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Grains and Oilseeds Outlook

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GRAINS AND OILSEEDS OUTLOOK FOR 2024¹

Prepared by Members of the
Oilseeds, Feed Grains, Wheat, and Rice Interagency Commodity Estimates Committees
U.S. Department of Agriculture

Planted Acreage Outlook for 2024 (Table 1)

This paper provides USDA's projections of 2024/25 U.S. supply, demand, and prices for soybeans, corn, sorghum, soybeans, soybean products, wheat, and rice. These projections include implications from the January 12 NASS *Winter Wheat and Canola Seedings* report, which estimated winter wheat area down 6 percent relative to a year ago. These forecasts assume normal weather conditions for spring planting and summer crop development and will be updated in the May 10 *World Agricultural Supply and Demand Estimates (WASDE)* report. The May *WASDE* will incorporate farmers' 2024 planting intentions as indicated in the March 28 NASS *Prospective Plantings* report and survey-based forecasts for winter wheat production, as well as global, country-by-country supply and demand projections.

Initial expectations for 2024 planted area are for a decline in total planted area of corn, wheat, and soybeans relative to the previous year. Combined acreage for the three crops is projected at 225.5 million acres—a decline of about 1 percent reflecting expectations of lower prices and a reversion to a more typical level of prevent plant acres. Season average farm prices received by producers for corn, soybeans, and wheat are forecast lower than 2023 and below the average of the past 3 years.

Table 1. Wheat, Corn, and Soybean Planted Acreage, 2017-2024

	2017	2018	2019	2020	2021	2022	2023	2024 1/
	- Million Acres -							
Wheat	46.1	47.8	45.5	44.5	46.7	45.8	49.6	47.0
Corn	90.2	88.8	89.4	90.4	92.9	88.2	94.6	91.0
Soybeans	90.2	89.2	76.1	83.4	87.2	87.5	83.6	87.5
Total	226.4	225.8	211.0	218.2	226.8	221.4	227.8	225.5

1/ Projection

Source: National Agricultural Statistics Service data 2017-2023

Note: Totals may not add due to rounding.

¹This paper incorporates contributions by analysts from the World Agricultural Outlook Board, the Economic Research Service, the FPAC-BC, and the Foreign Agricultural Service.

Production costs in Illinois are a reasonable proxy for developments throughout the Corn Belt. According to AMS' *Illinois Production Cost* report,² costs for producers are lower relative to this time a year ago and are generally at or below the average seen during late January and early February over the last 3 years. Prices for fertilizer such as anhydrous ammonia are down nearly 40 percent relative to 2023, while diesel is about 20 percent lower. However, interest costs have increased modestly with the 3-month Treasury Bill yielding over 5 percent for a good portion of 2023 and into 2024. December corn futures, which during the month of February to date are about 20 percent lower than a year ago, have declined less than nitrogen fertilizer while soybean futures are down about 15 percent. Cash prices are also showing declines of equivalent magnitude. Since the start of February, prices for fall delivery of corn in Illinois have averaged about \$4.30 per bushel, down about 25 percent relative to all of February a year ago, while soybean prices have averaged about \$11.20 per bushel, a decline of just under 20 percent.³

Among the three main crops, wheat area is projected decline the most, with relatively favorable prices for competing crops such as cotton and sorghum. Soybean area is expected to increase as demand for soybeans in the United States is expected to be driven by stronger demand for domestic crush—largely driven by growth in biofuel use- while exports likely face competition from supplies in South America during the 2024/25 U.S. marketing year. Corn planted area is projected to decline about 4 percent relative to last year.

Corn Supply, Demand, and Price Outlook for 2024/25 (Table 2)

The U.S. corn outlook for 2024/25 is for lower production, greater domestic use, increased exports, and higher ending stocks. The corn crop is projected at 15.040 billion bushels, down about 2 percent from the prior year's record. Corn planted area is forecast at 91.0 million acres, down 3.6 million from a year ago. The yield projection of 181.0 bushels per acre is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather. With beginning stocks up sharply from the prior year, total corn supplies are forecast at a record 17.237 billion bushels.

