

Producer Wire

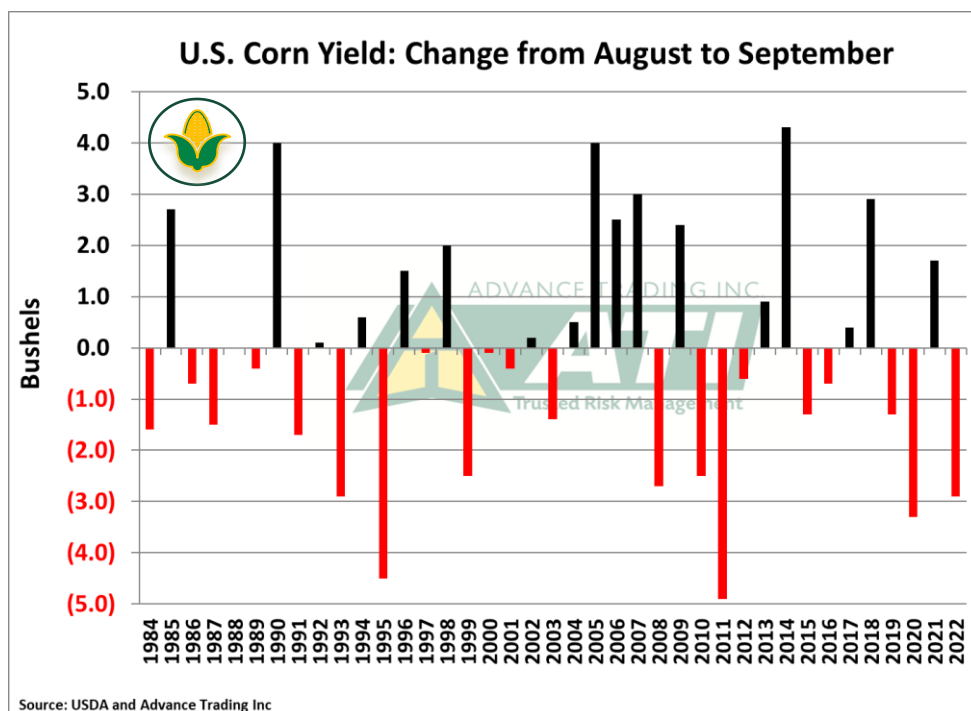
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Be Prepared for Market Volatility Due to Changes in U.S. Corn, Soybean Yields

Significant changes in U.S. corn and soybean yields in the September USDA crop report vs. August have previously been seen. Along with this year's uncertain weather impact, this suggests the potential for increased market volatility, and opportunity. Remaining in close contact with your *Advance Trading* advisor is prudent.



Highlights

USDA Crop Production
report to be released
September 12

Uncertainty high
regarding the impact of a
dry summer on U.S. corn,
soybean yields

At current cash prices,
returns for a cattle
feedyard not hedging
ranged from a \$33.85 loss
to a profit of \$19.61/head

LIVESTOCK

Kansas cash cattle prices were down \$0.90 cwt from last week at \$178.04 ranged from a \$33.85 loss to a profit of \$19.61 per head depending on how the feed was purchased. Projections indicate a profit for un-hedged producers.

[\(Read more...\)](#)

EGGS/POULTRY

Egg prices were up 4.7 cents/dozens from last week at 124.3 cents/dozen and were above estimated production costs. Total production costs were down 1.4 cents/dozen from the week before at 64.7 cents/dozen. With this, producer margins were positive 59.6 cents/dozen.

[\(Read more...\)](#)

Ethanol grind:
1,012,000 barrel/day
for week ending Sept.
1—up 0.5% compared
to last week and up
2.3% vs. 2022

