Agricultural Policy and Market Situation Newsletter

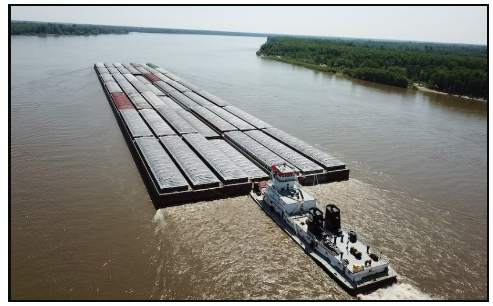
Volume VI, Issue 3

Report on Barge Grain Movement

The Mississippi River System (MRS) comprises the Nation's primary waterway for moving grain from Midwest production areas to the U.S. Gulf region for export. Nearly 60 percent of all U.S. grain exports (wheat, soybeans, and corn) travel this route down the Mississippi to New Orleans, where they are stored and ultimately transferred to other ships. It's usually an inexpensive, efficient way to transport crops where one tow of 15 barges equates to 2 1/4 100-car unit trains or 1,050 trucks. But as river levels fall, costs have soared. Cargo rates from St. Louis southward are now up 77% above their three-year average. Prices have risen because the river south of St. Louis does not remain consistently deep enough now to accommodate typical barge tows, forcing companies to load less into each vessel and limiting tow load sizes (fewer barges in a tow).

Through most of the year, low export sales kept barge demand low, and ample supply kept weekly spot rates below average until July.

As of September 30th, year-to-date (YTD) downbound barged grain volumes totaled 18.1 million tons—25 percent lower than last year and 29 percent lower than the 5-year average.



Agri-Pulse.

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What's inside this Issue?

Save the date– 2024 LA Ag Forum, Farm Bill news, Miss. River barge traffic, Foreign lag and investments, UN call for ag oversight, market situation, sugar allotments, and more!

What's next now that the Farm Bill has expired?

With Congress' brokering a surprise deal avoiding a potential government shutdown, the 2018 Farm Bill quietly expired. This leaves the fate of many federal agriculture and nutrition programs unclear until new legislation is passed. Despite this, farmers probably won't feel any effects for at least a few months. The timing and consequences of the Farm Bill expiring vary by program across the breadth of the act. There are two principal expiration dates: September 30, 2023, and December 31, 2023. The major issues and consequences for expiration are the subject of this article's discussion.

For programs with mandatory funding that also have expiring provisions at the end of FY2023, the authority to operate may cease. For programs with a fiscal year authorization funded with discretionary appropriations, or for programs with mandatory spending authorized but not appropriated by the Farm Bill —such as the Supplemental Nutrition Assistance Program (SNAP)—an appropriations act or continuing resolution could allow operations to continue. For the farm commodity and dairy support programs that expire after the 2023 crop year, the consequences of expiration begin on January 1, 2024, when inactive and outdated laws—commonly called "permanent law"—would be restored for dairy, the first commodity affected in the new crop year.

AgWeb.

Some programs had their expiration dates extended beyond the expiration of the Farm Bill by other legislation. P.L. 117-169, commonly known as the Inflation Reduction Act of 2022, extended some—but not all—conservation programs through FY2031. Some programs, such as crop insurance, are permanently authorized, do not expire, and would not be affected by Farm Bill expiration.

For the farm commodity programs that face consequences after January 1, 2024, permanent law refers to a set of non-expiring provisions from the 1938 and 1949 Farm Bills that remain in statute but are temporarily suspended by each recent Farm Bill .

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Save The Date!

Louisiana Agricultural Outlook Forum

Wednesday

January 10, 2024

State Evacuation Shelter
8125 U.S. HWY 71
Alexandria, La, 71301

2024 Market Outlooks

- Corn
- Rice
- Soybeans
- Cotton
- Sugar
- Cattle
- Forestry

Producer/Industry Panel

- Input Cost Management
- Ag Lending Environment

Keynote Speaker

For more information contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu or 225-578-7267 in the LSU Department of Agricultural Economics and Agribusiness

There is no fee to attend this event. However, to assist in meal planning, please preregister using the QR code.

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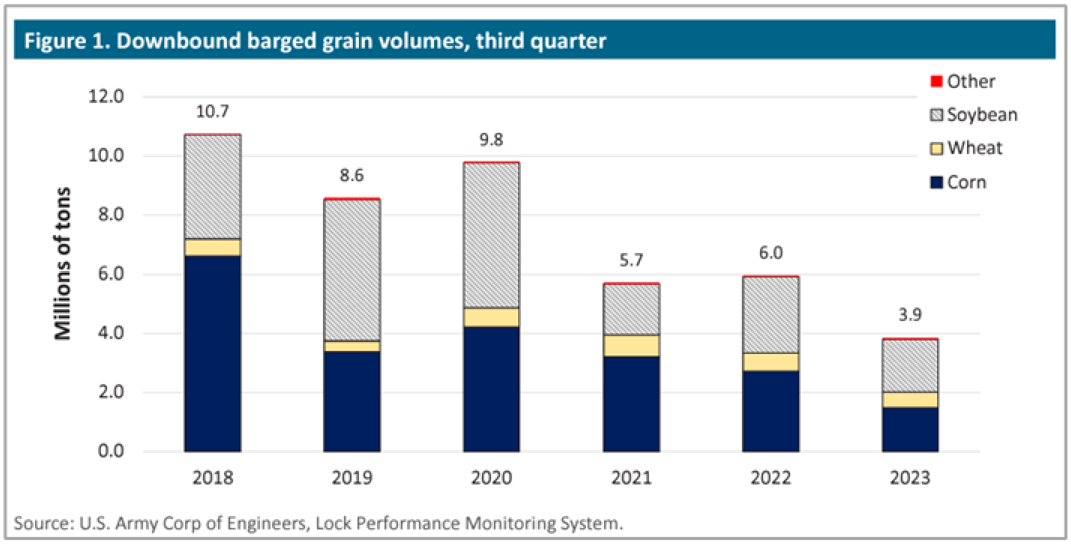
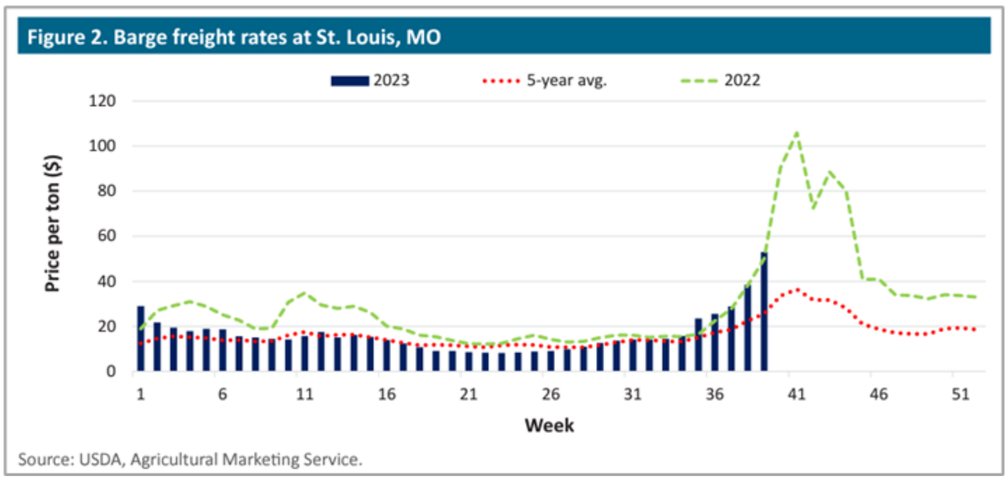
Barged Grain (cont.)



In June, low water on the MRS led to draft and tow restrictions on barges, as in 2022. From the week ending July 8 to the week ending September 30, downbound barged grain volumes on the MRS totaled 3.9 million tons—35 percent lower than the third quarter last year and 53 percent lower than the previous 5-year average (fig. 1).

This article reviews third-quarter trends in barged grain movements and freight rates. It also explores how the lower-than-normal export sales and low-water issues affected barged grain movements and trends in spot freight rates (fig. 2).

In 2022, the MRS saw historic low water levels that stymied barge transportation from late September to early December. This dramatic reduction in MRS barge traffic resulted in below-average yearly grain volume and record high freight rates. In 2023, low water levels on the MRS became a problem in June, about 2 months earlier than in 2022, and continued for most of third quarter 2023. Since June 2023, increasingly stringent restrictions have governed draft and tow sizes on various sections of the MRS. The most severe restrictions being on the Lower Mississippi and Ohio Rivers at Cairo, IL.



Current restrictions mandate loading-draft reductions of up to 32 percent (500 to 700 tons per barge) and tow-size reductions of 17 to 38 percent (5 to 10 barges). As of October 3, at Memphis, TN, river gauges show water levels on the Mississippi River close to 2 feet lower than this time last year, and at St. Louis, MO, the river is slightly higher than last year. On October 3, American Commercial Barge Line reported that it had lost approximately 16 boats per day because of deteriorating river conditions. However, having learned from last year, the barge industry has taken steps to offset low water impacts . The U.S. Corps of Engineers has preemptively dredged the MRS, and since June, barge companies have imposed load restrictions to prevent barges from being grounded in low water.

