by LMIC
C-N-48
07/23/21
Livestock Marketing Information Center


DEC 2021 Live Cattle Contract
LEZ21 - Live Cattle - Daily OHLC Chart

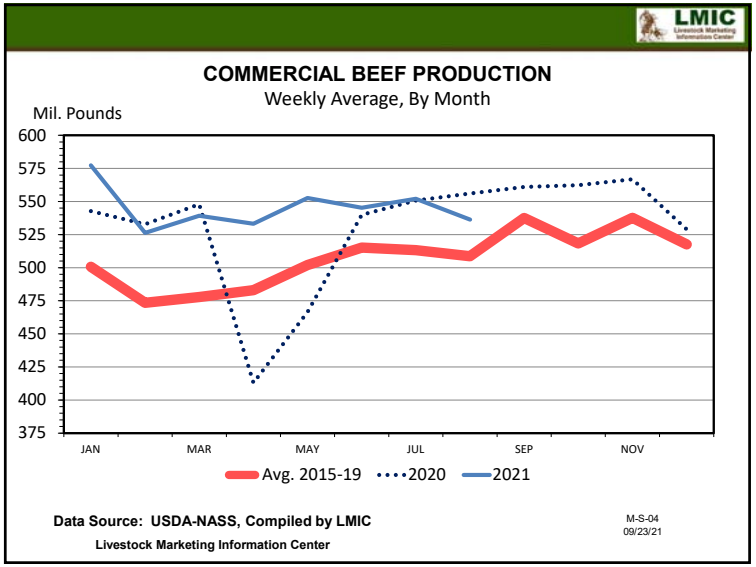

NOV 2021 Feeder Cattle Contract
GFX21 - Feeder Cattle - Daily OHLC Chart

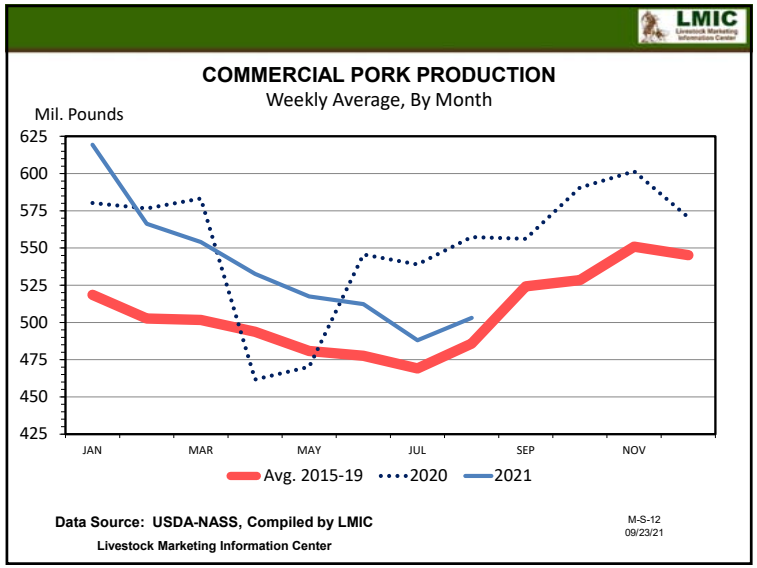


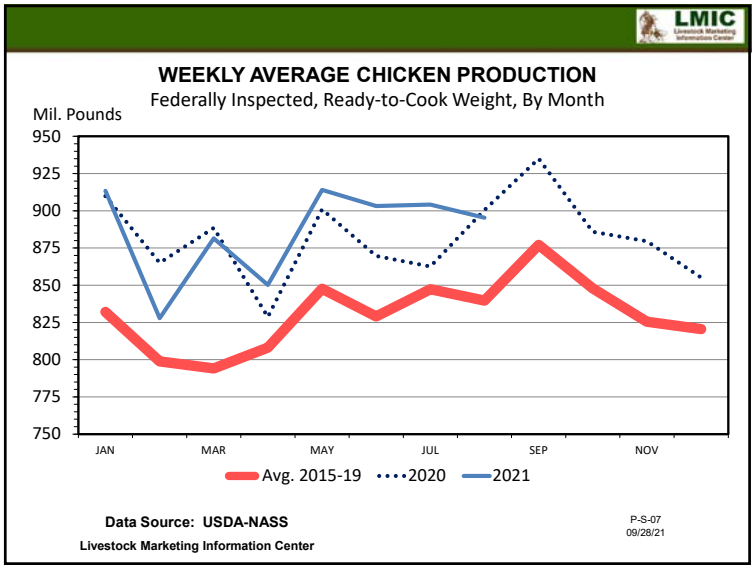


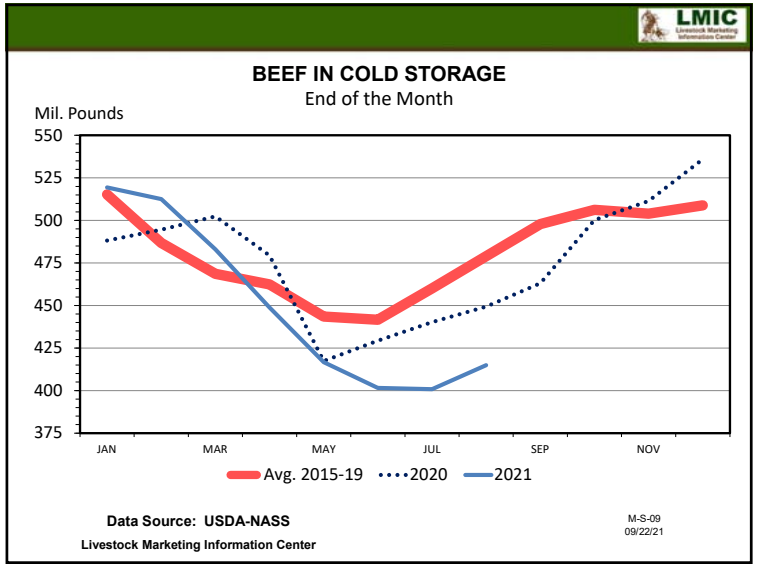
Cattle Outlook

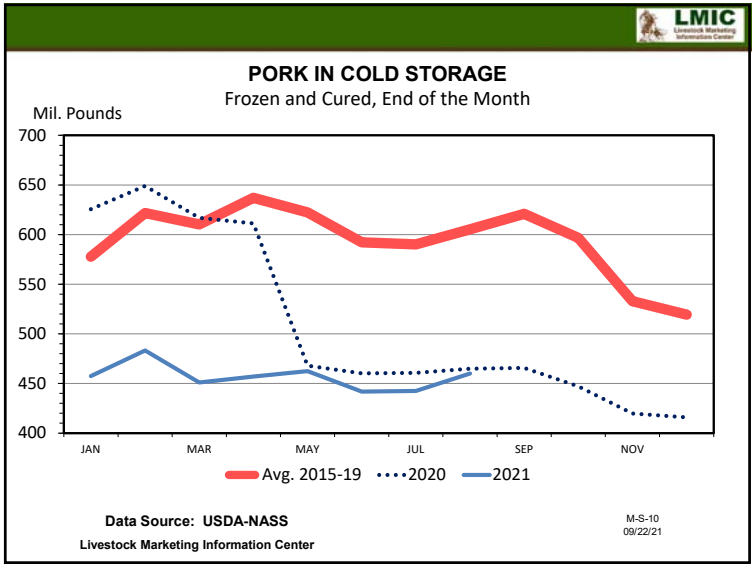
- Fed cattle market will improve:
  - Modest decreased production.
  - But strong competing meat volumes.
  - Strong domestic & stronger international demand.
- Feeder cattle & calf prices hold & improve:
  - Drought has trigger herd liquidation.
  - Sharply higher feed costs.
  - When will strong prices stop liquidation & return to herd building.
- The supply chain is still not well-functioning.

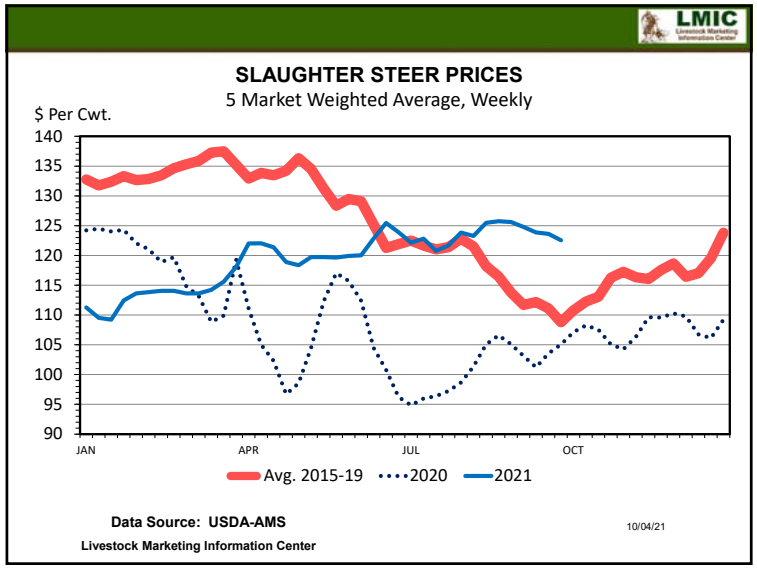


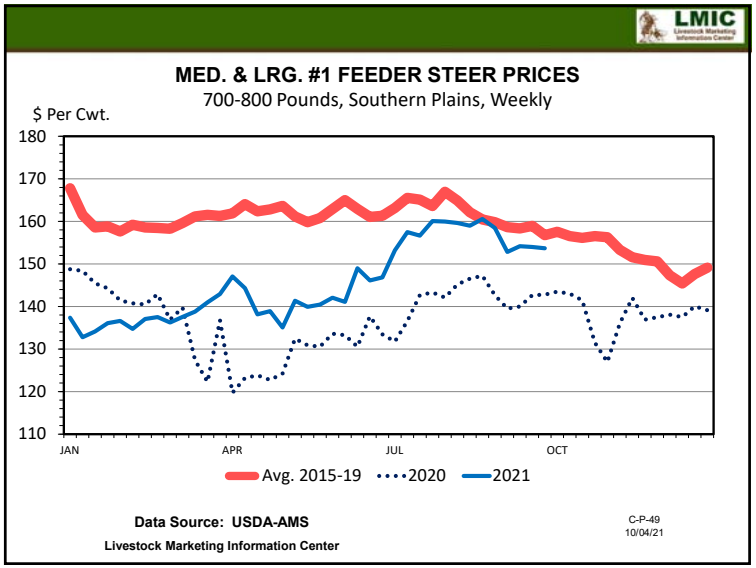

LMIC
COMMERCIAL PORK PRODUCTION
Weekly Average, By Month
Mil. Pounds
625
600
575
550
525
500
475
450
425
JAN
MAR
MAY
JUL
SEP
NOV
Avg. 2015-19
2020
2021
Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center
M-S-12
09/23/21

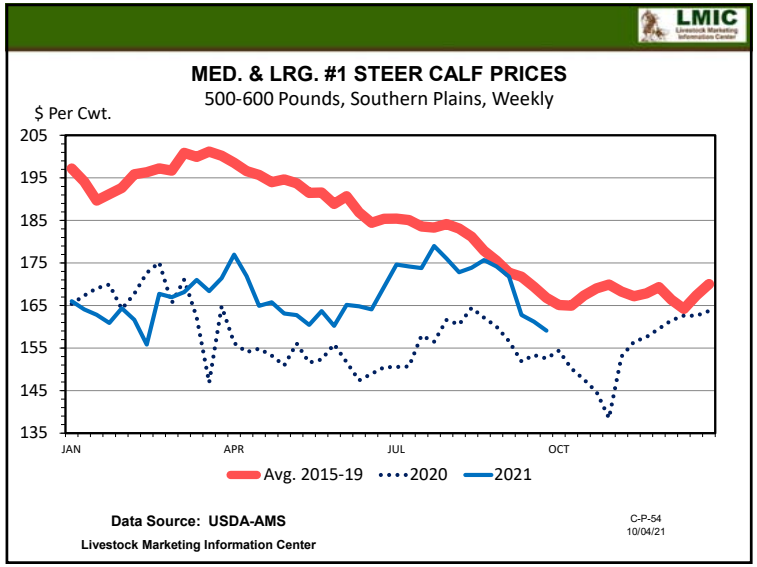

LMIC
WEEKLY AVERAGE CHICKEN PRODUCTION
Federally Inspected, Ready-to-Cook Weight, By Month
Mil. Pounds
950
925
900
875
850
825
800
775
750
JAN
MAR
MAY
JUL
SEP
NOV
Avg. 2015-19
2020
2021
Data Source: USDA-NASS
Livestock Marketing Information Center
P-S-07
09/28/21

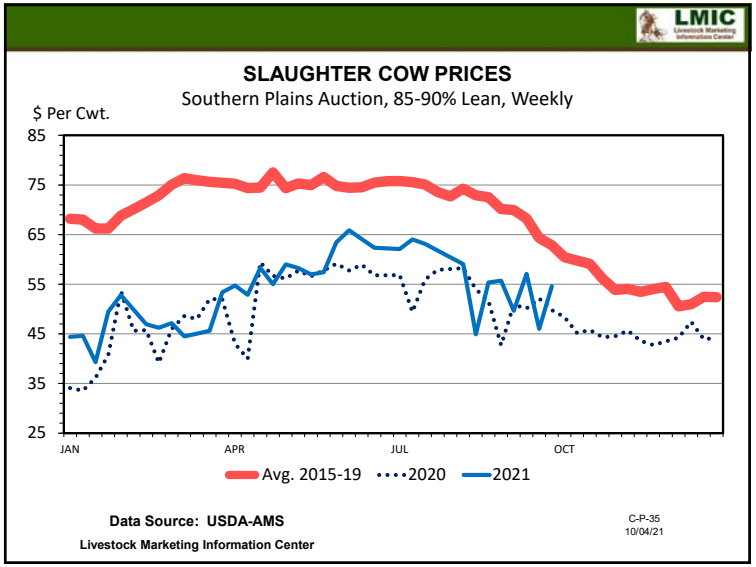

LMIC
BEEF IN COLD STORAGE
End of the Month
Mil. Pounds
550
525
500
475
450
425
400
375
JAN
MAR
MAY
JUL
SEP
NOV
Avg. 2015-19
2020
2021
Data Source: USDA-NASS
Livestock Marketing Information Center
M-S-09
09/22/21

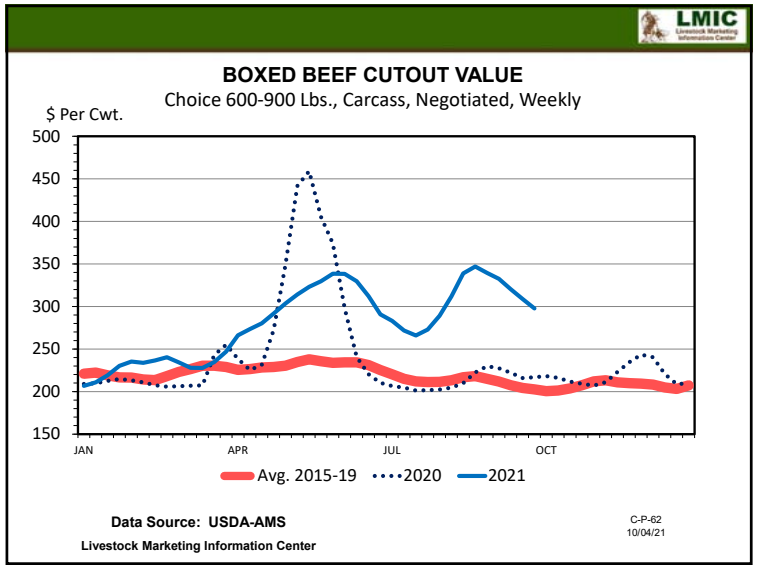

LMIC
PORK IN COLD STORAGE
Frozen and Cured, End of the Month
Mil. Pounds
700
650
600
550
500
450
400
JAN
MAR
MAY
JUL
SEP
NOV
Avg. 2015-19
2020
2021
Data Source: USDA-NASS
Livestock Marketing Information Center
M-S-10
09/22/21

