Farm Journal
Pro Farmer
Trusted Analysis. Professional Insight.

Go to ProFarmer.com
October 25, 2025
Vol. 53, No. 43

News this week...
2 – Brazilian production forecast as record but headwinds persist.
3 – Slew of news impacts cattle market on all fronts.
4 – Ag Economist survey says conditions are likely to worsen.

Soybeans extend higher – *Persistent strength rung across the grain and oilseed markets, with soybeans leading the charge. By mid-week, corn and wheat participated, which resulted in impressive week-over-week gains across the complex. Harvest reports continue to roll in, and there is widespread speculation USDA will have to significantly lower yield expectations when a production report does eventually come out. Seeing all three markets move together was a positive sign that a greater market move could be in play. Cattle saw a volatile week of headline-driven trade but strong fundamental support persists under the market. Still, policy changes and uncertainty led to big daily price swings. Hogs continued to fall under selling pressure amid waning cash fundamentals and technical selling.*

U.S. shutdown second longest ever

The U.S. federal government remains shut down as negotiations are slow to develop around the contentious Affordable Care Act, with neither Democrats nor Republicans showing any sign of giving in. Filibusters and 12 failed votes keep the Senate locked with little headway being made in a shutdown that has lasted nearly four weeks. The lack of funding is beginning to have an effect on programs such as SNAP, and administrative services around Social Security and Medicare. A resolution seems far off, with markets anticipating the shutdown lasting until well into November.

Ag economists see absent China

The latest Ag Economists Monthly Monitor by Farm Journal found 76% of economists believe China won't return to 2022 purchase levels, and 88% say pre-trade-war demand is gone for good. Find more of our commentary on *News page 4*.

Trump, Xi to meet this week

President Donald Trump and Chinese President Xi Jinping will meet face to face at the Asia-Pacific Economic Cooperation summit in South Korea on Thursday. This would mark the first in-person visit between the leaders in Trump's second term. Ahead of the summit, U.S. Trade Representative Jamieson Greer and Treasury Secretary Scott Bessent are meeting with Chinese Vice Premier He Lifeng to lay groundwork for discussions. The top of the list for Trump and Xi is a trade deal, and agriculture is expected to be included.

China shifting negotiation tactics

China has shifted to a hard-line negotiation approach when it comes to U.S. trade. This is apparent following the barriers on Chinese rare earths the country put in earlier this month, as Xi is convinced China holds a key lever in negotiations through their natural resources, allowing them to demand substantial concessions from the U.S. This new form of negotiation out of the world's second-largest economy has led to volatility among discussions, with many wondering if the upcoming summit will yield any deal.

Trump ends Canadian trade talks

Trump said on Truth Social he would immediately halt all trade negotiations with Canada, citing a Canadian advertisement against his signature tariffs plan featuring the voice of former President Ronald Reagan. The ad, funded by the government of Ontario, uses excerpts from an address Reagan gave in 1987 in which he defended the principles of free trade and criticized tariffs as an outdated idea. Trump's announcement injected fresh uncertainty into one of the world's largest bilateral trading relationships, with the U.S. and Canada exchanging more than $900 billion in goods and services last year. "Tariffs are very important to the national security, and economy of the U.S.A.," Trump wrote.

Mexico seeks to reopen cattle imports

Mexico's agriculture minister will travel to Washington, D.C., this week with the aim of reaching an agreement on the reopening of the border to Mexican cattle, President Claudia Sheinbaum said. Mexican Agriculture Minister Julio Berdegue will meet with U.S. Secretary of Agriculture Brooke Rollins to discuss plans for the border, which the U.S. has kept closed to Mexican cattle imports since May. Rollins has publicly criticized Mexico's response to the outbreak. Mexico confirmed its first cases of screwworm infections in animals in the state of Nuevo Leon, which borders the U.S., in recent weeks but has said they were contained and resolved.

CPI rises less than expected

Annual inflation, measured by the Consumer Price Index (CPI), rose less than expected in September. CPI rose 3% on an annual basis, the highest since January and up from 2.9% in August. Price increases in energy prices led inflation higher. Meanwhile, food price inflation slowed. Core CPI, which does not include food and energy, actually slowed to a year-over-year rate of 3% in September from 3.1% in August. Inflation continues to pace well above the Federal Reserve's target, but that is not expected to thwart the central bank from cutting interest rates this week.

USDA NASS still shut down

USDA did not publish their weekly Crop Progress Report for the third consecutive week, but Reuters and Bloomberg conducted their weekly polling for analysts' expectations. The Reuters poll showed expectations for corn conditions down another point to 63% good to excellent, which would be down three points from the last reading released by USDA. Analysts saw harvest as 59% completed, 10 points above the 10-year average. Soybean harvest was seen as progressing to 73% complete, up from 58% in last week's poll and 10 points ahead of average.

FSA offices reopen

U.S. Secretary of Agriculture Brooke Rollins announced that despite the ongoing U.S. government shutdown, aid to farmers will be distributed via the FSA. In a post on X, Rollins said: "[Last] Thursday, USDA will resume Farm Service Agency core operations, including critical services for farm loan processing, ARC/PLC payments, and other programs — over $3 billion in assistance farmers have counted on in their business planning decisions."

