

# Corn Futures Closes, Changes & Market Carry on

Thursday, February 3, 2022

Corn Futures			
Month	Close	Change	Carry /mo
<b>Mar<sup>L</sup> 22</b>	<b>\$6.22 ½</b>	<b>↓ \$0.12 ¼</b>	---
May 22	\$6.22 ¼	↓ \$0.11 ½	No Carry
July 22	\$6.17 ¼	↓ \$0.10 ¾	No Carry
Sept 22	\$5.83 ¾	↓ \$0.07	No Carry
<b>Dec<sup>H</sup> 22</b>	<b>\$5.73</b>	<b>↓ \$0.04 ¾</b>	No Carry
Mar 23	\$5.80 ¼	↓ \$0.04 ¾	\$0.02 <sup>417</sup>
May 23	\$5.82 ¾	↓ \$0.05	\$0.01 <sup>25</sup>
July 23	\$5.82 ¼	↓ \$0.04 ¾	No Carry

CME Corn  
MARCH<sup>2022</sup>  
Daily OHLC  
12/16/2019 to  
2/3/2022

## ELEC. CORN (@CH22)



Kansas Cash & Futures Prices						
Date						
2/3/2022						
Grain Futures Contracts		Closing \$				
MAR 2022 Corn <sup>(Lead contract)</sup>		\$6.1675				
DEC 2022 Corn <sup>(2022 Harvest Contract)</sup>		\$5.6825				
2/3/2022		Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators				
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus <sup>Area</sup>
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$6.37	\$6.32	\$6.22	\$6.62	\$6.18	\$6.12
<i>Corn Spot Cash Basis</i>	\$0.20	\$0.15	\$0.05	\$0.45	\$0.01	(\$0.05)
Corn Harvest FC\$: Fall <sup>2022</sup>	\$5.53	\$5.43	\$5.38	\$5.88	\$5.55	\$5.43
<i>Corn Harvest FC\$ Basis</i>	(\$0.15)	(\$0.25)	(\$0.30)	\$0.20	(\$0.13)	(\$0.25)
Non-irrigated Cost of Production <sup>KSU</sup>	\$4.69 <sup>89 bu</sup>	\$3.95 <sup>120 bu</sup>	\$4.33 <sup>145 bu</sup>	\$4.79 <sup>82 bu</sup>	\$3.69 <sup>110 bu</sup>	\$4.03 <sup>120 bu</sup>
Irrigated Cost of Production <sup>KSU</sup>	\$4.53 <sup>240 bu</sup>	\$4.18 <sup>240 bu</sup>		\$4.57 <sup>225 bu</sup>	\$4.08 <sup>240 bu</sup>	

## 2022 Corn Market “Drivers”

### 1) U.S. Economy

- A relatively strong U.S. GDP, but fears of future inflation



### 2) 2022 South America Crop Production Prospects

- “Dry” in Argentina & Southern Brazil - ↓ Soybeans, ??? Corn (1<sup>st</sup> vs 2<sup>nd</sup> Crop)

### 3) 2022 U.S. Corn Acres

- Market “Narrative” ⇒ U.S. Corn Acres **Down 2 to 3 mln acres+**
- **BUT** now U.S. Corn Acres likely moderately lower than year ago

#### 4) “Strong” U.S. Corn Usage in “Current” MY 2021/22 (thru 8/31/2022)

- **High Ethanol Plant Profitability**
  - – “Strong” corn ethanol use @ 5.325 bb (vs 5.028 bb & 4.857 bb last 2 years)
- **U.S. Exports @ 2.425 bb<sup>USDA</sup>** (vs 2.753 bb & 1.777 bb last 2 years)
- **Feed Use @ 5.650 bb** (vs 5.602 bb & 5.900 bb last 2 years)

#### 5) “Tighter” U.S. Corn Stocks & % Ending Stocks-to-Use

- **1.540 bb @ 10.40% Stocks/Use** in “Current” MY 2021/22
- **Impact of +/- 250 mb ?**
  - **1.290 bb vs 1.793 bb** U.S. corn ending stocks
  - **≤ 9% S/U vs ≥ 12% S/U**      ➡ **Significant +/-** Corn price effects

