



Notes and Observations in International Commodity Markets

17th June 2022

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The U.S. dollar and gold have continued safe-haven support from the negative impact of the worldwide spread of the omicron Covid variant on the global economic recovery. China has been slowly dropping Covid lockdowns, but elevated Covid cases may keep the country from fully reopening. Beijing reported more than 50 Covid cases Wednesday for the fifth day in a row, and Shanghai said it will arrange a round of mass Covid testing every weekend until the end of July. In the U.S., the 7-day average of new Covid infections last Monday rose to a 3-3/4 month high of 118,778.

Markets in the U.S. will be closed Monday in observance of Juneteenth, with positioning ahead of the weekend expected to be a feature Friday. Have a good weekend! ☺

U.S. DOLLAR & FOREIGN EXCHANGE

➤ US Dollar Index – Dollar Rallies As Yen Plunges On Dovish BOJ



17 June 2022 Rich Asplund, Barchart – The dollar index on Friday rose by -1.028 (+0.99%). Higher T-note yields Friday supported the dollar. The dollar also gained as the yen tumbled after the BOJ maintained its ultra-easy policies following Friday's policy meeting. In addition, the dollar rallied on Friday's comments from Fed Chair Powell, who said, "the Fed's strong commitment to its price-stability mandate contributes to the widespread confidence in the dollar as a store of value."

U.S. economic data Friday was weaker than expected and bearish for the dollar. U.S. May manufacturing production unexpectedly fell -0.1% m/m, weaker than expectations of +0.3% m/m and the first decline in four months. U.S. May industrial production rose +0.2% m/m, weaker than expectations of +0.4% m/m.

COMMODITY MARKETS HAD A MIXED WEEK

GHA – On Friday grain and oilseed markets gave up early gains with wheat plunging and dragging down the other markets. Wheat futures started off higher in overnight trade, but ended the week with a sharply lower close across all classes. Even though there is not a single headline that can be given the reason why, but rather several culminating factors adding to a bearish sentiment and pushing the market lower. July KC wheat closed down 43½ cents, July Chicago wheat was down 44 cents and September Minneapolis wheat was down 39½ cents.

Corn and soybeans finished in the red and well below morning highs. July corn closed down 3¼ cents per bushel and December corn was down 4 cents. While July soybeans closed down 7½ cents and November soybeans were down 5¼ cents. The sudden collapse in crude oil prices pulled down soybean oil for a seventh consecutive lower close.

The September U.S. Dollar Index is trading up 1.023 at 104.440. A rally in the dollar Friday weighed on metals prices. August gold futures closed down -9.3 (-0.50%), and July silver closed down -0.298 (-1.36%). Higher T-note yields Friday undercut gold prices, and the weaker-than-expected U.S. manufacturing report signals reduced demand for industrial metals that is bearish for silver prices.

The Dow Jones Industrial Average is up 99.60 points at 30,026.67. August gold is down \$8.50 at \$1,841.40, July silver is down \$0.27 at \$21.62 and July copper is down \$0.0865 at \$4.0215. July crude oil is down \$8.25 at \$109.34, August heating oil is down \$0.1949, July RBOB is down \$0.1708 and July natural gas is down \$0.508.

Slightly dovish comments Friday from Minneapolis Fed President Kashkari were negative for the dollar when he said, "while I supported increasing the federal funds rate by 75 bp at this week's meeting, and could support such a move in July, this uncertainty about how much tightening will be needed leads me to be cautious about too much more front-loading."

EUR/USD on Friday fell by -0.0059 (-0.56%). EUR/USD Friday posted moderate losses on lower European government bond yields. The 10-year German bund yield Friday fell -5.3 bp to 1.661%, falling back from Thursday's 8-year high of 1.928%. Thursday's pledge from ECB President Lagarde to curb the rise in borrowing costs weighed on bund yields and the euro. Lagarde said the ECB would implement a new mechanism that may be triggered if European bond spreads widen beyond certain thresholds or if market movements exceed a certain speed.

Hawkish comments Friday from ECB Governing Council member Knot were supportive of the euro when he said several 50 bp increases in interest rates by the ECB could be needed if inflation worsens.

USD/JPY on Friday rose +2.80 (+2.12%). USD/JPY Friday rallied sharply and is just below Wednesday's 23-year high. The yen tumbled Friday when the BOJ maintained its ultra-easy monetary stance after today's policy meeting. Losses in the yen accelerated Friday after the BOJ boosted QE when it announced that it would continue to buy cheapest-to-deliver 10-year JGB bonds for an extended time.

The BOJ, in an 8-1 vote, maintained its policy balance rate at -0.1% and kept the 10-year JGB yield target at about 0%.

BOJ Governor Kuroda said the BOJ is not considering raising the upper limit on the 10-year JGB yield ceiling target range, and any tightening of monetary policy would add downward pressure on the economy.

August gold Friday closed down -9.3 (-0.50%), and July silver closed down -0.298 (-1.36%). Precious metals Friday settled moderately lower. A rally in the dollar Friday weighed on metals prices. Also, higher T-note yields Friday undercut gold prices, and the weaker-than-expected U.S. manufacturing report signals reduced demand for industrial metals that is bearish for silver prices.

The dollar and gold have continued safe-haven support from the negative impact of the worldwide spread of the omicron Covid variant on the global economic recovery. China has been slowly dropping Covid lockdowns, but elevated Covid cases may keep the country from fully reopening. Beijing reported more than 50 Covid cases Wednesday for the fifth day in a row, and Shanghai said it will arrange a round of mass Covid testing every weekend until the end of July. In the U.S., the 7-day average of new Covid infections last Monday rose to a 3-3/4 month high of 118,778.

WHEAT

➤ **USDA – World Wheat**

Wheat World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	221,108	+258(+.12%)	220,850	222,212	220,833
Beginning Stocks (1000 MT)	279,400	-317(-.11%)	279,717	291,573	298,161
Production (1000 MT)	773,432	-1396(-.18%)	774,828	779,032	775,708
MY Imports (1000 MT)	201,461	+200(+.1%)	201,261	195,389	195,370
TY Imports (1000 MT)	201,395	+200(+.1%)	201,195	196,404	195,474
TY Imp. from U.S. (1000 MT)	0	-	0	0	26,575
Total Supply (1000 MT)	1,254,293	-1513(-.12%)	1,255,806	1,265,994	1,269,239
MY Exports (1000 MT)	204,586	-305(-.15%)	204,891	199,388	203,340
TY Exports (1000 MT)	205,449	+195(+.1%)	205,254	201,196	199,443
Feed and Residual (1000 MT)	153,062	-466(-.3%)	153,528	161,309	158,032
FSI Consumption (1000 MT)	629,798	-565(-.09%)	630,363	625,897	616,294
Total Consumption (1000 MT)	782,860	-1031(-.13%)	783,891	787,206	774,326
Ending Stocks (1000 MT)	266,847	-177(-.07%)	267,024	279,400	291,573
Total Distribution (1000 MT)	1,254,293	-1513(-.12%)	1,255,806	1,265,994	1,269,239
Yield (MT/HA)	3.50	(-.28%)	3.51	3.51	3.51

14 June 2022 USDA ERS - 2022/23 Global Production Lowered 1.4 mmts

Global wheat production in 2022/23 is projected down 1.4 mmts to 773.4 million. Production increases for Russia, Uzbekistan, the United States, and the United Kingdom and were more than offset by reductions for India and the European Union. Russia's wheat production is adjusted up 1.0 mmts to 81.0 million as growing conditions continue to be generally favorable resulting in higher yield potential (2.95 MT/hectare (ha)). Higher projected yield (+0.28 MT/ha to 4.71 MT/ha) has resulted in larger than expected production for Uzbekistan. The European Union production is down this month as with reductions to France (-0.3 mmts to 35.7 million) and Spain (-0.3 mmts to 7.7 million) partially offset with larger production in Germany (+0.3 mmts to 22.4 million). Hot and dry conditions have continued to impact condition ratings in France. High temperatures in the last few months of India's growing season restricted yield potential (-0.08 MT/ha to 3.42).

Expected Decline in 2022/23 Global Consumption

Global consumption in 2022/23 is revised down 1.0 mmts to 782.9 mmts as feed and residual use declines 0.5 mmts to 153.1 million and food, seed, and industrial (FSI) use is lowered 0.6 mmts to 629.8 million. FSI use is lowered for Sri Lanka (-0.3 mmts to 1.1 mmts) and Argentina (-0.2 mmts to 6.3 million). This was partially offset with an increase for Pakistan (+0.3 mmts to 26.8 million) based on a higher-than-expected import forecast. With a decrease in production, India's feed and residual use is revised down 0.5 mmts to 6.5 million. This was offset with an increase for Iran (+0.5 mmts to 2.5 million) as they are projected to have higher imports.

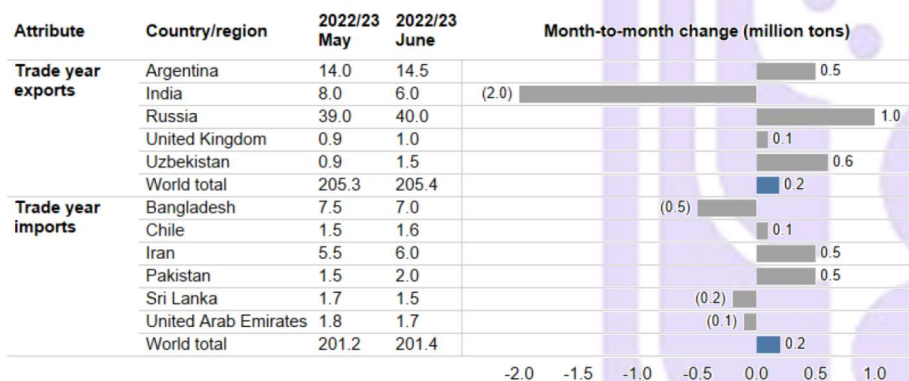
Total consumption is also adjusted based on the local marketing year (MY) trade adjustments for 2022/23. The unaccounted trade is revised down 0.5 mmts to 3.1 mmts due to a slight decline in MY exports and a small increase in MY imports. By

adding this updated calculation of unaccounted trade to total consumption (782.9 mmts), the total adjusted consumption in 2022/23 is projected at 786.0 mmts.

2021/22 global unadjusted consumption is slightly down 0.2 mmts to 787.2 million as an increase to feed and residual use (+0.3 mmts to 161.3 million) only partially offsets lower FSI use (-0.5 mmts to 625.9 million). Feed and residual in the EU is raised 0.5 mmts to 46.5 million as exports were lower than expected. FSI use in Chile is lowered 0.2 mmts to 2.4 million as domestic production declined (-0.2 mmts to 1.1 million). Argentina, Cuba, United Arab Emirates, and Uzbekistan are all lowered 0.1 mmts each. This was partially offset with an increase for the European Union (+0.3 mmts to 63.3 million) and Pakistan (+0.3 mmts to 26.5 million).

Global Trade in 2022/23 Projected at a Record

Month-to-month change in 2022/23 wheat trade, June 2022



Note: Changes less than 100,000 metric tons are not included; month-to-month change is the difference between June 2022 and May 2022 estimates. Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

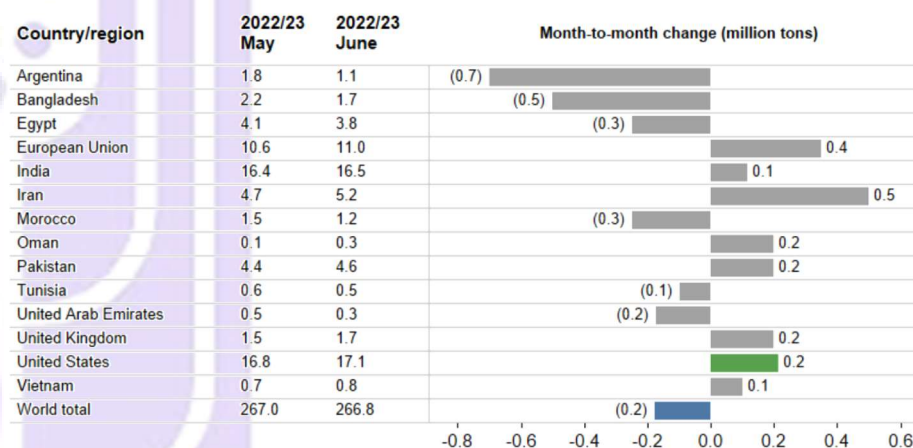
Despite lower production, trade year (July/June) exports are expected to be up 0.2 mmts to 205.4 million. While India's exports are reduced due to their export restrictions they are more than offset with increases for Argentina, Russia, and Uzbekistan. Russian production is projected higher, and the grain export quota will expire at the end of June allowing for fewer restricted exports at the beginning of 2022/23. Argentina has continued to export large volumes in 2021/22 as they have remained competitive and are expected to continue to be price competitive into the 2022/23 trade year (TY).

2022/23 TY imports are projected up as well, as an upward increase for Pakistan and Iran more than offset reduced import expectations for Bangladesh. Imports for Pakistan are revised up 0.3 mmts on strong pace in the 2021/22 year (also revised higher). The 2022/23 revision is also driven by announcements that it could import 3 mmts of wheat in 2022/23. Iran is also up 0.5 mmts in both 2021/22 and 2022/23 as it saw an influx of shipments in recent months that will likely continue into the new trade year. As a result of India's export restrictions, Bangladesh, Sri Lanka, and United Arab Emirates' import estimates are lowered. Figure 7 shows the month-to-month change for both 2022/23 trade year exports and imports.

2021/22 TY exports are revised lower by 0.4 mmts to 201.2 million based on updated trade data. The European Union has continued to have slow shipments in recent months (-1.5 mmts to 29.5 million). Argentina had record high exports in 2021/22 (+1.0 mmts to 17.0 million). High prices have continued to push importers to ration supplies and wait for lower prices. 2021/22 TY imports are lowered by 1.1 mmts to 196.4 million with a lower projection for Morocco (-0.4 mmts to 4.8 million), Sri Lanka (-0.3 mmts to 1.2 million), and United Arab Emirates (-0.3 mmts to 1.5 million) being partially offset with an increase for Iran (+0.5 mmts to 7.7 million) and Pakistan (+0.3 mmts to 2.2 million).

2022/23 Ending Stocks Tighten on Lower Trade

Month-to-month change in 2022/23 wheat ending stocks, June 2022



Note: Changes less than 100,000 metric tons are not included; month-to-month change is the difference between June 2022 and May 2022 estimates. Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

Compared to the May estimate, 2022/23 global ending stocks are projected to be 0.2 mmts tighter at 266.8 mmts as importing countries (Bangladesh, Egypt, Morocco, Tunisia, and United Arab Emirates) are projected to allow stock levels to dwindle in an effort to reduce imports. Major exporters' ending stocks are projected lower by 0.1 mmts to 54.4 million as a reduction for Argentina is only partially offset by larger stocks in the European Union and the United States (figure 8). Global ending stocks for 2021/22 are also projected lower by 0.3 mmts to 279.4 mmts based on updated trade data.

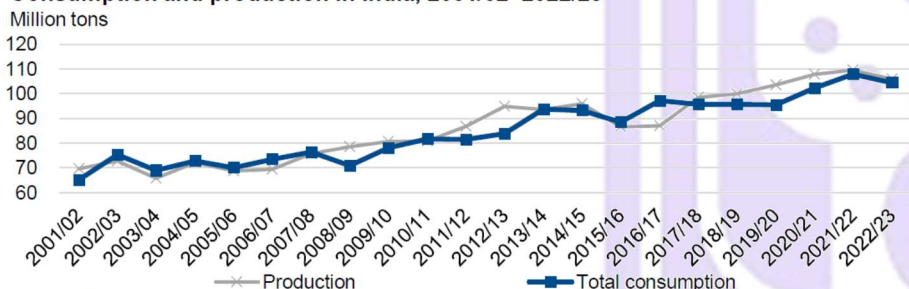
Citation - Sowell, Andrew R. and Bryn Swearingen. Wheat Outlook: June 2022, WHS-22f, U.S. Department of Agriculture, Economic Research Service, June 14, 2022.

➤ USDA Country Focus: India Wheat

14 June 2022 USDA ERS - In the 2021/22 marketing year (April/March), India emerged as an important exporter. India exported 8.033 mmts of wheat as countries sought alternative suppliers amidst high prices and curtailed supplies from some

major exporters. Historically, India's exports are variable and largely dependent on domestic production and consumption. While India is the third largest producer of wheat, it consumes most of its production domestically. This month, the *USDA WASDE Report* forecast for 2022/23 production in India was lowered 2.5 mmts to 106.0 million following a heatwave. To secure domestic supplies for its public distribution system, the government of India imposed an export ban on May 13, 2022, but with some leeway. The ban remains flexible and allows for government-to-government agreements for food security concerns and to continue exports to nearby markets such as Bangladesh, Nepal, and Sri Lanka. Based on this policy, the 2022/23 marketing year exports are projected at 6.5 mmts, down 1.5 million from 2021/22 and 2.0 million from the May 2022/23 projection.

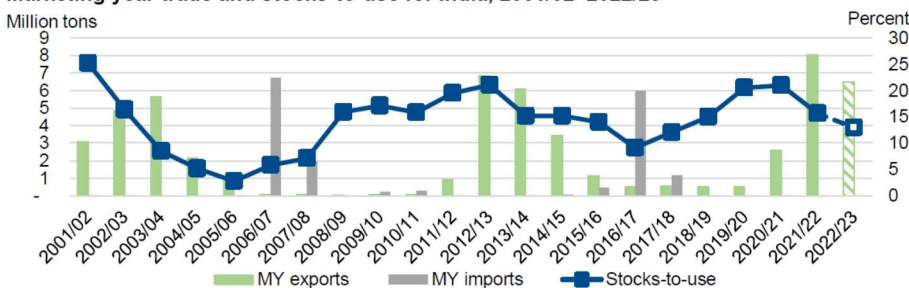
Consumption and production in India, 2001/02–2022/23



Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

Production in India has been rising over the past several years and reached a record in 2021/22 as the Government of India has continued to raise the minimum support price (MSP) as an incentive to encourage domestic production.

Marketing year trade and stocks-to-use for India, 2001/02–2022/23



Note: MY=Marketing year (April-March). Source: USDA, Economic Research Service calculations; USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

While India's production figure is revised lower this month, it is still historically high. Consumption has also been rising over time and in certain periods has exceeded production. Since 2017/18 production has exceeded consumption resulting in rising ending stocks. This stockpile allowed India to export wheat in 2020/21 following the

start of the Coronavirus COVID-19 pandemic, with exports then reaching a record in 2021/22.

India remains competitively priced in the global market (table 2), thus the restrictions put in place in 2022/23 will likely keep more grain supplies in country.

Table 2: International average monthly freight-on-board bids, May 2022

Country/Region	Price (U.S. dollars per metric ton)
India	361
Russia	408
Australia	429
European Union	442
Argentina	467
United States	521

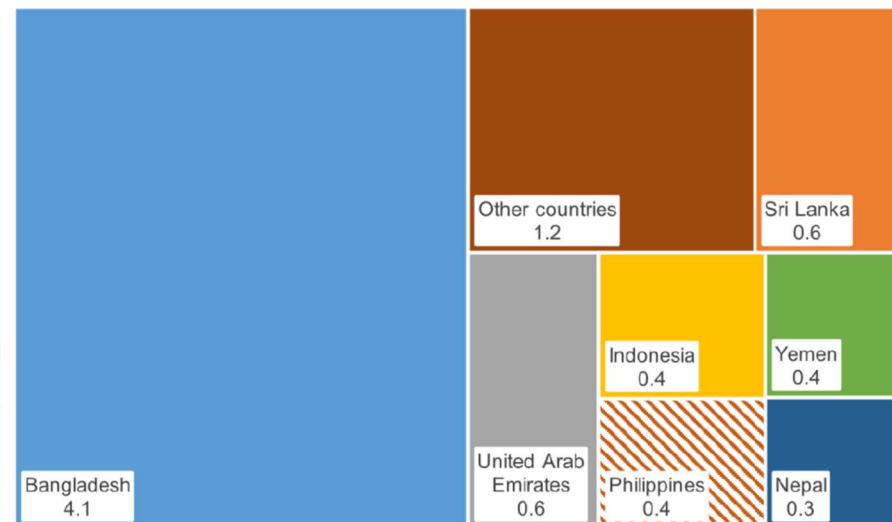
Note: U.S. dollars per metric ton. Sources: USDA, Economic Research Service calculations using International Grains Council quotes.

In the 2006/07 marketing year, the government banned exports from February through December and further extended this to be indefinite to limit exports for similar reasons as in 2022/23.

Once the restriction was lifted in September 2011, India was able to export and reduce stocks as shown by the declining stocks-to-use ratio. This was also during a time with relatively strong international prices making India's wheat even more competitive.

Indian exports subsided in 2015/16 as domestic consumption exceeded production and decrease exportable supplies. Marketing year imports picked up in 2016/17 as India became a net importer of wheat as international market prices were weak and import duties were removed. India currently has an import duty of 40% and with production still projected as larger than consumption, imports in 2022/23 will be limited.

India's 2021/22 marketing year exports by destination, April 2021–March 2022



Notes: Trade in million metric tons. Source: USDA, Economic Research Service using data from Trade Data Monitor.

For the 2021/22 trade year (July/June), India was the eighth largest exporter ahead of Kazakhstan. India's importance as an exporter varies depending on international prices, domestic production, stock levels, and its trade policies. India is still projected to be in the top 10 exporters in 2022/23, but export restrictions will likely have an effect on India's top export destinations. These countries will either seek supplies from alternative sources at higher prices or rely more on stocks for domestic use.

Citation - Sowell, Andrew R. and Bryn Swearingen. Wheat Outlook: June 2022, WHS-22f, U.S. Department of Agriculture, Economic Research Service, June 14, 2022.

➤ **Egypt imports more wheat from Russia in March-May period**

16 June 2022 Susan Reidy, Reuters — Egypt's imports of Russian wheat increased 84% in the March-May period compared with a year earlier, Reuters reported.

Egypt is one of the world's top wheat importers and is heavily reliant on Russia and Ukraine, which have been at war since Russia's invasion on Feb. 24. Imports from Ukraine have stopped with its seaports on the Black Sea under a blockade while imports from Russia in the three-month period increased to 1,056,290 tonnes from 573,213 tonnes a year earlier.