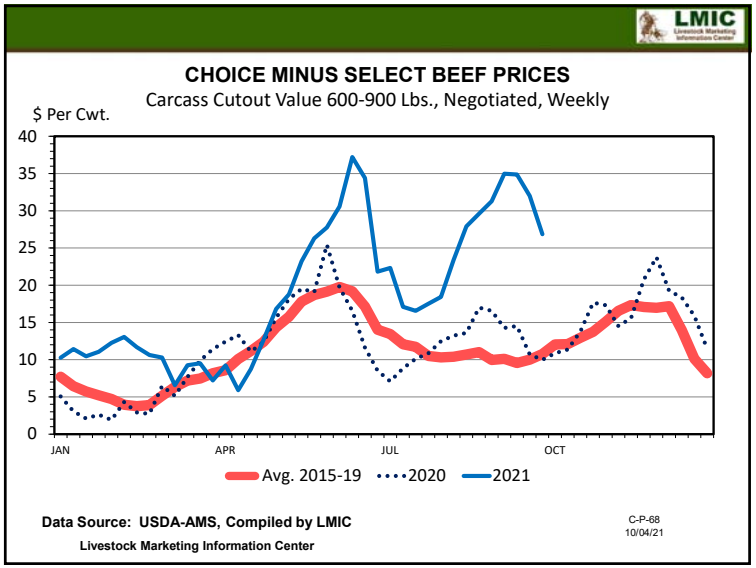

LMIC
SLAUGHTER STEER PRICES
5 Market Weighted Average, Weekly
$ Per Cwt.
140
135
130
125
120
115
110
105
100
95
90
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
10/04/21

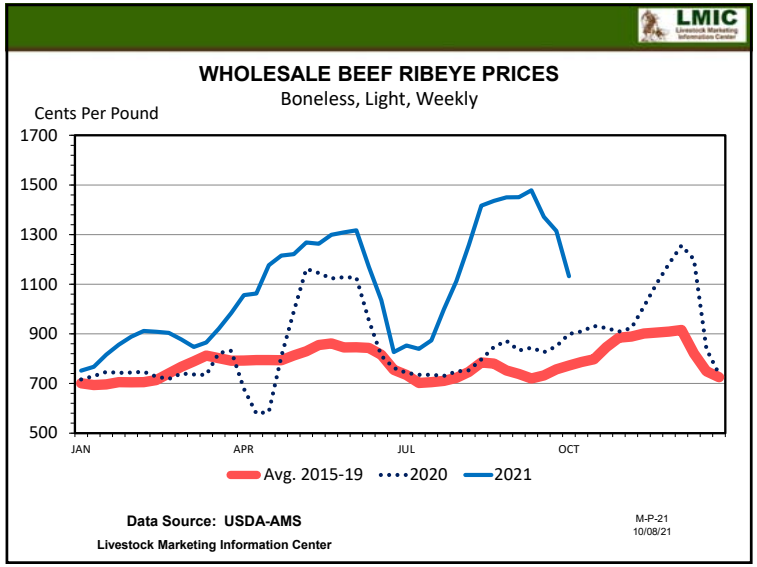

LMIC
MED. & LRG. #1 FEEDER STEER PRICES
700-800 Pounds, Southern Plains, Weekly
$ Per Cwt.
180
170
160
150
140
130
120
110
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
C-P-49
10/04/21

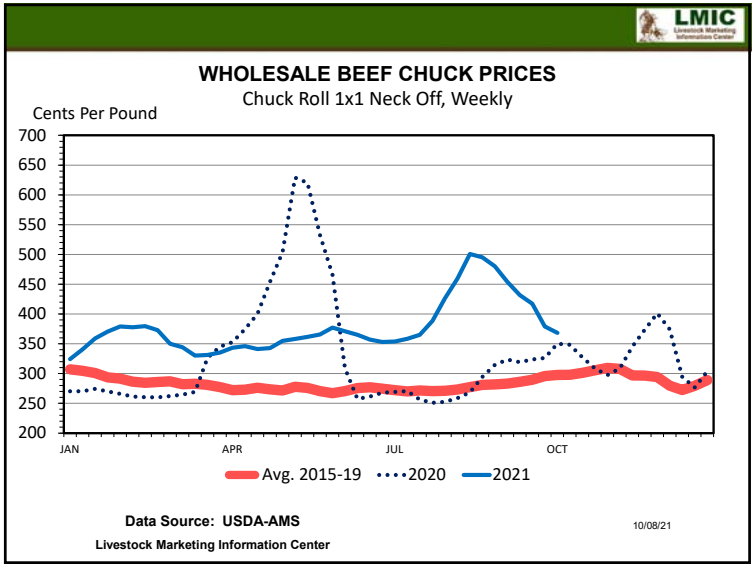

LMIC
MED. & LRG. #1 STEER CALF PRICES
500-600 Pounds, Southern Plains, Weekly
$ Per Cwt.
205
195
185
175
165
155
145
135
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
C-P-54
10/04/21

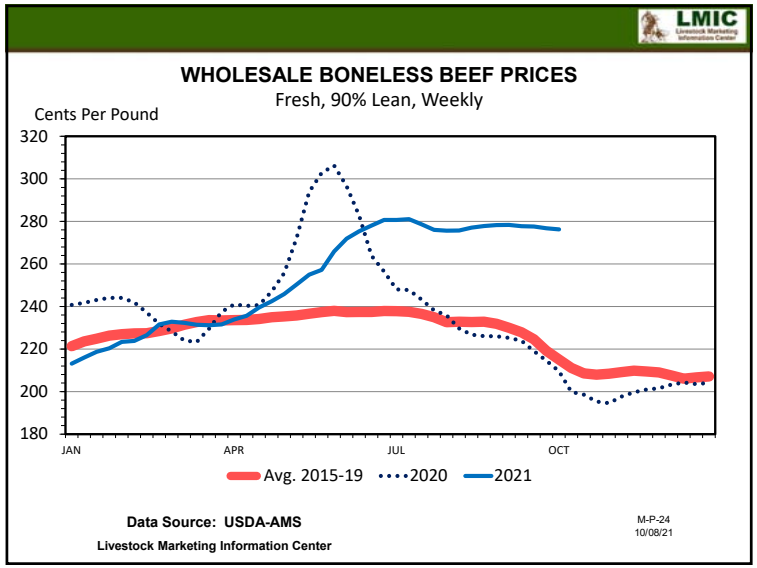

LMIC
SLAUGHTER COW PRICES
Southern Plains Auction, 85-90% Lean, Weekly
$ Per Cwt.
85
75
65
55
45
35
25
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
C-P-35
10/04/21

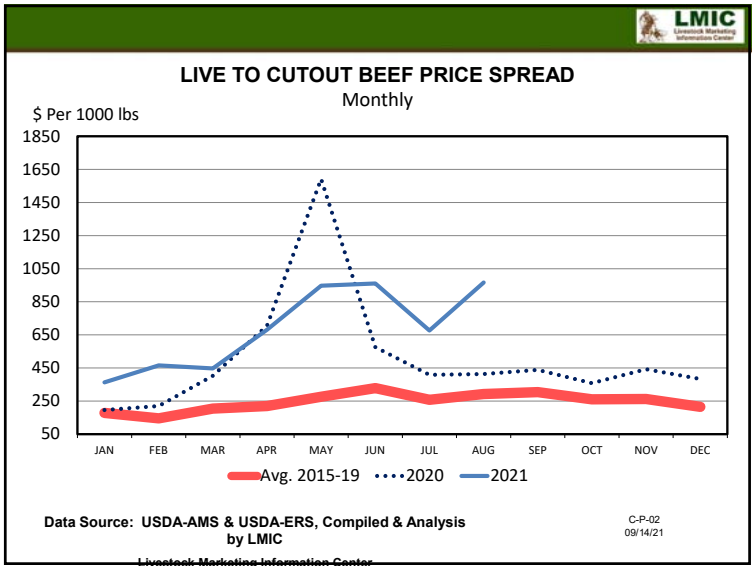

LMIC
BOXED BEEF CUTOUT VALUE
Choice 600-900 Lbs., Carcass, Negotiated, Weekly
$ Per Cwt.
500
450
400
350
300
250
200
150
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
C-P-62
10/04/21

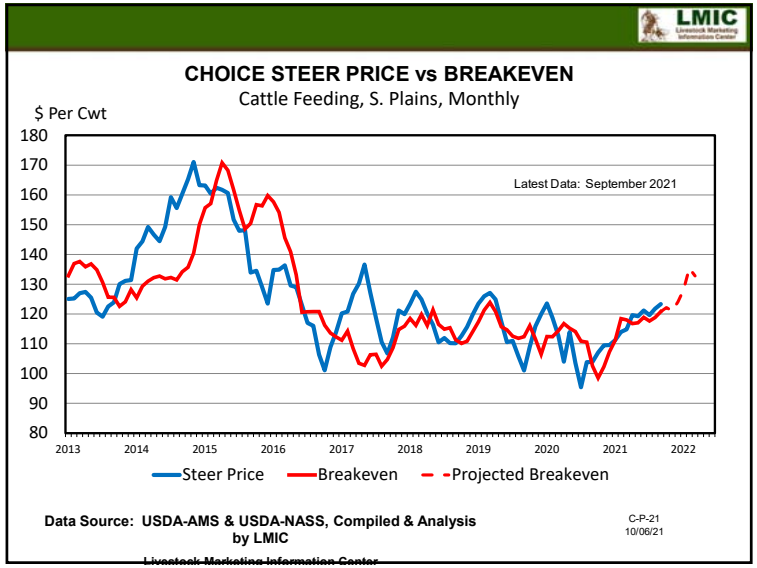

LMIC
CHOICE MINUS SELECT BEEF PRICES
Carcass Cutout Value 600-900 Lbs., Negotiated, Weekly
$ Per Cwt.
40
35
30
25
20
15
10
5
0
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center
C-P-68
10/04/21

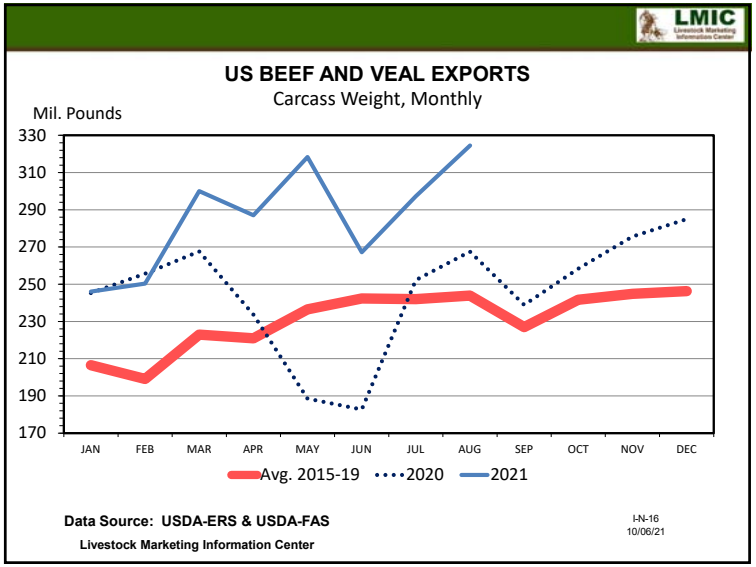

LMIC
WHOLESALE BEEF RIBEYE PRICES
Boneless, Light, Weekly
Cents Per Pound
1700
1500
1300
1100
900
700
500
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
M-P-21
10/08/21

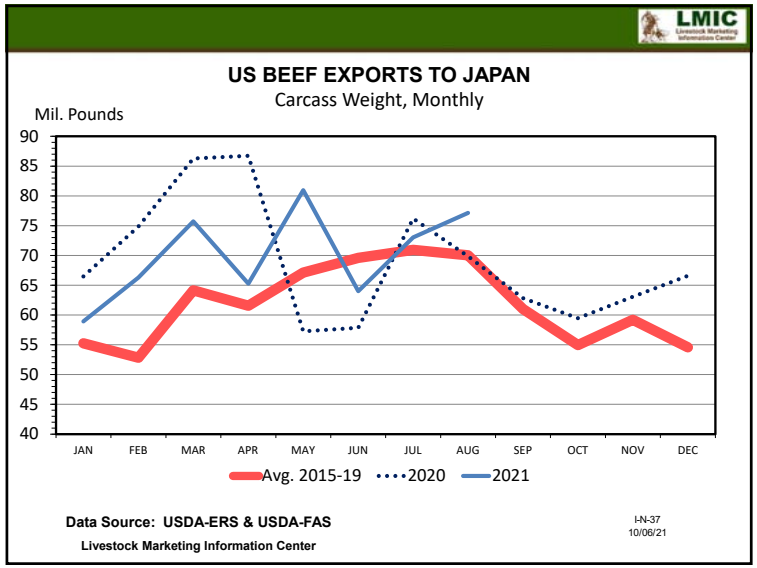

LMIC
WHOLESALE BEEF CHUCK PRICES
Chuck Roll 1x1 Neck Off, Weekly
Cents Per Pound
700
650
600
550
500
450
400
350
300
250
200
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
10/08/21

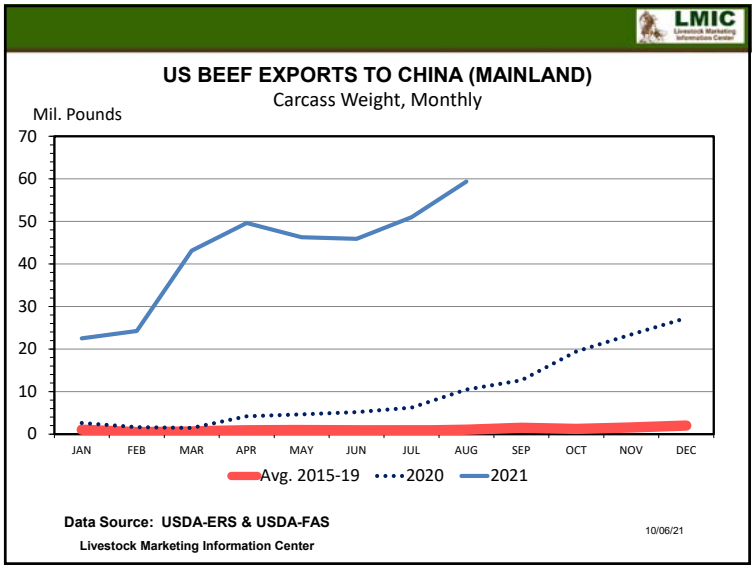

LMIC
WHOLESALE BONELESS BEEF PRICES
Fresh, 90% Lean, Weekly
Cents Per Pound
320
300
280
260
240
220
200
180
JAN
APR
JUL
OCT
Avg. 2015-19
2020
2021
Data Source: USDA-AMS
Livestock Marketing Information Center
M-P-24
10/08/21