Cordonnier's crop pegs unchanged

Crop consultant Michael Cordonnier left his 2025 U.S. yields estimate unchanged at 181 bu. per acre for corn and 52.0 bu. per acre for soybeans with a neutral bias. Cordonnier noted that the lack of government data will likely keep his estimates near those marks.

Cordonnier estimates Brazilian soybean production at 175 MMT and notes planting to advance at a healthy clip, which could lead him to increase his estimate. He maintained his Brazilian corn estimate of 140 MMT, and estimates Argentina production at 49 MMT and 54 MMT for soybeans and corn. Cordonnier noted Argentine soy planting has just started.

Brazilian bean sowing rapidly

Brazil's soybean planting for the 2025-26 season reached 24% of the expected area as of last Thursday, up from 14% a week earlier and ahead of the 18% recorded at the same time last year, according to agribusiness consultancy AgRural. Corn plantings reached 51% completed for the first crop.

Record Brazilian crop expected

South American agri-consultancy Abiove pegged 2025-26 Brazilian soybean production at 178.5 MMT, well above their 2024-25 forecast of 171.8 MMT. The firm expects Brazilian crushings rising to 60.5 MMT, up from 58.5 MMT last year, noting continued increases to crush capacity.

Follow us on X (formerly Twitter):
@ProFarmer @WLWatts @DavisMichaelsen
@HillariMason @ChipFlory @iwatchcorn

Heavy rains hit China crops

Rains in northern China have disrupted harvest, leaving crops rotting in the fields, pressuring grain supplies at a time when trade relations are fraying and imports have shrunk, *Bloomberg* reports. Top corn-producing provinces including Henan and Shandong have endured the longest and heaviest rainy season in six decades, according to the National Climate Center. The northern region accounts for at least 30% of China's total production of corn, but some fields are too soaked to harvest, according to state media. And there's a risk that corn already gathered could turn moldy. Other crops have also been affected, from soybeans to peanuts. China's harvest of its autumn grains is only about 70% complete, so the full impact of the wet weather on both quality and quantity has yet to be determined.

Supply chain disruptions possible

Waiting times for commodity vessels stacking up off China's ports increased to the longest this year, as the geopolitical sparring between Beijing and Washington disrupts global trade, *Bloomberg* reports.

"China is the world's largest commodity importer, and vessel snarls — if prolonged — could ripple through the global supply chain, affecting liquid cargoes such as crude, as well as bulks like iron ore. Beijing and Washington have sparred over shipping, with China introducing a hefty extra fee on vessels known to have American links, following a similar U.S. move," *Bloomberg* said.

U.S. sanctions Russian oil

The Trump administration sanctioned the biggest Russian oil producers last week, spiking volatility in the market. The move will likely shift global trade flows, with China late last week suspending Russian oil buys due to the risk of sanctions. A report from *Bloomberg* says the blacklisting of Russian oil giants Rosneft PJSC and Lukoil PJSC comes against a backdrop of growing concerns with excess supplies as the OPEC-plus alliance, which Russia co-leads with Saudi Arabia, ramps up output. Senior refinery executives in India, a key buyer of Russian oil, said the restrictions would make it impossible for those flows to continue.

API waves off support of E15

The American Petroleum Institute (API) said it opposes legislation to expand year-round sales of E15 gasoline, a reversal that underscores deepening tensions between the oil and ethanol industries. The influential oil trade group earlier this year had teamed up with farm-state lawmakers to support higher renewable fuel blending mandates and a December legislative push for year-round E15.

China economic growth slows

China's economy expanded 4.8% on an annualized basis from a year earlier in the three months ending in September. That's slightly better than economists' forecasts. The growth in the first three quarters laid a solid foundation for achieving the full-year growth goal of around 5%, according to the National Bureau of Statistics. The latest data showed weakness in retail sales and fixed-asset investments, but an unexpected uptick in industrial output, which expanded 6.5% in September and exceeded all economists' estimates.

"The latest official snapshot of China's economy marks the start of a high-stakes week for China, as top leaders gather in Beijing at the so-called fourth plenum to hash out development plans for the next five years," *Bloomberg* said.

U.S., Australia team up on rare earths

President Donald Trump signed a landmark pact with visiting Australian Prime Minister Anthony Albanese to boost U.S. access to rare earth minerals and other critical minerals in an effort to counter China's tight grip on the supply chains of key metals. The two governments will jointly invest in a swath of mines and processing projects in Australia to boost production of commodities used in advanced technologies from electric vehicles to semiconductors and fighter planes. Australia has an $8.5 billion "pipeline that we have ready to go," Albanese said at a meeting between the two leaders reported by *Bloomberg*.

"In about a year from now, we'll have so much critical mineral and rare earths that you won't know what to do with them," Trump said.

The U.S. has been locked in a rare-earths competition with China since Beijing fought back against Trump's trade offensive earlier this year.

Trump tackles beef prices

Trump said the U.S. could purchase Argentinian beef to bring down prices for U.S. consumers.

"We would buy some beef from Argentina," he told reporters. "If we do that, that will bring our beef prices down" the *Associated Press* reported.

The U.S. has an import quota of 20,000 MT per year currently, with the administration looking to increase that to 80,000 MT. With just a couple months left in the year, the U.S. has imported about two-thirds of that total, raising questions about whether 80,000 MT could be reached. Still, the 80,000 MT only makes up 0.6% of annual U.S. beef consumption.

