



2024 Prospective Plantings and Quarterly Grain Stocks Summary

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Pre-report Trade Acreage Estimates

According to Dow Jones' survey of market analysts, USDA is expected to announce 92.0 million acres of corn plantings in 2024, down from 94.6 million acres in 2023. For soybeans, 86.3 million acres are expected to be planted in 2024, up from 83.6 million acres in 2023. Dow Jones' survey did not include cotton acres, but it may help to know USDA estimated 11.7 million acres of U.S. cotton plantings at the Ag Outlook Forum in February, up from 10.23 million acres in 2023. The National Cotton Council, on the other hand, estimated 9.8 million acres of 2024 plantings on February 18th.

However, USDA's March survey has not always succeeded in accurately predicting planted acres. Weather has been the primary, but not sole, challenge to the accuracy of this report. In 2020, the ill-timed arrival of COVID-19 resulted in a March corn planting estimate that was 6.3 million acres higher than USDA's final estimate. In 2023, USDA's March survey underestimated corn acres by 2.6 million and overestimated soybean acres by 3.9 million. The draw of the March planting report is that it garners plenty of attention and can potentially induce large price movements should the report contain a surprise. Just two years ago, December corn posted a 27 3/4-cent gain after the report. In 2021, November soybeans closed at their 70-cent limit up on the day of the report.

Several consecutive years of market upheaval, tight supplies, and supply chain headaches are finally starting to smooth out. Commodity prices have eased significantly during that time, tightening crop budgets for producers. The changing price dynamics *could* generate some additional market volatility ahead of the USDA's release of its plantings estimate report.

Table 1. Trade Estimates for U.S. Planted Acres for 2024, Selected Crops.

	<i>Corn</i>	<i>Soybeans</i>	<i>Cotton</i>	<i>Rice</i>
	<i>Trade estimates for Prospective Plantings; millions of acres</i>			
Trade Average	92.0	86.3	10.75	2.85
Trade Range	90.0 – 93.8	84.3 – 88.0	9.8 – 11.7	2.7 – 3.0
USDA AOF Feb. 2024	91.0	87.5	11.7	2.9
USDA 2023 Acres	94.6	83.6	10.2	2.9

Note: AOF is the USDA's Ag Outlook Forum held on February 15, 2024. The all-cotton and all-rice statistics are reported in this table.

Prospective Plantings, Grain Stocks Estimates, and Market Reaction

On Thursday, March 28th, the USDA released their annual planting intentions report for major agricultural crops in the U.S. for the 2023/24 crop year. Table 2 presents the newly released national planting intentions for corn, cotton, rice, and soybeans. In summary, corn planting intentions of 90,036,000 acres represents a 4.61-million-acre decrease (5%) from 2023 plantings. Cotton acres are projected at

10,673,000 acres, an increase of 443,000 acres (4%) from the year prior. By class, long grain rice plantings of 2,300,000 acres, which represents a 237,000-acre increase (12%) from 2023. The combined medium and short grain rice plantings of 604,000 acres represent a hefty 211,000-acre decrease (26%) from 2023. Soybean plantings, projected at 86,510,000 acres, represent an increase of 2.9 million acres (4%) from 2023 plantings.

Table 2. Area planted for selected crops in the U.S., 2020-2024*.

<i>U.S.</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Corn	90,652,000	93,252,000	88,162,000	94,641,000	90,036,000
Cotton	12,092,000	11,215,500	13,749,000	10,230,000	10,673,000
Rice (Long Grain)	2,332,000	1,970,000	1,806,000	2,063,000	2,300,000
Rice (MG/SG)	704,000	562,000	413,000	831,000	632,000
Rice (Total)	3,036,000	2,532,000	2,219,000	2,894,000	2,932,000
Soybeans	83,354,000	87,195,000	87,450,000	83,600,000	86,510,000

Table 3 presents Louisiana's 2024 planting intentions as compared to the reported acreage from the previous three years. Corn plantings in Louisiana of 560,000 acres are 140,000 acres less than their plantings in 2023. Upland cotton planting intentions at 140,000 acres show a significant acreage increase of 20,000 acres (20%) from the 2023 crop year. Long grain acres are up by 20,000 acres to 410,000 (5%) and medium grain acres are down by 38,000 acres (49%) from 2023 plantings to 40,000 acres. Soybean plantings of 1,150,000 acres in 2024 are 120,000 acres greater (12%) than 2023 planting levels.