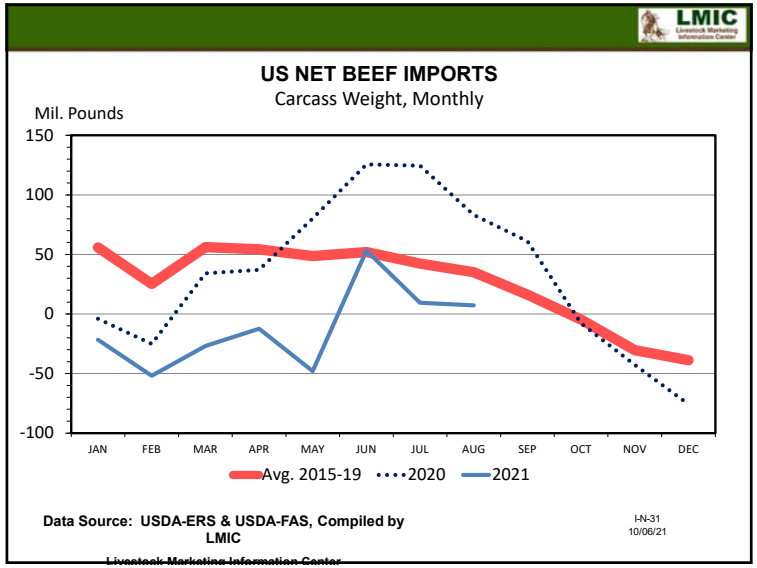

LMIC
LIVE TO CUTOUT BEEF PRICE SPREAD
Monthly
$ Per 1000 lbs
1850
1650
1450
1250
1050
850
650
450
250
50
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Avg. 2015-19
2020
2021
Data Source: USDA-AMS & USDA-ERS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
C-P-02
09/14/21

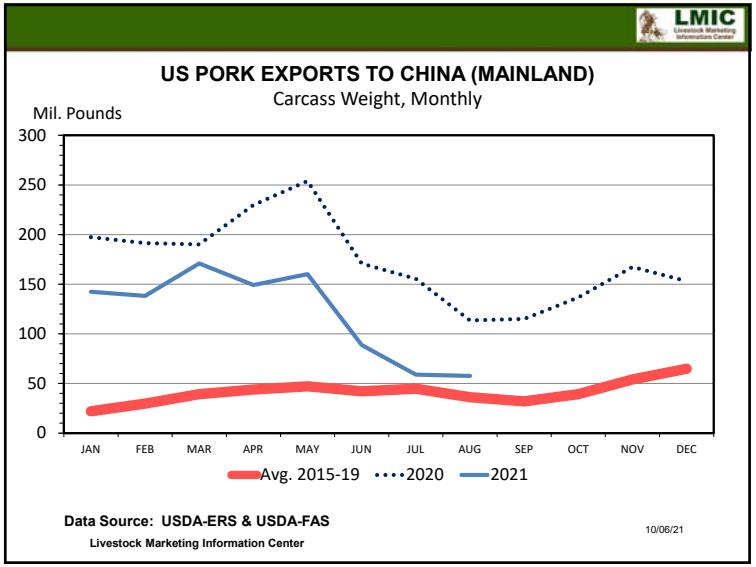

LMIC
CHOICE STEER PRICE vs BREAKEVEN
Cattle Feeding, S. Plains, Monthly
$ Per Cwt
180
170
160
150
140
130
120
110
100
90
80
Latest Data: September 2021
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Steer Price
Breakeven
Projected Breakeven
Data Source: USDA-AMS & USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
C-P-21
10/06/21

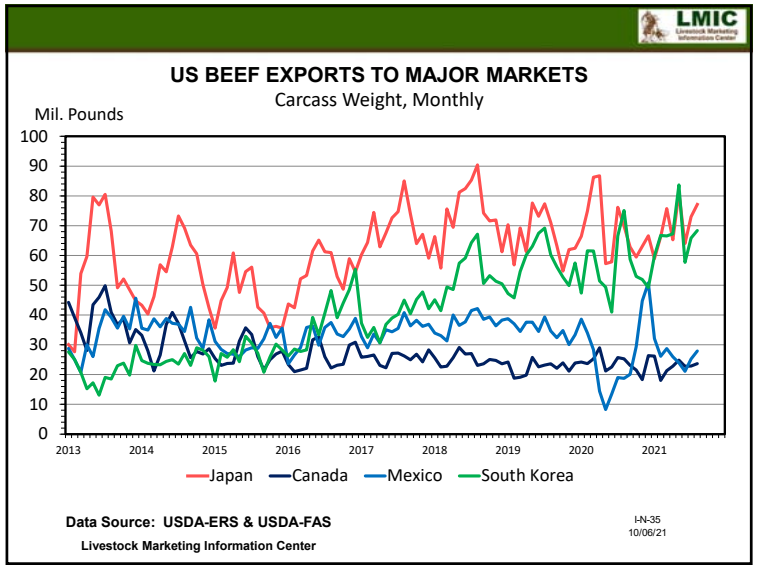

LMIC
US BEEF AND VEAL EXPORTS
Carcass Weight, Monthly
Mil. Pounds
330
310
290
270
250
230
210
190
170
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Avg. 2015-19
2020
2021
Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center
I-N-16
10/06/21

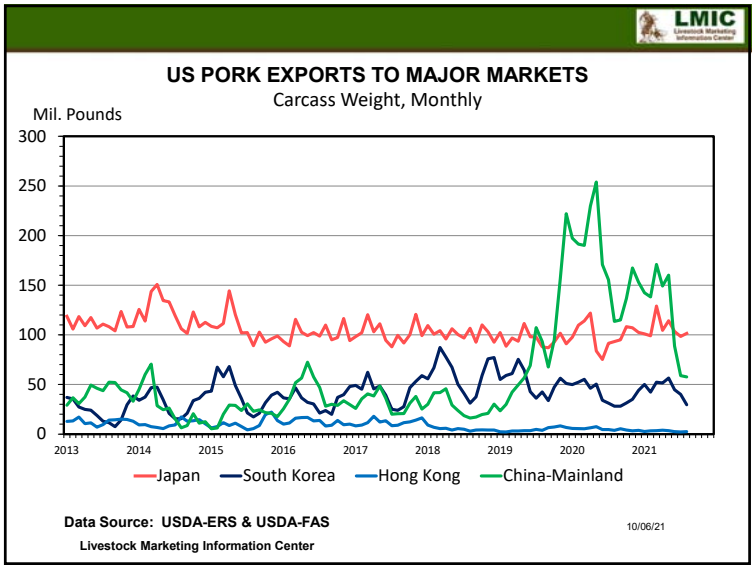

LMIC
US BEEF EXPORTS TO JAPAN
Carcass Weight, Monthly
Mil. Pounds
90
85
80
75
70
65
60
55
50
45
40
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Avg. 2015-19
2020
2021
Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center
I-N-37
10/06/21


LMIC
US BEEF EXPORTS TO CHINA (MAINLAND)
Carcass Weight, Monthly
Mil. Pounds
70
60
50
40
30
20
10
0
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Avg. 2015-19
2020
2021
Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center
10/06/21


LMIC
US NET BEEF IMPORTS
Carcass Weight, Monthly
Mil. Pounds
150
100
50
0
-50
-100
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Avg. 2015-19
2020
2021
Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center
I-N-31
10/06/21


LMIC
US PORK EXPORTS TO CHINA (MAINLAND)
Carcass Weight, Monthly
Mil. Pounds
300
250
200
150
100
50
0
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Avg. 2015-19
2020
2021
Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center
10/06/21



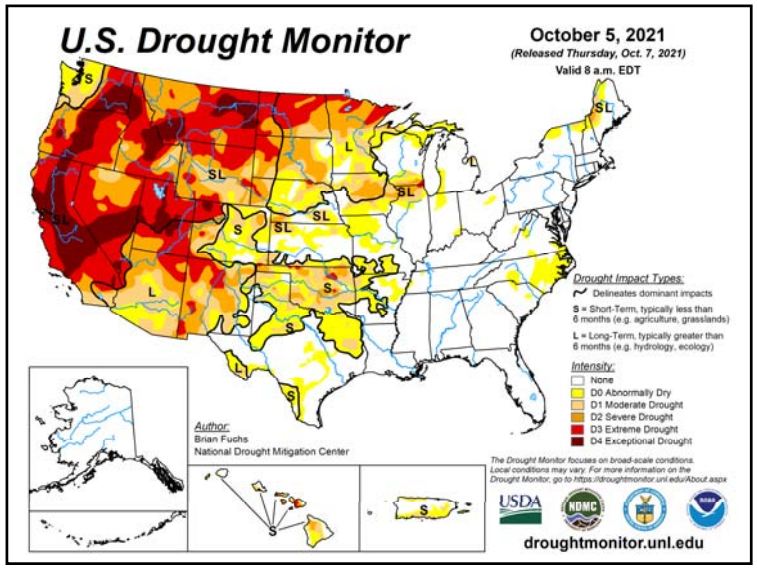


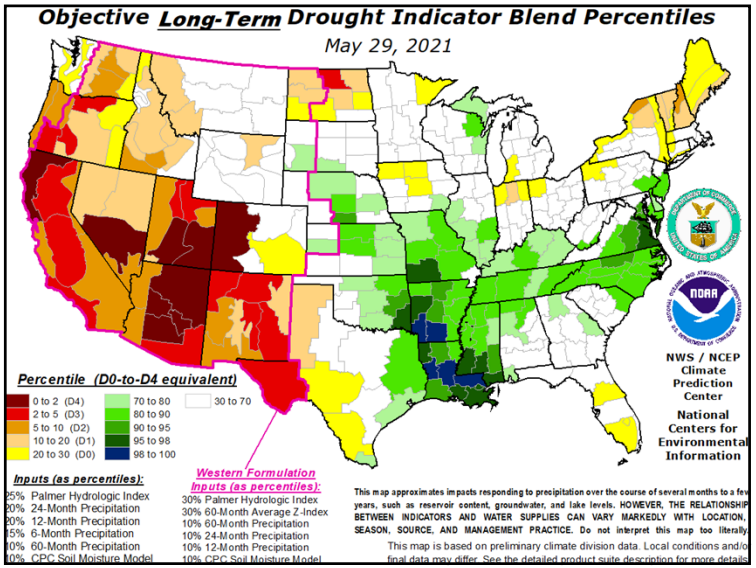
Cattle Outlook

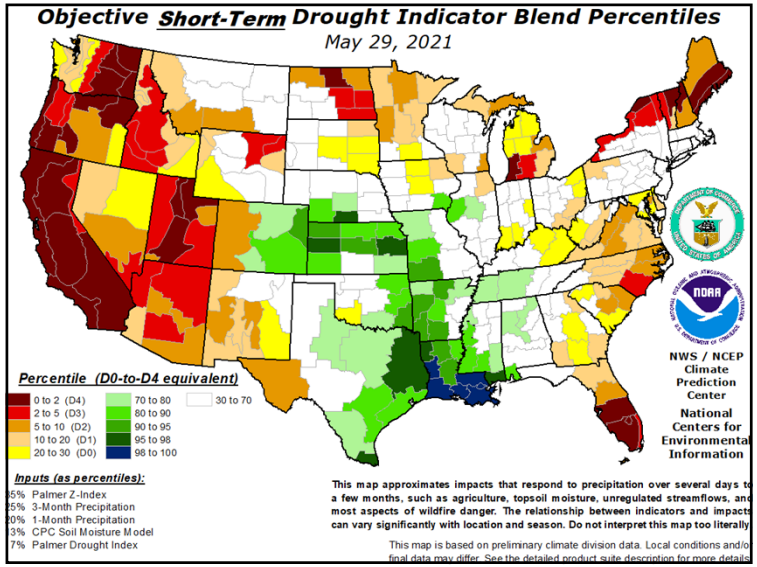
- Beef supply chain is still a problem.
- Outstanding domestic demand – replenish versus new?
- Solid to improving exports.
- Competing meat supply & exports.
- Feed costs.
- Drought.
- Reduced supplies from prior two years.

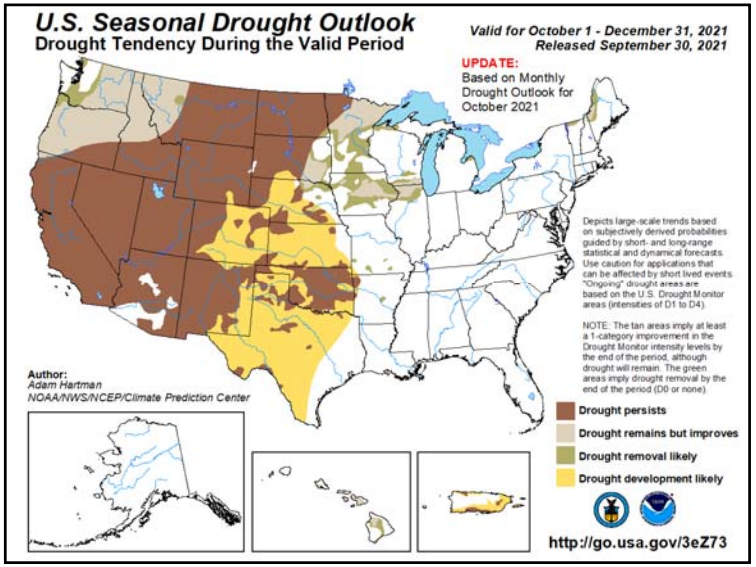
Corn Outlook

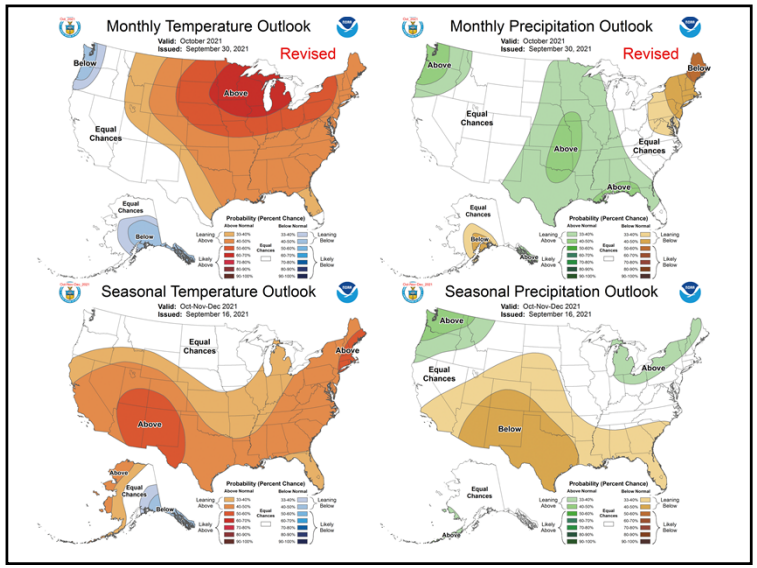
- Short-term & Long-term Price Outlook
  - Strong & soybeans are back to being the driver.
  - Exports & usage increases?
  - Excellent basis & cash demand.
  - Next year's acres?
- Management Strategies
  - Wait-til-harvest purchases & sell-early sales.
  - DEC21 $5.00 & DEC22 $4.75/bu.
  - Corn is about $1/bu. too high – risk premium.

