



# Notes and Observations in International Commodity Markets

24<sup>th</sup> March 2023

by Guy H. Allen – Senior Economist, International Grains Program, Kansas State University

For timely market news and quotes see IGP Market Information Website:

<http://www.dtnigp.com/>

Find me on Twitter @igpguy1

KSU Ag Manager Link: <https://www.agmanager.info/grain-marketing/grain-market-outlook-newsletter/notes-and-observations-international-commodity>

KSU Agriculture Today Link – For grain market update, world grain supply and demand reports, and other ag news: <https://agtodayksu.libsyn.com/>

GHA - News and information noted below are articles of Interest and gathered from numerous sources. This news and information do not reflect the opinions of KSU-IGP but are provided as matter of interest.

## Contents

- Ukraine Farmers Plant Even Less Grain for Second Wartime Harvest..... 3
- U.S. DOLLAR & FOREIGN EXCHANGE ..... 5
  - Fed hikes Interest Rates ¼% to 4.75 – 5.00%..... 5
  - U.S. Economic Strength And Bank Turmoil Boost The Dollar..... 5
- WHEAT ..... 6
  - USDA – World Wheat..... 6
  - IGC – World Wheat Supply & Demand..... 6
  - Damaged India Wheat Crop Could Drive Food Prices Higher ..... 8
  - USDA – U.S. Wheat..... 9
  - CME CBOT Wheat Futures – Daily Nearby ..... 9
  - U.S. Export SRW Wheat Values – Friday 24<sup>th</sup> March 2023 ..... 10
  - CME KC HRW Wheat Futures – Daily Nearby ..... 10
  - U.S. Export HRW Wheat Values – Friday 24<sup>th</sup> March 2023 ..... 10
  - MGE HRS Wheat Futures – Daily Nearby ..... 11
- COARSE GRAINS..... 12
  - IGC – World Total Grains Supply & Demand..... 12
- CORN ..... 13
  - USDA – World Corn..... 13
  - IGC – World Total Grains Supply & Demand..... 13
  - Why is China Buying So Much U.S. Corn Right Now? ..... 14
  - USDA – U.S. Corn..... 15
  - CME CBOT Corn Futures – Nearby Daily ..... 15
  - U.S. Export Corn Values – Friday 24<sup>th</sup> March 2023 ..... 15
- BARLEY..... 16
  - USDA – World Barley ..... 16

- IGC – World Barley Supply & Demand ..... 16
- GRAIN SORGHUM ..... 20
  - USDA – World Grain Sorghum ..... 20
  - IGC – World Grain Sorghum Supply & Demand ..... 20
  - USDA – U.S. Grain Sorghum ..... 22
  - U.S. Export Grain Sorghum Corn Values – Friday 24<sup>th</sup> March 2023 ..... 22
- OATS..... 23
  - USDA – World Oats ..... 23
  - IGC – World Oats Supply & Demand ..... 23
- OILSEEDS COMPLEX ..... 25
  - Ukraine plantings expect big jump in oilseeds, while grains contract ..... 25
  - Ukraine new 2022/23 forecast: soybean harvest to exceed 4 mmts ..... 25
  - USDA attaché sees China 2023/24 soybean imports rising to 97 mmts..... 25
  - China’s soybean crush breaks 4-week decline, rises to 1.53 mmts ..... 25
  - China’s soybean crush falls on low bean stocks, high meal inventory ..... 26
  - China to buy more homegrown soybeans for reserves..... 26
  - EU 2022/23 soybean imports reach 8.45 mmts, rapeseed 5.87 mmts..... 26
- SOYBEANS ..... 27
  - USDA – World Soybean ..... 27
  - IGC Soybean Supply & Demand – March 23 ..... 27
  - USDA – Brazil Soybeans..... 28
  - Brazil 2022/2023 soybean crop forecast raised to 155 mmts ..... 28
  - Brazil’s soybean harvest at 62.5%, safrinha sowing at 85.1%: Conab ..... 28
  - USDA – Argentina Soybeans..... 29
  - Argentina exchange soy outlooks steady, but early yields disappoint..... 29
  - Argentina exchange sees 2022/23 soy imports up 139% due to drought .... 29
  - Argentine Soybean Crushers in "Crisis Mode" ..... 30
  - Brazil to benefit the most from Argentina's soybean crop losses..... 30
  - USDA – U.S. Soybeans ..... 32
  - CME CBOT Soybeans Futures – Nearby Daily..... 32
  - New-crop CBOT soybeans notch longest losing streak in over 50 years .... 32
- CANOLA / RAPESEED ..... 34
  - USDA – World Rapeseed ..... 34
  - Pakistani farmers trained for hybrid canola cultivation..... 34
  - IGC Canola / Rapeseed Supply & Demand – March 23 ..... 34
  - Russian Cabinet bans rapeseed export until August 31 - decree..... 36
  - ICE Canadian Canola Futures – Daily Nearby..... 37
- SUNFLOWERS ..... 38
  - USDA – World Sunflower Seed ..... 38
  - IGC Sunflowerseed Supply & Demand – March 23 ..... 38

<b>VEGETABLE OILS</b> .....	39
➤ <b>USDA – World Soybean Oil</b> .....	39
➤ <b>Brazil to raise biodiesel mandate to 12% in 2023</b> .....	39
➤ <b>USDA – U.S. Soybean Oil</b> .....	40
➤ <b>Escalating Demand for Soybean Oil Hits Possible Slowdown</b> .....	40
➤ <b>CME Soybean Oil – Nearby Daily</b> .....	41
➤ <b>Soybean Oil Prices – (FOB, US\$/mt) of of the 21<sup>st</sup> of March 2023</b> .....	42
➤ <b>USDA – World Palm Oil</b> .....	42
➤ <b>CME Palm Oil Swaps – Daily Nearby</b> .....	42
➤ <b>Palm oil slips over 3% to five-month low</b> .....	42
<b>PLANT PROTEIN MEALS</b> .....	43
➤ <b>USDA – World Soybean Meal</b> .....	43
➤ <b>IGC Market Focus: Aspects of Global Soybean Meal Trade in 2022/23</b> .....	43
➤ <b>USDA – U.S Soybean Meal</b> .....	46
➤ <b>Fears of a record global soybean harvest, and insufficient demand</b> .....	46
➤ <b>CME CBOT Soybean Meal</b> .....	47
➤ <b>U.S. Export Soybean Meal Values – Friday 24<sup>th</sup> March 2023</b> .....	47
➤ <b>DDG's – Prices turn lower on average</b> .....	47
<b>COTTON</b> .....	48
➤ <b>USDA – World Cotton</b> .....	48
➤ <b>USDA – U.S Cotton</b> .....	48
➤ <b>CME Cotton – Weekly Nearby</b> .....	48
➤ <b>EI Nino seen boosting U.S. cotton output after worst drought in years</b> .....	48
<b>ENERGY &amp; ETHANOL</b> .....	50
➤ <b>CME Ethanol Futures - Nearby Weekly</b> .....	50
➤ <b>U.S. Corn Values delivered Ethanol Plants – Friday 24<sup>th</sup> March 2023</b> .....	50
➤ <b>NYMEX WTI Crude Oil – Daily Cash</b> .....	50
➤ <b>Crude Closes Moderately Lower On Economic Concerns</b> .....	50
➤ <b>NYMEX Natural Gas – Daily Cash</b> .....	51
➤ <b>Nat-Gas Rallies On Partial Reopening Of Freeport Export Terminal</b> .....	51
<b>OTHER MARKETS</b> .....	52
➤ <b>China agrees to resume imports of Brazilian Beef</b> .....	52
➤ <b>Two new vaccines against bird flu effective in Dutch lab</b> .....	52
<b>TRANSPORTATION</b> .....	53
➤ <b>Baltic Dry Freight Index – Daily = 1484</b> .....	53
➤ <b>Baltic Dry Index Marks First Weekly Decline in Five</b> .....	53
➤ <b>Freightos Baltic Index (FBX): Global Container Freight Index</b> .....	53
➤ <b>Freightos West Coast N.A. – China/East Asia Container Index - Daily</b> .....	54
➤ <b>STB Approves Rail Takeover; Ag Groups Cautious</b> .....	54
➤ <b>Illinois River Barge Freight</b> .....	54
<b>LOGISTICS</b> .....	55
➤ <b>STB Approves CP/KCS Merger With Conditions</b> .....	55
<b>GOVERNMENT</b> .....	57
➤ <b>Corn Refiners Association - Trade Update</b> .....	57
➤ <b>Black Sea Grain Initiative Extended for 60 Days</b> .....	58

➤ <b>US-Kenya to Continue Trade Talks in April</b> .....	58
➤ <b>House Ways and Means Delegation Meets with Mexican President</b> .....	58
➤ <b>USA Rice Calls for WTO Dispute Against India</b> .....	59
➤ <b>More Than 400 Groups Ask for More Money for Farm Bill</b> .....	59
➤ <b>Lawmakers Hear Texas-Size Challenges for Next Farm Bill</b> .....	59
➤ <b>WOTUS Takes Effect</b> .....	59
➤ <b>Senators Introduce Bill to Prohibit Land Sales</b> .....	59
➤ <b>Grassley, Klobuchar, Ernst, Duckworth Introduce Next Gen Fuels Act</b> .....	60
➤ <b>Legislators Bring Back Beagle Brigade Act</b> .....	60
➤ <b>Biden Appoints USGC CEO to Trade Policy Advisory Committee</b> .....	60
<b>International Crop &amp; Weather Highlights</b> .....	60
➤ <b>USDA/WAOB Joint Agricultural Weather Facility – 18<sup>th</sup> March 2023</b> .....	61
➤ <b>U.S. Agricultural Weather Highlights – Friday 24<sup>th</sup> March 2023</b> .....	61
<b>References</b> .....	62
➤ <b>Conversion Calculations</b> .....	62
➤ <b>Marketing Years (MY)</b> .....	62
➤ <b>USDA FAS OGA Current Crop Calendar</b> .....	63

## MARKETS MIXED ON FRIDAY IN THE WAKE OF A LENGTHY BEARISH RUN

*After a lengthy bearish run in prices, ag commodities were mixed to firmer on Friday as nearby May corn closed up 11¼ cents with new crop December corn up 8 cents as sales to China remain strong.*

*May soybeans closed up 8¼ cents and new crop November soybeans closed up 15 1/4 cents.*

*May KC wheat closed up 28¼ cents, with May Chicago wheat up 26½ cents and May Minneapolis wheat was up 16¼ cents as a false rumor floated by Reuters Friday morning that Russia was considering a temporary ban on exports of wheat and sunflower oil triggered a burst of short-covering at the end of an otherwise bearish week. Prices which held positive ground even after Reuters later refuted the rumor in a second article. Geo-politics continues to remain the focus on market chatter.*

*Global production remains optimistic, and signs of demand destruction across many of the commodity complexes have the markets on the defense since the end of February.*

*Freight rates were weaker, backing off from a recent run of higher prices.*

*The US Dollar Index bounce higher as well on stronger-than-expected U.S. economic reports.*

*Reminder: the stocks and acreage report is out next Friday. Have a nice weekend!*



# U.S. Net Export Sales 2022/23

Week ended March 16, 2023

(million tonnes)	Trade Estimates	Actual	Year Total (% YOY) (1,000 tonnes)
<b>Wheat</b>	0.14 – 0.55	<b>0.126</b>	17,864 (-5%)
<b>Corn</b>	1.7 – 3.4	<b>3.096</b>	34,941 (-34%)
<b>Soybeans</b>	0.4 – 0.9	<b>0.153</b>	49,478 (-8%)
<b>Soymeal</b>	0.125 – 0.3	<b>0.121</b>	8,387 (-7%)
<b>Soyoil</b>	0 – 0.01	<b>0.011</b>	74 (-88%)

Data sources: U.S. Department of Agriculture; Reuters

@kannbwx

Net old-crop corn sales reached a two-year high last week of 3.1 mmts. China led with 2.25 mmts, Japan had 683 kmts, Mexico 225 kmts.

Sales of soybeans, soymeal, and wheat were disappointing.

Soyoil sales were at a marketing year, but sorghum (net cancellation) was at a marketing year low.

## ➤ Russia sets grain deal conditions, Putin suggests free grain for Africa

20 March 2023 Reuters - Russia laid out conditions on Monday for agreeing to any further extension of the Black Sea grain deal, and President Vladimir Putin said that Moscow could send free grain to African countries if those conditions were not met.

The deal, allowing the safe export of grain from Ukrainian and Russian Black Sea ports, was renewed on Saturday for 60 days - half the intended period - after Moscow said any further extension beyond May 18 would hinge on the removal of some Western sanctions.

Russia's foreign ministry, in a statement posted on its website on Monday, said Moscow had decided to limit the extension of the deal to 60 days over what it called "a lack of progress... on normalisation of domestic agricultural exports".

It said the deal's renewal in May would depend on certain conditions, including the restoration of access to the SWIFT financial messaging system for Russian state-owned agriculture-focused bank Rosselkhozbank, a resumption of farm machinery supplies, and the unblocking of foreign assets and accounts held by Russian agricultural companies.

The grain deal, brokered last July by the United Nations and Turkey, aims to combat a global food crisis partly fuelled by Russia's actions in Ukraine. Both Russia and Ukraine are major grain exporters.

Ukraine, along with Turkey and the United Nations, had wanted to extend the deal for 120 days.

## HELPING AFRICA

Speaking at a Russia-Africa parliamentary conference in Moscow on Monday, Putin said grain exports under the Black Sea deal had unfairly prioritised "well-fed European markets" rather than African countries, and that the renewal of the deal on Russia's terms was in the continent's interests.

Putin said that if the deal were not renewed, Moscow could supply free grain to "especially needy African countries", without elaborating. So far, exports under the grain deal have been transported under commercial agreements.

Though the main destinations for grain shipped under the deal have been China, Spain and Turkey, African countries have benefited indirectly as increased supply has helped drive down global grain prices.

In its statement, Russia's foreign ministry said neither Turkey nor Ukraine had raised formal objections to the shortened renewal period for the grain deal.

A senior Ukrainian official told Reuters that Kyiv had objected to Moscow's insistence on a 60-day extension.

Western powers have hit Russia with tough sanctions over its actions in Ukraine. While Russian food and fertilizer exports are not under sanctions, Moscow says restrictions on payments, logistics and insurance industries are a barrier to such shipments.

## ➤ Ukraine Farmers Plant Even Less Grain for Second Wartime Harvest

- Export hurdles sap farmers' finances for the coming season
- Global grain stockpiles seen falling near lowest in a decade

22 March 2023 by Megan Durisin, Kateryna Choursina and Aine Quinn, Bloomberg - Oleksandr Klepach's fields in southern Ukraine would normally be teeming with shoots of wheat and rapeseed in spring. This March, they're infested with weeds instead.

The farmer couldn't plant autumn-sown crops on his 1,000 hectares (2,471 acres) because the area was occupied by Russian forces. Troops have since retreated, but mines still need to be cleared, costs for inputs like fuel and pesticides have soared and he hasn't been able to find enough seed to sow barley now.

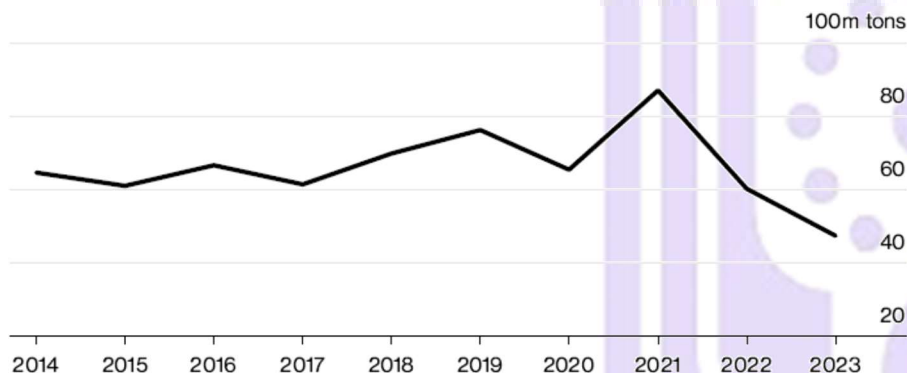
As a last option, he aims to prepare most of the land in time to plant sunflowers, a crop he hasn't grown for eight years.

His juggling act is indicative of the challenges Ukraine's agriculture sector faces a year into the invasion, as growers grapple to maintain a sector vital to both its economy and global food supplies. Farmers are cutting fertilizer use, idling land and switching to cheaper-to-grow oilseeds — all of which risk slashing grain output by a fifth from last year's already-low level.

"It's a critical situation," said Kateryna Rybachenko, vice president of the Ukrainian Agribusiness Club. "Ukrainian farms are well-equipped. We can recover. But the main question is how long this war will be going on."

### Ukraine's Next Grain Harvest Could Fall By a Fifth

Farmers are planting less a year into Russia's invasion



Source: International Grains Council

Last year, the bulk of Ukraine's wheat was planted before Russia invaded, buffering production. Growers also had a financial cushion from the country's record 2021 harvest, Rybachenko said.

Those reserves have since dwindled, exports have weakened, and plantings of major winter crops — like wheat — declined. Spring varieties are now being sown, but the total area of staple grains is still expected to sink.

The challenges facing farmers could slash Ukraine's grain output to 47 mmts, about half its pre-war level, the International Grains Council forecasts. The drop will contribute to the smallest global stockpiles in nearly a decade, heightening the need for big crops elsewhere to maintain the retreat in world food prices.

#### MORE CROP FORECASTS:

- Ukraine Agriculture Ministry: 2023 grain harvest at 44.3 mmts
- Ukrainian Agribusiness Club: Crop could fall to 34 mmts
- National Academy of Agrarian Science: Grain output may fall 37%, oilseeds could rise 13%

Slow logistics are a key hurdle for farmers, said Andrey Novoselov, senior analyst at Barva Invest. Black Sea export vessels often wait days or weeks for inspection, racking up charges that have weakened domestic prices.

Significant volumes are also moving by rail and road, which has sparked a glut in neighboring European nations. Two-thirds of Ukraine's annual grain production historically sells abroad, and the pace at which it enters the market is key to farmer earnings.

Hazy prospects for the Black Sea crop-export deal renewed over the weekend add to uncertainty about how much will eventually cross borders. Russia said it has only agreed to extend the pact through mid-May, ahead of 2023 harvests.

### Cost-Cutting Efforts

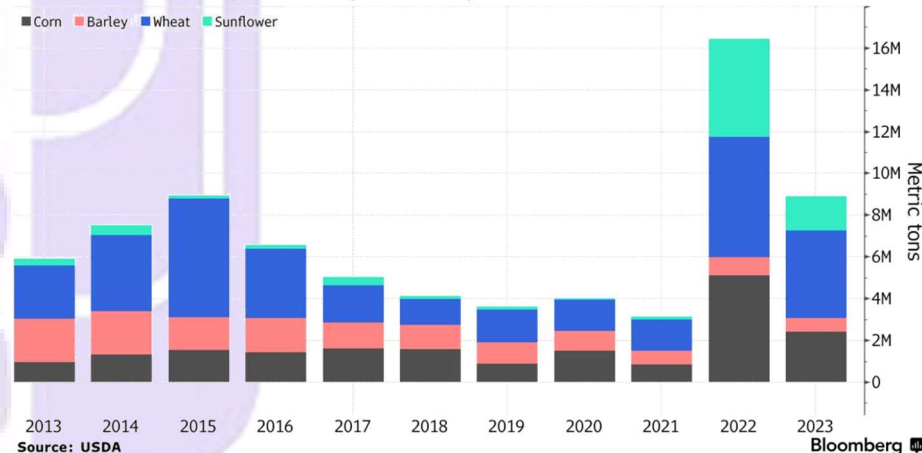
Meanwhile, farmers across Ukraine are decreasing fertilizer use, spreading cheaper seeds and applying fewer chemicals in an effort to cut costs, according to Dmitry Skornyakov, Chief Executive Officer of agribusiness HarvEast.

His company normally farms 130,000 hectares, but has lost some two-thirds of its land to occupied areas. On the rest, corn plantings will fall to about 6,000 hectares, a third of pre-war levels, Skornyakov said. The company will instead boost sunflowers, niche crops like mustard and peas, as well as soybeans — though the local climate isn't always suitable for them.

"At the moment, Ukrainian agriculture looks like gambling," he said. "If there are perfect, ideal conditions, we can get a decent yield. But the chance is lower than usual."

### Ukraine Crop Reserves Still High As War Hampers Exports

End-of-season stockpiles of respective crops



Source: USDA

Bloomberg

Crops like sunflowers and soybeans require less fertilizer than many grains, boosting the appeal to swap, Barva Invest's Novoselov said. The cost to grow them is about \$700 to \$750 per hectare, versus \$1,250 for corn, he estimated.

Valeriy Martyshko plans to idle 100 of the 1,400 hectares he leases near Kyiv and is planting less corn because of the high energy costs to dry it after harvest. Slow, expensive logistics are restraining the country's exports and domestic crop prices are largely unprofitable, said Martyshko, who is also involved in the region's defense efforts.

"There is one wish only — to have the farm survive," he said. "I serve in the armed forces and I want to survive myself as a soldier, too."

## U.S. DOLLAR & FOREIGN EXCHANGE

### Major Foreign Exchange Rate Indicators: as of 21<sup>st</sup> March 2023

	21 Mar	14 Mar	Year ago	% Chg, yoy
US Dollar Index	103.256	103.597	98.498	+ 5
Argentine Peso	204.9800	202.140	110.000	+ 86
Aus. Dollar	1.5026	1.4997	1.3510	+ 11
Brazil Real	5.2399	5.2463	4.9545	+ 6
Canada Dollar	1.3729	1.3682	1.2578	+ 9
Euro	0.9289	0.9333	0.9058	+ 3
Japan Yen	132.410	134.390	119.2600	+ 11
Russia Rouble	76.0513	75.4855	100.0000	- 24

Source: International Grains Council

### ➤ Fed hikes Interest Rates ¼% to 4.75 – 5.00%

The US Federal Reserve raised interest rates by a quarter percentage point and indicated there may be more hikes to come. In doing so, the Fed signaled that despite the banking turmoil, the battle against inflation must go on.

Future forecasted rate hikes were also unchanged. Chair Jerome Powell emphasized his belief that the banking system remains resilient, but markets fell as hopes for rate cuts in the near future thinned.

As for the related banking turmoil, Treasury Secretary Janet Yellen said on Capitol Hill that regulators aren't looking to provide "blanket" deposit insurance, despite calls from some quarters to raise it beyond the current level of \$250,000.

#### Increasing costs of Carry

These rate increases can put a squeeze on the profitability of carrying commodities. Have you factored in how the increasing cost-of-money increases your costs of carrying grain inventories?

To determine the financial costs of carrying grain in storage, we look at is the cost of interest at the short-term interest rate to borrow money. A year ago it was costing farmers about 4.0%, while this year it may cost 7.0% or more.

If we look back at last year's numbers with lower interest rates \$6.50/bu cash corn at 4% interest, divided by 12 months, was just over 2.1¢/bu per month for the interest component of carry.

Current numbers imply that with today's value of cash corn at \$6.50/bu at 7% interest divided by 12 months, it is costing 3.8¢/bu per month to store and carry grain.

**An increase in interest cost alone makes up an increase of 1.7¢/bu (67 cents/mt) per month, or 20.4¢/bu (\$8.03/mt) per year.**

We then to need to add on top of this the costs of warehouse storage and insurance.

## ➤ U.S. Economic Strength And Bank Turmoil Boost The Dollar



Source: <https://www.barchart.com/futures/quotes/DXY00/interactive-chart>

24 March 2023 by Rich Asplund – The dollar index on Friday rose by +0.56%. The dollar Friday rose moderately on stronger-than-expected U.S. economic reports. Also, signs of strong foreign demand for dollars are bullish for the greenback after the Federal Reserve facility that gives foreign central banks access to dollar funding was tapped for a record \$60 billion in the week through March 22.

Friday's U.S. economic data was bullish for the dollar. Feb capital goods new orders nondefense ex-aircraft unexpectedly rose +0.2% m/m, stronger than expectations of a decline of -0.2% m/m. Also, the Mar S&P manufacturing PMI unexpectedly rose +2.0 to a 5-month high of 49.3, stronger than expectations of a decline to 47.0.

Comments Friday from St. Louis Fed President Bullard had a hawkish tilt and supported the dollar when he said that financial stability issues could be tackled via additional steps to ease bank strains, while tighter monetary policy can keep targeting high inflation. Bullard also said he raised his forecast for peak interest rates this year to 5.625% from 5.375% "in reaction to stronger economic news."

EUR/USD on Friday fell by -0.66%. Strength in the dollar Friday sparked long liquidation pressure in the euro. Also, concern about the health of Europe's banking system weighed on the euro as banks with high exposure to corporate lending sold off. European banks were under pressure after Bloomberg News reported that Credit Suisse Group AG and UBS Group AG were among banks under scrutiny in a U.S. Justice Department probe into whether financial professionals helped Russian oligarchs evade sanctions.

Friday's hawkish comments from ECB Governing Council member and Bundesbank President Nagle were supportive of the euro when he said, "we have not yet won the

fight against inflation," and the ECB will need to continue raising interest rates and should keep them at a high level.

Friday's Eurozone economic news was mixed for the euro. On the negative side, the March Eurozone S&P manufacturing PMI unexpectedly fell -1.4 to 47.1, weaker than expectations of an increase to 49.0. Conversely, the March S&P composite PMI rose +2.1 to 54.1, stronger than expectations of unchanged at 52.0 and the fastest pace of expansion in 10 months.

USD/JPY on Friday fell by -0.04%. The yen Friday rallied to a 7-week high against the dollar. The ongoing U.S.-European banking woes have boosted the safe-haven demand for the yen. Also, a plunge in T-note yields Friday was bullish for the yen. In addition, Friday's economic news that showed strength in Japan's service sector supported the yen after the Japan March Jibun Bank services PMI expanded at the fastest pace in more than 9 years.

The Japan Feb national CPI ex-fresh food and energy rose +3.5% y/y, slightly stronger than expectations of +3.4% y/y and the fastest pace of increase in 41 years.

The March Japan Jibun Bank manufacturing PMI rose +0.9 to 48.6. Also, the March Jibun Bank services PMI rose +0.2 to 54.2, the fastest pace of expansion in more than 9 years.

April gold (GCJ3) on Friday closed down -12.10 (-0.61%), and May silver (SIK23) closed up +0.083 (+0.36%). Precious metals Friday settled mixed, with silver posting a 7-week high. The ongoing turmoil in the banking sector has sent global bond yields plunging and is bullish for precious metals. Also, the recent banking turmoil has sparked fund buying of gold as gold holdings in exchange-traded funds (ETFs) rose to a 5-week high Wednesday. However, gold prices gave up their gains and turned lower, and silver fell back from its best levels on a stronger dollar and a recovery in stocks that curbed the safe-haven demand for precious metals.

## WHEAT

### ➤ USDA – World Wheat

Wheat World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	220,510	+122(+.06%)	220,388	221,739	220,470	215,491	215,387
Beginning Stocks (1000 MT)	271,447	-5254(-1.9%)	276,701	284,942	298,222	282,736	286,031
Production (1000 MT)	788,940	+5142(+.66%)	783,798	779,210	774,419	761,506	730,920
MY Imports (1000 MT)	208,406	+1315(+.63%)	207,091	199,205	194,781	188,371	174,257
TY Imports (1000 MT)	208,190	+1265(+.61%)	206,925	200,918	194,886	189,450	174,500
TY Imp. from U.S. (1000 MT)	0	-	0	8,116	26,589	26,183	26,114
Total Supply (1000 MT)	1,268,793	+1203(+.09%)	1,267,590	1,263,357	1,267,422	1,232,613	1,191,208
MY Exports (1000 MT)	213,926	+980(+.46%)	212,946	202,865	203,334	193,966	176,213
TY Exports (1000 MT)	212,354	+925(+.44%)	211,429	205,324	199,496	194,509	178,148
Feed and Residual (1000 MT)	158,497	+735(+.47%)	157,762	160,289	162,897	139,507	139,232
FSI Consumption (1000 MT)	629,171	+1625(+.26%)	627,546	628,756	616,249	600,918	593,027
Total Consumption (1000 MT)	787,668	+2360(+.3%)	785,308	789,045	779,146	740,425	732,259
Ending Stocks (1000 MT)	267,199	-2137(-.79%)	269,336	271,447	284,942	298,222	282,736
Total Distribution (1000 MT)	1,268,793	+1203(+.09%)	1,267,590	1,263,357	1,267,422	1,232,613	1,191,208
Yield (MT/HA)	3.58	+(-.56%)	3.56	3.51	3.51	3.53	3.39

Source: USDA PS&D

### ➤ IGC – World Wheat Supply & Demand

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(fcast)	(proj.)	change
Opening stocks	275	277	275	286	+ 4.3%
Production	774	781	801	787	- 1.7%
<b>Total supply</b>	<b>1,049</b>	<b>1,058</b>	<b>1,076</b>	<b>1,073</b>	<b>- 0.2%</b>
<b>Total use</b>	<b>772</b>	<b>783</b>	<b>789</b>	<b>794</b>	<b>+ 0.6%</b>
of which: Food	534	545	545	552	+ 1.4%
Feed	150	147	150	148	- 1.4%
Industrial	23	24	24	25	+ 5.3%
<b>Closing stocks</b>	<b>277</b>	<b>275</b>	<b>286</b>	<b>279</b>	<b>- 2.5%</b>
Major exporters <sup>a)</sup>	58	59	67	58	- 12.2%
<b>Trade (Jul/Jun)</b>	<b>190</b>	<b>197</b>	<b>199</b>	<b>195</b>	<b>- 2.1%</b>

<sup>a)</sup> Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

Source: IGC

### **OUTLOOK FOR 2022/23**

- World production rose by 3% to a new record.
- Stagnating food demand to cap annual growth in global consumption at a below-average level.

- Ending Stocks may reach a new peak, but exporter inventories only slightly above average.
- World trade is seen at an all-time high, underpinned by increased deliveries to Europe, the CIS and North Africa.

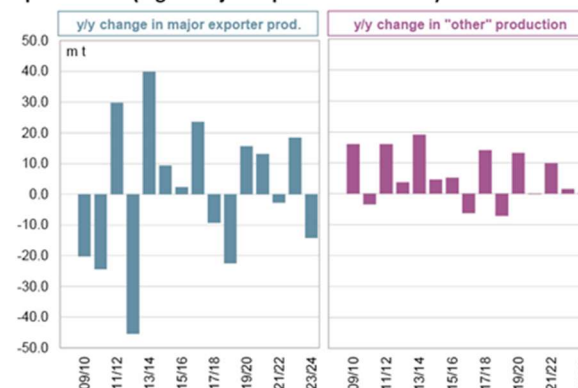
#### OUTLOOK FOR 2023/24

- After four successive y/y gains, the world harvest is forecast to dip by 2%.
- A modest increase in consumption is predicted, linked to expanding food use.
- Ending Stocks to recede slightly, with major exporters' inventories expected to dip below the average levels.
- Smaller arrivals to the EU, China and parts of the CIS to contribute to a 2% contraction in trade.

#### Wheat: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	125.7	137.4	134.3	136.6	+ 1.7%
Russia	85.4	75.0	95.4	82.8	- 13.2%
USA	49.8	44.8	44.9	51.4	+ 14.4%
Canada	35.4	22.3	33.8	34.7	+ 2.6%
Australia	31.9	36.2	39.2	27.9	- 28.8%
Ukraine	25.4	33.0	25.2	20.2	- 20.0%
Argentina	17.6	22.1	12.0	19.0	+ 58.3%
Kazakhstan	14.3	11.8	16.4	14.5	- 11.6%
<b>Selected others</b>					
China	134.3	136.9	137.7	139.0	+ 0.9%
India	107.9	109.6	107.7	109.0	+ 1.2%
North Africa	16.1	20.3	16.9	17.7	+ 4.9%
Turkey	19.5	17.7	19.8	18.3	- 7.1%
UK	9.7	14.0	15.5	14.5	- 6.5%
<b>World total</b>	<b>773.8</b>	<b>781.0</b>	<b>801.0</b>	<b>787.0</b>	<b>- 1.7%</b>

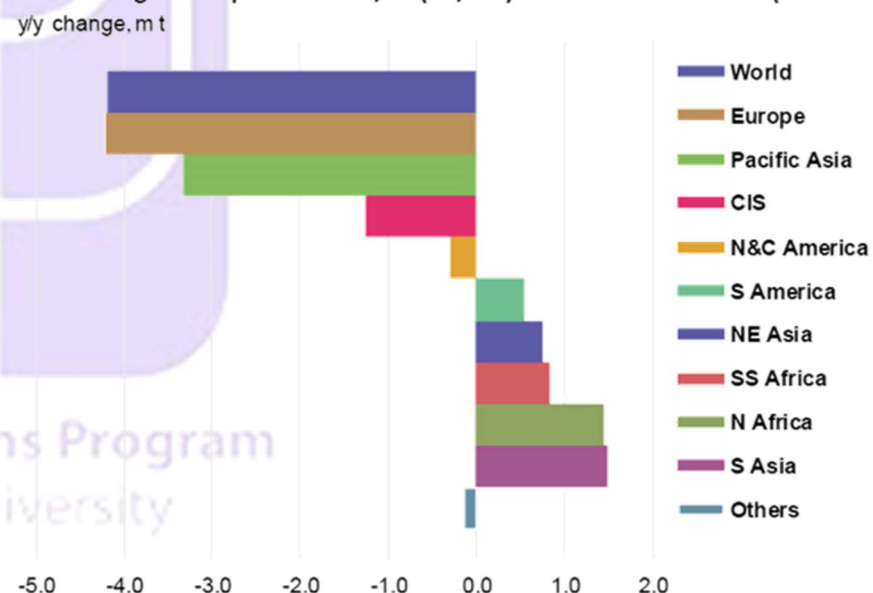
Wheat: Change in production (eight major exporters vs. others) – f'cast as at 16 March (GMR 541)



Source: IGC

17 March 2023 IGC - Global wheat production in 2023/24 is tentatively projected to retreat from the prior year's record level amid a pullback in harvested area and yields, incl. a drop in the eight major exporters.

Wheat: Changes in imports in 2023/24 (Jul/Jun) – f'cast as at 16 March (GMR 541)



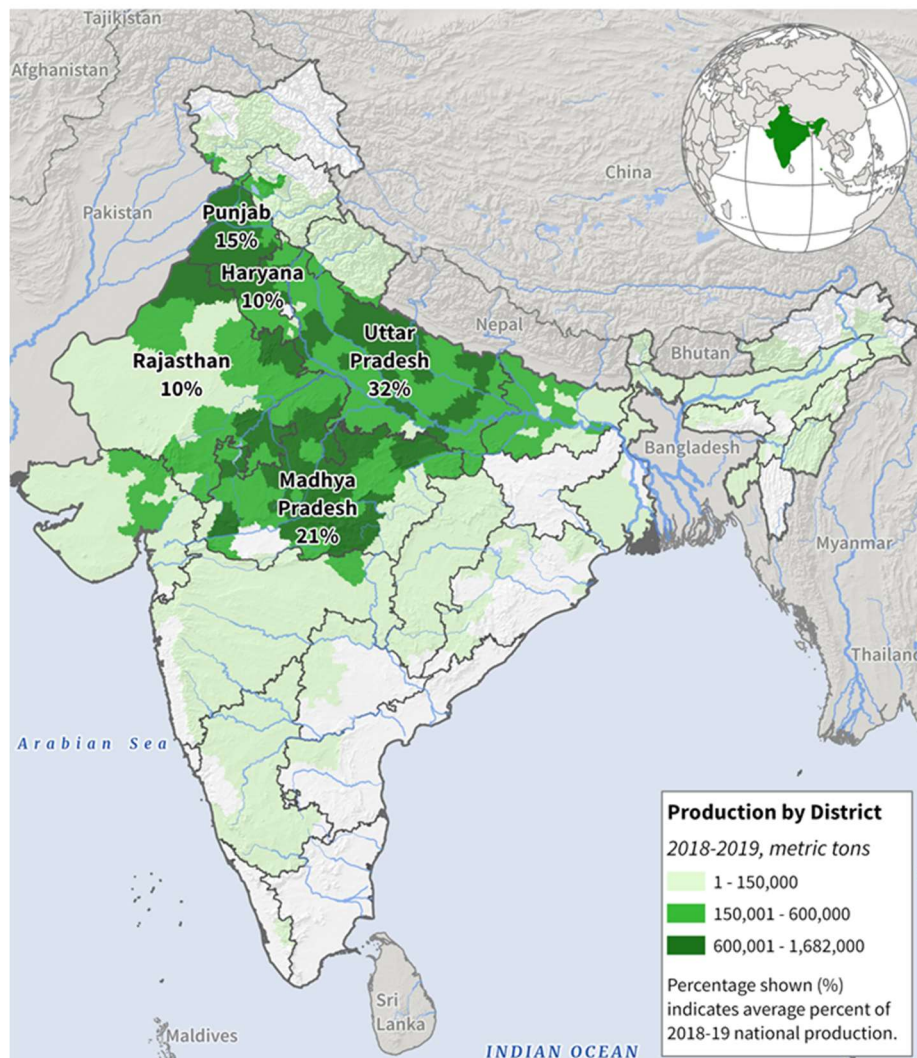
Source: IGC

17 March 2023 IGC - Tighter exportable supplies in the key exporters, coupled with potentially stiffer competition from feed alternatives, could contain world wheat trade

in 2023/24, with markedly smaller imports predicted by Europe, Pacific Asia and the CIS.

