

THE FARMER'S EDGE



HURLEY & ASSOCIATES

Agri-Marketing Centers

2023/24 South American Growing Season Underway

By Dr. Michael Cordonnier

Planting of the 2023/24 crops is underway in South America as Brazilian farmers hope for a repeat of their record 2022/23 soybean and corn crops while Argentine farmers are hoping for a recovery from their disastrous 2022/23 crops.

Brazil set new records for both soybean and corn production in 2022/23, but the abundant crops have resulted in disappointing prices. Brazilian farmers have been slow sellers of their 2022/23 soybeans which has complicated the marketing of their safrinha corn crop. The safrinha corn is planted as a double crop following soybeans and it represents over 75% of Brazil's total corn production. With silos still full of soybeans, which were harvested in January-February-March, farmers were forced to sell their corn off the combine in June-July-August, which pressured domestic corn prices.

Farmers in Argentina had a disastrous 2022/23 growing season. Everything that could go wrong did go wrong including the worst drought in 60 years, record high temperatures, and even a frost in the middle of the summer. A return to more normal weather in 2023/24 due to El Nino

would be a tremendous relief for farmers in Argentina.

Weather – Farmers in far southern Brazil and Argentina are hoping for improved weather during the 2023/24 growing season after three years of disappointing crops due to La Nina. The Pacific Ocean has transitioned to an El Nino which usually results in above normal rainfall during the growing season in southern Brazil and Argentina. In central Brazil, the forecast is more uncertain because an El Nino can result in below normal rainfall during October-November-December, which is the main reproductive period for soybeans.

Below is the latest precipitation forecast from the Brazilian National Weather Service for the September-October-November period. It conforms with a typical El Nino pattern of above normal rainfall in southern Brazil and below normal rainfall in central Brazil. If this forecast verifies, it would be somewhat of a mixed bag for Brazilian producers.



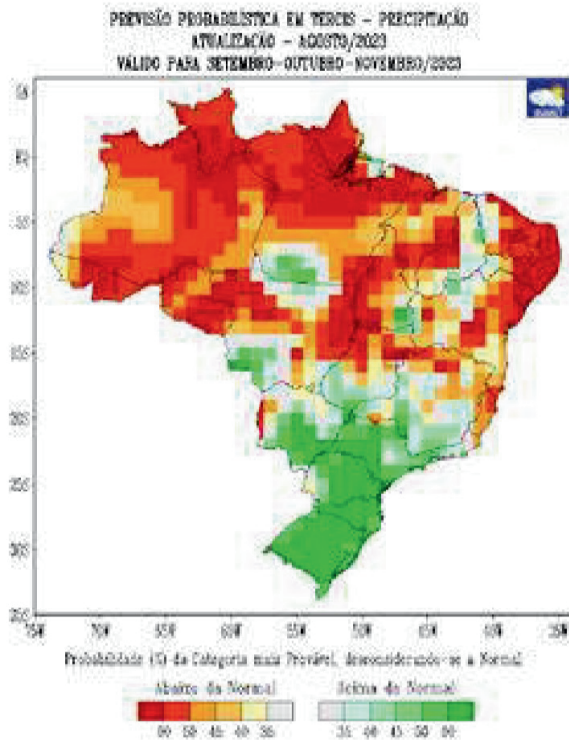
IN THIS ISSUE:

- 1-2, 6 2023/24 South American Growing Season Underway
- 3, 5 U.S. National Debt Surpasses Thirty-Three Trillion Dollars
- 4 Elevate Save the Date
- 5 Consultant Spotlight: Luke Gravunder
- 6 HA Portal Highlight: Storage Plans
- 7 Now Hiring
 - HA Scholarship Program
 - HA Farm Marketing Internships

Continued on page 2

2023/24 South American Growing Season Underway

By Dr. Michael Cordonnier
Continued from page 1



Fonte: Inmet.