Mid-week on Truth Social, Trump stated he was the reason ranchers were doing well, because of tariffs on imported goods. This was a seeming attempt to thwart the rhetoric that his attempts to import for foreign beef will hurt U.S. producers.

USDA releases cattle action plan

USDA announced a suite of actions to try to strengthen the American beef industry, noting a substantial drop in family farms over the past decade and the lowest cattle herd in 75 years. The plan will expedite regulatory reform, boost processing capacity, work to grow local demand for beef and update grazing restrictions, allowing for additional grazing of cattle on federal lands. The announcement included an update to the beginning farmer definition, expanding the title to 10 years rather than five, allowing for extended use of premium subsidies through RMA and an expansion of benefits for veteran owned and operated ranches. The "Product of USA" label will be limited only to products that have been born, raised and slaughtered in the U.S., ensuring that label will only benefit U.S. producers.

NWS fight rages on

The government shutdown does not affect essential or emergency work, such as the efforts to combat the New World screwworm. Erin Spaur, executive vice president of the Colorado Cattlemen's Association, says concerns remain, especially when it comes to the progress of building the sterile fly facility along the border with Mexico. Spaur also says ensuring Mexico maintains its NWS monitoring efforts remains critical as the pest moves closer to the U.S. border.

Clean Fuels America looks at SREs

EPA is proposing supplemental SRE reallocation volumes to the 2026 and 2027 Renewable Fuel Standard Volumes. Clean Fuels America shared the potential impact on U.S. soybean farmers and processors with EPA Administrator Lee Zeldin. EPA is co-proposing to either fully (100%) or partially (50%) account for 2023 to 2025 small refinery exemptions granted this year by adding a supplemental volume during 2026 and 2027.

"U.S. soybean farmers and processors could lose between $3.2 billion and $7.5 billion in crop value over the next two years if the EPA doesn't completely reallocate recently exempted RFS volumes," said Clean Fuels in a letter to Zeldin. "Facing Chinese tariffs and growing global competition from Argentina and Brazil, America's farmers can't afford to lose the value that U.S. biomass-based diesel brings." A 50% reallocation will include 490 million gallons lost in biomass-based diesel production and $1.4 billion in lost farm revenue.

Ukraine corn quality limiting exports

Excessive moisture has led to quality declines in Ukraine's corn crop, leading to a decline in exports despite a bumper crop. The EU imports a lot of Ukraine's corn and has high quality standards, limiting exports out of the Black Sea.

Ag economists survey: No 1980s repeat but 'slow grind' continues

By Tyne Morgan, Host of U.S. Farm Report

Pro Farmer
Trusted Analysis. Professional Insight.

Farm Journal's October Ag Economists' Monthly Monitor finds strain, consolidation and echoes of the 1980s, but what might be more telling is the fact that 77% of economists are expecting the situation to persist, or even worsen, through 2026.

The October Ag Economists' Monthly Monitor paints a tough picture for U.S. farmers heading into 2026: weak trade demand, stubbornly high input costs and continued consolidation across agriculture. While experts say today's challenges don't match the full-blown crisis of the 1980s, most agree the current downturn is dragging on with few signs of a quick turnaround.

"High input costs and the inability of domestic soybean crush growth to offset lost Chinese demand" continue to weigh heavily on profitability, one economist explained. Another added: "The lack of trade opportunities, and high input costs, are doing the most damage right now."

A third economist summed it up more bluntly: "Margins are collapsing, and optimism is evaporating fast."

Confidence keeps slipping

One of the major themes in the latest survey is the fact negative margins could be a theme in the row crop side of agriculture for the foreseeable future.

Nearly 60% of economists said the farm economy is worse off than a month ago, and almost 90% believe it's weaker than last year. Nearly 77% expect the situation to persist or even worsen through 2026, while only a quarter expect any improvement in the next 12 months. As one economist put it: "It's not a collapse, but it's a grind."

Others point to the fatigue settling in across the country.

"Farmers have been absorbing higher costs for two years without any real recovery in prices," one respondent said. "That wears on you."

Another said: "It's death by a thousand cuts. Not one thing is breaking the farm economy. Everything's contributing."

University of Missouri Extension economist Ben Brown says the survey results reiterate the concern that farmers could be faced with more tough decisions next year.

"I think that shows up in multiple points of the responses, just this continued downturn and extended pressure on farm finances absent some type of market rally. Maybe that's a yield shortfall due to drought somewhere in the world. But absent of that, I think we're kind of just in this slow grind lower trying to figure out how to find an equilibrium point to where producers are looking at moving cropland out of production, maybe putting it to more pasture or CRP," Brown says. "Long story short, we're looking for any of those available measures that reduce production enough to help rally prices."

Even the few bright spots come with caveats.

"Livestock returns have been better than nearly anyone expected at the beginning of the year," noted one contributor, "especially cattle and hogs."

But another warned: "If consumer spending slows down, beef and pork demand could take a hit, and that changes the outlook quickly."

Farm consolidation pressures mount

Nearly all economists see continued consolidation reshaping rural America. In the September survey, 91% of ag economists said they expect the ongoing situation to accelerate the current rate of consolidation in agriculture. The survey found that economists expect this to result in fewer larger farms, fewer service centers and higher barriers for beginning farmers.