➤ **Damaged India Wheat Crop Could Drive Food Prices Higher**

**India: Wheat Production**



23 March 2023 Gro Intelligence - India's wheat output could decline for a second year in a row, keeping domestic prices elevated and requiring an extension of the country's current export ban.

A sudden rise in temperatures hit India's wheat crop earlier this month, followed by heavy, unseasonable rains coupled with hail. This could negatively impact wheat quality at a time when the country, the No. 3 producer worldwide, grapples with wheat shortages and high food inflation.

India's wheat stocks-to-use ratio, a measure of available supplies, is currently at its lowest level in six years, as seen in this Gro display.

Uttar Pradesh, the largest wheat producing state, has suffered from above normal temperatures starting in mid-February.

In addition, heavy rains have inundated Uttar Pradesh, along with Madhya Pradesh and Rajasthan, other big wheat growing regions. The extent of losses might take weeks to quantify. India's wheat harvest is just getting underway and will continue through May.

India's rapeseed crop also could suffer damage from the unseasonable weather. India is the world's largest importer of edible oils, and a decrease in its rapeseed production could force it to increase imports of other products including palm oil, soybean oil, and sunflower oil.

The potential crop damage could exacerbate India's domestic food inflation, which has been rising since 2021, as shown by Gro's India Food Price Inflation Index. A jump in exports following Russia's invasion of Ukraine in early 2022 further pushed up local wheat prices, prompting India to ban exports last May. That move, however, failed to stop domestic wheat prices rising, particularly after last year's crop was damaged by a late season spike in temperatures.

The current wheat export ban is scheduled to be reviewed in early April, when government officials from food, farm and trade ministries are expected to decide whether an extension is warranted.

Nearby countries, including Bangladesh, the UAE, and Sri Lanka, normally rely on India for wheat imports. An extension of the wheat export ban could leave these and other countries scrambling for alternative supplies, although India said it will continue to consider individual countries' requests to waive the export ban.

**Wheat Export Prices (FOB, US\$/mt) as of the 21<sup>st</sup> of March 2023**

		TW	LW	LY	%Y/Y
US No 2 SRW (ord) (Gulf)	Apr	293	298	465	- 37
US No 2 HRW 11.5% (Gulf)	Apr	366	365	492	- 26
US DNS 14% (PNW)	Apr	362	364	466	- 22
US No 2 SW (PNW)	Apr	303	304	459	- 34
Argentina 12% (Up River)	Mar	347	354	401	- 13
Australia ASW (Adelaide) c)	Mar	297	304	415	- 28
Australia APW (Adelaide) c)	Mar	314	323	440	- 29
Canada CWRS 13.5% (St. Law.)	Apr	339	340	452	- 25
EU (France) grade 1 a)	Mar	€ 263	€ 277	€ 398	- 34



EU (France) grade 1	Mar	283	297	440	- 36
EU (Germany) B quality	Mar	281	301	454	- 38
EU (Romania) Milling 12.5%	Apr	278	288	434	- 36
Ukraine <11%	Apr	250	265	-	-
Russia Milling 12.5%	Apr	275	286	440	- 38

Fob Rouen, euros/ton. b) Jan 2000 = 100. c) 22 Mar quotation.

Source: International Grains Council - visit: [http://www.igc.int/grainsupdate/igc\\_goi.xlsb](http://www.igc.int/grainsupdate/igc_goi.xlsb)

World wheat export prices softened during the past week following the news of the extension of the Black Sea Grain Initiative, although there was some uncertainty about the duration of the deal. While officials in Ukraine announced the extension for 120 days, the Russian side claimed the period of 60 days, also noting the possibility of a withdrawal if certain conditions are not met, notably progress on the normalisation of Russia's food and fertiliser exports.

Market sentiment was also weighed by a notable slowdown in international tender activity, coupled with heightened global financial fears. Amid limited fresh demand, EU prices were also pressured by news of competitive Black Sea offers at Egypt's latest tender; where GASC purchased 120,000 mts from Ukraine at US\$299/mt C&F, for April shipment.

Price weakness was especially pronounced in the EU, where additional pressure came from improving conditions for 23/24 crops. The monitoring agency MARS noted chiefly fair/good crop condition in most EU producers, with improving soil moisture levels noted in France and Germany, but also pointed to lingering dryness in some areas, notably in Portugal, Spain and parts of Italy.

Prices in Russia declined further amid still heavy local supplies. A private analyst estimated 22/23 (Jul/Jun) cumulative wheat exports through mid-March (including land routes) at 31.0m t (+28% y/y), while consultancy SovEcon re-iterated its forecast for March exports at 4.8 mmts (3.5 mmts previous month, 2.7 mmts same month previous year).

Given ongoing logistical bottlenecks, Ukraine's shipments in the week ending the 17<sup>th</sup> of March of 0.4 mmts were larger than some expected, taking 22/23 (Jul/Jun) cumulative deliveries to 12.2 mmts, down by 33% y/y.

While the state weather forecaster indicated mostly good/excellent condition of 23/24 winter crops, the Ag. Ministry projected next season's wheat output (in territory under official control) at 16.6 mmts (20.5 mmts previous year), with winter acreage (accounting for the bulk of total output) seen dropping to 4.2 mha (5.0mha).

In its monthly report, Argentina's Ag. Ministry trimmed its 22/23 production estimate by 0.3 mmts, to 12.6 mmts, some 9.5 mmts lower y/y.

A generally bearish tone also prevailed in US markets with continued export demand worries (22/23 (Jun/May) commitments of 17.7 mmts down by 5% y/y) and broader financial concerns.

KCBT values were largely steady w/w, bolstered by talk of persistent dryness in parts of the HRW belt. Additionally, reports of snowy conditions in the northern Plains, seen potentially hampering 23/24 spring plantings, were termed supportive for MGE futures.

## ➤ USDA – U.S. Wheat

Attribute	Wheat United States as of March 2023				
	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	14,358	-	14,358	15,032	14,888
Beginning Stocks (1000 MT)	19,008	-	19,008	23,001	27,985
Production (1000 MT)	44,902	-	44,902	44,804	49,751
MY Imports (1000 MT)	3,266	-	3,266	2,592	2,725
TY Imports (1000 MT)	3,100	-	3,100	2,706	2,687
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	67,176	-	67,176	70,397	80,461
MY Exports (1000 MT)	21,092	-	21,092	21,782	27,048
TY Exports (1000 MT)	21,500	-	21,500	21,501	26,636
Feed and Residual (1000 MT)	2,177	-	2,177	1,595	2,535
FSI Consumption (1000 MT)	28,440	-	28,440	28,012	27,877
Total Consumption (1000 MT)	30,617	-	30,617	29,607	30,412
Ending Stocks (1000 MT)	15,467	-	15,467	19,008	23,001
Total Distribution (1000 MT)	67,176	-	67,176	70,397	80,461
Yield (MT/HA)	3.13	-	3.13	2.98	3.34

Source: USDA PS&D

## ➤ CME CBOT Wheat Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/ZWU22/interactive-chart>

The wheat futures rallied back on Friday with 2% to 4% gains. Chicago futures ended 24¼ to 26¼ cents higher, though May stayed 22 cents in the red. KC wheat prices closed 24½ to 28¼ cents higher, and the July contract flipped to a net 11½ cent gain for the week. MPLS futures were 16¼ to 19 cents higher at the bell.

**CME SRW futures May 2023 CBOT** wheat closed at \$6.88½/bu, up 26½ cents on the day, but losing 22 cents on the week. Jul 23 CBOT Wheat closed at \$7.00, up 26 cents.

Chicago calendar spreads were firmer on the day with the rally. That spread traded 12 cents again Friday.

The Chicago/KC spread vs. the July widened roughly 30 cents on the week.

The July Chicago wheat/corn spread also saw a wild ride. Last Friday it managed to trade over a \$1.00 premium wheat and the low this week was 60 cents. Settled the week at 77 cents premium wheat. Nearby wheat/corn narrowed into 26 cents premium wheat.

The now current Commitment of Traders report showed managed money funds liquidated 8.5k SRW shorts during the week that ending the 21<sup>st</sup> of March. That left the group at a still large 86,500 contract net short.

Farm Futures estimates wheat area will total 45.744 million acres for 2023/24. That would be a 5.6 thousand acre shift yr/yr with a 6.3% lower spring wheat total and a 3.4% increase in winter wheat. The average of 33 analyst estimates compiled by Bloomberg is much larger at 48.9 million acres.

News Friday was that Russia could potentially slow/halt their wheat exports as concerns over domestic availability and prices.

Russia said they don't plan on halting wheat exports but were concerned prices have dropped to levels that were not profitable for farmers to grow wheat. This news spurred active fund buying across all wheat classes.

➤ **U.S. Export SRW Wheat Values – Friday 24<sup>th</sup> March 2023**

**SRW Wheat Gulf barge quotes, in cents/bus basis CBOT futures:**

Changes are from the AM Barge basis report. Source: USDA Gulf barge/rail quotes, in cents/bus.

CIF SRW WHEAT	3/23/2023	3/24/2023		
MAR	90 / 97	90 / 97	K	UNC
APR	90 / 97	90 / 97	K	UNC
MAY	75 / 85	75 / 85	K	UNC

USDA weekly export numbers showed recent price declines did little to stimulate demand, as weekly sales came in below 5 mbus for the past week. Year-to-date

totals now stand at 656 mb, which is 5% below a year ago and 18% behind the five-year average pace.

Top seller was white wheat with 2.2 mb, putting sales at 151 mb which sets 32% ahead of a year ago but 34% below average.

Hard red winter garnered just 1.8 mb in sales and with 178 mb in commitments, stands 35% behind a year ago and 12% off the average pace.

Hard red spring registered only 200,000 bushels in new business last week..

➤ **CME KC HRW Wheat Futures – Daily Nearby**



Source: <https://www.barchart.com/futures/quotes/KEU22/interactive-chart>

**Kansas March 2023 HRW Wheat Futures** settled on Friday at \$8.48/bu, up 28¼ cents on the day, and gaining 12½ cents for the week, and a one month high.

The now current Commitment of Traders report showed spec traders were 8,762 contracts net short in KC wheat. That was a 3,970 contract lighter net short also via short covering.

➤ **U.S. Export HRW Wheat Values – Friday 24<sup>th</sup> March 2023**

**HRW Wheat Texas Gulf Rail quotes, in cents/bus basis KCBT futures:**

Changes are from the AM Barge basis report. Gulf barge/rail quotes, in cents/bus.

**TX GULF HRW**

12% Protein	3/23/2023	3/24/2023		
MAR	160 / -	160 / -	K	UNC

<b>APR</b>	162 / -	162 / -	K	<b>UNC</b>
<b>MAY</b>	162 / -	162 / -	K	<b>UNC</b>
<b>JUN</b>	151 / -	151 / -	N	<b>UNC</b>
<b>JUL</b>	151 / -	151 / -	N	<b>UNC</b>

The nearby white wheat bids slipped 45 cents from last week. Fresh export demand remains very limited across all wheats, but the white wheat tally did show that China has been a fairly active buyer. Year-to-date Chinese white wheat bookings stand at 27 mbus compared to 11 mbus a year ago.

➤ **MGE HRS Wheat Futures – Daily Nearby**



Source: <https://www.barchart.com/futures/quotes/MWU22/interactive-chart>

**MGE March 2023 HRS Wheat Futures settled on Friday at \$8.57½/bu, up 16¼ cents on the day, and off 2½ cents for the week.**

*The now current Commitment of Traders report showed managed money lightened their net short in spring wheat by 1,823 contracts through the week to 2,624.*

**Portland Price Trends**

**23<sup>rd</sup> March 2023**

Declines across the futures complex were apparent in the cash markets for west coast wheat deliveries this week.

	03-01-22	08-01-22	01-01-23	03-16-23	03-23-23
#1 SWW (bu)	11.25	9.00	8.55	8.00	7.55
White Club	12.75	9.00	9.05	8.00	7.55
DNS 14%	11.59	10.08	10.19	9.34	9.22
HRW 11.5%	11.83	10.00	10.08	9.60	9.57
#2 Corn (ton)	313.00	279.00	302.00	279.00	278.00
#2 Barley	260.00	235.00	250.00	250.00	240.00

## COARSE GRAINS

### ➤ IGC – World Total Grains Supply & Demand

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	616	602	596	586	- 1.8%
Production	2,227	2,291	2,250	2,283	+ 1.5%
<b>Total supply</b>	<b>2,843</b>	<b>2,893</b>	<b>2,846</b>	<b>2,869</b>	<b>+ 0.8%</b>
<b>Total use</b>	<b>2,241</b>	<b>2,297</b>	<b>2,261</b>	<b>2,288</b>	<b>+ 1.2%</b>
<i>of which: Food</i>	745	750	752	760	+ 1.0%
<i>Feed</i>	1,009	1,040	1,010	1,028	+ 1.8%
<i>Industrial</i>	360	369	366	369	+ 0.9%
<b>Closing stocks</b>	<b>602</b>	<b>596</b>	<b>586</b>	<b>580</b>	<b>- 0.9%</b>
<i>Major exporters</i> <sup>a)</sup>	131	138	140	140	- 0.4%
<b>Trade (Jul/Jun)</b>	<b>426</b>	<b>424</b>	<b>407</b>	<b>411</b>	<b>+ 0.8%</b>

<sup>a)</sup> Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

Source: IGC

**2022/23** - The forecast for global total grains (wheat and coarse grains) production in 2022/23 is raised by 2 mmts m/m (month on month), to 2,250 mmts mainly on an upgraded outlook for wheat.

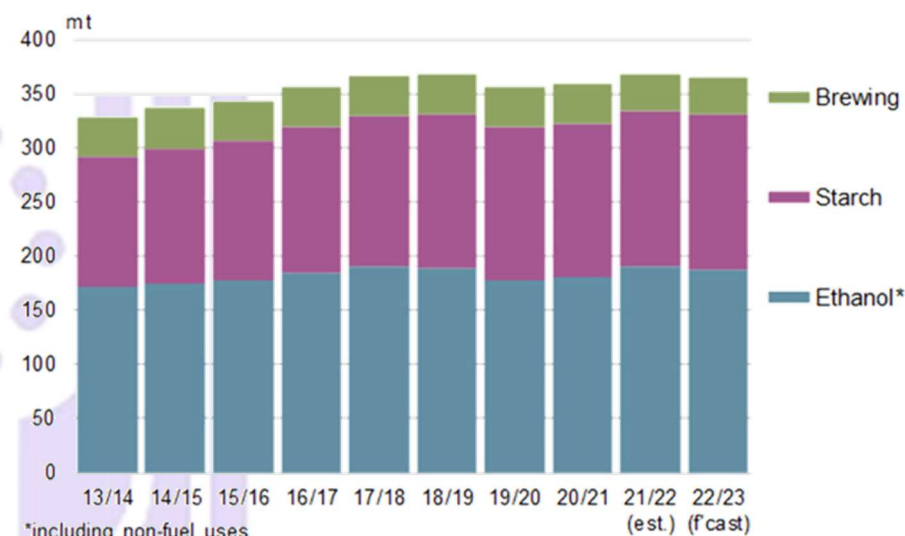
At 2,250 mmts, world 2022/23 total grains (wheat and coarse grains) production is seen 2% lower y/y, dropping for the first time since 2017/18, primarily because of a smaller maize crop.

World consumption is also forecast to contract, mainly on reduced feed use but, with a relatively steeper fall in supply, ending stocks will shrink by 2%, to an eight-season low.

Amid smaller coarse grain shipments, total trade is placed 4% down y/y.

Linked to softer maize demand, the outlook for world consumption is down by 5 mmts from before, with closing stocks (aggregate of respective local marketing years) seen 7 mmts higher, at 586 mmts.

### Industrial use: Global use of grains by sector – f'cast as at 16 March (GMR 541)



Source: IGC

**2023/24** - This GMR includes the Council's first full set of projections for 2023/24. World supply (production plus opening stocks) is forecast to edge higher y/y (year on year) but, with an assumed uplift in demand, carryover inventories are forecast to tighten again. After two consecutive declines, total trade could expand slightly in the coming season.

Led by an assumed recovery in maize, global grains output is projected to rise by 1% in 2023/24, to 2,283 mmts. While this would boost overall supply, comparatively larger consumption gains could result in smaller end-season inventories, pegged 1% lower. Linked mainly to accelerating maize and sorghum deliveries into Asia, total trade is predicted to increase by 1%.

## CORN

### ➤ USDA – World Corn

Corn World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	201,285	+168(+.08%)	201,117	206,872	199,119	194,440	192,644
Beginning Stocks (1000 MT)	305,687	-596(-.19%)	306,283	292,825	307,407	322,560	341,454
Production (1000 MT)	1,147,522	-3842(-.33%)	1,151,364	1,216,026	1,129,390	1,123,144	1,128,682
MY Imports (1000 MT)	174,483	-2512(-1.42%)	176,995	184,480	184,938	167,665	166,502
TY Imports (1000 MT)	174,450	-2540(-1.44%)	176,990	186,874	179,854	169,742	167,897
TY Imp. from U.S. (1000 MT)	0	-	0	62,919	68,536	47,067	49,421
Total Supply (1000 MT)	1,627,692	-6950(-.43%)	1,634,642	1,693,331	1,621,735	1,613,369	1,636,638
MY Exports (1000 MT)	174,713	-6359(-3.51%)	181,072	205,731	182,703	172,386	182,578
TY Exports (1000 MT)	179,785	-2580(-1.41%)	182,365	193,934	184,070	175,871	173,586
Feed and Residual (1000 MT)	726,982	-2162(-.3%)	729,144	749,426	723,884	716,579	705,025
FSI Consumption (1000 MT)	429,541	+390(+.09%)	429,151	432,487	422,323	416,997	426,475
Total Consumption (1000 MT)	1,156,523	-1772(-.15%)	1,158,295	1,181,913	1,146,207	1,133,576	1,131,500
Ending Stocks (1000 MT)	296,456	+1181(+.4%)	295,275	305,687	292,825	307,407	322,560
Total Distribution (1000 MT)	1,627,692	-6950(-.43%)	1,634,642	1,693,331	1,621,735	1,613,369	1,636,638
Yield (MT/HA)	5.70	(-.35%)	5.72	5.88	5.67	5.78	5.86

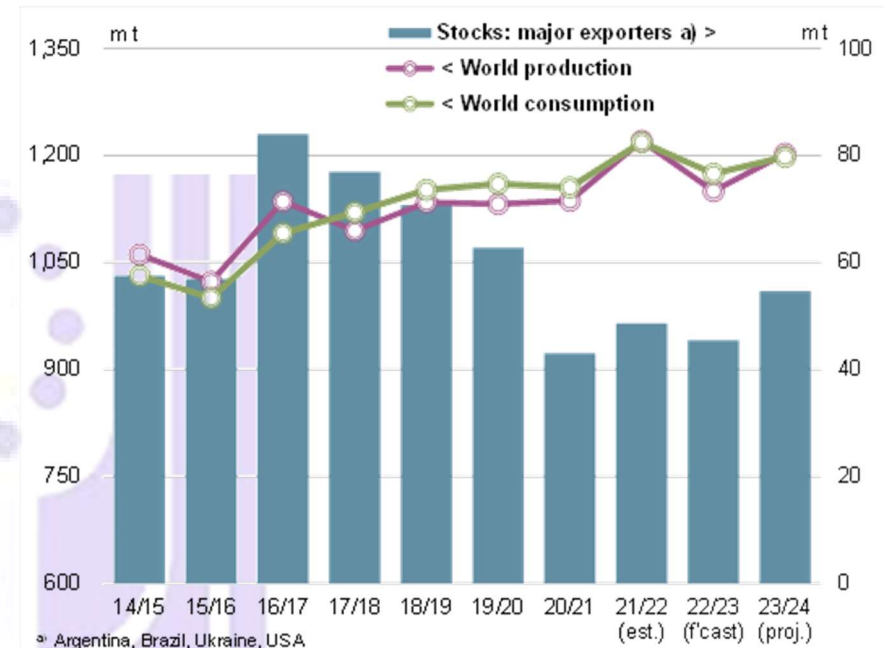
Source: USDA PS&D

### ➤ IGC – World Total Grains Supply & Demand

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(f'cast)	(proj.)	change
Opening stocks	616	602	596	586	- 1.8%
Production	2,227	2,291	2,250	2,283	+ 1.5%
<b>Total supply</b>	<b>2,843</b>	<b>2,893</b>	<b>2,846</b>	<b>2,869</b>	<b>+ 0.8%</b>
<b>Total use</b>	<b>2,241</b>	<b>2,297</b>	<b>2,261</b>	<b>2,288</b>	<b>+ 1.2%</b>
<i>of which: Food</i>	745	750	752	760	+ 1.0%
<i>Feed</i>	1,009	1,040	1,010	1,028	+ 1.8%
<i>Industrial</i>	360	369	366	369	+ 0.9%
<b>Closing stocks</b>	<b>602</b>	<b>596</b>	<b>586</b>	<b>580</b>	<b>- 0.9%</b>
<i>Major exporters <sup>a)</sup></i>	131	138	140	140	- 0.4%
<b>Trade (Jul/Jun)</b>	<b>426</b>	<b>424</b>	<b>407</b>	<b>411</b>	<b>+ 0.8%</b>

<sup>a)</sup> Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

Source: IGC



Source: IGC

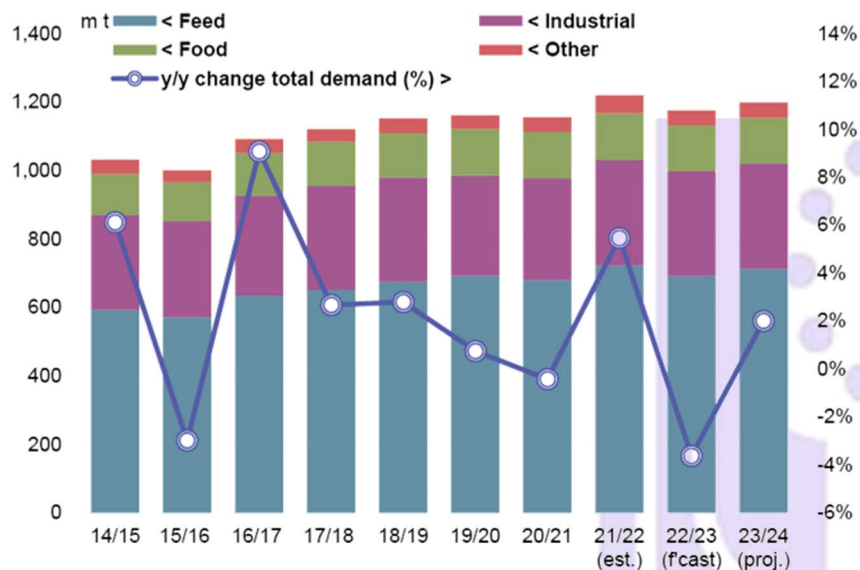
#### OUTLOOK FOR 2022/23

- World corn production is seen 6% lower y/y, including sizeable losses in a number of key exporters.
- World food, feed and industrial uptake are expected to decline.
- Ending Stocks, including tightening in China and the major exporters, global stocks could drop by 9% y/y.
- Trade is expected to decrease for a second consecutive year.

#### OUTLOOK FOR 2023/24

- Global corn production is projected to rise by 5% y/y, to a larger than average 1,202 mmts; while world use is tentatively projected to rebound by 2% y/y.
- Led by stronger demand from Pacific Asia, world trade is seen 3% higher y/y.

### Maize: Global consumption – f'cast as at 16 March (GMR 541)



Source: IGC

18 March 2023 IGC - Reflecting prospects for an improved global outturn, world consumption of corn is projected to rebound in 2023/24, led by feed use as demand for animal protein is projected to trend higher amid anticipated gains in Asia.

### Corn Export Prices (FOB, US\$/mt) as of 21<sup>st</sup> of March 2023

		TW	LW	LY	%Y/Y
US 3YC (Gulf)	Apr	289	282	373	- 23
Argentina (Up River)	Mar	299	299	336	- 11
Brazil (Paranagua)	Apr	289	286	376	- 23
Ukraine	Apr	250	252	-	-

Source: International Grains Council

In two-sided activity, the nearby US corn futures posted net gains of 1% w/w. Initially, markets were supported by sales to China and ongoing uncertainty surrounding future export flows from the Black Sea region.

Additional underpinning stemmed from a further worsening of Argentine crop prospects. After the weekend, markets were pressured by the renewal of the Black Sea Grain Initiative for at least 60 days and spillover losses from wheat and outside markets, including broader financial sector worries.

During the past week, cumulative flash sales to China amounted to 994,000 mts for delivery in MY22/23 (Sep/Aug). As of the 18<sup>th</sup> of March, with more following.

Dry weather allowed plantings to make good progress in Parana. Argentina's Ag. Ministry maintained its 22/23 forecast area (incl. for silage) at 10.4 mha (-2% y/y).

According to the Buenos Aires Grain Exchange, crop ratings dipped by 1 percentage point w/w, to 40% fair/excellent (80% previous year). Some rainfall in northern and southern cropping regions aided to maintain crop conditions, but owing to persistent dryness, forecast output was reduced again, by 1.5 mmts from before, to 36.0 mmts (-31%), with early yields the worst since 2000/01. With nearly 100% of late-planted fields currently in the pollination stage, there was little hope that forecast rains would bring much relief.

22/23 second (safrinha) crop sowings in Brazil were officially seen at 85% complete (73% previous week, 95% previous year), with fieldwork in Mato Grosso virtually done amid favourable weather.

Corn values in Ukraine were assessed nominally lower. Trade sources suggested that demand was partially shifting to alternative origins due to reported quality considerations. Plantings in 2023/24 (in areas under official control) are officially projected to dip by 11% y/y, to 3.6m ha, with production tentatively pegged at 21.7 mmts (-15%).

### ➤ Why is China Buying So Much U.S. Corn Right Now?

17 March 2023 by Tyne Morgan - Sluggish corn demand in the U.S. has been a concern for months. This past week, demand got a big boost, with USDA reporting daily flash sales from China. According to AgDay TV those sales tally up to 83.1 million bushels since March 9<sup>th</sup>.

The consistent buys buoyed corn prices. Now the industry is asking two major questions:

- Why is China buying?
- How many more purchases are yet to come?

"A lot of experts still think there's more to come, but that's not really a big surprise in terms of why they're buying," says Tregg Cronin, a market analyst from Gettysburg, South Dakota. "They took advantage of a big price drop. We dropped 50 cents a bushel on corn in the last five days of February, and they stepped in and started buying then. They've continued to buy, as corn has kind of snuck lower."

Cronin says China is notorious for swooping in and buying corn once prices drop. He thinks it's not just price that's making U.S. corn an attractive purchase for China, but it's also the fact China needs to buy corn.

"When you look at China's balance sheet, it was pretty apparent that they were going to have to buy corn from someone, it's just that most people thought it was going to be from Brazil," he says. "And China is a very opportunistic buyer. So, they're stepping in and buying some U.S. corn, and I think that's helped stem the tide the last several days. So, we'll take it and hopefully there's more to come."

The daily corn buys from China have boosted prices, but corn export demand was so sluggish, DuWayne Bosse of Bolt Marketing questions whether China stepped in and buying corn soon enough.

“It might be just a little bit too late for the markets,” says Bosse. “When you think about it, the bears are always going to push on these USDA flash sales days to China and suggest you're too far behind. It's hard to catch up, and they're not wrong in saying that it would take a lot of these sales to get caught up and have USDA stop lowering our export demand and actually start to increase it.”

## ➤ USDA – U.S. Corn

Corn United States as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	32,054	-	32,054	34,527	33,311
Beginning Stocks (1000 MT)	34,975	-	34,975	31,358	48,757
Production (1000 MT)	348,751	-	348,751	382,893	358,447
MY Imports (1000 MT)	1,270	-	1,270	615	616
TY Imports (1000 MT)	1,250	-	1,250	607	629
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	384,996	-	384,996	414,866	407,820
MY Exports (1000 MT)	46,992	-1905(-3.9%)	48,897	62,776	69,776
TY Exports (1000 MT)	49,000	-2000(-3.92%)	51,000	62,978	68,293
Feed and Residual (1000 MT)	133,991	-	133,991	145,253	142,426
FSI Consumption (1000 MT)	169,935	-	169,935	171,862	164,260
Total Consumption (1000 MT)	303,926	-	303,926	317,115	306,686
Ending Stocks (1000 MT)	34,078	+1905(+5.92%)	32,173	34,975	31,358
Total Distribution (1000 MT)	384,996	-	384,996	414,866	407,820
Yield (MT/HA)	10.88	-	10.88	11.09	10.76

Source: USDA PS&D

## ➤ CME CBOT Corn Futures – Nearby Daily

**CBOT May 2023 Corn Futures** settled on Friday at \$6.43/bu, up 11¼ cents on the day, and gaining 9 cents on the week, as the contract hit a one month high. July23 Corn closed at \$6.23, up 12 ¼ cents, while Dec23 new crop corn closed at \$5.60¼, up 8 cents.

Support was found after the USDA flashed another 204 kmts corn sale to China. This is the highest close in May futures since the 27<sup>th</sup> of February. Farmer selling has stayed fairly quiet despite the higher prices. The Friday rally put corn back into the black for the week. The front months were 1.3% to 2% higher on the day, with May's 11¼ cent gain leaving the contract 8¾ cents above last week's close. December futures stayed a penny below last Friday's settle and remain at a 9½ cent loss for the month.

The K/N traded a penny lower at +20 while the N/U firmed 3cts to +53^6.

The weekly CFTC reports, now current, had corn spec funds 41,896 contracts net short as of 3/21. That was a 12k contract weaker net short for the week, mainly

driven by net new buying. Commercial corn hedgers put 8k new short hedges on for the week. That left the group at 175,450 contracts net short.



Source: <https://www.barchart.com/futures/quotes/ZCZ22/interactive-chart>

USDA confirmed another large export sale to China, with 204 kmts of old crop sold in a daily announcement. Algeria is tendering for 70 kmts of corn, most likely to be sourced from South America.

Another notable change Friday was the wheat/corn spreads. The July spread for Chi wheat/corn spread rallied 13^6cts to +77 and the July KC/corn spread rallied 15^4cts to +211^2. The latter traded up to +222 which was the highest level since mid-Feb and should quiet down the wheat feeding discussion in the West.

A Farm Futures survey shows corn area will shrink 1.1% for the year with a 87.68m acre area. That differs from the average trade estimate in a Bloomberg survey released this afternoon, which put the average trade estimate at 90.9 million acres.

## ➤ U.S. Export Corn Values – Friday 24<sup>th</sup> March 2023

**Corn CIF NOLA Gulf barge/rail quotes, in cents/bus basis CBOT futures:**

USDA (U.S. No. 2, 14.5% moisture, CIF NOLA Gulf barge/rail quotes, in cents/bus.

CIF CORN	3/23/2023	3/24/2023	Del. Mo.
MAR	/	91 / 98	H
APR	91 /	91 / 95	N
MAY	85 /	84 / 88	N

JUN	89 /	/	N
JUL	78 /	78 / 83	N

### BRAZIL FOB CORN @ PORT PARANAGUA

	3/23/2023	3/24/2023		
JUL	45 / 55	45 / 55	N	UNC
AUG	80 / 90	77 / 88	U	
SEP	80 / 90	80 / 90	U	UNC
OCT	100 / 105	100 / 105	Z	UNC
NOV	100 / 110	100 / 110	Z	UNC

*As demand picks up for April/May, barge freight is showing some life. CIF NOLA didn't follow freight higher today. This helped bring May river values down 5 cents to just +3cts over delivery value equivalents. If the trend continues, we'll likely need to see CIF firm up to further support the K/N spread.*

### ➤ U.S. 'Disappointed' in Mexico's new GMO corn decree

17 March 2023 by Leah Douglas, Reuters - The United States said on Tuesday it was "disappointed" in the Mexican government's announcement the previous day which walked back a deadline to ban genetically modified (GM) corn for animal feed and industrial use in the country, but retained its plans to ban the corn for human consumption.

"The U.S. believes in and adheres to a science-based, rules-based trading system and remains committed to preventing disruptions to bilateral agricultural trade and economic harm to U.S. and Mexican producers," Agriculture Secretary Tom Vilsack said in a statement.

The Mexican Economy Ministry said on Monday that it was eliminating its January 2024 deadline for ending its imports of GM corn used to feed animals. The country buys about 17 mmts of mostly GM yellow corn from the United States each year, mostly for animal feed.

Mexico will still prohibit use of GM corn for human consumption, such as flour, dough, or tortilla made from the grain. About 20% of Mexican corn imports from the United States is white corn for food products.

## BARLEY

### ➤ USDA – World Barley

Barley World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	47,264	-69(-.15%)	47,333	49,301	52,452	52,606	48,851
Beginning Stocks (1000 MT)	18,346	-2(-.01%)	18,348	20,793	21,718	20,169	21,437
Production (1000 MT)	151,624	+1147(+.76%)	150,477	145,925	160,905	158,360	139,598
MY Imports (1000 MT)	29,795	+54(+.18%)	29,741	30,129	36,077	28,647	24,763
TY Imports (1000 MT)	29,377	+59(+.2%)	29,318	29,129	36,922	28,008	25,170
TY Imp. from U.S. (1000 MT)	0	-	0	69	347	154	99
Total Supply (1000 MT)	199,765	+1199(+.6%)	198,566	196,847	218,700	207,176	185,798
MY Exports (1000 MT)	30,352	+500(+1.67%)	29,852	32,413	36,281	28,951	25,537
TY Exports (1000 MT)	30,316	+400(+1.34%)	29,916	28,515	37,372	29,478	27,135
Feed and Residual (1000 MT)	105,983	+870(+.83%)	105,113	100,065	115,798	110,765	95,773
FSI Consumption (1000 MT)	45,493	-16(-.04%)	45,509	46,023	45,828	45,742	44,319
Total Consumption (1000 MT)	151,476	+854(+.57%)	150,622	146,088	161,626	156,507	140,092
Ending Stocks (1000 MT)	17,937	-155(-.86%)	18,092	18,346	20,793	21,718	20,169
Total Distribution (1000 MT)	199,765	+1199(+.6%)	198,566	196,847	218,700	207,176	185,798
Yield (MT/HA)	3.21	+(-.94%)	3.18	2.96	3.07	3.01	2.86

Source: USDA PS&D

### ➤ IGC – World Barley Supply & Demand

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(fcast)	(proj.)	change
Opening stocks	28	28	25	27	+ 10.3%
Production	160	146	154	145	- 5.3%
<b>Total supply</b>	<b>188</b>	<b>175</b>	<b>178</b>	<b>173</b>	<b>- 3.2%</b>
<b>Total use</b>	<b>159</b>	<b>150</b>	<b>151</b>	<b>148</b>	<b>- 2.3%</b>
<i>of which: Food</i>	7	7	7	7	- 2.6%
<i>Feed</i>	109	104	105	103	- 2.3%
<i>Industrial</i>	32	29	28	28	- 0.0%
<b>Closing stocks</b>	<b>28</b>	<b>25</b>	<b>27</b>	<b>25</b>	<b>- 8.1%</b>
<b>Major exporters <sup>a)</sup></b>	<b>17</b>	<b>14</b>	<b>16</b>	<b>14</b>	<b>- 12.3%</b>
<b>Trade (Jul/Jun, excl. malt)</b>	<b>35</b>	<b>33</b>	<b>30</b>	<b>29</b>	<b>- 3.8%</b>

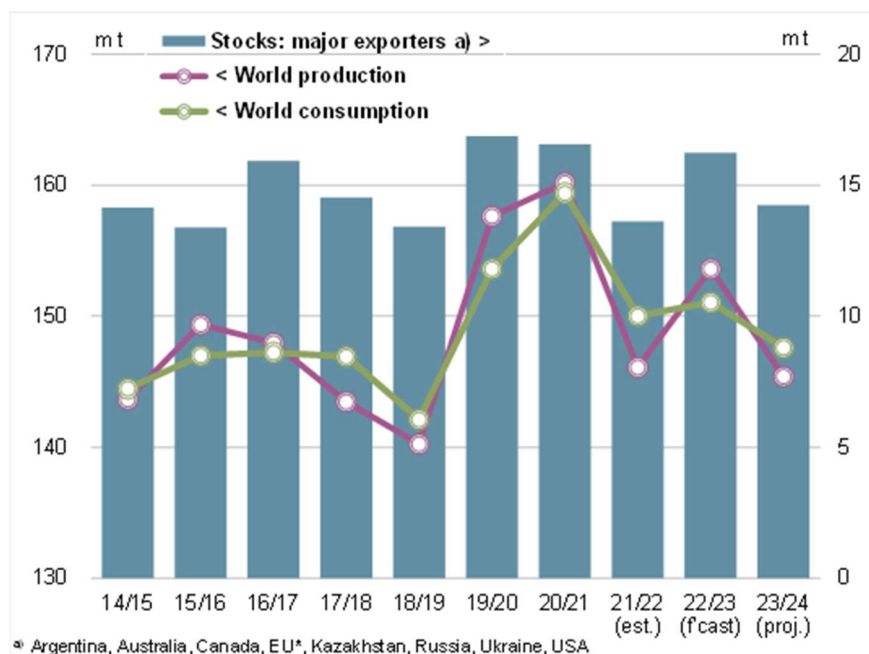
<sup>a)</sup> Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

Source: IGC

- Following a large world harvest in 2022/23, a drop in barley world production is predicted in 2023/24.
- After increasing in the prior year, 2023/24 barley consumption is projected to fall.
- World barley trade to decline across the forecast period.