Looking forward, the South American soybean acreage in 2023/24 is estimated at 68.7 million hectares (169.6 million acres) which is up 3.63 million hectares (8.9 million acres) from 2022/23 or an increase of 5.5%.

South American Soybean Acreage – 2023/24 vs. 2022/23

Country	2023/24 Soybean Acreage	Change
Brazil	45.5 mha (112.3 mac)	+1.6 mha +3.6%
Argentina	16.7 mha (41.2 mac)	+1.7 mha +11.3%
Paraguay	3.7 mha (9.1 mac)	+0.1 mha +2.7%
Bolívia	1.5 mha (3.7 mac)	+0.03 mha +2.0%
Uruguay	1.3 mha (3.2 mac)	+0.17 mha +15.3%
Total	68.7 mha (169.6 mac)	

The South American corn acreage in 2023/24 is estimated at 31.3 million hectares (77.3 million acres) which is an increase of 0.6 million hectares (1.4 million acres) or an increase of 1.9%.

South American Corn Acreage – 2023/24 vs. 2022/23

Country	2023/24 Corn Acreage	Change
Brazil	22.7 mha (56.0 mac)	+0.2 mha +0.8%
Argentina	7.0 mha (17.2 mac)	+0.3 mha +4.4%
Paraguay	1.0 mha (2.4 mac)	+0.05 mha +5%
Bolívia	0.5 mha (1.2 mac)	+0.07 mha +14%
Uruguay	0.17 mha (0.2 mac)	+0.07 mha +70%
Total	31.3 mha (77.3 mac)	

The South American soybean production in 2023/24 is estimated at 228.3 million tons, which is up 34.4 million or an increase of 17.7%.

- o Brazil soybean production of 162.0 million tons, up 6.0 million tons.
- o Argentina soybean production of 50.0 million tons, up 25.0 million.
- o Paraguay soybean production of 10.0 million tons, up 1.0 million.
- o Bolívia soybean production of 3.3 million tons, up 0.1 million.
- o Uruguay soybean production of 3.0 million tons, up 2.3 million.

The South American corn production in 2023/24 is estimated at 193.0 million tons, which is up 17.9 million or an increase of 10.2%.

- o Brazil corn production of 134.0 million tons, down 1.0 million.
- o Argentina corn production of 52.0 million tons, up 18.0 million.
- o Paraguay corn production of 4.8 million tons, unchanged.
- o Bolívia corn production of 1.2 million tons, up 0.1 million.
- o Uruguay corn production of 1.0 million tons, up 0.8 million.

Argentine Politics – On October 22, voters in Argentina will choose a new president. The current president, Alberto Fernandez, is not running for reelection. It appears to be a three-person race with representative Javier Milei winning the most votes during the presidential primary. If elected, Mr. Milei has promised to super-charge Argentine agriculture by

Continued on page 6

U.S. National Debt Surpasses Thirty-Three Trillion Dollars

By John A. Johnson

It is no surprise to anyone who has been even semi-awake that upon the declaration of Covid-19 as a Pandemic, the U.S. government started spending borrowed money like there was never going to be a payday, much less interest rates that continued to ratchet higher. Those interest payments have grown exponentially, as the Fed has raised those rates in an attempt to tamp down the rampant inflation spawned by the runaway spending.

According to Ms. Stephanie Pomboy, CEO and President of Macro-Movers, in a televised interview, the U.S. printed some 10 trillion dollars, over a two-year period during Covid-19 that added to our debt, while we only gained 2 trillion in GDP growth. That growth was reduced to a "real" GDP growth of \$600 bill after we accounted for inflation.

Starting with the cash gifts to every American during the Covid-19 pandemic and ending with a projected two-trillion-dollar deficit in 2023, cash has been literally sloshing about in our society. The only thing that has failed to keep pace with so many of the price increases we have seen, are the wages of our average American worker.