"Larger operations will get larger, and we'll lose some of the diversity that smaller producers bring to the industry," one respondent noted.

Another said: "Fewer, larger farms mean less families in rural areas and less political and economic diversity."

Some expressed concern over how this trend could alter the future of farming.

"Higher barriers to entry for young farmers, dwindling rural populations and loss of local ag suppliers, that's where we're headed," one respondent warned.

Another summed it up: "We're becoming a nation of mega farms. That's efficient, but it's not healthy."

Looking ahead

Despite stronger farm balance sheets and fixed-rate debt, the mix of low profitability, high costs and global oversupply continues to pressure producers. Labor shortages, rising cash rents and limited trade growth add to the strain.

"Rising cash rents are eating into margins faster than yields or prices can recover," one economist said.

Another pointed to policy fatigue: "There's too much focus on short-term trade aid and not enough long-term market strategy."

As one respondent summarized: "Things are bad, even if it's not the same kind of bad as the 1980s. We're in a long, grinding cycle, and patience is wearing thin."

News alert and analysis exclusively for Members of **Professional Farmers of America**® 7103 Chancellor Dr. Ste. 200 Cedar Falls, Iowa 50613-9985
Senior Vice President Todd Peterson • Editor Bill Watts • Editor Emeritus Chip Flory • Economist Lane Akre • Market Analyst Hillari Mason
Economist Spencer Langford • Technical Consultant Jim Wyckoff • LandOwner Editor Davis Michaelsen
Subscription Services: 1-800-772-0023 • Editorial: 1-888-698-0487

Farm Journal CEO, Prescott Shibles

CATTLE - Fundamental Analysis

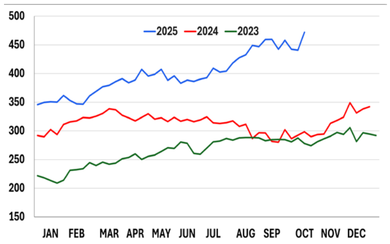
Cattle and feeder futures were riddled with political noise last week. Imports of Argentine beef were reported as the solution to bring down U.S. retail prices, while Secretary of Ag Brooke Rollins reported a pretty big initiative (See News page 3) would be released in a bid to bring retail beef prices down. But a midweek social media post from President Donald Trump was the most impactful, sending feeders into a limit-down tailspin. Regardless, supplies will remain limited as herd rebuilding efforts certainly take time. Expect volatility, though the market should continue to account for low beef inventories in the U.S. in the near term.

Position Monitor

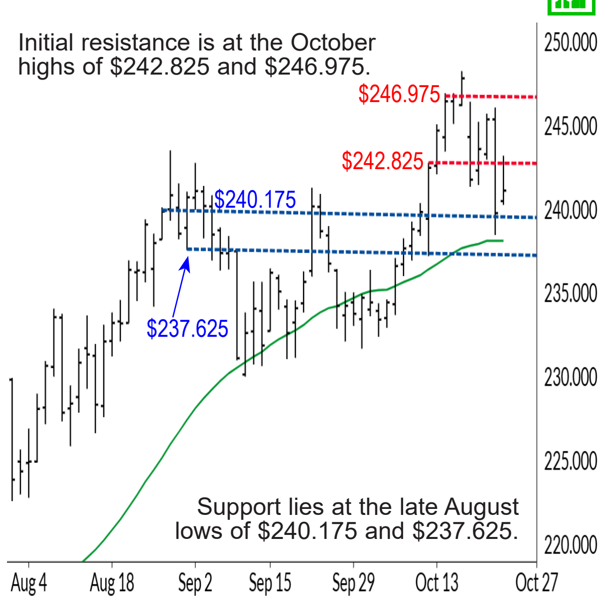
Game Plan: Nearby live cattle futures are now at discounts to the cash market. Be prepared to purchase puts for downside protection.

	Feds	Feeders
III'25	0%	0%
IV'25	0%	0%
I'26	0%	0%
II'26	0%	0%

OKC STOCKER STEERS ($/CWT)



DAILY DECEMBER LIVE CATTLE



HOGS - Fundamental Analysis

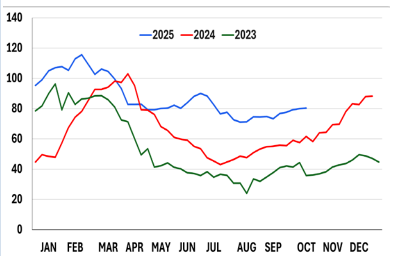
The recent selloff in nearby lean hogs halted last week after a more than $9 dive from the Sept. 26 high. Futures' discounts to cash and technically oversold conditions curbed extended seller interest, though stiff technical resistance and uncertainty in the cattle market limited a move to the upside. As the government shutdown dragged on, reporting efforts were minimal, which has also incentivized pause among traders. However, as the holidays quickly approach, product demand should stabilize into year-end, with grocers likely eager to fill their cases with price-friendly pork.