From January-May, Egypt's total wheat imports dropped 24%, and those from Russia dropped 30%, Reuters said. But wheat from Russia still accounted for more than 50% of the total.

Most imports of Russian wheat have come through the private sector. Ukraine has accused Russia of stealing Ukrainian wheat. In May, Ukraine thanked Egypt for sending back a cargo Kyiv said was stolen and which Cairo said did not have proper paperwork, Reuters said.

Some Egyptian banks have refused payments to Russian entities because of sanctions, but traders said importers have made purchases through suppliers in third countries including the United Arab Emirates and Switzerland.

One of the traders, all of whom asked not to be named, said banks still required extra paperwork if the cargo was Russian.

"Egypt is still price-oriented," a trader told Reuters. "They look at it from an economic point of view. No one cares about the politics of it."

Egypt's state grains buyer, the General Authority for Supply Commodities (GASC), has continued purchasing Russian wheat but faced challenges finding freight offers to transport it in its last tender this month, four traders told Reuters.

➤ **USDA – U.S. Wheat**

Wheat United States as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	14,998	-	14,998	15,039	14,888
Beginning Stocks (1000 MT)	17,824	-	17,824	23,001	27,985
Production (1000 MT)	47,262	+212(+.45%)	47,050	44,790	49,751
MY Imports (1000 MT)	3,266	-	3,266	2,585	2,726
TY Imports (1000 MT)	3,200	-	3,200	2,650	2,689
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	68,352	+212(+.31%)	68,140	70,376	80,462
MY Exports (1000 MT)	21,092	-	21,092	21,909	26,985
TY Exports (1000 MT)	21,000	-	21,000	21,750	26,702
Feed and Residual (1000 MT)	2,177	-1(-.05%)	2,178	2,722	2,594
FSI Consumption (1000 MT)	28,032	-	28,032	27,921	27,882
Total Consumption (1000 MT)	30,209	-1(%)	30,210	30,643	30,476
Ending Stocks (1000 MT)	17,051	+213(+1.26%)	16,838	17,824	23,001
Total Distribution (1000 MT)	68,352	+212(+.31%)	68,140	70,376	80,462
Yield (MT/HA)	3.15	+(.32%)	3.14	2.98	3.34

14 June 2022 USDA ERS - 2022/23 Global Production Lowered 1.4 mmts

➤ **CME CBOT Wheat Futures**



Source: <http://www.dtnigp.com/index.cfm?show=62>

Wheat futures started off higher in overnight trade, but ended the week with a sharply lower close across all classes.

CBOT July 2022 Wheat Futures settled on Friday at \$10.34¼/bu, off 44 cents on the day, and losing 36½ cents for the week.

Wheat futures had a down day Friday, even though there is not a single headline that can be given the reason why, but rather several culminating factors adding to a

bearish sentiment and pushing the market lower. Significant ground was given up today in the wheat market. All three U.S. classes, as well as Paris milling futures, were severely lower. This may have been in part due to the rise of the U.S. dollar back to near recent highs. There is not much other fresh news to report, but there are rumors of additional talk of Russia and Turkey allowing grain exports out of Ukraine.

Order flow likely helped leaked out spreads – SRW N/U closing ¼ wider at 12½ carry, N/Z out to 27 cents carry.

CFTC's weekly Commitment of Traders report showed the funds were closing CBT SRW longs through the week that ending the 14th of June. That left the group 5,736 contracts less net long to just 6,939 – their weakest net long since being net short on March 1st.

U.S. harvest is picking up with farmer selling and profit-taking ahead of a three-day weekend may have also pressured the market. As is the case in many industries, producers and elevators are struggling to hire help. HRW wheat harvest continues in Kansas with near term weather looking good to move through harvest more quickly than normal – yields worse the further South and West you go – Dodge City area sources reporting yields from 6 to 60 bpa with avg expected to come out in the mid 30's – proteins running higher in the 12 to 12.9 range with decent test weights.

From a global perspective, French wheat conditions have declined to 65% good to excellent as temperatures are reported to have hit 104°F there today. Due to the high heat in France, Spain, and Germany, some private estimates of the EU wheat crop are being reduced by 4 to 6 mmts. This should be supportive to price and given the problems the wheat market has already seen this year we expect support in the market long term.

➤ **U.S. Export SRW Wheat Values – Friday 17th June 2022**

SRW Wheat Gulf barge quotes, in cents per bushel basis CBOT futures:

Changes are from the AM Barge basis report. Source: USDA

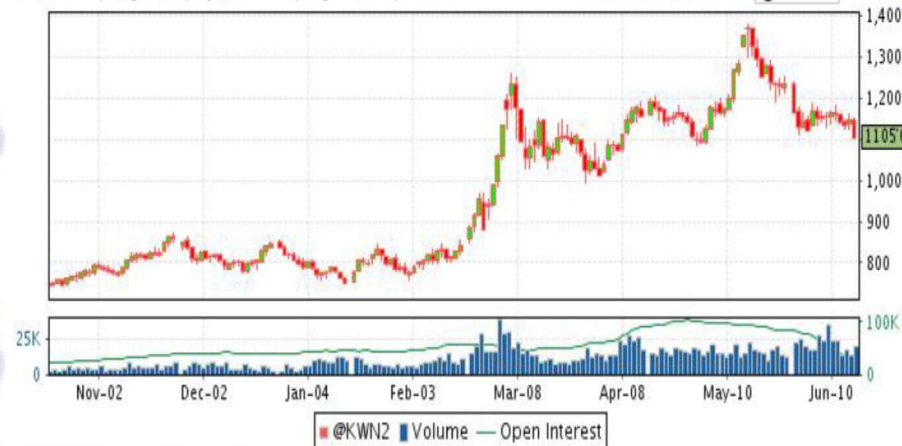
Gulf barge/rail quotes, in cents per bushel.

CIF SRW WHEAT	6/15/2022	6/16/2022		
JUN	25 / 35	25 / 35	N	UNC
JUL	25 / 35	25 / 35	N	UNC
AUG	35 / 45	35 / 45	U	UNC
SEP	50 / 65	50 / 65	U	UNC

➤ **CME KC HRW Wheat Futures**

Last: 1105'0 | Chg: -43'4 | Open: 1148'0s | High: 1152'6 | Low: 1102'4

Current Month: @KWN2 next



Source: <http://www.dtnigp.com/index.cfm?show=62>

Kansas July 2022 HRW Wheat Futures settled on Friday at \$11.05/bu, off 43½ cents on the day, and losing 57½ cents for the week.

HRW N/U narrowed ¼ to 7 carry, N/Z ¾ wider closing at 16½ carry.

CFTC's weekly Commitment of Traders report showed KC wheat spec traders were 1,112 contracts less net long to 36,386 contracts. Their long liquidation took their net long position to the lowest since mid-Feb (pre-invasion).

Cash markets were quiet to end the week – steady across the board. HRW protein premiums were steady, ords were 4 cents firmer.

➤ **U.S. Export HRW Wheat Values – Friday 17th June 2022**

HRW Wheat Texas Gulf Rail quotes, in cents per bushel basis KCBT futures:

Changes are from the AM Barge basis report.

Gulf barge/rail quotes, in cents per bushel.

TX GULF HRW

12% Protein	6/15/2022	6/16/2022		
JUN	148 / -	148 / -	N	UNC
JUL	148 / -	148 / -	N	UNC
AUG	145 / -	145 / -	U	UNC
SEP	145 / -	145 / -	U	UNC

Weekly export sales showed another week of generally subdued demand for U.S. wheat, coming in at 8.7 mbus to put the total for the new year at 176 mbus. This

stands 17% behind a year ago, 6% below the five-year average pace and the slowest start since 2009.

Hard red winter was top seller with 4.4 mbus and with 49 mbus in commitments sets 25% behind a year ago, and 14% below average. White wheat garnered 2 mbus to put sales at 35 mbus, which is 22% below a year ago and 10% behind average.

Brazil and Mexico were the top buyers for the week, securing a combined 5 mbus of mostly hard red winter wheat.

#2 Barley 180.00 200.00 275.00 275.00 275.00

West coast wheat markets saw a slightly weaker tone through the week but regained some footing with the uptick across the futures complex on Thursday.

Exporter bid structures for all the wheats remain mostly flat into new crop months, as limited export demand is generally met on a hand-to-mouth basis.

Pacific Northwest weather remains nearly ideal for crop development with ratings likely to show further gains on the crop progress reports Monday.

➤ **MGE HRS Wheat Futures**



Source: <http://www.dtnigp.com/index.cfm?show=62>

MGE July 2022 HRS Wheat Futures settled on Friday at \$11.69¼/bu, off 39½ cents on the day, and losing 52 cents for the week.

September MPLS wheat was 51¼ cents lower w/o/w.

CFTC's weekly Commitment of Traders report showed in spring wheat, managed money as 14.2k longs vs 965 shorts. That compared to 14.8k longs and 911 shorts the week prior.

Portland Price Trends

16th June 2022

	06-01-21	08-01-21	05-01-22	06-09-22	06-16-22
#1 SWW (bu)	8.20	9.25	11.10	11.60	11.40
White Club	8.20	10.75	11.60	11.85	11.65
DNS 14%	8.71	10.33	12.48	13.06	12.89
HRW 11.5%	7.52	8.33	12.08	12.66	12.58
#2 Corn (ton)	249.00	251.00	347.00	341.00	341.00

COARSE GRAINS

➤ USDA – World Coarse Grains

14 June 2022 USDA ERS - Coarse Grain Production Prospects Are Up Slightly

Global **2022/23** coarse grain production is projected up 3.3 mmts this month to 1,479.2 million. A massive increase in projected corn output in **Ukraine** is partly offset by lower barley output in the **European Union, Australia, Ukraine, and Algeria**—and by a reduction in corn production for **Zambia**. This month, the projection for **U.S.** coarse grain production for 2022/23 is unchanged.

For more information and a visual display of this month's changes in coarse grain production, see tables A1 and A2 below, as well as map A below. Changes in total global, foreign, and U.S. coarse grain production by type of grain are shown in table A1. Changes in coarse grain production by country are given in table A2. Map A displays this month's changes in barley production.

Table A1 - World and U.S. coarse grain production at a glance (2022/23), June 2022

Region or country	Production	Change from previous month ¹	YoY Change ²	Comments
<i>Million tons</i>				
Coarse grain production (total)				
↑ World	1,479.2	+3.3	-22.6	
↑ Foreign	1,097.1	+3.3	-6.0	Partly offsetting changes are made for a number of countries and commodities. See table A2.
United States	382.1	No change	-16.6	See section on U.S. domestic output.
World production of coarse grains by type of grain				
CORN				
↑ World	1,185.8	+5.1	-30.3	
↑ Foreign	818.5	+5.1	-13.6	Corn production is projected higher in Ukraine, with small offsetting reductions for Zambia and Peru. See table A2.
United States	367.3	No change	-16.6	See section on U.S. domestic output.
BARLEY				
↓ World	147.3	-1.7	+2.3	
↓ Foreign	143.3	-1.7	+0.9	Reductions in barley production in the European Union (EU), Australia, Ukraine, and Algeria are partly offset by an increase in the United Kingdom. See Table A2.
United States	3.9	No change	+1.4	See section on U.S. domestic output.

¹Change from previous month. ²YoY: year-over-year changes. ³Totals may not add due to rounding.
 For changes and notes by country, see table A2.
 Source: USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

Corn production in **Ukraine** is projected 5.5 mmtshigher this month, to reach 25.0 million. The increase is fully driven by higher reported corn area that exceeds previous expectations. The data from the Ukrainian Ministry of Agriculture suggest that farmers planted larger-than-expected areas for corn, which is the most input intensive among the grain crops, despite the shortage of fuel and other inputs. A possible explanation is that farmers held essential inputs acquired before the Russian military invasion and went along with corn planting—discounting or were ostensibly unconcerned with probable future scarcity of diesel for harvesting, overflowing grain stocks, and current limitations for exporting grain from the country.

Table A2 - Coarse grain foreign production at a glance, June 2022

Type of crop	Crop year	Production	Change in forecast ¹	YoY ² change	Comments
<i>Million tons</i>					
2022/23 Crop year					
UKRAINE					
↑ Corn	Oct-Sep	25.0	+5.5	-17.1	Higher reported corn area, published by the Ukrainian Ministry of Agriculture.
↓ Barley	Jul-Jun	5.7	-0.3	-4.2	Lower reported barley area published by the Ukrainian Ministry of Agriculture.
ZAMBIA					
↓ Corn	May-Apr	2.7	-0.3	-0.9	Corn production is reduced, based on lower area reported by the Zambian Ministry of Agriculture.
EUROPEAN UNION (EU)					
↓ Barley	Jul-Jun	51.7	-0.8	-0.3	Dryness and heat in the southwestern part of the region are projected to reduce barley yields in Spain and France, while more favorable weather in the northern EU improved barley yield prospects in Germany.
AUSTRALIA					
↓ Barley	Nov-Oct	11.0	-0.5	-2.7	A revision, based on lower area in line with the recent estimates of the Australian Bureau of Statistics (ABARES).
ALGERIA					
↓ Barley	Jul-Jun	1.6	-0.2	+0.7	Insufficient precipitation and heat in April-May in Algeria are projected to reduce barley yields.
INDIA					
↓ Barley	Apr-Mar	1.6	-0.1	-0.1	A revision, based on the Government's 3rd advanced estimate.
UNITED KINGDOM (U.K.)					
↑ Barley	Jul-Jun	7.1	+0.2	+0.1	Favorable conditions boost barley yields.
2021/22 Crop year					
INDIA					
↑ Corn	Nov-Oct	33.0	+0.5	+1.4	A revision, based on the Government's 3rd advanced estimate.
↑ Sorghum	Nov-Oct	4.5	+0.1	-0.3	A revision, based on the Government's 3rd advanced estimate.
↓ Millet	Nov-Oct	11.4	-0.1	-1.8	A revision, based on the Government's 3rd advanced estimate.
MEXICO					
↓ Sorghum	Oct-Sep	4.9	-0.1	+0.3	Lower projected area and yield, in line with official data..

¹Change from previous month. Smaller changes are made for several countries, see map A for changes in *barley* output.
²YoY: year-over-year changes.
 Source: USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

While **2021/22** grain harvests in the Northern Hemisphere were generally completed months ago, in the Southern Hemisphere crops are still growing and being harvested. Brazil's second-crop corn harvest for the 2021/22 season started in late May-June and will continue through August 2022. Brazil is a vast country with a mixed bag of weather conditions this year. Precipitation has been below normal since mid-March in the Center-West region of Brazil that produces more than 60% of the second-crop corn. The dryness started back in March in the states of Goias and Mina Gerais, expanded to Mato Grosso in April, and spread to the entire region of central Brazil by end of May. In contrast, good to excellent weather conditions were beneficial for the second crop corn in southern Brazil, with Parana projected to harvest a record-high crop. The **Brazilian** 2021/22 corn production estimate remains unchanged this month at 116 mmts.

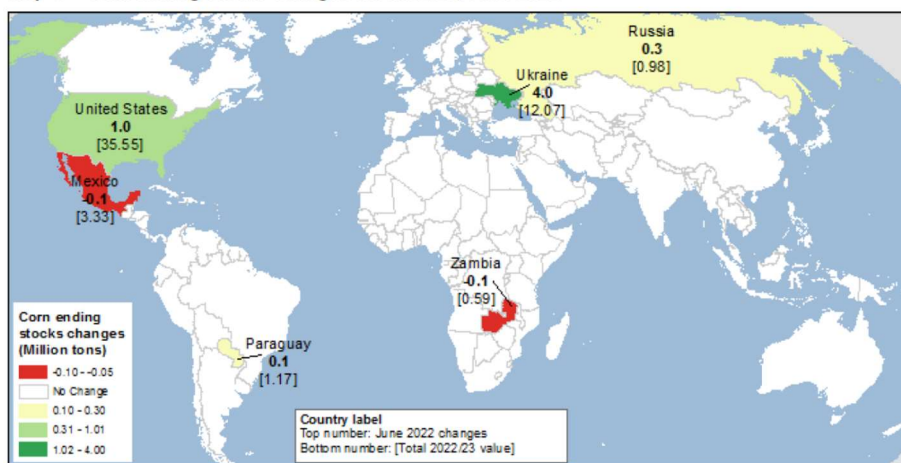
Global Consumption Is Unchanged, Stocks Are Projected Higher

Global coarse grain use in 2022/23 is reduced fractionally to 1,479.8 mmts. Global coarse grain feed and residual use is projected virtually unchanged, with higher corn but lower barley feed use at 912.8 mmts.

The largest change is for increased corn feed and residual use in **Ukraine**, up 1.5 mmts to 9.5 million, and more than 80% higher than the pre-war 5-year average. Under an assumption that part of the Ukrainian surplus output is not going to be exported at any time in the future (as some supplies either are destroyed or have become unfit to use), the growing production volume is not boosting the country's exports, rather it expands the residual part of the feed category and stocks. Higher imports are expected to enhance corn feeding in the **European Union**, as relative feed grain prices favor corn over wheat and barley. The rest of the changes in feed and residual offset the above increases and are mostly based on reduced projected imports.

Lower projected trade for 2021/22 (mainly on account of the United States, Russia, and Ukraine) boost beginning stocks for 2022/23, up 1.9 mmts. An increase in global coarse grain supplies and marginally lower use push the projection for global ending stocks higher. World 2022/23 coarse grain ending stocks are forecast 5.3 mmts greater than last month's projection, to reach 335.7 million.

Map C – Corn ending stocks changes for 2022/23, June 2022



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

World Corn Trade Is Unchanged for 2022/23 and Reduced for 2021/22

The largest change is a 3.9 mmts increase in coarse grain stocks in **Ukraine**, reaching 13.1 million. Adding in wheat, projected Ukrainian grain ending stocks approach 20 mmts. The Government is reportedly trying to help farmers save the upcoming harvest by getting some type of mobile storage, perhaps like silo bags that are widely used in other countries. Coarse grain (corn and barley) stocks are

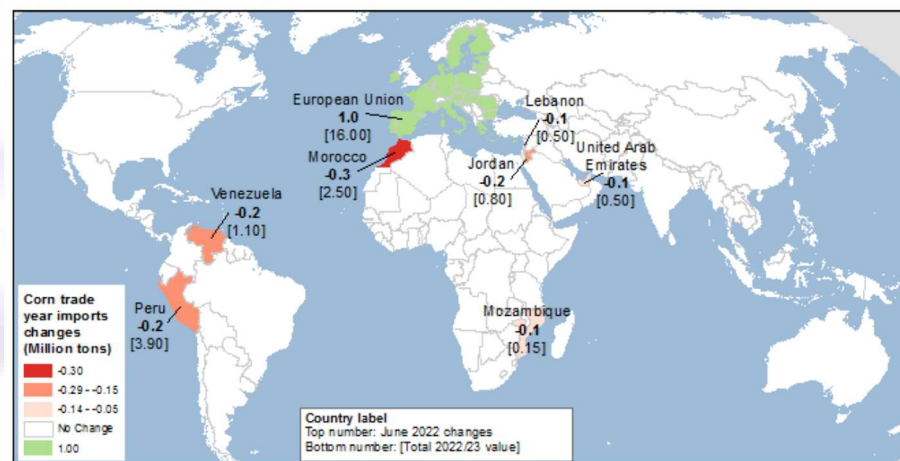
projected higher in **Russia**, up 0.5 mmts, reflecting lower exports. **U.S.** coarse grain ending stocks are projected 1.1 mmts higher (see domestic section above).

Individual countries' changes in stocks follow production and trade revisions. All other projected changes in stocks are lower than 0.2 mmts. See a visual display of this month's country changes in corn ending stocks in map C above.

Global **coarse grain** trade for the **2022/23** October-September international trade is projected down 0.6 mmts to 227.9 million this month, the lowest in 3 years, with virtually all changes involving barley. **Corn** trade for 2022/23 is unchanged this month, with a number of offsetting adjustments to imports. The largest change in corn imports is a projected increase to the **European Union**. Given that relative grain prices favor corn versus wheat and barley for feed use, demand for feed grain in two major EU feed-importing countries—Spain and Italy—is expected to be met by increases in corn imports from outside the European Union, as both wheat and barley output in these countries are reduced this month. The offsetting changes include lower corn imports to **Jordan, Lebanon, Morocco, United Arab Emirates, and Peru**—these changes are rollover changes from the previous year.

See a visual display of this month's country changes in corn (October-September trade year) imports in map D below.

Map D – Corn trade year imports changes for 2022/23, June 2022



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

For the current **2021/22** October-September international trade year that runs through the end of September 2022, **coarse grain** trade is projected down 2.5 mmts to reach 235 million, still the second-highest exports on record. Global **corn** trade in 2021/22 is projected lower, down 1.4 mmts this month to 189.1 million, still a record-high and 3% above the previous record corn trade estimated for the prior year of 2020/21. Lower projected corn exports by the **United States** drive the decline, with a downward revision of U.S. exports to Canada. With 4 months left in the trade year,

the pace of **Russian** corn exports is lower than expected. These declines are partly offset by higher corn export projections by the European Union and Moldova.

Citation: McConnell, Michael, Olga Liefert, Angelica Williams, and Claire Hutchins, Feed Outlook: June 2022, FDS-22f, U.S. Department of Agriculture, Economic Research Service, June 14, 2022.