The rate of inflation over the past three years has totaled over 12%, while the average income for our workers has risen only an average of 5.5%. Every family from the middle class on down is feeling the effect of more "month at the end of the money" than they are used to. The lower the family income, the worse the bite of inflation has become. The burden is exacerbated by the higher energy costs, affecting the gasoline to get to work and back, as well as creeping into every product we buy that is transported by ship, plane, train or truck. Energy also affects every manufacturing process and is also used for heating and refrigeration. There is a myriad of products that use some form of petroleum in the chemistry of the finished goods.

There is another item that seems to be infiltrating into the cost of everything from homes to cars, to the credit cards we carry in our wallets. That is the cost of interest rates, that

seem to be a hidden "tax" that raises everyone's cost of doing business. Credit card balances nationwide are at an all-time high. Most credit card debt that is carried from month to month is at a staggering 24% interest rate, however, that seems to be the credit form of choice for many Americans. The average credit card debt per family has increased from \$10,000/family in 2019, to some \$17,000/family in 2023. All told, the average American family requires an additional \$900/month to maintain the comparable lifestyle to that which they enjoyed in 2020. It is obvious that much of the shortfall that some consumers are experiencing is being carried by the plastic. National credit card debt is at an all-time high.

A thirty-three-trillion-dollar national debt is not a milestone that we should be proudly passing as a nation.

In International news, the Ukrainian conflict is still soaking up the oxygen in the room when it comes to news.

President Joe Biden took the stage at the United Nations this week to address the gathering of the General Assembly. He asked for their assistance, along with the U.S. in the war against Russia on behalf of Ukraine. The meeting was missing several world leaders, namely Russia, China, France and the U.K. India was also absent, as was Saudi Arabia.

The President also managed to get in a plug for his seemingly favorite concern, when he asked the group to commit to action in order to address climate change along with the Russian threat to Ukrainian sovereignty.

Every major news cast these days seems to carry at least one or more segments on China. There is a move in our country to begin some form of decoupling with China, but we predict that we will remain their number one export destination for a long, long, time.

Continued on page 5

SAVE THE DATE

ELEVATE

Tomorrow's Producer Today
by HURLEY & ASSOCIATES

Surrounded by ever-changing global dynamics, is your farm operation prepared to adapt and thrive in tomorrow's world?

*Be challenged to view the ag industry from another perspective, as we welcome nationally recognized speakers to Hurley & Associates' **ELEVATE 2024**. Join us, along with a network of producers and advocates from around the region, in discovering what potential opportunities lie ahead.*

THURSDAY, FEBRUARY 1, 2024
FARGODOME
1800 N UNIVERSITY DR
FARGO, ND



David Richman
Building the Right Team



Ron Hansen
Farming for Your Future –
Succession Planning



Katie Dilse
The Value of Farm Families
and Upholding Dignity



David Widmar
Positioning Your Farm for
Success in 2024

THURSDAY, FEBRUARY 8, 2024
CLUB 71 - SDSU FOOTBALL STADIUM
1396 STADIUM RD.
BROOKINGS, SD



Joe Outlaw
The Latest on Agriculture Policy



Mike Oster
It Starts with Attitude



Dave Pratt
The Three Secrets for Increasing Profit

FORMAL INVITE TO FOLLOW!

Consultant Spotlight: LUKE GRAVUNDER



What do you most enjoy about your job?

What I enjoy most about my job is helping like-minded families and their operations reach personal and operational goals. I appreciate the opportunity to sit down and put together a personal, disciplined market plan at the producer's kitchen table.

How did you get started in your career?

I was fortunate enough to meet with Hurley and Associates at the NDSU Fall Career fair in 2019. I graduated in the spring of 2020 and moved to Glenwood shortly after. The company being family owned with like-minded values really made the decision easy for me.

What are you most passionate about when it comes to serving your clients?

I admire how each market plan is different. It makes us consultants have in-depth, truthful conversations. Whether it is transitioning, growing, or retiring, each operation has a different goal. Most of all, I appreciate the professional relationships I have developed and continue to develop.

What would be your ideal vacation?