#### 6) U.S. Corn Price Outlook <sup>USDA</sup>

- **\$4.53 /bu** in “Old Crop” MY 2020/21
- **\$5.45 /bu** in “Current Crop” MY 2021/22 (+\$0.92 /bu vs current)
- **Where to in “New Crop” MY 2022/23??** – Likely “*sideways-to-higher*” <sup>KSU</sup>

## 7) “Other” Market Factors

- “Moderate” U.S. Grain Sorghum Exports ⇒ “paced” China demand
- Inflation in crop production costs, especially for fertilizer
  - Key Question: IF *less fertilizer applied to crop acres*, THEN *will it impact final 2022 production*?
- Other Broad Market Factors
  - Potential for geopolitical problems in Black Sea & Asia-Pacific region
  - U.S. Elections & domestic economic uncertainty
  - U.S. Government or FED policies that could impact the U.S. economy

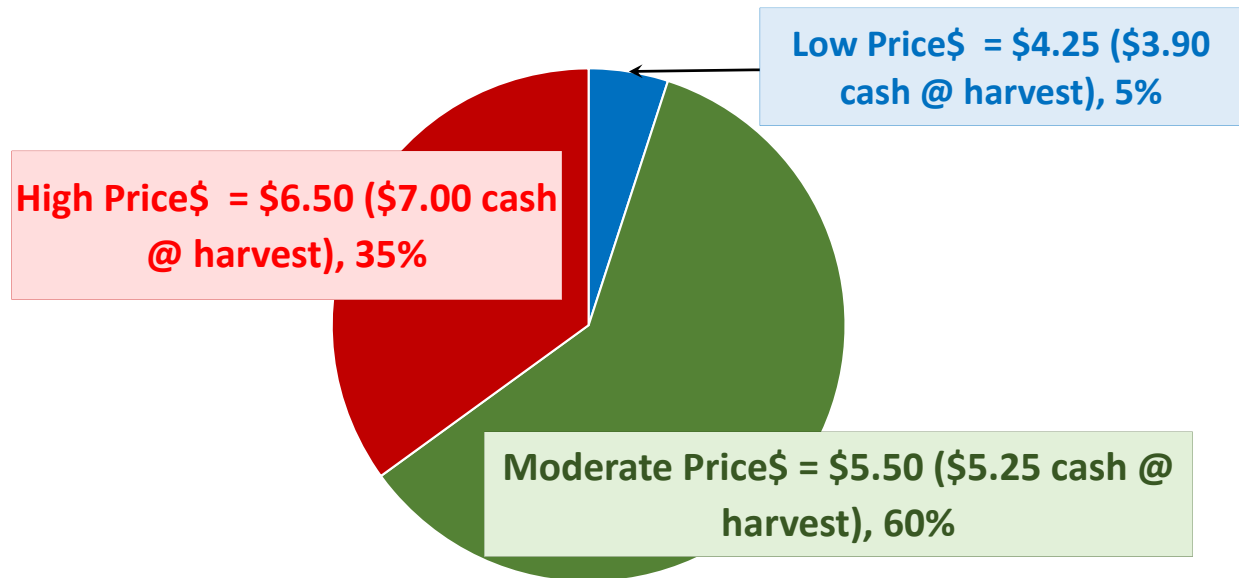
## Likelihood of Corn Market Price Outcomes

for “New Crop” MY 2022/23 <sup>KSU-O’Brien</sup>

*Versus*

\$5.45 /bu in “Old Crop” MY 2021/22<sup>USDA</sup>

# MY 2022/23 Corn Market Cash\$ Forecasts



## Key Dates Coming Up re: Grain Markets

- **January 12<sup>th</sup>** – USDA Annual Crop Summary, WASDE, Stocks, Wheat Seedings
- February 9<sup>th</sup> – USDA WASDE
- February 24-25 – USDA Agricultural Outlook Forum with MY 2022/23 forecasts
- March 9<sup>th</sup> – USDA WASDE
- **March 31<sup>st</sup>** – **USDA Grain Stocks & Prospective Plantings**
- April 8<sup>th</sup> – USDA WASDE
- May 12<sup>th</sup> – USDA WASDE with 1<sup>st</sup> “New Crop” MY 2022/23 monthly forecast
- June 10<sup>th</sup> – USDA WASDE
- **June 30<sup>th</sup>** – **USDA Grain Stocks & Acreage**