For the first three quarters of 2023, weekly grain volumes moving through the MRS were below last year and the previous 5-year average, for all but 2 weeks in the first quarter and 4 weeks in the second quarter. Third quarter volumes were especially low: third-quarter weekly volumes were 18-80 percent below the 5-year average (fig. 1).

Also, apart from week ending September 30, third-quarter weekly grain volumes were 11-57 percent below last year. Grain volumes for the week ending September 30 were up 19 percent from last year, marking only the second time in 2023 (along with the week ending April 1) that volumes were above last year. Showing the largest declines of all grain, third quarter 2023 barged corn volumes headed to the Gulf totaled 1.5 million tons—45 percent lower than last year and 63 percent lower than the 5-year average. At 9.1 million tons, YTD corn volumes also showed the greatest drops of all grain—down 32 percent from last year and down 38 percent from the 5-year average.

Mainly, these drops resulted from flagging export sales. From January through July (the most recent available data), exports to 2022's top 10 countries were all down double digits except for Mexico, which was up 7 percent. Exports to Mexico do not rely much on barge transportation because the U.S. shares a land border with Mexico. In 2022, just over one-third of U.S. corn exports to Mexico were shipped from New Orleans. Most exports were shipped over land via rail.

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Barged Grain (cont.)

From January to July, exports to China, which had been the largest buyer of U.S. corn, were down 64 percent, and exports to Canada, the second largest buyer, were down 71 percent. Shipped export sales of corn for marketing year (MY) 2022/23 were 34 percent lower than for MY 2021/22 (GTR table 12). The drop in exports owed to low U.S. corn production, a record harvest crop by Brazil, and the strong U.S. dollar, which made Brazilian corn cheaper than U.S. corn. In early July, Brazilian corn offers were $30 per ton below the U.S.

Like corn, 3rd quarter 2023 barged soybean and wheat volumes headed to the Gulf showed sizeable drops. At 1.8 million tons, soybean volume was 31 percent lower than last year and 49 percent lower than its 5-year average. At 522,000 tons, wheat volume was 15 percent lower than last year and 11 percent lower than its 5-year average. These volumes were even lower than 3rd quarter 2021, which included weeks-long disruptions of barge traffic on the MRS from Hurricane Ida. MY 2022/23 shipped export sales of soybeans were down 9 percent and, of wheat, down 5 percent from MY 2021/22. Total shipped export sales for MY 2022/23 of corn, soybeans, and wheat were down 19 percent

Table 12. U.S. export balances and cumulative exports (1,000 metric tons)

Grain Exports		Wheat: Hard red winter (HRW)	Wheat: Soft red winter (SRW)	Wheat: Hard red spring (HRS)	Wheat: Soft white wheat (SWW)	Wheat: Durum	Wheat: All wheat	Corn	Soybeans	Total
Current unshipped (outstanding) export sales	For the week ending 9/21/2023	619	684	1,294	887	209	3,693	10,510	16,255	30,458
	This week year ago	869	591	1,096	908	94	3,559	11,394	25,516	40,469
	Last 4 wks. as % of same period 2022/23	69	120	128	88	218	104	92	63	75
Current shipped (cumulative) exports sales	2023/24 YTD	1,009	1,336	1,966	1,109	52	5,472	2,059	1,497	9,027
	2022/23 YTD	2,141	1,443	1,994	1,476	74	7,127	1,601	1,214	9,943
	YTD 2023/24 as % of 2022/23	47	93	99	75	70	77	129	123	91
	Total 2022/23	4,872	2,695	5,382	4,414	395	17,759	39,469	52,208	109,435
	Total 2021/22	7,172	2,786	5,254	3,261	196	18,669	59,764	57,189	135,622

Note: The marketing year for wheat is Jun. 1 to May 31 and, for corn and soybeans, Sep. 1 to Aug. 31. YTD = year-to-date; wks. = weeks.
Source: USDA, Foreign Agricultural Service.

The average 3rd quarter 2023 spot freight rate on the Mississippi River at St. Louis, MO, was $15.92 per ton—16 percent higher than last year and 9 percent lower than the 5-year average. If all else had been normal when low-water navigation restrictions began in early June, spot rates would have begun to rise because of diminished barge supply. However, because of below-normal export sales and the ensuing below-normal demand for barges, spot rates did not rise significantly until August. Third-quarter weekly spot rates at St. Louis were below last year, until the week of August 28th. In that week, responding to continued low water in the MRS, the U.S. Coast Guard further tightened draft and tow size restrictions that had been active in June and July.

Although partly reflecting the start of harvest, the late-August rise in 3rd quarter 2023 spot rates mostly stemmed from the tightened constraints on barge capacity (fig. 2). As of September 26, spot rates at St. Louis had reached $52.91/ton, up 6 percent from last year and up 115 percent from the previous 3-year average (GTR table 9).

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate	10/3/2023	857	997	988	956	1013	1013	1094
	9/26/2023	903	975	1000	1326	1169	1169	1689
$/ton	10/3/2023	53.05	53.04	45.84	38.14	47.51	40.93	34.35
	9/26/2023	55.90	51.87	46.40	52.91	54.83	47.23	53.03
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Lower Illinois River**	**St. Louis**	**Cincinnati**	**Lower Ohio**	**Cairo-Memphis**
Current week % change from the same week	Last year	-47	-46	-47	-58	-52	-52	-55
	3-year avg.	12	25	23	22	24	24	30
Rate	November	671	646	636	559	641	641	528
	January	-	-	522	441	468	468	400

Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year avg.; ton = 2,000 pounds; "-" = data not available.
Source: USDA, Agricultural Marketing Service.

Figure 9. Benchmark tariff rates

Calculating barge rate per ton:
(Rate* 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes are included in tables on this page. The 1976 benchmark rates per ton are provided in map.

Source: USDA, Agricultural Marketing Service.

Further elevating spot rates, September brought dredge work along the MRS and rolling closures on the Mississippi River at Stack Island, IL, Merriweather, MS, and Memphis, TN. The closures—along with port delays at Memphis, TN; Vicksburg, MS; Osceola, MS; and Greenville, MS—increased September transit times by 2-3 days, up from 1-2 day increases in August. According to River Transportation News, several high horsepower, large-capacity towboats were taken out of service because of draft and tow size restrictions. Also, the available barge supply grew increasingly scarce, because the added restrictions required more barges to move the same amount of grain to the Gulf. These factors—along with seasonally elevated barge demand at the beginning of harvest— contributed to rising spot rates in September.

In 4th quarter 2023, barged grain movements are expected to pick back up as the corn and soybean harvests progress. However, if low-water conditions in the MRS persist, lack of precipitation may lead to increased restrictions, furthering shrinking an already tight barge supply. The rising harvest demand and shrinking barge supply may lead to above average spot rates that approach last year's record rates. However, lessons learned last year and early preventive measures may help mitigate conditions that created record-high spot rates seen in 2022.

Farm Bill (cont.)

The last year authorized for the 2018 Farm Bill's commodity programs is the 2023 crop year—that is, crops harvested during calendar year 2023 and marketed during the 12 months following harvest. Government supports for crops harvested in the 2023 crop year may be payable until the end of the crop's marketing year, which for corn and soybeans would end in September 2024. These obligations on the 2023 crop would continue despite Farm Bill expiration. Regarding the consequences of expiration, the first commodity harvested in the 2024 crop year (and thus not covered by the 2018 Farm Bill) is dairy on January 1, 2024, since some cows are milked every day of the year. New plantings of other commodities harvested in 2024—such as wheat, corn, cotton, and rice—would not be affected until harvest in the summer or fall of 2024, when their respective marketing years would begin.

USDA administers close to 20 agricultural conservation programs that are directly or indirectly available to assist producers and landowners who wish to practice conservation on agricultural lands. These programs address natural resource concerns on private agricultural and forested lands through technical and financial assistance. Many conservation programs have different expiration dates for program authority and funding authority. Therefore, they may be affected differently by expiration or extension of the 2018 Farm Bill .

For many conservation programs, program authority is permanent. Therefore, the funding authority is of interest since, if expired, the lack of funding authority could affect the program's operation. Discretionary spending is authorized through the Farm Bill for some conservation programs. However, since appropriations law allows the continued operation of a program where an appropriation has occurred, programs that rely on mandatory funding are most impacted when funding authority expires.

Without reauthorization or an extension, these mandatorily funded programs would cease to operate or undertake new activities following the expiration of funding authority. Most farm-bill-authorized conservation programs have had program and funding authority that runs for the duration of a Farm Bill , typically four to six years in duration.

Many of the programs authorized in the 2018 Farm Bill were authorized through FY2023. However, P.L. 117-169, commonly known as the Inflation Reduction Act (IRA), extended some conservation programs and their funding authority for the IRA's 10-year budget window—through FY2031. This has resulted in some Farm Bill conservation programs expiring at the end of FY2023 and others at the end of FY2031.

Programs that rely on mandatory funding authorizations in the Farm Bill are the most impacted if the Farm Bill expires. By size of funding levels, programs in Farm Bill Titles I (Commodities), II (Conservation), and IV (Nutrition) could be the most impacted, as discussed above. Other Farm Bill Titles, however, include examples of agricultural programs that could also be affected by expiration after FY2023, including programs in Farm Bill Titles III (Trade), VII (Research), IX (Energy), X (Horticulture), and XII (Miscellaneous).

