

# Ag Decision Maker

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A BUSINESS NEWSLETTER FOR AGRICULTURE

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## UPDATES

The following [Information Files](#) have been updated on [extension.iastate.edu/agdm](http://extension.iastate.edu/agdm):

A1-12 Historical Corn Yields (USDA RMA)

A1-13 Historical Soybean Yields (USDA RMA)

A1-14 Corn and Soybean County Yields (USDA RMA)

A1-34 Corn and Soybean Commodity Loan Rates (USDA FSA)

C1-50 Partial Budgeting: A Tool to Analyze Farm Business Changes

C6-80 Metric Conversions

The following [Video and Decision Tools](#) have been updated on [extension.iastate.edu/agdm](http://extension.iastate.edu/agdm):

A1-10 Chad Hart's Latest Ag Outlook

C1-50 Partial Budgeting

The following [Profitability Tools](#) have been updated on [extension.iastate.edu/agdm/outlook.html](http://extension.iastate.edu/agdm/outlook.html):

A1-85 Corn Profitability

A1-86 Soybean Profitability

A2-11 Iowa Cash Corn and Soybean Prices

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## A rundown of the September Hogs and Pigs report

Lee Schulz, Chief Economist, Ever.Ag Livestock Division; ISU extension livestock economist (on leave) | [lschulz@iastate.edu](mailto:lschulz@iastate.edu)

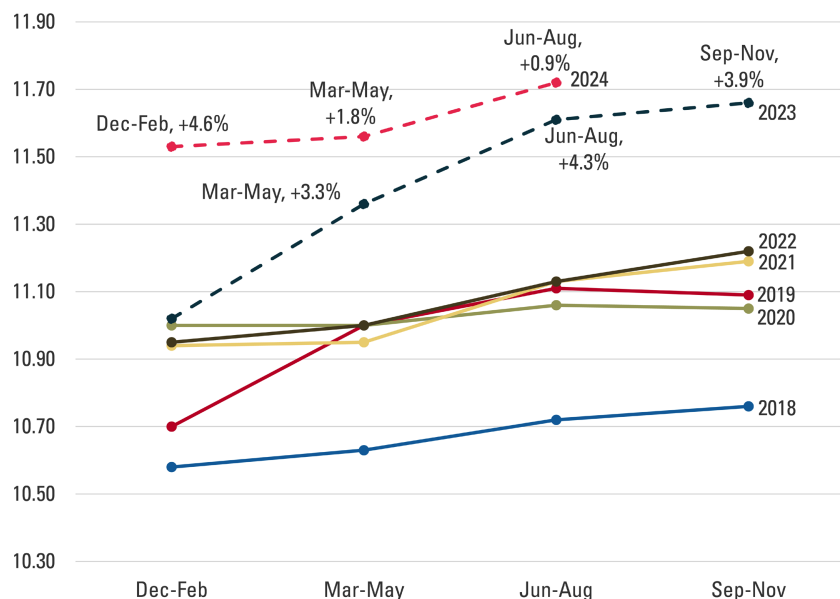
The inventory of all hogs and pigs on US farms on September 1, 2024 was 76.480 million head according to the latest [Quarterly Hogs and Pigs report](https://downloads.usda.library.cornell.edu/usda-esmis/files/rj430453j/jh345k34n/mw22x008r/hgpg0924.pdf), published by USDA's National Agricultural Statistics Service. This was up 347,000 head or 0.5% from September 1, 2023. There were 25.500 million hogs and pigs on Iowa farms. The total Iowa hogs and pigs inventory was up 600,000 head or 2.4% from a year ago.

The US breeding herd inventory on September 1, 2024, at 6.044 million head, was down 2.2% from September 1, 2023. This is the smallest September 1 national breeding herd since 2016. There were 830,000 breeding hogs on Iowa farms on September 1, 2024. This was down 7.8% from a year ago and the smallest September 1 Iowa breeding herd in the history of the data back to 1963.

The market hog inventory on US farms on September 1, 2024, at 70.437 million head, was up 0.7%

**Figure 1. United States pigs saved per litter by quarter, 2018-2024.**

Source: USDA-NASS.



from September 1, 2023. The Iowa market hog inventory, at 24.670 million head, was up 2.8% from last year.

Iowa accounted for 13.7% of the breeding herd, 35.0% of the market hog inventory and 33.3% of the total hogs in pigs in the United States this last quarter.

### Record pigs saved per litter again

The June-August 2024 US pig crop, at 35.030 million head, was down 0.8% from 2023. Sows farrowing during the quarter totaled 2.989 million head, down 1.7% from 2023. The number of sows farrowed during June-August 2024 represented 49.75% of the June 1, 2024 breeding herd. This is up from 48.98% last

year but similar to the 2019-2022 average. The average pigs saved per litter was 11.72 for the June-August 2024 period, compared to 11.61 last year (Figure 1). While the 0.9% year-over-year increase in litter rates is a slowing of the trend seen in recent quarters, the 11.72 pigs for June-August represent a record level for the quarter. It is not that surprising we are seeing a slowing rate of year-over-year changes. Remember, we are comparing to a very high base a year prior.

The June-August 2024 Iowa pig crop was 5.497 million head, down 2.9% from last year. A total of 460,000 sows farrowed during the quarter. The average pigs

saved per litter was 11.95 for the quarter compared to 11.80 last year.

