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October Market Update
Corn, Soybeans, Rice, and Cotton

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Prices at a Glance

Crop	2023/24 U.S. MYA Price Projection
Corn	$4.95 per bu.
Soybeans	$12.90 per bu.
Long Grain Rice	$15.00 per cwt.
Southern Medium Grain Rice	$15.50 per cwt.
Upland Cotton Lint	$0.80 per lb.
Seed Cotton	$0.4320 per lb.

WASDE Summary

This month's 2023/24 U.S. corn outlook is for reduced supplies, lower feed and residual use and exports, and smaller ending stocks. Corn production is forecast at 15.064 billion bushels, down 70 million on a cut in yield to 173.0 bushels per acre. Corn supplies are forecast at 16.451 billion bushels, a decline of 160 million bushels from last month, with lower production and beginning stocks. Exports are reduced 25 million bushels reflecting smaller supplies and slow early-season demand. Feed and residual use is down 25 million bushels based on lower supply. With supply falling more than use, corn ending stocks for 2023/24 are lowered 110 million bushels. The season-average corn price received by producers is raised 5 cents to $4.95 per bushel.

U.S. soybean production for 2023/24 is forecast at 4.1 billion bushels, down 42 million on lower yields. Harvested area is unchanged at 82.8 million acres. The soybean yield is projected at 49.6 bushels per acre, down 0.5 bushels from the September forecast. The largest production changes are for Kansas, Michigan, and Nebraska. With lower production partly offset by higher beginning stocks, supplies are reduced 24 million bushels. Soybean exports are reduced 35 million bushels to 1.76 billion with increased competition from South America. Soybean crush is projected at 2.3 billion bushels, up 10 million, driven by higher soybean meal exports and soybean oil domestic demand. Soybean oil domestic use is raised in line with an increase for 2022/23. With lower exports partly offset by increased crush, ending stocks are unchanged from last month at 220 million bushels. The U.S. season-average soybean price for 2023/24 is unchanged at $12.90 per bushel. Soybean meal and oil prices are unchanged at $380 per short ton and 63 cents per pound, respectively.

The 2023/24 U.S. rice outlook is for slightly reduced supplies, higher exports, unchanged domestic use, and lower ending stocks. Supplies are reduced slightly on lower production as the NASS October Crop Production report decreased the all-rice yield 14 pounds per acre to 7,737 pounds, which remains a record. The 2023/24 export forecast is raised 1.0 million cwt to 86.0 million, all long-grain rice, on a stronger-than-expected pace of early sales and shipments to Mexico and Central America. The season-average farm price for all rice is unchanged at $15.00 per cwt for long grain and $15.50 per cwt for southern medium-grain rice, respectively.

The 2023/24 U.S. cotton supply and demand estimates show lower production, exports, and ending stocks compared with last month. Production is 315,000 bales lower at 12.8million bales, down 2 percent from a month earlier as lower yields in Texas offset gains elsewhere. With production projected lower and exports down 100,000 bales to 12.2 million, ending stocks are reduced 200,000 bales. The 2023/24 season-average price for upland cotton is forecast unchanged from last month at 80.0 cents per pound, nearly 5 cents below the final 2022/23 price of 84.8 cents.

Corn

In USDA's September WASDE report, an increase of 800,000 acres sent the corn crop production estimate to 15.134 billion bushels, close to the old record of 15.148 billion bushels set in 2016. A lower yield estimate of 173.8 bushels per acre prevented corn from reaching a new record, but even that yield seemed too high for many in the Western Corn Belt where crops went without significant rain for several weeks after mid-August. Both corn and soybean crops in 2023 started the year without much rain and largely ended the season the same way, saved mostly by a wet stretch of broad rain coverage in July and early August.

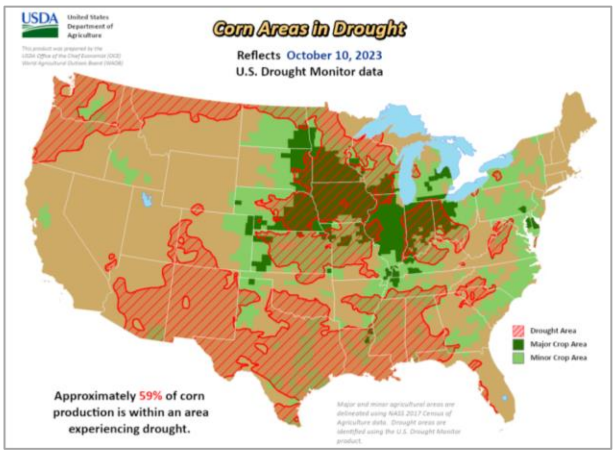
Thanks to additional planting data reports from the various sources, September’s WASDE was the first report of the year to include field observations from late August and early September. This month's observations from producer surveys and field data have the benefit of coming one month later and are in a better position to assess the late dry stretch of weather crops experienced. Historically, USDA's corn and soybean production estimates in October have a 90% confidence interval of less than plus or minus 5%.

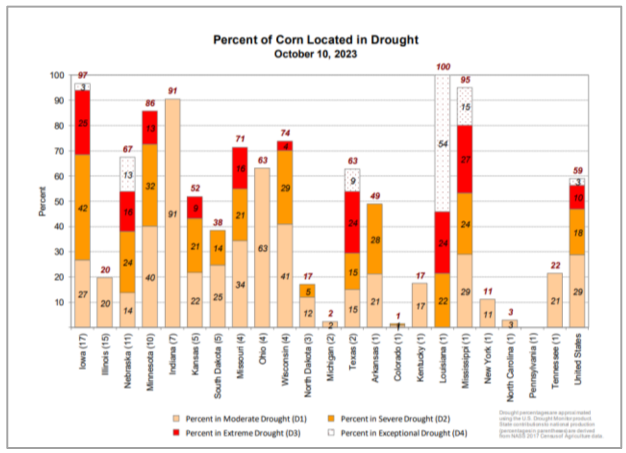
Dow Jones' survey of 19 analysts expects USDA to estimate a slightly smaller corn crop of 15.100 billion bushels based on a yield of 173.5 bushels per acre and a smaller harvested area of 86.7 million acres. If close, those estimates will disappoint many western corn producers who have seen more than their share of hot and dry weather in 2023, in contrast with eastern producers who fared better.

Dow Jones' survey also expects USDA's estimate of U.S. ending corn stocks to lighten, from 2.221 billion bushels to 2.145 billion bushels, the most in five years if correct. It is still early to be confident about USDA's demand estimates for 2023-24. Corn export commitments are up 9% early in the new season, but USDA's export estimate of 2.050 billion bushels looks suspiciously overestimated and will most likely change in future reports.