- World barley ending stocks are expected to contract in 2023/24.



Source: IGC

### OUTLOOK FOR 2022/23

**Production** - Boosted by a strong upturn in productivity, global output rose by 5% in 2022/23, to 153.6 mmts. Due to an upward revision for Kazakhstan, where yields were the best in four seasons, the estimate is increased by 0.5 mmts m/m.

**Consumption** - Due to an expansion in feed use, forecast global uptake is seen slightly higher y/y, at 151.1 mmts. The total is up 0.6 mmts m/m, as increases for Australia, the EU and Ukraine more than offset a cut for China.

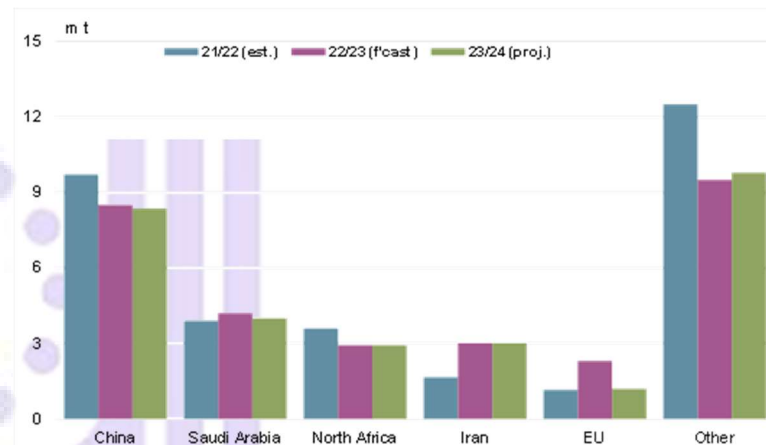
**Ending Stocks** - World inventories are forecast to rise to 27.1 mmts (+10%), mostly on unusually large inventories in the major exporters.

**Trade** - Owing to reduced buying from China, global trade in 2022/23 (Jul/Jun, excluding malt) is forecast to drop to a three-year low of 30.4 mmts (-6%).

Incorporating latest customs data, which showed a sustained strong pace of imports into the EU (Spain), the estimate is lifted by 0.4 mmts m/m.

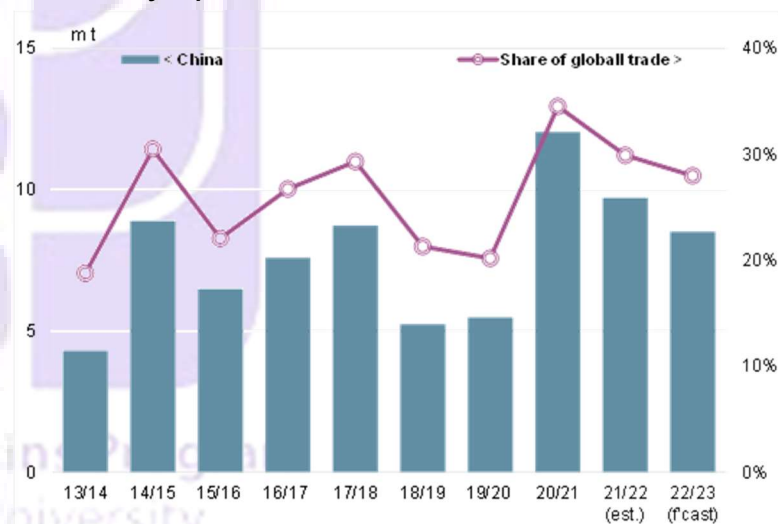
Reflecting slower than anticipated exports to date, the forecast for Argentina is trimmed m/m. Conversely, outlooks for Canada and Kazakhstan are increased from before.

### World Barley Imports (July/Jun)



Source: IGC

### China Barley Imports



Source: IGC

### OUTLOOK FOR 2023/24

**Production** - Mainly because of a declines in Ukraine, global harvested area is projected to fall by 1% in 2023/24, marking a third successive reduction. Assuming mostly trend yields, production is forecast at a five-year low of 145.4 mmts (-5%).

Conditions for overwintering EU barley are satisfactory overall, but with rains required as crops exit dormancy in western and central parts. With little change in area and yields, output is placed broadly steady y/y, at 51.6 mmts.

Early spring sowings have started in southern Russia. Linked to a smaller winter grain acreage and increased frost damage, some additional farmland could be sown to spring crops. Area is forecast 4%

higher y/y but, with yields projected to fall short of the prior year's excellent result, the outturn could drop by 10%, to 19.8 mmts.

Official data confirmed a sharp drop in winter plantings in Ukraine, albeit with significant uncertainty about acreage in uncontrolled territories. Assuming some pullback too in spring acreage, production could contract to 4.8 mmts (-27%).

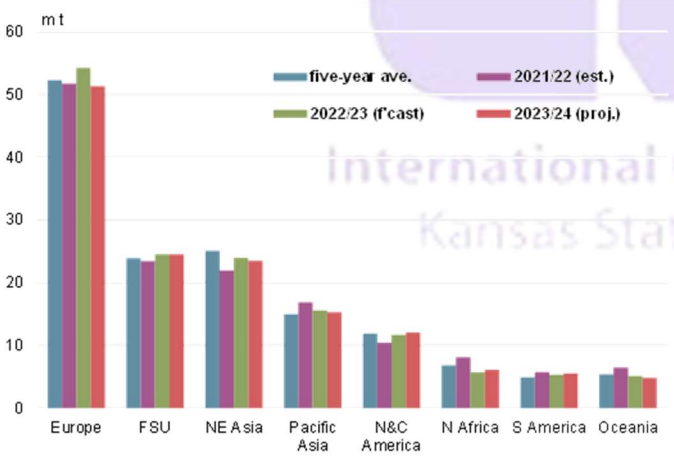
Although cumulative output in North Africa is tentatively seen higher compared to the prior season, harvests are set to be smaller than average in Algeria, Morocco and Tunisia due to drought damage.

#### Consumption -

Predominantly due to an anticipated drop in feed use amid smaller supplies and an uncertain macroeconomic backdrop, world consumption is projected to dip by 2% y/y, to 147.6 mmts, potentially the smallest since 2018/19.

#### Barley production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	54.0	51.6	51.7	51.6	-0.2%
Russia	20.6	17.6	22.1	19.8	-10.3%
Canada	10.7	7.0	10.0	10.0	-0.1%
Australia	14.6	14.4	14.1	9.9	-30.0%
Argentina	4.0	5.2	4.2	5.0	+18.9%
Ukraine	7.9	10.0	6.6	4.8	-27.1%
USA	3.7	2.6	3.8	3.7	-3.3%
Kazakhstan	3.7	2.4	3.3	3.1	-4.5%
<b>Selected others</b>					
Turkey	8.3	5.8	8.5	7.5	-12.4%
UK	8.1	7.0	7.4	7.1	-4.1%
North Africa	2.6	4.4	2.6	3.1	+18.7%
<b>World total</b>	<b>160.2</b>	<b>146.1</b>	<b>153.6</b>	<b>145.4</b>	<b>-5.3%</b>



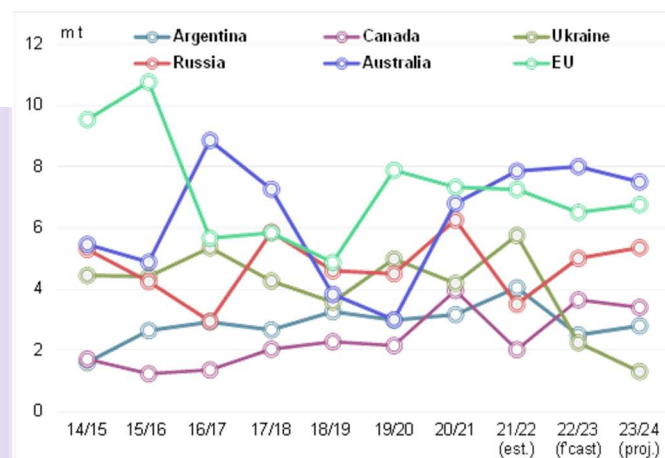
**Trade** - World trade is projected to decline for a third consecutive year, to 29.3 mmts (-4%), led by a forecast reduction in purchases by China.

After unusually large arrivals in the prior season, tied to a feed grains shortfall in Spain, EU imports are also expected decline, seen retreating to a near average level.

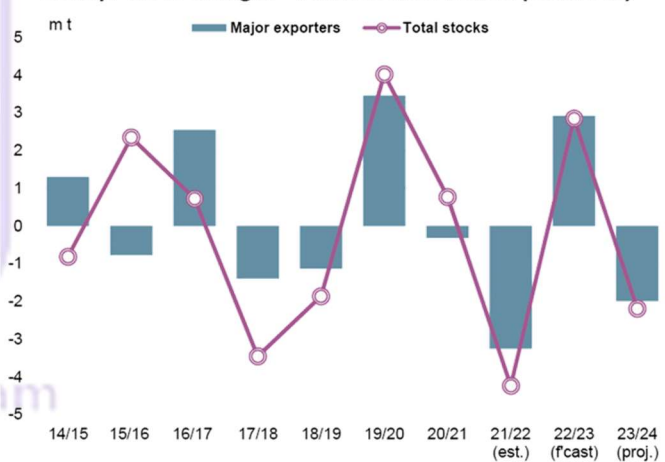
Due to forecast ample supplies, dispatches from Russia could increase for a second successive year, to 5.4 mmts (+7%) In contrast, amid much tighter availabilities, shipments from Ukraine are set to contract further, pegged at just 1.3 mmts (-42%), potentially the smallest since 2007/08.

Argentina and the EU are expected to be larger exporters in 2022/23, while volumes out of Australia and Canada are set to fall.

**Ending Stocks** - Global inventories are tentatively expected to contract by 8% y/y, to 24.9 mmts in 2023/24, reflecting an expected drop in production, led by a 12% fall in the major exporters.



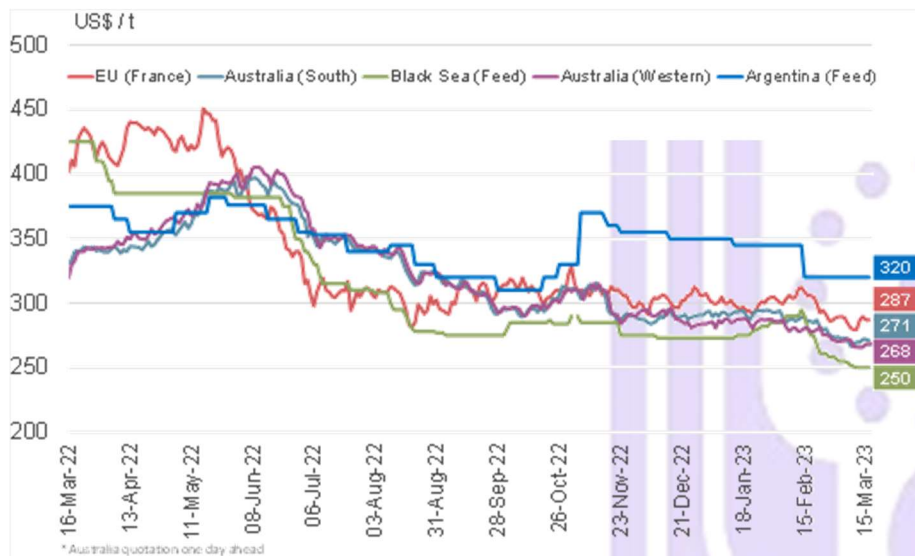
#### Barley: Stock changes – f'cast as at 16 March (GMR 541)



#### RECENT MARKET DEVELOPMENTS

Cash feed barley prices in the EU (France) declined, largely following movements in wheat markets. Dollar-denominated quotations decreased by US\$22, to US\$287/mt FOB (Rouen). Values in the Black Sea region were also lower, but largely nominal.

### Barley: Export prices\* March 2022 – March 2023



Source: IGC

In Australia, export prices were pressured by seasonally ample feed grain supplies. Values in South Australia decreased by US\$15, to US\$271 fob (Adelaide), with those in Western Australian down by US\$10, to US\$268 fob (Kwinana)

Up River fob values in Argentina were little changed m/m, but were overall poorly defined.

### Barley Export Prices (FOB, US\$/mt) as of the 21<sup>st</sup> of March 2023

		TW	LW	LY	%Y/Y
Australia Feed (Adelaide) b)	Mar	271	272	340	- 20
Australia Malting (Adelaide) c)	Mar	343	341	359	- 4
Argentina Feed	Apr	320	320	375	- 15
Black Sea Feed	Apr	236	250	425	- 44
EU (France) Feed (Rouen)	Mar	281	290	426	- 34
EU (France) Spring Malting	Mar	-	-	-	-

a) Jan 2000 = 100. b) 22 Mar. c) Commander malt barley, 22 Mar quotation.

Source: International Grains Council - [http://www.igc.int/grainsupdate/igc\\_goi.xlsb](http://www.igc.int/grainsupdate/igc_goi.xlsb)

Led by declines in the EU and Black Sea, barley prices dropped by 2% w/w. While spillover from wheat was an overall bearish feature, the downside in French values was capped by ongoing demand for old crop supplies, including from China.

Shipping data also featured a 35,000 mts malting barley cargo destined for India. In its March update.

MARS (Monitoring Agricultural Resources) noted that winter crops entered spring in fair to good condition in most parts of Europe, with soil moisture levels recently improving in France and Germany.

In its first set of formal projections, Ukraine's Ag Ministry pegged 2023/24 winter barley area (in territory under govt. control) at 536,000 ha (-32% y/y) and spring barley at 1.0m (+12%), with production placed at 4.8 mmts (-14%).

Jordan's state grains buyer purchased around 50,000 mts of feed barley from optional origins at \$276 C&F, Sep shipment.

## GRAIN SORGHUM

### ➤ USDA – World Grain Sorghum

Sorghum World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	40,773	-165(-.4%)	40,938	41,443	42,831	39,666	41,096
Beginning Stocks (1000 MT)	4,306	-100(-2.27%)	4,406	3,965	3,855	5,491	4,684
Production (1000 MT)	58,027	-515(-.88%)	58,542	61,972	62,544	57,719	59,363
MY Imports (1000 MT)	6,029	-337(-5.29%)	6,366	12,554	9,920	5,605	3,326
TY Imports (1000 MT)	6,031	-335(-5.26%)	6,366	12,530	9,958	5,629	3,248
TY Imp. from U.S. (1000 MT)	0	-	0	7,291	7,000	5,325	2,383
Total Supply (1000 MT)	68,362	-952(-1.37%)	69,314	78,491	76,319	68,815	67,373
MY Exports (1000 MT)	6,813	-295(-4.15%)	7,108	11,839	11,423	6,514	3,402
TY Exports (1000 MT)	6,487	-285(-4.21%)	6,772	11,876	10,552	6,386	3,334
Feed and Residual (1000 MT)	20,943	-543(-2.53%)	21,486	27,264	24,177	21,240	20,887
FSI Consumption (1000 MT)	36,975	-15(-.04%)	36,990	35,082	36,754	37,206	37,593
Total Consumption (1000 MT)	57,918	-558(-.95%)	58,476	62,346	60,931	58,446	58,480
Ending Stocks (1000 MT)	3,631	-99(-2.65%)	3,730	4,306	3,965	3,855	5,491
Total Distribution (1000 MT)	68,362	-952(-1.37%)	69,314	78,491	76,319	68,815	67,373
Yield (MT/HA)	1.42	(-.7%)	1.43	1.50	1.46	1.46	1.44

Source: USDA PS&D

### ➤ IGC – World Grain Sorghum Supply & Demand

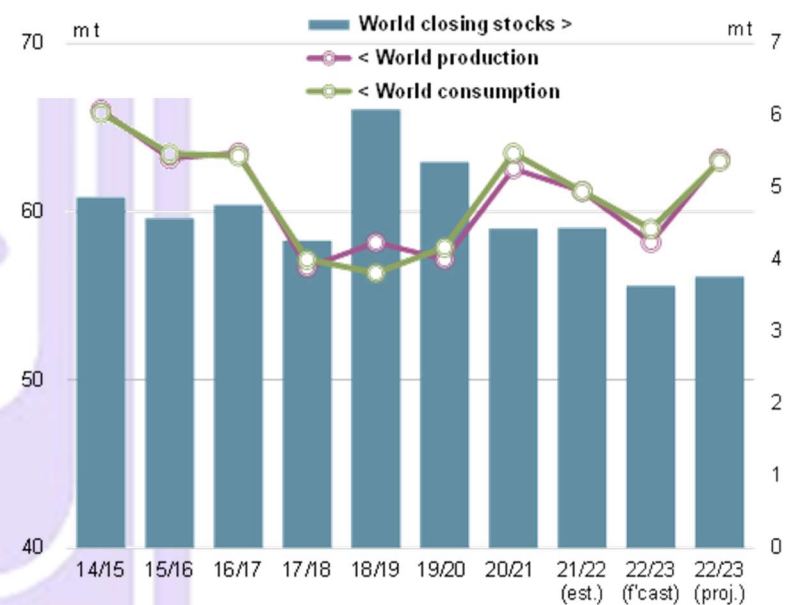
m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(f'cast)	(proj.)	change
Opening stocks	5.4	4.4	4.4	3.6	- 18.1%
Production	62.6	61.2	58.2	63.1	+ 8.5%
<b>Total supply</b>	<b>67.9</b>	<b>65.7</b>	<b>62.6</b>	<b>66.8</b>	<b>+ 6.6%</b>
<b>Total use</b>	<b>63.5</b>	<b>61.2</b>	<b>59.0</b>	<b>63.0</b>	<b>+ 6.8%</b>
of which: Food	31.9	28.4	31.0	31.3	+ 0.7%
Feed	25.7	26.2	21.2	24.9	+ 17.2%
Industrial	4.1	4.8	5.0	5.0	+ 0.0%
<b>Closing stocks</b>	<b>4.4</b>	<b>4.4</b>	<b>3.6</b>	<b>3.8</b>	<b>+ 3.5%</b>
Major exporters <sup>a)</sup>	0.8	1.6	1.0	1.3	+ 26.5%
<b>Trade (Jul/Jun)</b>	<b>9.7</b>	<b>12.3</b>	<b>6.7</b>	<b>10.2</b>	<b>+ 51.2%</b>

<sup>a)</sup> Argentina, Australia, USA

Source: IGC

- After two successive y/y declines, world sorghum production is projected to rebound by 9% in 2023/24.
- Amid an expected recovery in supplies, 2023/24 sorghum consumption is forecast to expand by 7% y/y.

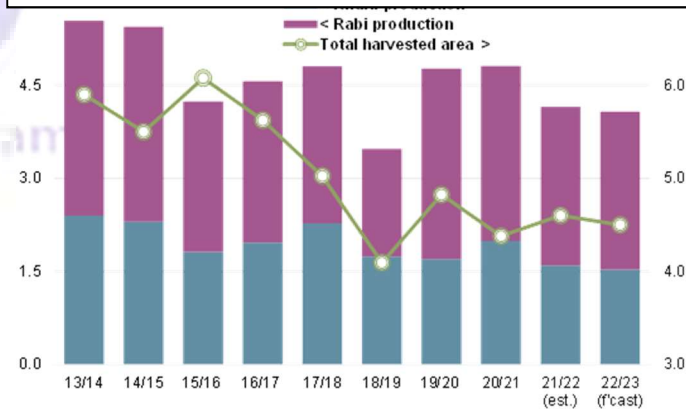
- Ending Stocks could build slightly at the end of next season.
- A significant expansion in sorghum trade is envisaged in 2023/24.



**OUTLOOK FOR 2022/23** - Almost entirely because of sharp, drought-related pullback in US output, global production slumped to a three-year low of 58.2 mmts (-5%). Factoring in downgrades for Australia and India, the estimate is cut by 0.5 mmts m/m. As yields in India are typically low, averaging only around 1.0 mts/ha, most of the recent downtrend in production is linked to acreage losses, with some farmers shifting to more profitable alternatives.

Forecast consumption is cut by 0.5 mmts m/m, to 59.0 mmts (+4%). Incorporating a number of minor adjustments, the Council's feed number is trimmed by 0.2 mmts, to 21.2 mmts (-19%), while the food use estimate is 0.3 mmts lower, at 31.0 mmts (+9%).

### Sorghum: India harvested area and production



Sorghum world ending stocks are expected to shrink by nearly one-fifth y/y, to 3.6 mmts, led by a significant drawdown in the US.

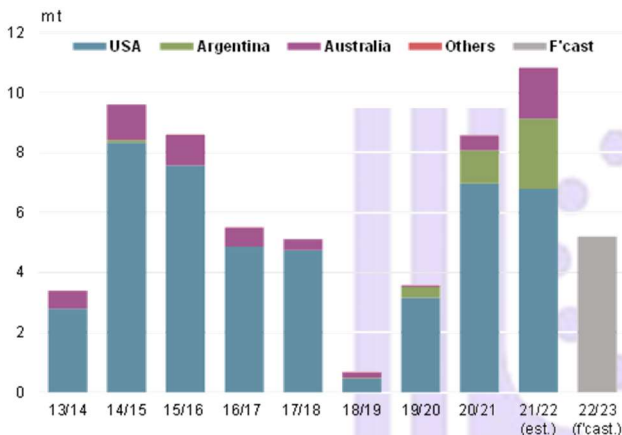
At 6.7 mmts (-45%), the world trade (Jul/Jun) outlook is down by 0.6 mmts m/m, mainly on a reduced figure for Chinese imports, now pegged at 5.2 mmts (-52%), on a sluggish pace of US and Argentine arrivals.

**OUTLOOK FOR 2023/24** - World harvested area is projected to increase by 1% in 2023/24, to a slightly larger than average 41.3 mha. The upswing is almost wholly tied to a larger US figure, where increased plantings and normal levels of abandonment are assumed. Acreage projections for most other key producers are little changed y/y. Based on trend yields, global production could rebound sharply, tentatively seen 9% higher y/y, at 63.1 mmts.

### Sorghum: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
USA	9.5	11.4	4.8	9.7	+104.4%
Argentina	3.3	2.8	2.9	3.0	+4.3%
Australia	1.6	2.6	2.5	2.0	-17.9%
<b>Selected others</b>					
Nigeria	6.6	6.7	7.2	7.2	-0.5%
Mexico	4.3	4.9	4.8	4.9	+1.0%
India	4.8	4.2	4.1	4.3	+6.6%
China	3.0	3.0	3.1	3.2	+1.1%
Brazil	2.1	2.7	3.0	3.1	+3.7%
<b>World total</b>	<b>62.6</b>	<b>61.2</b>	<b>58.2</b>	<b>63.1</b>	<b>+8.5%</b>

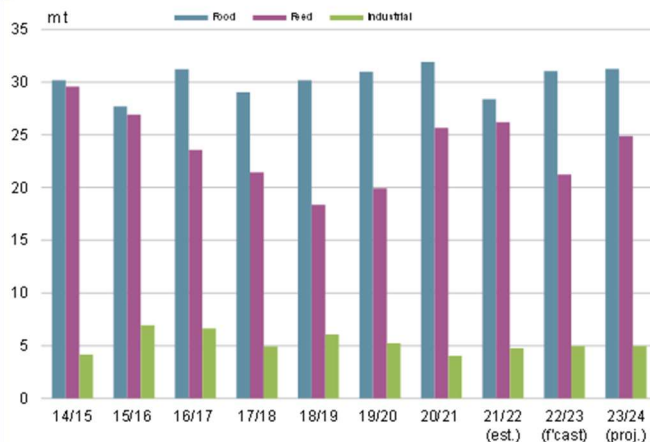
### Sorghum: China imports (July/June)



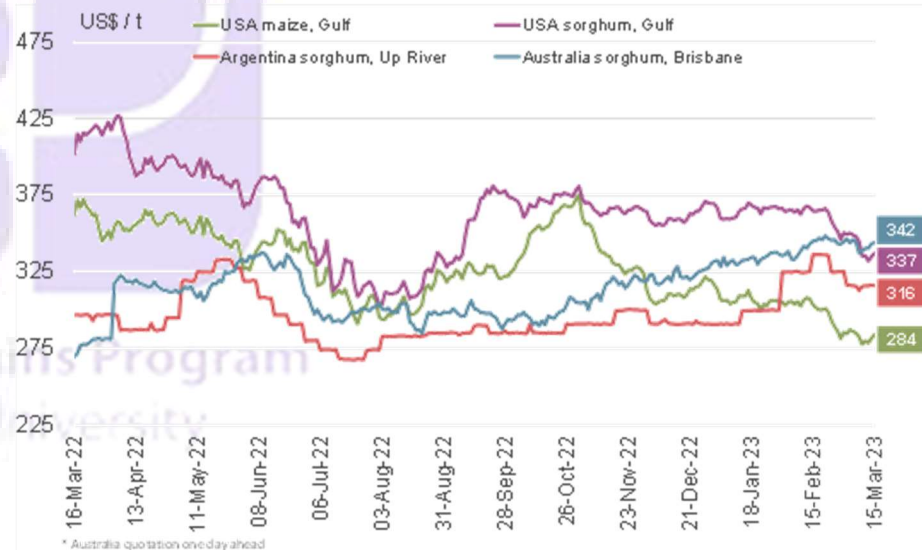
Consumption is projected to reach a three-year high of 63.0 mmts (+7%). Amid expectations for a much larger exportable surplus and some moderation in prices, growth in feed use could be particularly strong, seen rising by 17% y/y, to 24.9 mmts, led by an assumed sharp increase in China. At 31.3 mmts, food uptake is seen marginally higher y/y, boosted by gains in India.

World industrial use is tentatively placed at 5.0m t, unchanged y/y. After falling to a decade low in the prior year, closing stocks are forecast to build slightly, to 3.8 mmts. Trade (Jul/Jun) is anticipated to surge by more than 50% y/y, to 10.2 mmts, on stronger Chinese demand.

### Sorghum: World Consumption



### Sorghum: Export prices March 2022 - March 2023



US Gulf fob prices plunged by US\$27 m/m, to US\$337/mt, on losses in maize futures and softer basis levels.

Quotations in Argentina were also weak, down by US\$20, to US\$316/mt FOB (Up River).

Local values in Australia were supported by strong demand and lower output prospects for late sown crop. However, owing to movements in current markets, dollar-denominated quotations fell by US\$3, to US\$342/mt FOB (Brisbane).

**Grain Sorghum Export Prices (FOB, US\$/mt) as of 21<sup>st</sup> of March 2023**

		TW	LW	LY	%Y/Y
US (Gulf)	Apr	339	335	416	- 19
Argentina (Up River)	Mar	316	316	297	+ 6
Australia (Brisbane) a)	Mar	347	344	278	+ 25

Source: International Grains Council

US gulf sorghum export prices were modestly firmer, lifted by firmer maize futures. At more than 293,000 mts in the week ending the 9<sup>th</sup> of March, US export sales were the largest since January of last year; nevertheless, cumulative sales were still 80% smaller y/y, at 1.5 mmts.

The Buenos Aires Grain Exchange trimmed its forecast for 22/23 sorghum output in Argentina by 0.3 mmts, to 3.0 mmts (3.5 mmts LY), on a reduced figure for yields.

➤ **USDA – U.S. Grain Sorghum**

Sorghum United States as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	1,849	-	1,849	2,626	2,062
Beginning Stocks (1000 MT)	1,201	-	1,201	516	764
Production (1000 MT)	4,770	-	4,770	11,375	9,474
MY Imports (1000 MT)	1	-	1	0	1
TY Imports (1000 MT)	1	-	1	1	1
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	5,972	-	5,972	11,891	10,239
MY Exports (1000 MT)	2,286	-	2,286	7,476	7,085
TY Exports (1000 MT)	2,250	-	2,250	7,351	6,926
Feed and Residual (1000 MT)	1,778	-	1,778	2,066	2,465
FSI Consumption (1000 MT)	1,270	-	1,270	1,148	173
Total Consumption (1000 MT)	3,048	-	3,048	3,214	2,638
Ending Stocks (1000 MT)	638	-	638	1,201	516
Total Distribution (1000 MT)	5,972	-	5,972	11,891	10,239
Yield (MT/HA)	2.58	-	2.58	4.33	4.59

Source: USDA PS&D

➤ **U.S. Export Grain Sorghum Corn Values – Friday 24<sup>th</sup> March 2023**

**Grain Sorghum CIF NOLA Gulf barge/rail quotes, in cents/bus basis CBOT futures:** USDA (U.S. No. 2, CIF NOLA Gulf barge/rail quotes, in cents/bus.

TX FOB VESSEL	MILO (USc/MT)	3/23/2023	3/24/2023		
April		230	230	K	UNC
May		225	225	K	UNC
June		225	225	N	UNC

U.S. sorghum sales surged last week to 293,301 mts, the largest of the marketing year so far. China has been booking some cargoes over the last several weeks, but unknown buyers last week made their largest weekly purchase in over a year.

China is by far the primary destination for U.S. sorghum, but a terrible crop last year has USDA estimating 2022-23 exports down 70% on the year.

## OATS

### ➤ USDA – World Oats

Oats World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	9,547	-4(-.04%)	9,551	9,639	10,078	9,555	9,840
Beginning Stocks (1000 MT)	2,402	-	2,402	3,094	2,229	2,186	3,019
Production (1000 MT)	25,252	+199(+.79%)	25,053	22,735	25,723	23,214	22,205
MY Imports (1000 MT)	2,767	-2(-.07%)	2,769	2,403	2,527	2,511	2,342
TY Imports (1000 MT)	2,650	-2(-.08%)	2,652	2,335	2,616	2,517	2,243
TY Imp. from U.S. (1000 MT)	0	-	0	22	42	23	20
Total Supply (1000 MT)	30,421	+197(+.65%)	30,224	28,232	30,479	27,911	27,566
MY Exports (1000 MT)	2,797	-	2,797	2,503	2,766	2,529	2,359
TY Exports (1000 MT)	2,773	-	2,773	2,349	2,698	2,632	2,328
Feed and Residual (1000 MT)	16,862	+200(+1.2%)	16,662	15,568	16,953	15,621	15,901
FSI Consumption (1000 MT)	8,084	-5(-.06%)	8,089	7,759	7,666	7,532	7,120
Total Consumption (1000 MT)	24,946	+195(+.79%)	24,751	23,327	24,619	23,153	23,021
Ending Stocks (1000 MT)	2,678	+2(+.07%)	2,676	2,402	3,094	2,229	2,186
Total Distribution (1000 MT)	30,421	+197(+.65%)	30,224	28,232	30,479	27,911	27,566
Yield (MT/HA)	2.65	+(+1.15%)	2.62	2.36	2.55	2.43	2.26

Source: USDA PS&D

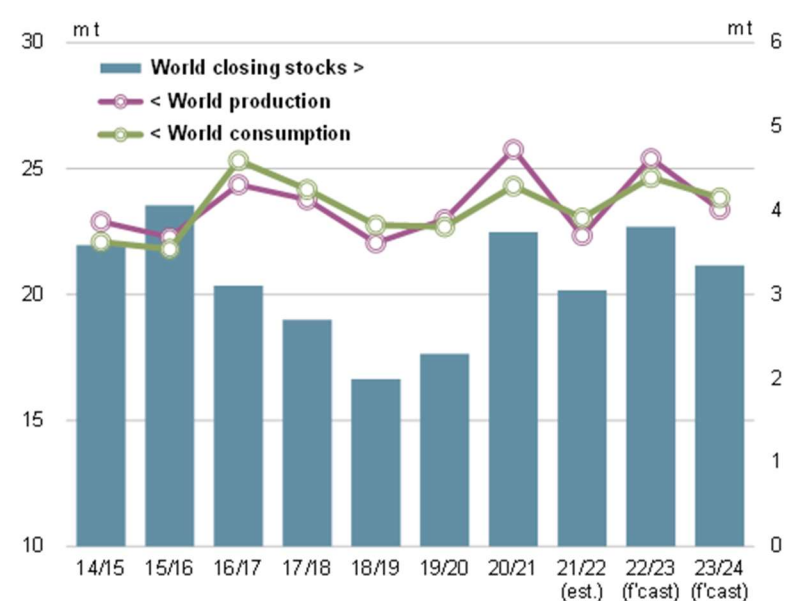
### ➤ IGC – World Oats Supply & Demand

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(f'cast)	(proj.)	change
Opening stocks	2.3	3.7	3.1	3.8	+ 24.8%
Production	25.8	22.3	25.4	23.4	- 8.0%
<b>Total supply</b>	<b>28.1</b>	<b>26.1</b>	<b>28.5</b>	<b>27.2</b>	<b>- 4.5%</b>
<b>Total use</b>	<b>24.3</b>	<b>23.0</b>	<b>24.7</b>	<b>23.8</b>	<b>- 3.3%</b>
<i>of which: Food</i>	5.4	5.6	5.7	5.8	+ 1.3%
<i>Feed</i>	16.2	15.1	16.3	15.6	- 4.2%
<i>Industrial</i>	0.1	0.1	0.1	0.1	+ 0.0%
<b>Closing stocks</b>	<b>3.7</b>	<b>3.1</b>	<b>3.8</b>	<b>3.3</b>	<b>- 12.2%</b>
<i>Major exporters<sup>a)</sup></i>	2.2	1.8	2.7	2.1	- 22.7%
<b>Trade (Jul/Jun)</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>- 7.1%</b>

<sup>a)</sup> Canada, EU, Australia

Source: IGC

- Following a spike in 2022/23 production, world oats output is set to be smaller in 2023/24.
- Amid reduced feed use, 2023/24 oat consumption could drop by 3%.
- Projected 2023/24 end stocks are seen 12% lower y/y.
- World trade in oats is forecast to recede by 7% in 2023/24.



Source: IGC

**OUTLOOK FOR 2022/23** - Boosted primarily by a huge Canadian outturn, world production rose by 14% y/y, to a larger than average 25.4m t. Consumption is forecast to climb by 7% y/y, to 24.7 mmts, underpinned by higher feeding, seen at 16.3 mmts (+8%), and firmer food uptake, placed at 5.7 mmts (+2%).

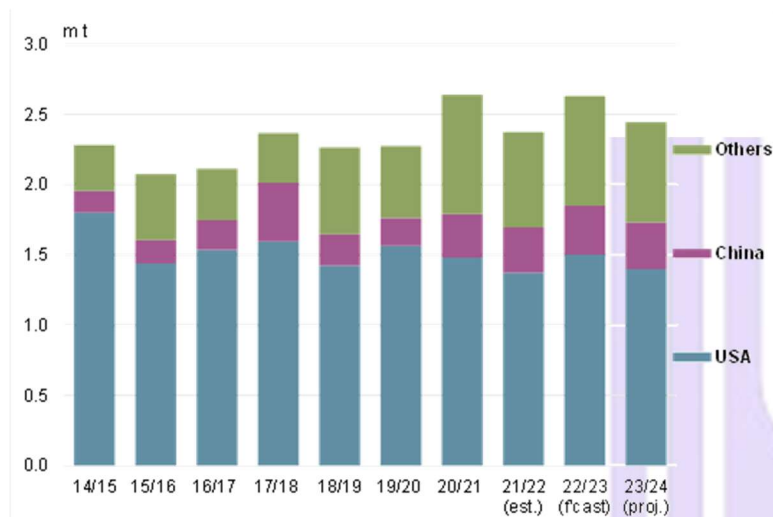
Led by an accumulation in Canada, stocks are estimated to expand by one quarter y/y, to 3.8 mmts. At 2.6 mmts, trade (Jul/Jun) is seen 11% up y/y, on strong buying from the US and China.

**OUTLOOK FOR 2023/24** - Amid volatility in acreage and yields, there have been large swings in world oats production in recent seasons. This trend is set to continue in 2023/24, with cumulative output seen falling by 8% after a 14% increase in the season before. Pulled lower mainly by smaller plantings in Canada, harvested area is forecast to drop by 4% and, factoring in trend yields, production is tentatively placed at 23.4 mmts.

Owing to a tighter outlook for global supplies, consumption is projected to fall by 3% y/y, to 23.8 mmts, largely linked to smaller projected feed use, pegged at 15.6 mmts (-4%). However, with demand for oats food products expected to continue growing, food use is forecast to edge slightly higher, to 5.8 mmts.

Ending Stocks could contract by 12%, to 3.3 mmts, with major exporter inventories seen shrinking by nearly a quarter y/y. Trade is tentatively placed at 2.4 mmts (-7%).