Table 3. Area planted for selected row crops in Louisiana, 2020-2024*.

<i>Louisiana</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Corn	500,000	580,000	450,000	700,000	560,000
Cotton	170,000	110,000	195,000	120,000	140,000
Rice (Long Grain)	430,000	380,000	370,000	390,000	410,000
Rice (Medium Grain)	50,000	40,000	52,000	78,000	40,000
Rice (Total)	480,000	420,000	422,000	468,000	450,000
Soybeans	1,050,000	1,080,000	1,260,000	1,030,000	1,150,000

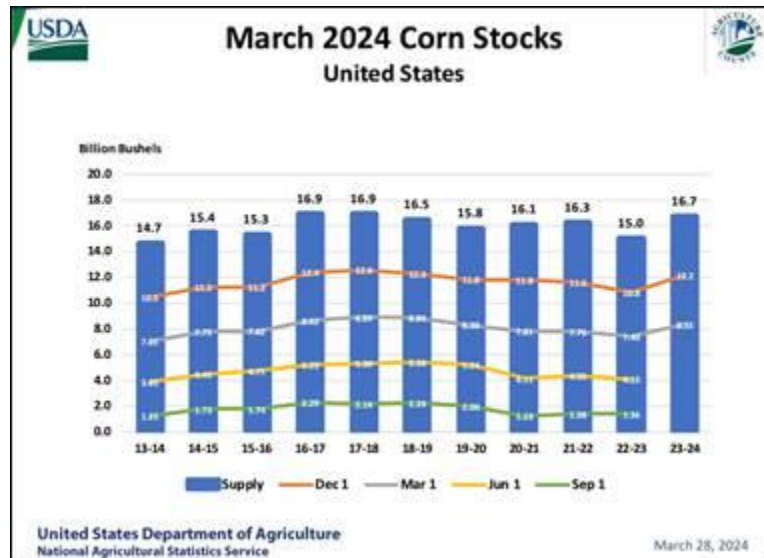
Corn

Corn planted area for all purposes in 2024 is estimated at 90.0 million acres, down 5 percent or 4.61 million acres from last year. Compared with last year, planted acreage is expected to be down or unchanged in 38 of the 48-estimating States.

USDA's Grain Stocks reports typically don't get the attention they deserve from traders, but are the most important pieces of check and balance information USDA provides. In the case of corn, actual exports are up 30% in 2023-24 from a year ago, a little above USDA's estimated pace. Ethanol production is also running a little above USDA's estimated pace, up 4.4% in 2023-24 versus a year ago at this time. Based on early production totals, feed demand should be a little lower than a year ago, but cattle-on-feed numbers have held above last year's levels, so far. Dow Jones' survey expects USDA to find 8.439 billion bushels (bb) of corn on hand March 1, up 14% from a year ago. If true, it would be the highest March total in five years and would reinforce USDA's 2.17 bb U.S. ending corn stocks estimate.

Corn stocks in all positions on March 1, 2024 totaled 8.35 billion bushels, up 13 percent from March 1, 2023. Of the total stocks, 5.08 billion bushels were stored on farms, up 24 percent from a year earlier.

Off-farm stocks, at 3.27 billion bushels, are down 1 percent from a year ago. The December 2023 - February 2024 indicated disappearance is 3.82 billion bushels, compared with 3.42 billion bushels during the same period last year.



The larger corn acreage will help keep domestic supplies of both crops plentiful for another marketing year. But without additional demand prospects – or another catastrophic round of weather events – that will likely keep price gains for both commodities severely limited in the coming months.

Table 4. Planting intentions for the ten-leading corn-producing states, 2024.

	Area Planted 2022	Area Planted 2023	Area Planted 2024*	Percent of Previous Yr.
Total U.S. Corn	88,162,000	94,641,000	90,036,000	95
Iowa	12,900,000	13,100,000	12,800,000	98
Illinois	10,800,000	11,200,000	10,900,000	97
Nebraska	9,600,000	9,950,000	9,850,000	99
Minnesota	8,000,000	8,600,000	7,900,000	92
Kansas	5,500,000	5,750,000	5,700,000	99
South Dakota	5,750,000	6,300,000	6,000,000	95
Indiana	5,250,000	5,450,000	5,100,000	94
Wisconsin	3,900,000	4,000,000	3,800,000	95
Ohio	3,400,000	3,600,000	3,300,000	92
Missouri	3,350,000	3,850,000	3,500,000	91

Corn planting intentions at 90.036 million acres would be down 4.6 million acres (4.9%) from last year and 1.7 million acres less than traders expected. USDA estimates lower corn plantings in each of the 12 top production states.