CORN

➤ USDA – U.S. Corn

Corn World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	203,457	+783(+.39%)	202,674	206,468	199,109
Beginning Stocks (1000 MT)	310,920	+1533(+.5%)	309,387	293,246	307,469
Production (1000 MT)	1,185,806	+5091(+.43%)	1,180,715	1,216,066	1,128,998
MY Imports (1000 MT)	176,684	-155(-.09%)	176,839	179,453	185,343
TY Imports (1000 MT)	177,199	-155(-.09%)	177,354	181,325	180,235
TY Imp. from U.S. (1000 MT)	0	-	0	0	68,544
Total Supply (1000 MT)	1,673,410	+6469(+.39%)	1,666,941	1,688,765	1,621,810
MY Exports (1000 MT)	182,670	-30(-.02%)	182,700	196,731	182,873
TY Exports (1000 MT)	183,197	-30(-.02%)	183,227	189,126	184,240
Feed and Residual (1000 MT)	747,926	+1310(+.18%)	746,616	748,695	723,480
FSI Consumption (1000 MT)	432,369	-128(-.03%)	432,497	432,419	422,211
Total Consumption (1000 MT)	1,180,295	+1182(+.1%)	1,179,113	1,181,114	1,145,691
Ending Stocks (1000 MT)	310,445	+5317(+1.74%)	305,128	310,920	293,246
Total Distribution (1000 MT)	1,673,410	+6469(+.39%)	1,666,941	1,688,765	1,621,810
Yield (MT/HA)	5.83	-	5.83	5.89	5.67

14 June 2022 USDA ERS - 2022/23 Global Production Lowered 1.4 mmmts

Global wheat production in 2022/23 is projected down 1.4 mmmts to 773.4 million. Production increases for Russia, Uzbekistan, the United States, and the United Kingdom and were more than offset by reductions for India and the European Union. Russia's wheat production is adjusted up 1.0 mmmts to 81.0 million as growing conditions continue to be generally favorable resulting in higher yield potential (2.95 MT/hectare (ha)). Higher projected yield (+0.28 MT/ha to 4.71 MT/ha) has resulted in larger than expected production for Uzbekistan. The European Union production is down this month as with reductions to France (-0.3 mmmts to 35.7 million) and Spain (-0.3 mmmts to 7.7 million) partially offset with larger production in Germany (+0.3 mmmts to 22.4 million). Hot and dry conditions have continued to impact condition ratings in France. High temperatures in the last few months of India's growing season restricted yield potential (-0.08 MT/ha to 3.42).

Citation: McConnell, Michael, Olga Liefert, Angelica Williams, and Claire Hutchins, Feed Outlook: June 2022, FDS-22f, U.S. Department of Agriculture, Economic Research Service, June 14, 2022.

➤ CME CBOT Corn Futures

Closing ahead of a 3-day weekend, the corn board was 3¼ to 4¾ cents in the red.



Source: <http://www.dtnigp.com/index.cfm?show=62>

Corn futures started the day strong with double-digit gains, but by day's end finished in the red. CBOT July 2022 Corn Futures settled on Friday at \$7.84¼/bu, off 3¼ cents on the day, but gaining 11 cents for the week. Earlier in the session, Jul peaked at 8.00 (the first time at 8.00 since May 18th). New crop December was down 4 cents settling at \$7.31/bu, peaking at \$7.49¼.

The rally yesterday and early today, combined with strong domestic basis and rapidly developing crops, did stimulate notable farmer selling. Earlier strength was tied to a mostly warm and dry forecast for next week, as well as on extended models. Weakness in the energy complex on talk the administration is considering limiting energy exports, coupled with a sharp sell-off in the wheat complex weighed on corn futures late in the session. This was the second week in a row with positive closes.

To put recent price movement into perspective, December futures are trading at the same level as they were the second week of April, a sign that prices are struggling to hold gains yet are also well supported.

The CFTC's weekly CoT report showed managed money funds were rotating from shorts back into longs in corn through the week that ending the 14th of June. That left the group 13,858 contracts more net long, to 278.2k contracts, on just 46 fewer spec positions in play. The commercials were adding hedges through the week, with the 13,160 contract OI boost taking their net short just 746 contracts lower.

Domestic basis values generally strengthened at this point in the season this week with domestic western rail reported at 40 cent over DVE. Eastern rail is at DVE. Dry mills appear to have limited coverage and great margins, and are pushing to compete with respective FOB Rail values. Expect ethanol plants to go basis the September in the next week coming week as we are 10 days from First Notice Day for the July.

Due to poor exports, one could say that the N/U could be subject to the river getting covered and or export cancellations. Currently, the market is 25 cents over DVE for

June and 8 cents over for July. Expect some fireworks in the N/U to make nearby flat price up to engage farmer or ration demand. No deliveries expected.

Weather: No shortage of heat in the past week and forecast next two weeks with limited rain in the southern 2/3 of corn belt. Mid-day GFS models showed some potential for rains next weekend and potentially a bit cooler. Crop conditions have been very good as we needed heat to get this crop caught up. With continued heat we are starting to see stress in the poorer soils, or fields planted too wet/compaction. Expect crop conditions to decline for the next several weeks, admittedly from very high numbers. Monday likely dn 2% to 72% G/E.

Planalytics estimates the national average corn yield to be 177 bus/acre, after raising their figure for IA 0.5 to 201.1 bus/acre and IL by 0.7 to 201.2 bus/acre.

Argentina is 37% harvested, Brazil is about to start harvesting a record safrinha crop so they are cutting loose on the last of the Safras corn with some estimating that Brazil's June corn export could be an all-time high of 1.8 mmts. Ukraine is getting good volumes of corn exported to EU destinations. It all adds up to the poorest past 4-week US export pace we've seen in nearly 3 decades.

➤ **U.S. Export Corn Values – Friday 17th June 2022**

Corn CIF NOLA Gulf barge/rail quotes, in cents per bushel basis CBOT futures:

USDA (U.S. No. 2, 14.5% moisture, CIF NOLA

Gulf barge/rail quotes, in cents per bushel.

CIF CORN	6/15/2022	6/16/2022	Del. Mo.	
FH JUN	-	101 / -	N	
JUN	96 / -	100 / 104	N	
FH JUL	-	90 / -	N	
JUL	88 / 90	88 / 91	N	
AUG	118 / -	-	U	
SEP	98 / 104	-	U	
OCT	100 / -	100 / -	Z	UNC
NOV	97 / 101	-	Z	
DEC	-	- / 106	Z	
JAN	93 / -	-	H	
FM	-	- / 98	H	

BRAZIL FOB CORN @ PORT PARANAGUA

	6/15/2022	6/16/2022		
JUL	50 / 60	45 / 60	N	
AUG	75 / 85	75 / 85	U	UNC

SEP	85 / 95	85 / 95	U	UNC
OCT	95 / 115	95 / 115	Z	UNC
NOV	110 / 125	110 / 120	Z	
DEC	115 / 140	120 / 140	Z	

USDA reported two large private corn sales this morning, with private exporters having sold 144,907 MT of new crop to Costa Rica and 105,644 MT of old crop to unknown destinations.

ETHANOL

➤ **CME Ethanol Futures - Nearby Daily**



CME Nearby Ethanol June 2022 settling on Friday at \$2.82000/gallon, off 3.000 cents on the day, and losing 6.000 cents for the week.

Cash ethanol prices were \$2.74/gal through the week with regional variance, compared to \$2.72/gal last week.

The USDA saw the week's DDGS FOB bids from \$290-\$302/ton in the gulf and \$332 in the PNW for the week though the 17th of June, steady to \$5/ton lower w/o/w.

USDA's weekly average corn oil price was 76.17c to 77.50c/lb regionally. That's mostly higher from the 76 cents to 78.2 cents prices last week.

The Energy Information Administration report on Wednesday showed production at domestic ethanol plants recouped much of the prior week fall, rising 21,000 barrels per day (bpd) to 1.060 million bpd in the week ended June 10, 3.4% higher than the

same week in 2021. Plant output averaged 1.046 million bpd during the four weeks ended June 10th - 12,000 bpd above the same four weeks a year earlier.

➤ **U.S. Corn Values at Ethanol Plants– Friday 10th June 2022**

Corn Delivered Location in cents per bushel basis CBOT futures:
USDA (U.S. No. 2, 14.5% moisture, in cents per bushel).

Nearby Ethanol Bids	6/15/2022	6/16/2022		
Blair, NE	45	50	N	
Cedar Rapids, IA	27	30	N	
Decatur, IL	65	75	N	
Fort Dodge, IA	50	55	N	
N. Manchester, IN	20	18	N	
Portland, IN	25	25	N	UNC

This week's customs data showed Brazil has exported 288,676 mts of corn in the first two weeks of June at a shipping rate significantly higher than in the previous year, when farmers held back sales due to a massive second-crop safrinha loss.

Brazil's grains exporters association, ANEC, said Tuesday it projects corn June exports at 1.8 mmts.

➤ **DDG's – DDG Price Lower Again**

17 June 2022 *Mary Kennedy, DTN Analyst* – The The DTN average price for domestic distillers dried grains (DDG) from 34 locations reporting for the week ended June 16 was \$238/ton, down \$7 on average versus one week ago.

Prices are moving lower as summer has slowed demand from feeders. Based on the average of prices collected by DTN, the value of DDG relative to corn for the week ended June 16th was 84.54%. The value of DDG relative to soybean meal was 55.39%, and the cost per unit of protein for DDG was \$8.81, compared to the cost per unit of protein for soybean meal at \$9.05.

In its weekly DDGS export update, the U.S. Grains Council said: "On the export market, barge CIF NOLA offers are \$10 to \$15/mt lower this week, erasing last week's gains and continuing a choppy, mostly sideways trading pattern.

FOB Gulf offers down \$15/mt for June through August at \$330/mt. Offers for 40-foot containers to Southeast Asia, however, are higher by \$10 to \$14/mt this week at an average offer of \$412/mt."

VALUE OF DDG VS. CORN & SOYBEAN MEAL

Settlement Price:	Quote Date	Bushel	Short Ton
Corn	6/16/2022	\$7.8825	\$281.52
Soybean Meal	6/16/2022		\$429.70
DDG Weekly Average Spot Price			\$238.00

DDG Value Relative to:	6/16	6/9
Corn	84.54%	88.75%
Soybean Meal	55.39%	57.31%

Cost Per Unit of Protein:			
DDG	\$8.81	\$9.07	
Soybean Meal	\$9.05	\$9.00	

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.

GRAIN SORGHUM

➤ **USDA – World Grain Sorghum**

Sorghum World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	41,095	-9(-.02%)	41,104	41,671	43,048
Beginning Stocks (1000 MT)	4,007	+45(+1.14%)	3,962	4,004	3,864
Production (1000 MT)	62,659	-6(-.01%)	62,665	62,326	62,417
MY Imports (1000 MT)	10,728	-80(-.74%)	10,808	11,952	9,879
TY Imports (1000 MT)	10,728	-80(-.74%)	10,808	11,952	9,917
TY Imp. from U.S. (1000 MT)	0	-	0	0	6,965
Total Supply (1000 MT)	77,394	-41(-.05%)	77,435	78,282	76,160
MY Exports (1000 MT)	11,186	-10(-.09%)	11,196	12,064	11,555
TY Exports (1000 MT)	11,047	-10(-.09%)	11,057	12,412	10,675
Feed and Residual (1000 MT)	26,054	-30(-.12%)	26,084	27,825	23,852
FSI Consumption (1000 MT)	36,241	-36(-.1%)	36,277	34,386	36,749
Total Consumption (1000 MT)	62,295	-66(-.11%)	62,361	62,211	60,601
Ending Stocks (1000 MT)	3,913	+35(+.9%)	3,878	4,007	4,004
Total Distribution (1000 MT)	77,394	-41(-.05%)	77,435	78,282	76,160
Yield (MT/HA)	1.52	-	1.52	1.50	1.45

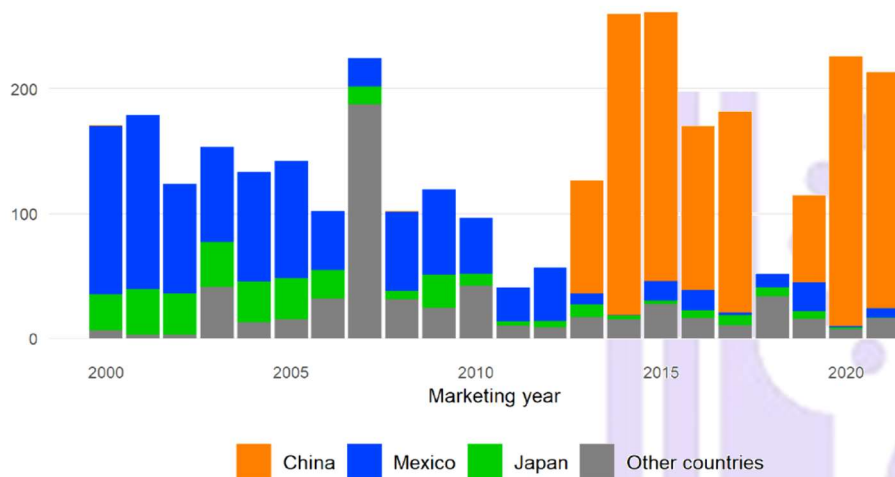
14 June 2022 *USDA*

➤ **Reduced U.S. Sorghum Exports for 2021/22, Continued Higher Prices**

U.S. sorghum exports estimates for 2021/22 are lowered this month by 10 million bushels to 290 million bushels, based on the lower pace of shipments reported by the U.S. Bureau of the Census. Through the month of April, 213 million bushels of sorghum have been exported, slightly behind last year's 226 million bushels but ahead of the 5-year average of 149 million bushels. China has continued to be the largest market for sorghum exports, followed by Mexico.

U.S. sorghum exports, September through April, marketing years 2000 to 2021

Million bushels

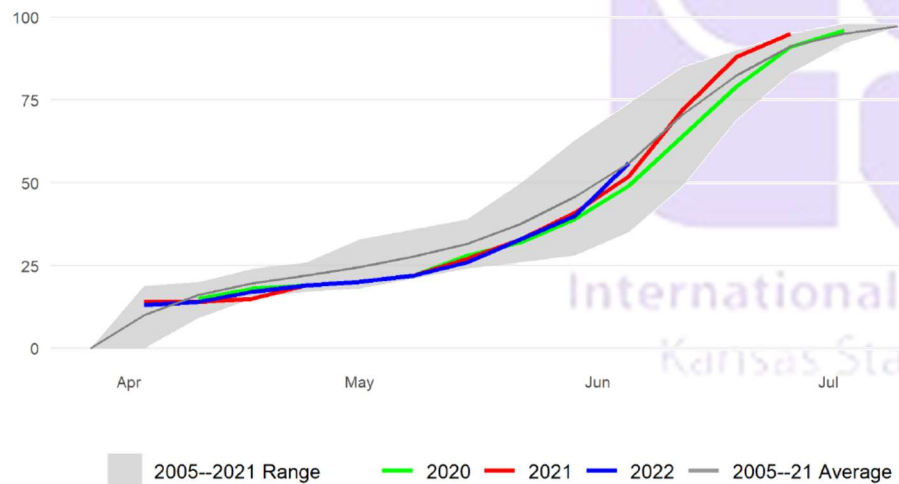


Source: U.S. Department of Commerce, Bureau of the Census.

Feed and residual use is revised higher to 125 mbus compared to the May report, reflecting additional U.S. sorghum supplies for the domestic market. Ending stocks remain unchanged at 33 mbus.

Sorghum planting progress, 2005 to 2022

Percent complete

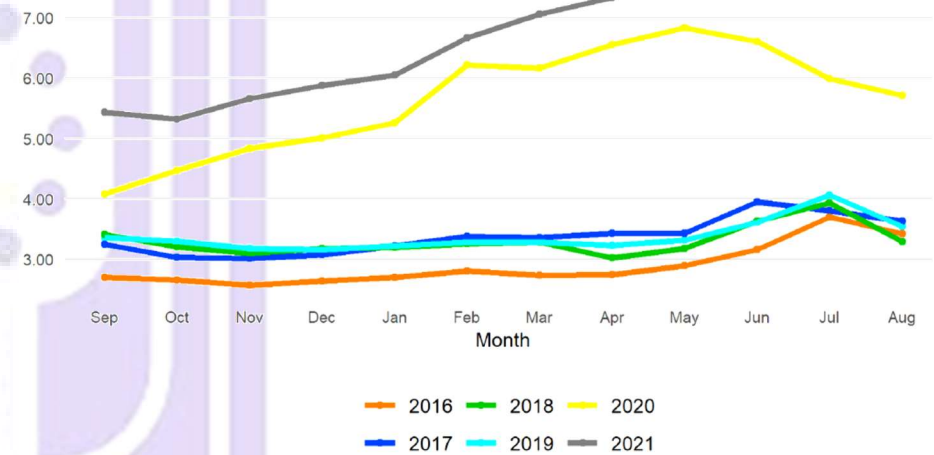


Source: USDA, National Agricultural Statistics Service.

According to NASS's most recent Crop Progress report, sorghum planting for the 2022/23 crop year has been on pace with the historical 5-year average, with 56% of the crop planted through June 5th.

Price received for sorghum, monthly

U.S. dollars per bushel



Source: USDA, National Agricultural Statistics Service.

The USDA season-average farm price estimate for sorghum this month is unchanged at \$5.95/bus for 2021/22 and the projected price for 2022/23 is \$6.65/bus.

U.S. Export Grain Sorghum Values – Friday 17th June 2022

CIF NOLA Gulf barge/rail quotes, in cents per bushel basis CBOT Corn futures:
Texas Gulf Rail quotes, in cents per bushel basis CBOT Corn futures:
Changes are from the AM Barge basis report:

CIF MILO	6/15/2022	6/16/2022		
June	na	na		UNC
TX FOB VESSEL				
MILO (USc/MT)	6/15/2022	6/16/2022		
July	210	210	N	UNC
August	235	235	U	UNC
September	225	225	Z	UNC

Export Prices – (FOB, US\$/mt)

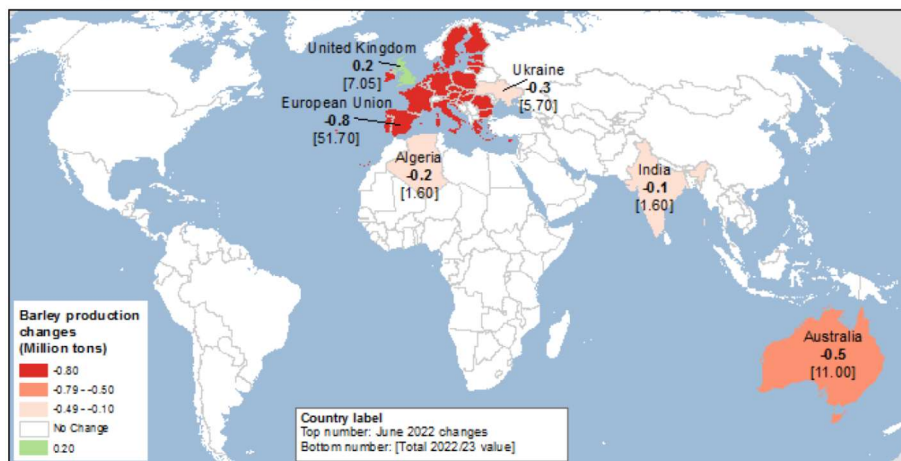
U.S. – Gulf	\$385/mt
Argentina – Up River	\$308/mt
Australia - Brisbane	\$326/mt

BARLEY

➤ USDA – World Barley

Barley World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	48,065	-302(-.62%)	48,367	48,584	51,374
Beginning Stocks (1000 MT)	16,782	+294(+1.78%)	16,488	20,310	21,802
Production (1000 MT)	147,260	-1708(-1.15%)	148,968	145,009	159,408
MY Imports (1000 MT)	29,966	-500(-1.64%)	30,466	32,334	36,114
TY Imports (1000 MT)	29,870	-500(-1.65%)	30,370	30,220	36,968
TY Imp. from U.S. (1000 MT)	0	-	0	0	344
Total Supply (1000 MT)	194,008	-1914(-.98%)	195,922	197,653	217,324
MY Exports (1000 MT)	30,518	-600(-1.93%)	31,118	34,085	36,270
TY Exports (1000 MT)	30,516	-600(-1.93%)	31,116	30,490	37,398
Feed and Residual (1000 MT)	100,501	-1300(-1.28%)	101,801	101,579	114,859
FSI Consumption (1000 MT)	46,115	-	46,115	45,207	45,885
Total Consumption (1000 MT)	146,616	-1300(-.88%)	147,916	146,786	160,744
Ending Stocks (1000 MT)	16,874	-14(-.08%)	16,888	16,782	20,310
Total Distribution (1000 MT)	194,008	-1914(-.98%)	195,922	197,653	217,324
Yield (MT/HA)	3.06	(-.65%)	3.08	2.98	3.10

Map A – Barley production changes for 2022/23, June 2022

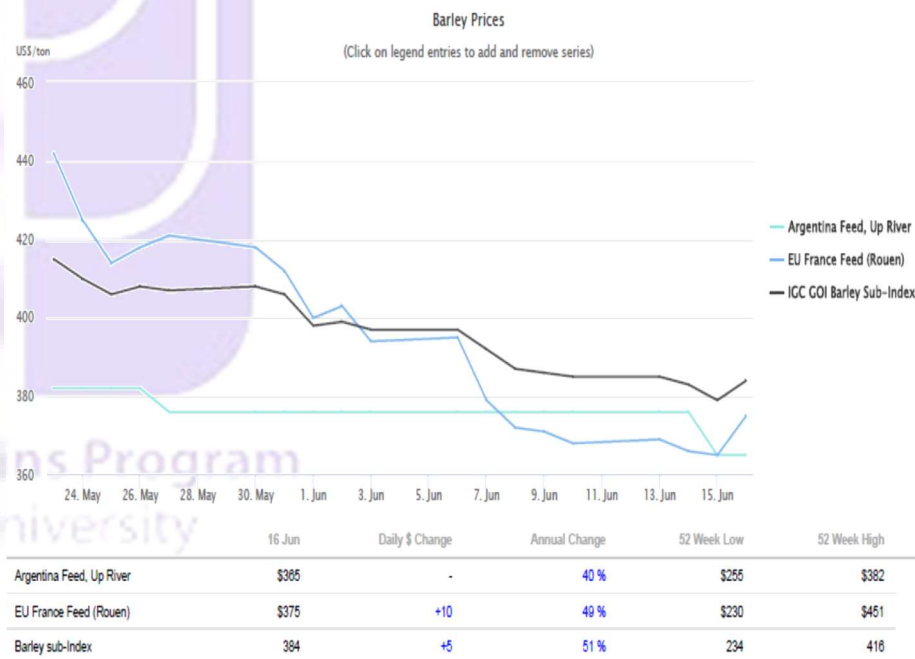


Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

14 June 2022 USDA ERS - **Barley** trade for **2022/23** is projected down 0.6 mmts this month, with partly offsetting changes in exports by **Australia**, the **European Union**,

Ukraine, and the **United Kingdom**. All of the changes follow the adjustments in barley production forecasts. On the importers' side, the largest change for barley is for **Saudi Arabia**. Since China banned imports of Australian barley, Saudi Arabia became the latter's largest export destination. This month, Saudi Arabia is projected to import 0.5 mmts less barley, following a reduction in Australian barley supplies.