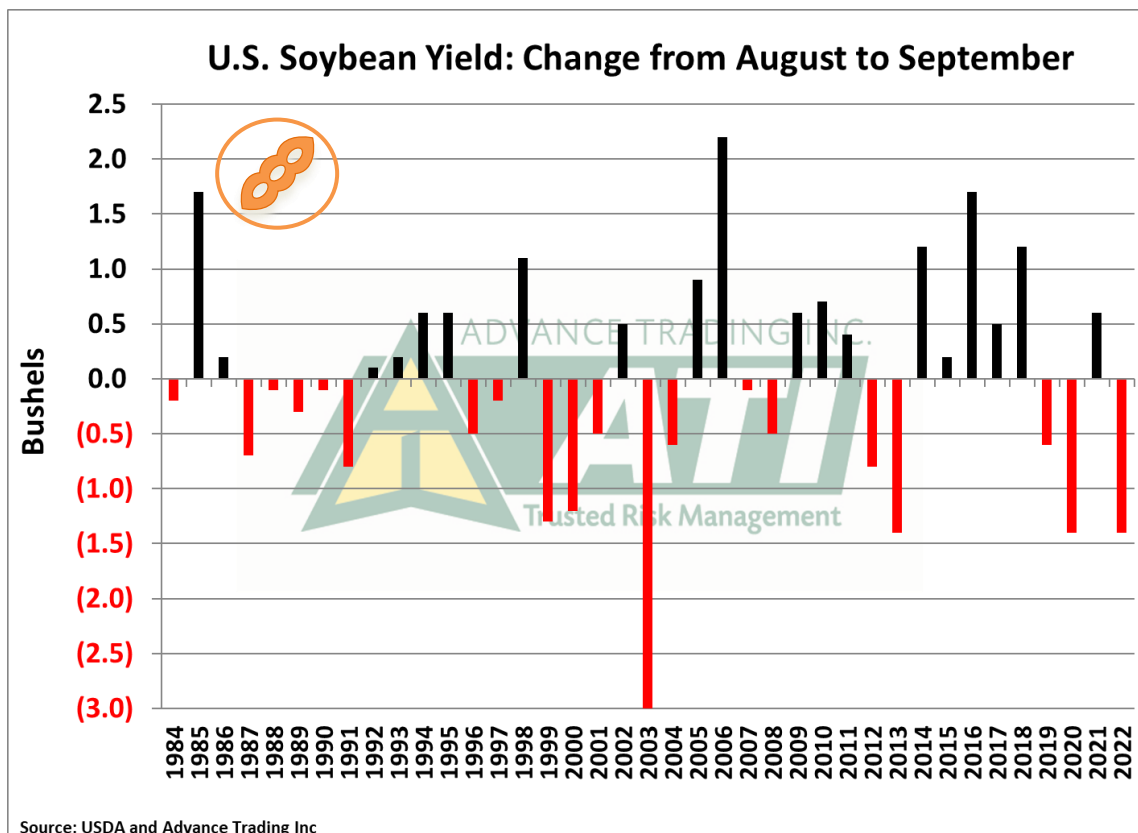


Potential for significant change in U.S. corn, soybean yields from August to September USDA crop report

The next USDA *Crop Production* report will be released September 12. The charts on the first page and below show changes in U.S. corn and soybean yields from August to September since 1984. There were 17 times the U.S. corn yield was higher in September vs. August with an average increase of 2.00 bu. In general, the magnitude of the increase has been greater recently. For example, the average increase the 4 times yield was higher from 1995-2004 was 1.05 bu., while the average the 6 times it was higher in 2005-2014 was 2.85. In addition, the increase in 2018 was 2.9 bushel. There were also 21 years with a month-to-month decline in yield, averaging of 1.80 bu. The magnitude of decreases from 1995-2004 was 1.50 but increased over 2005-2014 to 2.67. In 2015 and 2016, however, the declines were just 1.30 and 0.70, respectively.

For soybeans, there were 19 times when yield was higher in September vs. August with an average increase of 0.80 bu. The average increase the 3 times yield was higher from 1995-2004 was 0.73 bu., while the average the 6 times it was higher in 2005-2014 was 1.00 bu. Over the past five years, the average increase was 0.90. Alternatively, there were 20 years when yield declined from August to September. The average decrease was 0.785 bu. but the magnitude of the decreases has increased since 2018. For example, the average decrease the 4 times that yield was lower from 2005-2014 was 0.70. Over the past five years, however, the average decrease the 3 times that yield was lower was 1.13 bu.

What can we say about 2023? Some contend that a dry summer may result in lower-than-projected corn and soybean output, while others believe below normal temperatures for most of July-August will support yields near the USDA's current projections. *This uncertainty suggests the potential for increased market volatility, and opportunity.* Remaining in close contact with your *Advance Trading* advisor is prudent.

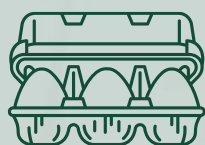
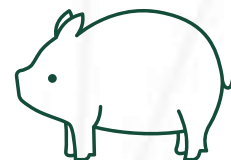


LIVESTOCK



The average cash price for 750-pound feeder cattle was down \$1.17 from the week before at \$250.25/cwt. Expected corn costs were down \$0.54 from the week before at \$5.82/bushel. At these levels, we pencil a breakeven price of \$200.07/cwt, down \$3.54 /cwt from the week before. With cash cattle in January projected to be \$188.33 /cwt, a feedyard could expect a loss of \$146.85 per head.

The Iowa/So. Minnesota weekly average price was down \$3.60/cwt from the week before to \$59.96/cwt. At this price, our calculations indicate a typical Iowa hog producer with un-hedged hogs ranged from a \$5.99 loss to a profit of \$1.72 per head, depending on how the feed was purchased. A sow bred today would farrow a pig in December and with estimated corn costs down \$0.33 to \$4.73/bushel and soybean meal down \$16.30 to \$391.20/ton, expected production costs are \$54.32/cwt to raise the pig to a live market weight in June. With cash hogs projected to be \$55.89/cwt, a pork producer would have a profit of \$3.92/cwt.



Broiler egg sets during the latest reported week were below last year's levels. Egg sets during the week ending 08/26/23 were up slightly from the week before. Egg sets were down 1.5% from a year ago and average egg set over the last four weeks is down 1.3% from last year. Egg sets were above the 5-year average for this time of year. Last week's egg set was 3.2% more than the average set for this time for 2018 through 2022 and over the last four weeks, egg sets have averaged 3.1% above the five-year average. Chick placements were down 0.7% from year ago levels. Placements during the latest week were up 0.4% from last week and placements over the last four weeks were down 1.2%.

Chicken prices were up \$0.02 from last week remaining higher than estimated production costs. Income from both whole broilers and further processed birds was \$5.07 per bird. Our estimates indicate feed, growout costs and processing for an average integrator were down \$0.02 from last week at \$3.77 per bird. With this, estimated returns were up \$0.03 from the week before at \$1.30 per bird.

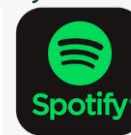


Ethanol grind: 1,012,000 barrels/day for the week ending Sept. 1—up 0.5% vs. last week and up 2.3% versus 2022. Stocks were 21.621 mb, up 0.012 mb from the prior week but down 1.517 mb versus last year.

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