

Soybean Futures Closes, Changes & Market Carry on

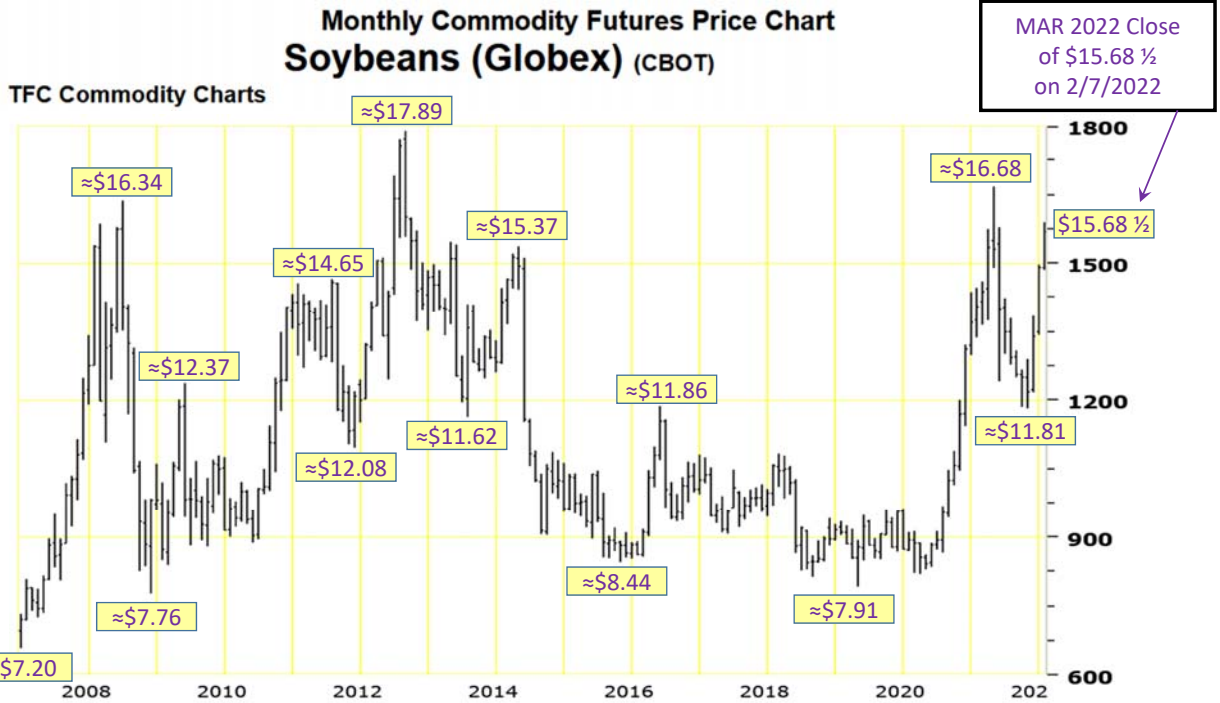
Monday, February 7, 2022

Soybean Futures			
Month	Close	Change	Carry /mo
Mar^L 22	\$15.72 ¼	↓ \$0.09 ½	---
May 22	\$15.76 ¼	↓ \$0.10	\$0.02
July 22	\$15.71 ¼	↓ \$0.08 ¾	No Carry
Aug 22	\$15.33 ¾	↓ \$0.07	No Carry
Sep 22	\$14.56 ¼	↓ \$0.04 ¾	No Carry
Nov^H 22	\$14.13 ¼	↓ \$0.02 ¾	No Carry
Jan 23	\$14.09 ½	↓ \$0.03	No Carry
Mar 23	\$13.84 ½	↓ \$0.02 ¼	No Carry

CME
Soybeans
MARCH²⁰²²
Daily OHLC
11/14/2019 to
2/7/2022

ELEC. SOYBEANS (@S2022H)





I. Grain Futures Closes, Changes & Market Carry on Monday, February 7, 2022

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo
Mar ^L 22	\$6.32	↓ \$0.03 ¼	---	Mar ^L 22	\$15.72 ¼	↓ \$0.09 ½	---	Mar ^L 22	\$7.81 ½	↓ \$0.10 ¼	---
May 22	\$6.33 ½	↓ \$0.03 ¼	\$0.0075	May 22	\$15.76 ¼	↓ \$0.10	\$0.02	May 22	\$7.85	↓ \$0.11	\$0.01875
July 22	\$6.29 ¾	↓ \$0.04	No Carry	July 22	\$15.71 ¼	↓ \$0.08 ¾	No Carry	July ^H 22	\$7.87 ¾	↓ \$0.10 ¼	\$0.01
Sept 22	\$5.92 ¾	↓ \$0.02 ¾	No Carry	Aug 22	\$15.33 ¾	↓ \$0.07	No Carry	Sept 22	\$7.91	↓ \$0.11	\$0.02125
Dec ^H 22	\$5.78 ¾	↓ \$0.02 ¼	No Carry	Sep 22	\$14.56 ¼	↓ \$0.04 ¾	No Carry	Dec 22	\$7.99 ¾	↓ \$0.10 ¼	\$0.02833
Mar 23	\$5.85 ½	↓ \$0.02 ½	\$0.0225	Nov ^H 22	\$14.13 ¼	↓ \$0.02 ¾	No Carry	Mar 23	\$8.14	↑ \$0.08 ¾	\$0.01167
May 23	\$5.87	↓ \$0.03	\$0.0075	Jan 23	\$14.09 ½	↓ \$0.03	No Carry	May 23	\$8.07 ¼	↑ \$0.08 ¾	No Carry
July 23	\$5.88	↓ \$0.01 ½	\$0.0050	Mar 23	\$13.84 ½	↓ \$0.02 ¾	No Carry	July 23	\$7.73 ¾	↓ \$0.03 ½	No Carry

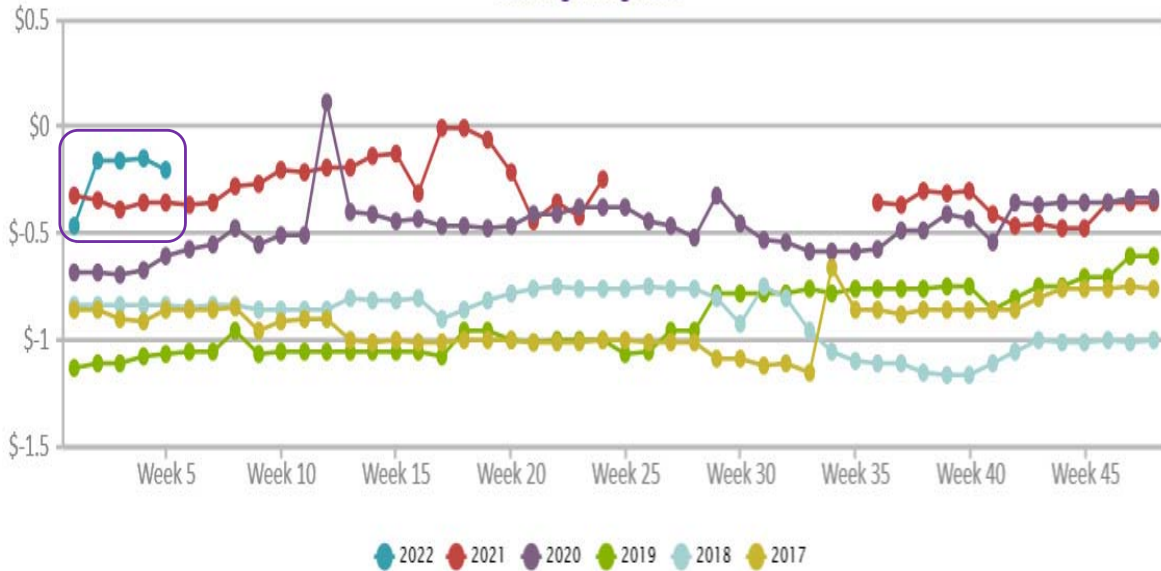
2022 Soybean / Corn Price Ratios:

a) CME MAR²⁰²² Soybeans (\$15.72 ¼) / CME MAR²⁰²² Corn (\$6.32) = 2.49

b) CME NOV²⁰²² Soybeans (\$14.13 ¼) / CME DEC²⁰²² Corn (\$5.78 ¾) = 2.44

HUTCHINSON, KS: Soybeans Basis - CARGILL

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Kansas Cash & Futures Prices