Global **barley** exports for 2021/22 are projected 1 mmts lower this month, with reductions for **Russia** and **Ukraine**. The Russian pace of barley exports appears to be lower than expected, though the Government has suspended publication of the relevant trade data, citing possible "misuse and misinterpretation" of the data. Because of Russia's blockade of its Black Sea ports, **Ukraine** can only export grain via rail, trucks, and barges—which is estimated to theoretically total under 2 mmts a month, although it is not clear how this number will be impacted by changes on the ground in Ukraine. It appears that Ukraine is currently prioritizing corn over barley and other crops shipments in order to relieve huge stocks of corn intended for export but locked within the country. Hence, the pace of Ukrainian barley exports is lower than expected. Barley imports for 2021/22 are reduced for **China** and **Saudi Arabia**, down 0.5 mmts each, based on the pace of trade. Barley imports to the **United States** (from Canada and Argentina) are projected slightly higher this month (see the domestic section above).



Source: International Grains Council

Export Prices – (FOB, US\$/mt)

Argentina	Feed	\$376/mt
Australia SA	Feed	\$384/mt
Black Sea	Feed	\$382/mt
EU – Rouen, France	Feed	\$366/mt
Australia SA	Malt	\$397/mt
EU – Rouen, France	Malt	\$ - /mt

World barley export prices were mostly lower, led by a drop in new crop values in the EU (France). With winter harvests now underway in parts of Europe, traders reported some pickup in selling interest, albeit with demand still generally light.

In its June update, *Stratégie Grains* lowered its EU production forecast by 1.4 mmts, to 50.3 mmts (52.0 mmt last year) due to rainfall deficits in France and Spain. Local sources reported that early harvest results in France were somewhat better than expected given the recent weather, but with low test weights.

In Canada, plantings in Alberta and Saskatchewan, the two main producing provinces, are now close to completion. Weather has been mixed, but with recent some beneficial rains across dry western regions.

Under mostly dry conditions, sowings in Argentina progressed quickly, reaching 21% complete the 9th of June, compared to 11% last week and 21% last year.

➤ **Jordan buys about 60,000 tonnes feed barley in tender**

15 June 2022 *Michael Hogan, Reuters* – Jordan's state grain buyer has purchased about 60,000 tonnes of animal feed barley to be sourced from optional origins in an international tender which closed on Wednesday.

It was bought at an estimated \$428.50/mt C&F for shipment in the first half of September. The seller was believed to be trading house Viterra.

Four other trading houses participated in the tender, Ameropa which offered \$439.00, TOI Commodities which offered \$442.00, Bunge \$444.00 and Cargill \$449.85.

Jordan's tender sought offers for up to 120,000 mts. Jordan also bought 60,000 mts of wheat in a tender on Tuesday.

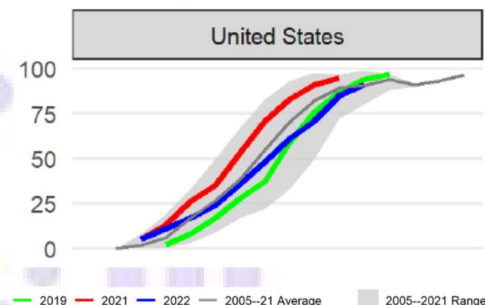
Jordan is among importing countries hit by surging prices and tighter supplies caused by disruption to Ukrainian and Russian grain exports following the fighting in Ukraine.

➤ **Barley Planting Delayed in the Northern Plains**

14 June 2022 *USDA ERS* - According to the *NASS Crop Progress* report, 91% of the U.S. barley crop was planted as of June 5th, compared with a 5-year average of 97% planted.

Spring barley planting in Montana and Idaho (the two largest barley-producing States) is nearing completion at 99% and 97% planted, respectively.

Percent complete



However, poor planting conditions across the eastern Northern Plains (due to cold, wet weather) are barring farmers from entering their fields. Planting progress in North Dakota (the third largest barley-producing State) is only 75% complete, the lowest since 2013/14.

Spring barley planting in Minnesota is only 60% complete, the lowest in at least 25 years. U.S. total barley emergence as of June 5 is 73%, trailing the 5-year average of 84%.

The USDA season-average farm price for barley is projected to reach \$7.35/bus in 2022/23 (the highest on record), as strong demand for feed grains (compounded by recent global geopolitical tensions) support both feed and malting barley prices.

OATS

➤ **USDA – World Oats**

Attribute	Oats World as of June 2022				
	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	9,938	+15(+.15%)	9,923	9,537	9,956
Beginning Stocks (1000 MT)	2,378	+21(+.89%)	2,357	2,959	2,229
Production (1000 MT)	24,948	-50(-.2%)	24,998	22,513	25,488
MY Imports (1000 MT)	2,729	-	2,729	2,457	2,533
TY Imports (1000 MT)	2,692	-	2,692	2,410	2,622
TY Imp. from U.S. (1000 MT)	0	-	0	0	42
Total Supply (1000 MT)	30,055	-29(-.1%)	30,084	27,929	30,250
MY Exports (1000 MT)	2,813	-	2,813	2,443	2,768
TY Exports (1000 MT)	2,814	-	2,814	2,442	2,699
Feed and Residual (1000 MT)	16,890	-55(-.32%)	16,945	15,545	16,853
FSI Consumption (1000 MT)	7,758	+5(+.06%)	7,753	7,563	7,670
Total Consumption (1000 MT)	24,648	-50(-.2%)	24,698	23,108	24,523
Ending Stocks (1000 MT)	2,594	+21(+.82%)	2,573	2,378	2,959
Total Distribution (1000 MT)	30,055	-29(-.1%)	30,084	27,929	30,250
Yield (MT/HA)	2.51	(-.4%)	2.52	2.36	2.56

14 June 2022 *USDA ERS* - World Oats Supply & Demand

➤ CME CBOT Oat Futures

Last: 6644 | Chg: +62 | Open: 658'2s | High: 667'6 | Low: 655'2

Current Month: @ON2 next



Source: <http://www.dtniip.com/index.cfm?show=62>

CME July 2022 Oats Futures settled on Friday at \$6.64½/bu, up 6¼ cents on the day, and gaining 13¼ cents for the week.

In Australia, ABARES forecast 22/23 production at 1.2 mmts (1.6 mmts previous year).

In Canada, 22/23 oats seeding was around half complete in Saskatchewan as of the end of May (92% year ago), with progress at 95% done in Alberta by the 7th of June (100%). In mostly technical activity.

Export Prices – (FOB, US\$/mt)

Canada - Vancouver Feed \$528/mt

➤ Supplies can't keep up with surging oat demand

16 June 2022 Crystal Futrell — Soaring global demand coupled with devastating drought leading to record low 2021-22 ending stocks in Canada and the United States has created an exceptional situation for oats and oat products markets.

“I’ve never seen anything like this in my 40 years of working in the oat industry,” Randy Strychar, president of Oatinformation, said at Sosland Publishing Co.’s 45th annual Purchasing Seminar in early June. Strychar shared oat market insights and likely outlooks in his presentation at one of the seminar’s breakout sessions.

Demand for oats outpaced production last year after major North American oat growing regions suffered a severe drought, which led to depleted supplies that couldn’t keep up with usage. Commercial milling oat use relative to total oat supply had been steadily climbing, going from 6% in 1994-95 to 27% in 2020-21, and is still increasing, Strychar said. Diminished supplies amidst surging demand, especially for

fiber-rich and gluten-free oat snack products along with the emerging dairy-free beverage sector, set the stage for long-term price volatility.

“The bottoms are in, and prices are only going up from here,” Strychar said, adding that he did not expect oat prices to return to historical averages. Besides tight supplies and growing demand for oats, the rapidly rising values of wheat and other grains supported oat’s price strength.

Outside of prices, Strychar said he remained somewhat optimistic about oat supply and demand. Records showed that North American soil moisture in the oat-growing regions had improved thanks to heavy snowpacks from last winter. But the snow-saturated soil made the ground too wet for planting, and late oat seeding in Canada and the United States generally results in lower crop yields. Stats Canada, the country’s national statistical office, forecast a 16.6% increase in Canadian seeded oat area in 2022. If realized, it would be Canada’s largest oat crop in 42 years. But the late planting and likely subsequent reduction in yields may only result in average oat production, at best, he said.

“New and planned builds in Canada will create increased competition for primary oat millers and price benefits for oat product buyers,” Strychar said, but added that would only occur if ample oat supplies were available. Oat concentrate processing plants were also being built to handle the burgeoning demand for oat-based beverages. Concerns remained, however, that oat supplies would not be able to keep up with domestic oat mill use and raw oat exports, despite increasing production.

“I suggest you get the coverage you need now, and don’t expect farms to sell large loads,” Strychar cautioned the session attendees.

OILSEEDS COMPLEX

➤ Food versus fuel, EU questions canola

10 June 2022 Sean Pratt - Nick Goddard, executive officer of the Australian Oilseeds Federation (AOF) said he is forecasting that European biodiesel demand for canola is going to drop off over the next three to eight years as Europeans increasingly embrace electric vehicles.

The food versus fuel debate is resurfacing in Europe and that is not good news for Australian and Canadian canola growers.

"It's pretty obvious over time food will win," Nick Goddard, executive officer of the Australian Oilseeds Federation (AOF) said in a pre-recorded presentation for the International Grains Council's Grains Conference 2022.

He is forecasting that European biodiesel demand for canola is going to drop off over the next three to eight years as Europeans increasingly embrace electric vehicles. Heavy equipment manufacturers like Volvo and Mercedes are making statements that they too are shifting to electric vehicles. Their machines are big users of biodiesel.

"We acknowledge that the goose that's laying the golden egg, essentially Europe, will end," said Goddard. Europe accounts for 80% of Australia's canola exports, which means Australia is in "quite a vulnerable situation," he said.

The European Union is also a large market for Canadian canola, accounting for 11% of 2021 sales and 21% of the 2020 export program. Most of that imported canola is used to make biodiesel.

The good news is there will be some opportunities for biofuel in the maritime and aviation sectors, but those sectors are such massive consumers of fuel that they won't likely be relying on vegetable oil as a feedstock, he said.

Australia used to produce about three mmts of canola per year but in the last couple of years the range has been a record four to six mmts thanks to consecutive La Nina events.

"It's very much through more good luck than good management," said Goddard. It appears that luck will continue in 2022 with a third consecutive La Nina event. AOF is forecasting about five mmts of production. Australia's good fortune couldn't come at a better time. "We've really acted as the backup generator in a way, to be able to support and supplement global supply at a time when there has been some pretty severe shortages," he said. Canola production is confined to the extreme southwest and southeast corners of the country. "We really are not able to expand beyond these regions," said Goddard. "This is pretty much what it is."

If anything, seeded area of the oilseed will contract due to climate change. Growers are experimenting with alternative oilseeds such as carinata. Breeders are also attempting to bump up the oil content of lupins. Breeders are also trying to increase the oil content in the biomass of big-leaf plants like tobacco.

"Australia is the largest producer of lupins in the world," he said. "Most of it goes down the throats of animals but through technology we might be able to produce this as an oilseed."

Goddard said the long-term outlook for canola is encouraging due to population growth. The world will have an extra two billion people by 2050 and 30% of their calories come from fats and oils. That means people will be consuming an extra 58 mmts of fats and oils per year. If half of that is vegetable oil that's an incremental 29 mmts of demand per year by 2050.

"The bottom line is the future is bright but watch out for that mounting food versus fuel debate," he said.

➤ China June soybean imports to decline, Brazilian arrivals slump

16 June 2022 Refinitiv Commodities Research - China soybean imports from Brazil have slumped from last year's high levels. Refinitiv trade flow tracked 7.0 and 5.7 mmts of Brazilian soybean arrivals in May and June, compared to 9.3 and 10.5 mmts for last May and June, respectively. The slashed Brazilian soybean imports are attributed to reduced supplies in Brazil and low crushing margin and suppressed demand in China.

Soybean imports from the U.S. remain strong relative to the same period of the past seasons. Refinitiv trade flows indicate that 1.0 mmts of U.S. soybeans will arrive in China in June, the highest imports for the month over the past five years. Total June soybean imports in China are projected at 6.7 mmts, a 37% year-on-year decrease. Accumulated imports during the first half of the year are projected at 41.48 mmts, down 11% from a year ago, due to expected weak imports in June. July imports will remain weak relative to previous years. So far 6.7 mmts of soybeans were tracked to arrive in China in July, including 0.3 mmts from the U.S. and 5.9 mmts from Brazil.

In China, hog prices and [hog margins](#) have increased slightly from April's low levels. As a result, imported soybean crushing margins have increased recently, but are still relatively low thanks to high soybean import prices. Current high soybean prices and low crushing margin curb China soybean imports. In addition, increased domestic soybean sown area and expected production gain this season indicate China may import less soybeans.

➤ China's soybean crushing continues slide on weak margins

16 June 2022 - Chinese soybean crush volumes fell marginally last week to 1.63 mmts as unfavorable margins continued to weigh on production, data from the National Grain and Oil Information Centre (CNGOIC) showed Thursday.

The level fell short of market expectations, which were pegged at 1.7 mmts, marking the third week in a row where crush volumes have underperformed.

Crush volumes came in 10,000 mt less compared to the previous week and 70,000 mt lower than the same period of last year.

The decline came as unfavorable margins discouraged higher crush utilization at plants, though CNGOIC expects a reversal with soybean supply continuing to rise.

“Soybean arrivals in June have gradually fallen but are still at relatively high levels, and with the continued release of imported soybean from government reserve auctions, soybean supply will be ample and support crushing. Soybean crush is expected to rise to around 1.8 mmts,” CNGOIC said.

Correspondingly, soybean stocks rose last week to 6.14 mmts, up 680,000 mt from the previous week but 90,000 mt less from a year ago.

Soymeal stocks, on the other hand, fell for the first time in eight weeks by 20,000 mt to 900,000 mt as lower crushing led to reduced soymeal output amid relatively steadier procurement from downstream consumers.

However, as overall soymeal demand remains sluggish and coupled with an expected increase in soybean crush volumes, soymeal stocks are expected to increase going forward.

Lastly, soyoil output last week was also reduced marginally with the lower crush volumes, resulting in lower soyoil stocks of 920,000 mt – 10,000 mt less than the previous week but 130,000 mt higher compared to the same period last year.

Similar to soymeal, CNGOIC expects soyoil stocks to increase going forward, following a higher crush volume with ample soybean supply.

➤ **China's sow herd at end-May up on month for the first time in a year**

16 June 2022 Reuters - China's sow herd at the end of May was larger than in April, its first month-on-month increase in a year, an agriculture ministry analyst said on Thursday. The sow herd rose 0.4% month-on-month to 41.92 million, but was 4.7% lower than a year ago, according to Wang Zuli, an analyst with the Ministry of Agriculture and Rural Affairs.

The herd had been contracting in the past year, as falling hog margins pushed some farmers to exit the market. Rising pig prices lately, however, have boosted production.

China's sow herd at end-May was up 1.86% from the previous month, according to data from Mysteel, a China-based consultancy.

The last pig cycle ended in March when prices hit bottom, and hog prices were expected to rise further, Wang said.

➤ **China sells 91 kmts in the 14th soybean auction this year**

17 June 2022 - Chinese authorities have sold 91,200 mt of imported soybeans from central reserves in the 13th auction held by the National Grain Trade Centre (NGTC) this year, local media has reported Friday.

The volume sold in the auction represented 18% of the 500,000 mt offered, nearly eight percentage points higher than at the previous auction.

The average price paid was CNY5,574/mt (\$832/mt) [\$22.65/bushel], down from CNY5,762 recorded in the previous auction on June 10.

The highest price was reported at CNY5,700/mt (\$850/mt) and the lowest at CNY5,480/mt (\$818/mt).

China has auctioned off 2.4 mmts of soybeans out of a total of 6.3 mmts offered so far this year, with an average clearance rate of 38%.

➤ **EU 2021/22 soybean imports at 13.94 mmts, rapeseed 5.19 mmts**

15 June 2022 Reuters - European Union soybean imports in the 2021/22 season that started last July had reached 13.94 mmts by June 12th, compared with 14.58 mmts by the same week in 2020/21, data published by the European Commission on Wednesday showed.

EU rapeseed imports so far in 2021/22 had reached 5.19 mmts, compared with 6.10 mmts a year earlier.

Soymeal imports so far in 2021/22 were at 15.62 mmts against 16.42 million a year ago, while palm oil imports stood at 4.70 mmts versus 5.12 million.

EU sunflower oil imports, most of which usually come from Ukraine, were at 1.86 mmts, against 1.67 million a year ago, the data showed.

SOYBEANS

➤ **USDA – World Soybean**

Attribute	Oilseed, Soybean World as of June 2022				
	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	135,291	+366(+.27%)	134,925	130,433	128,609
Beginning Stocks (1000 MT)	86,147	+910(+1.07%)	85,237	99,889	94,654
Production (1000 MT)	395,370	+677(+.17%)	394,693	351,994	368,126
MY Imports (1000 MT)	167,115	-	167,115	154,812	165,469
Total Supply (1000 MT)	648,632	+1587(+.25%)	647,045	606,695	628,249
MY Exports (1000 MT)	170,311	+300(+.18%)	170,011	155,898	164,511
Crush (1000 MT)	327,184	+422(+.13%)	326,762	315,368	315,091
Food Use Dom. Cons. (1000 MT)	22,580	+1(+%)	22,579	21,862	21,676
Feed Waste Dom. Cons. (1000 MT)	28,099	+5(+.02%)	28,094	27,420	27,082
Total Dom. Cons. (1000 MT)	377,863	+428(+.11%)	377,435	364,650	363,849
Ending Stocks (1000 MT)	100,458	+859(+.86%)	99,599	86,147	99,889
Total Distribution (1000 MT)	648,632	+1587(+.25%)	647,045	606,695	628,249
Yield (MT/HA)	2.92	(-.34%)	2.93	2.70	2.86

14 June 2022 USDA ERS - World Soybean Supply & Demand

➤ **South American Soybean Crops Growing as Harvest Nears Completion**

14 June 2022 USDA ERS - As soybean harvest nears completion in major South American soybean-producing countries, greater insight can be gleaned regarding

final production estimates. For example, soybean yields in Argentina appear to be higher than previously forecasted. Raised from 2.63 bushels per hectare to 2.71 bushels per hectare, the Argentine 2021/22 soybean production estimate is lifted 1.4 mmts from last month's forecast to 43.4 million. In response, processors are expected to increase their crush volume in the 2021/22 marketing year by 250,000 metric tons to 40.25 million. In turn, Argentina is projected to export the resulting 200,000 metric tons of soybean meal produced and utilize the 45,000 metric tons of soybean oil generated for domestic consumption of industrial goods.

Harvested soybean acreage in Brazil is slightly higher than anticipated. After raising harvested area by 200,000 hectares this month to 41 million, USDA raised Brazil's 2021/22 soybean production estimate by 1 million to 126 mmts. It is expected that Brazil will crush the additional supply of soybeans, totaling 48.5 mmts. Brazil is expected to export the majority of the soybean meal produced from increased crush volumes. Specifically, it is expected that 650,000 metric tons of the additional 775,000 in soybean meal production will be exported. The remainder will be stocked. Of the 192,000 metric ton increase in soybean oil production, Brazil is projected to export 75,000 metric tons. Like soybean meal, the remaining soybean oil will lift ending stocks. In addition, soybean exports have been lagging out of Brazil. As such, the 2021/22 soybean export forecast is lowered by 500,000 metric tons to 82.25 million, which will, in turn, replenish ending stocks.

➤ **Mato Grosso Soybean Acreage to Increase 2.9% in 2022/23**

10 June 2022 Michael Cordonnier, Soybean & Corn Advisor, Inc. - In their second estimate of the 2022/23 soybean crop in Mato Grosso, the Mato Grosso Institute of Agricultural Economics (IMEA) increased the anticipated soybean acreage in the state. IMEA estimates that farmers in the state will plant 11.81 million hectares of soybeans in 2022/23 (29.1 million acres) which is up 2.92% compared to 2021/22.

Mato Grosso is the largest soybean producing state in Brazil and the projected acreage in the state is equal to the combined 2022 soybean acreage of Iowa (10,400,000 acres), Illinois (11,000,000 acres), Indiana (5,900,000 acres) and one-third of Ohio (5,100,000 acres).

Elevated soybean prices are propelling farmers in the state to increase their soybean acreage despite higher production costs. There had been a concern that fertilizer supplies might be inadequate for the 2022/23 crop, but the Brazilian Minister of Agriculture, Marcos Montes, and the CEO of the fertilizer company Mosaic, have assured Brazilian farmers that there will be adequate fertilizer supplies for their 2022/23 Brazilian crops.

Most of the acreage increase will be the result of the conversion of pastures to row crop production especially in northern and northeastern parts of the state. The soybean acreage in northern Mato Grosso is expected to increase 86,700 hectares (214,150 acres) and in northeastern Mato Grosso, it is expected to increase 78,370 hectares (193,500 acres).

Imea is estimating the 2022/23 statewide soybean yield at 58.58 sacks per hectare (52.3 bu/ac), which would be down 1.2% compared to 2021/22. The 2022/23 soybean production in the state is estimated at 41.5 mmts an increase of 1.6%. Farmers in the state will be allowed to start planting their 2022/23 soybeans on September 16th.

➤ **CME CBOT Soybeans Futures**



Source: <http://www.dtnigp.com/index.cfm?show=62>

CME July 2022 Soybean Futures settled on Friday at \$17.02/bu, off 7½ cents on the day, and losing 43½ cents for the week.

Soybean futures closed lower today as crude oil plunged lower taking soybeans and soybean oil with it. Soybean demand is still strong, but lower crude puts a wet blanket on bio-fuel related markets.

July soybeans didn't break any support today and remain relatively range-bound, while November trends slightly higher.

U.S. old crop export sales are already well above the USDA's revised export number of 2.170 mbus by nearly 44 mbus. New crop soybean sales are record large for this point in June at 481 mbus.