## Oats: World trade (Jul/Jun)

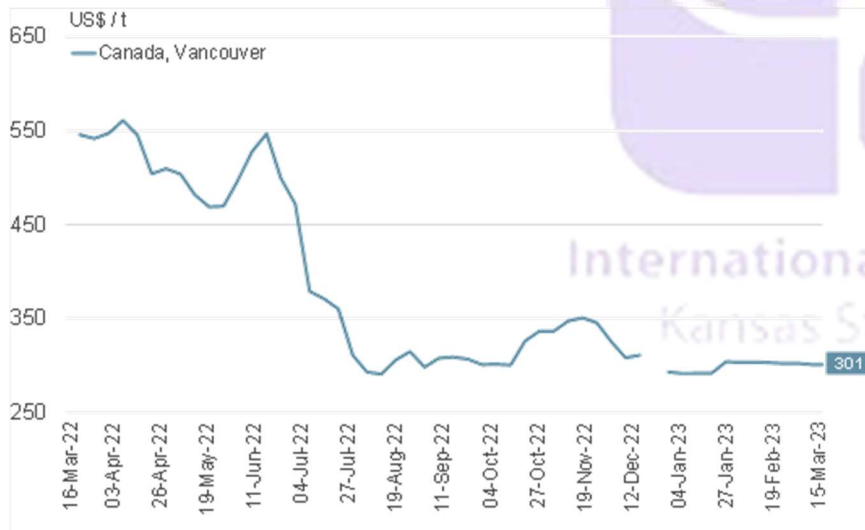


Source: IGC

18 March 2023 IGC - Global trade in oats is projected to retreat in 2023/24 (Jul/Jun) as prospects for smaller crops in the world's major exporters, notably in Canada and Australia, curtail export potential.

## RECENT MARKET DEVELOPMENTS

### Oats: Export prices March 2022 - March 2023



In mostly technical trading, with movements sometimes influenced by neighbouring markets, Canadian FOB export values fell marginally, to US\$301 (Vancouver), on thin demand.

### Oats Export Prices (FOB, US\$/mt) as of the 21<sup>st</sup> of March 2023

		TW	LW	LY	%Y/Y
Canada (Vancouver)	Mar	302	301	546	-45

Source: International Grains Council

Price direction for oats has been influenced by neighboring markets, as Chicago oats nearby futures advanced by 6% w/w.

In its latest update, DRV, an association of cooperatives, forecast 23/24 oats production in Germany at 0.6 mmts (0.8 mmts prior season) from an area of 133,000ha (160,000ha). Elsewhere, spring plantings were underway in Ukraine.

### CME CBOT Oat Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/ZOU22/interactive-chart>

**CME March 2023 Oats Futures settled on Friday at \$3.68½/bu, up 7 cents on the day, and gaining 20½ cents for the week.**



## OILSEEDS COMPLEX

### ➤ **Ukraine plantings expect big jump in oilseeds, while grains contract**

21 March 2023 - The area of Ukraine planted under grains is expected to drop by almost 11% in the 2023/24 marketing year compared to 2022/23, but increase by 17% for the area planted with oilseeds as farmers adjust their planting in the light of the ongoing Russian invasion, data from the Ukrainian agriculture ministry showed Tuesday.

**Grains** - The planting area under grains is forecast at 10.2 mha for 2023/24, down 11% year-on-year, with the heaviest falls seen in winter wheat planting. Of the total, the acreage projected for winter wheat sowing stood at 4.2 mha, which is almost a 17% decline compared to last year while spring planting was at 285,000 ha, slightly up year-on-year.

Corn is expected to be sown on 3.6 mha, which is 14% lower than that planted in 2022, with the view coming despite part of the previous corn harvest still standing in the fields. Updated data from the ministry showed that around 6% of this year's planted area still needs to be completed.

The area under winter barley is expected to drop by 255,000 ha to 536,000 ha, while for spring barley planting the ministry expects an increase in areas by 111,000 ha to 1.04 mha.

**Oilseeds** - At the same time, it is expected that the area planted under oilseeds will increase by 17% to 8.8 mha, capitalizing on the decrease in grain planting areas and coming in above market estimates that had been put at around 8.1-8.6 mha.

The sunflower seed planted area was estimated to increase by around 15% to 5.6 mha, set as an early estimate with that figure falling in line with market expectations.

In 2022, sunflower seeds were gathered from 4.8 mha.

The ministry also sees an increase of 24% to 1.37 mha for rapeseed planting, which is slightly above the market estimates that were set at between 1.1-1.3 mha.

Alongside that, there was a significant 20% increase in the area planted with soybeans, which rose to 1.84 mha and also landed above market ideas that had been set at 1.6-1.75 mha.

However, the industry was expecting the switch away from grains and towards oilseeds as farmers look to capture higher demand outlooks for the vegetable oil complex and the oilseeds need for fewer fertilizers, less inputs and lower energy usage needed.

### ➤ **Ukraine new 2022/23 forecast: soybean harvest to exceed 4 mmts**

21 March 2023 *UkrAgroConsult* - The 2022 soybeans harvested was 3.8 mmts of (+8% y/y, *UkrAgroConsult* estimates). There was an increase in area with a decrease in productivity.

For Sept 2022-Feb 2023 (the first half of 2022/23 season), soybeans exports remained higher than last year. The January, 2023 exports even exceeded 400 kmts, the record of monthly shipments in the 2022/23 season.

Total soybean exports for the six months of the current season amounted to about 1,945 kmts, the second largest total exports, twice as much as in the previous season.

Soybeans are shipped to the foreign markets thru the "grain corridor" mainly;

For Sept 2022-Feb 2023 (the first half of 2022/23 season), more than 70% of the soybean export potential was shipped to foreign markets.

For Sept 2022-Feb 2023 soybean oil and meal exports increased compared to the 6 months of the previous 2021/22 season, the shipments especially intensified for the last three months (December 2022-February 2023).

In the coming season oilseeds planted area is expected to expand, as the oilseeds are more profitable.

Soybean harvest estimate (*UkrAgroConsult*) – the harvest will increase by 10% compared to last year due to the expansion of the sowing area.

### ➤ **USDA attaché sees China 2023/24 soybean imports rising to 97 mmts**

20 March 2023 *Reuters* - Following are selected highlights from a report issued by the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) post in Beijing:

"Modest growth in the animal protein sector is expected to raise China's soybean imports to 97 mmts in Marketing Year (MY) 23/24. The People's Republic of China's (PRC) removal of COVID-related restriction in December 2022 is expected to boost overall oilseed consumption.

However, relatively high prices for soybean meal (SBM) and low returns in the swine and poultry sector continue to disadvantage SBM inclusion in feed.

Following a significant increase in soybean area and production in MY 22/23, PRC policies supporting soybeans are expected to continue, yielding an additional 400,000 mts of production in MY 23/24."

### ➤ **China's soybean crush breaks 4-week decline, rises to 1.53 mmts**

23 March 2023 *CNGOIC* - China's weekly soybean crush volumes rose by 5.51% on the week to 1.53 mmts, ending a four-week decline led by low soybean stocks and ongoing maintenance at crushing plants, data from China's National Grain and Oil Information Centre (CNGOIC) showed Thursday.

While crush volume had improved on a weekly basis, the level was still lower against a month ago by 15.93%, but higher compared to the previous year by 17.7%.

Soybean stocks reported an uptick last week after five weeks of continuous decline with the pace of arrivals exceeding the rate of crushing, rebounding to 3.66 mmts as of March 18, or 3.97% higher against the previous week.

The level was however, 12.65% lower compared to one month ago, but 51.23% higher against last year.

"Soybean arrivals are expected to increase in the coming weeks, particularly from late-April onwards as shipments come in from Brazil, and crush volume is anticipated to rise above 1.6 mmts this week," CNGOIC said.

On product stocks, both soymeal and soyoil inventory levels fell as crush volume remains relatively low, with soymeal stocks dipping by 8.77% on the week to 520,000 mts as of March 17<sup>th</sup>.

This marks the second consecutive week where soymeal stocks have fallen and comes on the back of a higher pickup rate from downstream buyers versus crush.

Similarly, soyoil stocks also fell by 6.34% to 590,000 mt as of March 21, with consumption remaining steady amid the slowed pace of crushing.

This was also 13.23% lower against last month and 20.27% less compared to last year.

Soyoil stocks have remained continuously low in recent weeks in tandem with the low crush volume and is only expected to improve in April following more soybean arrivals and in turn, higher crushing activity, CNGOIC noted.

#### ➤ **China's soybean crush falls on low bean stocks, high meal inventory**

*16 March 2023 CNGOIC* - China's weekly soybean crush in the week ending March 10 fell by 1.36% against the previous week to 1.45 mmts, coming below earlier expectations of 1.5 mmts as low bean availability and elevated soymeal stocks capped crushing operations, according to data from the China National Grain and Oil Information Centre (CNGOIC).

The level was also 29.61% lower than a month ago but 0.69% higher compared with last year and marks the fourth consecutive week where crush volumes have declined.

Chinese soybean stocks continued to decline for the fifth week running to 3.52 mmts, or 4.77% lower than a week ago, with relatively fewer arrivals in March and crush activity exceeding the level of imports.

Soybean arrivals are expected to surge from around 5.7 million in March to 9.3 mmts in April, with the bulk expected to be from Brazil, CNGOIC noted.

Soymeal stocks fell for the first time in four weeks to 570,000 mt, 10.9% lower than the previous week. However, this was 83.8% higher than a year ago, and comes as hog breeding margins remain unfavorable and soymeal prices are less competitive on a per protein point basis.

This is despite soymeal prices having fallen recently, and with soybean arrivals expected to rise in April, CNGOIC expects soymeal prices to remain under pressure amid higher meal supply.

Lastly, soyoil stocks were unchanged in the week ending March 14 at 630,000 mts, as downstream consumers slowed their buying pace.

The level was 13.69% lower than a year ago, and the lowest seen since May 2021.

Soyoil stocks are expected to remain low until April following higher soybean arrivals and as crush activity picks up.

For this week, CNGOIC estimates crush volume to come in around 1.5 mmts.

#### ➤ **China to buy more homegrown soybeans for reserves**

*16 March 2023 Reuters* - China will step up buying of domestic soybeans by state reserves to encourage farmers to keep planting the crop, the agriculture ministry said on Thursday, as Beijing continues to push for greater self-sufficiency in oilseed.

China started to increase soybean planting a year ago amid worries about its heavy reliance on imports of protein-rich beans to feed its huge herd of livestock.

But after boosting planting by 22% last year, farmers struggled to sell their crop, which is priced higher than genetically modified imported soybeans and predominantly sold for food use.

China will guide its state stockpiler to plan new purchases of domestically produced soybeans in the producing regions of Heilongjiang province and Inner Mongolia, the Ministry of Agriculture and Rural Affairs said in a statement.

The stockpiler should "increase the intensity of purchase and storage, release positive signals, and make use of the role of market guidance" it said.

State-owned companies such as COFCO Group should also prioritize the procurement, processing and use of domestic soybeans, while clear soybean production targets should be set for local governments.

China will also increase subsidies for soybean and corn producers and guide regions in its northeastern breadbasket to to stabilise production.

Other policies include to increasing incentives for major grain-producing counties, focusing on raising yields, and to develop coordination between production and sales.

The measures are aimed at "sending a clear signal" to stabilize soybean production this year, and ensuring the reasonable income of soybean farmers, the statement said.

#### ➤ **EU 2022/23 soybean imports reach 8.45 mmts, rapeseed 5.87 mmts**

*21 March 2023 Reuters* - European Union soybean imports in the 2022/23 season that started in July had reached 8.45 mmts by March 19, down 14.6% from 9.89 million by the same week last season, data published by the European Commission showed on Tuesday.

EU rapeseed imports so far in 2022/23 had reached 5.87 mmts, up 54% compared with 3.81 mmts a year earlier.

The bloc's soymeal imports over the same period totaled 11.24 mmts, down 4.6% from 11.78 million the prior season, while palm oil imports stood at 2.65 mmts, 29% below a year-earlier 3.73 million.

However, the Commission said that it was still experiencing problems compiling grain trade figures from Germany and Italy.

Export data submitted by Germany from November may be inaccurate following the country's switch to a new declaration system, while for Italy import data only went up to Jan. 13, it said in a note..

## SOYBEANS

### ➤ USDA – World Soybean

Oilseed, Soybean World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	135,235	-319(-.24%)	135,554	131,065	129,253	123,093	125,654
Beginning Stocks (1000 MT)	99,002	+172(+.17%)	98,830	100,032	94,970	114,158	99,620
Production (1000 MT)	375,148	-7863(-2.05%)	383,011	358,142	368,476	340,795	362,994
MY Imports (1000 MT)	165,393	+1320(+.8%)	164,073	157,076	165,546	165,124	146,022
Total Supply (1000 MT)	639,543	-6371(-.99%)	645,914	615,250	628,992	620,077	608,636
MY Exports (1000 MT)	168,402	+930(+.56%)	167,472	153,977	164,994	165,556	149,187
Crush (1000 MT)	320,040	-3857(-1.19%)	323,897	312,947	315,983	312,116	298,754
Food Use Dom. Cons. (1000 MT)	23,045	-	23,045	21,702	21,476	20,954	20,091
Feed Waste Dom. Cons. (1000 MT)	28,046	-1422(-4.83%)	29,468	27,622	26,507	26,481	26,446
Total Dom. Cons. (1000 MT)	371,131	-5279(-1.4%)	376,410	362,271	363,966	359,551	345,291
Ending Stocks (1000 MT)	100,010	-2022(-1.98%)	102,032	99,002	100,032	94,970	114,158
Total Distribution (1000 MT)	639,543	-6371(-.99%)	645,914	615,250	628,992	620,077	608,636
Yield (MT/HA)	2.77	(-2.12%)	2.83	2.73	2.85	2.77	2.89

Source: USDA PS&D

### ➤ IGC Soybean Supply & Demand – March 23

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(f'cast)	(proj.)	change
Opening stocks	54	55	46	46	+ 0.5%
Production	370	356	370	399	+ 7.8%
<b>Total supply</b>	<b>425</b>	<b>411</b>	<b>416</b>	<b>445</b>	<b>+ 7.0%</b>
<b>Total use</b>	<b>370</b>	<b>365</b>	<b>370</b>	<b>388</b>	<b>+ 5.1%</b>
<i>of which: Crush</i>	326	325	330	346	+ 4.9%
<b>Closing stocks</b>	<b>55</b>	<b>46</b>	<b>46</b>	<b>56</b>	<b>+ 22.5%</b>
<i>Major exporters</i> <sup>a)</sup>	17	11	11	17	+ 54.6%
<b>Trade (Oct/Sep)</b>	<b>159</b>	<b>155</b>	<b>167</b>	<b>173</b>	<b>+ 3.8%</b>

<sup>a)</sup> Argentina, Brazil, USA

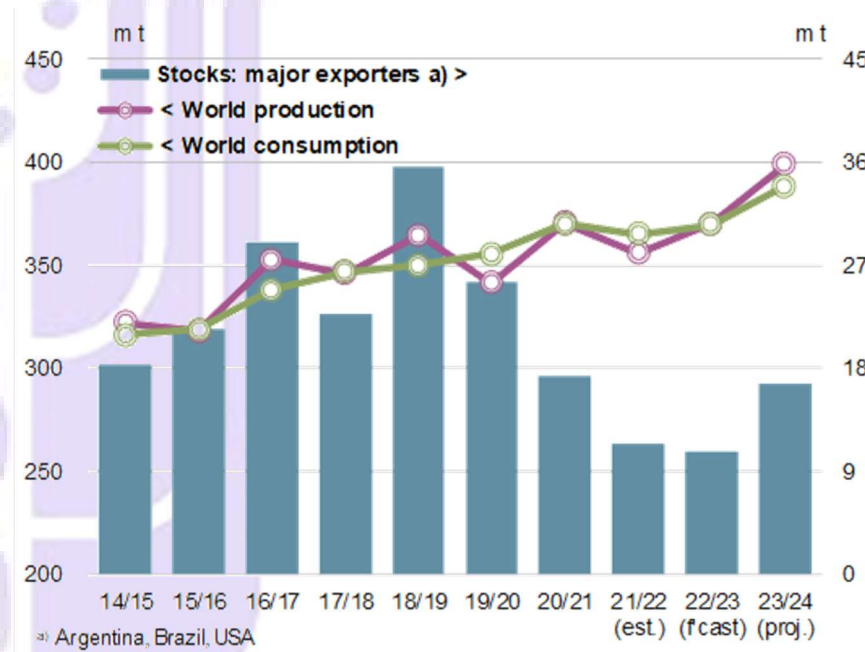
### OUTLOOK FOR 2022/23

- Despite diminishing prospects in Argentina, global soybean production is forecast to expand by 4% y/y.
- Although expectations have been scaled back, total world soybean use is still seen advancing to a new high.

- Soybean carryover could edge up but major exporters' stocks are predicted at a multi-year low.
- Trade is forecast to advance by 7% y/y.

### OUTLOOK FOR 2023/24

- Due to expanded acreage and assumed yield gains, world soybean production is seen rising by 8% y/y, to a new peak.
- Global soybean consumption is tentatively predicted at a fresh high.
- A bigger world soybean harvest should allow for inventory accumulation.
- World soybean trade is predicted to increase by 4% y/y.



Source: IGC

With a big Brazilian crop more than offsetting smaller harvests elsewhere, notably in Argentina, 2022/23 world soyabean output is forecast to rise by 4% y/y.

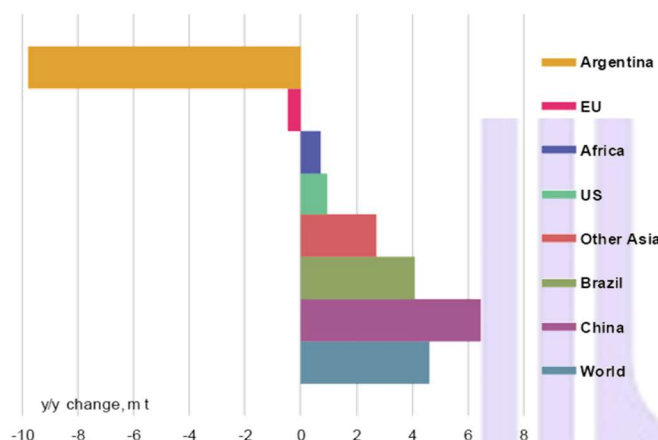
With uptake advancing modestly, stocks are set to tighten.

Resting on shipments to China, Argentina and a range of other buyers, trade is forecast to rise solidly (+7%).

Tied to acreage gains and improved yields, 2023/24 global output is projected to expand by 29 mmts y/y. Amid expanded use of soya products in feed, food and industrial sectors, uptake is seen at a new high, with stock accumulation likely.

World trade is predicted at a record of 173 mts (+4%).

**Soyabeans: Annual (y/y) changes in total use in selected consumers and regions in 2022/23**



Source: IGC

19 March 2023 IGC - World soybean use is projected to expand in 2022/23, including record uptake in the US & Brazil. However, Argentina's smaller crop will have big implications for processing, especially since it is the world's largest exporter of soyoil and soymeal.

21 March 2023 Reuters - Brazilian farmers will reap a record soybean crop of 155 mmts in the present cycle, even as drought conditions slashed yields in large producing states like Rio Grande do Sul.

After three months surveying soybean areas nationwide, agribusiness consultancy Agroconsult increased its estimate from 153 mmts in a forecast released last month. Brazil is expected to export 96 mmts of soybeans this year, a record, according to a forecast on Tuesday by agribusiness consultancy Agroconsult.

Agroconsult said Brazil would have harvested 160 mmts of soybeans had it not been for dry weather in Southern Brazil, citing Rio Grande do Sul as one of the most hit by the La Nina weather event.

According to fresh Agroconsult data, eight Brazilian states posted record soy yields this season, which was marked by low rains at the onset and rainy weather during harvest time.

Average yields for Brazil soybean fields stood at 59.1 60-kilo bags per hectare (52.7 bu./acre), shy of an all-time record of 59.4 bags in the 2020/2021 cycle, Agroconsult analysts said in a presentation.

Agroconsult experts said they are organizing a tour of second corn fields to begin momentarily. Second corn, planted after soy is harvested in the same areas, represents 70-75% of Brazil's total output in a given year.

Ahead of going on the road, the consultancy lowered its estimate for second corn crop to 97.2 mmts, from 101.3 mmts in January, citing weather risks and a likely fall in areas planted in states like Paraná.

➤ **USDA – Brazil Soybeans**

➤ **Brazil's soybean harvest at 62.5%, safrinha sowing at 85.1%: Conab**

21 March 2023 - Brazil's soybean harvest advanced 9.1 percentage points on the week ending March 18 to 62.5% of the 43.5 mha planted area, the country's food agency Conab said late Monday.

The harvest remains behind last year's 70.6% completion rate in the same period.

According to Conab, the harvest in Rio Grande do Sul is still in the initial stages, while a year ago 9% of the crop was collected.

The southern state is usually the last one to start harvesting.

In Mato Grosso, on the other hand, fieldwork is closer to the end, with a 97.9% completion rate and a 3.2 percentage point weekly advance.

The state agency said the yield and quality of soybeans are optimal in the state.

In Paraná, rain occurred at a lower intensity in the past week and favored the harvest, but there are records of damage in the grains due to excess humidity.

Brazil is expected to harvest 151.4 mmts of soybeans in the 2022/23 crop year.

Oilseed, Soybean Brazil as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	43,400	-	43,400	41,500	39,500
Beginning Stocks (1000 MT)	26,885	+61(+.23%)	26,824	29,404	20,419
Production (1000 MT)	153,000	-	153,000	129,500	139,500
MY Imports (1000 MT)	750	-	750	539	1,015
Total Supply (1000 MT)	180,635	+61(+.03%)	180,574	159,443	160,934
MY Exports (1000 MT)	92,700	+700(+.76%)	92,000	79,063	81,650
Crush (1000 MT)	52,750	-	52,750	50,250	46,675
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,650	+50(+1.39%)	3,600	3,245	3,205
Total Dom. Cons. (1000 MT)	56,400	+50(+.09%)	56,350	53,495	49,880
Ending Stocks (1000 MT)	31,535	-689(-2.14%)	32,224	26,885	29,404
Total Distribution (1000 MT)	180,635	+61(+.03%)	180,574	159,443	160,934
Yield (MT/HA)	3.53	-	3.53	3.12	3.53

Source: USDA PS&D

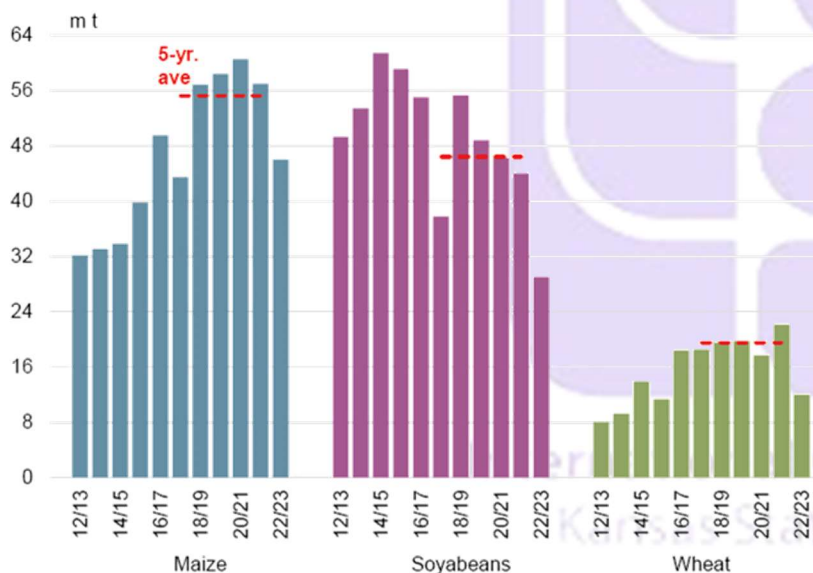
➤ **Brazil 2022/2023 soybean crop forecast raised to 155 mmts**

➤ **USDA – Argentina Soybeans**

Oilseed, Soybean Argentina as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	15,500	-400(-2.52%)	15,900	15,900	16,470
Beginning Stocks (1000 MT)	23,903	-	23,903	25,060	26,650
Production (1000 MT)	33,000	-8000(-19.51%)	41,000	43,900	46,200
MY Imports (1000 MT)	7,250	+1000(+16%)	6,250	3,839	4,816
Total Supply (1000 MT)	64,153	-7000(-9.84%)	71,153	72,799	77,666
MY Exports (1000 MT)	3,400	-800(-19.05%)	4,200	2,861	5,195
Crush (1000 MT)	35,250	-2050(-5.5%)	37,300	38,825	40,162
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5,700	-1550(-21.38%)	7,250	7,210	7,249
Total Dom. Cons. (1000 MT)	40,950	-3600(-8.08%)	44,550	46,035	47,411
Ending Stocks (1000 MT)	19,803	-2600(-11.61%)	22,403	23,903	25,060
Total Distribution (1000 MT)	64,153	-7000(-9.84%)	71,153	72,799	77,666
Yield (MT/HA)	2.13	(-17.44%)	2.58	2.76	2.81

Source: USDA PS&D

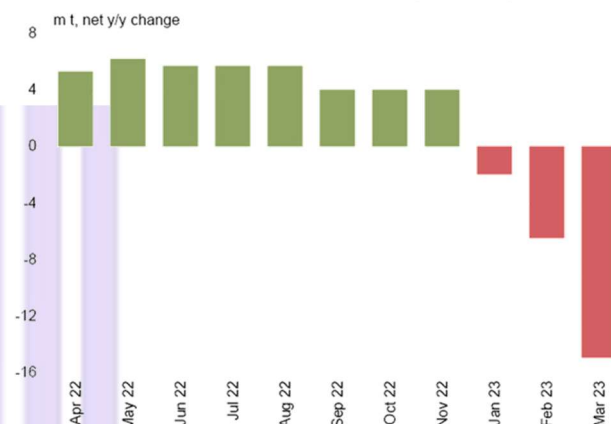
**Argentina: Major grains and oilseed production – f'cast as at 16 March**



Source: IGC

16 March 2023 IGC - With early harvest data in Argentina confirming poor yields and, with any future rainfall expected to provide only limited benefit to later-sown varieties, 2022/23 corn production is set to fall sharply y/y.

Soybeans: IGC forecasts for annual (y/y) change in 2022/23 production in Argentina, monthly basis – f'cast as at 16 March (GMR 541)



Source: IGC

16 March 2023 IGC - Prospect for Argentina's soybean crop have worsened markedly over recent weeks owing to sustained hot and dry conditions in core growing areas.

Output in 2022/23 is now seen falling y/y, to the smallest in around two decades.

➤ **Argentina exchange soy outlooks steady, but early yields disappoint**

23 March 2023 by Maximilian Heath, Reuters - Argentina's Buenos Aires grains exchange maintained its 2022/2023 production forecasts for both soy and corn on Thursday, but cautioned further cuts were possible with yields on the first batches of soy coming in below expectations.

The exchange, which has been forced by a historic drought hitting the country to repeatedly cut its soybean and corn harvest forecasts, held its soy estimate at 25 mmts and its corn outlook at 36 mmts.

Argentina is the world's top exporter of processed soy oil and meal and the No. 3 supplier of corn.

The exchange said that yields observed on early harvested soy were below "historical lows and below the initially expected returns. If this trend continues it could affect our production estimate of 25 mmts."

On corn it added the forecast could also be cut further if yields were found to be below expectations.

➤ **Argentina exchange sees 2022/23 soy imports up 139% due to drought**

23 March 2023 Reuters - Argentina's soybean imports are expected to more than double this season due to the devastating impacts of a historic drought on the

country's 2022/23 harvest, the country's Rosario grains exchange said in a report on Thursday.

Argentina is the world's leading exporter of soybean oil and meal, thanks to a powerful grain processing industry that can crush up to 73 mmts of the oilseed per year, but serious losses from the drought are accentuating the need for imports from Paraguay and Brazil.

The exchange predicts that Argentina will import 7.9 mmts of soybean this season, up 139% from the previous season, on the back of a harvest of just 27 mmts - from a previous harvest of 42.2 mmts.

"Brazil has been emerging in this first part of the year as a growing supplier of soybeans for the Argentine oil industry, in addition to the high supply from Paraguay," it said.

Argentine firms imported just over 400,000 mts of soybeans in the first two months of 2023, the exchange added, including about 170,000 mts from Brazil so far in March.

Last week, the president of Argentina's grain processing chamber CIARA told Reuters the sector is in crisis and operating at the lowest capacity in history.

Regarding corn, the exchange said Argentina exported \$9.15 billion of the crop from the 2021/22 harvest, prior to the impact of the drought, its second-highest level thanks to high prices even as volumes slipped 15% from the year before.

### ➤ **Argentine Soybean Crushers in "Crisis Mode"**

*17 March 2023 - by Michael Cordonnier/Soybean & Corn Advisor, Inc.* - Soybean crushers in Argentina are in "crisis mode" due to low supplies of soybeans amidst the worst soybean crop in nearly a quarter of a century and farmers holding tight to their remaining soybean stocks. The combination of drought and slow farmer selling has pushed the crushing industry to idle nearly 70% of their capacity, which is the highest on record outside of labor protests.

The soybean harvest has not started and when it does, the total 2022/23 soybean production could be in the range of 27-28 mmts or lower. In 2021/22, Argentina produced 43.9 mmts of soybeans. Everything that could go wrong has gone wrong in Argentina this growing season from the worst drought in 60 years, to numerous waves of record high temperatures to record low temperatures and even mid-summer localized frosts.

The adverse conditions have convinced farmers to hold tight to their existing soybean stocks and to be very reluctant sellers of their anticipated 2022/23 production. In February, farmers sold 622,300 tons of soybeans which was about one-third of the 1.7 mmts sold in February 2022.

Argentina farmers are still holding approximately 6 mmts of soybeans from 2021/22 which is less than normal for this time of year, but they are in no hurry to sell their soybeans. Farmers were aggressive sellers during the second half of 2022 due to two special "soybean dollar" programs offered by the government where farmers received a special exchange rate above the official rate if they sold their soybeans for export.

Farmers are also expected to be slow sellers of their 2022/23 production as a hedge against raging inflation, which is already hitting 100%. Grain is their only hard asset and they will probably wait for another special exchange rate or higher soybean prices before they ramp up their selling.

The start of the year is always a slow time for crushers, which over the last five years have operated at 56% capacity at this time of the year. The head of CIARA oilseed and grain processing chamber indicated that the sector would do everything possible to keep facilities operating by importing as much as 8 mmts of soybeans from Brazil and Paraguay.

While the lack of available soybeans is the immediate problem for crushers, labor unrest could be the other "shoe to drop" for the industry.

Labor contracts in Argentina are usually for only one year. When these labor contracts expire over the next few months, the unions will demand huge salary increases just to keep up with inflation. Crushers will be faced with huge salary demands at the same time they have record idle capacity.

### ➤ **Brazil to benefit the most from Argentina's soybean crop losses**

*22 March 2023 Safras & Mercado* - Brazil will benefit the most from Argentina's soybean crop loss, by increasing its crushing and soymeal and oil shipments to cover for the neighboring country's lower output this season, according to Safras & Mercado.

The Brazilian-based consultancy currently projects Argentina's soybean crop at 31.4 mmts but its next forecast should land below that level.

"Market players are talking about 25 mmts output so our next update must come in under 30 mmts," analyst Luiz Fernando Roque said in an online event Wednesday.

That could lead Argentina's soybean imports to reach 10 mmts for the first time in 2023, up from the previous year's 3.7 mmts.

Argentina's exports, on the other hand, are expected to be limited to 1 mmts, 83% down year-over-year, while the average per year is around 5-6 mmts. In 2022, Argentina shipped 5.8 mmts.

Soybean crushing in Argentina is expected to reach 34.5 mmts, down 9% from last year's 38.1 mmts.

Brazil's scenario is quite the opposite which makes the country more than able to fulfill the gaps left by Argentina in the global market until US crop hits the market later in 2023. The country is projected to harvest 152.4 mmts, a 18% increase on the year, according to the consultancy, while exports are projected at record 94 mmts in 2023, versus 78 mmts last year.

Brazil's crushing is projected at 53 mmts, above last year's 50 mmts.

Soymeal production was pegged at 40.8 mmts, up 6% on the year, while exports are expected to reach 22 mmts, an 8% increase on the year.

Brazil's soyoil, on the other hand, won't benefit as much due to higher domestic demand after the country's biodiesel mandate was increased to 12%.

Safras expects 4.9 mmts of soyoil to be used for biodiesel production, up 16% on the year, while domestic demand is forecast at 9 mmts, a 18% yearly advance.

While production is projected at 10.8 mmts, a 6 year-over-year increase, exports are projected to reach 2 mmts, down 23% from last year's.

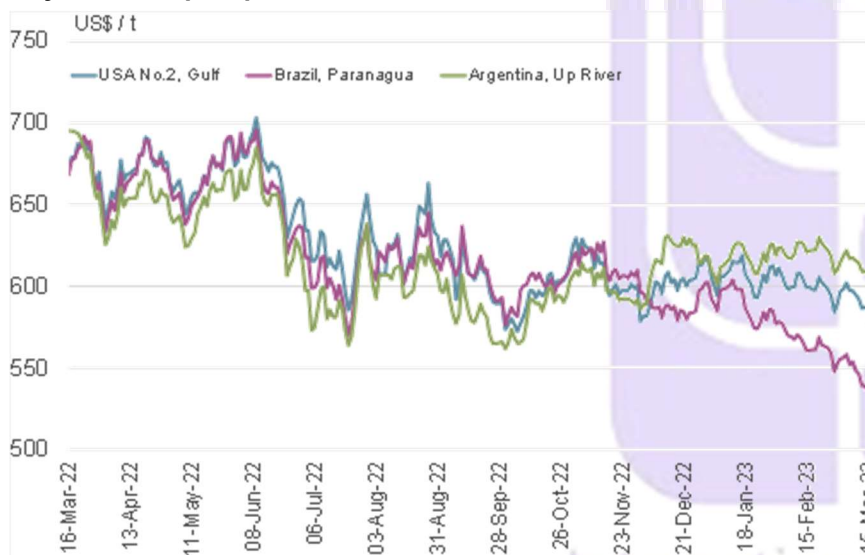
## RECENT MARKET DEVELOPMENTS

Although expectations for a steep fall in production in Argentina were initially supportive, this was countered by pressure from threshing of what is set to be a record Brazilian crop.

Adding to bearish sentiment was seasonally slower international demand for US supplies, as well as weaker markets for soya products.

More recently, renewed economic and financial market worries were a negative influence. At US\$586 FOB, US Gulf export values dropped by 2% m/m.

### Soybeans: Export prices: March 2022 – March 2023



Source: IGC

Chiefly linked to the progressing harvest and an uptick in grower sales, Brazilian export quotations (Paranagua) retreated by nearly 5%, to US\$535 FOB.

While Up River fob prices in Argentina were also a touch lower, offers were termed nominal amid dwindling crop prospects and thin farmer sales.

### Soy Export Prices (FOB, US\$/mt) as of the 21<sup>st</sup> of March 2023

		TW	LW	LY	%Y/Y
US 2Y (Gulf)	Apr	579	587	687	- 16
Argentina (Up River)	Mar	600	609	694	- 14
Brazil (Paranagua)	Apr	515	539	684	- 25

Source: International Grains Council

The oilseed complex has been trading lower as Chicago soyabean futures retreated to its lowest since early January.

Background concerns about Chinese demand mildly pressured, linked to reports of new incidences of African Swine Fever.

With expectations for an especially poor Argentine crop largely priced in, direction was influenced by movements in external and soy product markets, with technical activity notable at times.

Seasonally slower US export demand was mildly bearish, as was the advancing harvest in Brazil and prospects for an associated marked uplift in shipments in the coming period.

Threshing in Brazil was officially estimated to be 63% complete as of the 18<sup>th</sup> of March (71% year ago), with fieldwork in Mato Grosso mostly finished. In Parana, drier weather was beneficial for cutting, albeit with reports of humidity-related crop losses. Despite the impact of drought conditions in the southern state of Rio Grande do Sul, 22/23 soyabean production was forecast 2.0 mmts higher than before, at a record of 155.0 mmts (151.4 mmts Conab Mar forecast. 125.5 mmts previous year), with 2023 (Jan/Dec) exports pegged at a peak of 96.0 mmts (93.0 mmts, 78.7 mmts).

The Brazilian government announced that the National Energy Policy Council (CNPE) had approved an increase in the national biodiesel blending mandate of two percentage points, to 12% (B12), effective in April, while also proposing increases of one percentage point per annum, to 15% (B15) by 2026.

Linked to this, StoneX projected 22/23 soya oil use for biodiesel production at 5.8m t (+24% y/y), with domestic consumption placed at 8.5m t (+12%). However, exports were predicted to fall sharply, to 1.8 mmts (-31%).

Elsewhere, the Buenos Aires Grain Exchange cut its 22/23 production outlook for Argentina by a further 4.0 mmts, to 25.0 mmts (43.3 mmts prior year).