Without reauthorization or an extension, these programs may not have authority to operate or continue to receive new budget authority after FY2023. This list is not meant to be comprehensive, and the consequences of expiration may vary.

- Title III—Trade. Agricultural Trade Promotion and Facilitation, including the Market Access Program, Foreign Market Development Cooperator Program, E (Kika) de la Garza Emerging Markets Program and Technical Assistance for Specialty Crops (7 U.S.C.§5623), Food for Progress (7 U.S.C. §1736o), and authority to replenish stocks of the Bill Emerson Humanitarian Trust (7 U.S.C. 1736f-1).
- Title VII—Research, Extension and Related Matters. Organic Agriculture Research and Extension Initiative (7 U.S.C. §5925b).
- Title IX—Energy. Biobased Markets Program (7 U.S.C. §8102) and Bioenergy Program for Advanced Biofuels (7 U.S.C. §8105).
- Title X—Horticulture. Specialty Crop Block Grants (7 U.S.C. §1621 note), Local Agriculture Market Program (7 U.S.C. 1627c), and National Organic Certification Cost-Share (7 U.S.C. §6523).
- Title XII—Miscellaneous. Farming Opportunities Training and Outreach, including the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program and the Beginning Farmer and Rancher Development Grant Program (7 U.S.C. §2279); Animal Disease Prevention and Management, including the National Animal Health Laboratory Network, the National Animal Disease Preparedness and Response Program, and the National Animal Vaccine Bank (7 U.S.C. §8308a); Emergency Citrus Disease Research and Development Trust Fund (7 U.S.C. §7632 note); Pima Cotton Trust Fund (7 U.S.C. §2101 note); Wool Apparel Manufacturers Trust Fund (7 U.S.C. §7101 note); and Wool Research and Promotion (7 U.S.C §7101 note).

No Farm Bill means smaller initiatives like trade, research and rural development programs may pause or not make additional commitments. For example, the Conservation Reserve Program can continue making payments on existing contracts and enrolled acreage but may not be able to offer new enrollments. Some conservation efforts may be on hold. Others like the Working Lands Programs will continue after their funding was extended by the Inflation Reduction Act of 2022.

Crops insurance is permanently funded by the Federal Crop Insurance Act and will continue with or without a Farm Bill . The same goes for the Livestock Indemnity Program, the Livestock Forage Disaster Program, the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program, and the Tree Assistance Program.

Food assistance efforts like the Supplemental Nutrition Assistance Program, or SNAP, will also continue, though changes could be on the horizon. SNAP is a permanent program that receives additional funds through the appropriations process. This means the amount of money available could change based on the federal budget battle outcome. SNAP is also governed by Farm Bill legislation, so lawmakers could change some aspects of it as part of any new legislation.

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Farm Bill (cont.)

What happens next?

A late Farm Bill is nothing new. In fact, no Farm Bill has passed on time this millennium .

Lawmakers have been predicting a Farm Bill extension since late spring. Still, with political obstacles at every turn, there are no guarantees. Now that the budged deadline has been pushed back, consideration of the Farm Bill may be pushed back even further.

The chairs of both the Senate and House Agriculture Committees acknowledged last week that December will be the new target for passing the omnibus legislation that dictates agricultural, food and conservation spending in the U.S. The situation doesn't really get risky until December. Without additional action before year's end, federal policy will revert to the permanent Farm Bill legislation enacted in the 1940s. He says that threat will likely motivate Congress to pass something. They could agree on a new Farm Bill or extend the current one, possibly for up to two years.

The reality of the 2018 Farm Bill expiring over the weekend is that we will live in limbo now until a new Farm Bill or an extension of current farm legislation is completed. Congress did manage to pass a continuing resolution to keep the government open, so some programs dependent on annual funding can keep working for now, but the 45-day extension on funding likely means even more debate over government spending to come and a further delay in formal debate on a new Farm Bill, pushing off the timeline to late in the year.

The Dairy Margin Coverage Program that subsidizes milk producers would be the first commodity program to expire. Without it, milk prices would likely soar, harming producers and consumers alike. Still, Lubben says if Congress were to miss the January 1st deadline, the USDA Farm Service Agency would still need a few weeks to implement permanent legislation. This might give lawmakers just enough time to get a bill passed, similar to what happened in 2024.

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Legislative Calendar/House Speaker?

Not in the current environment, say several observers. House Ag Chairman G.T. Thompson (R-Pa.) said Tuesday night that he was unsure a Farm Bill extension, if needed, could make it through a distracted and divided House. "The agitators and the Democrats rule the day. In a mutual way, they've really blown up any meaningful legislation. I don't know how you get a speaker with that coalition. Without a speaker, you can't do anything," Thompson said, adding that it could lead to multiple time-consuming rounds of votes for a new speaker. Senate Ag member Chuck Grassley (R-Iowa) said even before the House move against McCarthy that he was worried about a Farm Bill not being ready in December. "I have my doubts that we're going to get a five-year Farm Bill [this year] and we're going to have a one-year, two-year extension. The farmers will have their usual safety nets," Grassley said on his weekly call with reporters last week.

Of note: Grassley also said work on the Senate draft bill was moving slowly amid a disagreement on the Senate Agriculture Committee about reprogramming funds to provide increases in some farm programs. Senate Ag Chairman Debbie Stabenow (D-Mich.) said that "we are diligently working on the Farm Bill. I've been involved in six of them. None of them, unfortunately, have ever hit the exact deadline."

Voice votes can lead to farm policy problems. Roll Call notes the following: House Ag Chairman G.T. Thompson (R-Pa.) "had to maneuver to protect the Farm Bill from potential encroachment by amendments to the fiscal year (FY) 2024 House Ag Appropriations bill on Sept. 28. After the House adopted by voice vote an amendment by Rep. Victoria Spartz (R-Ind.) that would prohibit USDA from administering checkoff programs funded by farmer assessments, Thompson requested a roll call vote, and the amendment was rejected."

Thompson also worked to keep other amendments from being offered such as one by Rep. Scott Perry (R-Pa.) that would bar USDA from using funds to provide non-recourse loans for raw cane sugar or refined beet sugar. The House rejected the spending bill, 191-237, with 27 Republicans voting against it.

House Republicans enter the race for Speaker in the midst of ongoing uncertainty. Following the unexpected removal of Rep. Kevin McCarthy (R-Calif.) as House Speaker, and the temporary appointment of Rep. Patrick McHenry (R-N.C.) as acting Speaker, Republican lawmakers are facing challenges in selecting a successor. The House is not scheduled to reconvene until Tuesday, when formal discussions regarding potential candidates will commence, with an internal election planned for Wednesday. Notably, some House Republicans, including Judiciary Committee Chairman Jim Jordan (R-Ohio) and Majority Leader Steve Scalise (R-La.), have already expressed their interest in running for the position. Additionally, there have been discussions about alternative candidates, including former President Trump, although the likelihood of a non-member becoming Speaker is minimal.

Spares Resources Complicate the Monitoring of Foreign Land Purchases

The Agriculture Department is working to update its system for tracking agricultural land leases and purchases to appease lawmaker demands, but staffing and funding limitations have limited the agency to "low-cost" options, a department official told the Senate Agriculture Committee. Gloria Montaño Greene, deputy undersecretary for USDA's Farm Production and Conservation (FPAC) program, told lawmakers during a hearing that the agency relies on a self-reporting, "paper-based" system in its tracking of foreign land purchases.

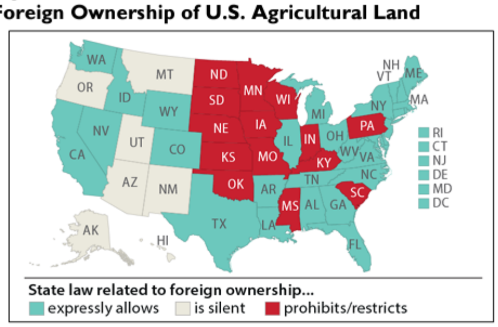
Agency staff, who Greene says have "limited authorities that are less expansive in scope than those outside of USDA may recognize," must also navigate a complex patchwork of county and state-level processes when searching for land deeds and other transaction records. Still, she said, the agency has worked to comply with language from the FY2023 appropriations bill calling for it to create a searchable online database of foreign investment information. FPAC has published Excel spreadsheets on its website to fulfill Congress's request, but Greene said the agency is limited from doing more without lawmakers appropriating funds specifically for the task.

Sen. John Hoeven, R-N.D., pushed back, saying Congress did provide the USDA with money in the appropriations bill to use for the project. "We've provided substantial funding," Hoeven, who sits on the Senate Appropriations Committee, said. "Whether you use it on that system or not, I get it. ... That's a decision you have in your discretion." Hoeven said he will continue to look for ways to address funding for the online database through this year's agricultural appropriations bill.

FPAC is revising the questions on its FSA-153 form, which foreign entities are required to file when they buy or sell land. The agency has also hired additional staff to carry out its duties under the foreign reporting law, called the Agricultural Foreign Investment Disclosure Act. AFIDA requires foreign investors to file FSA-153s with the Farm Service Agency in the county where land is purchased, detailing the number of acres acquired, the buyers' country of origin, the purchase price, and the intended use of the land. They must also fill out the form when selling land.