### Commercial slaughter and price forecasts

Table 2 contains the Iowa State University price forecasts for the next four quarters. Prices are for the Iowa-Minnesota producer sold weighted average carcass base price for all purchase types. Basis forecasts along with lean hog futures prices are used to make cash price projections. The table also contains the projected year-over-year changes in commercial hog slaughter.

**Table 1. USDA quarterly hogs and pigs report summary. Data source: USDA NASS.**

	United States			Iowa		
	2023	2024	2024 as % of '23	2023	2024	2024 as % of '23
<b>Sep 1 inventory *</b>						
All hogs and pigs	76,133	76,480	100.5	24,900	25,500	102.4
Kept for breeding	6,179	6,044	97.8	900	830	92.2
Market	69,954	70,437	100.7	24,000	24,670	102.8
Under 50 pounds	22,542	22,194	98.5	6,430	6,510	101.2
50–119 pounds	20,505	20,232	98.7	8,140	8,160	100.2
120–179 pounds	14,492	14,997	103.5	5,230	5,480	104.8
180 pounds and over	12,415	13,014	104.8	4,200	4,520	107.6
<b>Sows farrowing **</b>						
Mar–May	2,941	2,953	100.4	470	435	92.6
Jun–Aug	3,040	2,989	98.3	480	460	95.8
Sep–Nov <sup>1</sup>	2,962	2,959	99.9	455	475	104.4
Dec–Feb <sup>2,3</sup>	2,928	2,933	100.2	440	465	105.7
Jun–Aug pigs per litter	11.61	11.72	100.9	11.80	11.95	101.3
Jun–Aug pig crop *	35,295	35,030	99.2	5,664	5,497	97.1

**Full USDA report:** <https://downloads.usda.library.cornell.edu/usda-esmis/files/rj430453j/jh345k34n/mw22x008r/hgpg0924.pdf>.

\* 1,000 head, \*\*1,000 litters; <sup>1</sup> Intentions for 2024. <sup>2</sup> Intentions for 2024-2025. <sup>3</sup> December preceding year.

**Table 2. Commercial hog slaughter projections and price forecasts, 2024-25.**

	Year-over-Year Change In Commercial Hog Slaughter (%)	ISU Model Price Forecast, IA-MN Base Price, All Purchase Types (\$/cwt)	CME Futures (9/27/24) Adjusted for IA-MN Producer Sold Weighted Average Carcass Base Price for All Purchase Types Historical Basis (\$/cwt)
Oct–Dec 2024	1.81	74.94	73-77
Jan–Mar 2025	-0.39	76.81	75-79
Apr–Jun 2025	-0.23	85.80	84-88
Jul–Sep 2025	0.93	86.94	85-89



## Landownership answers for women in agriculture: join our upcoming webinar series!

By Ann M. Johanns, extension program specialist, 515-337-2766 | [aholste@iastate.edu](mailto:aholste@iastate.edu); Madeline Schultz, Women in Agriculture Program Manager, 515-294-0588 | [schultz@iastate.edu](mailto:schultz@iastate.edu)

Women landowners play a vital role in the agricultural community. We are excited to announce an upcoming webinar series tailored specifically for women in agriculture, based on the valuable feedback and topics of interest shared by past program attendees. The series is free to attend, and all interested parties are welcome to register. Sessions will be recorded and available for viewing through the ISU Extension Ag Decision Maker and Women in Ag websites.

This webinar series is part of a multi-year project led by the ISU Extension Farm Management team’s Women in Ag program to better understand and meet the educational needs of women farmland owners. The project is partially supported through the USDA National Institute of

Food and Agriculture - Critical Agriculture Research and Education grant program and Farm Credit Services of America, and through collaborations with the ISU Center for Agriculture Law and Taxation, ISU Water Quality Initiative, and the Department of Economics.

### **Webinar series overview** **Adding Diversity to the Iowa Landscape,**

Catherine DeLong, Water Quality Program Manager,  
November 14, 12 PM-1 PM.

About 85% of our land in Iowa is dedicated to corn and soybeans. By increasing the diversity of our plant populations, we are also increasing the diversity of pollinators and wildlife that our state can support. We can increase the diversity within farm fields by adding cover

crops or small grains, and along the fringes with native perennials and trees. Catherine DeLong will review the many approaches and benefits of diversifying our landscape, and also the people and financial incentives that can help you go from ideas to actions.

### **2024 Iowa State University Land Value Survey Results and Impact on Land Ownership,**

Dr. Rabail Chandio, Assistant Professor and Extension Economist,  
December 19, 12 PM-1 PM.

Scheduled shortly after the release of results from the Iowa State Land Value Survey, Rabail Chandio will share background and insights on this year's newly released survey results. She’ll also discuss who owns Iowa land and how this has changed over time.

## **Turbines, Solar, and Pipelines, Oh My! Legal Considerations for Landowners,**

Kristine Tidgren, Adjunct Associate Professor and Director, ISU Center for Agricultural Law and Taxation, January 9, 12 PM-1 PM.

In this webinar, Kristine Tidgren will discuss alternate uses of farmland, including pipelines, wind turbines, and solar panels. She'll share common questions do landowners often have, and offer insights on additional questions they should they be asking before making long-term decisions when it comes to easements on their property.

## **Grain Marketing, the Trials and Tribulations in 2025,**

Alexis Stevens, Extension and Outreach Farm Management Field Specialist, February 13, 12 PM-1 PM

While not every landowner markets grain, many

have questions on better understanding this part of the farm business decision making. Important marketing plans and decisions are made year-round by producers. Hear from Alexis Stevens for market outlook and answers to common grain marketing questions she gets from producers around the state.