Corn futures were about 3 to 4 cents lower prior to the report, and following the report were still lower in terms of the expectation for only a minor yield and production change. However, that would change by midday Thursday, as the "any port in a storm" buying took off in sympathy with the sharp bean rise. The corn yield fell to 173 bushels per acre, with the trade looking for 173.5 bushels per acre. The resulting 15.064-billion-bushel production number figured to be down 70 million bushels from September. The market had a much more positive response than one would expect, with December corn closing 8 cents up at $4.96.

Offsetting the lower-than-expected yield to some extent was a 200,000-acre increase in harvested acres. Corn ending stocks fell by 110 million bushels compared to September and were 34 million bushels lower than the average Dow Jones trader estimate of 2.145 billion bushels. A bit bearish for corn was the lowering of both exports and feed and residual to 2.025 billion bushels and 5.6 billion bushels, respectively, by 25 million bushels each. The net effect seemed to be rather neutral to perhaps a little friendly for corn futures.

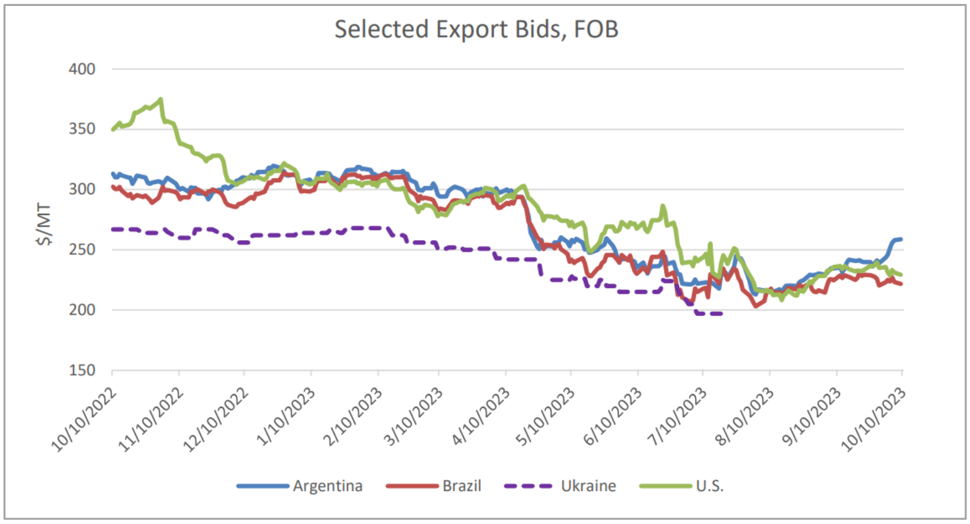




Corn futures posted gains ranging from 2 1/2 to 8 cents on support from sharp gains in soybean futures, and USDA crop and carryout estimates that were toward the low end of expectations. Some price support also likely came from harvest delays as rain moved into the upper Midwest. Gains were capped by ample U.S. corn supplies and a surging dollar. Dec. corn futures rose 8 cents to $4.96, while March futures rose 7 3/4 cents to $5.11 1/2 and May futures rose 7 3/4 cents to $5.19 1/2.

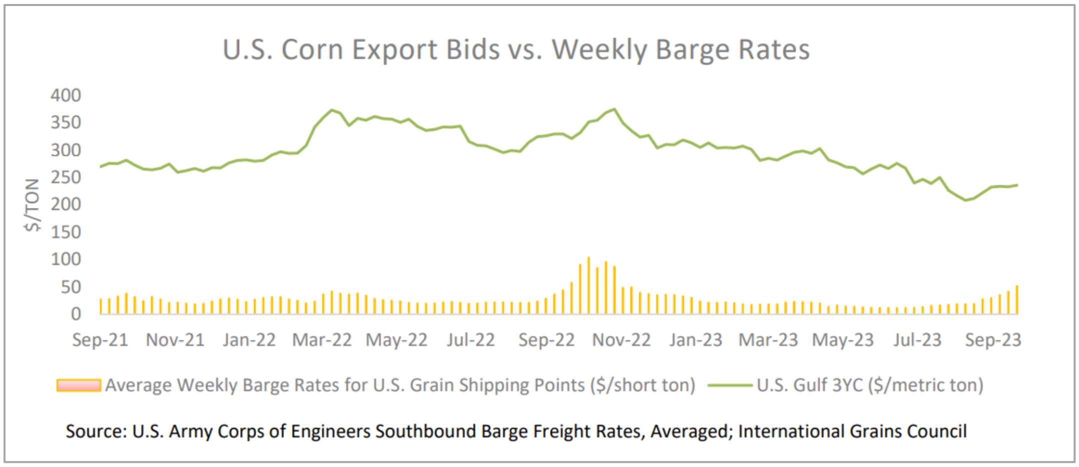
The futures price action following the release of the October WASDE was strong from a technical standpoint as futures posted large bullish outside trading days after slipping to multi-session lows. Nearby Dec. futures finished 13 3/4 cents off their session low of $4.82 1/4, which is now nearby chart support. Dec. corn appears poised to move back above $5.00 for the first time since mid-August. Signs are pointing to at least a moderate rally, which could possibly take Dec. back to $5.25. March corn has nearby resistance at $5.13 3/4-$5.14 and $5.20. A breakout above $5.14 could set the stage for an attempt to fill the downward chart gap at $5.37-$5.37 1/2. Ample supplies should still limit the upside for corn prices this fall.

Since the September WASDE, U.S. and Brazilian bids have moderated, while Argentine bids have soared. As of October 10, U.S. bids were $229/ton, down $6 from last month. Early-season demand for U.S. corn remains soft likely due to poor Mississippi River system logistics and competition from other exporters including Brazil. Brazilian bids were $221/ton, down $3 from last month. Record exportable supplies and competition with U.S. new crop supplies are supporting downward pressure on bids. Argentine bids were $258/ton, up $24 from last month. Supplies from this season's poor harvest have become more limited, supporting sharply higher prices. Ukrainian bids have not been published since July 21.



Since June 2023, hot and dry conditions along the Mississippi River valley caused river levels to dip well below historical averages. According to USDA's Agricultural Marketing Service (AMS), river gauges in key grain shipping points such as Memphis, Tennessee were close to 2 feet lower than last year as of October 3, while the river hovered just above last year's trough in St. Louis, MO.