The 2024 corn planting estimate for corn of 90.04 M acres, considered “friendly” for the market compared to the average trade guess of 91.7 M acres. Considering a USDA trend yield of 181 bushels per acre (from the USDA Ag Outlook Forum held in February), production would be 14.82 B bushels, with total supply at 17.026 B bushels. Assuming the demand estimate of 14.705 B bushels the resulting ending stocks for 2024/25 can be projected at 2.32 B bushels with a stocks-to-use ratio of 15.79%. What is also

considered in the ending stock and stock-to-use ratio is that the slightly smaller than expected corn stocks (80 M bushels) did result in the beginning stock level being trimmed for 2024/25.

For the moment the market will be sensitive to weather issues given the “friendly” corn numbers as December corn futures are up 11 cents immediately after the reports’ release. As of 12:00pm, December corn futures displayed more movement- trading at \$4.80 per bushel.

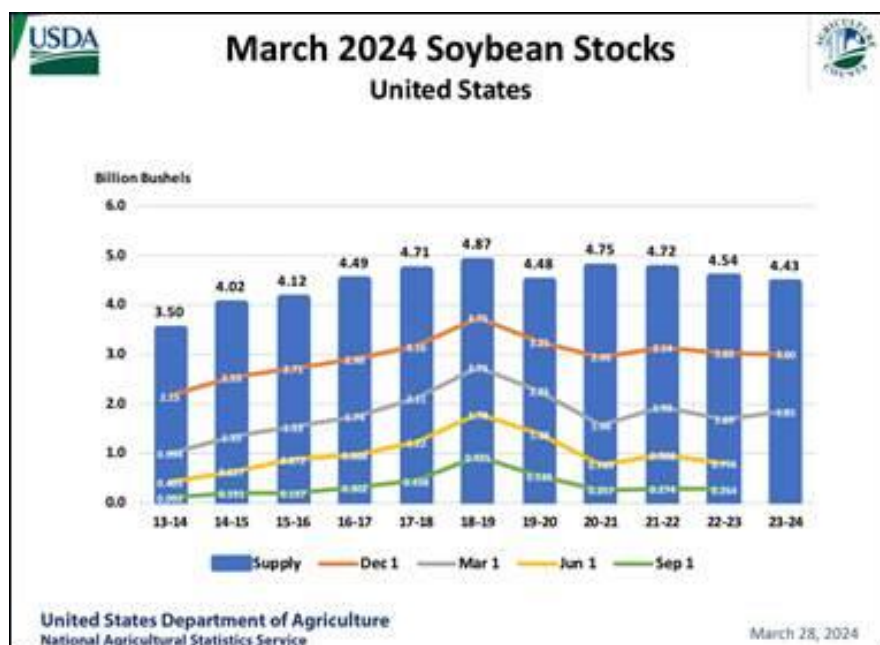


Soybeans

Soybean planted area for 2024 is estimated at 86.5 million acres, up slightly from last year. Compared with last year, planted acreage is up or unchanged in 24 of the 29 estimating States.

Soybeans stored in all positions on March 1, 2024 totaled 1.85 billion bushels, up 9 percent from March 1, 2023. Soybean stocks stored on farms are estimated at 933 million bushels, up 24 percent from a year ago. Off-farm stocks, at 912 million bushels, are down 3 percent from last March. Indicated disappearance for the December 2023 - February 2024 quarter totaled 1.16 billion bushels, down 13 percent from the same period a year earlier.

For soybeans, actual exports are down 18% in 2023-24 from a year ago, while the soybean crush pace is up 4.6% from a year ago. Dow Jones' survey expects USDA to find 1.832 bb of soybeans on hand March 1, the highest March total in two years. If true, that would be a slightly bullish pace, compared to USDA's ending stocks estimate of 315 million bushels (mb) for 2023-24. The difficult challenge for soybean demand is trying to figure out China's share, an export total that is down 24% so far this season.