## **Topics for every landowner or producer**

This series will delve into topics such as adding diversity to farming practices, grain marketing, and navigating legal challenges. Connect with expert speakers, who will provide practical tips and strategies to help you make informed decisions about your land. Join a community of like-minded women who share your passion for agriculture. Our webinars offer a unique platform for networking and sharing experiences with

fellow landowners. Have your questions answered in real-time! The interactive sessions are designed to provide you with personalized insights and solutions to your specific challenges.

## **How to register**

Registration for the series is free! Visit <https://go.iastate.edu/IAK3NV> to sign up for the webinars. Separate email confirmation will be sent for each webinar, join one or all four. All who register will receive follow-up emails with resources and access to the webinar replays.

Don't miss out on this opportunity to empower yourself with knowledge and connect with a supportive community of women in agriculture. Join us and take the next step in your agricultural journey!

## **2024 Women Managing Farmland Webinar Series**

November 14 | **Adding Diversity to the Iowa Landscape** | Catherine DeLong

December 19 | **2024 Iowa State University Land Value Survey Results and Impact on Land Ownership** | Rabail Chandio

January 9 | **Turbines, Solar, and Pipelines, Oh My! Legal Considerations for Landowners** | Kristine Tidgren

February 13 | **Grain Marketing, the Trials and Tribulations in 2025** | Alexis Stevens

View previous sessions: <https://go.iastate.edu/IAK3NV>



Catherine DeLong



Kristine Tidgren



Rabail Chandio



Alexis Stevens



This webinar series is financially supported by a USDA NIFA Critical Agriculture Research and Education grant (2021-68008-34180) and a Farm Credit Services of America gift through the Iowa State University Extension and Outreach Women in Ag program.





## Should you raise or buy replacement heifers?

Lee Schulz, Chief Economist, Ever.Ag Livestock Division; ISU extension livestock economist (on leave) | [lschulz@iastate.edu](mailto:lschulz@iastate.edu)

Will strong feeder heifer prices tempt producers to keep sending more heifers to feedlots rather than retain them for replacements (Figure 1)? Will they be able to buy replacements back? And, at what price? Would producers be better off retaining?

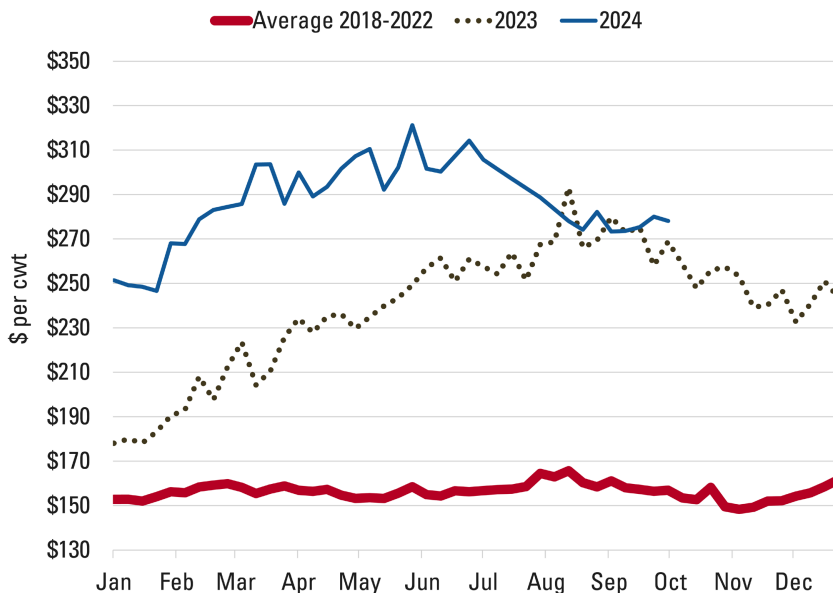
Most cow-calf producers retain heifers for beef cow replacement. Analyzing the raise versus buy decision may reveal opportunities. Or, it may confirm they already have a herd replacement strategy that best fits their resources and goals.

### Raising and buying replacements both have advantages

Producers may be able to raise replacement heifers at lower cost than buy them. They may already have desirable genetics. Maintaining genetic control has value. Raising avoids environmental stress of bringing heifers into the herd. Raising replacements helps squash concerns about open market availability of replacements, and prices.

Buying replacements also has potential advantages. Buying preserves resources that would be used to raise replacements. Someone else may have lower cost inputs. Producers may value alternative uses of their time and money. Buying may reduce bull needs, access

**Figure 1. Medium and large #1 feeder heifer prices, 500-550 pounds, Iowa, weekly.** Source: USDA-AMS.



genetically superior heifers and may facilitate faster herd growth.

### Aids for deciding whether to raise or buy

Iowa State University Extension and Outreach has two partial budget spreadsheets, available on Ag Decision Maker, to evaluate management strategies. One considers the returns and costs that will change if [replacement heifers are purchased rather than raised from within the herd](#), [www.extension.iastate.edu/agdm/livestock/xls/b1-73\\_buyingheifers.xlsx](http://www.extension.iastate.edu/agdm/livestock/xls/b1-73_buyingheifers.xlsx). The other considers the returns and costs that will change if [replacement heifers are raised from within the herd rather than purchased](#), [www.extension.iastate.edu/agdm/livestock/xls/b1-73\\_raisingheifers.xlsx](http://www.extension.iastate.edu/agdm/livestock/xls/b1-73_raisingheifers.xlsx).