Date							
2/7/2022							
Grain Futures Contracts		Closing \$					
MAR 2022 Soybeans (Lead Contract)		\$15.7300					
NOV 2022 Soybeans (2022 Harvest Contract)		\$14.0875					
2/7/2022		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 ^{Area}	
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS	
Soybean Spot Cash\$	\$14.93	\$15.36	\$15.47	\$14.97	\$15.43	\$15.28	
<i>Soybean Spot Cash Basis</i>	(\$0.80)	(\$0.37)	(\$0.26)	(\$0.76)	(\$0.30)	(\$0.45)	
Soybean Harvest FC\$: Fall²⁰²²	\$13.20	\$13.54	\$13.49	\$13.13	\$13.28	\$13.38	
<i>Soybean Harvest FC\$ Basis</i>	(\$0.89)	(\$0.55)	(\$0.60)	(\$0.96)	(\$0.81)	(\$0.71)	
Non-irrigated Cost of Production ^{KSU}	\$10.05 ^{25 bu}	\$8.10 ^{41 bu}	\$8.85 ^{45 bu}	\$10.74 ^{25 bu}	\$8.33 ^{31 bu}	\$9.03 ^{35 bu}	
Irrigated Cost of Production ^{KSU}	\$9.74 ^{75 bu}	\$8.75 ^{75 bu}		\$9.14 ^{75 bu}	\$8.42 ^{75 bu}		

Kansas Cash & Futures Prices						
Date						
2/7/2022						
Grain Futures Contracts	Closing \$					
MAR 2022 Corn ^(Lead contract)	\$6.3200					
DEC 2022 Corn ^(2022 Harvest Contract)	\$5.7825					
2/7/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
<i>Representing the highest bids available at each location</i>						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$6.52	\$6.47	\$6.37	\$6.79	\$6.67	\$6.27
<i>Corn Spot Cash Basis</i>	<i>\$0.20</i>	<i>\$0.15</i>	<i>\$0.05</i>	<i>\$0.47</i>	<i>\$0.35</i>	<i>(\$0.05)</i>
Corn Harvest FC\$: Fall ²⁰²²	\$5.63	\$5.54	\$5.49	\$5.99	\$5.66	\$5.54
<i>Corn Harvest FC\$ Basis</i>	<i>(\$0.15)</i>	<i>(\$0.24)</i>	<i>(\$0.29)</i>	<i>\$0.21</i>	<i>(\$0.12)</i>	<i>(\$0.24)</i>
Grain Sorghum Spot Cash\$	\$6.57	\$6.92	\$6.87	\$6.49	\$6.62	\$6.27
<i>Sorghum Spot Cash Basis</i>	<i>\$0.25</i>	<i>\$0.60</i>	<i>\$0.55</i>	<i>\$0.17</i>	<i>\$0.30</i>	<i>(\$0.05)</i>
Grain Sorghum Harvest FC\$: Fall ²⁰²²	\$5.73	\$5.79	\$5.19	\$5.44	\$5.49	\$5.39
<i>Sorghum Harvest FC\$ Basis</i>	<i>(\$0.05)</i>	<i>\$0.01</i>	<i>(\$0.59)</i>	<i>(\$0.34)</i>	<i>(\$0.29)</i>	<i>(\$0.39)</i>

Kansas Cash & Futures Prices						
Date						
2/7/2022						
Grain Futures Contracts	Closing \$					
MAR 2022 KC HRW Wheat ^(Lead Contract)	\$7.8500					
JULY 2022 KC HRW Wheat ^(Harvest Contract)	\$7.9125					
2/7/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
<i>Representing the highest bids available at each location</i>						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
KC HRW Wheat Spot Cash\$	\$7.60	\$7.85	\$7.85	\$7.80	\$7.84	\$7.40
<i>HRW Wheat Spot Cash Basis</i>	<i>(\$0.25)</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>(\$0.05)</i>	<i>(\$0.01)</i>	<i>(\$0.45)</i>
KC HRW Wheat FC\$ - Harvest ²⁰²²	\$7.56	\$7.56	\$7.74	\$7.62	\$7.63	\$7.52
<i>HRW Wheat Harvest FC\$ Basis</i>	<i>(\$0.35)</i>	<i>(\$0.35)</i>	<i>(\$0.17)</i>	<i>(\$0.29)</i>	<i>(\$0.28)</i>	<i>(\$0.39)</i>

