

New crop corn futures finished the first half of June slightly higher as heat and dryness dominated the mid-range forecasts across the Midwest. USDA indicated 95 percent of the crop was planted through the week ending June 9. Seventy-four percent of the crop was rated good/excellent, some 7 points ahead of the 5-year average. Two percent of corn production area was affected by drought through June 11, although weather over the coming weeks is critically important to yield potential. USDA on June 12 released its latest WASDE report. For corn, the domestic 2024/25 balance sheet was unchanged from last month. Old crop export sales have been counter-seasonally strong in recent weeks. Export shipments continue to run about 15 million bushels behind the historical pace needed to meet USDA's annual forecast. New crop export demand remains lackluster with outstanding sales near the lowest point for this point of the marketing year over the last decade. Weekly ethanol output was larger than a year ago for the 5th straight week. Ethanol stocks also posted year-over-year gains and are 4.5 percent higher than a year ago. Ethanol stocks have been larger than year ago levels since mid-March. WASDE's global balance sheet called for lower production and smaller ending stocks compared to last month's estimates. Brazilian and Argentine 2023/24 corn production was unchanged from last month. Global corn ending stocks were lowered from last month to 310.8 million tons. This was slightly lower than the average pre-report estimate of 311.3 million metric tons but within the range of estimates (308 to 315 million range). Drought continues to threaten yield potential in Mexico, Ukraine, and major growing areas in China. Market attention will remain focused on U.S. weather, any signs of new crop export demand, and this month's Acreage and quarterly Grain Stocks reports. Our clients have leaned on flexible positions to provide downside protection while maintaining upside opportunity. They will look to scale into additional coverage should heat and dryness emerge in the critical months of June and July.



The estimated yield for the Jul 2024 crop is 213 bushels per acre and the non-land operating cost is \$820 per acre. Land cost for Jul 2024 is estimated at \$292 per acre<sup>1</sup>. Basis for the Jul 2024 crop is estimated at \$-0.2 per bushel.



The estimated yield for the Dec 2024 crop is 216 bushels per acre and the estimated operating cost is \$806 per acre. Land cost for Dec 2024 is estimated at \$300 per acre<sup>1</sup>. Basis for the Dec 2024 crop is estimated at \$-0.28 per bushel.

<sup>1</sup> The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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