Total U.S. corn use for 2024/25 is forecast higher relative to last year on growth in domestic use and exports. Food, seed, and industrial (FSI) use is slightly higher at 6.805 billion bushels. Corn used for ethanol is forecast at 5.400 billion bushels, based on expectations of modestly higher motor gasoline consumption and continued strength in ethanol exports. Feed and residual use is up about 1 percent to 5.750 billion, reflecting corn supplies that are higher than a year ago and lower expected prices during the year. Exports are up 50 million bushels to 2.150 billion on expectations of modest global trade growth. Ending stocks are projected at 2.532 billion bushels, up 360 million from a year ago and resulting in stocks relative to use at 17.2 percent, which if realized would be the highest since 2005/06. The season-average corn price received by producers is forecast down 40 cents to \$4.40 per bushel.

² *Illinois Production Cost Report* (GX_GR210) can be accessed via <https://mymarketnews.ams.usda.gov/viewReport/3195>

³ *Illinois Grain Bids Report* can be accessed via <https://mymarketnews.ams.usda.gov/viewReport/3192>

Soybean Supply, Demand, and Price Outlook for 2024/25 (Tables 3, 4 & 5)

The 2024/25 U.S. soybean outlook includes higher supplies, use, and ending stocks, and lower prices compared to the prior year. Soybean supplies are projected at 4.8 billion bushels, 8 percent above 2023/24 with increased beginning stocks and production. Soybean production is projected at 4.5 billion bushels, 8 percent above a year earlier, and assumes a weather-adjusted trend yield of 52.0 bushels per acre and a 4.2-million-acre increase to harvested area from 2023/24.

As soybean crush capacity continues to expand in the United States, crush is projected to rise to a record 2.4 billion bushels in 2024/25. Domestic and global soybean meal demand is expected to increase as greater availability of soybean meal, both in the United States and South America, leads to lower prices. Reduced soybean meal prices will likely make soybean meal a more competitive feed ingredient and may prompt stronger demand in the global livestock and poultry sectors after several years of high prices. U.S. soybean meal exports are forecast at a record 16.5 million short tons while domestic meal demand grows 3.0 percent in 2024/25, compared to 2.7 percent in the prior marketing year. The soybean meal price is forecast down \$60 per short ton from last marketing year to \$320 per short ton for 2024/25.

Soybean oil domestic demand will continue to increase driven mainly by higher biomass-based diesel production. Various incentives feed into the higher soybean oil for biofuel forecast, such as the Environmental Protection Agency's (EPA) growing biofuel mandates for 2023-2025, current state-level programs, and the switch from a blender's tax credit to a U.S. clean fuel production tax credit in 2025, which may incentivize more domestic biofuel production. Soybean oil for biofuel is expected to grow 8 percent to 14.0 billion pounds in 2024/25. Conversely, both residual use (food, feed, and other industrial) and soybean oil exports remain relatively flat while biofuel absorbs the growth in supplies. The soybean oil price is forecast to decline 6 cents per pound from the prior year to 45 cents in 2024/25 from higher availability of soybean oil as well as competing imports of feedstock used in biomass-based diesel, like canola oil and used cooking oil.

U.S. soybean exports for 2024/25 are projected at 1.875 billion bushels, up 155 million from the 2023/24 forecast. Large global supplies are likely to lead to lower soybean prices, spurring international demand, but the U.S. share of exports is expected to remain below 30 percent of global exports (compared to near 40 percent during 2013/14 to 2017/18) due to higher South American supplies.

Soybean ending stocks for 2024/25 are projected at 435 million bushels, up 120 million from the 2023/24 forecast. With large global soybean supplies, higher U.S. ending stocks, and the highest stocks-to-use ratio since 2019/20 at nearly 10 percent, the soybean season-average farm price is projected at \$11.20 per bushel, down \$1.45 from 2023/24.

Wheat Supply, Demand, and Price Outlook for 2024/25 (Table 6)

The 2024/25 outlook for U.S. wheat is for increased supplies, larger total use, and higher ending stocks. U.S. wheat production is projected five percent above 2023/24 at 1,900 million bushels and would be the largest harvest in five years. The NASS *Winter Wheat and Canola Seedings* report estimated winter wheat seeded area at 34.4 million acres, down six percent from 2023. Combined spring and durum wheat plantings for 2024/25 are projected slightly lower than last year with area constrained by relatively higher expected net returns for soybeans, minor oilseeds, and other crops in the Northern Plains. Total wheat planted area for 2024/25 is projected at 47.0 million acres, down 2.6 million acres from last year. Harvested area is forecast at 38.4 million acres and is based on the 10-year average harvest-to-plant ratio. While planted area is forecast lower than the previous year, harvested area increases year-to-year, as abandonment is expected to return to normal levels following two years of drought conditions in the Southern Plains. The all wheat yield for 2024/25 is projected up two percent from last year at 49.5 bushels per acre and is based on a long-term linear trend. After six years of successive reductions, beginning stocks are forecast to increase in 2024/25 to 658 million bushels, an increase of 15 percent from the previous year. A larger crop and higher beginning stocks are expected to raise 2024/25 supplies by six percent to 2,678 million bushels.