➤ **USDA – U.S. Soybeans**

Oilseed, Soybean United States as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	34,939	-	34,939	34,929	33,428
Beginning Stocks (1000 MT)	7,468	-	7,468	6,994	14,276
Production (1000 MT)	116,377	-	116,377	121,528	114,749
MY Imports (1000 MT)	408	-	408	433	539
Total Supply (1000 MT)	124,253	-	124,253	128,955	129,564
MY Exports (1000 MT)	54,839	+680(+1.26%)	54,159	58,721	61,665
Crush (1000 MT)	60,419	-272(-.45%)	60,691	59,980	58,257
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,273	-2(-.06%)	3,275	2,786	2,648
Total Dom. Cons. (1000 MT)	63,692	-274(-.43%)	63,966	62,766	60,905
Ending Stocks (1000 MT)	5,722	-406(-6.63%)	6,128	7,468	6,994
Total Distribution (1000 MT)	124,253	-	124,253	128,955	129,564
Yield (MT/HA)	3.33	-	3.33	3.48	3.43

Source: USDA PS&D

➤ **CME CBOT Soybeans Futures – Nearby Daily**



Source: <https://www.barchart.com/futures/quotes/ZSF23/interactive-chart>

**CME March 2023 Soybean Futures settled on Friday at \$14.28¼/bu, up 8¼ cents on the day, but losing 48¼ cents for the week. July23 soybeans closed at \$14.06¼, up 7¼ cents, and new crop Nov23 Soybeans closed at \$12.73¼, up 15¼ cents. That reduced November futures' loss for the week to 40 cents after bouncing off their 100-week average.**

The soybean complex had a large two-sided trade on Friday, starting off weaker and then finding technical support, closed higher. May beans had a 27 cent trading range, SMK was over \$11 and BOK was 2.4 cents. On the day, funds were estimated buyers of 4500 beans, 4000 meal and 5000 oil contracts.

For the week, nearby beans were down 48.25 cents, meal was down \$20.90 and spot oil was 4.19 cents weaker.

The CFTC data showed managed money traders were 110,786 contracts net long in soybeans as of 3/21. That was a 17k contract weaker net long for the week, mainly driven by long liquidation. The commercial bean hedgers put on 12k new hedges, mostly longs, which left the group at 190,682 contracts net short. CFTC reported the funds were selling back existing soymeal longs and adding new soy oil shorts through the week. That left the group at a 115,214 contract net long for meal but a 5,718 contract net short for soy oil.

CIF NOLA values were mixed as were spreads. SK/SN was a penny firmer closing at +22 and SN/SX was 7½ cents weaker closing at +\$1.33.

Board crush finally recovered on the upside, settling up 17¼ cents to close at \$1.3650. This compares to last Friday's close of \$1.81. The meal market closed with \$6.80 to \$7.20 gains for Friday. That left the May contract at a \$20.90/ton loss for the week. Soybean oil futures bounced into the weekend with triple digit gains, but stayed over 4 cents in the red for the week.

Processor bids were mostly steady for plants keeping bids vs the K. US domestic processor AGP rolled their spot basis to the July earlier this week and Cargill kept the same basis vs the N at most of their western plants effectively dropping their bid by 22 cents. Most other crushers are still vs the May.

Bank concerns was the primary mover of the lower weekly numbers along with Argentina finally seeing some needed rains though how helpful they were is still unknown. Early yield reports are worse than expected so far in Argentina.

Farm Futures released their US acreage estimates with their survey result for soybean acres coming at 89.6 vs 87.5 last year. Average analysts for next Friday's report shows acres at 88.3 mil acres.

A few boats in Brazil's bean lineup shows Mexico as the destination which has been assumed to start happening given basis values being quoted.

➤ **New-crop CBOT soybeans notch longest losing streak in over 50 years**

23-Mar-2023 by Karen Braun, Reuters News - November soybean futures on the Chicago Board of Trade ended lower for a thirteenth consecutive session on Thursday, the longest such streak since at least 1973 for new-crop soybeans within their expiration year.

The recent losses are far from records by magnitude, though the selling is the most extreme for new-crop beans in March since 2008.

The 13-session losing streak was actually an extension of the record that was first broken on Tuesday, as the previous high was a 10-session stretch of declines that spanned June and July 2014.



Other down streaks have been similarly impressive, though they contained at least a couple “pause” days. In a 35-day stretch between May and July 2018, heading into the U.S.-China trade war, November soybeans fell in 26 sessions, a 74% losing rate. Over 28 sessions between April and May 2019, new-crop beans were lower in 22, a 79% losing rate. That run culminated in money managers stamping a record net short in soy futures and options of 168,835 contracts, which still stands.

Soybeans’ recent losses are steep, but not overly so. November soybeans on Thursday settled at \$12.58 per bushel, down 8.8% over the latest 13 days. New-crop beans had been down in both June 2021 and July 2022 by around 13% within a 13-session span.

That included a 90.5-cent loss (6.7%) on June 17, 2021, among the biggest all-time along with an epic decline in front-month futures of nearly \$1.20 per bushel. But neither of the 2021 or 2022 sell-offs were permanent, and money managers as of mid-March still had not held a bearish soybean stance since April 2020.

By percentage, the March 2023 bean sell-off has been stronger than in spring 2019, though losses were more severe in June 2018.

On Thursday, November beans’ relative strength index or RSI, a technical indicator, dropped below 17. Values near or below 30 suggest oversold conditions. The last comparable time was mid-March 2020, when RSI on new-crop beans remained below 17 for three consecutive sessions.

RSI stayed sub-17 for six consecutive sessions in May 2019, bottoming at 11, and both June and July 2018 contained a three-session stretch where RSI remained under 20.

This month’s soybean selling has been linked to numerous factors, including funds’ previously sizable long position, record production and exports in Brazil, calamity in the U.S. banking system and global economic fears, including inflation.

*Karen Braun is a market analyst for Reuters. Views expressed above are her own.*

### U.S. Export Soy Values – Friday 24<sup>th</sup> March 2023

**Soybeans Gulf barge/rail quotes, in cents/bus basis CBOT futures:**

USDA (U.S. No. 2, CIF New Orleans) Gulf barge/rail quotes, in cents/bus.

CIF BEANS	3/23/2023	3/24/2023		
MAR	100 /	105 /	K	
APR	96 /	96 /	K	UNC
MAY	91 / 94	91 / 96	K	
JUN	96 /	93 /	N	
JUL	84 / 89	84 / 89	N	UNC
AUG	100 /	100 /	Q	UNC
OCT	103 /	103 / 120	X	

NOV 100 / 100 / 115 X

### **BRAZIL FOB BEANS @ PORT PARANAGUA**

	3/23/2023	3/24/2023		
APR	-82 / -55	-85 / -60	K	
MAY	-75 / -55	-75 / -55	K	UNC
JUN	-25 / -2	-21 / -15	N	
JUL	-7 / 10	-5 / 7	N	
AUG	42 / 80	50 / 80	Q	
SEP	115 / 133	120 / 133	Q	

*CIF NOLA values were mixed as were spreads. SK/SN was a penny firmer closing at +22 and SN/ SX was 7½ cents weaker closing at +\$1.33.*

### **Soybeans**

U.S., FOB Gulf	\$563.50/MT
U.S., FOB PNW	\$591.00/MT
Brazil, FOB	\$503.50/MT
Argentina, FOB Upriver	\$535.50/MT

*Weekly FAS data showed 152,479 mts of soybeans were sold for export during the week that ended the 16<sup>th</sup> of March. That was down from 655 kmts last week, and was only 12% of the same week last year’s sale.*

*The week’s export shipment was 704 kmts for a marketing year total of 43.534 mmts. USDA has the full year’s total marked at 54.8 mmts.*

*The weekly report also had 199 kmts of new crop bean sales – led by Chinese and unknown purchasers. The total 23/24 forward book was 0.75 mmts as of the 16<sup>th</sup> of March.*

## CANOLA / RAPESEED

### ➤ USDA – World Rapeseed

Oilseed, Rapeseed World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	40,942	+348(+.86%)	40,594	38,084	34,916	34,752	35,884
Beginning Stocks (1000 MT)	4,211	-53(-1.24%)	4,264	6,327	7,596	9,799	8,046
Production (1000 MT)	86,305	+1229(+1.44%)	85,076	74,025	73,892	69,708	72,927
MY Imports (1000 MT)	18,637	+798(+4.47%)	17,839	13,907	16,662	15,711	14,635
Total Supply (1000 MT)	109,153	+1974(+1.84%)	107,179	94,259	98,150	95,218	95,608
MY Exports (1000 MT)	20,051	+775(+4.02%)	19,276	15,167	18,106	15,982	14,678
Crush (1000 MT)	78,682	+540(+.69%)	78,142	71,149	71,244	68,530	68,094
Food Use Dom. Cons. (1000 MT)	700	-	700	650	650	250	150
Feed Waste Dom. Cons. (1000 MT)	3,048	+150(+5.18%)	2,898	3,082	1,823	2,860	2,887
Total Dom. Cons. (1000 MT)	82,430	+690(+.84%)	81,740	74,881	73,717	71,640	71,131
Ending Stocks (1000 MT)	6,672	+509(+8.26%)	6,163	4,211	6,327	7,596	9,799
Total Distribution (1000 MT)	109,153	+1974(+1.84%)	107,179	94,259	98,150	95,218	95,608
Yield (MT/HA)	2.11	+(+.48%)	2.10	1.94	2.12	2.01	2.03

Source: USDA PS&D

### ➤ Pakistani farmers trained for hybrid canola cultivation

15 March 2023 Daily Times - A serial field training for Pakistani canola farmers was inaugurated in Gujranwala, China Economic Net (CEN) reported on Tuesday.

On Nasir Cheema's dairy farm, farmers, seed distributors, and agricultural technicians gathered to learn about the cultivation and harvesting technology of hybrid canola. The Field Day in Gujranwala is the first field training to Pakistan farmers that the company organizes. In the following weeks, about 50 such training sessions would be held for about five to ten thousand households in Pakistan.

The hybrid canola, with seeds provided by China's Wuhan Qingfa Hesheng Seed Company, is being planted on 80,000 hectares of land in Pakistan this year, particularly in Punjab and Sindh.

At the beginning of next month, a bumper harvest is expected that will translate into tens of thousand of tons of edible oil, and a demonstration mechanized harvest will be staged with harvesters from China.

"We enjoy higher yield from this hybrid variety HC-021C. It has much more branches as compared to other mustard or canola plants. I hope it will provide an average of 35 mounds per acre", canola farmer Nasir Cheema told CEN. "Its fertility period is 8-10 days shorter than others, and its lower heights make it more unlikely to be beaten down by strong wind", he added.

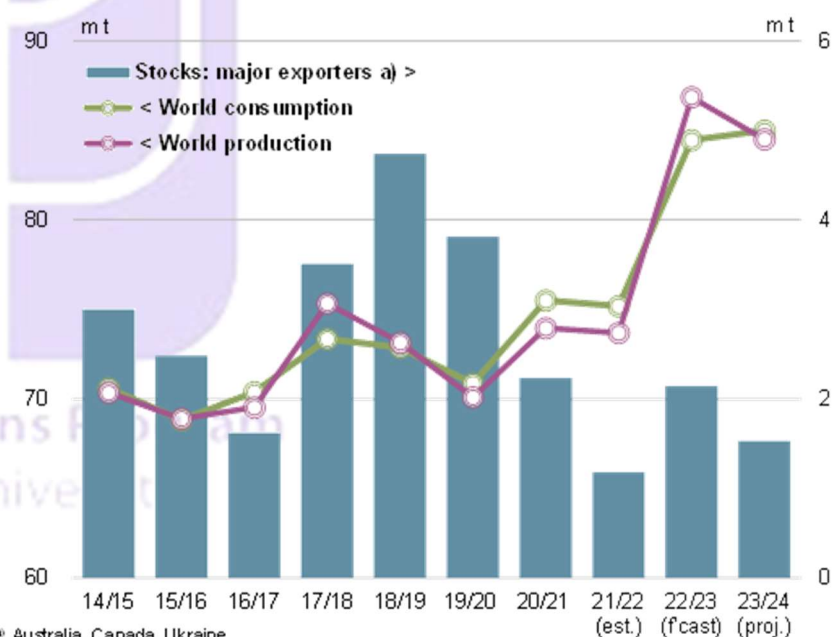
Director Zhou Xusheng of the Chinese seed company told CEN, "this event is part of our efforts to help local farmers increase production and reduce costs. In the next step, we'll develop the canola industrial chain through make-to-order (MTO) partnership with local refineries and farmers and by introducing China's advanced harvesting and pressing technologies".

From 2021 to 2022, Pakistan imported around \$3.6 billion edible oil, accounting for 89% of nation's total supply. In the next year, the company aims for 130,000 tons of canola seeds, which will produce 49,000 tons of edible oil worth \$80 million.

### ➤ IGC Canola / Rapeseed Supply & Demand – March 23

m t	20/21	21/22	22/23	23/24	y/y
		(est.)	(f'cast)	(proj.)	change
Opening stocks	6.6	5.0	3.6	6.0	+ 67.6%
Production	74.0	73.7	86.9	84.5	- 2.7%
<b>Total supply</b>	<b>80.6</b>	<b>78.7</b>	<b>90.4</b>	<b>90.5</b>	<b>+ 0.1%</b>
<b>Total use</b>	<b>75.5</b>	<b>75.2</b>	<b>84.5</b>	<b>85.0</b>	<b>+ 0.6%</b>
of which: Crush	72.5	71.8	80.4	81.1	+ 0.8%
Feed	2.2	2.2	2.8	2.6	- 6.4%
Food	0.8	0.8	0.8	0.8	-
<b>Closing stocks</b>	<b>5.0</b>	<b>3.6</b>	<b>6.0</b>	<b>5.5</b>	<b>- 8.1%</b>
Major exporters <sup>a)</sup>	2.2	1.2	2.1	1.5	- 28.5%
<b>Trade (Oct/Sep)</b>	<b>16.5</b>	<b>14.6</b>	<b>19.6</b>	<b>19.1</b>	<b>- 2.7%</b>

<sup>a)</sup> Australia, Canada, Ukraine



<sup>a)</sup> Australia, Canada, Ukraine

Source: IGC

## OUTLOOK FOR 2022/23

- Stemming from exceptional harvests, world rapeseed/canola output is placed 18% higher y/y.
- Firm demand for rapeseed/canola products could push up consumption to a record.
- Ending Stocks are seen rebounding to a three-year high.
- World rapeseed/canola trade is forecast to expand by one-third y/y, including larger deliveries to the EU and China.

**Production** - Tied to excellent crops in the world's major producers and exporters, global output is seen almost one-fifth higher y/y, at a record of 86.9 mmts.

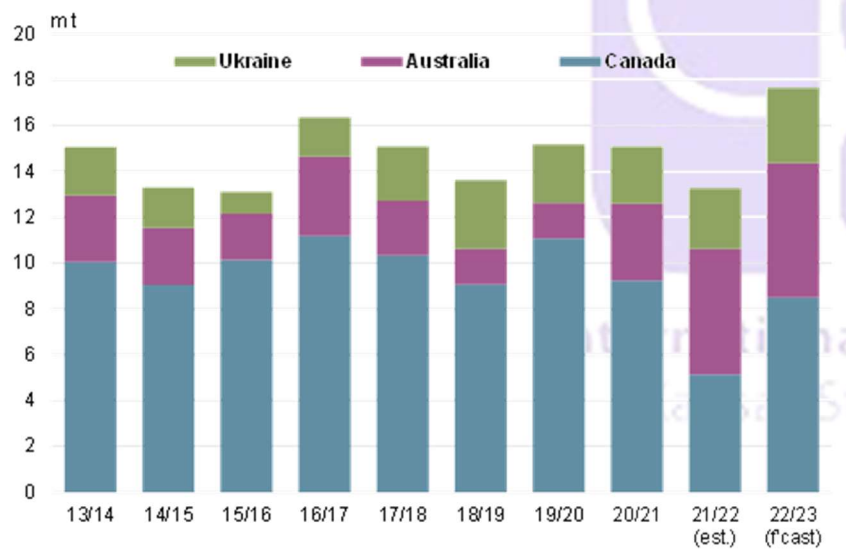
Incorporating an upwardly revised official number for Australia, the global figure is lifted by 1.2 mmts m/m.

**Consumption** - As a much larger global outturn boosts supplies, uptake is set to expand to a new peak of 84.5 mmts (75.2 mmts), underpinned by strong demand for rapeseed/canola products from food, feed and industrial sectors.

**Ending Stocks** - Inventories are forecast at a three-year high of 6.0 mmts (3.6 mmts), including an 80% y/y gain in major exporters' stocks, led by Australia, where carryovers could reach a peak of 1.2 mmts (0.3 mmts).

**Trade** - With buyers in the EU, China and a range of other importers securing large and attractively priced supplies from key origins, trade in 2022/23 (Oct/Sep) is forecast to expand by more than one-third y/y, to a record of 19.6 mmts.

### Canola/Rapeseed Shipments by major exporters



Source: IGC

Reflecting a somewhat disappointing pace of dispatches in recent months, linked to competition from Australia, the IGC's forecast for Canadian Oct/Sep exports is trimmed by 0.2 mmts m/m, to 8.5 mmts, albeit still sharply higher y/y.

Australian dispatches may eclipse the prior year's number, potentially reaching a peak of 5.9 mmts (5.5 mmts).

The Ukraine also continues to ship larger than anticipated volumes, largely to the EU, with exports pegged 0.3 mmts higher m/m, at 3.3 mmts (2.7 mmts).

As an aside, Uruguay has emerged as a small but growing exporter in recent years; in 2022/23, dispatches may increase to a peak of 440,000 mts (225,000 mts).

## OUTLOOK FOR 2023/24

- Projects see a modest y/y decline in rapeseed/canola, while production would still be 9 mmts above average.
- Ending Stocks are projected to retreat, including a notable fall in Australia.
- World trade may edge lower, but volumes would still be well above average.

**Production** - Given expectations for a modest pullback in acreage in some producers, notably in Asia and Oceania, the world area for threshing could contract slightly in 2023/24. With yields assumed to retreat slightly y/y, output is seen falling by 3% y/y, to 84.5 mmts. Nevertheless, putting that figure in context, the global outturn would be the second biggest on record and 9m t above average.

### Rapeseed/canola: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
Canada	19.5	13.8	18.2	18.5	+ 1.8%
Australia	4.8	6.8	8.3	5.8	- 29.9%
Ukraine	2.6	2.9	3.7	3.8	+ 1.5%
<b>Selected others</b>					
EU	16.7	17.1	19.6	19.8	+ 0.8%
China	14.0	14.7	14.7	14.5	- 1.7%
India	8.5	10.5	11.3	10.9	- 4.0%
Russia	2.6	2.8	4.6	4.8	+ 3.3%
USA	1.6	1.2	1.7	1.6	- 8.2%
<b>World total</b>	<b>74.0</b>	<b>73.7</b>	<b>86.9</b>	<b>84.5</b>	<b>- 2.7%</b>

Linked to gains in major producers, EU acreage is seen edging up to 6.0m ha (+3%). As spring time approaches, plants appear to be in good condition across the region following mostly beneficial weather over the winter period. Consequently, with the

Council's expectations for yields maintained at 3.3t/ha, in line with the year before and ahead of average, production is placed at 19.8 mmmts (19.6 mmmts).

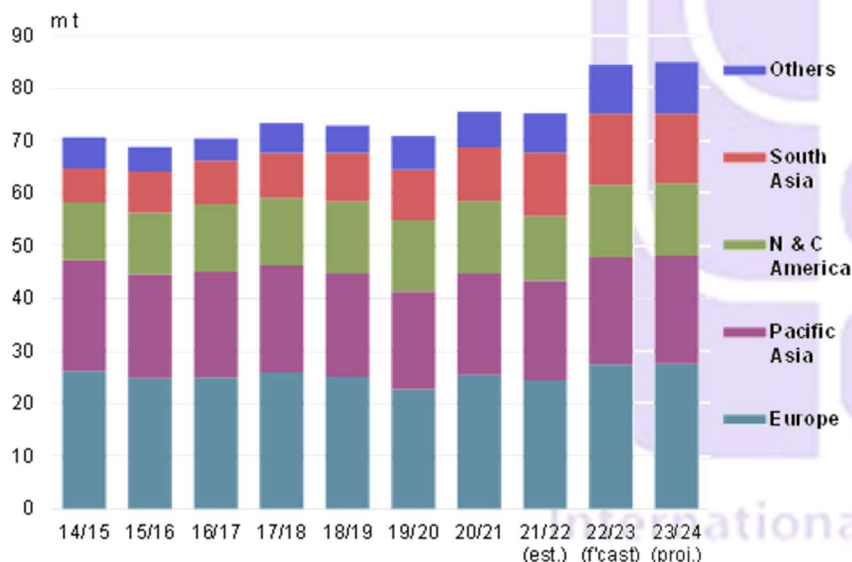
Production in Ukraine is seen edging up to 3.8 mmmts (3.7 mmmts). Weather patterns were mostly beneficial over recent weeks, including precipitation and above-normal temperatures.

While competition for cropland is expected to feature, canola acreage in Canada is expected to edge higher given prospects for firm demand from domestic processors and international buyers. While much will depend on spring weather, yields are assumed to be in line with average as production rises to 18.5 mmmts (+2%).

After a record-breaking season, Australian growers are predicted to seed a smaller area to canola, seen falling by 9% y/y. And with a likely shift to El Niño conditions and a potentially drier season effecting a reduction in yields, production is seen contracting sizeably, to 5.8 mmmts (8.3 mmmts).

**Consumption** - With global supplies set to be underpinned by a sizeable carry-in and a predicted heavy crop, world uptake is predicted slightly higher y/y in 2023/24, at 85.0 mmmts (84.5 mmmts).

**Rapeseed/canola: Consumption by region**



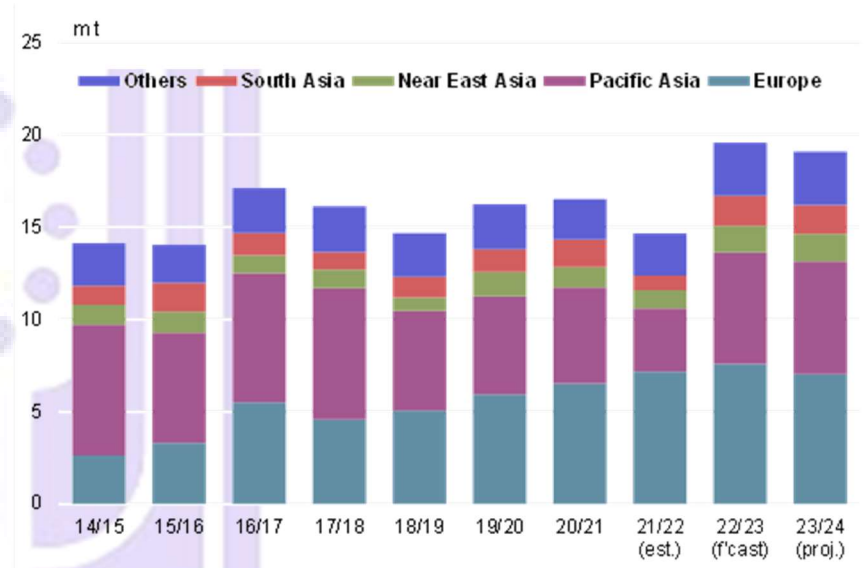
Source: IGC

**Ending Stock** - Global inventories are projected to decline by 8% y/y in 2023/24, to 5.5 mmmts, with Australian stocks potentially retreating to 0.5 mmmts (1.2 mmmts) amid prospects for a significantly smaller outturn and another season of elevated export volumes.

**Trade** - Prospects for trade in 2023/24 (Oct/Sep) remain tentative, yet volumes could retreat from the prior year's record as ample supplies in key importers cap demand.

Nevertheless, shipments will likely remain at an elevated level of 19.1 mmmts (19.6 mmmts) given prospects for plentiful export availabilities.

**Rapeseed/canola: Imports by region**



Source: IGC

The EU could secure less given an anticipated large outturn and comfortable stock levels, with Oct/Sep arrivals seen at 6.4 mmmts (6.7 mmmts). Another season of strong demand from China is likely, with demand from food and feed sectors seen boosting imports to 3.4 mmmts (3.3 mmmts).

Assuming a positive harvest outcome, Canada should reclaim its position as the world's leading exporter, its shipments predicted at 8.7 mmmts (8.5 mmmts), while large inventories could underpin Australian deliveries of 5.3 mmmts (5.9 mmmts) despite a smaller harvest. Prospects for Ukraine are particularly uncertain, yet continued cross-border trade with the EU could see dispatches total 3.1 mmmts (3.3 mmmts).

➤ **Russian Cabinet bans rapeseed export until August 31 - decree**

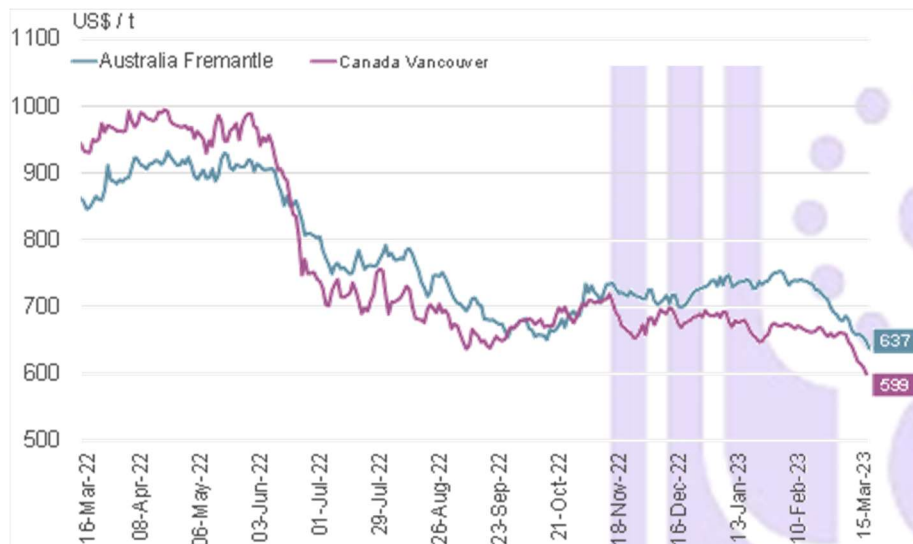
20 March 2023 TASS - The Russian Government has introduced a ban on rapeseed exports until August 31<sup>st</sup> of this year.

The decree signed by Prime Minister Mikhail Mishustin was posted on the official web portal of legal information on Monday. "The temporary ban on rapeseed exports from Russia is established from the effective date of this decree until August 31, 2023," the document stipulates.

The ban will not cover exports to Eurasian Economic Union member-states, Abkhazia and South Ossetia, and exports within the framework of intergovernmental agreements.

## RECENT MARKET DEVELOPMENTS

### Canola: Export prices: March 2022 – March 2023



Canadian ICE canola futures retreated 9% m/m as subdued offshore demand and technical selling weighed, while fob values (Vancouver) fell, by US\$65, to US\$599. In Australia, ample supplies also pressured, with fob Kwinana values down by US\$98, to US\$637/mt.

### Canola, Rapeseed, Sunseed Export Prices (FOB, US\$/mt) 21<sup>st</sup> March 2023

		TW	LW	LY	%Y/Y
<b>Canola / Rapeseed</b>					
Canada (Vancouver)	Apr	589	609	950	- 38
Australia (Kwinana) b)	Mar	623	647	859	- 28
<b>Sunflowerseed</b>					
EU (France) (Bordeaux)	Mar	443	542	1127	- 61

a) Jan 2000 = 100 b) 22 Mar quotation.

Source: International Grains Council visit: [http://www.igc.int/grainsupdate/igc\\_goi.xlsb](http://www.igc.int/grainsupdate/igc_goi.xlsb)

## ICE Canadian Canola Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/RSX22/interactive-chart>  
Prices in Canadian dollars per metric tonne

**ICE March 2023 Canola Futures** settled on Friday at C\$743.40/mt, up C\$8.20 on the day, but losing C\$8.60 for the week. The July contract settled at C\$724.30, up 6.10, with Nov at C\$699.20, up 4.20, and Jan at C\$704.10, up 5.30.

Intercontinental Exchange (ICE) canola futures were on the rise Friday morning along with European rapeseed and Chicago soyoil. This was despite sharp declines in global crude oil prices which weighed on values for Malaysian palm oil as well as Chicago soybeans and soymeal.

Crush margins took a hit with most positions now below C\$200 per tonne but were still supportive of canola.

The Canadian Grain Commission reported producer deliveries of canola for the week ended March 19 were 364,600 tonnes, down 18.7 per cent from the previous week. Canola exports slipped 3.8 per cent at 188,800 tonnes and domestic usage was down 8.5 per cent at 198,500 tonnes. Meanwhile, the year-to-date totals for canola remained well ahead of those this time last year.

Due to a surge Friday in the US Greenback, the Canadian Dollar was weaker this morning, as the loonie dropped to 72.49 U.S. cents compared to Thursday's close of 73.15.

## SUNFLOWERS

### ➤ USDA – World Sunflower Seed

Oilseed, Sunflowerseed World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	26,989	+30(+.11%)	26,959	28,816	26,858	25,996	25,810
Beginning Stocks (1000 MT)	8,027	-3(-.04%)	8,030	2,627	3,033	2,688	2,875
Production (1000 MT)	50,294	-471(-.93%)	50,765	57,308	49,200	54,202	50,659
MY Imports (1000 MT)	5,476	+86(+1.6%)	5,390	3,791	2,735	3,343	2,890
Total Supply (1000 MT)	63,797	-388(-.6%)	64,185	63,726	54,968	60,233	56,424
MY Exports (1000 MT)	5,615	+70(+1.26%)	5,545	3,910	2,900	3,687	3,213
Crush (1000 MT)	48,974	+40(+.08%)	48,934	47,215	45,102	49,328	46,518
Food Use Dom. Cons. (1000 MT)	2,126	+10(+.47%)	2,116	2,078	2,083	2,087	2,071
Feed Waste Dom. Cons. (1000 MT)	2,715	-25(-.91%)	2,740	2,496	2,256	2,098	1,934
Total Dom. Cons. (1000 MT)	53,815	+25(+.05%)	53,790	51,789	49,441	53,513	50,523
Ending Stocks (1000 MT)	4,367	-483(-9.96%)	4,850	8,027	2,627	3,033	2,688
Total Distribution (1000 MT)	63,797	-388(-.6%)	64,185	63,726	54,968	60,233	56,424
Yield (MT/HA)	1.86	(-1.06%)	1.88	1.99	1.83	2.09	1.96

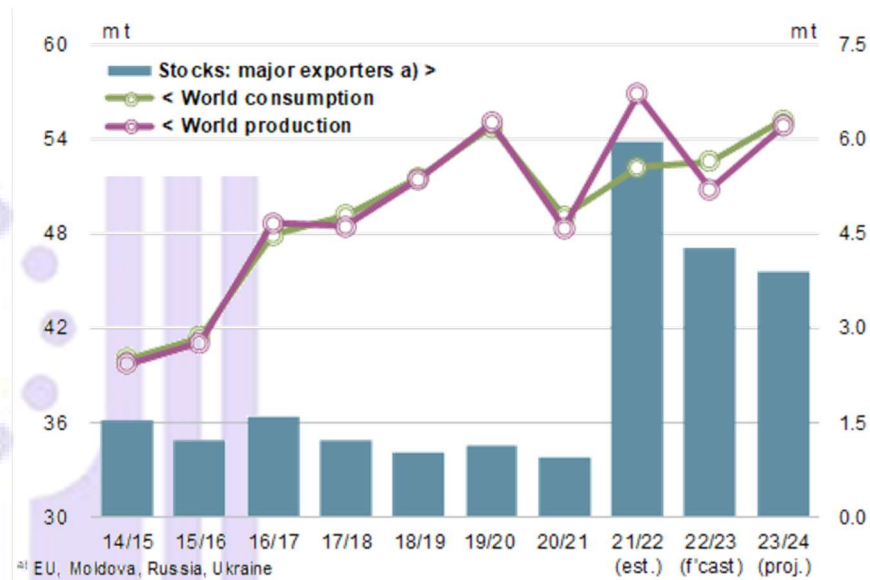
Source: International Grains Council

### ➤ IGC Sunflowerseed Supply & Demand – March 23

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	3.1	2.3	7.0	5.2	- 25.4%
Production	48.3	56.9	50.8	54.8	+ 8.0%
<b>Total supply</b>	<b>51.4</b>	<b>59.2</b>	<b>57.8</b>	<b>60.0</b>	<b>+ 3.9%</b>
<b>Total use</b>	<b>49.1</b>	<b>52.2</b>	<b>52.5</b>	<b>55.2</b>	<b>+ 5.0%</b>
<i>of which: Crush</i>	44.8	47.9	47.2	49.1	+ 3.9%
<i>Feed</i>	2.2	2.1	1.8	1.9	+ 3.2%
<i>Food</i>	2.2	2.1	2.1	2.2	+ 6.3%
<b>Closing stocks</b>	<b>2.3</b>	<b>7.0</b>	<b>5.2</b>	<b>4.9</b>	<b>- 7.1%</b>
<i>Major exporters<sup>a)</sup></i>	1.0	6.0	4.3	3.9	- 9.1%
<b>Trade (Oct/Sep)</b>	<b>2.8</b>	<b>4.1</b>	<b>4.7</b>	<b>4.4</b>	<b>- 6.0%</b>

<sup>a)</sup> EU, Moldova, Russia, Ukraine

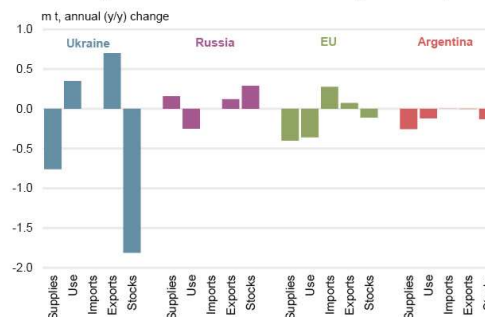
- Global sunflowerseed output is tentatively seen rebounding by 8% in 2023/24.
- Amid improved availabilities, total sunflowerseed use is predicted to rise relatively more solidly in 2023/24.
- A further modest tightening of sunflowerseed inventories in key exporters is anticipated in 2023/24.
- After reaching a peak in 2022/23, sunflowerseed trade could edge down in the next year.



Source: IGC

### OUTLOOK FOR 2022/23

Sunflowerseed: Annual (y/y) changes in balance sheet components in selected consumers in 2022/23 – f' cast as at 16 March (GMR 541)



Source: IGC

Stemming from smaller crops in the world's leading producers, 2022/23 global output is seen declining by 11% y/y, to 50.8 mmts. Against the backdrop of a reduction in availabilities and little overall change in aggregate domestic demand, combined end-season inventories are seen falling to 5.2 mmts (7.0 mmts) on a drawdown in major exporters' reserves.

World trade in 2022/23 (Oct/Sep) is predicted at a peak of 4.7 mmts (4.1 mmts), near-entirely on unprecedentedly large shipments by Ukrainian exporters to markets

in the EU and, to a relatively smaller extent, Near East Asia. In the first five months of the current trade year, cumulative dispatches totalled almost 1.4 mmts (41,798 mts), equivalent to more than 20 times the prior five-year average. As was noted in the last GMR, y/y changes in shipments by other suppliers are set to be nuanced.

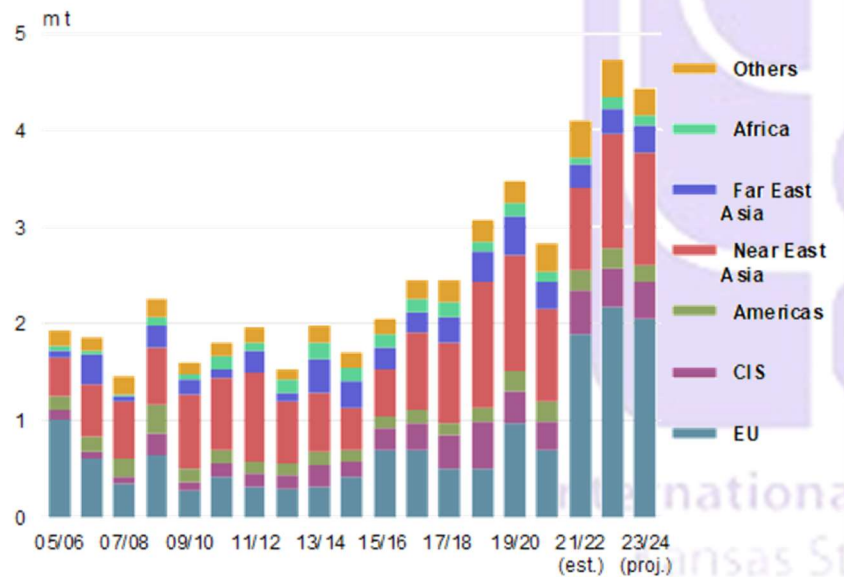
### OUTLOOK FOR 2023/24

The Council's 2023/24 production outlook is highly tentative given that spring planting campaigns in major growers are still some time away, notwithstanding uncertainties surrounding potential outcomes in the Black Sea region, particularly in Ukraine given that a sizeable portion of acreage has traditionally been located in now uncontrolled territories.

At 54.8 mmts, global output is seen rising by 4.0 mmts y/y on potentially improved yields, including in the EU. After the prior year's disappointing harvest, a rebound in productivity is expected to more than compensate for a modest reduction in acreage as EU output increases to 10.3 mmts (9.2 mmts).

Against the backdrop of a projected expansion of availabilities, and an assumed uptick in processing in key consumers, world use is seen expanding by 4% y/y, while stocks are set to fall slightly on a further tightening of reserves in major exporters.

### Sunflowerseed: World trade (Oct/Sep)



Source: IGC

World trade in 2023/24 (Oct/Sep) will ultimately be shaped by demand from buyers in the EU and Asia. Amid myriad uncertainties at present, volumes are provisionally seen retreating slightly, to 4.4 mmts (4.7 mmts), albeit almost 1.0 mmts higher than the recent average. In this context, Ukraine is predicted to remain the biggest supplier by some distance, its dispatches pegged at 2.0 mmts (2.3 mmts).