The most benefit producers gain from the analysis may come from thinking through how sensitive results are to the sale price of heifer calves, interest rates, prices to purchase bred heifers, feed costs and production performance of purchased heifers relative to raised heifers.

Although most producers raise their own herd replacements, purchasing replacements sometimes can be an attractive alternative. Let's use the [Buying Heifers for Beef Cow Replacement Decision Tool spreadsheet](#), <https://www.extension.iastate.edu/agdm/livestock/html/b1-73.html>, to analyze whether to continue raising replacements or purchase them.

## Model input assumptions for the analysis

A cow-calf producer is considering selling raised heifer calves at weaning this year and buying pregnant heifers at 22 months of age (two months prior to calving in spring 2026). Weaned heifer calves averaging 525 pounds at 6 months of age can be sold for \$2.80 per pound this fall. The interest rate is 8.5%, which is based on the returns realized from the investment of returns, or reduction in borrowing, from the sale of the heifer calves. The feed, non-feed and fixed costs assumed for a heifer raised during the 16-month period between weaning and the arrival of a purchased heifer on the farm are \$576.30, \$377.12 and \$309.98 per head, respectively. It is assumed that a bred heifer at 22 months of age can be purchased for \$2,900 per head.

Using these inputs, the spreadsheet will calculate if the buying instead of raising strategy will boost net income.

For added returns, the example cow-calf producer expects to realize \$1,636.60 if the heifer calf is sold and a replacement heifer is purchased 16 months later. Those returns stem from the sale of the heifer calf at weaning (\$1,470) and interest earned or saved on that amount (\$166.60). The producer estimates buying heifers will capture no genetic

improvement. Any multi-year gain in genetics, such as increased weaning weights, would boost added returns.

For reduced costs, the producer eliminates the cost of raising a replacement heifer during the 16-month development period. These cost reductions sum to \$1,263.40. The total added returns from buying rather than raising replacements is the sum of the added returns and reduced costs, which is \$2,900 per head.

The only added cost is the \$2,900 to buy the bred heifer. Also, no reduced returns like less genetic control and less control over disease are expected to occur.

Subtracting total added costs (\$2,900) from total added returns (\$2,900) shows no change in net income if the producer switches from raising to buying replacement heifers.

## Comparing benefits versus costs

You may think we rigged the example to come out a wash. We did. We want you to think about factors that could push the decision one way or the other. For example, net income would fall if the purchased replacement cost more than \$2,900, which is a possibility, given we are talking about prices in 2026. But if a bred heifer purchased for \$2,900 improves genetics, buying would increase net income in this scenario.

Our analysis assumes a market return on surplus home-grown forages, operating capital and operator labor and management. It also assumes no return on buildings and equipment made available for use when heifers are no longer raised on the farm. To the extent these resources can be diverted to an alternative use, with returns exceeding these assumed levels, the analysis would understate the economic benefits of buying heifers.



## The challenges with big crops

By Chad Hart, extension crop market economist, 515-294-9911 | [chart@iastate.edu](mailto:chart@iastate.edu)

USDA's reports over the past few months have confirmed that large crops are currently exiting farm fields and headed into the marketing chain. The incredibly strong, and for some crops record, production is great for filling bins, bragging about yields, and building up next year's insurance yield; but it is also the weight that has driven down prices for a vast majority of this calendar year. Farm incomes tend to be better with lower yields and higher prices than with lower prices and higher yields. And the net farm income projections from USDA reflect that, with incomes dropping from record levels two years ago to roughly equal to the 20-year average now. The projections for the 2024 crops show farm incomes will remain weaker over the next 12 months.

The outlook for corn contains a bin-busting national average yield, another 15-billion bushel crop, and usage that continues to churn through a lot of corn (just not enough to keep up with production). After a few years of drought-impacted crops, this year's corn crop showed what a little additional water would do for production. The October estimate for the national average corn yield is a whopping 6.5 bushels above the previous record set last year, soaring well above 180 bushels per acre

for the first time. Eight states are projected to have record corn yields, including Iowa and Illinois. While the Southeast and far eastern side of the Corn Belt are capturing smaller corn crops, the western and central Corn Belt has more than enough bushels to make up the difference. So as has been the case for the past several years, the corn market will have lots of kernels to feed and fuel users.

Corn usage has also set records over the past couple of years, but those records are still below 15 billion bushels. Feed and residual use increased by over 300 million bushels last year and is expected to grow slightly in the coming year, as heifers continue to stream into feedlots, swine herds continue to translate into record pork production, and the broiler, turkey, and layer flocks rebuild. Fuel use also increased last year by nearly 300 million bushels and is projected to be steady this year, as the ethanol industry has returned to pre-COVID levels of production. But there are a couple of sectors where corn usage has slipped. Corn sweetener use has declined within the past five years, down roughly 50 million bushels since 2020. Consumer shifts in beverage choices, mostly a decline in soda consumption, have driven this change. But

the largest shift remains in the export sector. The 2020 marketing year set the record for corn export sales (in bushels), pushed by the COVID recovery surge and the Phase One trade deal with China. Corn exports dropped after that, as rising corn prices, the slowdown after the surge, and the completion of the trade deal limited U.S. competitiveness in global markets. The largest drop came in 2022, as corn exports had fallen by over a billion bushels from the record two years earlier. The drop in corn prices over the past 18 months has translated into more international sales recently, with exports up over 600 million bushels last year. And as with feed use, USDA's projections display slight growth over the coming year. The issue is that is still 400 million bushels below sales from 2020.