Position Monitor

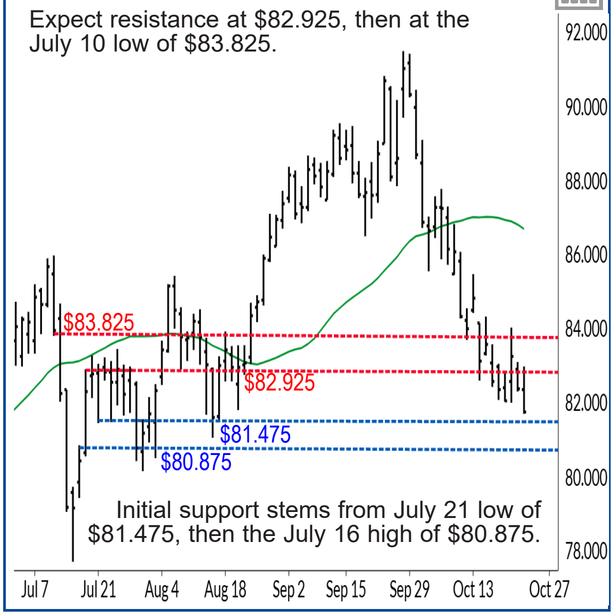
Game Plan: Carry all risk in the cash market. Nearby hog futures remain at a discount to the cash index, which makes it difficult to lay off risk in futures. Stay patient for now.

	Lean Hogs
III'25	0%
IV'25	0%
I'26	0%
II'26	0%

FEEDER PIG PRICES ($/CWT)



DAILY DECEMBER LEAN HOGS



FEED

Feed Monitor

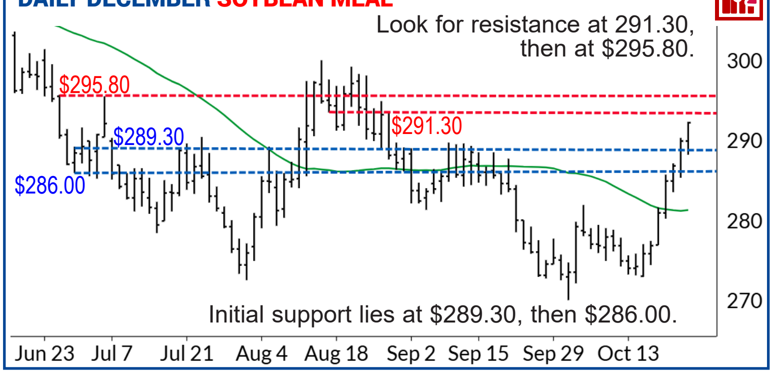
Corn	
IV'25	66%
I'26	0%
II'26	0%
III'26	0%

Meal	
III'25	100%
IV'25	100%
I'26	0%
II'26	0%

Corn Game Plan: On Oct. 22 we recommended covering corn-for-feed needs through November. Be prepared to make additional purchases.

Meal Game Plan: You should have all meal needs covered in the cash market through December. Be prepared to make additional purchases as futures sit at multiyear lows.

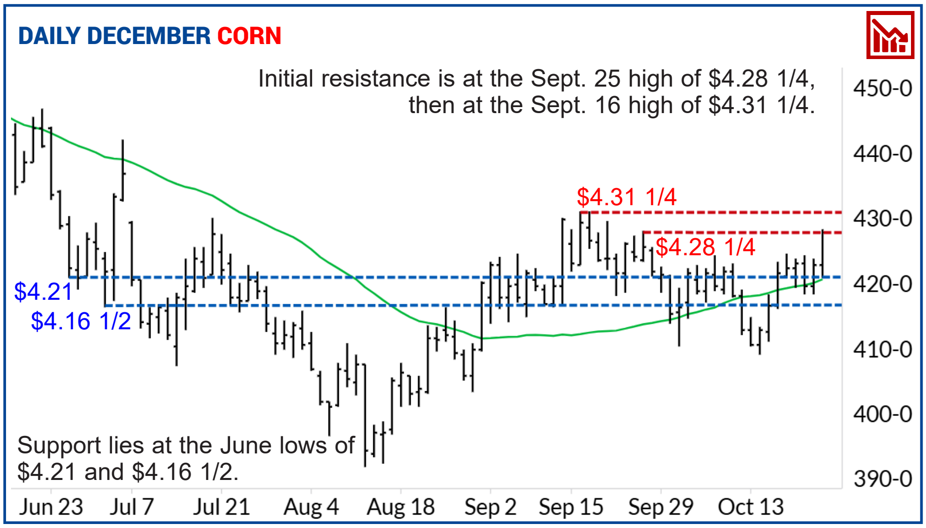
DAILY DECEMBER SOYBEAN MEAL



Position Monitor

	'25 crop	'26 crop
Cash-only:	20%	0%
Hedgers (cash sales):	20%	0%
Futures/Options	0%	0%

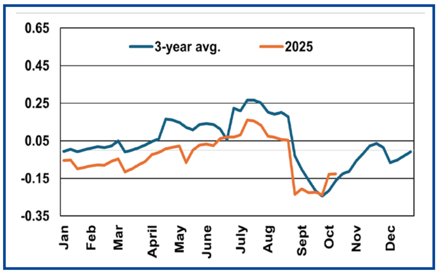
Game Plan: You should have 20% of your 2025 crop sold. With a push to lows in mid-August, we're willing to wait for a more profound move before making additional new-crop sales. We are targeting $4.40 in December futures, but be prepared to pull the trigger on any rally. Sales for the 2026 crop will also be assessed given the next opportunity.