At 1,909 million bushels, projected 2024/25 total use is up two percent from a year earlier but below the five-year average. Domestic use is projected modestly lower on smaller feed and residual use as corn supplies remain abundant and competitively priced. Food use is projected marginally higher at 962 million bushels, but below levels seen in 2021/22-2022/23. Higher wheat exports are expected on a rebound from last year's 52-year low to 775 million bushels but remain below the long-term average as U.S. wheat export prices remain uncompetitive in several markets. With supplies projected to increase more than total use, 2023/24 ending stocks are raised to 769 million bushels. This is 17 percent above last year and slightly above the five-year average. The increased stocks and slightly higher stocks-to-use ratio of 40.3 percent contribute to a projected 2024/25 season-average farm price (SAFP) of \$6.00 per bushel, down \$1.20 from 2023/24 and would be the lowest SAFP since 2020/21.

Rice Supply, Demand, and Price Outlook for 2024/25 (Tables 7 & 8)

The 2024/25 U.S. rice outlook is for higher supplies due to larger beginning stocks, record-high imports, and nearly unchanged total production. Despite higher exports and domestic use, ending stocks are projected rising to the highest level since 2014/15. Total 2024/25 rice planted acreage is projected nearly unchanged from last year at 2.90 million acres as higher long-grain acreage is almost offset by a reduction in medium- and short-grain. A favorable price outlook for long-grain rice compared to corn and soybeans is expected to result in increased long-grain plantings in most of the southern states. Conversely, medium- and short-grain acreage is expected to decline, mainly in these southern states at the expense of long-grain. Acreage in California, the largest medium- and short-grain producing state, is expected to be largely unchanged with anticipated adequate water supplies and California prices expected to remain above the long-term average.

Total harvested rice area is projected at 2.85 million acres, with 2.17 million of long-grain and 0.68 million of medium- and short-grain. The average all-rice yield is forecast nearly unchanged from last year, at 7,641 pounds per acre, assuming normal weather and planting dates. The long-grain yield is forecast 59 pounds per acre lower than last year's record at 7,465 pounds.

Conversely, the medium- and short-grain yield is forecast 236 pounds per acre higher to 8,199 pounds, on a reduction of area in southern states where farmers historically have lower yields compared to California. All-rice total supplies for 2024/25 are projected to increase by 13.0 million cwt from a year earlier to 304.5 million, up 4 percent from last year, mainly on higher beginning stocks. Long-grain supplies are forecast to rise 11.0 million cwt on higher beginning stocks, imports, and production, while medium- and short-grain rice supplies are up 2.0 million cwt with larger beginning stocks more than offsetting reduced production. All rice imports are forecast rising to a record 44.0 million cwt, up 1.0 million from last year, with long-grain fragrant rice from Asia accounting for all of the expected increase.

Total 2024/25 use is projected at 258.0 million cwt, up 4 percent from a year earlier on higher exports and domestic use. Long-grain exports are projected to continue to rebound since U.S. rice is expected to be more price competitive in Western Hemisphere markets. Medium- and short-grain exports are projected to be only modestly higher with the majority of exports for Northeast Asia. Total domestic use and residual is expected to be at a record 167.0 million cwt, based on larger total supplies. All rice ending stocks are forecast to increase 9 percent to 46.5 million cwt. The 2024/25 all-rice season-average farm price is forecast to decline by \$1.60 per cwt to \$16.80 with reductions in both long-grain and medium- and short-grain prices.