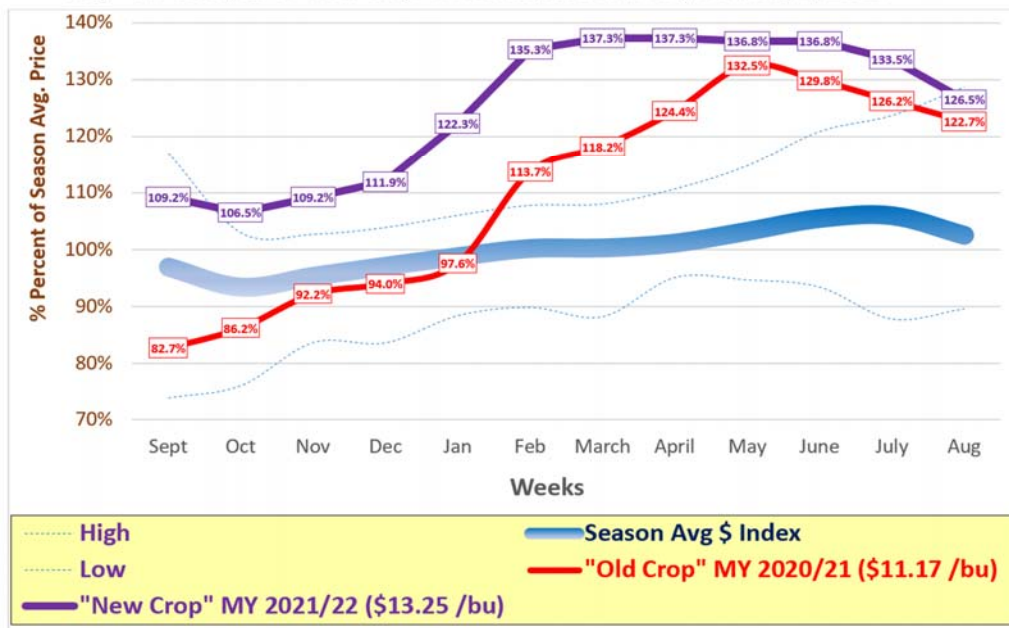
2022 Soybean Markets – Late January²⁰²²



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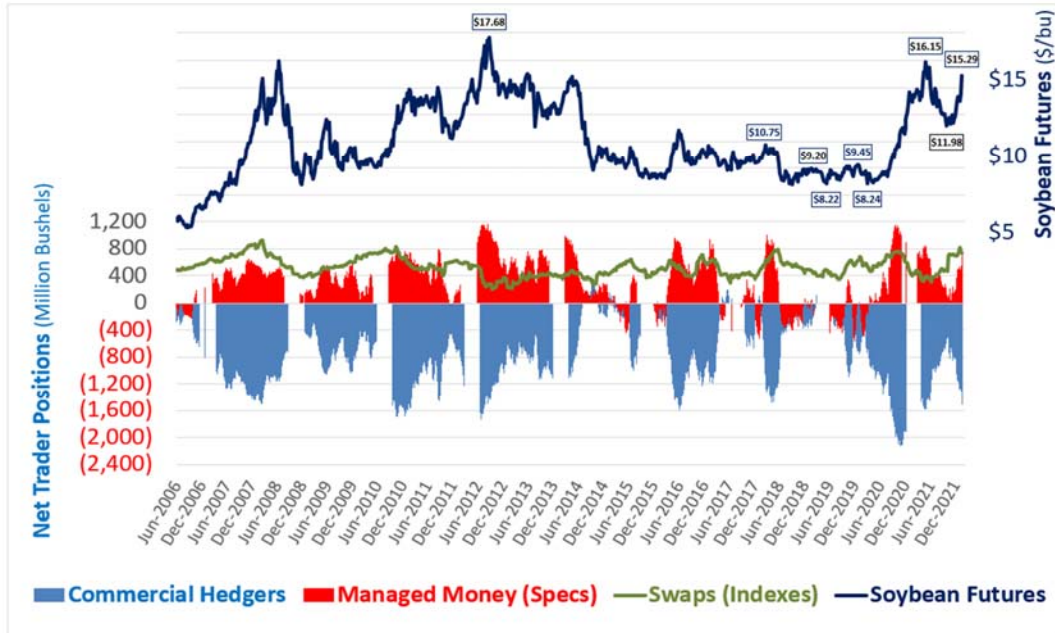
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Kansas Soybean Seasonal Prices: MY 1999/00 – MY 2020/21 + “Old Crop” MY 2020/21 & “New Crop” MY 2021/22 Estimates, February 7, 2022



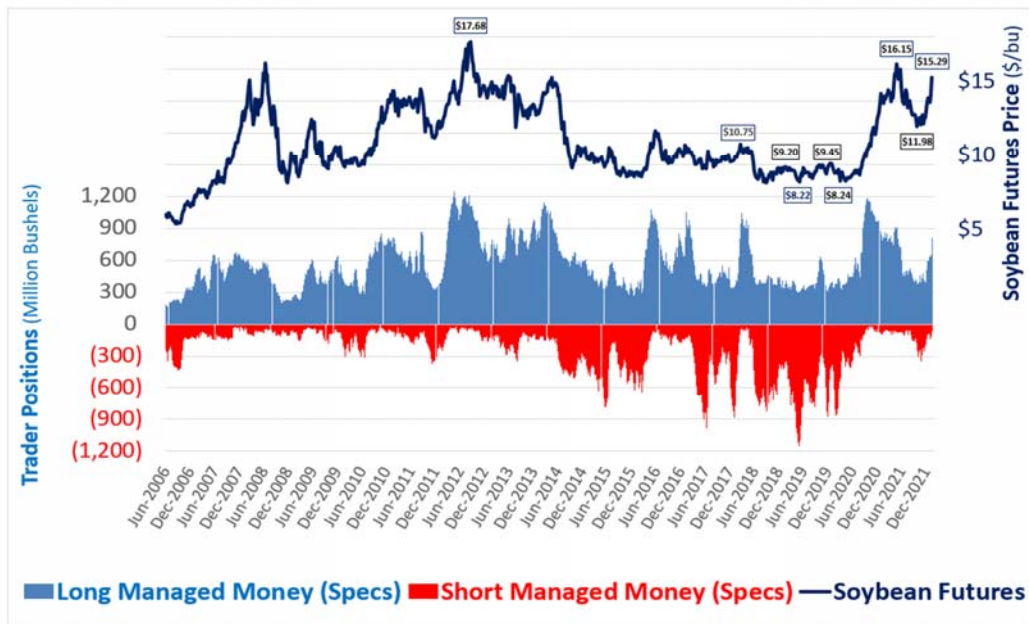
Net Position of Traders for CME SOYBEANS with Futures:

June 2006 – February 1, 2022 (Weekly CFTC Position of Trader Data) + February 3, 2022 MAR²⁰²² Soybean Futures



CME SOYBEANS Managed Money Traders (Specs) Long/Short Positions w.

Futures \$'s: June 2006 – Feb. 1, 2022 (Weekly CFTC Position of Trader Data) + Feb. 3, 2022 MAR²⁰²² Soybeans



2022 Soybean Market “Drivers”

1) U.S. Economy

- A relatively strong U.S. GDP, but fears of inflation causing a recession

2019 Corn Market “Drivers”

1) U.S. Economy

- A relatively strong U.S. GDP, but fears of inflation causing a recession

2) 2022 South America Crop Production Prospects

- “Dry” in Argentina & Southern Brazil - ↓ Soybean Production, ??? wrt Corn (1st vs 2nd Crop)

Monthly Crop Calendar for Soybeans

	Plant		Bloom		Harvest							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ukraine				P P	P P			H H	H H			
EU				P P	P P				H H	H H		
Russia				P P	P P				H H	H H	H H	H H
US					P P P		B B	B		H H	H H	H H
China					P P P P				H H	H H	H H	
Canada					P P P P		B B	B B		H H	H H	H H
Indonesia					P P P P	P P P		H H	H H	H H	H H	
Mexico	H H	H H			P P P P	P P P P	P P P P	P P P P	P P P P	H H	H H	H H
India						P P P P	P P P P				H H	H H
Paraguay	H H	H H	H H	H H	H H	H H	H H			P P P P	P P P P	P P P P
Brazil	H H	H H	H H	H H	H H	H H					P P P P	P P P P
Argentina	P	B B			H H	H H	H H					P P P P
South Africa		H H	H H									P P P P

Sources: USDA, AMIS, & CHS, Inc.



Monthly Crop Calendar for Corn

	Plant		Silk		Harvest								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
EU	H H	H H					P P	P P				H H	H H
US	H H	H H					P P	P P		S S	S		H
Mexico Summer	H H	H H	H H	H H	H H	H H		P P P P	P P P P	P P P P	P P P P		
Ukraine	H H	H H						P P P			S S		H
Russia	H H	H H						P P			S S	S	
China	H H							P P P P					H H
Indonesia Dry Region	H H							P P P P	P P P P	P P P P	H H	H H	H H
Philippines Main			P P	P P	P P	H H	H H	P P P P	P P P P	P P P P	H H	H H	H H
Canada	H H	H H						P P P P	P P P P	S S	S S	S	H
India	H H	H H	H H	H H	H H				P P P P	P P P P	P P P P	P P P P	
Brazil 1st crop	P P P P	P P P P	P P P P	H H	H H	H H	H H	H H				P P P P	P P P P
Argentina	P P P P		S S	S S		H H	H H	H H					P P P P
Philippines 2nd Crop	P P P P	P P P P	H H	H H	H H	H H							P P P P
South Africa	P P P P	P P P P	P P P P	S S	S S			H H	H H	H H	H H	H H	
Mexico Winter				P P	P P	P P		H H	H H	H H	H H	H H	
Brazil 2nd crop				P P	P P	P P		H H	H H	H H	H H	H H	
Indonesia Rainy Region	H H	H H	H H				P P P P	P P P P					
Nigeria							P P P P	P P P P	P P P P	H H	H H	H H	H H

Sources: USDA, AMIS, and CHS, Inc. locations

**Production estimates are in million metric tons and come from the FAS/USDA's most recent monthly World Agricultural Production report.