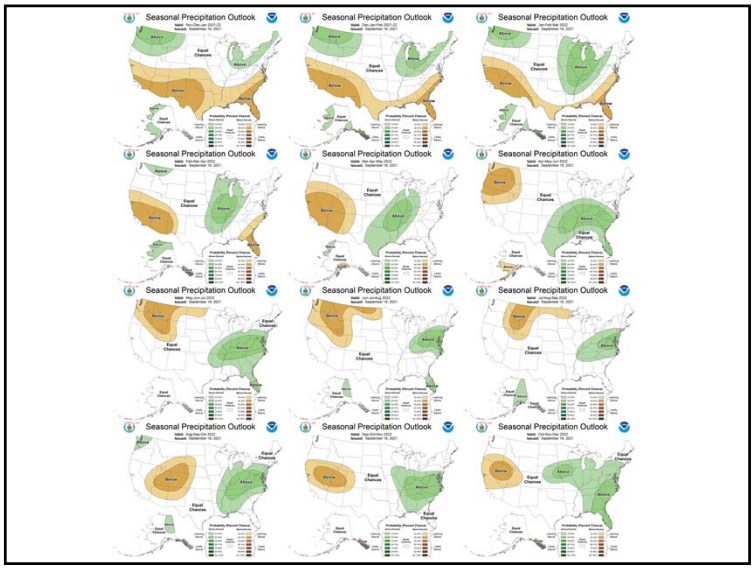

U.S. Drought Monitor
October 5, 2021
(Released Thursday, Oct. 7, 2021)
Valid 8 a.m. EDT
Drought Impact Types:
Delineates dominant impacts
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)
Intensity:
None
D0 Abnormally Dry
D1 Moderate Drought
D2 Severe Drought
D3 Extreme Drought
D4 Exceptional Drought
Author:
Brian Fuchs
National Drought Mitigation Center
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx
USDA
NDMC
droughtmonitor.unl.edu

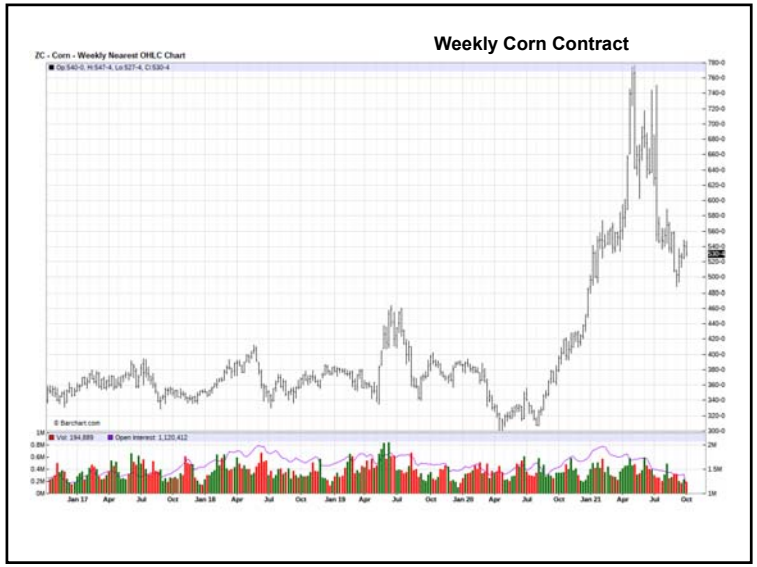

Objective Long-Term Drought Indicator Blend Percentiles
May 29, 2021
Percentile (D0-to-D4 equivalent)
0 to 2 (D4)
2 to 5 (D3)
5 to 10 (D2)
10 to 20 (D1)
20 to 30 (D0)
70 to 80
80 to 90
90 to 95
95 to 98
98 to 100
30 to 70
Inputs (as percentiles):
25% Palmer Hydrologic Index
20% 24-Month Precipitation
20% 12-Month Precipitation
15% 6-Month Precipitation
10% 60-Month Precipitation
10% CPC Soil Moisture Model
Western Formulation Inputs (as percentiles):
30% Palmer Hydrologic Index
30% 60-Month Average Z-Index
10% 60-Month Precipitation
10% 24-Month Precipitation
10% 12-Month Precipitation
10% CPC Soil Moisture Model
This map approximates impacts responding to precipitation over the course of several months to a few years, such as reservoir content, groundwater, and lake levels. HOWEVER, THE RELATIONSHIP BETWEEN INDICATORS AND WATER SUPPLIES CAN VARY MARKEDLY WITH LOCATION, SEASON, SOURCE, AND MANAGEMENT PRACTICE. Do not interpret this map too literally.
This map is based on preliminary climate division data. Local conditions and/or final data may differ. See the detailed product suite description for more details.
NWS / NCEP Climate Prediction Center
National Centers for Environmental Information

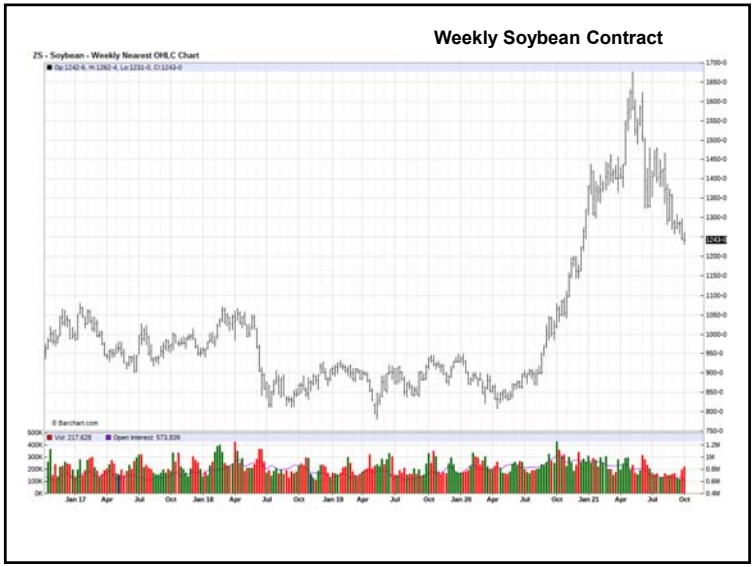

Objective Short-Term Drought Indicator Blend Percentiles
May 29, 2021
Percentile (D0-to-D4 equivalent)
0 to 2 (D4)
2 to 5 (D3)
5 to 10 (D2)
10 to 20 (D1)
20 to 30 (D0)
70 to 80
80 to 90
90 to 95
95 to 98
98 to 100
30 to 70
Inputs (as percentiles):
35% Palmer Z-Index
25% 3-Month Precipitation
20% 1-Month Precipitation
13% CPC Soil Moisture Model
7% Palmer Drought Index
This map approximates impacts that respond to precipitation over several days to a few months, such as agriculture, topsoil moisture, unregulated streamflows, and most aspects of wildfire danger. The relationship between indicators and impacts can vary significantly with location and season. Do not interpret this map too literally.
This map is based on preliminary climate division data. Local conditions and/or final data may differ. See the detailed product suite description for more details.
NWS / NCEP Climate Prediction Center
National Centers for Environmental Information


U.S. Seasonal Drought Outlook
Drought Tendency During the Valid Period
Valid for October 1 - December 31, 2021
Released September 30, 2021
UPDATE:
Based on Monthly Drought Outlook for October 2021
Author:
Adam Hartman
NOAA/NWS/NCEP/Climate Prediction Center
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).
Drought persists
Drought remains but improves
Drought removal likely
Drought development likely
http://go.usa.gov/3eZ73


Monthly Temperature Outlook
Valid: October 2021
Issued: September 30, 2021
Revised
Above
Below
Equal Chances
Monthly Precipitation Outlook
Valid: October 2021
Issued: September 30, 2021
Revised
Above
Below
Equal Chances
Seasonal Temperature Outlook
Valid: Oct-Nov-Dec 2021
Issued: September 16, 2021
Above
Equal Chances
Seasonal Precipitation Outlook
Valid: Oct-Nov-Dec 2021
Issued: September 16, 2021
Above
Below
Equal Chances


Seasonal Precipitation Outlook

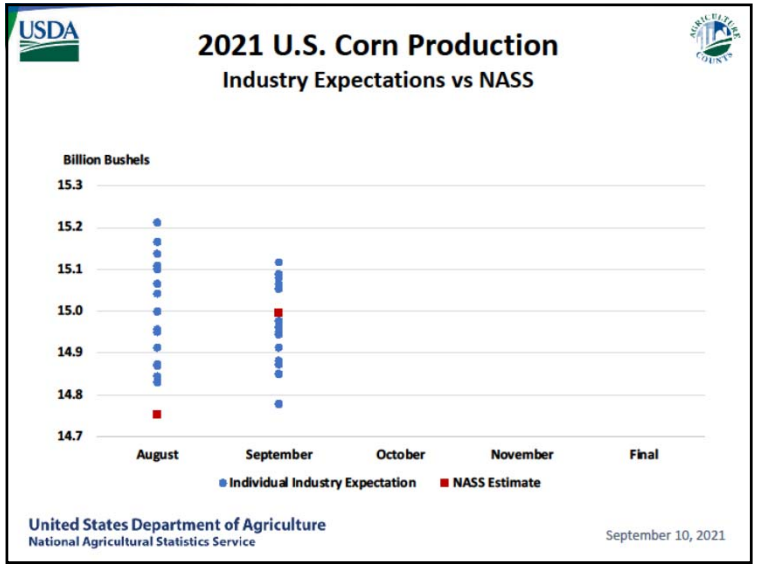

Weekly Corn Contract
ZC - Corn - Weekly Nearest OHLC Chart

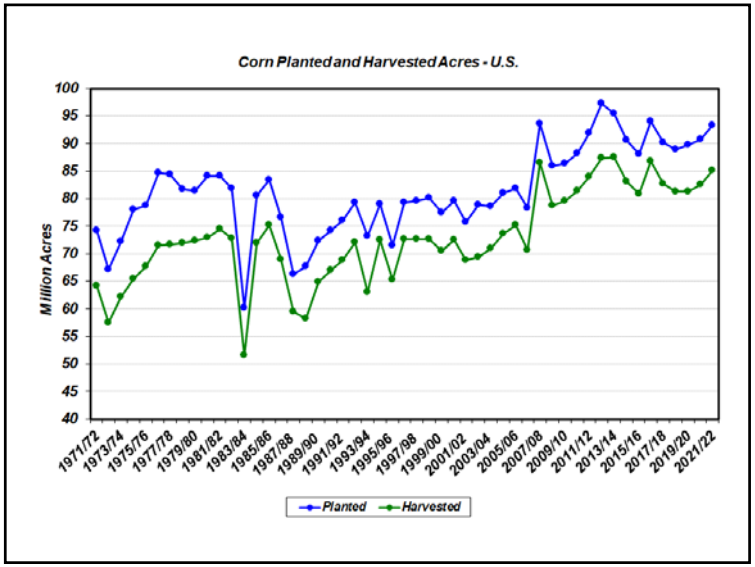

Weekly Soybean Contract
ZS - Soybean - Weekly Nearest OHLC Chart

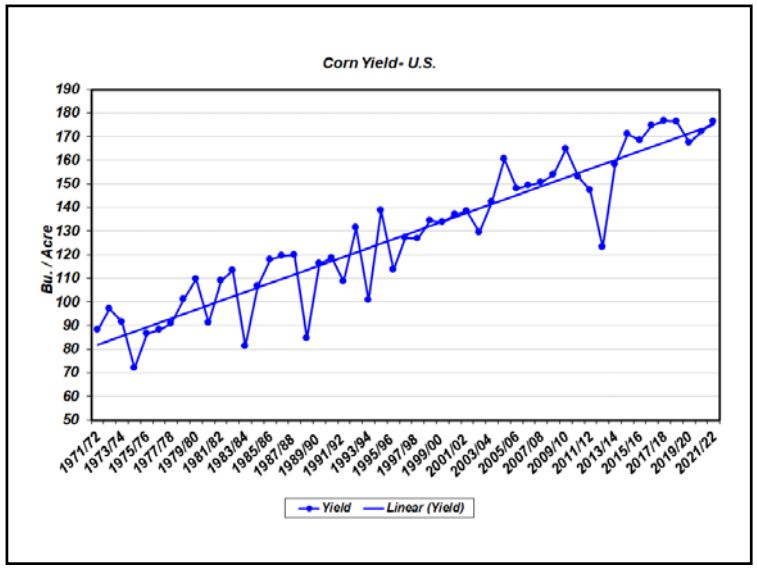
CORN - September 2021 (Crop Year: Sep 1 - Aug 31)	2019/20	2020/21 Est.	2021/22 Proj. Aug	2021/22 Proj. Sep	2021/22 Forecasts High P	2021/22 Forecasts Normal	2021/22 Forecasts Low P
Planted Acres (Million Acres)	89.7	90.8	92.7	93.3	93.0	93.3	93.5
Harvested Acres (Million Acres)	81.3	82.5	84.5	85.1	84.8	85.1	85.3
Yield (Bushels per Acre)	167.5	172.0	174.6	176.3	175.0	176.3	178.0
Beginning Stocks (Million Bu.)	2,221	1,919	1,117	1,187	1,187	1,187	1,187
Production	13,620	14,182	14,750	14,996	14,840	15,003	15,183
Imports	42	25	25	25	25	25	25
SUPPLY	15,883	16,127	15,892	16,208	16,052	16,215	16,395
Feed and Residual	5,900	5,725	5,625	5,700	5,700	5,725	5,750
Food, Seed, & Industrial	6,286	6,470	6,625	6,625	6,650	6,625	6,600
Ethanol & by-products	4,857	5,035	5,200	5,200	5,225	5,200	5,175
Export	1,777	2,745	2,400	2,475	2,750	2,500	2,450
USE	13,963	14,940	14,650	14,800	15,100	14,850	14,800
Ending Stocks	1,919	1,187	1,424	1,408	952	1,365	1,595
Average US Farm Price	3.56	4.45	5.75	5.45	6.75	5.50	4.75
Average DEC Futures					6.50	5.00	4.50
Average Colorado Price					7.00	5.75	5.00
	0.137	0.079	0.097	0.095	0.063	0.092	0.108

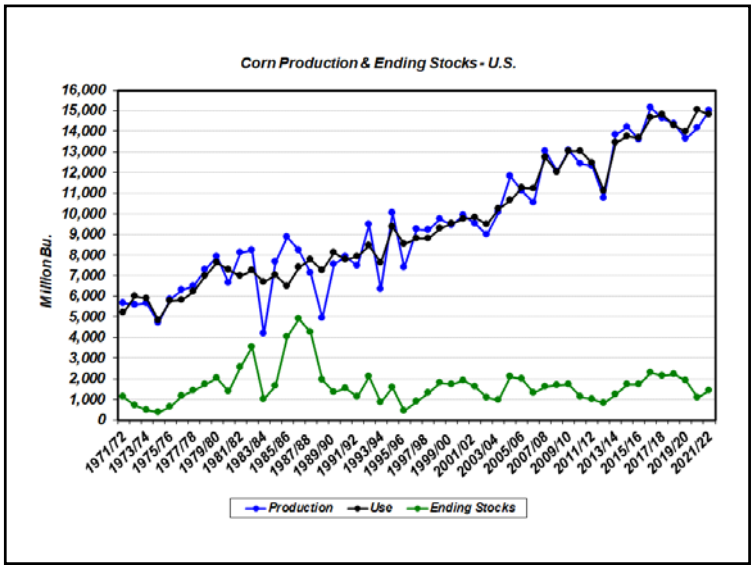
USDA NASS: Crop Progress - 10/3/2021
Corn: Crop Condition
by Percent and Selected States