My ideal vacation is being surrounded by the Western Mountain range or traveling and exploring the Swiss Alps with my family.

Luke grew up in a small town in East Central Wisconsin. He was a seasoned athlete who maintained his studies and helped the neighbor milk cows. That is where Luke found his passion and drive for the agricultural industry. He continued to feed that passion and drive while attending North Dakota State University where he graduated with a B.S. in Animal Science and a minor in Ag Business. While studying at North Dakota State University, Luke pursued gaining knowledge of the cattle and grain industry, worked part time and immersed himself in numerous college activities. He spent his summers doing internships with feed yards, cow calf operations, grain farming and marketing. Because of the aforementioned internships, Luke had the opportunity to travel abroad to Australia where he worked for a cow calf operation and helped the family prepare and compete in the Sydney Royal Easter cattle show. Luke joined the Hurley team in the spring of 2020 and will use his experience and knowledge to help break down farm financials and establish a customized marketing plan for his clients. Luke lives in Glenwood MN and is excited to find a farmstead to raise cattle of his own.

U.S. National Debt Surpasses Thirty-Three Trillion Dollars

By John A. Johnson

Continued from page 3

We are hearing anecdotal stories, and seeing indications of a Chinese economy that is struggling. Chinese economic news that is less than favorable is hard to come by under the present government.

China is the number one buyer of Russian energy, (crude oil and natural gas), importing some \$30 Bil U\$D worth of energy products in the first 5 ½ months of 2023. The EU follows in number two, with 11.2 Bil U\$D in crude and 7.8 Bil U\$D in Nat Gas.

Many times, the Chinese portion of the news involves close fly-bys of Chinese aircraft near our ships at sea, or drones, or planes or ships traveling dangerously close or over Taiwanese air space. They are becoming increasingly bold and defiant concerning the U.S. and its allies at sea or in the air.

Russia recently announced that they would continue the reduction in crude oil production and would add further cuts in production of 500,000 bpd (barrels per day). Saudi Arabia also joined with Russia and agreed to cut 1,000,000 bpd through the month of August, all in a concerted attempt to raise the price of crude to the world's oil importing nations.

John A. Johnson has worked for Hurley & Associates since 2000. John is semi-retired now living the life of chasing grandkids. John is based in Sikeston, MO.

HA Portal Highlight

2023/24 South American Growing Season Underway

By Dr. Michael Cordonnier
Continued from page 2

eliminating export taxes, export quotas, and ending the government's efforts to micromanage domestic food prices. Mr. Milei has widespread support from the farming sector.

Long Range Projection for Brazil - At the recent opening of the Tenth Brazilian Fertilizer Congress, Brazil's Minister of Agriculture, Carlos Favaro, laid out the government's plan to convert 40 million hectares of Brazilian pastures (98.8 million acres) to crop production over the next ten years and to reduce Brazil's dependency on imported fertilizers.

The Brazilian agricultural research service, Embrapa, has been promoting the conversion of degraded pastures to crop production as a way to increase crop production while reducing the need for deforestation. Environmental activists and Brazil's European customers support the need to be more productive with existing land.

To achieve such a goal, the Minister reiterated the need for Brazil to reduce its dependence on imported fertilizers. Brazil is one of the largest agricultural producers in the world and a leading exporter of soybeans and corn as well as one of the largest producers of sustainable food, yet 85% of its fertilizers are imported. In addition to importing fertilizers, 90% of the technology in the fertilizer sector is imported as well.

The Minister outlined several steps in coordination with Embrapa, the National Development Bank (BNDES), and the Bank of Brasil that are designed to reduce fertilizer imports. A new working group has been established called the Center for Fertilizer Excellence which will coordinate with Embrapa to establish a research network to analyze 50 new fertilizer and plant nutrition technologies over the next three years.

In May of this year, President Lula initiated the National Fertilizer and Plant Nutrition Counsel (Confert) to develop public policies to reduce dependence on imported fertilizers and to increase competition to develop new fertilizer sources. In November of this year, the President will initiate a new National Fertilizer Plan (PNF).