Table 2. Corn Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 1/	2024/25 2/
Area planted (mil. ac.)	92.9	88.2	94.6	91.0
Area harvested	85.0	78.7	86.5	83.1
Yield (bu./ac.)	176.7	173.4	177.3	181.0
Production (mil. bu.)	15,018	13,651	15,342	15,040
Beginning stocks	1,235	1,377	1,360	2,172
Imports	24	39	25	25
Supply	16,277	15,066	16,727	17,237
Feed & residual	5,671	5,487	5,675	5,750
Ethanol 3/	5,320	5,176	5,375	5,400
Total food, seed & industrial	6,757	6,558	6,780	6,805
Total domestic use	12,427	12,045	12,455	12,555
Exports	2,472	1,661	2,100	2,150
Total use	14,900	13,706	14,555	14,705
Ending stocks	1,377	1,360	2,172	2,532
Stocks/use (percent)	9.2	9.9	14.9	17.2
Season-avg. farm price (\$/bu.)	6.00	6.54	4.80	4.40

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024. 2/ Projections based on analysis by USDA's Feed Grains Interagency Commodity Estimates Committee. 3/ Corn used to produce ethanol and by-products including, distillers' grains, corn gluten feed, corn gluten meal, and corn oil.

Note: Totals may not add due to rounding.

Table 3. Soybean Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 /1	2024/25 /2
Area planted (mil. ac.)	87.2	87.5	83.6	87.5
Area harvested	86.3	86.2	82.4	86.6
Yield (bu./ac.)	51.7	49.6	50.6	52.0
Production (mil. bu.)	4,464	4,270	4,165	4,505
Beginning stocks	257	274	264	315
Imports	16	25	30	15
Supply	4,737	4,569	4,459	4,835
Crush	2,204	2,212	2,300	2,400
Seed and Residual	107	101	124	125
Total domestic use	2,311	2,313	2,424	2,525
Exports	2,152	1,992	1,720	1,875
Total use	4,463	4,305	4,144	4,400
Ending stocks	274	264	315	435
Stocks/use (percent)	6.1	6.1	7.6	9.9
Season-avg. farm price (\$/bu.)	13.30	14.20	12.65	11.20

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, crush, exports, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates* report, February 8, 2024.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 4. Soybean Meal Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 /1	2024/25 /2
Production (thou. short tons)	51,814	52,493	54,154	56,525
Beginning stocks	341	311	371	400
Imports	655	632	600	600
Supply	52,810	53,436	55,125	57,525
Domestic Use	38,959	38,402	39,425	40,625
Exports	13,540	14,664	15,300	16,500
Total use	52,499	53,065	54,725	57,125
Ending stocks	311	371	400	400
Avg. price (\$/short ton) 3/	439.81	451.91	380.00	320.00

1/ Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

3/ The average price is for 48-percent protein meal at Decatur, Illinois.

Note: Totals may not add due to rounding.

Table 5. Soybean Oil Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 /1	2024/25 /2
Production (mil. lbs.)	26,155	26,227	27,025	28,220
Beginning stocks	2,131	1,991	1,602	1,577
Imports	303	376	450	450
Supply	28,589	28,594	29,077	30,247
Domestic Use	24,827	26,614	27,200	28,200
Biodiesel 3/	10,379	12,491	13,000	14,000
Food, Feed, Other Industrial	14,449	14,123	14,200	14,200
Exports	1,771	378	300	350
Total use	26,598	26,992	27,500	28,550
Ending stocks	1,991	1,602	1,577	1,697
Avg. price (cents/lb.) 4/	73.0	65.3	51.0	45.0

1/ Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

3/ Reflects soybean oil used for biofuel as reported by the U.S. Energy Information Administration.

4/ The average price is for crude soybean oil at Decatur, Illinois.

Note: Totals may not add due to rounding.

Table 6. Wheat Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 1/	2024/25 2/
Area planted (mil. ac.)	46.7	45.8	49.6	47.0
Area harvested	37.1	35.5	37.3	38.4
Yield (bu./ac.)	44.3	46.5	48.6	49.5
Production (mil. bu.)	1,646	1,650	1,812	1,900
Beginning stocks	845	674	570	658
Imports	96	122	145	120
Supply	2,588	2,446	2,527	2,678
Feed & residual	88	77	120	110
Food & seed	1,029	1,041	1,024	1,024
Total domestic use	1,117	1,118	1,144	1,134
Exports	796	759	725	775
Total use	1,913	1,876	1,869	1,909
Ending stocks	674	570	658	769
Stocks/use (percent)	35.3	30.4	35.2	40.3
Season-avg. farm price (\$/bu.)	7.63	8.83	7.20	6.00

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the World Agricultural Supply and Demand Estimates, February 8, 2024. 2/ Projections based on analysis by USDA's Wheat Interagency Commodity Estimates Committee. Note: Totals may not add due to rounding.