Soybeans have a much better chance of enjoying bullish price prospects. Consumption rates continue to outpace production growth for the soybean market, which is a favorable long-term omen for soybean prices, particularly as crush expansion continues across the Upper Midwest to continue feeding consumer demand for renewable diesel fuel options.

Table 5. Planting intentions for the ten-leading soybean-producing states, 2024.

	Area Planted 2022	Area Planted 2023	Area Planted 2024*	Percent of Previous Yr.
Total U.S. Soybeans	87,450,000	83,600,000	86,510,000	103
Illinois	10,800,000	10,350,000	10,500,000	101
Iowa	10,100,000	9,950,000	10,200,000	103
Minnesota	7,450,000	7,350,000	7,500,000	102
North Dakota	5,700,000	6,200,000	6,900,000	111
Missouri	6,100,000	5,600,000	6,000,000	107
Indiana	5,850,000	5,500,000	5,750,000	105
South Dakota	5,100,000	5,100,000	5,200,000	102
Nebraska	5,750,000	5,250,000	5,300,000	101
Kansas	5,050,000	4,430,000	4,250,000	96
Ohio	5,100,000	4,750,000	5,000,000	105

USDA estimates soybean acres will rise 2.9 million acres from last year to 86.510 million acres, which virtually matched pre-report expectations. Assuming a USDA trend yield of 52 bushels per acre, production in 2024/25 can be estimated at 4.45 B bushels. Total supply is estimated at 4.78 B bushels. In February, the USDA estimated total soybean use at 4.40 B bushels. The result is ending stock estimated at 381.2 B bushels with a stock-to-use ratio of 8.66%.

If the trend yield were to be reduced due to weather issues- say by 2 bushels per acre- then the ending stock situation becomes very tight, causing the stocks-to-use ratio falls to below 5%. One thing to bear in

mind is that the USDA estimates soybean exports at 1.875 B bushels. Will competition from South America hinder the target?

November soybeans futures gained momentum above \$11.87 per bushel following the reports' release.



Cotton

Cotton producers intend to plant 9.8 million cotton acres this spring, down 3.7% from 2023, according to the National Cotton Council's (NCC) 43rd Annual Early Season Planting Intentions Survey. Upland cotton intentions are 9.6 million acres, down 4.3% from 2023, while extra-long staple (ELS) intentions of 202,000 acres represent a 37.7% increase. The survey results were announced during the 2024 National Cotton Council Annual Meeting on Feb. 18. It polled farmers across the 17-state Cotton Belt about planting intentions from mid-December 2023 through mid-January 2024.

Since the survey period, cotton prices have increased while corn and soybean prices have declined further. The change in the price ratios could result in higher cotton acreage than reported on the NCC survey. The NCC noted that compared to average futures prices during the first quarter of 2023, all commodity prices were lower during the survey period, but cotton had the smallest decline. As a result, the price ratios of cotton to corn and soybeans were higher than in 2023. Based on historical price relationships, this would generally suggest an increase in cotton acreage. However, the 2024 crop year could go against that relationship due to high production costs relative to current prices.

Cotton growers are not expecting significant acreage growth in 2024, contrasting USDA's estimates earlier this winter of an increase in 2024 cotton acreage.

All cotton planted area for 2024 is estimated at 10.7 million acres, up 4 percent from last year. Upland cotton area is estimated at 10.5 million acres, up 4 percent from 2023. American Pima area is estimated at 203,000 acres, up 38 percent from 2023. Texas cotton acres are expected to decline ever so slightly by 39,000 acres (to 5.540 million acres).

Table 6. Planting intentions for the ten-leading cotton-producing states (Upland and Pima), 2024.

	<i>Area Planted 2022</i>	<i>Area Planted 2023</i>	<i>Area Planted 2024*</i>	<i>Percent of Previous Yr.</i>
Total U.S. Cotton	13,749,000	10,230,000	10,673,000	104
Texas	7,883,000	5,579,000	5,540,000	99
Georgia	1,290,000	1,110,000	1,100,000	99
Oklahoma	670,000	420,000	500,000	119
Mississippi	530,000	400,000	500,000	125
Arkansas	640,000	510,000	540,000	106
Alabama	435,000	380,000	430,000	113
North Carolina	470,000	380,000	390,000	103
Missouri	360,000	335,000	390,000	116
Tennessee	335,000	265,000	300,000	113
South Carolina	270,000	210,000	240,000	114
Louisiana	195,000	120,000	140,000	117

USDA estimates cotton plantings will increase 443,000 acres to 10.673 million acres, which was 233,000 acres less than traders expected. Plantings are expected to decline in Texas (5.54 million acres) and Georgia (1.1 million acres). Increases were noted in most other states. Cotton futures are 70 points off their session highs into midday, following a strong surge out of the NASS data. New crop futures are also up by 21 to 43 points for midday. December cotton futures were up following the release of the report to 83.76 cents per pound.