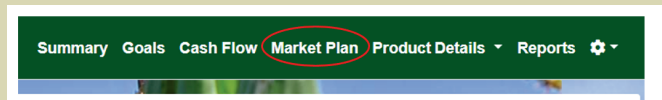
The Ministry of Agriculture will work with other Ministries to reduce bureaucracy for developing, licensing, and distributing new mineral fertilizers.

Storage Plans

As part of your market plan with Hurley & Associates, you and your consultant set up and adjust a plan for storage throughout your growing season. The information is updated and located in the Basis & Carry section of your Market Plan. This crop specific section confirms your storage plans, what season you plan to deliver, the anticipated basis and market carry, and your gross return to storage estimate.

Here's how you can access it:

1. Select Market Plan



2. Determine which crop you want to review



3. Scroll down to the 4th section, Basis & Carry. Here we can see a plan to deliver 0 bushels of corn at harvest, 127,500 in winter, 100,000 in spring, and 100,000 summer/fall.

	Total	Harvest	Winter	Spring	Summer/Fall	Discretionary	Storage Plan	
							Capacity	Remaining
Units	427,500	0	127,500	100,000	200,000	0	Main	2,000,000
Estimated Basis		(\$0.30)	(\$0.25)	(\$0.15)	(\$0.05)	\$0.00		
Basis Appreciation		\$0.05	\$0.15	\$0.25	\$0.00	\$0.00	Total	2,000,000
Estimated Futures Carry		\$0.05	\$0.08	\$0.10	\$0.00	\$0.00		1,572,500
Gross Return to Storage (\$/Unit)		\$0.10	\$0.23	\$0.35	\$0.00	\$0.00		
Gross Return to Storage (\$/Acre)			\$19.00	\$43.70	\$66.50	\$0.00		

Dr. Cordonnier holds a Ph.D. in agronomy from Michigan State University and has been involved in global crop production for more than 45 years. His experience in South America started in the early 1970's when he conducted agricultural research in Mato Grosso, Brazil. He has been a keen observer of the development of the soybean industry in South America over the last 45 years. Dr. Cordonnier is fluent in Portuguese and travels regularly to Brazil, Argentina, and Paraguay to inspect the soybean and corn crops. During the U.S. growing season, he travels extensively throughout the Midwest analyzing crop conditions and making weekly crop production estimates. He appears frequently on national television and radio programs to discuss world agricultural issues. He is now president of Soybean & Corn Advisor, Inc., a consulting firm that works with many Fortune 500 companies and the agricultural trading community specializing in fundamental analysis of soybean and corn production with special emphasis on South America.

COME GROW WITH US

NOW HIRING

October 2023

Brookings, SD & Glenwood, MN

Farm Marketing Consultant

- Passion for serving producers
- Growth mindset
- Excellent interpersonal skills

Brookings, SD, or Glenwood, MN, or Grundy Center, IA office

Hog Marketing Consultant

- Passion for serving hog producers
- Growth mindset
- Team focused

If you or someone you know may be interested in one of our open positions, please apply on our website.

hurleyandassociates.com/careers/

HURLEY & ASSOCIATES 2023-24

SCHOLARSHIP PROGRAM

\$15,000 IN FUNDS AVAILABLE



ABOUT THE SCHOLARSHIP:

- Giving back to the families and communities we are built from
- by providing financial support to students attending select universities that have positively impacted our Hurley family.

SCHOLARSHIP REQUIREMENTS:

Open to full-time students at:

- Murray State University
- North Dakota State University
- South Dakota State University

Preference given to students studying agriculture, business, or a related field.

*See application for full list of requirements.



Apply Today!



APPLICATIONS DUE NOVEMBER 3, 2023

HURLEY INTERN PROGRAM

HURLEY & ASSOCIATES FARM MARKETING CONSULTANT INTERNSHIPS

Our Mission:

To help our clients achieve economic stability while maintaining the dignity and value of the farm family.