***Production estimates are for ALL CORN. Numbers will be listed next to the variety that comes first in the chart.

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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

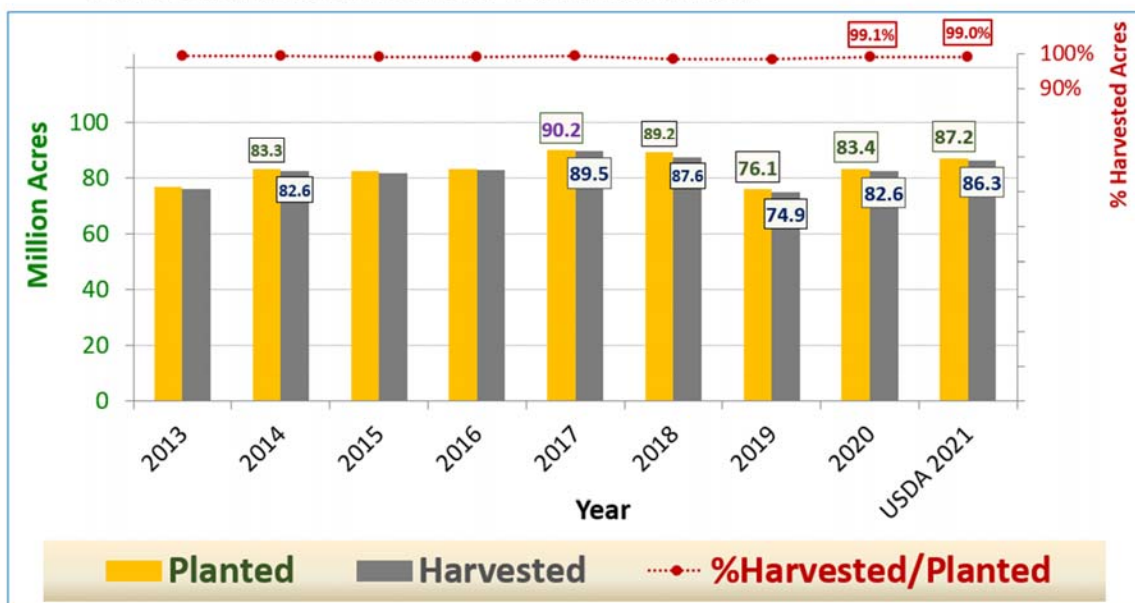
- “Dry” in Argentina & Southern Brazil - ↓ Soybeans, ??? Corn (1st vs 2nd Crop)

3) 2022 U.S. Soybean Acres

- Market “Narrative” ⇒ U.S. Soybean Acres UP 2 to 3 mln acres+
- **BUT** South America, U.S.-China, & fertilizer issues may affect that

U.S. Soybean Planted & Harvested Acreage: Years 2013-2021

as of the January 12, 2022 USDA NASS Crop Production Report



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

- **High Soybean Crush**

- “Strong” soy crushings use @ 2.190 bb (vs 2.141 bb & 2.165 bb last 2 years)

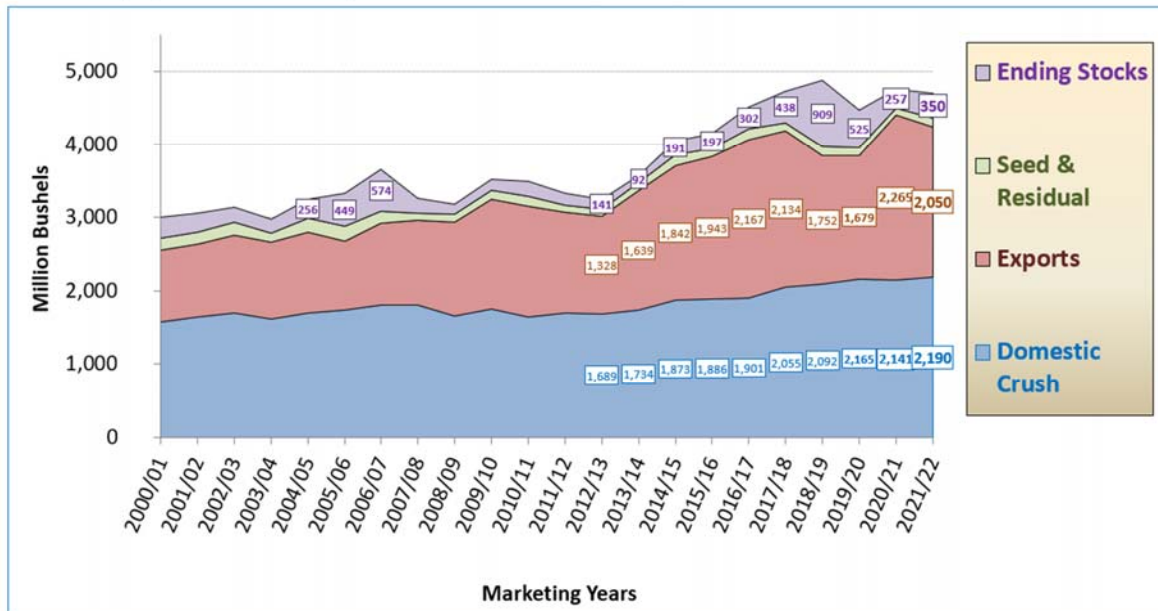
- **U.S. Exports @ 2.050 bb^{USDA}** (vs 2.265 bb & 1.679 bb last 2 years)

- **Total Use @ 4.357 bb** (vs 4.504 bb & 3.952 bb last 2 years)



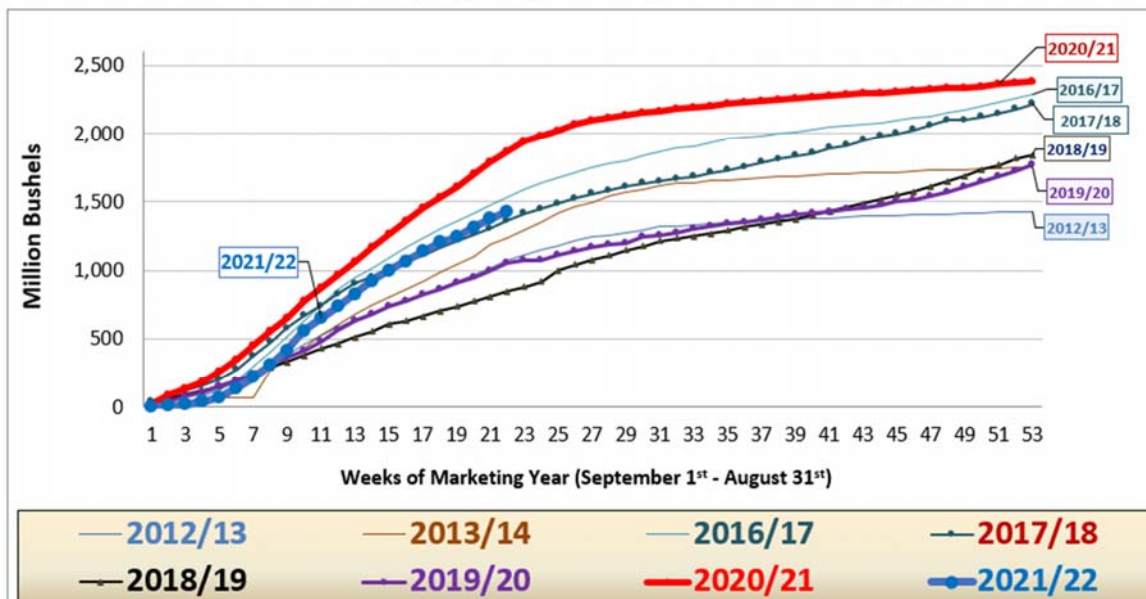
U.S. Soybean Use & Ending Stocks: MY 2000/01 – “New Crop” MY 2021/22, as of the