Rice

Following two consecutive years of decline, U.S. rice production increased to roughly 2.9 million acres in 2023. Production increases in 2023 followed high prices from the previous year that were last seen around harvest of 2013. Heading into 2024, input costs appear to be moderating, while the price outlook remains

high. After two consecutive years of lower rice acreage, Arkansas farmers planted more than 1.4 million acres of rice in 2023. If typical trends hold, total acreage could decline in America's largest rice state in 2024. Questions remain, however, as Arkansas' typical up-year, down-year cycle for rice acreage, and a significant improvement in medium grain plantings in Arkansas and California may have saturated medium grain markets.

There was an extreme multi-year drought in California during the 2022 growing season. During this time, California rice producers could not plant nearly 300,000 acres, due to a lack of water for irrigation. Arkansas (a state that almost exclusively grows long-grain varieties) responded by increasing its acreage of medium-grain rice by 55,000 acres in 2023. However, California rebounded in 2023 and surpassed 500,000 acres of medium-grain rice.

Tight global rice stocks are helping to contribute to an uptick in planted rice acreage this year, which aligns with USDA's expectations for rice production in 2024.

Rough rice stocks in all positions on March 1, 2024, totaled 100 million hundredweight (cwt), up 31 percent from the total on March 1, 2023. Stocks held on farms totaled 16.7 million cwt, and off-farm stocks totaled 83.8 million cwt. Long grain varieties accounted for 63 percent of the total rough rice, medium grain accounted for 36 percent, and short grain varieties accounted for 1 percent. Milled rice stocks in all positions totaled 6.45 million cwt, up 48 percent from a year ago. Milled rice stocks were comprised of 5.08 million cwt of whole kernel rice and 1.37 million cwt of second heads, screenings, and brewers rice.