Each year, between 50 and 60 percent of exported U.S. corn is moved via barge from the Midwest to ports in the Gulf of Mexico. When river levels decline, barge operators must both reduce the load of each barge and lower the number of barges pulled together. These operating restrictions mean that more boats and barges are required to move smaller amounts of grain, straining both capacity and efficiency. Pressure on capacity is already triggering a spike in barge freight costs. The AMS Grain Transportation report stated that southbound barge spot rates rose to $51/ton as of September 26 – 6 percent higher than last year and almost 90 percent higher than the 3-year average of $23/ton. In October 2022, spot barge rates reached an all-time high of $105.85/ton in St. Louis when even lower water levels were reached. Consequently, by November, FOB U.S. Gulf quotes soared to a record $375/ton, before returning to lower averages in December. Improved preparedness from barge operators and increased dredging by the U.S. Army Corps of Engineers makes this scenario less likely in 2023 but demonstrates the impact of low water levels on U.S. corn exports.



As transport costs to export positions in the U.S. Gulf increase, cash prices in upstream river terminals decline while cash prices in the Gulf rise to compensate for increasing costs. For example, for the week ending October 6, prices at Tennessee elevators and barge points corn basis (cash price minus nearby futures contract) were $0.89-$1.00/bushel under the December futures contracts. By comparison, the 5-year average corn basis was $0.23/bushel under for the same elevators and barge points. This basis gap incentivizes producers to market to other end users such as ethanol plants or store grain on farm until backlogs clear, increasing short-term stocks and delaying exports.

The net effect of smaller Gulf-bound supplies and higher transit costs is reduced competitiveness for U.S. corn, supporting weaker export demand for U.S. corn. Despite U.S. production being forecast at second from record, as of the week ending September 28, U.S. export sales data indicates accumulated sales and shipments of U.S. corn were 28 percent below the 5-year average for the same week.

Sustained demand from rail linked partners Mexico and Canada mean corn exports are unlikely to fall to the 9-year low seen in 2022/2023, but Mississippi River system logistics are once again hindering U.S. corn exports at the start of the season.

Soybeans

For soybeans, Dow Jones' survey expects USDA to slightly reduce its crop estimate from 4.146 bb to 4.132 bb, based on a slightly lower national yield of 49.9 bpa. If true, that isn't much of a change and will still be the smallest soybean crop in four years, largely limited by a planting estimate of 83.6 million acres. Soybean yields are notoriously difficult to estimate, especially in an unusual year like this one that saw crop conditions roller coaster from stressful to favorable and back to stressful again.

In the aftermath of a modestly higher Sept. 1 stocks total in USDA's Grain Stocks report, USDA is expected to increase its estimate of U.S. ending soybean stocks for 2023-24 from 220 million bushels (mb) to 236 mb, still a candidate for the lowest ending stocks in eight years. It's a bit unnerving for soybean prices, but the prospects for new-crop demand deteriorated in September and early October, as export sales are off to a slow start, and crush incentives have fallen significantly. It may be early, but I wouldn't be surprised to see USDA trim new-crop demand by roughly 40 mb in Thursday's report.

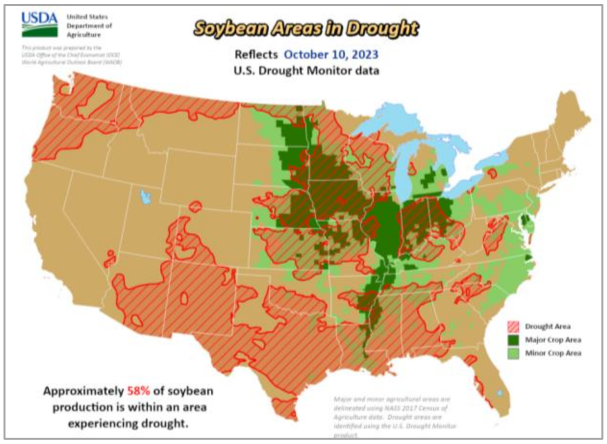
Dow Jones expects USDA to slightly increase its snapshot estimate of world soybean stocks from 119.25 mmt to 119.60 mmt, a record-high total if achieved. USDA's 2023 soybean production estimate of 156.0 mmt or 5.73 bb for Brazil seems stable by now. The new season is just getting started with 10% of

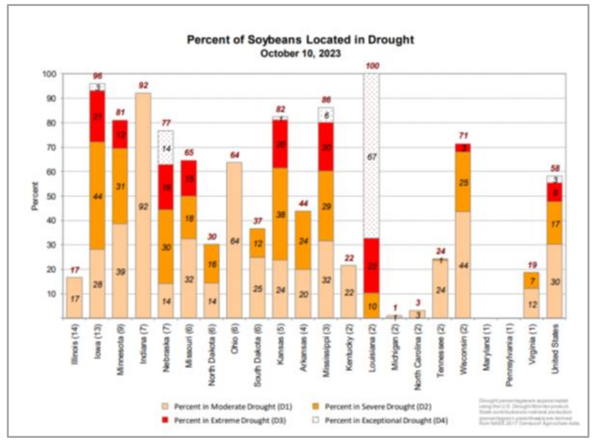
Brazil's new crop planted, according to the private firm AgRural. As with corn, it is too early to be confident about South American estimates for 2023-24.

Soybeans and soybean meal ended up being the stars of the show following the October WASDE. USDA cut production and yield more than traders had anticipated. With the trade looking for only a minor fall in production to 4.132 billion bushels compared to 4,146 billion bushels in September, production fell by more than that to 4.104 billion bushels, down 42 million bushels. Soybean yield fell to just 49.6 million bushels compared to the average trade estimate of 49.9 million bushels, and down from September's 50.1-bushels per acre yield. Harvested acres remained the same at 82.8 million. Soybean crush was increased by 10 million bushels to 2.3 billion bushels on the heels of strong domestic bean oil demand and record-large soymeal sales. There are many who think that the domestic crush is still understated. However, with U.S. soy export commitments currently 32% lower than a year ago, USDA was forced to lower U.S. exports, and did so, by 35 million bushels. Ending stocks remained unchanged at a very tight 220 million bushels, when traders were looking for a bump up to 236 million bushels. So, on the domestic side, the report was slightly bullish for beans.

The daily November soybean chart shows Thursday's spike higher following a more bullish yield, production, and stocks numbers than traders had expected. (DTN ProphetX graphic below).

So, with funds coming into the October report probably still short soybeans and products, the bullish report led to some serious short-covering, with November beans finishing more than 37 cents higher, and December soymeal rallying a hefty $15.80 per ton. The U.S. ending stocks remained at a close to pipeline 220 million bushels, and world stocks took a bigger hit than expected. Traders seem to be looking for the final U.S. bean yield maybe to fall another 0.03 to even 0.05 bushels per acre.