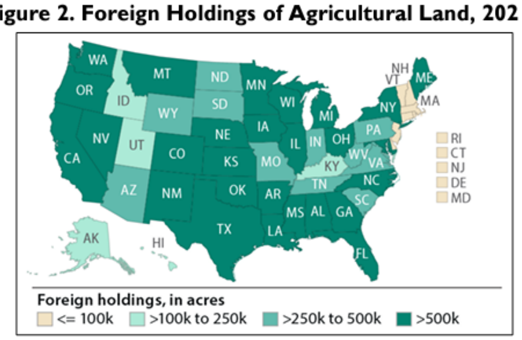
Agriculture Secretary Tom Vilsack later called the absence of penalties "unacceptable" in letters to several House members, noting that the agency had only "two to three" AFIDA specialists from 2016 to 2020. He said at a House hearing in March that the agency had upped the number of AFIDA specialists at its USDA headquarters to six and was considering retroactively enforcing penalties that may have occurred during the lapse. According to the USDA's latest report on foreign land ownership, around 40 million acres, or about 3.1% of the nation's total farm, ranch and forest land, were either owned or leased by foreign investors in 2021.

Figure 1. Overview of Selected State Laws Related to Foreign Ownership of U.S. Agricultural Land



Source: CRS using data from National Agricultural Law Center, at

Figure 2. Foreign Holdings of Agricultural Land, 2021



Source: CRS from USDA data, available at USDA, *Foreign Holdings of*

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U.S. Seasonal Farm Price Outlook

The following table represents national seasonal average farm prices ($/unit), as per the USDA WASDE report.

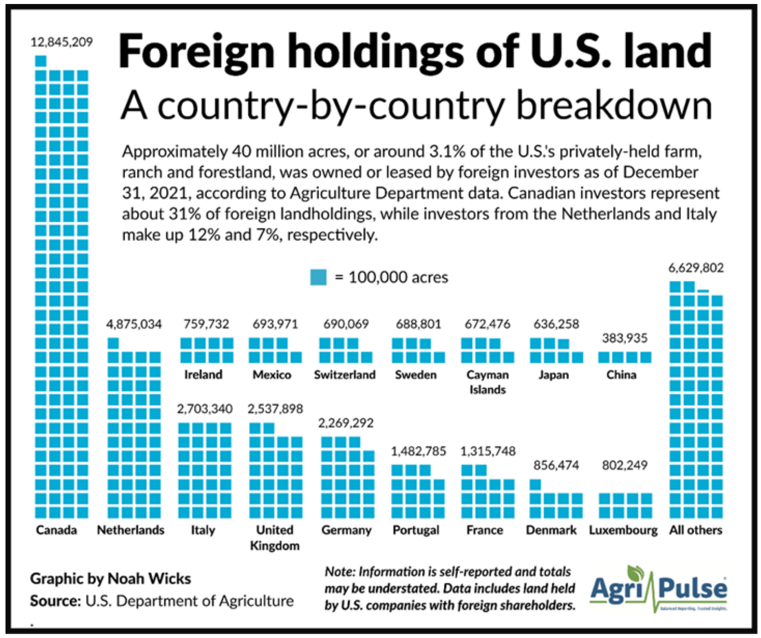
Crop	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	*2023/24 October*
Corn	**$3.56**	**$4.53**	**$6.00**	**$6.54**	*$4.95*
Cotton	**$0.596**	**$0.663**	**$0.914**	**$0.848**	*$0.800*
Rice (Long Grain)	**$12.00**	**$12.60**	**$13.60**	**$16.80**	*$15.00*
Rice (Southern Medium Grain)	**$11.60**	**$13.00**	**$13.90**	**$18.20**	*$15.50*
Sorghum	**$3.34**	**$5.04**	**$5.94**	**$5.94**	*$4.95*
Soybeans	**$8.57**	**$10.80**	**$13.30**	**$14.20**	*$12.90*

Foreign Investment (cont.)

While AFIDA relies on self reported information, Montaño Greene said other structures for tracking land ownership would be challenging to implement. State and local land records systems, for example, are inconsistent, which would make it difficult to create an automated system to aggregate land deeds and other ownership documents.

She added that there are more than 3,000 county clerks and recorders' offices, 50 states and 500 Canadian investors represent around 31% of foreign land holdings, while investors from the Netherlands and Italy make up 12% and 7%, respectively, according to the USDA foreign land holdings report.

Lawmakers at the hearing repeatedly expressed concern about investments by Chinese entities. Chinese investors hold only 383,935 acres of U.S. land, which represents less than 1% of foreign-held agricultural land and 0.03% of all U.S. agricultural land. Much of this land, he said, belongs to pork giant Smithfield Foods or companies associated with Sun Guangxin, a billionaire investor who has ties to the Chinese Communist Party.



UN Calls for Oversight of Global Ag Traders

Volatile commodity markets are allowing international agricultural trading companies to rake in big profits in shadowy financial markets even as food insecurity increases in some of the most vulnerable regions of the globe, says a new analysis from the United Nations Conference on Trade and Development that calls for regulations to rein in the excesses.

"Profiteering from financial activities now drives profits in the global food trading sector," the UN agency says in its 103-page annual Trade and Development Report 2023. "Yet commodity traders circumvent existing regulations: they are not regulated as financial institutions but are treated as manufacturing companies."

Noting that they account for about 70% "of the global food market share," the report takes particular aim at Archer Daniels Midland, Cargill, Bunge and Louis Dreyfus, which experienced rising profits in 2021 and 2022 as global prices spiked for key commodities like wheat, rice and corn.

"Like a non-bank financial institution, food trading companies take positions and function as key participants in financial markets," the UN report says. "This shadow banking function is not regulated in the current financial system. As a result, these companies are motivated to increase their already significant role in profiting from price differences in food markets."

While speculation is a necessary part of commodity futures markets, extreme speculation can drive prices far higher than supply and demand factors warrant, the UN says.

The report stresses that "profits from financial operations appear to be strongly linked to periods of excessive speculation in commodities markets and to the growth of shadow banking – an unregulated financial sector that operates outside traditional banking institutions. During the period of heightened price volatility since 2020, certain major food trading companies have earned record profits in the financial markets, even as food prices have soared globally and millions of people faced a cost-of-living crisis."

While the UN has no authority to make regulatory changes, it is proposing specific actions to address volatility and its impact on food prices and insecurity.

First, the UN says companies should have to provide more transparency on their grain stocks: "Excessive speculation is made easier by a lack of transparency on stock levels. Information about one's inventory can be made a pre-condition to act on the derivatives market. The information can also be used to evaluate whether combined positions correspond to a hedging strategy or to excessive speculation."

The UN is also calling for more competition "to curb the concentration of market power in the hands of a few large players." That could mean breaking up large corporations, helping encourage new market players and "supporting the participation of small farmers and producer organizations in commodity markets."

Above all, the UN agency is asking for a "strategic use of agricultural buffer stocks to help avert a global food security crisis" and a new "systemic approach to regulating commodity trading generally, and food trading in particular, within the framework of the global financial and trading architecture."

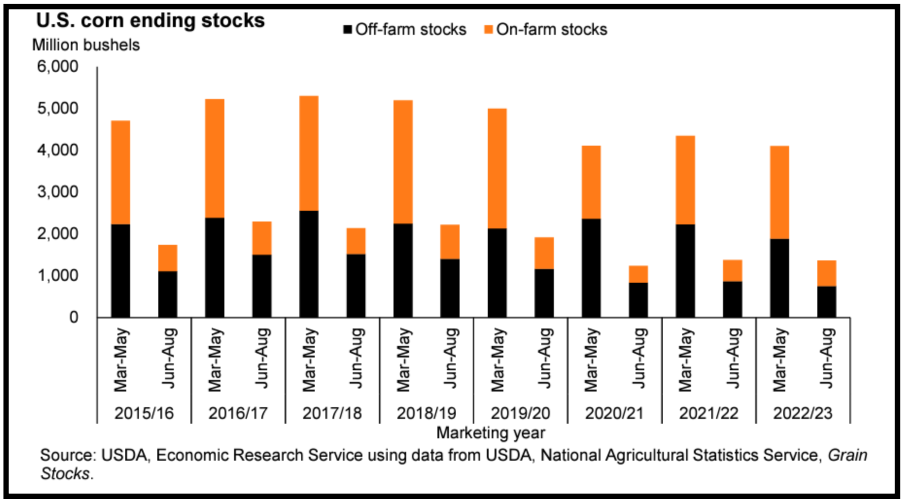
Crop Market Situation for the Current Marketing Year

The information that is presented in this market update reflects current information as of October 16, 2023.

Corn

USDA National Agricultural Statistics Service (NASS) indicated 2023/24 corn production will be 15.06 billion bushels, down 69.5 million from last month. With harvested acreage unchanged at 87.1 million acres, lower output is attributed to a 0.8-bushel-per-acre reduction in the yield forecast to 173 bushels per acre. As of October 8, 34 percent of the 2023/24 corn crop had been harvested, with 53 percent of the crop being rated as good-to-excellent, compared to the 5-year average of 60 percent.