With production exceeding the record usage, corn stocks have been building. For most of this calendar year, the projections for corn stocks at the end of the 2024 marketing year (so Aug. 31, 2025) have exceeded 2 billion bushels, which is a healthy 240 million bushels above corn stocks for the 2023 marketing year and 640 million bushels above stock levels in 2022. The most recent update lowered the stock estimate to 1.999 billion bushels, showing usage

slowly trying to catch up to production. But as stocks have grown, prices have fallen. The season-average price for corn was \$6.54 per bushel for the 2022 crop. That dropped to \$4.55 per bushel for 2023. And the current projection is \$4.10 per bushel for 2024. Current corn futures roughly agree with that outlook, with the futures at the end of the WASDE report day signaling a

\$4.15 per bushel price. The corn futures prices for the 2025 corn crop are revealing slightly better news for next year, as prices are projected to slowly increase. The current futures-based season-average price estimate for the 2025 crop is \$4.46 per bushel.

The combination of a surge in soybean planting this spring and the temporary removal

of drought through most of the growing season has led to record projections for both the national average soybean yield and soybean production. The current yield estimate is 53.1 bushels per acre, besting the record from 2021 of 51.7 bushels per acre. The previous soybean production record also comes from 2021 at 4.464 billion bushels. The 2024 estimate is

**Table 1. United States corn supply and usage table and 2024 projections from October. Source: USDA-WAQB.**

Marketing Year (2024 = 9/1/24 to 8/31/25)		2020	2021	2022	2023	2024
Area Planted	(million acres)	90.7	92.9	88.2	94.6	90.7
Yield	(bushels/acre)	171.4	176.7	173.4	177.3	183.8
Production	(million bushels)	14,111	15,018	13,651	15,341	15,203
Beginning Stocks	(million bushels)	1,919	1,235	1,377	1,360	1,760
Imports	(million bushels)	24	24	39	28	25
Total Supply	(million bushels)	16,055	16,277	15,066	16,729	16,989
Feed and Residual	(million bushels)	5,607	5,671	5,486	5,814	5,825
Ethanol	(million bushels)	5,028	5,320	5,176	5,471	5,450
Food, Seed, and Other	(million bushels)	1,439	1,437	1,382	1,391	1,390
Exports	(million bushels)	2,747	2,472	1,662	2,292	2,325
Total Use	(million bushels)	14,821	14,900	13,706	14,969	14,990
Ending Stocks	(million bushels)	1,235	1,377	1,360	1,760	1,999
Season-Average Price	(\$/bushel)	\$4.53	\$6.00	\$6.54	\$4.55	\$4.10

**Table 2. United States soybean supply and usage table and 2024 projections from October. Source: USDA-WAQB.**

Marketing Year (2024 = 9/1/24 to 8/31/25)		2020	2021	2022	2023	2024
Area Planted	(million acres)	83.4	87.2	87.5	83.6	87.1
Yield	(bushels/acre)	51.0	51.7	49.6	50.6	53.1
Production	(million bushels)	4,216	4,464	4,270	4,162	4,582
Beginning Stocks	(million bushels)	525	257	274	264	342
Imports	(million bushels)	20	16	25	21	15
Total Supply	(million bushels)	4,761	4,737	4,569	4,447	4,939
Crush	(million bushels)	2,141	2,204	2,212	2,287	2,425
Seed and Residual	(million bushels)	97	107	114	123	114
Exports	(million bushels)	2,266	2,152	1,980	1,695	1,850
Total Use	(million bushels)	4,504	4,463	4,305	4,105	4,389
Ending Stocks	(million bushels)	257	274	264	342	550
Season-Average Price	(\$/bushel)	\$10.80	\$13.30	\$14.20	\$12.40	\$10.80



4.582 billion bushels, so there's a lot of beans for the markets to work with this fall. As with corn yields, the record soybean yields are mainly driven by production in the western and central Corn Belt, with lower yields in the Southeast and eastern Corn Belt.

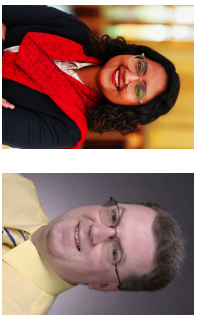
And while corn is capturing record usage, soybean usage is rebounding, but has not quite reached prior levels. The major growth area has been domestic crush, mainly for renewable diesel development. Given USDA's current estimates, crush will consume over 200 million more bushels this year than it did in 2022. In fact, soybean crush has been consistently growing over the past four years. The challenge, however, is that growth has not been enough to offset the declines in soybean exports over the past several years. Like corn, soybean exports set their record in 2020.

The same factors (higher prices, post-surge slowdown, and completion of Phase One) led to lower exports in 2021, 2022, and 2023. The cumulative drop is roughly 600 million bushels. While 2024 looks like a better export year, the projection leaves soybean exports at 1.85 billion bushels, over 400 million bushels below the 2020 record.

Thus, soybean stocks are building as well. The 2024 ending stocks estimate is 550 million bushels, more than double the stock level from 2022. And again, as stocks have grown, prices have fallen. The season-average price for soybeans was \$14.20 per bushel for the 2022 crop. That dropped to \$12.40 per bushel for 2023. And the current projection is \$10.80 per bushel for 2024. Current soybean futures aren't in alignment with that outlook. The market is more pessimistic for soybeans.