Soybean crush margins have fallen significantly from their recent highs but remain near \$1.00/bushel for August, but this may continue to slow down.

N/Q spread was +1 at 79¾ inverse. New crop November settled at \$15.37½/bu, a \$1.64 ½ invers to July, as selling saw a little more activity yesterday, but quieted down today. The Nov/Jan spread was ¼ cent wider at -3¾ carry.

Weekly CoT data showed that soybean spec traders were 163,146 contracts net long as of the 14th of June. That was a 4,218 contract stronger net long w/o/w mostly via

short covering. The commercial soybean traders added hedges, with a 22.1k contract boost to OI and a 1,329 contract stronger net short.

Heat is good for soybeans, but everything will need some timely rains if the extended forecast outlook keeps temperatures above normal. Crop conditions ratings are expected to decline slightly next week, 1-2% off the current 70% which still would be above LY's 60% and 5-yr average of 65%.

Seems like China's soybean crush continues to struggle. CNGOIC reported a 10 kmts decline in the latest week to 1.63 mmmts. That's 16% below the corresponding 2021 figure and puts the year-to-date total nearly 4 mmmts behind last year and more in line with the USDA's latest forecast.

China is reportedly selling another 500,000 mt of soybeans from their reserves and will likely be absent from the export markets.

Weather is forecast to be very hot and mostly dry, with the EU weather model projecting the high-pressure ridge to extend until July 1.

➤ U.S. Export Soy Values – Friday 17th June 2022

Soybeans Gulf barge/rail quotes, in cents per bushel basis CBOT futures:

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

CIF BEANS	6/15/2022	6/16/2022	
JUN	93 / 102	102 / 110	N
FH JUL	-	104 / -	N
JUL	98 / 107	98 / 102	N
JJ	-	0 / -	N
AUG	118 / -	122 / -	Q
SEP	152 / 165	152 / 163	X
OCT	- / 136	-	X
NOV	128 / 130	-	X
DEC	122 / -	120 / 132	F
JAN	120 / -	118 / -	F

BRAZIL FOB BEANS @ PORT PARANAGUA

	6/15/2022	6/16/2022		
JUL	89 / 95	89 / 95	N	UNC
AUG	172 / 180	172 / 180	Q	UNC
SEP	240 / 280	240 / 280	U	UNC
FEB	70 / 90	70 / 90	F	UNC

MAR	40 / 55	40 / 55	H	UNC
APR	35 / 50	35 / 50	K	UNC
MAY	35 / 50	35 / 50	K	UNC

Export Prices – (FOB, US\$/mt)

U.S., FOB Gulf	\$673.00/mt
U.S., FOB PNW	\$702.25/mt
Brazil, FOB	\$669.25/mt
Argentina, FOB Upriver	\$649.00/mt

CIF NOLA values were slightly firmer today, increasing FOB Zone 3 premiums 2 cents to +36.5 for June or 18 cents over DVE. FH July was 15 cents over DVE, while LH was showing 8 over DVE.

Brazil premiums were off 5-7 cents again today, pressured by currency weakness, keeping JJA FOB Brazil at par/slight discount to US before any quality spread.

USDA took 2021/22 U.S. soybean exports up 30 mbus last week to 2.17 bbus, while most private estimates put estimates at 20 – 30+ mbus higher. China had been expected to account for 40% or so of beginning of year shipments, but recent loadings have been less than 2 mbus/wk. With covid on the upswing in China, the USDA's number is looking more likely.

➤ USDA – U.S. Soybeans

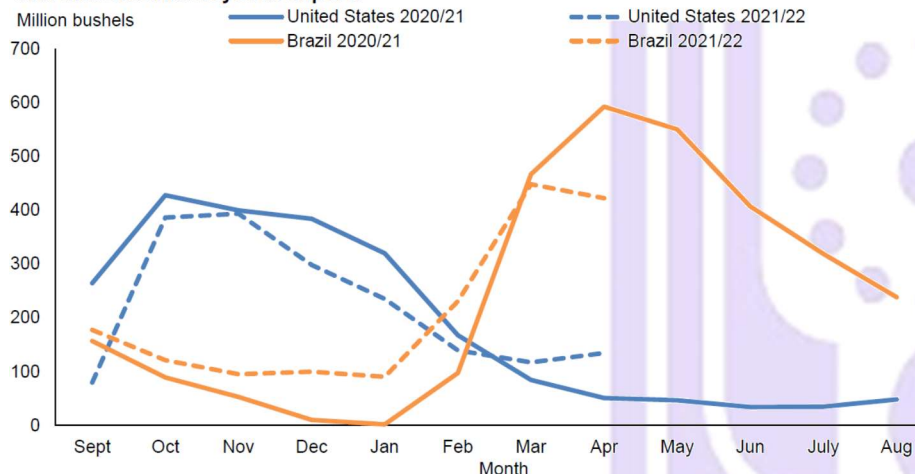
Oilseed, Soybean United States as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	36,462	-	36,462	34,937	33,428
Beginning Stocks (1000 MT)	5,577	-817(-12.78%)	6,394	6,994	14,276
Production (1000 MT)	126,280	-	126,280	120,707	114,749
MY Imports (1000 MT)	408	-	408	408	540
Total Supply (1000 MT)	132,265	-817(-.61%)	133,082	128,109	129,565
MY Exports (1000 MT)	59,874	-	59,874	59,058	61,522
Crush (1000 MT)	61,371	-	61,371	60,282	58,257
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,412	-	3,412	3,192	2,792
Total Dom. Cons. (1000 MT)	64,783	-	64,783	63,474	61,049
Ending Stocks (1000 MT)	7,608	-817(-9.7%)	8,425	5,577	6,994
Total Distribution (1000 MT)	132,265	-817(-.61%)	133,082	128,109	129,565
Yield (MT/HA)	3.46	-	3.46	3.45	3.43

14 June 2022 USDA ERS - Strong Demand for U.S. Soybeans Persists

Major South American soybean-producing countries typically capture a large portion of the soybean export market during the second half of the October–September marketing year. However, U.S. exports in April proved to be exceptionally strong. This looks to continue during the summer as outstanding sales of U.S. soybeans to

countries typically purchasing larger quantities from Brazil at this time of the year are high. These factors contribute to a brighter outlook for 2021/22 U.S. soybean exports. Anticipations of a tighter soybean supply in 2022/23, relative to last month's forecast, stem from increased foreign demand for old-crop U.S. soybeans.

U.S. and Brazilian soybean exports



Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Global Agricultural Trade System*; and *Trade Data Monitor*.

Demand for Old-Crop U.S. Soybeans Trims Ending Stocks

In April, a slight dip in the daily soybean crush rate was observed. Nevertheless, soybean crush margins remain strong as processors crushed nearly 181 million bushels. Although central Illinois soybean meal prices have fallen over the past 2 months, settling at \$441 per short ton in May, soybean oil prices continue to reach new highs as the Decatur, Illinois, price rose to over 87 cents per pound. Additionally, biofuel demand continues to provide support for soybean oil use due to high energy prices, leaving the 2021/22 estimate unchanged from last month at 10.7 billion pounds. A continuation of strong crush margins contributes to a bright outlook for domestic crushing in 2021/22.

Soybean exports came in exceptionally strong for the month of April at over 134 million bushels. This trend looks to continue into the latter half of the 2021/22 marketing year as outstanding sales of U.S. soybeans to Algeria, Egypt, Pakistan, and Bangladesh sit at particularly high levels for this time of the year. For reference, outstanding sales of 2021/22 soybeans to Bangladesh were double the outstanding sales this time last year for 2020/21 soybeans at 110,000 metric tons. Moreover, outstanding sales for 2020/21 soybeans totaled 0 for all other countries mentioned last year and 730,000 metric tons as of June 2, 2022. While sales to China, Mexico, and unknown accounts sit well above last year's levels, the diversity of buyers of U.S. soybeans holds the promise of stronger exports during the remainder of the marketing year. Outstanding sales as of June 2 sit almost 160% above last year's

level at this time. These factors have contributed to a higher 2021/22 U.S. soybean export forecast which is raised 30 million bushels this month to 2.17 billion.

Soybean exports look to remain strong in 2022/23 as outstanding sales for new-crop soybeans were 5.14 mmmts higher on June 2 than this same time last year at 12.7 mmmts. Many of the countries mentioned above are driving this difference; however, the increase in outstanding sales to China for the new crop year account for most of this increase. Specifically, outstanding sales to China for 2022/23 were nearly 145% higher at the beginning of June 2022 than the same period last year at 7.57 mmmts. New crop sales to Algeria and Egypt combined for a total of 312,000 by June 2, 2022, compared with zero last year.

US soybean inspections above expectations at 605 kmt

June 13, 2022 - US soybean export inspections jumped significantly on the week to land above market expectations in the week to June 6, USDA data showed on Monday.

Weekly volumes were reported at 605,129 mts, 66% higher week-on-week and overcame market analysts' expectations that ranged from 350,000 to 550,000 mts.

Mexico was the main destination with 165,395 mt of beans weighted over the week, while other relevant destinations were Japan (90,358 mts), China (70,535 mts), Germany (68,528 mts), Bangladesh (57,724 mts), Indonesia (56,233 mts) and Egypt (52,261 mts).

Most volumes were handled at Gulf ports (439,270 mts), followed by interior railway and road links (102,179 mts) and Atlantic ports (63,680 mts).

Weekly figures pushed total volumes inspected since the start of the 2021/22 marketing year up to 50.5 mmmts, down 12% year on year.

Brazil's soybean exports for June 72% lower year-on-year

16 June 2022 - Brazil exported 3.1 mmmts of soybeans in the first two weeks of June, which is 72% below the same time period in 2021, official customs data showed Wednesday.

The figure equates to a shipping average rate of 383,092 mt of beans per working day in June, which is 27% lower year-on-year.

According to line-up data from shipping company Cargonave, the country is expected to ship 10.8 mmmts of beans in June, which if realized, would be 300,000 mt less than the 11.1 mmmts shipped in June 2021.

Soymeal/Soyoil

The country has shipped 870,876 mt of soymeal since the beginning of June, at a daily shipping rate that is 30% higher on the year.

During the first two weeks of June Brazil has exported 161,037 mt of vegetable oils, a product group mainly composed of soyoil.

This represents a daily export rate of 20,129 mt of soyoil per working day, much higher than June 2021's rate of 8,690 mt per day.

Cargovave expects the country to ship 2.2 mmts of soymeal in June with no estimates provided for soyoil.

CANOLA / RAPESEED

➤ USDA – World Rapeseed

Oilseed, Rapeseed World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	39,133	+400(+1.03%)	38,733	37,632	34,856
Beginning Stocks (1000 MT)	4,310	+45(+1.06%)	4,265	6,023	7,865
Production (1000 MT)	80,795	+475(+.59%)	80,320	71,382	73,593
MY Imports (1000 MT)	16,325	+400(+2.51%)	15,925	13,568	16,661
Total Supply (1000 MT)	101,430	+920(+.92%)	100,510	90,973	98,119
MY Exports (1000 MT)	16,985	+400(+2.41%)	16,585	13,540	17,989
Crush (1000 MT)	75,153	+6(+.01%)	75,147	70,321	71,447
Food Use Dom. Cons. (1000 MT)	650	-	650	650	650
Feed Waste Dom. Cons. (1000 MT)	2,620	+56(+2.18%)	2,564	2,152	2,010
Total Dom. Cons. (1000 MT)	78,423	+62(+.08%)	78,361	73,123	74,107
Ending Stocks (1000 MT)	6,022	+458(+8.23%)	5,564	4,310	6,023
Total Distribution (1000 MT)	101,430	+920(+.92%)	100,510	90,973	98,119
Yield (MT/HA)	2.06	(-.48%)	2.07	1.90	2.11

14 June 2022 USDA ERS - World Rapeseed Supply & Demand

➤ Global Rapeseed Production To Recover in 2022/23

14 June 2022 USDA ERS - The 2021/22 global rapeseed production is projected at 71.38 mmts, up 203,000 metric tons from last month on higher production for India. The India rapeseed production is projected at 11 mmts, up by 200,000 metric tons from last month as harvest nears completion and reported yields are higher than previously expected. Global rapeseed production is also raised for 2022/23 as higher production in Australia is only partly offset with a lower EU estimate. Australian rapeseed production is revised this month, up 700,000 metric tons to 5.4 mmts, as the planted acreage continues to expand in response to high prices. In contrast, European Union rapeseed production has been revised down this month by 250,000 metric tons to 18.25 mmts on lower yields. The rapeseed yields are lowered this month from 3.19 metric tons per hectare to 3.15 metric tons per hectare due to unfavorable weather in May, particularly for France.

Despite a slight downward revision in rapeseed production, the European rapeseed crush is kept unchanged at 22.5 mmts due to higher rapeseed imports. The European Union is expected to import 5.6 mmts of rapeseed in 2022/23, which is 0.6 mmts up from last year. Ending stocks in the European Union are projected at 691,000 metric tons, slightly recovering from the record low level of 366,000 metric tons in 2021/22.

➤ ICE Canadian Canola Futures – Daily Nearby



ICE Nov 2022 Canola Futures settled on Friday at C\$1,000.30/mt, down C\$22.80 on the day, and losing C\$43.90 for the week.

Old crop July contract settled at C\$1,050.00 on the day.

The ICE Futures canola market was weaker Friday morning, hitting fresh two-month lows as investors continued to bail out of long positions. Losses in Chicago soybean oil and Malaysian palm oil contributed to the declines in canola, although European rapeseed was stronger.

Recent rains in the western Canadian Prairies helped ease dryness concerns in the region. However, there is still enough uncertainty over new crop production to keep the market well supported, especially given the tight old crop situation.

The Canadian dollar was weaker in early trade, dipping below 77 U.S. cents.

➤ Strong Trade Flows Impact Canola and Sunflowerseed

As we approach the tail end of the 2021/22 canola marketing year, U.S. imports of canola seed were boosted by 178 million pounds in April. Nearly 88.5 million pounds of this month's imports came from Australia as they continue to produce large crops in contrast to other major producers. The United States is expected to import a healthy volume of canola in the last month of the marketing year. Combined with strong April imports, this lifts the 2021/22 import forecast by 115 million pounds to 1.01 billion.

The increased supply of canola is expected to provide processors with enough canola to increase contributions for burgeoning vegetable oil demand. Raised 50

million pounds from last month, the 2021/22 canola crush estimate now sits at 3.7 billion pounds and will provide an additional 20 million pounds of canola oil. This brings the total supply of canola oil to an estimated 5.97 billion pounds for the 2021/22 marketing year (October–September).

To combat tight vegetable oil supplies, the United States continues to import high volumes of sunflower oil. Through April 2022, the United States has imported 131 million more pounds of sunflower oil this marketing year relative to April 2021. As Ukrainian sunflower oil production continues to be hindered by the ongoing conflict, the United States is seen purchasing higher volumes of sunflower oil from the European Union, particularly France. As such, the 2021/22 U.S. sunflower oil import estimate is raised by 100 million pounds to 400 million, which lifts the total supply to 874 million pounds. Increased supply of sunflower oil lifts domestic consumption to 724 million, which offsets the reduction in domestic soybean oil consumption resulting from lower imports and higher exports.

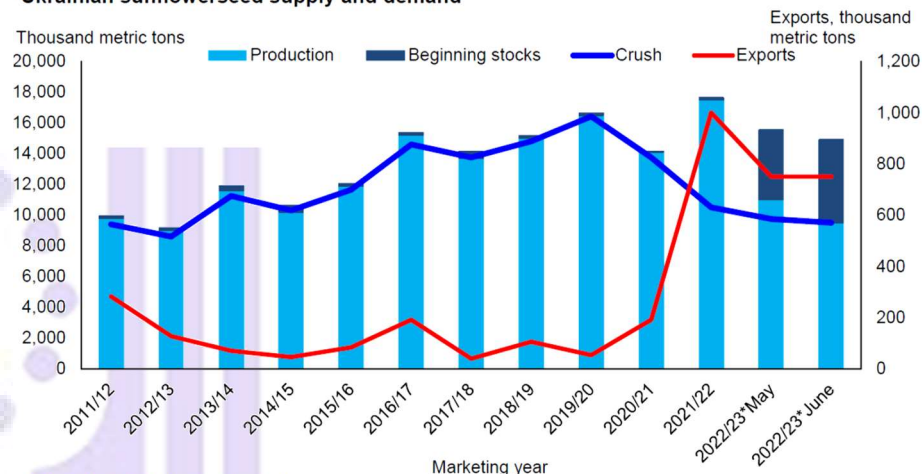
SUNFLOWERS

➤ USDA – World Sunflowerseed

Oilseed, Sunflowerseed World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	25,817	-700(-2.64%)	26,517	28,847	26,942
Beginning Stocks (1000 MT)	8,411	+803(+10.55%)	7,608	2,563	2,916
Production (1000 MT)	49,222	-1500(-2.96%)	50,722	57,379	49,249
MY Imports (1000 MT)	3,313	-	3,313	2,812	2,734
Total Supply (1000 MT)	60,946	-697(-1.13%)	61,643	62,754	54,899
MY Exports (1000 MT)	3,626	-100(-2.68%)	3,726	3,242	2,911
Crush (1000 MT)	45,344	-200(-.44%)	45,544	46,490	45,133
Food Use Dom. Cons. (1000 MT)	2,096	-	2,096	2,034	2,083
Feed Waste Dom. Cons. (1000 MT)	2,489	+1(+.04%)	2,488	2,577	2,209
Total Dom. Cons. (1000 MT)	49,929	-199(-.4%)	50,128	51,101	49,425
Ending Stocks (1000 MT)	7,391	-398(-5.11%)	7,789	8,411	2,563
Total Distribution (1000 MT)	60,946	-697(-1.13%)	61,643	62,754	54,899
Yield (MT/HA)	1.91	-	1.91	1.99	1.83

14 June 2022 USDA ERS - World Sunflowerseed Markets Adjust to Ukrainian Dynamics - Continued conflict between Russia and Ukraine has impacted the ability for crushing facilities to process sunflowerseed in Ukraine. As a result, the 2021/22 sunflowerseed crush forecast is reduced 1.5 mmts from last month's forecast to 10.5 million. In response to limitations on crush, Ukraine has adjusted by exporting larger quantities of sunflowerseed than previously expected. Consequently, the 2021/22 Ukrainian sunflowerseed export forecast is raised by 650,000 metric tons to 1 million with the European Union expected to receive much of this increase. If realized, Ukrainian sunflowerseed exports would contribute over 38% to global exports. This has not happened since 2000/01.

Ukrainian sunflowerseed supply and demand



Note: Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, June 2022.

With reduced sunflowerseed crush, export forecasts for sunflower oil and sunflower meal are reduced 250,000 and 150,000, respectively. A lower supply of these byproducts has provided the opportunity for competitors to capture a larger share of the export market, particularly for sunflowerseed oil.

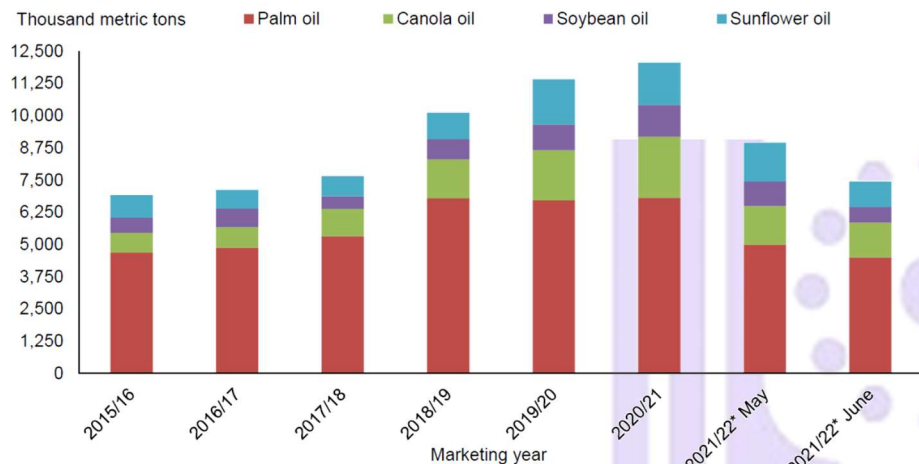
Coinciding with a 400,000 metric ton increase in sunflowerseed crush, up to 9.9 million, the European Union is expected to export an additional 125,000 metric tons of sunflowerseed meal and 75,000 metric tons of oil. This raises the 2021/22 export forecasts for these products to 800,000 and 750,000 metric tons, respectively. In response to a projected 6-percent jump in sunflowerseed crush to 3.4 mmts, Argentine sunflower oil exports are forecast to increase by 85,000 metric tons from last month's estimate to 835,000 metric tons and by 95,000 metric tons to 910,000 metric tons for sunflowerseed meal. Turkey might be the greatest benefactor in the sunflowerseed oil export market as its exports are anticipated to grow by 100,000 metric tons to 725,000. In total, global sunflowerseed exports are seen slightly higher this month at 10.22 mmts despite a large reduction in imports from China.

VEGETABLE OILS

➤ Lower Domestic Demand in China Impacts Vegetable Oil Markets

14 June 2022 USDA ERS - Domestic demand for vegetable oil is waning in China as it adheres to lockdown protocols, resulting in lower import volumes. Although import volumes are expected to rebound in the new marketing year, 2021/22 vegetable oil import forecasts are reduced for a combined total of 1.5 mmts.

Major vegetable oils imported by China



Note: Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, June 2022.

With soybean crush unchanged this month, the 2021/22 soybean oil import forecast is reduced by 350,000 metric tons to 600,000 metric tons; canola oil imports are lowered by 150,000 metric tons to 1.35 mmts, and sunflowerseed oil imports are lowered this month by 500,000 metric tons to 1 mmts as Ukraine exports move lower. Additionally, China is expected to import 4.5 mmts of palm oil, 500,000 fewer than was forecasted last month. These factors have resulted in the tightening of China's 2021/22 vegetable oil stocks.

Argentina says biofuel blend hike could boost soy crushing

16 June 2022 Maximilian Heath, Reuters - Argentina's chamber of grains processors and exporters CIARA-CEC said on Thursday that an increase of the amount of biofuel in diesel would boost the soy crushing sector, though it called for the temporary measure to address fuel shortages to be made permanent.