A 90.3-million-bushel reduction in 2023/24 beginning stocks to 1.36 billion bushels, as reported in the NASS September Grain Stocks report, further reduces the prospective corn supply to 16.45 billion bushels. Reduced corn supplies are expected to impact total use. More specifically, feed and residual corn use is reduced 25 million bushels, in tandem with exports (as early season demand is weak), bringing the forecasts to 5.6 and 2.03 billion bushels, respectively. Because the decrease in corn supplies exceeds projected use, ending stocks are lowered 109.8 million bushels to 2.11 billion. As a result of tighter supplies, the 2023/24 average price received by U.S. corn farmers is expected to increase from $4.90 per bushel to $4.95.



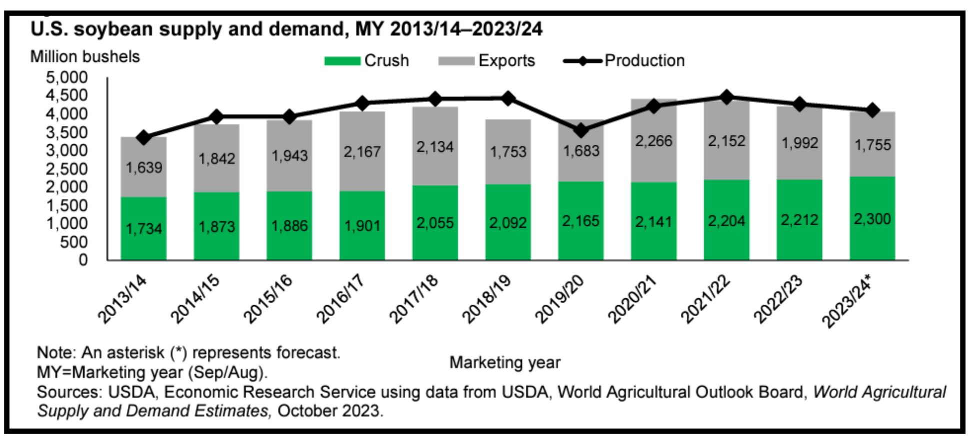
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Grain Stocks*.

Indicated domestic corn disappearance was higher than anticipated in the final quarter of the 2022/23 marketing year at 2.76 billion bushels—220 million bushels lower than the same time last year. This number is represented by the year-over-year decline in off-farm corn stocks, down 13 percent from last year at 756 million bushels.

Although total corn supplies were 1.2 billion bushels lower in 2022/23 than 2021/22, feed and residual corn use in the second half of the marketing year exceeded last year's second half use by nearly 114 million bushels (see figure 2). This year-over-year increase in second half (March-August) feed and residual corn use can likely be attributed to declining corn prices and an upward revision to the 2022/23 hog herd. Ultimately, strong feed and residual corn use (totaling 5.55 billion bushels for 2022/23) offset weaker than expected food, seed, and industrial corn use—particularly for ethanol production.

Soybeans

In its Crop Production report this month, USDA NASS forecast the 2023/24 U.S. soybean production at 4.1 billion bushels, down 42 million bushels from last month's forecast. The U.S. average soybean yield forecast is down 0.5 bushels per acre and stands at 49.6 bushels per acre. The harvested acreage is unchanged this month at 82.8 million acres.



Note: An asterisk (*) represents forecast.
MY=Marketing year (Sep/Aug).
Sources: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, October 2023.

U.S. export inspections of soybeans in September totaled 84.8 million bushels, 14.0 million bushels higher than the same period last year but nearly 34 percent below the prior 5-year average as Brazil continues to ship large volumes. As of September 28, the U.S. total commitments (sales and shipments) are standing at 18.6 million metric tons, 32 percent below the same period last marketing year. Sales and shipments to China accounted for 44 percent of total commitments. Sales to unknown destinations have reported a sharp increase, although many sales commitments could also be for China. Sales to the European Union (EU) and Mexico have decreased compared with last year. Gains in other markets where the destination is known are modest. The soybean export forecast for MY 2023/24 is reduced by 35 million bushels this month to 1.76 billion bushels. Soybean crush for 2023/24 is raised by 10 million bushels this month to 2.3 billion bushels on higher demand for soybean products. With lower soybean exports more than offsetting lower supply, the MY 2023/24 ending soybean stocks are unchanged this month at 220 million bushels. The 2023/24 U.S. average farm price is forecast at $12.90 per bushel, unchanged from last month's forecast.

Continued next page

Crop Market Update (cont.)

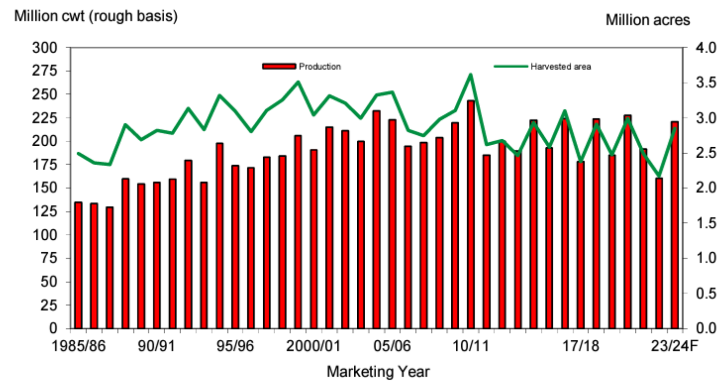
The information that is presented in this market update reflects current information as of October 16, 2023.

Rice

The 2023/24 U.S. rice production forecast is lowered 0.4 million cwt to 220.5 million, still up 60.1 million cwt from a year earlier and the largest since 2020/21. This month's slight downward revision is due to a 14-pound per acre reduction in the yield to 7,737 pounds, up 5 percent from a year earlier and the highest on record. Yield forecasts were lowered slightly in California and Missouri but raised slightly in Mississippi. The revised yield forecast is reported by NASS in its October 12 Crop Production report. The NASS-reported yield is based on a survey of growers conducted September 29–October 5 that asked operators what they estimated their final yields would be based on crop conditions as of October 1.

By class, U.S. 2023/24 long-grain production is lowered 0.3 million cwt to 152.6 million, 19 percent larger than a year earlier and the largest since 2020/21. The bulk of the expected annual increase in long-grain production is the result of area expansion, primarily in the Delta. The expansion was due to high rice prices at planting time, some decline in input prices from the year-earlier extremely high levels, and generally favorable weather conditions early in the season in much of the South.

U.S. 2023/24 rice production projected to increase almost 38 percent



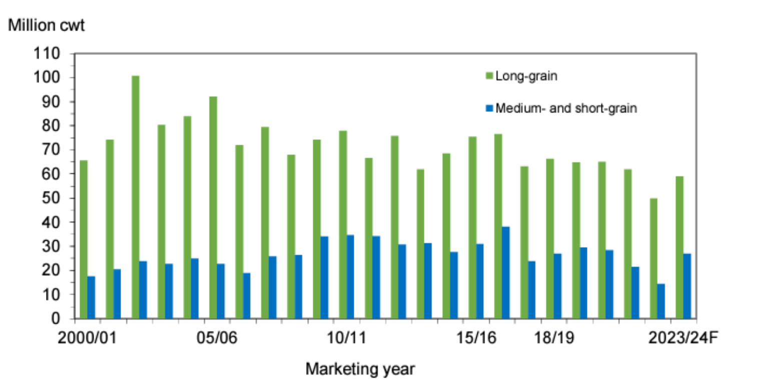
Notes: Cwt = Hundredweight. 2023/24 are forecasts; F = forecast.
Source: USDA, Economic Research Service, *Rice Yearbook* dataset; 1985/86–2020/21; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates,* 2021/22–2023/24.

Combined medium- and short-grain production is forecast at 67.9 million cwt, down 0.1 million from the previous forecast but 111 percent larger than a year earlier and the largest since 2011/12. The substantial increase in U.S. medium- and short-grain production in 2023/24 is primarily due to a strong area recovery in California—where more than two-thirds of the U.S. medium- and short-grain crop is typically produced—from 2 years of severe drought. Medium- and short-grain plantings also increased in the South in 2023/24, with Arkansas reporting the largest expansion.

U.S. 2023/24 rice exports are forecast at 86.0 million cwt, up 1.0 million from the previous forecast and almost 22 million cwt above a year earlier. Long-grain accounts for all of the month-to-month upward revision. The year-to-year all-rice export increase is based on larger supplies and expectations of more competitive prices. Long-grain exports are projected at 59.0 million cwt, up 1.0 million from the previous forecast and more than 18 percent larger than a year earlier. The upward revision is based on stronger than-expected sales through late September of rough-rice to Mexico and Central America. In 2023/24, the United States is expected to expand sales to Latin America—the largest market for U.S. long-grain rice—and also to increase sales to the Middle East. The Middle East is the second-largest export market for U.S. long-grain rice, with Iraq currently the largest U.S. market in the region.