Futures prices at the end of the WASDE report day signaling a \$9.80 per bushel price, a full dollar below the USDA estimate. My sense of the reasoning behind this difference is due to concerns about the growth in global soybean production and the ability of the U.S. to gain back export market share. The soybean futures prices for the 2025 soybean crop are revealing slightly better news for next year, as prices are projected to slowly increase. The current futures-based season-average price estimate for the 2025 crop is \$10.20 per bushel.

Watch the latest [Market Outlook video](https://youtu.be/ZJY4Bpjo8KE), <https://youtu.be/ZJY4Bpjo8KE>, for further insight on ag market outlook for this month.



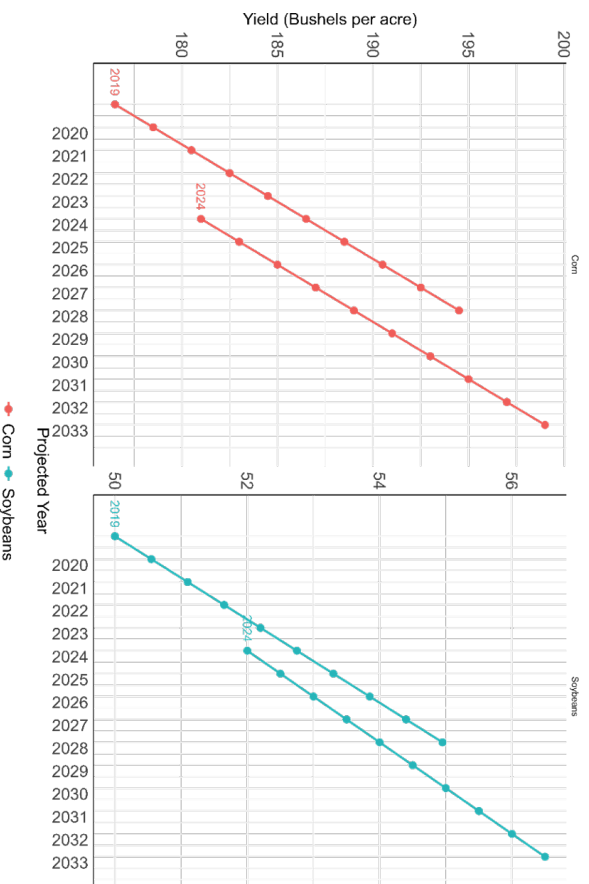
# Integrating USDA baseline projections with WASDE reports for a comprehensive agricultural market outlook

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Chad Hart, extension crop market economist, 515-294-9911 | [chart@iastate.edu](mailto:chart@iastate.edu)

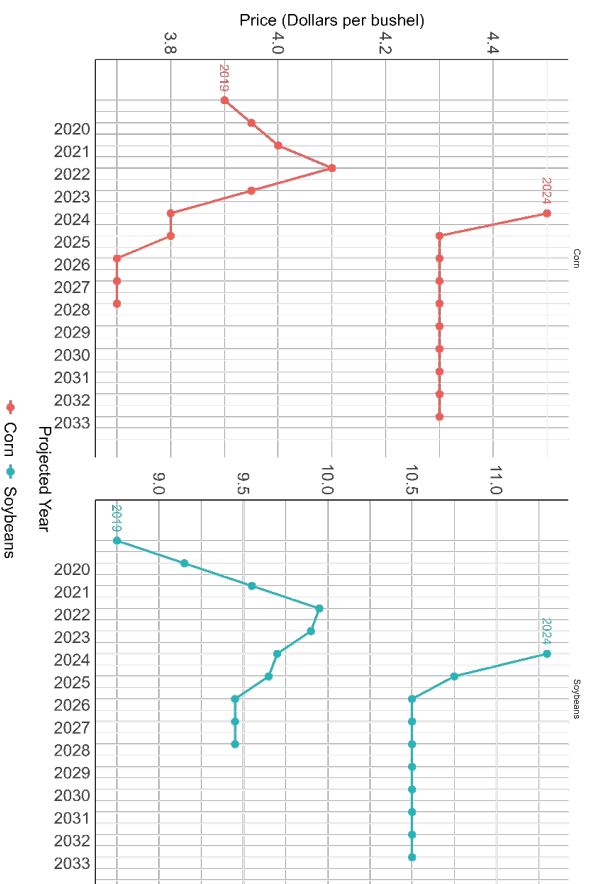
**Figure 1. USDA baseline projects for corn and soybean yields.**

Source: USDA.



**Figure 2. USDA baseline projects for corn and soybean prices.**

Source: USDA.



In the ever-changing landscape of agriculture, decision-makers need accurate, up-to-date information to navigate both short-term market volatility and long-term trends. The USDA provides two essential resources for this: the [USDA baseline projections](#), [www.usda.gov/oce/commodity/](http://www.usda.gov/oce/commodity/) and the [World Agricultural Supply and Demand Estimates \(WASDE\)](#), [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/), which deliver monthly updates on short-term market dynamics. By integrating these resources, farmers, agribusinesses, and policymakers can make well-informed decisions that balance immediate needs with future planning.