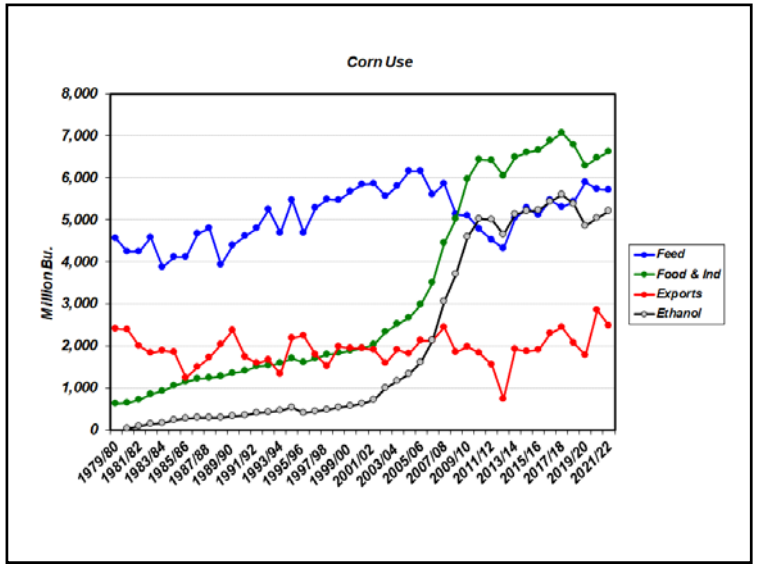
State	VP	P	F	G	EX
CO	13	17	20	42	8
IL	2	4	24	50	20
IN	2	5	22	57	14
IA	2	7	31	49	11
KS	8	13	27	42	10
KY	1	3	16	65	15
MI	1	6	23	54	16
MN	8	17	36	33	6
MO	2	7	26	54	11
NE	5	8	19	42	26
NC	1	2	16	62	19
ND	17	28	38	17	0
OH	0	4	19	61	16
PA	0	1	11	71	17
SD	13	28	35	23	1
TN	1	3	16	56	24
TX	1	9	29	44	17
WI	3	6	18	43	30
18-States	5	10	26	45	14
Prev Wk	5	10	26	45	14
Prev Yr	4	9	25	48	14

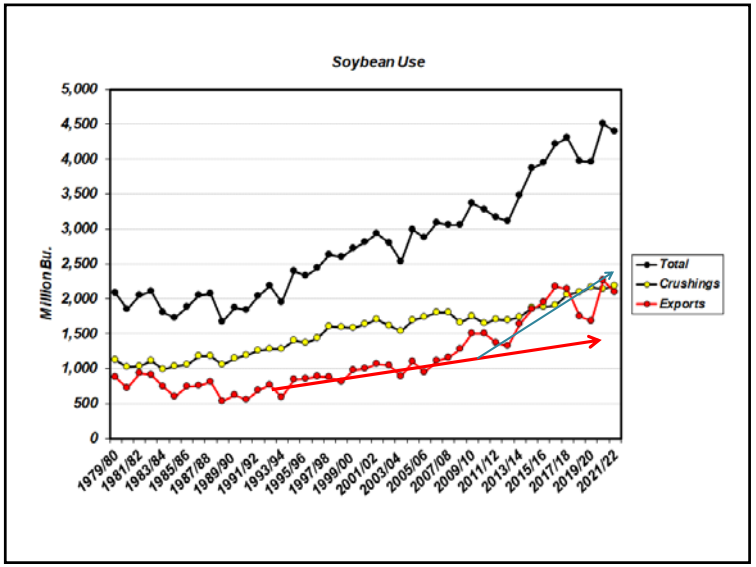


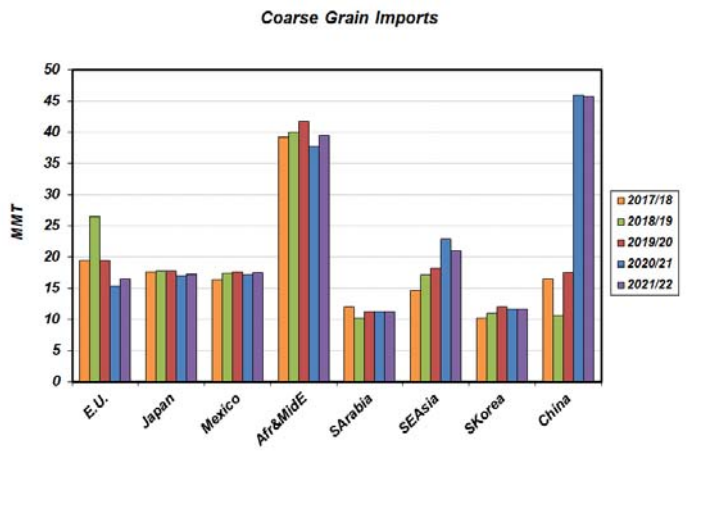


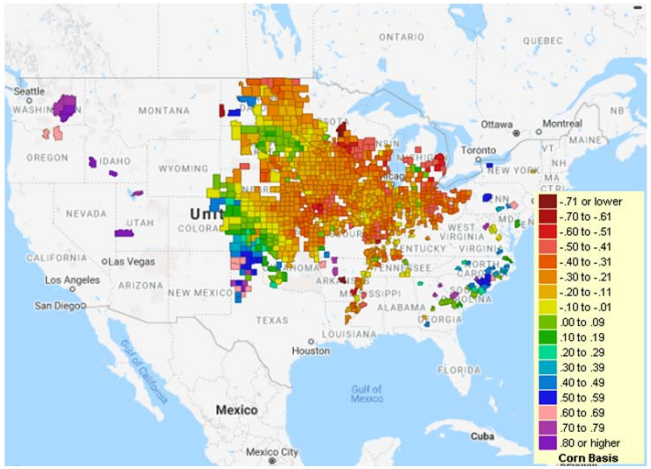

Corn Yield- U.S.
Bu. / Acre
Yield
Linear (Yield)

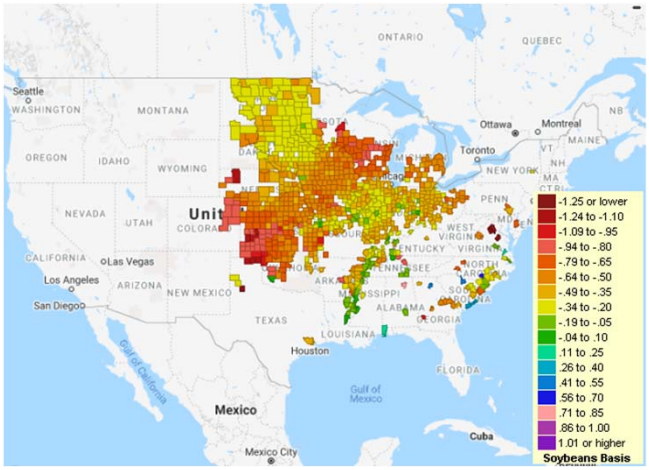

Corn Production & Ending Stocks - U.S.
Million Bu.
Production
Use
Ending Stocks

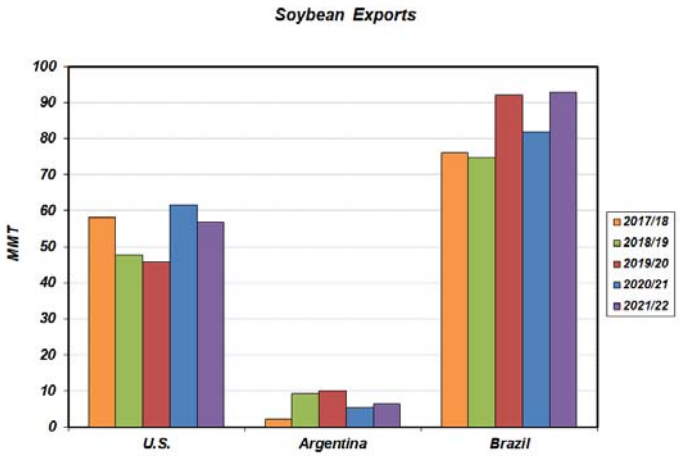

Corn Use
Million Bu.
Feed
Food & Ind
Exports
Ethanol


Soybean Use
Million Bu.
Total
Crushings
Exports

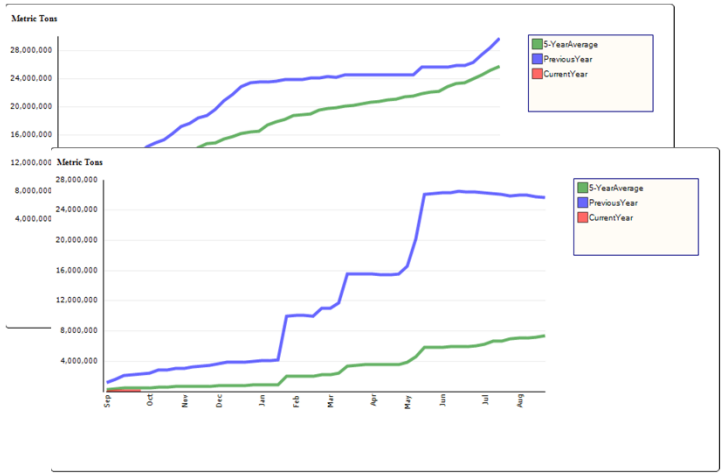

Coarse Grain Imports
MMT
50
45
40
35
30
25
20
15
10
5
0
E.U.
Japan
Mexico
Afr&MidE
SArabia
SEAsia
SKorea
China
2017/18
2018/19
2019/20
2020/21
2021/22


ONTARIO
QUEBEC
Seattle
MONTANA
OREGON
IDAHO
WYOMING
NEVADA
UTAH
CALIFORNIA
Las Vegas
Los Angeles
San Diego
ARIZONA
NEW MEXICO
TEXAS
LOUISIANA
Houston
Ottawa
Montreal
Toronto
NEW YORK
MAINE
FLORIDA
Gulf of Mexico
Mexico
Mexico City
Cuba
-.71 or lower
-.70 to -.61
-.60 to -.51
-.50 to -.41
-.40 to -.31
-.30 to -.21
-.20 to -.11
-.10 to -.01
.00 to .09
.10 to .19
.20 to .29
.30 to .39
.40 to .49
.50 to .59
.60 to .69
.70 to .79
.80 or higher
Corn Basis


ONTARIO
QUEBEC
Seattle
WASHINGTON
MONTANA
OREGON
IDAHO
WYOMING
NEVADA
UTAH
CALIFORNIA
Las Vegas
Los Angeles
San Diego
ARIZONA
NEW MEXICO
TEXAS
LOUISIANA
Houston
Ottawa
Montreal
Toronto
NEW YORK
MAINE
FLORIDA
Gulf of Mexico
Mexico
Mexico City
Cuba
-1.25 or lower
-1.24 to -1.10
-1.09 to -.95
-.94 to -.80
-.79 to -.65
-.64 to -.50
-.49 to -.35
-.34 to -.20
-.19 to -.05
-.04 to .10
.11 to .25
.26 to .40
.41 to .55
.56 to .70
.71 to .85
.86 to 1.00
1.01 or higher
Soybeans Basis


Soybean Exports
MMT
100
90
80
70
60
50
40
30
20
10
0
U.S.
Argentina
Brazil
2017/18
2018/19
2019/20
2020/21
2021/22

Accumulated Soybean & Corn Exports to China



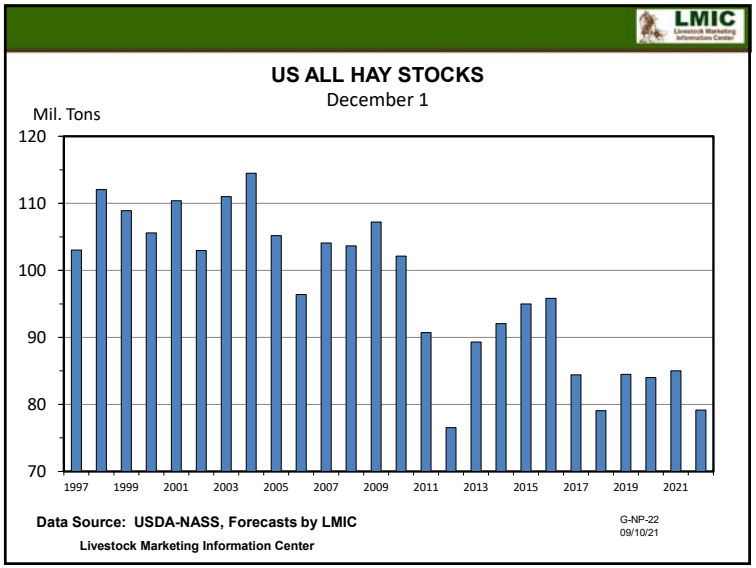
DEC 2021 Corn Contract

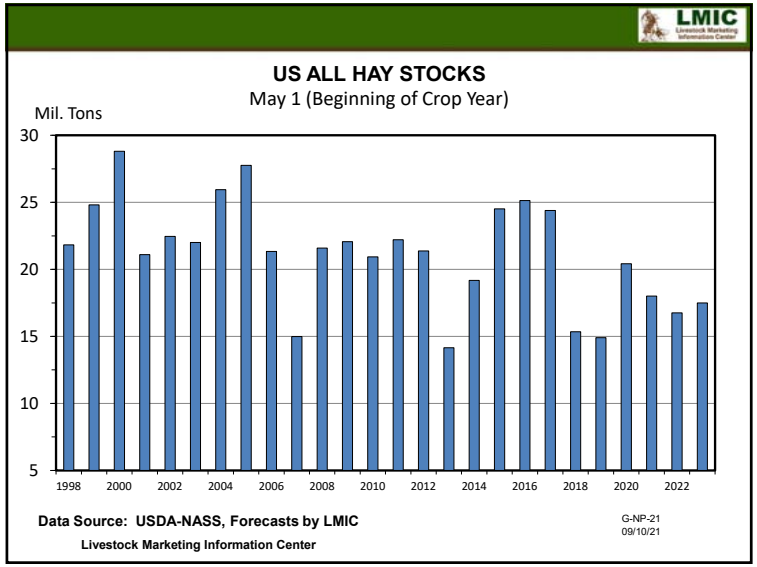
CORN - September 2021	2019/20	2020/21	2021/22 Proj.		2021/22 Forecasts			2022/23 Forecasts		
(Crop Year: Sep 1 - Aug 31)		Est.	Aug	Sep	High P	Normal	Low P	High P	Normal	Low P
Planted Acres (Million Acres)	89.7	90.8	92.7	93.3	93.0	93.3	93.5	93.0	94.0	95.0
Harvested Acres (Million Acres)	81.3	82.5	84.5	85.1	84.8	85.1	85.3	85.0	86.0	87.0
Yield (Bushels per Acre)	167.5	172.0	174.6	176.3	175.0	176.3	178.0	172.0	176.0	178.5
Beginning Stocks (Million Bu.)	2,221	1,919	1,117	1,187	1,187	1,187	1,187	1,375	1,375	1,375
Production	13,620	14,182	14,750	14,996	14,840	15,003	15,183	14,620	15,136	15,530
Imports	42	25	25	25	25	25	25	30	30	30
SUPPLY	15,883	16,127	15,892	16,208	16,052	16,215	16,395	16,025	16,541	16,935
Feed and Residual	5,900	5,725	5,625	5,700	5,700	5,725	5,750	5,650	5,700	5,750
Food, Seed, & Industrial	6,286	6,470	6,625	6,625	6,650	6,625	6,600	6,550	6,500	6,450
Ethanol & by-products	4,857	5,035	5,200	5,200	5,225	5,200	5,175	5,150	5,100	5,050
Export	1,777	2,745	2,400	2,475	2,750	2,500	2,450	2,650	2,600	2,550
USE	13,963	14,940	14,650	14,800	15,100	14,850	14,800	14,850	14,800	14,750
Ending Stocks	1,919	1,187	1,424	1,408	952	1,365	1,595	1,175	1,741	2,185
Average US Farm Price	3.56	4.45	5.75	5.45	6.75	5.50	4.75	6.25	4.85	4.50
Average DEC Futures					6.50	5.00	4.50	6.00	4.75	4.35
Average Colorado Price					7.00	5.75	5.00	6.50	5.00	4.50
	0.137	0.079	0.097	0.095	0.063	0.092	0.108	0.079	0.118	0.148