## VEGETABLE OILS

### ➤ USDA – World Soybean Oil

Oil, Soybean World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Crush (1000 MT)	320,040	-3857(-1.19%)	323,897	312,947	315,983	312,116	298,754
Extr. Rate, 999.9999 (PERCENT)	0.19	-	0.19	0.19	0.19	0.19	0.19
Beginning Stocks (1000 MT)	4,425	-42(-.94%)	4,467	5,266	5,266	4,671	4,355
Production (1000 MT)	60,209	-701(-1.15%)	60,910	59,039	59,330	58,489	56,066
MY Imports (1000 MT)	10,943	-288(-2.56%)	11,231	11,459	11,705	11,482	10,978
Total Supply (1000 MT)	75,577	-1031(-1.35%)	76,608	75,764	76,301	74,642	71,399
MY Exports (1000 MT)	11,824	-271(-2.24%)	12,095	12,132	12,610	12,372	11,479
Industrial Dom. Cons. (1000 MT)	12,534	-	12,534	11,869	11,224	11,193	11,103
Food Use Dom. Cons. (1000 MT)	46,737	-509(-1.08%)	47,246	47,273	47,111	45,706	44,036
Feed Waste Dom. Cons. (1000 MT)	80	-	80	65	90	105	110
Total Dom. Cons. (1000 MT)	59,351	-509(-.85%)	59,860	59,207	58,425	57,004	55,249
Ending Stocks (1000 MT)	4,402	-251(-5.39%)	4,653	4,425	5,266	5,266	4,671
Total Distribution (1000 MT)	75,577	-1031(-1.35%)	76,608	75,764	76,301	74,642	71,399

Source: USDA PS&D

### ➤ Brazil to raise biodiesel mandate to 12% in 2023

17 March 2023 Reuters - Brazil's National Energy Policy Council (CNPE) on Friday raised the country's mandatory blend of biodiesel in diesel to 12% starting in April, Mines and Energy Minister, Alexandre Silveira said.

The council, which includes Silveira among other ministers, also proposed a gradual increase in the mixture over the next few years, with the level rising to 13% in 2024, 14% in 2025 and 15% in 2026. The decision meets requests from biodiesel producers, after the biofuel blend in diesel was held at 10% throughout 2022.

Biodiesel was introduced compulsorily into the Brazilian fuel matrix in 2008. Since then, the mixture of biodiesel in highway diesel has gradually increased from 2% to 13% in 2021. The increase this year will raise diesel prices at the pump by 0.02 real per liter, Silveira said.

The measure is expected to favor mainly the soy industry, since about 65% of the total biodiesel was produced with soy oil in 2022.

Discontent is likely to arise from sectors linked to road transport, automakers and the fuel sector, which have criticized biodiesel, arguing that a higher mix could cause problems for engines.

### ➤ EU rapeseed oil falls below palm oil for first time in 25 years

17 March 2023 - Rapeseed oil prices in Europe are trading at a discount to crude palm oil for the first time in about 25 years, in a development that threatens to curtail demand for other vegetable oils with implications for global markets, market sources said on Friday.

Rapeseed oil FOB Rotterdam was offered at €910/mt (\$967/mt) for April and €900-925/mt (\$958-983/mt) for the May, June, and July strip Friday.

Crude palm oil was meanwhile offered at \$1,040/mt CIF Rotterdam for April and \$1,030/mt for May, with buying interest seen at \$1,015/mt and \$1,005 respectively, and trades for April heard at \$1,030/mt and \$1032.50/mt, according to trade sources.

"RSO is the cheapest shop in town," one European rapeseed oil trader said, adding that it is normally the other way round and that bargain levels had generated some demand this week for rapeseed oil from the energy complex.

Vegetable oil prices in general have been under pressure in recent months, falling more than 50% from the highs seen last spring.

European rapeseed is looking particularly weak however and is currently languishing at two-year lows on ample stocks, expected healthy production, strong imports from Canada and Australia, and talk of Germany curtailing the use of crop-based biofuels.

The current low rapeseed prices could undercut demand for other vegetable oils in Europe with a knock-on effect seen in other regions too.

"EU rapeseed oil prices are now at a very rare discount against CPO CIF Rotterdam," Anilkumar Bagani, research head at Mumbai-based vegetable oil broker Sunvin Group said. "If this position remains for a longer period of time, it could not only cut the demand for CPO and sunoil but also will be a dealbreaker for Argentinian soy methyl ester (SME) demand into the EU," Bagani added.

"The consequence of a larger rapeseed oil supply in the EU at competitive prices would find buyers like China for food use and also from the US for food as well as for biofuel use and would result in pressuring the soy oil prices," he said, adding that in short, the drop in rapeseed oil "would put pressure on global trade flows and price action among key veg oils."

According to European Commission statistics, in the 2021/22 marketing year, the bloc imported 4.9 million of palm oil, 1.96 mmts of sunflower oil, 608,140 mt of rapeseed oil and 509,909 mt of soybean oil.

So far this year it has imported 2.47 mmts of palm oil, 1.2 mmts of sunflower oil, 318,326 mt of rapeseed oil, and 339,226 mt of soybean oil.

➤ **India likely to harvest record 11.5 mmts rapeseed this year**

20 March 2023 by Mayank Bhardwaj, Reuters - Rapeseed output in India, the world's biggest importer of vegetable oils, is likely to rise 7.5% this year due to a record planting of the winter-sown oilseed, a leading trade body said on Monday.

Farmers are likely to harvest a record 11.5 mmts in the crop year to June 2023, the Solvent Extractors' Association of India (SEA) told a news conference in the north-western state of Rajasthan, producer of more than half of India's rapeseed.

Last year, the country produced 10.7 mmts of rapeseed, which has the highest oil content among India's nine main oilseeds.

"Rapeseed production would have been even higher, but unfavorable weather in January affected yields," said B.V. Mehta, executive director of the Mumbai-based industry body, releasing a field survey.

Although farmers planted rapeseed across a record area this year, frost and heat-wave hit crop yields.

Rapeseed planting touched an all-time high of 9.8 mha this year, 7.4% higher than the previous year. Based on the higher area, the government has forecast a record rapeseed production of 12.8 mmts.

Higher rapeseed output will help India cut back expensive imports of vegetable oil. India meets more than 70% of its cooking oil demand through imports.

New Delhi buys tropical palm oil mainly from Indonesia and Malaysia and soft oils, such as soyoil, from Argentina and Brazil, to make up for a shortfall in soybean, rapeseed and peanut output.

The country also imports sunflower oil from Ukraine and Russia and canola oil from Canada.

India's consumption of vegetable oils, including palm oil and soyoil, has trebled over the last two decades as the population grew and incomes rose, while output swelled by less than a third.

In the fiscal year to March 31, 2022, New Delhi spent a record \$18.99 billion to import vegetable oils, prompting Prime Minister Narendra Modi to voice concerns about India's rising vegetable oil import bill.

➤ **USDA – U.S. Soybean Oil**

Attribute	Oil, Soybean United States as of March 2023				
	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Crush (1000 MT)	60,419	-272(-.45%)	60,691	59,980	58,257
Extr. Rate, 999.9999 (PERCENT)	0.20	-	0.20	0.20	0.19
Beginning Stocks (1000 MT)	903	-	903	967	840
Production (1000 MT)	11,882	-23(-.19%)	11,905	11,864	11,350
MY Imports (1000 MT)	136	-	136	138	137
Total Supply (1000 MT)	12,921	-23(-.18%)	12,944	12,969	12,327
MY Exports (1000 MT)	227	-91(-28.62%)	318	804	785
Industrial Dom. Cons. (1000 MT)	5,262	-	5,262	4,694	4,046
Food Use Dom. Cons. (1000 MT)	6,554	+68(+1.05%)	6,486	6,568	6,529
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0
Total Dom. Cons. (1000 MT)	11,816	+68(+.58%)	11,748	11,262	10,575
Ending Stocks (1000 MT)	878	-	878	903	967
Total Distribution (1000 MT)	12,921	-23(-.18%)	12,944	12,969	12,327

Source: USDA PS&D

➤ **Escalating Demand for Soybean Oil Hits Possible Slowdown**

19 March 2023 by Bob Henderson, Bloomberg News - Farmers and refiners are worried that a nascent boom in the market for soybean oil is being stalled by a challenge from an unexpected source: the Environmental Protection Agency.

Prices for soybean oil, a byproduct left over after crushing the beans for animal feed, soared to records last year owing to growing government incentives to make it into



diesel fuel. Then, in December, the EPA proposed to mandate less use of biomass-based diesel through 2025 than many had expected, pruning the value of credits the agency issues to makers of biofuels. Soybean oil futures dropped more than 15% in the week after the announcement. “The numbers came as a bit of a shock,” said Dave Walton, who farms about 750 acres of corn and soy with his wife and son in Wilton, Iowa. Mr. Walton, who manages his exposure to volatile vegetable prices by trading futures and options with an app on his phone, said he had hedged two-thirds of his crop, limiting his losses.

The price of soybean oil has roughly doubled over the past three years, largely because of demand to make fuel for trucks and trains. Futures are currently trading at about \$4.23 a gallon, compared with about \$2.68 a gallon for diesel. That difference means companies have little economic motive to make diesel from soybean oil without government incentives, which are aimed at reducing carbon emissions. Those averaged more than \$4.50 a gallon last year, according to S&P Global Commodity Insights, for a type called renewable diesel sold into California, which has a low-carbon fuel program that adds inducements to federal ones.

The number has climbed nearly 40% from 2019, driven by a tripling in the value of the credits the EPA issues to promote biomass-based diesel blending, to more than \$2.50 a gallon for renewable diesel. Fuel makers who blend in excess of their quotas can sell their extra credits to others, who can submit them to the EPA to fulfill their obligation without blending. Such sweeteners can make it more profitable for companies to produce green diesel than the conventional kind. The country’s largest maker of renewable diesel is Diamond Green Diesel, a joint venture between the oil refiner Valero Energy Corp. and the agricultural recycler Darling Ingredients. It made a gross profit of \$1.45 a gallon making its signature product last year, whereas Valero made about \$0.52 a gallon processing crude — in a banner year for oil refiners.

Biomass-based diesel production will likely exceed 3.7 billion gallons this year, according to the Energy Information Administration, up nearly 60% from three years ago. While waste products such as used cooking oil and animal tallow are also suitable raw materials, limited supplies are leading producers to rely increasingly on soybean oil, which furnished 47% of feedstocks last year, according to EIA data.

Crushing soybeans yields meal and oil, which make up about 80% and 20% of a bean’s weight, respectively. The protein-rich meal is mostly used in feed for hogs, chickens and other animals. The oil is used in foods such as salad dressing and, increasingly, fuel for semis. According to the Agriculture Department, about 44% of U.S. soybean- oil production will go toward biofuels this year, up from about 40% last year. “For decades, oil was the residual product that companies had to figure out a way to get rid of after selling meal, the really valuable stuff,” said Scott Irwin, an agricultural economist at the University of Illinois Urbana-Champaign. An old rule of thumb, said Mr. Irwin, was that oil made up about a third of a soybean’s value. But oil’s diesel-driven rally had that fraction flirting with 50%, at least until the EPA’s proposal.

Visions of soybean-powered truck fleets prompted the beginnings of a kind of green-oil boom in the Midwest, with bean-crushing plants in place of derricks and drills. Plans were made for 21 new or expanded facilities that would increase the country’s

crushing capacity by more than 30%, according to Scott Gerlt, the American Soybean Association’s chief economist. “Typically, we just don’t see that much growth in the sector,” said Mr. Gerlt. “It has been around a long time.”

The EPA news has put some of those projects on pause, said Mr. Gerlt. The agency’s proposal increases annual blending mandates for biomass-based diesel by less than one-tenth of the approximately 3 billion gallons of production increases that could come from refinery-retooling projects and new partnerships between energy and agricultural companies. That mismatch could cut the value of federal credit incentives, wreck those projects’ prospects and kick a leg of support out from under the soybean-oil market.

The EPA’s final decision is due in June. Trade groups are lobbying for higher mandates. Some analysts think many of the planned projects are destined for the dustbin. Others are more optimistic, largely because several other states, including New York, are working toward adopting low-carbon fuel-incentive programs such as California’s.

The soybean-processing industry could end up fine because of growing global demand for protein, said Corey Jorgenson, chief executive of Shell Rock Soy Processing, a crushing plant in Iowa that in January started operations boosted by funding from Phillips 66, which has dibs on the facility’s oil. “If 80% of what you’re making is protein, the whole story can’t be only about renewable energy or the oil component of the soybean,” Mr. Jorgenson said.

### ➤ CME Soybean Oil – Nearby Daily



Source: Barchart <https://www.barchart.com/futures/quotes/ZLU22/interactive-chart>

**CME May 2023 Soybean Oil Futures settled on Friday at \$53.27/cwt, up \$1.10 on the day, but losing \$4.19 cents for the week.**

➤ **Soybean Oil Prices – (FOB, US\$/mt) of of the 21<sup>st</sup> of March 2023**

		TW	LW	LY	%Y/Y
Argentina (Up River)	Mar	1,047	1,046	1,680	- 38
Brazil (Paranagua)	Apr	1,055	1,044	1,714	- 38
Malaysia	Apr	938	960	1,708	- 45

Source: International Grains Council visit: [http://www.igc.int/grainsupdate/igc\\_goi.xlsb](http://www.igc.int/grainsupdate/igc_goi.xlsb)

➤ **USDA – World Palm Oil**

Oil, Palm World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	25,529	+1(+%)	25,528	25,181	24,507	24,103	23,414
Beginning Stocks (1000 MT)	16,815	+13(+.08%)	16,802	15,160	15,860	14,896	12,869
Production (1000 MT)	77,559	+130(+.17%)	77,429	73,826	73,081	73,043	74,171
MY Imports (1000 MT)	49,863	+145(+.29%)	49,718	42,739	47,526	47,477	50,541
Total Supply (1000 MT)	144,237	+288(+.2%)	143,949	131,725	136,467	135,416	137,581
MY Exports (1000 MT)	51,218	+155(+.3%)	51,063	43,821	48,188	48,491	51,746
Industrial Dom. Cons. (1000 MT)	24,655	-	24,655	22,124	23,430	23,144	22,640
Food Use Dom. Cons. (1000 MT)	50,523	+151(+.3%)	50,372	47,434	48,990	47,215	47,609
Feed Waste Dom. Cons. (1000 MT)	792	+10(+1.28%)	782	1,531	699	706	690
Total Dom. Cons. (1000 MT)	75,970	+161(+.21%)	75,809	71,089	73,119	71,065	70,939
Ending Stocks (1000 MT)	17,049	-28(-.16%)	17,077	16,815	15,160	15,860	14,896
Total Distribution (1000 MT)	144,237	+288(+.2%)	143,949	131,725	136,467	135,416	137,581
Yield (MT/HA)	3.04	+(+.33%)	3.03	2.93	2.98	3.03	3.17

Source: USDA PS&D

➤ **CPGs ask suppliers to stop buying palm oil from major supplier**

Production of crop associated with deforestation, human rights abuses

24 March 2023 by Michael Baudendistel

**CPG companies ask suppliers to stop buying palm oil from major producer**

The International Federation for Human Rights (IFHR) wrote an open letter to the CEOs of numerous consumer packaged goods companies — including Pepsi, Nestle, Mondelez, Unilever, Procter & Gamble and others — imploring them to eliminate palm oil from their supply chains that comes from Indonesian conglomerate Astra Agro Lestari (AAR). Palm oil is used in a wide range of consumer goods, ranging from food and beauty products to biofuels.

AAR is one of the five largest producers of palm oil and second largest in Indonesia. Indonesia and Malaysia account for 85% of global palm oil production. AAR is accused of land grabs and human rights abuses. Specifically, the company is alleged to have illegally occupied 16,000 acres owned by local farmers and had some of its owners imprisoned after they protested. Amid rampant corruption, it appears you can have someone imprisoned for a price.

Pepsi responded to the IFHR letter by stating that, while it does not purchase palm oil from AAR directly, it will ask its suppliers to cease doing business with the company. Other CPGs are responding similarly. Separately, Walmart had previously announced plans to only use palm oil with no deforestation links in its private label products by 2025.

This is an example of the complexities of CPG supply chains that could only get more fraught with rising geopolitical tensions. It also highlights the importance of building redundant ingredients into supply chains. For example, in Oreos, palm oil can be substituted for canola oil.

➤ **CME Palm Oil Swaps – Daily Nearby**



Source: Barchart <https://www.barchart.com/futures/quotes/CUU22/interactive-chart>

**CME May 2022 Palm Oil Swaps settling at \$871.00/mt on Friday, off \$3.00 on the day, and losing \$29.75/mt for the week.**

➤ **Palm oil slips over 3% to five-month low**

21 March 2023 by Mei Mei Chu, Reuters - Malaysian palm oil futures fell more than 3% on Wednesday to its lowest in five months, dragged by deep losses in rival edible oils, crude and lingering concerns over the global banking crisis.

The benchmark palm oil contract FCPOc3 for June delivery on the Bursa Malaysia Derivatives Exchange slid 121 ringgit, or 3.2%, to 3,663 ringgit (\$819.10) a tonne during early trade, its lowest since Oct. 14.

- Exports of Malaysian palm oil products for Mar. 1-20 rose 30.4% to 929,274 tonnes from 712,740 tonnes shipped during the same period in Feb., cargo surveyor Societe Generale de Surveillance said on Tuesday.
- Dalian's most active soyoil contract DBYcv1 fell 3.1%, while its palm oil contract DCPcv1 lost 3.9%. Soyoil prices on the Chicago Board of Trade BOCv1 extended losses after falling 3% overnight.
- Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.
- Oil fell after an industry report showed U.S. crude inventories rose unexpectedly last week, indicating that fuel demand may be weakening, making palm a less attractive option for biodiesel feedstock. O/R
- Palm oil may test a support at 3,736 ringgit per tonne, a break below which could open the way towards 3,690 ringgit, Reuters technical analyst Wang Tao said. TECH/C

## PLANT PROTEIN MEALS

### ➤ USDA – World Soybean Meal

Meal, Soybean World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Crush (1000 MT)	320,043	-3857(-1.19%)	323,900	312,950	315,986	312,121	298,759
Extr. Rate, 999.9999 (PERCENT)	0.79	-	0.79	0.78	0.79	0.79	0.78
Beginning Stocks (1000 MT)	14,255	+169(+1.2%)	14,086	14,597	15,167	15,723	16,189
Production (1000 MT)	251,469	-2909(-1.14%)	254,378	245,568	248,246	245,176	233,991
MY Imports (1000 MT)	64,298	-1150(-1.76%)	65,448	66,032	64,441	62,782	63,640
Total Supply (1000 MT)	330,022	-3890(-1.16%)	333,912	326,197	327,854	323,681	313,820
MY Exports (1000 MT)	68,183	-1225(-1.76%)	69,408	68,435	69,340	67,872	68,017
Industrial Dom. Cons. (1000 MT)	1,382	-	1,382	1,332	1,367	1,367	1,336
Food Use Dom. Cons. (1000 MT)	817	-	817	806	741	671	581
Feed Waste Dom. Cons. (1000 MT)	246,676	-2077(-.83%)	248,753	241,369	241,809	238,604	228,163
Total Dom. Cons. (1000 MT)	248,875	-2077(-.83%)	250,952	243,507	243,917	240,642	230,080
Ending Stocks (1000 MT)	12,964	-588(-4.34%)	13,552	14,255	14,597	15,167	15,723
Total Distribution (1000 MT)	330,022	-3890(-1.16%)	333,912	326,197	327,854	323,681	313,820
SME (1000 MT)	246,676	-2077(-.83%)	248,753	241,369	241,809	238,604	228,163

Source: USDA PS&D

### ➤ IGC Market Focus: Aspects of Global Soybean Meal Trade in 2022/23

16 March 2023 IGC –

#### World Soybean Meal Trade – IGC Exports

EXPORTS	19/20	20/21	21/22 (est.)	22/23 (f'cast) 17.11.22	16.03.23
Argentina	29.8	30.6	28.7	30.3	23.1
Bolivia	1.5	1.8	2.3	1.8	1.9
Brazil	17.5	16.7	20.3	19.2	21.3
China	1.0	1.0	0.5	0.9	0.4
EU*	0.3	0.8	0.7	0.7	0.6
India	0.8	1.9	0.6	1.4	1.6
Paraguay	2.1	1.9	1.7	2.1	1.6
Ukraine	0.7	0.5	0.5	0.5	0.5
USA	12.6	12.3	12.2	12.4	12.7
Others	1.9	2.1	2.2	2.1	2.0
<b>WORLD TOTAL</b>	<b>68.3</b>	<b>69.5</b>	<b>69.6</b>	<b>71.2</b>	<b>65.7</b>

\* EU-28 up to 19/20, EU-27 from 20/21

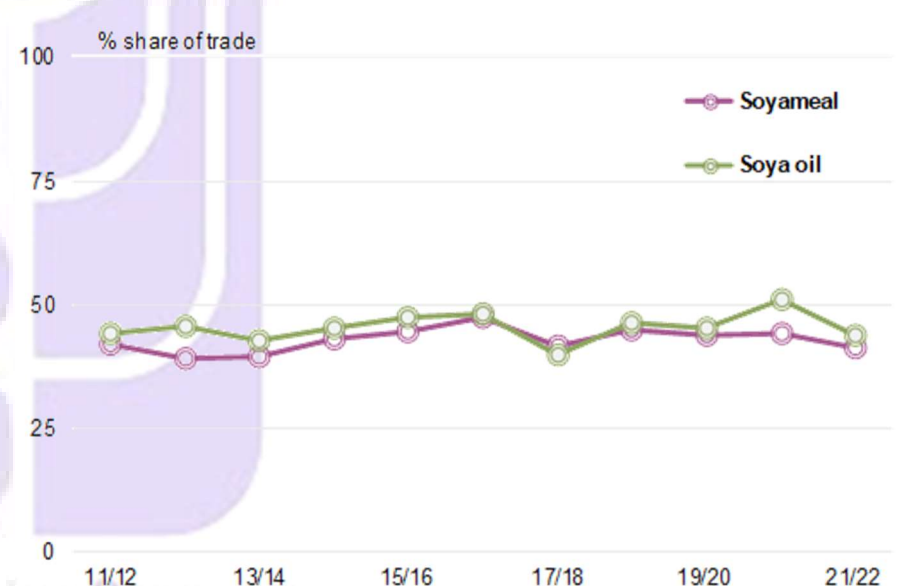
## World Soybean Meal Trade – IGC Imports

IMPORTS	m t				
	19/20	20/21	21/22 (est.)	22/23 (f'cast) 17.11.22	16.03.23
<b>EUROPE</b>	<b>20.9</b>	<b>21.5</b>	<b>21.0</b>	<b>21.4</b>	<b>20.0</b>
EU*	20.6	19.0	18.9	18.9	17.9
Others	0.2	2.5	2.1	2.5	2.1
<b>N &amp; C AMERICA</b>	<b>6.2</b>	<b>6.1</b>	<b>6.1</b>	<b>6.3</b>	<b>5.9</b>
Canada	1.1	1.2	1.3	1.3	1.2
Mexico	1.8	1.8	1.6	1.8	1.6
Others	3.2	3.0	3.1	3.2	3.0
<b>SOUTH AMERICA</b>	<b>6.6</b>	<b>7.0</b>	<b>8.2</b>	<b>7.7</b>	<b>7.1</b>
Chile	1.3	1.4	1.1	1.3	1.1
Colombia	2.1	2.4	3.3	2.9	2.9
Peru	1.5	1.3	1.2	1.3	1.1
Others	1.7	2.0	2.6	2.3	2.1
<b>NEAR EAST ASIA</b>	<b>5.2</b>	<b>6.8</b>	<b>6.3</b>	<b>6.3</b>	<b>5.5</b>
Iran	0.6	2.1	1.4	1.6	1.4
Turkey	1.4	1.4	1.4	1.4	1.1
Others	3.2	3.3	3.5	3.3	3.1
<b>FAR EAST ASIA</b>	<b>23.0</b>	<b>23.3</b>	<b>23.6</b>	<b>24.4</b>	<b>22.6</b>
Bangladesh	0.2	0.5	0.7	0.7	0.5
Indonesia	4.8	5.7	5.6	5.9	5.5
Japan	1.9	1.7	1.6	1.7	1.6
Korea (S)	2.0	1.8	1.7	1.8	1.6
Malaysia	1.6	1.4	1.5	1.5	1.5
Philippines	3.0	2.7	3.0	2.9	2.8
Thailand	3.0	2.9	3.0	3.1	2.8
Vietnam	5.2	5.2	5.1	5.4	5.1
Others	1.4	1.4	1.3	1.4	1.2
<b>AFRICA</b>	<b>3.9</b>	<b>2.8</b>	<b>2.5</b>	<b>2.6</b>	<b>2.3</b>
Algeria	1.1	0.5	0.1	0.3	0.2
Egypt	0.3	0.2	0.2	0.2	0.2
South Africa	0.5	0.4	0.3	0.4	0.2
Others	2.0	1.6	1.9	1.8	1.7
<b>OCEANIA</b>	<b>1.6</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>
<b>OTHERS / UNSPEC</b>	<b>0.9</b>	<b>1.0</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>
<b>WORLD TOTAL</b>	<b>68.3</b>	<b>69.5</b>	<b>69.6</b>	<b>71.2</b>	<b>65.7</b>

## Recent trends and background

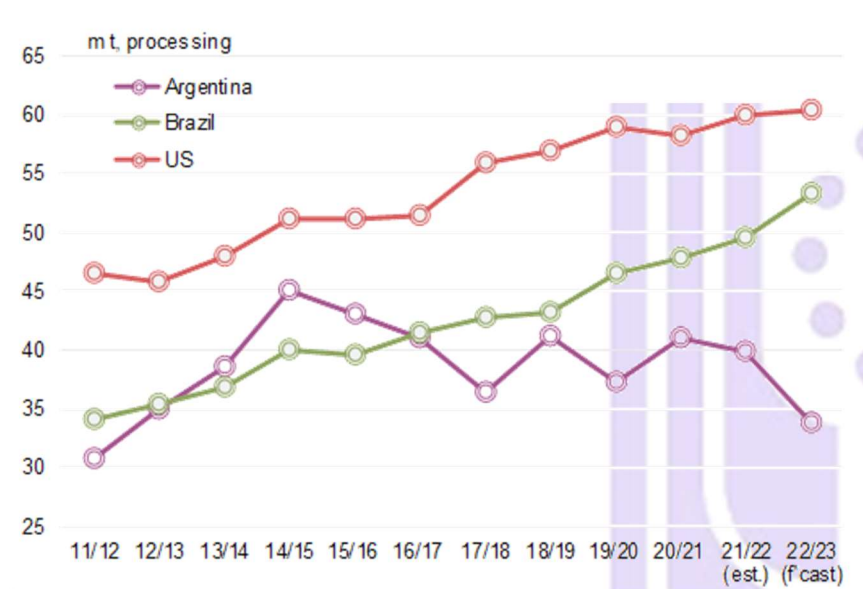
Recent weeks and months have witnessed the impact of sustained hot, dry weather on 2022/23 soyabean production prospects in Argentina through irreversible area losses and an erosion of yield potential. As a consequence, the Council foresees the smallest harvest in more than two decades, which will have important ramifications for world markets. Since Argentina is a relatively small exporter of (unprocessed) soyabeans, the anticipated shortfall in availabilities is expected to be comfortably offset by other regional suppliers, namely Brazil and Paraguay, courtesy of sizeable harvests, as world trade expands solidly y/y. However, of greater concern are the implications for the trade of soya products given that Argentina is the dominant exporter of soyameal and soya oil, respective shares of total import demand averaging around 45% for each.

## Soyameal: Respective shares of Argentina in trade of soya products (Oct/Sep)



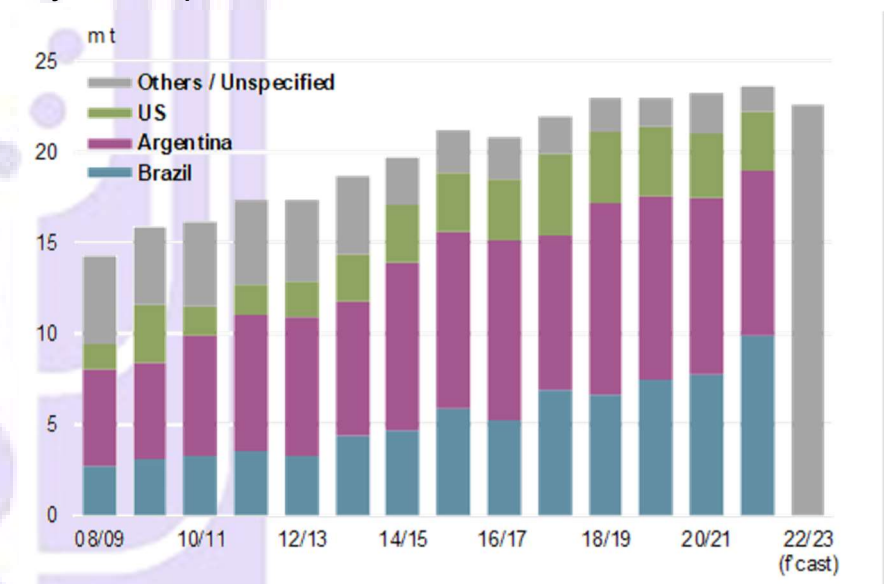
Heightened worries about exportable supplies of soyameal are clearly evident in the way markets have evolved since late 2022. In the six-month period through to mid-March, export prices in Argentina (Up River basis) rose by almost 16%, with gains also registered at alternative key origins. Interestingly, and likely reflecting potentially ample availabilities of alternative vegetable oils, indicative quotations for soya oil have, by contrast, retreated over the same period. Furthermore, most markets for other oilseeds and products have fallen, again pointing to relatively comfortable fundamental backdrops.

### Soyabeans: Processing in leading soyameal exporters

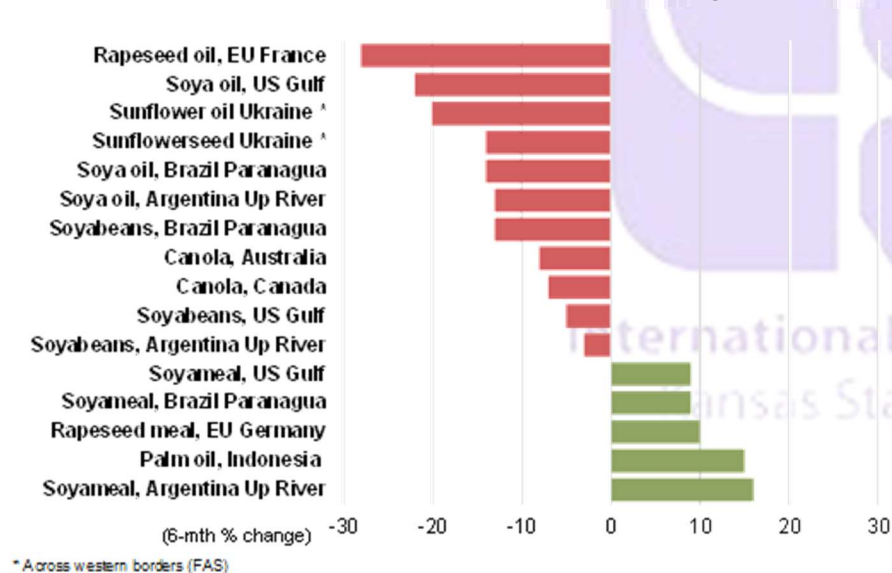


As highlighted in the Council's analysis of soyabean supply and demand in this month's GMR, the crush in Argentina is expected to plunge in 2022/23, potentially to its lowest in 11 seasons. However, this contrasts with the situation in the US and Brazil, where processing is set to advance to respective peaks. While both suppliers should have the capacity to boost exports in 2022/23, the overall net increase in shipments at alternative origins will fall short of the reduction in Argentina's dispatches, with an element of demand rationing likely to feature.

### Soyameal: Shipments to Far East Asia



### Oilseeds & Products: Selected export prices (six-month change to mid-March)



### Prospects for world import demand in 2022/23

Owing to the aforementioned supply-side constraints and the associated strength of international prices, the Council's forecast for global import demand in 2022/23 (Oct/Sep) is scaled back by 5.5m t from before, to a five-year low of 65.7m (69.6m). Based on the pace of arrivals to date and prospects for reduced imports from Argentina in the coming period, likely to be only partly offset by bigger purchases of Brazilian-origin supplies, shipments to the EU are marked down by 1.0m t, to 17.9m (-5%). This is in addition to expectations of smaller soyabean arrivals. Against this backdrop, feed users are expected to utilise larger quantities of alternatives, specifically rapeseed/canola meal after a big domestic harvest and sizeable imports swelled supplies for processing. Furthermore, while this year's local sunflowerseed outturn fell short of expectations owing to the impact of hot, dry weather in core producing regions, data show record cross-border arrivals from Ukraine. While a sizeably reduced exportable surplus in Argentina will also have implications for end users in Asia, a portion of the overall shortfall could be filled by suppliers in

Brazil and, to a lesser extent, the US. As the accompanying chart illustrates, Brazilian exporters have seen their share of Asian demand grow steadily over the past decade, to become the main suppliers in 2021/22. Nevertheless, aggregate shipments to the key sub-region of Far East Asia are forecast to register the first y/y contraction in six years, to 22.6m t (23.6m), down by 1.8m from before. Separately, deliveries to markets in the Near East are pegged at 5.5m t (6.3m).

Extending the trend of recent years, a further reduction in shipments to markets in Africa, particularly in North Africa, is expected, with buyers instead securing soyabean supplies for processing.

Much of the Council's forecast reduction in global demand is mirrored in its expectations for exports by Argentina. Slashed by more than 7.0m t compared to November, 2022/23 (Oct/Sep) dispatches are seen at a nine-year low of 23.1m, around one-fifth smaller than in the prior season. While other suppliers are predicted to sell more, the increase in volumes will not be sufficient to prevent a substantial fall in global shipments. Brazilian dispatches are seen expanding by 5% y/y, to 21.3m t, with US exports predicted to advance to 12.7m (12.2m).

### ➤ **USDA – U.S Soybean Meal**

Attribute	Meal, Soybean United States as of March 2023				
	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Crush (1000 MT)	60,419	-272(-.45%)	60,691	59,980	58,257
Extr. Rate, 999.9999 (PERCENT)	0.79	-	0.79	0.78	0.79
Beginning Stocks (1000 MT)	282	-	282	309	310
Production (1000 MT)	47,663	-90(-.19%)	47,753	47,005	45,872
MY Imports (1000 MT)	544	-	544	589	712
Total Supply (1000 MT)	48,489	-90(-.19%)	48,579	47,903	46,894
MY Exports (1000 MT)	12,428	-	12,428	12,269	12,406
Industrial Dom. Cons. (1000 MT)	0	-	0	0	0
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	35,743	-90(-.25%)	35,833	35,352	34,179
Total Dom. Cons. (1000 MT)	35,743	-90(-.25%)	35,833	35,352	34,179
Ending Stocks (1000 MT)	318	-	318	282	309
Total Distribution (1000 MT)	48,489	-90(-.19%)	48,579	47,903	46,894
SME (1000 MT)	35,743	-90(-.25%)	35,833	35,352	34,179

Source: USDA PS&D

### ➤ **Fears of a record global soybean harvest, and insufficient demand**

The average estimates by several consultants has Brazil, world's top soy supplier producing a record 152 mmts of soybeans, up 20% year on year.

The average estimates by several consultants has Brazil, world's top soy supplier producing a record 152 mmts of soybeans, up 20% year on year.

Brazil is on track for a record-high Brazilian soybean harvest in the marketing year 2022-23 (January-December 2023), based on forecasts from commodity consultancies and government-owned institutions. The likely estimate means a looming oversupply expected to remain until at least mid-2023.

The average of estimates by the various organizations has the world's top soy supplier producing a record 152 mmts of soybeans in MY 2022-23, up 20% year on year.

S&P Global Commodity Insights projects the Brazilian MY 2022-23 soybean crop at 150 mmts.

Substantial back-to-back supplies from the world's top two soybean exporters (Brazil and US) are a recipe for a bearish 2023, they said. The US soybean new crop has been estimated at an average 118 mmts, and if Brazil's record harvest projections are included, an oversupply seems likely.

The US Department of Agriculture has estimated the MY 2022-23 US soybean harvest at 118.3 mmts, close to its 5-year average of 118.4 mmts. Brazil and the US together account for 70% of global soybean production.

Based on estimates, Brazil's soybeans planted area has expanded for a consecutive 16th year, which has significantly boosted its production capacity.

Brazil's national agricultural agency Conab sees the acreage in MY 2022-23 at 43.2 million hectares (107 million acres), up 4.2% year on year, while others are predicting an even bigger area.

Farmers are projected to plant 43.79 million hectares with soybeans this season, an increase of 762,000 hectares from the July forecast and up 1.98 million hectares year on year, according to agribusiness consultancy Datagro.

This acreage increase is experienced in the key growing regions of the north, northeast and center-west rather than displacing other crops, analysts said.