Milled-rice exports are projected to increase almost 13.0 million cwt to 59.0 million in 2023/24, with the three Northeast Asian countries accounting for the largest share of the expansion. Sales to the Middle East—mostly Iraq—and Haiti are expected to increase as well. Rough-rice exports are projected at 27.0 million cwt, up 1.0 million from the previous forecast and 49 percent larger than a year earlier. The substantial year-to-year increase is based on the expectation that the United States will regain some of its market in Mexico—the largest market for U.S. rough-rice—due to more competitive prices and larger available supplies. In 2022/23, the United States lost much of its Mexican market to South American suppliers, mostly Brazil, due to their more competitive prices and partly due to temporarily lower tariff rates in Mexico. Rough-rice sales to other Latin American markets are expected to increase in 2023/24.

U.S. exports of medium- and short-grain rice are projected to nearly double in 2023/24 1/



Cwt = Hundredweight. 2023/24 are forecasts.1/ Milled-, brown-, and rough-rice exports on a rough-rice basis. F = forecast.
Source: USDA, Economic Research Service, Rice Yearbook dataset; 2000/01–2020/21; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, 2021/22–2023/24.

Continued next page

USDA WASDE Report Release Dates for 2023

World Agricultural Supply and Demand Estimates (WASDE) Report: Jan. 12, Feb. 8, Mar. 8, Apr. 11, May 12, Jun. 9, Jul. 12, Aug. 121, Sep. 12, Oct. 12, Nov. 9, and Dec. 8.

Crop Market Update (cont.)

The information that is presented in this market update reflects current information as of October 16, 2023.

Rice (Cont'd)

On a calendar year, it is nice to see that Iraq is helping to pick up the slack from exports to Haiti, Mexico, and Japan. Our top export market through July is Haiti with 208 MT, followed by Mexico at 184 MT and Japan with 158 MT. Last year through the same period, Mexico was on top with 352 MT, then Haiti with 264 MT, and Japan with 205 MT. The difference maker is that Iraq has 132 MT this year, whereas they had zero last year. A strong harvest and resulting supply will help the export figures bounce back to these key markets, as well as to some of our smaller markets in the coming months. With Mercosur largely out of the market until the new harvest, paddy importers are focused on the U.S. supply. Over the past few weeks, the US Rice Producers Association has hosted buyers visits from Ecuador, Mexico, Guatemala, Nicaragua, and Guyana while numerous others in the Western Hemisphere have inquired about the U.S. crop. The low level of the Mississippi River is a concern that has the attention of export merchants and buyers.

The global outlook from the WASDE is sideways, calling for increased supplies, consumption, and trade right in line with last month. Ending stocks on a global scale are largely unchanged, resting at 167.5 million tons, which remains the lowest level in six years.

The October FAO rice price index reported an average of 141.7 points for September, a drop of 0.5% from August, though still 25% higher than this time last year. This slight decline came from Japonica and Aromatic prices, where full crops in California and the southern U.S., along with strong supply from Australia resulted in medium grain indexes dropping 11%. On the broader long grain market, however, those prices through September sustained their post-Indian export ban pricing with Vietnam and Thailand both sourcing rice for prices in excess of $600 pmt. We expect to see the FAO index drop significantly in next months' report, as the broader Indica market has settled down, and is currently trading now below $600 pmt.

On a calendar year, it is nice to see that Iraq is helping to pick up the slack from exports to Haiti, Mexico, and Japan. Our top export market through July is Haiti with 208 MT, followed by Mexico at 184 MT and Japan with 158 MT. Last year through the same period, Mexico was on top with 352 MT, then Haiti with 264 MT, and Japan with 205 MT. The difference maker is that Iraq has 132 MT this year, whereas they had zero last year. A strong harvest and resulting supply will help the export figures bounce back to these key markets, as well as to some of our smaller markets in the coming months. With Mercosur largely out of the market until the new harvest, paddy importers are focused on the U.S. supply. Over the past few weeks, the US Rice Producers Association has hosted buyers visits from Ecuador, Mexico, Guatemala, Nicaragua, and Guyana while numerous others in the Western Hemisphere have inquired about the U.S. crop. The low level of the Mississippi River is a concern that has the attention of export merchants and buyers.

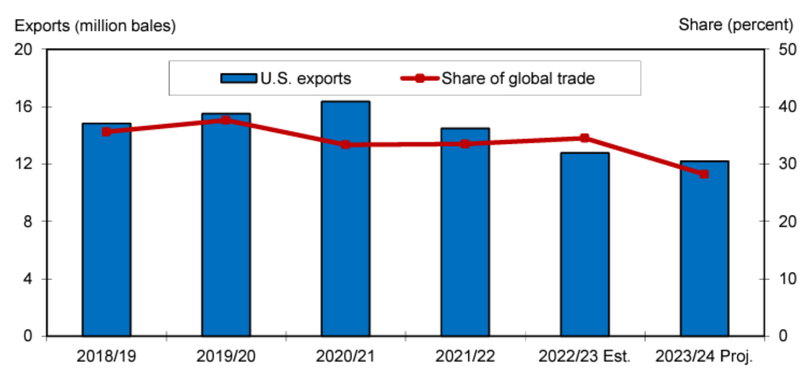
Cotton

USDA's October Crop Production report forecasts 2023/24 U.S. cotton production at 12.8 million bales, 315,000 bales (2.4 percent) below last month's forecast and nearly 1.7 million bales (11.4 percent) below the 2022/23 crop. Harvested area in 2023/24 is higher than last season, but the national yield is lower. If realized, the 2023/24 U.S. cotton crop would be the smallest since 2009/10 with the lowest national yield since 2015/16.

The U.S. cotton demand estimate for 2023/24 is projected at 14.35 million bales in October, nearly 0.5 million bales (3 percent) below 2022/23 and 2.5 million bales below the 3-year average as the smaller crop limits demand prospects. U.S. cotton exports account for the bulk of demand and are forecast at 12.2 million bales in 2023/24, with mill use expected to account for the remaining 2.15 million bales. Despite a higher world trade forecast this season and strong foreign import demand, U.S. cotton supplies—expected to be their lowest in 8 years—are constraining export prospects. Uncertainties about the world economy and competition from synthetic fibers are also forecast to limit global cotton mill use growth in 2023/24. Based on the October projections, the 2023/24 U.S. share of world trade is forecast near 28 percent—6 percentage points below the previous 3-year average and the lowest since 2015/16 .

With the U.S. cotton demand projection marginally lower in October and the production estimate also reduced this month, 2023/24 U.S. ending stocks are forecast at 2.8 million bales. U.S. cotton stocks are nearly 1.5 million bales below last season and the lowest since 2016/17 when a similar level was recorded. The stocks-to-use ratio is forecast at 19.5 percent at the end of 2023/24, compared with 29 percent in 2022/23, and the lowest in 3 years. Based on the U.S. and global cotton supply and demand estimates and recent prices, the 2023/24 average U.S. upland cotton farm price is forecast at 80 cents per pound, compared with the final 2022/23 price of 84.8 cents per pound.

U.S. cotton exports and share of global trade



Note: 1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from USDA, *World Agricultural Supply and Demand Estimates* reports.

Continued next page

Crop Market Update (cont.)

The information that is presented in this market update reflects current information as of October 18, 2023.

Sugar

The U.S. sugar supply for 2022/23 is decreased by 178,935 short tons, raw value (STRV) on lower-than-expected Louisiana cane sugar production in September that gets pushed into 2023/24 but mostly on a decrease in imports. Imports under the WTO raw and FTA TRQs plus re-export programs are down 93,785 STRV. Imports from Mexico are down 63,211 STRV. High-tier tariff imports are up a small amount but the total for the year is a record at 452,626 STRV. Total deliveries are down by 21,000 STRV as those made for human consumption are down by 25,000 on pace with only a small offset for increased re-export products. Exports are increased 25,000 STRV on pace. Ending stocks at 1.977 million STRV are down 182,935 from last month.

U.S. sugar supply for 2023/24 is decreased by 182,212 STRV attributable to lower beginning stocks. Import and production changes are largely offsetting. FTA TRQ imports set on a calendar year basis are increased 13,099 STRV on imports expected to enter in third quarter 2023 now expected in the fourth quarter of 2023. NASS lowered sugarbeet yields in several States implying a 71,200 STRV reduction in beet sugar production. NASS increased the sugarcane yield in Louisiana and production expected in September is pushed over to 2023/24. Deliveries for human consumption are down 25,000 STRV in line with the reduction made for 2022/23. Ending stocks are residually projected at 1.557 million STRV for an ending stocks-to-use ratio of 12.29 percent, down from 13.51 last month.