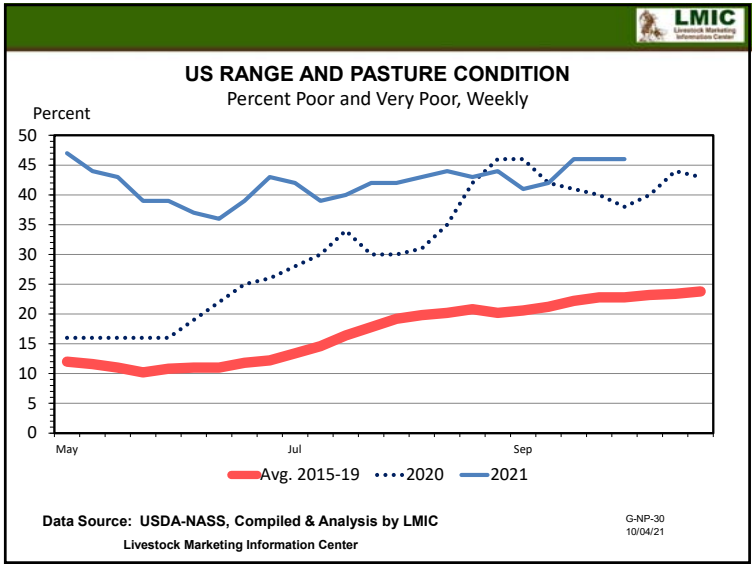
DEC 2022 Corn Contract

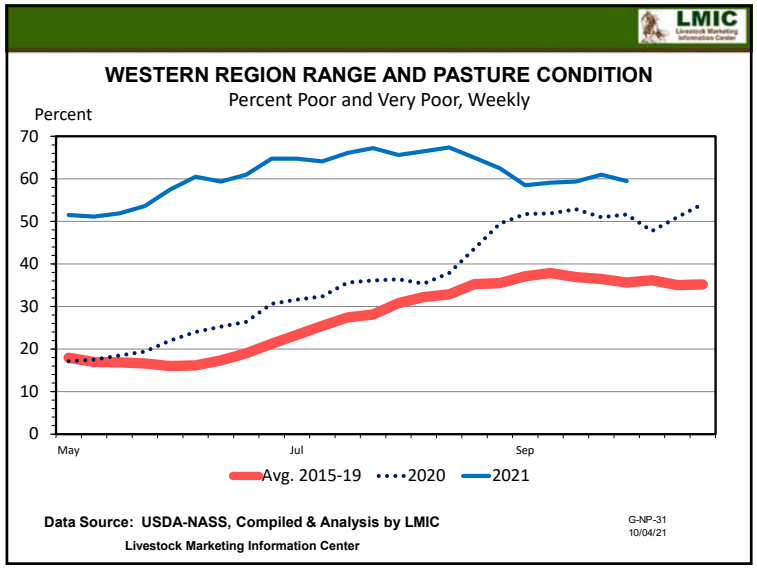
Corn Outlook

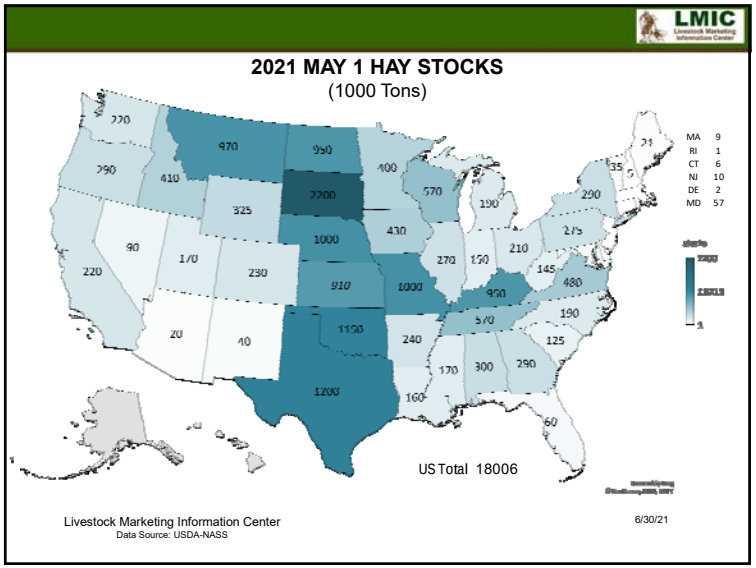
- Reductions in supply & increases in demand from last year are still driving market.
- Current crop: supply v. demand?
- Acreage next year?
- Demand? Trade? Ethanol?
  - New crop export sales are as good as last year.
- Current prices are $0.50-$0.75/bu higher than justified by market fundamentals.
- Price outlook – $4.70-$5.25/bu. And stocks are recovery. So, downside? Bet against the upside?

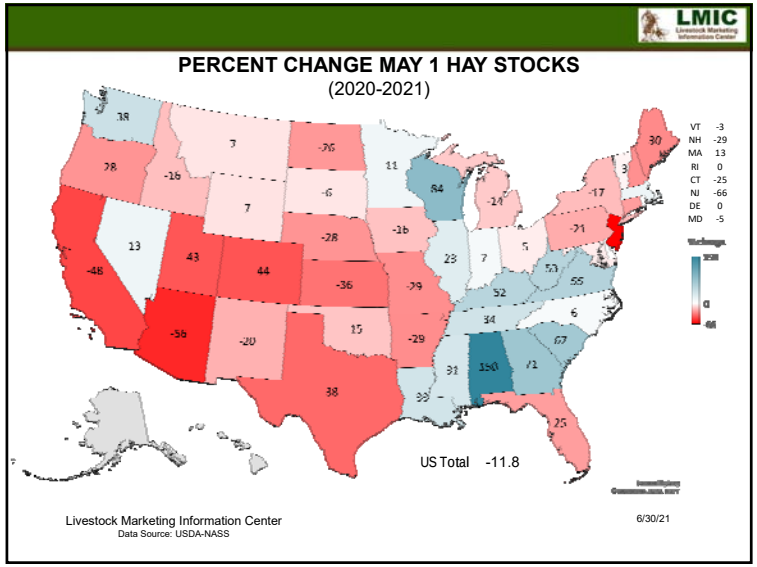


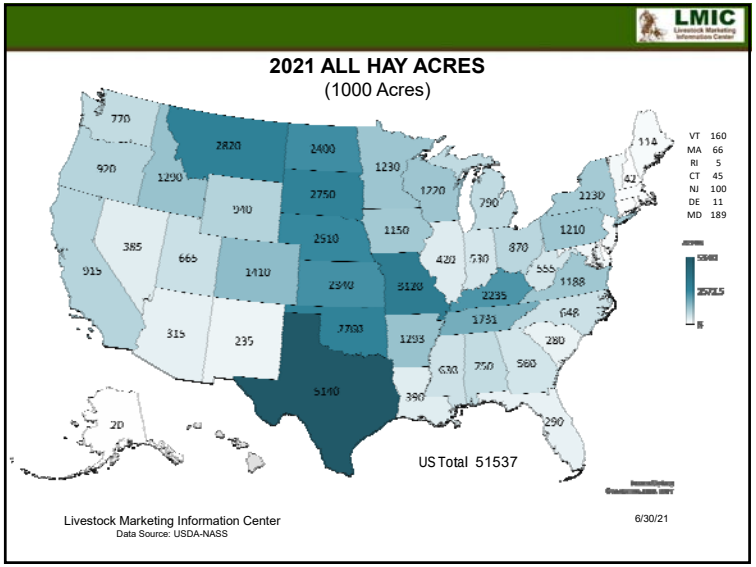


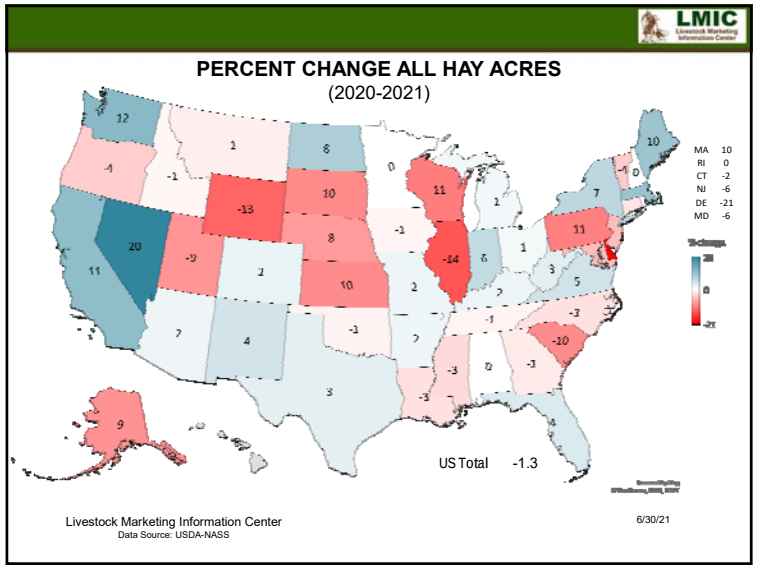


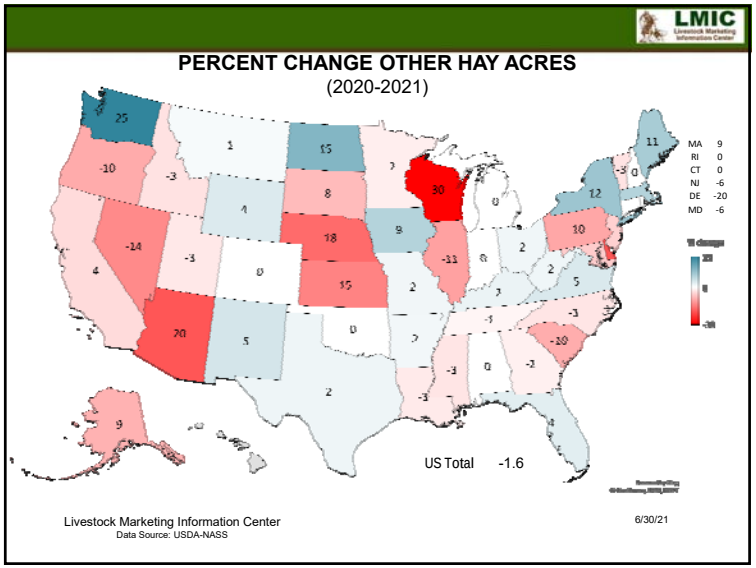

LMIC
WESTERN REGION RANGE AND PASTURE CONDITION
Percent Poor and Very Poor, Weekly
Percent
70
60
50
40
30
20
10
0
May
Jul
Sep
Avg. 2015-19
2020
2021
Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
G-NP-31
10/04/21

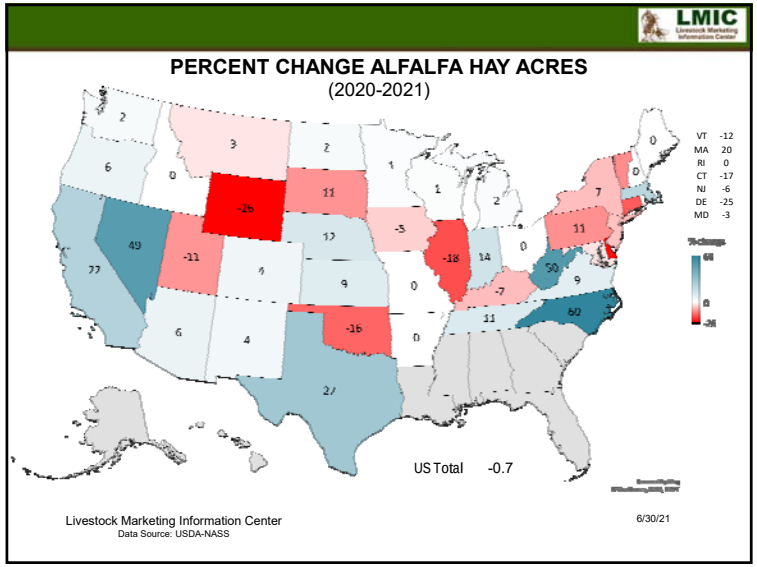

LMIC
2021 MAY 1 HAY STOCKS
(1000 Tons)
MA 9
RI 1
CT 6
NJ 10
DE 2
MD 57
US Total 18006
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21

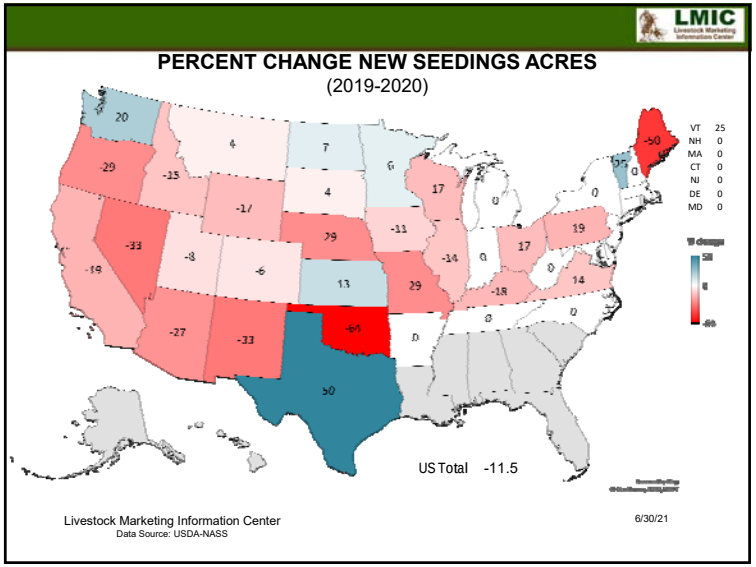

LMIC
PERCENT CHANGE MAY 1 HAY STOCKS
(2020-2021)
VT -3
NH -29
MA 13
RI 0
CT -25
NJ -66
DE 0
MD -5
US Total -11.8
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21