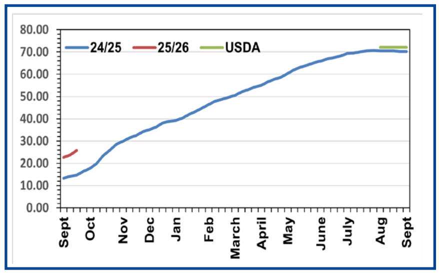
CORN - Fundamental Analysis

An improved technical posture and collective support from gains across the soy complex and spike in crude oil led December futures to a five-week high. Key will be if short-covering efforts persist as stiff resistance stands at the mid-September high. Regardless, strong demand continues to bolster basis levels, while producers continue to hold off for more profitable levels amid generally lackluster yields. Ethanol exports are poised to hit a record high for the second straight year, according to the Energy Information Administration, as current prices goose demand. But high input prices may have many producers seriously questioning 2026 corn acres, which could be a game changer.

AVERAGE CORN BASIS (DEC.)



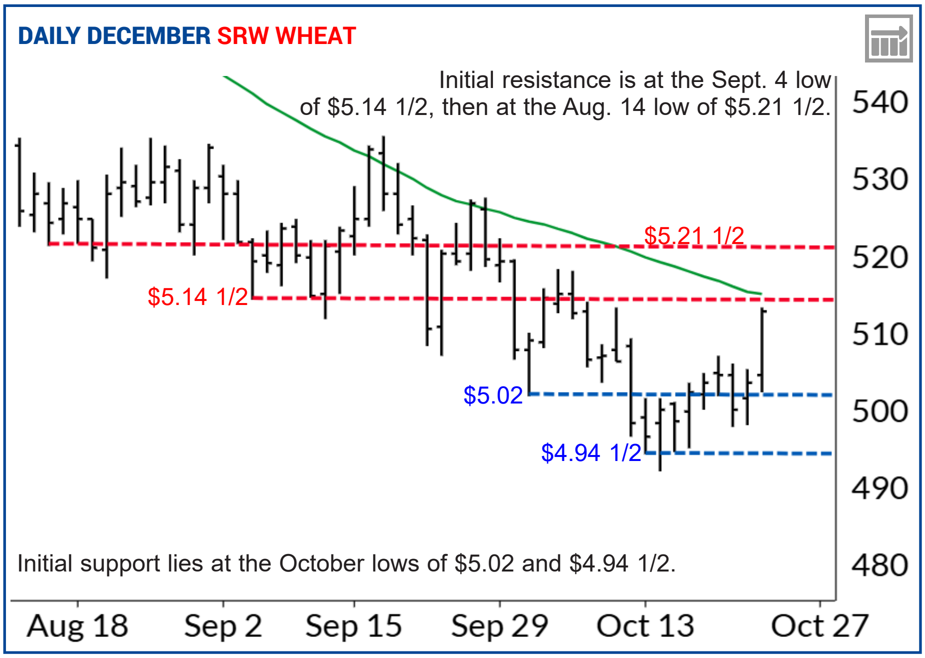
CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'25 crop	'26 crop
Cash-only:	30%	10%
Hedgers (cash sales):	30%	10%
Futures/Options	0%	0%

Game Plan: You should have 30% of your 2025 crop sold in the cash market and 10% of the 2026 crop sold for harvest delivery. Be prepared to make additional sales on an extended upside move.



WHEAT - Fundamental Analysis

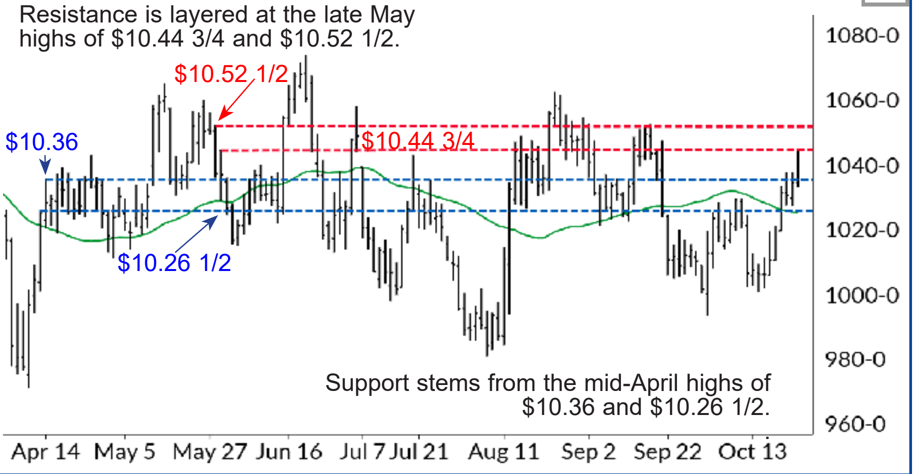
SRW — Short-covering gains were featured last week, though technical resistance and strength in the U.S. dollar curbed those efforts. While it seems a near-term floor may have been established, consecutive closes above the 40-day moving average will need to be achieved for confirmation.