After USDA decreased official soybean estimates in its latest U.S. crop estimates report, soybean futures jumped 30 to 37 1/2 cents higher. This jump was a bit more than expected, helping offset impacts that a cut to projected exports and a larger old-crop carryout would have normally had. Indications pointing to the possibility of a much hoped-for increase in Chinese demand for U.S. soybeans has begun were also supportive for soybean futures along with sharp gains in soymeal prices. A surging dollar did little to slow soybean gains. November soybean futures rose 37 1/2 cents to $12.90, while March beans rose 34 1/2 cents to $13.19 1/2. December soyoil futures rose 65 points to 53.37 cents, while December soymeal rose $15.80 to $392.90.

Soybean futures price action looked extremely strong from a technical standpoint and odds are very high soybean futures have now established a major seasonal low. November soybean futures charted a huge bullish reversal off of a nearly 4-month low of $12.50 ½. Nov. beans now have nearby resistance at $13.00. As sharp as today's turnaround was, we would not be surprised to see the market consolidate a bit near $13.00 before moving higher. March soybeans have nearby resistance at $13.28 3/4, with further resistance at $13.44-$13.52. A March close above $13.50 would likely set up a move back to $14.00.

Judging from the immediate reaction in soybean futures on October 12th, it seems clear the futures market had factored in a significant increase in projected U.S. soybean ending stocks compared with September due to a larger old-crop carry-in and very slow export sales. However, USDA's 2023 crop estimate was down 42 million bushels from September (30 million bushels below average trade estimates), offsetting a further cut of 35 million bushels in projected exports and USDA increased its U.S. crush estimate 10 million bushels.

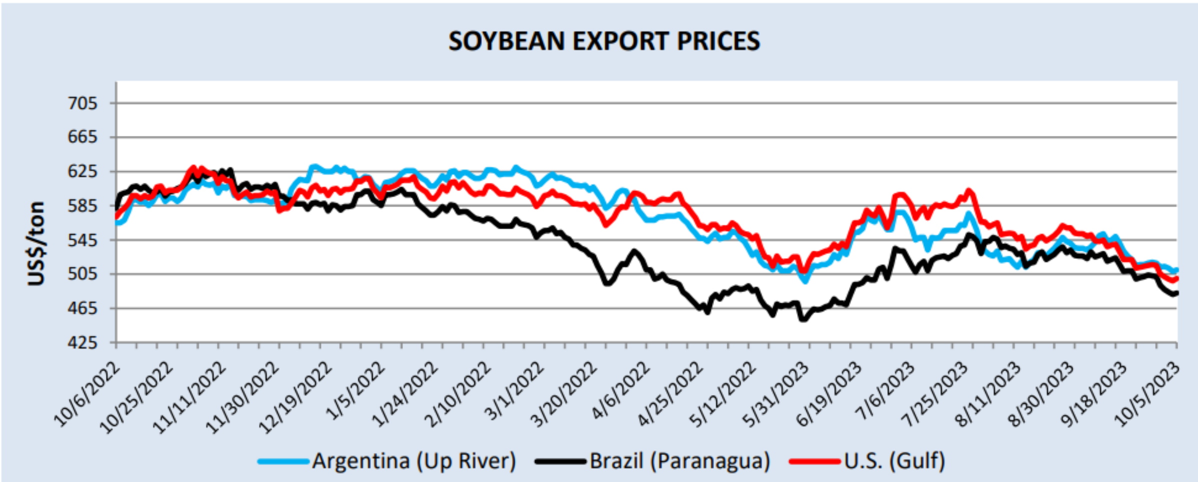
While the U.S. soybean carryout for 2023/24 is still expected to be tight, supplies this fall will be ample to meet demand and it will be difficult for March soybeans to move back above $14.00 without some notable crop problems in S. America. As of right now, however, the crop outlook there remains strong. USDA made no changes to its S. American production forecasts today and sees combined production for Brazil, Argentina and Paraguay surging to 221 million metric tons from about 190 million metric tons last year. USDA lowered its world carryout forecast by 3.63 million metric tons, but the projected world ending stocks/use ratio remains comfortable at 30.2 million metric tons.

Soybean export prices moved lower this month, especially in the U.S. where the new crop began to arrive on the market while shipments from a record Brazil crop infringed on the U.S. export season. Additional negative pricing pressure was provided by a higher-than-anticipated U.S. quarterly stocks report. Argentina prices were little changed on tight supplies, while Brazil prices were down modestly.

September 2023 Soybean Export Prices

	U.S. Gulf FOB	Argentina Up River FOB	Brazil Paranagua FOB
September Avg Price	$ 530/ton	$ 531/ton	$ 514/ton
Change vs August	- $ 21/ton	+ $ 3/ton	- $ 17/ton

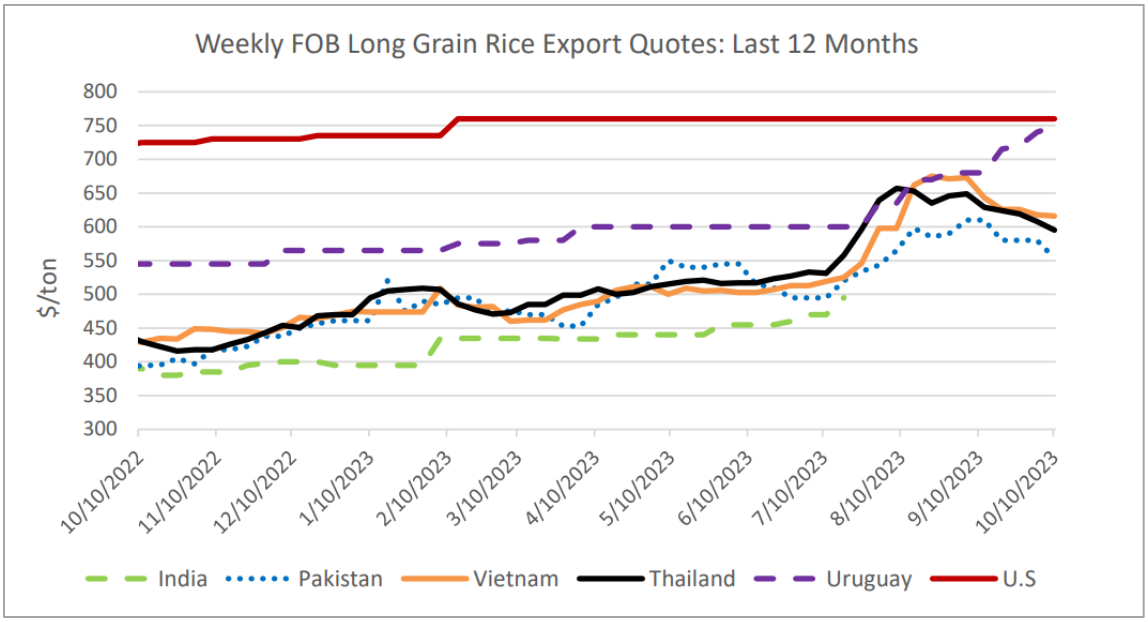
Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.