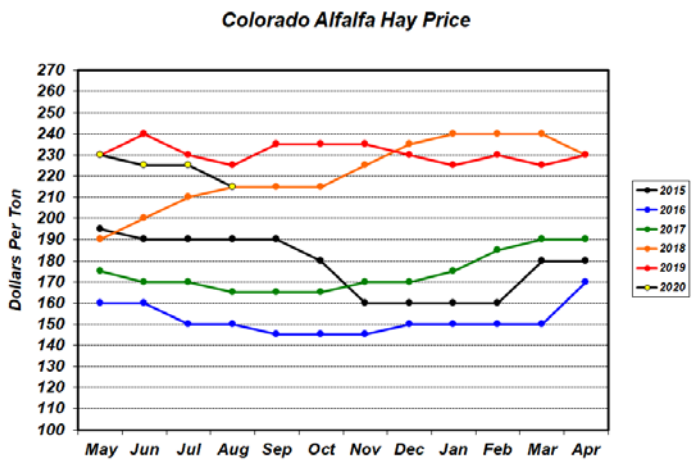

LMIC
2021 ALL HAY ACRES
(1000 Acres)
VT 160
MA 66
RI 5
CT 45
NJ 100
DE 11
MD 189
US Total 51537
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21

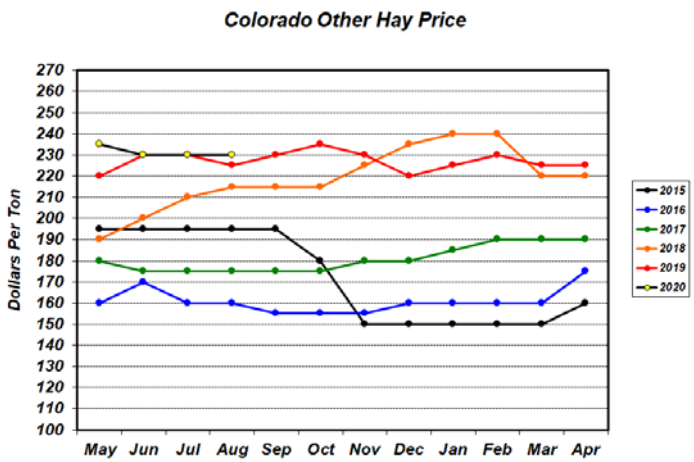

LMIC
PERCENT CHANGE ALL HAY ACRES
(2020-2021)
MA 10
RI 0
CT -2
NJ -6
DE -21
MD -6
US Total -1.3
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21

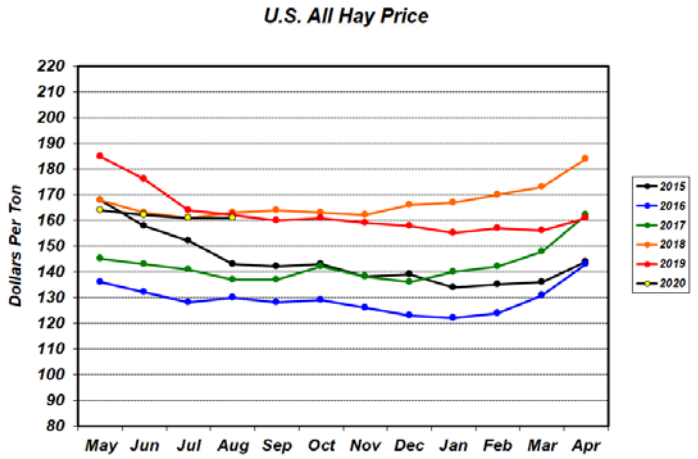

LMIC
PERCENT CHANGE OTHER HAY ACRES
(2020-2021)
MA 9
RI 0
CT 0
NJ -6
DE -20
MD -6
US Total -1.6
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21


LMIC
PERCENT CHANGE ALFALFA HAY ACRES
(2020-2021)
VT -12
MA 20
RI 0
CT -17
NJ -6
DE -25
MD -3
US Total -0.7
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21


LMIC
PERCENT CHANGE NEW SEEDINGS ACRES
(2019-2020)
VT 25
NH 0
MA 0
CT 0
NJ 0
DE 0
MD 0
US Total -11.5
Livestock Marketing Information Center
Data Source: USDA-NASS
6/30/21

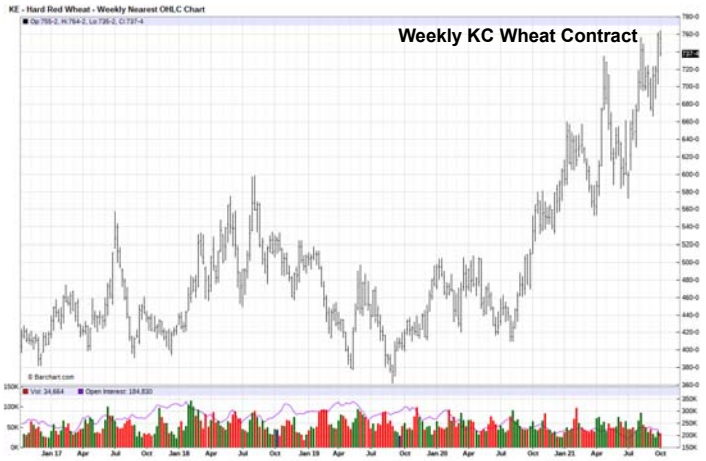


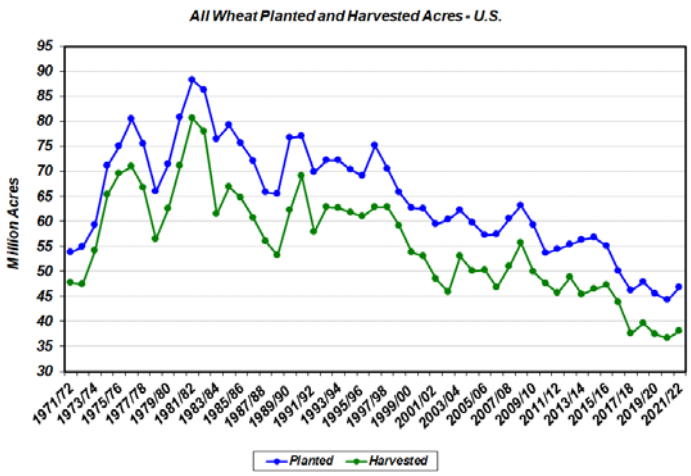


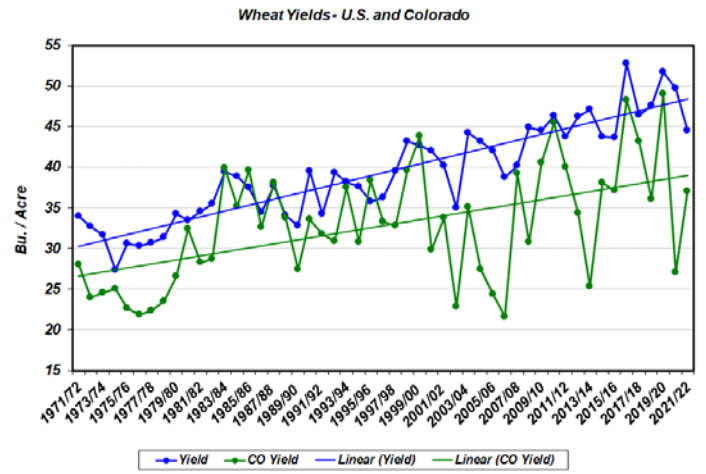


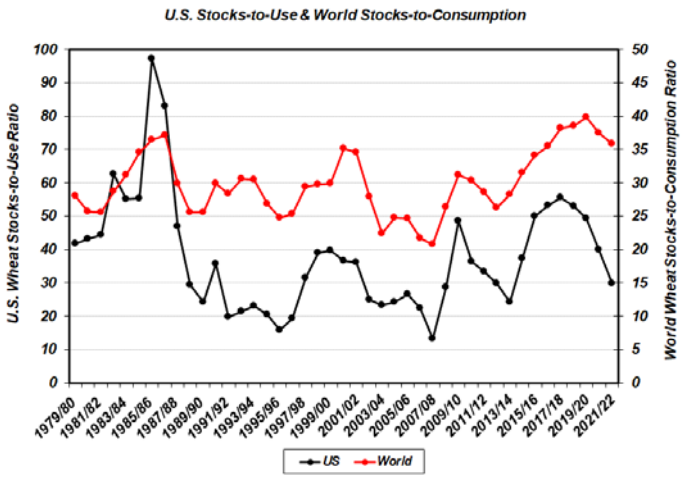
Forage Outlook

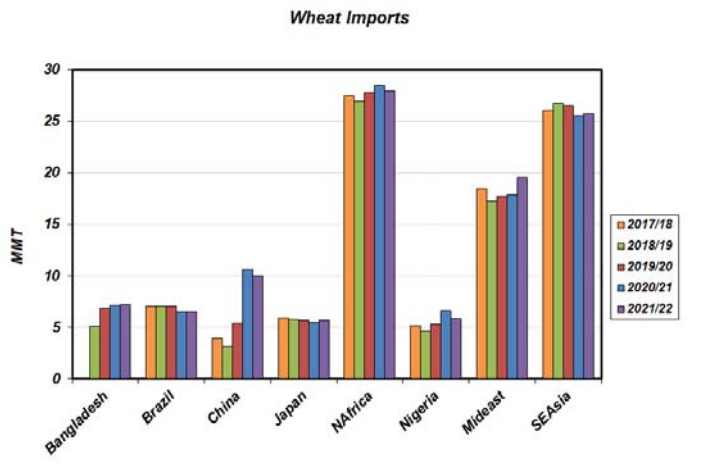
- Hay prices will:
  - Hold steady short-run.
  - Move lower long-run.
- Depleted forage stocks – & all winter in the west with poor moisture?
- Excellent hay: $225-$275/T.
- Good hay: $150-$200/T.
- Lower quality hay: $100-$150/T.


Weekly KC Wheat Contract

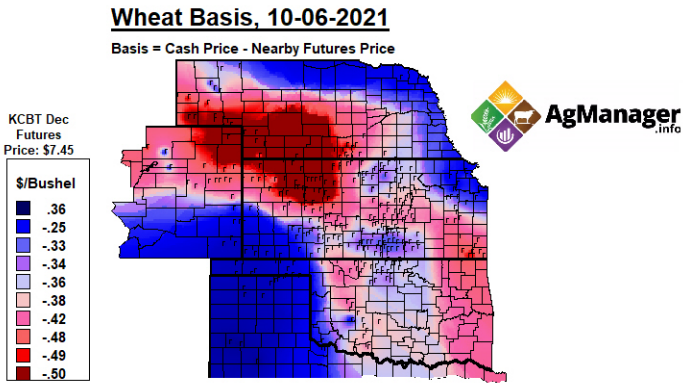

All Wheat Planted and Harvested Acres - U.S.
Million Acres
Planted
Harvested

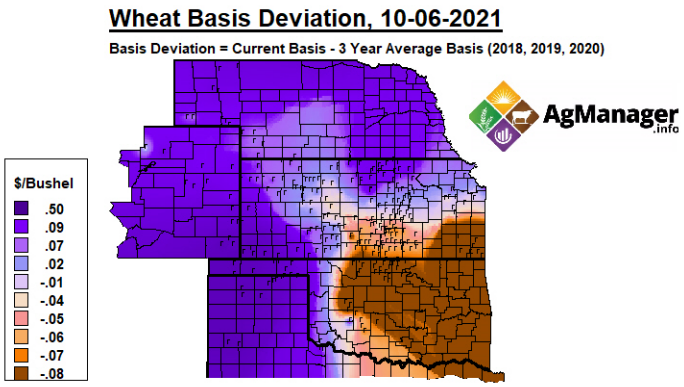

Wheat Yields - U.S. and Colorado
Bu. / Acre
Yield
CO Yield
Linear (Yield)
Linear (CO Yield)


U.S. Stocks-to-Use & World Stocks-to-Consumption
U.S. Wheat Stocks-to-Use Ratio
World Wheat Stocks-to-Consumption Ratio
US
World



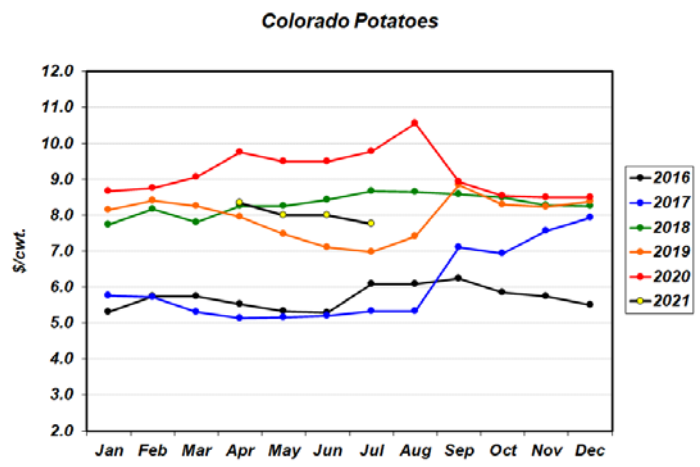
WHEAT - ALL - September 2021 (Crop Year: Jun 1 - May 31)	2019/20	2020/21 Est.	2021/22 Proj. Aug	2021/22 Proj. Sep	2021/22 Forecasts High P	2021/22 Forecasts Normal	2021/22 Forecasts Low P	2022/23 Forecasts High P	2022/23 Forecasts Normal	2022/23 Forecasts Low P
Planted Acres (Million Acres)	45.5	44.3	46.7	46.7	46.7	46.7	46.7	44.0	45.5	46.5
Harvested Acres (Million Acres)	37.4	36.7	38.1	38.1	38.0	38.1	38.5	35.5	37.5	39.5
Yield (Bushels per Acre)	51.7	49.7	44.5	44.5	44.0	44.5	45.0	45.0	45.8	46.0
Beginning Stocks (Million Bu.)	1,080	1,028	844	844	844	844	844	615	615	615
Production	1,932	1,826	1,697	1,697	1,672	1,695	1,733	1,598	1,718	1,817
Imports	104	100	145	135	135	135	135	125	125	125
SUPPLY	3,116	2,954	2,686	2,676	2,651	2,674	2,712	2,338	2,458	2,557
Food	962	961	962	964	964	964	964	965	965	965
Seed	60	61	62	62	62	62	62	60	60	60
Feed and Residual	97	97	160	160	150	160	170	90	100	120
Export	969	992	875	875	950	875	825	1,000	900	875
USE	2,087	2,110	2,059	2,061	2,126	2,061	2,021	2,115	2,025	2,020
Ending Stocks	1,028	844	627	615	525	613	691	223	433	537
Average US Farm Price	4.58	5.05	6.70	6.60	7.00	6.50	5.75	8.00	7.00	6.50
Average JUL KC Futures								8.50	7.50	7.00
Average Colorado Price					6.75	6.25	5.75	7.75	6.75	6.25
	0.493	0.400	0.305	0.298	0.247	0.298	0.342	0.105	0.214	0.266