Position Monitor

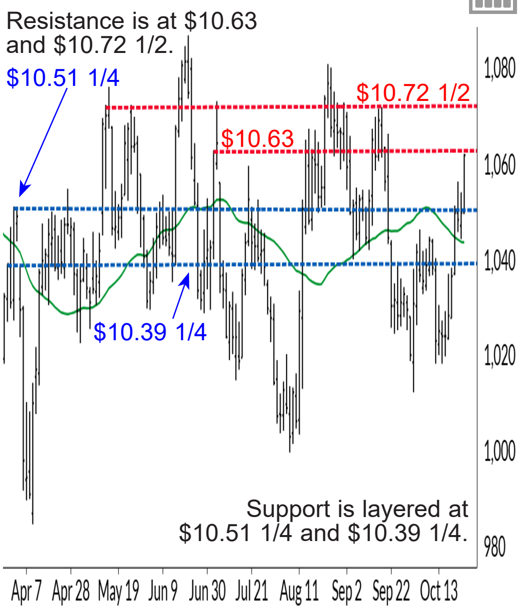
	'25 crop	'26 crop
Cash-only:	20%	0%
Hedgers (cash sales):	20%	0%
Futures/Options	0%	0%

Game Plan: You should be 20% sold for the 2025 crop. Rallies may be limited in the near term, but be prepared to advance new crop sales on an extended short-covering rally. We are targeting $10.70 basis November futures but may advise sales if a pullback seems imminent. Sales for the 2026 crop will be assessed when the next opportunity arrives.

DAILY NOVEMBER SOYBEANS



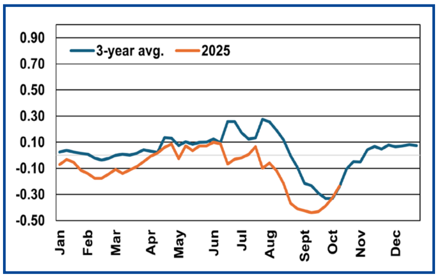
DAILY JANUARY SOYBEANS



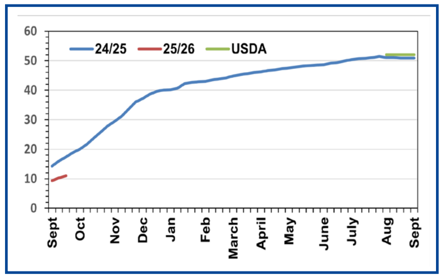
SOYBEANS - Fundamental Analysis

Meal futures were able to extend an impressive string of gains, which led the soy complex early week trade. A solid rebound in crude offered support to soyoil, which pushed nearby soybean futures to seven-week highs. Nonetheless, uncertainty lingered as the government shutdown extended into its third week, while President Trump heaved a back-and-forth tone regarding trade with China. Optimism did improve after Trump confirmed a meeting with Chinese President Xi Jinping, set for October 30 on the sidelines of the Asia-Pacific Economic Cooperation Summit. Harvest efforts are winding down and basis continues to improve across much of the Corn Belt.

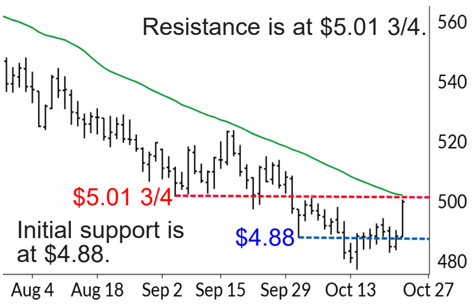
AVERAGE SOYBEAN BASIS (NOV.)



SOYBEAN EXPORT BOOKINGS (MMT)

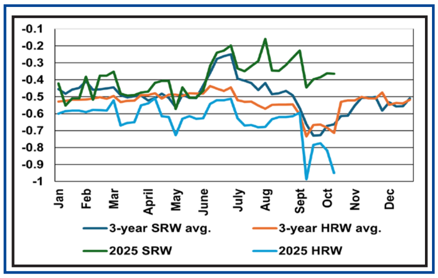


DAILY DECEMBER HRW WHEAT

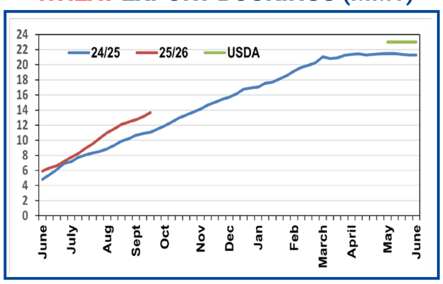


DAILY DECEMBER HRS WHEAT

AVERAGE WHEAT BASIS (DEC.)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Late-week strength was certainly notable, as traders actively covered shorts. While planting efforts in HRW country have seemingly transpired without much of a hitch, areas in the southwestern and west-central Plains will need rains soon. Meanwhile, rains in Oklahoma and Kansas should prove optimal for the crop.

HRS — Solid gains were ultimately notched in late-week trade, but not before the formation of yet another contract low. While December futures did gain technical ground, an earnest move above the 40-day moving average will be needed to lend confidence among market participants that the four-month selloff has ended.

Position Monitor

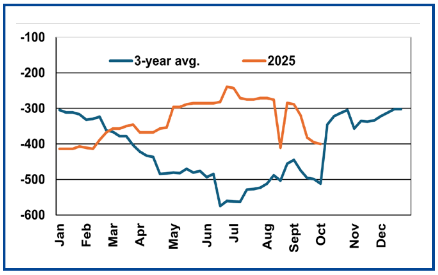
	'25 crop	'26 crop
Cash-only:	0%	0%
Hedgers (cash sales):	0%	0%
Futures/Options	0%	0%

Game Plan: Wait on an extended rally to make 2025 sales. We are targeting 65.00¢ in December futures.