Who is Hurley & Associates?

We are an agri-marketing company that partners with farmers to help them market their crop. We tailor individualized strategic marketing plans for each farmer; taking into account what makes their operation unique including their attitudes, financial obligations, and their future plans.

What can I expect from Hurley & Associates?

- Make on-farm client and prospect visits with office consultants to better understand the value of relationships in agriculture.
- Work closely with a mentor to analyze individual operations then develop, communicate, and execute a proactive strategic market plan.
- Network in agricultural community banks, local elevators, associations, etc. to enhance Hurley brand recognition.
- Study licensing materials, participate in workshops, create & deliver presentations.

What are the qualifications?

- Must reside in Hurley & Associates territory.
- Minimum of Junior status, with preference to Seniors.
- Experience with agricultural youth organizations and work.

Recommended coursework and skills:

- o Excellent leadership
- o Public relations
- o Commodity marketing

What is the selection process & procedure?

- Follow the QR code to apply for your preferred location.
- **January 30-** Selection of interns will be completed.
- **May 20-** All interns will report to Charleston, MO for a one-week orientation. Travel accommodations will be made.
- **August 9-** Internship adjourns at Quarterly Meeting in Sioux Falls, SD.



APPLY TODAY!



Hurley & Associates is an Equal Opportunity Employer committed to the principal of equal employment opportunity for all employees and to provide employees with a work environment free of discrimination and harassment.



HURLEY & ASSOCIATES

Agri-Marketing Centers

415 E. Marshall
PO Box 471
Charleston, MO 63834

Phone: (573) 683-3371
Toll Free: 1-800-524-0342
Fax: 573-683-4407
email: info@hurleyandassociates.com
www.hurleyandassociates.com

Except as otherwise noted, the contents of this newsletter are copyrighted materials of Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and contain trademarks, service marks and trade names of Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and/or affiliates. ALL RIGHTS ARE RESERVED.

While the information contained in this newsletter is derived from sources which are believed to be accurate and timely, there may be inadvertent factual inaccuracies or typographical and other errors, and the information is not warranted or guaranteed for accuracy or completeness. Any opinions expressed herein are subject to change or correction without notice and Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and its affiliates disclaim all liability for errors or omissions in these materials, and disclaims all liability for the use or interpretation by others of information contained in this newsletter. This material should be construed as the solicitation of trading strategies and/or services provided by Hurley & Associates, Inc. noted in this newsletter. We believe positions are unique to each person's risk-bearing ability, marketing strategy, and crop conditions, and therefore, Hurley & Associates Agri-Marketing Centers of Charleston Inc. does not give blanket recommendations. Any examples given are strictly hypothetical and no representation is being made that any person will or is likely to achieve profits or losses similar to those examples.

Decisions based on information contained in this newsletter are the sole responsibility of the reader, and in exchange for receiving this information, the reader agrees to hold Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and/or its affiliates harmless against any claims for damages arising from any decisions that the reader makes based on such information. The risk of loss in trading commodities can be substantial, therefore, carefully consider whether such trading is suitable for you in light of your financial condition. Past performance is not indicative of future results, and there is no guarantee that your trading experience will be similar to past performance.

Trent Hurley, Chief Executive Officer
David Hurley, President of Hurley & Associates, Inc.
Ida V. Hurley, Founder
Dennis E. Hurley, Chairman of the Board

LOCATIONS

Grundy Center, IA
319-777-7952

Britton, SD
605-277-1750

Wayne, NE
605-705-4040

Brookings, SD
605-705-4040

Cologne, MN
320-634-4001

Wessington, SD
605-554-0230

Glenwood, MN
320-634-4001

Canyon, TX
979-272-2182

Caruthersville, MO
573-333-1138

Snook, TX
979-272-0539

Charleston, MO
573-683-3371

Edna, TX
361-782-6715