The South American country is the world's top exporter of processed soy and a major player in biofuels, which are made using oils from processed grains, including soy.

The government announced on Wednesday that it would raise required biodiesel content in diesel blends in a bid to deal with a prolonged shortage of the motor fuel, especially for the important agricultural sector.

Argentina is experiencing rising global energy and food prices, which have been driven up by Russia's invasion of Ukraine. The annual inflation rate is running above 60%.

Gustavo Idígoras, the head of CIARA-CEC which groups companies in the industry, said that the measure was positive though called for it to be extended beyond a two-month period.

"We believe that it is a good step by the government, but it is a temporary step that we would like to make permanent," he said. "If the government extended this throughout the year, clearly that could increase crushing in Argentina."

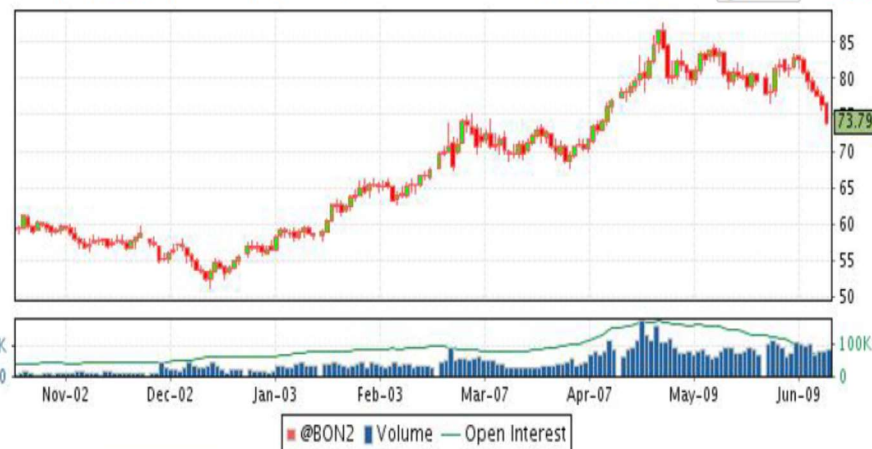
According to a report from CIARA-CEC, 4.1 mmts of soybeans were processed in in April and May in Argentina, some 70% of the installed capacity of the sector, though slightly below 73% a year ago and 83% in 2017. April and May are the peak months for activity.

Argentine farmers have almost finished the soybean harvest for the 2021/22 cycle, with a production of 43.3 mmts.

CME Soybean Oil

Last: 73.79 | Chg: -2.55 | Open: 76.68s | High: 76.68 | Low: 73.69

Current Month: @BON2 next



Source: <http://www.dtnigp.com/index.cfm?show=62>

CME July 2022 Soybean Oil Futures settled on Friday at \$73.79/cwt, off 255 cents on the day, and losing \$7.02 for the week. Soybean oil took the brunt of the sell-off as bio-fuel related products are sensitive to moves in oil.

Weekly CoT data showed that soybean oil specs weakened their net long by 5,827 contracts through the week to 62,996.

Even though this week's May NOPA crush report was below expectations by as much as 500 kbu according to one survey, it still suggested fairly strong domestic soybean meal use. Some analysts are suggesting as much as a 10% y/o/y increase. Regardless, YTD growth is twice the USDA forecast.

NOPA May U.S. soybean crush seen at 171.552 mbus, record for May

13 June 2022 Karl Plume, Reuters - The U.S. soybean crush in May was estimated to be nearly 5% higher than the same month a year ago, although the average daily

processing pace likely declined for a third straight month, analysts said ahead of a monthly National Oilseed Processors Association (NOPA) report due on Wednesday.

NOPA members, which handle about 95% of all soybeans processed in the United States, were estimated to have crushed 171.552 mbus of soybeans last month, according to the average of estimates from eight analysts.

If realized, the crush would be up 1.0% from the 169.788 mbus processed by NOPA members in April and up 4.9% from the May 2021 crush of 163.521 mbus. It would also be the largest May crush on record, eclipsing the previous record of 169.584 mbus posted in 2020.

However, the estimated average crush rate of 5.534 mbus a day would represent a third monthly decline in the daily processing pace and the lowest average rate since September.

Estimates for the May 2022 crush ranged from 165.400 million to 175.000 mbus, with a median of 172.000 mbus.

The monthly NOPA report is scheduled for release at 11 a.m. CDT (1600 GMT) on Wednesday. NOPA releases crush data on the 15th of each month, or the next business day.

Soyoil supplies as of May 31st were estimated to have fallen to an eight-month low of 1.765 billion pounds, according to the average of estimates gathered from five analysts.

If realized, the soyoil stocks would be down 2.7% from 1.814 billion pounds at the end of April but up 5.6% from the end of May 2021, when oil stocks stood at 1.671 billion pounds.

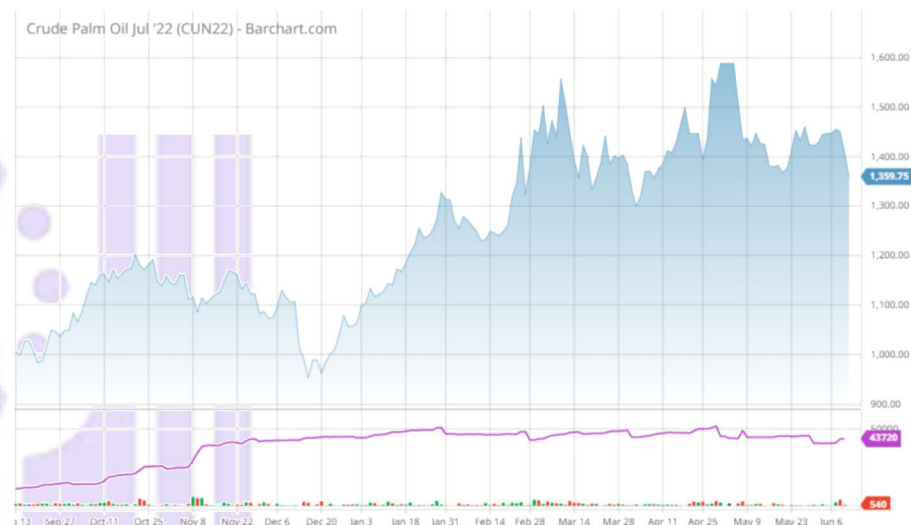
Soyoil stocks estimates ranged from 1.738 billion to 1.787 billion pounds, with a median of 1.775 billion pounds.

➤ USDA – World Palm Oil

Oil, Palm World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	25,537	+4(+.02%)	25,533	25,203	24,561
Beginning Stocks (1000 MT)	15,461	+188(+1.23%)	15,273	14,293	15,365
Production (1000 MT)	79,141	+14(+.02%)	79,127	76,960	73,138
MY Imports (1000 MT)	50,012	+80(+.16%)	49,932	45,017	47,495
Total Supply (1000 MT)	144,614	+282(+.2%)	144,332	136,270	135,998
MY Exports (1000 MT)	51,331	-	51,331	46,376	48,187
Industrial Dom. Cons. (1000 MT)	24,398	+154(+.64%)	24,244	22,772	23,628
Food Use Dom. Cons. (1000 MT)	51,140	-260(-.51%)	51,400	49,534	49,191
Feed Waste Dom. Cons. (1000 MT)	832	-	832	2,127	699
Total Dom. Cons. (1000 MT)	76,370	-106(-.14%)	76,476	74,433	73,518
Ending Stocks (1000 MT)	16,913	+388(+2.35%)	16,525	15,461	14,293
Total Distribution (1000 MT)	144,614	+282(+.2%)	144,332	136,270	135,998
Yield (MT/HA)	3.10	-	3.10	3.05	2.98

14 June 2022 USDA ERS - World Palm Oil Supply & Demand

➤ CME Palm Oil Swaps



CME July 2022 Palm Oil Swaps settling at \$1,240.50 1,359.75/mt on Friday, up \$8.75 on the day, but losing \$119.25 for the week.

➤ Palm oil posts weekly decline of nearly 8% as Indonesia boosts exports

17 June 2022 Fransiska Nangoy, Reuters - Malaysian palm oil futures posted a second consecutive weekly loss of about 8% on Friday, weighed by rising Indonesian exports and an expectation of improving output.

The benchmark palm oil contract for September delivery on the Bursa Malaysia Derivatives Exchange closed 0.31% lower at 5,456 ringgit (\$1,240.00) a tonne. It has fallen as much as 2.26% during the session and hit its lowest since Feb. 16.

For the week, palm has posted a 7.8% loss, after last week's 8.3% decline.

"Concern of slow exports coupled with rising shipment from Indonesia (impacted palm prices)," a trader in Kuala Lumpur said, adding that the worry of a sharp increase in June production also weighed on sentiment.

The world's top palm oil exporter Indonesia has issued permits for shipment of more than 820,000 tonnes of the edible oil under its Domestic Market Obligation scheme and its export acceleration programme as of late Wednesday, a trade ministry official said.

Meanwhile, cargo surveyors this week reported a monthly decline in Malaysian palm oil products exports in the first half of June.

Elsewhere, Dalian's most-active soyoil contract fell 1.32%, while its palm oil contract fell 1.85%. Soyoil prices on the Chicago Board of Trade slipped 0.16%.

Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.

Palm oil may hover above a support at 5,394 ringgit per tonne, or bounce into a range of 5,571-5,702 ringgit, Reuters technical analyst Wang Tao said.

➤ **India's palm oil imports in May drop 10% m-o-m, soft oils rise**

14 June 2022 - India's palm oil imports for the month of May fell by 10% on the month and 32.2% year on year, as supplies from major provider Indonesia were curtailed due to its palm oil export ban and high prices restrained demand, the Solvent Extractors Association of India (SEA) said in a release on Tuesday.

The world's largest edible oil importer took in 514,022 mt of palm oil – consisting of refined bleached deodorized (RBD) palm olein, crude palm oil (CPO) and crude palm kernel oil (CPKO) – in May.

Palm oil imports from Indonesia in May fell by 35% against April to 111,639 mt, while imports from Malaysia also fell by 23.9% to 238,894 mt.

Cumulatively, palm oil imports in the first seven months of the current marketing year – which started in November 2021 – came to 3.74 mmts, 18% less than the same period last year.

On the other hand, soyoil imports for May rose firmly by 36.6% on the month and 39.3% against last year to 373,043 mt, while sunoil imports more than doubled from April to 118,482 mt but fell 32.6% compared to a year ago.

The monthly increase in both soyoil and sunoil imports was partially attributed to the Indian government's removal of the 5.5% duty on 2 mmts of crude soyoil and sunoil imports for a period of two years with effect from May 25.

No changes were made to the 5.5% duty on crude palm oil, making soyoil imports in particular more attractive on an import duty basis.

"The price structure in the world market and import duty advantage will facilitate larger soya oil import in near terms," SEA noted.

At the same time, sunoil imports from South America also rose in May with shipments from Argentina and Brazil rising by 70.5% on the month to 65,510 mt.

Sunoil imports from Russia also rose to 41,000 mt from 16,000 mt in April, as more shipments took place amid the ongoing conflict in the Black Sea region.

Total soft oil imports for the current marketing year come to 3.81 mmts, with soyoil at 2.58 mmts and sunoil at 1.23 mmts, 56.9% higher and 3.79% less against a year ago respectively.

Overall, India's edible oil imports in May rose by 11.7% on the month but fell 17.1% against the same period last year to 1.05 mmts.

On a marketing year basis, total edible oil imports in the current marketing year have reached 7.55 mmts, 0.87% more against last year.

Looking ahead SEA expects palm oil exports from Indonesia to increase following the lifting of the export ban on May 23, combined with adjustments to the country's export tax and levy from \$575/mt to \$488/mt.

"This will increase export(s) from Indonesia, which will have dampening effect on price in the world market," SEA said.

Crude palm oil prices in May were at \$1,811/mt CIF India, up 1.12% on the month, while soyoil and sunoil were at \$1,889/mt and \$2,134/mt respectively, according to SEA.

Edible oil stock levels were at 2.25 mmts as of June 1, up 0.58% on the month and 14.7% year-on-year.

PLANT PROTEIN MEALS

➤ **USDA – World Soybean Meal**

Meal, Soybean World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Crush (1000 MT)	327,184	+422(+.13%)	326,762	315,368	315,091
Extr. Rate, 999.9999 (PERCENT)	0.79	-	0.79	0.78	0.79
Beginning Stocks (1000 MT)	13,572	+355(+2.69%)	13,217	14,510	15,266
Production (1000 MT)	256,852	+330(+.13%)	256,522	247,375	247,559
MY Imports (1000 MT)	65,197	+100(+.15%)	65,097	63,955	63,895
Total Supply (1000 MT)	335,621	+785(+.23%)	334,836	325,840	326,720
MY Exports (1000 MT)	70,045	+251(+.36%)	69,794	68,799	68,687
Industrial Dom. Cons. (1000 MT)	1,407	-	1,407	1,332	1,367
Food Use Dom. Cons. (1000 MT)	797	-	797	806	741
Feed Waste Dom. Cons. (1000 MT)	249,226	+279(+.11%)	248,947	241,331	241,415
Total Dom. Cons. (1000 MT)	251,430	+279(+.11%)	251,151	243,469	243,523
Ending Stocks (1000 MT)	14,146	+255(+1.84%)	13,891	13,572	14,510
Total Distribution (1000 MT)	335,621	+785(+.23%)	334,836	325,840	326,720
SME (1000 MT)	249,226	+279(+.11%)	248,947	241,331	241,415

14 June 2022 USDA ERS - World Soybean Meal Supply & Demand

➤ **India's May oilmeal exports up by 12% y-o-y, jump in rapeseed meal**

16 June 2022 - India's oil meal exports in May were higher by 12% against the same period last year and 11% higher than a month earlier, data from the Solvent Extractors Association of India (SEA) showed Thursday.

In May, India exported 255,453 mts of oil meal, with rapeseed meal exports comparing to 169,148 mts and soymeal exports to 18,634 mts.

Rapeseed meal exports saw a 45% jump from a year earlier, according to SEA data.

"[For rapeseed meal] India is likely to be the competitive supplier to South Korea, Vietnam, Thailand and other Far East Countries," SEA said.

Exports of Indian soymeal remain low as "India remains priced out in the international market," SEA remarked.

Indian soymeal was quoted at \$720/mt FOB Kandla, compared with \$532/mt and \$525/mt CIF Rotterdam for Argentinian and Brazilian soymeal respectively.

The average export price of Indian soymeal in May was \$720/mt ex-India, 14% lower than a year ago and 15% lower against March.

South Korea retained its position as the largest importer of Indian oil meals, with April-May imports coming to 216,793 mts, 21% more against the same time last year.

JUL	35 / 37	35 / -	N
AUG	42 / 50	45 / 62	Q
SEP	49 / 60	48 / 65	U

Export Prices – (FOB, US\$/mt)

U.S., FOB Gulf	\$501.75/mt
Brazil, FOB Paranagua	\$468.00/mt
Argentina, FOB Upriver	\$475.50/mt

➤ **CME CBOT Soybean Meal**



Source: <http://www.dtnigp.com/index.cfm?show=62>

CME July 2022 Soybean Meal Futures, settled on Friday at \$438.10/short ton, up \$8.40/short ton on the day, and gaining \$9.00/ton for the week.

Strong domestic meal use and export meal as of late running 23% above the 5-year average could be the reason to keep crush estimates on the higher end.

Soybean meal has had its third consecutive higher close as meal-oil spreading has continued in favor of meal. Soybean meal cumulative export sales commitments are said to be the second-largest on record.

Weekly CoT data showed that soybean meal managed money funds were closing longs for a 712 contract weaker net long of 52,457 contracts.

➤ **U.S. Export Soybean Meal Values – Friday 17th June 2022**

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

USDA, CIF New Orleans, LA

CIF SOYBEAN MEAL	6/15/2022	6/16/2022		
JUN	35 / -	35 / -	N	UNC

COTTON

➤ **USDA – World Cotton**

Cotton World as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	33,531	+600(+1.82%)	32,931	32,274	31,420
Beginning Stocks (1000 480 lb. Bales)	82,945	-702(-.84%)	83,647	88,074	97,646
Production (1000 480 lb. Bales)	121,265	+205(+.17%)	121,060	116,942	111,481
Imports (1000 480 lb. Bales)	47,485	-75(-.16%)	47,560	44,640	49,078
Total Supply (1000 480 lb. Bales)	251,695	-572(-.23%)	252,267	249,656	258,205
Exports (1000 480 lb. Bales)	47,480	-75(-.16%)	47,555	45,167	48,514
Use (1000 480 lb. Bales)	121,537	-450(-.37%)	121,987	121,691	121,686
Loss (1000 480 lb. Bales)	-95	-	-95	-147	-69
Total Dom. Cons. (1000 480 lb. Bales)	121,442	-450(-.37%)	121,892	121,544	121,617
Ending Stocks (1000 480 lb. Bales)	82,773	-47(-.06%)	82,820	82,945	88,074
Total Distribution (1000 480 lb. Bales)	251,695	-572(-.23%)	252,267	249,656	258,205
Stock to Use % (PERCENT)	48.97	+(-.25%)	48.85	49.71	51.75
Yield (KG/HA)	787	-13(-1.63%)	800	789	773

14 June 2022 USDA ERS - International Outlook

Increased World Cotton Production Projected for 2022/23

Global cotton production in 2022/23 is forecast at 121.3 mbfs, 4.3 mbfs (3.7%) above the previous year and the largest crop in 5 years (figure 4). Larger production is forecast for most of the major cotton-producing countries in 2022/23, led by India (+3 mbfs), China (+0.5 mbfs), and Brazil (+0.5 mbfs). A smaller crop in the United States, however, is expected to partially offset these increases. Global cotton harvested area in 2022/23 is forecast at 33.5 million hectares (82.9 million acres), approximately 4% above 2021/22 and the largest in 3 years, as higher global cotton prices encouraged area devoted to cotton. The world cotton yield is projected at 787 kilograms (kg) per hectare (702 pounds per acre) in 2022/23, marginally below the previous season.

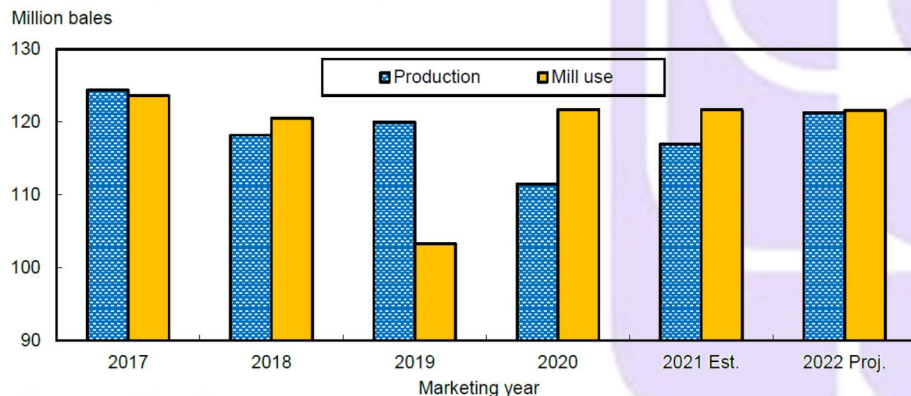
India and China remain the top cotton-producing countries, with each country's production forecast at 27.5 mbfs for 2022/23. For India, a 12-percent rebound is projected from the 2021/22 crop that was limited by both area and yield declines. For 2022/23, India's harvested area is forecast to recover to 13.2 million hectares, with a yield near the 3-year average at 454 kg per hectare. India is expected to account for

approximately 23% of the world's production in 2022/23. Production in China is forecast 2% higher in 2022/23, as area and yield are each marginally higher at 3.15 million hectares and 1,901 kg per hectare, respectively. China—like India—is expected to contribute nearly 23% of global production in 2022/23.

In addition, 2022/23 cotton production is forecast higher for Brazil and Pakistan, while unchanged for Australia. For Brazil, production is projected at 13.2 mbbls for 2022/23, 4% above 2021/22 and second only to 2019/20's record of nearly 13.8 mbbls. The 2022/23 increase is attributable to a higher yield (1,796 kg per hectare), as area is projected to remain unchanged at 1.6 million hectares. Brazil is forecast to contribute 11% of the total world cotton crop in 2022/23. For Pakistan, production is forecast 200,000 bales higher for 2022/23, at 6.2 mbbls. Despite a projected 10% increase in harvested area, a lower yield forecast is expected to keep the crop from expanding further. Pakistan is expected to account for 5% of the global cotton crop in 2022/23. Meanwhile, Australia's 2022/23 cotton production is projected at 5.5 mbbls, equal to 2021/22's estimated crop and matching the record set in 2011/12. A second consecutive season of above-average reservoir levels bodes well for Australia's crop prospects again in 2022/23.

Global Cotton Mill Use Marginally Lower in 2022/23

Global cotton production and mill use



Note: 1 bale = 480 pounds.

Source: USDA, World Agricultural Supply and Demand Estimates reports.

As global economic growth slows and shifts in spending from goods to services reduces consumer demand for clothing, cotton mill use—which generally follows global economic activity—is affected. Global cotton mill use is forecast at 121.5 mbbls in 2022/23, marginally (150,000 bales) below both 2021/22 and 2020/21, but well above the 2019/20 level that was impacted by the onset of the Coronavirus (COVID-19) pandemic (see figure 4).