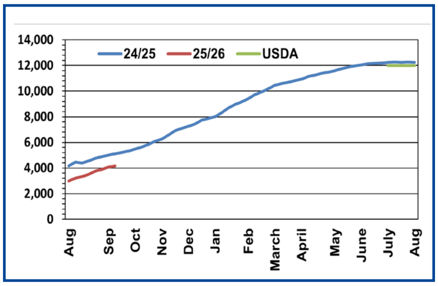
COTTON - Fundamental Analysis

Futures were technically strapped by the 20-day moving average, while lingering trade unknowns kept short-covering efforts at bay. Meanwhile, harvest efforts continue to advance across the U.S., though data is minimal amid the government shutdown.

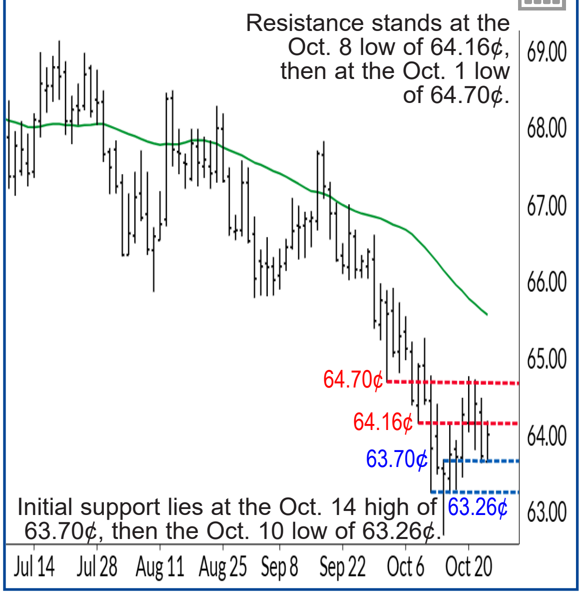
AVERAGE COTTON BASIS (DECEMBER)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



GENERAL OUTLOOK

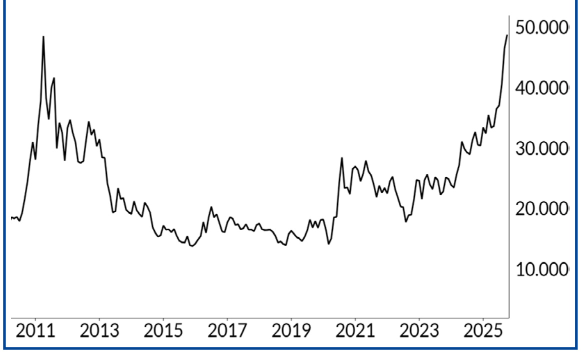
Precious metals: Huge price downdrafts in gold and silver prices last week garnered keen general marketplace attention.

Both metals saw their worst routs in over 10 years, on concerns the rallies had run too far, too fast. Grain markets reacted to the extreme selling pressure in the metals last Tuesday, losing their early price gains when the price declines in gold and silver accelerated.

Importantly, commodity market traders will continue to pay very close attention to gold and silver markets in the near term. The high daily price volatility might not be over.

Fresh, extreme volatility in the metals could prompt concerns about market-making efficiency and market dislocations, which, if occur could spill over into selling pressure in other commodity futures markets.

MONTHLY DECEMBER SILVER FUTURES



FROM THE BULLPEN By Economist Spencer Langford

"Onshoring the beef industry" is the goal of U.S. Secretary of Ag Brooke Rollins in an interview on CNBC earlier this week. According to the USDA Census, there were 622,162 farms with beef cattle in 2022. That's a decline of 106,884, or 14.7%, from the 2017 Census, and undeniably the issue of finding the next generation of ranchers exists.

USDA released an outline of a plan to rebuild the herd on Wednesday, spearheaded by opening more public land for grazing and increasing U.S. processing capacity. These incentives may be well intentioned, but they don't cut to the heart of the issue.

Cash rent is not a particularly large expense for cattle operations. The national cash rent per acre is estimated at \$15.50, and has only increased \$1.50 over the past decade, suggesting demand for pasture is not nearly as stiff as other agricultural land.

USDA feels they must take action to grow the supply of beef and, in turn, lower consumer prices. However, often the most effective cure for high prices is high prices themselves. Consumers might feel that beef prices are too high, but they continue to purchase beef at the meat counter and are showing they are willing to pay a premium. Injecting government interference into the cattle cycle at a low point could have longer-term consequences that are not beneficial.

WATCH LIST

1. **USDA Crop Progress** — Wheat plantings, harvest progress. — **MON 10/27** 3:00 p.m. CT
2. **Fed Interest Rate Decision** — Rate cut expected. — **WED 10/29** 1:00 p.m. CT
3. **USDA Export Sales Report** — Soybean, wheat sales in focus. — **THUR 10/30** 7:30 a.m. CT
4. **Fed Balance Sheet** — A look at Central Bank assets. — **THUR 10/30** 3:30 p.m. CT
5. **PCE Price Index** — Fed's preferred inflation gauge. — **FRI 10/31** 7:30 a.m. CT