

Corn futures finished the second half of October lower as harvest rolls on across the Midwest. USDA indicated 59 percent of the corn crop was harvested through October 29. This was up 14 points from the previous week and 5 percent higher than the 5-year average. Corn export shipments have disappointed as the current pace of exports is slightly behind the historical pace needed to meet USDA's annual forecast. Outstanding corn export sales have increased in recent weeks primarily due to Mexico. Total commitments to our southern neighbor currently stand at a 10-year high. Total commitments to Canada also remain above average for this point in the year but have been stagnant for the last two months. Weekly ethanol production climbed to its highest level since mid-August while stocks climbed slightly from the previous week. Despite the increase, stocks remain 4 percent below a year ago. The October Cattle on Feed report indicated much larger-than-expected September placements, leading to about 106,000 more head on feed than expected. This marked the first time in 13 months that inventories were above a year ago and supportive of the corn complex. Internationally, Ukraine has allegedly suspended the use of its new Black Sea grain corridor due to what it sees as military risks. South American production risk is sizeable amid El Nino and abnormal weather over the past several weeks. Argentine corn seeding was behind the average pace at last check as producers look to plant a record amount of late-seeded varieties. Market attention will remain focused on South American weather over the coming weeks. Our clients were active lightening delta over the past several weeks. They are remaining patient and examining adjustments to increase delta with flexible strategies if a post-harvest rally occurs.



The estimated yield for the Dec 2023 crop is 213 bushels per acre and the non-land operating cost is \$852 per acre. Land cost for Dec 2023 is estimated at \$292 per acre¹. Basis for the Dec 2023 crop is estimated at \$-0.18 per bushel.



The estimated yield for the Dec 2024 crop is 216 bushels per acre and the estimated operating cost is \$820 per acre. Land cost for Dec 2024 is estimated at \$300 per acre¹. Basis for the Dec 2024 crop is estimated at \$-0.4 per bushel.

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.

The information contained in this publication is taken from sources believed to be reliable, but is not guaranteed by Commodity & Ingredient Hedging, LLC, nor any affiliates, as to accuracy or completeness, and is intended for purposes of information and education only. Nothing therein should be considered as a solicitation to trade commodities or a trade recommendation by Commodity & Ingredient Hedging, LLC. All references to market conditions are current as of the date of the presentation. Futures and options trading involves the risk of loss. Past performance is not indicative of future results. Please visit www.cihedging.com to subscribe to the CIH Margin Watch report.