## USDA baseline projections: long-term strategic planning

The USDA baseline projections provide a long-term outlook for the agricultural sector, spanning 10 years into the future. These forecasts, made under the assumption that there will be no significant policy changes, focus on key variables such as yields, harvested area, imports, exports, total consumption, and ending stocks for major crops like corn, soybeans, and wheat.

For example, the USDA baseline projections for corn and soybeans outline a gradual increase in yields over the next decade. The average expected corn yield is projected to grow by two bushels per acre over the next 10 years while the average soybean yield, moving

a little slower, is projected to increase by 0.5 bushels per acre. Farmers can use this data to make strategic decisions about their operations, such as investing in new technologies to maximize productivity. Such projections represent the aggregate direction of the US

farm economy and can provide guidance for long-term capital expenditure planning as well as decisions like diversification and adoption of new practices.

Additionally, the long-term projections for net farm incomes also offer insight into how the current macroeconomic

environment might impact costs or government support, and whether these factors could significantly alter farm incomes. For example, Figures 1 and 2 indicate the likelihood of higher yields and lower prices, while Figure 3 projects net farm incomes to dip slightly—though

**Table 1. United States corn supply and use.** Source: USDA-WAOB.

Marketing Year (2024 = 9/1/24 to 8/31/25)		2023		2024		Change from 2023 to 2024
		Estimate	Change from Sept.	Forecast	Change from Sept.	
Area Planted	(million acres)	94.6	0.0	90.7	0.0	3.9
Yield	(bushels/acre)	177.3	0.0	183.8	0.2	6.5
Production	(million bushels)	15,341	-1	15,203	17	-138
Beginning Stocks	(million bushels)	1,360	0	1,760	-52	400
Imports	(million bushels)	28	-2	25	0	-3
Total Supply	(million bushels)	16,729	-3	16,989	-33	260
Feed and Residual	(million bushels)	5,814	39	5,825	0	11
Ethanol	(million bushels)	5,471	6	5,450	0	-21
Food, Seed, and Other	(million bushels)	1,391	2	1,390	0	-2
Exports	(million bushels)	2,292	2	2,325	25	33
Total Use	(million bushels)	14,969	49	14,990	25	21
Ending Stocks	(million bushels)	1,760	-52	1,999	-58	239
Season-Average Price	(\$/bushel)	\$4.55	-0.10	\$4.10	0.00	-0.45

**Table 2. United States soybean supply and use.** Source: USDA-WAOB.

Marketing Year (2024 = 9/1/24 to 8/31/25)		2023		2024		Change from 2023 to 2024
		Estimate	Change from Sept.	Forecast	Change from Sept.	
Area Planted	(million acres)	83.6	0.0	87.1	0.0	3.5
Yield	(bushels/acre)	50.6	0.0	53.1	-0.1	2.5
Production	(million bushels)	4,162	-3	4,582	-4	420
Beginning Stocks	(million bushels)	264	0	342	2	78
Imports	(million bushels)	21	1	15	0	-6
Total Supply	(million bushels)	4,447	-2	4,939	-2	492
Crush	(million bushels)	2,287	-8	2,425	0	138
Seed and Residual	(million bushels)	123	9	124	-2	1
Exports	(million bushels)	1,695	-5	1,850	0	155
Total Use	(million bushels)	4,105	-4	4,389	-2	284
Ending Stocks	(million bushels)	342	2	550	0	208
Season-Average Price	(\$/bushel)	\$12.40	-0.10	\$10.80	0.00	-1.60

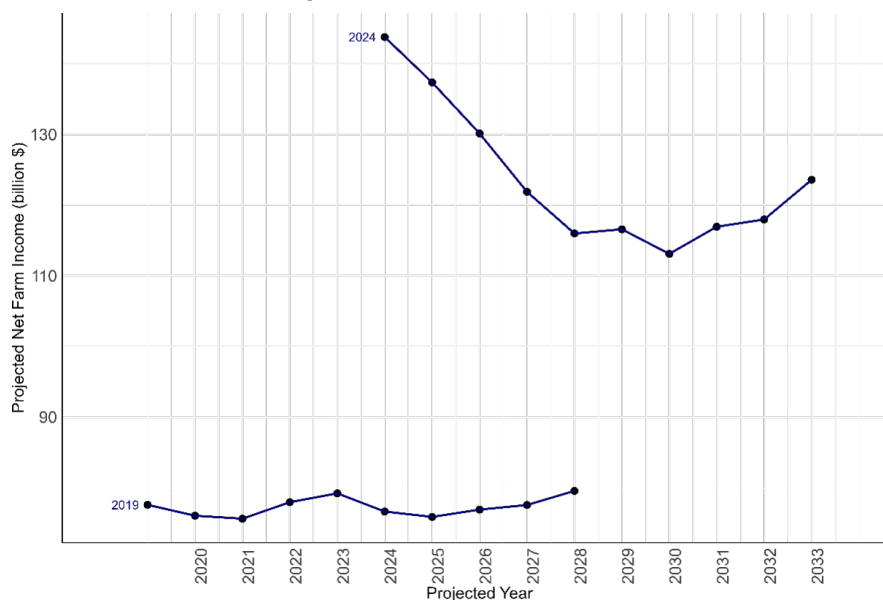
still above pre-pandemic levels—before rebounding in the medium to long term. This suggests optimism about effectively utilizing the increasing production (see Tables 3 and 4 for baseline projections of key variables from the USDA's 2024 baseline projection) over the next decade, with supplies and usage being in relative balance, resulting in stable prices and strong farm incomes.

