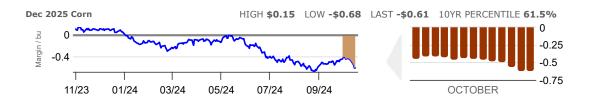
Corn Margin Watch: October



Corn futures fell in the first half of October amidst improving South American weather and a quickly evolving U.S. corn harvest, USDA indicated 47 percent of the U.S. corn crop was harvested through the week ending October 13. This was 17 percent ahead of the previous week and 8 points above the 5-year average. USDA on October 11 released its monthly WASDE report. For corn, the domestic 2024/25 balance sheet called for lower ending stocks through a combination of higher old crop usage and increased new crop exports that more than made up for an increase in yield expectations. Based on the September 30 Quarterly Stocks Report, old crop demand for feed & residual, food seed & industrial use, and exports were raised by a combined 48 million bushels. Adding a small reduction in total supplies brought beginning stocks down 52 million bushels from last month. New crop exports were projected 25 million bushels higher to 2.325 billion bushels. National average yields were projected 0.2 bushels per acre higher to a record 183.8 bushels per acre, adding 17 million bushels to expected production. Ending stocks were forecast at 1.999 billion bushels, down 58 million bushels from last month's estimate. On the global front, lower production estimates were expected in Ukraine, Egypt, Russia and the Philippines which was partially offset by increases expected in India. Global ending stocks were projected down 1.55 million metric tons to 332.35 MMT. Argentina's balance sheet showed increases in both beginning stocks and production which was only partially offset by higher domestic use and increased exports. Concern over Chinese feed imports is intensifying as they remain largely absent in world feedgrain trade. Worries also persist about the impact of the U.S. election on potential tariffs or trade wars into next year. High level Chinese and Brazilian government representatives will meet next week to discuss trade. Improving South American weather has weighed on the corn market. Worst-case scenarios with respect to Brazilian safrinha corn seeding is expected to be avoided. Market attention will remain focused on South American weather and the impact of geopolitics on trade flows. Our clients were active making adjustments earlier in the month. They will patiently evaluate lightening delta and reopening upside opportunity should the market continue to break.



The estimated yield for the Dec 2024 crop is 216 bushels per acre and the non-land operating cost is \$788 per acre. Land cost for Dec 2024 is estimated at \$275 per acre ¹. Basis for the Dec 2024 crop is estimated at \$-0.25 per bushel.



The estimated yield for the Dec 2025 crop is 224 bushels per acre and the estimated operating cost is \$749 per acre. Land cost for Dec 2025 is estimated at \$300 per acre. Basis for the Dec 2025 crop is estimated at \$-0.3 per bushel.

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¹ 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.