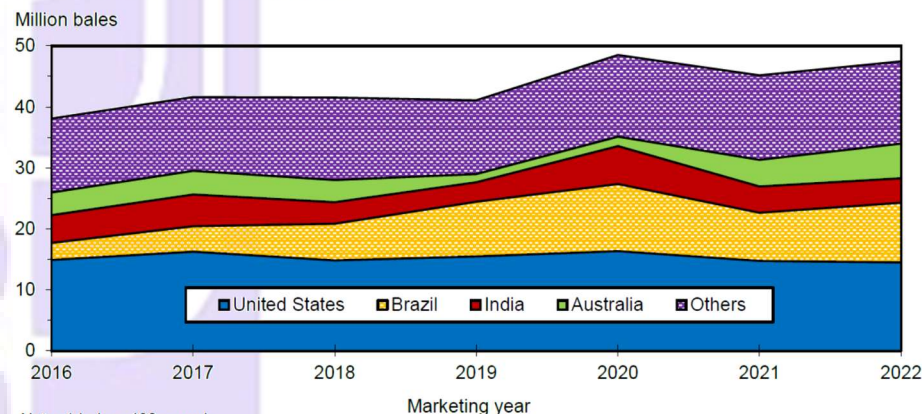
As with total mill use, each major cotton-spinning country is projected to remain near its year-ago level in 2022/23. For China, India, and Turkey, cotton mill use in each country is expected to equal that of 2021/22. Cotton mill use in China is projected at 38 mbbls in 2022/23, similar to the 5-year average. China is expected to account for

31% of 2022/23 world cotton mill use. For India, cotton mill use is forecast at 25.5 mbbls, its second highest level behind 2020/21's 26 mbbls. India is projected to contribute 21% of the global total in 2022/23. Turkey's 2022/23 cotton mill use is forecast to remain at a record 8.6 mbbls, or 7% of the global total.

Meanwhile, 2022/23 cotton mill use expectations are slightly higher than the year before for several other major-spinning countries, including Pakistan, Bangladesh, and Vietnam. Textile mills in these countries are expected to have access to plentiful supplies as imports for these countries are projected to increase in 2022/23. For Pakistan, 2022/23 cotton mill use is forecast at 11.1 mbbls, 100,000 bales (1%) above 2021/22 and the highest since 2008/09 when the same amount of cotton was used. Similar increases are also expected for Bangladesh and Vietnam in 2022/23, with cotton mill use forecast at 8.9 mbbls (+100,000 bales) and 7.5 mbbls (+100,000 bales), respectively; textile capacity continues to expand in these countries, with cotton mill use expected to reach record levels in 2022/23.

Global Cotton Trade To Rise; Stocks To Decline

Leading global cotton exporters



Note: 1 bale = 480 pounds

Source: USDA, World Agricultural Supply and Demand Estimates reports.

Despite a slight decrease in world cotton mill use in 2022/23, global cotton trade is forecast to increase 5% from 2021/22. World cotton trade in 2022/23 is forecast at 47.5 mbbls, 2.3 million above the year before (figure 5). Higher trade expectations are projected mainly for Brazil and Australia, as increased supplies for each country are expected to push exports to their second highest on record. Brazil's cotton exports are forecast at 9.8 mbbls (+1.9 mbbls) in 2022/23, while Australia's exports are projected to reach 5.7 mbbls (+1.3 mbbls). Somewhat offsetting these gains, however, are decreases for the United States and India. While U.S. cotton exports are forecast to decrease 250,000 bales to 14.5 mbbls in 2022/23, shipments from India are projected to decline 300,000 bales to 4 mbbls.

With global cotton mill use projected to slightly exceed production in 2022/23, stocks are expected to decrease once again. World ending stocks are forecast at 82.8 mbbls

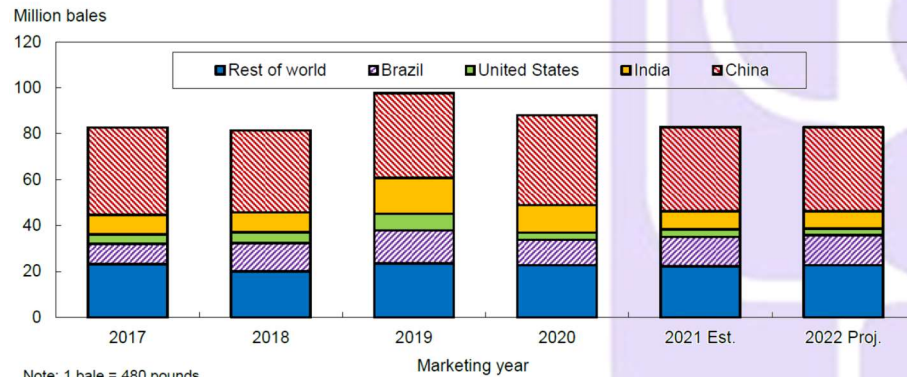
by the end of 2022/23, compared with 83 mbfs for 2021/22. As a result, the 2022/23 global stocks-to-use ratio is forecast to remain flat for consecutive years. At 68%, the stocks-to-use ratio would be among the lowest since 2010/11 and is supportive of global cotton prices.

Citation: Meyer, Leslie A. and Taylor Dew, Cotton and Wool Outlook, CWS-22f, U.S. Department of Agriculture, Economic Research Service, June 14, 2022.

➤ **World Cotton Stock Decline Slows in 2022/23**

14 June 2022 USDA ERS - The latest USDA cotton projections for 2022/23 (August-July) indicate a slight decline in global cotton ending stocks, compared with 2021/22, as mill use remains above production. World stocks are projected at 82.8 mbfs at the end of 2022/23, the lowest in 4 years (figure 1). This season's stock decline is led by the United States and India, although moderated somewhat by a projected increase for Brazil. China—the largest stockholder—is forecast to account for 44% of the 2022/23 global cotton stock total, while Brazil and India contribute an additional 16% and 9%, respectively.

Global cotton ending stocks



Note: 1 bale = 480 pounds.

Source: USDA, World Agricultural Supply and Demand Estimates reports.

Global cotton production is forecast nearly 4% higher at 121.3 mbfs in 2022/23, the result of increased area. World cotton mill use is projected marginally lower at 121.5 mbfs, as inflationary pressures impact the global economy. World cotton trade, however, is expected to rebound to its second highest on record, with the United States and Brazil the largest exporters. Meanwhile, elevated cotton prices are expected to continue in 2022/23 as the global stocks-to-use ratio remains at one of the lowest levels of the previous 10 years.

➤ **USDA – U.S. Cotton**

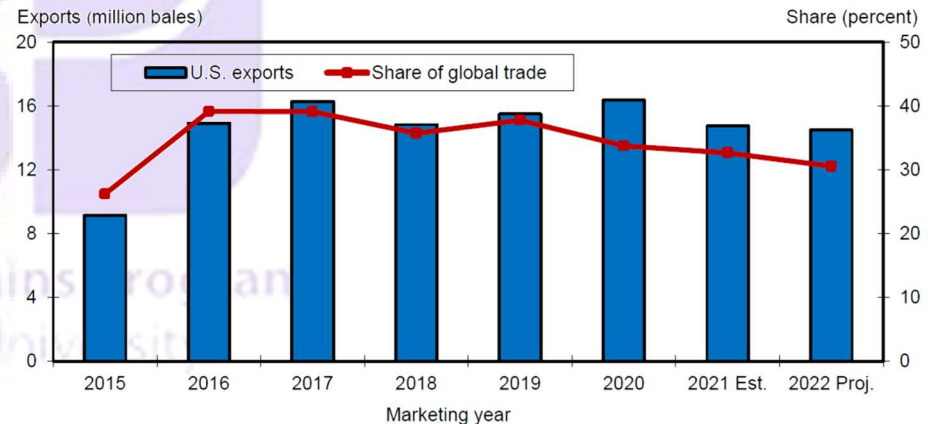
Cotton United States as of June 2022					
Attribute	22/23 Jun'22	Change	22/23 May'22	21/22	20/21
Area Harvested (1000 HA)	3,697	-	3,697	4,157	3,325
Beginning Stocks (1000 480 lb. Bales)	3,400	-	3,400	3,150	7,250
Production (1000 480 lb. Bales)	16,500	-	16,500	17,523	14,608
Imports (1000 480 lb. Bales)	5	-	5	5	1
Total Supply (1000 480 lb. Bales)	19,905	-	19,905	20,678	21,859
Exports (1000 480 lb. Bales)	14,500	-	14,500	14,750	16,371
Use (1000 480 lb. Bales)	2,500	-	2,500	2,550	2,400
Loss (1000 480 lb. Bales)	5	-	5	-22	-62
Total Dom. Cons. (1000 480 lb. Bales)	2,505	-	2,505	2,528	2,338
Ending Stocks (1000 480 lb. Bales)	2,900	-	2,900	3,400	3,150
Total Distribution (1000 480 lb. Bales)	19,905	-	19,905	20,678	21,859
Stock to Use % (PERCENT)	17.06	-	17.06	19.65	16.78
Yield (KG/HA)	972	-	972	918	957

14 June 2022 USDA ERS

➤ **U.S. Cotton Demand and Stock Estimates Also Unchanged**

U.S. cotton demand (exports plus mill use) for 2022/23 is projected at 17 mbfs—unchanged from the May forecast—compared with the 2021/22 estimate of 17.3 mbfs. The slightly lower 2022/23 forecast is attributable to expectations for the smallest U.S. cotton supply since 2015/16. Additionally, export competition from other countries as well as the global economic uncertainties are expected to limit demand for U.S. cotton in 2022/23.

U.S. cotton exports and share of global trade



Note: 1 bale = 480 pounds.

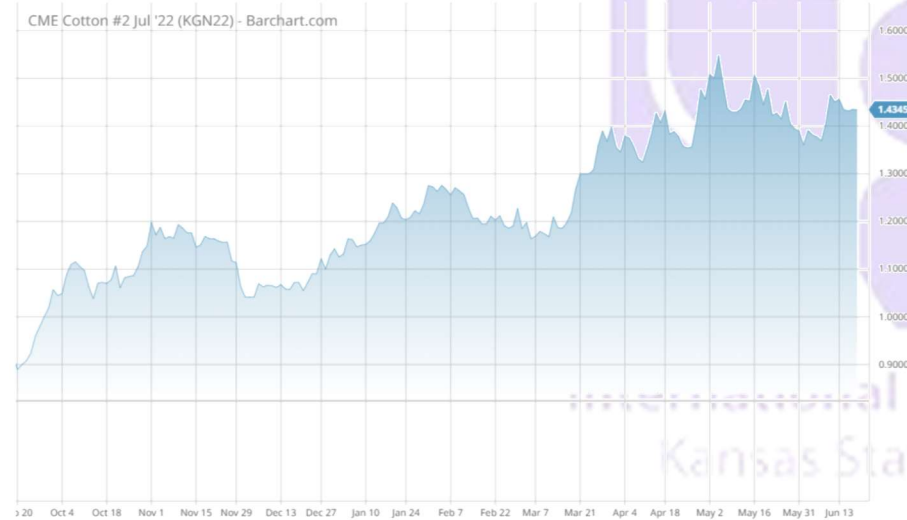
Source: USDA, World Agricultural Supply and Demand Estimates reports.

U.S. cotton exports in 2022/23 are forecast at 14.5 mbfs, 250,000 bales below 2021/22 and the lowest in 7 years (figure 3). In addition to lower domestic supplies,

increased competition supporting a relatively flat global cotton mill use projection for 2022/23 is expected to keep U.S. cotton exports below the 5-year average. Nevertheless, the United States is forecast to remain the world's leading cotton exporter, but other producing countries—like Brazil and Australia—are expected to have larger supplies to compete on the global market compared with the previous year. As a result, the 2022/23 U.S. share of global trade is forecast to decrease to 30.5%, the lowest since 2015/16. However, U.S. cotton exports are forecast to account for more than 85% of U.S. cotton demand in 2022/23, similar to the 5-year average. Meanwhile, U.S. cotton mill use is projected at 2.5 mbbls in 2022/23, slightly below 2021/22; high cotton prices and a shift away from clothing purchases by consumers amid economic uncertainties is expected to limit U.S. cotton spinning operations in 2022/23.

Based on USDA's June supply and demand estimates, 2022/23 U.S. cotton ending stocks are projected at 2.9 mbbls, 500,000 bales (nearly 15%) below the beginning level and the lowest in 6 years, when ending stocks were 2.75 mbbls. Meanwhile, the stocks-to-use ratio is projected at a relatively low 17% in 2022/23, compared with an estimated 20% for 2021/22 and 17% in 2020/21. With projected U.S. ending stocks at their lowest since 2016/17, the 2022/23 U.S. upland farm price is forecast to increase from an estimated 92 cents per pound for 2021/22 to a record 95 cents/pound.

➤ **CME Cotton – Daily Nearby**



CME July 2022 Cotton Futures settled on Friday at \$143.45/cwt, up \$0.08/cwt on the day, but losing \$1.61/cwt for the week.

Friday's cotton trade left the board red going into the weekend. July futures held gains into the afternoon, but ultimately settled 8 points weaker.

New crop December22 cotton closed at \$118.29/cwt, down 94 points, as futures bounced off their early session lows, but were still down 45 to 94 points by the bell.

The Commitment of Traders report showed managed money firms were buying cotton through the week that ending the 14th of June. The 1.6k new longs to 817 new shorts increased the group's net long by 845 to 63,250 contracts. The commercials reduced exposure through the week, closing 7.5k longs and 5.2k shorts. That left the group 2.3k contracts more net short to 104,666 contracts.

USDA's weekly Cotton Market Review showed the price for the 1,428 bales sold during the week was 139.18 cents/lb. The Cotlook A index was 25 points weaker on 6/16 to 161.05 cents. USDA raised the Adjusted World Price for cotton by 6.06 cents to 140.47 cents/lb.

ENERGY

➤ **NYMEX WTI Crude Oil – Daily Nearby**



NYMEX July 2022 WTI Crude Oil Futures settled on Friday at \$108.59/barrel, off \$6.66 on the day, and losing \$12.29 for the week.

July WTI crude oil (CLN22) on Friday closed down -8.03 (-6.83%), and July RBOB gasoline (RBN22) closed down -16.28 (-4.12%).

➤ **Crude Oil Sinks On Concerns Fed Will Slow Energy Demand**

17 June 2022 Rich Asplund, Barchart - Crude oil and gasoline prices Friday sold off to 3-week lows and are closed sharply lower. A stronger dollar Friday undercut energy prices. Also, comments Friday from Fed Chair Powell, who said the Fed would do whatever is necessary to contain inflation, have bolstered speculation that

an aggressive Fed will drive the U.S. economy into recession, which is bearish for energy demand and crude prices.

Friday's U.S. economic data was weaker than expected and was bearish for energy demand and crude prices. U.S. May manufacturing production unexpectedly fell -0.1% m/m, weaker than expectations of +0.3% m/m and the first decline in four months. Also, U.S. May industrial production rose +0.2% m/m, weaker than expectations of +0.4% m/m.

A bearish factor for crude prices is concern that China's economy will be slow to reopen from pandemic lockdowns after Beijing reported Wednesday more than 50 Covid cases for the fifth day in a row, and Shanghai said it will arrange a round of mass Covid testing every weekend until the end of July. Shanghai lifted its two-month lockdown on June 1 but shut down most of the city Saturday to undertake mass Covid testing.

A bullish factor for crude is Libya's sharp drop in crude output. The country's oil minister said Monday that Libya's crude output is only 100,000 bpd, down by about 1.1 million bpd, as "almost all the oil and gas activities in the east of Libya are being shut down" due to armed government protesters. Libya's May crude production fell 140,000 bpd to 760,000 bpd, the smallest amount in 1-1/2 years.

Crude prices have support after EU leaders recently agreed on the sixth package of sanctions against Russia, including a partial ban on Russian crude. The sanctions would forbid the purchase of crude oil and petroleum products from Russia delivered by sea but include a temporary exemption for pipelines. Also, the EU's ban gives an exemption to Hungary, which would continue to receive Russian pipeline oil.

Crude oil has support from ongoing concern that Russia may use energy as a weapon against countries that imposed sanctions for its attack on Ukraine. Russia has already halted natural gas shipments to Denmark, Finland, Bulgaria, the Netherlands, and Poland and reduced supplies to Germany for not paying for Russian gas in rubles. Russia is trying to force its European customers to pay rubles for its oil and gas exports.

The amount of crude held worldwide in floating storage on tankers has increased and is bearish for prices. Vortexa reported Monday that the amount of crude stored on tankers that have been stationary for at least a week in the week ended June 10 rose by +12% w/w to 103.11 million bbl.

Wednesday's weekly EIA report showed that (1) U.S. crude oil inventories as of June 10 were -14.3% below the seasonal 5-year average, (2) gasoline inventories were -10.4% below the 5-year average, and (3) distillate inventories were -22.5% below the 5-year average. U.S. crude oil production in the week ended June 10 rose +0.8% w/w to a 2-year high of 12.0 million bpd, which is -1.1 million bpd (-8.4%) 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 June 17 rose by +4 rigs to a 2-year high of 584 rigs. 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



NYMEX July 2022 Natural Gas Futures settled on Friday at \$7.013/MMBtu, off 45.1 cents on the day, and losing \$1.753 cents for the week.

July Nymex natural gas (NGN22) on Friday closed down -0.520 (-6.97%).

➤ Nat-Gas Lower As Reduced U.S. LNG Exports To Boost Inventories

17 June 2022 Rich Asplund, Barchart – Nat-gas prices Friday tumbled to a 5-week low and settled sharply lower. The outlook for rebuilding U.S. nat-gas inventories due to reduced exports sent prices sharply lower Friday. Freeport LNG Friday declared force majeure on its LNG shipments loading from its fire-damage export plant until the first week of September.

U.S. nat-gas inventories may climb after a fire last week at the Freeport, Texas LNG terminal curtailed U.S. nat-gas exports. The Freeport terminal said Tuesday that it is targeting 90 days for a partial restart, but a return to full operations isn't expected until later this year. The 90-day timeline is much longer than the three weeks that were initially anticipated. U.S. nat-gas inventories are likely to increase since exports will be limited. The Freeport LNG terminal receives about 2 bcf, or 2.5%, of the output from the lower 48 U.S. states.

A supportive factor for nat-gas prices is the expectations of hot U.S. temperatures to boost nat-gas demand from electricity providers to power the increased demand for air-conditioning. The Commodity Weather Group said Friday that above-normal temperatures are seen over most of the U.S. through June 26.

Nat-gas prices have support after Russia recently said that foreign buyers of its gas would need to open special ruble and foreign currency accounts to buy Russian gas.

Russia has already halted nat-gas shipments to Denmark, Finland, Bulgaria, the Netherlands, and Poland and reduced supplies to Germany for not paying for Russian gas in rubles.

Stronger U.S. nat-gas production is bearish for prices as BNEF data showed lower-48 dry gas production Friday at 95.0 bcf, up +2.7% y/y.

Above-normal temperatures in the U.S. have boosted domestic nat-gas demand is bullish for prices as BNEF data shows lower 48-state nat-gas demand Friday was 71.2 bcf, up +8.4% y/y.

Strength in U.S. nat-gas exports is bullish for prices as BNEF data shows LNG net flows to U.S. LNG export terminals on Friday was 11.0 bcf, up +1.3% w/w.

A decline in U.S. electricity output is bearish for nat-gas demand from utility providers. The Edison Electric Institute reported Wednesday that total U.S. electricity output in the week ended June 11 fell -5.9% y/y to 81,976 GWh (gigawatt hours). However, cumulative U.S. electricity output in the 52-week period ending June 11 rose +2.5% y/y to 4,091,334 GWh.

As a longer-term bullish factor, the ongoing drought in the U.S. West has drained rivers and reservoirs, with Lake Mead recently falling to a record low. That threatens to curb power produced by hydropower dams and will prompt electric utilities in the U.S. West to boost usage of nat-gas to increase electricity to satisfy power demand for air-conditioning this summer. The U.S. Energy Information Administration said on June 1 that the drought could drive down generation at California's hydro dams between June and September to 7 million megawatt-hours, well below the 13 million megawatt-hour median for summer generation between 1980 and 2020.

Thursday's weekly EIA report was bearish for nat-gas prices as it showed U.S. nat-gas inventories rose +92 bcf to 2,095 bcf in the week ended June 10, above expectations of +90 bcf and above the 5-year average of +79 bcf. However, inventories remain tight and are down -13.7% y/y and -13.4% below their 5-year average.

Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended June 17 rose +3 to a 2-3/4 year high of 154 rigs. Active rigs have more than doubled from the record low of 68 rigs posted in July 2020 (data since 1987).

TRANSPORTATION

➤ **Baltic Dry Freight Index – Daily = 2462**



The Baltic Dry Index is reported daily by the Baltic Exchange in London. The index provides a benchmark for the price of moving the major raw materials by sea. The index is a composite of three sub-indices that measure different sizes of dry bulk carriers: Capesize, which typically transport iron ore or coal cargoes of about 150,000 mts; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 mts; and Supramax, with a carrying capacity between 48,000 and 60,000 mts.

Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time-charter basis, for dry bulk carriers carrying a range of commodities including coal, iron ore, grain, and other commodities.

Because dry bulk primarily consists of materials that function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production.

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

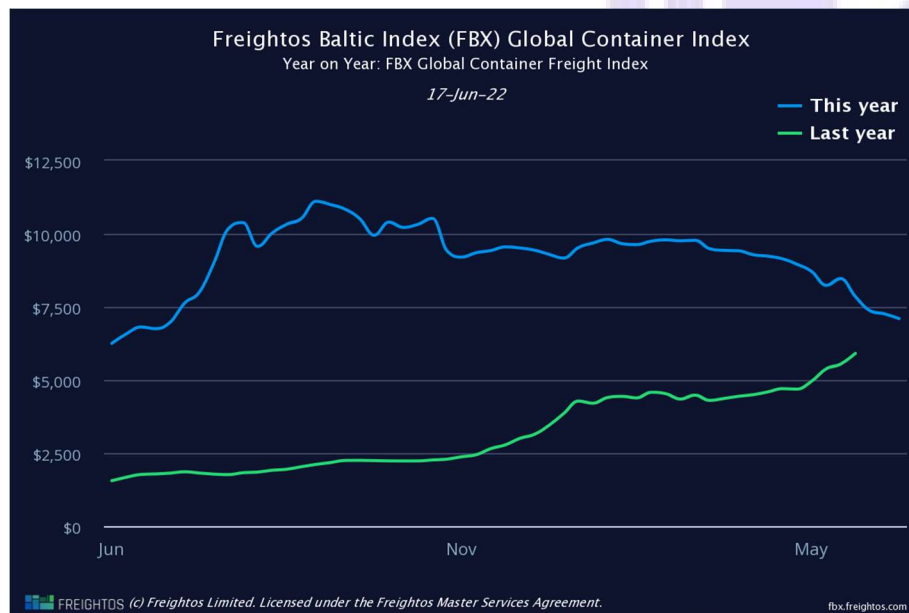
➤ **Baltic Dry Index - logs weekly gain on firm vessel demand**

17 June 2022 Reuters –The Baltic Exchange's main sea freight index rose for a fourth straight session and booked its first weekly gain in four on Friday, propelled by stronger demand across vessels.