January 12, 2022 USDA WASDE Report



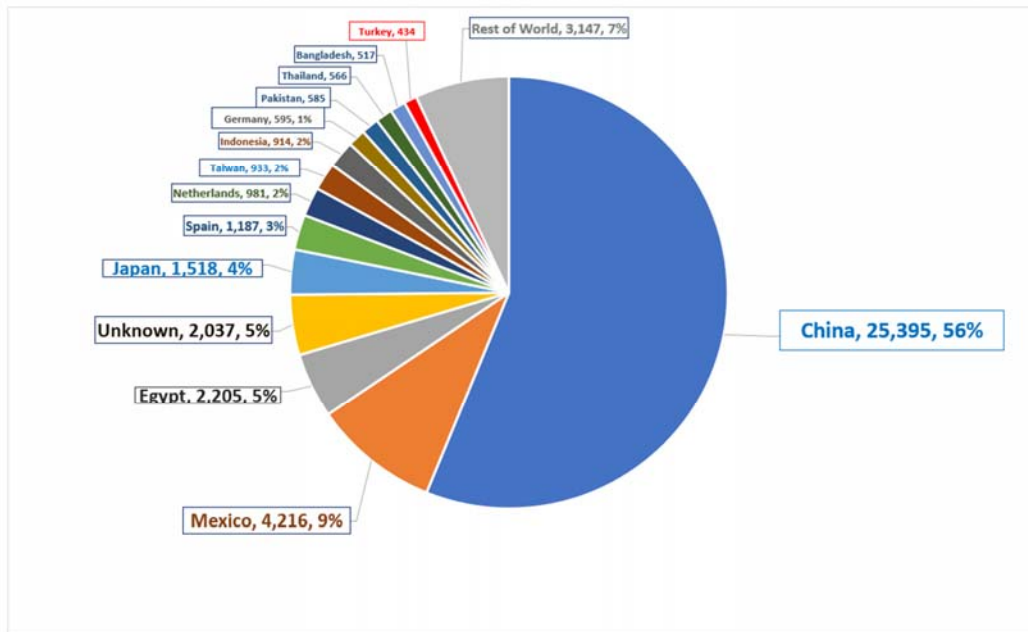
U.S. Soybean Exports: MY 2012/13 & MY 2016/17 - “New Crop” MY 2021/22

as of recent USDA FAS Weekly Export reports through the week of January 27, 2022



Top U.S. Soybean Export Buyers: “New Crop” MY 2021/22 through January 27, 2022 –

source: USDA U.S. Export Shipments data & Sales (1,000 mt); September 1, 2021 – August 31, 2022 Marketing Year (1,000 metric tons)



5) “Moderate” U.S. Soybean Stocks & % Ending Stocks-to-Use

- 350 bb @ 8.03% Stocks/Use in “Current” MY 2021/22

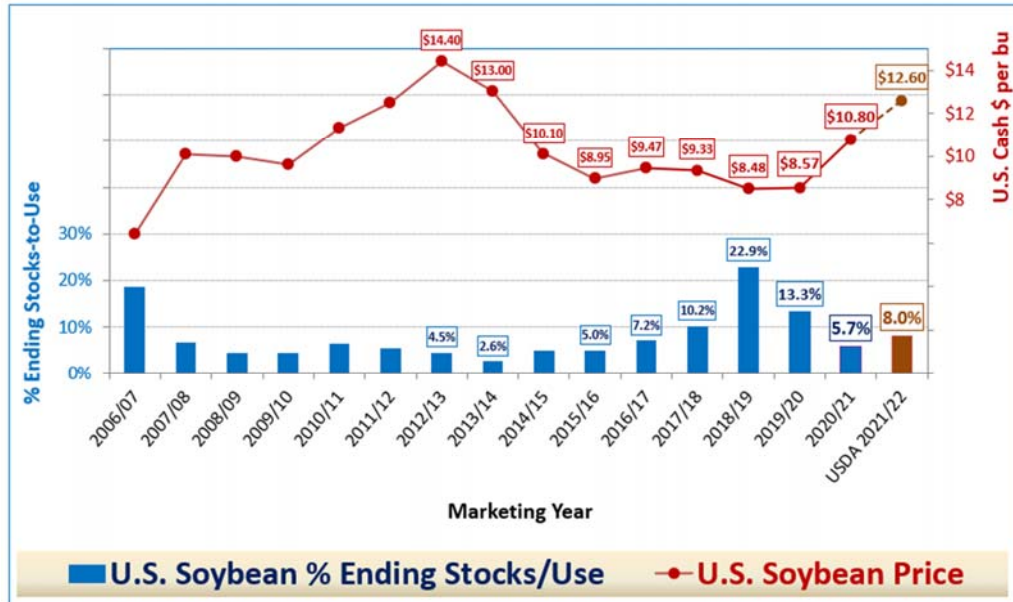
Q? Impact of +/- 100 mb U.S. soybean ending stocks?

- 250 bb vs 450 bb U.S. Soybean ending stocks
 - ≤ 6% S/U vs ≥ 10% S/U

❖ **Significant** +/- Soybean price effects

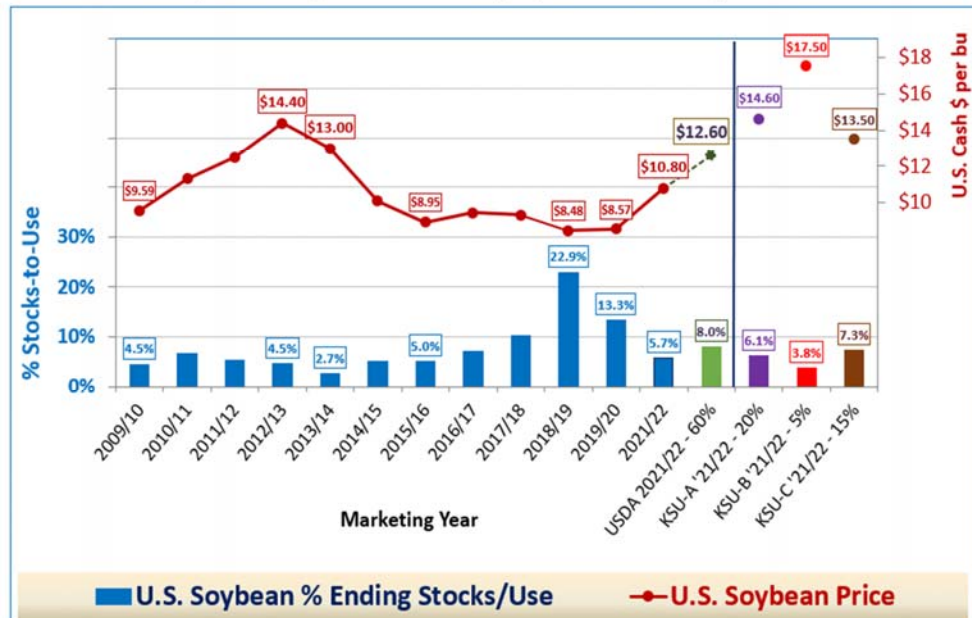
U.S. Soybean % Stocks/Use vs U.S. Cash Prices:

MY 2006/07 – “New Crop” MY 2021/22 as of the January 12, 2022 USDA WASDE Report



U.S. Soybean % Stocks/Use vs U.S. Cash Prices: MY 2009/10

– “New Crop” MY 2021/22 as of the January 12, 2022 USDA WASDE, with KSU forecast scenarios



6) U.S. Soybean Price Outlook ^{USDA}

- \$10.80 /bu in “Old Crop” MY 2020/21
- \$12.60 /bu in “Current Crop” MY 2021/22 (+\$1.80 /bu vs “old crop”)
- **USDA^{2021/22} January 12, 2022 WASDE Report U.S. numbers**
 - Record Yields = **51.4 bu/ac**
 - Sizable Crop @ **4.435 bb** U.S. production (vs 4.751 bb last year)
 - Strong Use @ **4.357 bb** (vs 4.504 bb last year)
 - Ending Stocks @ **350 bb End Stocks** (257 bb & 525 bb last 2 years)
 - % Ending Stocks-to-Use @ **8.03%** (5.71% & 13.28% last 2 years)

