

## THE AG FORECAST GOING INTO 2024

C. Hart ([chart@iastate.edu](mailto:chart@iastate.edu))

USDA's World Agricultural Supply and Demand Estimates (WASDE) report outlines the current view for agricultural markets over the next 12–18 months. In general, extreme weather events and domestic and international economic concerns have shaped the agricultural projections for the near future. While US meat demand remains resilient, cattle numbers have continued to decline due to drought and high production costs. Meanwhile, USDA projects the pork and poultry industries will grow. Livestock prices have a mixed outlook for 2024, with beef and pork prices expected to increase, while prices for broilers and turkeys fall. This year's acreage shifts seem to have bigger impacts on crop production than the ongoing drought, with corn acreage and production jumping higher, while soybean area and production fell. Crop usage eroded from sustained higher prices; however, the forecast shows a rebound in crop usage for the 2023 crops, with the exception of soybean exports.

For the livestock sector, the 2023 calendar year has been another challenging year. Drought continued to be a problem across a sizable chunk of the country, limiting pasture use and constraining herd size. Meat demand has been mixed. For beef, domestic consumption has been solid, but international consumption has retreated. Meanwhile, for pork, it is the opposite, as international consumption has increased, while domestic consumption is weaker. While prices are relatively strong (with the exception of pork), producers continue to face higher costs, limiting profitability. Table 1 shows the current projections for the 2023 and 2024 calendar years in the livestock sector. Overall, meat production in 2023 is set to be just slightly above 107 billion pounds. Compared to 2022, beef production declined, while pork, broiler, and turkey production increased. However, the overall total is slightly lower. Meat prices exhibit the opposite pattern, with higher beef prices and lower pork, broiler, and turkey prices. The outlook for 2024 points to lower beef production and increased pork, broiler, and turkey production. USDA expects beef prices to remain strong and projects pork prices will recover a bit. However, the forecast shows broiler and turkey prices will continue their decline. Total meat supplies will be lower, but there will be greater availability of pork and poultry. International meat trade is projected to rise slightly in 2024, as beef exports are projected to fall by 189 million pounds, but pork exports are expected to rebound by 189 million pounds, along with roughly 100 million pounds of poultry export expansion.

Table 1. USDA Livestock Projections

	2023		2024		Change from 2023 to 2024
	Forecast	Change from September	Forecast	Change from September	
Production	(Billion Pounds)				
Beef	26.98	0.04	25.28	0.11	-1.70
Pork	27.29	0.13	27.90	0.56	0.61
Broilers	46.69	-0.20	47.11	-0.20	0.62
Turkey	5.55	-0.03	5.64	-0.01	0.09
Total	107.06	-0.07	106.66	0.46	-0.40
Meat					
Prices	(\$ per Cwt.)				
Steers	177.30	-1.18	185.00	-0.50	7.70
Hogs	59.70	-0.18	61.25	-3.50	1.55
	(Cents per Pound)				
Broilers	124.00	0.80	122.30	1.00	-1.80
Turkey	144.90	-4.60	137.80	-8.80	-7.10

Source: USDA-WAOB.

For the corn and soybean markets, the September USDA report incorporates new acreage information from the Farm Service Agency and new survey data from NASS's farmer and objective yield queries. For both crops, USDA's new estimates indicate more acreage and less yield. The October report carried the acreage changes forward, but updated yield and production estimates. The national corn planted area estimate was increased by 800,000 acres to a total of 94.9 million acres; however, the national average corn yield estimate dropped to 173 bushels per acre. Putting together the acreage and yield updates, USDA finds evidence to keep supplies above 15 billion bushels for the year, which puts this year's production 1.35 billion bushels above the 2022 total and nearly equal to 2021 production.

USDA also updated corn usage. Given recent corn processing data, 18 million bushels were removed from the corn grind out of the 2022 crop. Corn export sales out of the 2022 crop were lowered by 4 million bushels and corn usage for sweeteners fell by 28 million bushels. However, corn feed and residual usage increased by 124 million bushels. Combining all of the changes, the projections show the 2022/23 corn ending stocks at 1.361 billion bushels. Normally, a reduction in stocks translates to an increase in prices, but USDA lowered its 2022/23 season-average price estimate by a penny to \$6.54 per bushel. For the new (2023) crop, USDA reduced its estimates for feed and exports by 25 million bushels each, with feed and residual use at 5.6 billion bushels, ethanol at 5.3 billion bushels, food, seed, and other use at 1.415 billion bushels, and exports at 2.025 billion bushels. Overall corn usage is projected to be nearly 600 million bushels higher for the new corn marketing year—2023/24 ending stocks are now set at 2.111 billion bushels, down 110 million from last month, but up 749 million from last

year. With plenty of corn available to the market, USDA estimates the 2023/24 season-average price at \$4.95 per bushel.

