

**AgCountry Farm Credit Services**  
**JUNE 2023 MARKET UPDATE**  
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**Corn**

Over the course of the month, corn futures continued their decline. The old crop July futures contract traded in a \$0.67 range from \$6.14 to \$5.47, which is the lowest since November of 2021. Along with the new crop December contract trading in a \$0.58 range from \$5.48 to \$4.90, which is the lowest since October of 2021. Throughout the month the market has been consumed by the thought of estimated record production as well as the ending stocks finishing above 2 billion. To add to that, the estimated record Brazilian Safrinha corn production would boost world-ending stocks.

From June's USDA World Agricultural Supply and Demand Estimates (WASDE) report, the USDA increased Brazil's corn production by 2mmt while decreasing Argentina's corn production by 2mmt. The USDA lowered U.S. exports by 50 million bushels bringing total exports to 1.725 billion bushels. The decrease in exports raised ending stocks to 1.452 billion bushels, which is an increase of 35 million bushels from the May WASDE report.

The increased carryover of 35 million bushels of old crop ending stocks reflected directly into our new-crop supply making the new estimated ending stocks 2.257 billion bushels for the 2023-2024 crop year. The USDA left their 2023-2024 production estimates unchanged at 15.265 billion bushels.

**Soybeans**

Since last month's WASDE report, the soybean market continues to find bullish news, which has led the old crop July contract to a \$1.41 trading range from \$14.11 to \$12.70 futures. The new crop November contract has traded in a \$1.07 range from \$12.37 to \$11.30 futures. The soybean market is in the same boat as the corn market. The market is still absorbing the estimated record 2023-2024 production as well as record soybean production in Brazil, who continues to dominate the export market.

Shadowing the adjustments in the corn market, the USDA increased Brazil's soybean production by 1mmt and lowered Argentina's soybean production by 2mmt. Like corn production, the USDA left their 2023-2024 new crop production unchanged at 4.51 billion bushels. New crop ending stocks were increased 15 million bushels to 350 million bushels.

**Wheat**

Spring wheat futures have experienced continued volatility. Old crop July futures traded in a \$1.13 range from \$8.88 to \$7.75 futures. New crop September futures traded in a \$1.11 range from \$8.89 to \$7.78 futures.

In mid-May, we witnessed the Black Sea Grain Initiative get renewed once again. This deal impacted not just wheat markets but all grains. Due to a slight increase from the May WASDE report in yield from 44.7 bushels per acre to 44.9, wheat production was increased by 6 million bushels to 1.665 billion bushels. This results in a slight increase in new crop ending stocks of 6 million bushels to 562 million bushels.

### **Sugarbeets**

Due to a higher sucrose recovery, 2022-2023 production is increased 15,375 STRV to 5.171 million short tons. Imports slightly decreased to 66,046 STRV from a decline in sugar from Mexico. Due to higher shrinkage, beet sugar production decreased 11,468 STRV.

### **Ethanol**

Throughout the month, ethanol production has slightly decreased from 987,000 bpd to 983,000. Several FOB prices from the Gulf are up slightly by 0.1% compared to last month. They are, however, down 13% compared to this time last year. Although prices to Southeast Asia are up 1% from last month, they are down 23.7% compared to this time last year.

### **Lean Hogs**

The USDA decreased second-quarter pork production from a higher slaughter rate but lower carcass weight. With an increase in demand, 2023-2024 exports have also increased.

### **Feeder/Live Cattle**

Due to higher than anticipated slaughter of steers, heifers, cows, and bulls, beef production was increased. Forecasted prices continue to increase in 2023 due to higher demand strength.

### **Dairy**

Milk production is lower for 2023 when compared to the May WASDE report. This is due to slower growth in milk-per-cow. Production estimates for 2024 are unchanged from the May report. Fat and skim-solid basis exports for 2023 are both slightly lowered from last month. Exports of skim-solid basis have decreased due to weaker whey and lactose shipments.