October 2023

WASDE - 641 - 16

U.S. Sugar Supply and Use 1/

	2021/22	2022/23 Est.	2023/24 Proj. Sep	2023/24 Proj. Oct
	1,000 Short Tons, Raw Value			
Beginning Stocks	1,705	1,820	2,159	1,977
Production 2/	9,157	9,237	8,981	8,969
Beet Sugar	5,155	5,168	5,223	5,151
Cane Sugar	4,002	4,069	3,758	3,817
Florida	1,934	1,983	2,034	2,037
Louisiana	1,944	2,010	1,682	1,738
Texas	124	76	42	42
Imports	3,646	3,584	3,264	3,277
TRQ 3/	1,579	1,834	1,604	1,617
Other Program 4/	298	141	200	200
Non-program	1,769	1,608	1,459	1,459
Mexico	1,379	1,156	1,284	1,284
High-tier tariff/other	390	453	175	175
Total Supply	14,508	14,641	14,404	14,222
Exports	29	70	35	35
Deliveries	12,578	12,594	12,655	12,630
Food	12,470	12,475	12,550	12,525
Other 5/	107	119	105	105
Miscellaneous	81	0	0	0
Total Use	12,688	12,664	12,690	12,665
Ending Stocks	1,820	1,977	1,714	1,557
Stocks to Use Ratio	14.3	15.6	13.5	12.3

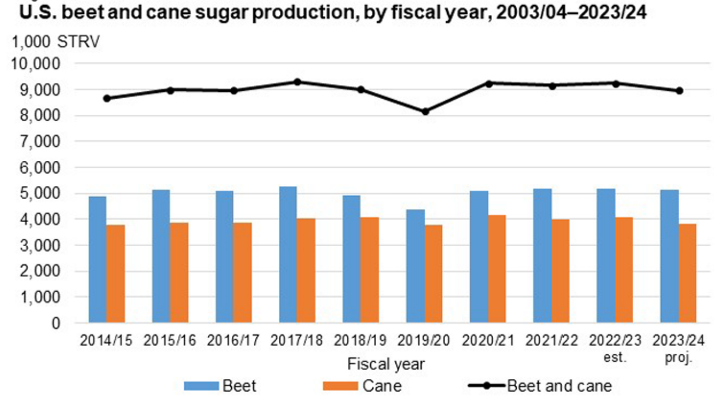
1/ Fiscal years beginning Oct 1. Data and projections correspond to category components from "Sweetener Market Data" (SMD). 2/ Production projections for 2022/23 and 2023/24 are based on Crop Production and/or processor projections/industry data and/or sugar ICEC analysis where appropriate. 3/ For 2022/23, WTO raw sugar TRQ shortfall (190) and for 2023/24 (94). 4/ Composed of sugar under the re-export and polyhydric alcohol programs. 5/ Transfers accompanying deliveries for sugar-containing products to be exported (SCP) and polyhydric alcohol manufacture (POLY), and deliveries for livestock feed and ethanol. Total refiner license transfers for SCP and POLY inclusive of WASDE-reported deliveries: 2021/22 -- 303; estimated 2022/23 -- 299; projected 2023/24 -- 291

U.S. beet sugar production in crop year 2023/24 (August 2023–July 2024) is adjusted downward from last month by 71,000 STRV to 5.116 million after the USDA, NASS lowered its last month's forecast of sugarbeet yields in 6 of the 11 producing States in its October Crop Production. The updated national yield is 31.1 tons per acre, down from last month's 31.5 tons. Despite the lower estimate, the 2023/24 yield would be 2.5-tons per acre (9 percent) higher than last year's 28.6 tons and would be the fourth highest yield since 2007/08. Since NASS did not update either the U.S. 2023/24 sugarbeet planted and harvested area (currently at 1.132 million acres and 1.119 million acres, respectively), the reduction in yield correspondingly lowers sugarbeet production by 520,000 short tons to 34.739 million.

As there are no other changes to the rest of the variables, the fiscal year 2023/24 beet sugar production is reduced by the amount equivalent to the crop year reduction (71,000 STRV) to 5.151 million. The revised sugar production estimate, if realized, would be comparable with the prior 2 years (2022/23's 5.168 million STRV and 2021/22's 5.155 million). The forecast for sugarbeet shrink and extraction rate from sliced beets, both reflecting 10-year averages (2013/14–2022/23), are unchanged at 6.56 percent and 14.65 percent, respectively.

Figure 1

U.S. beet and cane sugar production, by fiscal year, 2003/04–2023/24



STRV = short tons, raw value; est. = estimated; proj. = projected.
Source: USDA, World Agriculural Outlook Board, *World Agricultural Supply and Demand Estimates*

Cane sugar production in fiscal year 2022/23 is reduced from last month by 25,000 STRV to 4.069 million, solely on a lower expectation of Louisiana's September 2023 sugar output due to drought-related harvest delays. The September estimate is reduced from last month's 55,000 STRV to 31,000, which in turn lowers Louisiana's fiscal year 2022/23 by the same amount to 2.010 million. The September data will be available in next month's SMD, which will finalize the State's fiscal year 2022/23 production.

Louisiana has been experiencing drought since June. Based on USDA's interpretation of the October 10 U.S. Drought Monitor, 100 percent of Louisiana's sugarcane production areas remain under exceptional drought.

Continued next page

Crop Market Update (cont.)

The information that is presented in this market update reflects current information as of October 18, 2023.

Sugar Cont'd

The lack of rainfall stunted the development of the sugarcane crop, compelling growers to delay harvest in hope of receiving beneficial rains. Typically, harvest in the State starts in mid- to late-September, and thus accounted for in fiscal year 2022/23, and finishes by mid-January to avoid freeze-related losses. However, most of the sugarcane mills' start dates in the 2023/24 campaign were pushed back to October, one of the latest in record. As of October 15, the sugarcane crop is 12 percent harvested, behind last year (19 percent) and the 5-year average (17 percent). Thus, the September portion of the output is instead assumed to be pushed into fiscal year 2023/24.

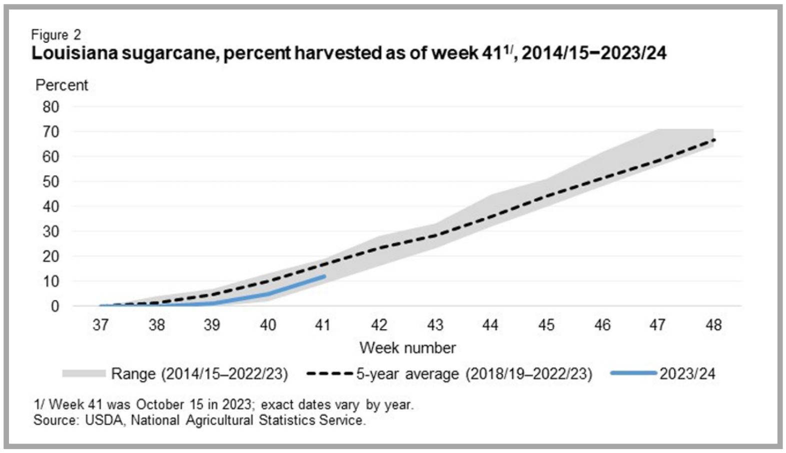


Figure 2
Louisiana sugarcane, percent harvested as of week 41[1/], 2014/15–2023/24

1/ Week 41 was October 15 in 2023; exact dates vary by year.
Source: USDA, National Agricultural Statistics Service.

Cane sugar production in fiscal year 2023/24 is raised from last month by 59,000 STRV to 3.817 million based on increases in Florida (up 3,300 STRV to 2.037 million) and Louisiana (up 55,500 STRV to 1.738 million). Production in Texas is unchanged at 42,000 STRV, a record low due to drought conditions and restrictions of water releases from Mexico under the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande (1944 Water Treaty). If realized, 2023/24 cane sugar production in the U.S. would be 252,000-STRV lower (6 percent) than last year's 4.069 million and would be the lowest since 2019/20's 3.798 million STRV.

Based on the SMD, cane processors in Florida slightly raised their production outlook from last month by 3,300 STRV to 2.037 million. When Hurricane Idalia made landfall in the State on August 30, it brought rain but did not cause major damage to Florida's sugarcane areas. The wet field conditions, however, delayed harvest in some areas. The sugar output in Louisiana is increased by 55,500 STRV to 1.738 million partly based on moving sugar expected in September into the next fiscal year and on the NASS October Crop Production, which increased the yield forecast for the State from 27.2 tons per acre to 27.7 tons. Despite the increase, the 27.7 tons per acre yield forecast in Louisiana would match 2019/20 as the second lowest since 2011/12's 27.6 tons per acre.

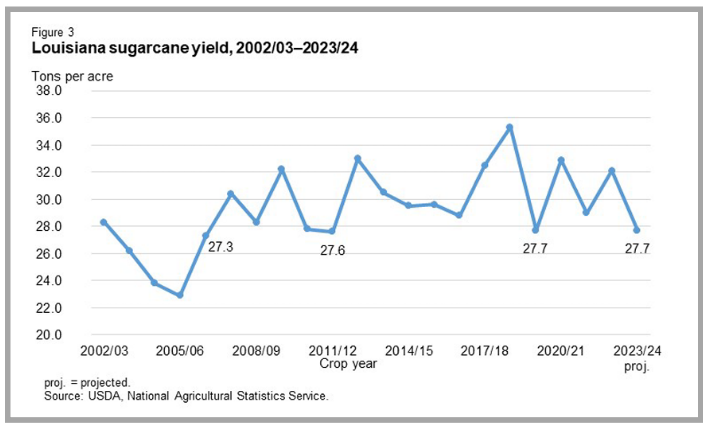


Figure 3
Louisiana sugarcane yield, 2002/03–2023/24

proj. = projected.
Source: USDA, National Agricultural Statistics Service.

For U.S. 2023/24 imports, the sole adjustment came from a 13,000-STRV increase in FTA TRQ imports from last month to 228,000. The calendar-year-based FTA TRQ imports are increased because the volume expected to enter by September 30 are now expected to arrive by December 31. As such, total imports for 2023/24 are increased by the same amount to 3.277 million STRV, which would be 307,000-STRV (9 percent) less than 2022/23's 3.584 million. The over-the-year decline is mainly driven by lower expected imports of raw sugar TRQ and high-tier sugar offsetting the larger expected imports from Mexico and under the reexport programs.