But the euphoria over a forecast record Brazilian soybean harvest in MY 2022-23 is likely to be short-lived, some analysts said. Brazil typically consumes 45/50 mmts of soybeans domestically and exports almost all the rest.

"I am not sure the world needs a 100 mmts of beans from Brazil in MY 2022-23," said Kory Melby, consultant with Brazilian Ag Consulting Services.

Pete Meyer, head of grain, oilseed, and advanced feedstock analytics at S&P Global Commodity Insights, agreed. "It is unlikely the market will digest a supply surge of 150 mmts early next year", Meyer said.

However, if the Argentine crop were to fail, then Brazilian farmers could pitch in and export more, he added. Likewise the fate of Brazil's impending record soybean harvest depends on multiple variables, especially China's demand.

China is the world's largest soybeans consumer, accounting for 60% of global trade, and is forecast to import 98 mmts in MY 2022-23, according to USDA data. It has been Brazil's top export destination for soybeans in recent years.

However, not all analysts see 2023 as a lackluster year for Brazilian soybean trading. Raphael Mandarino, general director at AgResource Brasil, said there is a market for Brazil's 150+ million soy crop, both domestically and abroad.

"We do think Brazil can export an extra 15 million to 18 mmts in MY 2022-23," Mandarino said, adding domestic crushing capacity will increase simultaneously with a higher biodiesel mandate next year.

However, the increase in crush capacity will result in the need to export more soybean meal, which will be an additional challenge for Brazil, said Ricardo Medeiros, another consultant from AgRural.

Argentina, fob upriver \$495.75/mt

➤ **CME CBOT Soybean Meal**



Source: Barchart <https://www.barchart.com/futures/quotes/ZMU22/interactive-chart>

**CME March 2023 Soybean Meal Futures, settled on Friday at \$445.10/short ton, up \$6.80 on the day, but losing \$20.90/short ton for the week.**

➤ **U.S. Export Soybean Meal Values – Friday 24<sup>th</sup> March 2023**

Soybean Meal Gulf barge/rail quotes, basis CBOT futures:

CIF SOYBEAN MEAL	3/23/2023	3/24/2023		
MAR	20 / -	20 / -	K	UNC
APR	20 / 32	20 / 30	K	
MAY	20 / 32	20 / 30	K	
JUN	20 / 32	20 / 30	N	
JUL	20 / 32	20 / 30	N	

U.S., fob Gulf \$524.25/mt  
Brazil, fob Paranagua \$474.50/mt

➤ **DDG's – Prices turn lower on average**

24 March 2023 Mary Kennedy, DTN – The DTN average price for domestic distillers dried grains (DDG) from 35 locations reporting for the week ended March 23<sup>rd</sup> was \$257/ton, down \$4 from one week ago. Prices were mixed and mostly lower, with the average lower as well. The falling soybean meal prices pressured DDG this week as the cash corn price was mostly unchanged since last week.

Based on the average of prices collected by DTN, the value of DDG relative to corn for the week ended March 23 was 1.14%. The value of DDG relative to soybean meal was 58.64%, and the cost per unit of protein for DDG was \$9.52 compared to the cost per unit of protein for soybean meal at \$9.23.

In its weekly DDGS export update, the U.S. Grains Council said: "Barge CIF NOLA offers are steady for spot positions and \$2 metric ton (mt) lower for May and June as strong barge freight offset the impacts of lower truck and rail offers. FOB NOLA offers are \$7 to \$10 mt lower for Q2 positions and average \$339 mt for April. This week's offers for 40-foot containers to Southeast Asia are \$2 to \$3 mt higher and average \$397 for Q2 shipment."

**VALUE OF DDG VS. CORN & SOYBEAN MEAL**

Settlement Price:	Quote Date	Bushel	Short Ton
Corn	3/23/2023	\$6.3175	\$225.6250
Soybean Meal	3/23/2023		\$438.30
DDG Weekly Average Spot Price	3/23/2023		\$257.00

DDG Value Relative to:	3/23	3/16
Corn	1.14%	1.15%
Soybean Meal	58.64%	55.06%

Cost Per Unit of Protein:		
DDG	\$9.52	\$9.67
Soybean Meal	\$9.23	\$9.98

Notes: Corn and soybean prices take from DTN Market Quotes. DDG price represents the average spot price from Midwest companies collected on Thursday afternoons. Soybean meal cost per unit of protein is cost per ton divided by 47.5. DDG cost per unit of protein is cost per ton divided by 27.

## COTTON

### ➤ USDA – World Cotton

Cotton World as of March 2023							
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21	19/20	18/19
Area Harvested (1000 HA)	31,611	+230(+.73%)	31,381	32,533	31,366	34,466	33,216
Beginning Stocks (1000 480 lb. Bales)	86,113	+878(+1.03%)	85,235	86,283	98,184	82,504	82,828
Production (1000 480 lb. Bales)	115,090	+719(+.63%)	114,371	115,901	111,494	120,163	118,490
Imports (1000 480 lb. Bales)	39,576	-865(-2.14%)	40,441	42,691	48,677	40,710	42,476
Total Supply (1000 480 lb. Bales)	240,779	+732(+.3%)	240,047	244,875	258,355	243,377	243,794
Exports (1000 480 lb. Bales)	39,596	-785(-1.94%)	40,381	42,858	48,833	41,055	41,484
Use (1000 480 lb. Bales)	110,108	-555(-.5%)	110,663	116,271	123,298	104,224	119,879
Loss (1000 480 lb. Bales)	-70	+10(+.12.5%)	-80	-367	-59	-86	-73
Total Dom. Cons. (1000 480 lb. Bales)	110,038	-545(-.49%)	110,583	115,904	123,239	104,138	119,806
Ending Stocks (1000 480 lb. Bales)	91,145	+2062(+2.31%)	89,083	86,113	86,283	98,184	82,504
Total Distribution (1000 480 lb. Bales)	240,779	+732(+.3%)	240,047	244,875	258,355	243,377	243,794
Stock to Use % (PERCENT)	60.88	+2(+3.22%)	58.98	54.12	50.13	67.58	51.13
Yield (KG/HA)	793	-1(-.13%)	794	776	774	759	777

Source: USDA PS&D

FAS data had 310,236 RBs of cotton export sales for the week ending the 16<sup>th</sup> of March. That is a 5-wk high and was near even with last year's sale for the same week. Vietnam and China were the top buyers.

The weekly data release also had 272,519 RBs of cotton exports for the week, which left the season's total at 6.221 million – a 1.2% lag yr/yr.

Outstanding sales remain well below last year, with total commitments at a 20% yr/yr lag through the week ending the 16<sup>th</sup> of March.

### ➤ USDA – U.S Cotton

Cotton United States as of March 2023					
Attribute	22/23 Mar'23	Change	22/23 Feb'23	21/22	20/21
Area Harvested (1000 HA)	3,011	-	3,011	4,157	3,325
Beginning Stocks (1000 480 lb. Bales)	3,750	-	3,750	3,150	7,250
Production (1000 480 lb. Bales)	14,680	-	14,680	17,523	14,608
Imports (1000 480 lb. Bales)	5	-	5	5	2
Total Supply (1000 480 lb. Bales)	18,435	-	18,435	20,678	21,860
Exports (1000 480 lb. Bales)	12,000	-	12,000	14,622	16,352
Use (1000 480 lb. Bales)	2,100	-	2,100	2,550	2,400
Loss (1000 480 lb. Bales)	35	-	35	-244	-42
Total Dom. Cons. (1000 480 lb. Bales)	2,135	-	2,135	2,306	2,358
Ending Stocks (1000 480 lb. Bales)	4,300	-	4,300	3,750	3,150
Total Distribution (1000 480 lb. Bales)	18,435	-	18,435	20,678	21,860
Stock to Use % (PERCENT)	30.50	-	30.50	21.84	16.80
Yield (KG/HA)	1,062	-	1,062	918	957

Source: USDA PS&D

### ➤ CME Cotton – Weekly Nearby



Source: Barchart <https://www.barchart.com/futures/quotes/ZMU22/interactive-chart> Weekly

**CME May 2023 Cotton Futures** settled on Friday at \$76.54/cwt, down 104 points on the day, and losing \$1.29/cwt for the week; while July23 cotton closing at 77.17, down 102 points, and Dec23 cotton closing at 78.4, down 86 points.

The cotton market settled Friday's session down by 59 to 104 points. The May contract ended the week a net 129 points below last Friday.

Weekly CFTC data showed the funds were adding new shorts in cotton through the week of 3/21. That extended the group's net short by 10,602 contracts to 24,255.

Farm Futures magazine released their acreage survey results, signaling a 15.4% loss to cotton acres. They pegged the 23/24 cotton area at 11.65m acres.

USDA's weekly Cotton Market review had 7,855 bales sold at spot this week for an average price of 75.43 cents/lb. The Cotlook A Index was 92.80 cents from 3/23, up by 50 points. The updated AWP for cotton is 225 points lower to 66.33 cents/lb. ICE certified stocks were 1,485 bales on 3/22.

### ➤ El Nino seen boosting U.S. cotton output after worst drought in years

24 March 2023 by Ashitha Shivaprasad, Reuters - The El Nino weather pattern could boost yields in the second half of the year for U.S. cotton farmers, who were forced to abandon a big chunk of their cropland in 2022 after one of the worst droughts in years.

While El Nino typically brings dry weather to Asia, with impacts already being felt in Australia, Indonesia and India, it is known for wet weather in parts of North and South America.



The National Weather Service has forecast a more than 50% chance of El Nino forming during the northern summer of 2023.

"If we move into an El Nino pattern, we would see more rainfall in the U.S. and this would mean higher production, higher yields and less abandonment this year," said Bailey Thomen, cotton risk management associate at StoneX Group.

Last year, more than three-quarters of Texas, which accounts for about 40% of U.S. cotton output, suffered from one of the worst droughts in years.

As a result, U.S. farmers were forced to abandon a record amount of their land, with the resultant supply shortfall driving prices to an 11-year peak in May.

"Last year, Texas had almost 70% abandonment due to drought," the Texas Farm Bureau said.

However, too much rainfall may prove to be a spoilsport, leading to yield losses and quality downgrades.

"The most crucial part will be when the rains arrive. It will be great if they arrive by April-May," Kansas-based commodity analyst Sid Love said.

Expectations of higher U.S. cotton output come at a time of weakening global demand for the fiber.

Demand concerns have prompted about 6% decline in U.S. cotton futures this year, and prices hit a 20-week low this week amid the ongoing banking sector crisis.

The USDA lowered its 2022/23 world cotton consumption estimates to 110.11 million bales in March, from 110.66 million bales forecast a month ago.

The market will be highly dependent on what happens with the global economy, said Matthew Looney, data scientist at International Cotton Advisory Committee, predicting consumption would remain low into the 2023/24 season.

"China's recovery is a positive sign while the ongoing banking crisis poses economic risks which could weigh on demand," said Jim Nunn, owner of Tennessee-based cotton brokerage Nunn Cotton.

*(Reporting by Ashitha Shivaprasad and Rahul Paswan in Bengaluru; Editing by Naveen Thukral)*



International Grains Program  
Kansas State University

## ENERGY & ETHANOL

### ➤ CME Ethanol Futures - Nearby Weekly



Source: Barchart <https://www.barchart.com/futures/quotes/FLV22/interactive-chart>

**CME Nearby Ethanol March 2023** settling on Friday at \$2.23250/gallon, up 0.750 cents on the day, and gaining 2.250 cents for the week.

May WTI crude oil (CLK23) on Friday closed down -0.70 (-1.00%), and May RBOB gasoline (RBJ23) closed down -1.23 (-0.48%).

The Energy Information Administration (EIA) at midweek showed EIA reports overall ethanol production in the United States dropped 17,000 barrels per day (bpd) to 997,000 bpd, the lowest level since the first week of January and only the second time this year below 1 million bpd. Versus a year ago, output was down 4.3% while data show four-week average output at 1.006 million bpd was 17,000 bpd lower than the same four weeks in 2022. Midwest PADD 2 ethanol production fell 12,000 bpd in the week to 954,000 bpd, 3.4% below a year ago.

The weekly Ethanol report from USDA had the week's average prices ranging from \$2.03 - \$2.15/gal in NE to \$2.18 - \$2.24/gal in IL, which was mostly 3 to 9 cents higher for the week. DDGS were quoted from \$235-245 in MI to \$280-300/ton in MO for the week leaving regional prices mostly higher from -\$10 to +\$17/ton. Corn oil prices were mostly weaker though the week with 1-8 cent regional losses to 49 - 58 cents/gal quotes.

### ➤ U.S. Corn Values delivered Ethanol Plants – Friday 24<sup>th</sup> March 2023

Corn Delivered Selected Plants / Road quotes, in cents/bus basis CBOT futures: USDA (U.S. No. 2, 14.5% moisture, in cents/bus.

Nearby Ethanol Bids	3/23/2023	3/24/2023		
Blair, NE	55	50	K	
Cedar Rapids, IA	-20	-20	K	UNC
Decatur, IL	30	30	K	UNC
Fort Dodge, IA	44	43	K	
N. Manchester, IN	7	7	K	UNC
Portland, IN	16	16	K	UNC

### ➤ NYMEX WTI Crude Oil – Daily Cash



Source: Barchart <https://www.barchart.com/futures/quotes/CLY00/interactive-chart>

**NYMEX Cash WTI Crude Oil Futures** settled on Friday at \$69.96/barrel, off \$0.94 on the day, but gaining \$3.22 for the week.

May WTI crude oil (CLK23) on Friday closed down -0.70 (-1.00%), and May RBOB gasoline (RBJ23) closed down -1.23 (-0.48%).

### ➤ Crude Closes Moderately Lower On Economic Concerns

10 February 2023 by Rich Asplund, Barchart – Crude oil and gasoline prices Friday closed moderately lower due to ongoing concerns that the banking turmoil could

push the global economy into a recession, undercutting energy demand. Also, strength in the dollar Friday weighed on energy prices.

Crude prices remain on the defensive from Thursday when U.S. Energy Secretary Granholm said it would be "difficult" this year to refill the Strategic Petroleum Reserve (SPR), citing ongoing sales from the SPR and said that it would take "a few years" to replenish the reserve.

China's economic recovery from the pandemic has been slow to materialize and is negative for energy demand and crude prices. China car sales from Jan-Feb are down -9.4% y/y, and international flights from China were only 22% of pre-pandemic levels as of March 16.

In a bearish factor, Vortexa Monday reported that the amount of crude stored on tankers that have been stationary for at least a week rose +2.6% w/w to 82.71 million bbl in the week ended March 17<sup>th</sup>.

Goldman Sachs Monday cut its 12-month crude price forecast for Brent crude to \$94 a barrel from a previous forecast of \$100 a barrel, citing "banking stress, recession fears, and an exodus of investor flows." Goldman now predicts that OPEC+ will start to reverse its supply cuts, currently at about 2 million bpd, in Q3 of 2024 versus a prior forecast of the second half of 2023.

Rising crude demand in India is bullish for oil prices. On Wednesday, India's oil ministry reported that India Feb crude oil imports rose +8.5% y/y to 19.1 MMT, the most in seven months.

A bearish factor for crude was last Wednesday's monthly report from the International Energy Agency (IEA) that said global crude supplies would "comfortably" exceed demand in the first half of this year. The IEA reported that global oil inventories surged by 52.9 million bbl in Jan to 7.8 billion bbl, the highest in 1-1/2 years.

On February 1<sup>st</sup>, the OPEC+ Joint Ministerial Monitoring Committee recommended keeping crude production levels steady as the oil market awaits clarity on demand in China and crude supplies from Russia. OPEC crude production in February rose by +120,000 bpd to 29.24 million bpd.

Wednesday's EIA report showed that (1) U.S. crude oil inventories as of March 17 were +7.6% above the seasonal 5-year average, (2) gasoline inventories were -4.0% below the seasonal 5-year average, and (3) distillate inventories were -8.8% below the 5-year seasonal average. U.S. crude oil production in the week ended March 17 rose +0.8% w/w to 12.3 million bpd, matching a 2-3/4 year high and only 0.8 million bpd (-6.1%) below the Feb-2020 record-high of 13.1 million bpd.

Baker Hughes reported Friday that active U.S. oil rigs in the week ended March 24 rose by +4 rigs to 593 rigs, moderately below the 2-1/2 year high of 627 rigs posted on December 2. U.S. active oil rigs have more than tripled from the 17-year low of 172 rigs seen in Aug 2020, signaling an increase in U.S. crude oil production capacity.

## ➤ **NYMEX Natural Gas – Daily Cash**



Source: Barchart <https://www.barchart.com/futures/quotes/CLY00/interactive-chart>

**NYMEX 2022 Natural Gas Futures settled on Friday at \$2.154/MMBtu, off \$0.074 on the day, and losing 0.184 cents for the week.**

**April Nymex natural gas (NGJ23) on Friday closed up +0.062 (+2.88%).**

## ➤ **Nat-Gas Rallies On Partial Reopening Of Freeport Export Terminal**

**24 March 2023 by Rich Asplund, Barchart** – April nat-gas Friday posted moderate gains on expectations for colder U.S temperatures to boost heating demand for nat-gas. Forecaster Atmospheric G2 said that below-normal temperatures are expected across the northern, central, and western U.S. from March 29-April 2.

A bearish factor for nat-gas prices was Tuesday's news that a technical hitch pushed back the restart of full operations at the Freeport LNG export terminal, which may boost U.S. nat-gas stockpiles as exports are curtailed.

Lower-48 state dry gas production on Friday was 100.7 bcf (+6.1% y/y), moderately below the record high of 103.6 bcf posted on Oct 3, according to BNEF. Lower-48 state gas demand Friday was 78.9 bcf/day, up +4.4% y/y, according to BNEF. On Friday, LNG net flows to U.S. LNG export terminals were 12.9 bcf, down -2.3% w/w. On Mar 3, LNG net flows to U.S. LNG export terminals rose to a record 14.1 cf/day as nat-gas exports restarted from the Freeport LNG terminal as the terminal was partially reopened after being closed since last June because of an explosion.

The video player is currently playing an ad. You can skip the ad in 5 sec with a mouse or keyboard

Nat-gas prices have fallen sharply over the past three months and posted a 2-1/4 year nearest-futures low on Feb 22 as normally mild weather across the northern hemisphere erodes heating demand for nat-gas. January was the sixth-warmest across the contiguous 48 U.S. states in data from 1895. This winter's warm temperatures have caused rising nat-gas inventories in Europe and the U.S. Gas storage across Europe was 56% full as of Mar 20, far above the 5-year seasonal average of 35% for this time of year. Also, U.S. nat-gas inventories were +22.7% above their 5-year average as of March 17<sup>th</sup>.

An increase in U.S. electricity output is bullish for nat-gas demand from utility providers. The Edison Electric Institute reported Wednesday that total U.S. electricity output in the week ended Mar 18 rose +5.2% y/y to 74,499 GWh (gigawatt hours). Also, cumulative U.S. electricity output in the 52-week period ending Mar 18 rose +1.2% y/y to 4,105,969 GWh.

Thursday's weekly EIA report was neutral for nat-gas prices since it showed U.S. nat gas inventories fell -72 bcf, slightly less than expectations of -73 but above the 5-year average draw of -45 bcf for this time of year. Nat-gas inventories are +22.7% above their 5-year seasonal average.

Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended Mar 24 was unchanged at a 6-month high of 162 rigs, just below the 3-1/4 year high of 166 rigs posted in the week ended September 9<sup>th</sup>. Active rigs have more than doubled from the record low of 68 rigs posted in July 2020 (data since 1987).

## OTHER MARKETS

### ➤ **China agrees to resume imports of Brazilian Beef**

*23 March 2023 by Ana Mano, Reuters* - China has agreed to immediately resume imports of Brazilian beef aged under 30 months, according to a statement released by China's General Administration of Customs on Thursday.

Sales of Brazilian beef to China were voluntarily halted by Brazilian authorities on Feb. 23, following the discovery of an atypical case of mad cow disease.

The resumption of trade comes a day after Brazilian Agriculture Minister Carlos Favaro arrived in Beijing ahead of a visit by Brazilian President Luiz Inacio Lula da Silva on Sunday.

Datagro Pecuaria, an agribusiness consultancy, separately said an additional four Brazilian slaughterhouses were authorized on Thursday by Beijing to export beef into China.

Citing the GACC, the consultancy said three belong to privately-owned companies and one is operated by listed JBS SA .

This is the first time since 2019 that China has issued new export permits for Brazilian beef-packers, Datagro Pecuaria said on its website.

The Brazilian agriculture ministry did not have an immediate comment.

Before Thursday's four new permits, a total of 37 plants in the country were authorized to sell beef to China, according to Abiec, a Brazilian beef lobby. Now the number is 41.

Lula will visit China accompanied by a delegation of 240 business representatives, including 90 from the agriculture sector.

Shares in Brazilian beefpacker Minerva were up 3.3% in early afternoon trade, making it the leading gainer of the benchmark Bovespa index. Rival JBS, with a much more diversified export base, rose 0.5%.

Brazil also aims to renegotiate sanitary protocols under which a single mad cow case triggers an export ban for the whole country. Beef producers in Brazil were losing up to \$25 million per day with the embargo in place.

Some 62% of Brazil's beef exports went to China last year.

According to Datagro, the GACC on Thursday also lifted a ban on a poultry plant operated by BRF SA enforced in December 2021. (Reporting by Andrew Hayley, Ningwei Qin and Ana Mano in São Paulo Editing by Mark Potter and Marguerita Choy)

### ➤ **Two new vaccines against bird flu effective in Dutch lab**

*17 March 2023 Reuters* - Two vaccines tested by a Dutch veterinary research center have proved effective against highly infectious bird flu in a first experiment conducted under a controlled environment, Dutch authorities said on Friday.

"Not only did the vaccines give poultry used in the lab protection against disease symptoms but they also countered the spreading of the bird flu," the Dutch government said in a statement.

Avian influenza, commonly called bird flu, has been spreading around the world in the past year, killing more than 200 million birds - and six million in the Netherlands alone - sending egg prices rocketing and raising concern among governments about human transmission.

The new vaccines have been tested by the Wageningen Bioveterinary Research, located northeast of Amsterdam, at the behest of Dutch minister of agriculture Piet Adema.

"I'm happy that we have two vaccines with which we can take the vaccination process against bird flu forward. I'm putting in the next steps as quickly as possible but in a responsible way," Adema said in the statement.

French veterinary pharmaceuticals firm Ceva Sante Animale told Reuters it had developed one of the two vaccines that proved effective.

## TRANSPORTATION

### ➤ **Baltic Dry Freight Index – Daily = 1484**



Source: <https://www.tradingview.com/chart/?symbol=INDEX%3ABDI>

After nearly a month of consecutive daily gains, the Baltic Dry Index (BDI) touched the highest level since the turn of the year in mid-March, but retreated thereafter on softening sentiment in segments for larger-sized vessels.

Including respective weekly losses of 5% and 11% in Panamax and Capesize Baltic sub-Indices, the Index slipped by a net 5% w/w and was quoted 42% lower y/y as of yesterday.

In the latter segment, ongoing business from Australia to China was countered by softer demand for transatlantic and front haul deliveries.

Recent weakness in Panamax rates largely stemmed from reduced spot fixing out of South America, while holidays in Japan contributed to a slowdown in activity in Asia.

Nonetheless, average earnings in Supramax and Handysize markets continued to climb, with values in the former underscored by limited tonnage at the US Gulf, along with sustained activity out of South America and the Pacific.

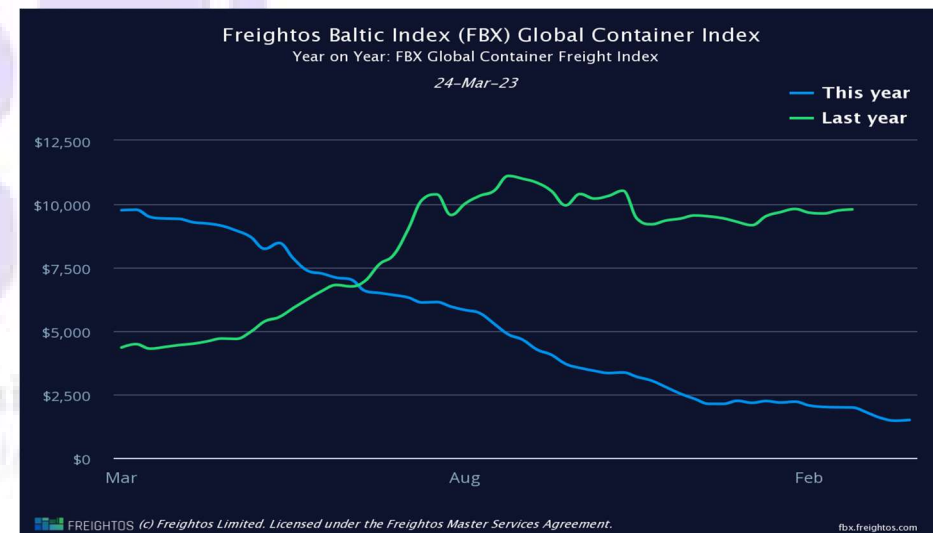
The Handysize segment featured improving enquiry levels in the Black Sea region and the eastern Mediterranean, as well as sustained enquiries out of Australia / Indonesia and demand for steel deliveries in the north China-Japan area.

### ➤ **Baltic Dry Index Marks First Weekly Decline in Five**

24 March 2023 *Ananya Bajpai, Reuters* - The Baltic Exchange's main sea freight index edged higher on Friday on stronger demand in the larger capesize vessel segment, although it marked its first weekly decline in five.

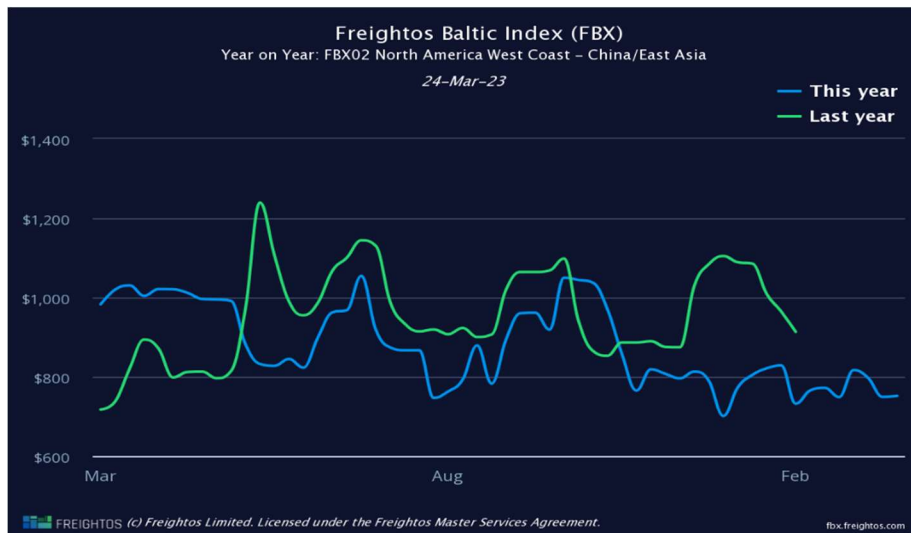
- The overall index, which factors in rates for capesize, panamax and supramax shipping vessels, gained 5 points to 1,489.
- The index, however, was down about 3% for the week, its most since the week ended February 17<sup>th</sup>.
- The capesize index rose 26 points, or about 1.4%, to 1,882. Although, the index lost 1.6% for the week.
- Average daily earnings for capesizes, which typically transport 150,000-tonne cargoes such as iron ore and coal, increased \$215 to \$15,611.
- Dalian and Singapore iron ore futures rebounded in afternoon trading as sentiment improved, helped by data showing that inventories at Chinese ports continued to fall in the past week.
- The panamax index fell 12 points to 1,572. The index was down 8.8% for the week – its biggest weekly percentage fall since February 3<sup>rd</sup>.
- Average daily earnings for panamaxes, which usually carry coal or grain cargoes of about 60,000 to 70,000 tonnes, decreased \$111 to \$14,149.
- Among smaller vessels, the supramax index edged up 1 point to 1,332. It was up for the sixth consecutive week.

### ➤ **Freightos Baltic Index (FBX): Global Container Freight Index**



Source: <https://fbx.freightos.com/>

➤ **Freightos West Coast N.A. – China/East Asia Container Index - Daily**



Source: <https://fbx.freightos.com/>

FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).

Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs and related surcharges between carriers, freight forwarders and high-volume shippers. Index values are calculated by taking the median price for all prices (to ignore the influence of outliers on active lanes) with weighting by carrier. 50 to 70 million price points are collected every month. The weekly freight index is calculated as an average of the five business days from the same week and published each Friday.

➤ **STB Approves Rail Takeover; Ag Groups Cautious**

The Surface Transportation Board last week approved the takeover of the Kansas City Southern Railway by the Canadian Pacific Railway, the Associated Press reported.

The deal creates the first single-line rail network linking Canada, the United States and Mexico.

Mike Steenhoek, executive director of the Soy Transportation Coalition, said in an email to members, “Mergers and acquisitions are inspired by and result in the benefit of the shareholders, customers, or both. Some agricultural organizations and shippers have expressed disappointment in the approved acquisition.”

“Moreover, some communities along the combined CPKC network will indeed experience additional frequency of trains and the inconvenience and noise they will provide,” Steenhoek said.

“Others have expressed optimism that the merger of the two networks will result in enhanced marketing opportunities. These shippers believe that the combined

network will open up new geographic regions — particularly in Mexico and the south central United States — that they heretofore have not enjoyed.

“We will obviously wait and see if one perspective becomes reality in the months to come.”

➤ **Illinois River Barge Freight**

24 March 2023 – Indicative values, “bid/offer”, as a % of tariff (1976 benchmark rates short ton (2,000 lbs)). Use to calculate “Delivery Value Equivalents” (DVE).

**IL RIVER FREIGHT**

	3/23/2023	3/24/2023	
wk 3/19	525/550	540/575	
wk 3/26	515/540	525/550	
April	490/510	500/520	
May	480/500	490/510	
June	490/510	490/510	UNC
July	490/510	490/510	UNC
August	550/600	550/600	UNC
Sept	700/750	700/750	UNC
Oct	800/850	800/850	UNC

**ST LOUIS BARGE**

FREIGHT 14'	3/23/2023	3/24/2023	
wk 3/19	430/450	440/460	
wk 3/26	425/450	430/450	
April	410/430	410/430	UNC
May	390/410	390/410	UNC
June	380/400	380/400	UNC
July	375/400	375/400	UNC
August	475/500	475/500	UNC
Sept	675/725	675/725	UNC
Oct	725/775	725/775	UNC

## LOGISTICS

### ➤ **STB Approves CP/KCS Merger With Conditions**

15 March 2023 Michael Booth, STB - The Surface Transportation Board today issued its decision approving the acquisition of Kansas City Southern Railway Company (KCS) by Canadian Pacific Railway Limited (CP), with conditions. The decision includes an unprecedented seven-year oversight period and contains many conditions designed to mitigate environmental impacts, preserve competition, protect railroad workers, and promote efficient passenger rail. The Board also anticipates the merger will result in improvements in safety and the reduction of carbon emissions.

On October 29, 2021, CP and KCS filed their merger application with the Board. Since that time, the Board has received nearly 2,000 comments and other filings and held a seven-day public hearing. In addition, the Board's Office of Environmental Analysis held seven public meetings, all of which were attended by at least one Board member, and conducted a rigorous analysis, producing a comprehensive Final Environmental Impact Statement (FEIS) of more than 5,000 pages including appendices.

The Board has carefully considered the full record, weighed the public benefits against potentially harmful impacts, and imposed appropriate conditions to mitigate those impacts in its approval of the merger. All of the mitigation recommendations from the FEIS have been imposed, with modifications to match the Board's seven-year oversight period, and the Board adds several key additional conditions to protect the public interest. Specific concerns raised in filings are addressed in detail in the Board's decision.

The Board expects the merger and imposed conditions to result in an overall public benefit.

**Competition** – The combination of the two railroads, to be known as Canadian Pacific Kansas City (CPKC), will create the first railroad providing single-line service spanning Canada, the United States, and Mexico. Yet, CPKC will continue to be the

smallest Class I railroad, with a network that is a few thousand route miles shorter than the next smallest Class I and half the size of the Western railroads.

The transaction is end-to-end, meaning there are little to no track redundancies or overlapping routes between the railroads; they connect only in Kansas City.

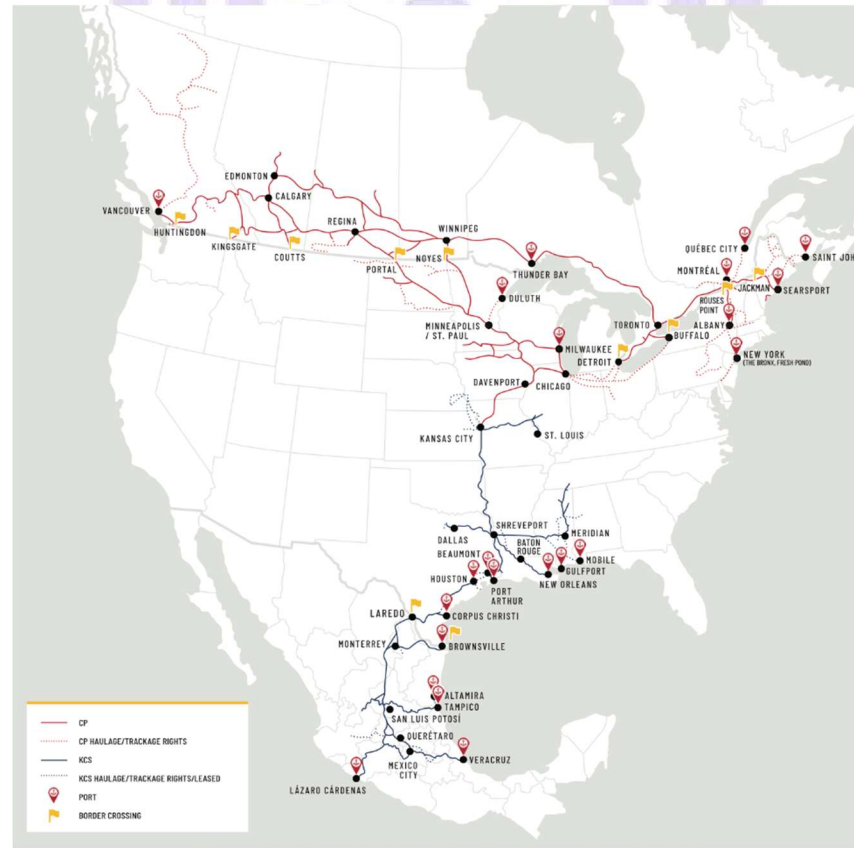
The transaction will reduce travel time for traffic moving over the single-line service; it should result in increased incentives for investment; and it will eliminate the need for the two now-separate CP and KCS systems to interchange traffic moving from one system to the other. This will enhance efficiency, which in turn will enable the new CPKC system to better compete for traffic with the other larger Class I carriers.

There is substantial (though not unanimous) shipper support for this transaction—the Board has received more than 450 support letters. And the other Class I railroads, in opposing the transaction, are simply seeking conditions and other remedies that appear aimed at protecting their own traffic from competition with CPKC and at limiting the ability of the combined CPKC to meet its potential. Consistent with the Board's policy to protect competition and not competitors, the Board is denying those requests while also ensuring that existing competitive gateway options are preserved.

Nevertheless, the Board recognizes that even end-to-end transactions such as this one may pose some anticompetitive risks. To mitigate those risks, the Board is imposing numerous conditions to preserve existing rail service options at affected "gateways"—interchange points between CPKC and other railroads—on commercially reasonable terms, which should ensure competitive options are not reduced for shippers served by CP or KCS. This condition applies equally to existing and new service. In particular, if CPKC increases its rates to an affected gateway by more than inflation, the Board is providing shippers with an unprecedented right to require CPKC to provide the shipper with written justification for the

increase so that shippers can evaluate whether the increased rates are challengeable. The shipper may bring challenges to the commercial reasonableness of CPKC rates or service at affected gateways directly to the Board in a streamlined process, or in arbitration.

The decision also restricts CPKC from terminating reciprocal switching access for shipper facilities served by CP or KCS that have such access today.



Safety and the Environment – Growth in rail traffic resulting from the merger will be safer, more efficient, and will have fewer emissions than the truckloads that it will remove from North American roads. It is anticipated that CPKC will be able to attract 64,000 truckloads from the roads to rail each year, helping to reduce congestion on the Nation's roads.

The Board is well cognizant of the recent elevated level of public concern stemming from the derailment in East Palestine, Ohio, and as always, the Board has carefully analyzed the proposed merger from a safety perspective. It is important to underscore that rail is by far the safest means of transporting any freight, including hazardous materials. Moving 64,000 truckloads off the highways and onto rail will result in a decrease in CO2 emissions of 127,113 tons per year. It will also reduce—not increase—the risk of dangerous hazardous material spills. According to the Bureau of Transportation Statistics, in 2022, trucks experienced 94% of all hazardous materials incidents while in the same year, railroads experienced a little more than 1% of all hazardous materials incidents.