- The overall index, which factors in rates for capesize, panamax and supramax vessels, added 116 points, or 4.7%, to 2,578.
- The index was up 11.1% for the week.

- The capesize index gained 285 points, or 10.6%, to 2,987, notching a weekly rise of 26%, its biggest since mid-May.
- Average daily earnings for capesizes, which typically transport 150,000-tonne cargoes such as iron ore and coal, rose by \$2,365 to \$24,776.
- The gains came even as Dalian iron ore extended losses to a sixth session after Chinese steel mills opted to reduce output amid weak profits and deteriorating demand prospects.
- The panamax index added 72 points, or 2.6%, to 2,862 points.
- The index has gained nearly 9% this week, its best week since mid-April.
- Average daily earnings for panamaxs, which usually carry coal or grain cargoes of about 60,000-70,000 tonnes, increased by \$644 to \$25,757.
- The supramax index edged up 7 points to 2,467. (Reporting by Arundhati Sarkarin. (Reporting by Rahul Paswan in Bengaluru; Editing by Aditya Soni).

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



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

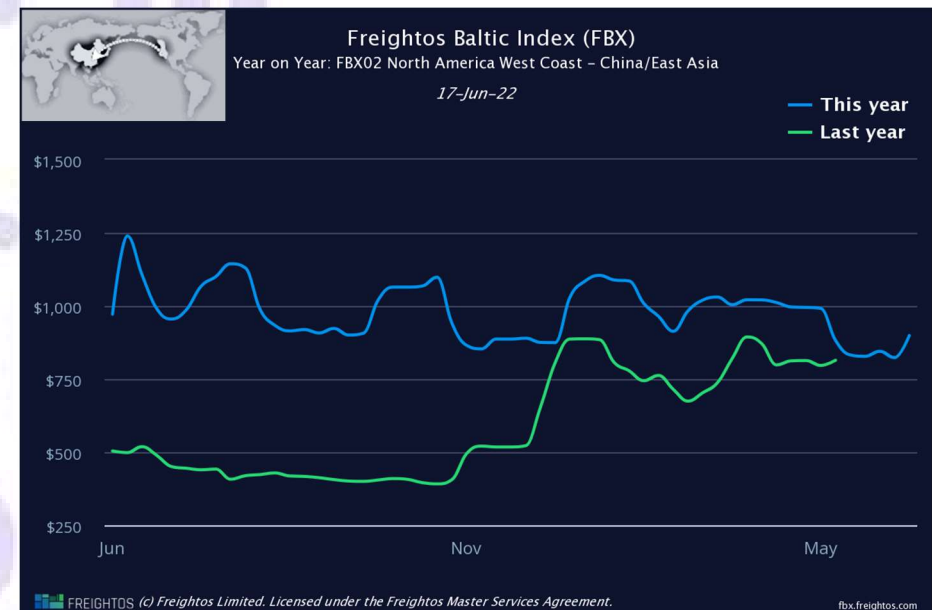
FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).

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.

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



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

➤ **The current freight charges seem to be reducing**

The decline in freight rates was largely attributable to the slow recovery of global trade post Covid-19 pandemic, surge in US inflation (US recorded a 40-year high inflation of 8.6% for May 2022, cf. an average of 1.75% seen during 2010-19), conflict between Russia and Ukraine and lockdowns in China.

Current freight charges for a 40' container hovers around USD 7,851.0, which depicts a decline of 21.8%YTD (up 10.4%YoY), the FBX index said. .

Sri Lanka logistics sector enjoyed high margins post Covid-19 benefitted by record high freight rates prevailed during the period. Several key players in the industry including Expolanka Holdings (EXPO), Aitken Spence (SPEN) and Hayleys Advantis (subsidiary of HAYL) enjoyed EBIT margins as high as 12.4%, 29.6% and 12.2% respectively in FY22.

"Meanwhile, with the present prevailing freight rates (down 21.8%YTD and up 10.4%YoY) we may see pressure on dollarized EBIT margins in the coming quarters," says 'FREIGHT RATES PLUNGE, DOLLAR MARGINS UNDER PRESSURE' report compiled by First Capital.

"However, taking into consideration the steep depreciation of the Sri Lankan Rupee (depreciated c. 80%YoY and YTD), together with improved volumes due to recovery of global material prices and re-opening of borders in China (IMF expects global trade to grow at a CAGR of 3.6% between 2022-23), are expected to offset the impact and aid to maintain steady margins.

The report says that due to this Dollar margins too would be under pressure.

➤ Illinois River Barge Freight

17 June 2022 – Indicative values, "bid/offer", as a percent of tariff (1976 benchmark rates short ton (2,000 lbs)). Use to calculate "Delivery Value Equivalents" (DVE).

IL RIVER FREIGHT

	6/16/2022	6/17/2022	
wk 6/12	470/490	470/490	UNC
wk 6/19	475/490	475/490	UNC
wk 6/26	485/500	485/500	UNC
wk 7/3 & 7/10	490/510	490/500	
wk 7/17- 7/31	515/535	510/530	
wk 8/7 & 8/14	575/625	575/625	UNC
wk 8/21 & 8/28	625/675	625/675	UNC
wk 9/4 & 9/11	725/775	725/775	UNC
wk 9/18 & 9/25	800/825	800/825	UNC
Oct	850/900	850/900	UNC
Nov	700/750	700/750	UNC
Dec	625/675	625/675	UNC
Jan	650/700	650/700	UNC
Feb	600/625	600/625	UNC

LOGISTICS

➤ Russia's wheat exports capped as vessels shun Black Sea ports

16 June 2022 S&P Global - Food Security, War in Ukraine

- Exportable surplus set to grow to 41 mil mt for 2022-23: IKAR
- Russia will struggle to export over 3 mil mt/month: traders
- Panamax owners most reluctant to load from Russia

As the global leaders fret about food inflation, Russia is preparing to reap one of its largest-ever wheat crops, but the country is likely to show a sharp year-on-year fall in shipments for the first two months of the marketing year as larger vessels avoid the country's Black Sea ports, according to traders.

"The surplus is there, the bottleneck is execution," one trader said. "July to August [will be] rather modest shipment months in comparison with the potentially great crop," said Russian agriculture consultancy IKAR, putting Russia's 2022 crop at 87 mmts, of which 41 mmts would be available for export.

To achieve the export potential assessed by IKAR, Russia would need to export an average of 3.4 mmts a month, but three market participants told S&P Global Commodity Insights that it's unlikely for Russian exporters to ship more than 3 mmts a month.

For comparison, Russia produced 75 mmts in the 2021-22 marketing year (July-June), with exports totaling 33 mmts, according to the USDA's most recent report. However, Russia's grains exports tend to be concentrated at the start of the marketing year and they have sometimes exceeded 5 mmts/month.

"Russia has failed to do more than 3 mmts/month over the last three months [March to June] mainly due to freight shortages out of Russia, [issued with] credit lines and payments ... what's different for July to August?" a second trader asked. "July to August export availability is way less than the [upcoming] demand ... the market will realize it in next 15 days."

The country will account for 18% of globally traded wheat in 2022-23, according to the USDA. In the department's estimates, that would partly compensate for a 9 mmts year-on-year decline in wheat exports from Ukraine, where deep sea ports have been closed since Russia's invasion began in end-February.

Russia's challenges were evident in the most recent tender by GASC, Egypt's state grains board, which was the first of the 2022-23 marketing year. GASC, which is one of the world's largest wheat buyers, received 16 offers, but just three from Russia. It accepted eight offers – totaling 465,000 mt of wheat – including all of the Russian ones.

Wheat is typically sold to GASC in 60,000 mt parcels on an FOB basis, with the board holding a separate tender for the freight. However, the Russian wheat offered in this tender was offered on a delivered basis, highlighting the reluctance of many shipowners to visit Russian ports.

This reluctance is greatest among the owners of Panamax, and their larger ships are preferred for the longer routes. "Handy and supra are feasible at a premium ... for everything Panamax, they will be struggling," the first trader said..

GOVERNMENT

➤ **Biden Signs Ocean Shipping Reform Bill**

It's been about a year since Rep. Dusty Johnson (R-SD) and John Garamendi (D-CA) first introduced their Ocean Shipping and Reform Act to help alleviate bottlenecks at U.S. ports and, in a signing ceremony on Thursday, President Joe Biden finally signed it into law.

"This bill will make progress reducing costs for families and ensuring fair treatment for American businesses—including farmers and ranchers," Biden said in a statement released soon after the House approved the bill Monday with a 369 to 42 vote.

The bill "couldn't have come at a more needed time for the United States and the world as changes from the Ocean Shipping Reform Act will enable more U.S. agricultural products to reach the global marketplace," said National Association of State Departments of Agriculture CEO Ted McKinney.

U.S. ag is expected to be one of the sectors that gains the most from bill, so leaders of some of the biggest ag groups were invited to the White House on Thursday. They include Cathy Burns, CEO of the International Fresh Produce Association; Dave Puglia, president and CEO of Western Growers; Michael Dykes, President and CEO of the International Dairy Foods Association; and Jim Mulhern, President and CEO of the National Milk Producers Federation.

➤ **US Signs Pact to Help Restore Ukraine's Ag Sector**

16 June 2022 Agri-Pulse - reports that U.S. Agriculture Secretary Tom Vilsack met with Ukrainian Minister of Agrarian Policy and Food Mykola Solskyi at a United Nations meeting on Thursday to sign a memorandum of understanding that commits U.S. assistance over the next three years. The partnership has been "driven by the need to address the economic disruptions in the United States and worldwide due to the Russian war on Ukraine," USDA said in a news release.

"Ukraine needs the world's support," Vilsack said after the signing. "This MOU will amplify the strategic partnership between our two nations and leverage our collective strength to enhance productivity, address supply chain issues, and identify food security challenges."

Through the MOU, USDA says, the countries also agreed "to the consistent exchange of information and expertise regarding crop production, emerging technologies, climate-smart practices, food security, and supply chain issues to boost productivity and enhance both agricultural sectors." Furthermore, USDA's Foreign Agricultural Service will "provide Ukraine technical assistance for animal health, biosecurity, and sanitary and phytosanitary controls ... as Ukraine rebuilds its agricultural sector."

➤ **USDA Deputy Secretary to Lead United Kingdom Trade Mission**

16 June 2022 - Representatives from 37 U.S. agribusinesses and farm organizations will join U.S. Department of Agriculture (USDA) Deputy Secretary Dr. Jewel Bronaugh for an agribusiness trade mission to London, United Kingdom (UK), June 22-24. In addition to agribusinesses, Dr. Bronaugh will be joined by officials from the Georgia, Indiana, Maine, Massachusetts, Montana, New Mexico, North Dakota, Oregon, Pennsylvania, Texas, Washington, and Wisconsin departments of agriculture. Participants will engage directly with foreign buyers, receive in-depth market briefs from the FAS and industry trade experts, and participate in site visits. U.S. agricultural exports to the United Kingdom totaled \$1.9 billion in 2021.

International Crop & Weather Highlights

➤ **USDA/WAOB Joint Agricultural Weather Facility – 11th June 2022**

Europe – More Locally Heavy Rain, But Continued Dry And Hot In Spain

- Widespread moderate to heavy showers improved prospects for reproductive to filling winter wheat, barley, and rapeseed over much of Europe, but drier conditions lingered in northeastern Germany.
- Sunny, hot weather in Spain and southwestern France accelerated winter grain maturation and drydown. Furthermore, summer crops were now developing more than one week ahead of average.

Western FSU – Western And Eastern Showers, But Continued Dry In Southwestern Russia

- Warm, dry weather in southwestern Russia accelerated winter wheat through the filling stage of development, though crops were developing favorably overall due to heavy rain in early May.
- Locally heavy showers over Moldova and western Ukraine improved soil moisture for reproductive to filling winter crops. Rain also benefited vegetative spring grains in Russia's Volga District.

Eastern FSU – Additional Much-Needed Showers In The East

- Additional much-needed showers from northeastern Kazakhstan into the Siberia District improved soil moisture for spring grain and summer crop establishment.
- Rain returned to the western spring grain belt, maintaining abundant moisture for wheat and barley.
- Seasonably dry but hot weather in Uzbekistan and environs favored cotton development.

Middle East – Showers Expanded In Turkey

- Widespread showers in Turkey boosted moisture supplies for filling winter grains on the Anatolian Plateau and vegetative summer crops in western and northern growing areas.

- Seasonably dry, hot conditions from Syria into Iran promoted winter grain drydown and harvesting, though locally heavy showers in northeastern Iran slowed fieldwork.

South Asia – Slow Southwest Monsoon Onset

- The monsoon continued to advance slowly in India and showers were anomalously light, limiting moisture recharge for kharif crop sowing.

East Asia – Beneficial Moisture For Summer Crops

- Downpours continued in southern-most portions of China, causing localized flooding but maintaining ample moisture supplies for rice. Showers also benefited corn and soybeans in northeastern China.

Southeast Asia – Wet Weather Throughout The Region

- Widespread showers continued in the region, including typically drier southern sections, aiding seasonal rice and other crops.

Australia – Favorable Weather

- Widespread showers in the south and west further increased moisture supplies for winter grains and oilseeds, maintaining good early-season crop conditions and prospects.
- In the east, sunny but cool weather aided wheat development and late-season summer crop harvests.

South America – Showers Benefited Late Development Of Corn And Cotton

- Rain benefited corn and cotton in key production areas of central and southern Brazil.
- Clear skies aided seasonal fieldwork throughout much of Argentina.

Mexico – Showers Benefited Emerging Summer Crops

- Showers benefited corn and other rain-fed summer crops on the southern plateau.

Canada – Conditions Improved Somewhat For Spring Grain And Oilseed Planting

- Drier conditions supported planting activities in the eastern Prairies, though lingering wetness is preventing machinery usage in some fields.

Source: USDA <https://www.usda.gov/oce/weather-drought-monitor/publications>

➤ **U.S. Agricultural Weather Highlights – Friday, 17th June 2022**

In the West, scattered showers are mostly confined to the Pacific Northwest. However, signs of an early monsoon onset are underway in the Four Corners States, as indicated by increasing cloudiness and humidity, along with spotty showers. Elsewhere, water levels along the upper reaches of the Yellowstone River have begun to rise again, largely due to melting mountain snowpack, although secondary crests will remain far below the record-setting peaks achieved on June 13-14.

On the Plains, building heat, accompanied by dry weather, favors winter wheat maturation and harvesting. Hot weather is also promoting summer crop development,

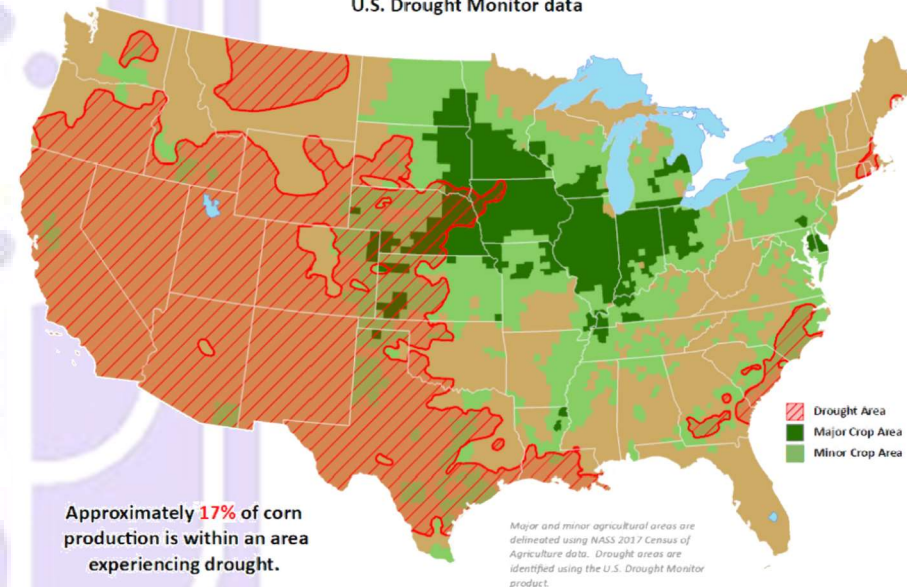
although acute soil moisture shortages persist across large sections of the High Plains, from Montana to Texas. On June 12, Texas led the region with topsoil moisture rated 79% very short to short.



This product was prepared by the USDA Office of the Chief Economist (OCE) World Agricultural Outlook Board (WAOB)

Corn Areas in Drought

Reflects June 14, 2022
U.S. Drought Monitor data



In the Corn Belt, slightly cooler weather prevails in the wake of a cold front's passage. Nevertheless, today's high temperature should still exceed 90°F from Nebraska into the lower Ohio Valley. Meanwhile, much of the Corn Belt is experiencing sunny weather, although strong thunderstorms are occurring early today in the middle Mississippi Valley.

In the South, hot, humid, unsettled weather prevails. Scattered showers and thunderstorms will become more numerous later today, providing local relief from extremely hot conditions. Today's high temperatures will approach or reach 100°F in many areas, including the Atlantic Coast States as far north as southeastern Virginia.

Outlook: During the next several days, a sprawling ridge of high pressure will result in mostly dry weather and significantly elevated temperatures across large sections of the country. Weekend high temperatures of 100°F or greater will be common across the Plains, with triple-digit heat briefly returning early next week in parts of the Midwest. By the middle of next week, the core area of extreme heat will shift southward, with 100-degree readings expected from Texas to the southern Atlantic States, extending as far north as the Ohio Valley.

In contrast, relatively cool weather will prevail during the next several days in New England and the Northwest. Significant precipitation should be confined to the

periphery of the high-pressure ridge, with 5-day totals exceeding 2 inches mostly limited to scattered locations in northern New England, southern Florida, the Four Corners States, and the Northwest.

The NWS 6- to 10-day outlook for June 22 – 26 calls for near- or above-normal temperatures and near- or below-normal precipitation across most of the country. Areas most likely to experience hotter-than-normal weather will extend northward from the Gulf Coast into the Corn Belt, while cooler-than-normal conditions will be confined to Maine and the Pacific Northwest. Meanwhile, wetter-than-normal weather should be limited to portions of the Four Corners States.

Contact: Brad Rippey, Agricultural Meteorologist, USDA/OCE/WAOB, Washington, D.C. (202-720-2397)

Web Site: <https://www.usda.gov/sites/def27ault/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

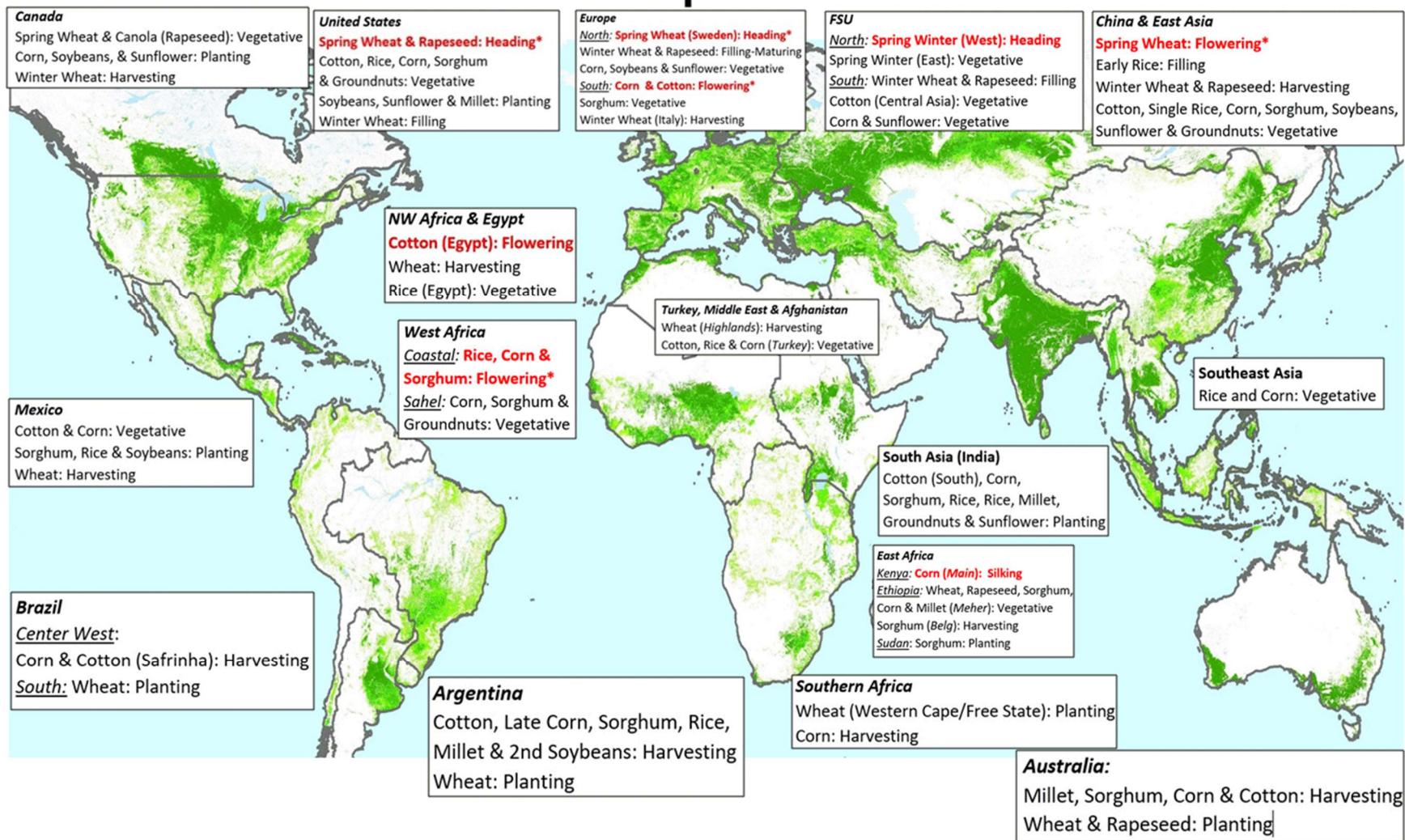
➤ **Marketing Years (MY)**

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.

June 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/june_calendar.gif