Rice

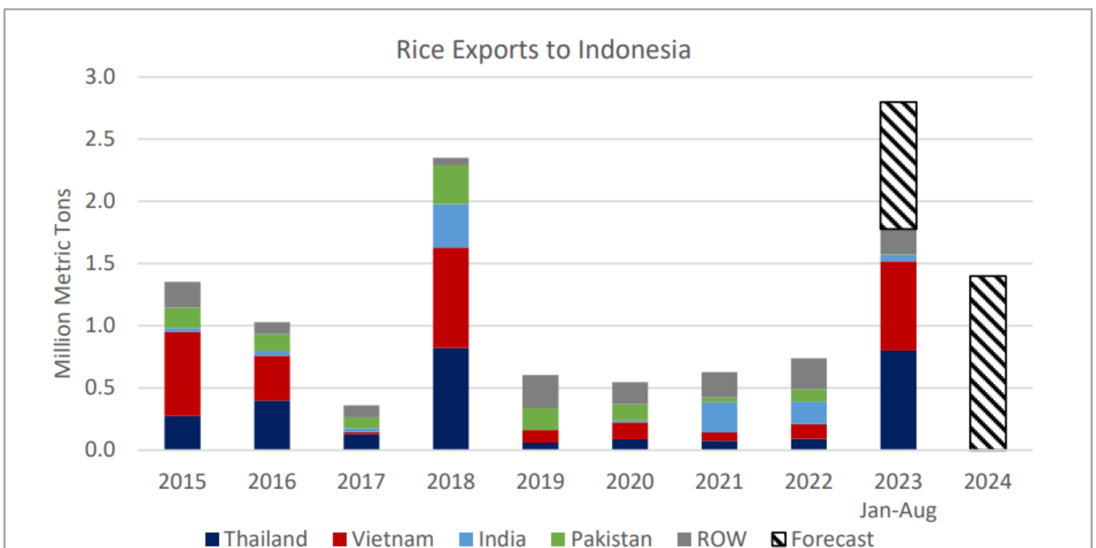
Rice futures were essentially flat. November rice settled flat at $15.93, after trading a range of $15.89 ½ to $16.05. January rice was down ½ cent to $16.26 ½. The USDA October WASDE report had little impact on the rice market. USDA lowered its estimate of U.S. all-rice production marginally to 20.5 million cwt. and trimmed its estimate of U.S. all-rice ending stocks by a modest 1.4 million cwt. to 41.8 million cwt., raising projected exports by 1.0 million. Ending stocks are still seen up sharply from last year's 30.3 million cwt.

In the past month, U.S. export quotes remained at $760/ton, while Uruguayan quotes rose $70 to $750/ton on tightening supplies. Thai quotes fell $59 to $595/ton and Vietnamese quotes fell $27 to $616/ton as buyers held off on new purchases and waited for lower prices. Pakistani quotes dropped $56 to $554/ton, anticipating a near-record harvest. Export quotes for India white rice have been unavailable since India’s imposition of an export ban on July 20.



Prompted by concerns about rice supplies amid El Niño weather patterns, the Indonesian government announced intentions to import significant volumes of rice in 2023. 1 While Indonesia is the fourth-largest consumer, it typically produces enough to satisfy domestic needs. However, Indonesia does import intermittently and when that happens, it can sharply impact global trade. In 2023, imports are forecast to nearly quadruple from the prior year, making Indonesia the third-largest importer. Imports are forecast to decline in 2024, but are still anticipated to be well above average, straining an already tight global rice market.

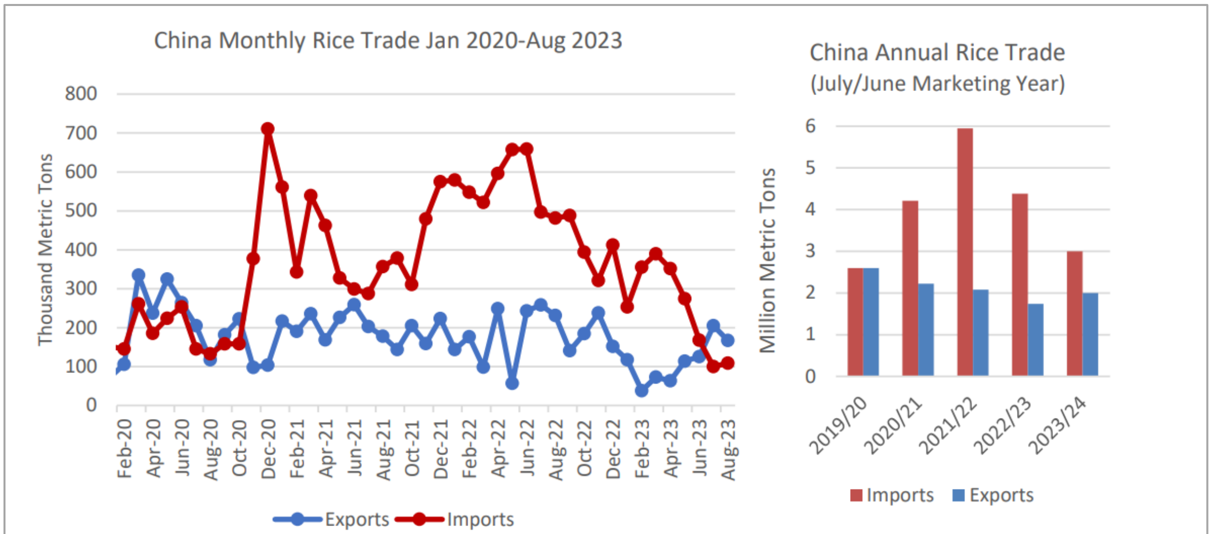
The Indonesian government operates several food security programs, relying mostly on domestically supplied rice through the auspices of the state-owned logistics company BULOG. In March, the government authorized BULOG to import rice amid lower-than-anticipated domestic procurement and tighter stocks, leading imports to accelerate over 2023 with a recent authorization for more imports.



