

Corn futures fell through the last half of March before finishing limit up on the last trading of the month following a surprisingly bullish acreage report from USDA. The March Grain Stocks and Prospective Plantings reports were released March 31. March 1 corn stocks totaled 7.7 billion bushels, 251 million bushels below a year ago. This marked a 7-year low for the beginning of March. The implied September-February implied consumption was record large. U.S. corn acreage intentions were 2 million acres under expectations at 91.1 million acres. This was also below USDA's February outlook for 92 million acres. Prospective corn planted acres are below year ago levels throughout the Corn Belt except the Upper Midwest. The most recent data from the EIA showed ethanol output jumped from the previous week to 965,000 barrels a day and inventories declined to their lowest levels since November 20. U.S. corn export sales remain well ahead of the pace to meet USDA's annual projection (99 percent this year versus 77 percent on average) and shipments over the past several weeks have been strong. The shipment pace has made up ground recently and is only 4 million bushels behind the pace generally witnessed to meet the forecast. In mid-December, export shipments were 164 million bushels behind the pace. Market attention will focus on May's WASDE report, which will incorporate the most recent stock and acreage expectations and new crop demand forecasts. Our clients employed flexible coverage into deferred periods ahead of receiving official acreage estimates. They will evaluate adjustments as the weather warms and planting progress data begins to become available.



The estimated yield for the May 2021 crop is 216 bushels per acre and the non-land operating cost is \$579 per acre. Land cost for May 2021 is estimated at \$233 per acre<sup>1</sup>. Basis for the May 2021 crop is estimated at \$0 per bushel.



The estimated yield for the Dec 2021 crop is 206 bushels per acre and the estimated operating cost is \$576 per acre. Land cost for Dec 2021 is estimated at \$233 per acre<sup>1</sup>. Basis for the Dec 2021 crop is estimated at \$-0.17 per bushel.

<sup>1</sup> The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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