Table 7. Rice Supply, Demand, and Price, 2021/22-2024/25

Rice-by-Class	2021/22	2022/23	2023/24 1/	2024/25 2/
<u>All Rice</u>				
Area planted (mil. ac.)	2.5	2.2	2.9	2.9
Area harvested	2.5	2.2	2.9	2.9
Yield (pounds/ac.)	7,710	7,385	7,649	7,641
Production (mil. cwt)	191.1	160.0	218.3	218.0
Beginning stocks	43.7	39.7	30.3	42.5
Imports	37.8	39.9	43.0	44.0
Supply	272.5	239.7	291.5	304.5
Domestic & residual use	149.3	145.1	162.0	167.0
Exports	83.5	64.3	87.0	91.0
Total use	232.8	209.4	249.0	258.0
Ending stocks	39.7	30.3	42.5	46.5
Stocks/use (percent)	17.1	14.4	17.1	18.0
Season avg. farm price (\$/cwt.)	16.10	19.80	18.40	16.80

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024. 2/Projections based on analysis by USDA's Rice Interagency Commodity Estimates Committee. Note: Totals may not add due to rounding.

Table 8. Rice Supply, Demand, and Price, 2021/22-2024/25

Rice-by-Class	2021/22	2022/23	2023/24 1/	2024/25 2/
<u>Long-grain</u>				
Area planted (mil. ac.)	2.0	1.8	2.1	2.2
Area harvested	1.9	1.8	2.0	2.2
Yield (pounds/ac.)	7,471	7,225	7,524	7,465
Production (mil. cwt)	144.0	128.5	153.9	162.0
Beginning stocks	29.7	24.6	21.2	23.0
Imports	30.7	31.9	36.0	37.0
Supply	204.4	185.0	211.0	222.0
Domestic & residual use	117.7	114.0	125.0	129.0
Exports	62.0	49.8	63.0	66.0
Total use	179.7	163.8	188.0	195.0
Ending stocks	24.6	21.2	23.0	27.0
Stocks/use (percent)	13.7	12.9	12.3	13.9
Season avg. farm price (\$/cwt.)	13.60	16.70	16.00	15.00
<u>Medium- and short-grain</u>				
Area planted (mil. ac.)	0.6	0.4	0.8	0.7
Area harvested	0.6	0.4	0.8	0.7
Yield (pounds/ac.)	8,546	8,118	7,963	8,199
Production (mil. cwt)	47.1	31.6	64.4	56.0
Beginning stocks	11.5	13.0	6.8	17.2
Imports	7.1	8.0	7.0	7.0
Supply	66.1	52.4	78.2	80.2
Domestic & residual use	31.6	31.1	37.0	38.0
Exports	21.5	14.5	24.0	25.0
Total use	53.1	45.6	61.0	63.0
Ending stocks	13.0	6.8	17.2	17.2
Stocks/use (percent)	24.6	14.9	28.2	27.3
Season avg. farm price (\$/cwt.)	26.40	33.80	26.00	22.60
California	31.90	40.90	30.00	26.00
Other States	13.90	18.20	17.50	15.50

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024. 2/Projections based on analysis by USDA's Rice Interagency Commodity Estimates Committee. Note: Totals may not add due to rounding.

Table 9. Sorghum Supply, Demand, and Price, 2021/22-2024/25

	2021/22	2022/23	2023/24 1/	2024/25 2/
Area planted (mil. ac.)	7.3	6.3	7.2	7.0
Area harvested	6.5	4.6	6.1	6.1
Yield (bu./ac.)	69.0	41.1	52.0	69.2
Production (mil. bu.)	448	188	318	422
Beginning stocks	20	47	24	22
Imports	0	0	0	0
Supply	468	235	342	444
Feed & residual	80	42	45	70
Food, seed & industrial	45	59	35	45
Total domestic use	125	102	80	115
Exports	296	109	240	295
Total use	421	211	320	410
Ending stocks	47	24	22	34
Stocks/use (percent)	11.2	11.5	6.9	7.0
Season-avg. farm price (\$/bu.)	5.94	5.94	4.85	4.40

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2024. 2/ Projections based on analysis by USDA's Feed Grains Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.