Source: Trade Data Monitor, LLC & Vietnam Customs

The surge in import demand from Indonesia comes at a time when global exportable supplies are constrained. India was the top supplier to Indonesia in 2021 and 2022, and the two countries had discussed a deal for up to 1 million tons of imports prior to India's ban imposed in July on certain rice exports. Thus far this year, Indonesia has mostly purchased from Vietnam and Thailand, one factor in the decline in stocks in those countries. Pakistan exports to Indonesia were virtually nonexistent over the past year due to its smallest crop in a dozen years harvested last fall, though Pakistan's current crop being harvested now will rebound significantly, resulting in more available supplies. Indonesia has also expressed an intention to import 1 million tons from China, which if realized would be the largest quantity from China since 1998. Chinese prices are competitive relative to other exporters and may provide relief in a tight global market. Despite Indonesian government authorization to buy another 2 million tons by the end of 2023, based on the tight global market situation, USDA forecasts Indonesia 2023 imports at 2.8 million tons, with 2024 imports raised to 1.4 million.

China is the world's largest producer and consumer of rice and plays a significant role in global trade as the top importer in recent years. However, China's prominence as an importer is waning, while its exports are rebounding in response to global rice market conditions. Notably, in both July and August, China exports exceeded imports for the first time since October 2020. Accordingly, 2023/24 (July/June) China imports have been lowered to 3 million tons, while exports are set at 2 million.



Source: Trade Data Monitor, LLC

China imports in 2023 have fallen by more than half compared to the prior year, mostly due to lower supplies of broken rice from India and high prices for imported rice. When corn prices soared in 2022, China increased imports of broken rice to use as a lower-priced feed ingredient. India was the primary supplier of broken rice to China, but India banned broken rice exports in September 2022 and trade fell sharply as China returned to corn and other alternative feed ingredients. Historically, broken rice has filled a small proportion of China's imports compared to milled rice. Notably, milled rice imports decreased throughout the year as India's export ban on non-basmati white rice (highlighted in last month's Grain World Markets and Trade report) has been a key factor raising world prices and making imports less competitive. Export prices from key supplier Vietnam have risen with reduced production and lower stocks. The latest China Grain and Feed Update notes that import prices are now uncompetitive compared to domestic prices. Additionally, temporary trade restrictions from neighboring Burma sharply reduced border trade

China rice exports slid last marketing year as India expanded market share in Africa. Now that India has banned exports of non-basmati, non-parboiled rice, China is expected to export more to price-sensitive African countries. Additionally, China has been a key medium-grain rice exporter to principal markets such as Egypt and Papua New Guinea. Indonesia announced further plans to import rice and expressed interest in importing from China (see El Niño Conditions Compel Indonesia to Import Additional 2 MMT of Rice). As countries continue to seek affordable alternatives to India, China will become a more attractive option.

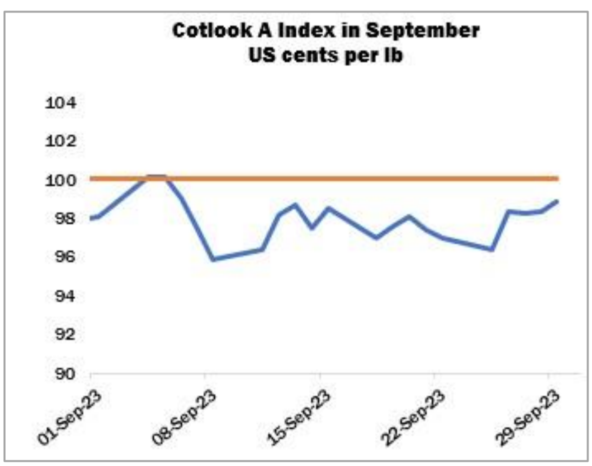
Cotton

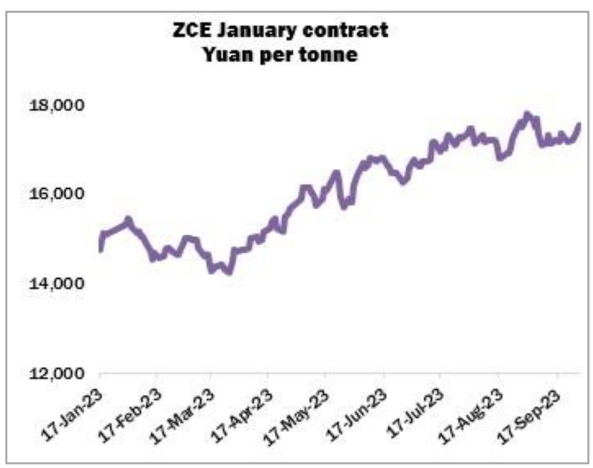
Despite what appeared to be a friendly USDA report for cotton, cotton futures ended mixed, with December cotton ending up down 13 points to 84.92, after trading in a range between 84.14 to 85.70 cents per pound of lint. March cotton was down 3 points to 86.66. Other contracts were up slightly.

USDA's Crop Production and Supply/Demand reports were largely supportive for the cotton market. USDA cut its estimate of the U.S. 2023 crop by 310,000 bales, more than most expected and pegged 2023-24 U.S. cotton ending stocks 100,000 bales below the avg. of trade expectations, despite lowering projected U.S. exports by another 100,000 bales.

USDA cut its estimate of the 2023-24 world cotton carryout by 10.04 million bales to 79.92 million, but the big cut is due to a permanent change in the way USDA accounts for Brazil's production. To better account for the change in timing of Brazil's harvest, USDA has shifted ahead by one year its 2000/01-2022/23 production estimates. Until this change, USDA's estimated Brazilian and global ending stocks were significantly inflated because they reflected Brazil's entire year's production. Harvest pressure is helping keep a lid on cotton prices in the near-term, as is a gloomy demand outlook with China turning to Brazil and Australia for supplies.

The Cotlook A Index remained above 95.00 cents per lb in September, peaking early in the month at just over a dollar, a level not reached since early March. Fluctuations were minimal thereafter, following a largely directionless and range-bound pattern of trade in New York futures. Zhengzhou cotton futures remained firm over the month. The January contract reached a record high settlement on the first day and subsequent declines were relatively modest, keeping the lead month above 17,000 yuan per tonne. The last few days of September saw a moderate uptick as the week-long national holiday approached.





The strength of ICE futures tended to stifle mill demand in the physical market. In many consuming countries, spinners continued to cover in the familiar hand-to-mouth pattern observed for some time as downstream demand generally remained poor. More positive reports were again received from Bangladesh, although towards the end of the month, the flow of garment export orders slowed somewhat, and yarn values that had risen considerably suffered a setback. Hopes that the improvement in downstream orders for textiles and apparel would extend across other major spinning centers in the Far East and South Asia were largely disappointed. Demand for raw cotton in Vietnam and Indonesia remained lackluster, while Turkey and Pakistan showed few signs of life as far as import enquiries were concerned.