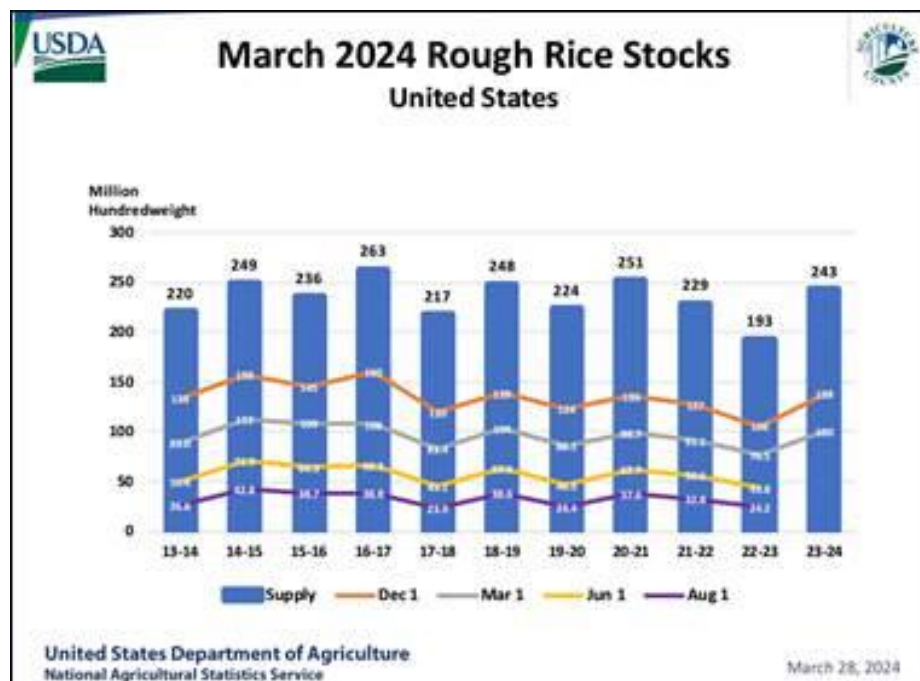
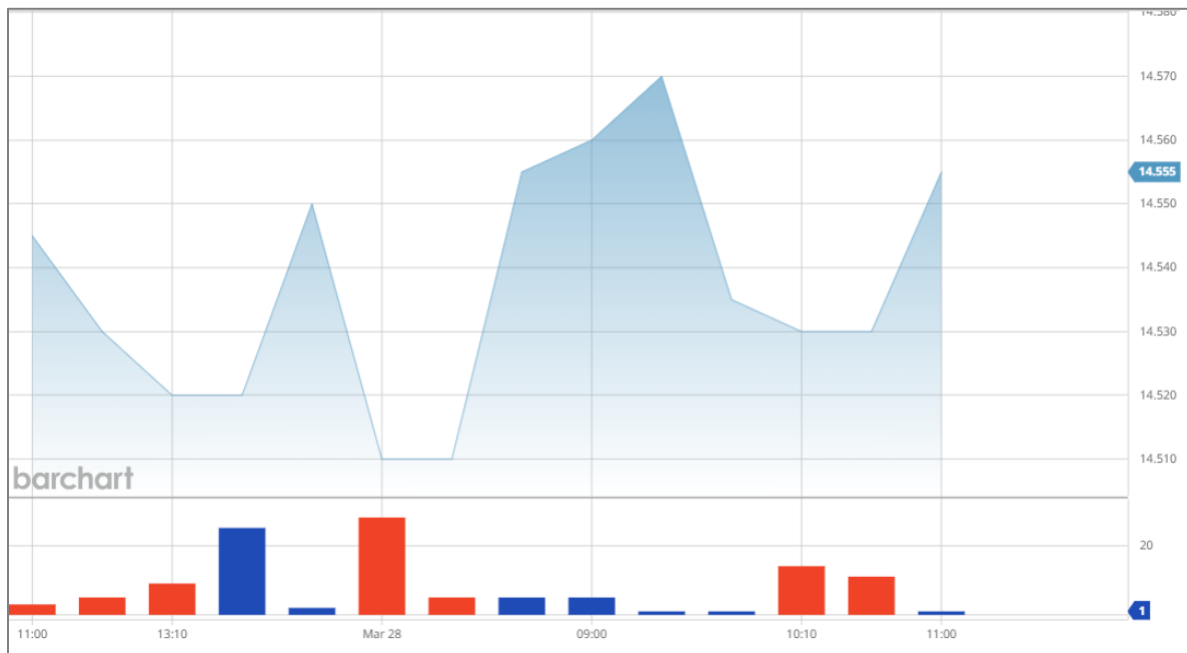


Table 7. Planting intentions for the six-leading rice-producing states by class, 2024.

	<i>Area Planted 2022</i>	<i>Area Planted 2023</i>	<i>Area Planted 2024*</i>	<i>Percent of Previous Yr.</i>
Total U.S. Rice	2,219,000	2,894,000	2,932,000	101
Arkansas	1,104,000	1,436,000	1,451,000	101
California	254,000	515,000	497,000	97
Louisiana	422,000	468,000	450,000	96
Missouri	157,000	205,000	224,000	109
Texas	195,000	149,000	149,000	100
Mississippi	87,000	121,000	161,000	133
Total U.S. Long Grain	1,806,000	2,063,000	2,300,000	111
Arkansas	1,000,000	1,220,000	1,360,000	111
Louisiana	370,000	390,000	410,000	105
Missouri	152,000	197,000	215,000	109
Texas	190,000	125,000	145,000	116
Mississippi	87,000	121,000	160,000	132
California	7,000	10,000	10,000	100
Total U.S. Medium Grain	385,000	815,000	604,000	74
California	220,000	490,000	460,000	94
Arkansas	103,000	215,000	90,000	42
Louisiana	52,000	78,000	40,000	51
Missouri	5,000	8,000	9,000	113
Texas	5,000	24,000	4,000	17
Total U.S. Short Grain	28,000	16,000	28,000	175
California	27,000	15,000	27,000	180
Arkansas	1,000	1,000	1,000	100

September rough rice futures were mostly unchanged at \$14.55 following the release of the report.



References

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USDA NASS. Prospective Plantings. March 28, 2024.

USDA NASS. Rice Stocks. March 28, 2024.



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