Table 2. Corn Supply and Use

Marketing Year		2022		2023		
		Estimate	Change from September	Forecast	Change from September	Change from 2022 to 2023
Area Planted	(mil. acres)	88.6	0.0	94.9	0.0	6.3
Yield	(bu./acre)	173.4	0.0	173.0	-0.8	-0.4
Production	(mil. bu.)	13,715	-15	15,064	-69	1,350
Beg. Stocks	(mil. bu.)	1,377	0	1,361	-90	-16
Imports	(mil. bu.)	39	-1	25	0	-14
Total Supply	(mil. bu.)	15,130	-16	16,451	-160	1,320
Feed & Residual	(mil. bu.)	5,549	124	5,600	-25	51
Ethanol	(mil. bu.)	5,177	-18	5,300	0	123
Food, Seed, & Other	(mil. bu.)	1,382	-28	1,415	0	33
Exports	(mil. bu.)	1,661	-4	2,025	-25	364
Total Use	(mil. bu.)	13,769	74	14,340	-50	571
Ending Stocks	(mil. bu.)	1,361	-90	2,111	-110	749
Season-Average Price	(\$/bu.)	6.54	-0.01	4.95	0.05	-1.59

Source: USDA-WAOB.

Note: Marketing year 2022 = 9/1/2022 to 8/31/2023

Nationally, total planted area for soybeans increased from August's estimate by just under 100,000 acres, to 83.6 million acres. The national average soybean yield estimate came in at 49.6 bushels per acre, down 0.5 bushels. Overall, national soybean

production is projected at 4.104 billion bushels. Soybean usage adjustments changed both domestic and international consumption. For the 2022 crop, exports were raised by 2 million bushels, reflecting slightly better sales at the end of the marketing year. On the other hand, domestic crush was reduced 8 million bushels and seed and residual usage fell by 23 million bushels. Those changes increased the 2022/23 ending stocks to 268 million bushels, maintaining already low stock levels. The 2022/23 season-average price estimate held steady at \$14.20 per bushel. For the 2023 crop, the usage changes were mixed. The domestic crush expectation increased by 10 million bushels. The larger decline hit in exports, with 35 million bushels removed there, based on greater global supplies. Despite the reductions in usage, USDA projected 2023/24 ending stocks at 220 million bushels, down 48 million from last year. Thus, US soybean stocks are projected to get even tighter. Given the large global soybean supplies, it's not surprising that soybean prices are lower year-over-year. USDA has its 2023/24 season-average price estimate at \$12.90 per bushel, \$1.30 below last year.

Table 3. Soybean Supply and Use

Marketing Year		2022		2023		
		Estimate	Change from September	Forecast	Change from September	Change from 2022 to 2023
Area Planted	(mil. acres)	87.5	0.0	83.6	0.0	-3.9
Yield	(bu./acre)	49.6	0.0	49.6	-0.5	0.0
Production	(mil. bu.)	4,270	-6	4,104	-42	-166
Beg. Stocks	(mil. bu.)	274	0	268	18	-6
Imports	(mil. bu.)	25	-5	30	0	5
Total Supply	(mil. bu.)	4,569	-11	4,403	-24	-167
Crush	(mil. bu.)	2,212	-8	2,300	10	88
Seed & Residual	(mil. bu.)	97	-23	128	2	31
Exports	(mil. bu.)	1,992	2	1,755	-35	-237
Total Use	(mil. bu.)	4,301	-29	4,183	-23	-118
Ending Stocks	(mil. bu.)	268	18	220	0	-48
Season-Average Price	(\$/bu.)	14.20	0.00	12.90	0.00	-1.30

Source: USDA-WAOB.

Note: Marketing year 2022 = 9/1/2022 to 8/31/2023.

Over the past couple years, US agriculture, for the most part, has enjoyed strong production, prices, exports, and incomes. The outlook going into 2024 shows reductions in most agricultural prices, a mixed picture in exports and production, and a decline in income. While incomes are retreating, the health of the overall agricultural economy is still good, it's just not quite as rosy as it used to be.