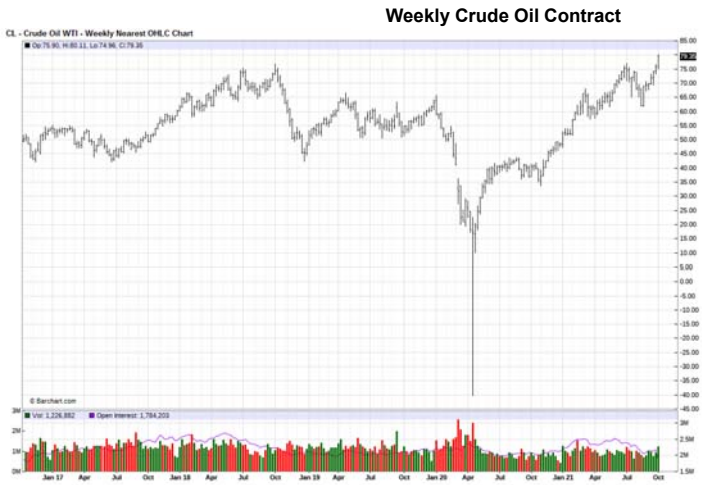
Wheat Outlook

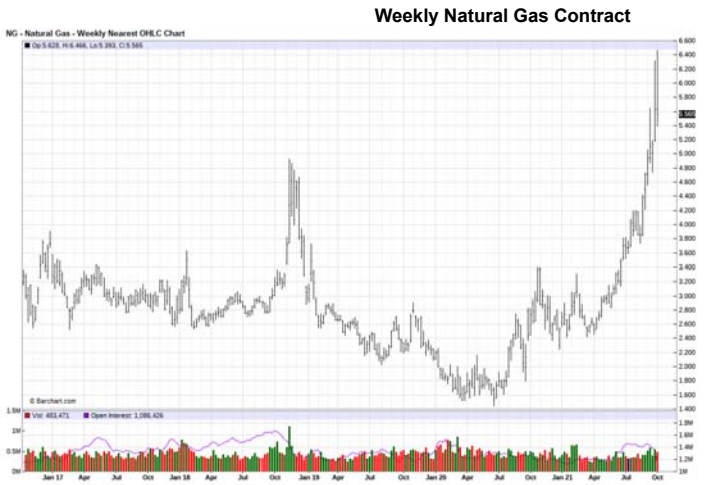
- Strong world production & usage. But still large worldwide stocks.
- U.S.: reduced production & increased use. Strong reduction in domestic stocks.
- Acreage? Profits are weak compared to corn.
- Improving prices & basis – upside potential.
- But potential relative to world?
- Current wheat prices are $1 higher than justified by market fundamentals.
- Forecasts: $6-$7/bu.

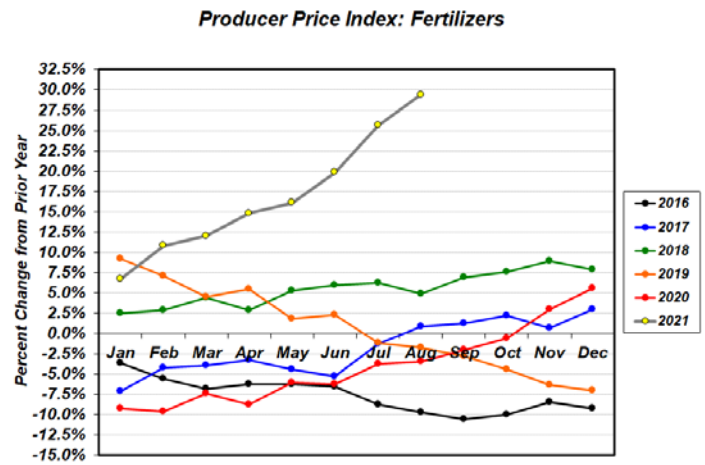


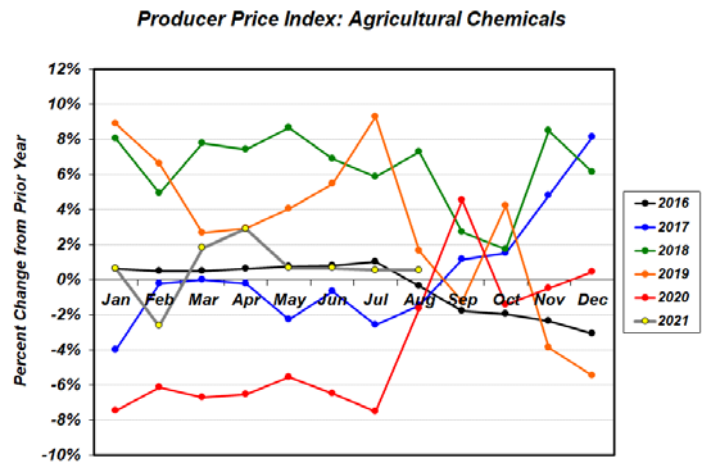
Input Market Outlook Summary

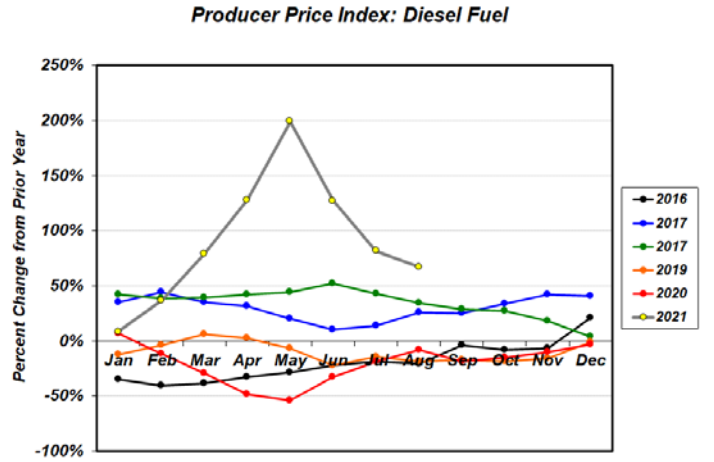
- Everything was a bit soft. Not anymore…
- Strong farm economy.
- Strong nonfarm economy.
- Labor, labor, labor…
- Energy…
- There is a need to well-time input purchases.
- Supply industries appeared to not operating at-capacity & not taking risk.
- Every supply chain has trouble…

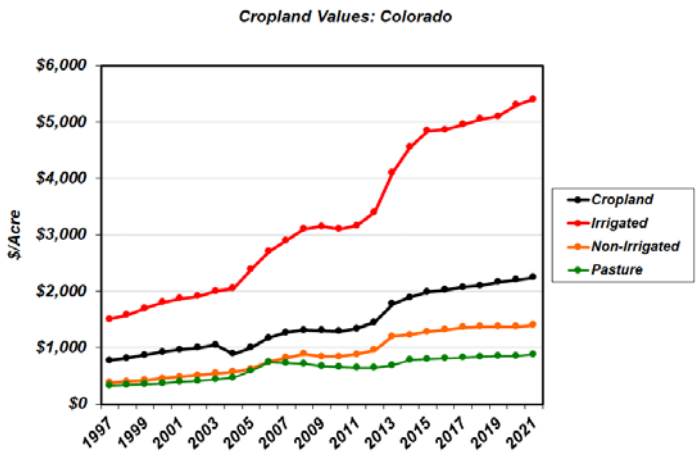

Weekly Crude Oil Contract

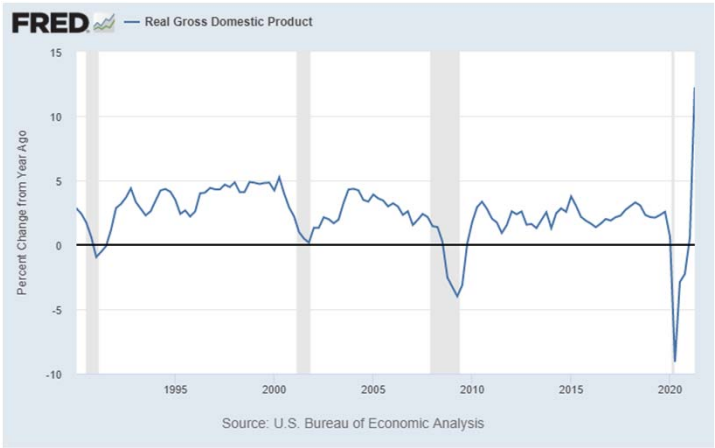

Weekly Natural Gas Contract


Producer Price Index: Fertilizers
Percent Change from Prior Year
32.5%
30.0%
27.5%
25.0%
22.5%
20.0%
17.5%
15.0%
12.5%
10.0%
7.5%
5.0%
2.5%
0.0%
-2.5%
-5.0%
-7.5%
-10.0%
-12.5%
-15.0%
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2016
2017
2018
2019
2020
2021

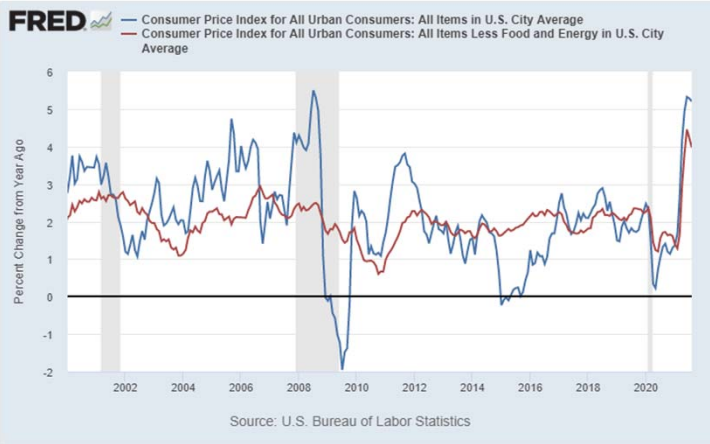

Producer Price Index: Agricultural Chemicals
Percent Change from Prior Year
12%
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%
-8%
-10%
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2016
2017
2018
2019
2020
2021

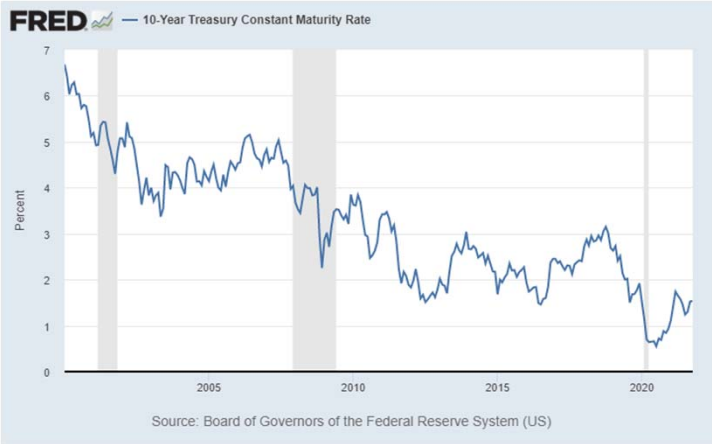

Producer Price Index: Diesel Fuel
Percent Change from Prior Year
250%
200%
150%
100%
50%
0%
-50%
-100%
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2016
2017
2017
2019
2020
2021

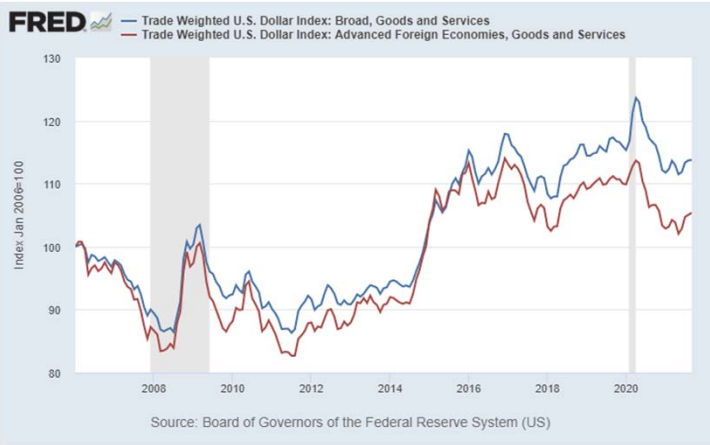

Cropland Values: Colorado
$/Acre
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2021
Cropland
Irrigated
Non-Irrigated
Pasture

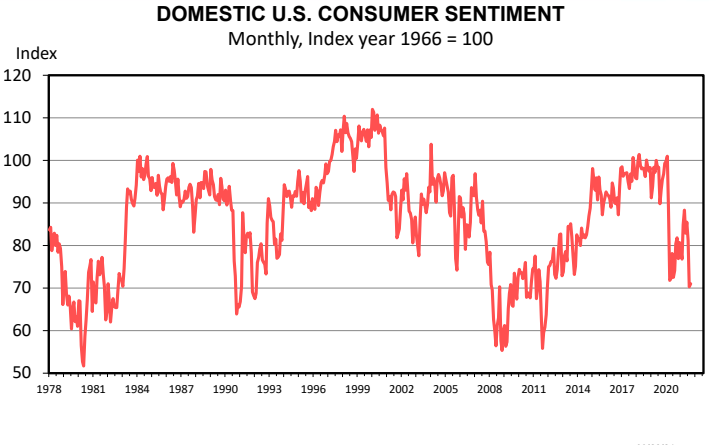

FRED
Real Gross Domestic Product
Percent Change from Year Ago
15
10
5
0
-5
-10
1995
2000
2005
2010
2015
2020
Source: U.S. Bureau of Economic Analysis

FRED
Unemployment Rate
Percent
15.0
12.5
10.0
7.5
5.0
2.5
1995
2000
2005
2010
2015
2020
Source: U.S. Bureau of Labor Statistics


FRED
Consumer Price Index for All Urban Consumers: All Items in U.S. City Average
Consumer Price Index for All Urban Consumers: All Items Less Food and Energy in U.S. City Average
Percent Change from Year Ago
Source: U.S. Bureau of Labor Statistics


FRED
10-Year Treasury Constant Maturity Rate
Percent
Source: Board of Governors of the Federal Reserve System (US)


FRED
Trade Weighted U.S. Dollar Index: Broad, Goods and Services
Trade Weighted U.S. Dollar Index: Advanced Foreign Economies, Goods and Services
Index Jan 2006=100
Source: Board of Governors of the Federal Reserve System (US)


LMIC
DOMESTIC U.S. CONSUMER SENTIMENT
Monthly, Index year 1966 = 100
Index
09/28/21
Data Source: University of Michigan
Livestock Marketing Information Center

Economic Outlook Summary

- Labor, labor, labor…
- All supply chains are having problems.
- Solid bounce back & persistence?
- Economic activity…
- Manufacturing investment?
- Service sector in recession.
- Real estate values…
- Interest rates…
- Currency valuation…

Short-Term Outlook

- Western drought & relief?
- Fed cattle – better prices but supply chain. Competing meats & demand & trade?
- Feeder cattle & calves – will follow fed cattle. But feed costs. And herd liquidation.
- Feed – tight & strong for how long? Trade, acres & soybeans?
- Forage – dry, dry, dry through the winter.
- Wheat – plentiful world but tightening U.S. Plantings?

Long-Term Outlook

- For cattle & calves, it depends on demand (domestic & trade) & supply (herd expansion).
- And competing meats and feed costs.
- Protein trade with China.
- Corn and oilseeds acres going forward.
- Domestic economy v. international economies.
- Low interest rates and inflation.
- Rapid transition from abundant/soft to tight markets & risk premiums.

Colorado State University Extension

Contact and Link Information

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