Traders and mills in China, however, were reported to be purchasing from the international market – including Australian cotton, indicating a further easing of the 'soft ban' that reduced imports from that origin for over two years. Brazilian supplies also continued to be in demand on the grounds of price and availability, although congestion at ports caused some logistical difficulties.

State Reserve sales, launched at the end of July in a bid to control the upward momentum of the local market, continued throughout September and the volume offered daily was increased to 20,000 tonnes. By the end of the month over 585,000 tonnes had been sold, or 90 percent of the volume offered. Daily proportions sold after September 11 (before which daily sell-outs were recorded) varied between 61 and 98 percent. On September 27, it was announced that auctions would resume early after a shorter than usual break for the Golden Week holiday and would thereafter continue until further notice.

The expectation of firm seed cotton prices as competing ginners bid for the new Xinjiang crop led some market participants to believe that an extended program could be in prospect. Observers also expressed the expectation that the authorities would at some stage return to the world market to replenish stocks according to the principle of rotation that governs the operations of the Reserve, and the potential for further substantial volumes to be disposed of during auctions in October strengthened that conjecture.

Beyond the US, several Northern Hemisphere crops were affected by excessive rainfall in September. Parts of Greece were inundated by Tropical Storm Daniel, and experienced serious flooding, particularly in the cotton-growing region of Thessaly which may have lost approximately half of its crop. National output could therefore be below 200,000 tonnes this season, although estimates are at this stage highly tentative.

Exceptionally dry conditions in India during August were replaced by late, heavy rains across central and southern parts of the country as the Monsoon system began to withdraw, thus reducing the seasonal rainfall deficit to six percent. The downpours caused disruption in some areas, but cotton was largely spared in comparison to other crops. Elsewhere in the country, precipitation was considered beneficial. However, pink bollworm infestations in the Northern Zone have threatened both the quality and quantity of cotton in the affected fields.

Meanwhile, in Pakistan untimely showers were also experienced in the month under review, reducing the quality of some arrivals. Significant whitefly attacks added further strain on the crop, particularly in Punjab, dampening earlier optimistic output forecasts. Nonetheless, arrivals thus far have been strong, but the earlier movement of the crop and the pest damage mentioned mean the pace of deliveries could slow earlier than usual.

U.S. prices were mostly unchanged at 81 cents per pound as macroeconomic concerns offset deteriorating crop conditions. Basis across most regions improved since last month as West Texas-Kansas-Oklahoma narrowed from around -800 basis points to -700. Average basis across U.S. regions remains around 500 points lower compared with the previous year.

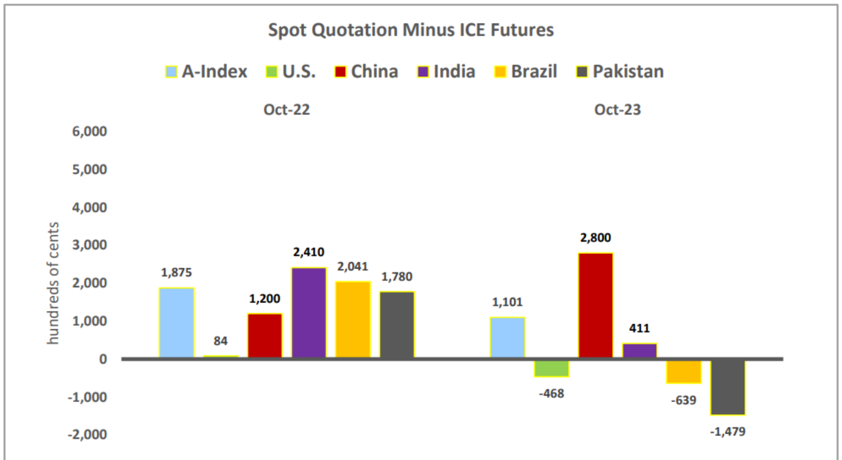
China prices were mostly unchanged at 114 cents per pound but up slightly when priced in yuan. Relative to ICE, prices are nearly 30 cents higher and the highest of the major producing countries. This is a significant change compared with last year when spot prices were lower compared with other major origins. Higher basis has been somewhat supported by higher consumption relative to production; 2023/24 production is forecast to fall more than 3.5 million bales to 27.0 million bales.

India prices were down more than 4 cents per pound to settle at 90 cents, likely due to greater arrivals of cotton at gin yards. Basis is roughly 4 cents per pound, significantly lower than last year's level at around 24 cents. 2023/24 beginning stocks are estimated 3.0 million bales higher compared with last year at 11.7 million and continue to pressure basis.

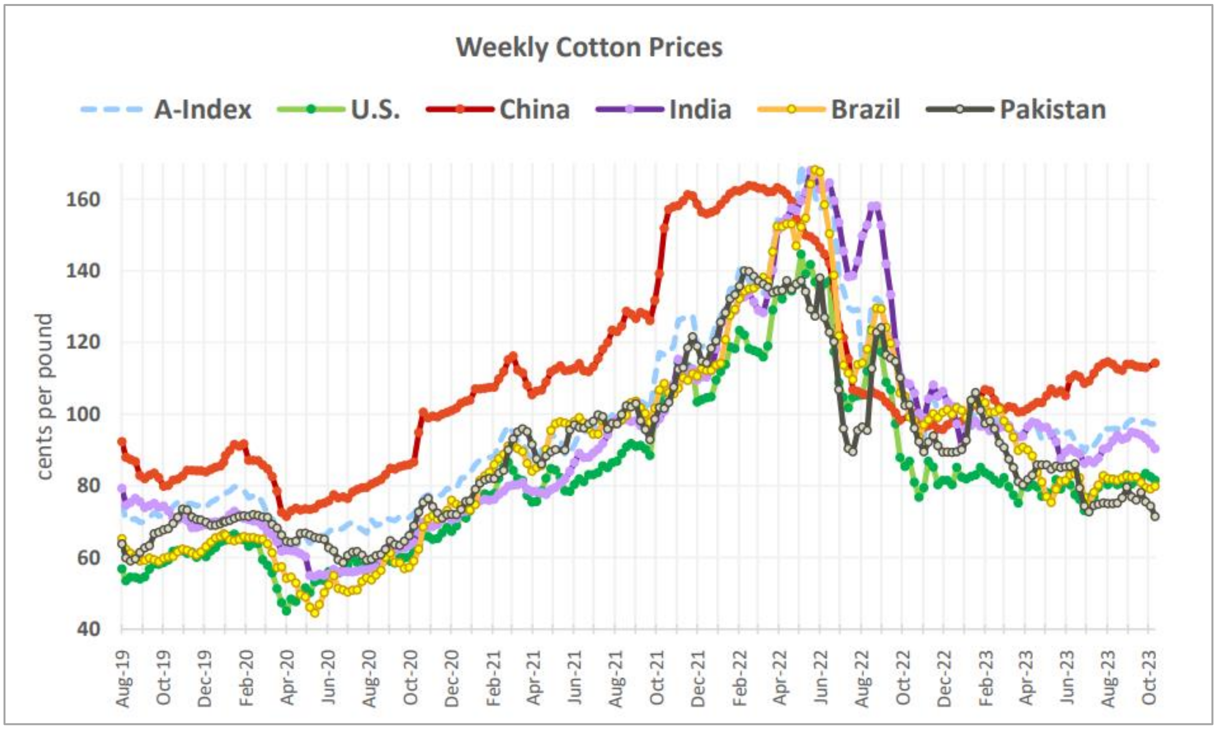
Brazil prices were down more than 2 cents per pound to 80 cents as burgeoning supplies pressure prices. Basis is roughly -6 cents, down from last year's level of 20 cents per pound. A significantly lower basis is somewhat attributed to 2023/24 beginning stocks and production rising nearly 5.0 million bales compared with the previous year.