U.S. Soybean Production & Total Supplies: MY 2010/11 thru

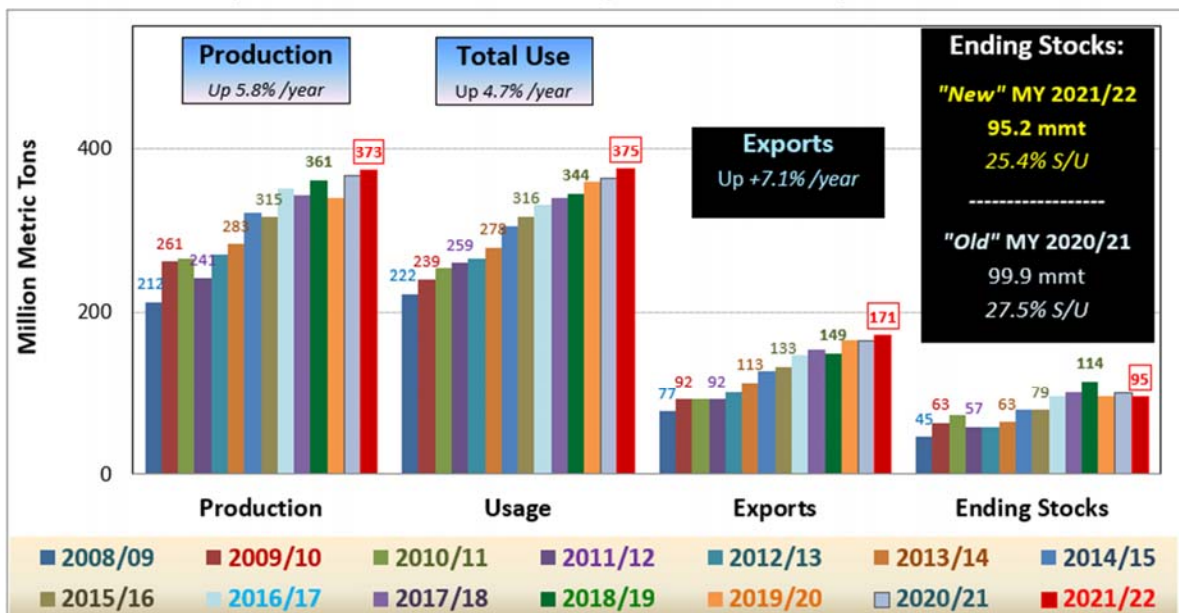
Projected “New Crop” MY 2021/22 as of the January 12, 2021 USDA WASDE Report



7) "Other" Market Factors

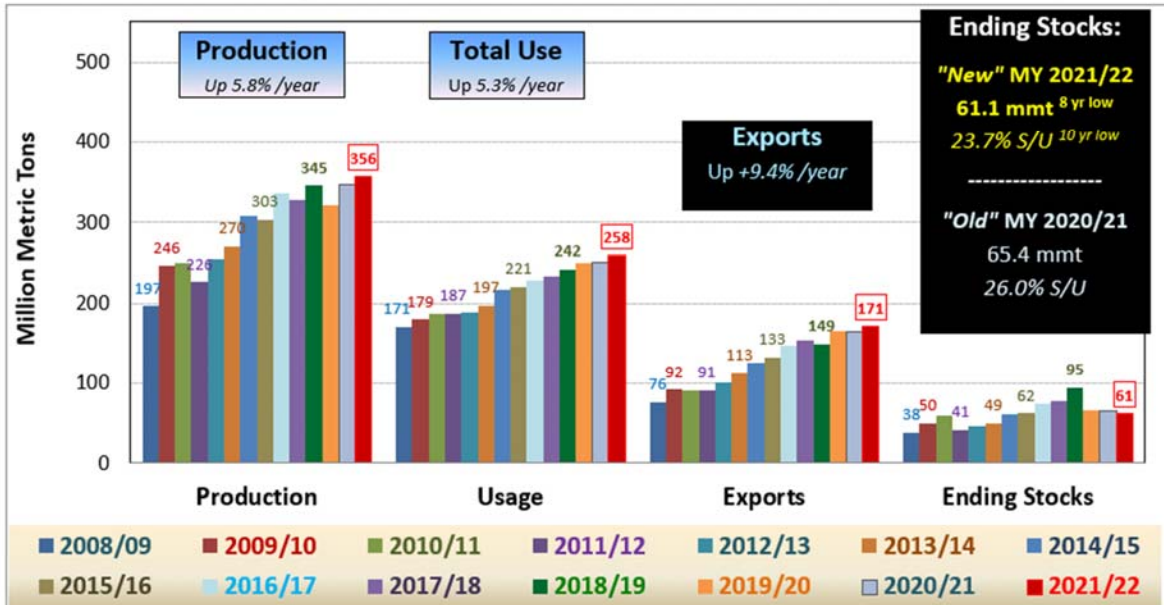
- "Moderate" U.S. Grain Sorghum Exports ⇒ "paced" China demand
- Inflation in crop production costs, especially for fertilizer
 - Key Question: IF less fertilizer applied to crop acres, THEN will it impact final 2022 production?
- Other Broad Market Factors
 - Potential for **geopolitical problems**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

World Soybean Usage & Ending Stocks: MY 2008/09 through "New Crop" MY 2021/22 as of the January 12, 2022 WASDE Report



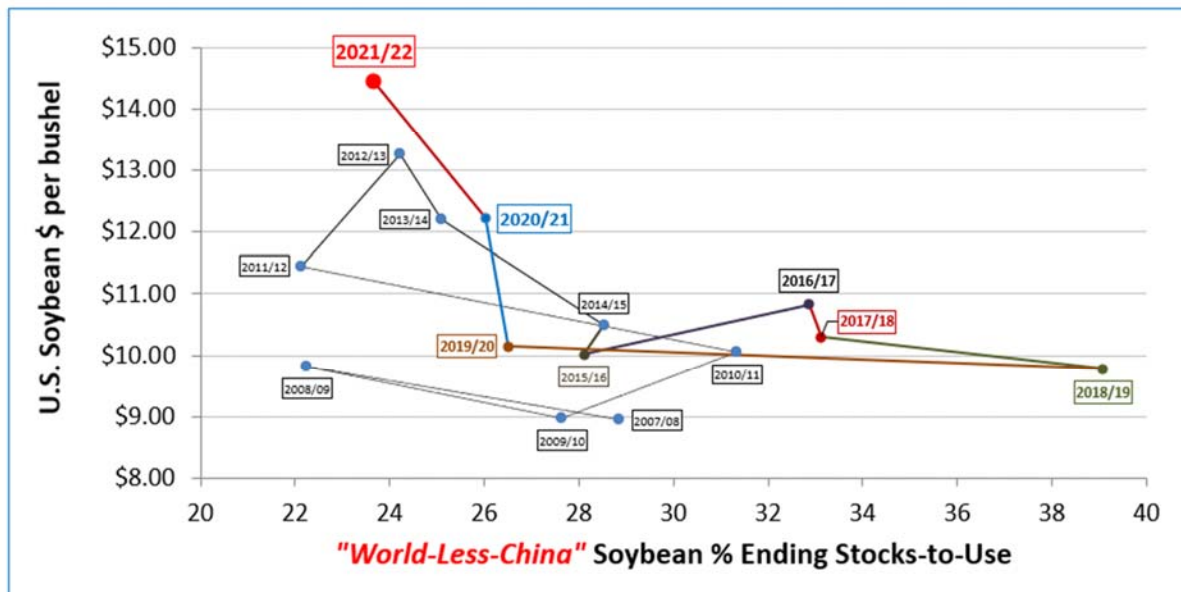
"World-Less-China" Soybean Usage & Ending Stocks:

