

# Corn Margin Watch: November



Corn prices and margins moved slightly higher over the past two weeks, but remain in an extremely tight trading range. The USDA this week published its 10-year baseline projections of the U.S. agricultural landscape. While mainly for budgetary purposes, these baselines also serve as a rough glimpse into the USDA's opinions for the next year's official balance sheet. The corn numbers look similar to last year, with total planted acreage at 91.0 million acres, yields at 173.5 and greater estimated carryout of 2,607 million bushels. The weekly ethanol production numbers have rebounded off the seasonal maintenance slowdowns and again are at record levels. The past two weeks of daily average readings were 1.066 and 1.074 million barrels per day, the latter a record. The EPA has set the RFS mandate for conventional ethanol at 15 billion gallons, unchanged from this year's requirement. The pace of U. S. corn export sales stands at 45.0% of the USDA expectation, behind the average pace to meet the 1,925 million bushel estimate. The largest USDA survey conducted by NASS is now underway. NASS will ask almost 90,000 producers for the specific results of their 2017 row crops, namely harvested acres, production and storage intentions. The results of the massive survey will be released in January on the Annual Crop Production Summary. The market continues to concentrate on supply clearance and extended South American weather outlooks.



The estimated yield for the 2017 crop is 182 bushels per acre and the non-land operating cost is \$595 per acre. Land cost for 2017 is estimated at \$238 per acre<sup>1</sup>. Basis for the 2017 crop is estimated at \$-0.25 per bushel.



The estimated yield for the 2018 crop is 184 bushels per acre and the estimated operating cost is \$547 per acre. Land cost for 2018 is estimated at \$228 per acre<sup>1</sup>. Basis for the 2018 crop is estimated at \$-0.3 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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