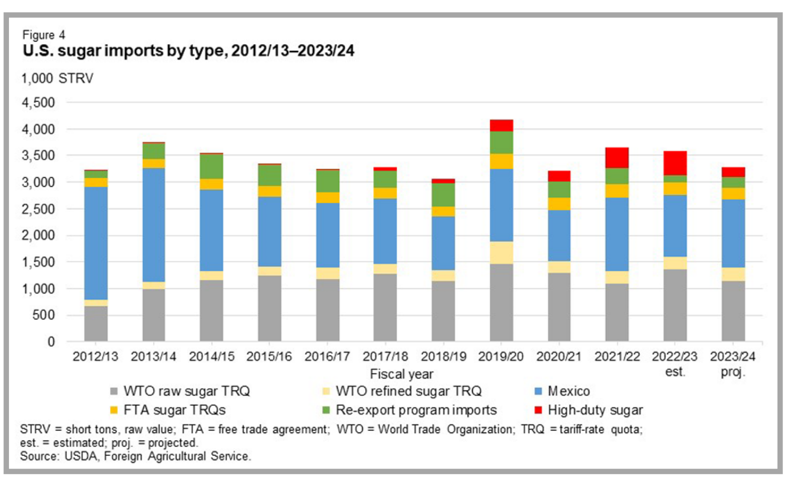


Figure 4
U.S. sugar imports by type, 2012/13–2023/24

STRV = short tons, raw value; FTA = free trade agreement; WTO = World Trade Organization; TRQ = tariff-rate quota; est. = estimated; proj. = projected.
Source: USDA, Foreign Agricultural Service.

Using trade data from the U.S. Bureau of the Census, USDA, FAS' preliminary final of the fiscal year 2022/23 U.S. imports from Mexico are at 1.156 million STRV. The 1.156 million-STRV estimate would be 223,000-STRV lower (16 percent) than last year's 1.379 million and the third lowest since 2017/18. This volume is also lower than the 2022/23 U.S. Needs (1.306 million STRV)−the maximum amount Mexico is allowed to export to the U.S. based on the suspension agreements−that were calculated by the U.S. Department of Commerce in March 2023. Imports from Mexico entered at a relatively strong pace in the first half of the fiscal year, but the pace slowed to the minimum levels in the second half for certain months due to supply constraints stemming from Mexico's record-low sugar production in 2022/23.

USDA Announces FY 2024 Sugar Loan Rates and FY 2024 Overall Sugar Marketing Allotment, Cane Sugar and Beet Sugar Marketing Allotments, and Company Allocations

The USDA's Commodity Credit Corporation (CCC) announced sugar loan rates for crop year 2023 (fiscal year 2024) on September 21, 2023.

USDA offers commodity loans to processors of sugar beets and domestically grown sugarcane to provide interim financing to producers so that sugar can be stored after harvest when market prices are typically low and then sold later when price conditions are more favorable. The 2018 Farm Bill increased the national average loan rate to 19.75 cents per pound for raw cane sugar and 25.38 cents per pound for refined beet sugar. These rates are adjusted regionally to reflect marketing cost differentials.

Loans are available beginning Oct. 1, 2023, and mature at the end of the nine-month period beginning the first day of the first month after the month in which the loan is made, or the end of the fiscal year in which the loan is made, whichever is earlier. Producers have the option to deliver the pledged sugar collateral to CCC as full payment for the loan at maturity.

Loan Rates for Refined Beet Sugar. The refined beet sugar processing regions and applicable 2023-crop (fiscal year 2024) loan rates in cents per pound of refined beet sugar are:

- Michigan and Ohio – 26.44
- Minnesota and the eastern half of North Dakota – 25.01
- Northeastern quarter of Colorado, Nebraska and the southeastern quarter of Wyoming – 25.55
- Montana, northwestern quarter of Wyoming and the western half of North Dakota – 25.14
- Idaho, Oregon and Washington – 25.66
- California – 26.79

Loan Rates for Raw Cane Sugar. The 2023-crop (fiscal year 2024) raw cane sugar loan rates in cents per pound of cane sugar, raw value are:

- Florida – 18.60
- Louisiana – 20.92
- Texas – 19.38

Sugar beet and sugarcane processors who receive CCC loans in fiscal year 2024 are required to make minimum grower payments for all sugar beets and sugarcane received from growers. Processors failing to meet the required minimum grower payment will be ineligible for loans. Sugar beet grower minimum payments are the amount specified in the grower/processor contract.

Sugarcane processors must, at minimum, pay growers for their share of production from molasses and sugar per ton of cane as specified here. State minimum payments are:

- Florida – $27.62 per net ton
- Louisiana – $31.89 per gross ton
- Texas – $28.68 per gross

USDA is establishing the initial FY 2024 (crop year 2023) OAQ at 10,667,500 STRV, equal to 85 percent of 12,550,000 STRV, the estimated quantity of sugar for domestic human consumption for FY 2024 as forecast in the September 2023 WASDE. As mentioned, 54.35 percent of the OAQ is distributed among beet processors and 45.65 percent is distributed among the sugarcane States and cane processors, with the beet and cane sector allotments distributed to individual processors according to formulas set out in the Agricultural Adjustment Act of 1938 and 7 CFR part 1435. Although the Act directs USDA to assign 325,000 STRV of the cane sector allotment to ''offshore States,'' CCC has determined that no offshore States exist. While sugar cane was formerly produced in Puerto Rico and Hawaii, CCC has determined that both States have permanently exited sugarcane production. As a result, CCC has allocated the 325,000 STRV of the cane sector allotment previously reserved for offshore States to the mainland sugarcane producing States. The initial FY 2024 sugar marketing State allotments and processor allocations are listed in the following Table.

USDA United States Department of Agriculture

Farm Service Agency

FY 2024 Overall Sugar Marketing Allotment, Cane Sugar and Beet Sugar Marketing Allotments, and Company Allocations (cont.)

Distribution	Initial FY 2024 Allotments and Allocations
Beet Sugar	5,797,786
Cane Sugar	4,869,714
Total OAQ	10,667,500
Amalgamated Sugar	1,214,350
American Crystal Sugar	2,132,371
Michigan Sugar	598,769
Minn-Dak Farmers Coop	402,650
So. Minn Beet Sugar	782,517
Western Sugar	591,583
Wyoming Sugar	48,546
Total Beet Sugar	5,797,786
Florida	2,617,360
Louisiana	2,024,823
Texas	227,531
Total Cane Sugar	4,869,714
Florida:	
Florida Crystals	1,077,635
Growers Coop	470,825
U.S. Sugar	1,068,900
Total Florida	2,617,360
Louisiana:	
SUGAR	1,405,697
M.A. Patout	619,126
Total Louisiana	2,024,823
Texas:	
Rio Grande Valley	227,531

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USDA Expands Climate-smart Practices Eligible for IRA Funding

The Natural Resources Conservation Service has added new activities to the list of those eligible for Inflation Reduction Act funding through the Environmental Quality Incentives Program and the Conservation Stewardship Program in 2024.

Among the new additions to the list of climate-smart agriculture and forestry mitigation activities are a slate of livestock-related practices including feed management, waste storage facility development and waste separation facility development. The list also includes several irrigation-related practices to support pipeline installation, micro-irrigation, sprinkler systems and pumping plants.

Other practices include cover cropping for moisture use efficiency, biochar production, grazing-maintained fuel breaks for fire prevention, prescribed burning, and herbaceous weed treatment, among other things.

https://www.nrcs.usda.gov/sites/default/files/2023-01/CSAF%20Mitigation%20Activities_2023.pdf

In a press release, the agency said the additional practices are based on suggestions from producers, conservation groups and agency staff. "These in-demand activities are expected to deliver reductions in greenhouse gas emissions or increases in carbon sequestration as well as significant other benefits to natural resources like soil health, water quality, pollinator and wildlife habitat and air quality," USDA said.

Senate Agriculture Committee Republicans, who want to see the climate-smart requirements removed in order to move the IRA funding into the Farm Bill baseline, issued a report earlier this month arguing that fewer than half of the projects currently used in EQIP and CSP would meet the climate-smart requirements for IRA eligibility. Some of the examples they cited, such as prescribed burning and irrigation efficiency, have now been added to the list.

Newsletter Information

A group of growers inquired about a quarterly newsletter being delivered to them containing relevant market news and agricultural policy events. As a result, this publication is delivered electronically per the release schedule. Please contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu to be added to the email distribution list. The subscription is free of charge.

QUARTER	Reporting Period	Release Date
1	January 1 through March 31	April 15
2	April 1 through June 30	July 15
3	July 1 through September 30	October 15
4	October 1 through December 31	January 15

Please direct questions and comments to Dr. Michael Deliberto, Department of Agricultural Economics and Agribusiness, LSU AgCenter. Mailing Address: 101 Martin D. Woodin Hall, LSU Campus, Baton Rouge, LA 70803. Office Phone: 225-578-7267. Email: mdeliberto@agcenter.lsu.edu *Staff Report 2023-59. October 2023.*