MY 2008/09 through "New Crop" MY 2021/22 as of the January 12, 2022 WASDE Report



U.S. Soybean \$^{USD}\$ Adj vs "World Less-China" % Stocks-to-Use:

MY 2007/08 through "New Crop" MY 2021/22 as of the January 12, 2022 WASDE Report



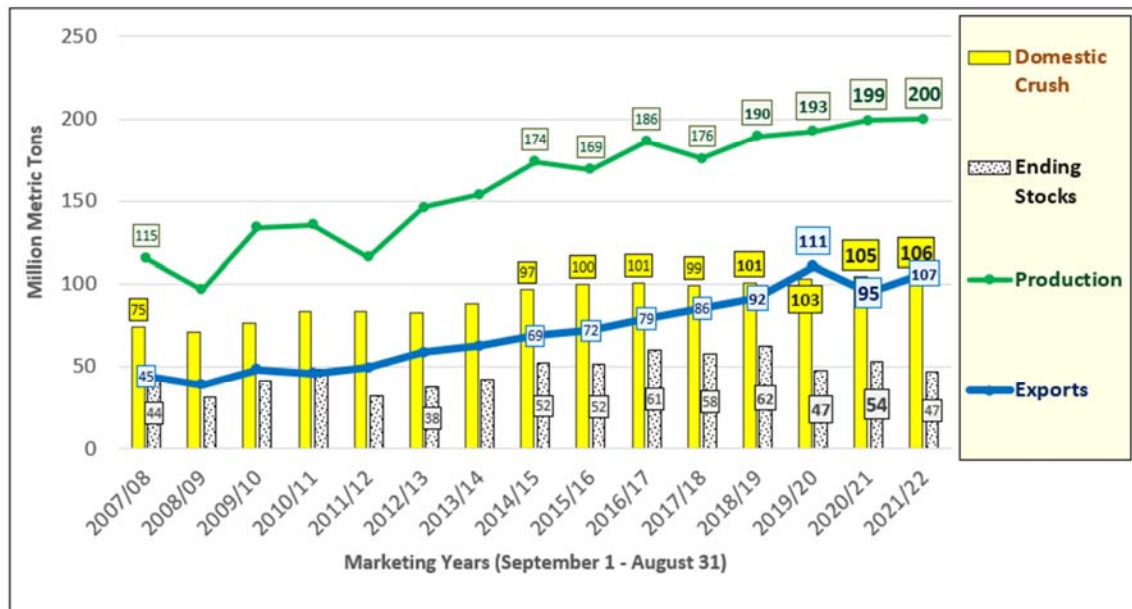
World Soybean Supply-Demand Trends: MY 2007/08 – “New”

MY 2021/22 as of the January 12, 2022 USDA WASDE Report

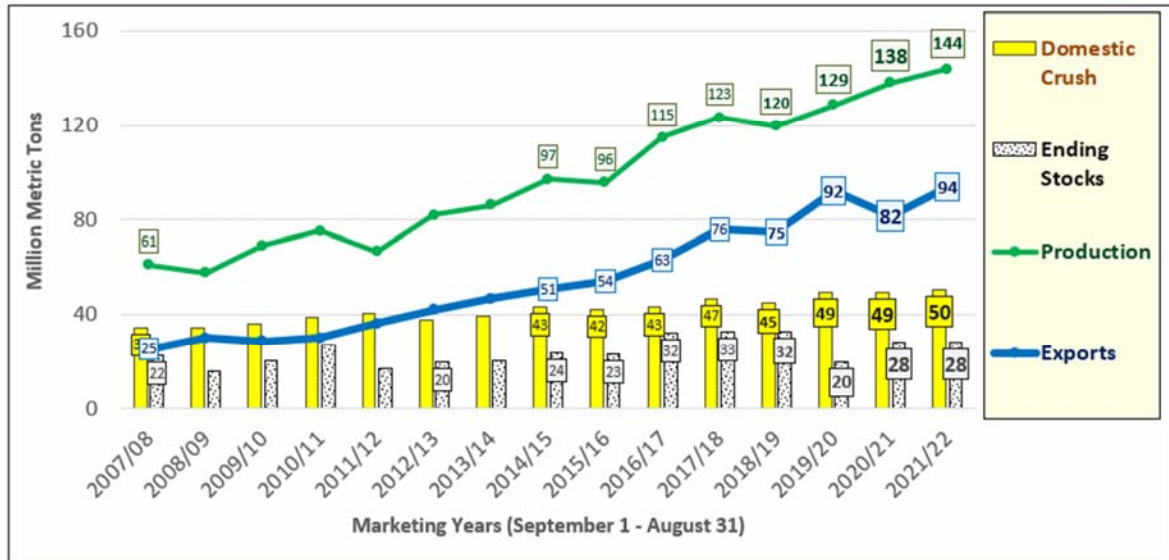


South America Soybean Supply-Demand Trends: MY

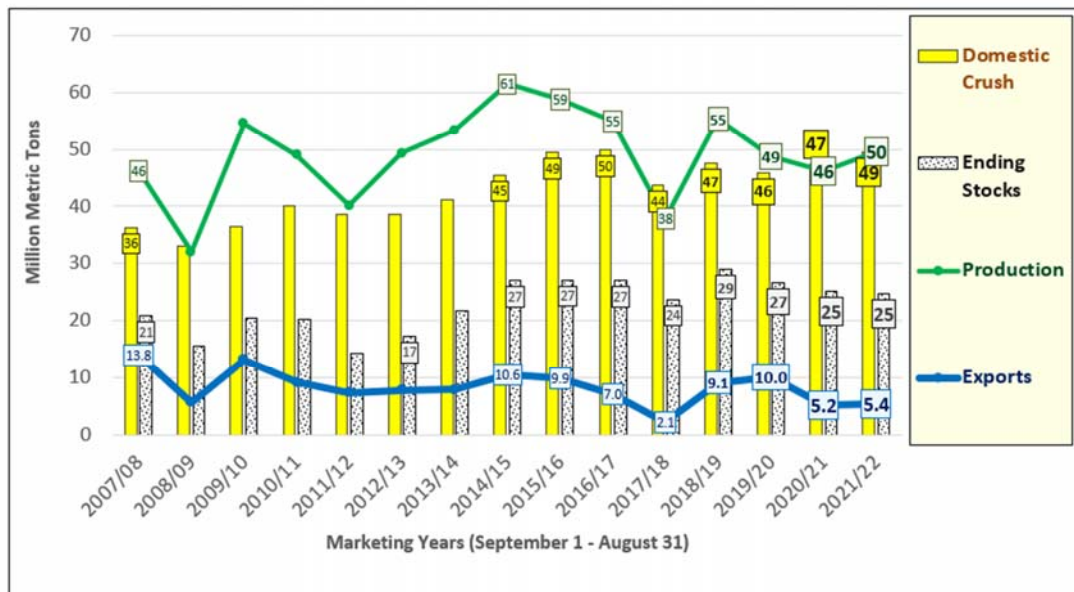
2007/08 – “New” MY 2021/22 as of the January 12, 2022 USDA WASDE Report



Brazil Soybean Supply-Demand Trends: MY 2007/08 – “New” MY 2021/22 as of the January 12, 2022 USDA WASDE Report



Argentina Soybean Supply-Demand Trends: MY 2007/08 – “New” MY 2021/22 as of the January 12, 2022 USDA WASDE Report



China Soybean Supply-Demand Trends: MY 2007/08 – “New Crop” MY 2021/22 as of the January 12, 2022 USDA WASDE Report



World vs % “World Less-China” Soybean Stocks-to-Use

MY 1992/93 through “New Crop” MY 2021/22, as of the January 12, 2022 USDA WASDE report.