Pakistan prices were unchanged at 71 cents per pound, the lowest spot price of the major producing origins. Despite a stronger Pakistani Rupee compared with last month, cotton lint priced in rupees fell 8 percent as 2023/24 production is forecast to rise more than 2.5 million bales to 6.2 million. Pakistan has witnessed the most dramatic change in basis as recent levels were -15 cents per pound compared with 18 cents last year (total difference of nearly 40 cents year over year).

The observed A-Index this month includes the simple average of the following 5 origins: Brazilian, Ivory Coast, Australian, Burkina Faso, and Greek. Brazilian is the lowest quoted origin at 95.75 cents per pound and Greek is the highest at 97.75 cents. The A-Index relative to ICE is significantly lower compared with last year at roughly 10 cents per pound and is mostly attributed to lower transportation costs. Note the A-index includes the 5 cheapest origins of 'medium grade' cotton landed at a port in the Far East; quotations are compiled and published daily.



Notes: The chart visualizes a general value for basis (i.e., cash/spot price minus futures). Quality and location (gin, port, textile mill, etc.) are significant in determining the quotation's relative value and basis. Please reference page **8** for additional information.



Changes Since September *WASDE* (cents per pound)

	A-Index	U.S.	China	India	Brazil	Pakistan
8-Sep	95.9	79.4	112.6	94.0	82.9	71.3
10-Oct	97.3	80.8	114.2	89.9	80.2	71.2
Change	1.4	1.4	1.6	-4.1	-2.7	-0.1

USDA NASS Crop Production Report – October 12, 2023

Area Harvested, Yield, and Production - Louisiana and United States: 2022 and Forecasted October 1, 2023

Crop	Unit	Area harvested		Yield			Production	
		2022	2023	2022	2023 September 1	2023 October 1	2022	2023
Louisiana		(1,000 acres)	(1,000 acres)	(per acre)	(per acre)	(per acre)	(1,000 units)	(1,000 units)
Corn, for grain	bushels	435.0	680.0	170.00	175.00	175.00	73,950	119,000
Cotton, upland	1	190.0	115.0	904.00	856.00	918.00	358	220
Hay, excluding alfalfa	tons	390.0	400.0	2.40	(NA)	2.20	936	880
Rice, all	2	415.0	463.0	6,660.00	6,750.00	6,750.00	27,649	31,253
Soybeans, for beans	bushels	1,210.0	1,000.0	47.00	43.00	41.00	56,870	41,000
Sugarcane, for sugar and seed	net tons	497.1	510.0	32.30	27.20	27.70	16,035	14,127
United States		(1,000 acres)	(1,000 acres)	(per acre)	(per acre)	(per acre)	(1,000 units)	(1,000 units)
Corn, for grain	bushels	79,115.0	87,096.0	173.40	173.80	173.00	13,714,676	15,064,420
Cotton, upland	1	7,131.5	7,879.8	942.00	778.00	759.00	13,998	12,461
Hay, excluding alfalfa	tons	34,633.0	36,318.0	1.87	(NA)	1.93	64,843	70,093
Rice, all	2	2,172.0	2,850.0	7,383.00	7,751.00	7,737.00	160,368	220,508
Soybeans, for beans	bushels	86,169.0	82,791.0	49.60	50.10	49.60	4,270,196	4,104,379
Sugarcane, for sugar and seed	net tons	930.2	928.0	37.30	34.90	35.20	34,671	32,691

(NA) Not available.
[1] Cotton yield in pounds per acre, production in 480 pound bales.
[2] Rice yield in pounds per acre, production in hundredweight (cwt).

Louisiana Highlights from the USDA NASS Report:

- Corn Yield and Production Unchanged from September
- Cotton Yield and Production Up from September
- Rice Yield and Production Unchanged from September
- Soybean Yield and Production Down from September
- Sugarcane Yield and Production Up from September

PLC Farm Program Payment Projections – 2023/24 CY

The table below projects the national marketing year average prices for purposes of the Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	***2023/24 MYA Price****	*Effective Reference Price*	***2023/24 PLC Payment Rate***
Corn	$4.95	$3.70	--
Grain Sorghum	$4.95	$3.95	--
Long Grain Rice	$15.00	$14.00	--
Medium Grain Rice	$15.50	$14.00	--
Seed Cotton	$0.4320	$0.3670	--
Soybeans	$12.90	$8.40	--
Wheat	$7.30	$5.50	--

**national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on October 12, 2023.

Sources: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), ADM Investor Services, AgDay, Ag Fax Media, AEI, Ag Market Network, Agri-Pulse, AgRural, Ag Resource Company, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, Brock Report, CME Group, Co-Bank, Cotbase.com, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, O.A. Cleveland, Daniels Trading, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Fastmarkets, Fiber 2 Fashion, Gro Intelligence, Hightower Report, Intercontinental Exchange, International Grains Council, Iowa State University, INTER-RICE, Lakefront Futures and Options, LSU AgCenter, Mississippi State University, NOAA, National Cotton Council, NOAA, Peterson Institute of International Economics, Plains Cotton Cooperative Association, Plexus Cotton, Pro Farmer, Refinitiv, Reuters (Karen Braun), Rice Market Letter, Southeast Farm Press, Sovecon, StoneX, Standard Grain, Successful Farming, Texas A&M University (John Robinson), University of Arkansas, University of Georgia, University of Illinois, University of Tennessee, U.S. Grains Council, U.S. Rice Producers Association, USA Rice Federation, U.S. Soybean Export Council, United Nations Food and Agriculture Organization (FAO), and the Wall Street Journal.

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