In the last 15 years, CP has had the best safety record of any Class I railroad. Based on information in the FEIS, on average, for CP and KCS, there has been only one hazardous material release for every 37.8 million miles that a car carrying hazardous materials traveled—a rate of 0.0261 hazardous material releases per hazardous material car miles on mainline tracks. At that rate, for example, the eight additional trains the merger is expected to bring through the Chicago metropolitan area are statistically projected to increase the number of hazardous releases by only .008 per year—that amounts to one additional release every 125 years. In actual experience, during the years 2015-2019, the period analyzed for the FEIS, CP, which annually carried 11.9 million car miles of hazardous materials freight through the Chicago area, caused exactly one hazardous material release on mainline tracks—a locomotive which one time leaked 10 gallons of diesel fuel in 2016. That is a record which cannot be matched by trucks or, in fact, any other railroad. Thus, any rail traffic diverted to CPKC from other railroads will mean traffic likely moving to a railroad with a better safety record.

The Board also requires compliance with a Safety Integration Plan (SIP) developed in coordination with the Federal Railroad Administration (FRA). FRA will oversee the implementation of the SIP, which addresses such issues as: training; operating practices (including operating rules, alcohol and drug use policies, qualification and certification of locomotive engineers, and hours of service laws); signal and train control; track safety standards and bridge structures; hazardous materials; dispatching operations; highway-rail grade crossing systems; personnel staffing; capital investment; and information systems compatibility.

In addition, the Board paid particular attention to community concerns about train lengths. The data shows that the projected average train length is expected to decrease on most CPKC line segments as a result of the merger. Across the entire system, the Applicants project that average train length would decrease from approximately 9,551 feet if there was no merger to 7,726 feet after the merger. At the grade crossings with projected increases in train lengths, the greatest increase is

only 349 feet. Included in the environmental conditions is a requirement that, under the General Code of Operating Rules, trains must avoid blocking public crossings longer than ten minutes.

Moreover, because the STB is charged with protecting the interests of the entire Nation, it must be noted that, in many cases, the potential issues caused by any increased rail traffic on the CPKC system will be offset by the decrease in traffic on other railroads and the highways or mitigated by other conditions imposed by the Board.

In addition, the Board's environmental conditions reasonably address the expected environmental impacts of the merger, including impacts on freight and passenger safety, noise and environmental justice, and local concerns. The Board also requires CPKC to establish community liaisons in both Chicago and Houston to consult with community leaders, to be available for public meetings, and to conduct periodic outreach to mayors and local officials. The community liaison role may be extended beyond the initial seven-year period if circumstances warrant.

**Passenger Rail** – CP has one of the best Amtrak on-time performance records in the industry and has won Amtrak's support for this merger. CPKC has committed to supporting Amtrak's expansion plans, and to funding infrastructure improvements. As a result of the merger, CPKC will allow Amtrak to add new passenger service over the KCS-owned lines between New Orleans and Baton Rouge and the CP-owned lines through the Detroit River Tunnel between Detroit, Mich. and Windsor, Ontario. The Board recognizes the agreements between CP and Amtrak and imposes them as a condition for merger approval.

The Board also requires CPKC to adhere to the numerous commitments made regarding Metra and the surrounding Chicago communities, including: installing and funding Positive Train Control wireless technology tie-ins at crossings located adjacent to Metra platforms; not permitting CPKC freight trains running between Kansas City, Missouri, and St. Paul, Minnesota, to operate over certain Metra Lines, except in emergency or other non-routine situations or when agreed upon; installing and funding Intelligent Transportation Systems Interconnect for Advanced Warning Signs and a predictive mobility system to deliver advanced notice of blocked crossings; and working with Metra to enhance communication about dispatching decisions to avoid delay to Metra's scheduled trains. The decision also establishes a dispute resolution mechanism to ensure that any service issues between Metra and CPKC are handled in a timely and cooperative manner.

**Service** – CPKC will be the first railroad with single-line service through Canada, the United States, and Mexico. Shipping of grain, automotive parts and vehicles, and intermodal goods will improve with new single-line options, and shippers will have opportunities to expand their market reach. Imposed conditions will ensure shippers' options are not reduced. The Board also requires CPKC to adhere to the terms of the CPKC Service Promise to address any post-transaction service disruptions, including developing and reporting customized "Service Action Plans" to address specific issues when certain thresholds are triggered.



**Employment** – The Board expects the merger to increase employment, adding 800 new union-represented operating positions in the United States. Conditions set by the Board will protect employees affected by the merger and will hold CPKC to labor protective agreements. The Board is imposing New York Dock labor protective conditions, which provide both substantive benefits for affected employees (up to six years of full wages, moving allowances, preferential hiring, and other benefits) and procedures for resolving disputes regarding implementation of the transaction (negotiation or, if necessary, arbitration). The Board also requires adherence to the “Cramdown Agreement” that was entered into by certain unions and carriers in 2001 to, among other things, address issues that may arise when work subject to consolidation is covered by two or more collective bargaining agreements.

**Oversight** – The Board’s extensive oversight of merger operations will be for seven years, which is designed to cover the three-year implementation phase and four years following full implementation. Complex operations, such as lines shared with other rail carriers or commuter trains, warrant close monitoring for the completion of operating improvements and capital investments for new traffic. The Board’s oversight will include specific reporting requirements on numerous service, operational, competition-related, and other metrics, as well as data retention requirements. For example, the Board will be collecting data not routinely required including metrics on train lengths so that the agency can monitor community concerns about blocked crossings. The Board may extend its oversight period if conditions warrant.

To address concerns about the merger voiced by stakeholders and to protect against potential transaction-related harms, the Board imposes conditions and a lengthy oversight period. The Board explicitly holds that if problems arise as a result of the merger—for example—if CPKC’s traffic increases prove to be understated and unduly impact communities or other railroads—the Board stands ready to modify the required environmental mitigation measures and to issue supplemental orders addressing capacity and maintaining fluidity in Houston, Chicago, and other congested areas, and specifically remedying problems with Metra’s service, if the facts warrant.

In sum, the Board concludes that this transaction, with the imposed conditions, will result in a net improvement in the performance of the rail industry that will benefit the country as a whole.

This decision is effective on April 14, 2023. Petitions for reconsideration of this decision must be filed by April 4, 2023. Requests for stay must be filed by March 27, 2023. Within 60 days of today, CPKC will participate in a technical conference with Board staff to discuss compliance with reporting requirements.

Chairman Martin Oberman will be holding a press conference to discuss the Board’s decision today at 11:00AM ET. The press conference will be available for public viewing on the Board’s YouTube page. For details regarding today’s Board decision, please refer directly to the decision itself. The Board’s decision in Canadian Pacific Railway Limited; Canadian Pacific Railway Company; Soo Line Railroad Company; Central Maine & Quebec Railway US Inc.; Dakota, Minnesota & Eastern Railroad

Corporation; and Delaware & Hudson Railway Company, Inc.—Control—Kansas City Southern; The Kansas City Southern Railway Company; Gateway Eastern Railway Company; and The Texas Mexican Railway Company, Docket No. FD 36500, may be viewed and downloaded here.

## GOVERNMENT

### ➤ **Corn Refiners Association - Trade Update**

*21 March 2023 CRT Trade Update -*

- **Ukraine:** The Black Sea Grain Initiative was extended 120 days following tense negotiations in which Russia threatened only a 60-day extension. The deal, brokered by the United Nations and Turkey, will allow Ukrainian grain exports to pass through the blockaded Black Sea region.
- **USMCA:** Mexico expressed concerns with the recently proposed “Product of USA” labeling rule stating, the “proposal, even when it is a voluntary claim, could have implications for discriminating against Mexican exports of live animals and meat products, and would reopen unfortunate incentives for setback, inconsistency and opposition to the obligations of the World Trade Organization to comply with the ruling in the case of country-of-origin-labeling in meat products, of which Mexico reserves its rights.”
- **USMCA:** Canada requested formal consultations under USMCA over concerns regarding Mexico’s biotechnology policies, joining the U.S. which formally requested USMCA technical consultations with Mexico regarding its biotech corn ban.
- **USMCA:** USTR announced a 7th labor complaint under USMCA’s Rapid Response Labor Mechanism, requesting Mexico review whether workers at a Unique Fabricating facility in Santiago de Querétaro, Mexico, are being denied the rights of free association and collective bargaining.
- **U.S.-China:** China delisted nearly 240 food and agriculture products subject to production facilities registration for imported products required under Decree 248. According to a USDA report, “The removed products include many fresh and dried vegetables, spices/seasonings, select grains and oilseeds, dried beans and lentils, coffee and cacao. Low lactose infant formula was added to the list.”
- **U.S.-Brazil:** Ambassador Tai and Brazilian officials met last week to discuss increased bilateral engagement, according to a USTR readout. The officials agreed to enhance bilateral trade relations and promote more “resilient supply chains, spur invest [sic] in clean technologies, promote the rights of workers, and create shared prosperity.”
- **Section 232 and 301 Tariffs:** U.S. imports shoulder the cost of Section 232 and 301 tariffs according to a report by the U.S. International Trade Commission (ITC). The report, requested by Congress, analyzed the economic impact of Section 232 and 301 tariffs on U.S. industries, concluding that “U.S. importers bore nearly the full cost of these tariffs because import prices increased at the same rate as the tariffs,” and

that import prices for the affected goods increased by nearly 1% for each 1% increase in tariffs from 2018 to 2021.

- **U.S.-Kenya:** USTR announced that the U.S. and Kenya will meet in-person in Kenya, Apr. 17-20, to launch negotiations under the bilateral Strategic Trade and Investment Partnership (STIP) to convene “conceptual discussions” on agriculture, anti-corruption, digital trade, and environment and climate action, among other topics.
- **Trade Policy:** President Biden announced new members of the Advisory Committee for Trade Policy and Negotiations (ACTPC). The panel members represent business, agricultural, organized labor, and environmental groups, and provide overall policy advice to the U.S. Trade Representative regarding the Administration’s trade policy including trade negotiations.
- **Trade Policy:** Ambassador Katherine Tai will appear before the Senate Finance Committee this Wednesday, and before the House Ways and Means Committee this Friday, to discuss the Biden Administration’s trade agenda. Expected topics include nascent talks between the U.S. and EU on a critical minerals agreement, bilateral initiatives with Taiwan and Kenya, and the ongoing Indo-Pacific Economic Framework agreement negotiations, according to observers.
- **WTO:** WTO Director-General (DG) Okonjo-Iweala challenged member countries to elevate the importance of addressing food insecurity in next year’s 14th Ministerial (MC14). “It has become a WTO imperative to contribute to solutions to food and energy insecurity, the climate crisis, sustainability issues, pandemic preparedness, economic recovery and persistent developmental challenges,” the WTO leader said.
- **WTO:** Japan announced it will participate in the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), joining over 50 other WTO member countries seeking an interim dispute settlement option in the absence of an operating appellate body. The MPIA was constructed to provide an alternative dispute mechanism in the absence of a functional appellate body. The U.S. presently does not participate in the MPIA.

#### ➤ **Black Sea Grain Initiative Extended for 60 Days**

*The Hagstrom Report* writes that Russia announced it would agree to a 60-day extension of the Black Sea Grain Initiative, and the United Nations said it is fully behind the agreement and a memorandum of understanding between Russia and the UN that will facilitate fertilizer exports, [according to a UN note released to journalists in Geneva](#).

However, there has been some disagreement on the length of the extension, with Ukraine officials claiming the Black Sea Grain Initiative has been extended for 120 days. But Moscow said any further extension beyond May 18 would hinge on the removal of some Western sanctions, according to *Reuters*.

Despite the disagreement, Ukrainian stevedores are already working to load thousands of tons of donated wheat that will be going to war-torn Yemen, funded by donations from the U.S., France, and Spain.

About 140,000 metric tons of Ukrainian wheat have been shipped to Somalia, Ethiopia and Kenya since the Black Sea Grain Initiative opened up three Odesa ports

in July, according to Ukraine. Preparations are under way to ship another 30,000 tons of Ukrainian wheat to Ethiopia.

#### ➤ **Japan to encourage wheat, soybeans, feed grains, hay, fertilizer production**

In December, the government of Japan released the “Food Security Reinforcement Policy Framework,” which aims to lower Japan’s dependence on imports and to push increased domestic production of wheat, soybeans, feed grains, hay, and fertilizer inputs, the Agriculture Department’s Foreign Agricultural Service [said in a report](#).

“Japan relies on imports for over 60% of food consumed on a calorie basis and recent supply chain pressures related to the global pandemic and Russia’s invasion of Ukraine prompted a review of Japan’s food security,” FAS said.

The government of Japan “designed the policy framework to strengthen Japan’s food security and calls for a structural transformation in agriculture to shift from a heavy dependence on imports as well as to increase domestic production of agricultural and fisheries products and inputs,” FAS added.

On Wednesday, [FAS released a second report](#) stating that Japan is projected to reduce corn imports and feed consumption in marketing year 2022-23 due to large outbreaks of Highly Pathogenic Avian Influenza as well as increased competition from domestic feed rice, followed by a recovery of corn consumption in marketing year 2023-24.

#### ➤ **US-Kenya to Continue Trade Talks in April**

*Agri-Pulse* reports that U.S. trade negotiators will be heading to Kenya next month to resume talks between the two countries over a trade pact that aimed at strengthening ties between the two countries. Agricultural policy is number one on the list of topics for the negotiations. But Kenya already addressed the biggest non-tariff barrier when it ended its ban on growing and importing genetically modified crops in October.

Kenyan tariffs on U.S. ag commodities are still a major challenge, but it’s unclear if they will be addressed in the talks. U.S. rice exports face a 35% ad valorem tariff in Kenya.

#### ➤ **House Ways and Means Delegation Meets with Mexican President**

A bipartisan delegation of the House Ways and Means Committee led by Chairman Jason Smith (R-MO) met Monday with Mexican President Andrés Manuel López Obrador to encourage the Mexican government to abide by its obligations under the United States-Mexico-Canada Agreement (USMCA).

“We appreciate President López Obrador meeting with our bipartisan delegation where we reaffirmed the importance of the longstanding partnership between our countries and its impact on American farmers and workers,” Smith said in a statement.

“USMCA is a critical piece of the American-Mexican trading relationship and as America’s largest export market for our corn, farmers back home need to be able to export their crop. As America’s largest trading market, access to the Mexican consumer is vital for American family farmers, manufacturers, and energy producers.”

“The delegation condemns the recent kidnapping and murder of Americans and appreciates the Mexican government’s assistance in pursuing justice for the two slain Americans. Creating a secure border will ensure our countries can continue economic cooperation that allows our citizens to thrive,” Smith said.

Members of the bipartisan delegation included: Rep. Jason Smith, R-Mo; Rep. Carol Miller, R-W. Va.; Rep. Michelle Fischbach, R-Minn.; Rep. Beth Van Duyne, R-Texas; Rep. Mike Carey, R-Ohio; Rep. Kelly Armstrong, R-N.D.; Rep. Terri Sewell, D-Ala.; and Rep. Jimmy Panetta, D-Calif.

### ➤ **USA Rice Calls for WTO Dispute Against India**

The U.S. and other countries called out India last year with claims that the country was breaking World Trade Organization rules by subsidizing and purchasing rice production and then flooding international markets with cheap grain. Now, The USA Rice Federation is calling on the U.S. to challenge India at the WTO, reports *Agri-Pulse*.

“India’s policies not only violate their WTO commitments, but also impact the livelihoods of those that produce or consume rice across five other continents,” says Bobby Hanks, chair of the USA Rice International Trade Policy Committee. “It is long overdue for countries that are concerned about the future of the multilateral trading system and the livelihoods of their producers to address India’s protectionist policies through formal dispute settlement.”

USDA predicts India will export 22.5 million metric tons of rice in the 2022-23 marketing year.

### ➤ **More Than 400 Groups Ask for More Money for Farm Bill**

More than 400 farm groups on Tuesday asked Congress for more money for the next farm bill than is in the current baseline, writes *The Hagstrom Report*.

[In a letter to leaders of the House and Senate budget and agriculture committees](#), the groups wrote, “Sufficient budgetary resources will be needed to craft a new bipartisan, multi-year, comprehensive, and meaningful piece of legislation. As you work to build the federal budget for fiscal year 2024, we seek your support for providing sufficient resources to the committees to craft the next farm bill.”

The groups signing the letter included the American Farm Bureau Federation, the National Farmers Union and major commodity and livestock groups. The letter was distributed by the American Soybean Association.

In the letter, the groups noted that China, the No. 1 market for U.S. farm products, is “marked with geopolitical volatility” and that if a trade war were to occur “it is difficult to envision a scenario that would provide meaningful assistance without significant improvements.”

The groups said that the Russian invasion of Ukraine, COVID-19 and other supply chain disruptions, non-tariff trade barriers erected by multiple countries, and devastating natural disasters “have tested the effectiveness of current farm policy.”

### ➤ **Lawmakers Hear Texas-Size Challenges for Next Farm Bill**

The House Agriculture Committee recently held a farm bill listening session in Waco, Texas, following one last month in Tulare, Calif.

*DTN Progressive Farmer* wrote that Jerry Moody, a poultry grower from Texas, was the first to speak to lawmakers on Wednesday. He asked lawmakers to consider an insurance program for poultry growers to protect revenue from flock losses.

“We have no commodity groups. We have to represent ourselves. And I also believe there is a misconception that poultry growers don’t have any risk. We have a lot of risk,” Moody said. He added, “There are a number of things that are out of our control, and we can’t protect ourselves.”

Video for the full listening session [can be found HERE](#).

### ➤ **WOTUS Takes Effect**

A federal judge in Texas put WOTUS on hold in two states over the weekend but denied a concentrated effort by industry groups to stop the rule nationwide. The controversial Waters of the United States (WOTUS) rule took effect on March 20.

Judge Jeffrey Brown ruled in favor of Texas and Idaho while denying a second lawsuit that argued the EPA and the Army Corps of engineers should wait for the upcoming Sackett v. EPA decision from the U.S. Supreme Court before implementing the new rules.

A judge in North Dakota, as of Wednesday, March 22, has yet to rule on a request for a preliminary injunction. West Virginia and a group of 23 other states filed suit in Fargo on Feb. 16, and asked for the preliminary injunction on Feb 21.

In a statement, the National Cattlemen’s Beef Association (NCBA) expressed strong disappointment by the decision by the U.S. District Court in the Southern District of Texas to deny a nationwide preliminary injunction that would have halted WOTUS.

### ➤ **Senators Introduce Bill to Prohibit Land Sales...**

Sens. Mike Braun (R-IN), Tommy Tuberville (R-AL), Jon Tester (D-MT), and Marco Rubio (R-FL), on Wednesday introduced the *Protecting America’s Agricultural Land from Foreign Harm Act*, which would prohibit the sale of U.S. agricultural land to any individual or entity tied to the governments of Iran, North Korea, China, or Russia.

“The surge of foreign-owned agricultural land in the U.S. demonstrates the need to keep our top foreign adversaries out of our agricultural supply chains,” Tuberville said in a news release. “We must increase federal oversight of foreign investments in agricultural land, especially from Russia, China, North Korea, and Iran. Our food and national security must be prioritized and protected from bad actors. I’m proud to support this legislation to safeguard our agricultural industry and national interests.”

➤ **Grassley, Klobuchar, Ernst, Duckworth Introduce Next Gen Fuels Act**

Sens. Chuck Grassley (R-IA), Amy Klobuchar (D-MN), Joni Ernst (R-IA), and Tammy Duckworth (D-IL), on Wednesday reintroduced the [Next Generation Fuels Act](#) – legislation that would allow the sale of fuels with greater octane levels and establish a minimum research octane number (RON) standard of 98 for gasoline, which is higher than the typical octane of 91. It would also require the added octane value to reduce carbon emissions by at least 40% compared to regular gasoline.

The National Corn Growers Association, the Renewable Fuels Association, Growth Energy, the American Coalition for Ethanol and the National Farmers Union all endorsed the bill.

➤ **Legislators Bring Back Beagle Brigade Act**

Four House and two Senate members have reintroduced a bill that would provide permanent Congressional authorization for the National Detector Dog Training Center in Georgia, which trains beagles to sniff out prohibited agricultural items at airports and other ports of entry, writes *Agri-Pulse*.

Reps. Sanford Bishop (D-GA), Drew Ferguson (R-GA), Dan Kildee (D-MI), and Adrian Smith (R-NE), have introduced the *Beagle Brigade Act* in the House and Sens. Raphael Warnock (D-GA), and Joni Ernst (R-IA) are sponsoring the Senate version.

The National Pork Producers Council in a statement urged Congress to pass the bill, saying that detection capabilities are “more important than ever” due to African Swine Fever’s continued presence in Haiti and the Dominican Republic.

➤ **Biden Appoints USGC CEO to Trade Policy Advisory Committee**

President Biden announced his intention to make appointments to the Advisory Committee for Trade Policy and Negotiation, an advisory committee made of up to 45 members established to provide overall policy advice to the U.S. Trade Representative, writes *The Hagstrom Report*.

The members of the committee provide advice “on matters arising in connection with the development, implementation, and administration of the trade policy of the United States including negotiating objectives and bargaining positions before entering into trade agreements, the impact of the implementation of trade agreements, matters concerning the operation of any trade agreement once entered into, and other matters arising in connection with the development, implementation, and administration of the trade policy of the United States,” the White House said.

Three appointees are of particular interest to agriculture, including: Ryan LeGrand, president and CEO of the U.S. Grains Council; Kerman Maddox, president and majority owner of K&R Hospitality, an ACDBE food and beverage concession business; and Manish Bapna, president and CEO of the Natural Resources Defense Council.

## International Crop & Weather Highlights

➤ **La Nina has departed, but timing of El Nino’s potential arrival remains unclear -Braun - Reuters News**

21 Mar 2023 Karen Braun, Reuters - La Nina has officially fizzled after a near three-year stand, setting the stage for El Nino’s possible entrance later this year. The timing of that is not yet settled, but whether El Nino arrives by mid-year or later could have varying impacts for global crops.

Last week, sea surface temperatures across the equatorial Pacific Ocean averaged a half-degree Celsius above normal, the warmest in exactly three years. The anomaly in the all-important Nino 3.4 region reached 0.1 degree, the warmest since mid-2021 but short of the 0.5 degree normally associated with El Nino conditions.

That compares with a mid-February anomaly of minus 0.5 degree in the Nino 3.4 region, still characteristic of the La Nina phase within the El Nino-Southern Oscillation (ENSO).

Earlier this month, the official U.S. ENSO forecast showed 56% odds of an El Nino phase for the three-month period centered on August versus 40% for a neutral phase. The official forecast incorporates human judgment.

But the latest model-based outlook, issued on Monday, places 64% odds of El Nino in the period centered on July versus 35% for neutral ENSO. This more aggressive forecast could be explained by the rapid warming of the Nino 3.4 region in the last few weeks.

ENSO’s impacts on U.S. summer crops are not as pronounced as in the Southern Hemisphere, but an earlier arrival of El Nino may be better. While many of the best U.S. corn yields occurred during El Nino or neutral positive ENSO years, the neutral positive scenario also coincided with some of the worst corn outcomes.

Earlier El Nino may not be the best bet. Numerical model forecasts issued between February and May typically have the lowest skill, and they also tend to over-favor El Nino scenarios for later in the year.

By June, there should be a much clearer idea of whether El Nino is truly in store for 2023 and the likely timing. In addition to the recent warming of Pacific Ocean waters, the Indian Ocean’s version of ENSO is expected to trend increasingly positive in the next few months, often supportive of El Nino.

Argentine farmers may be the biggest cheerleaders for El Nino, as La Nina-induced dryness this year has resulted in perhaps their worst-ever harvests. A change in the pattern now will not help those crops, but a boost in soil moisture ahead of Argentina’s wheat planting, which begins in May, would be welcome after last year’s wheat production was nearly half the initially expected levels.

Australian farmers feel differently, as the string of La Ninas has allowed for three consecutive record wheat harvests. El Nino frequently brings dry and warm weather to Australia’s wheat regions, which have already been getting dry in recent weeks following below-average summer rainfall.

Australian wheat planting begins next month. Together, Argentina and Australia have accounted for as much as 20% of global wheat exports.

*Karen Braun is a market analyst for Reuters. Views expressed above are her own.*

### ➤ **USDA/WAOB Joint Agricultural Weather Facility – 18<sup>th</sup> March 2023**

#### **Europe** – Additional Favorable Rain In Western Europe

- Additional rain in England, France, and Germany improved soil moisture for vegetative winter crops.
- Above-normal temperatures eased winter grains and oilseeds out of dormancy over central and Eastern Europe, though crops remained dormant in Poland and the Baltic States.
- Long-term drought persisted over Spain and Portugal despite recent showers.

#### **Western FSU** – Winter Crops Breaking Dormancy

- Winter grains and oilseeds have broken dormancy in Moldova and southern portions of Ukraine and Russia, were greening up in the Steppe Region, but were still dormant in the north.

#### **Middle East** – Rain Further Eased Winter Drought

- Moderate to heavy rain eased drought concerns for vegetative winter grains across much of the region, especially in Turkey, Syria, and northwestern Iran.

#### **Northwestern Africa** – Dry And Warm

- Increasingly dry and warm weather trimmed yield prospects for reproductive to filling winter grains in Morocco and western Algeria.
- In Tunisia and eastern Algeria, drought intensified over inland crop areas; wheat and barley were approaching or progressing through reproduction in the north and east.

#### **South Asia** – Storms In India

- Stormy weather moved through India, bringing heavy showers and localized damage to maturing rabi crops.

#### **East Asia** – Cooler Weather And Showers

- Cooler weather and rainfall eased heat-related stress on wheat in eastern China as showers in the south benefited reproductive rapeseed.

#### **Southeast Asia** – Rainfall In Indonesia

- Widespread showers returned to Indonesia, bolstering irrigation supplies for the next rice cropping cycle.

#### **Australia** – Rain Yielded To Hot And Dry Weather

- In the east, soaking rain temporarily interrupted cotton and sorghum harvesting but benefited latermaturing crops. Hot, dry weather overspread the area later in the week, allowing fieldwork to resume.

#### **South America** – Showers Brought Relief From Heat And Dryness In Argentina.

- Early-week rain ended a heat wave in Argentina's southwestern corn and soybean areas, but dryness persisted in many other key production areas.

- Much-needed rain fell in recently dry farming areas in northeastern Brazil, increasing moisture for cotton and other second-season crops.
- Conditions remained overall favorable elsewhere, although pockets of dryness lingered in sections of the south.

#### **South Africa** – Warm, Sunny Weather Continued Across The Corn Belt

- Conditions remained overall favorable for filling to maturing summer crops.

Source: USDA <https://www.usda.gov/oce/weather-drought-monitor/publications>

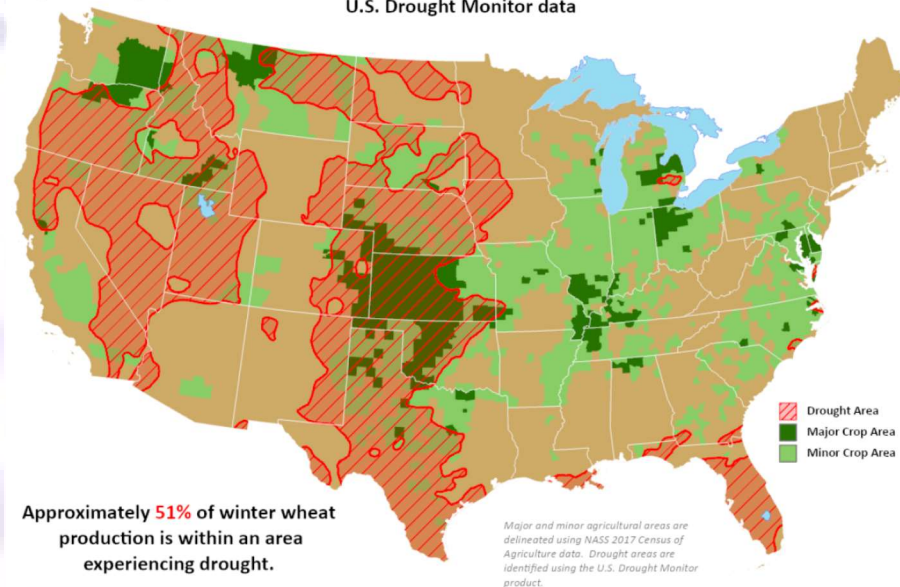
### ➤ **U.S. Agricultural Weather Highlights – Friday 24<sup>th</sup> March 2023**



This product was prepared by the  
USDA Office of the Chief Economist (OCE)  
World Agricultural Outlook Board (WAOB)

#### **Winter Wheat Areas in Drought**

Reflects **March 21, 2023**  
U.S. Drought Monitor data



**In the West**, the focus for precipitation has temporarily shifted across the northern half of the region. Early today, rain and snow showers dot the Pacific Northwest, as well as northern sections of the Rockies, Great Basin, and Intermountain West. California is experiencing a reprieve from stormy weather; the most recent major storm system boosted the average water equivalency of the Sierra Nevada snowpack to approximately 58 inches, more than 225% percent of average.

**On the Plains**, showers and thunderstorms linger early today in eastern Oklahoma and northeastern Texas. Cool, dry weather covers the remainder of the nation's mid-section, including the northern and central Plains. In eastern North Dakota, Grand Forks has reported a continuous snow cover for 134 consecutive days (starting November 11), closing in on the all-time station record of 158 days set in 1978-79.

**In the Corn Belt**, a significant rainfall event is underway across the Ohio Valley, with some lowland flooding being reported across southern sections of Missouri, Illinois, Indiana, and Ohio. The remainder of the Midwest is experiencing dry weather and near- or below-normal temperatures. In snow-covered areas of the far upper Midwest, including the Red River Valley of the North, this morning's minimum temperatures fell below 10°F.

**In the South**, warm weather prevails. In fact, today's high temperatures will reach 85°F or higher in the Atlantic Coast States, extending as far north as the Carolinas, and will top 90°F in southern Texas. Meanwhile, locally heavy showers and thunderstorms are developing in the mid-South, with flash flooding occurring early today in portions of northern and central Arkansas.

**Outlook:** For the remainder of today into Saturday, heavy rain will maintain the threat of flooding in portions of the mid-South and lower Midwest. Meanwhile, the threat of severe thunderstorms—featuring high winds, large hail, and isolated tornadoes — will peak later today across the Mississippi Delta and environs. Farther north, a band of wet snow will develop later today or tonight in the Great Lakes region, generally from northern Illinois to northern Lower Michigan. During the weekend, disorganized rain and snow showers will affect parts of the West, while rain should linger across the South. Portions of the central Plains may receive weekend snow. Early next week, however, a new Pacific storm system will produce another round of significant precipitation in the West Coast States, particularly across California.

The NWS 6- to 10-day outlook for March 29 – April 2 calls for the likelihood of near- or below-normal temperatures and near- or above-normal precipitation across most of the country. Warmer-than-normal weather will be confined to the Deep South, from the western Gulf Coast region to the southern Atlantic Coast, while drier-than-normal conditions should be limited to Florida's peninsula.

Contact: Brad Rippey, Agricultural Meteorologist, USDA/OCE/WAOB, Washington, D.C. (202-720-2397)  
 Web Site: <https://www.usda.gov/sites/default/files/documents/TODAYSWX.pdf>

## References

### ➤ Conversion Calculations

Metric Tonne = 1000 kg, approximately 2204 lbs.

American or Short Ton = 2000 lbs.

British Tonne or Long Ton = 2240 lbs.

#### **Metric Mts to Bushels:**

- Wheat, soybeans = metric mts \* 36.7437
- Corn, sorghum, rye = metric mts \* 39.36825
- Barley = metric mts \* 45.929625
- Oats = metric mts \* 68.894438

#### **Metric Mts to 480-lbs Bales**

- Cotton = metric mts \* 4.592917

#### **Metric Mts to Hundredweight**

- Rice = metric mts \* 22.04622

#### **Area & Weight**

- 1 hectare = 2.471044 acres
- 1 kilogram = 2.204622 pounds

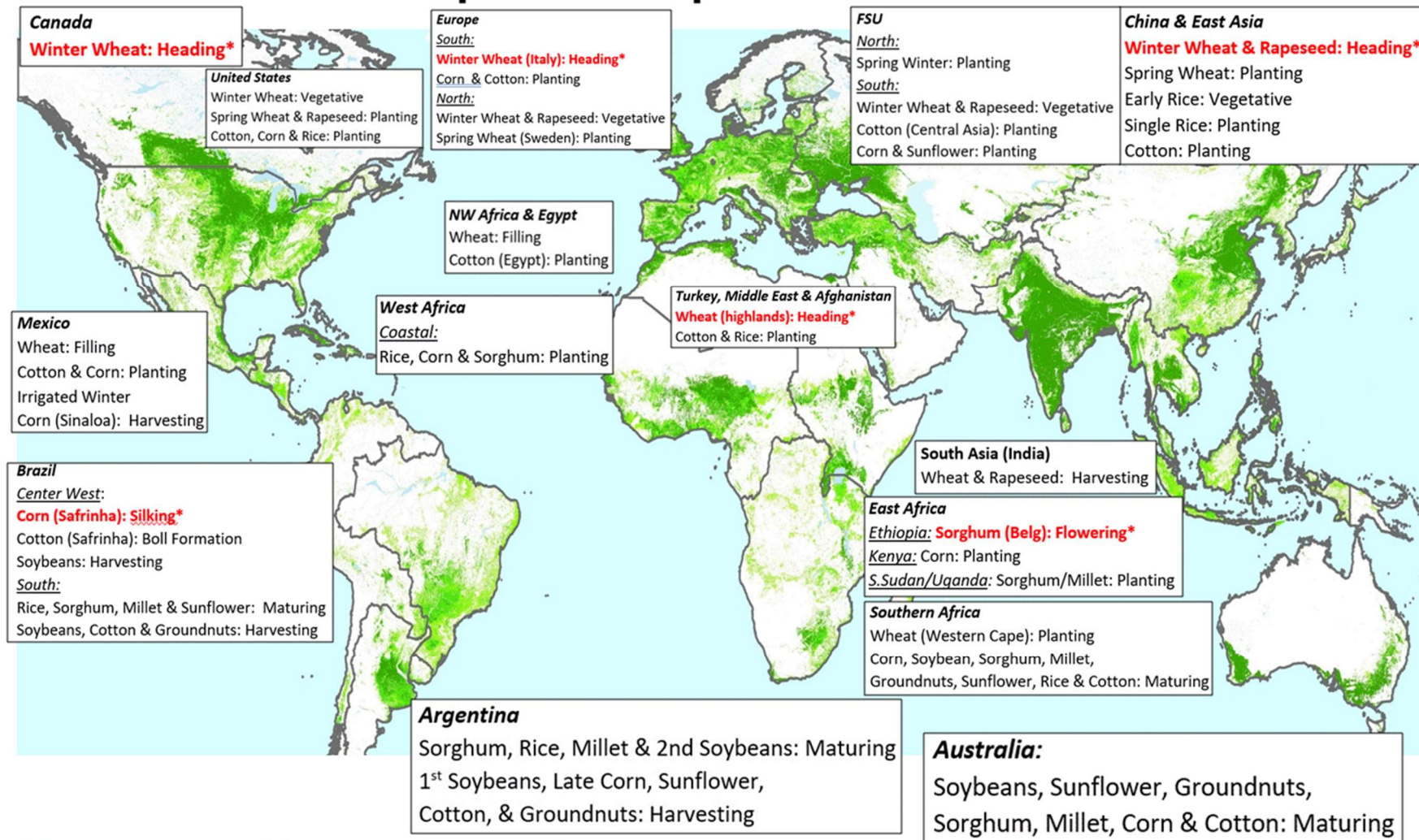
### ➤ Marketing Years (MY)

MY - refers to the 12-month period at the onset of the main harvest, when the crop is marketed (i.e., consumed, traded, or stored). The year first listed begins a country's MY for that commodity (2021/22 starts in 2021); except for summer grains in certain Southern Hemisphere countries and for rice in selected countries, where the second year begins the MY (2021/22 starts in 2022). Key exporter MY's are:

Wheat	Corn	Barley	Sorghum
Argentina (Dec/Nov)	Argentina (Mar/Feb)	Australia (Nov/Oct)	Argentina (Mar/Feb)
Australia (Oct/Sep)	Brazil (Mar/Feb)	Canada (Aug/Jul)	Australia (Mar/Feb)
Canada (Aug/Jul)	Russia (Oct/Sep)	European Union (Jul/Jun)	United States (Sep/Aug)
China (Jul/Jun)	South Africa (May/Apr)	Kazakhstan (Jul/Jun)	
European Union (Jul/Jun)	Ukraine (Oct/Sep)	Russia (Jul/Jun)	
India (Apr/Mar)	United States (Sep/Aug)	Ukraine (Jul/Jun)	
Kazakhstan (Sep/Aug)		United States (Jun/May)	
Russia (Jul/Jun)			
Turkey (Jun/May)			
Ukraine (Jul/Jun)			
United States (Jun/May)			

For a complete list of local marketing years, please see the FAS website (<https://apps.fas.usda.gov/psdonline/>): go to Reports, Reference Data, and then Data Availability.

# April Crop Calendar



\*Crop stage sensitive to moisture and temperature stresses.



U.S. Department of Agriculture (USDA)  
Foreign Agricultural Service (FAS)  
Office of Global Analysis (OGA)  
International Production Assessment Division (IPAD)

[https://ipad.fas.usda.gov/ogamaps/images/mar\\_calendar.gif](https://ipad.fas.usda.gov/ogamaps/images/mar_calendar.gif)