However, it's important to note that these projections do not account for unexpected market disruptions such as extreme weather, global trade issues, or sudden policy shifts. As shown in the baseline projections for corn and soybeans prices between 2019 and 2024, the market anticipated relatively stable prices until global events such as the COVID-19 pandemic and international conflicts disrupting supply chains significantly affected grain prices. What began as \$4 per bushel corn quickly surged to \$7 per bushel, with similar movements seen in soybean prices, which jumped from around \$10 per bushel to \$14. These long-term projections are valuable for understanding broad trends, but they must be paired with short-term forecasts for a more complete picture.

### WASDE reports: tracking short-term market volatility

The World Agricultural Supply and Demand Estimates (WASDE) report, published monthly by the World Agricultural Outlook Board (WAOB), delivers a near-

**Figure 3. USDA baseline projections for net farm income.** Source: USDA.



term forecast of supply and demand for major agricultural commodities. WASDE reports provide estimates of crop production, trade, and consumption for the current and upcoming marketing year, making them a vital tool for short-term market management.

For instance, a WASDE report may indicate a tight market for corn due to lower-than-expected yields caused by adverse weather conditions. This type of short-term information allows farmers to make immediate adjustments in their marketing or storage strategies. For example, in the October 2024 WASDE report, corn exports were increased by 25 million bushels, while soybean exports were left unchanged. Farmers might shift more corn and less soybeans into storage, based on the prospects of relatively higher corn prices than soybean prices due to export movements.

### Managing risk and maximizing opportunities: integrating long-term projections with short-term reports

Understanding both short-term market volatility and long-term trends allows agricultural professionals to better manage risks and seize opportunities. For example, if a WASDE report signals a temporary price spike due to a poor harvest for corn, but baseline projections show lower long-term prices, farmers may decide to hold off on longer-term capital investments (machinery, tiling, etc.) to conserve working capital for later years. Conversely, if longer-term prices are projected to be higher than the current market situation, then farmers would be more aggressive with their capital investments.

While long-term baseline projections help in planning for the future, it's also important to

consider the assumptions behind them—such as stable policies and normal weather patterns—that may not always hold true. Events like extreme weather or policy changes can drastically alter both production and pricing, making the short-term WASDE data indispensable for day-to-day decision-making.

Overall, long-term baseline projections help in strategic planning for infrastructure, research, and development. When aligned with short-term WASDE data, these plans can be fine-tuned to address immediate needs while keeping future goals in mind.

**Table 3. Corn long-term projections.** Source: USDA-Baseline Projections, 2024.

Projections for Marketing Year		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Area Planted	(million acres)	91	89	89	88.5	88.5	88.5	88	88	88	88
Yield	(bushels/acre)	181	183	185	187	189	191	193	195	197	199
Production	(million bushels)	15,040	14,840	15,005	15,070	15,235	15,395	15,460	15,620	15,780	15,940
Beginning Stocks	(million bushels)	2,111	2,616	2,721	2,821	2,886	2,971	3,046	3,036	3,041	3,031
Imports	(million bushels)	25	25	25	25	25	25	25	25	25	25
Total Supply	(million bushels)	17,176	17,481	17,751	17,916	18,146	18,391	18,531	18,681	18,846	18,996
Feed and Residual	(million bushels)	5,800	5,950	6,050	6,100	6,200	6,350	6,450	6,575	6,700	6,825
Ethanol	(million bushels)	5,300	5,300	5,325	5,325	5,325	5,300	5,300	5,275	5,275	5,275
Food, Seed, and Other	(million bushels)	6,710	6,710	6,730	6,730	6,725	6,695	6,695	6,665	6,665	6,660
Exports	(million bushels)	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400	2,450	2,500
Total Use	(million bushels)	14,560	14,760	14,930	15,030	15,175	15,345	15,495	15,640	15,815	15,985
Ending Stocks	(million bushels)	2,616	2,721	2,821	2,886	2,971	3,046	3,036	3,041	3,031	3,011
Season-Average Price	(\$/bushel)	\$4.50	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30

**Table 4. Soybean long-term projections.** Source: USDA-Baseline Projections, 2024.

Projections for Marketing Year		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Area Planted	(million acres)	87	87	87	87	87	87	87	87	87	87
Yield	(bushels/acre)	52.0	52.5	53.0	53.5	54.0	54.5	55.0	55.5	56.0	56.5
Production	(million bushels)	4,475	4,520	4,565	4,605	4,650	4,690	4,735	4,780	4,820	4,865
Beginning Stocks	(million bushels)	220	286	303	304	300	300	301	306	316	326
Imports	(million bushels)	15	15	15	15	15	15	15	15	15	15
Total Supply	(million bushels)	4,710	4,821	4,883	4,924	4,965	5,005	5,051	5,101	5,151	5,206
Crush	(million bushels)	2,375	2,430	2,465	2,490	2,510	2,530	2,550	2,570	2,590	2,615
Seed and Residual	(million bushels)	123	124	124	124	124	124	125	125	125	125
Exports	(million bushels)	1,925	1,965	1,990	2,010	2,030	2,050	2,070	2,090	2,110	2,135
Total Use	(million bushels)	4,423	4,519	4,579	4,624	4,664	4,704	4,745	4,785	4,825	4,875
Ending Stocks	(million bushels)	286	303	304	300	300	301	306	316	326	331
Season-Average Price	(\$/bushel)	\$11.30	\$10.75	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50



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