2022 Soybean Markets – Early-Mid April 2022

Key Soy Market Factors to Watch in April 2022

- 1) **If Brazil remains dry & impacts soybean crop**
- 2) **U.S. Soybean Export & Supply-Demand prospects**
 - ✓ U.S. vs China Trade Status
 - ✓ U.S. Planted Acres of Soybeans vs Corn?
- 3) **Domestic Soybean Usage Issues**
 - ✓ Soybean Crush to retain strength? (Soyoil demand?)
 - ✓ Exports are a “Wild Card” – watch the South America crop & Chinese market interactions



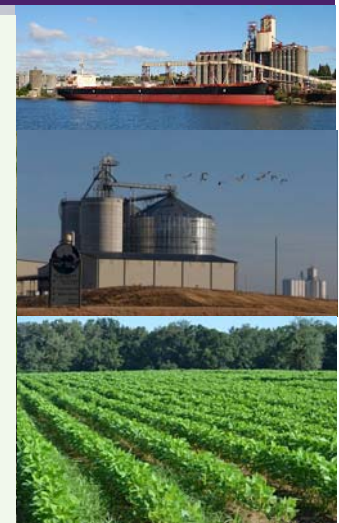
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2022 Soybean Markets – Early-Mid May 2022

Key Soy Market Factors to Watch in May 2022

- 1) **More accurate view of South America soybean crop**
- 2) **U.S. Corn Planting underway w. Soybeans following**
 - ✓ Planting problems would support market (“early” for panic)
 - ✓ U.S. Soybean vs Corn Plantings still affecting market
- 3) **Domestic Corn Usage Issues**
 - ✓ Soy Crush & export use (“Show us” the soybean use!)
- 4) **“Decision” time for New Crop Soy Market Direction**



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2022 Soybean Markets – Early-Mid July 2022

Key Soy Market Factors to Watch in July 2022

1) 2022 U.S. Crop Prospects are the Soy market focus

2) Brazil Soybean Crop #'s mostly Known

✓ Whether “large” or not will affect U.S. soybean exports & \$s

3) U.S. August soy development is time for “Volatility”

✓ “Shifting” *Up/Down* market narratives based on weather

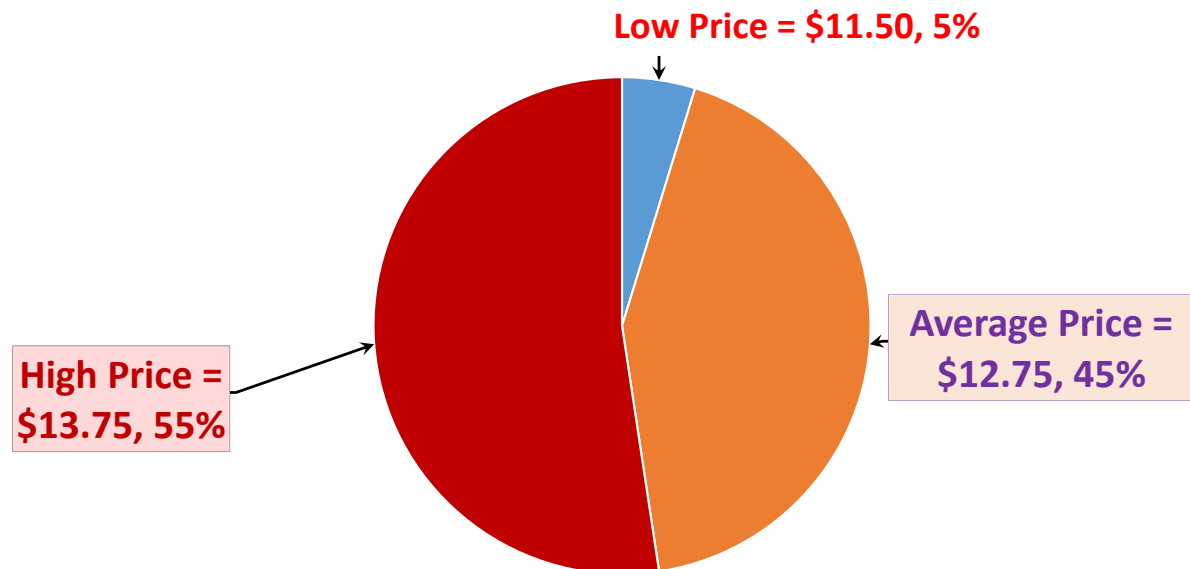
✓ Battle of the “*Bulls vs Bears*” pre-August USDA 2022 report

4) Futures may *fall* on 2022 prospects while Basis may *narrow* to finish up “Old Crop” MY 2021/22 usage



Anticipating the likely
Soybean Market Price Outcome
by November 1, 2022

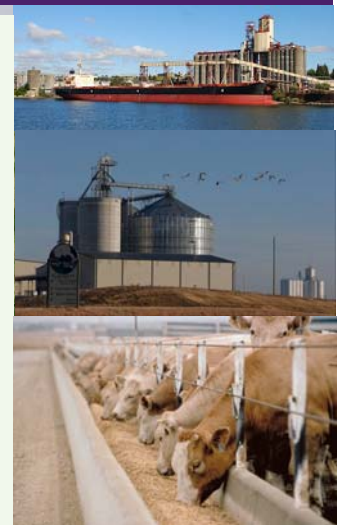
Fall 2022 Corn Market Price Possibilities



2022 Soybean Markets – Early November 2022

“Large” Stocks Scenario in 2022 (15% prob.)

- 1) 2022 U.S. Soybean production of ≈ 4.5 billion bu.
- 2) “New Crop” 2022/23 Ending Stocks ≈ 450 mln. bu
 - ✓ % Ending Stocks-to-Use $\geq 10\%$
- 3) “Growing” U.S. Soybean Supplies – a “Buyer’s Mkt”
 - ✓ Low prices supporting U.S. soybean use (a “silver lining!”)
 - ✓ Stronger U.S. soy exports would result (some now & later!)
- 4) Futures fall @ \$11.50 – **BUT** some farmers delay sales to force market *net* returns to post-harvest storage



2022 Soybean Markets – Early November 2022

“Average” Stocks Scenario in 2022 (50% prob.)

- 1) **2022 U.S. Soy production of \approx 4.20-4.30 bln. bu.**
- 2) **“New Crop” 2022/23 End Stocks \approx 350 bln. bu**
 - ✓ % Ending Stocks-to-Use \approx 8%-9% S/U
- 3) **“OK-Not Tight” U.S. Soy Supplies – a “Neutral Mkt”**
 - ✓ “Moderate/Lower” Soy \$ - “Good-Healthy” soybean use
 - ✓ U.S. soy exports varying on 2022 South America crop size
- 4) **Futures moderate @ \$12.75 in November 2022 –**
Reflecting lower risk & uncertainty in the Soybean market



2022 Soybean Markets – Early November 2022

“Tight” Stocks Scenario in 2022 (35% prob.)

- 1) **2022 U.S. Soy production of $<$ 4.20 bln. bu.**
- 2) **“New Crop” 2022/23 End Stocks $<$ 250 mln. bu**
 - ✓ % Ending Stocks-to-Use $<$ 6%
- 3) **“Tight” U.S. Soybean Supplies – a “Seller’s Market”**
 - ✓ “High” Soybean prices\$ - “Rationing” Soybean usage
 - ✓ IF small 2022 South America crop, then drives \$’s higher
- 4) **Futures rise @ \$13.75 in November –** Reflecting impact of a smaller U.S. crop & tight World S/U



